Top-Decile Vertical AI Rounds Now Price at 16.2x ARR, Bottom Quartile at 4.8x

A new Yanne Capital research paper finds vertical AI pricing has bifurcated sharply, with the top decile clearing 16.2x trailing ARR against 4.8x at the bottom

NEW YORK, NY, UNITED STATES, July 30, 2026 /EINPresswire.com/ -- Vertical AI Series B pricing has split into two markets, with top-decile companies raising at a median 16.2x trailing ARR while bottom-quartile companies clear at 4.8x, according to new research from Yanne Capital. The aggregate median of 10.6x, compressed from 13.4x in H1 2024, obscures a sorting dynamic that now governs which founders raise and on what terms.

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>
> *Alex Ozdemir, Managing Partner, Yanne Capital*

The Aggregate Multiple Is Hiding the Real Story

Yanne Capital's advisory desk has spent the last eighteen months watching a single number stop being useful. The reported median Series B multiple for vertical AI still gets cited as if it describes a market. It does not. It describes an average across two markets that no longer resemble each other, and founders anchoring on it are misreading their own pricing power in both directions.

The distribution the desk sees on live mandates matches what the paper documents: top-decile companies pricing at 14 to 18x trailing ARR on pre-emptive terms, and the bottom three quartiles pricing at 4 to 6x when they clear at all. The Q1 2026 median of 10.6x is a statistical artifact of that split, not a reference point any individual company should be pricing against.

Sub-category pricing reinforces the point rather than softening it. Healthcare workflow AI clears at 14.2x, defense and dual-use at 13.6x, and industrial and supply chain at 8.9x, but within each sub-category the same top-to-bottom sorting applies. Sector membership sets a ceiling. Operating position within the sector sets the outcome.

The Buyer Universe Is Smaller Than Founders Think

The most consistent error Yanne Capital sees in founder-run processes is a target list built from a five-year-old view of the market. Founders arrive with sixty or eighty names. The desk's read is that the practical buyer set for a vertical AI growth round in 2026 is roughly 40 active growth equity leads and 25 strategic acquirers, and outreach beyond that boundary consumes calendar without adding leverage.

The underlying concentration is documented in the data. The top 40 funds accounted for 71 percent of capital deployed into vertical AI growth-stage rounds in 2025, up from 54 percent in 2019 and 61 percent in 2022 (PitchBook US Venture Deal Terms, Q1 2026). Dry powder has consolidated into fewer decision-makers, and those decision-makers are increasingly the same names across competing processes.

Strategic capital shows the same shape. Of 412 vertical AI strategic transactions completed in 2025, 25 corporate acquirers accounted for 73 percent of aggregate deal value. The universe is not the Fortune 500. It is a two-dozen-name list of platforms actively rolling up vertical AI capability, and the founders who know which twenty-five names those are run materially different processes than the founders who do not.

Process Design Now Determines Outcome

The paper's central operational finding matches what the desk observes on every live mandate: process duration and outcome quality have inverted from the 2021-2022 playbook. Longer processes no longer produce better outcomes in vertical AI. They produce worse ones, because a process visibly in market for four months signals to the concentrated buyer set that the earlier conversations did not convert.

Top-decile companies are closing Series B rounds in 21 to 30 day processes, with 31 percent of priced rounds in Q1 2026 clearing on pre-emptive terms before a formal process opens. Bottom-quartile companies are running 90 to 130 day processes with a median 47 outreach contacts, and a meaningful share of those processes do not close. The gap is not primarily about company quality. It is about preparation, sequencing, and buyer selection before the first meeting.

Yanne Capital advisory mandates produced a median process duration of 39 days across 2025 and 2026, against an aggregate market median of 71 days. The compression comes from three disciplines: a target list built to the 40-and-25 buyer reality, diligence materials assembled to institutional standards before outreach begins, and a sequencing plan that creates competitive tension inside a defined window rather than hoping it emerges.

Debt and Strategic Capital Have Become Real Alternatives

The equity market's bifurcation has pushed capital into two channels that were marginal in the last cycle and are now central. Growth-stage debt deployment into vertical AI reached $8.4 billion in 2025, more than triple the $2.7 billion recorded in 2023. Strategic acquisitions reached 412 transactions against 187 in 2023. Both channels are now large enough that any credible growth-stage process should evaluate them in parallel rather than sequentially.

The desk's view is that founders who treat debt as a fallback after equity fails are already too late. Venture debt and structured growth capital price on different diligence than equity and require different preparation, and the founders securing the best terms are running that preparation in parallel with the equity process, not after it stalls. The same is true for strategic conversations, which increasingly close on timelines that outrun a traditional equity round.

The concentration inside the strategic buyer set means these conversations are not incremental. Twenty-five acquirers control the majority of transaction value, and their diligence standards, integration frameworks, and pricing conventions are knowable. Founders who enter those conversations with the right materials and the right sequencing convert them. Founders who treat them as optional optionality generally do not.

What The Desk Expects Through Q1 2027

Yanne Capital's base case for the next three quarters is that the sorting dynamic deepens rather than reverses. The dry powder is in place, the strategic buyers are active, and the concentration among both sets of decision-makers is structural rather than cyclical. Aggregate multiples may drift, but the distribution around the aggregate will continue to widen.

The practical implication for founders raising in H2 2026 and Q1 2027 is that positioning work done before a process starts now carries more weight than process mechanics once it opens. The buyer set is small enough that reputation, preparation, and sequencing precede pricing. Companies that arrive prepared clear quickly and well. Companies that arrive hoping to be discovered increasingly do not clear at all.

The full framework Yanne Capital applies across vertical AI advisory mandates, including the sub-category pricing detail, the buyer segmentation, and the process templates the desk uses on live transactions, is set out in the research paper.

"The single number that matters in vertical AI right now is not the median multiple. It is the gap between the top decile and the bottom quartile, and that gap is telling founders exactly where the preparation work needs to happen before they go to market." said Alex Ozdemir, Managing Partner, Yanne Capital.

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