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MERGERS & ACQUISITIONS

AI & Valuation

A Founder's Guide to What Actually Drives Value in 2026

Most companies now use AI. Very few are using it in a way that creates measurable value — or commands a premium at exit.

Built on M&A expertise. Enhanced by AI insight.

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AI Is Embedded. Value Is Not.

AI is now present across most businesses. But its presence alone does not determine its value to a buyer.

The Reality

- Adoption alone does not increase valuation
- Buyers are becoming more selective
- Only a minority of companies are capturing real value
- Most implementations remain surface-level

Key Insight

Expectation, Not Edge

AI is transitioning from differentiator to baseline expectation

Execution Is Everything

Only those who embed AI into operations capture measurable value

A Value Filter

AI separates premium businesses from the rest — at exit

AI Has Scaled Rapidly — Across Every Industry

The market context has shifted fundamentally. AI adoption is no longer a differentiator — it is the baseline. Founders entering an M&A process in 2026 will encounter buyers who assume AI is present and ask how it is being used.

Where AI Stands in 2026

~88% of Companies

Use AI in at least one business function — up from 78% just one year prior

Present in Most M&A Processes

AI capability is now a standard component of buyer due diligence and deal assessment

What This Means for Founders

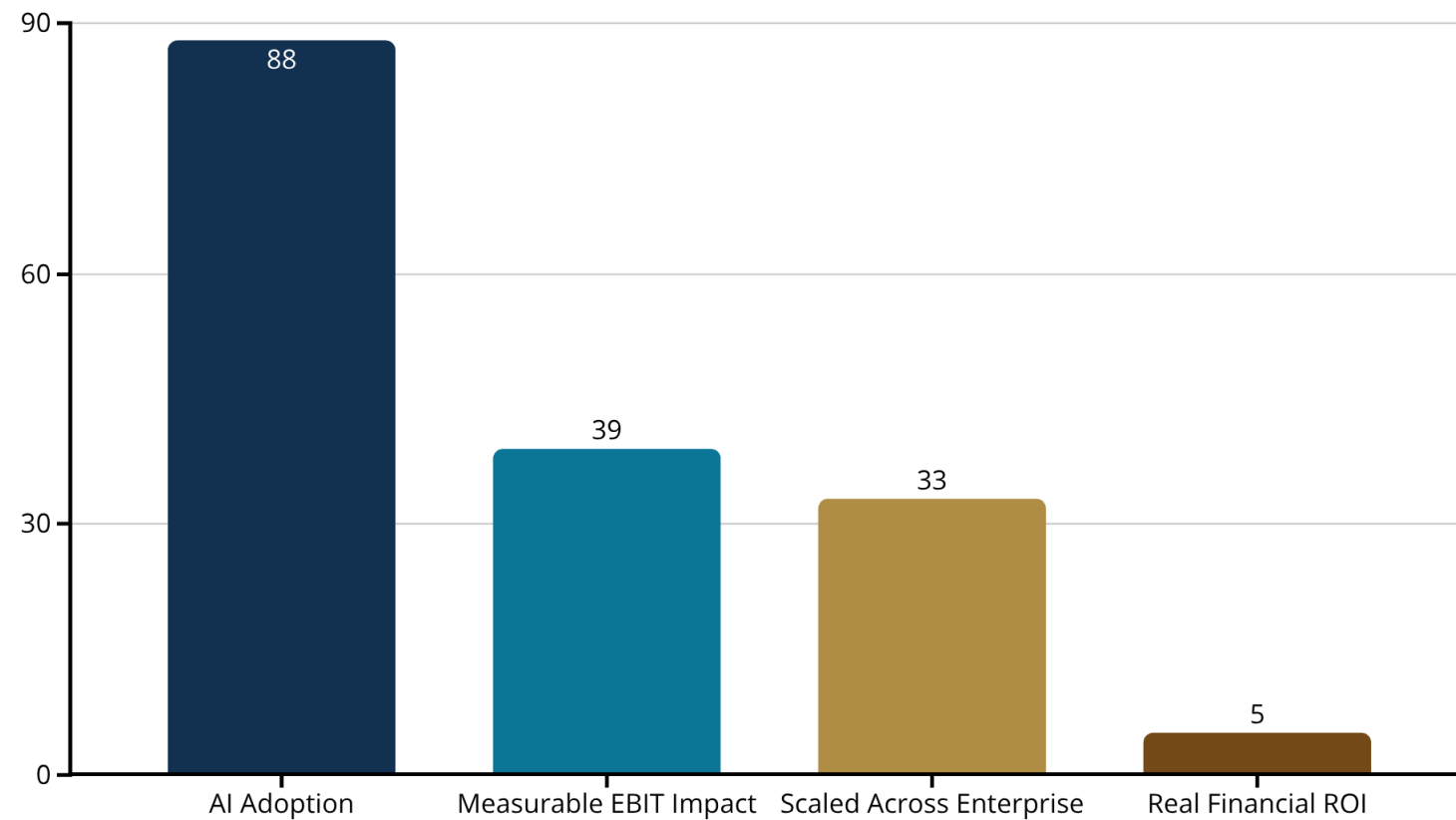
- Buyers will ask about AI — whether you raise it or not
- Absence of AI is increasingly a concern, not a neutral position
- Surface adoption without substance may be questioned
- Strategic AI use creates a genuine valuation opportunity

 *Source: Wharton AI Analytics / Deloitte*

THE DATA

Adoption vs Measurable Impact

The gap between AI adoption and real financial impact is one of the defining features of the current market. Most businesses are using AI. Very few are benefiting financially at enterprise level.



The Gap Is Wide

While 88% of companies report using AI, only around 39% see any measurable EBIT impact — and only ~5.5% report AI contributing more than 5% of their EBIT.

Adoption is widespread. Value realisation remains concentrated among a small, execution-focused minority.

 Source: McKinsey State of AI 2025 / Axios

The Assumption That's Costing Founders Value

There is a widespread and costly misconception among founders preparing for a sale — one that shapes how they position their business to buyers.

"AI adoption =
higher valuation"

The assumption most founders make — and most buyers immediately challenge.

The Reality

Most Implementations Are Surface-Level

Third-party tools and basic automation rarely translate into buyer-recognisable value

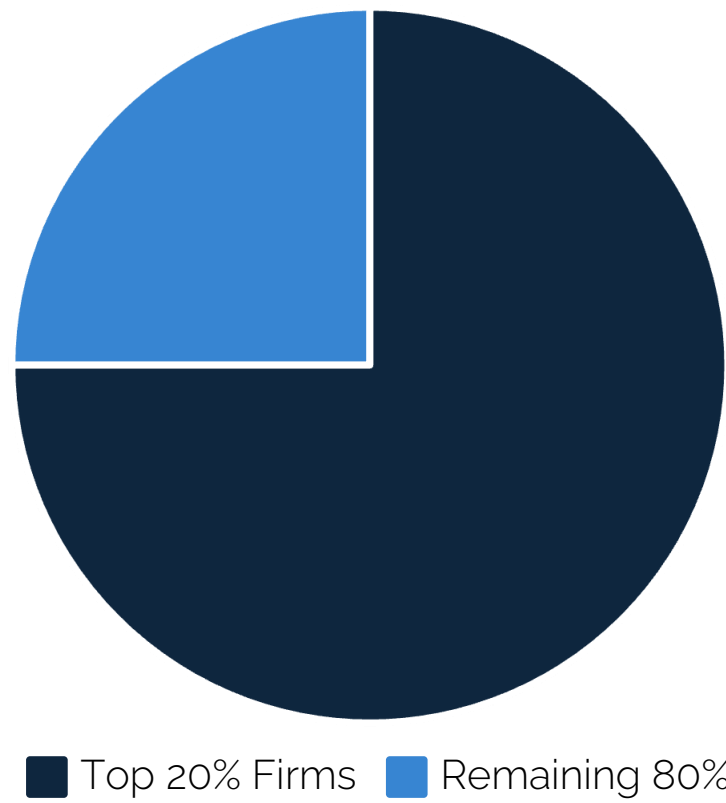
Few Drive Measurable Financial Outcomes

Without a clear link to EBITDA, AI use carries little weight in a valuation conversation

- ❑ Buyers don't pay a premium for AI tools. They pay a premium for AI-driven financial performance.

AI Value Is Highly Concentrated

The financial gains from AI are not distributed evenly. A small minority of companies are capturing the overwhelming share of AI-driven value — creating a widening performance gap in every market.



A Pareto Outcome

The top 20% of firms are capturing approximately 75% of all AI-driven financial gains. The majority of businesses see limited or no measurable impact on their bottom line.

This concentration is not random. It reflects a systematic difference in how AI is embedded, measured, and linked to financial performance.

 Source: *ITPro / industry analysis*

AI Has Moved From Differentiator → Capability → Expectation

Absence Creates Risk

Buyers view the lack of AI capability as a structural concern — not a neutral position

Presence Alone Creates No Premium

Having AI tools does not differentiate. Embedded, measurable AI does.

The AI Maturity–Valuation Spectrum

Where your business sits on the AI maturity curve directly influences how buyers assess value. The spectrum moves from discount risk to premium potential — and the gap between each stage is significant.



No AI

Buyer concern. Operational discount risk. Perceived as behind the curve.



Basic Tools

Neutral impact. Adoption noted but not valued. No premium uplift.



Embedded AI

Efficiency gains visible. Margin improvement recognised. Modest multiple uplift.



Strategic AI

Premium potential. Clear EBITDA linkage. Defensible. Commands higher multiples.

The difference between **Basic Tools** and **Strategic AI** is not the technology — it is the integration, measurement, and financial linkage.

What Buyers Are Actually Assessing

In a transaction, buyers are not evaluating AI tools. They are evaluating whether AI has produced — and will continue to produce — measurable, defensible financial value.



EBITDA Impact

Has AI demonstrably reduced costs or grown revenue? Can it be evidenced in the P&L?



Operational Integration

Is AI embedded in core workflows — or is it a layer of disconnected tools?



Scalability Post-Acquisition

Will the value compound post-deal — or does it depend on the current owner?



Defensibility

Is the advantage proprietary — built on unique data, workflows, or IP — or easily replicated?

Low Value AI vs High Value AI

Two businesses. Both using AI. Dramatically different buyer assessments. The distinction lies not in what tools are used — but in how deeply they are integrated and what they produce.

Low Value AI



Third-Party Tools Only

Off-the-shelf software accessible to any competitor



No Measurable ROI

No documented link between AI use and financial performance



Limited Integration

Bolted on to existing processes — not embedded in core operations



Easily Replicated

No proprietary data, workflows, or competitive moat

High Value AI



Core Workflow Integration

AI embedded in the operating model — processes depend on it



Margin Improvement

Clear, evidenced contribution to EBITDA — cost or revenue



Proprietary Processes or Data

Competitive advantage that is not easily replicated



Scalable Post-Acquisition

Value compounds independently of the founder

How AI Drives Valuation

AI does not directly increase your valuation. It does so through a specific, traceable chain — each stage of which must be evidenced for a buyer to assign a premium.



Every link in this chain must hold. A break at any stage prevents value from flowing through to the exit.

What AI Leaders Demonstrate to Buyers

Businesses that have embedded AI strategically — not merely adopted it — display measurably different characteristics when assessed by acquirers.

Performance Differentials

2–3× More Likely

To generate new revenue streams from AI-enabled products or services

Stronger Scalability

Operating leverage improves post-acquisition — a key driver of multiple expansion

Compounding Advantage

Proprietary data and workflows become more valuable over time — not less

What Buyers Are Looking For

- Clear documentation of AI impact on financial metrics
- AI embedded in processes that persist post-acquisition
- Evidence of workflow redesign — not just tool deployment
- A compelling, credible narrative linking AI to growth

📄 *Source: Industry benchmarks / McKinsey State of AI 2025*

Common Founder Mistakes on AI & Valuation

These are the most frequent errors we observe when founders approach a sale process — each one reducing the buyer's willingness to apply a premium for AI capability.



AI as Marketing Narrative

Describing AI use in pitch language without underlying operational substance — buyers see through it immediately



No ROI Measurement

Inability to evidence the financial impact of AI in any meaningful, auditable way



Commoditised Tools

Over-reliance on widely available third-party AI tools that any competitor can access tomorrow



No Link to Financial Performance

AI activity exists in isolation — without a traceable connection to EBITDA or growth

📄 All correctable — if addressed before the process begins. Each of these mistakes is a value constraint, not a permanent feature of the business.

The Window of Opportunity Is Now

The market reality creates a clear strategic window for founders who are willing to act before the process begins.

The Market Reality

Most Companies Are Experimenting

Around two-thirds of organisations remain in experiment or pilot mode — not scaling AI strategically

Few Are Executing Well

Only ~5–6% of companies are achieving real, measurable AI-driven financial returns

The Implication for Founders

Because most companies are not executing strategically, there is a genuine and available opportunity to differentiate — not through adoption, but through execution.

The premium does not go to the company that adopted AI first. It goes to the company that embedded it most effectively.

What Drives AI-Related Valuation Impact

For founders preparing for an exit, these are the four areas that directly determine whether AI contributes to a premium — or is dismissed by buyers during diligence.



Focus on Measurable Outcomes

Connect AI activity directly to EBITDA — through cost reduction, margin improvement, or revenue growth. Document it clearly.



Embed AI Into Core Operations

Move beyond surface tools. Integrate AI into the workflows that drive delivery, margin, and client outcomes.



Build Repeatable, Scalable Processes

Buyers pay a premium for AI that continues to create value post-acquisition — independently of the founder.



Develop a Clear Growth Narrative

Frame AI in terms buyers understand: forward revenue potential, scalability, and competitive defensibility.

AI Is Not Automatically a Value Driver

It Is a Value Filter

Companies That Execute Well

Attract stronger buyer interest. Achieve better deal terms. Command higher valuations.

Companies That Don't

Face buyer scepticism. Concede value in diligence. Leave money on the table.

Considering an Exit in the Next 1–3 Years?

Confidential assessment. No preparation required. No obligation.

Leith M&A — AI Valuation Assessment

AI impact on valuation forms part of the [Leith Value Accelerator \(LVA\) Process](#), which assesses:

- Your current buyer readiness from an AI perspective
- How AI is likely to affect your valuation
- The specific strategic actions that will drive the greatest impact before exit

Message "[AI VALUE](#)" to start the conversation

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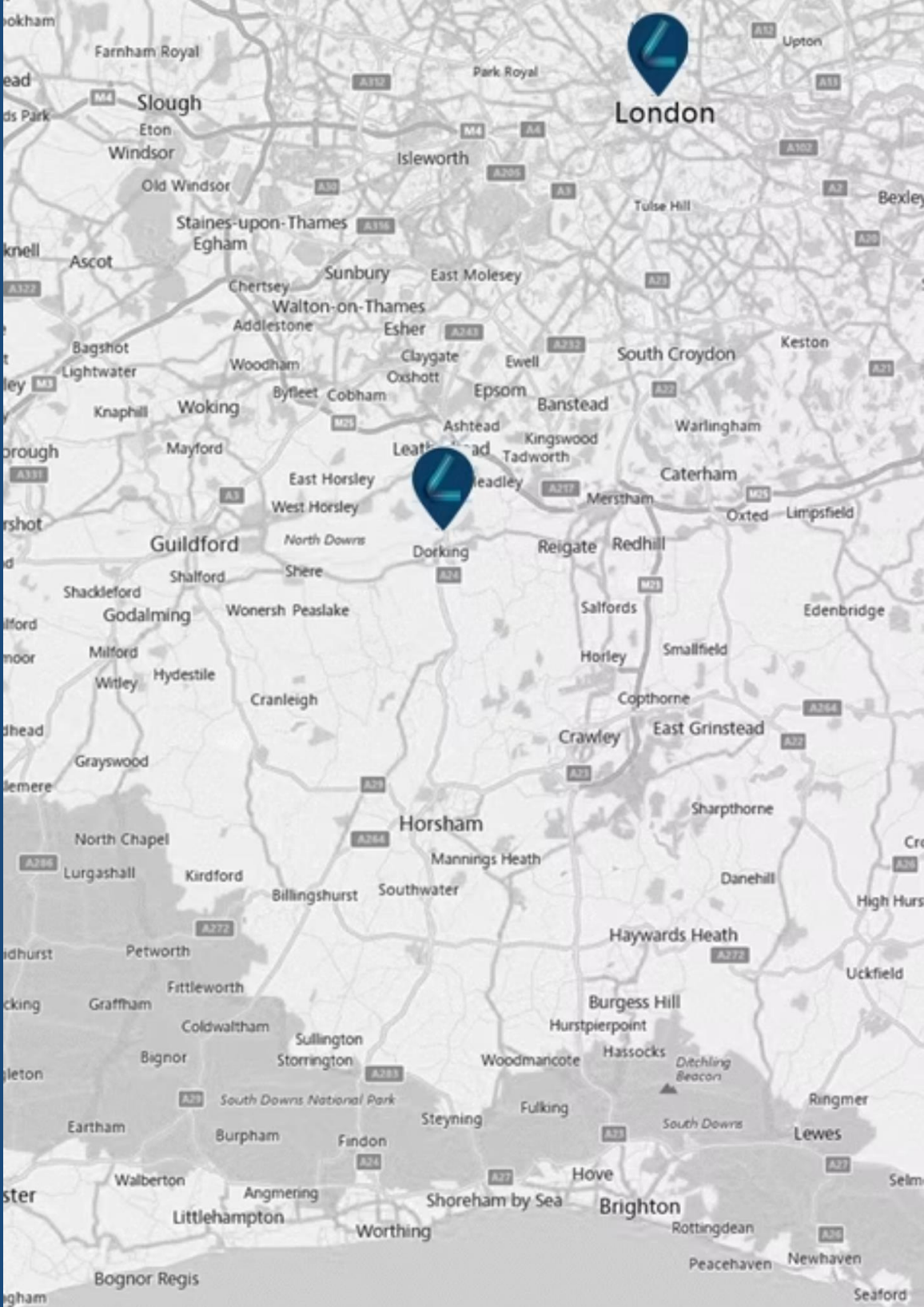
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Sources & Further Reading

The data and insights referenced throughout this presentation are drawn from the following primary sources.

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