



EQUITY RESEARCH

UPDATED

01/26/2025

# Harvey

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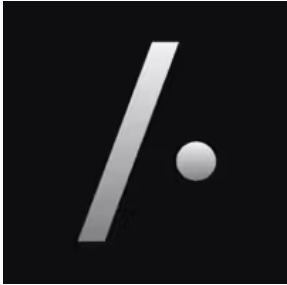
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## Harvey

Harvey is a generative AI tool for lawyers.

#ai #generative-ai

[Visit Website](#)

## Details

HEADQUARTERS  
San Francisco, CA

CEO  
Gabe Pereyra



### REVENUE

**\$30,000,000**

2024

### GROWTH RATE (Y/Y)

**400%**

2024

### FUNDING

**\$202,830,000**

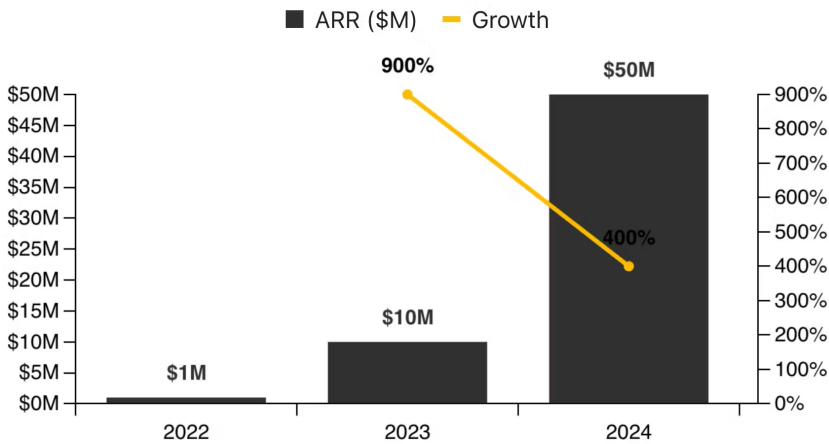
2024

## Revenue



## Harvey

Annualized recurring revenue (ARR)



Sacra estimates Harvey passed \$50M annual recurring revenue (ARR) at the end of 2024, up 400% year-over-year from approximately \$10M ARR in 2023. The legal AI company is now in talks to raise \$300M at a \$3B valuation, implying a 60x forward revenue multiple.

Harvey has shifted from its initial focus on biglaw firms to serving corporate in-house counsel and legal services firms like PricewaterhouseCoopers (tax compliance) and Adecco Group (outsourced legal support). This expansion has driven rapid revenue growth as Harvey's AI platform helps automate document review, legal research, and contract analysis across a broader customer base.

The company recently expanded accessibility by launching on Microsoft Azure Marketplace, offering more affordable versions of its services to a broader range of legal professionals.

The company's revenue model combines custom implementation fees for large enterprise clients with recurring subscription revenue from its AI-powered legal tools.

## Valuation

Harvey is in talks to raise \$300M at a \$3B valuation in January 2025, representing a 60x forward revenue multiple on \$50M in annual recurring revenue (ARR) at the end of 2024.

Founded in 2022, Harvey has raised over \$200M across multiple rounds, including investments from Sequoia Capital, OpenAI's Startup Fund, and Coatue Management. The company's most recent prior round was a \$100M Series C in July 2024.

## Product

Harvey was founded in 2022 by Winston Weinberg, a former securities and antitrust litigator at O'Melveny & Myers, and Gabriel Pereyra, previously a research scientist at DeepMind and Meta AI.

Harvey found product-market fit as a legal AI copilot for large law firms and corporate legal departments, offering specialized capabilities for document analysis, legal research, and multi-language translation.

The platform helps lawyers analyze complex legal documents, conduct research across case law databases, and draft legal documents. When reviewing contracts or legal filings, Harvey can identify key provisions, flag potential issues, and generate summaries. For legal research, it can analyze precedents and relevant cases, helping attorneys build stronger arguments and identify potential weaknesses in their positions.

Corporate legal teams use Harvey to accelerate document review and contract analysis. For example, during due diligence, lawyers can use Harvey to quickly analyze hundreds of contracts, extracting key terms and identifying potential risks. The platform's translation capabilities allow international law firms to efficiently work across jurisdictions, automatically translating legal documents while preserving technical terminology.

Harvey has expanded beyond document review to offer specialized capabilities for litigation support, regulatory compliance analysis, and legal research across multiple jurisdictions, making it an end-to-end solution for legal professionals.

## Business Model

Harvey is a subscription SaaS company that licenses customized large language models (LLMs) to law firms and corporate legal departments, with pricing based on both per-seat licensing and custom model development fees. The company's base offering starts at \$1,200 per seat annually with a minimum commitment of 100 seats, while custom model development for large law firms can exceed \$5 million.

The company's core product suite includes AI-powered legal research, document analysis, contract review, and due diligence tools built on top of OpenAI's GPT models but specifically trained on legal data. Harvey differentiates itself by offering firm-specific model training using each client's work products and templates, similar to how new lawyers are trained when joining a firm.

Harvey employs a land-and-expand strategy, starting with core legal workflows and gradually expanding into specialized use cases. The company recently launched a more accessible offering on Microsoft Azure, providing legal assistant capabilities and workflow automation tools to smaller firms. This multi-tier approach allows Harvey to capture both enterprise clients through highly customized solutions while also serving the broader legal market through standardized offerings. The company plans to further expand its revenue streams through commercial access to specialized models for case law research and practice-specific applications.

## Competition

Harvey operates in the emerging legal AI market, which includes both established legal technology providers and new AI-focused entrants.

### Enterprise legal AI platforms

The most direct competitors are specialized legal AI platforms built for large law firms and enterprises. These include Casetext's CoCounsel (acquired by Thomson Reuters), ROSS Intelligence, and Blue J Legal. These platforms focus on legal research, document analysis, and case law interpretation using specialized AI models. Unlike Harvey's custom-trained models for specific firms, most competitors offer standardized solutions.

### Traditional legal tech providers

Established players like Thomson Reuters (Westlaw), LexisNexis, and Wolters Kluwer are integrating AI capabilities into their existing legal research and practice management platforms. These companies have massive databases of legal content and established relationships with law firms, but their AI offerings tend to be more limited in scope compared to pure-play AI companies.

### General purpose AI platforms

Large language model providers like OpenAI (ChatGPT), Anthropic (Claude), and Microsoft (Azure OpenAI) offer capabilities that can be adapted for legal work. While these platforms have sophisticated AI technology, they lack the legal-specific training and enterprise security features that Harvey provides. Some law firms are attempting to build their own solutions on top of these platforms.

The market is seeing rapid consolidation, exemplified by Thomson Reuters' acquisition of Casetext for \$650M in 2023. Major law firms are increasingly partnering with AI providers, as demonstrated by Allen & Overy's exclusive partnership with Harvey and PwC's strategic alliance for custom AI models in tax and legal services.

## TAM Expansion

Harvey has tailwinds from the rapid advancement of LLM technology and growing enterprise acceptance of AI tools, with opportunities to expand beyond legal services into the broader professional services market and eventually become an AI super-app for knowledge workers.

### Legal services transformation

The legal services market represents a \$300B+ initial opportunity in the U.S. alone. Harvey's early success with firms like Allen & Overy and PwC demonstrates the massive efficiency gains possible through AI-assisted legal work. The company's ability to train custom models on firms' proprietary documents while maintaining security and compliance creates strong competitive moats.

### Professional services expansion

Harvey's text-processing capabilities naturally extend to adjacent professional services markets like accounting, consulting, and financial services. These industries face similar challenges around document analysis, research, and compliance. The global professional services market exceeds \$5 trillion annually, presenting an enormous expansion opportunity as Harvey develops industry-specific models and workflows.

### Knowledge worker platform

The ultimate vision for Harvey extends beyond specialized professional services to become a general AI super-app for knowledge workers. By starting with high-value, compliance-sensitive use cases in legal, Harvey is building the enterprise-grade infrastructure and security protocols needed to serve broader knowledge work applications. This positions them to capture a significant share of the global knowledge worker productivity market, estimated at over \$50 trillion annually. Their partnership with Microsoft Azure provides a scalable distribution channel to reach this broader market.

## Risks

**Valuation trap:** Harvey's \$715M valuation at \$10M revenue (71x multiple) creates intense pressure to achieve unrealistic growth targets. The company will need to reach ~\$280M revenue within 2 years to justify a Series C at traditional multiples. This could force premature scaling and excessive cash burn before product-market fit is fully established.

**Custom implementation challenges:** Harvey's need to train models on each law firm's proprietary documents and workflows limits scalability. The high-touch deployment model requires significant resources per client and extends time-to-value. This could constrain growth velocity and unit economics, particularly as they attempt to expand beyond elite law firms.

**OpenAI dependency:** As a company built on GPT-4, Harvey is heavily dependent on OpenAI's infrastructure and pricing. Changes to OpenAI's terms, costs, or competitive stance could materially impact Harvey's margins and competitive position. Their focus on custom implementations makes it difficult to quickly switch to alternative LLM providers if needed.

Funding Rounds

Series C		
Share Name	Issue Price	Issued At
Series C	\$62.22	Jul 2024
Series B		
Share Name	Issue Price	Issued At
Series B-2	\$36.85	Dec 2023
Series B-1	\$31.18	Dec 2023
Series A		
Share Name	Issue Price	Issued At
Series A-1	\$5.17	Apr 2023
Series A-2	\$1.81	Nov 2022
Figures sourced from the latest Certificate of Incorporation we have available.		

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*Published on Jan 26th, 2025*