VATES

Open Infrastructure made simple

Vendor Landscape Guide

Virtualization in 2026 · Six platforms compared



Vates | October 2026

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Executive summary

2026 edition. The virtualization market, three years on. Six platforms · pricing economics · vendor positioning.

Three years after Broadcom closed its acquisition of VMware, the on-premises virtualization market has settled into a new shape. The 2025 edition of this guide described an industry absorbing a shock. This edition describes one in execution: budgets have been reallocated, migration programmes are underway, and the field of credible alternatives has both narrowed and matured.

Two things changed materially over the past twelve months. The exit ramps from VMware have narrowed, through portfolio consolidation, the withdrawal of entry-level editions, end-of-support deadlines on vSphere 7 and 8, and a drastically reduced partner channel in Europe. At the same time, the alternatives stopped being partial. Proxmox VE closed its two most-cited enterprise gaps. Nutanix opened its platform to external storage arrays. Red Hat finished the transition from RHV to OpenShift Virtualization. Vates released a new major version of its management layer and consolidated its commercial model around a single stack.

The technical comparison now matters less than the structural questions: who develops the code you depend on, how predictable the cost is over five years, and what an exit looks like if the vendor's strategy changes again.

86%

of organisations are actively reducing their VMware footprint

CloudBolt Industry Insights, 2026

88%

remain concerned about future VMware pricing, including those staying

CloudBolt Industry Insights, 2026

19

VMware Cloud Service Providers left in the US after the January 2026 channel cut

Reported January 2026

How to read this guide

Six platforms are profiled in depth, each against the same five criteria: stack control, enterprise capability, security, ecosystem and support, and cost and vendor positioning. Two further platforms are covered briefly because they appear regularly on shortlists without being direct replacements. The closing chapter proposes five questions that separate the options once the feature matrices have been set aside.

What changed since the 2025 edition

JUN 2025	VMware Cloud Foundation 9.0 ships, with live patching for ESX hosts, NVMe memory tiering, and a management plane consolidated around VCF Operations.
AUG 2025	Proxmox VE 9.0 arrives on Debian 13, adding HA affinity rules, SDN fabrics, and snapshots on shared thick-provisioned LVM.
OCT 2025	vSphere 7 reaches end of general support. vSphere 8 runs to approximately October 2027.
DEC 2025	Xen Orchestra 6.0 released, rebuilding the interface and the underlying architecture. Monthly releases since.
DEC 2025	Proxmox Datacenter Manager reaches 1.0, closing the multi-cluster management gap.
JAN 2026	Broadcom stops renewing VMware Cloud Service Provider contracts in Europe and retires the white-label programme.
MAR 2026	CISPE files a competition complaint with the European Commission seeking interim measures.
MAY 2026	Proxmox VE 9.2 introduces continuous dynamic load balancing. VCF 9.1 ships.
JUL 2026	Nutanix NCI 7.6 adds Dell PowerStore as external storage for AHV.
JUL 2026	Vates retires the legacy standalone Xen Orchestra tiers, consolidating on Vates VMS.
2026	Red Hat Virtualization reaches end of life. OpenShift Virtualization is the successor.

VMware licensing and packaging

vSphere Standard and vSphere Enterprise Plus are no longer sold or renewed as standalone editions, and vSphere 9 is available only to VMware vSphere Foundation (VVF) or VMware Cloud Foundation (VCF) subscribers. Traditional 25-character license keys were retired in the 9.x line; entitlement is now applied and verified through VCF Operations against Broadcom's business services portal, which introduces a connectivity and compliance dependency that did not previously exist.

Per-core pricing with a 16-core minimum per physical CPU remains the baseline. A 72-core minimum per order line was introduced in April 2025 in parts of the Americas and APJ, and withdrawn in EMEA after customer and partner pushback. Late renewals carry a 20% penalty on first-year subscription price.

> **DEPRECATION WATCH**
>
> Several established capabilities are on notice in the 9.x line, including vSphere Virtual Volumes (vVols), Enhanced Linked Mode, and Host Profiles. Organisations with storage partner integrations built on vVols, or multi-vCenter designs relying on ELM, should confirm the replacement path before planning a 9.x upgrade.

The European channel

In January 2026, Broadcom stopped renewing VMware Cloud Service Provider contracts in favour of an invite-only model, and retired the white-label programme that allowed smaller European providers to resell through larger partners. In March 2026, CISPE filed a competition complaint with the European Commission seeking interim measures, alongside a separate challenge at the EU General Court to the 2023 merger clearance itself.

Regulatory processes of this kind take years, and no organisation should build an infrastructure plan around their outcome. The practical consequence is already visible: fewer local providers can sell, support, or host VMware workloads in Europe.

Sovereignty moved from talking point to requirement

Through 2025 and 2026, European public sector and regulated buyers have increasingly written jurisdiction, source code availability, and vendor independence into requirements documents rather than treating them as tiebreakers. This shift favours platforms whose engineering, support, and corporate control sit inside the EU.

Key takeaways

01 **Full-stack ownership remains rare, and it now matters more**

Vates, Broadcom, and Microsoft develop both the hypervisor and the orchestration layer they sell. Nutanix maintains substantial internal control over AHV. Red Hat, a principal KVM contributor and the developer of OpenShift, now belongs in this group too. Proxmox, OpenNebula, CloudStack, and SUSE build management layers on a hypervisor they do not primarily maintain.

02 **Open source is now table stakes among the alternatives, so the differentiator has moved**

Vates VMS, Proxmox VE, OpenShift Virtualization, and SUSE Virtualization all ship open codebases. The meaningful questions are now about who funds the engineering, where the company is domiciled, and what happens to the roadmap under commercial pressure.

03 **Proxmox VE closed the gaps that kept it out of enterprise shortlists**

Datacenter Manager 1.0 delivers multi-cluster oversight and cross-cluster live migration, and PVE 9.2 introduced continuous cluster rebalancing. What still separates it from vendors with hypervisor-layer control is upstream influence over KVM and the shape of its commercial support.

04 **VMware's structure has stabilised, but the room to manoeuvre has shrunk**

The bundle model, the per-core metric, and the subscription requirement are now settled. The tightening is elsewhere: entry-level editions withdrawn, upgrade paths gated behind the bundles, support deadlines approaching on vSphere 7 and 8, and a partner channel in Europe reduced to a small set of accounts.

05 **Hyper-V has become a serious consideration again, on Microsoft's terms**

Windows Server 2025 is a capable platform for organisations already licensed for it. Microsoft's roadmap investment continues to concentrate on Azure Local and Azure Arc, which means choosing Hyper-V for the long term increasingly means accepting an Azure-connected operating model.

06 **Nutanix reduced its hardware lock-in without reducing its commercial lock-in**

Compute-only nodes attached to Pure, Dell, or NetApp arrays let organisations exit VMware without discarding a storage investment. The full Nutanix software stack, its per-core subscription model, and the cost of a future exit are unchanged.

07 **Vates VMS occupies a position that is difficult to assemble elsewhere**

An open codebase, control of both the hypervisor and the orchestration layer, per-host pricing with no core or feature multipliers, 24/7 enterprise support, and a European corporate structure. Every competing platform gives up at least one of these.

Stack ownership and vertical integration

Several products position themselves as VMware alternatives while building an orchestration layer on a hypervisor they neither maintain nor meaningfully influence. When a security issue, a hardware enablement problem, or a performance regression originates below the management layer, that distinction decides whether the vendor can fix it or has to wait.

Vendor	Hypervisor control	Orchestration control	Full-stack expertise
Vates VMS	Main editor of XCP-ng (Xen-based)	Developer of Xen Orchestra	Full vertical control
VMware by Broadcom	Proprietary ESXi	vCenter and VCF Operations	Full vertical control
Microsoft	Hyper-V	Admin Center, System Center, Arc	Full vertical control
Red Hat	Leading KVM contributor	OpenShift and KubeVirt	Full vertical control
Nutanix	Customised KVM derivative	Prism	Substantial control over AHV
Proxmox	Uses upstream KVM	Web UI and Datacenter Manager	Limited control over hypervisor
SUSE	Upstream KVM via KubeVirt	Harvester and Rancher	Limited control over hypervisor
OpenNebula	Uses upstream KVM	Orchestration	Limited control over hypervisor
CloudStack	KVM, Xen, or VMware	Orchestration	Limited control over hypervisor

● Develops and maintains ◐ Substantial control ○ Consumes upstream

Vates, Broadcom, Microsoft, and Red Hat are the vendors with demonstrated engineering ownership at both levels. Among them, Vates is the only one whose full stack is open source and whose corporate control sits in Europe.

FURTHER READING

For a longer discussion of stack ownership and its consequences, see *Who owns your virtualization stack?* by Olivier Lambert, CEO of Vates.

Quick overview

Platform and pricing

Platform	Hypervisor	Management	Pricing model
Vates VMS	XCP-ng (Xen)	Xen Orchestra	Open source, per physical host per year
Proxmox VE	KVM and LXC	Web UI, Proxmox Datacenter Manager	Open source, per CPU socket
VMware VCF / VVF	ESXi	vCenter, VCF Operations	Proprietary, per core, 16-core minimum per CPU
Microsoft Hyper-V / Azure Local	Hyper-V	Admin Center, System Center, Azure portal via Arc	Proprietary, bundled into Windows Server core licensing; Azure Local per core
Red Hat OpenShift Virtualization	KVM via KubeVirt	OpenShift console	Proprietary subscription on bare-metal nodes
Nutanix AHV	AHV (KVM derivative)	Prism Element and Prism Central	Proprietary, per core, usually multi-year

Fit and ecosystem

Platform	Best fit	Ecosystem position
Vates VMS	Mid-size to large organisations replacing VMware; regulated and sovereignty-driven environments	Growing partner base, expanding storage and backup integrations
Proxmox VE	Linux-competent teams, cost-sensitive deployments, SMB to mid-market	Very large community, limited formal enterprise programme
VMware VCF / VVF	Large enterprises with deep NSX, vSAN, or ISV dependencies	Historically dominant, now contracting in Europe
Microsoft Hyper-V / Azure Local	Windows-centric estates, organisations committed to Azure	Strong within the Microsoft ecosystem, narrow outside it
Red Hat OpenShift Virtualization	Organisations already running OpenShift, or committed to a Kubernetes-first operating model	Strong Kubernetes ecosystem, demanding for VM-only estates
Nutanix AHV	Hyperconverged deployments, and now compute-only clusters on external arrays	Tightly integrated, increasingly open on storage

Vates VMS

> The only platform in this guide that combines an open codebase, ownership of both the hypervisor and the orchestration layer, per-host pricing, and European corporate control.

HYPERVISOR	PRICING	SUPPORT	SOURCE
XCP-ng (Xen)	Per host, per year	Up to 24/7, 1h critical	Fully open

Stack control and architecture

Vates develops and maintains both the hypervisor, XCP-ng, and the orchestration platform, Xen Orchestra. The company is one of the principal contributors to the upstream Xen Project. This shows up in practice: security fixes flow through a single engineering organisation, hardware enablement is not gated on an upstream release cycle, and the full source code is available for audit. Xen Orchestra 6, released in December 2025, rebuilt the interface and the underlying architecture, and has been iterated monthly since.

Enterprise capabilities

Live migration, high availability, disaster recovery orchestration, snapshots, hardware and PCI passthrough, backup with encryption and immutability, and an API-first automation model are all delivered natively. The platform is hardware-agnostic, running on standard x86 servers without a restrictive compatibility list, which matters for organisations reusing hardware bought for a VMware estate. Storage integrations have broadened through partnerships covering Pure Storage, DataCore, Nexsan, and others, alongside the native XOSTOR software-defined storage option.

Security and compliance

Xen is a Type 1 hypervisor with a small, security-focused architecture and a long record of workload isolation. XCP-ng inherits that foundation and adds hardware-based protections, side-channel mitigations, and TPM support. Vates contributes vulnerability research back upstream, including work on Windows PV driver security that affected every Xen-based platform in the market. The open codebase means that security claims can be verified rather than taken on trust.

Ecosystem, automation, and support

Xen Orchestra integrates backup, replication, monitoring, disaster recovery, and automation without third-party add-ons. Terraform and Pulumi providers, Ansible modules, a documented REST API, and Kubernetes CSI and CCM drivers support infrastructure-as-code workflows. Third-party coverage has expanded, including Veeam support for XCP-ng and monitoring and capacity planning through DC Scope.

Commercial support includes 24/7 coverage with a one-hour response commitment for critical issues on the top tier.

Cost and vendor positioning

Vates VMS is sold on subscription, per physical host per year, with no multipliers on cores, sockets, memory, or features. A five-year cost projection is arithmetic rather than an exercise in forecasting a vendor's packaging strategy. Vates is an independent European company that has grown organically, funded by its own subscriptions rather than by an acquisition thesis.

Proxmox VE

> Closed its two most-cited enterprise gaps during 2025 and 2026. Excellent value for capable Linux teams; the constraints are now support hours and hypervisor-layer influence rather than features.

HYPERVISOR	PRICING	SUPPORT	SOURCE
Upstream KVM, LXC	Per CPU socket	Business hours only	Fully open (AGPLv3)

Stack control and architecture

Proxmox VE combines the Linux kernel with KVM for virtualization and LXC for containers under a management layer developed by Proxmox Server Solutions. The management layer is the company's own work; the hypervisor is upstream KVM, where Proxmox is a consumer rather than a principal maintainer. The 9.x line, based on Debian 13, has moved quickly, and an arm64 build shipped in August 2026 for NVIDIA Grace and Vera platforms. The entire codebase is AGPLv3.

Enterprise capabilities

The 2025 edition of this guide noted the absence of multi-cluster management and automated load balancing. Both have since been addressed. Proxmox Datacenter Manager reached 1.0 in December 2025 and provides an aggregated view across clusters and Backup Server instances, with cross-cluster migration that does not require a shared cluster network. Proxmox VE 9.2 introduced a dynamic load balancer that continuously rebalances HA-managed guests. HA affinity rules, SDN fabrics with OpenFabric, OSPF, BGP, and WireGuard, snapshot support on shared thick-provisioned LVM, and OCI image support for containers all landed in the 9.x cycle. Storage flexibility remains a strength, with ZFS, Ceph, NFS, iSCSI, and Fibre Channel all supported.

Security and compliance

Security posture is largely inherited from the Linux and KVM foundation, with isolation handled by the kernel's virtualization stack. Secure Boot, TPM, role-based access control, and confidential computing support for AMD SEV and Intel TDX are available. Proxmox publishes security advisories and ships kernel fixes promptly. What is inherited rather than owned is the hypervisor-level mitigation work itself, which arrives through the upstream kernel.

Ecosystem, automation, and support

The REST API is well documented and widely used. Ansible and Terraform coverage comes primarily from community-maintained modules rather than vendor-supported providers, which is a real consideration for organisations with formal support requirements on their automation toolchain. Subscriptions are sold per CPU socket across four tiers, and

enterprise support is delivered during business hours. There is no 24/7 option, which continues to be the single most common blocker in regulated and production-critical evaluations.

Cost and vendor positioning

Per-socket pricing is straightforward and among the lowest in the market. The open-source model removes lock-in entirely. Proxmox suits technically strong teams that are comfortable owning more of the operational burden. For organisations that need contractual 24/7 response, vendor-backed automation tooling, or influence over the hypervisor roadmap, the fit is weaker.

VMware vSphere Foundation and Cloud Foundation

> Still the most mature feature set in the market. The question for most buyers is no longer capability but exposure: to pricing, to packaging decisions, and in Europe, to a channel that has largely closed.

HYPERVISOR	PRICING	SUPPORT	SOURCE
ESXi	Per core, 16-core min/CPU	Global, reduced EU channel	Closed

Stack control and architecture

Broadcom develops both ESXi and the management suite, and the coupling between them is tight. VCF 9.x consolidated the management plane around VCF Operations, which now also handles licensing. The stack is closed source, with no ability for customers to audit or extend beyond vendor-provided interfaces. VCF 9.0 shipped in June 2025 with live patching for ESX hosts, NVMe memory tiering, native VPC support, and an integrated Kubernetes runtime.

Enterprise capabilities

The feature set remains the most mature in the market, built over two decades: vMotion, DRS, fault tolerance, storage migration, hot-plug CPU and memory, and very large per-host and per-VM scaling limits. Deployment depends on strict hardware compatibility lists, which limits flexibility relative to hardware-agnostic platforms. Several established capabilities are now deprecated in the 9.x line, including vVols, Enhanced Linked Mode, and Host Profiles, which affects storage partners and multi-vCenter designs.

Security and compliance

ESXi is a hardened microkernel hypervisor with built-in mitigations for known hardware vulnerabilities. Secure Boot, TPM integration, VM encryption, and detailed role-based access control are native. The platform remains a credible choice for highly regulated environments on technical grounds. Verification depends entirely on vendor attestation, since the code is not auditable.

Ecosystem, automation, and support

PowerCLI, REST APIs, Terraform, and Ansible support are comprehensive, and the ISV and OEM certification ecosystem is still the broadest available. NSX, vSAN, Tanzu, and the Aria portfolio are now largely folded into the VCF bundle rather than sold separately. On the support side, the workforce reductions and partner programme changes that followed the acquisition have had measurable effects. The January 2026 termination of the VMware

Cloud Service Provider programme in Europe removed most local providers from the channel, which affects sourcing, hosting, and local-language support for European customers.

Cost and vendor positioning

Pricing is per physical core with a 16-core minimum per CPU, sold as subscription bundles. A 72-core minimum per order line was introduced in April 2025 in parts of the Americas and APJ and withdrawn in EMEA. Late renewals attract a 20% penalty. Reported cost increases relative to the pre-acquisition model range widely by profile, with small and edge deployments hit hardest. Beyond the headline pricing, the structural change matters most: perpetual licensing is gone, entitlement is verified online, the entry-level editions are withdrawn, and support deadlines on vSphere 7 and 8 force a decision on a schedule set by the vendor.

Microsoft Hyper-V and Azure Local

> A rational short-term destination for estates already licensed for Windows Server. The longer-term direction routes on-premises infrastructure toward an Azure-connected operating model.

HYPERVISOR	PRICING	SUPPORT	SOURCE
Hyper-V	Windows Server cores; Azure Local per core	Global enterprise	Closed

Stack control and architecture

Hyper-V is a fully proprietary Type 1 hypervisor shipped as a role within Windows Server. Microsoft controls the hypervisor, the management tooling, and the surrounding platform. Azure Local, renamed from Azure Stack HCI, runs the same Hyper-V engine packaged as an Azure-connected, Arc-managed appliance operating model with per-core subscription billing. The distinction matters when evaluating long-term direction: they are the same hypervisor with different operating models and different commercial terms.

Enterprise capabilities

Windows Server 2025 supports live migration, storage migration, failover clustering, Hyper-V Replica, hot-add CPU and memory, PCI passthrough, SR-IOV, GPU partitioning, and nested virtualization, with high per-host scaling limits. Hotpatching allows security updates to Windows Server 2025 guests without reboot when managed through Azure Arc. Cluster-level scalability is modest compared with some alternatives, and there is no standalone free Hyper-V Server edition.

Security and compliance

Secure Boot, shielded VMs, virtualization-based security, and side-channel mitigations are native. Role-based access control and auditing integrate deeply with Active Directory, which is a genuine advantage for organisations already standardised on Microsoft identity.

Ecosystem, automation, and support

PowerShell, WMI, and REST coverage are thorough. Management is split across Windows Admin Center, System Center Virtual Machine Manager, and the Azure portal via Arc, and assembling a complete operational stack around traditional Hyper-V takes more work than the vSphere equivalent. Microsoft's global support organisation is a strength. Its roadmap investment is visibly concentrated on Azure Local and Arc-connected management rather than standalone on-premises Hyper-V.

Cost and vendor positioning

Hyper-V is included in Windows Server core-based licensing, with a minimum of 8 cores per CPU and 16 cores per server. Datacenter edition enables unlimited VMs per host and is usually the right tier for a consolidated estate. For organisations already fully licensed for Windows Server, the marginal hypervisor cost is low, which makes Hyper-V a rational short-term destination. The longer-term question is directional: Microsoft's strategy routes on-premises infrastructure toward an Azure-connected operating model, and organisations choosing Hyper-V primarily for sovereignty or independence reasons should be clear about where that path leads.

Red Hat OpenShift Virtualization

> A Kubernetes platform that also runs virtual machines. Compelling where OpenShift is already in place; a significant amount of platform to adopt for a VM-only estate.

HYPERVISOR	PRICING	SUPPORT	SOURCE
KVM via KubeVirt	Subscription on bare-metal nodes	Global enterprise	Open

Stack control and architecture

Red Hat Virtualization reached the end of its life cycle in 2026, closing the RHV and oVirt chapter for commercial deployments. Its successor is OpenShift Virtualization, which runs VMs as Kubernetes workloads through KubeVirt on the KVM hypervisor. Red Hat is one of the leading contributors to KVM and develops OpenShift itself, so the vertical ownership question is answered convincingly. What changed is the architecture rather than the ownership: this is a Kubernetes platform that also runs virtual machines.

Enterprise capabilities

Live migration, high availability, snapshots, and hardware passthrough are supported, and the Migration Toolkit for Virtualization automates import from vSphere. OpenShift Virtualization Engine, released in January 2025, strips out the application-platform features for organisations that want VM workloads only, at a lower entry point than full OpenShift. Storage and networking are handled through Kubernetes primitives, CSI drivers, and OpenShift Data Foundation, which is a different model from a traditional datastore-and-vSwitch design.

Security and compliance

The SELinux and sVirt frameworks in RHEL provide strong VM isolation, and Red Hat's compliance certifications and security response process are among the most rigorous in enterprise open source. Integration with Active Directory and identity management is well established.

Ecosystem, automation, and support

Ansible integration is native and first-class, the Kubernetes ecosystem is enormous, and Red Hat's enterprise support organisation is a genuine strength. Backup coverage for VMs on OpenShift Virtualization has matured but remains less broad than for traditional hypervisors, and third-party ISV certification against VM workloads on Kubernetes is still catching up.

Cost and vendor positioning

Subscriptions are sold against the bare-metal nodes running the platform. The larger cost is organisational: adopting OpenShift Virtualization means adopting Kubernetes operations, including the skills, tooling, and upgrade cadence that come with it. For organisations already running OpenShift, this consolidates two platforms into one and is often compelling. For a VM-only estate with no container strategy, it introduces a significant amount of platform that does not serve the workload.

Nutanix AHV

> The most pragmatic response any incumbent HCI vendor has made to the post-Broadcom market. Hardware lock-in has genuinely loosened; the commercial commitment has not.

HYPERVISOR	PRICING	SUPPORT	SOURCE
AHV (KVM derivative)	Per core, multi-year terms	Global enterprise	Closed

Stack control and architecture

AHV is a KVM derivative that Nutanix has modified extensively, coupled to the AOS storage platform and the Prism management layer. Nutanix maintains real internal expertise over its hypervisor, which places it closer to the full-control group than to the pure orchestration vendors. The stack is proprietary.

Enterprise capabilities

AHV covers live migration, high availability, resource scheduling, memory overcommit, hot-add CPU and memory, PCI passthrough, SR-IOV, templates, and vNUMA. Prism Element handles cluster-level operations and Prism Central provides multi-cluster management and analytics. The significant change since the 2025 edition is architectural: Nutanix now supports compute-only nodes attached to external storage arrays over NVMe/TCP, starting with Dell PowerFlex, followed by Pure Storage FlashArray and Dell PowerStore with NCI 7.6, with NetApp ONTAP announced. This lets organisations leave VMware without discarding an in-contract storage investment.

Security and compliance

Microsegmentation through Flow, one-click STIG compliance, data-at-rest encryption, Secure Boot, side-channel mitigations, and role-based access control in Prism are all present and well regarded in regulated environments.

Ecosystem, automation, and support

Disaster recovery, backup, hybrid cloud extension, and Kubernetes orchestration are delivered through the same interface. REST, CLI, PowerShell, and Ansible automation are supported. The external storage work has genuinely opened the platform on the hardware axis. Outside storage, the strategy still favours full platform adoption, and support for alternative hypervisors or third-party management layers remains limited by design.

Cost and vendor positioning

Pricing is per core, generally under multi-year term agreements covering on-premises clusters and hybrid extensions such as NC2. Nutanix consistently ranks among the highest

total cost of ownership options in the market once the full stack is bundled. The external storage support reduces the hardware component of lock-in. The commercial component, meaning the software subscription, the multi-year commitment, and the cost of a future migration off Prism and AOS, is unchanged. Organisations should evaluate Nutanix on a five-year view that includes renewal, not on the first-term quote.

Also worth evaluating

Two platforms fall outside the main comparison but appear regularly on 2026 shortlists.

SUSE Virtualization

Based on the open-source Harvester project, SUSE Virtualization combines KVM, KubeVirt, and Longhorn storage under Rancher management, with 24/7 enterprise support. It targets organisations that intend to converge VM and container operations, and it is a reasonable alternative to OpenShift Virtualization for teams already invested in Rancher. Like Proxmox, it builds on upstream KVM rather than maintaining a hypervisor.

OpenStack

OpenStack remains the reference platform for large multi-tenant private clouds, particularly among service providers. It solves a different problem from a virtualization platform, and it requires a dedicated operations team. Organisations replacing a vSphere estate of a few dozen hosts are usually better served elsewhere.

How to evaluate

The technical feature matrices published across this market have converged to the point where they no longer discriminate usefully. Every platform in this guide does live migration, HA, snapshots, and passthrough. Five questions separate them.

Q1 Who fixes a problem in the hypervisor?

If the answer involves waiting for an upstream project, factor that into your incident response expectations for the workloads that matter most.

Q2 What does year five cost?

Model the renewal, not the first term. Ask specifically what happens to price if core counts increase, if you add a feature, or if you renew late. The chart below shows why the billing metric matters more than the headline rate.

Q3 What does the exit look like?

Every platform in this guide can be entered. Ask how VM images, backup chains, network definitions, and automation code come out again, and how much of that is portable rather than proprietary.

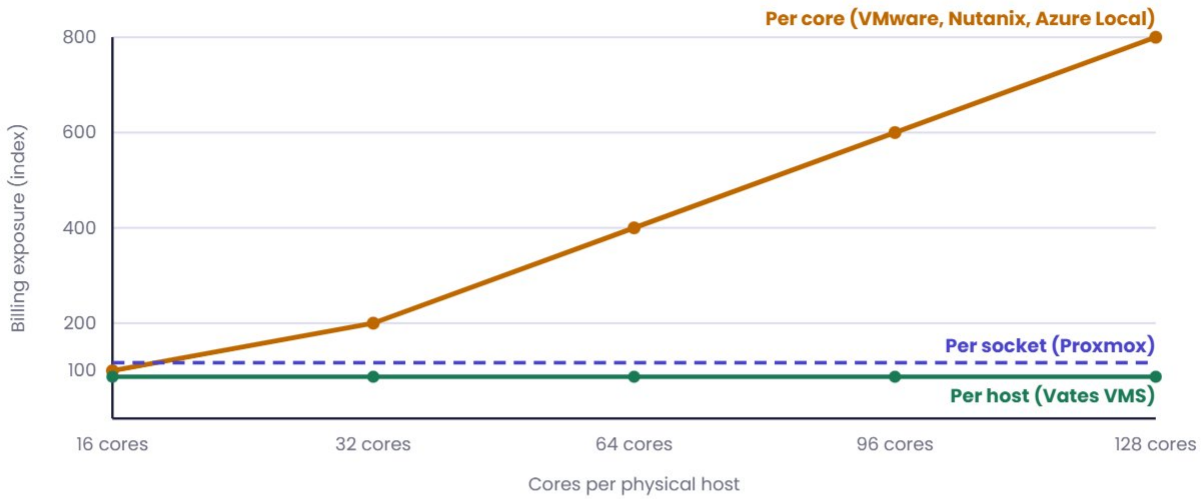
Q4 Can you verify the security claims, or only receive them?

For regulated environments, the difference between an auditable codebase and a vendor attestation is increasingly a compliance question rather than a philosophical one.

Q5 Where does the vendor sit, and who controls it?

Jurisdiction, ownership structure, and the vendor's own financial incentives determine whether a pricing model that works today will still work after the next acquisition or the next quarter's margin target.

How the billing metric behaves as hardware densifies



Billing units for a single host, indexed to 100 at 16 cores. Socket count held constant. Illustrates the metric, not vendor pricing.

The chart holds one host constant and increases only its core count. A per-host metric does not move. A per-socket metric does not move as long as socket count is unchanged. A per-core metric scales linearly, so the same consolidation exercise that reduces your host count can increase your bill. Since server core counts have roughly doubled every hardware generation, this is the single variable that most often makes a five-year projection diverge from the first-year quote.

Conclusion

The reassessment described in the 2025 edition has largely happened, and the market is executing on its conclusions. Survey data through 2026 consistently shows the large majority of VMware customers actively reducing their footprint, and a similar majority concerned about future pricing regardless of their current plans.

Most alternatives still require a trade-off. Proprietary platforms deliver integration and polish at the cost of transparency, pricing control, and exit optionality. Open-source platforms deliver freedom and cost predictability, and have closed most of the functional gaps, but often at the cost of support depth, hypervisor-layer ownership, or the operational assembly work left to the customer.

Vates VMS is built to avoid that trade-off. Backup, replication, disaster recovery, monitoring, and automation are delivered natively rather than assembled, Xen Orchestra 6 provides the interface quality buyers expect from proprietary platforms, the codebase is open at every layer, the subscription is per host with no multipliers, and the engineering and support organisation is European and independent.

Notes and sources

Information on VMware licensing and packaging comes from public sources published between 2024 and 2026: Broadcom product documentation and knowledge base articles, announcements relayed through the distribution network, specialised press coverage, and public analyses by licensing advisory firms. Documented items cited here include the end of standalone vSphere Standard and Enterprise Plus sales, the retirement of 25-character license keys in the 9.x line in favour of entitlement verification through VCF Operations, per-core pricing with a 16-core minimum per CPU, the 72-core order minimum introduced in April 2025 and withdrawn in EMEA, the 20% late renewal penalty, the deprecation of vVols, Enhanced Linked Mode and Host Profiles, and the end-of-support dates for vSphere 7 (October 2025) and vSphere 8 (approximately October 2027).

Channel and regulatory information comes from CISPE's published complaint of March 2026, its General Court filing of July 2025, and contemporaneous press reporting on the termination of the VMware Cloud Service Provider programme in Europe in January 2026. Adoption statistics are drawn from the CloudBolt Industry Insights survey as reported in 2026.

Information on Proxmox VE comes from the official Proxmox roadmap and release notes for versions 9.0 (August 2025), 9.1 (November 2025) and 9.2 (May 2026), the arm64 release of August 2026, and the Proxmox Datacenter Manager 1.0 announcement of December 2025. Information on Red Hat comes from the Red Hat Virtualization life cycle policy and the OpenShift Virtualization Engine announcement of January 2025. Information on Nutanix comes from Nutanix and Dell announcements covering external storage support on Nutanix Cloud Infrastructure, including PowerFlex, Pure Storage FlashArray and PowerStore with NCI 7.6. Information on Microsoft comes from Microsoft Learn documentation for Hyper-V on Windows Server 2025 and Azure Local.

Information on Vates VMS comes from official Vates documentation and announcements (vates.tech, xcp-ng.org, xen-orchestra.com, docs.vates.tech), including the Xen Orchestra 6.0 release of December 2025, subsequent monthly releases, and the retirement of legacy standalone Xen Orchestra subscription tiers announced for July 2026.

The billing exposure chart in the "How to evaluate" chapter illustrates how each billing metric behaves as core count increases on a single host, indexed to 100 at 16 cores with socket count held constant. It is a representation of the metric, not of any vendor's pricing, and no list or negotiated prices are implied.

Facts and product statuses were verified as of August 2026. This market moves quickly; verify current terms with each vendor before making a procurement decision. This document is provided for information purposes.