# Perplexity AI nears $14 billion valuation with $500 million funding round led by Accel



Perplexity AI, a rapidly emerging player in the artificial intelligence search landscape, is reportedly in advanced discussions for a substantial new funding round that could elevate its valuation to a striking $14 billion. This potential funding of $500 million is being led by venture capital firm Accel, with various other notable investors joining the fray. The anticipated growth of Perplexity's valuation from $9 billion just six months ago represents a remarkable surge, highlighting the mounting investor confidence in the company’s innovative approach to AI-driven search technology.

Founded in 2022, Perplexity AI has quickly ascended within the competitive realm of AI search engines. Its journey has been nothing short of meteoric, beginning with a valuation of $520 million in early 2024, which skyrocketed to $3 billion by mid-year and then tripled to $9 billion by December. This astonishing increase is underpinned by the company’s unique offering of providing conversational and direct answers rather than traditional search results cluttered with web links. According to technology analyst Maya Rosenberg, “Perplexity is a paradigm shift in how people use information on the web.” This sentiment is echoed universally among investors who see in Perplexity a fresh perspective that alleviates many user frustrations associated with existing search solutions.

User engagement has surged dramatically, with Perplexity boasting approximately 15 million monthly active users as of April 2025. Such growth is crucial, particularly as the company is projected to generate nearly $100 million in annual recurring revenue, primarily from its premium service tiers designed for both individual consumers and enterprise clients. This includes an offering that allows organizations to search both internal documents and external data sets efficiently.

The new capital is poised to fuel ambitious growth strategies. Perplexity plans to launch an AI-powered web browser, dubbed “Comet,” aimed squarely at the incumbents like Google Chrome and Apple’s Safari. This innovative browser seeks to embed the company’s own answer engine, thereby facilitating a search experience that promises to combine browsing with more agentic search capabilities. Notably, discussions are underway for potential collaborations with tech giants like Apple, which may consider integrating Perplexity’s capabilities into its Safari browser, potentially exposing the startup to a much larger user base.

Perplexity is not alone in its competitive landscape; it operates in a fiercely contested environment reshaped by advancements from established players. OpenAI, for instance, has incorporated search functionalities into ChatGPT, while Google has developed AI Overviews for its search results. Other AI platforms like Anthropic are also making headway, intensifying competition. Raj Patel, an industry consultant, has aptly noted, “The search wars are heating up again, but this time with AI as the battleground.” Perplexity’s innovative product design positions it distinctively, having been built from the ground up rather than merely overlaying AI onto existing frameworks.

Furthermore, the ongoing evolution of AI-driven technologies reflects a broader trend in the tech industry where investments in AI startups have surged dramatically. In 2024, funding for AI applications more than doubled to $8.2 billion, illustrating a robust and growing confidence in this sector. Companies like Perplexity are not only leveraging advanced language models but are also providing practical solutions that could significantly enhance productivity across various sectors. Yet, despite this promising trajectory, challenges remain regarding customer retention and sustainable revenue generation.

As Perplexity prepares to close this latest funding round, observers will watch closely to see whether this agile startup can sustain its growth amidst fierce competition from more established firms. Its success thus far suggests a burgeoning capability to carve out a significant share of the market, challenging the dominance of tech behemoths with innovative applications that resonate deeply with users’ evolving needs.

### Reference Map

1. Paragraph 1: [[1]](https://techstory.in/perplexity-ai-eyes-14-billion-valuation-in-new-funding-round/), [[3]](https://www.ft.com/content/7621cd5f-901e-4948-879d-011e0edb3bed)
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8. Paragraph 8: [[4]](https://www.reuters.com/technology/artificial-intelligence/perplexity-ai-talks-raise-funds-18-billion-valuation-bloomberg-news-reports-2025-03-20/), [[6]](https://news.bloomberglaw.com/artificial-intelligence/ai-startup-perplexity-closes-funding-round-at-9-billion-value)

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## Bibliography

1. <https://techstory.in/perplexity-ai-eyes-14-billion-valuation-in-new-funding-round/> - Please view link - unable to able to access data
2. <https://www.reuters.com/technology/ai-firm-perplexity-eyes-14-billion-valuation-fresh-funding-round-wsj-reports-2025-05-12/> - Perplexity AI, a startup specializing in artificial intelligence search tools, is reportedly in advanced negotiations to raise $500 million in a new funding round that would value the company at $14 billion, according to the Wall Street Journal. This funding round is expected to be led by venture capital firm Accel. The Nvidia-backed company offers AI-driven information summaries similar to OpenAI's ChatGPT and Google's Gemini. Investor interest in AI chatbot technology has grown rapidly over the past year, spurring significant financial backing for startups in this space. Earlier reports indicated that Perplexity had considered raising up to $1 billion at an $18 billion valuation. The firm's valuation stood at $9 billion during a fundraising round in the previous year. Additionally, Apple is reportedly planning to integrate AI search providers like Perplexity into its Safari browser, potentially increasing the startup’s visibility among users.
3. <https://www.ft.com/content/7621cd5f-901e-4948-879d-011e0edb3bed> - Perplexity, an AI search engine startup, is finalizing a $500 million funding round led by venture capital firm Accel, lifting its valuation to $14 billion—a $5 billion increase from just six months ago. This marks the company's fifth funding round in under 18 months and reflects robust investor interest in AI-driven technologies. Based in San Francisco, Perplexity aims to challenge Google’s longstanding dominance in the search engine market with its AI chatbot and innovative products, including a voice mode for Apple devices and a planned agentic browser called Comet, designed to function as a Google Chrome alternative. The raised funds are intended to support the development of this browser and expansion of its user base, which currently stands at 30 million. Notable previous investors include Nvidia, NEA, IVP, SoftBank’s Vision Fund 2, Jeff Bezos, and other major tech figures. Perplexity generates most of its revenue through premium subscriptions, with annualized revenue growing from $5 million in January to $35 million in August of the previous year. CEO Aravind Srinivas emphasized the significant capital required for infrastructure and scaling operations, noting the company has substantial cash reserves and a lean staff of around 200 employees.
4. <https://www.reuters.com/technology/artificial-intelligence/perplexity-ai-talks-raise-funds-18-billion-valuation-bloomberg-news-reports-2025-03-20/> - Perplexity AI, an Nvidia-backed startup that competes with Google’s Gemini and Microsoft-backed OpenAI’s ChatGPT, is in discussions to raise funds at a valuation of $18 billion. This new valuation is double the $9 billion reported in November. The company aims to secure between $500 million and $1 billion in the funding round. Perplexity AI, supported by prominent backers such as Jeff Bezos and Japan’s SoftBank Group, is enhancing its platform to better compete in the rapidly growing AI and chatbot market. Recently, the company introduced Comet, a web browser that leverages AI to perform complex searches and tasks. Despite facing plagiarism accusations from media organizations, Perplexity AI maintains a publisher partnership program to collaborate with news firms. The AI sector continues to attract substantial investor interest, as demonstrated by OpenAI's recent $6.6 billion funding round, potentially valuing it at $157 billion.
5. <https://www.ft.com/content/fd6a895e-d296-4dab-9aab-15a1559ea054> - AI application-based start-ups are rapidly becoming major players in the tech industry, leveraging large language models (LLMs) from providers like OpenAI, Google, and Anthropic. Companies such as Cursor, Perplexity, Synthesia, and ElevenLabs are experiencing explosive growth, with some reaching up to $200 million in annual recurring revenue within a few years. Investment in these AI app start-ups surged to $8.2 billion in 2024, more than doubling from the previous year. The start-ups focus on practical applications, from AI search engines (Perplexity) and legal tools (Harvey) to coding assistants (Cursor). Their agility in adapting to newer, cheaper LLMs gives them a speed advantage over foundational model developers. Valuations are soaring, with Perplexity reaching $9 billion and Anysphere potentially valued above $10 billion. Investors see promise in the application layer of AI, which can yield productivity gains without heavy infrastructure costs. However, concerns remain about customer retention, sustainability of revenues, and competition from established players. Despite this uncertainty, industry leaders believe AI applications mark a transformative platform shift akin to the internet or mobile revolutions.
6. <https://news.bloomberglaw.com/artificial-intelligence/ai-startup-perplexity-closes-funding-round-at-9-billion-value> - Perplexity AI Inc., an artificial intelligence startup building a search product to compete with Alphabet Inc.’s Google, has closed a $500 million round of funding that triples the company’s valuation to $9 billion, according to a person familiar with the matter. The round was led by Institutional Venture Partners and completed earlier this month, according to the person, who asked not to be identified discussing private information. Perplexity declined to comment. Even by the lofty standards of other top AI startups, Perplexity has seen its valuation soar rapidly this year. In April, Perplexity was valued at $1 billion. That figure rose to $3 billion in June after the startup received an investment from SoftBank Group Corp.’s Vision Fund 2. The new $9 billion valuation includes the amount raised in the latest round. The funding reflects investor enthusiasm for rethinking online search to incorporate generative AI. Perplexity, founded in 2022, has distinguished itself from other AI chatbots by providing more real-time information. But the startup faces growing competition: ChatGPT-maker OpenAI this week began rolling out search features to all users of the chatbot. Microsoft Corp. and Google have also overhauled their search products to include more conversational AI features. Perplexity offers several services in addition to the paid and free versions of its search tool. The startup launched a product that allows organizations to search internal files and introduced new finance-related features, including looking up stock prices and company earnings data. In March, the company said it had more than 15 million active users. The company has also launched a series of revenue-sharing partnerships with major publishers, including Time and Fortune, after it faced accusations of plagiarism from some news outlets. In addition to SoftBank, Perplexity is backed by Amazon.com Inc. founder Jeff Bezos and Nvidia Corp.
7. <https://www.bloomberg.com/news/articles/2024/10/21/ai-search-startup-perplexity-in-talks-for-9-billion-valuation> - Perplexity AI Inc., an artificial intelligence company building a search product that aims to compete with Google, is in early talks to raise funding from investors at a valuation of about $9 billion, according to a person familiar with the matter. The company is seeking to raise more than $500 million in the funding round, according to the person, who asked not to be identified discussing private information.