

HYP_Link

DDN Gets \$300M Investment From Blackstone Tactical

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RECENT DEVELOPMENT

Blackstone Tactical Opportunities [recently announced a \\$300M investment in DDN](#), valuing DDN at \$5B. Blackstone's investment strengthens the portfolio supporting its AI digital infrastructure investment theme, while DDN aims to use the financial support to accelerate its efforts to bring enterprise-grade AI to a wide breadth of organizations.

ANALYST COMMENTARY

Data storage has traditionally been the second largest revenue element of the on-premises HPC and AI infrastructure market behind servers, while also exhibiting the largest 5-year CAGR. Accounting for approximately 20% of the market, storage is projected to have a 5-year CAGR of 16.2% with an expected market size of \$18.5B in 2028. Cloud-based storage for HPC and AI is projected add another \$5.9B in 2028.

The emergence of AI workloads has significantly amplified the importance of storage. While traditional storage vendor success relied on delivering durable, reliable, and performant storage solutions, AI demands additional capabilities commonly referred to as a data platform, which aims to support all phases of the AI data pipeline (ingest, data preparation, train, checkpoint, and inference) while making data more easily manageable and accessible to widely distributed organizations.

DDN has historically been a leading independent storage vendor for HPC workloads and more recently has been building out its AI data platform portfolio. They are not alone, however, among storage solution vendors in recognizing the unique AI workload requirements and subsequent market opportunity. Others include data platform providers Hammerspace (privately funded), VAST (valued at \$9B during its March 2024 Series E funding round), and Weka (valued at \$1.6B during its May 2024 Series E funding round). Likewise, HPC and AI system vendors such as Dell, Eviden, and HPE are building out their own AI data platforms and partnering with data platform providers to deliver a broad portfolio of solutions for their customers.

Users may greatly benefit from the choices available to them for their AI data platform needs. DDN has a strong history in the HPC space and aims to couple that success with their Infinia software to address the enterprise AI market. Hammerspace, VAST, and Weka have each gained traction to varying degrees of scale across several market verticals. Data platform market success may well rest on vendors' ability to reach their target markets and the completeness of their solutions to address the full data pipeline.

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