

Q4 2021 PitchBook-NVCA Venture Monitor First Look

Venture capital smashes records in 2021

Credits & contact

PitchBook Data, Inc.

JOHN GABBERT Founder, CEO
NIZAR TARHUNI Senior Director,
Institutional Research & Editorial
DYLAN COX, CFA Head of Private Markets Research

RESEARCH

CAMERON STANFILL, CFA Senior Analyst, VC
KYLE STANFORD, CAIA Senior Analyst, VC
JOSHUA CHAO, Ph.D. Senior Analyst, VC

pbinstitutionalresearch@pitchbook.com

DATA

SUSAN HU Data Analyst

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First look

US venture capital (VC) investment in 2021 topped \$300 billion for the first time, settling at \$329.8 billion and nearly doubling 2020's total of \$166.6 billion—the previous record. VC mega-deals (deals sized \$100 million or larger) recorded an exceptionally robust 2021, driving \$190.8 billion in deal value as the importance of these deals to overall capital investment continues to swell. 820 VC mega-deals closed during 2021, with 227 of that total occurring during Q4 alone.

VC returns have been extremely strong over the last few years, which continues to encourage capital inflow into the strategy. This has been especially important to the higher rates of nontraditional investor participation; we have recorded an estimated 6,400 deals in that category in 2021, representing 64% YoY growth in participation. The search for venture returns also contributed to a record year for VC fundraising, with US VCs closing on more than \$128 billion in funds during 2021, pushing the average fund size up to \$188.1 million. Additionally, 2021 proved to be a better environment than 2020 for first-time and emerging fund managers, as that group raised \$41.3 billion during 2021 compared with only \$27.5 billion in 2020.

The IPO window remained open during 2021, allowing an astounding \$774.1 billion in exit value, of which \$681.5 billion was attributed to the 296 public listings. The acceleration of SPAC activity also helped fuel an increase in the count of public listings during the year to a post-2000 record. Looking forward to 2022, we have seen an uptick in public market volatility over the last few months, especially within recent IPOs and growth businesses, which introduces greater uncertainty to the public listing market.

The PitchBook-NVCA Venture Monitor First Look is a preliminary release of top-line venture industry figures for the US market, intended as a first-to-market source of key datasets and findings. It will serve as a preview of the full PitchBook-NVCA Venture Monitor, which will be released in full shortly after these initial figures are made public. The methodology behind the First Look and the full Venture Monitor remains the same and consistent with previous editions barring any explicit changes incorporated over time. Based on that methodology and PitchBook's current estimation calculations, there could still result minute disparities between these initial estimates and the final confirmed figures in the full report, but that likelihood remains minimal.