

- The "AI-created SaaS" market is projected to hit \$770 billion by 2031, growing at a 40.2% CAGR, with Hyperscalers expected to triple their annual capex to over \$500 billion in 2026
- With 1,000+ companies now suing to recover \$165B in unlawful tariffs, the tech sector is eyeing a potential influx in cash as federal refunds coincide with a 2025 +10% increase in SaaS pricing
- AI optimism has given way to a more selective market. **Software companies with clear AI upside are being rewarded**, while narrative laggards face multiple compression, resulting in a ~10% reset to 2026 EPS expectations across the S&P North American Software Index.

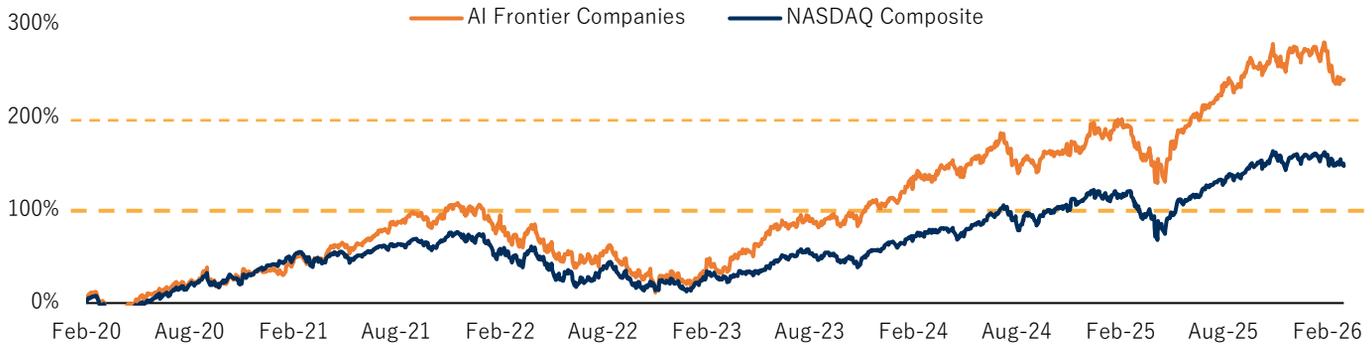
### S&S M&A Weather Report



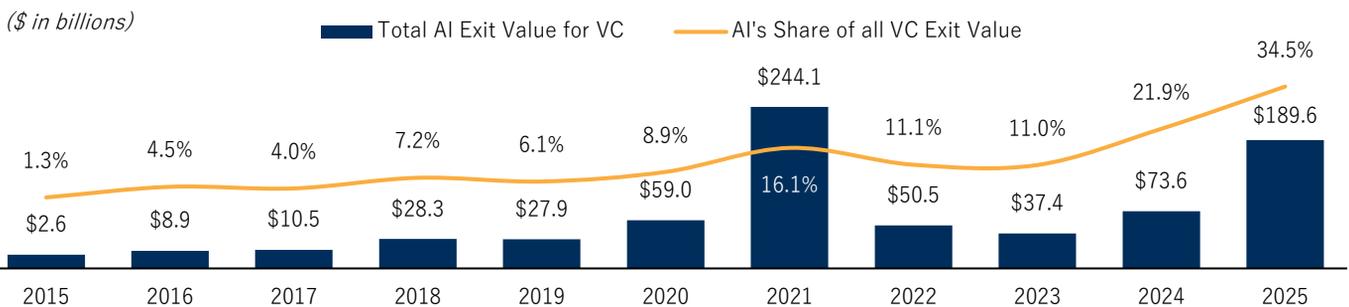
Revenue growth expectations have reset, with analysts cutting forward growth projections by ~5-10% amid AI-related valuation volatility. Despite uncertainty, record dry powder and aging funds are supporting capital deployment and sustained activity across the software M&A market.

## Software Trends We Are Tracking / Market Snapshots

### Public Investor Sentiment Across AI-Positioned Software Companies<sup>1</sup>



### Global AI VC Exit Value & Share of Total VC Exit Value by Year



### Noteworthy M&A Transactions – February 2026

Acquirer	ADT	paloalto NETWORKS	ĀURA	MORNINGSTAR
Target	ORIGIN™	KOI	Goria	CRSP™
Sub-Sector	Vertical SaaS	Cybersecurity	EdTech	Data & Analytics
Enterprise Value	\$170M	\$300M	\$711M	\$375M
EV / TTM Rev	7.3x	Undisclosed	9.2x	6.8x

Notes: (1) Weighted by Market Cap

Sources: PitchBook Q4 2025 Global VC First Look, Capital IQ, MUFG Global Credit Outlook 2026, QuantumRun, JP Morgan Outlook 2026, LPL Financial, SaaStr

## Manifest 2026: What We Saw on the Floor

The Intrepid Supply Chain & Logistics software team attended the Manifest conference in Las Vegas. As always, it was a great opportunity to reconnect with clients and friends, both familiar faces and new, and to take the pulse of where the industry is headed. This year's conference felt especially dynamic given the rapid changes AI is bringing to supply chain and logistics. Below are a few of the key trends that stood out.

**AI Everywhere (Almost Too Everywhere):** Yes, it's official: AI has arrived in logistics. There were more AI-native companies, and software companies newly rebranded as AI, than we could count. That said, many of these offerings still felt like solutions in search of a problem. More than a few CEOs (and especially sales teams) struggled to answer a simple question: What does your company actually do? Clarity should improve as MVPs mature into broader releases and real-world use cases sharpen. For now, however, the gap between buzz and reality remains wide. Every disruptive use case ultimately needs a customer willing to pay for that disruption, and identifying who those early winners will be is likely to take time.

**New Transportation Software Market Entrants:** Alongside the AI wave, we saw a number of European and Asian software companies, successful in their home markets, looking to break into the U.S. The appeal is obvious: the U.S. market is enormous. It is also fiercely competitive and still navigating a long-term secular downturn, exacerbated by recent bankruptcies. If you were looking to expand your TMS's market reach, would this be the year to enter the U.S.? Perhaps not.

**Software (Still) Eats the World:** Yes, software is still eating even as AI starts chewing on its legs. The older services and asset-heavy companies seem to have largely surrendered their presence at Manifest to software. Where last year perhaps a quarter of the floor was devoted to software, this year the ratio seemed to be reversed.



## Intrepid's Software & Services Coverage

-  Compliance Technology
-  Cybersecurity
-  Data & Analytics
-  Energy & Industrials Tech
-  GovTech
-  Healthcare IT
-  Human Capital Management
-  PropTech
-  SalesTech
-  Supply Chain & Logistics Technology
-  Tech-Enabled Services
-  Vertical Software

### White Glove Touch of a Boutique Investment Bank

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**Christopher Park**

Managing Director  
Head of Software & Services  
[CPark@IntrepidIB.com](mailto:CPark@IntrepidIB.com)

**Jeff Becker**

Managing Director  
Software & Services  
[JBecker@IntrepidIB.com](mailto:JBecker@IntrepidIB.com)

**Josh Moses**

Managing Director  
Software & Services  
[JMoses@IntrepidIB.com](mailto:JMoses@IntrepidIB.com)

**Terry Jiang**

Managing Director  
Software & Services  
[TeJiang@IntrepidIB.com](mailto:TeJiang@IntrepidIB.com)

**Ryan Makis**

Director  
Software & Services  
[RMakis@IntrepidIB.com](mailto:RMakis@IntrepidIB.com)