

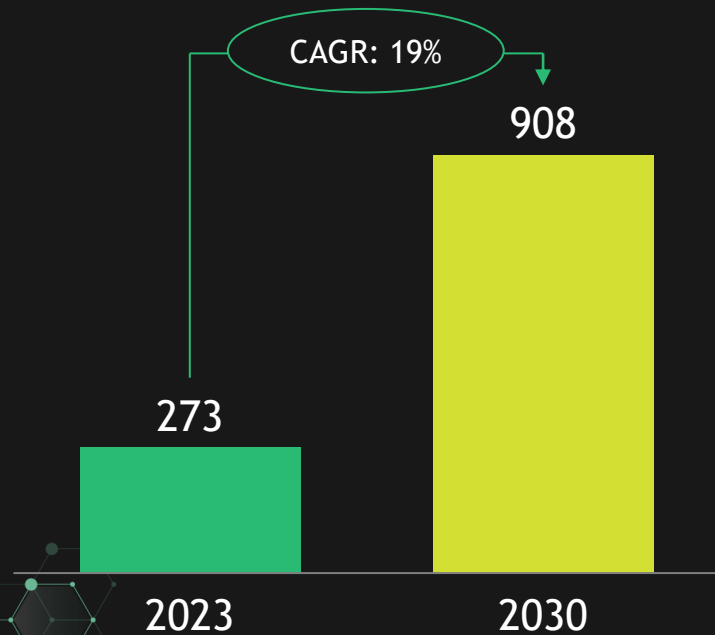
SaaS Horizon: Navigating the Future in an AI-powered World

SaaScon PH - Manila, April 17, 2024

Strong growth momentum sustained

Projected to reach USD908Bn by 2030.

Global SaaS market (in USD Bn)



Source: Medium, Gartner

Driven by heightening SaaS utilization.

71% of businesses rely on SaaS

85% of business apps will be SaaS by 2026

Supported by transition to cloud-based solutions.

By 2025



Half of global data will be on the cloud

66% of software app. spending will be on cloud services

Seven SaaS trends in 2024



- Massive adoption of Artificial Intelligence

- Focus on SaaS security and compliance

- Market consolidation

- Multi-integration of SaaS applications

- Segment specific SaaS products

- Rise of low-code solutions

AI is disrupting every aspects of the SaaS market at record pace

Businesses are quickly embracing AI to improve business operations.

Integration of AI in businesses

44% of organizations are integrating AI into their business processes

AI for productivity

14% boost in worker productivity with the use of AI tools

AI for data maintenance

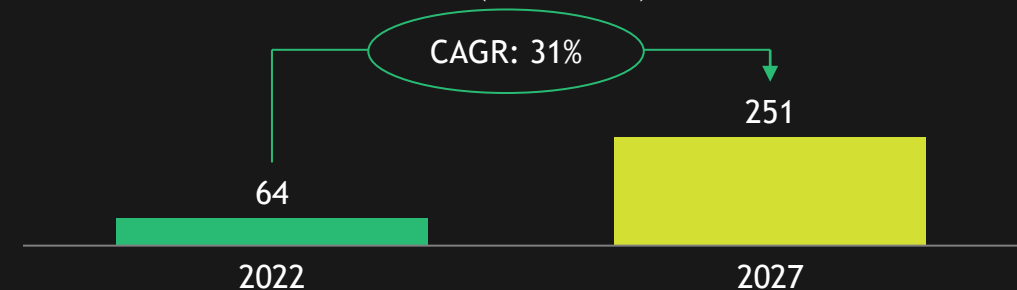
48% of businesses are using AI to maintain error-free data

1. Non-exhaustive list
Source: IBM Global AI Adoption Report; NBER; Orilley; Medium; International Data Corporation

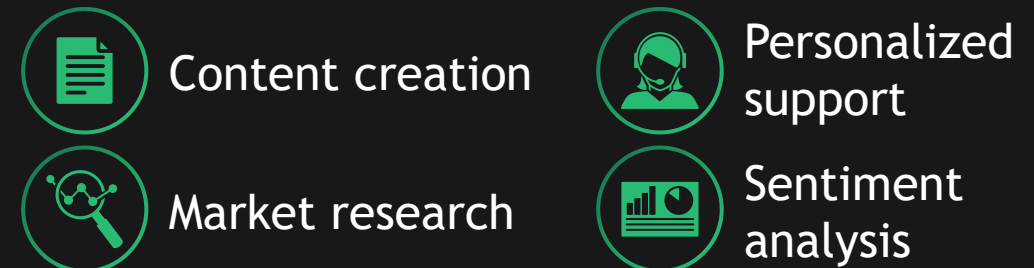
AI enhance efficiently deliver services by SaaS businesses

High-growth AI software market

Global AI Software Market (in USDBn)



Software capabilities improved by AI¹:



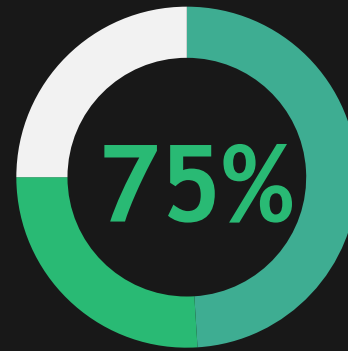
Cybersecurity challenges become more numerous and complex as SaaS adoption surges

Business are now using a broader range of applications and providers

79% of organizations have >1 cloud provider

22% of organizations use 51-100 SaaS apps in 2023 (vs 16% in 2021)

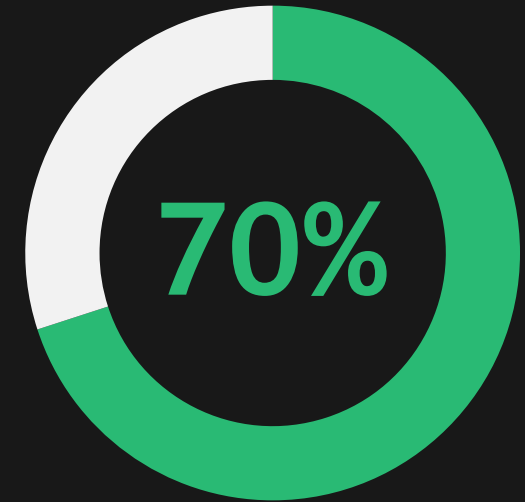
Yet, SaaS cybersecurity continues to lag behind.



of businesses whose 40%+ of cloud-stored data is sensitive (49% in 2022)

45% only 45% of sensitive data is encrypted

Increased focus on cybersecurity

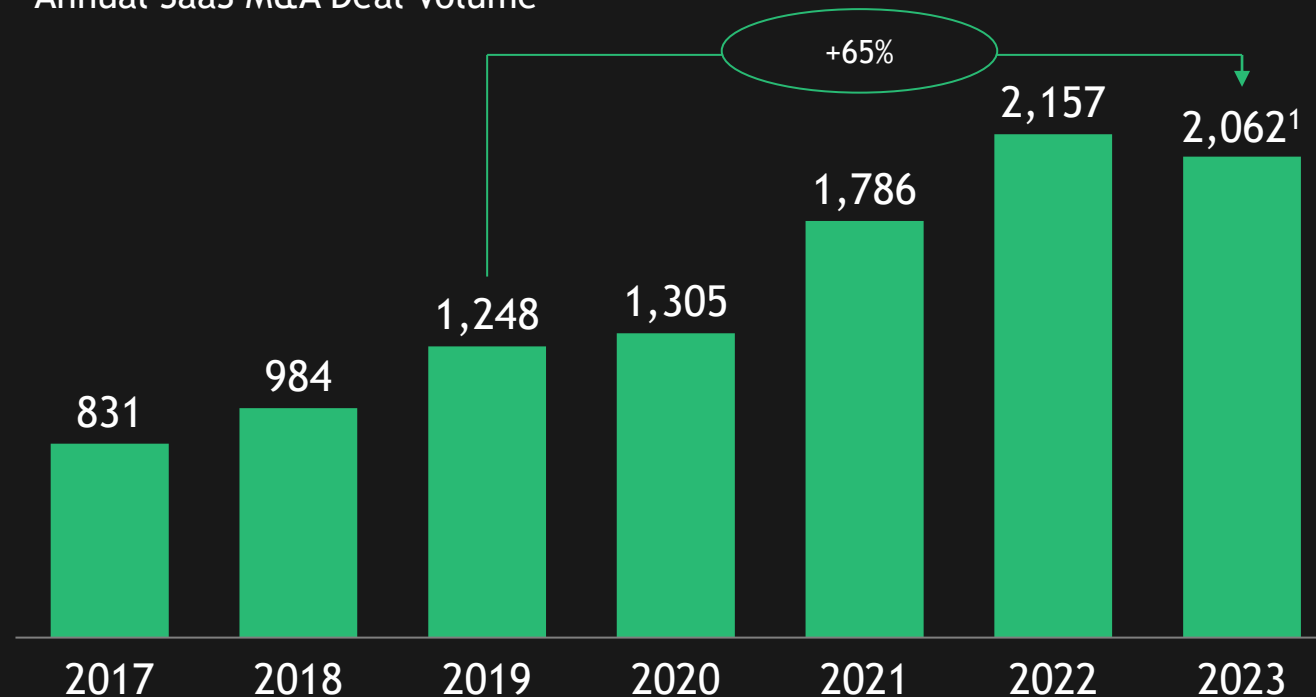


of organizations have set SaaS cybersecurity as a top 3 initiative for 2024

High M&A activities to broaden offerings, expand reach and scale

SaaS M&A activity at a general upward trend...

Annual SaaS M&A Deal Volume



... as consolidation helps firms stay competitive through:



Cost savings



Enhanced offerings



Broader audience reach

1. Despite a slight decrease of 4% from 2022, M&A volume in 2023 remains notably high compared to earlier years.
Source: Software Equity Group

SaaS 'superapps' will emerge as a consequence of market consolidation and as businesses work to stay competitive

Businesses seek integrated SaaS apps as they adopt multiple platforms.

"One API for all": SaaS businesses seeking to unify multiple APIs into one SaaS app.

Example: Alloy Automation

Integrates over 200 APIs such as from:

- 1 E-commerce platforms
- 2 CRM and sales
- 3 Payment systems
- 4 Shipping and logistics

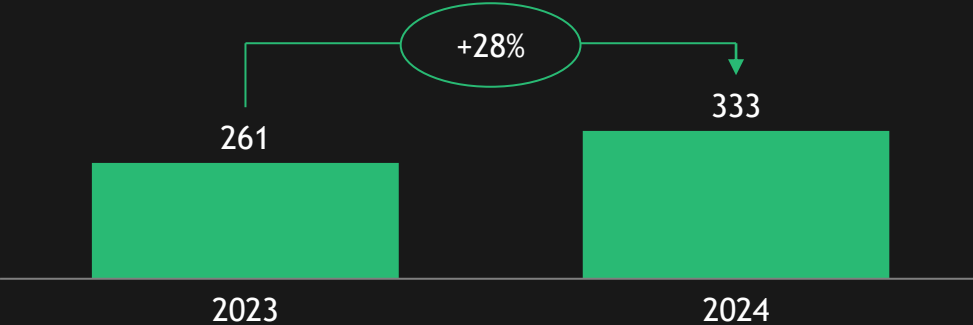
Streamlining all e-commerce operations into one platform

Data fragmentation is an emerging issue for businesses with multiple platforms.

9% of working hours is spent **tooggling** between applications

Leading to an increased demand for **BI-powered** SaaS tools that consolidate data in one location.

Global SaaS BI market (in USDBn)



Source: Datapine; Alloy Automation website; Harvard Business Review, "How Much Time and Energy Do We Waste Toggling Between Applications?"; Vena Solutions

As the market matures, customer segments are becoming more defined and are seeking more targeted solutions

Vertical SaaS: focuses on specific industries.

Global executives¹ investing in vertical SaaS given unmet needs:

84% find their needs as industry-specific

78% feel limited with generic solutions

64% plan to increase vertical SaaS budget

Micro SaaS: provides niche solutions at low costs

Key features of Micro SaaS platforms:



Addresses a highly **specific** problem



Operated by a **small team** or individual



User-centric design and experience

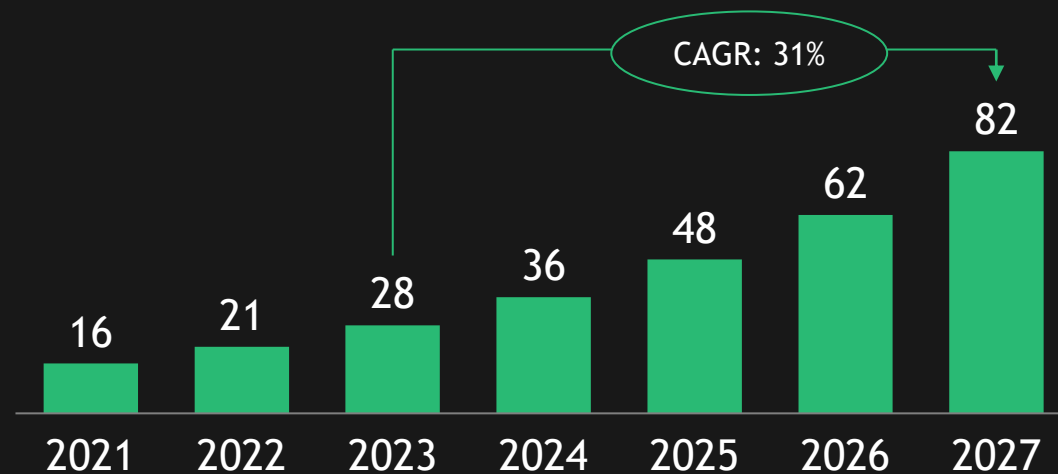
Segment-specific SaaS become highly-competitive as they efficiently meet customer specific needs.

1. From professional services firms
Source: Kantata; Forrester; SaaS Space

Growth of low-code solutions enable businesses to launch products or features with less resource and expertise

Growing adoption of low-code solutions

Global Low-code and No-code Market (in USDBn)



65% of application development will involve low-code development by 2024

Benefits of low-code solutions:

1 Shorten deployment time

90% potential reduction of deployment time

2 Lower the barrier for software development

80% of tech products will be developed by non-tech professionals by 2024

3 Address risks involved in developer shortage

4M estimated global shortfall of developers by 2025

Four key principles to navigate the fast changing SaaS horizon



Embrace AI at scale across the organization

Retool; Reshape



Bring customer-centricity and personalization to the next level



Prioritize security and compliance

Simplify; connect



Stay flexible and agile



Thank you!