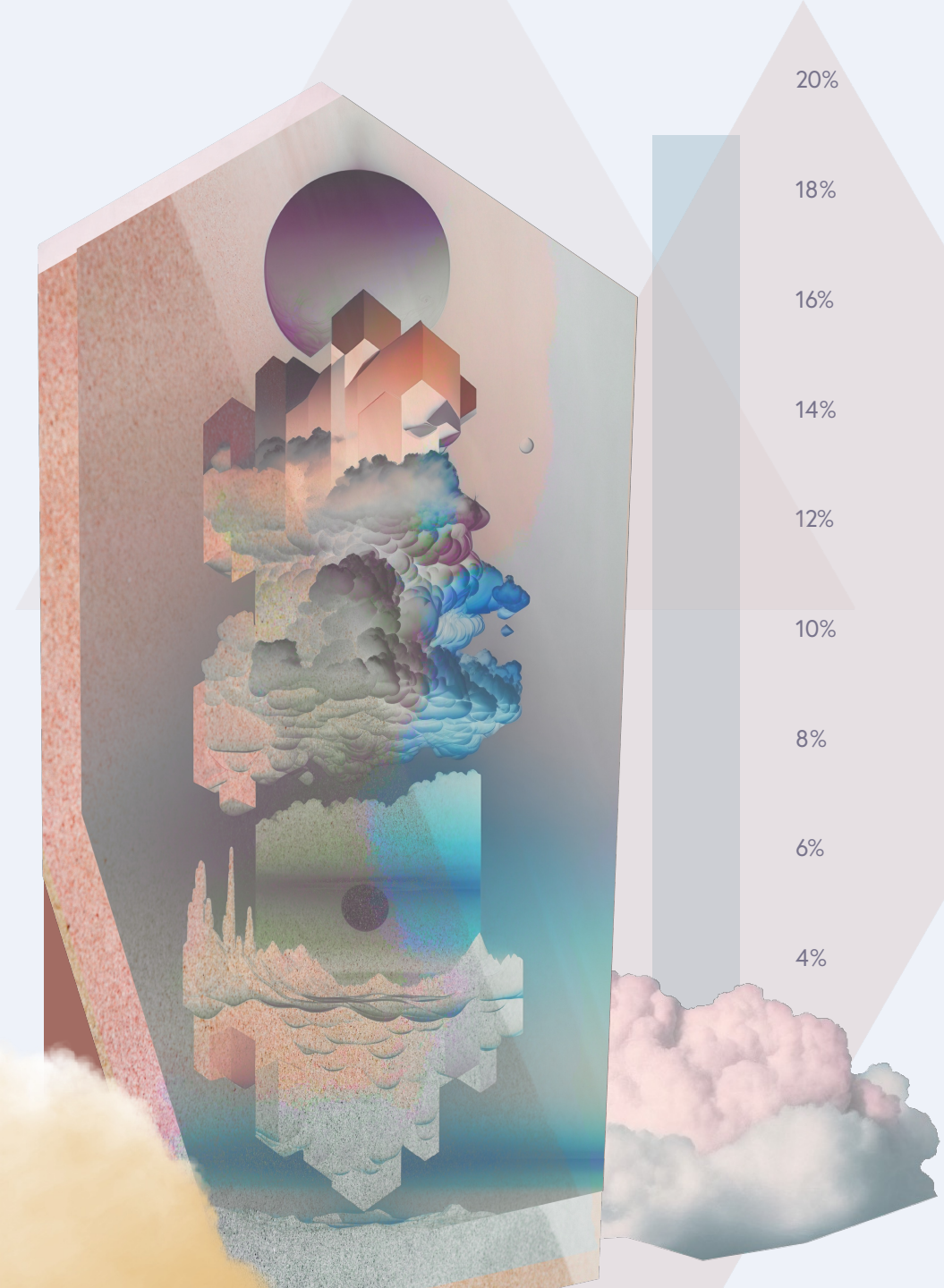
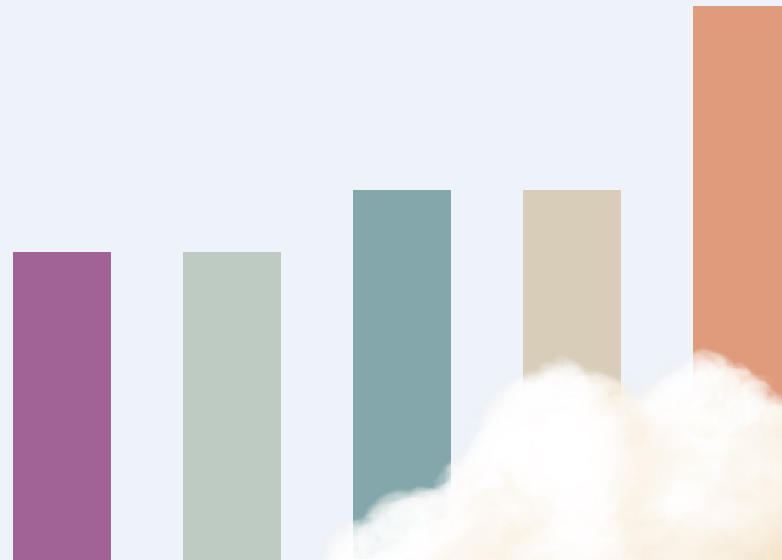


405 COMPANIES, 35 CHARTS

Visualizing the private cloud market in 2023



In our largest survey yet, encompassing 405 companies, we uncover and analyze the latest geographic, leadership, and financial trends in the global cloud industry.

- 1 – On the category
- 2 – On the geography
- 3 – On the size
- 4 – On the leadership
- 5 – On the financials
- 6 – On the market



We surveyed 405 cloud companies as a status check for the private cloud computing industry



**“Our 2023 Cloud 100
applicants have never been
stronger—proof that AI is
the next horizon of cloud.”**

BYRON DEETER
PARTNER, BESSEMER



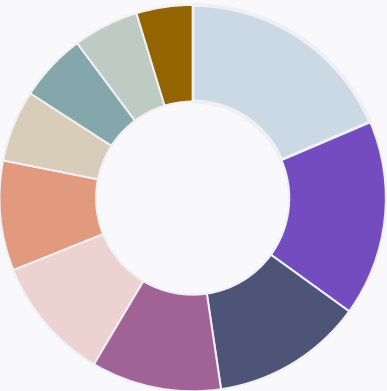
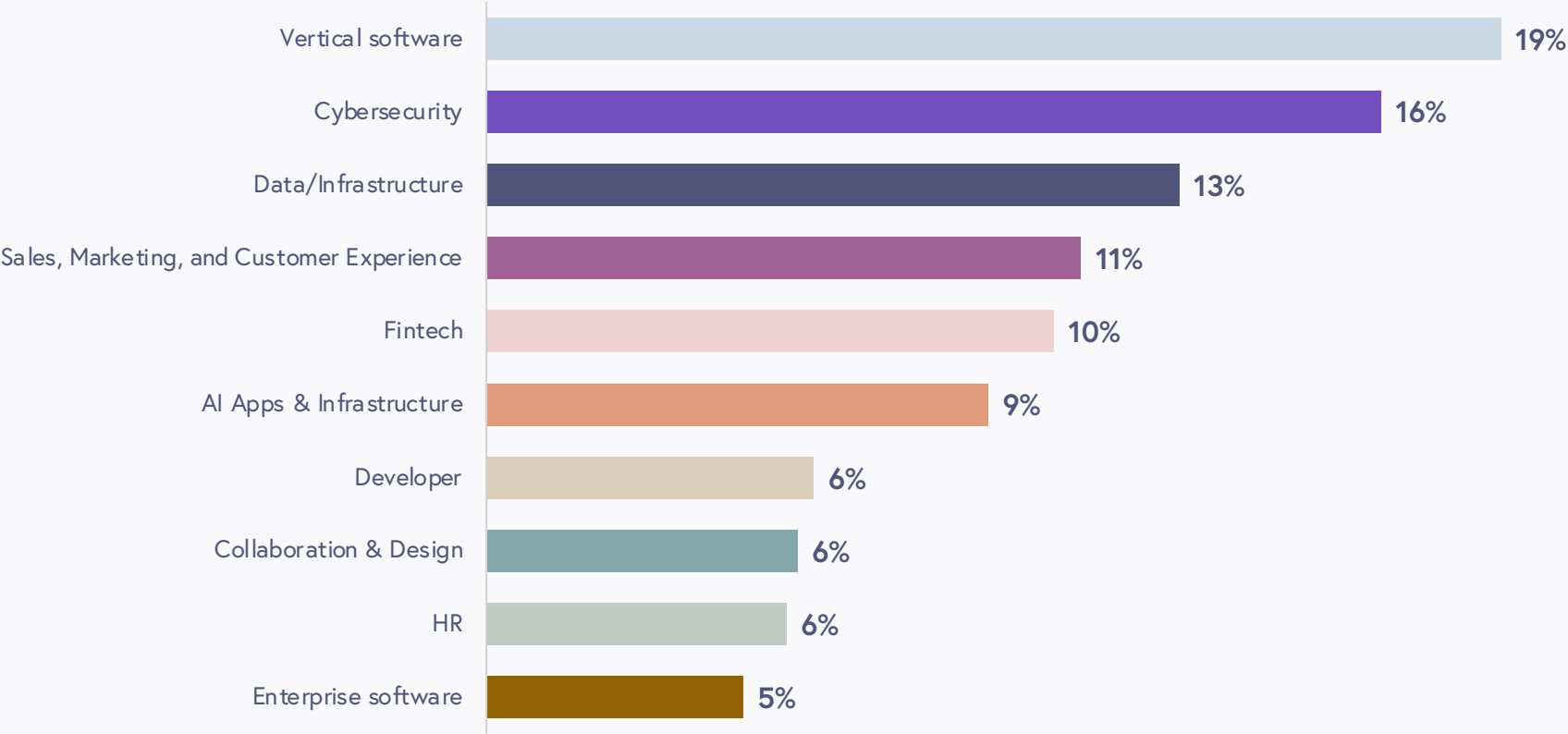
On the category



Vertical Software is a top ranking cloud category with Cybersecurity on its heels



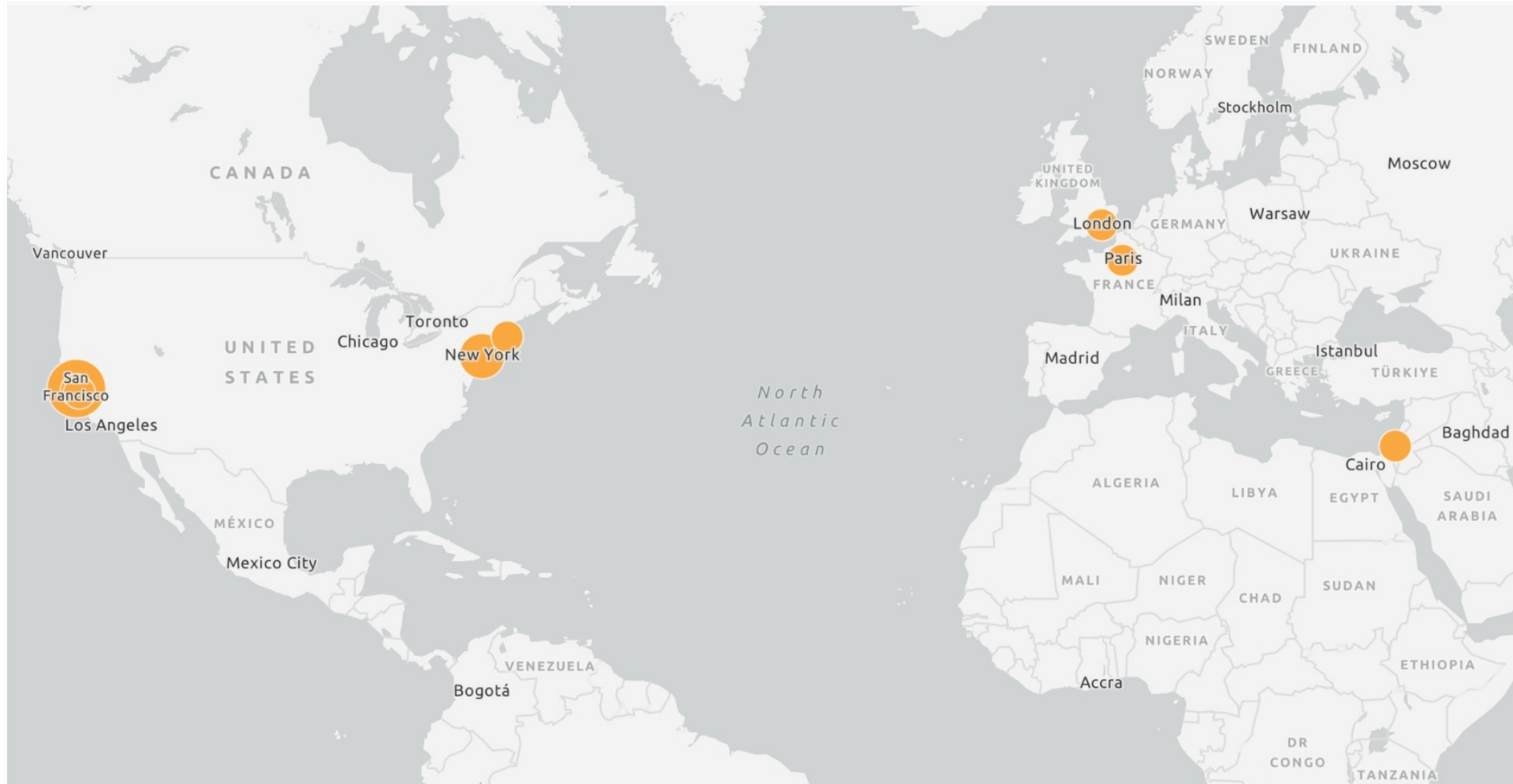
CATEGORIES REPRESENTED



On the geography

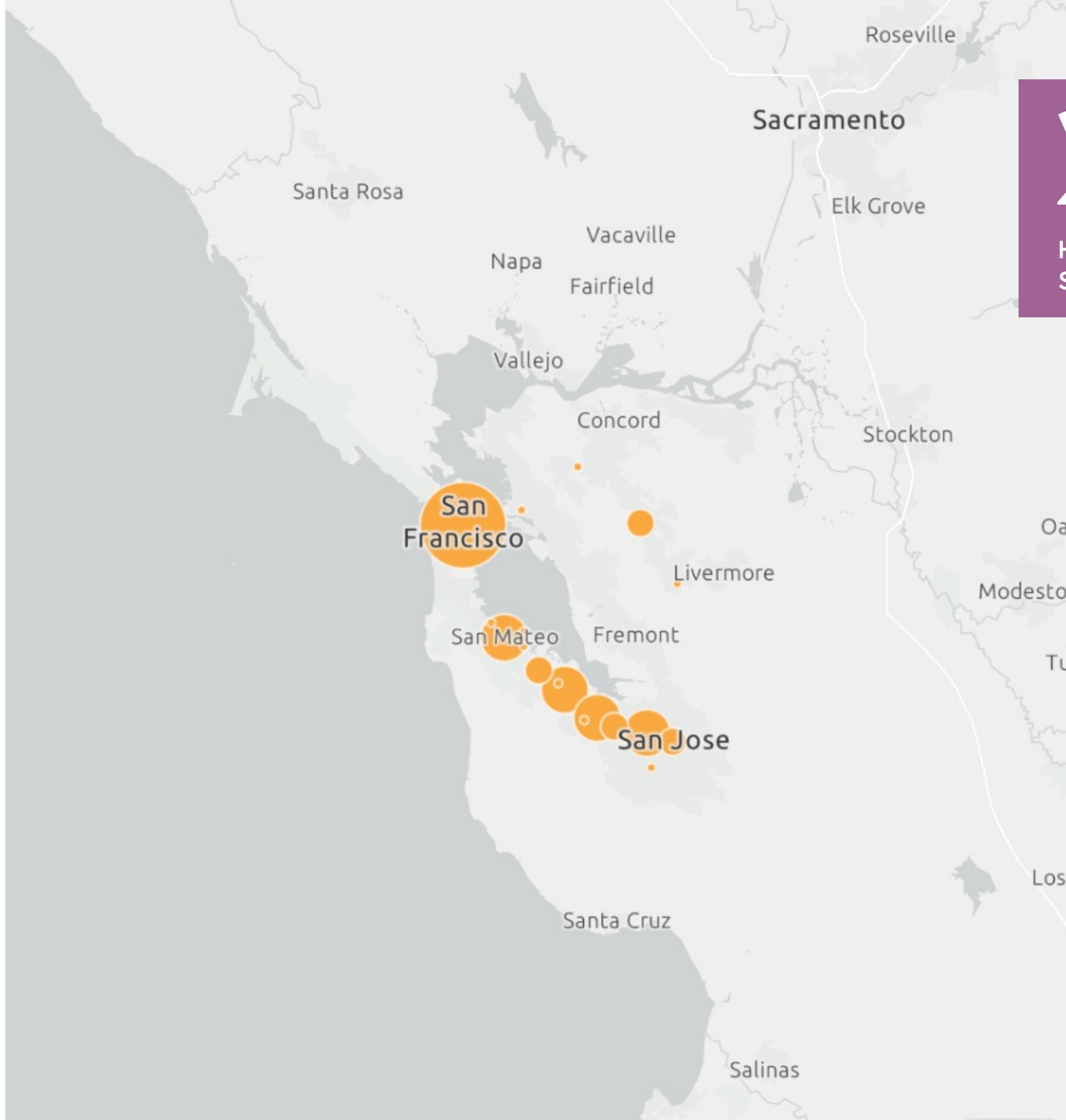


While innovation is global, San Francisco still has a strong gravitational pull for the cloud industry



TOP 10 GLOBAL CITIES REPRESENTED

1. San Francisco, California - 84
2. New York, New York - 44
3. Tel Aviv, Israel - 18
4. Boston, MA - 13
5. London, UK - 12
6. Palo Alto, California - 10
7. Paris, France - 8
8. Mountain View, California - 8
9. Santa Clara, California - 8
10. San Mateo, California - 8



21%

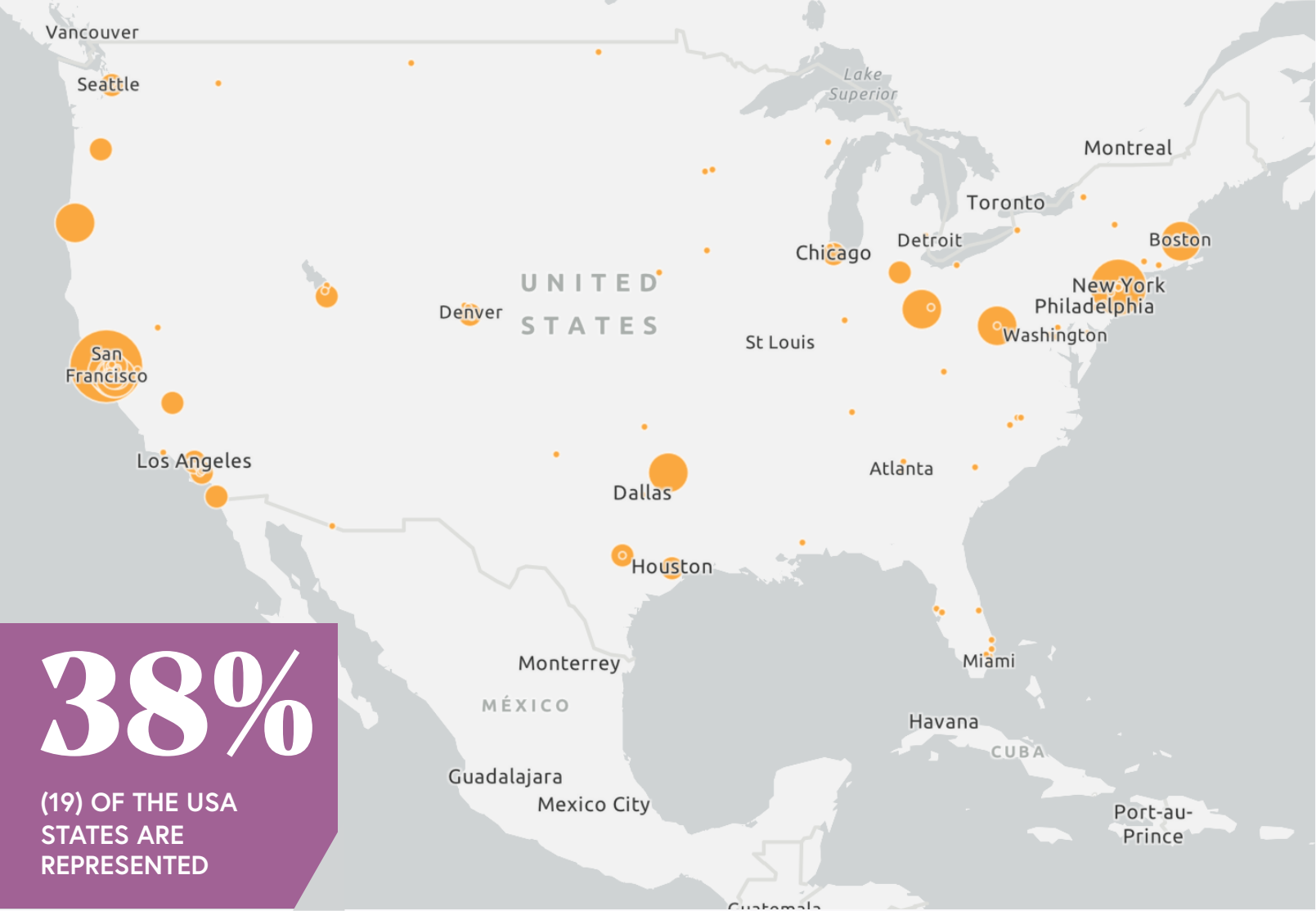
HEADQUARTERED IN
SAN FRANCISCO

The Bay Area is the cloud industry epicenter

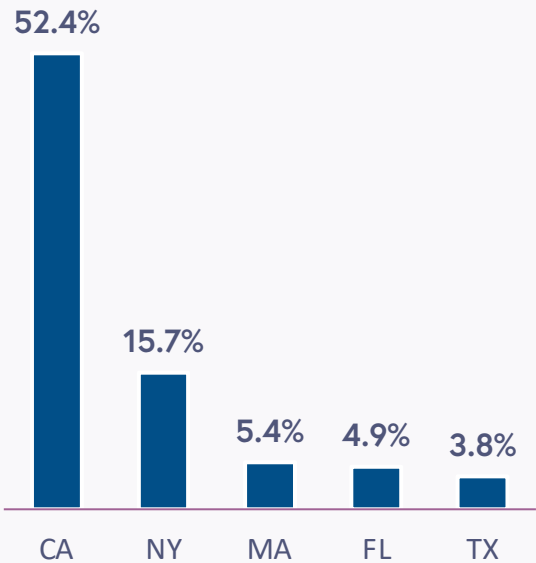
SILICON VALLEY CITIES REPRESENTED

1. San Francisco, California - 84
2. Palo Alto, California - 10
3. Mountain View, California - 8
4. Santa Clara, California - 8
5. San Mateo, California - 8

52% of cloud companies reside in California

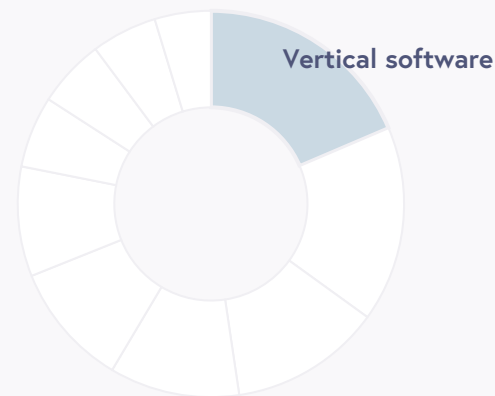


TOP 5 USA STATES REPRESENTED



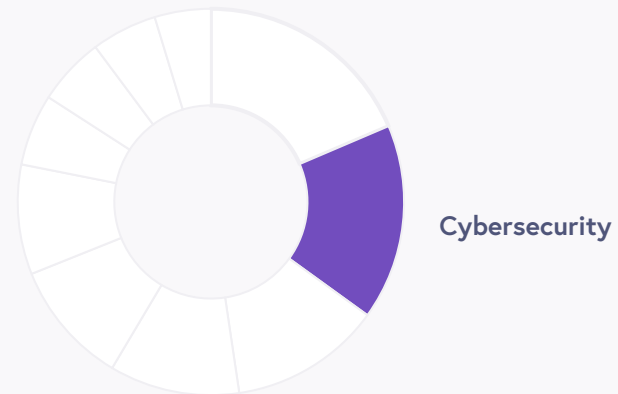
FILTERED BY CATEGORY

**Among surveyed
Vertical Software
companies, we see broad
geographic representation
across the United States,
Western and Central
Europe, and India.**



FILTERED BY CATEGORY

Of those surveyed, there's
a strong contingency of
Cybersecurity cloud
companies hailing from
the West Coast of the
United States.

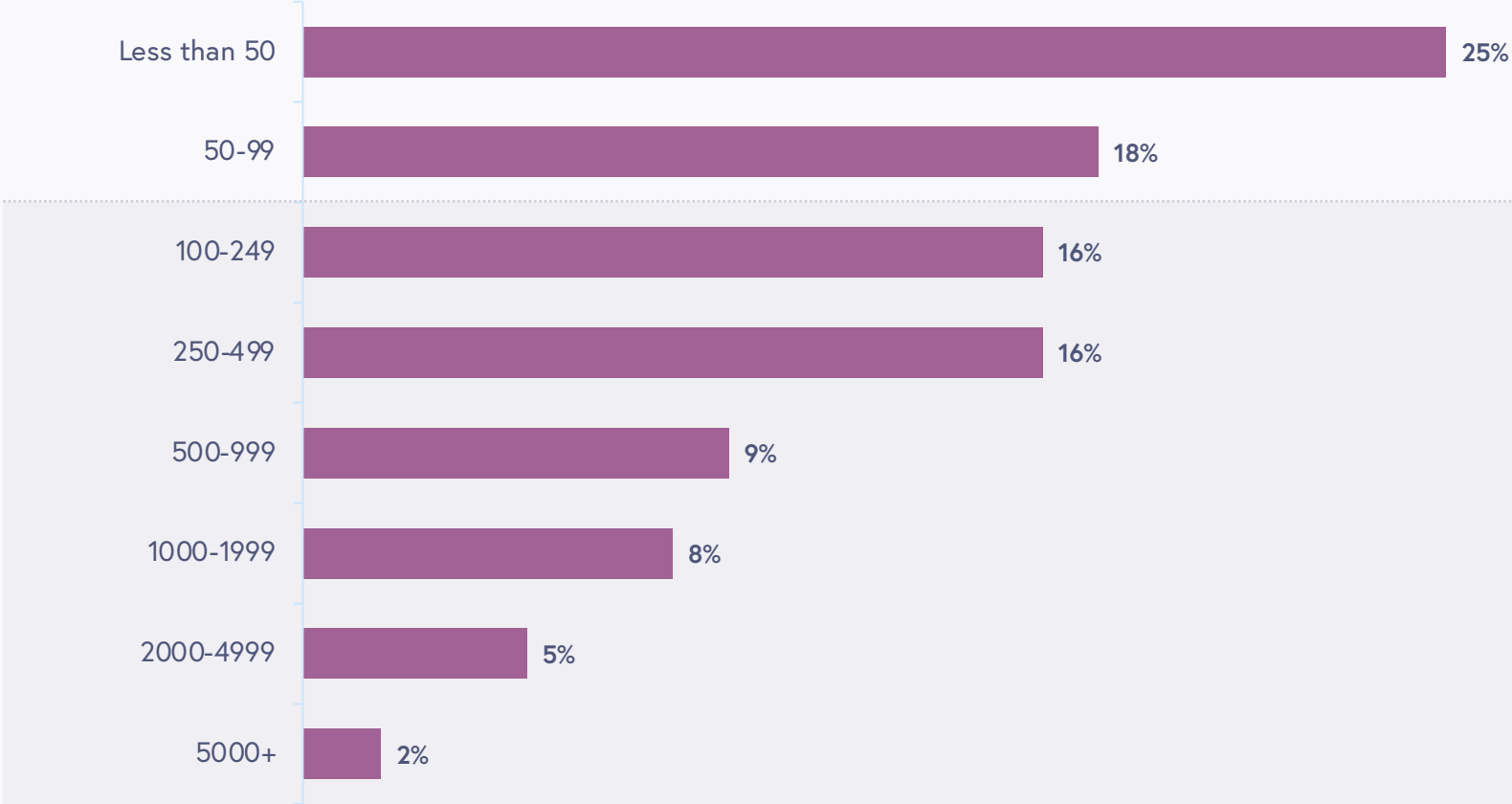


On the size



The typical (median) cloud company has 478 full-time employees (FTEs), whereas the average cloud company has 230.

NUMBER OF FULL-TIME EMPLOYEES



~57%
MORE THAN 100 FTEs

On the leadership



AI is already reshaping the majority of SaaS products and features

CURRENT STATUS

Do you currently have any AI-driven features in your product?

Yes

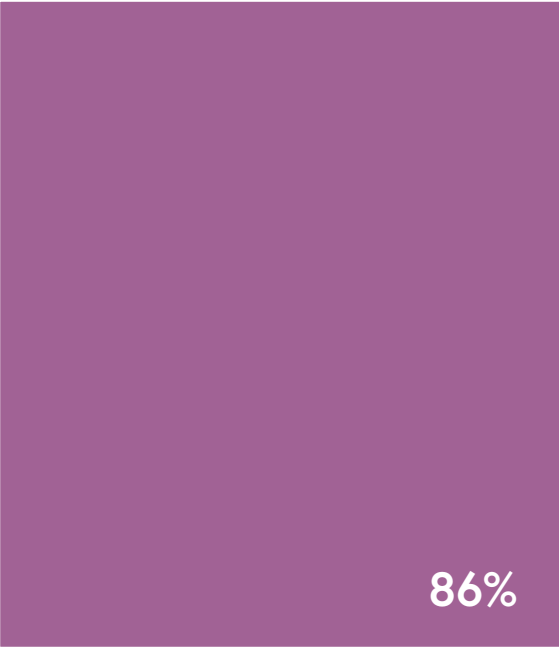


No

18%

ROADMAP – 6MO

Do you plan on launching any new AI products in the next 6 months?



86%

14%

86%

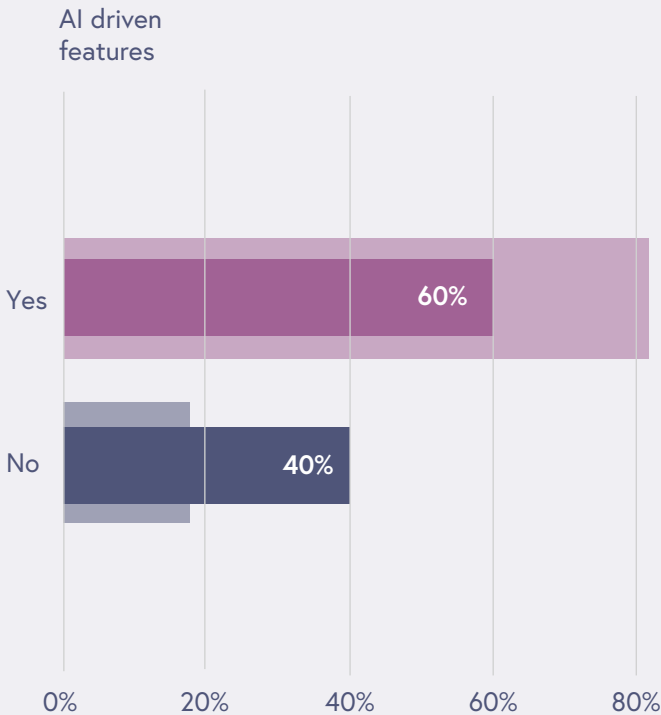
OF CLOUD COMPANIES WILL HAVE AN AI FEATURE BY THE END OF THE YEAR



FILTERED BY CATEGORY

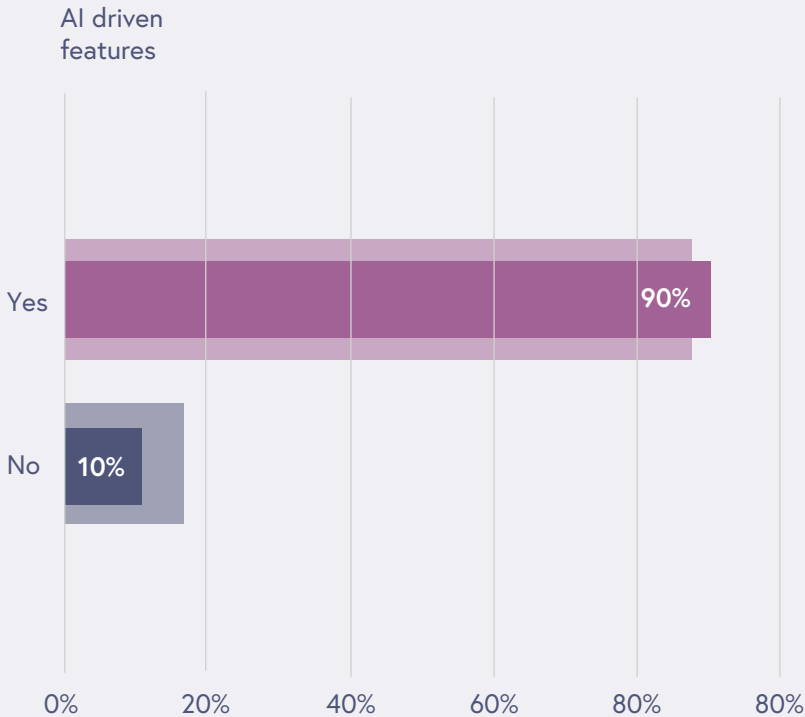
CURRENT STATUS

Do you currently have any AI-driven features in your product?



ROADMAP – 6MO

Do you plan on launching any new AI products in the next 6 months?



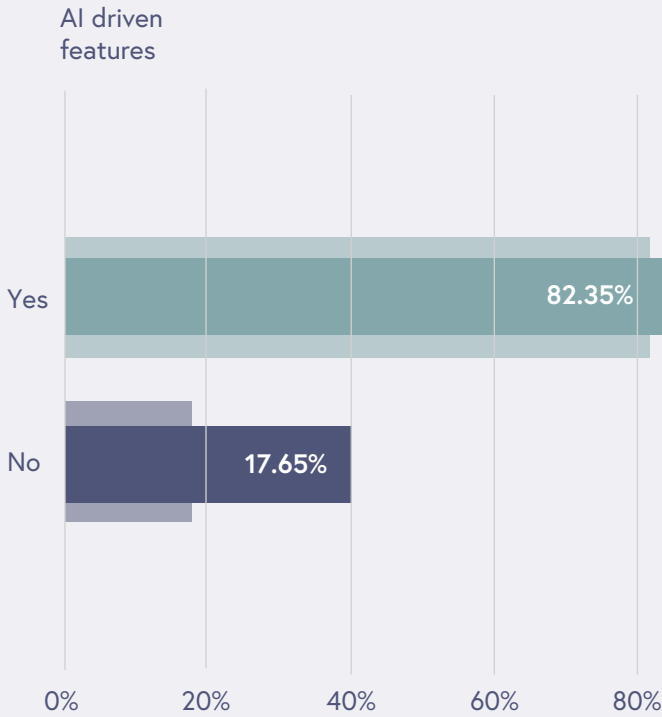
In the **Developer** category, we see a significant shift in AI development





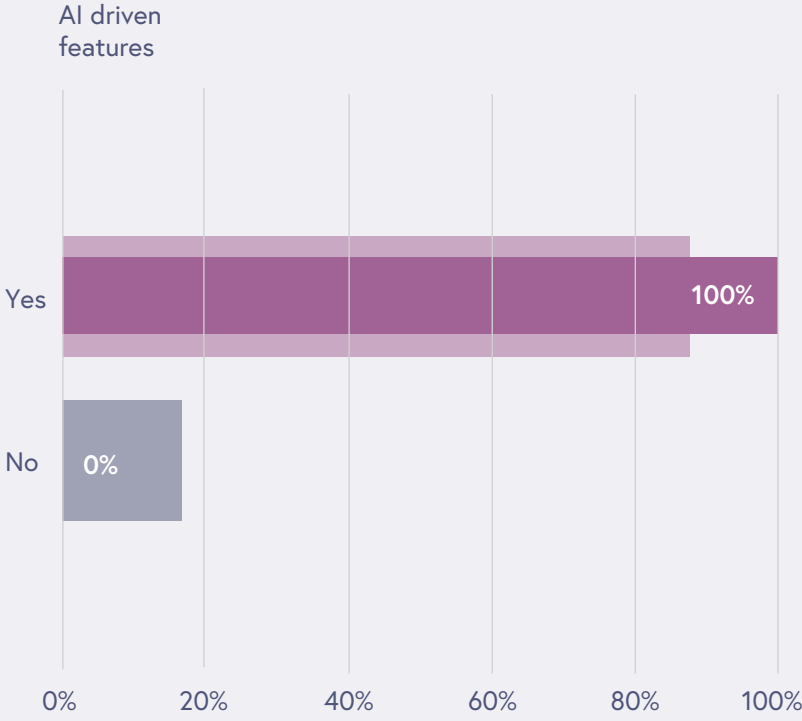
CURRENT STATUS

Do you currently have any AI-driven features in your product?



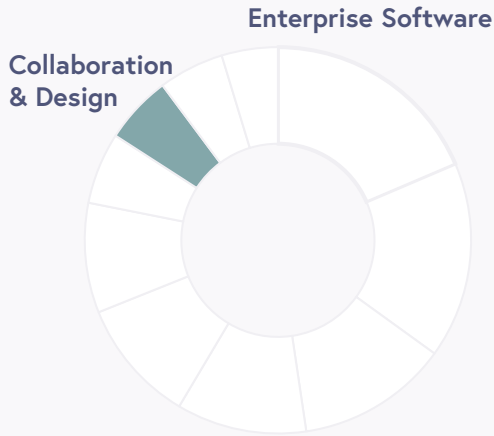
ROADMAP – 6MO

Do you plan on launching any new AI products in the next 6 months?



FILTERED BY CATEGORY

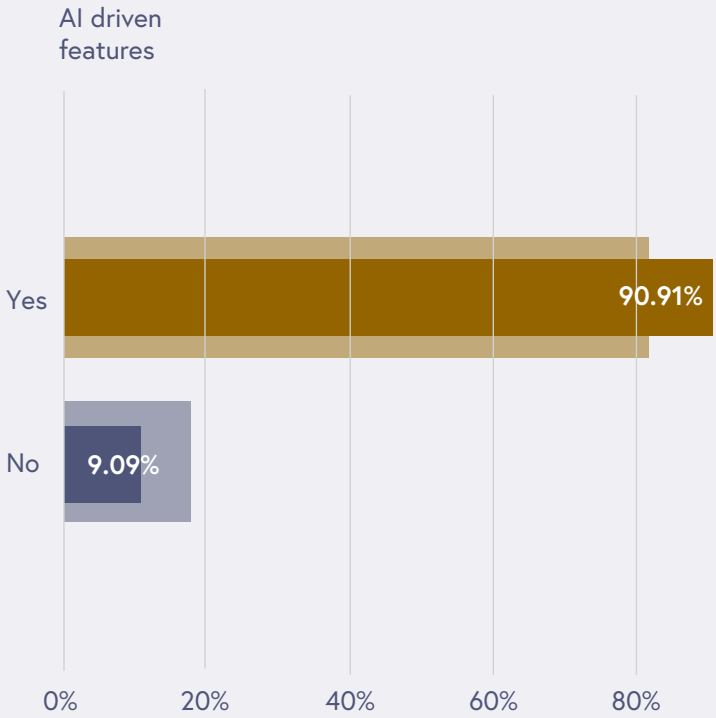
Two other categories are characterized by AI innovation: Collaboration & Design and ...





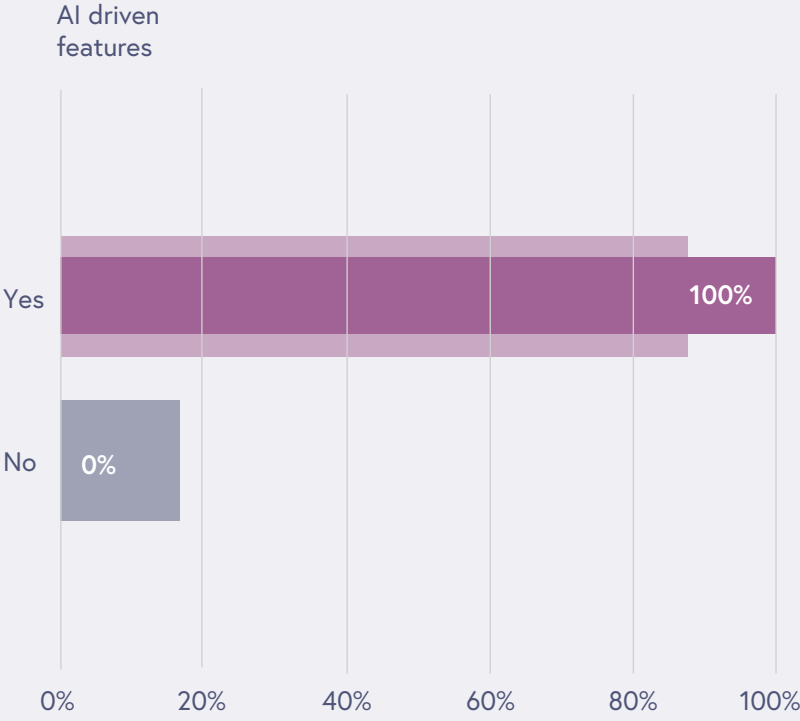
CURRENT STATUS

Do you currently have any AI-driven features in your product?



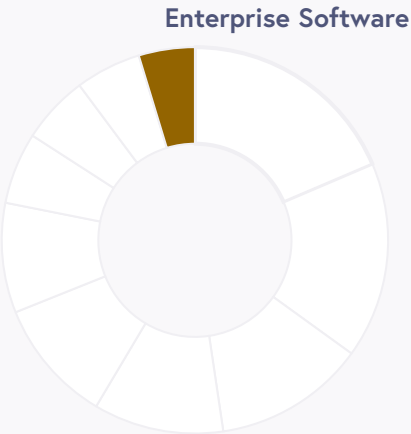
ROADMAP – 6MO

Do you plan on launching any new AI products in the next 6 months?



FILTERED BY CATEGORY

Two other categories are characterized by AI innovation: Collaboration & Design and Enterprise Software.



Breakdown of companies with a founder CEO vs. non-founder CEO

Is the company's CEO also the founder of the company?

Yes

348

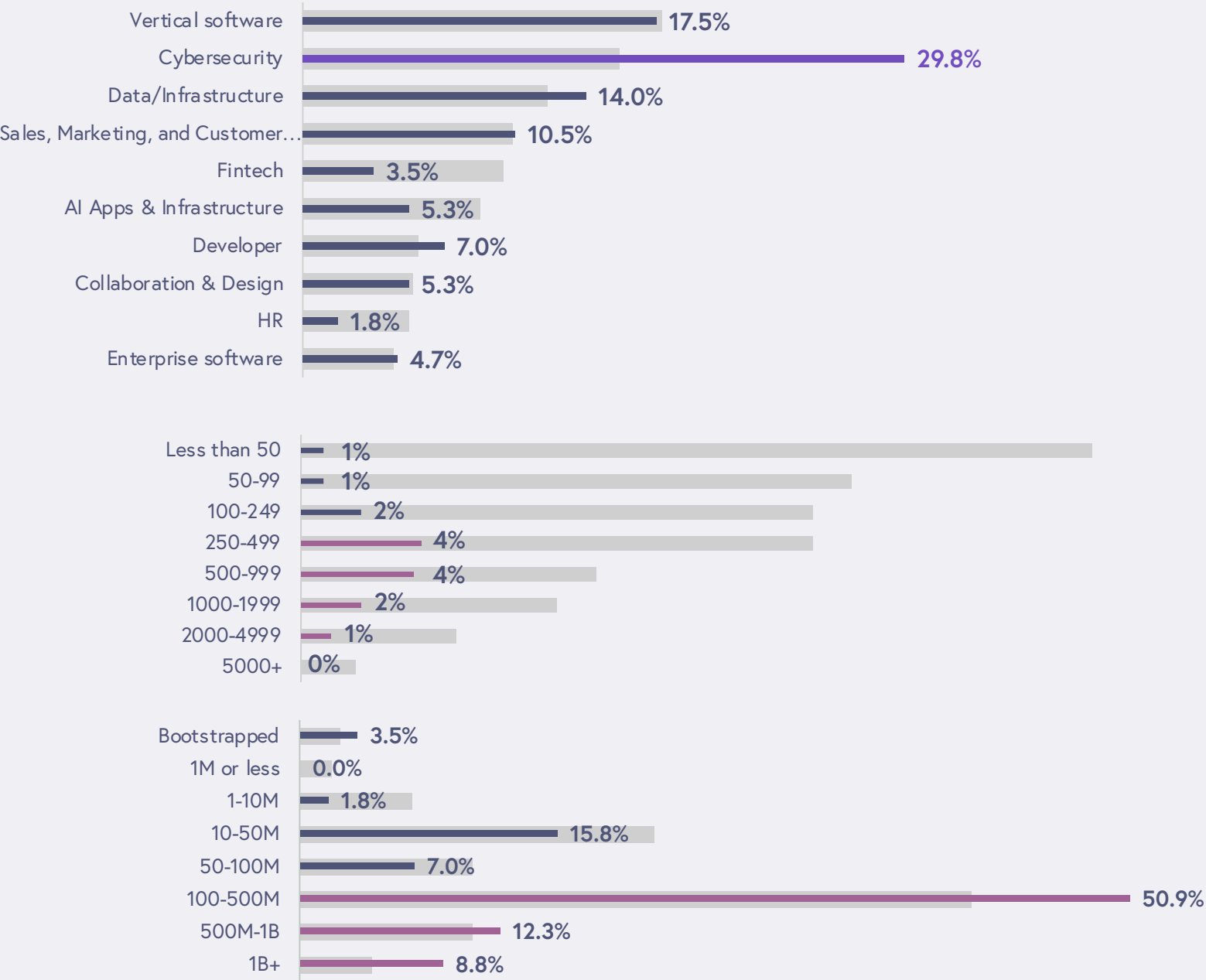
No

57



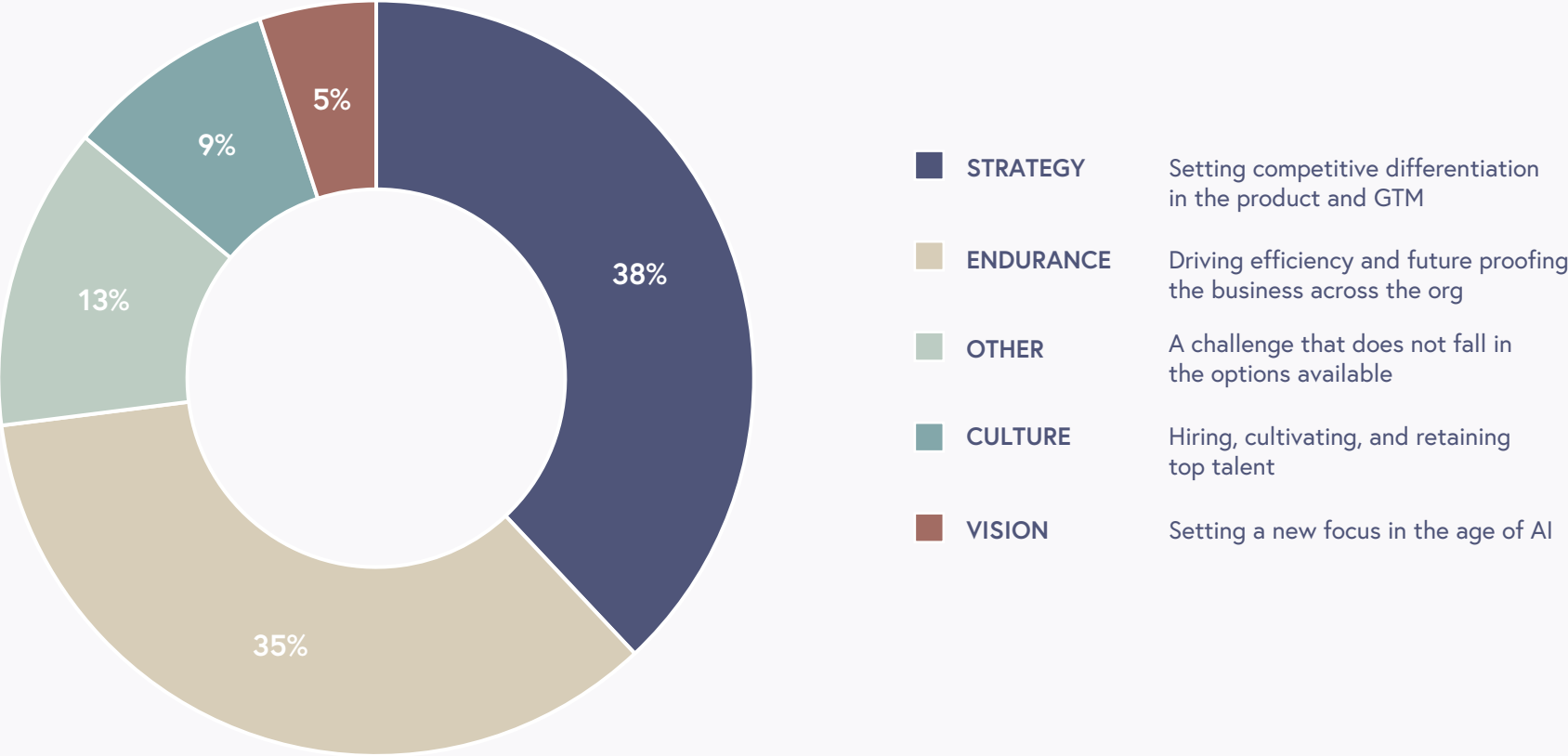
CLOUD COMPANIES WITH THE FOLLOWING FACTORS ARE MORE LIKELY TO HAVE NON-FOUNDER CEOS:

- 1. are in Cybersecurity
- 2. have 250+ employees
- 3. have \$100+ million funding



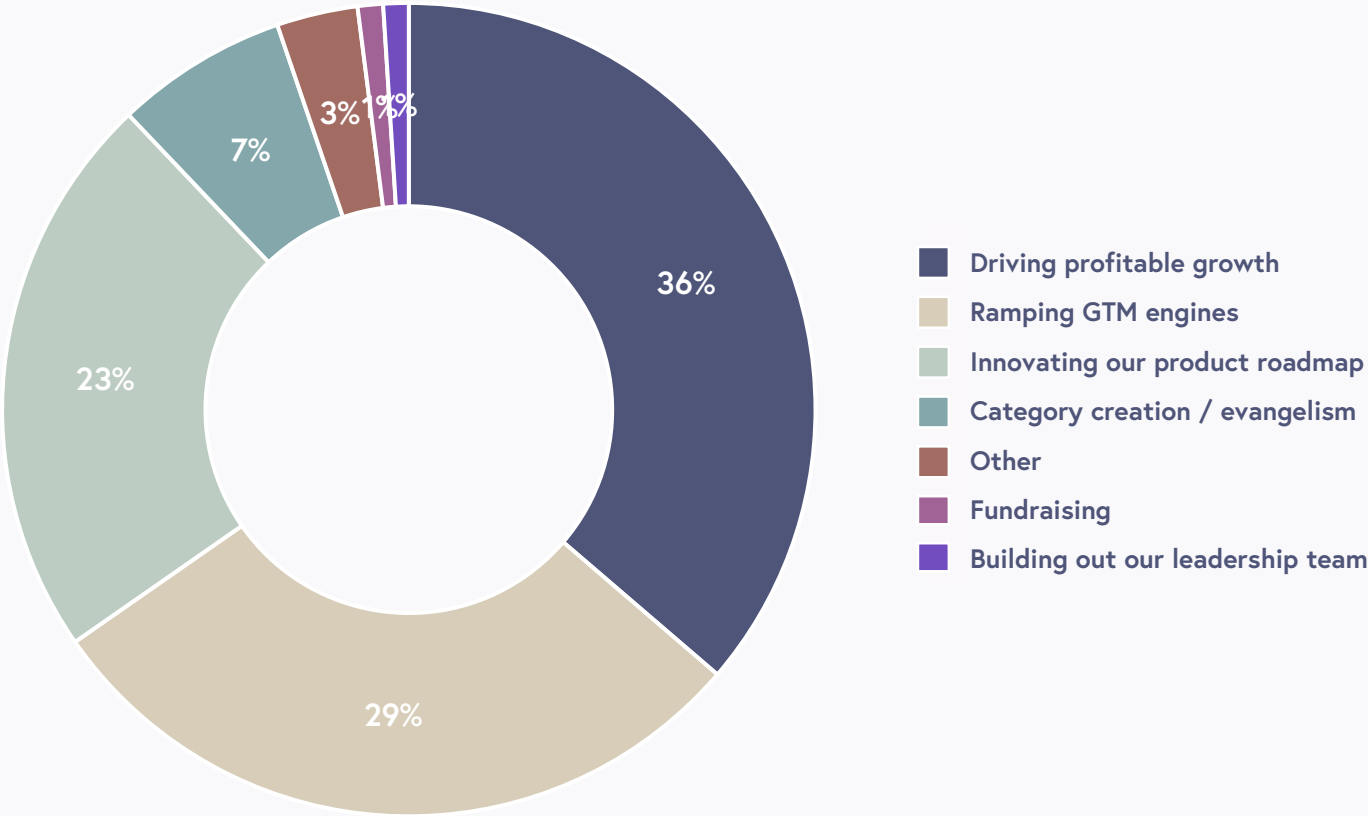
Setting competitive differentiation in the product and go-to-market strategy is the top ranking challenge among cloud companies

From the options, what is the biggest challenge your company faces today?



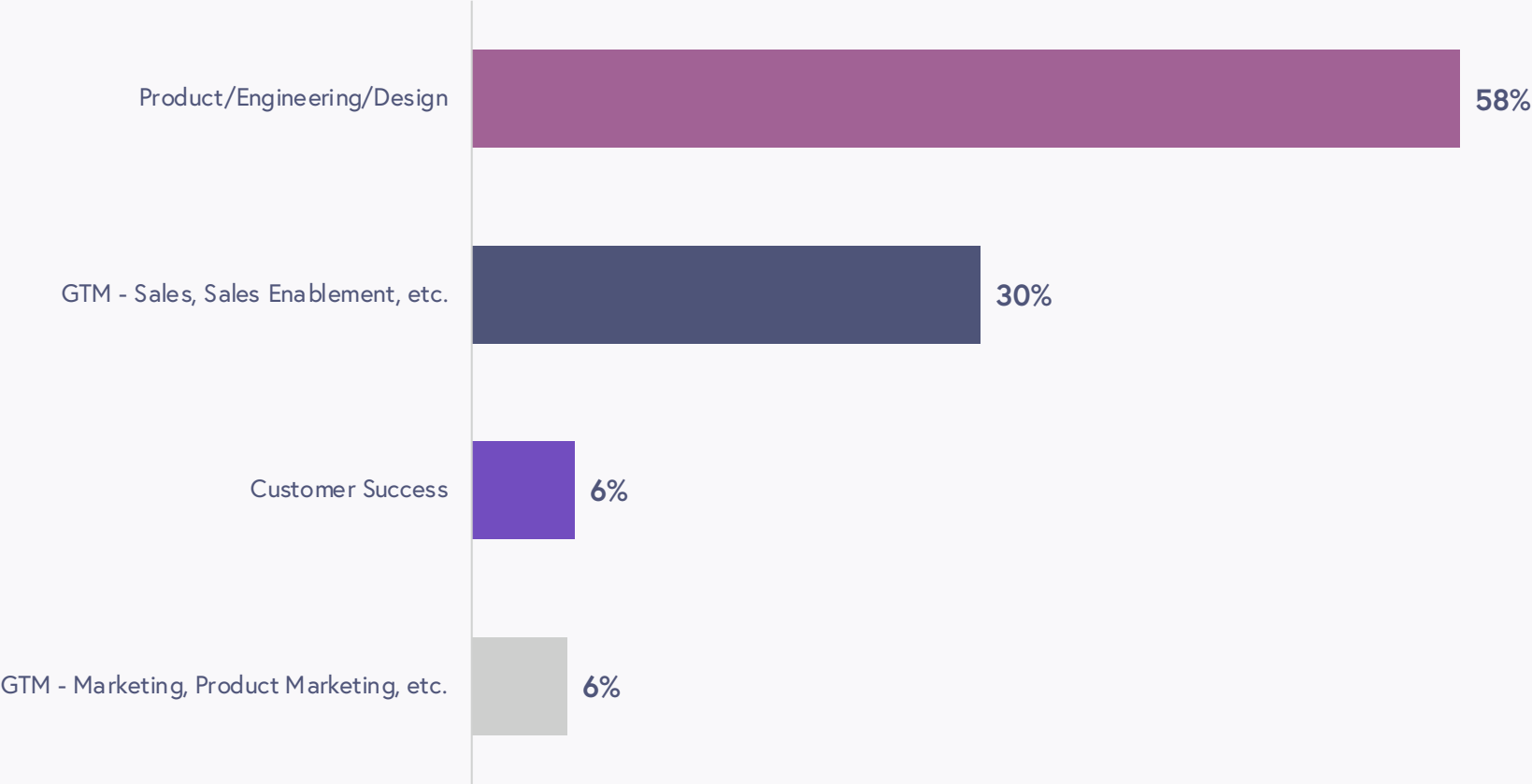
Driving profitable growth is the top ranking priorities among cloud companies

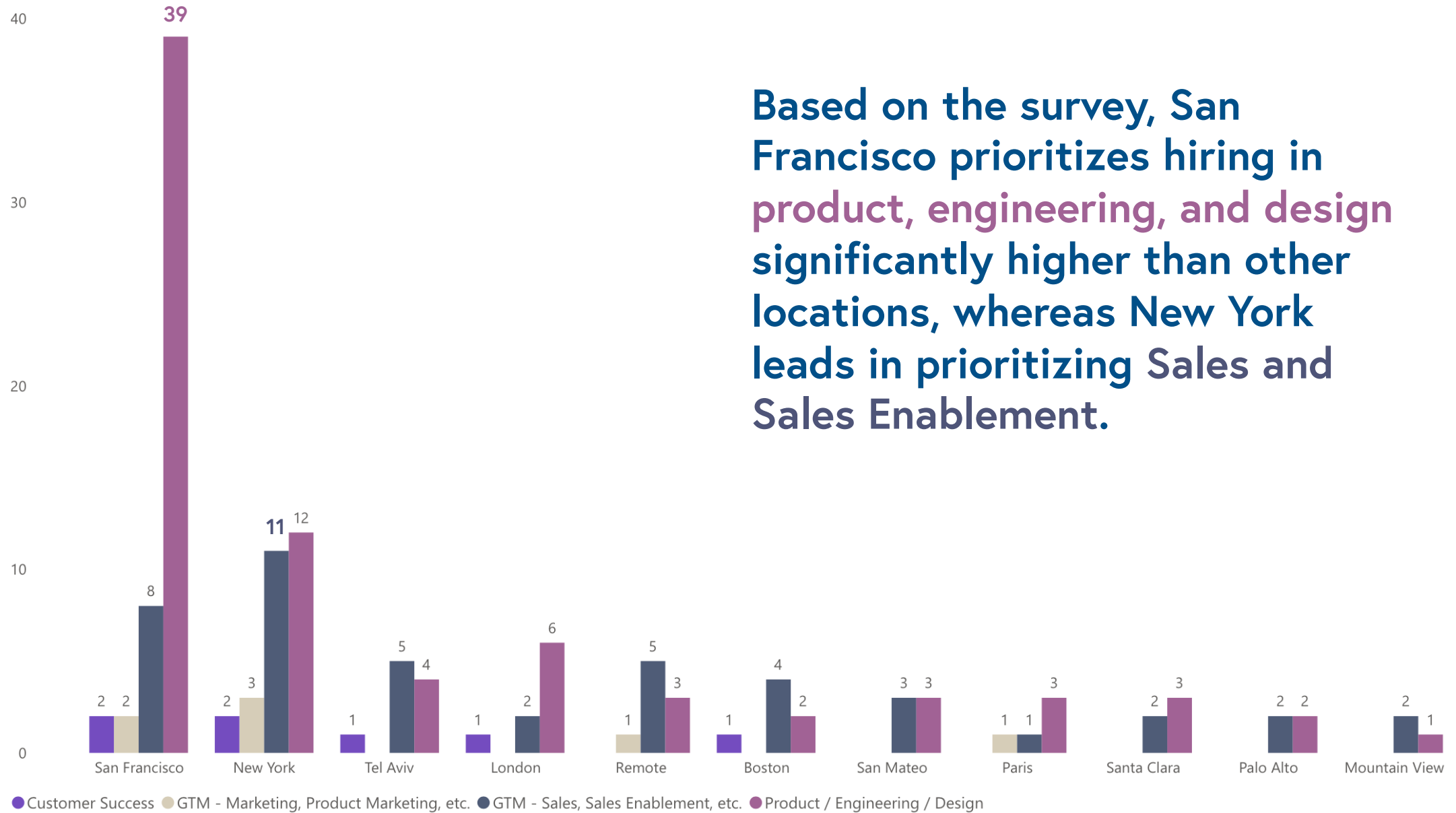
What are your biggest priorities in 2023?



The majority of cloud companies report seeing the most hiring opportunity in product, engineering, and design

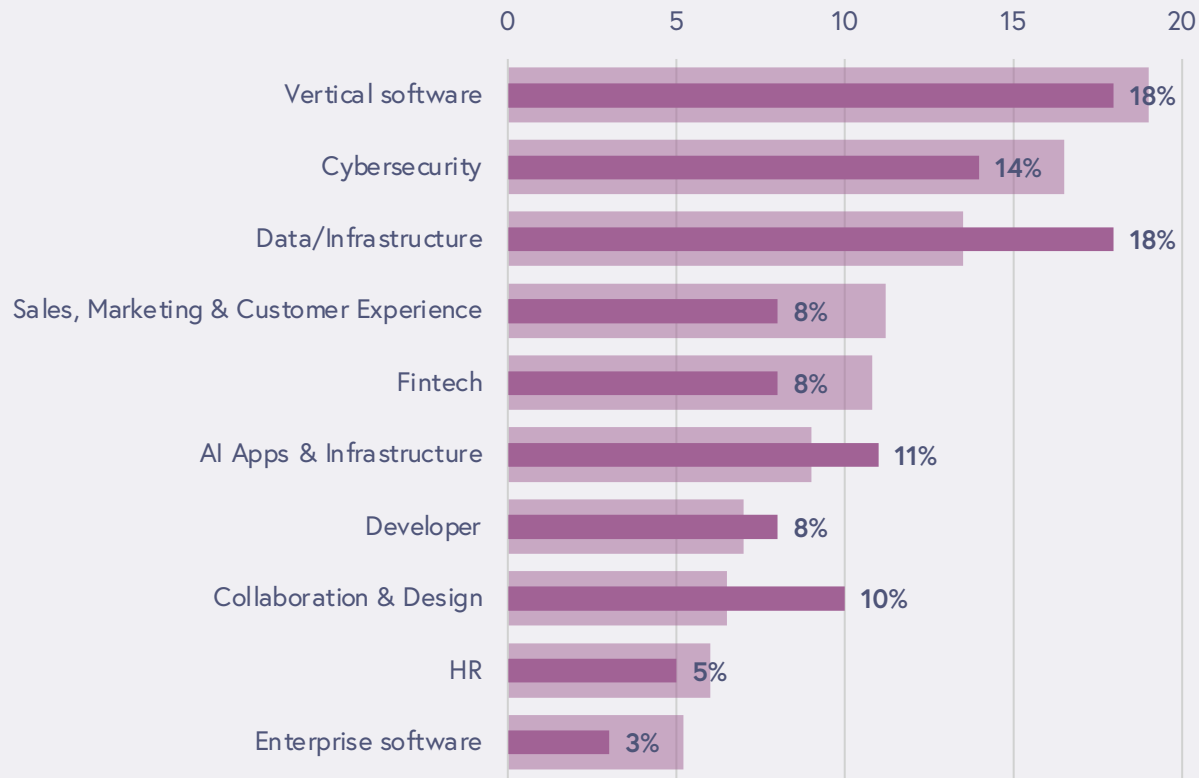
Where do you see the most hiring across your organization in 2023?



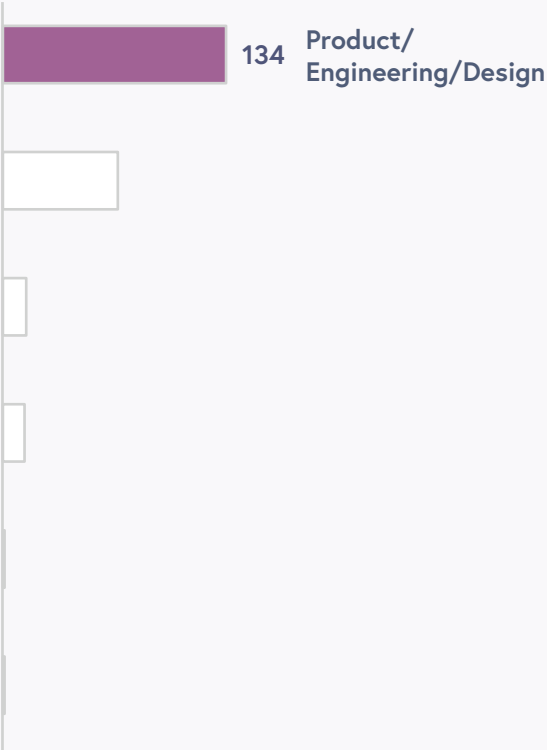




Where do you see the most hiring across your organization in 2023?

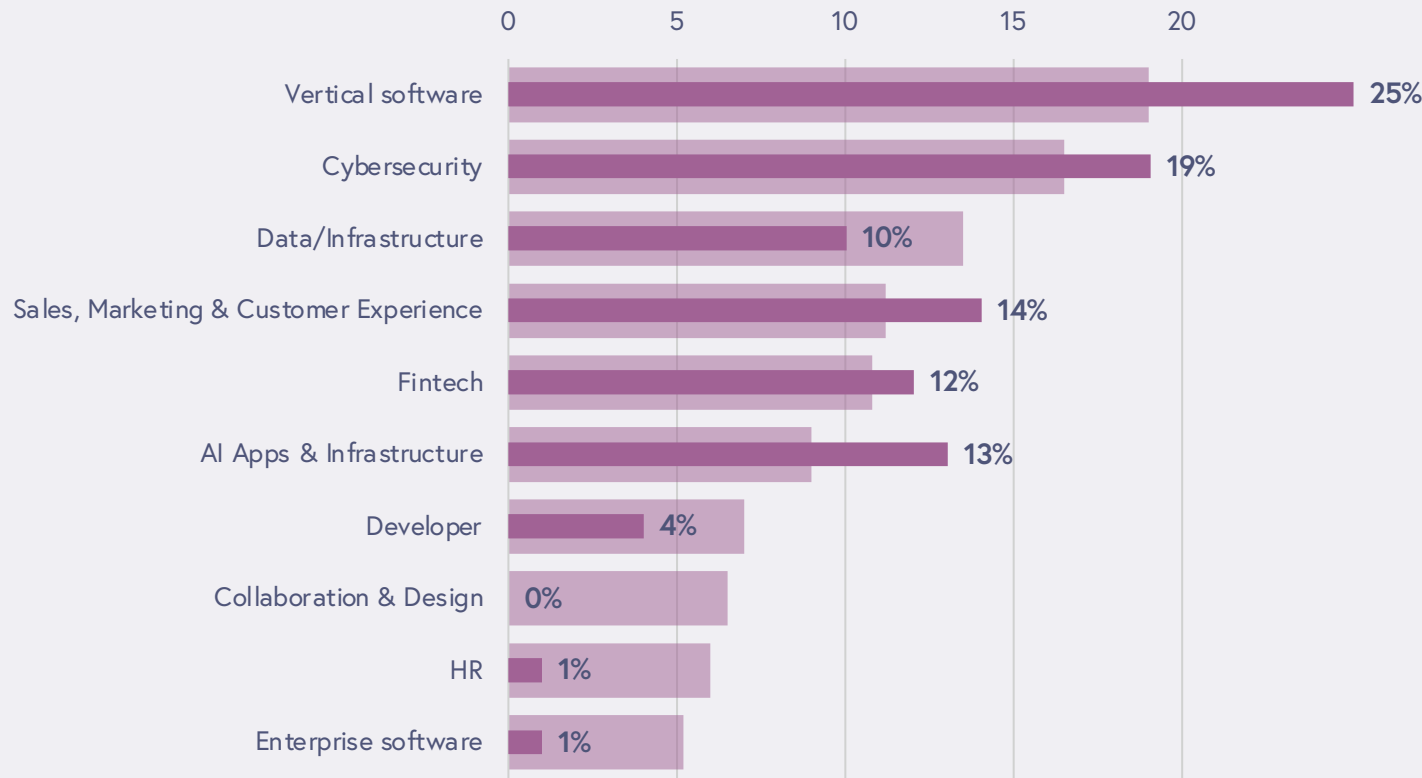


FILTERED BY CATEGORY

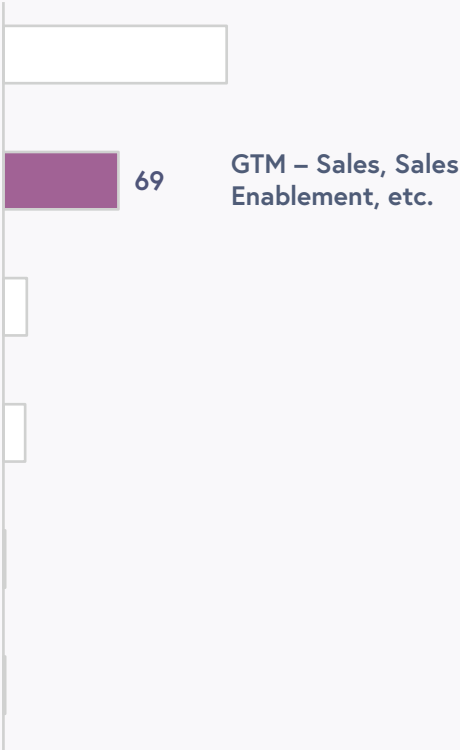




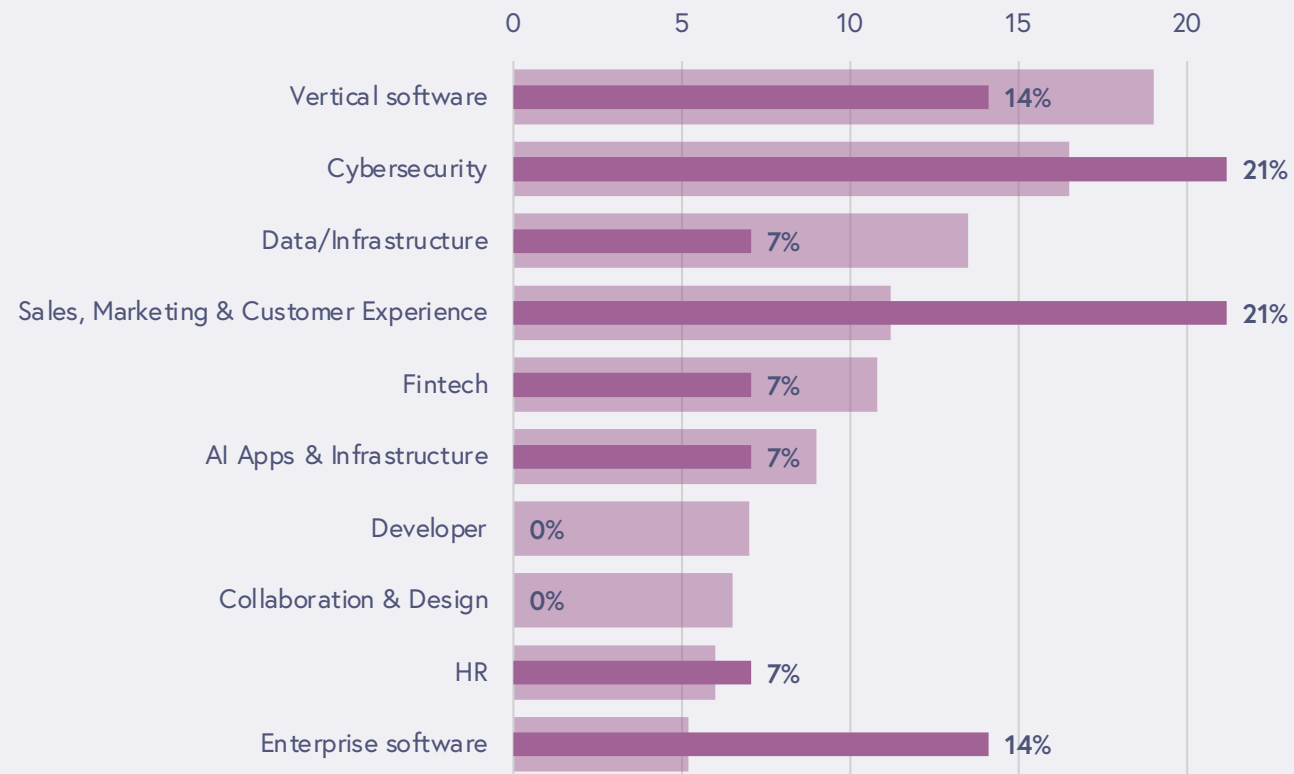
Where do you see the most hiring across your organization in 2023?



FILTERED BY CATEGORY



Where do you see the most hiring across your organization in 2023?

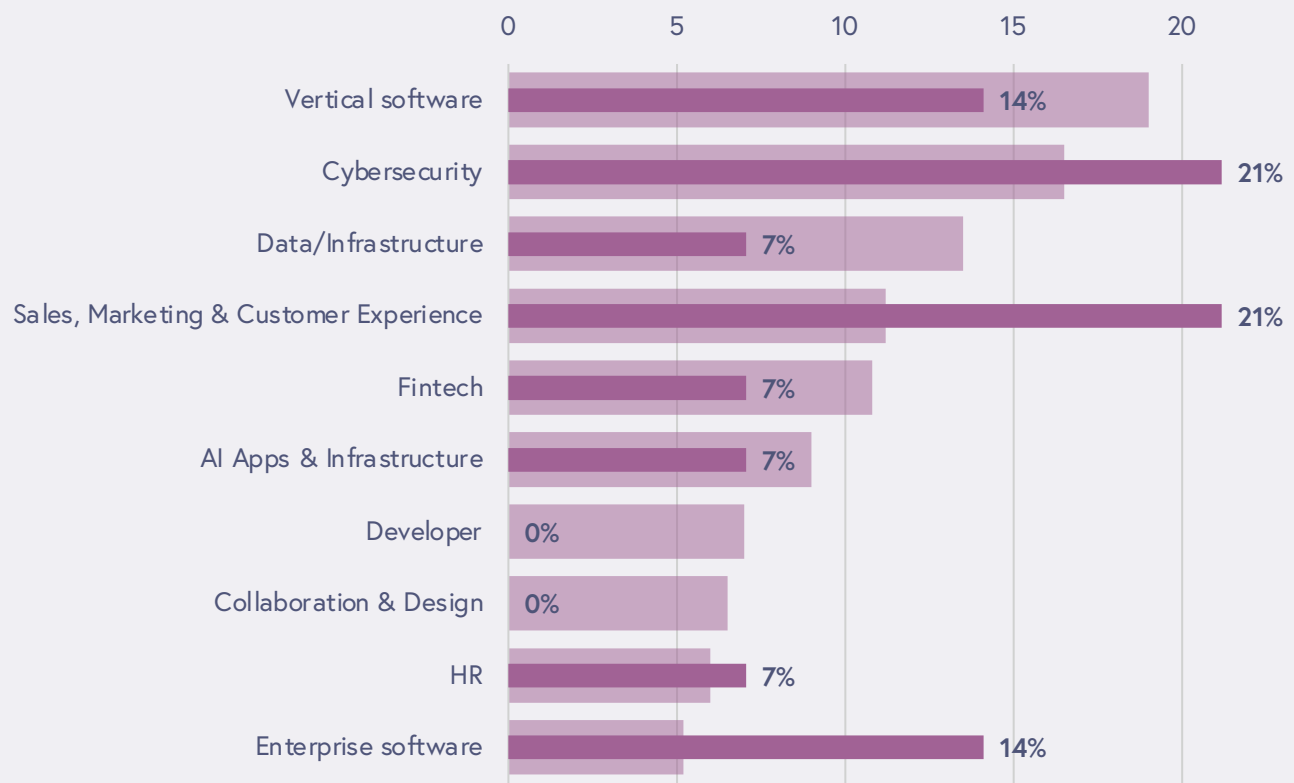


FILTERED BY CATEGORY

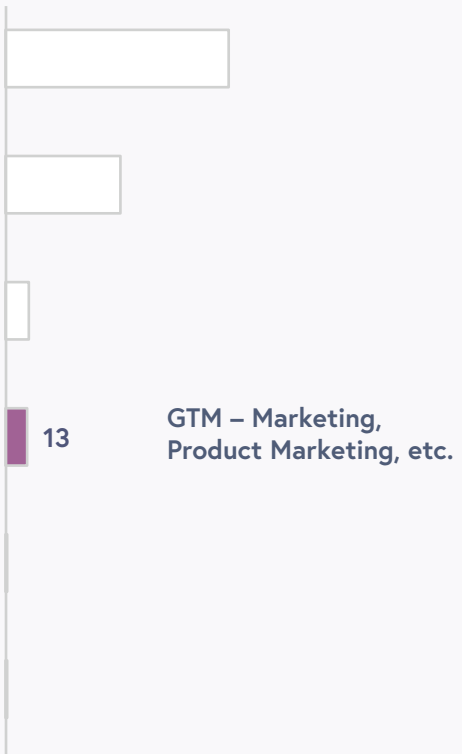




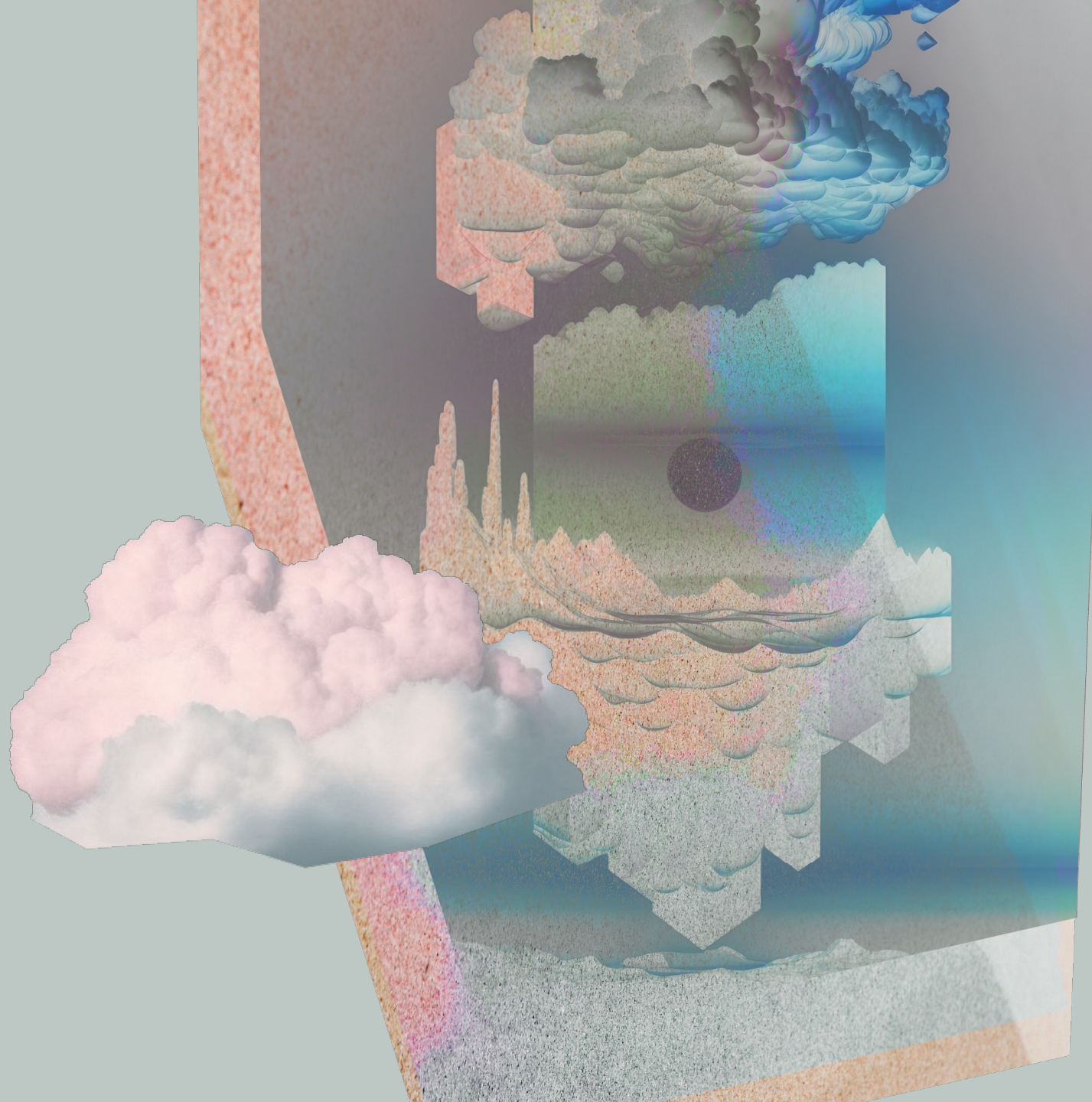
Where do you see the most hiring across your organization in 2023?



FILTERED BY CATEGORY

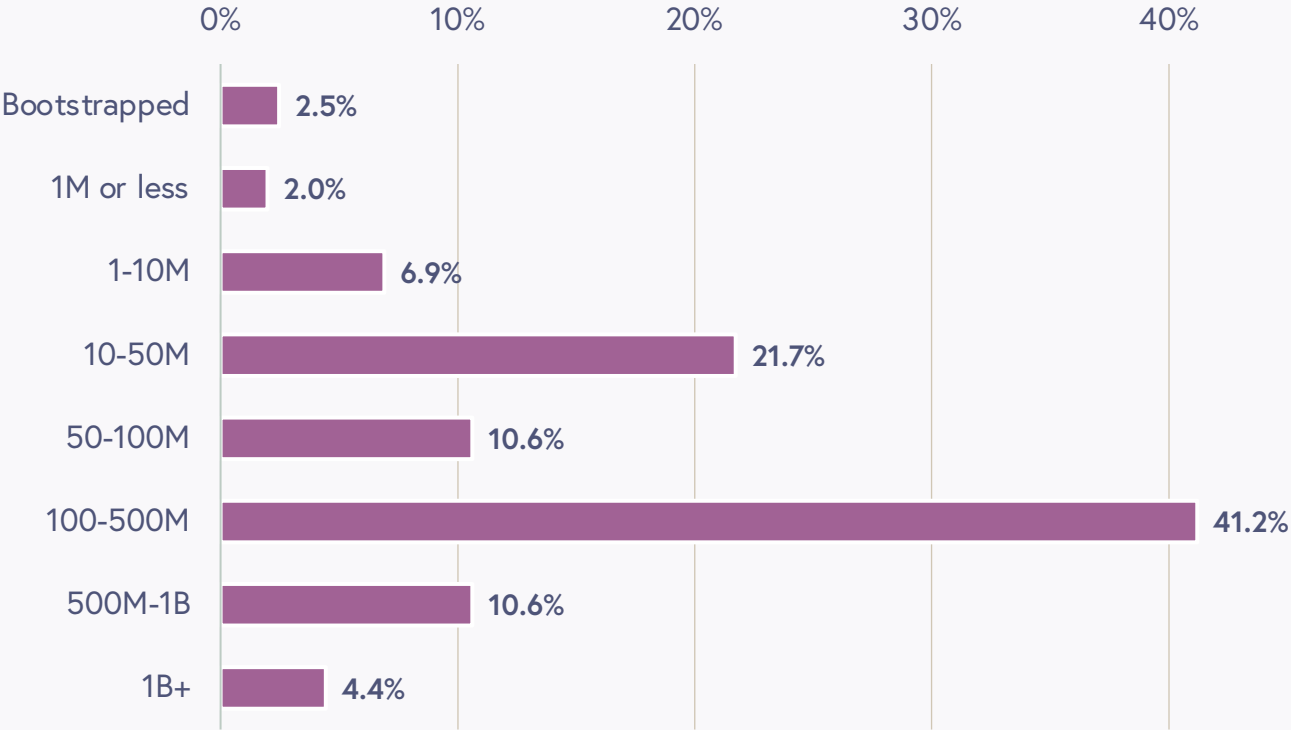


On the financials



A majority of surveyed cloud companies have raised over \$100 million or more in total funding

TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



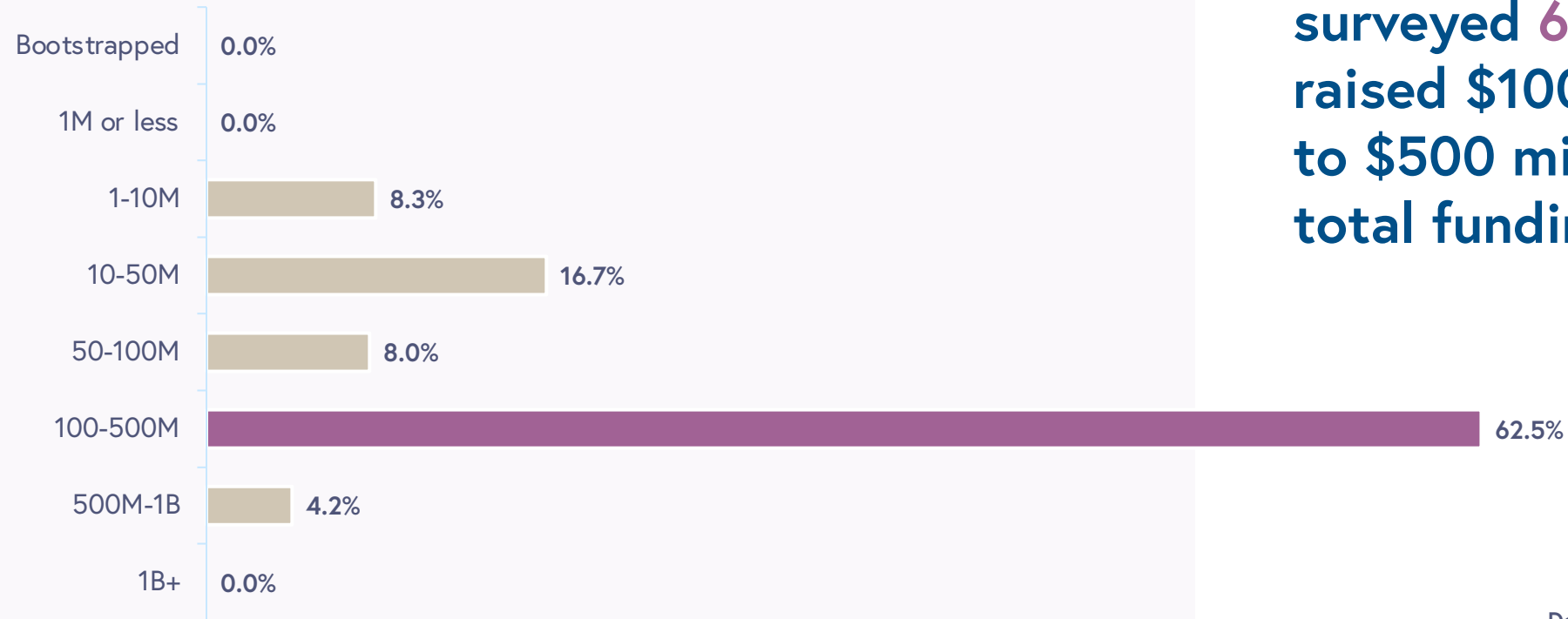
15%

BUSINESSES RAISED
\$500 MILLION TO \$1 BILLION

FILTERED BY CATEGORY

Of the 24 total
Developer companies
surveyed 63% have
raised \$100 million
to \$500 million in
total funding.

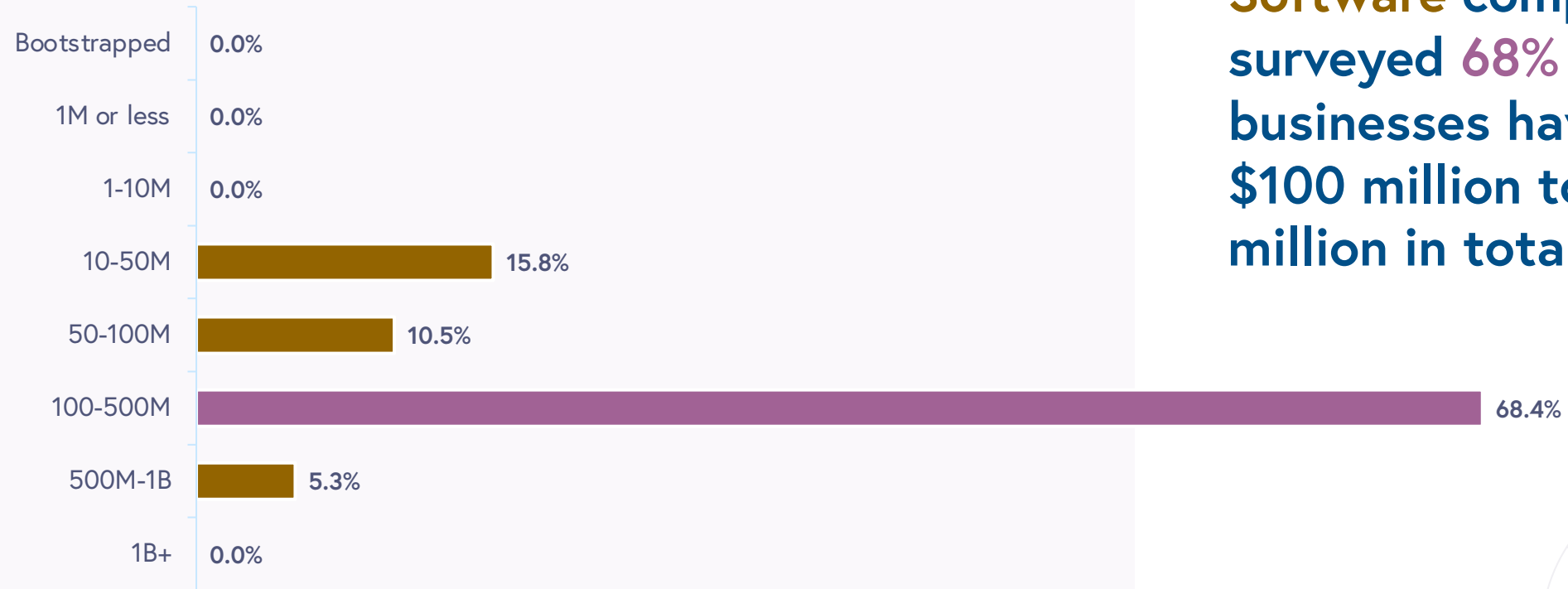
TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



FILTERED BY CATEGORY

Of the 19
total **Enterprise Software** companies
surveyed **68%** of those
businesses have raised
\$100 million to \$500
million in total funding.

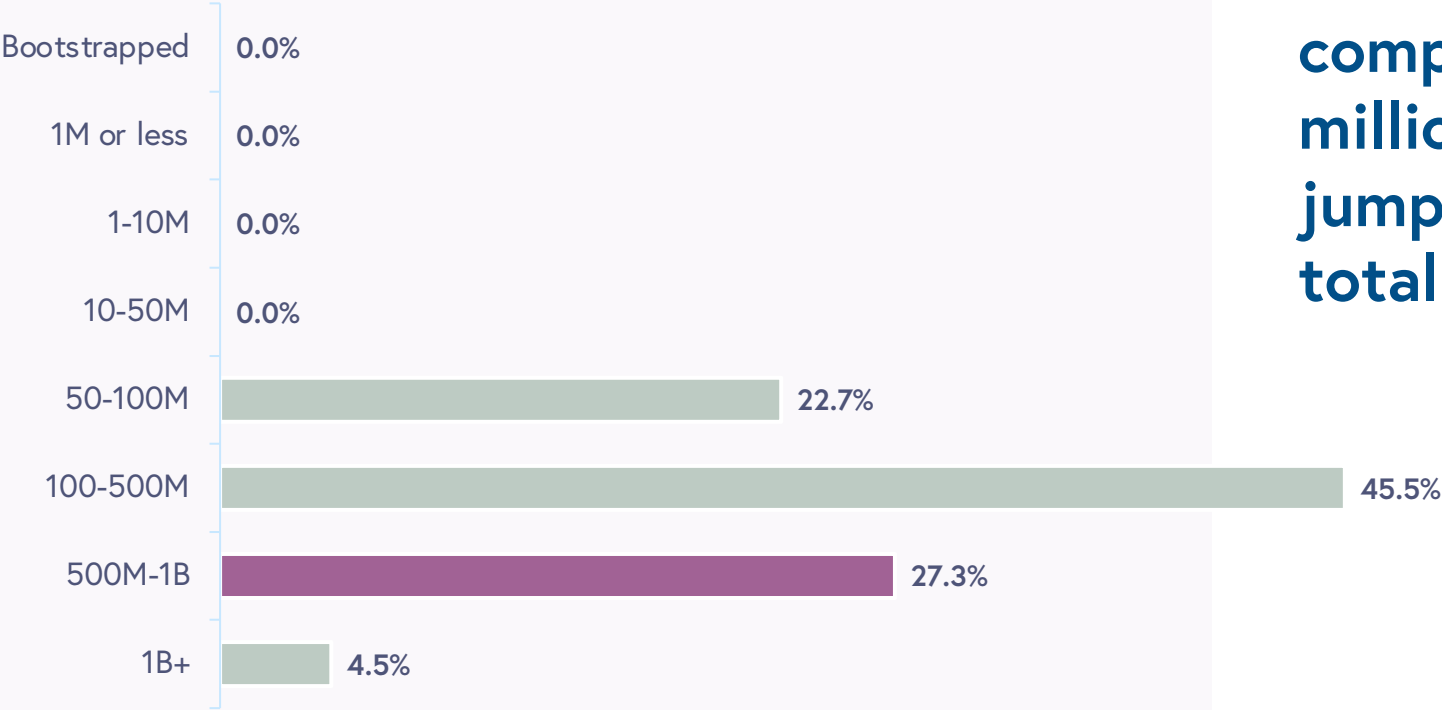
TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



FILTERED BY CATEGORY

Every **HR** company raised more than \$50 million in total funding. Of the 22 HR companies, **27%** raised \$500 million to \$1 billion, a 16%+ jump when compared to the total survey breakdown.

TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



Among the total 18 cloud companies that have raised \$1 billion or more in total funding we see the top three categories:

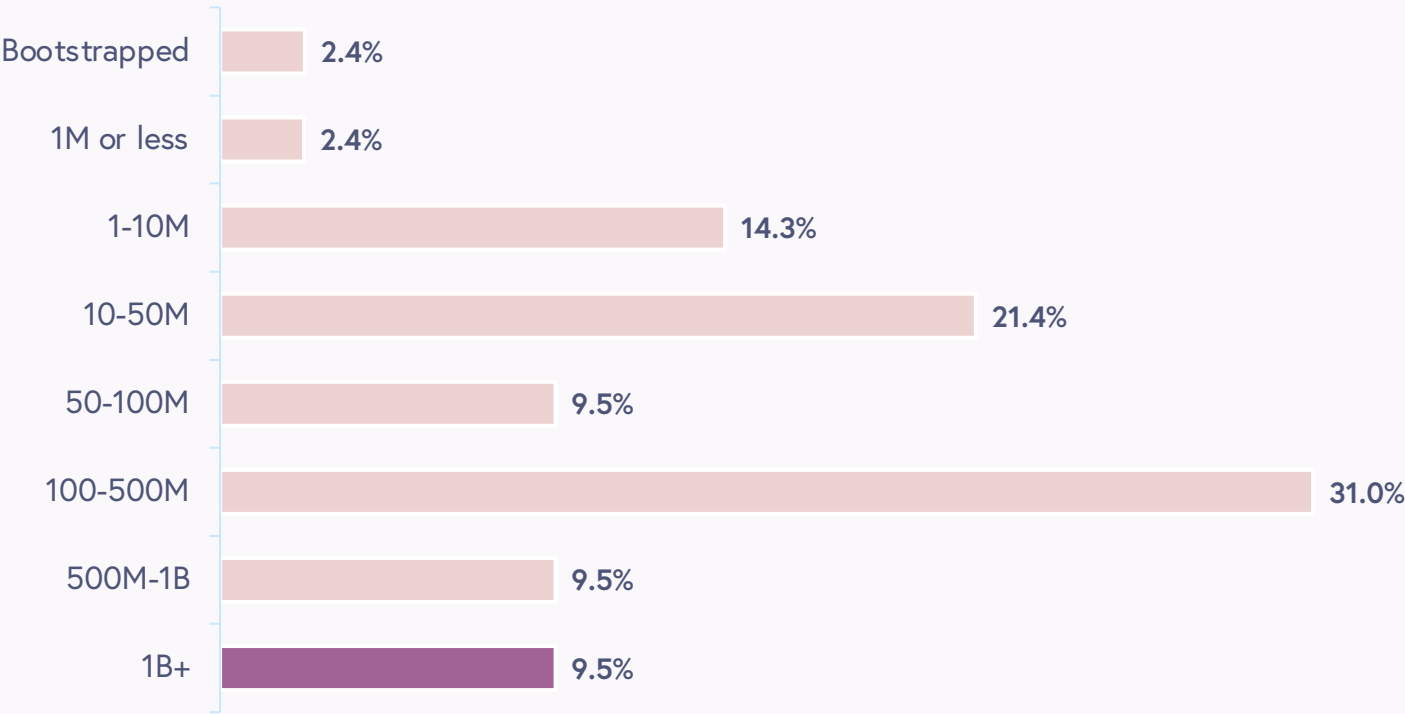
Fintech, Design & Collaboration, and Cybersecurity



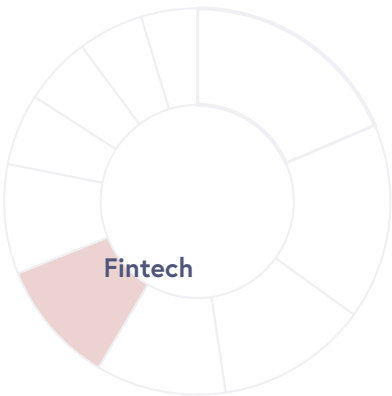


FILTERED BY CATEGORY

TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



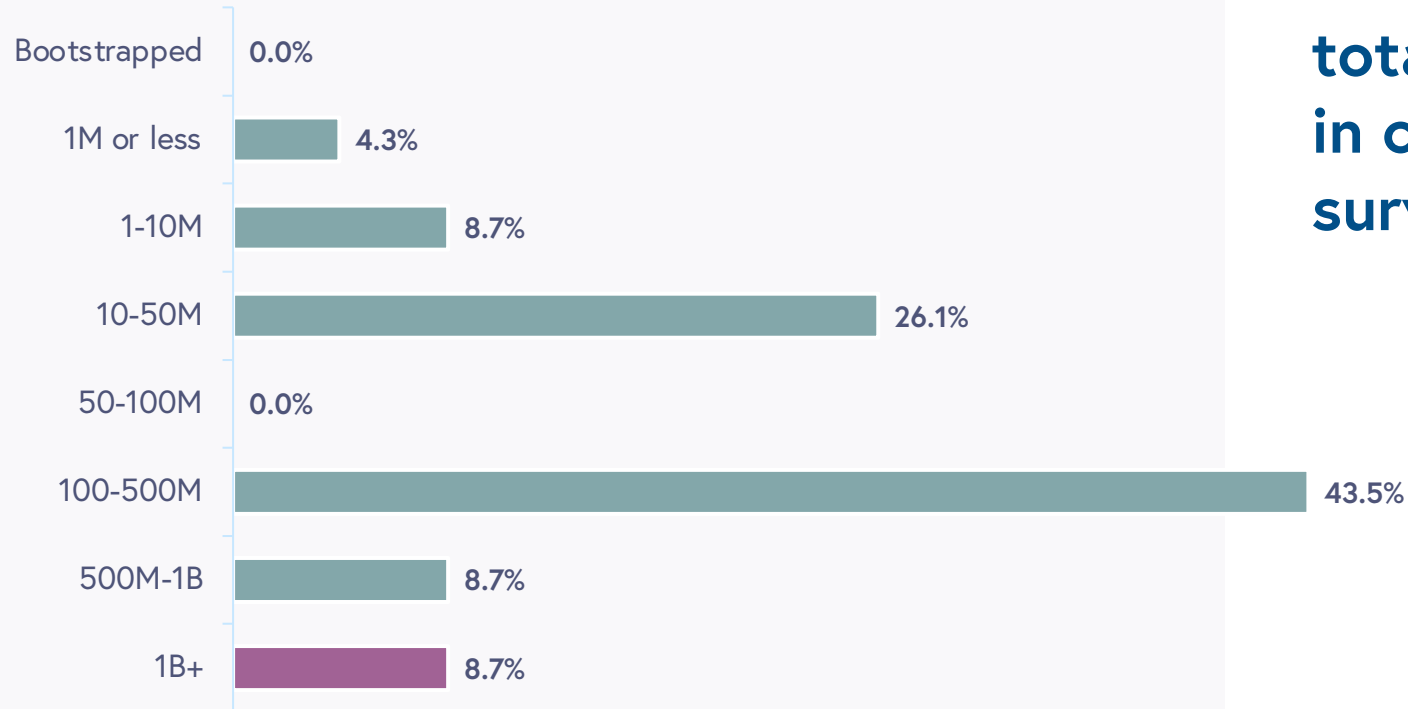
10% of the Fintech category raised \$1 billion or more in total funding, a ~6%+ jump in comparison to the total survey set.



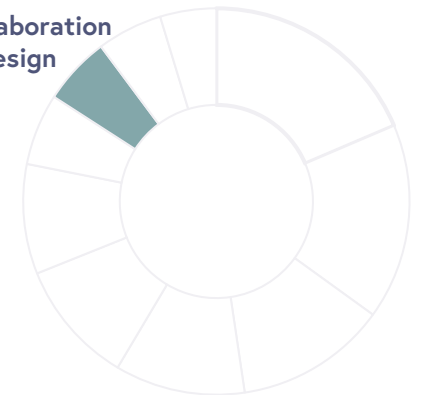
FILTERED BY CATEGORY

9% of the Design & Collaboration category raised \$1 billion or more in total funding, a ~5%+ jump in comparison to the total survey set.

TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



Collaboration
& Design

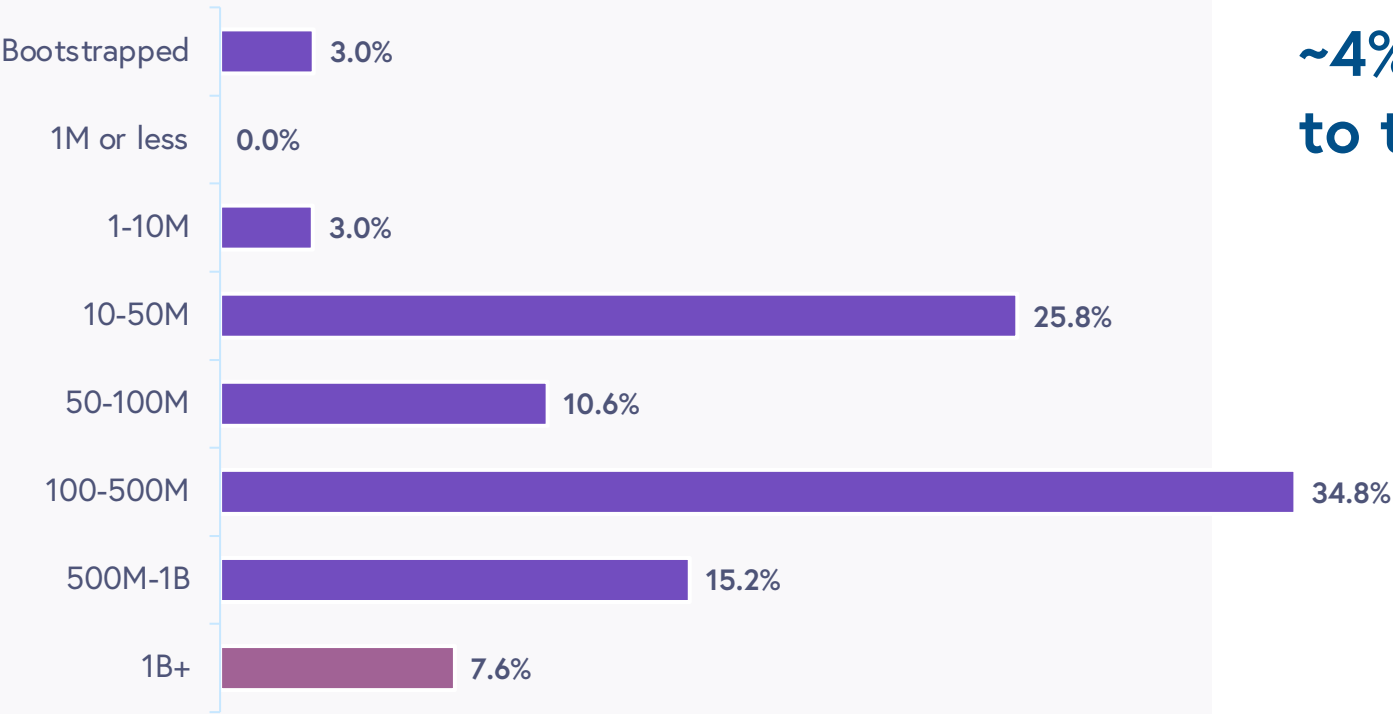




FILTERED BY CATEGORY

8% of the Cybersecurity category raised \$1 billion or more in total funding, a ~4%+ jump in comparison to the total survey set.

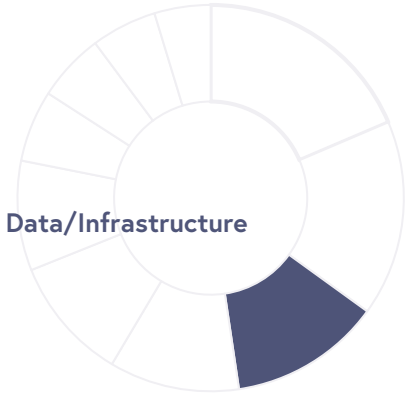
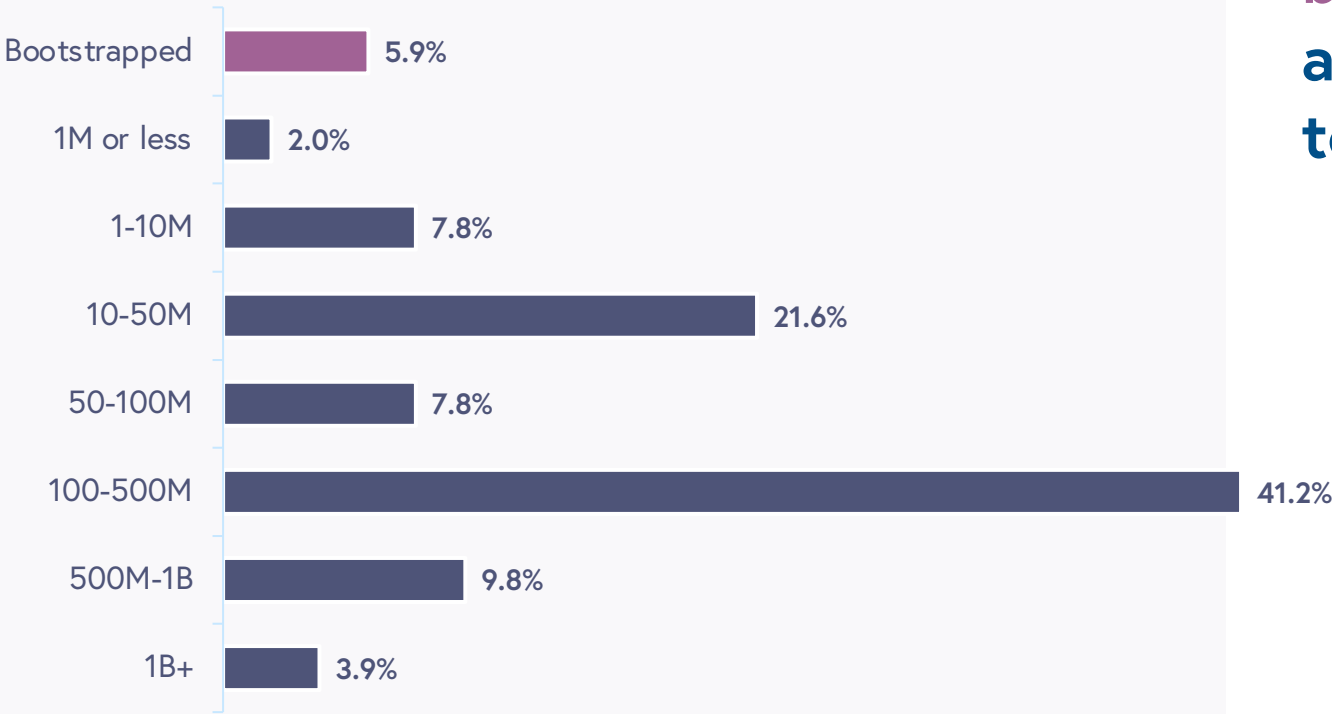
TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



FILTERED BY CATEGORY

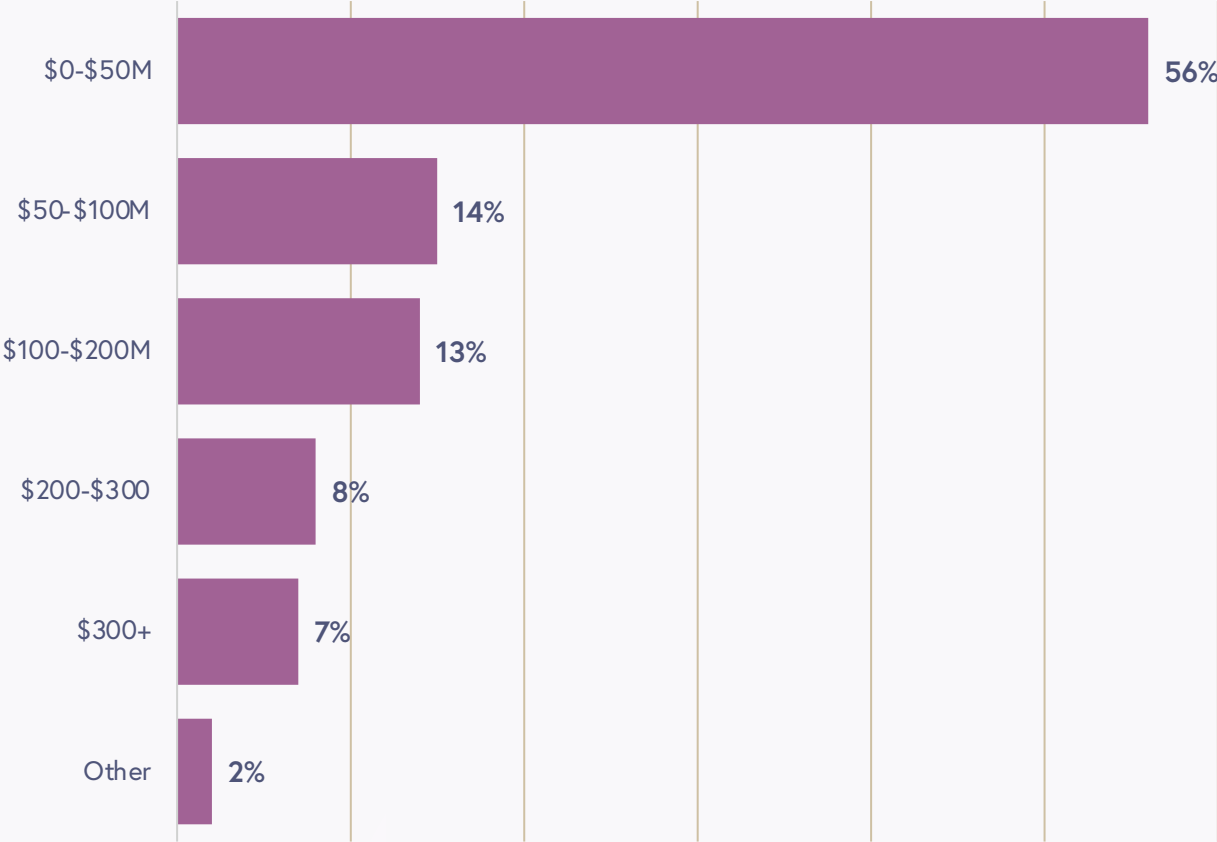
The Data Infrastructure category has the most bootstrapped businesses, a ~4%+ jump in comparison to the total survey set.

TOTAL AMOUNT OF FUNDING
RAISED TO DATE (\$M)



More than half of cloud companies have less than \$50 million on the balance sheet, whereas almost a third have \$100 million +

HOW MUCH CASH DOES THE COMPANY HAVE ON THE BALANCE SHEET AS OF DECEMBER 31, 2022?

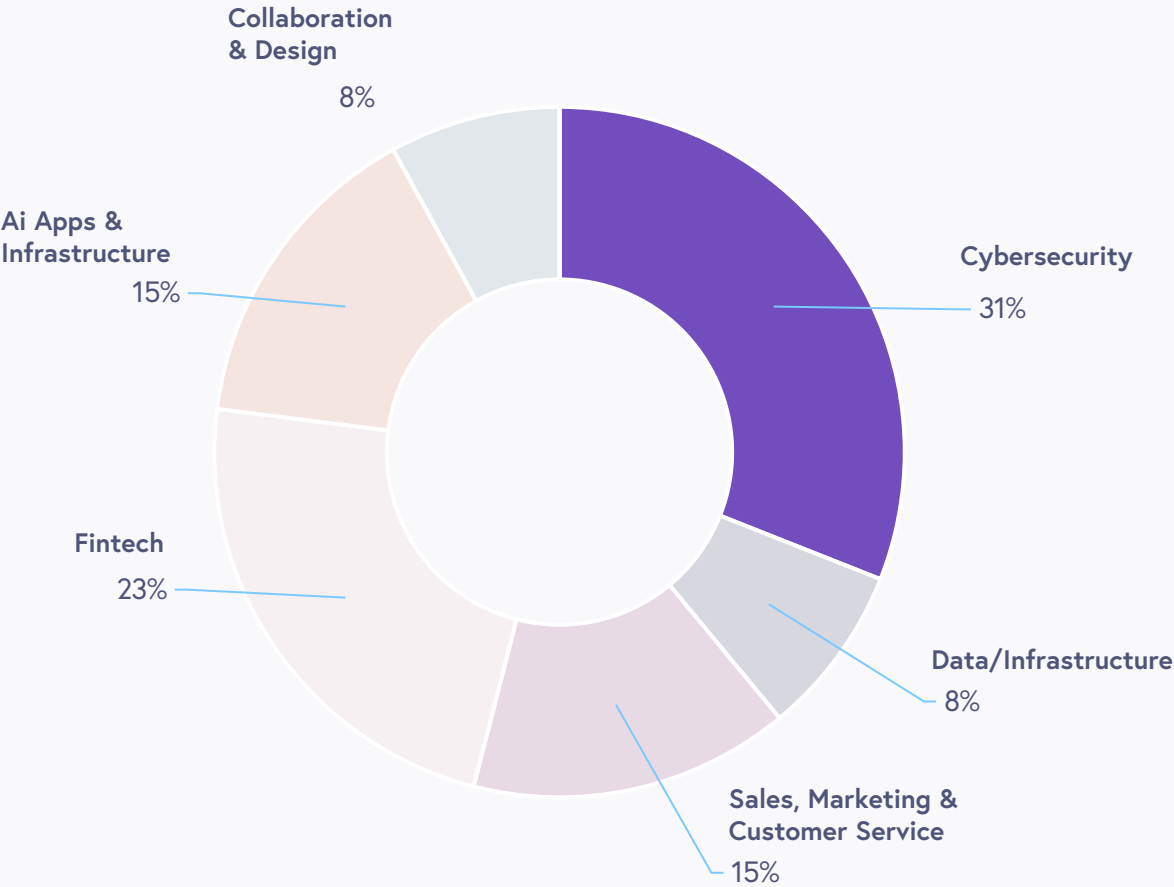
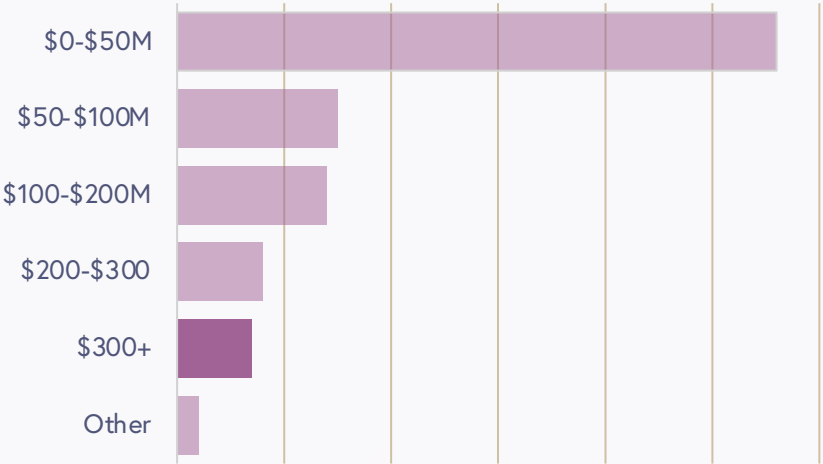


RUNWAY & ENDURANCE

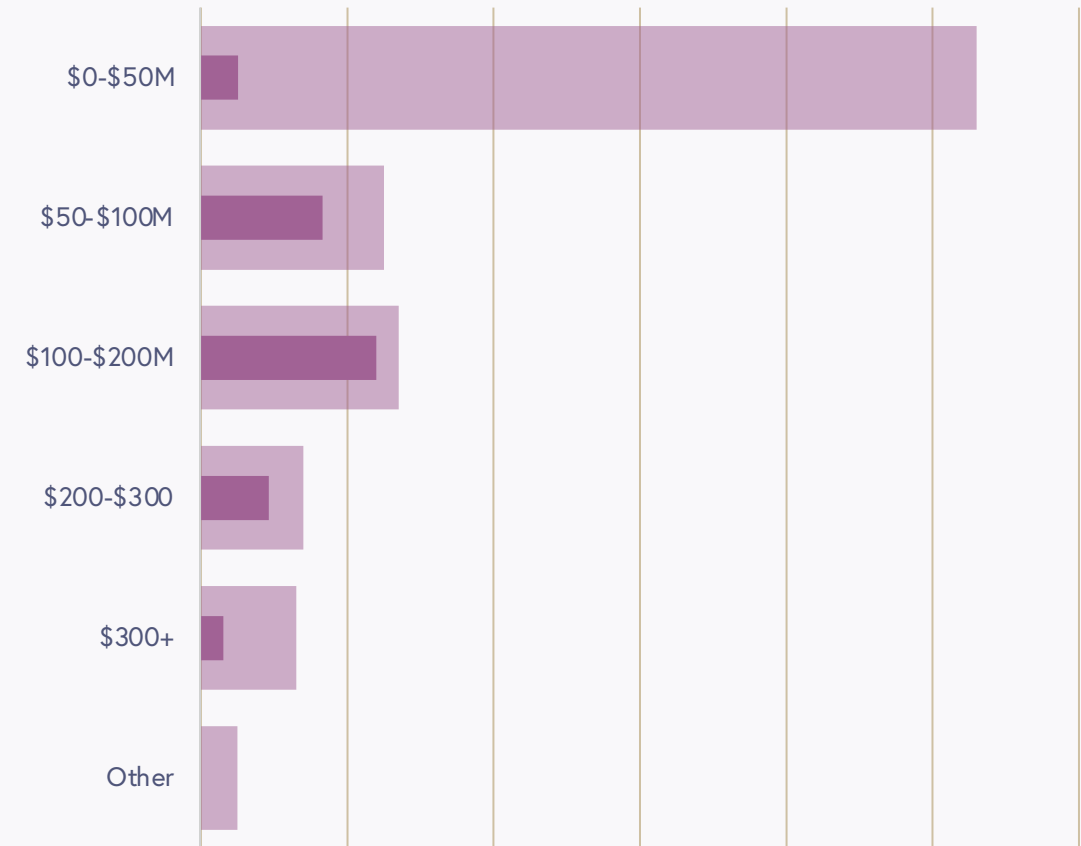
While total funding trends indicate investor enthusiasm and traction, cash on the balance sheet represents runway and endurance for businesses.

For companies with \$300 million or more of cash on the balance sheet, **Cybersecurity** is the highest industry category.

CASH ON THE BALANCE SHEET



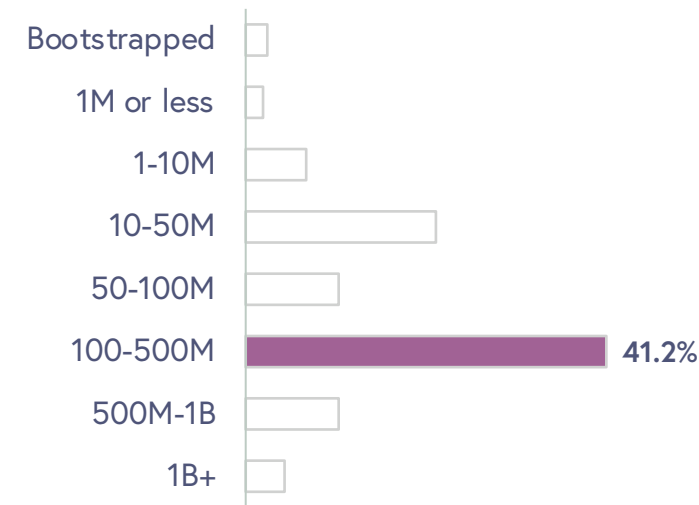
CASH ON THE BALANCE SHEET



FILTERED BY CATEGORY

Of the companies that have raised \$100 to \$500 million in total funding, **62%** have \$100 million or more in cash on the balance sheet.

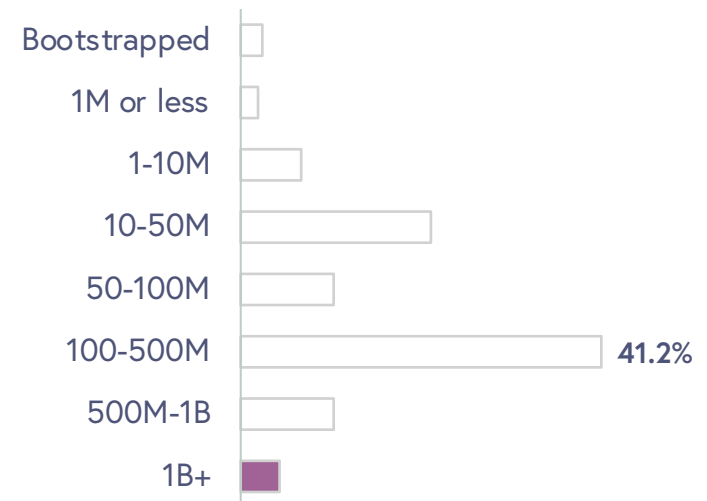
TOTAL FUNDING



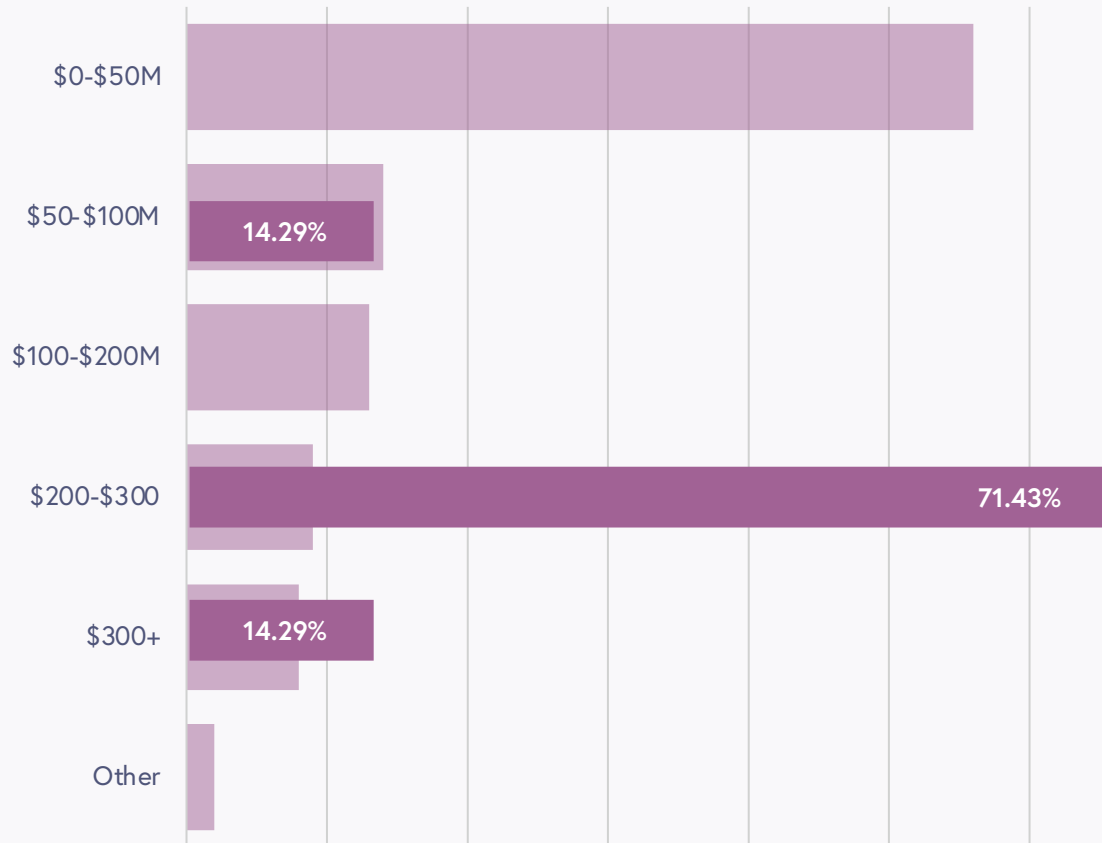
FILTERED BY CATEGORY

When we look at the smaller cohort of companies that have raised \$1 billion or more in total funding, we see that over 71% have \$300 million cash on the balance sheet.

TOTAL FUNDING

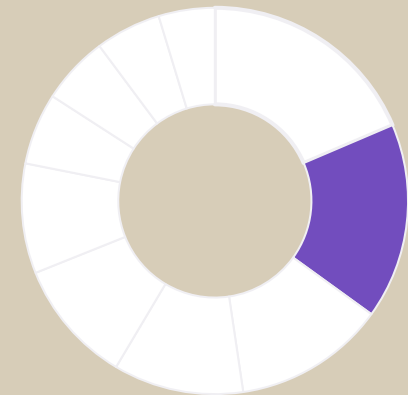


CASH ON THE BALANCE SHEET



The cloud category that had the highest number of companies with \$300 million or more of cash on the balance sheet:

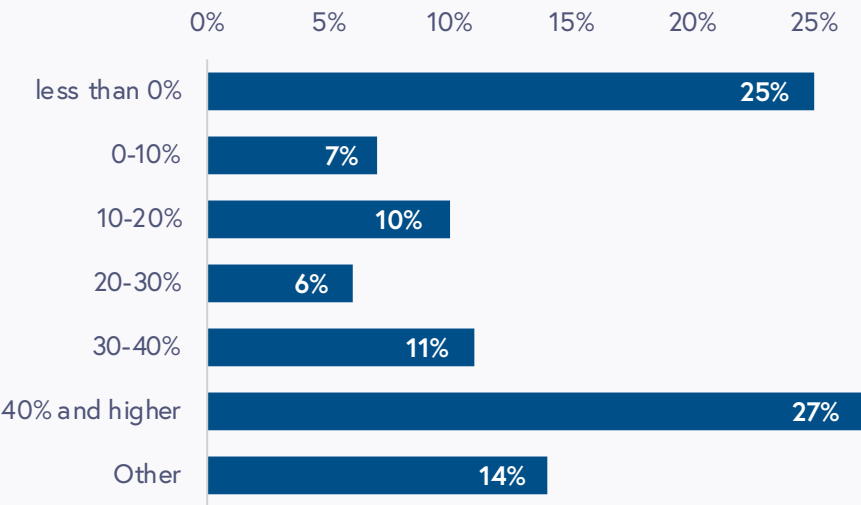
Cybersecurity



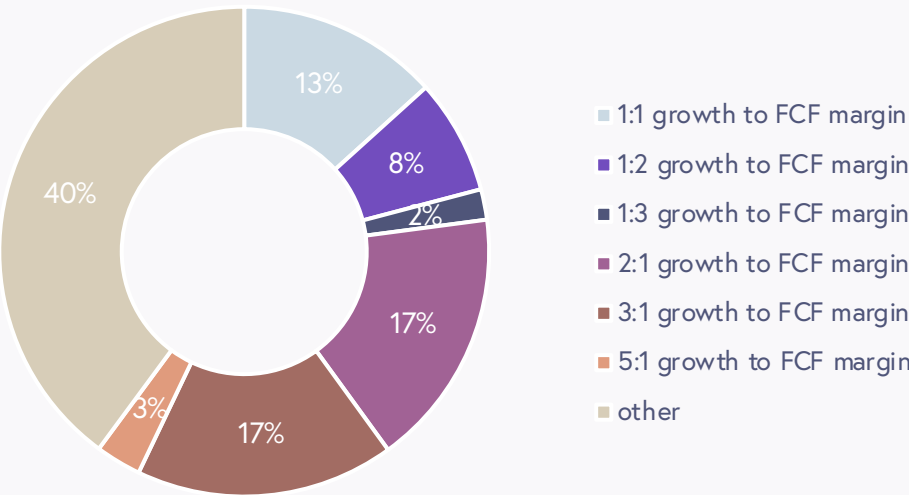
Cybersecurity

More than 70% of cloud companies have not met the Rule of 40

What is the company's Rule of 40 (calculated as TTM ARR growth rate + FCF margin) for 2022?



If the company's Rule of 40 is above 40%+, what is the approx. ratio of ARR growth to FCF margin for 2022?



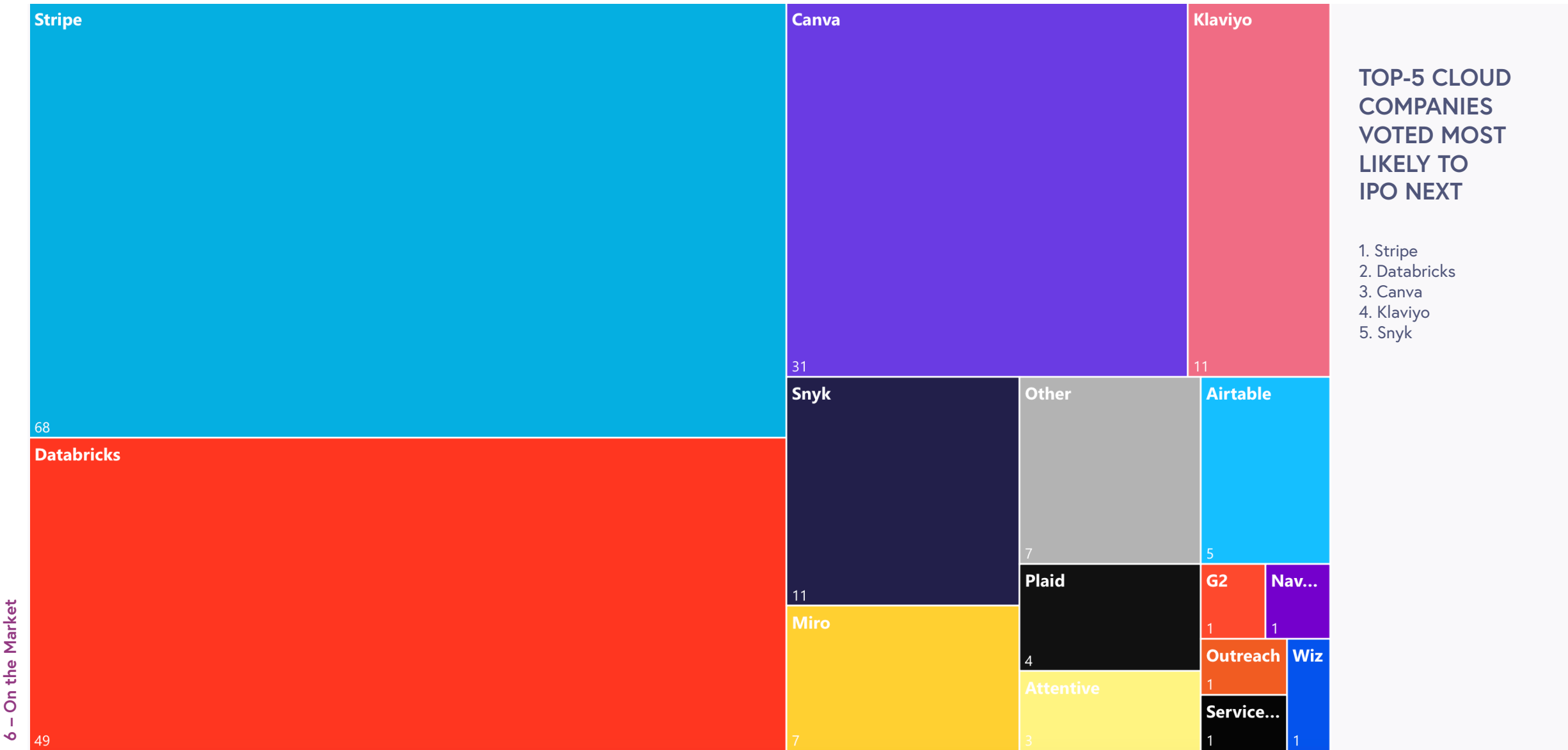
2:1

IS A GREAT TARGET TO HAVE IN A MORE DIFFICULT MACRO FOR CLOUD

On the market

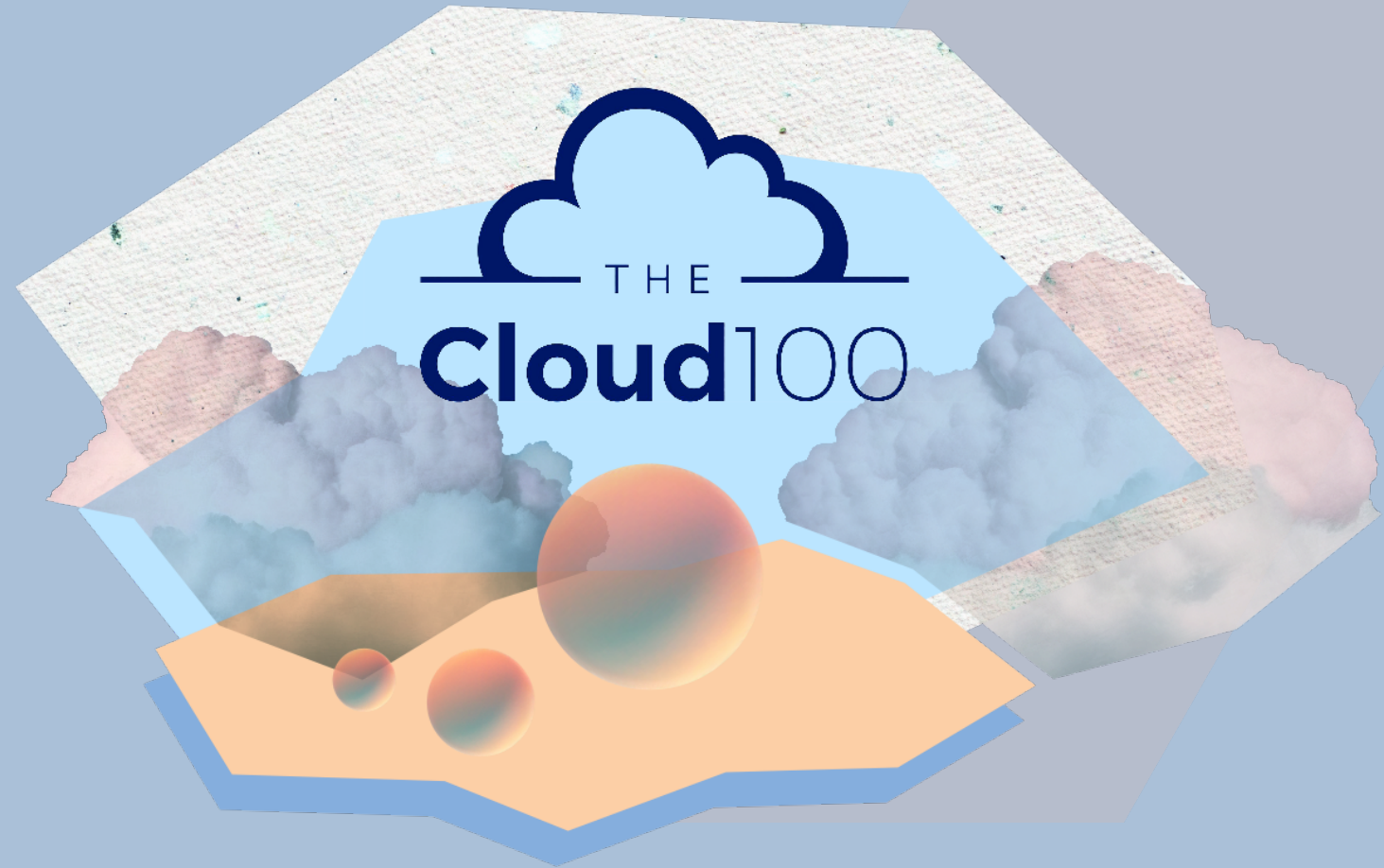


The predicted next big SaaS IPO are all Cloud 100 companies



CLOUD 100 BENCHMARKS FOR 2023

Dive into our Cloud 100 Benchmarks for 2023. Learn more about the definitive ranking of the world's top 100 private cloud companies.



bvp.com/cloud100

Curious to learn more about this cloud survey? Email the Atlas Editors at content@bvp.com with your questions and we'd be happy to see if we can share more insight.