WINDSOR DRAKE

WINDSOR DRAKE RESEARCH · 2026

The Acquirer Index

Windsor Drake is a sell-side M&A advisory firm focused on software, financial technology, artificial intelligence, cybersecurity, and other technology-enabled businesses in the lower middle market. The firm publishes research on transaction activity, deal structure, and valuation for founders, boards, and investors.

About this report

This report identifies and ranks the most active acquirers of software and technology companies, classifies them into four archetypes by how they buy and what they pay for, and sets out what the rise of the serial acquirer means for founders deciding whom to sell to. It introduces the Windsor Drake Acquirer Index, a ranking of the buyers most likely to be on the other side of a lower-middle-market technology transaction.

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OVERVIEW

The buyer is no longer who you think it is

Ask a software founder who will buy their company and most will name a competitor or a famous strategic acquirer. The data says otherwise. The most active buyers of software companies are not the household names; they are serial acquirers, perpetual holding companies and private equity platforms that complete dozens of transactions a year and now account for the majority of the market.

In 2025, software M&A set a record of more than 2,500 transactions, and private equity and sponsor-backed buyers accounted for roughly 58 percent of them by deal count, against 42 percent for strategics.[1] The single most active strategic buyer was not Microsoft or Salesforce; it was Valsoft, a Montreal holding company most founders have never heard of, which completed sixteen deals and topped the table for the second consecutive year.[2] Behind it sit the acquisition machines: Constellation Software and its operating groups, which have bought more than 500 businesses over time, and the large private equity platforms whose add-on acquisitions now make up more than three quarters of all sponsor deal activity.[1,3]

This report maps that buyer universe. It introduces the Windsor Drake Acquirer Index, a ranking of the most active acquirers of software and technology companies, and a classification of those buyers into four archetypes that behave very differently: perpetual holders, private equity platforms, strategic platforms, and the hyperscalers and AI buyers. The central argument is that for most lower-middle-market founders, the realistic and most valuable buyer is a serial acquirer, and that knowing how these buyers think, what they pay for, and how they run a process is worth more than any list of logo-name strategics.

The most active buyer of software companies in 2025 was a holding company most founders have never heard of. The buyer universe has been quietly reorganized around serial acquirers.

The report proceeds from the index to the archetypes, then to the structural rise of the serial acquirer, the sector-level league tables for fintech, AI, and cybersecurity, a guide to how each archetype actually buys, and finally the practical implications for a founder deciding whom to sell to. The throughline is that the composition of the buyer pool has changed, and a founder who understands the change will run a better process than one still pitching to the names in the headlines.

THE MARKET IN BRIEF

The market in numbers

2,500+ Software M&A transactions in 2025, a record year by deal count.[1]	**58%** Share of SaaS M&A by deal count taken by private equity and sponsor buyers, against 42% strategic.[1]	**75%+** Share of private equity deal activity that is now add-on acquisitions rather than new platforms.[3]
16 Deals completed by Valsoft in 2025, the most active strategic software buyer for a second year.[2]	**500+** Businesses acquired over time by Constellation Software across its operating groups.[4]	**$3.7T** Global private equity dry powder entering 2026, roughly double the 2019 level.[3]

Windsor Drake view: the headline is not the record deal count. It is the concentration of that activity among a relatively small set of serial acquirers, the buyers a founder is statistically most likely to meet, and least likely to have on their initial list.

01 · THE INDEX

The Windsor Drake Acquirer Index

The index ranks the most active acquirers of software and technology companies by acquisition cadence, the measure that matters most to a founder, because a buyer that completes many deals a year is one with a repeatable process, a standing appetite, and a high probability of being a real counterparty.

EXHIBIT 1

The Windsor Drake Acquirer Index, 2026

#	ACQUIRER	ARCHETYPE	ACTIVITY SIGNAL
1	**Valsoft**	Perpetual holder (VMS)	~16 deals in 2025; most active strategic SaaS buyer
2	**Constellation Software**	Perpetual holder (VMS)	500+ businesses to date; 100s across operating groups
3	**Thoma Bravo**	Private equity platform	~555 companies over time; most active tech take-private
4	**Vista Equity Partners**	Private equity platform	$12.4B into vertical SaaS roll-ups through 2024
5	**Vitec Software Group**	Perpetual holder (Nordic VMS)	Among the most prolific acquirers of 2024
6	**Roper Technologies**	Perpetual holder / strategic	Portfolio of VMS and niche software businesses
7	**Main Capital Partners**	Private equity platform	Among the most active repeat SaaS acquirers
8	**KKR**	Private equity platform	Active repeat software acquirer
9	**Salesforce**	Strategic platform	Serial strategic acquirer of application software
10	**Cisco**	Strategic platform	Splunk ($28B) and ongoing security and data deals
11	**IBM**	Strategic platform	Among the most prolific strategic acquirers of 2024
12	**Autodesk**	Strategic platform	Serial acquirer in design and construction software
13	**Shift4 Payments**	Strategic (fintech)	Serial acquirer across payments and commerce
14	**Zucchetti**	Perpetual holder (European VMS)	Among the most prolific acquirers of 2024
15	**Insight Partners**	Private equity platform	Active software platform investor and acquirer
16	**Palo Alto Networks**	Strategic platform (cyber)	Multiple platform acquisitions in 2025
17	**Alphabet (Google)**	Hyperscaler	Wiz ($32B); selective, very large deals

#	ACQUIRER	ARCHETYPE	ACTIVITY SIGNAL
18	**Microsoft**	Hyperscaler	Selective large strategic and AI deals
19	**Nvidia**	AI / hyperscaler	Active acquirer across the AI stack
20	**Accenture**	Strategic (services)	Prolific consolidator of technology services

Source: Windsor Drake Acquirer Index, compiled from Software Equity Group, Cooley, Tracxn, and company disclosures, 2024–2026.[1,2,4,5] Ranking reflects acquisition cadence and standing appetite, not deal value; figures are directional and not audited.

Two features of the index are worth stating plainly. First, the top of the table is dominated not by strategics but by serial acquirers, the perpetual holders and private equity platforms whose business model is acquisition itself. Second, the buyers most founders name first, the hyperscalers, sit lower on a cadence-ranked list, because they do a small number of very large deals rather than a steady stream. A founder optimizing for the likeliest buyer should read the top of this table, not the bottom.

The index is ranked by cadence rather than by deal value deliberately. A ranking by value would be topped by the megadeals and would tell a founder little about who is likely to buy a thirty-million-dollar company. A ranking by cadence identifies the buyers with a repeatable appetite at the size most founders actually transact, and those are the buyers this report is built around.

A word on how to read the index. It is not a prediction of who will buy any particular company, and a buyer's absence from the top does not mean it is inactive; the hyperscalers, for instance, are among the most consequential acquirers in the market while sitting mid-table on cadence. The index is a map of standing appetite, a guide to which buyers are most likely to be reachable, motivated, and able to move when a process opens. A founder should use it to widen the target list beyond the obvious names and to identify the archetypes worth approaching, then narrow to the specific buyers whose focus matches the company. Read that way, the index is a starting point for a tailored process, not a substitute for one.

02 · THE TAXONOMY

The four acquirer archetypes

The buyers in the index do not behave alike. They fall into four archetypes, each with a distinct motive, valuation logic, and process. Knowing which archetype is across the table changes how a founder should prepare, position, and negotiate.

EXHIBIT 2

The four acquirer archetypes at a glance

ARCHETYPE	EXAMPLES	WHAT THEY PAY FOR	HOW THEY HOLD
Perpetual holder	Constellation, Valsoft, Vitec, Roper	Durable cash flow at a disciplined multiple	Forever; never sells
Private equity platform	Thoma Bravo, Vista, KKR, Main, Insight	Cash flow plus buy-and-build upside	4–7 years, then exits
Strategic platform	Salesforce, Cisco, IBM, Palo Alto	Capability, product, customer fit	Integrates into the platform
Hyperscaler / AI	Google, Microsoft, Nvidia, Meta	Strategic position, talent, scale	Absorbs; pays the largest premiums

Source: Windsor Drake classification.

The perpetual holder

The defining buyer of the era. Perpetual holders such as Constellation Software, Valsoft, Vitec, and Roper acquire vertical-market software businesses and hold them indefinitely, never selling, funding the next acquisition from the cash flow of the last.[2,4] They pay disciplined multiples, prize durable and predictable cash flow over growth, and run a fast, repeatable process because they do it constantly. For a founder, a perpetual holder offers certainty, a permanent home for the business and the team, and a clean exit, at the cost of the strategic premium a competitive buyer might pay. They are the most likely buyer for a profitable, niche software business, and the least likely to overpay.

The private equity platform

Private equity platforms such as Thoma Bravo, Vista, KKR, and Main Capital buy to build. They acquire a platform company and add to it, holding for several years before exiting at a higher multiple, with add-on acquisitions now making up the majority of their activity.[3] They value cash flow and the potential to compound it, will pay up for a strong platform asset, and treat smaller companies as add-ons priced on fundamentals. For a founder, a sponsor offers a path to liquidity, often with the option to roll equity into the larger entity and participate in the eventual exit, which can be worth more than the headline price.

The strategic platform

Strategic platforms such as Salesforce, Cisco, IBM, and Palo Alto buy capability, product, and customers to extend their own offering. They pay for fit, what the asset adds to the platform and what it denies to a competitor, and can pay the highest prices when a target fills a real gap in a contested category. They run a more variable process than the serial acquirers, gated by internal priorities, and integration risk weighs on their diligence. For a founder, a strategic is the route to a premium, but a less predictable counterparty than a serial acquirer.

The hyperscaler and AI buyer

The hyperscalers and large AI companies, Google, Microsoft, Nvidia, Meta, do a small number of very large, strategically decisive deals, and pay the biggest premiums of all when they act. They sit lower on a cadence-ranked index precisely because they are selective, but for a category-defining company in cloud, security, or AI, they are the buyers that set records. For the typical lower-middle-market founder they are a remote prospect; for the rare category leader they are the apex buyer.

The practical value of the taxonomy is that it tells a founder which game they are playing before they start. A profitable niche software company is most likely selling to a perpetual holder or a sponsor and should prepare for a fast, cash-flow-focused process. A category leader in a contested space is selling to a strategic or a hyperscaler and should run a competitive process built around fit and premium. Confusing the two, pitching a niche cash-flow business to hyperscalers, or taking a category leader only to disciplined holders, is how founders waste time and leave value behind.

03 · THE SHIFT

The rise of the serial acquirer

The most important change in the software buyer pool over the past decade is the rise of the serial acquirer, the perpetual holders and private equity platforms that have turned acquisition into an industrial, repeatable process. It has reshaped who buys, how fast, and at what price.

The evidence is in the composition of the market. Private equity and sponsor buyers now take the majority of software deals by count, add-on acquisitions make up more than three quarters of that activity, and the most active individual buyers are dedicated acquisition vehicles completing many deals a year.[1,3] The perpetual holders have built this into a permanent model: Constellation Software's operating groups acquire constantly across hundreds of niche software markets, and newer holders such as Valsoft and Vitec have replicated the approach.[2,4] What was once an occasional event for a software company, being acquired, has become the output of a standing, well-capitalized buying machine.

Why the model works

The serial acquirer model rests on three advantages. The first is process: a buyer that completes dozens of deals a year develops a repeatable, fast, low-friction diligence and integration capability that a one-time acquirer cannot match, which lets it move quickly and credibly. The second is capital: perpetual holders fund acquisitions from the durable cash flow of the businesses they already own, and private equity platforms sit on record dry powder, so the buying does not stop when conditions tighten.[3] The third is discipline: because these buyers transact constantly, they know exactly what they will pay and why, which makes them reliable counterparties even if they are rarely the highest bidder.

Being acquired used to be an event. For a niche software company today, it is the output of a standing, well-capitalized buying machine that completes dozens of deals a year.

What it means for the price and the process

The rise of the serial acquirer cuts two ways for a founder. On one hand, it has widened and deepened the buyer pool: there is now a standing, motivated buyer for almost any profitable software business, however niche, which improves liquidity and certainty across the lower middle market. On the other, the serial acquirers are disciplined by design and will not overpay, so a founder who wants more than a fair, fundamentals-based price has to create competition, often by bringing a strategic or a second sponsor into the process. The serial acquirer guarantees a buyer; it does not guarantee the best price, and closing that gap is the work of a well-run process.

The model has also gone global. While Constellation Software is Canadian and several large sponsors are American, the perpetual-holder approach has taken deep root in Europe, where Visma, Topicus, Vitec, Zucchetti, and a growing field of newer holders acquire vertical-market software across national markets, and it is spreading to other regions as patient capital recognizes the durability of niche software cash flows.[4] For a founder, this means the relevant buyer may not be local. A European holder may be the most motivated bidder for a North American niche software business, and a cross-border process can widen the buyer pool meaningfully. The serial-acquirer model is not a regional phenomenon; it is a global reorganization of how software companies are bought, and the most competitive process is often the one that reaches holders and sponsors across more than one continent.

For the rest of this report, the serial acquirer is the central character. The sector league tables that follow identify the most active buyers within fintech, AI, and cybersecurity; the section after them explains how each archetype runs a process; and the founder guidance is built around the reality that the likeliest buyer is a serial acquirer and the best price usually requires putting that buyer in competition.

SPOTLIGHT

Three acquisition machines

The serial-acquirer model is best understood through the buyers that perfected it. Three companies, one perpetual holder at scale, one fast-rising holder, and one private equity platform, illustrate how acquisition becomes an industrial process and what that means for a founder on the other side.

Constellation Software: the compounding holder

Constellation Software is the reference example of the perpetual-holder model. Built over three decades into a collection of autonomous operating groups, it has acquired more than 500 vertical-market software businesses and, by design, has never sold one.[4] The model is disciplined acquisition funded by the cash flow of the businesses it already owns: each operating group hunts for small, profitable, mission-critical software companies in niche markets, buys them at returns-focused multiples, and holds them indefinitely. The discipline is the point. Constellation is rarely the highest bidder, but it is a near-certain closer and a permanent home, and for a founder who wants their business and team to continue rather than be integrated away, that is a distinctive offer. The lesson for sellers is that this buyer optimizes for durable cash flow and a fair return, not for a strategic premium, and a process built to extract a premium has to bring a different buyer into the room.

Valsoft: the fast follower

Valsoft, a Montreal holding company founded in the past decade, has become the most active strategic acquirer of software businesses by deal count, completing roughly sixteen acquisitions in 2025 and topping the table for a second consecutive year.[2] It has explicitly modeled itself on the perpetual-holder approach, acquiring mission-critical vertical-market software and holding for the long term. Valsoft's rise shows that the model is replicable and that the buyer pool is being actively expanded by new entrants applying it, which is good news for sellers: there are more standing, motivated buyers for niche software than ever, and the competition among holders themselves can be used to improve terms. For a founder, a buyer like Valsoft offers the same certainty and permanence as the larger holders, often with a hungrier appetite.

Thoma Bravo: the private equity platform

Thoma Bravo is the archetypal software private equity platform, having acquired or invested in roughly 555 companies over two decades and ranking as the most active participant in technology take-privates.[1,5] Its model differs from the holders in a crucial way: it buys to improve and eventually to sell, applying an operational playbook to raise margins and growth, adding on complementary acquisitions, and exiting the larger entity several years later at a higher multiple. For a founder, a sponsor like Thoma Bravo offers a path to liquidity and, frequently, the option to roll equity into the platform and share in the eventual exit, which can be worth more than the headline price. It also means the company will be optimized and, in time, sold again, a different proposition from the permanence of a holder. Choosing between them is choosing between participation in future upside and a permanent home.

> *The holder offers permanence at a disciplined price. The sponsor offers a second bite at the upside. Neither is the highest bidder by default; the premium still has to be competed for.*

The three together define the serial-acquirer landscape a founder will actually encounter. The holders, old and new, provide certainty and permanence at a fair price; the sponsors provide liquidity plus a share of future upside. What none of them provides automatically is a strategic premium, which remains the province of the strategics and hyperscalers and has to be drawn out through competition. Understanding each machine's logic is the difference between accepting its default offer and running a process that improves on it.

THE MODEL

The economics behind the machines

Each archetype pays what it pays for a reason rooted in how it makes money. A founder who understands the buyer's return math understands what the buyer can afford, why it behaves as it does, and where the negotiating room actually is.

The perpetual holder's return math

The perpetual holder is, at heart, a capital-allocation engine. It generates free cash flow from the software businesses it owns and reinvests that cash into acquiring more, compounding the base over time. Because the model depends on reinvesting at attractive returns, the holder is disciplined about the multiple it pays: every dollar overpaid is a dollar that earns a lower return and slows the compounding. This is why holders rarely win bidding wars and rarely overpay, and it is structural rather than a negotiating posture. The holder also never sells, which avoids the friction and tax of churning assets and lets the cash flow compound indefinitely.[4] For a seller, the implication is twofold: the holder offers genuine permanence and certainty, and the price is anchored to a return discipline that competition, not persuasion, is the only way to move.

The private equity platform's multiple arbitrage

The private equity platform makes money differently, through a combination of operational improvement, leverage, and multiple arbitrage. The arbitrage is central: a sponsor buys smaller add-on companies at lower multiples and folds them into a larger platform that commands a higher multiple, so value is created simply by combination, before any operational gains.[3] The platform improves margins and growth over a holding period of several years, then sells the larger, better entity at a higher multiple than it paid. This return math explains the sponsor's behavior: it will pay a strong price for a platform asset or a clean add-on because the arbitrage and improvement create the return, and it frequently offers rollover equity because aligning the seller with the eventual exit is part of the model. For a founder, the sponsor's economics are why rollover can be so valuable, and why the headline price is only part of the story.

The strategic's value math

The strategic and the hyperscaler do not buy for a financial return in the same sense; they buy for the value the asset adds to a business many times its size. A capability that lifts the platform's revenue, closes a competitive gap, or accelerates a strategic priority can be worth far more inside the acquirer than as a standalone, which is what allows the strategic to pay a premium the financial buyers cannot.[5] The corollary is that the strategic's willingness to pay depends entirely on fit and on competition: absent a clear strategic need, the strategic has no special reason to pay up, and absent a competing bidder, it has no reason to pay its maximum. The premium is real but conditional, and the conditions are what a good process creates.

> *Every buyer pays what its own return math allows. Understanding that math tells a founder what is possible to ask for, and what only competition can unlock.*

The practical use of this section is diagnostic. When a holder will not move off a disciplined number, that is the model talking, and the answer is competition, not negotiation. When a sponsor offers rollover, that is the arbitrage talking, and the founder should value the rollover seriously rather than dismissing it. When a strategic pays a premium, that is fit and competition talking, and the founder should ensure both are maximized before accepting. Reading the buyer's economics turns a negotiation from a guessing game into a structured one.

04 · BY SECTOR

The sector league tables

The buyer pool differs by sector. A fintech founder, an AI founder, and a cybersecurity founder face different sets of active acquirers, and should build their target lists from the relevant table below rather than from the broad index.

EXHIBIT 3

Most active acquirers, financial technology

ACQUIRER	TYPE	FOCUS
Fiserv / FIS / Global Payments	Strategic platform	Payments and core banking consolidation
Shift4 Payments	Strategic (serial)	Payments and commerce roll-up
Mastercard / Visa	Strategic networks	Data, infrastructure, fraud, identity
Thoma Bravo / Advent / GTCR	Private equity	Payments and fintech buyouts and build-ups
Nuvei / Brookfield-backed platforms	PE-backed strategic	Payments platform consolidation

Source: Windsor Drake, from the fintech transaction record, 2024–2026.[5]

EXHIBIT 4

Most active acquirers, artificial intelligence

ACQUIRER	TYPE	FOCUS
Nvidia	AI / hyperscaler	Active across the AI infrastructure and tooling stack
Google, Microsoft, Meta, Amazon	Hyperscaler	Models, talent, infrastructure; large and talent-led deals
Salesforce, ServiceNow	Strategic platform	Applied AI and enterprise agents
Databricks, Snowflake	Strategic (data/AI)	Data and AI platform extension

Source: Windsor Drake, from the AI transaction record, 2024–2026.[5] AI acquisitions are frequently structured as talent-led deals; see the firm's AI Acquihire Report.

EXHIBIT 5

Most active acquirers, cybersecurity

ACQUIRER	TYPE	FOCUS
Palo Alto Networks	Strategic platform	Platformization across identity, cloud, AI security
Google, Cisco, Microsoft	Strategic / hyperscaler	Cloud and data-layer security
CrowdStrike, Zscaler, Check Point, SentinelOne	Strategic platform	Platform extension and AI security
Thoma Bravo / Vista	Private equity	Take-privates and security roll-ups

Source: Windsor Drake, from the cybersecurity transaction record, 2024–2026.[5] See the firm's Cybersecurity Consolidation Report.

Across the three sectors a consistent pattern holds: a small set of strategic platforms competes at the top for the category leaders, while private equity provides a parallel, ever-present bid for durable assets. A founder's target list should include both, weighted toward the strategics where the company is a category leader and toward the sponsors and holders where it is a profitable niche business. The sector tables are starting points; a real process builds a tailored list from the specific gaps of the specific buyers most likely to value the specific company.

Emerging acquirers to watch

The buyer pool is not static, and some of the most active counterparties of the next few years are names that barely register today. The perpetual-holder model in particular is being adopted by a growing set of newer vehicles, often regionally focused or backed by patient capital, that are buying aggressively to build their own portfolios of vertical-market software. A founder building a target list should look beyond the established holders to these rising acquirers, which are frequently hungrier and willing to compete for assets the larger holders take for granted.

EXHIBIT 6

Rising and emerging serial acquirers

ACQUIRER	MODEL	NOTE
Banyan Software	Perpetual holder	Acquires and holds enterprise software for the long term
Everfield	Perpetual holder (Europe)	European VMS buy-and-hold platform
ESW Capital	Perpetual holder	Long-term holder of enterprise software
Visma / Topicus	Holder / strategic (Europe)	Prolific European software acquirers
AI-native consolidators	Emerging strategic	Well-funded AI companies beginning to acquire tooling and talent

Source: Windsor Drake, from public activity, 2024–2026. Representative, not exhaustive.

The broader signal is that the supply of serial acquirers is increasing. Each new holder or platform that adopts the model adds a standing bid to the market, which deepens liquidity for sellers and, where several compete for the same niche, can lift price. Tracking the emerging acquirers in a given vertical is part of building a current, competitive target list rather than relying on the established names alone.

How each archetype buys

The same company will have a very different experience selling to each archetype. The differences in speed, diligence, structure, and what wins the deal are large enough that a founder should know the buyer's playbook before entering a process.

Speed and certainty

The serial acquirers are fast and certain. A perpetual holder or an experienced private equity platform has a repeatable process and can move from first conversation to close in a matter of months, with a high probability of completion, because acquisition is their core competency.[2,3] Strategics are slower and less certain: a deal competes with internal priorities, must clear product and integration review, and can stall or die for reasons unrelated to the target. Hyperscalers are the slowest to decide and the least predictable, but the most decisive once committed. A founder who values certainty should weight the serial acquirers; one who can tolerate process risk for a higher price should engage the strategics.

Diligence focus

Each archetype diligences what it values. Perpetual holders scrutinize the durability and predictability of cash flow, retention, recurring revenue, and customer concentration, because they intend to hold forever. Private equity platforms examine the same plus the potential to grow and add on. Strategics focus on product, technology, and integration, how cleanly the asset fits the platform. Hyperscalers test strategic fit and, increasingly, talent. Preparing the diligence that the specific buyer cares about, rather than a generic data room, shortens the process and protects the price.

Structure and what wins

The structures differ too. Perpetual holders favor clean, mostly cash deals at disciplined multiples and rarely engage in bidding wars; what wins with them is a well-run, profitable business and a willingness to accept a fair, certain price. Private equity platforms often offer rollover equity, a chance to participate in the larger entity's eventual exit, which can add meaningful value beyond the headline; what wins is a strong platform or a clean add-on with growth potential. Strategics and hyperscalers pay the premiums, frequently with earnouts or retention attached; what wins is being the clear category leader they need, in a process competitive enough to force their best price. Matching the company to the structure that suits it is part of choosing the right buyer.

EXHIBIT 7

How the archetypes run a process

DIMENSION	PERPETUAL HOLDER	PE PLATFORM	STRATEGIC	HYPERSCALER
Speed	Fast	Fast	Variable	Slow to decide
Certainty	Very high	High	Moderate	Low until committed
Diligence focus	Cash-flow durability	Cash flow + growth	Product / integration	Strategic fit / talent
Typical structure	Mostly cash, clean	Cash + rollover	Cash, often earnouts	Large, often retention
Price tendency	Disciplined / fair	Fair to strong	Premium for fit	Highest premium

Source: Windsor Drake. Generalizations across archetypes; individual buyers vary.

> *The serial acquirer guarantees a buyer and a fast close. The strategic offers the premium. A good process uses the first to create the certainty that makes the second bid harder.*

The most sophisticated outcome combines the archetypes. A founder can use the certainty of a serial acquirer's bid as the floor and the credibility of the process, and bring a strategic or a second sponsor into competition to lift the price above it. The serial acquirer makes the process real; the strategic makes it valuable. Running both at once, rather than choosing one archetype and hoping, is how a founder captures both certainty and premium.

06 · APPLICATION

What it means for founders

The index and the archetypes are only useful if they change how a founder runs a sale. The guidance below follows from the central finding: the likeliest buyer is a serial acquirer, and the best price usually requires putting that buyer in competition.

Build the target list from the data, not the logos

Most founders begin with a short list of famous strategics and competitors. The data says the realistic buyer pool is wider and led by serial acquirers most founders would not name. Build the list from the index and the relevant sector table, include the perpetual holders and private equity platforms active in the space, and treat the logo-name strategics as the upside rather than the base case.

Match the company to the archetype

Decide honestly what the company is. A profitable niche business is a perpetual-holder or sponsor sale; a category leader in a contested space is a strategic or hyperscaler sale. The match determines the process, the likely structure, and the realistic price, and getting it right avoids both wasted effort and missed value.

Create competition deliberately

The serial acquirers are disciplined and will not overpay, so a fair price is the default and a premium has to be manufactured through competition. Even where the likeliest buyer is a holder or a sponsor, bringing a second credible bidder into the process, another acquirer of the same archetype, or a strategic, is what moves the number. A process with one bidder is a price taker; a process with three is a price maker.

Become easy to find and easy to buy

Serial acquirers run on a repeatable process, and they reward companies that fit it. A business with clean financials, durable recurring revenue, low customer concentration, and a tidy, integrable product is easier to diligence, faster to close, and worth more to a buyer that does this constantly. These are decisions made years before a sale, and they raise both the probability and the price of an exit with the archetype most likely to buy.

Know who is active now

Acquisition appetite moves. A buyer that completed many deals last year may be integrating this year, and a new entrant may be the most aggressive bidder in a niche. The most useful target list is current, built from recent activity rather than reputation, and updated as a process begins. The index in this report is a starting point; the live picture at the moment of sale is what matters.

WORKSHEET

Matching your company to a buyer archetype

IF YOUR COMPANY IS…	THE LIKELY BUYER IS…	OPTIMIZE FOR…
A profitable, niche, durable software business	Perpetual holder	Certainty, a permanent home, a fair price
A growing platform or a clean add-on	Private equity	Liquidity plus rollover into future upside
A category leader in a contested space	Strategic platform	Premium through competitive fit
A category-defining asset in AI, cloud, or security	Hyperscaler / AI buyer	Maximum premium; a decisive, selective buyer

Source: Windsor Drake. Many companies fit more than one row; a competitive process can engage several archetypes at once.

The unifying point is that the buyer universe has been reorganized around serial acquirers, and a founder who runs a process built for that reality, a data-driven target list, the right archetype match, deliberate competition, and a company built to be bought, will outperform one still selling to the names in the headlines. The buyers have industrialized acquisition. The founders who do best are the ones who meet them with an equally deliberate process.

PITFALLS

Common mistakes founders make with the buyer pool

The same misunderstandings of the buyer universe recur across the companies Windsor Drake advises. Each one costs either price or certainty, and each is avoidable.

Pitching only to competitors and famous strategics

The most common error is to build the buyer list from the handful of obvious names, direct competitors and the strategics in the headlines, and to ignore the serial acquirers who actually do most of the deals. A list of three logos is a weak process; the real pool is wider, led by holders and sponsors, and a founder who omits them is omitting the most probable buyers and the competitive tension that lifts price.

Mistaking a holder's discipline for a low ceiling

Founders sometimes dismiss the perpetual holders because they will not pay a strategic premium, concluding the whole process is not worth running. This confuses the floor with the ceiling. The holder's disciplined, certain bid is exactly what makes a process credible and gives a founder the confidence to push a strategic for more. The holder is not the cap on value; it is the floor that makes chasing the premium safe.

Selling to one buyer without competition

An inbound approach from a serial acquirer is flattering and easy, and many founders accept a bilateral process that the buyer controls. Because the serial acquirers are disciplined, a bilateral deal almost always clears at the low end of fair. The cost of converting that inbound interest into a competitive process, adding two or three credible bidders, is small relative to the price improvement it typically produces.

Ignoring rollover and structure

Founders frequently evaluate offers on headline price alone and overlook the structure, particularly the rollover equity a private equity buyer may offer. A lower headline with meaningful rollover into a platform poised to grow can be worth more than a higher all-cash number from a buyer with no upside to share.

Comparing offers requires looking through the headline to the full economics, a theme developed in the firm's companion report on deal structure.

Treating the buyer list as static

Finally, founders rely on reputation rather than current activity. Acquisition appetite shifts quarter to quarter, new holders enter, and a buyer that was acquisitive last year may be digesting this year. A target list built from last cycle's names misses the buyers most likely to compete today. The list should be current, built from recent activity, and refreshed as the process opens.

> *An inbound from a disciplined serial acquirer feels like a gift. Accepted without competition, it almost always clears at the low end of fair.*

The thread through all five is the same: the buyer pool is larger, more disciplined, and more dynamic than founders assume, and treating it casually surrenders both price and certainty. A process that respects the real composition of the pool, and engineers competition within it, is the single most reliable way to improve an outcome.

07 · OUTLOOK

Outlook

The trends that produced this buyer pool are strengthening, not fading. The serial acquirer's share of the market is likely to rise further, with consequences for liquidity, pricing, and the kind of process a founder should expect.

Serial acquirers keep gaining share

With private equity sitting on record dry powder and add-ons already the majority of sponsor activity, the serial acquirers are positioned to keep buying through the cycle, and the perpetual holders continue to compound their acquisition capacity from the cash flow of a growing base.[3,4] The likely result is a buyer pool even more concentrated among dedicated acquisition vehicles, which deepens liquidity for profitable software businesses while keeping pricing disciplined.

A widening floor, a capped ceiling

For founders, the most probable effect is a market with a higher floor and a firmer ceiling. The standing bid from serial acquirers raises the floor, making a fair, certain exit available to almost any durable software business. The same discipline caps the ceiling unless a strategic premium is in play, which means competitive processes and category leadership matter more than ever for founders seeking an outsized outcome. The middle of the market becomes more liquid and more efficiently priced.

The strategic and hyperscaler bid returns selectively

The largest strategic and hyperscaler deals will continue, but selectively, concentrated on category leaders in contested spaces such as AI and security.[5] For the rare company that is one of those leaders, the apex buyers remain, and the premium is intact. For everyone else, the realistic and reliable counterparty is the serial acquirer, and planning around that buyer is the prudent base case.

> *The buyer pool is consolidating around acquisition machines. That raises the floor for every founder and the ceiling only for the few who can run a truly competitive process.*

The conclusion of this report is the same as its premise, now with the data behind it. The most active buyers of software companies are serial acquirers, the market has organized itself around them, and the founders who do best are the ones who recognize this, build their process for it, and use the certainty of the serial acquirer to manufacture the competition that lifts the price. The buyer universe has changed. The selling strategy should change with it.

CONCLUSION

Sell to the buyer that exists, not the one you imagined

The buyer pool for software companies has been reorganized, quietly and almost completely, around serial acquirers. The single most useful thing a founder can do is to see that clearly and plan for it.

The data is unambiguous. The majority of software deals now go to private equity and sponsor buyers, add-ons are the bulk of that activity, and the most active individual acquirers are dedicated acquisition vehicles, perpetual holders and platforms, that complete dozens of deals a year through an industrial process. The famous strategics and hyperscalers still set the records, but they are selective, and for most founders they are the exception rather than the base case. The realistic buyer is a serial acquirer, and a great many founders do not have one on their list when they begin.

The conclusion that follows is practical. Build the target list from the data, including the holders and sponsors most founders overlook. Match the company honestly to the archetype most likely to value it. Understand each buyer's return math, so the negotiation is structured rather than hopeful. And above all, manufacture competition, because the serial acquirers are disciplined and a fair price is the default, while a premium has to be competed for. The buyers have made acquisition a system. The founders who do best are the ones who meet that system with a system of their own, and who sell to the buyer that actually exists rather than the one they imagined at the start.

> *The realistic buyer is a serial acquirer. Plan for that buyer, understand its math, and make it compete, and the outcome improves on every dimension a founder cares about.*

THE EARLY READ

Into 2026: the serial buyers extend their lead

The first months of 2026 widened the gap between the buyers founders expect and the buyers who actually transact. As the broad deal count thinned and capital concentrated, the serial acquirers, the perpetual holders and private-equity platforms this index ranks, became an even larger share of the activity that did occur, while strategics consolidated their grip on the largest deals.

The pattern of the new year is concentration. Even as private-equity deal count fell sharply year over year in the first half of 2026, aggregate value rose because the deals that cleared skewed larger, and in cybersecurity strategic corporate buyers accounted for more than ninety percent of deal value by the spring. The market did fewer deals, but the buyers doing them were disproportionately the disciplined serial acquirers and the largest strategics, the two populations this report maps.

> *The market did fewer deals into 2026, but the serial acquirers and largest strategics did a larger share of them. The standing bid held; the bar for it rose.*

The standing bid held

Through a thinner market, the serial acquirers provided the continuity. The perpetual-holder model, buying profitable software to keep rather than to flip, is structurally indifferent to the financing cycle that slowed the broader market, and the most active platforms kept transacting on cadence while episodic buyers paused. For a founder, that is the reassurance beneath the slowdown: the buyers whose entire business is acquiring companies like yours did not stop, and the index of who they are is a more reliable map of demand than any single quarter's count.

The AI bar rose

What changed is the threshold. Serial acquirers grew more selective about durability, pressing harder on whether a target's software would compound or be eroded by AI-native competition, and pricing that judgment into their bids. The standing bid remained, but it discriminated more finely. The practical implication for a founder is to come to these buyers with a clear answer to the durability question, because in 2026 the serial acquirers are buying as steadily as ever, but they are paying up only for the companies whose moat they believe survives the AI transition.

Sources for this section: PwC, "Private capital 2026 mid-year outlook" (fewer but larger PE deals); SecurityWeek and FinancialContent (strategic buyers >90% of cybersecurity deal value, 2026); Bain & Company 2026 private equity outlook; Windsor Drake analysis.

Methodology and sources

The Windsor Drake Acquirer Index ranks acquirers of software and technology companies by acquisition cadence, the frequency and consistency of their dealmaking, rather than by deal value, because cadence is the better predictor of whether a given buyer is a realistic counterparty for a lower-middle-market company. The index is compiled from public transaction trackers, company disclosures, and industry M&A reviews covering 2024 through mid-2026. Acquirers disclose deals inconsistently and trackers count them differently, so the ranking should be read as a directional assessment of relative activity and standing appetite, not as an audited or exhaustive league table. Position in the index reflects Windsor Drake's judgment integrating multiple sources.

The four-archetype classification, perpetual holder, private equity platform, strategic platform, and hyperscaler or AI buyer, is a Windsor Drake analytical framework intended to capture differences in motive, valuation logic, holding behavior, and process. Individual buyers can exhibit features of more than one archetype, and the assignment reflects each buyer's dominant behavior. Sector league tables identify representative active acquirers rather than ranked, exhaustive lists. Nothing in this report is investment, legal, tax, or accounting advice.

Endnotes and sources

1. Software M&A volume and buyer mix (2,500+ transactions in 2025; ~58% PE/sponsor versus ~42% strategic by deal count): Software Equity Group, "SaaS M&A Deal Volume and Valuations," and quarterly reports, 2025; SaaSRise, "The SaaS M&A Report 2025."
2. Most active strategic buyer (Valsoft, ~16 deals in 2025, top buyer two years running): SaaSRise, "The SaaS M&A Report 2025"; Software Equity Group buyer rankings.
3. Private equity activity (add-ons 75%+ of PE deal activity; ~$3.7T global dry powder entering 2026; buy-and-build): Bain & Company Global Private Equity Report 2026; GF Data; industry analysis.
4. Perpetual holders (Constellation Software 500+ businesses; operating groups Volaris, Harris, Jonas, Topicus, Total Specific Solutions; Vitec, Zucchetti among most prolific 2024): Tracxn; Quartr, "Constellation Software: Acquiring and Empowering"; company disclosures.
5. Sector deal records and the largest strategic transactions (Cisco / Splunk; Google / Wiz; Palo Alto Networks platform deals; fintech and AI activity): Cooley, "2025 Tech M&A Year in Review"; Software Equity Group; contemporaneous press reporting.

REFERENCE

Buyer terms, defined

The terms below recur throughout this report and across the wider market for software acquisitions.

Serial acquirer	A buyer for which acquisition is a core, repeated activity, completing many deals a year through a standing process. Includes perpetual holders and private equity platforms.
Perpetual holder	An acquirer that buys businesses to hold indefinitely and does not sell, funding new deals from existing cash flow. Examples: Constellation, Valsoft, Vitec, Roper.
Vertical-market software (VMS)	Software built for the specific needs of a single industry niche. Typically high-retention, mission-critical, and the core target of perpetual holders.
Private equity platform	A sponsor that buys a platform company, improves and adds to it, and exits the larger entity after several years. Examples: Thoma Bravo, Vista, KKR.
Add-on acquisition	A smaller company bought to be folded into an existing platform, now the majority of private equity deal activity.
Take-private	The acquisition of a public company by a private buyer, removing it from the public market. A staple of the large software sponsors.
Rollover equity	Equity a selling founder takes in the acquirer or the combined entity instead of cash, allowing participation in future upside.
Strategic premium	The amount a strategic or hyperscaler will pay above a fundamentals-based price for capability, fit, or competitive denial.
Acquisition cadence	The frequency and consistency of a buyer's dealmaking; the basis for ranking in the Windsor Drake Acquirer Index.

Source: Windsor Drake. Definitions are for general orientation.

ABOUT

About Windsor Drake Research

Windsor Drake is a sell-side M&A advisory firm for founders and boards of software, financial technology, artificial intelligence, and cybersecurity companies in the lower middle market.

The firm advises technology founders through the full arc of a sale, from positioning the company and building the buyer universe to running a competitive process and negotiating terms. Its research program exists to make the dynamics that decide outcomes legible to the people on the selling side, who face these transactions once or twice in a career against buyers who do them constantly. Each report is built from public sources and the firm's transaction experience, and is written to be useful before a process begins, when the decisions that determine price are still open.

This report is part of the Windsor Drake Research series, a set of independent studies on valuation, deal structure, and consolidation across the firm's sectors. Companion titles examine the talent-led acquisition of AI companies, the cross-sector valuation premium captured by the Rule of 40, and the consolidation of the cybersecurity industry. The series is intended to be read by founders, boards, investors, and the journalists and analysts who cover these markets.

Contact

Windsor Drake maintains offices in Toronto and New York. Founders considering a transaction, and members of the press citing this research, can reach the firm through windsordrake.com.

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