

AI Workflow Automation Valuations: Q2 2026

JUNE 2026

An Automation Premium, Re-Anchored

Windsor Drake's working benchmark for the broad AI workflow automation cohort has settled into an **8x to 10x EV/Revenue** core, a median near **9x**.

- The premium rests on AI-native architecture and measurable workflow ownership, not 2021 momentum.
- Blended averages screen far higher, pulled up by a thin tail of agentic and AI-native outliers.
- Quarter-to-quarter multiple volatility has compressed sharply versus the 2022 to 2024 repricing.
- Buyer and seller expectations have re-aligned, unlocking record capability M&A.

Demand Fundamentals

Agentic automation has become the fastest-growing line in the enterprise software budget.

- Worldwide AI spending reaches **\$2.59T in 2026**, up **47%** year on year (Gartner).
- AI agent software spend reaches **\$206.5B in 2026**, rising to **\$376.3B in 2027** (Gartner).
- Agentic AI within software grows **141%** in 2026 to roughly **\$202B**, overtaking chatbots by 2027 (Gartner).
- Gartner expects **40%** of enterprise applications to embed task-specific AI agents by end 2026, up from under 5%.

The Agentic Divergence

Headline averages mask a profound and widening split between agentic platforms and legacy RPA.

- **AI-native agentic platforms** clear **14x to 22x** revenue, with private rounds at **20x to 30x** (PitchBook).
- **Legacy standalone RPA** sits at **2.5x to 5x** as capability is absorbed; UiPath trades near **2.3x** (SEC filings).
- The middle is hollowing as capital concentrates at the top of the quality curve.
- AI-native posture, not topline alone, now decides which side of the divide an asset sits on.

Macroeconomic Backdrop

Monetary policy is a cautious but constructive tailwind for high-growth software.

- The Fed funds range holds at **3.50% to 3.75%** after the April 2026 FOMC (Federal Reserve).
- The March 2026 dot plot signals one further 2026 cut, easing the cost of capital.
- Lower discount rates disproportionately lift long-duration, high-growth valuations.
- A pro-investment posture toward enterprise AI broadens a structurally defensive demand base.

Strategic Consolidation

Platform incumbents are buying agentic capability rather than building it, and the pace set Q2 2026.

- **ServiceNow / Moveworks** (\$2.85B) closed in **December 2025**, extending agentic AI to every employee.
- **Salesforce / Informatica** (\$8B) completed in **November 2025**, a data foundation for agentic AI.
- **Workday / Sana** (\$1.1B) advanced an AI-native HR and finance platform.
- CB Insights projects **30%** of enterprise-software M&A in 2026 will involve agentic AI capability.

The AI-Native Premium

AI integration has become a measurable, primary driver of automation valuation.

- Private **AI-native** platforms command a median **21.2x** revenue in venture rounds (PitchBook).
- AI-native assets clear **11.5x** in M&A versus **3.8x** for legacy SaaS, a premium near 200% (PitchBook).
- Capability M&A in agents, identity and data foundations is accelerating.
- Proven, governed agentic workflows now read as core infrastructure, not an experiment.

A Record M&A Cadence

AI dealmaking accelerated even as the broader software tape stayed selective.

- **266** AI M&A deals closed in Q1 2026, up roughly **90%** year on year (CB Insights).
- Goldman Sachs forecasts overall deal volumes up **15%** in 2026, with values approaching **\$5T**.
- Capability bolt-ons in agents, orchestration and data tooling dominate by count.
- Strategic buyers, not sponsors, are setting the upper bound of pricing.

Private Capital Pressure

Record dry powder is intensifying competition for scarce, efficient assets.

- About **\$1.3T** of global buyout dry powder is seeking deployment (Bain).
- More than **40%** of that capital has been held for two years or longer (Bain).
- Corporates hold an estimated **\$3T** in cash, adding to strategic firepower (Morgan Stanley).
- Sponsors are concentrating capital in larger, platform-scale acquisitions.

1. Rule of 40 Achievement

Revenue Growth % plus EBITDA Margin % at or above 40% remains the baseline for a premium multiple, but AI inference cost is reshaping how the market reads it (Bain; McKinsey).

- A ten-point gain in the score is worth roughly **1x to 2x** of revenue multiple (McKinsey).
- Show AI spend as a path to operating leverage, not a permanent margin drag; track it monthly.

2. Proof of ROI

With Gartner expecting over 40% of agentic projects to be cancelled by 2027, demonstrable return is now scrutinised more heavily than topline growth.

- Quantify hours removed and error rates cut, not pilots launched.
- Sustain Net Revenue Retention **>120%** to validate that production value compounds.

3. AI-Native Architecture

AI is no longer a feature; it is the primary driver of deal size, buyer interest and multiple expansion in automation.

- AI-native platforms command a median **21.2x** revenue in private rounds (PitchBook).
- Prove autonomous workflows and measurable operating leverage, not retrofitted copilots.

4. Agentic, Not Scripted

Scripted RPA is being absorbed; platforms that orchestrate autonomous, multi-step agentic workflows are the winners.

- AI-native agentic platforms clear **14x to 22x** revenue; legacy RPA sits at **2.5x to 5x**.
- Codify how the asset slots into a CIO's agentic automation roadmap.

5. Data and Orchestration Moats

Value is migrating to the connective tissue: the data, identity and orchestration layers that let agents act safely at scale.

- Salesforce paid **\$8B** for Informatica to build that foundation for Agentforce.
- Eight in ten enterprises cite data limitations as the block to scaling agents (McKinsey).

6. Buyer-Readiness Discipline

With about \$1.3T of dry powder and strategics driving the largest deals, the prepared asset captures the competitive tension.

- Clean financials, documented APIs, model governance and a defensible data room.
- Map specific capability gaps for each of your top five strategic acquirers.

Founder FAQs: Valuations, Timing & Strategy

WINDSOR DRAKE

The questions AI workflow automation founders ask most, answered against the Q2 2026 market.

Q1 Which valuation metric applies to my business?

Use **EV/Revenue** for high-growth agentic, orchestration and AI-native platforms, **EV/EBITDA** for mature RPA and back-office operators, and a recurring-revenue lens (NRR, ARR growth, gross retention) for any SaaS-delivered automation asset. Always reference the correct subsegment cohort, never the broad automation average.

Q3 Why is the Rule of 40 changing?

It is still the best single predictor of a premium multiple, and McKinsey finds each ten-point gain is worth roughly **1x to 2x** of revenue. But Bain shows AI inference cost is eroding the margin side: one martech case saw revenue grow **38%** while costs grew **349%**. Demonstrate that AI spend converts to durable operating leverage.

Q5 When is the optimal time to run a process?

After demonstrating **4 to 6 quarters** of predictable, production-grade performance, while still holding 12 to 18 months of runway. Negotiating from a position of strength, rather than necessity, is what captures the scarcity premium in a strategic-buyer-dominated market.

Q7 Is the IPO window a viable alternative to M&A?

It has reopened but remains selective and concentrated. 2026 is the most AI-weighted IPO year on record, with Databricks targeting a roughly **\$134B** listing, yet most agentic automation leaders are being acquired rather than listing. A strategic sale often delivers a superior risk-adjusted outcome through control premiums.

Q2 What are the key subsegment ranges right now?

Agentic automation platforms lead at **14x to 22x** revenue, with private AI-native rounds at **20x to 30x**; vertical AI agents at **12x to 18x**; AI orchestration and integration at **8x to 14x**; document and back-office automation at **7x to 12x**; intelligent process automation at **6x to 10x**; legacy standalone RPA at **2.5x to 5x**.

Q4 How do public and private valuations compare?

The private premium persists but has narrowed. Public automation names span a wide band, from UiPath near **2.3x** to platform leaders far higher, while AI-native private rounds still print **20x to 30x** (PitchBook; SEC filings). Public comparables increasingly cap late-stage private pricing for assets without a clear agentic, AI-native architecture.

Q6 Who are the most active buyers today?

Platform incumbents (ServiceNow, Salesforce, SAP, Workday, Microsoft) acquiring agentic and data capability, **hyperscalers and foundation labs** extending agent stacks, and **PE platforms** with about \$1.3T of dry powder executing automation roll-ups against structural efficiency theses.

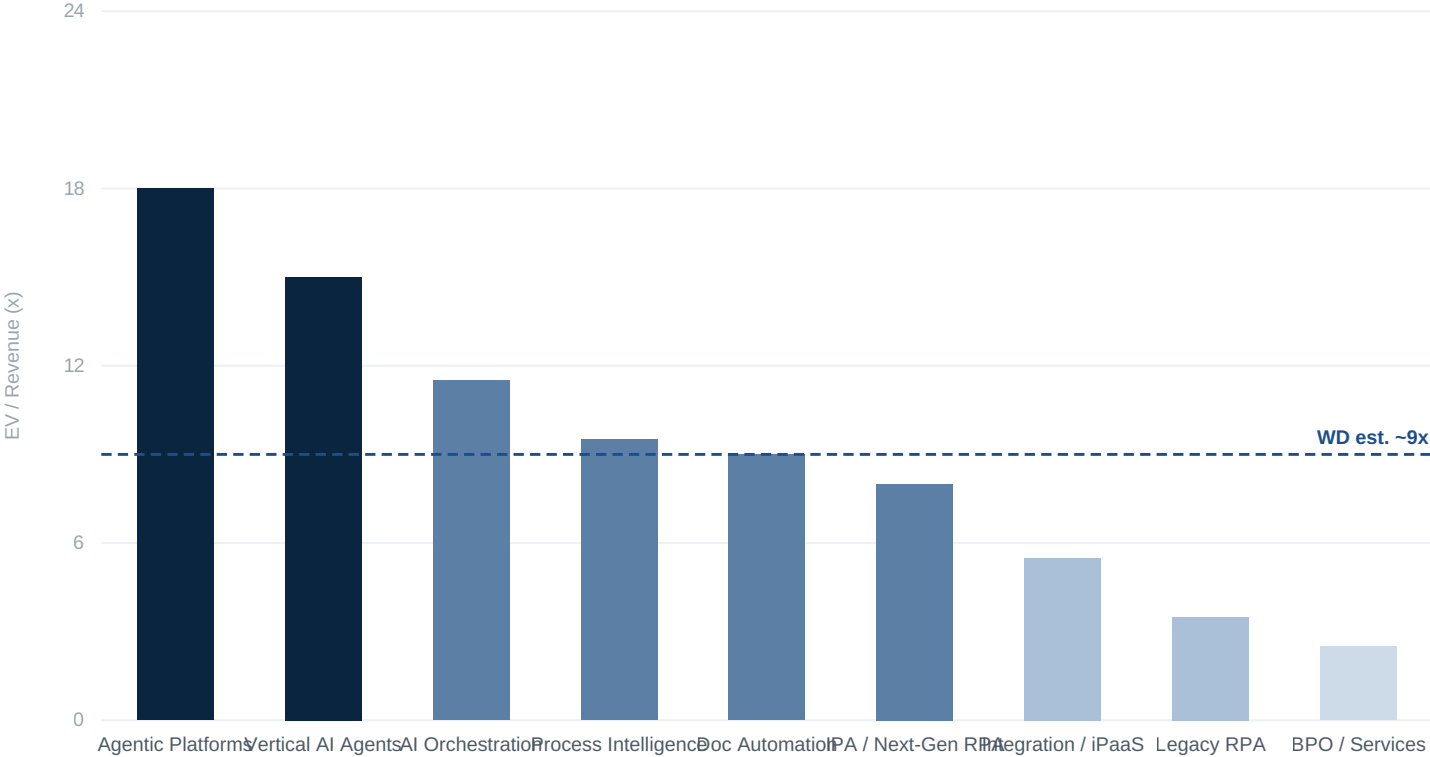
Q8 How do we maximise our multiple, and expect earn-outs?

Clear the **Rule of 40**, sustain **NRR >120%**, govern your models and data, and quantify ROI ahead of diligence. Expect **earn-outs** to bridge valuation gaps; they are now standard structure for agentic or early-traction assets, typically paid over 12 to 24 months on revenue and integration milestones.

Q2 2026 Valuation Landscape Overview

Premium multiples cluster in agentic and AI-native platforms; legacy RPA and services stay compressed.

Median EV / Revenue Multiple by Subsegment (x)



BROAD-COHORT BENCHMARK

~9x

Windsor Drake's working EV/Revenue benchmark for the broad AI workflow automation cohort.

AI-NATIVE PREMIUM

~21x

Median EV/Revenue for AI-native platforms in venture rounds (PitchBook, Q1 2026).

AI AGENT SOFTWARE SPEND

\$206.5B

Gartner 2026 forecast for AI agent software, rising to \$376.3B in 2027.

Key Driver

Disciplined exuberance has replaced 2021 enthusiasm: acquirers reward AI-native architecture, autonomous workflow ownership and recurring-revenue quality, not topline growth alone.

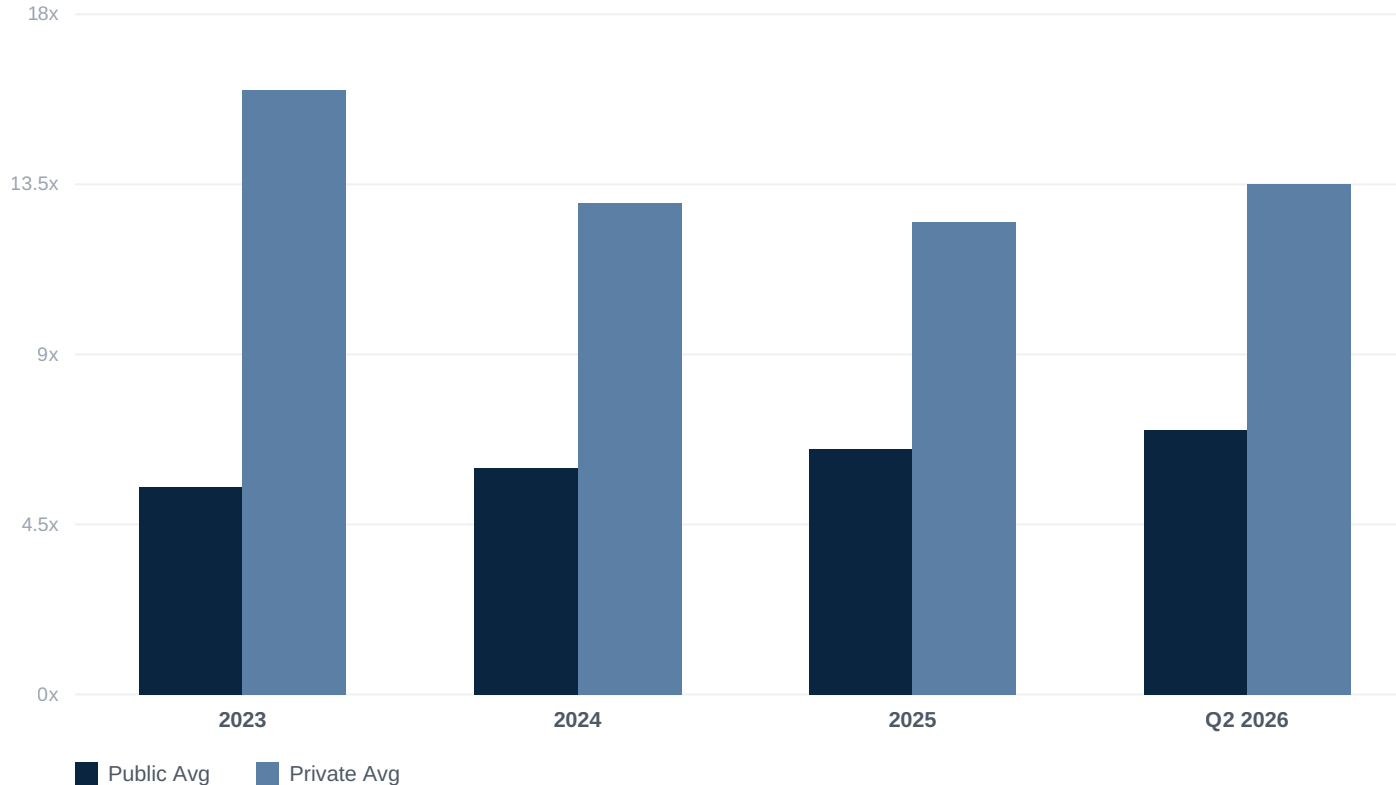
Agentic bifurcation: the gap between AI-native agentic platforms (14x to 22x, private rounds higher) and legacy RPA and services (under 6x) is the defining feature of the market, driven by autonomous workflow ownership and AI-native architecture.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Public vs Private Market Convergence

The private premium compressed through 2023 to 2025, then held for AI-native and agentic assets even as legacy names re-rated down.

Average EV / Revenue Multiple, Public vs Private (x)



PUBLIC / PRIVATE SPREAD

~6.5x

Down from about 10.5x in 2023, with legacy RPA dragging the public mean (PitchBook; SEC filings).

QUALITY PRIVATE TAIL

20x to 30x

AI-native agentic rounds clear public marks decisively (PitchBook, Q1 2026).

PUBLIC BENCHMARK ANCHOR

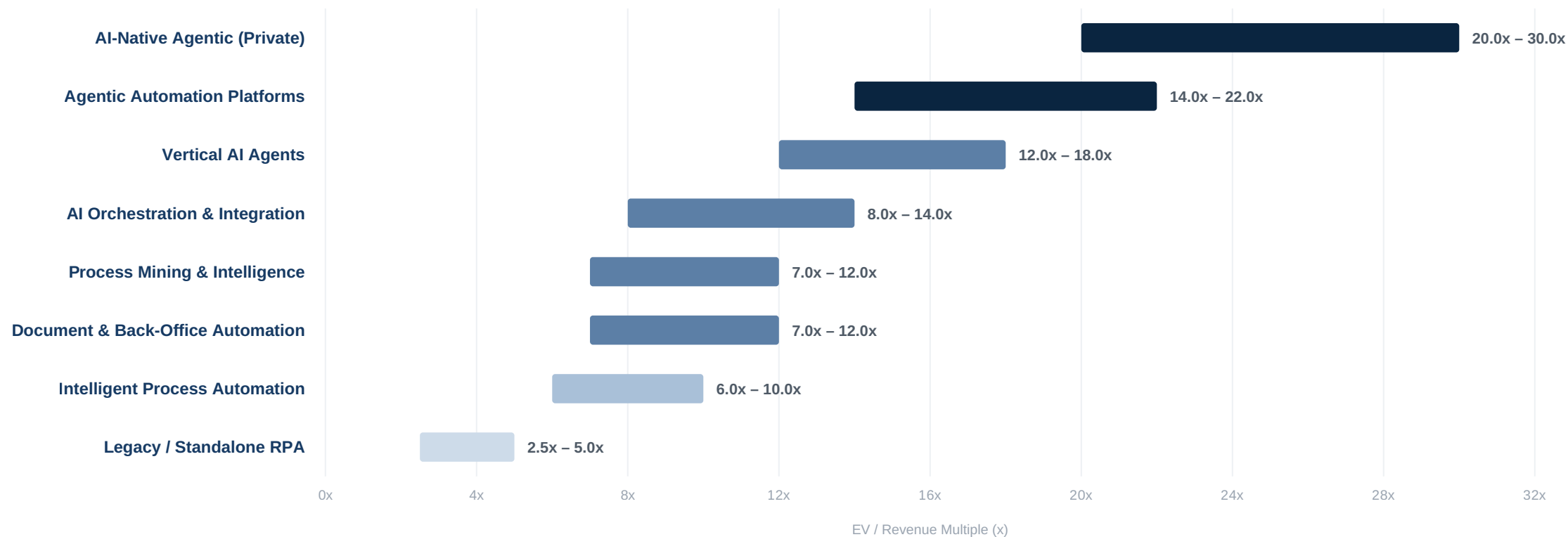
~7x

Public comparables now cap late-stage private pricing for non-agentic assets.

Selective convergence: the public-to-private spread narrowed from about 10.5x in 2023 to roughly 6.5x in 2026, but AI-native and agentic private rounds still print far above the public mean, repricing the very top of the private cohort.

Exit Valuation Multiples by Subsegment

A sharp bifurcation persists between AI-native agentic platforms (14x to 22x) and legacy RPA and services (2.5x to 5x).



KEY OBSERVATION

The market is paying for AI-native architecture and autonomous workflow ownership, not for category labels. The gap between agentic platforms and legacy RPA reflects the structural shift from scripted task automation to governed, multi-step agentic execution.

Valuation Multiple Drivers: Expansion vs. Compression

Net expansion to roughly 9x is driven by the agentic re-rating and AI-native architecture, partly offset by inference cost and legacy commoditisation.



NET EXPANSION OF +1.5X

The agentic re-rating, AI-native architecture and easing rates outweigh a combined 1.2x drag from inference cost, legacy commoditisation and project-cancellation risk. The bridge reflects Windsor Drake analysis of the cited institutional data.

Capital Markets: IPO Window & Listing Benchmarks

WINDSOR DRAKE

The window reopened into the most AI-concentrated listing year on record, but scale and AI-native posture gate access.

Databricks (Targeted Q3 2026)

The marquee data and AI-platform listing, targeting a roughly **\$134B** valuation (financial press).

- Crossed a **\$4.8B** revenue run rate in late 2025, growing about 55% year on year.
- Anchors the orchestration and data-foundation layer of the agentic stack.
- Reopens the public window for scaled, AI-native enterprise infrastructure.
- Sets the bar for AI-platform issuers weighing a 2026 to 2027 listing.

OpenAI & Anthropic (Filed)

Foundation labs advanced confidential filings, underlining the AI weighting of the pipeline.

- AI-adjacent names are roughly **92%** of 2026 IPO pipeline value (financial press).
- Both target listings in late 2026 with bulge-bracket bookrunners.
- Their models underpin the agent layer that automation platforms build on.
- Public appetite is concentrating on AI-native, not retrofitted, stories.

Incumbent Platforms (Public)

Listed incumbents are setting the agentic automation pace through the public tape and M&A.

- **ServiceNow** and **Salesforce** are pricing agentic roadmaps into their multiples.
- Both have used acquisitions to backfill agentic and data capability.
- Public investors reward demonstrated production value over pilots.
- These names define the strategic-buyer universe for private automation assets.

Automation Pure-Plays (Acquired)

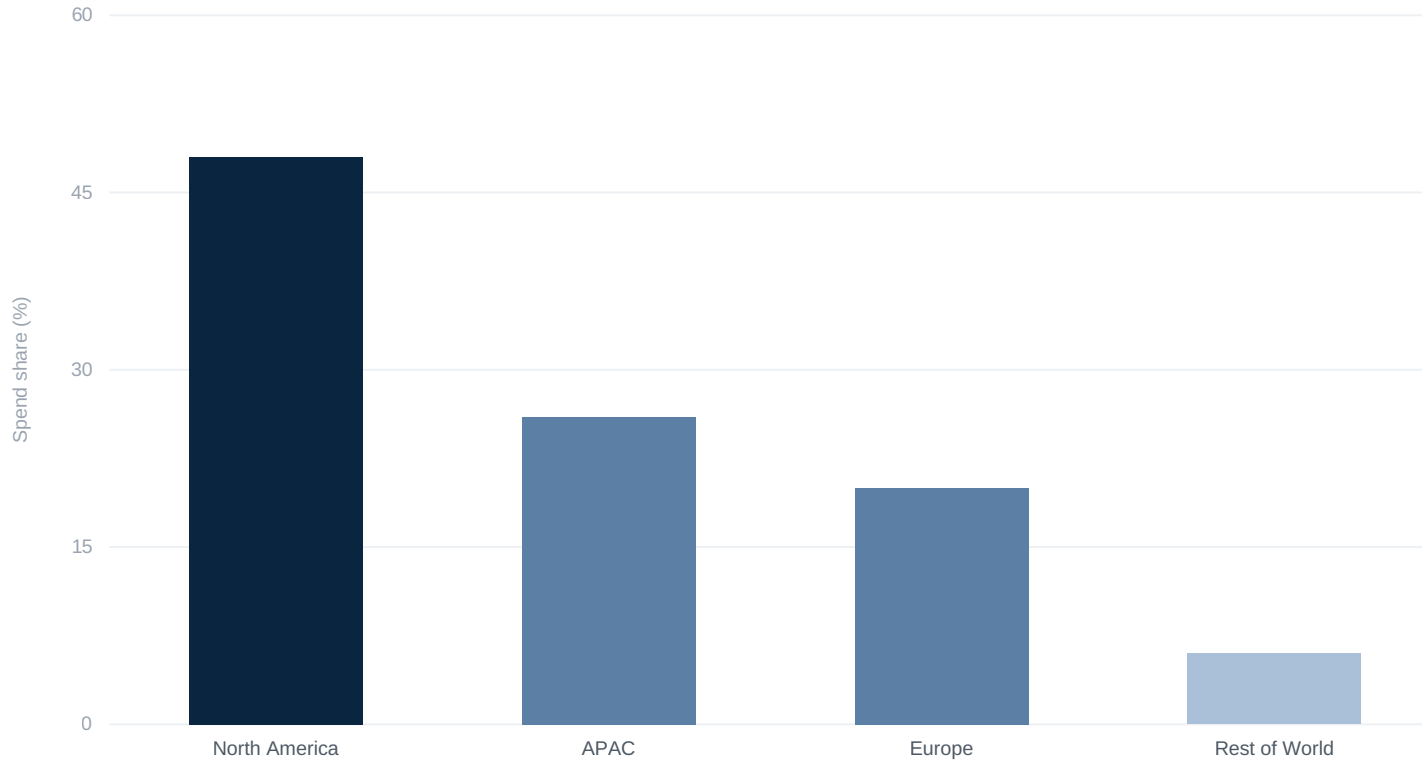
The strongest agentic assets are setting fresh marks through M&A rather than listing.

- **Moveworks** sold to ServiceNow for **\$2.85B** rather than pursue a listing.
- **Sana** sold to Workday for **\$1.1B**; capability M&A outpaced the IPO route.
- Tender and strategic offers compete directly with public listings.
- For most automation founders, a strategic sale is the live alternative to an IPO.

Geographic Valuation Variations

North America commands an innovation premium; Europe offers a value-arbitrage opportunity for cross-border acquirers.

Share of Global Enterprise AI Software Spend by Region (%)



NORTH AMERICA

Premium

About 48% of global enterprise AI software spend, the deepest exit liquidity and the highest purchase multiples.

EUROPE

Discount

About 20% share; regulatory clarity offers value, but fragmentation and AI-Act cost persist versus US peers.

APAC

Growth

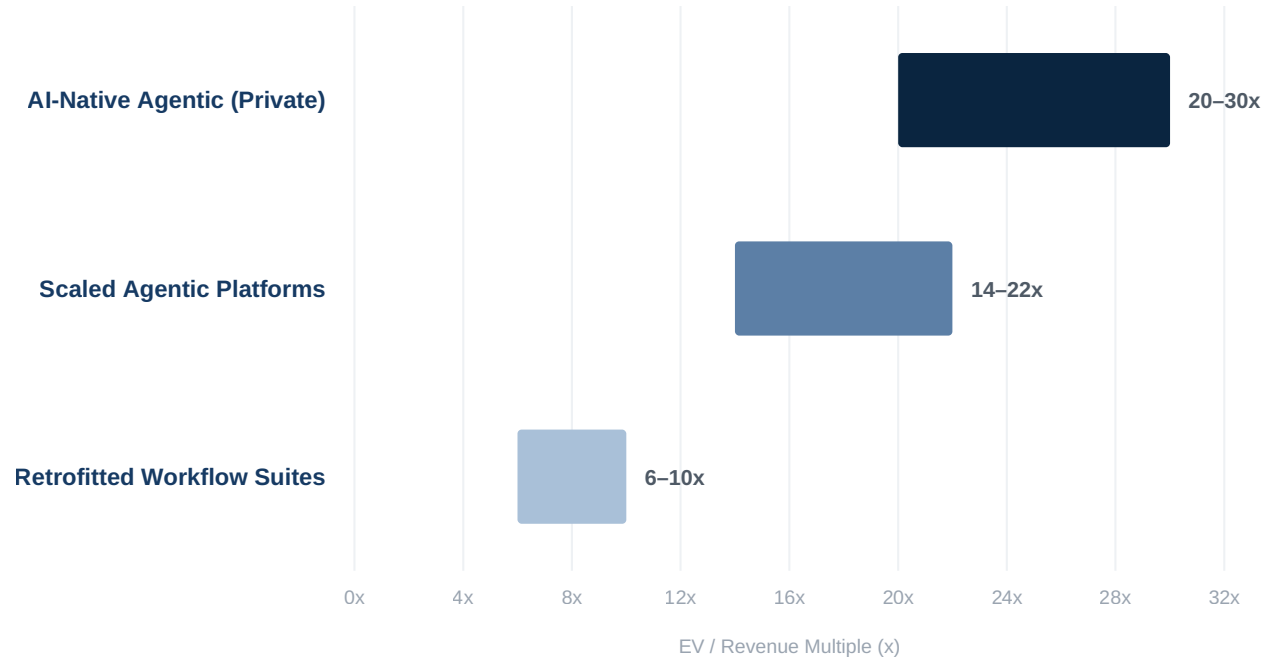
About 26% share and fast-growing, led by enterprise digitisation and government AI mandates.

Valuation gap: North America commands the premium, anchored by the deepest enterprise-AI budgets, the largest platform incumbents and the most active strategic acquirers. Europe trades at a fragmentation and AI-Act compliance discount that US acquirers are increasingly arbitraging.

Agentic Automation Platforms: The Premium Cohort

Autonomous, multi-step agentic execution underwrites the cycle's highest multiples as incumbents buy rather than build.

EV / Revenue Multiple Range (x)



Valuation Drivers

Buy versus Build

The internal build cycle for production-grade agents is too slow to match AI-native entrants. ServiceNow's \$2.85B Moveworks acquisition confirmed that incumbents will pay up to acquire the agentic front end outright.

Enterprise Adoption Curve

Gartner expects 40% of enterprise applications to embed task-specific AI agents by end 2026, up from under 5% in 2025, expanding the addressable wallet for platforms that orchestrate agents safely.

ROI Scrutiny

Gartner expects over 40% of agentic projects to be cancelled by 2027 on cost and unclear value, so buyers pay premiums only for platforms with demonstrable, governed production outcomes.

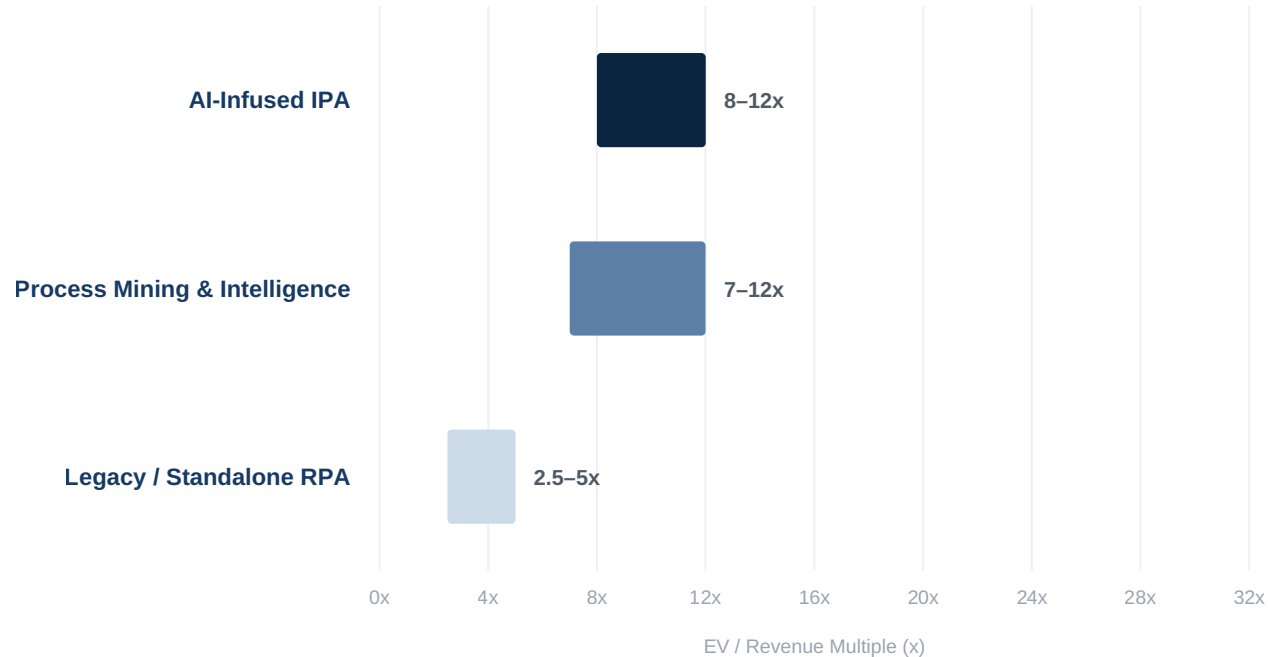
KEY OBSERVATION

Agentic AI within software grows an estimated **141% in 2026 (Gartner)**, the fastest line in the enterprise budget, and the multiple structure reflects that durable growth.

Intelligent Process Automation & Next-Gen RPA

Scripted RPA is being absorbed and re-rated downward, while AI-infused process automation recovers on agentic capability.

EV / Revenue Multiple Range (x)



Valuation Drivers

From Scripts to Agents

Deterministic, brittle bots are giving way to agentic execution. UiPath and Automation Anywhere are repositioning around agents and partnerships, but standalone RPA multiples have compressed materially.

Public Re-Rating

UiPath trades near a 2.3x EV/Revenue multiple on roughly \$1.6B of revenue, a clear signal that the market discounts scripted automation that has not made the agentic transition (SEC filings).

Process Intelligence Premium

Process mining and task intelligence command higher multiples than execution-only RPA, as the data they capture becomes the substrate for agentic redesign of the underlying workflow.

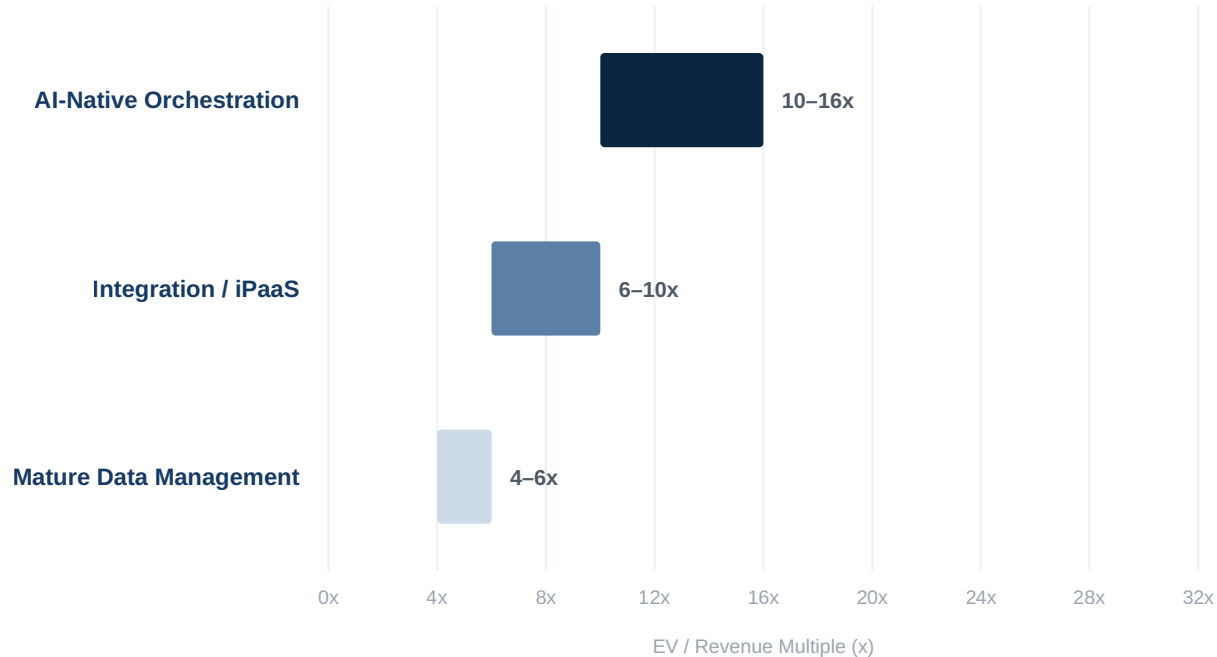
KEY OBSERVATION

The multiple gap between AI-infused IPA and legacy RPA is the clearest expression of the market's preference for governed, agentic automation over scripted task replay.

AI Orchestration & Integration Tooling

The connective tissue between agents, data and systems re-rates on its role as the foundation for safe, scaled automation.

EV / Revenue Multiple Range (x)



Valuation Drivers

Data Foundation Premium

Salesforce's \$8B acquisition of Informatica was framed as building the data foundation for Agentforce, pricing governed data and integration as the prerequisite for agentic AI at enterprise scale.

The Scaling Bottleneck

McKinsey finds fewer than 10% of enterprises have scaled agents and eight in ten cite data limitations as the block, making orchestration and integration the gating capability buyers pay for.

Interoperability Demand

Demand for agent-to-system interoperability, tool calling and governed access is rising fast, lifting AI-native orchestration above mature data-management assets that anchor the lower band.

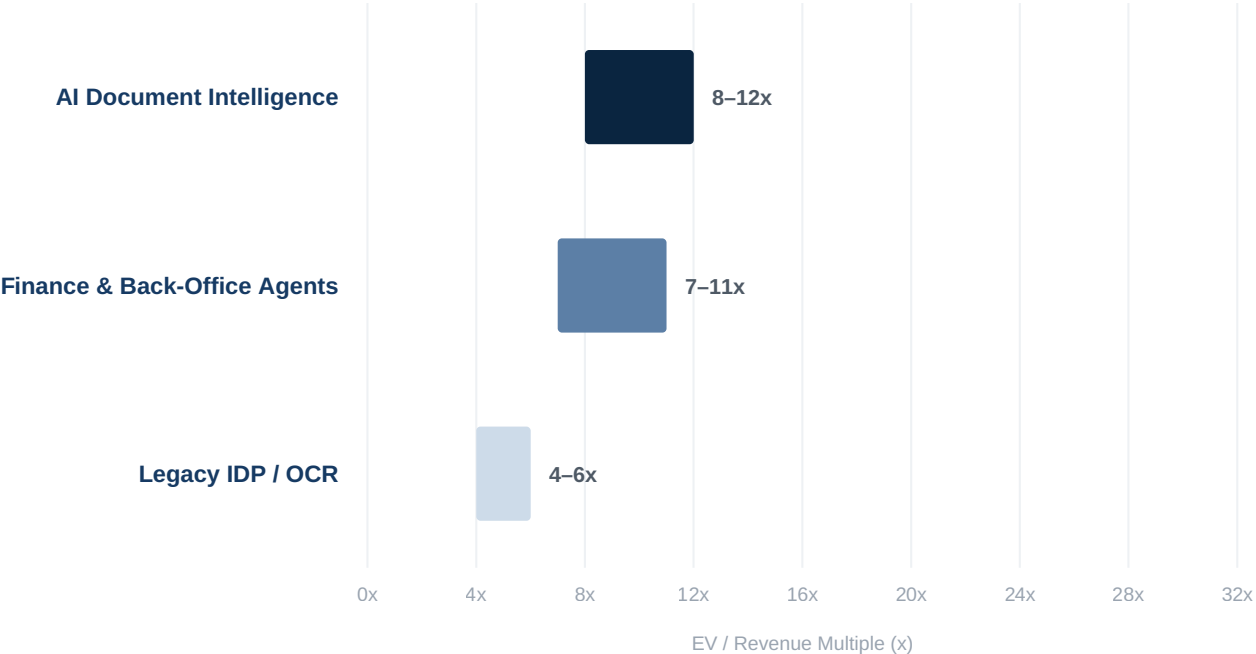
VALUATION DRIVER

Orchestration and data tooling compound the agentic multiple structure as the layer that makes autonomous workflows safe, auditable and scalable.

Document & Back-Office Automation

AI document intelligence and agentic back-office workflows re-rate above legacy capture and OCR tooling.

EV / Revenue Multiple Range (x)



Valuation Drivers

Unstructured-Data Capture

LLM-based extraction handles unstructured documents that rules-based capture could not, expanding the addressable workflow across accounts payable, claims, onboarding and contract operations.

Agentic Back Office

Finance, HR and procurement back offices are early agentic adopters; Workday's \$1.1B Sana acquisition signals strategic appetite for AI-native back-office automation.

Buyer Priorities

Acquirers pay up for measurable straight-through processing gains and error reduction, valuing outcomes over seat counts as agents replace manual exception handling.

KEY OBSERVATION

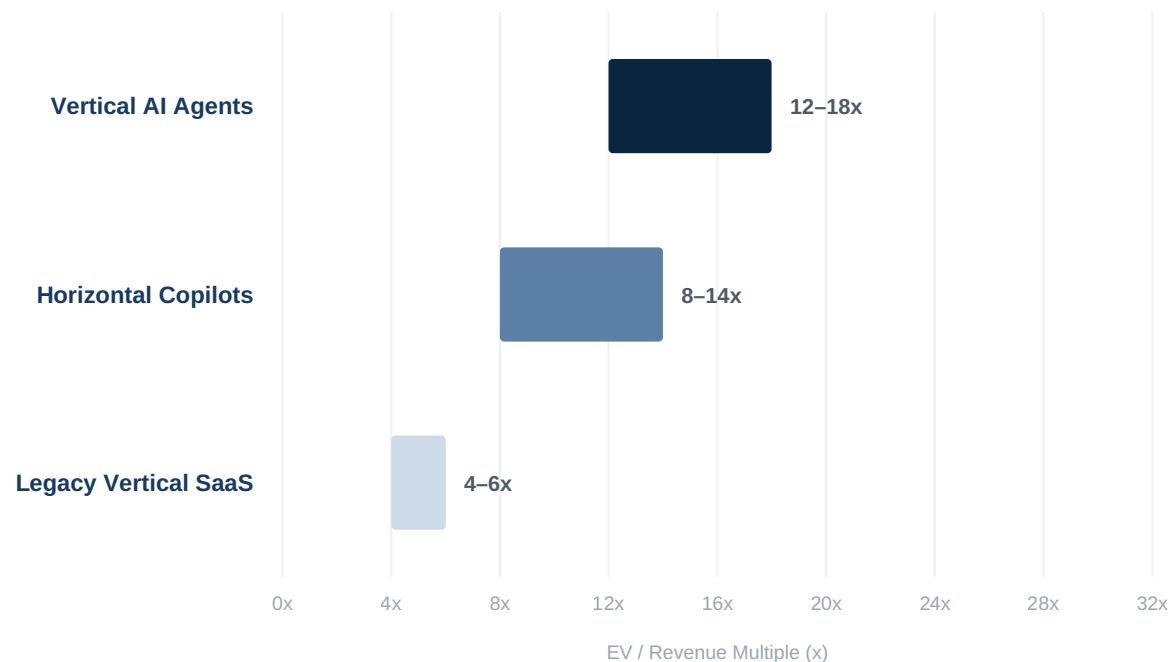
The premium for AI document intelligence over legacy IDP and OCR reflects the shift from page-level capture to end-to-end, agent-driven back-office execution.

Sources: PitchBook; CB Insights; S&P Global Market Intelligence; Windsor Drake analysis. See appendix.

Vertical AI Agents: Domain-Specific Automation

Agents purpose-built for regulated, data-rich verticals command software-plus multiples on domain moats and embedded distribution.

EV / Revenue Multiple Range (x)



Valuation Drivers

Domain Data Moats

Agents trained on proprietary, vertical-specific data (healthcare, legal, financial services, logistics) deliver accuracy that horizontal copilots cannot match, justifying premium multiples.

Regulated Workflow Value

Owning a regulated, mission-critical workflow end to end raises switching costs and supports durable expansion, the profile buyers reward most in the vertical-agent cohort.

Embedded Distribution

Vertical agents that embed into the systems of record for their industry lower customer-acquisition cost and compound lifetime value through workflow ownership.

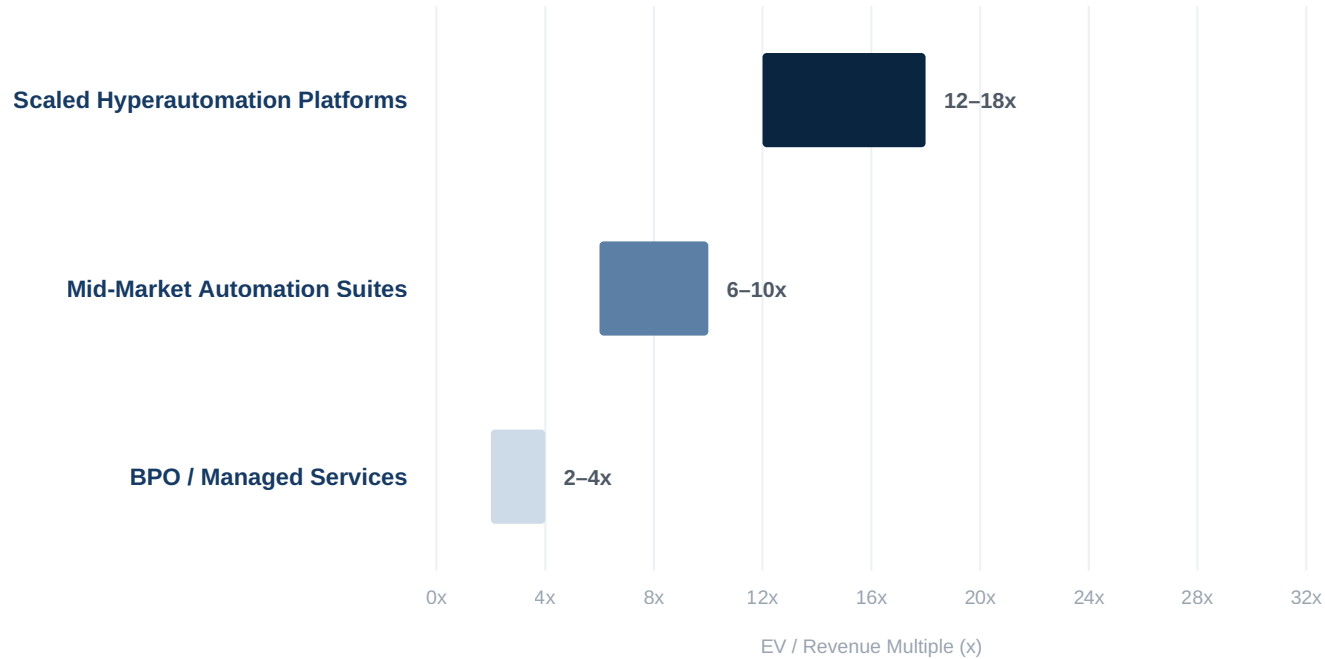
VALUATION DRIVER

Vertical agents own the system of execution for their niche, enabling lower CAC and higher retention, the combination that anchors the upper band of the cohort.

Hyperautomation Platforms & Incumbent Suites

Scaled platforms that span orchestration, agents and process intelligence consolidate the market and absorb point tools.

EV / Revenue Multiple Range (x)



Valuation Drivers

Platform Coherence

Buyers pay for platforms that unify process mining, orchestration and agents into one governed roadmap, rather than point tools chasing a single workflow.

Consolidation Engine

Incumbents and sponsors are rolling up complementary automation capability; CB Insights projects 30% of enterprise-software M&A in 2026 will involve agentic AI.

Services Discount

Pure managed-service and BPO models trade at the bottom of the range; software-attached delivery earns a clear premium to labour-arbitrage delivery.

KEY OBSERVATION

Software-attached hyperautomation earns a multiple premium over services-led delivery, the same software-versus-labour divide that defines the broader cohort.

Comparable Transaction Analysis Framework

WINDSOR DRAKE

A rigorous quality-of-revenue and architecture filter rather than broad automation labels.

1. Select Peer Set

Identify genuinely comparable assets by architecture (agentic vs scripted), buyer (IT vs line of business), revenue model (consumption vs subscription) and AI-native posture, not by broad automation labels alone.

2. Normalise Metrics

Adjust KPIs to a pro-forma basis: normalise ARR for M&A, standardise NRR and gross-retention definitions, separate platform from services revenue, and treat AI inference cost consistently in margin.

3. Adjust for Structure

Account for deal-specific terms (earn-outs, stock-versus-cash mix, control premiums) that pull headline valuation away from underlying economic value.

214

WD INDEX TRANSACTIONS

2020–26

INDEX COVERAGE

Proprietary Transaction Index

Calibration draws on Windsor Drake's proprietary index of **214 verified and reported transactions (2020 to 2026)**, refreshed each quarter and supplemented by current-quarter AI automation research for sector-specific comps.

Quality-of-Revenue Filter

Peer selection prioritises recurring versus re-occurring revenue, gross-margin profile after AI inference cost, and customer-concentration risk across enterprise versus mid-market cohorts.

Rule of 40 Premium Adjustment

A specific premium layer is applied for top-decile efficiency performers; offsetting discounts are applied where AI infrastructure cost is depressing margin without a path to leverage.

Control Premium Calibration

Indications include a control-premium layer, typically **25% to 30%** in strategic processes, where platform and capability synergies can be concretely underwritten.

Strategic Acquirer Mapping by Subsegment

WINDSOR DRAKE

Platform incumbents chase agentic and data capability; hyperscalers and labs extend agent stacks; PE concentrates on cash-generative automation.

Subsegment	Platform Incumbents	Hyperscalers & Labs	Private Equity
Agentic Platforms	HIGH Incumbents backfill the agentic front end; ServiceNow / Moveworks is the template.	HIGH Hyperscalers and labs extend agent stacks onto existing model footprints.	MODERATE Sponsors enter via take-privates of scaled, profitable agentic assets.
Vertical AI Agents	HIGH Vertical software incumbents acquire domain agents to defend systems of record.	MODERATE Selective interest where a vertical anchors a broader model thesis.	HIGH Prime buy-and-build and multiple-arbitrage targets in regulated verticals.
AI Orchestration	HIGH Data and integration foundations for agents; Salesforce / Informatica template.	HIGH Hyperscalers acquire orchestration to make platforms agent-ready.	MODERATE PE pursues mature integration and iPaaS assets for cash flow.
IPA / RPA	MODERATE Incumbents absorb process capability into agentic roadmaps.	LOW Rarely a hyperscaler priority; partnership preferred.	HIGH PE primary buyer; roll-up and turnaround of compressed RPA and IPA.
Document Automation	HIGH Back-office suites add AI document intelligence; Workday / Sana signal.	MODERATE Selective, where capture feeds a broader agent platform.	HIGH PE consolidates finance and back-office automation point tools.
Process Intelligence	HIGH Incumbents acquire mining and task intelligence to feed agentic redesign.	MODERATE Opportunistic, where data anchors an agent-observability thesis.	HIGH Buy-and-build target combining intelligence with execution tooling.

Platform Incumbents as Buyers

Incumbents are using M&A to convert agentic AI into a defensive moat for their enterprise platforms.

Strategic Motives: Buy vs. Build

The internal build cycle for production-grade agentic AI is too slow to counter AI-native entrants. That gap is compelling ServiceNow, Salesforce, SAP, Workday and Microsoft to acquire modern stacks outright, treating M&A as defensive modernisation rather than expansion.

Acquisition Patterns

Headline deals (Salesforce / Informatica \$8B, ServiceNow / Moveworks \$2.85B) sit at the top; capability bolt-ons dominate by volume, often preceded by a partnership or technology integration that de-risks the asset before a full buyout.

\$8B

SALESFORCE / INFORMATICA

\$2.85B

SERVICENOW / MOVEWORKS

Federated Integration

A semi-autonomous model preserves the target's product cadence and retains technical talent, while platform-grade governance, identity and compliance are overlaid at the backend.

Priority: Agentic Front End

The top focus is the agentic interface and enterprise search that sits in front of every employee, capability deployable across an entire installed base.

Priority: Data Foundation

Governed data, integration and master-data tooling are valued as the prerequisite for agents to act safely at scale, the explicit logic of the Informatica deal.

Priority: Identity for Agents

Managing access for autonomous agents is an emerging acquisition driver, as incumbents move to govern non-human identity across their platforms.

Private Equity Acquisition Patterns

WINDSOR DRAKE

Record dry powder is creating intense deployment pressure on efficient, cash-generative automation assets.

Deployment Pressure

With roughly **\$1.3T** of global buyout dry powder to deploy and more than 40% of it held for two years or longer, sponsors face acute pressure to transact, even as they broaden investment theses to include agentic capability (Bain; McKinsey).

Public-to-Private Thesis

Compressed public automation names trading below intrinsic value are prime targets; standalone RPA and mid-market suites that have lagged the agentic transition are the clearest take-private candidates.

~\$1.3T

GLOBAL BUYOUT DRY POWDER

30%

OF 2026 SOFTWARE M&A, AGENTIC

Ideal Target Profile

Sponsors prioritise **Rule of 40** adherence, a recurring-revenue mix above 80%, and durable gross retention, the profile that supports leverage capacity even with AI cost in the model.

Value-Creation Playbook

Pricing optimisation, a mix-shift toward software-attached delivery, an agentic product roadmap, and buy-and-build consolidation of fragmented automation point tools.

Aging-Portfolio Catalyst

More than 40% of dry powder has been held for two years or longer, signalling a coming wave of secondary buyouts and strategic exits across the sponsor base.

Deal Structure Trends

A resurgence of all-cash transactions for deal certainty, with earn-outs bridging gaps on unproven agentic capability.

Competitive Moats Driving Premium Valuations

WINDSOR DRAKE

Valuations above 12x revenue are reserved for companies that can demonstrate structural defensibility.

Workflow Ownership

ASSET VALUE: HIGHEST

Owning the system of execution

- Agents that own a mission-critical workflow end to end raise switching costs sharply.
- Production value compounds as the agent learns the customer's processes.
- Displaces both manual labour and adjacent point tools over time.
- **Action:** move from assisting a workflow to autonomously owning it.

Proprietary Data & Feedback

SCALE VALUE: HIGH

Domain data training agent behaviour

- Proprietary outcome data improves agent accuracy in ways rivals cannot replicate.
- Creates a virtuous loop of better automation and deeper adoption.
- Most defensible in regulated, data-rich verticals.
- **Action:** capture first-party outcome and correction data at every step.

Orchestration & Governance

BARRIER VALUE: MED-HIGH

Safe, auditable agent execution

- Governed orchestration, identity and audit are hard to build and slow to earn trust.
- Function as compliance-by-design, a structural barrier for new entrants.
- Increasingly central to enterprise and regulated buying decisions.
- **Action:** invest early in governance that gates the most defensible accounts.

AI-Native Operating Leverage

GROWTH VALUE: HIGH

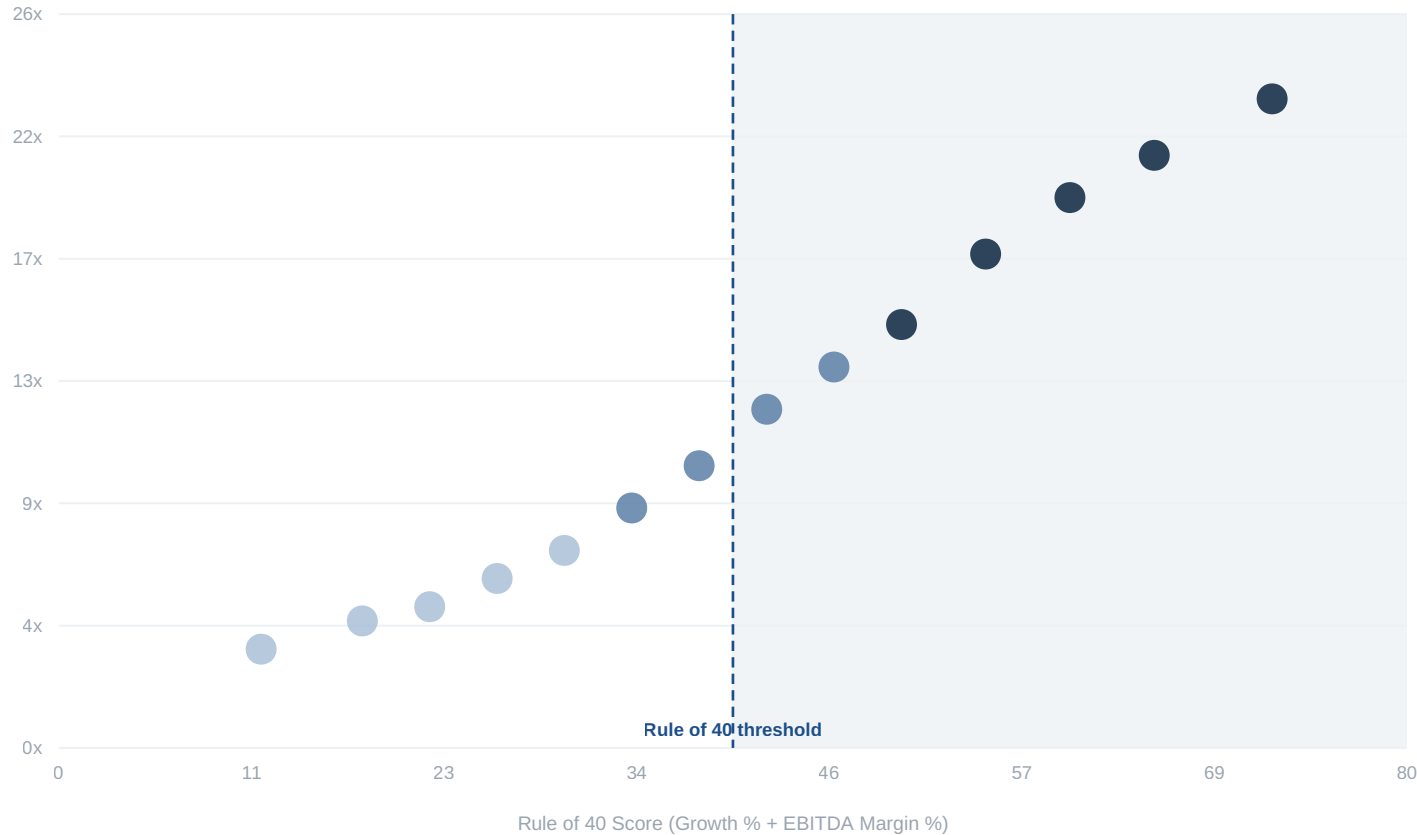
Margin decoupled from headcount

- Autonomous execution cuts the marginal cost to serve as the base scales.
- Demonstrates non-linear margin expansion when inference cost is managed.
- Directly lifts the Rule of 40 score that gates premium multiples.
- **Action:** prove inference cost converts to durable operating leverage.

Rule of 40 Performance Distribution

Clearing the Rule of 40 unlocks a 50% to 100% valuation premium; AI inference cost is reshaping how the market reads it.

EV / Revenue Multiple vs Rule of 40 Score



TOP QUARTILE (SCORE >50)

14x to 22x+

Scaled, AI-native winners; the primary targets for premium strategic M&A.

RULE OF 40 MET (40 TO 50)

9x to 14x

A healthy growth and efficiency balance; credible IPO-ready candidates.

BELOW THRESHOLD (<40)

2.5x to 9x

Transition and value-trap zones; vulnerable to consolidation, especially legacy RPA.

Each ten-point gain in the Rule of 40 is worth roughly 1x to 2x of revenue multiple (McKinsey). Bain shows AI inference cost is eroding the margin side, citing a martech company where revenue grew 38% while costs grew 349%, and now discusses a higher bar for AI-native players.

Cross-Border M&A Considerations

WINDSOR DRAKE

Jurisdictional divergence is the primary deal risk, and the primary arbitrage, in AI automation in 2026.

Regulatory Regimes

Heightened scrutiny of AI and data infrastructure (CFIUS and FDI review), and divergence between EU AI Act obligations and US frameworks, materially complicate tech-stack and data integration and lengthen approval timelines for autonomous-agent assets.

Currency & WACC Impact

US acquirers are leveraging a strong dollar and premium domestic multiples to buy discounted European and other assets; managing divergent regional rate environments is central to any debt-financed deal.

12–18mo

CROSS-BORDER CYCLE

+30–50%

LONGER CLEARANCE

Extended Timelines

Regulatory clearance for cross-border AI deals now runs 30% to 50% longer than domestic transactions; ensure runway to withstand delay without losing leverage.

Milestone-Tied Earn-Outs

Earn-outs increasingly unlock tranches of consideration on AI governance, data-sovereignty or model-safety milestones, rather than on revenue alone.

Tax & Structure Efficiency

Establish efficient holding structures early; optimise repatriation and IP and model transfer pricing well before LOI discussions begin.

Dual-Track & Local Partners

Run IPO readiness alongside the M&A process for competitive tension, and retain local management to navigate post-close regulatory nuance.

Exit Valuation Optimisation Strategies

WINDSOR DRAKE

Four levers that systematically de-risk the asset while amplifying its scarcity value.

1. Pricing Power & Margins

6 TO 12 MONTHS PRE-EXIT

Demonstrate defensible unit economics

- Shift from seat-based to **outcome and consumption pricing** where possible.
- Pass AI inference cost through cleanly to protect gross margin.
- Target a 15%-plus ARPU lift across the top customer cohorts.
- Evidence pricing elasticity with clean, auditable cohort data.

2. Revenue Quality

PREDICTABILITY

Engineer resilience into the revenue model

- Increase the recurring revenue mix to **80%+** of total.
- Improve Net Revenue Retention to **>120%** via expansion.
- Reduce concentration so the top 10 accounts are under 25%.
- Lengthen contract duration to extend revenue visibility.

3. Rule of 40 Efficiency

PREMIUM TIER

Prove scalable profitability

- Reallocate operating expense from low-ROI channels into R&D.
- Manage inference cost so autonomy decouples headcount from growth.
- Achieve **above 40%** on growth plus EBITDA margin.
- Track the score monthly with board-level visibility.

4. Strategic Narrative

COMPETITIVE TENSION

Frame the asset as a platform enabler

- Position as agentic platform infrastructure, not a point tool.
- Present quantified ROI and synergy cases covering revenue and cost.
- Map specific capability gaps for the top five strategic acquirers.
- Run a structured process to manufacture competitive tension.

Positioning for Strategic Acquisition

WINDSOR DRAKE

Strategic value is driven by capability fit, integration ease and synergy density.

Capability Fit

Demonstrate unique IP and proprietary data, agent architecture or governance that fills a specific, declared buyer gap, making the buy-versus-build decision self-evident for the acquirer.

Integration Ease

Acquirers pay clear premiums for plug-and-play assets. Minimise critical dependencies, document APIs and model interfaces thoroughly, and present clean, audited financials and model governance.

Synergy Density

Quantify the revenue lift from deploying the agent across the acquirer's base, and model the cost synergies from shared infrastructure, to support a higher multiple.

Strategic Buyer Mapping

Run a structured gap analysis of potential acquirers and map your capabilities directly to each buyer's declared agentic and data deficits.

Proof-of-Integration

Develop technical materials that demonstrate speed-to-value within the acquirer's ecosystem, pre-empting the technical diligence phase.

Synergy Quantification

Explicitly model top-line and bottom-line impact in the management presentation to anchor the valuation conversation on hard numbers.

Comprehensive VDR Readiness

Build a defensive data room addressing model governance, data rights, IP and customer-concentration risk before the first buyer engagement.

Timing the Exit: 12-18 Month Roadmap

WINDSOR DRAKE

A full process runs 12 to 18 months end to end. Founders who prepare in the current cycle meet the market while today's alignment of strategic-buyer demand, the agentic re-rating and stable pricing still holds.



Readiness & Hygiene

Q3 2026

- Audit completion to PCAOB standard
- AI governance and data-rights review
- Inference-cost and unit-economics optimisation
- Clean up the cap table and option pool

KEY MILESTONE

Clean IP and model-rights review



Strategic Positioning

Q4 2026

- Launch dual-track process preparation
- Build the strategic buyer-targeting list
- Draft the CIM and management presentation
- Lock key-employee retention packages

KEY MILESTONE

Retention packages locked



Market Engagement

Q1 2027

- Fireside chats with priority strategics
- Solicit initial indications of interest
- Deliver management presentations
- Open the virtual data room

KEY MILESTONE

Competitive bid tension



Execution & Closing

Q2 2027

- Definitive agreement negotiation
- Regulatory filings (HSR, CFIUS, FDI)
- Confirmatory diligence support
- Closing and integration kickoff

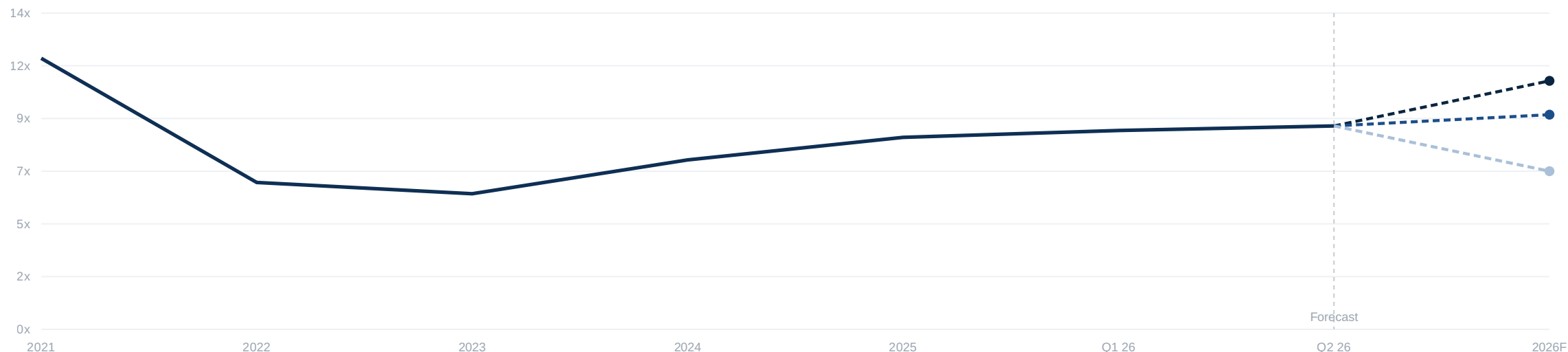
KEY MILESTONE

No-MAC event verification

2026 Valuation Forecast Scenarios

WINDSOR DRAKE

With the broad-cohort benchmark near 9x, forward trajectories diverge sharply on rates, the durability of agentic ROI and the pace of consolidation.



BULL CASE

11.0x

Key Drivers

- Aggressive Fed cuts beyond 100bps
- An agentic supercycle lifts multiples
- The AI IPO window fully reopens

STRATEGY: ACCELERATE GROWTH

BASE CASE

9.5x

Key Drivers

- Steady rate normalisation, one cut
- Strategic-buyer consolidation continues
- Selective IPOs and capability M&A

STRATEGY: BALANCE GROWTH & PROFIT

BEAR CASE

7.0x

Key Drivers

- Inflation resurgence or rate holds
- Agentic project cancellations rise
- AI cost compresses the Rule of 40

STRATEGY: CASH PRESERVATION

Emerging Opportunities & Buyer Trends

WINDSOR DRAKE

Capital is flowing into the connective infrastructure of an agent-first enterprise.

Agent Identity & Governance

Securing and governing non-human, autonomous agent identity is the fastest-emerging adjacency, with incumbents moving to acquire access and audit capability for an agent-first enterprise.

Orchestration & Interop

Tooling that lets agents call systems, share context and act safely across applications is being treated as core infrastructure, the layer the Informatica deal was built to own.

Vertical & Back-Office Agents

Explosive demand for domain-specific agents in finance, healthcare, legal and back-office operations, where proprietary data and regulated workflows create durable moats.

Incumbent Capability Acquisitions

Platform incumbents prioritise agentic and data capability over distribution, buying technology to make their suites agent-ready for enterprise buyers.

PE Platform Roll-Ups

Sponsors are consolidating fragmented automation point tools and compressed RPA assets to build scale and drive multiple expansion.

Regional Champions Go Global

European and APAC leaders are acquiring North American assets to capture premium valuations and access deeper capital markets.

Market Intelligence

Top-tier forecasts point to continued elevated AI M&A in 2026: CB Insights reported AI deals up about 90% year on year in Q1. Record dry powder and capability-driven demand are chasing a supply of quality assets that has not kept pace.

M&A Case Study: ServiceNow & Moveworks

WINDSOR DRAKE

The defining agentic automation consolidation event of the cycle, and the playbook it sets for founders.

The Agentic Playbook

ServiceNow's acquisition of **Moveworks**, valued at **\$2.85B** and closed in **December 2025**, is the defining agentic automation consolidation event of the cycle. It confirms that platform incumbents will pay up to acquire a category-defining agentic front end rather than build it, extending agentic AI to every employee across the business.

Strategic Rationale

- **Agentic front end:** acquiring a proven AI assistant and enterprise search layer that sits in front of every employee.
- **Platform pull:** combining ServiceNow's workflow and automation engine with Moveworks' conversational agent.
- **Talent and IP:** absorbing a category-defining agentic engineering team in a single move.

Implications for Founders

Agentic Architecture Commands a Premium

In automation, **AI-native agentic architecture** still commands strategic prices, while scripted RPA compresses. The window for category-defining agentic assets in front-end, orchestration and vertical agents is open, but narrowing as incumbents consolidate the layer.

Quantify Platform Pull Pre-LOI

Headline multiples rest on **identifiable, underwritable platform synergies**: the installed base an agent can reach and the value it unlocks there. Vague strategic fit no longer moves valuation; rigorous ROI and synergy math, presented before the LOI, does.

Platform vs. Point Solution

Assets framed as broad **agentic platforms** capable of absorbing bolt-ons trade at clear premiums to narrow point tools. Integration readiness, clean APIs and model governance is itself a valuation lever.

Valuation Methodology: Choosing the Right Metric

WINDSOR DRAKE

The right metric depends on business model, profitability profile and revenue mix.

EV / Revenue

8–22X+

High-growth agentic & AI-native

- Applied where profitability is suppressed by deliberate growth reinvestment.
- Software revenue (above 75% margin) is valued far above services revenue.
- The Rule of 40 score dictates where in the range an asset sits.
- Best suited to agentic platforms, orchestration and vertical agents.

EV / EBITDA

10–20X

Mature & cash-generative

- Essential for mature RPA, back-office and PE-owned automation.
- Many firms valued on revenue in 2024 are now assessed on EBITDA.
- Margin expansion and operating leverage are the key value drivers.
- Captures the cash-flow reality of consolidating segments.

ARR & NRR Lens

RECURRING FOCUS

SaaS-delivered automation assets

- Focus on ARR growth, NRR and gross retention as primary value drivers.
- Premium for NRR above 120% and gross retention above 90%.
- Discount for concentration risk and short contract duration.
- Most relevant for agentic, orchestration and document-automation SaaS.

Strategic Premium

+25–30%

Platform & capability fit

- Applied on top of underlying revenue or EBITDA multiples.
- Premiums accrue to AI-native architecture and proprietary data.
- Platform-integration potential can lift the premium materially.
- Synergy and ROI math should be modelled explicitly before LOI.

Appendix: Sources & Methodology (Part 1)

WINDSOR DRAKE

Institution	Report / Source	Date
Gartner	<i>Forecast: Worldwide AI Spending to Grow 47% in 2026</i>	May 2026
Gartner	<i>AI Agent Software Forecast; Hype Cycle for Agentic AI 2026</i>	Feb 2026
Gartner	<i>Supply Chain Management Software with Agentic AI Forecast to 2030</i>	Apr 2026
McKinsey & Company	<i>The State of AI 2026; Scaling Agentic AI with Data Transformations</i>	2026
McKinsey & Company	<i>Global Private Markets Report 2026</i>	Mar 2026
McKinsey & Company	<i>Software value-creation research on the Rule of 40</i>	2025
Bain & Company	<i>AI Brings Headwinds and Tailwinds to the Rule of 40</i>	2026
Bain & Company	<i>Global Private Equity Report 2026</i>	Feb 2026
Goldman Sachs	<i>2026 Global M&A Outlook</i>	Jan 2026
Morgan Stanley	<i>Global M&A Activity Outlook 2026</i>	2026

Appendix: Sources & Methodology (Part 2)

WINDSOR DRAKE

Institution	Report / Source	Date
PitchBook	<i>Q1 2026 AI Public Comp Sheet and Valuation Guide</i>	2026
CB Insights	<i>State of AI 2025; AI M&A Q1 2026</i>	2026
PwC	<i>Technology Deals 2026 Outlook (AI-fuelled M&A)</i>	Jan 2026
S&P Global Market Intelligence	<i>Global M&A by the Numbers: Q1 2026</i>	Apr 2026
Federal Reserve	<i>FOMC Statement (Apr 2026); Summary of Economic Projections (Mar 2026)</i>	2026
ServiceNow Inc.	<i>SEC filings; Moveworks acquisition close</i>	Dec 2025
Salesforce Inc.	<i>SEC Form 8-K; Informatica acquisition close</i>	Nov 2025
UiPath Inc.	<i>SEC Form 10-Q (FY2026)</i>	2026

VALUATION METHODOLOGY NOTES

Source Standard

Inputs are restricted to top-tier institutions: bulge-bracket banks, the major consultancies, elite data houses, and primary regulatory and filing sources. Boutique and market-report vendors are excluded.

Structural Adjustments

Private-market valuations are adjusted for earn-outs, liquidation-preference overhang and lack-of-marketability discounts, typically in the 20% to 30% range.

Peer Set & Normalisation

Peers are filtered on architecture (agentic vs scripted), buyer (IT vs line of business), revenue quality (above 80% recurring) and Rule of 40 profile. Financials are adjusted to a pro-forma basis excluding one-time items and stock-based compensation, with AI inference cost treated consistently.

Synthesis & Attribution

Figures labelled as firm analysis or house estimate, including the roughly 9x broad-cohort benchmark, are the firm's own synthesis of the cited institutional data, presented as a house view rather than third-party consensus.