

AI Valuation Multiples

Who is dominating the AI-race? What is driving the AI-hype cycle?

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' data from Crunchbase for our analysis

Description keywords

Our export of companies was based on two keywords: **Artificial Intelligence, AI**

Total results

Our team analyzed a total of ~22,000 AI funding rounds

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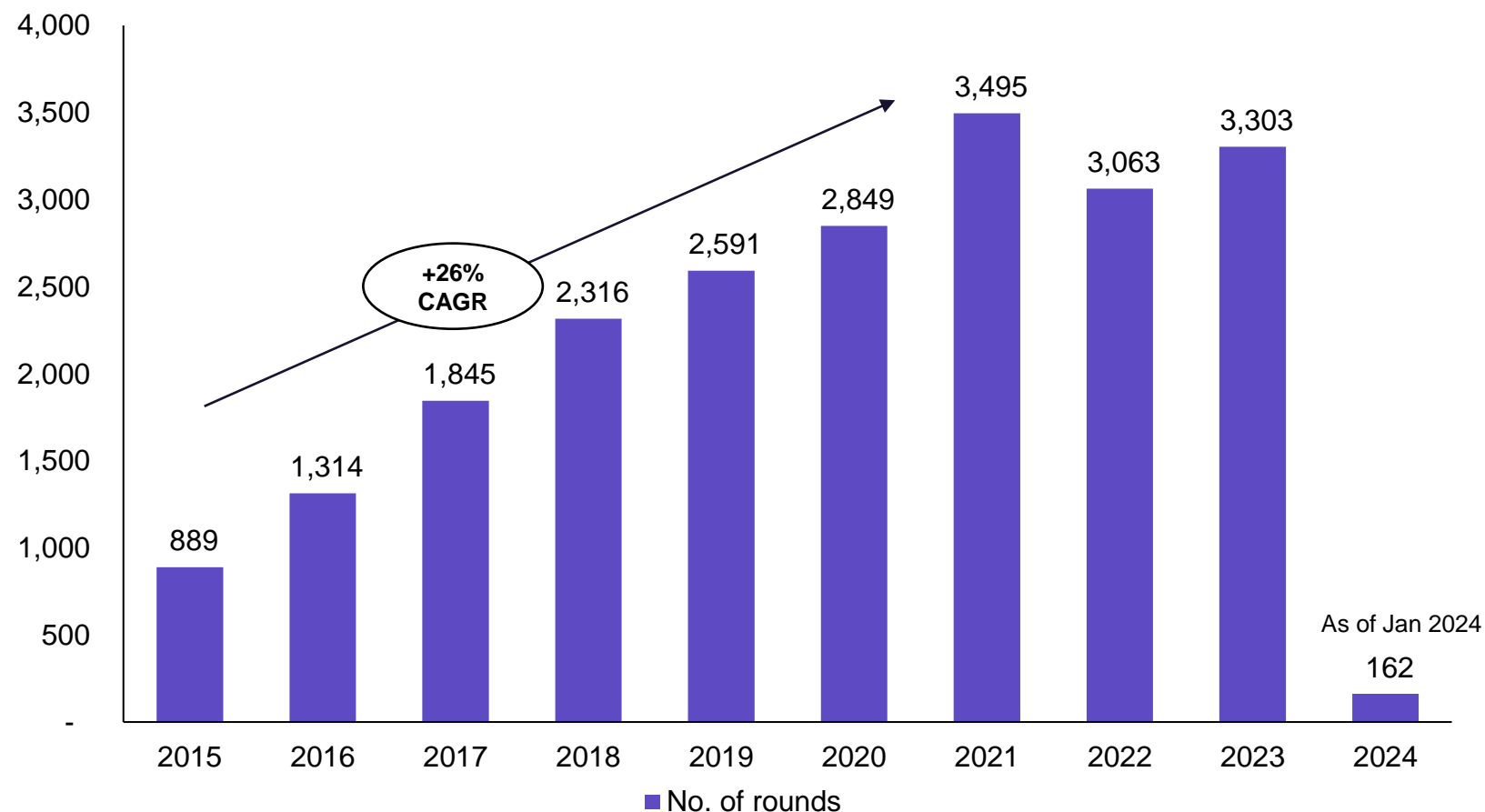
1. AI valuations: Fundraising
2. AI valuations: Listed companies



AI Valuations: Total no. of fundraising rounds by AI companies

The number of fundraising rounds in the AI space have consistently increased YoY in the last 10 years, with only 2022 being an exception

No. of funding rounds, 2015 - 2024



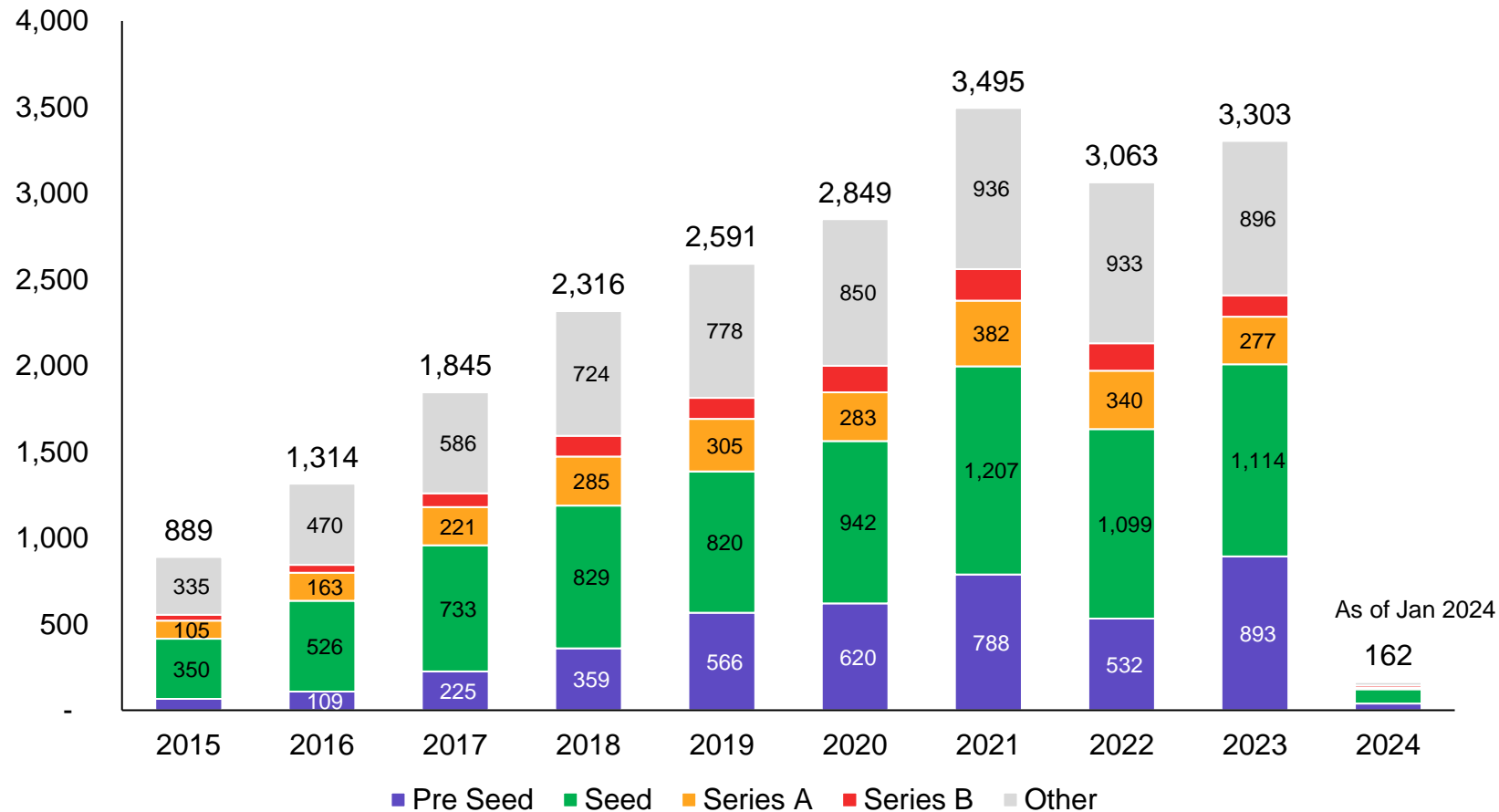
Comment

- 2021 was the peak year for fundraising for AI companies – no. of rounds were 22% vs 2020
- 2022 was the year of a slight pause as investors faced new interest rate regime realities and the funding dried out
- AI hype didn't die down and fundraising rounds in the space picked up again in 2023

AI Valuations: No. of fundraising rounds by type

AI companies are mostly raising Pre Seed, Seed, and Series A rounds in last 10 years, likely to develop new and innovative AI use cases

No. of funding rounds, 2015 - 2024



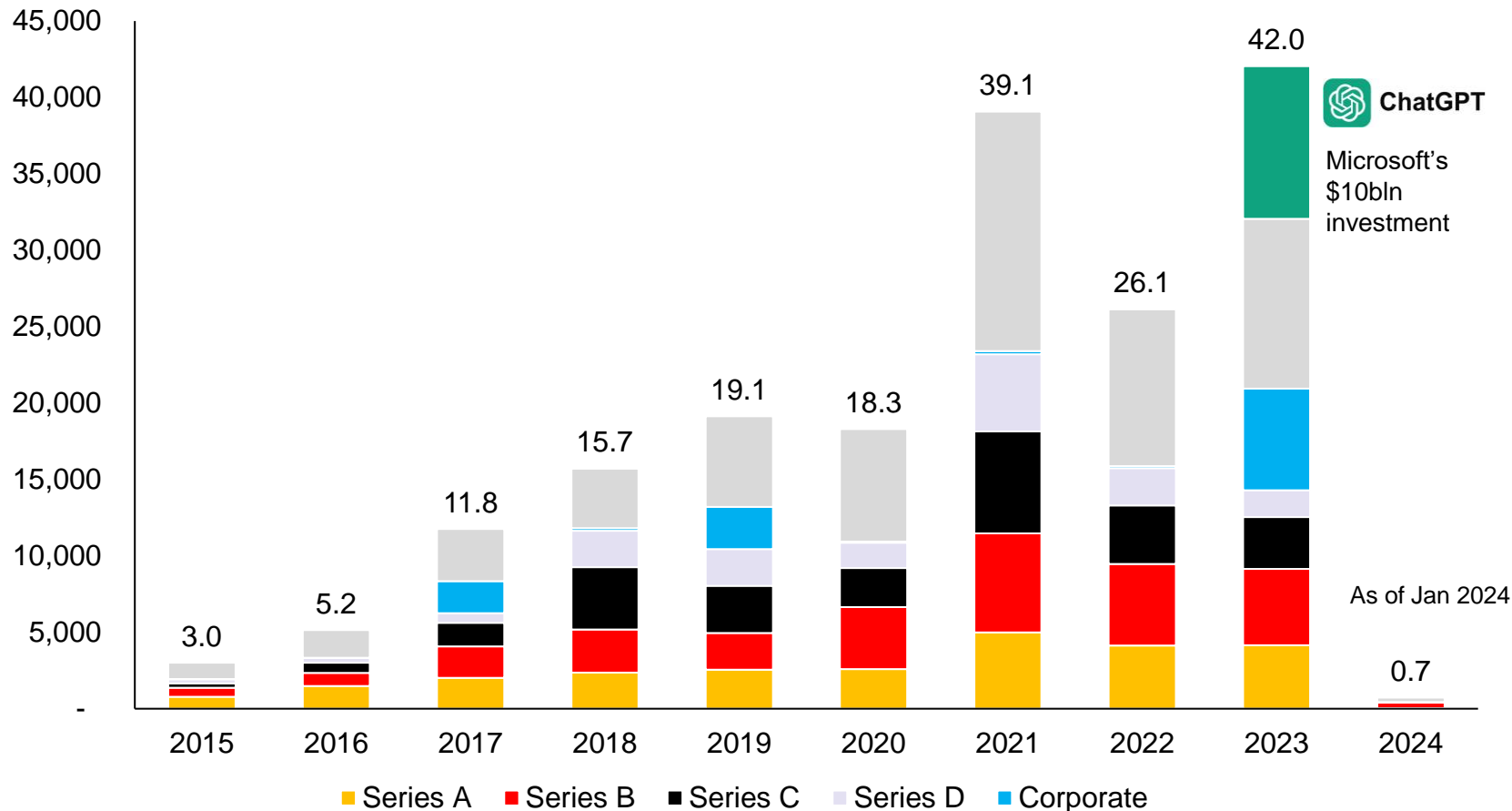
Comment

- In the last decade, 35% of total fundraising rounds in the AI space were Seed rounds
- This hints that more and more early-stage AI startups are emerging
- This will enable the development of new use cases and applications of Artificial Intelligence
- Pre Seed, Seed, and Series A round make up 65% of fundraising for AI companies in the last 10 years
- 70% of the fundraising by AI companies was done at Pre Seed, Seed, Series A, and Series B level

AI Valuations: Total money raised by AI companies

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

Total money raised by AI companies, \$ billions



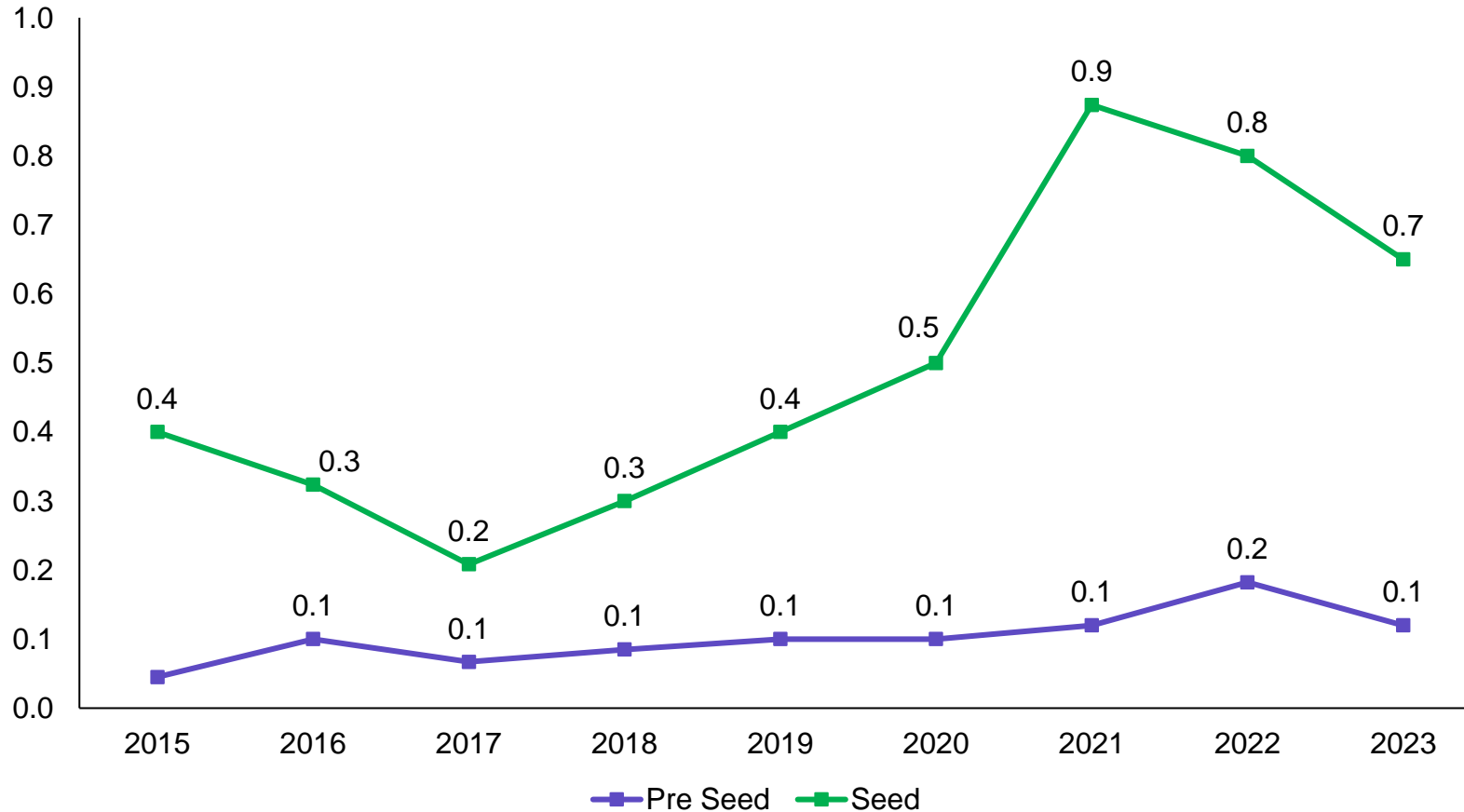
Comment

- By money invested in AI companies, over 50% investments have been made by Series A – Series D and Corporate investors.
- Corporations invested \$16bln into AI companies in 2023 – the highest money spent in the space in last 10 years
- Microsoft's \$10bln investment in ChatGPT's parent company OpenAI was the most prominent and talked about deal in 2023
- Prior to that, the biggest corporate investment in an AI company happened in 2019 when autonomous driving technology company ArgoAI received a joint investment of \$2.6bln from Ford and Volkswagen group

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

Product research and development phase: Pre-Seed, Seed

Median fundraising deal size 2015 - 2023, \$M



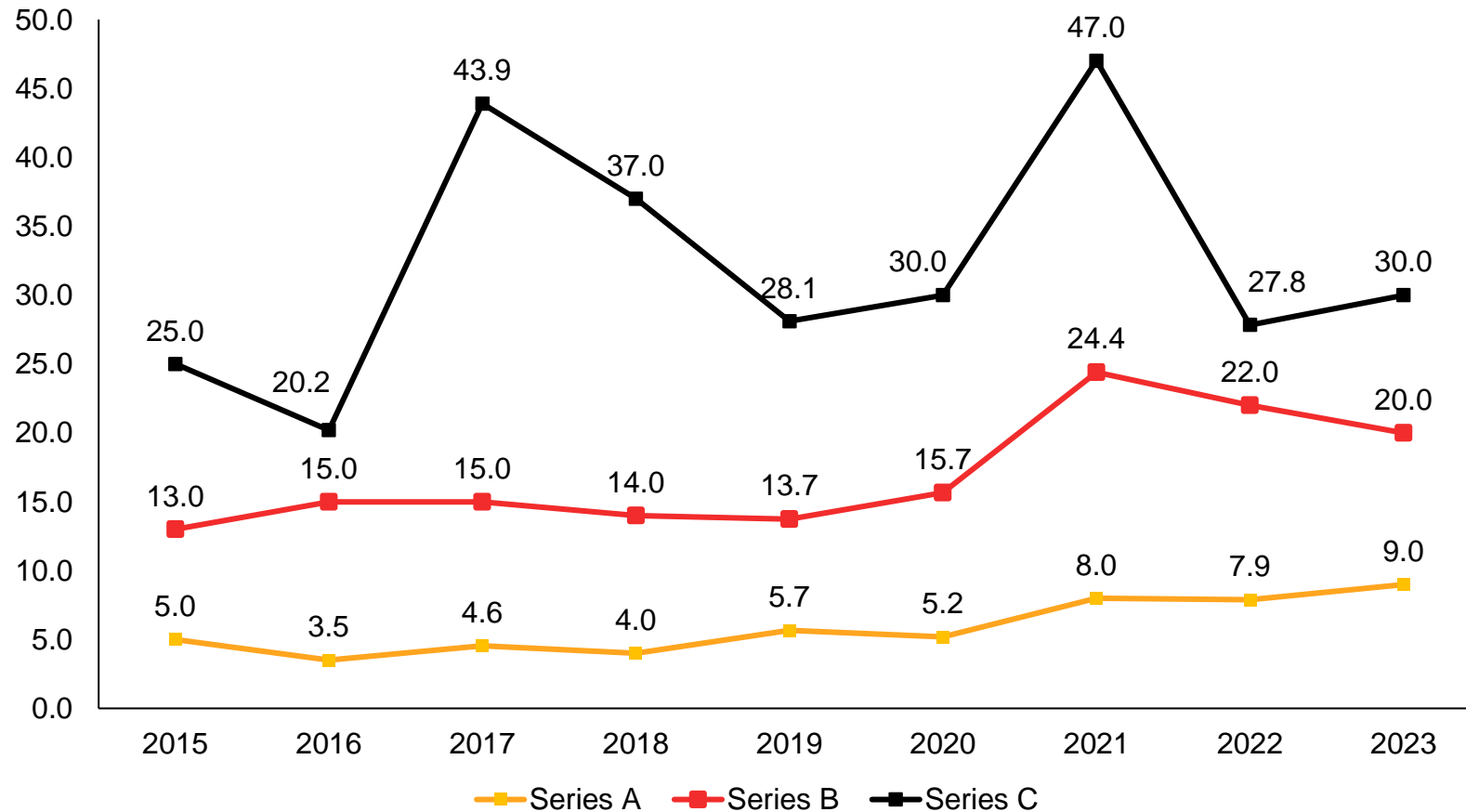
Comment

- The median fundraising size for AI companies at Seed round increased from \$400k in 2015 to \$700k in 2023 while the median fundraising size for Pre-Seed rounds roughly remained at \$100k
- While one would bet on the fact that the launch of ChatGPT has provided a boost to the money raised by a median AI-startup, we found that this is not the case
- In fact, after the launch of ChatGPT, the median deal size raised by AI start-ups fell from
 - \$200k to \$100k at pre-seed
 - \$800k to \$700k at seed

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

Scale and expansion phase: Series A, B, C

Median fundraising deal size 2015 - 2023, \$M



Comment

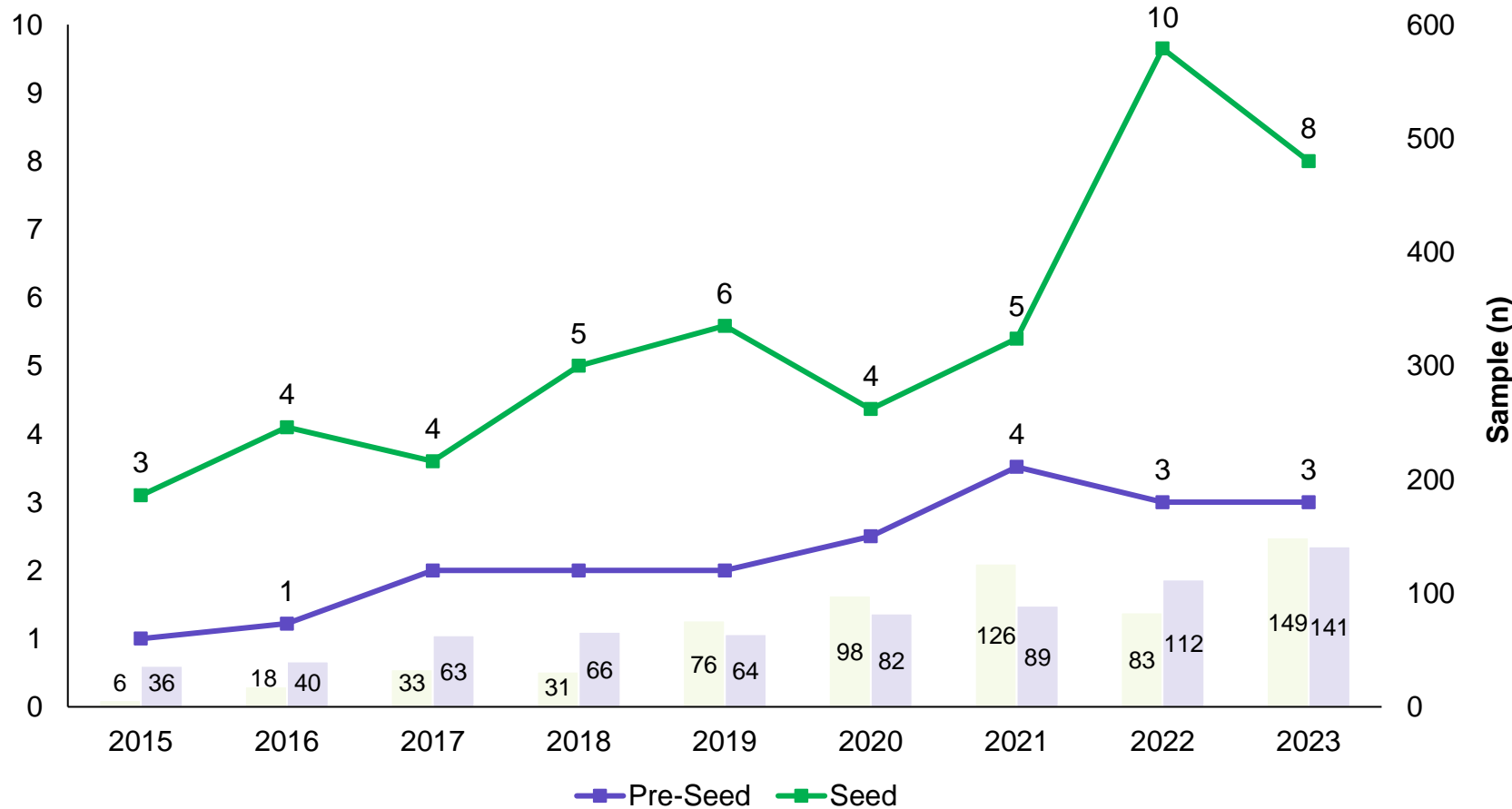
- Median deal sizes peaked in 2021 across Series A, B, and C rounds
- Median deal sizes got a boost after 2019, a likely explanation for this would be

- Unlike Pre-seed and Seed, we don't see a discernible or uniform impact of the launch of ChatGPT on the median deal sizes at Series A, B, and C rounds

AI Valuations: Median pre-money valuation

The median valuations of AI-startups have increased from \$3 million to \$8 million at Seed stage and \$1 million to \$3 million at Pre-seed stage

Median pre-money valuation 2015 - 2023, \$M



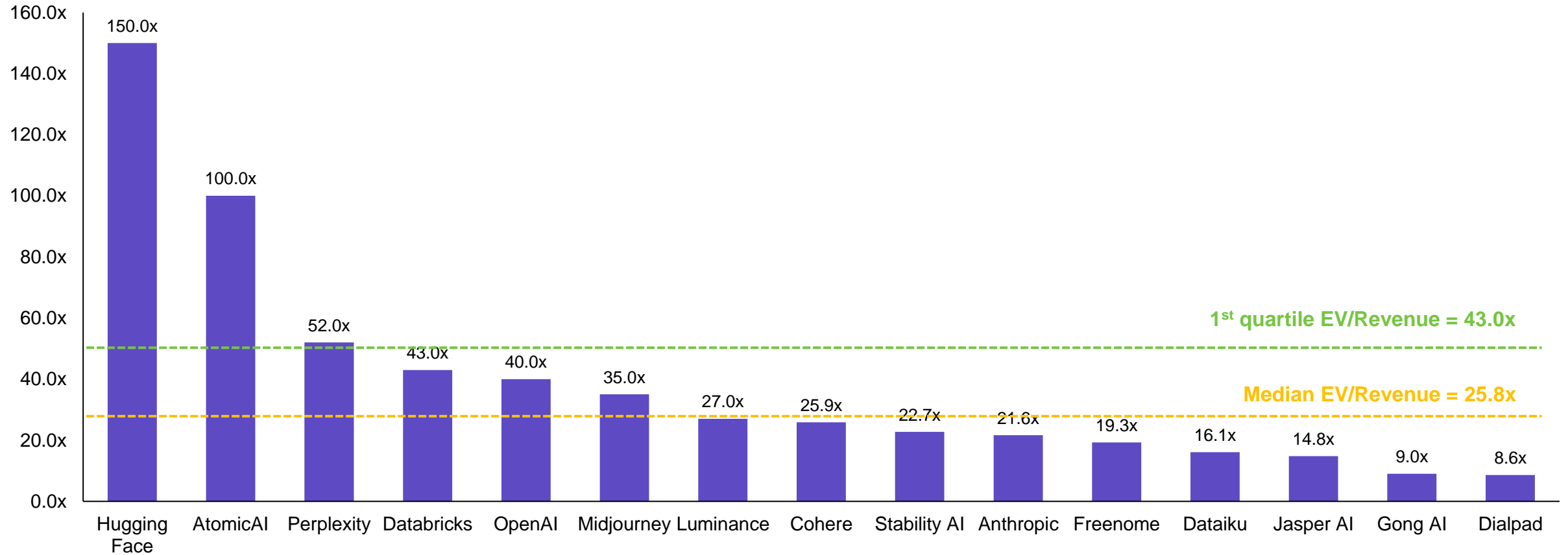
Comment

- Pre-money valuation is the total equity value of a company before receiving cash from a fundraising 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 \$4 million
- The median pre-money valuation of a Seed stage AI company touched its peak in 2022 at \$10million
- As of 2023, a median AI company at Pre-Seed stage is valued \$3million and at Seed stage is valued \$8 million

AI Valuations: Private Companies EV/Revenue Multiple
















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

To benchmark AI valuations, we looked at some of the most popular AI companies in different segments and their publicly available valuations

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

Biggest investors in AI: By number of deals

We see three main types of investors that are actively investing in the AI space

Type	Investors
Financial/VC	        
CVC/Strategic	      
Governments /Sovereigns	      

Biggest investors in AI: By money 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
 Microsoft	5	10,249	 ChatGPT  
SoftBank Vision Fund	24	4,789	 CLARITY AI  eightfold.ai 
 amazon	3	4,000	ANTHROPIC
 Google	8	2,843	 WADHWANI AI  Mila ANTHROPIC
VOLKSWAGEN	1	2,600	 ARGO AI
 andreessen horowitz	40	2,200	 databricks  Ambient.ai  LUMA AI

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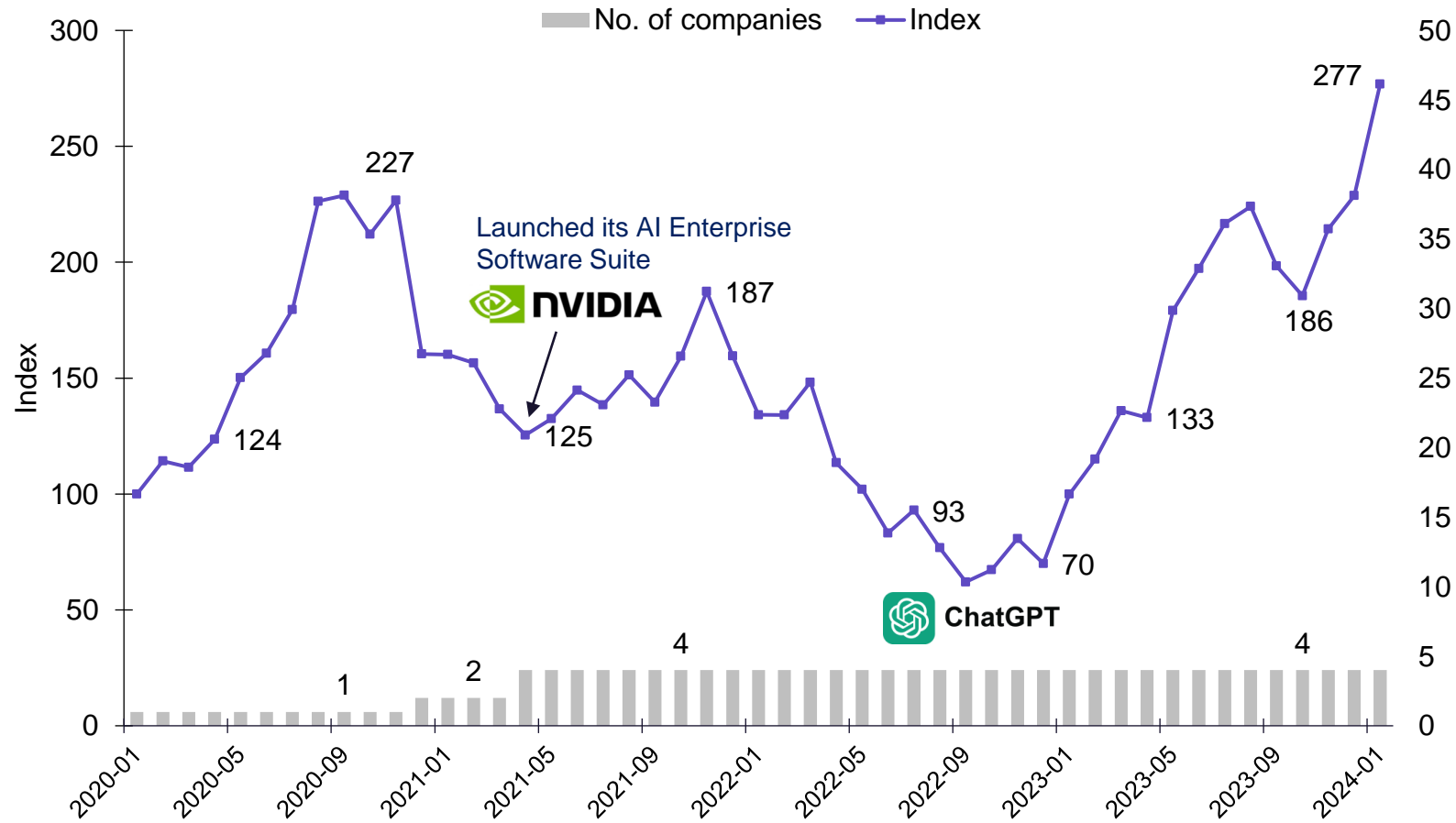
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AI Valuations: Aventis AI Index

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



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