

Treasury, AP & AR SaaS Valuations: Q2 2026

JUNE 2026

Valuation Floor

Windsor Drake's working benchmark for the broad treasury, AP and AR software market has settled into a **6x EV/Revenue** core.

- The floor rests on recurring revenue and mission-critical finance workflows, not 2021 momentum.
- Blended averages screen higher, pulled up by a thin tail of AI-native spend platforms.
- Quarter-to-quarter volatility has compressed sharply versus the 2022-24 repricing.
- Buyer and seller expectations have converged, restoring transaction flow.

Sector Fundamentals

Finance-automation demand is structurally underwritten by regulation and digitisation.

- Global payments generate **\$2.5T** in revenue, with commercial flows roughly half (McKinsey).
- Cross-border B2B payments are forecast to grow **~6%** a year through 2030 (McKinsey).
- EU e-invoicing mandates under ViDA are forcing AP and AR digitisation across the bloc.
- Recurring-revenue mix and software gross margins anchor the category's premium.

Sources: McKinsey & Company; Federal Reserve; Goldman Sachs; Windsor Drake analysis. See appendix.

The Great Divergence

Headline averages mask a profound and widening split in the market.

- **AI-native spend leaders** command 20x revenue and above, with the category leader near 30x.
- **Mature public AP automation** has compressed to a 2.5x-4.5x band as growth normalises.
- The middle is hollowing as capital concentrates at the top of the quality curve.
- Profitability and a credible AI story now decide which side of the divide an asset sits on.

Macroeconomic Backdrop

Monetary policy is a neutral backdrop that keeps corporate cash management in focus.

- The Fed funds range holds at **3.50%-3.75%** after the April 2026 decision (a divided 8-4 vote).
- Sticky inflation has tempered expectations for a near-term cut.
- Higher-for-longer rates raise the value of treasury, liquidity and yield optimisation tools.
- A constructive M&A backdrop persists: Goldman Sachs sees pure deal volume nearing **\$3.8T** in 2026.

IPO Window Reopened

Navan's listing reopened the niche public window, on selective terms.

- **Navan** debuted on Nasdaq in October 2025 at \$25 for a roughly **\$6.2B** valuation.
- It closed its first session down about 20%, near a \$4.7B mark.
- The window rewards scaled, profitable issuers, not growth-only stories.
- Strong private names are choosing to stay private and set marks via primary rounds.

Strategic Consolidation

Scale has become the primary defence, and public assets are going private.

- **AvidXchange** was taken private by TPG and Corpay (**\$2.2B**) in October 2025.
- **Coupa** went to Thoma Bravo earlier at **\$8.0B**, an 8.4x forward-revenue mark.
- Public AP automation comparables have de-rated even as private spend re-rates.
- Sub-scale processors face a consolidate-or-be-consolidated choice.

The AI Premium

Agentic AI in finance operations has become the primary driver of valuation.

- **Ramp** raised at a **\$44B** valuation in June 2026, roughly 30x annualised revenue.
- AI reconciliation, AP coding and cash application are re-rating the category.
- Banks and platforms are buying, rather than building, agentic finance stacks.
- Proven, governed AI now reads as core infrastructure, not an experiment.

Private Capital Pressure

Record, aging dry powder is intensifying competition for quality assets.

- Bain counts roughly **\$1.3T** of buyout dry powder awaiting deployment.
- More than **40%** of it has sat unspent for two years or more, forcing action.
- Capability roll-ups (Coupa/Tonkean, Ripple/GTreasury) are accelerating.
- Sponsors are concentrating capital in larger, platform-scale acquisitions.

1. Rule of 40 Achievement

Revenue Growth % plus EBITDA Margin % at or above 40% is the non-negotiable baseline for a premium multiple, and the market prices it harder each quarter.

- Top-quartile performers command **50-100%** valuation premiums.
- Track monthly progress toward the threshold at board level.

2. Unit Economics Mastery

Efficiency metrics are now scrutinised more heavily than topline growth; durable economics beat raw expansion.

- Target LTV/CAC **>5:1** with payback inside 12 months.
- Sustain Net Revenue Retention **>120%** to validate stickiness.

3. AI Integration Strategy

AI is no longer optional; agentic finance workflows are a primary driver of deal size, buyer interest and multiple expansion.

- AI-native spend platforms command roughly **30x** revenue in private rounds.
- Prove measurable operating leverage, not pilots: touchless AP, AI cash application.

4. Monetise the Payment Flow

The premium accrues to platforms that own the money movement, not just the workflow, capturing interchange, float and FX on top of SaaS fees.

- Embedded-payment attach lifts revenue per customer at minimal CAC.
- Spend and AP leaders monetise virtual cards and supplier rails.

5. Public-Market Discipline

Public AP and AR comparables have de-rated to a 2.5x-4.5x band, so private pricing discipline is now required even for venture-backed firms.

- Windsor Drake's **~6x** niche benchmark anchors private rounds.
- Most recent fintech IPOs trade below issue; price the round realistically.

6. Buyer-Readiness Discipline

With aging dry powder and banks forced to buy capability, the prepared asset captures the competitive tension.

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

Founder FAQs: Valuations, Timing & Strategy

WINDSOR DRAKE

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

Q1 Which valuation metric applies to my business?

Use **EV/Revenue** for high-growth AP, AR, treasury and spend software, **EV/EBITDA** for mature corporate-payments processors, and a blended view where payment economics dominate. Always reference the correct subsegment cohort, never a broad fintech average.

Q3 Why is the Rule of 40 so critical?

It is the single best predictor of a premium multiple. Only an estimated **10-15%** of finance-automation companies clear it; those that pair durable growth **with** profitability re-rate by close to 2x versus sub-scale peers, and the market prices the metric harder each quarter.

Q5 When is the optimal time to run a process?

After demonstrating **4-6 quarters** of predictable performance, while still holding 12-18 months of runway. Negotiating from a position of strength, rather than necessity, is what captures the scarcity premium in a market where buyers are actively hunting capability.

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

It has reopened but remains selective, favouring scaled, profitable assets. Navan listed in October 2025 and traded below issue on day one. For most founders a strategic sale still delivers a superior risk-adjusted outcome through control premiums and synergy capture.

Q2 What are the key subsector ranges right now?

AI-native spend platforms lead at **18-35x** in private rounds. Treasury management trades **7-11x**, AR automation **6.5-10x**, AP automation **6-9x**, and mature or public AP comparables have compressed to **2.5-4.5x**. The gap reflects revenue quality and AI, not the workflow label.

Q4 How do public and private valuations compare?

In this niche the two have **diverged**, not converged. Public AP and AR software de-rated into a 2.5x-4.5x band while AI-native private spend leaders re-rated above 20x. Public comparables now cap pricing for non-AI assets; an AI-native story still clears a large premium.

Q6 Who are the most active buyers today?

Banks and FIs acquiring embedded treasury and AP/AR capability, **PE platforms** (Thoma Bravo, TPG) executing take-privates and roll-ups, and **payments and software platforms** adding finance-automation cores to defend and expand wallet share.

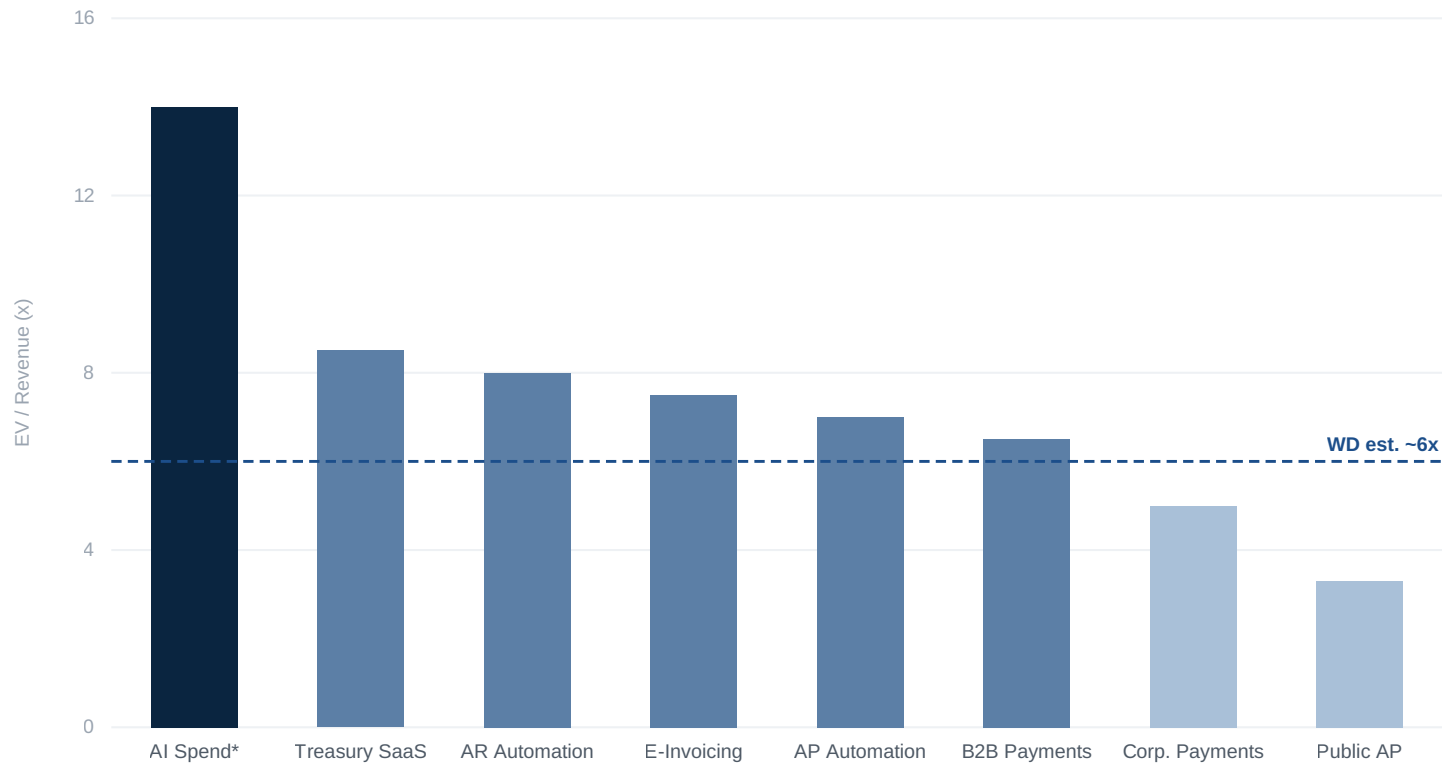
Q8 How do we maximise our multiple, and should we expect earn-outs?

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

Q2 2026 Valuation Landscape Overview

Premium multiples cluster in AI-native spend and treasury software; mature processing stays compressed.

Median EV / Revenue Multiple by Subsegment (x)



Deep bifurcation: *AI-native private spend leaders sit far above the chart, near 30x. The gap between software-led automation (7-11x) and mature processing (under 5.5x) is the defining feature of the market, driven by AI, payment monetisation and revenue quality.

BROAD-MARKET BENCHMARK

~6x

Windsor Drake's working EV/Revenue benchmark for the broad treasury, AP and AR software cohort.

AI-NATIVE SPEND PREMIUM

~30x

The category leader's June 2026 private round implied roughly 30x annualised revenue.

PUBLIC AP DE-RATING

2.5-4.5x

Mature, public AP automation comparables have compressed into a low-single-digit band.

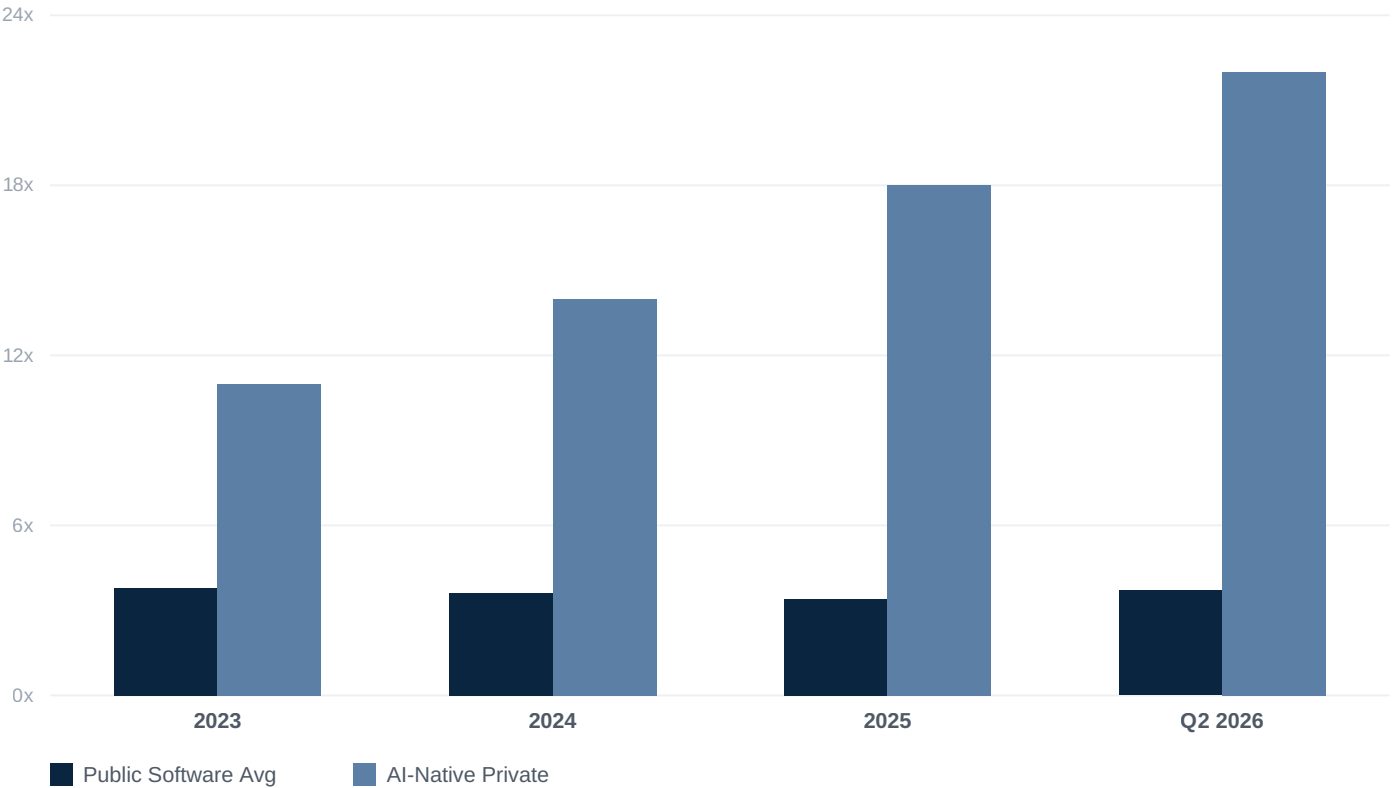
Key Driver

Disciplined re-rating has replaced speculative growth: acquirers reward AI-driven efficiency, payment economics and scarcity, not topline alone.

Public Discipline vs the Private AI Premium

Unlike the broad market, this niche has diverged: public AP and AR software de-rated while AI-native private spend re-rated.

Average EV / Revenue Multiple, Public Software vs AI-Native Private (x)



PRIVATE / PUBLIC SPREAD

~18x

Up from about 7x in 2023, as the AI premium outpaced a public-comp de-rating.

PUBLIC COMP DE-RATING

Persistent

BILL and AvidXchange both reset well below their 2021 peak revenue multiples.

PUBLIC BENCHMARK ANCHOR

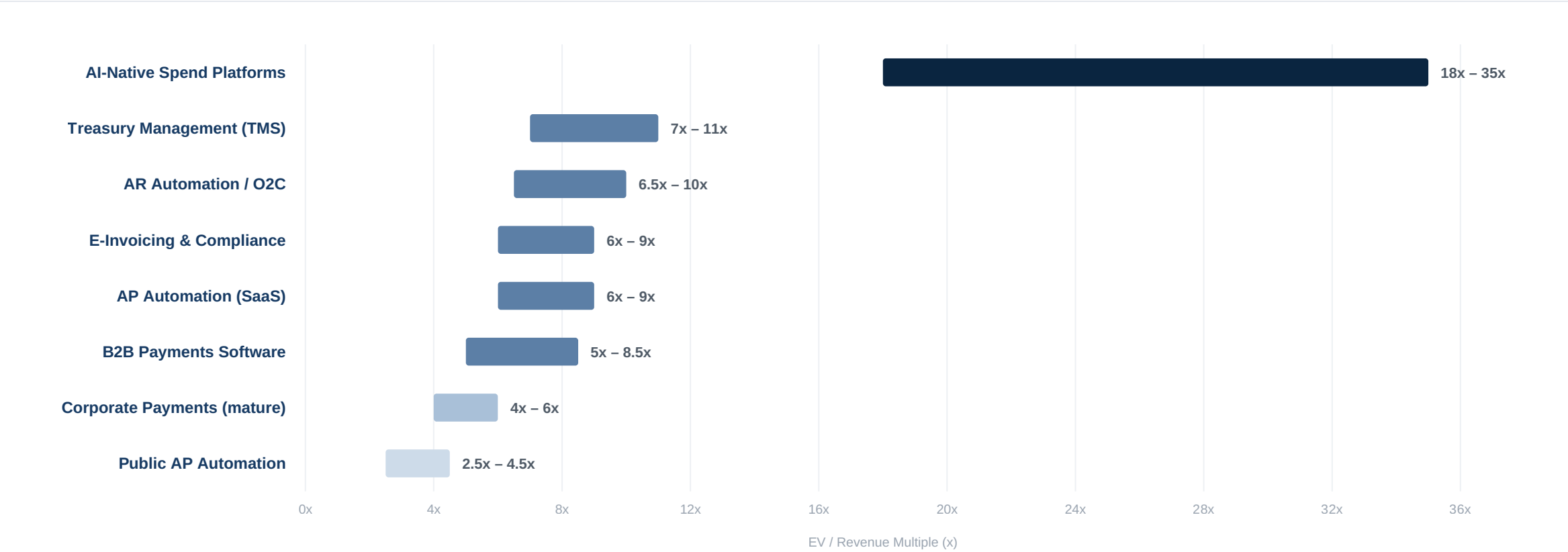
~3.5x

Public comparables now cap pricing for private rounds that lack a clear AI story.

Widening spread: the gap between AI-native private spend leaders and public AP/AR software has widened from roughly 7x in 2023 to about 18x, the mirror image of the convergence seen across broad fintech.

Exit Valuation Multiples by Subsegment

A sharp bifurcation persists between AI-native spend platforms (18-35x) and mature, public AP automation (2.5-4.5x).



KEY OBSERVATION

The market is paying for recurring-revenue quality, AI-driven efficiency and ownership of the payment flow, not transaction volume alone. The multiple gap between AI-native spend software and mature processing is the widest the firm has tracked.

Valuation Multiple Drivers: Expansion vs. Compression

Net expansion to roughly 6x is driven by AI, e-invoicing mandates and treasury demand, partly offset by public de-rating and financing costs.



NET EXPANSION OF +1.0X

The AI efficiency dividend, regulatory e-invoicing tailwinds and higher-for-longer demand for liquidity tools outweigh a combined 0.6x drag from a public-comp de-rating and elevated financing costs. The bridge reflects Windsor Drake analysis of the cited institutional data.

Source: Windsor Drake analysis of McKinsey, Federal Reserve and company-filing data. See appendix.

Capital Markets: IPO Window & Listing Benchmarks

WINDSOR DRAKE

The 2025 listing of Navan reopened the niche window but reset expectations: scale and profitability now gate access.

Navan (Nasdaq)

Listed October 2025 at \$25 per share for a roughly **\$6.2B** valuation.

- Closed its first session down about 20%, near a \$4.7B mark.
- An all-in-one travel, expense and payments platform addressing a stated \$185B TAM.
- Confirmed that profitability, not scale alone, gates a successful listing.

BILL Holdings (NYSE)

The bellwether public AP and AR platform has reset hard from its 2021 peak.

- Roughly **\$1.55B** of revenue now trades near 2.5x sales, down from 30x-plus in 2021.
- A clear public-market reset for the AP and AR automation category.
- Management has pivoted the narrative toward durable profitability.

AvidXchange (Taken Private)

Exited the public market via a **\$2.2B** take-private in October 2025.

- TPG acquired a majority, with Corpay taking a strategic minority stake.
- Priced at \$10.00 per share, a 22% premium to the undisturbed price.
- A scaled AP automation pure-play valued near 4-5x revenue.

Ramp & Brex (Private)

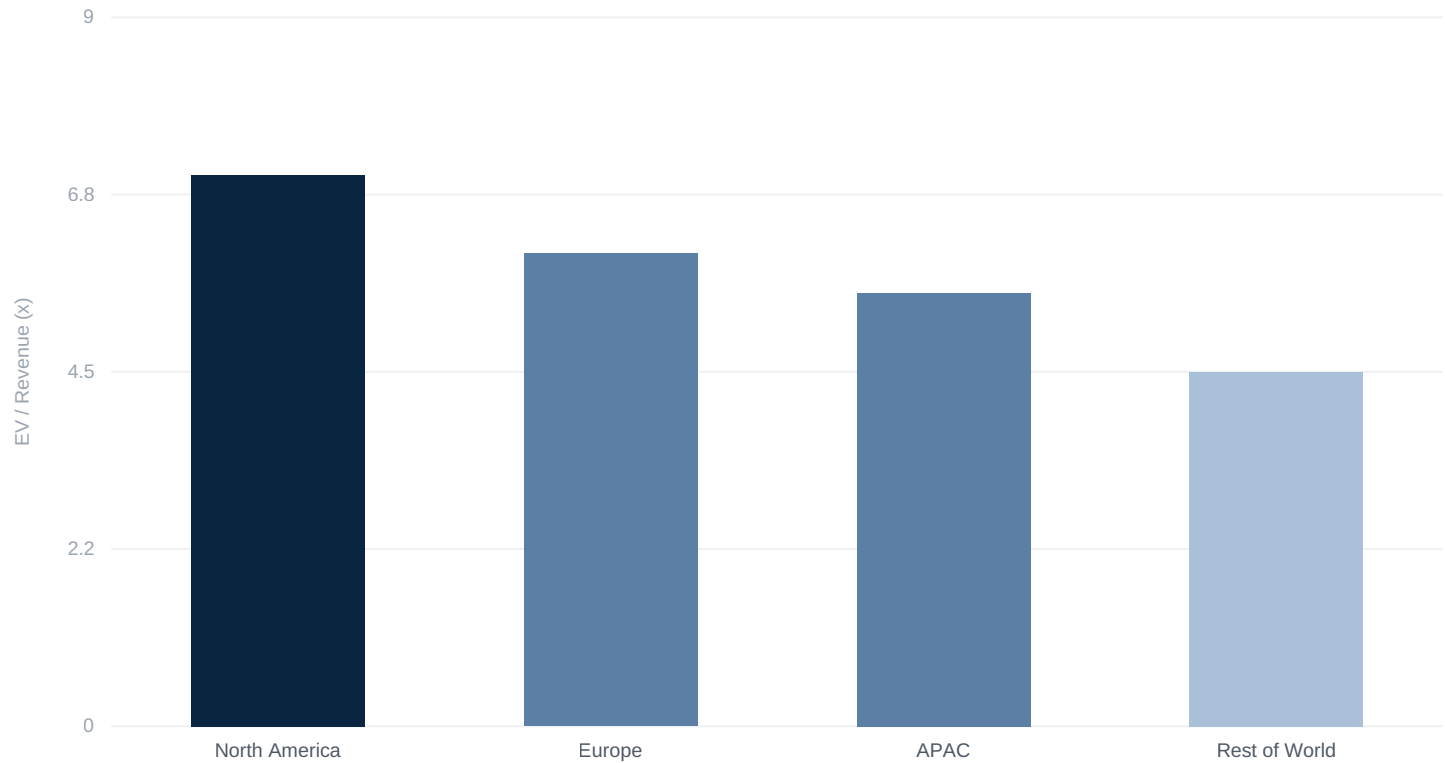
The strongest spend assets are setting fresh marks without listing at all.

- A June 2026 round valued **Ramp at \$44B**, roughly 30x annualised revenue.
- Primary and secondary markets now offer liquidity without a public listing.
- Investors are paying up specifically for an AI-native finance story.

Geographic Valuation Variations

North America commands an innovation premium; Europe's e-invoicing mandates create a structural demand catalyst.

Indicative M&A Purchase Multiple by Region (EV / Revenue, x)



NORTH AMERICA

Premium

Deepest exit liquidity, AI leadership and the highest purchase multiples for software-led assets.

EUROPE

Mandate-Driven

ViDA e-invoicing rules (France 2026, Germany 2027-28, Poland 2026) underwrite structural AP and AR demand.

APAC

Growth

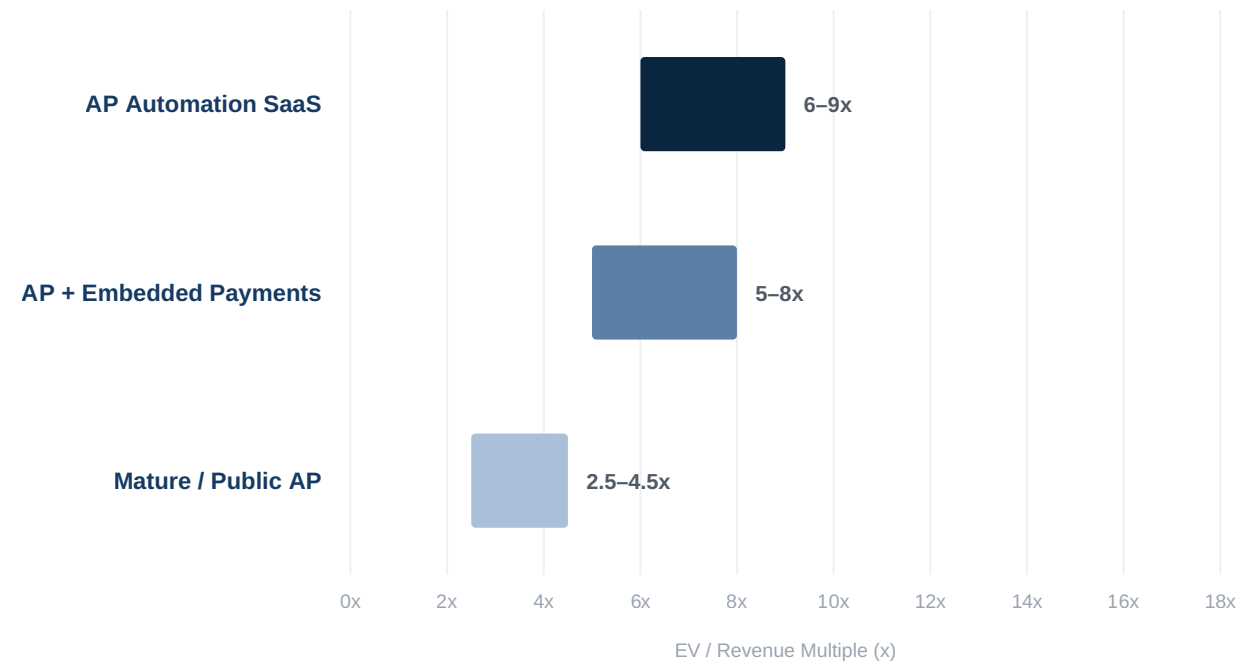
Real-time payment rails and rapid B2B digitisation drive the fastest underlying growth.

Regional spread: North America commands a premium on deep capital markets and AI leadership. Europe trades close behind as ViDA e-invoicing mandates convert compliance into mandatory AP and AR software demand. The indicative multiples reflect Windsor Drake analysis.

AP Automation: Exit Benchmarks & Buyer Landscape

High-growth AP software earns 6-9x on supplier-network stickiness, while mature public comparables stay compressed.

EV / Revenue Multiple Range (x)



Valuation Drivers

Supplier-Network Stickiness

Two-sided buyer and supplier networks raise switching costs; the network becomes the operating system for payables and supports premium revenue multiples.

Payment Monetisation

Virtual-card and ACH rails layer interchange and float revenue on top of SaaS fees, materially lifting revenue per customer at low incremental cost.

Public-Comp Drag

Scaled public names (BILL, AvidXchange) have de-rated to 2.5-4.5x as growth normalises, anchoring valuations for non-differentiated payables tools.

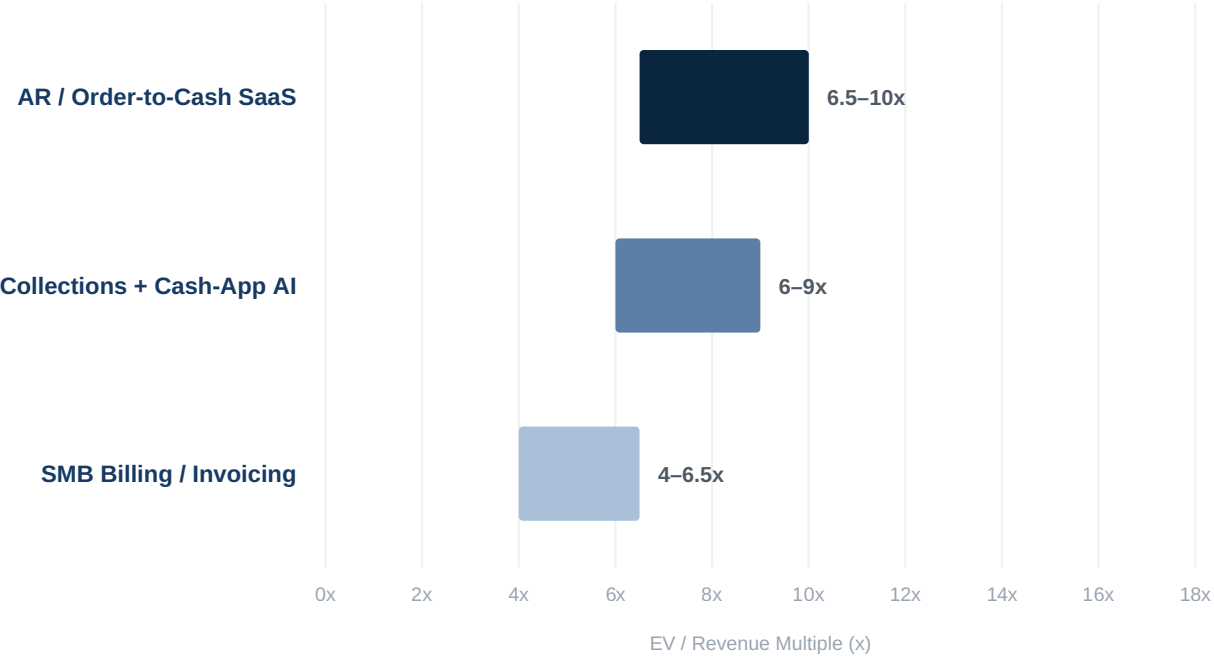
KEY OBSERVATION

AP automation is prized for supplier-network effects and payment monetisation, but the public de-rating shows the market now demands AI-driven efficiency and durable margins, not workflow coverage alone.

AR Automation & Order-to-Cash

Cash-application AI and DSO reduction justify 6.5-10x for order-to-cash leaders as e-invoicing mandates pull demand forward.

EV / Revenue Multiple Range (x)



Valuation Drivers

Cash-Application AI

Machine matching of remittances to invoices removes the most labour-intensive step in receivables, delivering hard, quantifiable operating leverage that buyers underwrite directly.

Working-Capital ROI

Measurable reductions in days sales outstanding free working capital for the customer, a concrete return that supports value-based pricing and high retention.

Mandate Tailwind

EU e-invoicing rules make structured AR a compliance requirement, converting a discretionary purchase into a mandatory one across large parts of the market.

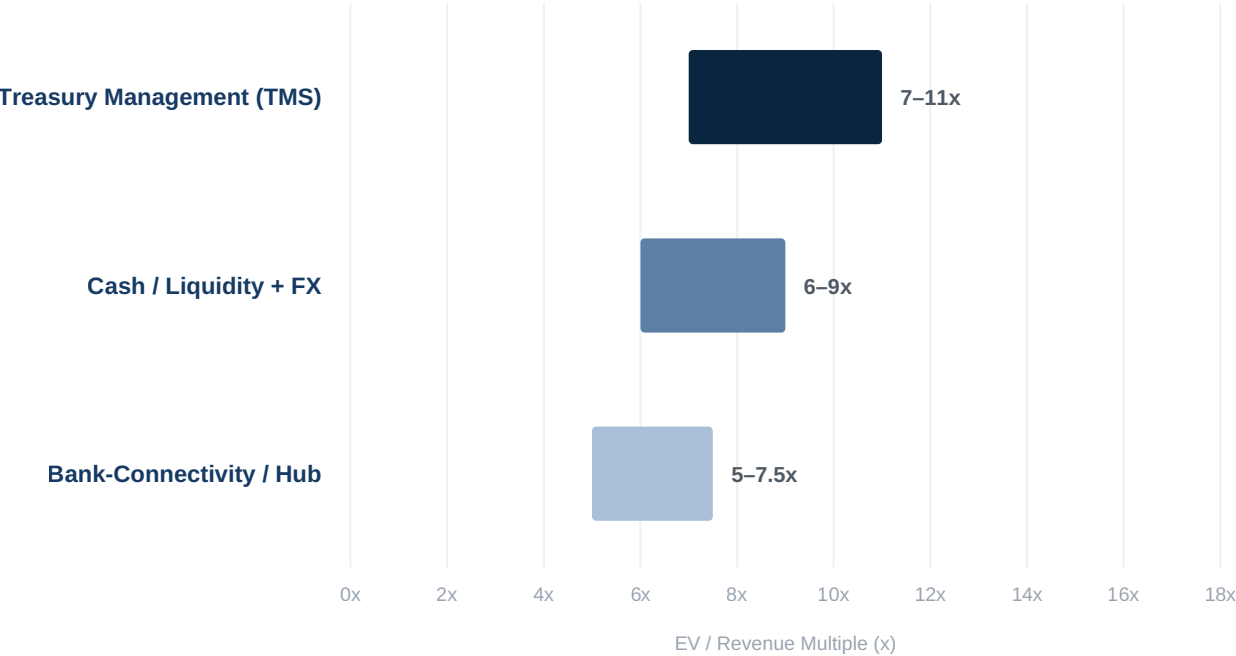
KEY OBSERVATION

Order-to-cash platforms that own both the invoice and the cash-application layer command the top of the range; standalone SMB invoicing trades at a clear discount.

Treasury & Liquidity Management

Higher-for-longer rates and tokenised settlement lift treasury management systems to a 7-11x range.

EV / Revenue Multiple Range (x)



Valuation Drivers

Rate-Driven Demand

With policy rates near 3.50-3.75%, corporate treasurers are prioritising yield, liquidity and cash-visibility tools, structurally raising willingness to pay for treasury software.

Scarcity of Scaled Assets

Few independent TMS platforms remain at scale; General Atlantic's 2024 stake valued Kyriba above \$3B, underscoring the premium on category leaders.

Tokenised Settlement

Ripple's reported \$1B acquisition of GTreasury signals strategic appetite to embed blockchain settlement and tokenised assets into traditional treasury operations.

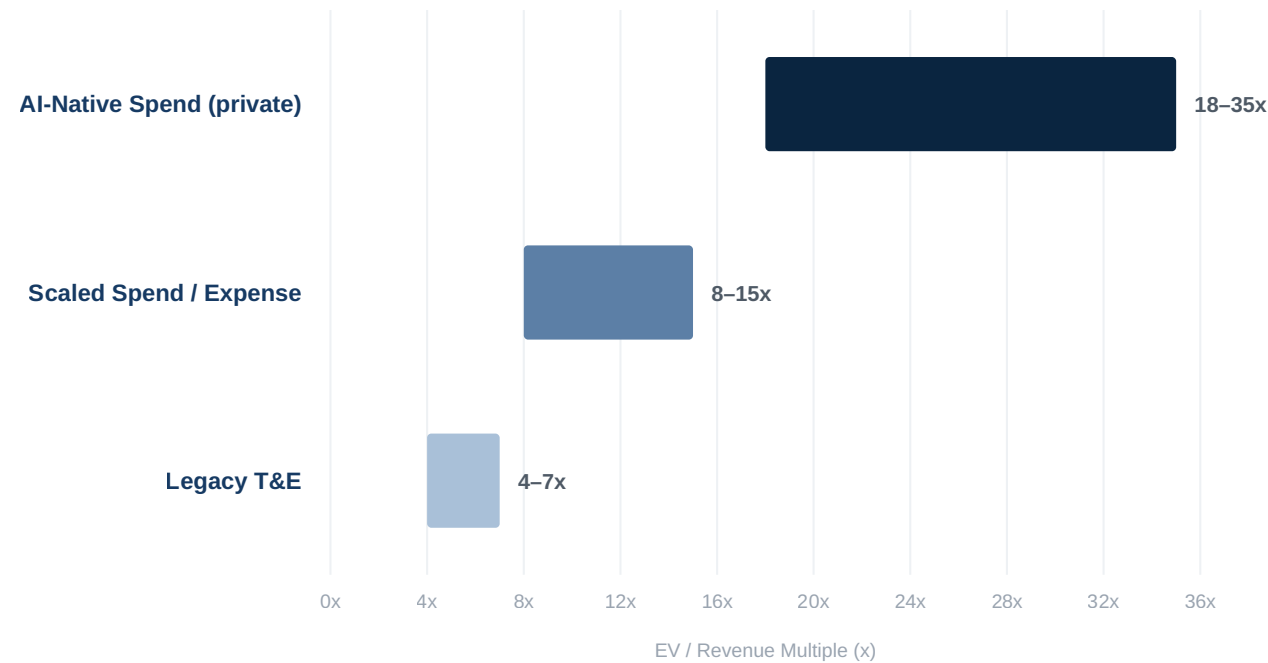
KEY OBSERVATION

Treasury sits at the intersection of the rate cycle and tokenisation, two durable tailwinds that keep scaled, independent TMS assets scarce and richly valued.

Spend Management & Corporate Cards: The AI Premium

AI-native spend platforms command the market's highest multiples, with the leader near 30x annualised revenue.

EV / Revenue Multiple Range (x)



Valuation Drivers

AI-Native Operating Leverage

Agentic coding, approvals and close automation decouple revenue from headcount, producing the non-linear margin expansion that justifies a 20x-plus revenue premium.

Interchange & Float Economics

Corporate-card interchange and float convert software users into high-margin payment volume; Ramp processes over \$200B in annualised purchase volume.

Strategic & Investor Demand

Ramp's June 2026 round at a \$44B valuation, led by blue-chip institutions, confirms that capital is paying up specifically for an AI-native finance story.

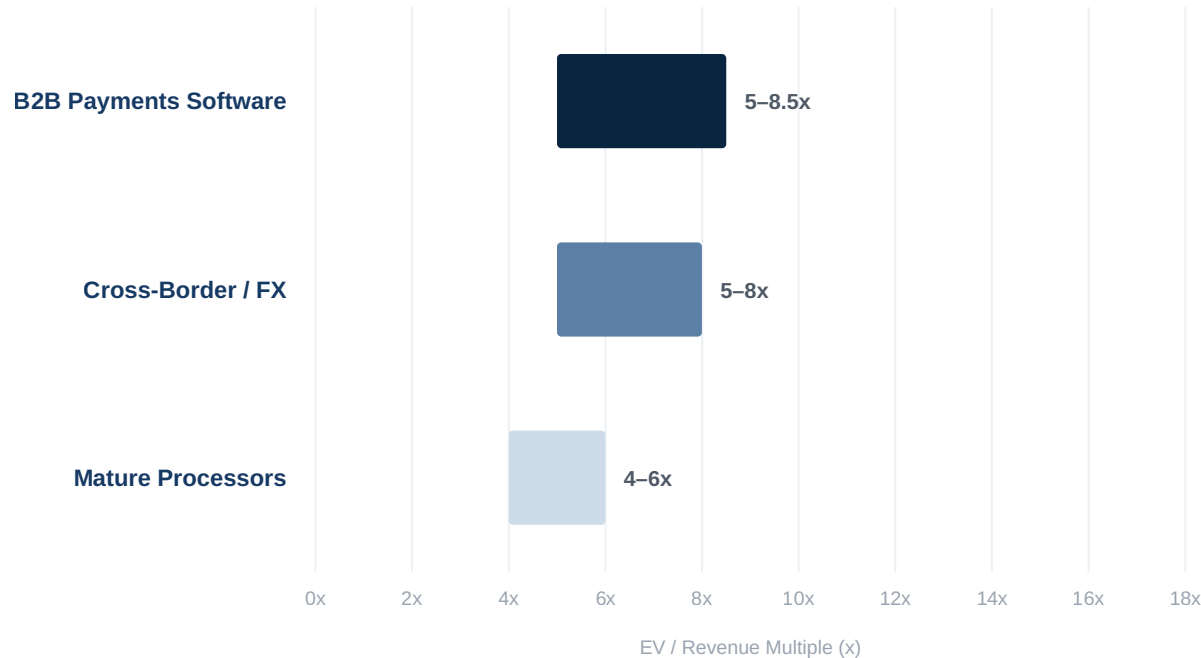
KEY OBSERVATION

Spend management screens as the highest-multiple subsegment, an innovation-supercycle premium on AI that structurally lowers the cost to operate a finance function.

B2B Payments & Money-Movement Rails

Software-led B2B payments earn 5-8.5x; mature corporate processors trade lower and on EBITDA.

EV / Revenue Multiple Range (x)



Valuation Drivers

Cross-Border Growth

McKinsey forecasts cross-border B2B payments growing about 6% a year through 2030, a large, underpenetrated flow that rewards faster settlement and lower fees.

Virtual-Card Economics

Embedding virtual cards and interchange into payables and procurement converts low-margin processing into higher-margin, software-attached revenue.

Rails Consolidation

Deals such as Mollie's acquisition of GoCardless show platforms combining card and bank-rail capability to serve more businesses on one stack.

VALUATION DRIVER

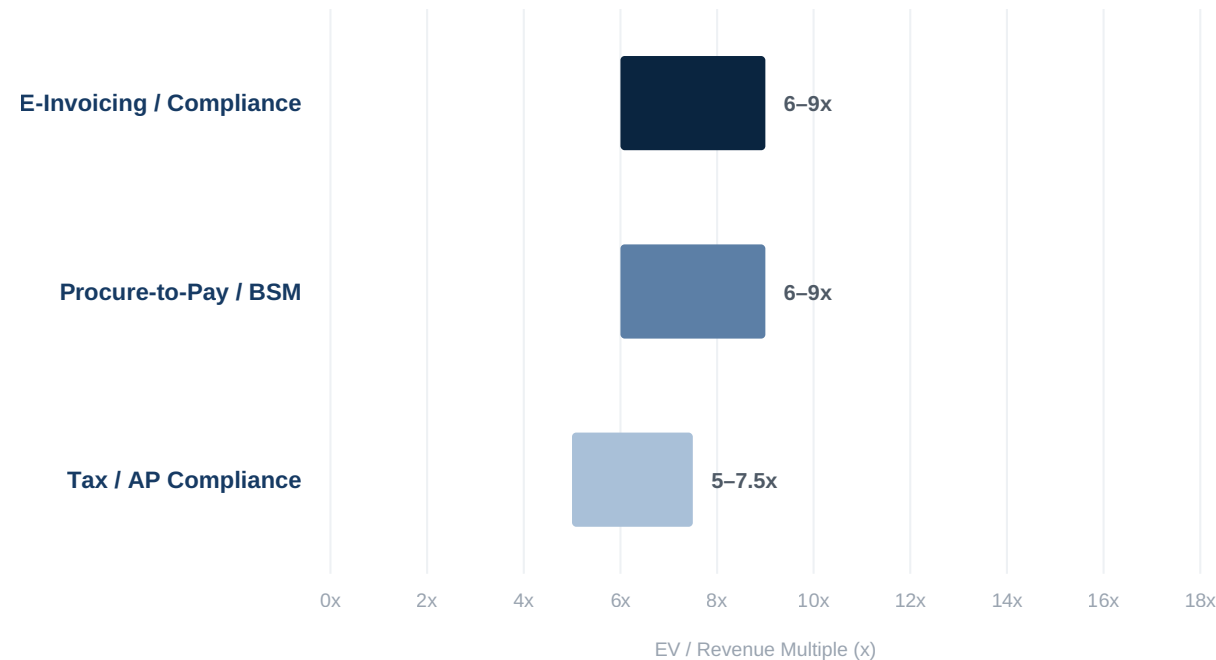
The spread between software-led B2B payments and mature processing reflects the market's shift from moving money cheaply to owning the workflow that originates the payment.

Sources: company and SEC filings; S&P Global Market Intelligence; Bloomberg; Windsor Drake analysis. See appendix.

E-Invoicing, Tax Compliance & Procurement

Mandated e-invoicing and source-to-pay networks support 6-9x as compliance becomes non-discretionary.

EV / Revenue Multiple Range (x)



Valuation Drivers

Regulatory Mandates

EU ViDA and national rules (France from September 2026, Germany 2027-28, Poland's KSeF from 2026) make structured e-invoicing compulsory, hard-wiring demand.

Network Effects

Interoperable invoicing networks compound in value as buyers and suppliers join; Thomson Reuters paid roughly \$800M for Pagero to anchor a global compliance stack.

Spend-Platform Pull

Business-spend-management leaders attract strategic and sponsor interest; Thoma Bravo took Coupa private at \$8B, an 8.4x forward-revenue mark.

KEY OBSERVATION

Compliance-driven categories enjoy the most durable demand in the niche: mandates remove the buy-or-not decision, leaving only the question of which network wins.

Comparable Transaction Analysis Framework

WINDSOR DRAKE

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

1. Select Peer Set

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

2. Normalise Metrics

Adjust KPIs to a pro-forma basis: separate SaaS from payment revenue, 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.

Proprietary Transaction Index

Calibration draws on Windsor Drake's proprietary index of **209 verified and reported fintech transactions (2020-2026)**, a living comparable-set database refreshed each quarter.

Quality-of-Revenue Filter

Peer selection prioritises recurring SaaS versus payment-attached revenue, gross-margin profile, 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 **20-30%**, where cost and revenue synergies can be concretely underwritten.



Strategic Acquirer Mapping by Subsegment

Banks seek embedded capability; PE targets cash flow and roll-ups; platforms prioritise payment-attached ecosystems.

Subsegment	Banks & FIs	Private Equity	Payments & Software Platforms
AP Automation	MODERATE Embed payables into commercial banking and card programmes.	HIGH Take-privates and roll-ups; margin and efficiency focus.	HIGH Attach payables and interchange to existing SMB platforms.
AR / O2C	MODERATE Receivables financing and cash-management cross-sell.	HIGH Buy-and-build of order-to-cash and collections assets.	MODERATE Add cash application to billing and ERP ecosystems.
Treasury / TMS	HIGH Embed treasury and liquidity tools for corporate clients.	HIGH Scarce, scaled, cash-generative platform assets.	MODERATE Tokenised settlement and payments-hub integration.
Spend Management	LOW Card economics compete with banks' own programmes.	MODERATE Premium entry points; valuations limit sponsor appetite.	HIGH Prime ecosystem target for software and card platforms.
B2B Payments	HIGH Modernise commercial rails and cross-border flows.	HIGH Processing scale and consolidation theses.	HIGH Embed payments into vertical and horizontal software.
E-Invoicing / Procurement	MODERATE Compliance and supplier-onboarding adjacencies.	HIGH Buy-and-build of mandated, network-effect assets.	HIGH Anchor global tax and compliance stacks.

Banks & Financial Institutions as Buyers

Incumbents are pursuing capability acquisitions to embed finance automation into corporate banking.

Strategic Motives: Buy vs. Build

The internal build cycle for agentic AP, AR and treasury tooling is too slow to counter fintech disruptors. That gap is compelling banks to acquire modern stacks outright, treating M&A as a defensive route to protect lucrative corporate-banking relationships.

Acquisition Patterns

The clear preference is for bolt-on technology deals, often preceded by a strategic partnership or minority stake that de-risks the technology before a full buyout, as Corpay did alongside TPG on AvidXchange.



Embedded Treasury & Liquidity

Banks are acquiring cash-management and liquidity tooling to deepen corporate deposit and operating-account relationships as rates keep treasury front of mind.

Priority: AP & AR Modernisation

Modern payables and receivables capability can be deployed across an entire commercial customer base, defending fee income against fintech encroachment.

Priority: Real-Time Rails

Connecting clients to instant settlement rails such as FedNow and RTP remains a primary acquisition driver for commercial banks.

Priority: Compliance Automation

E-invoicing and tax-compliance assets are valued as a deflationary lever that lowers the operating-cost ratio across the franchise.

Record, aging dry powder is creating intense deployment pressure on efficient, cash-generative finance-automation assets.

Deployment Pressure

Bain counts roughly \$1.3T of buyout dry powder, more than 40% of it unspent for two years or more. That overhang is forcing sponsors to transact, and finance automation offers exactly the recurring, mission-critical revenue that supports leverage.

Public-to-Private Thesis

Public AP, AR and spend names trading below intrinsic value are prime targets. Thoma Bravo took Coupa private at \$8B; TPG, with Corpay, took AvidXchange private at \$2.2B in 2025.



Ideal Target Profile

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

Value-Creation Playbook

Pricing optimisation, a mix-shift toward high-margin software and payment revenue, and buy-and-build consolidation of fragmented finance-automation niches.

Aging-Portfolio Catalyst

Many holdings now exceed a five-year hold, signalling a coming wave of secondary buyouts and strategic exits across the category.

Deal Structure Trends

A resurgence of all-cash take-privates for deal certainty, with earn-outs bridging gaps on unproven AI capability.

Competitive Moats Driving Premium Valuations

Multiples above 10x revenue are reserved for companies that can demonstrate structural defensibility.

Network Effects

ASSET VALUE: HIGHEST

Two-sided buyer and supplier graphs

- Each connected supplier or buyer raises the value and stickiness of the network.
- Underpins AP, AR and e-invoicing platforms with compounding switching costs.
- Drives structurally lower CAC as the install base grows.
- **Action:** prioritise supplier onboarding and interoperable connections.

AI-Native Operations

SCALE VALUE: HIGHEST

Revenue decoupled from headcount

- Agentic coding, approvals and cash application cut the marginal cost to serve.
- Demonstrates non-linear margin expansion as the business scales.
- Directly lifts the Rule of 40 score that gates premium multiples.
- **Action:** embed AI into core finance workflows to prove operating leverage.

Payment Monetisation

GROWTH VALUE: HIGH

Interchange, float and FX on top of SaaS

- Owning the money movement adds high-margin revenue per customer.
- Virtual cards and rails convert software users into payment volume.
- Expands LTV without proportional customer-acquisition cost.
- **Action:** attach payments to the workflow you already own.

Compliance Lock-In

BARRIER VALUE: MED-HIGH

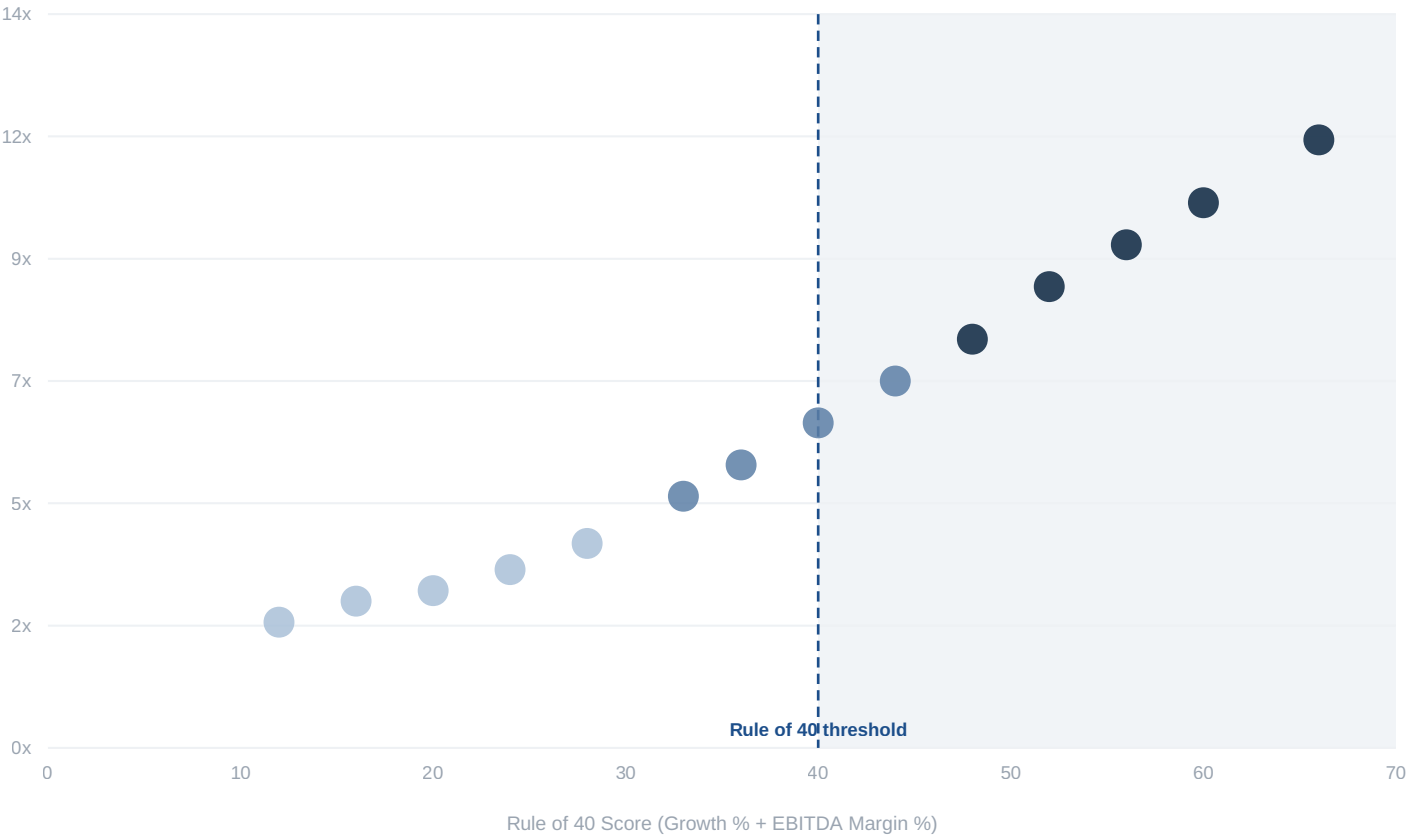
Mandated, regulated workflows

- E-invoicing and tax mandates hard-wire demand for compliant platforms.
- Certified network access is a structural barrier to new entrants.
- Becomes central to cross-border acquisition theses.
- **Action:** secure certifications ahead of each mandate deadline.

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)

8x+

Scaled, efficient winners; the primary targets for premium strategic M&A.

RULE OF 40 MET (40 TO 50)

6-8x

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

BELOW THRESHOLD (<40)

2.5-5x

Transition and value-trap zones; vulnerable to consolidation.

Only an estimated 10 to 15% of finance-automation companies currently clear the Rule of 40, but it remains the single best predictor of a premium multiple, and the market is pricing the metric more aggressively each quarter.

Cross-Border M&A Considerations

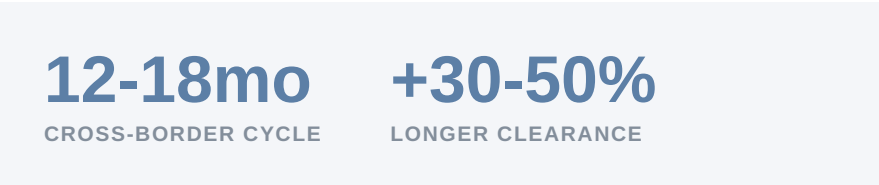
Regulatory divergence is the primary deal risk, and the primary arbitrage, in 2026.

Regulatory Regimes

Divergent e-invoicing mandates and data-sovereignty rules across the EU, plus heightened scrutiny of payment infrastructure (CFIUS and FDI review), materially complicate integration and lengthen approval timelines for cross-border finance-automation deals.

Currency & WACC Impact

US acquirers are leveraging a strong dollar and premium domestic multiples to buy European AP, AR and e-invoicing assets; managing divergent regional rate environments is central to any debt-financed deal.



Extended Timelines

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

Mandate-Tied Earn-Outs

Earn-outs increasingly unlock tranches of consideration on specific certification or e-invoicing-network milestones, 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

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

1. Pricing & Payment Attach

6 TO 12 MONTHS PRE-EXIT

Capture more of the flow you process

- Shift from cost-plus to **value-based pricing** on software.
- Attach virtual cards and rails to monetise payment volume.
- Target a 15%-plus lift in revenue per customer.
- Evidence pricing elasticity with clean cohort data.

2. Revenue Quality

PREDICTABILITY

Engineer resilience into the model

- Increase the recurring revenue mix to **80%+** of total.
- Improve Net Revenue Retention to **>120%** via cross-sell.
- Reduce concentration so the top 10 accounts are under 20%.
- Lengthen contract duration to extend visibility.

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 revenue 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 finance-automation 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

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

| Capability Fit

Demonstrate unique IP, proprietary supplier data or AI assets that fill a specific, declared buyer gap, making the buy-versus-build decision self-evident for the acquirer.

| Integration Ease

Acquirers pay clear premiums for plug-and-play assets. Minimise critical dependencies, document APIs thoroughly, and present clean, audited financials with SaaS and payment revenue cleanly separated.

| Synergy Density

Quantify the revenue lift from cross-selling into the acquirer's base, 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

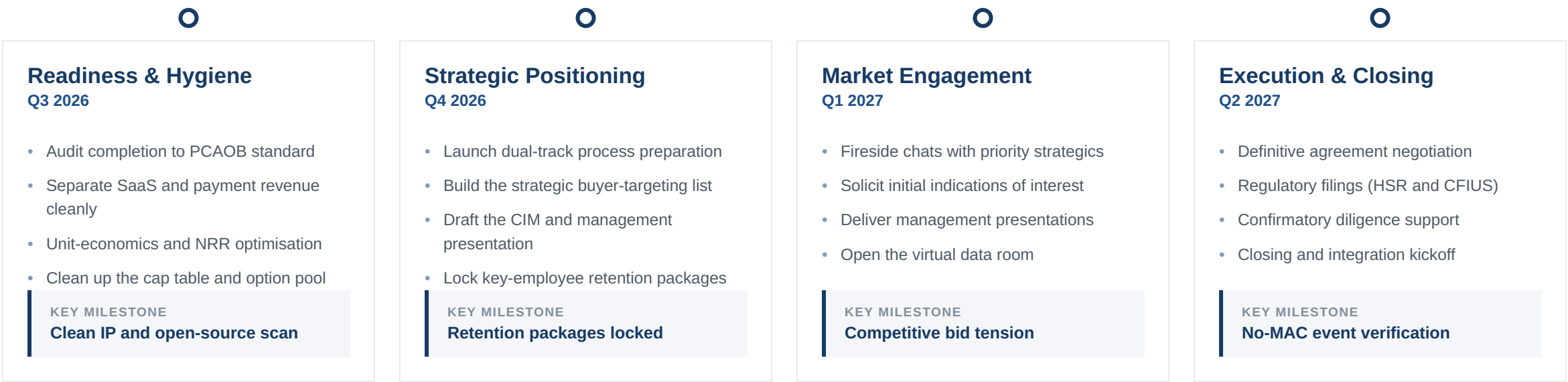
Explicitly model top-line and bottom-line impact in the management presentation to anchor the valuation conversation on hard numbers.

Comprehensive VDR Readiness

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

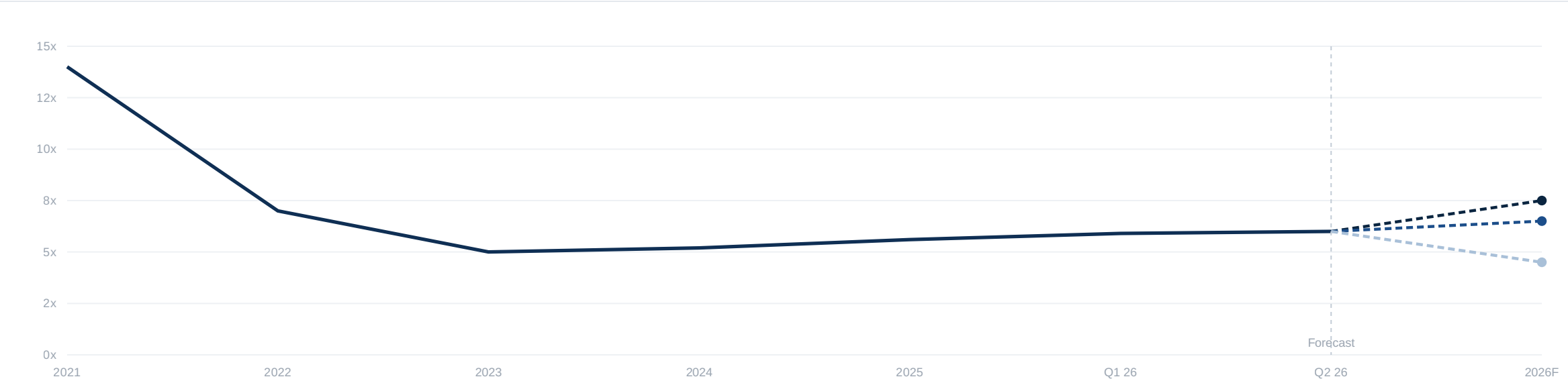
Timing the Exit: 12-18 Month Roadmap

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 active buyers, aging dry powder and mandate-driven demand still holds.



2026 Valuation Forecast Scenarios

With the broad-market benchmark near 6x, forward trajectories diverge on rates, the pace of AI adoption and the spread of e-invoicing mandates.



BULL CASE

7.5x

Key Drivers

- Fed cuts resume and the cost of capital eases
- An AI supercycle drives multiple expansion
- Mandates accelerate AP and AR adoption

STRATEGY: ACCELERATE GROWTH

BASE CASE

6.5x

Key Drivers

- Rates hold near 3.50-3.75% through 2026
- Steady mid-single-digit M&A volume growth
- Selective IPOs and continued take-privates

STRATEGY: BALANCE GROWTH & PROFIT

BEAR CASE

4.5x

Key Drivers

- Inflation resurgence or further rate holds
- Public comps stay below issue price
- A macro shock freezes M&A activity

STRATEGY: CASH PRESERVATION

Emerging Opportunities & Buyer Trends

WINDSOR DRAKE

Capital is flowing into the connective-tissue infrastructure of an AI-first finance function.

| Agentic Finance Operations

AI agents that code invoices, chase collections, reconcile cash and run the close are replacing legacy ERP modules, the single largest underpenetrated workflow in the back office.

| Embedded Treasury & Liquidity

Treasury, yield and liquidity tools are being embedded into banking and software platforms as higher-for-longer rates keep corporate cash management a board-level priority.

| Mandated E-Invoicing Networks

ViDA and national mandates are converting compliance into a recurring-software requirement, driving demand for interoperable e-invoicing and tax-reporting networks.

Capability Acquisitions

Banks and platforms are prioritising AI and payment capability over pure distribution, buying technology to modernise corporate-finance stacks.

PE Platform Roll-Ups

Sponsors are consolidating fragmented AP, AR and procurement niches to build scale and drive multiple expansion off aging dry powder.

Tokenised Settlement

Crypto-native and payments firms are acquiring treasury infrastructure to move funds instantly, as Ripple's reported purchase of GTreasury illustrates.

Market Intelligence

Top-tier forecasts point to a 2026 uptick in deal volume. Aging dry powder and capability-driven demand are chasing a supply of AI-ready, profitable assets that has not kept pace.

M&A Case Study: AvidXchange / TPG & Corpay

WINDSOR DRAKE

The defining take-private of the cycle for AP automation, and the playbook it sets for founders.

The Take-Private Playbook

TPG, in partnership with Corpay, acquired **AvidXchange** for **\$2.2B** at **\$10.00 per share**, closing in **October 2025**. It is the defining consolidation event for AP automation, confirming that scale has become the primary defence as public software multiples compress.

Strategic Rationale

- **Scale defence:** taking a sub-scale public AP pure-play private to invest away from quarterly scrutiny.
- **Strategic partner:** Corpay's minority stake pairs sponsor capital with a payments operator's synergies.
- **Premium reset:** the \$10.00 price was a 22% premium to the undisturbed share price, near 4-5x revenue.

Implications for Founders

Scale Is Now Existential

In commoditising AP and AR software, **scale consolidation** has displaced organic growth as the primary survival strategy. Mid-market players face a consolidate-or-be-consolidated choice, and the window to choose is narrowing.

Quantify Synergies Pre-LOI

Take-private and strategic multiples rest on **identifiable, underwritable synergies**. Payment-attach and cost math, presented before the LOI, moves valuation; vague strategic fit no longer does.

AI Is the Multiple Divider

Public AP comparables reset to 2.5-4.5x while AI-native spend leaders cleared 20x. A credible, measurable AI story is now the single clearest determinant of which multiple an asset earns.

Valuation Methodology: Choosing the Right Metric

WINDSOR DRAKE

The right metric depends on business model, profitability profile and payment intensity.

EV / Revenue

6-12X+

High-growth AP, AR, treasury & spend

- Applied where profitability is suppressed by deliberate growth reinvestment.
- Pure software revenue is valued far above payment-processing revenue.
- The Rule of 40 score dictates where in the range an asset sits.
- Best suited to AR automation, TMS and spend software.

EV / EBITDA

10-16X

Mature & cash-generative

- Essential for scaled corporate-payments processors (Corpay, WEX).
- Many firms valued on revenue in 2021 are now assessed on EBITDA.
- Margin expansion and volume scale are the key value drivers.
- Captures the cash-flow reality of consolidating segments.

Rule of 40 Overlay

PREMIUM GATE

Efficiency-adjusted re-rating

- Layered on top of the core revenue multiple as a premium or discount.
- Top-quartile efficiency re-rates an asset by close to 2x.
- Balances growth and margin rather than rewarding either alone.
- Now the primary filter buyers apply before bidding.

Payment-Adjusted View

BLENDED

SaaS plus monetised flow

- Separates recurring SaaS revenue from interchange and float.
- Values software revenue at a premium to payment revenue.
- Essential for spend and AP platforms with card economics.
- Prevents over- or under-valuing payment-attached models.

Institution	Report / Source	Date
McKinsey & Company	<i>The 2025 McKinsey Global Payments Report</i>	Oct 2025
McKinsey & Company	<i>Global Private Markets Report 2026</i>	Feb 2026
Goldman Sachs	<i>2026 Global M&A Outlook</i>	Jan 2026
Bain & Company	<i>Global Private Equity Report 2026</i>	Feb 2026
Federal Reserve	<i>FOMC Statement and Minutes (Apr 2026)</i>	Apr 2026
European Commission	<i>VAT in the Digital Age (ViDA); national e-invoicing mandates</i>	2025-2026
S&P Global Market Intelligence	<i>Private capital and dry-powder analyses</i>	2026
CB Insights	<i>State of Fintech 2025</i>	2026
PitchBook	<i>Fintech & Payments public comp and valuation data</i>	2026
Bloomberg	<i>Ramp \$44B funding round; Kyriba valuation reporting</i>	2024-2026

Institution	Report / Source	Date
AvidXchange Inc.	SEC filings (SC 13E-3, 8-K); TPG/Corpay take-private	Oct 2025
Coupa / Thoma Bravo	SEC filings and press releases, \$8.0B acquisition	2023
Navan Inc.	SEC Form 424B4 and S-1; Nasdaq listing	Oct 2025
BILL Holdings / Corpay	SEC filings (10-Q, 8-K); company results	2026
EY	M&A Outlook 2026 (Deal Barometer)	Apr 2026
KPMG	Pulse of Fintech (H2 2025)	2026

VALUATION METHODOLOGY NOTES

Source Standard

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

Structural Adjustments

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

Peer Set & Normalisation

Peers are filtered on business-model alignment, revenue quality (SaaS versus payment-attached) and Rule of 40 profile. Financials are adjusted to a pro-forma basis excluding one-time items and stock-based compensation.

Synthesis & Attribution

Figures labelled as firm analysis or house estimate, including the roughly 6x broad-market benchmark, are the firm's own synthesis of the cited institutional data, presented as a house view rather than third-party consensus.