

Venture Monitor

Q4 2019 | Datagraphic



OVERVIEW

US VC deal count and value have continued their charge into record territory.

The vast amount of available capital resources continues to drive growth in deal sizes and valuations across nearly all stages. 2019 recorded 237 mega-deals, an 11.8% increase over 2018. Nontraditional investors participated in more than 85% of those outsized deals.

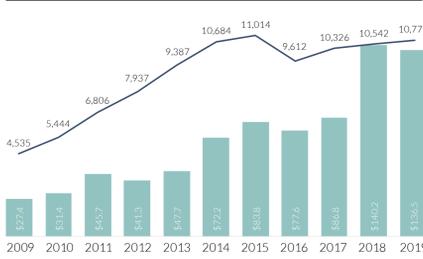
VC-backed IPOs had a tepid end to an otherwise record year.

Given the aftermarket price performance struggles from 2019's tech listings, healthcare IPOs dominated the Q4 roster instead; of the 13 companies that managed to list in Q4 2019, nine were in the healthcare sector, representing an impressive 69.2% of the total IPO count.

Capital raised by US venture funds reached \$46.3 billion in 2019.

Positive net cash flows and increased fund sizes have contributed to the second-highest annual total in the past decade.

US VC DEAL ACTIVITY



237

Number of mega-deals completed during the year

\$135B

Second consecutive year total deal value tops this figure

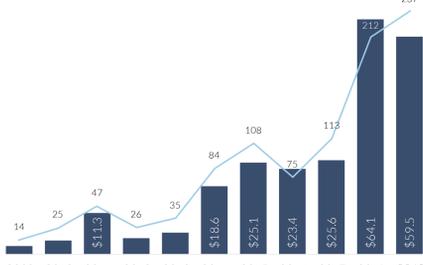
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Number of times this decade fundraising has topped \$40B, including 2019

\$256B

New record annual VC exit value

US VC MEGA-DEAL ACTIVITY

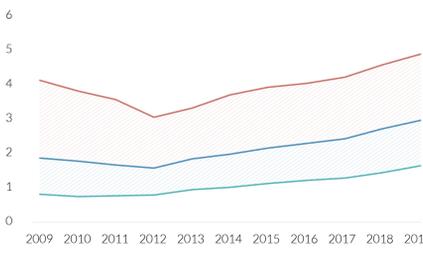


DEALMAKING

US VC activity has continued to charge into record territory.

A strong pipeline of target companies moving through their lifecycle, coupled with some of the highest capital availability we have seen has produced a strong market for dealmaking at every stage. At the same time, the median deal sizes and valuations have continued to grow, with the latter seeing an increase over 2018 figures at every stage.

QUARTILE DISTRIBUTION OF AGE (YEARS) OF COMPANIES RECEIVING ANGEL & SEED FUNDING



10,777

Number of deals in 2019

2.9 years

Median age of companies raising angel/seed rounds; this has risen each of the past seven years

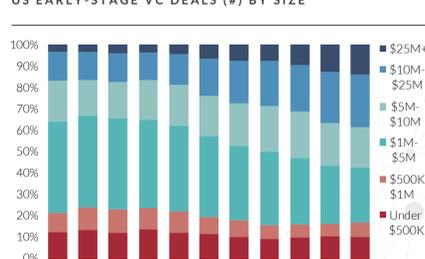
\$88M

Median late-stage pre-money valuation grew 15.8% YoY

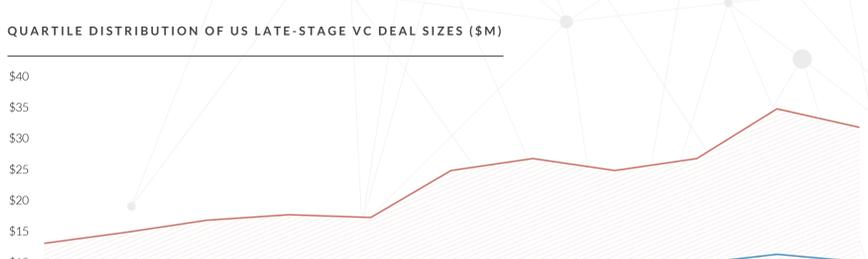
\$136.6B

Total US VC deal value during 2019, a 5x growth over the past decade

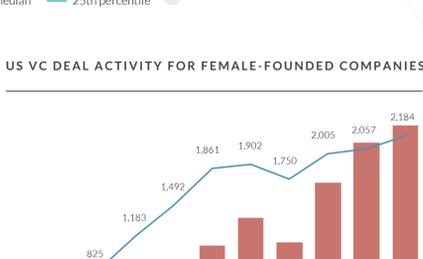
US EARLY-STAGE VC DEALS (#) BY SIZE



QUARTILE DISTRIBUTION OF US LATE-STAGE VC DEAL SIZES (\$M)



US VC DEAL ACTIVITY FOR FEMALE-FOUNDED COMPANIES



50.1%

CVC activity reached over half of completed VC financings for fifth consecutive year

2,597

2019 late-stage deal count was highest of the decade

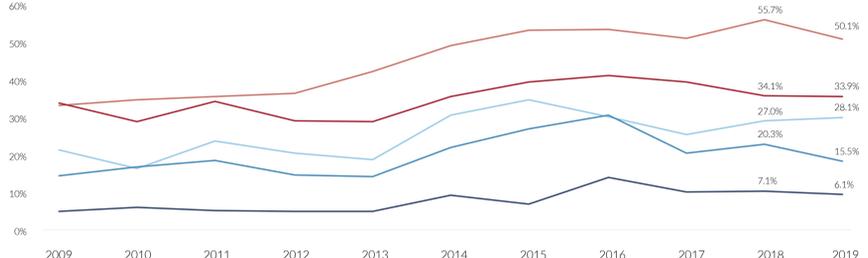
\$42.3B

Early-stage deal value surpassed \$40 billion for the second time

\$97B

Value of deals with nontraditional investor participation in 2019

PROPORTION OF US VC DEALS (\$) WITH NONTRADITIONAL INVESTOR PARTICIPATION

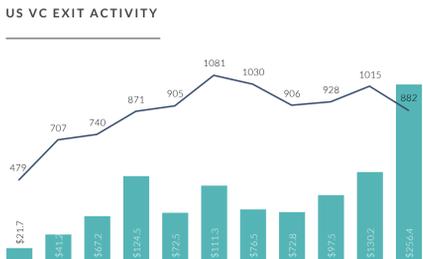


EXITS

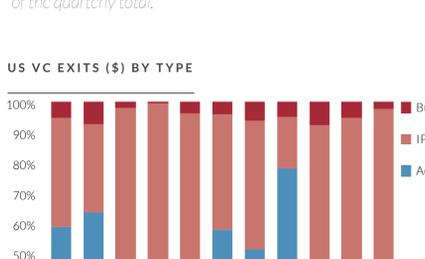
Outlier IPOs dominated the exit landscape in 2019, driving the record \$256.4 billion in capital exited.

However, public listings of VC-backed companies had an especially tepid Q4 assisted by an uncertain outlook toward many potential IPOs given poor post-IPO performance from many newly listed companies. Most of this focus was directed at large money-losing technology companies, which allowed healthcare IPOs to dominate the Q4 activity, accounting for 69.2% of the quarterly total.

US VC EXIT ACTIVITY



US VC EXITS (\$) BY TYPE



69.2%

Percentage of VC-backed IPOs in Q4 2019 that were healthcare companies

77.5%

IPO's proportion of 2019 exit value

FUNDRAISING

US VC firms raised \$46.3 billion in 2019, a solid fund-up to 2018's \$58 billion record.

The median fund size continued to grow, moving to \$78.5 million—the highest in the past decade. Though top-end funds make up a large proportion of the total capital raised (21 funds of at least \$500 million were raised during 2019), it's notable that firms raising follow-on funds closed vehicles that were 55% larger at the median than their previous fund, noting LPs' continued appetite for venture.

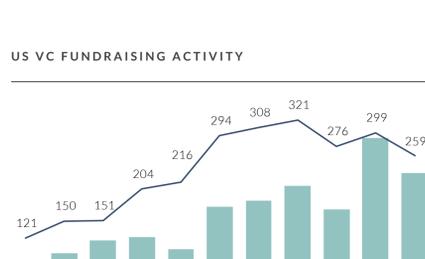
21

Funds of \$500M+ closed during 2019

\$46.3B

Total fundraising surpassed \$40B for just the third year in the past decade

US VC FUNDRAISING ACTIVITY



\$78.5M

Median fund size of 2019, highest in decade

55.5%

Median fund size step-up for US VC funds in 2019

MEDIAN FUND SIZE STEP-UPS FOR US VC FUNDS

