



## MARKET REPORT

UPDATED

06/13/2024

# AI talking heads growing 1024%

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Published on Jun 13th, 2024

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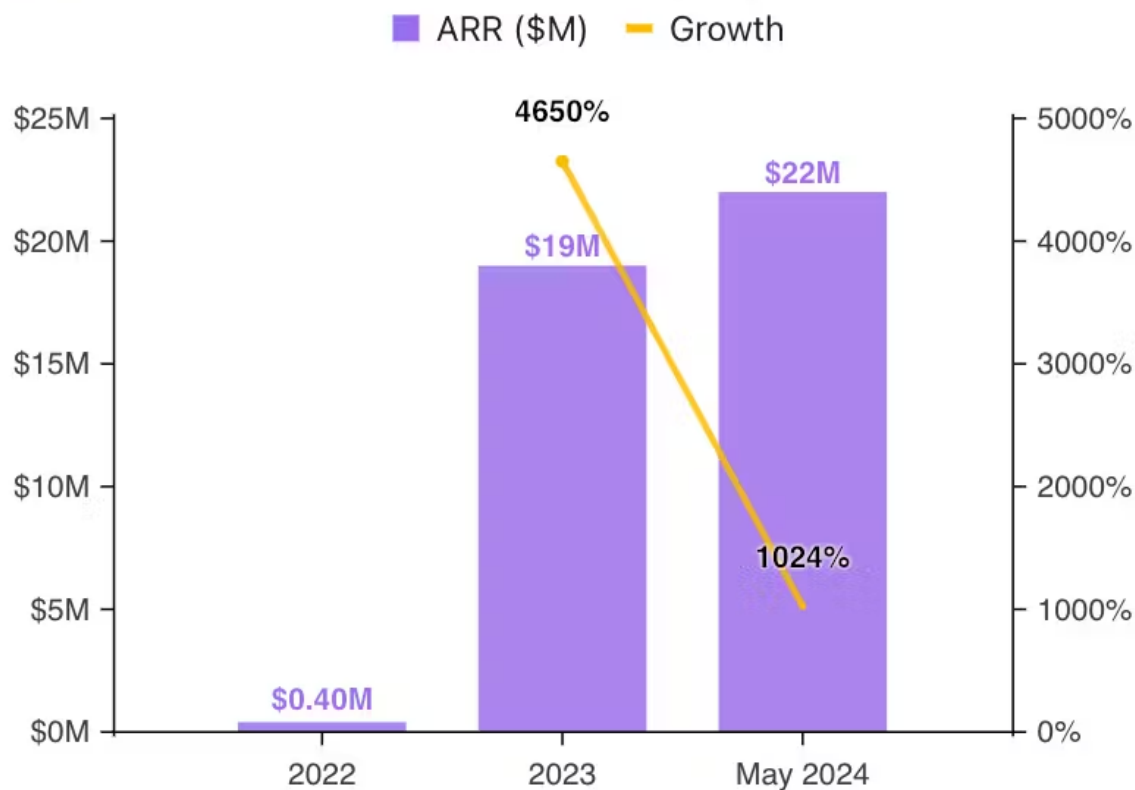
By Jan-Erik Asplund

**TL;DR: Sacra estimates that HeyGen hit \$22M in annualized recurring revenue (ARR) in May, up 1024% year-over-year, as AI-generated talking head videos climbed out of the uncanny valley. For more, check out our interviews with Hassaan Raza, CEO and co-founder at AI avatar API company Tavus, and Chris Savage, co-founder and CEO at Wistia.**



**HeyGen**

Annualized recurring revenue (\$M)



AI “talking head” video companies like Synthesia, HeyGen and Tavus are finding product-market fit helping companies programmatically generate personalized videos featuring AI avatars for internal training, onboarding, and sales outreach.

With AI avatars on the cusp of escaping the uncanny valley, we talked to Hassaan Raza, CEO and co-founder at Tavus, and Chris Savage, co-founder and CEO at Wistia, about the economics of B2B AI-generated video.



Key points from our research:

- **Sacra estimates that HeyGen hit \$22M in annualized recurring revenue (ARR) in May, up 1024% year-over-year, for a 23x multiple on their \$500M valuation per their reported \$60M round led by Benchmark.** Compare to Potoroom at \$65M ARR in March, up 195% year-over-year, with a 7.7x multiple on their \$500M valuation, and Perplexity at \$20M ARR in April with a 50x multiple on their \$1B valuation.
- **Synthesia and HeyGen's early pivots into enterprise have allowed them to largely avoid the AI prosumer trap that slowed the growth of Jasper and Copy.ai, with 70% of Synthesia's revenue coming from enterprise deals.**  
Translation is a key use case in the enterprise—with the ability to quickly localize their videos into 40+ languages, companies can go global-first without investing time and resources into translating all of their videos.
- **While HeyGen and Synthesia build end-user SaaS, Tavus is building APIs and developer tooling around their own custom models to make AI talking heads a native feature of every SaaS product. Tavus is betting on a future where AI talking head videos are generated inside apps like HubSpot (sales and marketing), Intercom (support), and Shopify (ecommerce) rather than inside video-focused SaaS players like Synthesia and HeyGen.**

For more, check out this other research from our platform:

- Chris Savage, CEO of Wistia, on the economics of AI avatars
- Hassaan Raza, CEO of Tavus, on building the AI avatar developer platform
- AI writing goes enterprise
- Together AI: the \$44M/year Vercel of generative AI
- Jenni AI: the \$5M/year Chegg of generative AI
- Mux: the AWS of video
- How AI is transforming B2B SaaS
- David Park, CEO and co-founder of Jenni AI, on prosumer generative AI apps post-ChatGPT
- Adam Brown, co-founder of Mux, on the future of video infrastructure
- HeyGen (dataset)



- Tavus
- Synthesia