PitchBook

NATIONAL VENTURE CAPITAL ASSOCIATION

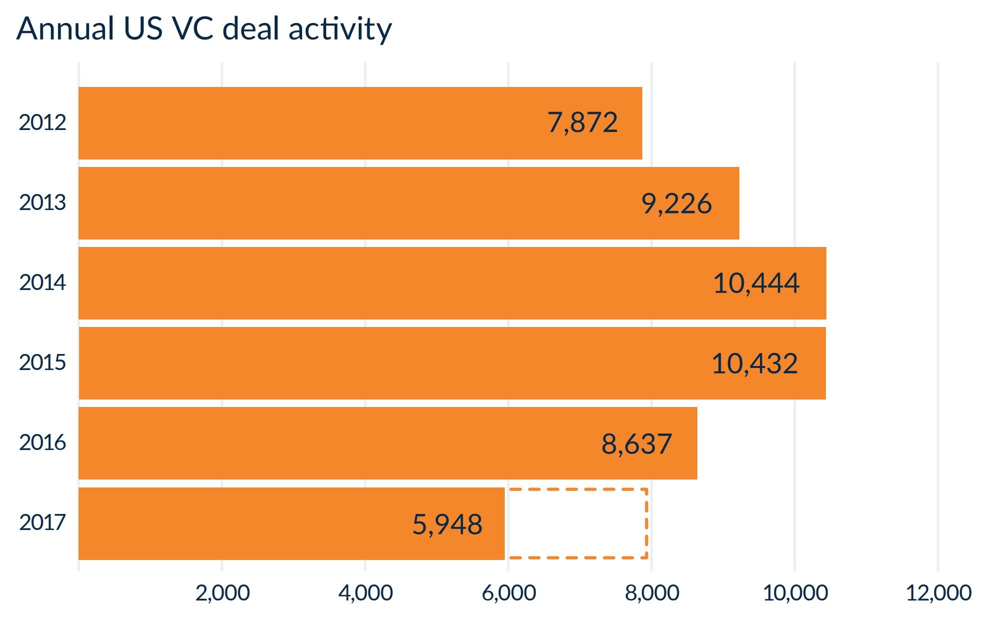
VC investment: On pace to reach decade high this year

Data sourced from the 3Q 2017 PitchBook-NVCA Venture Monitor

Dry powder levels hit new heights

After several years of strong fundraising, US VCs are sitting on unprecedented levels of dry powder.

$92B
in available dry power



-8.2%
projected drop in deal volume from 2016 to 2017 based on current pace

Investors go big—but not wide: Deal size skyrockets while deal volume plummets

If the current pace holds steady, VC investment in 2017 could reach the highest levels in a decade, while the number of completed deals could be the lowest annual total since 2012.

$21.5B
deployed to 1,700 VC-backed companies in 3Q 2017

$61.4B
deployed across 5,811 companies to date in 2017

+40%
increase in aggregate deal value from 3Q last year

Fundraising activity slows but remains healthy

With plenty of capital on hand and a large amount of recently raised funds, investors shifted their focus away from fundraising in 3Q. Despite the slowdown, 2017 is likely to become the fourth consecutive year with more than $30B in commitments.

-51%
decrease in fundraising (by $ amount) 3Q over 2Q 2017

$5.3B raised across 34 funds in 3Q 2017

$3.3B **$10.9B** raised across 60 funds in 2Q 2017

NEA
New Enterprise Associates alone accounted for over a third of all capital raised in 2Q 2017.

$40.4B
total raised in 2016

$24.4B
raised so far in 2017

Megadeals and unicorns: The new normal

As nontraditional investors join well-funded VCs to pump capital into late-stage companies, outsized deal values and valuations become the normal—and unicorns become less mythical.

wework
$3B
Series G
August 2017

Intarcia Therapeutics, Inc.
$615M
Series EE
August 2017

SPACEX
$351M
Series H
July 2017

Unicorn deal value as a % of total deal value

4.3%
2012

22%
2017*

*As of 9/30/2017

Delayed exits mean fewer exits—and a liquidity crunch

With investors willing to provide later-stage funding to highly-valued startups, delayed exits at higher valuations become more common.

839
total venture-backed exits in 2016

530
venture-backed exits to date in 2017

5.2 years
average time to exit in 2012

6.2 years
average time to exit to date in 2017

PE firms step in, providing liquidity in a sluggish exit market

In a slow exit market, PE firms have become increasingly interested in buying venture-backed companies. In fact, 2017 has seen the highest exit value from PE buyout transactions.

11.2x
VC investment-to-exit ratio to date in 2017

144
exits in 3Q 2017: Lowest quarterly total since 2009

$5.2B
exit value from PE buyout transactions to date in 2017 (over 18% of 2017 exits)

19 IPOs in 2Q 2017

8 IPOs in 3Q 2017

For more on 3Q VC activity, download the PitchBook-NVCA Venture Monitor.

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