What buyers actually pay for

A lesson from recent adtech M&A.

THE FOUNDER ASSUMPTION

More advanced technology = higher multiple?

Recent transactions suggest otherwise. Several of the most technically admired businesses in the category trade at a fraction of their peers' multiples, and the gap is too wide to be explained by product alone. What separates them is harder to see from the outside - and buyers draw the distinction far more sharply than founders tend to expect.

Technology alone doesn't explain the multiple

COMPANY	EV / REVENUE
AppLovin AI-driven ad optimisation	21.5x
The Trade Desk Demand-side platform	2.4x
DoubleVerify Measurement and verification	2.0x

EV at 24 July 2026; revenue LTM to 31 March 2026. Source: S&P Capital IQ and company filings.
Illustrative sample, not a comprehensive comp set.

FROM OUR OWN PROCESSES

WY Partners advised mobile-growth consultancy Phiture on its sale to Precis, strengthening Precis's end-to-end app-marketing capabilities. Transaction terms were not disclosed.

All three are technology-rich category leaders, and yet their valuations span a tenfold range. Part of that reflects growth expectations and the revenue mix each business owns; more of it reflects how much of that revenue recurs and how much cash it converts. Sophistication is not what separates them.

Technology earns you a meeting. Business quality earns you a premium.

Technology is what gets a business into the room; it is rarely what settles the number. In the processes we have been part of, the strongest multiples went to businesses that could evidence durable margins, reliable cash conversion and growth that did not depend on the founder being in the room.

What buyers actually underwrite

Buyers are not underwriting the product so much as the economics around it - whether the revenue recurs, the margins hold and the cash keeps arriving once the deal has closed and the founder's attention has moved elsewhere. Not every measure carries the same weight.

WHAT DRIVES THE PREMIUM

Margin structure

Cash generation

Growth durability

WHAT SUPPORTS CONFIDENCE

Recurring revenue

Retention

Don't open the data room with the product demo

Open with the earnings story.

FOUNDERS OFTEN LEAD WITH	BUYERS ARE PRICING
Product	Margins
Platform	Cash generation
Roadmap	Growth durability

None of this means the technology goes unexamined. It means the processes that move fastest are the ones where the founder opens with revenue durability, margin and retention, and lets the platform explain how those numbers are produced rather than stand in for them.

This changes what's worth building, not just what's worth pitching

TECHNOLOGY → STRONGER ECONOMICS → HIGHER VALUATION

Technology remains essential; without it there is rarely a conversation at all. But the premium arrives only once that technology has produced a business with better margins, steadier cash generation and more durable growth than its peers - and that is the work of years rather than quarters, which is why it is worth beginning long before a process does.

GET IN TOUCH

If you're building a media or technology business and want a clearer view of what will actually drive your valuation, get in touch at hello@wypartners.com.