

WealthTech Valuations: Q2 2026

Q2 2026 finds WealthTech in a state Windsor Drake characterises as a disciplined re-rating: a recovery underwritten by recurring revenue and improving margins rather than momentum. The firm's working benchmark for the broad WealthTech market has settled into a **6 to 8x EV/Revenue** core, with a midpoint near 7x, and that stability, more than any single number, is the story of the quarter.

Beneath the benchmark sits a profound and widening split. Blended averages screen higher, pulled upward by a thin tail of AI-native advice platforms that command 12x revenue and above. Standalone B2C robo-advisors and retail investing apps, by contrast, remain tethered to compressed 3.0x to 6.0x multiples. The middle of the market is hollowing as capital concentrates on advisor infrastructure and direct-indexing engines.

The macro backdrop is constructive but two-sided. The Federal Reserve funds range holds at **3.50% to 3.75%**, with the March dot plot signalling one further cut in 2026 and easing the cost of capital for long-duration assets. Because much WealthTech revenue is basis points on assets under management, equity-market levels feed directly into the multiple. Fundamentals are genuinely stronger: the RIA channel now rivals the wirehouses in total AUM, RIA and broker-dealer M&A moved roughly **\$1T** of purchased assets in 2024, and AI co-pilots have reached production in mainstream advisor workflows. Capital concentrates on platforms, and Bain Capital's **\$4.5B** take-private of Envestnet, closed in November 2024, remains the reference transaction of the cycle.

This report sets out institutional-grade analysis for navigating that split market, one in which recurring advice infrastructure is valued like premium software while consumer-facing, market-correlated models face continued scrutiny.

What multiples are WealthTech companies trading at?

The Q2 2026 valuation picture turns on a single divide: recurring advice infrastructure on one side, transactional and market-correlated consumer models on the other. The broad market clusters near Windsor Drake's 6 to 8x benchmark, but the spread between the top and bottom of the table is the widest the subsector has shown. Investors are paying up for recurring-revenue quality, advice automation and ownership of the advisor workflow.

Advisor platforms, direct-indexing engines and portfolio software are valued on durable, contracted revenue and low churn. Standalone robo-advisors and retail investing apps, by contrast, remain under scrutiny over customer-acquisition cost and the market beta embedded in AUM-linked revenue.

Table 1. WealthTech Valuation Multiples by Subsegment, Q2 2026

Subsegment	EV/Revenue Range	YoY Trend	Primary Driver
AI-Native Advice Platforms	12.0x - 16.5x	Rising	Agentic advice, advisor productivity
Direct Indexing & SMA Engines	9.5x - 13.5x	Rising	Structural asset growth, tax alpha
Advisor Technology Platforms	8.0x - 12.0x	Strengthening	Workflow ownership, integration depth
Portfolio & PMS Software	6.0x - 9.0x	Stable	Mission-critical, low-churn revenue
Asset-Management Software	5.0x - 8.0x	Stable	Recurring software, cloud migration
RIA Aggregators (rev-equivalent)	4.5x - 7.0x	Strengthening	Scale, organic net new assets
Digital Wealth & Robo-Advice	3.5x - 6.0x	Compressing	Acquisition cost, thin fee rates
Retail Investing Apps	3.0x - 6.0x	Compressing	Transaction economics, market beta

Source: Windsor Drake analysis of PwC, PitchBook and CB Insights data.

Subsegment dynamics driving the dispersion

AI-native advice platforms and direct-indexing engines sit at the top of the table, priced as scalable infrastructure rather than speculative bets. Advisor technology platforms strengthen as RIA aggregators standardise acquired practices on a single stack within roughly six months, rewarding platforms that can serve an entire enterprise. Standalone consumer robo-advisors and retail investing apps move the other way, with thin basis-point fees and market-correlated revenue capping multiples. RIA aggregators are valued on EBITDA rather than revenue; expressed on a revenue-equivalent basis they screen in the mid-single digits, but the premium accrues to platforms that pair acquisition scale with genuine technology.

Table 2. Subsegment Valuation Drivers and Principal Risks, Q2 2026

Subsegment	Premium Driver	Principal Risk
AI-Native Advice Platforms	Advice capacity decoupled from headcount	Fiduciary standards, model trust
Direct Indexing & SMA Engines	Tax alpha on a structurally growing asset base	Fee compression, incumbent entry
Advisor Technology Platforms	Workflow lock-in, enterprise contracts	Integration burden, switching inertia
Portfolio & PMS Software	Mission-critical, low-churn recurring revenue	Legacy displacement cycles
Digital Wealth & Robo-Advice	B2B enablement with contracted revenue	B2C acquisition cost, thin fees
Retail Investing Apps	Monetisation breadth beyond transactions	Market-beta cyclicality, retention

Source: Windsor Drake analysis of McKinsey, KPMG and S&P Global Market Intelligence research.

How are WealthTech companies valued in 2026?

Valuation in 2026 has coalesced around a disciplined framework built on recurring revenue, a credible route to profitability, and a clear-eyed view of how much of a company's growth is organic rather than market-driven. The growth-at-all-costs playbook is gone. In its place is a multi-factor model in which the Rule of 40 is table stakes rather than a distinguishing achievement.

The Rule of 40 mandate

The Rule of 40, where revenue growth plus EBITDA margin reaches at least 40%, is the primary filter for a premium multiple. In 2026, how a company reaches that number matters as much as reaching it: investors reward balance. Top performers command **50% to 100%** premiums over the median, yet only an estimated **10% to 15%** of WealthTech firms clear the bar. Each ten-point gain in the score is now worth close to an additional turn of revenue.

Table 3. Rule of 40 Performance Tiers, Q2 2026

Performance Tier	Rule of 40 Score	Avg EV/Revenue	Premium vs Median
Top Quartile	Above 50	10x and above	+50% to +100%
Rule of 40 Met	40 to 50	8.0x - 10.0x	Healthy premium
Near Miss	30 to 39	5.0x - 7.0x	Modest discount
Bottom Quartile	Below 30	3.0x - 5.0x	Deep discount

Source: Windsor Drake analysis of McKinsey and Bain & Company software value-creation research.

AUM-linked revenue and market beta

A distinguishing feature of WealthTech valuation is the role of assets under management. Much of the sector's revenue is charged as basis points on AUM, which means a rising equity market lifts revenue without a single new client win, and a drawdown cuts it just as mechanically. Buyers discount that market beta. The most valuable disclosure a WealthTech founder can make is to separate organic net new assets from market-driven AUM growth, and to show how much revenue is recurring subscription or platform fees rather than AUM-linked. Recurring, contracted revenue is less correlated with markets and earns a clear premium.

Unit economics under scrutiny

For consumer-facing models, customer-acquisition cost is the central question. An LTV/CAC ratio above 3:1 is now the minimum, and the strongest platforms target 5:1 or better with payback inside twelve months. For advisor-facing and B2B platforms, net revenue retention above **115%** has become essential, evidence not merely of satisfied advisors but of a working expansion engine as practices add seats, assets and modules.

A credible path to profitability

For any asset valued above eight times revenue, the market now expects a believable path to EBITDA profitability within 12 to 18 months. There is little tolerance for perpetual growth narratives that never demonstrate operating leverage. Revenue per employee has become a quick read on AI adoption: platforms that deploy production AI co-pilots in advice delivery should show capacity rising faster than headcount.

What is driving WealthTech valuations this quarter?

Valuations in Q2 2026 reflect an interplay of expansionary forces and compressive market realities. Reading those drivers correctly is what separates a defensible valuation from a mispriced one. On a Windsor Drake bridge, the broad-market multiple expands from a 6.0x 2024 baseline to roughly 6.9x, a net move of about 0.9x.

Table 4. Valuation Drivers, Expansion versus Compression, Q2 2026

Factor	Driver	Effect on Multiples	Notable Examples
Expansion	AI advice integration	Premium for AI-native operations	Conversational agents, planning co-pilots
Expansion	AUM growth and market	Higher AUM-linked revenue	Buoyant equity markets
Expansion	Rate normalisation	Lower discount rates lift growth assets	Advisor platforms, portfolio software
Compression	Fee compression	Basis-point pressure on AUM revenue	Robo-advisors, managed accounts
Compression	Consumer acquisition cost	Margin drag on B2C models	Standalone robo and retail apps
Compression	Regulatory cost	Compliance drag on advice delivery	Cross-border and AI-advice models

Source: Windsor Drake analysis of PwC, McKinsey and Federal Reserve data.

Geographic variation

Location still matters for valuation. North America commands a structural premium on the strength of the deepest RIA ecosystem, the largest pool of custodians, and the most reliable exit liquidity, holding about 56% of the global WealthTech market. Europe trades at a fragmentation discount but offers regulatory stability that creates defensible moats. APAC remains the fastest-growing region, led by mobile-first retail investing.

Table 5. Geographic Valuation Variation, Q2 2026

Region	Market Share	Posture	Key Drivers
North America	~56%	Premium	Deep RIA ecosystem, custodians, exit liquidity
Europe	~20%	Value	Regulatory moats offset by market fragmentation
APAC	~17%	Growth	Mobile-first retail investing and scale
Rest of World	~7%	Selective	Efficiency stories against higher political risk

Source: Windsor Drake analysis of S&P Global Market Intelligence and CB Insights data.

Public and private markets converge

One of the defining features of the quarter is the near-disappearance of the private-market premium. The public-to-private spread has narrowed from about 6.5x in 2023 to roughly 0.4x, with public WealthTech averages near 7.2x and private averages near 7.6x. Public comparables now act as a gravity anchor on late-stage private rounds. AI-focused private companies still raise at genuine premiums, matching public-market appetite, but older private WealthTech names without a clear AI position are seeing flat marks. Those companies are increasingly prime candidates for strategic M&A or a take-private outcome, as the Envestnet transaction demonstrated.

Which valuation metric should apply?

Selecting the right metric is what separates a professional valuation from a careless one. Different corners of WealthTech demand different lenses, and leaning too hard on a generic EV/Revenue multiple can badly misprice an RIA aggregator or a market-correlated robo-advisor.

EV/Revenue: the growth metric

EV/Revenue suits high-growth advisor technology and SaaS businesses with recurring revenue that are reinvesting ahead of profitability, including advisor platforms, portfolio software and AI advice tools. The essential adjustment is for revenue quality: a dollar of recurring subscription revenue is not comparable to a dollar of transactional or AUM-linked revenue, which carries market beta and a thinner margin.

EV/EBITDA: the profitability metric

EV/EBITDA fits mature, cash-generative businesses where cash flow is the primary value driver, most notably RIA aggregators and scaled, profitable platforms. A notable shift in 2026 is that many companies once valued on revenue are now assessed on EBITDA as their growth rates moderate. For aggregators, the premium accrues to platforms that pair acquisition scale with genuine technology and organic growth.

AUM-based and price-to-book measures

AUM-based multiples, expressed as basis points of assets, apply to robo-advisors and managed-account platforms whose revenue is a fee on AUM; here organic net new assets matter far more than market-driven growth. Price-to-book remains relevant where a WealthTech platform carries a custody or lending balance sheet, though it is less common in pure WealthTech software than in lending, where book value represents core operational capacity.

Table 6. Valuation Methodology Matrix, Q2 2026

Subsegment	Primary Metric	Typical 2026 Range	Key Adjustment
AI-Native Advice & Advisor Tech	EV/Revenue	8x - 16x and above	Rule of 40, recurring mix
Direct Indexing & SMA Engines	EV/Revenue	9.5x - 13.5x revenue	Asset growth, tax alpha
Portfolio & Asset-Mgmt Software	EV/Revenue	5x - 9x revenue	Churn, cloud migration
RIA Aggregators	EV/EBITDA	12x - 22x EBITDA	Scale, organic growth
Digital Wealth & Robo-Advice	AUM-based / EV/Revenue	3.5x - 6x revenue	Net new assets, fee rate
Retail Investing Apps	EV/Revenue	3x - 6x revenue	Revenue mix, market beta
Balance-Sheet WealthTech	Price-to-Book	1.0x - 1.5x book	Asset quality, funding cost

Source: Windsor Drake valuation methodology, calibrated to PitchBook and CB Insights comparables.

Key takeaways for founders

Translating the market picture into strategy means concentrating on six areas that consistently move WealthTech valuation in the current environment.

1. Clear the Rule of 40

Revenue growth plus EBITDA margin must reach at least 40%. No single metric predicts a valuation premium better, and top-quartile performers earn 50% to 100% over the median. Make the score a board-level priority with monthly tracking.

2. Engineer recurring, capital-light revenue

The market explicitly rewards recurring subscription and platform-fee revenue over transactional or AUM-only models: advisor infrastructure trades at 8x to 15x revenue while consumer robo and retail apps sit at 3x to 6x. Lift the recurring mix toward 80% of total and lengthen enterprise contract duration.

3. Make the AI case concrete

AI in advice delivery is now a measurable driver of value, not a talking point. Present specific use cases across planning, meeting preparation and compliance, and quantify the advisor-productivity gains with hard return-on-investment numbers. AI-native advice platforms command roughly 15x revenue in private rounds.

4. Manage AUM beta

Because WealthTech revenue is largely basis points on AUM, equity-market levels feed directly into valuation. Separate organic net new assets from market-driven AUM growth in every disclosure, and show how recurring subscription revenue dampens that market beta. Buyers pay a premium for revenue they can predict.

5. Weigh the geography

North American WealthTech trades at a clear premium to European peers on the depth of its RIA ecosystem, but cross-border expansion carries real regulatory and execution risk, with clearance running 30% to 50% longer than domestic deals. Absent a specific regulatory or scale advantage abroad, dominate the home market first.

6. Prepare for public-market discipline

Private valuations have converged on public-market standards, and the WealthTech IPO window remains narrow, so take-privates and strategic sales set the marks for scaled assets. A full process runs 12 to 18 months end to end, so a founder who intends to engage the market while today's alignment of record dry powder, capability-driven demand and stable pricing still holds is, in practice, preparing in the current cycle.

Sources

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