

## Market Update

February 2025

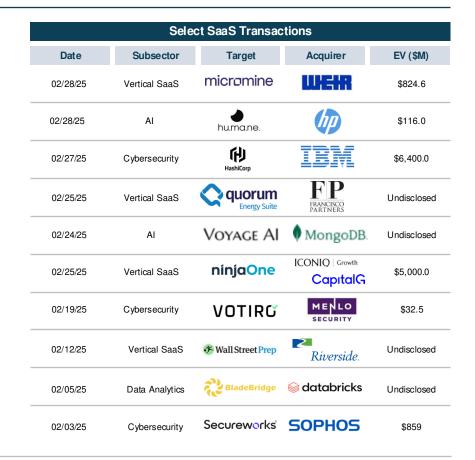
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### **Recent M&A Market Snapshot**

#### **Recent Relevant News**

- February 2025: SaaS M&A deal activity has been on an upward trajectory following a dip in 2023. 2025 is being projected as surpassing both the two prior years in terms of deal count driven by optimism, sponsor interest, and demand for specific cybersecurity & AI solutions. Read more <u>here</u>.
- February 2025: According to 3,183 transactions tracked by SaaSRise, the average M&A Revenue Multiple for all types of software firms (including legacy software + SaaS firms) was 6.4x, though the median revenue multiple (more representative of a normal deal) was 2.6x. Read more <u>here</u>.
- February 2025: Sector specialization continues to drive significant transaction activity in 2024, with healthcare maintaining its position as the most active vertical at 16% of deals, followed closely by Financial Services at 15%. Read more here.
- January 2025: The median EBITDA multiple for SaaS transactions has increased, indicating growing investor confidence in subscription-based business models. Companies with high customer retention rates, particularly those exceeding 90%, are able to secure substantial valuation premiums in todays competitive market. Read more <u>here</u>.
- January 2025: Cybersecurity M&A has been at the front and center of acquisition taking place in 2025 in the SaaS space and beyond. 45 cybersecurity deals were announced in January 2025 alone. Advanced cybersecurity capabilities, such as Managed Detection and Response (MDR) and Extended Detection and Response (XDR) are highly sought after by strategics in this market. Read more here.





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#### **Contact Us** Please reach out to us to schedule a call to discuss this month's market update or to explore how we can serve your business needs.

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