SEG | Software Equity Group

# 2Q26

## Quarterly **SaaS Report**

# You're getting pinged nonstop by potential buyers.

## One email turns into a call, then an NDA, then...uncertainty.

> **What's real? What's risky? What's worth your time?**
> We guide you through it all, making every conversation strengthen your position.

PRESSURE-TEST YOUR OPTIONS

THE BUYER-ALIGNED FRAMEWORK

# We rebuilt the valuation framework. Here's what changed.

**When strategic buyers and financial investors evaluate a software company, they run through a checklist of factors to determine whether a business is durable and scalable, and whether the story holds together under pressure.**

Inside the guide:

- The qualitative and quantitative factors weighed the most heavily, with benchmark ranges for each
- What strong, average, and concerning look like on every metric, and what buyers infer from where you land
- How specific factors interact, like why strong NRR built on weak GRR doesn't hold up the way it appears to

**GET THE REVISED FRAMEWORK**

# SEG's Perspective on the Software & SaaS Landscape

Thank you for taking the time to explore our latest research report. Since 2001, we've been committed to tracking the ever-evolving software industry, and we're honored to have software executives, investors, and professionals like you as our valued readers.

Throughout this report, we examine the transaction activity, valuation trends, buyer behavior, operating performance, and market dynamics shaping the SaaS landscape through the first half of 2026 so you can make more informed, strategic decisions and investments.

The first half of 2026 showed a SaaS market that remains active, but far more selective. M&A volume stayed strong, with buyer interest concentrated around software that controls enterprise data, powers core workflows, and provides the infrastructure for greater automation and intelligence. Public SaaS and M&A valuations, meanwhile, remain under pressure despite continued improvement in revenue, profitability, and cash flow.

Artificial intelligence is massively accelerating changes in how M&A targets and public SaaS companies are valued. It is changing how buyers assess strategic fit, how investors evaluate defensibility, and which categories attract the most interest. Companies that own differentiated data, sit within mission-critical workflows, and can use AI to deepen customer value are becoming more strategically important, while businesses with limited differentiation or unclear exposure to AI-driven disruption are facing greater scrutiny.

For software executives and investors, the central takeaway is that strong financial performance remains necessary, but it is no longer enough on its own to support a premium outcome. The businesses best positioned in this environment are those that combine durable growth, disciplined profitability, strong retention, and differentiated products with proprietary data, embedded customer workflows, and a credible ability to use AI to strengthen their value proposition over time.

GET IN TOUCH


**Austin Hammer**
Principal

**Paxton Earl**
Senior Analyst

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# 2Q26 SaaS Overview

- The first half of 2026 was defined by a widening disconnect between operating performance and market pricing. Public SaaS valuations came under significant pressure as investors reassessed competitive positioning, defensibility, and long-term growth in an AI-driven market. At the same time, macro uncertainty, geopolitical risk, commodity volatility, and shifting expectations for inflation and economic growth created a more difficult backdrop for equities broadly. Even within that environment, software and SaaS M&A activity remained resilient.

- Macro conditions turned more volatile through the first half. Real GDP grew 2.1% in 1Q26, while early tracking for 2Q26 has cooled to roughly 1.3%, reflecting softer consumer spending and a weaker trade contribution. CPI eased to 3.5% YoY in June, down from a 4.2% May print that had been the highest since 2023. Energy prices retreated following a temporary U.S.-Iran ceasefire, but the conflict's resumption has renewed uncertainty around the inflation outlook for the second half.

- Public SaaS began to stabilize in 2Q26 after the sharp early-year selloff, with the SEG SaaS Index™ recovering nearly 10 percentage points from its April low to finish June down 22.1%. Cybersecurity materially outperformed, reflecting the rising strategic importance of mission-critical protection in an AI-enabled threat environment. More broadly, select high-growth and highly profitable companies continued to command premium valuations, supporting a credible path toward broader recovery if growth and operating momentum continue to strengthen.

- 2Q26 recorded 698 SaaS transactions, up 9.6% YoY, while TTM volume increased 16.0% to 2,784 deals, the most active twelve-month period on record. First-half activity suggests 2026 is tracking broadly in line with the elevated level reached in 2025. Buyers are concentrating activity around companies with clear strategic fit, AI relevance, proprietary data, embedded workflows, and the ability to strengthen an acquirer's product and competitive positioning.

**16%** TTM SaaS M&A deal volume increase

- SaaS M&A valuations are beginning to reflect the repricing already visible in public markets. The median EV/TTM revenue multiple declined from 4.2x to 4.0x, while 75.0% of disclosed 2Q26 outcomes were below 5.0x and 62.5% were below 4.0x. Typical transactions are therefore clearing at lower levels, but premium assets continue to attract strong valuations.

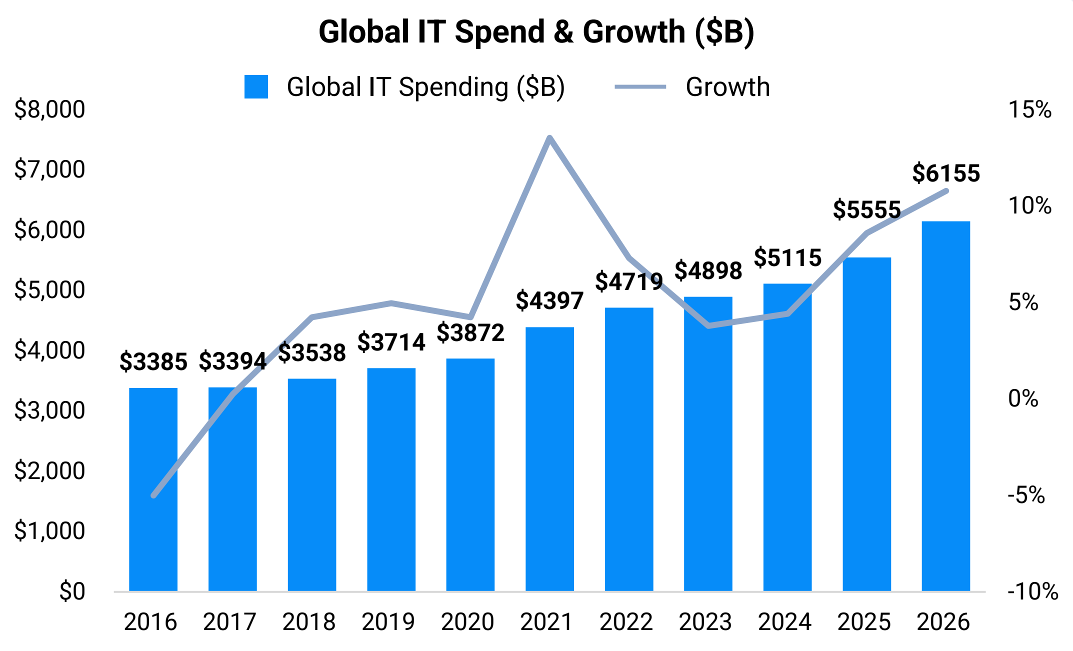
- Public SaaS fundamentals continued to improve even as valuations compressed, widening the gap between operating performance and market pricing. Revenue growth also improved sequentially, suggesting the potential for renewed expansion after a period of moderation. Strong cash generation and healthy balance sheets are giving well-capitalized companies meaningful dry powder for acquisitions and buybacks, while lower public valuations are making potential SaaS targets increasingly attractive to strategic buyers and private equity investors.

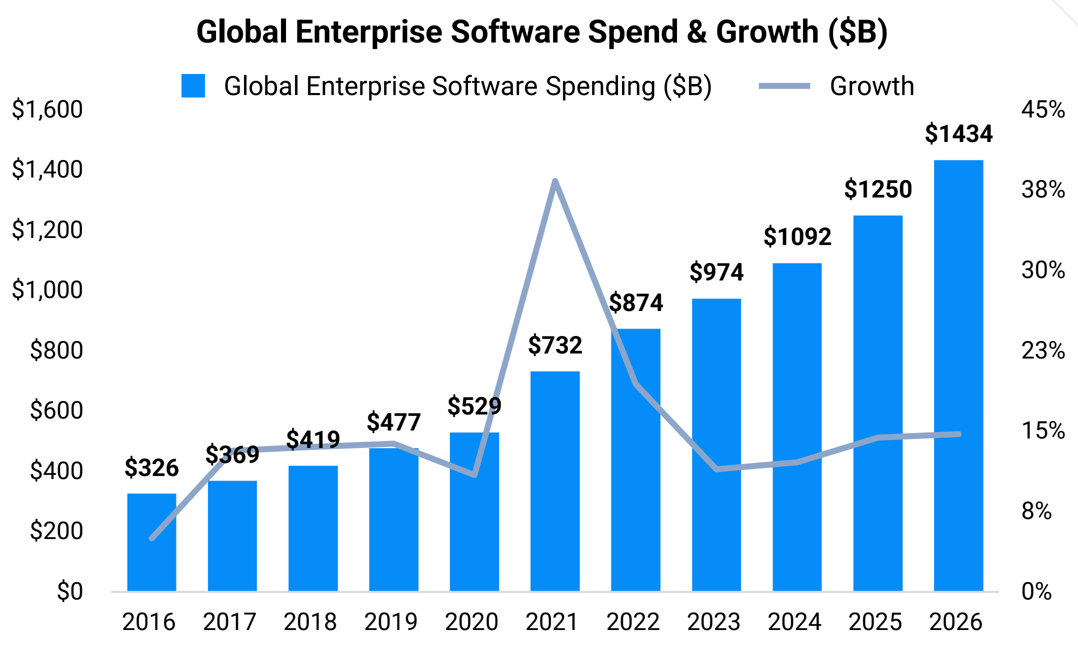
See appendix for sources.

# Global IT & Enterprise Software Spend Outlook(1)

Global IT spending is entering a new phase of accelerated growth, supported by the continued buildout of AI infrastructure. Overall spending is projected to increase from \$5.56T in 2025 to \$6.16T in 2026, representing nearly 11% YoY growth. Data center systems remain the primary catalyst, with spending expected to rise from \$496B to \$653B, an increase of nearly 32.0%, as enterprises continue investing in AI compute, storage, and supporting infrastructure. Enterprise software is the second-fastest-growing major IT category, with spending forecasted to increase nearly 15.0% from \$1.25T in 2025 to more than \$1.43T in 2026. Software is also the second-largest IT spending category behind IT services, reinforcing its central role in the broader technology ecosystem. As AI infrastructure expands, software increasingly becomes the layer through which enterprises access, manage, and apply AI, supporting demand for AI-enabled functionality, deeper workflow integration, and platforms that translate infrastructure investment into measurable business outcomes.






(1) See appendix for source.

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# SaaS M&A Highlights

- Aggregate software M&A volume declined to 972 transactions in 2Q26, the first quarter since 2Q24 with fewer than 1,000 announced deals. Activity fell from 1,118 transactions in 1Q26 and 1,204 in 2Q25, although TTM volume remained essentially flat YoY at 4,437 transactions. The decline suggests that broader public market uncertainty and increased selectivity may be beginning to influence software M&A, even as overall activity remains historically elevated.

- SaaS M&A proved more resilient. The quarter recorded 698 transactions, up 9.6% from 637 in 2Q25, while TTM volume increased 16.0% to 2,784 deals, the most active period tracked. Based on first-half activity, 2026 is currently pacing broadly in line with the elevated level reached in 2025. Thus, there hasn't been a negative impact yet to SaaS M&A as a result of the public market turbulence and AI uncertainty.

698 SaaS M&A Deals in 2Q26

- PE direct platform investments represented only 6.3% of SaaS transactions in 2Q26, remaining below the roughly 10% share they have historically represented. By contrast, strategic buyers remained highly active across AI, cybersecurity, developer tools, and data infrastructure. Salesforce completed 12 SaaS acquisitions over the TTM. Buyers are prioritizing targets that can quickly add AI capabilities, proprietary data, embedded workflows, or product breadth rather than requiring them to underwrite an entirely new platform thesis in the current market.

- SaaS M&A valuations remained relatively stable, with the median EV/TTM revenue multiple holding near 4.0x and the average staying above 6.0x, at 4.0x and 6.2x, respectively. The distribution of disclosed outcomes provides additional context around the headline figures. 75.0% of announced multiples were below 5.0x and 62.5% were below 4.0x, while scarce assets with differentiated data, security, AI capabilities, or mission-critical workflows continued to achieve premium outcomes. Transactions such as Salesforce's acquisition of Fin at 9.5x, Thoma Bravo's acquisition of kneat.com at 9.1x, and Rubrik's acquisition of Strata Identity at 7.5x demonstrate that buyers will still pay up when a target clearly strengthens an existing platform.

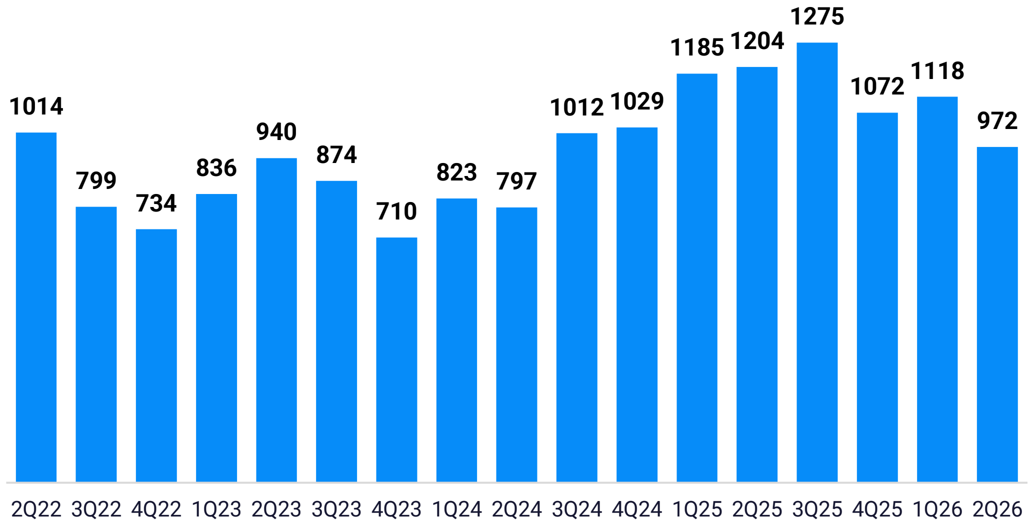
**4.0x** Median SaaS EV/TTM Revenue Multiple

- AI-referenced SaaS transactions increased from 472 in 2019 to 1,872 in 2025, while the first half of 2026 added another 1,028 deals. In 2Q26 alone, 542 AI-referenced acquisitions represented 77.7% of all SaaS M&A, compared with 66.2% in 2Q25 and 54.1% in 2024. Major transactions spanned coding, infrastructure, customer service, data collaboration, and biometric security, illustrating how broadly AI is reshaping the software landscape. For software executives and investors, the broader takeaway is that AI is not reducing the value of vertical SaaS. It is increasing the strategic importance of companies that can apply AI within deeply embedded, mission-critical environments.

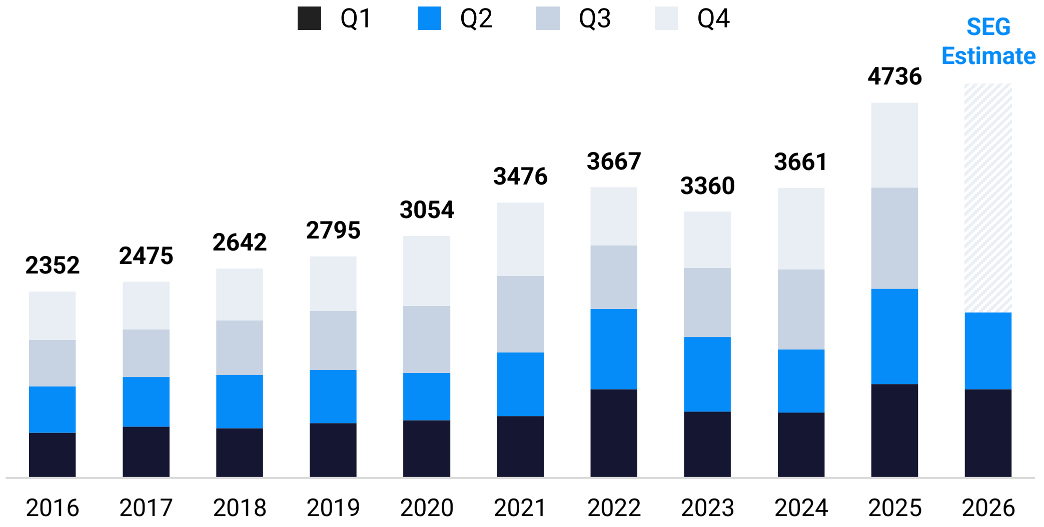
# Overall Industry M&A: Deal Volume

Aggregate software M&A[1] volume declined to 972 announced transactions in 2Q26, marking the first quarter since 2Q24 with fewer than 1,000 deals. While activity fell from 1,118 transactions in 1Q26 and 1,204 in 2Q25, the quarter finished only 28 deals below the 1,000-deal threshold and remained elevated relative to historical levels. On a trailing four-quarter basis, aggregate software deal volume reached 4,437 transactions through 2Q26, compared with 4,430 through 2Q25, leaving activity essentially flat YoY. The quarterly decline may represent an early trickle-down effect from the pressures already visible in the public markets. Private M&A conditions often lag public market movements by approximately six to twelve months, as buyers and sellers take time to adjust valuation expectations, financing assumptions, and risk tolerance. The decline below 1,000 transactions, therefore, suggests that broader market uncertainty and increased selectivity are beginning to influence software deal activity, even though overall volume remains historically stable. Within this environment, buyers are likely to maintain a higher bar for acquisitions and prioritize assets that reduce strategic uncertainty. As AI becomes increasingly embedded across the software ecosystem, buyers are favoring companies that enhance existing platforms and deliver tangible strategic value rather than requiring them to underwrite entirely new technology or platform risk. The market remains active, but 2Q26 indicates that selectivity is beginning to translate into lower transaction volume.

**Quarterly | Software Industry M&A Deal Volume**




**Annual | Software Industry M&A Deal Volume**



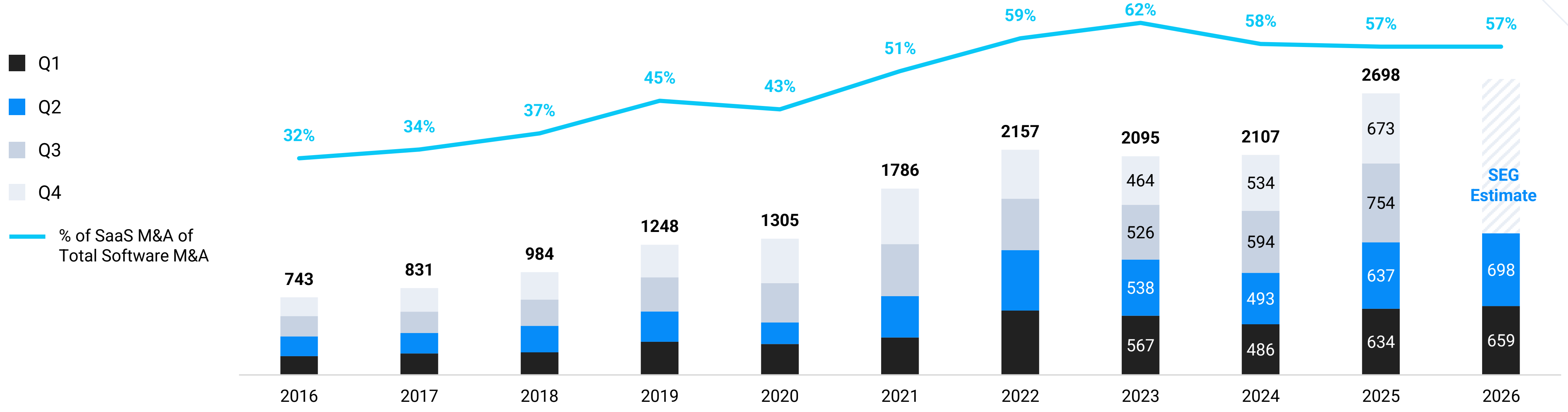

(1) Aggregate software M&A includes SaaS, on-premise license models, and internet deals.

# SaaS Deal Volume

SaaS M&A activity remained resilient in 2Q26, with 698 transactions announced, up 9.6% from 637 in 2Q25. On a TTM basis, SaaS deal volume reached 2,784 transactions, up 16.0% from 2,399 in the prior TTM period, marking the most active twelve-month windows on record. Annual SaaS deal volume has remained elevated since 2021, increasing from 1,786 deals in 2021 to 2,157 in 2022, moderating to 2,095 in 2023 and 2,107 in 2024, before rising sharply to 2,698 in 2025. Based on activity through the first half of the year, 2026 is currently tracking at a pace broadly consistent with the elevated level reached in 2025. More broadly, SaaS deal volume remains resilient as the software market expands, the number of businesses continues to grow, and buyers pursue digital capabilities across a wider universe of targets. This dynamic is also being supported by the growing number of acquired AI companies that operate under SaaS business models, increasingly contributing to activity across the category.

TTM deal volume through 2Q26 comprised **2,784** SaaS transactions, the **most active** period tracked.

While activity held relatively steady QoQ and remained above the prior-year period, investors are becoming more selective and placing greater weight on strategic fit, AI relevance, workflow embedment, and long-term defensibility. The software businesses best positioned in this environment are those that deepen product breadth, embed more tightly into customer workflows, expand data advantages, and strengthen strategic positioning.

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# EV/TTM Revenue Multiples

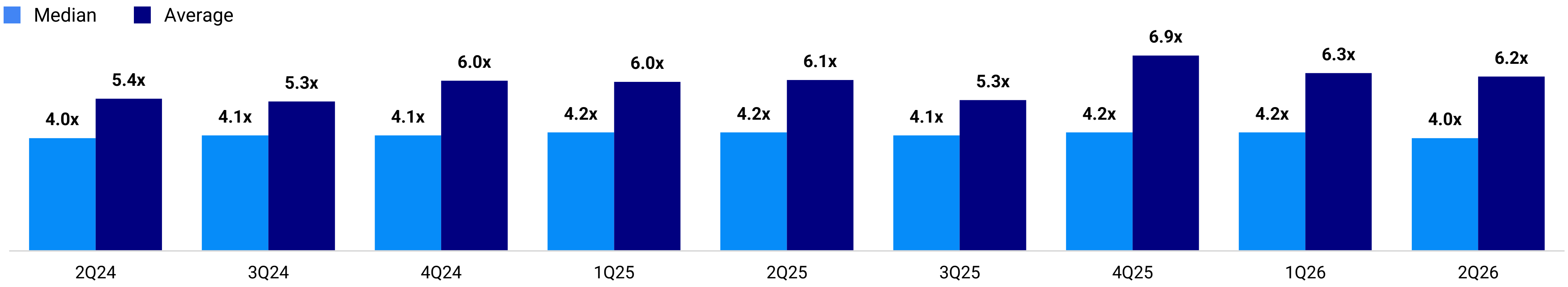
Private markets typically lag public markets by six to twelve months, and the continued decline in quarterly SaaS M&A multiples suggests that public-market repricing may be starting to flow through to transaction outcomes. On a TTM basis, the median EV/TTM revenue multiple declined modestly from 4.2x to 4.0x, while the average edged down from 6.3x to 6.2x.

The distribution of disclosed outcomes further highlights the market's compression. Of the disclosed SaaS M&A multiples in 2Q26, 75.0% were below 5.0x, and 62.5% were below 4.0x. Even so, buyers continued to pay premium valuations for businesses with differentiated data, security, AI, and mission-critical workflow capabilities. Salesforce's acquisition of Fin (9.5x), Thoma Bravo's acquisition of kneat.com (9.1x), and Rubrik's acquisition of Strata Identity (7.5x) demonstrates the value placed on assets that strengthen existing platforms and add strategically important capabilities. Overall, the market is becoming more segmented. Average SaaS transactions are clearing at lower multiples, while scarce assets with strong strategic fit, defensible products, and relevance to AI-driven workflows continue to attract meaningful premiums.

**Learn How Your Company Stacks Up Against Your Valuation Expectations.**

Try the SEG Interactive SaaS Scorecard.

## Quarterly | Median EV/TTM Revenue Multiple



# Buyer Backing

SaaS M&A transactions are evaluated based on acquirer backing, which we categorize into two main groups: Strategic Buyers and Private Equity Investors.

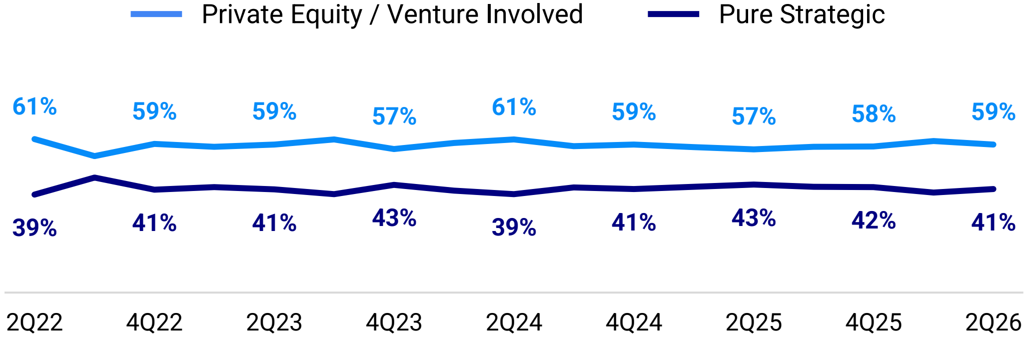
PE direct platform investments represented just 6.3% of transactions, remaining below the roughly 10% share they have historically represented. Meanwhile, strategic acquirers are moving aggressively to secure AI-enabled businesses that can strengthen products, data, workflows, and competitive positioning today.

This urgency from strategic buyers is highly visible in the M&A data. Salesforce completed 12 SaaS acquisitions over the last 12 months, while Databricks (6 deals), OpenAI (6), Anthropic (5), Accenture (5), Apple (5), Snowflake (5), Cloudflare (4), CrowdStrike (4), and Nvidia (4) were also highly active across AI, cybersecurity, developer tools, data infrastructure, and more.

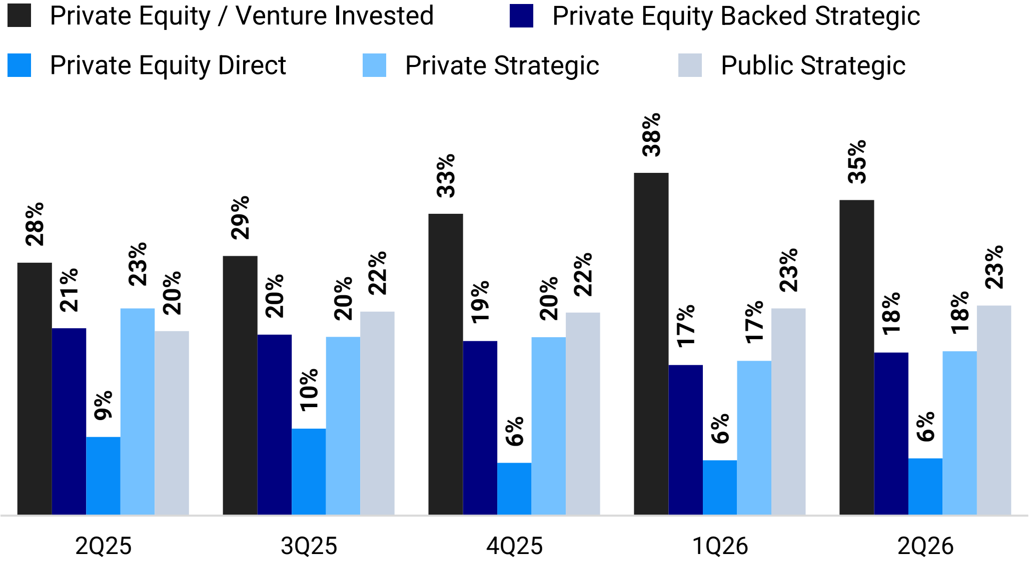
Some of the largest deals by enterprise value in 2Q26 reinforced the same theme, including Qualcomm's acquisition of Modular ($3.9B), Salesforce's acquisition of Fin ($3.6B; 9.5x EV/TTM revenue), Motorola Solutions' acquisition of D-Fend ($1.5B), and CoStar's acquisition of Zonda ($800M). For software executives and investors, companies that can immediately strengthen an existing platform's AI capabilities, data advantage, workflows, or product breadth are attracting the strongest strategic interest.

### 2Q26 SaaS M&A Activity by Buyer Type


### Historical SaaS M&A Activity by Buyer Type



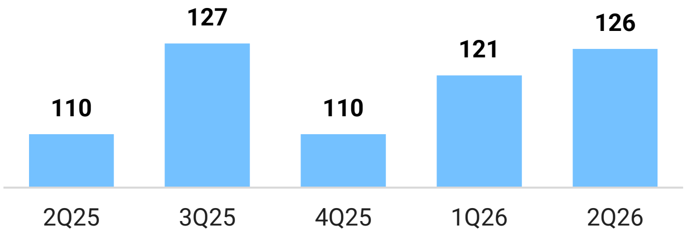

### Historical SaaS M&A Activity by Buyer Type



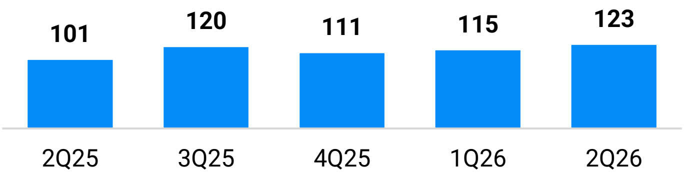
# Top Product Categories by Deal Volume

The most active SaaS product categories in 2Q26 centered on software that manages enterprise data, coordinates workflows, and supports increasingly automated operations. What connects these categories is not simply exposure to AI, but ownership of the data and processes that make AI useful. Several of the quarter's largest transactions reflected that theme. In Analytics & Data Management, Publicis acquired LiveRamp ($2.2B) and Fitch acquired Trepp ($1.0B); in Content & Workflow Management, Long Lake acquired American Express Global Business Travel ($6.3B); in Sales & Marketing, Diginex acquired Resulticks ($1.5B); and in Security, Amadeus acquired IDEMIA Public Security ($1.5B) while Motorola Solutions acquired D-Fend Solutions ($1.5B). Together, these deals show how buyers are placing the greatest strategic value on software that controls critical information, orchestrates complex processes, and becomes more valuable as AI and automation are embedded in the product. **[Explore who's buying, what's trending, and how top companies are getting deals done in the SEG SaaS M&A Deal Database™](#).**

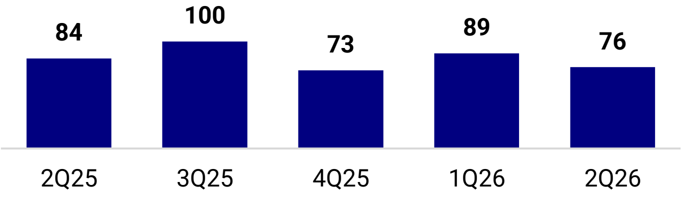
### Analytics & Data Management



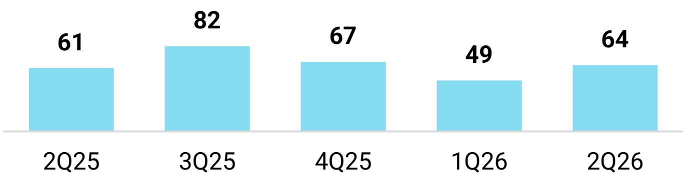

### Content & Workflow Management



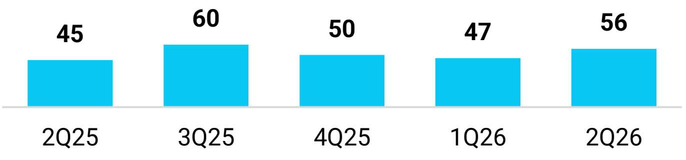

### Sales & Marketing



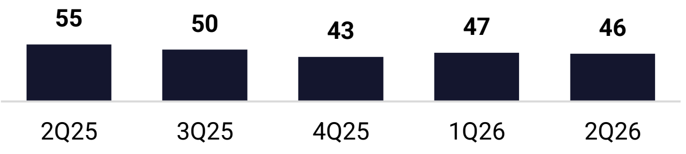

### Business Management




### Human Capital Management

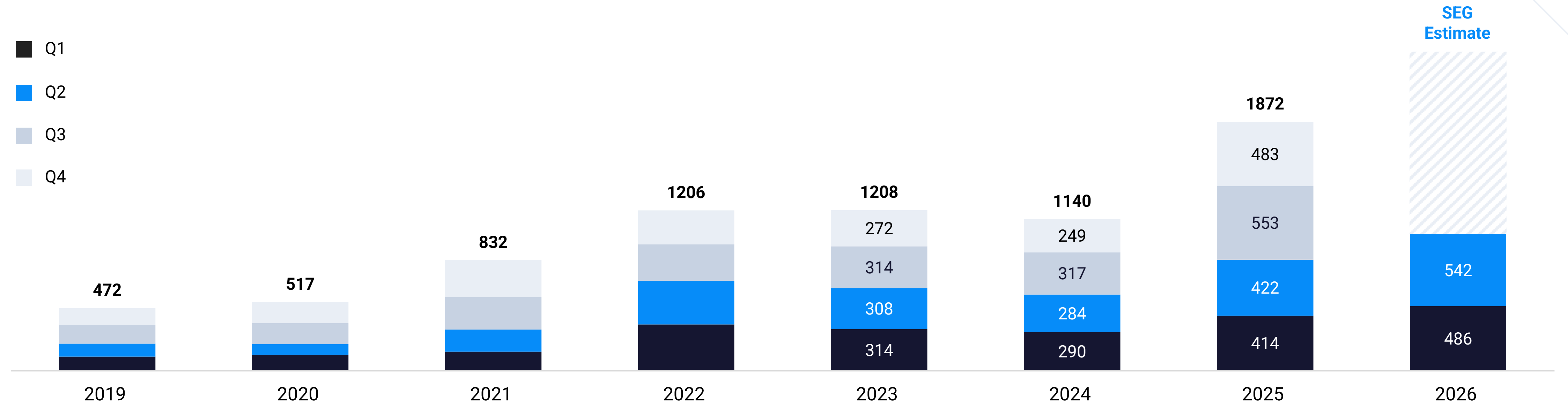



### Security



# AI-Driven SaaS M&A Deal Volume

This chart counts SaaS targets that reference AI-related terms in their business descriptions or published acquisition rationales, including "AI," "Machine Learning," "LLM," "Computer Vision," and similar language. Even with that simple lens, AI-referenced SaaS acquisitions increased nearly 4 times from 472 deals in 2019 to 1,872 in 2025. Activity accelerated further in 2026, with 486 deals in 1Q26 and 542 in 2Q26, bringing first-half volume to 1,028 transactions. More notably, AI-referenced deals represented 77.7% of all SaaS M&A in 2Q26, up from 66.2% in 2Q25 and 54.1% in 2024, suggesting that AI positioning is rapidly becoming table stakes across the market. Several major 2Q26 deals illustrate how broadly AI is now shaping software M&A. SpaceX acquired Cursor for $57.3B, adding an AI-based code editor that automates software development workflows. Qualcomm acquired Modular for $3.9B, gaining AI-native infrastructure designed to simplify model development and deployment across computing environments. Salesforce acquired Fin for $3.6B, adding AI-powered customer service agents and workflow automation, while Publicis acquired LiveRamp for $2.2B to strengthen proprietary data collaboration and the development of differentiated AI agents. Amadeus also acquired IDEMIA Public Security for $1.5B, combining AI and biometric identity technology to improve secure traveler processing. This data does not determine whether every target is truly AI-native or whether AI was the primary driver of value. It does show that AI has become an increasingly common requirement of how SaaS companies describe their products, strategic relevance, and acquisition rationale. Dive deeper into how AI is reshaping SaaS M&A and valuation dynamics.



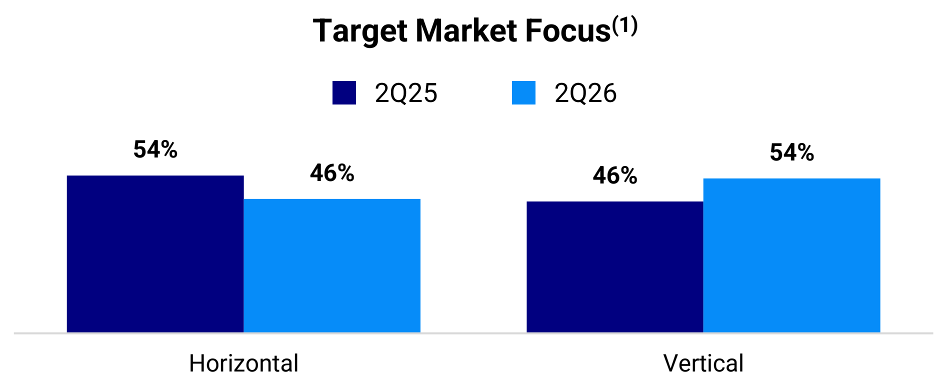
# Target M&A Focus

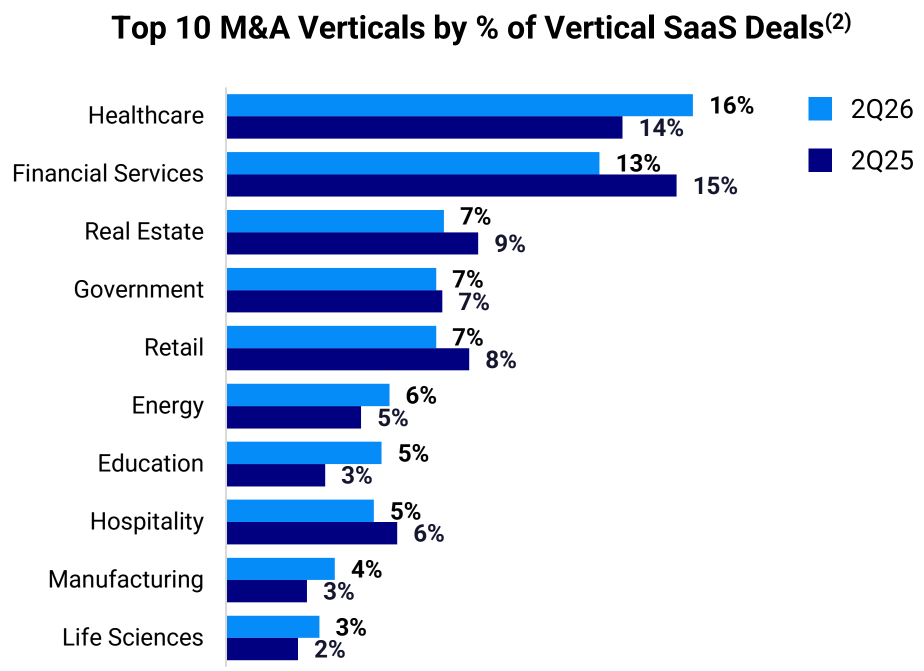
One of the central questions for vertical SaaS in 2026 was whether AI and commoditized software development would make purpose-built applications less differentiated. The M&A data points in the opposite direction. Vertical software represented 54% of SaaS transactions in 2Q26, up from 46% a year earlier, as buyers placed greater value on platforms with deep industry expertise, proprietary data, specialized workflows, and mission-critical customer integrations. Why? Because in the era of AI, those attributes create stronger data advantages, more relevant automation, and higher barriers to replication, making vertical platforms more valuable to both customers and acquirers.

That demand is especially visible in complex operating environments where AI enhances, rather than replaces, specialized software. Two transactions illustrate the trend: JMI Equity's acquisition of SewerAI added AI-powered inspection and asset management for sewer infrastructure, while Caterpillar's acquisition of Skycatch added drone-based spatial data, automation, and analytics for mining operations. Both are purpose-built platforms grounded in industry-specific data, workflows, and operating requirements that are difficult to replicate.

The same theme is evident even within horizontal software. Analytics & Data Management accounted for 16% of horizontal deals, followed by Security at 13%, Content & Workflow Management at 12%, DevOps & IT Management at 11%, Human Capital Management at 11%. Major horizontal transactions such as Databricks' acquisition of Panther Labs, Salesforce's acquisition of M3ter, Cloudflare's acquisition of VoidZero, and NVIDIA's acquisition of Kumo AI show that, even across industries, buyers are prioritizing highly specialized platforms that control enterprise data, power critical workflows, or provide the infrastructure needed to deploy AI effectively at scale.

For software executives and investors, the broader takeaway is that AI is not reducing the value of vertical SaaS. It is increasing the strategic importance of companies that can apply AI within deeply embedded, mission-critical environments.

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(1) Target market focus refers to the company's market focus as either horizontal, serving multiple industries, or serving a specific vertical market.
(2) Top vertical deals as a percent of all vertical SaaS deals in 2Q26.

# Select Most Active Buyers of SaaS (TTM): Strategic Buyers(1)

| Buyer | Count | SaaS Targets |
|---|---|---|
| salesforce | 12 | apromore, m3ter, Bluebirds, momentum, cimulate, QUALIFIED, contentful, Regrello, Doti, spindle AI, Fin, waii (from salesforce) |
| databricks | 6 | ANTIMATTER, mooncake, panther, SiftD, tecton |
| OpenAI | 6 | convogo, ONA, promptfoo, STATSIG |
| ANTHROPIC | 5 | [C], Humanloop, Stainless, Vercept |
| accenture | 5 | DRAGOS, faculty, IAMconcepts, NETRISE, runZero |
| Apple | 5 | kùzu, MOTIONVFX, Q, COMMON·GROUND, WHYLABS |
| snowflake | 5 | DATOMETRY, natoma, OBSERVE, SELECT STAR, TENSORSTAX |
| CLOUDFLARE | 4 | astro, Human Native, replicate, VOID(Ø) |
| CROWDSTRIKE | 4 | onum, pangea, seraphic, sgnl |
| NVIDIA | 4 | illumex, kumo, SCHEDMD The Slurm Company, SOLV_R |

**See the Active Buyers in Your Space**

Explore our vertical software market maps.

VIEW MAPS

(1) Transactions listed may not include all deals by the buyer. The transactions listed were announced in the last 12 months.

# Select Most Active Buyers of SaaS (TTM): PE Investors(1)

| Buyer | Count | SaaS Targets | | | | |
|---|---|---|---|---|---|---|
| MAIN CAPITAL PARTNERS | 5 | gingco systems | Good Solutions | polypoint | TrustArc | XAIT |
| AKKR ACCEL-KKR | 4 | ARBITER | eletive | REG Technologies | whip around | |
| ARCADEA GROUP | 4 | cohero | jaix Logistics Software | Sofis | WMI | |
| DIVERSIS CAPITAL | 4 | genesis Automation | kermit | LTi Technology Solutions | Meperia | |
| THOMABRAVO | 4 | azul | Kneat | olo | PROS | |
| FP Francisco Partners | 3 | efficient iP Defining Smart DDI | jamf | OEC | | |
| GTCR | 3 | ClearCapital | fmg | Innovative Systems | | |
| TPG | 3 | CONSERVICE | INFOMEDIA | Irth | | |

**Other Select Active Investors (2+ Deals)**

Advent | Banneker Partners | Hg | JMI Equity | KEENSIGHT CAPITAL | TA ASSOCIATES | VECTOR CAPITAL MANAGEMENT

(1) Transactions listed may not include all deals by the buyer. The transactions listed were announced in the last 12 months and are only private equity platform investments.

# 2Q26 Select Notable SaaS Deals: Upper-Market(1)

| Buyer | Target | EV | EV/TTM Revenue | Target Employee Count | Target PC/Vertical | Target Description | Link to Press Release |
|---|---|---|---|---|---|---|---|
| SpaceX | Cursor | $57.3B | N/A | 988 | DevOps & IT Management, Horizontal | Provides AI-based code editor software for developers. Software provides features for chatting, automating coding, terminal commands, dashboard, and privacy. | View Press Release |
| | American Express Global Business Travel | $6.3B | 2.2x | 31,906 | Content & Workflow Management, Horizontal | Provides corporate travel management software. Software provides features for bookings, meetings, and expenses management as well as central reporting, customer experience, and automated reconciliation. | View Press Release |
| Qualcomm | Modular | $3.9B | N/A | 377 | DevOps & IT Management, Horizontal | Provides open source and AI-native software infrastructure development tools. Software enables user for AI infrastructure to simplify AI development and deployment offering text, audio, and code. | View Press Release |
| salesforce | Fin | $3.6B | 9.5x | 993 | Communications & Collaboration, Horizontal | Provides AI-powered customer experience management software for businesses globally. Software provides features for handling customer service interactions across various channels, including live chat, email, WhatsApp, SMS, phone, and Slack, automating support workflows, and a virtual assistant. | View Press Release |
| Publicis Groupe | LiveRamp | $2.2B | 2.7x | 1,537 | Analytics & Data Management, Horizontal | Provides marketing data collaboration software for businesses globally. Software provides features for data connectivity, customer analytics, identity resolution and translation, preference and consent management, and advertising. | View Press Release |
| Motorola Solutions | D-Fend Solutions | $1.5B | N/A | 232 | Security, Government | Provides anti-drone management systems and software for businesses globally. Software provides feature for drone detection, tracking and identification, threat assessment, cyber takeover and mitigation, safe landing execution, airspace management, and real-time operational control. | View Press Release |
| diginex | Resulticks | $1.5B | N/A | 372 | Sales & Marketing, Horizontal | Provides AI-powered customer engagement and intelligence software for businesses in North America, Asia, and the Middle East. Software provides features for customer data management, audience segmentation, campaign orchestration, real-time analytics and insights, marketing automation, and reporting. | View Press Release |

(1) Includes M&A deals estimated to be greater than $1B in Enterprise Value. Employee count data sourced from LinkedIn.

# 2Q26 Select Notable SaaS Deals: Mid-Market(1)

| Buyer | Target | EV | EV/TTM Revenue | Target Employee Count | Target PC/Vertical | Target Description | Link to Press Release |
|---|---|---|---|---|---|---|---|
| adyen | Talon.One | $879M | N/A | 320 | Sales & Marketing, Horizontal | Provides AI-powered enterprise loyalty and incentives management software for businesses. Software provides features for offer management, promotions, rewards, and A/B testing. | View Press Release |
| CoStar Group | Zonda | $800M | N/A | 953 | Analytics & Data Management, Real Estate | Provides housing market data insights software for businesses in the real estate sector. Software provides features for audience targeting, home buyer engagement, market research, lead generation, audience engagement, forecasting, and real estate data intelligence. | View Press Release |
| Roche | PathAI | $750M | N/A | 270 | Content & Workflow Management, Life Sciences | Provides AI-powered and cloud-native precision pathology software for businesses in the life sciences industry. Software provides features for image and case management, workflow automation, patient billing, image and data storage, heatmap visualizations, analytics, and diagnostics. | View Press Release |
| deluxe | celero | $625M | 3.1x | 295 | Financial Applications, Horizontal | Provides payment processing and business and customer management software, mobile application, and related transaction processing services to small and medium businesses globally. Software provides features for credit and debit card processing, gift cards and loyalty programs. | View Press Release |
| NEBIUS | Eigen AI | $623M | N/A | 18 | DevOps & IT Management, Horizontal | Provides AI model optimization and customization software for businesses. Software provides features for multimodal search and retrieval, image and video creation and edition, tool-using agent systems, and real-time voice agents and on-device inference. | View Press Release |
| kraken | REAP | $600M | N/A | 261 | Financial Applications, Horizontal | Provides financial infrastructure for businesses. Software and services support digital corporate cards, cross border payments, embedded finance functionality, treasury and expense management, and automated fiat payouts funded by stablecoins. | View Press Release |
| IKS Health | TruBridge | $556M | 1.6x | 2,072 | Content & Workflow Management, Healthcare | Provides electronics health records, patient engagement, and medical coding management software and outsourced revenue cycle management services to businesses in the healthcare sector globally. | View Press Release |
| LUMEN | alkira | $475M | N/A | 189 | Networking & Systems Management, Horizontal | Provides cloud-native networking infrastructure software. Software provides features for multi-cloud networking, zero trust network access, load balancing, IP address management, and multi-region connectivity. | View Press Release |
| THOMABRAVO | Kneat | $436M | 9.1x | 342 | Compliance Management, Life Sciences | Provides AI-powered manufacturing process validation software for life sciences, pharmaceuticals, and medical sectors. Software provides features for validation process digitization, compliance, document management, compliance tracking, audit readiness, and workflow automation. | View Press Release |
| GlobalE | Passport | $350M | N/A | 299 | Supply Chain Management, Retail | Provides e-commerce management software for businesses globally. Software provides features for shipping, logistics, compliance, operations, store-front, finance, and inventory management. | View Press Release |

(1) Includes M&A deals estimated to be greater than $250M and less than $1B in Enterprise Value. Employee count data sourced from LinkedIn.

# 2Q26 Select Notable SaaS Deals: Lower Mid-Market(1)

| Buyer | Target | EV | EV/TTM Revenue | Target Employee Count | Target PC/Vertical | Target Description | Link to Press Release |
|---|---|---|---|---|---|---|---|
| SoundHound | LIVEPERSON | $241M | 1.0x | 1,188 | Analytics & Data Management, Horizontal | Provides live-chat-based and conversational AI customer experiences software for businesses globally. Software provides features for conversational intelligence, customer engagement and management, optimization, configuration, AI and live agents, and generative insights. | View Press Release |
| sitecore | scrunch | $225M | N/A | 77 | Content & Workflow Management, Horizontal | Provides AI-powered search optimization software for businesses globally. Software provides features for agent experience management, website traffic analysis, monitoring, auditing, optimization, and content delivery. | View Press Release |
| Akamai | LayerX | $205M | N/A | 109 | Security, Horizontal | Provides AI-enabled enterprise usage control and browser security software for businesses globally. Software provides features for real-time monitoring, risk analysis, policy enforcement, user activity tracking, cross-browser support, anti-tampering, and cloud infrastructure. | View Press Release |
| ONDAS | Omnisys | $199M | N/A | 279 | Asset & Facilities Management, Government | Provides AI-powered battle resource optimization software for the defense sector globally. Software provides features for data integration, mission management, analytics, and spectrum management. | View Press Release |
| EXL | iMerit | $170M | 2.9x | 8,052 | Analytics & Data Management, Horizontal | Provides AI-powered data annotation software for businesses globally. Software provides features for computer vision, image and video annotation, 3D point cloud, speech to text, hallucination detection, quality review, red teaming, benchmarking, agentic evaluation, and RAG fine tuning. | View Press Release |
| ONDAS | CYBERHAWK | $125M | N/A | 204 | Asset & Facilities Management, Energy | Provides AI-powered and cloud-native drone inspection and aerial data management software for businesses in the utilities, energy, and industrial sectors globally. Software provides features for infrastructure intelligence, image capturing, analytics, emission monitoring, and visual intelligence. | View Press Release |
| MSCI | First Street | $120M | N/A | 94 | Analytics & Data Management, Financial Services | Provides climate risk financial modeling software for businesses in finance sector globally. Software provides features for physics-based deterministic models, analytics, credit risk strategy, portfolio and asset management, monitoring and reporting, and informed planning. | View Press Release |
| serasa experian | idwall | $81M | N/A | 232 | Security, Horizontal | Provides digital identity management software for businesses in Latin America. Software provides features for credit risk, document and business verification, biometric authentication, onboarding, authentication, monitoring, data enrichment, and fraud prevention. | View Press Release |
| asana | StackAI | $75M | N/A | 77 | DevOps & IT Management, Horizontal | Provides AI-powered workflow management agents development software for businesses. Software enables claim processing, due diligence, enterprise knowledge, and chat assistant. | View Press Release |
| VAISALA | Atmo | $70M | 35.0x | 77 | Analytics & Data Management, Government | Provides AI-powered weather forecasting software for government and defense sectors. Software provides features for real-time weather data, climate risk analytics, AI models, and data sourcing. | View Press Release |

(1) Includes M&A deals estimated to be less than $250M in Enterprise Value. Employee count data sourced from LinkedIn.

# You’re about to speak with a potential buyer or investor.

## Do you know where they’ll push back?

Our scorecard maps your business across the same factors buyers evaluate, so you see your strengths and where you need to improve, before they do.

**No email required. Nothing stored. Takes less than 5 minutes.**

SEE WHERE YOU STAND


*2 areas buyers may use to justify lower offers*

# Contents



SEG

# SaaS Public Market Highlights

- The SEG SaaS Index™ began to stabilize in 2Q26 after a sharp early-year selloff tied to the rapid release and adoption of AI coding tools. From its April 10 low of -32.0%, the Index recovered nearly 10 percentage points to finish the first half down 22.1%. Cybersecurity was the strongest category, reflecting rising demand for mission-critical protection as AI increases both the sophistication and frequency of cyber threats. A select group of companies also continued to post exceptional growth, profitability, and strategic relevance, providing a credible foundation for broader recovery and potential multiple expansion if operating momentum continues.

**$1.2B** TTM Total Revenue, a 2.41% increase from 1Q26

- Public SaaS fundamentals continued to perform even as market valuations remained under pressure, creating one of the clearest disconnects yet between business performance and pricing. Median TTM revenue reached a record of nearly $1.2B, while median YoY EBITDA growth accelerated to 29.4%. Median EBITDA margin expanded to 11.4%, net income margin improved to 4.4%, and CFO margin reached a five-quarter high of 25.3%. Revenue growth also increased sequentially for the first time in several quarters, suggesting that growth may be beginning to recover after a prolonged period of moderation. At the same time, strong cash generation and healthy balance sheets are creating meaningful dry powder for acquisitions, buybacks, and other strategic uses of capital.

- The valuation reset was broad-based, but the market continued to distinguish sharply between average and premium assets. Median EV/TTM revenue declined from 5.7x in 2Q25 to 3.2x in 2Q26, and nearly 72% of the Index traded below 5.0x revenue. Even the upper quartile compressed from 9.3x to 5.4x. However, that upper quartile still traded at a 69% premium to the overall median, supported by materially stronger growth, profitability, and cash flow. This indicates that the market has not stopped rewarding quality. Instead, investors have raised the bar and are reserving premium valuations for companies with differentiated products, mission-critical positioning, durable growth, and clear strategic relevance in an increasingly AI-driven environment.

~25% Median Cash Flow From Operations Margin in 2Q26

- Weighted Rule of 40 performance remained the clearest valuation differentiator across public SaaS. Companies scoring above 40% traded at a median 7.3x EV/TTM revenue, compared with 3.2x for the SEG SaaS Index median multiple. Still, growth-led companies generally received the strongest premiums.

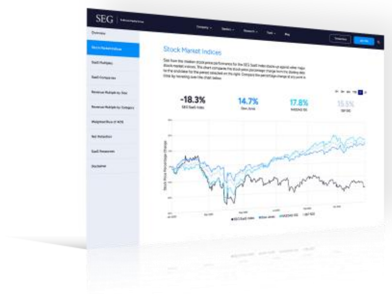
- After several years of post-COVID tightening, both R&D and S&M increased as a percentage of revenue in 2Q26 for the first time in several quarters. R&D rose from 19.9% to 21.3% of revenue, while sales and marketing increased from 32.2% to 32.6%. This may signal the early stages of a new investment cycle focused on AI product development, monetization, and bringing new capabilities more deeply into customer workflows.

# SEG SaaS Index™ Overview

Our SEG SaaS Index™ currently comprises 106 publicly traded companies that primarily offer solutions via the cloud(1).

Founded in 2006 as part of SEG's acclaimed research reports, the Index is updated quarterly to reflect acquisitions, IPOs, and changes in business models. If a company is added or removed from the Index, we re-run historical data to maintain consistent metrics.

To explore the Index in more depth, visit our website and interact with the live, visual SEG SaaS Index™ tool, a dynamic resource that brings SEG's public market research to life. Benchmark performance, track trends, and see how the Index compares to other major market indices in real time.




**See how publicly traded SaaS companies are performing in real time.**

VIEW TOOL

### Additions

Includes companies that have been added to the Index due to IPO, SPAC acquisition, or transitioned from a license-based model to SaaS.

SailPoint

### Upcoming Index Additions

Includes companies that have recently gone public but are excluded from the Index this quarter due to a lack of publicly available financial data.

Figma | Hinge Health | Klarna | netskope
Navan | SWARMER | via

### Removals

Includes companies that have been removed from the Index due to acquisition or no longer meet SEG SaaS Index™ criteria.

LIVEPERSON

(1) Companies in the SEG SaaS Index™ may have a subscription or transaction-based pricing model.

SEG SaaS Index

## ANALYTICS & DATA MANAGEMENT

Amplitude, Definitive Healthcare, Domo, elastic, snowflake, teradata., UiPath, Verisk, VERITONE

## DEVOPS & IT MANAGEMENT

appian, ATLASSIAN, C3.ai, CLOUDFLARE, DATADOG, Digital Ocean, dynatrace, fastly, GitLab, JFrog, MongoDB., NUTANIX, servicenow

## ERP & SUPPLY CHAIN

DESCARTES, ORACLE, SAP, SPS, workday

## FINANCIAL APPLICATIONS

ACI Worldwide, Alkami, bill, BLACKLINE, MSCI, nCino, Q2, ServiceTitan, VERTEX, WAYSTAR

## OTHER SaaS

affirm, AUTODESK, AvePoint, Commerce, docebo, eventbrite, PagerDuty, PEGA, samsara, shopify, toast, upland, WIX

## SECURITY

CROWDSTRIKE, okta, paloalto, Qualys, RAPID7, riskified, rubrik, SailPoint, SentinelOne, tenable, VARONIS, zscaler

## COMMUNICATIONS & COLLABORATION

8x8, asana, bandwidth, box, docusign, Dropbox, Five9, kaltura, monday.com, RingCentral, twilio, weave, Workiva, Ziff Davis, zoom

## HUMAN CAPITAL MANAGEMENT

HealthStream, paycom, paylocity, workday

## SALES & MARKETING

Adobe, Amplitude, braze, EverCommerce, freshworks, HubSpot, klaviyo, salesforce, sprinklr, sproutsocial, theTradeDesk, weave, Yext, zoominfo

## VERTICALLY-FOCUSED

ALARM.COM, appfolio, blackbaud, CareCloud, coursera, Definitive Healthcare, DISCO, FORTIVE, GUIDEWIRE, HealthCatalyst, INTAPP, PROCORE, ptc, Roper Technologies, tyler technologies, Veeva, WAYSTAR, weave

# Key Metrics Snapshot

The data shows that SaaS businesses are larger, more profitable, and more operationally efficient than ever, even as public valuations remain under pressure. Revenue growth also increased sequentially for the first time in several quarters, suggesting that growth may be beginning to recover after a period of moderation.

Median TTM revenue reached a record of nearly $1.2B, while median YoY EBITDA growth accelerated to 29.4%. Profitability improved across the board, with median EBITDA margin expanding by almost four percentage points to 11.4%, median net income margin rising by more than three points to 4.4%, and median CFO margin reaching a five-quarter high of 25.3%.

Despite these strong fundamentals, valuations have continued to compress. The divergence is especially clear in cash flow multiples, with median EV/TTM CFO declining nearly 48% YoY from 25.5x to 13.3x even as cash generation reached record levels. In other words, the market is repricing the sector downward even as most underlying operating metrics remain stable or continue to improve.

**+29.4%** YoY median EBITDA growth in 2Q26.

Strong cash generation and healthy balance sheets are giving SaaS companies meaningful dry powder for M&A. This liquidity gives well-capitalized companies greater capacity to pursue acquisitions and buybacks, while lower public valuations make potential targets more attractive to strategic buyers and private equity firms.

## SEG SaaS Index™ Median Metrics

| Measure | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| Market Capitalization ($M) | $5,729 | $6,149 | $6,278 | $4,830 | $4,072 |
| EV/NTM Revenue | 5.2x | 5.2x | 4.8x | 3.4x | 3.0x |
| EV/TTM Revenue | 5.7x | 5.3x | 4.9x | 3.7x | 3.2x |
| EV/TTM Gross Profit | 8.3x | 8.2x | 7.3x | 5.2x | 4.5x |
| EV/TTM EBITDA | 28.9x | 30.1x | 28.2x | 21.1x | 19.0x |
| EV/TTM CFO | 25.5x | 25.4x | 22.9x | 19.8x | 13.3x |
| Gross Profit Margin | 73.8% | 73.2% | 73.9% | 73.0% | 72.7% |
| EBITDA Margin | 7.6% | 9.6% | 10.6% | 13.6% | 11.4% |
| Net Income Margin | 1.0% | 2.8% | 4.5% | 5.6% | 4.4% |
| CFO Margin | 24.3% | 20.5% | 22.0% | 23.6% | 25.3% |
| TTM Total Revenue ($M) | $1,022 | $1,091 | $1,142 | $1,163 | $1,191 |
| TTM Total EBITDA ($M) | $65 | $70 | $75 | $87 | $110 |
| YOY Revenue Growth | 13.3% | 13.4% | 12.8% | 12.7% | 12.9% |
| YOY EBITDA Growth | 34.5% | 35.0% | 29.6% | 27.8% | 29.4% |
| Cash & Eq ($M) | $569 | $616 | $559 | $561 | $509 |

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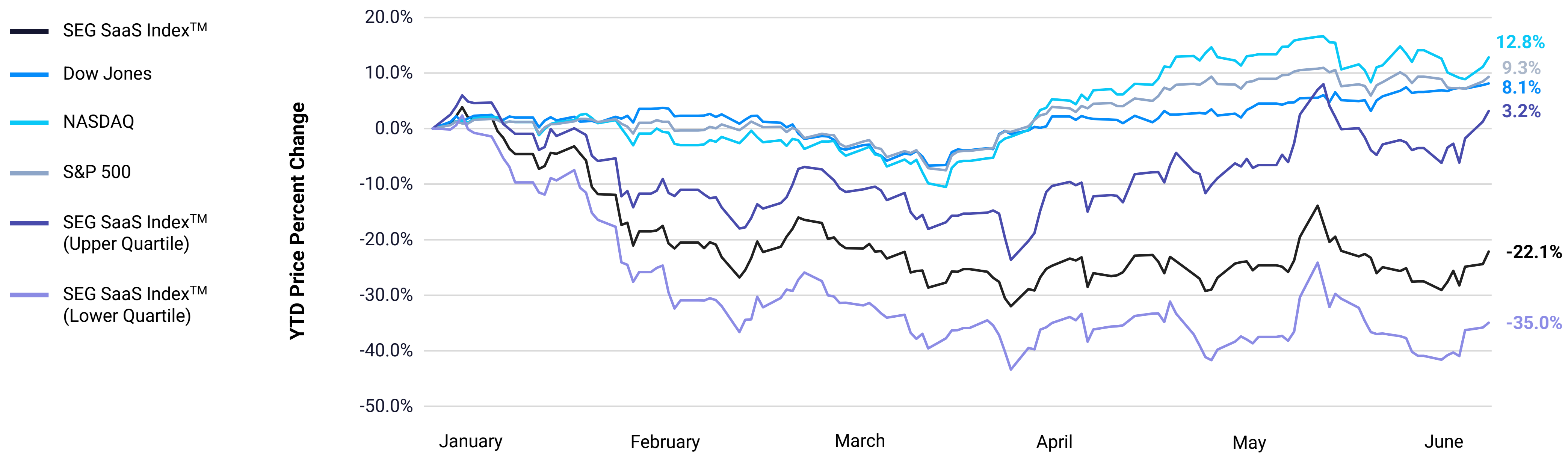
(1) Quarterly stats are measured using quarterly metrics, and annual stats are measured using annual stats unless noted otherwise.

# 2026 YTD Stock Price Performance(1)

Public SaaS valuations began to recover in 2Q26 after the sharp initial selloff triggered by the release and rapid adoption of AI coding tools, with the SEG SaaS Index™ improving nearly 10 percentage points from its April 10th low of -32.0% to -22.1% on June 30th. Performance remained split, with the upper quartile gaining 3.2% and the lower quartile falling 35.0%, showing that investors continued to reward select, strategically differentiated businesses while repricing the broader sector. Cybersecurity was the clearest standout, gaining 11.1% and outperforming every other SaaS category. As malicious actors use AI to identify vulnerabilities and launch increasingly sophisticated attacks, best-in-class security has become even more mission-critical. Palo Alto Networks, CrowdStrike, Okta, Tenable, and Varonis gained 90.1%, 68.2%, 63.1%, 62.3%, and 31.0%, respectively, through 2Q26. A select group of companies also continued to command premium valuations based on strong growth and strategic relevance. Cloudflare traded at 32.3x EV/TTM revenue while growing 31.6% in the TTM, CrowdStrike at 28.6x with 23.2% growth, Datadog at 19.1x with 29.5% growth, and Palo Alto Networks at 18.2x with 19.5% growth. Rubrik led the Index with 45.7% revenue growth, while Alkami, Shopify, Cloudflare, and Snowflake each grew more than 30%, and MSCI and Verisk maintained EBITDA margins above 55%. Despite continued declines in many SaaS stocks and market capitalizations, these companies demonstrate that several SEG SaaS Index™ constituents are still delivering exceptional operating performance, providing a credible path toward broader recovery and multiple expansion as growth and profitability strengthen.




(1) Upper quartile cohort measured using stock price change vs. beginning of year as of the latest trading day of the quarter (June 30, 2026).

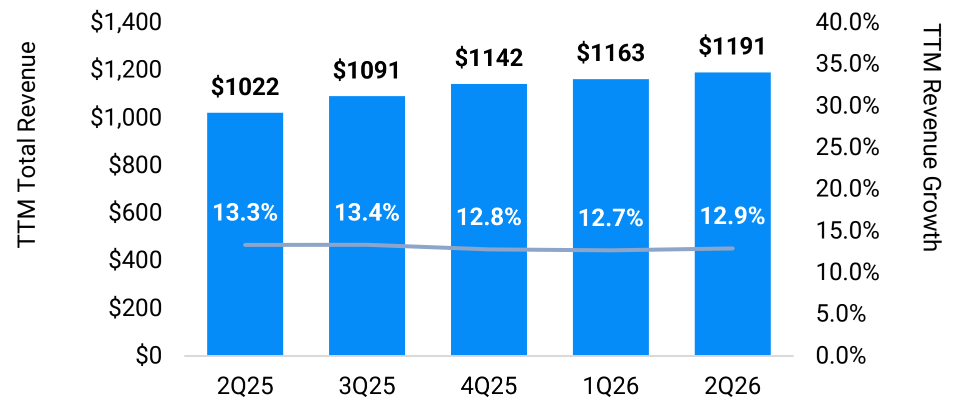
# Revenue Performance

Public SaaS companies are now larger than ever and generating revenue at a scale the asset class has never achieved historically. The SEG SaaS Index™ reached a record median TTM revenue for the fifth straight quarter, rising to $1.19B in 2Q26 from $1.02B a year earlier. Median TTM revenue growth also improved from 12.7% in 1Q26 to 12.9%, marking its first QoQ increase since 3Q25 and suggesting that more companies may be shifting their focus back toward growth.

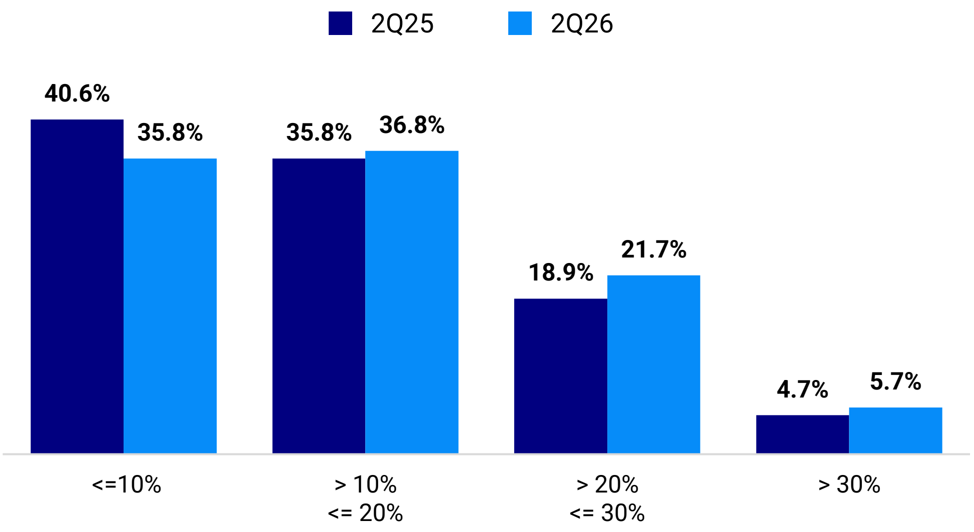
The growth mix strengthened as well. Almost 30% of Index constituents generated TTM revenue growth of 20% or more, up from roughly 24% a year earlier. At the same time, the share growing 10% or less declined to 35.8% from 40.6%, while both the 20% to 30% and greater-than-30% cohorts expanded. This points to a stronger growth profile, with fewer companies concentrated at the lower end and a broader group sustaining meaningful expansion.

Rubrik led the Index with 45.7% TTM revenue growth, followed by Alkami at 32.7%, Shopify at 31.8%, Cloudflare at 31.6%, Snowflake at 31.1%, and Klaviyo at 30.3%. Many operate across enterprise data, infrastructure, commerce, and mission-critical workflows, positioning them to benefit from continued AI adoption, new product launches, and expanded monetization opportunities.

### TTM Revenue Performance ($M)




### TTM Revenue Growth Rate Distribution[1]




(1) Logos correspond to a select representation of the 2026 data.

# Revenue Multiples

Valuations across the SEG SaaS Index™ compressed sharply over the past year, but the decline was broad-based. Median EV/TTM revenue fell from 5.7x in 2Q25 to 3.2x in 2Q26, while the upper quartile declined from 9.3x to 5.4x. Nearly 72% of the Index now trades below 5.0x revenue, reflecting an indiscriminate repricing of SaaS even as many underlying businesses continued to grow and improve profitability.

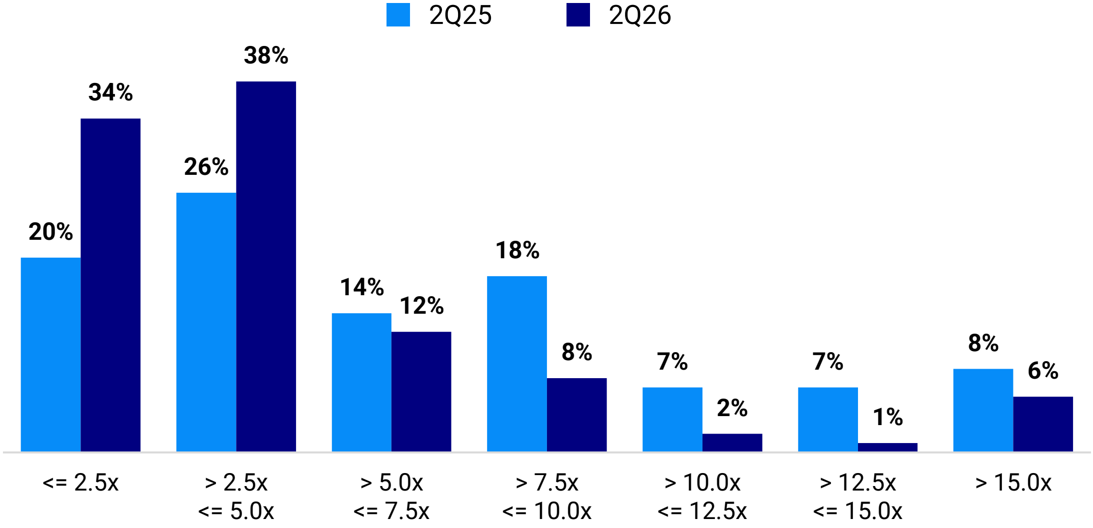
Revenue growth, EBITDA margins, and cash flow margins remain healthy across the Index, and the upper quartile continues to generate materially stronger growth and profitability than the broader group. As stock prices and enterprise values remained under pressure, ongoing operating improvement pushed valuation multiples lower, creating a wider gap between business performance and market pricing.

Although valuations have declined across the market, the upper quartile still traded at 5.4x EV/TTM revenue, a 69% premium to the 3.2x median, driven by better operating performance and an especially wide gap in growth. Cloudflare traded at 32.3x, CrowdStrike at 28.6x, Datadog at 19.1x, Palo Alto Networks at 18.2x, and MSCI at 15.0x, showing that investors remain willing to pay for differentiated platforms with durable growth, mission-critical products, and exceptional margins even within a compressed valuation environment.

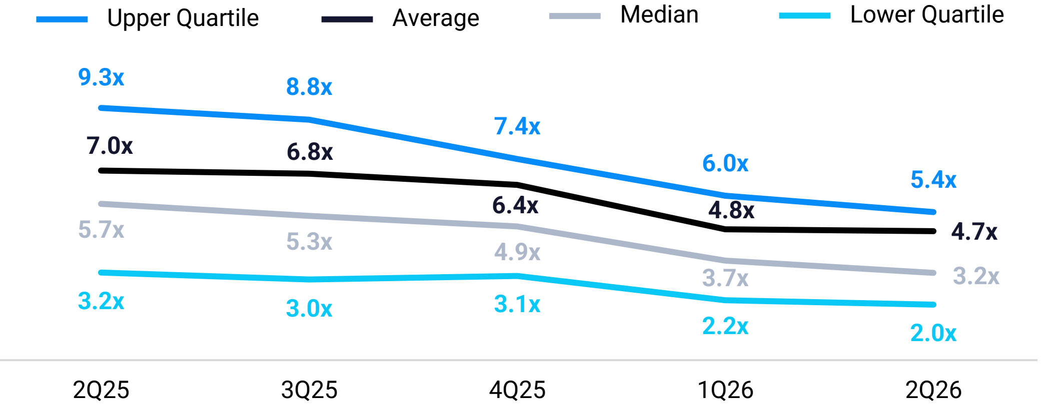
### Median TTM Metrics by EV/TTM Revenue Multiple Quartile(1)(2)

| Metrics | Lower Quartile | Median | Upper Quartile |
|---|---|---|---|
| Revenue Growth | 7% | 13% | 21% |
| Gross Profit Margin | 62% | 73% | 77% |
| EBITDA Margin | 1% | 11% | 24% |
| CFO Margin | 17% | 24% | 30% |

### EV/TTM Revenue Multiple Distribution(1)



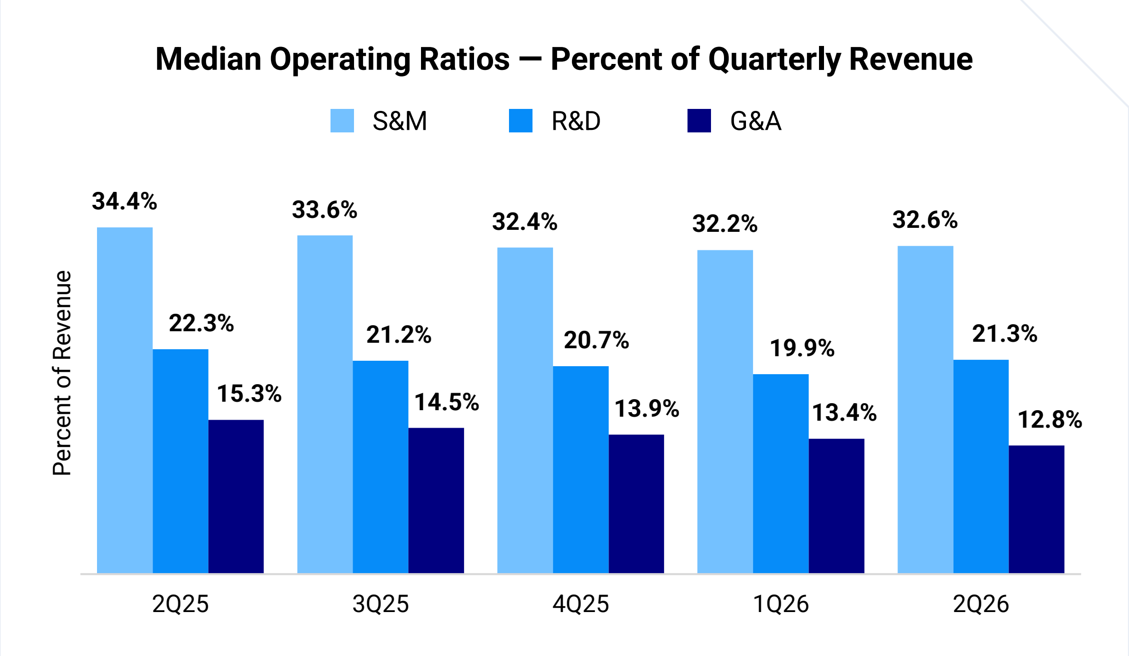

### Quarterly | EV/TTM Revenue Multiple(1)(2)

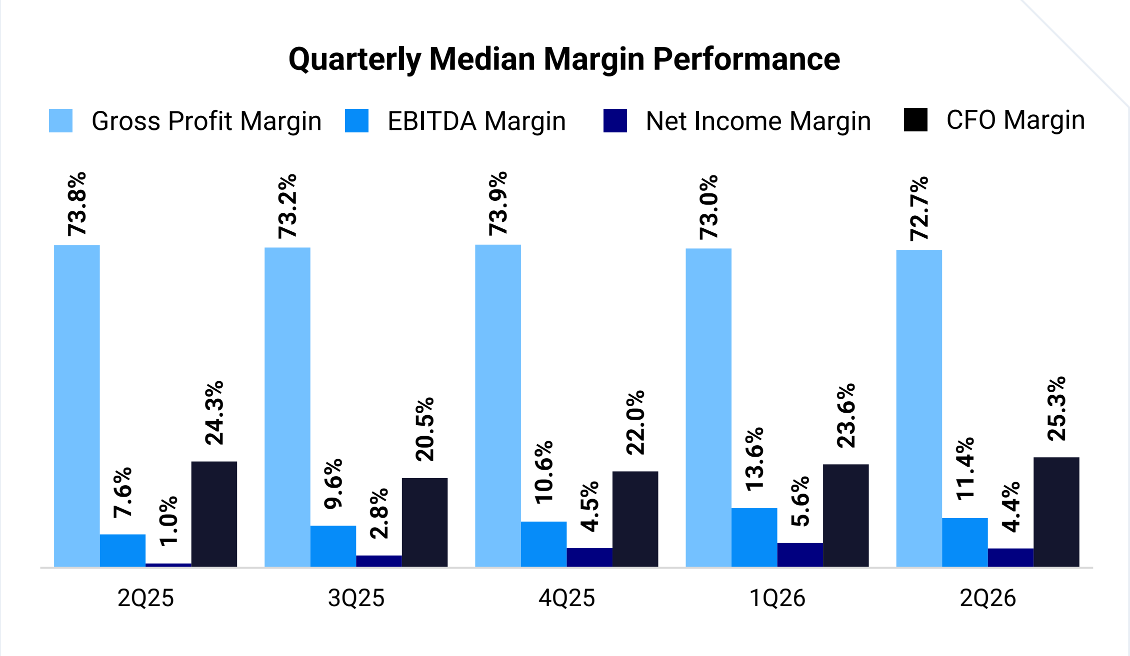



(1) Quarterly EV/TTM revenue multiples are derived by finding the Enterprise Values over the entire quarter, divided by the last available TTM Revenue figure. TTM Revenue is based on the last available financial statement and may be from one quarter prior.
(2) Stats shown for the lower and upper quartiles are calculated based on the median metrics for the respective cohort of companies belonging to those quartiles over the TTM. The stats for the median group are calculated based on the median metrics for the entire Index. Stats are based on the last available financial statement and may be from one quarter prior.

# Quarterly Financial Performance

The long post-COVID belt-tightening cycle may be beginning to give way to renewed investment in growth and innovation. In 2Q26, both R&D and sales and marketing increased as a percentage of revenue for the first time in several quarters. R&D rose from 19.9% to 21.3% of revenue, while sales and marketing increased from 32.2% to 32.6%. This shift may signal the early stages of a new growth cycle. After several years of steadily reducing spending, improving efficiency, and rebuilding profitability, SaaS companies appear to be reinvesting selectively in product development and go-to-market execution. The increase in R&D is particularly notable as companies accelerate AI initiatives, develop new products, and expand monetization opportunities, while the stabilization in sales and marketing suggests greater investment in bringing those capabilities into customer workflows. Importantly, this reinvestment has not reversed the profitability gains achieved through the broader efficiency cycle. EBITDA margin remained above its 2Q25, 3Q25, and 4Q25 levels at 11.4%, while CFO margin reached a five-quarter high of 25.3%. The emerging objective is not a return to growth at any cost, but a more efficient growth model supported by stronger products, AI-enabled functionality, and disciplined go-to-market investment. Several companies illustrate this renewed emphasis on go-to-market investment through meaningful increases in sales and marketing spending. C3.ai increased S&M from 84.2% to 94.8% of revenue QoQ and from 61.6% a year earlier, while Wix rose from 25.8% to 29.2% QoQ and from 23.7% YoY.

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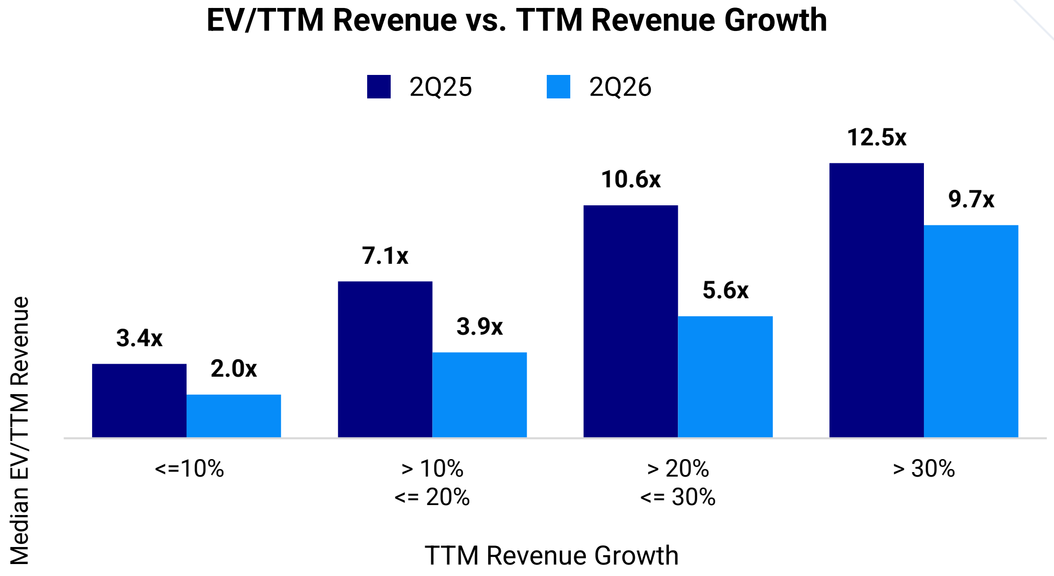
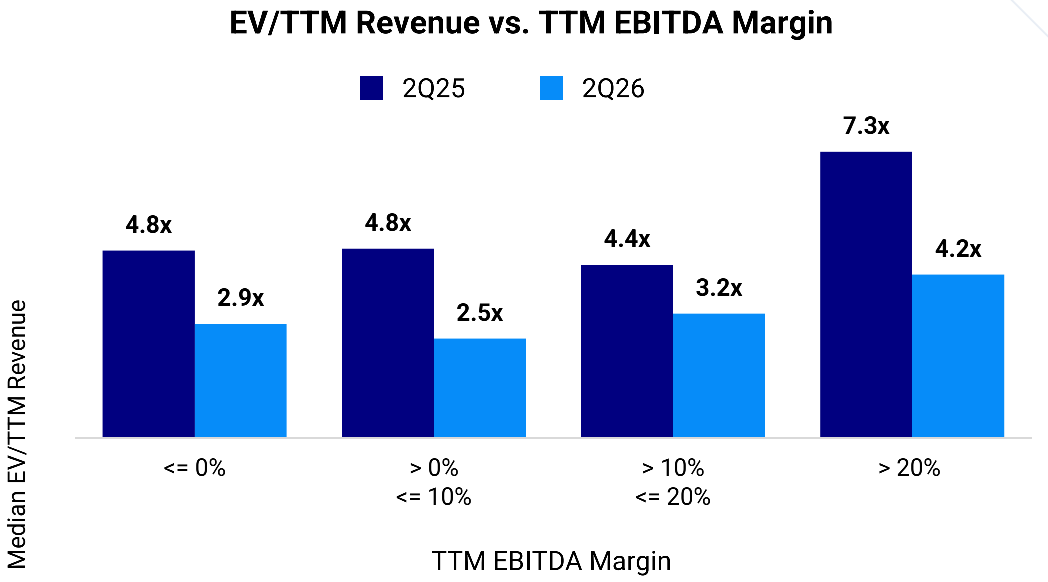
# Quarterly Public Market Multiples

Public SaaS valuations remain closely tied to growth and profitability, but the market is placing a much larger premium on growth. Every revenue-growth cohort traded at a lower multiple than a year ago, yet the relative hierarchy remained intact: companies growing above 30% commanded the highest median valuation at 9.7x EV/TTM revenue, compared with 5.6x for the 20% to 30% cohort and 2.0x for companies growing 10% or less. In a more mature SaaS market, durable high growth has become increasingly scarce and therefore more valuable. The company-level data reinforces that point. Cloudflare traded at 32.3x EV/TTM revenue while growing 31.6%, CrowdStrike at 28.6x with 23.2% growth, Datadog at 19.1x with 29.5% growth, and Shopify at 11.4x with 31.8% growth. Rubrik led the Index in TTM revenue growth at 45.7%, while Alkami, Shopify, Cloudflare, Snowflake, and Klaviyo also grew 30% or more. Collectively, companies above that 30% growth threshold traded at a median 9.7x EV/TTM revenue. By comparison, MSCI, Verisk, Oracle, PTC, and Descartes, five of the Index's strongest profitability leaders, traded at a median 8.8x despite each generating EBITDA margins above 40%. The comparison shows that top-decile revenue growth continues to command a stronger valuation premium than profitability. Unless a company reaches an exceptional level of profitability, as seen with businesses such as Oracle or Descartes, each incremental point of EBITDA margin generally produces less valuation uplift than an equivalent improvement in growth.

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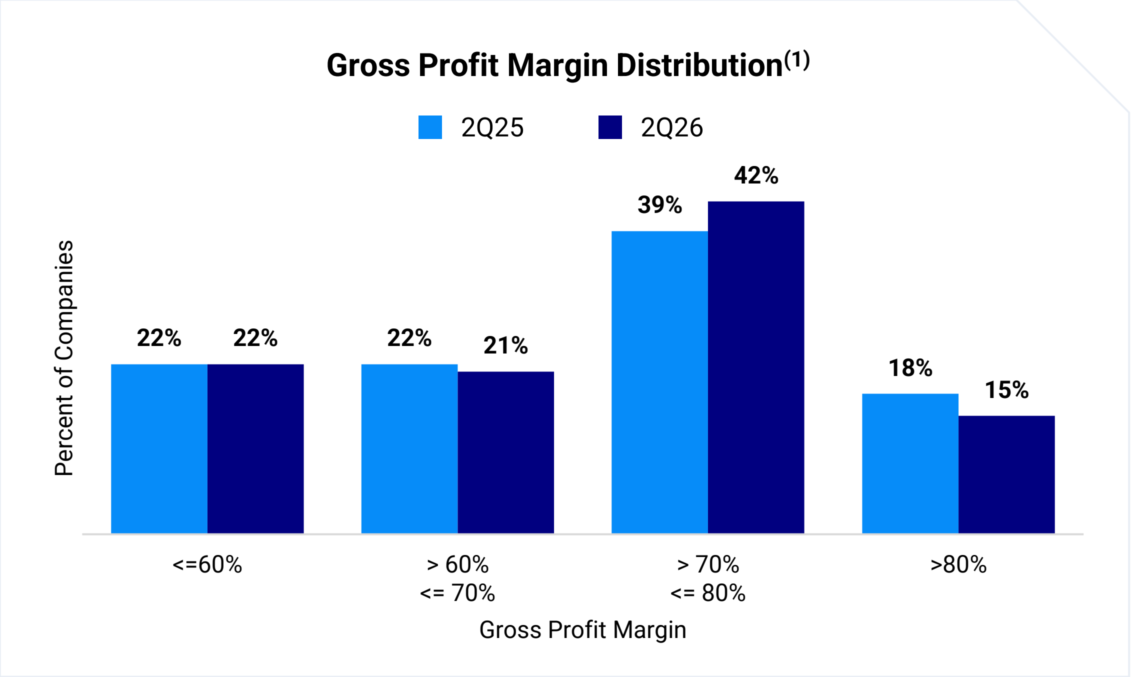
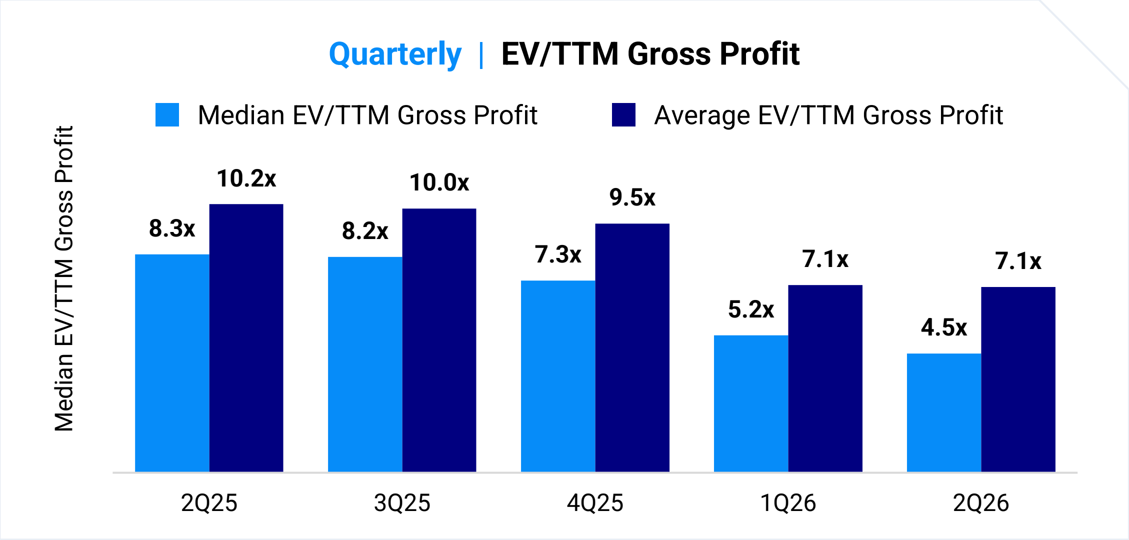
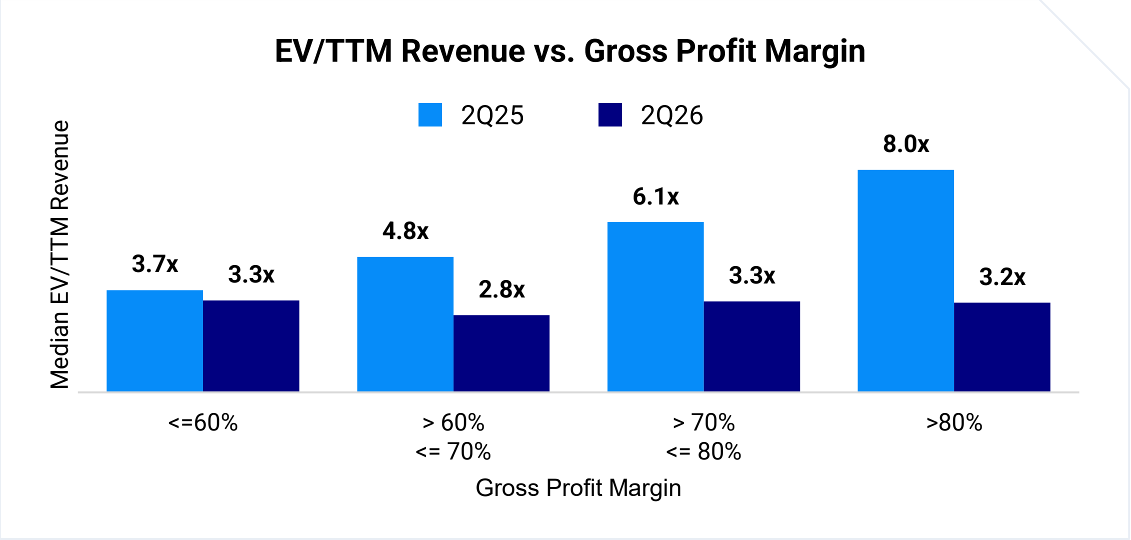
# Gross Profit

Gross margin performance remained resilient despite sharp valuation compression. Approximately 57% of the SEG SaaS Index™ generated gross margins above 70% in 2Q26, broadly unchanged from 2Q25. The mix shifted slightly, with more companies in the 70% to 80% range and fewer above 80%. Meanwhile, median EV/TTM gross profit fell from 8.3x to 4.5x. Gross margin leaders including monday.com, Adobe, Asana, Nutanix, and GitLab generated gross margins all above 85%, yet traded between 1.7x and 4.3x EV/TTM revenue. Rubrik was the clearest standout, expanding gross margin above 80% from 76% last year, while growing revenue 45.7% and trading at 8.7x. An important trend to watch is how gross margins evolve as SaaS companies roll out more AI-enabled products. AI offerings often carry higher infrastructure and compute costs, which can pressure gross margins and may require companies to adopt new pricing models to preserve unit economics.

**Explore the latest benchmarks and insights into improving and understanding SaaS gross profit margins**.



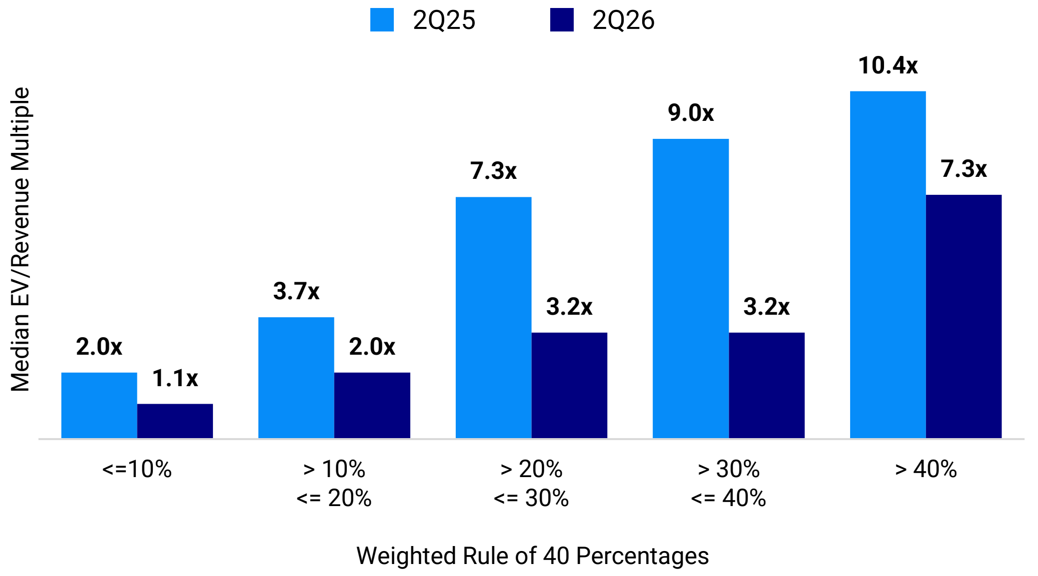



# Weighted 'Rule of 40'%

Weighted Rule of 40 performance is the clearest valuation differentiator in the public SaaS market. Companies scoring above 40% traded at a median 7.3x EV/TTM revenue in 2Q26, compared with just 3.2x for the next-highest cohort and between 1.1x and 3.2x for every group below the threshold. The data shows a clear step-up in valuation once a company crosses a Weighted Rule of 40 score of 40%, confirming that investors place a substantial premium on businesses that combine strong growth and profitability. However, the composition of the score still matters, with growth-led companies generally receiving the strongest premiums. Cloudflare illustrates this most clearly, trading at 32.3x with a 45% Weighted Rule of 40 score driven by 32% revenue growth and only a 4% EBITDA margin.

Datadog similarly traded at 19.1x with 30% growth and a 3% margin, while Shopify traded at 11.4x with 32% growth and a 17% margin. By comparison, profitability-led companies such as MSCI, Oracle, Verisk, and Descartes generated comparable or higher Weighted Rule of 40 scores, supported by EBITDA margins between 45% and 62%, but traded at 15.0x, 9.9x, 8.8x, and 7.6x, respectively. The pattern shows that profitability provides valuation support, but the highest multiples generally accrue to companies that pair operating discipline with sustained growth above 20%. Read more to understand the Rule of 40 and why it is a key metric for SaaS success.

## EV/TTM Revenue vs. Weighted Rule of 40%




## Select Companies by Weighted Rule of 40%(1)(2)

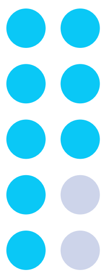
| | | | | | |
|---|---|---|---|---|---|
| <=10% | Amplitude / DISCO | asana / DOMO | C3.ai / RAPID7 | Commerce / upland | coursera / VARONIS |
| >10% <=20% | bandwidth / SentinelOne | blackbaud / sprinklr | BLACKLINE / sproutsocial | INTAPP / tenable | PEGA / WIX |
| >20% <=30% | box / Q2 | CareCloud / ServiceTitan | docusign / snowflake | freshworks / tyler | HealthStream / workday |
| >30% <=40% | appian / monday.com | CROWDSTRIKE / salesforce | dynatrace / SPS COMMERCE | HubSpot / theTradeDesk | klaviyo / toast |
| >40% | affirm / GUIDEWIRE | appfolio / MSCI | AUTODESK / samsara | CLOUDFLARE / servicenow | DigitalOcean / WAYSTAR |

(1) Logos correspond to a select representation of the 2Q26 data.
(2) Weighted Rule of 40 = (1.33 * Revenue Growth) + (0.67 * EBITDA Margin).

# 'Rule of 40'% Matrix

We turn to the Rule of 40 Matrix to better understand the interplay between revenue growth, profitability, and valuation.

This view isolates companies with a Weighted Rule of 40 score of 30% or higher and plots them by TTM revenue growth (X-axis), TTM EBITDA margin (Y-axis), and EV/TTM revenue multiple (bubble color).



**8 of 10 companies**

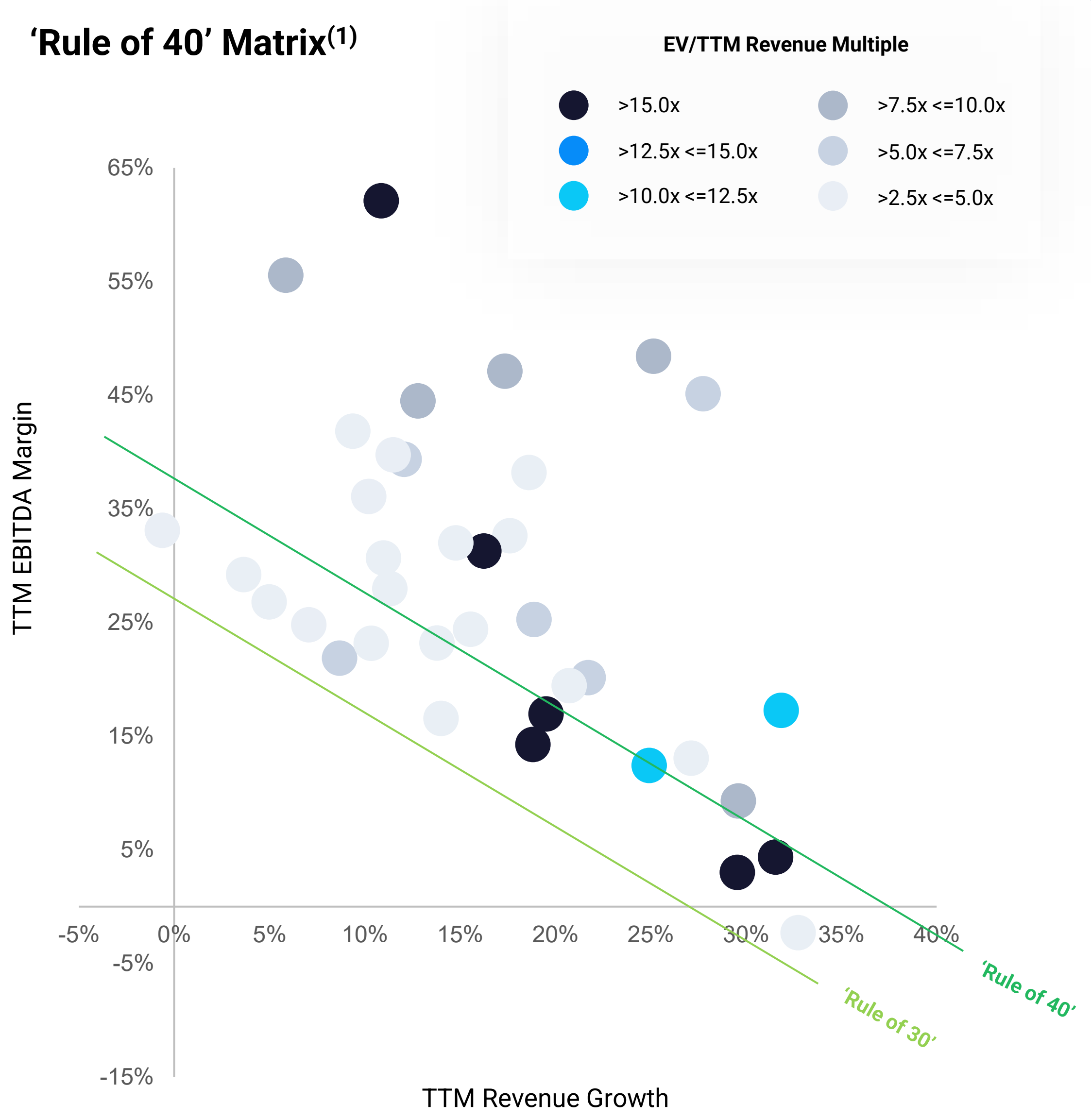
Of the highest Weighted Rule of 40 companies generated TTM revenue growth of at least 15%, including five growing approximately 25% or more.

Revenue growth remains the clearest path to higher valuations. Among companies with an Unweighted Rule of 40 score of 30% or greater, those growing revenue at least 20% traded at a median 7.8x EV/TTM revenue, compared with 4.3x for companies growing below 20%. The data shows that investors continue to place a greater premium on growth, even when profitability is still developing, while only exceptionally profitable slower-growth businesses achieve comparable valuations.

Exceptional profitability still supports premium valuations. MSCI traded at 15.0x with a 62% EBITDA margin, Oracle at 9.9x with a 47% margin, Verisk at 8.8x with a 56% margin, and Descartes at 7.6x with a 45% margin. These companies show that strong earnings power can sustain meaningful multiples even with more moderate growth. However, their valuations generally remained below the fastest-growing names, reinforcing that margins protect downside and support durability, while growth is the stronger driver.

High Weighted Rule of 40 scores remain valuable because they signal a healthy balance between growth and profitability, but the composition of the score matters. Eight of the ten highest-scoring companies grew at least 15%, and five grew approximately 25% or more.

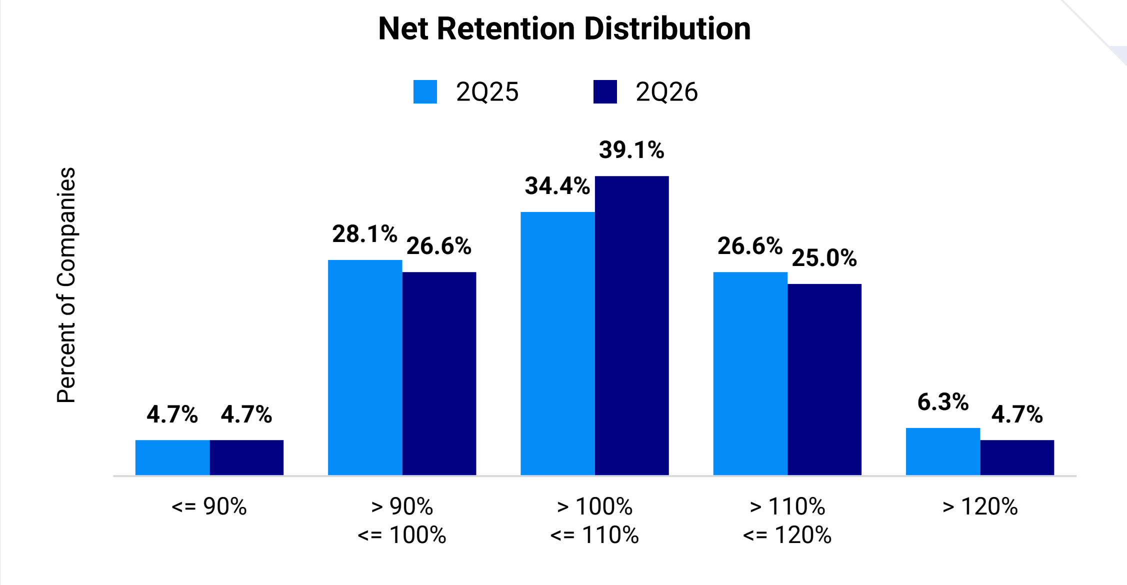
That mix suggests the strongest outcomes typically occur when growth remains a greater contributor, rather than when the score is driven primarily by margins. In today's market, profitability provides valuation support, but sustained top-line growth remains the primary catalyst for the highest revenue multiples.

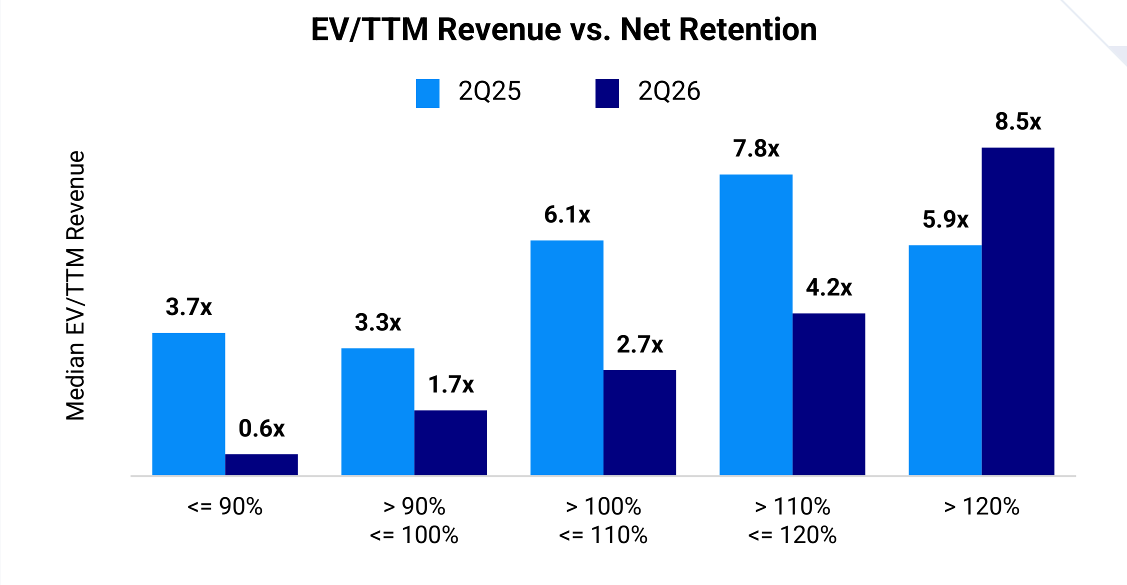



(1) Data shown for the period and only includes companies that are 'Rule of 30' on an unweighted basis. The following companies are 'Rule of 30' on a weighted basis, but not on an unweighted basis and are not shown in the graph above: Appian, GitLab, SailPoint, HubSpot, Zscaler, CrowdStrike, Atlassian, monday.com, Toast, Klaviyo, and Rubrik.

# Net Retention[1]

Net retention remained strongest among data, infrastructure, and developer-oriented platforms. Snowflake led the Index at 126%, followed by Intapp at 123%, MongoDB at 121%, and JFrog, Datadog, and Atlassian at 120%. DevOps & IT Management accounted for most of the leading performers, reflecting business models where customer spend naturally expands as data volumes, cloud environments, developer activity, and AI workloads increase. The strongest retention leaders also tended to post above-market growth, though profitability varied widely. Snowflake, MongoDB, JFrog, Datadog, Atlassian, GitLab, and Cloudflare all generated TTM revenue growth above 20%, while several remained only modestly profitable or unprofitable. Their valuations ranged broadly, from 3.0x for GitLab and 3.4x for Atlassian to 19.1x for Datadog and 32.3x for Cloudflare, showing that high retention alone does not determine valuation. The largest premiums went to companies combining strong expansion, faster growth, and strategic relevance in data, infrastructure, security, or AI-enabling workflows. The broader takeaway is that the highest-retention businesses tend to offer products that become more valuable as customers use them more. Usage-based pricing, expanding data consumption, additional workloads, and deeper platform adoption create natural upsell opportunities without requiring entirely new customer relationships. That expansion potential supports durable growth, but premium valuations still depend on whether strong retention translates into sustained revenue growth and, over time, improving profitability.




(1) Net retention metrics based on a select representation of the 2026 data.

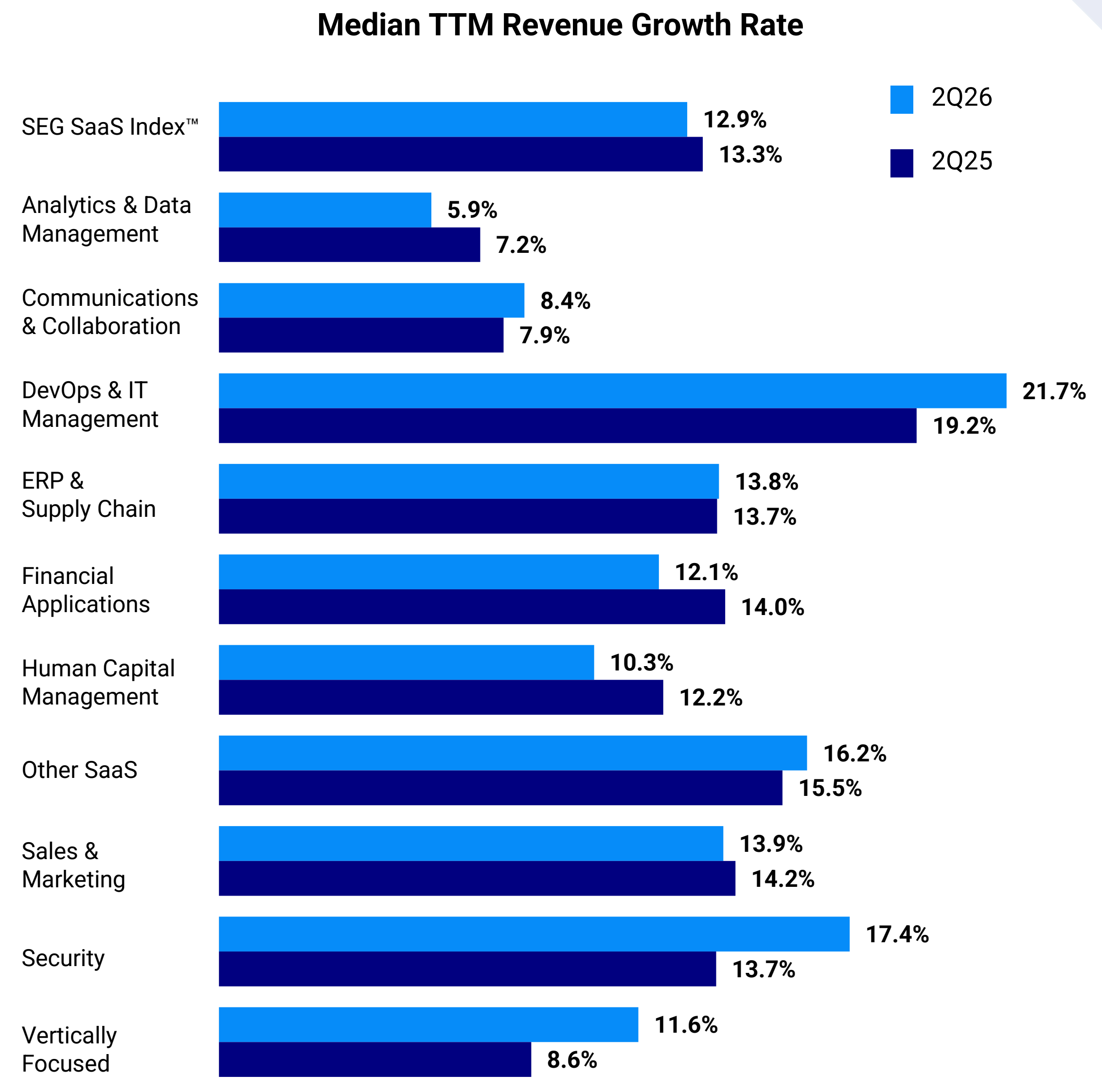
# Revenue Performance by Category

The SEG SaaS Index™ maintained durable growth, with median TTM revenue growth reaching 12.9% in 2Q26. While this was slightly below 13.3% in 2Q25, growth improved from 12.7% in 1Q26 and remained above the 12.8% recorded in 4Q25. The sequential increase shows that public SaaS growth stabilized and began to reaccelerate despite a more selective valuation environment.

DevOps & IT Management remained the clear growth leader, with median TTM revenue growth increasing from 19.2% to 21.7%, and ending more than eight points above the broader Index. The category was led by Cloudflare at 32%, Datadog at 30%, Atlassian, GitLab, and JFrog at 25%, MongoDB at 24%, ServiceNow at 22%, and Appian at 20%. These results reinforce sustained demand for platforms that help enterprises build, deploy, monitor, and manage increasingly complex cloud and AI environments.

Security also strengthened meaningfully, with median growth rising from 13.7% to 17.4%. Rubrik led the category at 46%, followed by Zscaler at 25%, SailPoint at 24%, CrowdStrike at 23%, SentinelOne at 21%, and Palo Alto Networks at 20%. Together with DevOps, this outperformance shows that the fastest-growing SaaS companies remain concentrated around mission-critical infrastructure, cybersecurity, data protection, and AI-enabling capabilities that enterprises continue to prioritize.

Vertically Focused SaaS posted another notable improvement, with median growth increasing from 8.6% to 11.6%. The leading performers were PTC at 28%, Guidewire at 25%, AppFolio at 21%, Waystar at 19%, Weave at 17%, and Intapp and Veeva at 16%.



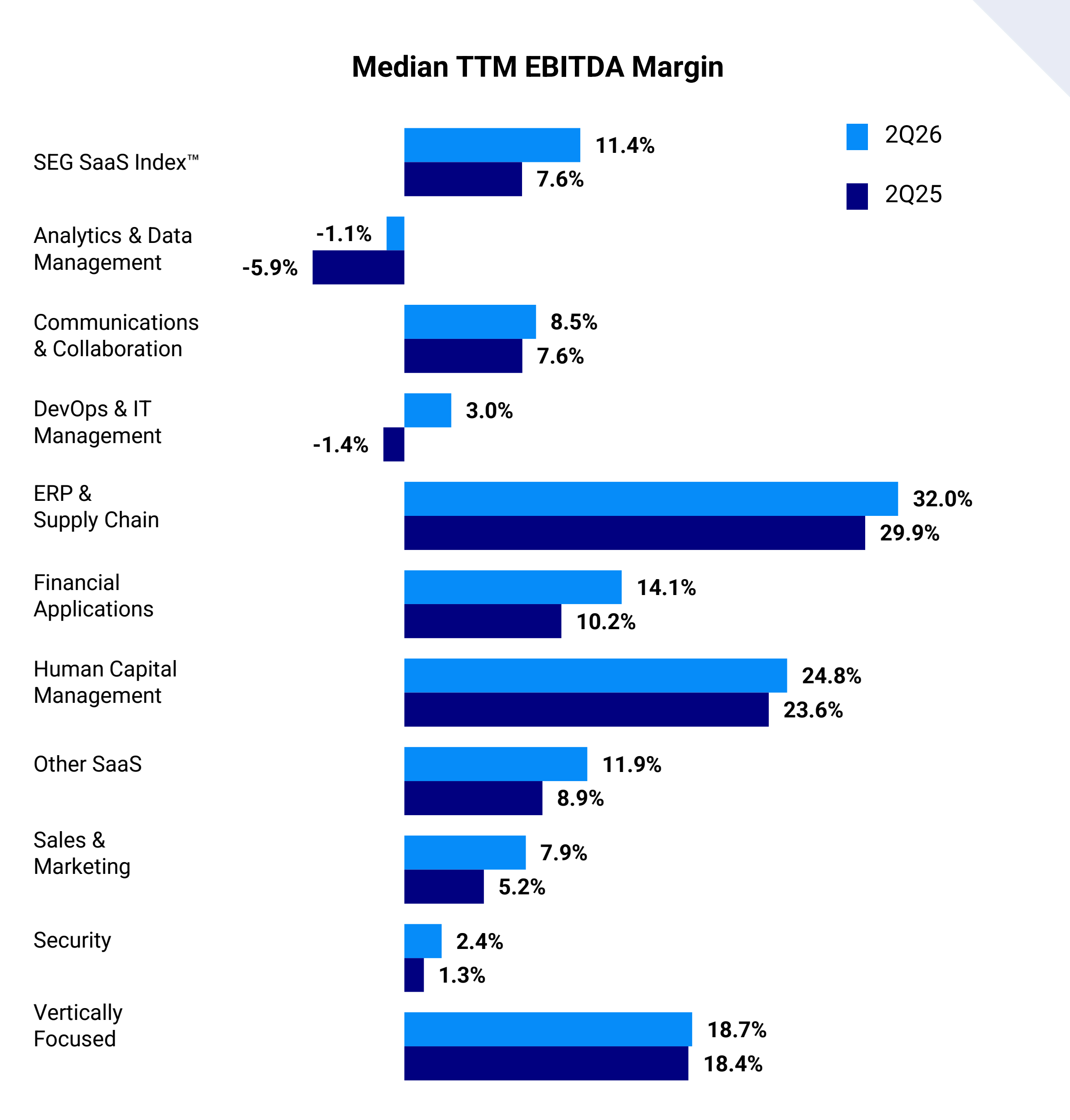
# EBITDA Performance by Category

The SEG SaaS Index™ became meaningfully more profitable YoY, with median EBITDA margin expanding nearly four percentage points from 7.6% in 2Q25 to 11.4% in 2Q26. The improvement reflects greater operating discipline across public SaaS, as companies continue to scale revenue while controlling hiring, infrastructure, and go-to-market costs more effectively.

ERP & Supply Chain remained the most profitable category in the Index, with median EBITDA margin increasing from 29.9% to 32.0%. Oracle led the group at 47.1%, followed by Descartes at 44.5%, SAP at 32.0%, SPS Commerce at 23.2%, and Workday at 15.9%. Human Capital Management was also highly profitable at a 24.8% median margin, led by Paycom at 41.8%, Paylocity at 28.0%, HealthStream at 21.6%, and Workday at 15.9%. These categories benefit from mature, mission-critical products, deeply embedded customer workflows, high recurring revenue, and lower incremental costs as they scale.

Some of the greatest improvements came from categories that historically prioritized growth over profitability. Analytics & Data Management improved nearly five percentage points, from a -5.9% median margin in 2Q25 to -1.1% in 2Q26. DevOps & IT Management also crossed into positive territory, improving 4.4 points from -1.4% to 3.0%. These gains suggest that high-growth infrastructure and data companies are beginning to benefit from scale, and more efficient customer expansion.

Vertically Focused SaaS continued to show strong profitability, posting an 18.7% median EBITDA margin. PTC led the group at 45.1%, followed by Roper Technologies at 39.4%, Waystar at 38.2%, Veeva at 31.3%, Fortive at 26.6%, and Blackbaud at 25.7%.



# Valuation Performance by Category

The SEG SaaS Index™ and every product category within it traded lower YoY in 2Q26. The broader Index declined 44% on an EV/TTM revenue basis, from 5.7x in 2Q25 to 3.2x in 2Q26, despite durable revenue growth and improving EBITDA margins across much of the market. As valuations fell faster than cash balances, cash also became a larger share of market capitalization, providing greater downside support and additional capacity for buybacks or strategic transactions. This reinforces that the valuation reset has been broad-based rather than limited to weaker SaaS businesses.

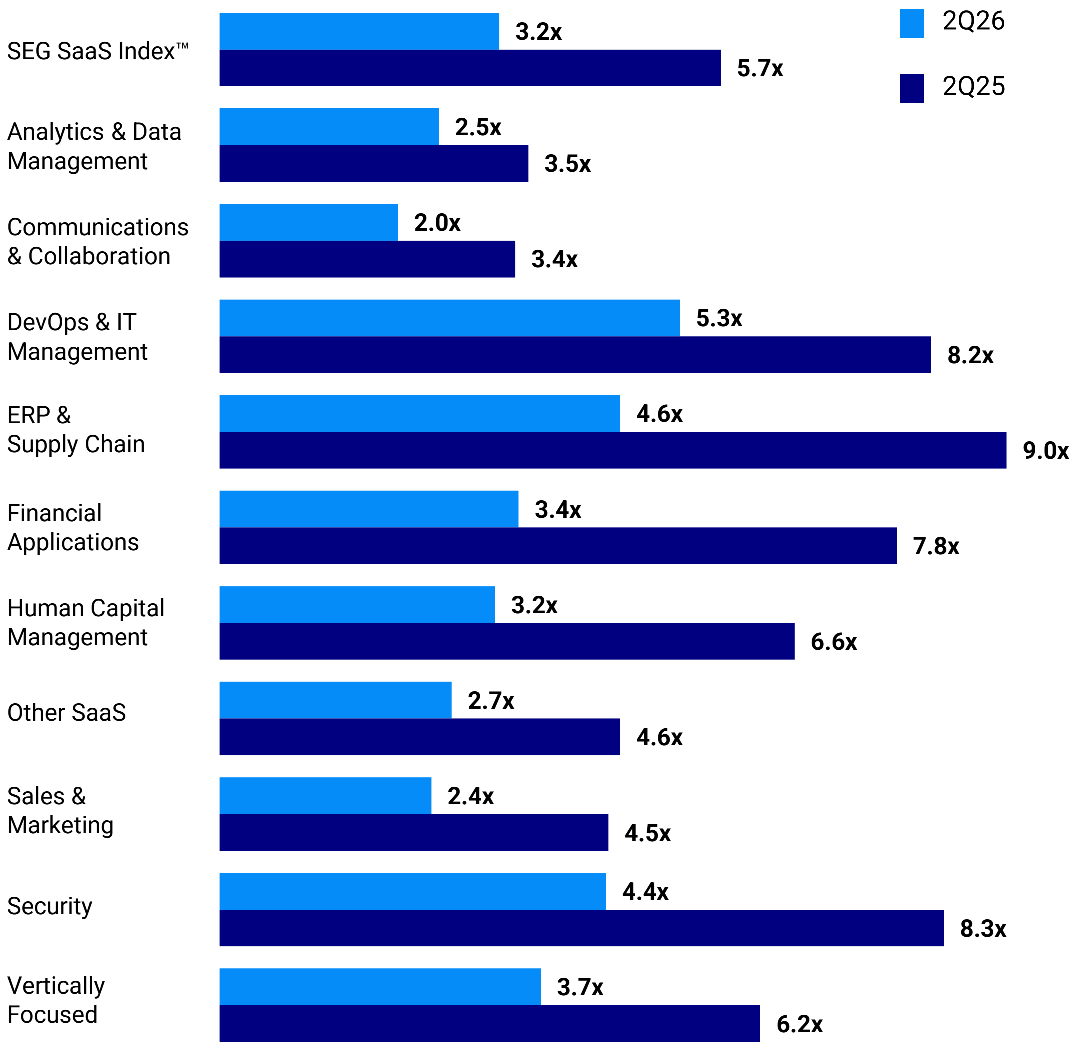
Even within that compressed environment, select companies continued to command outlier valuations. Cloudflare led the Index at 32.3x, followed by CrowdStrike at 28.6x, Datadog at 19.1x, Palo Alto Networks at 18.2x, DigitalOcean at 17.4x, MSCI at 15.0x, JFrog at 13.4x, Shopify at 11.4x, Snowflake at 10.7x, and Oracle at 9.9x.

DevOps & IT Management remained the highest-valued product category at 5.3x, with DigitalOcean recording the largest YoY multiple increase in the Index, rising nearly 12.5 turns from approximately 5.0x to 17.4x, while JFrog also increased from 9.2x to 13.4x. These gains show that investors continue to reward platforms supporting cloud infrastructure, software development, observability, and AI workloads.

ERP & Supply Chain and Security also retained relative valuation premiums, trading at 4.6x and 4.4x, respectively. ERP & Supply Chain was led by Oracle at 9.9x and Descartes at 7.6x, reflecting the durability of deeply embedded, mission-critical workflows. Security was led by CrowdStrike, Palo Alto Networks, Rubrik at 8.7x, and Zscaler at 6.3x

Vertically Focused SaaS traded at a 3.7x median, with Guidewire leading at 8.0x, followed by Veeva at 5.9x, PTC at 5.6x, AppFolio at 5.5x, and Tyler Technologies at 5.5x.

**Median EV/TTM Revenue Multiple[1]**




(1) Median EV for product category valuation performance is measured using the median EVs in 2Q26 and 2Q25.

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# Appendix

## 2Q26 SaaS Report

# SEG SaaS Index$^{TM}$: Top Quartile by EV/TTM Revenue

| Ticker | Company | Median EV (M) | TTM Revenue (M) | TTM Revenue Growth | EV/TTM Revenue | EBITDA (M) | EBITDA Margin | EV/EBITDA |
|---|---|---|---|---|---|---|---|---|
| NET | Cloudflare | $75,116.6 | $2,328.6 | 31.6% | 32.3x | $101.6 | 4.4% | 739.7x |
| CRWD | CrowdStrike | $145,687.8 | $5,094.2 | 23.2% | 28.6x | $195.7 | 3.8% | 744.3x |
| DDOG | Datadog | $70,060.1 | $3,672.0 | 29.5% | 19.1x | $110.7 | 3.0% | 632.9x |
| PANW | Palo Alto | $193,399.2 | $10,606.3 | 19.5% | 18.2x | $1,798.4 | 17.0% | 107.5x |
| DOCN | DigitalOcean | $16,537.2 | $948.6 | 17.6% | 17.4x | $309.6 | 32.6% | 53.4x |
| MSCI | MSCI | $48,705.3 | $3,239.4 | 10.9% | 15.0x | $2,012.1 | 62.1% | 24.2x |
| FROG | Jfrog | $7,568.9 | $563.4 | 25.0% | 13.4x | ($63.0) | -11.2% | n/a |
| SHOP | Shopify | $141,534.6 | $12,366.0 | 31.8% | 11.4x | $2,136.0 | 17.3% | 66.3x |
| SNOW | Snowflake | $53,746.5 | $5,032.8 | 31.1% | 10.7x | ($1,048.5) | -20.8% | n/a |
| IOT | Samsara | $17,117.3 | $1,730.6 | 29.6% | 9.9x | $160.9 | 9.3% | 106.4x |
| ORCL | Oracle | $665,046.8 | $67,358.0 | 17.4% | 9.9x | $31,737.0 | 47.1% | 21.0x |
| VRSK | Verisk Analytics | $27,338.5 | $3,102.3 | 5.9% | 8.8x | $1,723.7 | 55.6% | 15.9x |
| RBRK | Rubrik | $12,422.5 | $1,424.8 | 45.7% | 8.7x | ($263.8) | -18.5% | n/a |
| MDB | MongoDB | $22,001.5 | $2,602.4 | 23.6% | 8.5x | ($71.3) | -2.7% | n/a |
| GWRE | Guidewire Software | $11,349.6 | $1,420.8 | 24.9% | 8.0x | $176.5 | 12.4% | 64.3x |
| DSGX | The Descartes Systems Group | $5,760.7 | $753.9 | 12.8% | 7.6x | $335.5 | 44.5% | 17.2x |
| AFRM | Affirm Holdings | $28,042.6 | $3,675.5 | 25.1% | 7.6x | $1,780.2 | 48.4% | 15.8x |
| NOW | ServiceNow | $98,211.2 | $13,960.0 | 21.7% | 7.0x | $2,813.0 | 20.2% | 34.9x |
| ADSK | Autodesk | $49,771.1 | $7,519.0 | 18.9% | 6.6x | $1,900.0 | 25.3% | 26.2x |
| ZS | Zscaler | $20,151.9 | $3,173.6 | 24.6% | 6.3x | $28.0 | 0.9% | 719.8x |
| SAIL | Sailpoint | $6,948.7 | $1,121.1 | 24.0% | 6.2x | $11.1 | 1.0% | 627.4x |
| VEEV | Veeva Systems | $19,630.0 | $3,319.2 | 16.2% | 5.9x | $1,038.6 | 31.3% | 18.9x |
| PTC | PTC | $16,906.6 | $2,997.9 | 27.7% | 5.6x | $1,353.0 | 45.1% | 12.5x |
| TTAN | ServiceTitan | $5,633.2 | $1,014.1 | 24.1% | 5.6x | ($58.6) | -5.8% | n/a |
| APPF | AppFolio | $5,519.0 | $995.3 | 20.7% | 5.5x | $193.6 | 19.4% | 28.5x |
| TYL | Tyler Technologies | $13,089.8 | $2,380.7 | 8.7% | 5.5x | $520.5 | 21.9% | 25.1x |
| ROP | Roper Technologies | $44,581.2 | $8,115.0 | 12.1% | 5.5x | $3,194.4 | 39.4% | 14.0x |
| | | | | | | | | |
| | **High** | $665,046.8 | $67,358.0 | 45.7% | 32.3x | $31,737.0 | 62.1% | 744.3x |
| | **Median** | $22,001.5 | $3,102.3 | 23.6% | 8.5x | $309.6 | 17.3% | 31.7x |
| | **Average** | $67,477.0 | $6,315.4 | 22.4% | 10.9x | $1,930.5 | 18.6% | 187.1x |
| | **Low** | $5,519.0 | $563.4 | 5.9% | 5.5x | ($1,048.5) | -20.8% | 12.5x |

# SEG SaaS Index™: Bottom Quartile by EV/TTM Revenue

| Ticker | Company | Median EV (M) | TTM Revenue (M) | TTM Revenue Growth | EV/TTM Revenue | EBITDA (M) | EBITDA Margin | EV/EBITDA |
|---|---|---|---|---|---|---|---|---|
| GTM | ZoomInfo Technologies | $2,552.8 | $1,254.0 | 3.6% | 2.0x | $366.4 | 29.2% | 7.0x |
| FRSH | Freshworks | $1,760.9 | $871.2 | 15.9% | 2.0x | $42.9 | 4.9% | 41.0x |
| BLKB | Blackbaud | $2,202.1 | $1,138.6 | -0.6% | 1.9x | $292.5 | 25.7% | 7.5x |
| DCBO | Docebo | $467.7 | $251.0 | 12.6% | 1.9x | $26.9 | 10.7% | 17.4x |
| RNG | RingCentral | $4,709.4 | $2,547.3 | 4.9% | 1.8x | $416.3 | 16.3% | 11.3x |
| UPLD | Upland Software | $350.4 | $201.9 | -24.6% | 1.7x | $50.1 | 24.8% | 7.0x |
| ASAN | Asana | $1,366.6 | $808.6 | 9.5% | 1.7x | ($112.9) | -14.0% | n/a |
| WEAV | Weave Communications | $411.2 | $248.7 | 16.8% | 1.7x | ($8.5) | -3.4% | n/a |
| TDC | Teradata | $2,721.0 | $1,689.0 | -0.8% | 1.6x | $207.0 | 12.3% | 13.1x |
| ZD | Ziff Davis | $2,057.3 | $1,390.3 | 2.2% | 1.5x | $375.7 | 27.0% | 5.5x |
| FIVN | Five9 | $1,675.1 | $1,174.7 | 9.3% | 1.4x | $234.9 | 20.0% | 7.1x |
| WIX | Wix.com | $2,677.7 | $2,060.6 | 13.6% | 1.3x | $5.9 | 0.3% | 450.6x |
| RSKD | Riskified | $433.9 | $350.5 | 5.1% | 1.2x | ($5.2) | -1.5% | n/a |
| YEXT | Yext | $513.3 | $445.0 | 2.4% | 1.2x | $69.0 | 15.5% | 7.4x |
| PD | PagerDuty | $532.3 | $493.7 | 3.7% | 1.1x | $47.5 | 9.6% | 11.2x |
| KLTR | Kaltura | $188.5 | $178.5 | -1.3% | 1.1x | ($2.8) | -1.6% | n/a |
| CXM | Sprinklr | $840.2 | $871.2 | 8.1% | 1.0x | $73.0 | 8.4% | 11.5x |
| LAW | CS Disco | $145.7 | $162.1 | 11.1% | 0.9x | ($41.9) | -25.9% | n/a |
| RPD | Rapid7 | $742.0 | $859.2 | 1.2% | 0.9x | $57.0 | 6.6% | 13.0x |
| CCLD | CareCloud | $102.4 | $124.1 | 10.3% | 0.8x | $28.8 | 23.2% | 3.6x |
| DOMO | Domo | $261.8 | $318.1 | 0.3% | 0.8x | ($20.9) | -6.6% | n/a |
| EGHT | 8x8 | $544.2 | $735.8 | 2.9% | 0.7x | $55.2 | 7.5% | 9.9x |
| CMRC | Commerce.com | $242.2 | $346.8 | 3.5% | 0.7x | $14.2 | 4.1% | 17.0x |
| SPT | Sprout Social | $326.8 | $469.8 | 12.3% | 0.7x | ($24.4) | -5.2% | n/a |
| DH | Definitive Healthcare | $133.5 | $238.3 | -3.9% | 0.6x | $37.1 | 15.6% | 3.6x |
| HCAT | Health Catalyst | $162.1 | $302.5 | -2.8% | 0.5x | $9.5 | 3.2% | 17.0x |
| COUR | Coursera | $166.7 | $773.9 | 9.8% | 0.2x | ($36.8) | -4.8% | n/a |
| | | | | | | | | |
| | **High** | $4,709.4 | $2,547.3 | 16.8% | 2.0x | $416.3 | 29.2% | 450.6x |
| | **Median** | $513.3 | $493.7 | 3.7% | 1.2x | $37.1 | 7.5% | 11.2x |
| | **Average** | $1,047.7 | $752.0 | 4.6% | 1.2x | $79.9 | 7.5% | 34.8x |
| | **Low** | $102.4 | $124.1 | -24.6% | 0.2x | ($112.9) | -25.9% | 3.6x |

# SEG SaaS Index™

| Ticker | Company | EV/TTM Revenue | | | | | EV/EBITDA | | | | | TTM Revenue Growth (YoY) | | | | | EBITDA Margin | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
| EGHT | 8x8, Inc. | 0.8x | 0.8x | 0.8x | 0.8x | 0.7x | 10.2x | 10.9x | 11.5x | 11.4x | 9.9x | -1.9% | -0.7% | 0.3% | 1.4% | 2.9% | 7.6% | 7.5% | 6.9% | 6.7% | 7.5% |
| ACIW | ACI Worldwide, Inc. | 3.5x | 3.3x | 3.3x | 2.8x | 2.8x | 12.1x | 12.4x | 12.6x | 11.3x | 11.4x | 13.1% | 11.2% | 7.0% | 10.4% | 7.1% | 28.4% | 26.6% | 26.0% | 24.9% | 24.8% |
| ADBE | Adobe, Inc. | 7.3x | 6.6x | 6.0x | 4.5x | 3.9x | 18.0x | 16.3x | 15.0x | 11.3x | 9.8x | 10.7% | 10.7% | 10.5% | 11.0% | 11.5% | 40.7% | 40.3% | 40.1% | 40.1% | 39.8% |
| AFRM | Affirm Holdings, Inc. | 7.3x | 9.7x | 8.9x | 6.8x | 7.6x | 28.9x | 30.4x | 21.9x | 15.6x | 15.8x | 39.2% | 33.2% | 29.0% | 27.8% | 25.1% | 25.1% | 31.9% | 40.4% | 43.6% | 48.4% |
| ALRM | Alarm.com Holdings, Inc. | 2.9x | 2.9x | 2.6x | 2.5x | 2.2x | 16.7x | 16.8x | 14.9x | 14.0x | 12.5x | 6.7% | 7.8% | 7.4% | 7.6% | 8.6% | 17.1% | 17.5% | 17.7% | 18.0% | 17.9% |
| ALKT | Alkami Technology, Inc. | 9.1x | 7.7x | 6.3x | 4.8x | 4.4x | - | - | - | - | - | 26.5% | 29.6% | 30.7% | 32.9% | 32.7% | -9.0% | -7.6% | -6.4% | -4.9% | -2.3% |
| AMPL | Amplitude, Inc. | 4.3x | 4.2x | 3.5x | 2.4x | 2.1x | - | - | - | - | - | 8.6% | 9.9% | 12.8% | 14.7% | 16.4% | -32.6% | -31.2% | -31.3% | -25.2% | -24.1% |
| APPF | AppFolio, Inc. | 9.3x | 11.3x | 9.2x | 6.7x | 5.5x | 48.6x | 59.5x | 52.8x | 36.1x | 28.5x | 22.7% | 19.5% | 18.9% | 19.7% | 20.7% | 19.2% | 19.0% | 17.3% | 18.7% | 19.4% |
| APPN | Appian Corp. | 3.8x | 3.6x | 4.1x | 2.8x | 2.2x | - | 287.4x | 95.6x | 69.4x | 43.6x | 13.2% | 13.7% | 16.0% | 17.8% | 20.4% | -2.5% | 1.2% | 4.3% | 4.1% | 5.1% |
| ASAN | Asana, Inc. | 4.7x | 4.1x | 4.0x | 2.1x | 1.7x | - | - | - | - | - | 9.8% | 9.7% | 9.5% | 9.2% | 9.5% | -28.9% | -24.5% | -21.0% | -17.8% | -14.0% |
| TEAM | Atlassian Corp. | 10.7x | 8.5x | 7.3x | 3.9x | 3.4x | - | - | - | - | 112.4x | 19.1% | 19.7% | 19.5% | 20.1% | 24.7% | -1.4% | -0.5% | -0.6% | -0.1% | 3.0% |
| ADSK | Autodesk, Inc. | 10.0x | 9.9x | 9.4x | 7.4x | 6.6x | 42.1x | 43.9x | 42.8x | 32.1x | 26.2x | 12.9% | 14.0% | 15.6% | 17.8% | 18.9% | 23.8% | 22.7% | 21.9% | 23.2% | 25.3% |
| AVPT | AvePoint, Inc. | 9.7x | 8.1x | 6.3x | 4.4x | 3.9x | 137.5x | 85.8x | 69.4x | 38.5x | 30.2x | 21.7% | 24.4% | 24.7% | 26.9% | 27.1% | 7.1% | 9.4% | 9.1% | 11.4% | 13.1% |
| BAND | Bandwidth, Inc. | 1.1x | 1.2x | 1.1x | 1.1x | 2.5x | 22.8x | 21.6x | 20.9x | 19.2x | 41.9x | 18.5% | 14.5% | 7.4% | 0.7% | 4.9% | 5.0% | 5.4% | 5.4% | 5.7% | 6.1% |
| BILL | Bill Holdings, Inc. | 2.9x | 2.9x | 3.1x | 2.6x | 2.1x | 307.4x | 476.8x | 1124.4x | 185.3x | 53.2x | 14.5% | 13.4% | 11.6% | 11.8% | 12.5% | 0.9% | 0.6% | 0.3% | 1.4% | 3.9% |
| BLKB | Blackbaud, Inc. | 3.7x | 3.0x | 3.2x | 2.3x | 1.9x | 16.1x | 12.9x | 13.6x | 9.3x | 7.5x | 2.0% | 0.0% | -1.2% | -2.4% | -0.6% | 22.7% | 23.2% | 23.6% | 25.3% | 25.7% |
| BL | BlackLine, Inc. | 5.2x | 5.1x | 5.1x | 3.6x | 2.7x | 45.6x | 43.0x | 43.8x | 28.8x | 21.1x | 8.9% | 8.0% | 7.4% | 7.2% | 8.1% | 11.5% | 11.9% | 11.7% | 12.6% | 12.8% |
| BOX | Box, Inc. | 4.6x | 4.5x | 4.4x | 3.4x | 3.3x | 54.3x | 53.6x | 50.5x | 34.6x | 28.7x | 4.9% | 6.3% | 7.2% | 8.0% | 9.5% | 8.4% | 8.4% | 8.7% | 9.9% | 11.6% |
| BRZE | Braze, Inc. | 4.6x | 4.0x | 4.1x | 2.6x | 2.8x | - | - | - | - | - | 22.7% | 22.2% | 23.0% | 24.4% | 27.0% | -17.8% | -18.0% | -17.2% | -16.6% | -13.5% |
| AI | C3.ai, Inc. | 6.2x | 4.8x | 4.3x | 3.0x | 3.3x | - | - | - | - | - | 25.3% | 14.3% | 1.8% | -16.2% | -35.7% | -80.1% | -97.8% | -113.4% | -147.3% | -189.4% |
| CCLD | CareCloud, Inc. | 0.7x | 0.9x | 1.2x | 1.0x | 0.8x | 3.1x | 3.9x | 5.0x | 4.2x | 3.6x | -0.5% | 0.0% | 3.0% | 8.7% | 10.3% | 23.7% | 24.1% | 24.4% | 24.1% | 23.2% |
| NET | Cloudflare, Inc. | 29.8x | 37.1x | 36.5x | 30.5x | 32.3x | 808.0x | 1219.2x | 989.3x | 780.5x | 739.7x | 27.8% | 27.3% | 28.1% | 29.8% | 31.6% | 3.7% | 3.0% | 3.7% | 3.9% | 4.4% |
| CMRC | Commerce.com, Inc. | 1.4x | 1.2x | 1.2x | 0.8x | 0.7x | - | 275.7x | 42.2x | 30.3x | 17.0x | 5.3% | 4.1% | 3.0% | 2.8% | 3.5% | -1.3% | 0.4% | 2.8% | 2.6% | 4.1% |
| COUR | Coursera, Inc. | 0.9x | 1.5x | 0.8x | 0.3x | 0.2x | - | - | - | - | - | 7.3% | 7.1% | 8.1% | 9.0% | 9.8% | -9.1% | -6.5% | -5.4% | -5.0% | -4.8% |
| CRWD | CrowdStrike Holdings, Inc. | 25.6x | 25.2x | 27.1x | 21.7x | 28.6x | 2036.2x | - | 10413.6x | 1005.2x | 744.3x | 25.9% | 23.5% | 22.0% | 21.7% | 23.2% | 1.3% | -0.5% | 0.3% | 2.2% | 3.8% |
| LAW | CS Disco, Inc. | 0.9x | 1.3x | 2.1x | 1.1x | 0.9x | - | - | - | - | - | 3.8% | 4.1% | 6.3% | 8.3% | 11.1% | -29.5% | -28.8% | -30.3% | -28.3% | -25.9% |
| DDOG | Datadog, Inc. | 13.1x | 15.0x | 16.2x | 11.9x | 19.1x | 330.8x | 561.5x | 714.9x | 523.9x | 632.9x | 25.5% | 26.0% | 26.6% | 27.7% | 29.5% | 4.0% | 2.7% | 2.3% | 2.3% | 3.0% |
| DH | Definitive Healthcare Corp. | 1.8x | 2.1x | 1.6x | 1.1x | 0.6x | 10.3x | 11.6x | 9.1x | 7.1x | 3.6x | -3.0% | -5.2% | -5.3% | -4.2% | -3.9% | 17.7% | 18.4% | 17.3% | 14.7% | 15.6% |
| DOCN | DigitalOcean Holdings, Inc. | 4.9x | 5.1x | 6.3x | 7.6x | 17.4x | 16.3x | 16.3x | 19.6x | 23.4x | 53.4x | 13.2% | 13.3% | 14.2% | 15.5% | 17.6% | 30.3% | 30.9% | 32.1% | 32.7% | 32.6% |

# SEG SaaS Index™

| Ticker | Company | EV/TTM Revenue | | | | | EV/EBITDA | | | | | TTM Revenue Growth (YoY) | | | | | EBITDA Margin | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
| DCBO | Docebo, Inc. | 3.3x | 3.5x | 2.6x | 2.0x | 1.9x | 35.9x | 38.1x | 25.2x | 17.2x | 17.4x | 16.8% | 15.1% | 13.2% | 11.9% | 12.6% | 9.1% | 9.2% | 10.3% | 11.4% | 10.7% |
| DOCU | DocuSign, Inc. | 5.1x | 4.8x | 4.2x | 2.7x | 2.6x | 44.3x | 41.0x | 33.9x | 21.1x | 18.0x | 7.9% | 8.3% | 8.4% | 8.2% | 8.4% | 11.6% | 11.6% | 12.3% | 12.9% | 14.2% |
| DOMO | Domo, Inc. | 1.4x | 2.3x | 1.9x | 0.9x | 0.8x | - | - | - | - | - | -0.8% | 0.0% | -0.1% | 0.6% | 0.3% | -8.0% | -5.7% | -5.7% | -6.3% | -6.6% |
| DBX | Dropbox, Inc. | 3.9x | 3.8x | 3.9x | 3.5x | 3.5x | 14.6x | 13.3x | 12.6x | 10.3x | 10.4x | 0.8% | 0.0% | -0.4% | -1.1% | -0.6% | 26.5% | 28.6% | 30.7% | 33.7% | 33.1% |
| DT | Dynatrace, Inc. | 8.7x | 7.8x | 6.9x | 5.3x | 5.3x | 65.3x | 57.6x | 49.9x | 37.4x | 36.9x | 18.7% | 18.7% | 18.5% | 18.2% | 18.8% | 13.4% | 13.5% | 13.9% | 14.3% | 14.3% |
| ESTC | Elastic NV | 5.4x | 5.3x | 4.9x | 3.4x | 2.7x | - | - | - | - | - | 17.0% | 17.4% | 17.0% | 17.3% | 17.3% | -2.8% | -1.2% | -1.4% | -1.0% | -1.1% |
| EVCM | EverCommerce, Inc. | 4.0x | 4.3x | 4.1x | 4.2x | 3.9x | 16.4x | 17.2x | 16.4x | 17.0x | 16.3x | -13.1% | -7.8% | -1.1% | 4.8% | 4.9% | 24.4% | 24.7% | 25.2% | 24.9% | 24.0% |
| FSLY | Fastly, Inc. | 2.0x | 2.0x | 2.7x | 4.1x | 4.8x | - | - | - | - | - | 6.3% | 7.4% | 9.4% | 14.8% | 17.7% | -9.3% | -7.4% | -6.6% | -3.4% | -2.0% |
| FIVN | Five9, Inc. | 2.1x | 2.0x | 1.6x | 1.3x | 1.4x | 17.8x | 15.0x | 9.7x | 7.2x | 7.1x | 14.4% | 14.2% | 12.5% | 10.3% | 9.3% | 11.6% | 13.3% | 16.2% | 17.7% | 20.0% |
| FTV | Fortive Corp. | 4.5x | 4.2x | 4.2x | 4.4x | 4.6x | 15.2x | 14.5x | 15.8x | 16.5x | 17.1x | -24.6% | -25.5% | -18.6% | -9.5% | 2.5% | 29.8% | 29.2% | 26.3% | 26.3% | 26.6% |
| FRSH | Freshworks, Inc. | 4.6x | 3.8x | 3.1x | 1.9x | 2.0x | - | - | - | 41.1x | 41.0x | 20.5% | 19.8% | 18.2% | 16.4% | 15.9% | -10.1% | -4.9% | -0.8% | 4.7% | 4.9% |
| GTLB | GitLab, Inc. | 8.2x | 7.6x | 6.9x | 4.0x | 3.0x | - | - | - | - | - | 29.3% | 29.0% | 27.4% | 25.8% | 24.9% | -12.4% | -9.3% | -7.1% | -5.5% | -3.3% |
| GWRE | Guidewire Software, Inc. | 15.5x | 15.5x | 14.3x | 9.7x | 8.0x | 273.3x | 219.1x | 162.0x | 89.5x | 64.3x | 18.6% | 22.6% | 22.8% | 23.7% | 24.9% | 5.7% | 7.1% | 8.8% | 10.8% | 12.4% |
| HCAT | Health Catalyst, Inc. | 1.1x | 1.0x | 0.9x | 0.7x | 0.5x | - | - | - | 74.5x | 17.0x | 4.9% | 5.5% | 4.6% | 1.5% | -2.8% | -2.5% | -1.7% | -1.6% | 0.9% | 3.2% |
| HSTM | HealthStream, Inc. | 2.6x | 2.5x | 2.2x | 1.9x | 2.1x | 12.4x | 11.7x | 10.2x | 9.3x | 9.5x | 3.4% | 3.5% | 3.7% | 4.3% | 6.6% | 21.1% | 21.5% | 21.9% | 21.0% | 21.6% |
| HUBS | HubSpot, Inc. | 10.8x | 8.8x | 6.5x | 4.0x | 2.8x | 550.2x | 392.8x | 204.1x | 71.1x | 38.5x | 19.2% | 19.0% | 19.2% | 19.2% | 21.1% | 2.0% | 2.3% | 3.2% | 5.6% | 7.3% |
| INTA | Intapp, Inc. | 8.5x | 6.4x | 5.8x | 3.5x | 2.9x | - | - | - | - | - | 17.7% | 17.1% | 17.1% | 16.8% | 15.9% | -0.2% | -0.7% | -1.7% | -1.0% | -2.2% |
| FROG | JFrog Ltd. | 9.2x | 9.7x | 12.7x | 9.7x | 13.4x | - | - | - | - | - | 21.7% | 22.0% | 22.7% | 24.1% | 25.0% | -14.7% | -15.0% | -13.5% | -12.9% | -11.2% |
| KLTR | Kaltura, Inc. | 1.7x | 1.3x | 1.2x | 1.1x | 1.1x | - | - | - | - | - | 2.4% | 2.6% | 1.9% | 1.2% | -1.3% | -7.7% | -5.0% | -3.7% | -1.8% | -1.6% |
| KVYO | Klaviyo, Inc. | 8.3x | 6.2x | 6.5x | 4.2x | 2.9x | - | - | - | - | - | 33.9% | 33.2% | 32.8% | 31.6% | 30.3% | -6.7% | -7.9% | -7.2% | -4.0% | -1.7% |
| MNDY | monday.com Ltd. | 12.5x | 8.4x | 5.7x | 2.0x | 2.0x | 1017.7x | - | 263.3x | 205.4x | 117.4x | 32.3% | 30.2% | 28.6% | 26.7% | 25.4% | 1.2% | 0.0% | 2.2% | 1.0% | 1.7% |
| MDB | MongoDB, Inc. | 6.2x | 7.4x | 11.0x | 10.6x | 8.5x | - | - | - | - | - | 19.2% | 21.9% | 20.9% | 22.8% | 23.6% | -6.8% | -6.0% | -5.2% | -4.1% | -2.7% |
| MSCI | MSCI, Inc. | 16.3x | 16.1x | 15.5x | 15.1x | 15.0x | 26.6x | 26.4x | 25.3x | 24.6x | 24.2x | 11.7% | 10.5% | 9.0% | 9.7% | 10.9% | 61.1% | 61.2% | 61.2% | 61.6% | 62.1% |
| NCNO | nCino, Inc. | 5.4x | 6.2x | 5.3x | 3.6x | 3.3x | 94.2x | 82.8x | 57.4x | 33.7x | 23.8x | 13.4% | 13.2% | 12.1% | 10.0% | 9.6% | 5.7% | 7.4% | 9.2% | 10.6% | 13.8% |
| NTNX | Nutanix, Inc. | 8.0x | 7.7x | 6.7x | 3.9x | 4.3x | 86.7x | 73.3x | 61.9x | 35.5x | 37.5x | 16.1% | 18.1% | 17.4% | 15.9% | 13.0% | 9.2% | 10.5% | 10.8% | 11.0% | 11.4% |
| OKTA | Okta, Inc. | 6.1x | 5.2x | 4.8x | 4.3x | 4.2x | 143.2x | 81.0x | 62.3x | 51.8x | 47.6x | 13.5% | 12.7% | 12.1% | 11.8% | 11.7% | 4.3% | 6.4% | 7.7% | 8.3% | 8.7% |
| ORCL | Oracle Corp. | 9.1x | 13.3x | 12.3x | 8.9x | 9.9x | 21.5x | 31.2x | 28.2x | 19.9x | 21.0x | 8.4% | 9.7% | 11.1% | 14.9% | 17.4% | 42.2% | 42.7% | 43.6% | 45.0% | 47.1% |
| PD | PagerDuty, Inc. | 2.8x | 2.8x | 2.6x | 1.3x | 1.1x | - | - | 71.9x | 20.1x | 11.2x | 8.6% | 8.2% | 7.0% | 5.4% | 3.7% | -2.7% | -0.1% | 3.7% | 6.3% | 9.6% |
| PANW | Palo Alto Networks, Inc. | 13.8x | 13.8x | 14.2x | 11.4x | 18.2x | 65.0x | 63.7x | 68.8x | 52.8x | 107.5x | 13.9% | 14.9% | 15.3% | 15.4% | 19.5% | 21.3% | 21.6% | 20.7% | 21.6% | 17.0% |

# SEG SaaS Index™

| Ticker | Company | EV/TTM Revenue | | | | | EV/EBITDA | | | | | TTM Revenue Growth (YoY) | | | | | EBITDA Margin | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
| PAYC | Paycom Software, Inc. | 6.6x | 6.2x | 4.5x | 3.4x | 3.2x | 16.3x | 15.3x | 11.0x | 8.2x | 7.7x | 9.9% | 10.2% | 9.7% | 9.0% | 9.4% | 40.3% | 40.7% | 40.7% | 40.8% | 41.8% |
| PCTY | Paylocity Holding Corp. | 6.6x | 6.1x | 4.9x | 3.7x | 3.2x | 25.2x | 23.4x | 18.7x | 13.6x | 11.4x | 14.6% | 13.7% | 13.3% | 12.1% | 11.3% | 26.2% | 26.1% | 26.3% | 27.0% | 28.0% |
| PEGA | Pegasystems, Inc. | 2.3x | 5.3x | 5.5x | 4.2x | 3.3x | 13.1x | 29.9x | 29.5x | 23.6x | 25.1x | 14.3% | 12.5% | 17.0% | 16.6% | 3.5% | 17.8% | 17.7% | 18.6% | 17.6% | 13.0% |
| PCOR | Procore Technologies, Inc. | 7.9x | 8.2x | 8.3x | 6.1x | 5.1x | - | - | - | - | 291.3x | 18.6% | 16.1% | 14.9% | 14.8% | 14.9% | -4.6% | -5.1% | -2.8% | -0.5% | 1.7% |
| PTC | PTC, Inc. | 9.1x | 10.4x | 8.2x | 6.9x | 5.6x | 27.6x | 29.0x | 19.7x | 15.8x | 12.5x | 4.7% | 11.4% | 19.2% | 23.6% | 27.7% | 33.0% | 35.9% | 41.7% | 44.0% | 45.1% |
| QTWO | Q2 Holdings, Inc. | 7.6x | 6.7x | 5.7x | 4.1x | 3.6x | 85.9x | 59.6x | 43.1x | 28.2x | 21.5x | 13.1% | 13.3% | 13.9% | 14.1% | 14.0% | 8.9% | 11.2% | 13.1% | 14.5% | 16.6% |
| QLYS | Qualys, Inc. | 7.3x | 7.2x | 7.1x | 5.0x | 4.3x | 21.4x | 21.3x | 20.3x | 14.1x | 11.8x | 9.6% | 9.7% | 9.9% | 9.9% | 10.2% | 34.2% | 33.7% | 35.0% | 35.5% | 36.1% |
| RPD | Rapid7, Inc. | 2.4x | 2.1x | 1.9x | 1.1x | 0.9x | 28.5x | 25.6x | 25.7x | 16.8x | 13.0x | 6.2% | 4.7% | 3.1% | 1.9% | 1.2% | 8.4% | 8.2% | 7.3% | 6.7% | 6.6% |
| RNG | RingCentral, Inc. | 1.6x | 1.6x | 1.5x | 1.5x | 1.8x | 13.5x | 12.5x | 10.8x | 10.1x | 11.3x | 7.8% | 6.5% | 5.5% | 4.8% | 4.9% | 11.6% | 13.2% | 14.2% | 15.3% | 16.3% |
| RSKD | Riskified Ltd. | 1.3x | 1.4x | 1.3x | 1.1x | 1.2x | - | - | - | - | - | 9.3% | 8.0% | 6.5% | 5.2% | 5.1% | -9.2% | -8.3% | -6.6% | -3.9% | -1.5% |
| ROP | Roper Technologies, Inc. | 9.4x | 8.8x | 7.4x | 5.9x | 5.5x | 23.7x | 22.3x | 18.8x | 15.0x | 14.0x | 13.3% | 13.6% | 14.0% | 12.3% | 12.1% | 39.7% | 39.5% | 39.5% | 39.6% | 39.4% |
| RBRK | Rubrik, Inc. | 16.4x | 15.2x | 12.4x | 8.0x | 8.7x | - | - | - | - | - | 43.9% | 47.7% | 48.9% | 48.5% | 45.7% | -48.3% | -36.7% | -28.9% | -23.4% | -18.5% |
| SAIL | Sailpoint, Inc. | 11.5x | 11.6x | 11.3x | 7.8x | 6.2x | - | - | - | - | 627.4x | 23.1% | 26.0% | 23.4% | 24.4% | 24.0% | - | - | -8.6% | -8.9% | 1.0% |
| CRM | Salesforce, Inc. | 6.5x | 6.0x | 5.8x | 4.6x | 4.1x | 20.3x | 18.4x | 18.1x | 14.6x | 13.4x | 8.0% | 8.3% | 8.4% | 9.6% | 11.0% | 32.2% | 32.4% | 31.8% | 31.5% | 30.7% |
| IOT | Samsara, Inc. | 16.6x | 14.7x | 14.2x | 10.9x | 9.9x | - | 739.3x | 286.6x | 159.4x | 106.4x | 31.7% | 30.3% | 29.0% | 29.6% | 29.6% | -0.7% | 2.0% | 4.9% | 6.8% | 9.3% |
| SAP | SAP SE | 9.0x | 8.3x | 7.1x | 5.6x | 4.6x | 30.2x | 26.8x | 22.8x | 17.8x | 14.3x | 9.4% | 10.9% | 11.8% | 12.6% | 14.8% | 29.9% | 31.1% | 31.4% | 31.5% | 32.0% |
| S | SentinelOne, Inc. | 6.1x | 5.7x | 5.1x | 4.1x | 4.3x | - | - | - | - | - | 28.2% | 25.4% | 24.1% | 21.9% | 21.4% | -33.4% | -31.3% | -27.3% | -24.9% | -22.8% |
| NOW | ServiceNow, Inc. | 17.4x | 15.8x | 13.9x | 8.7x | 7.0x | 99.7x | 88.2x | 74.6x | 44.3x | 34.9x | 21.0% | 21.1% | 21.1% | 20.9% | 21.7% | 17.5% | 17.9% | 18.6% | 19.6% | 20.2% |
| TTAN | ServiceTitan, Inc. | 12.3x | 11.2x | 9.4x | 7.0x | 5.6x | - | - | - | - | - | 26.1% | 26.4% | 26.5% | 24.5% | 24.1% | -14.4% | -15.1% | -14.8% | -7.7% | -5.8% |
| SHOP | Shopify, Inc. | 13.8x | 17.7x | 19.1x | 13.8x | 11.4x | 87.0x | 112.8x | 118.4x | 83.2x | 66.3x | 26.5% | 29.0% | 30.2% | 30.1% | 31.8% | 15.9% | 15.7% | 16.1% | 16.6% | 17.3% |
| SNOW | Snowflake, Inc. | 15.4x | 17.4x | 18.9x | 12.8x | 10.7x | - | - | - | - | - | 27.5% | 28.4% | 28.5% | 29.2% | 31.1% | -32.7% | -29.8% | -26.9% | -23.5% | -20.8% |
| CXM | Sprinklr, Inc. | 2.0x | 2.0x | 1.7x | 1.2x | 1.0x | 23.4x | 20.9x | 17.0x | 11.4x | 11.5x | 6.8% | 6.1% | 6.5% | 7.6% | 8.1% | 8.3% | 9.7% | 10.1% | 10.5% | 8.4% |
| SPT | Sprout Social, Inc. | 2.8x | 1.9x | 1.4x | 0.9x | 0.7x | - | - | - | - | - | 17.8% | 14.8% | 13.1% | 12.7% | 12.3% | -9.4% | -8.3% | -6.2% | -6.2% | -5.2% |
| SPSC | SPS Commerce, Inc. | 7.8x | 5.9x | 4.3x | 3.0x | 2.5x | 35.6x | 26.7x | 19.1x | 12.9x | 10.7x | 19.5% | 20.5% | 19.3% | 17.8% | 13.8% | 21.8% | 22.0% | 22.4% | 23.5% | 23.2% |
| TENB | Tenable Holdings, Inc. | 4.2x | 3.9x | 3.4x | 2.6x | 2.5x | 127.9x | 118.8x | 77.2x | 59.1x | 37.5x | 11.8% | 11.4% | 11.1% | 11.0% | 10.7% | 3.3% | 3.3% | 4.4% | 4.3% | 6.6% |
| TDC | Teradata Corp. | 1.4x | 1.3x | 1.6x | 1.7x | 1.6x | 7.2x | 8.0x | 9.5x | 9.3x | 13.1x | -6.5% | -6.7% | -8.2% | -5.0% | -0.8% | 19.0% | 16.8% | 17.3% | 18.1% | 12.3% |
| DSGX | The Descartes Systems Group, Inc. | 13.0x | 12.5x | 10.6x | 8.0x | 7.6x | 32.4x | 30.1x | 24.4x | 17.8x | 17.2x | 13.7% | 12.7% | 11.4% | 12.0% | 12.8% | 39.9% | 41.7% | 43.3% | 45.0% | 44.5% |
| TTD | The Trade Desk, Inc. | 12.5x | 9.4x | 7.1x | 4.2x | 3.0x | 59.4x | 44.2x | 31.1x | 17.2x | 12.4x | 25.1% | 23.2% | 20.8% | 18.5% | 15.5% | 21.1% | 21.3% | 22.8% | 24.3% | 24.4% |
| TOST | Toast, Inc. | 4.3x | 4.3x | 3.3x | 2.4x | 2.1x | 122.9x | 90.7x | 61.9x | 40.2x | 31.5x | 26.7% | 26.1% | 25.8% | 24.1% | 23.4% | 3.5% | 4.7% | 5.3% | 6.0% | 6.5% |

# SEG SaaS Index™

| Ticker | Company | EV/TTM Revenue | | | | | EV/EBITDA | | | | | TTM Revenue Growth (YoY) | | | | | EBITDA Margin | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
| TWLO | Twilio, Inc. | 3.5x | 3.2x | 3.6x | 3.5x | 5.2x | 65.9x | 49.0x | 51.2x | 44.6x | 60.7x | 9.3% | 11.6% | 12.8% | 13.7% | 15.7% | 5.3% | 6.4% | 7.1% | 7.7% | 8.5% |
| TYL | Tyler Technologies, Inc. | 11.1x | 10.7x | 8.6x | 6.4x | 5.5x | 52.1x | 49.3x | 39.4x | 29.4x | 25.1x | 10.0% | 10.7% | 10.6% | 9.1% | 8.7% | 21.4% | 21.7% | 21.8% | 21.7% | 21.9% |
| PATH | UiPath, Inc. | 3.5x | 3.3x | 4.5x | 3.2x | 2.6x | - | - | 182.0x | 66.4x | 34.4x | 7.2% | 8.3% | 10.1% | 12.7% | 15.2% | -5.9% | -1.0% | 2.5% | 4.8% | 7.5% |
| UPLD | Upland Software, Inc. | 3.7x | 1.6x | 1.7x | 1.7x | 1.7x | 24.4x | 9.5x | 8.5x | 7.5x | 7.0x | -8.2% | -12.1% | -15.5% | -21.1% | -24.6% | 15.3% | 17.1% | 19.6% | 22.5% | 24.8% |
| VRNS | Varonis Systems, Inc. | 9.3x | 10.5x | 6.3x | 4.1x | 4.6x | - | - | - | - | - | 13.3% | 14.3% | 11.4% | 13.2% | 15.3% | -18.2% | -18.2% | -19.3% | -21.7% | -20.9% |
| VEEV | Veeva Systems, Inc. | 11.5x | 13.4x | 13.2x | 7.6x | 5.9x | 40.2x | 45.3x | 43.0x | 24.2x | 18.9x | 14.8% | 15.3% | 16.0% | 16.3% | 16.2% | 28.6% | 29.6% | 30.6% | 31.2% | 31.3% |
| VRSK | Verisk Analytics, Inc. | 15.6x | 13.5x | 11.1x | 10.1x | 8.8x | 28.7x | 24.7x | 20.1x | 18.2x | 15.9x | 7.2% | 7.6% | 7.3% | 6.6% | 5.9% | 54.3% | 54.6% | 55.3% | 55.4% | 55.6% |
| VERI | Veritone, Inc. | 2.0x | 2.5x | 4.7x | 3.4x | 2.5x | - | - | - | - | - | -20.5% | -17.7% | -1.8% | -1.5% | -2.1% | -55.0% | -52.7% | -46.4% | -54.3% | -54.9% |
| VERX | Vertex, Inc. | 8.9x | 5.8x | 4.4x | 3.2x | 2.7x | 59.4x | 41.0x | 31.4x | 23.7x | 19.0x | 15.2% | 15.0% | 13.8% | 12.2% | 11.8% | 15.1% | 14.2% | 14.1% | 13.5% | 14.3% |
| WAY | Waystar Holding Corp. | 7.9x | 7.3x | 6.9x | 5.7x | 4.4x | 22.8x | 19.3x | 18.1x | 15.1x | 11.6x | 18.2% | 17.1% | 14.8% | 16.5% | 18.6% | 34.6% | 37.7% | 37.9% | 38.0% | 38.2% |
| WEAV | Weave Communications, Inc. | 3.2x | 2.6x | 2.1x | 1.8x | 1.7x | - | - | - | - | - | 19.6% | 18.1% | 17.3% | 17.0% | 16.8% | -6.4% | -6.1% | -6.5% | -5.2% | -3.4% |
| WIX | Wix.com Ltd. | 4.8x | 4.5x | 3.8x | 2.6x | 1.3x | 55.4x | 46.5x | 39.9x | 70.0x | 450.6x | 12.9% | 13.0% | 13.2% | 13.2% | 13.6% | 8.7% | 9.6% | 9.4% | 3.8% | 0.3% |
| WDAY | Workday, Inc. | 6.9x | 6.4x | 6.2x | 3.9x | 3.1x | 63.2x | 52.2x | 46.8x | 26.0x | 19.5x | 15.4% | 14.2% | 13.3% | 13.3% | 13.7% | 11.0% | 12.2% | 13.2% | 14.8% | 15.9% |
| WK | Workiva, Inc. | 4.9x | 5.3x | 5.8x | 4.0x | 3.0x | - | - | - | - | 332.9x | 17.4% | 19.0% | 19.9% | 19.7% | 20.3% | -9.2% | -8.7% | -6.2% | -3.6% | 0.9% |
| YEXT | Yext, Inc. | 1.8x | 2.3x | 2.4x | 1.6x | 1.2x | 20.3x | 18.6x | 18.1x | 11.1x | 7.4x | 8.4% | 13.5% | 9.5% | 6.1% | 2.4% | 8.9% | 12.2% | 13.1% | 14.4% | 15.5% |
| ZD | Ziff Davis, Inc. | 1.3x | 1.4x | 1.3x | 1.2x | 1.5x | 4.3x | 4.5x | 4.5x | 4.5x | 5.5x | -0.8% | 1.8% | 1.7% | -0.4% | 2.2% | 30.2% | 30.2% | 28.4% | 27.9% | 27.0% |
| ZM | Zoom Communications, Inc. | 3.4x | 3.3x | 3.6x | 3.6x | 4.0x | 15.1x | 13.3x | 13.2x | 13.8x | 15.0x | 3.0% | 3.6% | 3.8% | 4.4% | 5.0% | 22.4% | 24.8% | 27.1% | 25.8% | 26.8% |
| GTM | ZoomInfo Technologies, Inc. | 3.7x | 3.9x | 3.7x | 2.7x | 2.0x | 19.1x | 15.3x | 13.6x | 9.6x | 7.0x | -3.1% | -0.5% | 1.5% | 2.9% | 3.6% | 19.2% | 25.4% | 27.5% | 28.4% | 29.2% |
| ZS | Zscaler, Inc. | 14.3x | 16.0x | 16.1x | 8.6x | 6.3x | - | 28102.8x | 2787.3x | 1497.8x | 719.8x | 25.5% | 23.3% | 23.2% | 23.9% | 24.6% | -0.2% | 0.1% | 0.6% | 0.6% | 0.9% |

# SEG SaaS Index™ by Category

| Analytics & Data Management | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 3.3x | 3.1x | 4.1x | 2.2x | 1.8x |
| EV/TTM Revenue | 3.5x | 3.3x | 4.5x | 3.2x | 2.5x |
| EV/TTM EBITDA | 10.3x | 11.6x | 14.8x | 13.8x | 14.5x |
| EV/TTM CFO | 14.5x | 25.1x | 28.1x | 23.5x | 12.5x |
| Gross Profit Margin | 65.2% | 65.4% | 66.0% | 66.1% | 66.1% |
| EBITDA Margin | -5.9% | -1.2% | -1.4% | -1.0% | -1.1% |
| Net Income Margin | -23.3% | -24.3% | -21.7% | -18.6% | -17.4% |
| TTM Revenue Growth (YoY) | 7.2% | 7.6% | 7.3% | 6.6% | 5.9% |
| TTM EBITDA Growth (YoY) | 19.1% | 11.1% | 18.5% | 2.5% | -3.4% |
| TTM Earnings Growth (YoY) | 11.2% | -3.9% | -16.8% | -6.1% | -14.7% |
| Enterprise Value Growth (YoY) | 5.0% | -1.8% | 20.5% | -26.4% | -39.7% |
| Cash as Percent of Market Cap | 15.9% | 13.5% | 14.0% | 18.9% | 23.5% |

Amplitude, Definitive Healthcare, DOMO, elastic, snowflake, teradata., UiPath, Verisk, VERITONE

| Communications & Collaboration | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 3.3x | 3.0x | 3.5x | 1.7x | 1.8x |
| EV/TTM Revenue | 3.4x | 3.2x | 3.6x | 2.0x | 2.0x |
| EV/TTM EBITDA | 17.8x | 14.2x | 13.2x | 13.8x | 16.5x |
| EV/TTM CFO | 15.1x | 13.9x | 12.7x | 11.5x | 9.3x |
| Gross Profit Margin | 71.8% | 71.8% | 71.8% | 71.9% | 72.1% |
| EBITDA Margin | 7.6% | 7.5% | 7.1% | 7.7% | 8.5% |
| Net Income Margin | -0.5% | 0.4% | 1.4% | 1.7% | 3.3% |
| TTM Revenue Growth (YoY) | 7.9% | 8.3% | 7.4% | 8.0% | 8.4% |
| TTM EBITDA Growth (YoY) | 87.0% | 63.3% | 38.2% | 33.9% | 40.5% |
| TTM Earnings Growth (YoY) | -10.6% | -25.8% | -14.3% | -52.5% | -40.8% |
| Enterprise Value Growth (YoY) | 12.8% | 2.7% | -13.3% | -28.3% | -20.2% |
| Cash as Percent of Market Cap | 15.1% | 15.6% | 17.3% | 24.4% | 27.3% |

8x8, asana, bandwidth, box, docusign, Dropbox, Five9, kaltura, monday.com, RingCentral, twilio, weave, workiva, Ziff Davis, zoom

# SEG SaaS Index™ by Category

| DevOps & IT Management | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 7.6x | 6.9x | 6.5x | 5.1x | 4.6x |
| EV/TTM Revenue | 8.2x | 7.7x | 6.9x | 5.3x | 5.3x |
| EV/TTM EBITDA | 93.2x | 88.2x | 74.6x | 44.3x | 48.5x |
| EV/TTM CFO | 34.9x | 34.3x | 28.1x | 28.8x | 27.9x |
| Gross Profit Margin | 76.9% | 76.1% | 75.3% | 76.1% | 76.6% |
| EBITDA Margin | -1.4% | 1.2% | 2.3% | 2.3% | 3.0% |
| Net Income Margin | -4.1% | -2.6% | -3.1% | -2.9% | -1.1% |
| TTM Revenue Growth (YoY) | 19.2% | 19.7% | 19.5% | 20.1% | 21.7% |
| TTM EBITDA Growth (YoY) | 37.0% | 38.1% | 37.0% | 40.3% | 40.1% |
| TTM Earnings Growth (YoY) | 3.2% | -10.5% | -6.4% | -23.0% | -22.0% |
| Enterprise Value Growth (YoY) | 2.0% | 5.0% | 3.3% | -21.0% | -28.4% |
| Cash as Percent of Market Cap | 11.2% | 10.0% | 8.3% | 10.1% | 10.0% |

| ERP & Supply Chain | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 7.7x | 7.5x | 6.6x | 5.1x | 4.4x |
| EV/TTM Revenue | 9.0x | 8.3x | 7.1x | 5.6x | 4.6x |
| EV/TTM EBITDA | 32.4x | 30.1x | 24.4x | 17.8x | 17.2x |
| EV/TTM CFO | 30.4x | 34.5x | 29.8x | 22.8x | 19.1x |
| Gross Profit Margin | 66.5% | 66.1% | 65.5% | 65.9% | 66.8% |
| EBITDA Margin | 29.9% | 31.1% | 31.4% | 31.5% | 32.0% |
| Net Income Margin | 16.5% | 18.4% | 20.0% | 20.0% | 20.1% |
| TTM Revenue Growth (YoY) | 13.7% | 12.7% | 11.8% | 13.3% | 13.8% |
| TTM EBITDA Growth (YoY) | 29.2% | 30.1% | 29.6% | 27.8% | 25.7% |
| TTM Earnings Growth (YoY) | 18.5% | 13.6% | 10.4% | 31.7% | 37.3% |
| Enterprise Value Growth (YoY) | 11.8% | 3.7% | -12.2% | -38.1% | -41.6% |
| Cash as Percent of Market Cap | 2.5% | 2.7% | 3.6% | 6.3% | 6.2% |

# SEG SaaS Index™ by Category

| Financial Applications | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 7.1x | 6.2x | 5.4x | 3.5x | 3.2x |
| EV/TTM Revenue | 7.8x | 6.4x | 5.5x | 3.9x | 3.4x |
| EV/TTM EBITDA | 52.5x | 42.0x | 37.2x | 25.9x | 21.3x |
| EV/TTM CFO | 33.1x | 32.3x | 24.6x | 23.4x | 16.8x |
| Gross Profit Margin | 59.6% | 59.5% | 58.9% | 58.7% | 59.2% |
| EBITDA Margin | 10.2% | 11.5% | 12.4% | 13.1% | 14.1% |
| Net Income Margin | 0.0% | 1.1% | 2.5% | 2.8% | 3.4% |
| TTM Revenue Growth (YoY) | 14.0% | 13.4% | 13.0% | 12.0% | 12.1% |
| TTM EBITDA Growth (YoY) | 18.1% | 18.6% | 5.5% | 19.1% | 25.8% |
| TTM Earnings Growth (YoY) | -24.5% | -28.8% | -4.5% | -98.7% | -62.1% |
| Enterprise Value Growth (YoY) | 24.3% | -2.0% | -24.9% | -25.6% | -35.0% |
| Cash as Percent of Market Cap | 4.6% | 5.1% | 6.0% | 5.7% | 6.4% |

ACI Worldwide Alkami bill BLACKLINE MSCI ncino Q2 ServiceTitan VERTEX WAYSTAR

| Human Capital Management | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 6.3x | 5.8x | 4.5x | 3.3x | 3.0x |
| EV/TTM Revenue | 6.6x | 6.2x | 4.7x | 3.5x | 3.2x |
| EV/TTM EBITDA | 20.8x | 19.3x | 14.8x | 11.4x | 10.5x |
| EV/TTM CFO | 22.3x | 22.2x | 19.2x | 13.7x | 9.1x |
| Gross Profit Margin | 70.7% | 70.8% | 71.0% | 71.0% | 71.2% |
| EBITDA Margin | 23.6% | 23.8% | 24.1% | 24.0% | 24.8% |
| Net Income Margin | 10.6% | 10.6% | 10.4% | 10.7% | 11.8% |
| TTM Revenue Growth (YoY) | 12.2% | 12.0% | 11.5% | 10.5% | 10.3% |
| TTM EBITDA Growth (YoY) | 15.2% | 14.1% | 11.8% | 11.2% | 16.3% |
| TTM Earnings Growth (YoY) | -4.3% | -1.0% | -1.0% | -0.3% | 16.3% |
| Enterprise Value Growth (YoY) | 11.2% | 9.1% | -23.2% | -40.7% | -46.3% |
| Cash as Percent of Market Cap | 8.5% | 7.6% | 7.8% | 7.1% | 7.4% |

HealthStream paycom paylocity workday

# SEG SaaS Index™ by Category

| Other SaaS | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 4.5x | 4.7x | 4.6x | 2.9x | 2.3x |
| EV/TTM Revenue | 4.6x | 4.9x | 4.6x | 3.4x | 2.7x |
| EV/TTM EBITDA | 42.1x | 46.5x | 42.5x | 31.2x | 25.6x |
| EV/TTM CFO | 28.4x | 29.5x | 26.5x | 20.7x | 15.0x |
| Gross Profit Margin | 75.5% | 75.3% | 75.7% | 76.0% | 75.4% |
| EBITDA Margin | 8.9% | 9.5% | 9.9% | 11.4% | 11.9% |
| Net Income Margin | 0.5% | 2.9% | 7.3% | 8.2% | 10.5% |
| TTM Revenue Growth (YoY) | 15.5% | 14.6% | 16.3% | 17.2% | 16.2% |
| TTM EBITDA Growth (YoY) | 194.9% | 106.1% | 115.4% | 120.2% | 86.3% |
| TTM Earnings Growth (YoY) | -56.6% | -51.5% | -58.6% | -49.3% | -46.8% |
| Enterprise Value Growth (YoY) | 27.4% | 9.7% | -13.8% | -34.3% | -38.6% |
| Cash as Percent of Market Cap | 9.2% | 8.5% | 10.6% | 14.3% | 13.8% |

| Sales & Marketing | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 4.0x | 3.9x | 3.8x | 2.4x | 2.3x |
| EV/TTM Revenue | 4.5x | 4.1x | 3.9x | 2.7x | 2.4x |
| EV/TTM EBITDA | 20.3x | 18.5x | 17.6x | 14.6x | 12.4x |
| EV/TTM CFO | 21.2x | 25.4x | 19.1x | 16.9x | 10.8x |
| Gross Profit Margin | 76.0% | 75.6% | 75.2% | 74.7% | 74.8% |
| EBITDA Margin | 5.2% | 6.0% | 6.7% | 8.1% | 7.9% |
| Net Income Margin | -5.0% | -2.0% | -0.1% | 2.8% | 4.4% |
| TTM Revenue Growth (YoY) | 14.2% | 14.1% | 12.9% | 13.7% | 13.9% |
| TTM EBITDA Growth (YoY) | 11.1% | 32.4% | 46.1% | 62.8% | 33.5% |
| TTM Earnings Growth (YoY) | -7.9% | -3.8% | 18.2% | -3.6% | -26.1% |
| Enterprise Value Growth (YoY) | -3.2% | -6.2% | -22.9% | -46.5% | -43.8% |
| Cash as Percent of Market Cap | 8.9% | 10.7% | 12.0% | 17.9% | 16.2% |

# SEG SaaS Index™ by Category

| Security | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 7.8x | 8.5x | 6.6x | 4.3x | 4.1x |
| EV/TTM Revenue | 8.3x | 8.8x | 6.7x | 4.7x | 4.4x |
| EV/TTM EBITDA | 96.5x | 72.4x | 68.8x | 52.8x | 77.6x |
| EV/TTM CFO | 36.1x | 30.5x | 41.1x | 25.4x | 17.0x |
| Gross Profit Margin | 75.5% | 75.8% | 75.5% | 75.4% | 75.6% |
| EBITDA Margin | 1.3% | 0.1% | 0.4% | 1.4% | 2.4% |
| Net Income Margin | -4.0% | -4.7% | -5.1% | -3.4% | -1.8% |
| TTM Revenue Growth (YoY) | 13.7% | 14.6% | 13.7% | 14.3% | 17.4% |
| TTM EBITDA Growth (YoY) | 33.9% | 69.8% | 22.8% | 17.4% | 124.1% |
| TTM Earnings Growth (YoY) | -40.4% | -30.1% | -16.5% | 14.2% | -25.3% |
| Enterprise Value Growth (YoY) | 10.0% | 6.0% | 11.8% | -22.3% | -28.5% |
| Cash as Percent of Market Cap | 11.8% | 11.6% | 11.6% | 15.5% | 14.4% |

| Vertically Focused | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 |
|---|---|---|---|---|---|
| EV/NTM Revenue | 6.1x | 5.2x | 5.0x | 4.0x | 3.4x |
| EV/TTM Revenue | 6.2x | 5.3x | 5.0x | 3.9x | 3.7x |
| EV/TTM EBITDA | 23.3x | 20.8x | 18.4x | 15.8x | 15.5x |
| EV/TTM CFO | 25.3x | 25.8x | 24.5x | 23.3x | 15.6x |
| Gross Profit Margin | 62.4% | 62.5% | 62.7% | 62.6% | 62.2% |
| EBITDA Margin | 18.4% | 18.7% | 17.5% | 18.3% | 18.7% |
| Net Income Margin | 1.1% | 2.4% | 7.4% | 9.6% | 10.2% |
| TTM Revenue Growth (YoY) | 8.6% | 11.1% | 12.3% | 10.7% | 11.6% |
| TTM EBITDA Growth (YoY) | 40.7% | 30.7% | 21.4% | 19.6% | 18.1% |
| TTM Earnings Growth (YoY) | -1.3% | 3.7% | 30.7% | -0.9% | -1.1% |
| Enterprise Value Growth (YoY) | 2.2% | 5.8% | -8.3% | -25.5% | -35.1% |
| Cash as Percent of Market Cap | 6.5% | 10.3% | 7.4% | 9.1% | 8.1% |

# Sources & Disclaimer

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