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MLOps Platforms Valuations: Q2 2026

MAY 2026

Windsor Drake · Market Intelligence

Executive Summary: Infrastructure Becomes Indispensable

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Valuation Bifurcation

Windsor Drake's working benchmark for the broad MLOps platform market sits at **8 to 10x EV/Revenue** for the 2026 core cohort.

- Full-stack leaders such as Databricks command 20 to 28x on $5.4B ARR and 65% growth.
- LLMOps and evaluation tooling has re-rated to 12 to 18x as enterprise demand accelerates.
- Legacy AutoML and no-code tools remain anchored at 3 to 6x amid commoditisation.
- The gap between platform winners and point-tool vendors is the defining feature of the market.

The Production AI Premium

The shift from AI experimentation to production deployment has repriced the entire MLOps stack.

- Roughly **87%** of enterprises with AI initiatives have deployed MLOps tooling in production.
- MLOps VC investment exceeded an estimated **$6B** in 2025, up from $4.5B in 2024.
- CoreWeave's **$1.7B** acquisition of Weights and Biases confirmed infra-plus-tooling premiums.
- Buyers are paying for operational workflow ownership, not experiment-tracking alone.

LLMOps Reshapes the Stack

Large language model operations have become a distinct and premium sub-segment.

- LangChain raised **$125M** at a $1.25B valuation in October 2025.
- Braintrust secured **$80M** Series B at an $800M valuation, co-led by Iconiq.
- Evaluation, prompt governance, and RAG pipeline management command software-level multiples.
- Enterprises are buying LLMOps platforms as critical compliance and cost-control infrastructure.

Macroeconomic Backdrop

Monetary policy remains a cautious but constructive tailwind for high-growth AI infrastructure.

- The Fed funds range holds at **3.50% to 3.75%** after a third consecutive hold in April 2026.
- April CPI at 3.8% keeps the Fed data-dependent; market prices a 97.5% chance of no June change.
- Lower long-term discount rates disproportionately lift high-growth, recurring-revenue assets.
- Pro-enterprise regulatory posture and strong capital markets support buyer confidence.

Sources: McKinsey and Company; S&P Global Market Intelligence; Federal Reserve; Windsor Drake analysis. See appendix.

Executive Summary: Capital Markets and Consolidation

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IPO Window Building

The AI infrastructure IPO pipeline is the largest by combined value in a generation.

- Databricks targets a **Q3 2026 IPO** at approximately $134B, with Morgan Stanley, Citi, and Barclays as leads.
- Twelve most-watched 2026 AI IPOs represent an estimated $3.12T in combined value.
- Scale and profitability gate access: Databricks is the only AI IPO candidate with positive EBITDA.
- Private companies are using tender and secondary markets to set marks without listing.

Strategic Consolidation Accelerates

Infrastructure players are assembling end-to-end AI stacks through targeted capability acquisitions.

- Databricks acquired feature-store leader **Tecton** in August 2025 to own the full ML data layer.
- CoreWeave acquired Weights and Biases for **$1.7B** to pair compute with experiment tracking.
- Coralogix acquired model monitoring platform Aporia in December 2024.
- Over 15 notable MLOps transactions occurred in 2025, focused on monitoring, feature stores, and compliance.

The LLM Stack Premium

GenAI workflow tooling has re-rated to software-plus multiples as enterprise adoption scales.

- Arize AI raised **$70M** Series C co-led by Microsoft M12 for LLM observability.
- Modal Labs achieved unicorn status and is in **$2.5B** Series C discussions.
- LangSmith, Arize, and Braintrust are pricing at 12 to 20x revenue in private rounds.
- Enterprise demand for governed, auditable LLM pipelines is outpacing supply of production-grade tooling.

Private Capital Pressure

Record private capital is competing intensely for quality AI infrastructure assets.

- Global PE dry powder stood at approximately **$3.7T** entering 2026.
- US PE dry powder at **$880B** as of September 2025; aging vintages are forcing sponsor exits.
- Technology accounted for roughly **30%** of global PE deployment by value in 2025.
- Sponsors with AI-native portfolio companies face the strongest buyer demand in a decade.

Sources: S&P Global Market Intelligence; CB Insights; Federal Reserve and company filings. See appendix.

Key Founder Takeaways: Q2 2026

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1. Production Scale is the Premium Gate

Multiples above 10x revenue are reserved for companies that can demonstrate enterprise production deployments, not pilot programmes or developer adoption alone.

- Show recurring revenue from production workflows, not seat-licence growth.
- Enterprise MLOps platforms with more than $30M ARR command measurably higher multiples.

2. LLMOps Coverage is Non-Negotiable

Traditional MLOps platforms without credible LLM and agent pipeline support are being repriced as legacy assets, regardless of growth rate.

- Cover prompt engineering, evaluation, RAG management, and model governance.
- Prove enterprise-grade auditability to satisfy compliance and security buyers.

3. Demonstrate Operating Leverage

AI infrastructure buyers in 2026 are paying for scalability without proportional headcount growth: the Rule of 40 metric is being applied to MLOps platforms.

- Deploy AI-driven automation within your own platform operations.
- Revenue per engineer is emerging as the benchmark efficiency metric for the sector.

4. Full-Stack Positioning Beats Point Tools

The market is consolidating around integrated platforms that own multiple steps of the ML lifecycle, from data to deployment to monitoring.

- Point-tool vendors are increasingly acquired at lower multiples or face displacement.
- A coherent platform narrative, covering at minimum three lifecycle stages, drives buyer competition.

5. Infrastructure Partnership Creates Strategic Tension

Strategic partnerships with cloud hyperscalers and GPU compute providers validate the platform and manufacture competitive tension in a sale process.

- AWS, Azure, and Google Cloud Marketplace listings are now table stakes.
- A hyperscaler partnership signals integration readiness and de-risks technical diligence.

6. Buyer-Readiness Disciplines

The combination of record dry powder and a narrowing supply of production-proven AI infrastructure assets is creating intense competitive tension for prepared assets.

- Document customer production metrics: models in production, inference volume, SLA uptime.
- Map your capability gaps to each of the top five hyperscaler and infrastructure acquirers.

Source: Windsor Drake advisory methodology. See appendix.

Founder FAQs: Valuations, Timing and Strategy

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The questions MLOps platform founders ask most, answered against the Q2 2026 market.

Q1 Which valuation metric applies to my MLOps business?

Use **EV/Revenue** for high-growth platforms with strong recurring revenue and software economics; shift to **EV/EBITDA** only once growth moderates below 30% and EBITDA margins exceed 20%. ARR-based multiples are standard for private-round context, calibrated to the Rule of 40 score.

Q2 What are the key subsegment ranges right now?

Full-stack ML platforms lead at **18 to 28x** revenue. LLMOps and evaluation tooling trade at **12 to 18x**. Model serving infrastructure and monitoring command **8 to 14x**. Feature stores and data pipelines trade at **7 to 12x**. Legacy AutoML tools have compressed to **3 to 6x** amid commoditisation.

Q3 How does LLMOps coverage affect my multiple?

Materially and measurably. Platforms with credible LLM pipeline, evaluation, and governance coverage are re-rating to software-plus multiples in the 12 to 18x range. Those without it face a discount regardless of growth, as buyers classify them as legacy tooling with an uncertain roadmap.

Q4 How do public and private MLOps valuations compare?

Public AI infrastructure leaders, including Datadog at roughly 12x and Snowflake at roughly 13x, serve as gravity anchors for late-stage private rounds. Private AI-native platforms still command a premium, with top assets pricing at 15 to 20x revenue. Windsor Drake's **8 to 10x** benchmark applies to the mid-market cohort.

Q5 When is the right time to run a process?

After four to six quarters of predictable enterprise ARR growth, with production-deployment metrics documented and LLM coverage demonstrable. The Databricks IPO in Q3 2026 will function as a sector anchor event, focusing acquirer attention and likely driving a wave of consolidation in the 12 months that follow.

Q6 Who are the most active buyers today?

Cloud hyperscalers acquiring full-stack platforms to extend AI service offerings, **GPU infrastructure providers** such as CoreWeave completing the compute-plus-tooling stack, **enterprise software incumbents** (Salesforce, ServiceNow, SAP) buying ML lifecycle capability, and **PE platforms** building AI infrastructure roll-ups.

Q7 Is the Databricks IPO a risk or an opportunity for my process?

Primarily an opportunity. A successful Databricks listing will validate sector multiples for public investors and M&A buyers alike, establish a liquid comparable, and concentrate strategic attention on the broader MLOps category. Differentiated founders should expect heightened buyer interest in the 12 months post-listing.

Q8 How do earn-outs and deal structure typically look?

Earn-outs are standard for platforms that cannot yet demonstrate sustained profitability, typically paid over 12 to 24 months against enterprise ARR and production-deployment milestones. All-cash transactions are reserved for assets clearing the Rule of 40, while stock-and-cash mixes are common in hyperscaler acquisitions.

Source: Windsor Drake advisory methodology. See appendix.

Q2 2026 Valuation Landscape Overview

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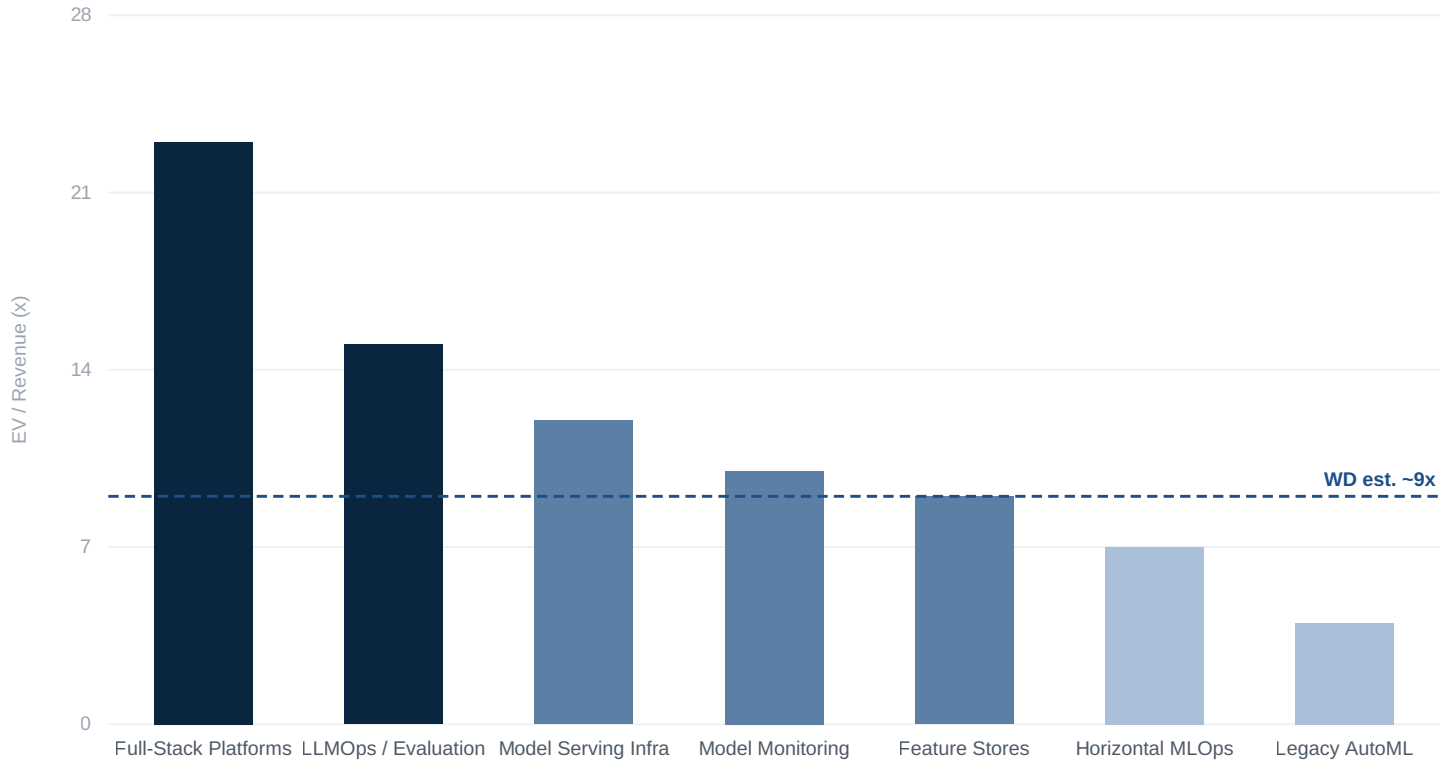
Full-stack leaders command 20x-plus; commoditised AutoML tools anchor near 4x as the market bifurcates sharply.

Median EV / Revenue Multiple by Subsegment (x)



BROAD-MARKET BENCHMARK

~9x

Windsor Drake's working EV/Revenue benchmark for the broad MLOps platform cohort in Q2 2026.

FULL-STACK PREMIUM

18-28x

Full-stack leaders with demonstrated production scale command software-infrastructure multiples.

VC INVESTMENT 2025

>$6B

Estimated MLOps sector VC investment in 2025, up from $4.5B in 2024.

Deep bifurcation: the gap between full-stack platform leaders (18 to 28x) and legacy AutoML or point tools (3 to 6x) reflects the market's shift from experiment management to end-to-end production workflow ownership.

Key Driver

Production deployment density, not developer adoption, is the primary valuation driver: platforms owning mission-critical inference pipelines command infrastructure premiums.

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

Public vs Private Market Convergence

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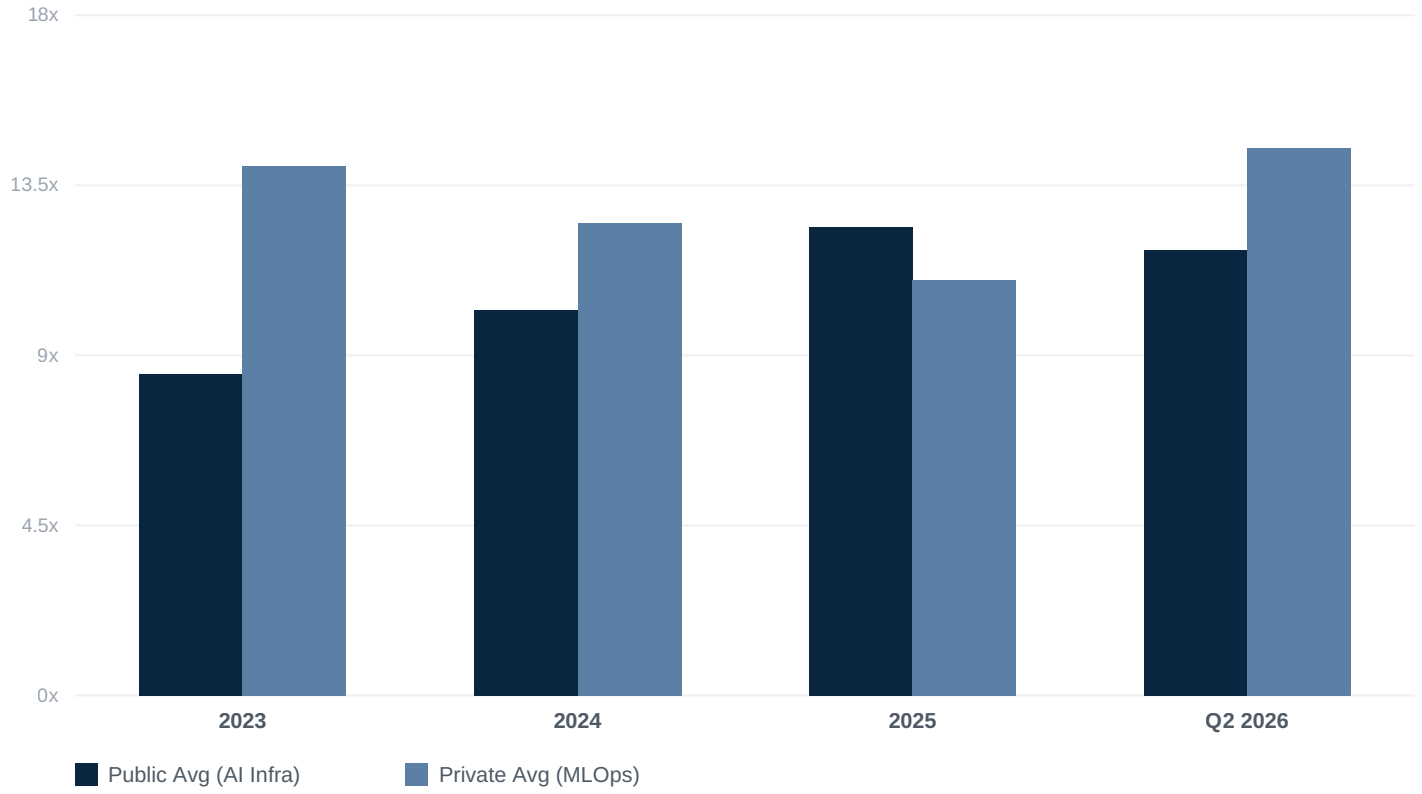
The private premium is narrowing as AI infrastructure IPOs emerge; late-stage private rounds now anchor to public benchmarks.

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



PUBLIC / PRIVATE SPREAD

~2.7x

Narrowed from roughly 5.5x in 2023 as public AI infrastructure has re-rated and private marks have reset.

ANCHOR COMPARABLES

11-13x

Datadog at roughly 11.9x, Snowflake at roughly 12.9x revenue.

DATABRICKS IMPLIED

~25x

Databricks raised at $134B against $5.4B ARR, implying approximately 24.8x EV/ARR.

Convergence in progress: public AI infrastructure peers, including Datadog, Snowflake, and Cloudflare, have recovered to 10 to 13x revenue, narrowing the private premium. AI-native private platforms still command a premium, but the spread has compressed from roughly 5.5x in 2023.

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

Exit Valuation Multiples by Subsegment

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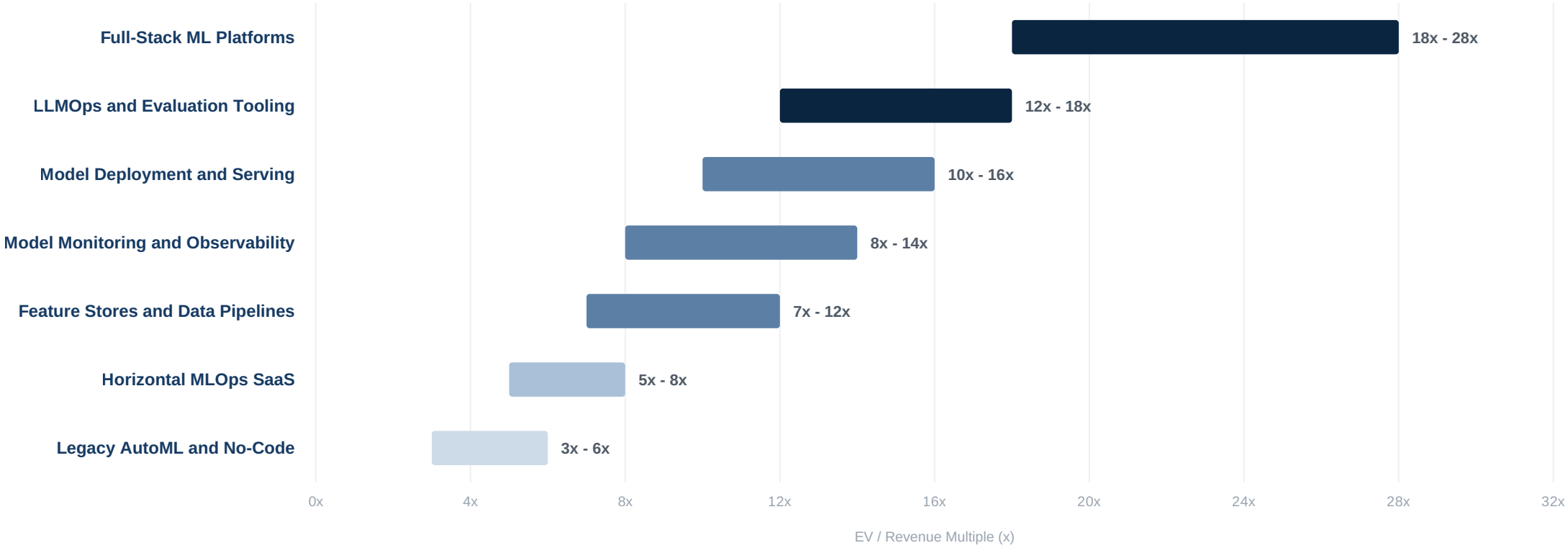
A sharp bifurcation separates production AI infrastructure (18-28x) from commoditised AutoML tools (3-6x).



KEY OBSERVATION

The market is paying for production workflow ownership and recurring enterprise revenue, not developer tooling or experiment tracking in isolation. The 12x-plus gap between full-stack platforms and legacy AutoML tools reflects the difference between indispensable infrastructure and replaceable utilities.

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

Valuation Multiple Drivers: Expansion vs. Compression

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Net expansion to roughly 9x is driven by LLM adoption and enterprise scale, partly offset by commoditisation and public-market disruption fears.

NET EXPANSION OF +1.1X

LLM adoption and enterprise production scale outweigh a combined 1.2x drag from commoditisation in legacy tools, short-lived AI disruption fears in public software markets, and selective PE caution in technology. The bridge reflects Windsor Drake analysis of the cited institutional data.

Source: Windsor Drake analysis of McKinsey, CB Insights and Federal Reserve data. See appendix.

Capital Markets: The AI IPO Pipeline Builds

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The 2026 AI infrastructure IPO queue is the largest by combined estimated value in a generation.

Databricks (Q3 2026 Target)

Targeting an IPO at approximately **$134B**, with $5.4B ARR growing 65% year-on-year.

- Non-GAAP net income of $237.8M for 2025 makes it the only AI IPO candidate with positive EBITDA.
- Morgan Stanley, Citi, Barclays, and UBS are lead underwriters.
- A successful listing will establish the public comparable set for the entire MLOps sector.
- CEO Ali Ghodsi confirmed the company has been IPO-ready since 2020.

The Broader AI IPO Pipeline

The twelve most-watched 2026 AI IPOs carry a combined estimated value of approximately **$3.12T**.

- OpenAI at roughly $852B private valuation; Anthropic in talks at approximately $900B.
- SpaceX leads at an estimated $1.5T, with Revolut and others in the queue.
- The combined float demand is estimated at $100B to $200B, testing public equity capacity.
- Selective, profitable issuers will clear the window; growth-only stories face scrutiny.

CoreWeave (Nasdaq: CRWV)

Listed in 2025, now trading as the first major GPU-as-a-service public vehicle.

- CoreWeave's acquisition of Weights and Biases for **$1.7B** was completed post-IPO in May 2025.
- The combined entity pairs GPU compute with experiment tracking and MLOps tooling.
- Sets the public template for compute-plus-tooling infrastructure stacks.
- Confirms that infrastructure players are the primary consolidators in the MLOps space.

Private Tender and Secondary Markets

Top private AI infrastructure companies are setting valuation marks without listing.

- Anthropic raised at approximately $300B in a 2025 round led by Google and Amazon.
- Modal Labs unicorn secondaries priced against a reported **$2.5B** Series C discussion.
- Tender and secondary markets provide liquidity while preserving strategic flexibility.
- Secondary premiums confirm that institutional demand for AI infrastructure far exceeds public supply.

Sources: company and SEC filings; financial press (Reuters, Bloomberg, CNBC). See appendix.

Geographic Valuation Variations

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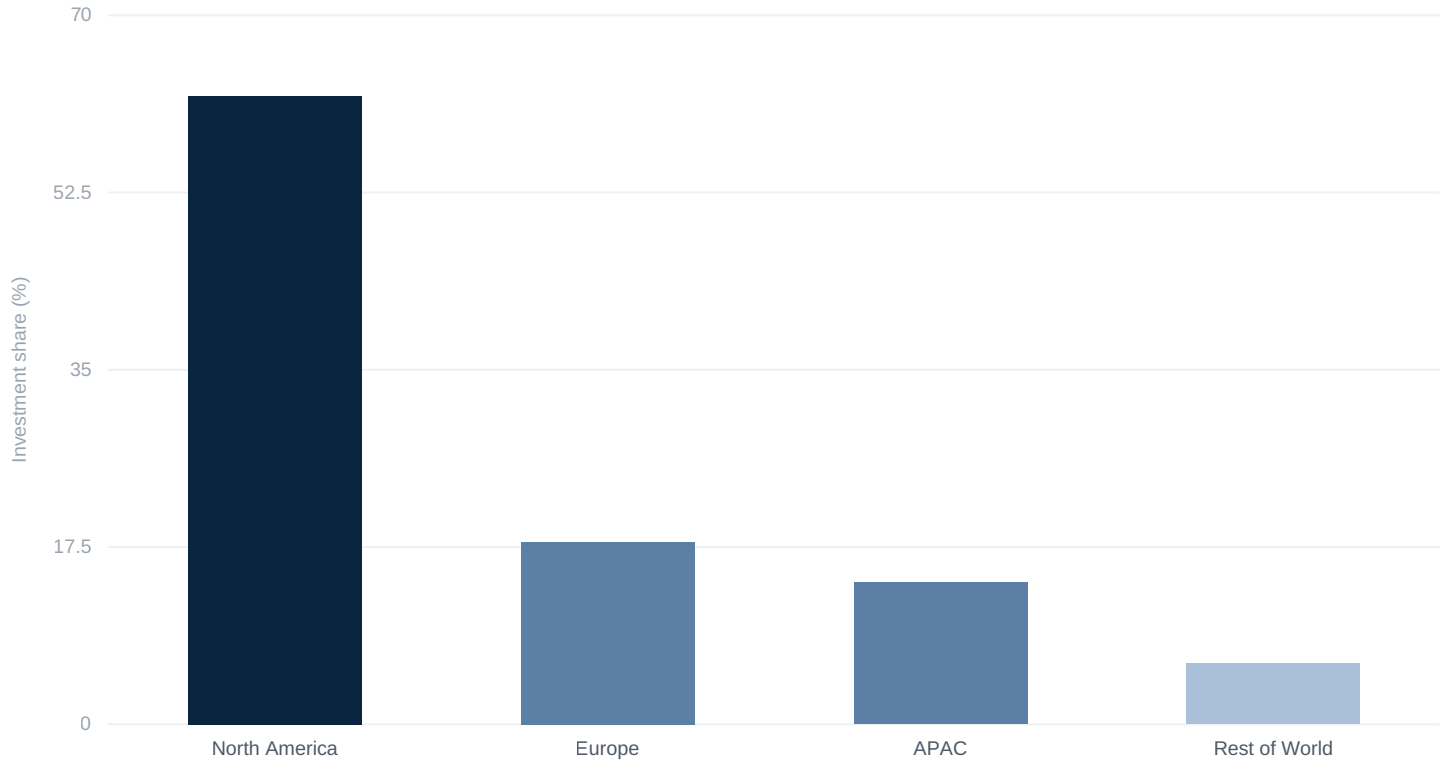
North America commands an AI infrastructure premium; Europe and APAC offer strategic entry points for acquirers.

Share of Global MLOps Investment by Region (%)



NORTH AMERICA

Premium

Hyperscaler ecosystem and deep VC markets sustain the highest exit multiples; the Databricks IPO will reinforce the premium.

EUROPE

Moat

GDPR and the EU AI Act create structural data-governance moats; acquirers pay up for compliant, enterprise-ready infrastructure.

APAC

Growth

Fastest-growing region for enterprise AI adoption, led by Japan, South Korea, and Singapore manufacturing and financial services sectors.

North American concentration: North America accounts for roughly 62% of global MLOps investment, anchored by the hyperscaler ecosystem and deep venture capital markets. European regulatory moats and APAC AI adoption are creating premium exit opportunities for cross-border acquirers.

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

Full-Stack ML Platforms: The Infrastructure Premium

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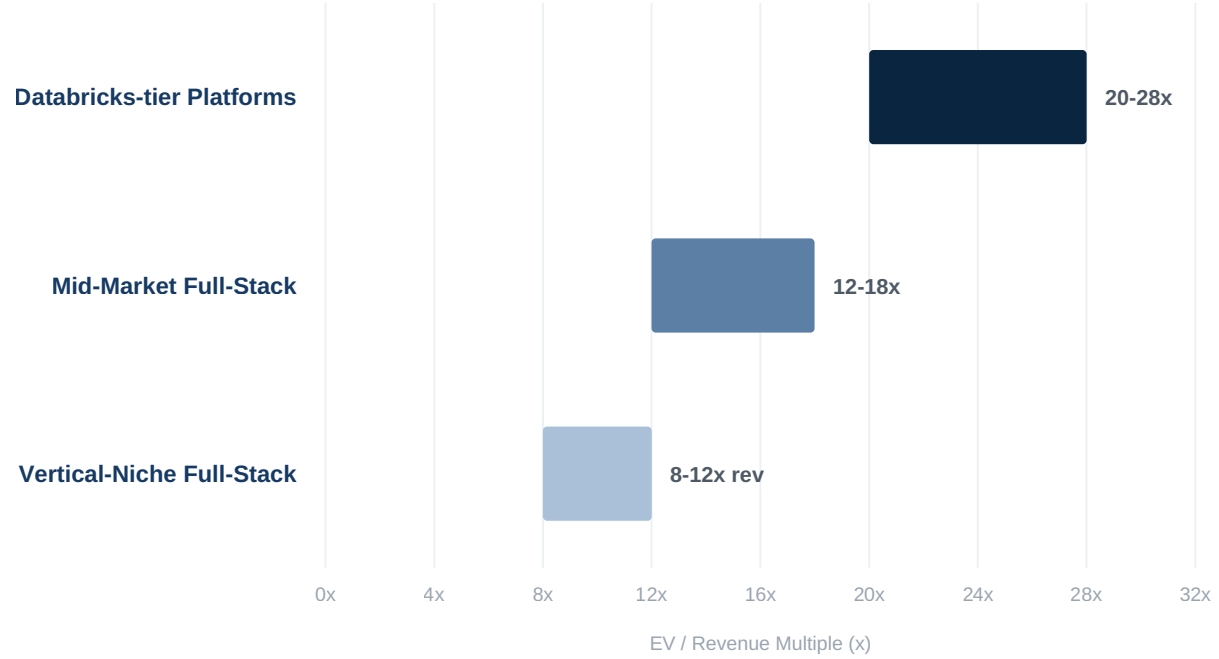
Valuation rewards end-to-end lifecycle ownership: experiment tracking through production serving and governance.

EV / Revenue Multiple Range (x)



Valuation Drivers

End-to-End Lifecycle Ownership

Platforms covering data ingestion, experiment tracking, model registry, deployment, and monitoring command infrastructure premiums: the switching cost of migrating the full ML workflow approaches that of migrating a core ERP system.

Enterprise Revenue Quality

Databricks' $5.4B ARR growing at 65% year-on-year demonstrates that full-stack platforms can sustain hypergrowth at scale. Buyers pay 20x-plus for recurring, auditable enterprise contracts, not developer-seat volume.

Acquirer Competition

Cloud hyperscalers, PE platform builders, and enterprise software incumbents are all competing for full-stack MLOps assets, generating competitive tension that sustains premiums above 18x revenue.

KEY OBSERVATION

Databricks at approximately 25x EV/ARR is both the benchmark and the outlier: it sets the aspiration for the sector while anchoring buyer pricing expectations for mid-market comparables at a meaningful discount.

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

LLMOps and Evaluation Tooling: The GenAI Premium

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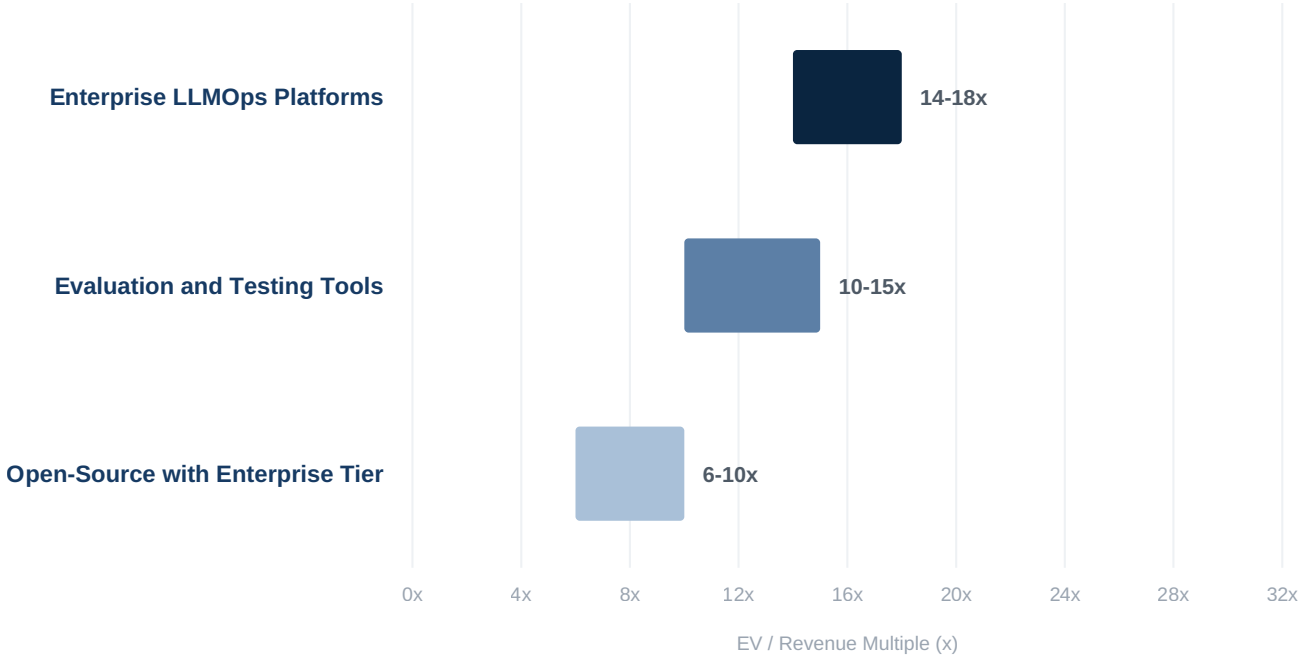
Prompt governance, evaluation frameworks, and RAG pipeline management have repriced to software-infrastructure multiples.

EV / Revenue Multiple Range (x)



Valuation Drivers

Compliance and Governance Premium

Enterprise buyers are paying for LLMOps platforms that provide auditable prompt versioning, output evaluation, and model change governance to satisfy AI Act and internal risk frameworks: capability that commodity open-source tools cannot deliver.

Evaluation as Infrastructure

Braintrust at $800M valuation on an $80M Series B co-led by Iconiq reflects the market's view that quality management for AI products is a recurring-revenue infrastructure business, not a developer utility.

RAG and Agent Pipeline Value

Retrieval-augmented generation and agentic AI workflows are creating new recurring revenue streams for LLMOps platforms as enterprises pay for managed, production-grade RAG infrastructure rather than building in-house.

KEY OBSERVATION

LLMOps tooling is the fastest re-rating subsegment in the market: companies that were valued as developer tools in 2023 are now priced as enterprise compliance infrastructure. The distinction between experimentation and governance is worth 5 to 10 turns of revenue.

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

Model Deployment and Serving Infrastructure

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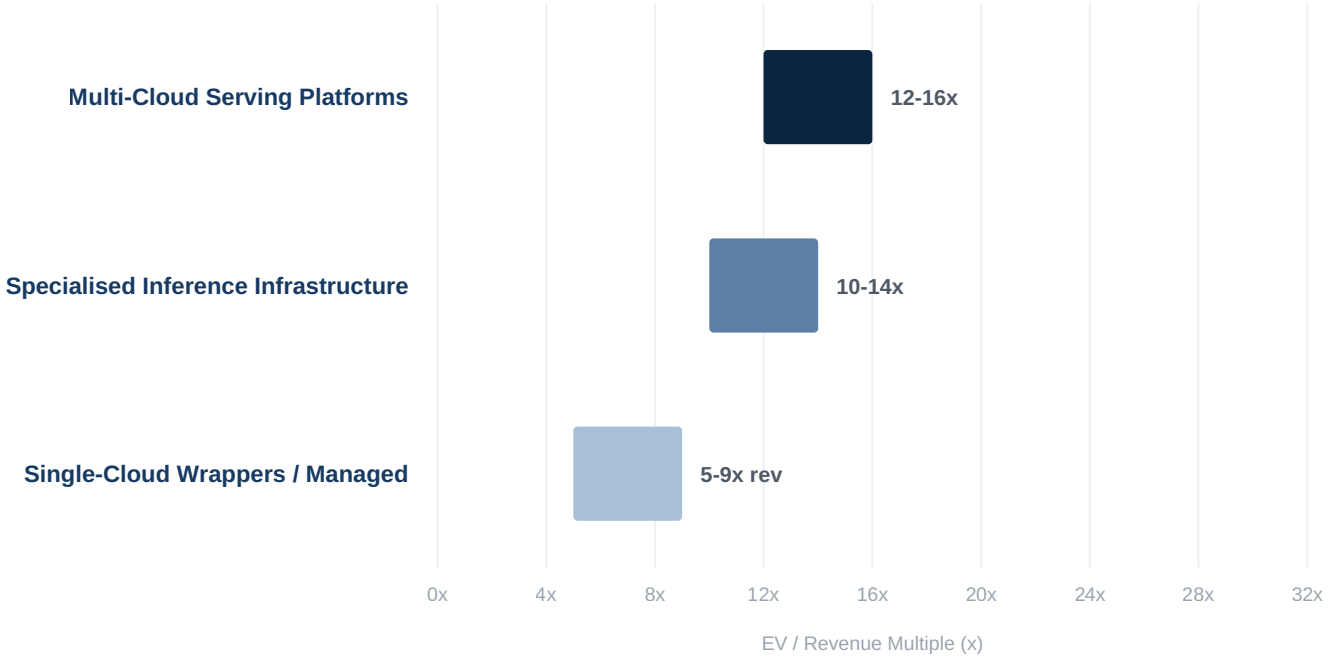
Inference latency, scalability, and cloud-native deployment command recurring-revenue premiums over single-cloud wrappers.

EV / Revenue Multiple Range (x)



Valuation Drivers

Latency and Scale as Moats

Modal Labs' implied $2.5B Series C valuation reflects the market's premium for serverless GPU infrastructure that can serve enterprise inference workloads at sub-100ms latency without capacity planning overhead.

Multi-Cloud Portability

Enterprise buyers are actively avoiding single-cloud lock-in for inference: multi-cloud deployment platforms that abstract AWS, Azure, and GCP serve a premium that single-cloud wrappers cannot match.

Cost Optimisation Value

Platforms that demonstrably reduce inference cost, the single largest operating expense for enterprises running large AI models, are valued as cost-deflationary infrastructure and command recurring contracts above 12x revenue.

KEY OBSERVATION

Model serving is becoming the infrastructure control point for enterprise AI: the company that owns the serving layer owns the inference cost, latency, and availability SLA for every model in production.

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

Feature Stores and Data Engineering Pipelines

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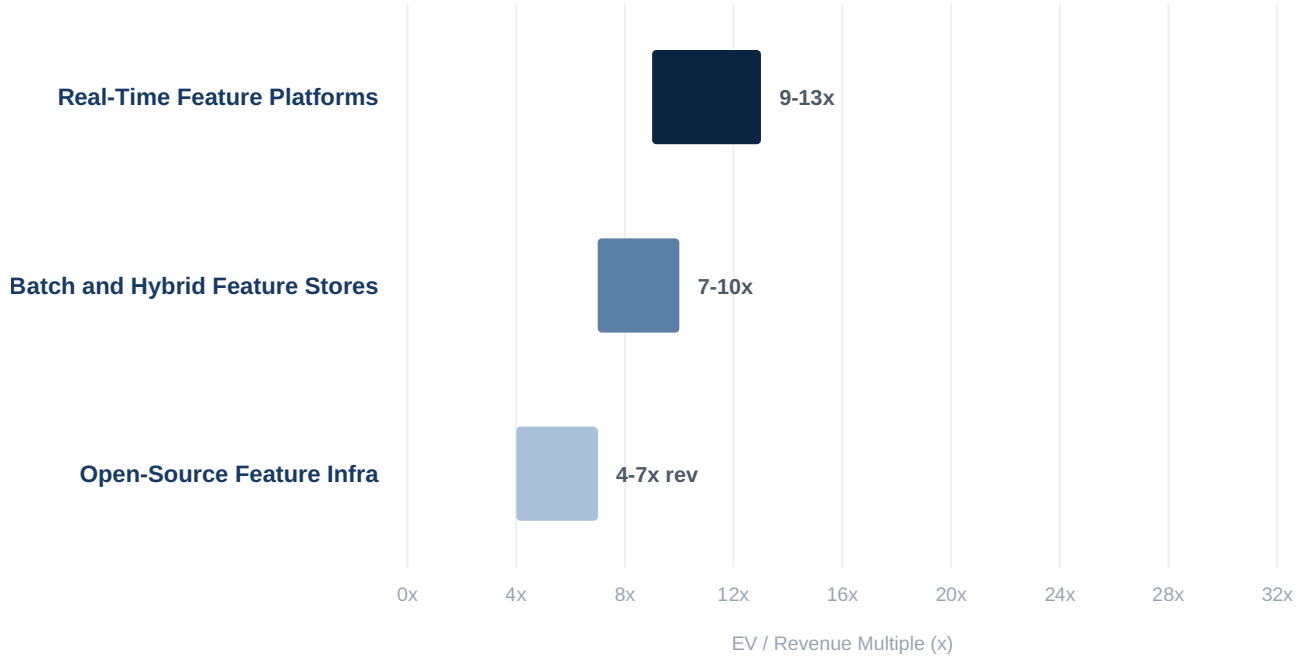
Real-time feature consistency between training and serving is the unsolved pain point driving acquisition activity.

EV / Revenue Multiple Range (x)



Valuation Drivers

Training-Serving Parity Value

Databricks' acquisition of Tecton in August 2025, last valued at $900M in a 2022 round, confirmed that eliminating training-serving skew is a high-value capability that full-stack platform acquirers will pay strategic premiums to absorb.

Real-Time Latency Premium

Feature stores capable of sub-millisecond feature retrieval for real-time model inference command a 2 to 3 turn premium over batch-only alternatives, reflecting the operational criticality of low-latency feature access in production fraud and recommendation systems.

Data Governance Integration

Feature stores with native lineage tracking, access controls, and audit logs are valued as data governance infrastructure by regulated-enterprise buyers in financial services and healthcare, justifying software-level multiples above 10x revenue.

KEY OBSERVATION

Feature stores are the connective tissue of the ML data layer: platforms that solve real-time consistency and data governance simultaneously are positioned as strategic targets for full-stack platform acquirers, not standalone point tools.

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

Model Monitoring and Observability

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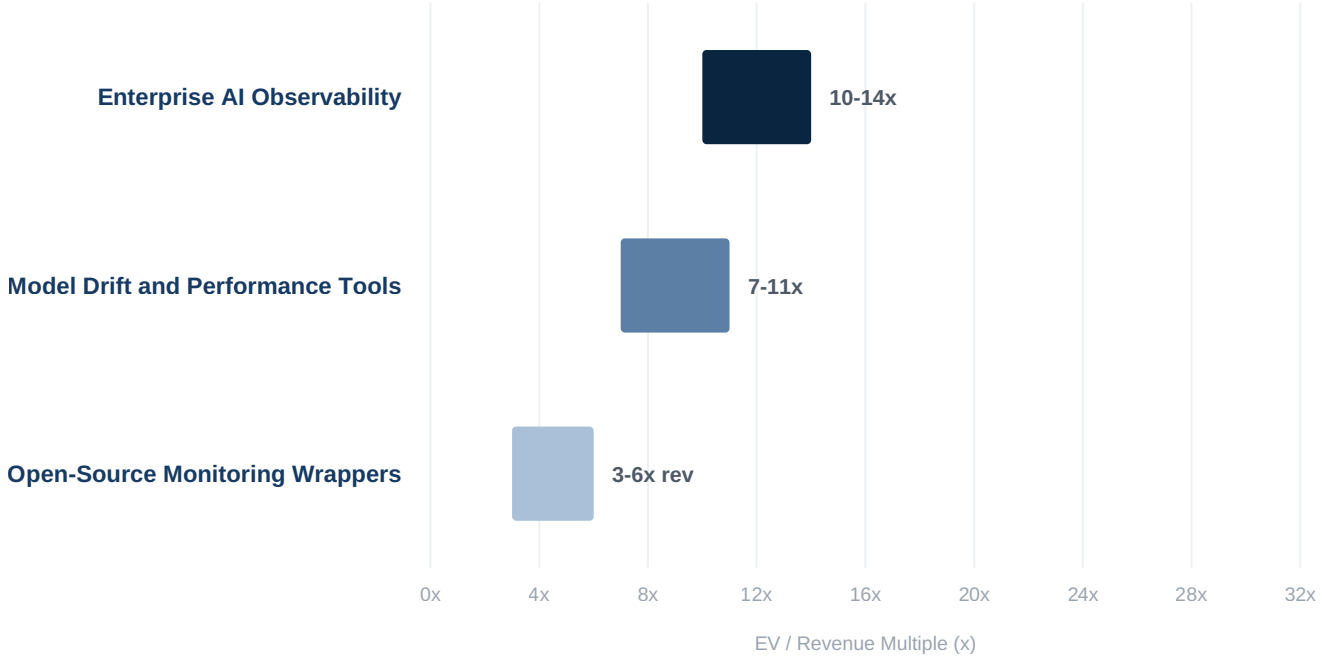
Model drift detection, fairness monitoring, and LLM output guardrails drive recurring enterprise contracts.

EV / Revenue Multiple Range (x)



KEY OBSERVATION

Model monitoring is transitioning from an optional best practice to a regulated compliance requirement. Platforms positioned as AI risk management infrastructure, not performance dashboards, command recurring-revenue premiums at or above 10x revenue.

Valuation Drivers

Compliance-Driven Demand

Arize AI's $70M Series C co-led by Microsoft M12 reflects enterprise willingness to pay for AI observability that satisfies EU AI Act compliance, internal audit requirements, and model risk management frameworks across financial services.

LLM Output Guardrails

Monitoring platforms that extend beyond classical model performance to LLM output evaluation, hallucination detection, and prompt injection defence are re-rating from 5 to 7x to 10 to 14x revenue as enterprise GenAI deployments scale.

Consolidation Momentum

Coralogix's acquisition of Aporia in December 2024 and Arize AI's acquisition of Velvet in March 2025 confirm that observability consolidators are building comprehensive platforms, compressing the opportunity for standalone monitoring point tools.

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

Open-Source Platforms and Legacy AutoML

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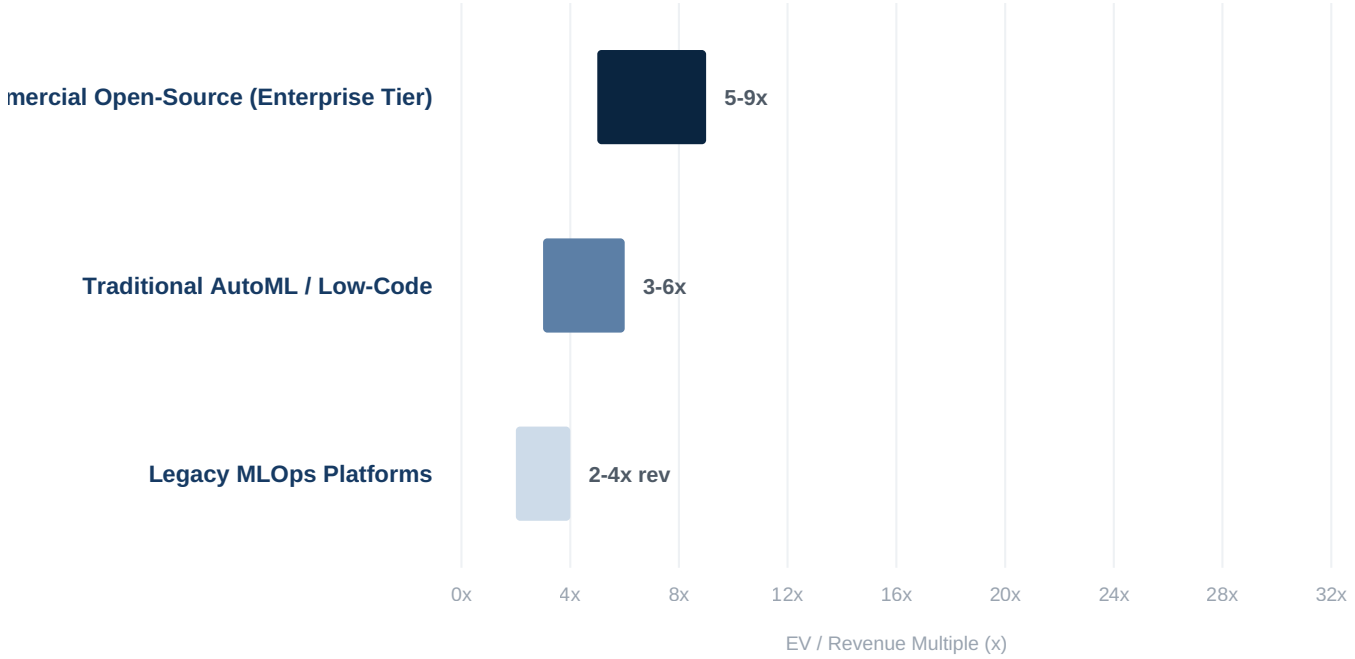
Open-source commoditisation and agentic AI coding agents are compressing multiples for non-differentiated tooling.

EV / Revenue Multiple Range (x)



Valuation Drivers

Commoditisation Pressure

MLflow's status as the open-source standard for experiment tracking has set a zero-cost baseline that commercial alternatives must overcome with enterprise governance, support, and integration capability, compressing multiples for undifferentiated tooling to 3 to 5x revenue.

Agentic AI Coding Agents

The emergence of AI coding agents from late 2025 onwards has accelerated point-tool displacement: no-code AutoML platforms that could not demonstrate a credible AI-native roadmap suffered the sharpest multiple compressions in early 2026.

COSS Enterprise Premium

Commercial open-source companies with strong enterprise tiers and network-effect communities command a 5 to 9x premium over pure enterprise licence peers that lack an open-source growth flywheel, as the community provides a sustained lower-cost acquisition channel.

KEY OBSERVATION

The valuation gap between commercial open-source with a strong enterprise moat and legacy proprietary AutoML tools is 2 to 4 turns of revenue: the market is pricing the community flywheel and the inevitability of AI-native roadmaps.

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

Comparable Transaction Analysis Framework

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A rigorous production-metrics filter, not broad sector codes, selects the right peer set for MLOps platforms.

1. Select Peer Set

Identify genuinely comparable assets by fundamental business characteristics: model (full-stack platform versus point tool), revenue quality (enterprise contract versus developer seat), and ML lifecycle stage coverage, never by broad AI software labels alone.

2. Normalise Metrics

Adjust KPIs to a pro-forma basis: normalise ARR for pilots and non-recurring professional services, standardise profitability excluding stock-based compensation, and reconcile net versus gross revenue retention for a true like-for-like comparison.

3. Adjust for Structure

Account for deal-specific terms including earn-outs tied to production-deployment milestones, hyperscaler equity consideration, and control premiums that pull headline valuation away from underlying economic value.

50+
TRACKED TRANSACTIONS

2019-26
EXIT INDEX COVERAGE

Proprietary Transaction Index

Calibration draws on Windsor Drake's proprietary index of **over 50 verified and reported AI and enterprise technology transactions (2019 to 2026)**, a living comparable-set database refreshed each quarter to reflect the latest strategic M&A activity.

Production-Metrics Filter

Peer selection prioritises models-in-production counts, enterprise inference volume, and ARR from recurring production contracts over developer sign-up or trial-user metrics.

Rule of 40 Premium Adjustment

A specific premium layer is applied for top-decile efficiency performers; offsetting discounts apply for heavy earn-out components tied to unproven LLMOps coverage milestones.

Control Premium Calibration

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

Source: Windsor Drake proprietary transaction database and methodology.

Strategic Acquirer Mapping by Subsegment

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Hyperscalers seek stack completion; PE targets recurring cash flow; enterprise incumbents prioritise AI modernisation.

Subsegment	Hyperscalers / Cloud	Private Equity	Enterprise Software
Full-Stack Platforms	**HIGH** Stack completion; competing directly with Databricks and Snowflake.	**HIGH** Platform roll-ups; multiple expansion on integrated recurring revenue.	**HIGH** Defensive AI capability acquisition to extend existing enterprise relationships.
LLMOps / Evaluation	**HIGH** Native LLM governance tooling for enterprise cloud AI services.	**MODERATE** High-growth compliance tooling with recurring SaaS economics.	**HIGH** AI governance integrated into existing compliance and audit products.
Model Serving	**HIGH** Native inference services; direct competition with managed endpoints.	**MODERATE** Infrastructure buyouts with predictable recurring cloud spend.	**LOW** Outside core competency unless deeply integrated with existing products.
Feature Stores	**HIGH** Data layer control; Databricks' Tecton acquisition is the template.	**MODERATE** Data infrastructure roll-ups as part of broader MLOps platform theses.	**MODERATE** Integration into existing data warehouse and ETL product lines.
Model Monitoring	**MODERATE** Observability integration into cloud AI services and AIOps offerings.	**HIGH** Recurring compliance tooling with limited capital intensity.	**HIGH** Risk management and AIOps integration into existing platforms.
Legacy AutoML	**LOW** Commoditised by native AI services; limited strategic differentiation.	**MODERATE** EBITDA-focused carve-outs; operational value creation through cost efficiency.	**LOW** Legacy displacement risk; acquirers avoid platform exposure.

Hyperscalers and Infrastructure Providers as Buyers

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Cloud platforms are acquiring ML lifecycle tooling to defend against full-stack platform disintermediation.

Defensive Stack Completion

AWS, Azure, and Google Cloud are acquiring or developing native MLOps tooling to prevent Databricks and emerging full-stack platforms from disintermediating the cloud infrastructure layer. A managed ML platform that runs more efficiently on a rival cloud reduces per-workload spend for the acquirer's customer base.

CoreWeave: The New Template

CoreWeave's acquisition of Weights and Biases for $1.7B established the compute-plus-tooling integration model as the standard for GPU infrastructure providers. The combined entity offers end-to-end AI development from GPU provisioning through experiment tracking and model deployment.

$1.7B
COREWEAVE / W&B (2025)

$134B
DATABRICKS TARGET IPO VAL.

Integration Speed and Talent Retention

A federated acquisition model preserves the tooling platform's developer community and talent, while hyperscaler-grade security, compliance, and SLA frameworks are overlaid at the infrastructure layer.

Priority: LLM Governance and Safety

Hyperscalers are prioritising AI governance, output evaluation, and safety monitoring tooling as a differentiator for regulated enterprise customers subject to EU AI Act and US executive order requirements.

Priority: Multi-Modal Inference

The shift from text to multi-modal AI workloads, covering vision, audio, and code generation, is driving acquisition interest in serving infrastructure platforms that can manage heterogeneous model types efficiently.

Priority: Agent Orchestration

AgentOps, the operational discipline for autonomous AI agents, is emerging as the next acquisition frontier: platforms managing agent memory, tool use, and evaluation loops are attracting hyperscaler attention ahead of enterprise demand inflection.

Sources: CB Insights; McKinsey and Company; Windsor Drake analysis. See appendix.

Private Equity Acquisition Patterns

WINDSOR DRAKE

Sponsors are building AI infrastructure platforms through targeted roll-ups as MLOps becomes a compliance-driven recurring revenue business.

Platform Roll-Up Thesis

PE sponsors are acquiring complementary MLOps point tools to assemble integrated platform offerings. The model mirrors the vertical SaaS roll-up playbook: aggregate fragmented specialist vendors, cross-sell the combined platform to the enterprise install base, and drive multiple expansion through recurring revenue growth.

Compliance-Driven Recurring Revenue

MLOps platforms that serve regulated industries, including financial services, healthcare, and government, generate contractual recurring revenue streams driven by compliance mandates rather than discretionary technology budgets, an increasingly attractive profile for leveraged buyout structures.

~$3.7T
GLOBAL PE DRY POWDER

8-12x
TARGET ARR MULTIPLES

Ideal Target Profile

Sponsors prioritise platforms with more than 80% recurring revenue, net revenue retention above 115%, and a demonstrable Rule of 40 score, the profile that supports leverage capacity in a 3.50 to 3.75% rate environment.

Value-Creation Playbook

AI-driven platform automation to improve margins, cross-sell of adjacent monitoring and governance tools into the existing install base, and geographic expansion into enterprise markets outside the initial North American footprint.

Aging-Portfolio Catalyst

2020 to 2022 vintage MLOps investments are approaching five-year hold periods, creating a parallel wave of sponsor exits into a market with elevated strategic buyer appetite for production-proven AI infrastructure assets.

Deal Structure Trends

All-cash transactions for Rule of 40 performers; earn-outs tied to enterprise ARR and LLMOps coverage milestones for earlier-stage assets; stock consideration in hyperscaler acquisitions to preserve acquirer balance sheet flexibility.

Sources: S&P Global Market Intelligence; McKinsey and Company; Bain and Company. See appendix.

Competitive Moats Driving Premium Valuations

WINDSOR DRAKE

Multiples above 12x revenue require demonstrable structural defensibility across at least two of four moat categories.

Proprietary Training Data

ASSET VALUE: HIGHEST

Operational data flywheel at scale

- Production telemetry from thousands of enterprise models creates datasets that cannot be replicated by new entrants.
- Enables continuous model performance improvement loops that compound over time.
- Supports unique benchmarking and evaluation capability that enterprise buyers pay for directly.
- **Action:** deepen telemetry capture across every production model and customer deployment.

Hyperscaler Partnerships

DISTRIBUTION VALUE: HIGH

Embedded in cloud procurement channels

- AWS Marketplace, Azure Marketplace, and Google Cloud listings reduce CAC by accessing existing enterprise procurement relationships.
- Co-sell agreements with hyperscaler sales forces multiply distribution reach without headcount.
- Technical integration depth signals production-readiness to enterprise security and architecture teams.
- **Action:** pursue Marketplace listings and co-sell agreements with at least two hyperscalers.

Enterprise Workflow Lock-In

RETENTION VALUE: HIGH

System of record for ML operations

- Platforms embedded in production inference pipelines face switching costs equivalent to migrating core operating systems.
- Net revenue retention above 120% is the metric buyers use to validate enterprise stickiness.
- Each additional ML lifecycle stage covered compounds the switching cost by extending integration depth.
- **Action:** expand from experiment tracking into deployment and monitoring to deepen workflow ownership.

Compliance Certifications

BARRIER VALUE: MED-HIGH

Regulated enterprise compliance infrastructure

- EU AI Act, SOC 2 Type II, FedRAMP, and HIPAA certifications are non-negotiable gates for regulated enterprise buyers.
- Compliance certifications create structural entry barriers that protect market position over 12 to 24 months.
- AI governance capability is increasingly cited in enterprise RFPs as a mandatory requirement.
- **Action:** pursue FedRAMP authorisation and EU AI Act compliance tooling as strategic differentiators.

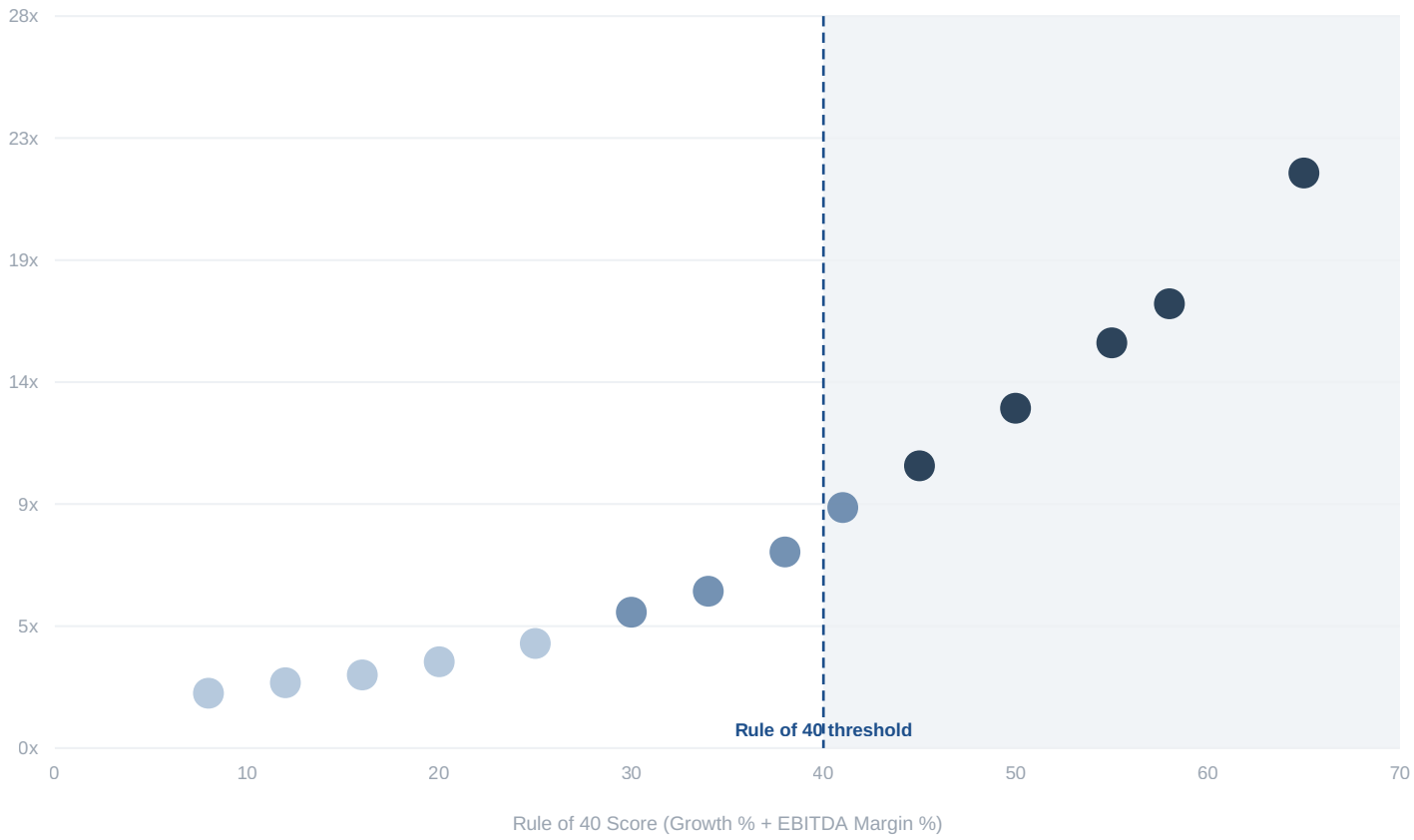
Source: Windsor Drake analysis. See appendix.

Rule of 40 Performance Distribution

WINDSOR DRAKE

Clearing the Rule of 40 unlocks a 40 to 80% valuation premium in the MLOps platform sector.

EV / Revenue Multiple vs Rule of 40 Score



TOP QUARTILE (SCORE >50)

13x+

Full-stack and LLMOps leaders with high NRR and expanding enterprise contracts.

RULE OF 40 MET (40 TO 50)

9-13x

Credible platform candidates; primary targets for strategic M&A and IPO.

BELOW THRESHOLD (<40)

3-7x

Consolidation and value-trap zones; point tools and legacy AutoML.

An estimated 10 to 15% of MLOps platforms clear the Rule of 40, but those that do command structurally higher multiples. Top-quartile performers at 50-plus score more than 13x revenue versus roughly 5x for sub-30 performers, a re-rating of nearly 3x.

Sources: McKinsey and Company; Bain and Company; Windsor Drake analysis. See appendix.

Cross-Border M&A Considerations

WINDSOR DRAKE

The EU AI Act and CFIUS scrutiny are the primary structural factors in cross-border MLOps transactions.

EU AI Act Compliance Complexity

Cross-border acquisitions of EU-based MLOps platforms must address AI Act conformity assessments, especially for high-risk AI systems in finance and healthcare. Acquirers face post-close integration obligations to extend their compliance certifications to the acquired platform, typically adding six to twelve months to the full integration timeline.

CFIUS and National Security Scrutiny

US MLOps platforms with government or defence contracts face enhanced CFIUS review for non-US acquirers, particularly those with sovereign fund backing or supply chain connections to restricted jurisdictions. Deal certainty requires early CFIUS engagement, ideally before LOI.

12-18mo
CROSS-BORDER M&A CYCLE

+30-50%
LONGER REGULATORY CLEARANCE

Extended Regulatory Timelines

Cross-border MLOps deals with EU or US government exposure now clear in 30 to 50% more time than purely domestic transactions. Founders must hold sufficient runway to sustain operations through the regulatory process without losing negotiating leverage.

Data Sovereignty Earn-Outs

Earn-out tranches can be structured around specific data-residency certifications or regulatory approvals in target jurisdictions, converting regulatory uncertainty into contingent value rather than a deal-breaker.

Tax and IP Structure Efficiency

Establish optimal IP holding structures for training data, model weights, and software patents early in the process. Repatriation and transfer pricing for AI model IP are under increasing scrutiny from tax authorities across the EU and UK.

Dual-Track and Local Partners

Run IPO readiness alongside the M&A process to generate competitive tension. Retain local executive leadership post-close to navigate ongoing EU AI Act compliance reporting and local enterprise relationships.

Sources: EY; McKinsey and Company; Windsor Drake analysis. See appendix.

Exit Valuation Optimisation Strategies

WINDSOR DRAKE

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

1. Enterprise ARR Discipline

6 TO 12 MONTHS PRE-EXIT

Convert developer adoption to contractual ARR

- Shift from usage-based or seat-licence models to **multi-year enterprise contracts**.
- Document models in production per customer as the primary value metric.
- Target a minimum of 80% of ARR from contracts longer than 12 months.
- Ensure cohort data clearly shows ARR expansion through upsell and cross-sell of adjacent modules.

2. LLMOps Coverage

NON-NEGOTIABLE FOR PREMIUM

Prove credible GenAI lifecycle capability

- Implement and document production LLM evaluation, prompt versioning, and output monitoring.
- Achieve at least three enterprise reference customers using LLMOps capability in production.
- Integrate EU AI Act compliance reporting to position as governance infrastructure.
- Obtain independent audit or certification of AI safety and governance controls.

3. Rule of 40 Efficiency

PREMIUM TIER

Demonstrate scalable profitability

- Deploy AI-driven automation within your own platform to reduce customer-success and onboarding headcount ratios.
- Target revenue per engineer above the sector median as a proxy for AI-native operations.
- Achieve **40-plus** on growth plus EBITDA margin and track monthly with board-level visibility.
- Reduce professional services as a percentage of total ARR below 20%.

4. Hyperscaler Positioning

COMPETITIVE TENSION

Build multi-cloud leverage before engagement

- Obtain active Marketplace listings on AWS, Azure, and at least one other hyperscaler.
- Develop co-sell relationships with at least two hyperscaler enterprise sales forces.
- Present quantified co-sell pipeline and Marketplace ARR as a proof of distribution leverage.
- Map the specific capability gaps your platform fills for each of the top five hyperscaler acquirers.

Source: Windsor Drake advisory methodology. See appendix.

Positioning for Strategic Acquisition

WINDSOR DRAKE

Strategic value is driven by ML lifecycle coverage, hyperscaler integration depth, and quantified enterprise synergies.

Capability Fit

Demonstrate unique ML lifecycle coverage that fills a specific, declared gap in the acquirer's existing AI platform offering. The buy-versus-build decision must be self-evident: show the acquirer that building natively would take 18 to 24 months and consume senior engineering capacity already allocated elsewhere.

Integration Readiness

Acquirers pay measurable premiums for platforms that can be productised within their cloud service catalogue within 90 days of closing. This means clean, documented APIs, a well-defined data model, and enterprise security certifications that transfer to the acquirer's environment.

Synergy Density

Quantify the revenue uplift from cross-selling the MLOps platform into the acquirer's existing enterprise install base, and model the cost synergies from shared infrastructure and merged go-to-market functions, to anchor the valuation conversation on hard numbers.

Strategic Buyer Mapping

Run a structured gap analysis of the top five acquirers, covering hyperscalers, enterprise software incumbents, and PE platforms, and map your production capabilities directly to each buyer's declared AI product roadmap deficits.

Proof-of-Integration Packages

Develop technical integration packages for each hyperscaler's native AI services, demonstrating time-to-production acceleration and measurable inference cost reduction when your platform is deployed alongside the acquirer's infrastructure.

Synergy Quantification

Model top-line and bottom-line impact explicitly in the management presentation: cross-sell ARR potential, infrastructure cost optimisation, and NRR uplift from combined product breadth. Anchor the valuation conversation on specific enterprise customer synergy cases.

Comprehensive VDR Readiness

Build a defensive data room addressing AI governance, model IP ownership, training data provenance, and customer concentration risk before the first buyer engagement. Technical diligence on AI assets is longer and more complex than traditional software.

Source: Windsor Drake advisory methodology. See appendix.

Timing the Exit: 12-18 Month Roadmap

WINDSOR DRAKE

A full process runs 12 to 18 months end to end. The Databricks IPO in Q3 2026 will anchor sector multiples and sharpen acquirer focus: founders who prepare in the current cycle meet the market while the post-IPO window of heightened attention and capital availability is open.

Readiness and Hygiene
Q3 2026

- Audit completion to PCAOB standard
- AI governance and training-data provenance review
- LLMOps coverage implementation and documentation
- Clean cap table and option pool optimisation

KEY MILESTONE
EU AI Act conformity assessment complete

Strategic Positioning
Q4 2026

- Launch dual-track IPO and M&A process preparation
- Build hyperscaler and strategic buyer targeting list
- Draft CIM and management presentation with synergy models
- Lock key-employee retention packages

KEY MILESTONE
Hyperscaler co-sell agreements signed

Market Engagement
Q1 2027

- Fireside chats with priority hyperscalers and strategics
- Solicit initial indications of interest from PE platforms
- Deliver management presentations with production metrics
- Open the virtual data room

KEY MILESTONE
Competitive bid tension established

Execution and Closing
Q2 2027

- Definitive agreement negotiation
- Regulatory filings including HSR and EU AI Act notifications
- Confirmatory technical and AI governance diligence
- Closing and integration kickoff

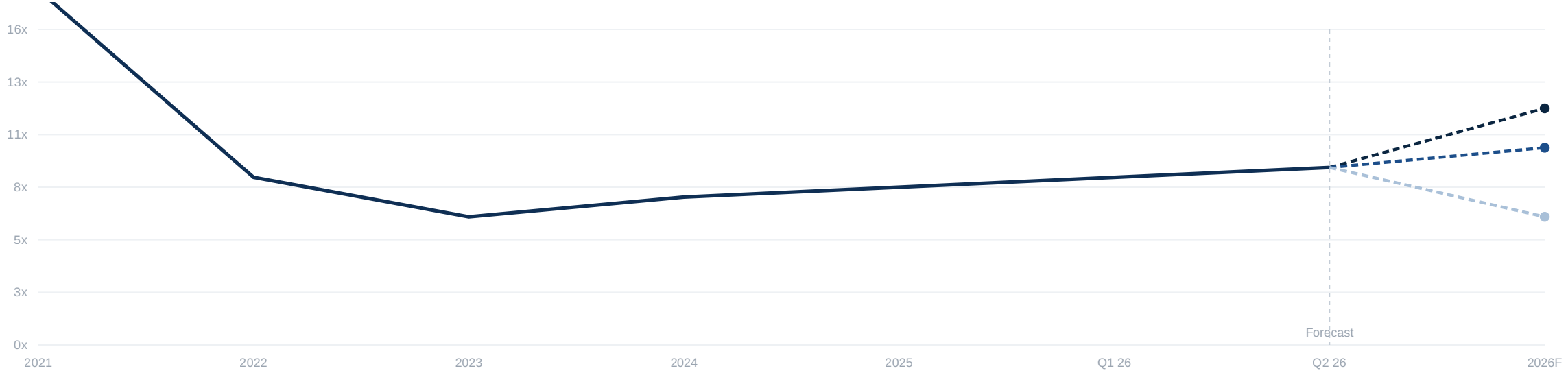
KEY MILESTONE
No-MAC event verification

Source: Windsor Drake advisory methodology. See appendix.

2026 Valuation Forecast Scenarios

WINDSOR DRAKE

With the broad-market benchmark near 9x, forward trajectories diverge on the Databricks IPO outcome, LLM enterprise adoption pace, and the macro rate path.



BULL CASE — 12x

Key Drivers

- Databricks IPO prices above $134B, setting a high comparable
- Enterprise LLM adoption accelerates; GenAI ROI becomes measurable
- Fed delivers two rate cuts, expanding growth-asset multiples

STRATEGY: ACCELERATE LLMOPS ROADMAP

BASE CASE — 10x

Key Drivers

- Databricks IPO succeeds; sector multiples stabilise at 9 to 11x
- Steady enterprise AI adoption; consolidation continues
- Fed holds at 3.50 to 3.75%; one cut by year-end

STRATEGY: BALANCE GROWTH AND GOVERNANCE

BEAR CASE — 6.5x

Key Drivers

- Databricks delays or prices below $100B valuation
- Agentic AI displaces MLOps tooling faster than expected
- Rate resurgence or AI regulatory clampdown freezes M&A

STRATEGY: CASH PRESERVATION AND ARR QUALITY

Source: Windsor Drake analysis; EY M&A Outlook; Federal Reserve projections. See appendix.

Emerging Opportunities and Buyer Trends

WINDSOR DRAKE

Capital is flowing into the operational backbone of enterprise AI: governance, agent orchestration, and multi-modal serving infrastructure.

AgentOps: The Next Frontier

Autonomous AI agent workflows require a new operational discipline covering agent memory management, tool-use evaluation, multi-step task monitoring, and failure-mode governance. AgentOps platforms are attracting the earliest hyperscaler acquisition conversations of 2026.

AI Governance and Regulatory Compliance

EU AI Act conformity assessment tooling and automated model risk management for financial services are generating enterprise contract values 2 to 3 times higher than traditional MLOps SaaS, as compliance spend is non-discretionary.

Multi-Modal Inference Infrastructure

The shift from text-only LLMs to vision, audio, and multi-modal models is creating demand for heterogeneous serving infrastructure that can manage GPU and specialised chip workloads efficiently across cloud and on-premises deployments.

Hyperscaler Capability Acquisitions

AWS, Azure, and Google Cloud are prioritising LLM governance, agent orchestration, and multi-cloud serving capability over pure distribution plays, buying technology to extend their managed AI services without rebuilding internally.

PE Platform Roll-Ups

Sponsors are consolidating fragmented observability and compliance tooling vendors around full-stack MLOps platforms, driving multiple expansion through recurring revenue integration and cross-sell to shared enterprise customers.

Enterprise Software Expansion

ServiceNow, Salesforce, SAP, and Oracle are acquiring AI lifecycle tooling to embed ML operations into their existing enterprise workflow platforms, paying strategic premiums for capability that extends the product surface area of their installed bases.

Market Intelligence

Record dry powder and a narrowing supply of production-proven AI infrastructure assets are concentrating demand on quality MLOps platforms. Acquirers are accelerating timelines ahead of the Databricks IPO comparable, which will sharpen public-market pricing expectations across the sector.

Sources: McKinsey and Company; CB Insights; EY; Windsor Drake analysis. See appendix.

M&A Case Study: CoreWeave and Weights and Biases

WINDSOR DRAKE

The defining consolidation event of the MLOps cycle, and the playbook it sets for founders.

The Compute-Plus-Tooling Playbook

CoreWeave's acquisition of **Weights and Biases**, valued at **$1.7B** and completed in **May 2025**, is the defining consolidation event of the MLOps cycle. It confirms that GPU infrastructure providers are moving up the stack to own the full AI developer workflow, not merely the compute layer.

Strategic Rationale

- **Stack completion:** pairing GPU compute provisioning with experiment tracking, model registry, and collaboration tools to own the full AI development workflow.
- **Developer flywheel:** Weights and Biases' community of over one million developers provides a distribution asset that pure infrastructure cannot replicate through organic growth.
- **Enterprise expansion:** MLOps tooling enterprise contracts command higher recurring revenue per customer than compute-only relationships, expanding CoreWeave's addressable market.

Implications for Founders

Infrastructure Players Are the Primary Consolidators

The CoreWeave deal confirms that the strategic acquirer set for MLOps platforms extends beyond enterprise software buyers to include compute and AI infrastructure providers. Founders should map GPU platform and cloud providers as priority strategic targets in any sale process.

Developer Community is a Valuation Asset

Weights and Biases' $1.7B exit on an estimated $255M+ in total funding reflects a **premium for community and developer adoption** that translates into enterprise distribution. Quantify your developer ecosystem as a synergy input in buyer conversations.

The Window to Choose is Narrowing

As the Databricks IPO approaches and full-stack consolidators complete their core acquisitions, the window for founders to engage multiple strategic acquirers in competitive tension is open now. Post-IPO, buyer attention will concentrate on a smaller set of remaining independent platforms.

Sources: CoreWeave press release and investor site; TechCrunch. See appendix.

Valuation Methodology: Choosing the Right Metric

WINDSOR DRAKE

The right metric depends on the ML lifecycle stage covered, revenue quality, and enterprise production scale.

EV / Revenue

7-28X

High-growth platforms and LLMOps tooling

- Applied where profitability is suppressed by deliberate growth reinvestment in product and enterprise go-to-market.
- Software revenue from enterprise contracts, above 80% gross margin, is valued far above usage-based consumption revenue.
- The Rule of 40 score and LLMOps coverage determine where in the range an asset sits.
- Best suited to full-stack ML platforms, LLMOps tooling, and model monitoring with governance capability.

EV / ARR

8-20X

Private-round context for recurring-revenue platforms

- The standard private-market metric; calibrated by NRR, growth rate, and Rule of 40 score.
- Net revenue retention above 120% supports the upper half of the ARR multiple range.
- Investors adjust ARR for non-recurring professional services and time-bound pilot contracts.
- Hyperscaler Marketplace ARR commands a higher multiple due to lower CAC and procurement certainty.

EV / EBITDA

15-30X

Mature and cash-generative platforms

- Relevant once revenue growth moderates below 25% and EBITDA margins exceed 20%.
- Applied to mature MLOps vendors and legacy AutoML platforms in consolidation scenarios.
- Margin expansion through AI-driven automation is the primary EBITDA value driver.
- PE carve-outs and take-private scenarios for sub-scale public companies use EBITDA as the anchor.

Strategic Premium Layer

+20-40%

Control premium for capability acquisitions

- Hyperscaler stack-completion acquisitions typically pay 20 to 40% above intrinsic valuation.
- Developer community and distribution flywheel assets attract premiums above the formula multiple.
- Regulatory certification portfolios, FedRAMP and EU AI Act, add a measurable premium layer.
- Competitive tension from a structured process is the primary mechanism for realising the full premium.

Source: Windsor Drake valuation methodology. See appendix.

Appendix: Sources and Methodology (Part 1)

WINDSOR DRAKE

Institution	Report / Source	Date
McKinsey and Company	*Global Private Markets Report 2026*	Mar 2026
McKinsey and Company	*2026 M&A Trends: Navigating a Rebounding Market*	Feb 2026
Bain and Company	*Global Private Equity Report 2026*	Feb 2026
S&P Global Market Intelligence	*Private Equity's Volume of Software Deals Slowed as AI Risks Grew*	Feb 2026
S&P Global Market Intelligence	*Private Equity Dry Powder and Deployment Trends*	Dec 2025
CB Insights	*State of AI 2025 and MLOps Platform Investment Trends*	2026
PitchBook	*AI and Machine Learning Platform Valuations and Comparable Data*	2026
EY	*M&A Outlook 2026 (Deal Barometer)*	Jan 2026
Federal Reserve	*FOMC Statement (Apr 2026); Summary of Economic Projections (Mar 2026)*	2026
Morgan Stanley	*AI Market Trends 2026: Global Investment, Risks, and Buildout*	2026

Appendix: Sources and Methodology (Part 2)

WINDSOR DRAKE

Institution	Report / Source	Date
CNBC	*Databricks completes $5B funding round at $134B valuation*	Feb 2026
CoreWeave	*CoreWeave Completes Acquisition of Weights and Biases (investor press release)*	May 2025
Databricks	*Databricks announces acquisition of Tecton (press release)*	Aug 2025
TechCrunch	*LangChain raises $125M at $1.25B valuation*	Oct 2025
Bloomberg	*Braintrust $80M Series B; MLOps platform funding trends*	2025
Goldman Sachs	*2026 Global M&A Outlook*	Jan 2026

VALUATION METHODOLOGY NOTES

Source Standard

Inputs are restricted to top-tier institutions: bulge-bracket banks, the major consultancies, elite data houses, primary regulatory sources, and company filings. Boutique market-report vendors are excluded.

Structural Adjustments

Private-market valuations are adjusted for earn-out overhang, liquidation-preference structures, and lack-of-marketability discounts, typically in the 20 to 30% range for early-stage assets.

Peer Set and Normalisation

Peers are filtered on ML lifecycle stage coverage, revenue quality (above 80% recurring), and Rule of 40 profile. ARR is adjusted to exclude non-recurring professional services and time-bound pilot contracts.

Synthesis and Attribution

Figures labelled as firm analysis or house estimate, including the roughly 9x broad-market benchmark, are the firm's own synthesis of the cited institutional data, presented as a house view rather than third-party consensus. The Databricks $134B valuation and CoreWeave $1.7B acquisition price are sourced from company press releases and verified financial press.