The ripple effect of record venture capital availability

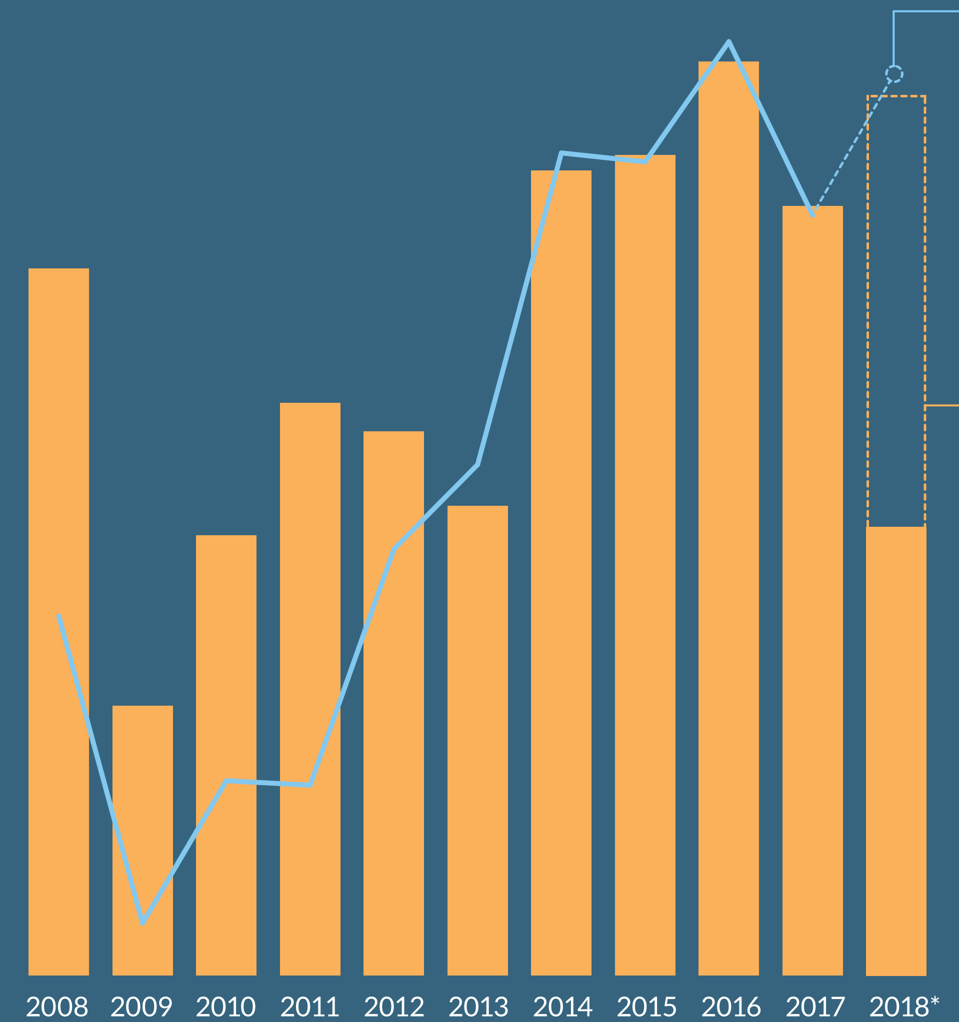
From continually high fundraising levels to nontraditional investors opening their wallets, an unprecedented amount of available capital sits in the center of the venture space. As capital ripples out, it impacts nearly every part of a company's lifecycle, shaping the entire VC landscape.

$57.5B

At the center of record capital availability

Fundraising levels stay high

2018 is on pace to hit more than $40B in capital raised and become the second year in the last decade to do so. Since a spike in 2014, nearly $168.8B has been committed to US VC funds.



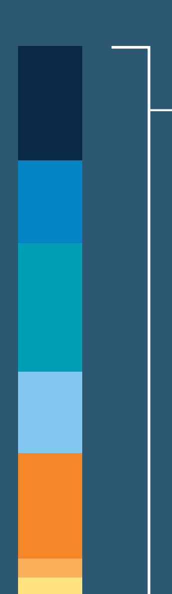
300+
projected closed funds for the entire year based on the 157 closed funds in 1H 2018

$40B+
projected capital raised for the entire year based on the $20.2B raised in 1H 2018

Capital raised ($B)
Funds closed

Tourist investors increase participation

Nontraditional investors like PE firms and hedge funds are getting involved in more rounds.

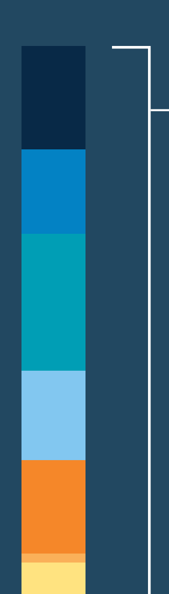


886
closed deals in 1H 2018 with tourist investor participation, accounting for $36.8B in deal value

- $50M+
- $25M-$50M
- $10M-$25M
- $5M-$10M
- $1M-$5M
- Under $1M
- Undisclosed

More corporate VCs involved in deals

Recent tax breaks and a rising number of investors are aiding the uptick in CVC activity.



705
closed deals in 1H 2018 with CVC participation, accounting for $28.8B in deal value

- $50M+
- $25M-$50M
- $10M-$25M
- $5M-$10M
- $1M-$5M
- Under $1M
- Undisclosed

Companies feel ripples of available capital

Companies start raising venture capital later

Software has made it easier and more cost effective for startups to get off the ground—so many companies are now older and valued higher when they raise their first round of VC.

Median angel/seed pre-money valuation

$1.9M → **$7M**
2007 → 2018*

Companies are able to raise more capital at every stage

Because companies are now more mature and developed than in the past, they're able to raise larger rounds at each stage—especially late-stage, which enables companies to stay private longer.

Median deal size ($M)

	2017	2018*
Angel/Seed	$1.0	$1.4
Early VC	$6.0	$8.2
Late VC	$10.8	$15.0

The flow of capital and its impacts

2018 has already seen more in VC deal value than six of the last 10 years—and is on pace to challenge records set during the dot-com boom.

$57.5B
in deal value in 1H 2018, across 3,997 deals

93
mega-deals ($100M+) closed in 1H 2018, accounting for 39% of total deal value

Delayed exits can still bring high returns and spur reinvestment

Even though companies are staying private longer, recent high returns will likely cause LPs to reallocate to the venture space.

6.3 years
Average time to exit after first financing

*Data as of 6/30/2018

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