



Q2 2021 PitchBook-NVCA Venture Monitor Webinar

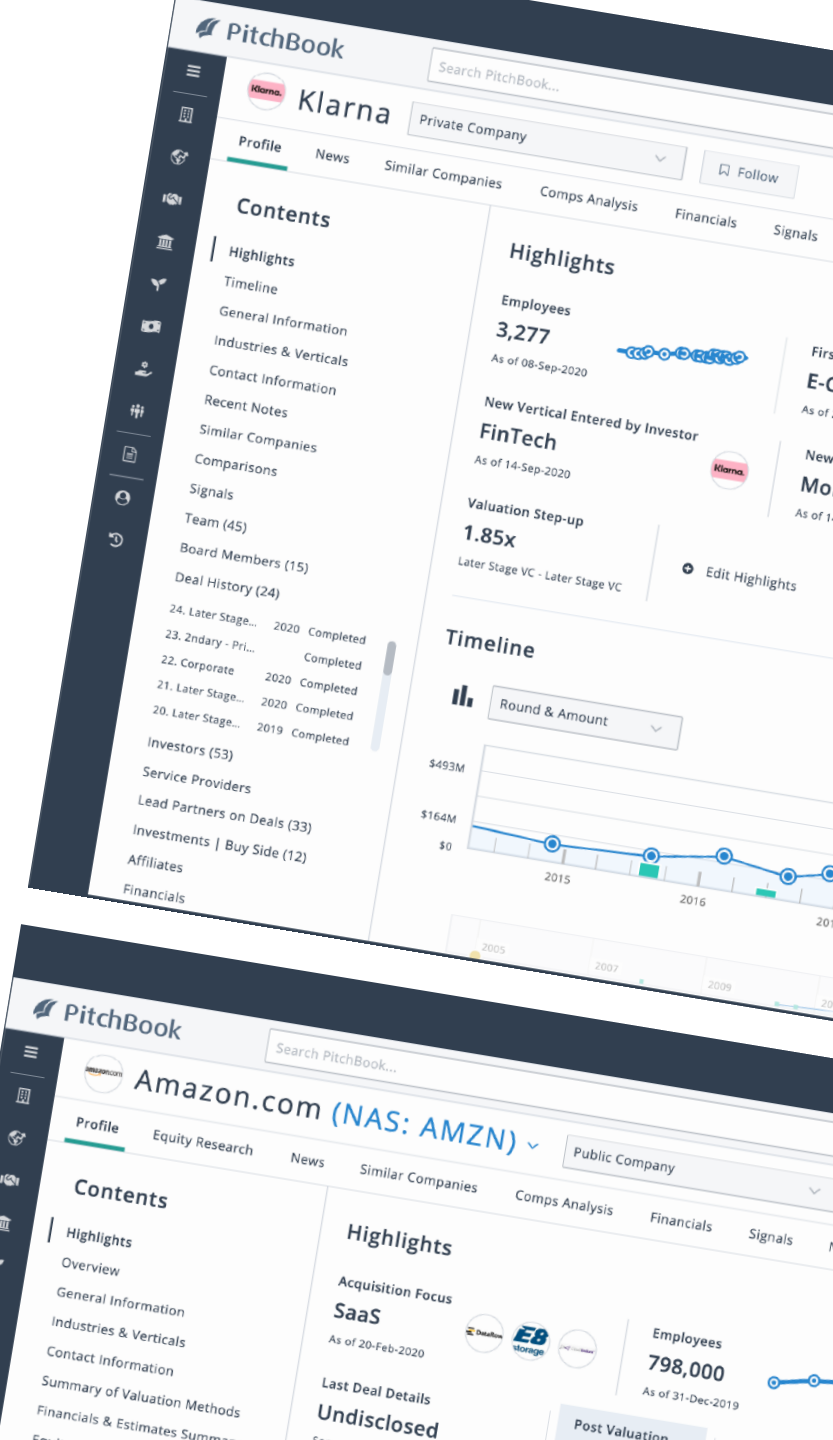
US VC in Q2 2021: Rebounding in full force

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Q2 2021 Venture Monitor Report



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Panel Discussion



Justin Field

SVP of Government Affairs

NVCA



Sunita Patel

Chief Business Development Officer

Silicon Valley Bank

Moderated by Dave Osborne, PitchBook

Key themes

1

Mega-deal activity sets new records on capital investment and deal count

2

2021 already sets new record for VC-backed exit value

3

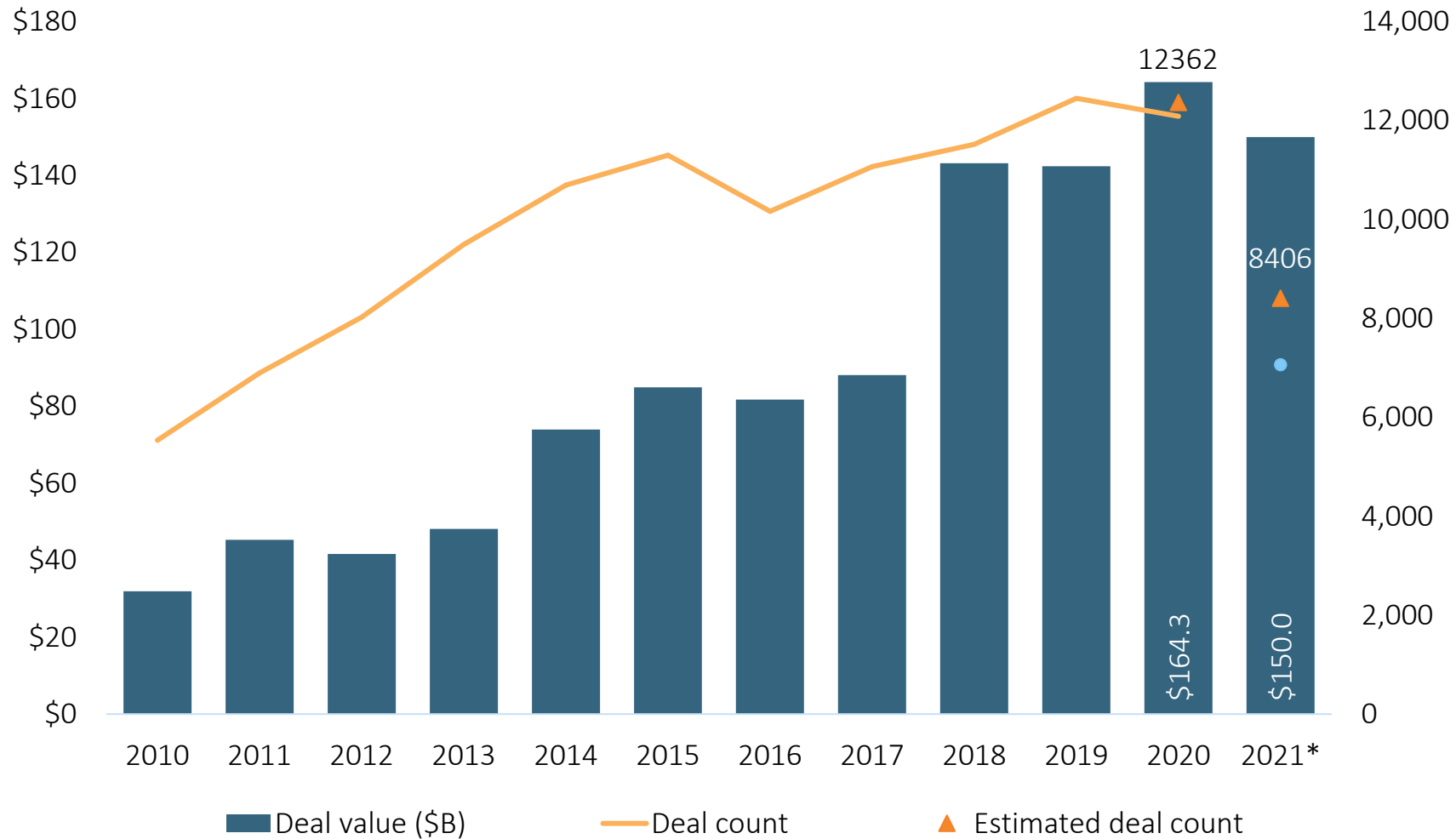
Fundraising likely to clear \$100 billion annually at current pace

Q2 2021

US VC Deal Activity

US VC deal activity

2021 tracking to be venture's best year yet



\$150.0B

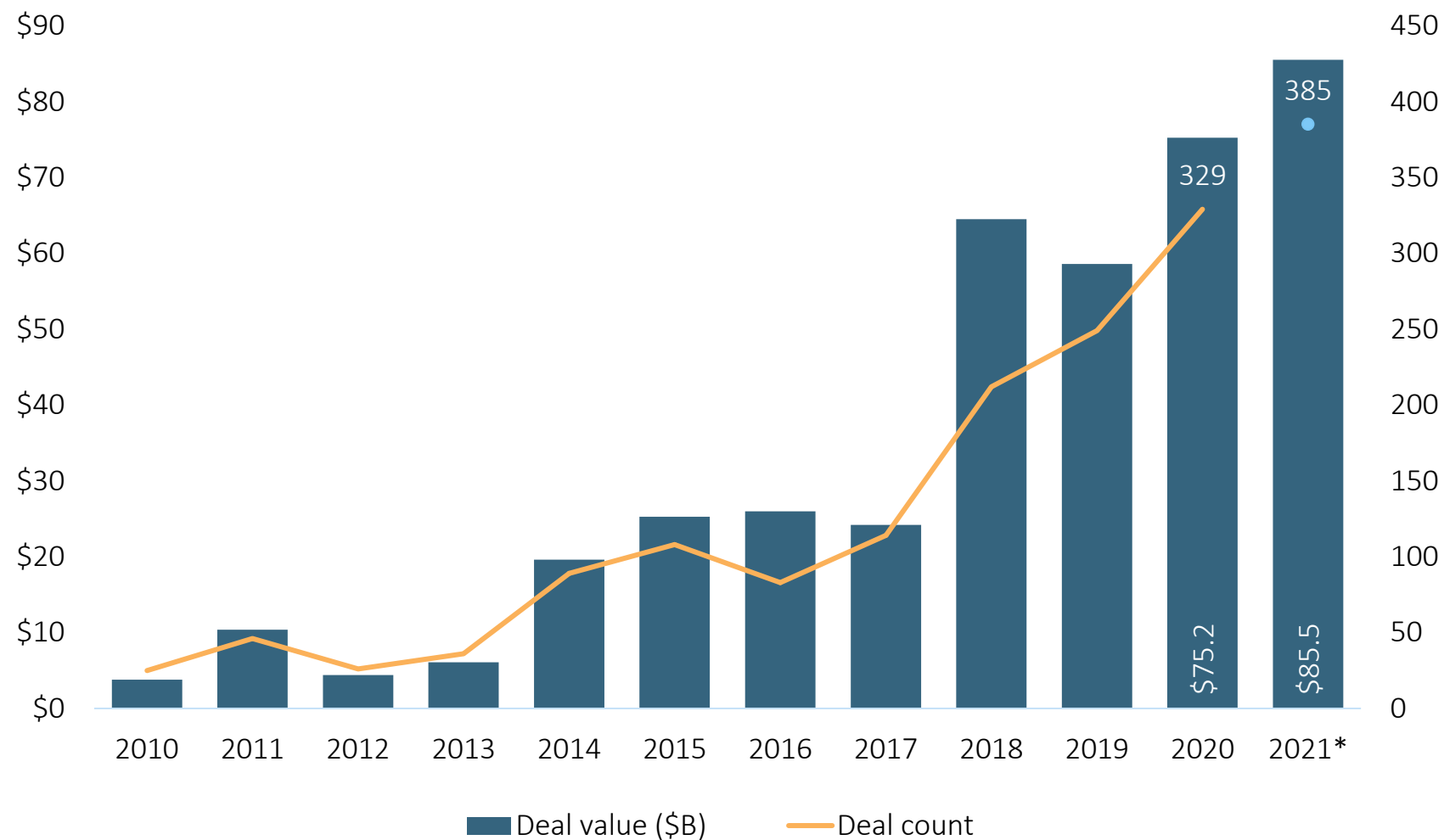
Capital investment in
H1 2021

\$69.1B

Capital investment in
H1 2020 (same time last
year)

US VC mega-deal (\$100M+) activity

Mega-deal activity sets new records on deal count and value basis



385

Mega-deals completed
in H1 2021

Notable Q2 mega-deals



WAYMO

\$2.5B late-stage round

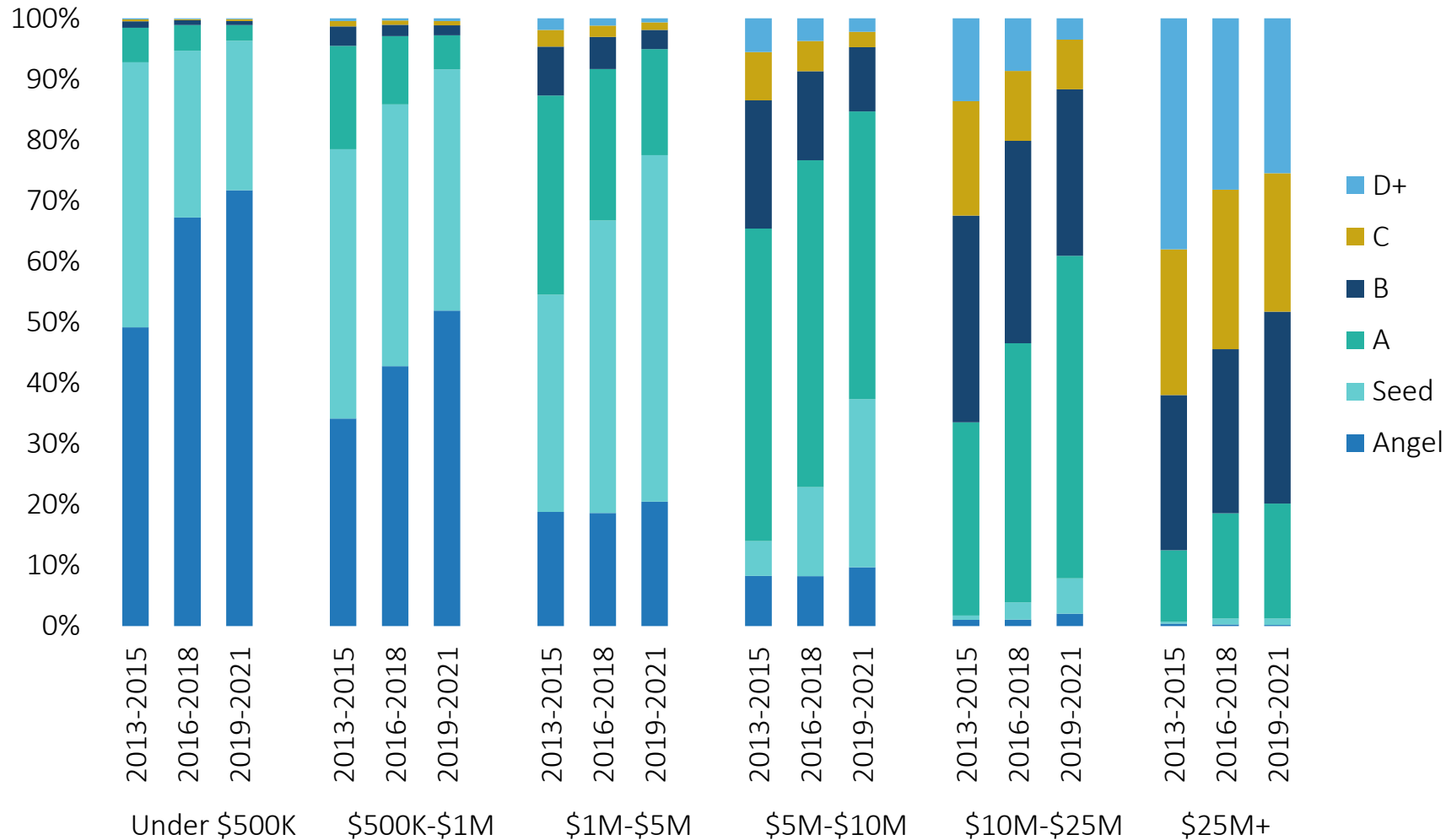


\$1B late-stage round



\$735M Series A

Earliest venture financing rounds getting larger and larger

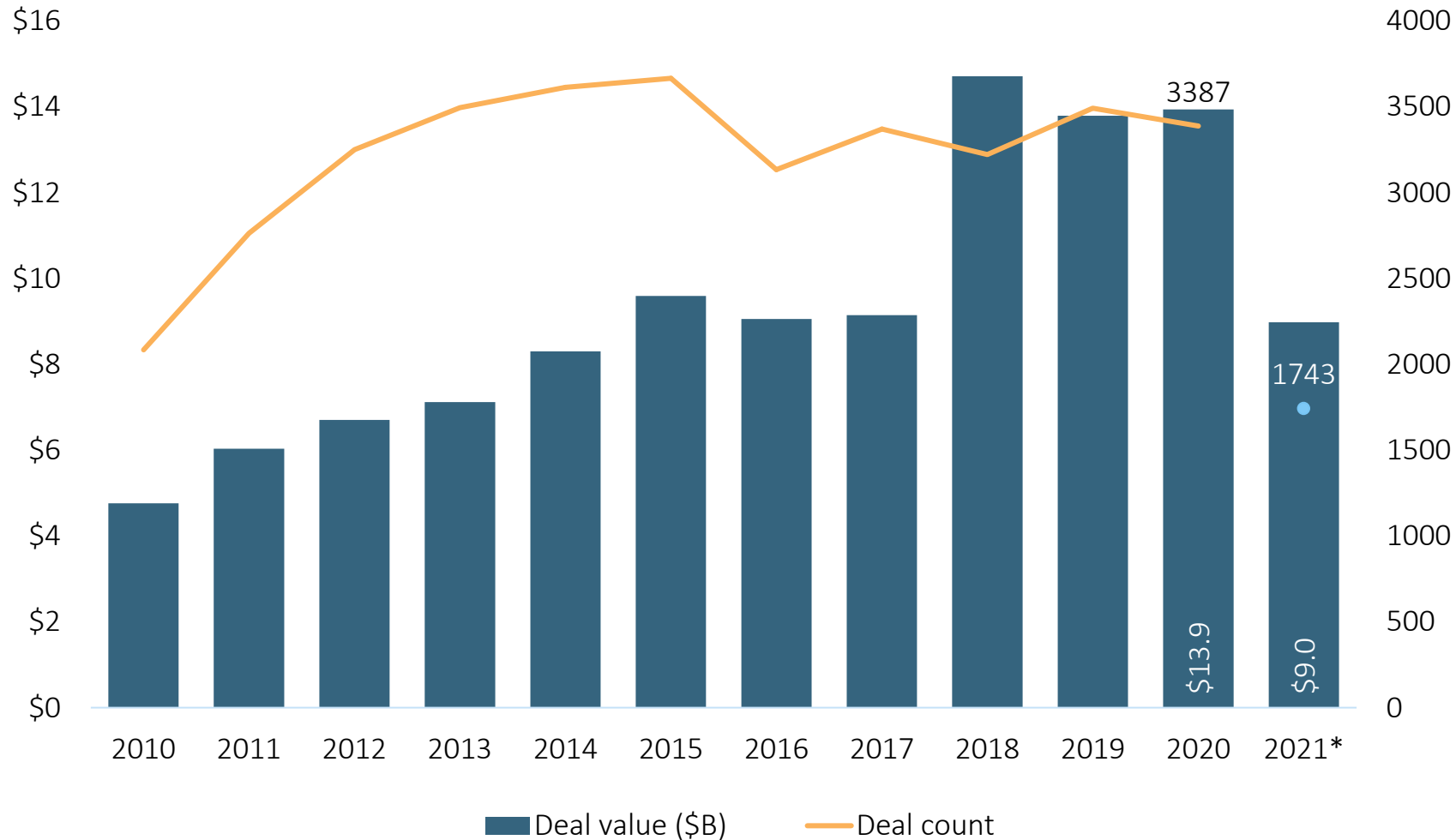


53.1%

Percentage of Series A rounds in \$10M-\$25M deal size bucket since 2019

US VC first-time financing deal activity

First-time financings rebound, on pace to set annual record



51.5%

Percentage of 2021 first-time financings compared to 2020's total

Notable Q2 first-time financings



\$735M Series A

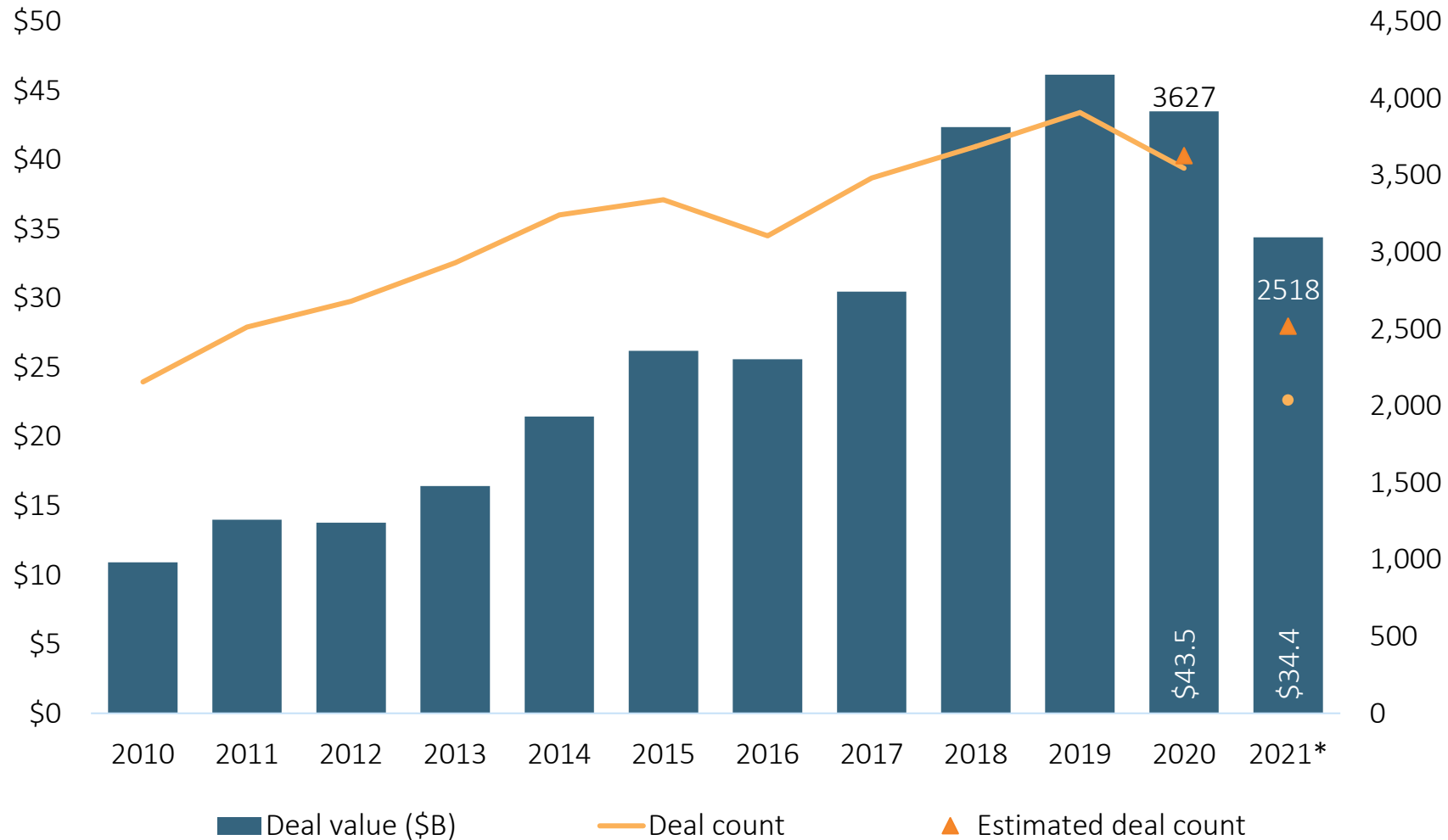


amplifybio

\$200M early-stage round

US early-stage VC deal activity

H1 deal value tracking to set a record



\$19.6B

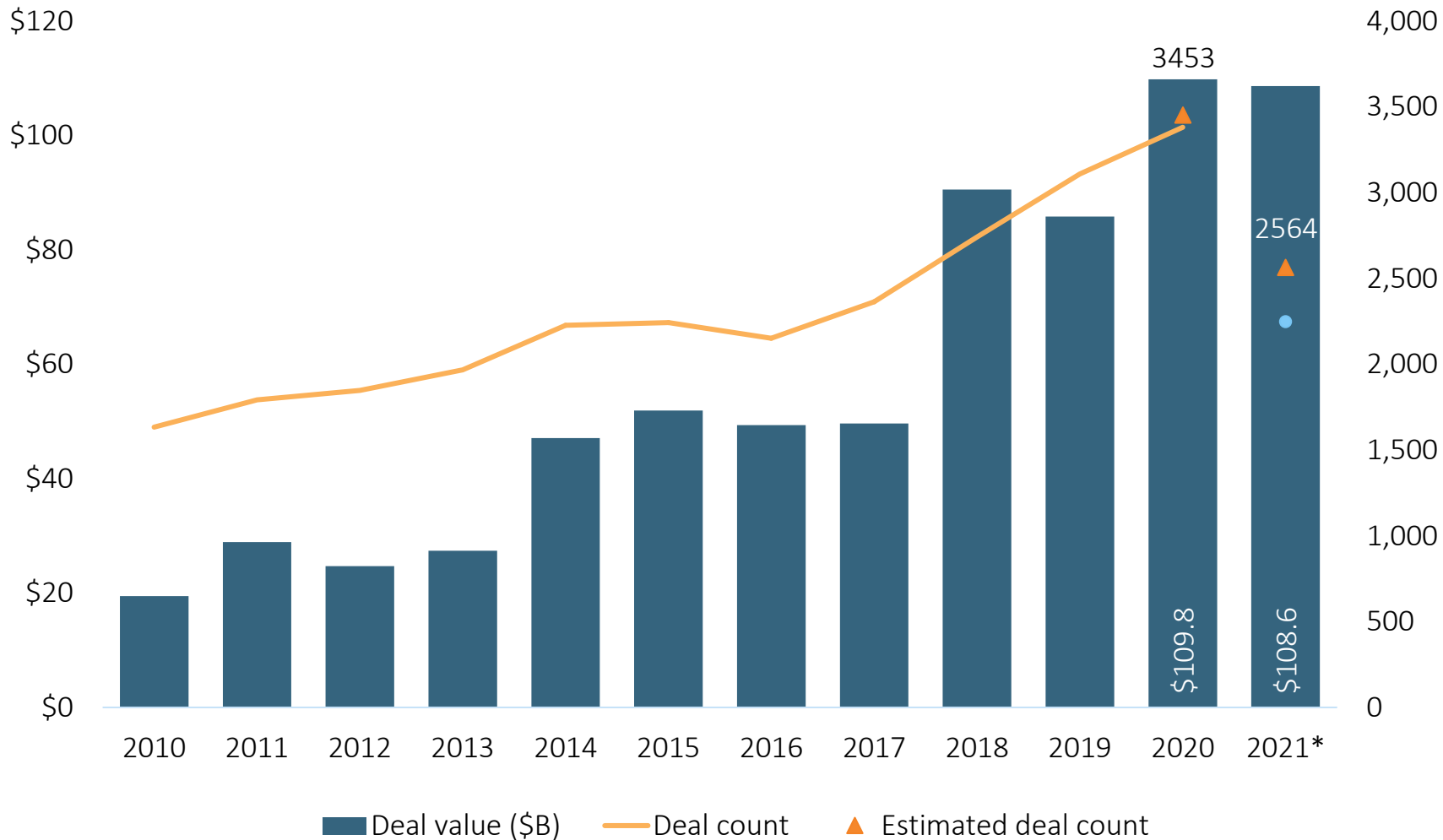
Early-stage VC deal activity in Q2 2021

\$34.4B

Early-stage VC deal activity in H1 2021

US late-stage VC deal activity

H1 2021 matches full year 2020 in terms of capital investment



\$51.7B

Late-stage VC deal activity in Q2 2021

\$108.6B

Late-stage VC deal activity in H1 2021

Understanding deal activity...

“

2021 VC deal value is tracking to crush 2020's record. Do you foresee this trend line continuing into H2?

“

With more than \$7 billion in capital invested in angel and seed deals, and business travel reverting to pre-pandemic levels, do you see first-time financings going up, or have we hit a saturation point?

“

From your viewpoint within Washington and the discussions around new infrastructure packages, what sort of industries or sectors are likely to see an impact if the push is successful?

“

Do you see any industries or sectors that may benefit the most from a greater count of mega-deals coming in at the Series C or D rounds?

“

VC managers are increasingly doubling down on either generalist or specialization strategies. What may be causing this? How might this play out for both investors and founders?



Concerning hedge funds, can you share some of your insights around this increased activity and appetite for VC deals?

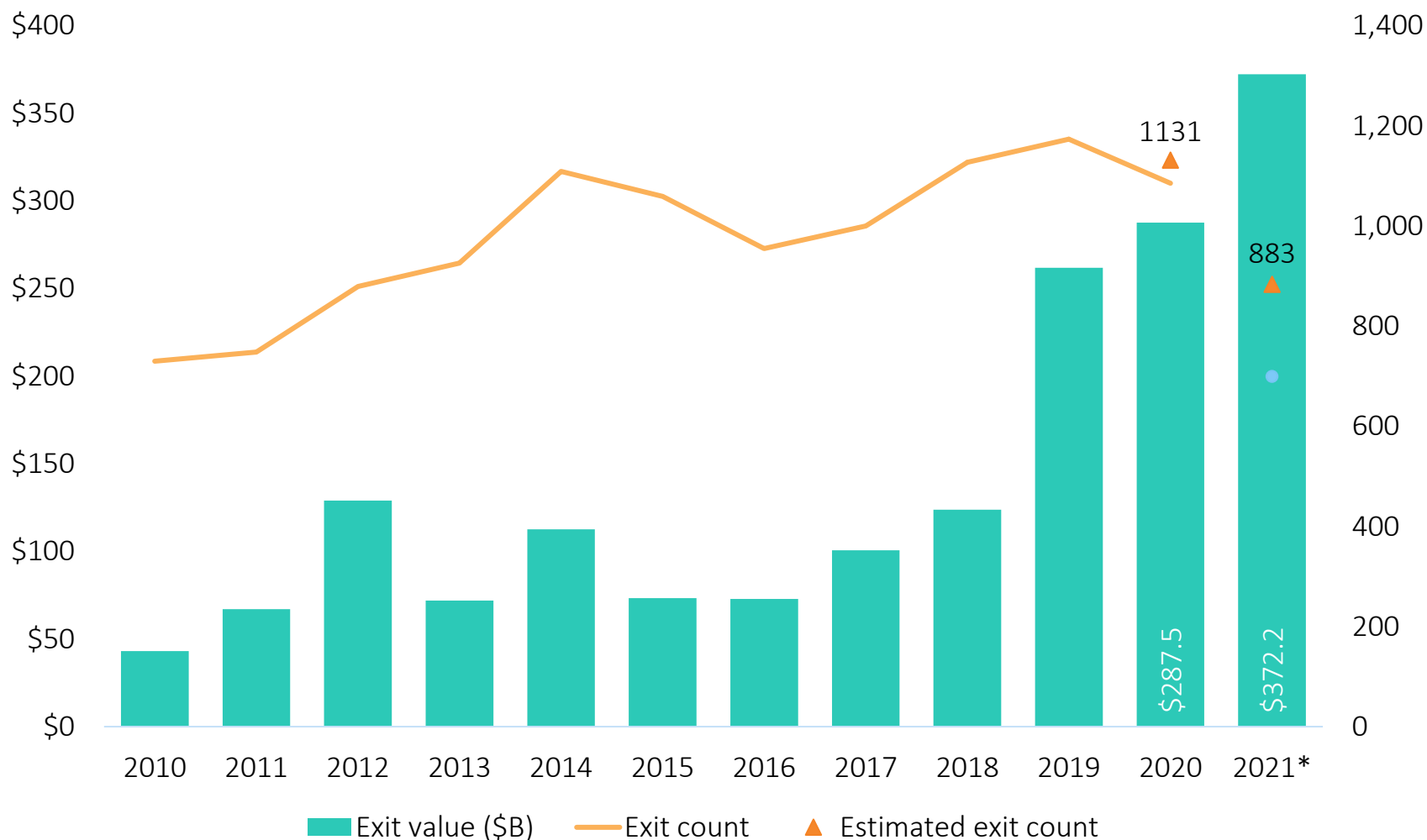
Do you think we'll see a pull back from “nontraditionals” as yields start to tick up and less risky sources of alpha come into play again?

Q2 2021

US VC Exit Activity

US VC exit activity

2021 already sets new record for exit value



\$372.2B

VC exit value in H1 2021

Notable Q2 exits

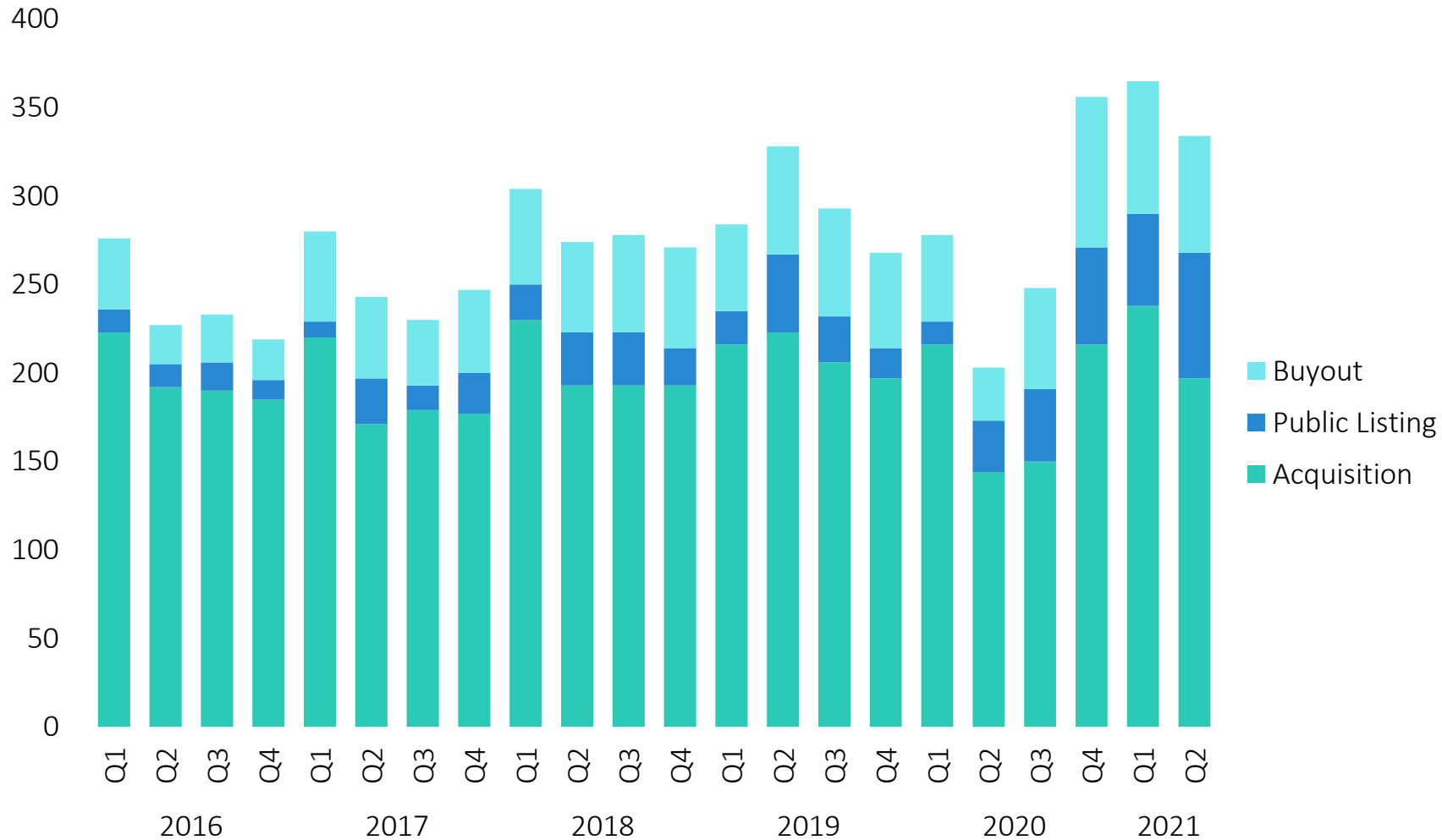
coinbase
\$85B direct listing

UiPath
\$27.7B IPO

MARQETA
\$13.1B IPO

US VC exit count (#) by type

Acquisitions account for lion's share of exit count, but...

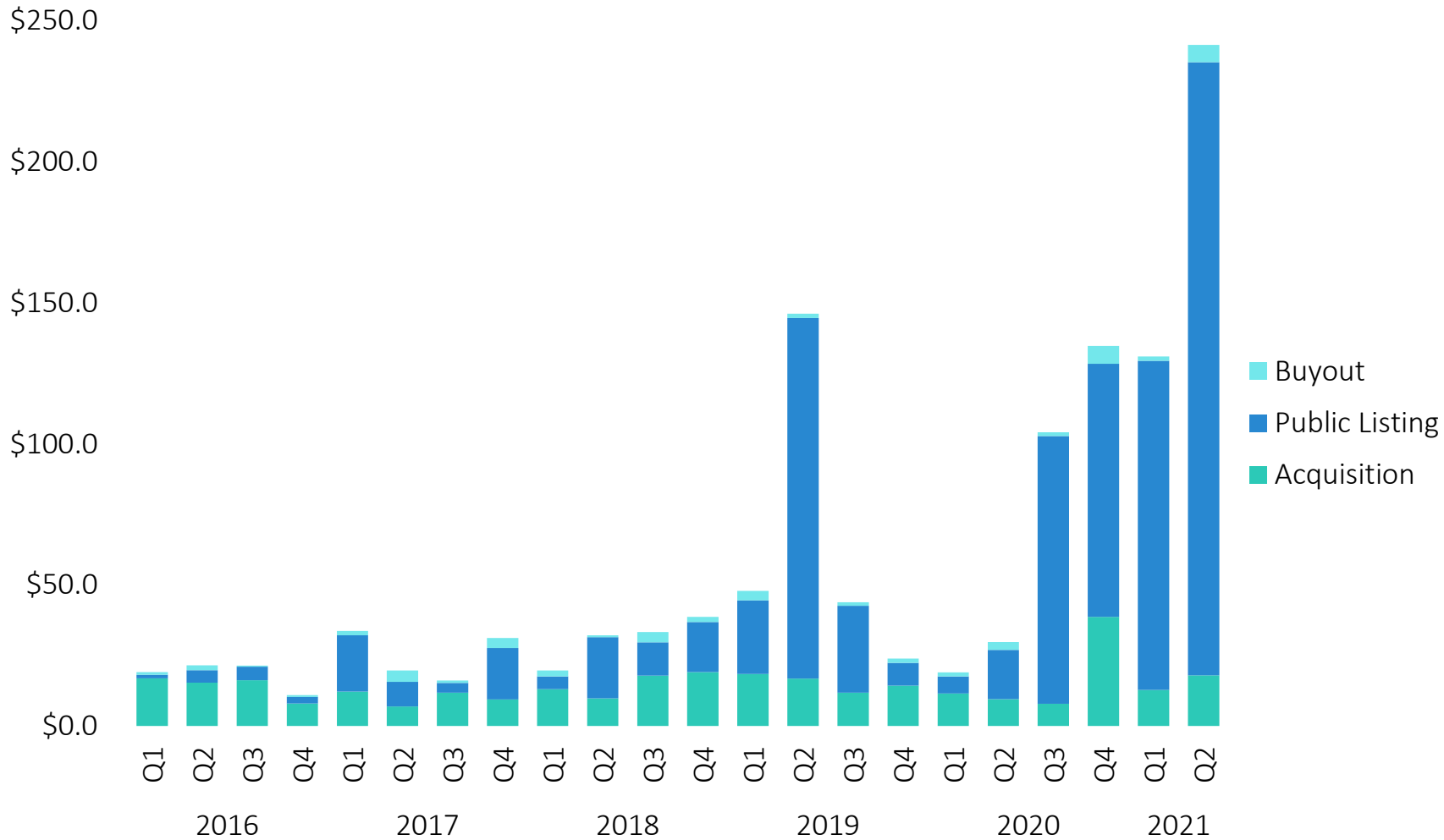


59.0%

Percentage of exits in Q2 that were acquisitions

US VC exit value (\$) by type

...public listings continue to dominate exit value



90.0%

Percentage of exit value in Q2 attributed to public listings

Exit activity in Q2...

“

With the high exit activity we've seen, what's the latest word on the Hill regarding capital gains and carried interest taxes?

“

Can you share your insights regarding several antitrust bills that have been introduced to slow or halt acquisitions by Apple, Alphabet, Amazon, and Facebook?

“

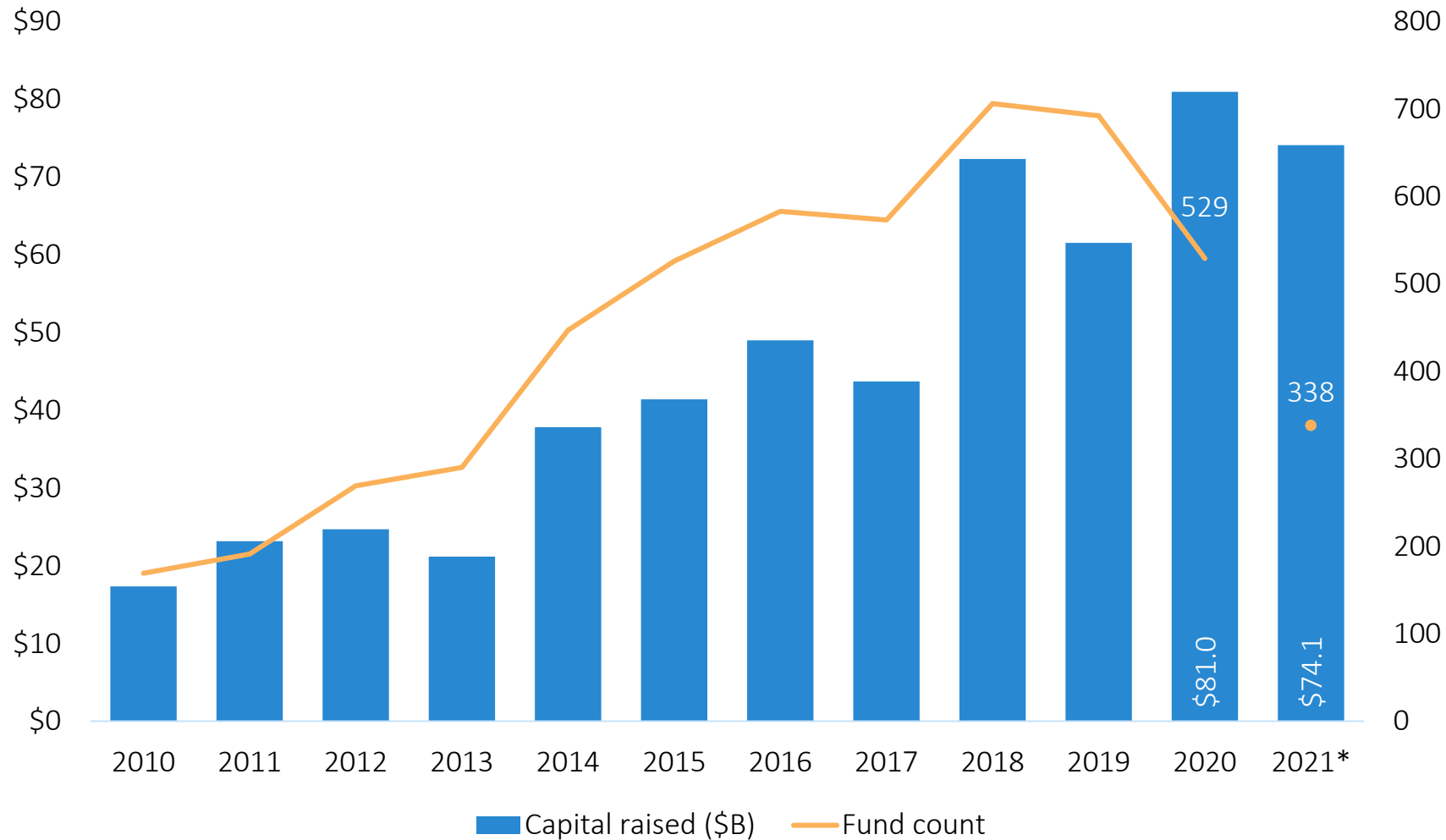
Can you talk about the inherent decoupling between the US and China in terms of how governments have become more integrated with oversight of private companies?

Q2 2021

US VC Fundraising Activity

US VC fundraising activity

Fundraising likely to clear \$100 billion annually in 2021



\$74.1B

New capital raised in H1

Notable funds closed in Q2



\$3.4B Fund VII



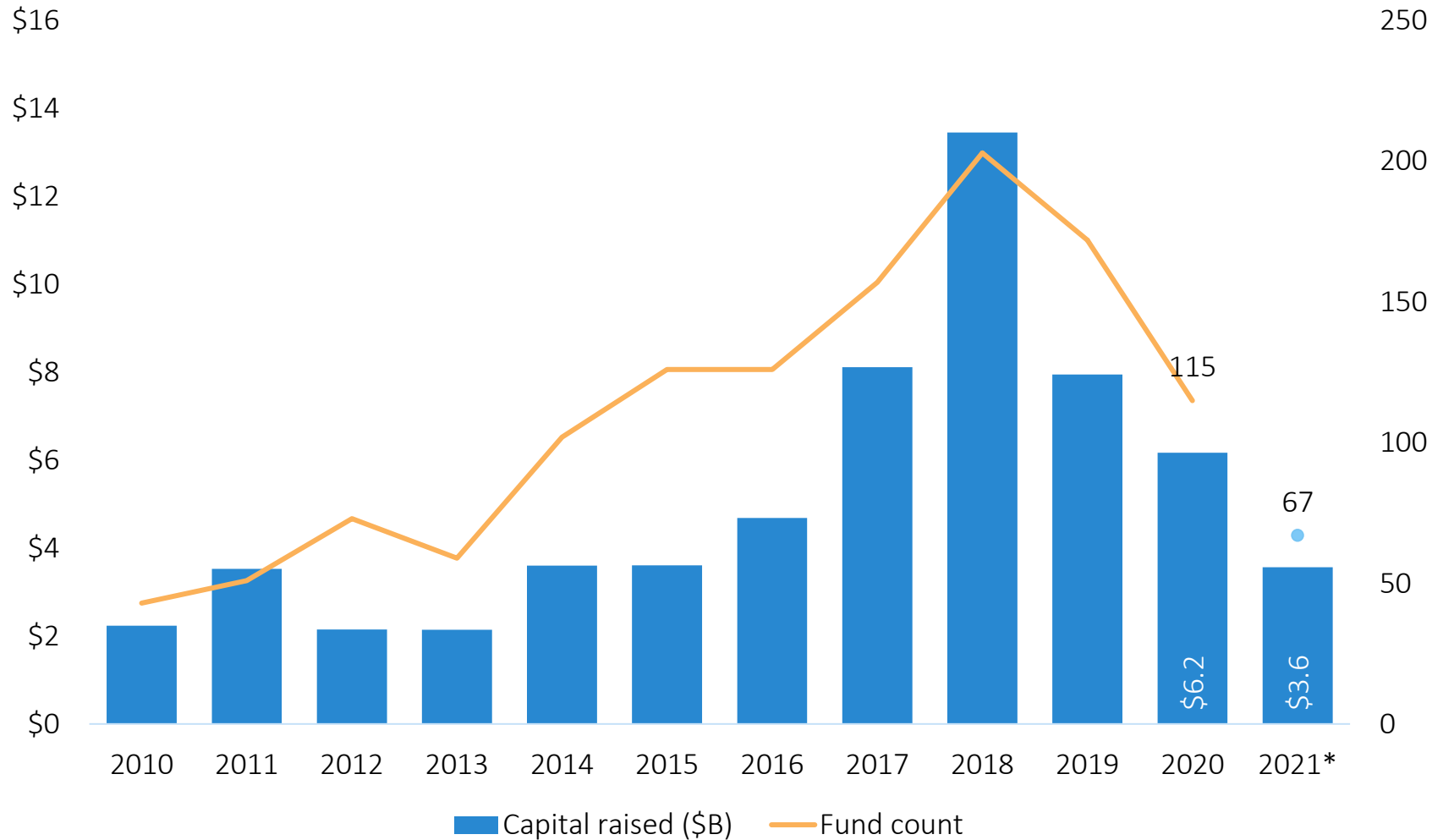
\$2.4B Leaders Fund III



\$2.2B Crypto Fund III

US VC first-time fundraising activity

First-time funds begin to emerge post-pandemic

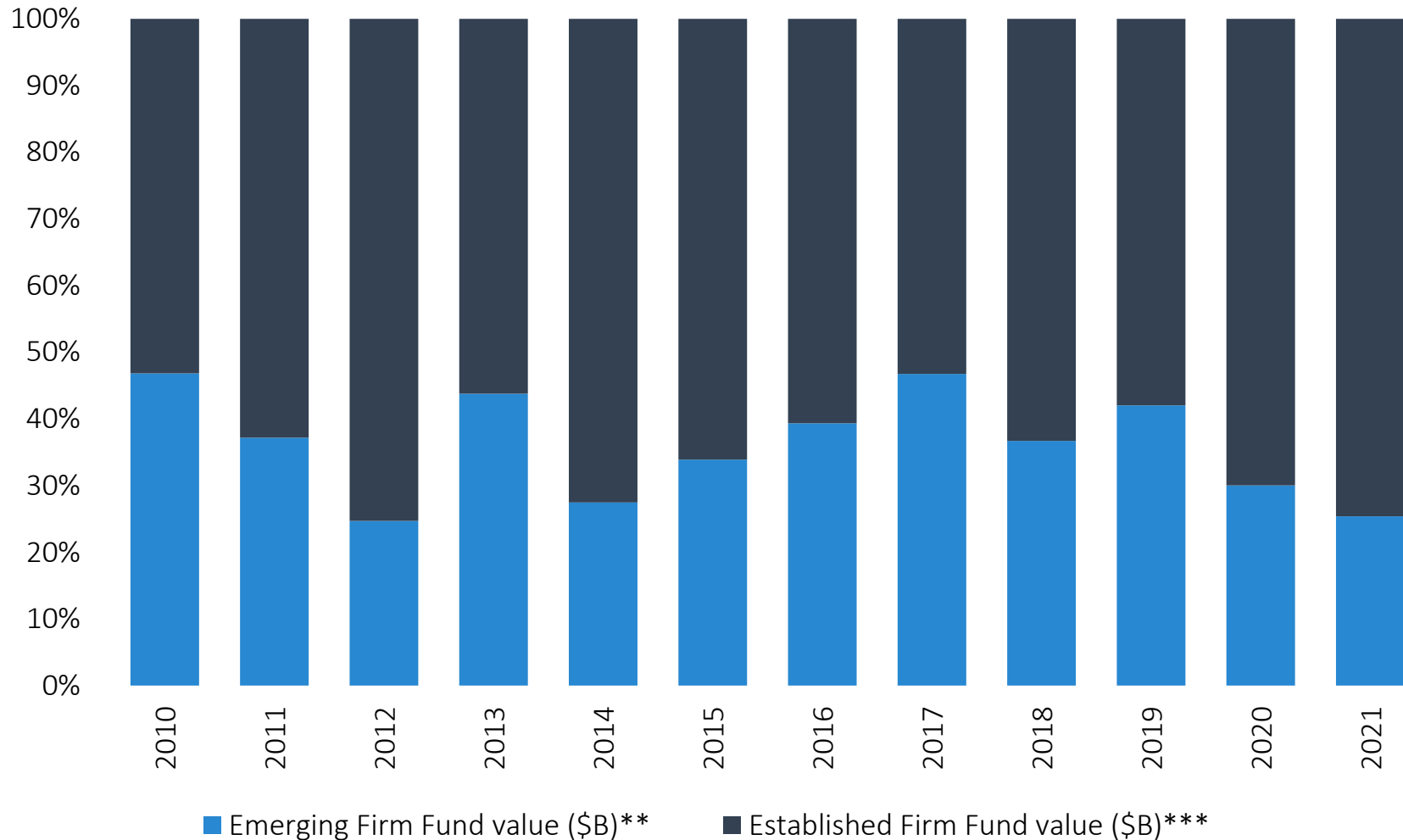


\$3.6B

First-time funds raised in
H1 2021

US VC funds (\$) by emerging and established firms

Fundraising by established firms continues to be robust

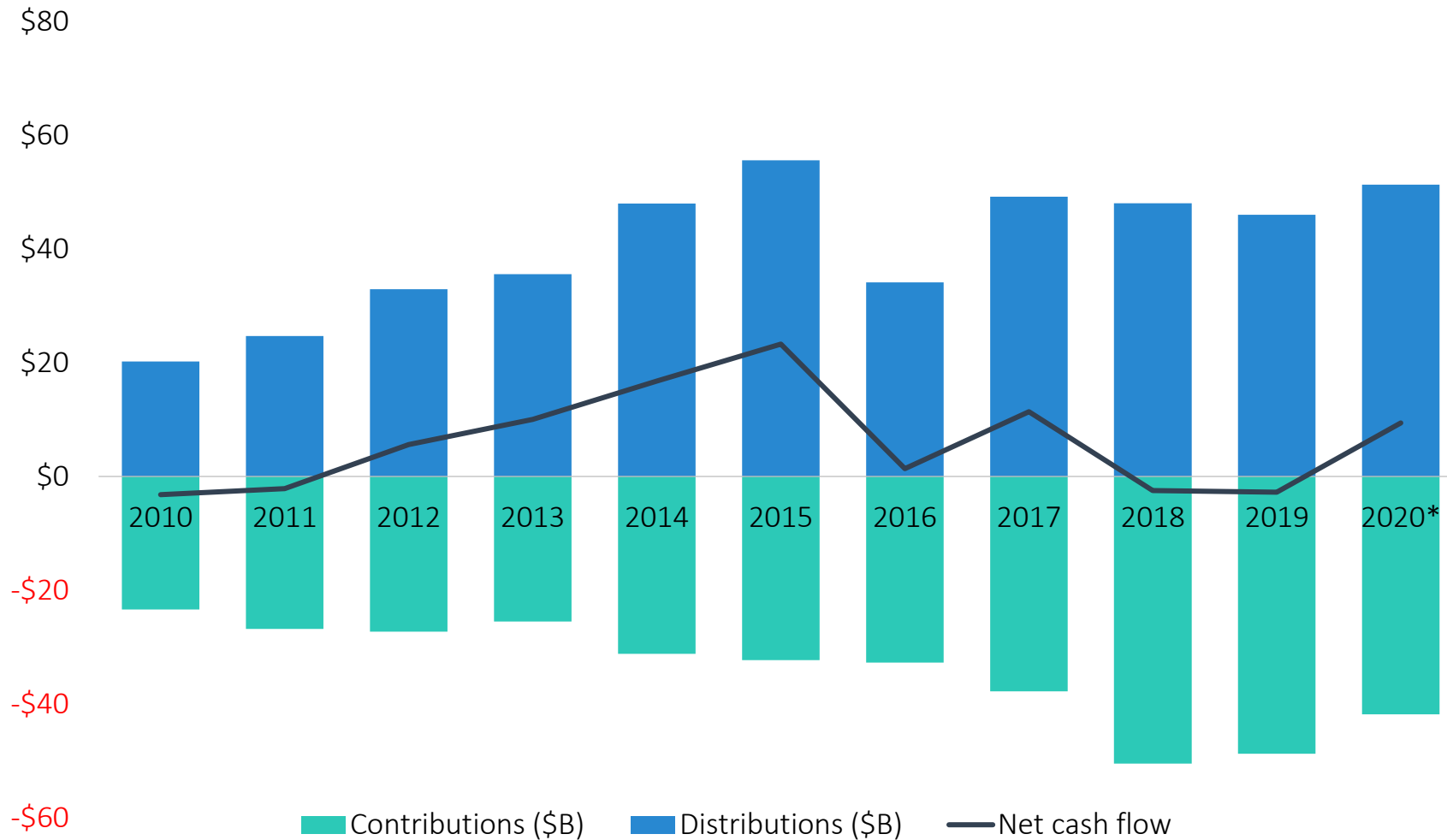


74.6%

Percentage of capital raised by established VC firms (those with four funds or more)

US VC cash flows (\$B) by type

Near-record distributions drive positive cash flow to LPs



\$51.3B

Distributions to LPs in
2020 (as of September 30,
2020)

Fundraising in Q2...

“

Can you tell us about the fundraising trends you are seeing as the Biden administration focuses on increased innovation in renewable energy, economic opportunity, and competition with China?

“

Are there downsides to “too much dry powder”? Does an overabundance of capital pose significant challenges to you, as investors, as policymakers, for the industry?

“

Do you think we've reached a point where venture is evolving into something new, dare we say unrecognizable?

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