

SAAS

INDUSTRY UPDATE | Feb. 2025



NOTABLE & QUOTABLE

“Working hard, that’s the only thing I know better than my competitor. If my competitors say, “I work eight hours a day,” then I can work 10 hours. If you don’t need sleep, I also do not need sleep.” – Zoom (\$ZM) Founder and CEO Eric Yuan

“It takes 20 years to build a reputation and 5 minutes to ruin it. If you think about that, you’ll do things differently.” – Berkshire Hathaway (\$BRK.A, \$BRK.B) CEO Warren Buffett

“If you are not embarrassed by the first version of your product, you’ve launched too late.” – LinkedIn Co-Founder and Microsoft (\$MSFT) Board Member Reid Hoffman

“When you innovate, you’ve got to be prepared for everyone telling you you’re nuts.” – Oracle (\$ORCL) Co-Founder, Chairman and CTO Larry Ellison

“Great companies are able to come back from periods of difficulty and challenge and then come back stronger, better and more capable than ever.” – Former Intel (\$INTC) CEO Pat Gelsinger

“The U.S. economy remains healthy and balanced, but more work is required to continue reducing inflation.” – President of the Federal Reserve Bank of NY John Williams

M&A OUTLOOK

[Goldman Sachs' 2025 M&A Outlook](#) anticipates acceleration in global M&A and identifies key factors expected to unlock growth and transformation in the year ahead. Goldman Sachs projects that 2025 will result in positive momentum in global M&A, with increased M&A activity driven by more favorable macro and geopolitical conditions. The firm notes that for over a year, capital markets have sought clarity on two main bottlenecks for M&A: monetary policy and economic stability. With newfound macro clarity, these constraints are expected to ease, paving the way for increased deal-making activities.

ECONOMIC OUTLOOK

[Vanguard’s recent economic outlook report](#) projects U.S. economic growth of 2.1% in 2025, driven by increased productivity and a larger labor force although tariffs and immigration restrictions could hinder growth. Core inflation is expected to stay above 2.5% and the Federal Reserve is expected to lower its federal funds rate target to a range of 3.75%–4%, with further cuts uncertain. The unemployment rate rose to 4.1% in 2024 due to labor force expansion and is expected to slightly exceed current levels by year-end 2025.

SAAS METRICS

According to [SaaS Capital's 2024 report](#), private SaaS companies experienced a decline in median growth rates, with bootstrapped firms decreasing at a greater rate than equity-backed SaaS companies. Notably, firms with the highest NRR reported median growth rates more than double the overall median. These findings underscore the importance of focusing on customer retention and expansion to drive growth in the SaaS industry.

Technology Team Contacts

Zane Tarence | Partner
ztarence@foundersib.com

Chris Weingartner | Practice Head
cweingartner@foundersib.com

Brad Johnson | Managing Director
bjohnson@foundersib.com

Billy Pritchard | Managing Director
bpritchard@foundersib.com

William Short | Vice President
wshort@foundersib.com

Chris Jenkins | Vice President
cjenkins@foundersib.com

Tucker Helms | Senior Associate
thelms@foundersib.com

Swede Umbach | Senior Associate
sumbach@foundersib.com

Hampton Simms | Senior Analyst
hsimms@foundersib.com

Adam Crawford | Senior Analyst
acrawford@foundersib.com

James Childs | Analyst
jchilds@foundersib.com

Robert Reed | Analyst
rreed@foundersib.com

AK Cavnar | Analyst
akcavnar@foundersib.com

Rachael Jenkins | Practice Manager
rjenkins@foundersib.com

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RECENT DILIGENCE TRENDS FOR SAAS TRANSACTIONS

By: **[Billy Pritchard](#)**, Managing Director

Over the last two years, we have seen two main drivers of the SaaS M&A slowdown: i) valuation disconnects between buyers & sellers and ii) a more challenging closing environment for transactions post Letter of Intent. As buyers and investors grew more sensitive to risk, those parties increased scrutiny on certain areas of due diligence.

Our outlook for 2025 remains optimistic that both valuation alignment and closing environments will show improvement, but we do believe there are some lasting trends in the diligence / closing process that will continue to play critical roles in getting deals closed. Noted below is one major area of increased focus that we believe founders should be preparing for as they consider a future transaction in 2025 and beyond.

Buyers and Investors are Placing a Significant Focus on Customer Health

We have shared in prior content that Retention metrics have become the most important Key Performance Indicator (“KPI”) for our marketing processes, and the importance of those KPIs have carried into the due diligence phase on several of our recent closing processes. Rather than using customer surveys and other diligence tools as a “nice to have” or data for post-closing planning considerations, buyers are focusing a lot of effort into Customer Health reviews early in the diligence process. Deep analysis of retention trends, pricing discussions, NPS score reviews, and third-party customer surveying have become critical components of a buyer’s due diligence process. Buyers are seeking conviction that the business fundamentals are in place to nurture a healthy current customer base and give them added confidence in their ability to deploy resources into top of funnel growth.

Strong Customer Health + Ability to Increase Top of Funnel Growth = Premium ARR Multiple

For founders preparing for a future transaction, we would encourage you to begin taking proactive action to assess and understand the health of your customer base leading into a transaction. Most SaaS founders are tracking retention metrics in some form, but you need to have a deeper understanding of the key levers that impact those metrics and the rationale for recent trends in your business. Additionally, continuous customer feedback through NPS scores or other surveys is very important. Founders should understand current pain points in their customer base, and they should be proactive in pursuing operating strategies to eliminate those pain points and improve customer health.

- Are you pursuing new feature & functionality in your product roadmap to address customer needs?
- Are customers seeking other solutions to fill gaps in your product offering?
- Is your pricing strategy up to date with current market conditions?
- Are usage trends in your active customer base proving out the mission critical nature of the platform?
- Are you demonstrating a regular Return on Investment to your end customer?

These are all key questions that buyers will dive into during the Customer Health phase of due diligence. Begin to assess these potential issues now and continue to invest heavily into the health of your existing customer base.

If you have any questions about how you can better assess the health of your customer base or would like to discuss the trends we are seeing in SaaS M&A, please reach out to [Billy Pritchard](#).

SILICON Y'ALL – 2025 TECHNOLOGY SUMMIT

Founders is preparing to host its eleventh annual Technology Summit, Silicon Y'all and encourages you to join the waitlist at www.siliconyall.com and save the date: October 6-8, 2025 at the Renaissance Ross Bridge Resort and Spa in Birmingham, AL.

Silicon Y'all is an invitation-only event of technology CEOs and leading private equity companies. Over three days, participants engage in meaningful discussions about growth, value, and current industry trends while enjoying delicious food, scenic views, and true Southern charm and hospitality Birmingham has to offer.



 Learn from top entrepreneurs in the tech world who have created substantial wealth for themselves and their shareholders.

 Network with other executives and entrepreneurs amidst the scenic beauty, rich heritage, and friendly Southern Hospitality that Birmingham has to offer.

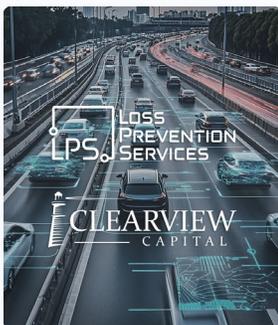
 Enjoy the finest southern cuisine and tradition during the Technology Summit while you socialize with industry peers.

 Hear from keynote speakers as they provide first-hand accounts of their experiences, both missteps and successes.

 Engage with private equity groups and strategic acquirers that are focused on SaaS and Internet businesses.



Founders Recent Deals Spotlight



Software-Enabled Recovery Solutions



Performing Arts Ticketing Software Platform



Managed IT Security Services Provider



Salesforce and HubSpot Consulting



Advanced Workflow Packaging Software Platform

RECENT TRANSACTIONS

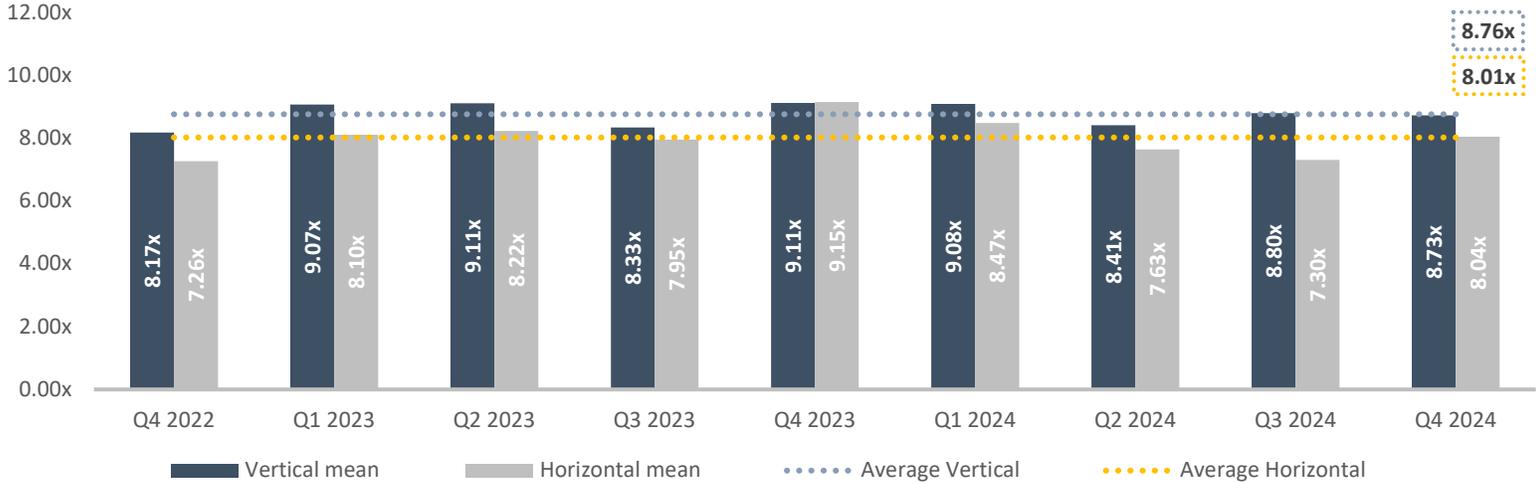
Date	Target	Buyer	EV	Revenue	EBITDA	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/31/2024	 DELAGET		\$132.0	N/A	N/A	N/A	N/A
12/24/2024	WINDWARD ^o		\$259.7	\$33.1	-\$5.8	8.3x	N/A
12/23/2024	 DIAGRAM	TRILANTIC EUROPE	\$320.8	\$86.9	N/A	3.7x	N/A
12/23/2024	 invia Group	 WP holding	\$252.0	N/A	N/A	N/A	N/A
12/16/2024	 CYLANCE		\$160.0	N/A	N/A	N/A	N/A
12/16/2024	 SafeSend		\$600.0	N/A	N/A	N/A	N/A
12/12/2024	 Geomagic ^o		\$123.0	N/A	N/A	N/A	N/A
12/12/2024	 brigitt	upbound ^o	\$460.0	N/A	N/A	N/A	N/A
12/11/2024			\$720.0	N/A	N/A	N/A	N/A
12/11/2024	 EQUALS Group		\$332.8	\$139.3	\$23.5	2.6x	15.3x
12/7/2024	Hostaway		\$925.0	N/A	N/A	N/A	N/A
12/2/2024			\$637.0	N/A	N/A	N/A	N/A
11/25/2024		Blacksheep Fund Management	\$534.2	N/A	N/A	N/A	N/A
11/21/2024	INNOVD	flashtalking ^o	\$490.4	\$151.6	\$2.6	3.5x	202.4x
11/20/2024			\$300.0	N/A	N/A	N/A	N/A
11/18/2024			\$500.0	N/A	N/A	N/A	N/A
11/14/2024	 ANAQUA ^o	NORDIC CAPITAL	\$2,500.0	N/A	N/A	N/A	N/A
11/13/2024		kpler	\$241.0	N/A	N/A	N/A	N/A
11/7/2024	 aixigo		\$161.9	N/A	N/A	N/A	N/A

RECENT TRANSACTIONS

Date	Target	Buyer	EV	Revenue	EBITDA	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/5/2024	 ADAPTIVE SHIELD	 CROWDSTRIKE	\$300.0	N/A	N/A	N/A	N/A
11/1/2024	 VL VISUAL LEASE	 CoStar Group™	\$272.5	N/A	N/A	N/A	N/A
10/31/2024	 KORE SOFTWARE	 TWO CIRCLES	\$650.0	N/A	N/A	N/A	N/A
10/30/2024	 ALTAIR	 SIEMENS	\$10,086.6	\$644.7	\$76.9	16.4x	137.9x
10/30/2024	 Eckoh	 Bridgepoint	\$207.9	\$44.7	\$8.7	5.0x	25.5x
10/30/2024	 FullCircel	 incino.	\$135.0	N/A	N/A	N/A	N/A
10/29/2024	 fingercheck	 edisonpartners	\$115.0	N/A	N/A	N/A	N/A
10/24/2024	 effectiv	 Socure	\$136.0	N/A	N/A	N/A	N/A
10/22/2024	 MEX Maintenance Software	 TMA SYSTEMS	\$100.0	N/A	N/A	N/A	N/A
10/21/2024	 LiveIntent	 ZETA	\$250.0	\$76.0	\$15.5	3.3x	16.1x
10/21/2024	 Secureworks®	 SOPHOS	\$824.4	\$346.4	-\$31.3	2.5x	N/A
10/20/2024	 Bridge	 stripe	\$1,100.0	N/A	N/A	N/A	N/A
10/17/2024	 trail	 CYERA	\$162.0	N/A	N/A	N/A	N/A
10/17/2024	 TurboScale	 ShiftPixy	\$150.0	N/A	N/A	N/A	N/A
10/17/2024	 VERITONE.	 INSIGNIA CAPITAL GROUP	\$104.0	N/A	N/A	N/A	N/A
10/17/2024	 ZUORA™	 SILVER LAKE	\$1,156.5	\$445.7	-\$36.8	3.8x	N/A
10/15/2024	 workforce SOFTWARE	 ADP®	\$1,200.0	N/A	N/A	N/A	N/A
10/14/2024	 sellercloud	 DESCARTES™	\$110.0	N/A	N/A	N/A	N/A

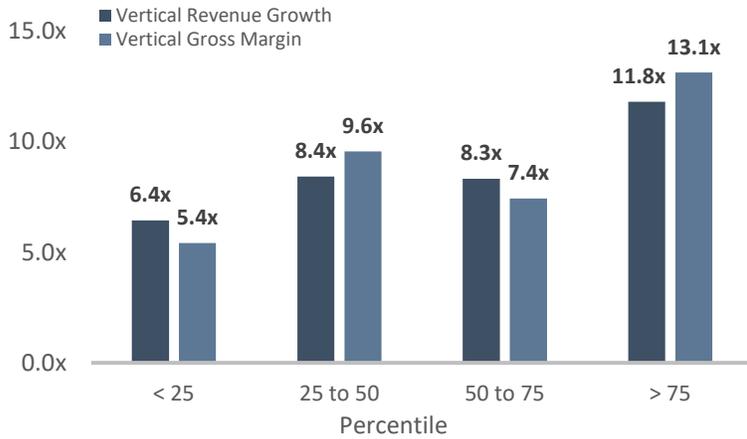
METRICS OVERVIEW

Public Vertical & Horizontal EV/LTM Revenue Multiples

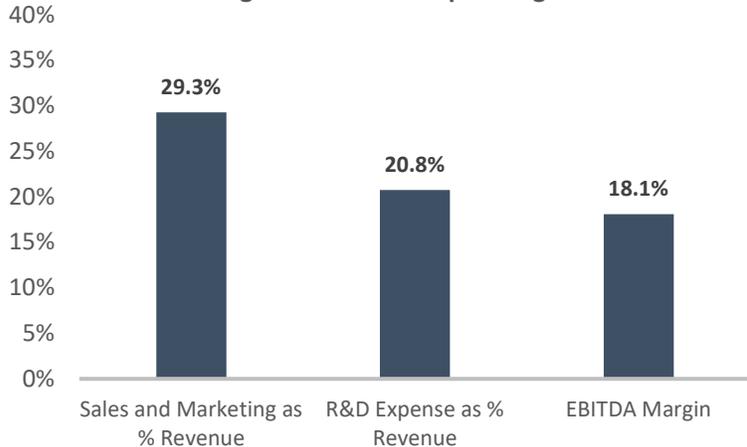


Public Vertical

Percentile Revenue Growth and Margin vs. EV/LTM Revenue

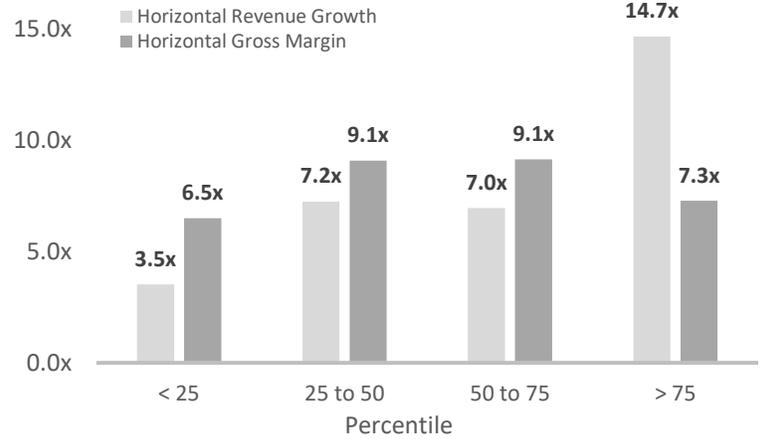


Average Vertical SaaS Operating Metrics

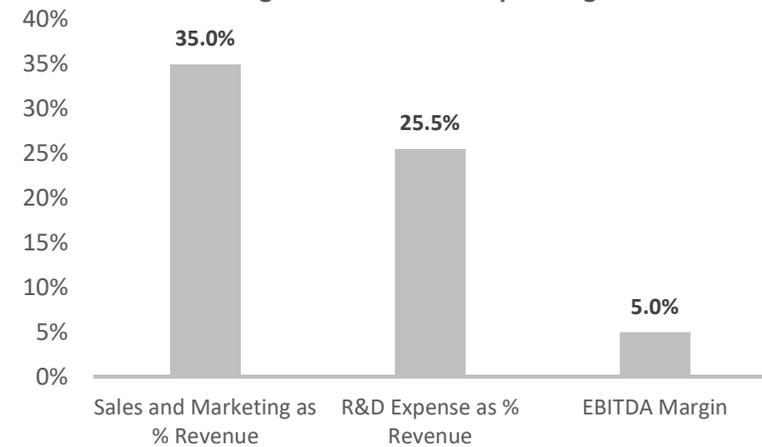


Public Horizontal

Percentile Revenue Growth and Margin vs. EV/LTM Revenue



Average Horizontal SaaS Operating Metrics



VALUATION & GROWTH METRICS

FA SaaS Index - Valuation & Growth - As of Q4 2024

(In millions)

Ticker	Company Name	TTM Revenue	YoY Growth	TTM EBITDA	Enterprise Value / LTM Revenue	LTM EBITDA
Vertical SaaS Companies						
ADSK	Autodesk	\$ 5,961.0	11.5%	\$ 1,476.0	10.8x	29.1x
AGYS	Agilysys	\$ 254.6	17.1%	\$ 26.5	14.5x	NM
ANSS	Ansys	\$ 2,467.7	14.3%	\$ 830.1	11.8x	NM
APPF	AppFolio	\$ 762.4	33.1%	\$ 162.5	11.4x	39.2x
AZPN	Aspen Technology	\$ 1,094.1	4.9%	\$ 366.7	14.3x	36.2x
BLKB	Blackbaud	\$ 1,148.3	5.8%	\$ 250.3	4.1x	12.4x
BSY	Bentley Systems	\$ 1,313.9	9.1%	\$ 335.8	11.8x	33.2x
CDNS	Cadence Design Systems	\$ 4,353.9	11.0%	\$ 1,516.4	18.9x	43.1x
CHGG	Chegg	\$ 662.1	(9.7%)	\$ (623.5)	0.7x	NM
COUR	Coursera	\$ 684.4	12.4%	\$ (86.7)	0.9x	NM
ENFN	Enfusion	\$ 195.2	15.8%	\$ 17.5	5.0x	41.3x
ENV	Investnet	\$ 48.9	10.9%	\$ 4.7	0.2x	NM
FDS	FactSet Research Systems	\$ 2,203.1	5.6%	\$ 858.4	8.7x	22.4x
GWRE	Guidewire Software	\$ 1,036.0	12.9%	\$ (2.1)	13.2x	NM
MCO	Moody's Investors Service	\$ 6,896.0	20.4%	\$ 3,290.0	13.1x	27.0x
MLNK	MeridianLink	\$ 311.4	4.0%	\$ 69.7	6.3x	16.0x
MORN	Morningstar	\$ 2,222.8	12.6%	\$ 649.4	6.7x	25.0x
MSCI	MSCI	\$ 2,802.7	16.1%	\$ 1,828.7	18.2x	30.1x
NCNO	nCino	\$ 523.0	13.2%	\$ 20.1	7.4x	NM
NICE	NICE	\$ 2,636.9	13.5%	\$ 703.9	3.7x	10.8x
PCOR	Procore Technologies	\$ 1,109.7	24.4%	\$ (8.2)	9.4x	NM
QTWO	Q2 Software	\$ 675.5	10.9%	\$ 12.1	9.2x	NM
ROP	Roper Technologies	\$ 6,775.6	13.0%	\$ 2,889.4	9.4x	23.2x
SPNS	Sapiens International	\$ 538.9	7.1%	\$ 100.6	2.6x	12.5x
SPSC	SPS Commerce	\$ 611.8	19.0%	\$ 140.8	11.0x	35.4x
SSNC	SS&C Technologies	\$ 5,763.9	6.2%	\$ 2,063.0	4.4x	11.3x
TEMN	Temenos	\$ 1,023.2	4.4%	\$ 337.5	5.8x	14.0x
TYL	Tyler Technologies	\$ 2,077.6	8.0%	\$ 444.8	11.9x	43.7x
U	Unity Software	\$ 1,965.4	(3.1%)	\$ (352.4)	5.2x	NM
VEEV	Veeva Systems	\$ 2,656.4	15.7%	\$ 895.0	11.0x	22.1x
Min		\$ 48.9	(9.7%)	\$ (623.5)	0.2x	10.8x
Median		\$ 1,129.0	11.9%	\$ 293.0	9.3x	26.0x
Mean		\$ 2,025.9	11.3%	\$ 607.2	8.7x	26.4x
Max		\$ 6,896.0	33.1%	\$ 3,290.0	18.9x	43.7x

Horizontal SaaS Companies

ADBE	Adobe	\$ 20,947.0	10.9%	\$ 7,487.0	9.0x	18.7x
ASAN	Asana	\$ 706.7	11.9%	\$ (252.1)	6.3x	NM
BOX	Box	\$ 1,073.5	4.1%	\$ 111.0	4.7x	16.3x
CRM	Salesforce	\$ 37,189.0	9.5%	\$ 10,648.0	8.6x	22.7x
CRWD	CrowdStrike Holdings	\$ 3,740.4	31.4%	\$ 203.2	21.6x	NM
DAY	Dayforce	\$ 1,694.5	16.9%	\$ 314.2	7.2x	25.7x
DBX	Dropbox	\$ 2,539.6	3.0%	\$ 809.2	4.0x	NM
DDOG	Datadog	\$ 2,536.2	26.3%	\$ 118.7	18.3x	NM

VALUATION & GROWTH METRICS, CONTINUED

FA SaaS Index - Valuation & Growth - As of Q4 2024

(In millions)

Ticker	Company Name	TTM Revenue	YoY Growth	TTM EBITDA	Enterprise Value / LTM Revenue	LTM EBITDA
Horizontal SaaS Companies						
DOCU	DocuSign	\$ 2,912.9	7.5%	\$ 252.1	6.0x	19.2x
DOMO	Domo	\$ 318.5	0.0%	\$ (53.6)	1.1x	NM
EGAN	eGain	\$ 90.4	(7.2%)	\$ 5.7	1.3x	11.3x
ESTC	Elastic	\$ 1,375.7	18.7%	\$ (56.4)	7.0x	NM
FIVN	Five9	\$ 1,002.3	13.9%	\$ (2.2)	3.3x	NM
FRSH	Freshworks	\$ 686.0	20.5%	\$ (137.3)	5.6x	NM
FSLY	Fastly	\$ 540.9	10.9%	\$ (88.1)	2.6x	NM
HUBS	HubSpot	\$ 2,506.3	21.8%	\$ 12.4	13.9x	NM
INTU	Intuit	\$ 16,590.0	12.5%	\$ 4,393.0	10.8x	27.1x
KVYO	Klaviyo	\$ 868.9	35.4%	\$ (69.0)	11.9x	NM
MNDY	Monday.com	\$ 906.6	33.9%	\$ (20.6)	11.5x	NM
NOW	ServiceNow	\$ 10,464.0	23.5%	\$ 1,811.0	20.6x	NM
OKTA	Okta	\$ 2,533.0	16.8%	\$ (47.0)	4.8x	NM
ORCL	Oracle	\$ 54,933.0	6.4%	\$ 22,242.0	9.9x	20.0x
PANW	Palo Alto Networks	\$ 8,288.2	15.0%	\$ 1,046.3	14.1x	48.1x
PATH	UiPath	\$ 1,411.3	16.5%	\$ (128.5)	3.9x	NM
PAYC	Paycom	\$ 1,823.9	11.9%	\$ 749.2	6.1x	15.2x
PCTY	Paylocity	\$ 1,402.5	9.2%	\$ 357.9	7.6x	21.3x
PD	PagerDuty	\$ 457.2	8.7%	\$ (62.9)	3.5x	NM
PEGA	Pegasystems	\$ 1,480.6	9.3%	\$ 145.7	5.3x	22.4x
PTC	PTC	\$ 2,298.5	9.6%	\$ 725.6	10.3x	24.9x
QLYS	Qualys	\$ 593.0	9.7%	\$ 198.7	8.1x	17.5x
SHOP	Shopify	\$ 8,212.0	23.5%	\$ 1,290.0	16.3x	NM
SMAR	Smartsheet	\$ 83.4	0.1%	\$ 13.0	1.0x	6.5x
SNOW	Snowflake	\$ 3,414.3	30.3%	\$ (1,167.7)	14.5x	NM
SPT	Sprout Social	\$ 392.4	26.7%	\$ (54.1)	4.4x	NM
TEAM	Atlassian	\$ 4,568.6	23.3%	\$ (85.7)	13.7x	NM
TWLO	Twilio	\$ 4,339.2	5.8%	\$ (213.1)	3.5x	NM
UPLD	Upland Software	\$ 278.9	(8.4%)	\$ (51.6)	1.7x	NM
VRNS	Varonis Systems	\$ 546.5	12.1%	\$ (94.9)	8.9x	NM
WDAY	Workday	\$ 8,157.0	16.8%	\$ 723.0	7.9x	29.2x
WIX	Wix.com	\$ 1,704.0	12.6%	\$ 119.1	6.9x	NM
WK	Workiva	\$ 705.4	16.2%	\$ (62.5)	8.6x	NM
YEXT	Yext	\$ 409.0	1.0%	\$ 1.0	2.0x	12.3x
ZM	Zoom Video Communications	\$ 4,627.8	2.9%	\$ 1,333.5	3.8x	7.7x
ZS	Zscaler	\$ 2,299.0	30.8%	\$ (20.7)	11.4x	NM
Min		\$ 83.4	(8.4%)	\$ (1,167.7)	1.0x	6.5x
Median		\$ 1,699.2	12.3%	\$ 12.7	7.1x	19.6x
Mean		\$ 5,082.9	13.9%	\$ 1,191.9	8.0x	20.3x
Max		\$ 54,933.0	35.4%	\$ 22,242.0	21.6x	48.1x

OPERATING STATISTICS

FA SaaS Index - Operating Statistics - As of Q4 2024

(In millions)

Ticker	Company Name	COGS As a % of Revenue	Gross Margin	SG&A As a % of Revenue	R&D Expense As a % of Revenue	Sales & Marketing As a % of Revenue	EBITDA Margin
Vertical SaaS Companies							
ADSK	Autodesk	9.3%	90.7%	43.8%	24.2%	32.8%	24.8%
AGYS	Agilysys	37.5%	62.5%	27.2%	23.5%	12.0%	10.4%
ANSS	Ansys	11.2%	88.8%	38.5%	21.1%	N/A	33.6%
APPF	AppFolio	35.0%	65.0%	23.6%	20.1%	12.9%	21.3%
AZPN	Aspen Technology	34.7%	65.3%	57.5%	18.5%	45.2%	33.5%
BLKB	Blackbaud	44.8%	55.2%	29.8%	13.9%	17.4%	21.8%
BSY	Bentley Systems	19.6%	80.4%	35.6%	21.0%	18.3%	25.6%
CDNS	Cadence Design Systems	12.2%	87.8%	23.4%	35.0%	16.9%	34.8%
CHGG	Chegg	27.4%	72.6%	49.6%	26.5%	16.6%	(94.2%)
COUR	Coursera	46.6%	53.4%	N/A	N/A	N/A	(12.7%)
ENFN	Enfusion	32.8%	67.2%	14.4%	3.7%	3.5%	9.0%
ENV	Envestnet	76.1%	23.9%	N/A	N/A	N/A	9.6%
FDS	FactSet Research Systems	45.9%	54.1%	992.2%	N/A	N/A	39.0%
GWRE	Guidewire Software	39.2%	60.8%	17.1%	12.5%	9.3%	(0.2%)
MCO	Moody's Investors Service	27.1%	72.9%	166.1%	N/A	N/A	47.7%
MLNK	MeridianLink	34.3%	65.7%	2.2%	0.6%	0.6%	22.4%
MORN	Morningstar	39.1%	60.9%	242.2%	N/A	136.2%	29.2%
MSCI	MSCI	18.0%	82.0%	21.1%	7.2%	13.0%	65.2%
NCNO	nCino	39.8%	60.2%	N/A	4.5%	N/A	3.8%
NICE	NICE	33.3%	66.7%	171.6%	66.3%	118.5%	26.7%
PCOR	Procure Technologies	17.7%	82.3%	27.4%	11.3%	19.4%	(0.7%)
QTWO	Q2 Software	49.7%	50.3%	N/A	12.8%	9.5%	1.8%
ROP	Roper Technologies	30.3%	69.7%	412.5%	N/A	N/A	42.6%
SPNS	Sapiens International	56.6%	43.4%	N/A	N/A	N/A	18.7%
SPSC	SPS Commerce	33.4%	66.6%	N/A	N/A	N/A	23.0%
SSNC	SS&C Technologies	50.9%	49.1%	N/A	N/A	N/A	35.8%
TEMN	Temenos	27.7%	72.3%	N/A	N/A	N/A	33.0%
TYL	Tyler Technologies	56.1%	43.9%	44.6%	11.2%	15.2%	21.4%
U	Unity Software	31.9%	68.1%	60.5%	46.8%	38.1%	(17.9%)
VEEV	Veeva Systems	26.1%	73.9%	33.1%	34.3%	20.1%	33.7%
Min		9.3%	23.9%	2.2%	0.6%	0.6%	(94.2%)
Median		33.9%	66.1%	37.1%	19.3%	16.9%	25.6%
Mean		34.8%	65.2%	115.2%	20.8%	29.3%	18.1%
Max		76.1%	90.7%	992.2%	66.3%	136.2%	65.2%

Horizontal SaaS Companies

ADBE	Adobe	11.3%	88.7%	33.6%	18.3%	26.7%	35.7%
ASAN	Asana	10.6%	89.4%	79.6%	48.1%	59.7%	(35.7%)
BOX	Box	21.6%	78.4%	46.6%	24.0%	34.4%	10.3%
CRM	Salesforce	23.1%	76.9%	42.8%	14.4%	35.6%	28.6%
CRWD	CrowdStrike Holdings	24.8%	75.2%	49.3%	26.1%	37.5%	5.4%
DAY	Dayforce	55.0%	45.0%	38.3%	N/A	19.0%	18.5%
DBX	Dropbox	17.6%	82.4%	27.2%	35.2%	17.8%	31.9%
DDOG	Datadog	18.8%	81.2%	35.4%	43.0%	27.9%	4.7%

OPERATING STATISTICS, CONTINUED

FA SaaS Index - Operating Statistics - As of Q4 2024

(In millions)

Ticker	Company Name	COGS As a % of Revenue	Gross Margin	SG&A As a % of Revenue	R&D Expense As a % of Revenue	Sales & Marketing As a % of Revenue	EBITDA Margin
Horizontal SaaS Companies							
DOCU	DocuSign	20.9%	79.1%	52.9%	20.1%	39.8%	8.7%
DOMO	Domo	25.1%	74.9%	67.1%	27.3%	49.0%	(16.8%)
EGAN	eGain	30.3%	69.7%	33.8%	30.3%	23.0%	6.3%
ESTC	Elastic	26.0%	74.0%	55.7%	26.1%	43.2%	(4.1%)
FIVN	Five9	46.6%	53.4%	44.4%	16.3%	31.0%	(0.2%)
FRSH	Freshworks	16.2%	83.8%	83.2%	23.2%	57.2%	(20.0%)
FSLY	Fastly	45.2%	54.8%	58.4%	26.5%	36.5%	(16.3%)
HUBS	HubSpot	15.3%	84.7%	58.8%	29.1%	47.3%	0.5%
INTU	Intuit	21.3%	78.7%	35.8%	16.7%	27.2%	26.5%
KVYO	Klaviyo	22.4%	77.6%	62.1%	25.3%	44.8%	(7.9%)
MNDY	Monday.com	10.5%	89.5%	71.6%	21.3%	56.8%	(2.3%)
NOW	ServiceNow	20.8%	79.2%	43.9%	23.3%	35.1%	17.3%
OKTA	Okta	23.9%	76.1%	56.2%	25.3%	38.6%	(1.9%)
ORCL	Oracle	28.7%	71.3%	18.0%	16.8%	15.3%	40.5%
PANW	Palo Alto Networks	25.8%	74.2%	42.4%	22.7%	34.4%	12.6%
PATH	UiPath	16.7%	83.3%	70.1%	26.0%	53.4%	(9.1%)
PAYC	Paycom	17.8%	82.2%	32.9%	12.7%	23.8%	41.1%
PCTY	Paylocity	31.5%	68.5%	37.2%	12.7%	23.9%	25.5%
PD	PagerDuty	17.5%	82.5%	69.2%	31.2%	44.3%	(13.8%)
PEGA	Pegasystems	25.6%	74.4%	43.0%	19.8%	35.7%	9.8%
PTC	PTC	19.4%	80.6%	34.4%	18.8%	24.3%	31.6%
QLYS	Qualys	18.5%	81.5%	32.6%	18.7%	21.3%	33.5%
SHOP	Shopify	49.1%	50.9%	21.4%	16.2%	16.6%	15.7%
SMAR	Smartsheet	23.7%	76.3%	25.8%	N/A	N/A	15.5%
SNOW	Snowflake	32.9%	67.1%	58.0%	48.5%	46.9%	(34.2%)
SPT	Sprout Social	22.7%	77.3%	68.9%	24.9%	47.3%	(13.8%)
TEAM	Atlassian	18.5%	81.5%	33.6%	50.5%	20.2%	(1.9%)
TWLO	Twilio	49.1%	50.9%	30.5%	22.9%	20.3%	(4.9%)
UPLD	Upland Software	30.4%	69.6%	42.9%	17.1%	24.2%	(18.5%)
VRNS	Varonis Systems	15.9%	84.1%	67.8%	35.6%	51.8%	(17.4%)
WDAY	Workday	24.4%	75.6%	38.8%	31.7%	29.0%	8.9%
WIX	Wix.com	32.1%	67.9%	34.9%	29.0%	24.8%	7.0%
WK	Workiva	23.3%	76.7%	60.8%	26.2%	46.6%	(8.9%)
YEXT	Yext	22.4%	77.6%	64.7%	18.3%	41.8%	0.3%
ZM	Zoom Video Communications	24.2%	75.8%	41.3%	18.2%	31.1%	28.8%
ZS	Zscaler	22.1%	77.9%	59.0%	23.5%	49.6%	(0.9%)
Min		10.5%	45.0%	18.0%	12.7%	15.3%	(35.7%)
Median		22.9%	77.1%	43.5%	23.8%	35.1%	15.7%
Mean		25.0%	75.0%	47.8%	25.3%	35.2%	5.4%
Max		55.0%	89.5%	83.2%	50.5%	59.7%	41.1%

BALANCE SHEET METRICS

FA SaaS Index - Balance Sheet Metrics - As of Q4 2024

(In millions)

Ticker	Company Name	Return on Assets	Return on Equity	Current Ratio	Days Sales Outstanding	Days Payable Outstanding	Liabilities/Assets	Debt/Equity
Vertical SaaS Companies								
ADSK	Autodesk	11.1%	51.5%	0.6x	35.7	139.8	154.1%	84.8%
AGYS	Agilysys	27.3%	43.5%	1.1x	47.5	51.5	88.2%	26.4%
ANSS	Ansys	7.9%	10.4%	3.1x	109.3	69.7	32.1%	14.5%
APPF	AppFolio	29.5%	39.1%	6.2x	11.3	1.6	16.1%	9.3%
AZPN	Aspen Technology	(0.3%)	(0.3%)	3.1x	38.5	98.6	32.1%	0.7%
BLKB	Blackbaud	1.9%	8.1%	0.7x	36.2	412.8	146.8%	186.0%
BSY	Bentley Systems	11.1%	40.3%	0.5x	74.4	67.3	193.7%	139.9%
CDNS	Cadence Design Systems	15.6%	27.5%	2.4x	25.0	376.9	40.9%	54.2%
CHGG	Chegg	(55.6%)	(117.6%)	0.9x	14.5	39.9	109.9%	144.3%
COUR	Coursera	(8.6%)	(13.0%)	2.6x	31.3	141.1	38.3%	0.5%
ENFN	Enfusion	4.0%	7.8%	3.6x	56.0	22.1	27.6%	15.8%
ENV	Envestnet	7.9%	14.1%	2.1x	102.6	54.8	48.0%	9.8%
FDS	FactSet Research Systems	13.4%	30.1%	1.3x	40.5	76.7	79.8%	74.2%
GWRE	Guidewire Software	1.4%	2.4%	2.7x	39.5	21.2	37.6%	55.6%
MCO	Moody's Investors Service	13.4%	56.4%	1.7x	89.0	58.8	60.0%	175.0%
MLNK	MeridianLink	(5.2%)	(10.8%)	1.9x	40.7	33.1	53.7%	111.4%
MORN	Morningstar	9.5%	23.5%	1.1x	53.6	31.8	87.6%	64.5%
MSCI	MSCI	22.6%	N/A	0.9x	92.2	29.8	107.2%	N/A
NCNO	nCino	(1.2%)	(1.5%)	1.9x	48.4	23.1	51.3%	21.0%
NICE	NICE	8.4%	12.5%	1.7x	80.5	26.8	60.1%	2.7%
PCOR	Procore Technologies	(3.8%)	(6.1%)	1.6x	54.2	36.6	63.8%	5.7%
QTWO	Q2 Software	(4.6%)	(12.2%)	2.5x	28.0	16.2	40.1%	107.3%
ROP	Roper Technologies	5.0%	8.2%	0.5x	42.0	42.2	206.6%	41.5%
SPNS	Sapiens International	10.6%	16.0%	2.2x	64.3	10.6	45.8%	7.9%
SPSC	SPS Commerce	9.1%	11.2%	2.4x	30.4	14.3	42.5%	1.1%
SSNC	SS&C Technologies	4.1%	11.0%	1.2x	52.4	13.1	82.8%	106.4%
TEMN	Temenos	6.2%	17.3%	0.6x	83.2	337.5	168.2%	161.3%
TYL	Tyler Technologies	5.0%	7.8%	1.2x	109.1	50.3	82.5%	19.3%
U	Unity Software	(11.4%)	(24.9%)	2.4x	111.0	250.3	41.4%	65.3%
VEEV	Veeva Systems	11.1%	13.5%	6.4x	57.5	41.1	15.7%	1.1%
	Min	(55.6%)	(117.6%)	0.5x	11.3	1.6	15.7%	0.5%
	Median	7.0%	11.0%	1.8x	50.4	41.7	56.8%	41.5%
	Mean	4.8%	9.2%	2.0x	56.6	86.3	75.2%	58.9%
	Max	29.5%	56.4%	6.4x	111.0	412.8	206.6%	186.0%

Horizontal SaaS Companies

ADBE	Adobe	18.2%	34.7%	1.1x	33.3	106.4	90.0%	31.0%
ASAN	Asana	(27.2%)	(84.7%)	1.5x	40.1	158.7	67.0%	103.4%
BOX	Box	12.6%	N/A	1.6x	65.1	82.2	61.0%	N/A
CRM	Salesforce	6.3%	10.1%	1.1x	60.2	234.1	90.4%	18.5%
CRWD	CrowdStrike Holdings	1.9%	5.1%	1.9x	70.1	19.1	53.8%	25.1%
DAY	Dayforce	0.6%	2.2%	1.1x	48.0	26.8	87.2%	47.9%
DBX	Dropbox	20.5%	N/A	0.9x	9.7	80.0	115.0%	N/A
DDOG	Datadog	4.6%	8.7%	2.1x	68.5	73.0	47.0%	7.5%

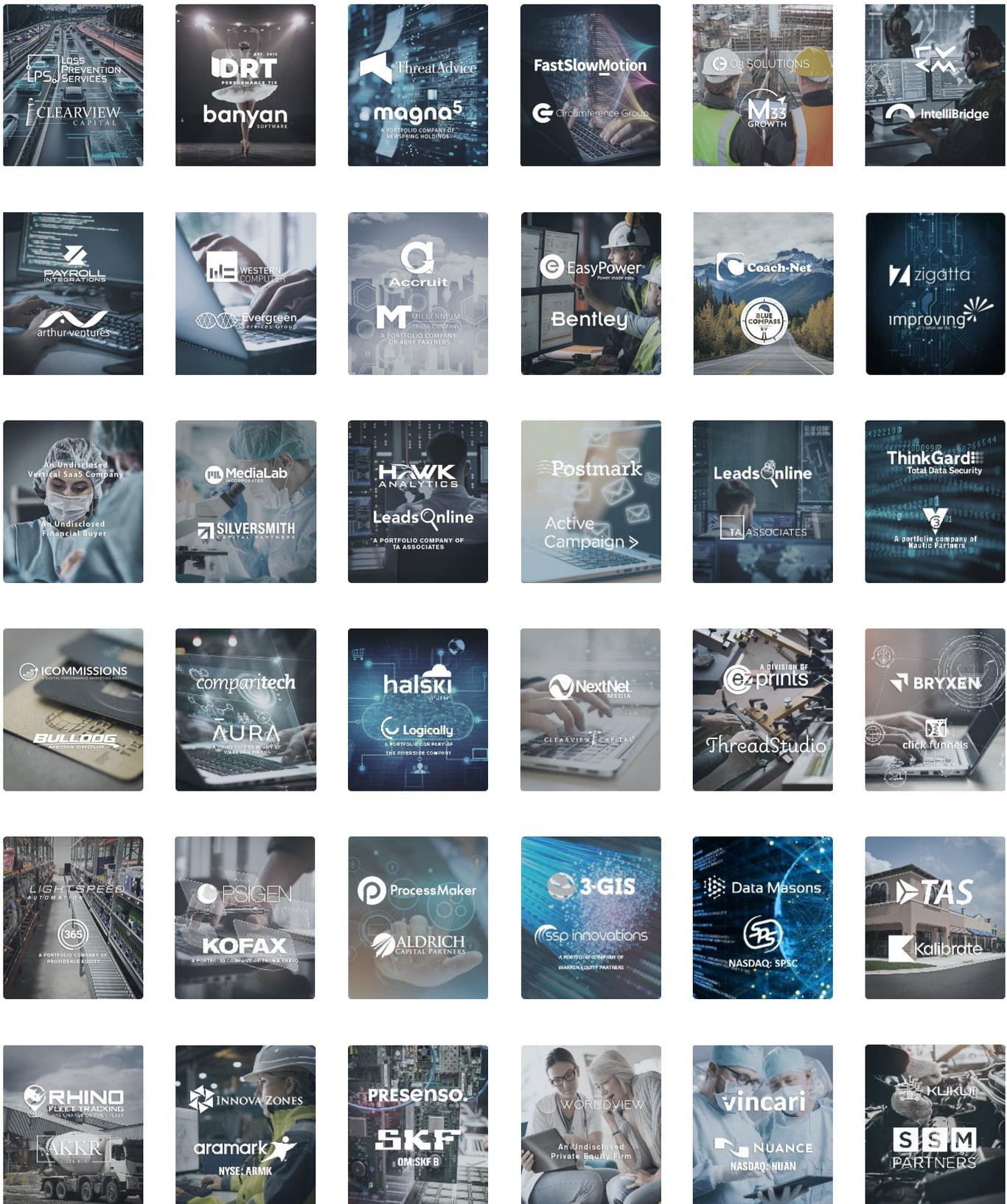
BALANCE SHEET METRICS, CONTINUED

FA SaaS Index - Balance Sheet Metrics - As of Q4 2024

(In millions)

Ticker	Company Name	Return on Assets	Return on Equity	Current Ratio	Days Sales Outstanding	Days Payable Outstanding	Liabilities/Assets	Debt/Equity
Horizontal SaaS Companies								
DOCU	DocuSign	30.2%	70.4%	0.8x	43.0	9.3	120.0%	5.6%
DOMO	Domo	(40.4%)	N/A	0.5x	63.3	69.1	187.8%	N/A
EGAN	eGain	4.8%	9.4%	1.8x	79.5	27.0	55.9%	4.4%
ESTC	Elastic	2.9%	8.7%	2.0x	65.7	55.0	50.2%	71.3%
FIVN	Five9	(2.1%)	(7.0%)	1.9x	33.7	24.8	54.0%	138.7%
FRSH	Freshworks	(6.8%)	(9.3%)	3.3x	49.1	57.1	30.7%	2.2%
FSLY	Fastly	(9.7%)	(15.2%)	4.0x	75.2	19.8	25.2%	39.7%
HUBS	HubSpot	(0.8%)	(1.7%)	1.6x	38.5	8.2	61.0%	15.2%
INTU	Intuit	9.4%	16.4%	1.2x	13.1	216.4	80.4%	34.3%
KVYO	Klaviyo	(4.1%)	(4.8%)	6.4x	10.7	44.7	15.5%	2.9%
MNDY	Monday.com	1.6%	2.5%	2.7x	7.3	136.0	37.5%	6.7%
NOW	ServiceNow	7.7%	16.3%	1.1x	51.2	33.7	88.2%	23.0%
OKTA	Okta	(0.4%)	(0.7%)	1.3x	61.2	7.5	74.4%	7.2%
ORCL	Oracle	8.2%	135.9%	0.8x	50.7	46.3	123.6%	565.2%
PANW	Palo Alto Networks	15.0%	61.9%	0.8x	77.3	25.5	118.6%	6.4%
PATH	UiPath	(3.3%)	(4.8%)	3.1x	87.1	62.7	32.0%	4.4%
PAYC	Paycom	11.4%	33.3%	1.2x	3.7	26.8	83.9%	4.1%
PCTY	Paylocity	4.8%	20.2%	1.3x	7.8	7.7	75.9%	33.5%
PD	PagerDuty	(7.0%)	(40.1%)	2.0x	62.4	31.6	50.8%	311.4%
PEGA	Pegasystems	8.3%	33.7%	1.1x	49.3	18.2	91.6%	14.1%
PTC	PTC	6.0%	12.8%	0.8x	118.5	43.1	128.4%	43.1%
QLYS	Qualys	20.2%	43.2%	1.4x	72.6	3.7	72.4%	8.5%
SHOP	Shopify	12.2%	15.2%	7.1x	7.9	51.0	14.1%	11.1%
SMAR	Smartsheet	8.4%	13.0%	1.3x	20.7	286.9	79.6%	10.6%
SNOW	Snowflake	(14.9%)	(26.1%)	1.9x	60.1	41.2	53.1%	87.2%
SPT	Sprout Social	(17.2%)	(45.3%)	1.0x	50.6	34.1	104.5%	27.1%
TEAM	Atlassian	(8.2%)	(40.2%)	1.2x	42.4	98.9	85.0%	116.4%
TWLO	Twilio	(4.2%)	(5.0%)	5.1x	46.3	29.2	19.7%	13.2%
UPLD	Upland Software	(16.4%)	(206.7%)	1.0x	43.8	37.1	100.9%	240.2%
VRNS	Varonis Systems	(7.2%)	(18.4%)	1.8x	83.1	7.5	55.3%	115.1%
WDAY	Workday	10.3%	20.3%	2.1x	59.9	14.5	48.7%	37.8%
WIX	Wix.com	5.5%	N/A	0.7x	11.8	19.4	134.7%	N/A
WK	Workiva	(4.1%)	N/A	1.8x	59.1	23.0	54.5%	N/A
YEXT	Yext	(3.9%)	(12.5%)	0.9x	56.5	27.3	115.6%	50.2%
ZM	Zoom Video Communications	9.3%	11.5%	4.6x	40.4	25.4	21.7%	0.4%
ZS	Zscaler	(0.9%)	(3.3%)	1.1x	79.8	16.9	87.3%	2.9%
Min		(40.4%)	(206.7%)	0.5x	3.7	3.7	14.1%	0.4%
Median		2.4%	5.1%	1.4x	50.7	32.6	73.4%	23.0%
Mean		1.4%	1.5%	1.9x	49.5	56.1	73.7%	58.7%
Max		30.2%	135.9%	7.1x	118.5	286.9	187.8%	565.2%

FOUNDERS TECHNOLOGY TRANSACTIONS



CONNECT WITH THE FOUNDERS TEAM

On MLK Day, the Founders Advisors team had the privilege of serving at the [Lovely Center's](#) thrift store, an organization dedicated to transforming the lives of women through faith-based recovery, education, and life skills training. Learn more about our Serve Day [here](#).

ORDER SERVICE GROWTH EXCELLENCE HEALTH COMMUNITY

Technology Team Contacts

Zane Tarence
Partner
ztarence@foundersib.com

Chris Weingartner
Practice Head
cweingartner@foundersib.com

Brad Johnson
Managing Director
bjohnson@foundersib.com

Billy Pritchard
Managing Director
bpritchard@foundersib.com

William Short
Vice President
wshort@foundersib.com

Chris Jenkins
Vice President
cjenkins@foundersib.com

Tucker Helms
Senior Associate
thelms@foundersib.com

Swede Umbach
Senior Associate
sumbach@foundersib.com

Hampton Simms
Senior Analyst
hsimms@foundersib.com

Adam Crawford
Senior Analyst
acrawford@foundersib.com

James Childs
Analyst
jchilds@foundersib.com

Robert Reed
Analyst
rreed@foundersib.com

AK Cavnar
Analyst
akcavnar@foundersib.com

Rachael Jenkins
Practice Manager
rjenkins@foundersib.com

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