



Singapore, 11 April 2018

## **Strong start to 2018 for VC market with Q1 tally of US\$49.3 billion invested worldwide**

*Competition in the ride-hailing space reaches fever pitch; Singapore rakes in record amount in Q1 with Grab's US\$2.5 billion Series G topping the global charts*

2018 had a rousing start with US\$49.3 billion of venture capital investment raised across 2,661 deals in Q1, just shy of the global record for a single quarter, according to [Venture Pulse Q1 2018](#), a quarterly report on global VC trends published by KPMG Enterprise. A record-breaking US\$29.4 billion of investment in the Americas – including US\$28.2 billion in the US alone – combined with high investment in Asia helped fuel the strong VC market.

While venture capital deal volume continued to decline, the median deal size globally continued to grow across all deal stages in Q1 reaching US\$1.3 million for angel and seed stage rounds, US\$7.7 million for early stage rounds, and US\$15 million for later stage rounds.

“Venture capital investors continue to pour money into late-stage companies, in part because of the number of aging unicorns that have remained private,” said Brian Hughes, National Co-Lead Partner, KPMG Venture Capital Practice, and a partner for KPMG in the US. “With strong IPO exits by Dropbox and Zscaler this quarter, and an increase in the number of IPO filings, we could see the tide turning over the next few quarters, bringing with it a resurgence in early stage deals activity.”

### **Competition in the ride-hailing space reaches fever pitch**

The ride-hailing industry attracted massive VC investment this quarter, accounting for four of the quarter's five largest deals, including: US\$2.5 billion raised by Singapore-based Grab, US\$1.7 billion raised by US-based Lyft, US\$1.5 billion raised by Indonesia-based GO-JEK, and US\$1.25 billion raised by US-based Uber. Electric car manufacturer Faraday Future rounded out the top five, raising US\$1.5 billion.

### **Mega-deals continue to shape Asian market**

After rounding off 2017 at a remarkable high bolstered by megadeals, Asia continued to see large deals in Q1'18. These include two US\$1 billion+ megadeals which were struck outside China, with Singapore-based Grab's Series G financing and GO-JEK in Indonesia's Series E round.

“Singapore saw a record US\$2.68 billion of VC investment in Q1 2018, despite a relatively muted level of activity. It is testament to the maturing of Singapore's ecosystem that a business such as Grab could be built here to tackle the regional market. In addition, the top deals in Singapore also span across diverse sectors, from logistics, internet retail to biotechnology,” said **Chia Tek Yew, Head of Financial Services Advisory, KPMG in Singapore.**

### **Global Q1'18 key highlights**

- Global VC investment rose from US\$46 billion in Q4'17 to US\$49.3 billion in Q1'18, a solid increase buoyed by five US\$1 billion+ megadeals.

- The number of global VC deals declined for the fourth straight quarter, falling from 3,286 in Q4'17 to 2,661 in Q1'18. The number of VC deals has dropped by half since reaching a peak of 5,480 deals in Q1'15.
- The Americas set a new record for VC investment in Q1'18, with US\$29.4 billion raised across 1,782 deals. Asia raised US\$14.6 billion across 317 deals, and Europe raised US\$5.2 billion across 548 deals.
- Corporate participation in global VC deals set a new record for the second straight quarter, rising from 18.5 percent in Q4'17 to 21 percent in Q1'18.
- New and old unicorns – companies valued at over US\$1 billion – attracted a significant amount of funding with US\$14 billion across 32 deals.
- Two unicorns went public late in Q1'18: cloud-based security provider Zscaler and cloud-storage provider Dropbox, with both companies seeing positive results to date. With Spotify set for a direct listing in April and UK-based online loan provider Funding Circle planning to go public later this year, the IPO market may be opening up.

### Strong outlook expected for remainder of 2018

VC activity globally is expected to remain strong heading into Q2'18, with an increasing focus on artificial intelligence (AI), autotech, and healthtech. With exit and IPO activity also expected to increase over the next few quarters, there will likely also be a renewal of activity at the earliest deal stages.

In Asia, AI is expected to be one of the biggest bets for the foreseeable future, with activity occurring in a number of jurisdictions including China, Singapore, and Indonesia. Healthtech and edtech are also expected to gain more attention from investors over the next few quarters. In China, a number of new technology sectors are also expected to see continued consolidation over the next few quarters – particularly bike sharing.

**## END ##**

## Appendix

### Top deals in Singapore Q1'18

Company Name	Deal Size (US\$M)	Series	Industry
Grab	2,500.00	Series G	Social/Platform Software
Ninja Van	87.00	Series C	Logistics
Capillary Technologies	20.00	Series D	Business/Productivity Software
Virtuos	15.00		Entertainment Software
Love, Bonito	13.00	Series B	Internet Retail
Eyeota	12.50	Series B	Media and Information Services (B2B)
RedDoorz	11.00		Hotels and Resorts
Engine Biosciences	10.00		Biotechnology

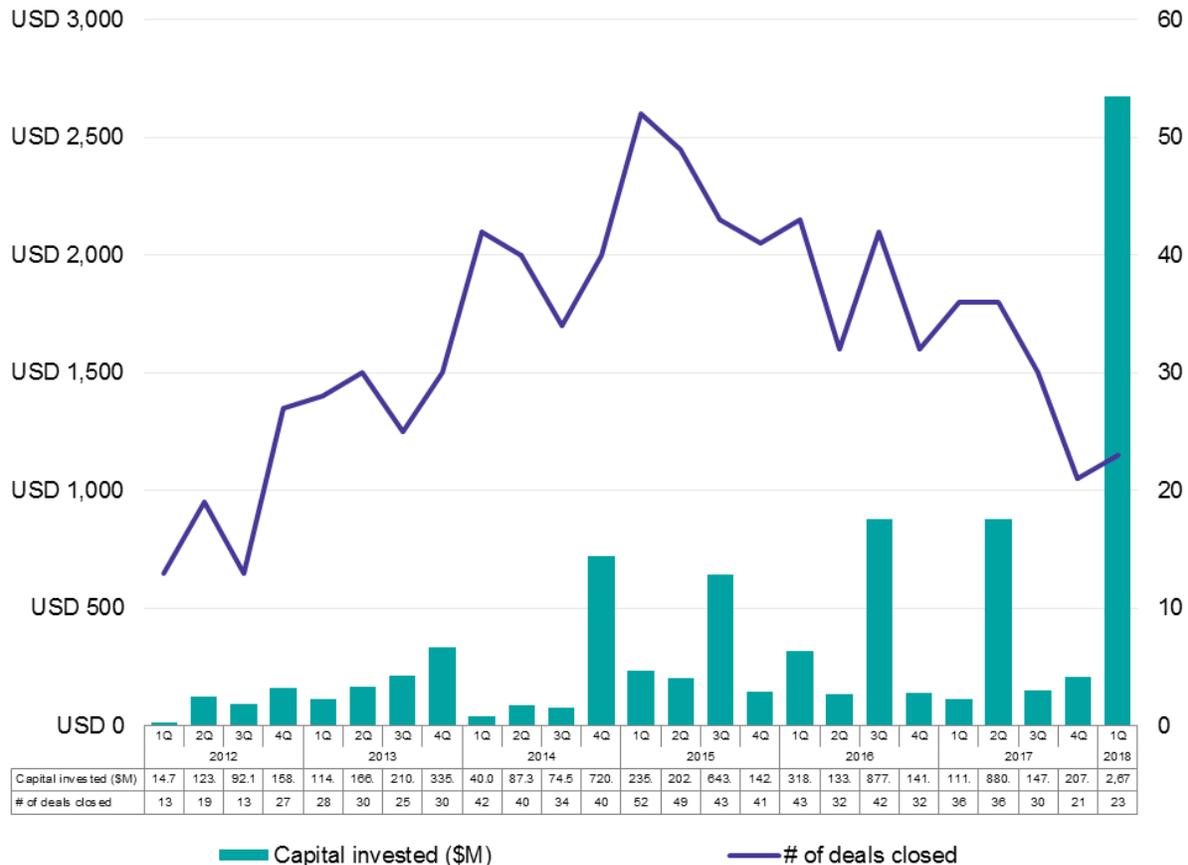
Source: Venture Pulse, Q1'18, Global Analysis of Venture Funding, KPMG Enterprise. Data provided by PitchBook, March 31, 2018.

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## Venture financing in Singapore

2012 — Q1'18



Source: Venture Pulse, Q1'18, Global Analysis of Venture Funding, KPMG Enterprise. Data provided by PitchBook, March 31, 2018.

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