

2018 Sees Strong Start for Venture Capital Deals

The first quarter sees the highest aggregate transaction value of any opening quarter

The first quarter of 2018 saw 3,269 venture capital deals announced worth a combined \$51bn. Preqin expects these figures to rise by up to 5% as more information becomes available, but Q1 2018 has already seen the largest transaction value of any first quarter, surpassing the previous record of \$41bn set in Q1 2016. With the exception of venture debt deals, the average value of venture capital deals increased across each investment stage from the year before, with series D investments notably increasing from an average of \$116mn in 2017 to \$139mn in Q1 2018. Asia was the most prominent region through the quarter, with activity surpassing that of North America. Asia saw 1,359 deals announced for a combined \$22bn, and nine out of the 10 largest deals announced were based in the region, the largest being the \$1.5bn funding of Go-Jek Indonesia.

For more information, see the full [Q1 2018 Venture Capital-Backed Deals & Exits factsheet here:](http://docs.preqin.com/reports/Preqin-Venture-Capital-Deals-and-Exits-Q1-2018.pdf)

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Key Venture Capital-Backed Deals and Exits Facts:

- **The first quarter of 2018 saw 3,269 venture capital deals announced for \$51bn.** This marks a record first quarter, surpassing the previous \$41bn in deal value in Q1 2016.
- With the exception of venture debt, **average deal value increased across all investment stages** from 2017. Series D deals notably increased from an average of \$116mn in 2017 to \$139mn in Q1 2018.
- **Asia accounted for the largest proportion of deal activity.** The region saw 1,359 investments announced for a total of \$21.9bn, surpassing North America in both number and aggregate value.
- **North America recorded 1,142 transactions worth a combined \$21.4bn.** Europe, meanwhile, saw just 567 venture capital-backed deals announced in the quarter, worth a total of \$5.6bn.
- **Angel/seed deals made up the largest proportion of the number of deals (35%),** while series A deals accounted for a further 29% of deals announced in Q1.
- While software deals accounted for 23% of the number of deals announced – the greatest proportion – **investments in internet companies made up the largest proportion of deal value (24%).**
- **Nine out of the ten largest venture capital deals announced in Q1 2018 were located in Asia,** the largest being the \$1.5bn funding of Go-Jek Indonesia.
- **Q1 2018 saw 239 venture capital-backed exits worth \$19bn.** This represents the lowest number of exits in a single quarter since Q1 2010 (228).

Felice Egidio, Head of Venture Capital Products:

“Venture capital-backed deal activity has started off strong in the first quarter of 2018, which has seen a record \$51bn in transaction value – the highest total of any first quarter. The number of deals announced has accelerated for the third successive quarter, but the record-setting deal value is driven in large part by a smaller number of larger financings. As more companies choose to remain private for longer, they are raising ever-larger late-stage funding rounds, and we are seeing the average size of deals increase particularly sharply in later series transactions.

It would be an understatement to say that we’ve seen Asia rise as a major player in the venture capital industry. The first quarter of 2018 seems to cement this fact, as the region accounted for the largest proportion of activity, narrowly surpassing North America for both the number and total value of deals. In fact, not only was the largest deal this quarter for an Asia-based company, but in total nine of the ten largest deals in Q1 were in the region. This year may be the year in which Asia overtakes North America as the most prominent region for venture capital deal activity.”

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.

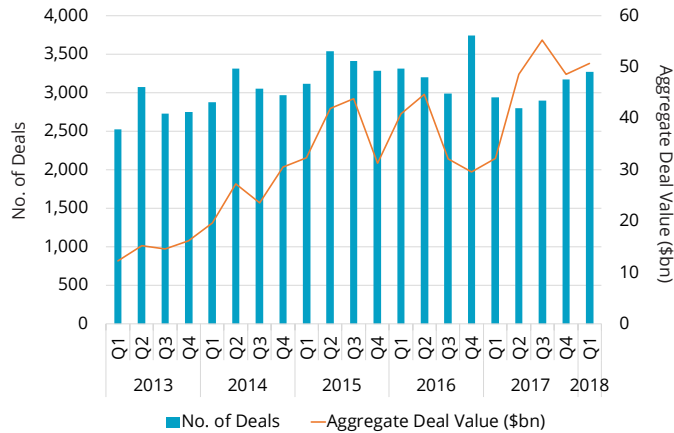
For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.



Q1 2018 VENTURE CAPITAL DEALS AND EXITS

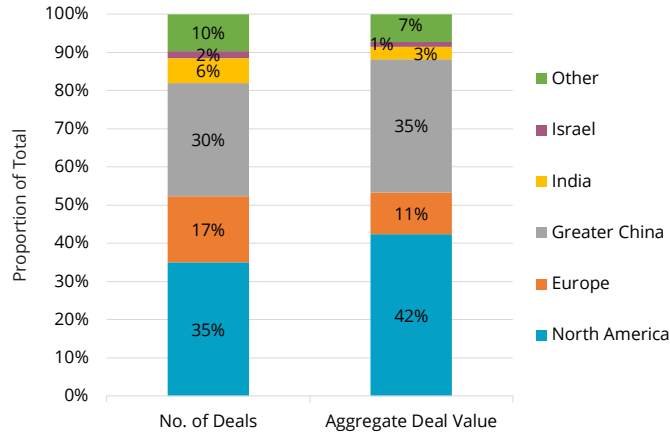
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Fig. 1: Global Venture Capital Deals*, Q1 2013 - Q1 2018



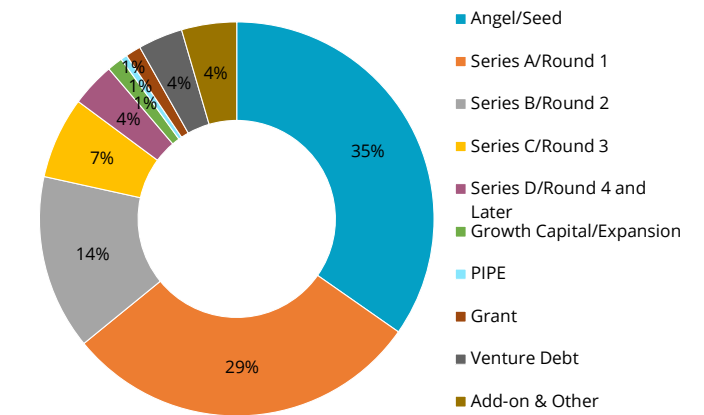
Source: Preqin

Fig. 2: Venture Capital Deals* in Q1 2018 by Region



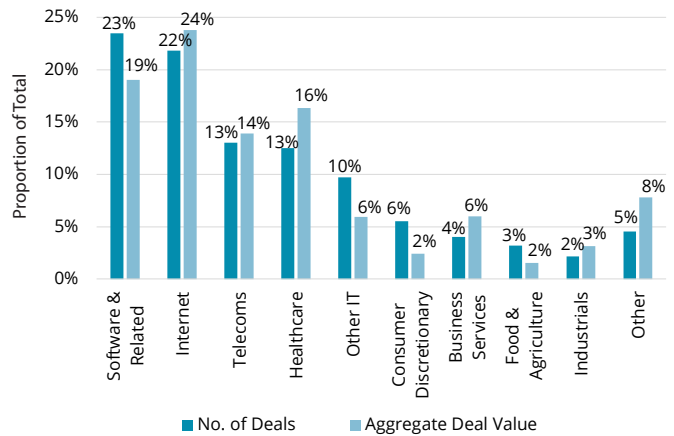
Source: Preqin

Fig. 3: Number of Venture Capital Deals in Q1 2018 by Investment Stage



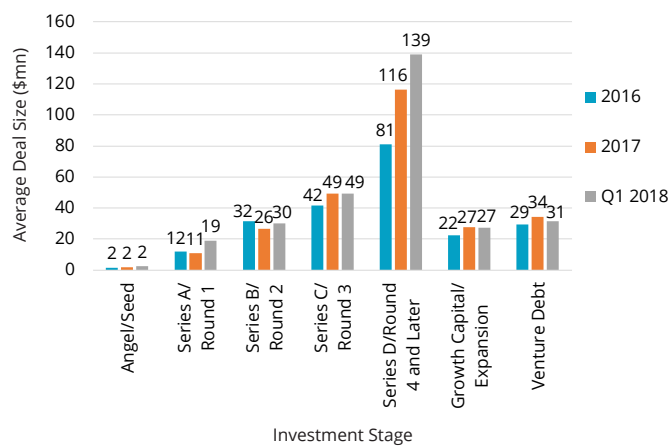
Source: Preqin

Fig. 4: Venture Capital Deals* in Q1 2018 by Industry



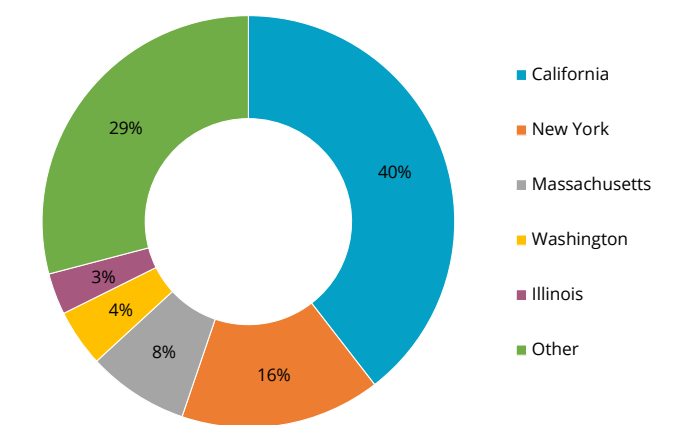
Source: Preqin

Fig. 5: Average Value of Venture Capital Deals by Investment Stage, 2016 - Q1 2018



Source: Preqin

Fig. 6: Number of US Venture Capital Deals* in Q1 2018 by State



Source: Preqin

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



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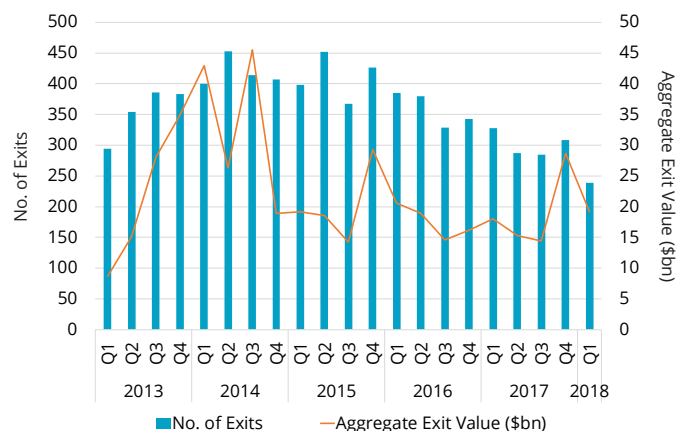
Fig. 7: Largest Venture Capital Deals* Announced Globally in Q1 2018

Portfolio Company	Deal Date	Investment Stage	Deal Size (mn)	Investor(s)	Industry	Location
Go-Jek Indonesia	Feb-18	Series E/Round 5	1,500 USD	Astra Investimentos, BlackRock, Google Inc., JD.com, KKR, Meituan-Dianping, Samsung Venture Investment Corporation, Temasek Holdings, Tencent, Warburg Pincus	Business Services	Indonesia
Ping An Healthcare Administration Co., Ltd.	Feb-18	Series A/Round 1	1,150 USD	IDG Capital, SB Investment Advisers, SBI Holdings	Software	China
Mobike Ltd.	Jan-18	Unspecified Round	1,000 USD		Telecoms	China
Ofo Bicycle	Mar-18	Series E/Round 5	866 USD	Alibaba Group, Ant Financial Service Group, Haofeng Group, Junli Capital, Tianhe Capital	Telecoms	China
Katerra Inc.	Jan-18	Series D/Round 4	865 USD	CPP Investment Board, DFJ Growth, DivcoWest, Foxconn Ventures, Greenoaks Capital, Khosla Ventures, Navitas Capital, SB Investment Advisers, Soros Fund Management, Tavistock Group	Software	US
Che Hao Duo Used Automobile Agency (Beijing) Co., Ltd.	Jan-18	Series C/Round 3	818 USD	Capital Today, DST Global, FountainVest Partners, GIC, H Capital, ICBC International, IDG Capital, Sequoia Capital, Shanghai Capital, Taihe Capital, Tencent, West Fund, YF Capital	Internet	China
Farasis China	Feb-18	Series C/Round 3	5,000 CNY	China Industrial Bank Corporation, China Venture Capital, Guoxin Guoxin Dongwu Oversea Fund, Shanghai Dongxing Investment	Clean Technology	China
Shanghai OneConnect Technology Co., Ltd.	Jan-18	Series A/Round 1	650 USD		Internet	China
Douyutv Co., Ltd.	Mar-18	Series E/Round 5	4,000 CNY	Tencent	Internet	China
Ziroom.com	Jan-18	Series A/Round 1	4,000 CNY	H Capital, Sequoia Capital, Source Code Capital, Tencent, Warburg Pincus	Internet	China

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

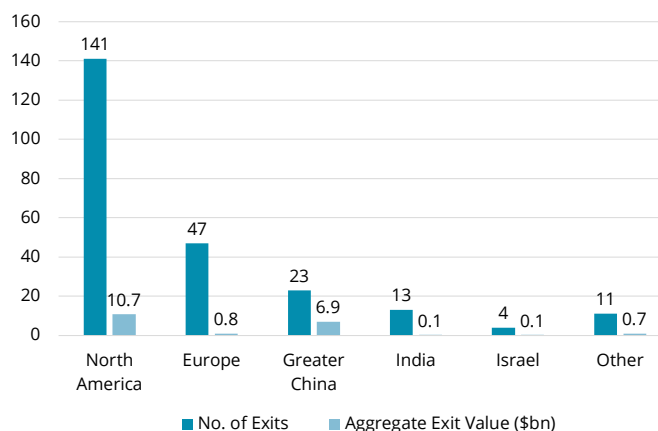
Source: Preqin

Fig. 8: Global Venture Capital-Backed Exits, Q1 2013 - Q1 2018



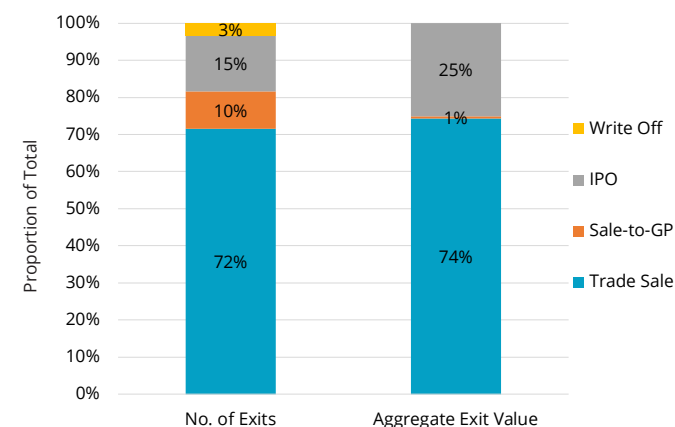
Source: Preqin

Fig. 9: Venture Capital-Backed Exits in Q1 2018 by Region



Source: Preqin

Fig. 10: Venture Capital-Backed Exits in Q1 2018 by Type



Source: Preqin



Q1 2018 VENTURE CAPITAL DEALS AND EXITS

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Fig. 11: Largest Venture Capital-Backed Exits Announced Globally in Q1 2018

Portfolio Company	Date of First Investment	Investor(s)	Total Known Funding (mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Industry	Location
Ofo Bicycle*	Mar-15	Alibaba Group, Ant Financial Service Group, Atomico, Beijing Dongfang Hongdao, CITIC Private Equity Funds Management, Coatue Management, Didi Chuxing, DST Global, GSR Ventures, Haofeng Group, Hony Capital, Junli Capital, Macrolink Group, Matrix Partners China, Shunwei Capital Partners, Tianhe Capital, Vision+, Will Hunting Capital, Xiaomi Inc., ZhenFund	2,433	Trade Sale	Jan-18	Alibaba Group	3,000 USD	Telecoms	China
iQiyi.com Inc.*	Feb-10	Baidu, Boyu Capital, Hillhouse Capital Management, IDG Capital, Providence Equity Partners, Sequoia Capital, Shunwei Capital Partners, Xiaomi Ventures	1,890	IPO	Mar-18		2,250 USD	Digital Media	China
Flatiron Health, Inc.	Jan-13	Allen & Company, Andreessen Horowitz, Baillie Gifford, BoxGroup, Casdin Capital, First Round Capital, Grape Arbor VC, Great Oaks Venture Capital, GV, IA Ventures, Laboratory Corporation Of America, Roche, Social Capital, Stripes Group, SV Angel	313	Trade Sale	Feb-18	Roche	1,900 USD	Healthcare IT	US
MuleSoft, Inc.	Oct-06	Adage Capital Management, Bay Partners, Brookside Capital, Cisco Investments, HWVP, Lightspeed Venture Partners, Meritech Capital Partners, Morgenthaler Ventures, New Enterprise Associates, Salesforce Ventures, Salesforce.com, Sands Capital Ventures, Sapphire Ventures, ServiceNow	259	Trade Sale	Mar-18	Salesforce.com	1,353 USD	Software	US
Impact Biomedicines, Inc.	Oct-17	Medicxi Ventures, Oberland Capital	112	Trade Sale	Jan-18	Celgene	1,100 USD	Healthcare	US
Ring Inc.	Dec-13	American Family Insurance, Charles River Ventures, Draper Fisher Jurvetson, First Round Capital, Goldman Sachs, J.F. Shea Co., Inc., Kleiner Perkins Caufield & Byers, Qualcomm Ventures, Queensbridge Venture Partners, Silicon Valley Bank, True Ventures, Upfront Ventures	211	Trade Sale	Feb-18	Amazon.com	1,000 USD	IT Security	US
ThreatMetrix, Inc.	Oct-09	Adams Street Partners, August Capital, CM Capital Investments, Silicon Valley Bank, Technology Venture Partners, Tenaya Capital, US Venture Partners	86	Trade Sale	Jan-18	RELX Group	580.GBP	IT Security	US
Dropbox, Inc.*	Jun-07	Accel, Bank of America, Benchmark Capital, BlackRock, Deutsche Bank, Fidelity Investments, G Squared, Goldman Sachs, Green Bay Advisors, Greylock Partners, Index Ventures, Innovation Department, Institutional Venture Partners, J.P. Morgan, Macquarie Bank, Morgan Stanley Alternative Investment Partners, Queensbridge Venture Partners, RIT Capital Partners, Royal Bank of Canada, Salesforce Ventures, Sequoia Capital, T Rowe Price, Valiant Partners, Y Combinator	2,167	IPO	Mar-18		756 USD	IT	US
Tantan Culture Development (Beijing) Co., Ltd.	Jan-15	58.com, Alibaba Group, BAI Fund, DCM, DST Global, Genesis Capital, Gothic Corporation, GX Capital, Kleiner Perkins Caufield & Byers, LB Investment, Matrix Partners China, Momo Inc., SAIF Partners, Sequoia Capital, Tenzing, Tiger Global Management, Vision Plus Capital, YF Capital, YY, Zhongwei Capital	120	Trade Sale	Feb-18	Momo Inc.	600 USD	Telecoms	China
99Taxis	Jun-13	Alibaba Group, Ameba Capital, Ant Financial Service Group, Apple, Baidu, Bank of Communications, BlackRock, Capital Group Private Markets, CBC Capital, China Investment Corporation, China Life Insurance Company, China Merchants Bank, China Minsheng Bank, China Post Capital, China Taiping Insurance, China Vanke Co. Ltd., CITIC Private Equity Funds Management, CITIC Securities, Coatue Management, Didi Chuxing, Didi Dache, DST Global, eHi Auto Services, Farallon Capital Management, GSR Ventures, Guangzhou Automobile Co. Ltd., HNA Group, Hon Hai Precision Industry, Kuaidi Dache, Legal Capital, Matrix Partners, Monashees Capital, Mubadala Capital, New Horizon Capital, Oppenheimer Alternative Investment Management, Pagoda Investment, Ping An Ventures, Qualcomm Ventures, RCFSI, Riverwood Capital, Silver Lake, Sina Weibo, SoftBank, Softbank Capital, Temasek Holdings, Tencent, Tiger Global Management, Uber China, Uber Technologies, Inc.	528	Trade Sale	Jan-18	Didi Chuxing	600 USD	Telecoms	Brazil

*Denotes a partial exit.

Source: Preqin