PitchBook

EMERGING TECH RESEARCH

Enterprise Saas Report

VC trends and innovation spotlights

Q2
2024

Contents

Institutional Research Group

Analysis

Derek Hernandez Senior Analyst, Emerging Technology
derek.hernandez@pitchbook.com
pbinstitutionalresearch@pitchbook.com

Data

Matthew Nacionales Data Analyst

For previous updates as well as our complete enterprise SaaS research, please see the designated analyst workspace on the PitchBook Platform.
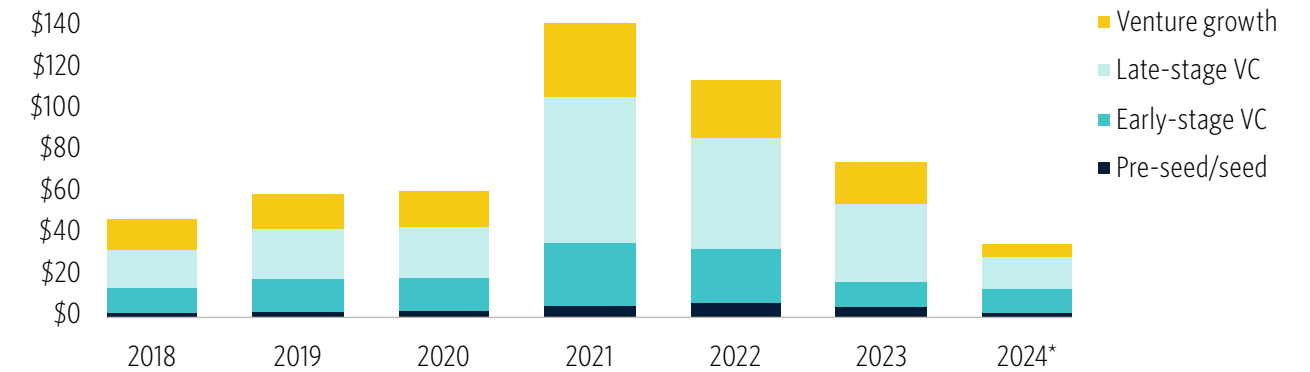
Vertical update

Enterprise software as a service (SaaS) is a broad horizontal sector united by its focus on providing business solutions. These can be as focused as bespoke solutions for specific industries, such as healthcare customer management and care, or as broad as sales or business intelligence services that can be used by any enterprise regardless of sector, geography, or customer base. This creates a huge total addressable market for companies to pursue, exemplified by massive public companies including Microsoft, Salesforce, and many more.

Q2 2024 was a phenomenal quarter for the enterprise SaaS sector as VC deal count remained strong with 713 deals, and deal values exploded with $21.9 billion, resulting in the strongest quarter in over a year. This was buoyed by a $6.0 billion deal by xAI—though even excluding this, enterprise SaaS saw a meaningful increase in deal value QoQ. Meanwhile, exit count dipped slightly to 73, and exit value grew impressively to $7.9 billion, up from $5.4 billion QoQ in Q1 2024. Exit disclosures remained low, which we interpret as evidence of a potentially weaker environment for owners compared with acquirers. This remains a reflection of the higher cost-of-capital environment as well as near-term uncertainties across the economy.
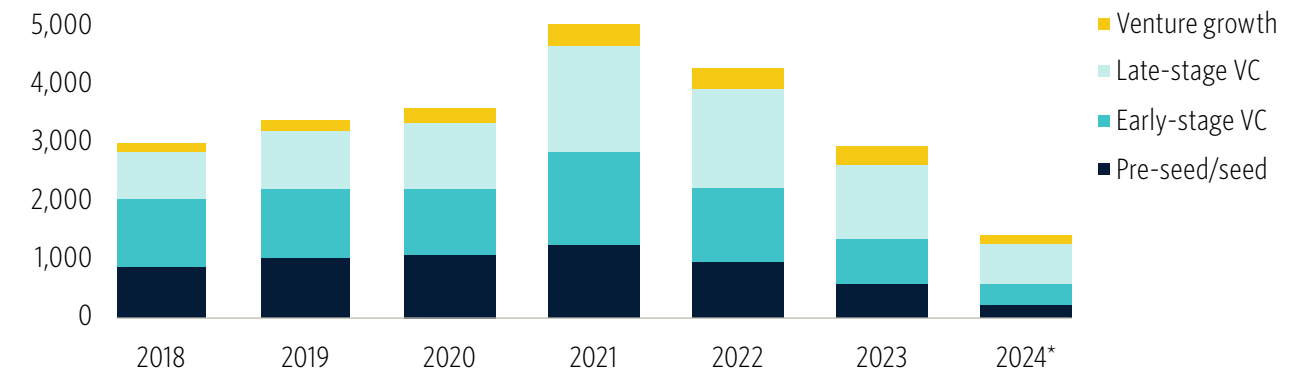
Excluding the distortion by the xAI megadeal, enterprise resource planning (ERP) represented the greatest concentration of investments across our six enterprise SaaS segments. The ERP deal count of 280 was 39.3% of all enterprise SaaS deals and almost double the next largest deal count of 148 within customer relationship management (CRM), which was 20.8% of the total. ERP was

Enterprise SaaS VC deal value ($B) by stage

Legend: Venture growth, Late-stage VC, Early-stage VC, Pre-seed/seed

Source: PitchBook • Geography: Global • *As of June 30, 2024

Enterprise SaaS VC deal count by stage

Legend: Venture growth, Late-stage VC, Early-stage VC, Pre-seed/seed

Source: PitchBook • Geography: Global • *As of June 30, 2024

also a massive standout in deal value, reaching $7.6 billion in the quarter, or almost as much as all other sectors combined, at 48.3% of the total. CRM and analytic platforms (AP) were closely tied at second, with $2.4 billion and $2.3 billion, respectively, and 14.9% and 14.7% of the total, respectively. The quarter was rounded out by other application software (OAS), with $1.7 billion across 74 deals, knowledge management systems (KMS), with $1.2 billion across 78 deals, and supply chain management (SCM), with $527.7 million across 39 deals.

Across all exit activity, ERP was again overrepresented at 27 exits, followed by CRM at 19 exits, together representing 46 of the 73 total exits. These were followed by OAS (10 exits), AP (eight exits), KMS (eight exits), and SCM (one exit). Exit value disclosures were highly concentrated within OAS, with 68.8% of the exit value disclosed represented here. This quarter saw a meaningful uptick compared with both 2022 and 2023, which averaged 63 exits and 59 exits, respectively. Annualized, H1's trend represents a 31.1% increase YoY against 2023's exit count, which has been a recent low-water mark.

Quarterly enterprise SaaS VC deal value ($B) by stage

Source: PitchBook • Geography: Global • *As of June 30, 2024

Quarterly enterprise SaaS VC deal count by stage

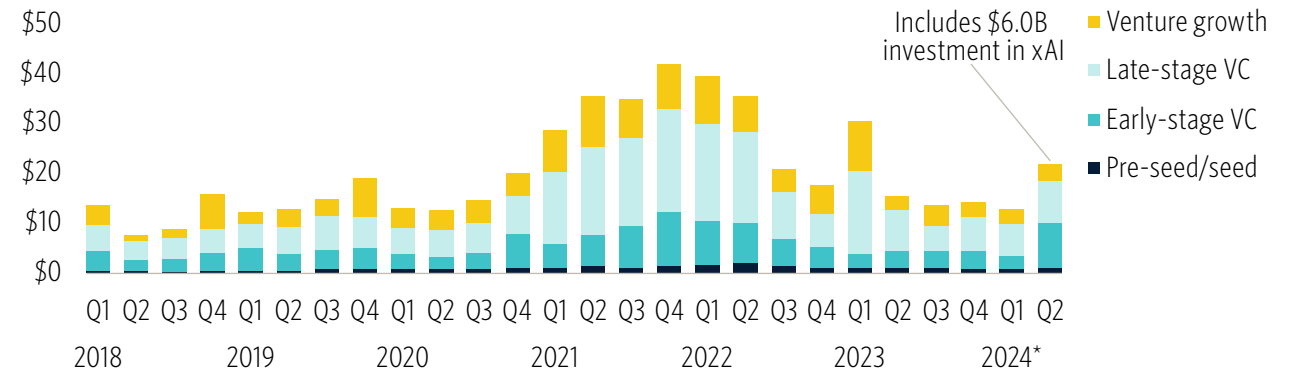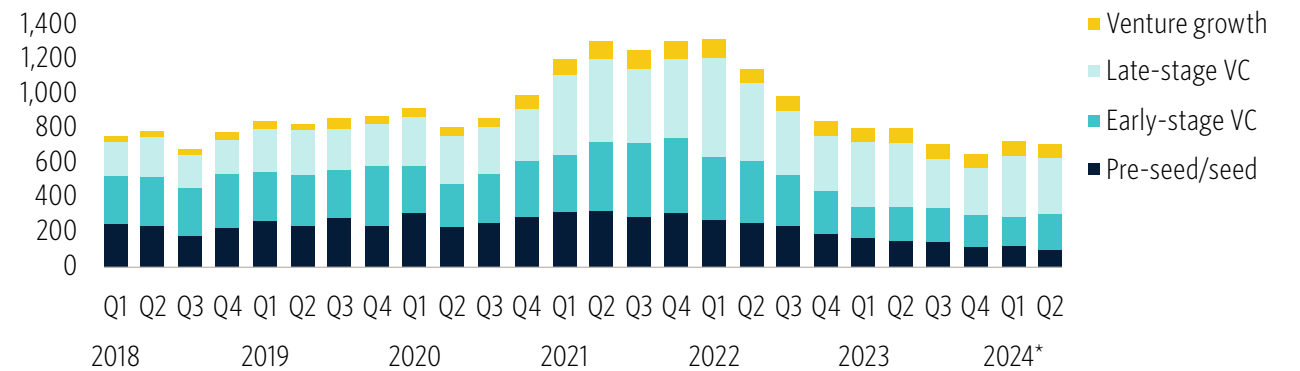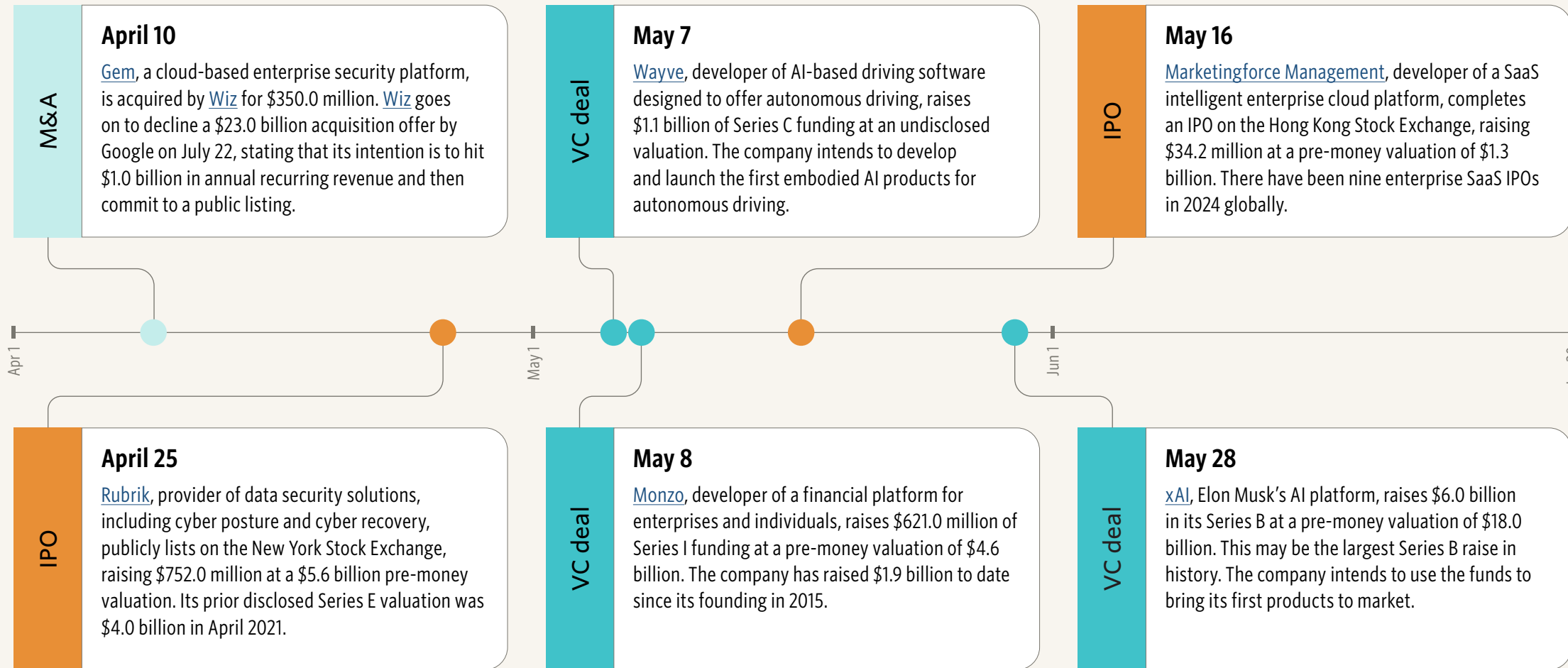Source: PitchBook • Geography: Global • *As of June 30, 2024

Q2 2024 timeline

April 10

M&A

Gem, a cloud-based enterprise security platform, is acquired by Wiz for $350.0 million. Wiz goes on to decline a $23.0 billion acquisition offer by Google on July 22, stating that its intention is to hit $1.0 billion in annual recurring revenue and then commit to a public listing.

May 7

VC deal

Wayve, developer of AI-based driving software designed to offer autonomous driving, raises $1.1 billion of Series C funding at an undisclosed valuation. The company intends to develop and launch the first embodied AI products for autonomous driving.

May 16

IPO

Marketingforce Management, developer of a SaaS intelligent enterprise cloud platform, completes an IPO on the Hong Kong Stock Exchange, raising $34.2 million at a pre-money valuation of $1.3 billion. There have been nine enterprise SaaS IPOs in 2024 globally.

Apr 1   May 1   Jun 1   Jun 30

April 25

IPO

Rubrik, provider of data security solutions, including cyber posture and cyber recovery, publicly lists on the New York Stock Exchange, raising $752.0 million at a $5.6 billion pre-money valuation. Its prior disclosed Series E valuation was $4.0 billion in April 2021.

May 8

VC deal

Monzo, developer of a financial platform for enterprises and individuals, raises $621.0 million of Series I funding at a pre-money valuation of $4.6 billion. The company has raised $1.9 billion to date since its founding in 2015.

May 28

VC deal

xAI, Elon Musk's AI platform, raises $6.0 billion in its Series B at a pre-money valuation of $18.0 billion. This may be the largest Series B raise in history. The company intends to use the funds to bring its first products to market.

Q2 VC deal count summary

713
total deals

-2.1%
QoQ growth

-11.1%
YoY growth

-18.5%
TTM growth

Q2 VC deal value summary

$21.9B
total deal value

70.2%
QoQ growth

40.1%
YoY growth

-25.5%
TTM growth

Enterprise SaaS landscape

1. Customer relationship management
2. Enterprise resource planning
3. Supply chain management
4. Analytic platforms
5. Knowledge management systems
6. Other application software

Enterprise SaaS VC ecosystem market map

This market map is an overview of venture-backed or growth-stage companies that have received venture capital or other notable private investments. Click to view the full map on the PitchBook Platform.

1 Customer relationship management

Marketing

Contentsquare · Vidzoamp · branch · LTK · SALSIFY

Sales

HIGHSPOT · GONG · 6sense · Clari · chargebee

Customer service & support

Truepill · kore.AI · foodsmart · Neocrm 销售易 · MOVIUS

Digital commerce

饿了么 · PhonePe · metropolis · FAIRE · Rapyd

Cross-CRM

Podium · Insider · Quantum Metric · TREASURE DATA · akeneo

2 Enterprise resource planning

Manufacturing & operations

ServiceTitan · celonis · lentra · CloudKitchens · DRIVEWEALTH

Human capital management

ramp · articulate · lyra · Hinge Health · gusto

Financial capital management

SUNING 苏宁金融 · monzo · checkout.com · 平安医保科技 · Airwallex

Enterprise asset management

WAYVE · Skydio · 合见工软 UNIVISTA · Electric · ClearMotion

3 Supply chain management

Supply chain planning

RELEX · loadsmart · cargomatic · tracelink

Supply chain execution

flexport · Uber Freight · AG-PLANT · project44 · forto

Procurement & sourcing

美菜 天菜卖菜上美菜 · 新康众 CARZONE · Tradeshift · 小胖熊 CHUBBY BEAR · INXEPTION

4 Analytic platforms

Analytics & business intelligence platforms

sigma · cdata · Pigment · Quantexa
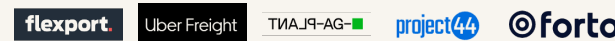
AI & data science platforms

SambaNova · DataRobot · 明略科技 · dataiku · ThoughtSpot.

Location intelligence platforms

mapbox · FOURSQUARE · Capella Space · Zūm · tomorrow.

ABI custom applications

innovaccer · komodo · REDAPTIVE · DNAnexus · Helix

Other analytic platforms software

UPTAKE · TigerGraph · H1 · GTCOM · striim

5 Knowledge management systems

Email & authoring

AVAYA · ALEPH ALPHA · miro · 酷家乐 · DeepL

Project & portfolio management

ClickUp · productboard · Causeway · motion · SITETRACKER

Content services

contentful · coda · HYPERSCIENCE · ontra · 法大大 FADADA

6 Other application software

Other security

ANDURIL · 1Password · cybereason · Coalition

Compliance

onetrust · Assent · Vanta · DRATA · Watershed

Enterprise search

xI · glean · Alation · Everlaw

VC activity

Global enterprise SaaS VC investments increased dramatically in Q2 2024, rising 70.2% QoQ to $21.9 billion—including the $6.0 billion raise by xAI—and even increasing 23.5% to $15.9 billion excluding xAI's megadeal. Impressively, with or without this deal, it was the highest quarterly deal value going back to Q1 2023, which also included two multibillion-dollar megadeals (OpenAI's $10.0 billion deal and Stripe's $6.5 billion deal). This is an impressive rebound, as the prior quarter represented the weakest quarter for VC raised since the COVID-19 pandemic shock of Q2 2020. This quarter's strong performance reinforces our previous expectation that dynamic new technologies would continue to create opportunities for potential disruptors to traditional SaaS incumbent providers.

Deal count dipped slightly in Q2 2024, down 2.1% QoQ to 713 deals completed, which is just below the average of the past six quarters since the start of 2023. Over those six quarters, deal count averaged 736 deals per quarter, which trails the pandemic highs of around 1,300 per quarter and is slightly below the pre-pandemic years of 2018 to 2019 (about 800 per quarter). We attribute this almost wholly to the transformed cost-of-capital environment and believe that recent activity demonstrates the resilience in the sector despite these economic overhangs. Our base-case expectations do not currently anticipate major relief in the cost of capital in the near or medium term.

Enterprise SaaS VC deal activity by quarter

Includes $6.0B investment in xAI

Deal value ($B) ■ Deal count ▬
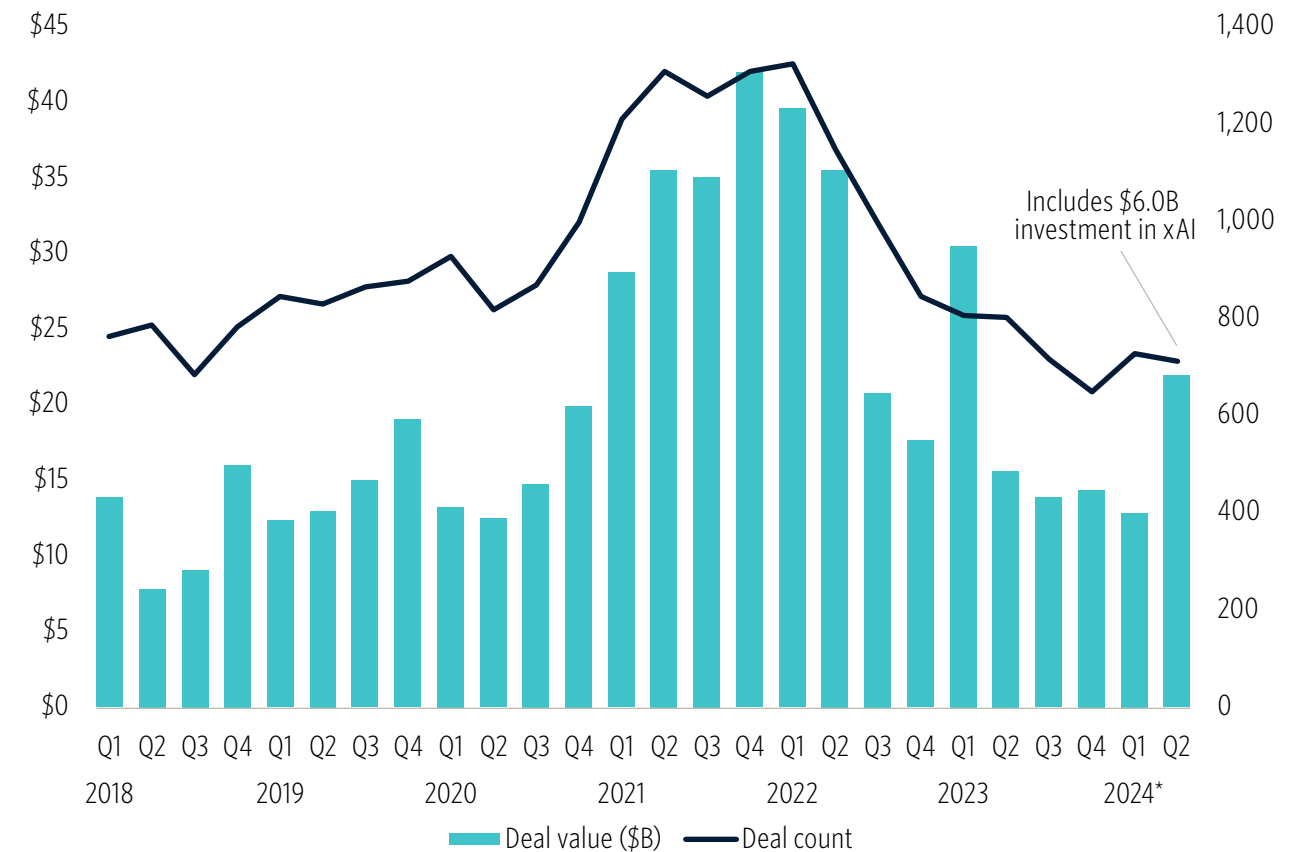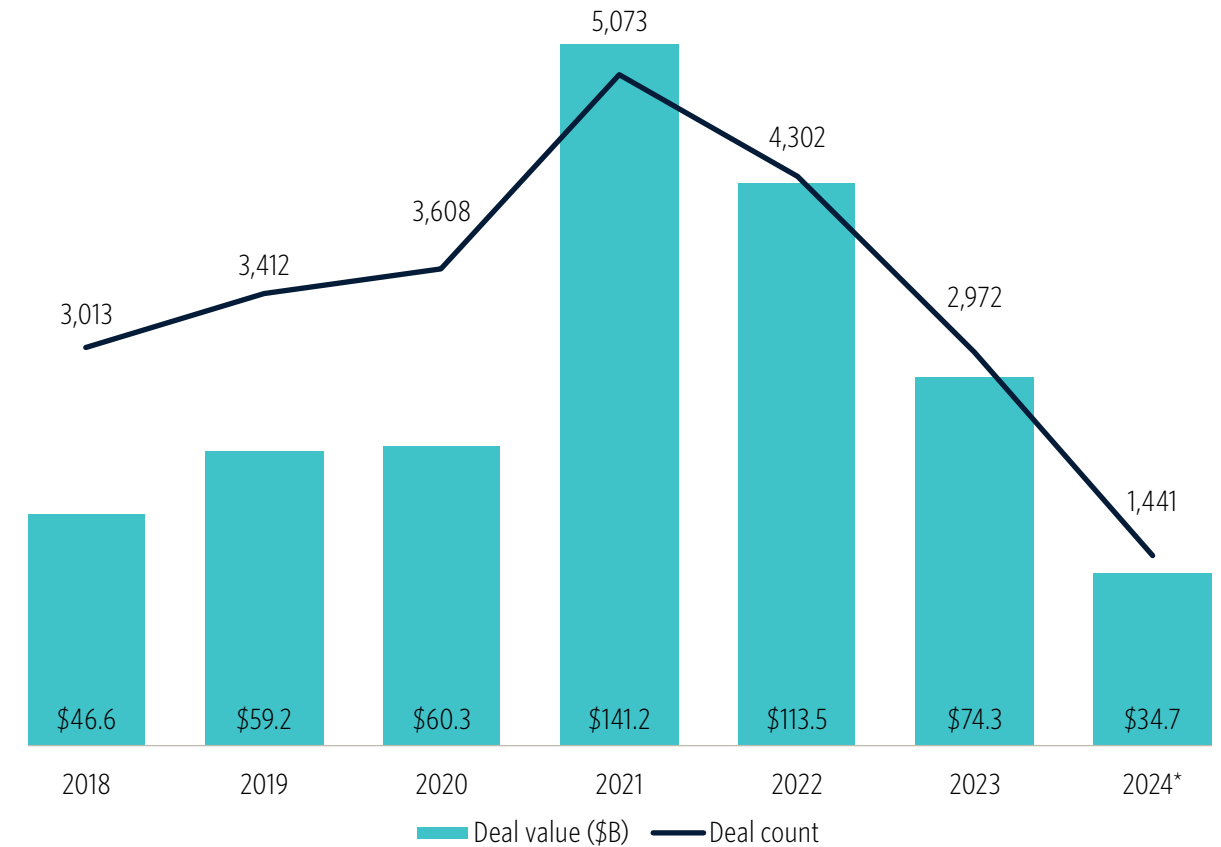
Source: PitchBook • Geography: Global • *As of June 30, 2024

Deal activity by stage was surprisingly consistent across pre-seed/seed, early-stage VC, late-stage VC, and venture growth. Excluding the xAI raise that was categorized as early-stage VC within our segmentation, every stage grew between roughly 18% to 28% QoQ; this was a surprise, as most quarters do not move so uniformly up or down. Excluding xAI, late-stage VC deal value grew the most, rising by $1.8 billion QoQ, followed by venture growth at $526.0 million QoQ, then early-stage VC at $506.4 million QoQ, and pre-seed/seed at $174.8 million QoQ. Deal count was a different story, as early-stage VC grew 22.7% QoQ and all other stages decreased by roughly 5% to 20% QoQ.

Exits surprised to the upside in Q2 2024, led by four public listings, 56 acquisitions, and 13 buyouts. These 73 exits were a 9.9% decrease from the 81 exits in Q1 2024, though the Q2 number resulted in the second-highest quarter since early 2022. Disclosed exit value spiked to $7.9 billion, a 46.1% increase QoQ from $5.4 billion in Q1 2024. Exit disclosures continue to lag compared with prior quarters. In Q2 2024, 13 of 73 exits provided deal values, down QoQ from Q1 2024's 29 of 81 exits and YoY from Q2 2023's 26 of 43 exits. Nonetheless, these 13 disclosures in the quarter included four IPOs, with one in the US (Rubrik at $4.9 billion) two in China (Marketingforce Management at $1.3 billion and Qunabox Group at $253.5 million), and one in Japan (itamiarts at $11.2 million). These propelled exit values higher in Q2, which may portend greater VC exit opportunities as 2024 continues.

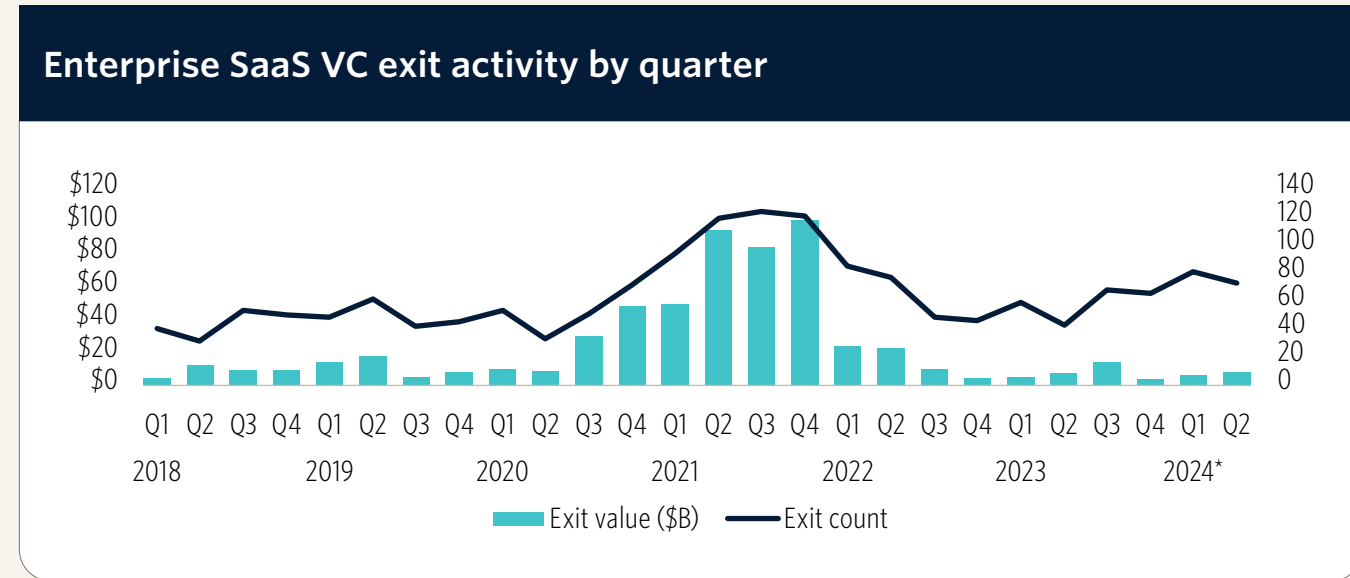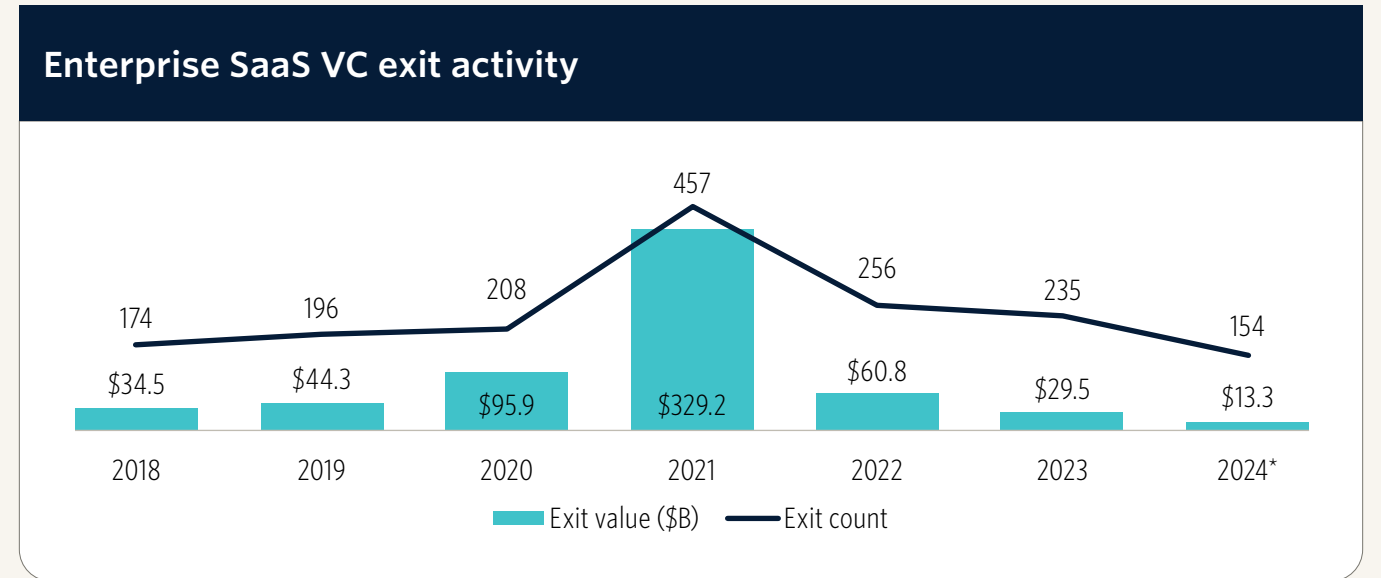## Enterprise SaaS VC deal activity

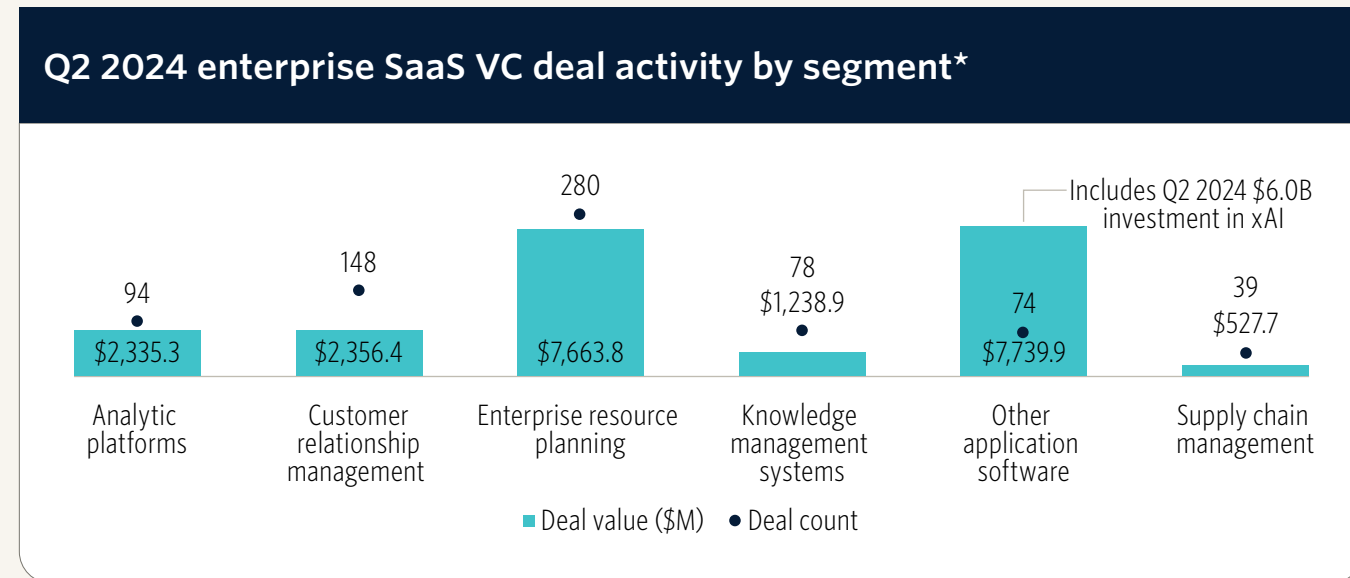Source: PitchBook • Geography: Global • *As of June 30, 2024

Enterprise SaaS VC exit activity by quarter

Source: PitchBook • Geography: Global • *As of June 30, 2024

Enterprise SaaS VC exit activity

Source: PitchBook • Geography: Global • *As of June 30, 2024

Q2 2024 enterprise SaaS VC deal activity by segment*

Source: PitchBook • Geography: Global • *As of June 30, 2024

Trailing 12-month enterprise SaaS VC deal activity by segment*
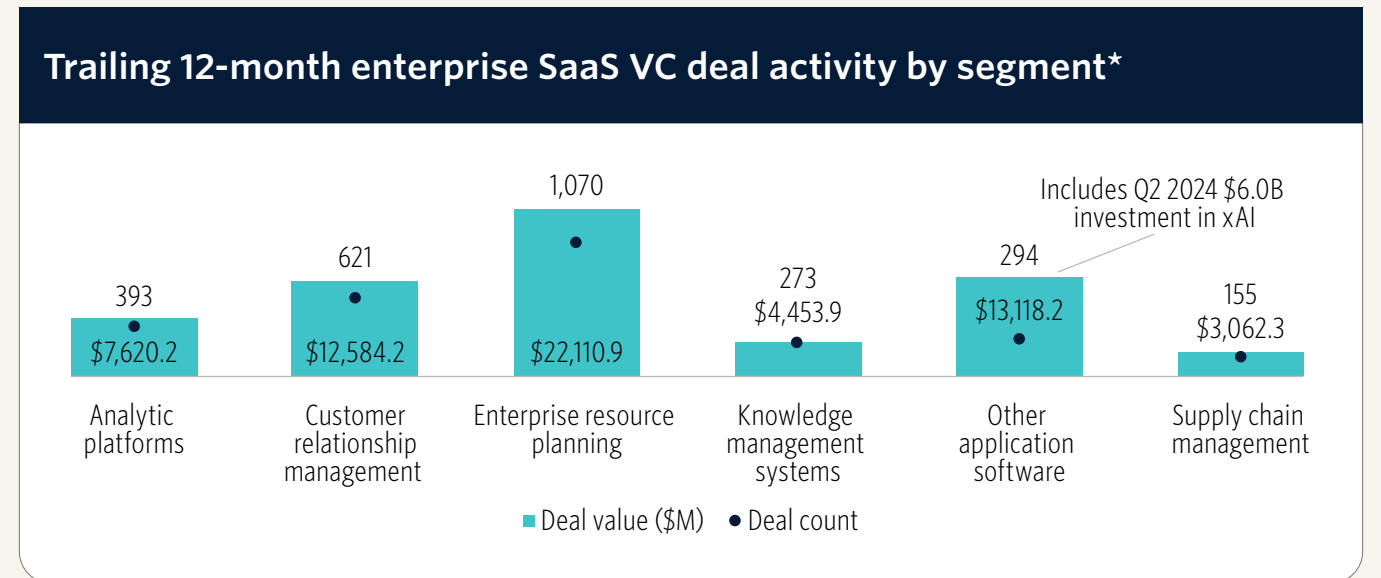
Source: PitchBook • Geography: Global • *As of June 30, 2024

Median enterprise SaaS VC deal value ($M) by stage

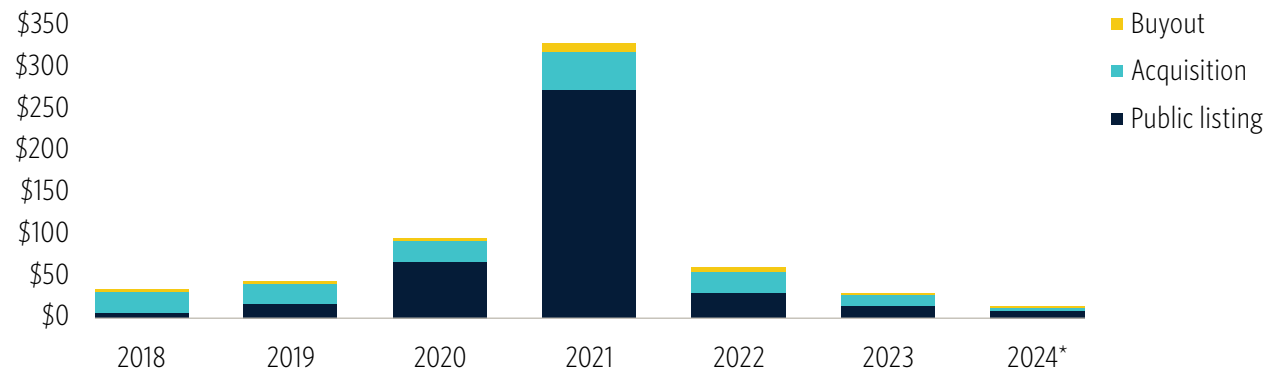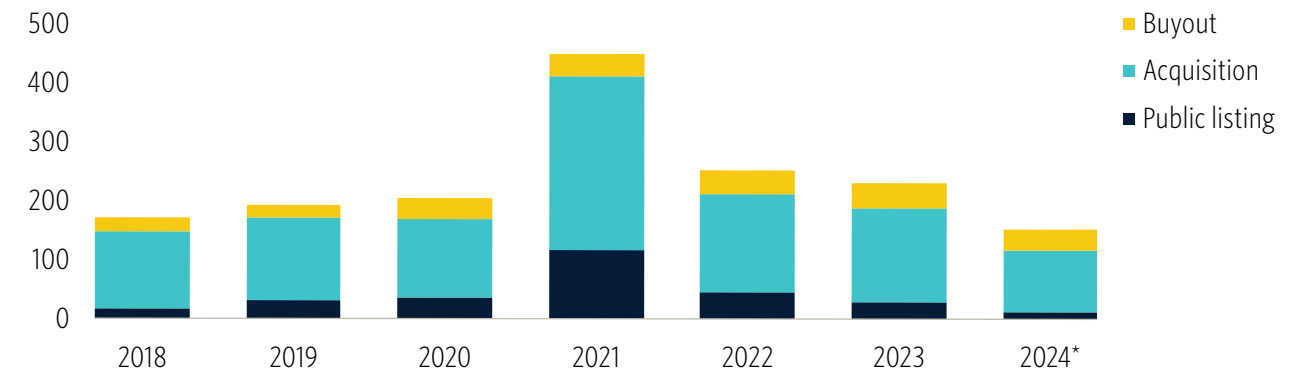| 2024* values |
|---|
| $20.0 |
| $12.0 |
| $12.0 |
| $6.0 |
| $16.6 |
| $13.8 |
| $12.7 |
| $6.7 |

Legend: Pre-seed/seed · Early-stage VC · Late-stage VC · Venture growth
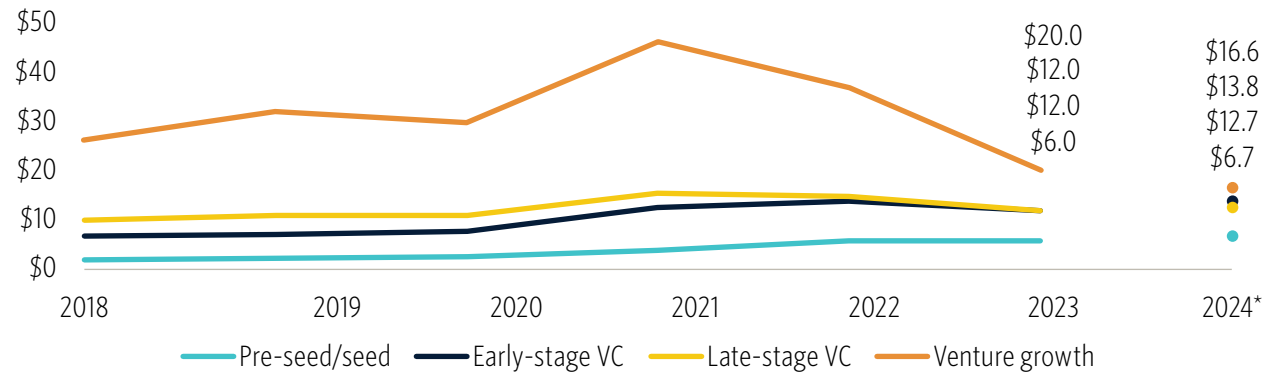
Source: PitchBook • Geography: Global • *As of June 30, 2024

Median enterprise SaaS VC pre-money valuation ($M) by stage

2024* values
$183.0
$50.0
$41.1
$16.1
$600.0
$78.3
$49.7
$18.0

Legend: Pre-seed/seed · Early-stage VC · Late-stage VC · Venture growth
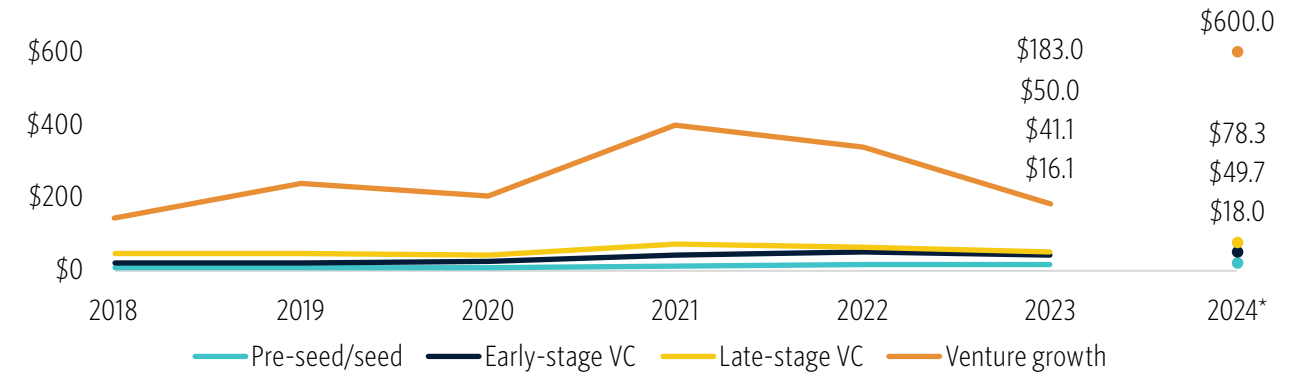
Source: PitchBook • Geography: Global • *As of June 30, 2024

Enterprise SaaS VC exit value ($B) by type

Legend: Buyout · Acquisition · Public listing

Source: PitchBook • Geography: Global • *As of June 30, 2024

Enterprise SaaS VC exit count by type

Legend: Buyout · Acquisition · Public listing

Source: PitchBook • Geography: Global • *As of June 30, 2024

Key enterprise SaaS early-stage VC deals in Q2 2024*

Company	Close date	Segment	Subsegment	Deal value ($M)	Post-money valuation ($M)	Lead investor(s)	Valuation step-up (post to pre)
xAI	May 28	Other application software	Enterprise search	$6,000.0	$24,000.0	Andreessen Horowitz, Sequoia Capital, Valor Equity Partners	N/A
Kapital	April 3	Enterprise resource planning	Manufacturing & operations	$165.0	N/A	Tribe Capital	N/A
Pliant	April 17	Enterprise resource planning	Financial management systems	$163.0	N/A	PayPal Ventures, SBI Investment	N/A
Upstage	April 16	Knowledge management systems	Content services	$74.0	N/A	SK Networks Co.	N/A
Aplazo	May 1	Enterprise resource planning	Financial management systems	$70.0	N/A	QED Investors	N/A
Clara	April 1	Enterprise resource planning	Financial management systems	$60.0	N/A	N/A	N/A
HeyGen	June 20	Knowledge management systems	Email & authoring	$60.0	$500.0	Benchmark Capital Holdings	5.9x
Twelve Labs	June 4	Knowledge management systems	Email & authoring	$50.0	N/A	NVentures, New Enterprise Associates	N/A
Flatpay	April 17	Customer relationship management	Digital commerce	$48.6	N/A	Dawn Capital	N/A
Anrok	April 11	Enterprise resource planning	Financial management systems	$47.6	$242.6	Index Ventures, Khosla Ventures, Sequoia Capital	5.7x

Source: PitchBook • Geography: Global • *As of June 30, 2024

Key enterprise SaaS late-stage VC deals in Q2 2024*

Company	Close date	Segment	Subsegment	Deal value ($M)	Post-money valuation ($M)	Lead investor(s)	Valuation step-up (post to pre)
Wayve	May 7	Enterprise resource planning	Enterprise asset management	$1,050.0	N/A	Eclipse Ventures, Nvidia, SoftBank Group	N/A
Cdata	June 26	Analytic platforms	Analytics & business intelligence platforms	$350.0	N/A	Warburg Pincus	N/A
Cyera	April 9	Other application software	Other security	$300.0	$1,500.0	Coatue Management	2.4x
Sigma	May 16	Analytic platforms	Analytics & business intelligence platforms	$254.0	$1,554.0	Avenir Growth Capital, Spark Capital	1.1x
QI Tech	April 25	Enterprise resource planning	Manufacturing & operations	$250.0	$1,000.0	General Atlantic	N/A
Ramp	April 17	Enterprise resource planning	Human capital management	$150.0	$7,650.0	8VC, Greylock, Khosla Ventures, Sequoia Capital	1.3x
Pigment	April 4	Analytic platforms	Analytics & business intelligence platforms	$145.0	N/A	ICONIQ Growth	N/A
Flip	April 8	Customer relationship management	Digital commerce	$144.0	$1,194.0	Streamlined Ventures	N/A
Bright Machines	June 25	Enterprise resource planning	Manufacturing & operations	$126.0	N/A	BlackRock	N/A
Hidden Road	April 15	Enterprise resource planning	Enterprise asset management	$125.0	N/A	N/A	N/A

Source: PitchBook • Geography: Global • *As of June 30, 2024

Key enterprise SaaS VC exits in 2024*

Company	Close date	Segment	Exit value ($M)	Exit type	Acquirer(s)	Post-money valuation ($M)
Rubrik	April 25	Other application software	$4,877.9	IPO	N/A	$5,629.9
OpenGov	February 27	Enterprise resource planning	$1,800.0	M&A	Cox Enterprises	$1,800.0
LianLian Digitech	March 28	Enterprise resource planning	$1,325.6	IPO	Hangzhou Chengtou, Hangzhou Hi-Tech Financial Investment Group	$1,409.6
Marketingforce Management	May 16	Customer relationship management	$1,318.6	IPO	Jiangxi Financial Holding Group, Nanchang Industrial Holding Group	$1,352.8
Spiff	February 1	Customer relationship management	$419.0	M&A	Salesforce	$419.0
Gem	April 10	Other application software	$350.0	M&A	Wiz	$350.0
Qunabox Group	May 27	Customer relationship management	$253.5	IPO	N/A	$310.2
Sayari	January 16	Analytic platforms	$235.0	Buyout/LBO	TPG	$405.2
Qwak	June 26	Enterprise resource planning	$230.0	M&A	JFrog	$230.0
VRAIN Solution	February 22	Enterprise resource planning	$198.9	IPO	N/A	$203.1

Source: PitchBook • Geography: Global • *As of June 30, 2024

Top strategic acquirers of enterprise SaaS companies since 2018*

Acquirer	Deal count	Investor type
Fullsteam	21	PE-backed company
Descartes Systems Group	17	Corporation
Tyler Technologies	12	Corporation
Upland Software	11	Corporation
Ideagen	11	PE-backed company
Verisk Analytics	11	Corporation
Avalara	10	PE-backed company
Fiserv	10	Corporation
Salesforce	10	Corporation

Source: PitchBook • Geography: Global • *As of June 30, 2024

Top VC investors in enterprise SaaS companies since 2023*

Investor	Total deal count	Pre-seed/seed	Early-stage VC	Late-stage VC	Venture growth	Investor type
HV Capital	19	3	9	5	2	VC
Seedcamp	19	8	6	5	0	VC
Notion Capital	15	5	6	2	2	VC
FJ Labs	14	2	2	8	2	VC
Octopus Ventures	14	5	4	5	0	VC
Bessemer Venture Partners	13	1	9	2	1	VC
Sequoia Capital	12	4	5	3	0	VC
Earlybird Venture Capital	12	3	6	3	0	VC
Speedinvest	11	2	5	4	0	VC
Cherry Ventures	11	4	3	4	0	VC

Source: PitchBook • Geography: Global • *As of June 30, 2024

Top VC-backed enterprise SaaS companies by total VC raised to date*

Company	VC ($M) raised to date	Category	Sector	IPO probability	M&A probability	No Exit probability
OpenAI	$10,310.0	Enterprise search	IT	81%	17%	2%
Stripe	$8,735.0	Financial management systems	IT	97%	1%	2%
Ele.me	$7,335.5	Digital commerce	B2C	N/A	N/A	N/A
xAI	$6,134.7	Enterprise search	IT	79%	6%	15%
Uber Freight	$2,733.5	Supply chain execution	B2B	28%	70%	2%
Flexport	$2,496.9	Supply chain execution	IT	86%	12%	2%
Anduril	$2,315.1	Other security	B2B	83%	15%	2%
PhonePe	$2,252.2	Digital commerce	IT	56%	41%	3%
Suning Finance	$2,211.8	Financial management systems	IT	N/A	N/A	N/A
Metropolis	$1,928.0	Digital commerce	IT	52%	46%	2%

Source: PitchBook • Geography: Global • *As of June 30, 2024
Note: Probability data is based on PitchBook VC Exit Predictor methodology.

Innovation spotlight

Emotion AI

Emotion AI is enhancing modern AI
enterprise solutions to understand,
interpret, and react to real-time human
emotional expression through the union of
psychology, sensors, and machine learning.

Emotion AI

Overview

Emotion AI is the implementation of software and systems that detect, interpret, and respond to human emotions. This requires the union of psychology, computer science, and AI to interpret human expressions of emotions, often through textual natural language processing (NLP), facial recognition, auditory analysis, and other physiological signals monitoring. Emotion AI seeks to achieve and surpass human-level emotional interpretation through analysis of each of these channels. This enables the technology to support more personalized and emotionally aware interactions between humans and machines, as well as support existing human-human interactions by providing keen insights and recommendations in real time to aid productive interactions. These applications promise to enable enterprises to streamline their efforts across a wide variety of both customer-facing and internal interactions.

Facial expression analysis employs cameras, computer vision, and deep learning techniques to analyze human expressions by detecting and tracking microexpressions, muscle movements, and facial landmarks. Auditory analysis works by measuring vocal patterns, tone, pitch, and rhythm to identify many emotional states. Together, facial and auditory analysis could supplement in-person and video-call interactions in real time, across sales, customer service, and many sectors like healthcare where accurate assessments can be critical. Textual analysis investigates word choice, syntax, and context through NLP to better interpret chat/email interactions, customer feedback, and social media monitoring. Finally, other physiological signals monitoring includes observing heart rates, skin responses, and eye movements through wearables and sensors to enhance the inputs of emotion AI. Though these technologies have many positive applications, as they are developed and implemented, they will have to contend with privacy concerns, data security, and the potential for misuse. Finally, cultural and psychological variance must be incorporated to prevent inaccurate and mistaken interpretations.

Market direction

With the proliferation of AI assistants and fully automated human-machine interactions, emotion AI promises to enable more human-like interpretations and responses. This may aid in the development of trust with clients and across employee usage of these technologies. We view the broad application of emotion AI as a critical step in the broad adoption of modern AI solutions and expect most if not all AI technologies to incorporate these advantages over time. Emphatic and responsive emotion AI technologies are expected to enable more natural and human-like responses across a range of technical applications, creating more sympathetic and anthropomorphic interactions. Regulatory constraints may be obstacles for some of these applications. This includes the European Union's AI Act, which prohibits computer-vision emotion detection systems in certain fields, including education. Additional regulatory protections may restrain development of certain emotion AI solutions within each region. This regional headwind may also inhibit the incorporation of cultural differences, potentially impacting the completeness of these solutions as well.

Trending startups

Various incumbents have developed emotion AI solutions, including Microsoft Azure Cognitive Services' Emotion API, IBM Watson's Natural Language Understanding API, Google Cloud AI's Cloud Vision API, Amazon Web Services' Rekognition service, and many more. Across startups, audio, visual, and textual solutions are provided by a variety of startups, including Realeyes ($44.2 million raised), MorphCast ($13.5 million raised), VoiceSense ($8.0 million raised), Superceed ($5.8 million raised), audEERING (funding undisclosed), and Opsis (funding undisclosed).

Uniphore is the developer of an emotion AI-powered conversational automation platform designed to unify and structure all voice, video, text, and data. The company has developed an AI copilot with emotional depth for building trust across enterprise functions, including customer service, sales, marketing, finance, HR, product, technology, and procurement. The company's X-Platform supports contact centers and sales with emotion AI functions including tonal analysis, sentiment analysis, multimodal AI, and behavioral AI. Uniphore last raised $400.0 million of Series E venture funding in a deal led by New Enterprise Associates in February 2022. This put the company's pre-money valuation at $2.1 billion, a 2.5x valuation step-up from its previous raise in March 2021. The startup has raised $624.2 million since its founding in 2008 and has 902 employees.

Entropik is another standout provider of emotion AI solutions. The company develops an online emotion intelligence platform designed to measure the cognitive and emotional responses of consumers. The platform provides solutions for the measurement and optimization of customer and user experiences, while also developing marketing and consumer research. Entropik last raised $25.0 million of Series B venture funding in a deal led by SIG Venture Capital and Bessemer Venture Partners in February 2023. The startup was founded in 2016 and has 181 employees.

Select company highlight

grammarly

Overview

Grammarly is the developer of a widely used and accessible writing assistant and has developed a slew of resources for enhancing business communication, both internally and externally. The company recently incorporated advanced AI approaches within its assistant, notably including emotion AI solutions. These advanced business tools have developed beyond refining language for clear and engaging communication, now managing the tone and emotional impact of written messaging as well. Emotion AI enables Grammarly's enterprise solutions to align a writer's intent with the desired emotional impact by understanding and interpreting the emotional tone of various text inputs in real time. This is useful for upskilling employees to address all manner of stakeholders with appropriate and effective emotional nuance, including external clients and partners, as well as internal teams and leadership.

For enterprises, Grammarly also enables firm-wide customization to tailor emotion AI feedback and consistently reflect the brand voice, maintain a consistent image, and create a positive internal culture. This helps drive productive client engagement and customer service through tone management to avoid miscommunication, overly formal or informal language, or potential negative messaging. Generally, Grammarly promotes professional, empathetic, and engaging communication, and works to seamlessly integrate its solutions with email clients, content management solutions, and collaboration tools. While Grammarly is an incumbent in this space, we expect continual innovation to be necessary, as new AI developments have the potential to cause market disruptions and opportunities for smaller vendors.

Key company information

Founded 2009	**Last financing valuation** $13.0B	**Lead investors** General Catalyst, Baillie Gifford
Employees 1,449	**Last financing** Raised $200.0M	
Total raised $400.0M		

Exit Predictor
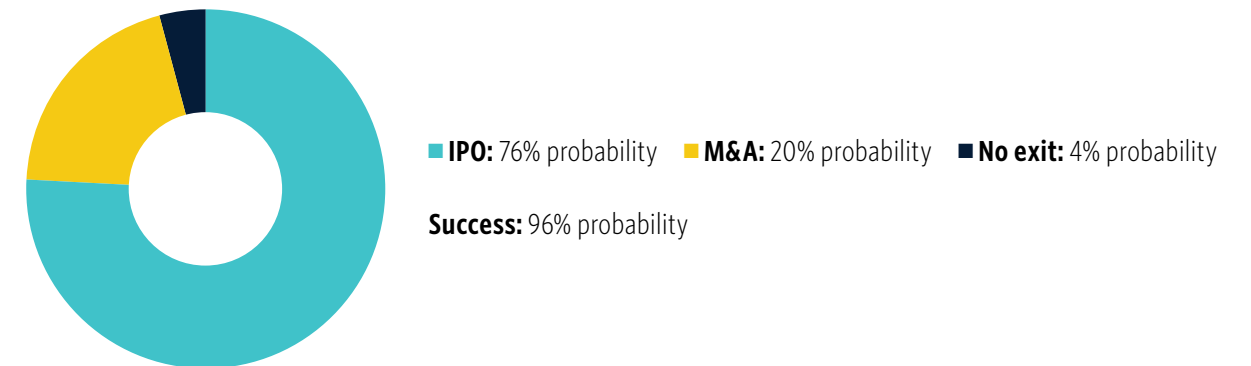
IPO: 76% probability   **M&A:** 20% probability   **No exit:** 4% probability

Success: 96% probability

Note: Probability data is based on PitchBook VC Exit Predictor methodology.

Leadership

Grammarly is led by CEO and President Rahul Roy-Chowdhury, who was promoted to this role in May 2023 from his previous position as global head of product. The company's three founders— Max Lytvyn, Alex Shevchenko, and Dmytro Lider—are active members of the leadership team as well, serving as head of revenue, product lead, and head of language technology, respectively. Grammarly has successfully scaled its range and impact since its founding in 2009, incorporating emotional AI in its tone detector in 2019 and most recently adding generative AI assistance in 2023. We expect Roy-Chowdhury's extensive product and technology background to continue this innovative drive across the company's solutions.

Competitors

Emotion AI applications focused on enterprise communications is a fairly niche market, with some incumbent participation by Microsoft, Amazon, IBM, and others, as well as a variety of startups. Across the startup landscape, Grammarly's competitors include Cogito (founded in 2007), Behavioral Signals (founded in 2016), and VIER (founded in 2015). Grammarly has largely defined the space and is incorporating many formerly deep tech solutions to maintain its market share through continuously developing these competitive advantages. The company's strong brand recognition continues to be a meaningful asset that it protects through a focus on privacy and security across its range of solutions.

Financing history

Series 1	Series 2	Late-stage VC
May 8, 2017	**September 26, 2019**	**November 18, 2021**
Total raised	**Total raised**	**Total raised**
$110.0M	$90.0M	$200.0M
Pre-money valuation	**Pre-money valuation**	**Pre-money valuation**
$440.0M	$2.2B	$12.8B
Investor	**Investor**	**Investor**
General Catalyst	General Catalyst	Baillie Gifford

About PitchBook Industry and Technology Research

Independent, objective, and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors, and companies driving the asset class.

Our Industry and Technology Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

PitchBook Data, Inc.

Nizar Tarhuni Executive Vice President of Research and Market Intelligence

Paul Condra Head of Emerging Technology Research

Additional research

Eric Bellomo
eric.bellomo@pitchbook.com
Gaming
E-Commerce

Brendan Burke
brendan.burke@pitchbook.com
Data Analytics
Information Security
Artificial Intelligence & Machine Learning

Aaron DeGagne
aaron.degagne@pitchbook.com
Medtech
Digital Health

Alex Frederick
alex.frederick@pitchbook.com
Agtech
Foodtech

Jonathan Geurkink
jonathan.geurkink@pitchbook.com
Supply Chain Tech
Mobility Tech

Kazi Helal
kazi.helal@pitchbook.com
Biopharma
Pharmatech

Derek Hernandez
derek.hernandez@pitchbook.com
Enterprise SaaS
Infrastructure SaaS

Ali Javaheri
ali.javaheri@pitchbook.com
Emerging Spaces

Robert Le
robert.le@pitchbook.com
Insurtech
Crypto

John MacDonagh
john.macdonagh@pitchbook.com
Carbon & Emissions Tech
Clean Energy Tech

Rebecca Springer
rebecca.springer@pitchbook.com
Healthcare Services
Healthcare IT
Pharma Services

Rudy Yang
rudy.yang@pitchbook.com
Enterprise Fintech
Retail Fintech