

# Special Edition: How AI Is Rewriting the Buy vs. Build Playbook in M&A

*In this quarter's Software M&A Recap, we examine how AI is transforming buy-versus-build decision-making across the software ecosystem. While AI has made internal development faster and more accessible, our deal experience indicates that the optimal path remains highly situational and extends well beyond a straightforward preference for building over buying.*

## 1. How investors are approaching buy vs. build decisions

Over the past 24 months, investors have become more cautious and analytical about buy vs. build decisions. A target may have spent millions developing its platform, but if AI-enabled tools can now recreate that product quickly and at a much lower cost, the value and defensibility of that investment can diminish overnight. The risk is even greater when the company lacks strong go-to-market capabilities because limited sales and distribution strength make it harder to turn product into sustainable commercial advantage. As a result, we're seeing market participants take more creative approaches to due diligence before committing capital to a new acquisition.

In one case, we heard of a venture capital firm that introduced a new diligence workstream across its teams. Analysts are given a weekend to try to replicate a target's SaaS platform using AI-enabled tools such as Claude Code or GitHub Copilot. If they succeed, the investment committee treats that as evidence that the product is not sufficiently differentiated and declines to invest. If the analysts can't replicate the target's SaaS platform easily using AI-enabled tools, the opportunity moves forward through the rest of the investment process.

In another case, a private company with a portfolio of more than 100 software businesses undertook an internal review of the quality of the underlying IP across its holdings. To test this, it assigned three head-office engineers to replicate the product of a randomly selected portfolio company within three months. Although the CTOs of all the portfolio companies initially believed the exercise wouldn't be very successful, they were amazed when the engineers succeeded in not only recreating the platform using AI-enabled tools, but improved upon it. This served as a lesson in how AI is materially reshaping software development cycles.

However, this heightened scrutiny creates a new challenge for sellers: how can they prove their products are sufficiently different without disclosing the underlying proprietary know-how too early in the process?

This is where financial advisors who understand the software space can help sellers carefully manage the information disclosure strategy, providing buyers with enough evidence to assess product differentiation through staged diligence, customer proof points, performance benchmarks, product demos and high-level architecture reviews, while protecting the most sensitive technical details for later phases under tighter confidentiality protections.



## Software M&A Recap

SECOND QUARTER 2026



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## 2. How sellers can build assets that investors will value as acquisition targets

As AI makes software products faster and easier to build, buyers are increasingly looking beyond functionality when assessing whether a target is a strong strategic fit and whether it warrants a premium valuation. For sellers, this means focusing on capabilities that are harder for others to replicate, such as industry knowledge, proprietary technology, customer workflows and proprietary data.

- + **Industry knowledge:** Deep sector expertise can differentiate vertical software where customer needs, regulations, workflows and buying behaviours are highly specific. When translated into product design or implementation, this knowledge creates differentiation that less specialized competitors often struggle to replicate.
- + **Proprietary technology:** Proprietary technology creates value when it delivers a clear performance advantage or solves a customer problem in a way that is difficult to achieve through standard tools or third-party infrastructure. This may include sophisticated algorithms or automation engines.
- + **Customer workflows:** Software that is deeply embedded in how customers operate often reflects years of accumulated product refinement, process knowledge and industry understanding. Replicating interface elements is one thing; replicating trust, operational fit and adoption is another.
- + **Proprietary data:** A company that has access to unique datasets, structured customer interactions, historical operating information, or hard-to-recreate feedback loops possesses an input that competitors cannot easily purchase off the shelf. When that data is integrated into decision-making, benchmarking or customer-specific outcomes, it becomes significantly more valuable than generalized AI functionality alone.



By contrast, buyers are less likely to place value on capabilities that are broadly available, easily replicated, or dependent on third-party AI infrastructure, regardless of whether these features are built internally or sourced externally. Examples include:

- **Generic AI features:** summarization, chatbots, semantic search, transcription, translation, document drafting, meeting notes and content generation
- **Standard third-party integrations:** payments, ERP, CRM, accounting systems, identity management, email platforms, calendar tools and communication platforms
- **Horizontal productivity tools:** task management, reporting dashboards, notifications, workflow approvals, document management, collaboration tools, scheduling and internal knowledge bases
- **Commodity infrastructure:** cloud hosting, security layers, developer tooling, data pipelines, API management, observability tools, model access, authentication and backup / recovery systems

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## 3. Why go-to-market and distribution matter more in an AI-enabled software market

In software M&A, buyers may place significant value on a company's IP, but the asset being acquired is rarely the product alone. As AI shortens development cycles, commercial execution becomes a more important source of differentiation. If features can be built faster, the harder question is whether a company can win customers, implement effectively, build trust and retain accounts over time. A product may be technically easy to replicate but hard to displace when it's embedded in daily operations and supported by a proven go-to-market engine.

This dynamic may also shape how strategic buyers assess M&A opportunities. In some cases, internal development teams may argue that certain target capabilities can now be built more quickly using AI-enabled development tools, which could potentially reduce the number of strategic buyers willing to pursue an acquisition, particularly where internal product and engineering teams are under pressure to demonstrate value by accelerating the roadmap themselves.

However, it remains to be seen whether building comparable products with AI tools is as straightforward as it may first appear. In our view, the underlying data assets, product-market fit, customer trust and go-to-market capabilities that support a successful software business remain difficult to replicate. In some cases, those factors may ultimately lead buyers back towards acquisition as the more effective path.

For sellers, this means distribution, customer access, retention and implementation expertise should be presented as core parts of the equity story. In an AI-enabled market, buyers will increasingly look beyond product defensibility and ask whether the business has the commercial infrastructure to scale, sustain adoption and convert product strength into durable recurring revenue.

Our deal experience also suggests that buyer interest in an M&A process is often much easier to generate when a company can demonstrate strong sales metrics and clear commercial momentum, even if its product is less advanced than a competitor's. Whether it's fully justified or not, buyers often view market adoption, revenue scale, retention and broader sales traction as indicators of product quality. By contrast, it's much harder to drive a premium outcome in a purely product-led acquisition where commercial traction is limited, as buyers may conclude they can build comparable functionality internally and deploy the acquisition premium towards sales, marketing and distribution instead.

## 4. Concluding thoughts

As code becomes easier to reproduce, differentiation is shifting towards what lies beneath it: proprietary data, workflows embedded in customer operations, domain expertise, distribution strength and subject matter experts. That is where defensibility lives, and increasingly, where value does too. For buyers and investors, the question is no longer simply whether a product was built well, but whether a business has built something others cannot easily displace. In that sense, AI is not ending the case for software M&A, it's raising the bar for what qualifies as a truly compelling acquisition target.



# Some of our recent deals

|                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Acquired by<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.       | Leading GRC Software Platform<br><br>Acquired by<br><br>Global leader in data and information solutions<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                | <br>Has received a strategic investment from:<br><b>NORWEST</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                                                              | <br>Acquired by<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.   | <br>Acquired by<br><b>Position Green</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.   |
| <br>Acquired by<br><b>Cakemail</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                                                                         | <br>Acquired by<br><b>CASTLE</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.        | Leading North American F&B-focused SCM Software Provider<br><br>Acquired by<br><br>Global Enterprise Software Provider<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                                                                                      | Global IT Strategy Consulting and Transformation Services Provider<br><br>Acquired by<br><br>Industrial Automation Solutions and Services Company<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                                       | <br>Acquired by<br><b>ecovadis</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.         |
| <br>Acquired by<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.     | <br>Acquired by<br><b>KANTAR XTEL</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc. | <br>Acquired by<br><b>SPARKROCK</b><br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc. | <br>Acquired by<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc. | <br>Acquired by<br><b>EcoOnline Apax</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc. |
| <br>Acquired by<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc. | <b>BANDZOOGL</b><br>Acquired by<br><b>DISTROKID</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                                                                      | <b>Metrio</b><br>Acquired by<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                                                                                         | <b>3vGEOMATICS</b><br>Acquired by<br><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.                                                                | <br>Acquired by<br><b>NielsenIQ</b><br> EY-Parthenon Corporate Finance Inc.<br>EY-Parthenon EMD Inc.<br>EY-Parthenon BD Inc.    |

# Transaction snapshot



Has been acquired by



EY Parthenon\* acted as exclusive financial advisor to Paramax Solutions Inc.



\*EY-Parthenon Corporate Finance Inc.  
\*EY-Parthenon EMD Inc.  
\*EY-Parthenon BD Inc.

## The Deal

EY advised Paramax Solutions Inc. ("Paramax") and its shareholders on its acquisition by Infinite Investment Systems LTD. ("Infinite").

## The Company

Paramax is a market-leading provider of end-user clearing and settlement software for the Canadian debt and equity markets, delivered through its flagship Arrow platform. Paramax's solution is mission critical to client operations, driving high levels of automation and operational efficiency for clearing and settlement departments.

## The Buyer

Infinite is a leading provider of portfolio management, trading and back-office software solutions for institutional asset managers and wealth firms. The company offers a comprehensive platform that supports the full investment lifecycle, including order management, portfolio accounting, compliance and reporting.

## The Win-Win

The shareholders of Paramax built a market-leading clearing and settlement platform and sought a strategic partner to support the Company as part of a broader succession plan. EY led a tailored sales process, positioning Paramax's mission-critical product and strong financial profile to attract interest from strategic parties. The partnership with Infinite supports its strategic objectives of expanding its service offering and evolving into a fully integrated, front-to-back trading and back-office software provider. Infinite will continue to support the growth of Paramax while preserving its legacy and commitment to customers and employees. EY advised on all aspects of the transaction, including marketing, process management and negotiation of key terms and structure, contributing to a successful outcome for all parties.

# Select Q2 2026 transactions<sup>(1)</sup>

| Announced Date | Target                                 | Target HQ                                                                           | Target Description                                                                                                                                                                                                                            | Buyer                                                 | Buyer HQ                                                                              |
|----------------|----------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------|
| Jun 24, 2026   | Modular Inc.                           |    | An AI software infrastructure company building a unified compute platform that makes AI development and deployment more open, efficient, and accessible<br>▪ Deal Value: \$3.9 billion                                                        | QUALCOMM Incorporated (NasdaqGS: QCOM)                |    |
| Jun 24, 2026   | iMerit, Inc.                           |    | Leading company in AI fine tuning, evaluation, and reinforcement learning. The company helps frontier AI labs and enterprises build more accurate, reliable, and domain-aware models<br>▪ Deal Value: \$310.0 million<br>▪ EV / Revenue: 5.3x | ExIService Holdings, Inc. (NASDAQ: EXLS)              |    |
| Jun 17, 2026   | Atmo, Inc.                             |    | A San Francisco-based technology company leading the AI transformation of meteorology<br>▪ Deal Value: \$130.0 million                                                                                                                        | Vaisala Oyj (HLSE:VAIAS)                              |    |
| Jun 16, 2026   | Simulations Plus, Inc. (NasdaqGS: SLP) |    | Global leader in model-informed and AI-accelerated drug development that advances biopharma innovation<br>▪ Deal Value: \$375.0 million<br>▪ EV / Revenue: 4.1x; EV/ EBITDA: 23.8x                                                            | Altaris, LLC                                          |    |
| Jun 16, 2026   | Anysphere, Inc.                        |    | Db as Cursor, which has built a popular AI coding tool that helps software developers generate, edit and review code<br>▪ Deal Value: \$60.0 billion                                                                                          | Space Exploration Technologies Corp. (NasdaqGS: SPCX) |    |
| Jun 16, 2026   | Paramax Solutions Inc.                 |   | Developer of clearing and settlement software for Canadian debt and equity markets<br>▪ Deal Value: Undisclosed                                                                                                                               | Infinite Investment Systems Ltd.                      |   |
| Jun 15, 2026   | Apono Inc.                             |  | Develops a data governance platform to make permission management simple and secure<br>▪ Deal Value: Undisclosed                                                                                                                              | AgileBits Inc.                                        |  |
| Jun 15, 2026   | Fin                                    |  | Developer of an AI Agent, that resolves complex customer queries end-to-end, across every channel, including live chat, email, WhatsApp, SMS, phone, and slack<br>▪ Deal Value: \$3.6 billion                                                 | Salesforce (NYSE: CRM)                                |  |

<sup>(1)</sup> Data sources: S&P Capital IQ, Mergermarket, Press Releases  
All currencies are in US\$

# Select Q2 2026 transactions<sup>(1)</sup>

| Announced Date | Target                       | Target HQ                                                                           | Target Description                                                                                                                                                                                                                 | Buyer                                  | Buyer HQ                                                                              |
|----------------|------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------|
| Jun 11, 2026   | Orb, Inc.                    |    | Provides an infrastructure engine that tracks real-time usage data and translates complex pricing contracts for global enterprises<br>▪ Deal Value: \$335.0 million                                                                | Adyen N.V.<br>(ENXTAM:ADYEN)           |    |
| Jun 04, 2026   | Vitalware, LLC               |    | Provides cloud-based software solutions focused on revenue integrity, pricing transparency, and coding optimization<br>▪ Deal Value: \$147.0 million<br>▪ EV / Revenue: 4.0x                                                       | Dotdigital Group plc<br>(AIM: DOTD)    |    |
| Jun 03, 2026   | Excelsa Labs, Inc.           |    | Developer of an AI customer experience platform that helps brands understand and improve how they appear in AI search<br>▪ Deal Value: \$225.0 million                                                                             | Sitecore Corporation<br>A/S            |    |
| Jun 03, 2026   | Kumo AI                      |    | Developer of foundational models catering primarily to the financial sector<br>▪ Deal Value: \$400.0 million                                                                                                                       | NVIDIA Corporation<br>(NasdaqGS: NVDA) |    |
| May 29, 2026   | HW Holdco, LLC dba as Zonda  |    | Leading provider of new home construction data, homebuilder software, and residential real estate marketplaces<br>▪ Deal Value: \$800.0 million                                                                                    | CoStar Group, Inc.<br>(NASDAQ: CSGP)   |    |
| May 28, 2026   | MaintainX, Inc.              |   | A US-based maintenance and operations software provider. MaintainX is used by organizations to manage maintenance activity, asset information, inspections, work orders, and operational workflow<br>▪ Deal Value: \$3.6 billion   | Autodesk, Inc.<br>(NasdaqGS: ADSK)     |   |
| May 28, 2026   | Quantum.IQ Technologies Inc. |  | An AI-driven quantum cybersecurity company developing software designed to help high-security organizations, including government, defence, financial services and critical infrastructure sectors<br>▪ Deal Value: \$66.0 million | Redwood AI Corp.                       |  |
| May 21, 2026   | Symmetry Systems, Inc.       |  | Provides technology that collects enterprise access logs from SaaS platforms, public cloud services, data repositories, and AI environments<br>▪ Deal Value: \$175.0 million                                                       | Zscaler, Inc.<br>(NASDAQ: ZS)          |  |

<sup>(1)</sup> Data sources: S&P Capital IQ, Mergermarket, Press Releases  
All currencies are in US\$

# Select Q2 2026 transactions<sup>(1)</sup>

| Announced Date | Target                                 | Target HQ                                                                           | Target Description                                                                                                                                                                                                                                 | Buyer                                              | Buyer HQ                                                                              |
|----------------|----------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------|
| May 19, 2026   | Reliant AI, Inc.                       |    | Develops an AI-powered data analytics platform for biopharma. Its platform simplifies the process of collecting, organizing, and analyzing complex data to deliver decision-critical insights for life sciences teams<br>▪ Deal Value: Undisclosed | Cohere Inc.                                        |    |
| May 18, 2026   | Stainless Software, Inc.               |    | Offers creation and maintenance of software development kits, or SDKs – the libraries developers use to interact with APIs<br>▪ Deal Value: ~\$300.0 million                                                                                       | Anthropic PBC                                      |    |
| May 17, 2026   | LiveRamp Holdings, Inc.                |    | Leading data collaboration technology company, empowering marketers and media owners to deliver and measure marketing performance<br>▪ Deal Value: \$2.5 billion<br>▪ EV / Revenue: 2.7x; EV/ EBITDA: 27.5x                                        | MMS USA Holdings, Inc.                             |    |
| May 13, 2026   | Fonds QScale S.E.C.                    |    | Provider of high-density AI colocation and data center services, focusing on infrastructure for large-scale computing, high-performance computing, and machine learning<br>▪ Deal Value: Undisclosed                                               | Goldman Sachs Asset Management, L.P.               |    |
| May 07, 2026   | Teletrac Navman                        |    | Developer of an end-to-end telematics platform that provides AI-enabled vehicle fleet and asset management solutions<br>▪ Deal Value: \$220.0 million                                                                                              | Respida Capital                                    |    |
| May 05, 2026   | Alkira, Inc.                           |   | Developer of a cloud-native, carrier-agnostic networking platform that enables enterprises to design, deploy, and operate connectivity and network services across hybrid and multi-cloud environments<br>▪ Deal Value: \$475.0 million            | Lumen Technologies, Inc. (NYSE: LUMN)              |   |
| May 04, 2026   | American Megatrends International, LLC |  | A leader in platform firmware and infrastructure manageability for cloud and AI, creating the industry's most complete secure management and control platform<br>▪ Deal Value: \$1.65 billion                                                      | Lattice Semiconductor Corporation (NasdaqGS: LSCC) |  |
| May 04, 2026   | Mirantis, Inc.                         |  | Provider of cloud infrastructure, Kubernetes-based orchestration and enterprise support services<br>▪ Deal Value: \$625.0 million                                                                                                                  | IREN Limited (NASDAQ: IREN)                        |  |

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# Select Q2 2026 transactions<sup>(1)</sup>

| Announced Date | Target                         | Target HQ                                                                           | Target Description                                                                                                                                                                                                                           | Buyer                                      | Buyer HQ                                                                              |
|----------------|--------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------------------------------------|
| May 04, 2026   | Dremio Corporation             |    | Develops a data lakehouse platform that enables organizations to unify, manage, and access data for analytics, reporting, and artificial intelligence without complex data movement or transformation processes<br>▪ Deal Value: Undisclosed | SAP SE (XTRA:SAP)                          |    |
| May 01, 2026   | CyberCatch Holdings, Inc.      |    | A cybersecurity company offering a patented, AI-enabled platform for continuous compliance and cyber risk mitigation<br>▪ Deal Value: \$110.7 million                                                                                        | Datavault AI Inc. (NasdaqCM: DVLT)         |    |
| May 01, 2026   | All the assets of SportsEngine |    | Comprises of a full suite of software and payments products, including its club, league, tournament, and studio management platforms<br>▪ Deal Value: \$400.0 million                                                                        | Playmetrics LLC                            |    |
| May 01, 2026   | MagicByte AI, Inc.             |    | Doing business as Eigen AI, a leading inference and model optimization company that develops AI efficient and evolving models<br>▪ Deal Value: \$643.0 billion                                                                               | Nebius Group N.V.                          |    |
| Apr 30, 2026   | Trepp Inc.                     |    | Leading provider of data, insights, and technology solutions to the structured finance, commercial real estate, and banking sectors<br>▪ Deal Value: \$1.0 billion                                                                           | Fitch Solutions                            |    |
| Apr 28, 2026   | Plum.io, Inc.                  |   | Develops a software as a service recruitment platform to match job candidates with companies<br>▪ Deal Value: Undisclosed                                                                                                                    | Phenom People, Inc.                        |   |
| Apr 23, 2026   | Idelic Inc.                    |  | Leading provider of AI-powered driver safety and performance management solutions<br>▪ Deal Value: \$40.0 million                                                                                                                            | The Descartes Systems Group Inc. (TSX:DSG) |  |
| Apr 23, 2026   | TruBridge, Inc.                |  | Offers a mix of technology, services, and strategic expertise – including revenue cycle management, electronic health records and analytics<br>▪ Deal Value: \$604.0 million<br>▪ EV / Revenue: 1.7x; EV / EBITDA: 15.7x                     | Inventurus Knowledge Solutions, Inc.       |  |

<sup>(1)</sup> Data sources: S&P Capital IQ, Mergermarket, Press Releases  
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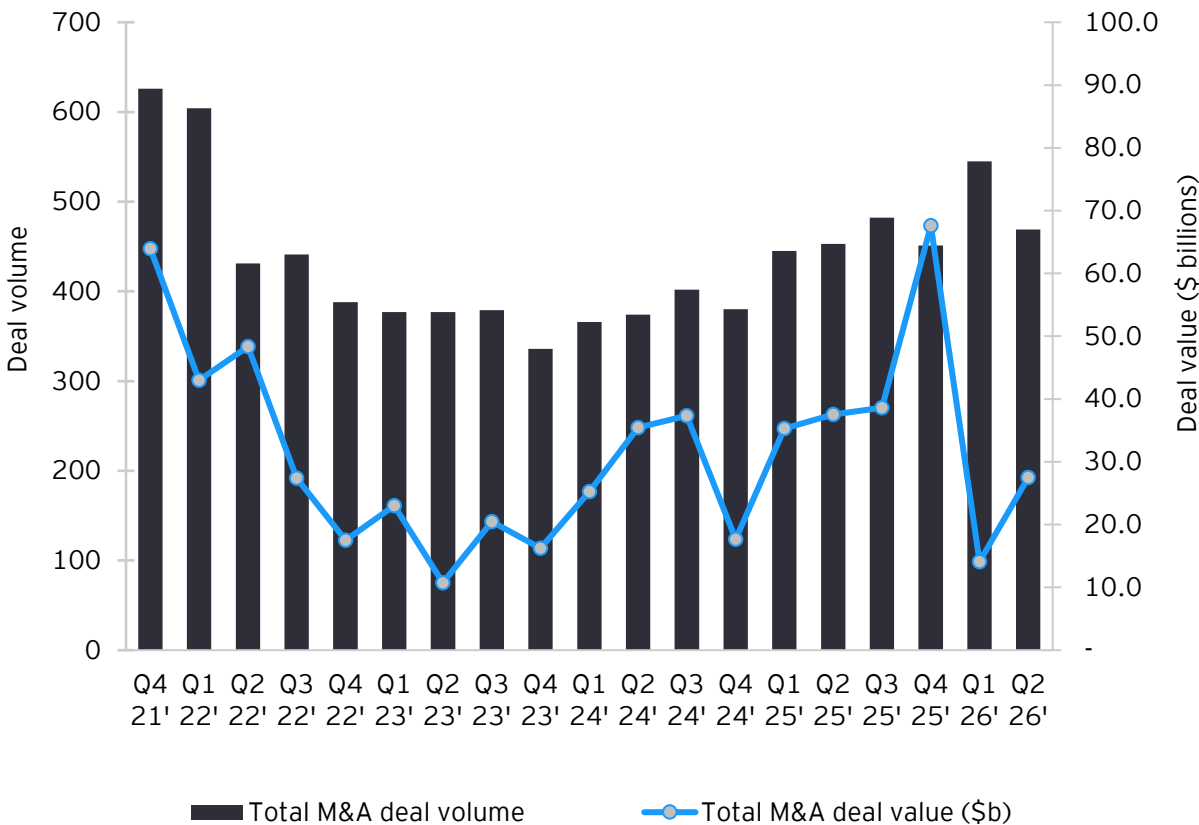
# Select Q2 2026 transactions<sup>(1)</sup>

| Announced Date | Target                                      | Target HQ                                                                           | Target Description                                                                                                                                                                                                                                                             | Buyer                              | Buyer HQ                                                                              |
|----------------|---------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------|
| Apr 21, 2026   | LivePerson, Inc.                            |    | Develops an intelligence engine to connect with consumers through an integrated suite of mobile and online business messaging technologies <ul style="list-style-type: none"> <li>Enterprise Value: \$250.0 million</li> <li>EV / Revenue: 1.4x; EV / EBITDA: 26.8x</li> </ul> | SoundHound AI, Inc. (Nasdaq: SOUN) |    |
| Apr 20, 2026   | Application Libro Inc.                      |    | Develops a cloud-based electronic reservation management platform for restaurants and other hospitality establishments <ul style="list-style-type: none"> <li>Deal Value: Undisclosed</li> </ul>                                                                               | OpenTable, Inc.                    |    |
| Apr 14, 2026   | PartnerStack Inc.                           |    | Offers a partner relationship management (PRM) platform, which includes incentives and payouts, AI-powered partner intelligence, and a built-in network of commission-earning affiliates <ul style="list-style-type: none"> <li>Deal Value: Undisclosed</li> </ul>             | AppDirect, Inc.                    |    |
| Apr 13, 2026   | Heavy Construction Systems Specialists, LLC |    | Leading provider of construction software for the fast-growing infrastructure and heavy civil sectors in North America <ul style="list-style-type: none"> <li>Deal Value: \$2.3 billion</li> <li>EV / Revenue: 10.9x</li> </ul>                                                | Nemetschek SE (XTRA:NEM)           |    |
| Apr 08, 2026   | Bindplane / ObservIQ                        |    | Developer of modern telemetry pipeline technology which helps organizations capture and manage data at scale <ul style="list-style-type: none"> <li>Deal Value: \$100.0 million</li> </ul>                                                                                     | Dynatrace, Inc. (NYSE: DT)         |    |
| Apr 03, 2026   | Coefficient Bio                             |   | Developer of a platform that leverages AI in a bid to boost efficiency in drug discovery and biological research <ul style="list-style-type: none"> <li>Deal Value: \$400.0 million</li> </ul>                                                                                 | Anthropic PBC                      |   |
| Apr 02, 2026   | Krux Analytics Inc.                         |  | Leading provider of cloud-based drilling analytics for the mining industry <ul style="list-style-type: none"> <li>Deal Value: \$16.0 million</li> </ul>                                                                                                                        | Imdex Limited (ASX: IMD)           |  |
| Apr 02, 2026   | Tealbook, Inc.                              |  | Offers a supplier data platform that automates the collection, verification, enrichment, and distribution of supplier data across enterprise systems <ul style="list-style-type: none"> <li>Deal Value: Undisclosed</li> </ul>                                                 | Supplier.io                        |  |

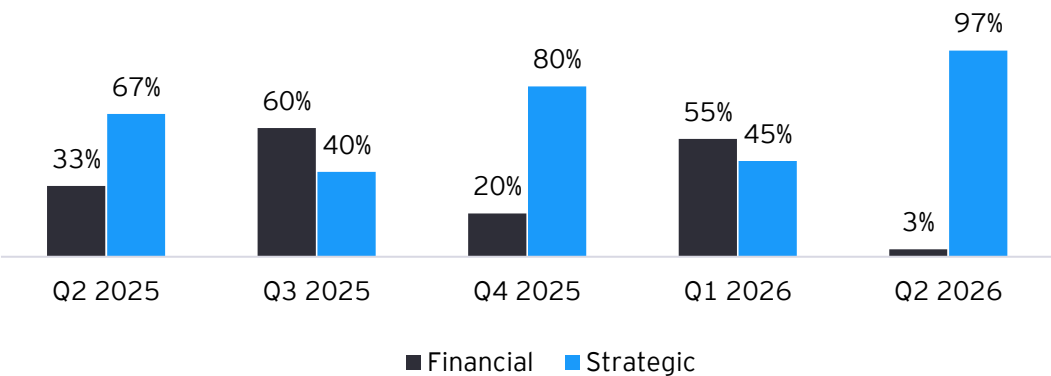
<sup>(1)</sup> Data sources: S&P Capital IQ, Mergermarket, Press Releases  
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# Historical M&A activity

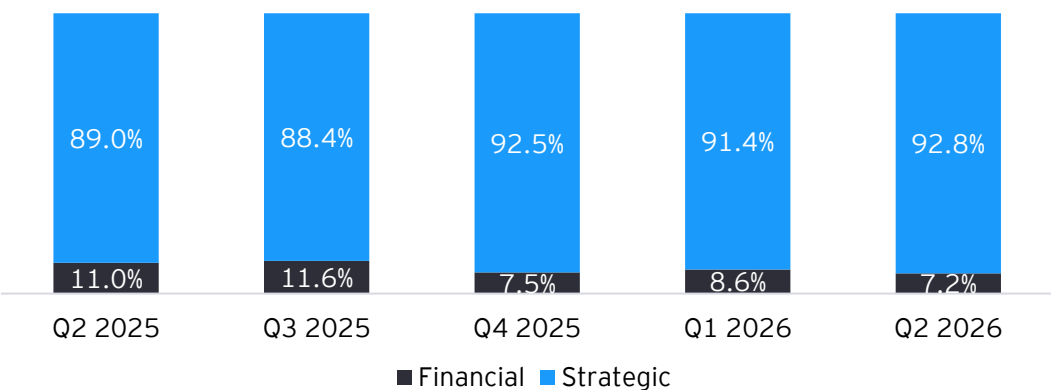
Software M&A deal value increased in Q2 2026, fueled by seven deals valued above \$1 billion, while deal volume reached its highest Q2 level since 2021.



Deal value by type of acquirer<sup>(1)</sup>



Deal volume by type of acquirer<sup>(1)</sup>

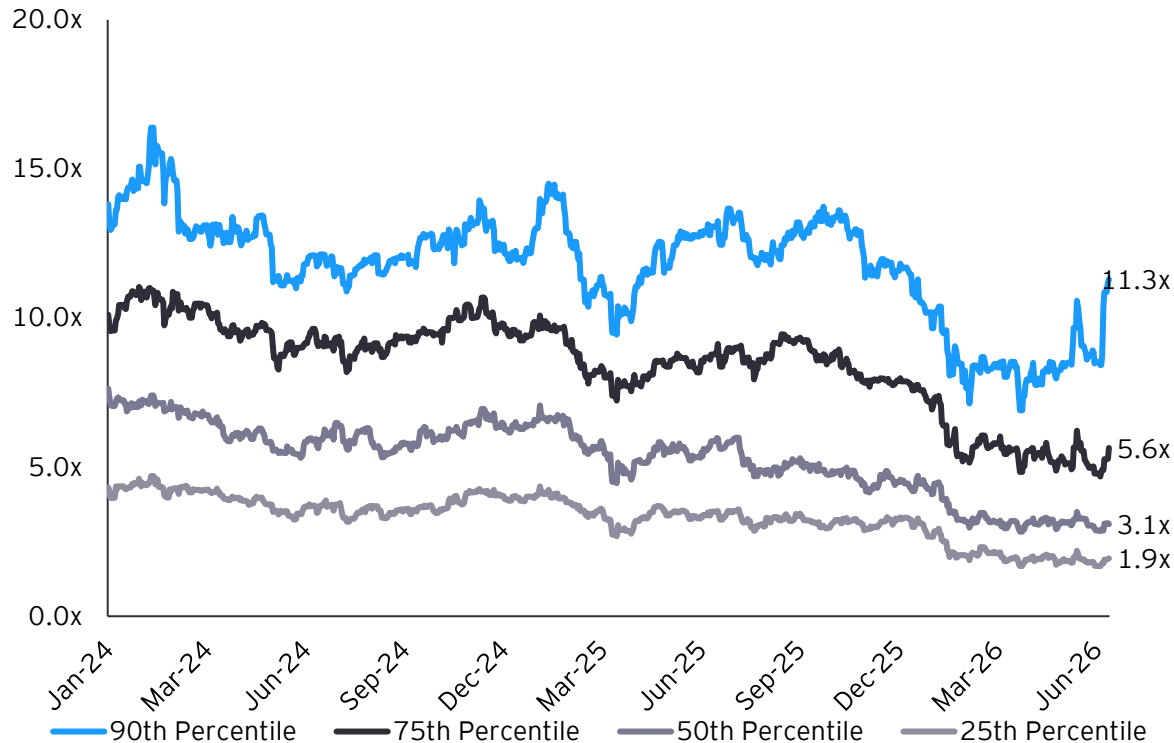


Data sources: S&P Capital IQ and Mergermarket

<sup>(1)</sup> Deal volume data includes transactions with disclosed deal value and undisclosed deal value; Deal value by type of acquirer graphs removes outliers which are mega deals with transaction value >\$10B

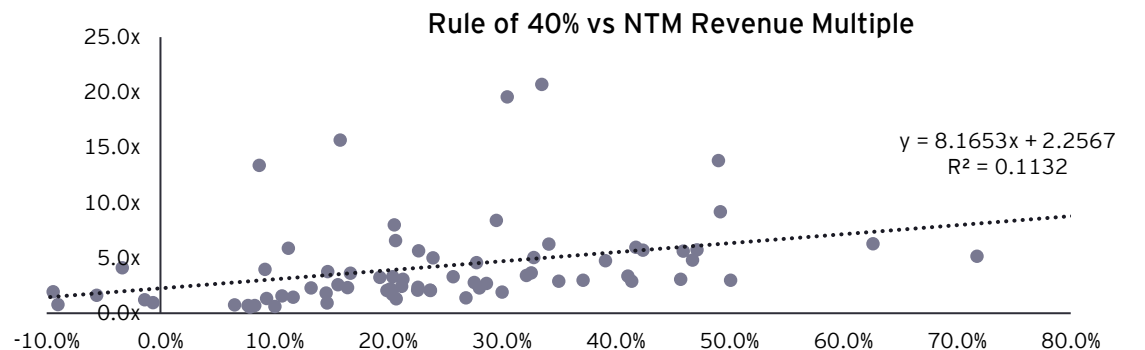
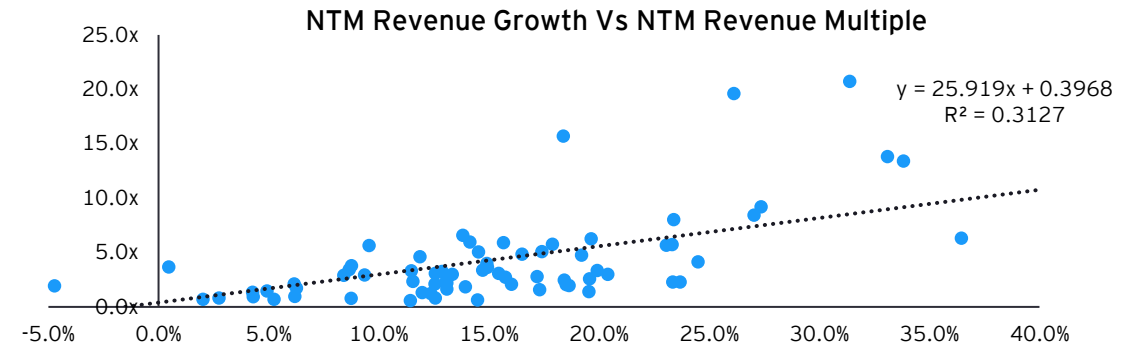
# Public market performance

Multiples recovered across all percentiles by the end of Q2 2026 following a sharp decline, driven in large part by improving market sentiment across several sectors of the economy. Robust earnings from marquee companies and successful IPO activity also helped support multiple expansion.



\*Data for percentile valuation multiple charts has been sourced from S&P Capital IQ and comprises EV/NTM multiples data of 76 global SaaS public companies from Jan 1, 2024, to Jun 30, 2026; Outliers >30.0x were removed from analysis above

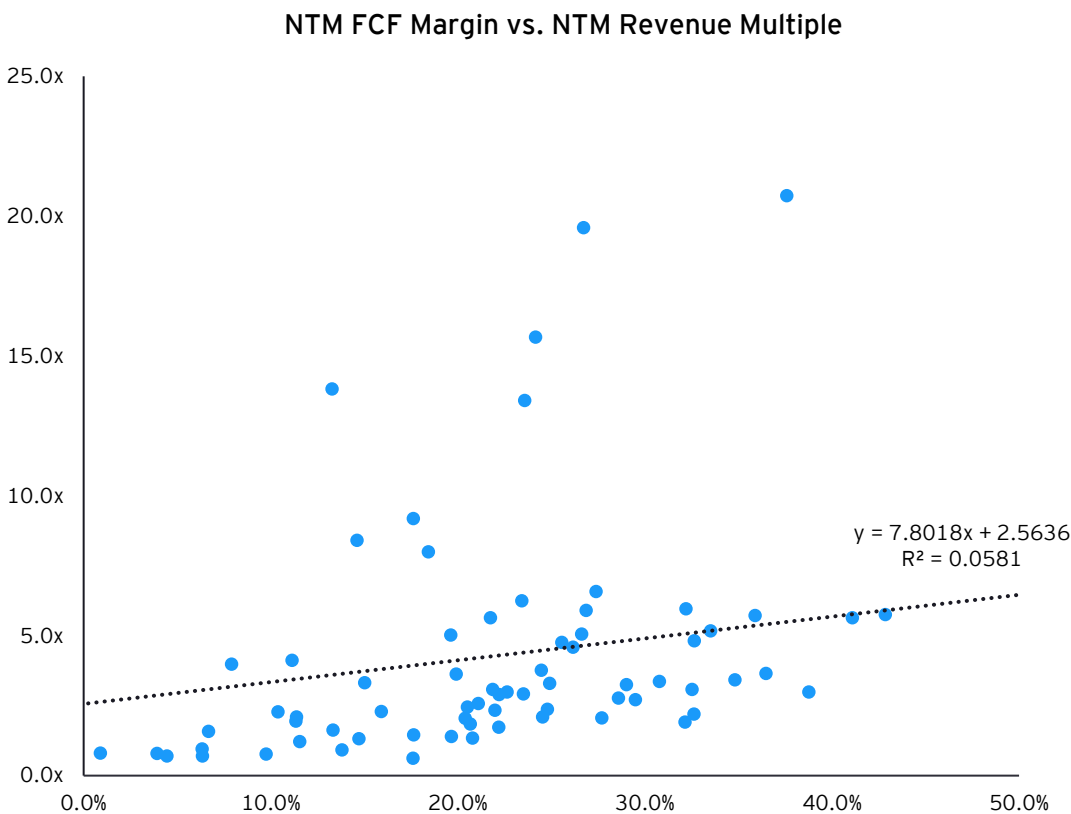
The continued premium placed on revenue growth over profitability by the end of Q2 2026 suggests a shift in market sentiment, with investors increasingly rewarding growth potential over near-term margin performance.



\*Data for scatter plot charts has been sourced from S&P Capital IQ and comprises EV/NTM revenue multiples data, NTM Growth % and LTM EBITDA growth % data of 76 global SaaS public companies; Outliers >25.0x were removed from analysis above

# Public market performance

The chart below illustrates the relationship between NTM FCF margin and NTM revenue multiples. By Q2 2026, the correlation weakened relative to Q1 of 2026, indicating reduced sensitivity of valuations to near-term free-cash-flow margins.



\*Data for scatter plot charts has been sourced from S&P Capital IQ and comprises EV/NTM multiples and NTM FCF Margin data of 76 global SaaS public companies; Outliers >25.0x were removed from analysis above.

This table summarizes quarter-over-quarter shifts in the relationship between operating metrics and NTM revenue multiples. In Q2 2026, NTM revenue growth and LTM FCF margin strengthened in relevance, while other metrics showed a weakening correlation with valuations.

| Metric             | Relative Correlation to NTM Revenue Multiple vs. Previous Quarter |         |         |         |
|--------------------|-------------------------------------------------------------------|---------|---------|---------|
|                    | Q2 2026                                                           | Q1 2026 | Q4 2025 | Q3 2025 |
| LTM Revenue Growth |                                                                   |         |         |         |
| LTM FCF Margin     |                                                                   |         |         |         |
| NTM Revenue Growth |                                                                   |         |         |         |
| NTM FCF Margin     |                                                                   |         |         |         |
| Gross Margin       |                                                                   |         |         |         |
| Rule of 40         |                                                                   |         |         |         |

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