

# Construction Tech SaaS Valuations: Q2 2026

Construction technology software entered Q2 2026 having weathered the agentic-AI repricing far better than the broad software market. As horizontal SaaS re-rated sharply, with the public median falling toward **3.3x EV/revenue** (PitchBook), construction software held a premium. Windsor Drake's working benchmark for the public construction-software market sits near **6.5x EV/revenue**, down only modestly from about 7.5x at year-end 2024. The vertical's workflow depth, proprietary jobsite and design data, and regulatory complexity are precisely the moats that resist agentic substitution.

The cause of the broad de-rating is not monetary. The Federal Reserve held its policy rate at **3.50% to 3.75%** at the April 2026 meeting, its third consecutive hold, and markets price roughly no change at the 16 to 17 June meeting. With the discount rate stable, construction software's relative resilience reflects fundamentals: a roughly \$12 trillion to \$13 trillion global industry, among the least digitised in the economy, with secular tailwinds from AI-driven data centre construction, grid modernisation and an acute skilled-labour shortage (McKinsey; PwC; Deloitte).

The market has bifurcated by margin and workflow. High-margin design, BIM and field-service platforms still command double-digit revenue multiples, with Nemetschek near 10.9x and Bentley near 10.5x, while project-management and hardware-blended operators sit lower, with Procore near 4.7x and Trimble near 5.7x. Consolidation is the dominant exit: Nemetschek's **\$2.4 billion** acquisition of HCSS, announced in April 2026, is the largest pure-play construction-software deal on record. Acquirers, including private equity holding roughly **\$3.7 trillion** of dry powder, increasingly read the moment as a window to build platforms.

## What happened to construction-software valuations in Q2 2026?

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### A gentle de-rating, not a halving

The broad software correction did not spare construction software, but it landed far more softly. Where the horizontal SaaS public median nearly halved toward **3.3x EV/revenue** (PitchBook), Windsor Drake's working benchmark for public construction software eased from about **7.5x** at year-end 2024 to roughly **6.5x** in Q2 2026, a decline of about one turn rather than three. The vertical's mission-critical workflows, high gross retention and proprietary data insulated it from the seat-compression fears that drove the horizontal repricing. Stabilisation, not further decline, characterised the quarter.

**Table 1. Public Construction-Software Median EV/Revenue Multiple, Trajectory into Q2 2026**

Period	Median EV/Revenue	Commentary
Year-end 2024	~7.5x	Pre-shock baseline
Year-end 2025	~6.8x	Gentle de-rating underway
Q1 2026	~6.6x	Stabilising as horizontal SaaS troughed near 3.3x
Q2 2026 (WD benchmark)	~6.5x	Stabilisation; broad construction cohort, house view

Source: PitchBook; S&P Global Market Intelligence; company filings; Windsor Drake analysis.

## A structural reset elsewhere, a moat here

The horizontal de-rating is a re-rating of the software business model itself, driven by whether seat-based, expansion-led recurring revenue survives autonomous AI. Construction software answers that question from a position of strength. An agent is inert without access to the project records, cost histories, design models and jobsite data that already sit inside established construction platforms, and the sector's deep, regulated workflows are slow for a general-purpose agent to displace. That defensibility, not the cost of capital, explains why construction-software multiples held while horizontal multiples fell.

## Why did construction software hold up better than horizontal SaaS?

### Workflow depth and proprietary data

Construction software is vertical software in its purest form. It encodes deep, industry-specific workflows, from preconstruction estimating through field execution to financial close, and accumulates proprietary data that compounds in value: historical bids, cost databases, BIM models, jobsite imagery and project records. These assets are the moat. A general-purpose agent can draft an email or summarise a document, but it cannot replicate years of structured construction data or the regulated, multi-party workflows that govern a real project. That is why the agentic-AI repricing, which discounted seat-priced horizontal tools most heavily, left high-margin construction platforms comparatively intact.

### Secular demand against a digitisation gap

Construction is a roughly **\$12 trillion to \$13 trillion** global industry and among the least digitised in the economy (McKinsey). McKinsey estimates AI and digital tools can lift construction productivity by **20% to 31%**, a prize that pulls software adoption forward. The demand backdrop is unusually strong for 2026: PwC and Deloitte both identify AI-driven data centre construction, power and grid modernisation as record sources of demand, and Deloitte projects investment in structures to pivot from a 2025 decline to about **+1.8%** growth

in 2026. Acute skilled-labour shortages add a further, durable push toward software that raises output per worker.

## How do valuations vary across construction-software segments?

### The premium tier: design, field and AI software

The headline median conceals wide dispersion. High-margin, recurring software that AI makes more valuable, not less, has retained premium multiples. BIM and design collaboration platforms trade across an **8x to 13x** range, anchored by Nemetschek near 10.9x and Bentley near 10.5x EV/revenue. Field service and trades management platforms trade **7x to 12x**, a band the ServiceTitan listing helped validate, and jobsite intelligence and reality capture trade **7x to 12x** as AI progress-tracking demand accelerates. AI-native estimating and preconstruction software, where autonomy is the core product, sits at the top of its **6x to 10x** category band.

### The pressured tier: project management, ERP and legacy

Project management and field-productivity software trades **4.5x to 7.5x**, with Procore near 4.7x EV/revenue on a profitability inflection, because the category blends large user bases with a thinner margin profile than pure design software. Construction ERP and financials trade **4x to 7x**, lifted where embedded payments raise gross margin, and legacy on-premise point tools sit lowest at **3x to 5x**. Hardware-blended operators such as Trimble, near 5.7x, screen below pure-software peers because a meaningful share of revenue is not high-margin recurring software.

**Table 2. EV/Revenue Multiple Ranges by Construction-Software Segment, Q2 2026**

Construction-Software Segment	EV/Revenue Range	Median (WD est.)
BIM & Design Collaboration	8.0x - 13.0x	11.0x
Field Service & Trades Management	7.0x - 12.0x	9.5x
Jobsite Intelligence & Reality Capture	7.0x - 12.0x	9.0x
Takeoff, Estimating & Preconstruction	6.0x - 10.0x	7.5x
Project Management & Field Productivity	4.5x - 7.5x	5.8x
Construction ERP & Financials	4.0x - 7.0x	5.0x
Legacy / On-Premise Point Tools	3.0x - 5.0x	4.0x

Source: PitchBook; S&P Global Market Intelligence; company filings; Windsor Drake analysis.

## What is happening between public and private valuations?

### A narrowing, not an inverting, gap

Public construction software repriced gently, and private valuations, set in negotiated rounds and carried at sticky marks, reset more slowly still. The result is a narrowing private premium rather than the inversion seen in horizontal SaaS. Through 2023 the private market carried a roughly 4x premium that reflected scarcity and growth optionality; by Q2 2026 that premium has compressed to about 1x as public marks anchor the conversation. AI-native design, estimating and field private rounds remain the exception, still printing double-digit multiples well above the cohort mean.

**Table 3. Average EV/Revenue Multiple, Public versus Private Construction Software**

Period	Public Average	Private Average	Spread
2023	7.0x	11.0x	Private +4.0x
2024	7.5x	9.5x	Private +2.0x
2025	6.8x	8.0x	Private +1.2x
Q2 2026	6.5x	7.5x	Private +1.0x

Source: PitchBook; S&P Global Market Intelligence; Windsor Drake analysis.

## Does the Rule of 40 still decide the premium?

### A sharper filter than ever

The Rule of 40, the sum of revenue growth and profit margin, remains the cleanest single filter separating priced-for-quality assets from priced-for-decline ones, and in a repriced market it discriminates harder. Construction-software companies clearing the threshold while sustaining net revenue retention above 115% transact at **8x to 13x revenue**; below the threshold, multiples compress quickly toward **2x to 4x**. The quality of the score matters as much as the level: buyers pay more for a point of durable growth than a point of margin, because growth is what agentic substitution most directly threatens.

**Table 4. EV/Revenue by Rule of 40 Band, Q2 2026**

Rule of 40 Score	EV/Revenue	Profile
Above 50 (top quartile)	9.0x - 13.0x	Durable growth and profit; primary premium M&A targets
40 to 50 (threshold met)	5.0x - 8.0x	Credible balance; viable sale or IPO candidates
Below 40	2.0x - 4.0x	Transition and value-trap zones; most exposed to repricing

Source: McKinsey & Company; Bain & Company; Windsor Drake analysis.

# Who is buying construction-software companies, and why?

## Strategic platforms lead the consolidation

Strategic platforms are the dominant buyers, using M&A to build design-to-field-to-finance ecosystems. The internal build cycle for AI-native estimating, reality capture and field intelligence is too slow to counter category-defining startups, so Nemetschek, Trimble, Autodesk and Procore are acquiring modern stacks outright. The defining transaction of the cycle is **Nemetschek's \$2.4 billion acquisition of HCSS**, announced in April 2026 at roughly 20x HCSS 2025 EBITDA, with capability bolt-ons such as Trimble's purchase of Document Crunch and Autodesk's purchase of Rhumbix dominating by volume.

## Private equity and the deployment imperative

Private equity holds roughly **\$3.7 trillion** of global dry powder (McKinsey; S&P Global), and construction software, with its recurring revenue, mission-critical workflows and consolidation runway, is a prime buy-and-build category. Sponsors increasingly build scale and then exit to strategics: HCSS came to Nemetschek from Thoma Bravo, which retained a roughly 28% minority stake in the combined Build and Construct segment. The broader deal environment is constructive, with \$1 billion-plus construction transactions re-emerging in the second half of 2025 (PwC).

## Comparable transactions for context

Calibration draws on Windsor Drake's proprietary transaction index, the firm's database of **211 verified and reported software and technology transactions** spanning 2020 to 2026, supplemented by current-quarter construction-software research. The selection below illustrates the long-running strategic and sponsor appetite for workflow-deep construction software, the asset class that has proven most defensible through the current repricing.

**Table 5. Selected Comparable Construction-Software Transactions**

Transaction	Year	Deal Value	Segment	Confidence
Nemetschek / HCSS	2026	\$2.4B	Heavy civil ERP & financials	Reported
Autodesk / Innovyze	2021	\$1.0B	Water & infrastructure design	Verified
Procore / Levelset	2021	\$0.5B	Construction payments SaaS	Verified
Trimble / Document Crunch	2026	Undisclosed	AI contract review	Reported
Autodesk / Rhumbix	2026	Undisclosed	Jobsite field data	Reported

Source: Windsor Drake proprietary transaction index (211 verified and reported transactions, 2020-2026); company press releases; Bloomberg.

## Is the IPO window a realistic alternative?

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### Open, but discriminating

The public listing window reopened for vertical software and remains open, but it is selective. ServiceTitan's December 2024 Nasdaq listing, which raised about **\$674 million** net of underwriting and offering costs, reset appetite for scaled, profitable field-service and construction-trades software (SEC filings). The tape rewards a narrow profile: scale, demonstrated profitability and a credible AI tailwind. Issuers without that profile face a markedly cooler reception. For most assets a dual-track process, prepared toward both a sale and a listing, preserves optionality and manufactures the competitive tension a single path cannot, particularly as strategic premia from Nemetschek, Trimble and Autodesk compete with the IPO route.

## What does the macro and capital backdrop signal?

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### Rates are stable; the story is sector-specific

The monetary backdrop is neutral. The federal funds range holds at **3.50% to 3.75%** after the April 2026 hold, the third consecutive pause, and the Summary of Economic Projections and market pricing both imply little change at the 16 to 17 June meeting. Kevin Warsh took the Fed chair on 15 May 2026, inheriting a divided Committee. A stable discount rate is important context: it confirms that construction software's relative resilience, and the broad software de-rating against which it is set, reflect sector fundamentals rather than a cost-of-capital event.

### M&A momentum and record dry powder

The deal environment is constructive. Construction M&A regained momentum in the second half of 2025, with \$1 billion-plus transactions re-emerging, and PwC and Deloitte expect activity to stay robust through 2026 as buyers pursue scale, AI capability and exposure to data centre and infrastructure demand. Set against roughly \$3.7 trillion of private-equity dry powder and a thin supply of scaled, AI-defensible construction-software assets, the backdrop favours sellers that arrive prepared, even as the broad-market repricing weighs on headline software multiples.

## Where are construction-software valuations heading?

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### Forecast scenarios for 2026

With the broad-market benchmark near 6.5x, the forward path depends on two variables: how quickly the sector converts AI adoption into measurable productivity and revenue, and how durable demand proves as the consolidation wave runs. Windsor Drake frames three scenarios as its own house view, not third-party consensus. In the base case, multiples stabilise and recover slowly toward 6.7x, with bifurcation by margin and AI exposure persisting and strategic and sponsor consolidation sustaining deal volume.

**Table 6. 2026 Construction-Software Valuation Forecast Scenarios, Windsor Drake House View**

Scenario	2026 EV/ Revenue	Key Conditions
Bull	8.0x	Aggressive rate cuts; AI adoption supercycle lifts multiples; consolidation and IPO windows open fully
Base	6.7x	Steady normalisation; strategic and sponsor consolidation continues; selective IPOs from scaled vertical software
Bear	5.0x	Rate holds or inflation resurgence; agentic AI pressures seat-based revenue; a macro or tariff shock freezes M&A

Source: Windsor Drake analysis; PwC and Deloitte outlooks; Federal Reserve projections.

## What should founders do now?

### The 12 to 18 month process

A full sale process runs 12 to 18 months from preparation to close. Founders who begin preparation in the current cycle, with a readiness and hygiene phase covering audit quality, AI governance and data rights, a revenue-quality and pricing-model diagnostic, and a clean cap table, position the asset to meet the market while record dry powder and acquirer urgency are still chasing a thin supply of scaled, quality assets. The work that most directly protects a multiple is the demonstration of revenue durability: net revenue retention sustained above 115%, documented workflow depth and switching costs, and proven AI-driven productivity. Founders should also expect earn-outs to bridge valuation gaps on AI-exposed capability; they are now standard structure, typically paid over 12 to 24 months.

### Case study: the Nemetschek and HCSS combination

The defining strategic transaction of the cycle is Nemetschek's acquisition of HCSS, valued at roughly **\$2.4 billion** and announced in April 2026, with closing expected in the second half of 2026. Acquired from Thoma Bravo at roughly 20x HCSS 2025 EBITDA, with the sponsor retaining a roughly 28% minority stake, it is the largest pure-play construction-software deal on record and adds about \$215 million of high-retention revenue to Nemetschek's Build and Construct segment. Its lessons for founders are threefold. First, category-defining workflow depth still commands record prices; a market-wide software de-rating draws the best-prepared buyers in rather than deterring them. Second, the acquirer underwrote recurring-revenue density and workflow depth, not headline growth, which is the profile founders must be able to evidence. Third, with process lead times of 12 to 18 months, the alignment of buyer demand, capital availability and pricing that a founder ultimately meets is the one that exists when preparation begins, not when it ends.

## Sources

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- [PwC, Engineering and Construction: US Deals 2026 Outlook](#)
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- [S&P Global Market Intelligence, private equity dry powder and M&A analysis](#)
- [PitchBook, enterprise and vertical SaaS public comps and Q1-Q2 2026 analyst notes](#)
- [Federal Reserve, FOMC statement and Summary of Economic Projections](#)
- [U.S. Securities and Exchange Commission, ServiceTitan, Procore, Autodesk, Bentley and Trimble filings](#)
- [Nemetschek Group, press release on the agreement to acquire HCSS](#)

## Methodology Note

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**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.

**Peer set and normalisation.** Peers are filtered on workflow (design, field, financials), buyer, revenue quality (recurring revenue above 80%) and Rule of 40 profile. Financials are adjusted to a pro-forma basis excluding one-time items and stock-based compensation, and separating software from hardware and services revenue.

**Structural adjustments.** Private-market valuations are adjusted for earn-outs, minority rollovers and lack-of-marketability discounts, typically in the 20% to 30% range.

**Synthesis and attribution.** Figures labelled as firm analysis or house estimate, including the roughly 6.5x broad-market benchmark and the 2026 forecast scenarios, are Windsor Drake's own synthesis of the cited institutional data and public filings, presented as a house view rather than third-party consensus. Where current-quarter data was not yet published, the most recent available data is used.