WINDSOR DRAKE

Fraud, Risk and Compliance Valuations: Q3 2026

SEPTEMBER 2026

Windsor Drake · Market Intelligence

Executive Summary: Compelled Revenue and Who Collects the Premium

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The Mandate Premium Is 5.5 Turns

Spend here is compelled by a supervisor rather than chosen by a buyer. That revenue does carry a premium, and it is collected one layer above the vendor.

- Five listed pure-plays: median **2.18x** EV/Revenue at the 25 September 2026 close.
- Six diversified groups selling into the same mandate: median **7.72x**, a segment-level read.
- A **5.54x** spread, three and a half times the pure-play median.

Durability Held, Across Every Constituent

The non-discretionary argument predicts revenue that resists the cycle. Across the perimeter it did, on both sides of the multiple gap.

- Moody's KYC recurring revenue **$478m**, up 13% and fully recurring.
- Nasdaq financial crime revenue up **22%** on $359m of recurring revenue.
- RELX Risk grew **8%** underlying at an expanding 38.5% margin.

The 2026 US Mandate Contracted

A mandate created by rule can be withdrawn by rule, and in 2026 four US requirements moved inside eight months.

- Domestic beneficial ownership reporting ended, **14 August 2026**.
- The investment adviser AML rule moved to **1 January 2028**.
- An April 2026 proposal confines bank enforcement to systemic failure.

The Forward Mandate Is European

The requirement that re-prices this sector after 2026 is written in the Official Journal, with dates fixed in law.

- EU anti-money-laundering regulation applies from **10 July 2027**.
- AMLA supervises up to **40 groups** directly from 2028.
- Financial services must accept the EU wallet by **24 December 2027**.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Key Takeaways for Founders

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1. Compelled Revenue Is Not Automatically Premium Revenue

The durability argument is correct and the valuation inference drawn from it is wrong. Every constituent in the perimeter grew through the period, and the listed pure-plays still clear a 2.18x median against 7.72x for the groups.

- A supervisor compels the **obliged entity** to comply. It never names the vendor that helps.
- The bank can satisfy the same mandate by building: Lloyds deployed agentic fraud AI across 28m customers on its own platform.

2. Growth Does Not Explain the Discount

The faster-growing half of the perimeter carries the lower multiple, which removes the obvious explanation and leaves the structural one.

- Pure-play growth in the June 2026 quarter ran **16% to 27%**; RELX Risk grew 8% underlying and Wolters Kluwer compliance 4% organic.
- The group segments run roughly **double** the operating margin, from 38.5% at RELX Risk to 46.8% across Nasdaq financial technology.

3. Price the Political Beta on the Revenue Line

Revenue created by rule carries the risk that the rule moves. In 2026 that risk was realised four times in a single jurisdiction.

- The Corporate Transparency Act registry was ended for domestic entities on **14 August 2026** by final rule.
- FinCEN exceptive relief of **13 February 2026** removed beneficial ownership checks at every new account opening.

4. The Buyer Who Pays the Premium Is the Group

If the re-rating sits with the diversified owner of the data asset, then the exit that captures it is a sale into that group rather than a path to the public market.

- Visa paid **$2.4bn** in cash for BioCatch on 3 August 2026, close to 13x published trailing ARR.
- 44 of the 45 deduplicated transactions in this sub-sector of the Windsor Drake index were bought by strategics.

5. Model-Native Decisioning Is Repriced Separately

Buyers distinguished sharply between platforms that score behaviour with models and platforms that apply rules, and paid roughly six times the multiple for the former.

- BioCatch cleared close to **13x** ARR; Verint was taken private at **2.20x** revenue in the same twelve months.
- The Bank for International Settlements measured a **26%** detection uplift on previously unseen behaviours, against 12% overall.

6. The European Calendar Is the Timing Argument

Acquirers preparing for obligations that apply from 10 July 2027 buy capability in the twelve to eighteen months before the date, not after it.

- AMLA scales from **120 staff** at end 2025 to 432 by end 2027, on a budget rising from EUR 43.1m to EUR 96.0m.
- The digital identity wallet acceptance obligation for financial services lands **24 December 2027**.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Founder FAQs

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1 What multiple do fraud, risk and compliance companies trade at in 2026?

Two answers, and the distance between them is the finding. The five listed pure-plays carry a median 2.18x EV/Revenue at the 25 September 2026 close. The six diversified groups that sell into the same regulatory mandate carry a median 7.72x on a segment-level read. The compelled revenue is the same; the owner is not.

2 Does non-discretionary revenue actually command a premium?

It commands a premium of roughly 5.5 turns, and the vendor does not collect it. Every constituent in the perimeter grew through the period, so the durability argument holds on the evidence. The re-rating attaches to the group that owns the data asset and the bank relationship rather than to the company that sells the compliance software.

3 Why do the pure-plays trade below the groups when they grow faster?

Growth is not the explanation. Clear Secure grew 26.6% and Riskified 21.7% in the June 2026 quarter against 8% underlying at RELX Risk and 4% organic at Wolters Kluwer's compliance division. Margin and mandate security are the explanation: the group segments run roughly double the operating margin, and a mandate names the obliged entity, never the vendor.

4 What did the 2026 US regulatory year do to the demand curve?

It withdrew four requirements in eight months. Domestic beneficial ownership reporting ended by final rule on 14 August 2026. The investment adviser AML rule moved to 1 January 2028. An April 2026 proposal would confine bank enforcement to significant or systemic failures. Exceptive relief in February 2026 removed due diligence at every new account opening.

5 Where is the mandate growing instead?

Europe. The EU anti-money-laundering regulation applies from 10 July 2027, AMLA begins direct supervision of up to 40 groups from 2028, every member state must offer a digital identity wallet by 24 December 2026, and financial services must accept it by 24 December 2027. The UK failure to prevent fraud offence has been live since 1 September 2025.

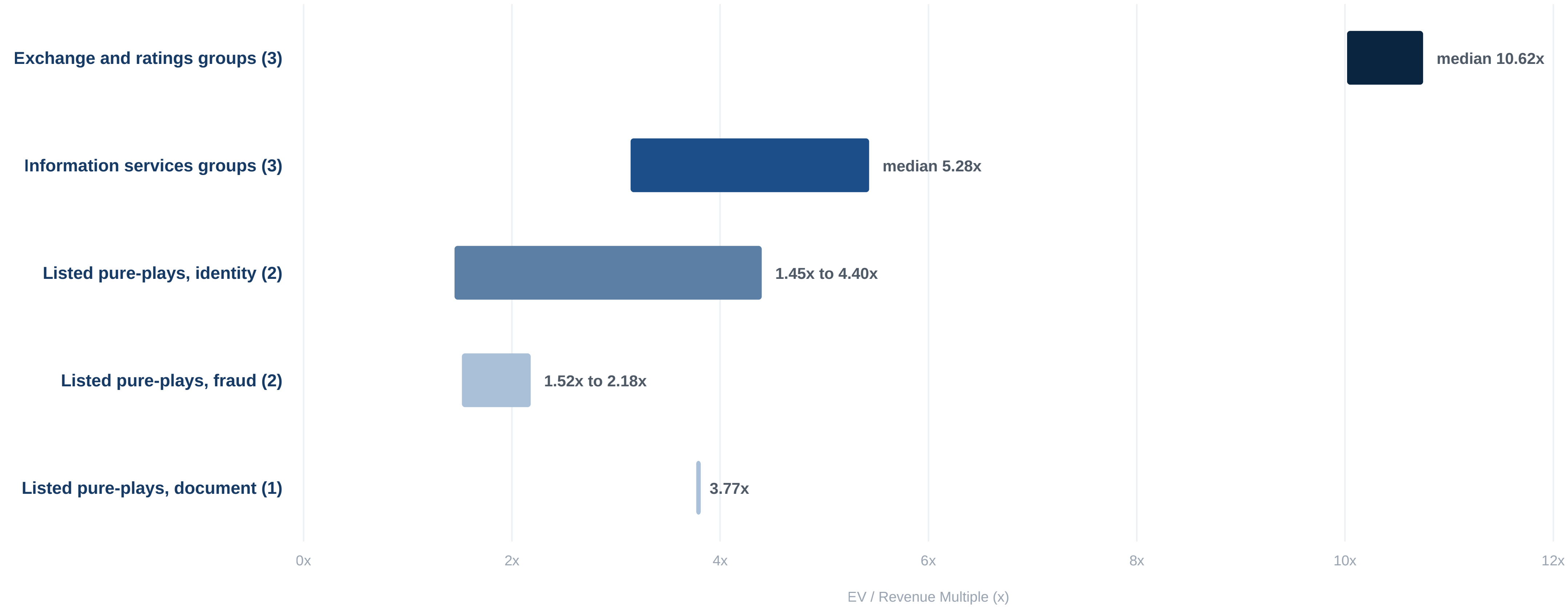
6 Do buyers pay differently for AI-native decisioning?

Visa paid $2.4 billion in cash for BioCatch in August 2026, close to 13 times the trailing annual recurring revenue BioCatch published for the end of 2025. Thoma Bravo took Verint private at 2.20x revenue in the same twelve months. The model-native asset cleared roughly six times the multiple of the rules-era platform.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

The Mandate Premium

EV/Revenue by ownership position, market close 25 September 2026. Three bases, labelled and never blended.



THE PREMIUM IS REAL AND THE VENDOR DOES NOT COLLECT IT

Sort the perimeter by who owns the customer relationship rather than by what the software does, and the picture resolves. The six diversified groups clear a **7.72x** median segment-level read against **2.18x** for the five listed pure-plays, a **5.54x** spread on revenue a supervisor compels in both cases. Constituent counts are shown beside each label.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

The Perimeter, Company by Company

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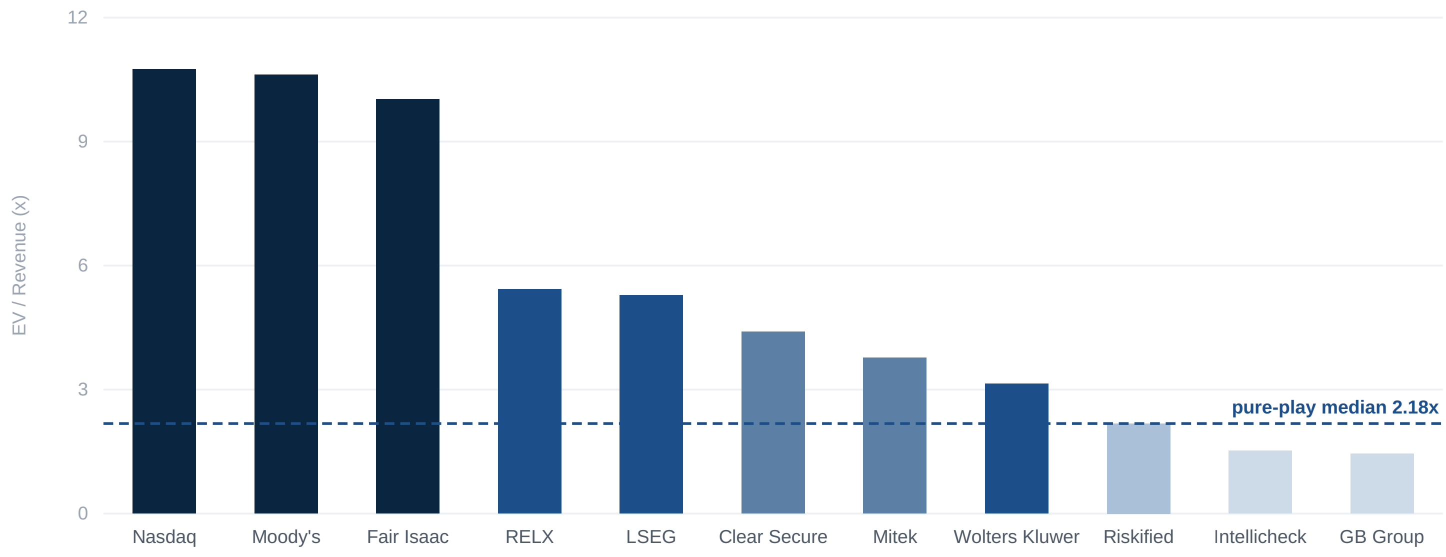
Every constituent, ranked. Six segment-level reads on diversified groups sit above five listed pure-play trading multiples.

EV / Revenue, market close 25 September 2026



Segment-level reads run Nasdaq 10.75x, Moody's 10.62x, Fair Isaac 10.02x, RELX 5.43x, LSEG 5.28x and Wolters Kluwer 3.14x. Scale does not order the ranking: Wolters Kluwer carries EUR 6.1bn of revenue at 3.14x while Clear Secure carries $1.0bn at 4.40x.

PURE-PLAY MEDIAN

2.18x

Five listed pure-plays, trading multiples computed from market data.

GROUP MEDIAN

7.72x

Six diversified groups, segment-level reads.

THE SPREAD

5.54x

What the market pays for owning the relationship rather than the software.

PRIVATE ROUND MARK

14.3x

Socure at $5.2bn on $364m ARR, 27 August 2026. A private round mark, not a trading multiple.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Testing the Durability Argument

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Every constituent grew

The non-discretionary claim predicts revenue that holds through a weak cycle. Across eleven constituents and two bases, it held.

- Clear Secure **+26.6%** in the June 2026 quarter.
- Nasdaq financial crime technology **+22%**.
- Riskified **+21.7%**; Mitek **+18.2%**; Intellicheck +16.0%.
- RELX Risk **+8%** underlying; LSEG Risk Intelligence +9.7% organic.
- GB Group +3.2% at constant currency for the year to 31 March 2026.

The revenue is recurring and it sticks

Compelled spend converts into contracted, renewing revenue rather than project work, which is the mechanism behind the durability.

- Moody's KYC line is **100% recurring**, with ARR of $478m at 30 June 2026.
- Nasdaq financial crime ARR **$359m**, up 16.6% year on year.
- Socure reported **133%** net dollar retention alongside its August 2026 round.
- Mitek SaaS revenue rose **21%** in fiscal 2025 on the same base.
- Bretton AI average contract value reached **$201,000** from $85,000 nine months earlier.

Margins expanded on the compelled lines

Durable revenue that also defends price shows up as margin expansion, and the group segments delivered it.

- RELX Risk adjusted operating margin **38.5%**, from 37.8%.
- LSEG Risk Intelligence adjusted EBITDA margin **59.4%**, up 120 basis points.
- Wolters Kluwer compliance adjusted operating margin **39.3%**.
- Nasdaq financial technology segment operating margin **46.8%** trailing.
- Moody's Analytics adjusted operating margin 33.1% in the half.

And the premium still went elsewhere

Durability was confirmed on both sides of the perimeter. The multiple was not.

- The faster-growing pure-plays clear **2.18x**.
- The slower-growing group segments clear **7.72x**.
- Pure-play operating margins run **6% to 24%** against 33% to 59% at the groups.
- Margin, not growth, is the measurable half of the gap.
- Mandate security is the other half.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Growth Is Not the Explanation

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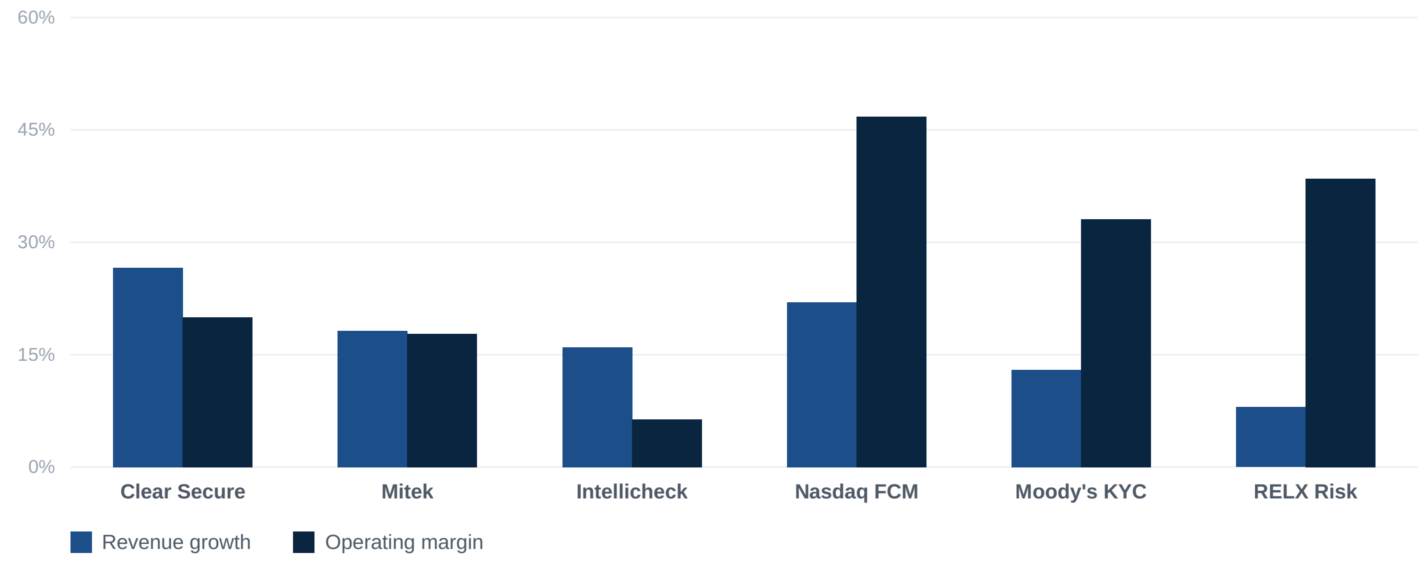
Most recent reported growth against the operating margin on the same line. The faster half of the perimeter carries the lower multiple.

Reported growth and operating margin, most recent period (%)



FASTEST IN THE SET

26.6%

Clear Secure, June 2026 quarter, at a 4.40x trading multiple.

SLOWEST IN THE SET

3.2%

GB Group, constant currency, year to 31 March 2026, at 1.45x.

MARGIN GAP

roughly 2x

Group segments run 33% to 59%; pure-plays 6% to 24%.

WHAT IT LEAVES

Mandate security

The residual the margin gap does not explain.

> Nasdaq financial crime technology is the exception that proves the rule: it grows at pure-play speed and carries a group margin, and it sits inside a group.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Anti-Money Laundering and Financial Crime Compliance

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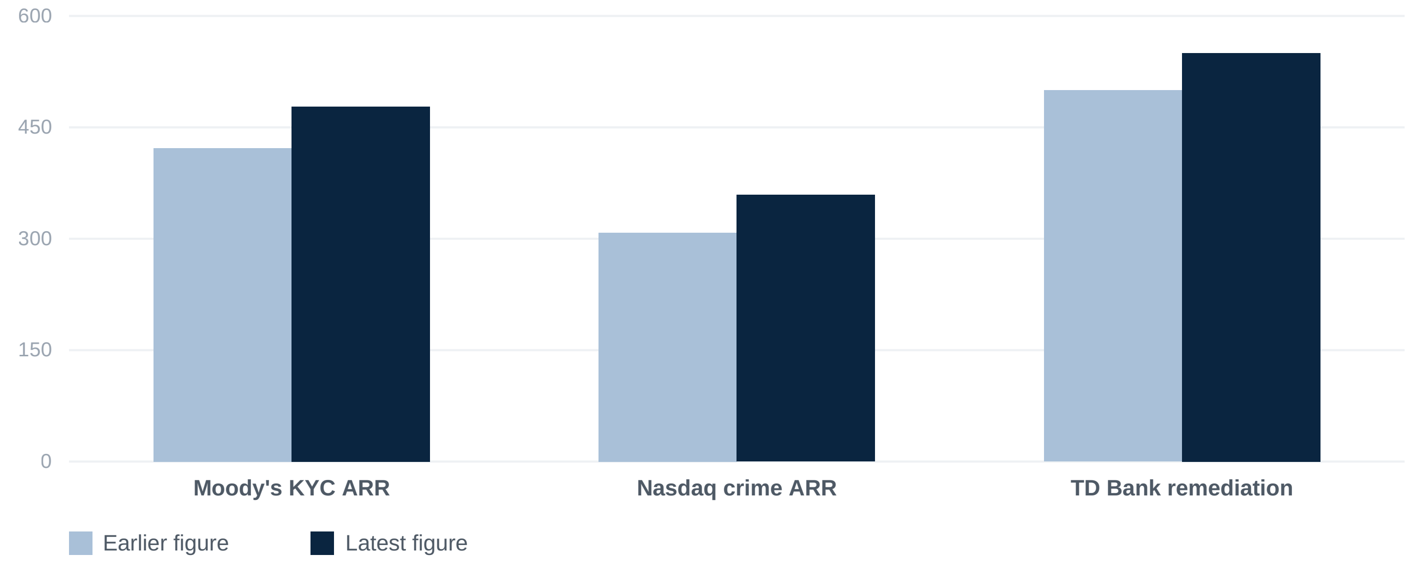
The oldest compelled line in the sector, and in 2026 the one whose US requirement moved.

Compelled AML spend and recurring revenue, US dollars (m)



What Moves This Line

Enforcement sets the budget

FinCEN's $1.3bn penalty against TD Bank on 10 October 2024 carried a four-year independent monitorship. TD guided to **$550m** of US remediation spend for fiscal 2026 on 27 August 2026, raised from $500m three months earlier.

The filing burden is structural

FinCEN recorded **4.8 million** suspicious activity reports and **21.5 million** currency transaction reports in fiscal 2025, across roughly 335,000 registered filers.

The detection rate is the demand case

McKinsey put industry detection of global financial crime flows at about **2%** in August 2025, with banks assigning up to 10% to 15% of full-time equivalents to know-your-customer and AML work alone.

KEY OBSERVATION

Both FinCEN civil money penalties in 2026 were against broker-dealers, UBS Financial Services at **$125m** on 3 August and Canaccord Genuity at **$80m** on 6 March. The enforcement pressure that funds bank AML budgets moved to a different obliged entity.

Sources: Federal Register, FinCEN, OFAC, OCC, Official Journal of the EU, AMLA, FCA, FATF. See appendix.

Identity Verification and Know Your Customer

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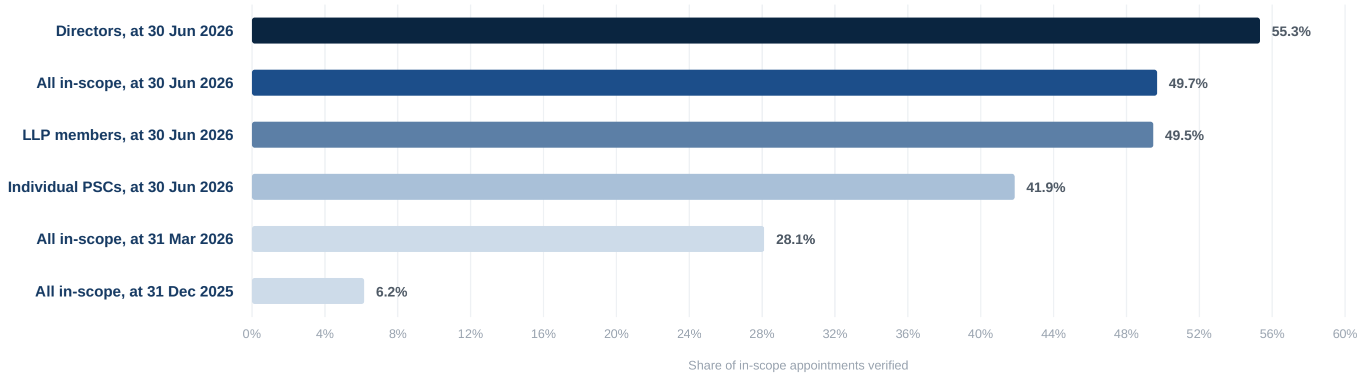
The line with a fixed forward mandate in Europe and a live verification programme in the United Kingdom.

UK Companies House identity verification, share completed



KEY OBSERVATION

Clear Secure at **4.40x** carries the highest pure-play multiple in the perimeter on 26.6% growth, and GB Group at **1.45x** the lowest on 3.2%. Inside identity, the market is paying for growth. Across the perimeter it is paying for ownership.

What Moves This Line

A verification programme already running

Companies House made identity verification mandatory for new directors on 18 November 2025. **7,364,599** appointments were verified by 30 June 2026, 49.68% of those in scope, against 6.16% seven months earlier.

A wallet obligation fixed in law

Regulation (EU) 2024/1183 requires every member state to offer a digital identity wallet within 24 months of the November 2024 implementing acts, which fixes the date at **24 December 2026**. Banks must accept it by 24 December 2027.

Consumer identity is not workforce identity

This is the consumer and customer onboarding market. Workforce and machine identity is a separate buyer with a separate budget, covered in Windsor Drake's Identity and Access Management Valuations.

Sources: Federal Register, FinCEN, OFAC, OCC, Official Journal of the EU, AMLA, FCA, FATF. See appendix.

Fraud Decisioning, Rules Era Against Model Native

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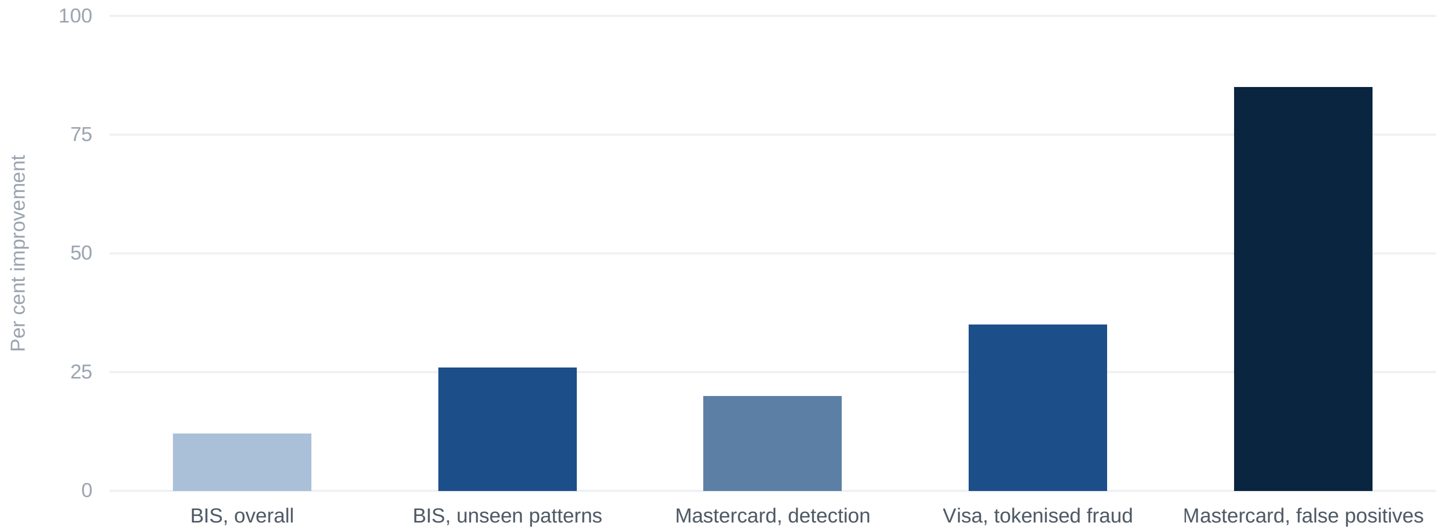
The attack surface atomised, which is the operational case for scoring behaviour rather than writing rules.

Measured uplift from model-native decisioning (%)



KEY OBSERVATION

Buyers priced the distinction. Visa paid **$2.4bn** for BioCatch, close to **13x** the trailing recurring revenue BioCatch published for end 2025. Thoma Bravo took Verint private at **2.20x** revenue within the same twelve months. Roughly a six-fold difference on the same compelled budget.

What Moves This Line

Rules fail on volume, not on value

UK Finance put the average card-not-present fraud case at **GBP 132** in 2025, down from GBP 300 in 2016, while cases rose 13%. The Federal Reserve found card-not-present fraud passed half of all US debit card fraud at 54.3%.

The uplift is measured by central banks

The BIS Innovation Hub's Project Hertha found network analytics identified **12%** more illicit accounts overall and **26%** more when identifying previously unseen criminal behaviours, across 1.8 million accounts and 308 million transactions.

Generative attack is now counted

The FBI recorded AI-enabled fraud as its own category for the first time in April 2026: **22,364 complaints** and **$893.3m** of losses inside a $20.9bn total. FinCEN alerted on deepfake media defeating identity verification in November 2024.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

The 2026 Regulatory Ledger

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Withdrawn in the United States

Four separate actions reduced the compelled surface inside eight months, each by final rule, proposal or order.

- Domestic beneficial ownership reporting ended, **14 August 2026**, 91 FR 52508.
- Investment adviser AML rule moved to **1 January 2028**, 91 FR 36.
- Programme proposal of **10 April 2026** confines bank enforcement to significant or systemic failure.
- Exceptive relief **FIN-2026-R001** removed ownership checks at every new account opening.
- Zero FinCEN penalties against depository institutions in 2025 or 2026.

Softened in the United Kingdom

The enforcement line that funded 2025 compliance budgets ran at a different level in 2026.

- FCA fines in 2025 totalled **GBP 124.2m**, including three bank financial crime penalties.
- Barclays **GBP 42m**, Nationwide **GBP 44.1m**, Monzo GBP 21.1m.
- FCA fines to late September 2026 totalled **GBP 18.0m**.
- CACEIS UK was censured on 25 June 2026 with a GBP 23.1m penalty waived for a GBP 31.7m client payment.
- The FCA still reports over 75% of enforcement work on financial crime.

Added in Europe

The European requirement is written, dated and has not yet reached the obliged entities.

- Regulation (EU) 2024/1624 applies from **10 July 2027**.
- Beneficial ownership register access articles transposed by 10 July 2026.
- AMLA direct supervision of up to **40 groups** from 2028, selection beginning by 1 July 2027.
- AMLA budget rises from **EUR 43.1m** in 2026 to EUR 96.0m in 2028.
- Automated decisions require human intervention and a right of challenge from 10 July 2027.

Unchanged and compounding

Screening load and country risk moved independently of any single jurisdiction's policy direction.

- OFAC's specially designated nationals list held **19,444 entries** at 29 September 2026.
- **29.3%** of that list sits under one executive order signed in April 2021.
- Counting the consolidated non-SDN list, the screening universe is **19,925** parties.
- FATF added Kuwait, Papua New Guinea, Bosnia and Herzegovina and Iraq across the 2026 plenaries.
- The grey list stands at 22 jurisdictions and the call-for-action list at three.

Sources: Federal Register, FinCEN, OFAC, OCC, Official Journal of the EU, AMLA, FCA, FATF. See appendix.

Why the Vendor Does Not Collect the Premium

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Two mechanisms separate compelled spend from the multiple it is assumed to earn.

A mandate names the obliged entity

Supervisory orders compel a bank, an adviser or a registry filer. None of them compels a purchase. The Bank of America order of 23 December 2024 runs to sixteen articles of required remediation and specifies no supplier.

Which leaves build as a live alternative

Lloyds deployed agentic fraud AI across 28 million customers on 8 June 2026, built in-house, after investing GBP 100m in fraud technology since 2023 and preventing over GBP 1bn of fraud in 2025.

And leaves the incumbent holding the relationship

When a bank does buy, it buys from the group that already supplies its screening data, its ratings or its regulatory reporting. That position is what the 7.72x segment-level read pays for.

5.54x	4	44 of 45
GROUP PREMIUM OVER PURE-PLAYS	US REQUIREMENTS WITHDRAWN IN 2026	STRATEGIC BUYERS IN THE COHORT

A mandate is revocable by rule

The Corporate Transparency Act registry compelled reporting by millions of entities. It ended for domestic companies by final rule on 14 August 2026.

Deferral works the same way

The investment adviser AML rule would have bound registered advisers from 1 January 2026. It now applies from 1 January 2028, moving a whole buyer cohort two years right.

The European calendar is the offset

Obligations landing between July and December 2027 are already law with fixed dates. A contracting US surface against a fixed European one is the sector's largest 2027 variable.

Sources: Federal Register, FinCEN, OFAC, OCC, Official Journal of the EU, AMLA, FCA, FATF. See appendix.

AI-Native Decisioning Against Rules-Era Platforms

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The cost side broke first

Rules-era economics are visible in the alert queue, and they are what the model-native argument attacks.

- BCG found false positive rates historically exceeded **90%** before optimisation.
- Global systemically important banks run second-line compliance at up to **2.5%** of total costs.
- And at **2.9%** of total full-time equivalents, the highest share of any bank cohort.
- Level one alert handling ran **three times** faster after automation.
- FinCEN opened a formal survey of AML compliance costs in September 2025.

The uplift is institution-grade

The measured improvement comes from central banks and card networks rather than from vendor claims.

- BIS Project Hertha: **+12%** illicit accounts found, **+26%** on unseen behaviours.
- Mastercard Decision Intelligence Pro: **+20%** average detection, up to +300%.
- With false positives down more than **85%**.
- Visa tokenisation: **35%** lower ecommerce fraud and nearly 5 points higher authorisation.
- Mastercard Consumer Fraud Risk: UK scam cases down **20%** in 2024.

The attack moved the requirement

Synthetic identity and generative media are what shift the next supervisory expectation, and they are now measured by government.

- FBI AI-enabled fraud, first counted April 2026: **22,364 complaints**, **$893.3m**.
- Total FBI reported losses **$20.9bn** in 2025, up 26% on a 17% rise in complaints.
- FinCEN alerted on deepfake media defeating verification controls in November 2024.
- The Federal Reserve put synthetic identity losses at **$20bn** in 2020.
- Nasdaq Verafin: **90%** of financial crime professionals report rising AI-driven attacks.

Adoption is still early, which is the window

The gap between pilot and production is where the competitive set is still being decided.

- Only **25%** of banks have scaled AI into production, against all G-SIBs running pilots.
- Just **33%** of UK financial firms use AI for fraud detection.
- **79%** of financial crime professionals plan to raise AI spending.
- The EU AI Act exempts fraud detection from its high-risk classification.
- While credit decisioning obligations moved to **2 December 2027**.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

What Buyers Paid, and What the Basis Was

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Every multiple below is computed from figures the parties published. The basis is stated in each cell.

Transaction	Value	Computed multiple	The read
Visa / BioCatch, Aug 2026	**$2.4bn cash** Announced 3 August 2026	**close to 13x ARR** On ARR above $185m published for end 2025	**Behavioural model, network buyer** Permira had taken a majority at $1.3bn in September 2024. Roughly 23 months to $2.4bn.
Thoma Bravo / Verint, Nov 2025	**$2.0bn EV** Closed 26 November 2025	**2.20x revenue** On $909.2m for the year to 31 January 2025	**Rules-era platform, sponsor buyer** 2.81x on subscription ARR of $711.8m. The sponsor bid set the floor, not the ceiling.
Nasdaq / Verafin, Nov 2020	**$2.75bn** The sector's benchmark trade	**about 19.5x revenue** On expected 2021 revenue above $140m	**What a group pays to own the line** That line now carries $359m of ARR growing 16.6%, inside a 46.8% margin segment.
GB Group / DataTools, Oct 2025	**AUD 16.0m** Announced 16 October 2025	**3.2x revenue** On AUD 5.0m for the year to 30 June 2025	**A pure-play buying at its own level** Over 90% recurring revenue across 700 customers in address validation.
Socure, Aug 2026	**$5.2bn** $156m round led by Summit Partners	**14.3x ARR** A private round mark, not a trading multiple	**The private market pays the group rate** $364m ARR, 63% growth, 133% net dollar retention, 3,000 customers.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Who Is Buying in This Sub-Sector

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Acquirer identity and type mix from the Windsor Drake transaction index, queried 29 September 2026.

Networks buying the decision layer

Visa appears three times across the regtech and identity cohorts, completing Featurespace in December 2024 and agreeing BioCatch for $2.4bn in August 2026. Neither purchase adds payment volume. Both add the model that scores it.

Information groups buying the data

LexisNexis Risk Solutions completed IDVerse in February 2025. Experian acquired KYC360 in October 2025 and AtData in February 2026. Each purchase attaches a verification signal to a file the group already sells.

Software groups buying the workflow

UiPath acquired WorkFusion in February 2026 for agentic AML screening, adverse media and alert review. Bloomberg Industry Group acquired Regology in June 2026. The target is the analyst's queue rather than the detection model.

45	44	5
DEDUPLICATED DEALS IN THE COHORT	BOUGHT BY STRATEGICS	MASTERCARD APPEARANCES

Strategics dominate to an unusual degree

Across the regtech, KYC and identity and fraud cohorts, 44 of 45 deduplicated transactions went to a strategic acquirer. Sponsors are the exception in this sub-sector, which narrows the price discovery a seller can create.

Repeat buyers concentrate the list

Mastercard appears five times across the cohorts, Visa three and Truecaller twice. A short list of acquirers returns to this sector, and they are the same groups that carry the 7.72x segment-level read.

The exit path ran private in 2025 and 2026

Capital formation ran through private growth rounds and sponsor recapitalisations; realisations ran through strategic sale and take-private. Verint left the public market in November 2025.

Source: Windsor Drake transaction index, regtech, KYC and identity and fraud cohorts, queried and deduplicated on target, acquirer and announcement month, 29 September 2026.

Where the Private Market Priced the Mandate

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Socure, $5.2bn, August 2026

The largest private round mark in the sector and the only one with a published revenue denominator.

- **$156m** led by Summit Partners with Goldman Sachs Alternatives and Wells Fargo.
- **$364m** total ARR at **14.3x**, a private round mark.
- **63%** ARR growth and **133%** net dollar retention.
- Prior mark $4.5bn in 2021, so roughly 16% over five years.
- Acquired Fravity for agentic fraud operations on the same day.

Quantexa, $2.6bn, March 2025

Decision intelligence for financial crime investigation, sold into banks and government.

- **$175m** Series F led by Teachers' Venture Growth.
- With British Patient Capital, Warburg Pincus, BNY and HSBC.
- Nearly **40%** licence revenue growth in 2024.
- 23 new customers added in the same year.
- Passed **$100m** of ARR ahead of the round.

Persona and Feedzai, $2bn each

Identity infrastructure and fraud decisioning priced at the same level within six months of each other.

- Persona **$200m** Series D at $2bn, 30 April 2025.
- Co-led by Founders Fund and Ribbit Capital.
- Feedzai crossed **$2bn** on 2 October 2025 with roughly $75m.
- Feedzai was selected by the ECB for digital euro fraud prevention.
- Both sell the decision, not the record.

Norm Ai, $1.2bn, July 2026

The AI-native compliance cohort priced on capability and customer scale rather than on a revenue denominator.

- **$120m** Series C led by Khosla Ventures, July 2026.
- With Blackstone, Bain Capital Ventures, Vanguard and New York Life.
- Over **$260m** raised since founding.
- Clients representing over **$30tn** in combined assets.
- Bretton AI raised **$75m** in February 2026 on contract values up 137% in nine months.

Source: company and investor announcements. Every figure on this slide is a private round mark, which is a negotiated post-money valuation rather than a trading multiple.

Positioning Into the European Mandate: 12 to 18 Months

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The obligations that re-rate this sector apply from July 2027. Acquirers buy capability before a date, not after it.

Establish the basis
Months 0-3

- Separate compelled revenue from discretionary revenue in the accounts.
- Name the instrument behind each compelled line and its effective date.
- Measure net revenue retention on the compelled base specifically.
- Document which obliged entity carries the requirement you serve.

KEY MILESTONE
A compelled-revenue bridge a buyer can audit

Reduce the political beta
Months 3-9

- Map revenue exposure to the four US requirements that moved in 2026.
- Weight the book toward instruments with fixed forward dates.
- Build the European obligation into the product roadmap explicitly.
- Quantify what a rule change would do to the renewal cohort.

KEY MILESTONE
Jurisdictional mix shifted toward fixed mandates

Prove the model claim
Months 9-15

- Publish detection uplift against a rules baseline, measured not asserted.
- Document false positive reduction in customer terms.
- Evidence performance against synthetic and generative attack.
- Prepare the human-oversight record the July 2027 rules require.

KEY MILESTONE
A model-native claim the buyer can verify

Run the process
Months 15-18

- Approach the groups that carry the segment-level premium.
- Hold tension across networks, information groups and software buyers.
- Enter with the compelled-revenue basis already established.
- Price against ownership position rather than the sector median.

KEY MILESTONE
Competitive tension across three buyer types

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Fraud, Risk and Compliance Valuation Outlook

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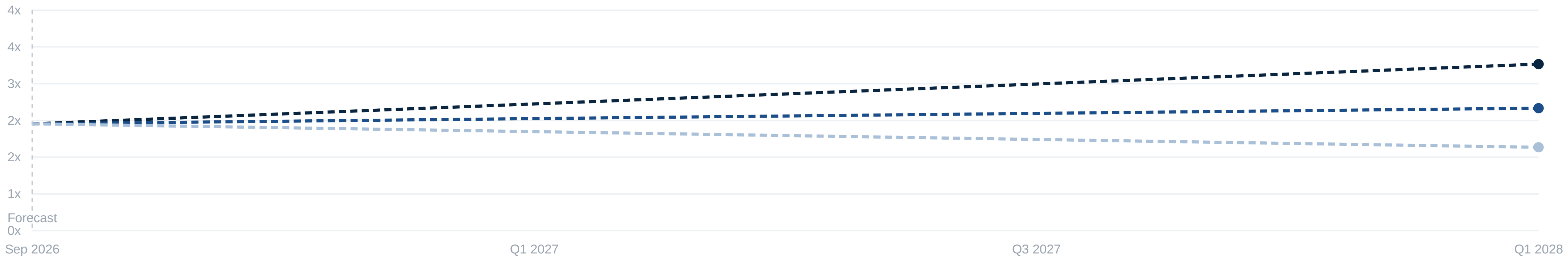
Listed pure-play median EV/Revenue. The anchor is computed from market data at 25 September 2026; the paths are the firm's view.



Bull 3.4x

Key Drivers

- European obligations land on schedule from 10 July 2027.
- AMLA selection in mid 2027 forces programme spend at 40 groups.
- Wallet acceptance pulls identity budgets forward through 2027.

A SELLER WITH EUROPEAN EXPOSURE AND A FIXED MANDATE BEHIND ITS REVENUE IS POSITIONED AGAINST THE STRONGEST BID THE CALENDAR PRODUCES.

Base 2.5x

Key Drivers

- US surface stays contracted while Europe adds requirement.
- The group premium persists because the relationship does.
- Model-native assets keep clearing above rules-era platforms.

BASIS AND BUYER SELECTION DECIDE THE OUTCOME. THE PREMIUM IS AVAILABLE THROUGH A SALE INTO A GROUP RATHER THAN THROUGH PUBLIC MARKET COMPARISON.

Bear 1.7x

Key Drivers

- Further US deregulatory action reaches the programme rule itself.
- Large banks extend in-house build as Lloyds did in June 2026.
- European application dates slip as the AI Act dates already have.

EXPOSURE CONCENTRATED IN A SINGLE WITHDRAWN REQUIREMENT IS THE POSITION THAT REPRICING HITS HARDEST. READINESS MATTERS MORE THAN TIMING.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Case Study: Visa and BioCatch

WINDSOR DRAKE

The largest priced transaction in the sector in the period, and the clearest statement of what a buyer pays for model-native decisioning.

What happened

On 3 August 2026 Visa agreed to acquire BioCatch for **$2.4 billion** in cash from funds advised by Permira and others, with completion expected by the end of Visa's second fiscal quarter of 2027. BioCatch analyses keystroke, touch, device and network behaviour rather than applying transaction rules.

- BioCatch published total ARR above **$185m** for the end of 2025.
- Which puts the announced price close to **13x** trailing recurring revenue.
- Permira had completed a majority position at a **$1.3bn** valuation on 9 September 2024.

What it demonstrates

Roughly 23 months separated a $1.3bn sponsor mark from a $2.4bn strategic price on the same asset, and the buyer was the network that already carries the transaction.

- Visa completed Featurespace in December 2024 and blocked $40bn of fraudulent activity with AI in 2024.
- Behavioural signal is the input a network cannot generate from its own rails.
- The strategic buyer paid the group rate for a private asset.

The read for a founder

The premium is paid on the model, not the mandate

BioCatch sells into the same compelled fraud budget as the rules-era platforms. It cleared close to 13x while Verint left the public market at 2.20x revenue in the same twelve months.

The buyer list is short and it repeats

Visa appears three times in this sub-sector of the index and Mastercard five. The groups that carry the segment-level premium are the same groups that buy.

Sponsor ownership set a floor, not a ceiling

A sponsor mark is a negotiated private valuation. It framed the starting position and the strategic outcome cleared it by 85%.

Source: Windsor Drake computation from primary market data and company filings, market close 25 September 2026. All eleven constituents named in the appendix.

Sources: Regulators and Supervisors

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Primary regulatory record. Every date and citation is taken from the instrument itself.

Institution	Report / Source	Date
FinCEN	*Beneficial Ownership Information Reporting Requirement Revision, 91 FR 52508*	2026-08-14
FinCEN	*Delaying the Effective Date of the AML/CFT Requirements for Investment Advisers, 91 FR 36*	2026-01-02
FinCEN	*Anti-Money Laundering and Countering the Financing of Terrorism Programs, 91 FR 18704*	2026-04-10
FinCEN	*Exceptive Relief Order FIN-2026-R001; Year in Review for Fiscal Year 2025*	2026-02-13
FinCEN	*Consent orders: UBS Financial Services, Canaccord Genuity, TD Bank*	2026-08-03
OFAC, US Treasury	*Specially Designated Nationals and Consolidated Sanctions List files*	2026-09-29
OCC	*Cease and Desist Orders AA-ENF-2024-56 and AA-ENF-2026-29*	2026-06-16
Official Journal of the EU	*Regulations (EU) 2024/1624, 2024/1620, 2024/1183 and Directive (EU) 2024/1640*	2024-06-19
AMLA	*Single Programming Document 2026-2028; selection timetable*	2026-02-04
Financial Conduct Authority	*2025 and 2026 fines tables; enforcement data 2025/26*	2026-09-17
FATF	*Plenary outcomes and jurisdiction statements, February and June 2026*	2026-06-19

Sources: Institutions, Filings and Method

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Commercial evidence and the computation behind every multiple in this deck.

Institution	Report / Source	Date
Bank for International Settlements	*BIS Innovation Hub, Project Hertha*	2025-06-05
Boston Consulting Group	*Risky Times and Cost Pressure Call for Innovation in Bank Compliance*	2025-06-05
McKinsey & Company	*How agentic AI can change the way banks fight financial crime*	2025-08-07
FBI Internet Crime Complaint Center	*2025 Internet Crime Report*	2026-04-06
Federal Reserve	*Regulation II debit card fraud report; synthetic identity fraud programme*	2025-12-19
UK Finance	*Annual Fraud Report 2026*	2026-06-15
Payment Systems Regulator	*APP scams reimbursement dashboard and policy evaluation*	2026-07-30
Companies House	*Identity verification management information, April to June 2026*	2026-07-30
Nasdaq Verafin	*2026 Global Financial Crime Report*	2026-03-11
Visa and Mastercard	*Published fraud prevention research and transaction announcements*	2026-08-03
Company filings	*Nasdaq, Moody's, Fair Isaac, RELX, LSEG, Wolters Kluwer, Clear Secure, Mitek, Riskified, Intellicheck, GB Group, TD Bank, Lloyds*	2026-09-25

Methodology

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The perimeter and its three bases

Every figure carries one of three bases and they are never blended.

- **Listed pure-plays**, five constituents: Clear Secure, Mitek, Riskified, Intellicheck and GB Group.
- **Group segments**, six constituents: Nasdaq, Moody's, Fair Isaac, RELX, LSEG and Wolters Kluwer.
- **Private round marks**: Socure, Quantexa, Feedzai, Persona, Norm Ai and Bretton AI.
- A private round mark is a negotiated post-money valuation and is labelled as such wherever it appears.

How the multiples were computed

Windsor Drake's own computation from primary market data, at a single stated close.

- Enterprise value is market capitalisation plus total debt less cash and short-term investments.
- Priced at the market close of **25 September 2026**.
- Trailing twelve month revenue is built from each company's most recently filed report.
- Nasdaq is computed on revenues less transaction-based expenses and LSEG on total income excluding recoveries.

Constituent selection

Inclusion requires that fraud, risk or compliance revenue is either the business or a separately reported segment.

- Cellebrite and Cognyte are excluded: their buyer is a law enforcement or national security agency.
- NICE is excluded from the pure-play set because its financial crime line reports inside a cloud, services and product split.
- Group segment margins are quoted on the basis each company reports, which differs between adjusted operating profit and adjusted EBITDA.
- Wolters Kluwer is priced on Euronext Amsterdam and GB Group in pence.

Regulatory and index material

Dates come from the instrument, and the firm's transaction index is used for buyer evidence only.

- Regulatory dates are taken from Official Journal texts, Federal Register documents and agency releases.
- Index counts come from the regtech, KYC and identity and fraud cohorts, queried on **29 September 2026**.
- Deduplication is on target, acquirer and announcement month, giving 45 distinct transactions.
- No market-level figure in this deck is taken from the index.