Compound

State of the Cloud 2024

Revisited two years on: a retrospective on Bessemer Venture Partners' report of June 20, 2024

Data as of October 30, 2026
Prepared November 2026

BVP's 2024 report bet on AI at every layer of the cloud stack

Bessemer surveyed 62 investors and called its 2024 edition "a eulogy for the legacy cloud"

Five trends in the 2024 edition

1

Big Tech-backed model giants

Win the foundation-model layer

By Oct 2026: Right

Anthropic ($965B) and OpenAI ($852B) lead the model layer

2

AI turns developers into 10x developers

And, by 2030, mostly into code reviewers

By Oct 2026: Too early

75% of Google's new code is AI-generated; the 2030 call is open

3

Multimodal models and agents

With voice as the near-term breakout ($10B TAM in five years)

By Oct 2026: Too early

No voice-AI revenue pool near $10B yet

4

Vertical AI

Grows to at least 10x legacy vertical SaaS by replacing services spend

By Oct 2026: Split

Six Centaurs as called, but only 0.18x of legacy vertical SaaS

5

AI revives consumer cloud

Multiple IPOs within five years and AI-native leaders in attention by 2030

By Oct 2026: Too early

Figma (prosumer) is the only consumer cloud IPO so far

Source: Bessemer Venture Partners, State of the Cloud 2024 (Jun 20, 2024) and State of the Cloud 2023 (Apr 11, 2023; data as of Mar 31, 2023). Trends are paraphrased from the 2024 edition and graded on slide 3.

Scorecard: four calls right, six too early, none wrong yet

Grades are our assessment as of Oct 30, 2026; the slides that follow test each call, and most AI calls run to 2027 to 2030

Ten calls from the 2024 edition

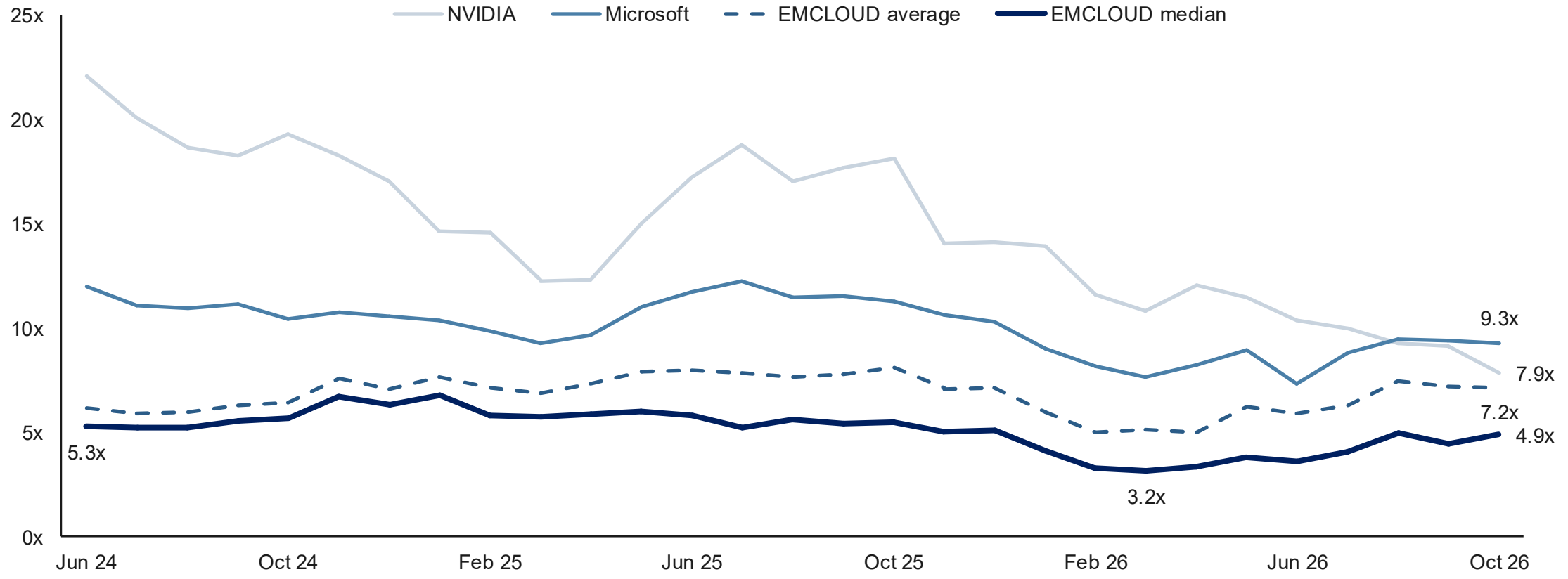
#	Call (2024 edition)	What happened	Grade
1	EMCLOUD market cap higher in a year; multiples flat or higher	Index +21.7% to Jun 30, 2025; average EV / NTM 5.7x to 8.0x (FactSet consensus)	**Right**
2	Big Tech-backed model giants split the pie; closed models dominate	Anthropic $965B, OpenAI $852B; closed ~70% of OpenRouter tokens	**Right**
3	AI natives reach $1B ARR 50% faster (2023 call)	Cursor $100M to $1B in ~10 months; Anthropic $65B run-rate	**Right**
4	Most corporate developers become reviewers by 2030	75% of Google's new code is AI-generated (Apr 2026)	**Too early**
5	Voice AI adds $10B of new software TAM in five years	ElevenLabs >$330M ARR at end-2025; no aggregate near $10B	**Too early**
6	Vertical AI reaches 10x legacy vertical SaaS	$61.4B for 13 leaders vs $339B basket: 0.18x	**Too early**
7	At least five Vertical AI Centaurs in two to three years	Six with reported $100M+ ARR (Harvey $400M; Legora, EliseAI $200M+)	**Right**
8	First Vertical AI IPO within three years	None by Oct 30, 2026; window ends Jun 2027	**Too early**
9	Multiple consumer cloud IPOs within five years	Figma (prosumer) in Jul 2025 only	**Too early**
10	AI-native businesses hold the top three attention spots by 2030	ChatGPT 5.9B monthly web visits, behind Google, YouTube, Facebook	**Too early**

Source: Our analysis; supporting figures and sources on slides 4 to 15, which test each call. Footnote: BVP's closing call that AI would keep 'a photon' of its spotlight by the 2025 report proved right; the series was retitled 'The State of AI 2025' (Aug 2025).

Cloud multiples round-tripped to 4.9x by October 2026

The EMCLOUD median EV / NTM fell to 3.2x in March 2026 and recovered; NVIDIA compressed from 22.1x to 7.9x

EV / NTM revenue (x), FactSet consensus, month-end, Jun 2024 to Oct 2026

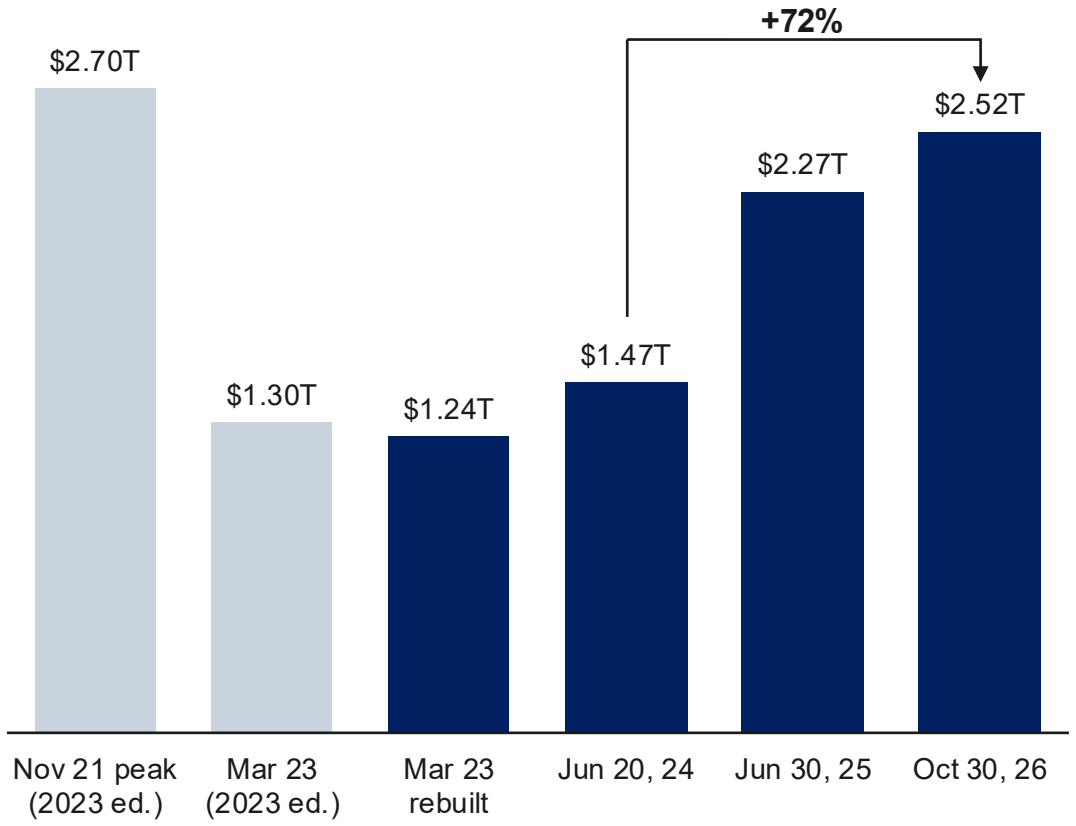


Source: Our analysis of WisdomTree WCLD Form N-PORT holdings (EMCLOUD constituents, including names later acquired) using FactSet prices, fundamentals and point-in-time NTM revenue consensus, month-ends Jun 2024 to Oct 30, 2026. On Jun 20, 2024 the EMCLOUD average was 5.7x vs 5.9x printed (2024 edition).

EMCLOUD companies hit $2.52T, below the 2021 peak

Market cap rose 72% since June 2024 as Palantir and Palo Alto joined; the index itself rose 48.8%

Total constituent market cap ($T)



Price return vs broad indices

Index	Jun 20, 24 to Jun 30, 25	Jun 20, 24 to Oct 30, 26	Mar 31, 23 to Oct 30, 26
EMCLOUD	+21.7%	+48.8%	+50.3%
Nasdaq Composite	+14.9%	+43.5%	+108.1%
S&P 500	+13.4%	+38.5%	+84.5%
Dow Jones	+12.7%	+32.3%	+55.6%

EMCLOUD closed at 2,127 on Oct 30, 2026, **31% below its Nov 9, 2021 high** of 3,097. Its low after the report was 1,164 on Apr 10, 2026, **18.6% under the Jun 20, 2024 level**.

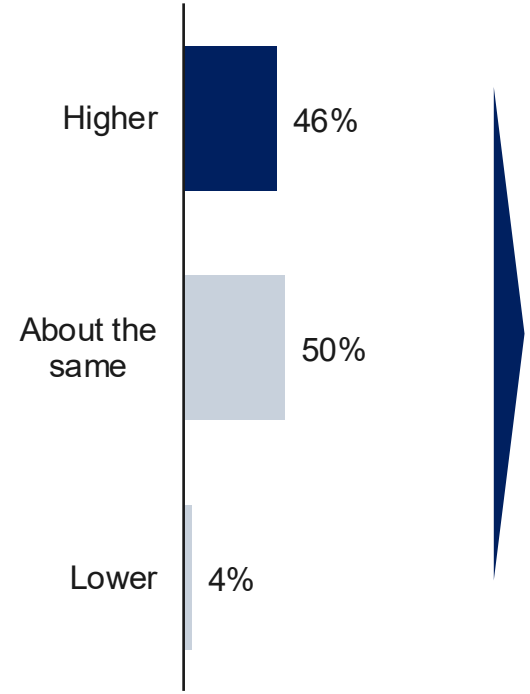
Source: FRED (NASDAQEMCLOUD, NASDAQCOM, SP500, DJIA), daily closes to Oct 30, 2026; our analysis of WisdomTree WCLD Form N-PORT holdings and FactSet prices and shares (67 of 68 constituents priced in Mar 2023, including names acquired since; all 62 in Oct 2026); BVP State of the Cloud 2023 for the $2.7T and $1.3T figures.

The partners' one-year call was right: the index rose 21.7%

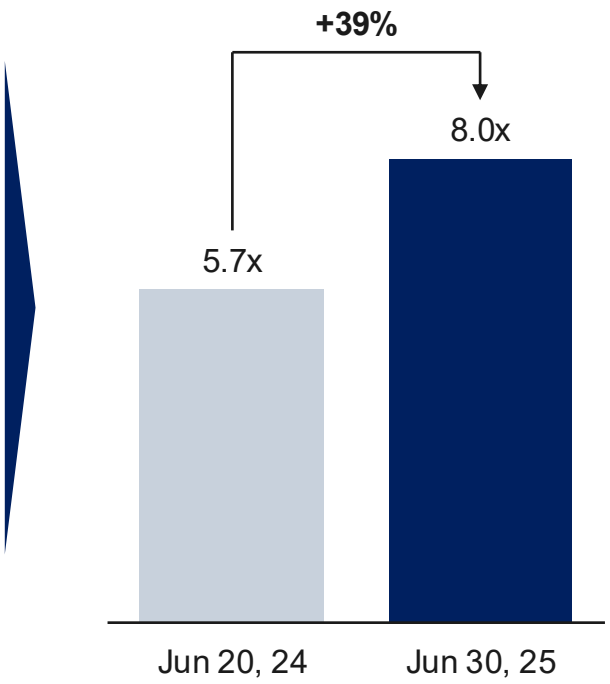
77% of partners expected a higher index a year on and 96% flat or higher multiples; both came true

Multiples in a year: partner call vs outcome

Partner call, Jun 2024

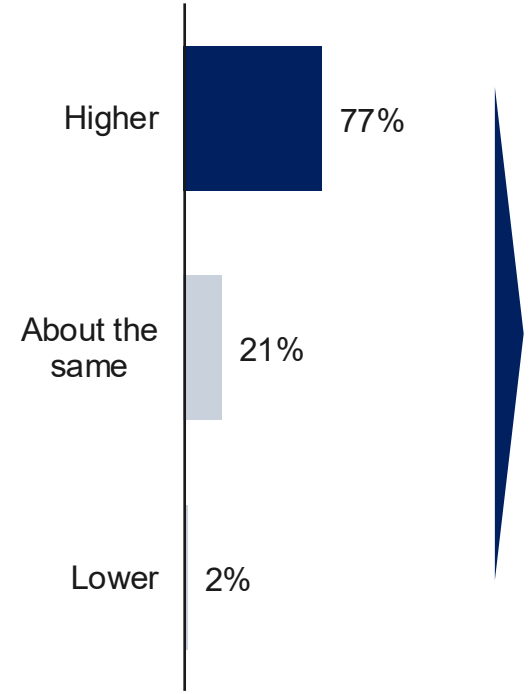


Outcome: avg EV / NTM revenue

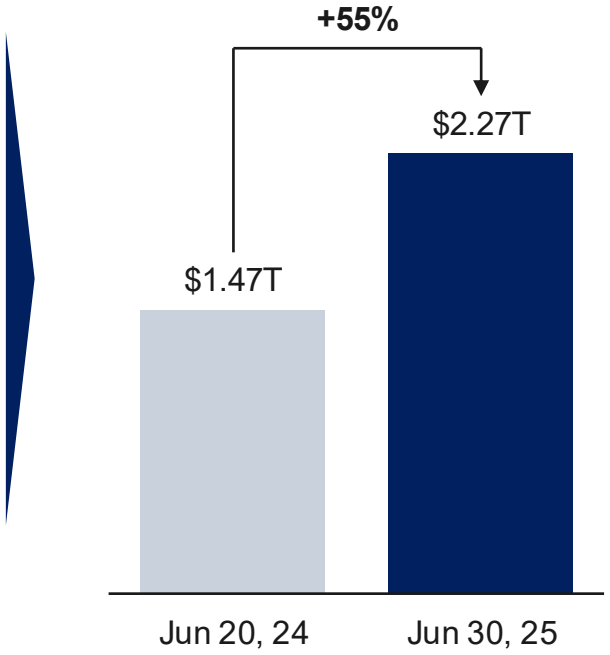


Market cap in a year: partner call vs outcome

Partner call, Jun 2024



Outcome: total market cap

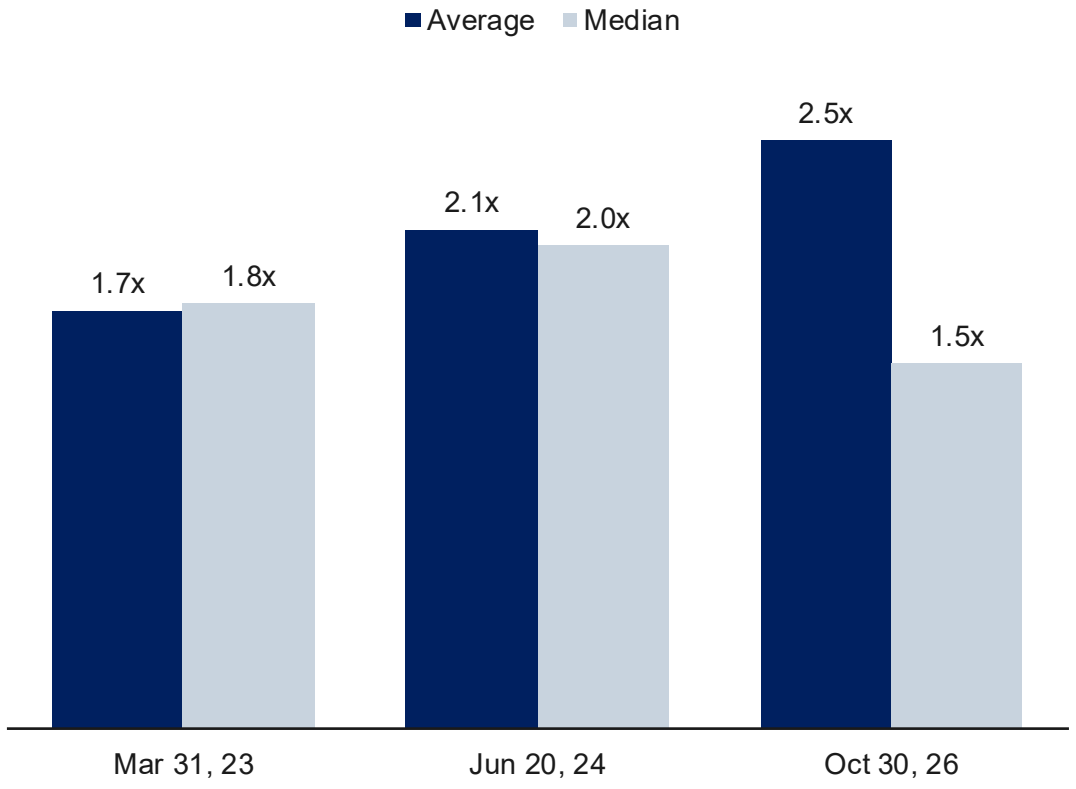


Source: BVP State of the Cloud 2024, Figs. 2 and 3 (survey of BVP investors, n not printed); FRED NASDAQEMCLOUD and NASDAQCOM; our analysis of WCLD Form N-PORT holdings, FactSet prices, fundamentals and point-in-time NTM revenue consensus (including constituents acquired since). Grades are our assessment.

Growth still sets cloud valuations, at ~5x the weight of FCF

BVP printed 2:1 in 2023; on FactSet consensus growth carried 4.0x FCF's weight then and 4.8x by Oct 2026

Rule of 40+ premium, EV / NTM revenue (x)



2023 edition, Mar 2023: ~1.7x printed; **FactSet rebuild 1.7x**

Added EV / NTM revenue per 10 points

Date	Revenue growth	FCF margin	Weight ratio
Mar 31, 23 (2023 ed. printed)	n/a	n/a	2:1
Mar 31, 23 (rebuilt)	1.6x	0.4x	4.0:1
Jun 20, 24	2.9x	1.2x	2.4:1
Oct 30, 26	3.0x	0.6x	4.8:1

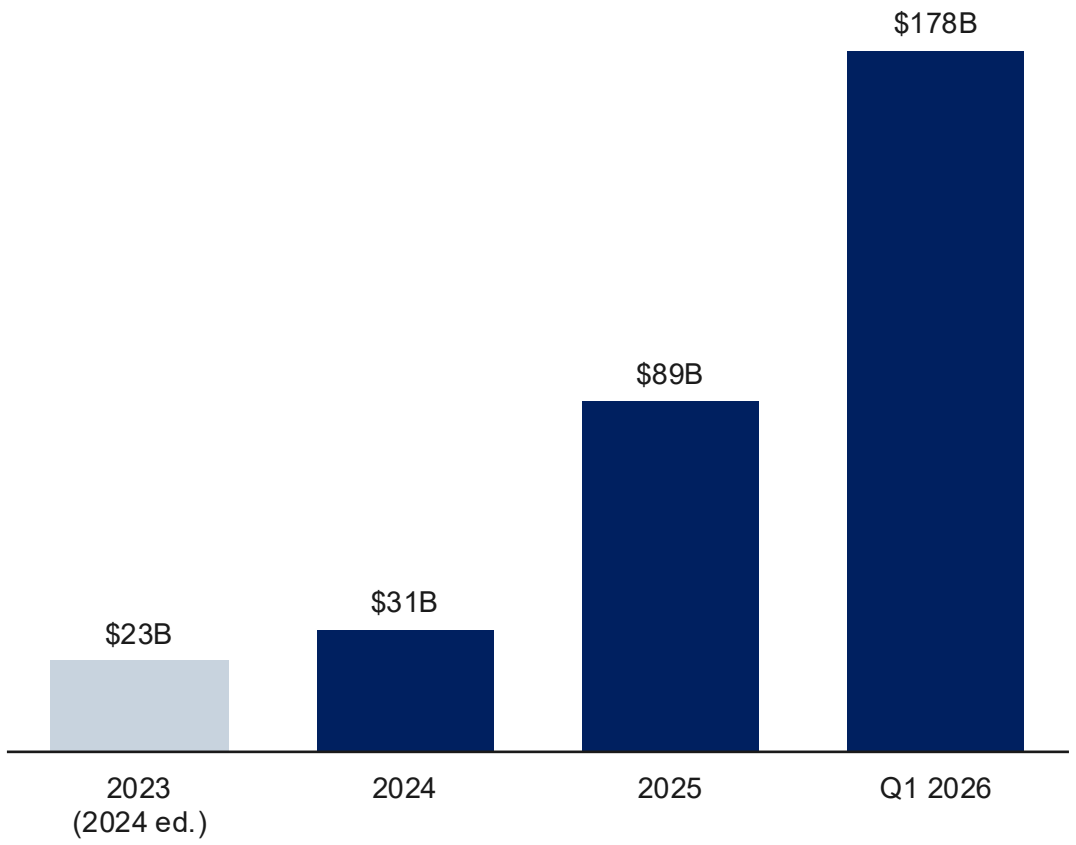
Cross-sectional regression of EV / NTM revenue (FactSet consensus) on NTM revenue growth and LTM FCF margin across EMCLOUD constituents (67, 65 and 62 names). **Excluding Palantir, the Oct 2026 ratio is 5.2:1.**

Source: Our analysis of WisdomTree WCLD Form N-PORT holdings with FactSet prices, fundamentals and point-in-time NTM revenue consensus; BVP State of the Cloud 2023 (Rule of 40+ ~1.7x; 'Today' growth 7.4 vs FCF 3.7, i.e. 2:1). BVP used CIQ consensus; FactSet consensus differs slightly.

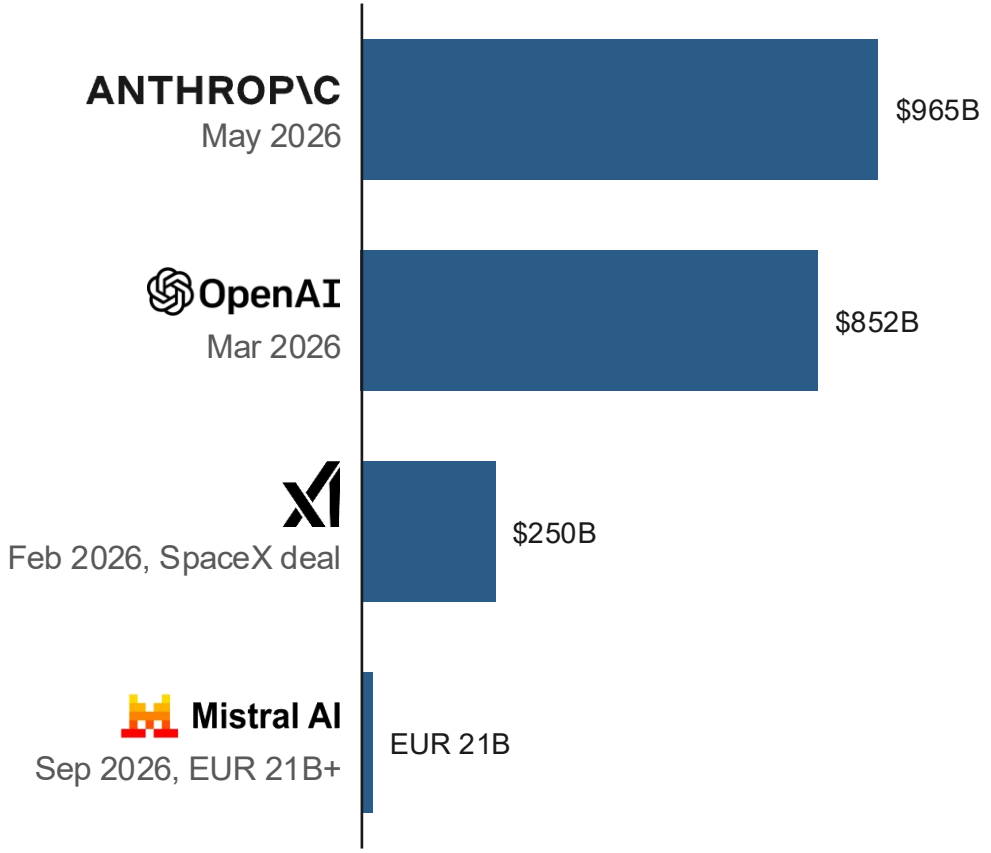
Model-layer funding reached $178B in Q1 2026 alone

BVP's base was $23B in 2023; Crunchbase counts $89B in 2025, mostly OpenAI, Anthropic and xAI

Foundation-model funding ($B)



Latest model-lab valuations ($B)



Source: Morgan Stanley via BVP State of the Cloud 2024 (2023); Crunchbase News, Dec 15, 2025 and Apr 1, 2026 (2024 to Q1 2026; definitions differ from Morgan Stanley's); CNBC, Mar 31, 2026 (OpenAI); Anthropic, May 28, 2026; Reuters, Feb 2026 (xAI); Mistral AI, Sep 2026. Private valuations are reported, not audited.

Frontier pairings held; closed models kept ~70% of tokens

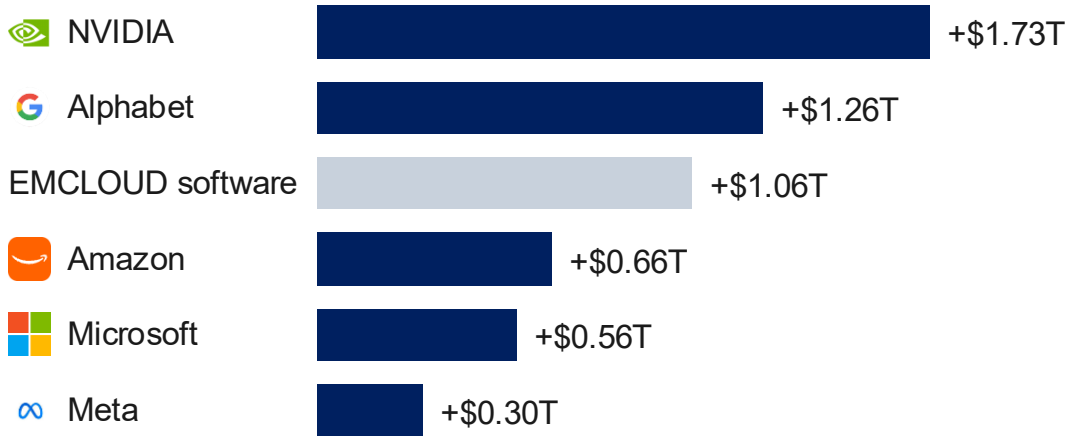
Microsoft-OpenAI and Amazon-Anthropic deepened; xAI folded into SpaceX and Builder.ai failed

Big Tech stakes in AI labs: 2024 edition vs today

Pair	2024 edition	Today
Microsoft / OpenAI	$10.0B invested, 33.4%	~27% of OpenAI Group PBC, worth ~$135B (Oct 2025)
amazon / ANTHROP\C	$4.0B invested	$8B total investment (Nov 2024)
Microsoft / Builder.ai	$250M round (Microsoft's share undisclosed)	Entered insolvency proceedings (May 2025)
xAI	Not in BVP's 2024 stakes chart	Acquired by SpaceX at a $250B valuation (Feb 2026)

Where value flowed since Jun 20, 2024

Public market cap added to Oct 30, 2026 ($T)



Private AI labs, latest post-money valuation

$965B	$852B	$250B
Anthropic, May 2026	OpenAI, Mar 2026	xAI (SpaceX), Feb 2026

Closed models kept ~70% of OpenRouter tokens in 2025; open weights ~30%

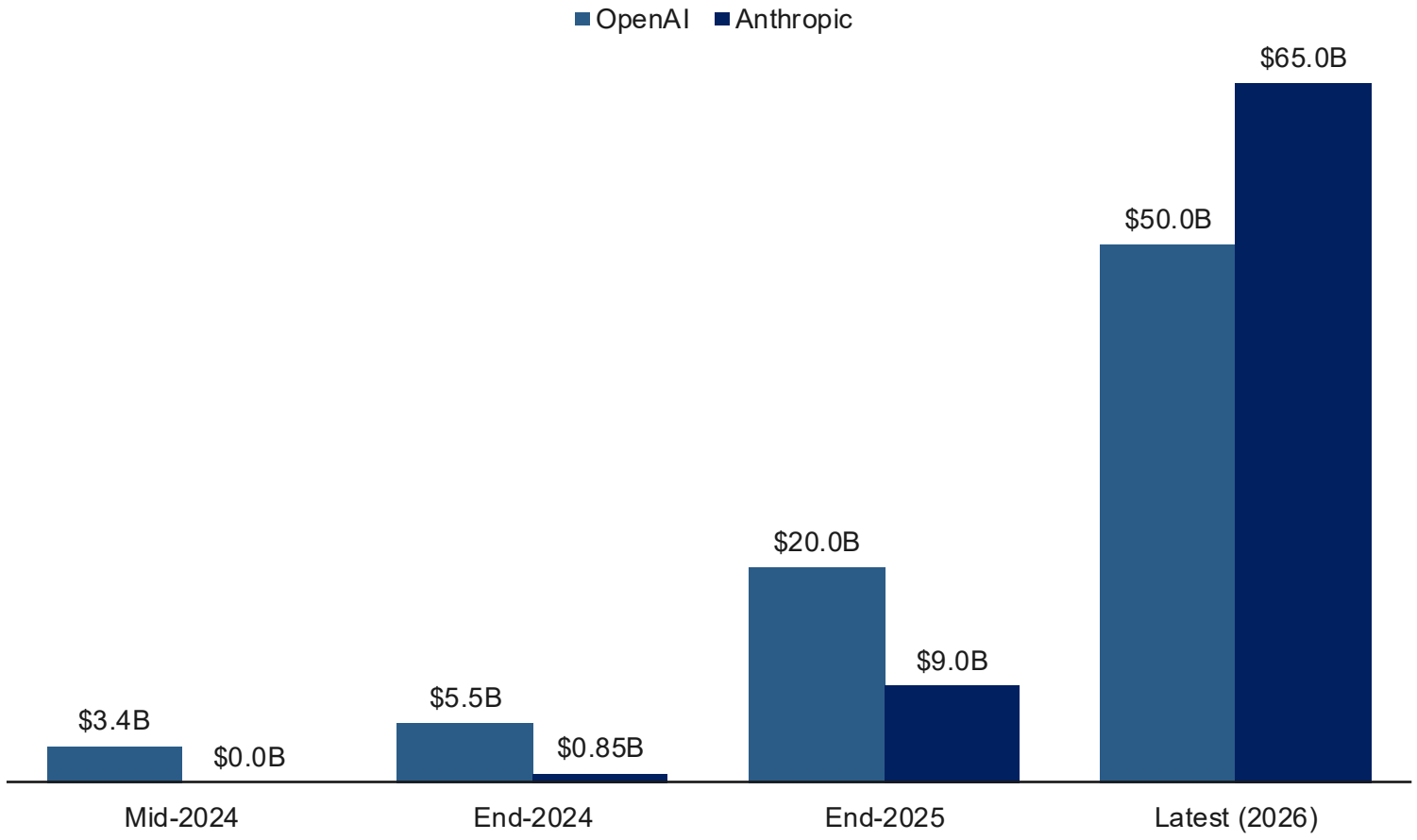
Source: BVP State of the Cloud 2024, Figs. 6 and 7; Microsoft, Oct 28, 2025; CNBC, Nov 22, 2024; CNBC, May 10, 2023 and TechCrunch, May 20, 2025 (Builder.ai); Reuters, Feb 2026; CNBC, Mar 31, 2026; Anthropic, May 28, 2026; OpenRouter, State of AI 2025 (Dec 2025); FactSet prices and shares. In 2024, 46% of partners expected incumbents and 40% expected startups to capture most value.

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Anthropic's run-rate hit $65B, 76x BVP's end-2024 figure

OpenAI went from BVP's $3.4B to almost $50B; Anthropic grew faster and passed it in 2026

Annualized run-rate revenue ($B)



The two labs vs the 2024 edition

~15x

OpenAI's run-rate growth, from BVP's $3.4B (mid-2024) to ~$50B (Sep 2026)

~7x

Anthropic's growth in 2026 alone, from ~$9B at end-2025 to $65B by end of Jul 2026

$115B

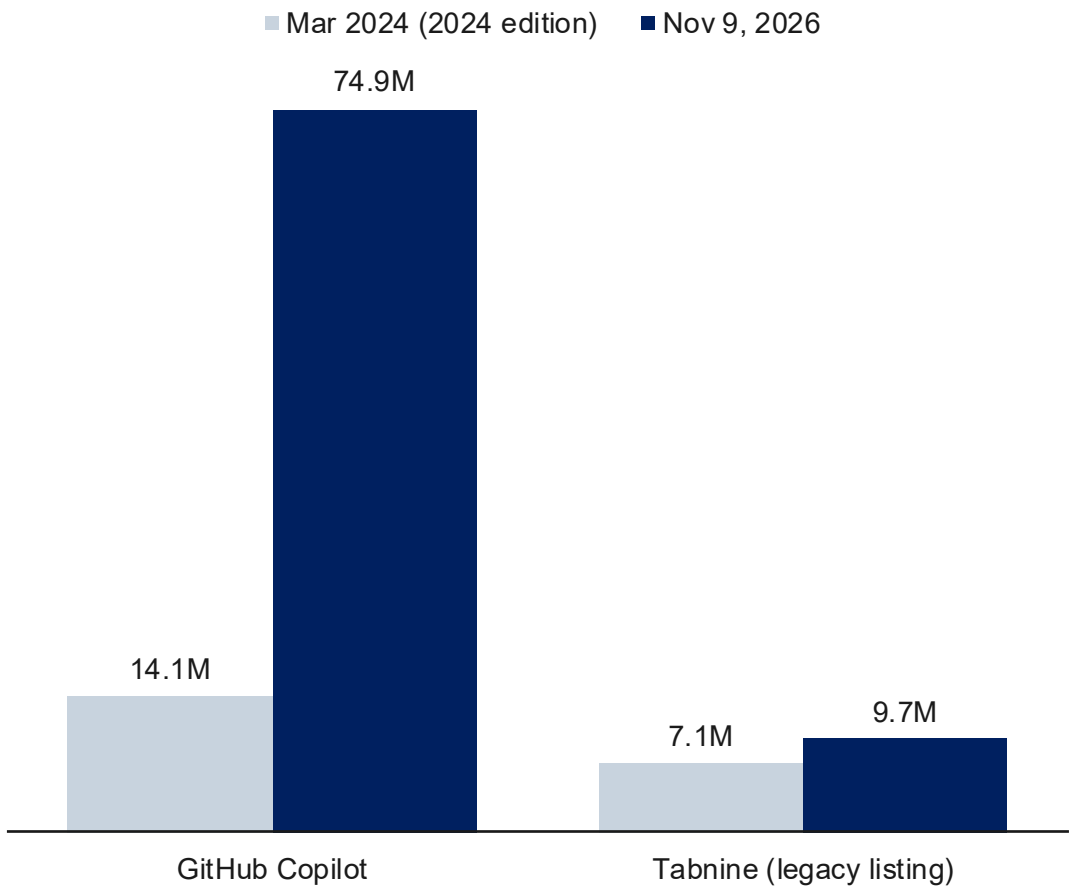
Combined run-rate of the two labs, vs $4.25B in BVP's figures (OpenAI $3.4B; Anthropic $850M end-2024 projection)

Source: BVP State of the Cloud 2024 ($3.4B OpenAI run-rate; $850M Anthropic projection for end-2024); Reuters, Jun 9, 2025 and Oct 8, 2026; OpenAI, Jan 2026 ($20B+ ARR in 2025); Anthropic, Apr 6, 2026 (~$9B end-2025); CNBC, Aug 17, 2026 ($65B, end of Jul 2026). Run-rates are not audited; the Anthropic end-2024 bar is BVP's quoted projection. Multiples are our arithmetic on these figures.

Copilot's VS Code installs rose more than 5x to 74.9M

AI now writes most new code at Google, but BVP's 2030 'reviewer' call cannot be graded yet

AI coding assistant installs in VS Code (M), 2024 vs 2026



AI coding since the 2024 report

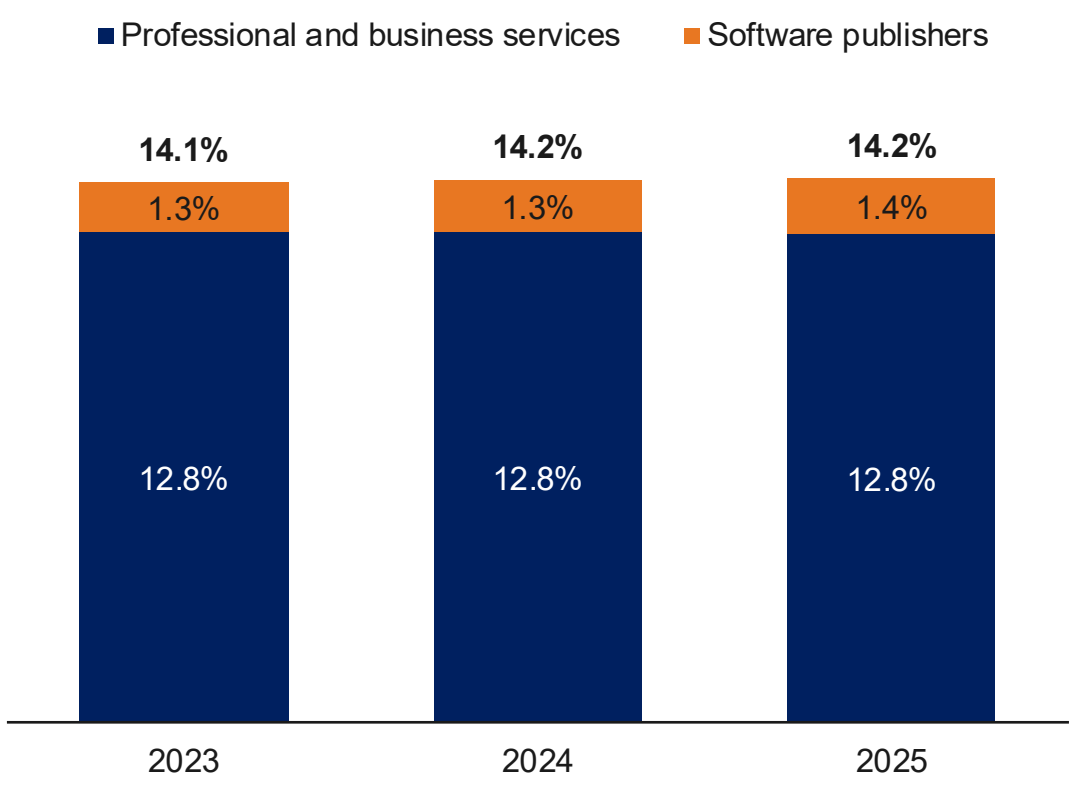
Mar 2024	GitHub Copilot at 14.1M VS Code installs (2024 edition)
Jan 2025	Cursor crosses $100M ARR (reported)
Jul 2025	Cognition buys Windsurf, part of BVP's 2024 copilot field
Fall 2025	About 50% of Google's new code is AI-generated
Nov 2025	Cursor passes $1B of annualized revenue
Apr 2026	75% of Google's new code is AI-generated and approved by engineers
Jun 16, 2026	SpaceX announces a $60B all-stock deal for Cursor
Aug 14, 2026	SpaceX closes the Cursor acquisition
Nov 9, 2026	Copilot reaches 74.9M VS Code installs, more than 5x

Source: BVP State of the Cloud 2024, Fig. 8 (Wayback snapshots of VS Code Marketplace); Visual Studio Marketplace pages read Nov 9, 2026; Fast Company, Apr 23, 2026; Cursor, Nov 2025; SpaceX Form 8-Ks, Jun 16 and Aug 14, 2026; Cognition, Jul 14, 2025; Wikipedia (Cursor $100M ARR). Installs are cumulative, so counts overstate active use.

Software rose to 1.4% of US GDP; services held at 12.8%

BVP's ~10x services-to-software ratio held in 2023 (10.1x) and narrowed to 8.9x by 2025

Share of US GDP, value added (BEA)



Services vs software, share of US GDP

Measure	2023 (2024 ed.)	2023 (BEA)	2025 (BEA)
Professional and business services	13%	12.8%	12.8%
Software publishers	1%	1.3%	1.4%
Other industries	86%	85.9%	85.8%
Services-to-software ratio	~10x	10.1x	8.9x

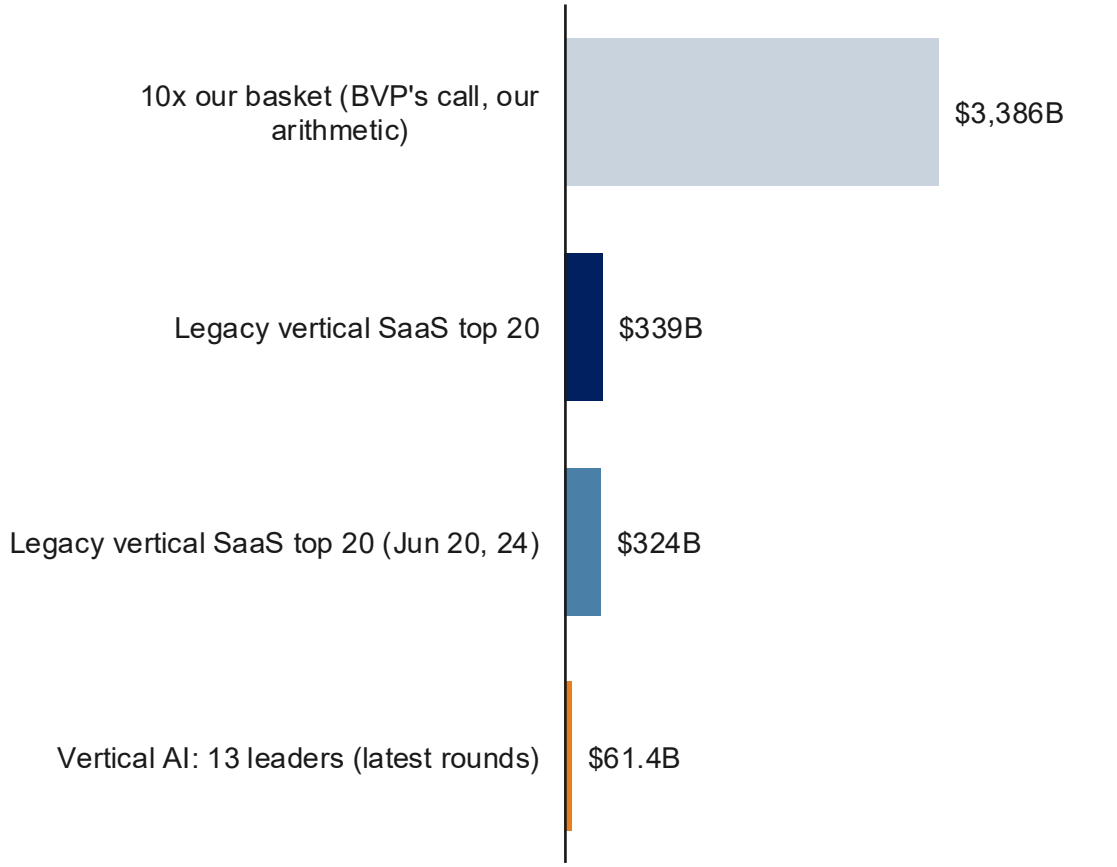
BVP's chart cites the BEA while its text cites the Bureau of Labor Statistics; **the 13% matches BEA value added**, which we use.

Source: BEA GDP by Industry (value added, current dollars) and Underlying GDP by Industry (software publishers, NAICS 5112), annual 2023 to 2025, accessed Nov 2026; BVP State of the Cloud 2024, Fig. 14.

Vertical AI is worth 0.18x legacy vertical SaaS, far from 10x

13 leaders carry $61.4B vs $339B for our vertical SaaS basket; six are already Centaurs

Market value ($B), Oct 30, 2026 unless noted



Vertical AI leaders, latest reported figures

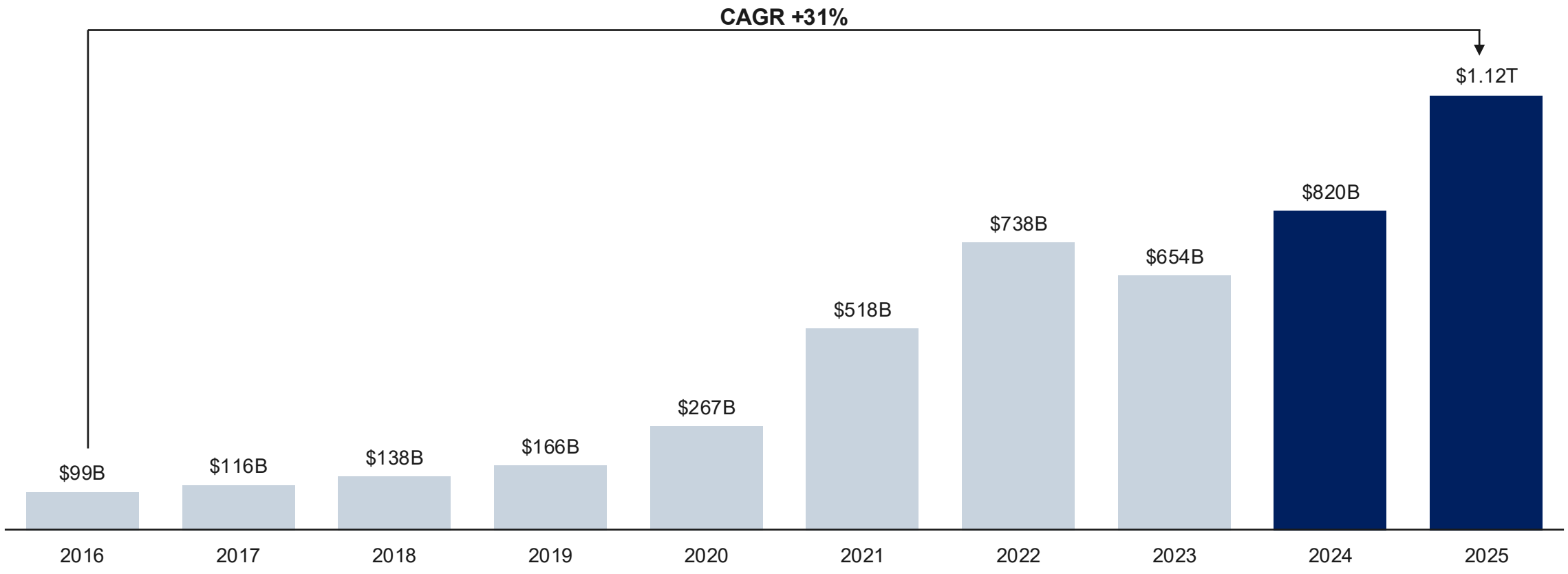
Centaurs ($100M+ ARR)	ARR	Valuation	As of
Harvey	$400M	$15.5B	Sep 2026
OpenEvidence	~$300M	$15.0B	Sep 2026
Legora	$200M+	$8.8B	Oct 2026
Abridge	~$100M (est.)	$5.3B	Jun 2025
EliseAI	$200M+	$4.0B	Sep 2026
EvenUp	$100M	$2B+	Oct 2025
Next wave (~$1B+ valuation)			
Hippocratic AI	n/d	$3.5B	Nov 2025
Rogo	~$50M	$2.0B	Apr 2026
Ambience Healthcare	n/d	$1.25B	Jul 2025
Basis	n/d	$1.15B	Feb 2026
Rillet	n/d	$1.0B	Aug 2026
Eve	n/d	$1B+	Sep 2025
Heidi Health	n/d	$0.9B	Sep 2026

Source: Our basket of the 20 largest US-listed vertical software companies by market cap on Jun 20, 2024 (Roper, Autodesk, Veeva, PTC, Tyler, Samsara, Bentley, SS&C, Manhattan, Toast, Guidewire, Descartes, Procore, AppFolio, SPS Commerce, Doximity, Blackbaud, nCino, Q2, Waystar), Compound market data; company announcements and press for each leader (Harvey; Legora, Oct 21, 2026; EliseAI, Sep 29, 2026; Reuters; Bloomberg via Contrary; ARR Club; Becker's; The Next Web; Rillet; Dealroom; LawNext; Sacra). n/d = not disclosed. BVP printed ~$300B for its own top-20 list.

Cloud 100 value hit $1.12T in 2025, 71% above the 2023 list

BVP's Fig. 17 stopped at $654B for the 2023 list; AI made up 42% of the 2025 list's value

Cloud 100 aggregate list value ($B)



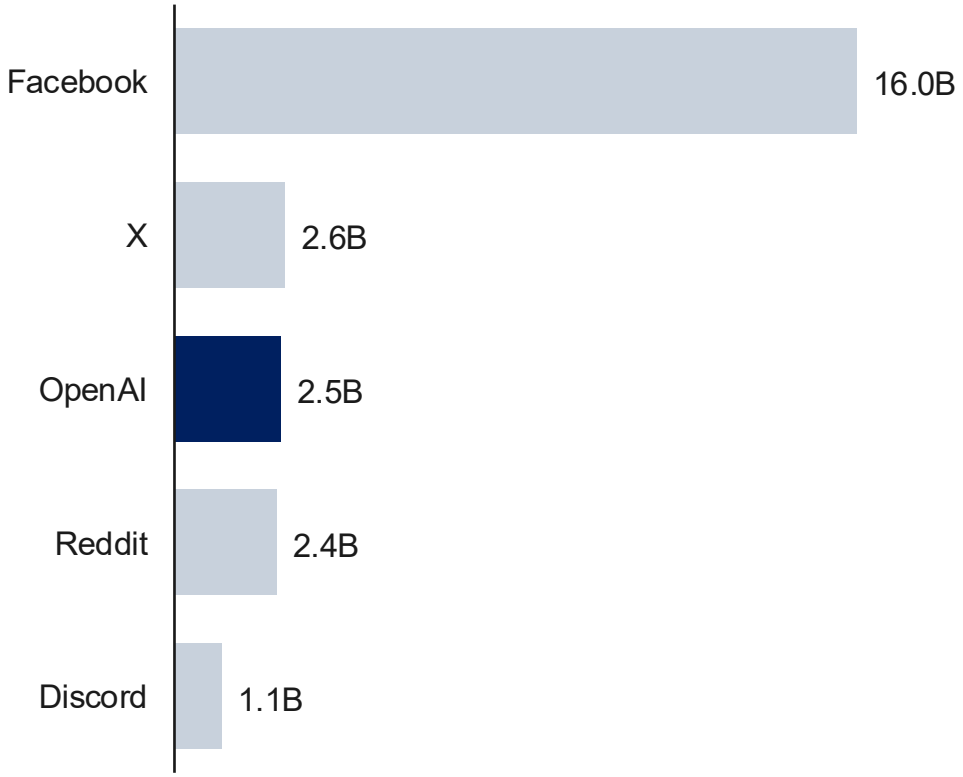
Light bars: values printed in the 2024 edition. Source: BVP State of the Cloud 2024, Fig. 17 (2016 to 2023 lists); Bessemer, 'The Forbes Cloud 100 returns for 2025' ($820B, 2024 list; OpenAI #1); Bessemer, Cloud 100 Benchmarks Report 2025 ($1,117B; AI 42%). A 2026 list value was not found. CAGR is 2016 to 2025, our arithmetic.

ChatGPT's web visits more than doubled to 5.9B a month

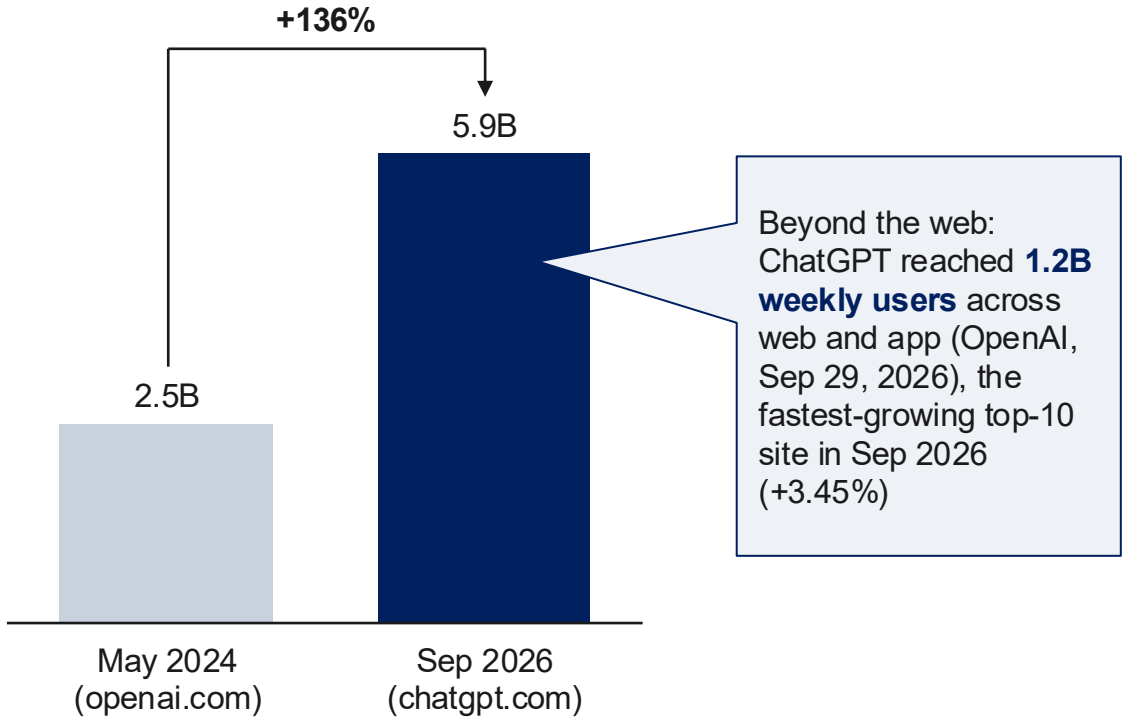
OpenAI matched Reddit at 2.5B in May 2024; ChatGPT is now the fastest-growing top-10 site

Monthly web visits (B), Similarweb

Same month: May 2024 (2024 edition)



OpenAI / ChatGPT over time

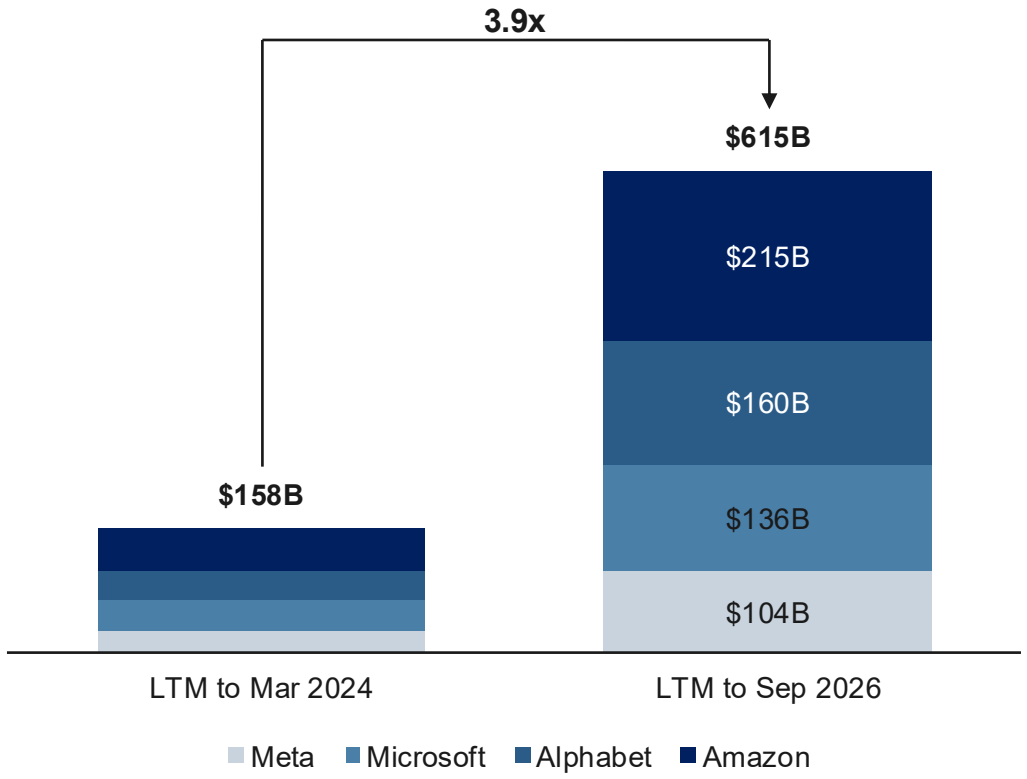


Source: BVP State of the Cloud 2024, Fig. 18 (Similarweb, May 2024); Similarweb via Forbes, Oct 3, 2026 (ChatGPT, Sep 2026); OpenAI, DevDay 2026 Recap, Sep 29, 2026 (weekly users). Web visits exclude app usage; we did not refresh the other four sites' 2026 visits.

Missed: a $615B capex wave and a software selloff

The largest moves came from infrastructure spend, public-software repricing and consolidation

Hyperscaler capex, last twelve months ($B)



Four developments the report did not anticipate

1. **AI infrastructure spend:** the four hyperscalers' trailing capex rose 3.9x to $615B.
2. **A public software selloff:** EMCLOUD fell 18.6% below its report-date level by Apr 10, 2026, and the median EV / NTM multiple touched 3.2x.
3. **Consolidation into a few owners:** SpaceX absorbed xAI at $250B and closed its $60B Cursor deal on Aug 14, 2026 (announced Jun 16).
4. **Labs out-earning apps:** Anthropic's $65B run-rate (Jul 2026) passed OpenAI's ~$50B (Sep 2026).

How BVP adapted: the series itself moved on, retitled 'The State of AI 2025' in Aug 2025

Source: Microsoft, Amazon, Alphabet and Meta 10-Q/10-K filings (purchases of property and equipment), quarters to Mar 2024 and Sep 2026; FRED NASDAQEMCLOUD; our analysis of EMCLOUD constituents on FactSet data; Reuters, Feb 2026 (xAI); SpaceX Form 8-Ks, Jun 16 and Aug 14, 2026 (Cursor); CNBC, Aug 17, 2026; Reuters, Oct 8, 2026; BVP, The State of AI 2025 (Aug 13, 2025).

Sources and method

Every figure is in the companion workbook with its source and date; private figures are reported

Sources

- Bessemer Venture Partners, State of the Cloud 2024 (Jun 20, 2024) and 2023 (Apr 11, 2023); The State of AI 2025 (Aug 13, 2025)
- WisdomTree Trust Form N-PORT filings for the WisdomTree Cloud Computing Fund (WCLD), Mar 2023 to Jun 2026
- FRED: NASDAQEMCLOUD, NASDAQCOM, SP500, DJIA, DGS10, to Oct 30, 2026
- FactSet: prices, shares, debt and cash, LTM revenue and FCF, and point-in-time NTM revenue consensus (EMCLOUD constituents and AI giants)
- Company 10-Q and 10-K filings (capex); Compound market data (vertical SaaS basket); BEA GDP by Industry, 2023 to 2025
- Crunchbase News; PitchBook News; OpenRouter State of AI 2025
- Company announcements (OpenAI, Anthropic, Microsoft, Mistral, ElevenLabs, Deepgram, Harvey, Legora, EvenUp, Figma, Cursor, Cognition) and dated press (Reuters, CNBC, TechCrunch, Business Insider, Forbes, NPR)

Method and limits

- EMCLOUD rebuilt from WCLD quarter-end holdings, including acquired names on FactSet history (67 of 68 priced in Mar 2023, all 65 in Jun 2024, all 62 in Oct 2026; only 2U missing)
- EV / NTM revenue uses FactSet point-in-time consensus on every date; EV = FactSet market cap + total debt (incl. leases) - cash and short-term investments
- Recompute of the original matches closely: EMCLOUD 2022 to Mar 2023 return (41.9%) vs (41.9%) printed; Mar 2023 average 6.3x vs 6.4x; Jun 2024 5.7x vs 5.9x; Rule of 40+ premium 1.7x vs ~1.7x
- Vertical SaaS basket is our own top 20; BVP did not publish its list
- Not found: 2026 Cloud 100 value; aggregate voice-AI ARR; median NRR of constituents