



Q3 2020 NVCA VENTURE MONITOR WEBINAR

The resilience of US VC in Q3 2020: Overcoming a pandemic

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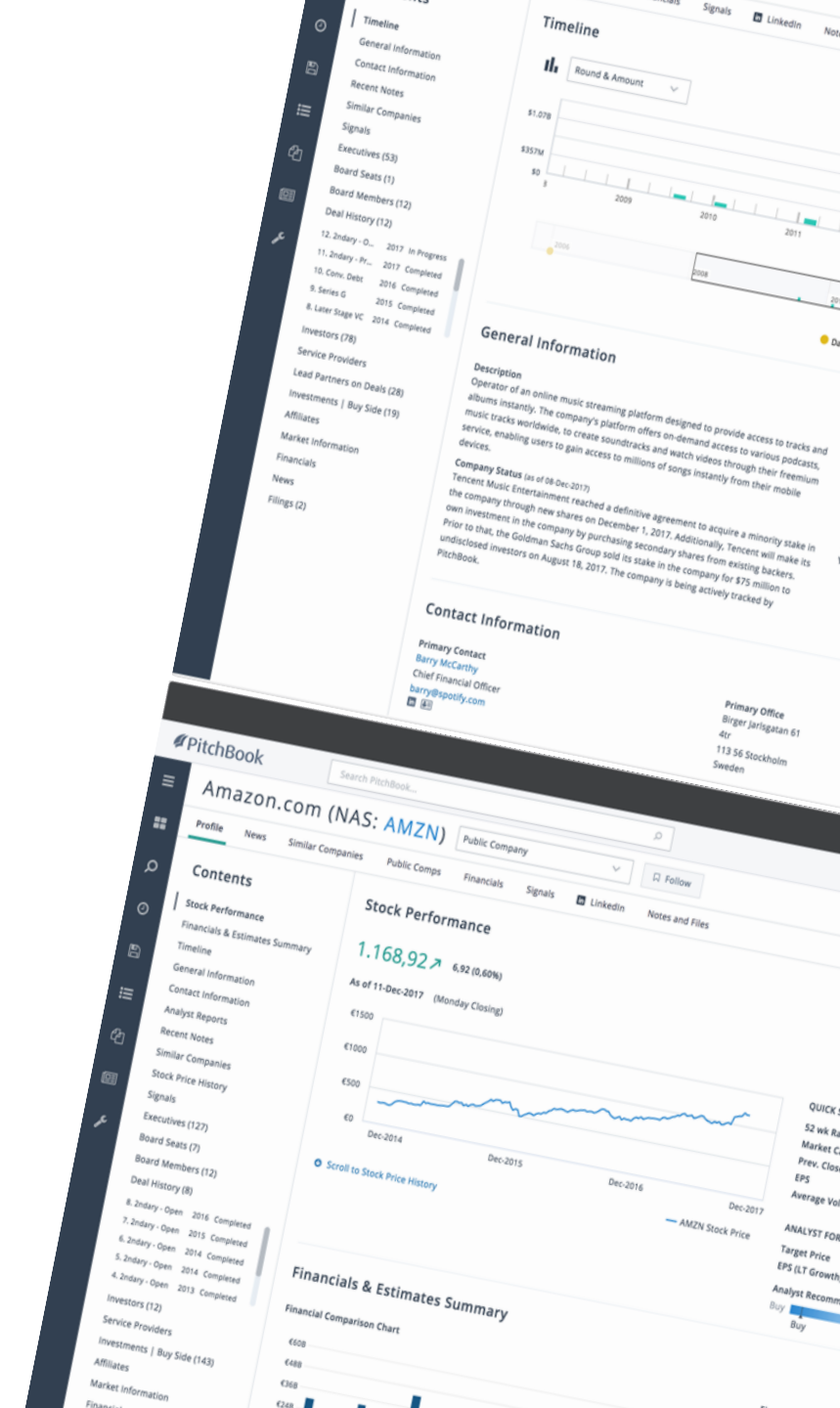


Bobby Franklin

President & CEO, National Venture Capital Association (NVCA)

PitchBook: The leading resource for private and public market analysis

PitchBook is a financial technology company that provides data on the capital markets to help professionals discover and execute opportunities with confidence and efficiency. We collect and analyze detailed data on the entire venture capital, private equity and M&A landscape—including public and private companies, funds, investments, exits and people. Our data and analysis are available through our suite of products (the PitchBook Platform), industry news and in-depth reports.



Q3 2020 Venture Monitor Report



Kyle Stanford

Analyst

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2020 on pace to set VC mega-deals record
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Second-highest quarter for exits as IPO window reopens
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Robust fundraising brings 2020 YTD's total to \$56.6B, exceeding 2019
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The definitive review of the US venture capital ecosystem

Key themes

1

Q3 deal activity records uptick over Q2 figures

2

Venture industry sees second-highest quarterly exit value since 2006

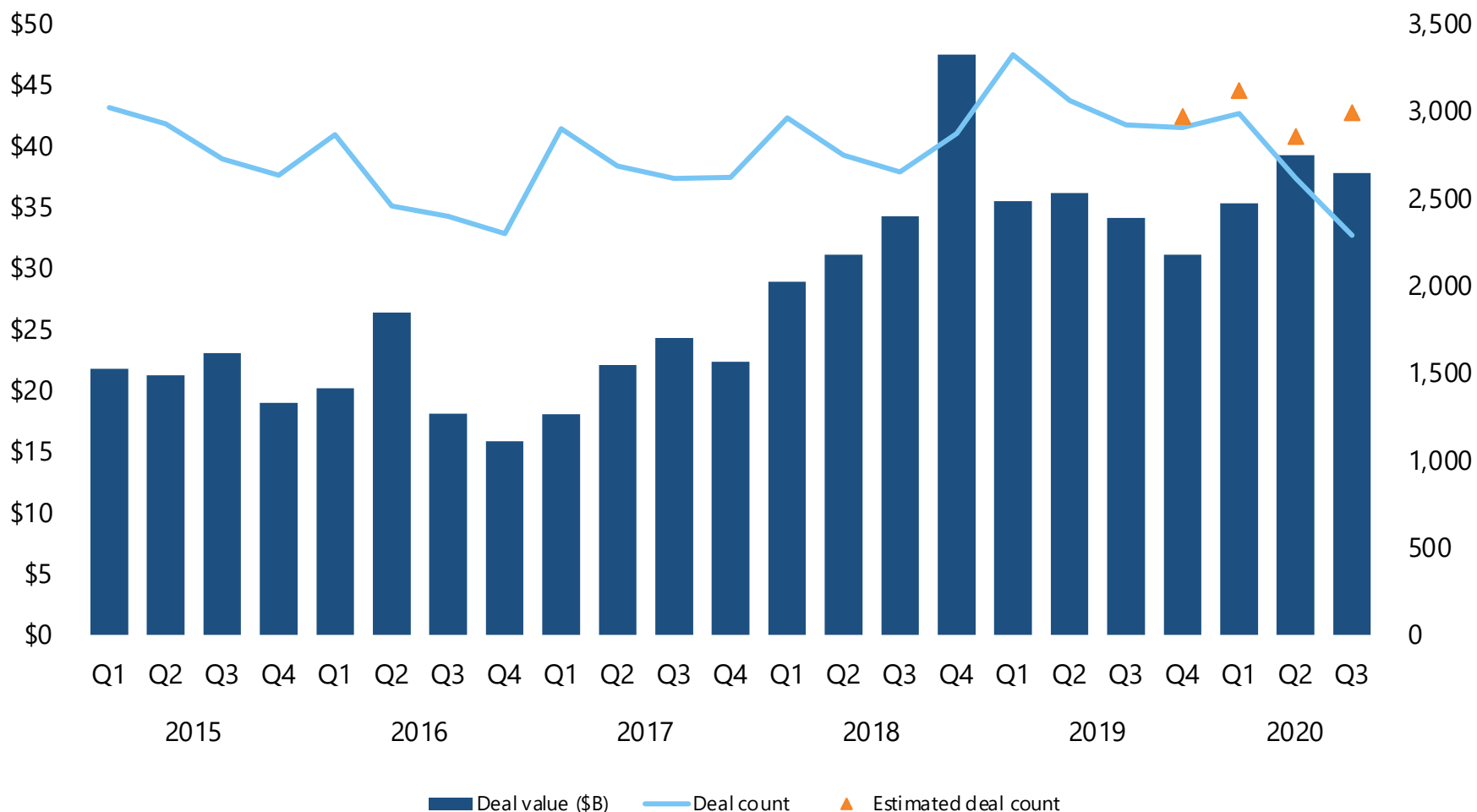
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Fundraising continues unabated

US DEALMAKING

US VC deal activity (with estimation)

After Q2 activity dipped amid onset of pandemic, Q3 activity rebounded strongly



\$37.5 billion

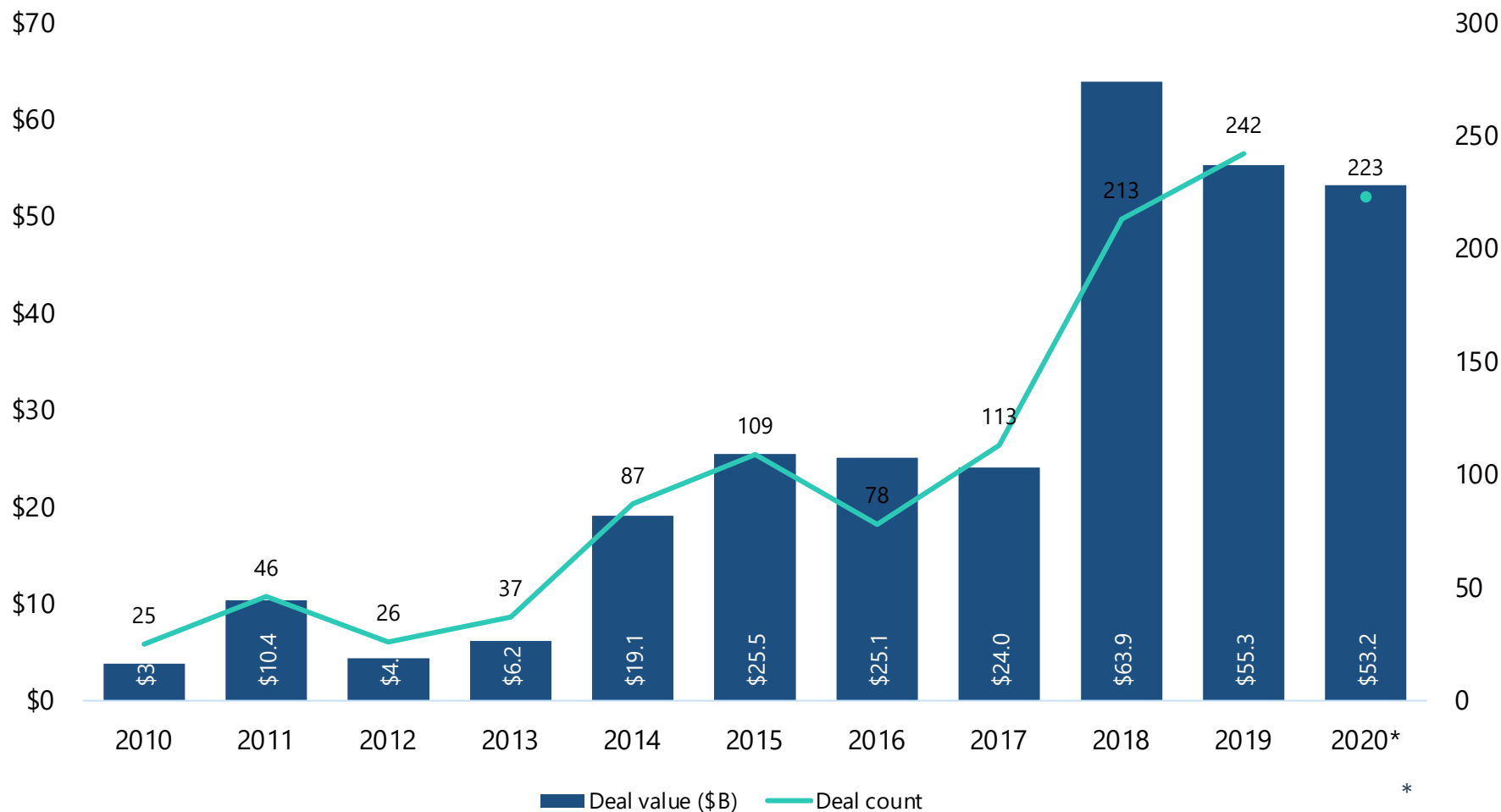
Average quarterly deal value in 2020

2,990

Estimated number of completed deals in Q3 2020

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

Mega-deals, once uncommon, have nearly set a record through just three quarters in 2020



96%

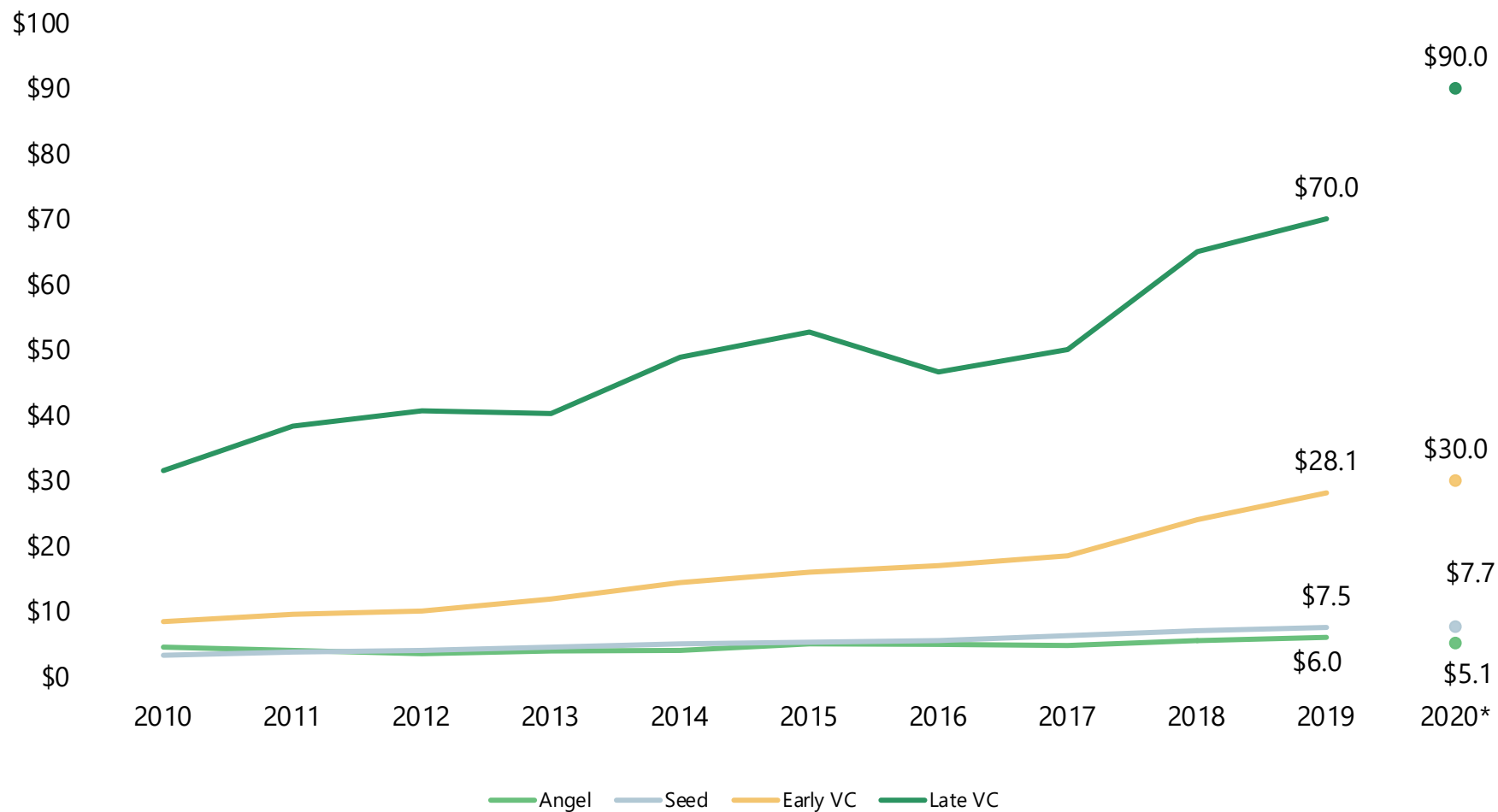
Percentage of mega-deals receiving nontraditional investor participation

189

Number of late-stage mega-deals, already higher than 2019

Median US VC pre-money valuations (\$M)

Though notable because of the pandemic, valuation growth is continuing a decade-long trend



\$672 million

Average late-stage pre-money valuation in 2020

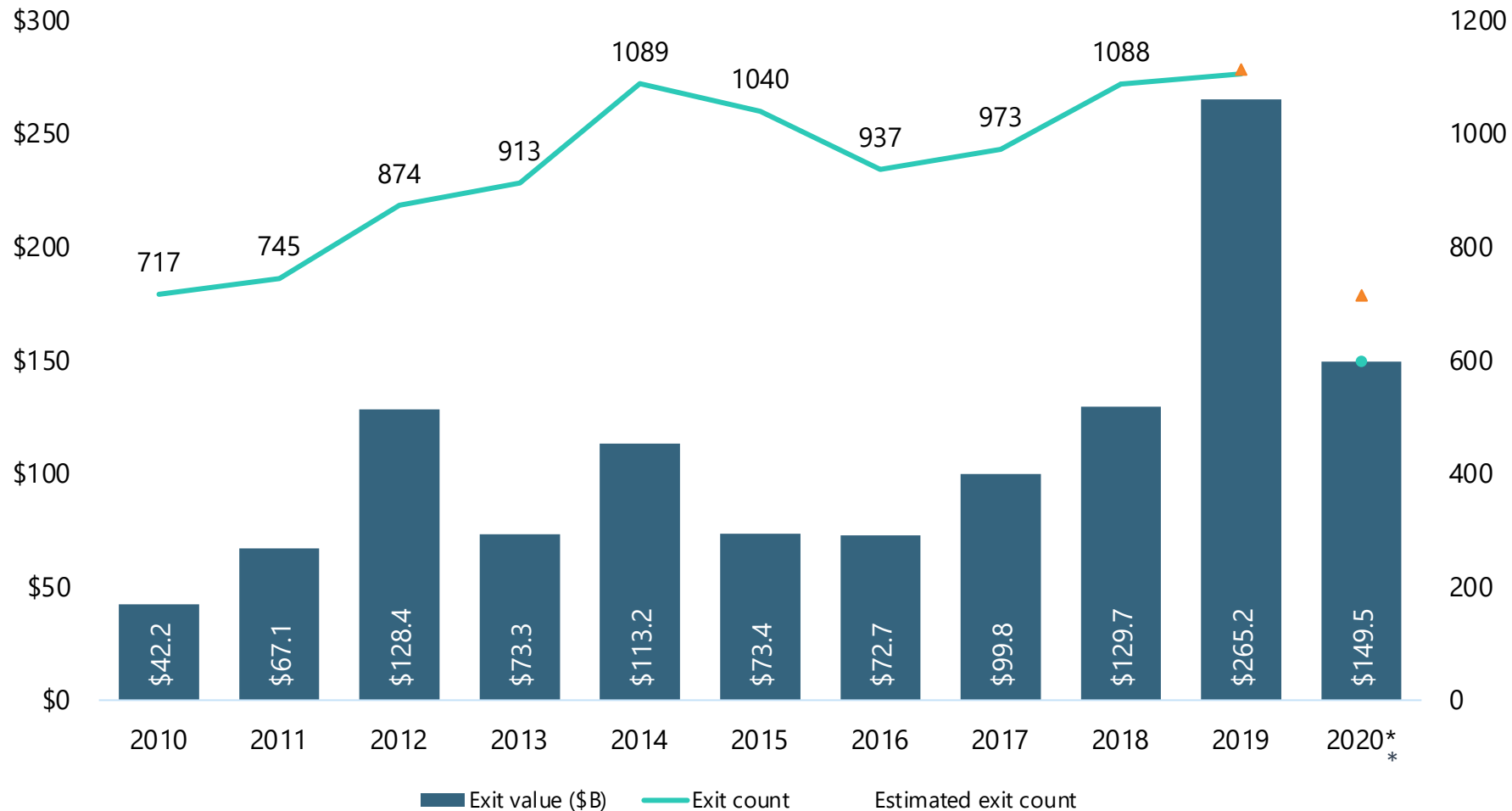
\$67.1 million

Average early-stage pre-money valuation in 2020

US EXITS

US VC exit activity (with estimation)

Tech IPOs had a resurgence in Q3, with six offerings opening with market caps above \$3 billion in September alone



56

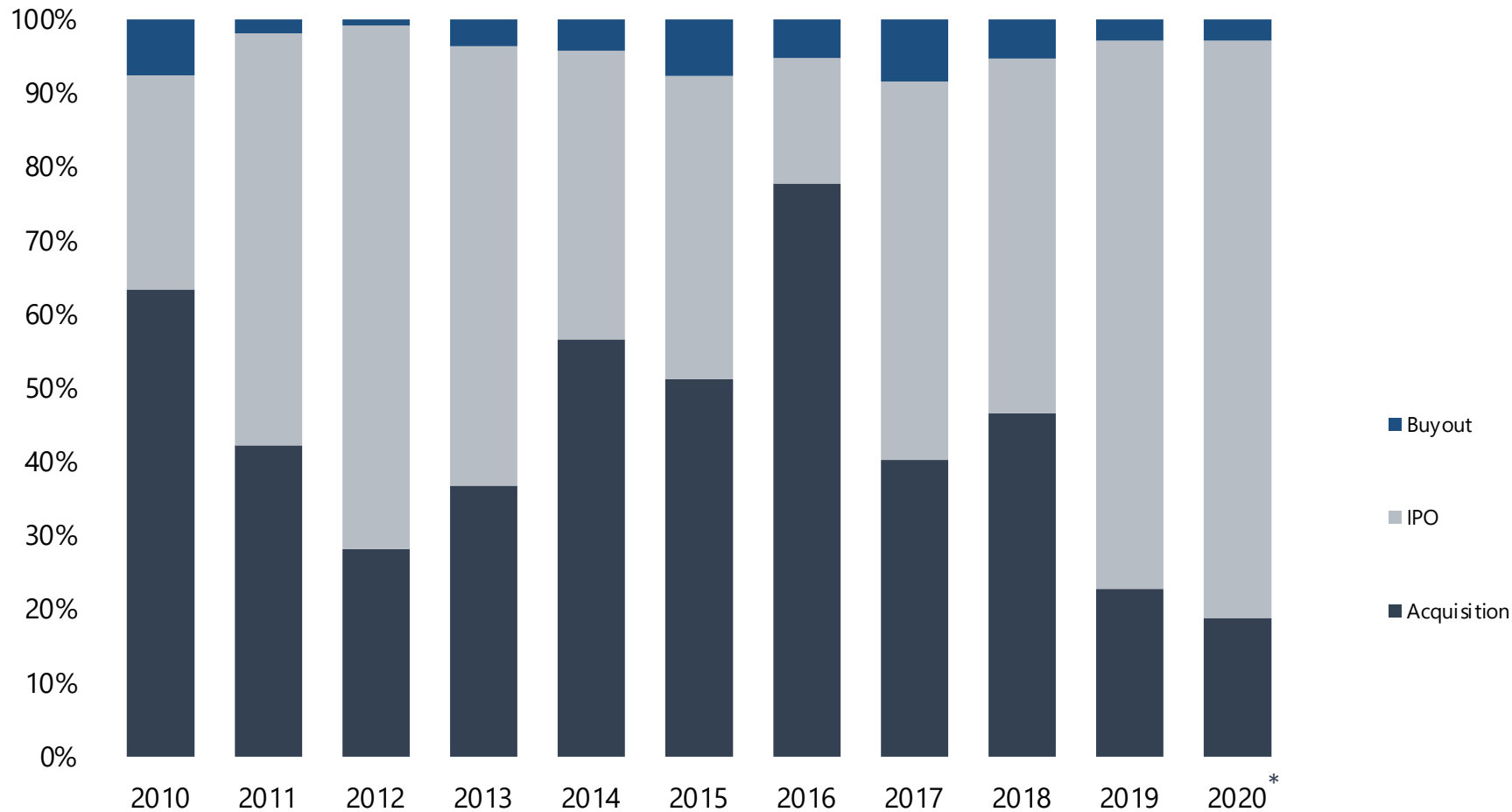
Number of exits valued at \$500 million+ in 2020

\$95 billion

Q3 exit value, second highest in our dataset

USVC exits (\$) by type

IPOs have dominated the exit value in 2020



120

Number of SPACs raised
in 2020 through Q3

Notable deals:

Snowflake
(NYSE:SNOW) \$29.4B

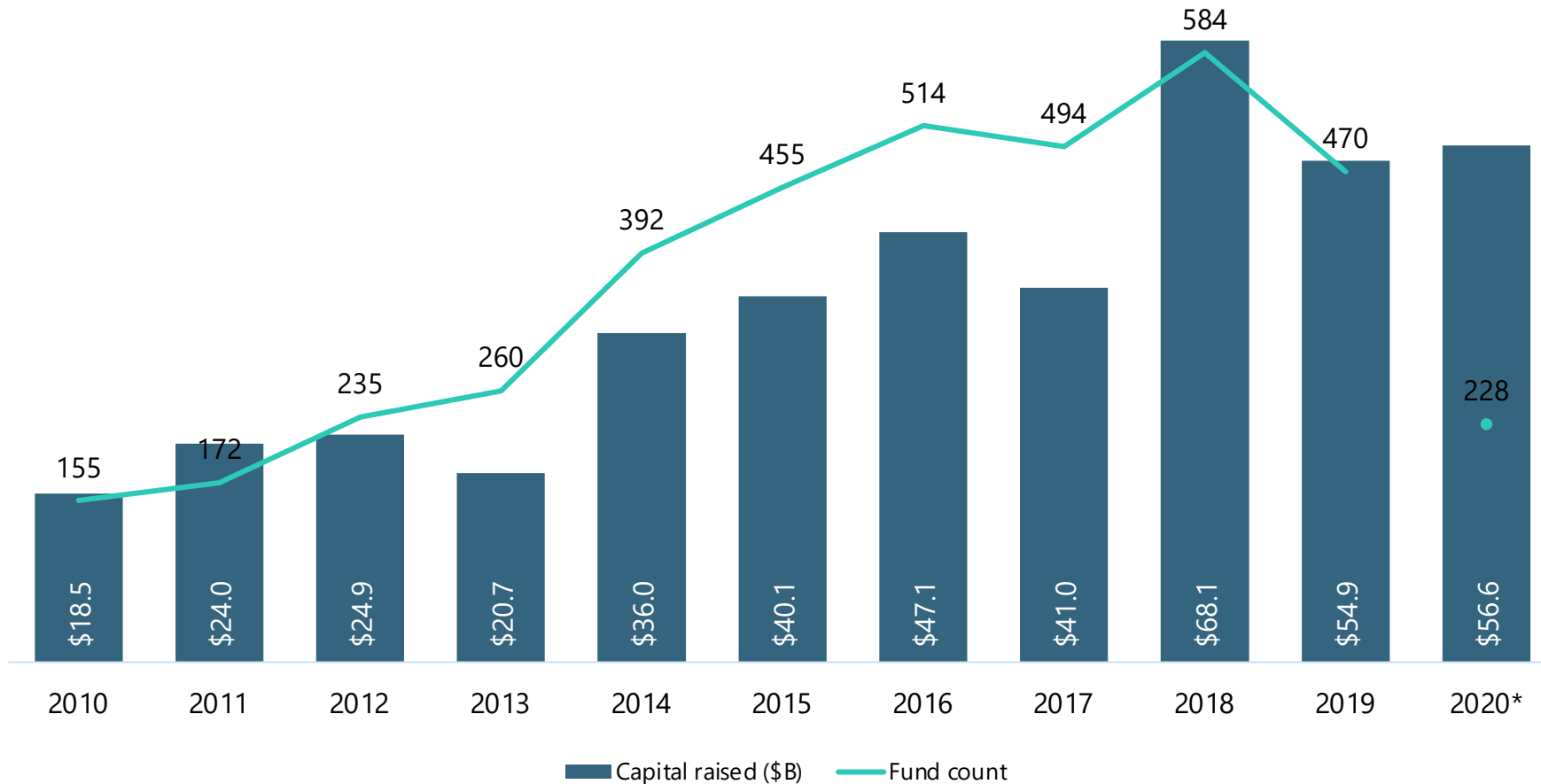
Palantir
(NYSE:PLTR) \$21.0B

Unity
(NYSE: U) \$12.4B

US FUNDRAISING

US VC fundraising by year

Fundraising has continued its torrid pace throughout the pandemic



35

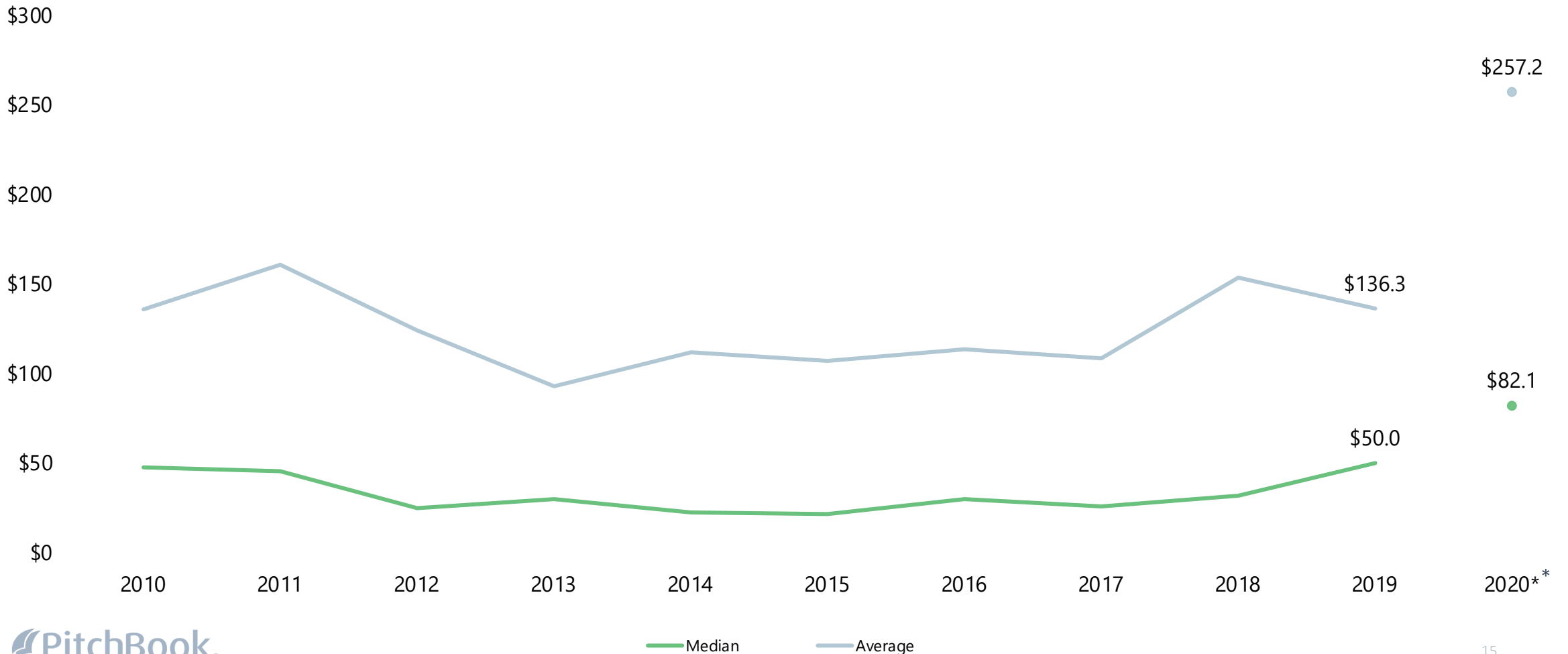
Number of mega-funds closed through Q3 of 2020

\$1.2

billion
Capital raised by micro-VC funds so far in 2020 (\$3.1B raised in 2019).

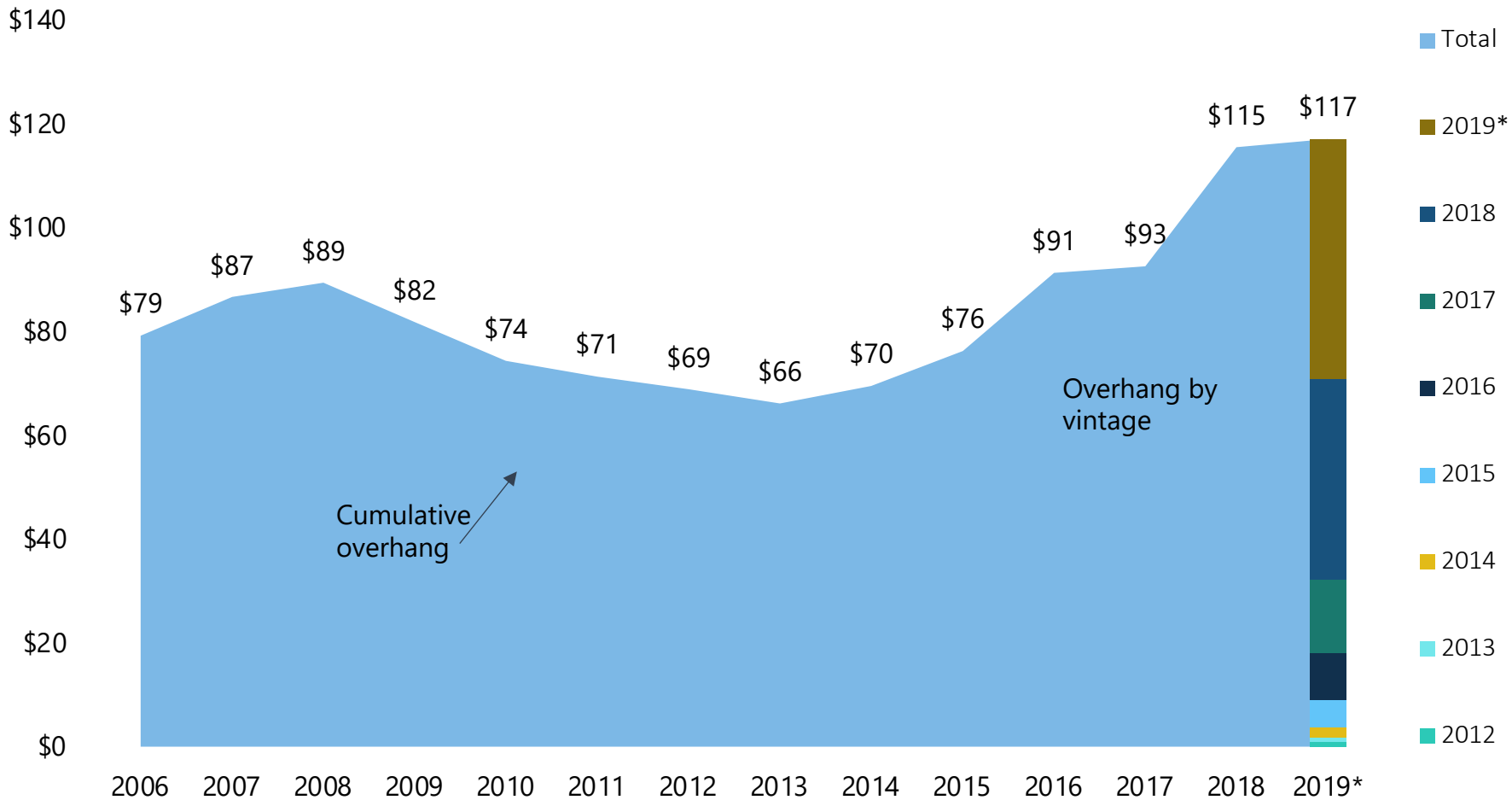
US VC median and average fund size (\$M)

As the median and average fund size continue to rise, larger funds are now competing for investments in younger companies



US VC capital overhang

Record dry powder and current fundraising are major reasons the US venture industry has continued to see such high activity levels



\$18 billion

In VC net cash flow
Through the end of
2019, the highest we
have tracked and a
major reversal over the
Q3 figure of -\$4.9B

Panel Discussion

The resilience of US VC in Q3 2020: Overcoming a pandemic

Venture Monitor - Featured Interviews

Moderated by Lee Gibbs, PitchBook



Kyle Stanford

Venture Analyst,
Institutional Research
Group



Katherine Andersen

Head of Life Sciences &
Healthcare Relationship Banking



Matthew Lee

Product Manager, Equity
Management



svb



Silicon Valley Bank



Katherine Andersen

Head of Life Science & Healthcare Relationship Banking

Katherine Andersen serves as Head of Life Science & Healthcare Relationship Banking at SVB. She also sits on the Board of Directors for SVB's Joint Venture in China, SPD Silicon Valley Bank. Prior to SVB, Katherine was a Senior Vice President for Wells Fargo Bank leading the Life Sciences business development and relationship management efforts for the New England region.



Matthew Lee

Product Manager, Equity Management

Matthew has 15 years of experience in multiple finance and financial technology firms at various levels, including divisional oversight, technical sales, equity research, auditing and valuations. A CFA charter holder, he's currently a product manager at Certent, focusing on private market initiatives.



Kyle Stanford

Venture Analyst, Institutional Research Group

Kyle Stanford is a VC Analyst at PitchBook, where he covers nontraditional VC investment and contributes to quarterly core reports and produces thematic analyst notes on various topics. Prior to this role, he worked on PitchBook's publishing team, building and designing custom reports across all asset classes while also supporting the analyst team's core report development.

Venture Monitor - Featured Interviews

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Katherine Andersen

Head of Life Sciences &
Healthcare Relationship Banking



Matthew Lee

Product Manager, Equity
Management



Understanding deal activity...

“

Do your experiences reinforce the data showing a rebound of activity in Q3 compared to Q2 of 2020?”

“

How are you seeing early stage founders navigate funding challenges?”

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“

Can you explain motivations of late-stage investors who are consolidating capital into their most valuable and mature portco's?"

“

What considerations and/or challenges exist with cap table management in these late-stage companies?”

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“

Looking across industries, what types of companies have you seen successfully raise over the past quarter?”

“

Regarding healthcare specifically, can you reflect on Q3 activity and what to expect ahead?”

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“

What nuances exist in investment activity across US regions?”

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Exit activity...

“

Why has the past quarter been the right time for these notable IPO's?"

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“

Why have SPACs and direct listings become such an attractive avenue in an environment like this?”

“

Is debt being used to stretch runaways in the hopes of seeing M&A activity pick up again soon?”

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Fundraising in Q3...

“

Has prediction of tenured vs.
emerging manager fundraising ability
played out to be true?”

“

Do you see the trend of allocators seeking out Venture continuing past the pandemic?”

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“

What's one factor on Venture that you'll be keeping an eye on as we approach 2021?"

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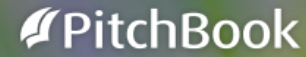




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