



Legal Tech & Services Insights: Artificial Intelligence

Winter 2025/2026

Jim Roney

Managing Director
+1 312 485-6449
jim.roney@psc.com

Ethan Sullivan

Director
+1 857 248-2497
ethan.sullivan@psc.com

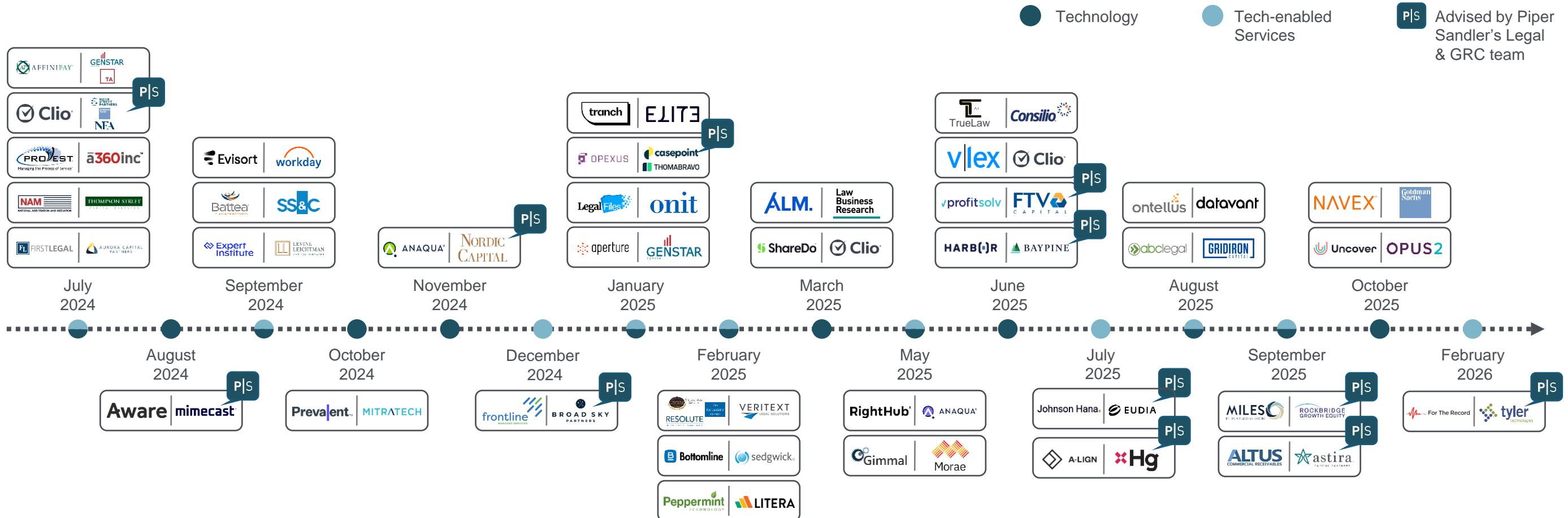
PIPER | SANDLER

01

Introduction



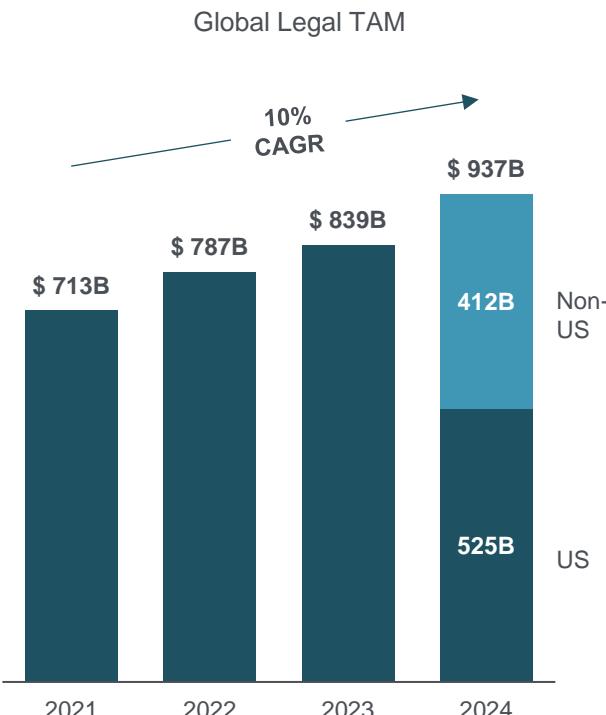
Transaction Activity Remains Strong Across the Legal & Compliance Markets



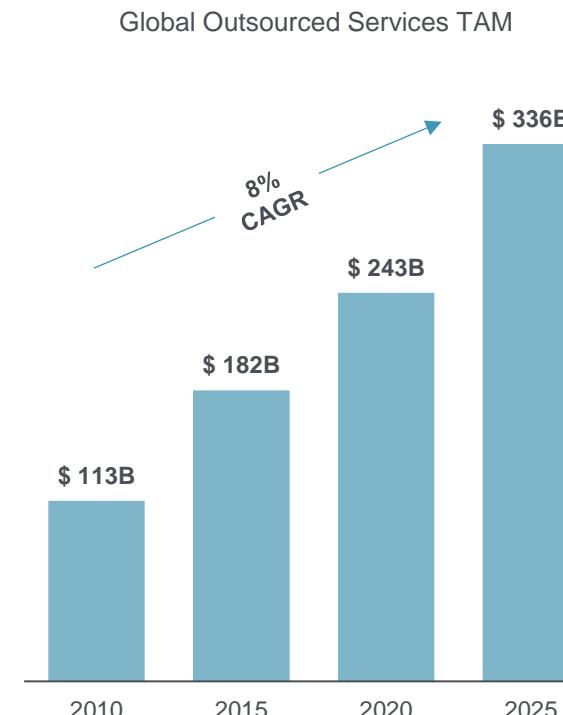
Note: Includes transactions completed by Piper's Legal & GRC team while at prior firms.

Key Themes Driving Investment into the Category

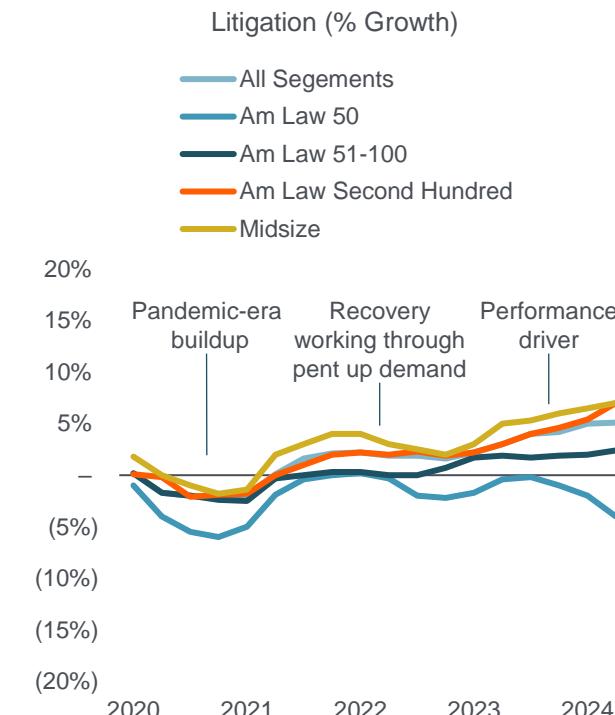
Massive & Growing TAM



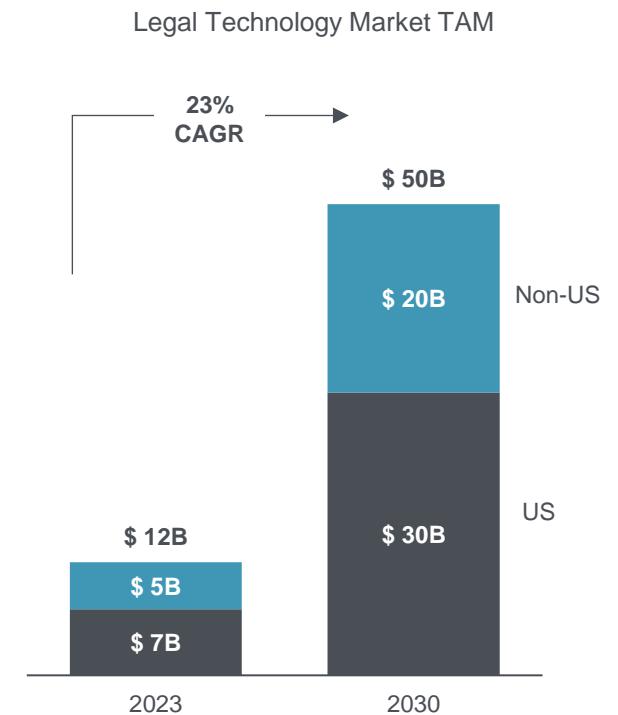
Outsourcing of Legal & Compliance Functions



Acyclical Nature of Litigation



Adoption of Software Solutions to Solve Legal Needs



Organic Growth

AIA Contract Documents 

Notable Catalysts



M&A / Consolidation Opportunity

HARB(R)   



GenAI Opportunity

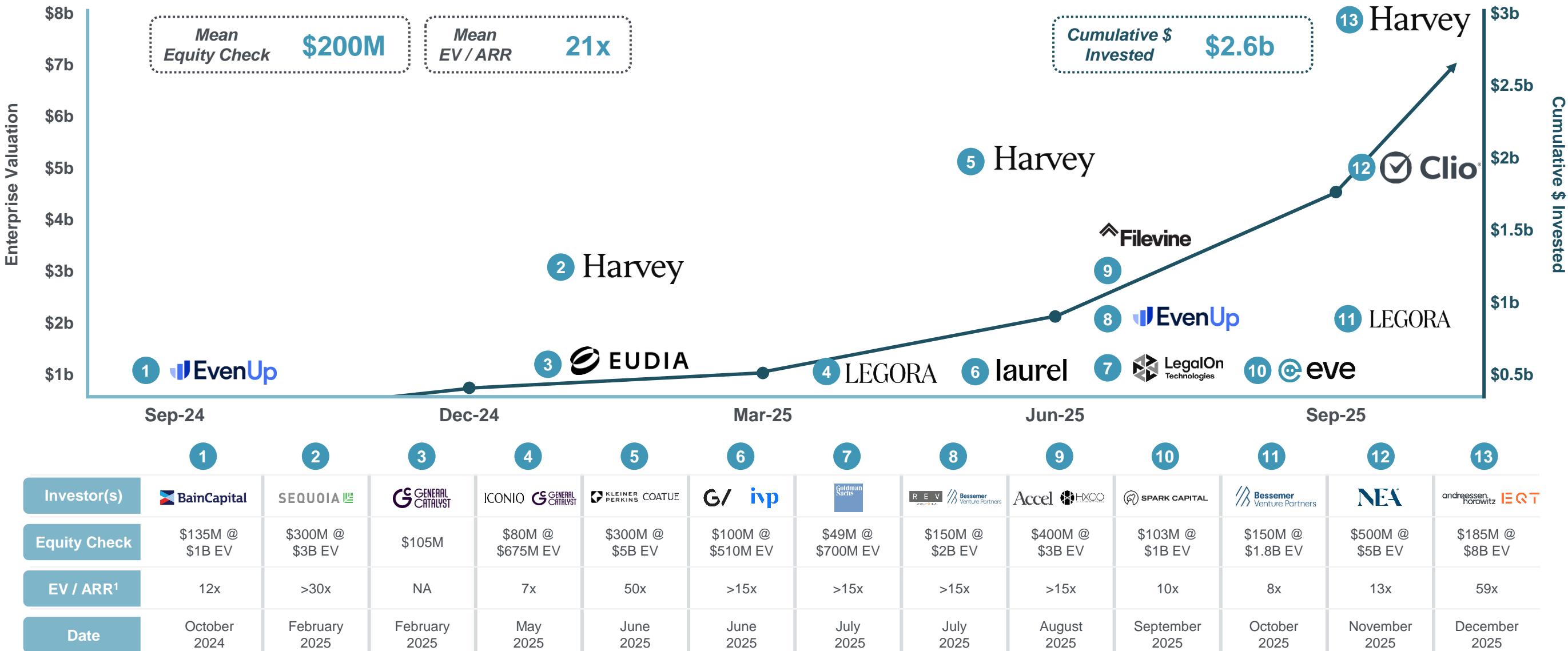
   

02

Accelerating Investment in Legal AI

Venture and Growth Equity Have Entered the Chat...

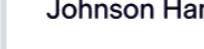
Capital has been entering the category with unprecedented velocity over the last 18 months



Sources: CapIQ, Pitchbook and Company websites

1. Multiples are approximate.

...Funding Investments in New Platforms

	Core Value Prop	Roles Augmented	Customer Focus	LLM Partners	Proprietary Data	Notable Partnerships	Approximate Revenue	KPIs
 EUDIA Established in 2023	 Knowledge Management  Contract Drafting  Compliance Reviews	 Corporate Lawyers  ALSPs	Corporate Legal Departments <i>Rapidly growing Fortune 500 customer base</i>	ANTHROPIC  Microsoft Azure  Gemini  OpenAI	N/A	 Johnson Hana.  EUDIA <small>OUT-HOUSE ATTORNEYS</small>	N/A	<ul style="list-style-type: none"> 80% faster contracting 30%+ faster compliance review
 Harvey Established in 2022	 Document Review  Contract Drafting  Document Summaries	 Law Firm Associates  Paralegal  Corporate Lawyers	Law Firms & Corporates <i>45 of AM Law 100</i> <i>33% of revenue is from corporates and continues to grow as of November 2025</i>	 OpenAI	N/A	 iManage  LexisNexis  Wolters Kluwer	~\$150M	<ul style="list-style-type: none"> 98% gross dollar retention 167% net dollar retention 60% YoY growth in queries per user per month
 LEGORA Established in 2021	 Case Analysis  Document Review	 Law Firm Associates  Corporate Lawyers  Bankers	Law Firms & Corporate <i>250 law firms served, with legal teams in 20 markets</i> <i>Grown from 250 customers to over 400 clients across 40 markets as of November 2025</i>	 Microsoft Azure  OpenAI	N/A	 Axiom  DENTONS  dwf	>\$20M	<ul style="list-style-type: none"> \$40M 2025 ARR goal 90% reduction in document review time vs. manual review
 EvenUp Established in 2019		 Paralegal  Civil Attorneys	Plaintiff Law Firms <i>20 of the top 100 injury law firms served and an additional 2K customers</i>		<i>Medical records, personal injury cases and the Piai AI model</i>	 LexisNexis  LITIFY	~\$150M	<ul style="list-style-type: none"> 100% YoY ARR growth 10K+ cases per week \$10B secured in damages for injury victims

...and Chasing Established Market Leaders

	Core Value Prop	Roles Augmented	Customer Focus	LLM Partners	Proprietary Data	Notable Partnerships	Approximate Revenue	KPIs
 Filevine Established in 2014	 Case Management	 Case Manager  Paralegal  Civil Attorneys	Law Firms, Corporates & Government <i>6K customers and 100K legal professionals served across boutique firms, government agencies & Fortune 500</i>		N/A	  	>\$100M	<ul style="list-style-type: none"> 20M pages uploaded daily 96% gross dollar retention 120% net dollar retention 130% YoY AI revenue growth
 Clio Established in 2008	 Practice Management	  	Law Firms & Corporate <i>1K+ small and mid-sized law firms served across 130+ countries</i>	 	1 billion searchable documents through vLex	  	~\$350M	<ul style="list-style-type: none"> 400K+ users 100K+ legal document drafts per week Up to 80% time saved drafting legal documents
 OPUS2 Established in 2008	 Case Management	  	Law Firms and Judicial Systems <i>88 of AmLaw 100 law firms; 10K+ barristers across large UK and USA law firms and court systems</i>		Petabytes of data in highly secure, law firm environments	  	>\$75M	<ul style="list-style-type: none"> 120% net dollar retention 97% gross dollar retention 88 of top AmLaw 100

03

Assessing the Impact of AI on Legal Service Providers

The Advancement of Generative AI has Led to Varied Investor Sentiment by Legal Services Category

Litigation Support

- What is the durability of labor-first services like court reporting, service of process and record retrieval in the face of Gen-AI enabled speech-to-text, document analysis and summary solutions?
- In a future state, who owns the technology – disruptors or incumbents?

Investor Gen AI Meter



ALSPs

Key Investment Committee Questions

- Which services will endure and which are at risk of being disintermediated?
- Who are the advisors and consultants, and who are the technology re-sellers?
- Who will be the “winners” and “losers”?

Investor Gen AI Meter



eDiscovery

- What is the durability of service providers in an industry predicated on the laborious nature of sifting through documents?
- Are eDiscovery services just re-seller models, or do they have strong customer relationships and custom-built technology?

Investor Gen AI Meter



Piper Sandler Observations

- Scaled court reporting agencies are both growing and expanding their margin profiles
- Market leaders have begun to realize Gen AI revenue streams, primarily by running real-time analytics on depositions
- Record retrieval has become a race to tech-driven, network solutions, with opportunity for AI-led calling

- High-skill and partner-first consultants are benefiting as law firms and corporate legal departments seek their counsel on solutions
- Low-skill labor like managed document review, NDAs and drafting summaries and briefs have been called into question and face the most significant headwinds

- Private equity investment has come to a halt as investors seek more proof of performance in the AI era
- Lending markets remain strong as cash flow profiles are more lucrative than ever
- Managed document review revenues continue to increase as unit pricing on AI solutions remains prohibitive for complex matters

Notable M&A Transactions since Chat-GPT Unveiled

Successes (6)



Cancellations (2)



Successes (3)



Cancellations (3)



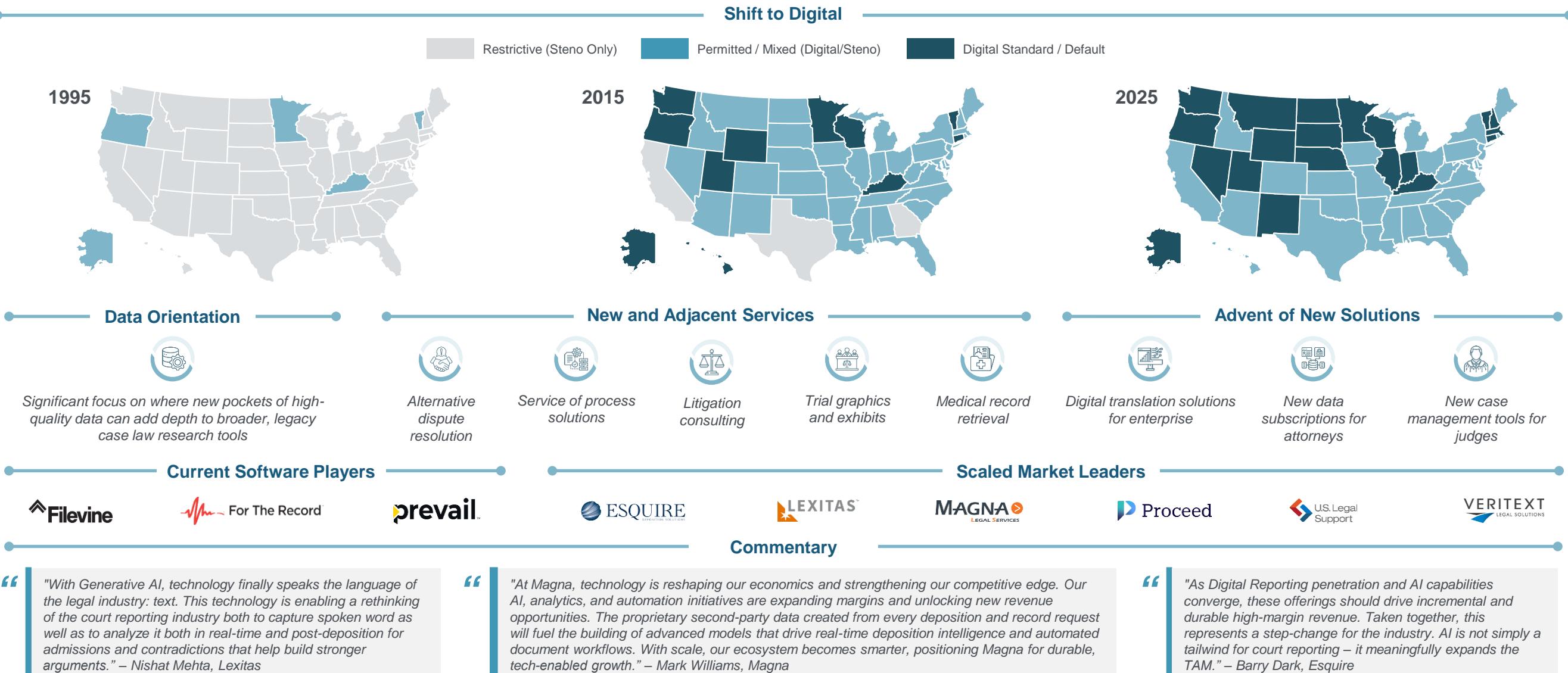
Successes (1)



Cancellations (5)



Evaluating the Impact: Litigation Support and Court Reporting



Evaluating the Impact: ALSPs

Select Leading Alternative Legal Service Providers



“Customers buy ALSP services to deliver outcomes. ALSPs already bill by outcome rather than by the hour. They have deep process expertise and customer context. Innovative ALSPs use their own GenAI and agentic software to capture the value of the efficiency dividend.”

– Liam Brown, CEO, Elevate

“Our view is that the AI opportunity in legal places outsized responsibility on those who steward large sets of proprietary data, along with a corresponding opportunity to shape its application. At Consilio, the trust enterprise clients place in us to manage petabytes of sensitive legal data carries an obligation to build technology platforms that enable responsible access and innovation across the legal ecosystem. The growing interest from AI companies seeking to partner with us reflects the evolving role of ALSPs as foundational infrastructure for how AI is deployed and scaled in legal.”

– Raj Chandrasekar, Chief Innovation & Technology Officer, Consilio

“GenAI is expected to significantly enhance ALSP offerings by streamlining processes and reducing costs. This technology could provide ALSPs with a substantial competitive advantage in the near future.”

– Thomson Reuters

“As generative AI reshapes the legal landscape, ALSPs will become the industry's accelerators, using flexible structures and outcome-aligned models to reward innovation and improve efficiency.”

– Bill Carter, Interim CEO, Integreon

Taking a Closer Look at the Most Recent ALSP Transactions

Piper Sandler's Legal & GRC team has advised on each of the 3 most recent ALSP transactions



Core Services



Outsourced
IT



Revenue Cycle
Management



Core Services



Legal Tech
Consulting



IT
Implementation



Vendor
Governance



Core Services



Secondment



Legal
Consulting

Customer Mix

- >90% Law firms with focus on large and mid-market
- <10% other professional services (CPA, etc.)

~\$450M

Customer Mix

- 80% law firms with focus on large law
- 20% corporate legal departments

~\$5B

Customer Mix

- Primarily Fortune 500 corporate legal departments

~\$20B

Key Takeaways

- Positioned as strategic enabler of generative AI solutions for law firms
- ServiceNow partnership model is an accelerant as clients take on more AI solutions

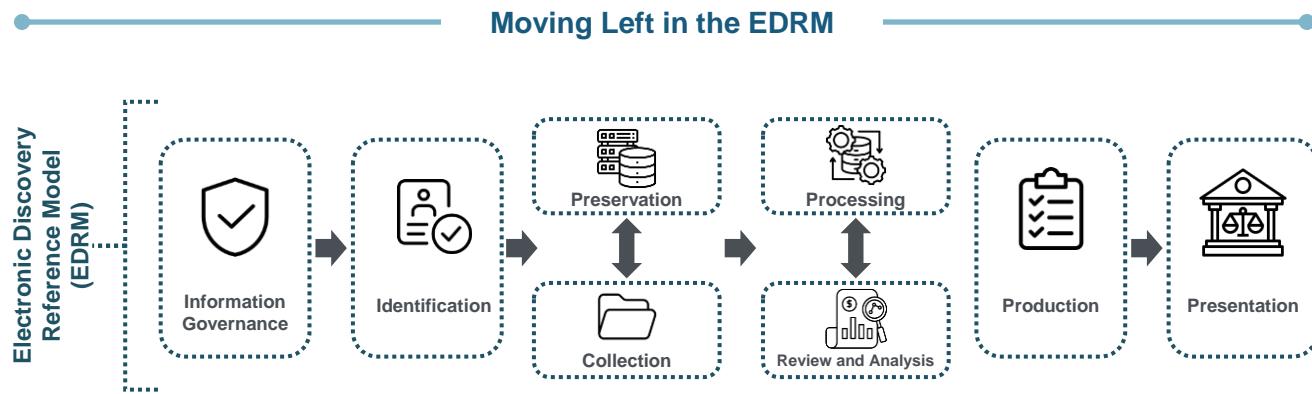
Key Takeaways

- Highly durable, strategic consulting services will see increased demand as technology efficiencies increase
- Significant opportunity to do more in corporate legal departments

Key Takeaways

- Seminal transaction demonstrates criticality of service provider relationships to unlock AI opportunities over near to medium term
- Historically service driven models are increasingly seeing the need to transform their solutions with AI

Evaluating the Impact: eDiscovery



While managed document review has become a “check the box” for scaled matters, ability to more efficiently cull data at the outset, with the use of AI tools or otherwise, is a competitive advantage that service providers are capturing



Commentary and Examples

“AI is cutting eDiscovery review time by up to 75% while reducing costs by 60–80%... Defensible AI systems transform legal workflows with real-time insights and zero hallucinations.” – aiqlabs

“Generative AI and agentic capabilities enable users to ask questions of their data in natural language, delivering powerful insights and outputs that were previously unattainable through traditional search or review methods.” – Tiana Van Dyk, Managing Director, Epiq

“AI tools in eDiscovery can act as a super-smart....It can spot patterns, prioritize key documents, understand context and tone, and even uncover hidden connections between emails and files that humans might miss.” – Bluesource

Expansion into Adjacent Service Lines



Office of
General Counsel

Consilio



Cybersecurity
Services

epiQ



Forensic
Services

ID DRIVEN



Contracts
and Analysis

cimplifi

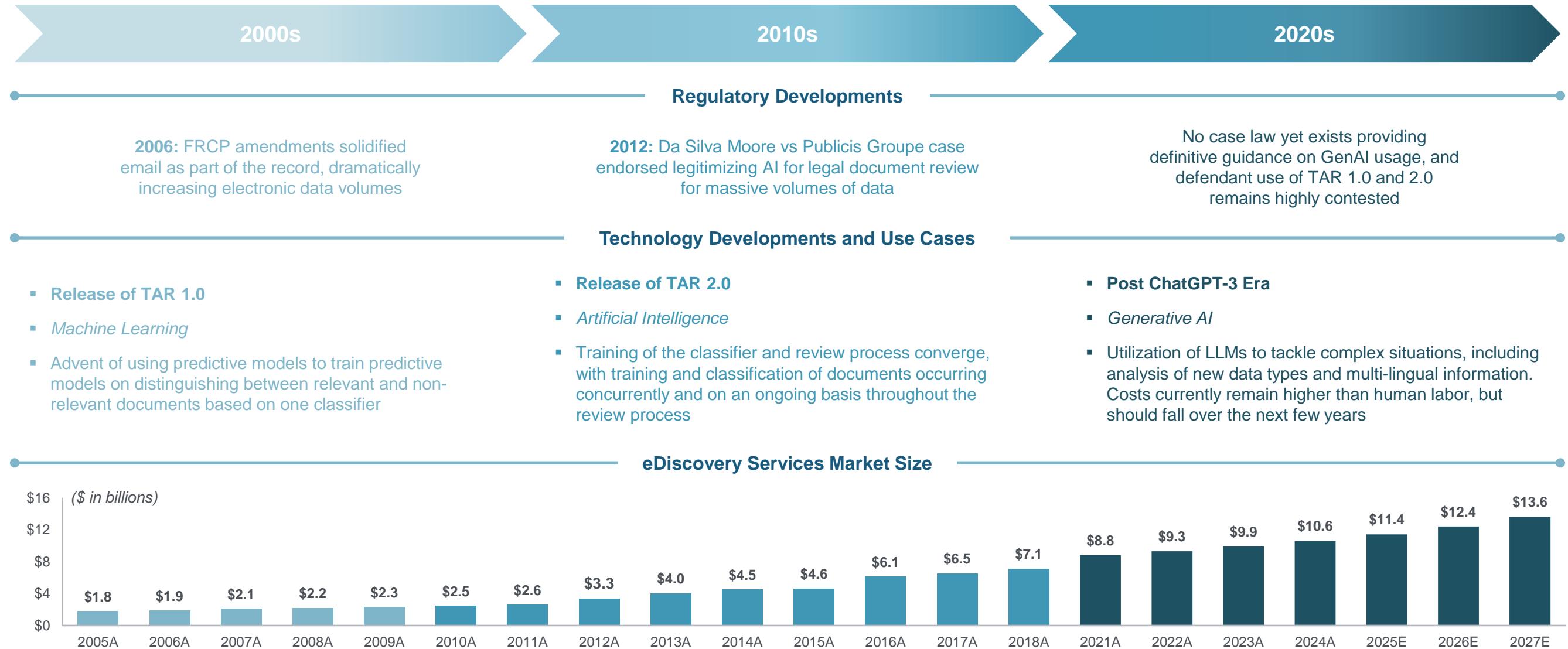
F T CONSULTING

HAYSTACK

LAW & FORENSICS
A Global Legal Engineering Firm

PROSEARCH

A Brief History of AI in eDiscovery



A group of four professionals in a modern office setting, looking at a tablet together.

04

Piper Sandler's Leading Legal Technology Team

Piper Sandler's Leading Legal & GRC Technology Team



Jim Roney
Managing Director
Legal Tech & Software
Chicago, IL
jim.roney@psc.com



Ethan Sullivan
Director, Legal
Govtech & Proptech
Boston, MA
ethan.sullivan@psc.com



Eric Matthews
Managing Director
Enterprise Tech & Software
Charlotte, NC
eric.matthews@psc.com



Keith Schellhorn
Managing Director
Enterprise Tech & Software
Charlotte, NC
keith.schellhorn@psc.com

>\$11B of Aggregate M&A Transaction Value Since 2024

For The Record
a portfolio company of
 BISON CAPITAL
has agreed to be
acquired by
 tyler technologies
Pending

govini
Investment from
 BainCapital
October 2025*

AIA Contract Documents
a portfolio company of
 TRUE WIND
has received a strategic
investment from
 WCAS
July 2025

EUDIA
a portfolio company of
 GENERAL CATHARTIC TRUST
has acquired
 Johnson Hanas
July 2025

A-LIGN
has been acquired by
 xHg
July 2025*

FTV CAPITAL
has acquired
 vprofitolv
June 2025*

BAYPINE
has acquired
 HARBiR
June 2025*

SailPoint
Initial Public
Offering
February 2025

Opexus
a portfolio company of
 GEMSPRING
in connection with its
combination with
 casepoint
and recapitalization by
 THOMABRAVO
January 2025*

SDG
has received a
majority investment from
 RECOGNIZE
December 2024

frontline
sale to
 BROAD SKY PARTNERS
December 2024

ANAQUA
has been acquired by
 NORDIC CAPITAL
November 2024*

Aware
sale to
 mimecast
August 2024*

KIDiscovery
in connection with
its restructuring
August 2024*

Huseby.com
sale to
 ESQUIRE
a portfolio company of
 GRIDIRON CAPITAL
July 2024*

SIXTH STREET
strategic investment in
 Clio
a portfolio company of
 TCV JMI
July 2024*

ONNA
acquired by
 reveal
a portfolio company of
 CARLYLE INSIGHT PARTNERS
May 2024*

EXIGER
has been acquired by
 CARLYLE INSIGHT PARTNERS
February 2024*

exterro
recapitalization by
 LEEDS Equity Partners
February 2024*

MITRATECH
has acquired
 Mineral
December 2023*

IPRO
sale to
 reveal
August 2023*

THOMABRAVO
has acquired
 coupa
December 2022

ESQUIRE
sale to
 GRIDIRON CAPITAL
December 2022

KKR
has acquired
 Barracuda
a portfolio company of
 THOMABRAVO
August 2022*

ACA
has merged with
 FORESIDE
May 2022*

boomi
a subsidiary of
 DELL Technologies
sale to
 TPG FP
October 2021*

intapp
Initial Public
Offering
June 2021

Consilio
has been acquired by
 STONE POINT CAPITAL
April 2021*

SILVER LAKE
has invested in
 Relativity
March 2021*

Confirm
sale to
 Dude Solutions
a portfolio company of
 Relativity
October 2020*

SOVOS
sale to
 xHg
September 2020*

WINDJAMMER CAPITAL
has acquired
 COMPEx
February 2020



pipersandler.com

Piper Sandler Companies (NYSE: PIPR) is a leading investment bank driven to help clients Realize the Power of Partnership®. Securities brokerage and investment banking services are offered in the U.S. through Piper Sandler & Co., member SIPC and NYSE; in the U.K. through Piper Sandler Ltd., authorized and regulated by the U.K. Financial Conduct Authority; in the EU through Aviditi Capital Advisors Europe GmbH, a tied agent of AHP Capital Management GmbH, authorized and regulated by BaFin; in the Abu Dhabi Global Market through Piper Sandler MENA Ltd., authorized and regulated by the ADGM Financial Services Regulatory Authority. Alternative asset management and fixed income advisory services are offered through separately registered advisory affiliates.

©2026. Since 1895. Piper Sandler Companies. 350 North 5th Street, Minneapolis, Minnesota 55401-5711