

# SaaS Valuation Report: Q1 2026

JANUARY 2026

# Executive Summary — Q1 2026

## PUBLIC MEDIAN

# 6.7X

EV/Revenue (Public SaaS)

## PRIVATE MEDIAN

# 4.8X-5.3X

Bootstrapped vs Equity-Backed

## AI PREMIUM

# 40-80%

Valuation Lift for AI-Native

## EFFICIENCY MANDATE

# >2X

Revenue-to-Burn Ratio Req.

## 📈 Valuation Bifurcation

- **AI-Native Premium:** AI-native platforms command 40-80% premiums (16-18x revenue) vs commoditized tools at 4-6x.
- **Rule of 40 Mandatory:** No longer aspirational, now a minimum requirement. Only 23-26% achieve this threshold.
- **Private Discount:** Persistent 30-40% discount vs public markets due to liquidity constraints and scale.

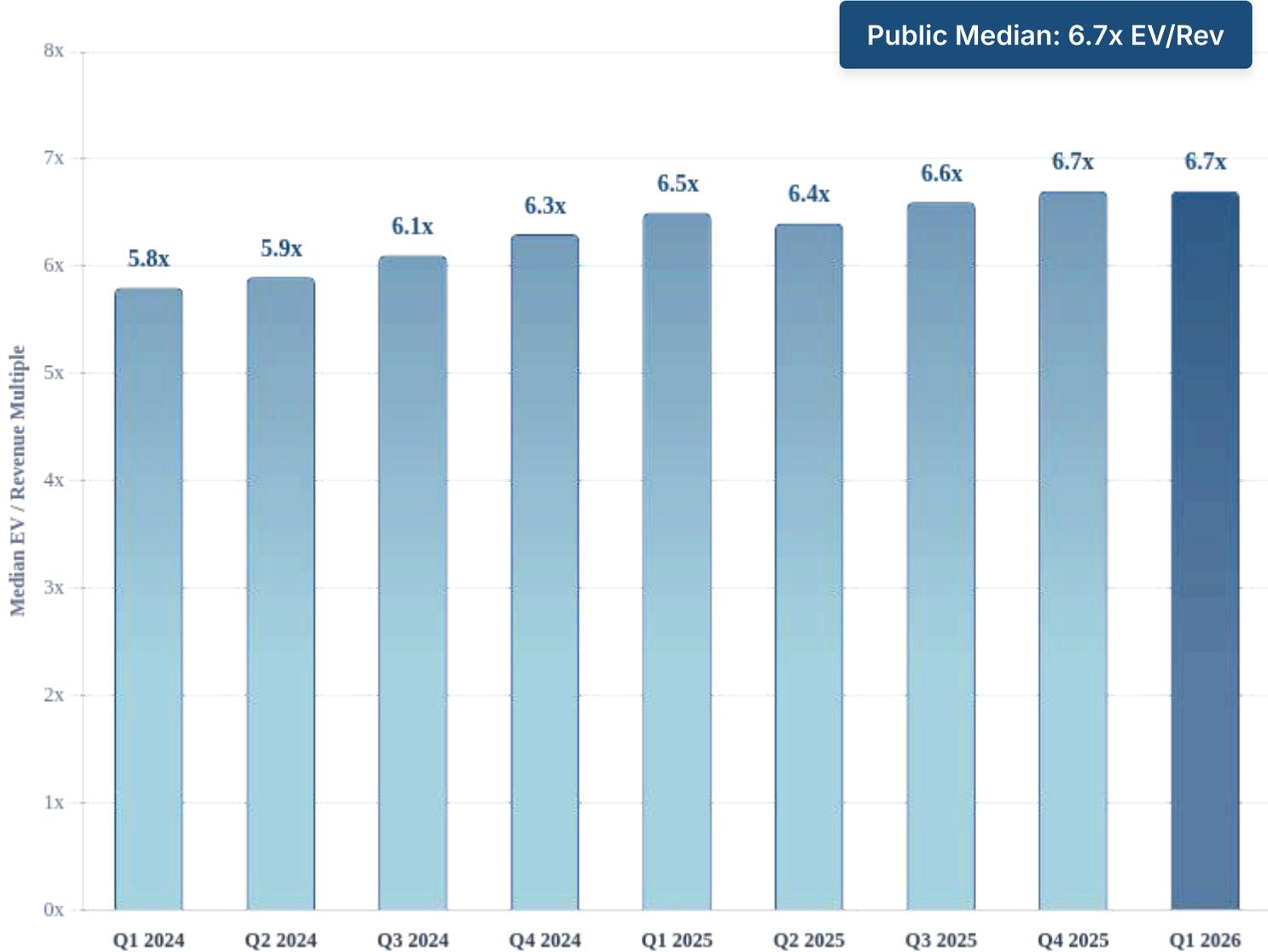
## 🎯 Strategic Priorities

- **Efficiency-First Mindset:** Growth-at-all-costs permanently replaced by capital efficiency and unit economics focus.
- **Profitability Timeline:** Investors demand concrete 24-month paths to EBITDA positive; patient capital has disappeared.

### 2026 Operational Imperative

Founders face a binary outcome: achieve premium valuations through operational excellence (Rule of 40, AI integration, profitability) or face significant discounts as market bifurcation widens.

# Market Overview: Stabilization into 2026



## Stabilization Phase

Valuations have stabilized in the 6.0x–7.0x range through 2025 and into 2026, marking a maturation from the extreme volatility of the 2022-2024 correction period.

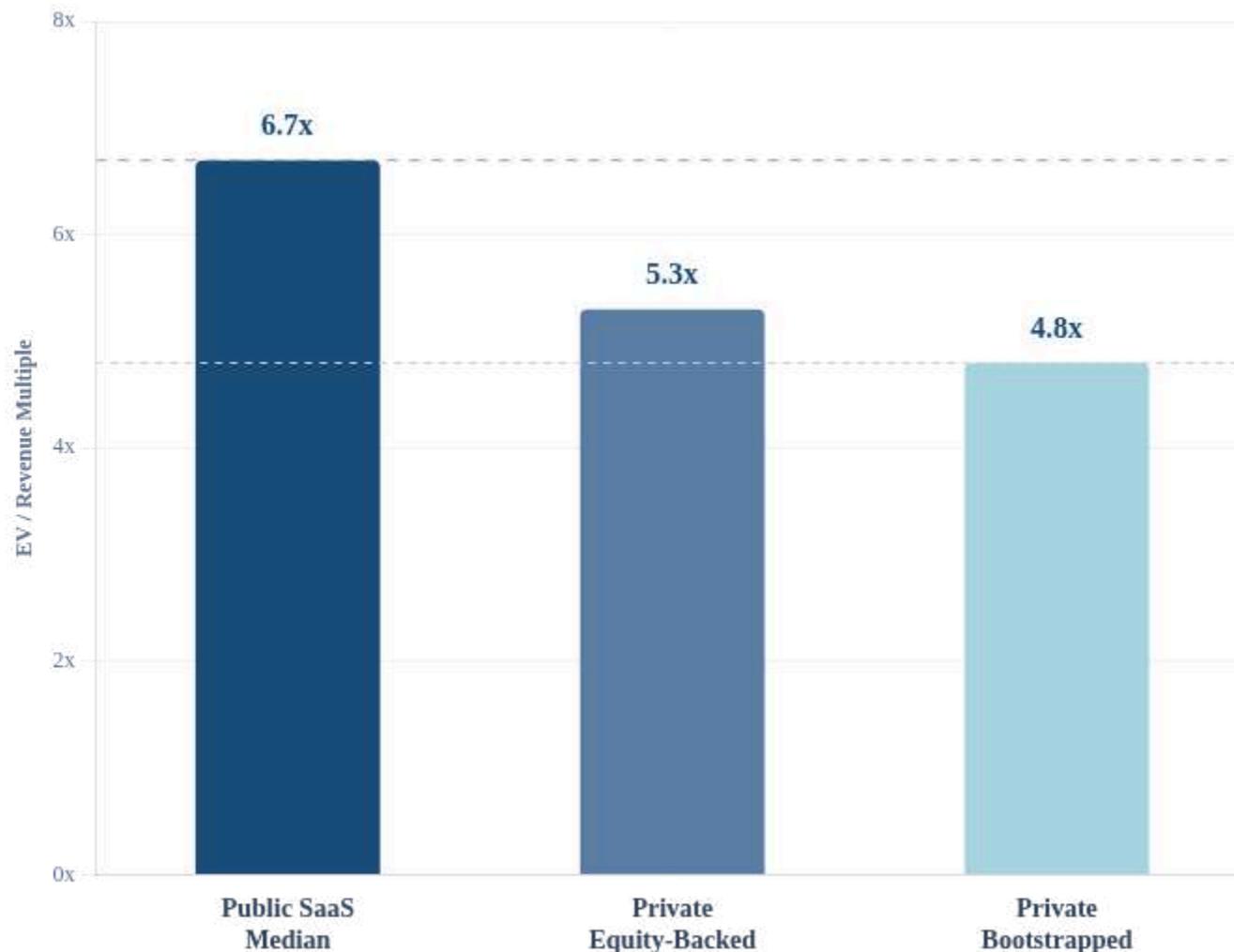
## Post-Bubble Reset

The market has fully reset from the 16–18x peaks of 2021. The current 6.7x median represents a sustainable equilibrium supported by operational fundamentals.

## 2026 Outlook

While the 5.5x–8.0x band is expected to hold, potential upside exists in H2 2026 if anticipated Federal Reserve interest rate cuts materialize, reducing the cost of capital.

# Public vs Private Valuations



## The Liquidity Discount

Private SaaS companies trade at a 30-40% discount to public peers (4.8x-5.3x vs 6.7x). This persistent gap reflects liquidity constraints, information asymmetry, and the "scale premium" institutional investors assign to publicly traded assets.

## Equity-Backed Advantage

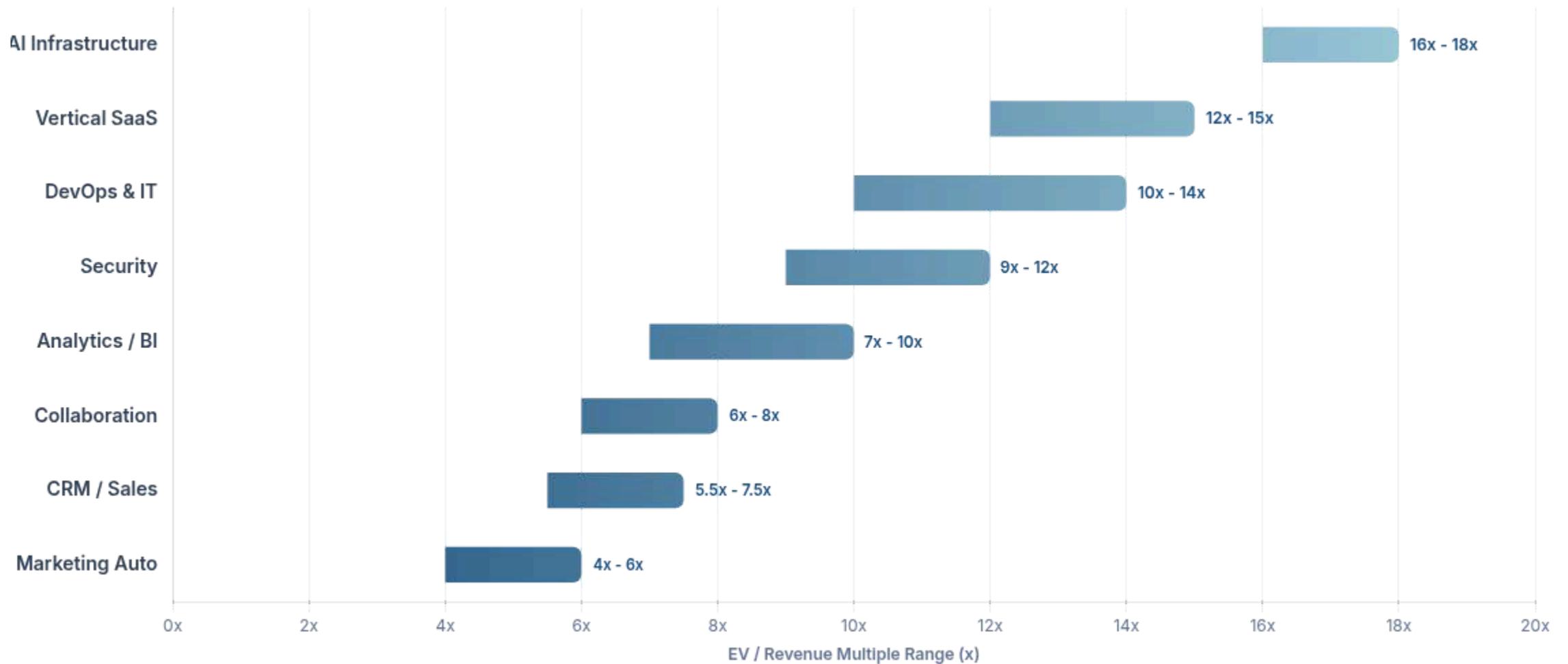
Venture-backed firms command a slight premium (5.3x) over bootstrapped peers (4.8x), driven by aggressive growth reinvestment strategies that align closer with public market expectations compared to profit-first models.

## Market Bifurcation

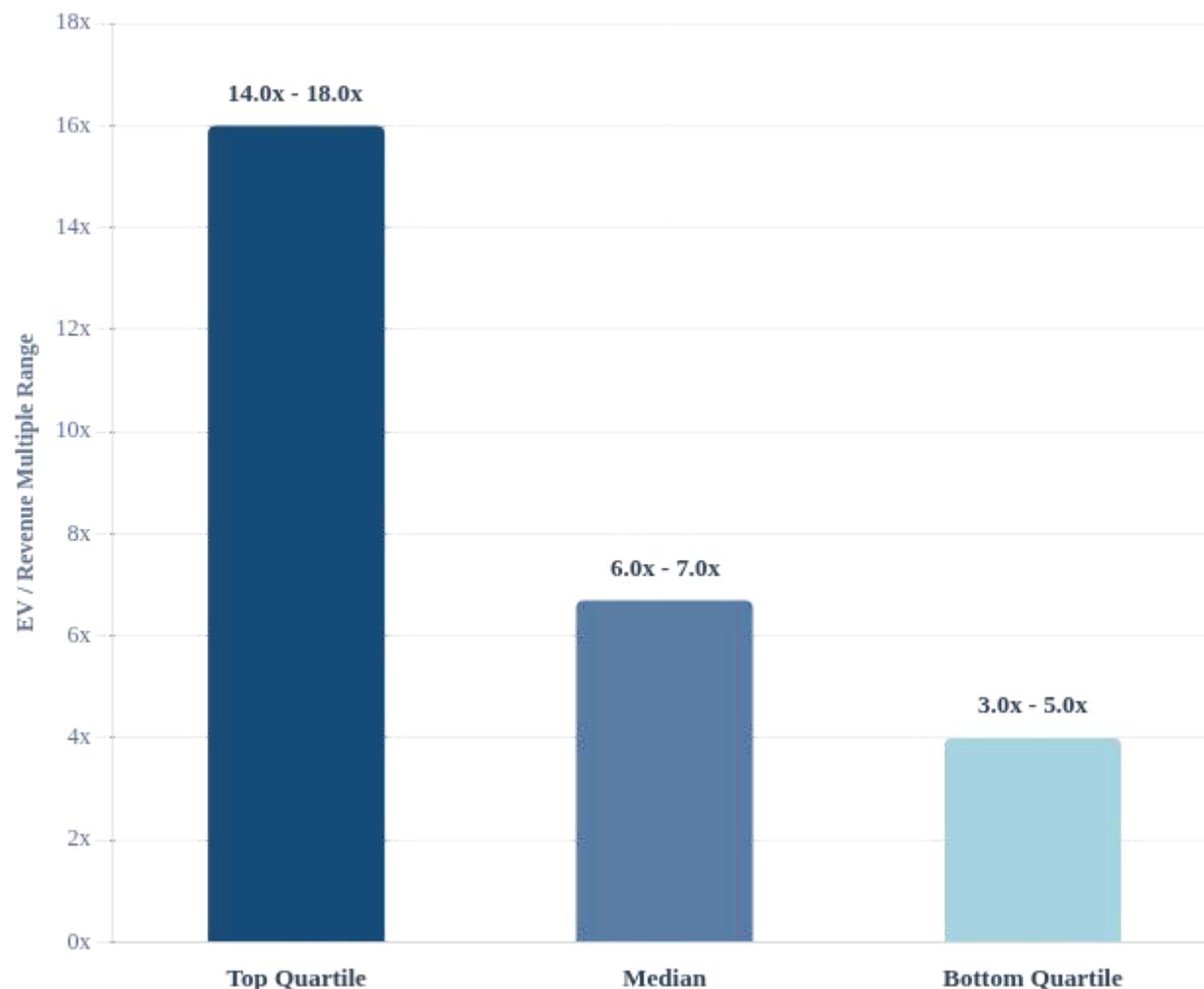
While the median public multiple sits at 6.7x, top-quartile performers achieving Rule of 40 excellence command 14-18x, skewing averages upward. The median private exit remains disciplined at ~5x revenue.

# Subsector Valuation Multiples (Q1 2026)

Estimated Forward Revenue Multiples by Category



# Valuation Bifurcation by Performance Tier



## Top Quartile (14-18x)

### 🏆 AI-Native & PLG Leaders

Commanding 14.0x–18.0x, exceptional performers leverage AI-native architectures, PLG economics, and Rule of 40 scores consistently above 60.

## Median (6-7x)

### ⚖️ The "Messy Middle"

Trading at 6.0x–7.0x, the majority demonstrate solid growth but lack the operational efficiency or AI differentiation to break into the premium tier.

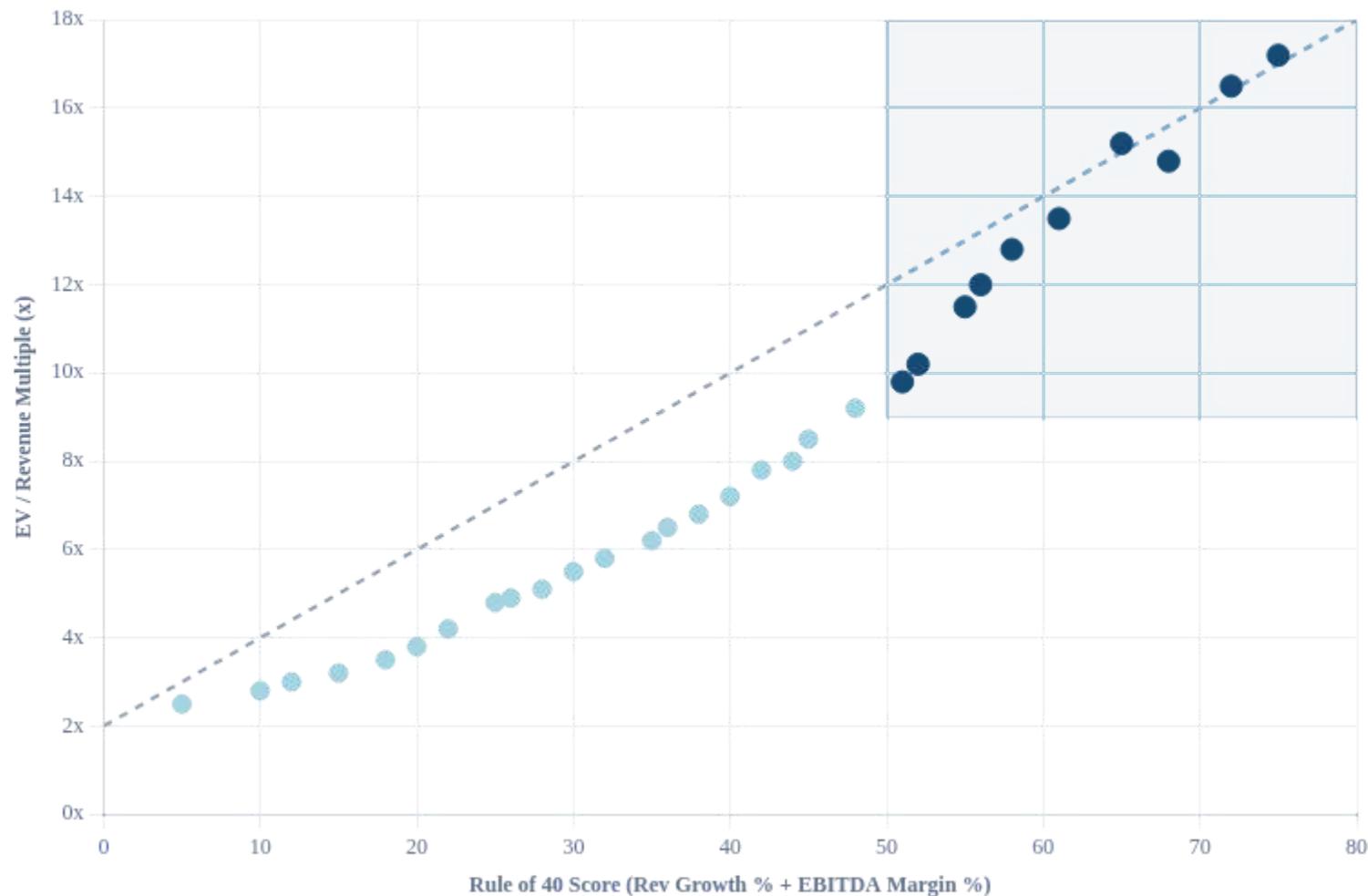
## Bottom Quartile (3-5x)

### ↓ Commoditized Legacy

Trading at 3.0x–5.0x, companies face commoditization, high competition, and Rule of 40 scores <30. Investors discount heavily for execution risk.

# Rule of 40 vs. Valuation Multiples

Correlation Analysis: Rule of 40 Score (Growth + EBITDA) vs. EV/Revenue Multiple



● Elite Performers (>50) ● Standard Cohort (<50) ↗ Linear Trend

## Performance Insights

### MANDATORY THRESHOLD

The Rule of 40 has evolved from aspirational to mandatory. Only 23-26% of public SaaS companies currently achieve this threshold, creating scarcity value for top performers.

### CORRELATION POWER

There is a strong positive correlation between Rule of 40 scores and valuation multiples. Companies scoring >60 command premiums exceeding 85% over the median.

### EFFICIENCY PREMIUM

Investors now favor balanced growth and profitability. The "growth at all costs" outliers are being discounted relative to efficient operators.

# Rule of 40 Impact on Valuations

Operational Excellence Correlation: Higher Efficiency Scores Command Premium Multiples — Q1 2026

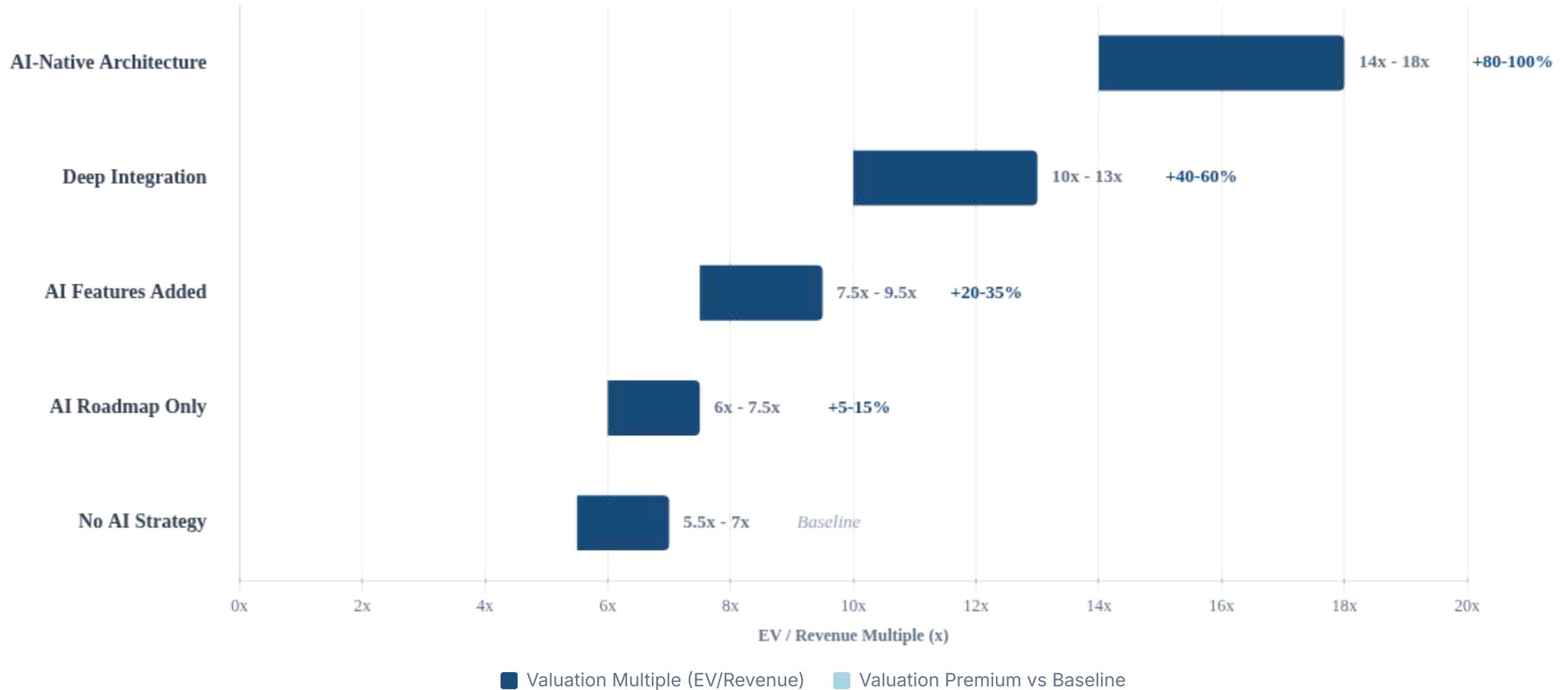
Performance Tier	Rule of 40 Score	Avg EV/Revenue	Premium vs Median	Key Driver
Elite Performers	> 60	12.0x+	+85% or higher	Top-tier growth + high margins
Strong Performers	50 – 60	9.5x – 11.5x	+60% – 75%	Balanced efficient growth
Rule of 40 Met	40 – 50	7.0x – 9.0x	+40% – 55%	Standard investor requirement
Near Miss	30 – 39	5.0x – 6.5x	-10% – 25%	Operational tuning required
Underperformers	< 30	3.0x – 4.5x	-45% – 55%	Significant restructuring needed

## The Mandatory Benchmark

The Rule of 40 has evolved from aspirational to mandatory. Only **23–26%** of public SaaS companies currently meet this threshold, creating intense competition for assets that demonstrate both growth and profitability. Elite performers (>60 score) command a staggering **12x+ multiple**, nearly triple that of underperformers.

# AI Integration Valuation Premiums

Valuation Multiples by Depth of AI Integration — Q1 2026



# AI Integration Impact on Valuation

## Valuation Multiples & Premiums by Depth of AI Integration — Q1 2026

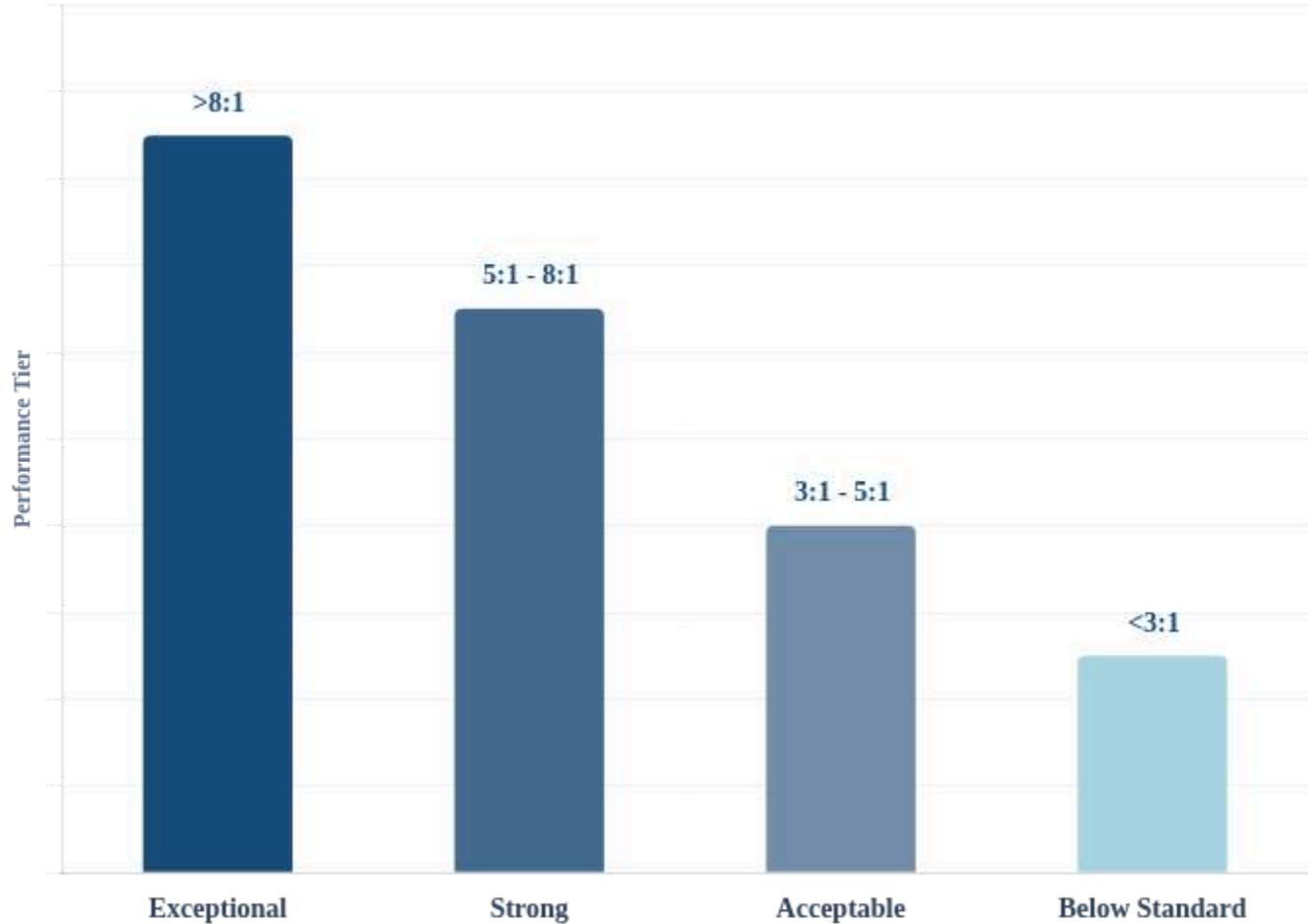
AI Integration Level	Description	Avg Multiple	Premium vs Non-AI
<b>Highest</b> AI-Native Architecture	Built on ML from inception; core value prop dependent on AI	14.0x – 18.0x	+80 – 100%
<b>High</b> Deep Integration	AI embedded in workflows; significant automation benefits	10.0x – 13.0x	+40 – 60%
<b>Moderate</b> AI Features Added	Feature enhancements; incremental but limited operational impact	7.5x – 9.5x	+20 – 35%
<b>AI Roadmap Only</b>	Planned integration; execution risk remains	6.0x – 7.5x	+5 – 15%
<b>No AI Strategy</b>	Traditional SaaS; at risk of disruption	5.5x – 7.0x	Baseline

### Strategic Insight: Authenticity Matters

Investors distinguish sharply between "AI-washing" and genuine architectural advantages. Companies demonstrating quantifiable outcomes—such as **30-50% reductions in service delivery costs** or **15-20 NPS point improvements**—capture the highest premiums.

# Unit Economics Requirements (2026)

## LTV/CAC Ratio Benchmarks



### The LTV/CAC Baseline

An LTV/CAC ratio of 5:1 has become the minimum threshold for premium valuations. Companies achieving exceptional ratios above 8:1 command 11-15x multiples, while those below 3:1 face severe discounting.

### CAC Payback <12 Months

Best-in-class companies now target CAC payback periods under 12 months to demonstrate capital efficiency. Payback periods extending beyond 18 months signal scalability risks to 2026 buyers.

### Retention & Margins

Net Revenue Retention (NRR) above 110% is essential, with elite firms exceeding 130%. Gross margin expectations vary by model, ranging from 70% for service-heavy SaaS to 85%+ for pure software platforms.

# Unit Economics Impact on Valuation

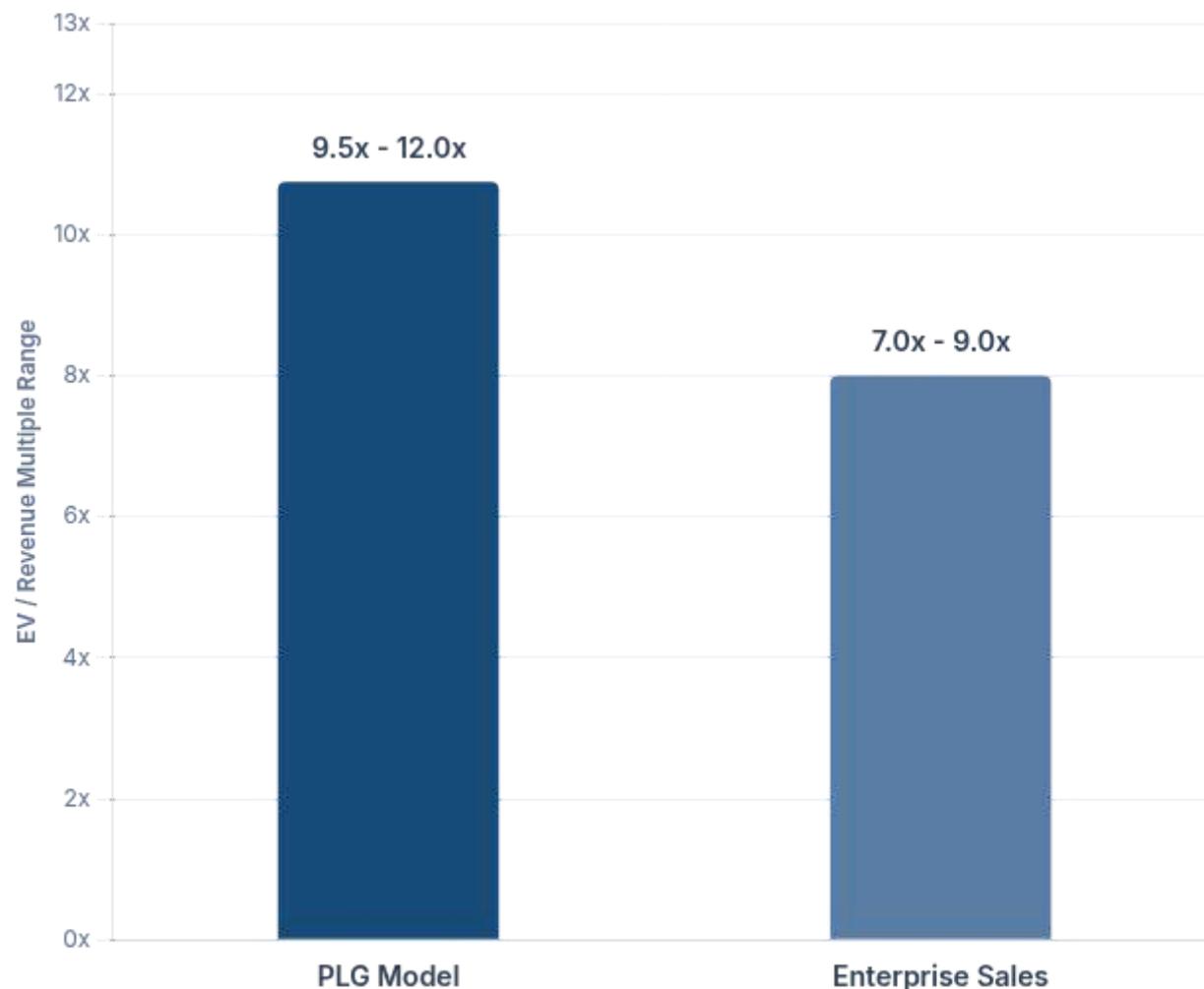
Unit Economics Benchmarks: Operational Efficiency Defines Multiple Expansion — Q1 2026

Performance Tier	Exceptional	Strong	Acceptable	Below Standard	Valuation Impact
LTV / CAC Ratio	> 8:1	5:1 – 8:1	3:1 – 5:1	< 3:1	11x – 15x
CAC Payback	< 12 months	12 – 18 months	18 – 24 months	> 24 months	8x – 11x
Net Revenue Retention	> 130%	115% – 130%	110% – 115%	< 110%	6x – 8x
Gross Margin	> 80%	70% – 80%	60% – 70%	< 60%	4x – 6x

## 📈 Compounding Valuation Impact

The compounding effect of multiple strong unit economic metrics cannot be overstated. A company achieving exceptional performance across all categories (LTV/CAC >8:1, Payback <12mo, NRR >130%) commands multiples of **11–15x**, reflecting investor recognition of operational mastery. Conversely, falling below standards on key metrics can compress valuations to **4–6x** regardless of top-line growth.

# Valuation Premium: Product-Led Growth vs. Sales-Led



## Valuation Premium

### 📈 +20–30% Multiple Expansion

PLG companies consistently command **20–30% higher valuations** than traditional enterprise sales peers. Investors pay a premium for the scalability and lower marginal costs associated with self-service distribution models.

## Capital Efficiency

### 📦 Superior Unit Economics

With CAC typically 40–60% lower and payback periods under 12 months, PLG models demonstrate capital efficiency that accelerates the path to profitability compared to 18–24 month sales-led cycles.

## Growth Mechanics

### 🔥 Viral Adoption & NRR

Bottom-up adoption creates natural viral loops within organizations, driving Net Revenue Retention rates 5–10 percentage points higher. Usage expands organically without heavy sales intervention.

# PLG vs Enterprise Sales Economics

Unit Economics Comparison: Why Product-Led Growth Commands a 20-30% Valuation Premium

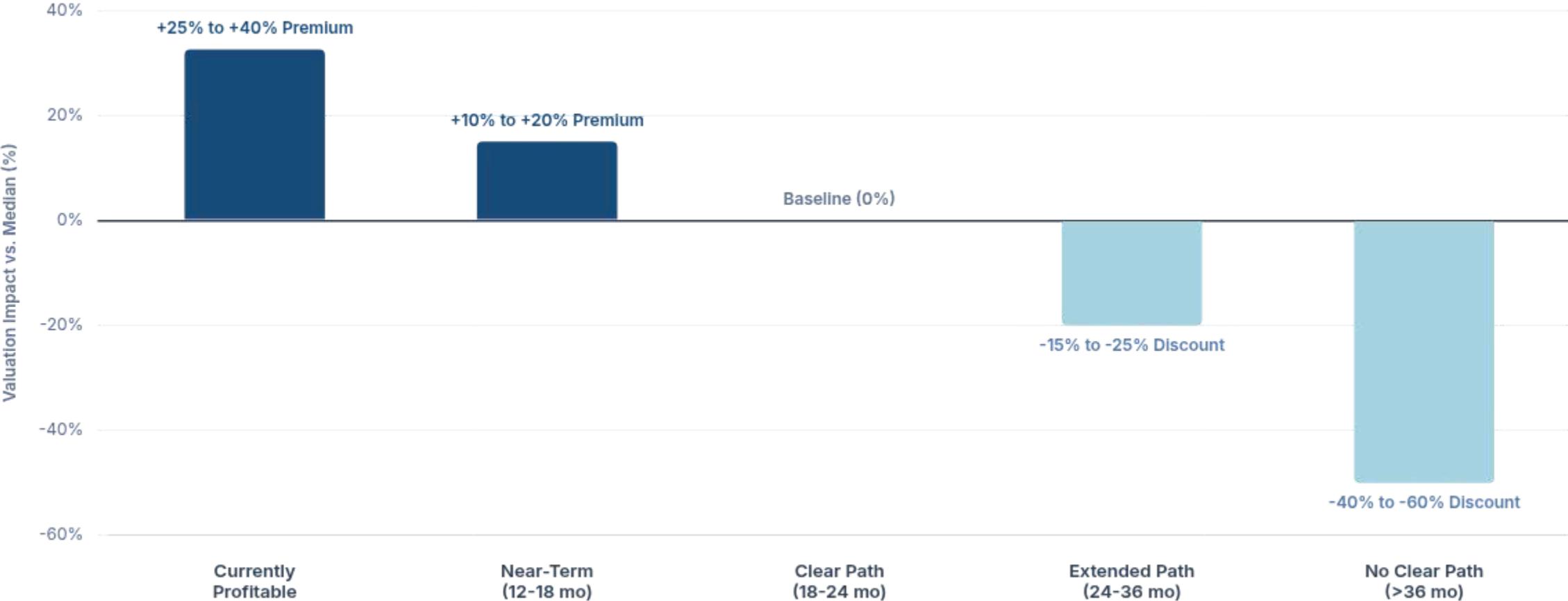
Metric	PLG Model	Enterprise Sales	PLG Strategic Advantage
CAC Payback	6 – 12 months	18 – 24 months	50–70% Faster Cash Recovery
Acquisition Cost	\$500 – \$3,000	\$10,000 – \$50,000	75–90% Lower CAC
Sales Cycle	Days to Weeks	6 – 12 months	95% Faster Time-to-Revenue
Net Retention (NRR)	115% – 130%	110% – 120%	5–10 Points Higher Expansion
Avg Valuation Multiple	9.5x – 12.0x	7.0x – 9.0x	+30–40% Premium

## The Efficiency Multiplier

Product-Led Growth (PLG) models achieve superior valuations because they decouple revenue growth from headcount. By enabling self-service onboarding and viral adoption, PLG companies scale efficiently with minimal incremental investment, creating a self-reinforcing flywheel of user-generated growth that traditional sales-heavy models cannot replicate.

# Path to Profitability Impact on Valuation (Q1 2026)

Valuation Premium/Discount based on EBITDA Timeline



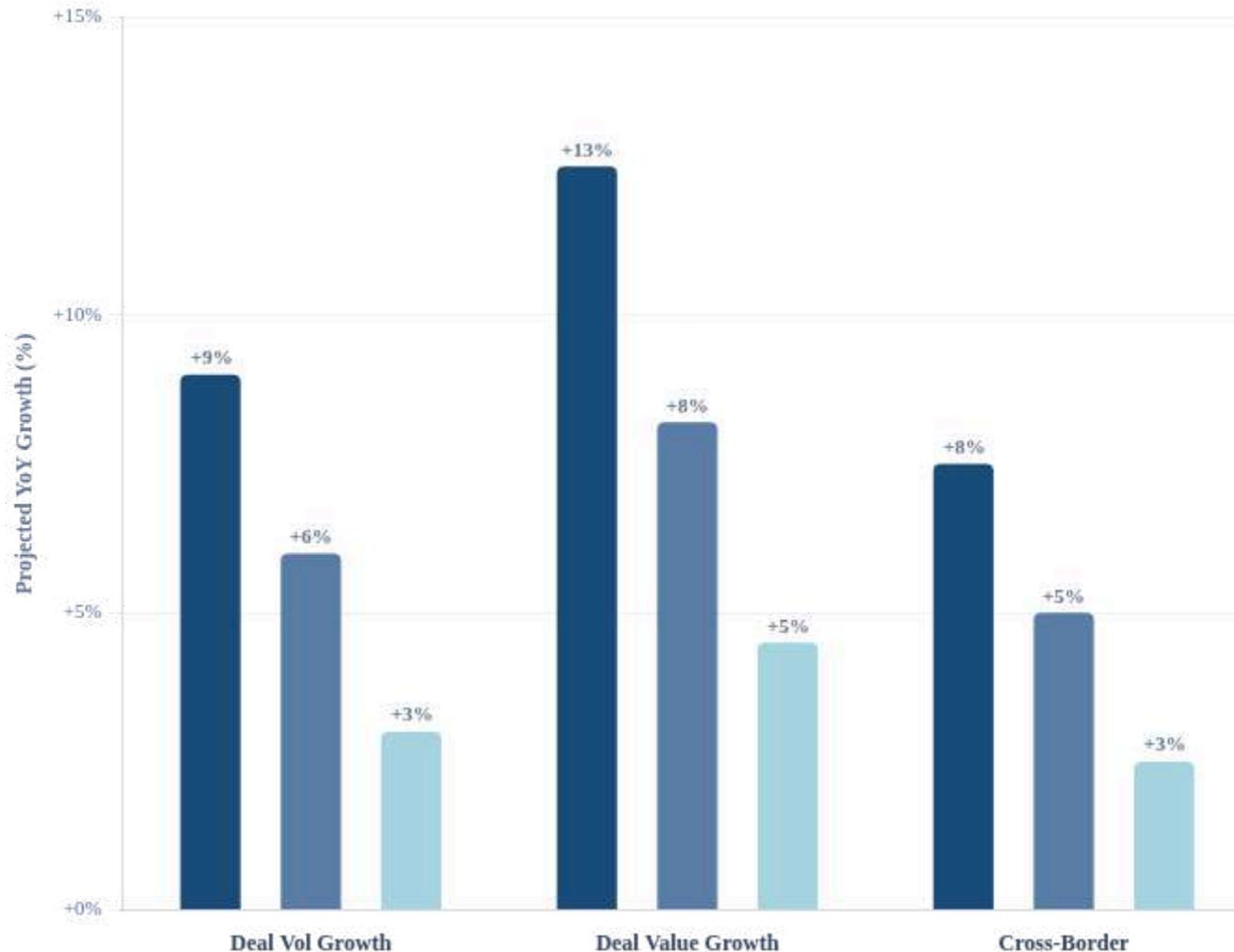
# Profitability Timeline Impact on Valuation

EBITDA Timeline Sensitivity: Path to Profitability Dictates Valuation Premiums & Discounts — Q1 2026

Path to Profitability	Timeline	Burn Multiple	Runway Required	Multiple Impact
Currently Profitable	EBITDA Positive	N/A	N/A	+25% – 40%
Near-Term Path	12 – 18 Months	> 3.0x	24+ Months	+10% – 20%
Clear Visibility	18 – 24 Months	2.0x – 3.0x	24+ Months	Baseline
Extended Path	24 – 36 Months	1.0x – 2.0x	18 – 24 Months	-15% – 25%
No Clear Path	> 36 Months	< 1.0x	< 18 Months	-40% – 60%

## The Efficiency Mandate

The era of growth-at-all-costs has been permanently replaced by an efficiency-first mindset. Investors now require a concrete 24-month path to EBITDA profitability as a baseline. Companies achieving profitability today command a **25–40% valuation premium**, while those with extended timelines (>24 months) face severe discounts as patient capital disappears.



## Strategic Dominance

Strategic buyers will dominate middle-market activity, deploying corporate cash reserves for tuck-in acquisitions that enhance platform capabilities. Private equity remains active but highly selective, prioritizing Rule of 40 assets.

## Valuation & Rates

Valuations projected to hold in the 5.5x-8.0x band, with upside potential in H2 2026 if anticipated Federal Reserve rate cuts materialize, lowering financing costs and stimulating deal flow.

## Extended Diligence

Timelines have extended to 6-9 months as buyers conduct rigorous diligence on AI capabilities, customer concentration, and retention cohorts. "Growth at all costs" targets are being passed over for quality assets.

# 2026 Market Forecast Scenarios

## Base Case: Stabilization

60% Probability

Public SaaS valuations maintain the **5.5x–8.0x** revenue band. Market activity normalizes with M&A deal volume growing 3–9%, driven by strategic buyers deploying cash reserves and private equity targeting high-quality assets.

## Underlying Drivers

Anticipated Federal Reserve policy shifts stabilize cost of capital. Strategic acquirers prioritize "tuck-in" acquisitions for AI capabilities and vertical expansion over large-scale platform consolidations.

## Bull Case: Expansion

25% Probability

Aggressive H2 2026 rate cuts accelerate liquidity. Multiples expand to **7.0x–9.0x** as the IPO window fully reopens, driving competitive tension between PE and public markets.

## Bear Case: Contraction

15% Probability

Macroeconomic inflation delays rate cuts. Valuations compress to a **5.0x–7.0x floor**. Deal activity stalls as buyers await clarity, widening the bid-ask spread.

## Strategic Implication

Regardless of the macro scenario, premium valuations in 2026 are reserved exclusively for companies demonstrating operational excellence (Rule of 40) and genuine AI differentiation.

# Seven Key Lessons for SaaS Founders

## 1 Achieve Rule of 40 Before Marketing

Mandatory threshold for premium valuations. Companies scoring >40 command 40-85% premiums, while those below face severe discounts.

## 2 Demonstrate Genuine AI-Driven Value

Move beyond "AI-washing" to prove quantifiable productivity gains: 25-40% engagement lift or 30-50% service cost reduction.

## 3 Optimize Product-Led Growth (PLG)

Implement hybrid models combining PLG efficiency with enterprise sales teams to capture 20-30% valuation premiums.

## 4 Perfect Unit Economics Storytelling

Proactively communicate LTV/CAC (>5:1), Payback (<18mo), and NRR (>110%) with consistent data infrastructure.

## 5 Show Clear 24-Month Profitability Path

EBITDA positive operations within 24 months and burn multiples >2x are now non-negotiable for institutional investors.

## 6 Target Strategic Buyers

Identify acquirers with specific vertical or technology needs to generate authentic competitive tension beyond financial sponsors.

## 7 Time Your Market Entry

Balance macro timing (H2 2026 expected upside) with company readiness—never rush to market with weak unit economics.

### 💡 Founder Imperative

The 2026 exit landscape demands operational excellence across all dimensions simultaneously. Focus improvements on the 1-2 areas most misaligned with buyer expectations.

# Lesson 1: Achieve Rule of 40 Before Marketing

## Mandatory Threshold for Premium Value

Rule of 40 is now mandatory, not aspirational. Companies exceeding 40% (Growth + EBITDA Margin) command massive valuation premiums.

- **40-85%** Premium for >40 scorers
- **10-55%** Discount for falling below 30
- **23-26%** Only ~25% of public SaaS firms meet it

## Balanced Optimization Required

Buyers reject "growth at all costs" and scrutinize unsustainable cuts. Simultaneous growth and profitability optimization is required.

Founders must show operational leverage where revenue scales faster than expenses, not just one-time austerity.

## High-Impact Value Driver

Achieving Rule of 40 is the top activity for 2026 exits. Marginal improvements yield disproportionate enterprise value gains.

- Moving from 38 to 42 adds millions in EV
- Signals management quality & durability
- Creates competition among institutional buyers

## Strategic Execution

Focus on efficiency: PLG adoption to lower CAC, AI automation for service delivery, and vertical specialization to boost conversion.

## Founder Action Item

Audit TTM Rule of 40 immediately. If <40, create a 2-quarter plan to bridge the gap before engaging bankers, prioritizing sustainable margin expansion over headcount reduction.

# Lesson 2: Demonstrate AI-Driven Value

## Quantifiable Metrics

Investors distinguish genuine AI transformation from superficial features by demanding concrete ROI metrics. Successful exits require proof of operational impact:

**25-40%**

ENGAGEMENT LIFT

**+15-20**

NPS POINTS

**30-50%**

SERVICE COST CUTS

**5-10%**

NRR GAINS

## Beyond "AI-Washing"

Founders must move beyond technical specifications (e.g., "uses GPT-4") to demonstrate workflow transformations. Strategic buyers value AI capabilities that create defensive moats and data advantages competitors cannot replicate.

## Evidence-Based Value

The most credible approach involves customer case studies documenting measurable outcomes. Focus on specific verticals where AI automation replaces manual workflows, creating natural switching costs and pricing power that sustain premium multiples.

- ✓ **Workflow Automation:** Reduction in manual task hours
- ✓ **Personalization:** Higher conversion from AI recommendations
- ✓ **Decision Support:** Faster time-to-insight for users

## Strategic Implication

Do not rely on "AI Roadmap" slides. Buyers discount future promises heavily. Demonstrate current, measurable AI impact to command the 40-80% valuation premiums reserved for AI-native platforms.

# Lesson 3: Optimize PLG or Hybrid Model

## Product-Led Efficiency

+20-30% Premium

Self-service onboarding reduces customer acquisition costs by 40–60% compared to field sales. Successful PLG models remove friction, enabling users to reach "aha moments" within minutes rather than weeks, driving rapid organic adoption.

## Viral Adoption Patterns

Best-in-class PLG platforms achieve 8–12% freemium-to-paid conversion through usage-based triggers. Bottom-up adoption allows products to bypass traditional gatekeepers, creating viral loops where users invite colleagues and expand usage naturally.

## The Hybrid Advantage

The optimal 2026 strategy combines PLG efficiency for initial entry with enterprise sales teams targeting six-figure contracts (\$100K+ ACV). This captures PLG's velocity while accessing the executive budget authority required for large-scale deployments.

## Investment Imperative

In a PLG model, UX is the new sales floor. Significant upfront product investment in intuitive design and seamless purchasing flows is mandatory to replace human intervention and justify valuation premiums.

# Lesson 4: Unit Economics Storytelling

## Metric Mastery

Strategic buyers filter opportunities through unit economics before committing to deep diligence. Founders must perfect the communication of **LTV/CAC, CAC Payback, NRR, and Gross Margins**, ensuring definitions align with institutional standards.

LTV/CAC RATIO  
**>5:1 Target**

CAC PAYBACK  
**<18 Months**

NET RETENTION  
**>110% NRR**

GROSS MARGIN  
**70-85%+**

## Proactive Mitigation

Address metric weaknesses proactively rather than allowing buyers to discover them. If CAC payback is high due to recent enterprise sales investments, present segmented data showing mature cohort efficiency vs. new segment ramp-up costs.

## Strategic Imperative

Transparency builds trust premium. Founders who present clear, defensible unit economics data upfront—including acknowledging areas for improvement—accelerate diligence timelines and reduce valuation retraining risk.

## Data Integrity

Establish a **"Single Source of Truth"** CRM system 6-9 months pre-exit. Ensure consistent cohort tracking and automated reporting capabilities that buyers can independently verify, eliminating data ambiguity during due diligence.

## Diligence Prep

Prepare raw transaction logs and cohort waterfalls in advance. Sophisticated buyers will rebuild your metrics from row-level data to test retention assumptions.

# Lesson 5: 24-Month Profitability Path

## The Profitability Mandate

Timeline: ≤24 Months

Strategic buyers and investors now require a concrete path to EBITDA positive operations within **18–24 months**. The era of "growth-at-all-costs" has been permanently replaced by an efficiency-first mindset, where financial stability is a prerequisite for premium valuations.

## Capital Efficiency

Burn Multiple: ≥2x

Valuations correlate directly with capital efficiency. Investors demand revenue-to-burn ratios exceeding **2x** (adding \$2 of ARR for every \$1 burned). Companies failing this metric face severe scrutiny regarding the sustainability of their growth engine.

## Credible Roadmap

Profitability plans must be supported by detailed quarterly financial models showing specific operational leverage across sales, marketing, and R&D. Vague revenue growth assumptions are insufficient; buyers require proof of unit economics that naturally yield margins at scale.

## Strategic Implication

Founders must demonstrate that profitability will be achieved through genuine operational leverage and efficiency gains, not merely by slashing growth investments which can signal a stalling business.

# Lesson 6: Target Strategic Buyers

## Map the Buyer Landscape

Invest 3–6 months pre-marketing to identify strategic acquirers whose public M&A priorities align with your capabilities. Focus on strategic fit beyond financial metrics.

- Analyze recent acquisitions to map price sensitivities and integration models.
- Identify PE platforms in adjacent verticals seeking "tuck-in" deals.
- Target international players needing US market entry vehicles.

## Identify Synergy Drivers

Strategic buyers pay premiums for capabilities that accelerate roadmaps or expand reach, not just for revenue.

- **Revenue Synergies:** Cross-selling to your existing customer base.
- **Tech Acceleration:** Acquiring AI/vertical features vs. building internally.
- **Market Expansion:** Immediate access to new geographies or segments.

## Create Authentic Competition

Top valuations stem from tension between serious buyers. Authentic competition requires finding multiple parties who perceive genuine strategic value.

- Position assets to appeal to diverse buyer types simultaneously.
- Understand distinct strategic rationales of corp dev teams.

## Strategic Implication

Targeted, strategic alignment yields higher exit multiples than broad auctions. Buyers pay for what they *need* (tech, talent, access) more than what you *have* (revenue).

# Lesson 7: Time Market Entry

## H2 2026 Market Window

Market conditions appear cautiously optimistic for the second half of 2026, with projected Federal Reserve rate cuts expected to accelerate M&A activity. Lower financing costs will likely unlock private equity dry powder and encourage strategic buyers to deploy cash reserves.

- Projected 3–9% deal volume growth as macro headwinds subside.
- Narrowing bid-ask spread between founder expectations and buyer offers.
- Private equity funds actively seeking deployment after limited 2024–2025 activity.

## Execution Timeline

Typical M&A deal timelines have extended to **6–9 months** from initial outreach to close. Enhanced due diligence now scrutinizes AI capabilities, customer concentration, and retention cohorts with unprecedented depth.

## Readiness Over Timing

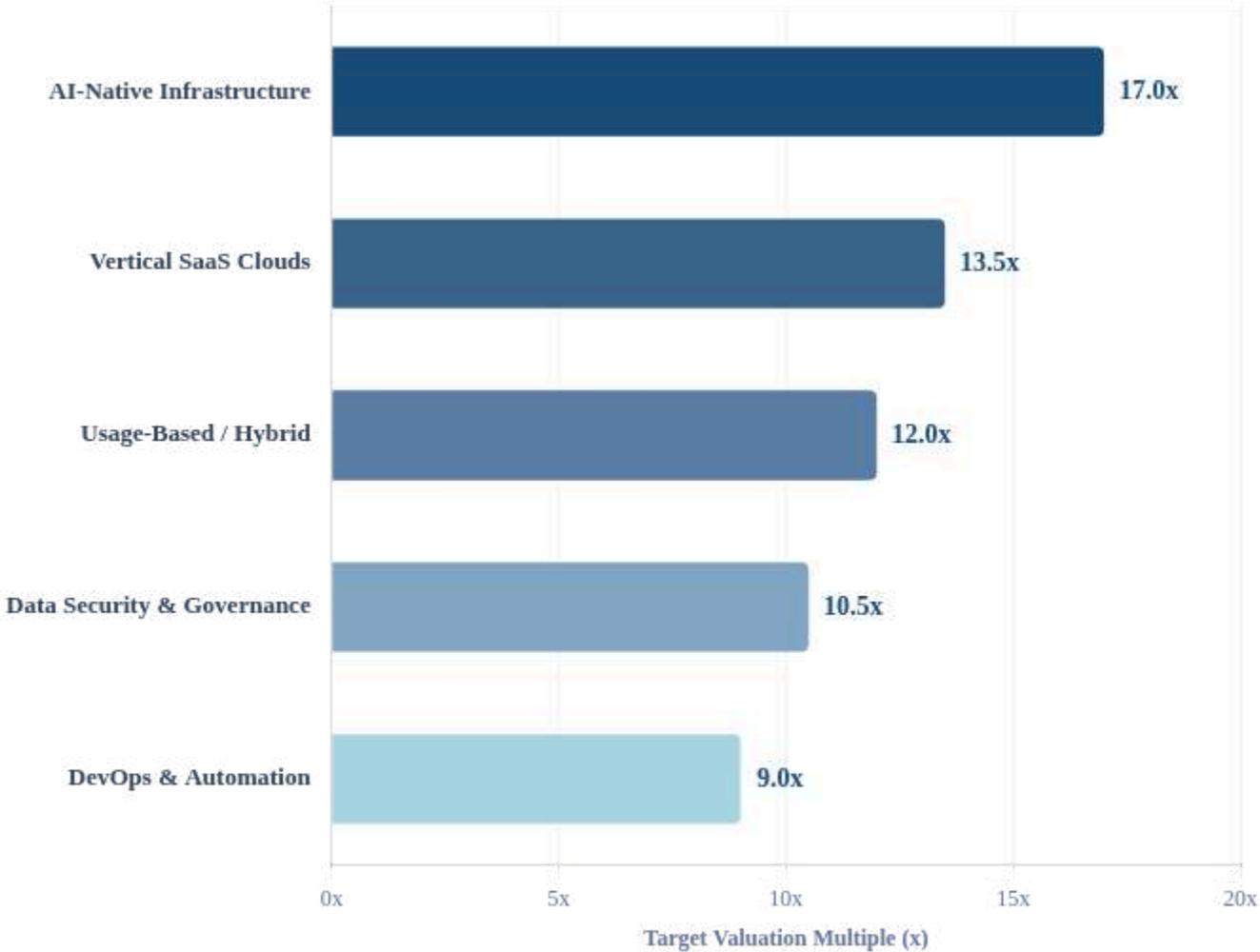
While market timing matters, company-specific readiness is the primary determinant of valuation. Rushing to market during an optimal window with weak fundamentals yields poor results. Founders must prioritize operational health before launching a process.

- **Rule of 40:** Mandatory threshold for premium valuations.
- **Profitability:** Clear path to EBITDA positive within 24 months.
- **Unit Economics:** LTV/CAC >5:1 and CAC payback <18 months.

## Strategic Imperative

Avoid "weak-performance windows" where unit economics dip temporarily. The worst outcome involves testing the market with suboptimal metrics, which can burn relationships with key acquirers. Launch only when KPIs demonstrate sustainable momentum.

# Key Investment Themes for 2026



## AI-Native Primacy

Infrastructure enabling AI deployment commands the highest premiums (16-18x), as investors view these platforms as the essential "rails" for the next decade of software innovation, offering defensive moats against application-layer disruption.

## Vertical Specialization

Industry-specific clouds (Fintech, Healthcare) remain resilient (12-15x) due to high switching costs and embedded workflows. Buyers value the lower churn and efficient CAC profiles compared to horizontal tools facing commoditization.

## Modern Pricing & Security

Usage-based pricing models and PLG hybrids align revenue with customer value, driving NRR >120%. Meanwhile, data security platforms are critical as enterprises navigate AI governance, sustaining valuations despite broader market cooling.

# Risk Factors & Headwinds

## Macro Risks

Interest rate uncertainty ("higher-for-longer" scenarios) continues to cap multiple expansion. Additionally, the fragility of the IPO window limits liquidity for late-stage private companies, extending holding periods and complicating exit timelines for investors seeking near-term returns.

## Execution Risks

Budget scrutiny is exposing "nice-to-have" tools, driving churn. Companies facing pricing power erosion due to lack of clear ROI differentiation are seeing significant valuation discounts. Investors now demand concrete proof of ROI before committing capital.

## Competition & Commoditization

Hyperscaler bundling (Microsoft, Google) poses an existential threat to single-point solutions. Platform consolidation is squeezing smaller players who lack deep vertical integration or proprietary data moats. Commoditization of horizontal software categories accelerates margin compression.

## Mitigation Strategy

Founders must counter these headwinds by establishing defensible vertical moats, demonstrating undeniable ROI through customer success metrics, and maintaining capital efficiency to weather prolonged market volatility.

# Conclusion & Recommendations



## Achieve Rule of 40 Before Exit

High-impact operational driver. Scores >40 yield 40-85% valuation premiums, while missing this threshold invites severe discounts in the current efficiency-first market.



## Demonstrate AI Value with Metrics

Quantify impact beyond features: engagement lift (25-40%), NPS gains (+15-20 pts), and service cost reductions (30-50%) to command the 80% AI-native premium.



## Build 24-Month Profitability Path

Mandatory for buyers. Show quarterly progression to EBITDA positive within 24 months with burn multiples >2x to prove capital efficiency and reduce execution risk.



## Perfect Unit Economics Storytelling

LTV/CAC >5:1 and Payback <18 months are the baseline. Proactively address metric gaps 6-9 months pre-marketing to control the diligence narrative.



## Prepare Buyer-Ready Data Room

Ensure single-source accuracy for KPIs. Automated, replicable cohort reporting builds trust, accelerating velocity and reducing re-trading risk.

# Sources & Methodology

## Report Methodology

This report aggregates data from proprietary transaction databases, public filings, and leading industry research published through Q4 2025. Valuation multiples represent Enterprise Value / LTM Revenue unless otherwise noted. Private market data reflects median quartiles from disclosed transactions exceeding \$50M EV. Forward-looking statements for Q1 2026 reflect consensus macroeconomic assumptions regarding interest rate policies and capital market activity.

## Primary Data Sources & VC



### PitchBook Data

pitchbook.com



### CB Insights

cbinsights.com



### Bessemer Venture Partners

bvp.com



### Blossom Street Ventures

blossomstreetventures.com



### Benchmarkit

benchmarkit.ai

## Investment Banking & Research



### Goldman Sachs

goldmansachs.com



### Morgan Stanley

morganstanley.com



### JP Morgan Research

jpmorgan.com



### EY M&A Outlook

ey.com



### BetterCloud

bettercloud.com



### Crunchbase

crunchbase.com