

# Investments - Flash



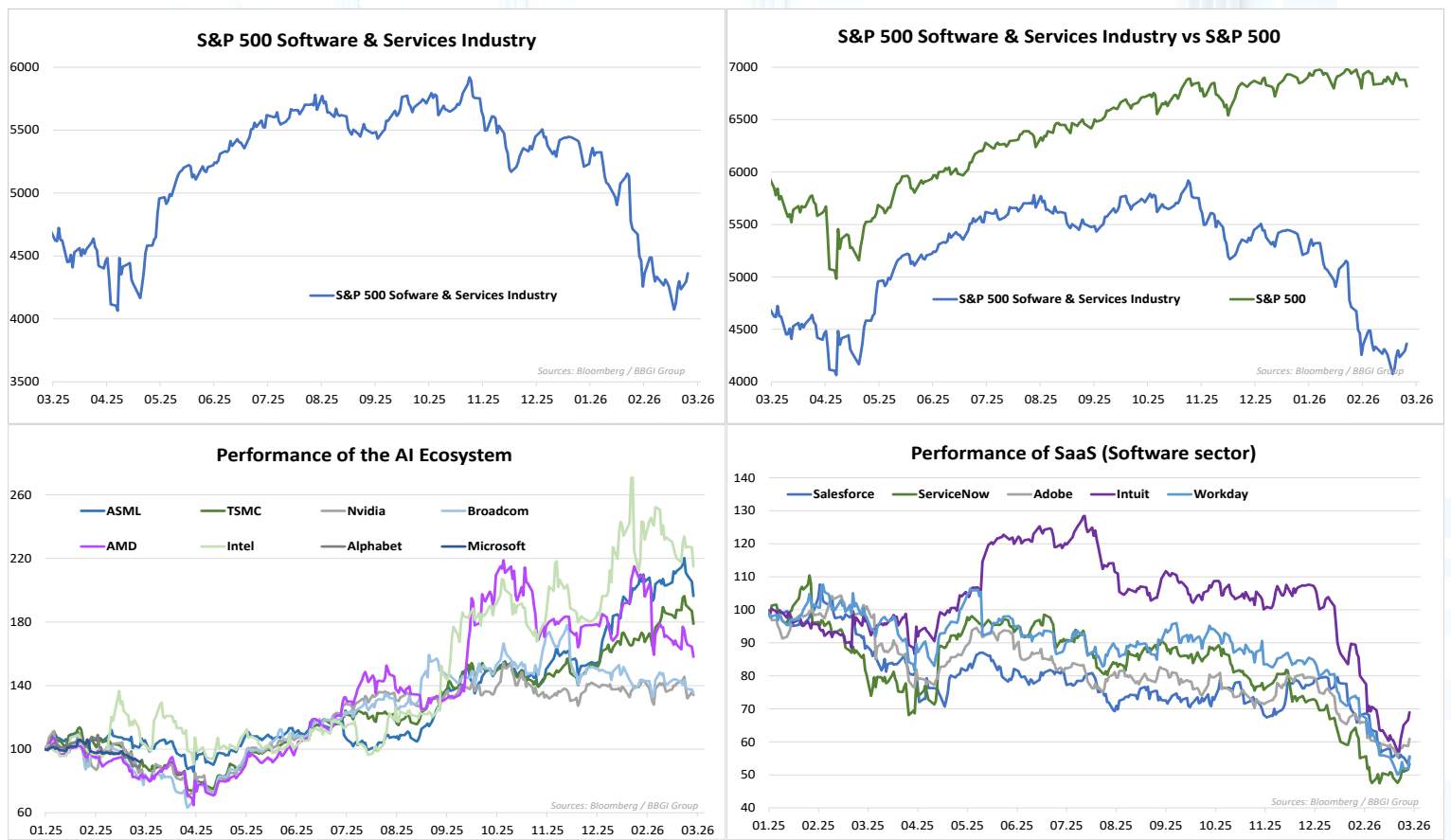
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## OVERREACTIONS IN THE U.S. SOFTWARE INDUSTRY

### Attractive medium-term investment opportunities

The massive decline in the US software sector over the past four months seems to us to be greatly exaggerated. The S&P 500 Software & Services Index has fallen by 32%, wiping out approximately \$1 trillion in market capitalization created between April and October 2025, mainly due to fears that AI will automate tasks that were previously reserved for specialized software. The release of plug-ins sent shockwaves through the market, raising fears that recurring revenue models (SaaS) would quickly become obsolete. Despite often excellent Q4 results, uncertainty has arisen over the monetization of infrastructure spending for some and the slow pace of AI integration into their models for others. Furthermore, forecasts for 2026 have often suggested a

slowdown in growth momentum. That said, we believe that the excessive valuations that prevailed have now been corrected for many of the major players in the sector. We believe that the ability of software publishers to integrate AI is underestimated in the current environment. The Software & Service index level of 4,000 points seems to us to be an attractive entry point in the medium term after the sharp consolidation of P/E ratios and profit growth targets. We recommend a return to the sector's leading stocks.



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