



SD-WAN and SASE: worldwide trends and forecasts 2022–2027



Matt Small and Catherine Hammond

About this report

This report provides forecasts for businesses' spending on SD-WAN and secure-access service edge (SASE) worldwide for 2022–2027. It provides details on spending by region, service and business size.

The forecast is based on:

- interviews with SD-WAN and SASE vendors and service providers
- Analysys Mason's business connectivity forecasts¹
- public information including vendor and operator reporting and third-party data.

WHO SHOULD READ THIS REPORT

- Strategy and market intelligence teams of telecoms operators that are providing (or are considering providing) SD-WAN or SASE services to their business customers.
- Other providers of retail SD-WAN or SASE services, including managed services providers (MSPs) and systems integrators (SIs).
- SD-WAN and SASE vendors.
- Financial investors that are interested in exploring opportunities with the SD-WAN and SASE markets.



GEOGRAPHICAL COVERAGE

Regions modelled

- Worldwide
- Central and Eastern Europe (CEE)
- Developed Asia-Pacific (DVAP)
- Emerging Asia-Pacific (EMAP)
- Latin America (LATAM)
- Middle East and North Africa (MENA)
- North America (NA)
- Sub-Saharan Africa (SSA)
- Western Europe (WE)

KEY METRICS



- Number of SD-WAN site deployments
- Revenue from SD-WAN services
- Revenue from associated connectivity services
- Revenue from security service edge (SSE) and firewall-as-a-service (FWaaS)
- Revenue from SASE services

Business sizes modelled

- Micro (0–9 employees)
- Small (10–49 employees)
- Medium (50–249 employees)
- Large (250–999 employees)
- Very large (1000+ employees)

SASE will account for 15% of the USD111 billion of revenue generated by SD-WAN and cloud security services by 2027

SD-WAN adoption is growing in all regions and among businesses of all sizes. The worldwide SD-WAN service revenue is expected to increase from USD26 billion in 2022 to USD54 billion in 2027.

Many SD-WAN providers are extending their portfolios to include SASE services, which provide integrated security service edge (SSE) and firewall-as-a-service (FWaaS) solutions. The market for these security services is growing even more rapidly than that for SD-WAN, and is expected to exceed it in revenue terms by 2027.

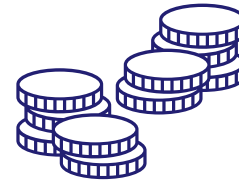
We forecast that SASE services will generate USD16 billion in revenue worldwide by 2027. Large enterprises will account for the majority of this revenue, but we also expect significant service take-up from small and medium-sized enterprises (SMEs).



KEY FINDINGS

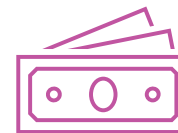
- Connectivity to support SD-WAN services is expected to account for 30% of all business connectivity revenue by 2027.
- 72% of large and very large businesses will buy at least one SSE or FWaaS solution by 2027.
- Most SASE revenue will come from large and very large businesses. However, there is also significant potential for growth from the SME segment.

Figure 1: Key metrics highlighting the growth in the SD-WAN and SASE markets



Businesses worldwide will generate **USD54 billion** in SD-WAN retail services revenue in 2027 (including software and connectivity)

The number of sites deploying SD-WAN services will increase by **1.9 times** between 2022 and 2027



Businesses worldwide will generate **USD58 billion** in FWaaS and SSE retail services revenue in 2027

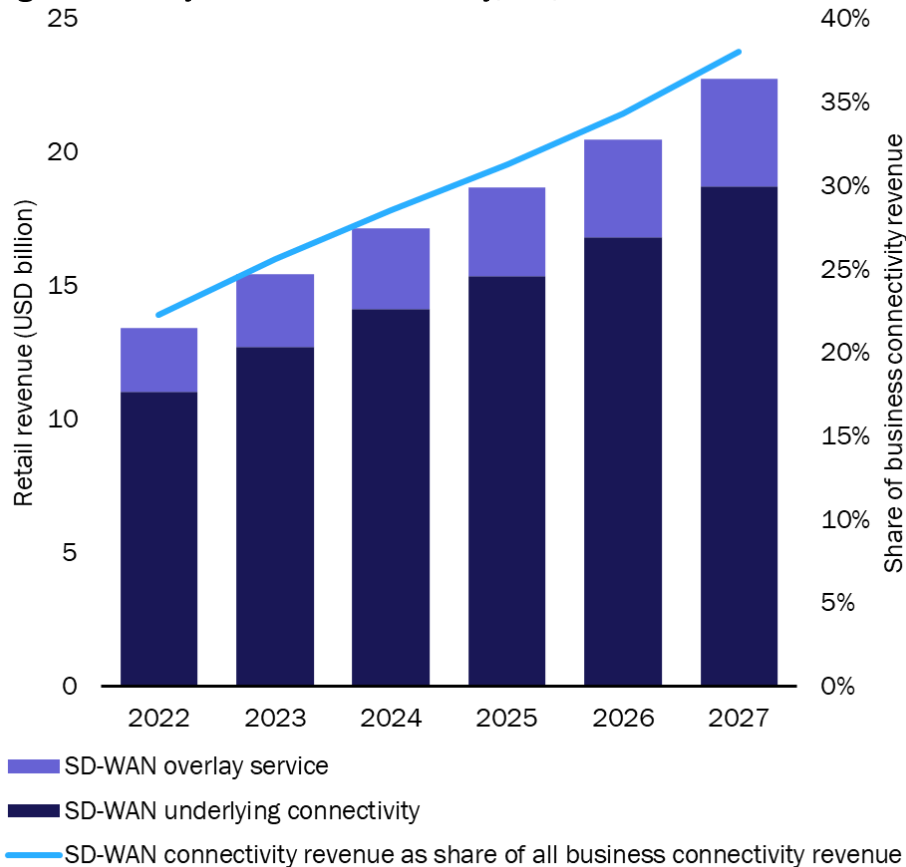
FWaaS and SSE revenue will grow at a CAGR of **24%** between 2022 and 2027



Source: Analysys Mason

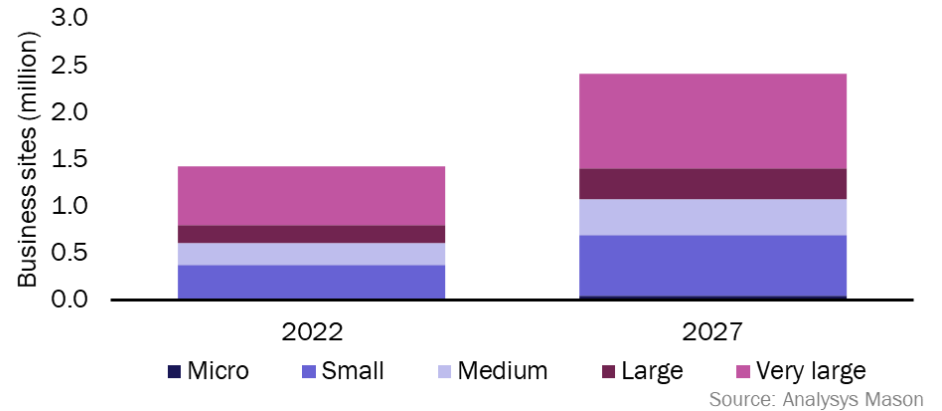
North America: the majority of the total SD-WAN retail revenue will come from North America

Figure 11: Revenue from SD-WAN overlay services and connectivity and the share of business connectivity revenue generated by SD-WAN connectivity, NA, 2022-2027



Source: Analysys Mason

Figure 12: Sites using SD-WAN services by business size, NA, 2022 and 2027



Source: Analysys Mason

SD-WAN revenue in North America (NA) will reach USD22.8 billion in 2027, up from USD13.4 billion in 2022.

High prices for business connectivity in North America have been a key driver of the rapid adoption of SD-WAN. Both AT&T and Verizon have mature SD-WAN offerings via partnerships with multiple vendors. Many other operators have also established SD-WAN services, and SD-WAN vendors sell both directly to large enterprises and through multiple other channels.

The number of business sites using SD-WAN will increase significantly from 1.4 million in 2022 to 2.4 million in 2027.



Executive summary

Worldwide trends

Regional trends

Forecast methodology and assumptions

About the authors and Analysys Mason

About the authors



Matt Small (Research Analyst) is a Research Analyst in the Cambridge office. He holds a BSc in physics from the University of Sheffield, where he focused on Python and data analysis.



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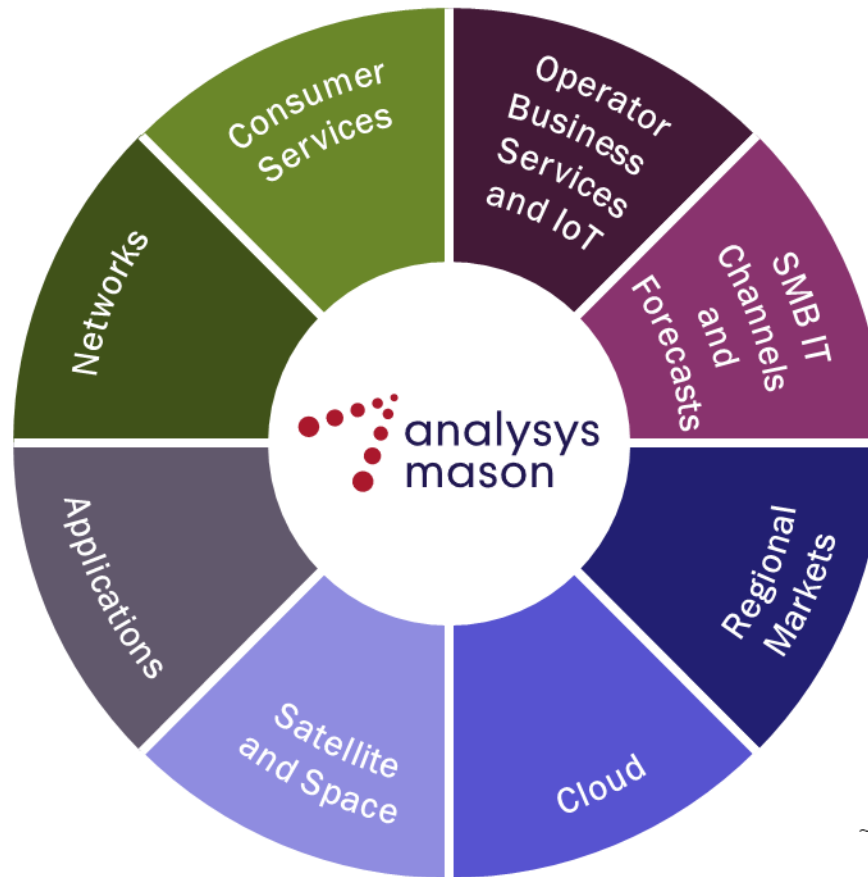
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 - SME Services
 - IoT Services
 - Private Networks
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 - Cyber Security
 - SMB Technology Forecaster
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 - Global Telecoms Data and Financial KPIs
 - Americas
 - Asia-Pacific
 - Middle East and Africa
 - European Core Forecasts
 - European Telecoms Market Matrix
 - European Country Reports
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 - Cloud Infrastructure Strategies
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