



AI Roll-up

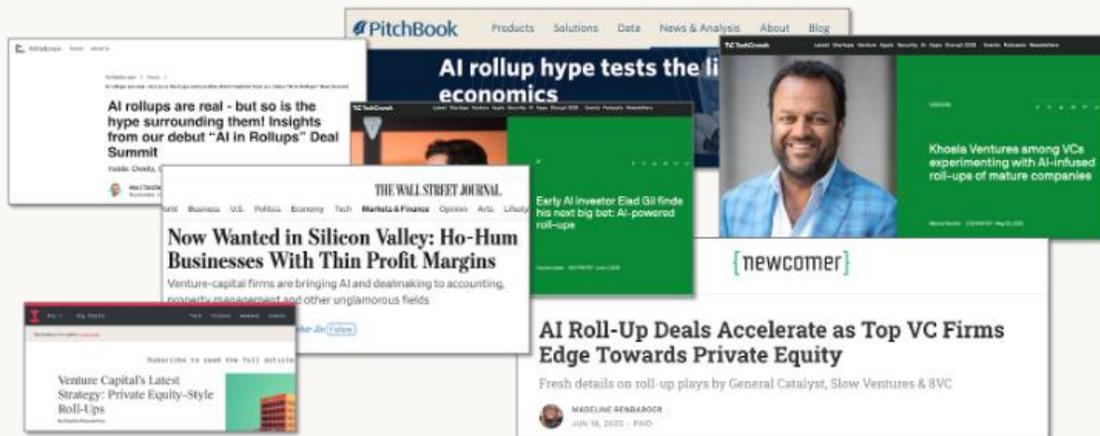
Investor Sentiment Report - 2026

1. About AI Roll-ups

AI-powered Roll-ups combine the traditional buy-and-build playbook with the leverage of modern AI. They **acquire fragmented service businesses** and **apply AI to automate knowledge work**, **expand margins**, and **create software-like economics** in industries that have historically run on human labour.

AI Roll-ups were the talk of the town in 2025

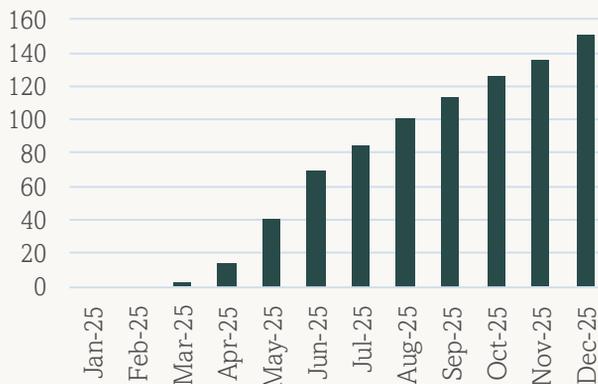
A. Extensively covered by Tech Media



B. Search traffic exploded¹



C. 150+ companies on AI Roll-up Nexus²



From Hype to Hard Capital

Despite the noise, critical questions remain for founders and investors alike. Does the surge in interest translate to genuine investment appetite? Is there sufficient dry powder to support these companies across their entire lifecycle?

As an investment firm dedicated to this category, we conducted this survey to move past the anecdotes. Our goal is to provide a data-driven look at investor sentiment, return expectations, and the specific mandates of the capital providers now shaping this space.

2. Survey Design and Methodology

22

Questions

102

Responses (N)

Mixed format

Multiple Choice, Multiple Selection, Free Text

Mixed modality

Responses collected in-person, and async.

No Material Changes to responses

Exceptions include:

- A. **Clean-up:** non-investor responses eliminated
- B. **Classification:** LLMs used to classify free-text responses
- C. **Categorisation:** certain responses (e.g. stage focus) clubbed together if individual categories did not have critical mass of responses
- D. **Enrichment:** certain fields (e.g. geographical focus) enriched based on Pitchbook data

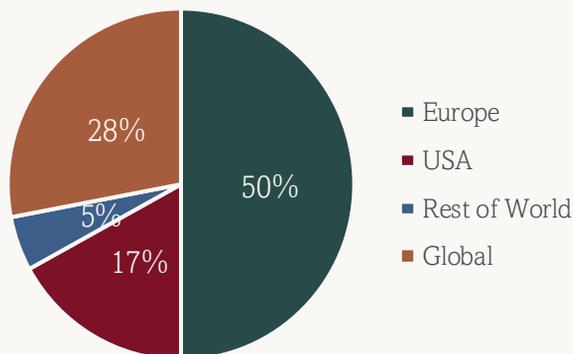
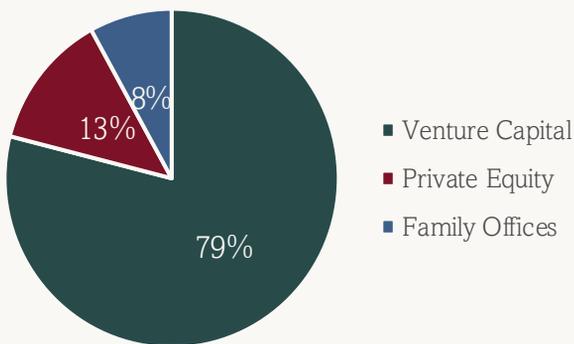
3. About the Participants

A big thank you to the **100+ respondents** who participated in the survey

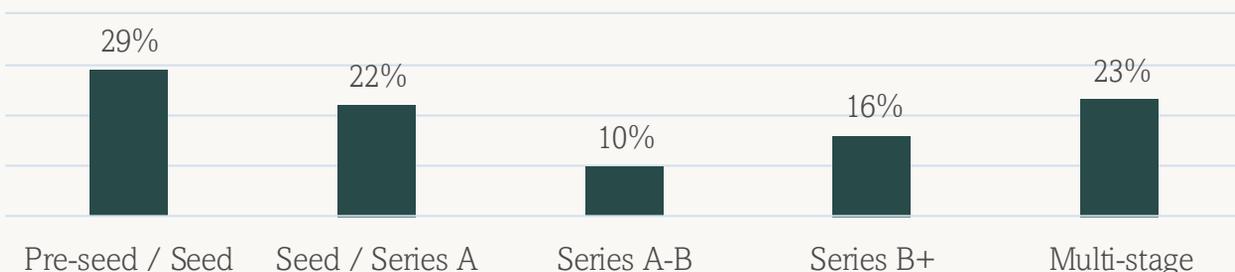


~80% VC & Growth Equity; balanced by Family Offices and PE

European funds account for roughly half of the responses



Good mix of stage-focus among VC respondents



4. Executive Summary (I/II)

Dawn of a new asset class?

- At least **half of the respondents believe AI Roll-ups are a new asset class** in itself; and ~15% believe they may deliver truly VC-scale returns
- >45% believe AI Roll-ups could be a larger VC opportunity than Crypto (\$120b deployed); and >60% believe they could deliver better IRRs as compared to Public Equities (~10%) and even Private Equity (~15%)
- Regardless of categorisation, an overwhelming majority (>90%) of respondents expect them to receive moderate-to-significant investor interest in the next 12-18 months

AI Roll-ups are not an ‘obscure’ strategy anymore

- >90% respondents conveyed willingness to explore an AI Roll-up investment; and **at least 40% respondents actively looking to invest in the category**

Investment appetite rises sharply after 1–2 proof-of-concept acquisitions

- Leaving a gap in equity financing options for doing the initial acquisitions post product-build
- Investors interested, but more tentative about companies pivoting from Vertical SaaS/Agentic to full-stack AI Roll-ups

Investors consider ideal founding teams to have AI application expertise, M&A skills, and Domain experience

- Change management ranks lower than expected among “must-have” founder capabilities
- Best signals for investors: prior experience in M&A (buy and/or sell side), domain, operations, change management

4. Executive Summary (II/II)

AI is the real-game in AI Roll-ups (obviously!)

- AI-led margin improvement widely considered biggest value-creation lever (86% responses); followed by traditional levers like Multiple Expansion (46% responses), and AI-led topline improvement (32% responses)
- A 2x EBITDA improvement in acquired assets would cross the bar for 90% investors

Investors largely aligned on what they consider the biggest risks in this space

- Integration & Change Management (79% responses), and Overhyped AI value-creation (68% responses) considered the biggest risks
- Poor M&A discipline ranks #3 on the list of risks (probably a hangover from the FBA aggregator era?)

Some "Hot Sectors" emerging

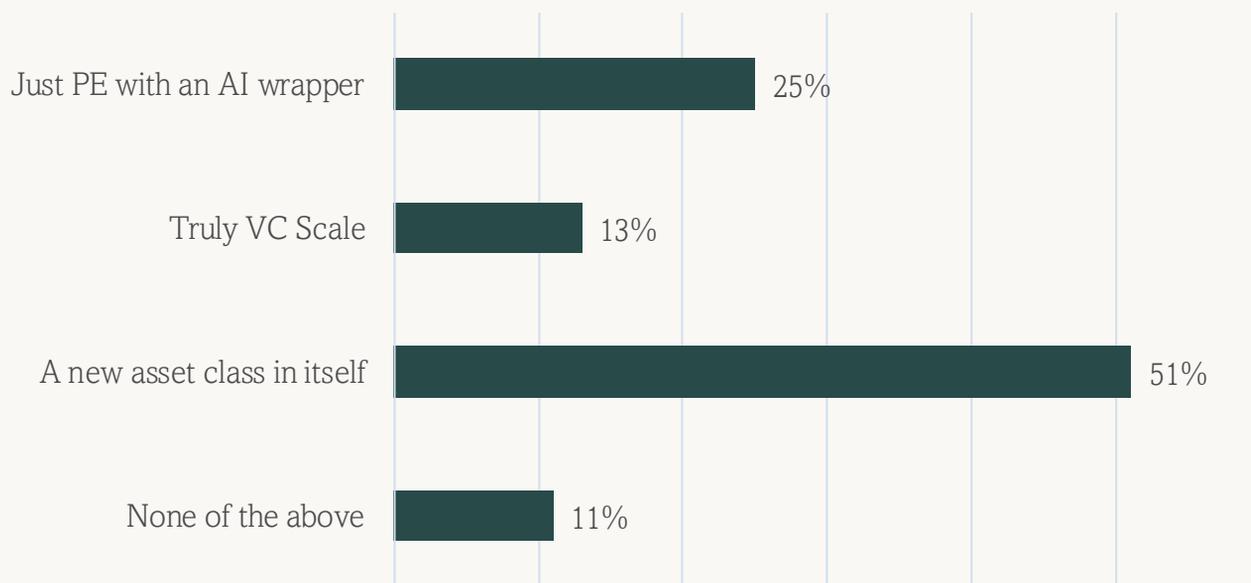
- Professional Services and Financial Services emerging as favourite spaces for investors
- IT Services, Trade & Logistics, Real Estate seem underpenetrated compared to investor interest

Exit paths unclear, but consistent hypotheses forming

- ~80% believe M&A by PE Consolidators is the primary exit route
- Interestingly, 30%+ also consider IPO as a valid route (for breakout 'VC-scale' cases)

5. Perceptions (I/III)

Roughly half of the participants feel AI Roll-ups are a new category in itself; remaining opinions also bucket them into VC or PE categories.



Given the scope for margin transformation using AI, we believe AI Roll-ups have the potential to deliver returns that go beyond the traditional PE value-creation toolkit of leverage, multiple expansion, and SG&A synergies. In certain sectors, high levels of automation and breakout growth could push these into truly VC-scale territory.

Whether a particular AI Roll-up ends up scaling more VC-style or PE-style depends on AI capabilities 2–3 years down the line, and also how quickly the market adopts and reprices services based on these AI efficiencies. They have the potential to, but might not always end up exhibiting the outlier returns that are necessary for VC fund-returner maths.

AI Roll-ups also exhibit a distinct risk profile compared to both VC and PE. Even at inception, they minimise GTM risk because you buy your distribution, and PMF risk because you're delivering the same service as before (just with a lower, AI-enabled cost structure) compared to VC-funded SaaS. That said, the depth of operational transformation involved introduces a different kind of execution complexity.

Overall, we feel **AI Roll-ups should be treated as a different category, at least at inception**. They might exhibit VC-like or PE-like scaling after the first few acquisitions, once the playbook and tech-stack starts reaching maturity.

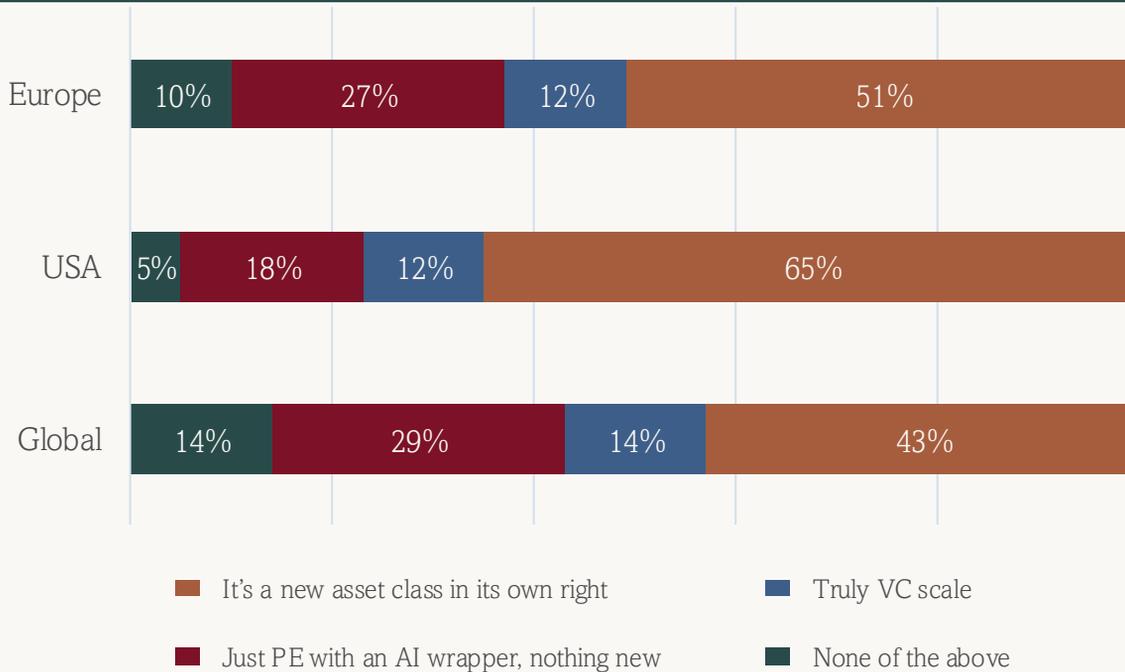
At Tenet, we believe AI Roll-ups present a “PE Floor with a VC Ceiling”

5. Perceptions (II/III)

PE investors disproportionately consider AI Roll-ups a new category



Broadly similar perceptions globally towards categorisation of AI Roll-ups





Dan Lifshits
Founder, **Dwelly**

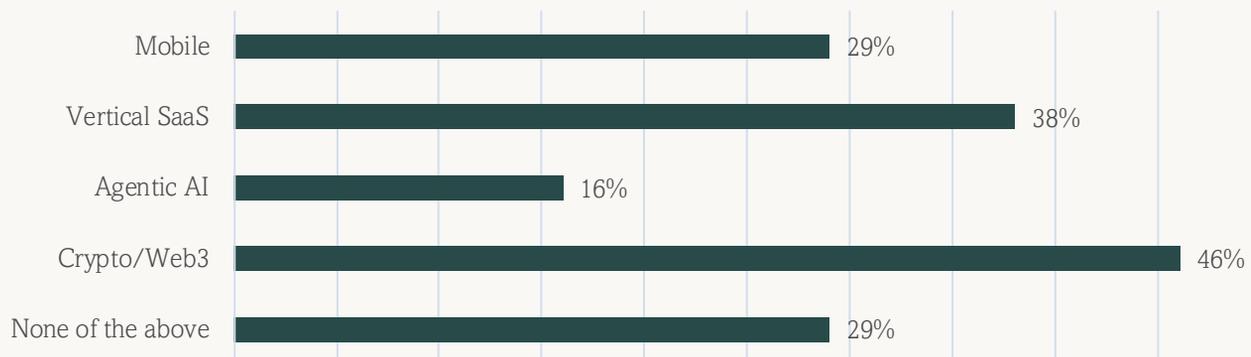
“ The moment we said we want to acquire and roll-up, VCs would roll their eyes, and effectively don’t want to engage in conversation further; and start fingerpointing you towards PE guys.

When you come to PE guys they say *“great, roll-up, even originations from scratch – we’re happy to do that. **But tech transformation is not something we’re happy to engage in – go talk to VCs”***.

So eventually in the very beginning, we were falling somewhere between the cracks.

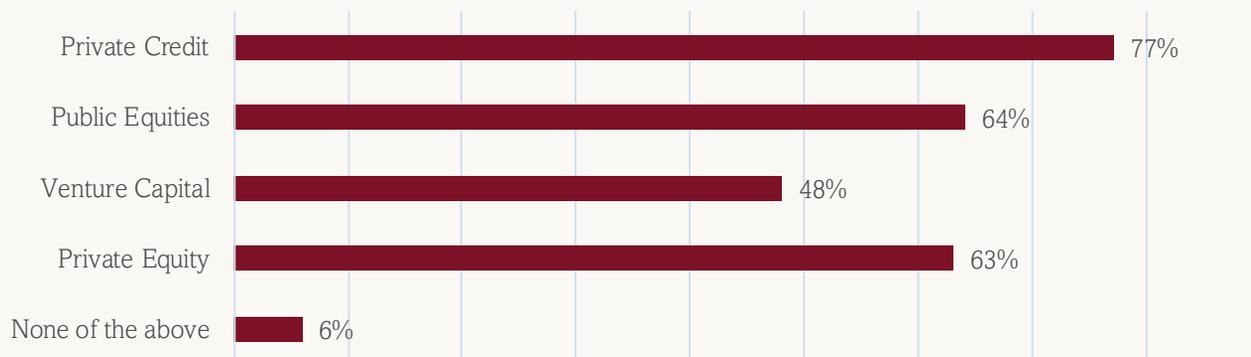
5. Perceptions (III/III)

% respondents who believe AI Roll-ups are a bigger opportunity compared to the below waves



VCs have deployed substantial capital in Crypto (\$120b+), Mobile Apps (\$85b+), Vertical SaaS (\$20b+) over the past 10-15 years. ~40% participants feel AI Roll-ups could be at a similar scale. Given labour is a \$T+ market, this feels like a pretty realistic assumption.

% respondents who believe AI Roll-ups will deliver better IRR compared to the below asset classes

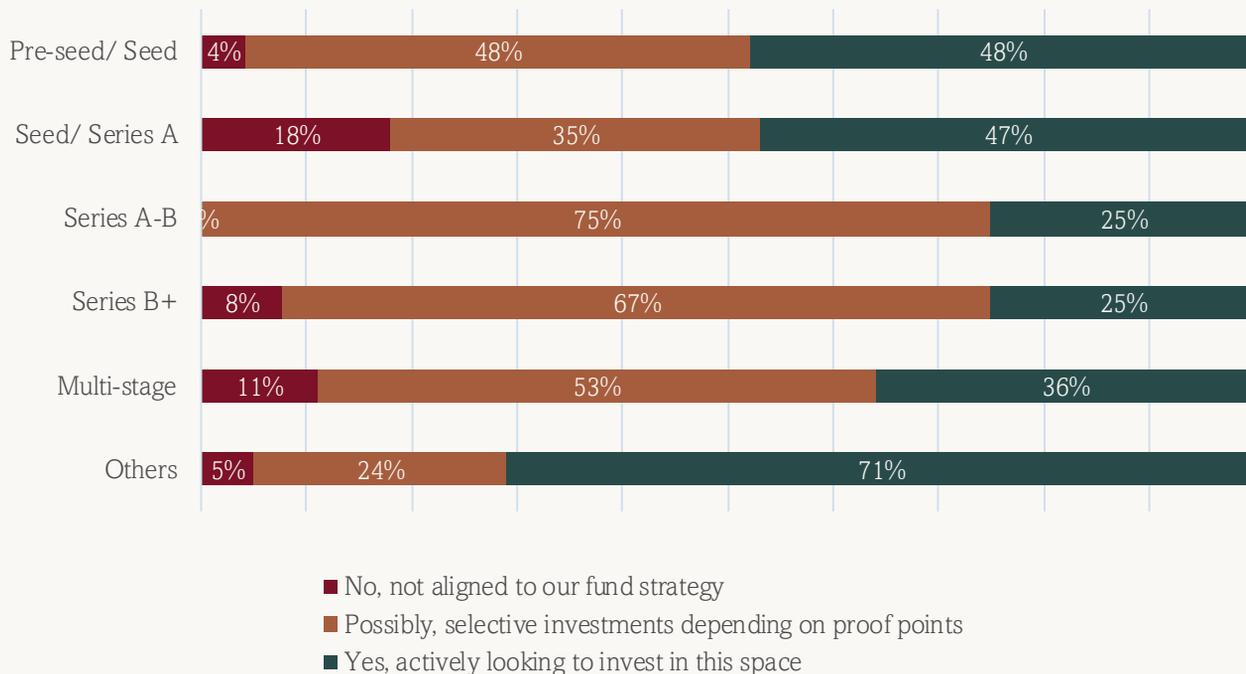


In the last 10 years, we have seen spectacular returns (IRR) across Private Equity (15%+), Public Equities (10%+) and Private Credit (8%+). More than half of the respondents believe AI Roll-ups could exceed this 15% IRR mark.

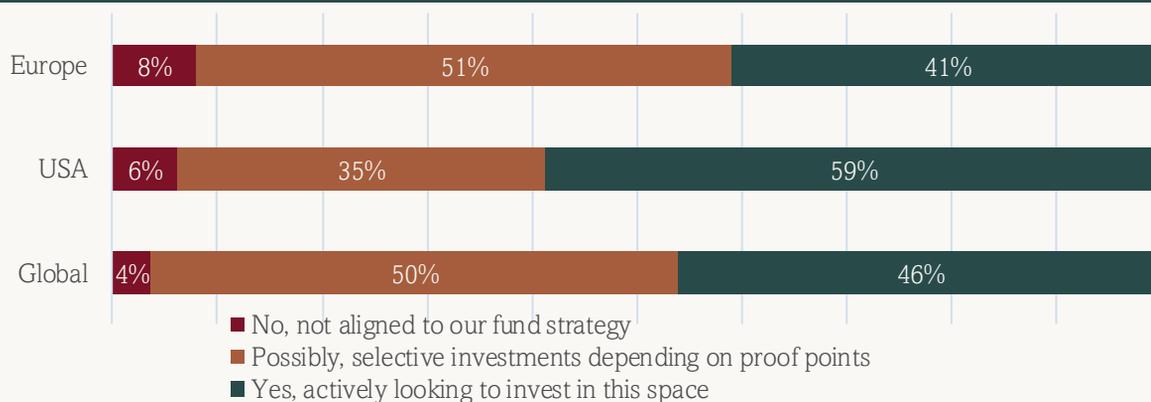
It's not a surprise then, that >90% participants believe AI Roll-ups will receive significant investor attention in the coming 12-18 months.

6. Investment Appetite (I/III)

At least 40% of respondents actively looking to invest in this category; with highest interest from Pre-seed/Seed VC investors, and Family Offices



European sentiment in-line with global firms, while USA firms have a more favourable sentiment to this category

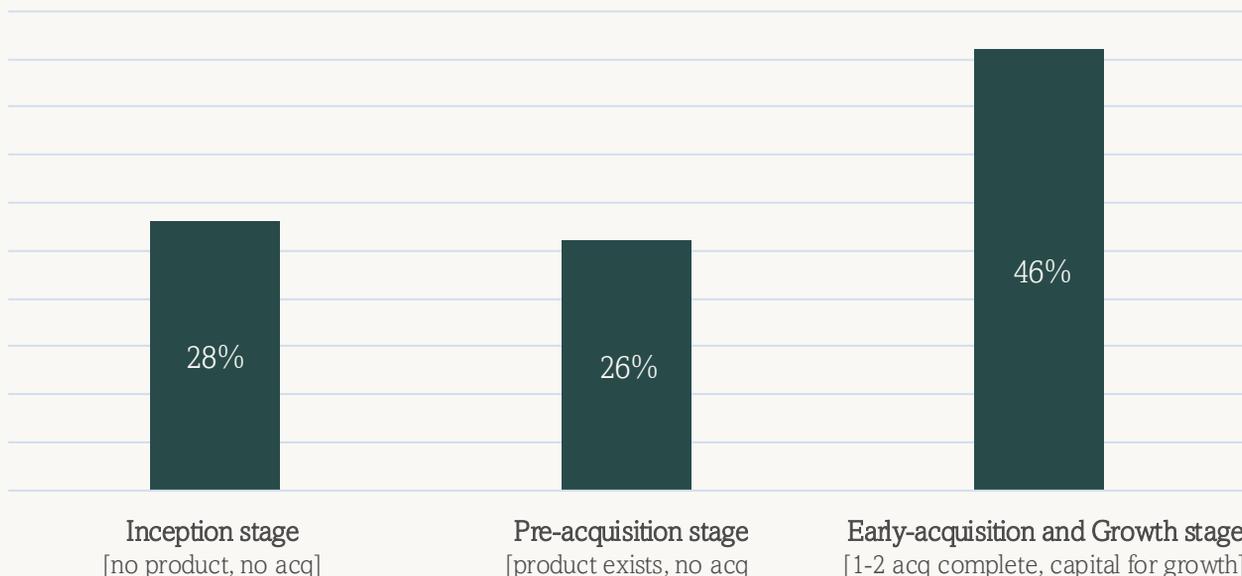


This is understandable, given Europe has the “perfect storm” of ageing population with acute labour shortages, big succession crisis with baby boomer SMB owners retiring, and lowest rates of vertical software penetration in SMBs.

6. Investment Appetite (II/III)

Highest investment appetite once initial product build and proof-of-concept acquisitions completed

Preferred investment stage



After 1-2 acquisitions, the playbook is substantially proven, unlocking diverse sources of capital across VC & PE, and a clearer ability to price the upside. It is no surprise then, that the majority of investors are looking to participate at that stage.

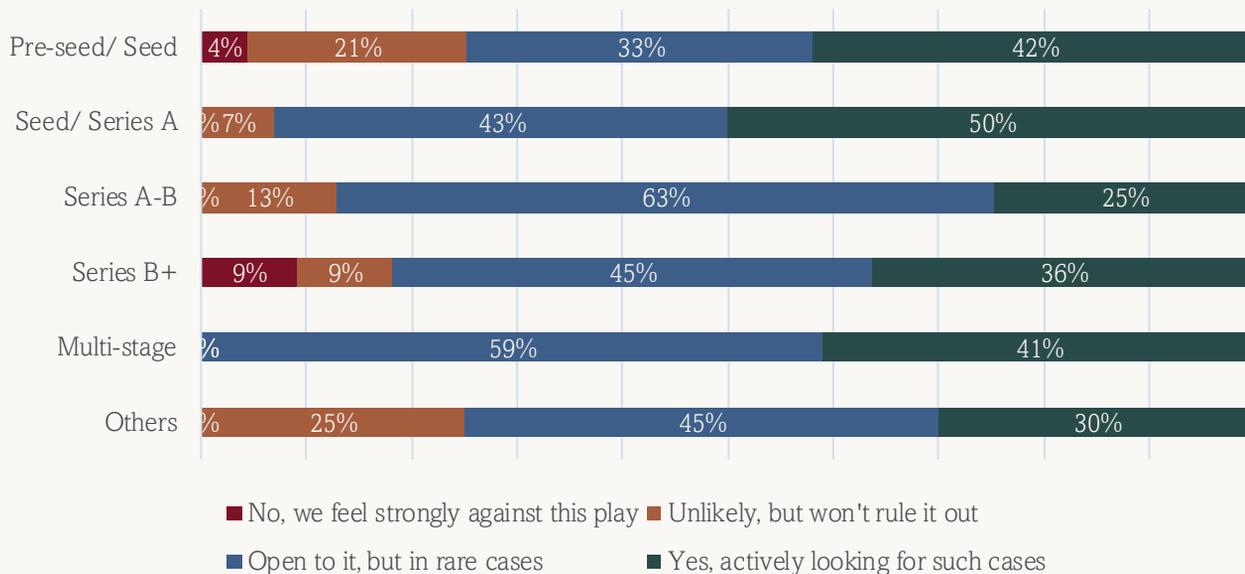
There is also notable interest at inception-stage, primarily from Pre-seed/Seed funds. However, we question whether a typical \$1-3m seed cheque would be sufficient to fund the first few acquisitions, and also make the necessary investments in product/technology and change management initiatives to drive successful transformations.

Further, appetite seems to substantially reduce at the pre-acquisition stage when a company has a product but no acquisitions that can prove the transformation potential.

At Tenet, we believe that the **inception and pre-acquisition stages should be combined into a slightly larger inception-round**. This provides founders with sufficient firepower to finance both initial product build and first 1-2 acquisitions with transformation proof points; putting them in a much better position to raise additional capital to scale.

6. Investment Appetite (III/III)

Investors open, but much **more tentative about Vertical SaaS/Agentic companies pivoting to AI Roll-ups**



Pivots could be hidden gems (mix of real domain understanding, battle-tested product).

But there are some pre-conditions:

- A. Supportive and thesis-aligned investors on the cap-table
- B. Proof of potential EBITDA uplift

And some hard transformations to make:

- A. Reduce burn, create a lean HQ
- B. Recalibrate Valuations (from Revenue multiple, to EBITDA multiple)
- C. Review the team – are they ready for M&A, change management, service operations?
- D. Plan out the “product-mindset to service-mindset” shift
- E. Master communications to existing customers of your “product”

Metropolis, Buena, and several other case studies now suggest that the Pivot Path is possible.

We cover this path [here](#).



Din Bisevac

Founder, **Buena**

“ We didn't find product market fit. We burned through \$14m over a few years. We had enough money for one pivot.

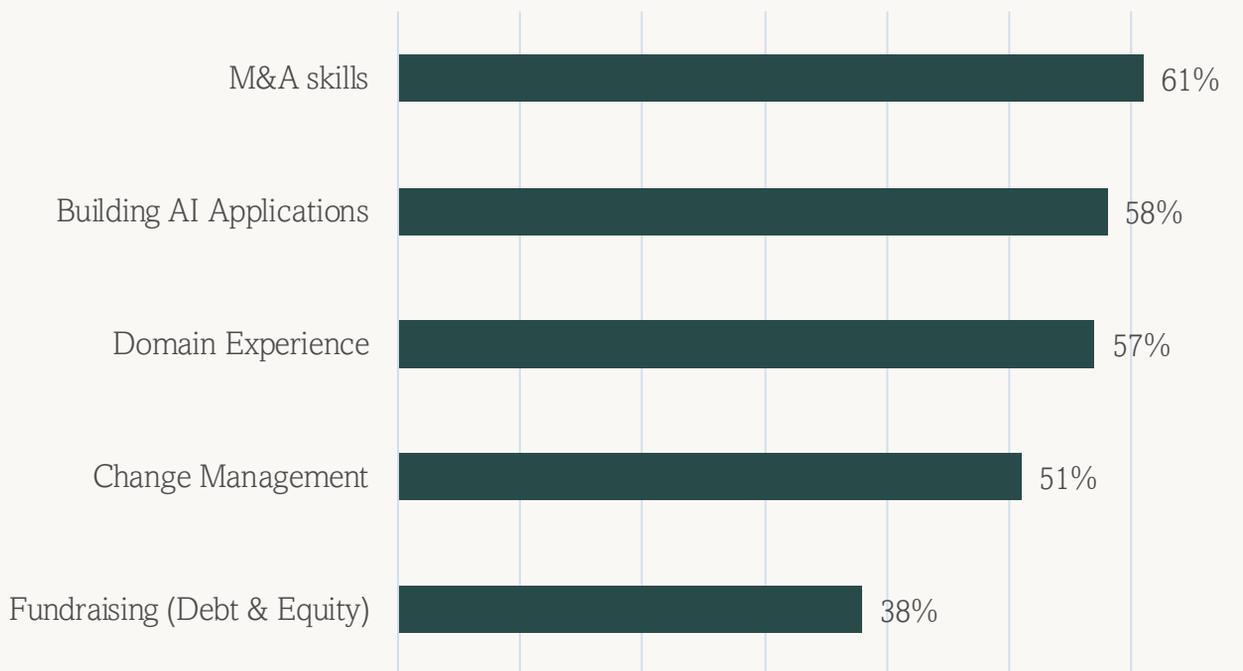
Things had to move fast.

We realized that M&A could be our initial go-to-market strategy. We acquired a few property management businesses & showed amazing profit uplifts quickly. I was hyped. This should allow us to raise a proper round.

7. Founding Teams (I/III)

What is the magic combination of “must have” qualities in a founding team?

More than half of the investors believe AI expertise, Domain experience, and M&A skills are must-haves



This is a hotly debatable topic (with seemingly no right answer). We agree with AI application understanding as a must-have founder skill. But here's where we diverge from the consensus:

- M&A and Fundraising are learnable/augmentable skills to a decent degree – not “must have”
- Domain understanding could also be gained through pilots/design partners or just outside-in exposure – not “must have”
- Change management is highly under-rated as a “must-have founder skill”. AI Roll-ups will need to be driven by highly empathetic leaders who could transform businesses without breaking them

Ultimately, successful AI Roll-up founders won't all look the same.

7. Founding Teams (II/III)

Some variance in “must have” founder qualities across investor types, Investor Stages, and Geographies

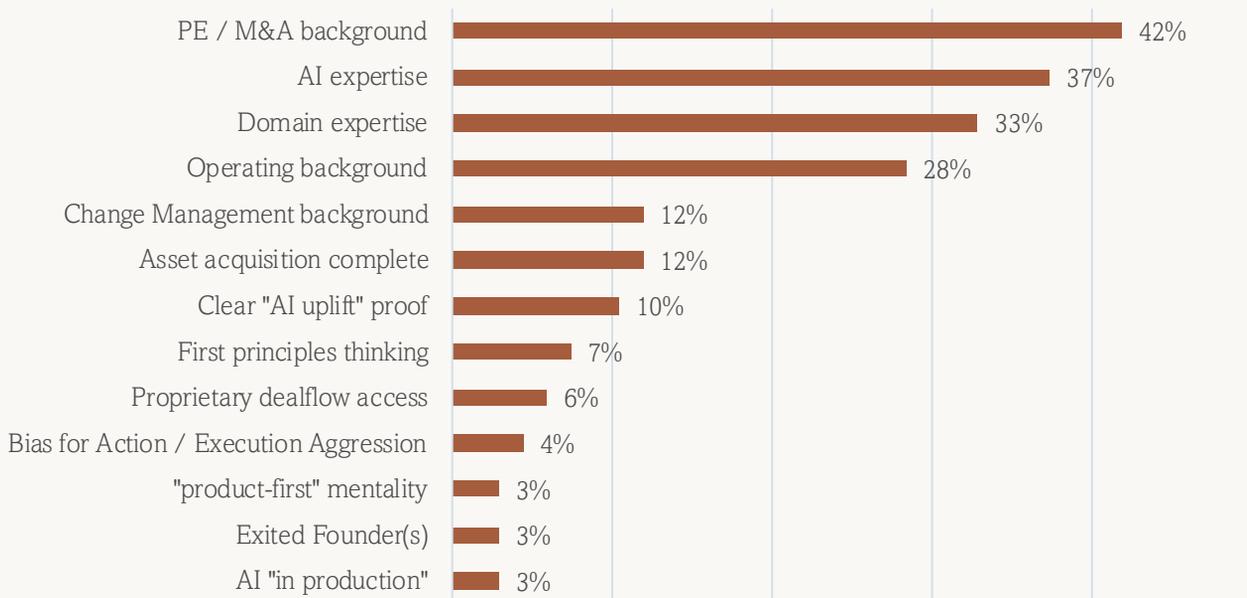
Skill / Investor Type	Family Office	PE fund	VC fund
Domain Experience	29%	54%	60%
M&A skills	71%	77%	55%
Building AI Applications	43%	54%	58%
Change Management	71%	46%	47%
Fundraising (Debt & Equity)	71%	8%	39%

Skill / Investor Stage	Pre-seed/ Seed	Seed/Series A	Series A-B	Series B+	Multi-stage
Domain Experience	32%	76%	63%	67%	74%
M&A skills	64%	41%	63%	58%	53%
Building AI Applications	60%	53%	50%	42%	74%
Change Management	52%	59%	38%	42%	42%
Fundraising (Debt & Equity)	56%	35%	50%	17%	32%

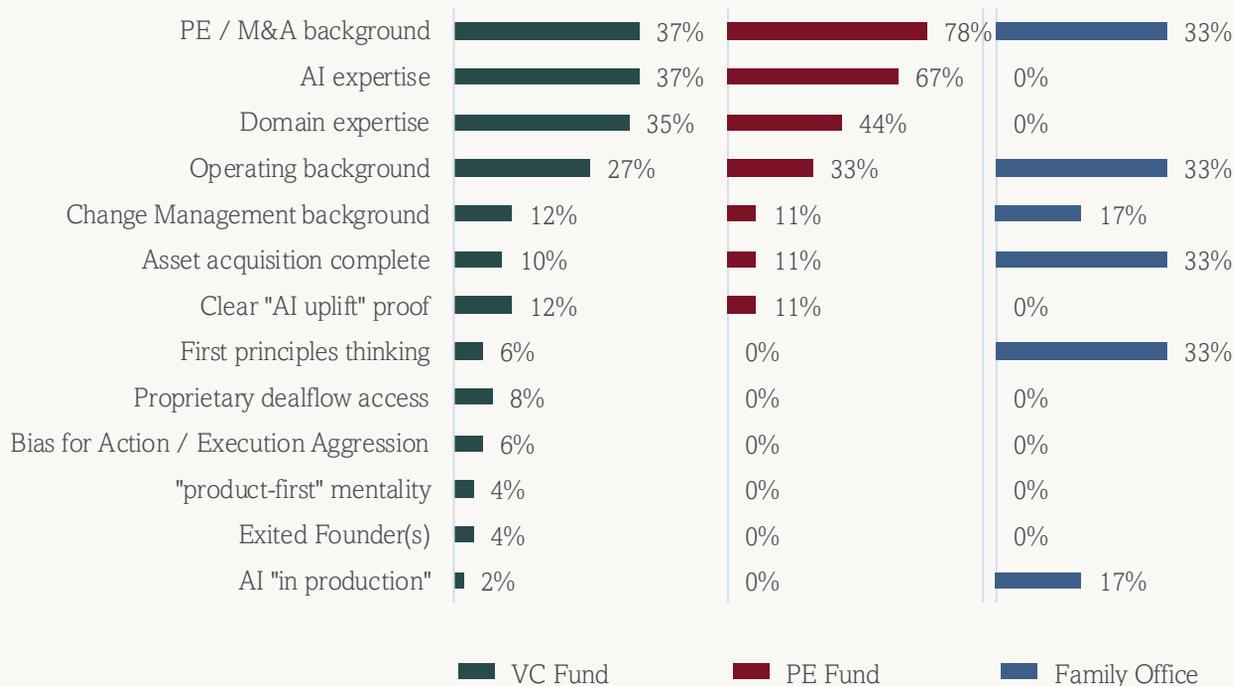
Skill / Geography	Global	USA	Europe
Domain Experience	61%	53%	53%
M&A skills	64%	65%	59%
Building AI Applications	46%	65%	65%
Change Management	61%	35%	47%
Fundraising (Debt & Equity)	32%	35%	39%

7. Founding Teams (III/III)

Qualitative responses from investors on “what signals can founders give out” also share a similar trend of desired qualities

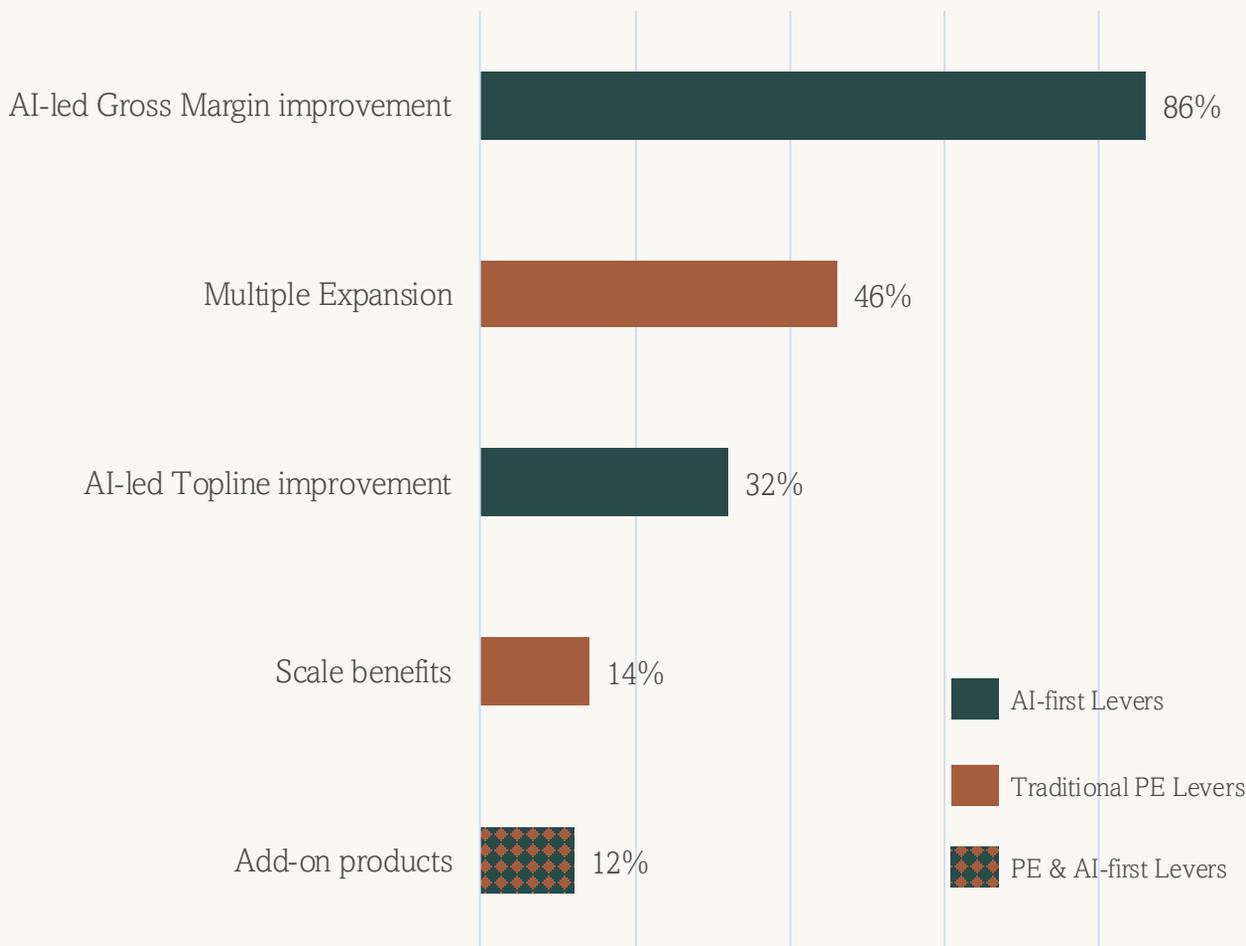


With different preferences across VC, PE and Family Offices



8. Value Creation (I/II)

AI-led bottomline improvement expected to be the largest value creation driver; followed by classic PE levers



While AI-led margin transformation is viewed as the primary value-creation lever, AI-led topline growth remains underappreciated. Our favourite industries are ones where you can substantially grow both topline & margin % through AI – thus getting a dual-benefit. This also allows companies to repurpose newly unlocked team capacity towards new business, rather than doing layoffs to realise the benefit of AI-led efficiencies.

We are also very excited for the potential for AI-native businesses to add new products (with potentially software-like Gross Margins). Think analytics for Accounting clients, cybersecurity/compliance for IT MSP¹ customers, searchable database of interviews for expert networks.



Constantin Schröder
Founder, **Arbio**

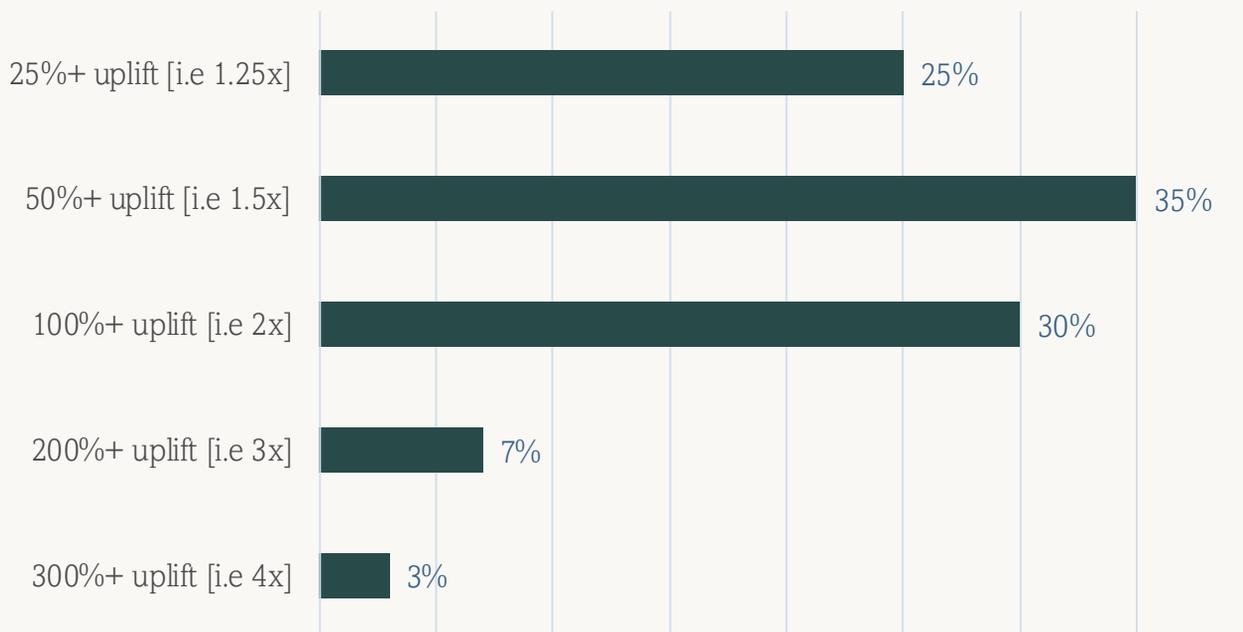
“ People are justifiably excited about the potential to improve operational efficiency using AI in traditional services businesses.

But for us at Arbio, the more exciting lever has been improving rental yields of owners’ properties by leveraging AI to improve pricing, and to raise the bar for customer service.

8. Value Creation (II/II)

How much EBITDA uplift is “good enough”?

90% respondents would consider 2x EBITDA [100%+ uplift] to be a sufficient bar for viable AI Roll-ups



EBITDA uplifts through traditional PE Roll-up levers (HQ consolidation, centralized SG&A) typically cap-out at 10-15%. By that comparison 25%, 50%, 100%, and 200%+ EBITDA uplift are all superior outcomes - but the bar is set by (a)the cost to achieve this uplift, and (b)future financing strategies for scaling.

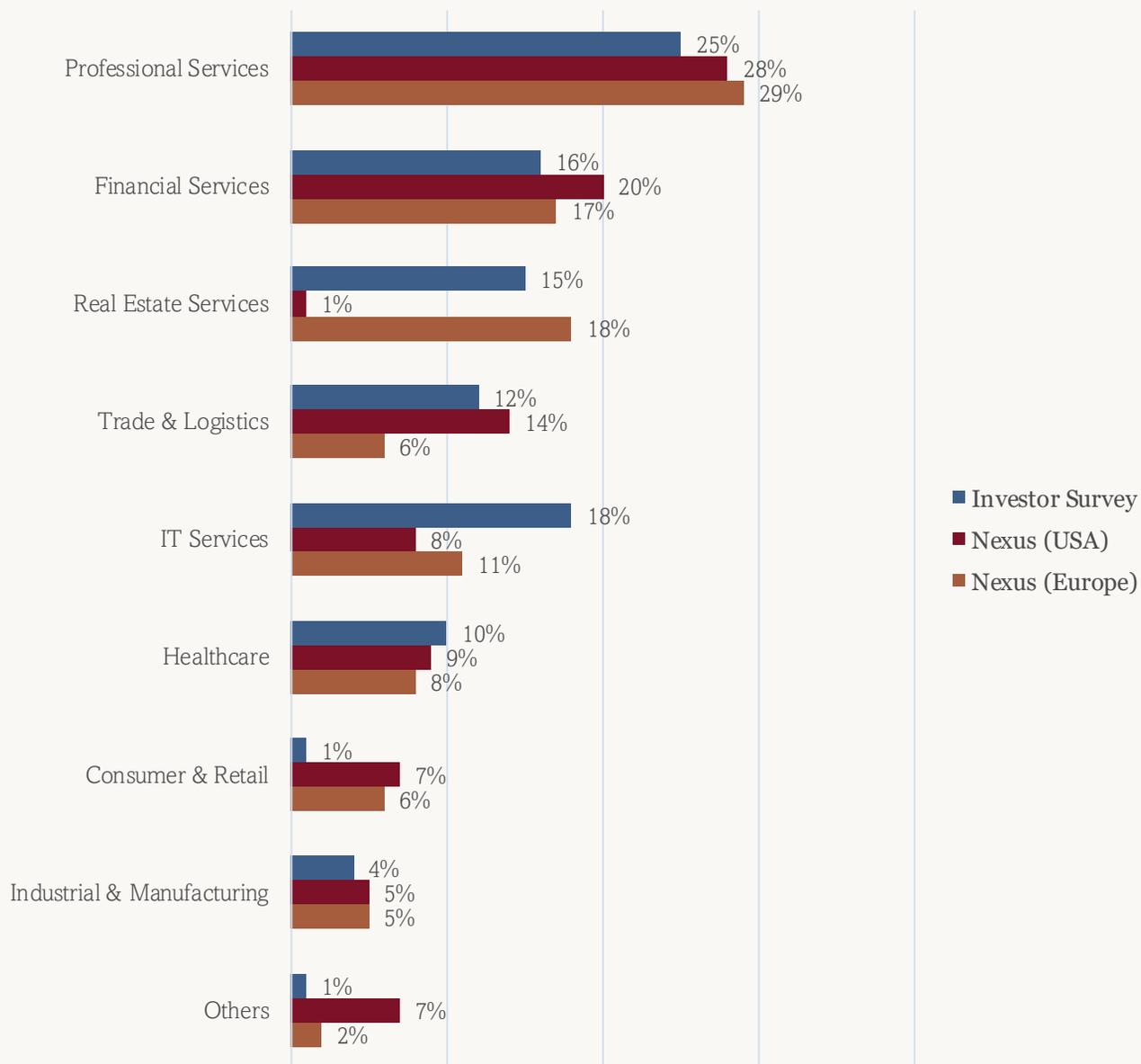
For instance:

- 25% (1.25x) uplift might not be enough to justify heavy product/technology investments at the HQ level.
- A 100% (2x) EBITDA uplift might be able to absorb significant HQ costs, but still might not be sufficient to achieve 50x+ returns for equity investors to fall within the VC Power Law. And hence might find it more appropriate to scale with more PE-style capital structures.
- Our internal simulation suggests that a 200% (3x) EBITDA uplift may represent the threshold for a VC-funded AI Roll-up.

At Tenet, we believe both scenarios (b) and (c) make a strong investment case, and must be pursued. However, **instead of force-fitting a particular capital structure on the company early on, we lean on maintaining the flexibility to choose downstream financing** which is best aligned with the scaling profile of the business.

9. Exciting Sectors

Sectors preferred by Investors vs Sectors in AI Roll-up Nexus

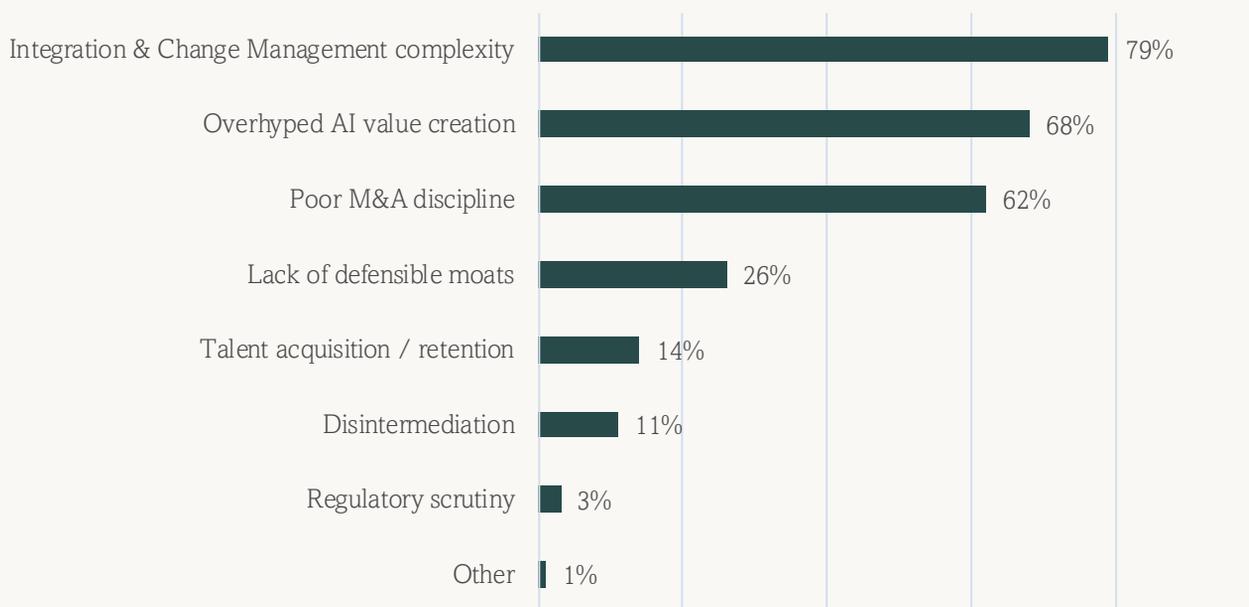


Comparing the Survey and Nexus data, “Real Estate Services (USA)”, “Trade & Logistics (Europe)”, and “IT Services (Globally)” are the largest untapped opportunity areas.

You can also check out our public [Industry Screener](#) to explore more sectors.

10. Risks and Lessons

More than half of the respondents concerned about **Integration/Change Management issues, Overhyped AI value-creation, and poor M&A discipline.**



- Change Management complexity is certainly our #1 consideration (golden rule: it is more complex than one thinks it is!)
- We are sold on AI value creation potential in several industries; but are more concerned around doing too much too quickly, or fully automating things which need humans-in-the-loop. This points to lack of "Systems Thinking" more than AI hype.
- Concerns around disintermediation & defensibility feel valid, but can be mitigated to a good degree through careful industry selection. (We have a [framework](#) for when not to roll up!)
- Poor M&A discipline ranking so high was surprising (maybe fallout from the "FBA aggregator" era?)

Lessons from the field

This is largely an investor-sentiment report, but we thought it would be remiss of us to not include some hard-won lessons from the trenches through founder conversations!

You can read about them [here](#).



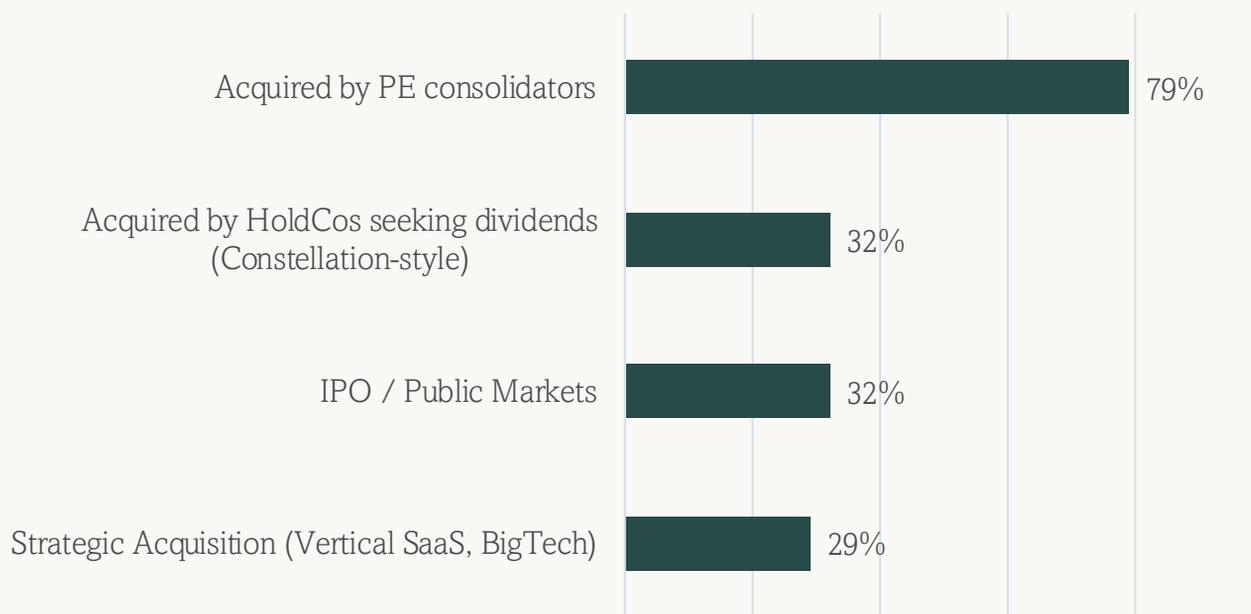
David Alonso Martinez
Founder, **Zinco AI**

“ When you’re small, every acquisition matters disproportionately, which means **you can afford to integrate with a level of intensity and precision that large platforms simply can’t**. Larger platforms try to integrate from a distance. Through playbooks, templates, and layers of middle management. The nuance gets lost, and nuance is everything in services businesses. By contrast, all of our acquisitions sit in our offices within 30-45 days. They’re part of the culture from week 2. We have changed brands within 2 weeks.

And second point is speed: **We’re integrating systems, support people, offices - everything - within 60 days of acquisition.**

11. Exit Paths

80% respondents believe PE consolidators are most likely exit paths for AI Roll-ups; one-third believe IPO is also a feasible option



The market for exits is a big unknown right now – but we could predict some outcomes.

- PE consolidators should remain a key buyer of AI Roll-ups, especially ones which breach the lower mid-market size (\$15m in EBITDA).
But will they continue to pay premium multiples for scale?
- IPO is a realistic exit path for companies that exhibit breakout scale and growth. We already have examples like Brown & Brown (Insurance Broker), Foxtons (Property Managers/Lettings), Kühne+Nagel (Logistics) [and of course listed accounting firms].
So what would it take for something to IPO?

A combination of PE/HoldCo acquisitions, and IPO reinforces the “PE Floor with a VC Ceiling” viewpoint

12. More (Unfiltered) Soundbites

**We asked investors for their unvarnished takes;
the range reflects the genuine debate in the market**

It is not a simple search fund / PE case. It is **at the intersection of PE and VC** and can bring great returns for both.

That **elite scaling and operational experience is more important** than domain.

Minority model **won't hit return curve unless you're owning 30%+**

I think AI roll-ups may still deliver returns, but **not the kind VCs are underwriting** 🌶️

Starting with AI and acquiring customers through acquisitions likely tells me that you are not a very strong founder, just a strong CTO at best

There are too many investors following this space, which will ultimately drive acquisition pricing and therefore compress returns.

Most operators read "buy and build" and think they have what it takes - **out of 100 operators I spoke with, maybe 3 are really capable of executing** 🌶️

Here to stay and **potential to change services landscape** as we know it

Most current AI roll-up team don't have sufficient AI implementation experience nor have true roll-up experience

There are a **ton of legacy markets** which have not changed in 20+ years **where this strategy makes sense**

Many will do it and few will execute it well. **It's the "Rocket Internet" model of the GenAI era.** 🌶️

We're 5 years too early for it to be generational. Plenty will get burnt in the short term.

Only an AI rollup if you can take a low %age EBITDA business and **truly transform it into a 50%+ EBITDA business.** Must be real transformational change, rather than just cost optimisation

You can actually **make good returns on the rollups without firing people** post M&A

🌶️ - hot take

13. A note from the author

Thanks for reading the AI Roll-up Investor Sentiment Report 2026.

This is our attempt to demystify capital and investment appetite for founders building in this emerging category. We expect big progress in this category in 2026, and hope to come back with even more nuanced (and of course, opinionated) takes on the topic next year.

If you are interested, you can read our 2026 predictions [here](#).

We would really appreciate your feedback on how we can improve the next edition of the report, and ideas on other dimensions we should cover.

Sahil Patwa

Tenet

About us:

[Tenet](#) is Europe's first inception-stage investment firm purpose-built for AI-powered Market Transformations. We back AI Roll-up founders at inception, with a uniquely flexible and strongly aligned capital model.

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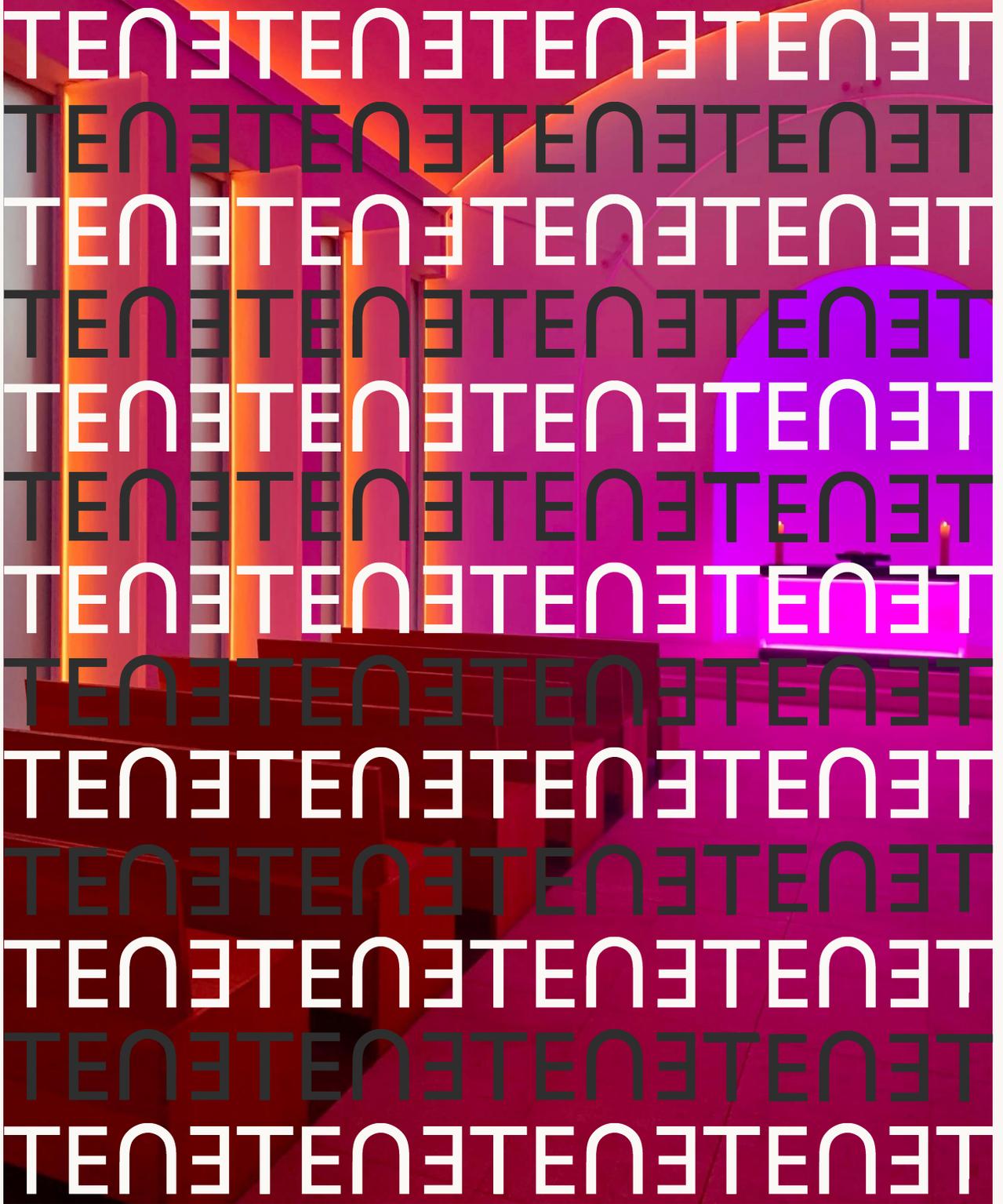
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