Fearless. Decisive. Unmatched.

KPMG

AI Value Creation for portfolio companies

Prepared for

Westcap

April 2026

Agenda

Introductions

Sharjil Salim

National Leader, Tech M&A

Jesse Bond

Senior Manager, Tech M&A

01

What is AI and trends

02

Guardrails and Considerations

03

Getting Started with AI

04

Common AI use cases & Copilot

KPMG
Entreprises privées

What is GenAI and what are recent trends?

What is GenAI?

Generative AI creates new content and insights from patterns learned in large datasets.

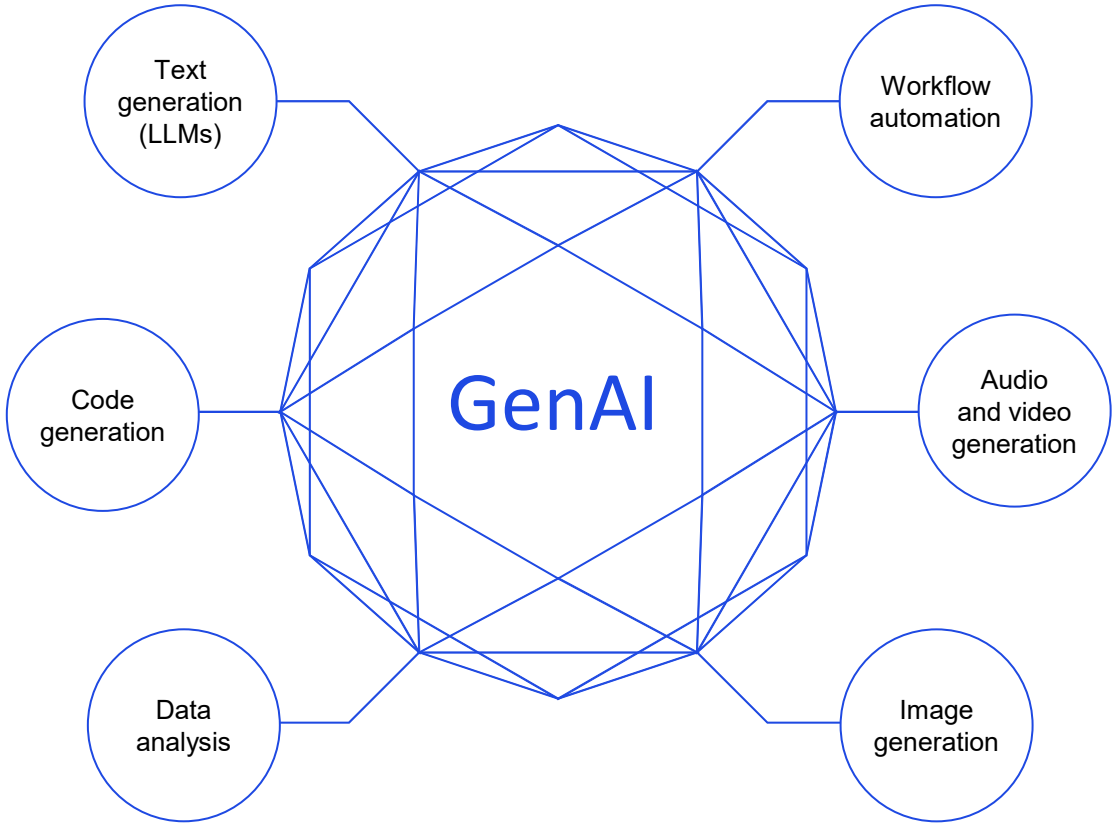
Artificial intelligence is the broader field of systems that can perceive, predict, reason, and support decisions.

Machine learning is a core branch of AI that learns from data. It includes predictive models, natural language processing, and computer vision.

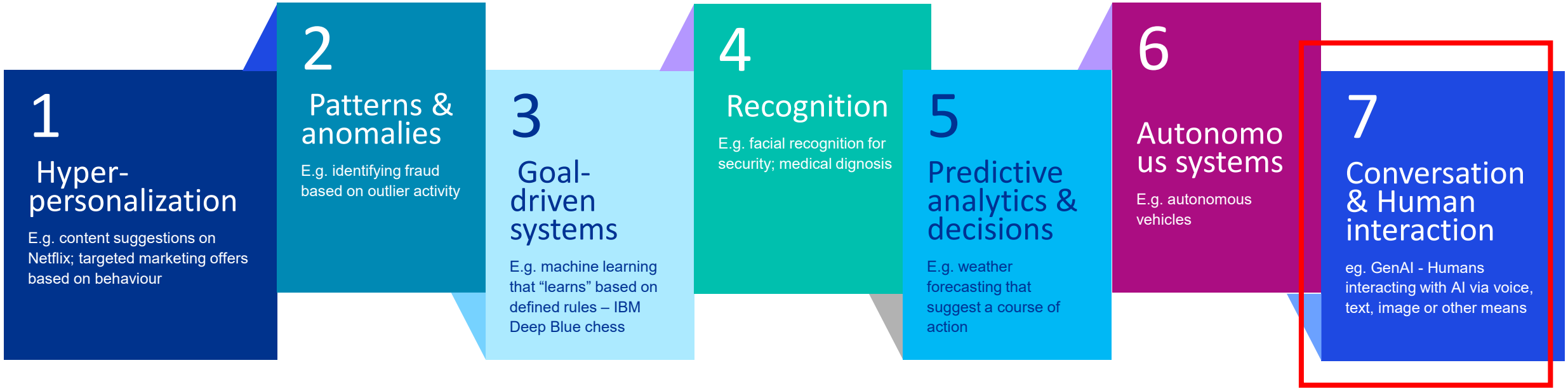
Generative AI is a subset of AI that creates and transforms text, code, images, audio, video, and structured outputs.

Agentic AI extends GenAI with planning, memory, tool use, and task execution across workflows.

These systems require **human oversight** because outputs may still be inaccurate, biased, incomplete, or non-compliant.



Remember: AI is not new.



Why now? The data problem

Creation of "new data "

2,500,000,000,000,000,000,000,000,000,000

2.5 quintillion

BYTES PER DAY

Model capabilities are improving 5-10x *per year*.

That rate of improvement implies that by November 19th, 2029…

5x improvement = 3,125 times more capable

10x improvement = 100,000 times more capable

Early adopters are positioned to realize AI value

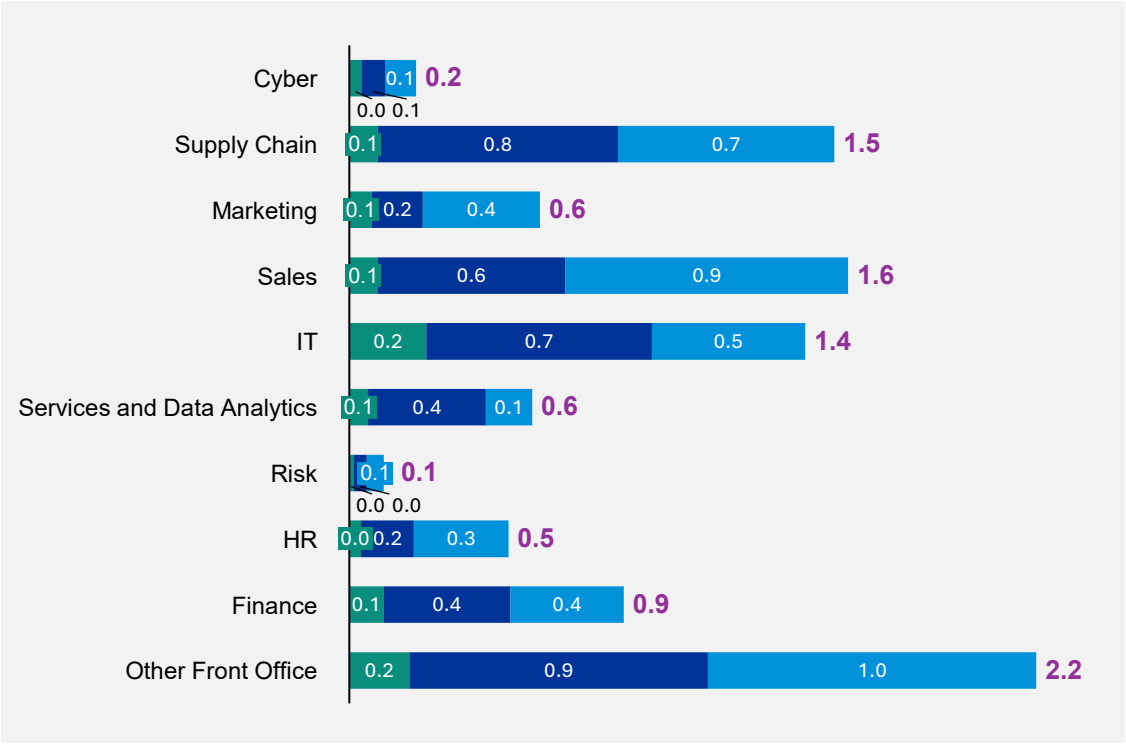
What we are seeing	Most organizations are piloting AI agents – up from 37% to **65%** KPMG	Only **12%** of firms have deployed AI agents in their business today KPMG	Only **31%** are reporting returns on AI investments made to date KPMG	**81%** of mid-market executives say they want to see GenAI in core processes soon KPMG	Boards are moving from "productivity stories" to "hard **revenue / EBITDA** contributions". KPMG
What it means for you	**Firms are starting to pilot more AI tools within portfolio companies…**	**…but they are largely still stuck in the exploration stage…**	**…and most companies have not yet used AI to drive real value.**	**We believe this will rapidly change in the next 12 to 24 months…**	**… with the focus shifting to measurable EBITDA improvements.**

A value premium are attached for portcos that "have AI figured out" and are generating hard EBITDA value

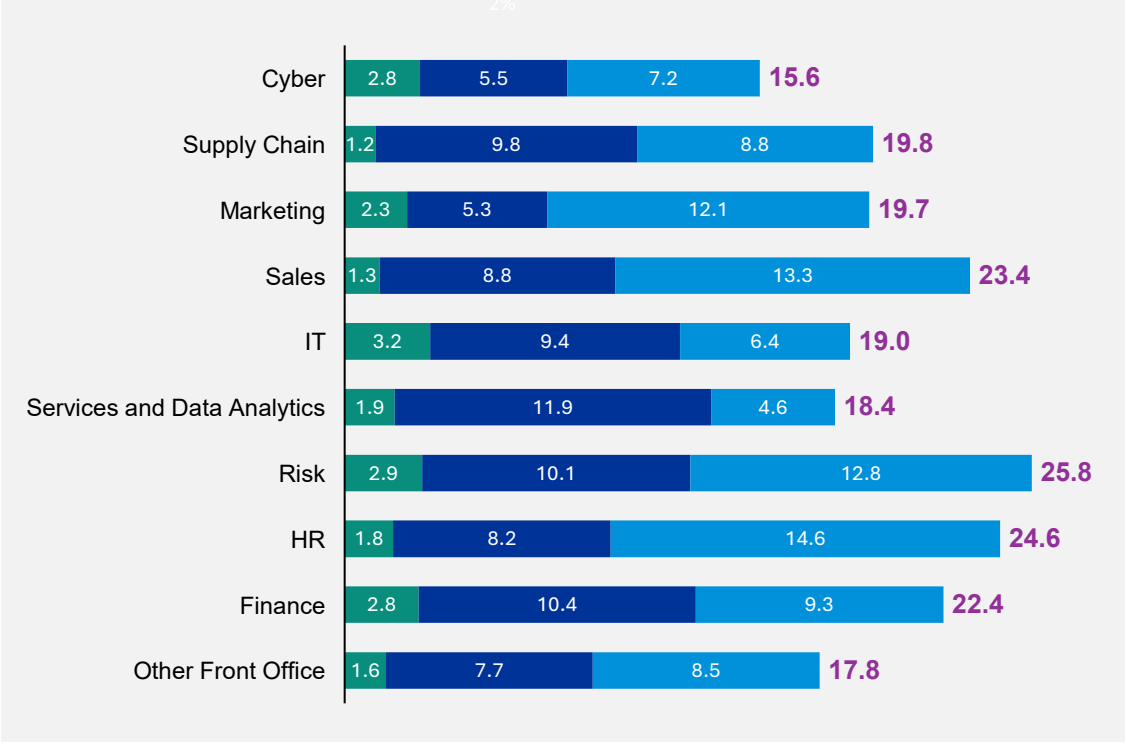
Based on our analysis, the GenAI opportunity equates to 4-18% of EBITDA and 19-23% of salary cost annually

Estimated impact of GenAI across functions

GenAI Opportunity as % of EBITDA



GenAI Opportunity as % of salary cost



Low Complexity | Medium Complexity | High Complexity

Source: 7,074 public companies segmented by NAICS industry codes
*Includes Professional, Scientific, Technical, and Other Services (except Public Administration)

Guardrails and Considerations

AI Risk Considerations

What employees should and should no do with internal and public AI tools

Simple rule: Copilot is for internal work within permissions. Public AI should be treated like a public website. **Human review is mandatory.**

Internal AI

Copilot in M365 and approved enterprise tools

CAN DO

- Summarize internal documents, emails, and meetings you already have access to
- Draft emails, slides, notes, and action lists from approved internal content
- Support analysis within existing permissions

DO NOT

- Assume output is correct without review
- Use results to bypass access controls or infer restricted information
- Treat output as final advice, approved content, or policy

Primary risk: Credible-sounding errors or misleading summaries

External AI

Public AI tools such as ChatGPT or other internet-based services

CAN DO

- Ask general questions and get explanations on non-confidential topics
- Draft generic content, rewrite public text, and brainstorm ideas
- Use only information that is already safe to disclose externally

DO NOT

- Input sensitive data, deal terms, financials, contracts, or internal strategy
- Paste personal data, internal documents, or regulated information
- Share passwords, access tokens, or confidential business context

Primary risk: Loss of control over sensitive data once entered

AI Risk Considerations

Internal risks and considerations

Intellectual property

- Exposing IP
- Misuse of proprietary info
- Unintended leaks

Talent implications

- Talent masking
- Imposter syndrome

Inaccuracies

- False responses
- Shallow trained models
- Lack of model cards

Data quality

- Ground truth management
- Accuracy of output
- Data irrelevance
- Data sparsity
- Data drift
- Data loss
- Data toxicity
- Transfer learning errors
- Data governance
- Measuring inception scores

Sustainability

- Computational costs
- Energy intensiveness
- Carbon reporting impacts

External risks and considerations

Misinformation and discrimination

- Harmful outputs
- Loss of control
- Hallucinations
- Bias in output
- FID scores

Infringement

- Copyright claims
- Privacy infringement
- Liability infringement

Brand reputation

- Lack of creativity
- Job displacement
- Output transparency

Cyber and adversarial threats

- Phishing scams
- Loss of control
- Deliberate manipulations
- Prompt injection

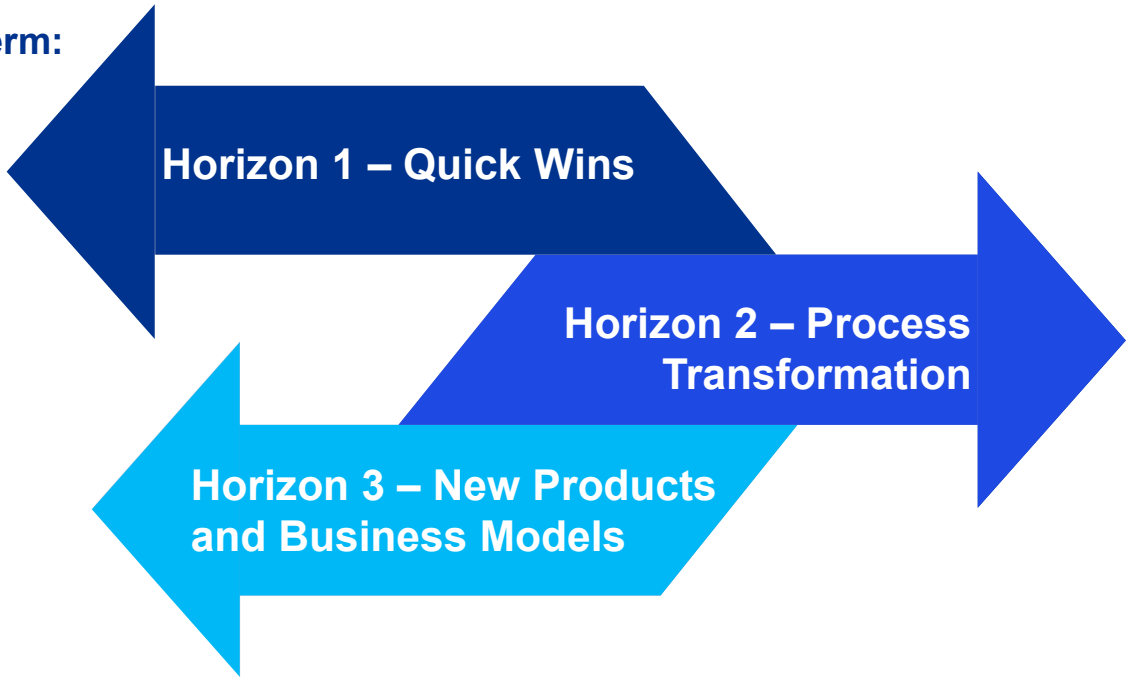
Getting started with AI

How can you get started with AI?

Balance the Bets

Efficiency in the short term:

- Digital Assistants
- Search
- Summarization
- Call Deflection



Transform:

- End-to-end workflows through redesign
- Automate internal workflows

Invest in the long term:

- AI-Enabled Offerings
- Data Monetization

Considerations

Growth and Value

- How is AI driving revenue, margin, or competitive advantage?
- Are we falling behind competitors?

Risk & Governance

- Where could AI hurt us (bias, hallucinations, IP leakage, cyber exposure)?
- Who is accountable?

Capital Allocation

- Are we investing enough?
- Are we investing in the right places?

Operating Model

- What does AI do to workforce size and skill mix?
- What does it mean for long term cost structure?

Guide, accelerate and de-risk your journey

Key actions to accelerate progress

Appoint and empower leaders; need single point of contact for each function

Align on approach for prioritization, tech choices, compliance and change management

Prioritize areas of highest impact based on defined evaluation and success criteria

Enable smart experimentation with secure LLMs in your environment

Define the roadmap and value case; aligning initiatives, sequencing and investments with strategic priorities

Get moving with launching pilots, scoring quick wins, learning, and building momentum

Start with areas where there are proven

AI use cases by function

CEO

- D — Synthesize performance, risk, and operating signals into executive briefings
- G — Draft board updates, investor materials, and leadership communications
- D — Accelerate market, competitor, and customer intelligence
- G — Prepare meeting briefs and follow-ups for major stakeholders
- G — Use enterprise knowledge search to answer internal questions quickly

CFO

- G — Draft variance commentary, management reporting, and close memos
- D — Support forecasting, scenario analysis, and cash planning
- G — Automate finance policy Q&A and audit support preparation
- D — Surface spend leakage, contract exceptions, and control gaps
- G — Prepare board finance materials and investor-facing financial narratives

Operations & HR

- G — Provide frontline SOP and policy copilots for day-to-day issue resolution
- P — Improve workforce scheduling, staffing, and capacity planning
- G — Draft job descriptions, interview guides, and onboarding content
- G — Enable employee and manager self-service for HR policy and process questions
- G — Summarize incidents, handoffs, and operational documentation

Sales & Business

- D — Prioritize accounts, leads, and next-best opportunities
- G — Draft outreach, proposals, RFP responses, and meeting follow-ups
- G — Capture call notes, action items, and CRM updates automatically
- D — Surface pricing, renewal, and cross-sell opportunities from pipeline data
- G — Accelerate account, market, and competitor research before meetings

[D] Discriminative - AI classifies, predicts, or scores

[P] Prescriptive - AI recommends an action

[G] Generative - AI creates new content

Common AI use cases & Copilot

Identifying & Prioritizing Value Areas

Value Levers: Drive innovation, productivity, and adoption while enhancing customer experience and workforce upskilling.

- **Accelerate Innovation**
- **Grow Revenue**
- **Differentiated CX**
- **Streamline Operations**
- **Transform Workforce**
- **Improve Compliance**

No-Regret Use Cases

Internal knowledge copilots

AI assistants grounded in internal policies, SOPs, manuals, and prior resolutions that improve response speed, consistency, and employee self-service.

SOP and process documentation generation

AI tools that capture tribal knowledge and convert walkthroughs into structured SOPs, work instructions, and training materials, reducing key-person dependency and improving process consistency.

AI support for scaled service workflows

AI embedded in service environments to support case handling, technical support, and shared services, reducing handling time while improving quality and throughput.

Document workflow automation

AI-enabled intake, extraction, classification, and routing for document-centric processes, reducing manual review effort, shortening cycle times, and improving exception visibility.

Prioritization Framework & Criteria

A framework comprising several evaluation criteria was used to prioritize use cases

1 Business Value and Alignment

Evaluation Category	Description	Key Elements	
Strategic Alignment	Facilitate greater leadership buy-in with initiatives that are closely aligned with business goals and objectives	• Strategic fit • Potential for differentiation	• Leadership Buy-in • Long-term impact
Value to Business	Potential to improve outcomes (e.g., efficiency, quality, customer / employee experience) in the applicable process, role, etc.	• Capacity liberation • Employee & customer experience	• Cost reduction / revenue generation • Cross-functional applicability
Risk Management	Potential to enhance the identification, management, and mitigation of risks within the relevant function or process	• Enhanced accuracy • Improved compliance & standards	• Enhanced risk monitoring

2 Ease of Implementation & Adoption

Evaluation Category	Description	Key Elements	
Implementation Complexity & Timeline	Level of complexity and timeline associated with implementation of the use case	• Technical / integration complexity • Data and privacy implications	• Dependency on other teams • Resource availability
Adoption	Level of change required to existing roles / processes to achieve desired outcomes	• Integration with existing workflow • Training & onboarding	• User interface intuitiveness • Change management effort
Cost	Investment needed to facilitate the development and operationalization of the use case	• One-time costs (e.g., development) • Operating costs (e.g., licensing)	• Upskilling/hiring cost • Continued innovation

KPMG AI Academy & Skills Development Centre

A fully managed AI learning and enablement solution delivering current, high-quality AI training for employees and executives through scalable, customizable, and continuously updated content.

Copilot Academy

A scalable, subscription-based Copilot learning ecosystem enabling enterprise-wide AI adoption.

Builds user confidence and capability through a focus on **productivity scenarios, and role-based application of AI tools**, helping employees integrate AI into everyday work in a secure and appropriate way.

Delivered through self-paced learning content, refreshed regularly to reflect evolving tools and use cases.

Register for the Skills Development Centre to access our AI training, full Copilot use case training library, and more.

kpmg.com/ca