

Venture Capital Deals Break More Records in Q3 2017

Quarter builds on \$48bn in deals announced in Q2 to register an all-time high of \$49bn

The venture capital-backed deal industry has registered a second consecutive record-breaking quarter, as 2,362 deals were announced worth a combined \$49bn. Preqin expects these figures to rise by around 5% as more information become available. This follows Q2, which saw 2,512 deals announced worth \$48bn, to put total deal activity in the first three quarters of 2017 at \$128bn, on course to become an all-time annual high. However, these record values are being recorded by a declining number of transactions, with Q3 representing the sixth consecutive quarterly decline. Q1-Q3 2017 has seen 7,552 venture capital-backed deals announced, compared to 8,792 in the equivalent period of last year.

For more information, see the full [Q3 2017 Venture Capital Deals and Exits factsheet below, or here:](https://www.preqin.com/docs/reports/VC-Deals-And-Exits-Q3-2017.pdf)
<https://www.preqin.com/docs/reports/VC-Deals-And-Exits-Q3-2017.pdf>

Key Venture Capital Deals Facts:

- **In Q3 2017, there were 2,362 deals made with an aggregate deal value of \$49bn.** This is the second consecutive quarter to register record high aggregate deal values.
- **North America saw the greatest activity in the quarter**, with 939 deals announced for an aggregate deal value of \$19bn.
- Israel saw the greatest drop in deal activity from the previous quarter. **In Q2 2017, Israel made up 34% of aggregate deal value; in Q3, this figure stands at just 1%.**
- **Series A financings made up 31% of venture capital deals in Q3 2017**, while angel investments accounted for a further 26% of deal flow.
- **Later stage venture capital deals have increased in value** over the past few years. While average series A-C financings in 2017 YTD are smaller than in 2016, Series D and later funding rounds have hit a new record high of \$98mn.
- **Deals in software account for the greatest proportion of deals (26%)**, but deals in internet companies account for the largest share of aggregate deal value (26%).
- The **largest venture capital deal announced in Q3 was the \$2bn financing of Grab Holdings**. Funding came from investors including Didi Chuxing, the firm involved in the largest venture capital-backed deal ever recorded.
- The largest venture capital-backed exit announced in Q3 2017 was the **CNY 9.5bn sale of China-based Mango TV to Happigo**.

Felice Egidio, Head of Venture Capital Products:

“2017 now seems assured to set new records for venture capital-backed deal activity, as the industry has witnessed its second consecutive record-breaking quarter. Driven by the rising number of late-stage multi-billion dollar financings – eight in Q3 alone – the industry is setting new records with increasing regularity. Increased opportunities in emerging markets and increased appetite from investors are combining to propel the venture capital industry to new heights.

The bulk of deal activity remains focused on the earlier part of the funding cycle, with angel and series A investments accounting for almost half of total deal numbers. However, deal values are increasingly being driven by large late-stage financings and debt issuances. In fact, while the average value of financings up to series C have all fallen in 2017, average series D deals are at a record high, while the average venture debt issuance is more than twice as large as it was in 2015.”

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.

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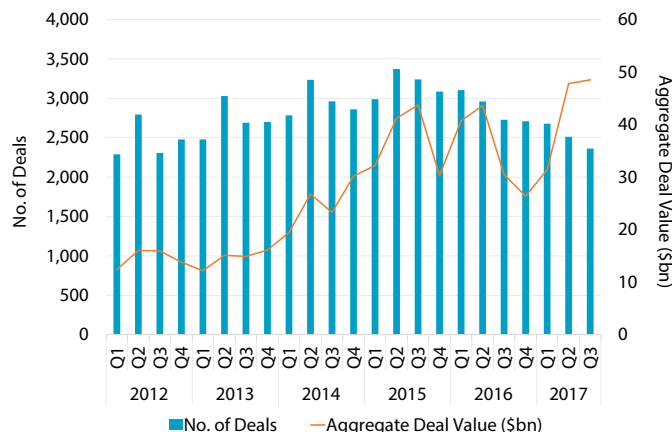
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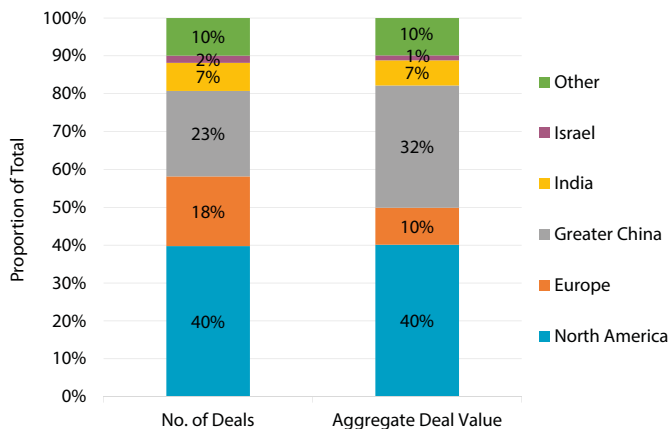
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Fig. 1: Global Quarterly Venture Capital Deals*, Q1 2012 - Q3 2017



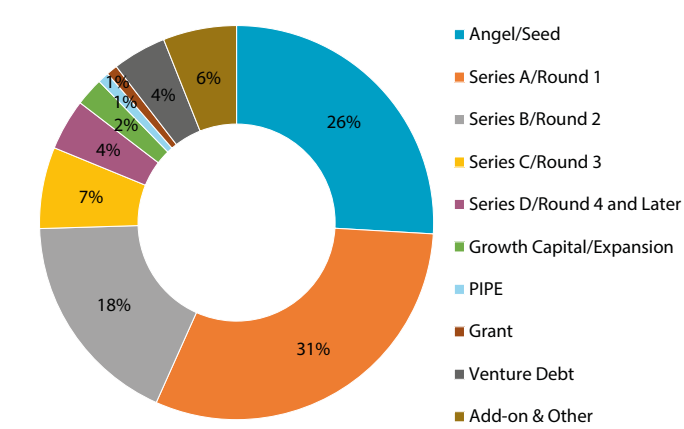
Source: Preqin Private Equity Online

Fig. 2: Venture Capital Deals* in Q3 2017 by Region



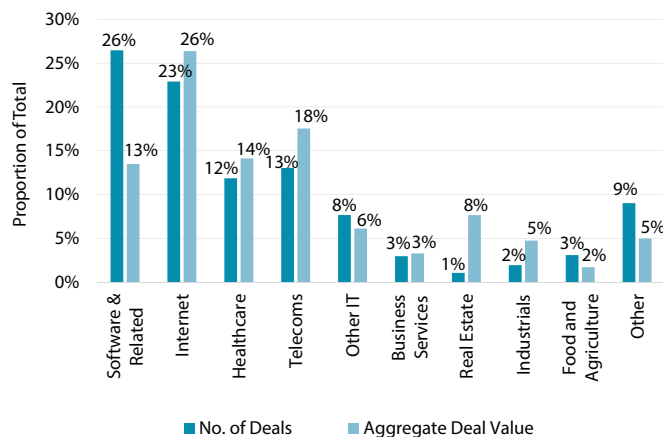
Source: Preqin Private Equity Online

Fig. 3: Number of Venture Capital Deals in Q3 2017 by Investment Stage



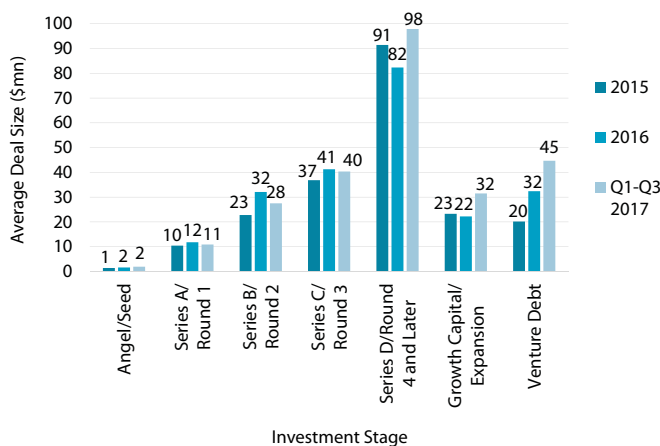
Source: Preqin Private Equity Online

Fig. 4: Venture Capital Deals* in Q3 2017 by Industry



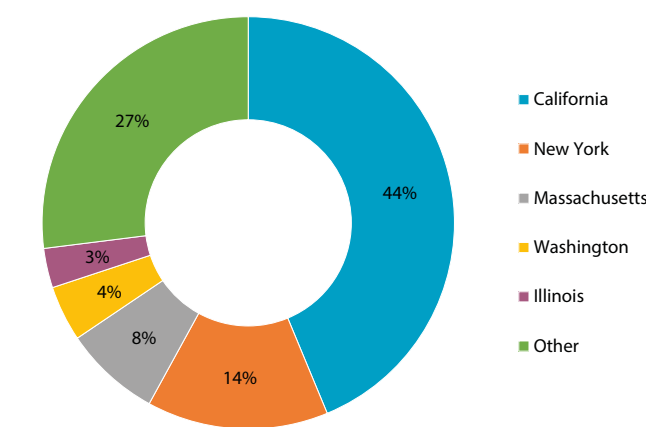
Source: Preqin Private Equity Online

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



Source: Preqin Private Equity Online

Fig. 6: Number of US Venture Capital Deals* in Q3 2017 by State



Source: Preqin Private Equity Online

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



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Fig. 7: 10 Largest Venture Capital Deals* Announced Globally in Q3 2017

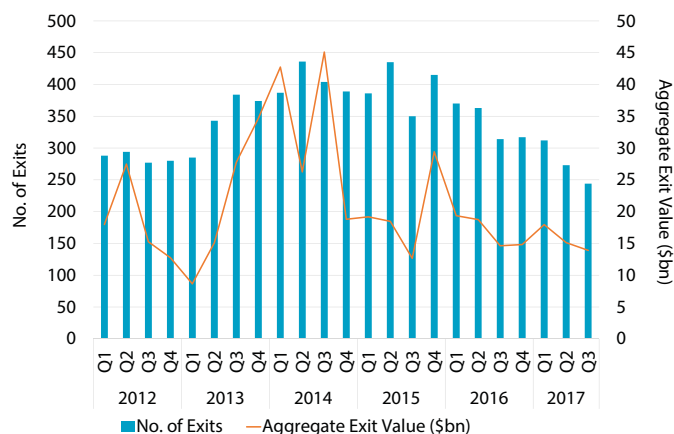
Portfolio Company	Deal Date	Investment Stage	Deal Size (mn)	Investor(s)	Industry	Location
Grab Holdings	Jul-17	Unspecified Round	2,000 USD	Didi Chuxing, SoftBank	Telecoms	Singapore
Toutiao	Aug-17	Unspecified Round	2,000 USD	General Atlantic	Telecoms	China
WeWork Companies Inc.	Aug-17	Unspecified Round	1,940 USD**	SB Investment Advisers, Softbank Capital	Hotels and Offices	US
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
PT Tokopedia	Aug-17	Series G/Round 7	1,100 USD	Alibaba Group	Internet	Indonesia
Roivant Sciences GmbH	Aug-17	Unspecified Round	1,100 USD	SB Investment Advisers	Pharmaceuticals	Switzerland
Fanatics, Inc.	Aug-17	Unspecified Round	1,000 USD	32 Equity, Major League Baseball Players Pension Plan, SB Investment Advisers	Internet	US
Cainiao Network	Sep-17	Unspecified Round	5,300 CNY	Alibaba Group	Logistics	China
WeWork Companies Inc.	Jul-17	Unspecified Round	760 USD**	-	Hotels and Offices	US

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

**Part of a \$4.4bn transaction, whereby \$3bn was invested into WeWork Companies Inc. directly and the remaining \$1.4 billion was invested into WeWork China, Japan and Pacific.

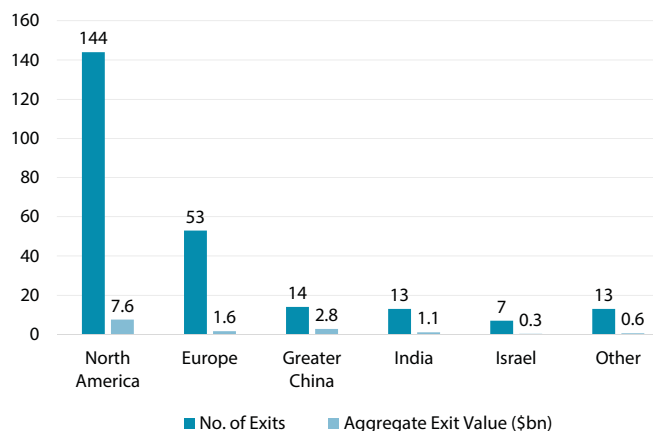
Source: Preqin Private Equity Online

Fig. 8: Global Quarterly Venture Capital-Backed Exits, Q1 2012 - Q3 2017



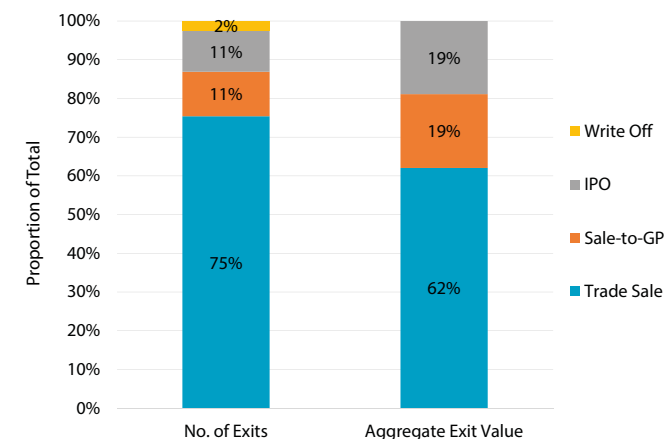
Source: Preqin Private Equity Online

Fig. 9: Venture Capital-Backed Exits in Q3 2017 by Region



Source: Preqin Private Equity Online

Fig. 10: Venture Capital-Backed Exits in Q3 2017 by Type



Source: Preqin Private Equity Online



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Fig. 11: 10 Largest Venture Capital-Backed Exits Announced Globally in Q3 2017

Portfolio Company	Date of First Investment	Investor(s)	Total Known Funding (\$mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Industry	Location
Mango TV	Jun-15	New Alliance Capital, Shanghai Guohe Capital, Xiamen C&D Corporation	308	Trade Sale	Sep-17	Happigo	9,500 CNY	Digital Media	China
Flipkart Internet Private Limited*	Oct-09	Accel Partners, Baillie Gifford, Dragoner 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	6,239	Sale-to-GP	Aug-17	SB Investment Advisers	1,000 USD	Internet	India
Intacct Corporation	May-06	Battery Ventures, Bessemer Venture Partners, Costanoa Ventures, Emergence Capital Partners, HWVP, Jackson Square Ventures, JK&B Capital, Morgan Creek Capital Management, Sigma Partners, Silicon Valley Bank, Split Rock Partners, Sutter Hill Ventures	150	Trade Sale	Jul-17	The Sage Group plc	850 USD	Software	US
Silver Spring Networks Inc.	Apr-07	EdisonLearning, EMC, Foundation Capital, GSV Asset Management, GV, Hitachi Global Storage Technologies, JVB Properties, Kleiner Perkins Caufield & Byers, Northgate Capital	324	Trade Sale	Sep-17	Itron	830 USD	Network	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 Capital Partners, ru-Net Ventures, Target Global, Team Europe, Tengelmann Group, Vostok New Ventures, West Tech Ventures	1,751	Sale-to-GP	Sep-17	Naspers Ventures	660 EUR	Internet	Germany
NeoTract, Inc.	Jun-04	Johnson & Johnson Innovation, New Enterprise Associates, Quadrille Capital, Windham Venture Partners	183	Trade Sale	Sep-17	Teleflex Inc.	725 USD	Medical Devices	US
eVestment Alliance, LLC	Jun-05	Insight Venture Partners, Salmon River Capital, Silicon Valley Bank	20	Trade Sale	Sep-17	Nasdaq, Inc.	705 USD	Software	US
Best Logistics Technology (China) Limited*	Jun-08	Alibaba Group, BOCI Private Equity, Cainiao Network, CDH Investments, CDIB Capital, China Development Bank Capital, China Huarong Asset Management, CITIC Private Equity Funds Management, Everbright Financial Holding Asset Management, Fosun International, Foxconn Ventures, Goldman Sachs, Hina Group, International Finance Corporation, Liyue Investment, Softbank China Venture Capital, Walden International	875	IPO	Sep-17	-	450 USD	Logistics	China
Blue Bottle Coffee Inc.	Oct-12	Fidelity Management & Research Company, GV, Index Ventures, Morgan Stanley Alternative Investment Partners, Tetragon Financial Group, True Ventures	136	Trade Sale	Sep-17	Nestlé S.A.	425 USD	Retail	US
Gigya, Inc.	Feb-07	Adobe Ventures, Advance Publications, Benchmark Capital, DAG Ventures, First Round Capital, Greenspring Associates, Intel Capital, Mayfield, Vintage Investment Partners	116	Trade Sale	Sep-17	SAP SE	350 USD	Software	US

*Denotes a partial exit.

Source: Preqin Private Equity Online

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Preqin provides information, data and research on the private equity and venture capital industry across fund performance, fundraising, fund managers, investors, deals, fund terms and more.

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