

# 2017 Marks Record-Breaking Year for Venture Capital Deals

## Average venture capital deal value increases for almost all investment stages

2017 was a record year for venture capital-backed deals, with 11,144 deals announced for an aggregate deal value of \$182bn. Preqin expects these figures to rise by up to 5% as more information becomes available. This marks a 28% increase in deal value compared to 2016, and surpasses the previous record of \$148bn set in 2015. However, 2017 also marks the second consecutive annual decline in the number of venture capital-backed deals, down from 11,699 financings seen in 2016. The largest deal of the year was the \$5.5bn funding of China-based Didi Chuxing by investors including Bank of Communications and China Merchants Bank. This deal is the second largest venture capital deal in the past decade, as well as the largest Asia-based venture capital deal ever. Venture capital-backed exit value in 2017 also rose from 2016 levels, with 1,151 exits worth \$71bn.

**For more information, see the full 2017 Preqin Venture Capital-Backed Deals & Exits factsheet here:**

<https://docs.preqin.com/reports/VC-Deals-and-Exits-2017.pdf>

### Key Venture Capital-Backed Deals and Exits Facts:

- **2017 saw 11,144 venture capital deals announced for a record \$182bn**, surpassing the previous 2015 record of \$148bn through 13,019 investments.
- **North America accounted for the largest proportion of venture capital deal activity**, with 4,302 investments announced for a total of \$77bn.
- Asia also made up a significant proportion of deal activity, with **\$65bn invested in Greater China** and \$10bn in deals announced for India.
- **Angel/seed deals made up the largest proportion of the number of deals (32%)**, while series A deals accounted for 28% of deals announced in 2017.
- While software deals accounted for 26% of the number of deals announced – the greatest proportion – **investments in internet companies made up the largest proportion of deal value (24%)**.
- Series C and later funding rounds, as well as growth and venture debt deals, all saw significant increases in average deal value from 2016, while series A and B deals both decreased in size on average.
- **Venture capital-backed exits also saw an uptick in 2017**, with \$71bn in total capital from 1,151 exits.

### Felice Egidio, Head of Venture Capital Products:

“2017 has marked another record year for venture capital-backed deals, maintaining the period of strong activity we have seen in recent years. Total deal value has surpassed the previous record set in 2015 by a margin of over \$30bn, a sign of the rate of expansion. However, it should be noted that while the total value of venture capital-backed deals has risen, the number of financings has fallen by 14% compared to that year, and the average size of most funding rounds has increased.

This may in part be a result of increasing competition for attractive opportunities, as well as the burgeoning number of companies seeking to raise multi-billion dollar late-stage funding rounds as an alternative to holding an IPO or sale. The number of venture capital-backed exits has declined in recent years, and in particular fewer venture capital-backed companies are seeking to make an exit by going public. Recent examples of venture capital-backed companies seeing lacklustre performance after holding an IPO may have deterred others from following suit. However, this trend may see some reverse in 2018: investors may be increasingly applying pressure on founders to organize an exit strategy and liquidate their holdings.”

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*Preqin is the leading source of information for the alternative assets industry, providing insight and analysis gathered by its global teams of dedicated researchers. Founded in 2003, the company is a frequent source of intelligence used in the global financial press, through its online databases, regular publications and bespoke data requests.*

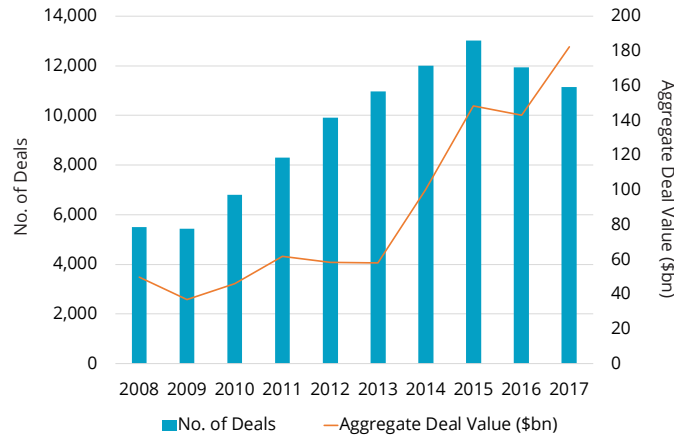
**For more information, contact our dedicated press team at [press@preqin.com](mailto:press@preqin.com) or call (+44) 20 3207 0265.**



# 2017 VENTURE CAPITAL DEALS AND EXITS

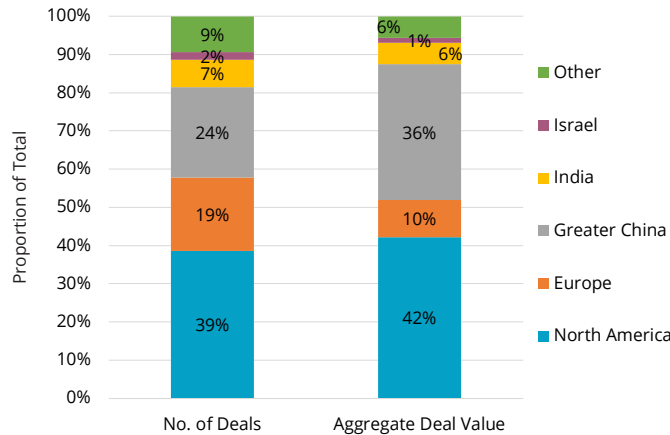
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Fig. 1: Global Venture Capital Deals\*, 2008 - 2017



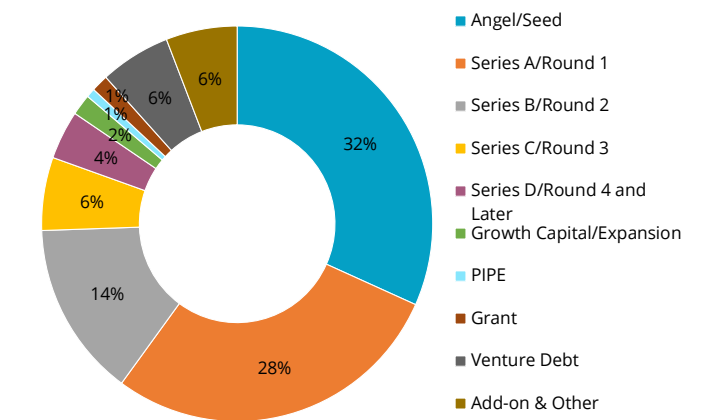
Source: Preqin Venture Capital Online

Fig. 2: Venture Capital Deals\* in 2017 by Region



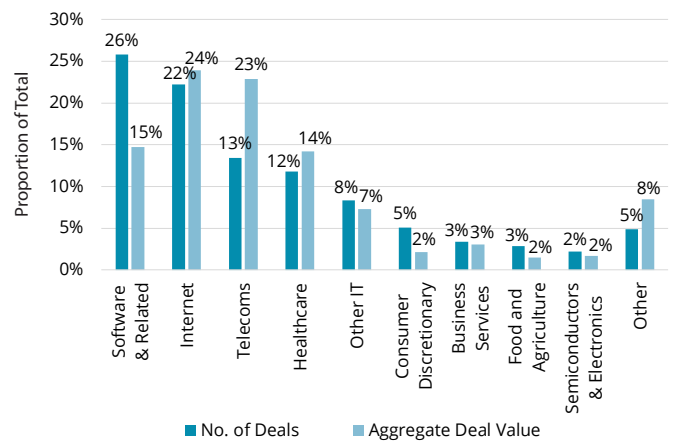
Source: Preqin Venture Capital Online

Fig. 3: Number of Venture Capital Deals in 2017 by Investment Stage



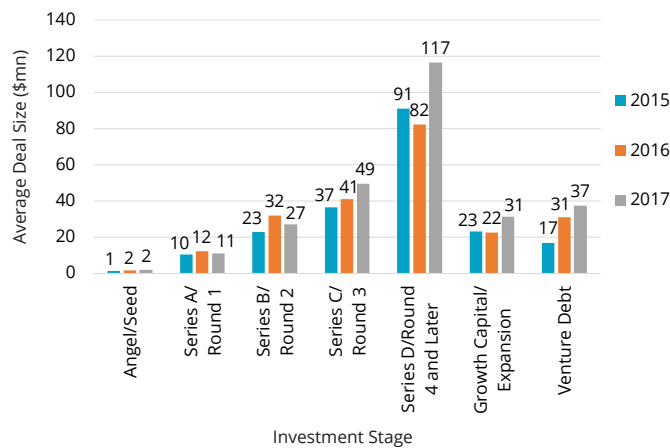
Source: Preqin Venture Capital Online

Fig. 4: Venture Capital Deals\* in 2017 by Industry



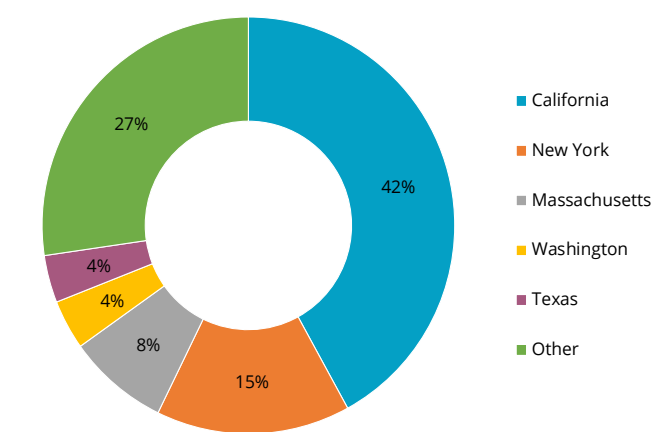
Source: Preqin Venture Capital Online

Fig. 5: Average Value of Venture Capital Deals by Investment Stage, 2015 - 2017



Source: Preqin Venture Capital Online

Fig. 6: Number of US Venture Capital Deals\* in 2017 by State



Source: Preqin Venture Capital Online

\*Figures exclude add-ons, grants, mergers, venture debt and secondary stock purchases.



# 2017 VENTURE CAPITAL DEALS AND EXITS

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Fig. 7: Largest Venture Capital Deals\* Announced Globally in 2017

Portfolio Company	Deal Date	Investment Stage	Deal Size (mn)	Investor(s)	Industry	Location
Didi Chuxing	Apr-17	Unspecified Round	5,500 USD	Bank of Communications, China Merchants Bank, Pagoda Investment, RCFSI, Silver Lake, SoftBank	Telecoms	China
WeWork Companies Inc.**	Aug-17	Series G/Round 7	4,400 USD	SB Investment Advisers, Softbank Capital	Hotels, Offices	US
Didi Chuxing	Dec-17	Unspecified Round	4,000 USD	Mubadala Capital, SoftBank	Telecoms	China
Meituan-Dianping	Oct-17	Series C/Round 3	4,000 USD	Coatue Management, CPP Investment Board, GIC, IDG Capital, Mubadala Capital, Sequoia Capital, Tencent, The Priceline Group, Tiger Global Management, Trustbridge Partners	Internet	China
Snap Inc.	Nov-17	PIPE	2,100 USD	Tencent	Telecoms	US
Grab Holdings	Jul-17	Series G/Round 7	2,000 USD	Didi Chuxing, SoftBank	Telecoms	Singapore
Toutiao	Aug-17	Unspecified Round	2,000 USD	General Atlantic	Telecoms	China
Ready-Go	Jul-17	Series B/Round 2	11,118 CNY	Beijing Automotive Group Co., Ltd, China Cinda Asset Management, Guoxuan Investment, Zhongji Investment	Internet	China
Flipkart Internet Private Limited***	Aug-17	Unspecified Round	1,500 USD	SB Investment Advisers	Internet	India
Flipkart Internet Private Limited	Apr-17	Unspecified Round	1,400 USD	eBay Inc., Microsoft, Tencent	Internet	India

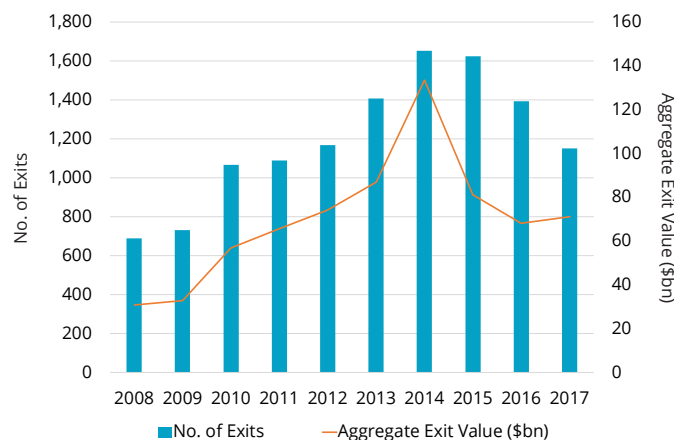
\*Figures exclude add-ons, grants, mergers venture debt and secondary stock purchases.

\*\*\$4.4bn figure includes \$3bn financing for parent company (raised in several series G tranches and a secondary purchase), plus \$1.4bn investment in newly created subsidiaries WeWork China, WeWork Japan and WeWork Pacific.

\*\*\*Part of a combined \$1.5bn direct investment and \$1bn secondary transaction.

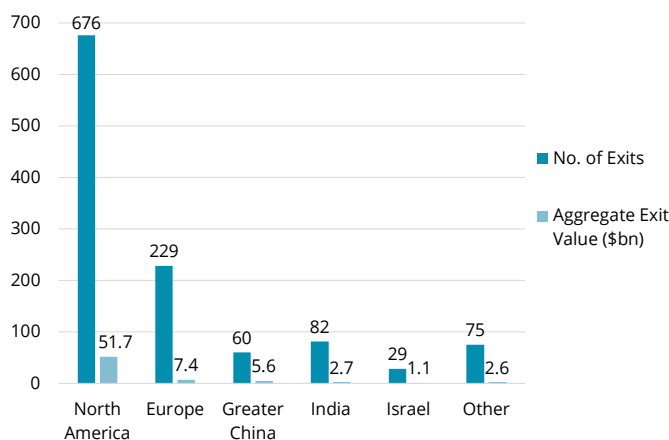
Source: Preqin Venture Capital Online

Fig. 8: Global Venture Capital-Backed Exits, 2008 - 2017



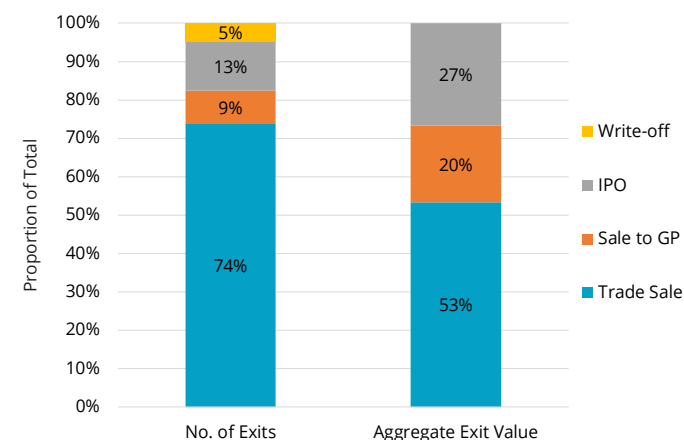
Source: Preqin Venture Capital Online

Fig. 9: Venture Capital-Backed Exits in 2017 by Region



Source: Preqin Venture Capital Online

Fig. 10: Venture Capital-Backed Exits in 2017 by Type



Source: Preqin Venture Capital Online



# 2017 VENTURE CAPITAL DEALS AND EXITS

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Fig. 11: Largest Venture Capital-Backed Exits Announced Globally in 2017

Portfolio Company	Date of First Investment	Investor(s)	Total Known Funding (mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Industry	Location
Uber Technologies, Inc.*	Aug-09	Axel Springer AG, Baidu, Barclays, Benchmark Capital, BlackRock, Caspian Venture Capital, Citigroup, CrunchFund, Didi Chuxing, Dragoneer Investment Group, Fidelity Investments, First Round Capital, Founder Collective, Glade Brook Capital Partners, Goldman Sachs, Goldman Sachs Merchant Banking Division, GV, Innovation Endeavors, Kleiner Perkins Caufield & Byers, Kumpulan Wang Persaraan, LetterOne, Lone Pine Capital, Lowercase Capital, Menlo Ventures, Microsoft, Morgan Stanley, New Enterprise Associates, Public Investment Fund, Qatar Investment Authority, SB Investment Advisers, SBT Venture Capital, Sequoia Capital, Signatures Capital Partners, SoftBank, Summit Partners, Summit Series, Tata Capital Private Equity, Tencent, Times Internet, Toyota Financial Services, TPG, Valiant Capital Partners, Wellington Management	14,241	Sale to GP	Dec-17	Dragoneer Investment Group, SB Investment Advisers, Sequoia Capital, SoftBank, Tencent, TPG	7,750 USD	Telecoms	US
AppDynamics, Inc.	Apr-08	Adage Capital Management, Altimeter Capital Management, Battery Ventures, ClearBridge, Cross Creek Advisors, ESO Fund, General Atlantic, Goldman Sachs, Greylock Partners, Harmony Partners, Industry Ventures, Institutional Venture Partners, Kleiner Perkins Caufield & Byers, Lightspeed Venture Partners, Sands Capital Management, SharesPost, Silicon Valley Bank	415	Trade Sale	Jan-17	Cisco Systems, Inc.	3,700 USD	Software	US
Snap Inc.*	Mar-12	Alibaba Group, Benchmark Capital, Coatue Management, DST Global, Fidelity Investments, General Atlantic, General Catalyst Partners, GIC, Glade Brook Capital Partners, HDS Capital, Institutional Venture Partners, Kleiner Perkins Caufield & Byers, Lightspeed Venture Partners, Lone Pine Capital, Morgan Stanley, NBC Universal, Sequoia Capital, SV Angel, T Rowe Price, Tencent, Yahoo	5,009	IPO	Mar-17	-	3,400 USD	Telecoms	US
Chewy, Inc.	Oct-13	Allen & Company, BlackRock, Greenspring Associates, T Rowe Price, Verlinvest, Volition Capital, Wells Fargo Capital Finance	180	Trade Sale	Apr-17	PetSmart, Inc.	3,000 USD	Internet	US
ZELTIQ Aesthetics, Inc.	Mar-06	Advanced Technology Ventures, Aisling Capital, Frazier Healthcare Ventures, Venrock	78	Trade Sale	Feb-17	Allergan Inc.	2,475 USD	Medical Devices	US
Barracuda Networks, Inc.	Dec-05	Focus Ventures, Francisco Partners, Sequoia Capital	176	Sale to GP	Nov-17	Thoma Bravo	1,600 USD	IT Security	US
Mango TV	Jun-15	CITIC Private Equity Funds Management, Happigo, Hony Capital, New Alliance Capital, Sequoia Capital, Shanghai Guohe Capital, Xiamen C&D Corporation	390	Trade Sale	Sep-17	Happigo	9,500 CNY	Digital Media	China
IO Data Centers*	Dec-08	Bank of America, BMO Financial Group, Caterpillar, Deutsche Bank, Goldman Sachs, JPMorgan Asset Management - Private Equity Group, JPMorgan Chase, Macquarie Capital, Morgan Stanley, National Bank of Arizona, Pritzker Group Venture Capital, Royal Bank of Canada, Sterling Partners, Wells Fargo Bank	1,216	Trade Sale	Dec-17	Iron Mountain Incorporated	1,315 USD	IT Infrastructure	US
Delivery Hero AG*	Dec-10	General Atlantic, German Startups Group, HV Holtzbrink Ventures, Insight Venture Partners, Kite Ventures, Kreos Capital, Luxor Capital Group, Naspers Ventures, Phenomen Ventures, Point Nine, Rocket Internet SE, ru-Net Ventures, Target Global, Team Europe, Tengelmann Group, Vostok New Ventures, West Tech Ventures	1,751	IPO	Jun-17	-	996 EUR	Internet	Germany
Flipkart Internet Private Limited*	Oct-09	Accel Partners, Axis Bank, Baillie Gifford, Dragoneer Investment Group, DST Global, eBay Inc., GIC, Greenoaks Capital, HDFC Bank, Helion Venture Partners, Iconiq Capital, IDG Ventures India, Kalaari Capital, Microsoft, Morgan Stanley, Morgan Stanley Alternative Investment Partners, Naspers, Qatar Investment Authority, SB Investment Advisers, Schroder Adveq, Sofina, Steadview Capital Management, T Rowe Price, Tencent, Tiger Global Management, TR Capital, Vulcan Capital	6,454	Sale to GP	Aug-17	SB Investment Advisers	1,000 USD	Internet	India

\*Denotes a partial exit.

Source: Preqin Venture Capital Online