

Venture Capital Deals Mark Record Quarter in Q2 2017

Asia sees largest ever venture capital deal, and accounts for almost half of deal value

The venture capital-backed deal market has recorded its largest ever quarter, as 2,062 deals were announced worth a combined \$47bn. Preqin expects these figures to rise by around 5% as more information becomes available, but Q2 2017 already surpasses the previous record of \$43bn in venture capital-backed deals recorded in Q3 2015. Activity in the quarter was driven by record levels of dealmaking in Asia. The region saw deals worth a total \$22bn announced, almost half the global total. This is the fourth quarter since the start of 2015 in which Asia has surpassed North America to become the most prominent region for venture capital-backed deal value.

For more information, see the full [Q2 2017 Venture Capital-Backed Deals and Exits factsheet here:](https://www.preqin.com/docs/reports/VC-Deals-And-Exits-Q2-2017.pdf)
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Key Q2 Venture Capital Deals and Exits Facts:

- Q2 2017 saw **2,062 venture capital-backed deals announced worth a combined \$47bn**. This surpasses the previous record of \$43bn, seen in Q3 2015.
- **Asia saw 550 deals worth a total of \$22bn**. This surpasses the \$19bn seen for 936 deals in North America, the fourth time in six quarters that Asia has recorded the highest deal value of any region.
- Despite record activity, **capital available to venture capital fund managers has risen in H1 2017 to a record \$176bn**.
- Angel stage investments accounted for 28% of total deal flow, while series A deals represented an equal proportion.
- The average value of series A-C deals in 2017 YTD has fallen from levels seen in 2016. However, **average series D deal size has hit a record \$99bn**.
- Deals in software account for the greatest proportion of deal volume (31%), but **telecoms deals represent the largest share of total deal value in Q2 (25%)**.
- **The \$5.5bn financing of Didi Chuxing in April is the largest venture capital-backed deal ever recorded**.
- By contrast, exit activity faltered in Q2: just **244 exits were recorded globally, worth a combined \$14bn**. This is down from 293 exits which were worth \$18bn the previous quarter.
- **Thirty-three venture capital-backed IPOs were announced in the quarter**, worth 30% of overall exit value. Trade sales account for by far the largest proportion of both exit volume (73%) and value (62%).
- The largest exit announced in Q2 was the **\$3.4bn sale of Chewy, Inc. to PetSmart, Inc.** in April.

Felice Egidio, Head of Venture Capital Products:

“The second quarter of 2017 has seen a record amount of capital deployed into venture capital-backed deals. This is particularly notable following the slowdown we saw in the second half of 2016, and reflects the changing nature of the global venture capital landscape. Asia accounted for the largest share of deal value for the fourth time in the last six quarters, and the largest venture capital deal ever recorded was in China. While the number of financings does not yet approach North America, the region has now come into its own as an epicentre of the industry.

However, the exit market for venture capital-backed companies does not seem to be enjoying the same level of success. With an increasing number of companies choosing to stay private rather than being sold or going public, it is perhaps not surprising that we have seen a slowdown in the volume of exits since they last peaked in the latter part of 2015. However, venture capital funds, unlike private companies, have defined lifespans after which investors will expect to see return from their investments. Fund managers will be looking for exit activity to regain some momentum in the coming quarters, or they may have to start looking for alternative ways to release capital back to investors.”

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.

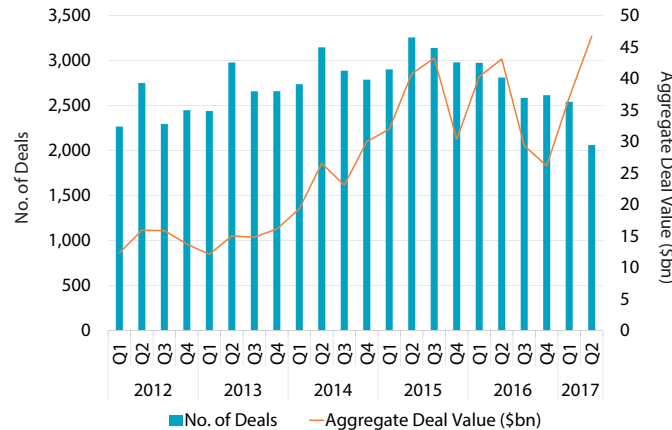
For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.



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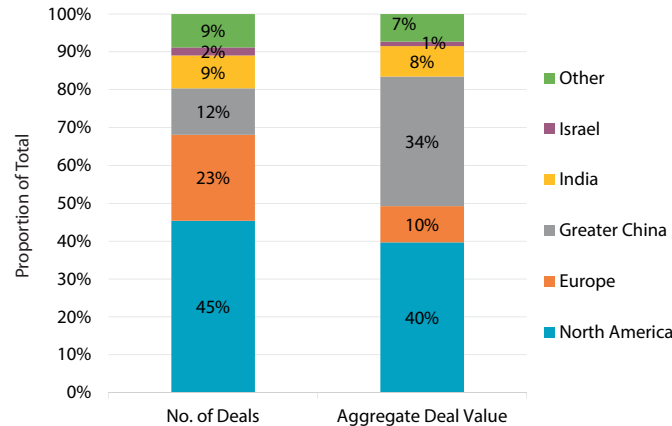
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Fig. 1: Global Quarterly Venture Capital Deals*, Q1 2012 - Q2 2017



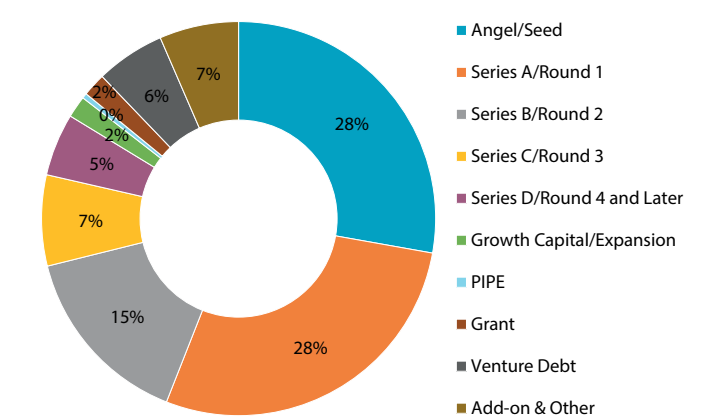
Source: Preqin Private Equity Online

Fig. 2: Venture Capital Deals* in Q2 2017 by Region



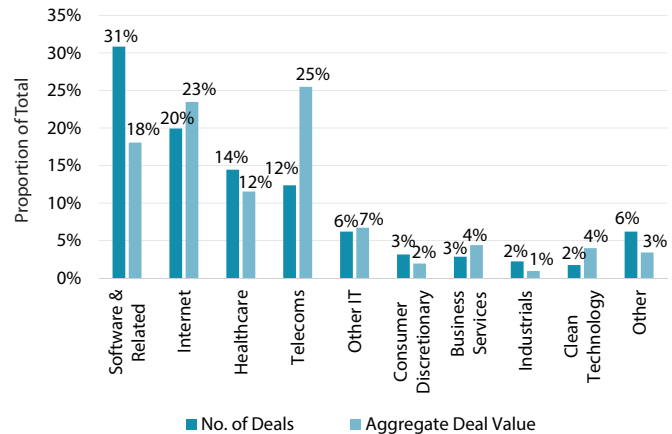
Source: Preqin Private Equity Online

Fig. 3: Number of Venture Capital Deals in Q2 2017 by Investment Stage



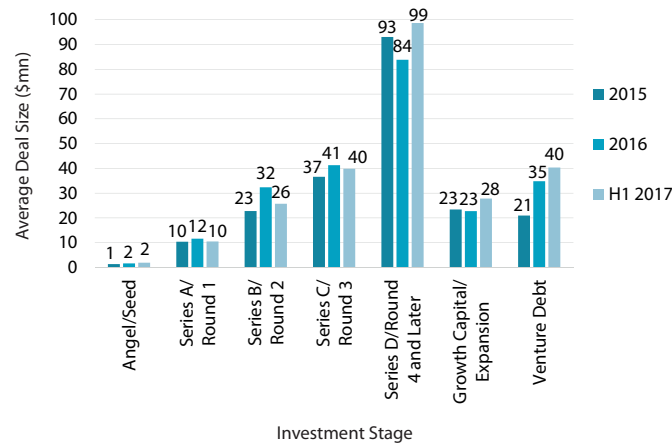
Source: Preqin Private Equity Online

Fig. 4: Venture Capital Deals* in Q2 2017 by Industry



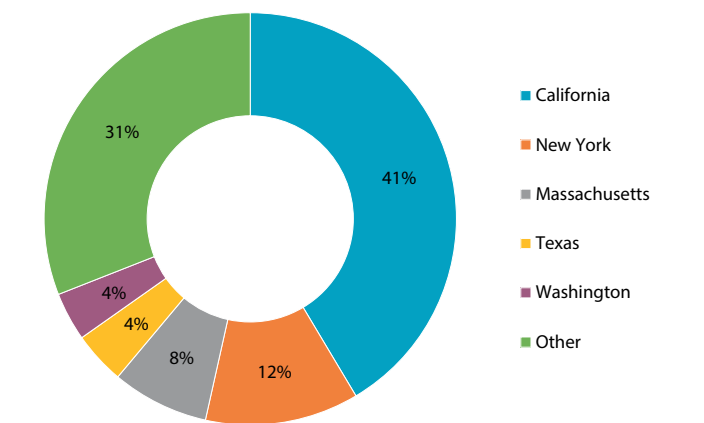
Source: Preqin Private Equity Online

Fig. 5: Average Value of Venture Capital Deals by Investment Stage, 2015 - H1 2017



Source: Preqin Private Equity Online

Fig. 6: Number of US Venture Capital Deals* in Q2 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 Q2 2017

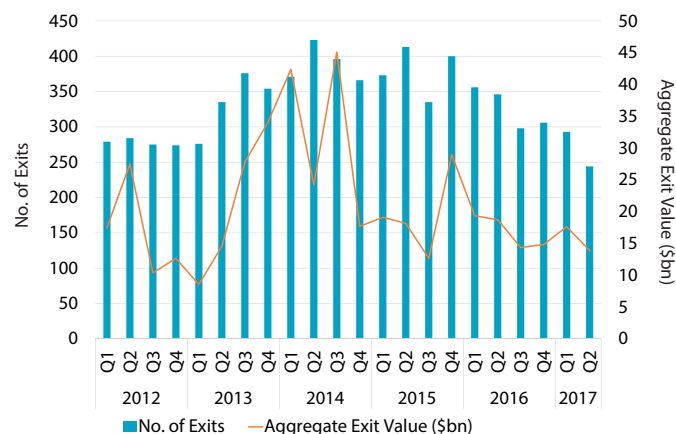
Portfolio Company	Deal Date	Investment Stage	Deal Size (mn)	Investor(s)	Industry	Location
Didi Chuxing	Apr-17	Unspecified Round	5,500 USD	Bank of Communications, China Merchants Bank, Silver Lake, Softbank	Telecoms	China
Flipkart Internet Private Limited	Apr-17	Unspecified Round	1,400 USD	eBay Inc., Microsoft, Tencent	Internet	India
Go-Jek Indonesia	May-17	Unspecified Round	1,200 USD	Tencent	Business Services	Indonesia
Toutiao	Apr-17	Series D/Round 4	1,000 USD	CCB International Asset Management, Sequoia Capital	Telecoms	China
One97 Communications Limited	May-17	Unspecified Round	1,000 USD**	Softbank Capital	Internet	India
Ele.me	Jun-17	Unspecified Round	1,000 USD	Alibaba Group	Internet	China
Lyft, Inc.	Apr-17	Series G/Round 7	600 USD	AB, Baillie Gifford, InMotion, Janus Capital Group, KKR, Public Sector Pension Investment Board, Rakuten, Inc.	Telecoms	US
Mobike Pte Ltd	Jun-17	Series E/Round 5	600 USD	BOCOM International Asset Management, Farallon Capital Management, Hillhouse Capital Management, ICBC International, Sequoia Capital, Sinovation Ventures, Tencent, TPG	Telecoms	China
NextEV Limited	May-17	Series C/Round 3	600 USD	Baidu, GIC, Hillhouse Capital Management, IDG Capital, Lenovo Group, Tencent, TPG, Warburg Pincus	Clean Technology	China
Outcome Health	May-17	Unspecified Round	600 USD	Balyasny Asset Management, CapitalG, Goldman Sachs, Leerink Capital Partners, Pritzker Group Venture Capital	Healthcare IT	US

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

**Part of a \$1.4bn transaction, whereby \$400 million was a secondary stock purchase from SAIF Partners.

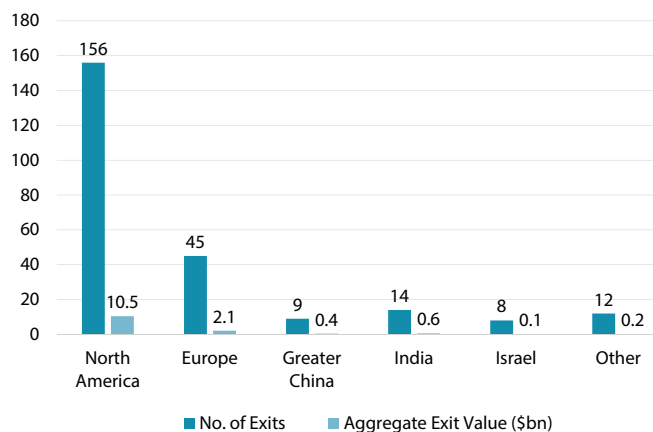
Source: Preqin Private Equity Online

Fig. 8: Global Quarterly Venture Capital-Backed Exits, Q1 2012 - Q2 2017



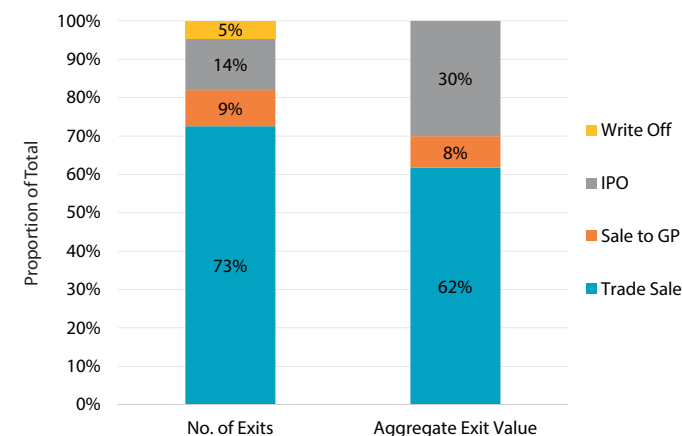
Source: Preqin Private Equity Online

Fig. 9: Venture Capital-Backed Exits in Q2 2017 by Region



Source: Preqin Private Equity Online

Fig. 10: Venture Capital-Backed Exits in Q2 2017 by Type



Source: Preqin Private Equity Online



Q2 2017 VENTURE CAPITAL DEALS AND EXITS

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Fig. 11: 10 Largest Venture Capital-Backed Exits Announced Globally in Q2 2017

Portfolio Company	Date of First Investment	Investor(s)	Total Known Funding (\$mn)	Exit Type	Exit Date	Acquiror (Exit)	Exit Value (mn)	Industry	Location
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.	3,350 USD	Internet	US
Delivery Hero AG	Dec-12	General Atlantic, German Startups Group, HV Holtzbrink Ventures, Insight Venture Partners, Kite Ventures, Kreos Capital, Luxor Capital Group, Naspers, 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	IPO	Jun-17	-	996 EUR	Internet	Germany
RetailMeNot, Inc.	Nov-09	Adams Street Partners, Austin Ventures, GV, Institutional Venture Partners, JPMorgan Asset Management - Private Equity Group, Norwest Venture Partners	300	Trade Sale	Apr-17	Harland Clarke Corp.	630 USD	Internet	US
Viptela Inc.	Aug-12	Northgate Capital, Redline Capital Management, Sequoia Capital	109	Trade Sale	May-17	Cisco Systems, Inc.	610 USD	Network	US
Xactly Corporation	Mar-05	Alloy Ventures, Bay Partners, Bridgescale Partners, Cheyenne Capital, Cheyenne Partners, Glynn Capital Management, Illuminate Ventures, Key Venture Partners, Outlook Ventures, Rembrandt Venture Partners, Spinner Asset Management	78	Sale to GP	May-17	Vista Equity Partners	564 USD	Software	US
Jive Software, Inc.	Aug-07	Kleiner Perkins Caufield & Byers, Sequoia Capital	70	Trade Sale	May-17	Wave Systems Corp.	462 USD	Software	US
One97 Communications Limited*	Apr-07	Alibaba Group, Ant Financial Service Group, ICICI Bank, Intel Capital, MediaTek Inc., Reliance Capital, SAIF Partners India, Sapphire Ventures, Softbank Capital, SVB Capital	2,657	Sale to GP	May-17	Softbank Capital	400 USD	Internet	India
True North Therapeutics, Inc.	Sep-13	Baxalta Ventures, Baxter Ventures, Biogen Idec New Ventures, Cowen Finance, Franklin Templeton Investments, HBM Partners, iPierian, Inc., Kleiner Perkins Caufield & Byers, MPM Capital, New Leaf Venture Partners, OrbiMed Advisors, Perceptive Advisors, Redmile Group, SR One	142	Trade Sale	May-17	Bioverativ Inc.	400 USD	Pharmaceuticals	US
Blue Apron, Inc.*	Jun-12	Bessemer Venture Partners, BoxGroup, Fidelity Management & Research Company, First Round Capital, Graph Partners, Stripes Group, Target Global	207	IPO	Jun-17	-	300 USD	Food	US
Zenly S.A.S.	Mar-16	Benchmark Capital, General Catalyst Partners, Idinvest Partners, Kima Ventures, Lightspeed Venture Partners, Snap Inc., SV Angel	34	Trade Sale	May-17	Snap Inc.	250 USD	Telecoms	France

*Denotes a partial exit.

Source: Preqin Private Equity Online

LOOKING FOR MORE DATA AND ANALYSIS?

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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