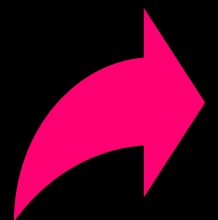


Seed | Series A | Series B+

Valuation Multiples

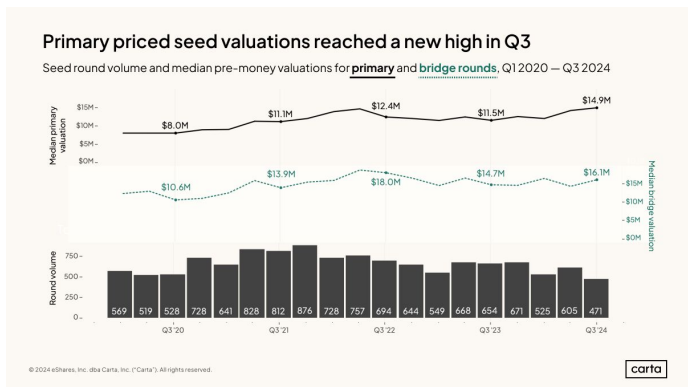
For Q3 2024...



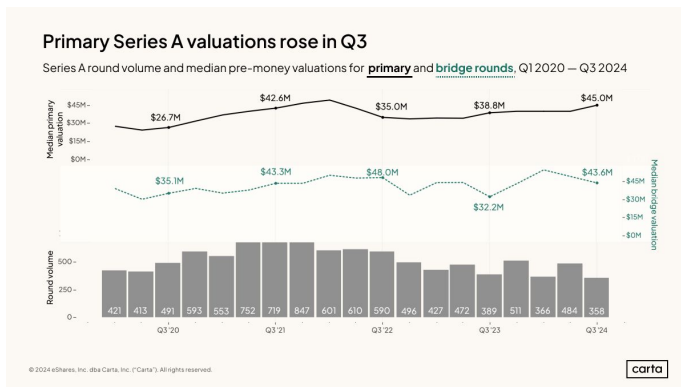
Q3 2024 Valuations

Be sure to follow [@Peter Walker](#) at Carta for more data like this

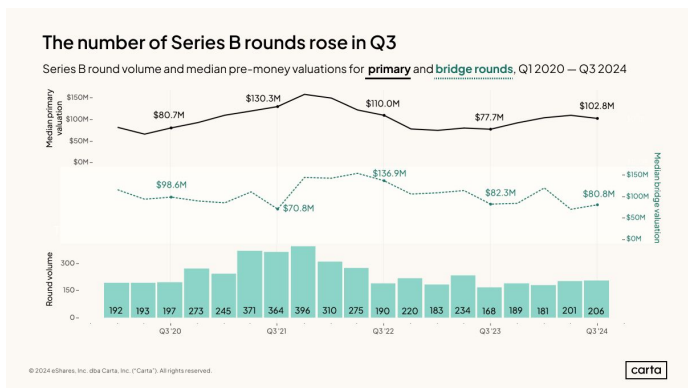
\$15M



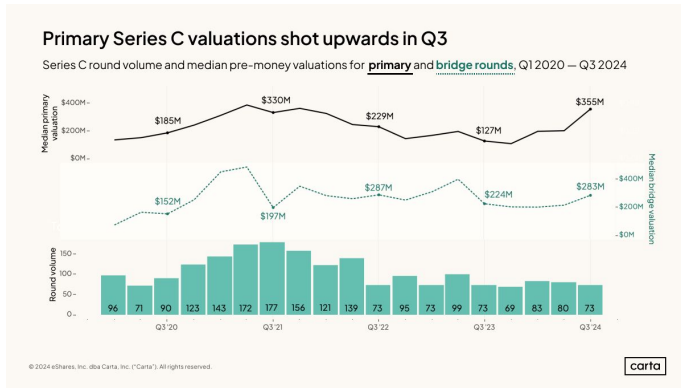
\$45M



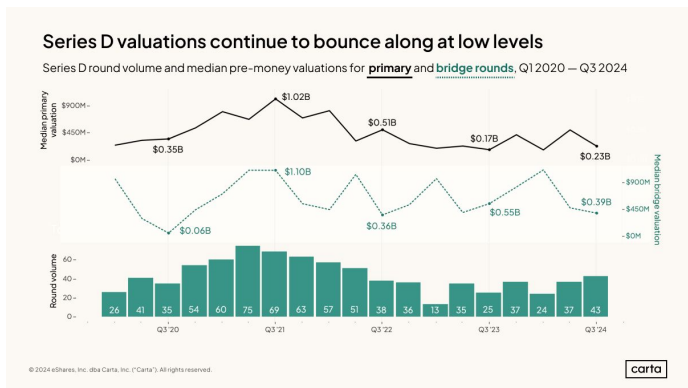
\$103M



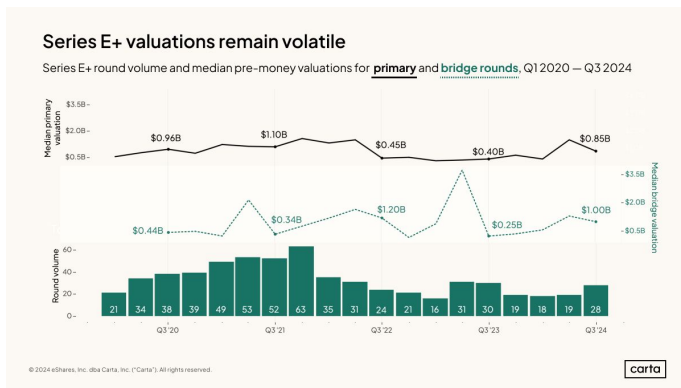
\$355M



\$230M



\$850M



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Valuations Multiples?

I was curious to see what would happen if we paired Carta's median valuation numbers with their time between rounds and the definition of Venture Scale to see how valuation multiples change over rounds

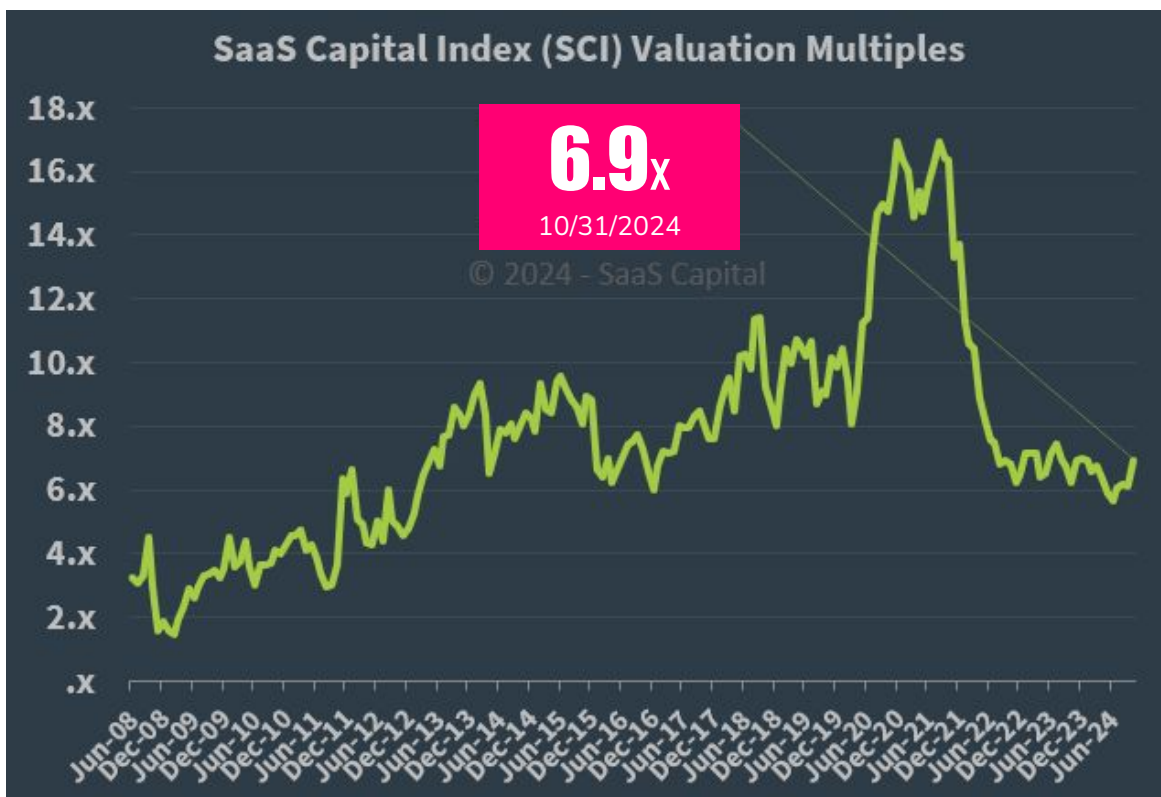


So let's take a look...



Ending Multiple?

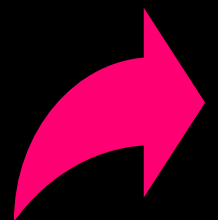
My expectation is that it'll start high and drop fast over each round to eventually meet up with the SaaS Capital (public) Valuation Multiples...



The revenue multiple is based on annualized current run-rate revenue, not trailing or projected revenue

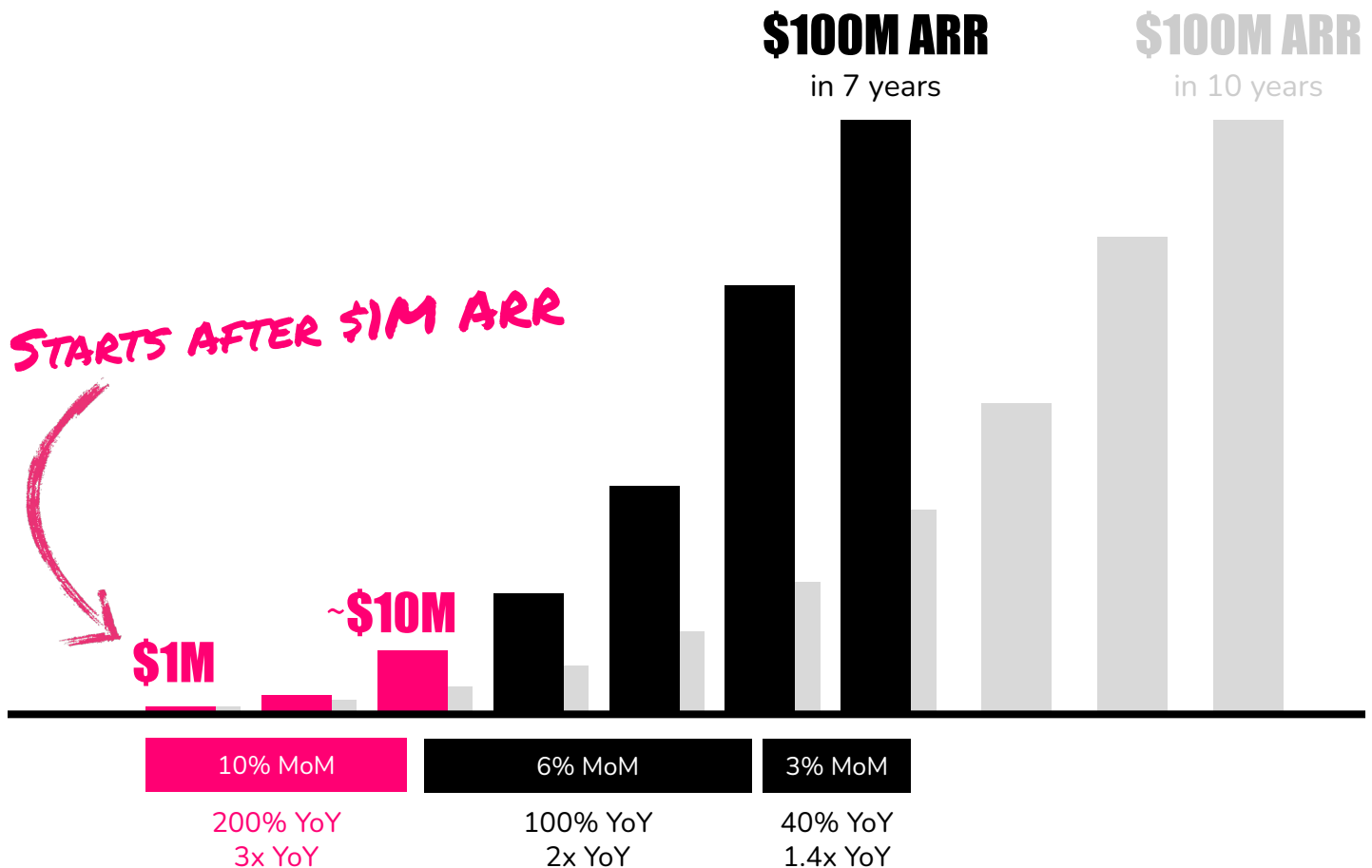


**Okay,
Let's go!**



High Growth Case

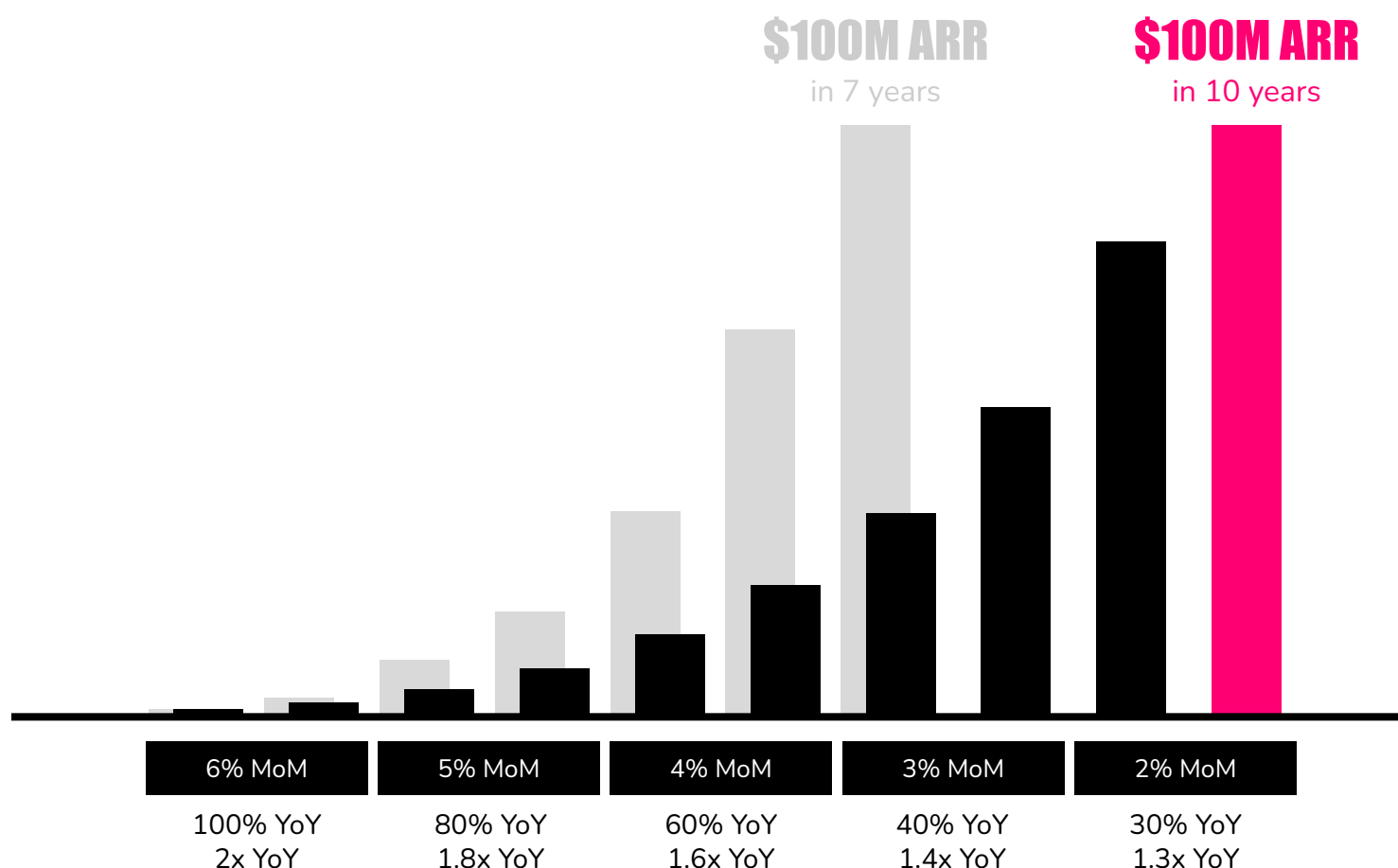
The ideal definition of Venture Scale is going from \$1M to \$100M in 7 years
It's the classic Triple Triple Double Double Double (T2D3) and if you look closely that means 10% mom growth for the first 24 months straight



Medium Growth Case

But since Carta's valuation and time between rounds use "median" numbers I'm going to use a \$1M to \$100M in 10 years growth case

We'll use this one 👍

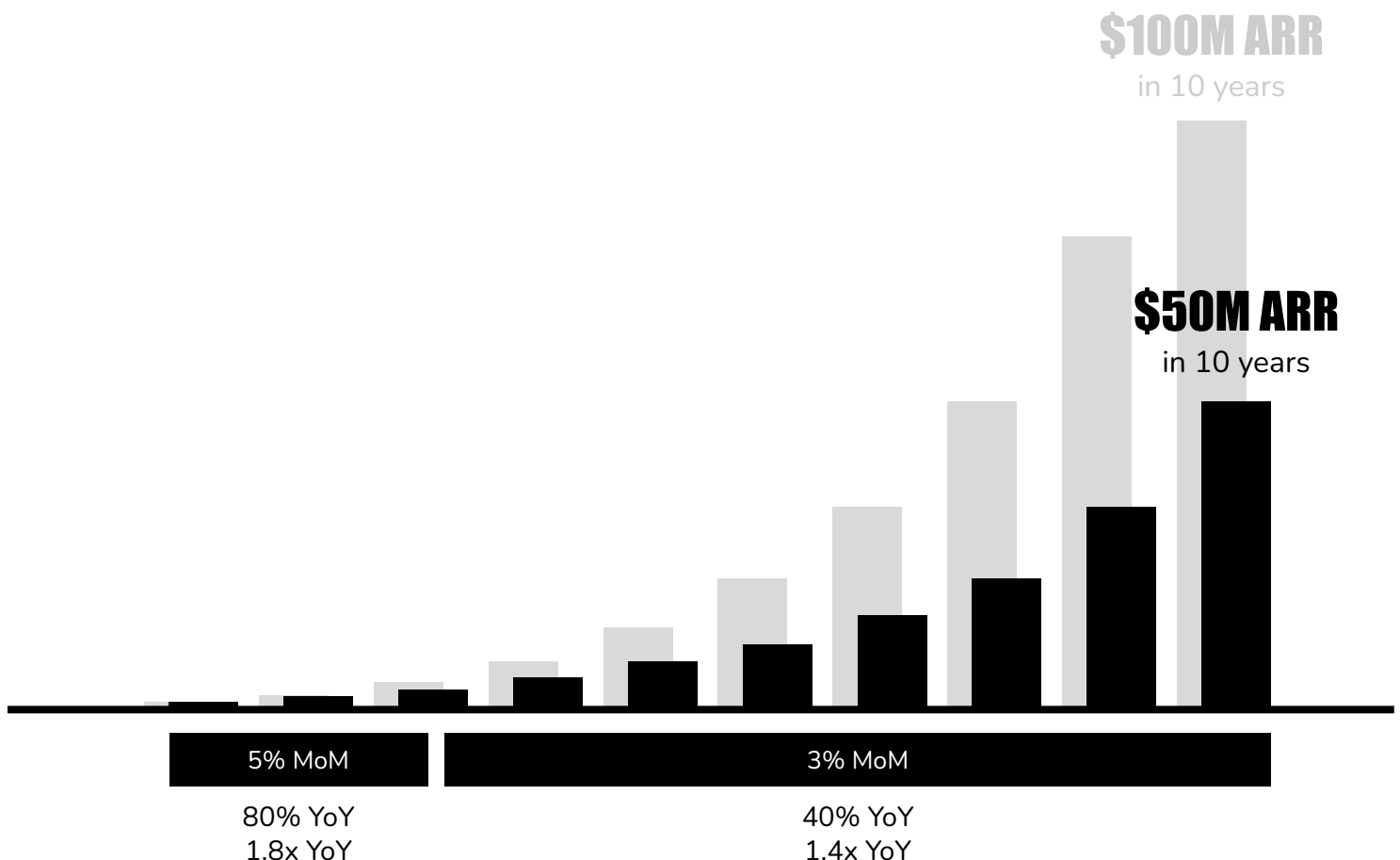


Lower Growth Case

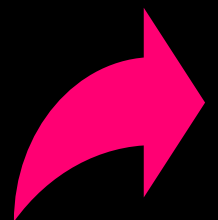
For venture backed companies this would be considered low growth. For any other company, 1.4x to 1.8x growth every year would be a huge win.

~~**VCs aren't looking for growth**~~

They're looking for Venture Scale Growth



Pre Seed & Seed Stage



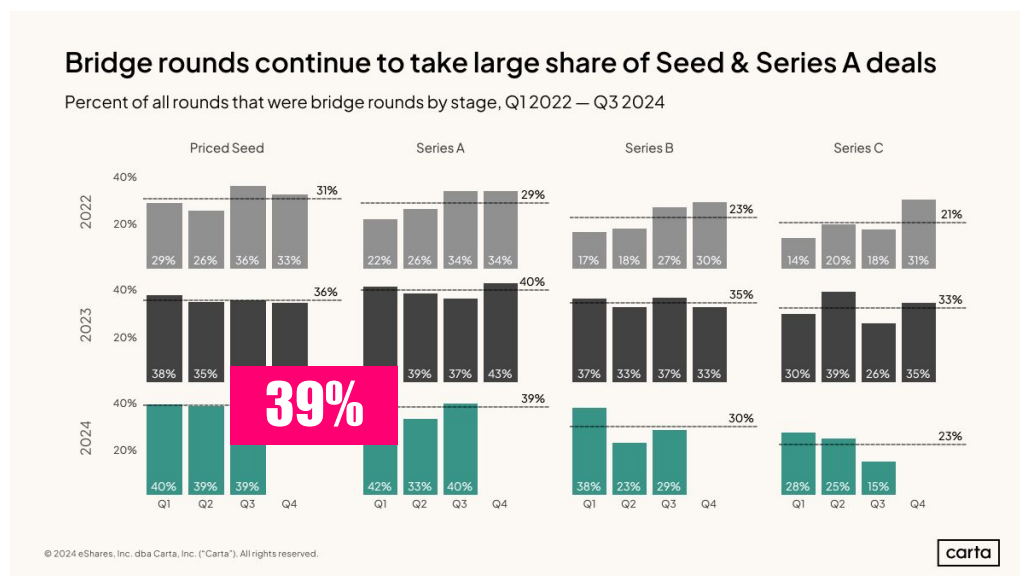
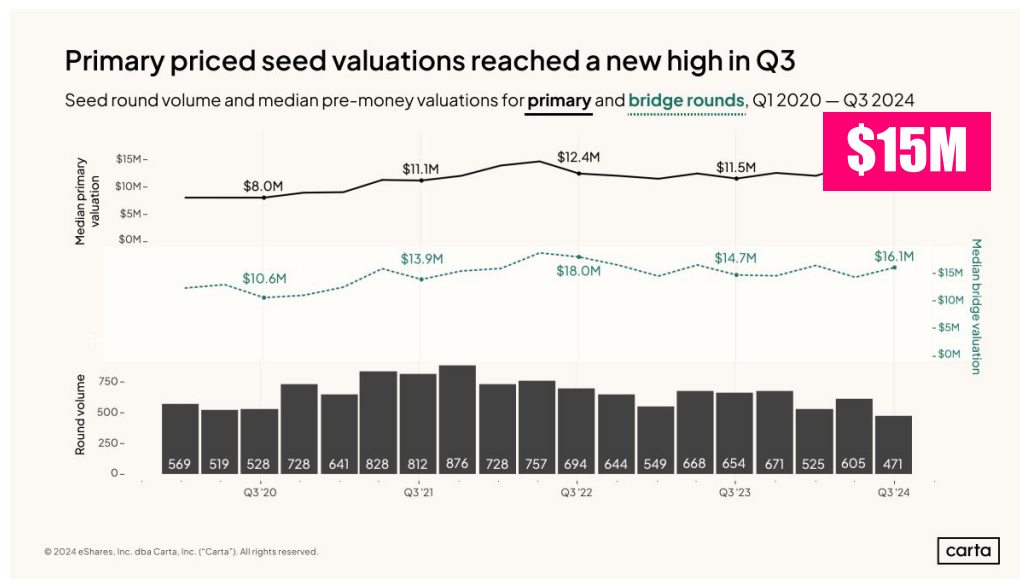
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Seed Priced Rounds

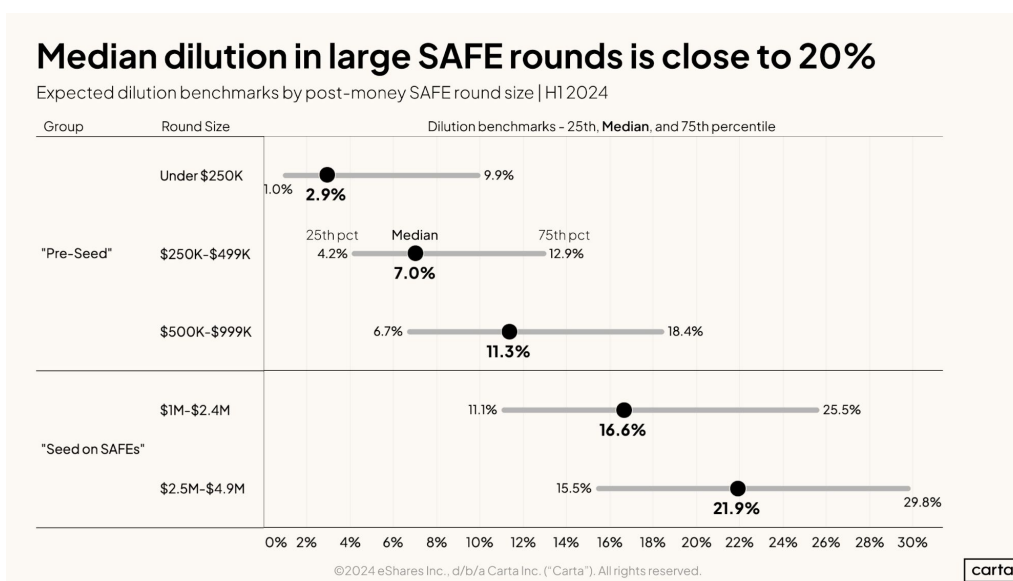
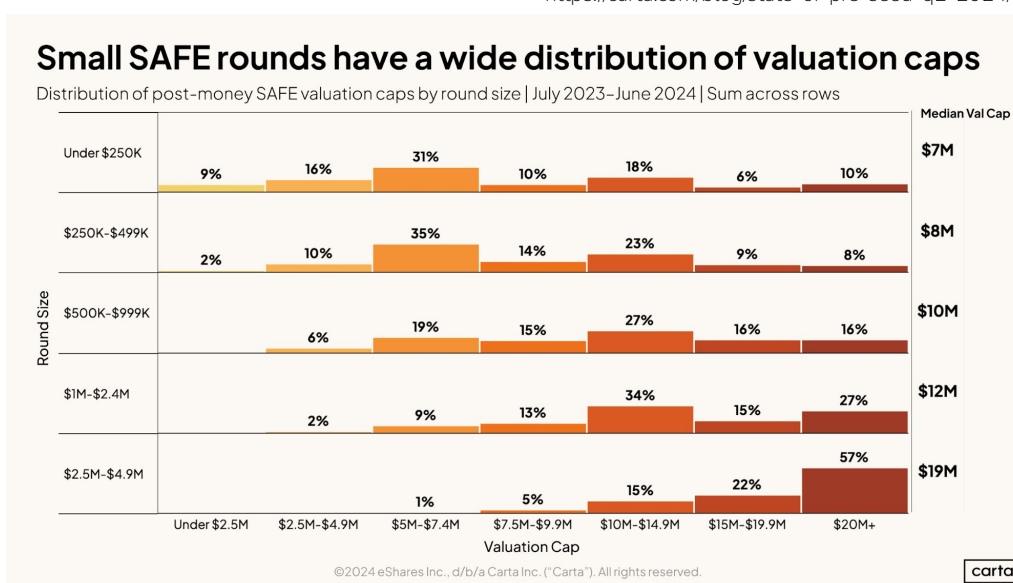
For all the rounds, we're only going to use the median primary round pre-money valuations and for Seed rounds, we're only going to focus on priced rounds...



Pre-Seed & Seed on SAFEs

For this modeling we're going to only use Priced Seed Rounds, but for more information on pre-Seed and Seed on SAFE rounds checkout Carta's "State of pre-seed: Q2 2024" report

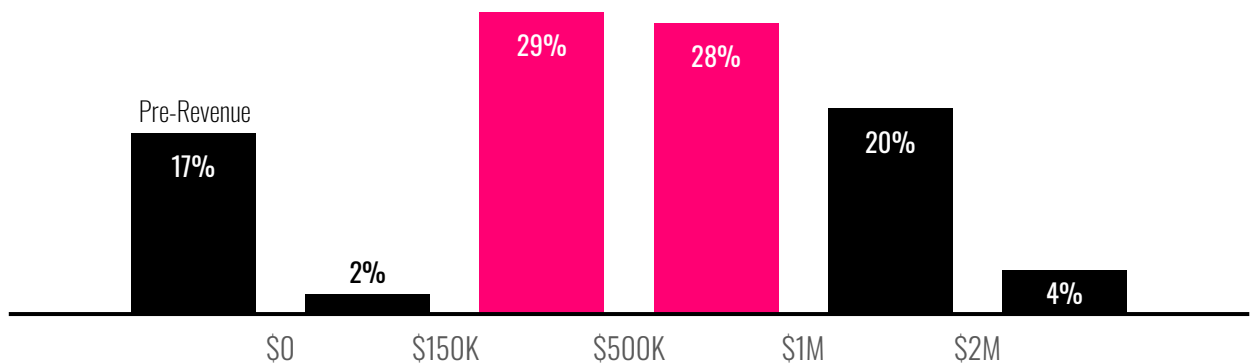
<https://carta.com/blog/state-of-pre-seed-q2-2024/>



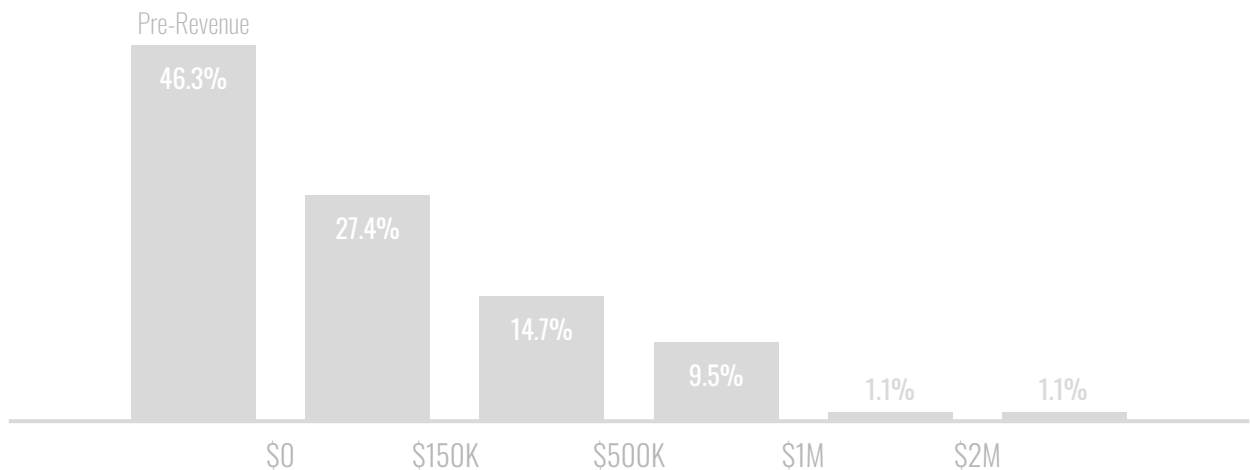
Revenue at Seed?

Right Side Capital ran a survey with 100 seed and pre-seed VCs earlier this year asking what their revenue expectations are for 2024 deals which can help us give a revenue starting point for Seed multiples...

What typical revenue would you need to see for a \$4M Seed Round?

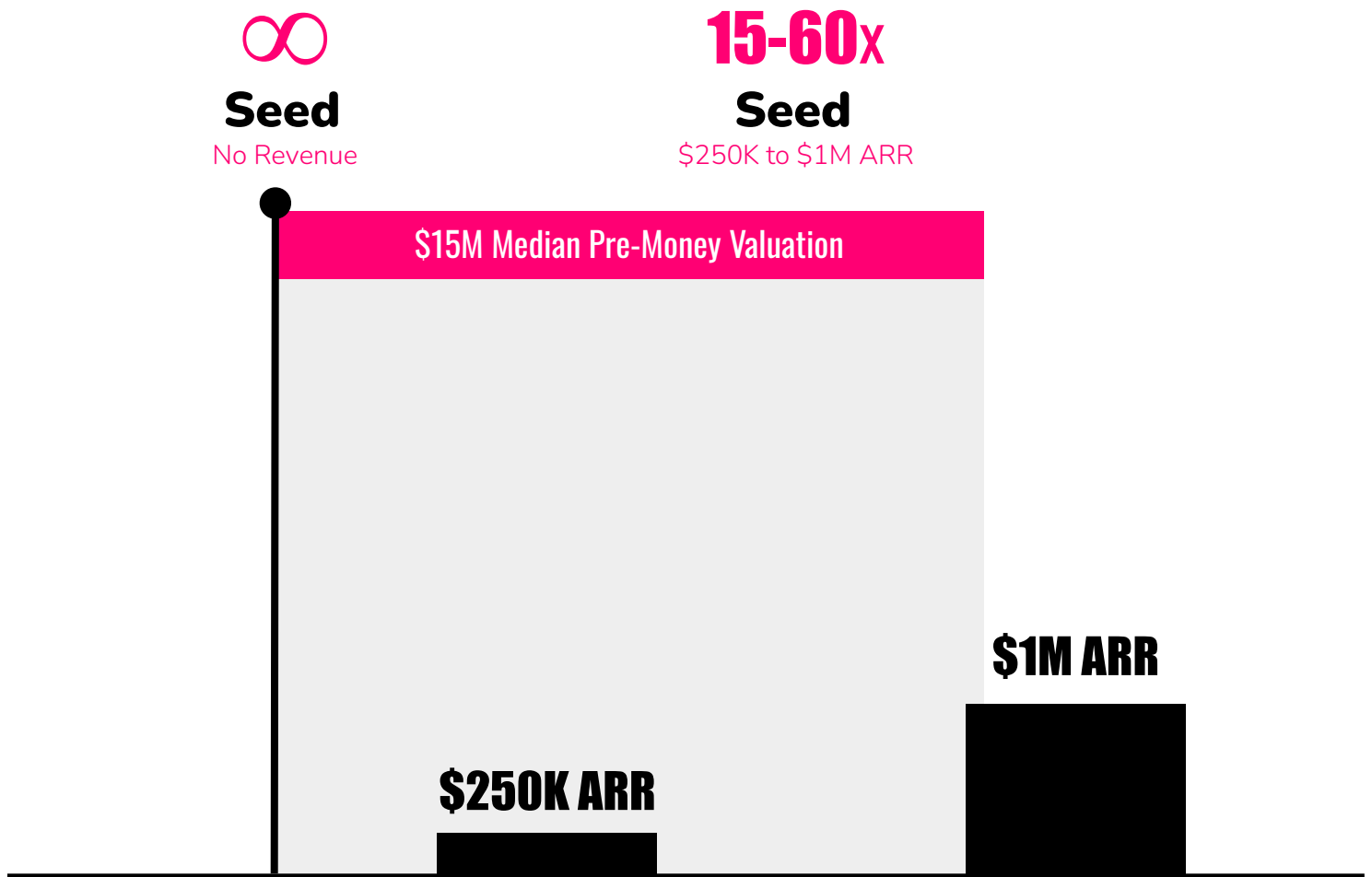


What typical revenue would you need to see for a \$1.5M Pre-Seed Round?



Seed Multiples

So to get a multiple range for Seed stage multiples, I'm going to use \$250K to \$1M ARR as the starting point for my modeling assumptions



Also to get multiple ranges, I'm going to assume that a startup hits **\$1M ARR within 12 months**

So we can use Carta's time between rounds + our revenue growth cases

15-60x

\$250K to \$1M ARR

Seed

\$15M

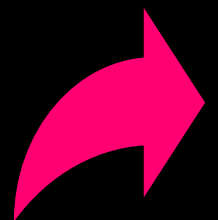
\$1M ARR

365 days
12 months



Valuation Multiples

For each round...



Time Between Rounds

Since we're using median valuations, we'll use median time between primary rounds (and use the B to C time for the C to D and D to E rounds)

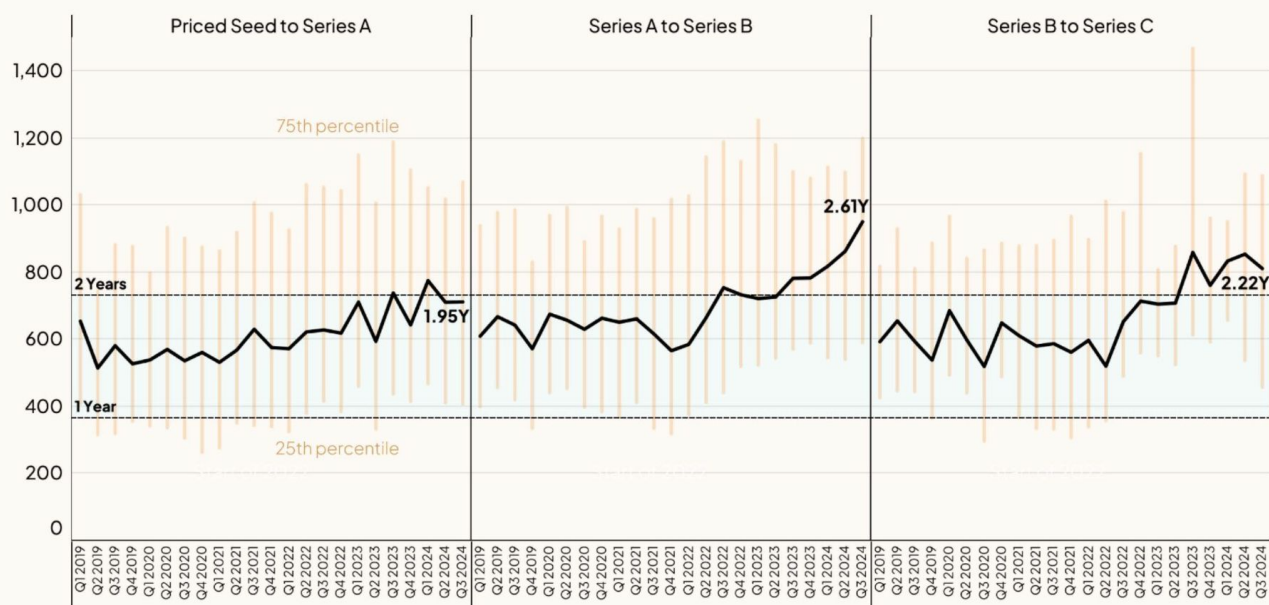
Seed to Series A
24 months

Series A to Series B
32 months

Series B to Series C
27 months

Median time between rounds remained near record highs

Median days between primary financings, Q1 2019—Q3 2024



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carta



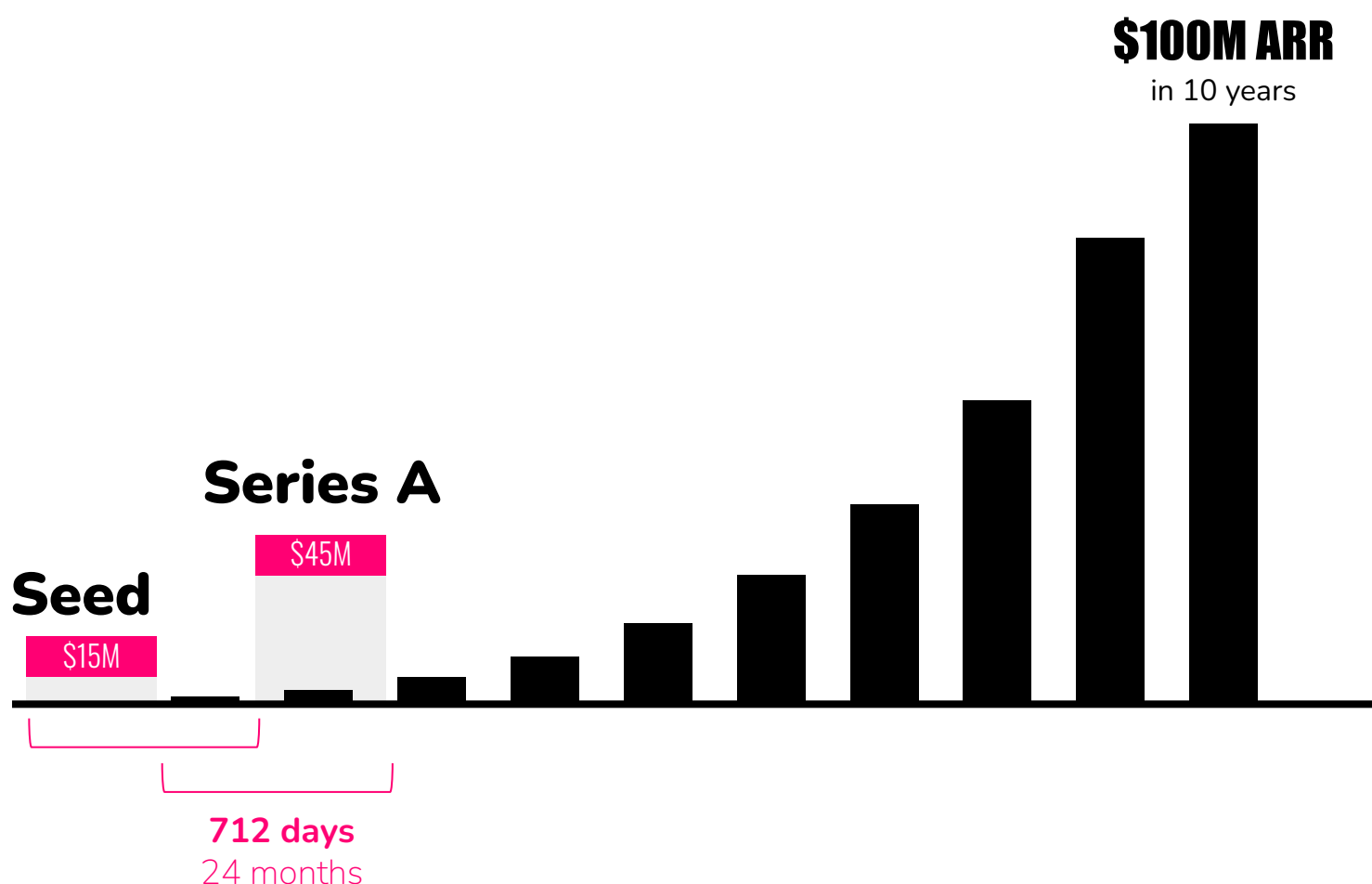
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Series A Multiple Range?

Because we don't have an exact Seed *start date* to measure the median # of months to Series A, I've used the range of zero to 12 months to get to \$1M to create the valuation multiple range, which also happens to line up nicely with \$2M to \$4M ARR at Series A common expectation these days

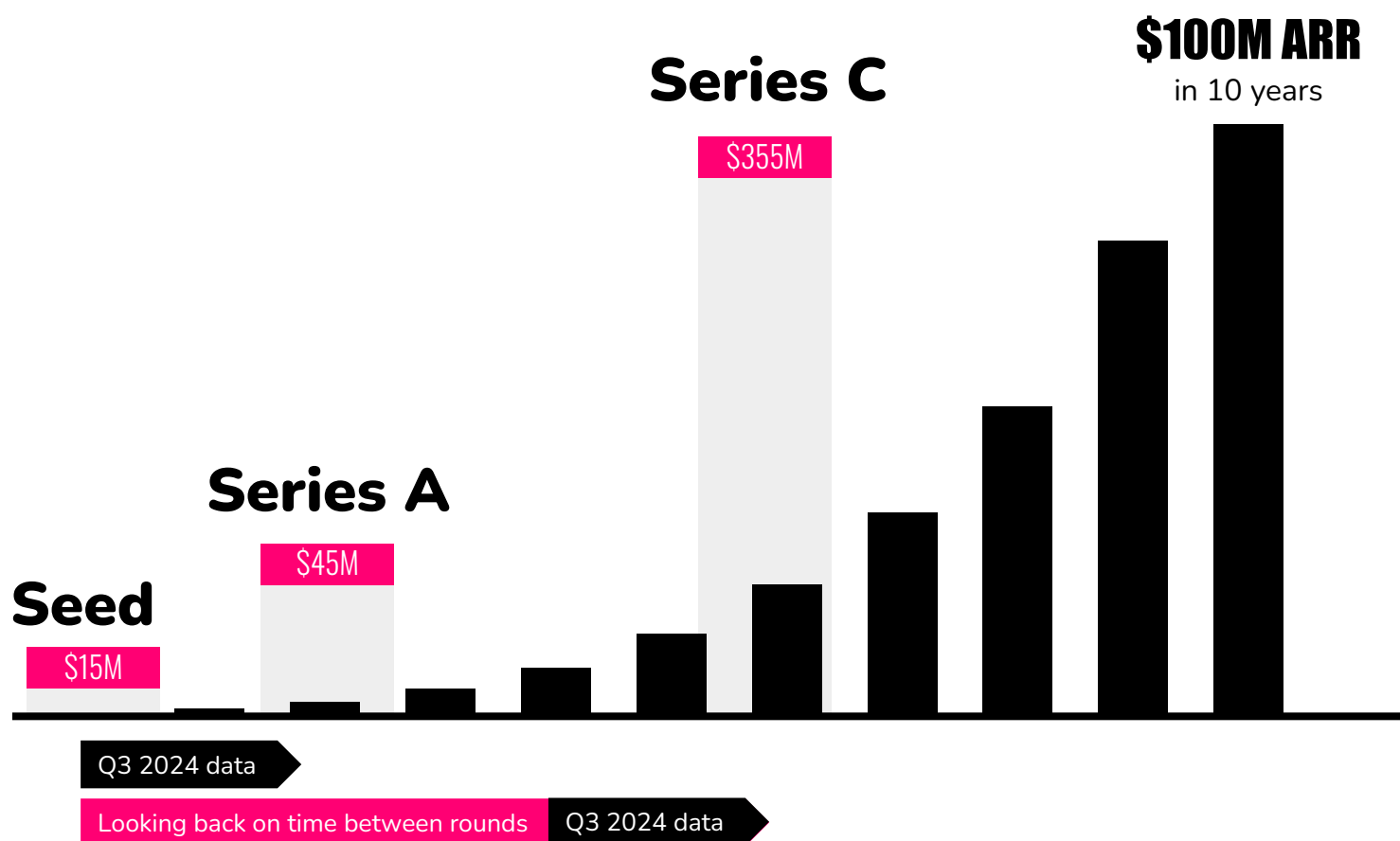


Venture Scale Curve

Now to line up each round with the venture scale curve, we need to look at current values for the median time between rounds only for the current round.

Historically the time between rounds didn't change much year over year, but they've grown over the past few years. So now we need to go back in time for each previously raised round and then add up all of the previous round times so we can map this round to the venture scale curve.

So for example, if we look at a Series C raised in Q3 2024 - that means that 27 months ago (Q3'24 data) they raised a Series B, but that means only 22 months before that they raised a Series A (Q2'22 data) and only 18 months before that raised a Seed round (Q3'20 data) for a total of 67 months on the Venture Scale curve (compared to 83 months if we used only Q3'24 data)



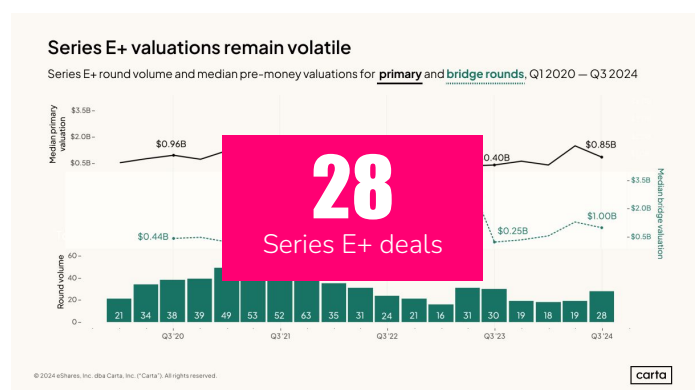
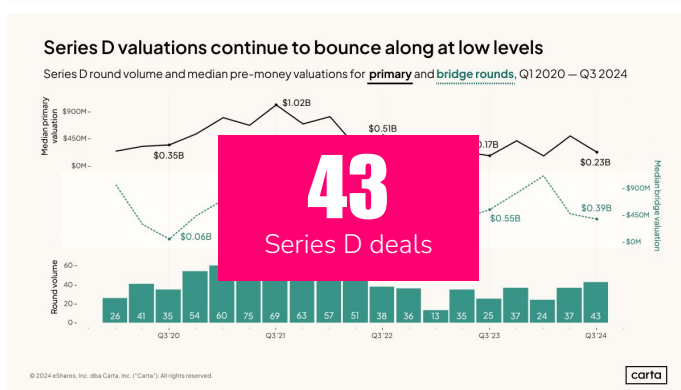
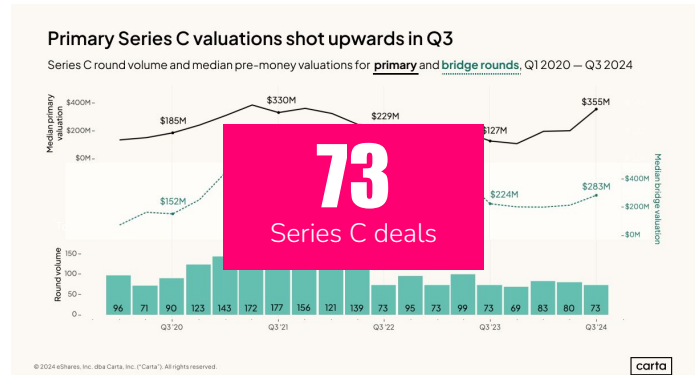
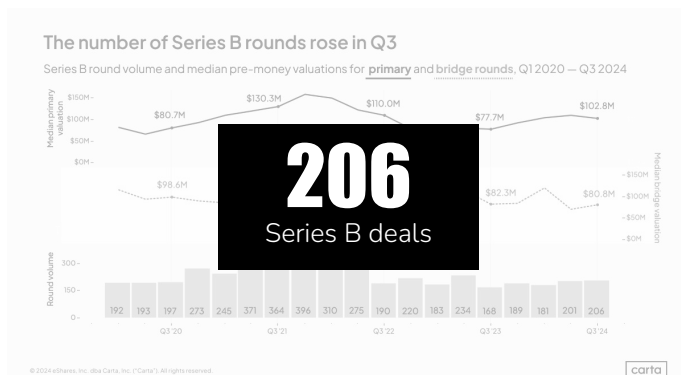
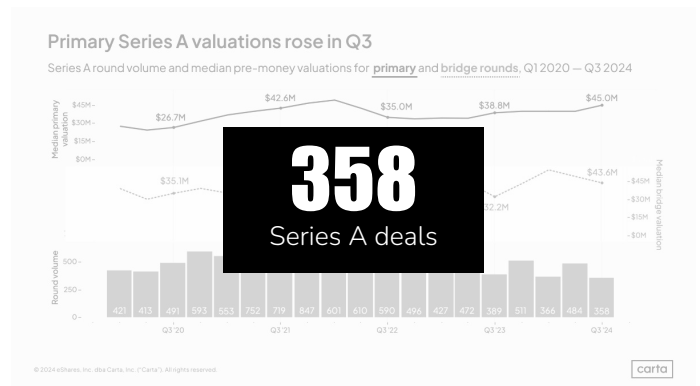
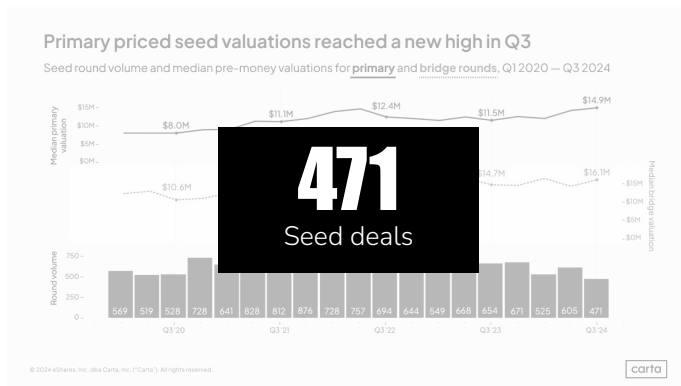
Putting it all together gives us different
valuation multiple ranges for each stage...

 *Estimated!*



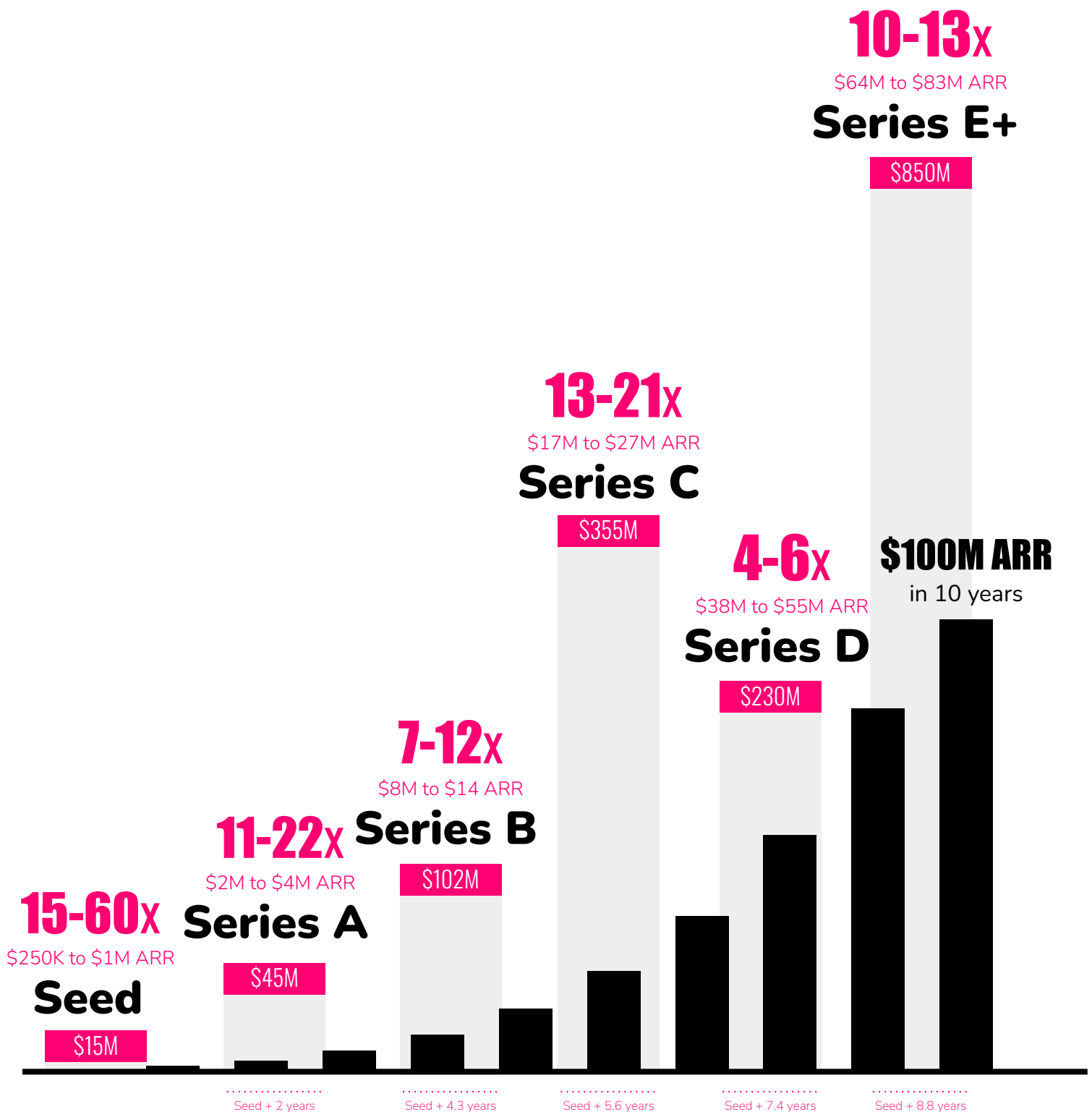
Series C, D & E+ Multiples?

Note - quarter over quarter there seems to be a much greater swing in median valuations for the Series C, D and E because of a much lower deal volume



Estimated

Median Multiples



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How does this line up with **your reality?**



So To Recap

Based on this estimate it looks like multiples were trending towards the 6.9x public valuation multiples as expected, with the exception of the Series C based on 73 deals and Series E jumps based on just 28 deals

- **Seed** has a 15 to 60x multiple
- **Series A** has a 11 to 22x
- **Series B** has a 7 to 12x
- **Series C** has a 13 to 21x
- **Series D** has a 4 to 6x
- **Series E+** has a 10 to 13x



Free Workshop Seed to Series A

How to navigate investor expectations



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