

Venture Capital Investment in Q1 2015 Up 50% on Q1 2014

The amount of capital invested in entrepreneurial companies by the venture capital industry hit \$27.4bn globally, up from \$18.1bn in the first quarter of 2014

The venture capital industry has delivered another quarter of strong deal making. The amount of capital invested in young companies is up over 50% on the amount of capital invested in the first quarter of 2014, and has even surpassed deal making in Q4 2014, which was the highest on record. Although there has been a slight drop in the number of companies receiving venture capital investment globally, the average size of deals has been growing significantly over recent years. The average size of later stage deals (Series D or later) has been over \$100mn for the past two quarters, and seed financing is up 25% on 2014.

Other Key Venture Capital Deal Market Facts:

- The **number of venture capital financings** in Q1 2015 represent a decrease of 6% on the previous quarter, from 1,817 to 1,701, whereas there has been a 4% increase in the aggregate value of deals.
- Deal flow in **North America has fallen** 8% from 1,019 deals in Q4 2014 to 935 deals in Q1 2015, with a 7% increase in value.
- **Europe has witnessed a drop** in deal volume and an uptick in value, with 333 deals valued at an aggregate \$2.8bn this quarter, representing a respective 4% drop and 41% increase from the previous quarter.
- The **average value of angel/seed financing** rounds so far in 2015 is \$1.5mn, 25% higher than the average in 2014 and the highest average value since 2007.
- Series D stage and later deals showed the **largest increase in average deal value** at 37%, from \$73.1mn in 2014, to \$100mn so far in 2015.
- SpaceX was the **largest venture capital investment** in Q1 2015, receiving \$1bn in capital from a consortium of investors for an unspecified financing round. Uber Technologies, Inc. also received \$1bn in a Series E financing round.
- The **largest exit** from venture capital investments was the trade sale of Auspex Pharmaceuticals, Inc. to TEVA Pharmaceuticals for \$3.2bn.
- Dry powder (**capital available for investment**) for venture capital investments currently stands at \$132bn, up from \$121bn at the start of the year.

For more information and analysis, please see the factsheet that follows.

Comment:

“Venture capital financing has had another record quarter. Almost \$30bn was invested in companies worldwide, a substantial growth on the amount of capital invested during the same quarter last year. Although the number of companies receiving funding is slightly down, the growth in capital being invested will be welcome to young firms looking for private investment.

Managers still have significant amounts of capital to deploy, and with many innovative companies vying for investment worldwide, deal activity is likely to remain strong in 2015. Yet with the average size of deals growing significantly, there might be slight concerns that valuations for potential investments are becoming inflated.”

Christopher Elvin, Head of Private Equity Products – Preqin

Note to Editors:

- Preqin is spelled without the letter ‘U’ after the ‘Q’, the company name being an amalgamation of the former name, Private Equity Intelligence.

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Q1 2015 Venture Capital Deals

1st April 2015

Fig. 1: Number and Aggregate Value of Venture Capital Deals*, Q1 2012 - Q1 2015

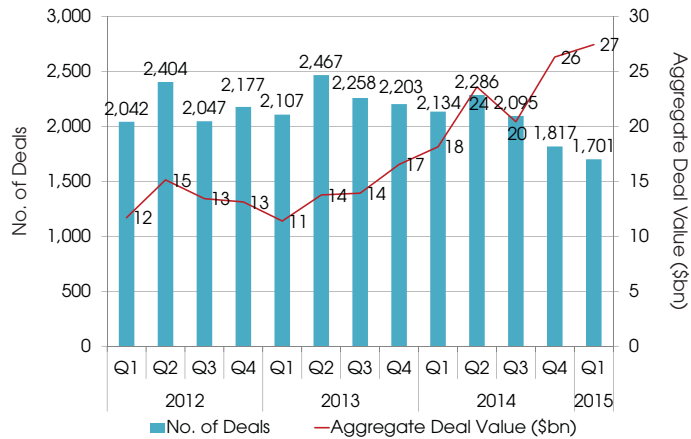


Fig. 2: Number of Venture Capital Deals* by Region, Q1 2012 - Q1 2015

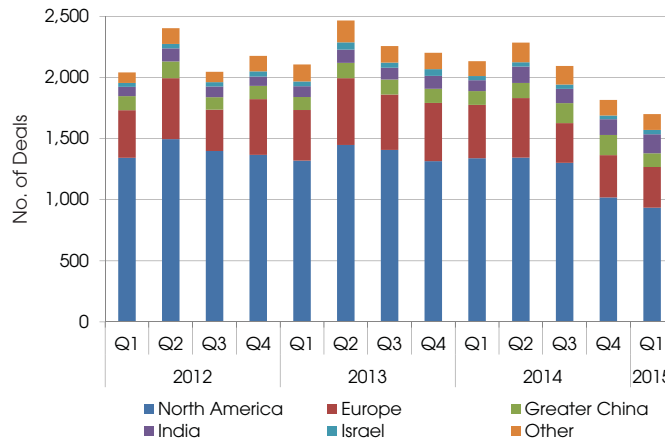


Fig. 3: Proportion of Number of Venture Capital Deals by Stage, Q1 2015

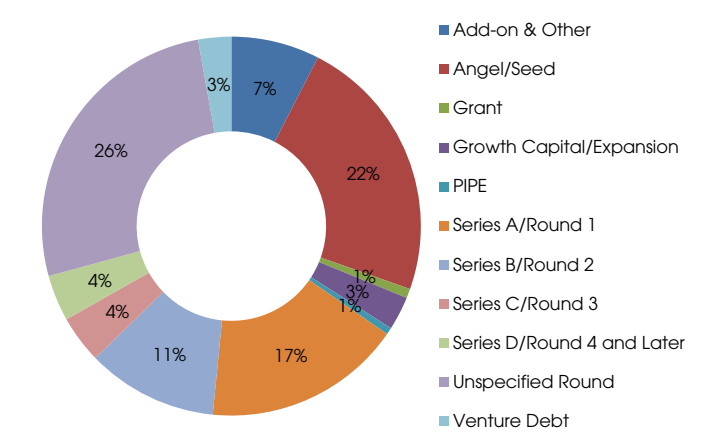


Fig. 4: Proportion of Number and Aggregate Deal Value of Venture Capital Deals* by Industry, Q1 2015

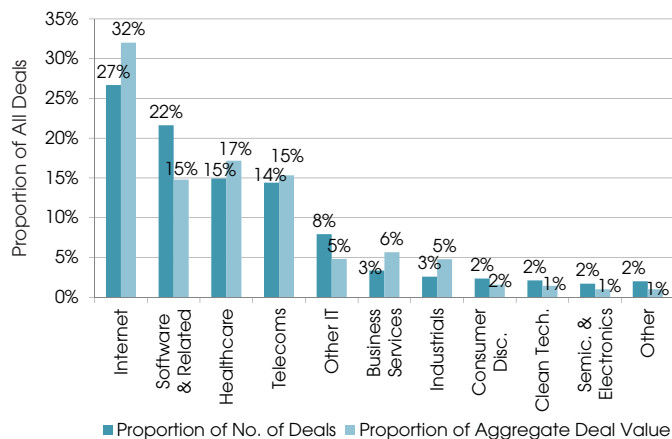


Fig. 5: Average Value of Venture Capital Deals, 2012 - Q1 2015

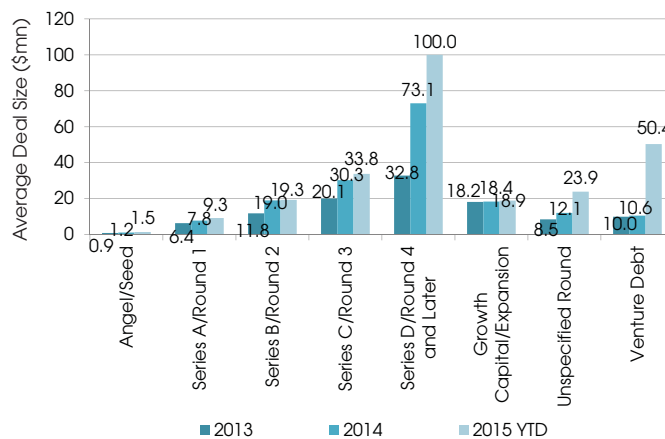
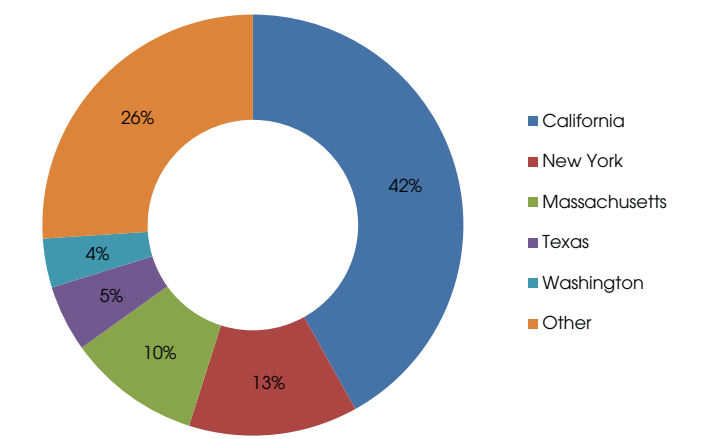


Fig. 6: Proportion of Number of US Venture Capital Deals* by State, Q1 2015



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

Fig. 7: Top 10 Venture Capital Deals* in Q1 2015

Portfolio Company Name	Stage	Deal Date	Deal Size (mn)	Investor(s)	Location	Primary Industry
SpaceX	Unspecified Round	Jan-15	1,000 USD	Draper Fisher Jurvetson, Fidelity Equity Partners, Founders Fund, Google, Valor Equity Partners	US	Aerospace
Uber Technologies, Inc.	Series E/Round 5	Feb-15	1,000 USD		US	Telecoms
Aduro BioTech	Unspecified Round	Mar-15	750 USD	Novartis Venture Funds	US	Pharmaceuticals
Meituan.com	Series D/Round 4	Jan-15	700 USD		China	Internet
Meizu Telecom Equipment Co., Ltd.	Unspecified Round	Feb-15	650 USD	Alibaba Group, Haitong Kaiyuan Investment	China	Telecoms
Kuaidi Dache	Series D/Round 4	Jan-15	600 USD	Alibaba Group, Softbank Capital, Tiger Global Management	China	Telecoms
One97 Communications	Unspecified Round	Jan-15	575 USD	Alibaba Group, Alipay, SAIF Partners India	India	Internet
Delivery Hero	Unspecified Round	Feb-15	568 USD	Rocket Internet	Germany	Internet
Lyft, Inc.	Series E/Round 5	Mar-15	530 USD	Fortress Investment Group, Rakuten Group	US	Internet
Shanghai Lujiazui International Financial Asset Exchange	Unspecified Round	Mar-15	3,000 CNY	BlackPine Private Equity Partners, CDH Investments, China International Capital Corporation Private Equity	China	Financial Services

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

Key Facts



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