

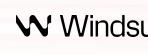
INFRA **RED** SUMMIT

The **2025**
InfraRed Report.



PRESENTED BY



 ZAI	 Abnormal	 Adaptive	 ANTHROP\IC	 antithesis	 ARCTIC WOLF	 *Astrix	 atlan	 baseten	 bitdrift
 bitwarden	 bolt. _{new}	 braintrust	 Browserbase	 chainguard	 ClickHouse	 Cockroach Labs	 CodeRabbit	 Cognition	 COHESITY
 Composio	 Cribl	 CURSOR	 cyberhaven	 CYERA	 databricks	 dbt Labs	 descope	 docker	 Dragonfly
 ElevenLabs	 fal	 Fireworks AI	 FLOX	 Gitpod	 GOODFIRE	 Grafana Labs	 halcyon	 harness	 HEX
 Hugging Face	 Island	 LangChain	 LaunchDarkly →	 Legion	 Linear	 LiveKit	 Lovable	 METRONOME	 MIMIC
 Mistral AI	 Modal	 MotherDuck	 NEON	 omni	 OpenAI	 ORCA SECURITY	 outtake.ai	 PointFive	 poolside
 sport	 POSTMAN	 prophet	 Pydantic	 QA WOLF	 Railway	 Redis	 Reflection	 Render	 replit
 Resolve.ai	 restate	 scale	 Semgrep	 snyk	 Sourcegraph	 spiral	 Stainless	 STATSIG	 stripe
 Sublime Security	 supabase	 SurrealDB	 tailscale	 Temporal	 Tessell	 together.ai	 Traversal	 turbopuffer	 unsloth
 UNSTRUCTURED	 upwind	 VAPI	 VAST	 vega	 Vercel	 Windsurf	 workato	 xbow	 ZED INDUSTRIES

Cloud infrastructure powers virtually everything.

Education



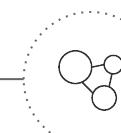
Finance



Healthcare



Life Sciences



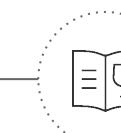
Manufacturing



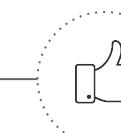
Real Estate



Restaurants



Social Media



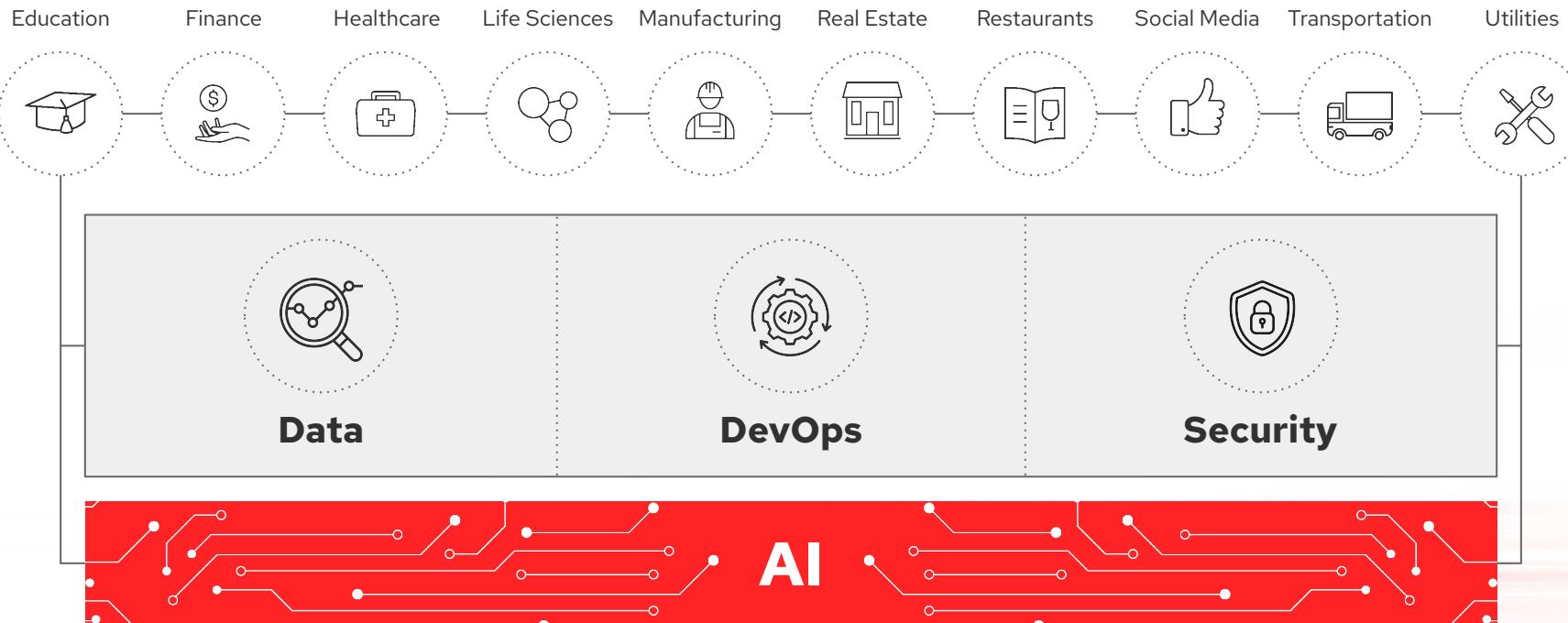
Transportation



Utilities



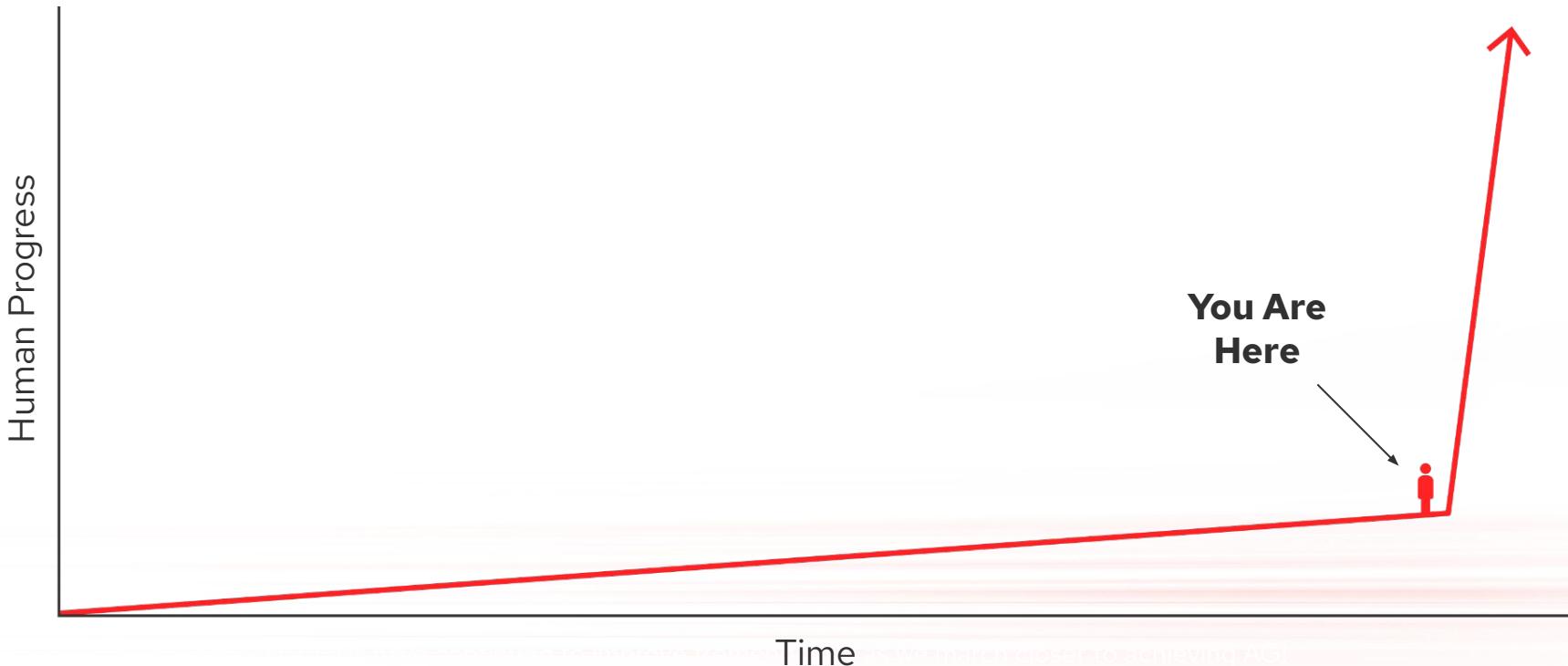
Cloud infrastructure categories.



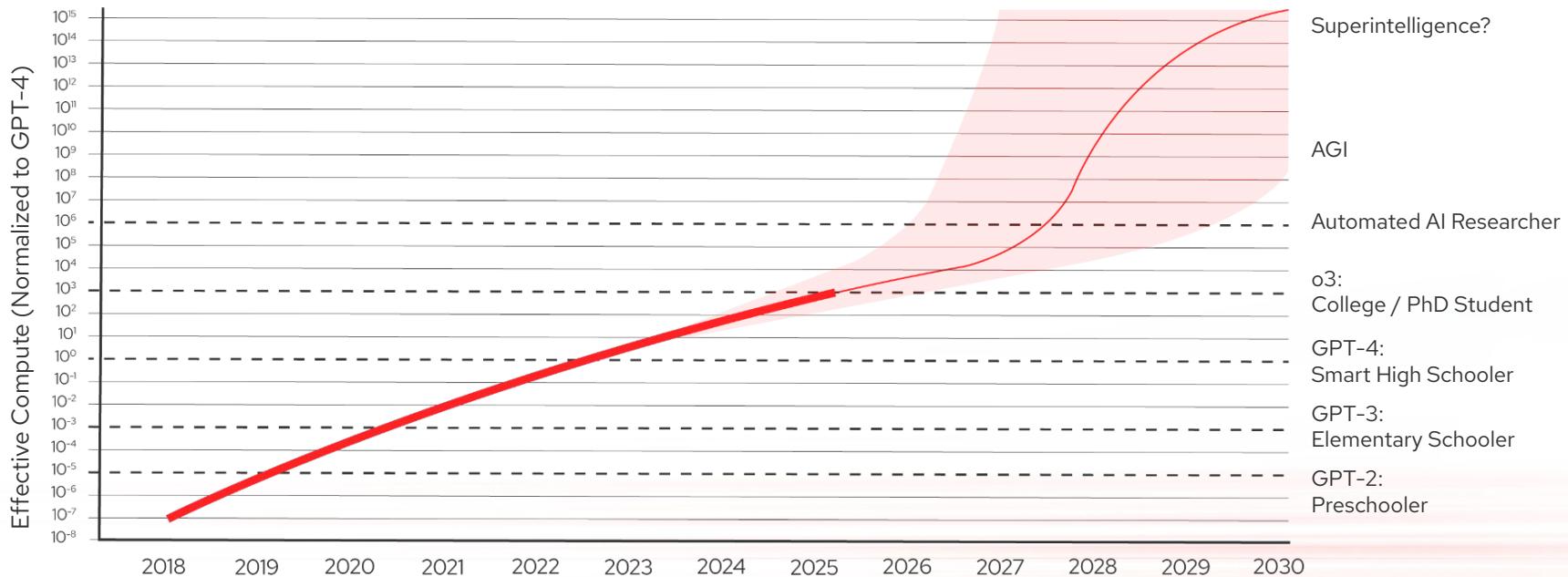
**There's never been a
better time to build in
infrastructure software.**

AI.

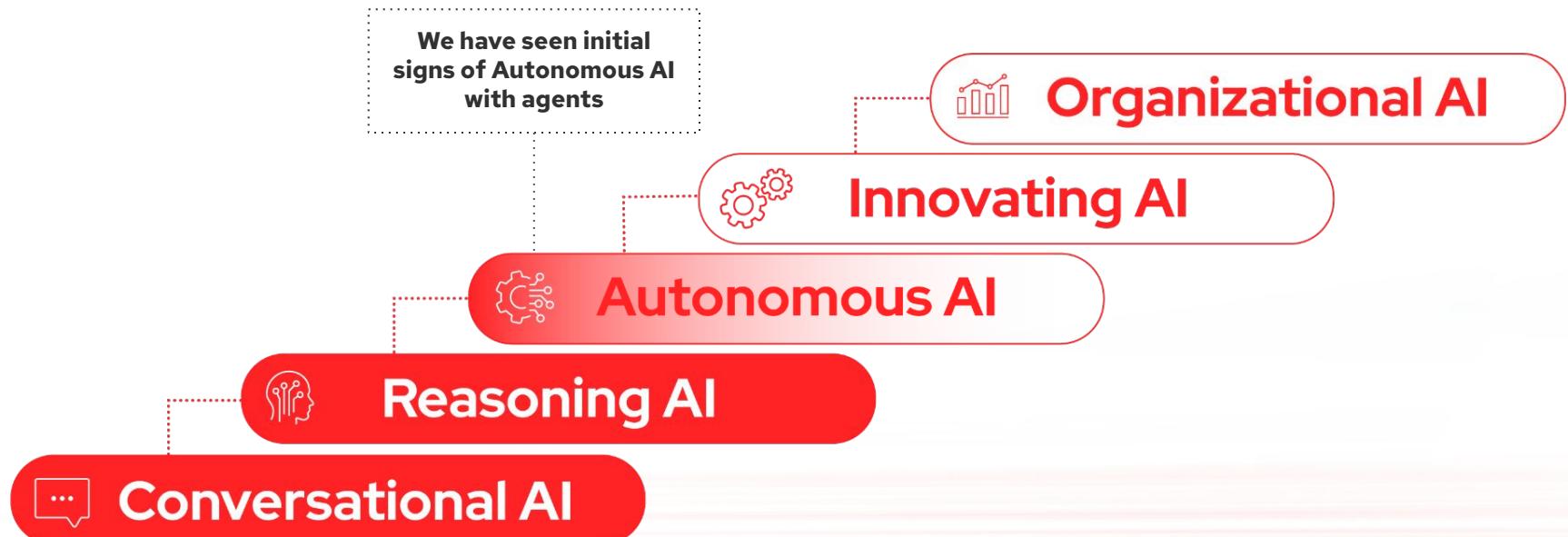
What does it feel like to stand right here?



Approaching an intelligence explosion.

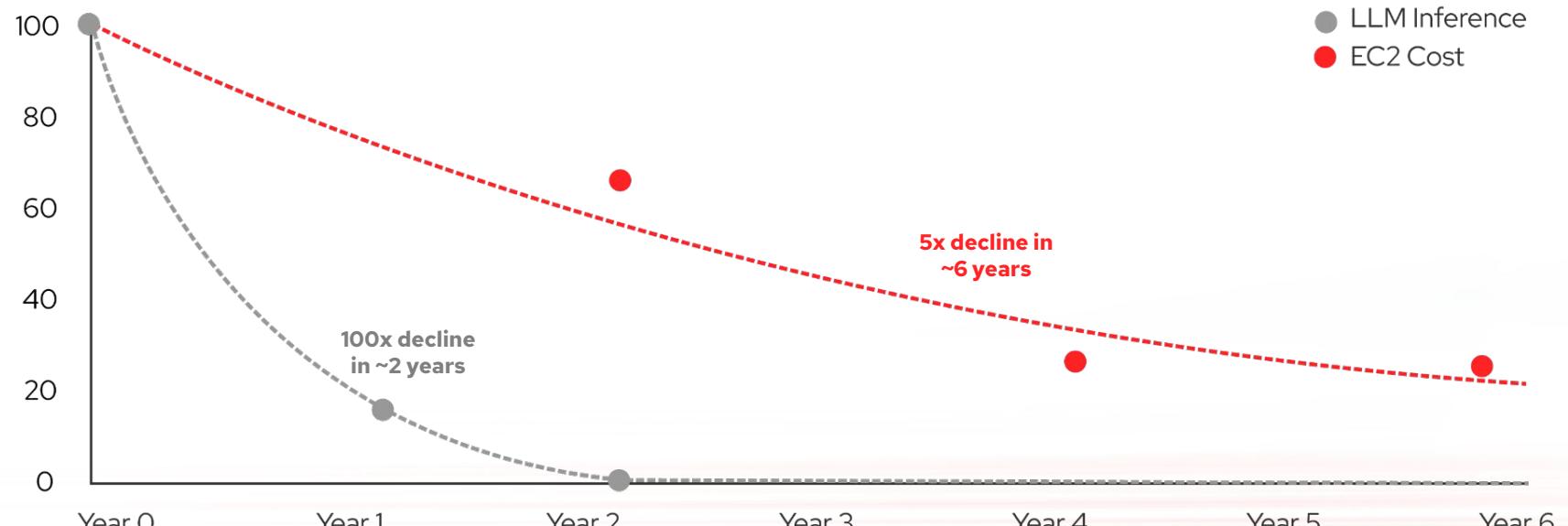


The march toward AGI.



AI is progressing faster than Cloud.

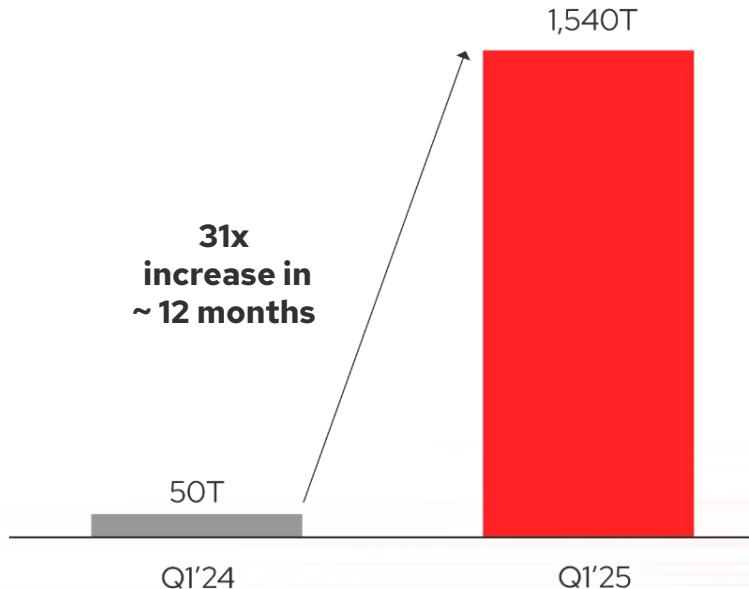
Indexed Cost of LLM Inference vs. AWS EC2



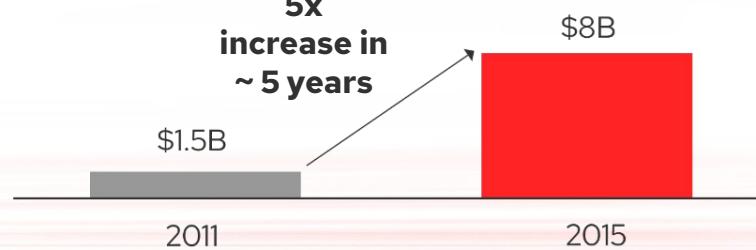
Infra costs in the AI era are falling faster than in the Cloud era – the cost of inference is down ~100x in 2 years.

Unprecedented consumption.

Google + Microsoft
Tokens Processed (Trillions)



AWS Revenue (\$ Billions)



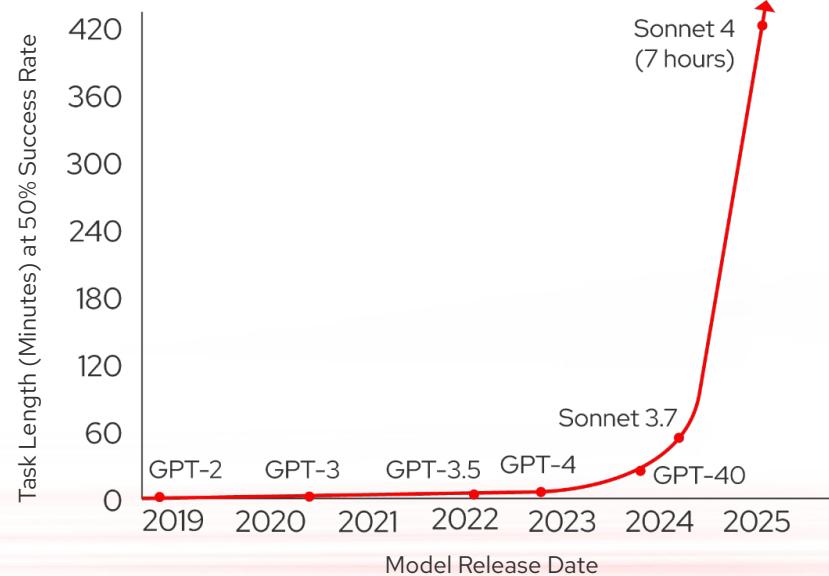
AI usage has surged - far beyond what we saw in the early Cloud days - even accounting for cheaper inference.

LLMs are becoming much more capable.

"GPT 4.5 passes Turing Test that's deemed as barometer for human-like intelligence"

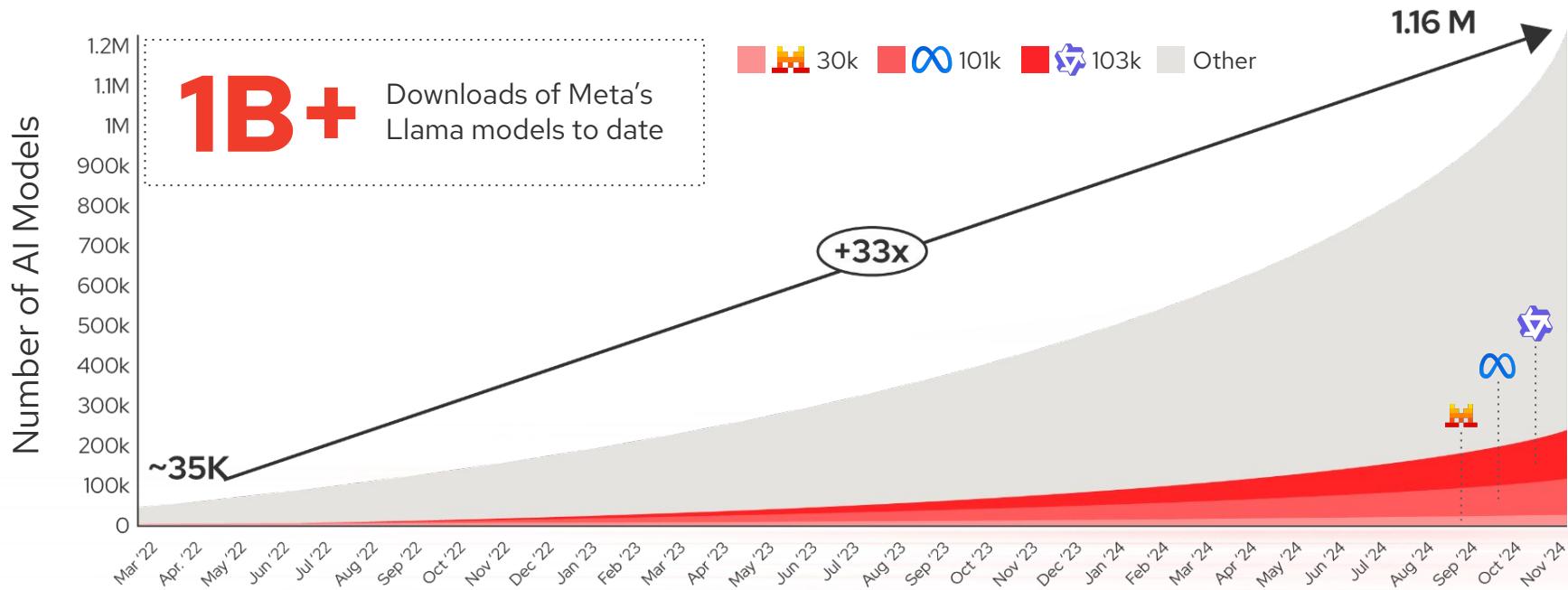
UC San Diego APRIL 2025

The length of tasks AI can do has doubled every ~7 months



Explosion of open-source models.

Cumulative number of models over time



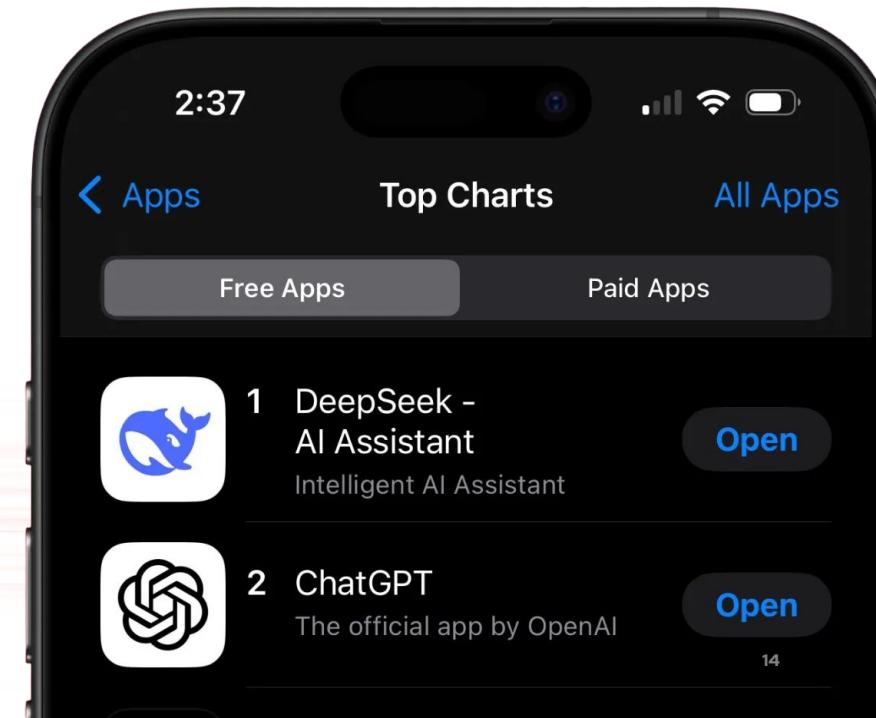
The DeepSeek moment.



JENSEN HUANG

CEO OF NVIDIA, INTERVIEW IN MAY 2025

"Genuinely a gift to the world's AI industry ... Everywhere I go, **DeepSeek R1 has made a real impact in how people think about AI** and how to think about reasoning AIs."



Advances in reinforcement learning.



"Today we previewed **Reinforcement Fine-Tuning**, a new model customization technique that enables organizations to build expert models for specific, complex tasks in domains such as coding, scientific research or finance."

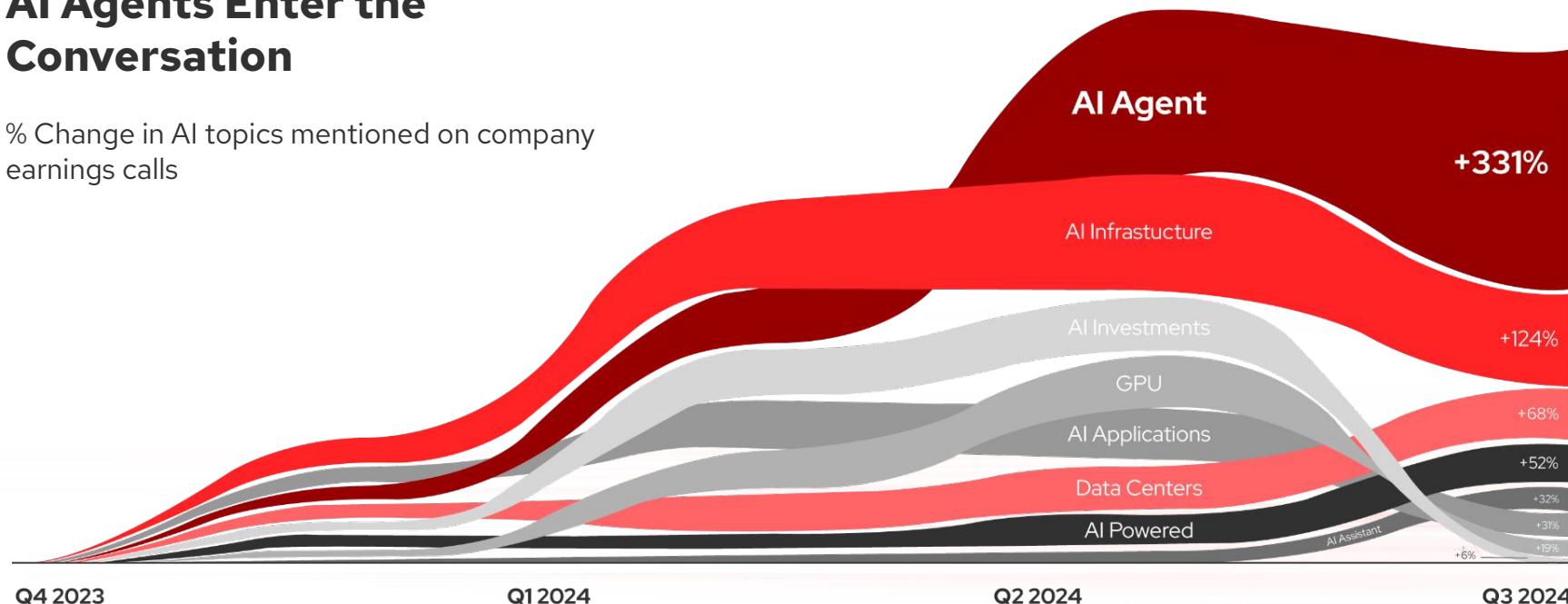


Advances in RL are enabling AI applications to accomplish specific tasks and interact with tools and systems more effectively.

The rise of AI Agents.

AI Agents Enter the Conversation

% Change in AI topics mentioned on company earnings calls



Q4 2023

Q1 2024

Q2 2024

Q3 2024

A Cambrian explosion in AI-native apps.

AI Customer Support



Decagon



SIERRA

AI Legal Assistants

Harvey LEGORA

Medical Scribes

ABRIDGE Ambience

AI Logistics



augment



HappyRobot



AI-assisted Search

glean

Coding Assistants + Agents



Cognition



CURSOR



poolside



sourcegraph



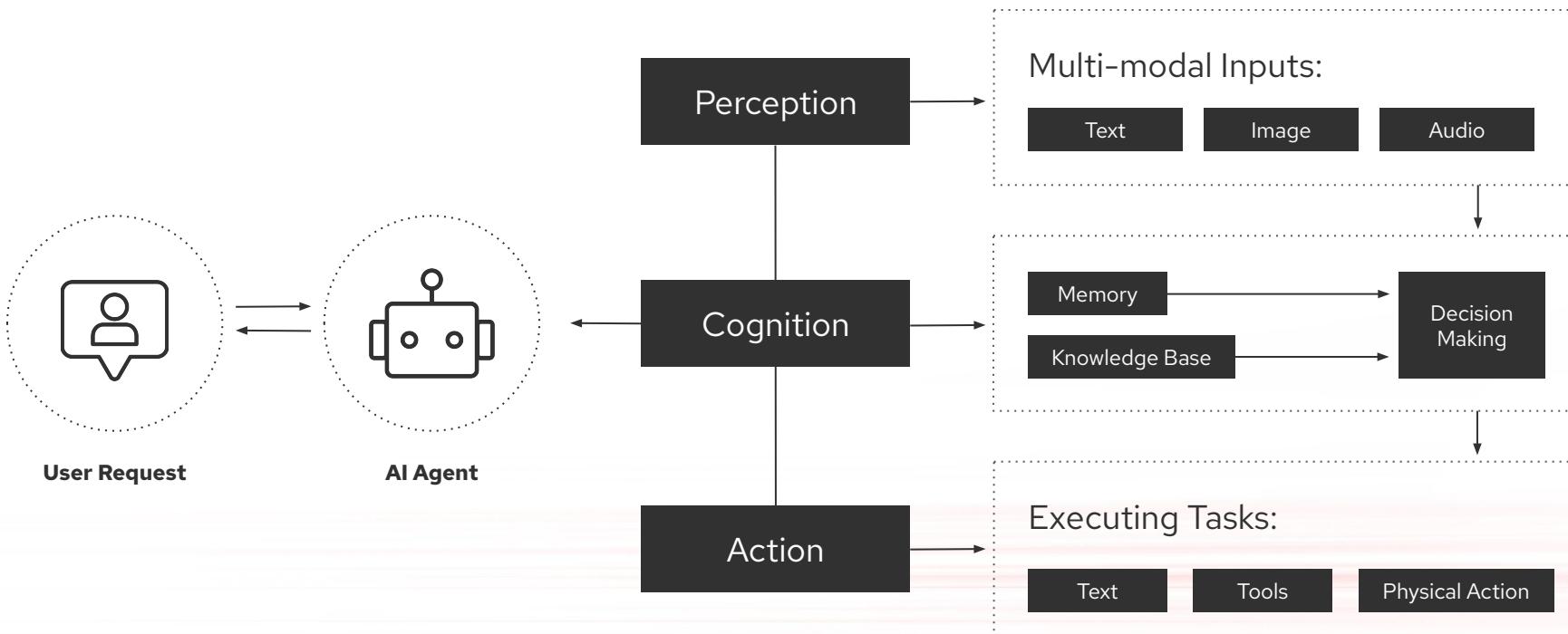
Windsurf



ZED INDUSTRIES

In the past 18 months, over 600 venture backed AI-native startups in 50+ application software categories have emerged.

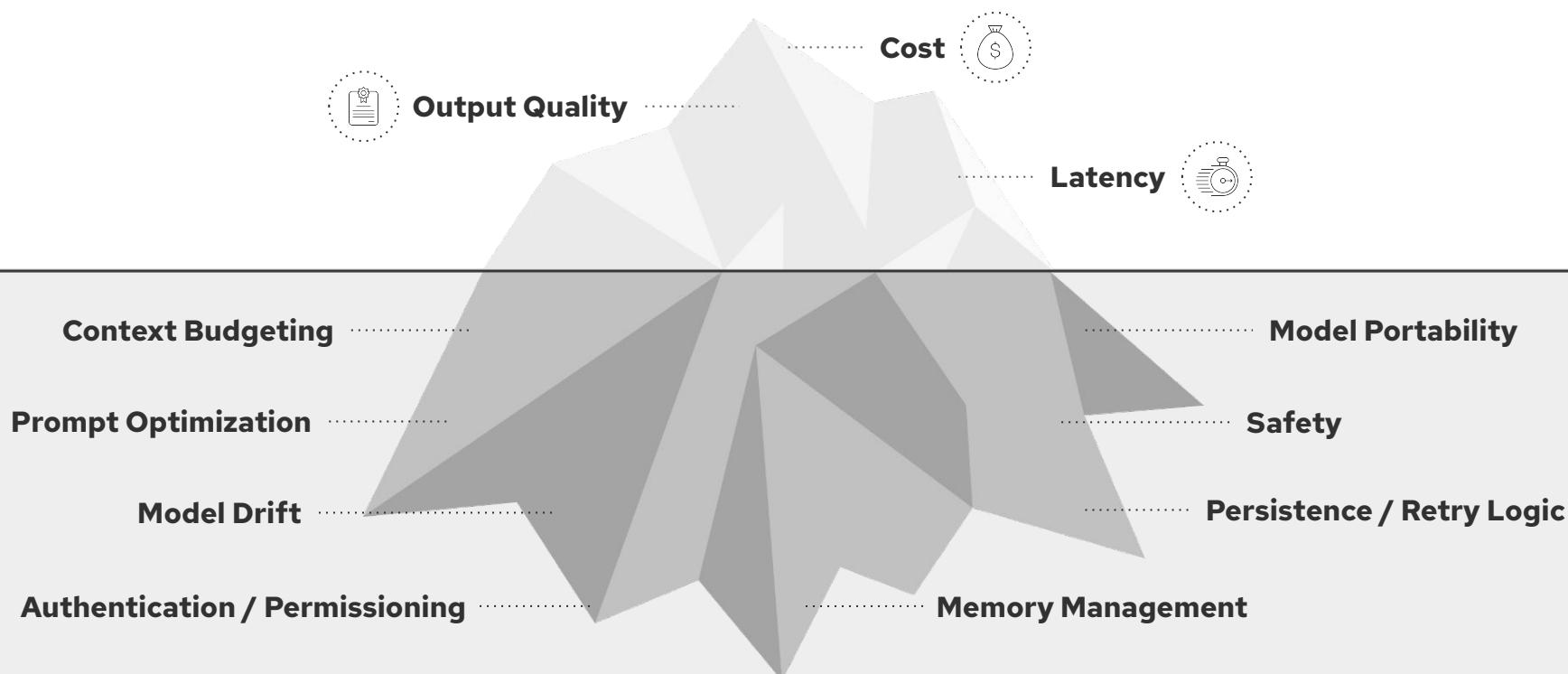
But what is an agent?



Building AI agents is challenging.

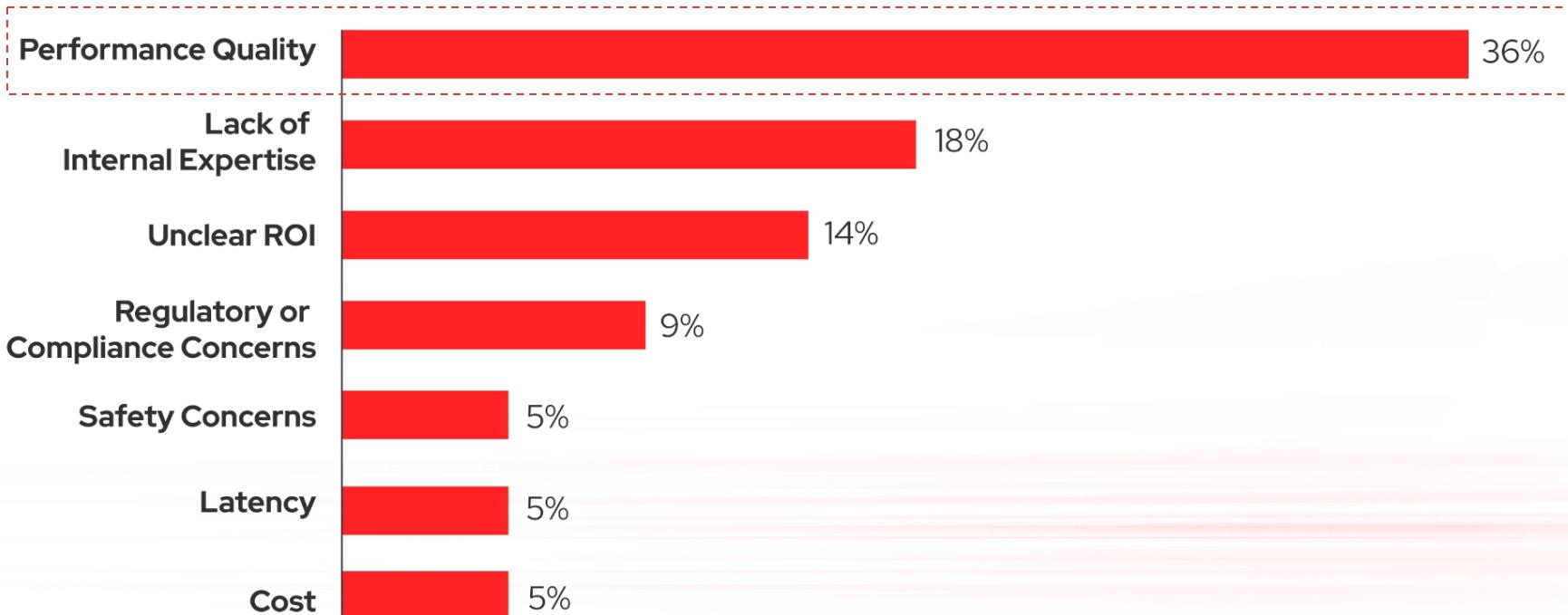


Tons of unsolved problems.

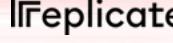


Enterprises still struggle to deploy AI agents.

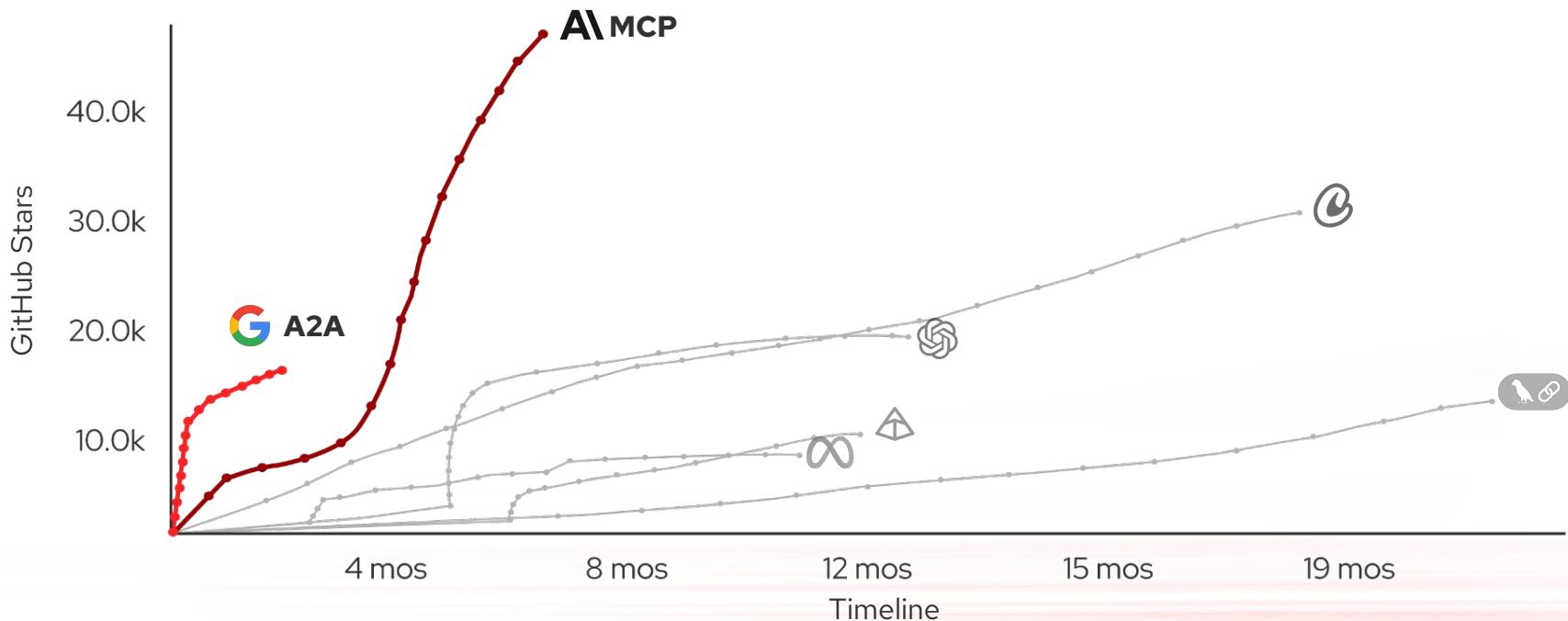
What is your main challenge when building and deploying AI agent systems?



State of AI infrastructure tooling.

Data Labeling / Management	Evaluations / Observability	Inference	
scale  MERCOR  TURING	braintrust  Patronus AI 	Modal  baseten 	
 Snorkel  SuperAnnotate  Labelbox	 Galileo  Haize Labs  arize	 Fireworks AI  together.ai	
Browser Infrastructure	AI Agent DevOps	AI Agent Security	AI Agent Orchestration
 Browserbase  Browser Use  Coder  Gitpod  Arcade  descope  LangChain  LlamaIndex			
 parallel  Firecrawl  E2B  Daytona  clerk  KEYCARD  Pydantic  openwai			
Vector Databases	Model Security	Fine-Tuning	
 chroma  Pinecone  turbopuffer  TROJ.AI  CALYPSO AI  Prompt  Adaptive ^{ML}  clarifai  LAMINI  Replicate			

New AI agent protocols are emerging.



New protocols from Anthropic and Google are establishing the standards for building AI agents and accelerating development.

The potential for AI agents is enormous.



JENSEN HUANG
CEO OF NVIDIA

"AI Agents present a **multi-trillion dollar opportunity.**"

Perception AI
Speech Recognition
Deep RECSYS
Medical Imaging

Generative AI
Digital Marketing
Content Creation

Agentic AI
Coding Assistant
Customer Service
Patient Care

Physical AI
Self Driving Cars
General Robotics



Data.

The data space continues to evolve across both infrastructure and analytics.

1



The War of Catalogs

2



**S3 Oriented
Architectures**

3



AI Driven Analytics

Data lakehouses have become more commonplace due to the rise of Apache Iceberg ...



CONFLUENT

Tableflow: Kafka topics as
Iceberg tables

**Streaming and Incremental
Processing**

EXAMPLE

LinkedIn uses **Iceberg** in its
ingestion pipeline.



S3 Tables: Fully managed
Iceberg tables

Large Scale Analytics



BigQuery tables for
Apache Iceberg

AI Pipelines

EXAMPLE

Adobe uses **Iceberg** in its **Adobe Experience Platform** to
personalize user experiences.

EXAMPLE

Salesforce migrated **ML Lake** to
Iceberg.

... which has led to a war between Snowflake and Databricks.

Unity Catalog	POLARIS CATALOG	
 databricks +  Tabular	vs	 snowflake

 **Hacker News**

"The Databricks vs. Snowflake bidding war is probably an insanely good time to be a database startup."

AI workloads require large-scale, resilient, and efficient data pipelines – the types that Iceberg will enable (e.g., distributed training, inference, dataset versioning, etc).

As costs spike due to increases in data, infra providers turn to S3-based persistence architectures.

Disk Based

**Write to local SSDs as source of truth;
compute + storage coupled**



Blob Based

**Write to S3 as source of truth;
separation of compute + storage**



WarpStream



turbopuffer



NEON

Due to the increase in the amount of data being processed and leveraged in AI pipelines, more efficient architectures are required to enable AI-related features at reasonable prices.

The data analytics space has evolved to natural language AI driven analytics.

2000s	2010s	2020s	Today
IT Driven Analytics	Batch Based BI	Realtime Cloud Analytics	AI Driven Analytics
 	 	 	 

Not only is the data infrastructure space evolving to support AI, but AI is being leveraged to distribute real time analytics across an organization.

DevTools.

Tons of skepticism just two years ago.

“AI can’t
create software,
only code.”



DECEMBER 2023

“AI is **not a**
panacea for
software
development.”



JUNE 2023

“The AI Hype
Cycle Is
Distracting
Companies.”



JUNE 2023

Now, AI coding has the strongest PMF.

"Amazon Q has saved us the equivalent of **4,500 developer-years of work and \$260M** in efficiency gains."



Andy Jassy, CEO

AUGUST 2024

"In 2025, we are going to have **AI that can effectively be a mid-level engineer.**"



Mark Zuckerberg, CEO

JANUARY 2025

"US computer engineering grads face **double the unemployment rate** of art history majors."



JUNE 2025

Evolution of the software development lifecycle.

1970s: Waterfall

Slow, siloed developer and operations teams.



2000s: Agile

Sprint-based, increasing iteration and collaboration.



2010s DevOps

Git version control, CI/CD pipelines, containerization, monitoring.



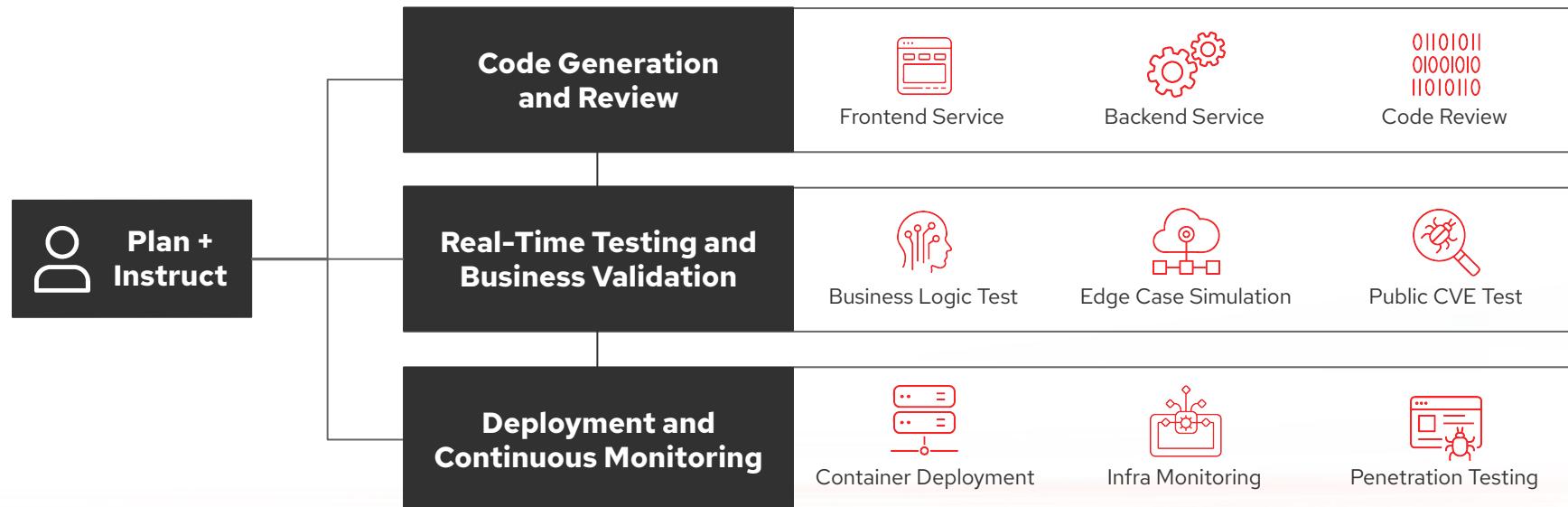
2020s + Agentic Devs

Development flow designed for agents rather than humans.

???

DevOps has evolved to become more collaborative with faster feedback loops, and AI agents present a new opportunity for improvement.

The future of DevOps centers on AI agents.



In the future, software development will be handled by dozens or hundreds of AI agents operating in parallel.

Rethinking standard DevOps tools and practices.

	Today	Future
IDEs	Humans write code	AI agents generate code, and humans supervise
Branches + PRs	Humans actively collaborate and execute PR hand-offs	Agents operate on short-lived branches, executing and reviewing code in parallel
CI Pipelines	Scheduling testing as part of CI flow	24/7 testing as new code is generated or modified
Software Tests	Evaluate code against manually written tests	Agents spin up simulated environments to explore all edge cases
Monitoring	Piecemeal releases to monitor production app and return feedback to specific engineering team	Clear explainability and rollback mechanisms for agents to retrace steps and audit coding decisions 24/7

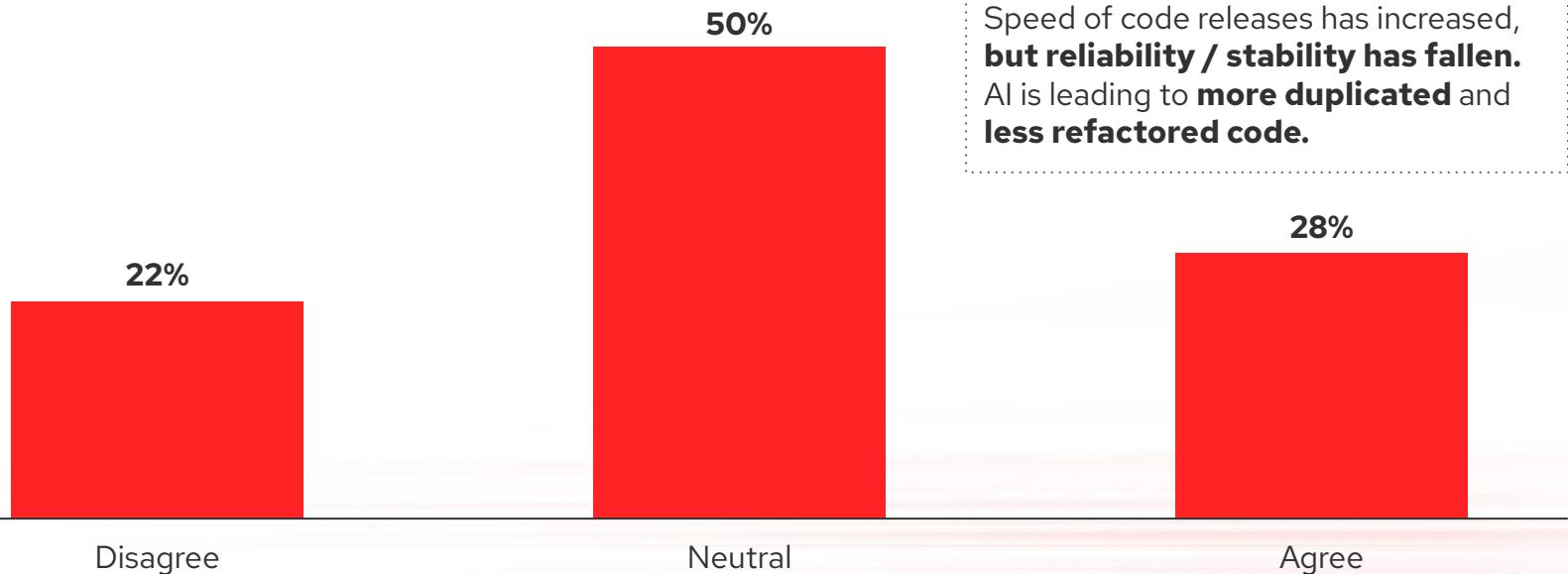
AI is already changing how we build software.

App Builders	Coding Assistants	Autonomous Coders
<p>No-code</p> <p>Designed for everyday users</p> <p>Natural language prompts to build and deploy full-stack applications</p>	<p>Co-pilot coding products</p> <p>Designed for SWEs</p> <p>Suggest full code blocks and debug in real time, trained on developer workflows and context</p>	<p>New coding tools</p> <p>Designed for SWEs+</p> <p>Autonomously handle complex, multi-step code generation and editing tasks</p>
 replit ~\$70M ARR in 7 months	 GitHub Copilot ~\$600M ARR	ANTHROPIC → Claude Code OpenAI → Codex
 Lovable \$60M+ ARR in 6 months	 CURSOR \$500M+ ARR	CURSOR → Background Agents  windsurf → SWE-1
 bolt.^{new} \$40M+ ARR in 5 months	 windsurf \$100M+ ARR \$3B Acquisition	 Cognition → Devin  Sourcegraph → Amp

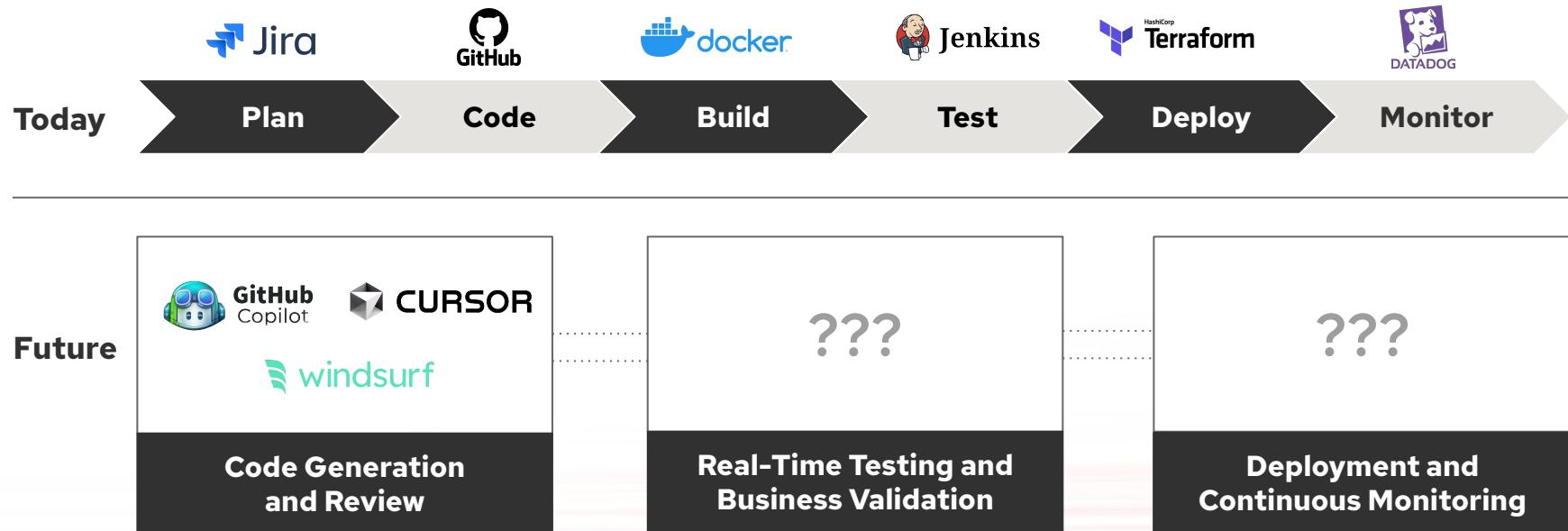
AI is already changing how we design and develop apps, and continued improvements to the underlying models are moving us closer to having fully autonomous coding systems.

However, AI coding is not perfect yet.

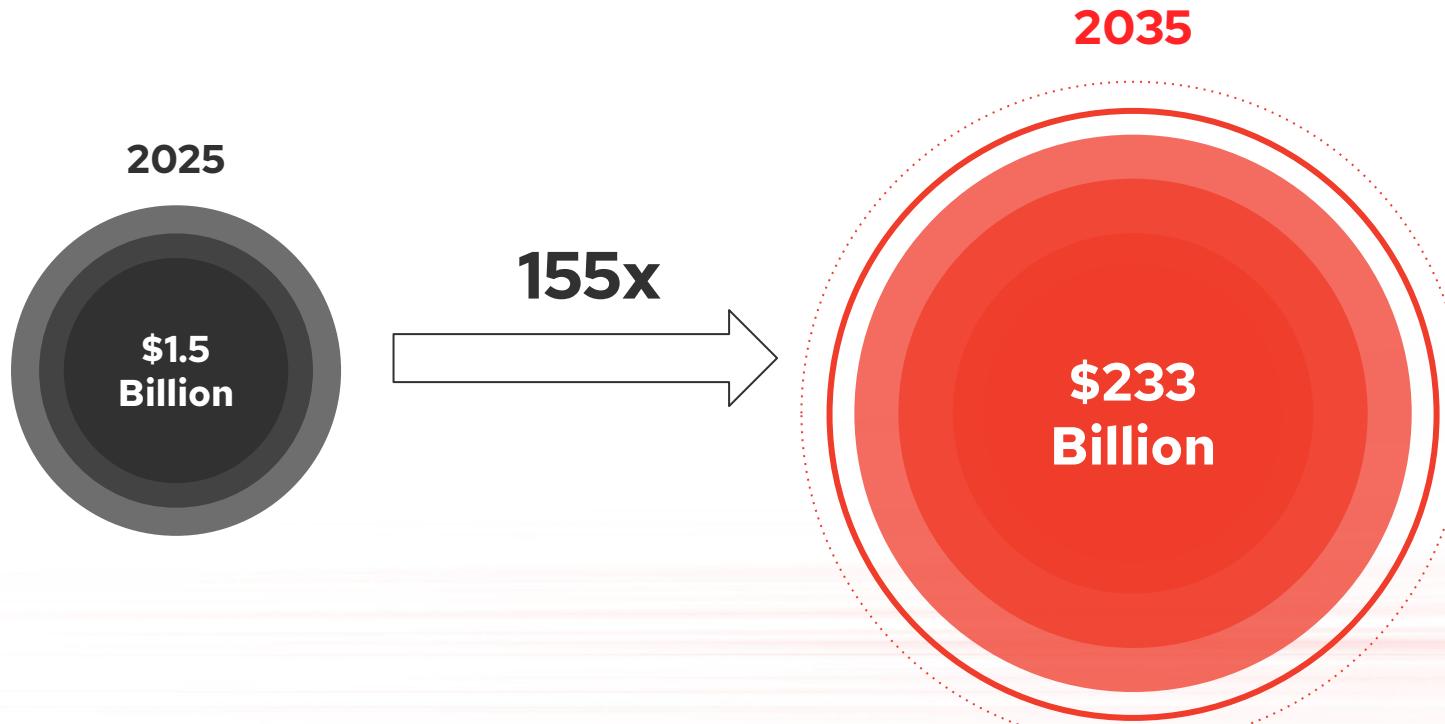
Agree or Disagree: Using AI coding assistants has lowered our team's code quality.



AI will transform every part of the SDLC.



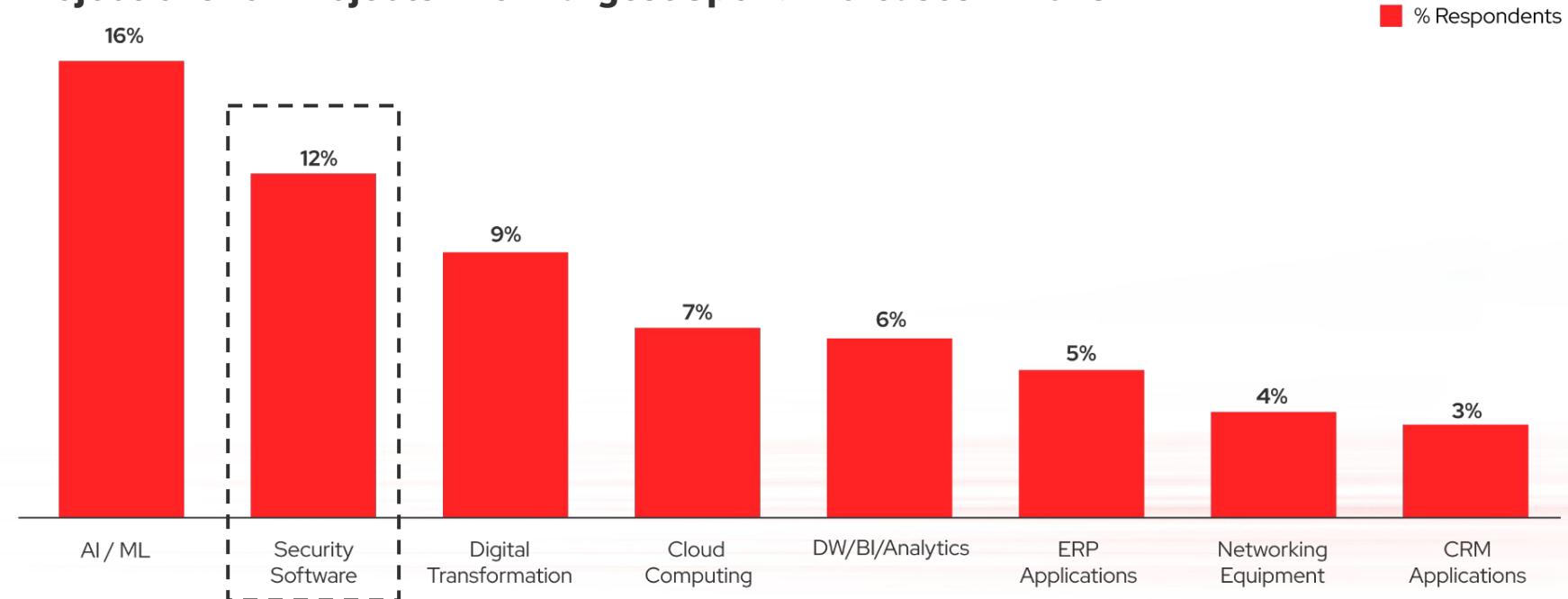
The opportunity for AI in DevOps is massive.



Security.

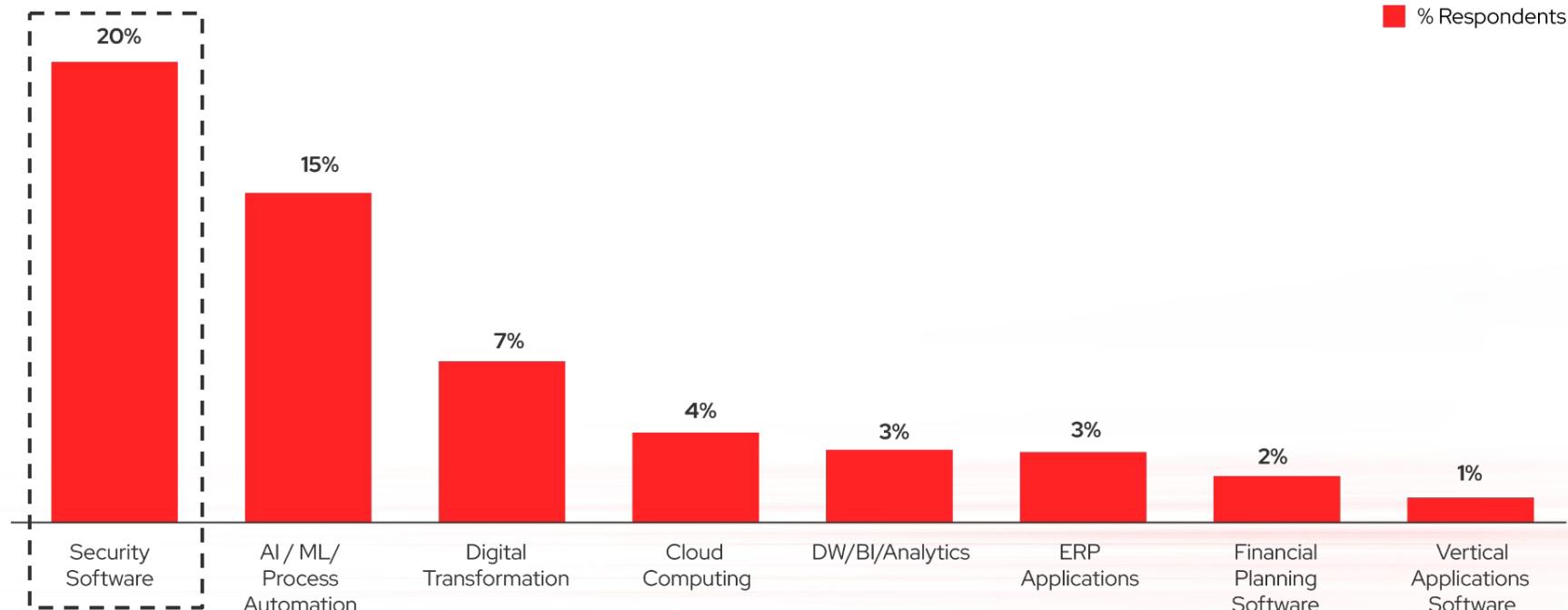
AI, AI, AI ... but security is the 2nd most important secular trend driving spend ...

Projections for Projects With Largest Spend Increases in 2025



... and is the most resilient category.

IT Categories Least Likely to Be Cut in 2025



Failures are having unprecedented impacts.

May 2023

 **Progress[®]**
MOVEit[®]

~ \$10B
Estimated total damage

June 2024

 **duolingo**

2.7M
User records leaked and sold on the dark web

July 2024

 **CROWDSTRIKE**

\$10B+
Estimated total damage



Advancements in AI capabilities will amplify security risks by making it easier to execute sophisticated cyber attacks at scale.

CISOs are more important than ever.

Form 8-K and Form 6-K Reporting

Under the final rules, new Item 1.05 of Form 8-K will require disclosure of material cybersecurity incidents within four business days of the company's materiality determination.

Form 10-K and Form 20-F Reporting

The final rules create a new Item 106 to Regulation S-K concerning cybersecurity risk management, strategy and governance. Each of the components in Item 106 must be disclosed annually in a domestic public company's Form 10-K.

% of CISOs participating in Board meetings

83% in 2025

% of CISOs reporting directly to CEOs

47% in 2023

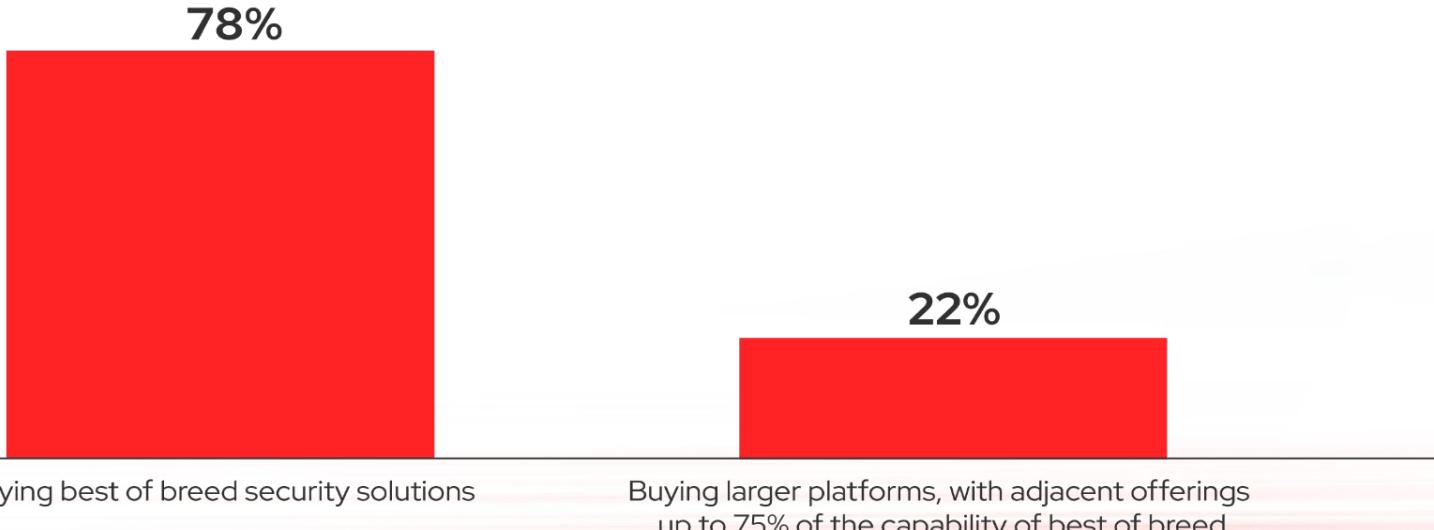


82% in 2025

Since the introduction of new SEC regulation for security incident disclosures, the role of the CISO in board rooms and executive discussions has never been more important.

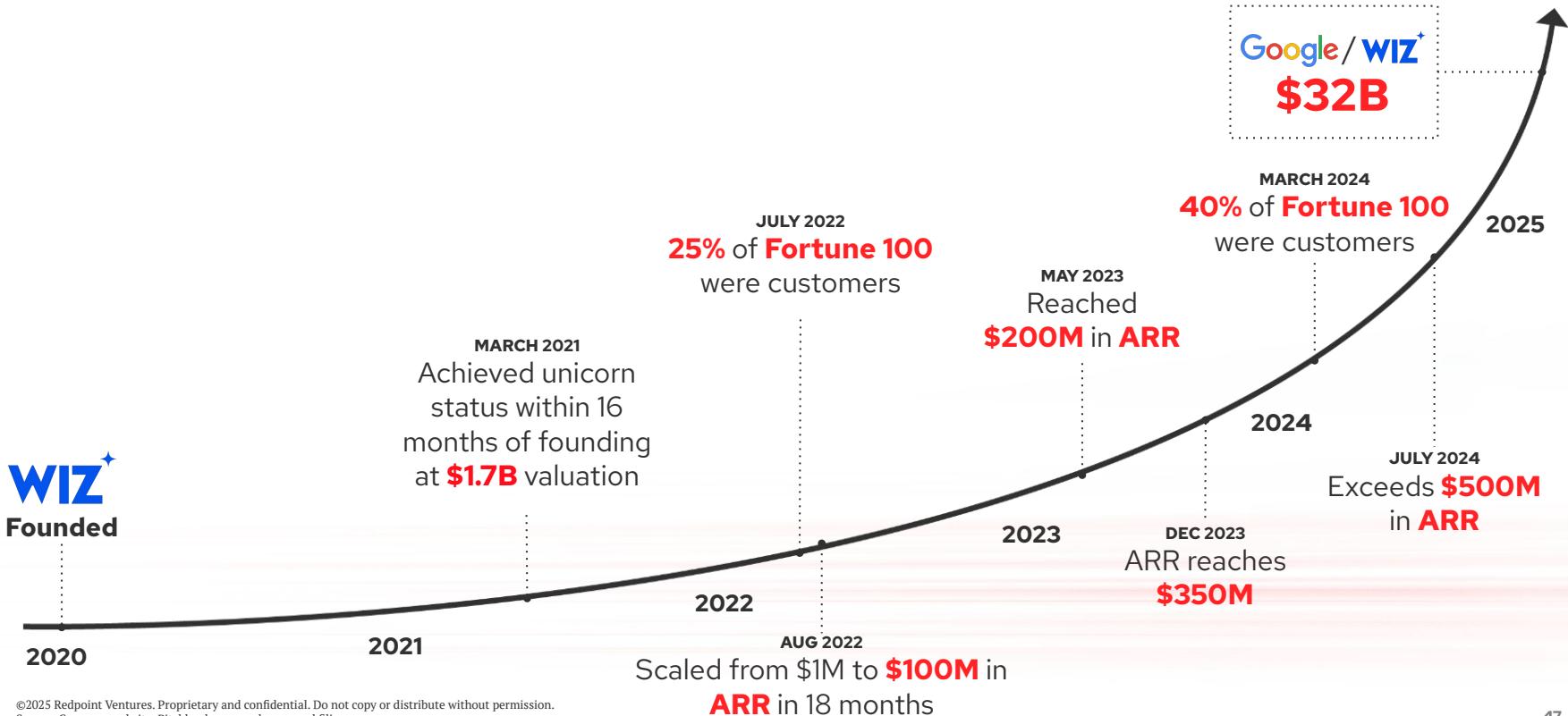
Cybersecurity still remains a best-of-breed market.

What best describes your procurement strategy?

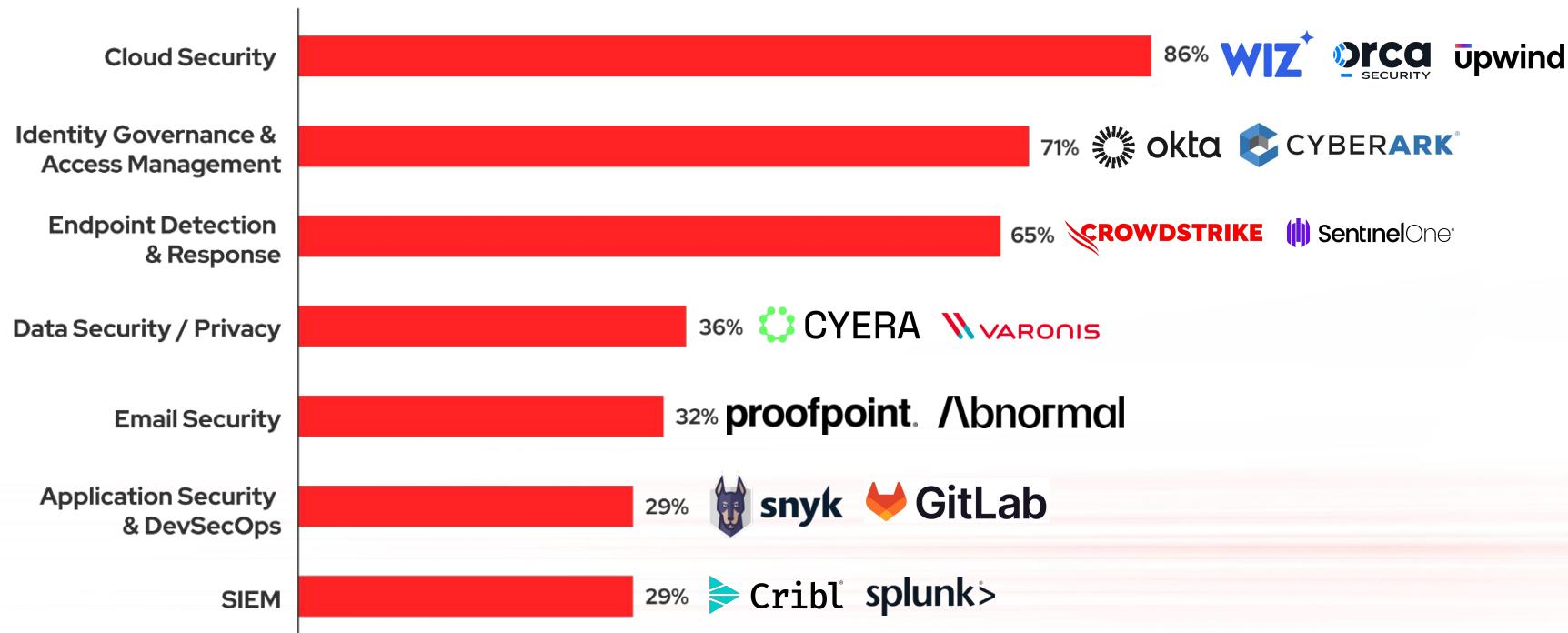


The average public company deploys over 50 different security tools as part of their broader cyber strategy.

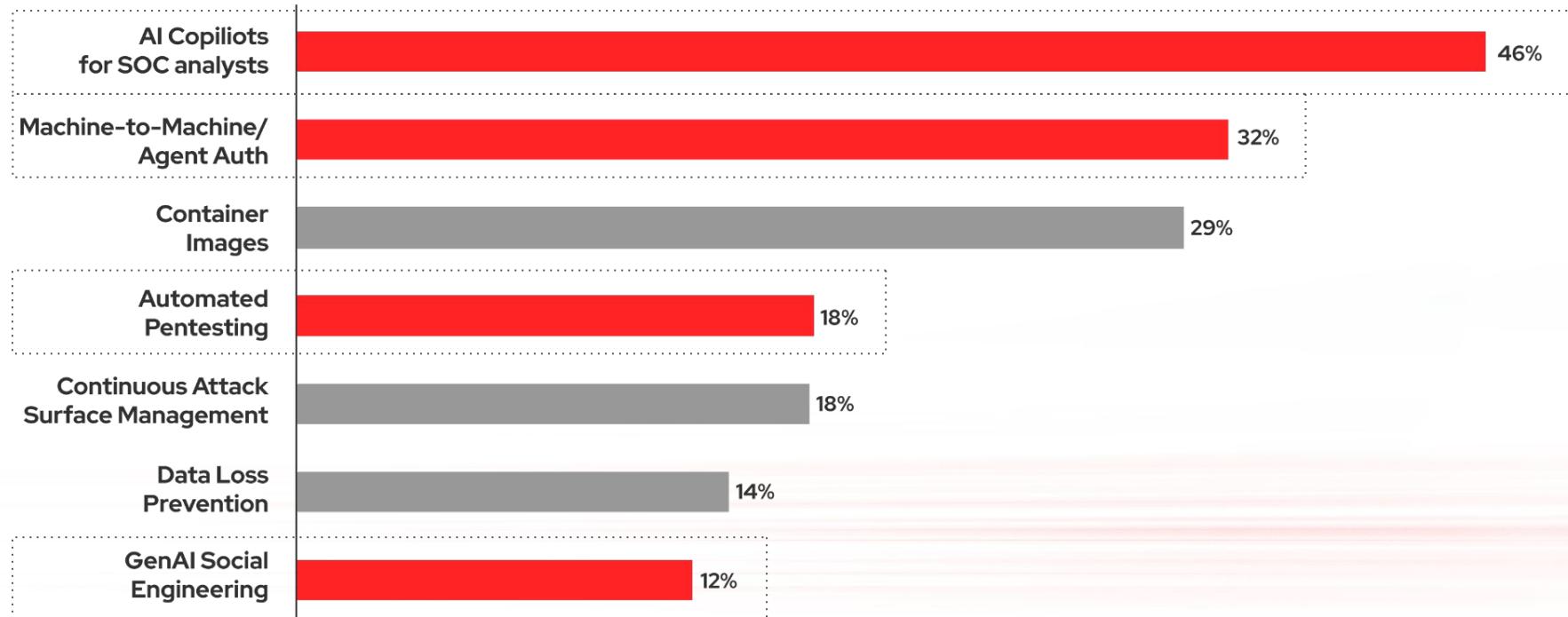
\$32B of equity value created in 5 years.



Which categories are your highest priority over the next year?



What emerging categories are you most interested in evaluating next year?



New security categories created by AI.

AI Security Operations Center

- 20–40% of a security analyst's time is spent on manual, **ad-hoc tasks that can be automated**
- **Estimated \$28B TAM opportunity** as enterprises invest in AI SOC automation



Identity / Machine-to-Machine

- **Machine identities now outnumber humans 80:1 and are expected to double in 2025**, creating massive new attack surfaces
- **Estimated \$17B TAM opportunity** emerging as enterprises move to secure non-human identities



AI Deepfakes / Phishing

- Deepfake incidents boomed in early 2025, surpassing 2024. In the first quarter of 2025 alone, there were already **179 deepfake incidents, surpassing the total for all of 2024 by 19%**.
- **Estimated \$6B TAM opportunity** as AI equips bad actors with greater ease of access and higher quality deepfakes



AI Pentesting

- **~30% of critical vulnerabilities go undetected** due to manual penetration testing limitations, causing security leaders to search for autonomous security testing
- **Estimated \$13B TAM opportunity** for pentesting services and products



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Sources: US Census Data, SANS 2023 SOC Survey, MSSP Alert 2024 Pricing Benchmark, KPMG Cybersecurity Survey: SOC Leaders Perspective, CyberArk 2025 Identity Security Landscape, DevOps Institute Global SRE Pulse Report 2022, Gremlin Research, Data USA, and ENISA Technical Report (2024) and industry survey, Business Research Insights, Coherent Market Insights.

Incumbents are responding.



>10K GuardDuty customers

Amazon GuardDuty **uses AI and ML with integrated threat intelligence** to help protect AWS accounts, workloads, and data.



Charlotte AI

>100 Q4'24 Charlotte AI Deals

CrowdStrike **launched agentic AI capabilities into Charlotte AI** that autonomously **trages security detections**, allowing security teams to focus on critical threats.



~ \$675M

~ \$350M

\$1B+ in acquisitions

Zscaler is aggressively expanding **AI-driven SOC capabilities through strategic acquisitions of Red Canary and Avalor.**

Cloud Infra Public Markets.

Macro forces are reshaping the landscape.

Longer Sales Cycles

74% of Public Infra Companies

"We still experienced **increased scrutiny** and multiple approval levels when selling into the enterprise segment, which can **lengthen sales cycles**."

PagerDuty

"Sales cycles increased by approximately 15% year-over-year within enterprise accounts."

CROWDSTRIKE

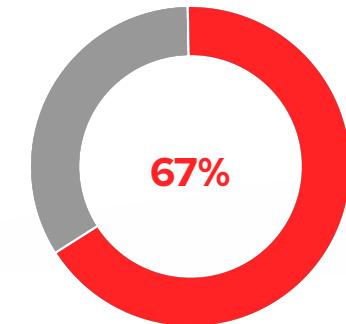
Tariffs & Geopolitical Pressures

68% of Public Infra Companies

"We've taken steps to minimize the effect of tariffs on our business. And as of now, we anticipate that **the direct impact to Akamai from tariffs in 2025 will be about \$10 million in CapEx.**"

Akamai

Tighter IT Budgets

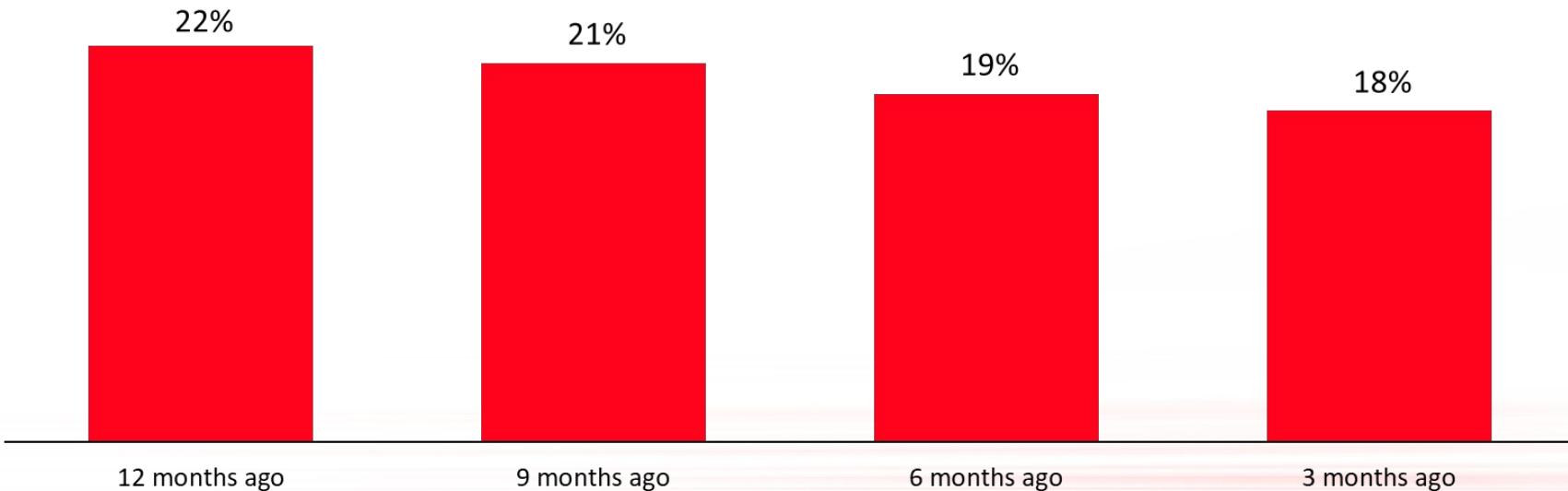


67%

% of CIOs citing cost optimization as a top priority for their IT budgets in 2025

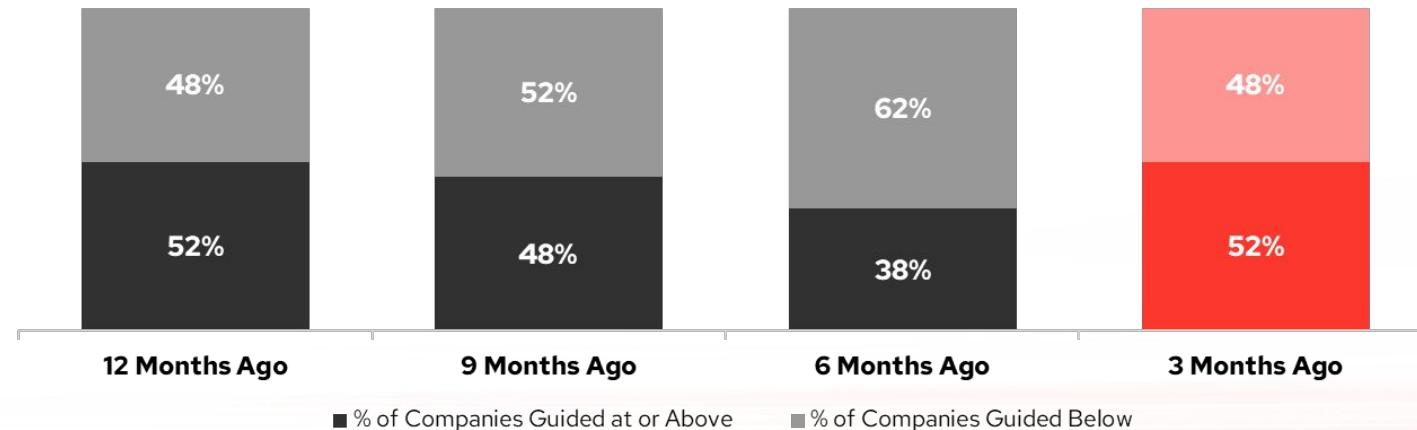
Leading indicators like billings decreased.

Infra SaaS Median Billings Growth



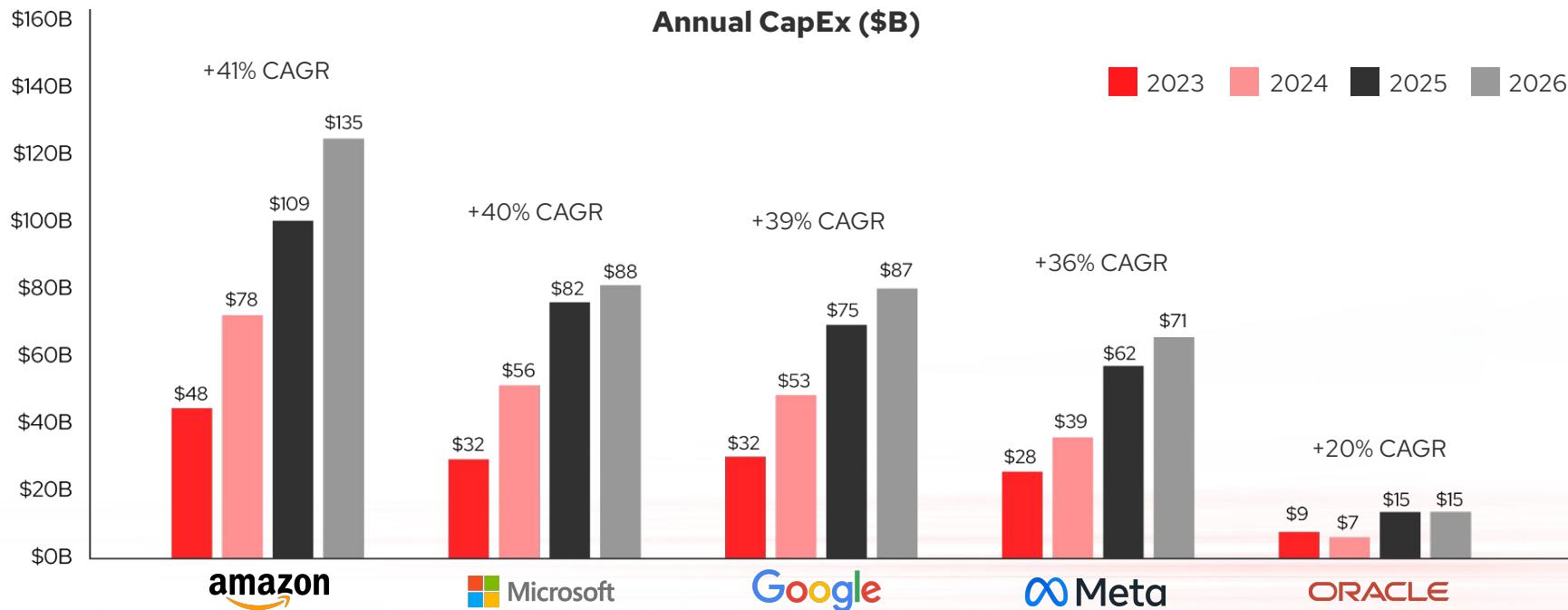
Infra companies are guiding lower.

Next Quarter Revenue Guidance vs Broker Consensus Estimates



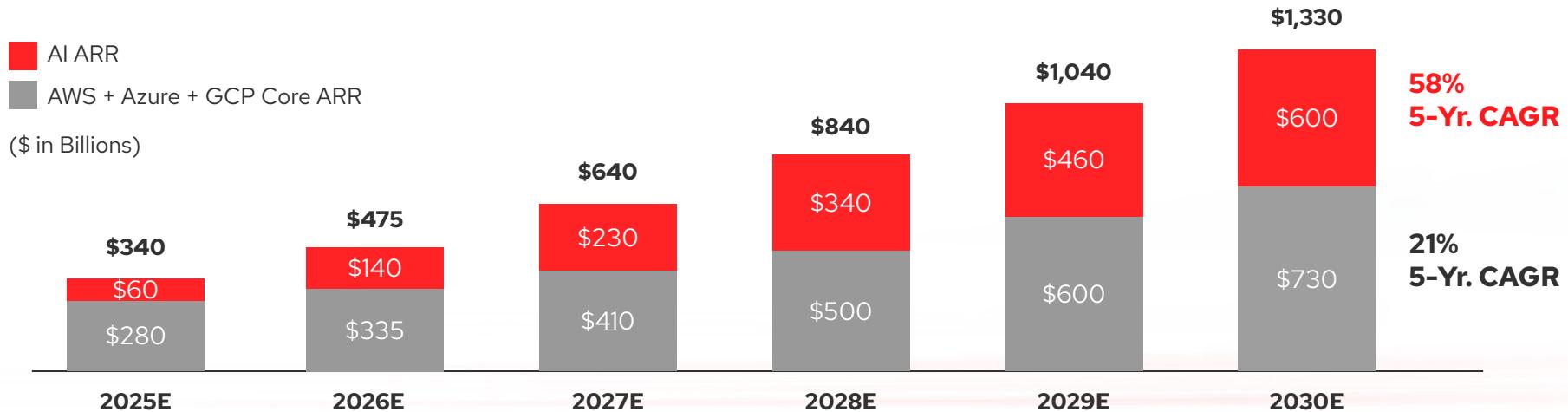
6 months ago, less than 40% of public infra companies guided at or above broker estimates.

Hyperscalers are investing for future growth.

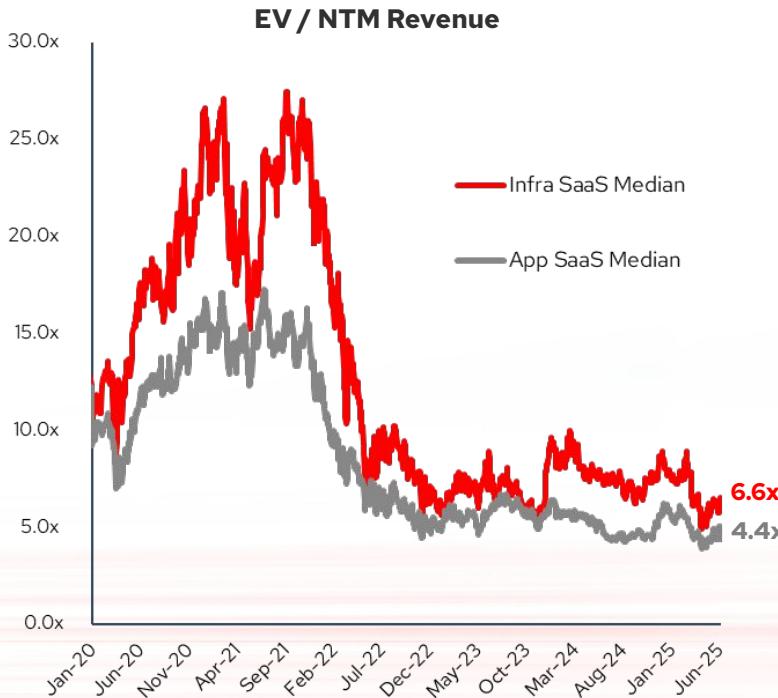
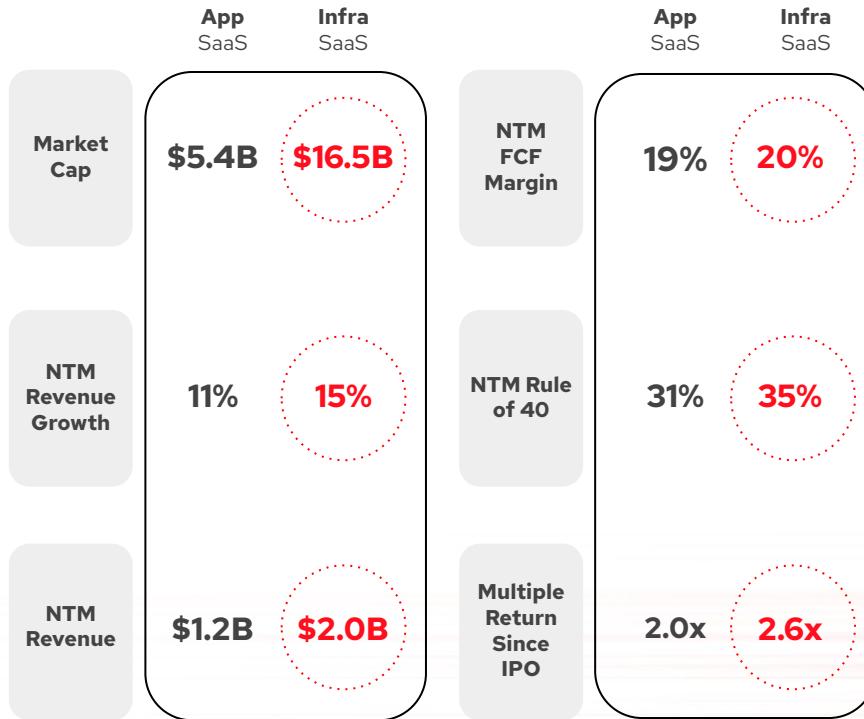


Setting the stage for unprecedented demand for AI workloads.

Expected ARR Uplift from AI for the Hyperscalers



Infrastructure software trades at a premium.



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Source: Pitchbook and company filings as of June 6, 2025. Application Software includes ZI, ZM, NOW, HUBS, APPF, INTU, VEEV, ADBE, GWRE, MNDY, PCOR, DOCS, WDAY, DV, CRM, BRZE, BL, NCNO, WK, PCTY, QTWO, BASE, PAYC, ASAN, BLKB, SEMR, BILL, FIVN, BOX, APPN, DOCU, WIX, BLND, DBX, CXM, AMPL, TOST, FSLY, BIGC, OLO, YEXT, DOMO, KVYO, FRSH, IOT, RNG. Infrastructure Software includes AKAM, TEAM, NET, CFLT, CRWD, DDOG, DOCN, DT, ESTC, GTLB, JAMF, FROG, MDB, OKTA, PD, PANW, RBRK, S, SNOW, TENB, TWLO, PATH, ZS

The Nasdaq Redpoint Cloud Infrastructure Software Index™.

23

Businesses across
Cloud Infrastructure

+  rubrik

-  HashiCorp

~\$16B Median
Market Cap

2019

Median IPO Date

15% Median NTM
Growth Rate

\$683B

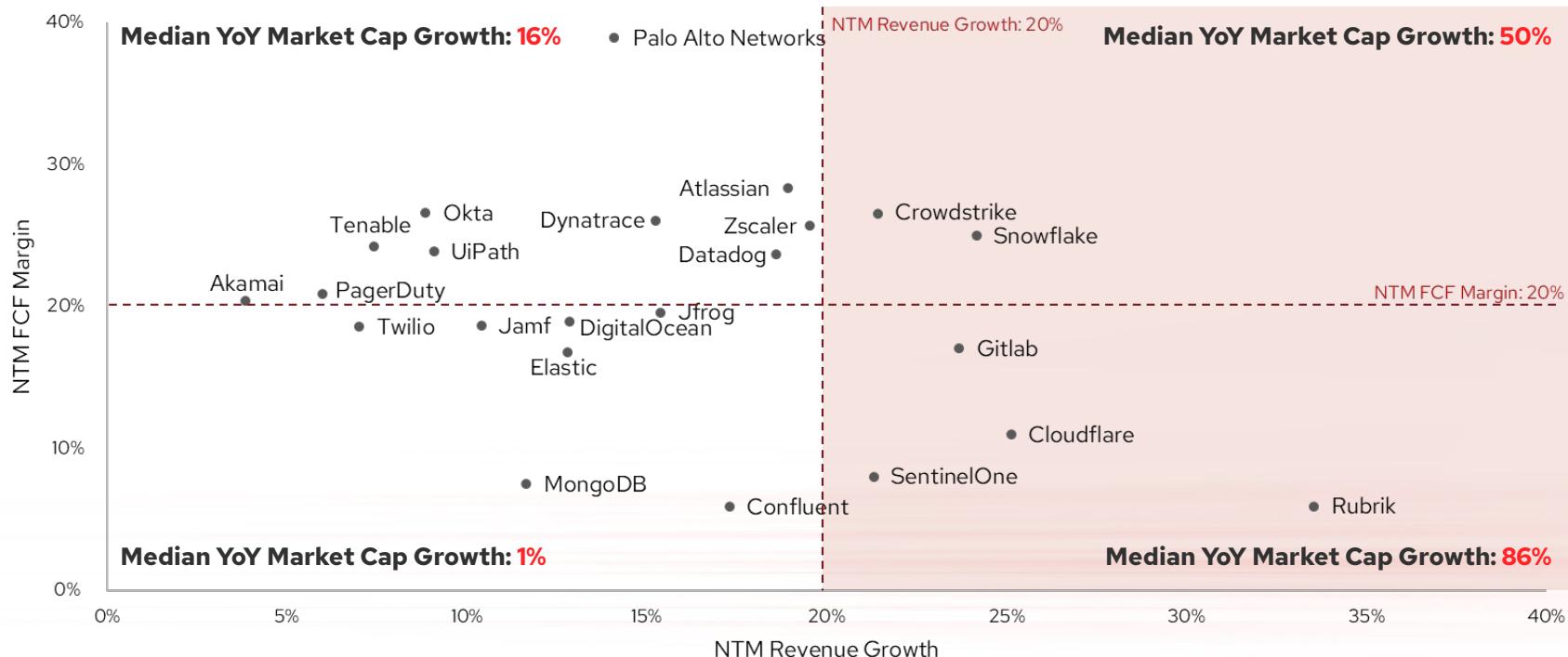
Aggregate Market Cap

Resilience through volatility.

Indexed Return Since the Launch of NQRPCI



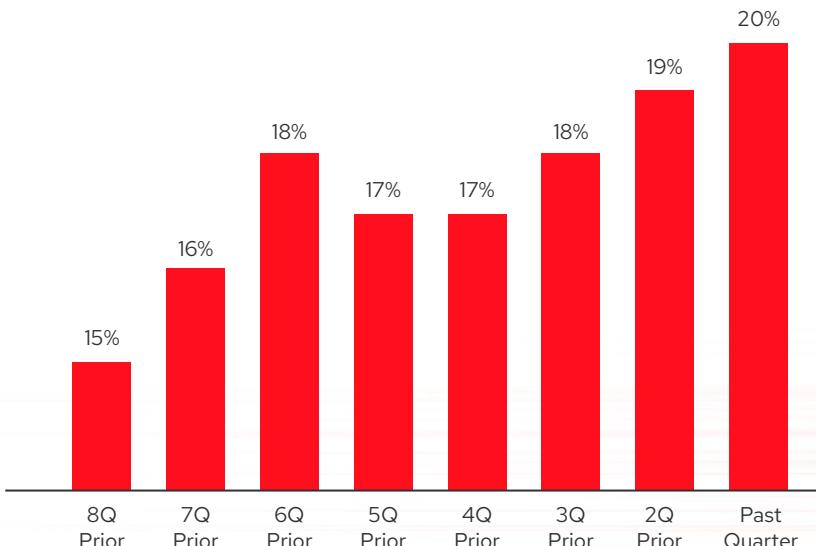
Revenue growth is a stronger predictor of stock performance.



Infrastructure companies are adapting.

Shift Towards Profitability

Infra SaaS Median NTM FCF Margin



Product Bundling and Multi-Product Adoption

100% of Infrared companies are multi-product!

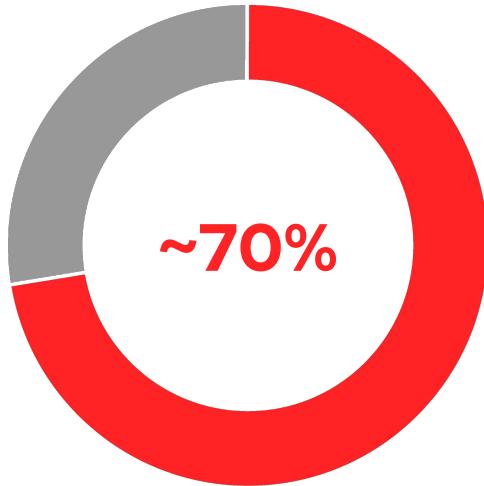
Total Platformizations



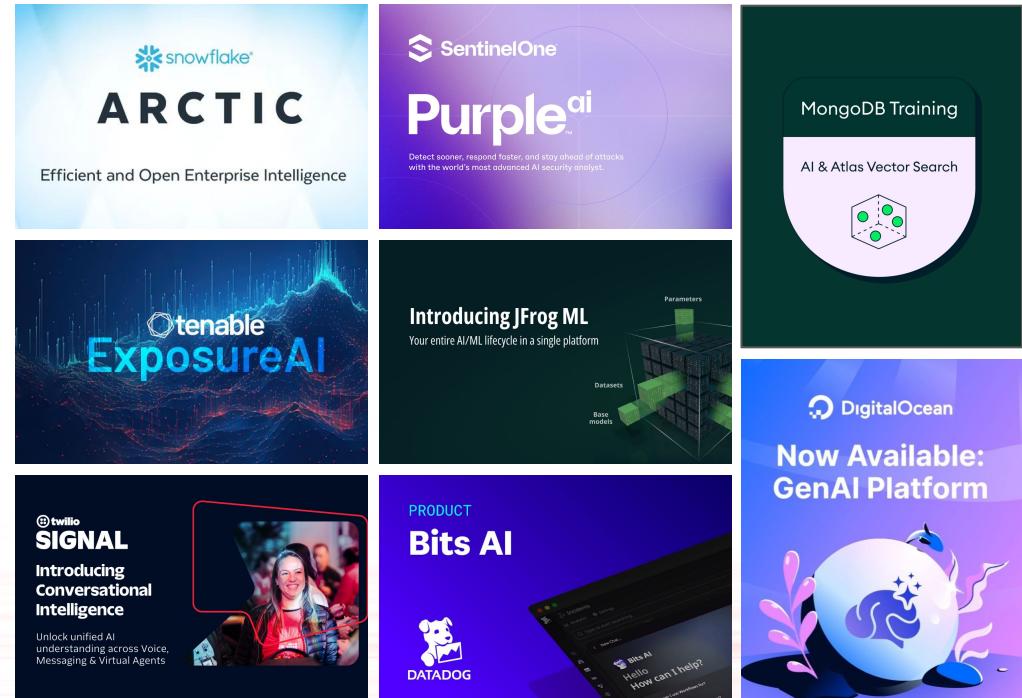
"We delivered approximately **75 new platformizations** in the quarter, up from approximately 45 in the year ago. We now have a total of **over 1,150 platformizations** **within our top 5,000 customers.**"



The majority of new products are AI-based.

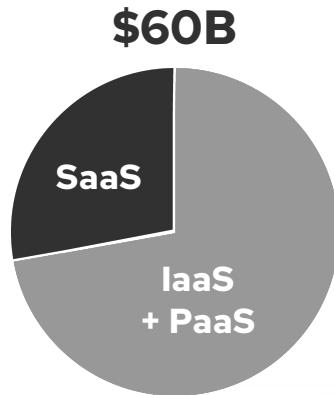


~70% of new products
launched by NRPCI companies
in the past 18 months
are AI-based



Value accrual in the cloud era.

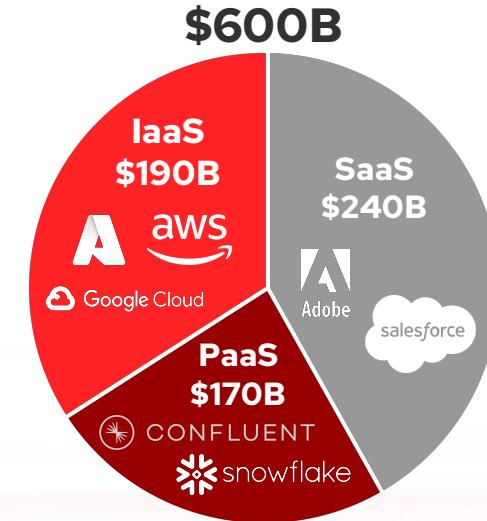
Beginning (2003)



10x



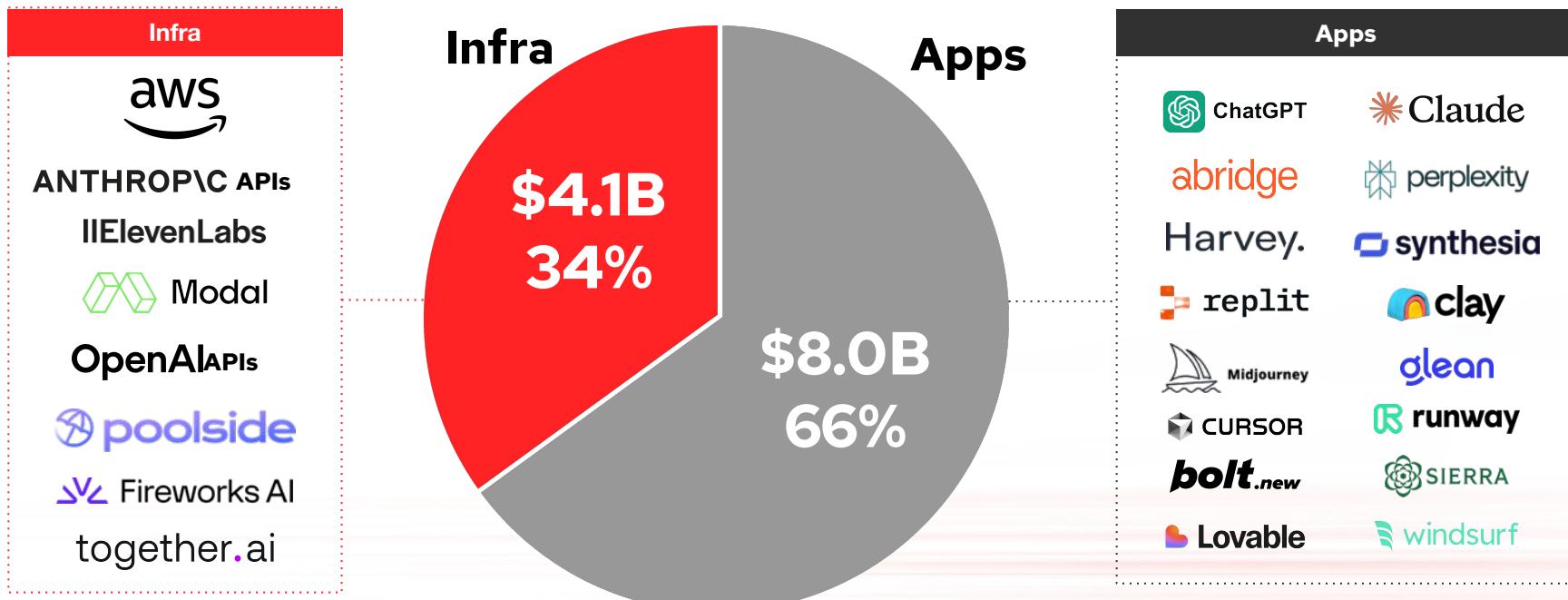
End (2023)



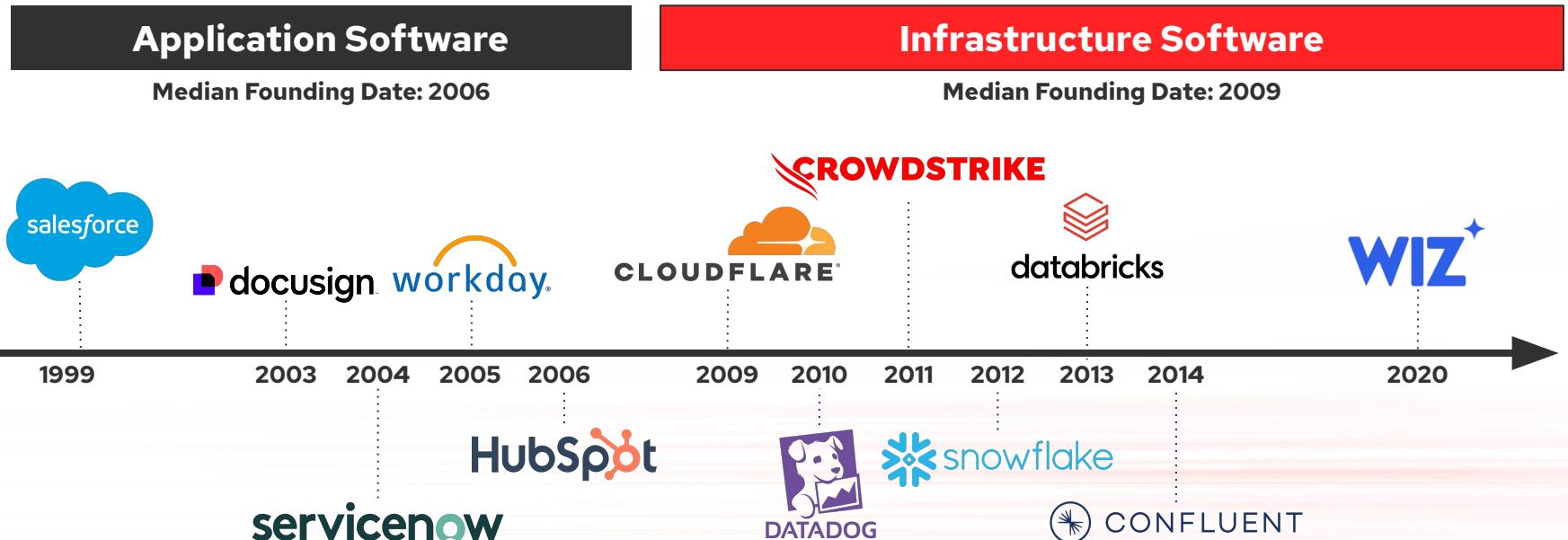
~70% of value accrued to the infrastructure layer at the beginning of the cloud era

~60% of value accrued to the infrastructure layer at the end of the cloud era

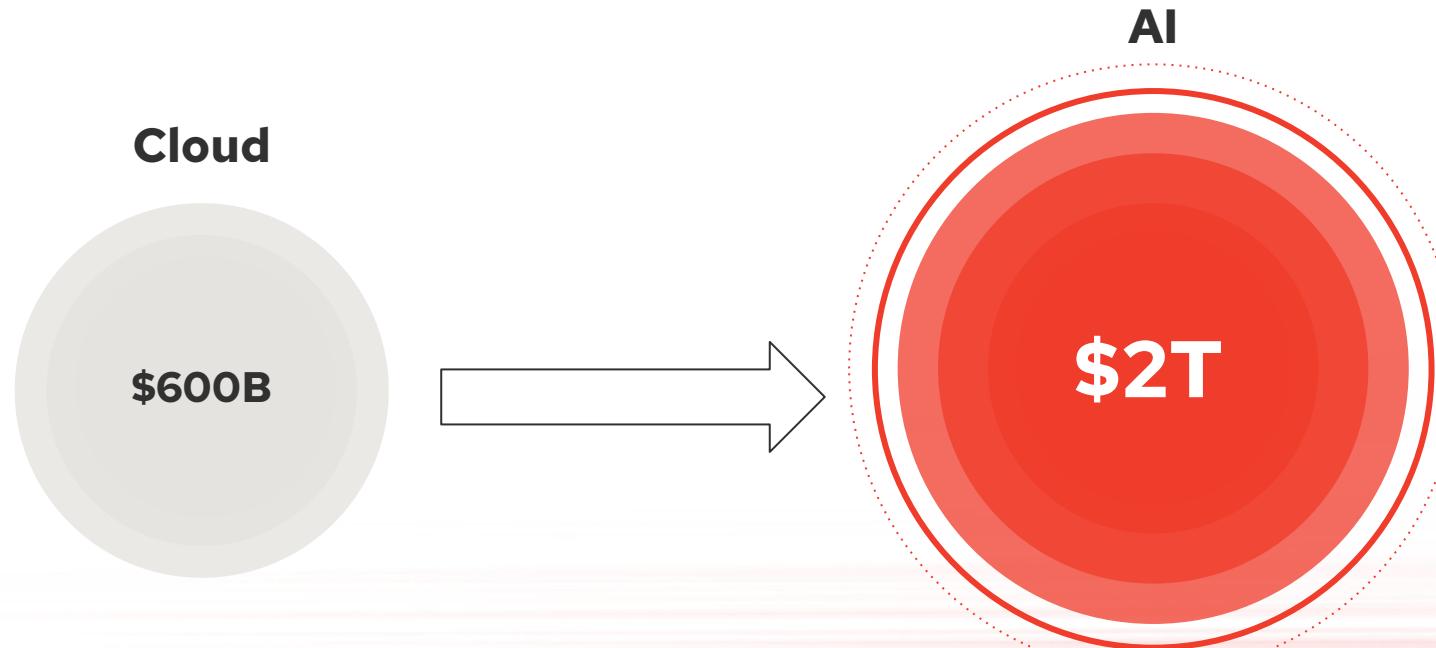
Where value is accruing today in AI.



Infrastructure software companies in the cloud wave were founded later than app software companies.

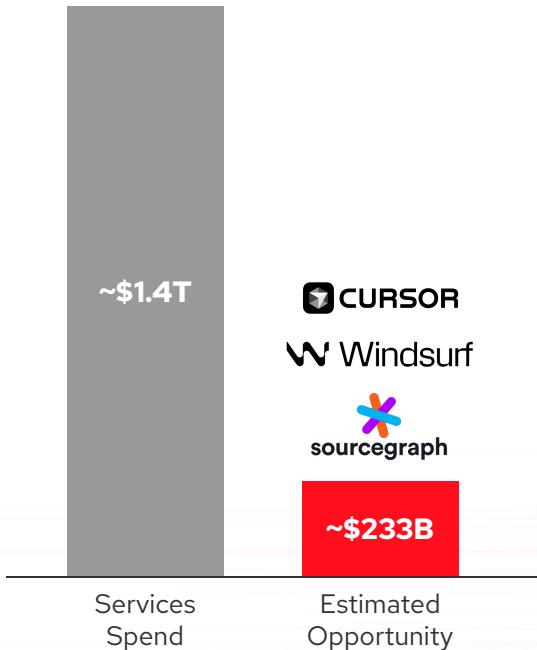


The reality is that everyone will win.

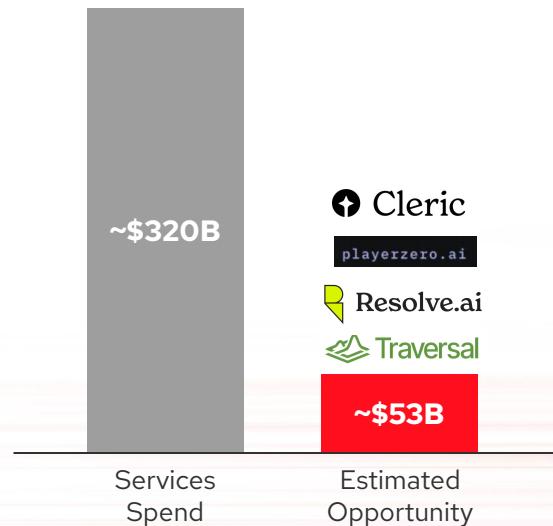


Services → software transition.

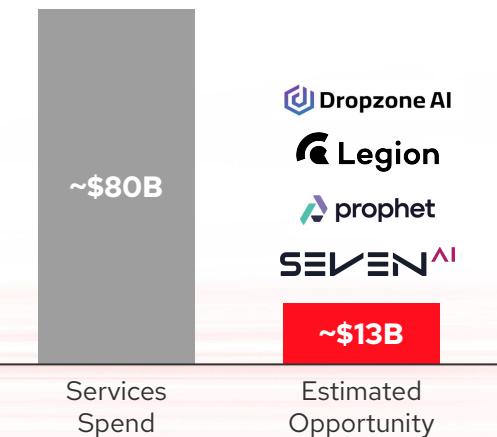
Software Development



SRE / Incident Response



Security Operations



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Sources: US Census Data, SANS 2023 SOC Survey, MSSP Alert 2024 Pricing Benchmark, KPMG Cybersecurity Survey: SOC Leaders Perspective, DevOps Institute Global SRE Pulse Report 2022, Gremlin Research, Data USA.

Note: Assumes a 6:1 conversion from labor spend to software ARR.

Klarna case study → SaaS to AI infra transition.



Sebastian Siemiatkowski ✅

@klarnaseb

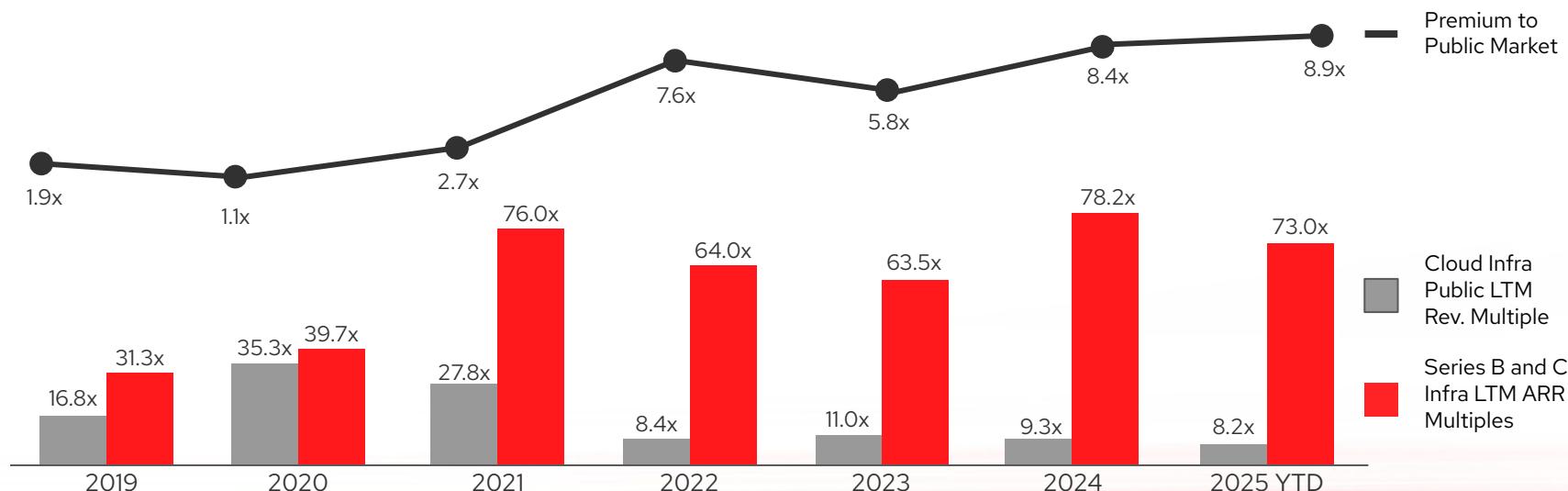
"Yes, we did shut down Salesforce a year ago, as we have many SaaS providers – an internal estimate is about 1,200 SaaS shut down. A Swedish company, @neo4j, and @mileifrem introduced us to the beautiful world of graphs.

We further explored data modeling, ontology, and, of course, vectors, RAGs, and many things."



The delta between public and private markets.

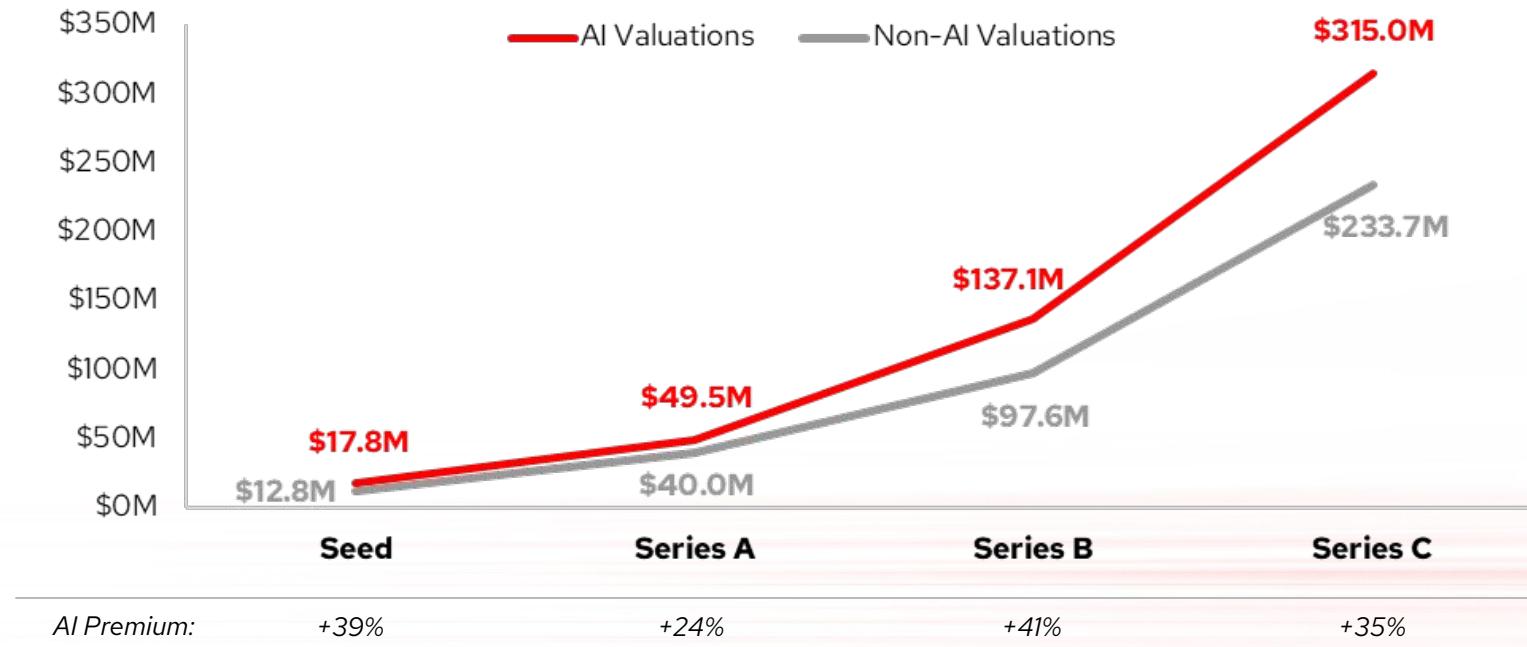
Public LTM Rev. vs. Private LTM ARR Multiples



The delta between private and public multiples is widening, almost ~9x now. That means you must ~30x your topline to grow your valuation by 3x in the public markets.

AI vs Non-AI.

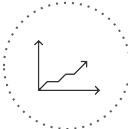
AI vs. Non-AI Median Pre-Money Valuations



What does this mean for you?



Maximize your TAM.



Have a path to profitability.



Private valuations.



Be on the right side of AI.



Be aggressive, all the time.

INFRA
RED



About the InfraRed 100.

\$700B

Aggregate
Valuation

\$134B

Total Dollars Raised

~250%

Average Annual
Growth Rate

45

Unicorns

12%

% International

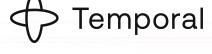
Early stage (seed / A).

Mid stage (B/C).

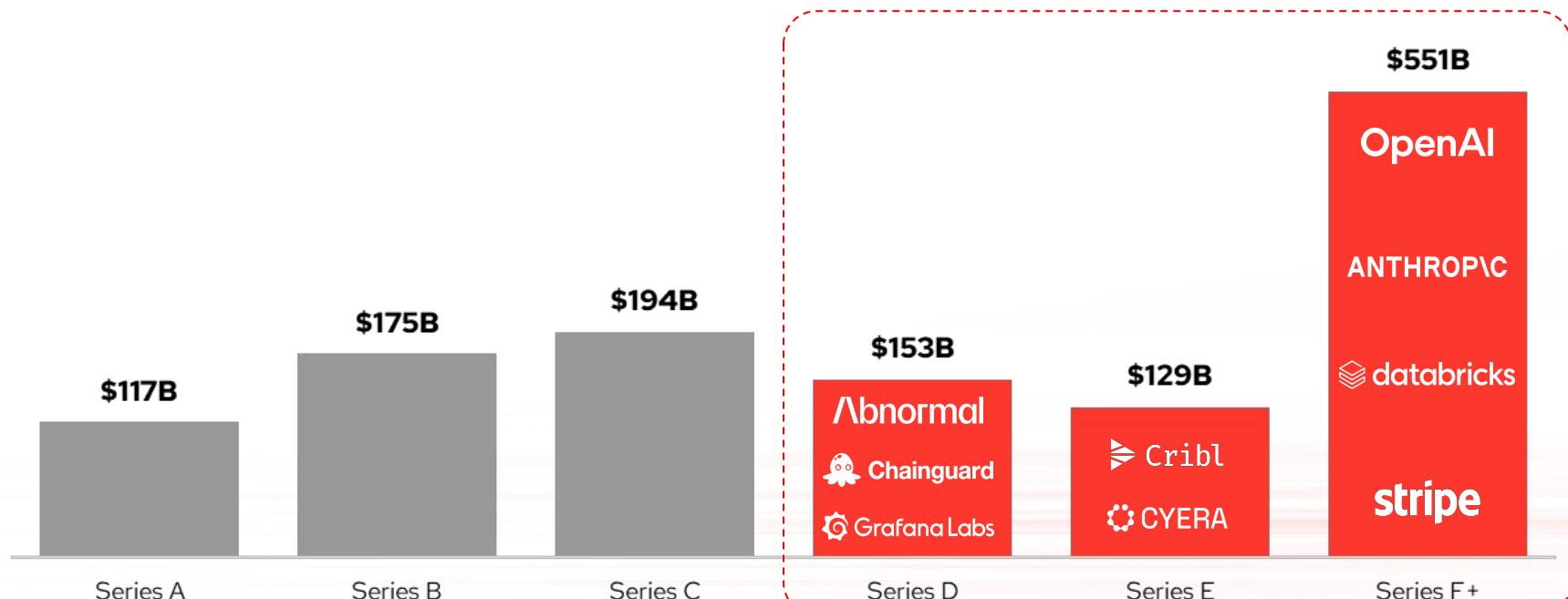
 Astrix	 atlan	 baseten	 bitwarden	 bolt.^{new}	 Browserbase
 fal	 Fireworks AI	 HEX	 Linear	 LiveKit	 MotherDuck
 METRONOME	 NEON	 omni	 port	 QA WOLF	 Render
 STATSIG	 Sublime Security	 Tessell	 UNSTRUCTURED	 Upwind	 ZED INDUSTRIES

Late stage.

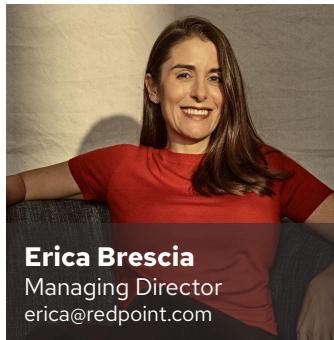
 Abnormal	 ANTHROPIC	 ARCTIC WOLF	 Cribl	 chainguard	 ClickHouse	 Cockroach Labs
 Cognition	 COHESITY	 CURSOR	 cyberhaven	 CYERA	 databricks	 dbt Labs
 docker	 ElevenLabs	 Grafana Labs	 halcyon	 harness	 Hugging Face	 Island
 → LaunchDarkly	 Mistral AI	 OpenAI	 ORCA SECURITY	 poolside	 POSTMAN	 Redis
 replit	 scale	 Semgrep	 snyk	 Sourcegraph	 supabase	 stripe
 tailscale	 Temporal	 together.ai	 vast	 Vercel	 Windsurf	 workato

There is a large backlog of infra software companies.

Aggregate valuation of private infra companies by stage



The Redpoint Cloud Infrastructure Team.



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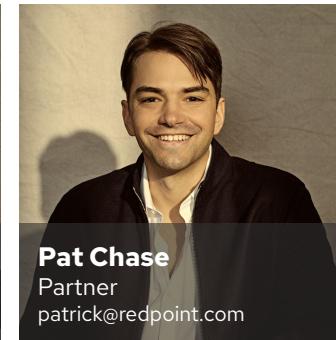
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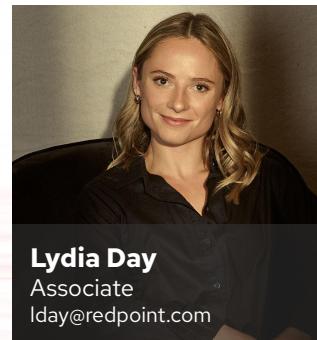
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