THE EXHIBITS

# Closing the Delivery Discount in B2B SaaS

The ten exhibits from the industry report, one per slide, for board and investment-committee packs. Every figure retains its exact definition and source as published in the report.

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**EXHIBIT 1** The shape the market pays for, beside the shape it discounts

| | THE SHAPE THE MARKET PAYS FOR | THE SHAPE IT DISCOUNTS |
|---|---|---|
| Revenue multiple (private M&A, 2024–Q1 2026, Aventis) | ~3–3.8x | ~1–2.6x |
| Gross margin | 75–80% | Below 70% |
| Services mix | Under ~15%, priced and separate | Above ~15%, at or below break-even |
| ARR per head | ~$141k median; $200k+ top tier | Well below the median while revenue grows |
| Release cadence | Monthly or better | Quarterly and slipping |
| R&D spend | Funds the roadmap | Quietly funds unbilled services |

**EXHIBIT 2** The same commitment, two routes through the accounts

| | BILLED | ABSORBED |
|---|---|---|
| Where it lands | The services line, priced, on its own contract | The core product, funded from the R&D line |
| Visibility | Visible in the revenue mix | Invisible to the mix; surfaces as bloated R&D, slipping cadence, eroding margin |
| What a buyer prices | Services revenue at services multiples, separately | The whole asset at services multiples — the delivery discount |

**EXHIBIT 3** The three stages that matter here — constraint, shape, and graduation by function

| STAGE | THE CONSTRAINT | PRODUCT | PEOPLE | DELIVERY & OPERATIONS |
|---|---|---|---|---|
| CATEGORISE · 50–99 · 3 layers | No function has an accountable owner. Every consequential decision routes through the same few people, and commitments arrive without a cost attached. | Looks like: roadmap by hunch; specs live in meetings; sales commitments land on engineering unpriced. Graduates by: splitting product from delivery, giving the intake an owner, and installing written specs with a ready-for-dev gate. | Looks like: generalists everywhere; the loudest opinion carries; founders remain the last decision-maker on everything. Graduates by: functions with named owners, mapped decision rights, and a first management layer that is trained rather than merely promoted. | Looks like: one queue, everything urgent, releases slipping quarter on quarter. Graduates by: SOPs and standardised artefacts — specs, user stories, release notes — a published calendar, and bug work planned rather than emergent. |
| SPECIALISE · 100–249 · 4 layers | Focus is too broad to hold. Nobody can see the accumulated cost of the commitments already made — which is where the absorbed discount hides. | Looks like: four products, one backlog; nobody can say what shipped last year without touching the core. Graduates by: product operations installed, evidence-led prioritisation, and the absorbed-cost audit — which becomes possible at this stage — actually run. | Looks like: leaders promoted into roles they have never seen at this scale; micromanagement appears, the reliable tell. Graduates by: specialised roles, teams and stacks — and for each stretched leader, development under a mentor who has held the role at this stage, or replacement. | Looks like: squads competing for one shared bench; the senior layer consumed by cross-team mediation. Graduates by: product-led autonomous teams, each owning a surface with its own engineers, tech lead and roadmap. |
| CAPITALISE · 250+ · 5+ layers | Growth now requires capital allocation rather than operating effort — and each acquisition imports a new boundary problem. | Looks like: a portfolio of overlapping products, each deal adding another. Graduates by: one platform thesis, buy-versus-build discipline, and integration standards applied per acquisition. | Looks like: an org chart that mirrors past deals rather than the operating model. Graduates by: leadership allocated to constraints, not legacies, with succession built inside. | Looks like: parallel stacks and duplicated capability per acquired unit. Graduates by: shared core with per-asset edge, and capital pointed at the highest-return modernisation first. |

Headcounts are indicative. The delivery discount is a disease of the first two stages above, which is why the model is built for the journey from 50 to 300; by Capitalise, the question is whether the boundary discipline survives acquisition.

**EXHIBIT 4** The six indicators

| # | INDICATOR | WHAT IT READS | WHY IT MATTERS |
|---|---|---|---|
| 1 | **ARR per head** | Well below the ~$141k median while revenue still grows; top tier $200k+ | Headcount rose and the operating model did not. The cleanest external tell |
| 2 | **R&D share of revenue** | Rising, with no roadmap surface to account for it | Where absorbed customer work lands once it leaves the services line |
| 3 | **Configuration absorption** | The share of last year's commitments satisfied without a core change | Most companies cannot answer this at all, which is itself the finding |
| 4 | **Support and success cost** | Above 12% of revenue while churn holds, against a ~9% norm | Delivery is generating incidents faster than support closes them |
| 5 | **Commitment-to-release time** | The elapsed time, and whether it is lengthening | Measures the intake directly rather than through a financial proxy |
| 6 | **Services mix** | Above ~15% of revenue, or running at or below break-even | Lagging — the one everyone already watches |

By the time the sixth moves, the other five have been true for years. Blended gross margin below 70% remains the clearest confirmation once the condition is advanced — and the most lagging signal of all.

**EXHIBIT 5** Five guard-rails — the failure each one answers

| FAILURE MODE | GUARD-RAIL |
|---|---|
| Models recommend deprecated infrastructure | A curated golden-path infrastructure context |
| Teams default to the most expensive model | Tiering rules with spend visibility |
| Agents re-implement functions that already exist | Enforced reuse and token-efficiency gates |
| Knowledge stays locked in long-tenured staff | An AI-mapped codebase; every change carries its plan |
| Ungoverned, invisible LLM spend | One managed control surface for models, prompts and tools |

**EXHIBIT 6** Two builds, same tooling — the architectural side-by-side

| DIMENSION | BUILD A — UI OVER LEGACY | BUILD B — DISCIPLINED GREENFIELD |
|---|---|---|
| API contract | Hand-written validation, no formal schema | Generated clients from a formal OpenAPI schema |
| Type discipline | Permissive rules, many escape hatches | Strict typing, generated types throughout |
| State management | Client-driven fetching and caching | Server-first, hydrated to the client |
| Authentication | Custom security middleware | Battle-tested third-party provider |
| Test coverage | Limited | Full end-to-end suite |
| Codebase volume | ~2x for comparable scope | Baseline |
| Backend | Unchanged legacy monolith | Co-evolved, event-driven, multi-tenant |
| Maintenance debt | High, accumulating per feature | Low, absorbed by the system |

**EXHIBIT 7** From adoption to consequence

**2025–2026**

The majority of enterprise AI adoption

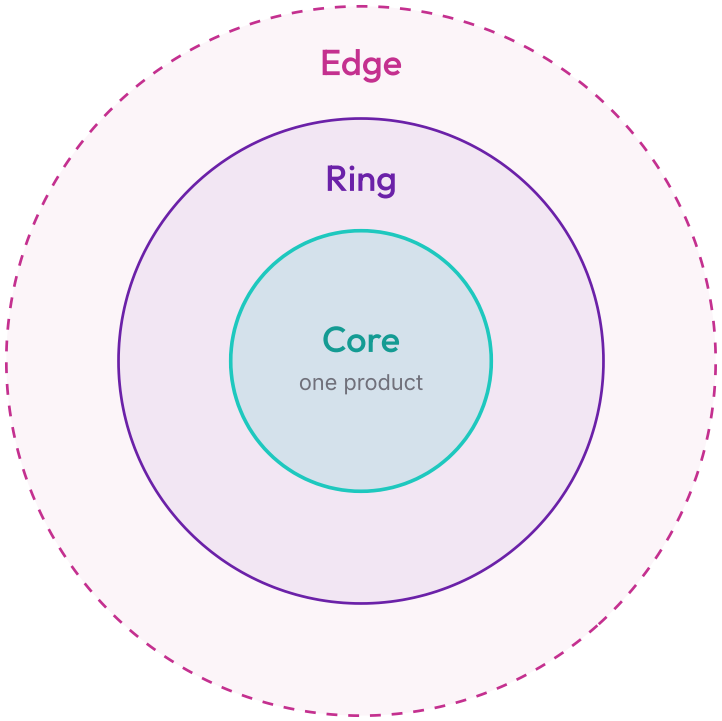
**~12 months**

The lag between adoption and visible consequence

**Mid-2027**

Structural bottleneck in codebases bloated on undisciplined adoption

**EXHIBIT 8** The three layers




### Core

One standardised product, the same for every customer. Owned by the product team.

### Ring

Productised configurability — APIs, configurable fields, rules and data. Customer-specific needs met without customer-specific code.

### Edge

Genuinely bespoke work, outside the product boundary and under its own statement of work. Priced separately, and it never touches the core.

**EXHIBIT 9** What the published drivers move · revenue multiples · external

| DRIVER | REVENUE MULTIPLE, COMPARED | BASIS AND PUBLISHER |
|---|---|---|
| **Net revenue retention above 120% vs below 100%** | 11.7x vs 4.1x revenue | Public, EV/TTM revenue, Q4 2024 · SEG |
| **Gross margin above 80% vs below 60%** | 7.2x vs 3.5x revenue | Public, EV/TTM revenue, Q2 2025 · SEG |
| **Gross margin above 80% vs below 80%** | 7.6x vs 5.5x revenue | Public, EV/TTM revenue, Q4 2024 · SEG |
| **SaaS against non-SaaS software** | +19% to +52% on revenue | Private M&A, 2024–Q1 2026 · Aventis |
| **Rule of 40, +10 points** | About +1.0x revenue | Public, Q3 2025 · Aventis |

Each driver is measured on its own and they are not summed; stacking them is how modelled work becomes dishonest. They are revenue effects. On EBITDA the penalty compresses, because low gross margin shrinks profit as well as price. The companion case prices its company on that basis: entry at around 1.5x revenue, exit at 10–11x EBITDA, deliberately below current private medians. Modelled.

**EXHIBIT 10** The three-pile audit

| PILE | DEFINITION | WHAT IT SIGNIFIES |
|---|---|---|
| **1. Standard product** | Features applying natively to all customers, zero bespoke configuration | Scales at near-zero marginal cost. This is what a software multiple pays for |
| **2. Single-customer bespoke** | Code written for the workflow, integration or onboarding of exactly one customer | Services delivery, funded from the R&D line and invisible in the revenue mix |
| **3. Break-fix and technical debt** | Remediation required to keep the platform stable | Usually the codebase buckling under the weight of Pile 2 |