

IMAP GERMANY AI Report 2026

Software eats the world and AI eats Software?

February 2026

IMAP

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Accelerating AI capabilities are redefining opportunities for blue-chip software companies and lead to shifts in technology valuations

FINANCIAL TIMES

How private equity's big bet on software was derailed by AI

Dealmakers and lenders are facing a 'Darwinian moment' as digital services risk being made obsolete by new technologies

Forbes

The Great Rebundling: Why AI Will Undo Two Decades Of Enterprise Software Fragmentation

The Economist

Private-equity barons have a giant AI problem

Their leveraged bets on the software industry may soon cause big trouble

Bloomberg

Investors Snub the Software Dip, Brace for Deeper AI Disruption



REUTERS

AI-led software selloff may pose risk for \$1.5 trillion U.S. credit market, says Morgan Stanley

FINANCIAL TIMES

US tech stocks slide as traders fret over 'frothy' AI valuations

Nasdaq lower as heavyweights including Nvidia and Microsoft sustain steep falls

THE WALL STREET JOURNAL.

MARKETS & FINANCE | INVESTING

Threat of New AI Tools Wipes \$300 Billion Off Software and Data Stocks

The New York Times

The Dark Side of A.I. Weighs on Tech Stocks

The prospect of disruptions from artificial intelligence has hung over the economy for years. But this week advances in software tools precipitated a sell-off on Wall Street.

Bloomberg

AI Loser Software Stocks Struggle as Hardware Earnings Jump



Automation of processes and new AI driven features improve and accelerate results



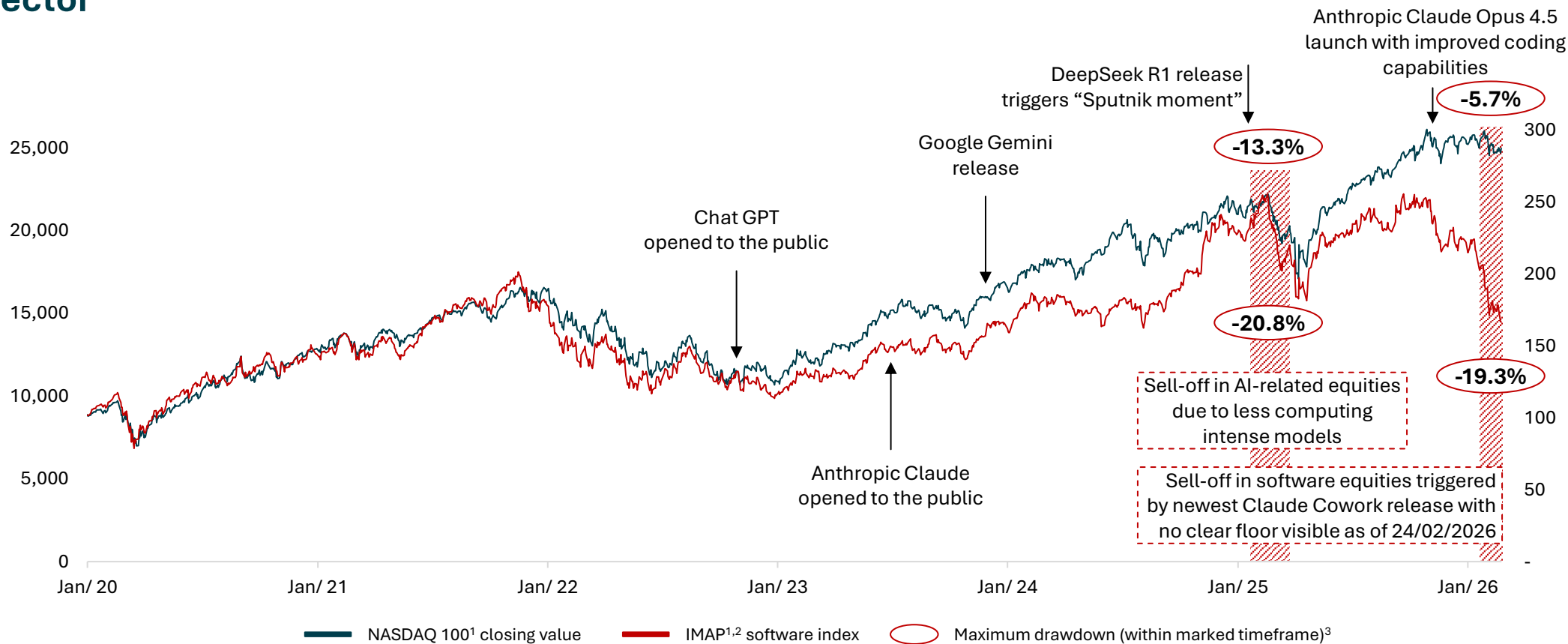
Commoditization of rule-based software



Faster innovation cycles

As AI simultaneously replaces rule-based software and manual tasks, markets expect margin compression, SaaS commoditization, and value shifting to AI-native platforms — putting software companies, both small and large, at risk

Public markets signal rising concern over recent AI events' impact on the broader software sector



Comments

- Early AI news generated limited market reaction, as investors had yet to fully appreciate the disruptive economic potential of next generation models
- Only after recent breakthroughs (DeepSeek and Anthropic's Claude Cowork) did markets begin to price AI driven impacts across equity sectors
- DeepSeek triggered broad repricing across equities, producing comparable moves in the IMAP Germany Software Index and the NASDAQ 100
- In contrast, the latest Claude Cowork release primarily affected software exposed companies; with no incremental compute demand, hardware heavy indices such as the NASDAQ remained largely unaffected
- During the recent AI events, the NASDAQ's broader tech mix dampened volatility, while software-focused indices saw sharper declines

Valuation overview of IMAP Germany software index sub-segments of publicly listed companies

Sales & marketing



Application software for managing relationships with existing & potential customers as well as marketing solutions

EUR 328.3bn Market Cap **3.4x** EV/Rev **16.6x** EV/EBITDA

ERP & SCM



Application software supporting all processes such as procurement, production, sales or plant management within organizations

EUR 599.9bn Market Cap **4.4x** EV/Rev **15.9x** EV/EBITDA

Communication & collab.



Application software enabling the exchange of messages in text, audio and / or video formats as well as digital collaboration

EUR 75.9bn Market Cap **2.0x** EV/Rev **8.2x** EV/EBITDA

HR



Application software supporting HR functions of organizations, such as recruitment, payroll, and workforce management

EUR 139.1bn Market Cap **3.4x** EV/Rev **9.4x** EV/EBITDA

Security



Application software for digital security, backup and recovery as well as solutions for critical situations

EUR 385.2bn Market Cap **5.8x** EV/Rev **28.5x** EV/EBITDA

Vertical



Application software addressing the needs of business within a specific vertical industry or market

EUR 79.0bn Market Cap **2.9x** EV/Rev **12.0x** EV/EBITDA

Data analytics & BI



Application software allowing for the analysis and understanding historical and current data

EUR 343.3bn Market Cap **8.9x** EV/Rev **24.9x** EV/EBITDA

Engineering & construction



Application software empowering its users to design, analyze, and simulate complex systems while being more productive

EUR 280.1bn Market Cap **5.8x** EV/Rev **15.7x** EV/EBITDA

Early AI events had limited impact on software equities, while newer model launches drive broader repricing with the strongest effects in less complex subsectors

Subsector	DeepSeek “Sputnik moment”				Claude Opus 4.5 launch			
	Market cap 20/01/2025	Market cap 01/04/2025	Change abs.	Change %	Market cap 14/11/2025	Market cap 24/02/2026	Change abs.	Change %
Sales & Marketing	526,529	439,293	(87,236)	(16.6%)	442,903	328,247	(114,656)	(25.9%)
ERP & SCM	837,500	742,826	(94,674)	(11.3%)	862,398	599,867	(262,530)	(30.4%)
Communication & Collaboration	149,371	126,468	(22,903)	(15.3%)	105,133	75,935	(29,197)	(27.8%)
HR	261,424	251,901	(9,523)	(3.6%)	194,891	139,136	(55,755)	(28.6%)
Security	475,348	448,105	(27,243)	(5.7%)	524,183	385,162	(139,021)	(26.5%)
Vertical	125,684	117,736	(7,949)	(6.3%)	106,008	78,375	(27,633)	(26.1%)
Data Analytics & BI	281,125	296,096	14,971	5.3%	459,639	343,251	(116,388)	(25.3%)
Engineering & Construction	373,339	320,904	(52,435)	(14.0%)	318,216	280,142	(38,074)	(12.0%)
Total	3,030,319	2,743,327	(286,992)	(9.5%)	3,013,370	2,230,116	(783,254)	(26.0%)

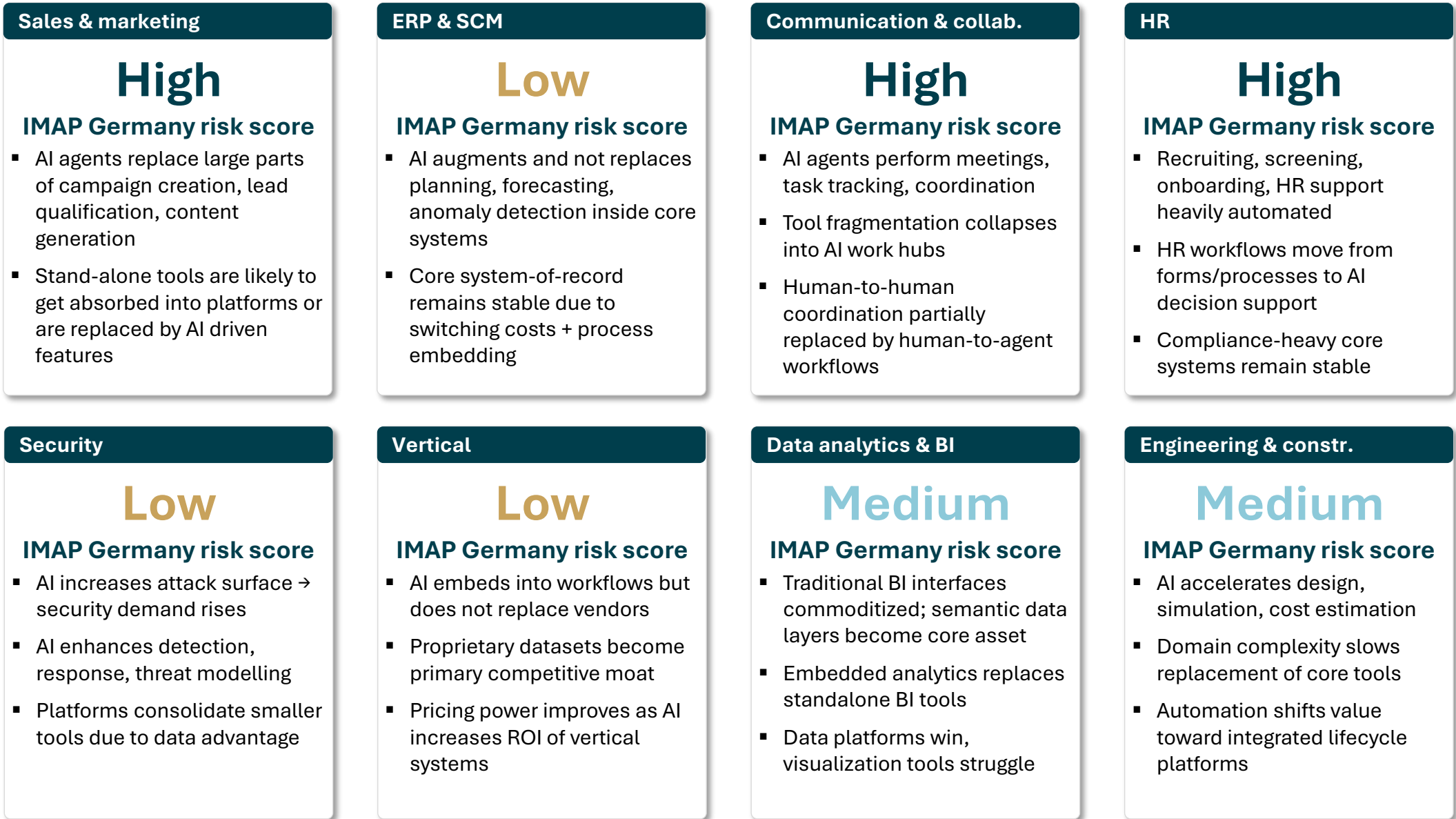
DeepSeek “Sputnik Moment”

- Markets interpreted DeepSeek as a dual shock — not only a breakthrough on the model side, but also a potential inflection in compute efficiency — driving repricing across both software and hardware equities
- The strongest reactions occurred in Sales & Marketing, ERP/SCM, Communication & Collaboration, and Engineering, where products are more exposed to workflow automation and integration-heavy use cases
- Overall, DeepSeek’s impact on software subsectors was uneven, with more embedded or complex solutions showing greater insulation from early AI shocks

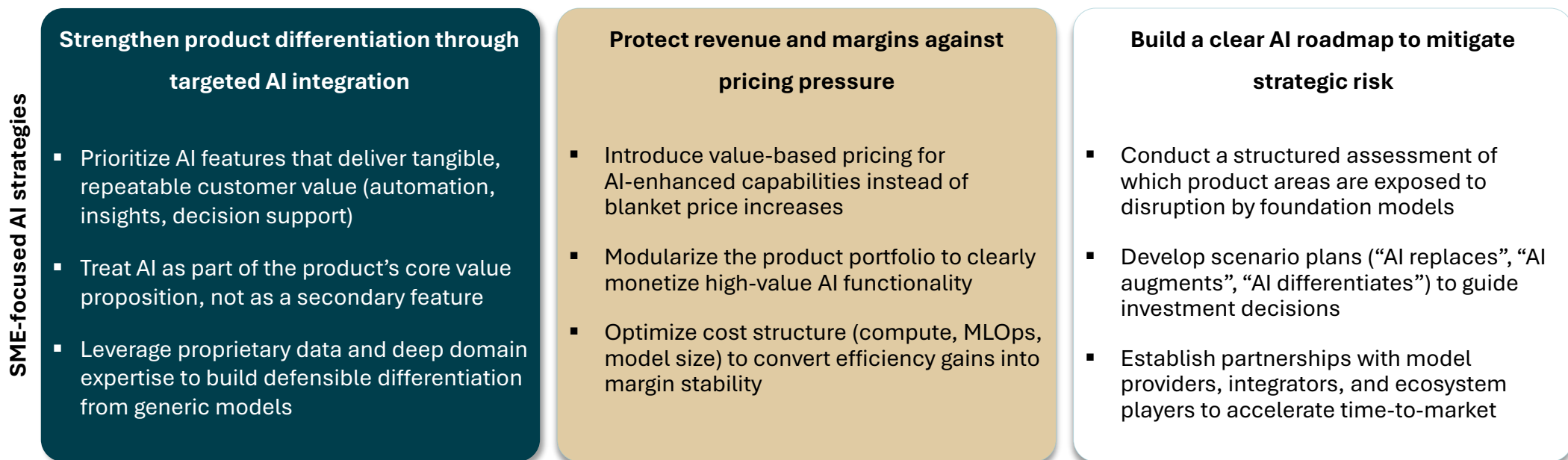
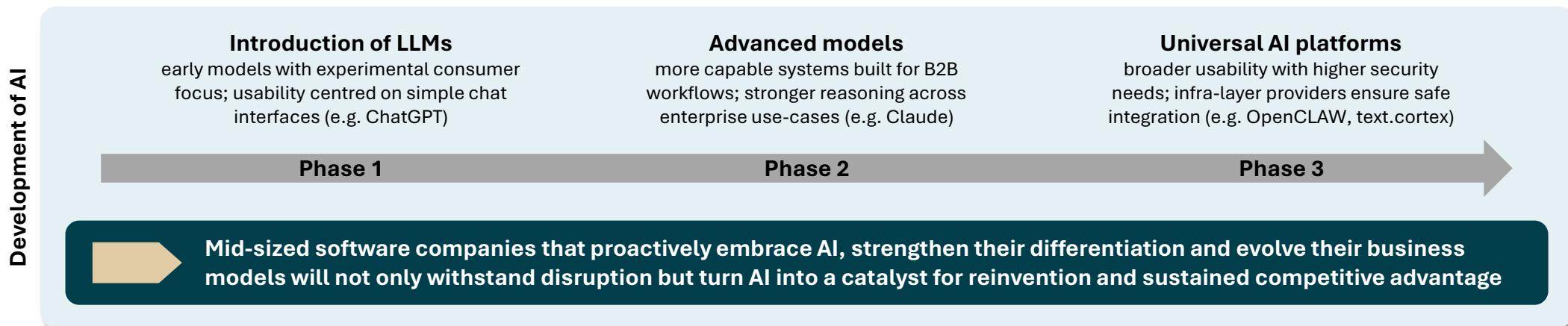
Claude Opus 4.5 launch

- Claude’s new capabilities triggered a broad-based repricing across software subsectors, with declines materially larger than those observed during the DeepSeek event
- Content-, workflow- and rule-based categories showed the steepest moves, reflecting perceived feature substitution by advanced models
- More resilient areas like security and engineering declined less, supported by industry specific use cases, sticky enterprise contracts, higher switching costs and solutions with higher complexity

Domain expertise, customer stickiness and compliance buys time not immunity as AI disruption spreads from commodity software to complex platforms



To stay competitive in the AI-era, mid sized software companies must strengthen differentiation, enhance monetization and build a clear strategic roadmap





MANNHEIM

Glücksteinallee 25
68163 Mannheim

Phone: +49 621 3286-0
Fax: +49 621 3286-100
E-Mail: info@imap.de
Internet: www.imap.de



MUNICH

Bernhard-Wicki-Straße 3
80636 München



FRANKFURT

Neue Mainzer Straße 2-4
60311 Frankfurt am Main



HAMBURG

Große Johannisstraße 7
20457 Hamburg

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Dr. Carsten Lehmann
carsten.lehmann@imap.de



Mathias Heymann
mathias.heyman@imap.de



Andreas Widholz
andreas.widholz@imap.de