



Private Enterprise

# Venture Pulse Q1 2020

Global analysis of  
venture funding

21 April, 2020



# Welcome message



In a departure from our normal format we wanted to let you all know that you are in our thoughts as we all work through what is likely the biggest global test that we will likely deal with in our lifetimes.

Venture Capital investment trends are obviously irrelevant in comparison to what is currently facing us, but supporting and showcasing this community remains critical to those of us leading KPMG Private Enterprise.

We have no doubt that the human spirit will triumph over this adversity and we have seen this evidenced in the tremendous accomplishments of our employees and of our clients over the last several weeks. It has been inspirational to see, and we are sure to see more over the next few weeks and months.

Remember we are here to provide assistance to you in any way we can — even if it is a simple conversation around how you are doing.

Q1'20 was unlike any quarter on record. The emergence of the novel coronavirus COVID-19 shattered original expectations for the year, putting previous trends and concerns, such as Brexit and the US-China trade tensions, on the backburner. The spread of the virus, deemed a pandemic by the World Health Organization on March 11<sup>th</sup> created turmoil in nations, economies, and public markets around the world.

Despite the impact of COVID-19, VC investment globally remained quite robust in Q1'20, primarily due to the strong pipeline of deals in many jurisdictions around the world. In particular, VC investment in the US remained strong, led by a \$2.25 billion raise by Waymo, a \$1 billion raise by Generate Capital, and a \$750 million raise by Quibi. VC investment was also strong in Europe, led by a \$500 million raise by Revolut and a \$240 million raise by Liliium.

Throughout this document, "we", "KPMG", "KPMG Private Enterprise", "us" and "our" refer to the network of independent member firms operating under the KPMG name and affiliated with KPMG International or to one or more of these firms or to KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Unless otherwise noted, all currencies reflected throughout this document are US Dollar.

© 2020 KPMG International Cooperative ("KPMG International"). KPMG International provides no client services and is a Swiss entity with which the independent member firms of the KPMG network are affiliated.

**You know KPMG, you might not know KPMG Private Enterprise.**

KPMG Private Enterprise advisers in member firms around the world are dedicated to working with businesses like yours. Whether you're an entrepreneur looking to get started, an innovative, fast growing company, or an established company looking to an exit, KPMG Private Enterprise advisers understand what is important to you and can help you navigate your challenges, no matter the size or stage of your business. You gain access to KPMG's global resources through a single point of contact, a trusted adviser to your company. It is a local touch with a global reach.

Asia, meanwhile, saw VC investment drop significantly, driven by a slowdown in deals activity in China, where the fight against COVID-19 began much earlier than in other jurisdictions. Despite a sharp decline in the number of deals, Asia saw a number of megarounds during Q1'20, including \$3 billion raises by Gojek and Kuaishou, and a \$1 billion raise by Yuanfudao.

With unprecedented shutdowns around the world, Q2'20 is expected to be a rough quarter for VC investment in every jurisdiction. While there continues to be an enormous amount of dry powder in the global VC

market, many investors will likely sit on the fence until the ramifications of the pandemic become clearer. VC deals that do occur will likely involve follow-on funding to companies within the existing portfolios of VC investors or companies that have a clear value proposition given the current situation.

In this quarter's edition of Venture Pulse, we look at these and a number of other global and regional trends, including:

- The implications of COVID-19 on each of the key jurisdictions
- The rise in demand for digital business models
- The rise in benevolent investments in companies focused on addressing COVID-19 challenges
- The long-term ramifications of the pandemic on potential investment trends.

We hope you find this edition of Venture Pulse insightful. If you would like to discuss any of the results in more detail, please contact a KPMG Private Enterprise adviser in your area.

Throughout this document, "we", "KPMG", "KPMG Private Enterprise", "us" and "our" refer to the network of independent member firms operating under the KPMG name and affiliated with KPMG International or to one or more of these firms or to KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Unless otherwise noted, all currencies reflected throughout this document are US Dollar.

© 2020 KPMG International Cooperative ("KPMG International"). KPMG International provides no client services and is a Swiss entity with which the independent member firms of the KPMG network are affiliated.

#### **Jonathan Lavender**

Head of KPMG Private Enterprise,  
KPMG International

#### **Conor Moore**

Co-Leader,  
KPMG Private Enterprise Emerging  
Giants Network,  
KPMG International and Partner,  
KPMG in the US

#### **Kevin Smith**

Co-Leader,  
KPMG Private Enterprise Emerging  
Giants Network,  
KPMG International and EMA Head  
of KPMG Private Enterprise

***In Q1'20 VC-backed  
companies in the Asia  
region raised***

**\$16.5B**

***across***

**837 deals**



# VC investment in Asia drops to twelve-quarter low

After a resurgence in VC investment in Q4'20, Asia saw VC investment drop to a twelve-quarter low in Q1'20 despite three \$1 billion+ mega-rounds. As COVID-19 emerged and spread throughout the region, the number of VC deals plummeted as VC investors, particularly in China, hit the pause button on deals.



## Ride-hailing competitors attract two of the largest deals in Asia in Q1'20

Q1'20 saw four \$500 million+ deals in Asia, including two deals in Southeast Asia. Indonesia-based Gojek's \$3 billion raise was the largest deal of the quarter; the massive raise was a testament to the scale of the fight for the Southeast Asian ride hailing market. Gojek's regional competitor, Singapore-based Grab, also raised \$886 million in Q1'20.

China-based live video streaming company Kuaishou also raised \$3 billion during Q1'20 in a deal led by Tencent. The deal was first announced in December 2019, suggesting it was close to completion even as COVID-19 began to take hold<sup>1</sup>. Education platform Yuanfudao raised \$1 billion in a round also led by Tencent on the last day of Q1'20. The deal suggests the rapid increase in interest and use of education platforms due to COVID-19.

While significantly smaller compared to other jurisdictions within Asia, VC investment in Australia rose for the fourth straight quarter to \$429 million — in what was the country's second highest quarter of VC investment next to Q2'14. The country's largest round of the quarter was a \$160 million raise by digital bank Xinja.



## VC investment in China struggles amid COVID-19 challenge

China bore the brunt of COVID-19's impact throughout Q1'20, as evidenced by its drop in total VC investment to a twelve-quarter low, and a drop in the number of VC deals to a level not seen since Q4'14. The substantial drops came despite the megarounds raised by Kuaishou (\$3 billion) and Yuanfudao (\$1 billion).

The majority of sectors in China saw downward trends in VC investment during the quarter, however, edtech, life sciences and biotech, and logistics companies continued to attract attention, likely due to their relevance during the current situation. In addition to Yuanfudao's funding round, edtech company YunXueTang raised \$100 million during the quarter. Several life sciences companies also raised rounds in Q1'20, including Transcenta Holding (\$100 million), CANbridge Life Sciences (\$98 million), and CF PharmTech (\$89 million).

While the economy in China saw some signs of recovery at the end of Q1'20, the outlook for the next quarter remains very concerning with consumption in China is expected to take a substantial amount of time to recover. China's central government is currently undertaking significant efforts to help stimulate the economy.

<sup>1</sup> <https://asia.nikkei.com/Business/Business-deals/Tencent-leads-Kuaishou-s-3bn-pre-IPO-funding>

# Asia sees steep drop in VC investment due to COVID-19



## Following record Q4'20, VC investment in India falls

VC investment in India fell sharply in Q1'20, in part due to economic and political uncertainty. Despite these challenges, India saw a number of good-sized deals. Edtech was a big winner in Q1'20 with Byju raising \$400 million, Unacademy raising \$110 million, and Aakash Educational announcing its acquisition of Meritnation. Mobility company Bounce also raised \$150 million.

Initially, India was not as affected by COVID-19 in Q1'20 compared to China. Concerns related to the pandemic grew later in the quarter, due in part, to the fact India receives a significant amount of VC investment from international VC firms and corporates. Already, India has seen deals deferred as these investors wait to see how COVID-19 will affect businesses. While the pipeline for deals is expected to remain relatively robust in India, deal flow is expected to become very slow, particularly in Q2'20.



## Uncertainty in Hong Kong (SAR), but also optimism

Similar to public markets around the world, the Hong Kong Stock Exchange was rattled by the sudden emergence of COVID-19. This uncertainty is likely to continue given the widespread global challenges and uncertainty associated with the virus. Currently, businesses in Hong Kong (SAR) are focusing on managing the crisis. There is optimism, however, that VC and private equity investments in the region will improve particularly for technology, cloud communication solutions, health tech, and life sciences sectors in the coming quarters, given there is still enormous liquidity.



## Shifting consumer behaviors could drive investment long-term

Given that COVID-19 has been shutting down a significant amount of economic activity and severely limiting the movement of people in and across jurisdictions in Asia, consumers are being forced to embrace new behaviors, such as online shopping, delivery, and e-commerce. These changing behaviors could have significant staying power over the longer term as people recognize how easy certain activities are. Over the long-term, this could drive much stronger investment in these spaces and more sustainable business models.



## Trends to watch for in Asia

While VC investment in Q2'20 is likely to remain subdued given the ongoing challenges posed by COVID-19 globally and the potential threat of reintroduction of the virus, it is expected that a number of areas could start to see renewed investment. For example, AI has long been a hot area of investment in Asia; it could potentially see momentum rebuild quickly given its applicability for monitoring and tracking population health and disease spread.

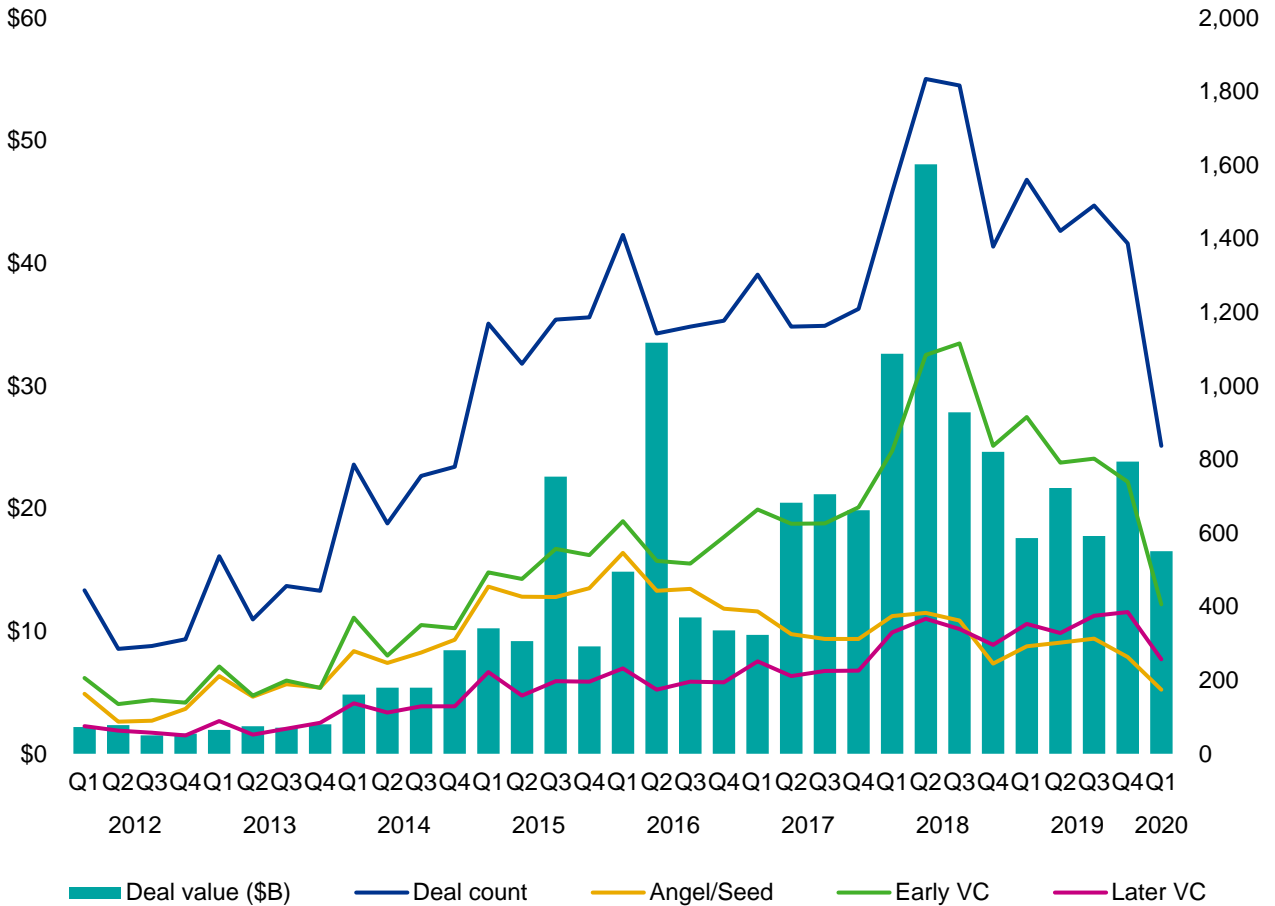
Given that China was the first to respond to the COVID-19 crisis, they will be the one to watch heading into Q2 and Q3'20 as it could be a bellwether for how other economies around the world could recover once the COVID-19 crisis has lessened.

In India, while VC investment might be challenging in the short-term, it is expected to remain robust over the longer-term. Edtech is expected to remain a very hot sector of VC investment, in addition to autotech, and healthtech related to fitness. Gaming could also see an uptick in VC investment in India.

# Q1 2020 holds steady in VC invested

## Venture financing in Asia

2012–Q1'20



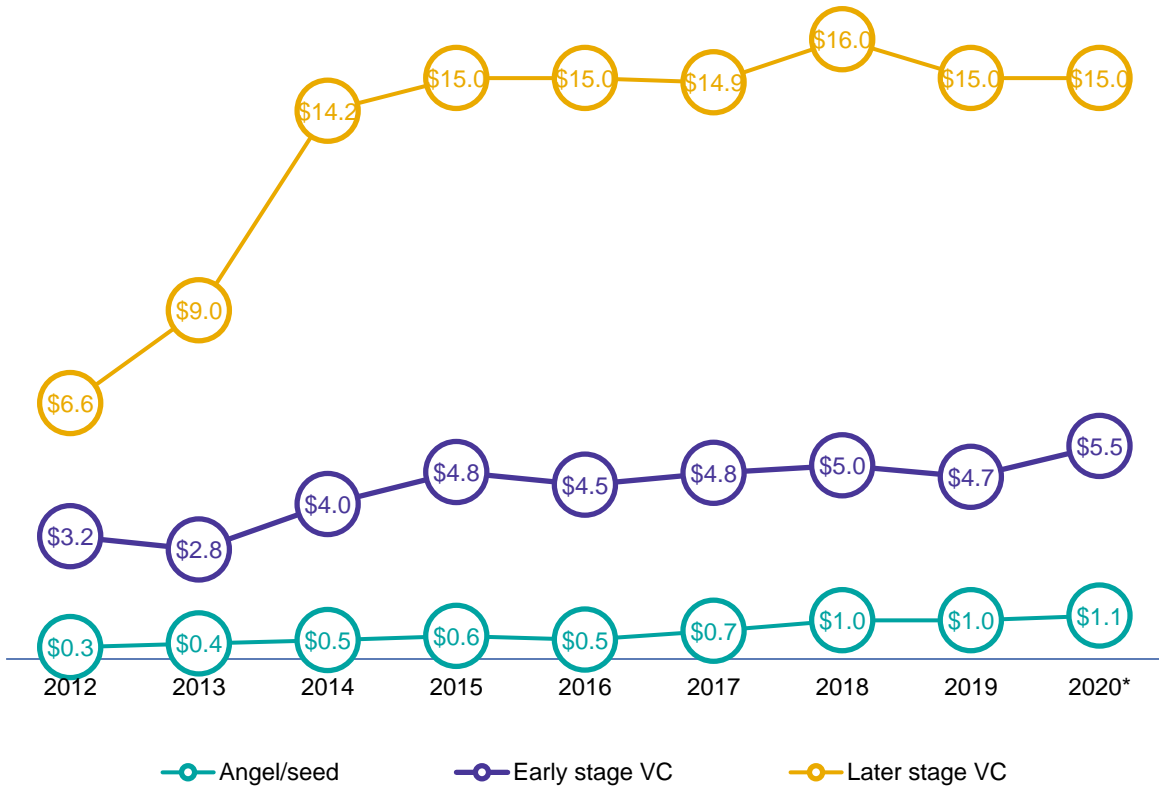
Source: Venture Pulse, Q1'20. Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 4/21/20. Note: Refer to the Methodology section on page 23 to understand any possible data discrepancies between this edition and previous editions of Venture Pulse.

As opposed to nearly every other region examined in the report thus far, the Asia-Pacific ecosystem experienced more of the full effects of the COVID-19 pandemic than any other throughout the entirety of the period. However, VC invested staying robust relative to historical norms, despite a plunge in volume, does bode well.



# 2020 starts off steady

## Median deal size (\$M) by stage in Asia 2012–2020\*



Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

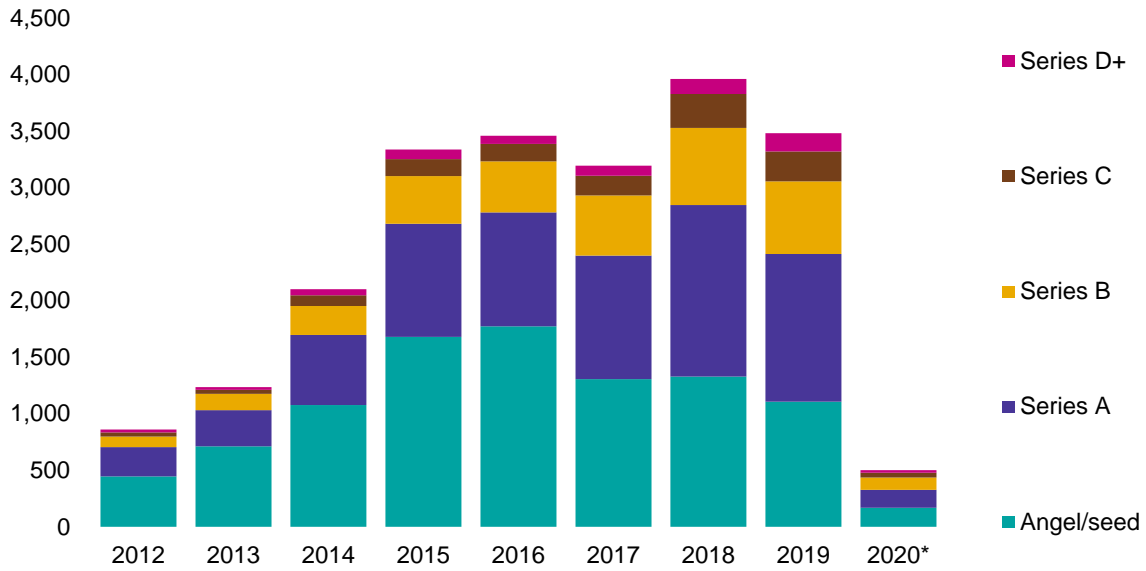
As volume recovered throughout 2019 by and large, tallies normalized, potentially pointing toward a more sustainable equilibrium as supply and demand evened out. That remained the case even heading into the start of 2020, with the early-stage financing statistic actually ticking upward slightly.



# Earlier stages decline markedly

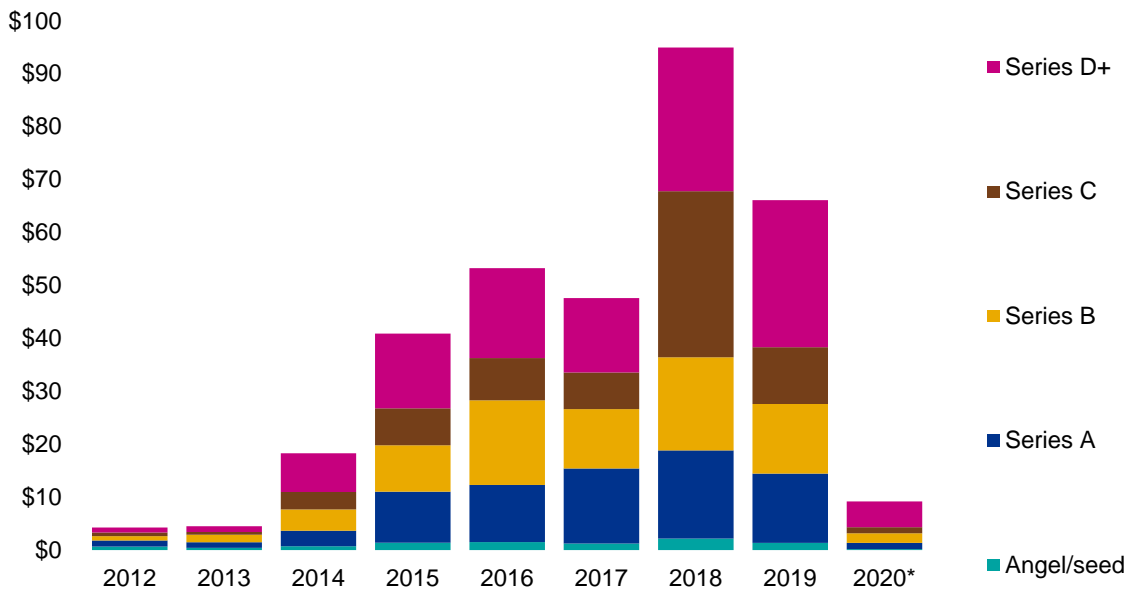
## Deal share by series in Asia

2012–2020\*, number of closed deals



## Deal share by series in Asia

2012–2020\*, VC invested (\$B)

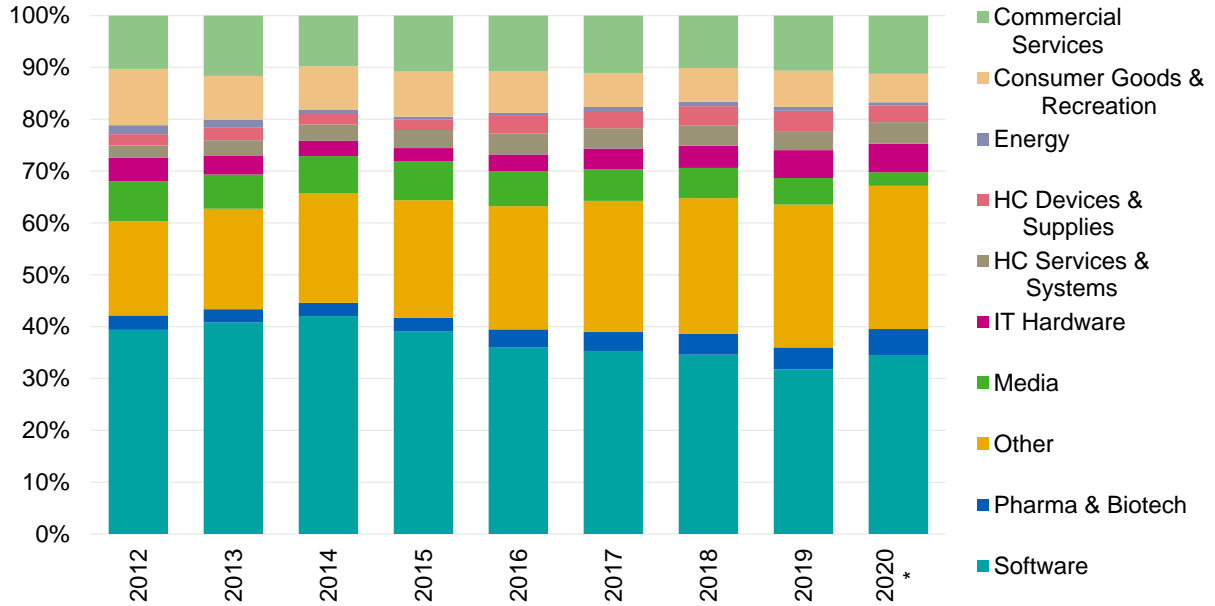


Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

# Software bounces back in VC invested

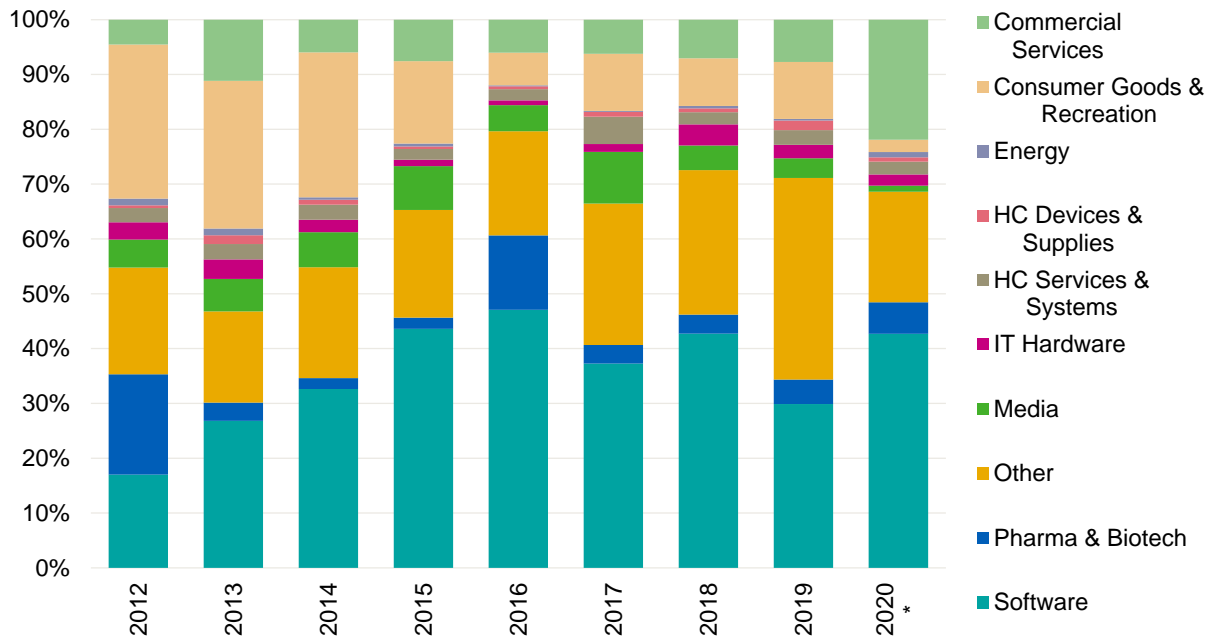
## Asia venture financings by sector

2012–2020\*, number of closed deals



## Asia venture financings by sector

2012–2020\*, VC invested (\$B)

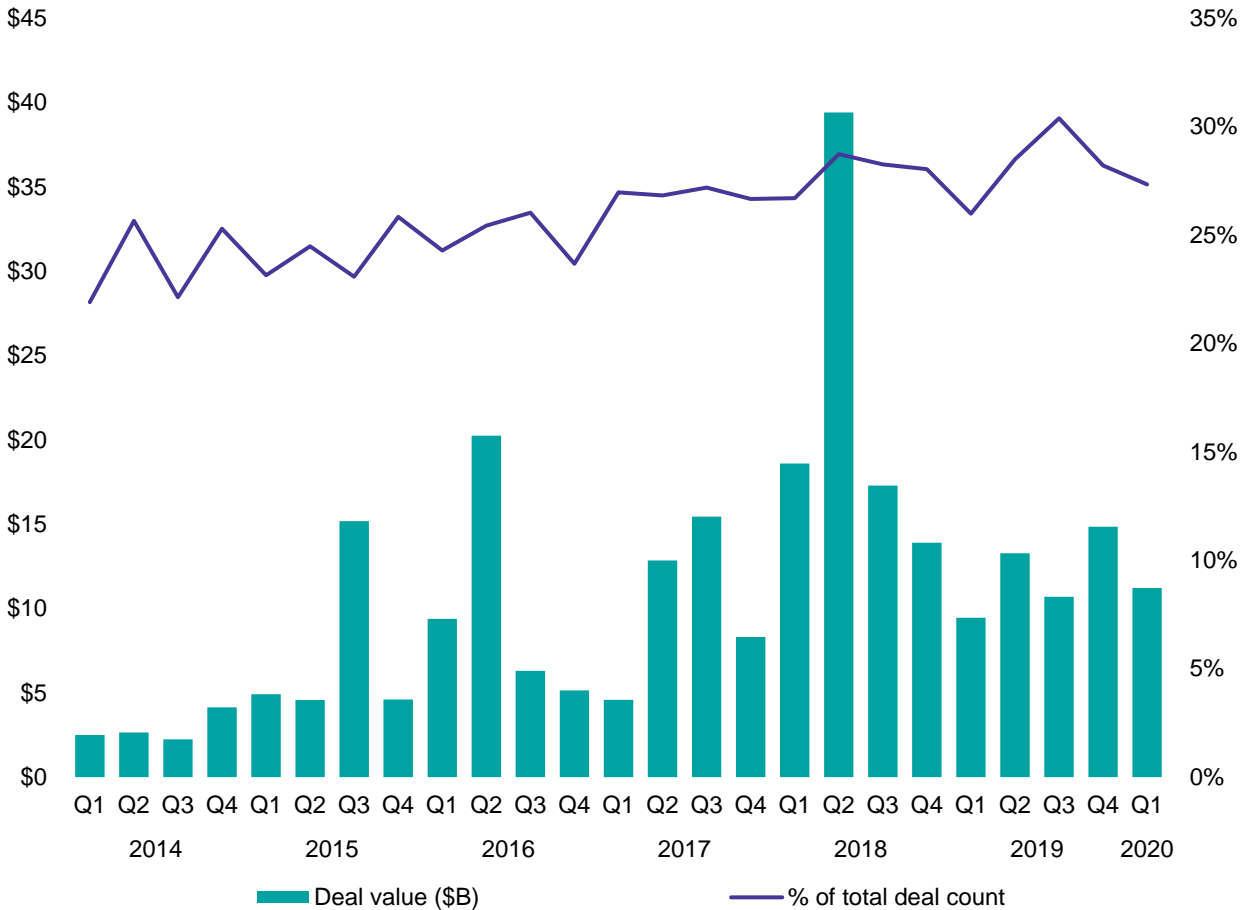


Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

# Corporates hold their course

## Corporate participation in venture deals in Asia

2014–Q1'20



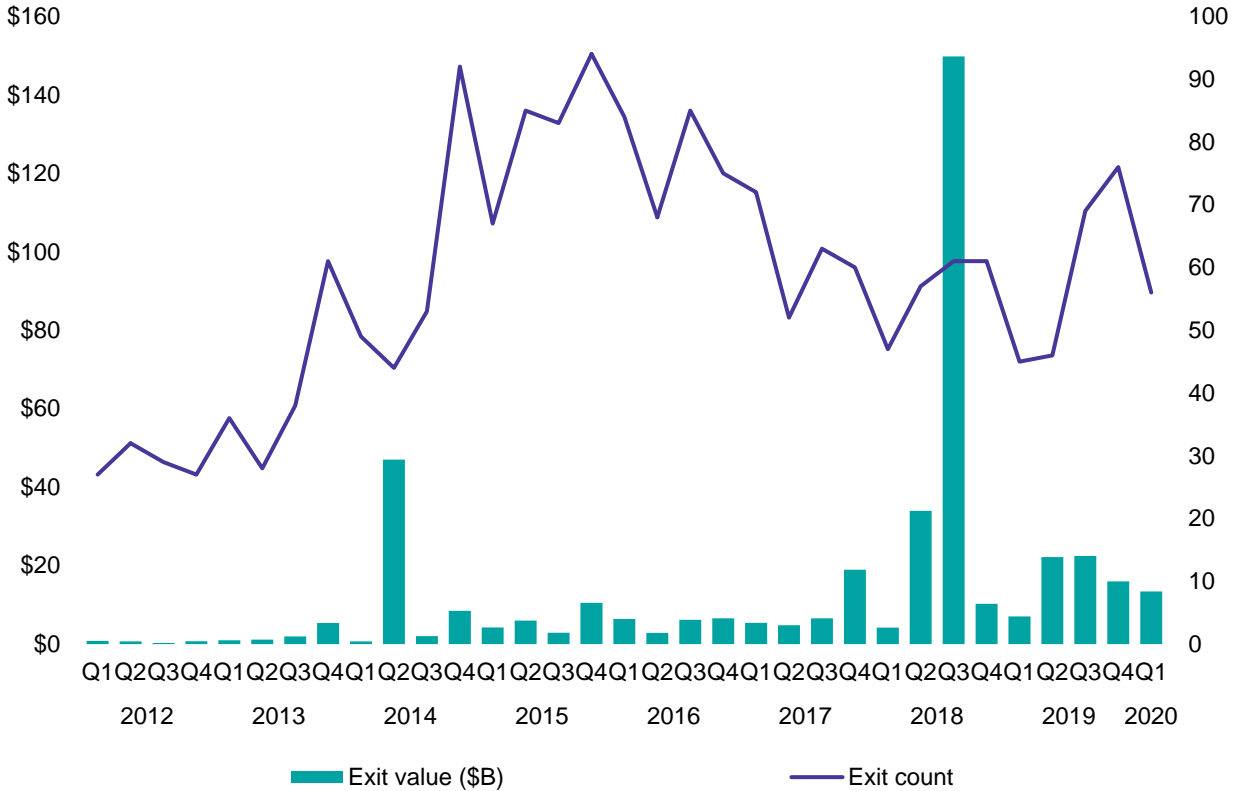
Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 4/21/20.

Corporations and their venture arms have been a mainstay of the Asia venture ecosystem for years, and they are holding their course to the benefit of the entire regional venture ecosystem. They didn't even slacken their participation much in Q1, which bodes well for ongoing health in 2020 despite any impacts from COVID-19.

# Exits surge to end 2019

## Venture-backed exit activity in Asia

2012–Q1'20



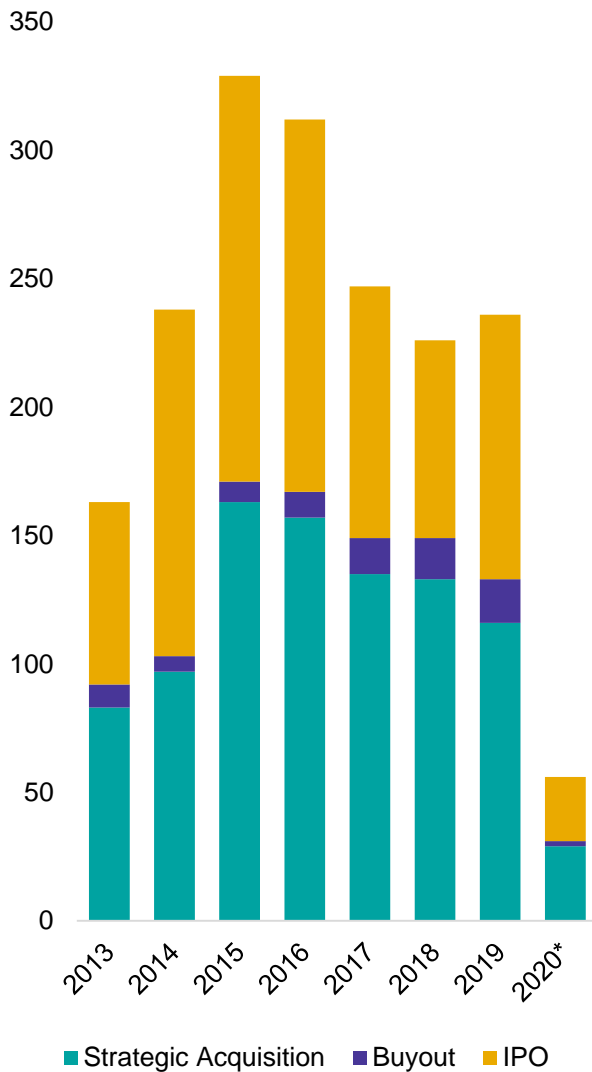
Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 4/21/20.

Exits slid in volume but, relative to historical norms, still recorded a robust tally of exit value. Accordingly, once again, it could be a promising sign for the region’s venture trends that despite the degree of impact from the COVID-19 pandemic in China, it did not overly impede liquidity.

# IPOs create nearly all exit value in Q1

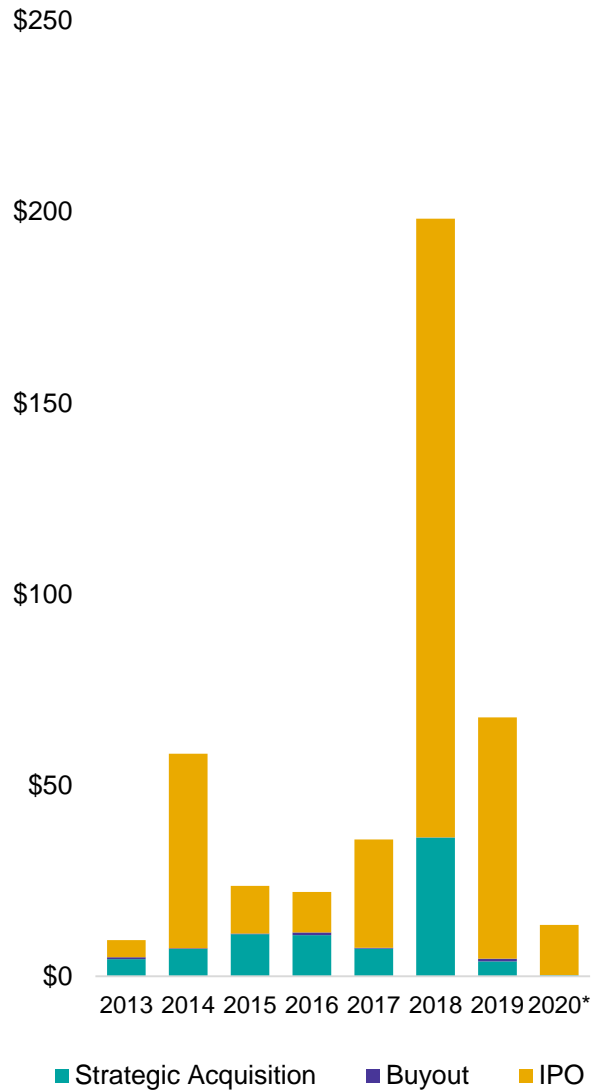
## Venture-backed exit activity (#) by type in Asia

2013–2020\*



## Venture-backed exit activity (\$B) by type in Asia

2013–2020\*

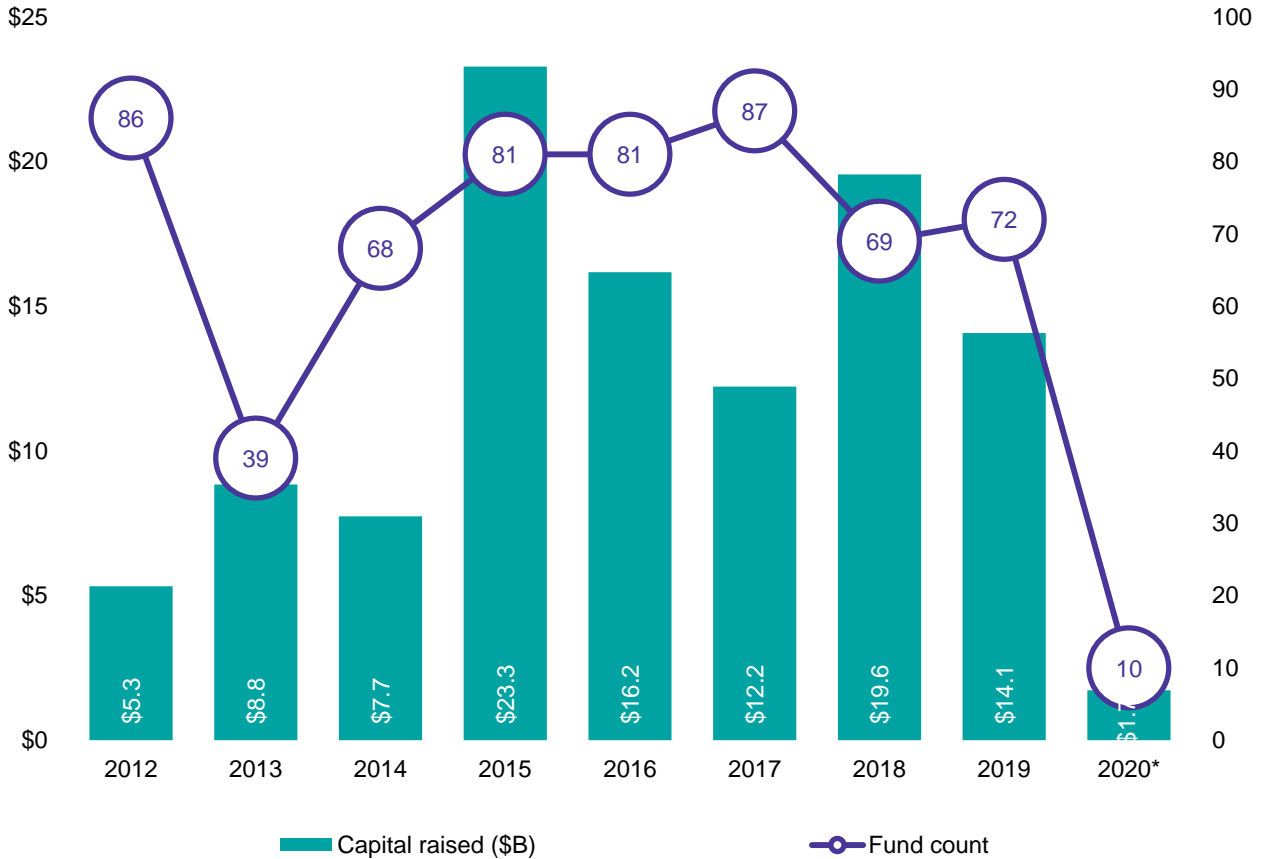


Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

# Fundraising slows at year's start

## Venture fundraising in Asia

2012–2020\*



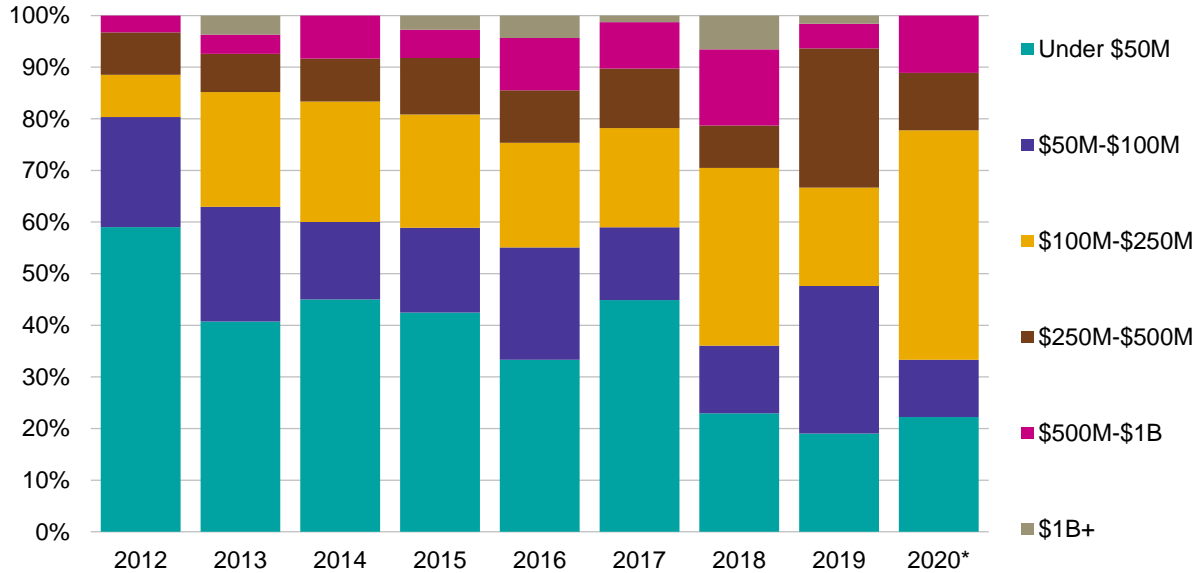
Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

Fundraising is quite choppy on a quarterly basis for even established ecosystems, it's worth emphasizing once more. However, it is interesting to contemplate that it is possible the fundraising cycle alone saw most of the impact from the rise of the pandemic primarily in China and eventually in the rest of the region, as limited partners held off on committing to closes until ramifications became more apparent.

# First-time funds tick upward in surprise start

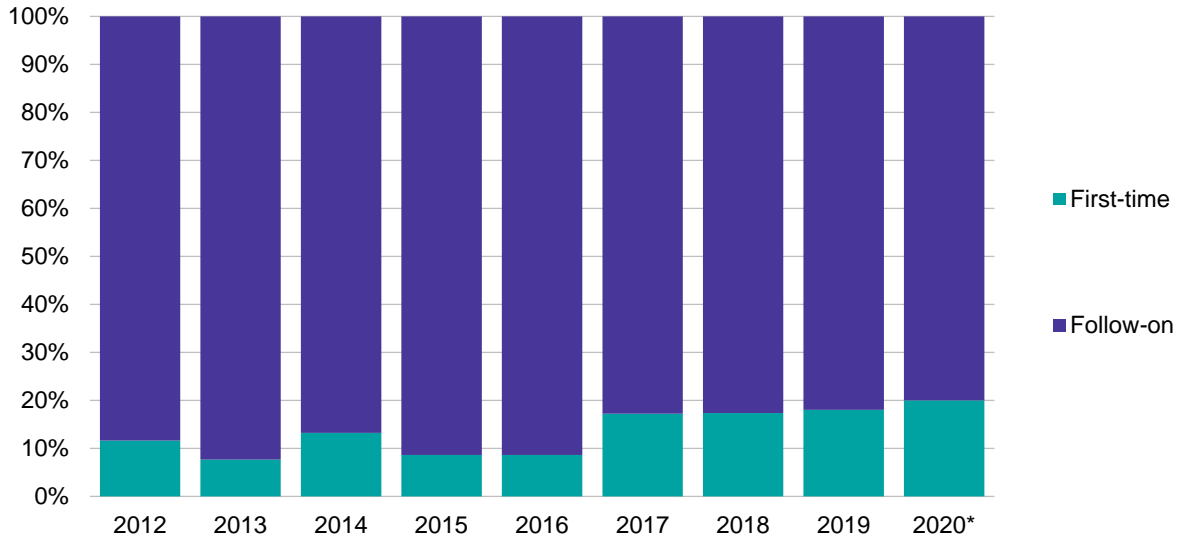
## Venture fundraising (#) by size in Asia

2012–2020\*



## First-time vs. follow-on venture funds (#) in Asia

2012–2020\*

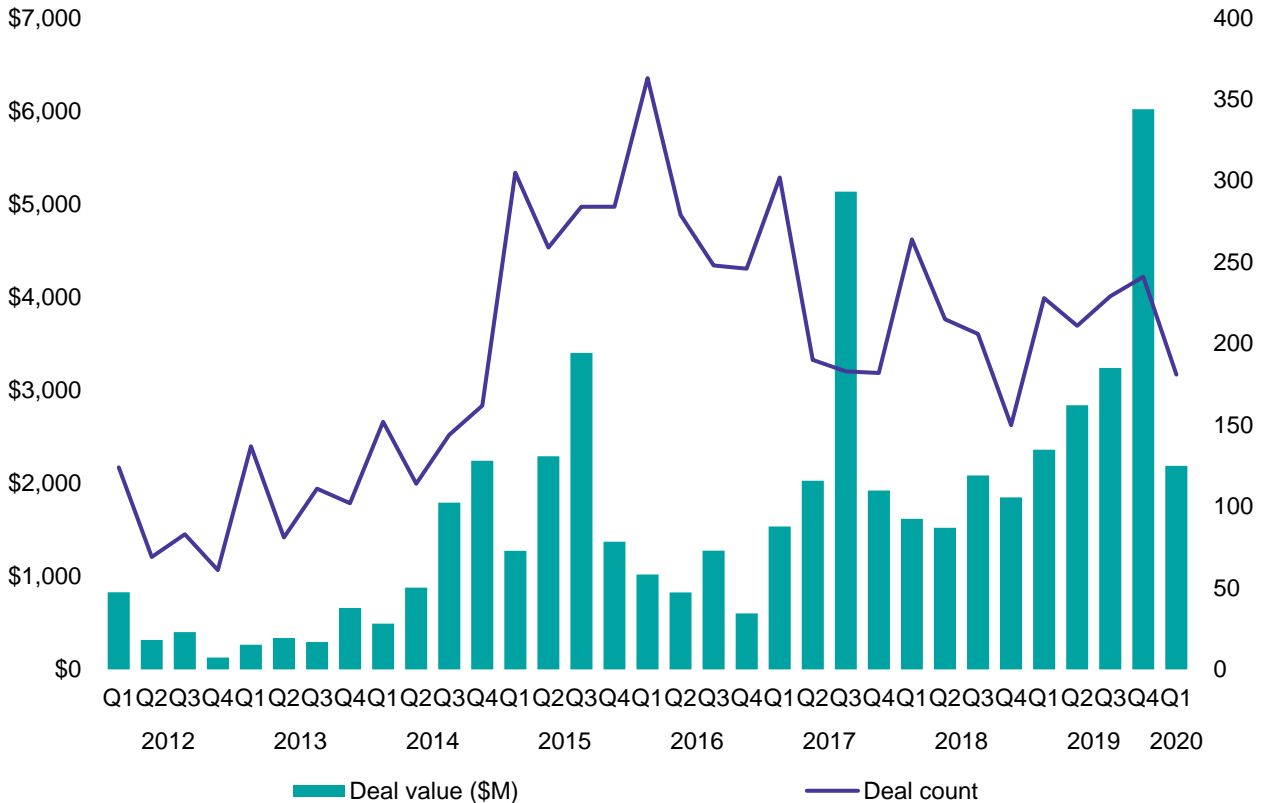


Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.



# After record quarter, a relatively healthy start

## Venture financing in India 2012–Q1'20



Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

After steadily rising throughout 2019, India finally experienced a true record in terms of quarterly VC invested after additional financing details came to light. After such a mammoth tally, it is always worth noting that the volume and capital invested figures in Q1 2020 were quite healthy relative to historical norms. It remains to be seen how much the very recent lockdown of the entire nation will impact venture funding trends.

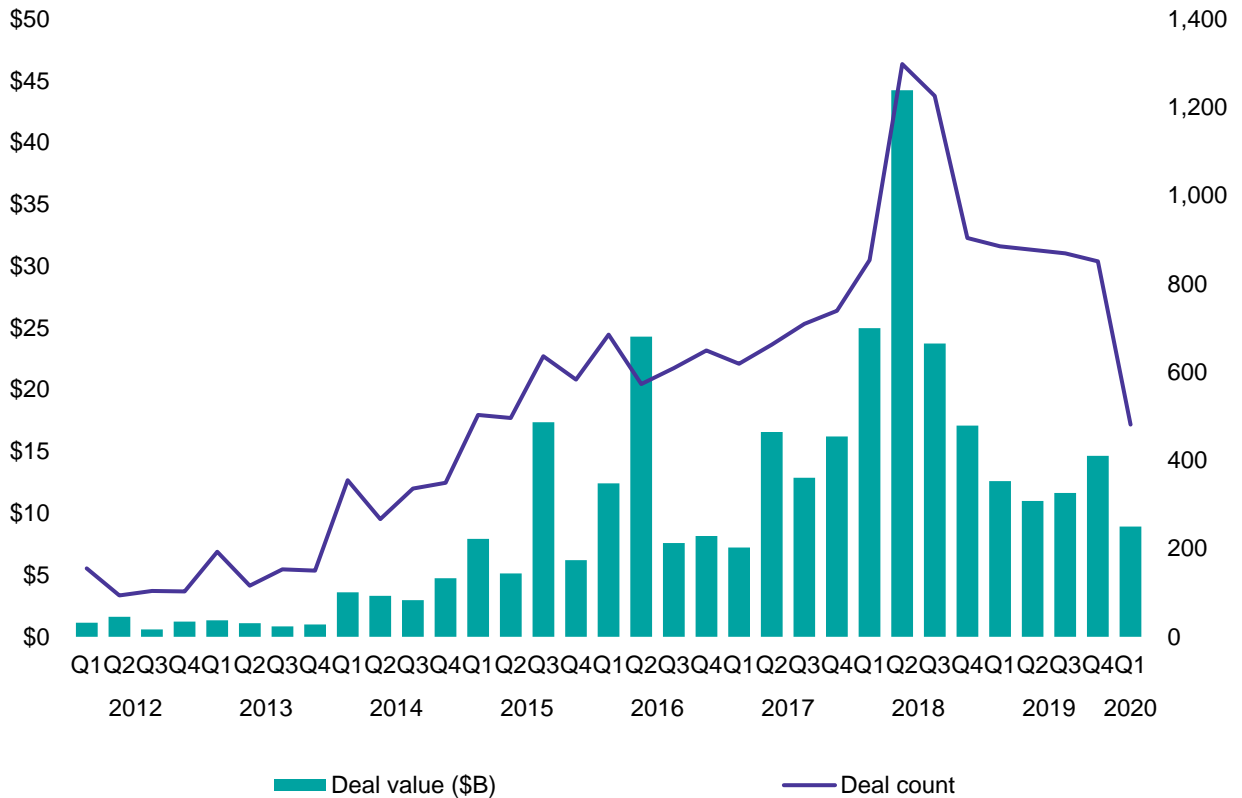
“VC investors are already starting to ask the question, ‘How will your business be impacted by COVID-19?’ This is a question everyone will be asking for the next few quarters. Here in India, we are beginning to feel the full impact of the virus. Over the next quarter, while the pipeline will likely remain strong, deal flow is expected to slow down. A lot of deals will probably get deferred to the later half of the year.”



**Nitish Poddar**  
Partner and National Leader, Private Equity  
KPMG in India

# China sees plunge in volume

## Venture financing in China 2012–Q1'20



Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

China followed an extraordinary 2018 with a robust number of deals closed and strong deal value in 2019. And, despite the obvious reason for the remarkably steep plunge in volume in Q1 2020, it is worth noting significantly sized deals still closed to keep VC invested relatively healthy.

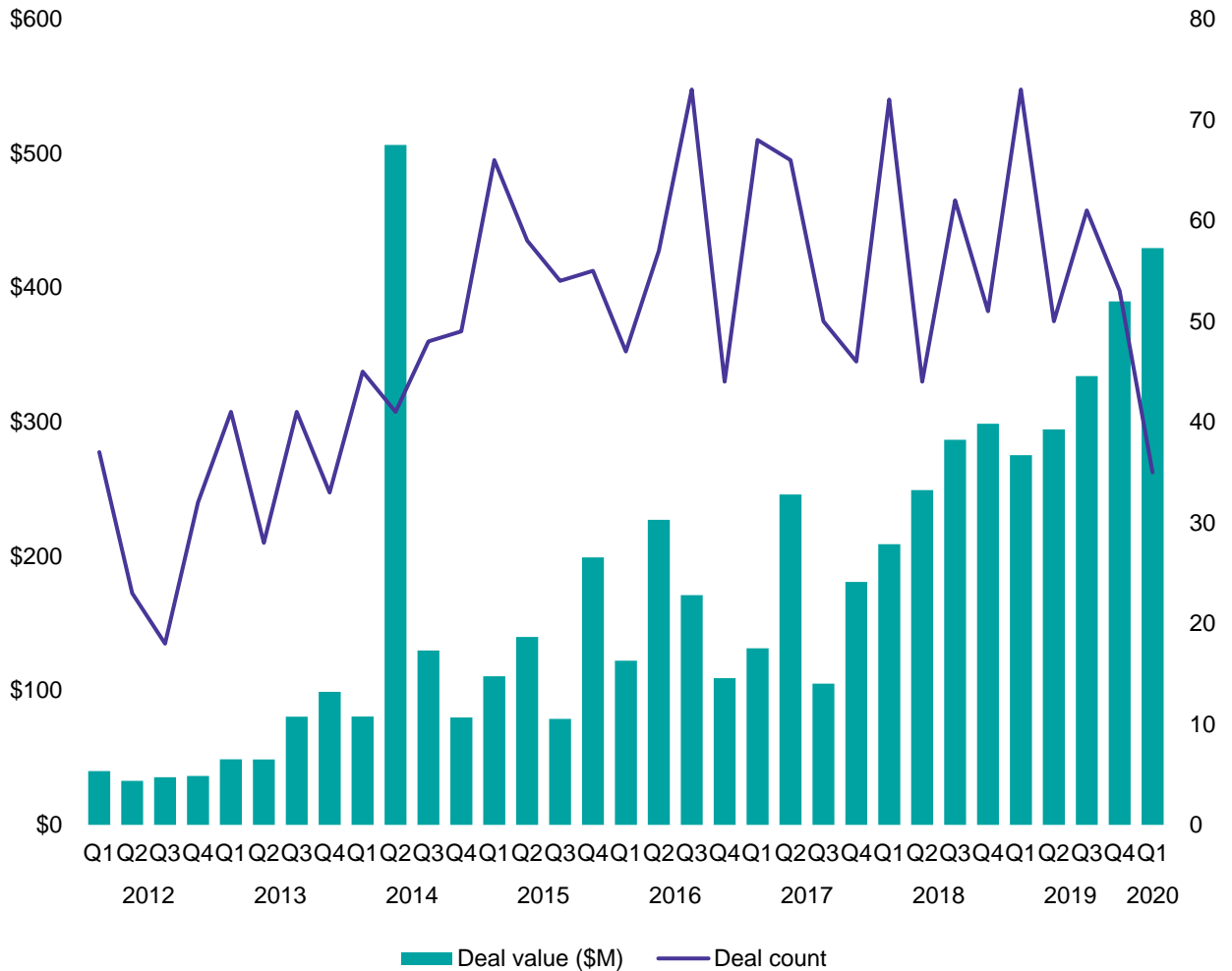
“Many businesses in China have had to write off the entire first quarter this year because they're not generating any meaningful revenue. Underfunded startups have a very difficult time since fundraising is tough. However, being the first responder to what became a global pandemic, China government is taking the lead in combatting the personal and commercial consequences of COVID-19 with a host of targeted relief measures.”



**Irene Chu**  
Partner, Head of New Economy and Life Sciences, Hong Kong Region,  
KPMG China

# Second-highest tally ever, again

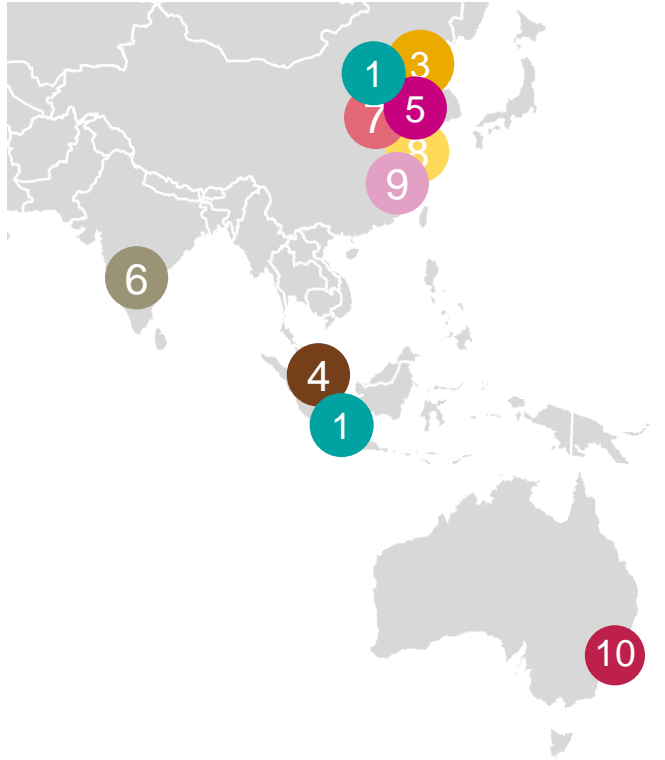
## Venture financing in Australia 2012–Q1'20



Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. \*As of 3/31/20. Data provided by PitchBook, 4/21/20.

Boosted by one of the region’s top 10 financings by size for Q1 2020, Australia has now enjoyed a remarkable stretch of VC invested growth between the end of 2017 and now. In fact, the past three quarters have each set a new second-highest tally of VC invested, despite significant variation in overall volume. Now, much like every other single nation mentioned, Australia has only to grapple with the potential knock-on effects from the COVID-19 pandemic.

# China still sees healthy haul of mega-rounds



## Top 10 financings in Q1'20 in Asia-Pacific

- |   |  |    |  |
|---|--|----|--|
| 1 | <b>GO-JEK</b> — \$3B, Jakarta Selatan<br>Ridesharing<br>Series F         | 6  | <b>Byju's</b> — \$400M, Bengaluru<br>Educational software<br>Late-stage VC             |
| 1 | <b>Kuaishou</b> — \$3B, Beijing<br>Application software<br>Late-stage VC | 7  | <b>MiningLamp</b> — \$300M, Beijing<br>Database software<br>Series E                   |
| 3 | <b>Yuanfudao</b> — \$1B, Beijing<br>Edtech<br>Late-stage VC              | 8  | <b>TELD New Energy</b> — \$193M, Qingdao<br>Business/productivity software<br>Series A |
| 4 | <b>Grab</b> — \$886M, Singapore<br>Ridesharing<br>Late-stage VC          | 9  | <b>Hesai</b> — \$173M, Shanghai<br>Electronic equipment<br>Series C                    |
| 5 | <b>Ziroom</b> — \$500M, Beijing<br>Real estate services<br>Late-stage VC | 10 | <b>Xinja</b> — \$160M, Sydney<br>Financial services<br>Late-stage VC                   |

Source: Venture Pulse, Q1'20, Global Analysis of Venture Funding, KPMG Private Enterprise. Data provided by PitchBook, 4/21/20.

# KPMG Private Enterprise Emerging Giants Network. From seed to speed, we're here throughout your journey



**Contact us:**

**Conor Moore**  
Co-Leader, KPMG Private Enterprise  
Emerging Giants Network  
E: [conormoore@kpmg.com](mailto:conormoore@kpmg.com)

**Kevin Smith**  
Co-Leader, KPMG Private Enterprise  
Emerging Giants Network  
E: [kevin.smith@kpmg.co.uk](mailto:kevin.smith@kpmg.co.uk)

# About KPMG Private Enterprise

## About KPMG Private Enterprise

You know KPMG, you might not know KPMG Private Enterprise.

KPMG Private Enterprise advisers in member firms around the world are dedicated to working with businesses like yours. Whether you're an entrepreneur looking to get started, an innovative, fast growing company, or an established company looking to an exit, KPMG Private Enterprise advisers understand what is important to you and can help you navigate your challenges — no matter the size or stage of your business. You gain access to KPMG's global resources through a single point of contact — a [trusted adviser](#) to your company. It is a local touch with a global reach.

The KPMG Private Enterprise Global Network for Emerging Giants has extensive knowledge and experience working with the startup ecosystem. Whether you are looking to establish your operations, raise capital, expand abroad, or simply comply with regulatory requirements — [we can help](#). From seed to speed, we're here throughout your journey.

# Acknowledgements

## **We acknowledge the contribution of the following individuals who assisted in the development of this publication:**

Jonathan Lavender, Global Head, KPMG Private Enterprise, KPMG International

Conor Moore, Co-Leader, KPMG Private Enterprise Emerging Giants Network, KPMG International and National Partner, KPMG Private Enterprise Practice, KPMG in the US

Kevin Smith, Co-Leader, KPMG Private Enterprise Emerging Giants Network, KPMG International, EMA Head of KPMG Private Enterprise , and Partner, KPMG in the UK

Anna Scally, Partner, Head of Technology and Media and Fintech Lead, KPMG in Ireland

Dr. Ashkan Kalantary, Partner, Deal Advisory Venture, KPMG in Germany

Dina Pasca-Raz, Partner, KPMG in Israel

Egidio Zarrella, Head of Clients and Innovation Partner, KPMG China

Irene Chu, Head of New Economy and Life Sciences, Hong Kong Region, KPMG China

Lindsay Hull, Director, KPMG Private Enterprise Emerging Giants Network, KPMG in the US

Melany Eli, Director, Marketing and Communications, KPMG Private Enterprise, KPMG International

Nitish Poddar, Partner and National Leader, Private Equity, KPMG in India

Raphael Vianna, Director, KPMG in Brazil

Sunil Mistry, Partner, KPMG Private Enterprise, Technology, Media and Telecommunications, KPMG in Canada

Tim Dümichen, Partner, KPMG in Germany

Tim Kay, Director, KPMG in the UK



# Methodology

## KPMG uses PitchBook as the provider of venture data for the Venture Pulse report.

Please note that the MESA and Africa regions are NOT broken out in this report. Accordingly, if you add up the Americas, Asia-Pacific and Europe regional totals, they will not match the global total, as the global total takes into account those other regions. Those specific regions were not highlighted in this report due to a paucity of datasets and verifiable trends.

In addition, particularly within the European region, the Venture Pulse does not contain any transactions that are tracked as private equity growth by PitchBook. As such rounds are often conflated with late-stage venture capital in media coverage, there can be confusion regarding specific rounds of financing. The key difference is that PitchBook defines a PE growth round as a financial investment occurring when a PE investor acquires a minority stake in a privately held corporation. Thus, if the investor is classified as PE by PitchBook, and it is the sole participant in the recipient company's financing, then such a round will usually be classified as PE growth, and not included in the Venture Pulse datasets.

Also, if a company is tagged with any PitchBook vertical, excepting manufacturing and infrastructure, it is kept. Otherwise, the following industries are excluded from growth equity financing calculations: buildings and property, thrifts and mortgage finance, real estate investment trusts, and oil & gas equipment, utilities, exploration, production and refining. Lastly, the company in question must not have had an M&A event, buyout, or IPO completed prior to the round in question.

### Fundraising

PitchBook defines venture capital funds as pools of capital raised for the purpose of investing in the equity of startup companies. In addition to funds raised by traditional venture capital firms, PitchBook also includes funds raised by any institution with the primary intent stated above. Funds identified as growth-stage vehicles are classified as PE funds and are not included in this report. A fund's location is determined by the country in which the fund is domiciled, if that information is not explicitly known, the HQ country of the fund's general partner is used. Only funds based in the US that have held their final close are included in the fundraising numbers. The entirety of a fund's committed capital is attributed to the year of the final close of the fund. Interim close amounts are not recorded in the year of the interim close.

### Deals

PitchBook includes equity investments into startup companies from an outside source. Investment does not necessarily have to be taken from an institutional investor. This can include investment from individual angel investors, angel groups, seed funds, venture capital firms, corporate venture firms and corporate investors. Investments received as part of an accelerator program are not included, however, if the accelerator continues to invest in follow-on rounds, those further financings are included. All financings are of companies headquartered in the US. The impact of initial coin offerings on early-stage venture financing as of yet remains indefinite. Furthermore, as classification and characterization of ICOs, particularly given their security concerns, remains crucial to render accurately, we have not detailed such activity in this publication until a sufficiently robust methodology and underlying store of datasets have been reached.

*Angel/seed:* PitchBook defines financings as angel rounds if there are no PE or VC firms involved in the company to date and it cannot determine if any PE or VC firms are participating. In addition, if there is a press release that states the round is an angel round, it is classified as such. If angels are the only investors, then a round is only marked as seed if it is explicitly stated.

## Methodology, cont'd.

**Early-stage:** Rounds are generally classified as Series A or B (which PitchBook typically aggregates together as early-stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors and more.

**Late-stage:** Rounds are generally classified as Series C or D or later (which PitchBook typically aggregates together as late-stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors including: the age of the company, prior financing history, company status, participating investors, and more.

**Corporate:** Corporate rounds of funding for currently venture-backed startups that meet the criteria for other PitchBook venture financings are included in the Venture Pulse as of March 2018.

**Corporate venture capital:** Financings classified as corporate venture capital include rounds that saw both firms investing via established CVC arms or corporations making equity investments off balance sheets or whatever other non-CVC method actually employed.

### Exits

PitchBook includes the first majority liquidity event for holders of equity securities of venture-backed companies. This includes events where there is a public market for the shares (IPO) or the acquisition of the majority of the equity by another entity (corporate or financial acquisition). This does not include secondary sales, further sales after the initial liquidity event, or bankruptcies. M&A value is based on reported or disclosed figures, with no estimation used to assess the value of transactions for which the actual deal size is unknown.

In this edition of the KPMG Venture Pulse, covering Q1 2019, PitchBook's methodology regarding aggregate exit values changed. Instead of utilizing the size of an IPO as the exit value, instead the prevaluation of an IPO, based upon ordinary shares outstanding, was utilized. This has led to a significant change in aggregate exit values, yet is more reflective of how the industry views the true size of an exit via public markets.

To connect with a KPMG Private Enterprise adviser in your region  
email [enterprise@kpmg.com](mailto:enterprise@kpmg.com)

[home.kpmg/venturepulse](http://home.kpmg/venturepulse) [website]  
[@kpmg](https://twitter.com/kpmg) [Twitter]



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

©2020 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.