

EMERGING TECH RESEARCH

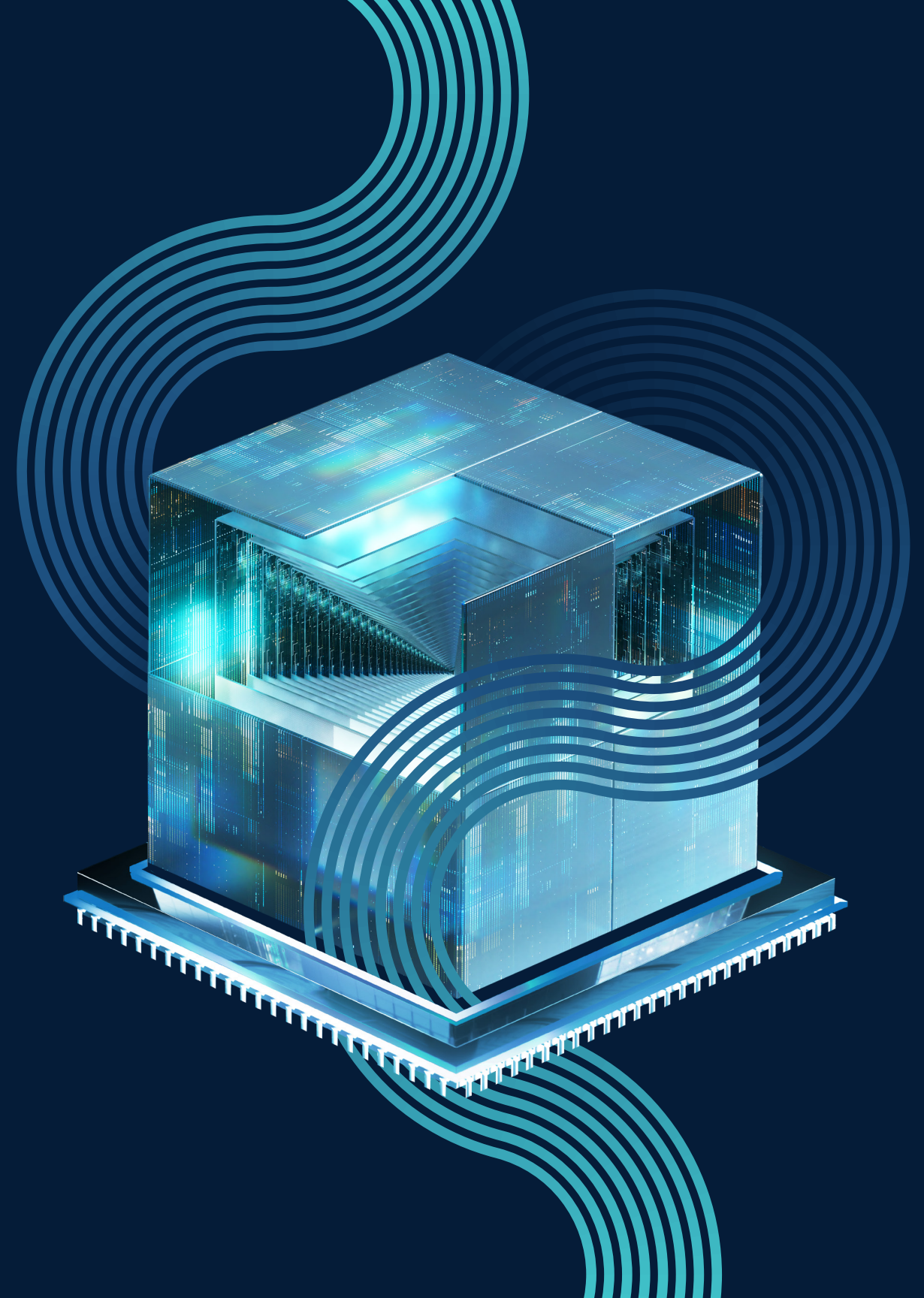
# Infrastructure SaaS VC Trends

VC activity across the infrastructure SaaS ecosystem

**Q1**  
**2026**

**REPORT PREVIEW**

The full report is available  
through the PitchBook Platform.





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# Infrastructure SaaS landscape

- 1 DevOps
- 2 Application infrastructure
- 3 Data software & systems
- 4 ITOps



For the complete infrastructure SaaS taxonomy and company list, [click here](#) to see the market map on the PitchBook Platform.



# Quarterly analysis

## Key takeaways

- **AI pulls infrastructure SaaS higher.** Infrastructure SaaS deal value reached \$17.1 billion across 218 deals in Q1, up 114.2% QoQ in value and 40.6% in deal count. Excluding Databricks' \$7 billion raise, the quarter rose 26.5% QoQ, showing broad demand for the software layers supporting AI workloads.
- **Funding broadened beyond the megadeal.** Excluding Databricks, application infrastructure led with \$2.7 billion across 54 deals, followed by DevOps at \$2.2 billion across 40 deals and data software & systems at \$1.5 billion across 27 deals. The quarter showed strength beyond AI-capital concentration, reflecting instead diversified investor appetite across the infrastructure stack.
- **Agentic DevOps breaks flat-rate pricing.** GitHub's Copilot sign-up pause and GitLab's shift to credits show that agent-driven coding is too compute-intensive for unlimited flat-rate models. As Cursor, Pendo/Chisel Labs, and Datadog/Propolis show, AI is spreading across planning, coding, and testing rather than remaining confined to autocomplete.
- **Data platforms race toward AI control.** Apache Iceberg's broad adoption, Oracle Database 26ai, Snowflake's Observe acquisition, SAP's Reltio deal, and Pure Storage's Everpure pivot all demonstrate that data infrastructure is becoming the control layer for enterprise AI. As storage commoditizes, vendors are competing on governance, metadata, intelligence, and operational reach.

- **Exits confirm strategic demand.** Infrastructure SaaS exit value hit a record \$40.5 billion, driven by the closing of Alphabet's \$32 billion Wiz acquisition and Marvell's \$6 billion Celestial AI deal. Exit count remained restrained, but the size and strategic nature of the deals suggest buyers are paying up for critical AI-adjacent infrastructure assets.

## VC activity

**Our infrastructure software-as-a-service (SaaS) segment encompasses several modern business-critical segments.** These include application infrastructure, data software & systems (DSS), IT operations (ITOps), and development operations (DevOps). Nearly every sector of the economy today employs these solutions, especially with the rising tides of digital transformation, Big Data, and recent advancements in and adoption of AI, particularly large language models (LLMs).

**Infrastructure SaaS continued its march upward in Q1.** At \$17.1 billion in deal value and a deal count of 218, infrastructure SaaS fundraising exploded once more in Q1. The deal value ballooned QoQ, up 114.2%, and deal volume increased 40.6% QoQ. This was in large part due to the \$7 billion raise by Databricks in February—there were no other deals completed above \$600 million—which along with the hefty increase in deal count, demonstrated a strong and wide rising tide across infrastructure SaaS. To this point, even excluding Databricks' raise, the quarter was up 26.5% QoQ and was the second-largest quarter in the past 12 quarters. As we have noted in recent prior quarters that contained few megadeals (above \$1 billion), Q1's deal activity reflects a highly diversified investment approach across infrastructure SaaS solutions. We believe this signals a robust underlying strength in the broader asset class and serves as a notable counterpoint to the concentrated capital deployment characteristic of the AI startup ecosystem recently.



## QUARTERLY ANALYSIS

**Excluding Databricks, investment was widely distributed.** Application infrastructure led the quarter with \$2.7 billion invested across 54 deals. A close second was DevOps with \$2.2 billion across 40 deals, with data software & systems following with \$1.5 billion across 27 deals (excluding Databricks here). ITOps wrapped the total with \$870.7 million across 33 deals. As anticipated, we continue to see broad infrastructure investment due to the ever-evolving demands of AI models and applications on the landscape of infrastructure solutions.

**Infrastructure SaaS VC exit value also exploded, although total exits remained restrained.** Exit value, at \$40.5 billion, was the highest on record for infrastructure SaaS since 2020. Q1 was punctuated by the closing of two megadeals: the acquisition of Wiz by Alphabet for \$32 billion in March as well as the acquisition of Celestial AI for \$6 billion by Marvell Technology in February. Exits numbered 33 in Q1, down from 40 exits in Q4. These included 25 acquisitions, five buyouts, and three IPOs in Q1. Exits were once more restrained by limited disclosures, with just nine of the 33 companies sharing exit valuations, although this ratio at 27.3% was a bit higher than prior quarters. We expect additional IPOs in 2026 are likely, with major infrastructure SaaS vendors including Databricks, Stripe, and Rippling among the potential companies to make big announcements in the coming 12 months.

## AI themes

**The DevOps market moved past basic AI autocomplete this quarter, shifting directly into autonomous software delivery.** We saw the breaking point of the flat-rate business model when GitHub paused new Copilot sign-ups. Agent-driven coding simply consumed too many tokens to sustain unlimited access. GitLab immediately reacted by rolling out a metered, credit-based system for its Duo platform. This shift toward agentic workflows hit every layer of the development cycle. In product planning, Pendo acquired Chisel Labs to automate backlog prioritization based on user telemetry rather than manual feedback. On

the execution side, Cursor reportedly hit \$2 billion in ARR, proving that AI-native integrated development environments are successfully capturing the developer interface from incumbents. Further down the pipeline, Datadog bought Propolis to replace static QA scripts with behavior-aware, autonomous testing based on actual production data.

**Enterprise data architecture underwent a forced rewrite in Q1.** Apache Iceberg definitively won the table-format war, gaining native read/write support across Microsoft Fabric, Oracle, Snowflake, and Databricks. Because this standardization effectively makes underlying storage a commodity, vendors are aggressively expanding their territory to compete on compute and intelligence. Snowflake acquired Observe, moving observability data, such as logs and traces, directly into the data cloud rather than keeping it isolated in specialized monitoring tools. SAP signaled a similar expansion by targeting Reltio, turning master data management from back-office maintenance into a foundational layer for AI applications. Even physical hardware companies pivoted; Pure Storage rebranded to Everpure and picked up 1touch.io to integrate data security posture management directly into the storage layer.

**IT operations now favor autonomous systems over passive alerts.** Cisco pushed its AgenticOps model into production, using cross-domain data from its recent Splunk acquisition to automate system responses and counter Datadog in the observability space. The financial strain of AI infrastructure sprawl also drove consolidation, with Flexera acquiring ProsperOps and Chaos Genius. FinOps is growing beyond identifying waste, evolving to automatically tuning cloud commitments, GPU workloads, and data-cloud consumption. At the network edge, the massive east-west data movement required for model training broke traditional setups, forcing the market toward AI-native fabrics that automate routing before bottlenecks occur. At the same time, communications-platform-as-a-service (CPaaS) providers started embedding local LLMs directly into their application programming interfaces (APIs), turning basic communication pipes into engines that process sentiment and generate responses without waiting on cloud round trips.



## QUARTERLY ANALYSIS

### Conclusions

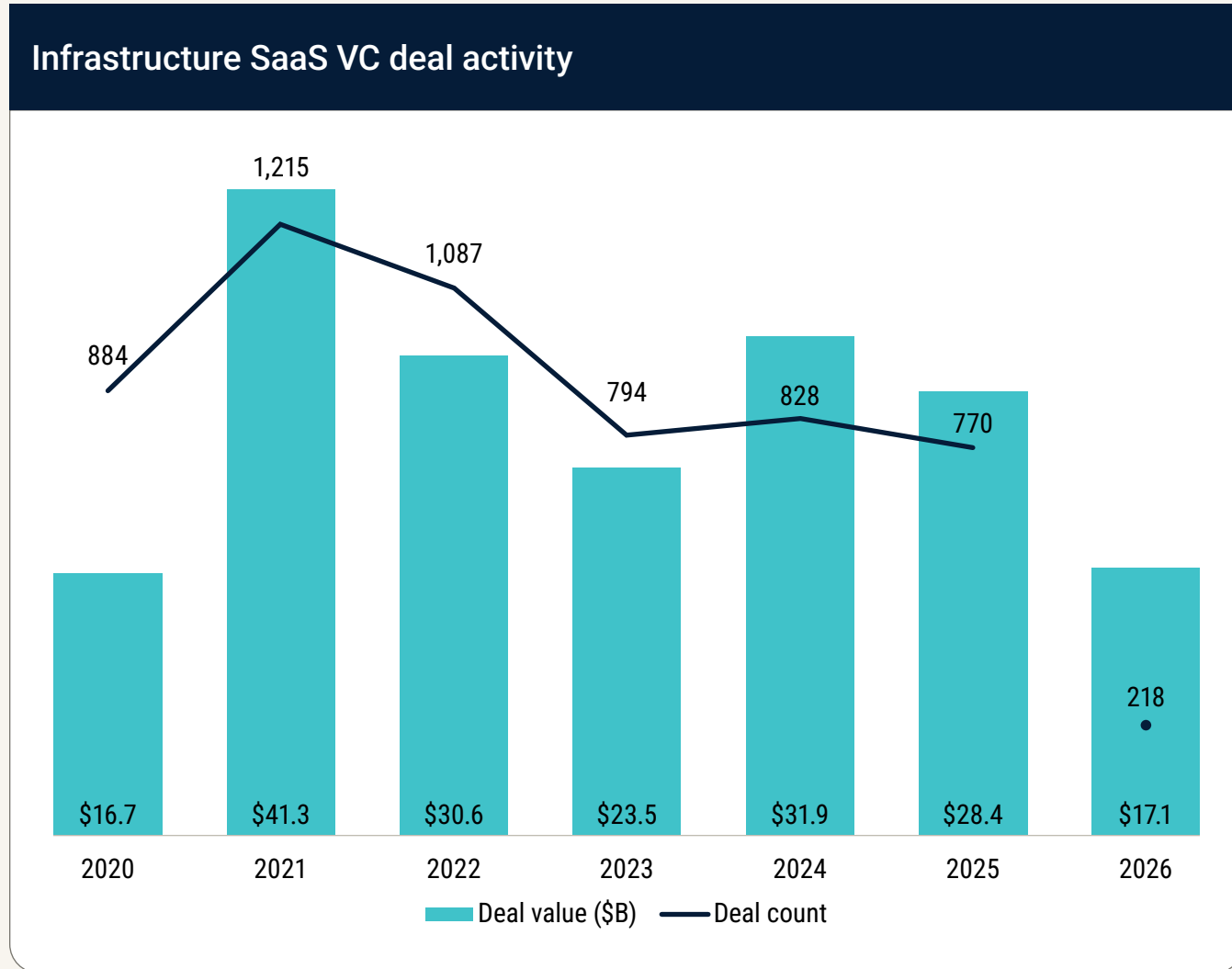
Q1 set the tone for what 2026 will likely demand of infrastructure SaaS. Capital returned in both volume and breadth, with \$17.1 billion deployed across 218 deals and the second-strongest (excluding one megadeal) quarter in three years. The diversification demonstrates investors are not crowding into a single theme. Funding is accruing across the full stack on which AI workloads run, from development tooling through data architecture to operational control.

The product side moved in the same direction as flat-rate seat pricing, which is straining and breaking under agentic consumption. Instead, as we predicted, pricing models are being formed around metered usage. Storage and table formats are commoditizing, pushing data vendors to compete on intelligence and reach. ITOps is shifting from dashboards to systems that act on their own. These trends are all responses to the same underlying pressure, that AI changes both what enterprise infrastructure has to do and how customers will afford to pay for it.

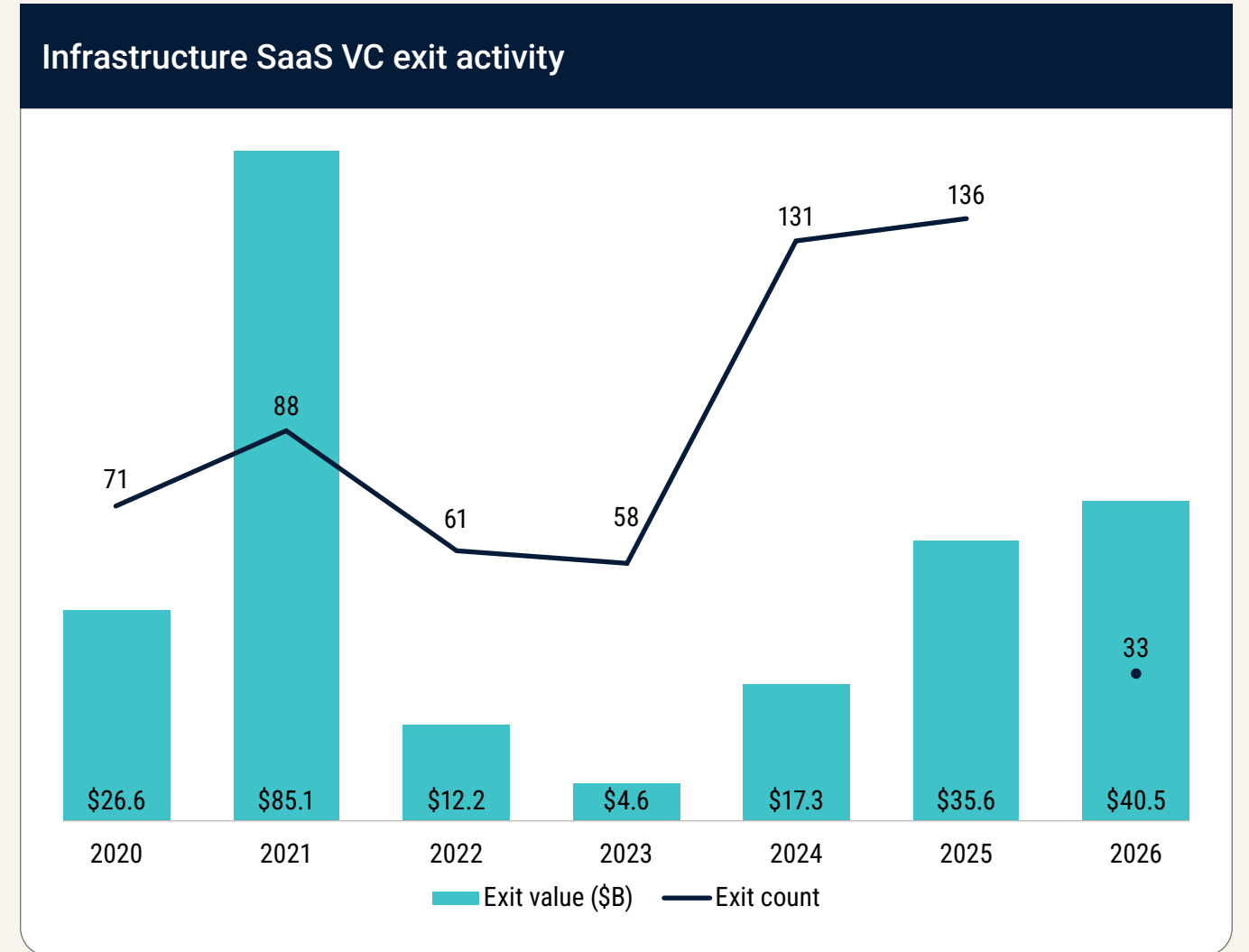
Exit activity reinforced all these points. The Wiz and Celestial AI deals delivered the strongest exit-value quarter on record since 2020, and the IPO pipeline behind Databricks, Stripe, and Rippling suggests the public-market reopening could come into clearer view over the next 12 months. The vendors positioned to benefit are the ones owning the layers AI quietly depends on, rather than simple AI-powered marketing.



## QUARTERLY ANALYSIS



Source: PitchBook • Geography: Global • As of March 31, 2026

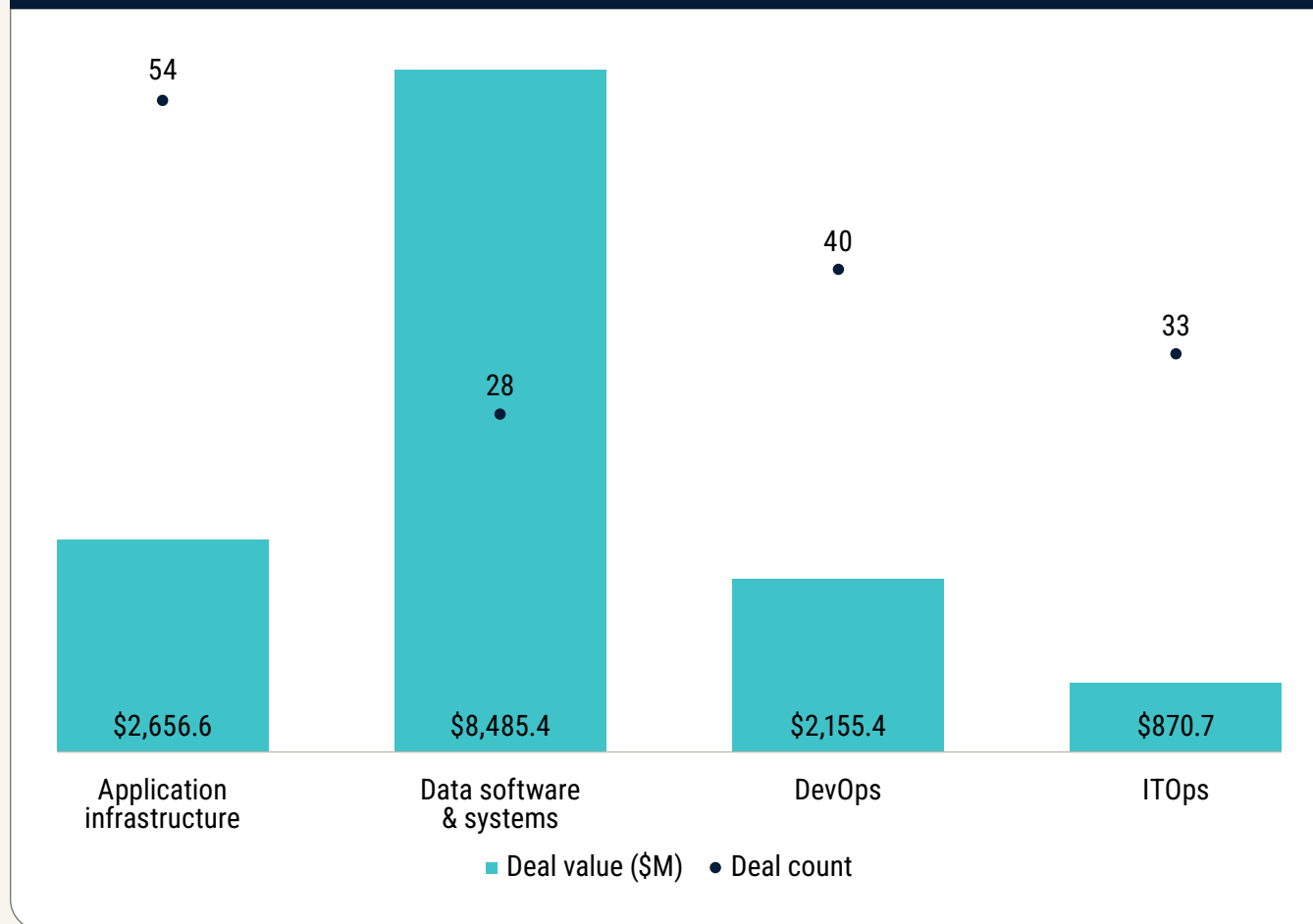


Source: PitchBook • Geography: Global • As of March 31, 2026



## QUARTERLY ANALYSIS

### Q1 2026 infrastructure SaaS VC deal activity by segment



Source: PitchBook • Geography: Global • As of March 31, 2026

### Trailing 12-month (TTM) infrastructure SaaS VC deal activity by segment



Source: PitchBook • Geography: Global • As of March 31, 2026



## QUARTERLY ANALYSIS

### Key infrastructure SaaS late-stage VC deals in Q1 2026

Company	Close date	Deal value (\$M)	Post-money valuation (\$M)	Segment	Subsegment	Lead investor(s)	Valuation step-up (post to pre)
ClickHouse	January 16	\$400.0	\$15,000.0	Data software & systems	Database management systems	Dragoneer Investment Group	2.2x
Cloaked	March 19	\$375.0	N/A	Security	Security	General Catalyst, Liberty City Ventures	N/A
Temporal	February 17	\$300.0	\$5,000.0	DevOps	Create	Andreessen Horowitz	2.7x
PaleBlueDot.AI	January 28	\$150.0	\$1,000.0	ITOps	ITOps management	B Capital Group	9.5x
Torq	January 11	\$140.0	\$1,200.0	Security	Security	Merlin Ventures	N/A
ScaleOps	March 30	\$130.0	\$800.0	ITOps	ITOps management	Insight Partners (New York)	2.5x
Tulip Interfaces	January 15	\$120.0	\$1,390.0	DevOps	Full-service DevOps	Mitsubishi Electric	1.5x
Antithesis	January 1	\$105.0	N/A	DevOps	Verify	Jane Street	N/A
UpGuard	February 26	\$105.0	N/A	Security	Security	Springcoast Capital Partners	N/A
Aalyria	February 23	\$100.0	\$1,292.0	ITOps	Networking software	Battery Ventures, J2 Ventures	7.9x

Source: PitchBook • Geography: Global • As of March 31, 2026



## QUARTERLY ANALYSIS

### Key infrastructure SaaS VC exits in Q1 2026

Company	Close date	Exit value (\$M)	Post-money valuation (\$M)	Exit type consolidated	Segment	Subsegment	Acquirer(s)
Wiz	March 11	\$32,000.0	\$32,000.0	Acquisition	Security	Security	Alphabet
Celestial AI	February 2	\$6,000.0	\$6,000.0	Acquisition	Data software & systems	Data management software	Marvell Technology
Haizhi	February 13	\$1,290.8	\$1,388.0	Public listing	Data software & systems	Database management systems	Greater Bay Area Homeland, Infinity Capital Management (Singapore), JSC International Investment Fund SPC
Neysa Networks	February 14	\$1,000.0	\$2,000.0	Buyout	Application infrastructure	Application infrastructure	360 ONE, Blackstone, Nexus Venture Partners, TVS Capital, Teachers' Venture Growth
CyCraft	February 5	\$90.3	\$95.6	Public listing	Security	Security	N/A
Traceloop	March 2	\$70.0	\$70.0	Acquisition	DevOps	Full-service DevOps	ServiceNow
Constellation Network	January 31	\$25.0	\$25.0	Acquisition	Data software & systems	Data management software	AIAI Holdings
Cleanlab	January 20	\$25.0	\$25.0	Acquisition	Data software & systems	Data management software	Handshake
StealthMole	March 24	\$18.1	\$34.9	Buyout	Security	Security	Crescendo Equity Partners

Source: PitchBook • Geography: Global • As of March 31, 2026



# Infrastructure SaaS VC deal summary

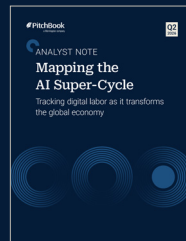
	Quarterly activity					Trailing 12-month activity		
	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2024-Q1 2025	Q2 2025-Q1 2026	
Deal count	217	214	184	155	218	804	771	
QoQ change	24.0%	-1.4%	-14.0%	-15.8%	40.6%	N/A	-4.1%	
Share of total VC	1.8%	2.1%	1.8%	1.5%	2.2%	1.9%	1.9%	
Deal value (\$B)	\$5.6	\$7.3	\$7.5	\$8.0	\$17.1	\$33.1	\$39.8	
QoQ change	-65.5%	28.7%	3.3%	6.3%	114.2%	N/A	20.3%	
Share of total VC	6.1%	4.4%	6.2%	6.2%	5.1%	8.2%	5.3%	
Exit count	34	29	33	40	33	140	135	
Public listings	2	0	3	3	3	6	9	
Acquisitions	26	26	24	27	25	104	102	
Buyouts	6	3	6	10	5	30	24	

Source: PitchBook • Geography: Global • As of March 31, 2026



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