

PwC / CB Insights

MoneyTree™ Report

Q3 2018



Executive summary

Q3'18 funding buoyed by second straight quarter increase in \$100M+ rounds

Record levels of \$500M+, \$100M+ deals drive US VC funding higher: Dollars to VC-backed companies were up 17% in Q3'18 over the previous quarter with \$28B invested across 1,229 deals. US private companies raised 6 \$500M+ and 55 \$100M+ VC rounds, the most of any quarter on record.

Q3'18 sees record numbers of new unicorn births: 16 US private companies saw their valuations rise to \$1B+ in Q3, a quarterly record for new unicorns.

Tech M&A was flat, IPOs down: US VC-backed tech companies had a muted quarter in terms of exits, with M&A exits flat, and IPOs down 27% compared to Q2'18.

Ag Tech funding sees massive increase: Funding to Ag Tech focused startups increased to \$508M in Q3'18, after remaining in the \$100M range for several quarters.

Auto Tech rises in deals and dollars: Funding to auto tech-focused startups jumped to \$1.9B in Q3'18, up from just \$56M in Q2. Deals rose from 13 in Q2 to 21 in Q3.

Global funding increases slightly amid declining deal activity and a drop in Asia funding

Global funding ticks up, deal activity declines: Funding activity increased by 2% to \$53B, amid a 9% drop in deals to 3,408 transactions.

Asian funding drops off: Asia funding dropped 11% to \$19B, as median deal size decreased. Deal activity was flat.

Asia sees a record 13 new unicorns: 13 privately-owned Asia startups saw valuations rise to \$1B+, a quarterly record.

Silicon Valley funding jumps: Silicon Valley funding increased by 24% compared to Q2'18, hitting \$4.8B in Q3. Underscoring the size of later-stage deals in Q3, deal activity declined by 28%.

New York area funding sharply up after multiple flat quarters: New York metro area funding rose 110% in Q3'18 to \$5.8B, compared to \$2.7B in Q2. In line with a trend toward fewer, bigger deals in the US, deals in the region decreased by 21% compared to Q2.

Note: Report includes all rounds to VC-backed companies. For a detailed brief on methodology, please reference page 93 of this report.

Table of contents



4 US Overall Trends



12 US Sector Activity



45 US Places



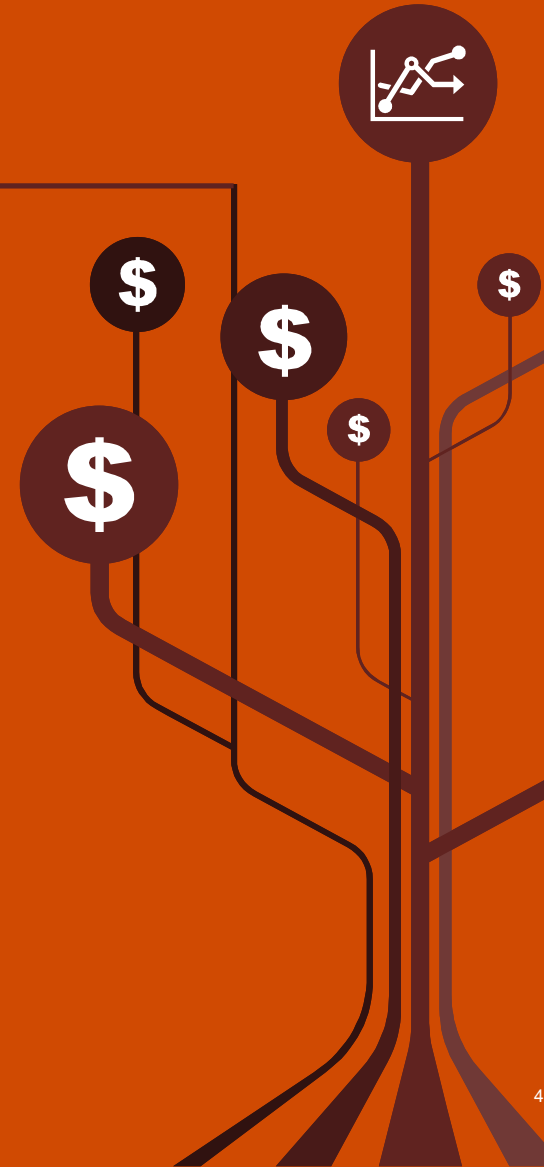
58 US Movers and Shakers



73 Global Trends

01

US Overall Trends





In Q3 2018

UNITED STATES

VC-backed companies raised

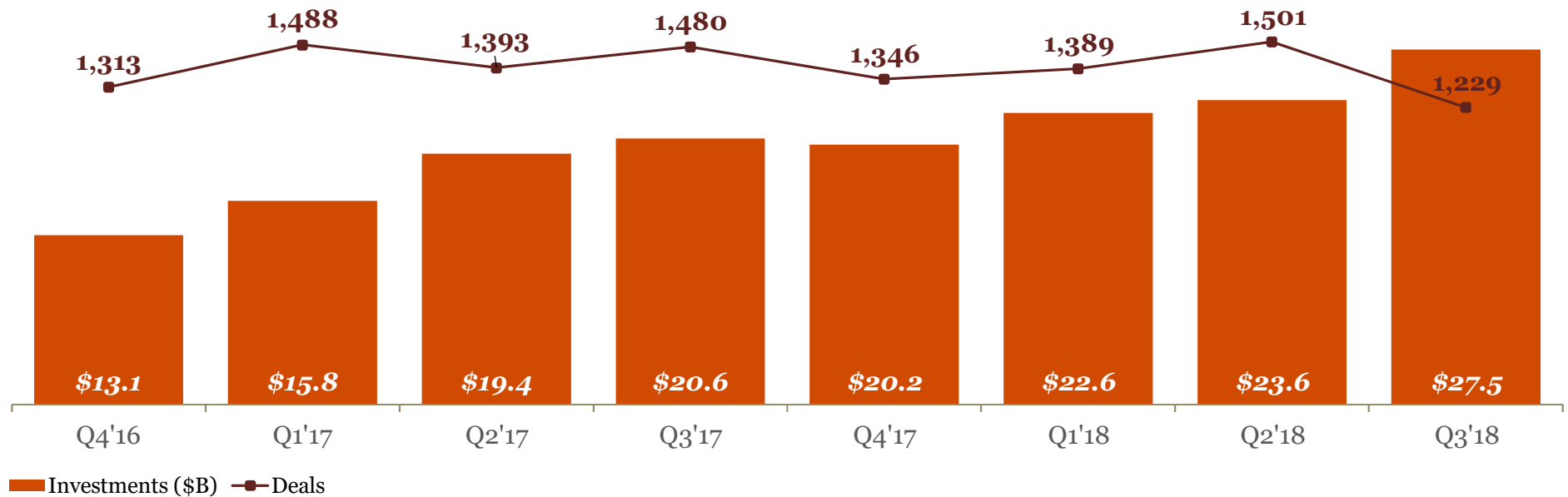
\$28B

8-quarter US financing trend



US funding increases, deal activity declines, in Q3'18

- Dollars were up 17% in Q3'18 as \$27.5B was invested across 1,229 deals. Deal activity declined for the first time since Q4'17.
- Late-stage, US-based unicorns continue to bring in massive deals. WeWork, Uber, and Peloton all raised \$500M+ rounds in Q3'18.



US financing trends



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This quarter approached quarterly funding records, with \$27.5B invested in VC-backed startups and 55 mega-rounds. On the other hand, VC-backed deal volume is down to a level unseen since Q4 of 2012. As early-stage startups wonder if there are adequate funds available, the overall deal volume (1,229) still reflects a healthy startup ecosystem.

— **Tom Ciccolella**, Partner, US Venture Capital Leader at PwC

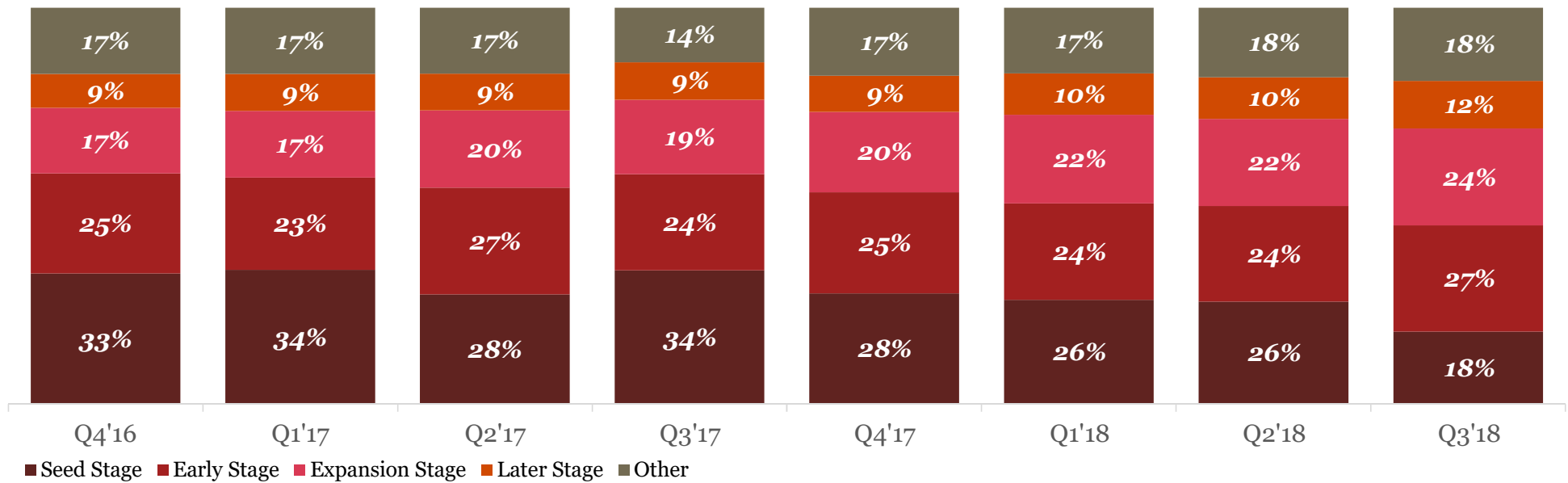
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US deal share by stage



US seed-stage deals decline

- Seed-stage deals declined to 18% of all deals, their lowest in several quarters.
- Early-stage deals increased slightly to 27%, their first increase since Q4'17.

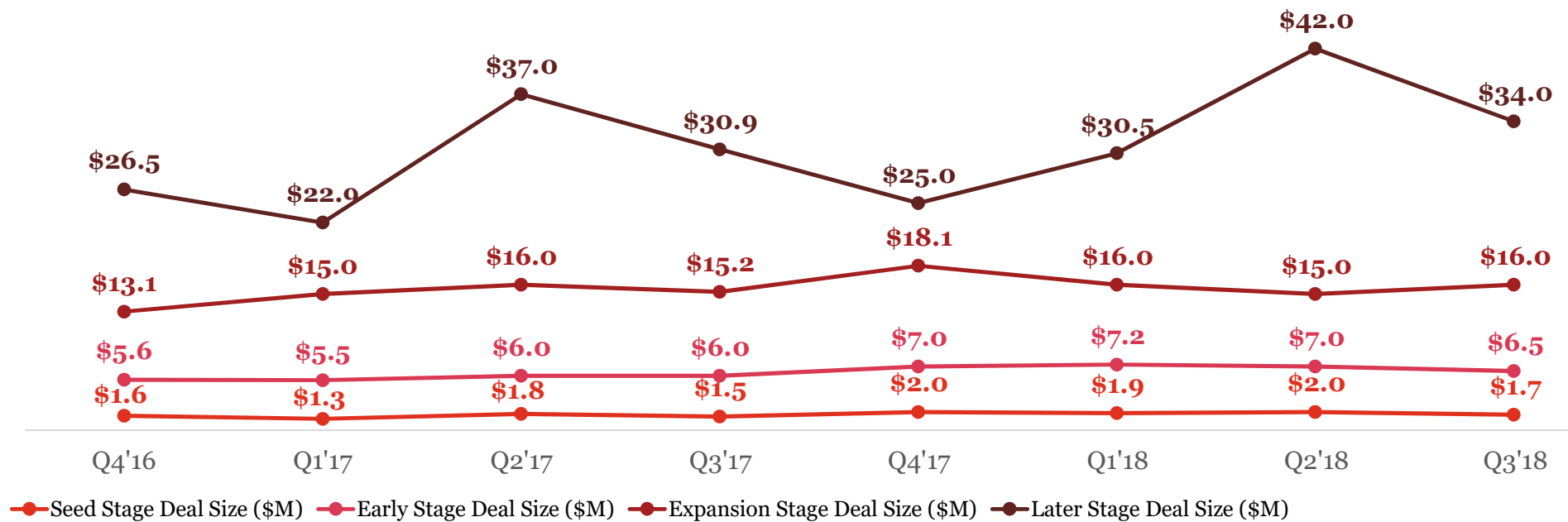




Median US deal sizes by stage

Later-stage median deal size decreased in Q3'18 after a significant run up

- Median later-stage deal size decreased to \$34M in Q3'18, down from \$42M in Q2'18, though well above the historical range in recent quarters.
- Expansion-stage median deal size increased to \$16M in Q3'18.

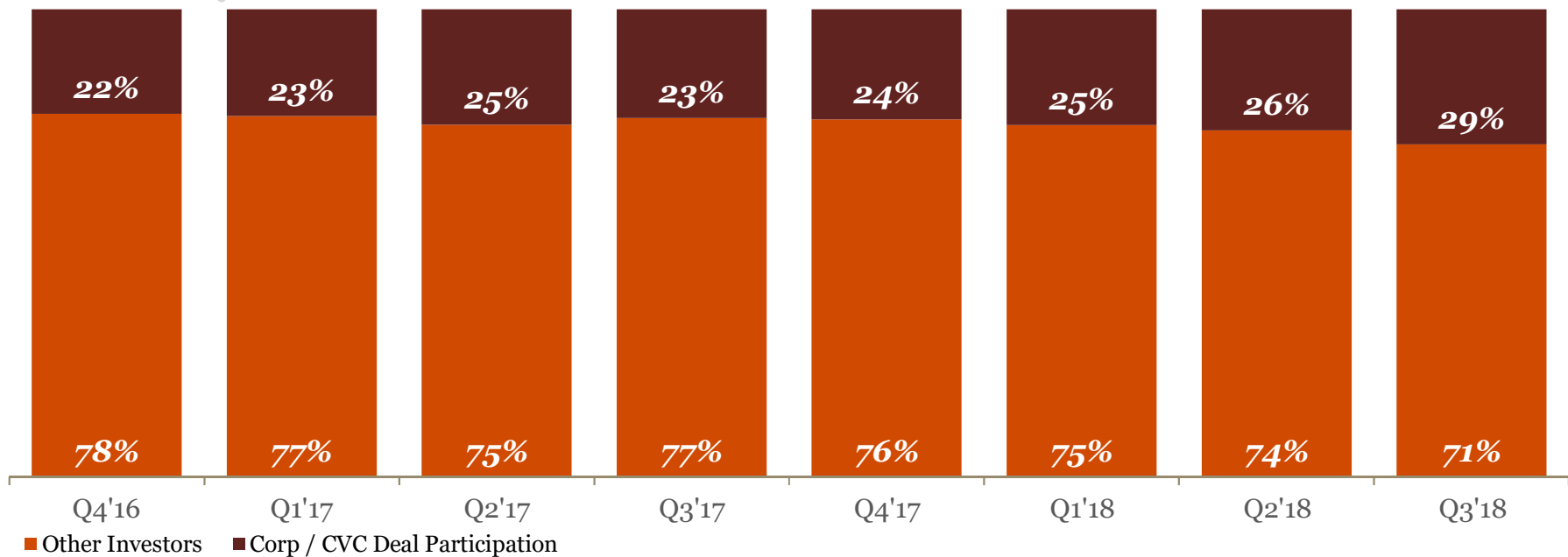


US corporate deal participation



Corporate participation increases Q3'18

- Corporate participation in US deals increased in Q3'18, to 29% of US deals to VC-backed companies.

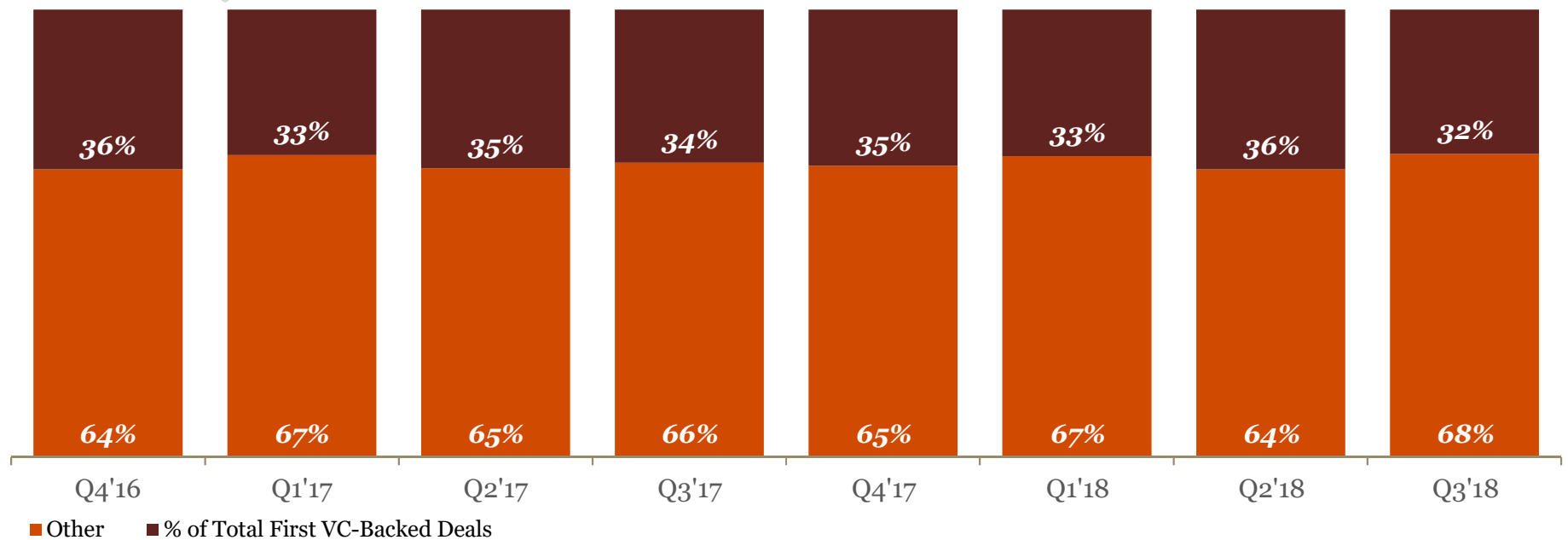


US first venture financing share



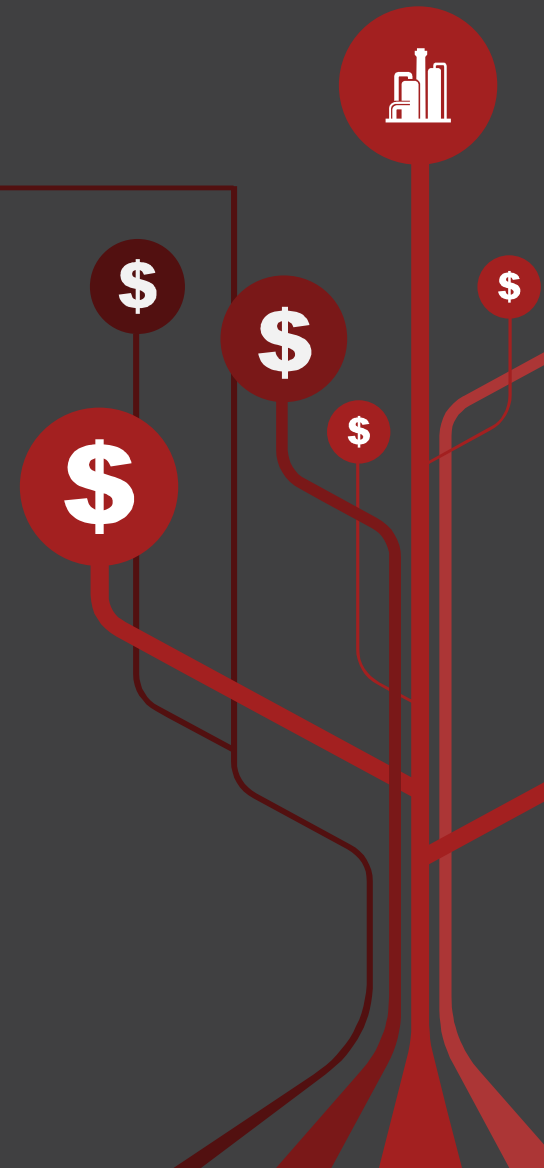
First venture rounds as a share of total deals decrease in Q3'18

- First venture financings as a share of all US deals decreased to 32% in Q3'18.
- \$3.6B was invested by first venture financing rounds, above the historical quarterly range for new financing.

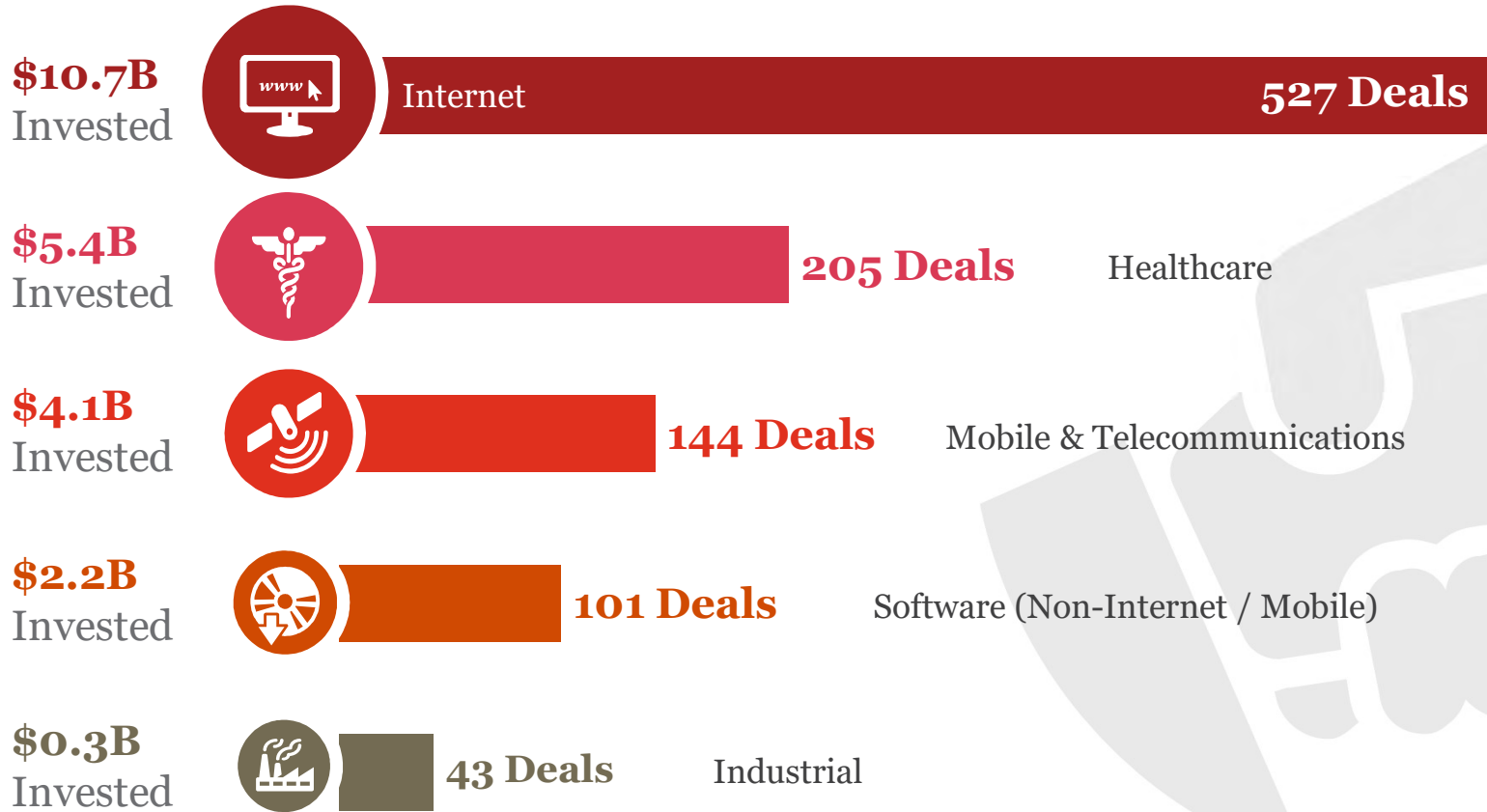


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US Sectors



US deals and funding by Top 5 sectors

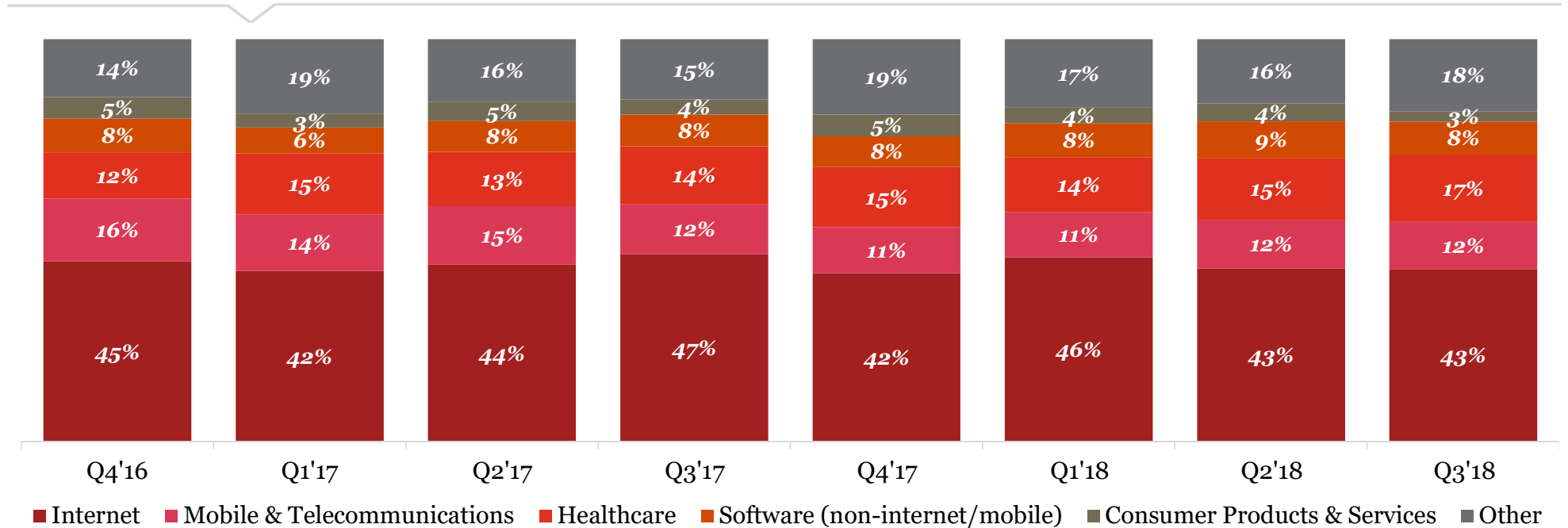


US deal share by sector



Sector funding largely flat, with healthcare deals increasing share

- The healthcare sector increased to 17% of US deals in Q3'18.



Auto Tech



Auto Tech



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AutoTech fundraising reached \$1.9B in Q3'18, this is the largest quarter we've seen - 4x that of the next largest quarter on record. There were three mega-rounds (\$100M+) including Public Investment Fund of Saudi Arabia's \$1B investment in Lucid Motors, furthering the Sovereign Wealth Fund's direct investment activity.

— *Ray Telang, Principal, US Automotive Leader at PwC*

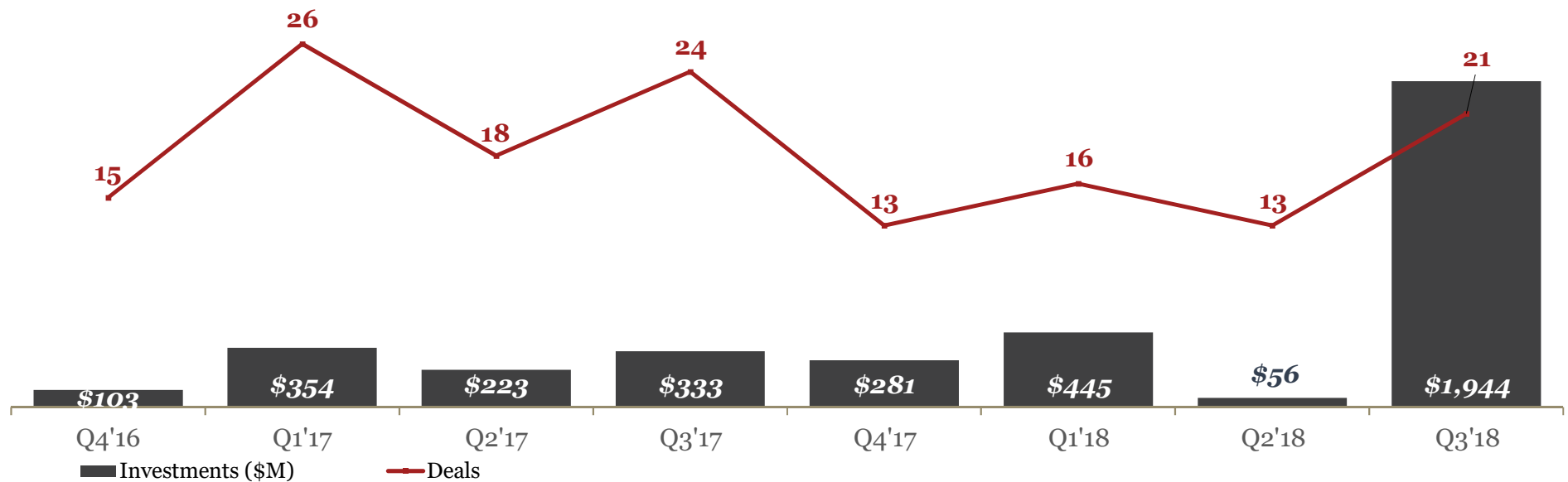
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Auto Tech: US funding over time

Auto Tech funding jumps up after several flat quarters

- Auto Tech funding sharply increased in Q3'18, rising to \$1.9B from just \$56M in Q2.
- The jump in funding was largely driven by two deals: a \$1B investment in Lucid Motors by the Public Investment Fund of Saudi Arabia, and a \$500M investment in Zoox by investors, including Lux Capital and Blackbird Ventures.

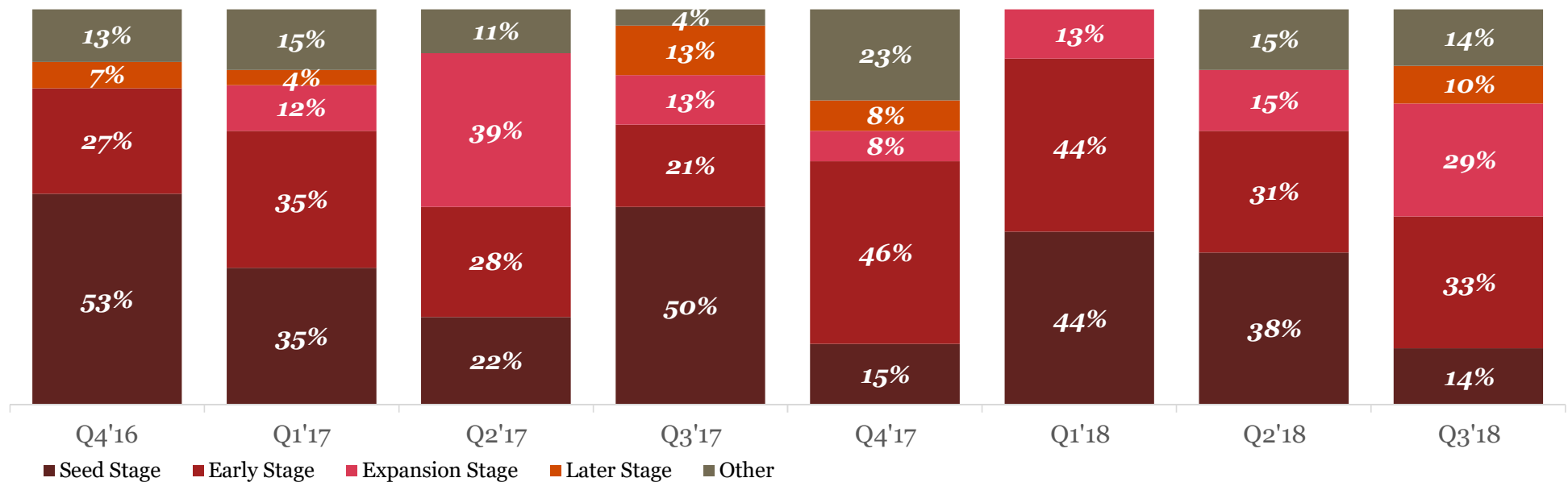


Auto Tech: US deal share over time



Auto Tech expansion, later-stage deals sharply increase

- Expansion and later-stage deals rose to 29% and 10%, respectively. Seed-stage deals declined significantly, from 38% to 14% in Q3'18.
- Expansion-stage deals included Zoox's \$500M Series B, and deep learning company ThinCI's \$65M Series C.



Auto Tech: Top states by deals



1. CA	15 deals \$1,916M Invested
2. NY	2 deals \$20M Invested
3. AZ	2 deals \$6M Invested



Auto Tech: Largest US deals of Q3'18



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Lucid Motors	Newark, CA	Automotive & Transportation	Automobile Manufacturing		\$1,000M	Public Investment Fund of Saudi Arabia
Zoox	Menlo Park, CA	Software (non-internet/mobile)	Scientific, Engineering Software		\$500M	Blackbird Ventures, DFJ, Lux Capital
Pony.ai	Fremont, CA	Software (non-internet/mobile)	Scientific, Engineering Software		\$102M	DCM Ventures, Redpoint Ventures China, Sequoia Capital China
MetroMile	San Francisco, CA	Internet	eCommerce		\$90M	Index Ventures, Intact Financial Corporation, New Enterprise Associates
ThinCI	El Dorado Hills, CA	Software (non-internet/mobile)	Scientific, Engineering Software		\$65M	Daimler, Temasek Holdings, Wavemaker Partners



Agriculture Technology



Agriculture Technology



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AgTech had its largest fundraising quarter in history with \$500M raised from 18 deals. A single \$250M mega-round accounted for half of the funds raised. We see demand for more technology coherence and enterprise class solutions driving these plays.

— **Thomas Johnson**, Principal, US Agribusiness Leader at PwC

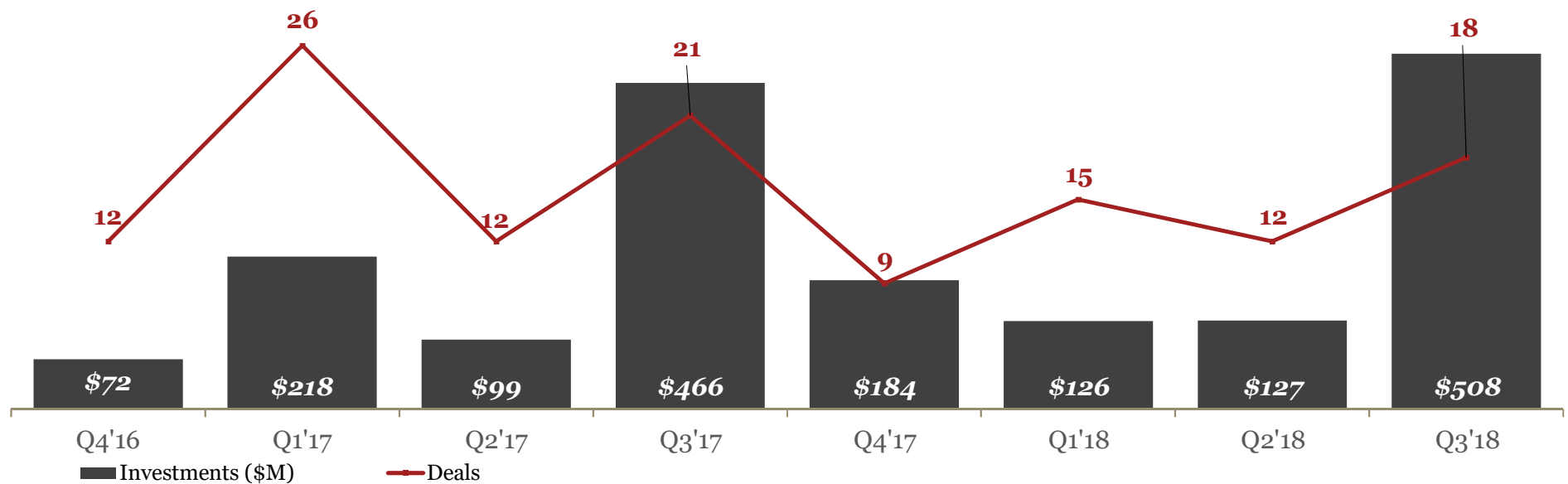
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Agriculture Technology: US funding over time

Ag Tech funding jumps to \$508M in Q3'18

- Ag Tech funding increased sharply in Q3'18, after remaining steady for multiple quarters.
- The quarter was lead by a large funding round for Indigo Agriculture, which is developing microbial solutions to improve crop health. The company raised a \$250M Series E+, accounting for around half of Ag Tech funding in Q3.

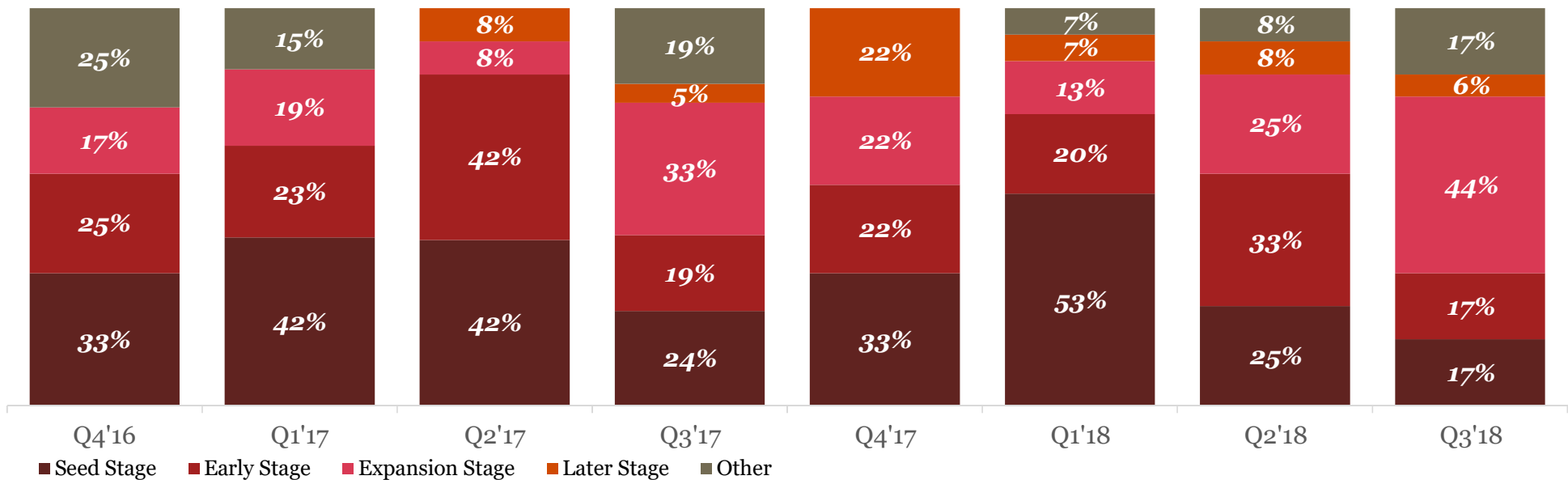


Agriculture Technology: US deal share over time



Ag Tech expansion-stage deals increase significantly as a percentage of deals

- Expansion-stage deals increased in Q3'18 to 44% as share of Ag Tech deals.
- Seed and early-stage deals declined significantly as a percentage of deals in Q3'18.



Agriculture Technology: Top states by deals



1. CA *4 deals*
\$82M Invested






2. MA *2 deals*
\$258M Invested

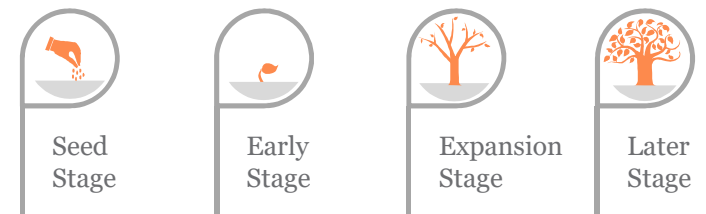
3. NC *2 deals*
\$70M Invested



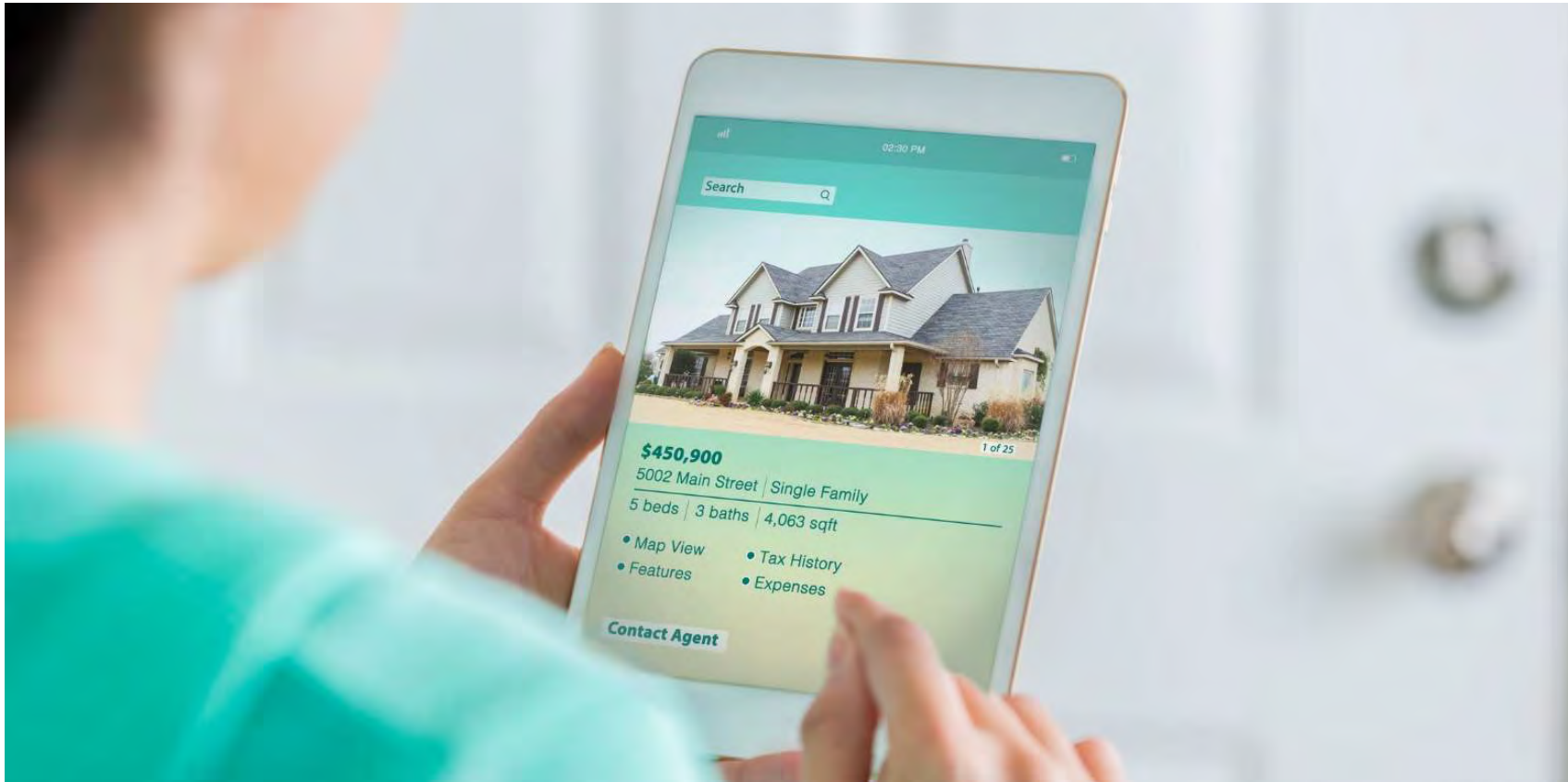
Agriculture Technology: Largest US deals of Q3'18



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Indigo Agriculture	Charlestown, MA	Healthcare	Biotechnology		\$250M	Baillie Gifford & Co., Flagship Pioneering, Investment Corporation of Dubai
Apeel Sciences	Goleta, CA	Food & Beverages	Food Safety & Preservation		\$70M	Andreessen Horowitz, S2G Ventures; Upfront Ventures, Viking Global Investors
AgBiome	Research Triangle, NC	Agriculture	Agricultural Products & Related Activities		\$65M	Fidelity Investments, Innotech Advisers, Monsanto Growth Ventures
Benson Hill Biosystems	St. Louis, MO	Internet	Internet Software & Services		\$60M	Collaborative Fund, Google Ventures, iSelect Fund
Midwestern BioAg	Madison, WI	Agriculture	Agricultural Products & Related Activities		\$15M	N/A



Real Estate Tech



Real Estate Tech



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For the first time, total funding for Real Estate Tech broke the \$1B threshold in total funding and surpassed Q2 2018 as the highest quarter on record.

— *R. Byron Carlock Jr., Partner, National Real Estate Leader at PwC*

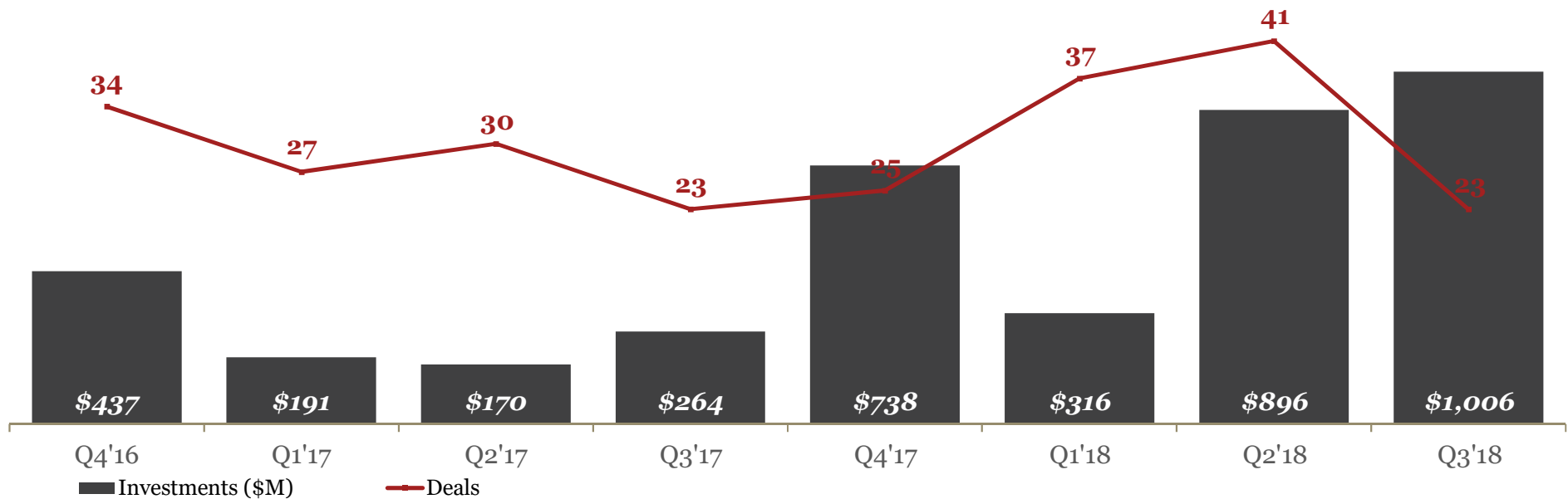
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Real Estate Tech: US funding over time

Real Estate Tech funding increases in Q3'18, amid a drop in deal activity

- Real Estate Tech funding increased to \$1B in Q3'18, up from \$896M in Q2.
- The quarter was lead by large funding rounds for Compass and OpenDoor Labs. Compass, a technology-driven real estate platform, raised \$400M in a Series E+. OpenDoor, an online real estate marketplace, raised \$400M.

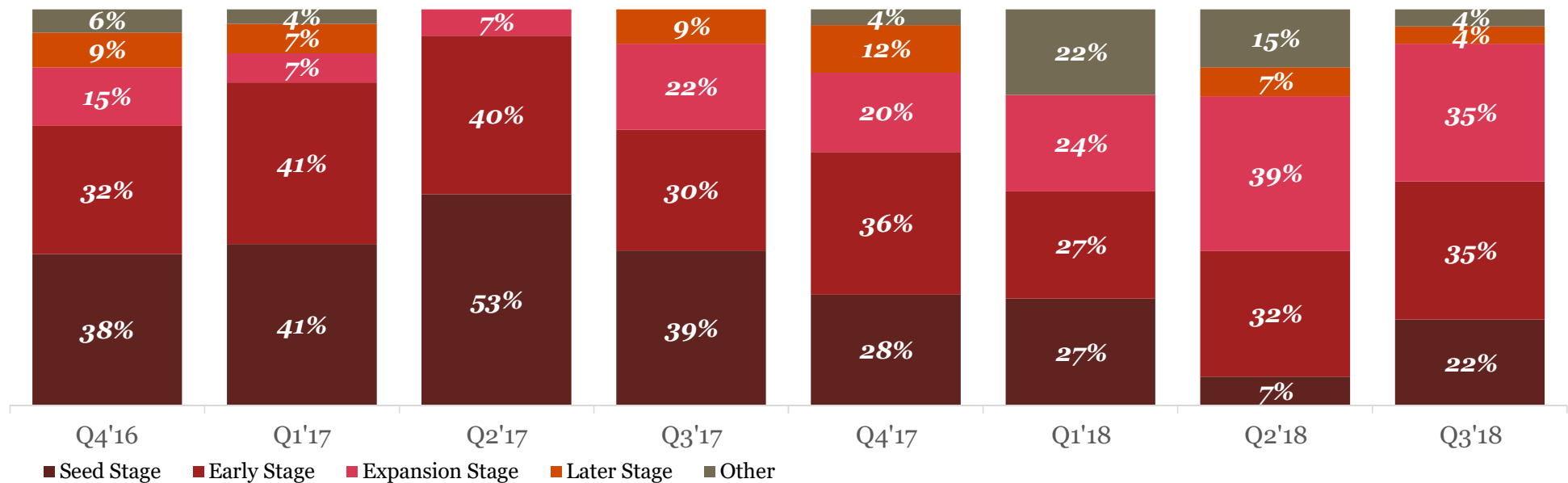




Real Estate Tech: US deal share over time

Seed stage Real Estate Tech deals increase in Q3'18

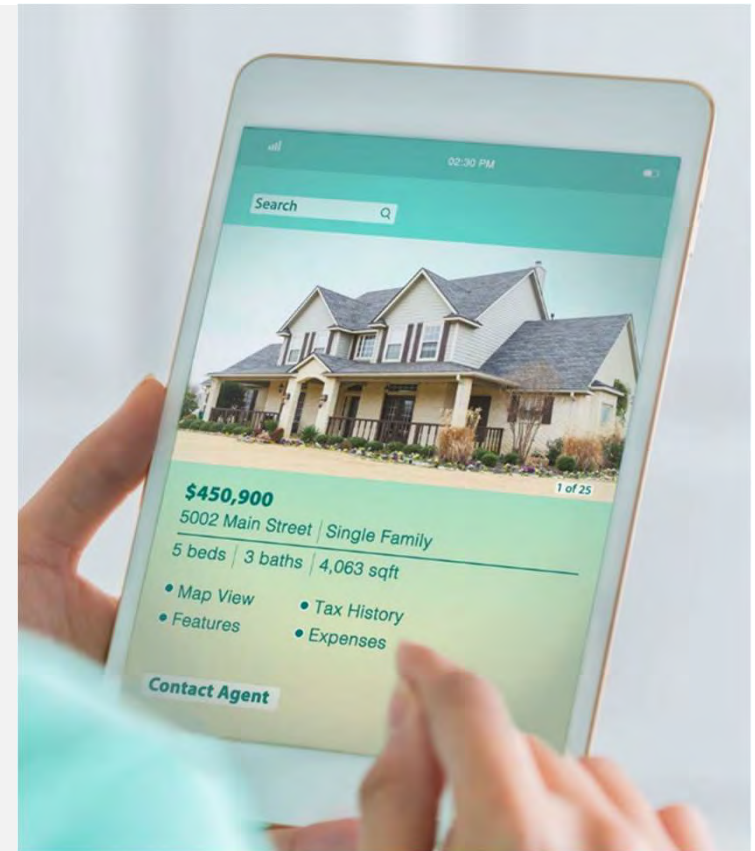
- Real Estate Tech saw an increased percentage of seed stage deals in Q3'18, at 22% of total deals.
- 5 Real Estate Tech startups raised seed-stage deals in Q3'18.



Real Estate Tech: Top states by deals



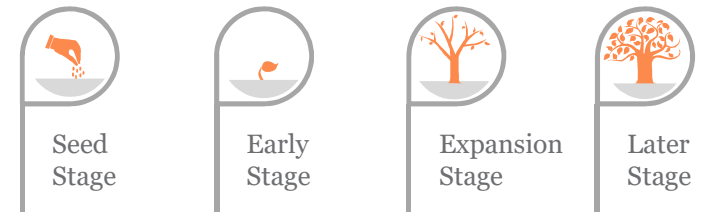
- 1. CA**
10 deals
\$516M Invested
- 2. NY**
7 deals
\$476M Invested
- 3. CO**
2 deals
\$3M Invested



Real Estate Tech: Largest US deals of Q3'18



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
OpenDoor Labs	San Francisco, CA	Internet	Internet Software & Services		\$400M	SoftBank Group
Compass	New York, NY	Internet	Internet Software & Services		\$400M	Institutional Venture Partners, Qatar Investment Authority, SoftBank Group
Zumper	San Francisco, CA	Internet	Internet Software & Services		\$46M	Axel Springer, Blackstone Group, Kleiner Perkins Caufield & Byers
Rezi	New York, NY	Internet	Internet Software & Services		\$30M	Bessemer Venture Partners, Global Founders Capital, Greylock Partners
Reali	San Mateo, CA	Internet	Internet Software & Services		\$20M	Signia Ventures Partners, Zeev Ventures



Digital Health



Digital Health



“

Digital Health fundraising reached \$2.8B in Q3, making Q3 the second highest Digital Health quarter on record. Seven mega-rounds (\$100M+) drove more than 60% of total funding, with investments in companies providing new platforms for fitness and wellness, direct primary care, and consumer genomics.

— **Vaughn Kauffman**, *Principal, Health Services Advisory Leader at PwC*

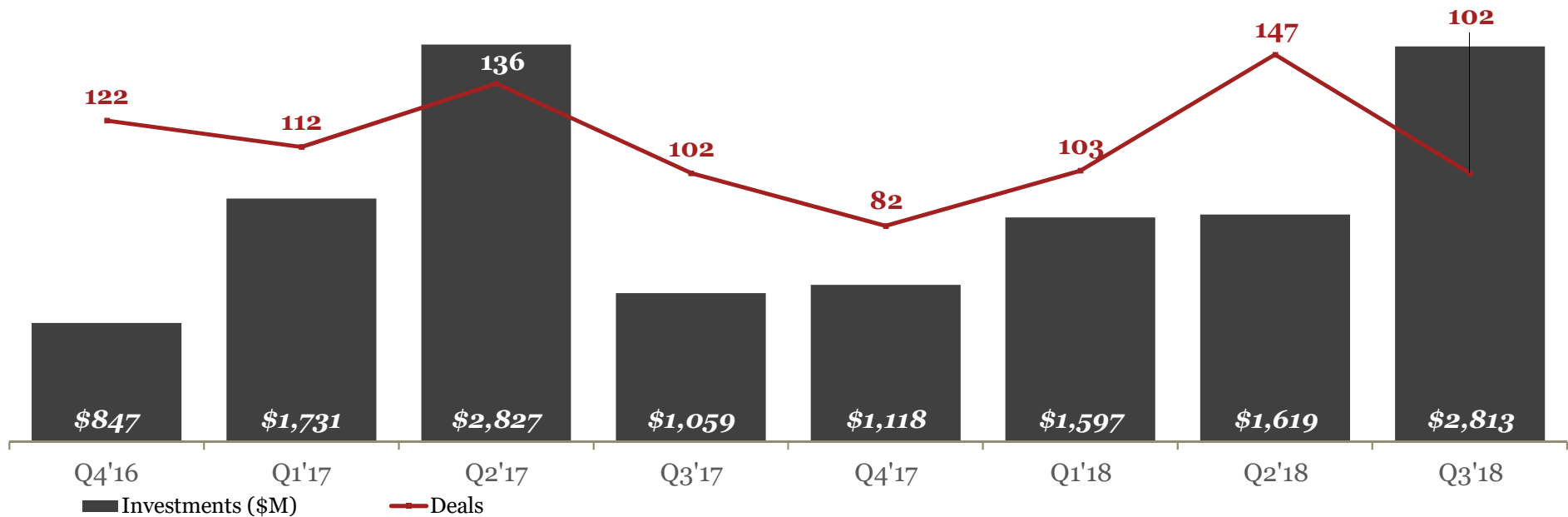
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Digital Health: US funding over time

Digital Health funding jumps 74% in Q3'18 amid a decrease in deal activity

- Digital Health startups raised \$2.8B in Q3'18, rising 74% compared to Q2.
- Six Digital Health companies raised \$100M+ rounds, including Peloton, Oscar Health, and 23andMe

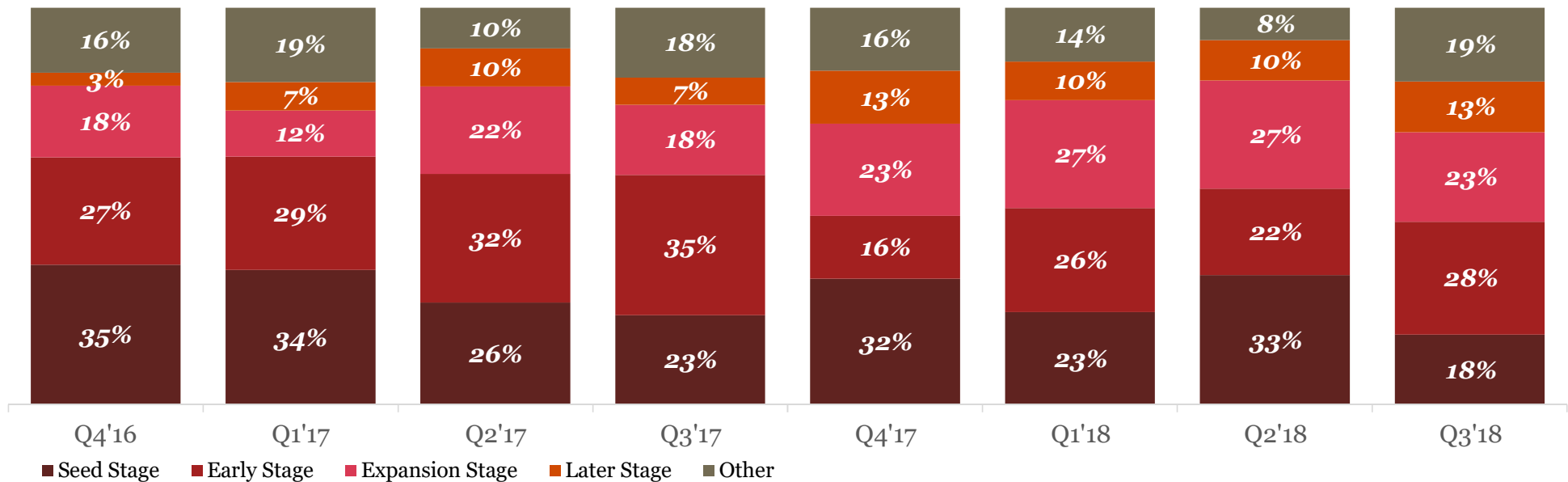




Digital Health: US deal share over time

Seed funding for Digital Health companies drops as early, later-stage funding increases

- Seed funding for Digital Health companies dropped to 18% in Q3'18, from 33% in Q2,
- Early-stage Digital Health companies accounted for 28% of Q3'18 deals, up from 22% in Q2.





Digital Health: Top states by deals

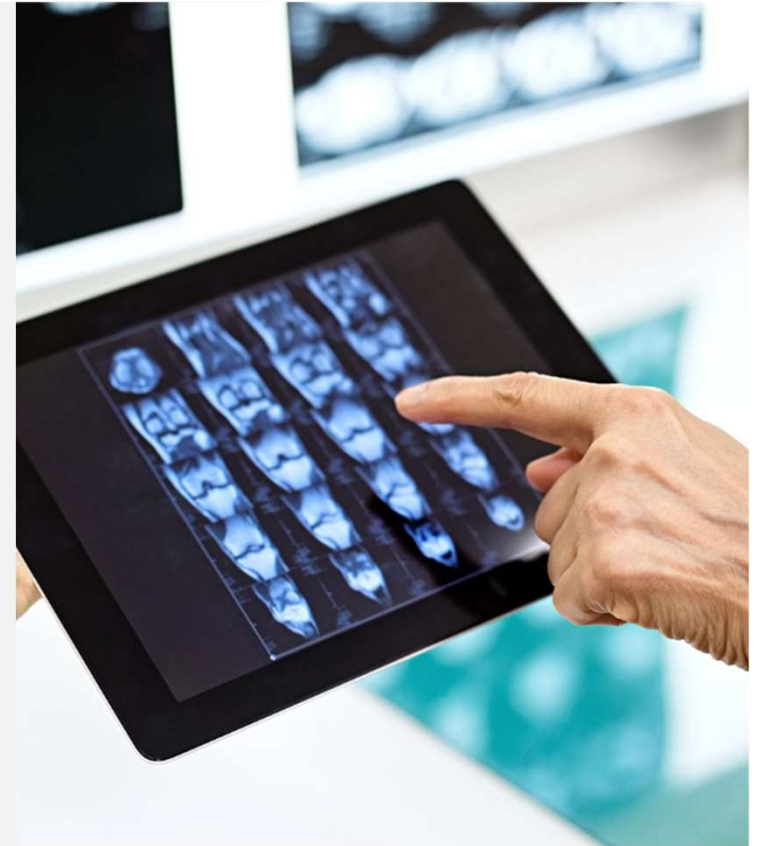
1. **CA** **37 deals**
\$951M Invested

2. **NY** **11 deals**
\$1,006M Invested

3. **MN** **6 deals**
\$17M Invested

4. **MA** **5 deals**
\$102M Invested

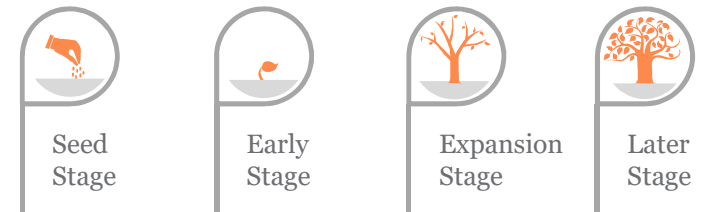
5. **FL** **5 deals**
\$65M Invested



Digital Health: Largest US deals of Q3'18



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Peloton	New York, NY	Internet	Internet Software & Services		\$550M	Fidelity Investments; Kleiner Perkins Caulfield & Byers, Tiger Global Management
Oscar Health	New York, NY	Internet	Internet Software & Services		\$375M	Alphabet
23andMe	Mountain View, CA	Healthcare	Disease Diagnosis		\$300M	GlaxoSmithKline
Essence Group Holdings	Maryland Heights, MO	Internet	Internet Software & Services		\$226M	Cerner
One Medical Group	San Francisco, CA	Medical Facilities & Services	Internet Software & Services		\$220M	The Carlyle Group



Insur Tech



Insur Tech



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InsurTech fundraising approached \$1B in Q3 - the highest funding on record. Three mega-rounds (\$100M+) accounted for more than 60% of total funding.

— *David Kelley, Partner, New York Metro Fin Tech Leader at PwC*

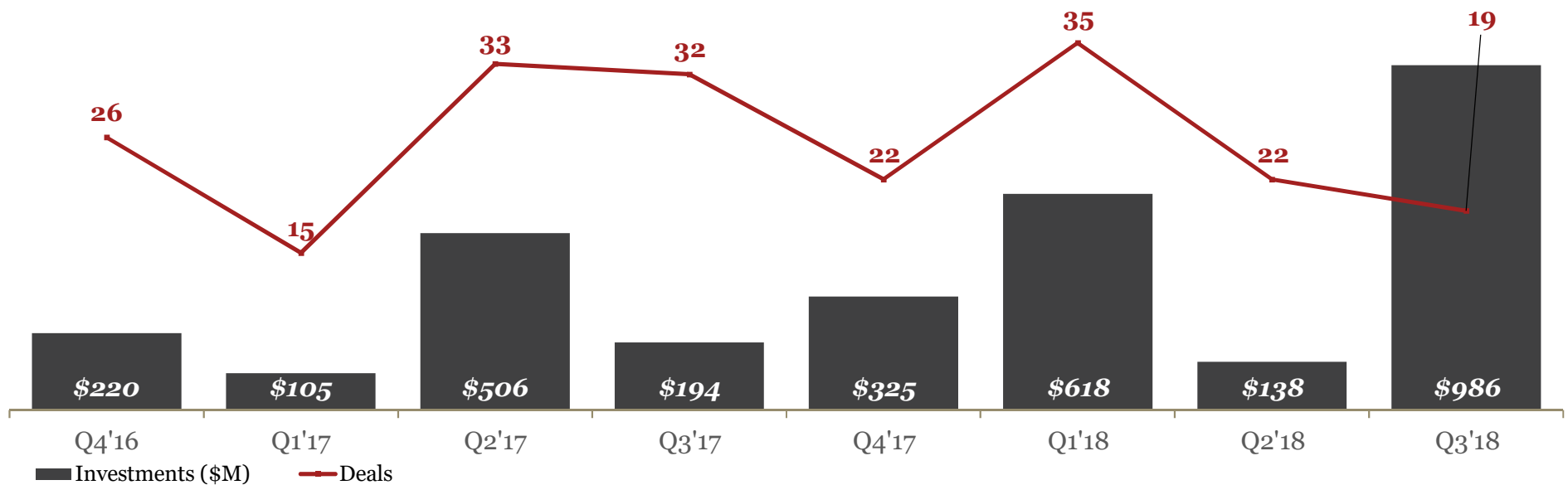
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Insur Tech: US funding over time

Insur Tech funding increases drastically in Q3'18

- Insur Tech companies raised \$986M in Q3'18, up significantly from \$138M in Q2.
- Oscar Health led the quarter with a \$375M funding round. Additionally, Root Insurance, an auto insurance company that incorporates personalized driver data into quotes, raised a \$100M Series D round.

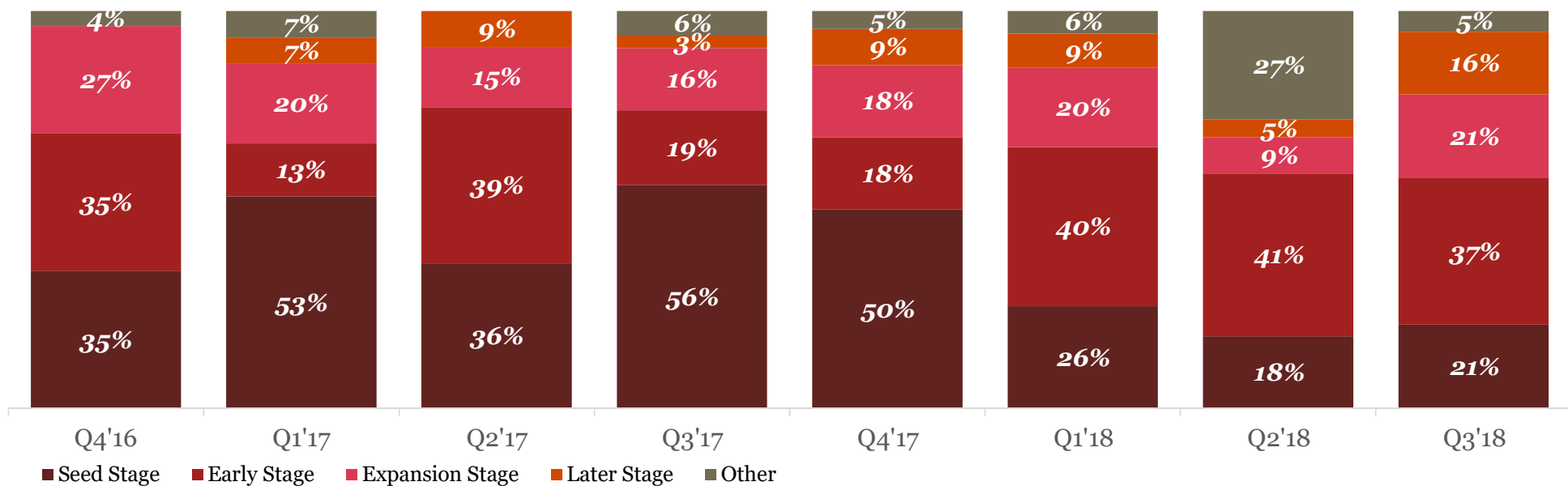




Insur Tech: US deal share over time

Seed and early-stage remain significant contributors to Insur Tech funding

- Seed and early-stage funding has hovered at around half or more of all Insur Tech deals over several quarters.
- Late and expansion-stage deals increased significantly in Q3'18, as “other” deals declined.





Insur Tech: Top states by deals

1. **NY**

6 deals
\$505M Invested

2. **CA**

5 deals
\$320M Invested

3. **OH**

2 deals
\$100M Invested

INSURANCE CLAIM FORM

Submit your claim:

1. Policy holder

2. Accident details

3. Submit claim






First name
Home address
City
State
ZIP code
Country
E-mail address
Date of birth (DD MM YYYY)
Are you married? Y N
Citizenship country
Date of purchase (DD MM YYYY)
Policy expiration date (DD MM YYYY)

Gender: F M

NEXT STEP >

Insur Tech: Largest US deals of Q3'18

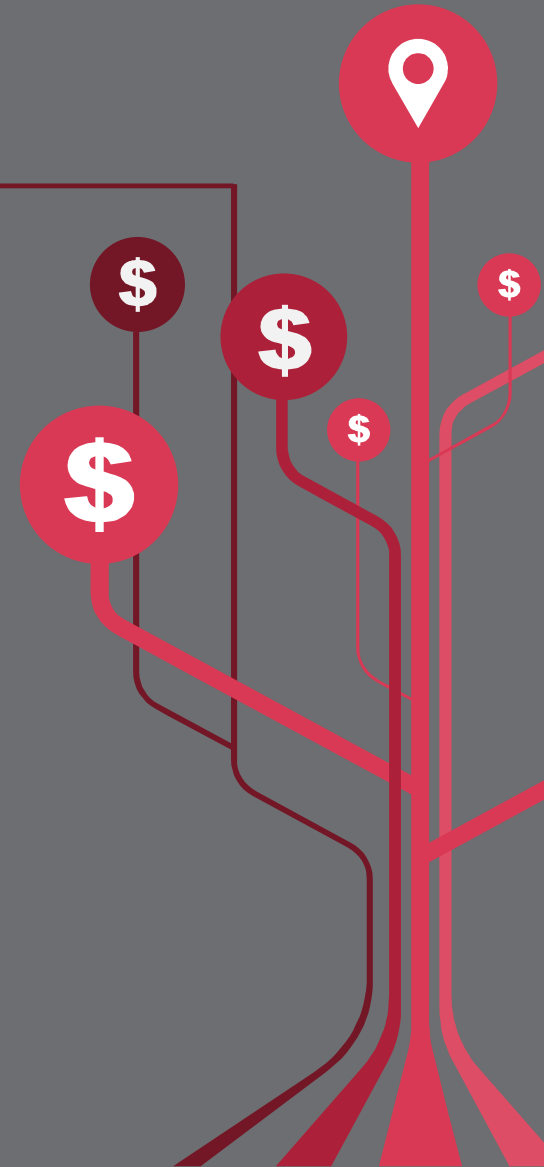


Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Oscar Health	New York, NY	Internet	Internet Software & Services		\$375M	Alphabet
Gusto	San Francisco, CA	Internet	Internet Software & Services		\$140M	General Catalyst; Kleiner Perkins Caufield & Byers
Root Insurance	Columbus, OH	Mobile & Telecommunications	Mobile Software & Services		\$100M	Redpoint Ventures, Ribbit Capital, Tiger Global Management
MetroMile	San Francisco, CA	Internet	eCommerce		\$90M	Index Ventures, New Enterprise Associates, Section 32
Next Insurance	Palo Alto, CA	Internet	eCommerce		\$83M	American Express Ventures; Munich Re, Nationwide Ventures, Redpoint Ventures

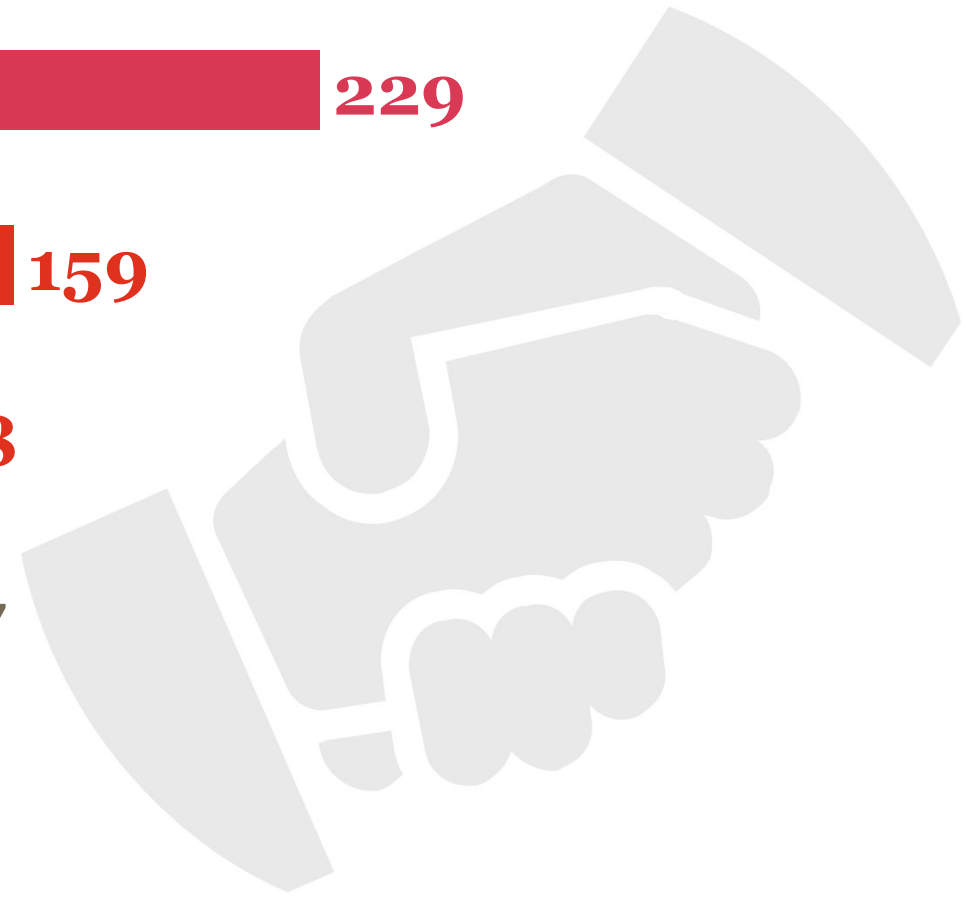
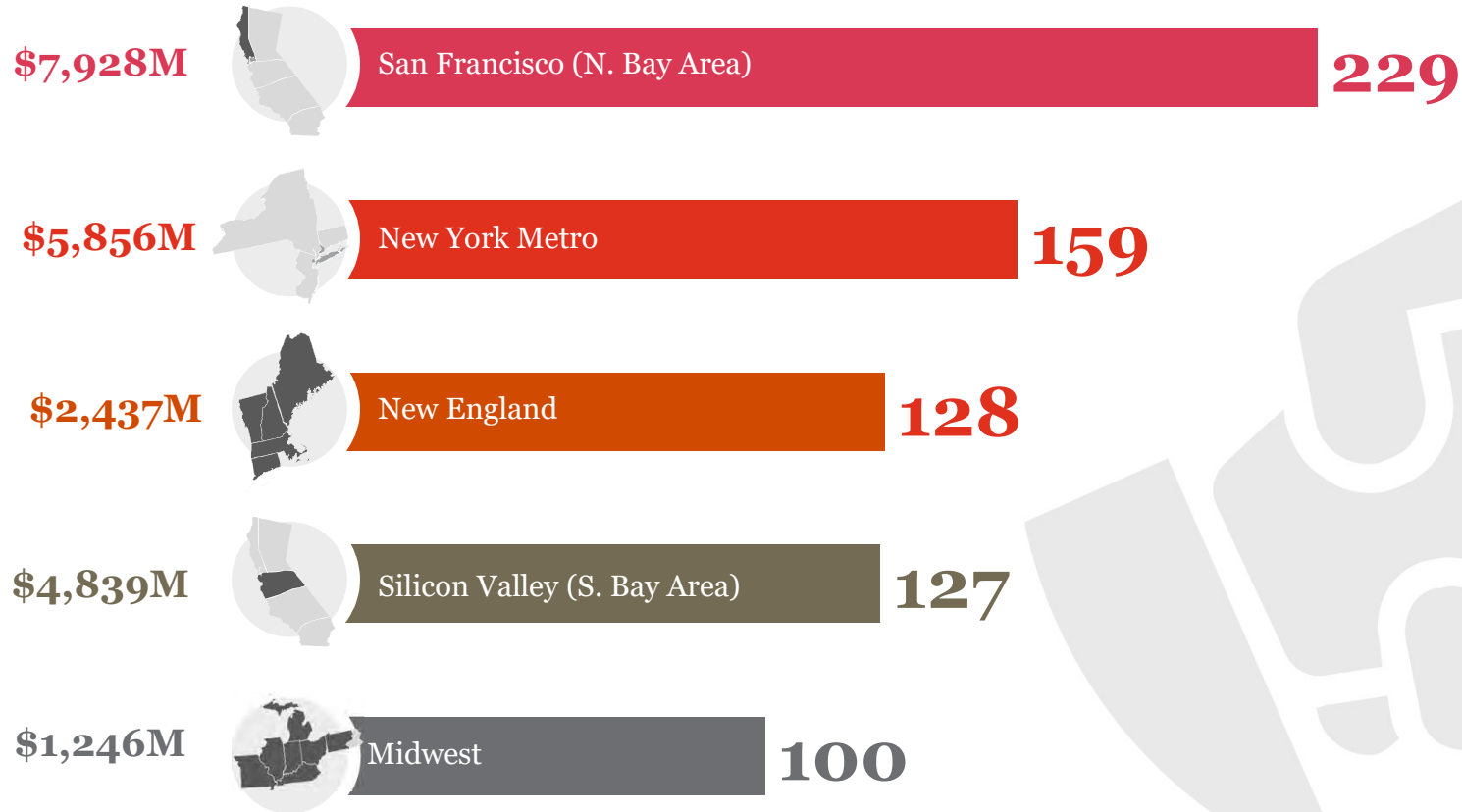


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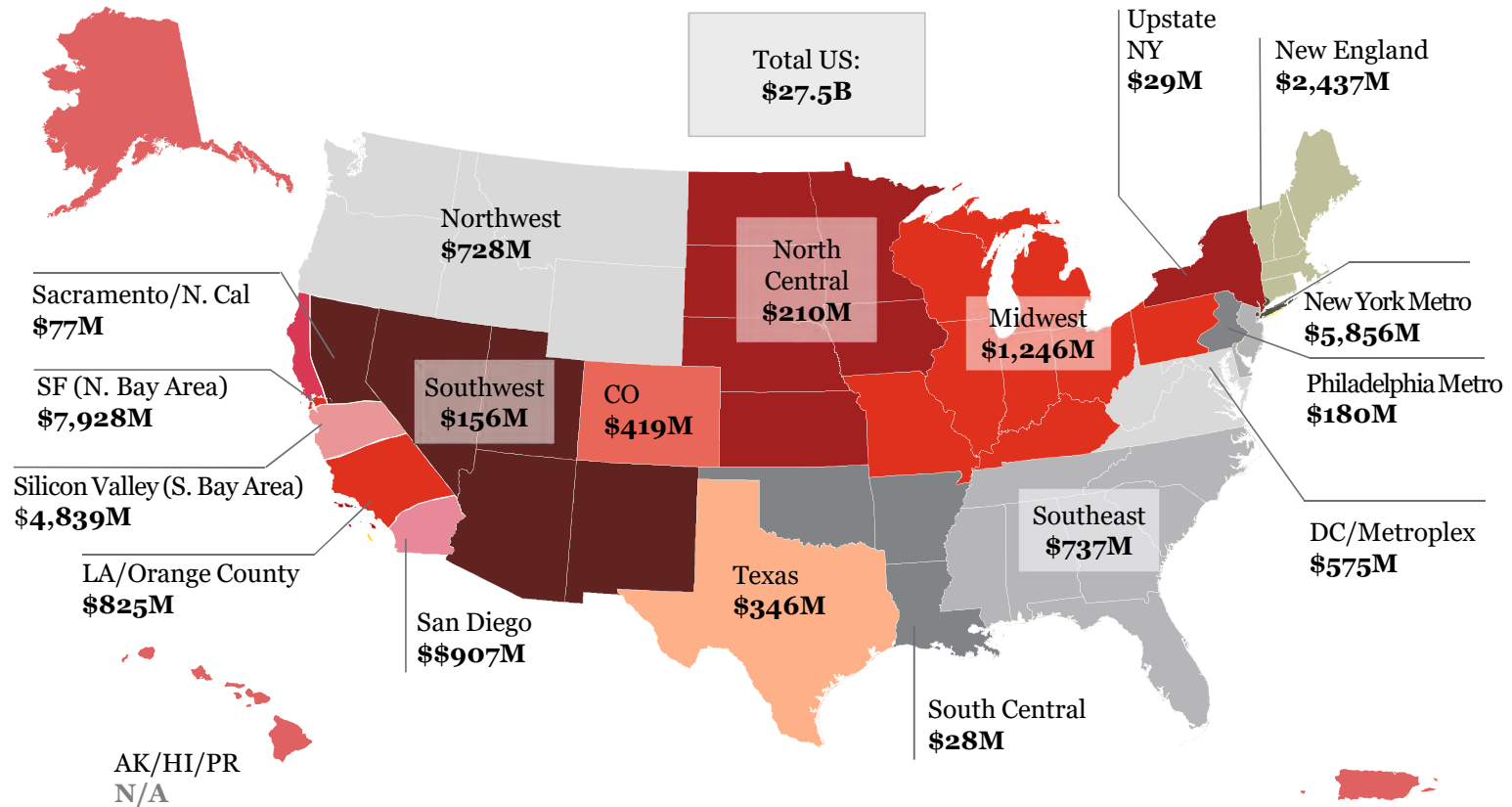
US Places



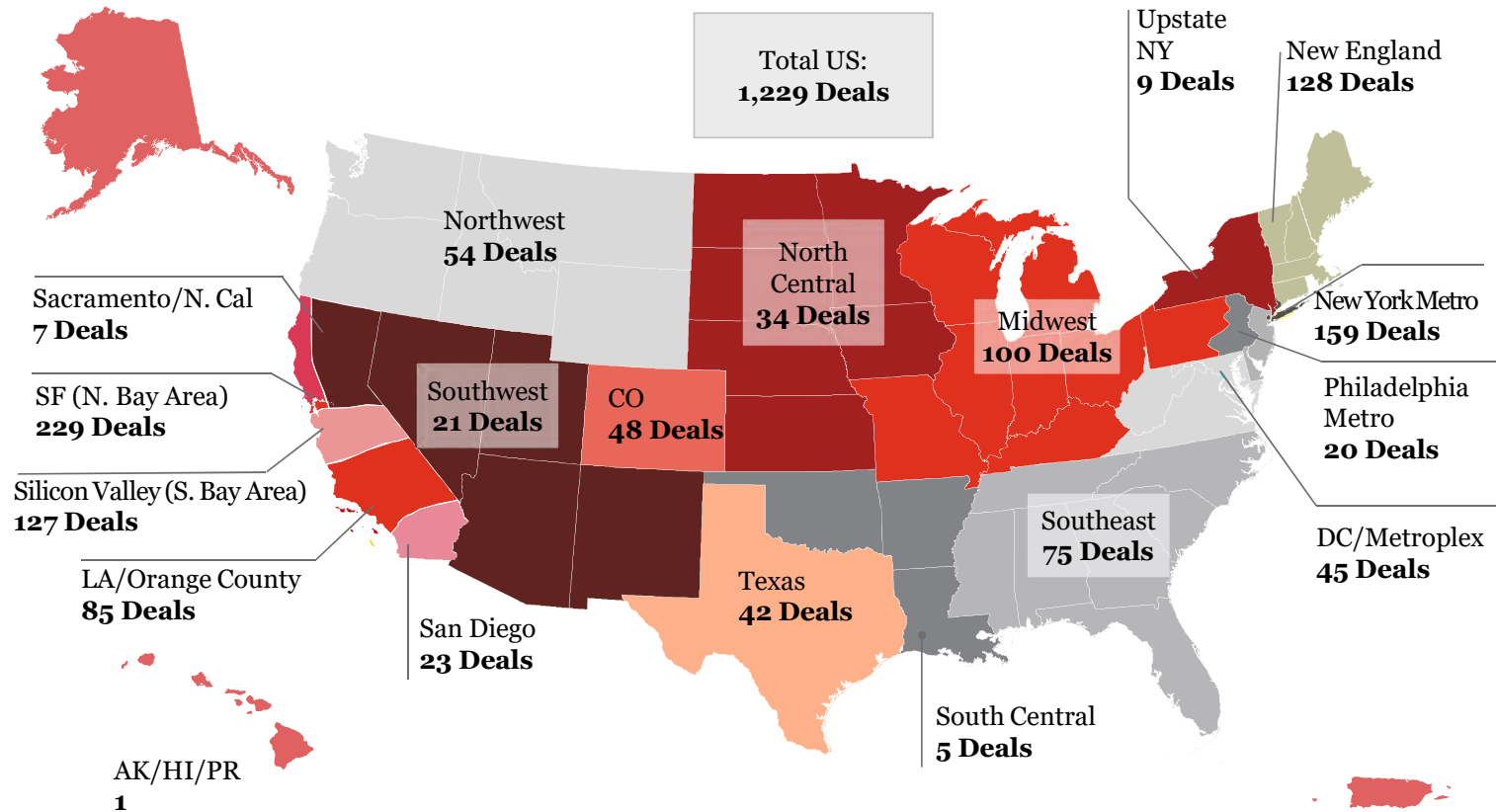
US top five regions of Q3'18 by deals



US: Q3'18 funding by region



US: Q3'18 deals by region

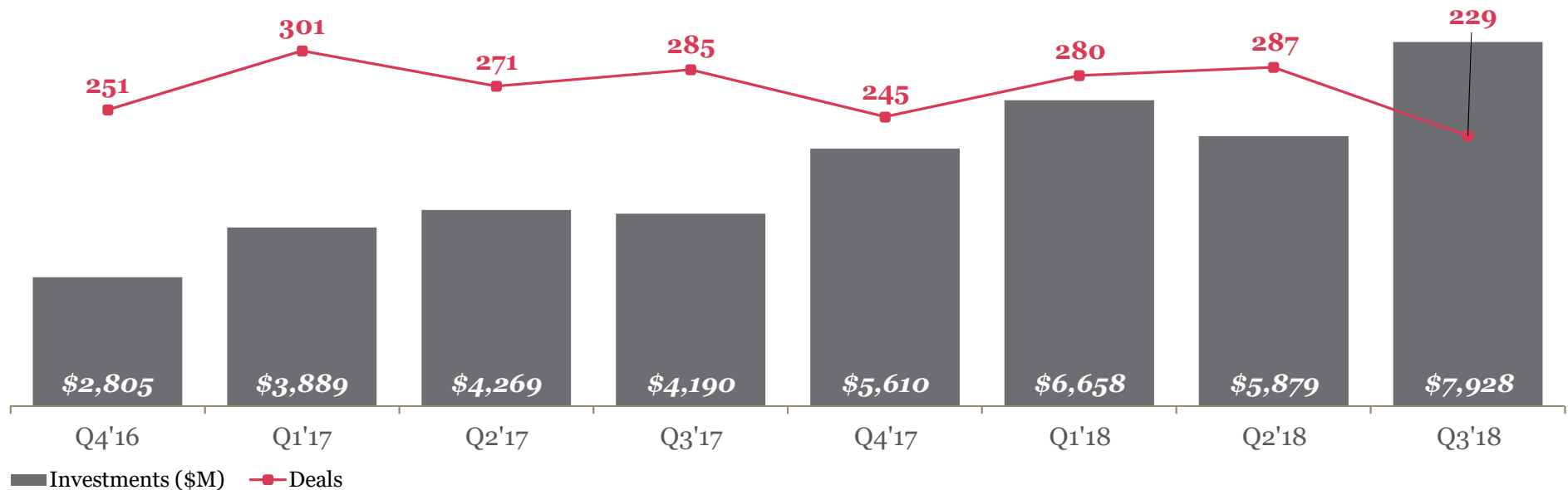


8-quarter financing trend: San Francisco (North Bay Area)



San Francisco funding increases

- San Francisco-based companies saw \$8B invested in Q3'18, a 35% increase in funding over Q2.
- Deal activity declined sharply to 229 transactions, a 20% decrease.



New York Metro



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The New York Metro region had a record fundraising quarter with \$5.9B and 10 mega-rounds (\$100M+), including a \$1B round for WeWork which was New York Metro's second biggest deal ever (second only to WeWork's \$1.7B Q3'17 deal).

— *David Silverman, Partner, US Emerging Company Services Co-leader at PwC*

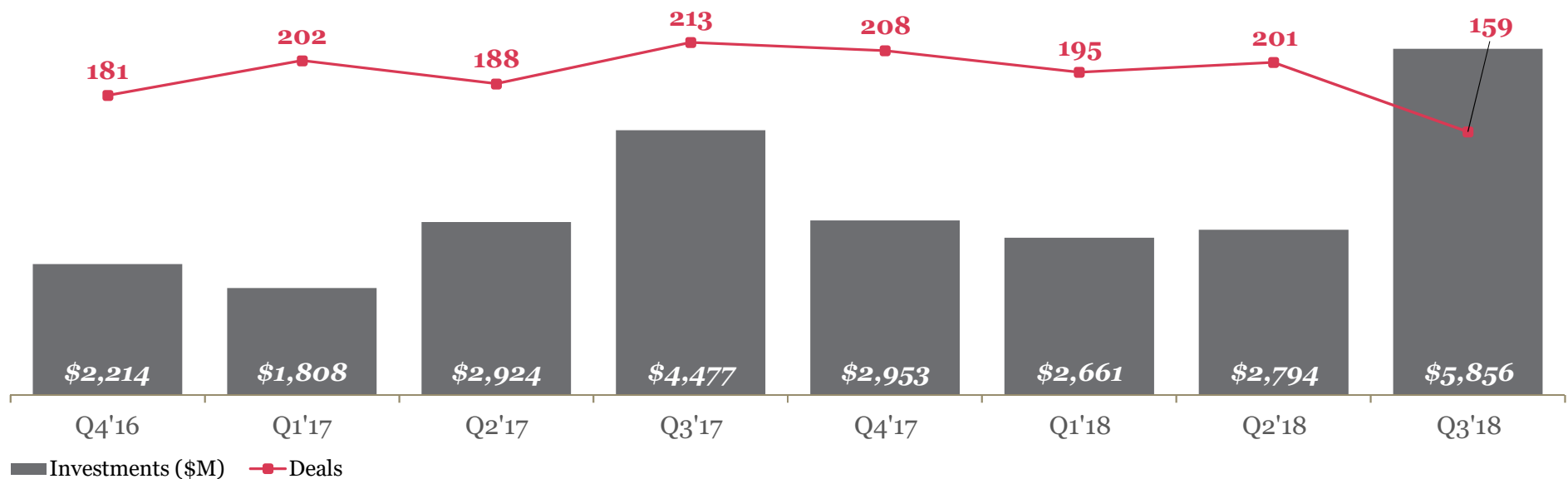
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8-quarter financing trend: New York Metro

New York Metro funding increases sharply, deals decline

- Funding jumped to \$5.9B in Q3'18 in the New York Metro area, an increase of 110% over Q2.
- Late-stage NYC based companies drove funding up, with WeWork, Peloton, letgo raising \$500M+ rounds. Additionally, Compass and Oscar Health both raised large late stage rounds of \$400M and \$375M, respectively.

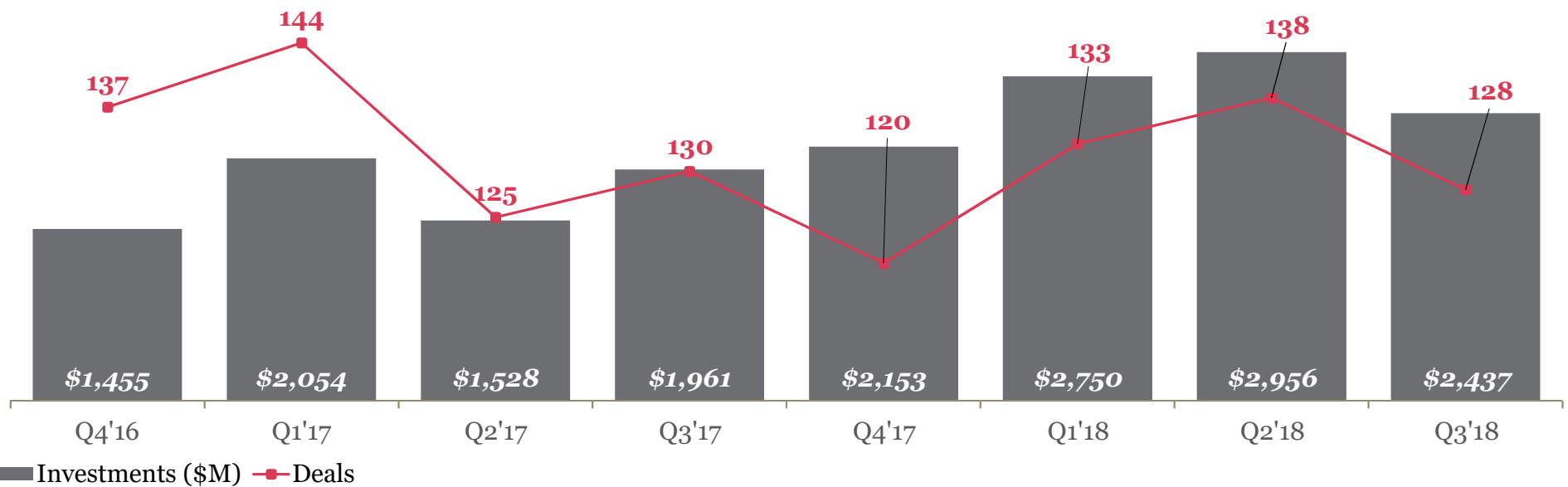


8-quarter financing trend: New England



New England funding declines after a four quarter increase

- New England saw funding drop by 18% in Q3'18, as deal activity also decreased.
- Deal highlights include ag tech startup Indigo Agriculture's \$250M Series E and restaurant management platform Toast's 115\$M Series D.

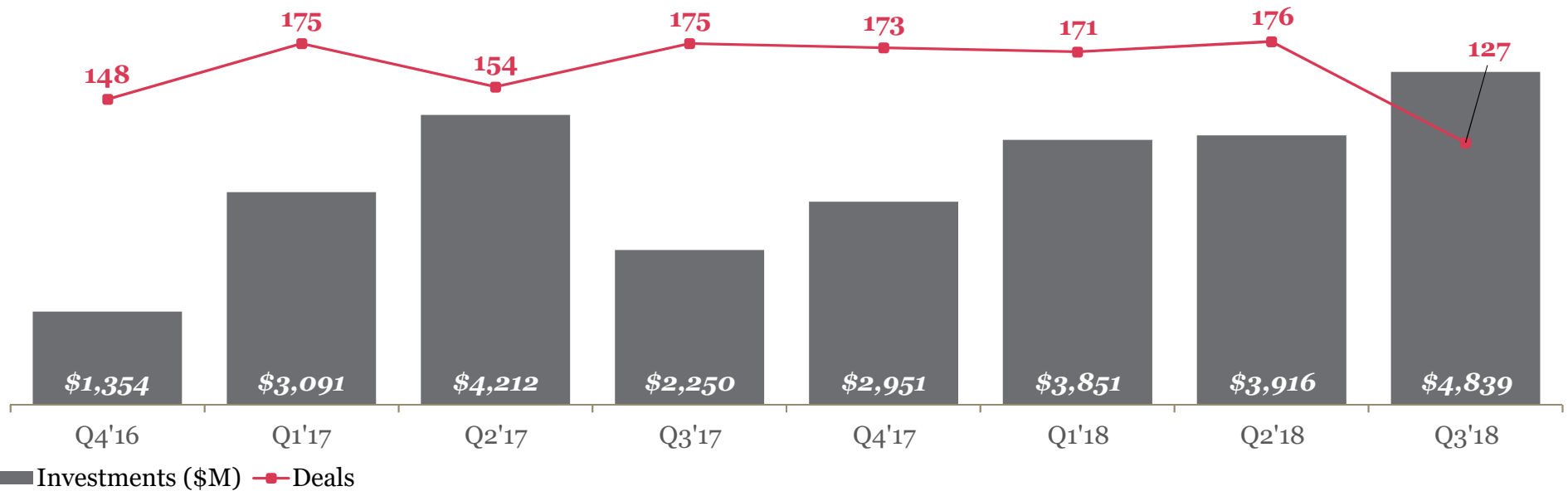


8-quarter financing trend: Silicon Valley (South Bay Area)



Silicon Valley funding increases, deals down

- Silicon Valley funding increased by 24% to \$4.8B, after a flat Q2. Deal activity decreased by 28%.

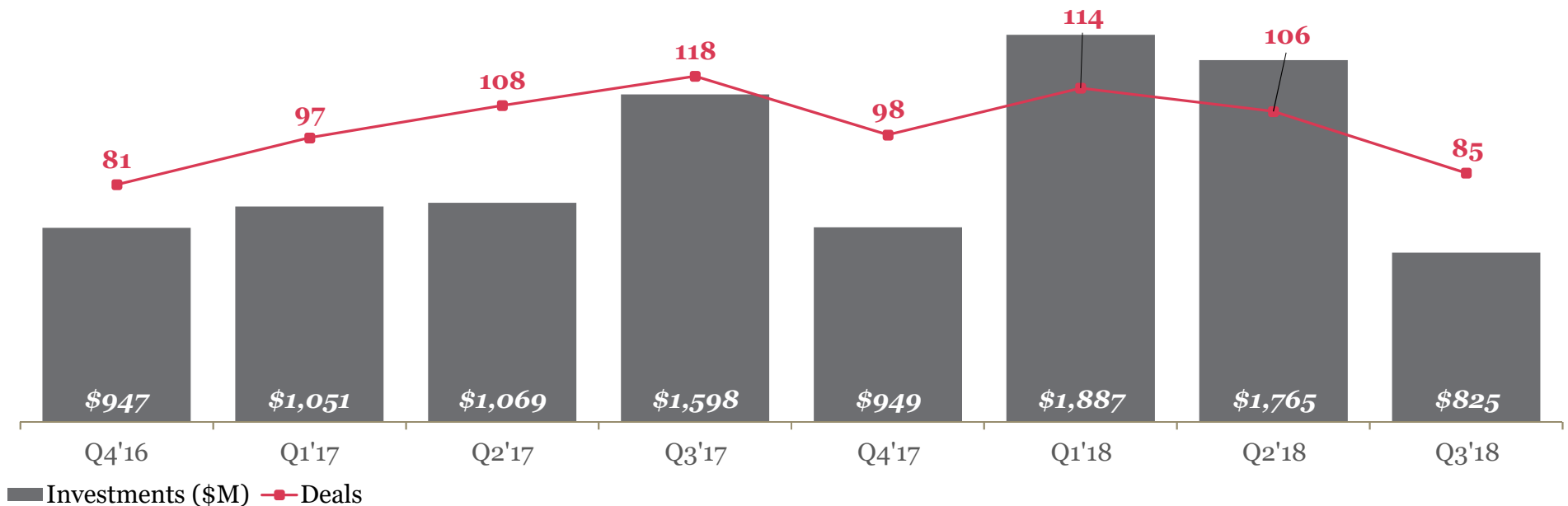


8-quarter financing trend: LA/Orange County



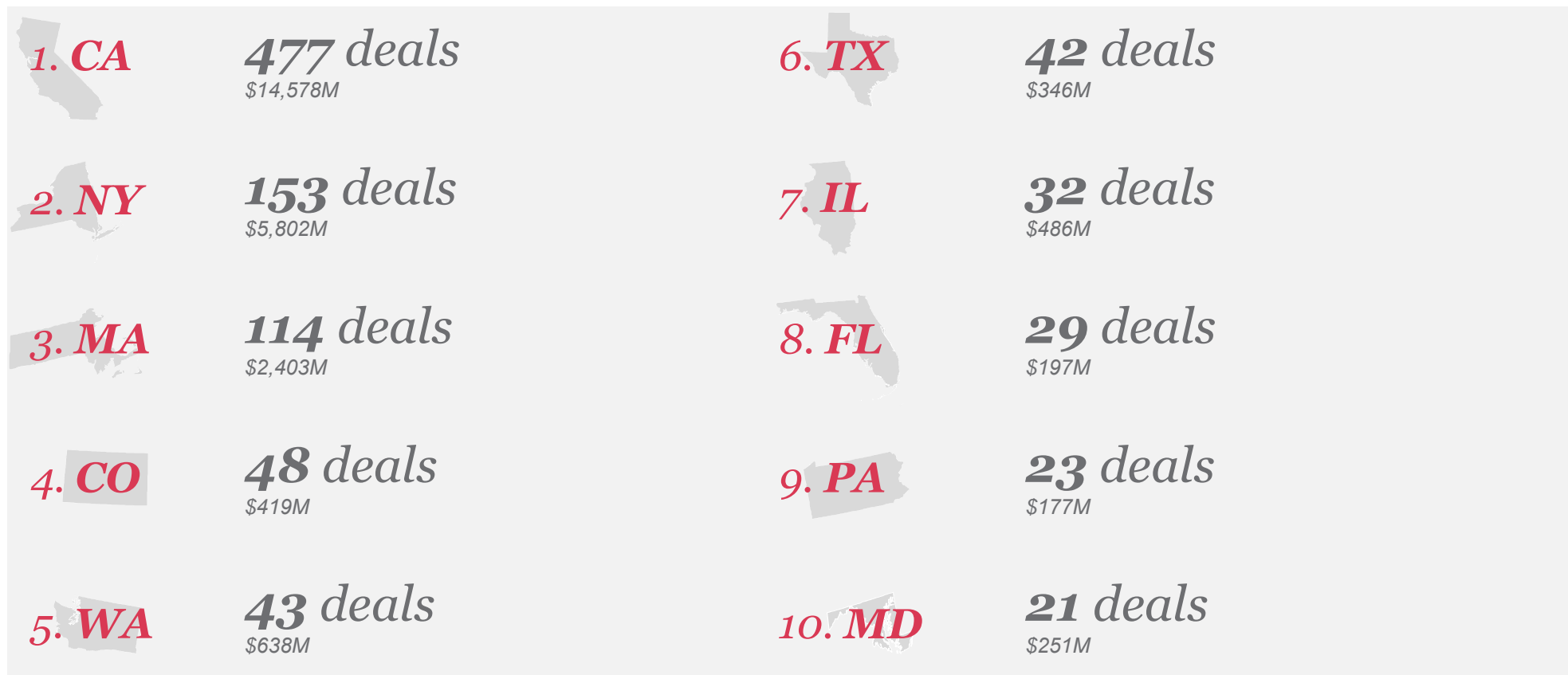
Deals and dollars to LA/Orange County-based companies declined

- Funding and deal activity in LA/Orange county declined for the second straight quarter, as investment dropped 53% to \$825M.





US: Top 10 states of Q3'18 by deals

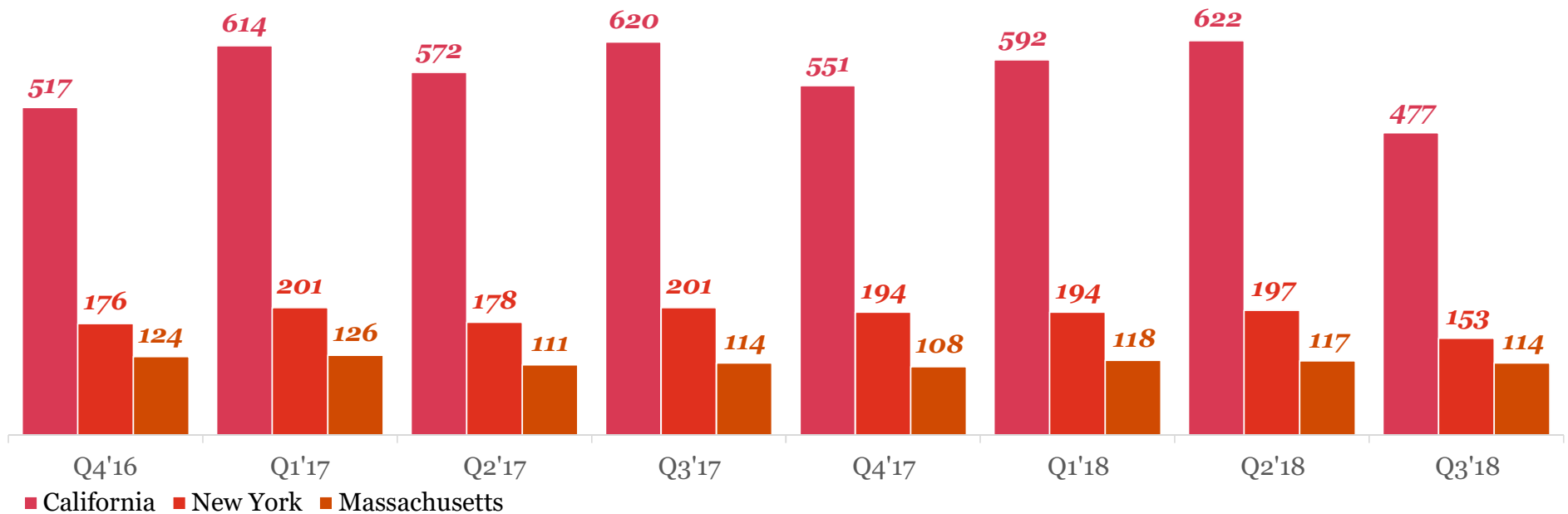


Q3'18 Regional comparison: Deals CA vs. NY vs. MA



Deals decline across the board as US companies raise fewer, bigger deals

- California saw the biggest drop, with a decline of 145 deals from Q2'18 to Q3'18.

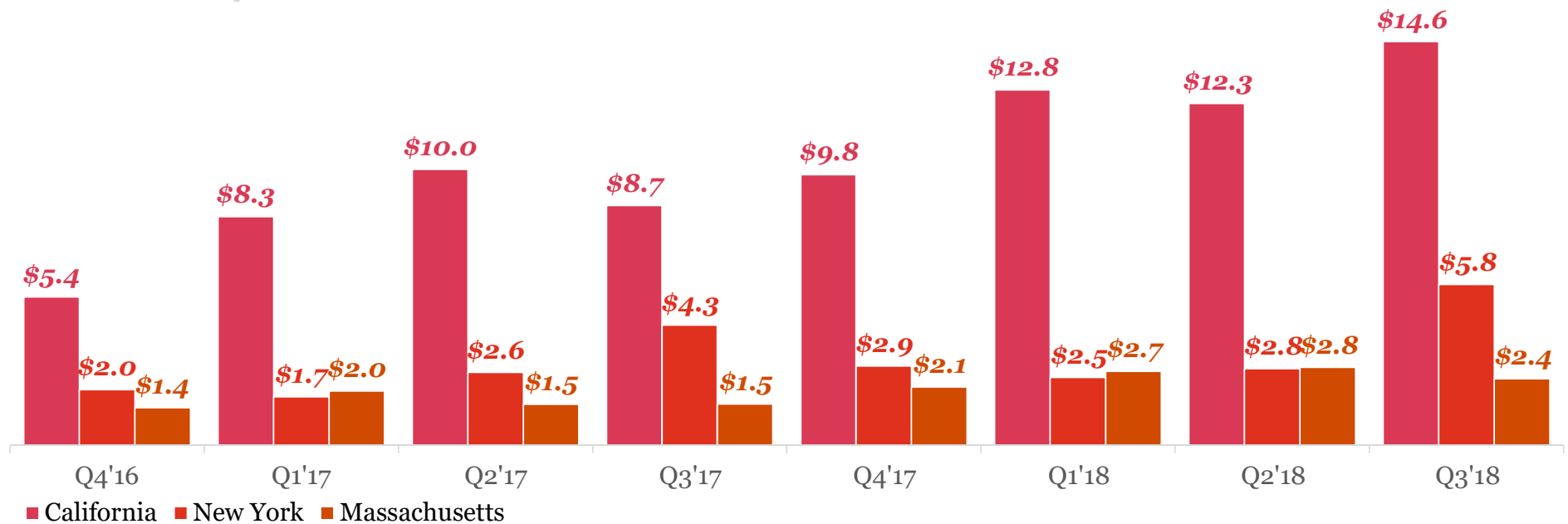


Q3'18 Regional comparison: Financing CA vs. NY vs. MA



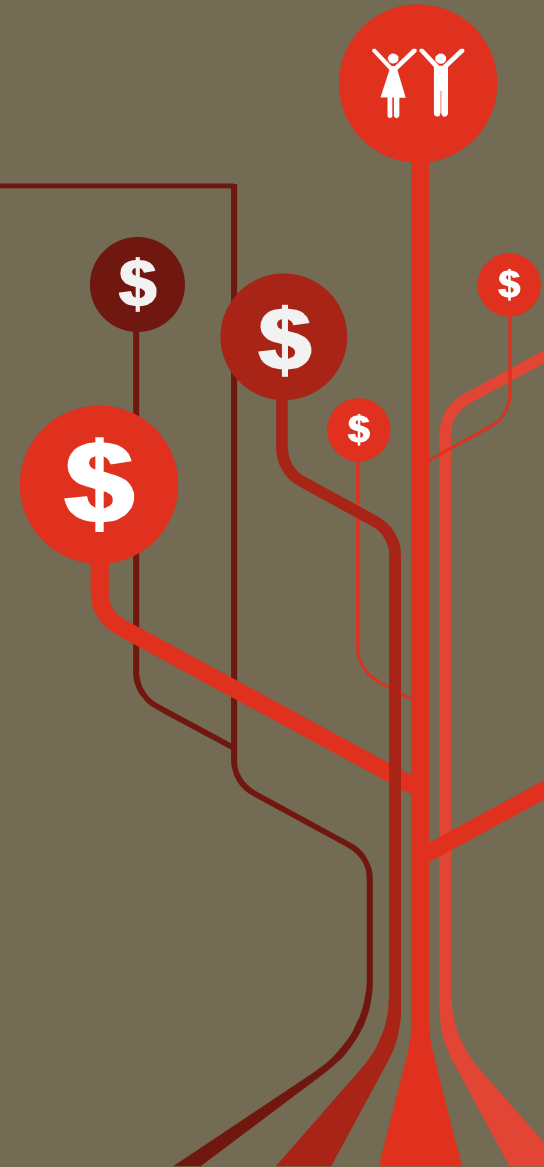
California and New York funding increases

- California-based companies saw funding increase by \$2.3B to \$14.6B in Q3'18.
- New York funding increased from \$2.8B in Q2'18 to \$5.8B in Q3'18.



04

US Movers & Shakers



Mega-rounds



“

With more than \$14B invested by mega-rounds (\$100M+) this quarter, mega-round value was driven mostly by later-stage companies and is similar to the recent surge in M&A megadeals.

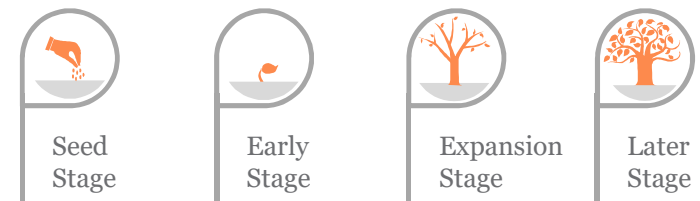
— **John Potter**, Partner, US Deals Sector Leader at PwC

”

Largest US deals of Q3'18



Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
WeWork	New York, NY	Business Products & Services	Facilities		\$1,000M	SoftBank Group
Lucid Motors	Newark, CA	Automotive & Transportation	Automobile Manufacturing		\$1,000M	Public Investment Fund of Saudi Arabia
Peloton	New York, NY	Internet	Internet Software & Services		\$550M	Felix Capital, Fidelity Investments, Kleiner Perkins Caufield & Byers
Zoox	Menlo Park, CA	Software (non-internet/mobile)	Scientific, Engineering Software		\$500M	Blackbird Ventures, DFJ, Lux Capital
Letgo	New York, NY	Mobile & Telecommunications	Mobile Commerce		\$500M	OLX Group
Uber	San Francisco, CA	Mobile & Telecommunications	Travel		\$500M	Toyota Motor Corporation

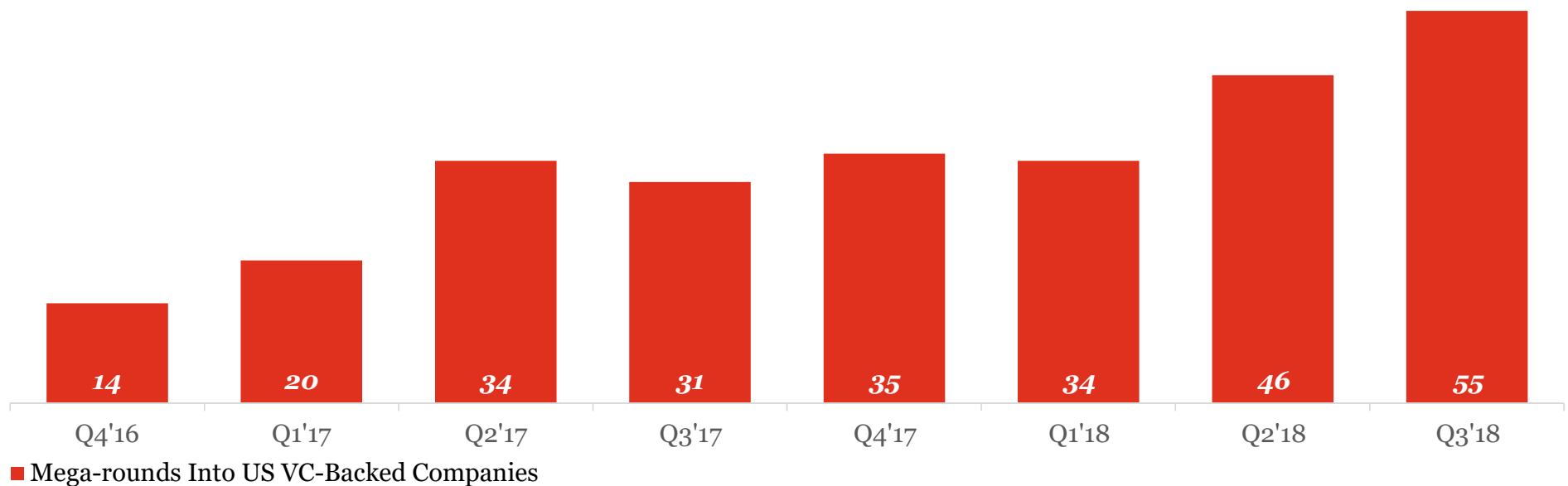


US mega-round activity



US records another quarter with record numbers of \$100M+ rounds, driving up overall funding

- US-based companies saw another massive quarter for mega-rounds recording 55 rounds of \$100M or more, amid declining overall deal activity. Additionally, there were 6 \$500M+ rounds in Q3, the most on record.
- There were two early-stage and three expansion-stage rounds above \$100M, though the upward trend in mega-rounds is being driven by large, later-stage companies.

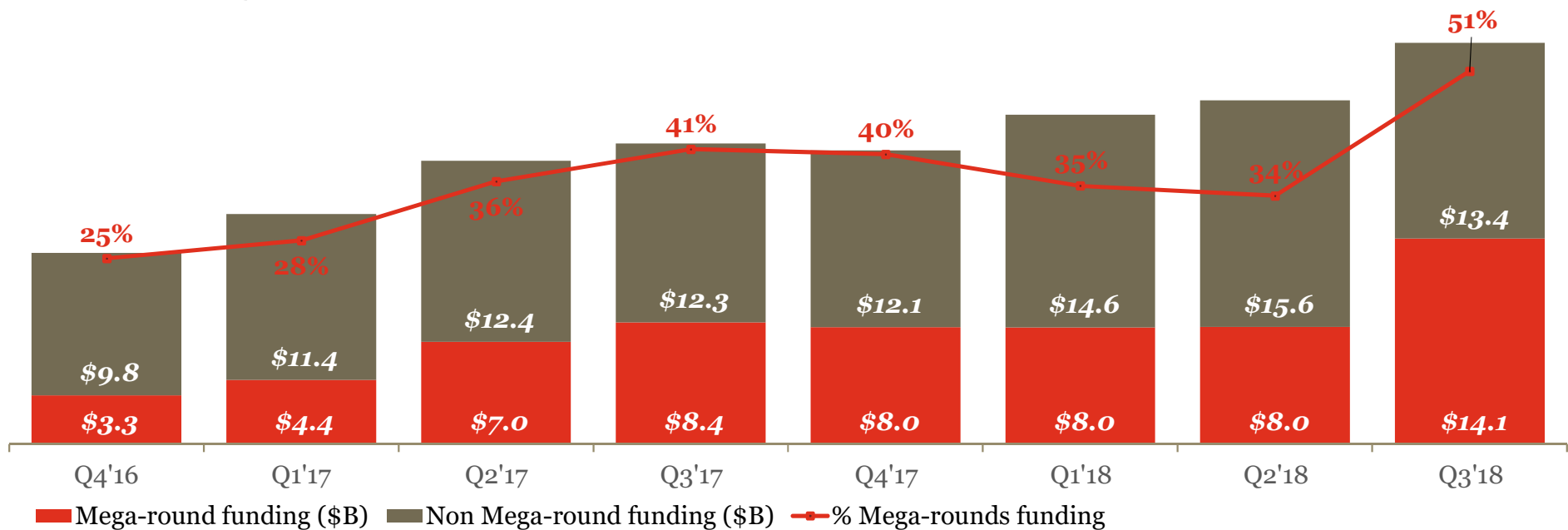




8-quarter US mega-round trend

Mega-rounds are at a record percentage of US funding

- At over half of US funding, mega-rounds are at record levels in terms of dollars and percentage of all funding.
- Mega-rounds were largely raised by late-stage companies, though there were four early stage \$100M+ rounds in Q3'18.

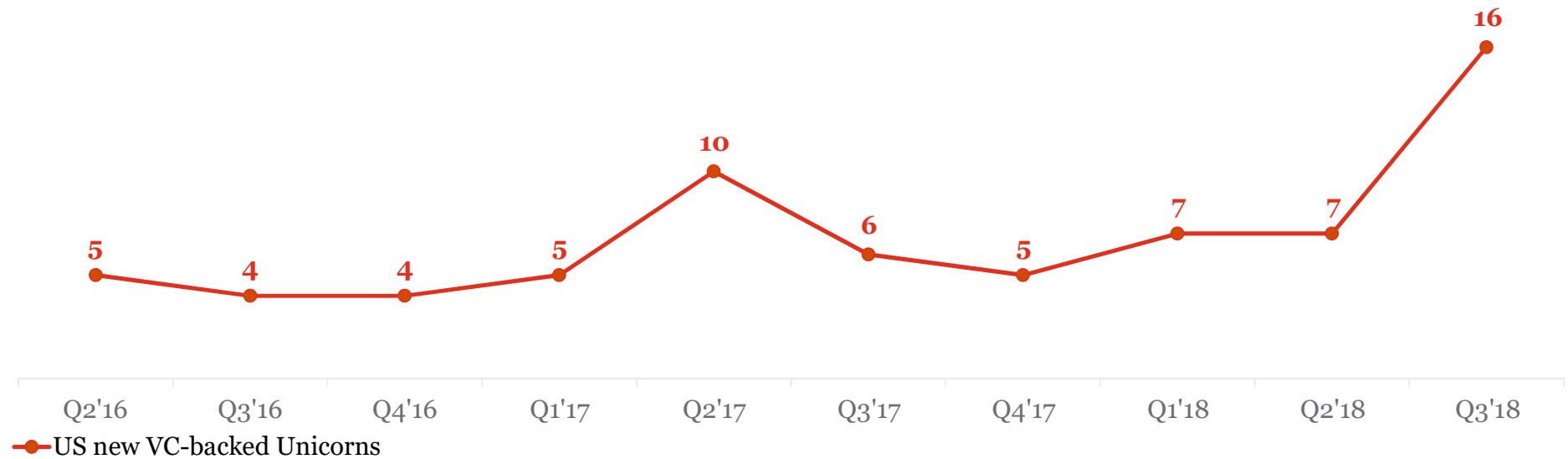


US new unicorn births



Q3'18 sees 16 new US unicorns

- 16 US companies saw their valuations rise to \$1B+ in Q3'18.
- New companies achieving a valuation of \$1B or more included Lime, LegalZoom, and GitLab.

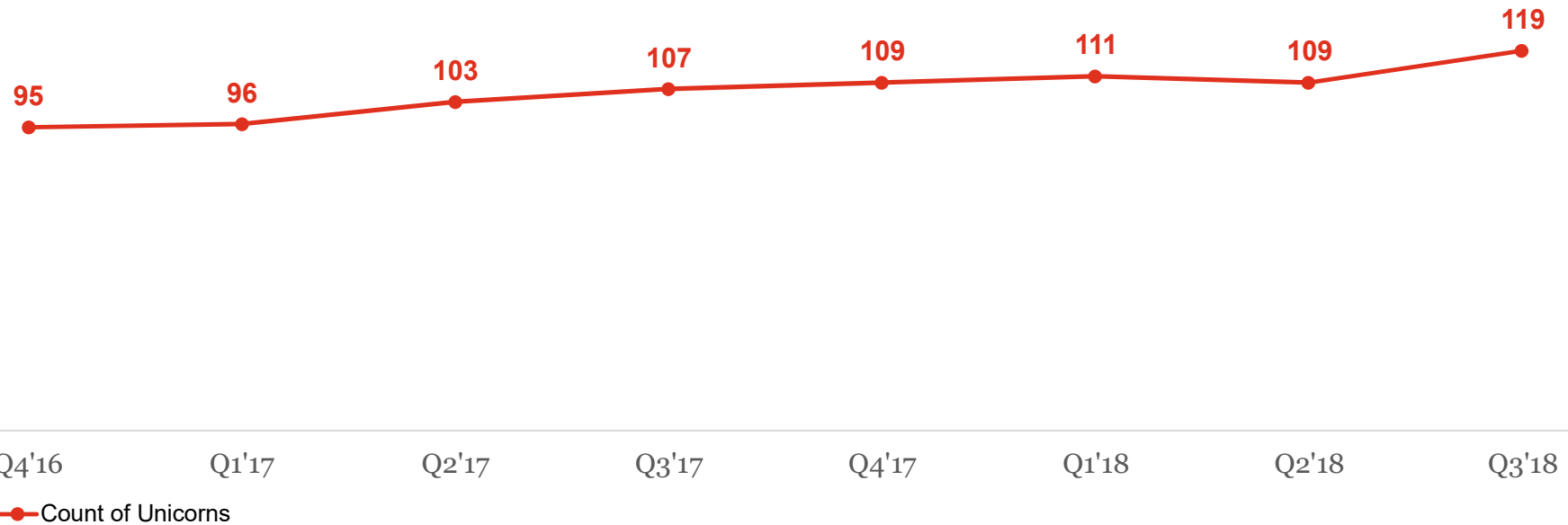


Unicorn population counts



Q3'18 saw a record number of companies valued at \$1B+

- At 119, the global number of private companies with \$1B+ valuations has never been higher.

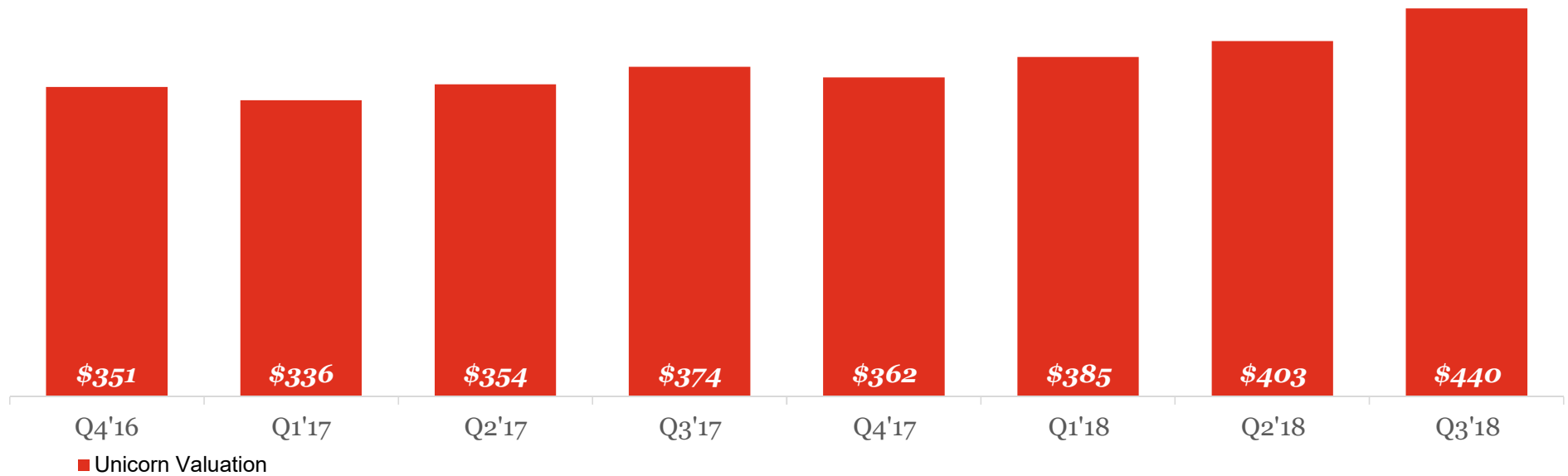


Aggregate Unicorn Valuation by Period



Q3'18 sets a new record for aggregate unicorn valuation

- Private companies with \$1B+ valuations accounted for \$440B as of Q3'18, the highest aggregate valuation on record.



Top 5 Valued US unicorn companies as of Q3'18



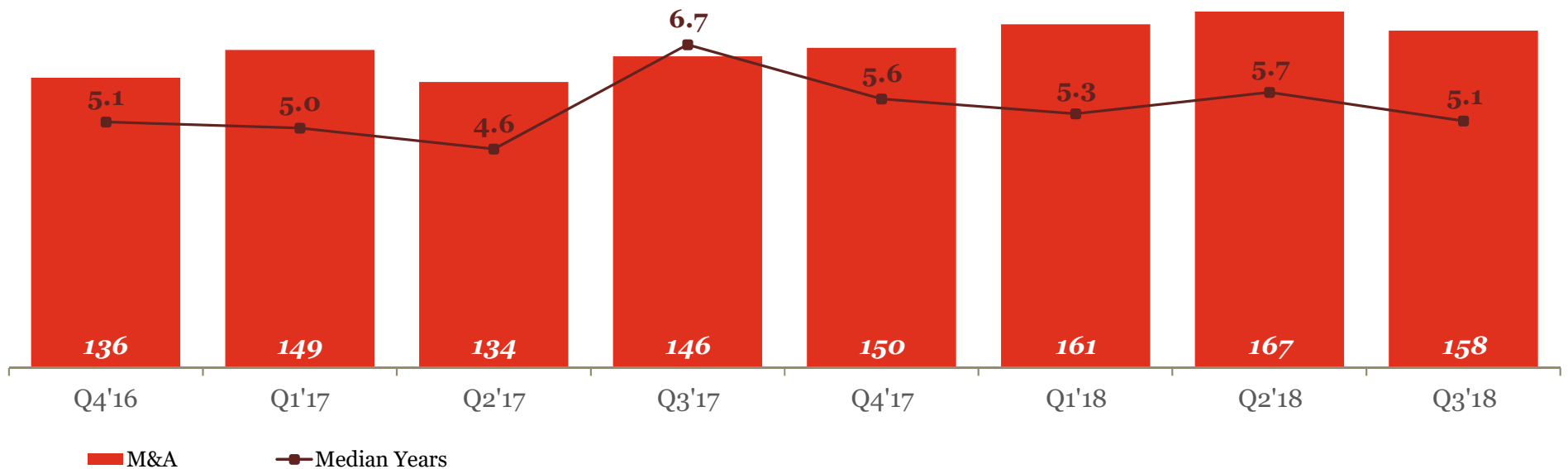
Company	Location	Industry	Valuation (as of 9/30/18)	Select Investors
Uber	San Francisco, CA	On-demand	\$72B	Lowercase Capital, Benchmark Capital, Google Ventures
Airbnb	San Francisco, CA	eCommerce/Marketplace	\$29B	General Catalyst Partners, Andreessen Horowitz, ENIAC Ventures
SpaceX	Hawthorne, CA	Aerospace & Defense	\$22B	Founders Fund, Draper Fisher Jurvetson, Rothenberg Ventures
Palantir Technologies	Palo Alto, CA	BI & Analytics Software	\$20B	RRE Ventures, Founders Fund, In-Q-Tel
WeWork	New York, NY	Real Estate	\$20B	T. Rowe Price, Benchmark Capital, SoftBank Group
Stripe	San Francisco, CA	Fintech	\$20B	Khosla Ventures, Lowercase Capital, capitalG



M&A and Median Years to Exit

M&A activity declined in Q3'18.

- M&A activity declined slightly to 158 deals in Q3'18, down from 167 in Q2.
- Median years to M&A exit declined to 5 years, from 5.7 in Q2.

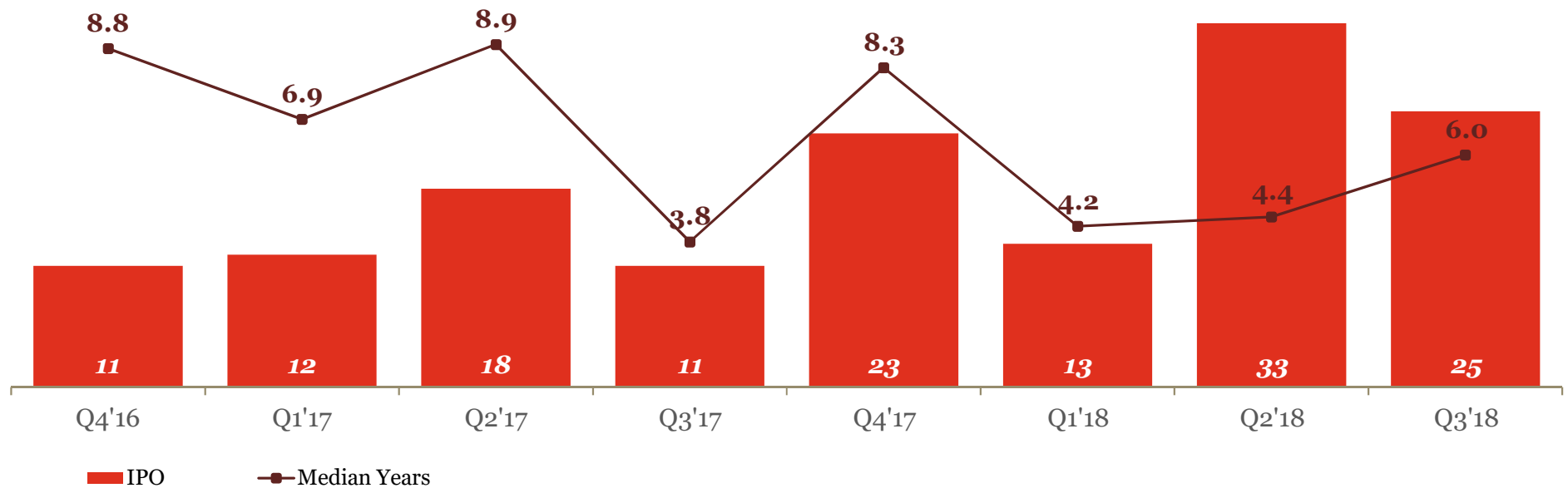




IPO and Median Years to Exit

IPO activity declined in Q3'18

- Q3'18 saw 25 IPOs, down from 33 in Q2.
- Median years to IPO increased in Q3'18 to 6, up from 4.4 among companies going public in Q2.



Largest US IPOs of Q3'18



<i>Company</i>	<i>Location</i>	<i>Sector</i>	<i>Industry</i>	<i>Date of IPO</i>	<i>\$ Valuation at IPO</i>
Tenable Network Security	Columbia, MD	Computer hardware & Services	Network Security Software	7/26/2018	\$2.1B
Funding Circle	San Francisco, CA	Internet	eCommerce	9/28/2018	\$1.9B
Eventbrite	San Francisco, CA	Internet	eCommerce	9/20/2018	\$1.7B
Rubius Therapeutics	Cambridge, MA	Healthcare	Drug Development	7/18/2018	\$1.7B
Sonos	Santa Barbara, CA	Consumer Products & Services	Consumer Electronics	8/2/2018	\$1.5B

Most active VC firms of Q3'18 in the US



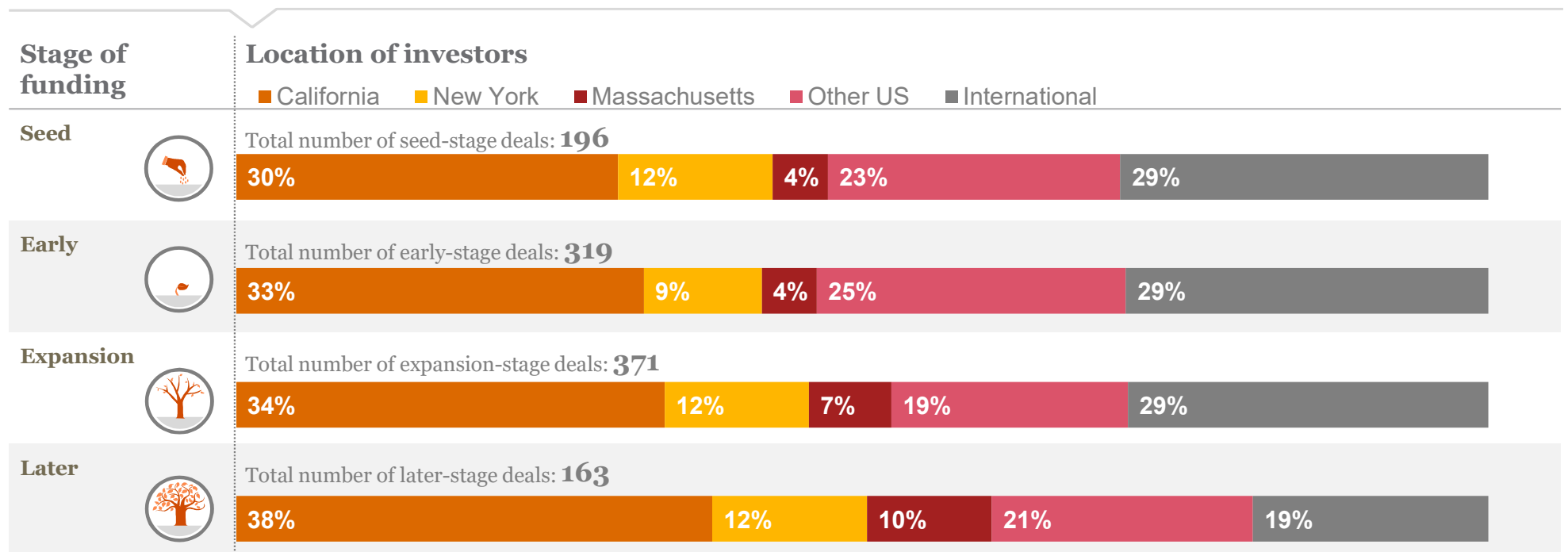
<i>Investor</i>	<i>Location</i>	<i>No. of US Companies</i>	<i>Select Q3'18 Investments</i>
1. New Enterprise Associates	Menlo Park, CA	24	Automation Anywhere, Brandless, Branch
2. Google Ventures	Mountain View, CA	18	Lime, Brandless, Alector
3. Kleiner Perkins Caufield & Byers	Menlo Park, CA	17	Peloton, Stripe, Gusto
4. General Catalyst	Palo Alto, CA	16	Stripe, Gusto, Ro
4. Accel	Palo Alto, CA	16	AnchorFree, UiPath, Freshworks
4. Andreessen Horowitz	Menlo Park, CA	16	Lime, Stripe, Dfinity

Q3'18 Investor locations



California investor presence most prominent across stages

- California and New York investors dominate the late-stage deals that have driven US funding to record levels.
- At earlier stages funding becomes more geographically diverse, with other US states and international investors accounting for more deals.



Top VC firms in the US by funds raised

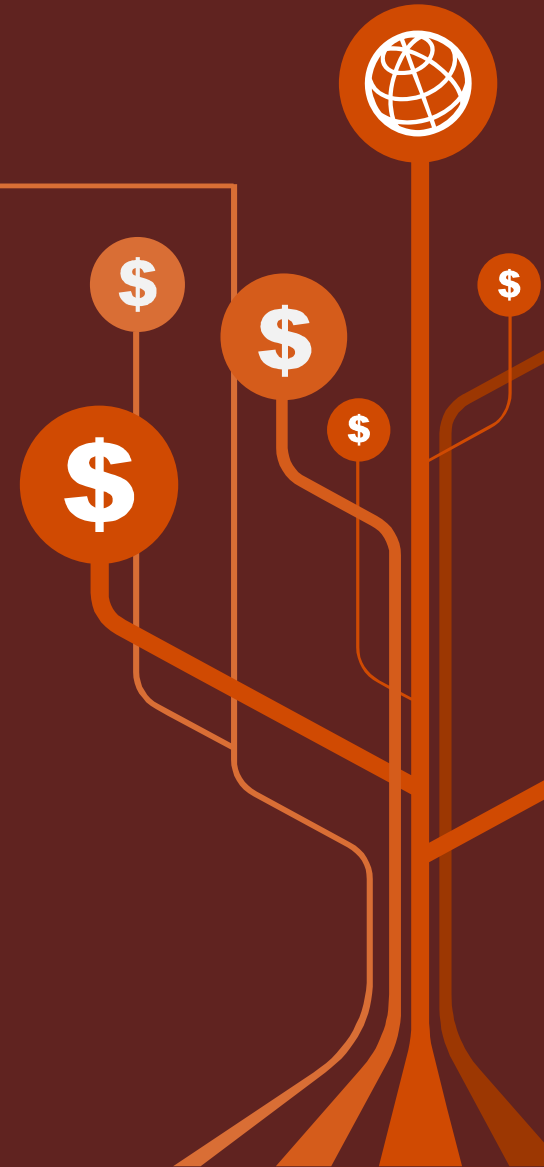


<i>Investor</i>	<i>Location</i>	<i>Year Founded</i>	<i>\$ Value of Funds Raised (2015 – Q3'2018)</i>	<i>Select Recent Investments</i>
1. Sequoia Capital*	Menlo Park, CA	1972	\$12.6B	UiPath, Maven Clinic, Market Kurly
2. Insight Venture Partners	New York, NY	1995	\$11B	Hinge Health, Divvy, Sysdig
3. New Enterprise Associates	Menlo Park, CA	1977	\$6.5B	Automation Anywhere, Syllable, Formlabs
4. Summit Partners	Boston, MA	1984	\$4.2B	OnRobot, Podium, Fuze
5. Lightspeed Venture Partners	Menlo Park, CA	2000	\$4.1B	Grab, Black Fish, Kodiak Robotics

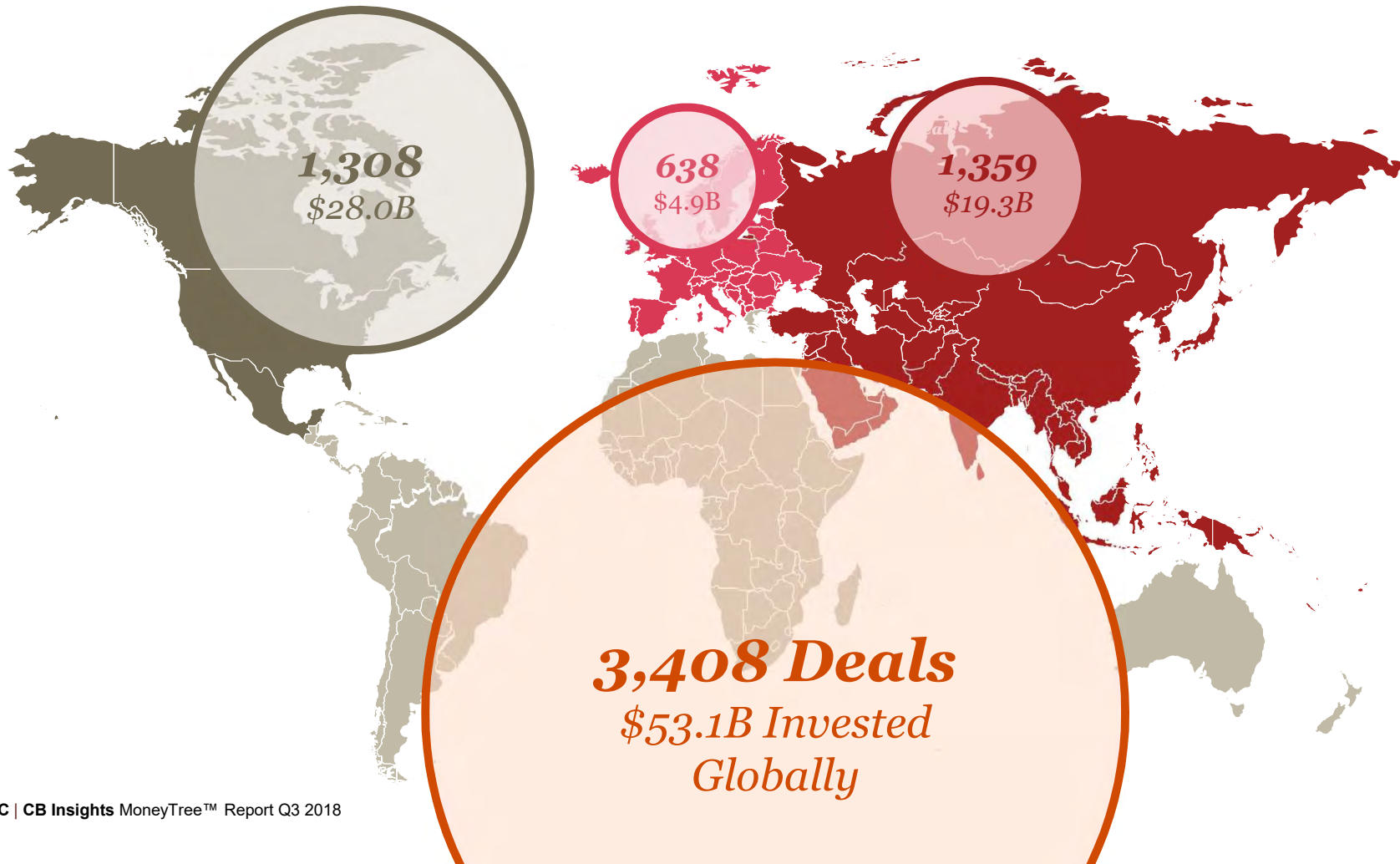
*Includes all of the investment funds under the Sequoia Capital umbrella; including Sequoia Capital China and Sequoia Capital India

05

Global Trends



Q3'18 Global regional comparison

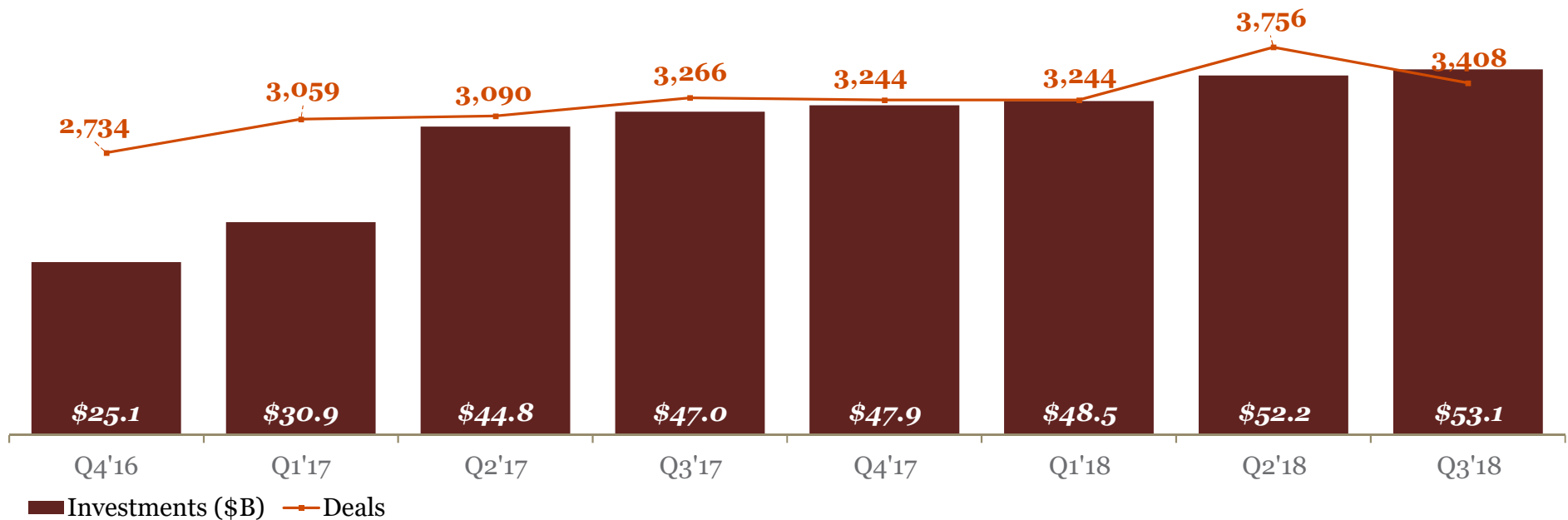




8-quarter global financing trend

Global funding increased slightly in Q3'18, with deals declining

- Global funding ticked up 2% to \$53M.
- Deals declined compared to Q2, reflecting fewer, bigger deals in the US.

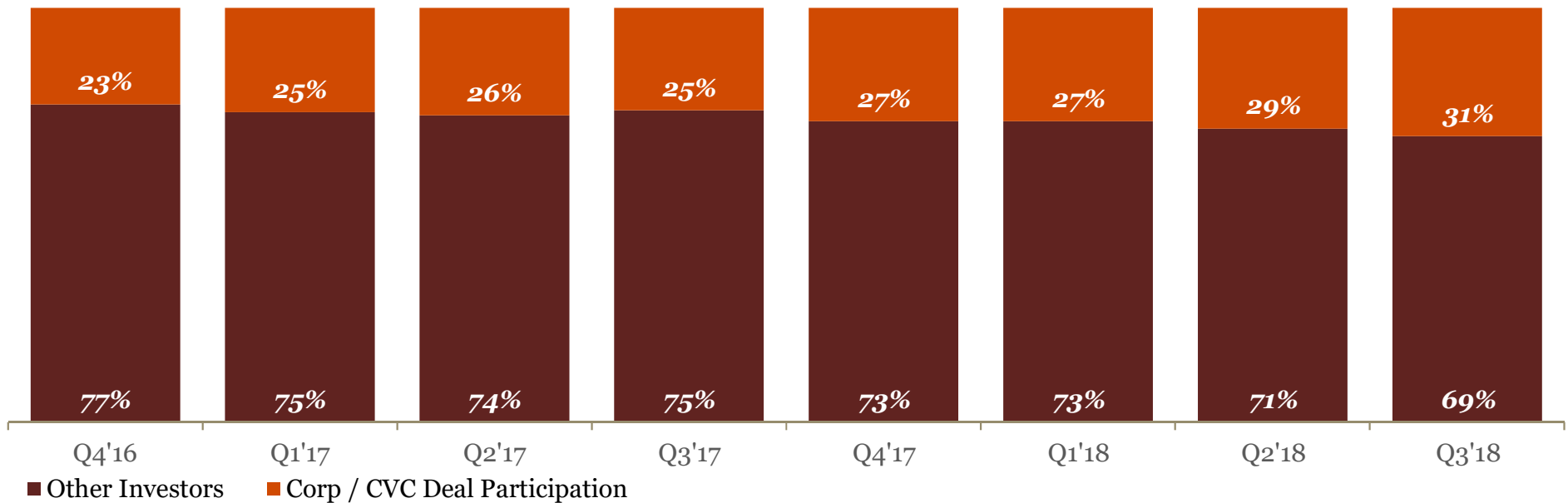


Global corporate deal participation



Corporate participation increases to 31%

- Corporations (and/or their venture arms) participated in 31% of all deals to VC-backed companies in Q3'18, up from 29% in Q2.

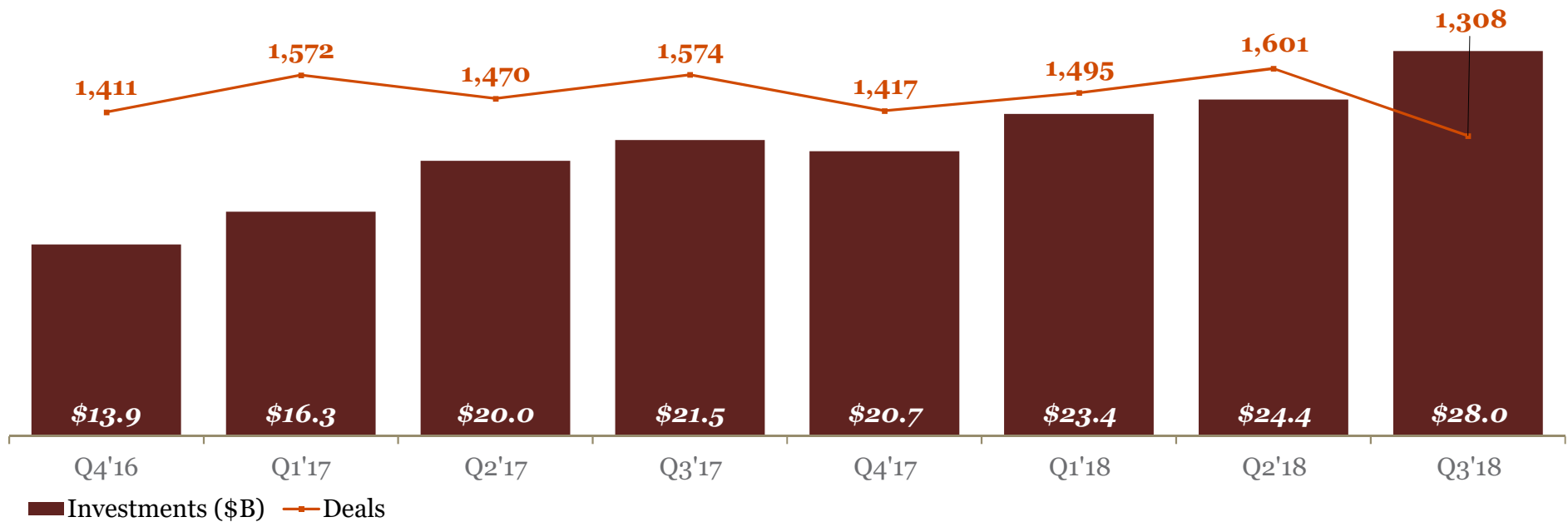




8-quarter financing trend: North America

North American funding increased over fewer deals compared to Q2

- VC-backed companies in North America raised \$28B in Q3'18, up from Q2's \$24.4B.
- Compared to Q2, North American funding increased despite fewer deals closed.

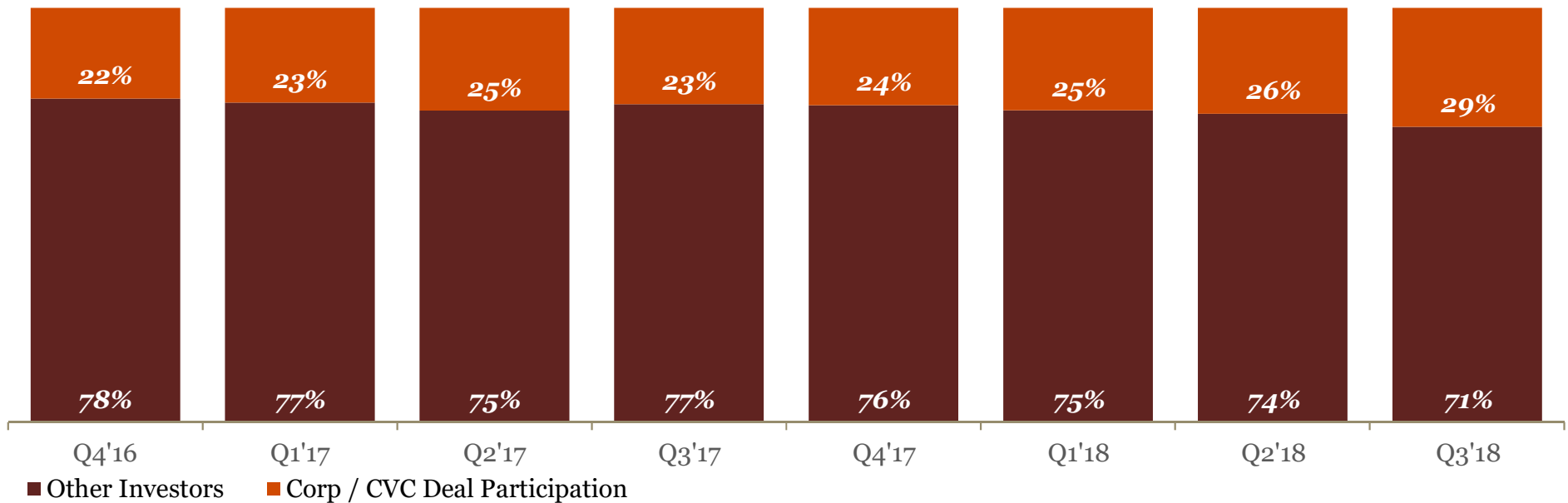




North American corporate deal participation

Corporate participation increases in North America

- Corporations (and/or their venture arms) participated in 29% of Q3'18 deals to VC-backed companies in North America.

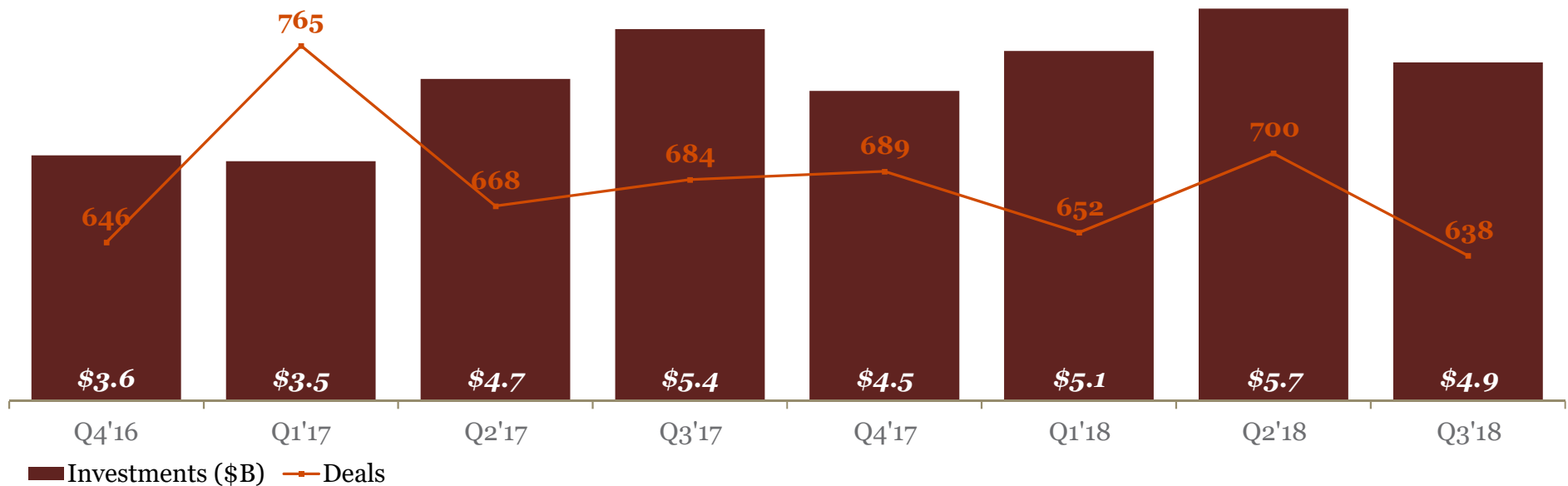




8-quarter financing trend: Europe

European deal activity, funding decrease

- Europe saw funding decline, despite rising global funding in Q3'18 driven by North American mega rounds.
- Total funding dropped 14%, to \$4.9B, from \$5.7B in Q2.

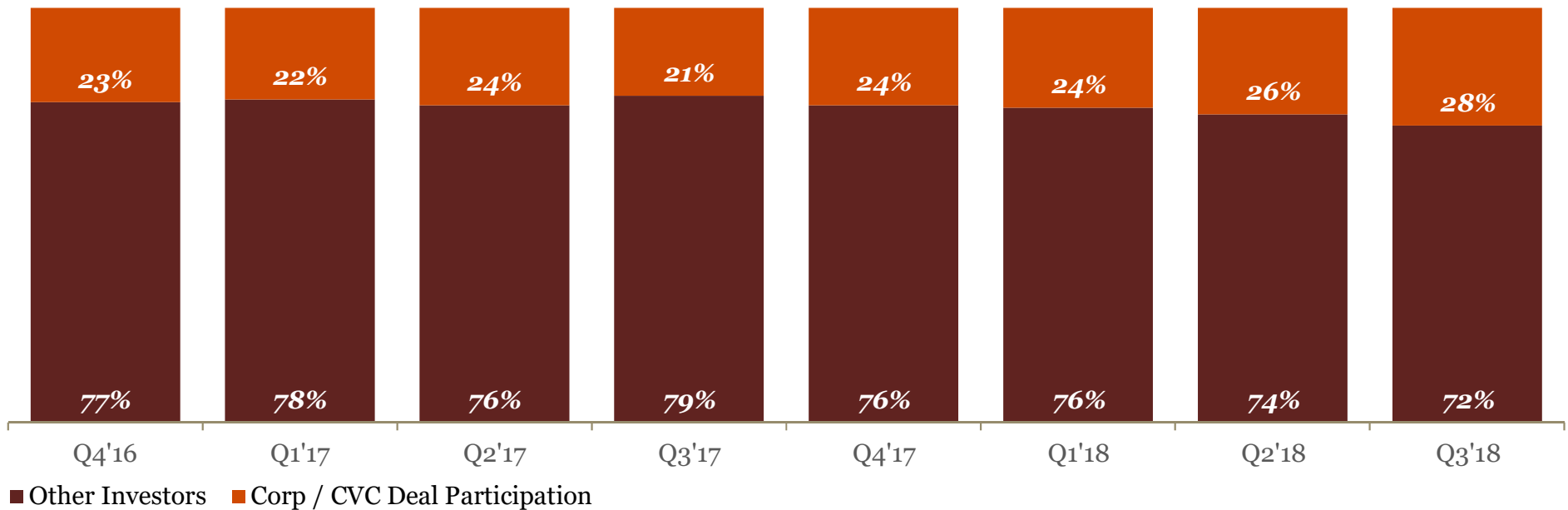




European corporate deal participation

Corporate participation increases

- Corporations (and/or their venture arms) participated in 28% of Q2'18 deals to VC-backed companies in Europe, increasing from 26% from the quarter before.

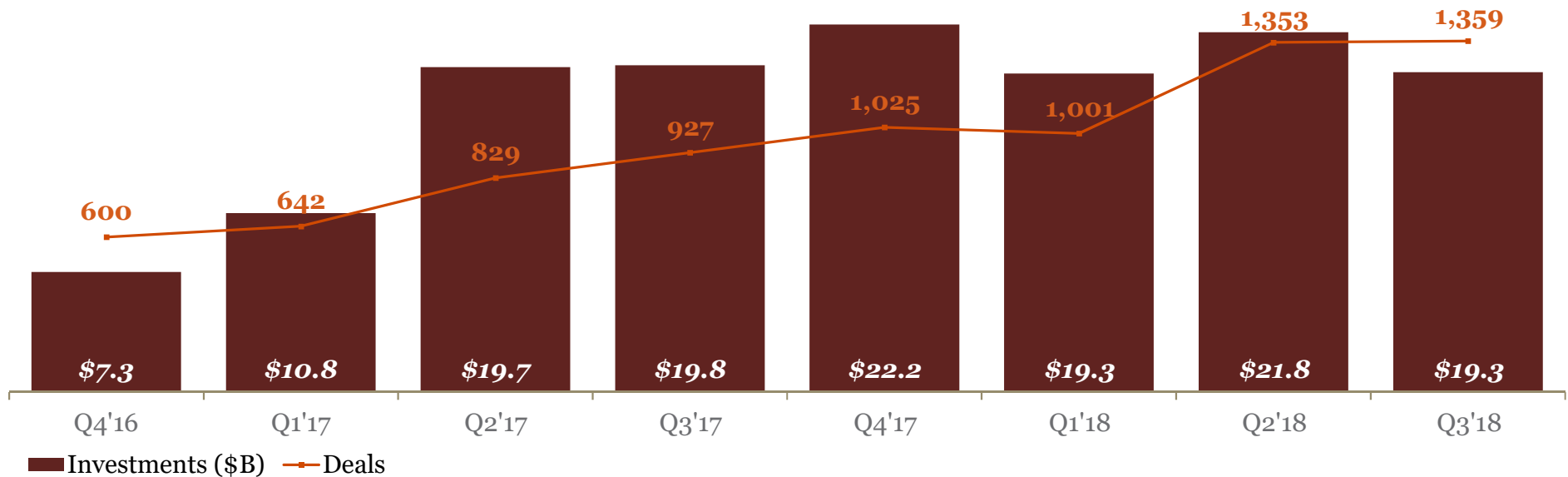




8-quarter financing trend: Asia

Asia funding declines, deal activity flat

- Asia funding dropped 11% to \$19.3B in Q3'18, amid rising VC funding globally.

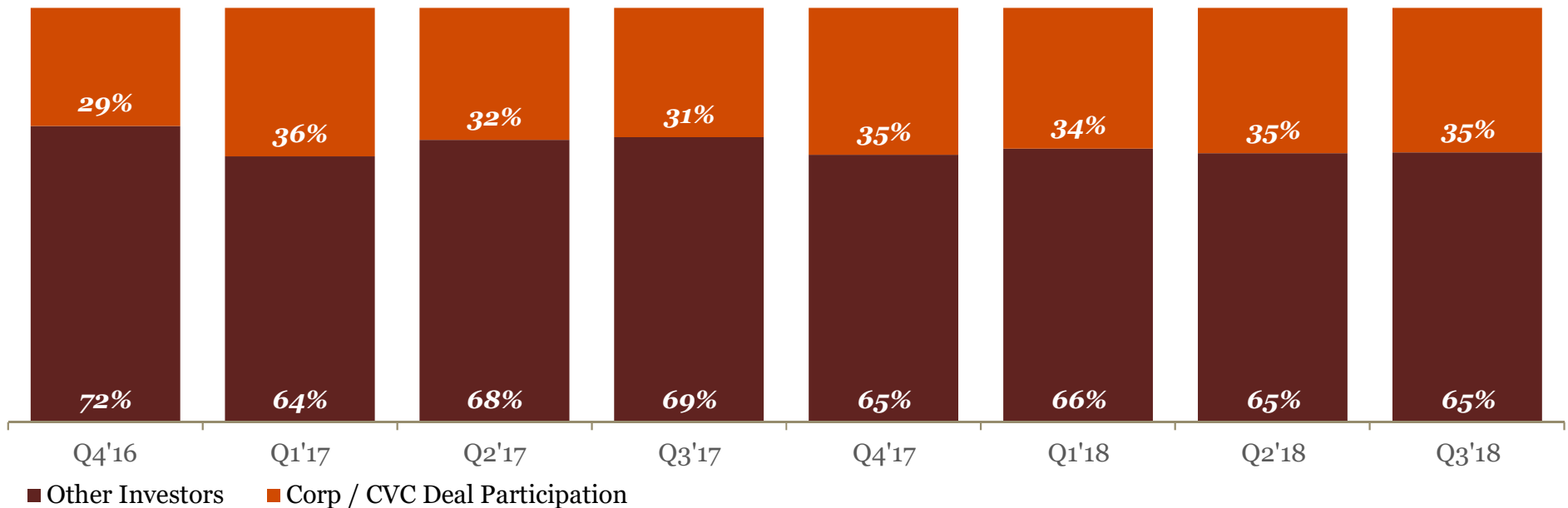


Asia corporate deal participation








Corporate participation remains steady

- Corporations (and/or their venture arms) participated in 35% of deals to VC-backed companies in Asia in Q3'18, flat compared to Q2.





Largest global deals of Q3'18

Company	Location	Sector	Industry	Stage of Funding	\$ Value of Deal	Select Investors
Grab	Singapore	Mobile & Telecommunications	Mobile Commerce		\$1,000M	Lightspeed Venture Partners, OppenheimerFunds, Ping An Capital
WeWork	New York, USA	Business Products & Services	Facilities		\$1,000M	SoftBank Group
Lucid Motors	Newark, USA	Automotive & Transportation	Automobile Manufacturing		\$1,000M	Public Investment Fund of Saudi Arabia
Oyo Rooms	New Delhi, India	Internet	eCommerce		\$1,000M	Greenoaks Capital Management; Lightspeed India Partners; Sequoia Capital India; SoftBank Group
XPeng Motors	Guangzhou, China	Automotive & Transportation	Automobile Manufacturing		\$585M	Eastern Bell Venture Capital, Hillhouse Capital Management, Primavera Capital Group



Most active VC firms of Q3'18 globally



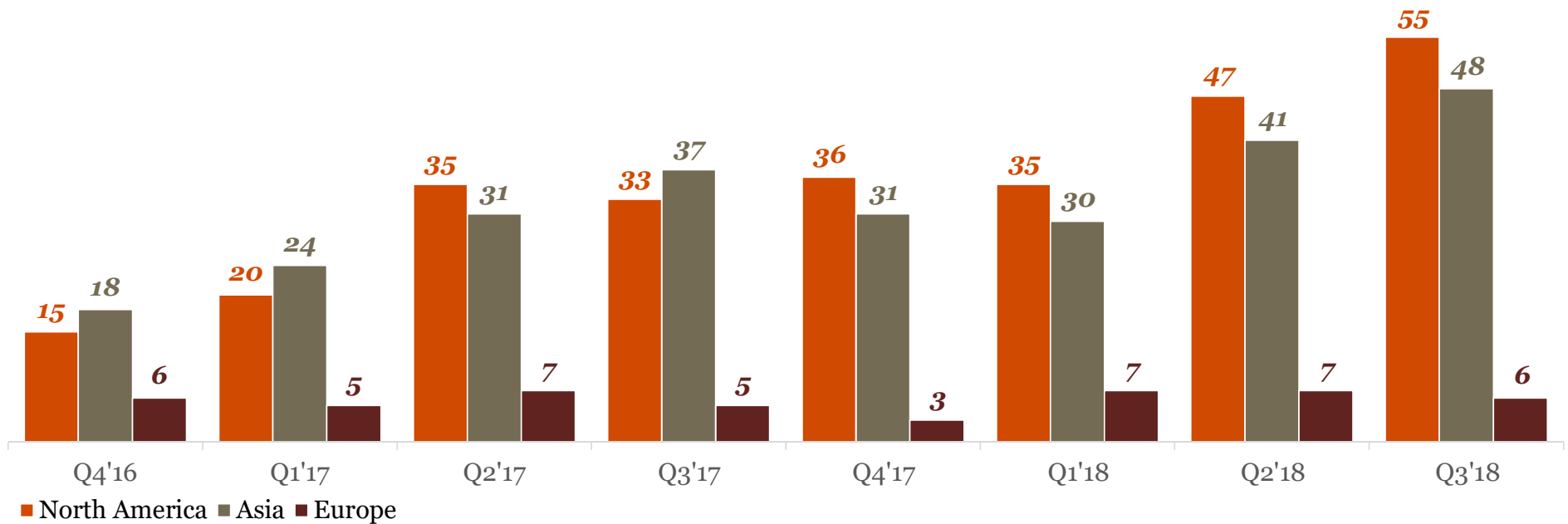
<i>Investor</i>	<i>Location</i>	<i>No. of Global Companies</i>	<i>Select Q3'18 Investments</i>
1. Sequoia Capital China	Beijing, China	35	Tuhu, Bitmain Technologies, Zuoyebang
2. Matrix Partners China	Beijing, China	34	China Diagnostics Medical, Klook, Zhenkunhang
3. ZhenFund	Beijing, China	32	Xiangwushuo, ADVANCE.AI, The Good Stuff
3. IDG Capital	Beijing, China	32	Maimai, ASR Microelectronics, iQiyi Sports
5. New Enterprise Associates	Menlo Park, USA	27	Zuoyebang, Automation Anywhere, Brandless

Global mega-round activity



Mega-rounds increase significantly in North America and Asia

- North America and Asia saw \$100M+ deals hit record quarterly highs.
- Mega-rounds were down in Europe, at 6 deals.

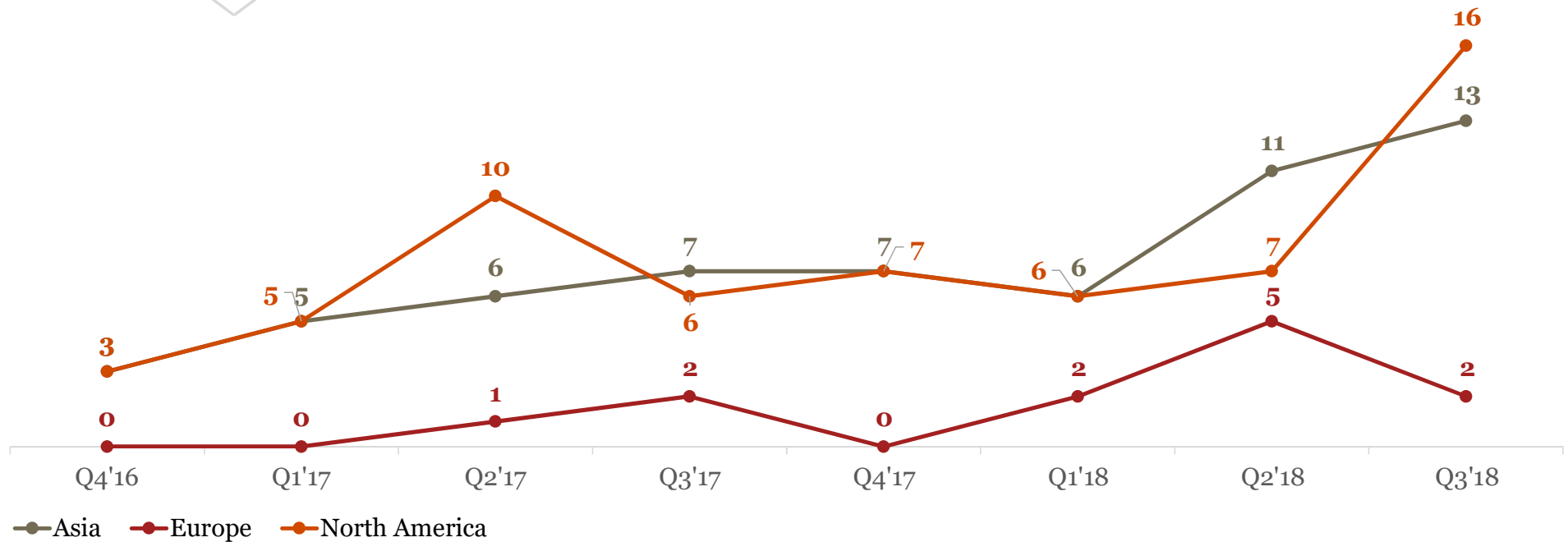


Global new unicorn births



North America and Asia dominate in the number of new unicorns

- North America and Asia both saw large increases in the number of private companies newly valued at \$1B+.
- The rise of new unicorns comes amidst a 27% decline in US tech IPOs in Q3'18.

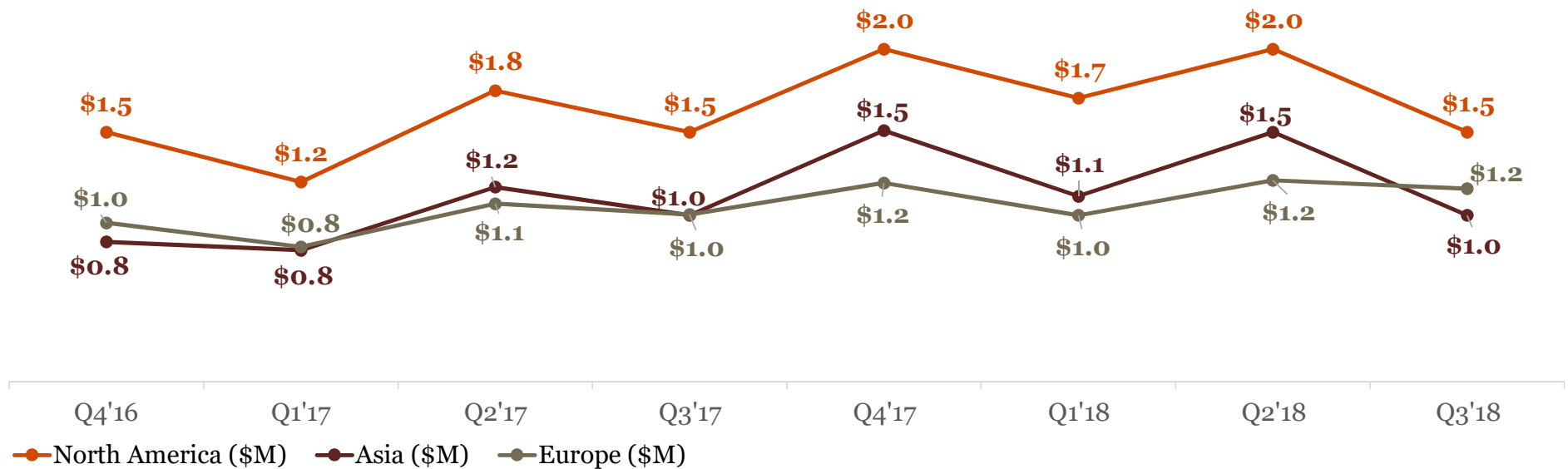




Global seed-stage median deal size

Median seed-stage deal sizes decline across North American and Asia

- As late-stage rounds drove funding to record levels in Q3'18, seed-stage deal sizes declined significantly in North America and Asia.
- Median North America and Asia seed-stage deal sizes fell, while Europe was flat.

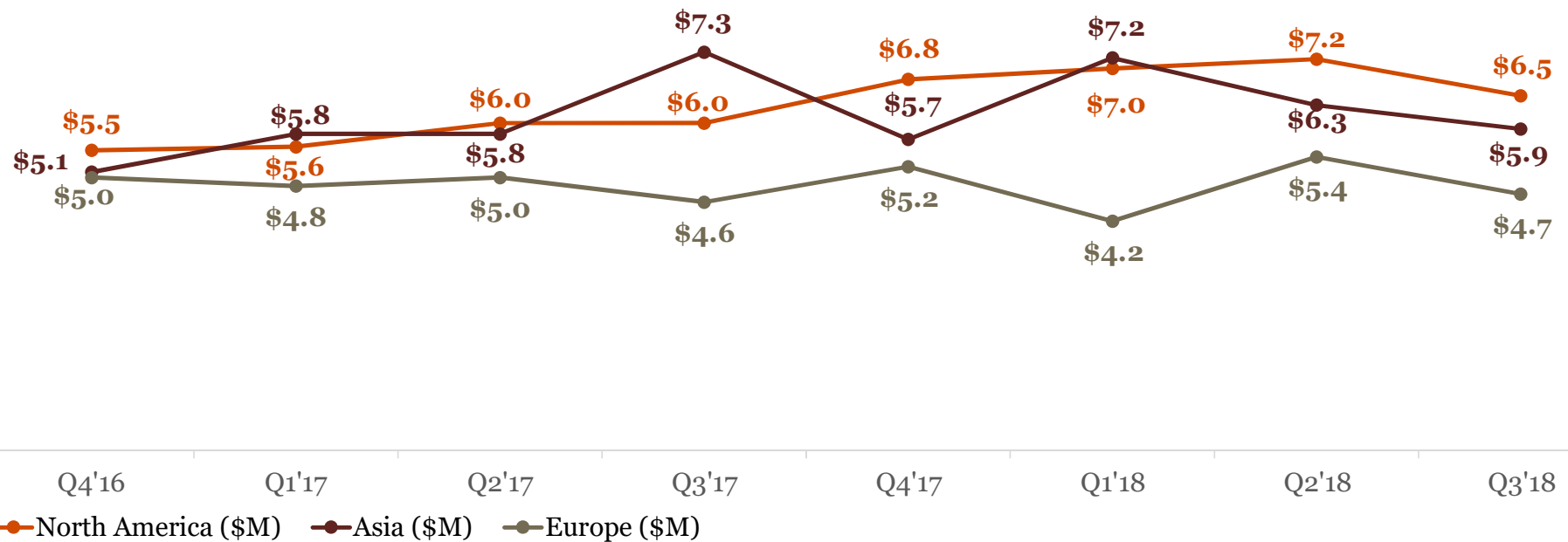




Global early-stage median deal size

Median early-stage deal sizes decline across regions

- Early-stage deal sizes declined across regions, as later-stage funding drove funding to record levels.

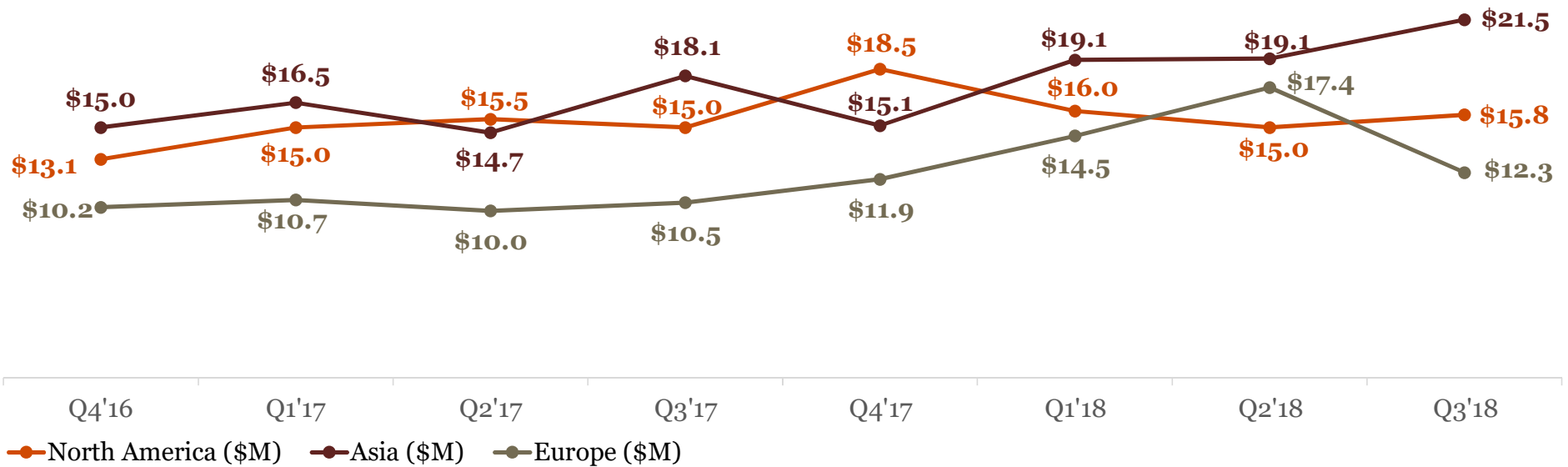




Global expansion-stage median deal size

North American, Asian expansion stage deal sizes increase

- Median expansion-stage deal size in Asia increased to \$21.5M in Q3'18, up from \$19M in Q2.
- European median expansion-stage deal size declined significantly to \$12.3M, from \$17.4M in Q2.

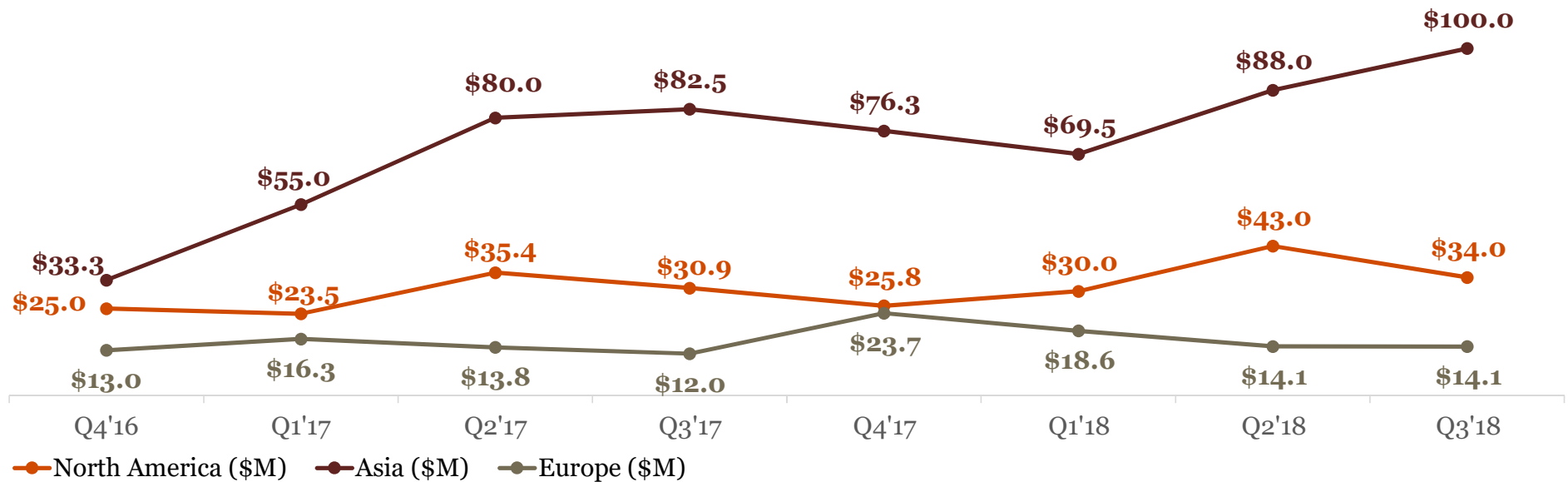




Global later-stage median deal size

Asian later-stage median deal size soars, while North America declines

- Asian median later-stage deal size rose for the second quarter in a row, to \$100M.
- North American later-stage median deal size fell to \$34M.



Appendix

US States: Full listing

State	\$M	No. of Deals	State	\$M	No. of Deals	State	\$M	No. of Deals	State	\$M	No. of Deals
Alabama	-	1	Idaho	\$10	1	Montana	\$0.4	2	Pennsylvania	\$177	23
Arizona	\$22	11	Illinois	\$486	32	Nevada	-	2	Rhode Island	\$15.7	4
Arkansas	\$25.8	4	Indiana	\$53.5	16	New Hampshire	\$6.2	1	South Carolina	\$13.25	5
California	\$14,578	477	Iowa	\$34	4	New Jersey	\$57.7	12	Tennessee	\$223.5	7
Colorado	\$419	48	Kentucky	\$16	5	New Mexico	\$7.4	2	Texas	\$346	42
Connecticut	\$42.6	14	Maine	\$1.9	1	New York	\$5,802	153	Utah	\$126.8	6
DC	\$167.1	9	Maryland	\$251.3	21	North Carolina	\$200.5	17	Vermont	\$0.03	1
Delaware	\$14.1	4	Massachusetts	\$2,403	114	North Dakota	\$1.3	1	Virginia	\$156.4	15
Florida	\$197	29	Michigan	\$122.2	12	Ohio	192.4	16	Washington	\$638	43
Georgia	\$103	16	Minnesota	\$134.4	21	Oklahoma	\$1.7	1	Wisconsin	\$40.4	8
Hawaii	-	1	Missouri	\$365.1	12	Oregon	\$79.5	8			

No disclosed quarterly activity: AK, KS, LA, MS, NE, SD, WV, WY

Notes on methodology

PwC (pwc.com/moneytree) and CB Insights (cbinsights.com) encourage you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to CB Insights directly. Additionally, if you feel your firm has been underrepresented, please send an email to info@cbinsights.com and we can work together to ensure your firm's investment data is up-to-date.

Rankings, e.g., top states and top sectors, are done by quarterly deal activity (that is, deal count for the given quarter).

What is included:

- Equity financings into emerging companies. Fundings must be to VC-backed companies, which are defined as companies that have received funding at any point from either: venture capital firms, corporate venture arms, or super angel investors.
- Fundings of private companies only. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers, even if they received investment by a venture firm(s).
- Only includes the investment made in the quarter for tranching investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round numbers reflect what has closed – not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via (1) various federal and state regulatory filings; (2) direct confirmation with firm or investor; (3) press release; or (4) credible media sources.
- Equity fundings to joint ventures and spinoffs/spinouts are included, given that they meet the VC-backed criteria.
- Geography note: Israel funding figures are classified in Asia.

What is excluded:

- No contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- No business development / R&D arrangements whether transferable into equity now, later or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.
- No buyouts, consolidations or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.
- No private placements. These investments, also known as PIPEs (Private Investment in Public Equities), are not included even if made by a venture capital firm(s).
- No debt/loans of any kind (except convertible notes). Venture debt or any kind of debt/loan issued to emerging, startup companies, even if included as an additional part of an equity financing, is not included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included in these statistics.
- No non-equity government funding. Grants or loans by the federal government, state agencies, or public-private partnerships to emerging, startup companies are not included.
- No fundings to subsidiaries of a larger parent corporation.

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