DALALBYTES RESEARCH

Akamai vs Cloudflare

Two Edges, One Scorecard

Ten dimensions, ten points each: where the growth asset beats the value compounder, and vice versa.

NASDAQ: AKAM vs NYSE: NET

September 25, 2026

A head-to-head scorecard across business diversity, products, edge compute and AI, network, growth, profitability, balance sheet, valuation, leadership, and moat.

THE VERDICT

THE VERDICT, UP FRONT

Two different companies wearing the same “edge” label. Cloudflare is the growth asset: 30%+ revenue growth, the deepest developer platform at the edge, priced at roughly 47x sales for near perfection. Akamai is the value compounder: a fifth of the growth, real GAAP profits, $14.4B of contracted AI backlog, priced at roughly 4x sales. On fundamentals per dollar, Akamai wins. On growth and platform optionality, Cloudflare wins. **Final score: Akamai 79, Cloudflare 74.**

79
Akamai final score

74
Cloudflare final score

10
Dimensions, 10 points each

~4x vs ~47x
EV / revenue Akamai vs Cloudflare

THE COMPARISON

Why compare them

Both companies get filed under “edge.” Both started in content delivery and security. Both now sell distributed compute and AI inference from a global network. That is where the similarity ends.

Cloudflare built a developer-first connectivity cloud: one uniform platform, self-serve sign-up, a free tier, and an ecosystem where each product cross-sells the next. Akamai built an enterprise infrastructure franchise: deep security contracts, embedded points of presence, and a 25-year record of operating the internet’s plumbing, now being converted into contracted AI infrastructure.

Different customers, different economics, different stocks. This report scores them head to head across ten dimensions, ten points each.

Tale of the tape

	Akamai (AKAM)	Cloudflare (NET)
Price, Sep 25, 2026	~$115	~$355
Market cap	~$17B	~$126B

	Akamai (AKAM)	Cloudflare (NET)
FY2025 revenue	$4.21B (+5%)	$2.17B (+30%)
Latest quarter	Q2 2026: $1.10B (+5%)	Q2 2026: $696M (+36%)
GAAP profitable	Yes ($452M net income, 2025)	No (-$102M net loss, 2025)
Free cash flow, 2025	$699M	$261M
Cash and securities	$4.62B	$4.1B
EV / revenue (LTM)	~4x	~47x
Network	4,300+ locations, 130+ countries	330+ cities, 120+ countries
Share count trend	-18.5% since 2015	Diluting (SBC >20% of revenue)
CEO	Tom Leighton, co-founder	Matthew Prince, co-founder
Founded	1998	2009

Prices moved intraday on September 25; treat as approximate.

01 BUSINESS DIVERSITY: AKAMAI 7, CLOUDFLARE 8

The mid-transition incumbent vs the broad-based grower

Akamai discloses three segments, and the mix tells the story of a company mid-transition. In Q2 2026, Security did $604M (+10% YoY), Delivery and other cloud applications did $396M (-6%), and Cloud Infrastructure Services did $99M (+39%). Two engines growing, one shrinking, and the shrinking one is still 36% of revenue, which is why consolidated growth sits at 5% while the interesting parts grow at double digits.

Cloudflare reports a single segment and discloses no product-level revenue, which is a transparency minus. But the growth is broad-based across its three acts (network services, Zero Trust, developer platform): large customers ($100K+ ARR) now drive 73% of revenue, up from 63% in 2022; remaining performance obligations grew 48%; new annual contract value grew nearly 50%. When everything grows near 30%, diversification matters less.

02 PRODUCT PORTFOLIO: AKAMAI 7, CLOUDFLARE 9

The enterprise catalog vs the developer platform

Akamai's catalog is enterprise-grade and deep: App & API Protector, Bot Manager, Account Protector, Guardicore Segmentation (a $293M line in 2025, up 43%), Prolexic DDoS mitigation, Enterprise Application Access for Zero Trust, Edge DNS on the security side; Ion and Adaptive Media Delivery on the delivery side; and a compute stack built from the Linode acquisition, now Cloud Infrastructure Services, the Inference Cloud, video processing units, and a managed container service. It wins RFPs. It does not win developers' hearts.

Cloudflare's catalog is the broadest developer platform at the edge: CDN, DNS, unmetered DDoS mitigation, WAF, Bot Management and API Shield; Cloudflare One, a full SASE platform (Access, Gateway, CASB, DLP, Magic WAN, WARP); and the developer cloud: Workers, Pages, R2 object storage with zero egress fees, D1, KV, Queues, Vectorize, AI Gateway, Workers AI, and Pay Per Crawl, the June 2026 HTTP 402 mechanism that lets publishers charge AI crawlers (1 billion payment-required responses a day). Self-serve sign-up and a generous free tier make the top of the funnel enormous.

03 EDGE COMPUTE AND AI: AKAMAI 9, CLOUDFLARE 7

The architectural fork

Cloudflare is uniform. Every one of its 330+ points of presence runs the full stack: your Worker, your WAF rules, your cache, everywhere. Workers run on V8 isolates with sub-5-millisecond cold starts, and Workers AI puts NVIDIA H100 GPUs in more than 180 cities with serverless, per-request pricing across 89+ open models. For a developer, it is the most elegant inference fabric on earth. The limitation is physics: you are not running a 70B-parameter model at the far edge; the heaviest work still wants a centralized cluster.

Akamai is tiered. Its 4,300+ locations were built for caching, not compute, so the AI build goes into a compute tier: GPU clusters of RTX PRO 6000 Blackwell cards at metro edge sites, dedicated clusters for heavy multimodal reasoning, regional and core capacity behind them, all stitched by the intelligent orchestration layer of the NVIDIA AI Grid reference design. Less elegant, more proven at enterprise scale: $14.4B of signed multi-year commitments against Cloudflare's largest disclosed deal at $42.5M per year.

This section scores AI infrastructure depth, and signed enterprise backlog is the market's verdict.

04 NETWORK SCALE: AKAMAI 9, CLOUDFLARE 8

Reach vs uniformity

Akamai operates the largest single-operator footprint on the public internet: 4,300+ points of presence, 130+ countries, 700+ cities, 345,000+ edge servers, over a petabit per second of throughput. Twenty-five years of embedding inside ISP networks is not replicable on a budget or a timeline.

Cloudflare: 330 to 337 cities, 120 to 125+ countries, roughly 300 to 500 terabits per second of capacity (sources vary), 13,000+ network interconnections, about 20 to 23% of all websites behind it, 230 billion threats blocked daily. Smaller count, but each location is full-stack and every product runs everywhere.

HONEST NUANCE: location counts are not comparable.

Akamai's location count includes thousands of small embedded clusters, often a rack or two inside someone else's facility, that cannot run heavy compute. Cloudflare's fewer locations are each a real data center presence. Raw reach goes to Akamai; uniformity goes to Cloudflare.

05 GROWTH: AKAMAI 5, CLOUDFLARE 10

Six times as fast, and accelerating

	2023	2024	2025	Latest quarter	2026 guide
Akamai revenue growth	n/a	n/a	+5%	+5% (Q2 2026)	~+6 to 8%; low teens in 2027 (mgmt)
Cloudflare revenue growth	+33%	+29%	+30%	+36% (Q2 2026)	~+29%

Cloudflare is growing roughly six times as fast and accelerating: Q2 2026 printed 35.9% with RPO up 48% and new ACV up nearly 50%. Akamai's consolidated 5% hides a split screen: Security +10%, CIS +39%, Delivery -6%. Management's line of sight to low-teens growth in 2027 depends on the Anthropic backlog converting to revenue starting in the second half of 2027.

06 PROFITABILITY AND CASH FLOW: AKAMAI 8, CLOUDFLARE 5

The GAAP line vs the adjusted line

Akamai is a real business by GAAP: $452M of net income in 2025, non-GAAP operating margin guided at 25 to 26% for 2026, $699M of free cash flow (about 17% of revenue), gross margin in the mid-60s. The near-term wrinkle is the buildout: Q2 2026 GAAP operating margin fell to 7% as depreciation and capex ramped ahead of the contracted revenue.

Cloudflare is profitable only after adjustments. GAAP net loss was $102M in 2025 with GAAP operating margin near negative 10%. The bridge is stock-based compensation: $451.5M in 2025, over 20% of revenue, excluded from the non-GAAP operating income of $89.6M (14.6% margin) that headlines the earnings release. Free cash flow was $261M, 12% of revenue and improving. Gross margin is higher at 73.6%, software-like, though it compressed from 76.4% a year earlier as network capacity spending rose.

When a fifth of revenue goes to employees in stock, shareholders should read the GAAP line first.

07 BALANCE SHEET AND CAPITAL ALLOCATION: AKAMAI 8, CLOUDFLARE 6

A decade of stewardship vs a shorter record

Akamai: $4.62B of cash and securities against roughly $2.95B of net debt, investment-grade rated, and a convert program that has never exceeded a 1.125% coupon, every issue paired with buybacks or note hedges. The diluted share count fell 18.5% from 2015 to 2025 on roughly $6.1B of repurchases. The 2026 buyback pause is explicitly to fund contracted CIS demand, not distress.

Cloudflare: $4.1B of cash and securities, convertible notes outstanding (net debt around $2.4B per secondary data), no buyback record, and ongoing dilution through SBC. The balance sheet funds the build; the stewardship record is simply shorter and less shareholder-friendly.

Both companies can fund their AI expansions internally. Only one has a decade of shrinking the share count.

08 VALUATION: AKAMAI 9, CLOUDFLARE 3

An option on the future vs a business

Akamai at ~$115 is about 4x FY2025 revenue and about 17x forward non-GAAP earnings (against the $6.40 to $7.05 guidance midpoint), even after the Anthropic rip. Trailing GAAP P/E near 41x looks optically high, but that is depressed earnings (buildout depreciation) on a cheap enterprise value, the classic value-setup shape.

Cloudflare at ~$355 is about 50x trailing revenue (46.6x EV/revenue LTM) with negative GAAP EPS and roughly 280x forward non-GAAP earnings (analyst FY2026 non-GAAP EPS near $1.25). The stock is up about 78% year to date and sits near its 52-week high. This is priced for 30% growth compounding for a very long time, with no room for a stumble.

One of these is priced as an option on the future. The other is priced as a business.

09 LEADERSHIP: AKAMAI 9, CLOUDFLARE 9

Two founders, two styles

Tom Leighton co-founded Akamai in 1998, ran it as an MIT professor-turned-CEO for over 25 years, takes a $1 salary since 2013 with nearly all pay at risk, and bought 50,000 shares in the open market in August 2025. Under-promise, over-deliver, engineer.

Matthew Prince co-founded Cloudflare in 2009 and built it from a TechCrunch Disrupt launch to a $126B company. He is the industry's clearest communicator of the "agentic internet" thesis and a relentless product shipper. More promotional than Leighton, and the stock-compensation culture starts at the top, but founder-led intensity is not in doubt.

10 MOAT: AKAMAI 8, CLOUDFLARE 9

Concrete vs flywheel

Akamai's moat is physical and contractual: 4,300 embedded locations that cannot be rebuilt cheaply or quickly, two decades of enterprise trust, and now $14.4B of contracted backlog sitting on infrastructure it already owns. The moat is wide but static; it deepens when the company converts footprint into contracts.

Cloudflare's moat is the flywheel: 23% of websites behind it, a developer ecosystem where Workers adopters become R2, Zero Trust, and AI Gateway customers, and network telemetry from seeing a fifth of web traffic that feeds its security products. Each product cross-sells the next, and the moat compounds with usage rather than with concrete.

Cloudflare's moat compounds faster. Akamai's is harder to replicate with money alone.

FINAL SCORECARD

The ten dimensions, summed

Section	Akamai	Cloudflare
1. Business diversity	7	8
2. Product portfolio	7	9
3. Edge compute and AI	9	7
4. Network scale	9	8
5. Growth	5	10

Section	Akamai	Cloudflare
6. Profitability and cash flow	8	5
7. Balance sheet and capital allocation	8	6
8. Valuation	9	3
9. Leadership	9	9
10. Moat	8	9
Total	**79**	**74**

Table: ten dimensions, ten points each, 100 points available.

The verdict, in full

Buy the business per dollar: Akamai. Real profits, real cash flow, contracted backlog at 4x sales, a management team with a decade of shrinking the share count.

Buy the growth: Cloudflare. The best developer platform at the edge, 30%+ growth with accelerating bookings, and a flywheel moat, at 47x sales.

The risk is symmetric and opposite. Cloudflare at 47x sales has priced in a decade of flawless execution; a single growth stumble reprices violently. Akamai at 4x sales has a margin of safety on price but real execution risk: $5.5B of capex ahead of revenue, customer concentration (Anthropic alone is ~2.75x FY2025 revenue), and a legacy Delivery business still eroding.

In five-pillar language: Akamai is the evidence-gated compounder at a reasonable price. Cloudflare is the wonderful business at a price that assumes the wonder never stops.

GAPS OPEN GAPS AND HONEST CAVEATS

- **Cloudflare discloses no product-level revenue;** the diversity and portfolio scores rest on company commentary, customer metrics, and bookings data.
- **Network capacity figures** (terabits per second) come from mixed primary and secondary sources and are not audited.
- **Neither company discloses per-location compute or GPU counts;** the technical section rests on announced deployments and architecture descriptions.
- **Akamai's Anthropic agreement terms await the Q3 2026 filing;** "take-or-pay" wording appears in press coverage but was not found in Akamai's own disclosures.
- **Prices and market caps are intraday September 25, 2026** and moved during the session.

SRC SOURCES

How this report was built

- Akamai Q2 2026 results and supplemental revenue data (company disclosure via GlobeNewswire).
- Akamai-Anthropic $11.6B agreement announcement (GlobeNewswire, Sep 24, 2026); WSJ and Barron's coverage.
- Cloudflare Q4/FY2025 results (Business Wire, Feb 10, 2026); Q2 2026 revenue $696M (+35.9%) via MacroTrends.
- Cloudflare AI Grid / Inference Cloud announcements; Akamai March 2026 AI Grid press release.
- Cloudflare Workers AI documentation and model catalog (developers.cloudflare.com).
- Market data: Finnhub (prices, market caps, 52-week ranges), multiples.vc (EV/revenue).
- Cloudflare network statistics: company network page, 2026 Security Signals Report, SQ Magazine compilation.