WINDSOR DRAKE

B2B SaaS Valuations: Q3 2026

AUGUST 2026

Windsor Drake · Market Intelligence

Executive Summary: The Index Rose and the Median Fell

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Two Numbers, Opposite Directions

Across a constant 33-constituent set held at all three dates, the **median** B2B SaaS company de-rated while the **capitalisation weighted** aggregate rose.

- Median EV/Revenue **9.5x in August 2024, 7.3x in 2025, 6.2x today**.
- The aggregate went **10.0x to 12.3x to 11.3x** over the same dates.
- Down **23%** over twelve months and **34%** over two years at the median.
- A headline that software multiples are up is measuring the index. The realistic private comparable is the median.

The Committed Base

What separates a 20x company from a 3x company is not the growth rate. It is how much of next year's revenue is already contracted.

- Constituents disclosing **net revenue retention at or above 120%** carry a **20.0x** median.
- Those disclosing **105% to 119%** carry **4.7x**.
- Those disclosing **below 105%** carry **2.7x**.
- One disclosed metric separates the tiers by roughly **seven times**.

Enterprise Revenue Is a Different Asset

Enterprise-weighted revenue and SMB-weighted revenue are priced as two different things, and the gap survives a control for growth.

- Enterprise-weighted median **6.95x** against SMB-weighted **3.15x**.
- Holding growth at 15% to 35%, the gap widens to **9.5x against 3.2x**.
- HubSpot at 21.1% growth clears **3.1x**; Cloudflare at 33.5% clears **39.7x**.
- Enterprise cohorts clear the Rule of 40 at **66%** against **38%** for SMB-weighted names.

Control Changes Hands at 2x to 11x

The disclosed range for control of a scaled B2B software asset in this cycle is narrower than the public distribution and sorts on the same variable.

- Clearwater Analytics cleared **11.5x**, Confluent **9.4x**, Dayforce **7.0x**.
- Verint cleared **2.2x**, CSG **2.4x**, LiveRamp **2.7x**.
- Take-private premia ran **18% to 62%**, highest where the multiple was lowest.
- Strategic buyers set the price in 2026: corporate M&A exceeded **$890bn** in Q2 while sponsor activity fell **35.7%** (PitchBook).

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Key Takeaways for B2B SaaS Founders

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1. Your Retention Disclosure Is Your Multiple

Net revenue retention sorts the B2B SaaS comparable set more cleanly than sub-segment, size or growth. The three disclosed tiers clear 20.0x, 4.7x and 2.7x.

- The distance between 119% and 121% is worth more than four turns of revenue.
- A buyer reads retention as the share of next year's revenue they do not have to win again.

2. Growth Is Priced, but Second

Growth still explains a great deal: the set moves from 4.8x below 10% growth to 31.2x above 30%. But the Rule of 40 spread is wider than the sub-segment spread.

- Constituents clearing 40 carry a **10.1x** median against **4.7x** for those below, a gap of 5.4 turns.
- Bain records the correlation between growth alone and valuation flattening (30 April 2026).

3. Horizontal Application Software Is Now the Cheapest Cohort

Horizontal application software carries a 3.8x median, below every other B2B SaaS sub-segment in the set. That is a reversal of the 2021 hierarchy.

- Infrastructure and developer tools clear **9.5x**, vertical B2B SaaS **8.5x**, security **7.8x**.
- Vertical software carries the tighter band, 6.9x to 10.1x, on lower perceived substitution risk.

4. The Forward Book Is Visible Before the Revenue Is

Remaining performance obligation is running ahead of revenue at the consumption platforms and behind it at the large seat-led incumbents. Buyers read that gap.

- Datadog RPO **+43%** against revenue +36%; Atlassian RPO **+44%** against revenue +28%.
- Salesforce total RPO **+11%** against current RPO +14%, so contract duration is shortening.

5. The Buyer Universe Has Changed Shape This Year

Sponsors have stepped back from platform software and strategics have stepped forward. A buyer list built on last year's assumptions will target the wrong side of the market.

- US software platform buyouts ran at roughly a quarter of 2025's pace through May (PitchBook, 25 June 2026).
- US technology deal value doubled year on year to **$340.9bn** in the second quarter (EY, 17 July 2026).

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Founder FAQs

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1 What EV/Revenue multiple does a B2B SaaS company trade at in Q3 2026?

Windsor Drake's 40-constituent public B2B SaaS set carries a median 6.3x EV/Revenue as of 21 August 2026, with an interquartile band of 4.5x to 9.6x. The full observed range runs 1.8x to 67.6x, so the median is a starting point for a comparable set rather than a substitute for one.

2 Why has the median B2B SaaS multiple fallen while the software index has not?

Across a constant 33-constituent set the median fell from 9.5x to 6.2x over two years while the capitalisation weighted aggregate rose from 10.0x to 11.3x. A handful of AI-narrative constituents carry the aggregate; the median asset, which is the relevant private comparable, is down by a third.

3 Does net revenue retention still drive the multiple?

It is currently the sharpest single sort in the set. Constituents disclosing retention at or above 120% carry a 20.0x median, those disclosing 105% to 119% carry 4.7x, and those below 105% carry 2.7x.

4 Is enterprise revenue worth more than SMB revenue?

Materially, and the premium survives a control for growth. Enterprise-weighted names carry a 6.95x median against 3.15x for SMB-weighted names, and restricting both cohorts to 15% to 35% growth widens the gap to 9.5x against 3.2x.

5 Does the Rule of 40 still matter for B2B SaaS?

It is the widest single cut in the set. Constituents clearing 40 carry a 10.1x median against 4.7x for those below, a spread of 5.4 turns of revenue that holds after removing the largest outlier.

6 What are acquirers actually paying for control of a B2B SaaS company?

Disclosed 2025 and 2026 transactions cleared a 2x to 11x revenue range, sorted on growth and category rather than size. Clearwater Analytics cleared 11.5x and Confluent 9.4x, while Verint cleared 2.2x and LiveRamp 2.7x.

7 Is AI a threat to a B2B SaaS valuation?

The institutional evidence runs both ways and the dispersion of outcomes is the change, not the direction. BCG records buyers cutting CRM spend 8% and ERP 9% while raising AI spend 45%, and simultaneously sizes agentic software as the largest enterprise software opportunity since cloud.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

The Committed Base: What Sets a B2B SaaS Multiple

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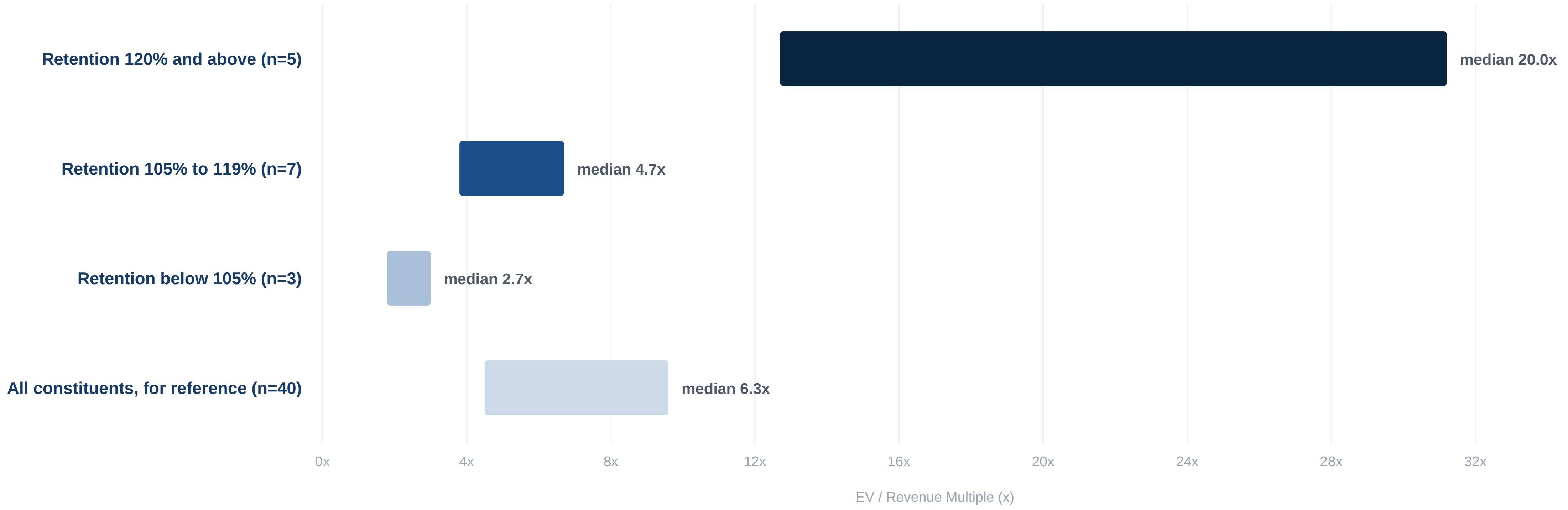
EV/Revenue by disclosed net revenue retention tier. Interquartile band shown, median marked. Windsor Drake computation, 21 August 2026.



THE COMMITTED BASE

A buyer is not paying for last year's revenue. They are paying for the share of next year's revenue that is already committed and does not have to be won again. Disclosed net revenue retention is the cleanest public proxy for that share, and it separates the three tiers by roughly **seven times** on a single metric that every constituent defines in its own filing. The full observed range runs 1.8x at ZoomInfo to 40.2x at Cloudflare. Two readings matter. First, the top tier is not a growth cohort: MongoDB clears 12.3x on 19.3% guided growth while Braze clears 4.7x on 21.5%. Second, retention sets the tier and customer mix sets the position inside it, which is why Klaviyo discloses 109% and clears 3.1x while Okta discloses 107% and clears 7.1x.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

B2B SaaS Valuation Multiples by Sub-Segment

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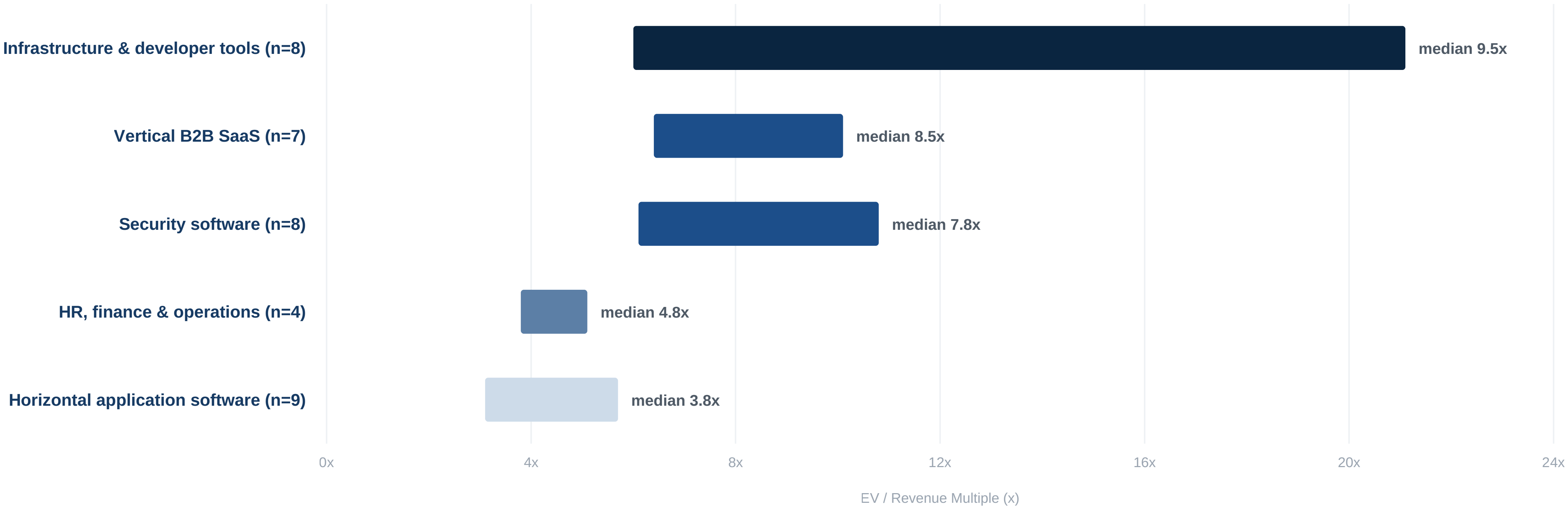
EV/Revenue, interquartile range. Windsor Drake computation from market capitalisation and filed balance sheets, 21 August 2026.



READ THE WIDTH ALONGSIDE THE LEVEL

Horizontal application software is now the cheapest cohort in B2B SaaS, a reversal of the 2021 hierarchy. Vertical B2B SaaS trades **4.7 turns** above it on a median basis, consistent with lower perceived substitution risk in domain-specific workflow. Infrastructure carries by far the widest band, **15.1 turns** against 2.6 for horizontal application software, so the segment label explains less than the retention tier on the previous slide does. A sixth segment, data and analytics, is not plotted because with four constituents it is bimodal rather than cheap: Palantir at 67.6x and the remaining three between 1.8x and 4.2x, on a 4.0x median. HR, finance and operations is also shown with its count and should not be read as market-wide.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

The Median and the Index Have Diverged

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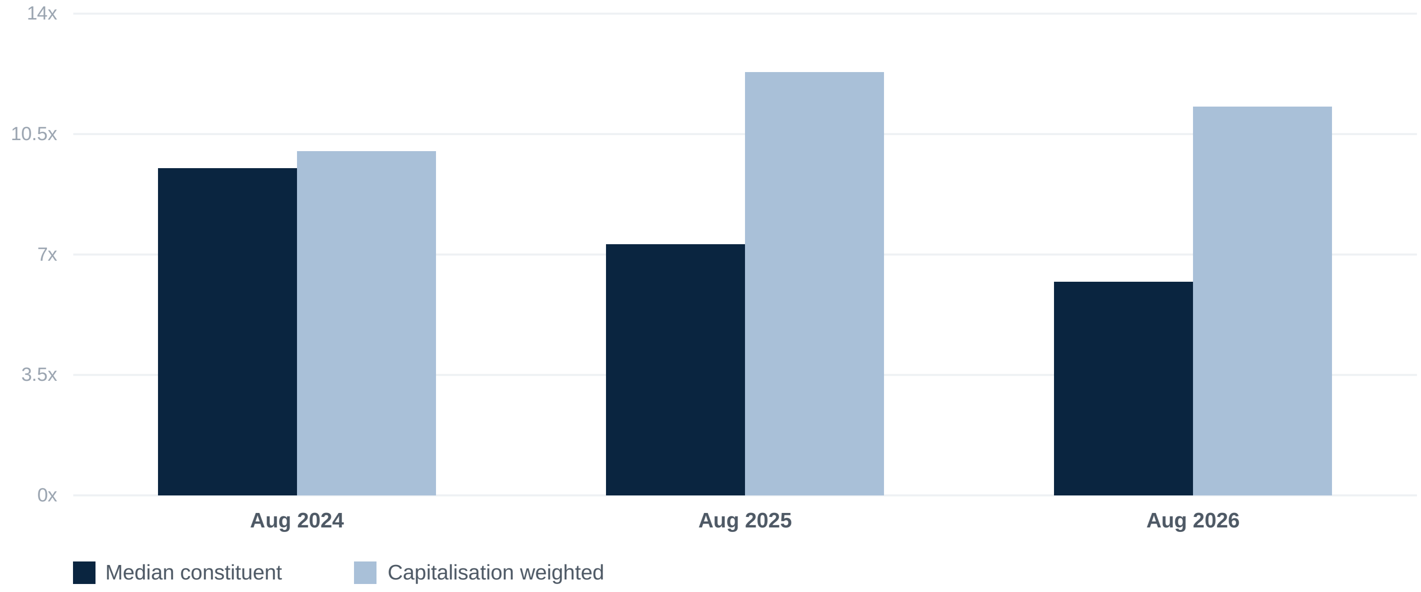
The same 33 constituents, priced on the same date each year. The set got more expensive while its median member got cheaper.

EV / Revenue, constant 33-constituent B2B SaaS set



MEDIAN TODAY

6.2x

Down 23% in twelve months and 34% in two years.

LOWER QUARTILE

3.9x

Down 37% in two years. The discount on slower growth has deepened faster than the market move.

AGGREGATE TODAY

11.3x

Up from 10.0x in 2024. Enterprise value rose while the median constituent de-rated.

CONCENTRATION

4 names

Palantir, Cloudflare, CrowdStrike and Snowflake carry the aggregate.

> A seller benchmarking against a published software index is anchoring on a number four constituents are producing.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

What Earns the Premium in B2B Software

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Contracted Duration a Buyer Can Audit

Remaining performance obligation growing faster than revenue tells an acquirer the forward book is being built before the revenue line shows it.

- Datadog RPO **+43.1%** against revenue +36% (10-Q, 6 August 2026).
- Atlassian RPO **+44%**, cRPO +27%, on multi-year agreements (Q4 FY26).
- Snowflake RPO **+37.7%** against product revenue +34%, capacity contract life 2.6 years.
- Procore non-current RPO **+29%** against revenue +16%, its fastest-growing component.
- Salesforce total RPO +11% against current RPO +14%, so duration is shortening.

A Customer Base Weighted to Enterprise

Large-account concentration is disclosed, verifiable and worth roughly three times the multiple at matched growth.

- Cloudflare: **4,698 accounts above $100k**, +27%, **73% of revenue**.
- Snowflake: **779 customers above $1m** of trailing product revenue, +29%.
- ServiceNow: **658 customers above $5m ACV**, +23% year on year.
- monday.com: accounts above $100k grew **37%**, customers above ten users **6%**.
- Zoom: 3.0% monthly self-serve churn against 99% enterprise net dollar expansion.

Pricing Architecture That Matches the Cost

Gross margin separates the vendors who meter AI from those who absorb it, and the market prices the difference.

- HubSpot subscription gross margin **83.7% against 85.7%** a year earlier.
- Cloudflare GAAP gross margin **71.8% against 74.9%**, cost of revenue +53%.
- Atlassian gross margin **up over three points** to 87%.
- Four in five AI pricing launches are capacity models, not consumption (Bain).
- Two-thirds of vendors already run hybrid pricing (Morgan Stanley IM).

Sales Efficiency That Funds Expansion

The 2021 efficiency reset has not reversed, and the payback gap between enterprise and SMB books is mechanical.

- Median magic number **0.47**; sales and marketing **35.3%** of revenue.
- Enterprise CAC payback **29.2 months** against **41.3** for SMB books.
- Only **7 of 46** clear a gross-profit payback under 24 months.
- Datadog runs a **1.12** magic number and a 13.5-month payback.
- McKinsey: over 90% of software above $500m revenue below a 1.0 efficiency ratio.

Sources: constituent Forms 10-Q, 10-K and 8-K filed with the SEC, May to August 2026. See appendix.

Infrastructure and Developer Tools

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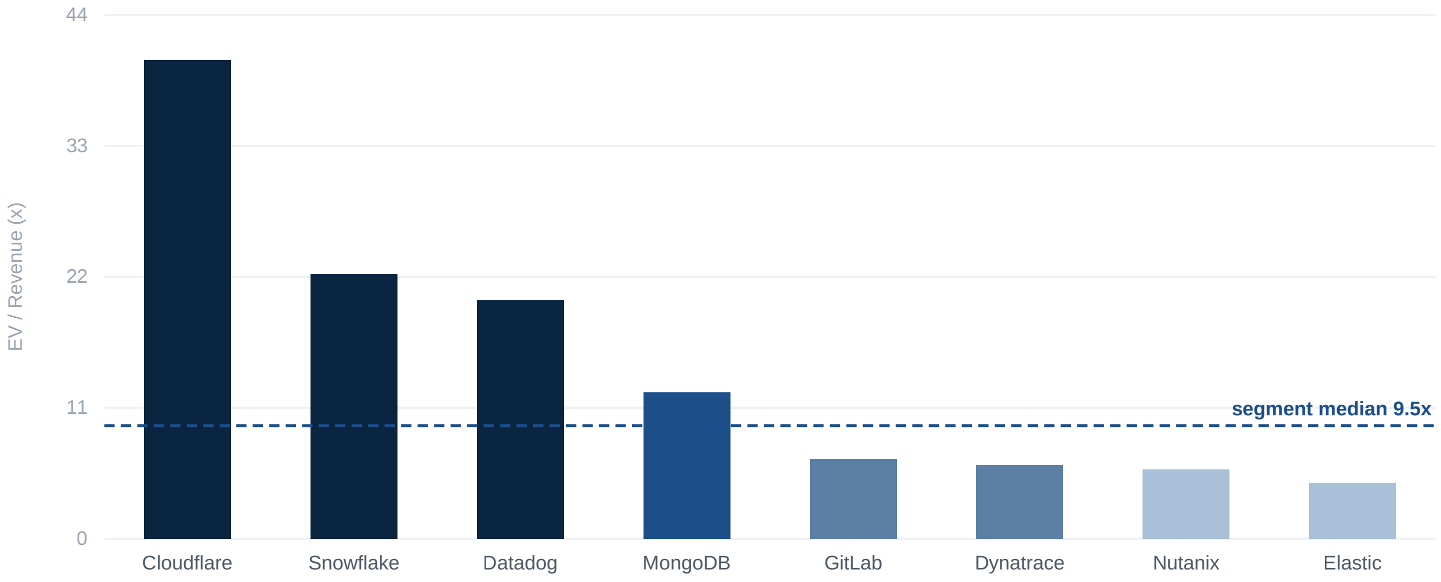
The highest-priced segment in B2B SaaS, and the one where consumption commitments are disclosed most clearly.

EV / Revenue by constituent, 21 August 2026



KEY OBSERVATION

This segment carries the widest interquartile band in the set, 6.1x to 20.5x. The dividing line inside it is not the product category. It is whether the customer has signed a forward commitment.

Valuation Drivers

Committed capacity, not seats

The four constituents above 12x all disclose net revenue retention at or above 120% and price on consumption or capacity. Snowflake discloses a 2.6-year weighted average remaining contract life on its capacity commitments.

Forward book outruns revenue

Datadog RPO grew 43.1% against revenue of 36%, and Snowflake 37.7% against product revenue of 34%. Customers are pre-committing to capacity ahead of consuming it, which is what a buyer underwrites.

Consumption transmits both ways

Datadog disclosed a reduction in usage from its largest customer starting in the third quarter of 2026. A consumption book reprices immediately rather than waiting for a renewal, which is the cost of the premium.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Vertical B2B SaaS

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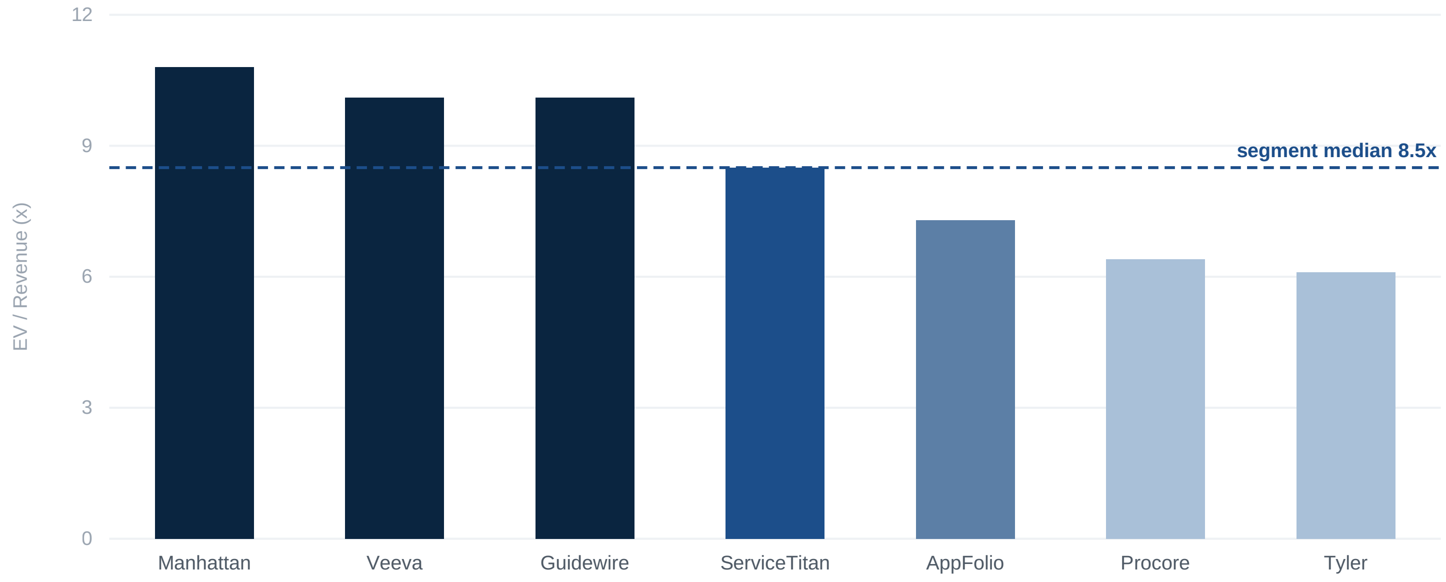
A 2.3-turn premium to horizontal application software on a median basis, and the tightest band of any segment.

EV / Revenue by constituent, 21 August 2026



KEY OBSERVATION

Vertical software is the most predictable position in B2B SaaS: a 3.2-turn interquartile band across seven constituents. Predictability itself carries value in a process, because there are fewer defensible arguments about where the asset should clear.

Valuation Drivers

Substitution risk is lower and priced

The interquartile band runs 6.9x to 10.1x against 3.1x to 4.7x for horizontal application software. Domain-specific workflow and regulatory embedding are harder for a general-purpose agent to displace, and the market is paying for that.

Growth is not what earns it

Manhattan Associates clears 10.8x on 7.5% guided growth and Tyler clears 6.1x on 9.5%. Veeva clears 10.1x on 13.9% growth and a 44.2% guided operating margin, the highest in the segment. Margin and durability carry this cohort.

Headcount-linked pricing is a live risk

ServiceTitan discloses that its retention metric is tied to the number of field technicians at its customers. A pricing metric indexed to customer headcount inherits that headcount's direction, and buyers now diligence the link explicitly.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Horizontal Application Software

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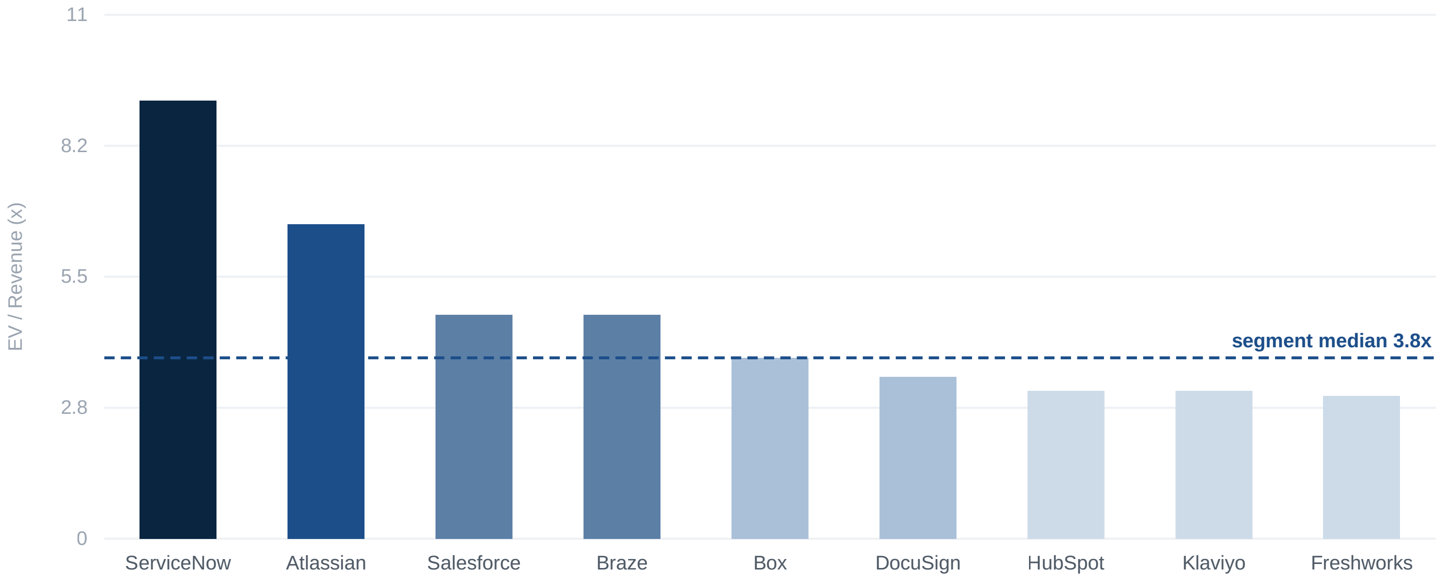
The cheapest cohort in B2B SaaS at a 3.8x median, and the one where the exception is more instructive than the rule.

EV / Revenue by constituent, 21 August 2026



KEY OBSERVATION

The de-rating in this cohort is not uniform and it is not about product quality. It tracks whether the vendor has a meter that captures AI value or is absorbing AI cost inside a seat price it cannot raise.

Valuation Drivers

The exception proves the mechanism

ServiceNow clears 9.2x, roughly 2.4 times the segment median, and it is the constituent that crossed $1bn of AI annual contract value in the second quarter with subscription revenue up 24.5%. Metered AI revenue is being priced separately from the seat base.

Seat expansion has stopped carrying the line

HubSpot grew customers 14% while average subscription revenue per customer rose 4%. Box discloses budget scrutiny pressuring seat expansion and partial churn. Atlassian guides Data Center revenue down roughly 17% on muted seat expansion.

Budget is moving out of the category

BCG records enterprise buyers planning an 8% net reduction in CRM spend and 9% in ERP while raising AI and machine learning spend 45%. Forty per cent of buyers name seat reduction as their primary lever to cut software cost.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Enterprise Versus SMB: What the Mix Is Worth

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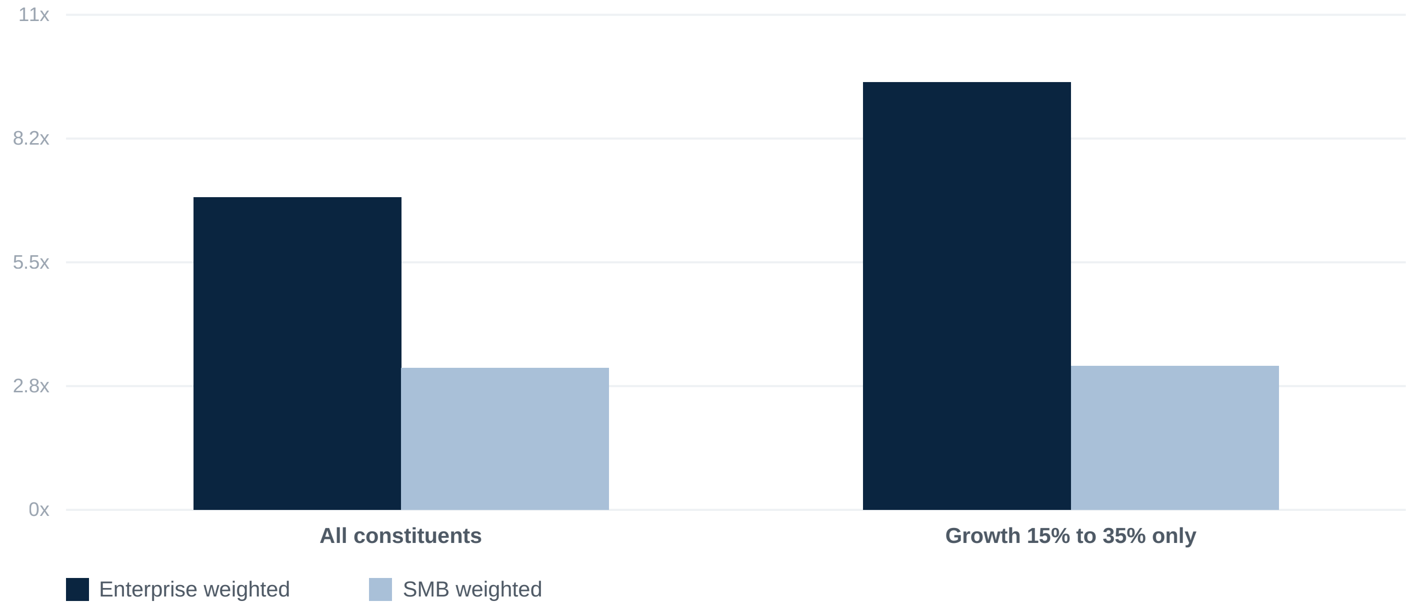
Cohorts assigned by disclosed account economics across a wider 55-constituent B2B SaaS universe. The premium survives a control for growth.

Median EV / Revenue by customer-mix cohort



HEADLINE PREMIUM

2.2x

Enterprise-weighted 6.95x against SMB-weighted 3.15x across 45 assigned constituents.

AT MATCHED GROWTH

3.0x

9.5x on 23.4% median growth against 3.2x on 21.1%.

RULE OF 40 PASS RATE

66% vs 38%

Enterprise-weighted cohort against SMB-weighted.

CAC PAYBACK

29 vs 41 months

An SMB book funds replacement volume before it funds expansion.

> HubSpot and Cloudflare carry near-identical Rule of 40 scores and clear 3.1x and 39.7x. Customer mix, not performance, is the variable between them.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Rule of 40 Distribution in B2B SaaS

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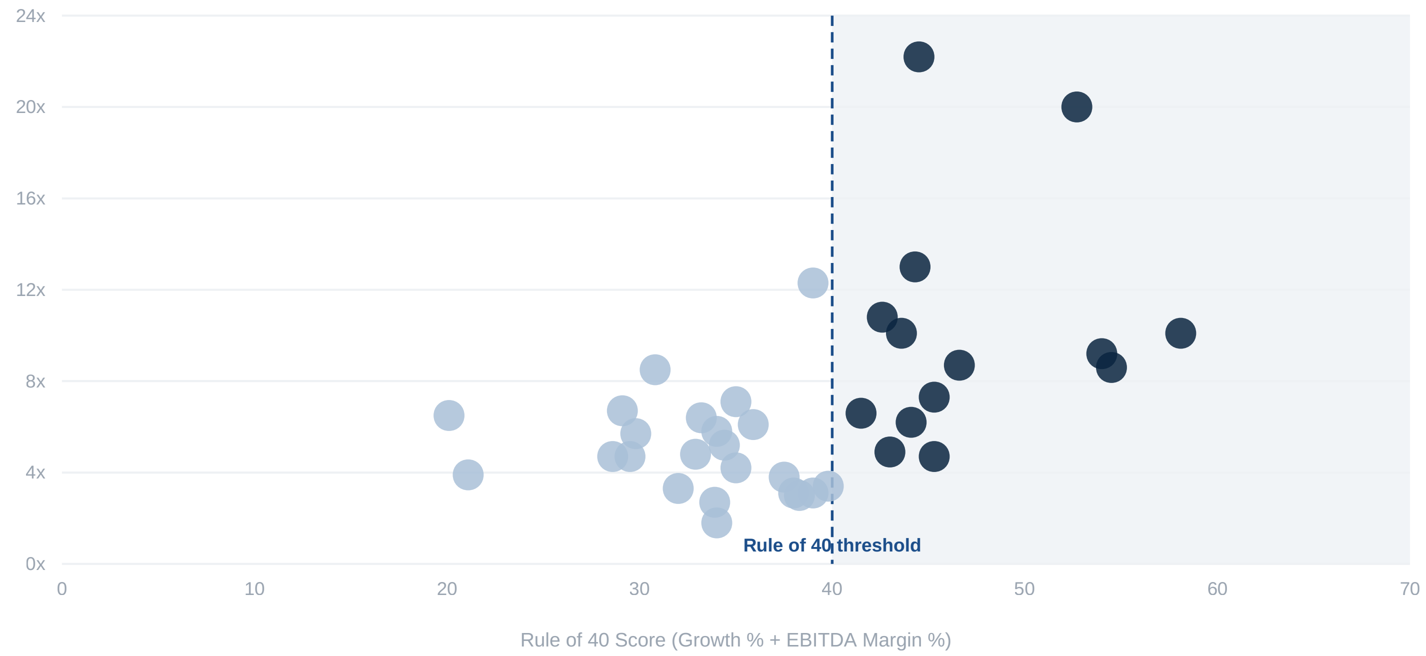
Guided forward revenue growth plus guided non-GAAP operating margin, plotted against EV/Revenue. The widest single cut in the set.

Rule of 40 score against EV / Revenue, 37 constituents



CLEARING 40

10.1x

Median across 17 of 40 constituents, interquartile 6.9x to 21.1x. 9.6x excluding Palantir.

BELOW 40

4.7x

Median across 23 constituents, interquartile 3.3x to 6.4x.

THE SPREAD

5.4 turns

Wider than the spread between the highest and lowest sub-segment medians.

PASS RATE

42.5%

McKinsey put it at roughly one third in 2021. The margin half of the equation has improved.

Three constituents sit above the plotted range: Palantir at 67.6x, Cloudflare at 40.2x and CrowdStrike at 37.2x. All three clear 40.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Revenue Quality: Retention and the Forward Book

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The two disclosures a B2B SaaS buyer reads first, and what the current filings say about each.

Retention has bifurcated, not fallen uniformly

Consumption and infrastructure platforms sit 10 to 25 points above seat-led application software on the same metric in the same quarter. Figma discloses 136%, Snowflake 126%, MongoDB and JFrog 121%, Cloudflare 120%. Against them: BlackLine 102%, Asana 96%, ZoomInfo 89%. Bain records sector retention down roughly eight points since 2021, and CrowdStrike, Atlassian, HubSpot, Zscaler and Samsara have each stopped publishing a numeric rate, so a seller who does publish a strong one is competing against a shrinking comparison group.

Expansion broke, gross retention did not

Bain puts gross retention around 90% or better while net retention fell from roughly 120% in 2021 to roughly 105% by 2025. Customers are not leaving. They have stopped buying more each year, and the multiple has repriced to that single change. This is why a seller's renewal rate answers a different question from the one a buyer is actually asking.

20.0x	4.7x	2.7x
MEDIAN AT 120% RETENTION	MEDIAN AT 105% TO 119%	MEDIAN BELOW 105%

RPO is the forward book

Remaining performance obligation captures multi-year committed spend that has not yet been billed. Where it outruns revenue, the customer has pre-committed.

Duration is moving in both directions

Okta total RPO +15.6% against current RPO +12.2%, so duration is lengthening. Salesforce total RPO +11% against current RPO +14%, so it is shortening.

Contract length is a negotiated lever

Snowflake names shortened contract duration as a customer cash management lever. ServiceNow warns that co-terminating short contracts distorts its own cRPO.

What a seller should prepare

A committed-revenue bridge that separates contracted from discretionary revenue, with duration attached, answers the first question a buyer's diligence will ask.

Sources: constituent Forms 10-Q, 10-K and 8-K filed with the SEC, May to August 2026. See appendix.

B2B Software Transactions With Disclosed Terms

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Announced 2025 and 2026. Multiples are Windsor Drake's computation from the disclosed deal value and the target's own filed revenue for the period stated.

Transaction	Value and multiple	The read
Permira and Warburg Pincus / Clearwater Analytics	**$8.4B at 11.5x FY25** Dec 2025, 47% premium	**The top of the range** The highest disclosed take-private multiple of the cycle, on FY2025 revenue of $731.4m against $451.8m the prior year. Debt fully committed at signing.
IBM / Confluent	**$11.0B at 9.4x FY25** Dec 2025, all cash	**Strategic pays for the layer** On revenue of $1,166.7m growing 21%. Holders of roughly 62% of voting power signed support agreements at signing.
Thoma Bravo / Dayforce	**$12.3B at 7.0x FY24** Aug 2025, 32% premium	**Scale HCM at a mid multiple** The largest software buyout of the cycle, priced at roughly seven times revenue with no financing condition.
Salesforce / Informatica	**$8.0B at 4.9x FY24** May 2025, closed Nov 2025	**Data layer under the agent** A metadata and data-management asset bought to sit beneath an agentic product line, not to add revenue growth.
Publicis Groupe / LiveRamp	**$2.17B at 2.7x revenue** May 2026, 29.8% premium	**Where the low end clears** 4.0x on $545m of ARR growing 8%. Single-digit growth sets a low multiple and the board extracts the premium instead.
Thoma Bravo / Verint Systems	**$2.0B at 2.2x** Aug 2025, 18% premium	**The floor of the range** Half of Verint's ARR was AI-related at signing and it still cleared 2.2x. AI content does not by itself move the multiple.

Sources: acquirer and target announcements and SEC merger filings; target revenue from each target's own Form 10-K. Multiples computed by Windsor Drake.

Who Is Buying B2B Software in 2026

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The composition of the buyer universe has inverted this year, which changes which door a seller should knock on first.

Strategics are setting the price

Corporate M&A exceeded $890bn in the second quarter while sponsor activity fell 35.7% quarter on quarter (PitchBook). US technology deal value doubled year on year to $340.9bn across 168 deals (EY, 17 July 2026). Google paid $32bn for Wiz, Palo Alto Networks roughly $25bn for CyberArk, IBM $11bn for Confluent and ServiceNow $7.75bn for Armis, its largest transaction ever. Every one of those four is security or data infrastructure.

Sponsor platform activity has narrowed sharply

US software private equity deal value ran at $16.24bn from January to May, an annualised pace near $39bn against $156bn in 2025. Platform deals fell to 41% of software sponsor value, a decade low and down 30 points year on year, while add-ons more than doubled to roughly 45% (PitchBook, 25 June 2026). The sponsor bid has not disappeared. It has moved down-market and into bolt-ons under existing platforms.

$340.9B	+100%	41%
US TECH DEAL VALUE, Q2 2026	YEAR ON YEAR	PLATFORM SHARE OF SOFTWARE PE VALUE

The serial acquirers never stopped

Constellation Software deployed $809m of consideration in the first quarter with $786m more completed or committed after quarter end, on revenue up 20%.

Capital is going to buybacks

Salesforce authorised $50bn of repurchases and executed $27.1bn in one quarter, stating its $3.6bn Fin acquisition would not affect the return programme.

Cash dominates consideration

Across the disclosed transactions in this deck, one was all stock and one a meaningful cash and stock mix. Sponsors are paying cash against committed debt.

Build one list, not three

Strategics, sponsors and sponsor-owned platforms now bid against each other on the same assets. Rank by demonstrated appetite, not by buyer type.

Sources: acquirer and target announcements and SEC merger filings; Bain & Company; PitchBook; PwC. See appendix.

Acquirer Behaviour in the Windsor Drake Exit Index

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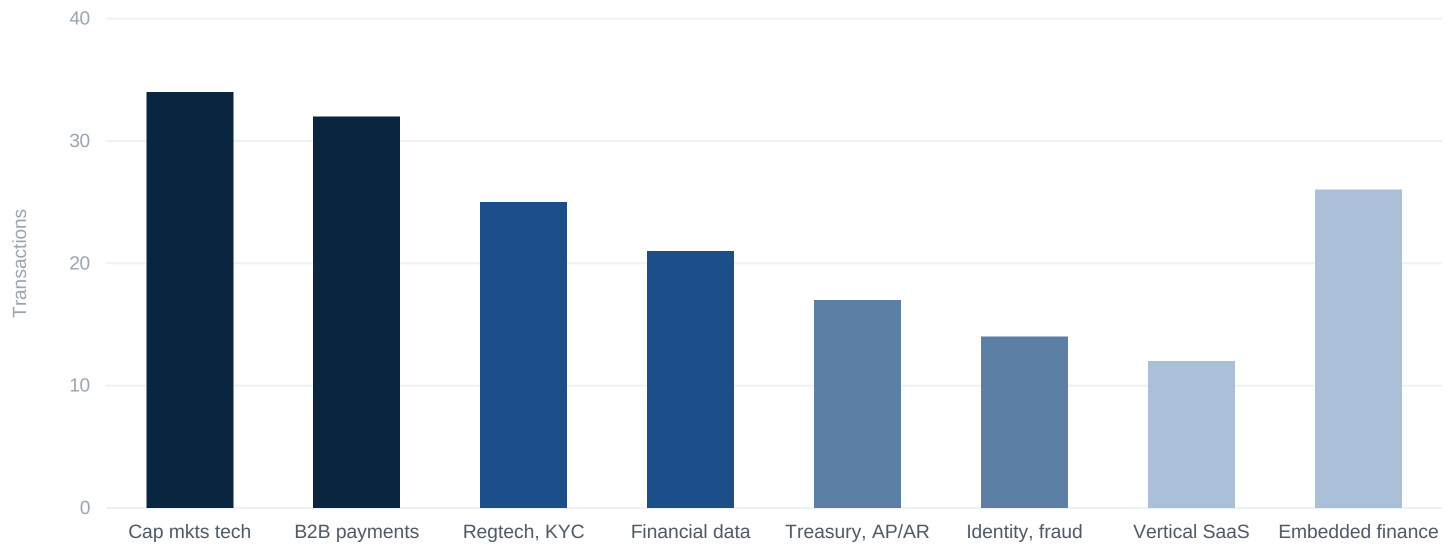
The firm's proprietary transaction record, 511 sourced transactions since 2020, each carrying a source URL and a confidence grade. Used here for buyer identity and behaviour.

Enterprise-facing segments of the index, transaction count



> A buyer who has done this three times moves faster, diligences differently and pays for a known integration. The record identifies them by name.

TRANSACTIONS

511

Sourced software and fintech M&A, 2020 to date, queried 21 August 2026.

STRATEGIC BUYERS

96%

493 strategic against 14 financial sponsors and 4 sponsor-backed strategics.

DISTINCT ACQUIRERS

422

The buyer universe is wide. Most acquirers appear once.

REPEAT BUYERS

14

Fourteen acquirers have bought three or more times, accounting for 65 transactions.

Source: Windsor Drake Exit Index, queried 21 August 2026.

Capital Markets: A Higher Floor Under the Discount Rate

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Rates Are Not the Tailwind They Were

The discount-rate support that lifted software multiples in 2024 has reversed, and the live debate is a hike rather than a cut.

- Federal funds target **3.50% to 3.75%**, held 29 July on a 9 to 3 vote.
- All three dissenters preferred a **quarter-point increase**.
- Ten-year Treasury **4.69%**, thirty-year **5.23%** on 20 August.
- A Reuters poll of 104 economists on 17 August put **90%** at no change in September.

Software Spending Is Growing, Budgets Less So

The aggregate and the enterprise budget line tell different stories, and the gap is the valuation question.

- Gartner puts 2026 software spending at **$1,468bn, up 15.5%** (27 July 2026).
- Morgan Stanley's CIO survey puts enterprise IT budget growth at **+3.8%**, software **+4.1%**.
- BCG records **CRM at minus 8%** and **ERP at minus 9%** net planned spending change.
- Gartner describes the market as not one where a rising tide lifts all boats.

The Listing Route Is Effectively Closed

Enterprise software has one material listing in 2026 and the 2025 cohort is mostly below its issue price.

- Figma priced at $33 in July 2025 and trades at **$27.59**.
- Netskope **minus 24%**, SailPoint **minus 20%**, NIQ **minus 12%** against issue.
- Bending Spoons is the only material 2026 B2B software listing, and it listed as an acquirer.
- For a growth-stage B2B SaaS company, a sale is currently the reliable liquidity route.

Sponsor Capital Is Abundant and Constrained

Dry powder is at a record and is not translating into software platform bids, because the underwriting maths has changed.

- Global private markets dry powder **$4.63 trillion**; roughly 40% has been available two years or more.
- Bain: a deal now needs **10% to 12% annual EBITDA growth** for a 2.5x return, against 5% historically.
- Roughly **33,000 unsold portfolio companies**, median hold 6.6 years.
- US software marks fell **8.9%** in the first quarter (Bain, 8 June 2026).

Sources: Federal Reserve; US Treasury; Gartner; Goldman Sachs; Morgan Stanley; Bain & Company; PitchBook. See appendix.

Building the Committed Base: A 12 to 18 Month View

WINDSOR DRAKE

The committed base is the largest lever on multiple available to a B2B SaaS founder and the slowest to move. Process lead times mean the decision precedes the outcome by a year.

Measure it
Months 0-3

- Compute net revenue retention on the definition a public comparable uses, not the internal one, because that is the figure a buyer will benchmark against.
- Separate contracted revenue from discretionary seat expansion in management reporting, and hold the split every month.
- Build a remaining performance obligation schedule with duration attached to each cohort of contracts.
- Establish the enterprise share of revenue by account size band, and the growth rate of each band.

KEY MILESTONE
A committed-revenue bridge a buyer can audit

Move it
Months 3-9

- Convert annual renewals to multi-year wherever the customer will trade duration for price, and record the trade.
- Attach a meter to AI functionality rather than absorbing inference cost inside a seat price you cannot raise.
- Concentrate sales capacity on the account bands that renew and expand, not the bands that convert fastest.
- Close the disclosure gaps a diligence process will find anyway, on your own timetable rather than theirs.

KEY MILESTONE
Retention and duration both moving one way

Evidence it
Months 9-15

- Assemble the public comparable set the seller will argue from, computed from primary data and reproducible on demand.
- Map strategics, sponsors and sponsor-owned platforms as a single ranked list rather than three separate ones.
- Identify which acquirers have bought this profile before, what they paid, and how the asset performed afterwards.
- Understand each acquirer's own trading multiple, because it constrains what they are able to pay.

KEY MILESTONE
A ranked buyer list and a defensible benchmark

Run it
Months 15-18

- Enter with the benchmark already established rather than discovered somewhere in the first round of meetings.
- Hold competitive tension across strategic and sponsor categories at the same time, not in sequence.
- Price against the committed base rather than the sector composite, and make the buyer argue against the evidence.
- Hold the benchmark through diligence, not only to the letter of intent, because that is where multiples move.

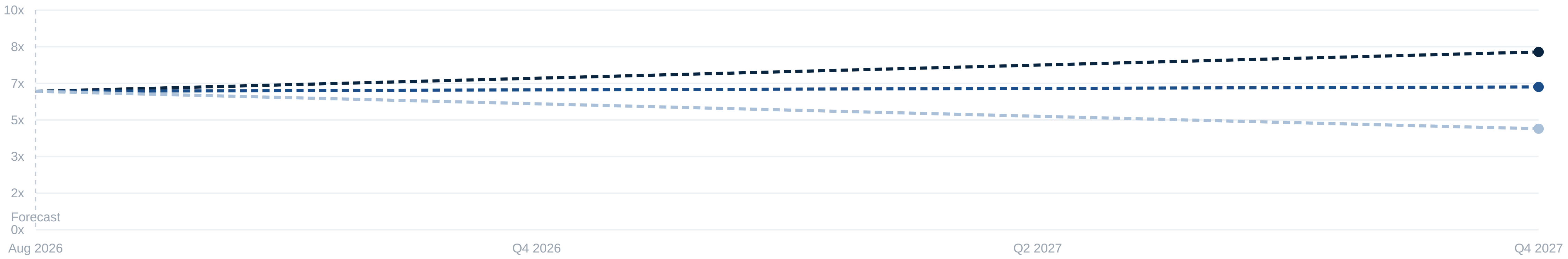
KEY MILESTONE
Competitive tension held through to close

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

B2B SaaS Valuation Outlook

WINDSOR DRAKE

Median EV/Revenue for the Windsor Drake B2B SaaS comparable set. Scenarios are Windsor Drake's view; the current level is computed from market data.



Bull 8.1x

Key Drivers

- Metered AI revenue reaches scale at a second and third incumbent, following ServiceNow past $1bn of AI ACV.
- Positioning unwinds from the lowest software weighting in hedge fund portfolios since 2019.
- Sponsors return to platform software as the exit backlog forces deployment.

COMMITTED-BASE ASSETS CLEAR FIRST AND CLEAR HIGHEST. COMPETITIVE TENSION ACROSS BUYER CATEGORIES IS AT ITS WIDEST IN THIS STATE.

Base 6.5x

Key Drivers

- Rates hold in the current range and the ten-year stays near 4.7%.
- Strategic buyers remain the marginal price-setter in security and data.
- Dispersion by retention tier persists or widens further.

THE COMMITTED BASE DETERMINES THE OUTCOME MORE THAN TIMING DOES. BUILD THE EVIDENCE AND RUN A DISCIPLINED PROCESS.

Bear 4.6x

Key Drivers

- The dissenting hawks prevail and the Federal Reserve raises rates.
- Seat compression appears in reported retention rather than only in risk disclosures.
- Sponsors accept discounts to clear the software backlog, resetting private marks below public comparables.

DISCRETIONARY SEAT BASES FACE THE MOST COMPRESSION. READINESS MATTERS MORE THAN PRICE DISCOVERY IN THIS STATE.

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Constituents named in the appendix.

Case Study: IBM and Confluent

WINDSOR DRAKE

The largest B2B software acquisition of the period with a computable revenue multiple, and the clearest statement of what a strategic will pay for a committed base.

The transaction

IBM agreed to acquire Confluent for **$11.0 billion** in cash at $31.00 per share, announced 8 December 2025. Against Confluent's filed FY2025 revenue of **$1,166.7 million**, that is **9.4 times trailing revenue**.

- Revenue grew 21%, of which subscription revenue was $1,119.7 million and cloud $624 million.
- Holders of roughly 62% of voting power signed support agreements at signing.
- Confluent filed to delist in March 2026 and is no longer a public comparable.

What the buyer was paying for

IBM's stated rationale was data streaming as the communication and data-flow layer beneath agentic AI, doubling its addressable market from $50 billion to $100 billion.

- Confluent's install base includes more than 40% of the Fortune 500.
- The asset sits in infrastructure, the segment carrying a 9.5x median in the public set.
- 9.4x is almost exactly the public infrastructure median: the strategic paid the segment, not a premium to it.

The read for a founder

Position beat growth

21% growth alone would place the asset in the 20% to 30% tier at a 9.2x median. The multiple tracked the tier, not the narrative.

Enterprise concentration is the evidence

More than 40% of the Fortune 500 as customers is the disclosure that made this a committed base rather than a growth story.

Signed support removes optionality

62% of voting power committed at announcement. Concentrated registers close deals and also cap the auction.

The window

IBM's chief executive has publicly described the regulatory environment as materially friendlier for acquisitions, and the strategic bid has been the reliable one this year.

Sources: IBM and Confluent announcements, 8 December 2025; Confluent Form 10-K, FY2025; Nasdaq corporate actions, March 2026.

Emerging Buyer Trends

WINDSOR DRAKE

Four shifts a B2B SaaS seller should account for when building a buyer universe for the next twelve months.

Buyers underwrite an AI classification, not a sector

PwC's mid-year outlook sorts software into AI-native, AI-resilient and AI-exposed, and reports capital flowing to the first two while the third meets valuation and financing pressure. Goldman Sachs runs a parallel six-factor test on orchestration risk, monetisation exposure, system-of-record ownership, data moat, AI execution and budget alignment. A seller is sorted into a bucket before the first meeting.

Dispersion is the structural change, not direction

BCG records the pre-2023 norm of predictable 15% to 25% annual growth replaced by a band running 3% to 50%. When outcomes spread that far the mean multiple stops being informative, and the evidence a seller brings does more work than any sector benchmark. KPMG's survey of 700 dealmakers found 50% expecting more carve-out activity against 6% expecting less.

2x to 11x
DISCLOSED CONTROL RANGE

18% to 62%
TAKE-PRIVATE PREMIA

96%
STRATEGIC SHARE OF THE EXIT INDEX

Premium sits inverse to multiple

ON24 cleared a 62% premium, Jamf roughly 50% and Clearwater 47%, against Verint at 18%. Boards of de-rated assets extract premium rather than price.

Carve-outs are the live source of supply

Thoma Bravo's $10.55bn purchase of Boeing's digital aviation software is the template, and it was the largest software carve-out of 2025.

Private credit funds the mid-market

MeridianLink was funded with $1.4bn of private-credit loans and Clearwater's debt was fully committed by a single bank at signing.

What this means for a buyer list

Rank by demonstrated appetite for the committed-base profile you can evidence, and include the serial acquirers who never left the market.

Sources: acquirer and target announcements and SEC merger filings; Bain & Company; PitchBook; PwC. See appendix.

Sources

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Every third-party institution whose data appears in this deck. House computation is separated from third-party figures throughout.

Institution	Report / Source	Date
US Securities and Exchange Commission	*EDGAR filings and XBRL company facts: Forms 10-Q, 10-K, 8-K, DEFM14A, 424B4*	2026-08
Nasdaq	*Official quote and market capitalisation data for all constituents; split and corporate-actions record*	2026-08
Federal Reserve	*FOMC statement and implementation note; July minutes; Financial Stability Report*	2026-08
US Department of the Treasury	*Daily Treasury Par Yield Curve Rates, two, ten and thirty year maturities*	2026-08
Gartner	*Worldwide IT Spending Forecast, four revisions since October 2025; Worldwide AI Spending Forecast*	2026-07
Goldman Sachs	*Software sector research; US Weekly Kickstart; 2H 2026 Global M&A Outlook*	2026-07
Morgan Stanley	*Q1 and Q2 2026 CIO Surveys; Investment Management, AI-Related Sell-Off in Software, March 2026*	2026-07
Bain & Company	*Private Equity Midyear Report; Software M&A Report 2026; AI Pricing; Why SaaS Stocks Have Dropped*	2026-08
Boston Consulting Group	*AI and the Future of Software; Rethinking B2B Software Pricing; Mid-2026 M&A Insights*	2026-07
PitchBook	*Q2 2026 Enterprise SaaS Report; software platform buyouts; Global M&A; dry powder dashboard*	2026-08

Methodology and Further Sources

WINDSOR DRAKE

How the numbers in this deck were produced, and the remaining institutions cited.

Institution	Report / Source	Date
McKinsey & Company	*Global Private Markets Report 2026; efficient growth in software; SaaS and the Rule of 40*	2026-02
PwC	*Global M&A trends in TMT and in private capital, mid-year outlooks*	2026-06
EY and EY-Parthenon	*US M&A activity insights; Deal Barometer; Global IPO Trends Q2 2026*	2026-07
Deloitte and KPMG	*2026 Global Software Industry Outlook; 2026 Global M&A Outlook, 700 dealmakers*	2026-06
S&P Global Market Intelligence and CB Insights	*Global M&A by the Numbers; State of Venture Q2 2026*	2026-07
IDC, Reuters, Citi and Bank of America	*IT spending forecasts; poll of 104 economists; The Short and Long Q2 2026; software research*	2026-08

METHODOLOGY

The comparable set

Forty US-listed pure-play B2B SaaS constituents. Enterprise value equals market capitalisation less cash and short-term investments plus total debt, using Nasdaq official quote data of 21 August 2026 and trailing twelve month revenue and balance sheets from each constituent's most recent 10-Q or 10-K. Quartiles are Tukey hinges throughout.

Screen and exclusions

Consumer and prosumer software, hardware-weighted models, payments processors, usage-based communications and content delivery, perpetual-licence design software and issuers filing on Form 20-F are excluded, because revenue is not a comparable denominator across those models.

Growth, margin and the Rule of 40

Forward growth is each company's own full-year revenue guidance midpoint against prior-year actual, from its Form 8-K Exhibit 99.1. Margin is guided non-GAAP operating margin, or trailing free cash flow margin where a company does not guide one. Rule of 40 is the sum of the two.

The framework and the wider computations

Framework: The Committed Base. Retention tiers use the net revenue retention rate each constituent discloses on its own stated definition. Cohort, efficiency and two-year series work runs on a wider 55-constituent universe, labelled wherever it appears. Transaction multiples divide a disclosed value by the target's own filed revenue.

Windsor Drake

WINDSOR DRAKE

What This Deck Is

Quarterly market intelligence on B2B SaaS valuations, computed from primary market data rather than licensed from a vendor.

- Forty public constituents, each named so the calculation reproduces.
- An institution and a date behind every third-party figure.
- House computation separated from third-party data throughout.
- Every transaction multiple computed from a disclosed value and a filed revenue.
- Refreshed each quarter at the same address.

The Committed Base

The framework this quarter, and the one variable a founder can still move before a process begins.

- Retention at or above 120% carries a **20.0x** median.
- 105% to 119% carries **4.7x**. Below 105% carries **2.7x**.
- Enterprise-weighted revenue carries a **3.0x** premium at matched growth.
- Contracted duration is visible to a buyer before revenue is.
- Retention is the one variable a founder can still move before a process.

The Proprietary Record

The Windsor Drake Exit Index is the firm's sourced transaction record, used here for buyer identity and behaviour.

- **511** transactions since 2020, each with a source and a confidence grade.
- **422** distinct acquirers identified by name.
- **14** acquirers have bought three or more times, across 65 transactions.
- Strategics account for **96%** of the record.
- Used here for buyer identity and behaviour, not for the valuation benchmark.

Contact

Windsor Drake advises founders and owners on sell-side M&A in software, fintech and adjacent technology markets.

- Market intelligence: windsordrake.com/market-intelligence
- This deck: windsordrake.com/b2b-saas-valuation-multiples
- Companion pages cover SaaS, Rule of 40 and software multiples.
- Quarterly refresh at the same address.
- Enquiries through the site.