

 CBINSIGHTS

# Tech Valuations Report

2022 recap

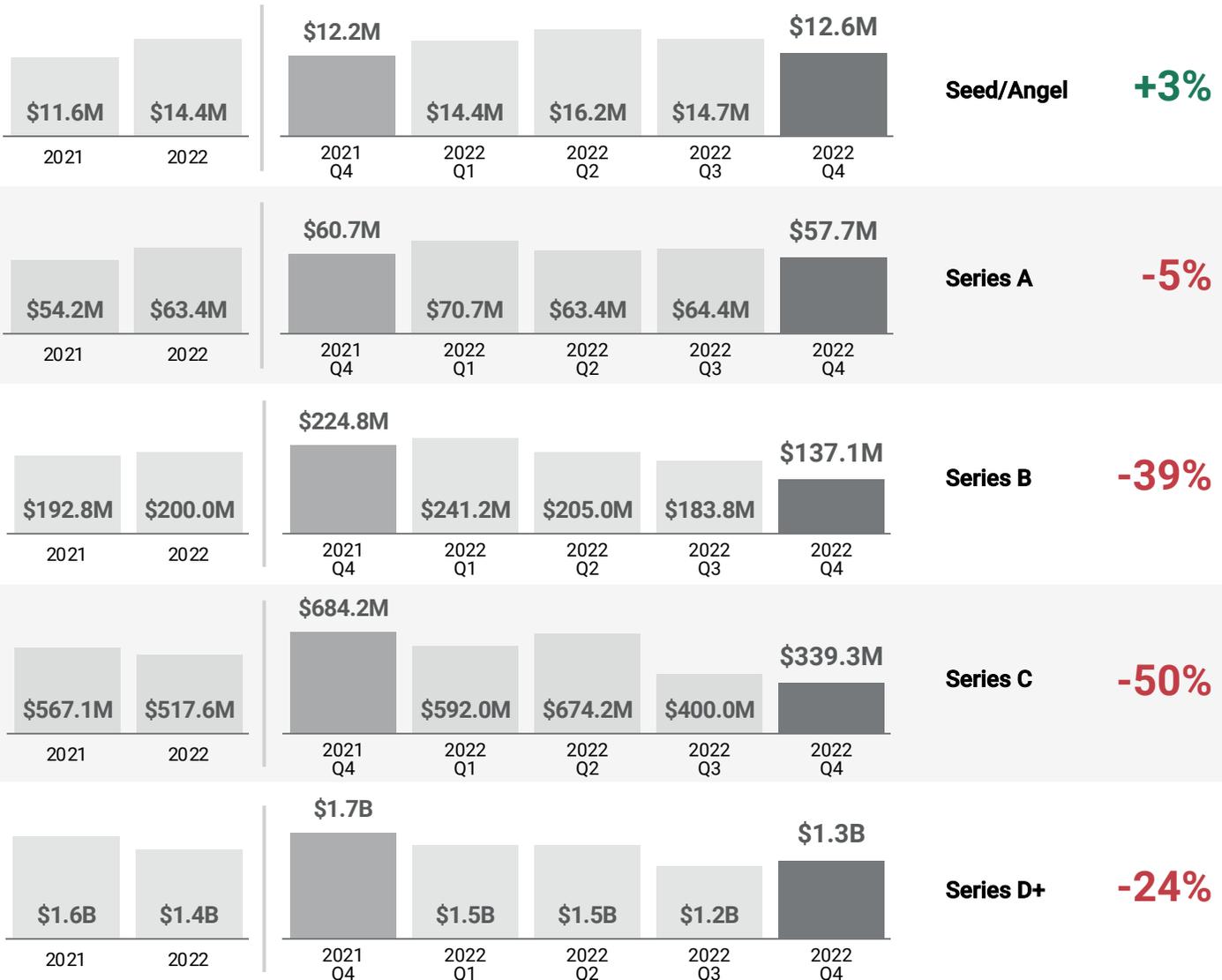


# Tech valuations reset in 2022, tumbling from inflated highs.

Private tech valuations experienced a full-blown reset by Q4'22. Global late- and mid-stage median valuations were down significantly from Q4'21, registering year-over-year declines ranging from 24% to 50% as rising interest rates, public stock turmoil, and a stalling IPO market caught up to private tech. One exception to the trend was early-stage startups. While off their peak in Q2'22, seed and angel tech company valuations showed surprising resilience, coming in at 3% above Q4'21's levels.

## Median valuations

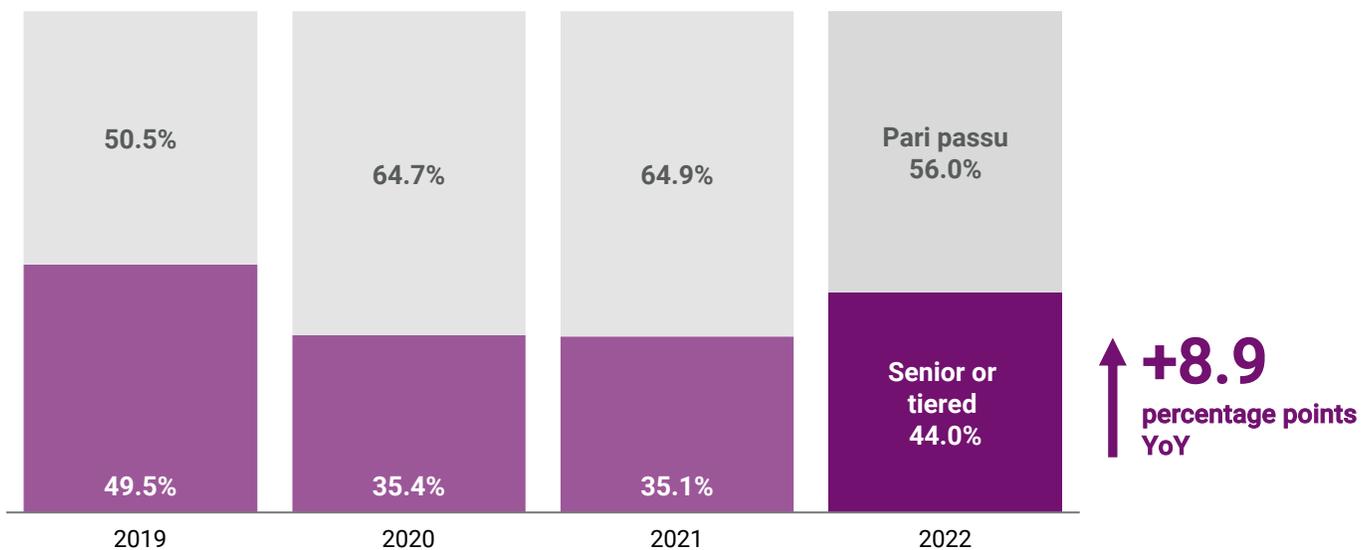
How the Q4'22 and Q4'21 valuations compare



# Late-stage investors secure more payout protection and scale back dealmaking.

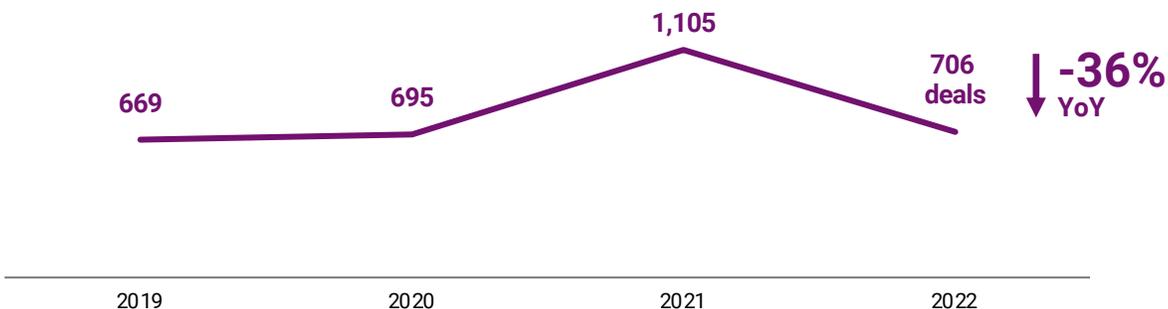
Last year, late-stage investors (Series D+) moved to retain power over liquidation preferences in an environment where far less capital chased fewer deals. In the US, 44% of late-stage deals in 2022 (and 50% in Q4'22) were negotiated with seniority or tiered payout structures – rising from the norm set over the previous two years. Global late-stage deal volume in 2022 fell 36% year-over-year, retreating to levels seen in 2019 and 2020.

## US late-stage liquidation structure



**Pari passu:** an arrangement whereby, in the event of an exit, investors across all deal stages share proceeds pro rata to the amount of capital committed

## Global late-stage deal volume



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## About this report

This report will help you understand private market technology company valuations based on CB Insights valuation data. We define “technology companies” as businesses that primarily generate revenue from proprietary and/or differentiated software, hardware, or platforms. This report will help you see:

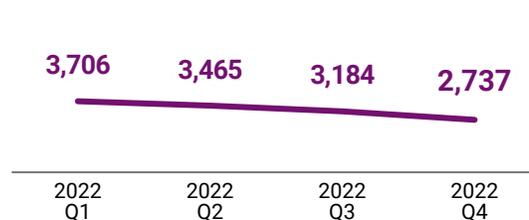
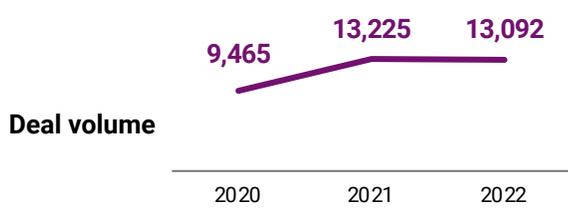
- Technology valuation trends over time by stage and where there is relative strength and weakness
- Where technology valuations today stand relative to historical technology valuation benchmarks
- Protective provisions on US deals and whether they’re increasing or decreasing over time

# Seed/Angel

## Global median valuations

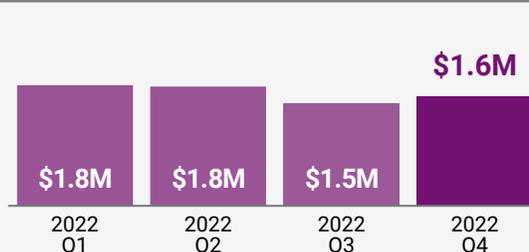
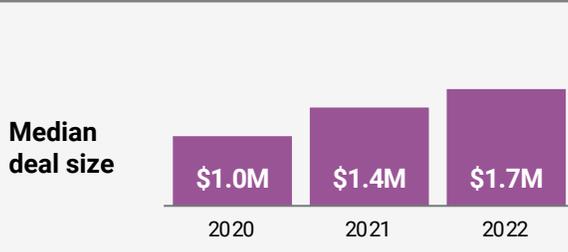
Round Size	Q3'22	Q4'22	Q4'22 vs. Q3'22	2021	2022	2022 vs. 2021
<\$2.5M	\$8.2M	\$6.0M	-27%	\$6.5M	\$7.3M	+12%
\$2.5-5M	\$15.9M	\$13.4M	-16%	\$13.3M	\$15.4M	+16%
\$5-7.5M	\$20.8M	\$17.4M	-16%	\$19.8M	\$21.9M	+11%
\$7.5M+	\$48.9M	\$40.0M	-18%	\$49.8M	\$49.3M	-1%

# Seed/angel funding and valuations



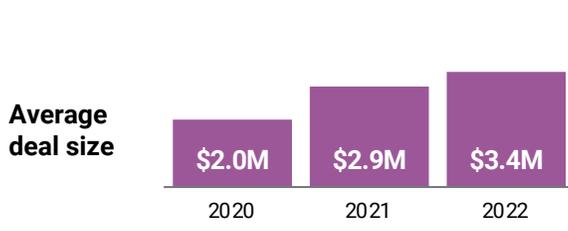
2022 total  
**13,092 deals**

-1% from 2021  
+38% from 2020



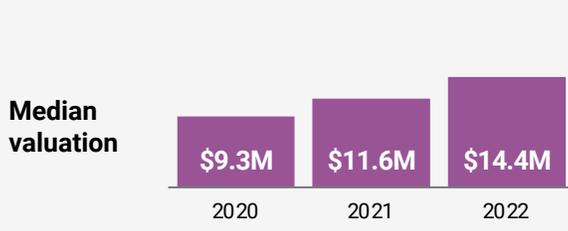
Q4'22 vs. Q3'22

+7% vs. 2021



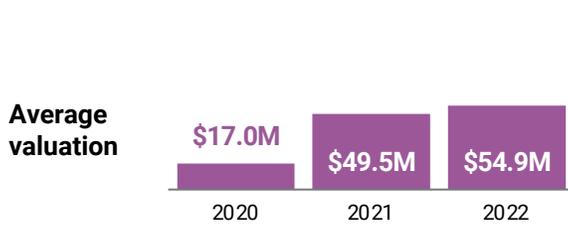
-3% vs. 2021

+17%



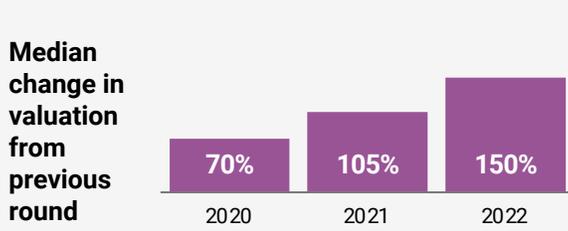
-14% vs. 2021

+24%



-18% vs. 2021

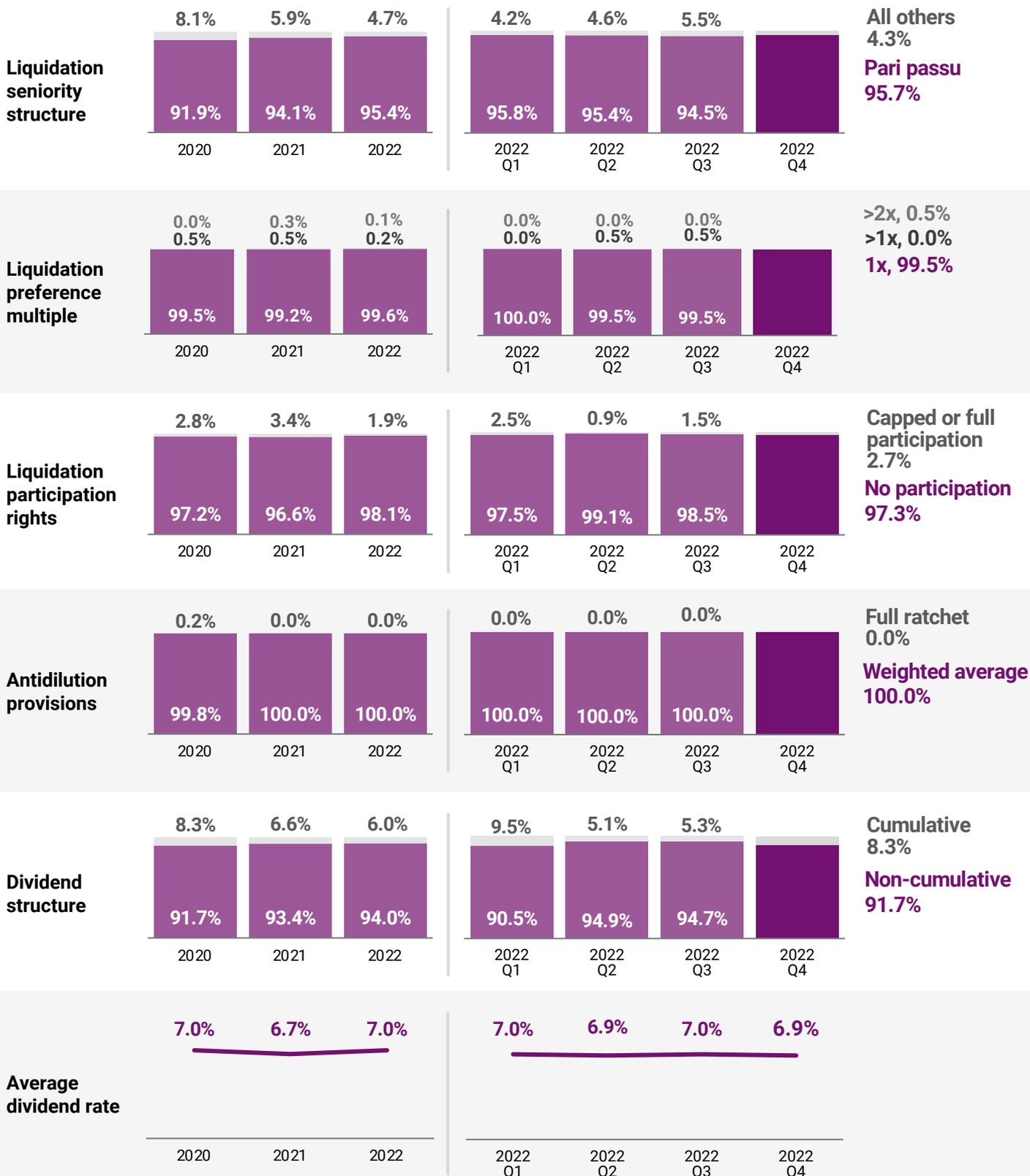
+11%



-62% vs. 2021

+43%

# Seed/angel deal trends

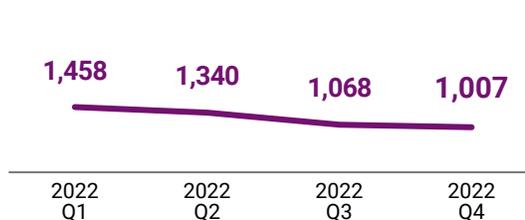
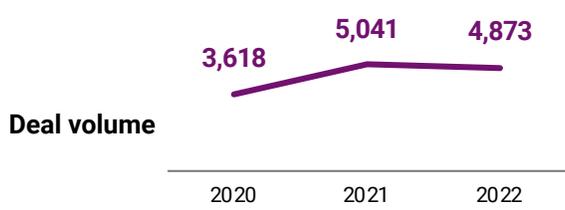


# Series A

## Global median valuations

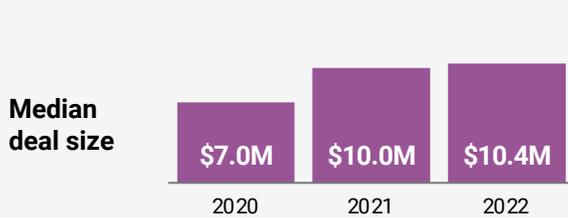
Round Size	Q3'22	Q4'22	Q4'22 vs. Q3'22	2021	2022	2022 vs. 2021
<\$10M	\$33.0M	\$30.2M	-8%	\$28.8M	\$32.8M	+14%
\$10-15M	\$45.2M	\$44.9M	-1%	\$45.1M	\$45.9M	+2%
\$15-25M	\$90.0M	\$75.2M	-16%	\$72.6M	\$80.9M	+11%
\$25M+	\$245.0M	\$153.0M	-38%	\$165.2M	\$204.8M	+24%

# Series A funding and valuations



2022 total  
**4,873 deals**

-3% from 2021  
+35% from 2020



Q4'22 vs. Q3'22

-1%

2022 vs. 2021

+4%



-7%

-1%



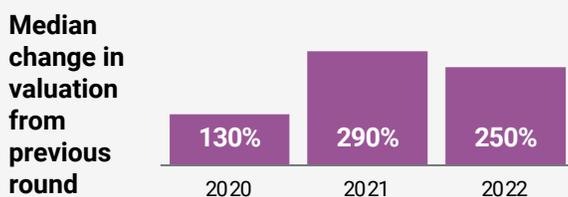
-10%

+17%



-38%

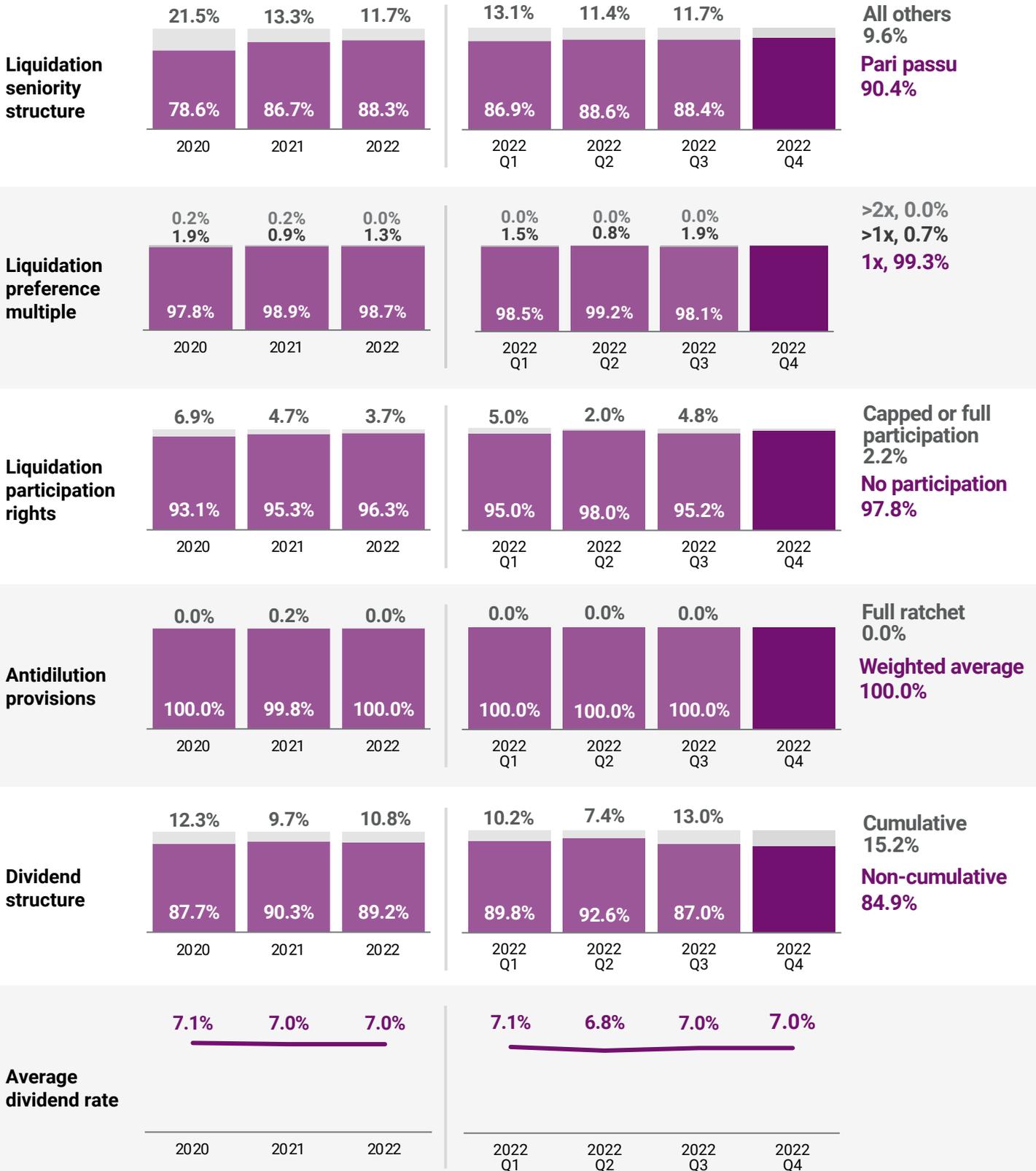
+8%



+29%

-14%

# Series A deal trends





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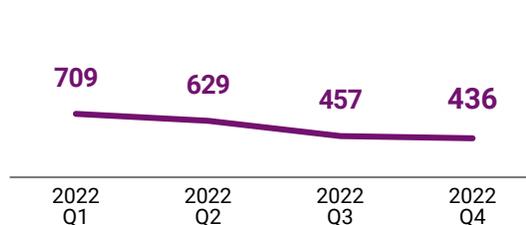
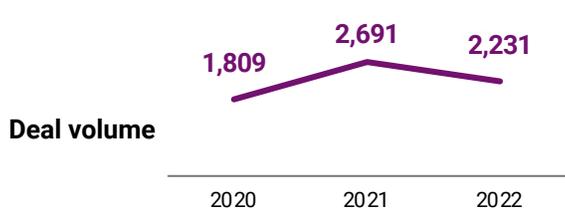
# Series B

## Global median valuations

Round Size	Q3'22	Q4'22	Q4'22 vs. Q3'22
<\$25M	\$120.0M	\$70.6M	-41%
\$25-50M	\$144.9M	\$159.3M	+10%
\$50M+	\$519.4M	\$500.0M	-4%

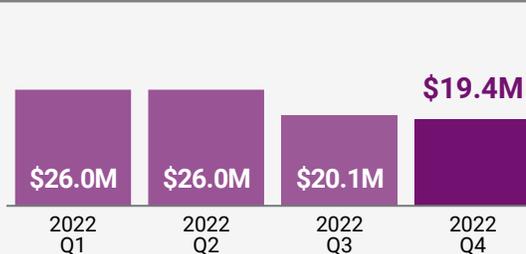
2021	2022	2022 vs. 2021
\$75.9M	\$85.9M	+13%
\$182.8M	\$172.2M	-6%
\$570.0M	\$500.0M	-12%

# Series B funding and valuations



2022 total  
**2,231 deals**

-17% from 2021  
+23% from 2020

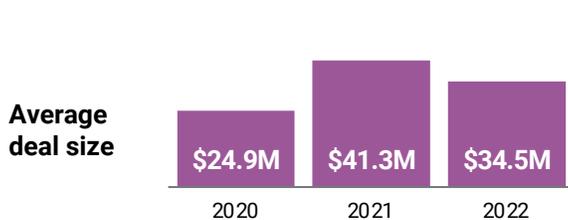


Q4'22 vs. Q3'22

2022 vs. 2021

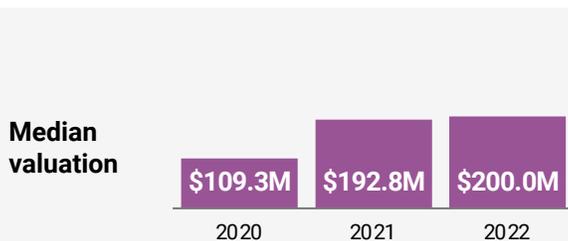
-3%

-2%



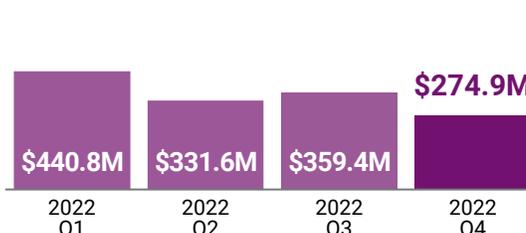
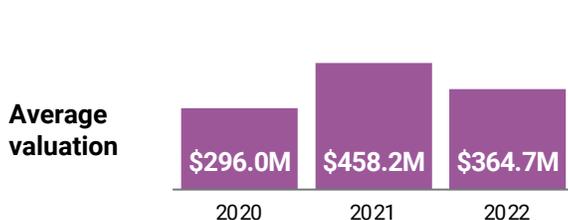
-9%

-16%



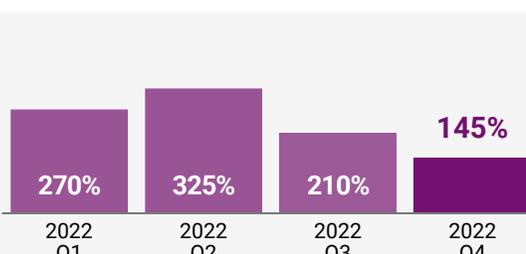
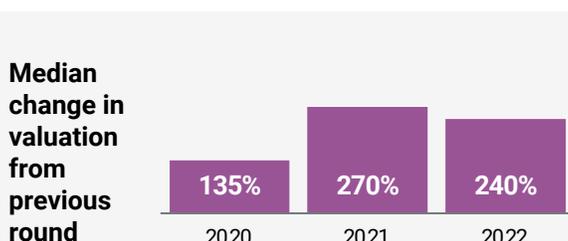
-25%

+4%



-24%

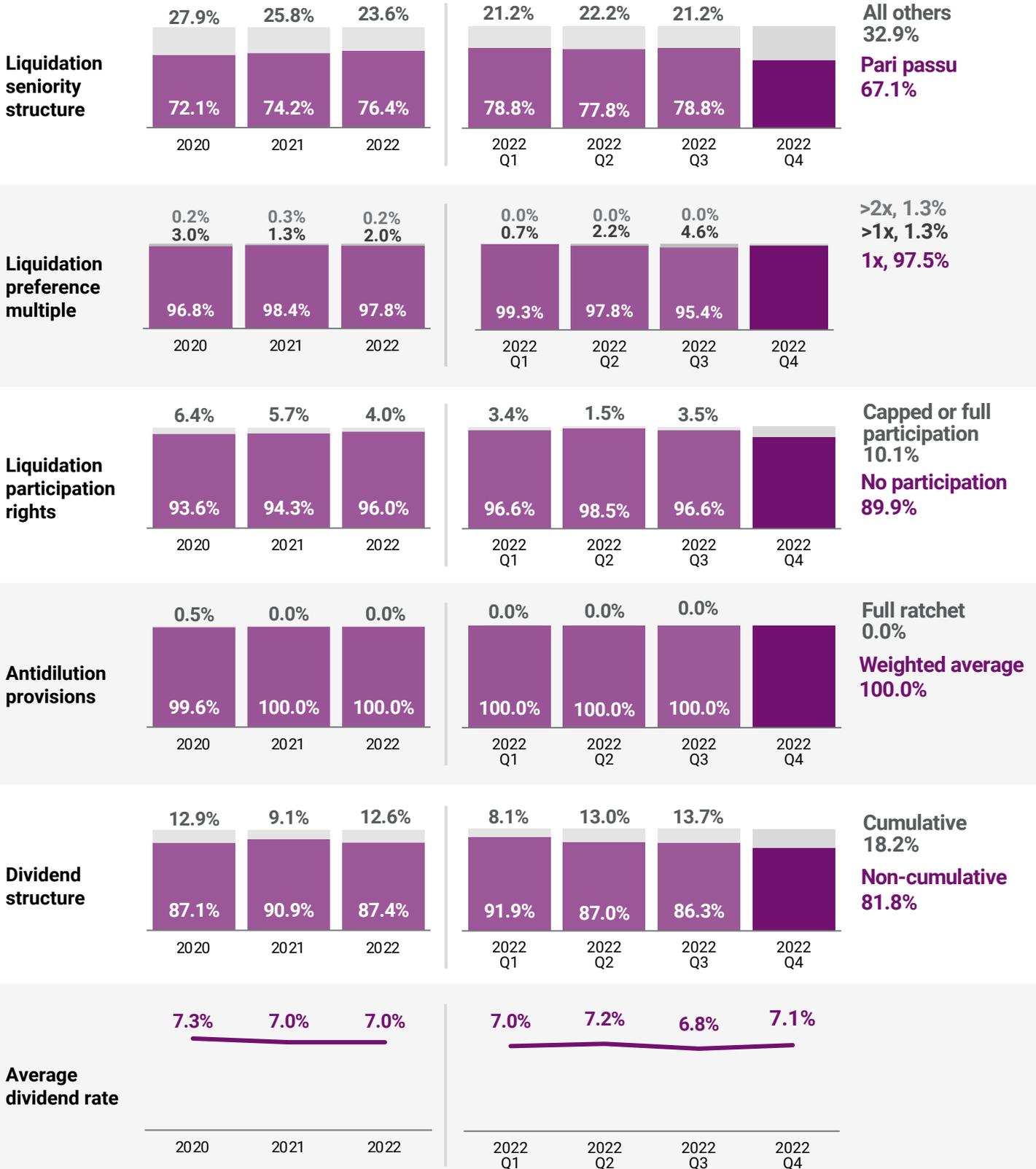
-20%



-31%

-11%

# Series B deal trends



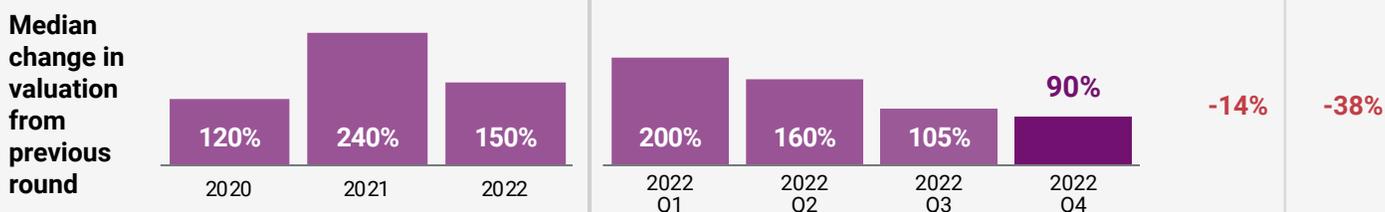
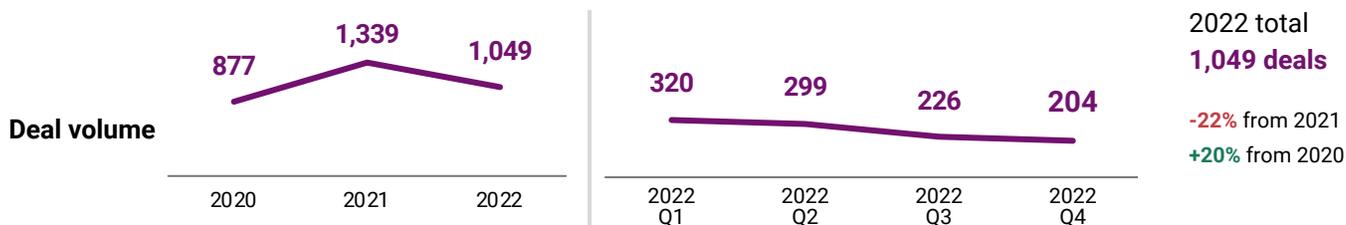
# Series C

## Global median valuations

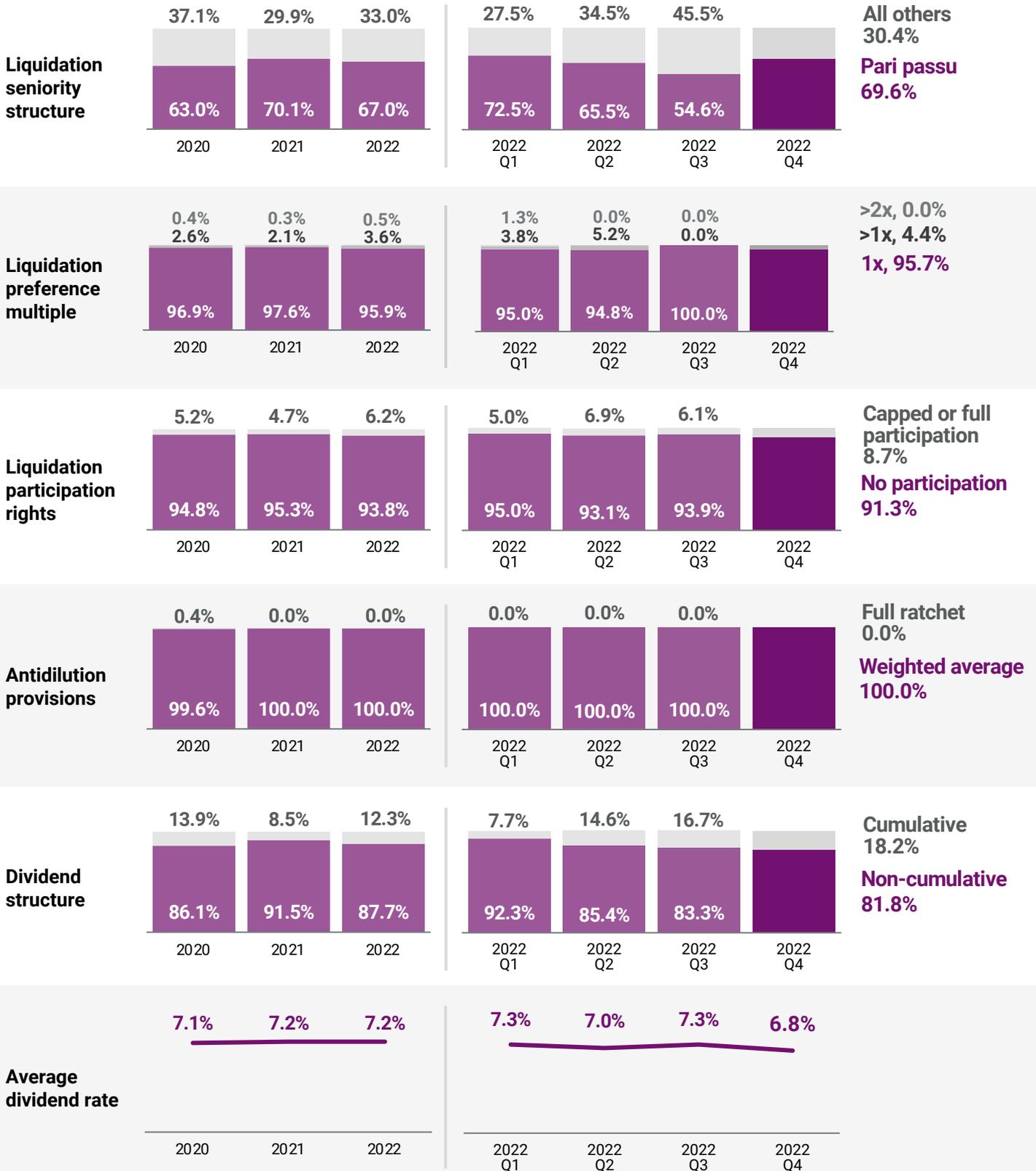
Round Size	Q3'22	Q4'22	Q4'22 vs. Q3'22
<\$55M	\$239.6M	\$212.3M	-11%
\$55M+	\$800M	\$1,000.0M	+25%

2021	2022	2022 vs. 2021
\$217.4M	\$220.4M	+1%
\$1,000.0M	\$1,000.0M	0%

# Series C funding and valuations



# Series C deal trends



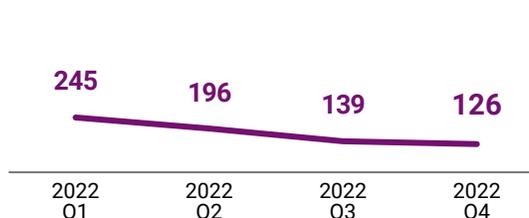
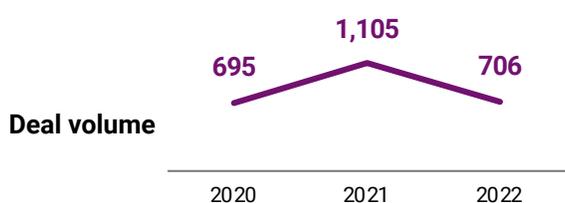
# Series D+

## Global median valuations

Round Size	Q3'22	Q4'22	Q4'22 vs. Q3'22
<\$100M	\$474.7M	\$900.0M	+90%
\$100M+	\$2,000.0M	\$1,765.7M	-12%

2021	2022	2022 vs. 2021
\$659.1M	\$700.0M	+6%
\$2,100.0M	\$2,000.0M	-5%

# Series D+ funding and valuations



2022 total  
**706 deals**

-36% from 2021  
+2% from 2020

**Median deal size**



Q4'22 vs. Q3'22

+7%

2022 vs. 2021

-27%

**Average deal size**



-11%

-27%

**Median valuation**



+8%

-13%

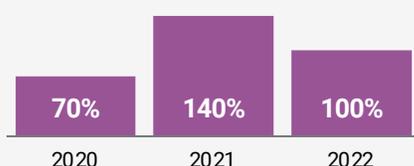
**Average valuation**



-5%

-19%

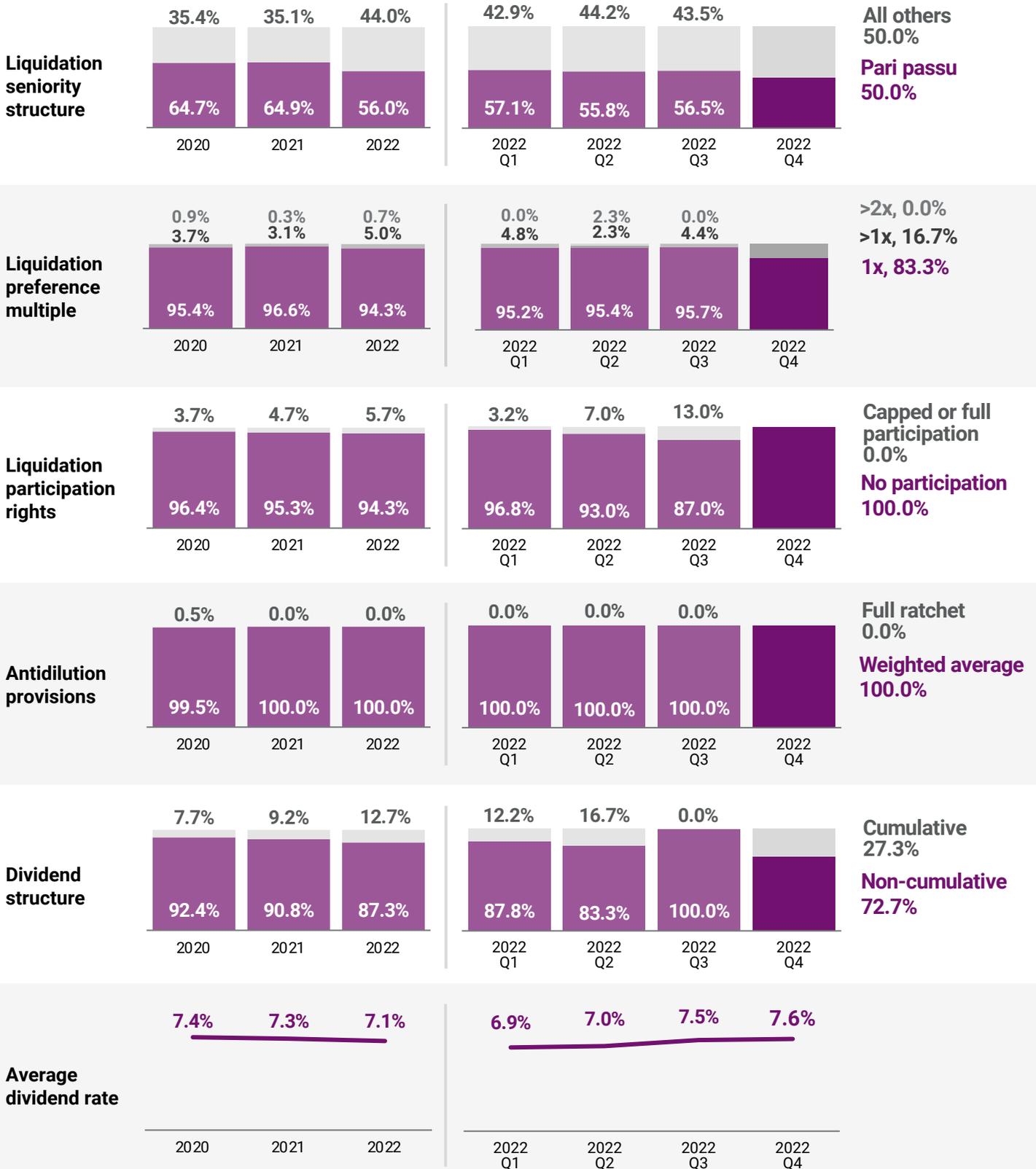
**Median change in valuation from previous round**



-63%

-29%

# Series D+ deal trends



## Tech Valuations Report

If you have questions about the definitions or methodological principles used, or if you feel that your firm has been underrepresented, please reach out to [info@cbinsights.com](mailto:info@cbinsights.com).

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### What is included:

Equity financings into private technology companies only.

Technology companies are generally defined as businesses that primarily generate revenue from proprietary and/or differentiated software, hardware, or technology-driven platforms.

Only includes the investment made in the quarter for tranching investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected.

Round numbers reflect what has closed, not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.

Only verifiable fundings are included. Data and information are verified via (1) various federal and state regulatory filings; (2) direct confirmation with firm or investor; (3) press release; or (4) credible media sources.

Valuation data includes estimates to calibrate median and average valuations based on current and previous quarter disclosed valuations gathered from the aforementioned four sources. Valuation data reflects post-money valuations.

Deal terms are extracted from state regulatory filings in the US (equity financing only).

Headquarters are determined by publicly available sources including company-owned websites and profiles, legal filings, and press releases.

All figures in the report are in USD.

### What is excluded:

No contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.

No business development/R&D arrangements, whether transferable into equity now, later, or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.

No buyouts, consolidations, or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.

No private placements. These investments, also known as PIPEs (Private Investment in Public Equities), are not included even if made by a venture capital firm.

No debt/loans of any kind (except convertible notes). Venture debt or any kind of debt/loan issued to emerging, startup companies, even if included as an additional part of an equity financing, is not included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included in these statistics.

No non-equity government funding. Grants or loans by the federal government, state agencies, or public-private partnerships to emerging, startup companies are not included.

No funding rounds raised by public companies of any kind on any exchange (including Pink Sheets), even if they received investment from a venture firm.