



Global Software Sector Update

Industry Insights

Spring 2026

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Executive Summary

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Q1 2026 Deal Volume on Pace for Second-Most-Active Year, With Deals Skewed to the Lower Mid-Market as Annualized Deal Value Drops to Nine-Year Low



Strategic Buyers Dominated Deal Activity at 76% Share, Up from 71% in 2025, as PE Buyers Remain Selective



Dramatic Sell-Off in Public SaaS Stocks With Median EV Multiple Falling 33% to a Decade Low of 3.1x NTM Revenues

Key Market Updates

Software M&A activity remained robust in Q1 2026, with annualized deal volume on track for the second-highest year on record. In Q1 total announced transactions were 661, with annualized volume of 2,644 deals, while annualized deal value reached \$92.6 billion, implying a softer value backdrop than 2025 despite continued activity. The quarter was led again by strategic acquirers, who accounted for 76% of total deals, up from the already elevated 71% in 2025, reflecting ongoing demand for artificial intelligence-critical (AI) capabilities, data infrastructure and workflow automation assets.

Strategic buyers also continued to underpin valuations for differentiated assets with strong growth and clear AI relevance. That said, public software valuations remained under pressure, with the median enterprise value/ next twelve months (EV/NTM) revenue multiple for Software-as-a-Service (SaaS) companies falling to 3.1x in Q1 2026, well below the long-term median of 5.3x. In private markets, EBITDA-based transaction multiples show more resilience than revenue-based metrics, underscoring that profitability and cash generation are becoming more important in buyer underwriting.

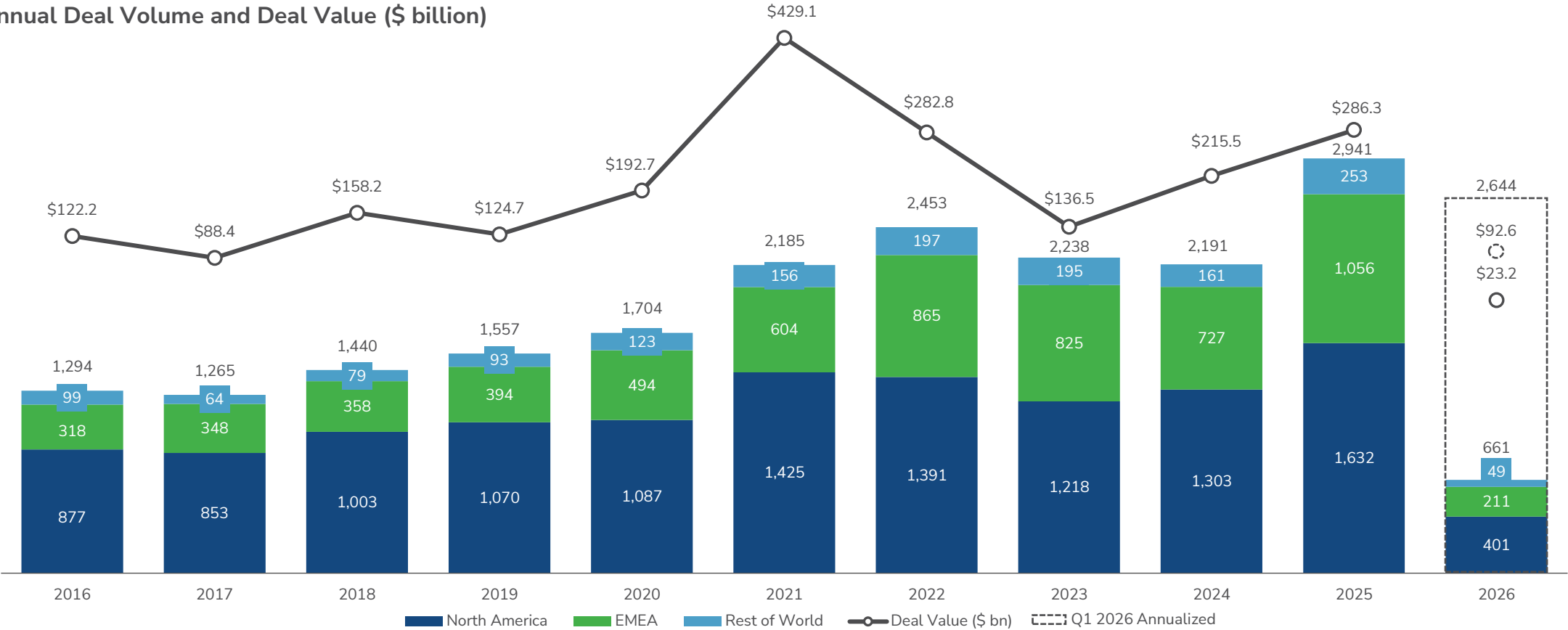
M&A in Q1 2026 remained concentrated in strategically important subsectors, including cybersecurity, infrastructure, engineering, enterprise resource planning (ERP) and vertical software. The quarter also featured several notable acquisitions across finance, data, identity and network intelligence software, including OneStream, Brex, Allfunds, Ookla, Reltio and SGNL. These transactions highlight how buyers are prioritizing software platforms that can enhance AI adoption, improve operational control and deepen mission-critical workflow integration.

Public markets remained cautious, with software equities weakening over the quarter and investor sentiment still shaped by uncertainty around AI monetization as well as macro volatility. The weakest sentiment was seen in sectors with stretched valuations or slower growth, while more resilient multiples remained concentrated in subsectors with stronger revenue growth and EBITDA margins. Entering Q2 2026, AI remains the central strategic theme across software M&A, with the market favoring high-conviction buyers, high-quality platforms and sellers able to demonstrate durable growth, margin expansion and credible AI positioning.

Strong Q1 Puts Annualized Deal Volume on Track for the Second-Highest, While Value is Held Back by Fewer Mega-deals

However, Macroeconomic Environment and AI Uncertainty are Weighing on Software Mega Deals

Annual Deal Volume and Deal Value (\$ billion)



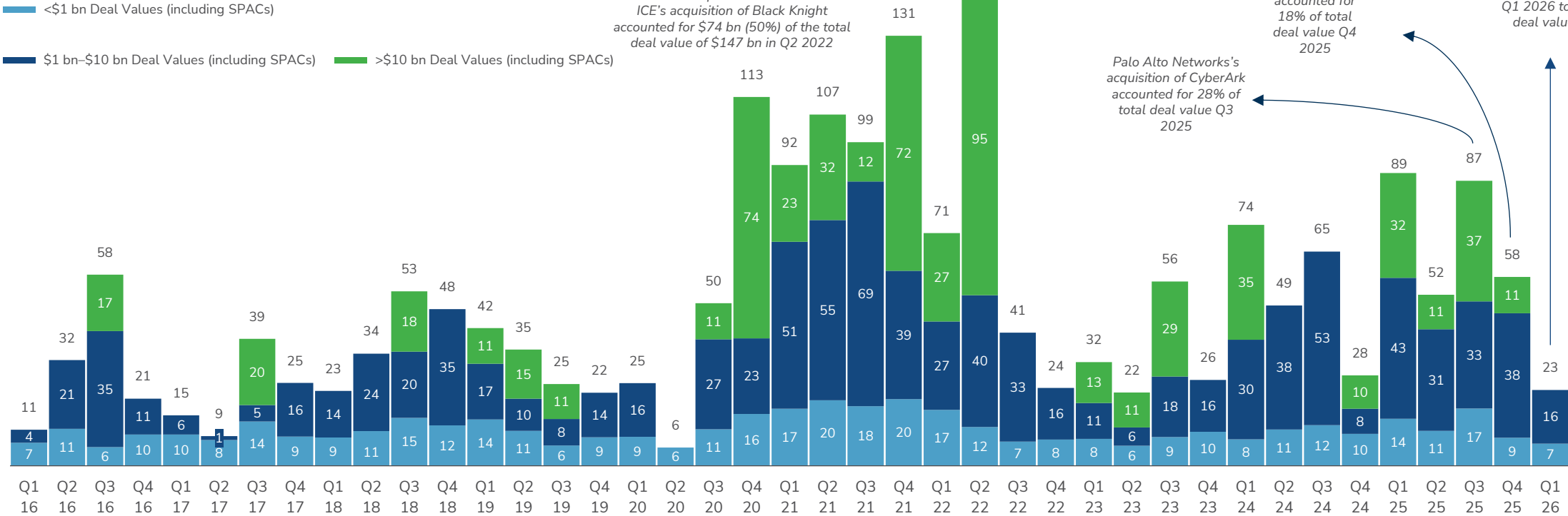
Source: 451 Research and Mergermarket as of March 31, 2026

Deal Value Fell Sharply vs Prior Quarters, Driven by No >\$10bn Deals and a Significant Reduction in \$1–10bn Transactions

Deal Value in the \$1bn–\$10bn Range More Than Halved Year-over-Year

Quarterly Deal Values (\$ bn) (Q1 2016 to Q1 2026)¹

Top number in each bar indicates total deal value in quarter



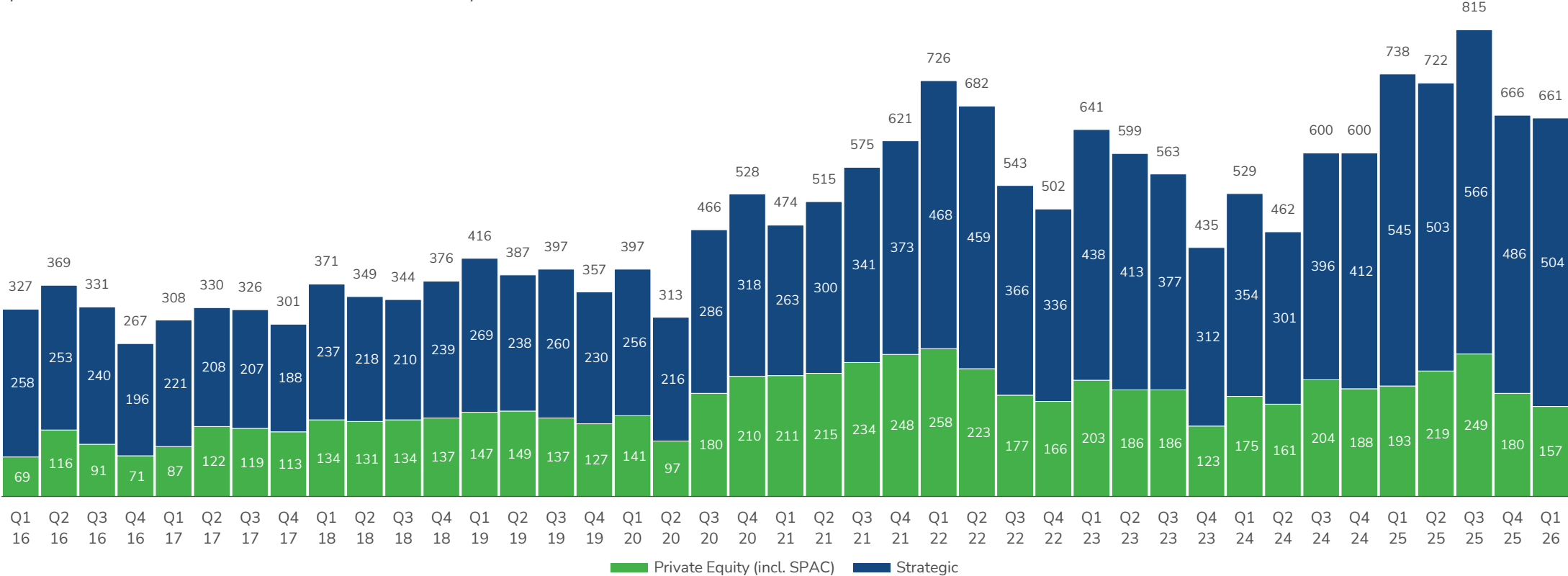
¹Between January 1, 2016, March 31, 2026; SPAC = Special Purpose Acquisition Company
Source: 451 Research and Mergermarket as of March 31, 2026

Q1 2026 Deal Volume Driven by Strategics while PE Volume is Second Lowest Since 2021

Strategic Deals Accounted for 76% of Deals in Q1 2026 Compared to an Average of 69% During 2024 and 2025



Quarterly Deal Volume (Q1 2016 to Q1 2026)¹

Top number in each bar indicates total deal volumes in quarter





¹Between January 1, 2016, and March 31, 2026; Private Equity includes acquisitions made by PE-backed platforms, whereby the PE holds a majority stake in the acquirer
 Source: 451 Research and Mergermarket as of March 31, 2026

Top Six Software Acquisitions over Q1 2026 by Enterprise Value

January 2026

 acquired by

\$5.8 bn **10.2x**

OneStream provides a cloud-based enterprise finance management platform for businesses globally. The software unifies financial close, consolidation, reporting, planning and forecasting, with embedded AI capabilities to enhance decision-making and productivity, enabling CFOs to drive business strategy and execution across more than 1,800 customers, including 18% of the Fortune 500 companies.

Hg's acquisition of OneStream capitalizes on a critical finance AI inflection point, with OneStream having more than doubled its AI customers year over year in 2025. The platform's contextualized AI and Agentic AI solutions, underpinned by a strong global customer base and clear category leadership, position OneStream for accelerated innovation and long-term growth.

March 2026

 acquired by

\$1.2 bn **5.2x**

Ookla provides cloud-based network intelligence and connectivity analytics software for communications service providers, hyperscalers and enterprises globally. The software offers features for network benchmarking, performance monitoring, outage detection and Wi-Fi planning, capturing more than 1,000 attributes per test across 250 million monthly consumer-initiated tests through its Speedtest, Downtetector, Ekahau and RootMetrics platforms.

Accenture's acquisition of Ookla strengthens its end-to-end network intelligence capabilities, enabling CSPs, hyperscalers and enterprises to optimize mission-critical 5G and Wi-Fi networks. Integrating Ookla's data platform into Accenture's AI-driven services accelerates clients' digital core transformation, enhancing fraud prevention, smart infrastructure and connectivity optimization.



January 2026

 acquired by

\$5.0 bn **N/A**



Brex provides an AI-native intelligent finance platform for businesses globally, operating across more than 50 countries. The software combines corporate cards, spend management and banking into a single vertically integrated platform, leveraging AI agents to automate complex workflows, reduce manual review and control spend for over 25,000 companies, from startups to enterprises.

Capital One's acquisition of Brex accelerates its position in the business payments marketplace by combining Brex's payments expertise and spend management software with Capital One's sophisticated underwriting, scale and brand. The vertically integrated platform strengthens Capital One's technology-based financial services offering, enabling delivery of superior finance solutions to millions of U.S. businesses.

March 2026

 acquired by

\$1.1 bn **6.5x**

Reltio provides cloud-native master data management software for enterprises globally. The software offers features for data unification, cleansing, entity resolution and governance, delivering a single "golden record" across SAP and non-SAP sources, with prebuilt industry-specific solutions for life sciences, healthcare and financial services to support analytics and agentic AI workflows.

SAP's acquisition of Reltio strengthens its business data cloud platform, accelerating its AI-first strategy by enabling trusted, context-rich master data across SAP and non-SAP environments. Integrating Reltio's entity resolution and data unification capabilities enhances Joule AI agents' reliability, reducing data fragmentation and delivering consistent, high-quality data critical for enterprise-wide agentic AI.

January 2026

 acquired by

\$3.2 bn **4.2x**

Allfunds provides cloud-based fund distribution and wealth management software for asset managers, fund houses and distributors globally. The software offers features for fund dealing, order management, portfolio analytics, regulatory reporting and data services, enabling over 1,400 fund partners and 900 distributors across 66 countries to manage and distribute investment funds at scale.

Deutsche Börse's acquisition of Allfunds combines Allfunds' best-in-class fund distribution software with DBAG's Clearstream custody and settlement infrastructure, creating a world-class pan-European fund services player. The combination delivers approximately €60 million in annual run-rate cost synergies, establishes a harmonized global platform and accelerates cross-selling across the full fund value chain.

January 2026

 acquired by

\$0.7 bn **N/A**























SGNL provides continuous identity security software for enterprises globally. The software offers features for dynamic authorization, just-in-time access, real-time privilege revocation and access enforcement across SaaS, AWS IAM, Okta and hyperscaler environments, enabling organizations to continuously grant and revoke access for human, non-human and AI agent identities based on real-time risk.

CrowdStrike's acquisition of SGNL extends its Falcon platform's next-generation identity security capabilities, eliminating legacy standing privileges across every identity type. Integrating SGNL's continuous dynamic authorization with Falcon's real-time risk intelligence establishes a new standard for agentic identity security, addressing the fastest-growing segment in cybersecurity, projected to reach \$56 billion by 2029.

























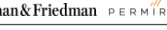







EV = enterprise value; LTM = last twelve months
 All trademarks, trade names or logos referenced herein are the property of their respective owners.
 Source: 451 Research, Mergermarket, Press Releases as of March 31, 2026

Other Notable Software Deals during Q1 2026

Strategic Deals (Q1 2026)

Date	Target	Acquirer	Enterprise Value and Multiple ¹	Target Abstract
Feb-26			\$711 mn 9.2x	Digital safety & student wellbeing software
Jan-26			\$637 mn 15.9x	Observability & monitoring software
Feb-26			\$518 mn N/A	Business automation software
Jan-26			\$270 mn 10.8x	Lead management & communication software
Mar-26			\$254 mn N/A	Medical imaging software
Feb-26			\$230 mn 2.6x	Customer engagement & commerce media software
Jan-26			\$197 mn N/A	Billing & revenue management software
Mar-26			\$195 mn N/A	Automated proofreading & QA inspection software
Feb-26			\$181 mn N/A	Financial operations management software
Feb-26			\$150 mn N/A	Legal patent intelligence software
Feb-26			\$150 mn N/A	AI security management software

PE Deals² (Q1 2026)

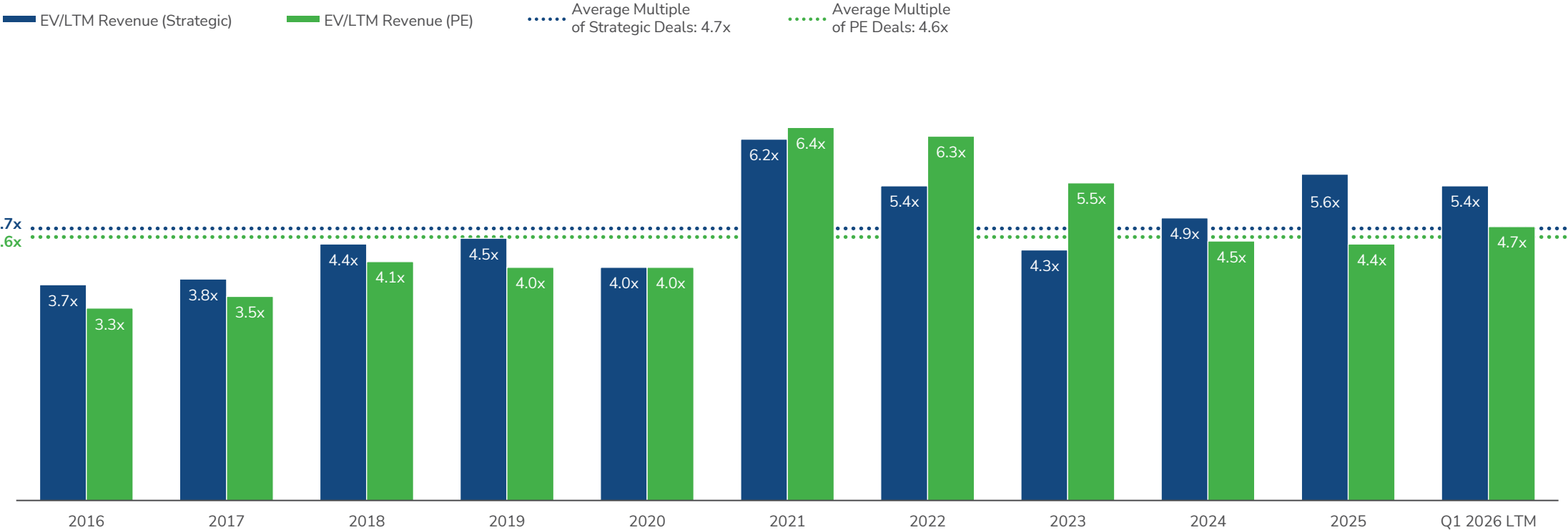
Date	Target	Acquirer	Enterprise Value and Multiple ¹	Target Abstract
Jan-26		 	\$660 mn 6.6x	FinOps cost optimization software
Feb-26		 	\$150 mn 1.9x	Data warehousing software
Jan-26		 	\$150 mn N/A	Digital experience optimization software
Jan-26		 	\$150 mn 5.0x	Infrastructure access & security software
Jan-26		 	\$115 Mn 2.5x	Location master data management software
Jan-26			\$85 mn 7.1x	Industrial cybersecurity management software
Mar-26			N/A N/A	Fleet management & compliance software
Feb-26		 	N/A N/A	Sales enablement software
Mar-26		  	N/A N/A	Customer experience management software
Feb-26		 	N/A N/A	AI security & governance software
Mar-26		 	N/A N/A	Data integration software

¹Deal Multiple = Enterprise Value/LTM Revenue, unless otherwise specified; ²PE deals include acquisitions made by PE-backed strategics, whose owners are indicated below the gray line, and exclude deals involving SPAC vehicles; All trademarks, trade names or logos referenced herein are the property of their respective owners; Source: 451 Research and Mergermarket as of March 31, 2026

Strategic Multiples Retracted Slightly in Q1 2026, While PE Multiples Have Increased Slightly

Strategic Buyers Continue to Pay Above Long-Term Average for Strategic Assets, Especially for AI Native Assets

Annual Median Deal Multiples



EV = Enterprise Value or Market Capitalization + Total Debt – Cash
 PE deals include acquisitions made by PE-backed strategics
 Source: 451 Research as of March 31, 2026

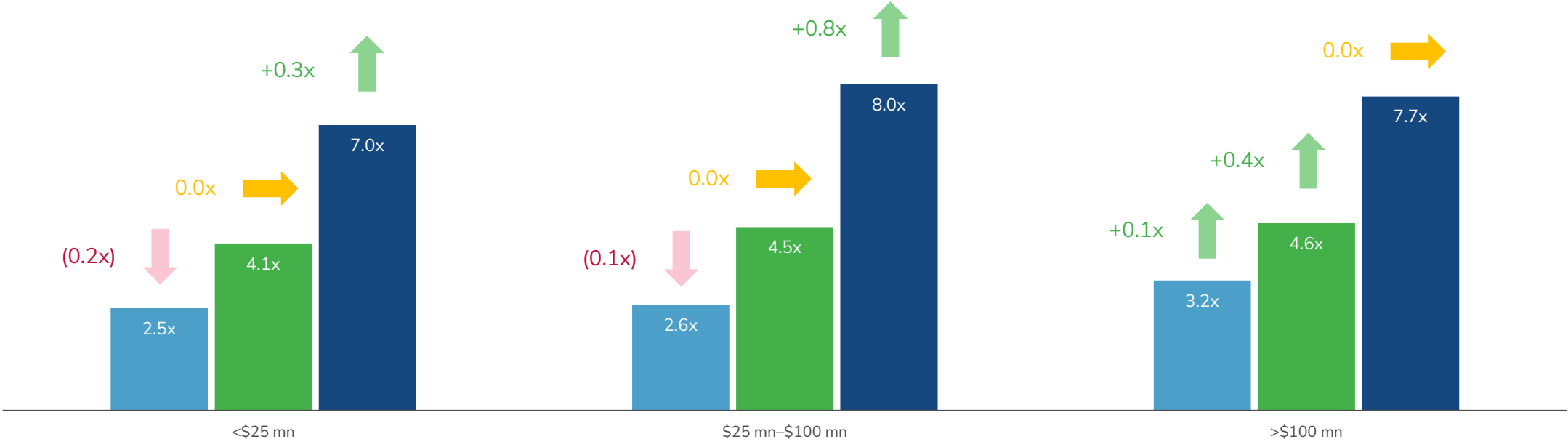
Precedent Transaction Multiples Have Remained More Stable than Public Comps Despite a Volatile Environment

Minimal Movement Across Size Buckets Amid AI Disruption and Broader Macroeconomic Volatility

Deal Multiples Quartiles by Last 12 Months Revenue

— First Quartile — Median — Third Quartile

Values in green / red indicate change in multiples compared to Q4 2025 EV / Revenue multiples



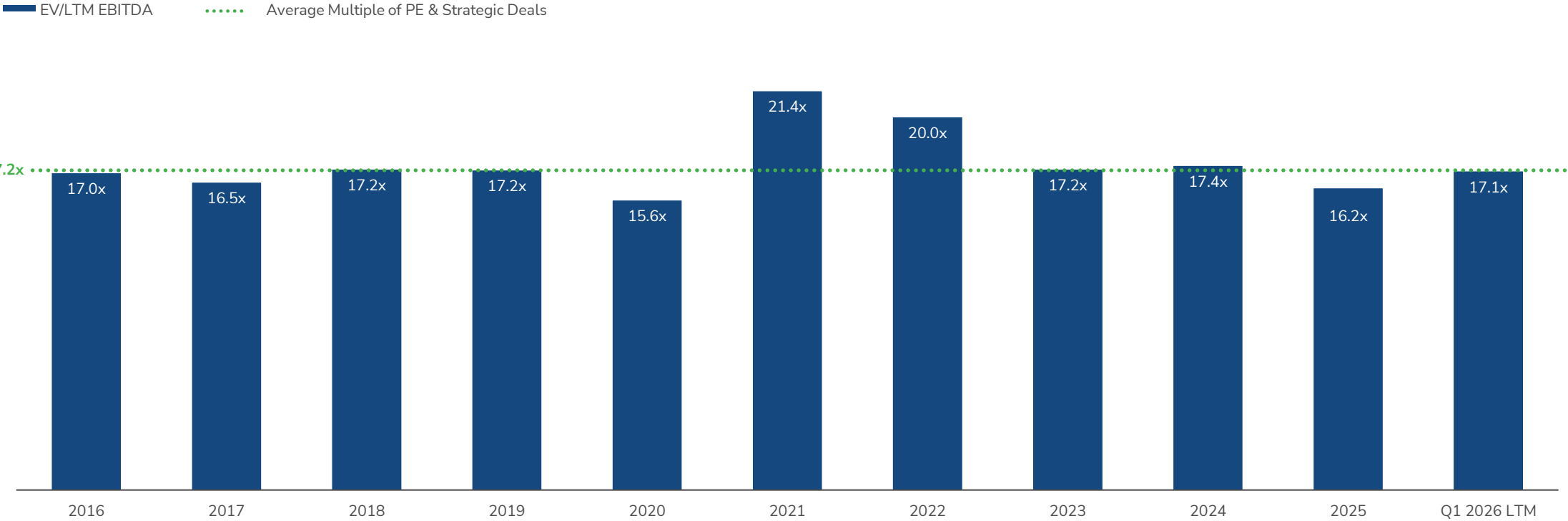
Transactions selected are based on the following parameters: (i) target company with SaaS business model; (ii) transaction announced between March 31, 2024, and March 31, 2026; (iii) disclosed EV/LTM revenue multiple; and (iv) excluding outliers and SPAC transactions

Source: 451 Research and Mergermarket as of March 31, 2026

EV/LTM EBITDA Multiples Expanded by 6% to 17.1x in LTM Q1 2026

EBITDA-based Valuations Remain Structurally More Consistent Than Revenue Metrics

Annual Median Deal Multiples

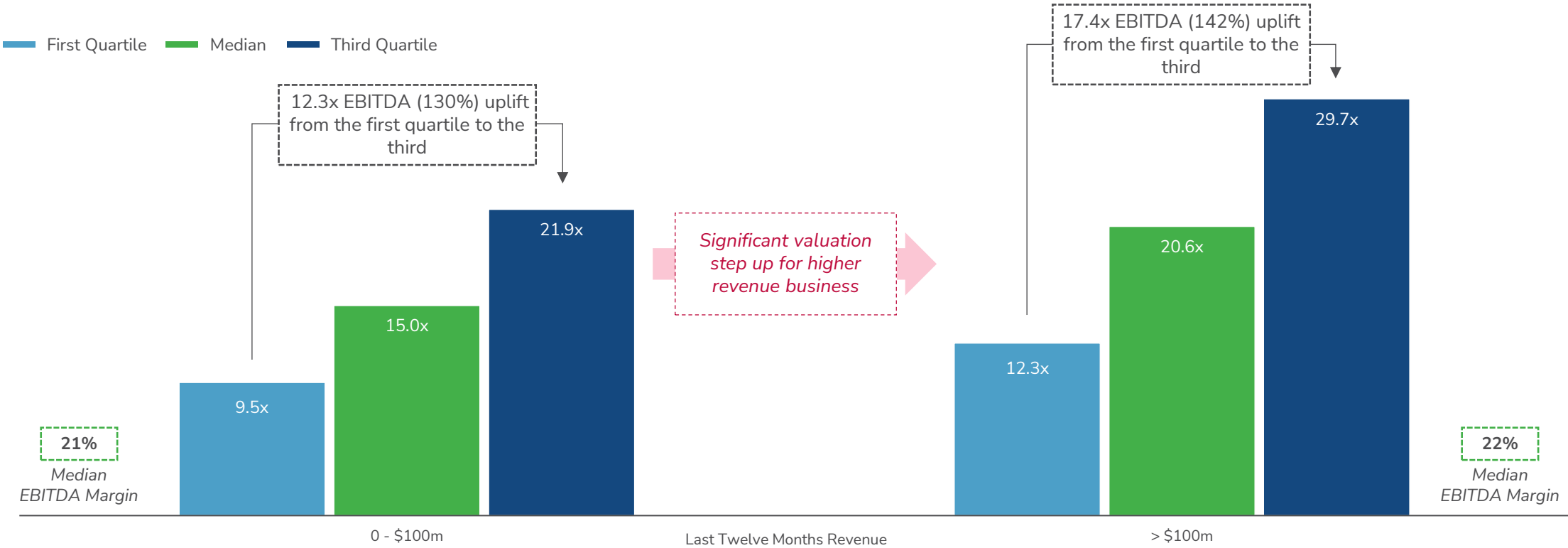


EV = Enterprise Value or Market Capitalization + Total Debt - Cash
Source: 451 Research as of March 31, 2026

EBITDA Multiples Across All Buckets Higher For Companies with >\$100m Revenue

Valuation Uplift of 142% From the 1st to the 3rd Quartile When Revenues >\$100m

EBITDA Multiples



Transactions selected are based on the following parameters: (i) target company with SaaS business model; (ii) transaction announced between March 31, 2024, and March 31, 2026; (iii) disclosed EV/EBITDA multiple; and (iv) excluding outliers and SPAC transactions

Source: 451 Research and Mergermarket as of March 31, 2026

Kroll's Technology Investment Banking Practice Tracked Universe of Public Software Companies

Analytics & Data Management

Collaboration & Productivity

Customer Experience & Engagement

Marketing

Cybersecurity

Vertical Software

Engineering

ERP & Supply Chain

Financial & Accounting

Banking & Insurance

HCM

Infrastructure

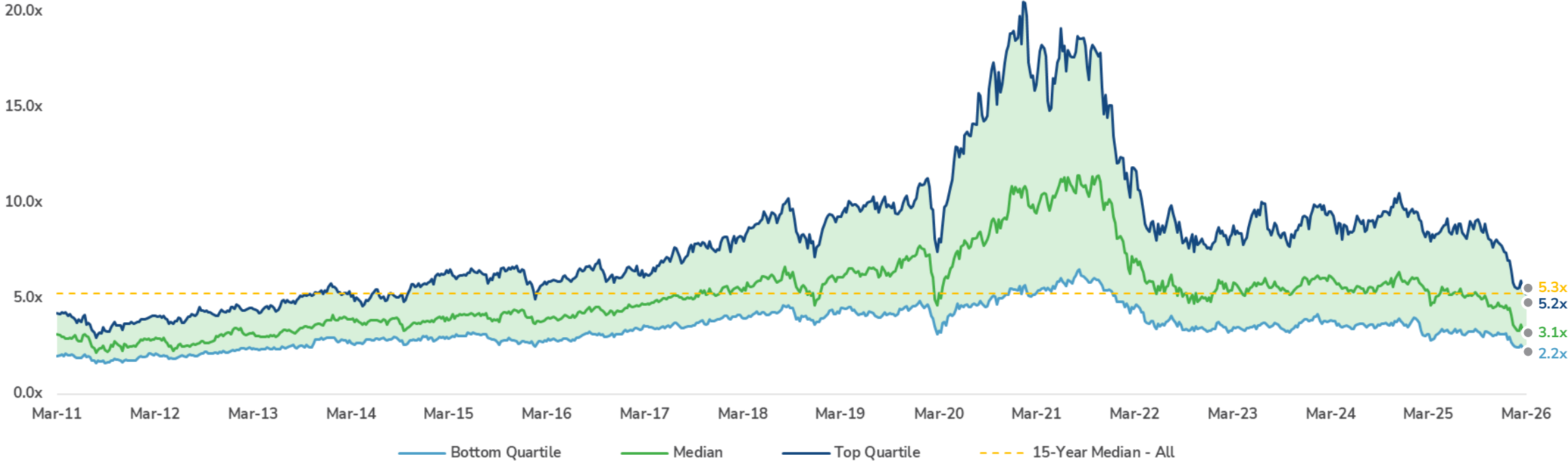
ERP = Enterprise Resource Planning; HCM = Human Capital Management
 Source: S&P Global Market Intelligence as of March 31, 2026, including the most actively traded software companies for respective covered sectors and excluding most microcap companies
 All trademarks, trade names, or logos referenced herein are the property of their respective owners

Public SaaS Companies' EV/NTM Revenue Multiples Trending Below the 15-Year Median

Median Multiple Trading at 3.1x EV/NTM Revenue Below Long-Term Average of 5.3x

Performance of Our Technology Investment Banking Practice SaaS Index over the Past 15 Years

EV/NTM Revenue



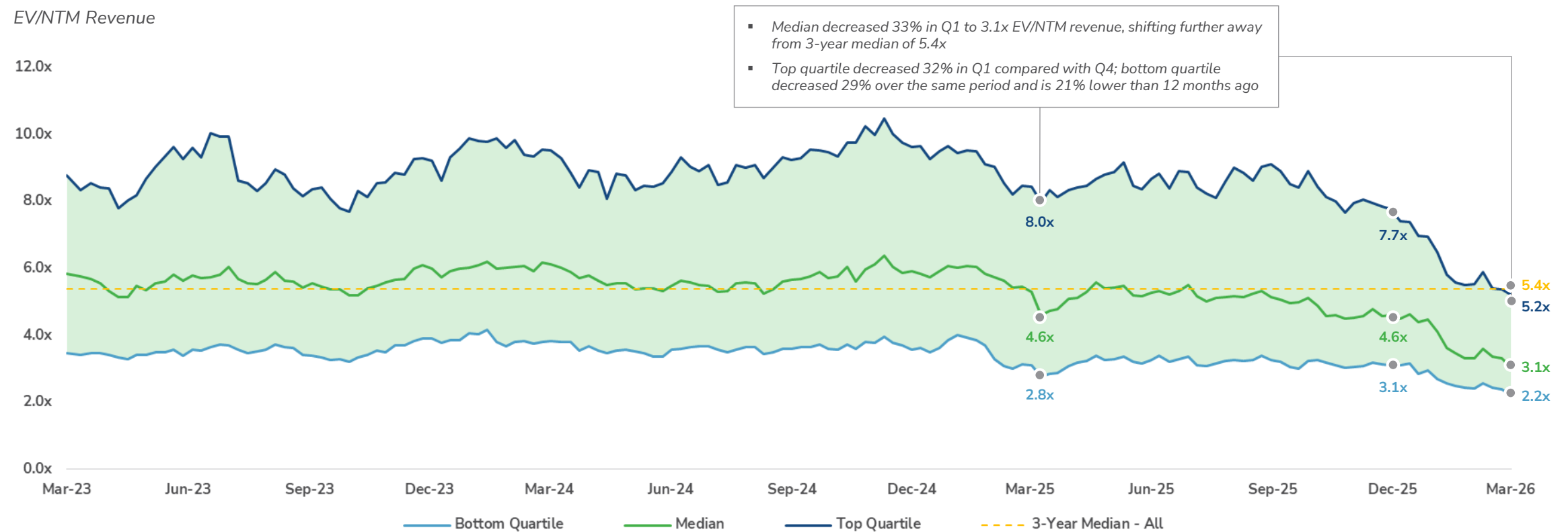
Our Technology Investment Banking Practice SaaS Index includes 172 companies that offer SaaS solutions; NTM = Next Twelve Months
Source: Capital IQ as of March 31, 2026

Revenue Multiples Have Significantly Declined Over Last Quarter with Upper Quartile & Median Now Well Below 3-Year Average

Median EV/NTM Revenue Multiple Decreased by 33% in Q1 2026, While Top Quartile Declined by 32%

Performance of Our Technology Investment Banking Practice SaaS Index over the Past Three Years

EV/NTM Revenue

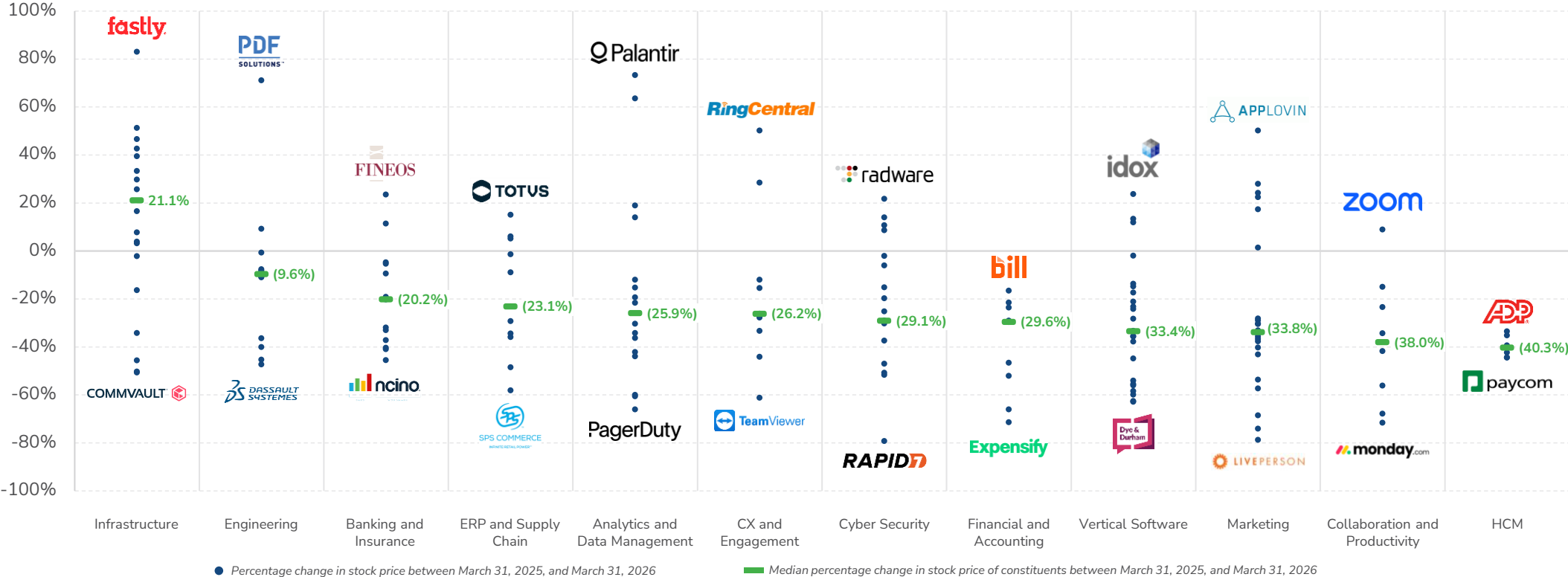


Our Technology Investment Banking Practice SaaS Index includes 172 companies that offer SaaS solutions; NTM = Next Twelve Months
Source: Capital IQ as of March 31, 2026

Last 12 Months Performance of Stock Prices

Median Performance of Almost All Buckets Was Negative, with Major Differences between High and Low Performers

Performance of Our Technology Investment Banking Practice’s Tracked Software Universe between March 31, 2025, and March 31, 2026

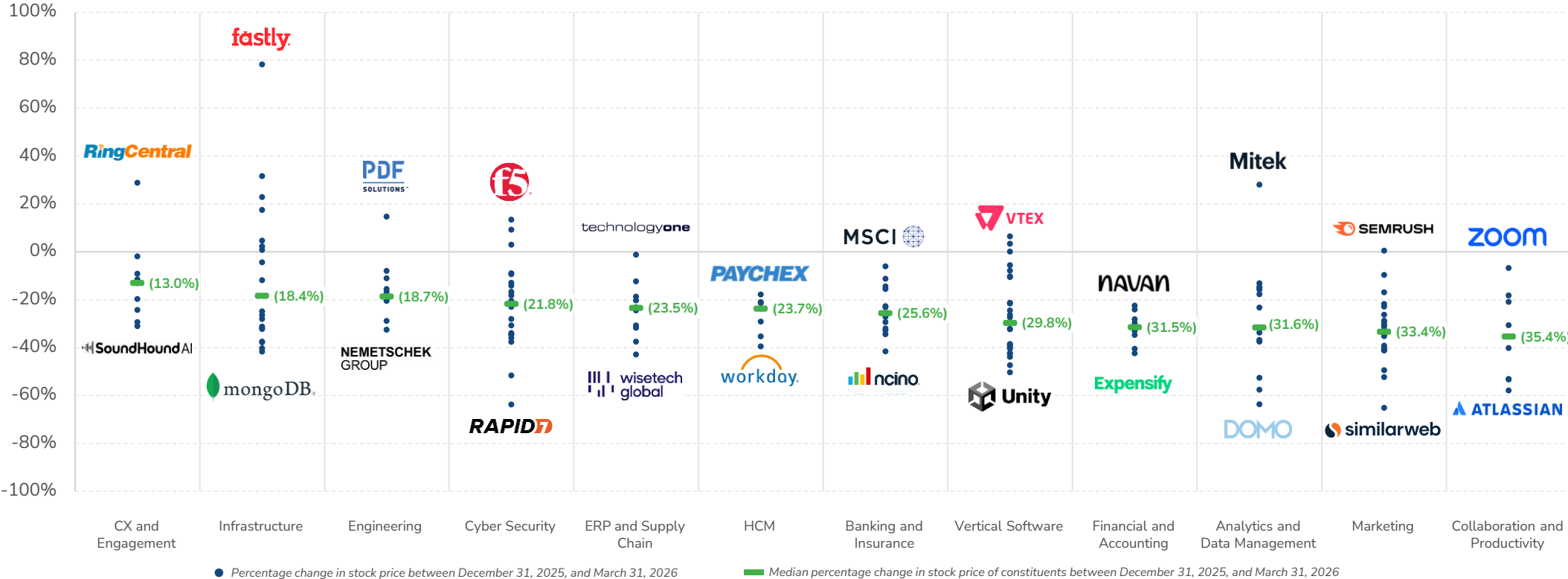


Does not include companies listed after March 31, 2025; Buckets ordered by median percentage change in stock price between March 31, 2025, and March 31, 2026; All trademarks, trade names, or logos referenced herein are the property of their respective owners
 Source: Capital IQ as of March 31, 2026

Quarterly Performance of Stock Prices

All Software Subsectors Have Declined During The Last Three Months Highlighting Investor Concerns' Around Software

Performance of Our Technology Investment Banking Practice's Tracked Software Universe between December 31, 2025, and March 31, 2026

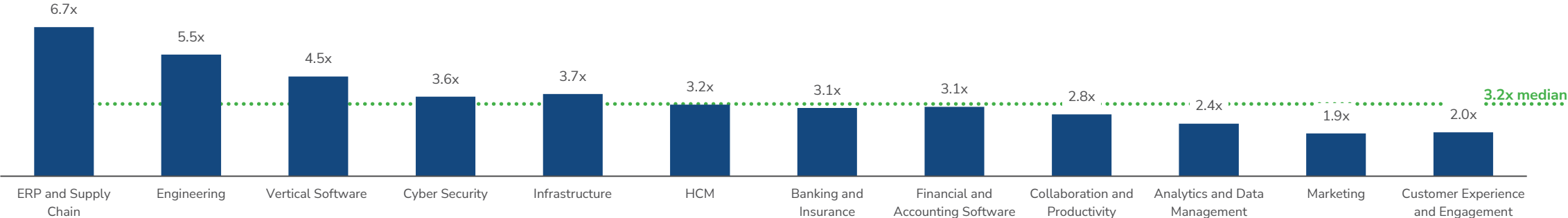


Does not include companies listed after December 31, 2025; Buckets ordered by median percentage change in stock price between December 31, 2025, and March 31, 2026; All trademarks, trade names, or logos referenced herein are the property of their respective owners
 Source: Capital IQ as of March 31, 2026

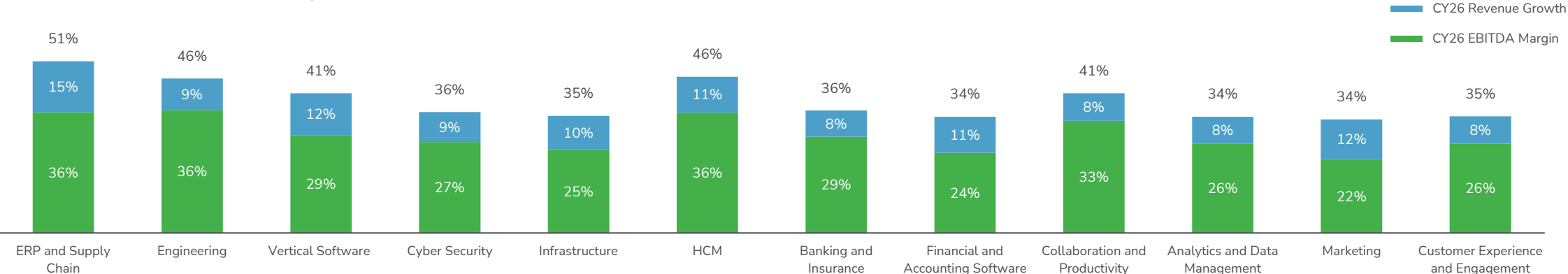
Significant Differences Exist in Multiples Between Software Subsectors

High Multiples for ERP and SCM and Engineering Subsectors Reflected in Strong Revenue Growth and EBITDA Margins

EV / CY26 Revenue Multiples



Revenue Growth & EBITDA Margins CY26

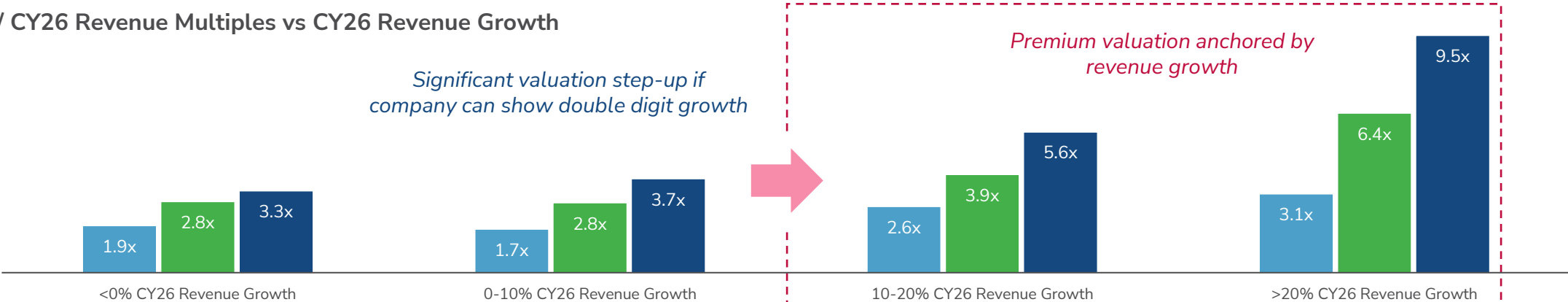


Buckets ordered by CY26 revenue multiples
Source: Capital IQ as of March 31, 2026

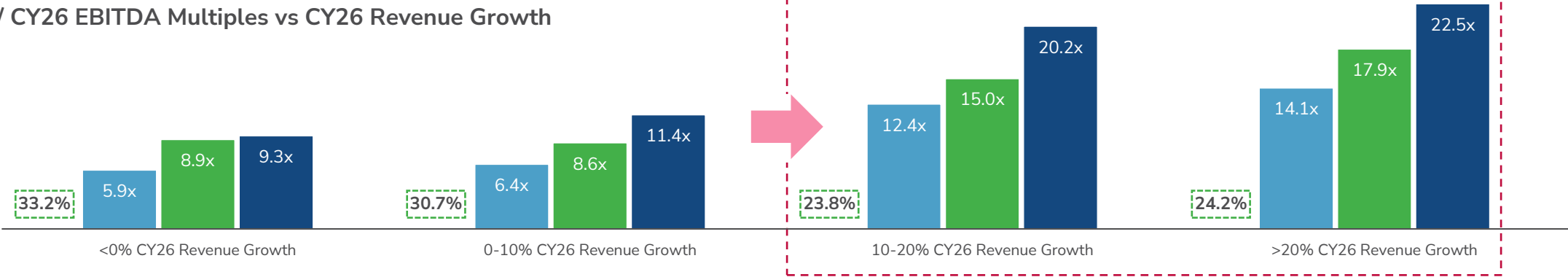
Public Markets Continue to Pay a Premium for Top Bracket Growth Rates

Significant Valuation Step-Up for Companies that Show Double Digit Growth

EV / CY26 Revenue Multiples vs CY26 Revenue Growth



EV / CY26 EBITDA Multiples vs CY26 Revenue Growth



Source: Capital IQ as of March 31, 2026

First Quartile Median Third Quartile Median EBITDA Margin

Kroll's Strong Track Record Closing Deals with Tech-Focused Investors and Acquirers

Select Private Equity Transactions

 <p>has received investment from</p> 	 <p>has received investment from</p> 	 <p>has received investment from</p> 
 <p>has received investment from</p> 	 <p>has received investment from</p> 	 <p>has received investment from</p> 
 <p>has received investment from</p> 	 <p>has received investment from</p> 	 <p>has received investment from</p> 

Select Strategic Buyer Transactions

 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 

Kroll Technology & Business Services Investment Banking

Practice Overview

- 
Significant Transaction Experience
 Strong track record of execution, 500+ transactions completed
- 
Unparalleled Access to Buyers
 Deep reach into tech and business services focused financial sponsors and strategics
- 
Deep Domain Expertise
 Fluency in key trends in the tech & business services sectors
- 
Unconflicted and Focused Approach
 Singular focus on sector advisory services

Verticals & Thematic Areas of Focus

-  **Human Capital Management**
-  **Governance, Regulatory & Compliance**
-  **Office of the CFO**
-  **Information Technology**
-  **Retail & Commerce**
-  **Supply Chain & Logistics**
-  **Marketing & Media**
-  **Financial Services**
-  **Cybersecurity**
-  **Data & Analytics**

Select Transaction Experience

 has merged with  and 	 has been acquired by  a portfolio company of 	 has received investment from 	 has received investment from 	 has received investment from 	 has received investment from 
 has been acquired by 	 has received investment from 	 has been acquired by 	 has been acquired by 	 has received a majority investment from 	 has been acquired by 
 a portfolio company of  has received investment from 	 has been acquired by 	 has received a majority investment from 	 has been acquired by 	 has merged with 	 has received investment from 
 has been acquired by  a portfolio company of 	 has been acquired by 	 has been acquired by 	 has acquired 	 has been acquired by 	 has acquired 



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