

Aventis Advisors

AI Valuation Multiples

Funding rounds, valuations, and investor universe: 2010-2024

Methodology

We approached the AI Valuations analysis using a straightforward and simple methodology that is easy to understand for all our readers

Data Source

We used **Crunchbase** (for private companies) and **Capital IQ** (for public companies)

Geography

We exported the **Global** AI companies' capital raising data from Crunchbase for our analysis

Definition of an AI company

Our export was based on the industry tag - **Artificial Intelligence**, containing 6 different sub-segments such as GenerativeAI, ML, Predictive Analytics, NLP, RPA, and Intelligent systems)

Total results

Our team analyzed a total of **~51,000** AI funding rounds

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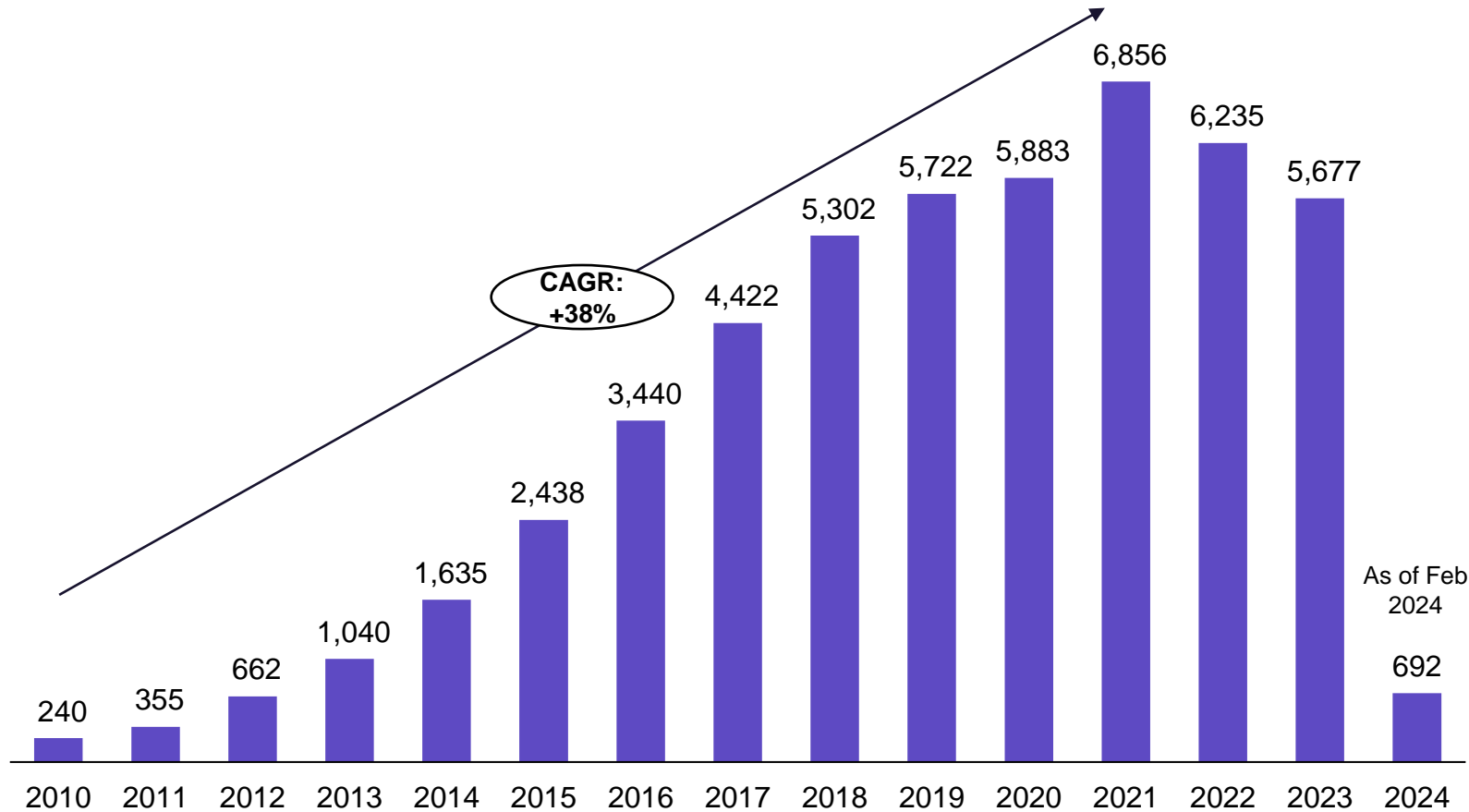
1. AI valuations: Capital Raising
2. AI valuations: Listed companies



AI Funding: Number of funding rounds

The number of fundraising rounds in the AI space has consistently grown over the last 14 years, with only 2022-2023 being an exception

Number of funding rounds, #



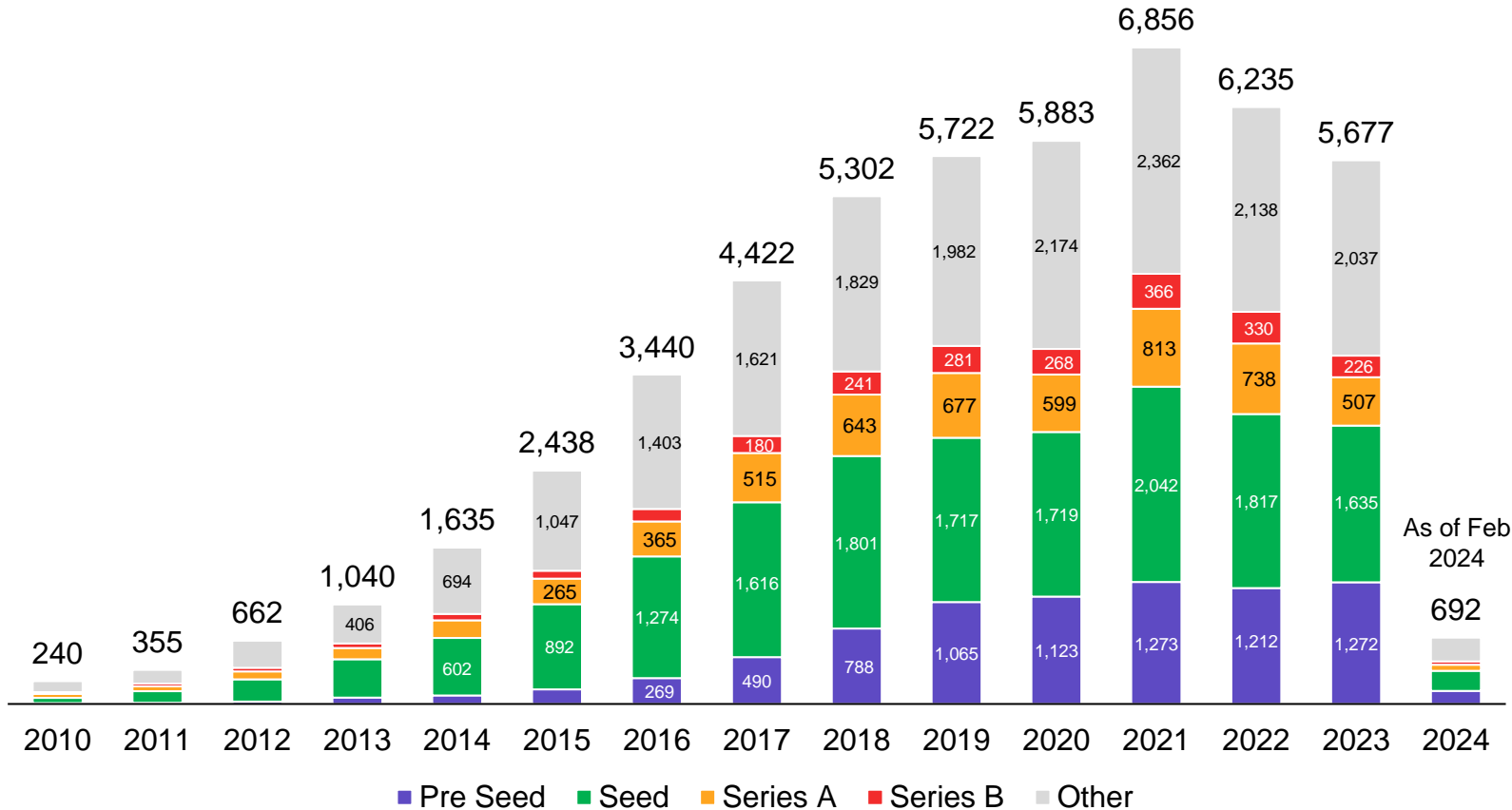
Comment

- The number of funding rounds in the AI space has been growing consistently since 2010
- 2021 was the peak year for fundraising for AI companies – no. of rounds reached more than 6,800, a 17% increase compared to 2020
- 2022 was the year of a slight pause as investors faced new interest rate regime realities and the funding dried out
- In 2024, we are on track to reach around 4,150 funding rounds by the end of the year which would not translate into a record-breaking or better year for AI relative to 2023

AI Funding: Number of funding rounds by stage

Pre Seed, Seed, and Series A rounds dominate the capital raising landscape, similarly to other technology segments

Number of funding rounds, #



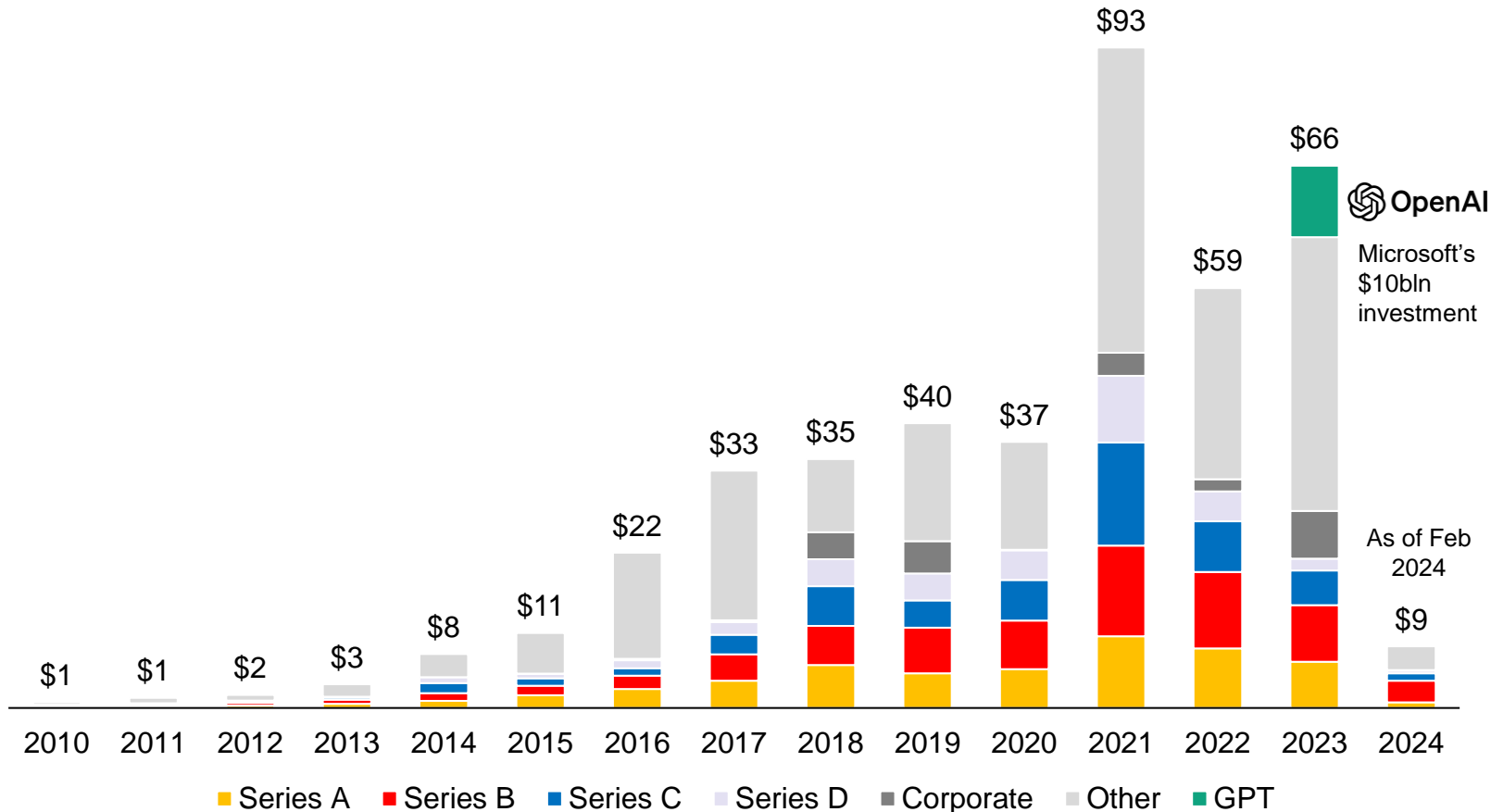
Comment

- In the last decade, 48% of total fundraising rounds in the AI space were Pre-Seed and Seed rounds
- Naturally, there is an active market for smaller funding rounds, and only a fraction of startups become successful to raise multiple rounds
- Number of funding rounds has been growing across stages over the past 15 years
- The deterioration of funding environment affected the later stages the most with number of rounds declining in 2021-2023:
 - Pre-Seed: 0%
 - Seed: -20%
 - Series A: -38%
 - Series B: -38%

AI Funding: Value of capital raised

Corporate investors emerged as one of the biggest and most aggressive investors in AI companies in 2023

Total value of capital raised by AI companies, \$B



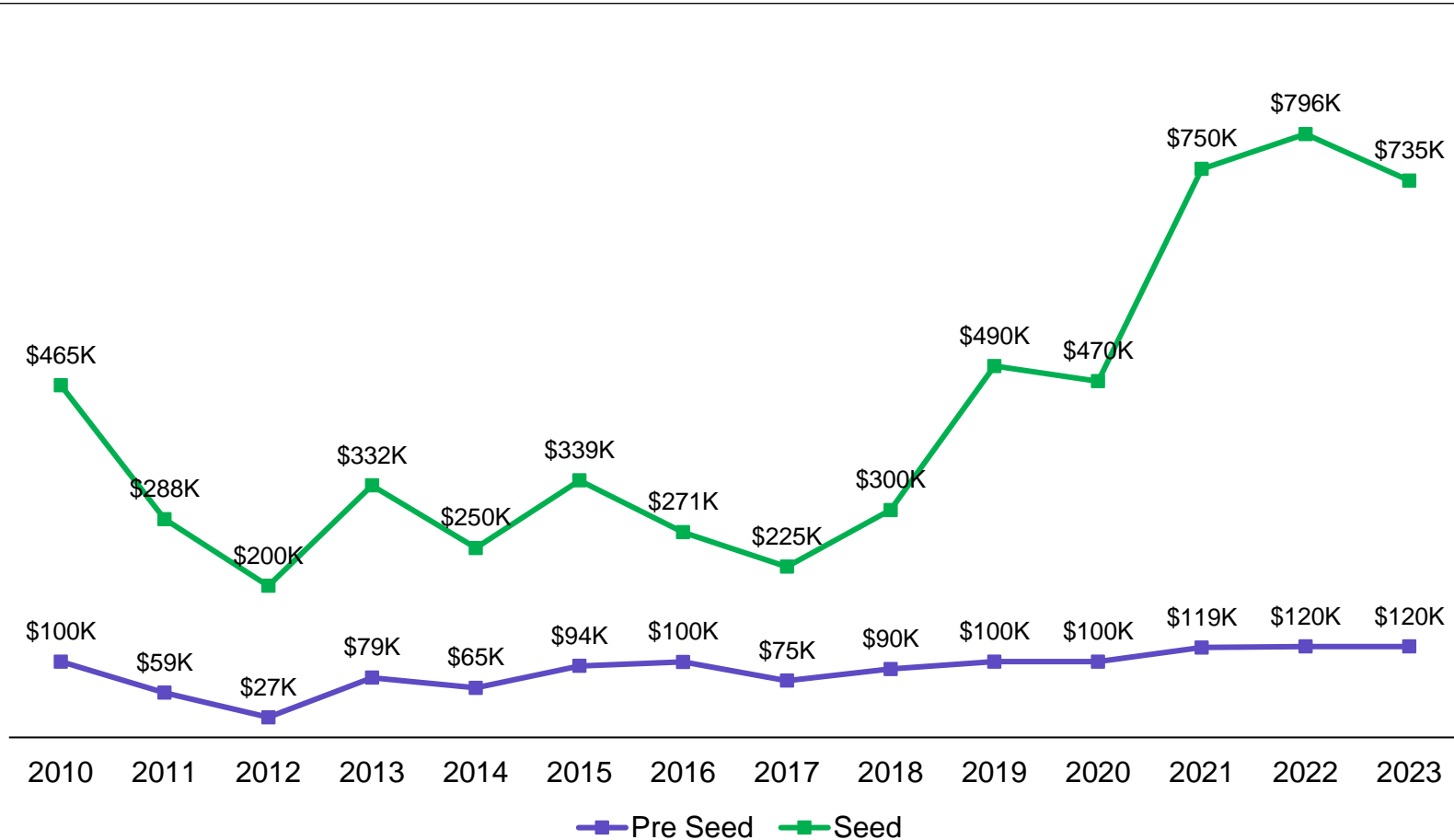
Comment

- About 50% of capital invested in AI companies came during Series A to D and Corporate rounds
- Corporations invested \$16bln into AI companies in 2023 – the largest volume of investments in history
- Microsoft’s \$10bln investment in ChatGPT’s parent company OpenAI was the most prominent deal of 2023
- Total money invested in AI peaked in 2021 at \$93 billion. Of 6,800 deals in 2021, 6 deals were of \$1 billion+ size. Most prominent ones include;
 - \$7 billion investment in Cruise by GM Financial and Microsoft
 - \$2 billion investment in Databricks by a consortium of financial investors

AI Valuations: Median round size by stage (1/2)

Median round size has more than tripled for Seed rounds to reach around \$700-800K

Median round size, \$K



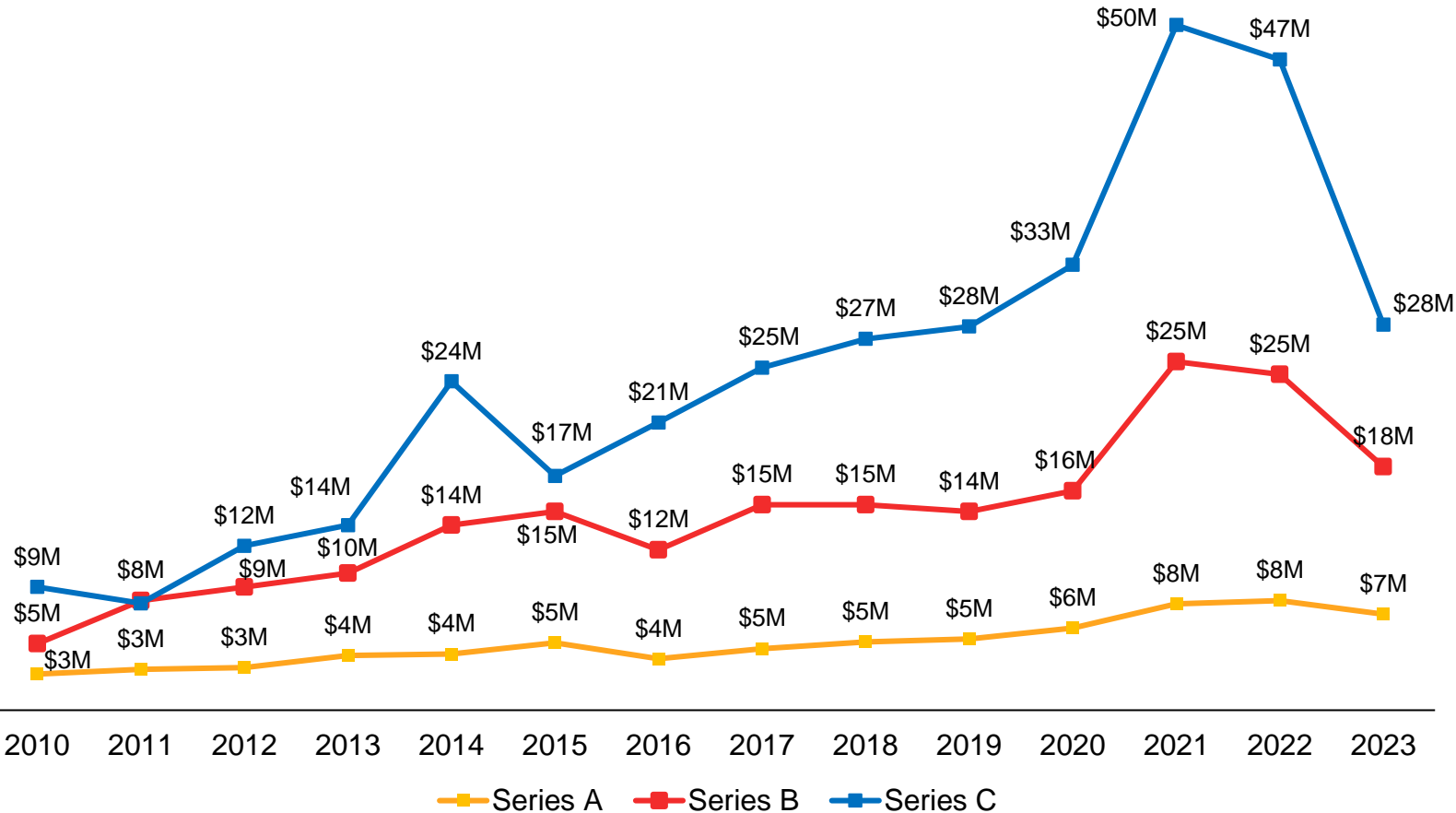
Comment

- The median Pre-Seed round size for AI companies stayed stable over the past 10 years at around \$100-120K
- The median Seed round size for AI companies has been growing and reached around \$700-800K in 2021-2023

AI Valuations: Median round size by stage (2/2)

Later stages median round sizes have been growing consistently with a significant jump in 2021-2022

Median round size, \$M



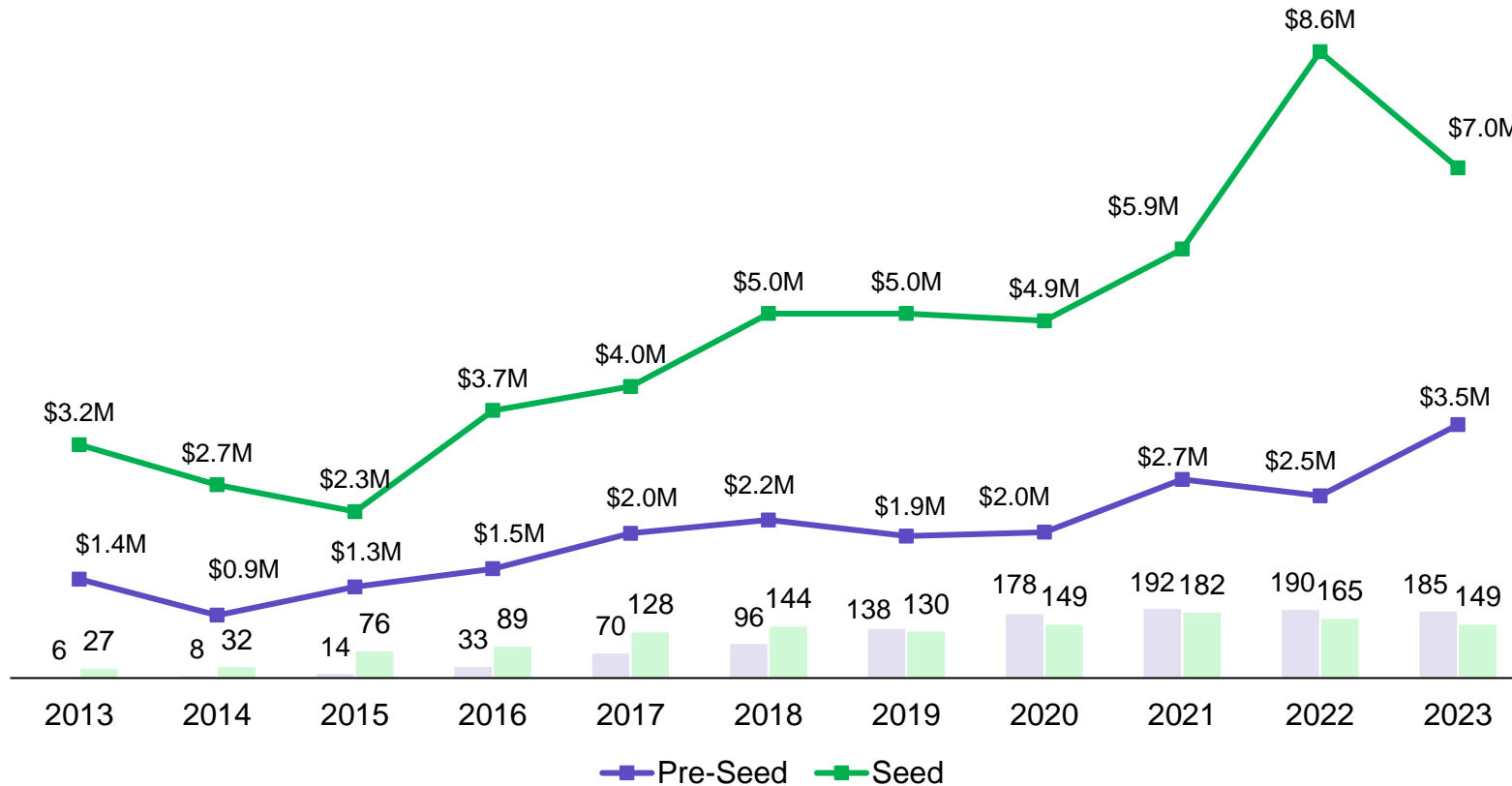
Comment

- Median round sizes have been growing across all stages
- Round sizes jumped during 2021-2022 tech boom, following massive monetary stimulus and an abundance of capital during COVID
- The largest jump in median round sizes was observed in Series B and C, dominated by large VC investors, such as, Andreessen Horowitz, HV Capital, EQT Ventures, and Sequoia.
- Following the interest rate increases and normalization of appetite for tech investments, the values have returned to their pre-COVID trendlines

AI Valuations: Median pre-money valuation

The median valuations of AI startups have grown significantly over the past 10 years

Median pre-money valuation, \$M and Sample size, #



Comment

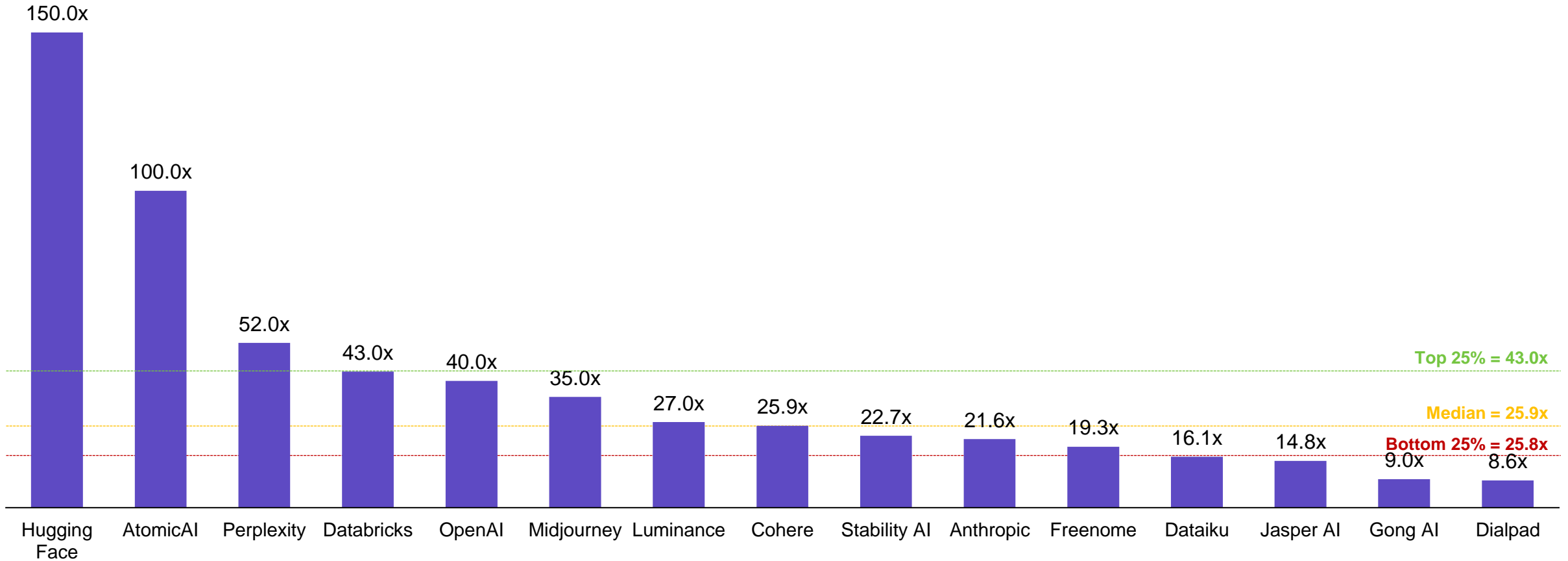
- Pre-money valuation is the total equity value of a company before receiving cash from a round
- The pre-money money valuation is increased by the additional equity (cash) contributed by the investors, resulting in post-money valuation
- The median pre-money valuation of a Pre-Seed AI start-up reached its peak in 2021 at \$3 million
- The median pre-money valuation of a Seed stage AI company touched its peak in 2022 at \$9 million
- As of 2023, a median AI company at Pre-Seed stage is valued \$4 million and at Seed stage is valued \$7 million

Note: as valuations are not disclosed for most of the rounds, the sample is different from the analysis of median round sizes

AI Valuations: EV/Revenue multiples in funding rounds
















There is a big discrepancy seen between valuation multiples of private AI companies starting from 8.0x revenue to 150.0x revenue

EV/Revenue multiple of selected AI companies, as of Jan 2024



AI Valuations: Private Companies EV/Revenue Multiple

Valuation benchmarks for AI companies are available primarily for the largest funding rounds of leading companies

Date	Country	Company	Segment	Valuation, \$M	Revenue, \$M	EV/Revenue
Dec-23		OpenAI	Generative AI	80,000	2,000	40.0x
Nov-23		Databricks	Data Intelligence	43,000	1,000	43.0x
Dec-23		Anthropic	Generative AI	18,400	850	21.6x
Dec-22		Midjourney	Generative AI	10,500	300	35.0x
Aug-23		Hugging Face	Conversational AI	4,500	30	150.0x
Dec-22		Dataiku	Enterprise AI	3,700	230	16.1x
Feb-24		Freenome	Health Tech AI	2,600	135	19.3x
Jan-24		Cohere	Conversational AI	2,200	85	25.9x
Dec-21		Dialpad	Enterprise AI	2,200	255	8.6x
Jun-21		Gong AI	Customer Experience AI	7,250	244	9.0x
Oct-22		Jasper AI	Generative AI	1,300	88	14.8x
Nov-23		Stability AI	Generative AI	1,000	44	22.7x
Mar-24		Perplexity	Generative AI	520	10	52.0x
Aug-23		AtomicAI	Health Tech AI	200	2	100.0x
Dec-22		Luminance	Data Intelligence	100	4	27.0x
Median						25.8x

Most active AI investors: By number of deals

We see three main types of investors that are actively investing in the AI space: Financial, Strategic and Government

Type	Investors
Financial/VC	
CVC/Strategic	
Governments /Sovereigns	

Most active AI investors: By capital invested

Strategic corporate investors focus on fewer but bigger investments while financial investors rely on high volume with smaller ticket sizes












Investor	No. of investments	Total money invested, \$M	Notable investments
SoftBank Vision Fund	48	13,320	 CLARITY AI  eightfold.ai ContractPodAi
 Microsoft	14	11,006	 ChatGPT Builder.ai KUDO
Tencent	25	6,325	 iCarbonX  KINDRED VoxelCloud
TIGERGLOBAL	65	5,518	scale  SentinelOne  ABACUS.AI
 GM FINANCIAL	1	5,000	CRUISE
INSIGHT PARTNERS	110	4,488	 AssemblyAI UNLEARN  Prophecy

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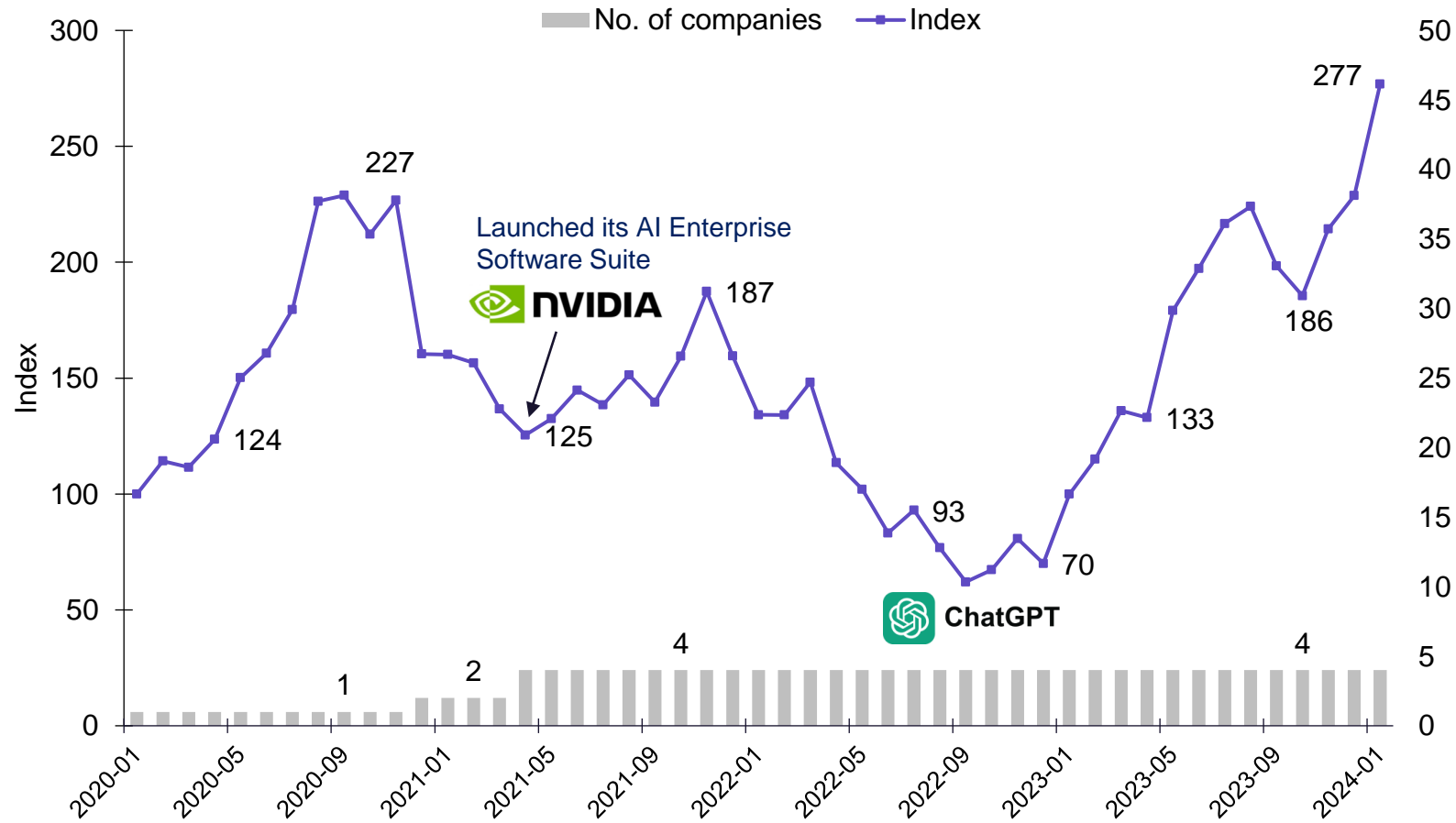
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AI Valuations: Aventis AI Index

AI index rose by almost 300% between January 2023 and 2024, driven by the phenomenal performance of NVIDIA stock and broader AI-hype

Aventis AI Index, 01.01.2015=100



Comment

- Our AI index consists of 4 listed companies – NVIDIA, UIPath, C3.ai, BigBear.ai
- The sample is significantly weighted towards NVIDIA, as AI is an emerging industry and there are few listed pure-play AI companies
- Soon after we saw the official and global launch of ChatGPT in November 2022. This was the big breakthrough moment for artificial intelligence (and Generative AI in particular)
- The AI index has shown very strong performance in the period after the launch of OpenAI's ChatGPT. In the last year, it has risen by a whopping 295%









Disclaimer

- We believe the AI Index is useful for tracking a general AI sentiment, not yet as guidance for valuations
- The sample is small and weighted towards NVIDIA

Note: equal-weight index; 01.01.2015=100; IPO date=100 for companies that went public after 01.01.2015

AI Valuations: Listed Companies EV/Revenue Multiple

The median EV/Revenue multiple for AI companies is 9.0x but we see a big variance between companies such as BigBear.ai and NVIDIA

Country	Company	Enterprise value, \$M	Revenue, \$M	EV/Revenue
Note: There are no pure-play listed AI companies and we have used the following as the closest reference benchmark for AI industry				
	 NVIDIA	1,708,210	60,922	31.6x
	 UiPath™	11,731	1,211	9.5x
	 C3.ai	2,483	285	8.3x
	 BigBear.ai	503	155	3.1x

About Aventis Advisors

We advise founders of **technology and growth** companies on company exits and strategy.

Our focus sectors are **Software and IT Services**.

Our job is to make sure you **sell at the right time to the right people** for a fair valuation.

Technology M&A focus

New York & Warsaw

Cross-border expertise

Thought leadership

Aventis Advisors



Contact



Marcin Majewski

Managing Director

marcin.majewski@aventis-advisors.com



Filip Drazdou

Associate

filip.drazdou@aventis-advisors.com



Shaheer Ansari

Analyst

shaheer.ansari@aventis-advisors.com

Get in touch

Aventis Advisors

