

# Venture Capital Deals Hit New Heights with Time to Spare

**Total deal value in first three quarters of 2018 surpasses all past full-year records**

Q3 2018 saw 3,894 venture capital-backed deals announced worth a total of \$69bn. This brings total year-to-date deal making to \$195bn, meaning that the first three quarters of 2018 have already surpassed 2017's full-year record of \$189bn in venture capital deals. Deal activity in Greater China and in North America were neck-and-neck, while deals in Europe trailed. However, deals made in China dominated the largest transactions of the quarter: six of the 10 largest deals announced in Q3 were in China, with two deals in the top 10 made in the US. The largest venture capital deal announced this quarter was the acquisition of Hangzhou Mouth Phase Communication Network Technology Co., Ltd. by the goliaths Alibaba Group and Softbank. Exit activity, on the other hand, drew back from Q2 levels. A total of 280 venture capital-backed exits were made for a combined \$31bn – although this is down from Q2's record \$72bn total, it is in line with previous quarters.

**For more information and analysis, see the full [Q3 2018 Venture Capital-Backed Deals & Exits](http://docs.preqin.com/reports/Preqin-Venture-Capital-Deals-and-Exits-Q3-2018.pdf) here:**  
<http://docs.preqin.com/reports/Preqin-Venture-Capital-Deals-and-Exits-Q3-2018.pdf>

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

- There were 3,894 deals announced in Q3 2018 worth \$69bn. **This pushes 2018 to 11,476 deals worth \$195bn – a new record**, shooting past 2017's full-year total of 13,091 deals worth \$189bn.
- **North America saw 1,592 deals worth \$28bn and Greater China saw 1,112 deals worth \$28bn.** Deal activity in Europe lagged, with just 637 deals announced in the region for \$5.2bn.
- **Angel and series A investments accounted for the largest proportions of deals this quarter**, accounting for 33% and 29% of deals respectively.
- The largest deal announced this quarter was the acquisition of **Hangzhou Mouth Phase Communication Network Technology Co., Ltd.** by Alibaba Group and Softbank for \$3.0bn.
- **Six of the 10 largest deals this quarter were made in China**, while just two were made in the US.
- Following a record Q2 which saw 249 exits worth \$72bn, **Q3 exit activity has slowed, with 280 exits worth a total of \$31bn.**
- **Exits in North America accounted for the largest proportion of activity in the quarter**, with the region seeing 176 exits for \$17bn. There were a further 26 exits worth \$9.8bn in Greater China.

## Christopher Elvin, Head of Private Equity:

“After a banner Q2 which saw a record-breaking \$74bn in venture capital deals, Q3 2018 has slowed slightly, but it has still seen extremely strong levels of activity. In fact, the first three quarters of 2018 have already broken 2017's full-year record, as 2018 has already seen \$195bn in deal value. This is largely due to the rise of multi-billion-dollar funding rounds like those for Hangzhou Mouth and Grab in this quarter, but is also because deal pricing has been higher across the board. It is no coincidence that this year has seen average deal sizes rise at almost all funding stages from seed investments onwards. Ultimately, with the year already having broken records, the only real question remaining going into Q4 is how high it can go.”

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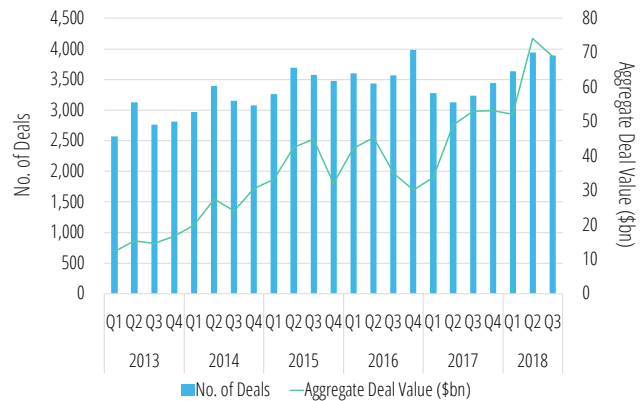
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# Q3 2018 VENTURE CAPITAL DEALS AND EXITS

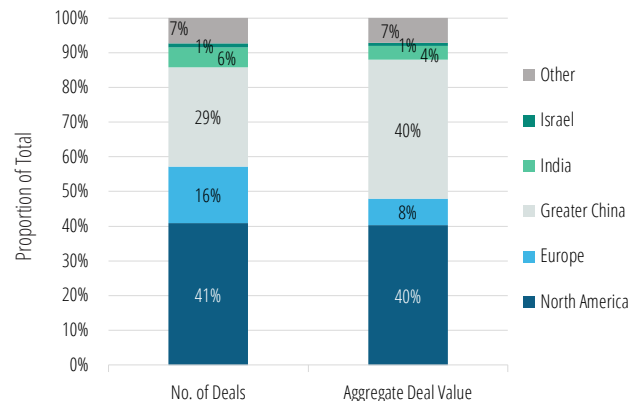
4 October 2018

**Fig. 1: Global Quarterly Venture Capital Deals\*, Q1 2013 - Q3 2018**



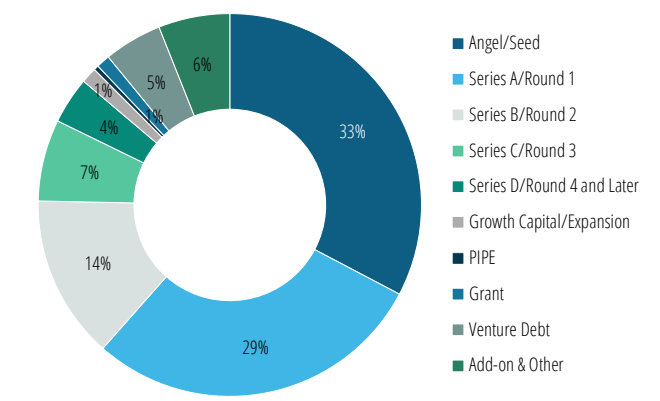
Source: Preqin Pro

**Fig. 2: Venture Capital Deals\* in Q3 2018 by Region**



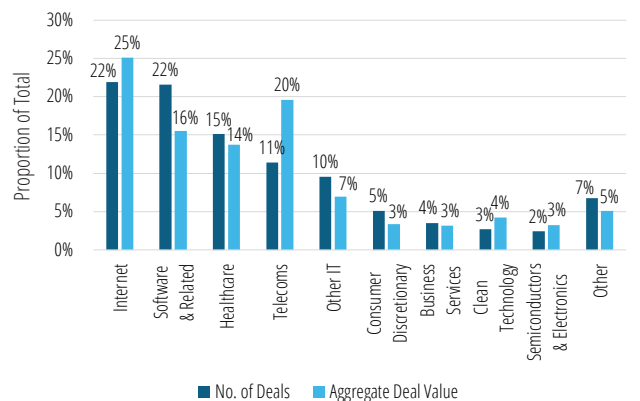
Source: Preqin Pro

**Fig. 3: Number of Venture Capital Deals in Q3 2018 by Investment Stage**



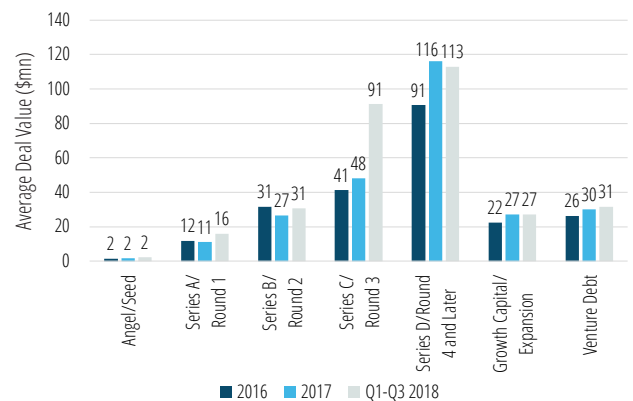
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**Fig. 4: Venture Capital Deals\* in Q3 2018 by Industry**



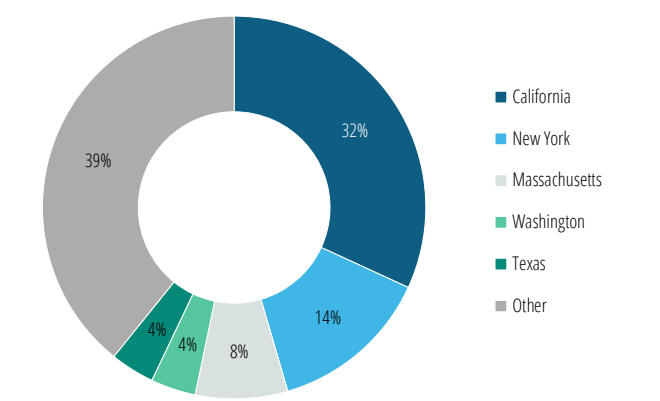
Source: Preqin Pro

**Fig. 5: Average Value of Venture Capital Deals, 2016 - 2018 YTD**



Source: Preqin Pro

**Fig. 6: Number of US Venture Capital Deals\* in Q3 2018 by State**



Source: Preqin Pro

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

# Q3 2018 VENTURE CAPITAL DEALS AND EXITS

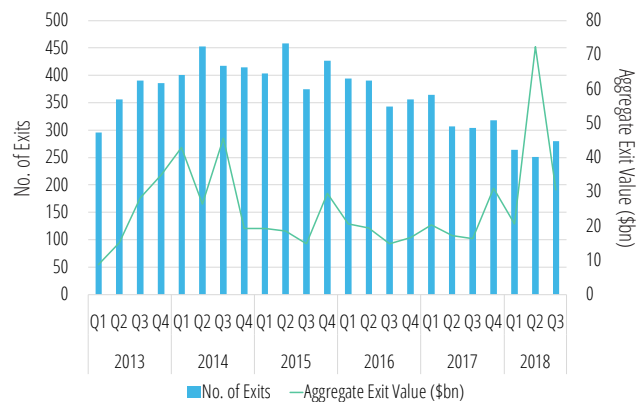
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Fig. 7: 10 Largest Venture Capital Deals\* Announced Globally in Q3 2018

Portfolio Company	Deal Date	Investment Stage	Deal Size (mn)	Investor(s)	Industry	Location
Hangzhou Mouth Phase Communication Network Technology Co., Ltd.	Aug-18	Unspecified Round	3,000 USD	Alibaba Group, SoftBank	Telecoms	China
Grab Holdings	Aug-18	Unspecified Round	2,000 USD	All-Stars Investment, Lightspeed Venture Partners, Macquarie Capital, Mirae Asset Venture Investment, OppenheimerFunds, Ping An Ventures, Sino-Rock Investment Management, Toyota Motor Corporation, Vulcan Capital	Telecoms	Singapore
JD Finance**	Jul-18	Series B/Round 2	13,000 CNY	Bank of China Group Investment, China International Capital Corporation Private Equity, China Securities International, CITIC Capital	Internet	China
China Media Capital Inc.	Jul-18	Series A/Round 1	10,000 CNY	Alibaba Group, China Vanke Co. Ltd., CMB International Capital Management, Tencent	Media	China
Meituan-Dianping	Sep-18	Unspecified Round	1,500 USD	CCT Fund Management, Oppenheimer & Co., Tencent	Internet	China
Bitmain Technologies Inc	Aug-18	Pre-IPO	1,000 USD	China International Capital Corporation Private Equity	Semiconductors	China
Lucid Motors Inc.	Sep-18	Unspecified Round	1,000 USD	Public Investment Fund	Clean Technology	US
SenseTime Group Limited	Sep-18	Series D/Round 4	1,000 USD	Softbank China Venture Capital	Software	China
Oravel Stays Private Limited	Sep-18	Unspecified Round	800 USD	Greenoaks Capital, Lightspeed Venture Partners, SB Investment Advisers, Sequoia Capital	Internet	India
JUUL Labs, Inc.	Jul-18	Unspecified Round	650 USD		Consumer Products	US

Source: Preqin Pro

Fig. 8: Global Quarterly Venture Capital-Backed Exits, Q1 2013 - Q3 2018

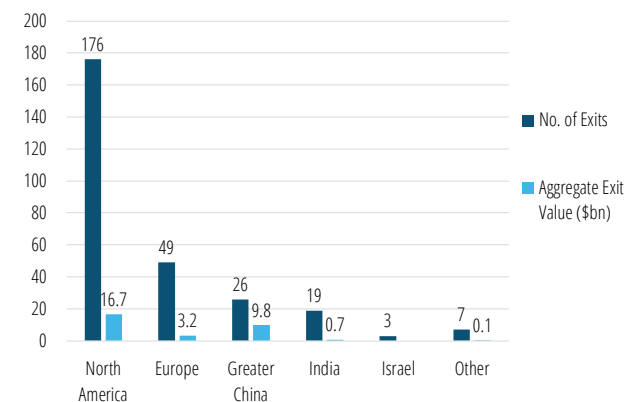


Source: Preqin Pro

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

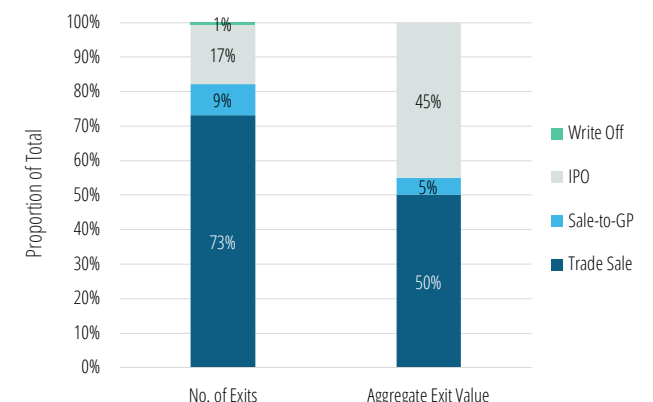
\*\* Funding round is not complete, but has secured 13,000 CNY already.

Fig. 9: Venture Capital-Backed Exits in Q3 2018 by Region



Source: Preqin Pro

Fig. 10: Venture Capital-Backed Exits in Q3 2018 by Exit Type



Source: Preqin Pro

# Q3 2018 VENTURE CAPITAL DEALS AND EXITS

4 October 2018

Fig. 11: 10 Largest Venture Capital-Backed Exits Announced Globally in Q3 2018

Portfolio Company	Date of First Investment	Investor(s)	Total Known Funding (\$mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Industry	Location
Meituan-Dianping*	Jan-16	Alibaba Group, Alphabet, Baillie Gifford, Capital Today, CCT Fund Management, China Development Bank Capital, China Resources Enterprise, Coatue Management, CPP Investment Board, Dalian Wanda Group, DianPing, DST Global, Fosun International, FountainVest Partners, General Atlantic, GIC, Harvest Capital, Hillhouse Capital Management, IDG Capital, Lightspeed Venture Partners, Meituan.com, Mubadala Capital, Northern Light Venture Capital, Oppenheimer & Co., Qiming Venture Partners, Sequoia Capital, Temasek Holdings, Tencent, The Priceline Group, Tiger Global Management, Trustbridge Partners, Walden International, Xiaomi Inc.	8,800	IPO	Sep-18		33,139 HKD	Internet	China
Duo Security, Inc.	Aug-10	Benchmark Capital, Geodesic Capital, GV, Index Ventures, Lead Edge Capital, Meritech Capital Partners, Radar Partners, Redpoint Ventures, Resonant Venture Partners, The Michigan Economic Development Corporation, True Ventures, Workday, Inc.	122	Trade Sale	Aug-18	Cisco Systems, Inc.	2,350 USD	IT Security	US
Pinduoduo*	May-15	Gaorong Capital, IDG Capital, New Horizon Capital, Sequoia Capital, Tencent	3,119	IPO	Jul-18		1,630 USD	Telecoms	China
Nio Limited*	Jun-15	Baidu, Baillie Gifford, Capital Today, China Capital Management Company, China International Capital Corporation, CITIC Capital, GIC, Haitong International Securities Group, Hillhouse Capital Management, Hopu Investment Management, IDG Capital, JD.com, Joy Capital, Lenovo Group, Lone Pine Capital, Russia-China Investment Fund, Sequoia Capital, Shunwei Capital Partners, Temasek Holdings, Tencent, TPG, Warburg Pincus	2,200	IPO	Sep-18		1,001 USD	Clean Technology	China
BeiGene*	Nov-14	Baker Brothers Investments, Boxer Capital, CITIC Private Equity Funds Management, Fidelity Management & Research Company, Hillhouse Capital Management, Merck, Rock Springs Capital, T Rowe Price	172	IPO	Aug-18		7,084 HKD	Medical Technologies	China
Farfetch UK Limited*	Jul-10	Advent Venture Partners, Capital Croissance, Conde Nast, DST Global, e.ventures, Eurazeo, Felix Capital, Greycroft Partners, IDG Capital, Index Ventures, Infinity Venture Partners, JD.com, Temasek Holdings, TriplePoint Capital, Vitruvian Partners	758	IPO	Sep-18		885 USD	Internet	UK
Datorama, Inc.	Jun-12	Cedar Fund, Innovation Endeavors, Lightspeed Venture Partners, Marker	51	Trade Sale	Jul-18	Salesforce.com, inc.	800 USD	Software	US
GreatCall, Inc.	Aug-07	Court Square Ventures, CRV, Nauta Capital, NXT Capital Venture Finance, Steelpoint Capital Partners, Sumitomo Mitsui Banking Corporation	82	Trade Sale	Aug-18	Best Buy Co., Inc.	800 USD	Telecoms	US
Mendix Inc.	Nov-06	Battery Ventures, henQ Invest, Prime Ventures	38	Trade Sale	Aug-18	Siemens AG	600 EUR	Software	US
Treasure Data, Inc.	Jul-11	AME Cloud Ventures, Dentsu, INCI, IT-Farm, SBI Holdings, Scale Venture Partners, Sierra Ventures	48	Trade Sale	Jul-18	Arm Limited	600 USD	Software	US

\*Denotes a partial exit.

Source: Preqin Pro