B2B SaaS Valuations: Q3 2026

Across a constant 33-constituent set, the median B2B SaaS company de-rated from **9.5x** EV/Revenue in August 2024 to 7.3x in 2025 and **6.2x** today. The capitalisation weighted aggregate for the same 33 companies went **10.0x to 12.3x to 11.3x**. The median is down 23% in twelve months and 34% in two years. A headline that software multiples are rising measures the index. The realistic private comparable is the median.

The mechanism sits in one disclosure. Constituents disclosing net revenue 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**. One metric separates the tiers by roughly seven times, and it is not a growth measure: MongoDB clears 12.3x on 19.3% guided growth while Braze clears 4.7x on 21.5%.

The wider 40-constituent set carries a median 6.3x on 21 August 2026, an interquartile band of 4.5x to 9.4x and a range of 1.8x to 67.6x. Dispersion inside it sorts on customer mix as cleanly as on retention: enterprise-weighted names carry 6.95x against 3.15x for SMB-weighted names, and holding both cohorts to 15% to 35% growth widens the gap to 9.5x against 3.2x.

Windsor Drake calls the variable that sorts this market **The Committed Base**: the share of next year's revenue an acquirer does not have to win again. It is disclosed, auditable and, unlike category or scale, still movable in the twelve to eighteen months before a process. Disclosed transactions for control cleared 2x to 11x, and this report sets out why.

What is a B2B SaaS company worth in Q3 2026?

The two series below run on the same 33 companies priced on the same date in each of three years.

Table 1. The Median and the Index, Constant 33-Constituent B2B SaaS Set

Measure	August 2024	August 2025	August 2026
Median constituent EV/Revenue	9.5x	7.3x	6.2x
Capitalisation weighted aggregate	10.0x	12.3x	11.3x
Spread, aggregate above median	0.5x	5.0x	5.1x

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. The spread row is arithmetic on the two published series.

The aggregate is capitalisation weighted, so it tracks the largest constituents, and four carry it: Palantir, Cloudflare, CrowdStrike and Snowflake. The median tracks the middle of the set, where a private comparable sits. The lower quartile is now **3.9x**, down 37% in two years.

Why has the median de-rated while software spending is still growing?

Because aggregate spending and the enterprise budget line are different measurements. Gartner puts 2026 worldwide software spending at **$1,468 billion**, up 15.5%, and describes the market in the same release as one where a rising tide does not lift all boats (27 July 2026). Morgan Stanley's CIO survey, fielded 8 May to 8 June 2026, puts enterprise IT budget growth at 3.8% and software budget growth at 4.1%, in line with the 2010 to 2019 average.

Table 2. Software Demand Against the Enterprise Budget Line

Measure	Level	Institution and date
Worldwide software spending, 2026	$1,468bn, up 15.5%	Gartner, 27 July 2026
Enterprise IT budget growth, 2026	3.8%	Morgan Stanley, 16 July 2026
Enterprise software budget growth, 2026	4.1%	Morgan Stanley, 16 July 2026
Net planned change in CRM spending	Minus 8%	Boston Consulting Group, April 2026
Net planned change in AI spending	Plus 45%	Boston Consulting Group, April 2026
Buyers naming seat reduction as their primary cost lever	40%	Boston Consulting Group, 13 August 2025

Source: Gartner Worldwide IT Spending Forecast; Morgan Stanley Research CIO Survey; Boston Consulting Group software pricing research.

The repricing that ran from late 2025 into early 2026 is treated at length in the companion Windsor Drake research on the Rule of 40. The compressed version is that buyers stopped underwriting seat-based revenue as automatically durable. HubSpot grew customers 14% while average subscription revenue per customer rose 4%.

Where a vendor meters the AI rather than absorbing it, the market pays separately. ServiceNow clears **9.2x**, roughly 2.4 times the horizontal application software median of 3.8x, and crossed $1 billion of AI annual contract value with subscription revenue up 24.5%. Bain finds four in five vendors introducing AI pricing choosing capacity models, across around 200 B2B SaaS companies (10 August 2026).

What is the committed base, and how does a buyer read it?

An acquirer is paying for the share of next year's revenue already committed. Disclosed net revenue retention is the cleanest public proxy for that share.

Table 3. EV/Revenue by Disclosed Net Revenue Retention Tier

Disclosed net revenue retention	Median EV/ Revenue	Constituents disclosing in the tier
120% and above	20.0x	Figma 136%, Snowflake 126%, MongoDB 121%, JFrog 121%, Cloudflare 120%
105% to 119%	4.7x	Klaviyo 109%, Okta 107%, Braze and others
Below 105%	2.7x	BlackLine 102%, Asana 96%, ZoomInfo 89%
All constituents	6.3x	Interquartile band 4.5x to 9.4x, range 1.8x to 67.6x

Source: Windsor Drake computation from SEC filings and Nasdaq official quote data, 21 August 2026. Retention on each constituent's own stated definition.

Retention sets the tier and customer mix sets the position inside it: Klaviyo discloses 109% and clears 3.1x, Okta discloses 107% and clears 7.1x. The distance between 119% and 121% is worth more than four turns of revenue. Bain records sector gross retention still around 90% or better while net retention has stalled (9 February 2026). Customers have stopped buying more each year, and the multiple has repriced to that.

The forward book is visible before the revenue is

Remaining performance obligation captures committed spend not yet billed, and where it outruns revenue the customer has pre-committed. Datadog reported RPO up **43.1%** against revenue up 36%, Atlassian 44% against 28%, and Snowflake 37.7% against product revenue of 34%. Duration moves both ways: Okta's total RPO grew 15.6% against current RPO of 12.2%, while Salesforce's grew 11% against 14%. CrowdStrike, Atlassian, HubSpot, Zscaler and Samsara have each stopped publishing a numeric retention rate, which raises what a clean disclosure is worth.

Why is enterprise revenue worth more than SMB revenue?

Because the premium survives a control for growth. HubSpot and Cloudflare carry near-identical Rule of 40 scores and clear 3.1x and 39.7x. Customer mix, not operating performance, is the variable between them.

Table 4. What Customer Mix Is Worth, 45 Assigned Constituents

Measure	Enterprise weighted	SMB weighted
Median EV/Revenue	6.95x	3.15x
Median EV/Revenue, growth of 15% to 35% only	9.5x	3.2x
Median growth within that band	23.4%	21.1%
Rule of 40 pass rate	66%	38%
Customer acquisition cost payback	29.2 months	41.3 months

Source: Windsor Drake computation across 45 assigned constituents within a wider 55-constituent B2B SaaS universe, 21 August 2026.

The payback gap is mechanical. An SMB book funds replacement volume before it funds expansion, which is why the median magic number is 0.47 on sales and marketing at 35.3% of revenue, and why only 7 of 46 constituents clear a gross-profit payback inside 24 months. McKinsey finds over 90% of software companies above $500 million of revenue below a 1.0 efficiency ratio.

Segment sits below retention as a predictor

Infrastructure and developer tools carry a 9.5x median, vertical B2B SaaS 8.5x, security software 7.8x, HR, finance and operations 4.9x, data and analytics 4.1x, and horizontal application software **3.8x**, now the cheapest cohort and a reversal of the 2021 hierarchy. Vertical software carries the tightest band, 6.9x to 10.1x, on lower perceived substitution risk.

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

The disclosed range for control of a scaled B2B software asset runs 2x to 11x revenue, narrower than the public distribution and sorted on the same variable.

Table 5. B2B Software Transactions With Disclosed Terms, 2025 and 2026

Transaction	Value and multiple	Announced	Premium
Thoma Bravo / Dayforce	$12.3B at 7.0x FY24	August 2025	32%
IBM / Confluent	$11.0B at 9.4x FY25	December 2025	All cash
Permira and Warburg Pincus / Clearwater Analytics	$8.4B at 11.5x FY25	December 2025	47%
Salesforce / Informatica	$8.0B at 4.9x FY24	May 2025	Closed November 2025
Publicis Groupe / LiveRamp	$2.17B at 2.7x	May 2026	29.8%
Thoma Bravo / Verint Systems	$2.0B at 2.2x	August 2025	18%

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

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 a premium rather than a price. Verint is the case at the floor: half its recurring revenue was AI-related at signing and it still cleared 2.2x. IBM's $11.0 billion for Confluent, at 9.4 times filed FY2025 revenue of $1,166.7 million, is almost exactly the public infrastructure median, and what it underwrote was an install base including more than 40% of the Fortune 500.

Strategics are setting the price this year

Corporate M&A exceeded $890 billion in the second quarter while sponsor activity fell 35.7% quarter on quarter. US technology deal value doubled year on year to **$340.9 billion** across 168 deals (EY, 17 July 2026), and global M&A reached $3.28 trillion in the first half, up 48% (Goldman Sachs, 22 July 2026). Google paid $32 billion for Wiz and ServiceNow $7.75 billion for Armis, both security or data infrastructure. The sponsor bid has narrowed rather than disappeared: platform deals fell to 41% of software sponsor value while add-ons more than doubled to roughly 45% (PitchBook, 25 June 2026). PwC sorts software into AI-native, AI-resilient and AI-exposed and reports capital concentrating in the first two (23 June 2026).

What does the financing market mean for a software sale?

Rates are no longer a tailwind and the live debate is a rise rather than a cut, which removes monetary policy as an explanation from here.

Table 6. Financing Conditions for a B2B Software Transaction

Measure	Level	Institution and date
Federal funds target range	3.50% to 3.75%, held on a 9 to 3 vote	Federal Reserve, 29 July 2026
Ten and thirty year Treasury yields	4.69% and 5.23%	US Treasury, 20 August 2026
Software share of US syndicated loan issuance	9%, lowest since 2013	PitchBook, 5 June 2026
Software share of LBO related financing	17.5%, from 34.5% in 2025	PitchBook, 5 June 2026
Single B minus loan spreads	S+411, wider by 57 basis points	PitchBook, 30 June 2026
Median software loan bid price	86 cents, from 92.2 cents	S&P Global, 24 March 2026
EBITDA growth needed for a 2.5x sponsor return	10% to 12% a year, from 5% historically	Bain & Company, 8 June 2026

Source: Federal Reserve FOMC statement; US Department of the Treasury daily par yield curve; PitchBook leveraged loan research; S&P Global Market Intelligence; Bain & Company.

A Reuters poll of 104 economists taken 12 to 17 August put 94 of them at no change in September. The credit market is meanwhile sorting software the way the equity market is. Roughly $130 billion of software acquisition-related loans out of $657 billion outstanding trade below 90 cents, and spreads widened for weak credits while barely moving for strong ones. That is the committed base expressed as a cost of debt: a lender underwrites contracted revenue with duration attached, and an asset without that evidence meets a wider spread.

Global private markets hold $4.63 trillion of dry powder against roughly 33,000 unsold portfolio companies at a median hold of 6.6 years (Bain, 8 June 2026), and Goldman Sachs puts around 30% of all software exposure inside private markets. Capital exists and the exit backlog is pressing on it. The listing route is meanwhile closed for enterprise software: Figma priced at $33 in July 2025 and trades at $27.59, Netskope is down 24% and SailPoint 20% against issue. For a growth-stage B2B SaaS company, a sale is currently the reliable liquidity route.

What should founders do now?

A full sale process runs 12 to 18 months, so the market a founder meets is the one that exists when preparation begins. The committed base is the largest lever on multiple available to a B2B SaaS founder and the slowest to move.

First, measure it. Compute net revenue retention on the definition a public comparable uses, separate contracted revenue from discretionary seat expansion in monthly reporting, and build a remaining performance obligation schedule with duration attached to each cohort of contracts. Second, move it. Convert annual renewals to multi-year wherever a customer will trade duration for price, and attach a meter to AI functionality rather than absorbing inference cost inside a seat price that cannot be raised. Third, evidence it. Assemble the public comparable set you intend to argue from, and map strategics, sponsors and sponsor-owned platforms as one ranked list rather than three, because they now bid against each other on the same assets.

Then run it with the benchmark already established rather than discovered in the first round of meetings, and hold it through diligence, because that is where multiples move.

Key takeaways for founders

Six conclusions follow from the quarter's data.

1. Your retention disclosure is your multiple

Net revenue retention sorts this comparable set more cleanly than sub-segment, size or growth. The three disclosed tiers clear 20.0x, 4.7x and 2.7x. A buyer reads the rate as the share of next year's revenue they do not have to win again.

2. Benchmark against the median, not the index

The median of the constant 33-constituent set fell 9.5x to 7.3x to 6.2x while the capitalisation weighted aggregate went 10.0x to 12.3x to 11.3x. Four names carry the aggregate. The median is what a private comparable is built from.

3. Growth is priced, but second

MongoDB clears 12.3x on 19.3% guided growth and Braze clears 4.7x on 21.5%. Constituents clearing the Rule of 40 carry a 10.1x median against 4.7x for those below. Growth explains a great deal, and less than the committed base does.

4. Customer mix is worth roughly three times at matched growth

Enterprise-weighted names carry 6.95x against 3.15x, and restricting both cohorts to 15% to 35% growth widens that to 9.5x against 3.2x. Enterprise cohorts clear the Rule of 40 at 66% against 38% and pay back acquisition cost in 29.2 months against 41.3.

5. Meter the AI or absorb the cost

ServiceNow clears 9.2x against a 3.8x horizontal median and crossed $1 billion of AI annual contract value. Verint had half its recurring revenue AI-related at signing and cleared 2.2x. Metered AI revenue is priced separately; AI inside an unchanged seat price is not.

6. Build one buyer list and bring the evidence to it

Strategics set the price this year, corporate M&A exceeded $890 billion in the second quarter while sponsor activity fell 35.7%, and sponsor-owned platforms bid on the same assets. Rank by demonstrated appetite for the profile you can evidence.

- Gartner, Worldwide IT Spending Forecast
- Morgan Stanley Research, CIO Survey
- Bain & Company, Why SaaS Stocks Have Dropped
- Bain & Company, AI Pricing
- Boston Consulting Group, Rethinking B2B Software Pricing
- PitchBook, Software in the Leveraged Loan Market
- PitchBook, Software Platform Buyouts
- S&P Global Market Intelligence, Software Debt Sell-Off
- Goldman Sachs, Global M&A Outlook
- PwC, Global M&A Trends in Technology
- EY, US M&A Activity Insights
- KPMG International, 2026 Global M&A Outlook
- McKinsey & Company, software efficiency research
- Federal Reserve, FOMC statement
- US Treasury, Daily Par Yield Curve Rates
- Reuters, poll of 104 economists
- Nasdaq, official quote data
- U.S. Securities and Exchange Commission, EDGAR

Methodology Note

Framework: The Committed Base. The framework holds that the share of next year's revenue already contracted, rather than the growth rate, sets a B2B SaaS multiple. Retention tiers are assigned on each company's own disclosed net revenue retention rate, on its own stated definition. The framework is Windsor Drake's and the assignments are published so they reproduce.

How the headline multiples were computed. All headline multiples are Windsor Drake's own computation from primary market data. 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 recently filed 10-Q or 10-K. The set is forty US-listed pure-play B2B SaaS constituents, each named in the accompanying deck. Consumer and prosumer software, hardwareweighted models, payments processors, perpetual-licence design software and Form 20-F issuers are excluded, because revenue is not a comparable denominator across those models.

Growth, margin and derived figures. 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, and the Rule of 40 is the sum of the two. Three figures here are arithmetic on published series: the spread in Table 1, the percentage changes in the median, and each transaction multiple.

Cohort and time-series basis. The two-year series is held on a constant 33-constituent set priced on the same date in each of three years. Customer-mix, efficiency and cohort work runs on a wider 55-constituent B2B SaaS universe, of which 45 constituents carry an enterprise or SMB assignment from disclosed account economics.

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