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Jan. 28, 2019

Venture Capital (VC) investment in the U.S. increased from \$31.5 billion in Q3' 2018 to \$41.8 billion in Q4, driving the total VC investment in the U.S. in 2018 to a record \$130.9 billion, according to KPMG's [Venture Pulse Q4' 2018](#) report.

The top 10 U.S. deals in the quarter accounted for more than \$18 billion, including the mammoth \$12.8 billion private investment in electronic smoking device maker Juul and a \$1.25 billion raise by entertainment software Epic Games.

"2018 was a banner year for Venture Capital investing in the U.S. as we saw an increase in new unicorns, \$500 million plus deals as well as strength in the IPO markets, which turned out to be the best we have seen since 2014," said Brian Hughes, National Co-leader, KPMG Venture Capital practice in the U.S. "2019 could be the year of the Mega IPO, with many unicorns going public."

While the IPO market in the U.S. gained strength in 2018, many U.S. unicorn companies remained on the fence to see longer term results. There are indications that the number of IPO exits could pick up over the course of 2019. Ride hailing companies Lyft and Uber both filed documents necessary to support holding IPOs this year.

Healthcare and biotech continued on a long-term trend to attract investors. During Q4 Devoted Health raised \$300 million.

While AI and automation B2B companies continued to attract funding, VC deals activity was dominated primarily by companies focused on transforming the

customer experience and catering to the increasing demand for convenience.

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on revenue growth.”

Other U.S. highlights from 2018:

- The U.S. had more than 80 VC-backed companies go public during 2018
- M&A activity remained strong in Q4, highlighted by Microsoft's acquisition of Software-as-a-Service company GiftHub for \$7.5 billion. That was followed by SAP's acquisition of survey company Qualtrics for \$8 billion in November.
- Fundraising in the U.S. was strong throughout the year, with significant raises by Lightspeed Venture Partners and Bessemer Venture Partners.

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