Standard Metrics

STANDARD METRICS PRIVATE MARKET REPORT

2025 Year in Review

Five years of private market data. Over 10,000 companies. What the numbers actually say about where growth came from, what broke down, and what got quietly better.

Published April 2026 N > 10,000 companies 2021–2025 dataset

2025 Year in Review

This report draws on five years of financial data from over 10,000 private companies to answer three questions that came up repeatedly in our conversations with investors, operators, and founders: whether AI companies are actually growing faster, whether the post-ZIRP growth slowdown is finally reversing, and whether marketing spend and product investment are actually converting into growth. Growth refers to revenue growth, unless otherwise specified.

- Below $20M in annualized revenue, AI companies are growing faster than non-AI peers, and the gap widened through 2025. Above it, median AI and non-AI companies have similar growth curves, finishing the year at 30% and 27% year-over-year (YoY) respectively. For later stage AI, outsized growth sits at the top decile, not the middle, and early signals in our analysis suggest it tracks an enterprise demand cycle rather than a structural advantage.

> ***"The structural DNA of AI-native companies may create the potential for a growth premium. The demand cycle determines when it shows up."***

- AI or not, revenue growth is accelerating for companies above $5M in annualized revenue, but the acceleration is concentrating in the top decile. Below $1M, the segment is splitting: a small cohort graduates to higher revenue segments fast, the rest struggle to reaccelerate.

> ***"Companies that don't cross $1M within a year or two almost certainly won't."***

- So what's driving the growth? Sales & Marketing (S&M) spend converted to growth immediately, and companies did it while spending less as a share of revenue. Research & Development (R&D) followed a different timeline: heavy investment in 2024 didn't pay off until 2025.

> ***"S&M converts to growth in the same year. R&D builds the product that makes next year's S&M spend more efficient."***

If these stories resonate or you have questions, let us know at benchmarking@standardmetrics.io.

IN THIS REPORT

Private market performance data is hard to find, harder to trust. This report is our answer to that: It is built from our Global Benchmarking data, an anonymized set of financial metrics from over 10,000 startups on Standard Metrics. This is the largest private benchmarking dataset we're aware of.

Below is a quick framework for reading the report:

- Companies in our charts are grouped by annualized revenue at the time of reporting into five segments: $0–1M, $1–5M, $5–20M, $20–100M, and $100M+. When we refer to company "size" in this report, we mean size by revenue.
- Unless otherwise noted, "growth" means year-over-year (YoY) revenue growth, comparing the same quarter to the prior year (e.g., Q4 2025 vs. Q4 2024). Past reports have focused more on quarterly growth metrics, but we have found YoY growth to be more valuable to our readers.
- Artificial intelligence (AI) companies are identified through a combination of self-reporting, domain analysis, and company description review. To qualify as AI, the company's primary product had to be AI, not just a feature or enhancement within a broader product. The classification is binary (AI or non-AI) and further details can be found in the methodology appendix.
- Our dataset covers 2021–2025. Most of the analysis focuses on 2023–2025, where the data is densest and most relevant. We include earlier years where they help establish a trend, and flag where ZIRP-era dynamics distort the signal.

01

The AI growth question

> Are AI companies actually growing faster? Sometimes, but the more interesting question is ***where*** and ***for how long***. The story changes at $20M in annualized revenue. Below it, AI companies are pulling away from non-AI peers, and that gap widened through 2025. Above it, the median AI company looks like any other company at the same scale, growing at 27-30%. The real story is at the top decile, **where revenue growth for AI companies with $20M+ in annualized revenue hit 262% in Q4 2025.**

Below $20M: AI is pulling away

Median AI and non-AI companies ran at near parity in YoY revenue growth through 2023 and early 2024, with AI slightly ahead. The two started to diverge in late 2024, with AI companies pulling away dramatically, finishing the year with a ~35 percentage point gap.

At the top decile, non-AI top-decile growth rates are accelerating too, but AI is pulling ahead faster. AI top-decile growth is more volatile, but the trend is clear: **the fastest AI companies are pulling further away.**

73% vs 39%

Median YoY growth, Q4 2025

684% vs 388%

Top decile YoY growth, Q4 2025

WHAT'S DRIVING THE REACCELERATION?

The intuitive explanation here would be that younger AI companies are structurally different, "AI-native" the way "cloud-native" once was, and those companies are gradually maturing into the $5–20M segment and lifting the median. But if this were a cohort composition story, the AI median would drift steadily upward as AI-native companies mature into the segment. Instead, the premium vanished for 18 months, then returned sharply.

That oscillation fits an enterprise demand cycle more closely than a cohort replacement story. One reading of the data: an initial AI adoption wave lifted early-stage AI companies through early 2023, the market paused as buyers evaluated and rationalized budgets, then enterprise spend reaccelerated and the companies still selling into that wave grew faster again. The structural DNA of AI-native companies may create the ***potential*** for a growth premium. The demand cycle determines ***when*** it shows up.

Above $20M: medians trade places, tails diverge

Median AI and non-AI companies above $20M in annualized revenue have been running within a few points of each other since 2023, trading the lead back and forth. By Q4 2025, AI was at 30% YoY revenue growth versus non-AI's 27%, effectively parity. Companies at this scale were largely built before the current AI cycle, and their growth trajectories reflect it.

The top decile of larger AI companies tells a different story. AI companies started well below non-AI in early 2023, crossed over in Q4 2023, and have been pulling ahead since, finishing 2025 at 262% YoY revenue growth. **Both cohorts are accelerating at the top, but AI is accelerating faster.**

At the median, AI companies above $20M look like everyone else. The difference shows up at the top decile. AI companies at the 90th percentile grew at 262% versus 211% for non-AI. The AI growth story above $20M is about the outliers.

02

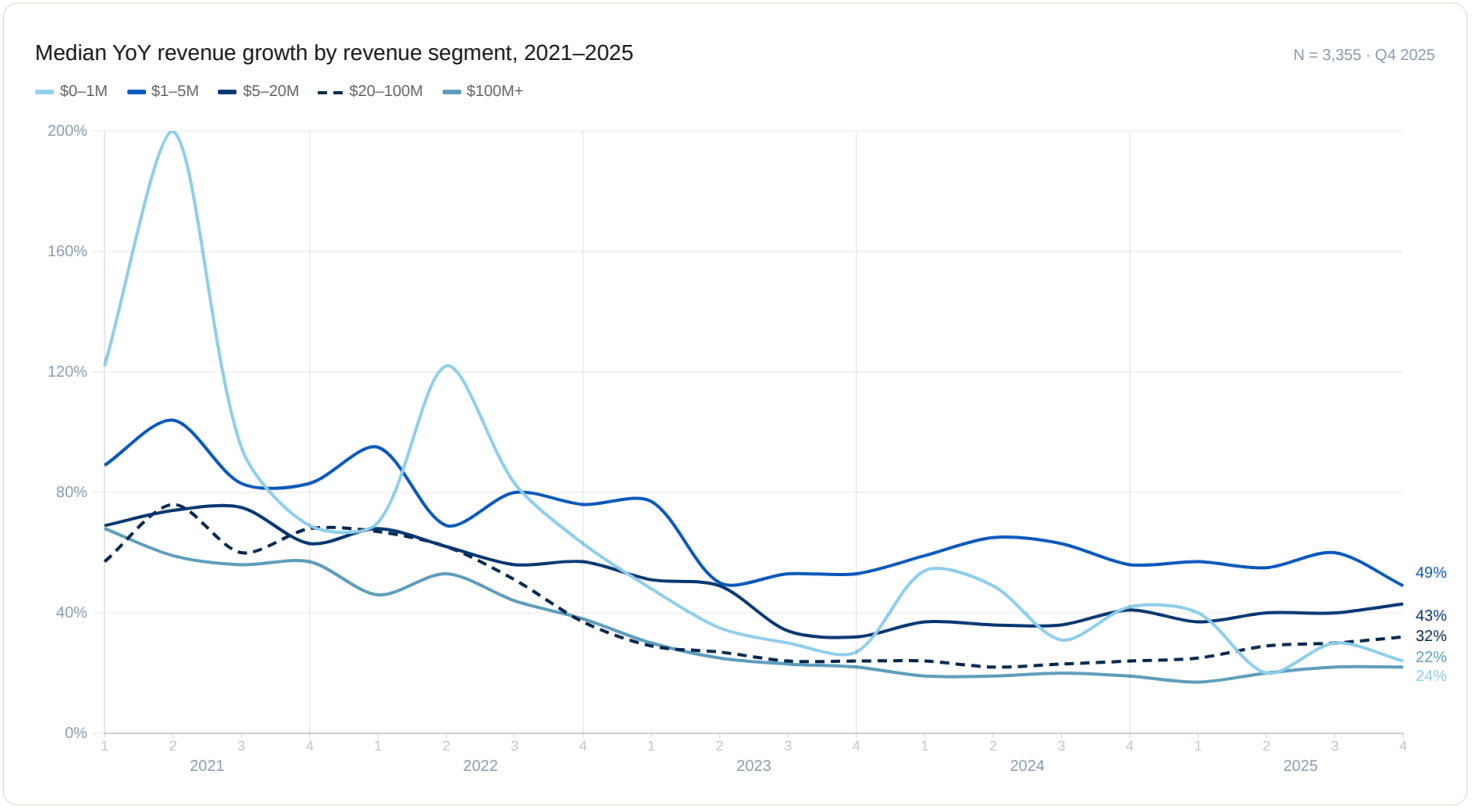
Where growth lives (and dies)

We found two stories in our revenue data particularly interesting this quarter: how revenue varies at the top decile compared to the median across revenue ranges, and the continued challenges the $0–1M segment is facing.

Aggregated across all segments in Q4 2025, the median YoY growth rate was 34%. The top decile was 481%, ~14x the median. **The companies worth tracking aren't near the middle.**

In the sub-$1M range, **companies that don't cross $1M within a year or two almost certainly won't.** Graduates grow at a median of 200%+ YoY; stayers post flat revenue and don't recover.

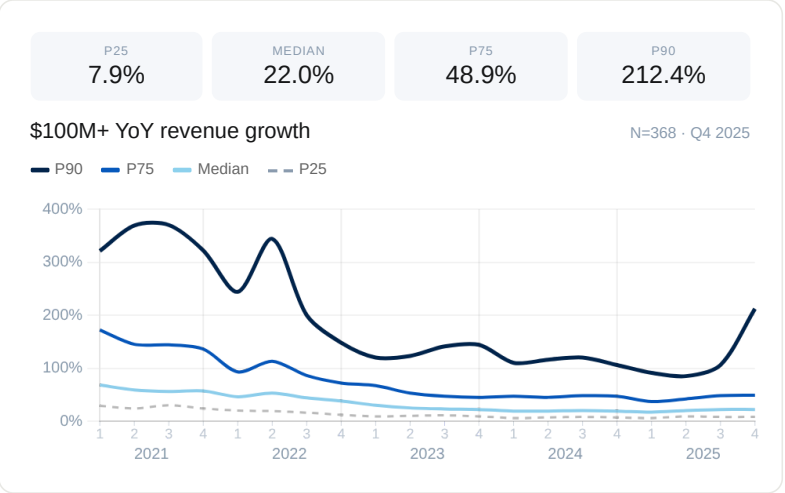
P25	MEDIAN	P75	P90
-1.9%	33.8%	129.5%	481.4%

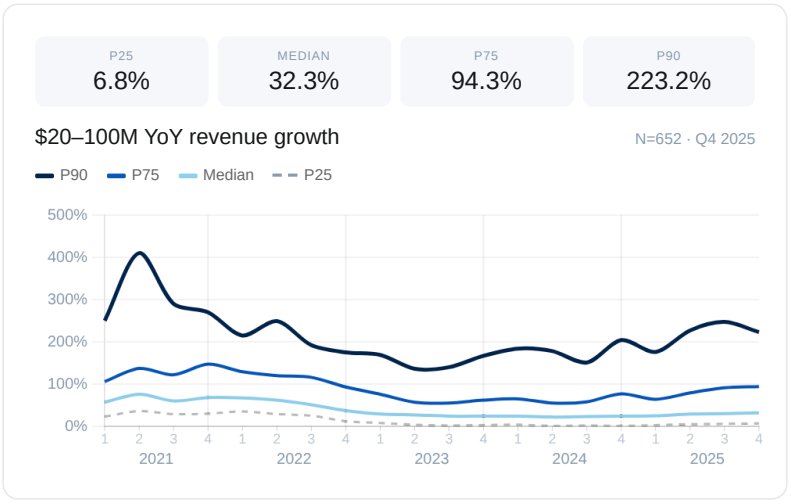


Top decile companies with $5M+ in annual revenue are accelerating their growth

Across companies above $5M in annual revenue, median revenue growth has improved YoY. However, top-decile companies outpace the median and are a more relevant benchmark for what "outsized" growth looks like.

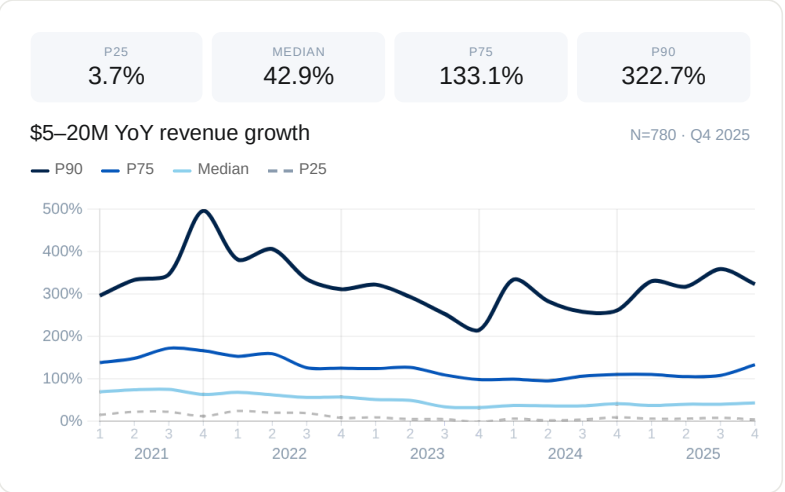
At the $100M+ range, top-decile revenue growth doubled from ~100% YoY in Q4 2024 to ~200% in Q4 2025. The median, by comparison, was only 22%, up from 19% a year earlier.

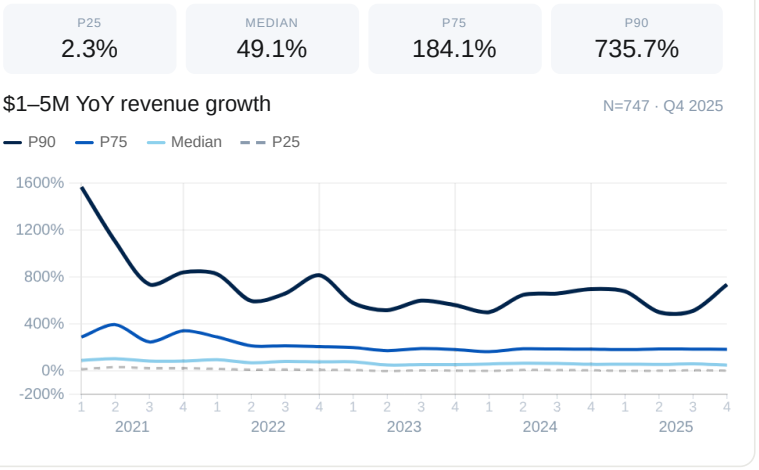




At the $20–100M range, median YoY revenue growth was up 8 percentage points compared to the year before. **But the fastest growers moved from the 180–200% range for most of 2024 to 223% by Q4 2025.**

At the $5–20M revenue range we see the same trend play out: **Median YoY revenue growth climbed 2 percentage points over the year. Top decile growth climbed 62.**





At the $1–5M range, median YoY revenue growth has held between ~49–65% for twelve consecutive quarters, finishing Q4 2025 at 49%. No other segment held near 50% or higher over that stretch. **This growth was steady, but not accelerating the way the $5M+ segments are.**

Sub-$1M companies, unlike their later stage peers, are struggling to reaccelerate growth. Median growth in Q4 2025 was 24% and, despite occasional quarter-to-quarter upticks, the trend since 2021 has been consistently down.

We've found that this segment contains two fundamentally different populations. **~15% of companies graduate to $1M+ per year, growing at a median of 200%+ YoY while still sub-$1M.** Companies that stayed below $1M, however, posted essentially flat revenue. The median company grew 24% while the top decile hit 976%, a roughly 41x (!) spread.

The private market isn't recovering from a 2023–2024 slowdown in growth uniformly. The $5M+ segments are recovering, but the acceleration is concentrating in the top decile. The $1–5M segment has been the steadiest performer, holding median growth near 50% for twelve consecutive quarters. And the $0–1M segment is splitting into two populations: companies on their way to passing $1M and companies that show no signs of getting there. For portfolio managers, the segment-level median is the wrong benchmark. **The question is where in the distribution your companies sit.**

03

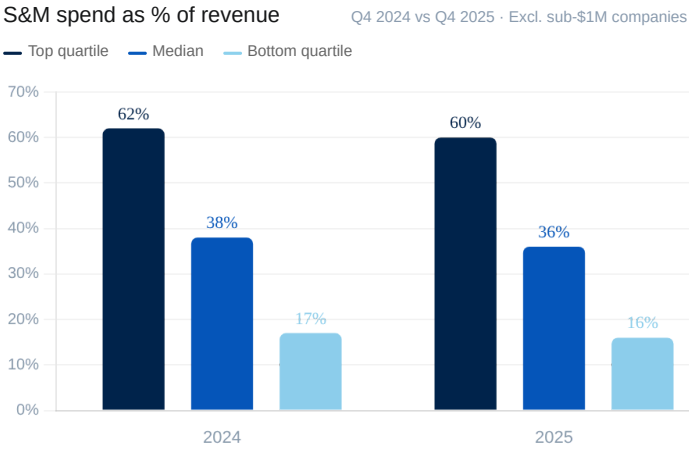
Spending money to make money

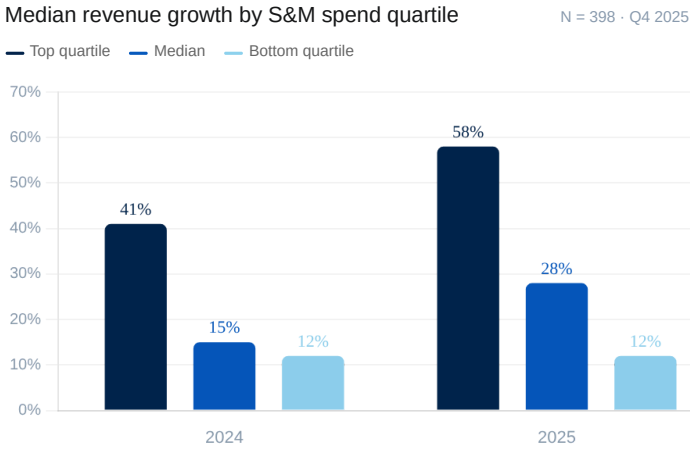
> Companies putting more into S&M as a percentage of revenue grew faster, and they did it while spending slightly less as a share of revenue than the year before. R&D spend followed a different pattern: spend was up across the board, but growth didn't follow in the same year.
>
> S&M and R&D data carries smaller sample sizes than our revenue data. We present initial findings here and will refine them in coming quarters.

Our data suggests the more you spend on S&M, the faster you grow.

Companies in the top quartile of S&M spend grew revenue at ~5x the rate of bottom-quartile spenders in 2025, and grew more in 2025 (at 58%) than they did in 2024 (at 41%). Bottom quartile spenders on S&M, meanwhile, held flat at 12% in both 2024 and 2025.

What makes this 2025 growth more interesting: everyone spent less on S&M as a share of revenue in 2025 than in 2024. Top quartile went from 62% to 60%, median from 38% to 36%. So the companies that were already investing in go-to-market got more efficient at converting that spend into growth.



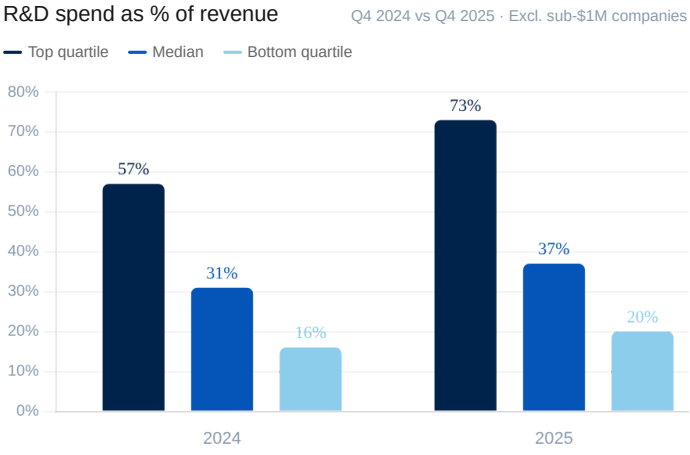


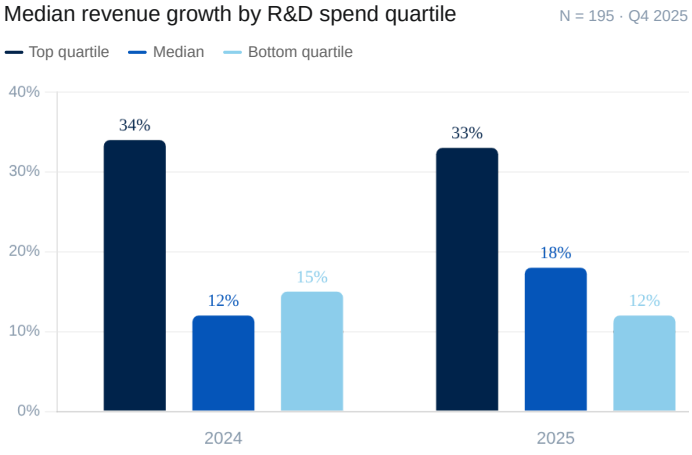
R&D: everyone's investing more. The payoff is longer-cycle.

R&D as a percentage of revenue went up across the board in 2025. Top-quartile spenders went from 57% to 73%, median from 31% to 37%, bottom-quartile from 16% to 20%. Companies are investing more in product, not less.

Unlike S&M, however, R&D spending didn't produce faster growth in the same year. Top-quartile R&D spenders grew at roughly the same rate in 2025 as in 2024. But track the same companies over time and a different picture emerges: companies that were top-quartile R&D spenders in 2024 accelerated from 39% to 60% revenue growth in 2025. The investment paid off. It just took a year to show up.

S&M converts to growth in the same year. R&D builds the product that makes next year's S&M spend more efficient. Companies investing in neither are falling behind on both timelines.





These numbers come with a caveat: the companies that spent aggressively on S&M and didn't grow are likely no longer in the dataset. What's left are the ones where the spending worked. We also can't fully isolate spend from other growth drivers like AI tailwinds at this sample size. That said, the efficiency gains are real. Companies are spending less as a share of revenue and growing faster, which suggests something beyond survivorship is at work.

CONCLUSION

What we're watching in 2026

Will AI companies sustain their growth rates as they scale? The AI companies in the $1–20M annualized revenue range are growing nearly twice as fast as non-AI peers. As those companies cross into the $20M+ segment, do they carry that growth premium with them, or does it compress to parity like the current $20M+ median suggests? The answer will tell us whether "AI-native" is a durable structural advantage or an early-stage tailwind.

Will $0–1M ever reaccelerate, and what does that mean for Seed investors? This is the only revenue segment still trending down. We're watching whether the graduation rate (currently ~15%) ticks up, or whether the segment continues to bifurcate into fast graduates and permanent stayers.

Is the S&M efficiency gain a pattern or a blip? S&M spend as a share of revenue went down across all percentiles in 2025. One year of data isn't a trend, but if the pattern holds in 2026, it points to a structural shift in go-to-market efficiency.

What does year two look like for top R&D spenders? Companies that were top-quartile R&D spenders in 2024 accelerated from 39% to 60% growth in 2025. We want to follow that cohort into 2026: does the growth hold, and does their R&D spend as a share of revenue come down as the investment matures?

We'd love your feedback

What resonated? What didn't? What would you like to see in our next report? If you're a current customer please reach out to your CSM with feedback or questions. If not, learn more about Global Benchmarking or get in touch at benchmarking@standardmetrics.io.

COMING SOON

Margins + EBITDA: "What does profitability look like in the private markets" (May, 2026).

APPENDIX

Methodology

This report summarizes data from over 10,000 anonymized startups that report financial data to their investors through Standard Metrics. Companies are categorized into annualized revenue segments based on their annualized revenue as of each quarter. Companies control their own data on Standard Metrics and can opt out of inclusion in anonymous benchmarking at any time.

Key metrics. YoY (year-over-year) growth compares the same quarter to the prior year (e.g., Q4 2025 vs Q4 2024). Median refers to the 50th percentile of the distribution. P75 (75th percentile) means 75% of companies in the segment are at or below that value. P90 (90th percentile, or "top decile") means 90% are at or below, making this the threshold for the top 10% of performers.

AI classification was determined through a combination of methods: analysis of each company's "about" page (AI had to be the company's primary product, not a feature or enhancement within a broader non-AI product), domain name review (e.g., companies with .ai domains were flagged for closer review), and self-identification by companies as AI companies. Companies self-identify their AI status at the time of onboarding onto the platform and can update it at any time afterward.

Sample composition. The underlying composition of company data on Standard Metrics shifts over time as companies join or leave the platform (e.g., IPO, M&A, shutdown, new firm onboarding). For charts, N represents the total number of companies represented in the most recent period (e.g., Q4 2025). Data points with fewer than 30 companies are excluded from all charts.

Currency normalization. For companies that report in non-US currencies, all values are converted to USD using constant currency rates to ensure that fluctuations in foreign exchange do not distort growth or efficiency metrics over time.