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related to artificial intelligence, robotic process automation and fintech. Corporate VC investment is also expected to remain robust. VC investor interest in ...

Feb. 12, 2020



Venture capital (VC) investment in the U.S. continued strong during Q4 2019, totaling \$34.2 billion across 2,215 deals, according to the latest edition of [Venture Pulse](#) – a quarterly report on global VC trends published by KPMG Enterprise. For the year, VC investment reached \$136.5 billion, second only to 2018's \$140 billion raised. Despite the slight dip, 2019 saw the emergence of 73 “unicorns” – companies with valuations exceeding \$1 billion — in the United States.

Five of the Top 10 global deals in Q4 came from the U.S. including the largest deal, The We Company, which raised \$6.55 billion. Deals crossed many different sectors

and technology verticals, while the geographic diversity of VC investments

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“We will continue to see the fintech model blur into the rest of the economy.

Wherever there are payments, for example, there are adjacencies to the way you make those payments or the reasons for making payments,” said Conor Moore, national co-lead partner, KPMG Venture Capital Practice in the U.S. “By focusing on building an ecosystem, companies can provide stronger incentives to both customers and business clients. These types of models are expected to lead to a new rebundling around fintech capabilities.”

Meanwhile, food delivery continued to attract large investments with San Francisco-based DoorDash raising \$700 million during the quarter. Investment in collaborative productivity platforms also rose, as Austin-based talent management platform developer RigUp raised \$300 million.

**More focus on late stage deals, more scrutiny on IPOs** During the quarter, VC investors focused on late stage deals and on companies with strong and well-proven business models. Given some of the recent IPO results, investors’ confidence has lessened, as their scrutiny of potential deals has increased, according to David Pessah, senior director KPMG Innovation Labs in the U.S.

“As we enter 2020, there will be a lot more scrutiny among investors as they look for companies to really improve the profitability of individual transactions,” Pessah added. “In order to get funding or hold a successful exit, companies will need to be very transparent around all aspects of their business model and have their financial house in order.”

**The number of unicorns in Q4’ 2019 reaches new highs** The U.S. had a total of 73 new unicorns during 2019, with 15 coming in Q4 2019.

**Trends to watch in the U.S.**

Heading into 2020, VC investment in the U.S. is expected to remain strong in areas

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