



EMERGING TECH RESEARCH

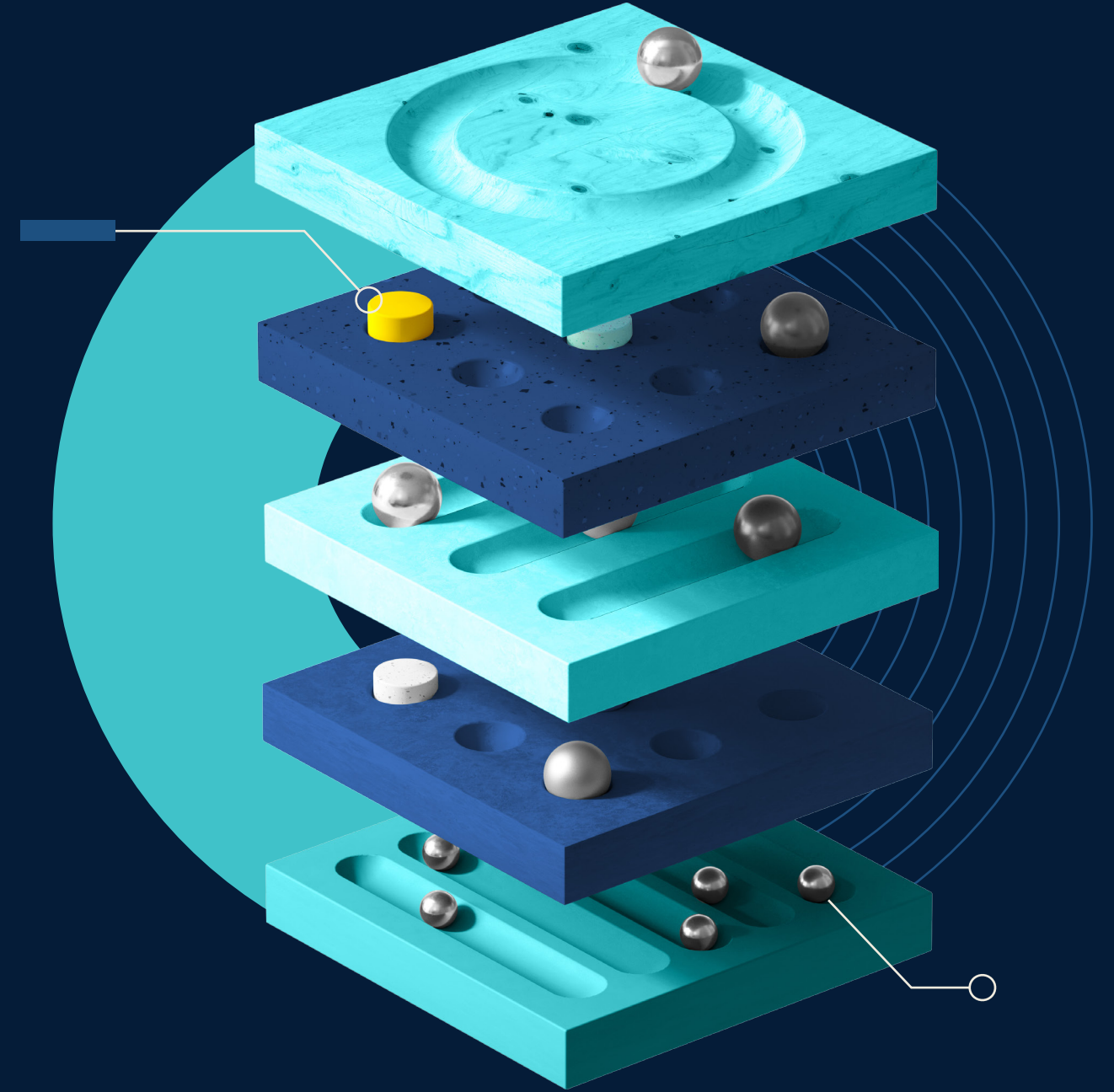
AI VC Trends

VC activity across the AI ecosystem

Q3
2025

REPORT PREVIEW

The full report is available through the PitchBook Platform.





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Institutional Research Group

Analysis



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Publishing

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AI landscape

- 1 Horizontal platforms
- 2 Vertical applications
- 3 Semiconductors
- 4 Autonomous machines



For the complete AI taxonomy and company list, [click here](#) to see the market map on the PitchBook Platform.



Quarterly analysis

Key takeaways

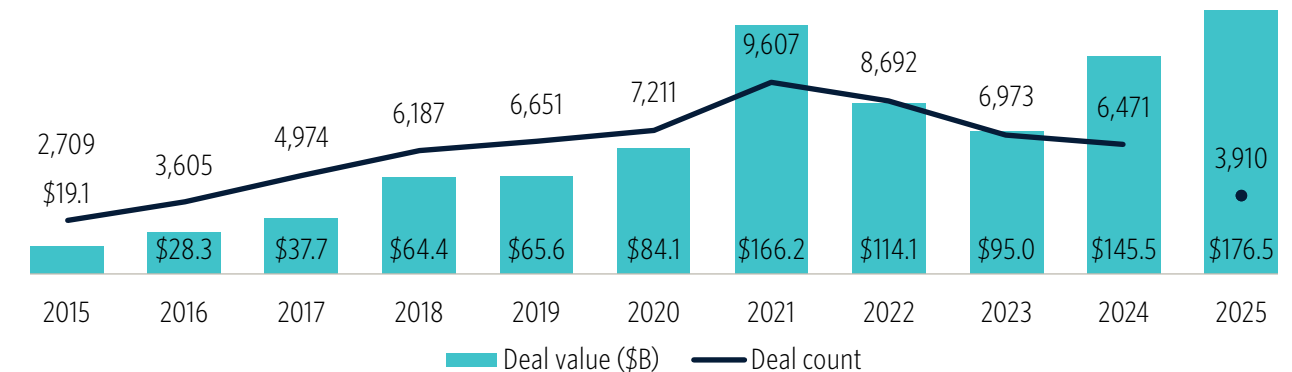
- Horizontal platforms set the tone for Q3 as fundraising increased from \$10.3 billion in Q2 to more than \$33.5 billion in Q3, while vertical applications led deal count with 663 deals.
- AI semiconductor deal value exceeded its historical quarterly average of \$1.9 billion, while autonomous machines fell below its \$2.9 billion average. Venture-growth valuations also continued to rise, with the median increasing 95.7% from 2024 to Q3 2025.
- Quarterly figures were shaped by outsized one-time events, most notably OpenAI raising \$40 billion at a \$300 billion valuation and Anthropic raising \$13 billion at a \$183 billion valuation, which amplified overall capital concentration.

VC activity

VC deal counts

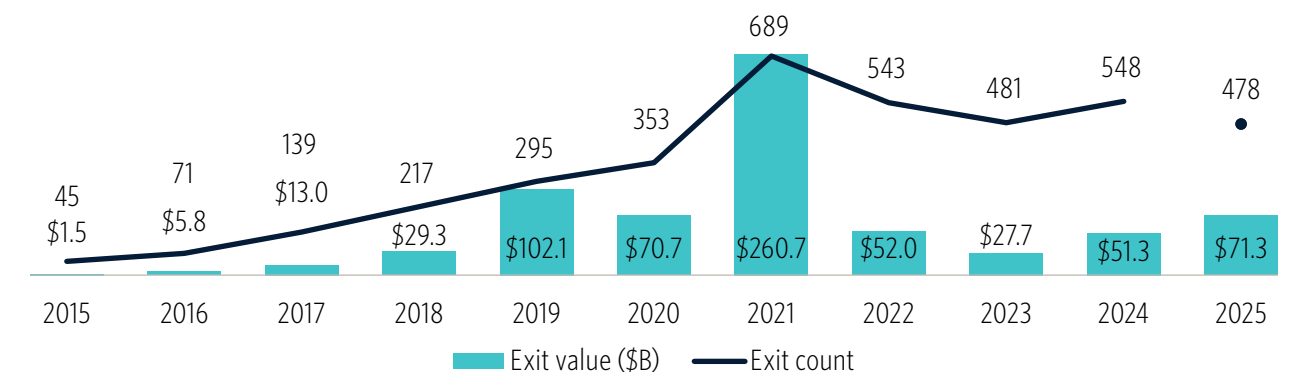
AI VC deal value in Q3 reached \$54.8 billion across 1,086 deals, up from \$49.3 billion in Q2 but below the record \$72.4 billion in Q1. Since Q4 2024, venture-growth rounds have accounted for the majority of deal value, although late-stage VC deals narrowly led in Q3. Deal counts, however, remained concentrated at the early stage. The concentration of capital at the upper end reflects the high cost of developing horizontal platforms designed to power the next wave of AI applications across sectors and industries.

AI VC deal activity



Source: PitchBook • Geography: Global • As of September 30, 2025

AI VC exit activity



Source: PitchBook • Geography: Global • As of September 30, 2025



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AI semiconductor and autonomous machine deal value reached \$3.9 billion and \$2.5 billion in Q3, respectively. Semiconductor deal value has exceeded its historical quarterly average of \$1.9 billion since 2017, reflecting growing demand for startups advancing AI hardware innovation. Autonomous machines, by contrast, fell short of its historical quarterly average of \$2.9 billion, highlighting ongoing challenges in scaling commercialization and deployment.

Horizontal platforms more than tripled its fundraising from \$10.3 billion in Q2 to more than \$33.5 billion in Q3. Capital deployment in the segment has been heavily concentrated over the past year, surging to record levels in Q1 2025. Since 2017, quarterly deal counts have fallen to a record low of 292, yet total fundraising reached the third-highest level on record. OpenAI's \$40 billion raise in March 2025 at a \$300 billion valuation illustrates how a small number of large deals dominate capital flows.

Vertical applications showed the inverse trend of horizontal platforms, recording \$14.9 billion in deal value but leading all segments in transaction count with 663 deals. This broader pattern, in which horizontal platforms generate higher deal value while vertical applications lead in deal count, has persisted since Q4 2024, except in Q2 2025, when vertical applications outperformed horizontal platforms in both metrics.

On a trailing 12-month (TTM) basis, this dynamic is even more pronounced. Horizontal platforms generated \$128.5 billion in deal value across 1,472 deals, while vertical applications recorded more than twice as many transactions at 3,443 but only \$74.5 billion in total value. This trend is expected to continue as the rise of [sovereign AI](#) channels new waves of state-backed capital into horizontal platforms that serve as the foundation for building vertical applications across industries.

Valuations and deal sizes

Between 2024 and Q3 2025, venture growth recorded the largest median VC pre-money valuation increase at 95.7%, outpacing gains across pre-seed/seed, early-stage, and late-stage segments over the same period. The 2025 jump ranks as the third-largest annual increase in venture-growth valuations across the 2014-2025 period, behind the 121.9% surge in 2020 to 2021 and the 116% rise in 2018 to 2019. The sharp rise in 2025 underscores sustained investor appetite for mature AI companies with scalable infrastructure or commercialization potential. While early-stage valuations also increased, the outsized gains at the later stages indicate that capital continues to concentrate around perceived market leaders.

Median VC pre-money valuation step-ups rose modestly across all stages in Q3 2025, with the overall multiple increasing from 1.6x in 2024 to 1.8x. All median step-up multiples across pre-seed/seed, early stage, late stage, and venture growth exceeded their 12-year average of 2.4%, 2%, 1.2%, and 2.8%, respectively. Between 2024 and Q3 2025, venture growth recorded the highest increase in median step-up multiples, rising 25% from 1.2x to 1.5x.

Notable deals

The three largest deals in Q3 illustrate the continued concentration of capital in horizontal platforms. The biggest deal was Anthropic's Series F round, led by Fidelity Management & Research Company, ICONIQ Capital, and Lightspeed Venture Partners. The \$13 billion round brought Anthropic's post-money valuation to \$183 billion. The second largest was xAI's \$10 billion funding round, which brought its post-money valuation to \$113 billion. As of October 7, 2025, the



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company has been reportedly seeking an additional \$20 billion through a mix of debt and equity in a deal led by Valor Equity Partners. The third-largest deal was Mistral AI's Series C round, led by ASML Holding and NVIDIA, which raised \$1.5 billion at a \$13.7 billion post-money valuation.

Exits

Quarterly VC exit activity reached 166 exits in Q3, the highest since Q1 2022, when it had the same number. Quarterly exit value surpassed Q2's \$17.3 billion but fell short of Q1's \$30.7 billion. On a yearly basis, VC exit activity in 2025 showed a different pattern compared with capital deployment across the four segments.

Semiconductors recorded the highest exit value on record at \$25.2 billion across 23 deals. Autonomous machines saw \$6.1 billion in exits, nearly half the \$11 billion recorded in 2024.

Horizontal platforms generated \$15.8 billion in exit value, surpassing the previous two years but remaining well below the 2021 peak of \$60.4 billion. We expect horizontal platforms, particularly foundation model providers, such as OpenAI, Anthropic, and xAI, to stay private longer, given the immense capital required to sustain operations and achieve profitability.

Vertical applications recorded \$24.3 billion in VC exit value, and Q4 activity is expected to push this above 2022's \$24.7 billion but still fall short of the record \$157.3 billion reached in 2021.

Acquisitions remained the primary path to liquidity, accounting for 70% of all VC exits, while IPOs remained the main driver of exit value. The top VC-backed exits in Q3 2025 were all IPOs, led by Figure Technology Solutions, Via Transportation, and Geek+. Most exit and deal activity is concentrated in the US, a trend we expect to persist as North America maintains its technological and financial dominance.

As the capital vortex continues in the US market, its gravitational pull will reinforce its asymmetric advantage over regional peers and further entrench its leadership in fundraising, exits, and IPO activity.

Macro backdrop

We believe fundraising and IPO-related exit activity will continue to strengthen if supportive macroeconomic conditions persist. The Federal Reserve (the Fed) delivered two 25-basis-point rate cuts in September and October, in line with market expectations. This marks the first time in 30 years that the Fed has lowered rates while the core Personal Consumption Expenditures Price Index, its preferred inflation gauge, remained above the 2% target.

The decision reflects a shift in policy focus toward labor market conditions, giving the Fed a pretext to cut rates while maintaining credibility with investors and policymakers. Continued monetary easing should provide a favorable backdrop for private capital markets and public exits through 2026. If tariff-related trade concerns continue to ease, inflation moderates, and macroeconomic indicators improve, IPO activity will likely accelerate alongside a rebound in investor confidence.



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Conclusions

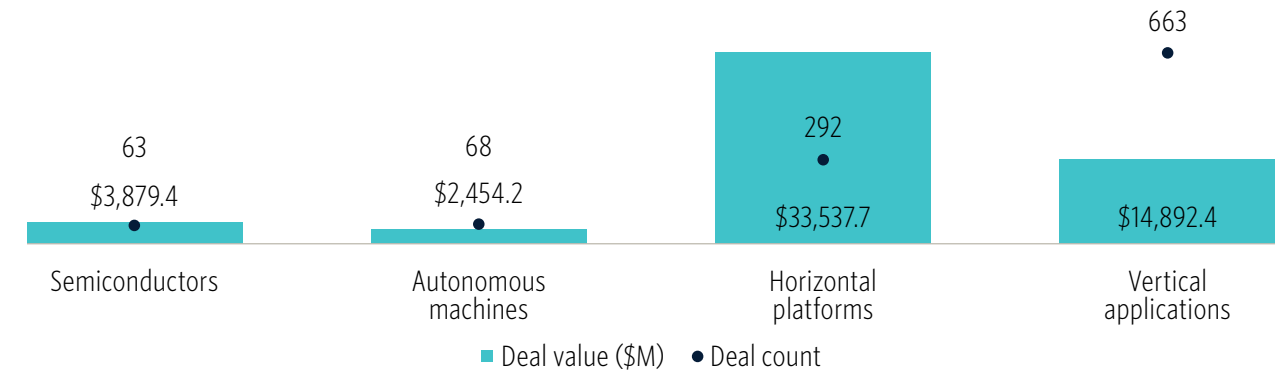
AI VC activity in Q3 was shaped by concentrated capital formation at the horizontal platform layer, where fundraising increased from \$10.3 billion in Q2 to more than \$33.5 billion in Q3. A potential reversal would appear if late-stage capital concentration weakens, and the clearest signal would be a slowdown in the venture-growth segment, where the median pre-money valuation increased 95.7% from 2024 to Q3 2025.

The separation between high-value horizontal platform deals and high-volume vertical application activity will likely persist into 2026, as both market dynamics and the growing influence of sovereign AI initiatives are directing substantial capital toward infrastructure-scale platforms that anchor broader sector development.



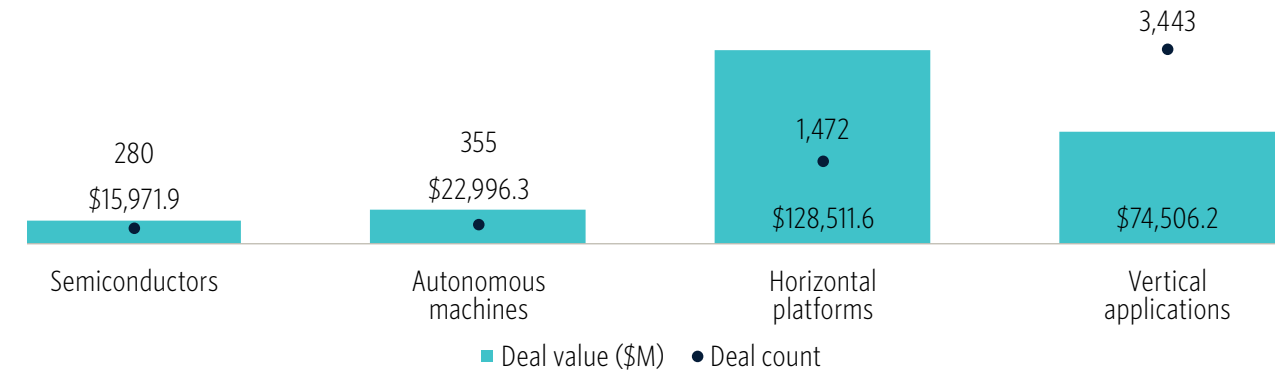
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Q3 2025 AI VC deal activity by segment



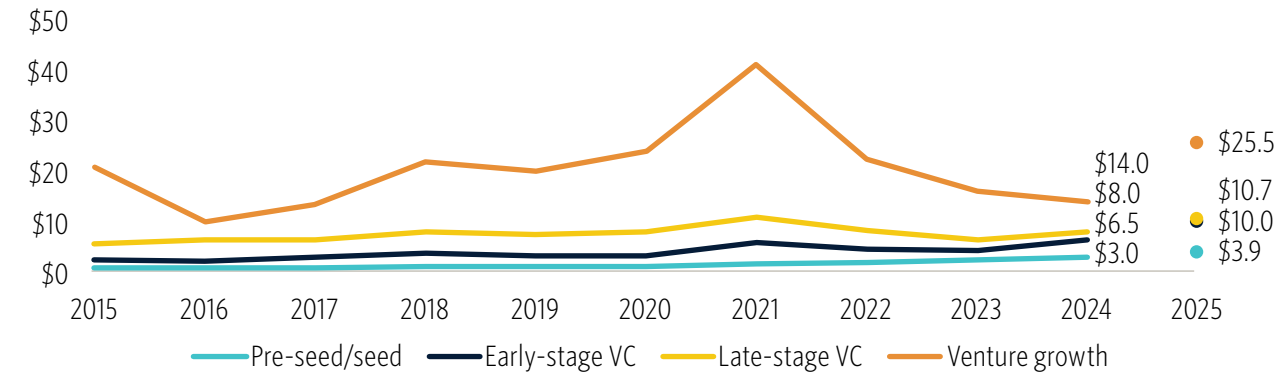
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TTM AI VC deal activity by segment



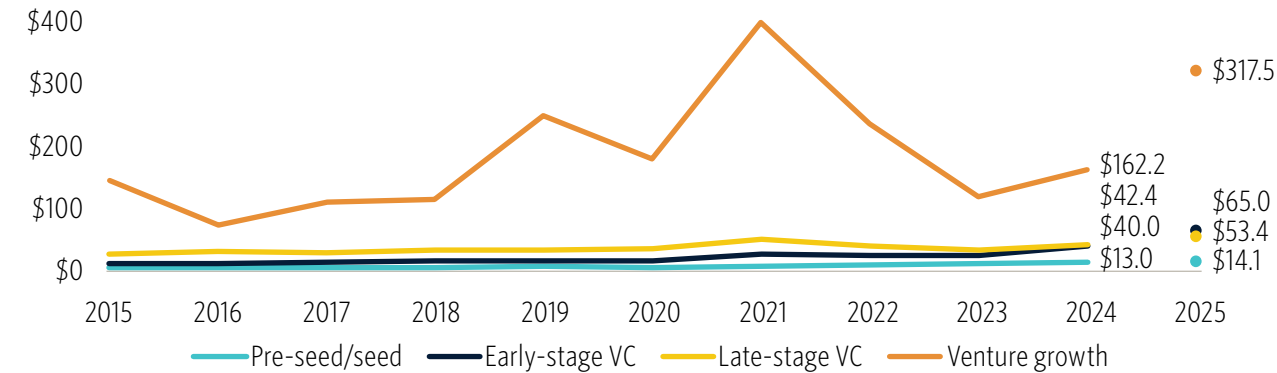
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Median AI VC deal value (\$M) by stage



Source: PitchBook • Geography: Global • As of September 30, 2025

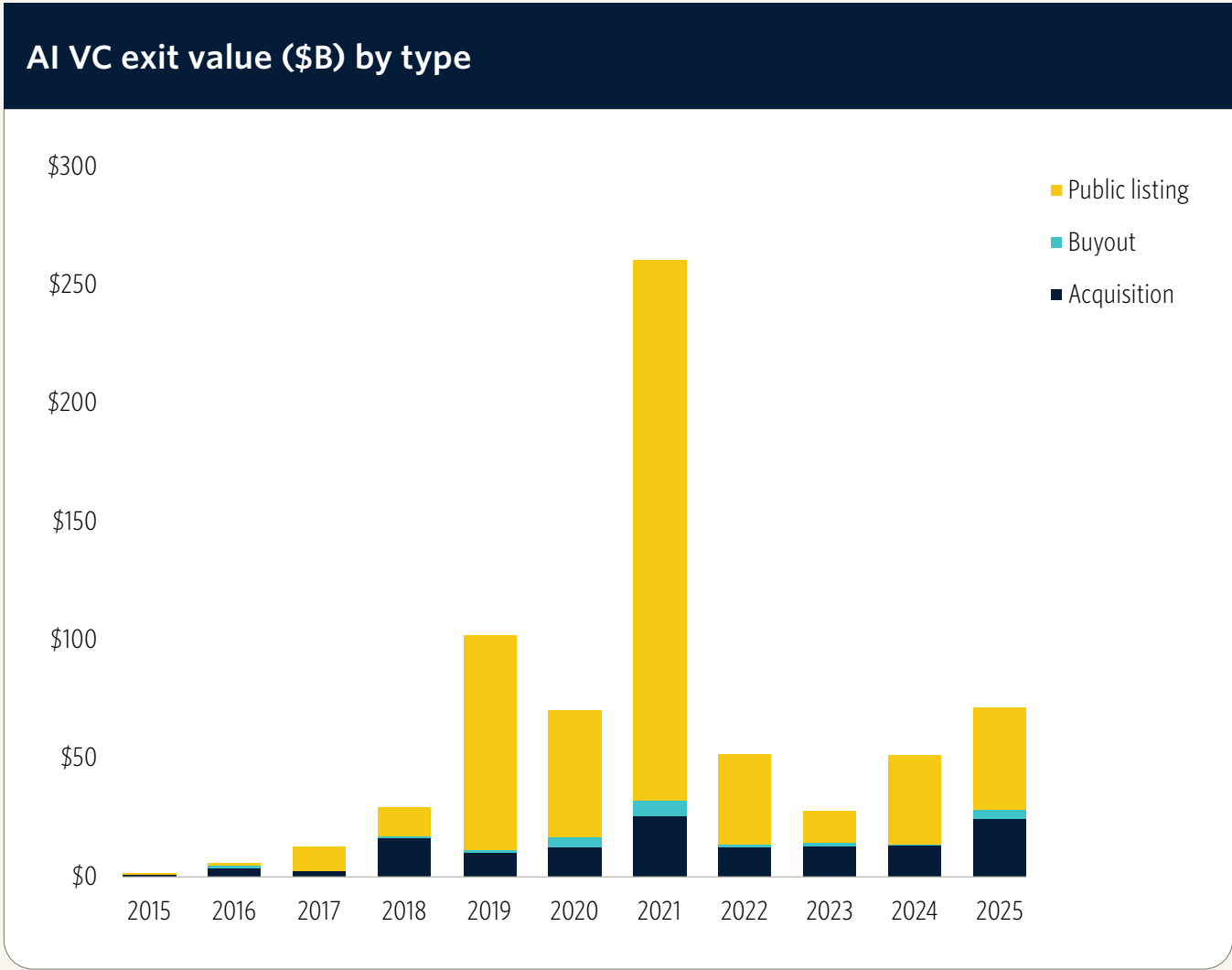
Median AI VC pre-money valuation (\$M) by stage



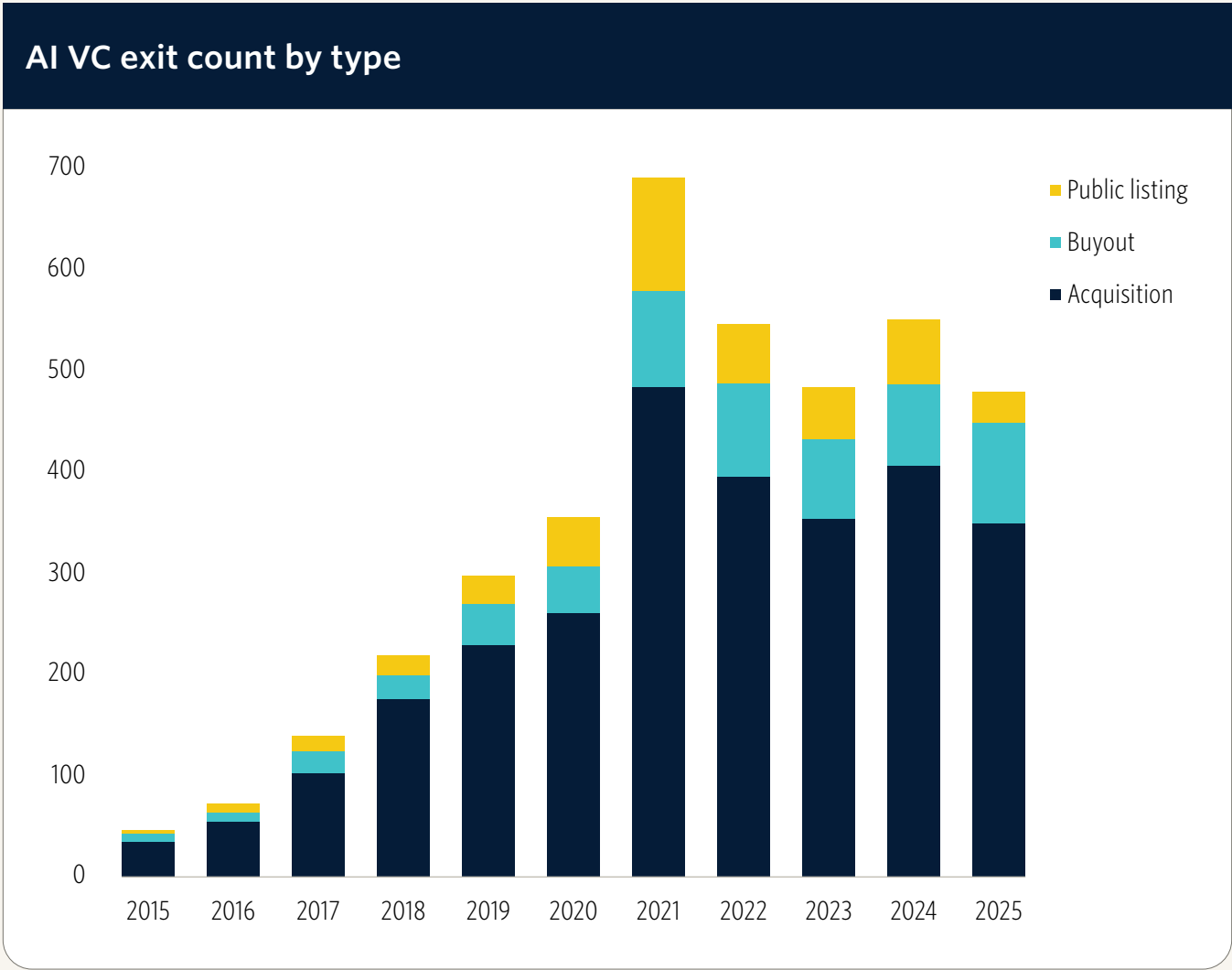
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Key AI early-stage VC deals in Q3 2025

Company	Deal date	Segment	Category	Deal value (\$M)	Post-money valuation (\$M)	Deal type	Lead investor(s)	Valuation step-up (post to pre)
Xaira Therapeutics	August 15	Vertical applications	AI in healthcare	\$800.0	\$3,550.0	Series A	N/A	3.6x
Treeline Biosciences	September 1	Vertical applications	AI in healthcare	\$621.8	N/A	Series A	N/A	N/A
MiniMax AI	July 15	Horizontal platforms	AI core	\$300.0	\$4,000.0	N/A	N/A	1.5x
Modular	September 24	Vertical applications	AI in IT	\$250.0	\$1,600.0	N/A	DFJ Growth, US Innovative Technology Fund	2.3x
Lila Sciences	September 15	Vertical applications	AI in healthcare	\$235.0	\$1,256.0	Series A	Braidwell, Collective Global	N/A
Lovable	July 17	Vertical applications	AI in IT	\$200.0	\$1,800.0	Series A	Accel	N/A
Distyl AI	September 22	Horizontal platforms	AI core	\$175.0	\$1,800.0	Series B	Khosla Ventures, Lightspeed Venture Partners	8.1x
X Square Robot	September 7	Horizontal platforms	AI core	\$140.0	N/A	Series A1	Alibaba Group, CAS Investment Management	N/A
Armada	July 24	Semiconductors	Edge AI	\$131.0	N/A	N/A	N/A	N/A
CuspAI	July 31	Vertical applications	Industrial AI	\$122.0	\$520.0	Series A	New Enterprise Associates, Temasek Holdings	N/A

Source: PitchBook • Geography: Global • As of September 30, 2025



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Key AI VC exits in Q3 2025

Company	Exit date	Segment	Category	Exit value (\$M)	Post-money valuation (\$M)	Exit type	Acquirer(s)/index
Figure Technology Solutions	September 11	Vertical applications	AI in IT	\$4,625.2	\$5,212.9	Public listing	Nasdaq
Via Transportation	September 12	Vertical applications	Transportation	\$3,321.9	\$3,650.4	Public listing	New York Stock Exchange
Geek+	July 9	Autonomous machines	Intelligent robotics	\$2,526.1	\$2,871.5	Public listing	Hong Kong Stock Exchange
Kodiak Robotics	September 24	Autonomous machines	Autonomous vehicles	\$2,292.1	\$2,500.0	Public listing	Nasdaq
Regrello	August 19	Vertical applications	Industrial AI	\$2,140.0	\$2,140.0	Acquisition	Salesforce
PATEO	September 30	Vertical applications	Transportation	\$1,831.8	\$1,968.7	Public listing	Hong Kong Stock Exchange
Sana	September 16	Vertical applications	Consumer AI	\$1,100.0	\$1,100.0	Acquisition	Workday
Statsig	September	Horizontal platforms	AI core	\$1,100.0	\$1,100.0	Acquisition	OpenAI
Cognigy	September 8	Horizontal platforms	Natural language technology	\$955.0	\$955.0	Acquisition	NICE (Ra'anana)
Protect AI	July 22	Vertical applications	AI in IT	\$675.0	\$675.0	Acquisition	Palo Alto Networks
Horizon Quantum	September 9	Horizontal platforms	AI core	\$503.0	\$503.0	Public listing	Nasdaq

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AI VC deal summary

	Quarterly activity					TTM activity	
	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2023-Q3 2024	Q4 2024-Q3 2025
Deal count	1,592	1,602	1,645	1,179	1,086	6,544	5,512
QoQ change	-0.3%	0.6%	2.7%	-28.3%	-7.9%	N/A	-15.8%
Share of total VC	16.3%	16.0%	15.8%	13.0%	12.5%	15.2%	14.4%
Deal value (\$B)	\$26.7	\$63.8	\$72.4	\$49.3	\$54.8	\$105.2	\$240.3
QoQ change	-15.2%	139.1%	13.5%	-31.9%	11.1%	N/A	128.3%
Share of total VC	31.0%	50.0%	54.0%	43.8%	43.6%	30.3%	48.0%
Exit count	124	159	157	155	166	507	637
Public listings	98	111	114	119	115	377	459
Acquisitions	15	22	32	29	38	77	121
Buyouts	11	26	11	7	13	53	57

Source: PitchBook • Geography: Global • As of September 30, 2025



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