SACRA

EQUITY RESEARCH

UPDATED
09/02/2025

Statsig

TEAM

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Statsig

Visit Website

Tool for product teams to run experiments and analyze feature impact with data

#b2b #analytics

REVENUE

$40,000,000

2025

FUNDING

$53,400,000

2022

Details

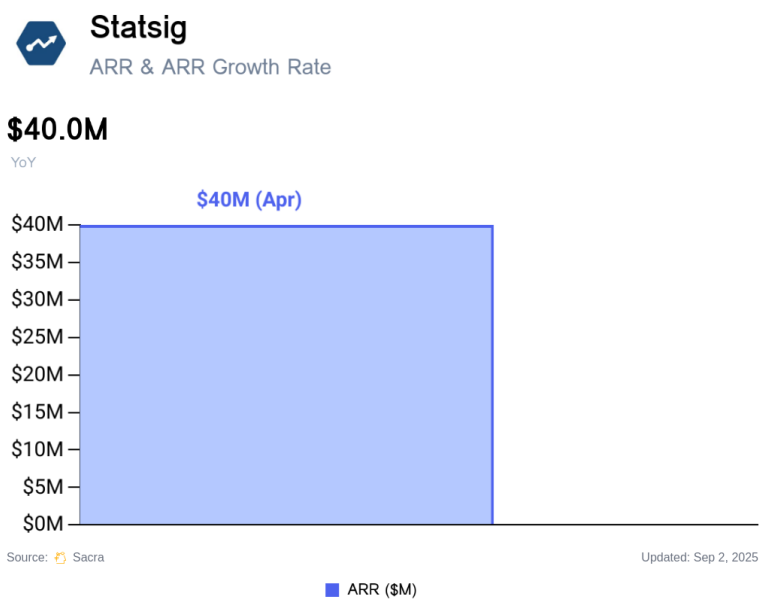
HEADQUARTERS

Bellevue, WA

CEO

Vijaye Raji

Revenue



Sacra estimates that Statsig reached $40 million in annual recurring revenue (ARR) in May 2025.

Statsig serves over 300 paying customers across industries, including AI startups such as OpenAI, productivity companies like Notion, and HR platforms such as Rippling. The platform processes over 1 trillion events daily, highlighting the revenue potential of its metered pricing model.

With an average revenue per customer of approximately $133,000 annually, Statsig operates in the mid-market to enterprise segment. Its usage-based billing structure, which charges customers based on events processed and features like session replays, enables revenue growth as customer usage increases.

Valuation

As of September 2, 2025, OpenAI announced its agreement to acquire Statsig for $1.1 billion in an all-stock deal, marking one of the largest acquisitions in OpenAI's history. Pending regulatory review, Statsig will continue to operate in Seattle, with founder and CEO Vijaye Raji joining OpenAI as chief technology officer of applications.

Statsig was last valued at $1.1 billion in its $100 million Series C round in May 2025, led by ICONIQ Growth with participation from Sequoia Capital and Madrona Venture Group. That round consisted of $80 million in primary funding and $20 million in secondary sales for employees.

The company raised approximately $153.4 million in total funding across three rounds. Sequoia Capital led the $10.4 million Series A in August 2021 and the $43 million Series B in April 2022, with Madrona participating in all rounds as a recurring investor.

At a $1.1B valuation, Statsig's $40M in ARR values it at approximately a 27.5x revenue multiple.

Product

Statsig is a unified experimentation and feature management platform that integrates five core modules within a single console and SDK. The platform allows software teams to deploy feature flags for gradual rollouts, conduct A/B tests and complex experiments, analyze product metrics through built-in analytics, capture user sessions for qualitative debugging, and monitor infrastructure performance.

The workflow begins when a developer wraps a new feature in a feature flag using one of Statsig's 30+ open-source SDKs. Product teams can configure targeting rules, percentage rollouts, and automated safeguards that initiate rollbacks if key metrics decline. As users engage with the flagged feature, Statsig logs exposure events and calculates experiment results using statistical methods.

Statsig's shared event stream architecture underpins feature flags, experiments, and analytics dashboards with a unified data source. This architecture enables any feature flag to function as an experiment dimension and allows metric anomalies to be traced to specific feature releases. The platform supports both cloud-hosted and warehouse-native deployment options. The warehouse-native option lets enterprises retain sensitive data within existing Snowflake, BigQuery, or Databricks environments while utilizing Statsig's analysis tools.

Business Model

Statsig operates a B2B SaaS model with usage-based pricing that adjusts with customer growth and platform adoption. The company provides multiple deployment options, including a traditional cloud SaaS model where Statsig manages all data processing, and a warehouse-native model where analysis is conducted within the customer's existing data infrastructure.

The pricing model is based on metered events, with customers charged according to the volume of feature flag exposures, experiment participants, and analytics events processed. This structure aligns revenue generation with customer usage, as increased experimentation and feature utilization by product teams directly drive higher revenue for Statsig.

Statsig's go-to-market strategy includes a freemium self-serve tier designed to attract individual developers and small teams, alongside enterprise sales targeting larger organizations requiring advanced statistical tools, compliance features, and dedicated support. The company has expanded its offerings to include session replay and product analytics, increasing its revenue potential within existing customer accounts.

The warehouse-native deployment model differentiates Statsig by enabling it to serve regulated industries and large enterprises that face data governance constraints preventing the use of cloud-based experimentation tools. This model also lowers Statsig's infrastructure costs and provides customers with transparency into their compute resource expenditures.

Competition

Vertical integration plays

Datadog's acquisition of Eppo for $220 million reflects a broader trend of consolidating experimentation tools within existing observability and analytics platforms. This shift increases competitive pressure on standalone providers like Statsig, as enterprises increasingly favor single-vendor solutions that integrate feature flags, experiments, logs, and performance monitoring under a unified contract. LaunchDarkly, which holds approximately 28% market share, is responding by introducing warehouse-native capabilities and enhancing statistical analysis to compete on technical sophistication rather than operational convenience.

A key challenge for Statsig is the potential for experimentation budgets to be absorbed into existing observability spending, complicating the justification for standalone platform costs. However, Statsig's focus on statistical rigor and purpose-built experimentation features may present barriers for generalist platforms attempting to replicate its functionality.

Open source and freemium pressure

The rise of open-source alternatives such as PostHog, GrowthBook, and Flagsmith is exerting downward pressure on pricing across the experimentation market. These platforms provide core feature flagging and basic A/B testing capabilities at significantly lower costs, requiring commercial vendors to justify premium pricing through advanced statistical methods, enterprise-grade controls, and managed services.

Statsig's freemium model positions it competitively against these alternatives while serving as a funnel for enterprise upsells. The company's emphasis on advanced statistical techniques, including CUPED variance reduction and sequential testing, differentiates it from simpler open-source tools. However, maintaining this technical advantage will require sustained investment in R&D.

Analytics platform expansion

Product analytics companies such as Amplitude are extending into experimentation by incorporating AI-powered insights and no-code testing capabilities. These platforms already manage the metrics and user data that underpin experiments, creating natural opportunities for adjacency. In response, specialized experimentation vendors like Split are adding more robust analytics features, driving feature convergence across the category.

The competitive dynamic hinges on whether experimentation-first platforms like Statsig can develop credible analytics capabilities faster than analytics-first platforms can build advanced experimentation features. Statsig's unified event stream architecture and warehouse-native deployment provide advantages in this race, but established analytics vendors benefit from deeper customer relationships and access to larger data sets.

TAM Expansion

New products and AI integration

Statsig is expanding its capabilities beyond core experimentation into adjacent product development workflows by introducing session replay tools, no-code editors, and AI-driven analysis features. The company's Model Context Protocol server facilitates natural language interaction with experimentation data, reducing technical barriers for product managers and enabling premium AI copilot functionalities.

These additions shift Statsig from a testing platform to a broader product development suite, increasing customer retention and expanding potential spend per account. The session replay functionality specifically addresses gaps in qualitative analysis that statistical tools alone cannot fill.

Warehouse native and regulated industries

The warehouse-native deployment model enables access to markets such as healthcare, financial services, and other regulated industries, where data governance requirements have historically limited cloud SaaS adoption. By conducting analysis within customer-controlled environments like Snowflake and BigQuery, Statsig can serve enterprises with stringent data residency and privacy requirements.

This model aligns Statsig with the growing data warehouse analytics ecosystem, valued at over $10 billion annually. As more companies consolidate their data infrastructure in cloud warehouses, native applications operating within these environments gain competitive advantages.

Geographic and enterprise expansion

Statsig's international growth, supported by events in London, Berlin, and Argentina and GDPR compliance features, facilitates entry into European and other international markets where experimentation adoption is increasing. Recent enterprise sales hires and customer wins at Microsoft, Bloomberg, and OpenAI highlight progress in securing large accounts.

The focus on enterprise customers represents a substantial TAM expansion opportunity, as large organizations typically allocate 10-100x more budget to experimentation infrastructure than mid-market companies. Enterprise contracts also offer more predictable revenue streams and higher switching costs compared to usage-based SMB customers.

Risks

Datadog consolidation: The acquisition of Eppo, a direct competitor, by Datadog highlights how larger observability platforms integrate experimentation vendors into their existing enterprise contracts. This trend toward consolidation may pressure standalone providers like Statsig, as enterprise customers increasingly favor single-vendor solutions for their development and monitoring needs.

Statistical complexity: Statsig's differentiation depends on advanced statistical capabilities that many product teams neither fully understand nor utilize. As competitors like PostHog and GrowthBook enhance their basic A/B testing features, customers may view sophisticated methods such as variance reduction and sequential testing as unnecessary. This could make Statsig's premium pricing less viable for broader, mainstream applications.

AI automation: The adoption of AI-powered development tools could diminish the need for manual experimentation and feature flagging, as algorithms improve in predicting optimal product configurations. If AI systems can autonomously optimize user experiences without human-designed experiments, experimentation platforms may face structural challenges, akin to how automated bidding reduced reliance on manual ad optimization tools.

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Published on Sep 02nd, 2025