



EQUITY RESEARCH

UPDATED

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n8n

## TEAM

Jan-Erik Asplund  
Co-Founder  
[jan@sacra.com](mailto:jan@sacra.com)

Marcelo Ballve  
Head of Research  
[marcelo@sacra.com](mailto:marcelo@sacra.com)

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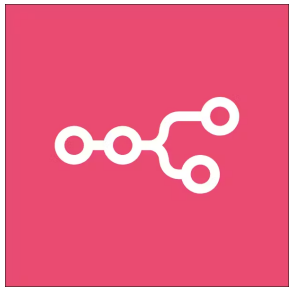
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## n8n

Open-source workflow automation tool with visual editor and custom code support for developers

#b2b #automation

[Visit Website](#)

## Details

HEADQUARTERS

Berlin, BE

CEO

Jan Oberhauser



### REVENUE

**\$40,000,000**

2025

### VALUATION

**\$2,500,000,000**

2025

### FUNDING

**\$253,500,000**

2025

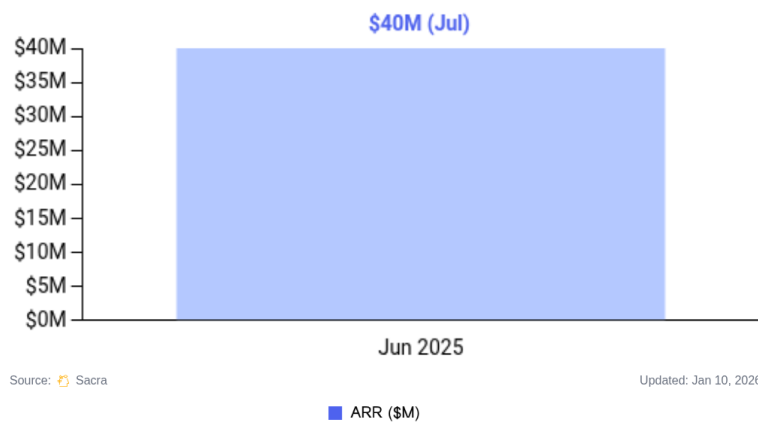
## Revenue



ARR & ARR Growth Rate

**\$40.0M**

YoY



Sacra estimates that n8n reached \$40 million in annual recurring revenue (ARR) in July 2025. This growth followed the company's shift to AI-augmented workflow automation in 2022, when it integrated large language models into its platform to align with rising enterprise AI adoption.

The company serves over 3,000 enterprise customers, including Vodafone, Delivery Hero, and Microsoft, with an implied average revenue per customer of approximately \$13,300 annually. Its revenue mix consists of approximately 55% from cloud subscriptions, 30% from enterprise licenses, and 15% from embedded and OEM partnerships. The platform operates with gross margins exceeding 75% while supporting more than 230,000 active users across both free and paid tiers.

## Valuation & Funding

In October 2025, n8n raised \$180M led by Accel at a \$2.5B valuation, with participation from NVentures (Nvidia) and others.

n8n previously raised €55 million in a Series B round in March 2025, led by Highland Europe at a €300 million valuation. The round included participation from existing investors Sequoia Capital, Felicis Ventures, HV Capital, and Harpoon Ventures.

The company's funding history also includes a \$1.5 million seed round led by Sequoia Capital in 2020 and a \$12 million Series A led by Felicis Ventures in 2021.

## Product

n8n is a visual workflow automation platform that enables technical teams to build complex integrations and AI-driven processes through a drag-and-drop interface combined with custom code. Users design workflows by connecting nodes on a canvas, where each node represents a specific action such as reading emails, processing data, calling APIs, or triggering AI models.

The platform employs a hybrid approach to automation. For example, a workflow might begin with a webhook trigger receiving data from a web form, process that data through a JavaScript code node, send it to an AI model for analysis, and then distribute the results to Slack, a database, and an email system based on the AI's output. Unlike purely visual tools, n8n includes a built-in code editor with VS Code-style features, enabling developers to write custom JavaScript or Python logic when required.

n8n now ships dedicated AI Agent nodes, memory, evaluations, and multi-agent orchestration patterns, plus 500+ integrations and MCP client/server nodes to expose workflows as tools to external agents.

The platform is used by technical teams for building complex enterprise workflows and by business users for simpler automations. Enterprise features include role-based access control, Git-based version control for workflows, and project-level isolation, which allows teams to work independently while sharing common integrations and credentials.

In December 2025, n8n released version 2.0 focused on enterprise hardening. The update introduced secure-by-default execution with isolated task runners and removed legacy options that caused edge-case bugs. It also added a publish/save workflow model to separate drafting from pushing changes live, improving predictability and governance for production automations.

In December 2025, n8n added a Time Saved node to quantify workflow-level efficiency. Teams can track fixed or dynamic time savings across different execution paths, with per-item calculations supported. Aggregated savings are automatically totaled and surfaced in the Insights dashboard for reporting.

## Business Model

n8n operates a freemium open-source model under a Sustainable Use License, permitting free self-hosting for internal use while requiring paid licenses for commercial hosting or embedding. The company generates revenue through three primary channels: cloud subscriptions for hosted instances, enterprise licenses for advanced self-hosted deployments, and embedded partnerships with software companies that integrate n8n's automation capabilities.

Total funding raised by the company is about \$253.5M.

The B2B go-to-market strategy focuses on technical teams and IT departments seeking workflow automation with greater control and customization than traditional SaaS platforms offer. Unlike competitors that charge per task or operation, n8n employs execution-based pricing, where customers pay for complete workflow runs. This approach is more cost-efficient for complex, multi-step processes.

n8n's open-source foundation serves as an acquisition funnel, enabling developers to discover the platform via GitHub, deploy it internally, and advocate for paid features as usage scales. Community contributions expand the integration library and lower development costs, while the open-source model appeals to enterprise buyers concerned about vendor lock-in.

The platform's architecture minimizes infrastructure costs associated with AI-first automation tools. By requiring customers to use their own API keys for external services and AI models, n8n captures subscription revenue without incurring the variable costs of model inference or third-party API calls.

## Competition

### Enterprise iPaaS incumbents

Traditional integration platforms such as Workato, UiPath, and Tray.io maintain a strong presence in the high-end enterprise market by offering comprehensive governance features and established vendor relationships.

These platforms provide extensive pre-built connectors and enterprise-grade security but often require substantial implementation services and are associated with high costs. UiPath emphasizes robotic process automation, while Workato employs a recipe-based approach to workflow automation. Both companies are incorporating AI capabilities to remain competitive with newer entrants.

### Cloud-native automation platforms

Zapier dominates the SMB market with over 8,000 integrations and broad brand recognition. Make, which offers visual workflow building similar to n8n, employs a pricing model based on operations rather than executions.

Both platforms have recently raised prices to support AI feature development, creating opportunities for cost-sensitive alternatives. Pipedream, which targets developers with a code-first approach, has encountered user criticism related to recent pricing adjustments and reliability concerns.

### Open-source alternatives

An expanding ecosystem of open-source workflow tools, including Activepieces, Windmill, and Node-RED, appeals to developers seeking self-hosted solutions.

These platforms share advantages such as data sovereignty and customization but generally lack the refinement, AI integration, and enterprise-grade features required for large-scale deployments. The fragmented nature of this market provides n8n with an opportunity to differentiate itself as a leading open-source option by delivering a superior user experience and leveraging community engagement.

## TAM Expansion

### AI agent orchestration

n8n is developing infrastructure for AI agents by incorporating Model Context Protocol support and agent evaluation tools.

As enterprises transition from basic chatbots to advanced AI workflows that integrate multiple models, data sources, and business systems, n8n is positioned to address the expanding AI operations market. The platform's capability to manage multi-step AI processes, combined with observability and debugging tools, addresses a gap in existing AI tooling.

### Embedded automation marketplace

The Sustainable Use License enables monetization of embedded use cases where other software companies integrate n8n's automation engine into their products.

This B2B2C model has the potential to expand the addressable market by embedding workflow automation as a standard feature in vertical SaaS applications, customer support platforms, and business intelligence tools.

### Geographic expansion

n8n has established adoption in Europe and is gaining traction in the US, with additional opportunities in Asia-Pacific and Latin American markets.

In regions where data sovereignty concerns favor open-source solutions, the company's self-hosted model appeals to organizations in regulated industries and countries with strict data residency requirements, creating a pathway for expansion beyond traditional SaaS-friendly markets.

## Risks

**Open-source commoditization:** As workflow automation becomes more standardized, competing open-source projects could replicate n8n's core features, reducing its ability to monetize through premium licenses. The growth of platforms like Supabase and Grafana demonstrates how open-source infrastructure can become commoditized, which may constrain n8n's pricing power and shift competition toward hosted service quality rather than core functionality.

**AI model consolidation:** Major cloud providers such as AWS, Google, and Microsoft could bundle workflow automation into their AI and integration services, creating competitive pressure for n8n. These providers benefit from existing enterprise relationships and can subsidize automation features as part of broader cloud consumption, potentially reducing the appeal of standalone workflow platforms.

**Enterprise sales execution:** n8n's growth has primarily stemmed from bottom-up adoption by technical teams. However, securing larger enterprise deals will require developing traditional sales and customer success capabilities. The company's open-source focus and developer-oriented culture may face challenges in meeting the relationship-driven and compliance-intensive demands of Fortune 500 procurement processes, which could limit its ability to penetrate higher-value market segments.

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