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Unicorn Report

2018

COMPASS



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Instacart



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Kabbage



KATERINA

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yfa



magic Leap

moderna
messenger therapeutics

essential



GreenSky



shutterstock

snowflake



ACEX



RAZER

UBER

SMS ASSIST

UPTA

Contents

Key takeaways	2
Overview	3-6
Spotlight: Chinese unicorns	7
Exits	8
Select unicorn statistics	9
Unicorn league tables	10-11

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*[Click here](#) for PitchBook's report
methodologies.*

Introduction

Since Aileen Lee of Cowboy Ventures coined the term “unicorn” in 2013, the phenomenon has long since been codified in the industry consciousness. Throughout their duration, unicorns have been held up as prime examples of the paradigm shift from public to private markets in new company value creation; as the most dramatic excesses the venture industry; and last but not least the triumphant examples of the second wave of innovation post the dot-com era, primarily predicated on leveraging the proliferation of smartphones and unused resource capacity. All of those themes more or less apply, barring some hyperbole around excessive valuations. For example, Uber’s valuation was and still often is seen as excessive, but it is not out of the realm of probability that it will eventually go public at a comparable or even greater valuation, so is it fair to judge the valuation verdicts of private markets just yet? The reality of the unicorn phenomenon is simply that—private markets rarely if ever bestowed a valuation of \$1 billion prior to this decade, and thus we are all still grappling with the consequences of such a trend. Some of those valuations will be validated, some will turn out to have been hubristic, and, just maybe, a few of the rosier projections will actually still understate. What must be noted is that, even though the cumulative valuation of current unicorns nears a truly staggering \$500 billion, the past two years have observed more exits by unicorns than ever before. So a conclusive judgment cannot be rendered just yet, but in order to inform your take, we’ve offered a slew of datasets covering everything from employee counts to valuation step-up multiples in the following pages. If you have any questions, please feel free to reach out to reports@pitchbook.com.

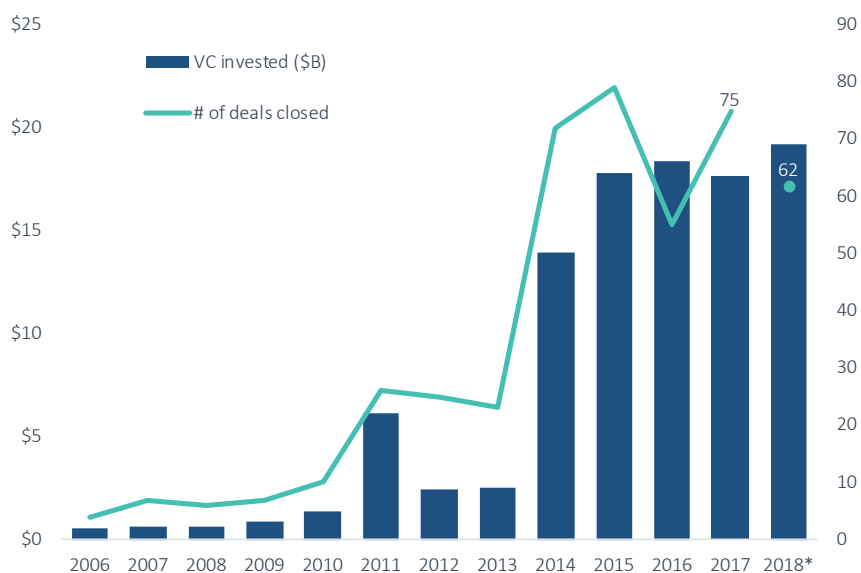
Overview

A new record for VC raised, by August

By the first of August, US unicorns alone have raised over \$19 billion this year, across 62 financings. Moreover, this vast sum comes on the heels of three straight years wherein VC raised by unicorns eclipsed \$17 billion handily, apiece. Such a flood of capital, on top of the aggregate valuation of the unicorn herd, is one of the strongest pieces of evidence to support the hypothesis that private markets are supplanting public markets as a venue for growth, at least in part. It also illustrates the degree to which existing unicorns are still able to rake in capital. The primary concerns of illiquidity and timing, not to mention price, have not yet sufficiently dissuaded firms that continue to seek exposure to these growth opportunities. The question is at what point they will.

Unicorns continue to rake in gargantuan sums

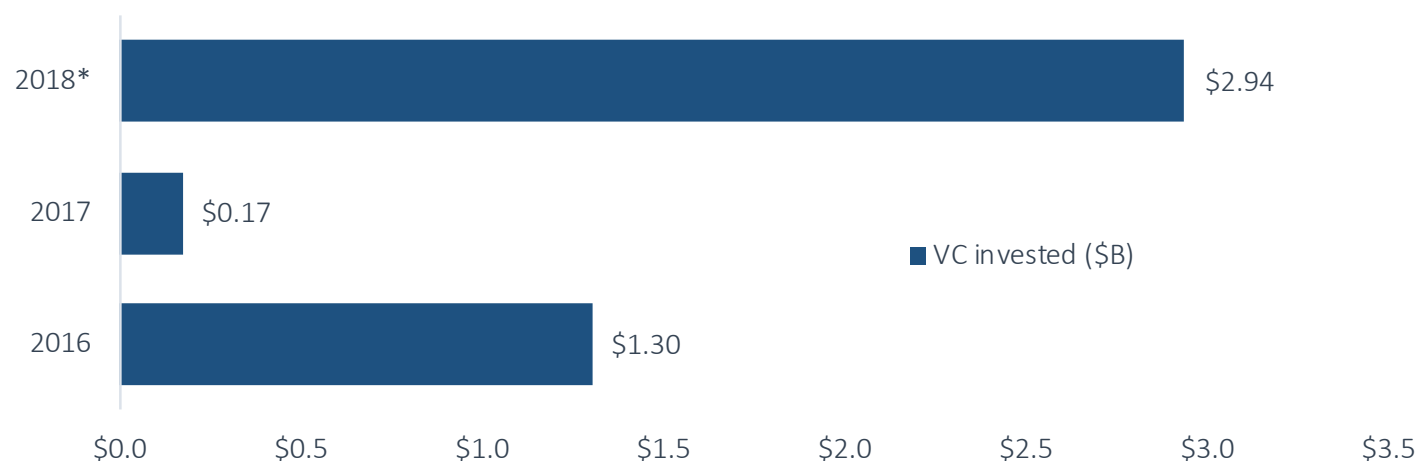
VC activity by US unicorns



Source: PitchBook
*As of August 1, 2018

Albeit infrequently, significant sums have flowed in from exclusively foreign investors

US unicorn activity with only foreign investor participation



Source: PitchBook
*As of August 1, 2018

Cumulative unicorn valuation nears a staggering \$500 billion

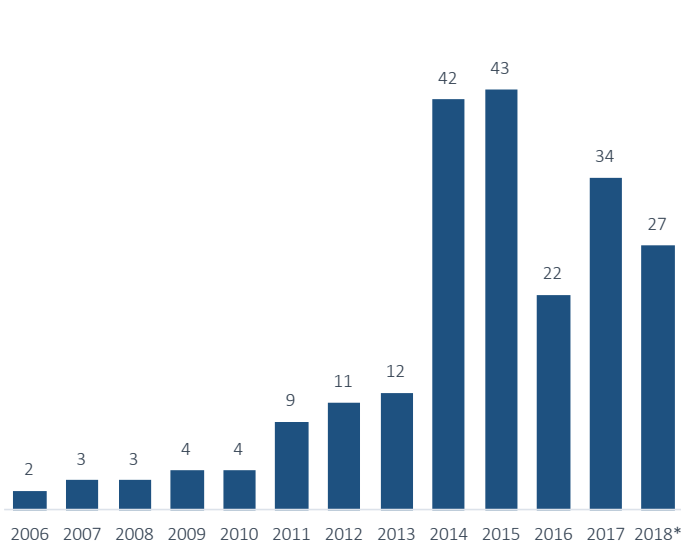
US unicorn count and aggregate post-valuation (\$B)



Source: PitchBook
*As of August 1, 2018

The rate of new unicorn formation slows

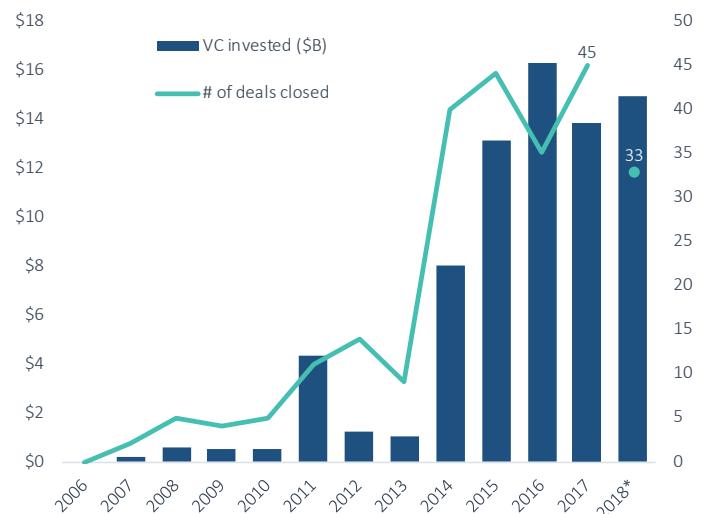
New US unicorn count



Source: PitchBook
*As of August 1, 2018

Foreign capital fuels much of unicorn value

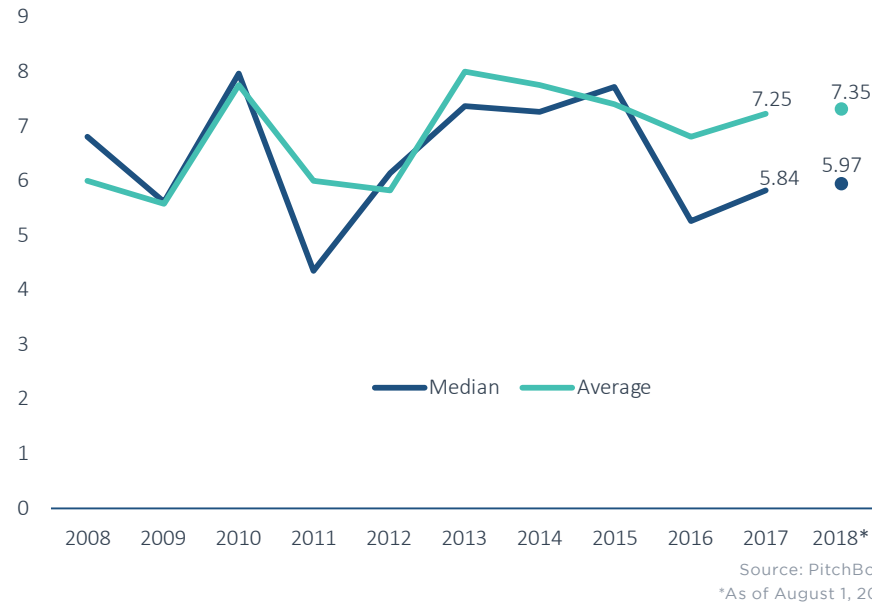
US unicorn activity with foreign investor participation



Source: PitchBook
*As of August 1, 2018

Unicorns' age plateaus

Median & average time (years) from founding to first unicorn round in US

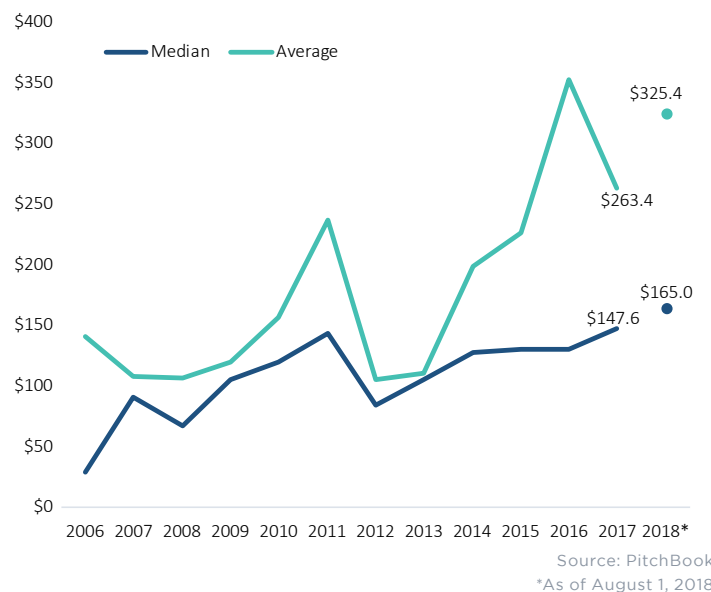


6 years

Over the past few years, it's taken the median unicorn less and less time to achieve that status; it should be noted that the average still has held steady, suggesting a few still take at least more than a year longer.

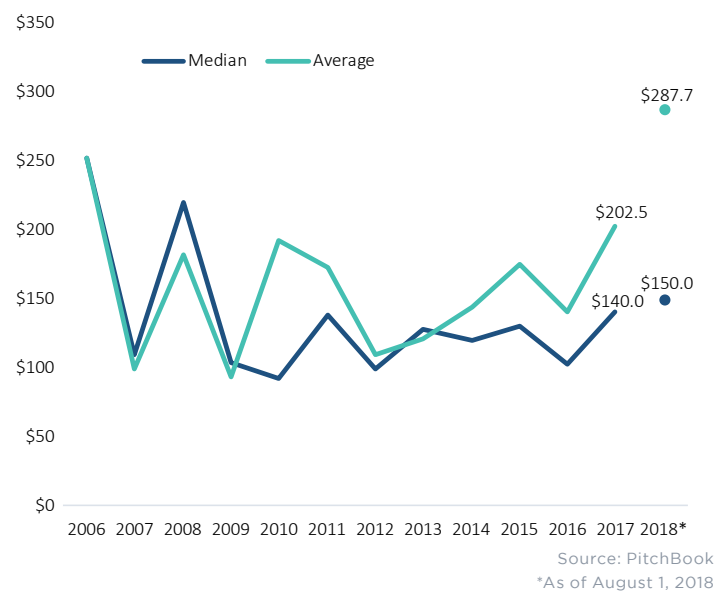
Unicorns consistently raise hefty sums

Median & average VC financing size (\$M) of all US unicorn rounds



The last slew of rounds has been massive

Median & average VC financing size (\$M) of first US unicorn round

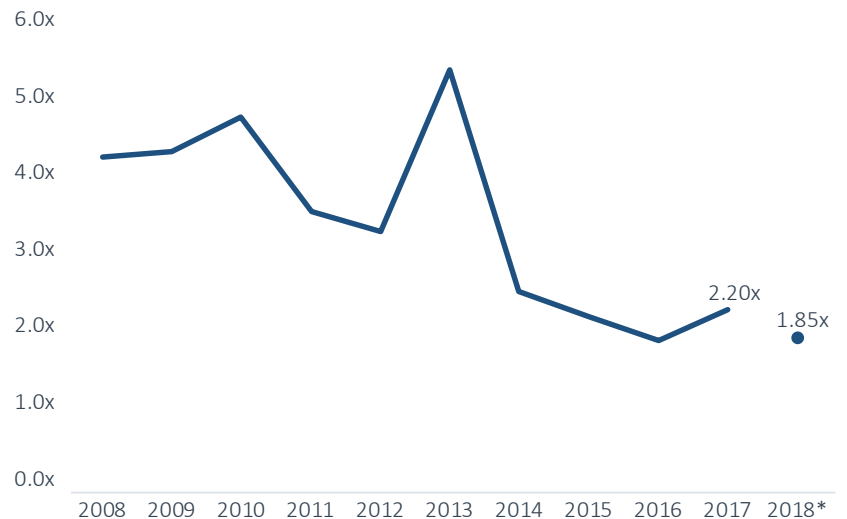


1.85x

As VC invested grew at a rip-roaring pace over the decade, more companies were able to command higher valuations more swiftly and prior to achieving unicorn status

After an early surge in the decade, the profundity of capital abundance as of late has helped shrink step-up multiples

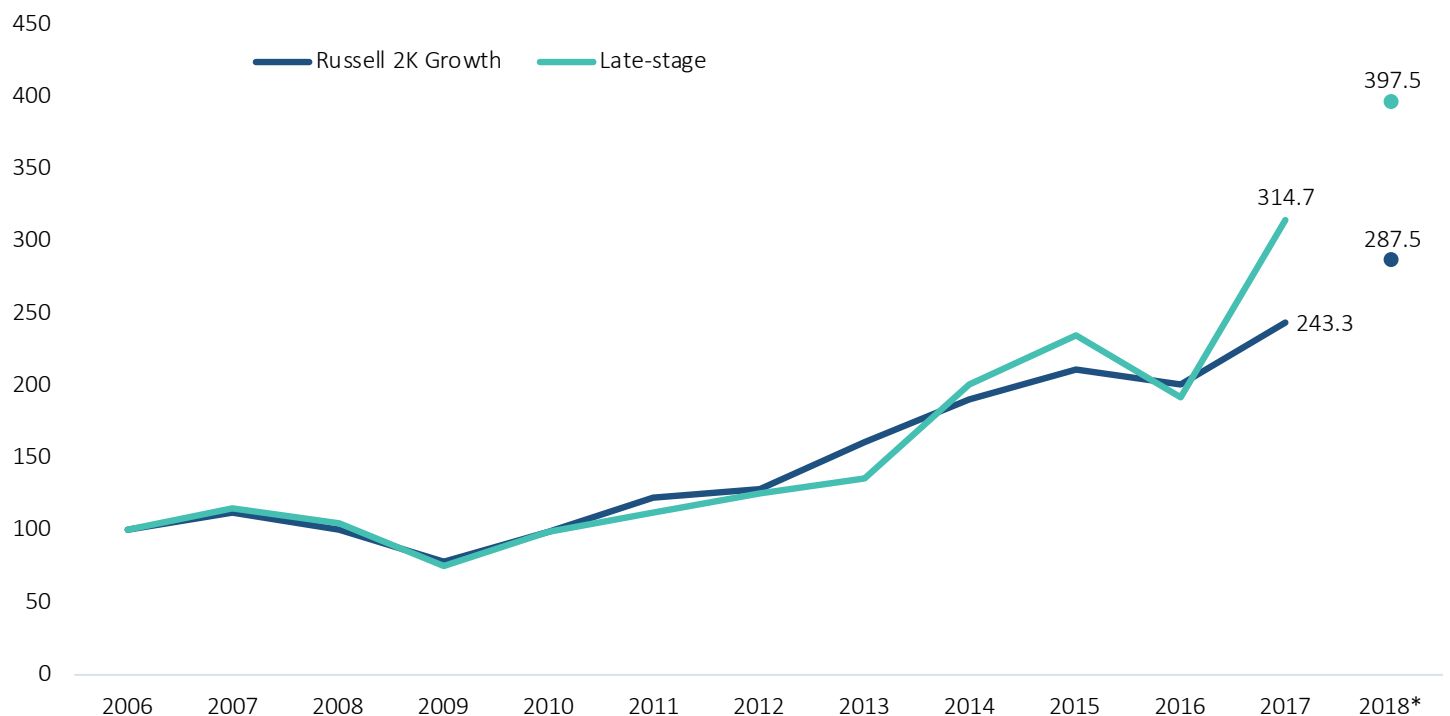
Median valuation step-up multiple for US unicorns between pre-unicorn and unicorn round



Source: PitchBook
*As of August 1, 2018

Value creation via growth investing is increasingly concentrated in private markets

Median Russell 2000 Growth Index versus median Series D or later post-valuation growth* in US



Source: PitchBook
*As of August 1, 2018. Values rebased to 100 in 2006.

Spotlight

Chinese unicorns represent a unique confluence of capital & ecosystem

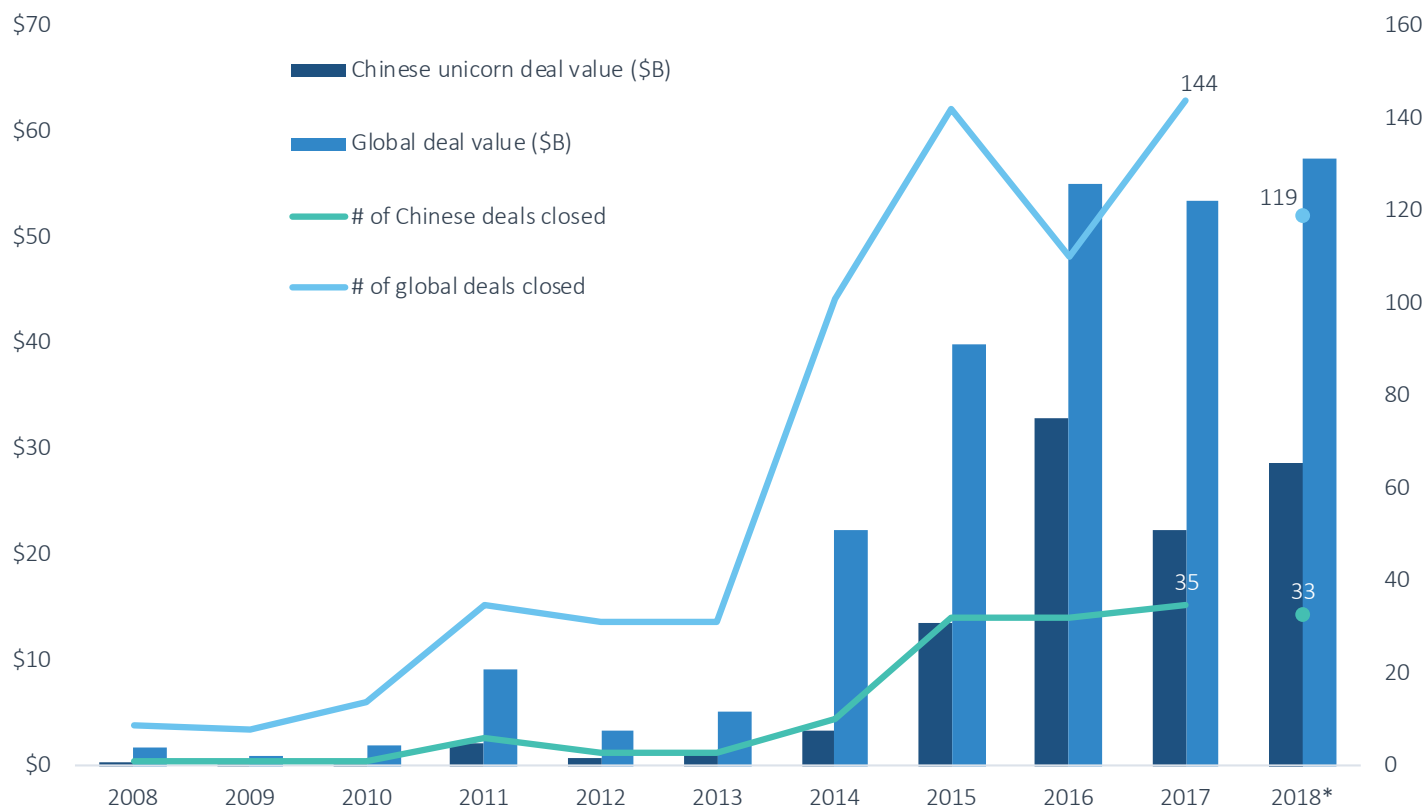
The Chinese startup ecosystem is awash in capital—2018 has already seen the largest private financing ever within the realm of venture capital, the \$14 billion raise by Ant Financial. At this point, the traditional nomenclature and classifications used in venture financing

methodologies is being strained, to say the least. But the fledgling status of such companies, in terms of age and potential market penetration, does often result in their raises being truly early-stage if somewhat growth rounds. Often benefiting from

funds dispensed by government-related firms, as well as monolithic companies like Tencent, a select if relatively small population of Chinese unicorns are racing to capitalize upon vast potential domestic markets, and show no signs of stopping.

Vast sums of VC have flowed into the coffers of fledgling Chinese tech companies in the past four years

Chinese unicorn activity versus global

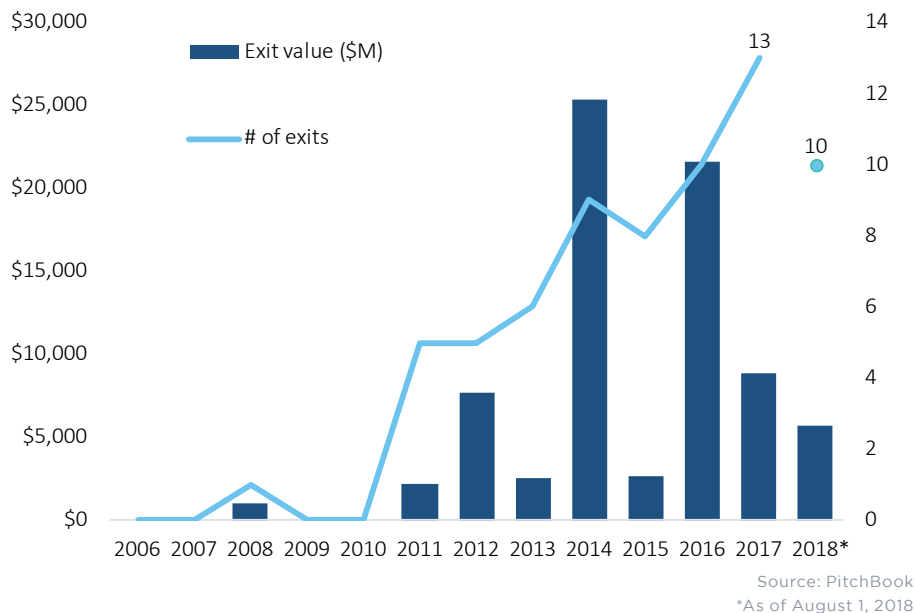


Source: PitchBook
*As of August 1, 2018

Exits

2018 has seen the best pace of unicorn exits ever

US unicorn exit activity

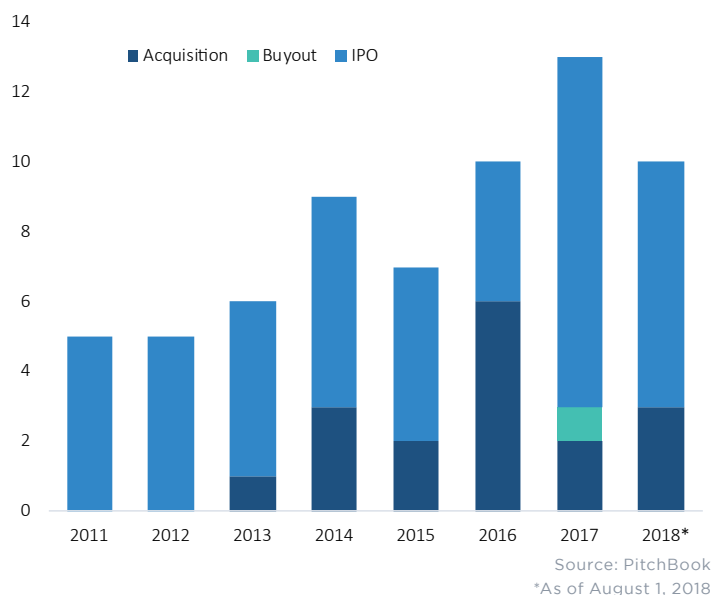


\$76.6B

The aggregate value realized by US unicorns in their exits since 2011

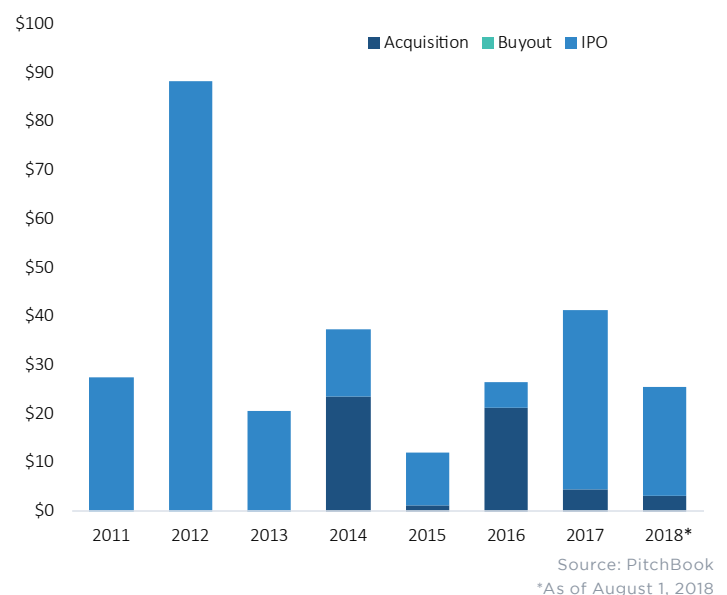
Going public remains the most popular recourse

Exits (#) of US unicorns by type



The value realized by unicorns in exits thus far pales in comparison to illiquid totals

Aggregate exit post-valuation (\$B) of US unicorns by type



Select unicorn statistics

Company	Amount raised to date (\$M)	Amount raised in past 12 months (\$M)	Employee count	# of active investors
Uber	\$13,188.06	\$1,250.00	16,000	152
Lyft	\$4,912.36	\$2,300.00	1,800	101
WeWork	\$4,686.93	\$3,000.00	5,000	24
Airbnb	\$3,403.13		4,000	74
Palantir Technologies	\$2,752.60		2,000	81
Magic Leap	\$2,350.22	\$963.00	1,400	30
Faraday Future	\$2,300.00	\$2,000.00	1,000	2
SpaceX	\$1,973.93	\$664.00	7,000	40
Moderna Therapeutics	\$1,962.90	\$625.00	600	24
SoFi	\$1,876.62		1,300	50
Opendoor	\$1,645.06	\$1,535.00	700	33
Grail (Biotechnology)	\$1,611.66	\$1,511.66		34
Pinterest	\$1,446.33	\$150.00	1,300	66
Intarcia Therapeutics	\$1,433.52	\$615.00	271	39
JUUL Labs	\$1,346.50	\$1,346.50		3
Wish	\$1,250.33		900	46
Instacart	\$1,073.82	\$350.00	305	40
Oscar	\$903.92	\$165.00	153	34
DraftKings	\$898.84		425	41
Theranos	\$810.41		60	27
Slack	\$800.69	\$250.00	1,000	40
23andMe	\$790.68	\$550.00	300	36
Zoox	\$790.00	\$500.00	500	13
Compass	\$775.24	\$550.00	400	25
Planet	\$772.46	\$575.00	201	30

Source: PitchBook
*As of August 1, 2018

Unicorn league tables

Top investors in current unicorns by count

Kleiner Perkins	22
GV	22
SV Angel	21
Sequoia Capital	21
Andreessen Horowitz	21
SharesPost	19
Fidelity Investments	19
Wellington Management	19
Khosla Ventures	18
Tiger Global Management	17
New Enterprise Associates	16
Founders Fund	14
T. Rowe Price	14
Accel	14
Baillie Gifford	14
CapitalG	13
The Goldman Sachs Group	12
IVP	12
GGV Capital	12
David Sacks	11
General Catalyst	11
General Atlantic	10
AME Cloud Ventures	10

Source: PitchBook

Top unicorn investors making first deal at angel & seed stage

David Sacks	6
Troy Carter	5
Andreessen Horowitz	4
SV Angel	4
Alexis Ohanian	3
TSVC Capital	3
Jeremy Stoppelman	3
Biz Stone	3
Benjamin Ling	3
Darian Shirazi	3
Jared Kopf	3
Dave McClure	3
Keith Rabois	3
Dave Morin	3
Mark Hager	3
Michael Cheung	3
Felicis Ventures	3
Elad Gil	3
Y Combinator	3
Harjeet Taggar	3
Jeremy Stoppelman	3
TEEC Angel	3

Source: PitchBook

Top unicorn investors making first deal at Series A

Accel	15
SV Angel	14
Khosla Ventures	11
Sequoia Capital	11
Benchmark Capital	9
First Round Capital	8
New Enterprise Associates	7
Lightspeed Venture Partners	7
Union Square Ventures	6
Andreessen Horowitz	6
General Catalyst	6
Draper Fisher Jurvetson Management	6
T. Rowe Price	5
Founders Fund	5
Dave Morin	5
GV	5
Slow Ventures	4
Norwest Venture Partners	4
Millennium Technology Value Partners	4
David Sacks	4
Ronald Conway	4
Thrive Capital	4
Greylock Partners	4
Kleiner Perkins	4
Vinod Khosla	4
Jeremy Stoppelman	4
Bessemer Venture Partners	4
Bezos Expeditions	4

Source: PitchBook

Top unicorn investors making first deal at Series B

Andreessen Horowitz	8
Greylock Partners	8
Kleiner Perkins	8
Khosla Ventures	6
IVP	6
Sequoia Capital	6
The Goldman Sachs Group	6
SV Angel	5
Accel	5
Benchmark Capital	5
General Catalyst	5
GV	5
Fidelity Investments	4
Trinity Ventures	4
GE Ventures	4
AME Cloud Ventures	4
New Enterprise Associates	4
GGV Capital	4
Bessemer Venture Partners	3
BoxGroup	3
Bobby Yazdani	3
Lightspeed Venture Partners	3
Felicit Ventures	3
GSV Capital	3
Founders Fund	3
Vulcan Capital	3
Tiger Global Management	3
Redpoint Ventures	3
US Venture Partners	3
Ronald Conway	3
Scott Banister	3
Northgate Capital	3
Index Ventures (UK)	3

Source: PitchBook

Top unicorn investors making first deal at Series C

Kleiner Perkins	10
Sequoia Capital	8
Tiger Global Management	7
DFJ Growth	7
Founders Fund	7
Fidelity Investments	6
Allen & Company	6
Meritech Capital Partners	6
New Enterprise Associates	6
Salesforce Ventures	5
Comcast Ventures	5
GV	5
Khosla Ventures	5
The Goldman Sachs Group	4
Dragoneer Investment Group	4
Battery Ventures	4
Insight Venture Partners	4
Tenaya Capital	4
IVP	4
Thrive Capital	4
MicroVentures	4
Andreessen Horowitz	4

Source: PitchBook

Top unicorn investors making first deal at Series D+

Fidelity Investments	23
T. Rowe Price	21
Wellington Management	20
SharesPost	17
The Goldman Sachs Group	15
IVP	14
Kleiner Perkins	13
GV	12
MicroVentures	12
CapitalG	11
Baillie Gifford	11
Tiger Global Management	11
General Atlantic	11
New Enterprise Associates	11
Glynn Capital	10
Technology Crossover Ventures	10
Hartford Financial Services Group (Mutual Fund Business)	9
Sapphire Ventures	9
Coatue Management	9
Optimum Asset Management	9
DAG Ventures	8
Andreessen Horowitz	8
Industry Ventures	8
DST Global	8
Variable Annuity Life Insurance Company	8
M13	8

Source: PitchBook

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