

IR-0061 HeyGen

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Private Draft Business: HeyGen Generated: June 04, 2026 Identity & Overview HeyGen was founded in December 2020 by Joshua Xu and Wayne Liang, who met at Tongji University in Shanghai, initially operating in Shenzhen, China under the name Surreal. Joshua Xu serves as CEO and brought a background in AI and software engineering, having previously worked as a lead engineer at Snap after earning a master's degree from Carnegie Mellon University. Wayne Liang, co-founder and Chief Innovation Officer, contributed expertise in tech entrepreneurship and product design, with prior roles at ByteDance and Smule, also holding a degree from Carnegie Mellon University. In 2022, the co-founders moved the company to Los Angeles under a new name, Movio, to access advanced semiconductors and target US enterprises. Following scrutiny from American lawmakers over the company's connections to China, the company asked its Chinese investors to sell shares to US counterparts and fully dissolved its Shenzhen entity in 2023. In April 2023, the company rebranded once again as HeyGen, as part of its shift from spokesperson videos toward a more comprehensive video generation experience. Key hires followed: Dave King, former Asana CMO, joined as Chief Business Officer; Rong Yan, ex-HubSpot VP of Engineering, joined as CTO; and Lavanya Poreddy, formerly with Match Group and Meta, joined as Head of Trust and Safety. The core problem solved: the vision behind HeyGen was to reduce the cost of content creation by replacing traditional camera-based video production with AI-generated visual media. The business model is subscription SaaS with a credit/minute meter for generation and translation. Self-serve plans start in the sub-\$50 range and scale through Creator and Team tiers, while Enterprise contracts unlock higher throughput, SSO/security, custom avatars, and API access for streaming avatars. Market Position HeyGen operates in the AI avatar video generation segment, which reached \$3.86 billion in 2024 and is forecast to grow to \$42.29 billion by 2033, at a compound annual growth rate exceeding 30%. The AI video market is bifurcating into four battlegrounds: avatar generators (Synthesia at \$146M ARR, HeyGen at \$95M ARR as of September 2025), video AI APIs (Tavus at \$8M ARR, D-ID with 280K developers), AI-native editors (Descript at \$55M ARR), and hosting platforms (Vimeo at \$450M revenue, Wistia at ~\$70M ARR). Against its two primary enterprise rivals, the competitive splits are clear: vs. Synthesia: Synthesia (\$146M ARR, \$2.1B valuation, 70% of Fortune 100 customers) targets enterprise with 70% of revenue from large accounts paying \$2,000–\$10,000/month, offers studio-quality custom avatars requiring professional footage and weeks of processing, and emphasizes security features (SOC 2, GDPR, content moderation, audit logs) that large organizations demand. Synthesia targets enterprise and L&D departments more narrowly, with stronger content governance tools for large organizations. HeyGen positions itself as faster and more accessible, with a lower starting price and broader feature set for individual creators and mid-size teams. vs. D-ID: D-ID has pivoted from a pure video generation tool to a conversational AI platform. Its AI Agents 2.0 enables real-time face-to-face conversations with digital assistants, earning a CES 2026 Innovation Award. The September 2025 acquisition of simpleshow merged D-ID's avatar technology with an established explainer video platform. Combined with a Microsoft Teams partnership, D-ID now positions itself at the intersection of video generation and conversational AI rather than competing head-to-head with HeyGen on video production volume. HeyGen achieved profitability serving SMBs and individual creators, but is now climbing upmarket toward Synthesia's Fortune 100 territory — hiring executives from Asana, HubSpot, and Meta signals preparation for enterprise sales cycles requiring SOC 2 compliance, SSO/SCIM, role-based permissions, and audit logs. Traction & Scale HeyGen reached \$1 million in annual recurring revenue within 178 days of launching its first product. The platform recorded over 40,000 paying business customers by mid-2024, expanding to more than 85,000 total customers by May 2025. This growth spans enterprise clients, SMBs, and individual creators. HeyGen has generated over 119 million videos and created 93 million avatars. This scale of engagement, with over 16 million videos translated, demonstrates a powerful growth engine where each user interaction builds platform stickiness and data for model refinement. The company's customer base includes OpenAI, HubSpot, and Ogilvy, alongside a large base of small and mid-size businesses and

solo creators. On headcount, figures vary by source: HeyGen has 362 employees as of March 2026, according to Tracxn, while other sources placed the count at 157 employees as of late 2025, reaching \$100 million ARR with a headcount small relative to the output. The discrepancy likely reflects different measurement periods and post-acquisition headcount changes. HeyGen supports over 140 languages and offers more than 230 digital avatars, enabling businesses to produce multilingual content at scale. HeyGen has been named one of Fast Company's Most Innovative Companies of 2026, recognizing its rapid growth and impact in transforming how businesses create, localize, and scale video with AI. Financial Picture HeyGen jumped from \$1M to \$35M+ ARR in just over a year and turned profitable by Q2 2023. Sacra estimates that HeyGen hit \$95 million in annual recurring revenue (ARR) in September 2025, up from \$57.5M at the end of 2024. The company reached \$100 million in annual recurring revenue by October 2025, growing from just \$1 million in early 2023. **Funding history:** In 2023, they raised a \$9 million Seed Round led by Basis Set Ventures, then a \$5.6 million extension round. In June 2024, HeyGen raised \$60 million in a funding round that valued the company at \$500 million. The funding was led by Benchmark, with participation from Conviction, Bond Capital, and Thrive Capital. Other investors in the company include Thrive Capital, BOND, SV Angels, and Conviction, as well as angel investors Neil Mehta, founder and managing partner of Greenoaks Capital, and Dylan Field, CEO of Figma. The company's path to this valuation included early backing from Sequoia China and ZhenFund before transitioning to US-based investors. Sarah Guo's Conviction firm played a pivotal role, replacing Chinese investors on the board in 2023. Total funding is cited at approximately \$69–74 million across multiple sources, with the last reported valuation of \$500 million (June 2024). HeyGen's most recent deal per PitchBook was a merger/acquisition with Genova Labs, completed September 16, 2025. Financial terms were not disclosed. Public Sentiment Sentiment is sharply bifurcated by platform. HeyGen's reputation splits sharply: G2 and TrustRadius show strong satisfaction with product innovation (4.8/5 and 9.3/10 respectively), while Trustpilot and BBB reveal operational friction from billing confusion and support delays (2.3/5 and F rating). **Positives:** Avatar lip sync and natural facial expressions are praised across Reddit and review roundups as best-in-class for talking-head video creation. Personalized and translated video at scale is the core appeal — sales teams and global marketers flag this as the clearest differentiator. One G2 reviewer noted: 'I didn't just use HeyGen to create videos — I used it to build a scalable delivery system for my business. HeyGen didn't just help me create videos — it helped me standardize how I communicate, deliver value, and scale my client experience.' **Negatives:** Rendering speed is a documented pain point, with 10+ minutes for 2-minute videos reported in Q1 2026 and queue delays during peak hours. Billing disputes are the dominant complaint on consumer review platforms. One Trustpilot user described being 'billed every month from September 2025 through April 2026 for a subscription I did not use once, with zero logins on the account during that entire period.' Synthesia's Trustpilot score (4.0/5) significantly outperforms HeyGen's (2.3/5). HeyGen holds a G2 ranking of 4.8 out of 5 and was named G2's fastest-growing product of 2025. Media & Press In 2024, the service was used to translate and lip-sync Argentinian president Javier Milei's speech to the World Economic Forum — a high-visibility moment that demonstrated enterprise-grade video translation at scale and generated significant organic media attention. In November 2024, HeyGen was recognized by Fast Company as part of the publication's 'Next Big Things in Tech' list. The company was also recognized by Inc. as part of their 2024 'Best in Business' list. On controversies: HeyGen has been reported by media, as well as by Russian cybersecurity analysts Group-IB, as a tool used to create deepfakes in harmful videos, ranging from consumer scams to deceptive health-related content and geopolitical propaganda. In October 2024, CEO Joshua Xu's own likeness was used in a fraudulent crypto scam video. A spokesperson for HeyGen confirmed: 'We can confirm that the video in question was not created using HeyGen's platform. Upon discovery we reported this harmful content to YouTube, and it has since been removed from their platform.' The company also faced scrutiny from American lawmakers for its connections to China, ultimately prompting the full restructuring of its investor base and entity structure in 2022–2023. Adobe's exploratory acquisition talks with Synthesia at \$3B valuation — ultimately abandoned over price disagreements — signal that incumbents view AI avatars as features to bolt onto creative suites rather than standalone platforms worth premium multiples. HeyGen has not been subject to publicly reported acquisition interest to date. Current Status HeyGen is in an active growth and upmarket pivot phase as of mid-2026. By October 2025, HeyGen crossed the \$100 million ARR milestone, representing a 1,024% year-over-year increase from 2023 levels. The company is executing a deliberate enterprise push. The \$60M Series A from Benchmark in June 2024

provides runway to build dedicated sales engineering and customer success teams rather than relying purely on product-led growth, with the HubSpot partnership (announced April 2025) offering embedded distribution into marketing automation workflows that enterprise buyers already use. The Video Agent, released in 2025, handles end-to-end video creation from a single prompt: a user describes the video they want, and the agent generates the script, selects visuals, adds voiceover, and produces a finished file without any manual scene-building. Key risks to continued growth: Institutional customers demand content governance that HeyGen's current moderation can't yet match — Synthesia scans every frame for brand guideline compliance, watermark detection, and IP infringement before allowing exports, while HeyGen relies primarily on human review of avatar creation consent videos. Additionally, Adobe and Google are integrating AI video generation into existing workflows where professionals already spend 40+ hours per week, reducing switching costs to near-zero. HeyGen's ARR surged to \$95M by 2025 with 85,000+ global customers, matching Synthesia's ARR milestone. Synthesia secured \$200M at \$4B valuation, leveraging Fortune 100 enterprise dominance and GV backing for competitive scale. The valuation gap — \$500M vs \$4B — represents the primary strategic asymmetry HeyGen must close if it intends to compete for the largest enterprise contracts.

Summary Verdict Intel Brief — HeyGen | AI Avatar Video Generation | June 2026** HeyGen is one of the most capital-efficient companies in the generative AI wave. Founded in 2020, it went from \$1M to ~\$100M ARR in approximately 30 months with under 200 employees, reached profitability by Q2 2023, and did so on just \$74M in total funding. These are metrics most venture-backed AI companies cannot approach. The competitive picture, however, is more nuanced. HeyGen has won the creator and mid-market segments on product quality — its Avatar IV model and lip-sync translation are widely regarded as best-in-class at the accessible price tier. Against D-ID, HeyGen has materially out-executed; D-ID has pivoted away from direct competition toward conversational AI agents. The more consequential rivalry is with Synthesia, which holds a \$4B valuation, \$200M in fresh capital, and a reported 70% penetration among Fortune 100 companies. Synthesia's governance infrastructure, compliance depth, and LMS integrations give it structural advantages in regulated enterprise environments that HeyGen has not yet fully replicated. The enterprise upmarket push is visible and credible — executive hires from Asana, HubSpot, and Meta, the HubSpot distribution partnership, and the Genova Labs acquisition all point in the same direction — but HeyGen still carries operational risks that matter to large buyers: a 2.3/5 Trustpilot score driven by billing disputes and support gaps, documented rendering delays under load, and a content governance model that relies more on human review than automated compliance screening. The deepfake misuse narrative is a permanent reputational liability for the category. HeyGen has invested in trust and safety infrastructure, but the risk of platform-enabled harm will persist as a press and regulatory exposure, and tightening regulation globally could impose friction costs on growth. The largest structural threat is not Synthesia — it is Adobe, Google, and Canva**, all of which are bundling avatar video generation into platforms where enterprise buyers already live. If avatar video becomes a feature rather than a standalone product category, HeyGen's \$500M valuation will face compression pressure. One-line assessment:** HeyGen is the fastest-growing, most product-complete challenger in AI avatar video, but it remains a well-funded mid-market leader facing a valuation gap, enterprise governance deficit, and platform bundling threat that will define whether it reaches category leadership or becomes an acquisition target by 2027.