

Q3 2023 PitchBook-NVCA Venture Monitor Webinar

November 9, 2023

Featuring



Andy Kelly

Managing Director and
Relationship Executive,
Venture Capital Coverage
J.P. Morgan



Donna JW Hare

Sr. Business Performance
Consultant
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Victor Boyajian

Global Chair, Venture
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Heather Gates

Audit and Assurance
Private Growth Leader
Deloitte & Touche LLP



Max Navas

Research Analyst, Venture
Capital
PitchBook

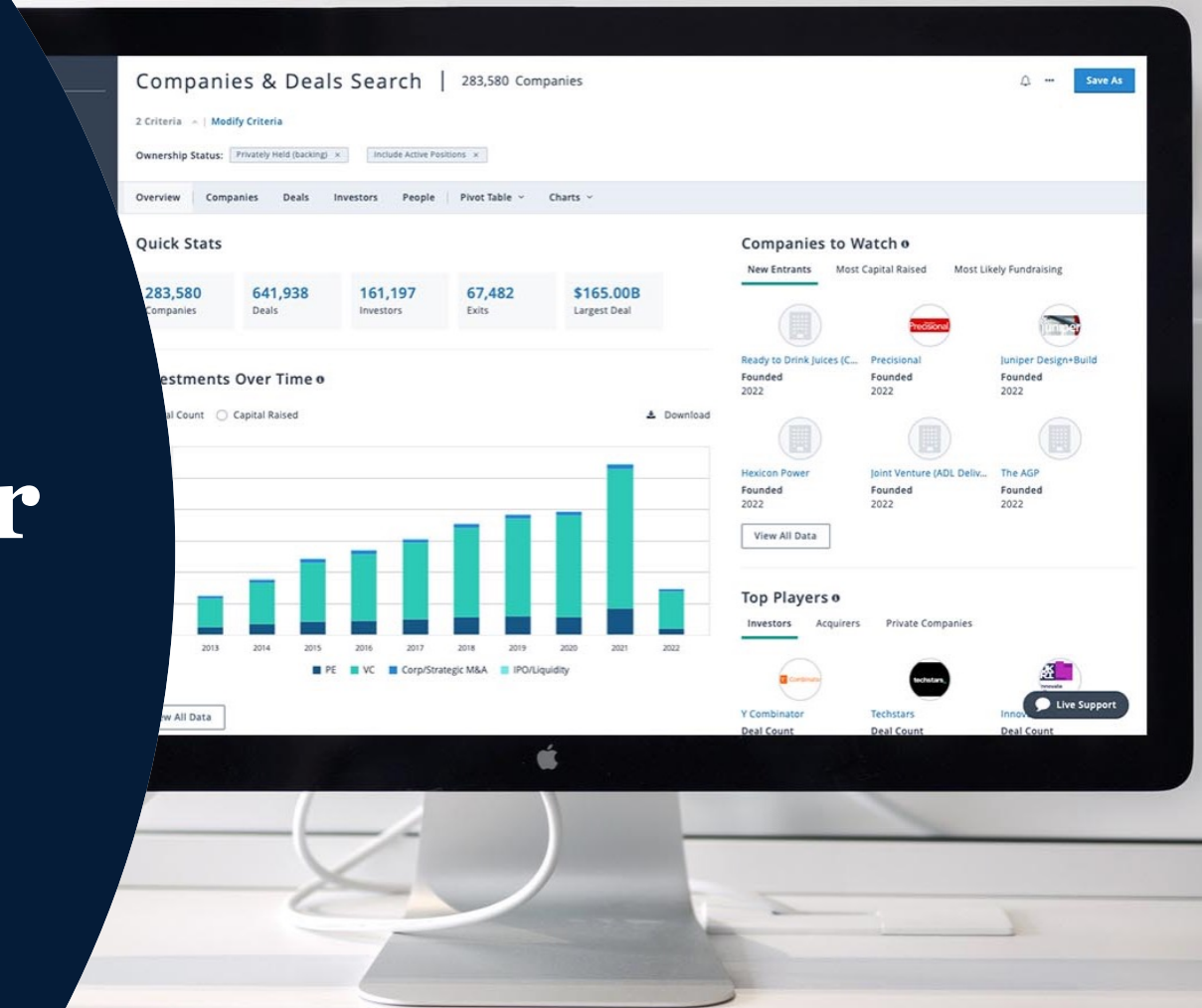


Shiloh Tillemann-Dick

Research Director
NVCA



PitchBook: The leading resource for public and private market analysis

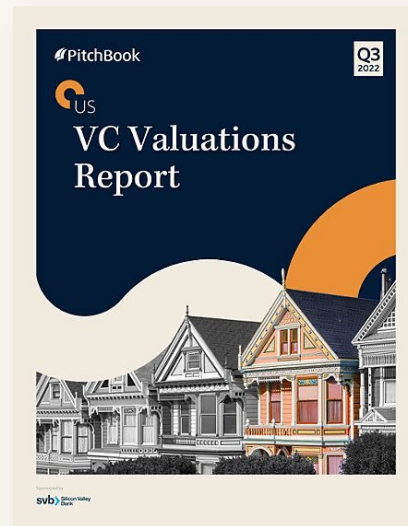




Relevant reports



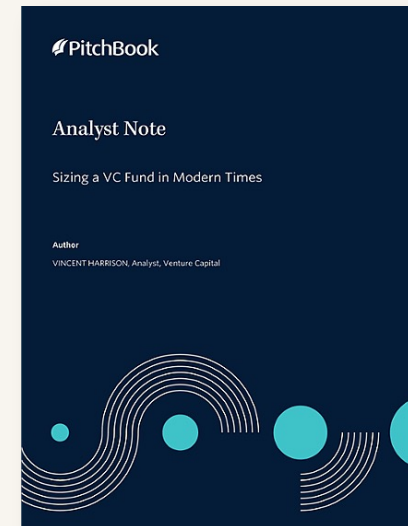
[Q3 2023 PitchBook NVCA
Venture Monitor Report](#)



[Q3 2023 US VC Valuations
Report](#)

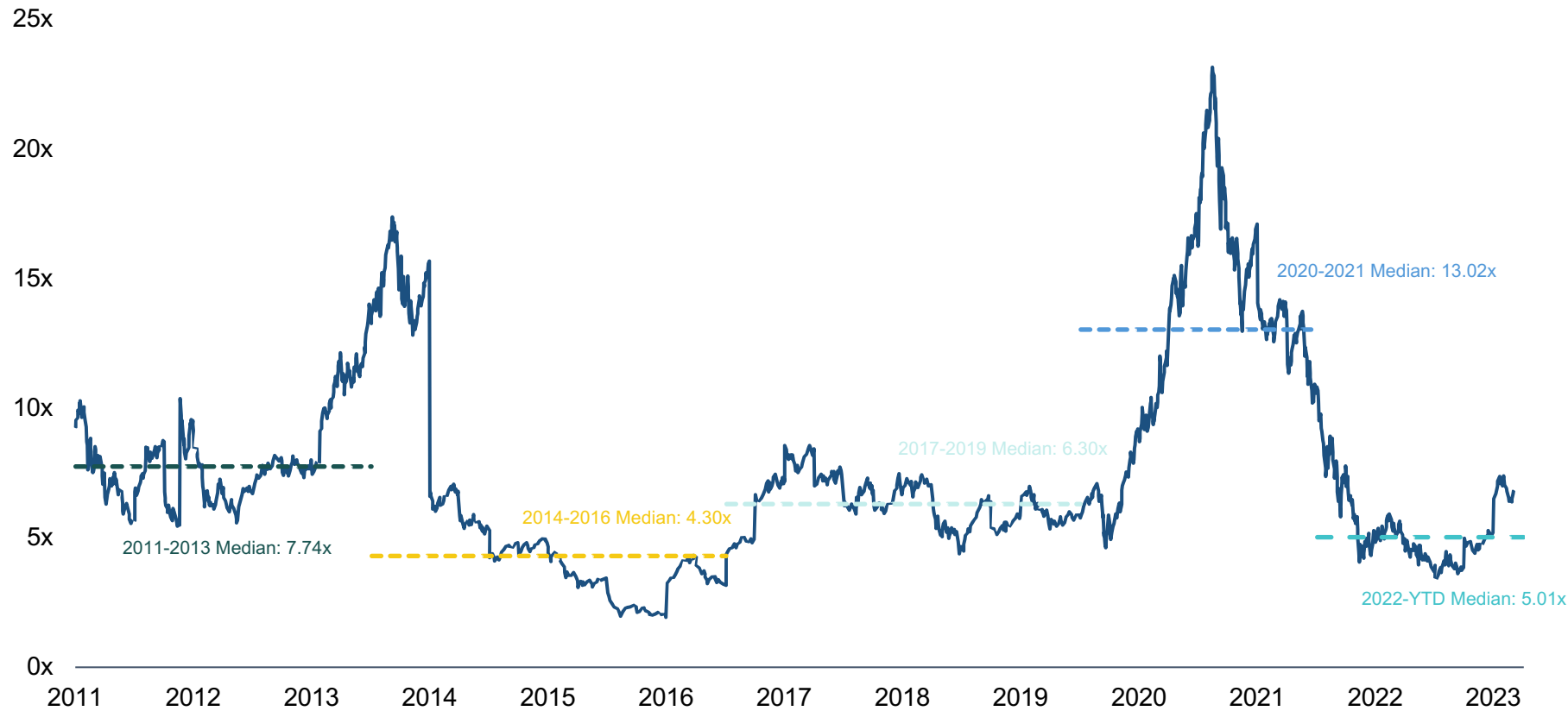


[Analyst Note: The Seed Blip](#)



[Analyst Note: Sizing a VC
Fund in Modern Times](#)

TTM price-to-sales multiple of VC-backed IPO Index – excluding Pharma & Biotech



Source: PitchBook | Geography: U.S.
*As of 9/30/2023



25x

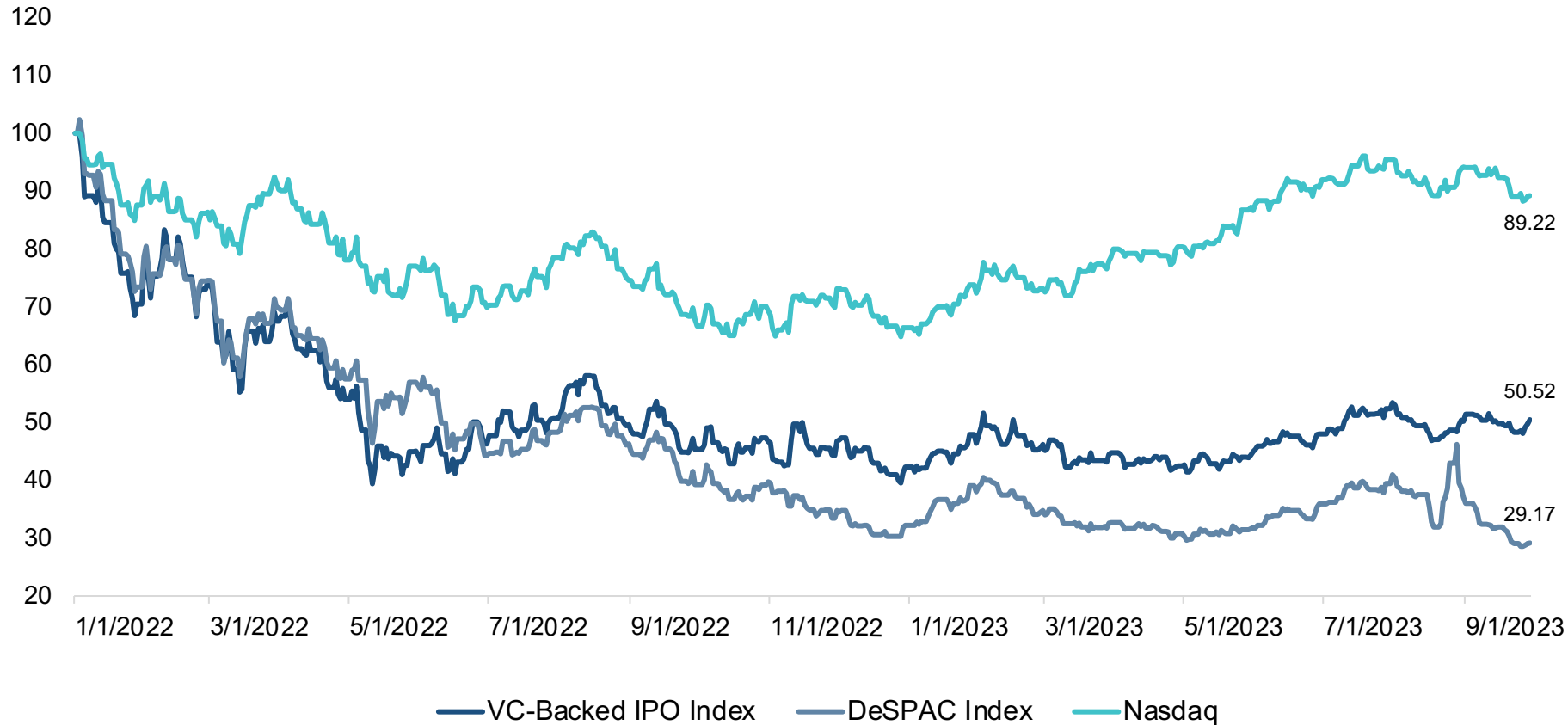
Door Dash P/S
multiple at 2020
listing, now at 4x



3.8X

Instacart P/S
multiple of at
2023 listing

VC-backed and DeSPAC IPO Index values rebased to 100 in 2022

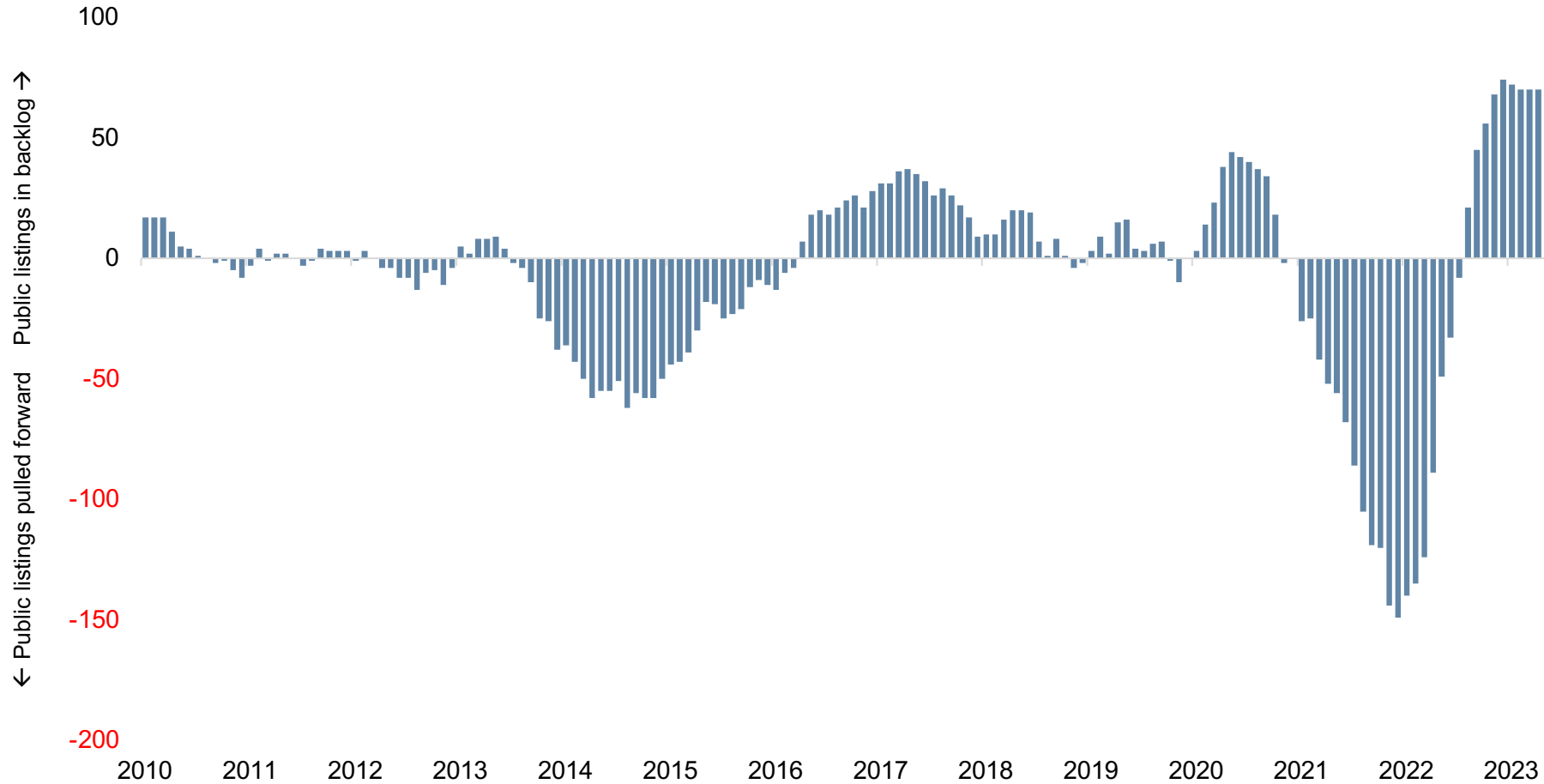


VC-backed index
down roughly 50%

DeSPAC index
down roughly 71%

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

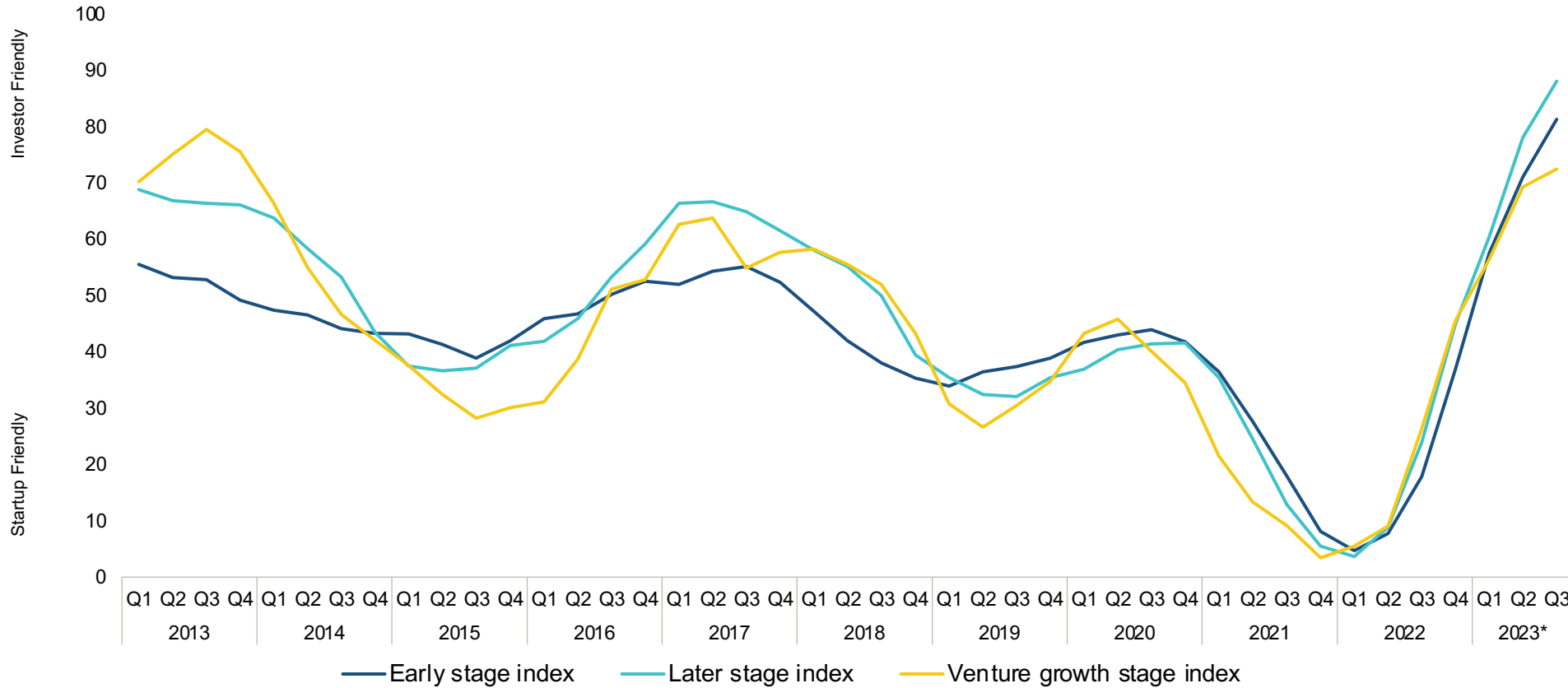
VC IPO Backlog



75
Estimated IPOs in
backlog

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

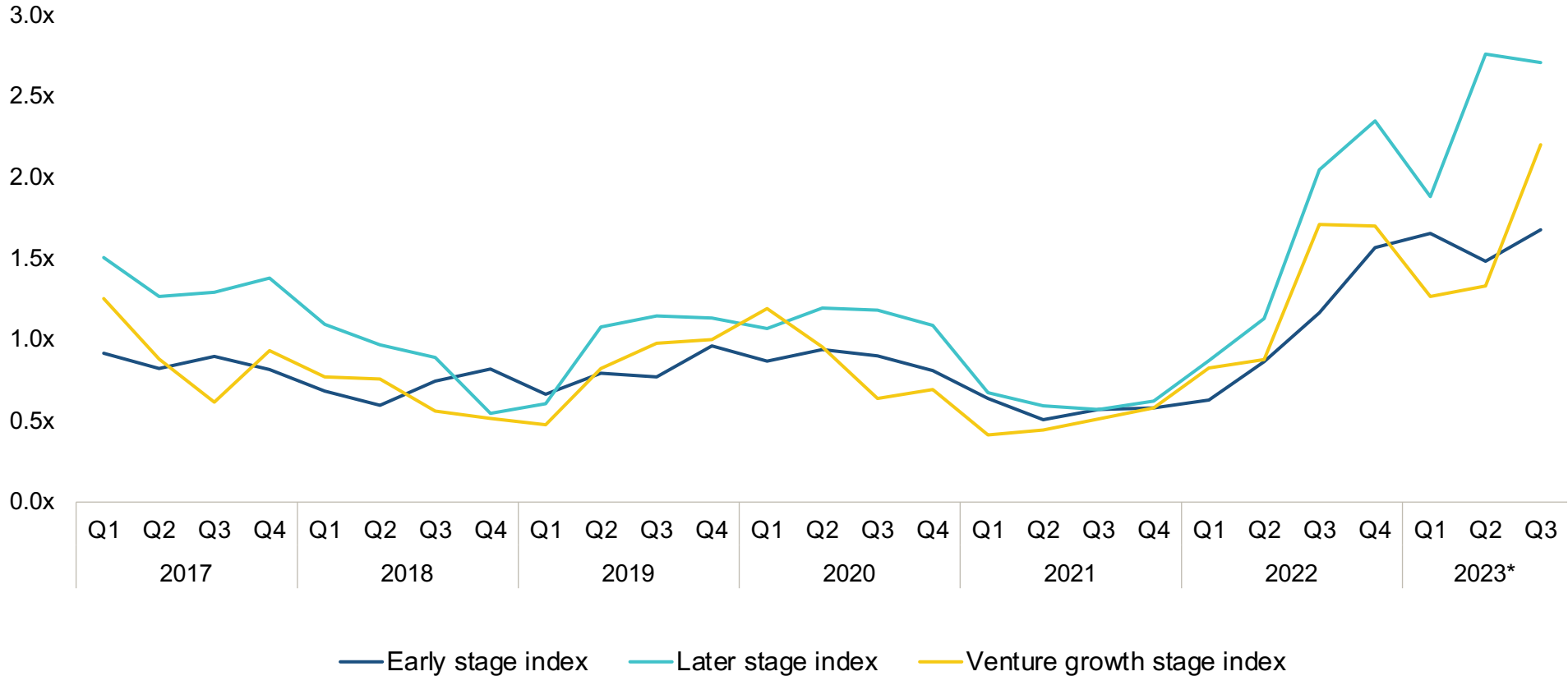
Dealmaking Indicator



Most investor-friendly environment seen in roughly a decade

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

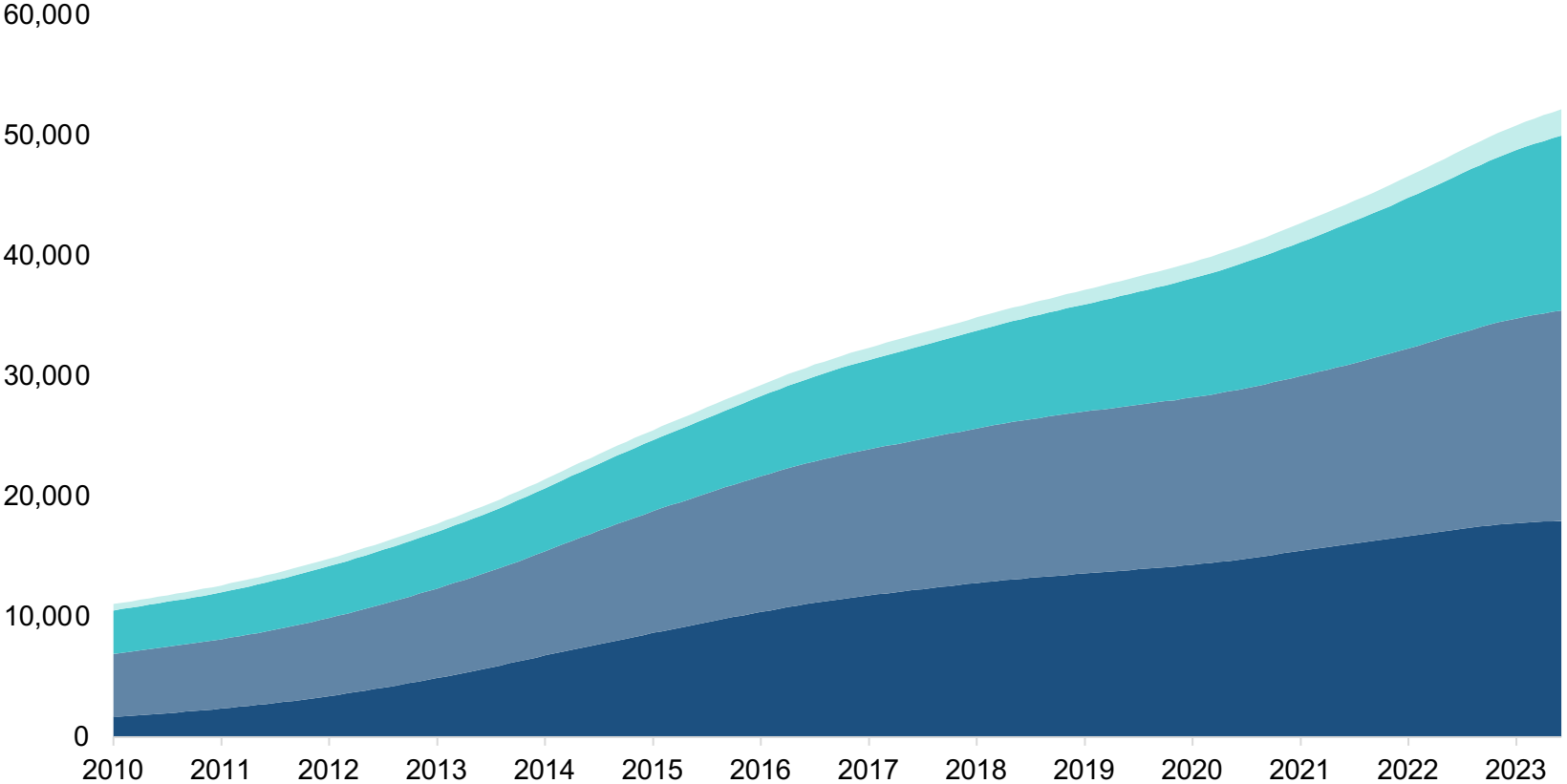
Capital Demand to Supply Ratio



2.8x
Late-stage D/S
ratio is
experiencing the
brunt of the capital
crunch

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

US VC company inventory



- Pre-seed and seed company count
- Early-stage VC company count
- Late-stage VC company count
- Venture growth company count

50%
increase in late-stage company inventory from January 2020 through Q3 2023

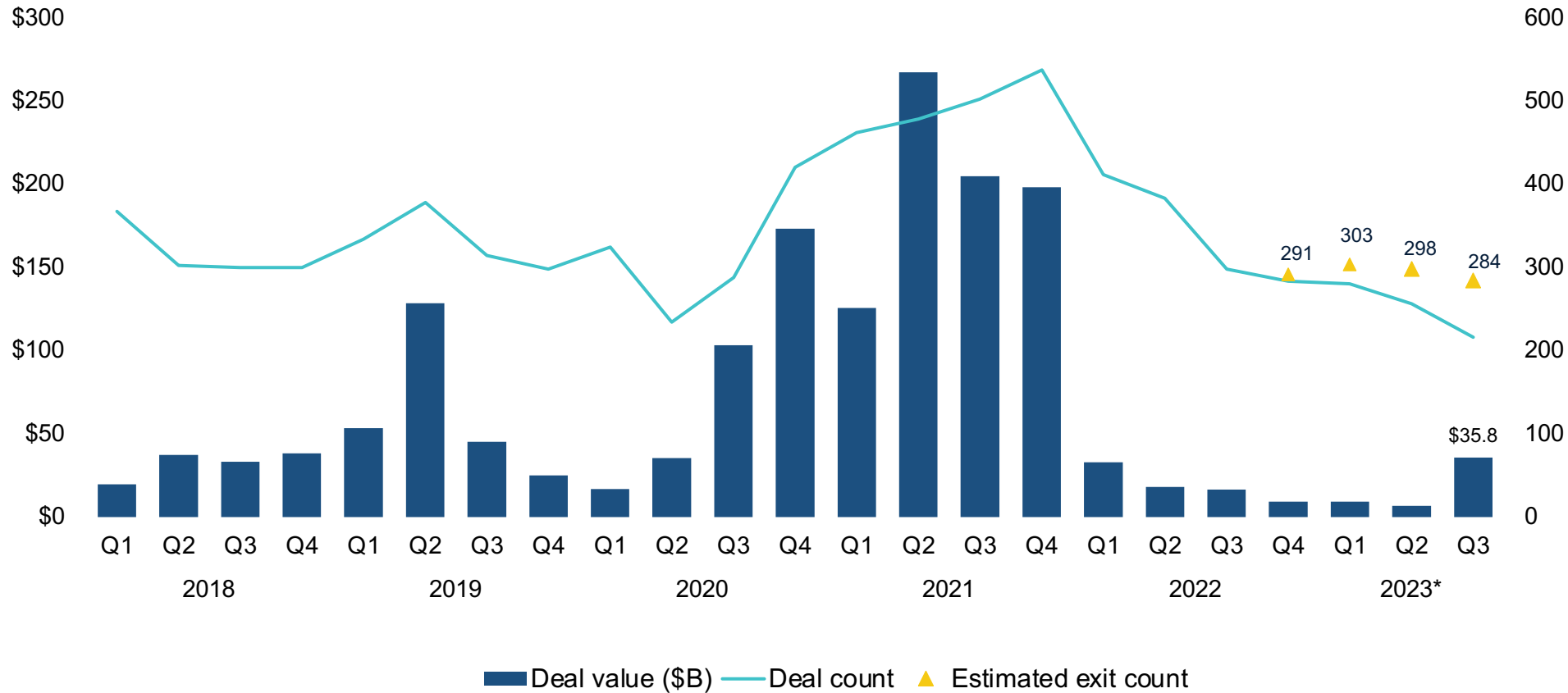
Source: PitchBook | Geography: U.S.
*As of 9/30/2023



US VC Exits



US VC exit activity



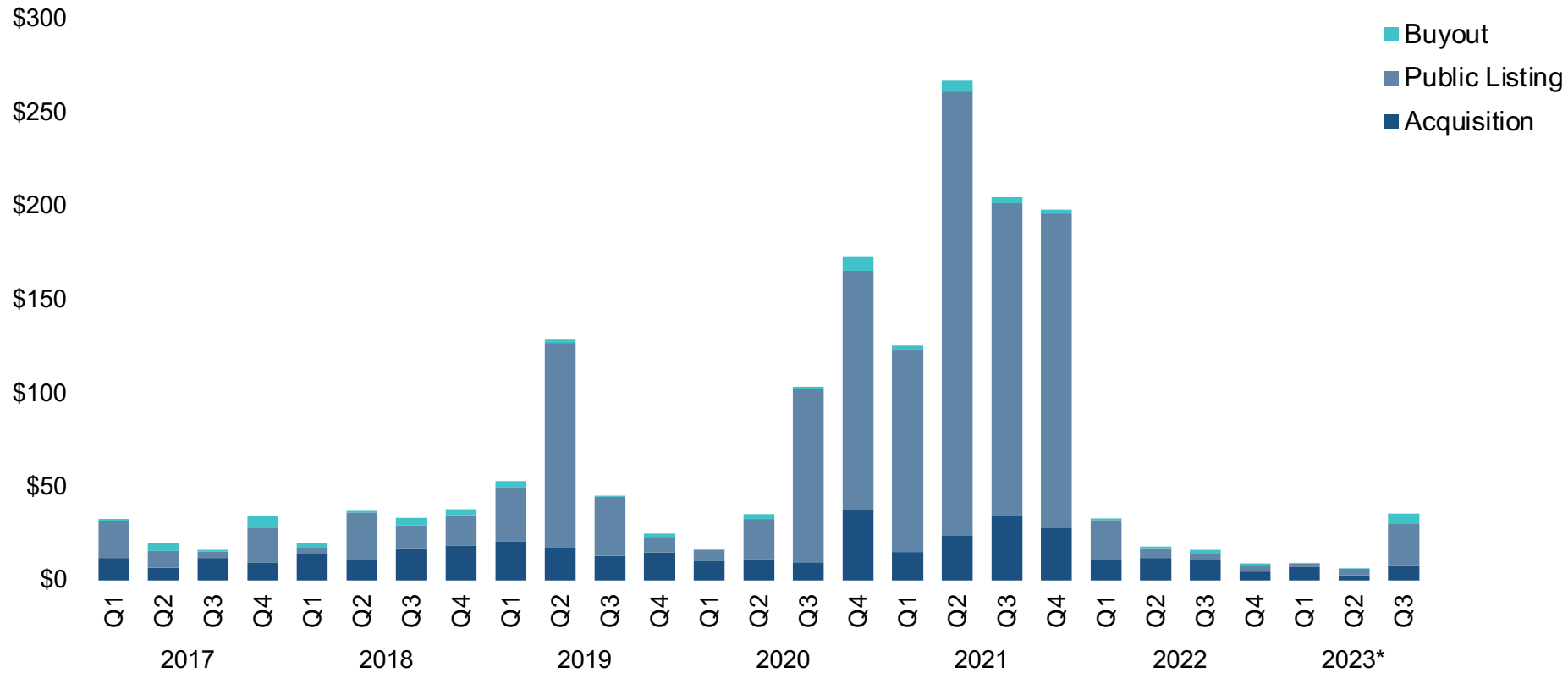
IPO valued at \$9.9B vs last private valuation of \$38.7B in 2021



IPO valued at \$9.2B vs last private valuation of \$9.5B in 2022

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

Exit Value by Exit Type



Source: PitchBook | Geography: U.S.
*As of 9/30/2023

699
Active US VC
unicorns valued at
\$1.3T

POLL: How do you expect the exit market to perform in the next 6 months?

A It will improve

B It will stay the same

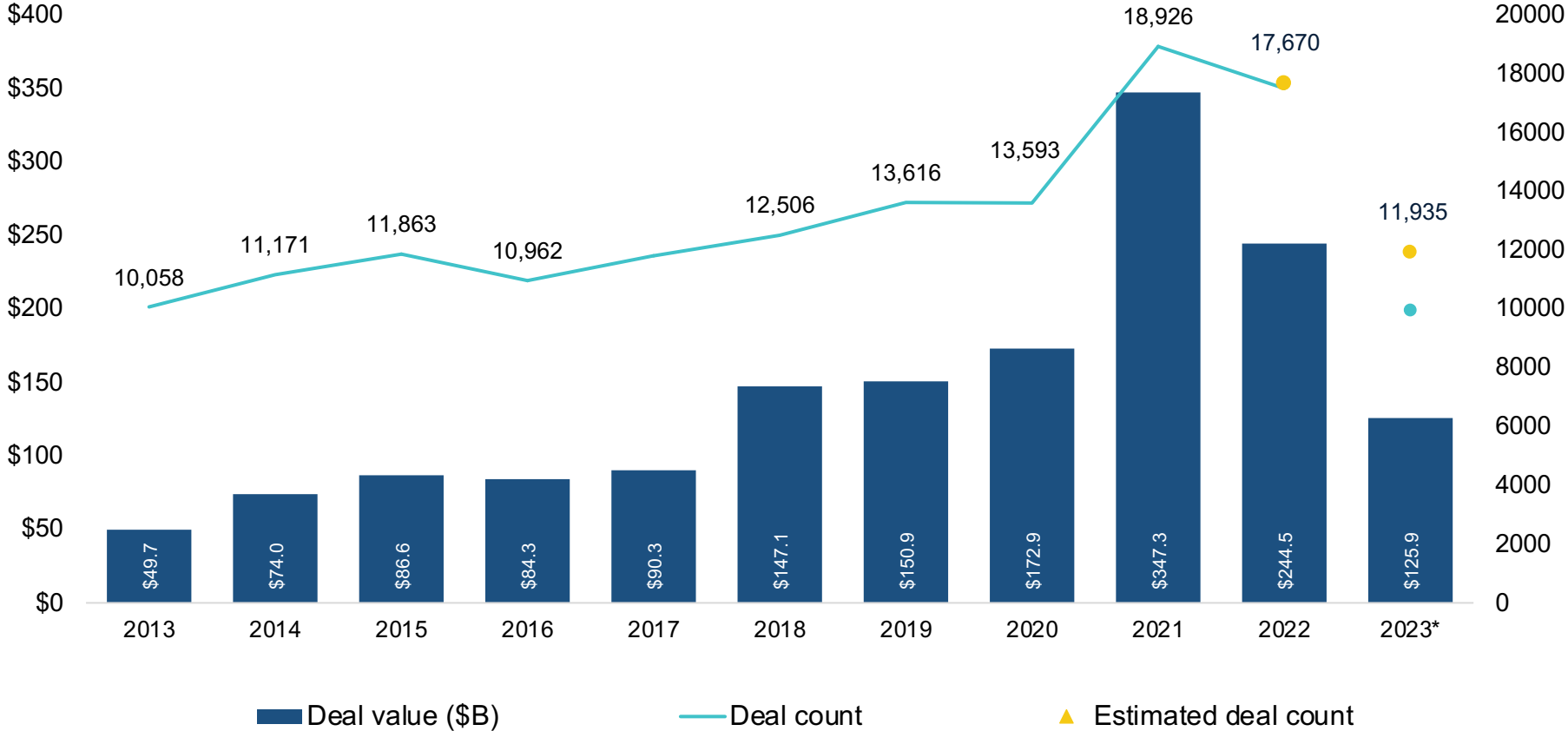
C It will worsen



US VC Dealmaking



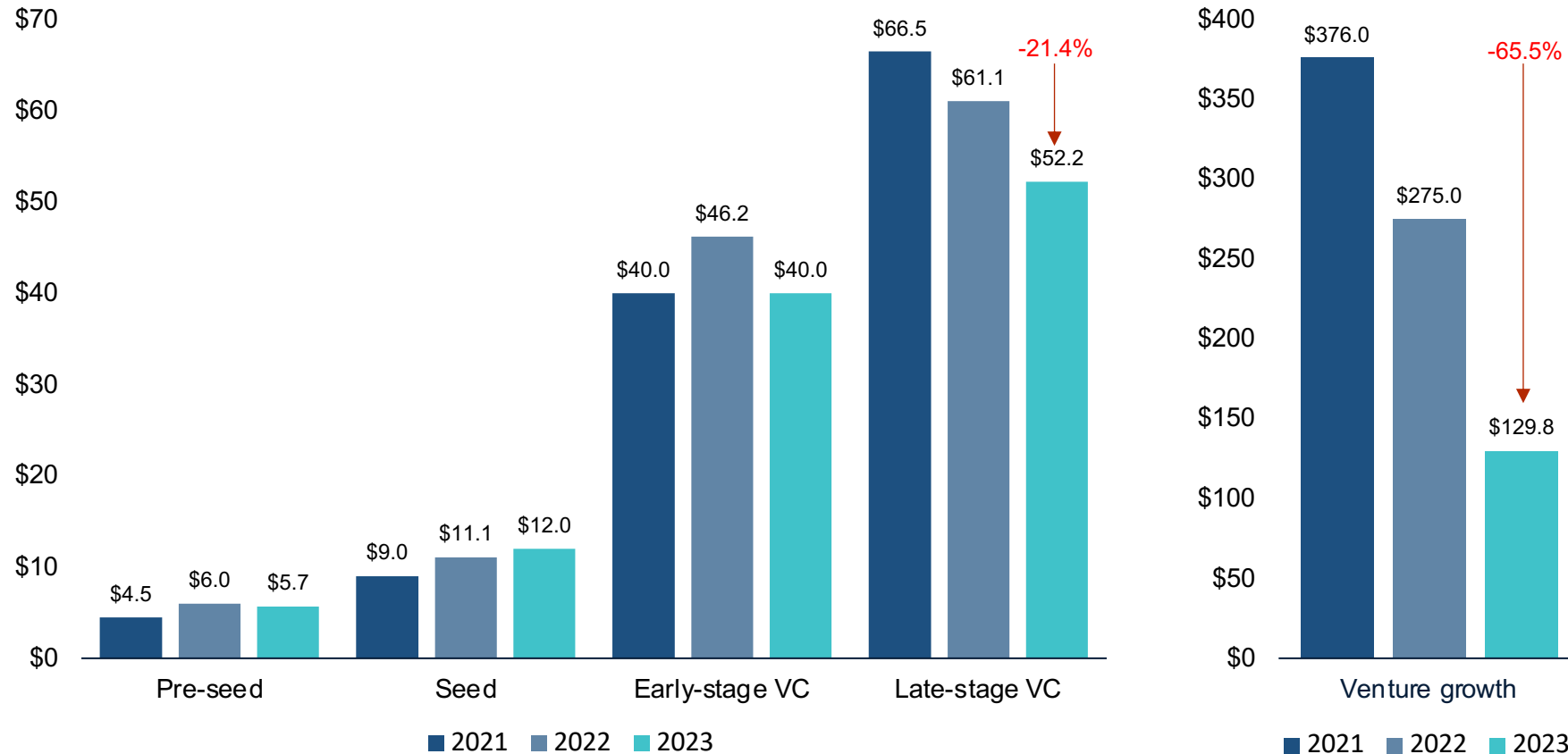
US VC deal activity



30.1%
Decline in Q3
2023 deal count
from Q1 2022
record high

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

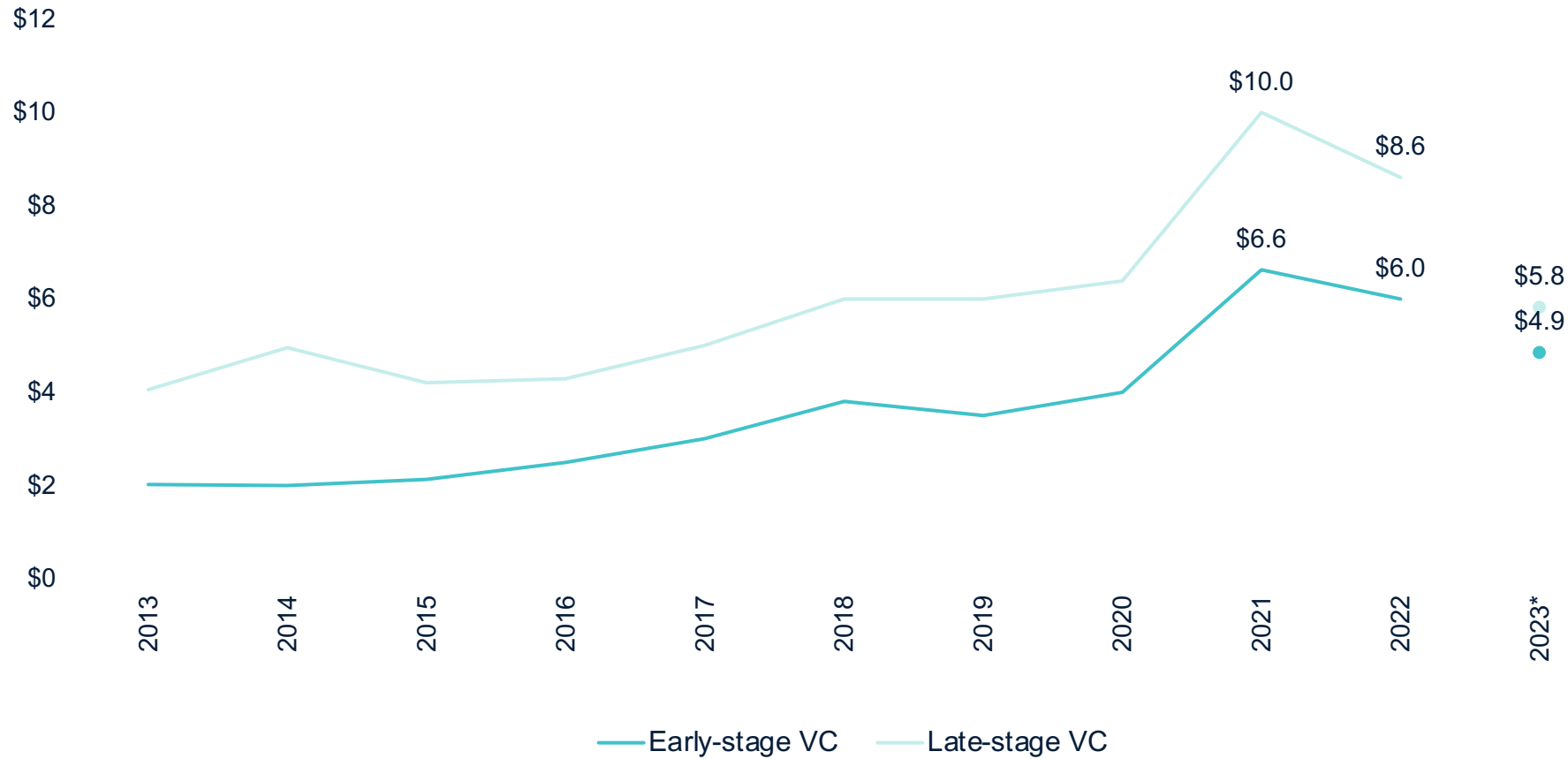
Median Pre-Money Valuation



65.5%
decline in venture
growth median
pre-money
valuation from
2021 record high

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

Median Deal Size



41.8%
decline in late-
stage median deal
size from 2021
record high

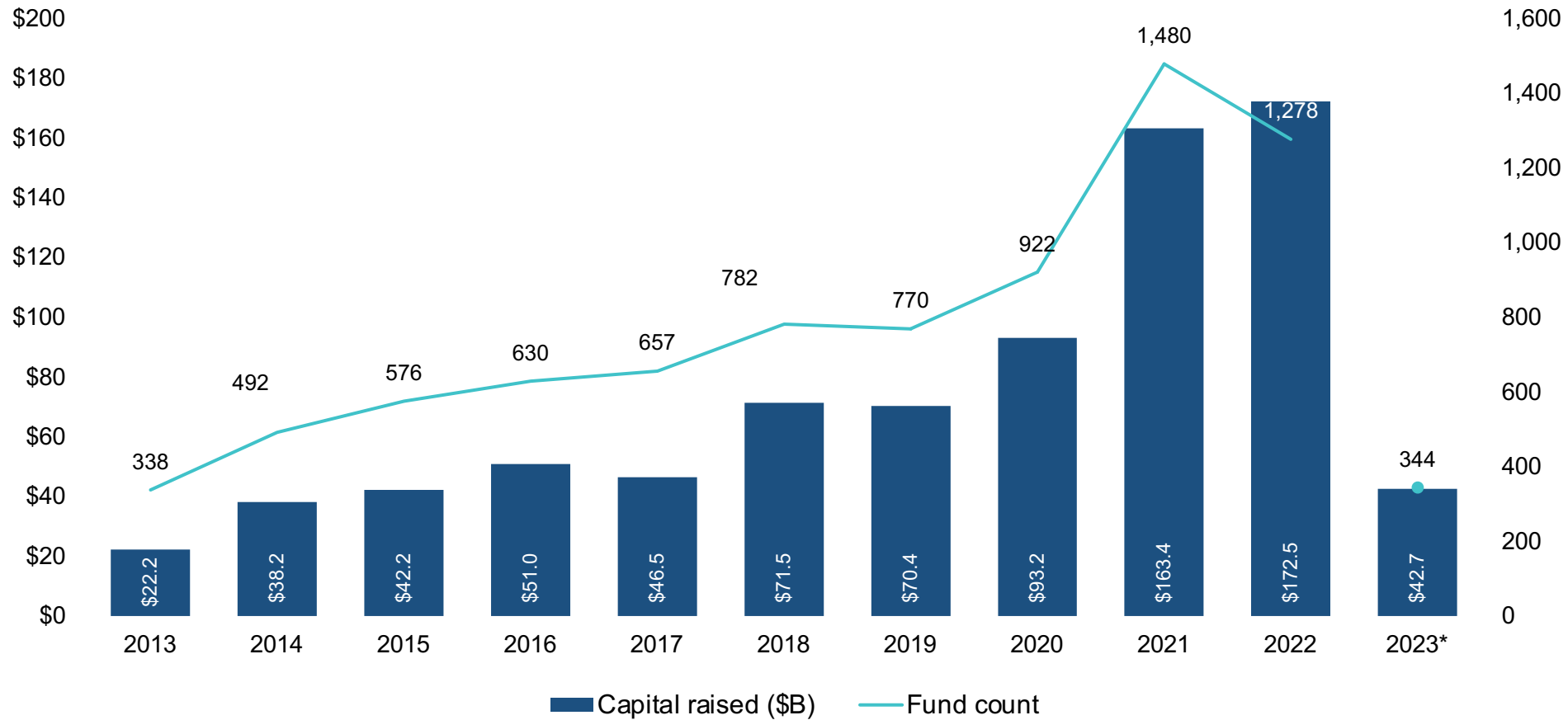
Source: PitchBook | Geography: U.S.
*As of 9/30/2023



US VC Fundraising



US VC fundraising activity

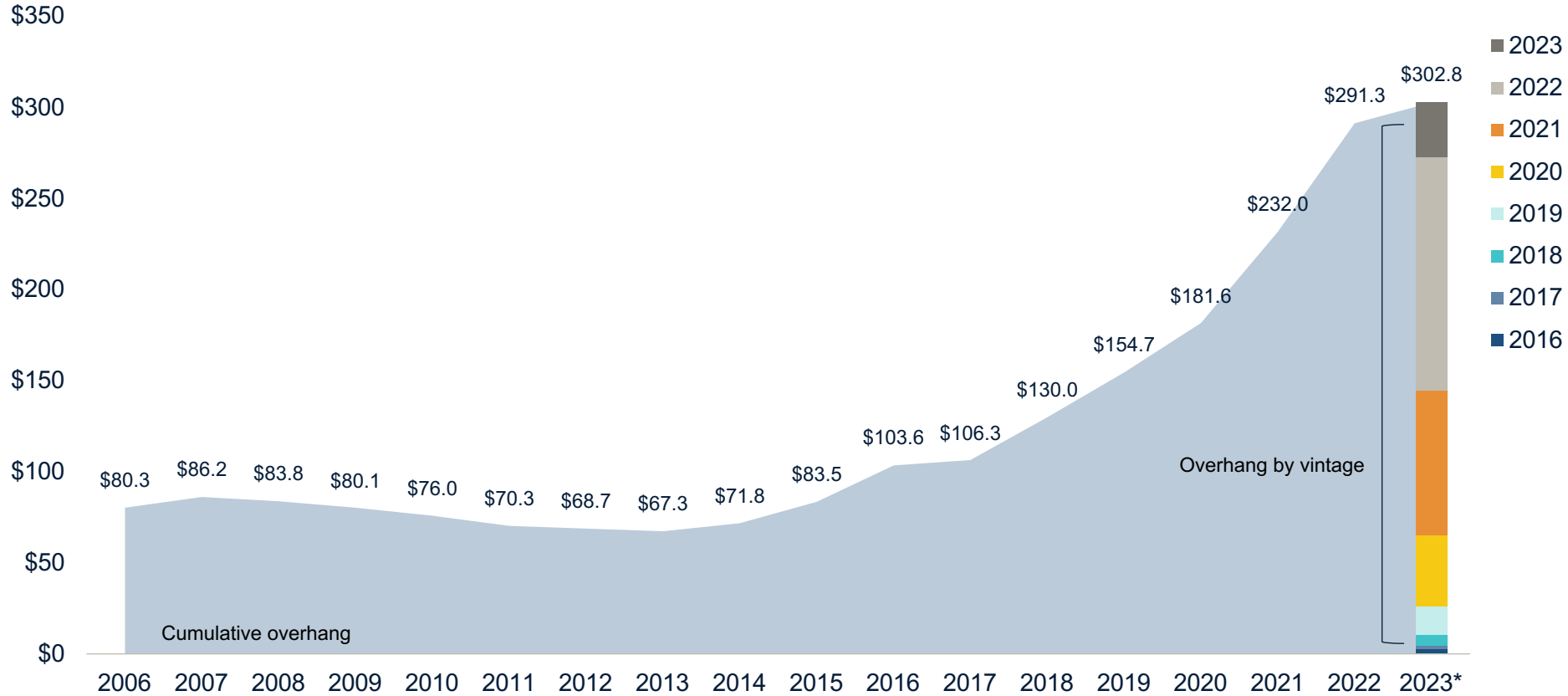


Capital raised on
pace to come in
below \$60B

Fund count
expected to hit an
eight-year low

Source: PitchBook | Geography: U.S.
*As of 9/30/2023

US VC Dry Powder



57.5%
 US VC dry powder
 concentrated in
 fund with \$500M+
 in commitments

Source: PitchBook | Geography: U.S.
 *As of 3/31/2023

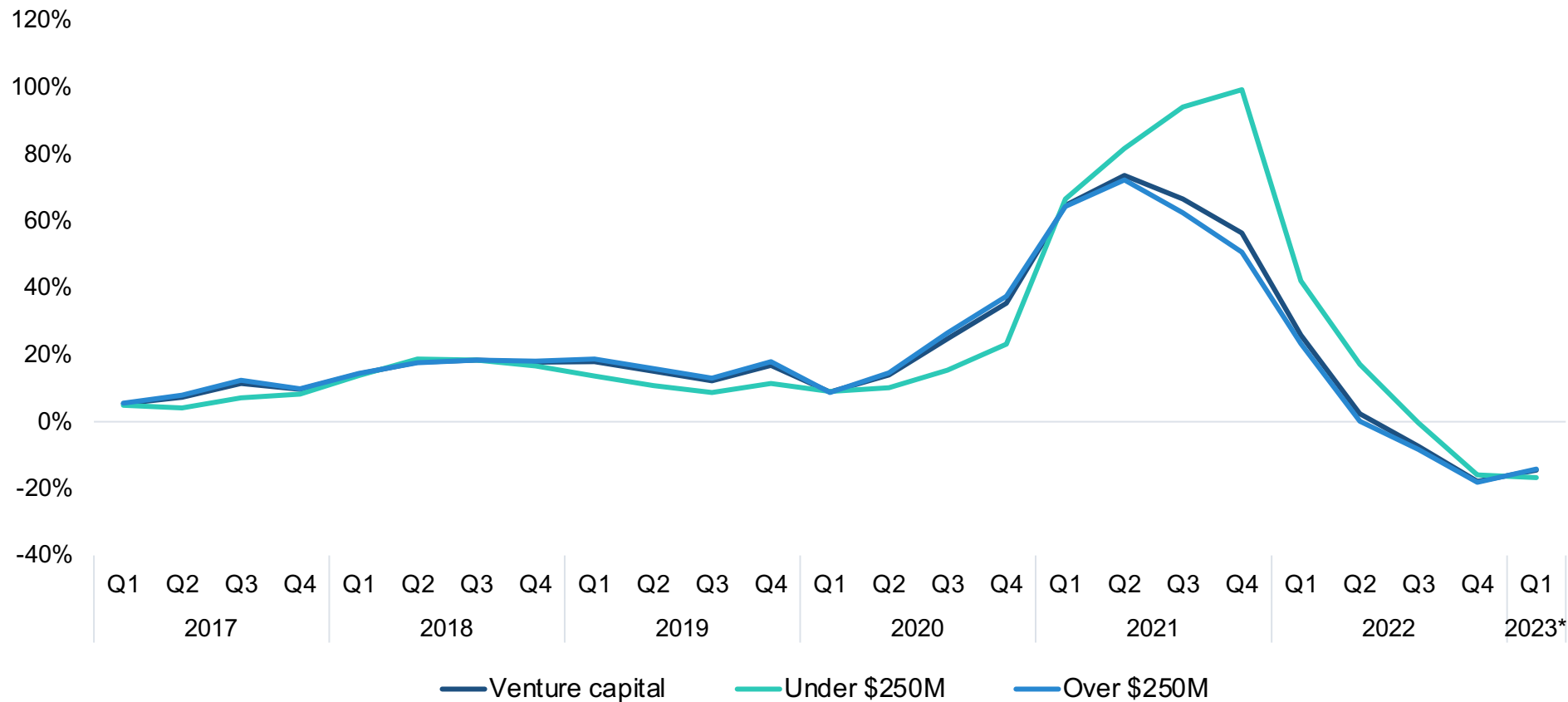


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(or other contact info)

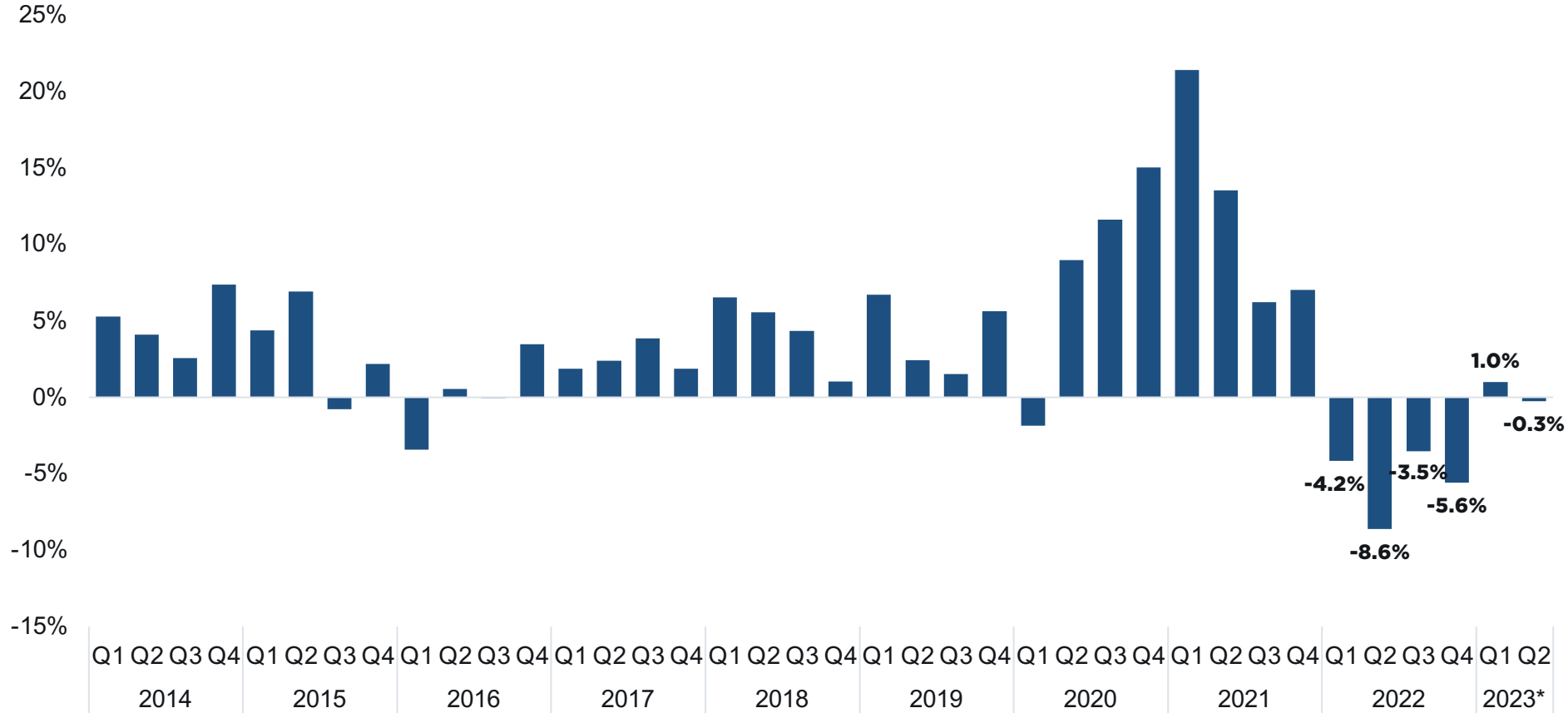
Rolling one-year horizon IRR for VC funds by fund size



-16.7%
Q1 2023 one-year
horizon IRR for
funds under
\$250M

Source: PitchBook | Geography: U.S.
*As of 3/31/2023

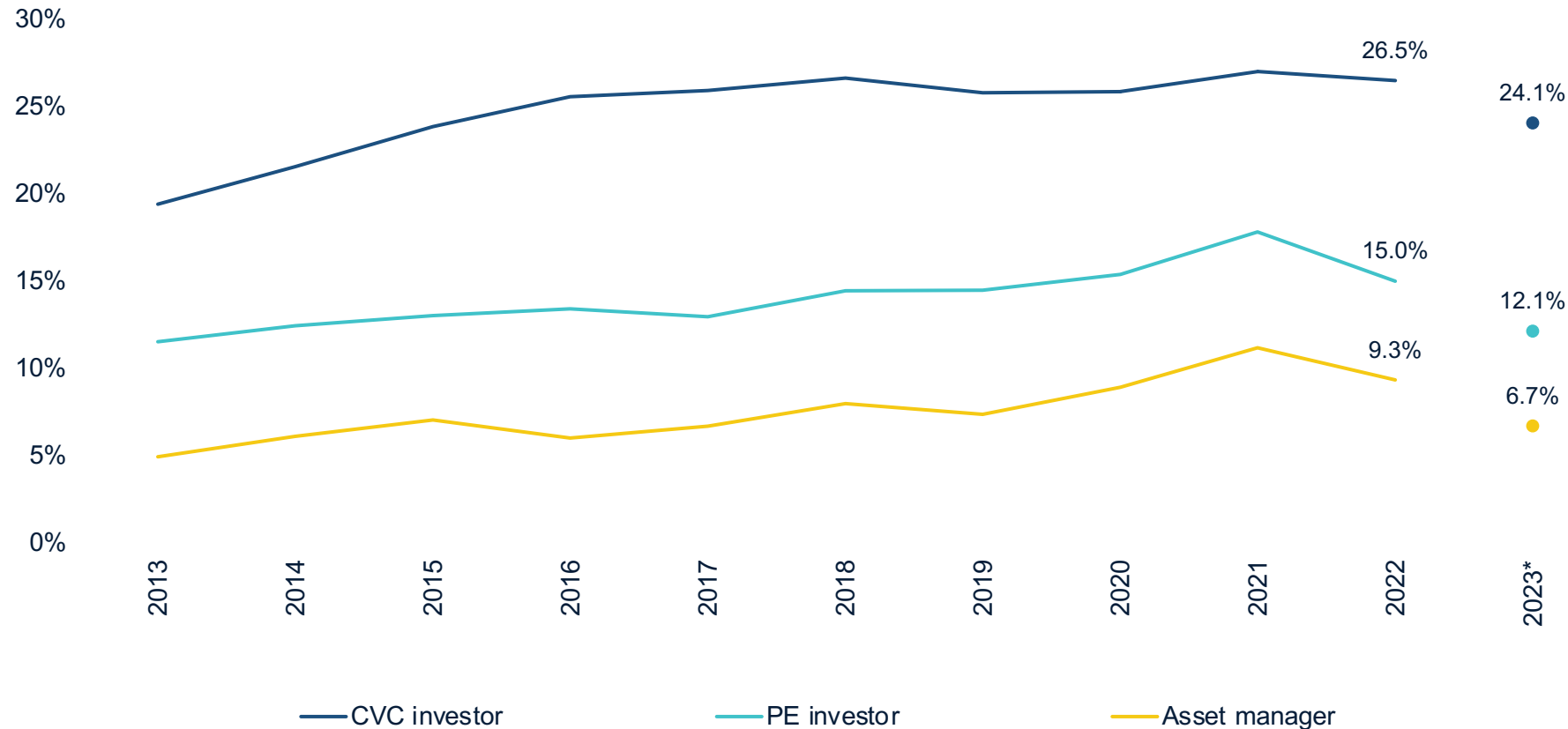
Quarterly return for VC funds



Q1 2023 saw positive quarterly return while Q2 preliminary data shows return to negative

Source: PitchBook | Geography: U.S.
*As of 6/30/2023

US VC NTI participation proportion of overall deals (#)



41.6%
Share of venture growth deals had NTI participation, decade low

Source: PitchBook | Geography: U.S.
*As of 9/30/2022