

\$100M ARR AND BEYOND: CELEBRATING CENTAUR STATUS



1 min read

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A version of this letter, written by Axonius co-founder and CEO Dean Sysman, was originally emailed to Axonius employees in 2023 following the achievement of our \$100M ARR milestone.

It was a little over six and a half years ago. Two of my closest friends, Ofri Shur and Avidor Bartov, and I were sitting on a bench outside Ofri's apartment.

On that bench, I said I had left my startup and wanted them to join me in launching a new one. I told them how, during a POC, I found an advanced attacker in a massive company's environment – but couldn't find the machine the alert was coming from. I told them how this was a lightbulb moment for me. There was a huge gap in the cybersecurity market, and I knew we could solve it. I knew it would be incredibly successful, and I took them through all of my evidence, conviction, and vision.

I explained to them that – since I left my prior startup (which was not doing well), and never had any other meaningful job outside of my military service (which was entirely confidential work) – this was all or nothing for me. If this vision failed, I would hang up the startup dream. But this felt like a second chance.

They didn't know if I was a genius or delusional.

With Ofri working at another company and Avidor finishing his service with the Israel Defense Force's Unit 8200, I had hoped they'd want to join me — but knew my chances were slim. To my surprise, however, Ofri and Avidor agreed to start this wild journey with me. They believed that together, living up to our values, there would be no challenge we couldn't overcome.

And they were right. Because today, I'm sharing that Axonius has secured \$200 million in a Series E extension funding round led by Accel and Lightspeed Venture Partners. This news comes on the heels of a highly coveted milestone we achieved in 2023: crossing \$100 million in ARR.

UNDERSTANDING CENTAUR STATUS

It's mind-boggling to understand how amazing and rare it is to surpass \$100M ARR (often dubbed "centaur status", a phrase coined by Bessemer Venture Partners).

Let's start by analyzing it from the numbers.

The Kauffman Foundation research looked at companies from "1980 to present, which, while hardly exhaustive, was long enough to show meaningful historical patterns." While approximately 552,000 new employee firms are started every year in the United States, "there are, on average, fifteen to twenty technology companies founded per year in the United States that one day get to \$100 million in revenues."

If we narrow it down to just VC-backed startups, only about 3% of any of them have ever reached this goal, according to Pitchbook data and OpenView's benchmarks survey as referenced in this blog.

And not only that, it usually takes them many years — with only a handful doing it in less than a decade.

When companies announce the time it took them to get to \$100M, the common practice is to measure beginning at \$1M. So, how does Axonius compare to the fastest growing companies ever in cybersecurity? I'm proud to say we're in great company, including the

likes of Wiz (achieved \$100M in 18 months), Abnormal Security (4 years), Cato Networks (5 years), and Armis (5 years).

If you go even broader than just cybersecurity to include all companies in infrastructure, there's Cribl (4 years), Hashicorp (3 years), Snowflake (3.5 years), and Datadog (4.5 years).

In comparison, Axonius achieved \$100M ARR in 4.5 years, making it one of the fastest and most efficient companies to ever reach this milestone.

While the numbers certainly speak to our accomplishment, to me, what makes us unique is perfectly summed up by this quote, which was said by one of the judges explaining our [2019 Innovation Sandbox win](#). Patrick Heim, Managing Partner and CISO at ClearSky and former Fortune 500 CISO said:

"I've lived the pain of never having a straight answer about assets. We never know how many servers there are, virtual machines, endpoint devices....

Before we worry about solving problems like ninjas chasing us with APTs and zero-days, there are some basic things you need to solve first.

Axonius really resonated very, very strongly with me because I can finally put a checkbox into one of these problems that's been around for 20 to 30 years."

BUILDING SOMETHING BIGGER

Many times in life, there's a change. In technology, society, politics, etc. Great companies are founded when they recognize that change and ride that wave to success.

Without diminishing the value of that, there's something so much deeper to me. As humans, we sometimes get stuck. Doing something the same way — or as my least favorite phrase in the English language goes, "That's how everybody does it." It takes monumental courage, optimism, conviction, blood, sweat, and tears to create a new way. A way that would NOT

have existed otherwise.

It's not just about being the best. It's about creation. Making something that will end up being so much bigger than the business behind it.

That's what we are. Through this small change in the world of technology, we've helped organizations be able to save lives. We've helped them fight on the battle lines and protect themselves from criminals. We've enabled collaboration that led to amazing scientific discoveries, and many more real customer stories.



As we celebrate this milestone, I want to thank everyone who has helped get Axonius to this point – our customers, partners, investors and most importantly, our team. A hyper-growth startup isn't an easy path, and I am grateful for your commitment, focus, and optimism. Also, I know I couldn't have done this without my wife and daughter, and so I want to extend my gratitude to those in your life who have supported you and made this possible.

We're all together on that bench – dreaming, believing, and doing what it takes to live up to our values. I can't wait for what's ahead.

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