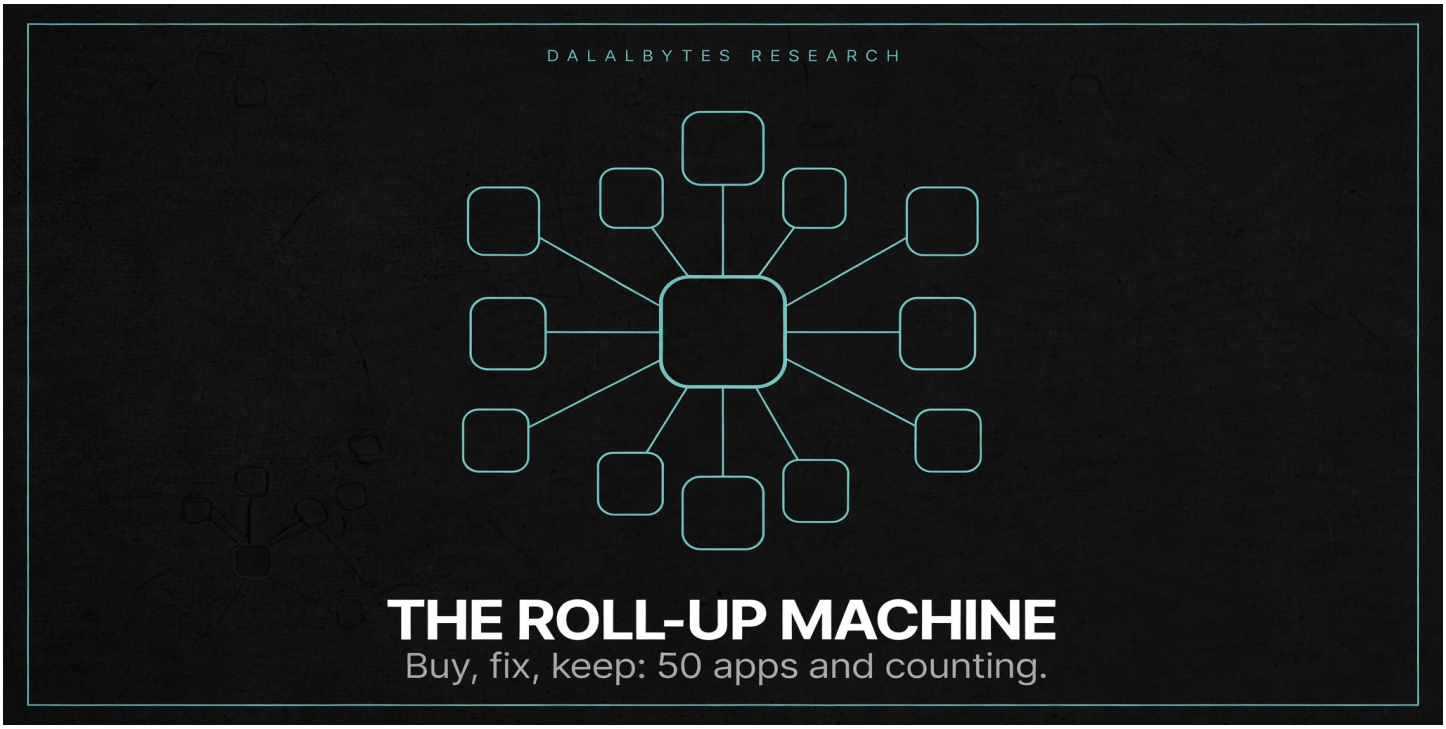


Bending Spoons (BSP) Five-Pillar Analysis

Grading the roll-up machine on five questions: sunrise, leadership, moat, fortress, and free cash flow. Three pass, two are partial.

DalalBytes Research · October 2, 2026 · Reference price $32.81 (October 1, 2026 close) · NASDAQ: BSP

DALALBYTES VERDICT

Selective fit · 3 of 5 pillars pass

Leadership, execution moat, and cash flow are genuine; the sunrise and the fortress are partial. DalalBytes score: 65/100.

The framework

The five-pillar analysis grades a business on five questions: is the sector a sunrise, can the leadership execute, does a moat protect returns, is the balance sheet a fortress, and does the free cash flow show up. Each pillar passes, partially passes, or fails on evidence.

Pillar	Grade	Score
1. Sunrise Industry	PARTIAL	55/100
2. Leadership	PASS	82/100
3. Moat	PARTIAL	62/100
4. Iron Fortress	PARTIAL	58/100
5. Free Cash Flow	PASS	70/100

Pillar 1: Sunrise Industry (Consumer Subscription Roll-Up), PARTIAL (55/100)

The targets are mature or declining assets, not sunrise industries. That is the point of the strategy: Bending Spoons does not ride growth, it harvests it. The genuine tailwinds are two. First, the 2021-vintage SaaS repricing: buying $600M ARR businesses at 2-3x ARR (Airtable at 2.7x, ~81% below its 2021 peak; Miro at 2.3x, ~90% below its 2022 peak) is a once-in-a-cycle entry window. Second, AI-driven cost transformation: codebase rewrites with AI compress the cost base of acquired assets beyond what headcount cuts alone achieve, and the transformation engine gets better with every deal.

The partial reflects the other side of AI. AI is also a disruption risk to the assets themselves: the company's own target screening explicitly accounts for potential AI-driven disruption to a target's business model, an honest admission that the harvesting ground can shift. Note-taking (Evernote), file transfer (WeTransfer), and photo editing (Remini) are all categories where AI-native competitors can reset the product bar. The 2021-vintage discount window is also finite: as those assets get absorbed, the next deals must be done at less distressed multiples or in less familiar territory.

Pillar 2: Leadership (Luca Ferrari and the founding team), PASS (82/100)

Thirteen-year track record, repeated execution of the same playbook across 50-plus deals, extreme talent density (800,000 applications for 286 hires in 2025). The playbook is not a pitch deck: Evernote revenue is +30% since the 2023 acquisition on 48% fewer users, WeTransfer and Tractive drive organic growth, adjusted operating margins have risen every year from 36% to 47%-plus. The 2026-vintage deals (Airtable, Miro, Eventbrite) show the entry discipline holding at larger scale: 1.7x to 2.7x revenue/ARR on assets bought 80-90% below prior peaks.

Deductions for two structural facts. Dual-class shares give the four founders 5 votes per share each; public shareholders cannot change management if execution falters. And the story is Ferrari-centric: the capital allocation, the deal sourcing, the transformation playbook all run through one person. The pass is on the evidence; the discount is on the concentration.

Pillar 3: Moat (The Platform and the Deal Flow), PARTIAL (62/100)

The moat is the platform (people, proprietary tooling, data), permanent capital, and deal-flow reputation with sellers. There is no product-level moat: no single asset is defensible on its own, and competition is fought asset by asset against Notion, Dropbox, YouTube, Asana, and dozens of others. Constellation Software plus PE firms compete for the same deals. The moat is in execution speed, which is real but not structural.

What makes the partial credible: the shared central platform (payments, testing, data) means every acquisition plugs into infrastructure that already exists, so the marginal cost of the next deal falls while the marginal revenue does not. Permanent capital and a never-sold reputation make Bending Spoons a preferred buyer: sellers who care about their product's future take the call. Miro shareholders reinvesting $295M of proceeds into BSP equity (SEC 6-K, September 2026) is the market's vote on the machine. The moat compounds with each successful transformation and erodes with each failed one: it is reputation, and reputation is earned deal by deal.

Pillar 4: Iron Fortress, PARTIAL (58/100)

Cash-generative subscriptions with 94% net revenue retention, but 2.4x leverage, 1.94x interest coverage, and a 0.64x current ratio. This is not a fortress; it is a well-managed leveraged vehicle. End of Q2 2026: $793M cash and equivalents, $1.28B of available revolver capacity. Post-Q2: 590M euros of new term loan facilities, revolver upsized by 30M euros. The credit syndicate (JPMorgan, BofA, Goldman, Barclays, HSBC and others) keeps lending, which is its own signal, and IPO proceeds (~$954M gross to the company) delever the balance sheet.

The partial is the honest grade because the cushion is thin and the model requires the debt. Every new deal adds leverage; a large acquisition that underperforms hits the equity twice, through the write-down and through the multiple. Interest coverage under 2x leaves no room for a mistake at the current tempo. The fortress test is simple: leverage falling below 2x on retained cash flow would move this pillar toward a pass. Until then it is partial, and the verdict prices it that way.

Pillar 5: Free Cash Flow, PASS (70/100)

LTM FCF ~$359M. Q2 2026 GAAP net income $177M (+171%), a 25% net margin. Adjusted operating margins of 47% and rising (36% in 2023, 45% in 2024, 47% in 2025, 51% in Q1 2026). The cash flow is real and it is growing: the transformation engine converts acquired revenue into high-margin cash, and the subscription base (84% of revenue, 94% NRR) makes it recurring.

Deductions for heavy amortization add-backs and the WSJ's quality question: some of the cash flow is price hikes on shrinking user bases (Evernote: +30% revenue on 48% fewer users). That is not fraud, it is the strategy, but it means the cash flow quality depends on the transformation engine never pausing. If the deal flow slows, the amortization keeps coming while the price-hike headroom narrows. The pass reflects cash that is real today; the 30 points held back reflect cash that depends on the machine.

What would change each grade

The sunrise upgrades if the AI transformation engine shows compounding returns: clean Airtable and Miro integrations with disclosed unit economics would prove the playbook scales to larger, more enterprise-flavored assets. Leadership upgrades if the bench deepens beyond Ferrari, or if dual-class sunset provisions ever appear; it downgrades on any failed large integration. The moat upgrades with each successful transformation (Vimeo enterprise retention is the exam) and downgrades if Constellation or PE firms start winning the same deals at similar prices. The fortress upgrades at leverage below 2x on retained cash flow. Free cash flow upgrades toward the 80s if organic growth reaccelerates above 5% while margins hold, proving the cash is not just harvested but grown.

Comps

Constellation Software is the gold standard comp: buy-and-hold forever, compounding through capital allocation, trading at a richer multiple than BSP with far less leverage and far more history. The discount is the market's price for tempo and leverage. PE roll-ups (Tiny, SaaS.group, Curious) target 20-30% margins on low-valuation SaaS; Bending Spoons runs 45%-plus adjusted operating margins with permanent capital and no fund-life exits, which is the structural edge over financial buyers.

On the numbers at $32.81: ~9.7x TTM sales, ~156x TTM earnings, ~19.9x forward earnings, ~16.6x the CEO's $1.4B FY2026 adjusted EBITDA guide. The trailing multiple is optical (the 2025 net loss was deal-driven); the forward multiple is the real debate. Street: $47.67 average target (+45.7%, Buy consensus, 12 analysts); BofA $36 Underperform. The stock is 44% below its $58.94 high: the market has already derated the novelty once, and the remaining multiple is the price of believing the machine.

Bottom line

Three of five pillars pass on evidence. Leadership is a proven capital allocator with 50-plus deals of receipts. The moat is execution speed and deal-flow reputation, partial because it is not structural. The cash flow is real at ~$359M LTM with 47%-plus adjusted operating margins, passing with quality deductions. The sunrise is partial because the targets are mature assets and AI cuts both ways. The fortress is partial because 2.4x leverage with 1.94x interest coverage is a leveraged vehicle, not a fortress.

DalalBytes score: 65/100. Verdict: Selective Positive. Scenario targets (DalalBytes estimates): bear $17, base $31, bull $48. The grade changes on evidence: organic growth above 5%, leverage below 2x, clean Airtable/Miro integrations, or the multiple compressing toward 10x EV/EBITDA. Until then, respect the execution and do not pay for the compounding in advance.

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