

WINDSOR DRAKE

Logistics & Supply Chain SaaS Valuations: Q2 2026

JUNE 2026

Windsor Drake · Market Intelligence

Sector Premium Holds

The supply chain software cohort trades at a median **NTM EV/Revenue near 6.8x** (April 2026), a sustained premium to the broader SaaS universe.

- Premium reflects mission-critical software embedded in physical logistics workflows.
- Capital concentrates on AI-enabled visibility, planning and warehouse execution.
- Quarter-to-quarter multiple volatility has compressed versus the 2022 to 2024 reset.
- The category fell from **7.7x in January 2026** as broader software re-rated.

Demand Fundamentals

Tariff complexity and AI capability are restoring the operating logic for buying logistics software.

- **\$53B** SCM-software-plus-agentic-AI spend forecast for **2030**, up from under **\$2B** in 2025 (Gartner).
- **86%** of supply chain executives plan AI and analytics investment (BCG).
- **69%** of 3PLs reported higher profitability in 2025 on AI and automation gains.
- Tariff volatility is the proximate driver of fresh software pull-through.

The Growth Divergence

Headline medians mask a sharp split between high-growth and steady-state names.

- **High-growth (>15%)** supply chain SaaS clears **8.1x NTM revenue**.
- **Low-growth (<15%)** peers compress to **4.4x**, an almost 2x gap.
- **AI-native visibility** private rounds price toward **10x to 15x** revenue.
- Profitability now decides which side of the divide a private asset sits on.

Macroeconomic Backdrop

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

- Fed funds range holds at **3.50% to 3.75%** after the April 2026 FOMC (Federal Reserve).
- The March 2026 dot plot signals one further 2026 cut, easing the cost of capital.
- Lower discount rates disproportionately lift long-duration, high-growth multiples.
- Freight recovery is moderate, not sharp, anchoring discipline in volume-linked names.

Platform Consolidation

Scale and platform completeness defined the past four quarters and set the Q2 2026 backdrop.

- **WiseTech / e2open** (\$2.1B EV) closed in **August 2025**, anchoring global trade.
- **IFS / Softeon** closed in **March 2026**, bridging WMS into industrial AI.
- **Descartes / 3GTMS** (\$115M) added domestic TMS depth in March 2025.
- Capability M&A in visibility, planning and procurement is accelerating.

Strategic Buyers Lead

Strategic acquirers are the dominant buyer of supply chain software in the current cycle.

- **78 transactions, \$7B** in supply chain tech for the year to Q3 2025 (S&P Global).
- Capital invested rose roughly **15%** year over year on a higher mix of platform deals.
- Median check size is rising even as deal count holds, as capital concentrates on scale.
- Hyperscalers and platform incumbents define the upper bound of pricing.

The AI Premium

AI integration has become a measurable, primary driver of valuation in supply chain software.

- Private **AI-native** visibility platforms command roughly **10x to 15x** revenue.
- **\$53B** of agentic-AI SCM spend is now forecast for 2030 (Gartner).
- Incumbents are decisively buying, rather than building, AI-orchestration layers.
- Asset-tag and physical-AI revenue grew **400%+** at Samsara in FY26 (Samsara filings).

Private Capital Pressure

Record private capital is intensifying competition for high-quality supply chain assets.

- Global PE dry powder reached **~\$4.63T** at end of Q2 2025 (S&P Global).
- US PE dry powder sat near **\$880B** in September 2025 from a December 2024 peak.
- Aging 2020 to 2022 vintages are forcing a parallel wave of sponsor exits.
- Sponsors are concentrating capital in larger, platform-scale acquisitions.

1. Rule of 40 Achievement

Revenue Growth % plus EBITDA Margin % at or above 40% remains the non-negotiable baseline for a premium supply chain SaaS multiple.

- Top-quartile NRR performers trade at **24x** versus 5x at the bottom (McKinsey).
- Descartes anchors the cohort with **~40% EBITDA margin** plus mid-single-digit growth.

2. Unit Economics Discipline

Net revenue retention has replaced raw growth as the primary lever on multiple expansion.

- Kinaxis sustains **95%+** customer retention on 3 to 5 year contracts.
- Sustain NRR **>120%** to validate stickiness and cross-sell motion.

3. AI Integration Strategy

AI is no longer optional; agentic orchestration is the primary driver of strategic interest in 2026.

- Agentic AI SCM spend forecast to grow from **<\$2B (2025) to \$53B (2030)** (Gartner).
- Prove agentic workflows and measurable operating leverage, not pilots.

4. Software, Not Services

Capital-light, recurring software trades at a clean premium to asset-heavy 3PL and brokerage models.

- High-growth supply chain SaaS clears **8.1x**, low-growth peers sit at **4.4x**.
- Shift mix toward subscription and platform fees; minimise transactional revenue drag.

5. Public-Market Discipline

Private marks are converging with public benchmarks; pricing discipline is required even for private firms.

- Median supply chain NTM revenue multiple is **6.8x**, down from **7.7x** in January.
- Benchmark to the seven public comps (WiseTech, Samsara, Trimble, Manhattan, Descartes, SPS, Kinaxis).

6. Buyer-Readiness Discipline

With roughly \$4.6T of global PE dry powder chasing scale, the prepared asset captures competitive tension.

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

Founder FAQs: Valuations, Timing & Strategy

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The questions logistics and supply chain SaaS founders ask most, answered against the Q2 2026 market.

Q1 Which valuation metric applies to my business?

Use **EV/Revenue** for high-growth supply chain SaaS and visibility platforms, **EV/EBITDA** for mature WMS, TMS and procurement suites, and **EV/Gross Profit** where transactional pass-through inflates topline. Always reference the public seven (WiseTech, Samsara, Trimble, Manhattan, Descartes, SPS Commerce, Kinaxis) as the cohort.

Q3 Why is the Rule of 40 so critical right now?

It is the single best predictor of a premium multiple. Only an estimated **15%** of public SaaS clear it on an EBITDA basis (Aventis Advisors data). Top-NRR performers trade near **24x** versus **5x** for bottom-quartile peers (McKinsey), a re-rating of close to 5x.

Q5 When is the optimal time to run a process?

After demonstrating **4 to 6 quarters** of predictable performance, while still holding 12 to 18 months of runway. Negotiating from a position of strength, rather than necessity, is what captures the scarcity premium in a market with disciplined buyers.

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

It has reopened narrowly. The 2025 to 2026 window has favoured a few scaled software issuers; most logistics tech assets are exiting via strategic M&A. For most founders, a structured sale process delivers a superior risk-adjusted outcome via control premiums.

Q2 What are the key subsector ranges right now?

Visibility and AI-native platforms lead at **10x to 15x**, **WMS** at **8x to 12x**, **TMS and planning** at **6x to 10x**, **procurement SaaS** at **7x to 10x**, and **last-mile and freight marketplaces** at **4x to 8x**. The gap reflects software depth and recurring-revenue quality, not freight cycle exposure.

Q4 How do public and private valuations compare?

The historical private premium has compressed. Public supply chain NTM revenue clusters near **6.8x**; quality private names trade **7x to 10x+**, and AI-native visibility platforms higher still. Public comps now cap late-stage private round pricing for non-AI assets.

Q6 Who are the most active buyers today?

Strategic platforms (WiseTech, IFS, Descartes, SAP, Oracle, Manhattan) buying capability, **PE platforms** with roughly \$4.6T of global dry powder executing roll-ups, and **industrial AI consolidators** like IFS pulling WMS into broader stacks.

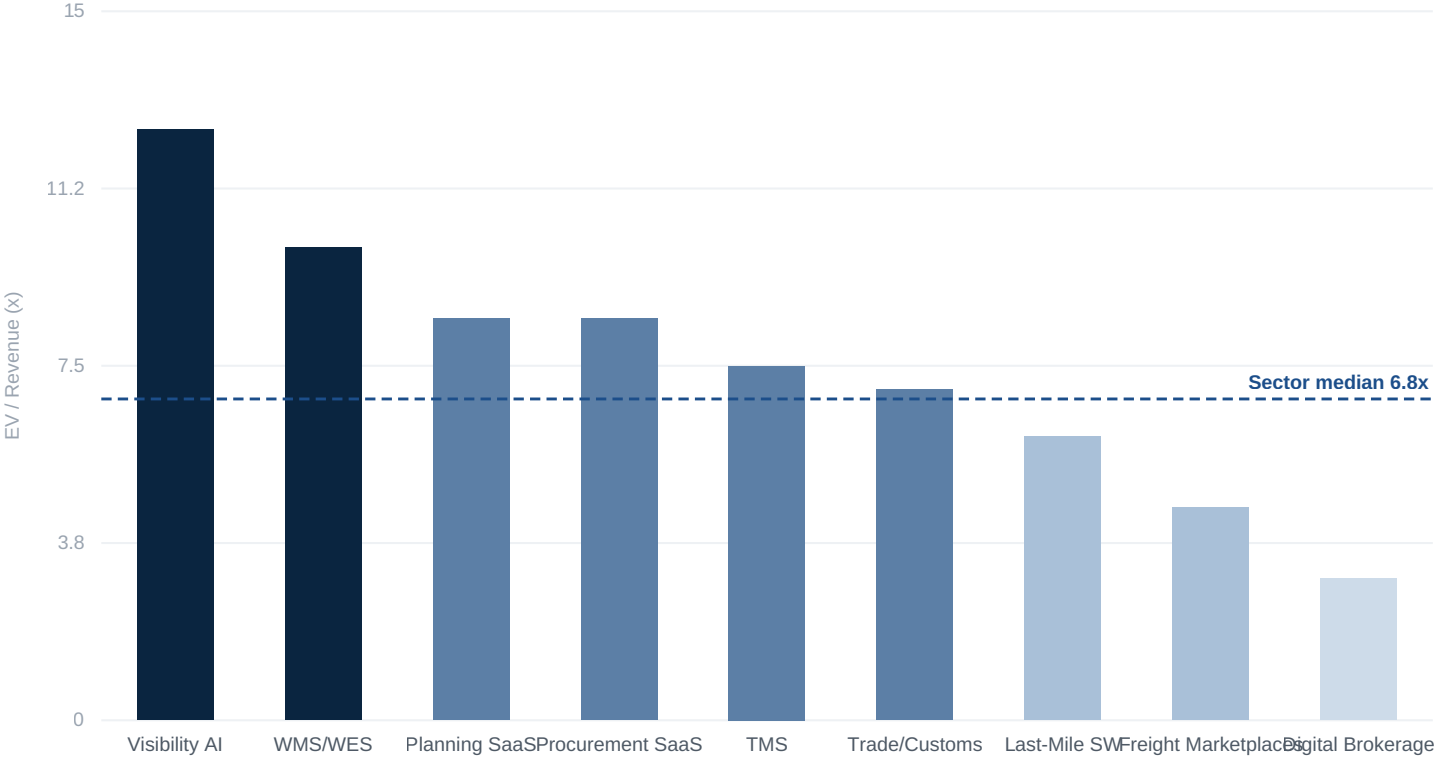
Q8 How do we maximise our multiple, and should we expect earn-outs?

Clear the **Rule of 40**, sustain **NRR >120%**, and de-risk customer concentration ahead of diligence. Expect **earn-outs** to bridge valuation gaps; they are now standard structure for AI-focused or early-traction assets, paid over 12 to 24 months.

Q2 2026 Valuation Landscape Overview

Premium multiples cluster in AI-native visibility and warehouse execution; volume-linked operators stay compressed.

Median EV / Revenue Multiple by Subsector (x)



SECTOR MEDIAN (NTM)

6.8x

Median supply chain technology EV/NTM Revenue multiple as of April 2026.

HIGH-GROWTH PREMIUM

8.1x

Median multiple for supply chain SaaS growing above 15% year over year.

AGENTIC AI SCM TAM

\$53B

Gartner forecast for agentic AI SCM software spend by 2030, from under \$2B in 2025.

Key Driver

Disciplined exuberance has replaced speculative growth: acquirers reward AI-enabled efficiency and recurring revenue, not topline volume alone.

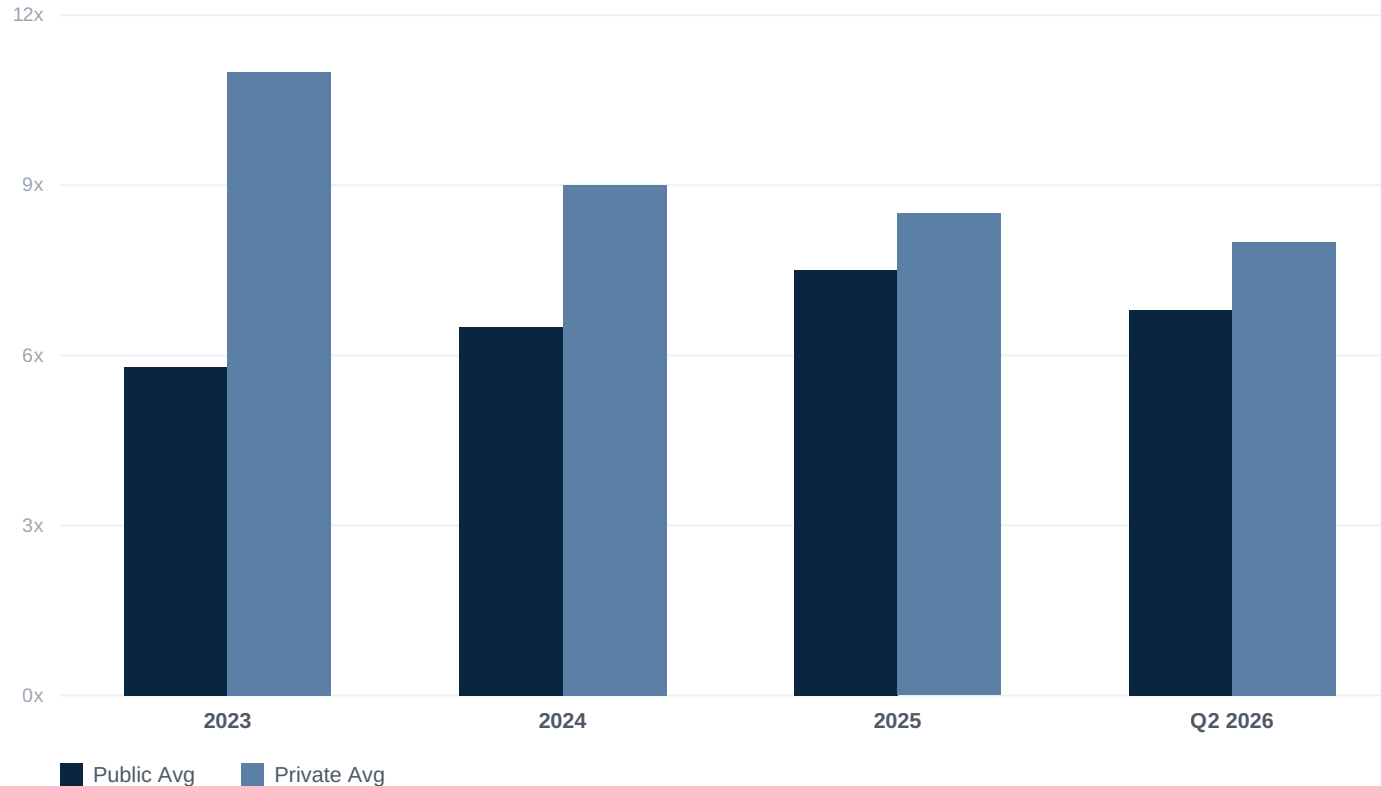
Deep bifurcation: the gap between AI-native visibility leaders (~12x) and volume-linked digital brokerage (<5x) is the defining feature of the market, driven by software depth and recurring-revenue quality.

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

Public vs Private Market Convergence

Public supply chain NTM multiples have compressed; private quality names now sit just above public peers.

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



PUBLIC / PRIVATE SPREAD

~1.2x

Down from above 5x in 2023, a near-complete convergence of the two markets.

RE-RATING PRESSURE

Persistent

Q1 2026 saw the public median slip from 7.7x to 6.8x as growth-mix shifted.

PUBLIC BENCHMARK ANCHOR

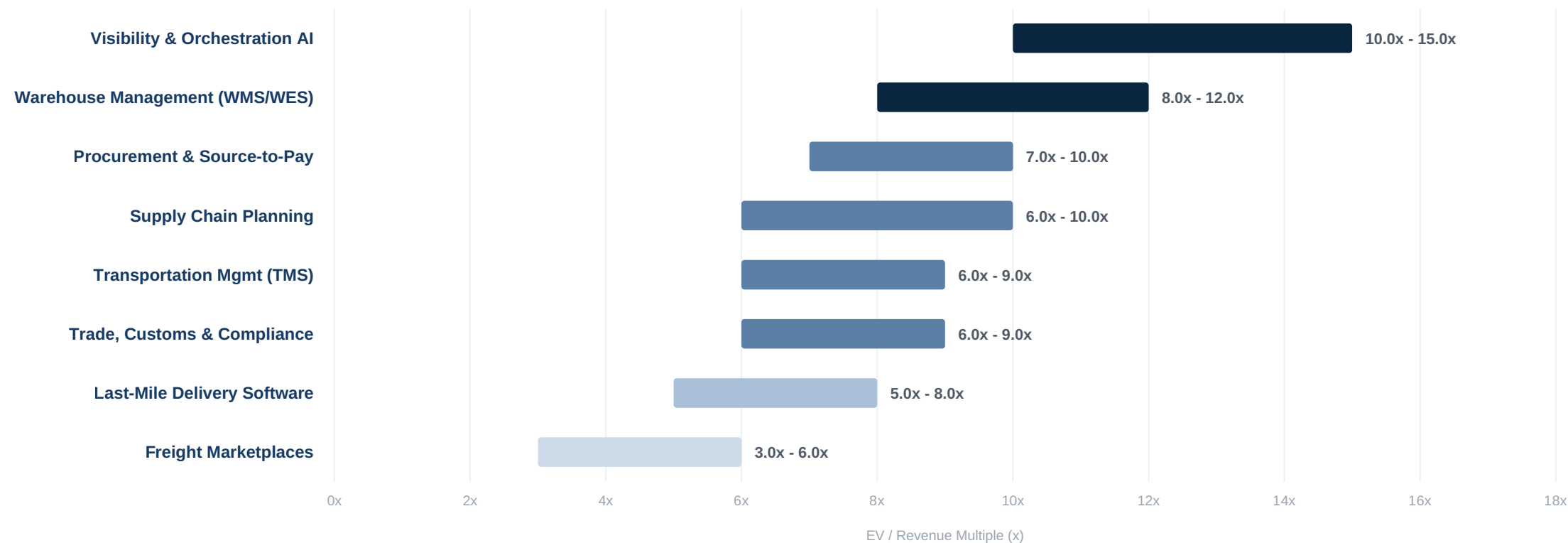
6.8x

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

Continued convergence: the public-to-private spread has narrowed from above 5x in 2023 to roughly 1.2x, driven by public-market normalisation and continued private-market capitulation as 2021-vintage marks reset.

Exit Valuation Multiples by Subsector

A sharp bifurcation persists between AI-native visibility (10 to 15x) and asset-heavy or volume-linked models (3 to 6x).

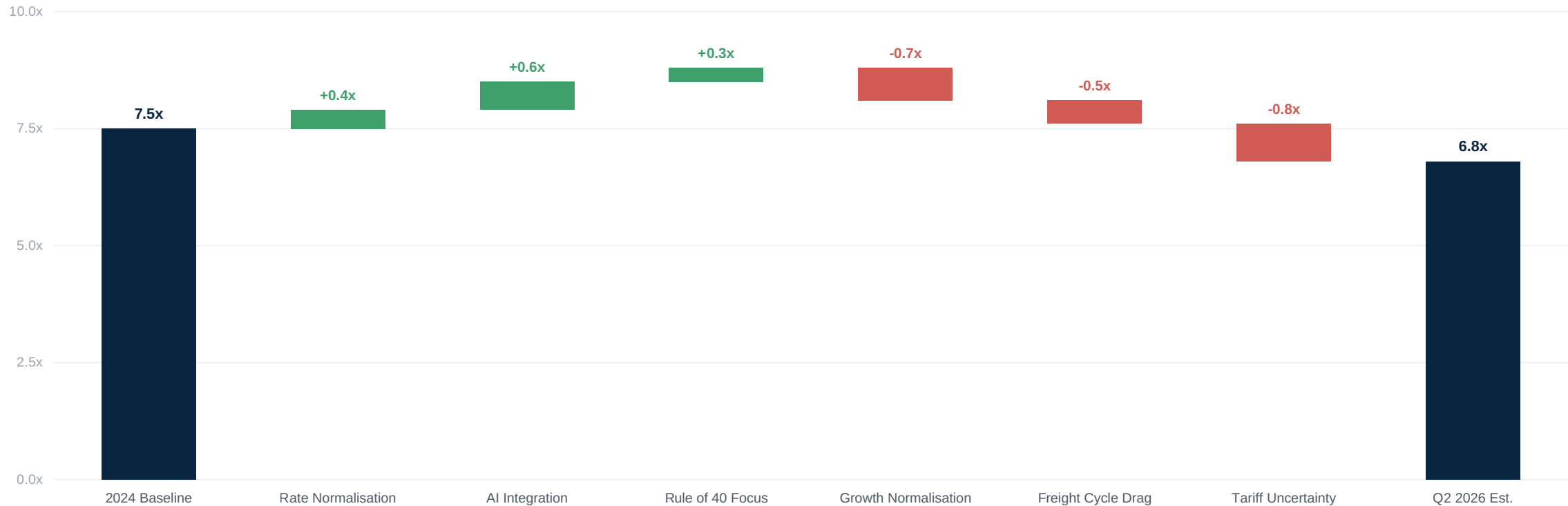


KEY OBSERVATION

The market is paying for recurring-revenue depth and embedded workflow ownership, not freight volume. The 4x-plus revenue-multiple gap between WMS and freight marketplaces reflects the shift from transactional intermediation to platform orchestration.

Valuation Multiple Drivers: Expansion vs. Compression

Net compression to roughly 6.8x is driven by growth normalisation and freight cycle drag, partly offset by AI integration and rate easing.



NET COMPRESSION OF -0.7X

AI integration and rate easing add roughly 1.3x; growth normalisation, the freight downcycle and tariff uncertainty subtract roughly 2.0x. The bridge reflects Windsor Drake analysis of the cited institutional data.

Capital Markets: Listing Benchmarks & Scaled Issuers

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The supply chain SaaS listing window has reopened narrowly; existing scaled issuers continue to set the public mark.

Samsara (NYSE: IOT)

Q4 FY26 ARR of **\$1.89B**, up **30%** year over year, with two consecutive quarters of GAAP profitability.

- FY26 revenue of **\$1.62B**, up 30%; adjusted FCF of **\$209M** (Samsara filings).
- Asset Tags ARR grew **>400%** year over year in Q3 FY26.
- Named No. 1 Supply Chain and Logistics Software in G2 2026 Best Software Awards.

Manhattan Associates (NASDAQ: MANH)

Q1 2026 revenue of **\$282M** with cloud subscription growth of **24%** year over year.

- FY26 guidance raised: revenue **\$1.147B to \$1.157B**, adjusted operating margin midpoint **35%**.
- Cloud guidance raised to **\$495M** midpoint at **21%** growth.
- Largest OMS booking in company history signed with a top-tier global retailer.

Descartes Systems Group (NASDAQ: DSGX)

Market capitalisation and EV near **\$6B** as of late May 2026 (company filings; SEC).

- FY26 analyst consensus: roughly **9%** revenue growth and **40%** EBITDA margin.
- Compounder model: small acquisitions and global logistics network expansion.
- Has historically traded above the cohort median on Rule of 40 discipline.

WiseTech & Kinaxis (Private+Public Mix)

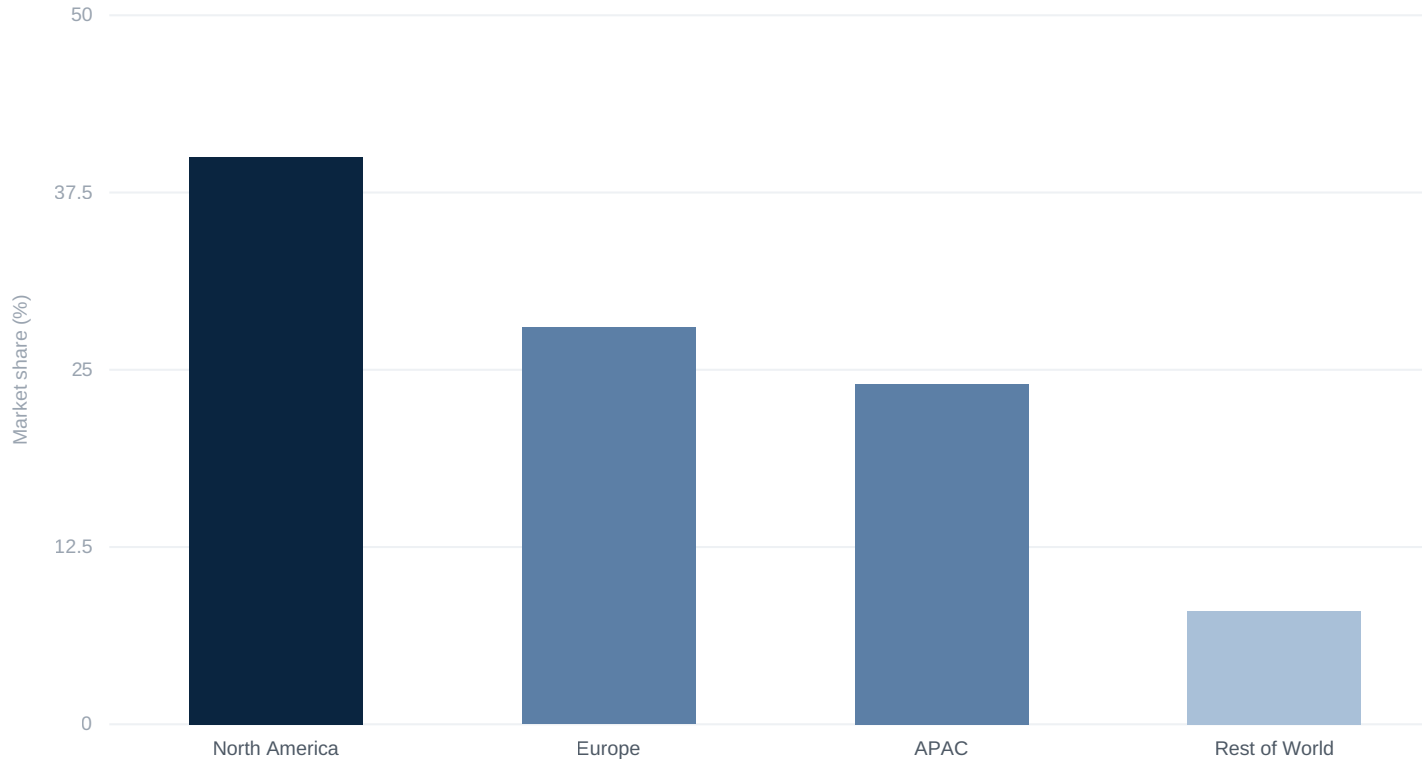
Public Australian and Canadian leaders continue to set marks via primary listings and large bolt-ons.

- **WiseTech** closed **e2open** at **\$2.1B EV** in August 2025 (SEC filings).
- **Kinaxis** FY26 guidance of **\$620M to \$635M** revenue, SaaS growth **17 to 19%**.
- Listings remain selective; most quality logistics SaaS continues to exit via M&A.

Geographic Valuation Variations

North America commands an innovation premium; APAC and Europe offer value arbitrage for cross-border acquirers.

Share of Global Supply Chain Software Market by Region (%)



NORTH AMERICA

Premium

About 40% of the global supply chain software market, deepest exit liquidity and the highest purchase multiples.

EUROPE

Strategic

About 28% share; trade compliance and regulatory moats anchor demand from incumbents like SAP and IFS.

APAC

Growth

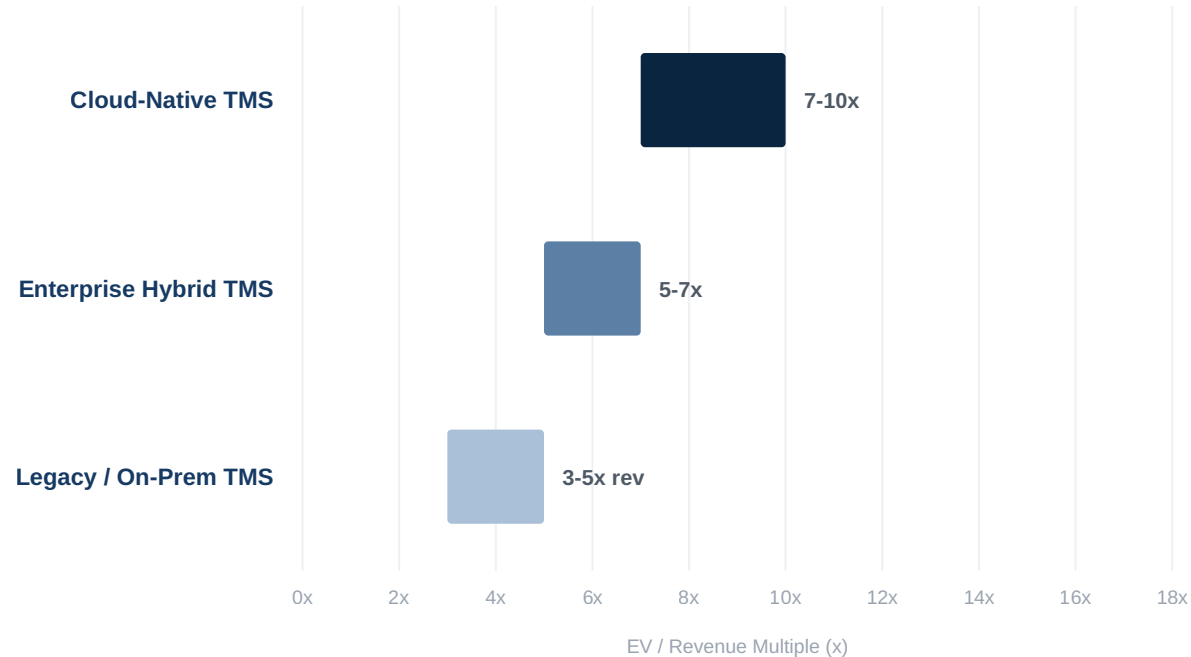
About 24% share and the fastest-growing region, led by China-plus-one footprint reconfiguration.

Valuation gap: North America continues to command a premium on the strength of deep capital markets and AI leadership. Cross-border deals such as WiseTech (AU) acquiring e2open (US) and IFS (SE) acquiring Softeon (US) illustrate the arbitrage opportunity in both directions.

Transportation Management Software: Exit Benchmarks

TMS valuations bifurcate between integrated, cloud-native platforms and legacy on-premise stacks.

EV / Revenue Multiple Range (x)



Valuation Drivers

Cloud Native Wins

Cloud-native TMS platforms with AI-driven planning and rating command 2x the multiple of legacy hybrid stacks, justified by faster deployment and lower total cost of ownership.

Bolt-On Consolidation

Strategic platforms are aggressively buying capability: Descartes acquired 3GTMS for \$115M in March 2025, extending its domestic North American TMS depth.

Freight Cycle Drag

Volume-linked TMS revenue is recovering only gradually; the Cass Freight Index has been year-over-year negative for 14 consecutive quarters, capping near-term acceleration.

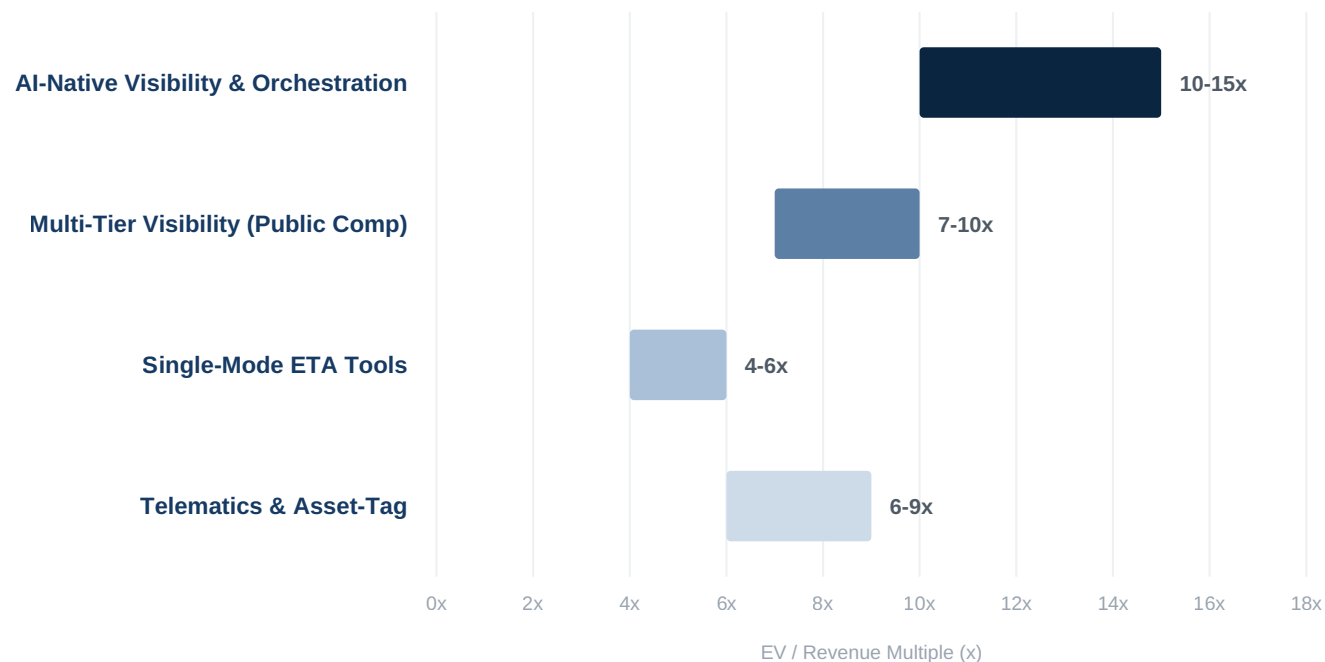
KEY OBSERVATION

The revenue-multiple gap between cloud-native and legacy TMS reflects the market's preference for orchestration platforms over single-mode planners.

Supply Chain Visibility & Orchestration: The AI Premium

AI-native visibility platforms command roughly twice the revenue multiple of basic ETA-only tools as agentic orchestration accelerates.

EV / Revenue Multiple Range (x)



Valuation Drivers

AI Orchestration

Agentic AI is moving from insight generation to outcome orchestration: rerouting shipments and triggering alerts automatically, lifting multiples for platforms that close the loop.

Tariff & Disruption Driver

Tariff complexity has restored the operating logic for visibility software, with 86% of supply chain executives now planning AI and analytics investment (BCG).

Strategic Acquirers

SAP reportedly offered \$600M for FourKites in early 2025 (Axios); project44 was last marked at \$2.4B with Goldman Sachs investment (CB Insights).

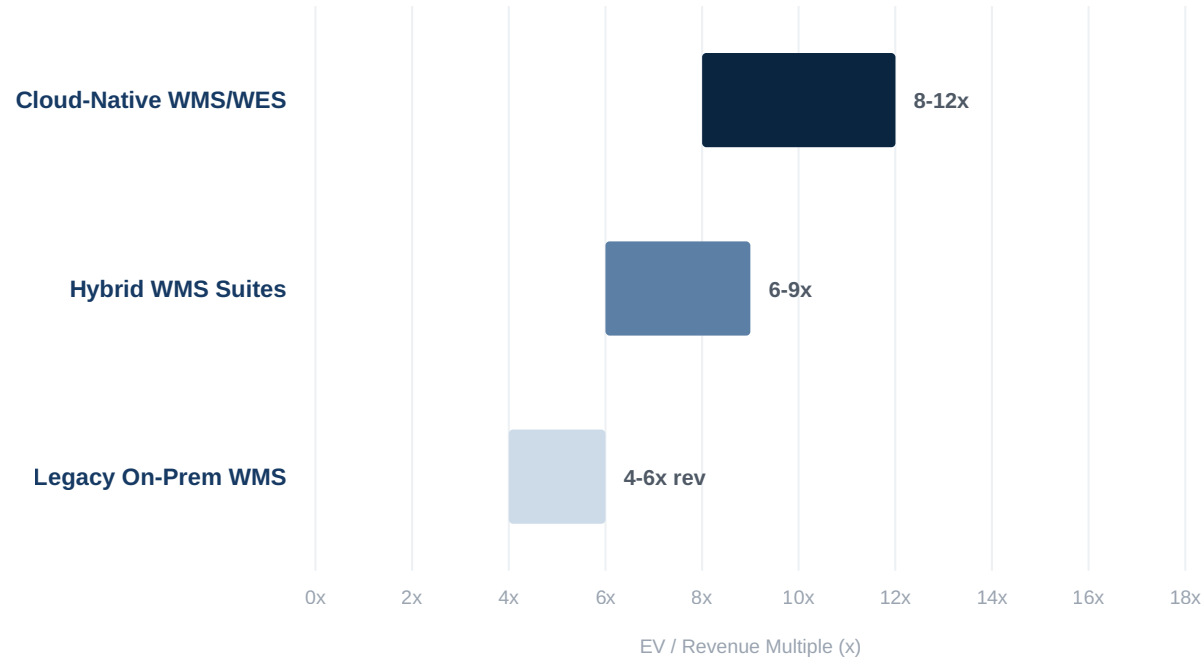
KEY OBSERVATION

Visibility AI screens as the highest-multiple subsector, a structural premium on the platforms that orchestrate, not just observe, the physical chain.

Warehouse Management Systems: Industrial AI Premium

WMS multiples have re-rated to 8 to 12x as industrial AI and physical robotics elevate the strategic value of the warehouse layer.

EV / Revenue Multiple Range (x)



Valuation Drivers

Industrial AI Convergence

IFS acquired Softeon in March 2026, connecting industrial AI to the warehouse floor in an \$8.6B WMS market (IFS announcement; SEC filings). Strategic premium for cloud-native WMS has risen accordingly.

Robotics & Orchestration

WES (warehouse execution) and orchestration of mobile robotics are the highest-value capability layers; Manhattan signed its largest OMS booking in history in Q1 2026.

Buyer Priorities

ERP incumbents (SAP, Oracle, IFS) and PE platforms are paying up for cloud-native WMS to defend manufacturing and distribution accounts against modern entrants.

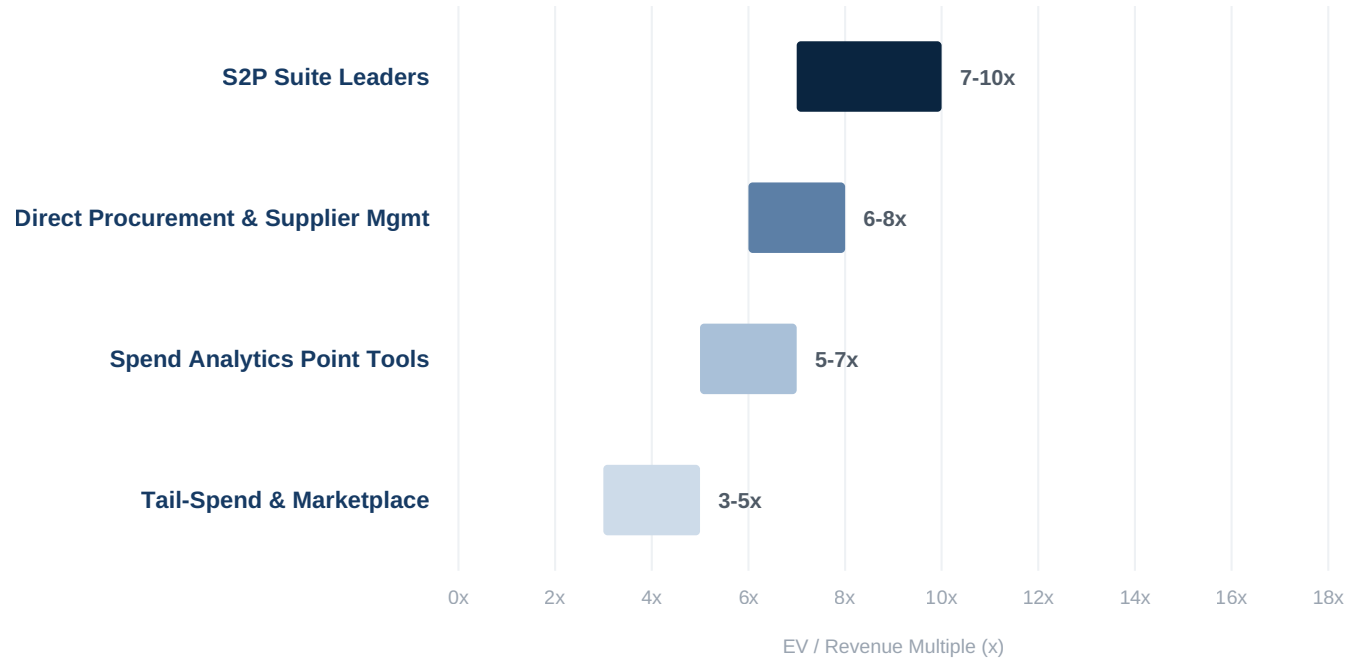
VALUATION IMPACT

The warehouse layer is increasingly priced as critical industrial software, a step-change from its earlier framing as back-office infrastructure.

Procurement & Source-to-Pay: Suite Maturity

S2P suites trade at 7 to 10x on durable recurring revenue, with category leaders defending against vertical procurement entrants.

EV / Revenue Multiple Range (x)



Valuation Drivers

Suite Defensibility

Gartner names Ivalua, Coupa, GEP, SAP and Oracle as 2026 leaders in source-to-pay; defensibility now rests on agentic procurement automation rather than module count.

Direct Procurement Demand

Direct procurement and supplier-network capability are the fastest-growing segments, driven by reshoring and tariff-sensitive sourcing decisions.

PE Roll-Ups Active

Spend analytics and tail-spend marketplaces are prime PE consolidation targets; sponsors are concentrating capital in larger platform acquisitions.

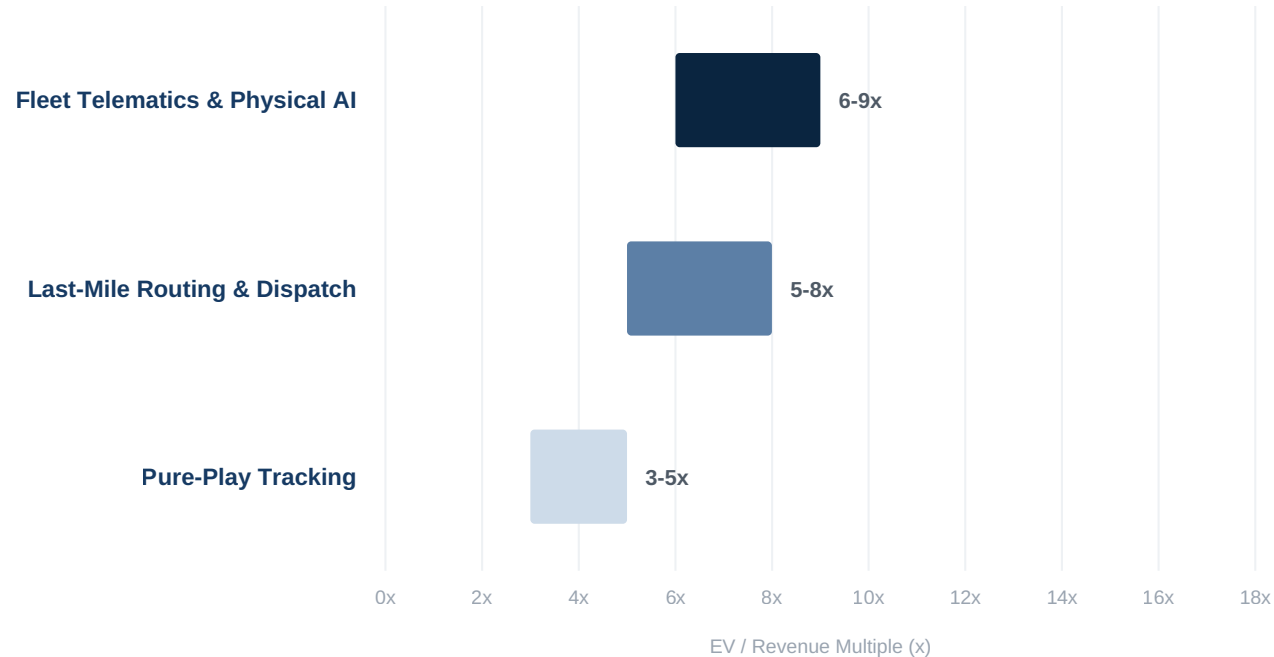
KEY OBSERVATION

Procurement multiples are anchored by long contracts and high switching costs; AI-led automation is the principal driver of expansion above the median.

Last-Mile Delivery Software & Fleet Telematics

Last-mile software trades at 5 to 8x on growing retail-fulfilment demand; fleet telematics commands a premium where AI and asset tags add stickiness.

EV / Revenue Multiple Range (x)



Valuation Drivers

Retail Fulfilment Pull

Last-mile delivery software TAM is forecast to reach \$5.2B by 2030 at an 11.6% CAGR (Research and Markets), driven by retailer omnichannel investment.

Physical AI Premium

Samsara's Asset Tag ARR grew over 400% year over year in Q3 FY26 (SEC filings); physical-AI revenue is rapidly becoming the most defensible layer in fleet telematics.

PE-Backed Consolidation

DispatchTrack remains PE-backed via Spectrum Equity (cumulative funding ~\$144M); Bringg reached unicorn status with \$191M raised but has not posted a new round.

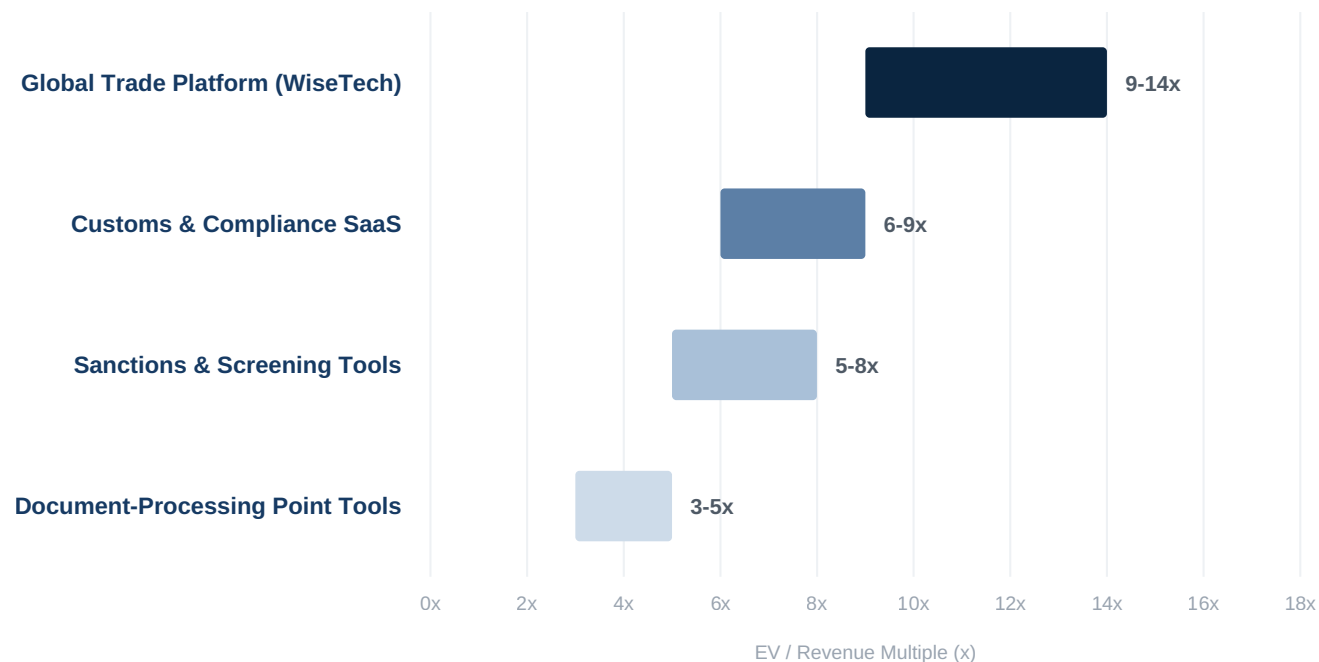
KEY OBSERVATION

The last-mile category is bifurcating: AI-enabled physical operations command software multiples, while pure tracking tools compress toward 3 to 5x.

Trade, Customs & Compliance Software

Trade-compliance software trades at 6 to 9x on tariff complexity, with WiseTech setting the global benchmark.

EV / Revenue Multiple Range (x)



Valuation Drivers

Tariff-Driven Demand

Tariffs have become the defining issue for global supply chains (McKinsey), creating durable pull-through for customs and trade software. Buyers are prioritising compliance automation over greenfield digitisation.

WiseTech Sets the Mark

WiseTech Global completed its **\$2.1B EV** acquisition of e2open in August 2025 (SEC filings), creating a dominant global trade-compliance platform and re-rating the category.

Cross-Border Consolidation

The space is consolidating cross-border as buyers acquire regional licences and customs-broker relationships, lengthening regulatory clearance timelines by 30 to 50% versus pure-software deals.

VALUATION DRIVER

Trade-compliance software combines recurring software economics with hard regulatory moats, an unusual blend that supports premium pricing.

Comparable Transaction Analysis Framework

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A rigorous quality-of-revenue filter rather than broad industry codes.

1. Select Peer Set

Identify genuinely comparable assets by fundamental business characteristics: model (SaaS vs transactional), revenue quality and growth profile, never by broad sector labels alone.

2. Normalise Metrics

Adjust KPIs to a pro-forma basis: normalise growth for M&A, standardise profitability, and reconcile net versus gross retention for a true comparison.

3. Adjust for Structure

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

176

TRACKED TRANSACTIONS

2019-26

INDEX COVERAGE

Proprietary Transaction Index

Calibration draws on Windsor Drake's proprietary index of **176 verified and reported software and financial-technology transactions (2019 to 2026)**, a living comparable-set database refreshed each quarter.

Quality-of-Revenue Filter

Peer selection prioritises recurring versus re-occurring revenue, gross-margin profile (above 70% versus below 40%), and customer-concentration risk.

Rule of 40 Premium Adjustment

A specific premium layer is applied for top-decile efficiency performers; offsetting discounts are applied for heavy earn-out components.

Control Premium Calibration

Indications include a control-premium layer, typically **20 to 30%**, where cost and revenue synergies can be concretely underwritten.

Strategic Acquirer Mapping by Sector

ERP and platform incumbents seek capability; PE targets cash flow; industrial AI consolidators prioritise warehouse and orchestration depth.

Sector	Platform Incumbents	Private Equity	Industrial AI / OEM
TMS	HIGH Descartes, WiseTech and SAP buying domestic and modal TMS.	HIGH Take-privates and bolt-ons of mid-market TMS suites.	LOW Limited unless paired with telematics or robotics.
Visibility / Orchestration	HIGH SAP, Oracle, IBM acquiring orchestration and AI rails.	HIGH Project44-style platform roll-ups continue.	MODERATE Selective interest in physical-AI tie-ins.
WMS / WES	HIGH IFS, Oracle, SAP integrating WMS into industrial AI stacks.	MODERATE Specialty WMS roll-ups by vertical (cold chain, 3PL).	HIGH Robotics OEMs acquiring WES orchestration layers.
Procurement / S2P	HIGH SAP, Oracle defending suite share against vertical entrants.	HIGH Prime buy-and-build and multiple-arbitrage target.	LOW Outside core OEM scope unless direct-materials focused.
Last-Mile / Telematics	MODERATE Retailer-owned platforms acquiring routing tools.	MODERATE Selective consolidation; cycle-sensitive valuations.	HIGH Samsara, fleet OEMs leveraging physical-AI premium.
Trade & Customs	HIGH WiseTech leads consolidation; Descartes a perennial buyer.	MODERATE Regulatory licences make PE entry more selective.	LOW Indirect interest via broader trade-platform plays.

 High Activity / Priority Target

 Moderate / Opportunistic

 Low Activity / Niche Only

Platform Incumbents as Buyers

Incumbents are pursuing capability acquisitions to modernise legacy supply chain stacks ahead of agentic AI adoption.

Strategic Motives: Buy vs. Build

The internal build cycle for agentic AI and physical-AI orchestration is too slow to counter modern visibility and WMS entrants. That gap is compelling SAP, Oracle, IFS, WiseTech, Descartes and Manhattan to acquire modern stacks outright, treating M&A as defensive modernisation rather than expansion.

Acquisition Patterns

The preference is for bolt-on technology deals between \$100M and \$2B, often preceded by a strategic partnership or product integration that de-risks the technology before a full buyout.

<\$2B

PREFERRED DEAL SIZE

Buy

OVER BUILD, ON AI

Semi-Autonomous Integration

A federated model preserves the target's product velocity and retains talent, while enterprise-grade compliance and customer-success motions are layered at the backend.

Priority: Visibility & Orchestration

The top focus is AI-driven visibility and orchestration, capability that can be deployed across an entire installed base of TMS, WMS and planning customers.

Priority: Industrial AI WMS

IFS, Oracle and SAP are integrating cloud-native WMS into industrial AI stacks; IFS completed Softeon in March 2026 to bridge manufacturing operations and warehouse execution.

Priority: Trade & Customs

WiseTech's e2open acquisition (August 2025, \$2.1B EV) anchors global trade-compliance consolidation; tariff complexity sustains the demand for compliant cross-border rails.

Private Equity Acquisition Patterns

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Record dry powder is creating intense deployment pressure on cash-generative supply chain software assets.

Deployment Pressure

With roughly **\$4.6T** of global dry powder to deploy, sponsors face acute pressure to transact. Supply chain technology recorded **78 transactions and \$7B** of capital invested in the year to Q3 2025, with capital up roughly 15% year over year as deals concentrate in platform-scale assets.

Public-to-Private Thesis

Public supply chain SaaS trading below intrinsic value remain prime targets, especially where management teams can defend Rule of 40 economics with operational restructuring.

~\$4.6T

GLOBAL DRY POWDER

78 deals

SUPPLY CHAIN TECH, LTM

Ideal Target Profile

Sponsors prioritise **Rule of 40** adherence, a recurring-revenue mix above 80%, and low customer churn, the profile that supports leverage capacity.

Value-Creation Playbook

Pricing optimisation, a mix-shift toward high-margin software revenue, agentic-AI productivity gains, and buy-and-build consolidation of fragmented verticals.

Aging-Portfolio Catalyst

Roughly half of PE holdings now exceed a five-year hold, signalling a coming wave of secondary buyouts and strategic exits across supply chain technology.

Deal Structure Trends

A resurgence of all-cash transactions for deal certainty, with earn-outs bridging gaps on unproven AI capability and freight-cycle exposure.

Competitive Moats Driving Premium Valuations

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Valuations above 10x revenue are reserved for supply chain software companies that can demonstrate structural defensibility.

Data Network Moats

ASSET VALUE: HIGH

Proprietary shipment and inventory data

- Multi-shipper, multi-carrier data improves ETA accuracy and routing models.
- Powers unique predictive disruption and dynamic pricing capability.
- Compounds in value as transaction volume and history grow.
- **Action:** deepen first-party data capture across every shipment touchpoint.

AI-Native Orchestration

SCALE VALUE: HIGHEST

Agentic action, not insight reporting

- Agentic agents reroute shipments and trigger exception flows autonomously.
- Demonstrates non-linear margin expansion as the business scales.
- Directly lifts the Rule of 40 score that gates premium multiples.
- **Action:** integrate AI to close the loop from insight to action.

Embedded Workflow

SWITCHING COST: HIGH

Mission-critical operating system

- Deep integration into daily warehouse, dock and dispatch operations.
- Driver, dispatcher and planner workflows live inside the platform.
- Multi-year contracts at Kinaxis-type retention (95%-plus) lock economics in.
- **Action:** widen the surface of daily operational dependencies.

Network Effects

GROWTH VALUE: HIGH

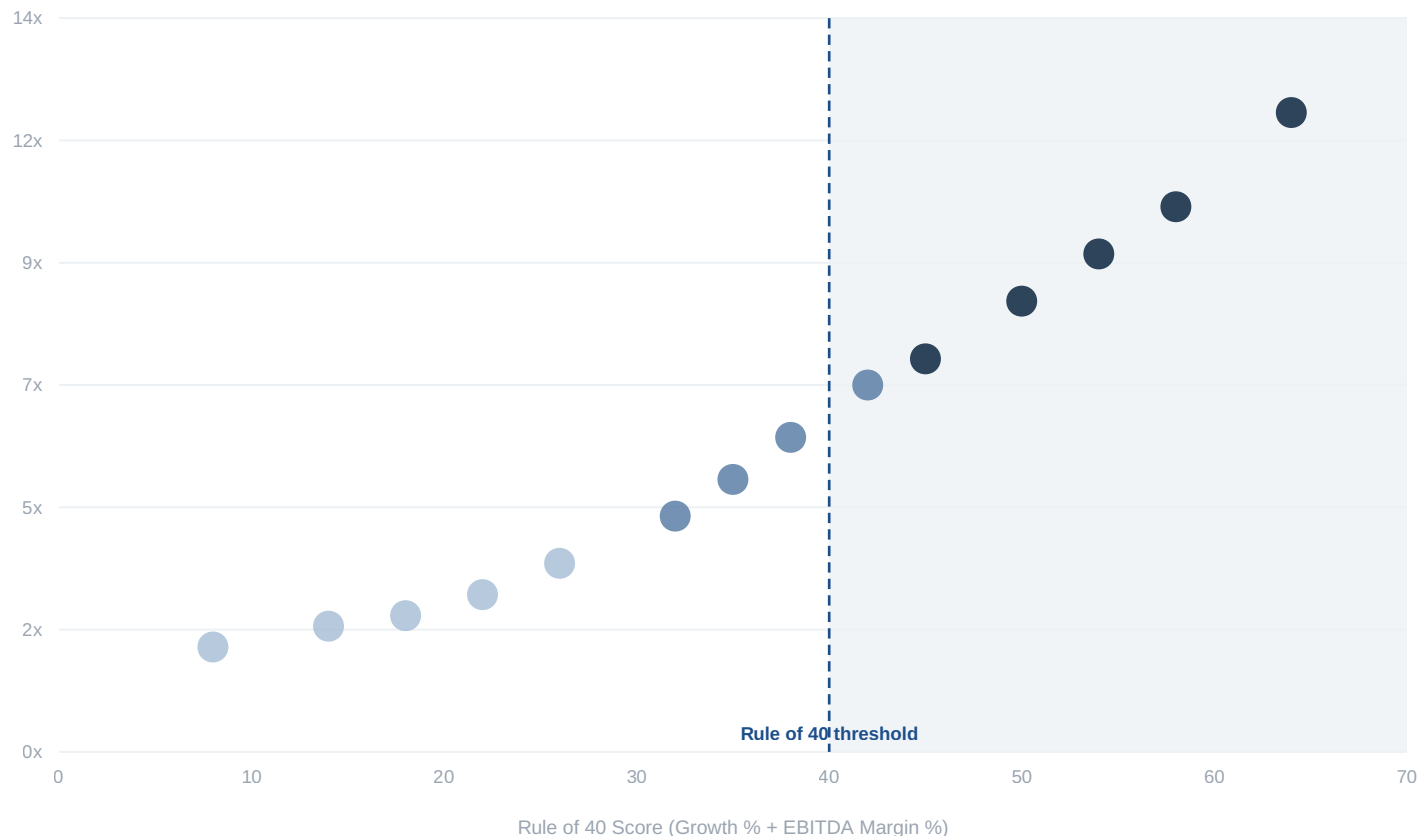
Two-sided platform value creation

- Each shipper and carrier added strengthens the matching and visibility graph.
- Drives structurally lower CAC and higher retention over time.
- Raises switching costs as the network density compounds.
- **Action:** incentivise participant-led growth loops.

Rule of 40 Performance Distribution

Clearing the Rule of 40 unlocks a 50 to 100% valuation premium; sub-scale performers face deep discounts.

EV / Revenue Multiple vs Rule of 40 Score



TOP QUARTILE (SCORE >50)

8.6x+

Scaled winners; the primary targets for premium strategic M&A in supply chain software.

RULE OF 40 MET (40 TO 50)

7-8.5x

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

BELOW THRESHOLD (<40)

2-6x

Transition and value-trap zones; vulnerable to consolidation.

Only an estimated 15% of public SaaS currently clears the Rule of 40 on an EBITDA basis (Aventis Advisors), but the metric remains the single best predictor of a premium multiple, and the market is pricing it more aggressively each quarter.

Cross-Border M&A Considerations

Jurisdictional divergence is the primary deal risk, and the primary arbitrage, in supply chain SaaS in 2026.

Regulatory Regimes

Heightened scrutiny of national logistics data, customs platforms and ports infrastructure (CFIUS and FDI review), and divergence between EU AI Act compliance and US frameworks, materially complicate tech-stack integration and lengthen approval timelines.

Currency & WACC Impact

US acquirers are leveraging a strong dollar and premium domestic multiples to buy discounted European and APAC assets; non-US strategic buyers (WiseTech, IFS) have crossed the other direction to buy North American capability.

12-18mo

CROSS-BORDER CYCLE

+30-50%

LONGER CLEARANCE

Extended Timelines

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

Milestone-Tied Earn-Outs

Regulatory earn-outs unlock tranches of consideration on specific licence transfers or data-sovereignty approvals, rather than on revenue alone.

Tax & Structure Efficiency

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

Dual-Track & Local Partners

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

Exit Valuation Optimisation Strategies

WINDSOR DRAKE

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

1. Pricing Power & Margins

6 TO 12 MONTHS PRE-EXIT

Demonstrate defensible unit economics

- Shift from cost-plus to **value-based pricing** models.
- Implement usage-based tiers that scale with shipment or order volume.
- Target a 15%-plus ARPU lift across the top customer cohorts.
- Evidence pricing elasticity with clean, auditable cohort data.

2. Revenue Quality

PREDICTABILITY

Engineer resilience into the revenue model

- Increase the recurring revenue mix to **80%+** of total.
- Improve Net Revenue Retention to **>120%** via cross-sell of modules.
- Reduce customer concentration so the top 10 accounts are under 20%.
- Lengthen contract duration to 3 to 5 years where possible.

3. Rule of 40 Efficiency

PREMIUM TIER

Prove scalable profitability

- Reallocate operating expense from low-ROI channels into R&D.
- Deploy AI to decouple headcount from shipment-volume growth.
- Achieve **above 40%** on growth plus EBITDA margin.
- Track the score monthly with board-level visibility.

4. Strategic Narrative

COMPETITIVE TENSION

Frame the asset as a platform enabler

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

Positioning for Strategic Acquisition

WINDSOR DRAKE

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

Capability Fit

Demonstrate unique IP and proprietary data or AI assets that fill a specific, declared buyer gap, making the buy-versus-build decision self-evident for SAP, Oracle, IFS, WiseTech, Descartes or Manhattan.

Integration Ease

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

Synergy Density

Quantify the revenue lift from cross-selling into the acquirer's installed base of TMS, WMS or procurement customers, and model the cost synergies from shared infrastructure, to support a higher multiple.

Strategic Buyer Mapping

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

Proof-of-Integration

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

Synergy Quantification

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

Comprehensive VDR Readiness

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

Timing the Exit: 12 to 18 Month Roadmap

WINDSOR DRAKE

A full process runs 12 to 18 months end to end. Founders who prepare in the current cycle meet the market while today's alignment of strategic-buyer demand, capital availability and AI-led platform consolidation still holds.



Readiness & Hygiene

Q3 2026

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

KEY MILESTONE

Clean IP and open-source scan



Strategic Positioning

Q4 2026

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

KEY MILESTONE

Retention packages locked



Market Engagement

Q1 2027

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

KEY MILESTONE

Competitive bid tension



Execution & Closing

Q2 2027

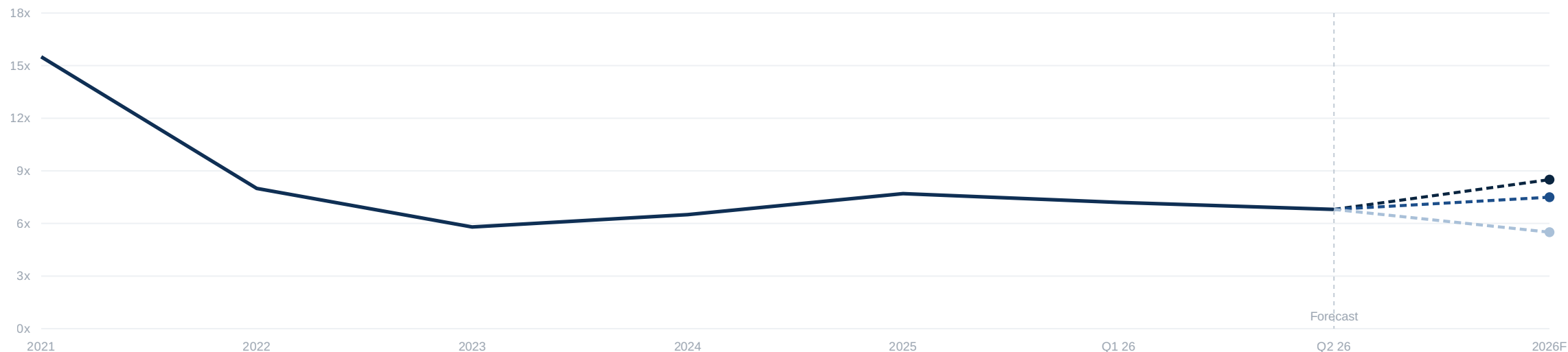
- Definitive agreement negotiation
- Regulatory filings (HSR and CFIUS)
- Confirmatory diligence support
- Closing and integration kickoff

KEY MILESTONE

No-MAC event verification

2026 Valuation Forecast Scenarios

With the sector median near 6.8x NTM Revenue, forward trajectories diverge on rates, the freight cycle and AI adoption pace.



BULL CASE

8.5x

Key Drivers

- Aggressive Fed cuts beyond 100bps
- Agentic AI supercycle lifts multiples
- Freight rates rebound, volume recovers

STRATEGY: ACCELERATE GROWTH

BASE CASE

7.5x

Key Drivers

- Steady rate normalisation, one cut
- Moderate freight rate increases
- Selective IPOs and consolidation

STRATEGY: BALANCE GROWTH & PROFIT

BEAR CASE

5.5x

Key Drivers

- Inflation resurgence, rate holds
- Tariff escalation freezes capex
- Freight cycle remains stalled

STRATEGY: CASH PRESERVATION

Emerging Opportunities & Buyer Trends

WINDSOR DRAKE

Capital is flowing into the agentic connective tissue of an AI-first supply chain.

Agentic Orchestration

Agentic AI agents that re-route shipments, trigger exceptions and re-source inventory are replacing alert-and-dashboard tools, the highest-multiple subcategory in supply chain SaaS today.

Physical AI & Asset Tags

Connected-asset platforms (Samsara Asset Tags ARR up over 400% year over year) extend the software perimeter onto trailers, containers and cages, a step-change in addressable revenue.

Direct Procurement & Sourcing

Tariff complexity and reshoring are driving rapid adoption of direct procurement, supplier-risk, and bill-of-materials sourcing tools, often replacing legacy ERP modules.

Capability Acquisitions

Platform incumbents are prioritising AI and orchestration capability over pure customer-base distribution, buying technology to modernise legacy stacks.

PE Platform Roll-Ups

Sponsors are consolidating fragmented verticals, in specialty WMS, freight forwarding software and last-mile dispatch, to build scale and drive multiple expansion.

Regional Champions Go Global

WiseTech (Australia) and IFS (Sweden) have crossed the Atlantic for capability; European and APAC leaders are increasingly acquiring North American assets to access deeper capital markets.

Market Intelligence

Top-tier forecasts point to a 2026 uptick in supply chain technology M&A. Record dry powder and capability-driven demand are chasing a supply of quality assets that has not kept pace.

M&A Case Study: IFS & Softeon

WINDSOR DRAKE

The defining industrial-AI consolidation event of the cycle, and the playbook it sets for WMS founders.

The Industrial AI Playbook

IFS' acquisition of **Softeon**, closed in **March 2026**, is the defining consolidation event of the supply chain SaaS cycle. It extends IFS' industrial AI capabilities into the **\$8.6B** warehouse management market, creating an integrated platform that connects manufacturing operations directly with intelligent warehouse execution.

Strategic Rationale

- **Industrial AI bridge:** uniting ERP, manufacturing and warehouse execution in a single agentic stack.
- **Cloud-native priority:** Softeon's cloud-native WMS, WES and distributed order management accelerated the integration cycle.
- **Vertical depth:** doubling down on manufacturing, distribution and 3PL verticals where IFS already wins.

Implications for Founders

Scale Now Sets the Mark

Cloud-native WMS leaders are being absorbed into industrial AI stacks. Mid-market WMS players face a clear consolidate-or-be-consolidated choice, and the window to choose is narrowing.

Quantify Synergies Pre-LOI

Headline multiples on WMS assets rest on **identifiable, underwritable cross-sell** into ERP and manufacturing customer bases. Vague strategic fit no longer moves valuation; rigorous synergy math, presented before the LOI, does.

Platform vs. Point Solution

Assets framed as broad **platforms** capable of absorbing planning, robotics and trade modules trade at clear premiums to narrow point solutions. Integration readiness, clean APIs and modular architecture, is itself a valuation lever.

Valuation Methodology: Choosing the Right Metric

WINDSOR DRAKE

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

EV / Revenue

6-15X

High-growth SaaS & visibility

- Applied where profitability is suppressed by deliberate growth reinvestment.
- Software revenue (around 80% margin) is valued far above transactional revenue.
- The Rule of 40 score dictates where in the range an asset sits.
- Best suited to visibility, WMS, planning and procurement SaaS.

EV / EBITDA

15-30X

Mature & cash-generative

- Essential for mature TMS, WMS and procurement suites.
- Descartes anchors the cohort at ~40% EBITDA margin and steady growth.
- Margin expansion and customer renewal are the key value drivers.
- Captures the cash-flow reality of consolidating segments.

EV / Gross Profit

VARIES

Mixed software-plus-services

- Useful where transactional pass-through inflates topline.
- Strips out brokerage, carrier-cost and parcel pass-through revenue.
- Best suited to freight marketplaces and digital brokerage hybrids.
- Anchored by gross margin profile and underlying mix.

Price / Book

NOT CORE

Balance-sheet-exposed peers

- Rarely the primary metric for software supply chain assets.
- Applied where assets sit on platform balance sheets (3PL hybrids).
- Useful as a sanity check for capital-intensive operating models.
- Tangible book value proxies core operational capacity.

Appendix: Sources & Methodology (Part 1)

WINDSOR DRAKE

Institution	Report / Source	Date
Gartner	<i>Forecast: SCM software with agentic AI to grow to \$53B by 2030</i>	Apr 2026
Gartner	<i>Magic Quadrant for Supply Chain Planning Solutions, Discrete & Process</i>	Mar 2026
McKinsey & Company	<i>Supply chain risk pulse 2025: tariffs reshuffle global trade priorities</i>	2025
McKinsey & Company	<i>Digital logistics and the technology race</i>	2026
BCG	<i>AI Is Already Moving the Logistics Industry Forward</i>	2026
BCG	<i>Supply Chain Planning 2026: Why AI Alone Isn't Enough</i>	2026
BCG	<i>M&A Outlook 2026: Expectations Are High, Again</i>	2026
Bain & Company	<i>Global Private Equity Report 2026</i>	Feb 2026
S&P Global Market Intelligence	<i>Global M&A by the Numbers, Q1 2026</i>	Apr 2026
S&P Global Market Intelligence	<i>Private Equity Dry Powder Recedes from All-Time Highs</i>	Dec 2025

Appendix: Sources & Methodology (Part 2)

WINDSOR DRAKE

Institution	Report / Source	Date
PwC	<i>US Deals 2026 Outlook: Transportation & Logistics</i>	Jan 2026
PwC	<i>Global M&A Industry Trends: 2026 Outlook</i>	Jan 2026
KPMG	<i>Supply chain technology M&A landscape</i>	2026
PitchBook	<i>Supply Chain Technology Public Comp Sheet & Valuation Guide</i>	2026
CB Insights	<i>State of Supply Chain Technology 2025</i>	2026
EY	<i>M&A Outlook 2026 (Deal Barometer)</i>	Jan 2026
Federal Reserve	<i>FOMC Statement (Apr 2026); Summary of Economic Projections (Mar 2026)</i>	2026
Samsara Inc.	<i>FY26 results; Q3 FY26 ARR disclosures</i>	2026
Manhattan Associates	<i>Form 8-K and Q1 2026 earnings release</i>	Apr 2026
WiseTech Global / e2open	<i>Acquisition completion disclosure</i>	Aug 2025
IFS / Softeon	<i>Acquisition completion announcement</i>	Mar 2026
Descartes Systems Group	<i>Form 40-F and 3GTMS acquisition disclosure</i>	2025