

PRIVATE EQUITY/VENTURE CAPITAL



US Private Equity

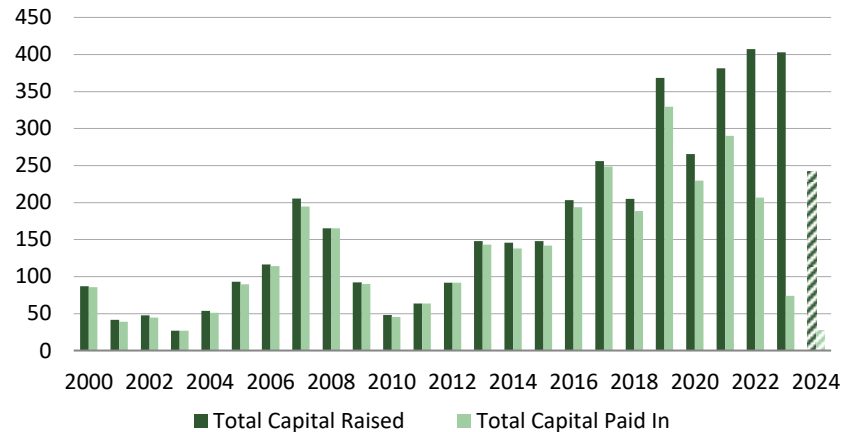
Facts & Figures Third Quarter 2024

US PE returned 3.4% YTD through 2Q 2024, building on the 9.3% return in 2023. While performance has trailed broader public markets more recently, the US PE index still outperformed by at least 200 bps in every trailing period three years or longer. While the fundraising pace has largely held up in 2024, investment and exit activity have stabilized after slowing considerably in 2023.

- US-based PE funds raised \$242B YTD, suggesting the recent fundraising pace has slowed marginally. Cumulatively, between 2021–23 nearly \$1.2T was raised. Fundraising has become increasingly concentrated, with average fund sizes topping \$1B YTD. Funds of \$5B or more have accounted for roughly half the 2023 and YTD fundraising totals. Eight such funds, totaling \$107B, already closed as of 3Q 2024, while ten remain open. US PE secured almost 70% of capital raised globally over the past two years, which is higher than recent averages (54% in decade ended 2021). However, the US share dropped to 52% YTD.
- Capital invested in US buyout and growth equity deals was \$245B YTD, tracking at the lowest level since 2020. This compares to average capital invested of \$520B over the past three years. Amid tighter credit conditions, add-on and growth equity deals—which tend to be smaller than buyouts—accounted for a greater share of deal activity, and carveouts have also rebounded. IT companies attracted one-quarter of investment YTD, in-line with recent averages. Healthcare’s share fell to 6% YTD, which is tracking at the lowest since 2013.
- According to PitchBook LCD data, purchase price multiples for large buyout transactions rose to 11.2x YTD, around the levels seen in 2018. Looking at EV/Revenue multiples, valuations were roughly halved in the year ending June 2024 relative to their peaks in 2021–22 (1.7x vs 3.0x) but inched higher in 3Q to 2.0x. Leverage levels increased to 5.1x YTD after falling to multi-year lows in 2023.
- Total US PE-backed exit value was around \$270B YTD, remaining below pre-COVID levels. Still, excluding the exceptional 2020–21, exits are tracking at their best year since 2018. M&A accounted for around 90% of all exit value YTD, whereas IPO exit value (\$25B) has tripled relative to 2023. The ratio of exits-to-entry deals has been historically low, falling to 0.34x in 3Q, versus ~0.55x roughly ten years ago.

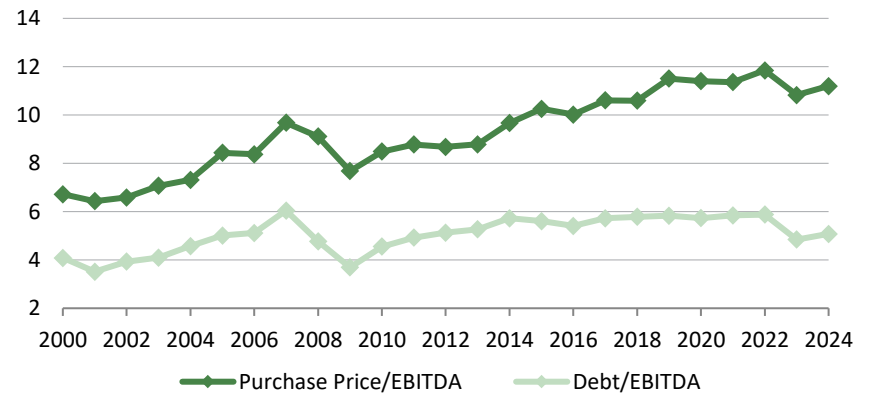
FUNDRAISING AND PAID-IN CAPITAL: US PE

2000–24 (Sep 30) • US\$B



AVERAGE PURCHASE PRICE AND DEBT MULTIPLES: US PE

2000–24 (Aug 31)



Sources: Cambridge Associates LLC and PitchBook.

Notes: Historical fundraising and paid-in capital data revise. Paid-in capital data for 2024 are through March 31.

US Venture Capital

Facts & Figures Third Quarter 2024

US VC returns turned modestly positive YTD as of 2Q (1.4%), following declines in 2022 and 2023. Recent returns lagged public markets, but US VC generally outperformed over longer time horizons. Valuations plummeted in 2023, as fundraising and deal activity normalized. Exits were limited as the IPO market remained mostly closed. These trends showed nascent signs of stabilization YTD in 2024.

- US-based VC funds raised \$62B YTD in 2024, on pace with the \$86B in 2023. Recent activity followed the exceptional prior two years (2021-22), when more than \$360B was raised. PitchBook noted that larger, established managers secured more than 80% of YTD fundraising, with first-time funds on pace for their weakest year in a decade. Indeed, the average fund size YTD of nearly \$180M remained elevated, while the median fund size has hovered between \$25M-\$30M for the past decade. US funds attracted 42% of global VC capital raised YTD. For the decade ended in 2023, US VC accounted for around 36% of global fundraising flows.
- US VC deal activity has leveled off YTD, with total deal value of \$131B on pace to exceed 2023 (\$161B). This follows records of \$350B and \$240B in 2021 and 2022, respectively. Although investment activity has slowed, it remains above pre-COVID five-year average (2015-19, \$110B). More than 70% of deal activity was concentrated in the IT and healthcare sectors Year-to-date, tracking ahead of their trailing five-year average share (~60%). Late-stage VC deals made up 60% of activity, among their largest shares in the past decade.
- US VC valuations dropped almost across the board in 2023 but have rebounded YTD. The declines were most acute at later funding rounds, with median series C and D+ deals declining 42% and 47% in 2023, respectively. Valuations have stabilized YTD, although valuations at later funding rounds remain below their 2021-22 highs.
- Exit activity has recovered somewhat YTD, with ~\$70B of exit value on pace to exceed that of 2022 (\$89B) and 2023 (\$72B). Exits in 2024 have been bolstered by the successful Q1 IPOs of Astera Labs and Reddit. Still, exit pace is down from the extraordinary activity in 2021 (\$780B) and pre-COVID levels. While IPO activity was just \$29B in 2023, it has already exceeded that YTD (\$32B).

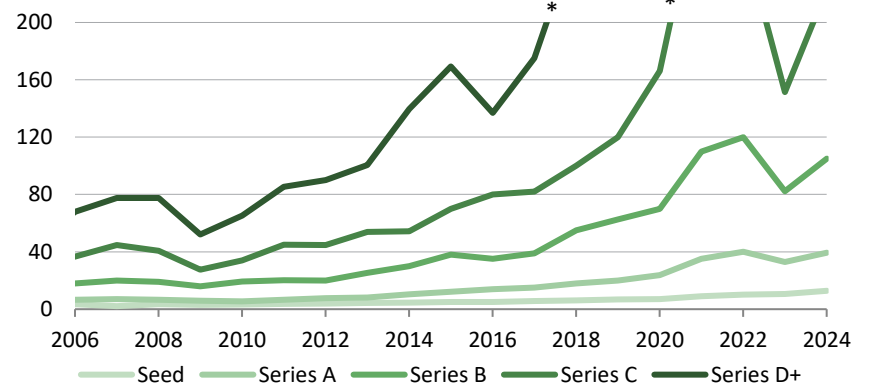
FUNDRAISING AND PAID-IN CAPITAL: US VC

2000-24 (Sep 30) • U\$B



MEDIAN PRE-MONEY VALUATIONS BY SERIES: US VC

2006-24 (Sep 30) • U\$M



* Y-axis capped for scale purposes. Latest value for Series C is 223 and 650 for Series D+.

Sources: Cambridge Associates LLC and PitchBook.

Notes: Historical data revise. Paid-in capital data for 2024 are through March 31.

European Private Equity

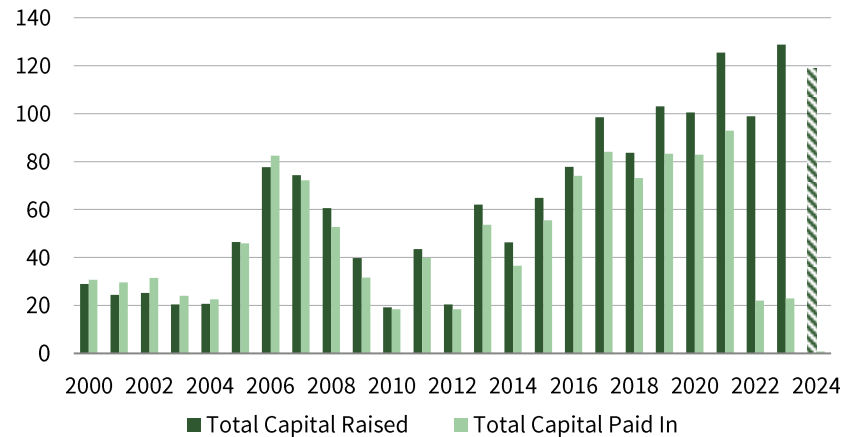
Facts & Figures Third Quarter 2024

European PE posted positive returns YTD through 2Q 2024 (1.3% in USD, 4.4% in EUR), building on 2023 performance (9.8% in USD, 6.0% in EUR). While returns have underperformed public markets recently, European PE has outperformed over longer time periods historically. Fundraising activity was on pace for a new record in 2024, while deal and exit activity have normalized to around pre-COVID averages.

- Fundraising by Europe-based PE funds reached nearly €120B YTD, on pace to surpass 2023's record of €129B. Recent fundraising has been concentrated in fewer funds, with median and average fund size both increasing to a record of €290M and €1.1B, respectively, YTD. With the recently higher fundraising volumes, European funds attracted nearly 30% of global PE capital raised YTD, tracking ahead of their share in the decade ended 2023 (~23%).
- Investment activity directed at European-based companies reached a total deal value of €354B YTD, on track to exceed 2023 (€425B), but down from just under €600B in both 2021 and 2022. Still, activity remains well-ahead of pre-COVID averages. According to PitchBook data, median deal sizes are up 40% YTD, while carveouts are gaining share of overall deal value. Among sectors, IT comprised 26% of deal value YTD, achieving its highest share over the past decade.
- According to PitchBook LCD, purchase price multiples (PPMs) declined for a fourth straight year to 10.0x EBITDA YTD. PPMs are now in-line with their trailing ten-year average and back to 2014–15 levels. Leverage multiples turned lower YTD at 5.5x. Equity contributions to LBOs turned higher in 2023 to 50%, back to levels last reached in 2020 (52%) and 2009–10 (53%).
- Total exit value slowed to €167B YTD, on pace to lag the prior three years, which averaged more than €300B. Still, 2024 was tracking broadly in line with pre-COVID averages. The value generated by IPO exits rebounded in 2023, although this was largely driven by the Arm public listing at just under €45B. Corporate acquisitions and secondary buyouts continue to account for the majority of exit value, which is the usual exit route for European PE.

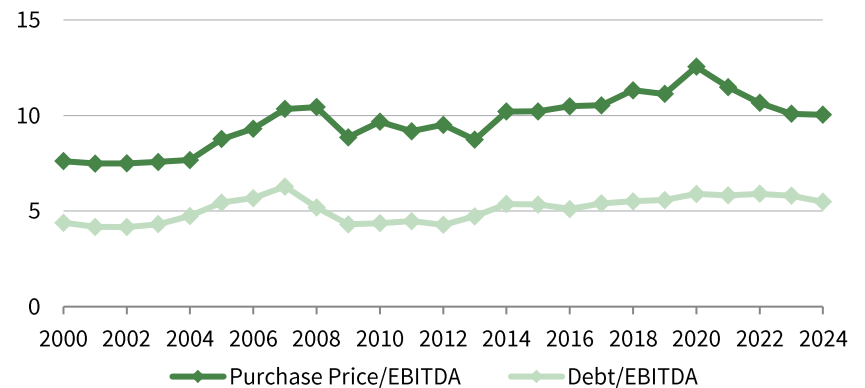
FUNDRAISING AND PAID-IN CAPITAL: EUROPEAN PE

2000–24 (Sep 30) • Euro (Billions)



AVERAGE PURCHASE PRICE AND DEBT MULTIPLES: EUROPEAN PE

2000–24 (Aug 31)



Sources: Cambridge Associates LLC and PitchBook.

Notes: Historical fundraising and paid-in capital data revise. Paid-in capital data for 2024 are through March 31.

European Venture Capital

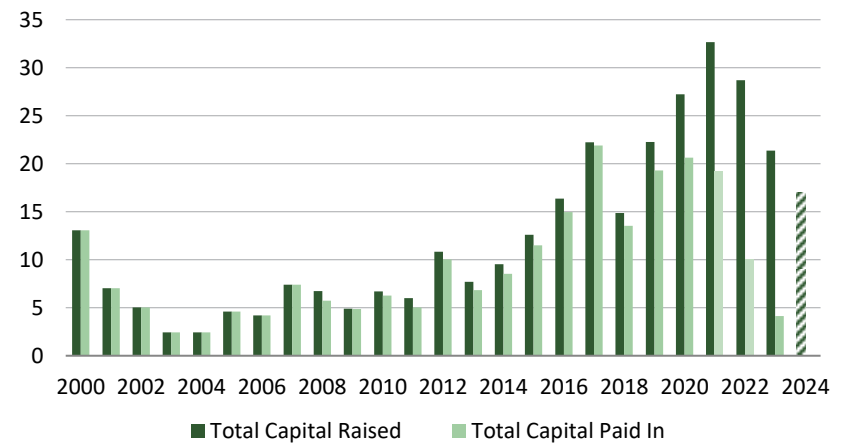
Facts & Figures Third Quarter 2024

European VC returns turned modestly positive YTD as of 2Q (2.1% in USD, 5.3% in EUR), following declines in 2022 and 2023. While returns lagged public markets, European VC has generally outperformed over longer time periods historically. Broader activity slowed in recent years but has normalized YTD. However, pre-money valuations have largely held up better than their US counterparts.

- Europe-based VC funds raised €17B of fresh capital YTD, on-pace with the €21B raised in 2023. From 2020–22, VC funds in Europe raised on average €30B per year. Larger fund sizes have bolstered activity in recent years—with the average fund size of \$143M in 2024 setting a new high. Median fund size also rose to a record of €84B YTD. Among all VC funds globally, European managers secured 12% of capital raised in 2024, which is in-line with recent averages.
- Deal activity directed at Europe-based VC companies came in at €41B YTD, tracking slightly behind 2023 (€61B). This follows an average of more than €100B in the prior two years but was still well ahead of the pre-COVID norms. According to PitchBook, late-stage venture saw the largest slowdown in 2023, whereas seed deals have slowed the most in 2024, followed by late stage. IT accounted for nearly 40% of deal flow in 2024, in line with recent averages.
- Valuations decreased modestly in 2023, although not as severely as in the US, and have largely recovered. Seed, early-, and late-stage valuations hit new highs YTD in 2024, according to median pre-money valuations. The drivers of the longer-term uptrend in later-stage valuations were some very large financing rounds (evidenced by average valuations coming in at almost 14x the median valuation in 2021).
- Exit activity picked up YTD, with €26B of exit value generated, increasing from €17B in 2023. Exit activity is now tracking in-line with pre-2021 averages after surging to €155B in 2021. IPO activity was exceptional in 2021, hitting €125B in value, an eleven-fold increase over 2020. While IPO activity had moderated, it climbed to €15B YTD, on track for its strongest year since 2018 (excluding 2021). Value generated by M&A transactions was halved in 2023 (€26B in 2022 versus €15B in 2023) and held at that level YTD in 2024.

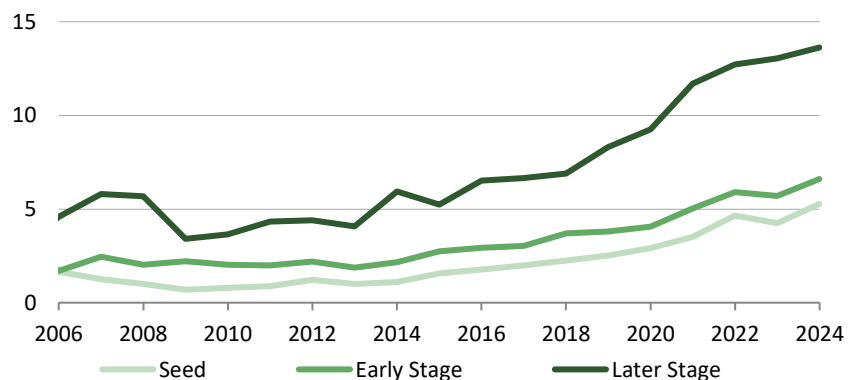
FUNDRAISING AND PAID-IN CAPITAL: EUROPEAN VC

2000–24 (Sep 30) • Euro (Billions)



MEDIAN PRE-MONEY VALUATIONS BY STAGE: EUROPEAN VC

2006–24 (Sep 30) • Euro (Millions)



Sources: Cambridge Associates LLC and PitchBook.

Notes: Valuations are shown by stage (as defined by PitchBook) rather than by series due to small sample sizes. Historical fundraising and paid-in capital data revise. Paid-in capital data for 2024 are through March 31.

Asian Private Equity

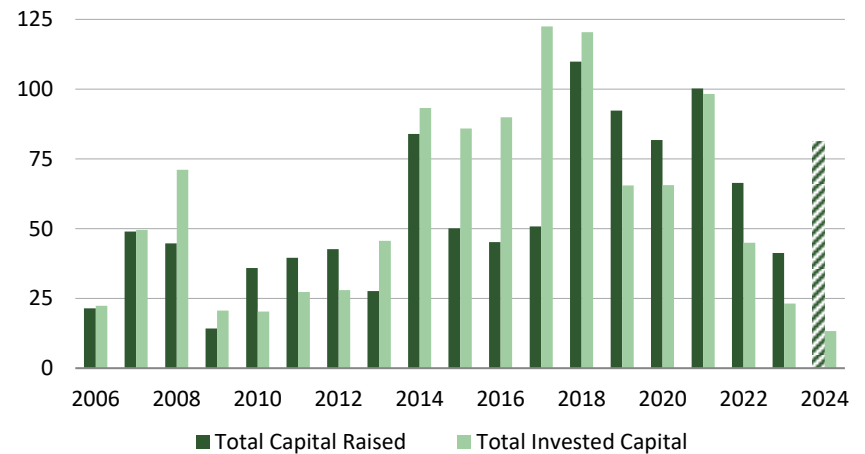
Facts & Figures Third Quarter 2024

Asian PE returns were flat YTD as of 2Q, after gaining 4.2% in USD terms in 2023. Despite underperforming public markets in recent quarters, Asian PE has outperformed by a wide margin over longer time periods historically. Fundraising activity rebounded YTD in 2024, although deal activity continued slowing from prior years, with the share of deals in China-based business increasing.

- Asian PE funds raised \$81B of new capital YTD, rebounding from just \$41B raised in 2023, which was the lowest amount since 2013. In the five years prior to 2023, annual fundraising by Asian PE funds averaged \$90B per year. Recent fundraising has been driven by larger funds, with median fund size climbing to new records. Asian PE funds secured 18% of global capital raised in 2024, roughly in line with the average of 16% during the decade ending in 2023.
- Asia-based businesses attracted \$72B of capital YTD, compared to the prior three years when deal activity averaged around \$150B. According to PitchBook, India-based companies received 24% of deal flow in 2023, followed by Japan (23%), Australia (23%), and China (11%). China's share of investment rebounded YTD, comprising nearly 50% of capital invested in 2024, followed by India. China and India have gained in terms of share of overall investment at the expense of other Asian countries over the past five years.
- Buyout strategies have historically been more prevalent than growth equity in Australia, Korea, and Japan, while the reverse has been true in China. Regardless of strategy, leverage has historically been modest or low, while valuations, especially in growth sectors, have been as high as those in other regions.
- Exit activity faltered in 2023. After averaging \$130B of exit value per year in 2021–22, this value fell to \$36B in 2023 (the lowest since 2013), according to Dealogic. M&A activity (the typical exit path in Asia) continued to account for the majority of exit activity (85%), which was squarely in-line with historical averages.

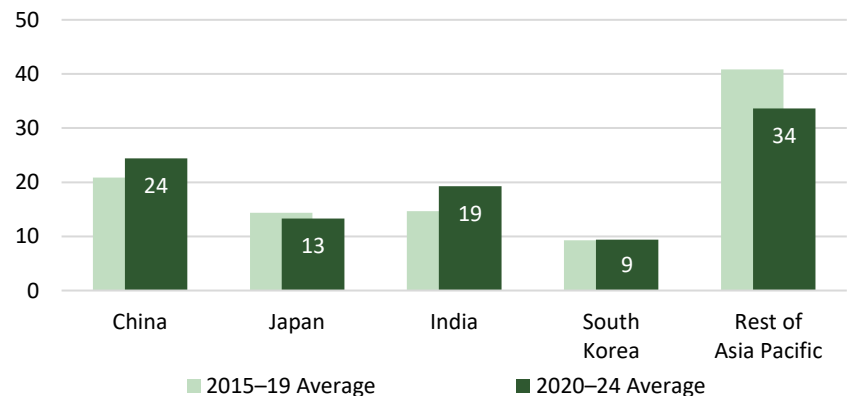
FUNDRAISING AND INVESTED CAPITAL: ASIA-PACIFIC PE

2006–24 (Sep 30) • US\$B



PERCENT (%) OF INVESTED CAPITAL BY COUNTRY OF TARGET COMPANY

As of Sep 30, 2024



Source: PitchBook.

Notes: Total Capital Raised does not include Softbank Vision funds. For the top chart, invested capital includes deals where the investor is an Asia-based PE fund. For the bottom chart, invested capital includes PE deals where the target company is headquartered in Asia; data may not sum to 100 due to rounding. Historical data revises.

Asian Venture Capital

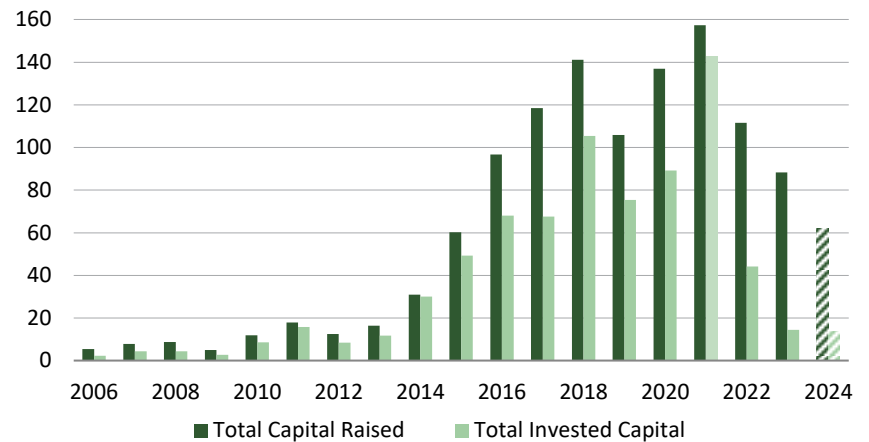
Facts & Figures Third Quarter 2024

Asian VC returned -2.7% in USD terms YTD in 2024, extending negative performance that started in 2H 2021. While VC in Asia has lagged public indexes in recent quarters, it has outperformed by a wide margin over longer periods historically. Activity has continued to moderate as later-stage valuations have come down.

- Asian VC funds raised \$62B YTD in 2024, tracking the pace of \$88B in 2023. Still, between 2016–22, Asian VC funds raised an average of \$124B per year. Average fund sizes have steadily pushed higher over this time period, hitting a near record at more than \$160M YTD. Asia's share of global VC fundraising held steady YTD at 43%, which was roughly in-line with more recent averages.
- Global investors closed deals totaling around \$60B in Asia-based venture companies YTD in 2024, on track for the lowest since 2015. In the prior five years, deal activity averaged roughly \$150B per year. Asian VC managers invested just \$14B in 2023 and YTD, the lowest since 2013 and nearly \$80B lower than the annual average of the previous five years. Chinese companies received 50% of invested capital YTD, followed by India, Singapore, and Japan. IT accounted for more one-third of deal activity.
- Median pre-money valuations have fallen since 2021 across later-stage VC deals but continued climbing at earlier rounds. Later-stage valuations, which are most impacted by public markets, contracted \$26M from their 2021 peak to 3Q 2024. Consumer and IT valuations reached a new high YTD as of 3Q, whereas health care valuations have rebounded but remain off their 2021 highs. These three sectors have historically dominated the Asia VC landscape.
- Exit activity slowed to around \$147B in 2023, which was the slowest pace in four years. YTD 2024 activity slowed further to just \$46B. Although these exit values were down from the prior three-year average of around \$290B, the exit environment looks healthy relative to pre-COVID levels. Additionally, VC-backed IPOs in Asia have held up better than their US and European counterparts, where public listings were mostly frozen over the past couple years. In fact, IPOs accounted for roughly 90% of exit value on average over the past five years.

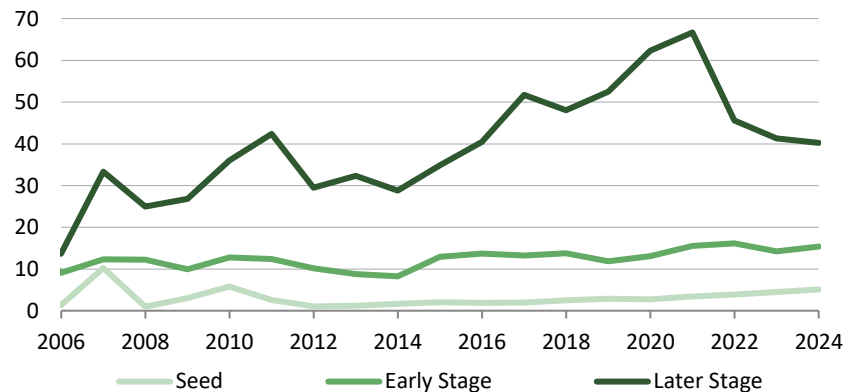
FUNDRAISING AND INVESTED CAPITAL: ASIA-PACIFIC VC

2006–24 (Sep 30) • U\$B



MEDIAN PRE-MONEY VALUATIONS BY STAGE: ASIA-PACIFIC VC

2006–24 (Sep 30) • U\$M



Source: PitchBook.

Notes: Total Capital Raised does not include Softbank Vision funds. Invested capital includes deals where the investor is an APAC-based VC fund. Valuations are shown by stage (as defined by PitchBook) rather than by series, due to small sample sizes. Historical data revises.