

SaaS METRICS PALOOZA

Private Company Financing and Equity Trends



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Head of Insights
Carta

A bit of enthralling text from our lawyers

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Where does this data come from?

- Carta aggregates and anonymizes the data from 45,000+ cap tables currently active on our platform.
- That includes data from priced equity rounds (exact dates, round sizes, etc) as well as SAFE or Convertible Note fundraising (over 110,000 individual SAFEs/Notes signed by Carta companies since 2020).
- Unless otherwise noted, all figures refer to US companies.

Our Agenda

The Necessary Context

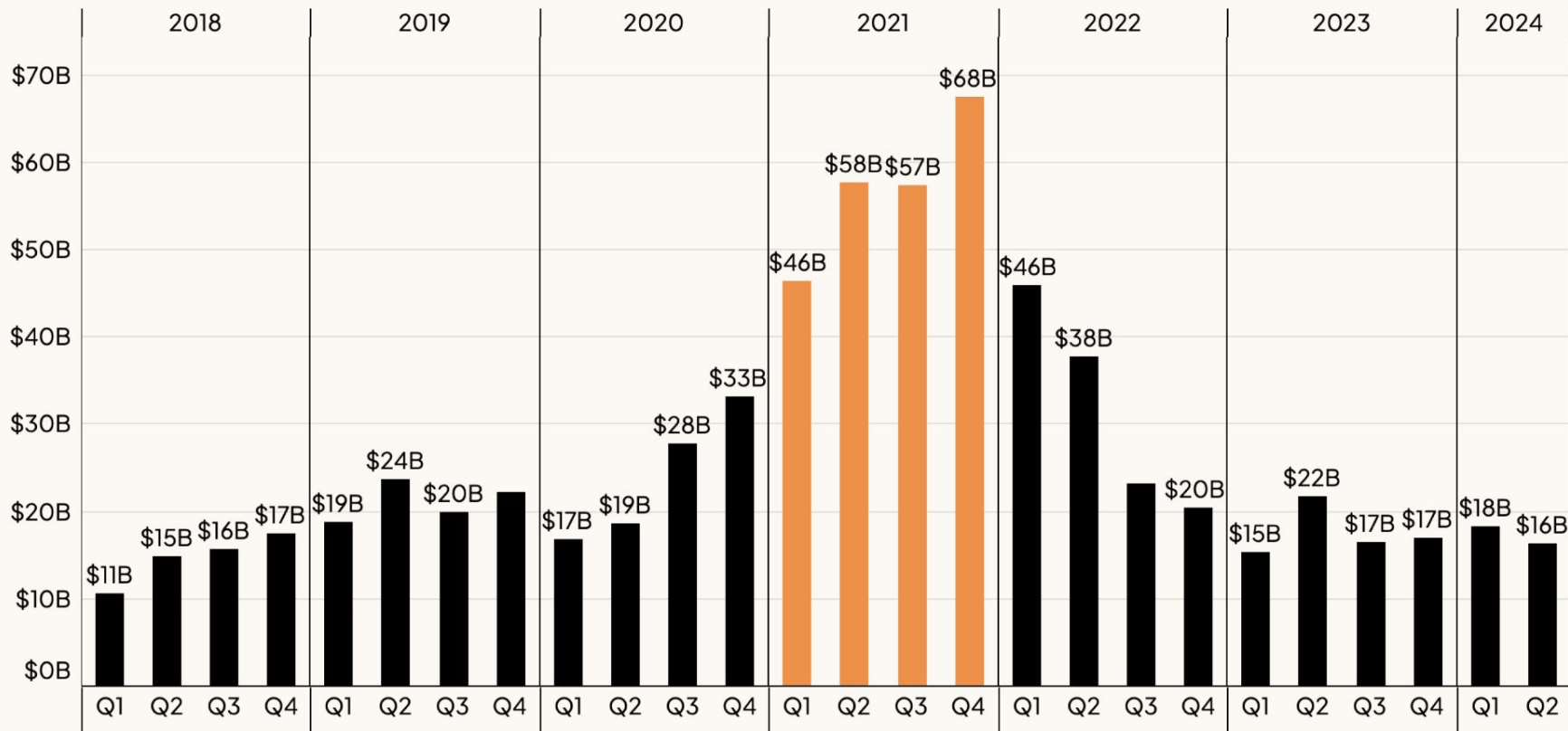
Pre-Seed Today

Priced Rounds Today

Team Dynamics

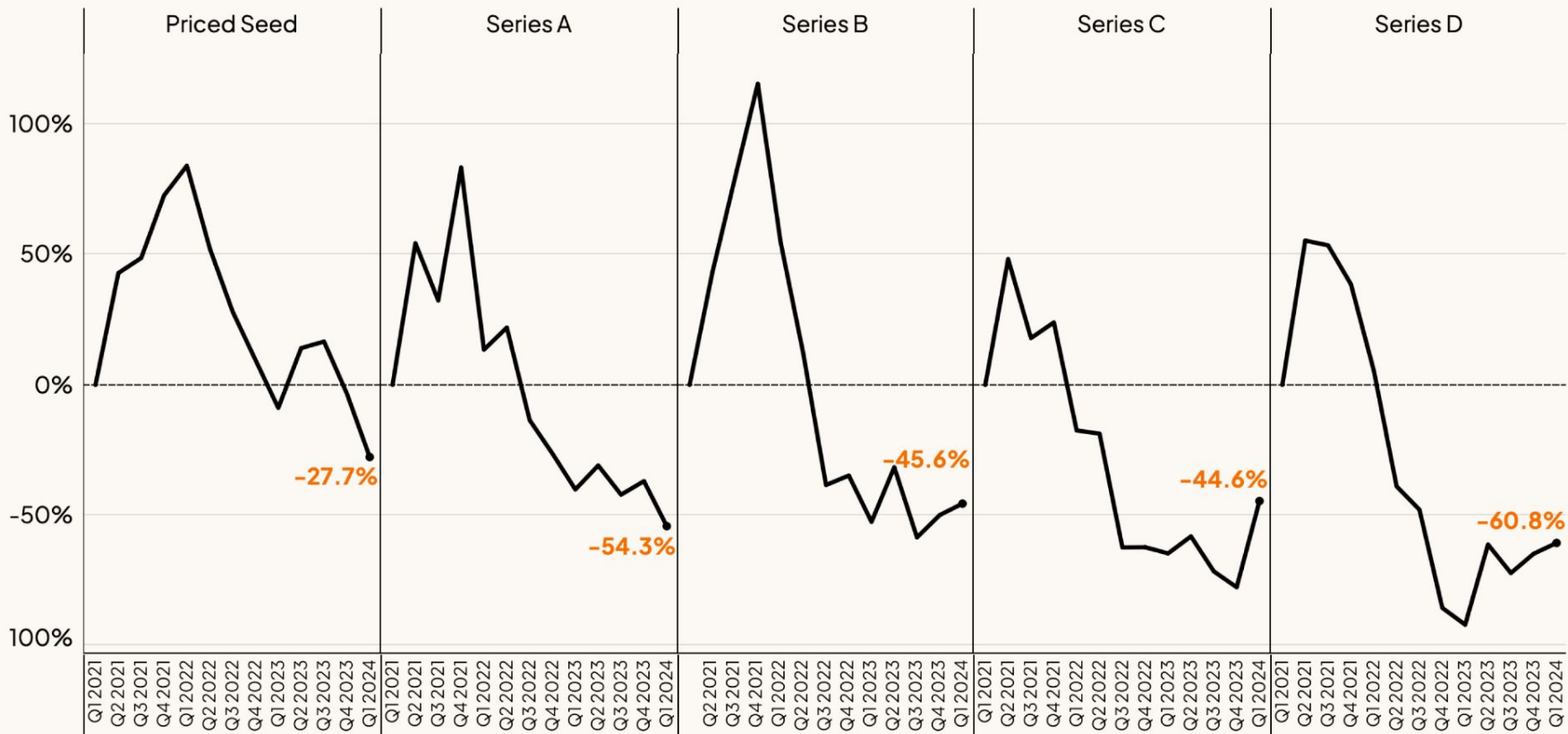
One of these years was not like the other ones

Total cash raised by quarter by companies on Carta, Q1 2018—Q2 2024 | Q2 2024 figure not final



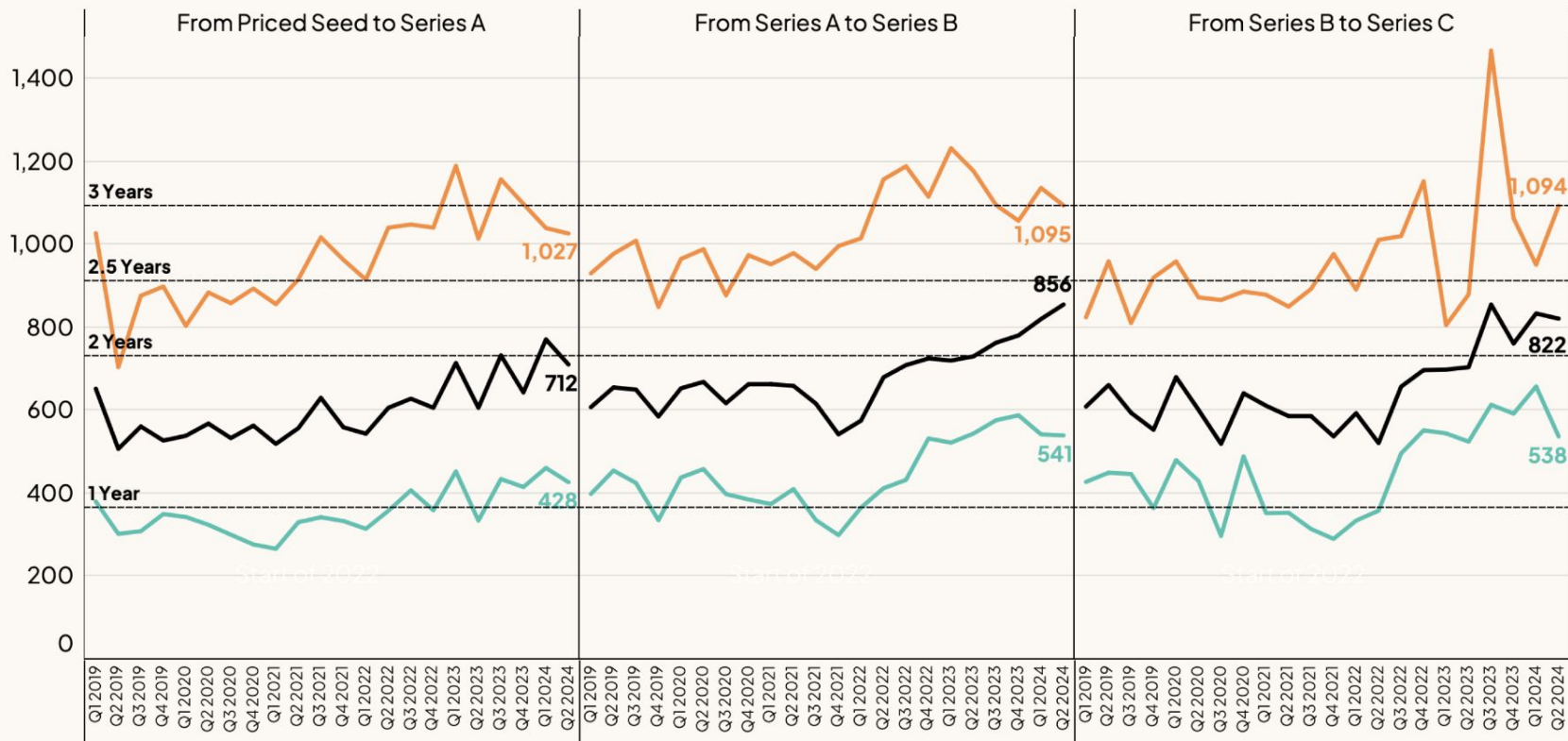
No stage is having much fun, but it's worse in late-stage

Percent change in capital invested by stage in comparison to Q1 2021 | Q1 2021-Q1 2024



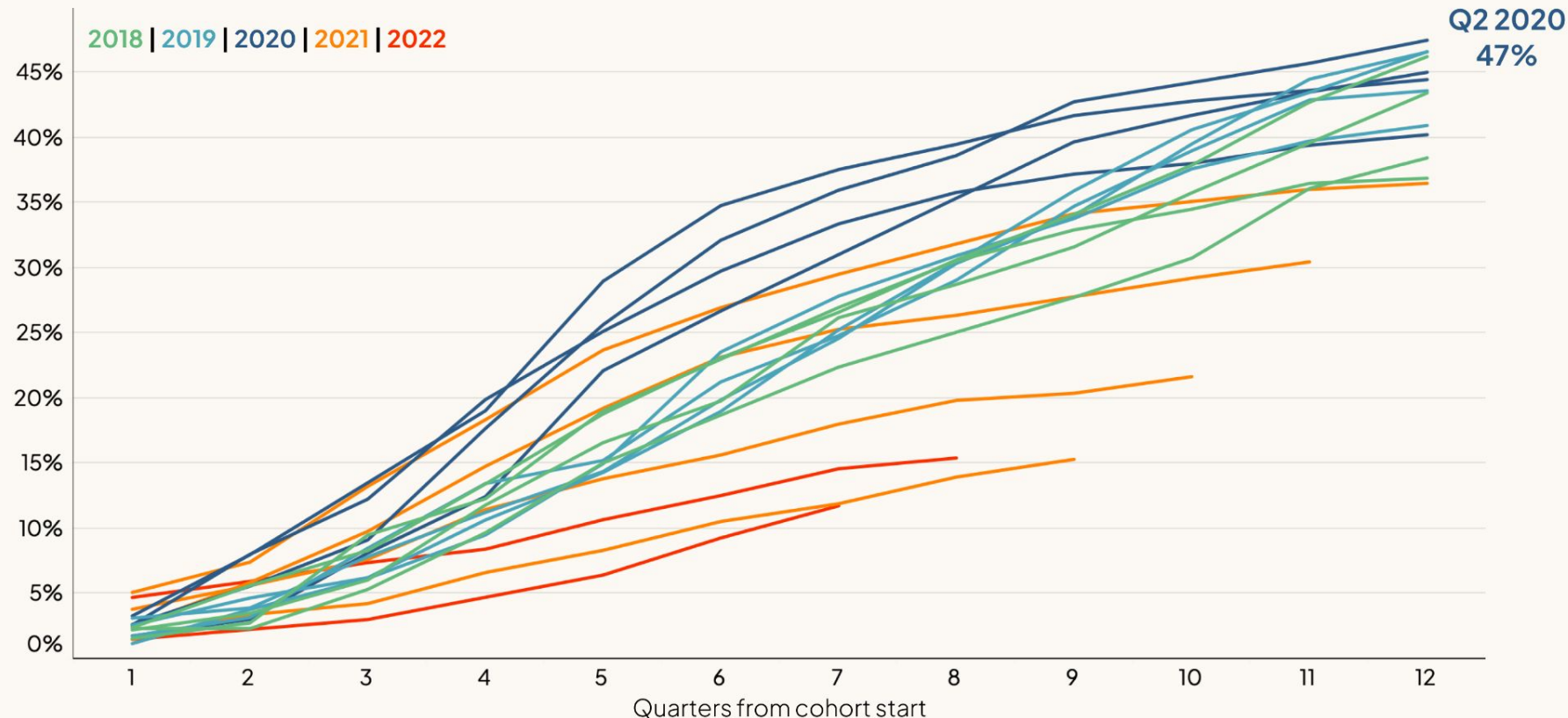
Median time from seed to Series A decreased in Q2

Days between primary financings, Q1 2019—Q2 2024 | **25th Pct** | **Median** | **75th Pct**



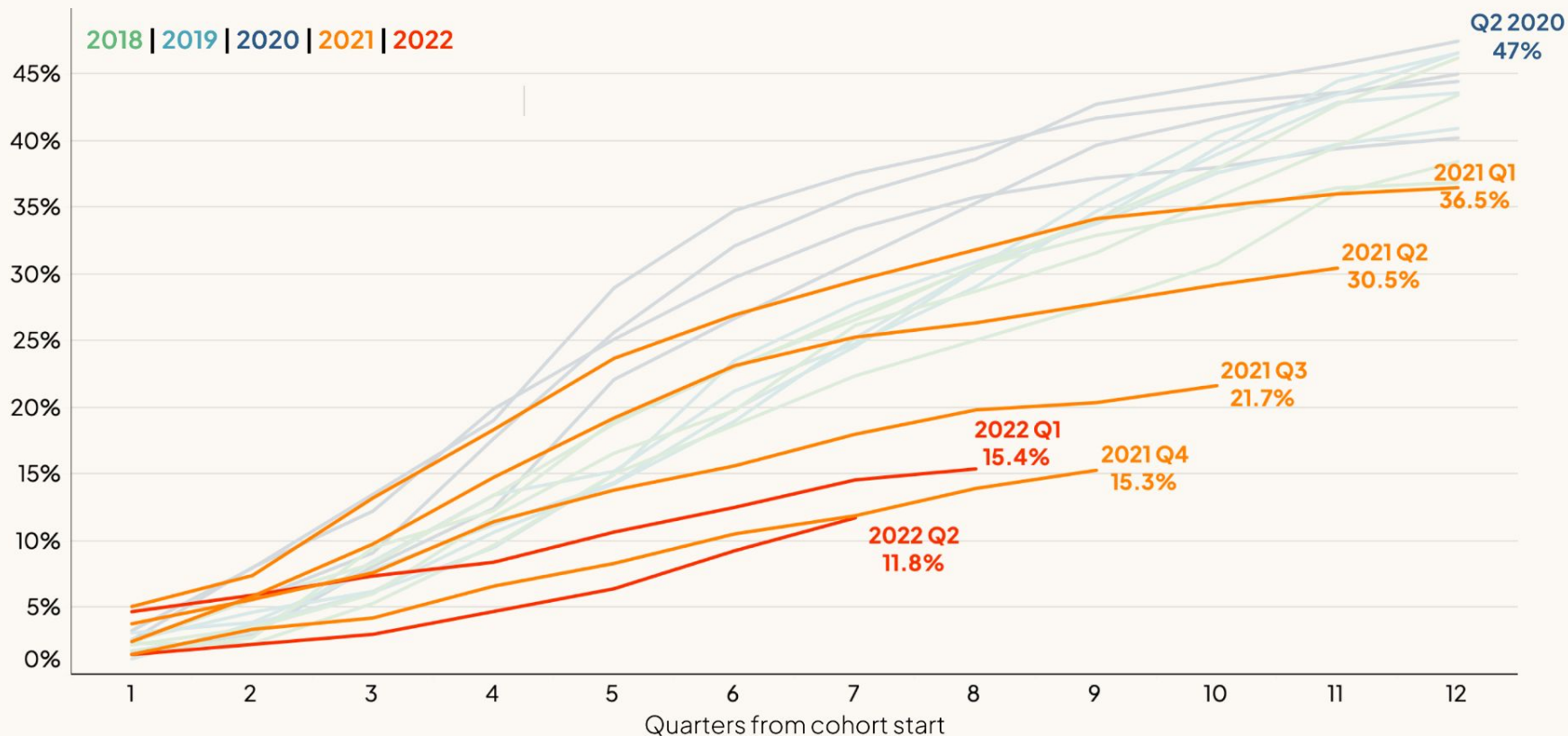
Getting from Seed to Series A is a real challenge

Percent of seed-stage startups raising a Series A by quarters from cohort inception | Cohorts Q1 2019–Q2 2022



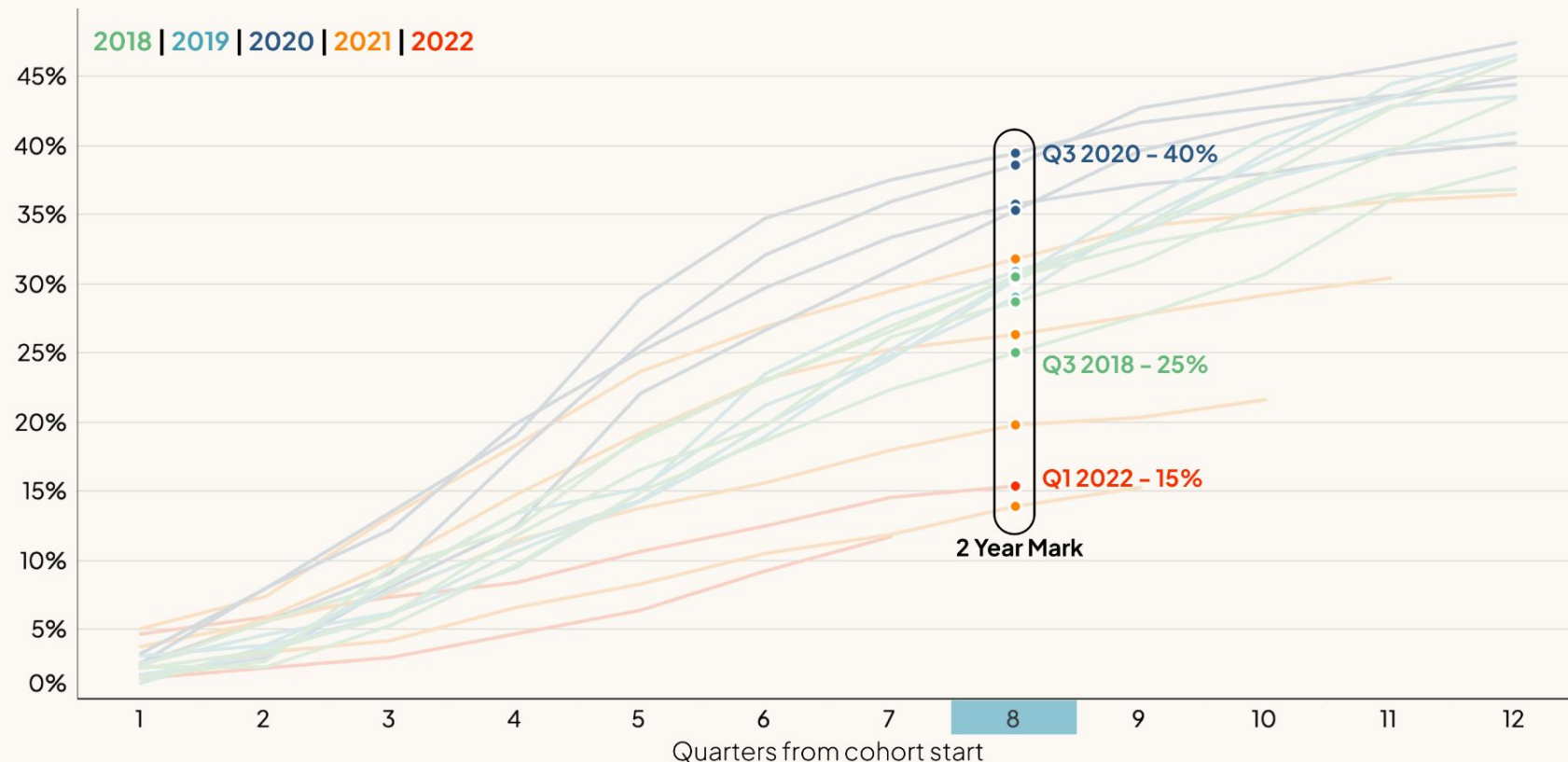
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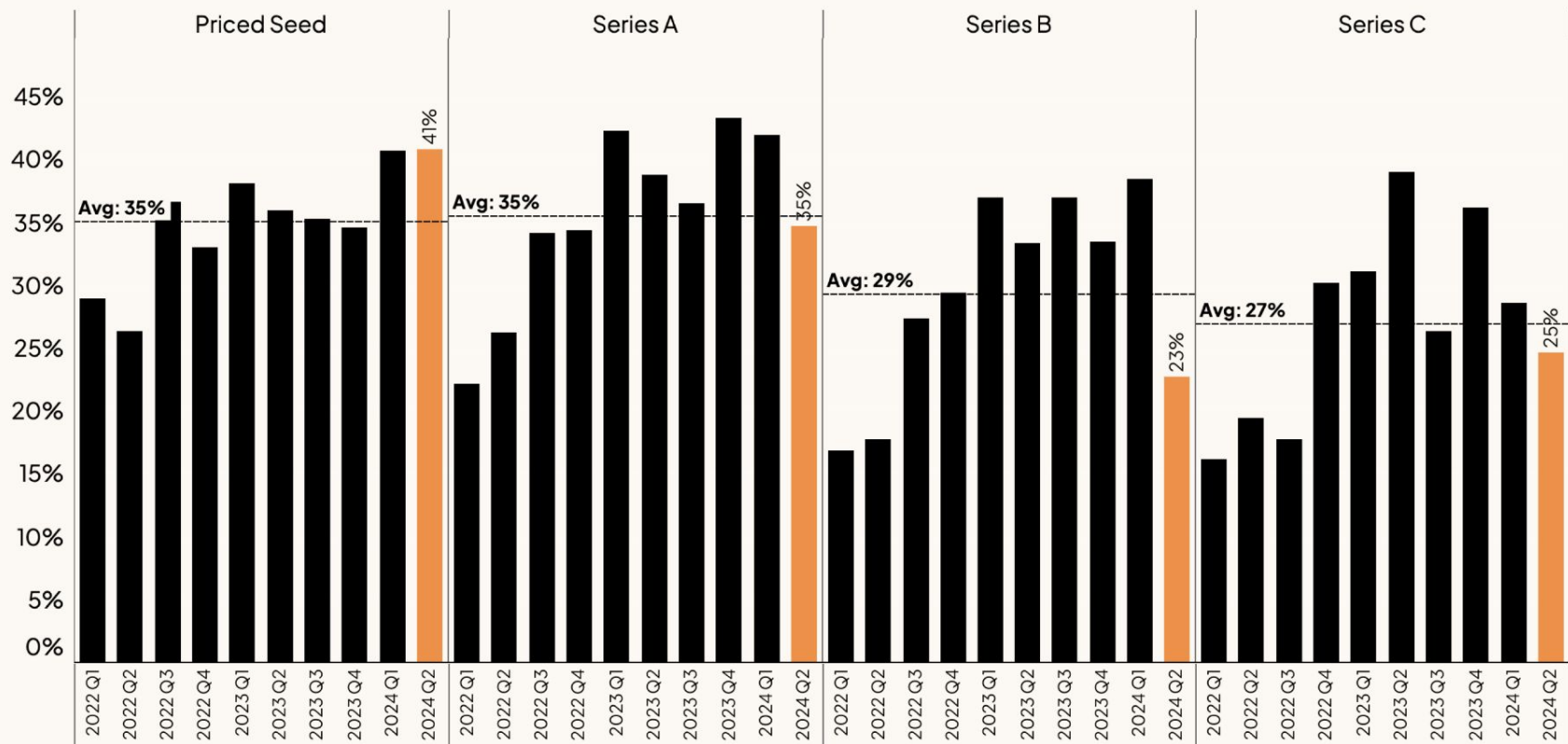
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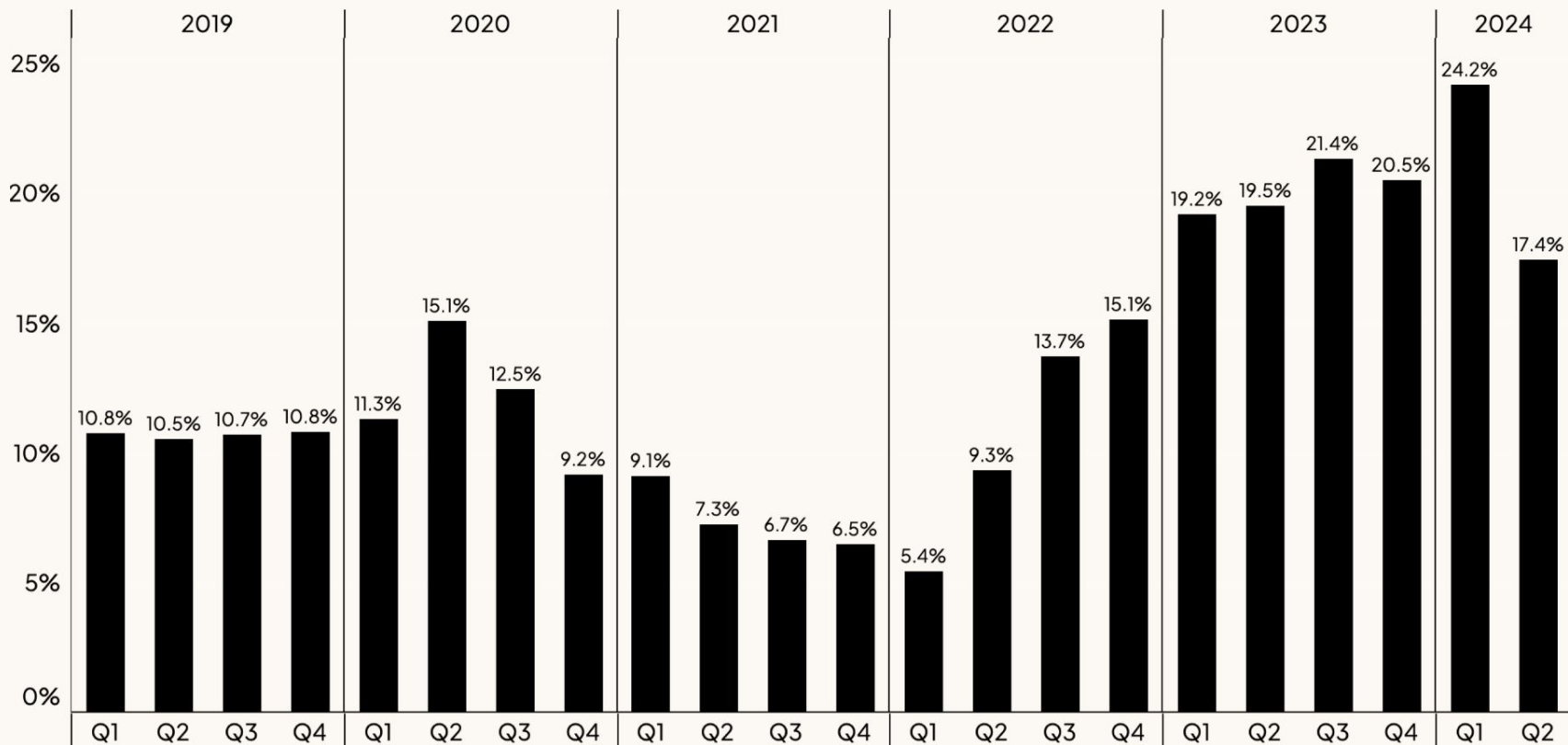
Frequency of bridge rounds declined in Q2 for post-seed rounds

Percent of all rounds that were bridge rounds by stage, Q1 2022—Q2 2024



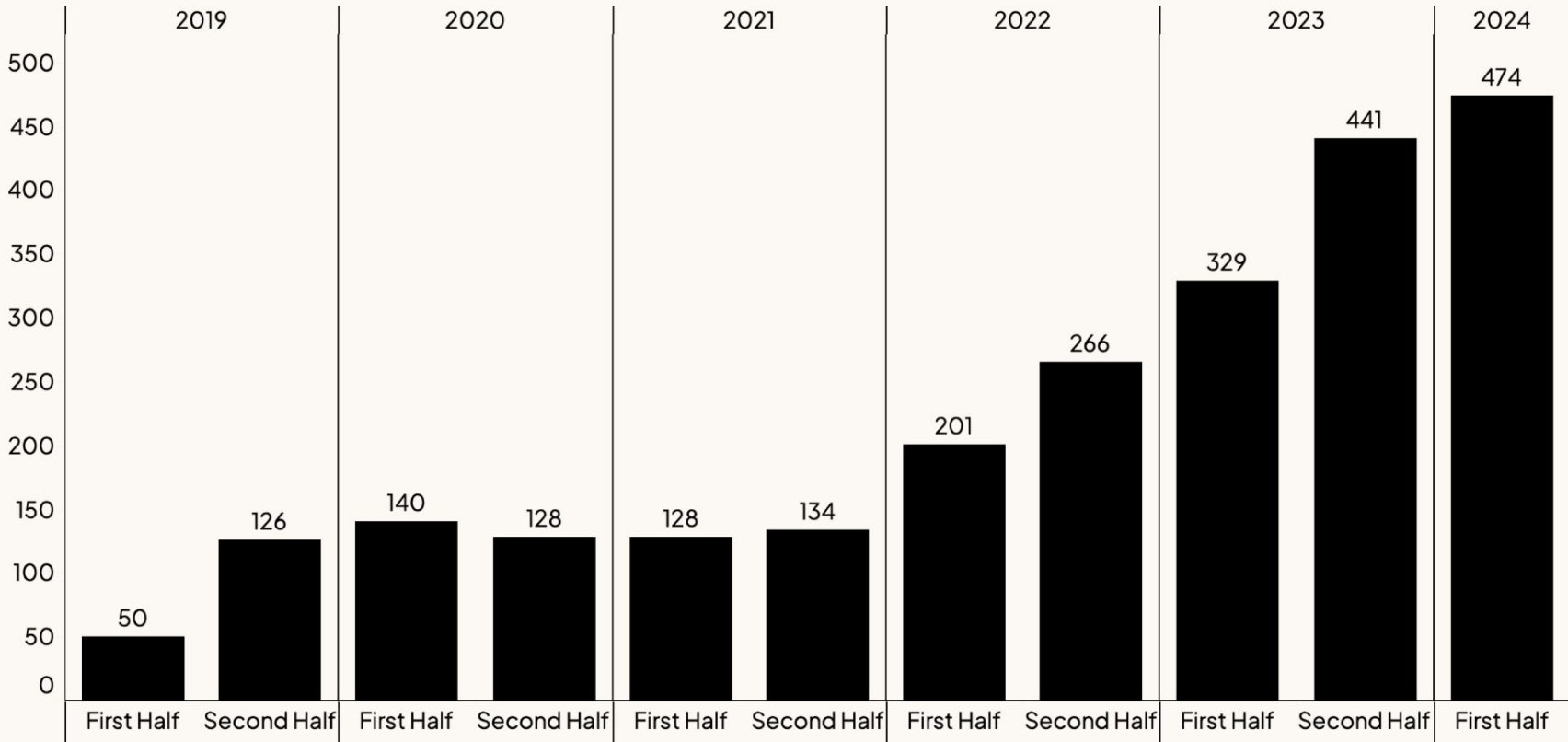
Down rounds decreased in Q2 to a six-quarter low

Percent of all rounds that were down rounds in a given quarter, Q1 2019—Q2 2024



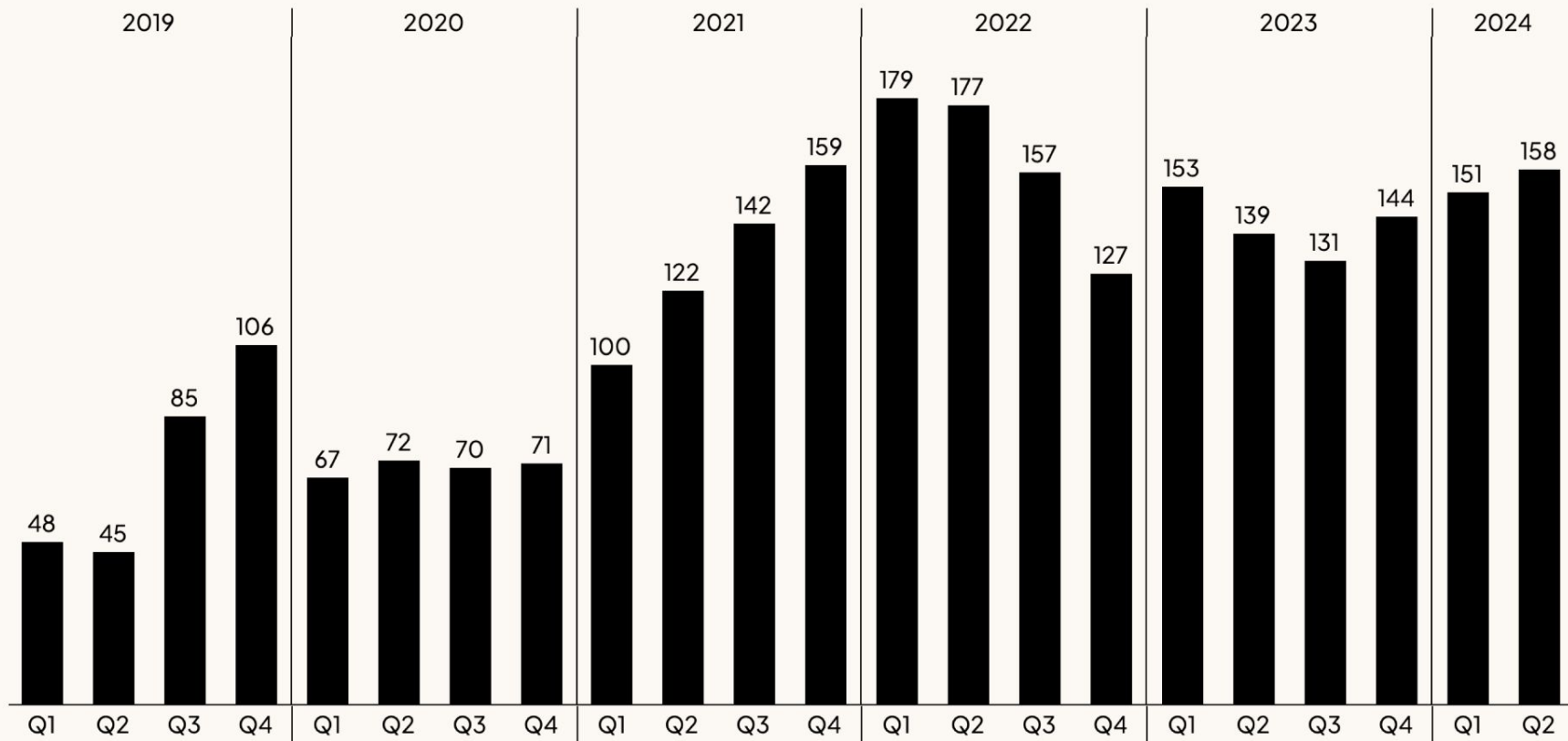
One path out – shutdowns continue

Total Carta companies that closed due to bankruptcy or dissolution by half year



Startup M&A continued on upward trend in Q2

Total acquired startups on Carta by quarter, Q1 2019—Q2 2024



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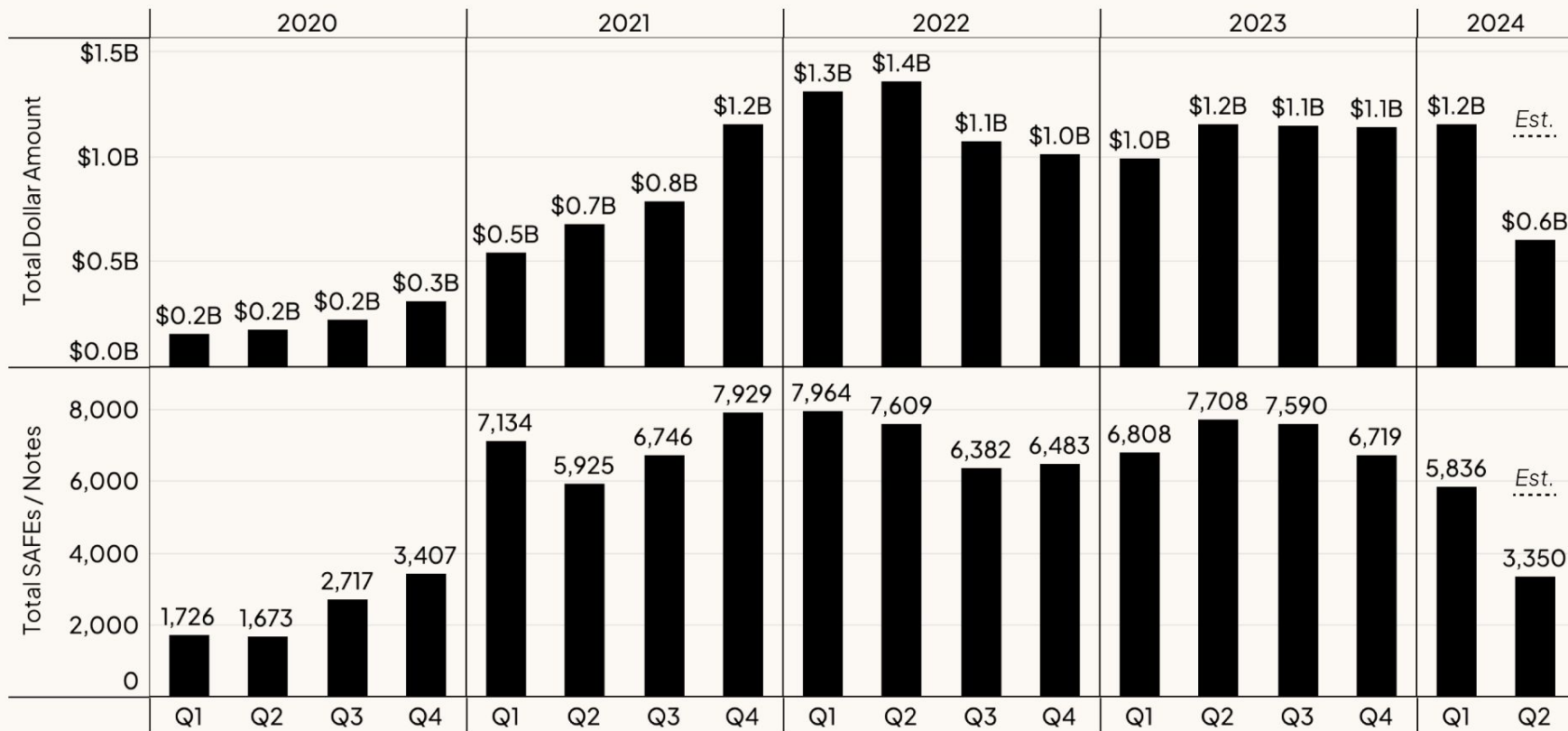
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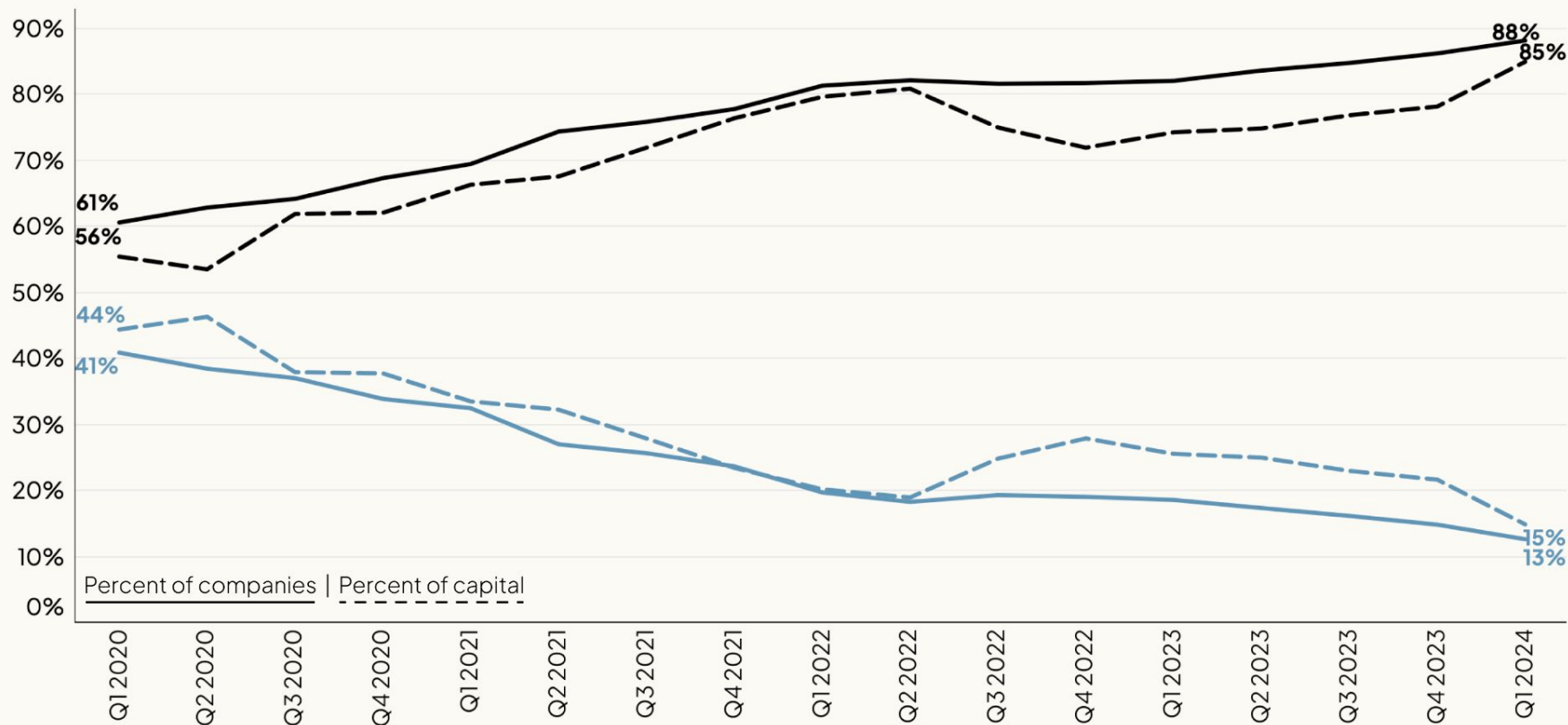
Investment pre-priced round held steady to start 2024

Total dollars raised by quarter, US pre-priced rounds on SAFEs and Convertible Notes | Q1 2020–Q2 2024



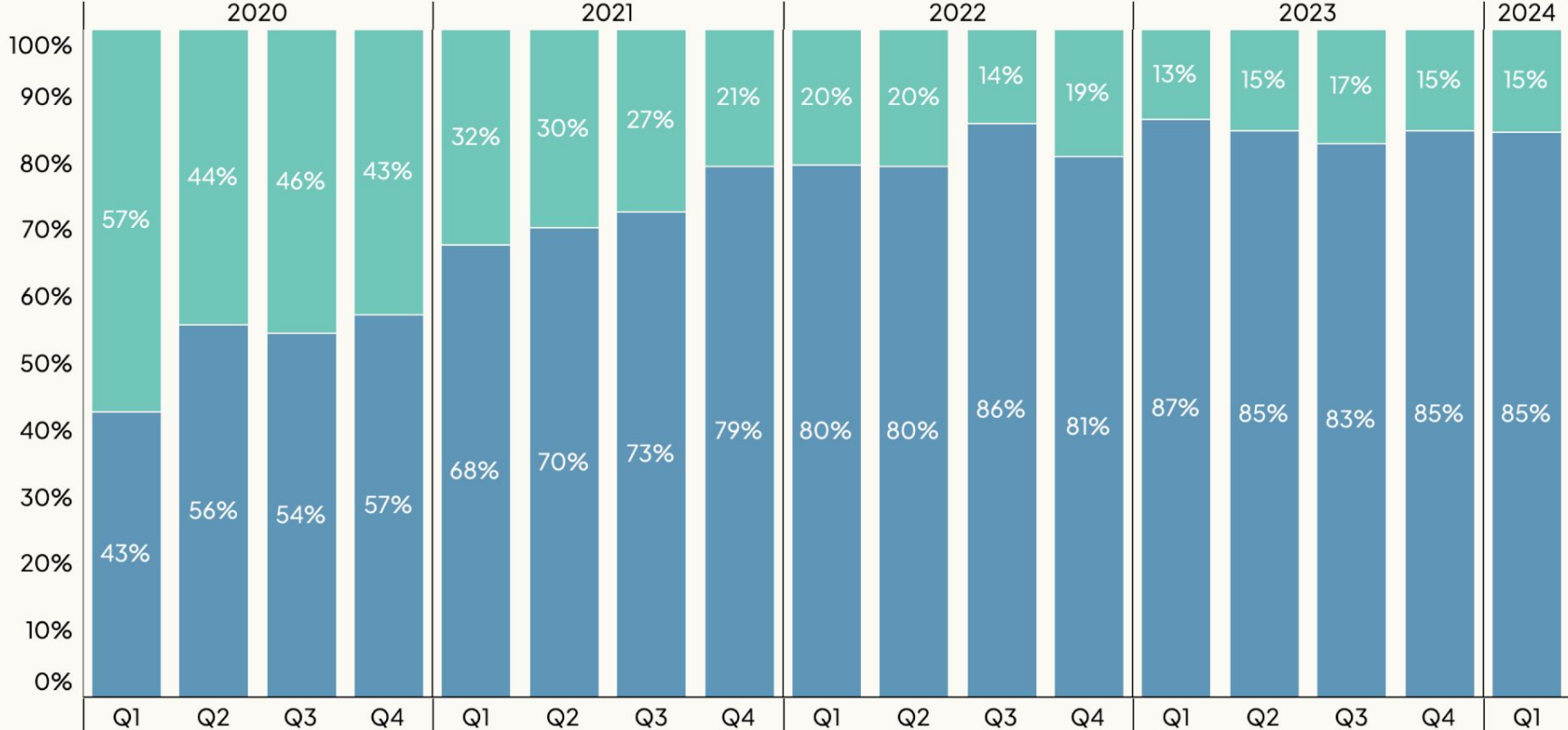
SAFEs dominate in pre-priced round startup investing

Percent of US pre-priced rounds by instrument | **SAFEs** vs **Convertible Notes** | Q1 2020–Q1 2024



The post-money SAFE is now the default type

Percent of pre-priced round SAFEs by type | [Post-money](#) | [Pre-money](#) | Q1 2020–Q1 2024

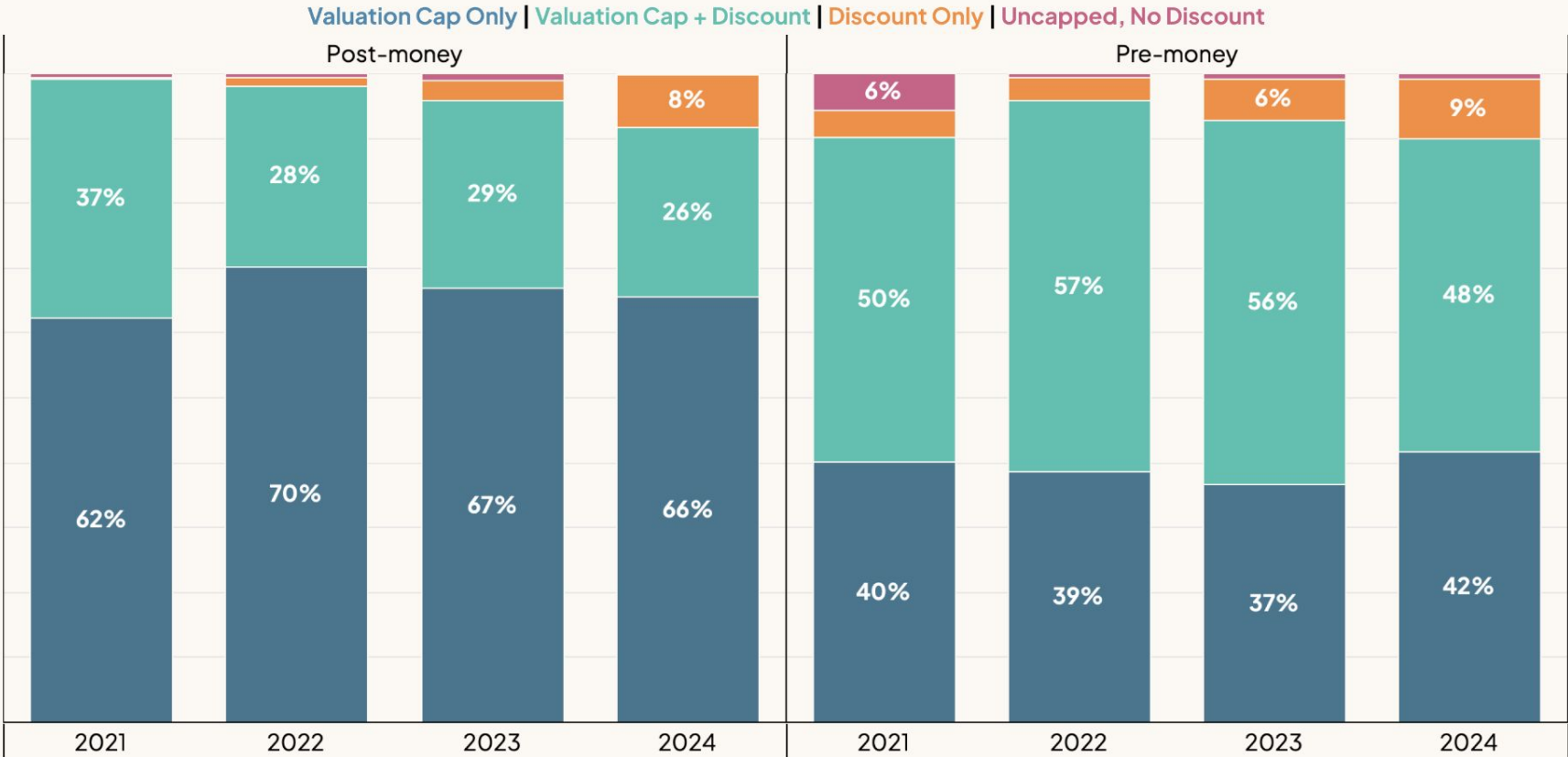


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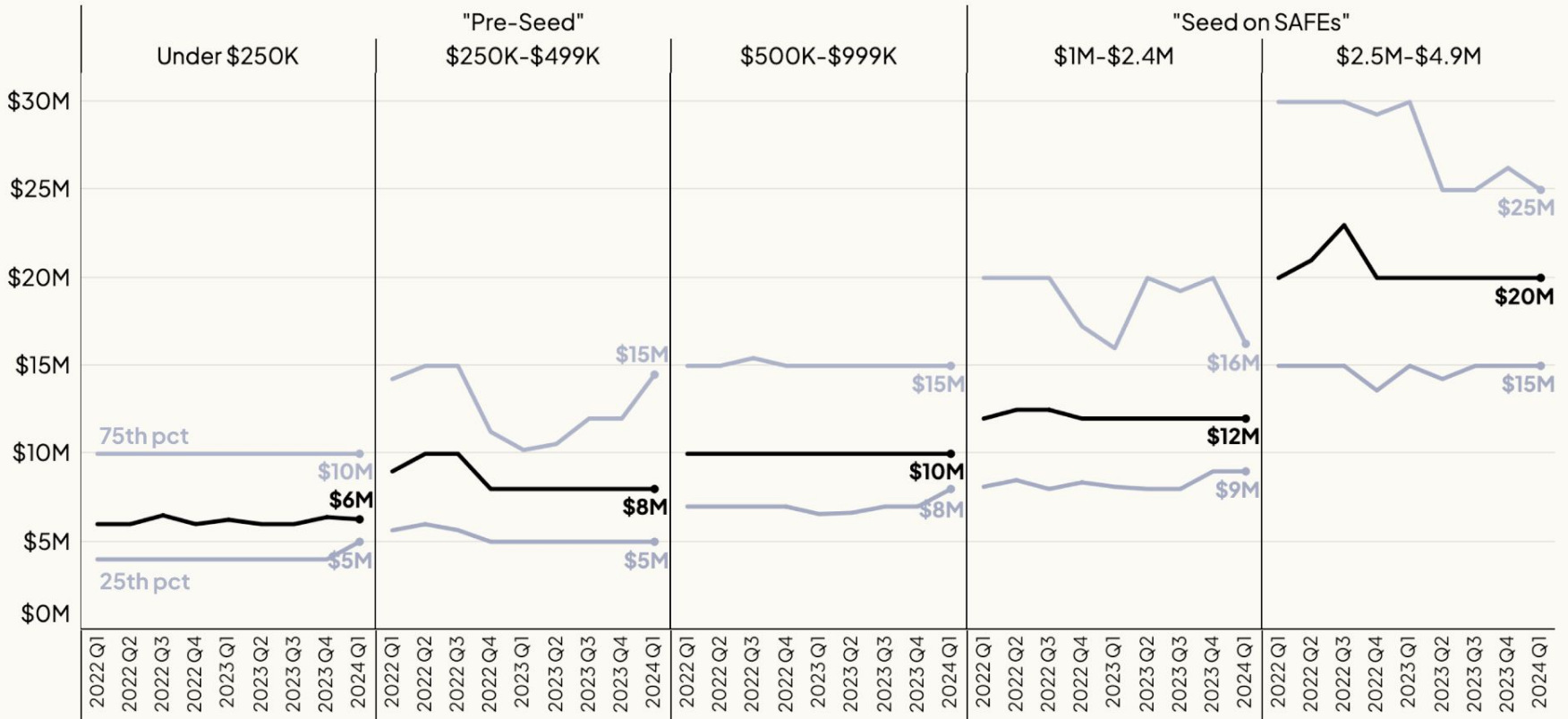
About 92% of SAFEs had a valuation cap in Q2 2024

Percent of pre-priced round SAFEs by conversion terms | Q1 2021–Q2 2024



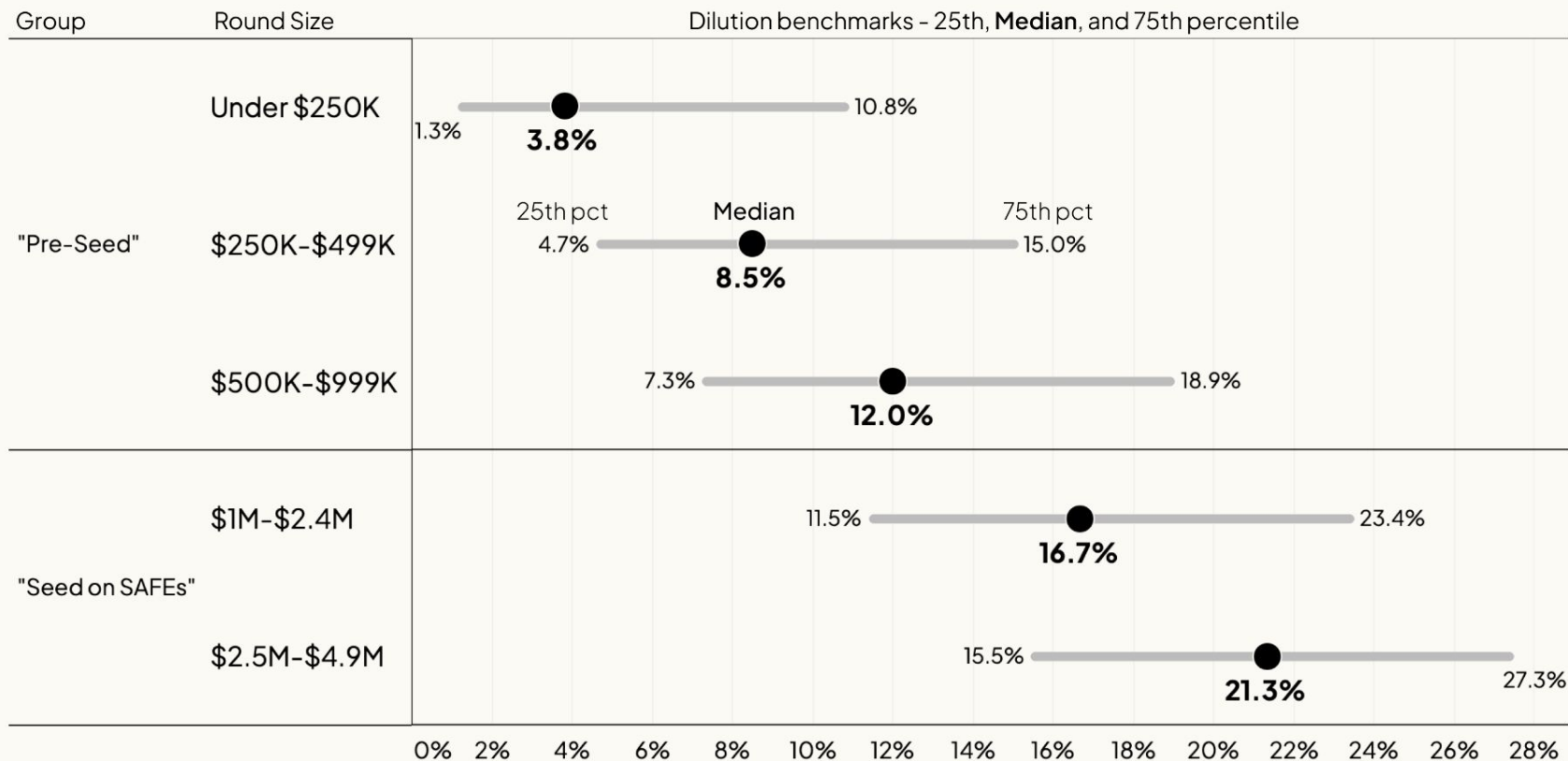
Valuation caps steadily rise as round size increases

Valuation cap benchmarks by post-money SAFE round size | 25th percentile | Median | 75th percentile | Q1 2022–Q1 2024



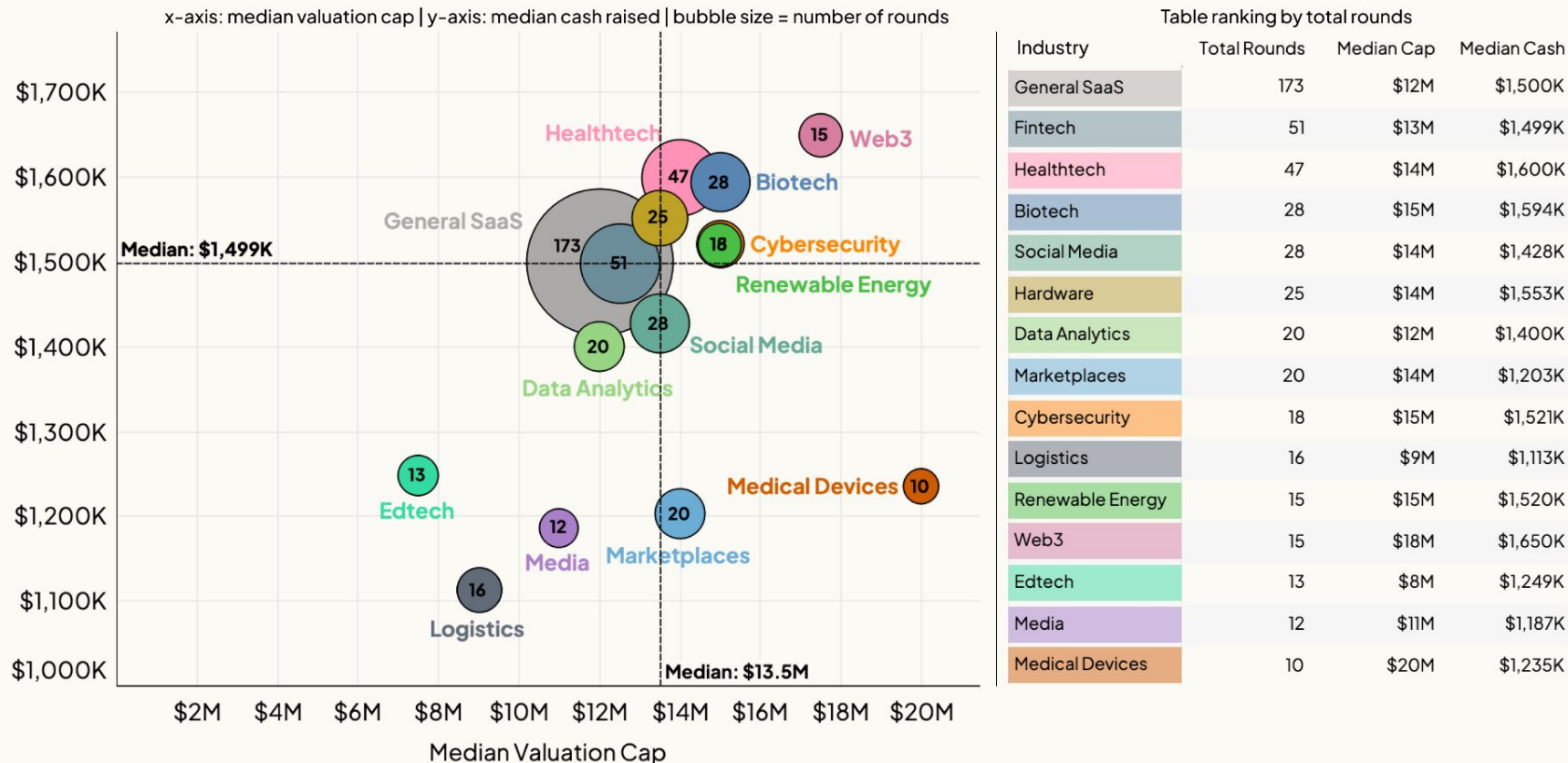
Dilution in a large SAFE round matches a priced seed round

Expected dilution benchmarks by post-money SAFE round size | Q1 2022–Q1 2024



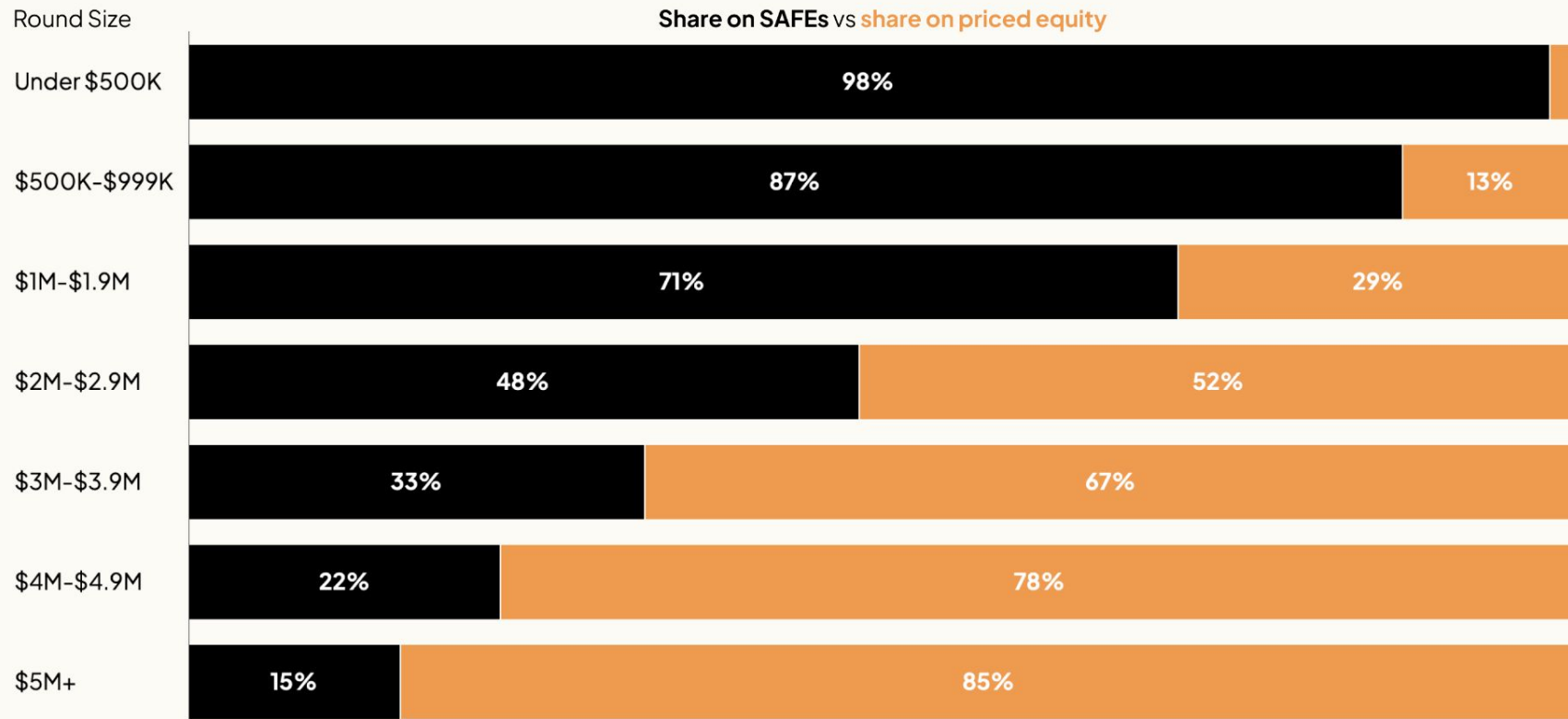
SAFE round industry map: \$1M–\$2.4M raised

Industry benchmarks for valuation caps in post-money SAFE rounds with \$1M–\$2.4M raised | April 2023—March 2024



Founders switch to priced equity from SAFEs around \$3M

Percent of rounds on SAFEs vs priced equity by round size (only includes priced seed rounds) | April 2023–March 2024



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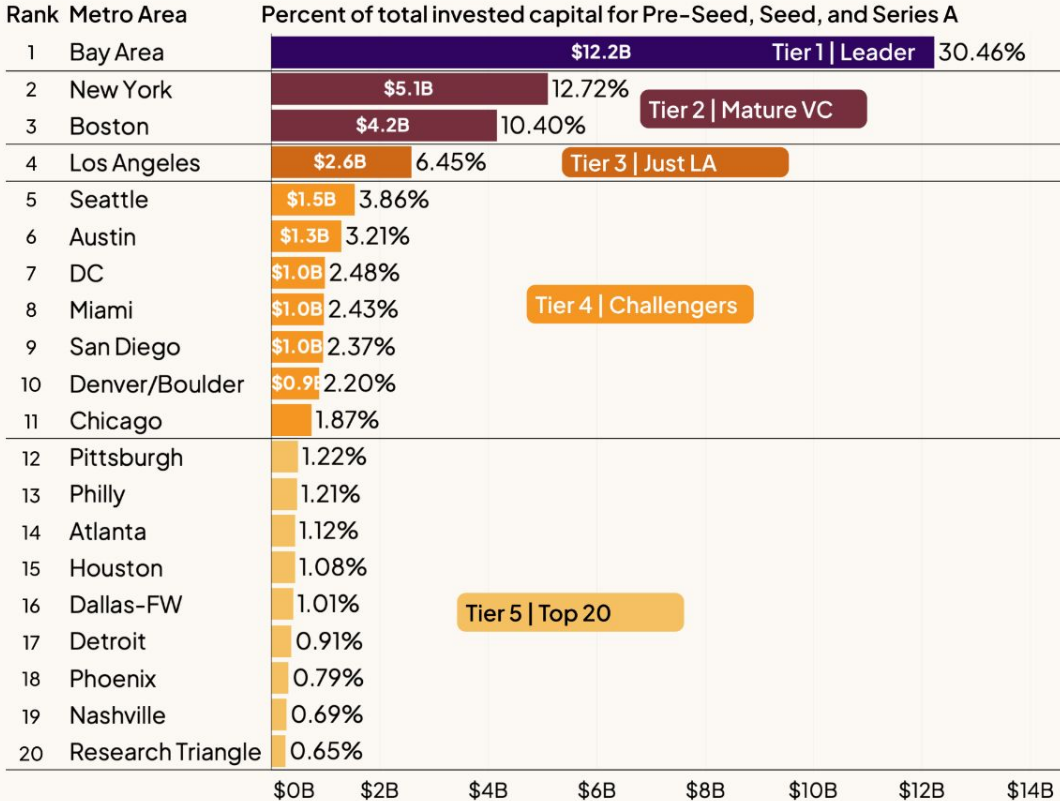
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There are many thriving startup ecosystems

US metro areas ranked by total capital invested into pre-seed, seed, and Series A startups | 2023–H1 2024



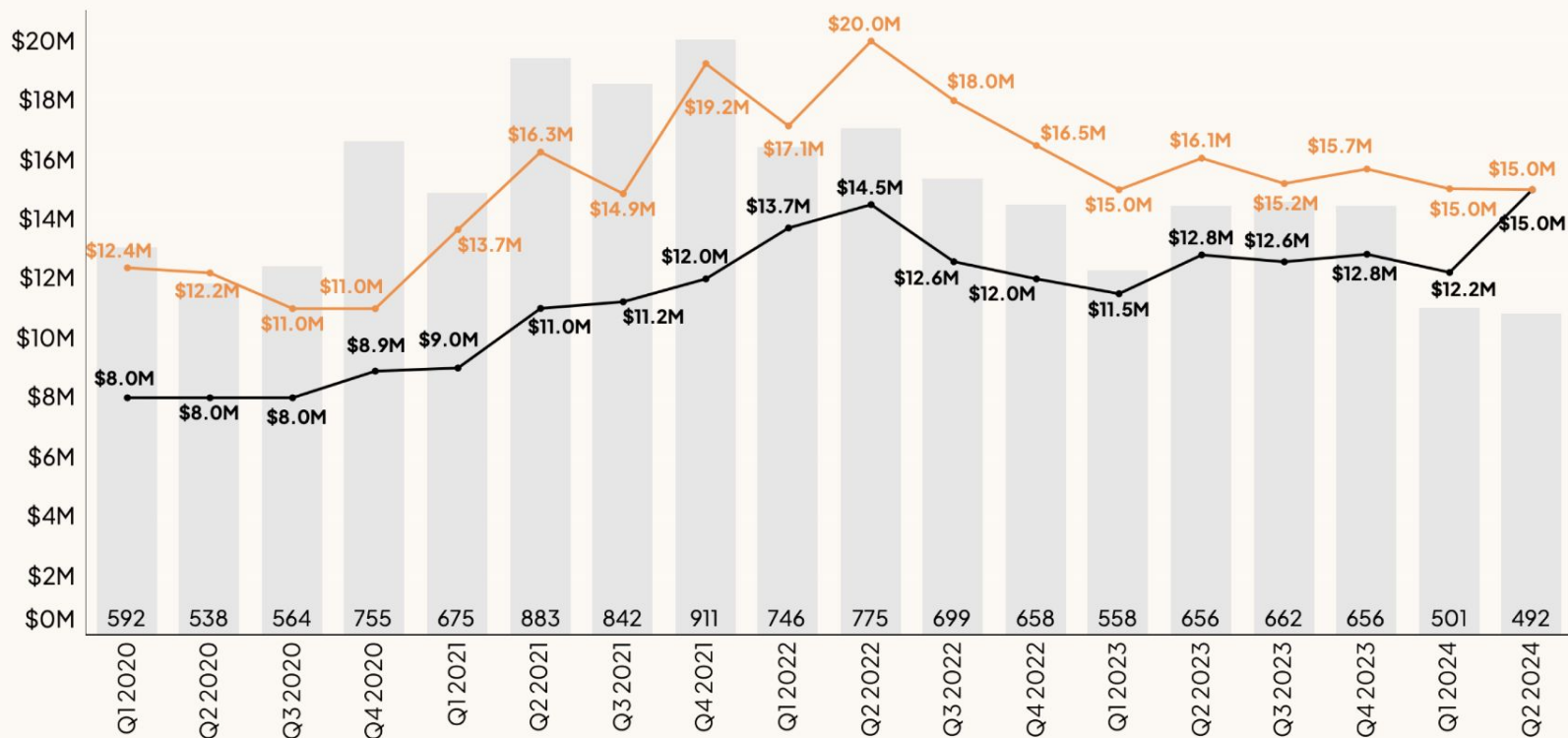
— Rumors of the death of the Bay Area have been greatly exaggerated
 — Boston is now firmly in the top 3

This is getting crowded!



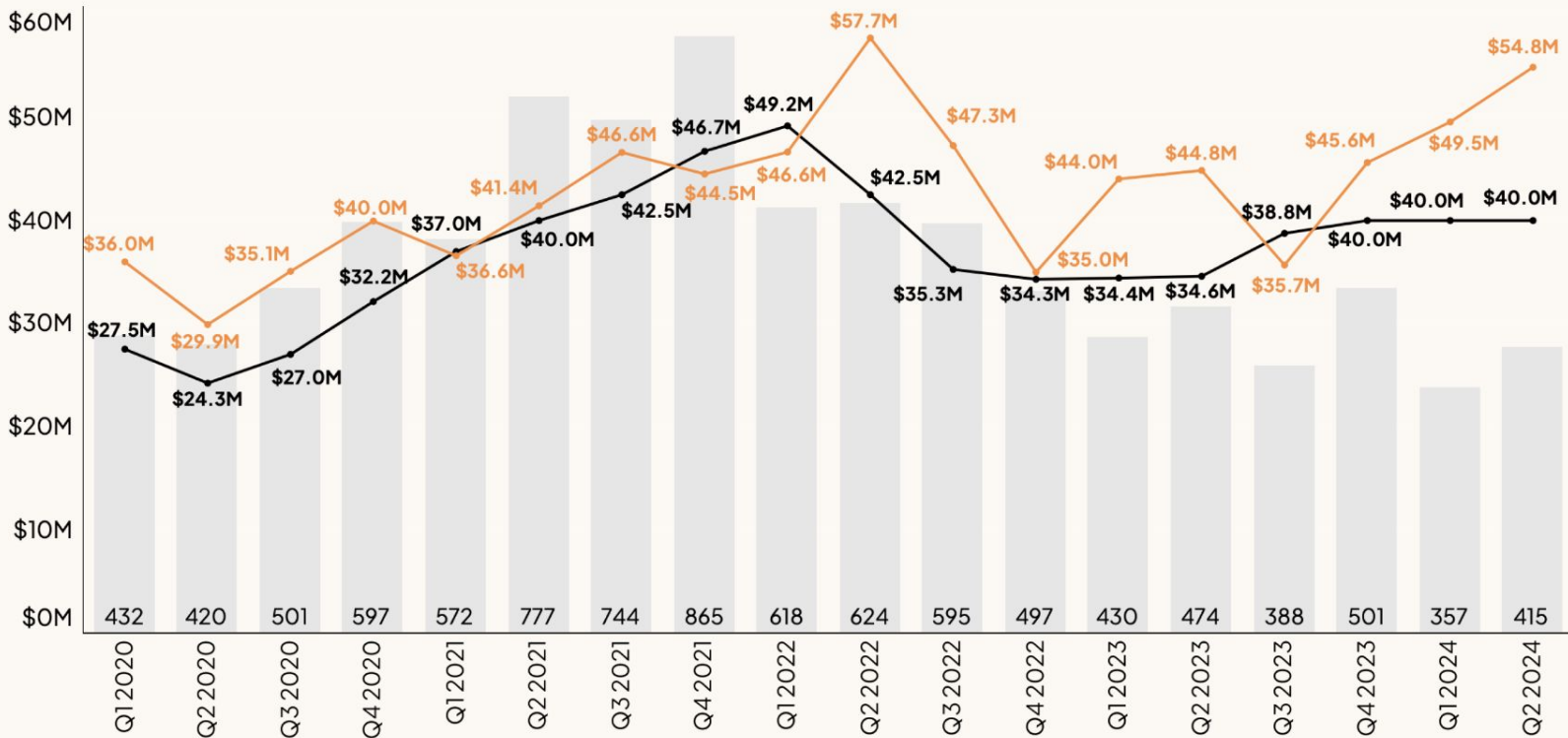
Primary priced seed valuations reached a new high in Q2

Seed round volume and median pre-money valuations for **primary** and **bridge** rounds, Q1 2020—Q2 2024



Primary Series A valuations remained flat in Q2

Series A round volume and median pre-money valuations for **primary** and **bridge** rounds, Q1 2020—Q2 2024



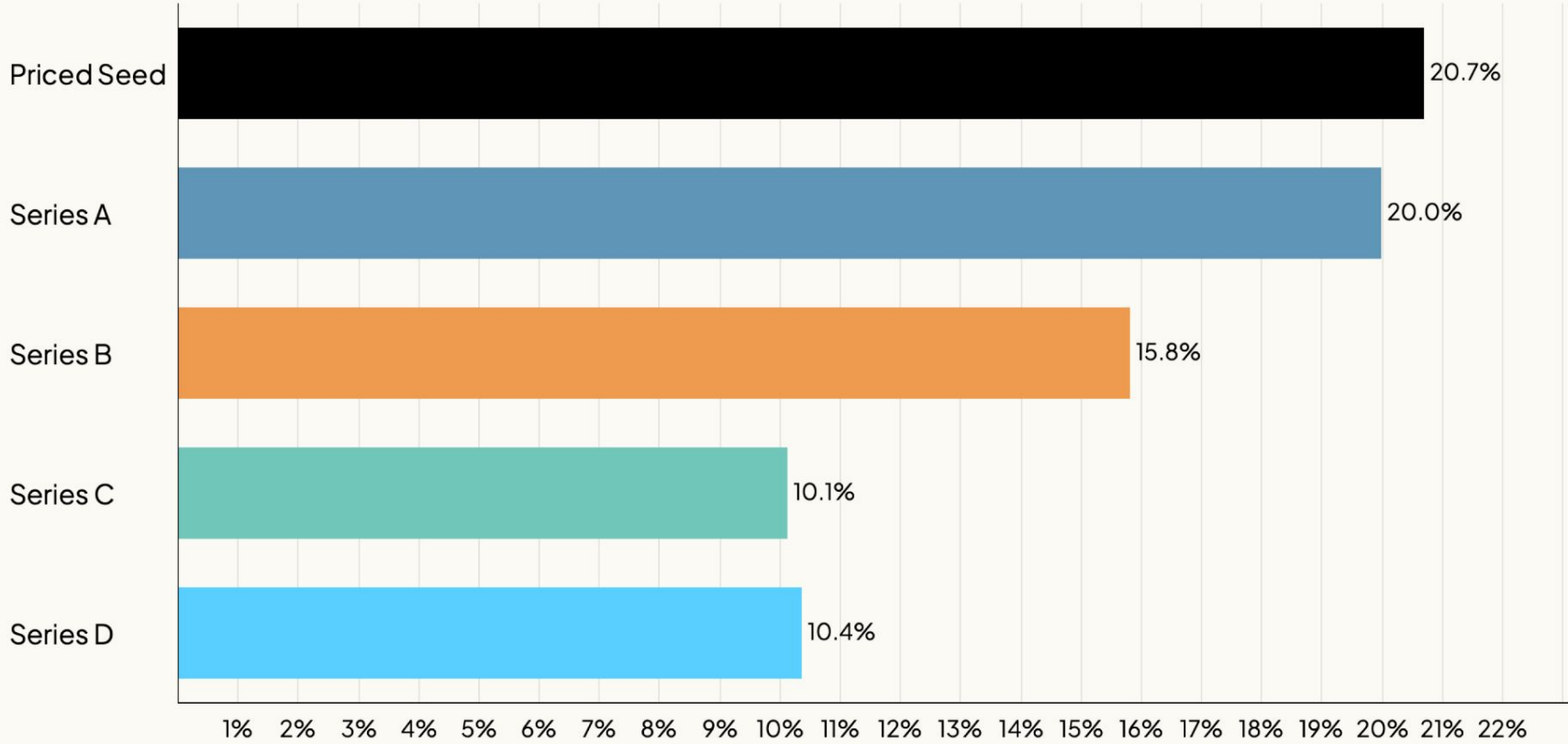
These stage names contain multitudes

US metro areas ranked by total capital invested into startups from Q2 2023–Q1 2024

Venture Stage	Percentile	Pre-money Valuation	Cash Raised	Dilution
Seed	25th Pct	\$8.0M	\$2.6M	15.8%
	50th Pct	\$12.8M	\$4.0M	20.9%
	75th Pct	\$22.5M	\$6.0M	25.9%
Series A	25th Pct	\$25.4M	\$7.5M	17.0%
	50th Pct	\$41.5M	\$10.6M	20.4%
	75th Pct	\$72.7M	\$18.0M	23.1%
Series B	25th Pct	\$54.5M	\$16.7M	13.9%
	50th Pct	\$118.4M	\$29.6M	16.2%
	75th Pct	\$211.8M	\$40.8M	18.9%
Series C	25th Pct	\$114.1M	\$18.2M	10.3%
	50th Pct	\$195.7M	\$40.2M	16.6%
	75th Pct	\$355.0M	\$92.8M	23.5%

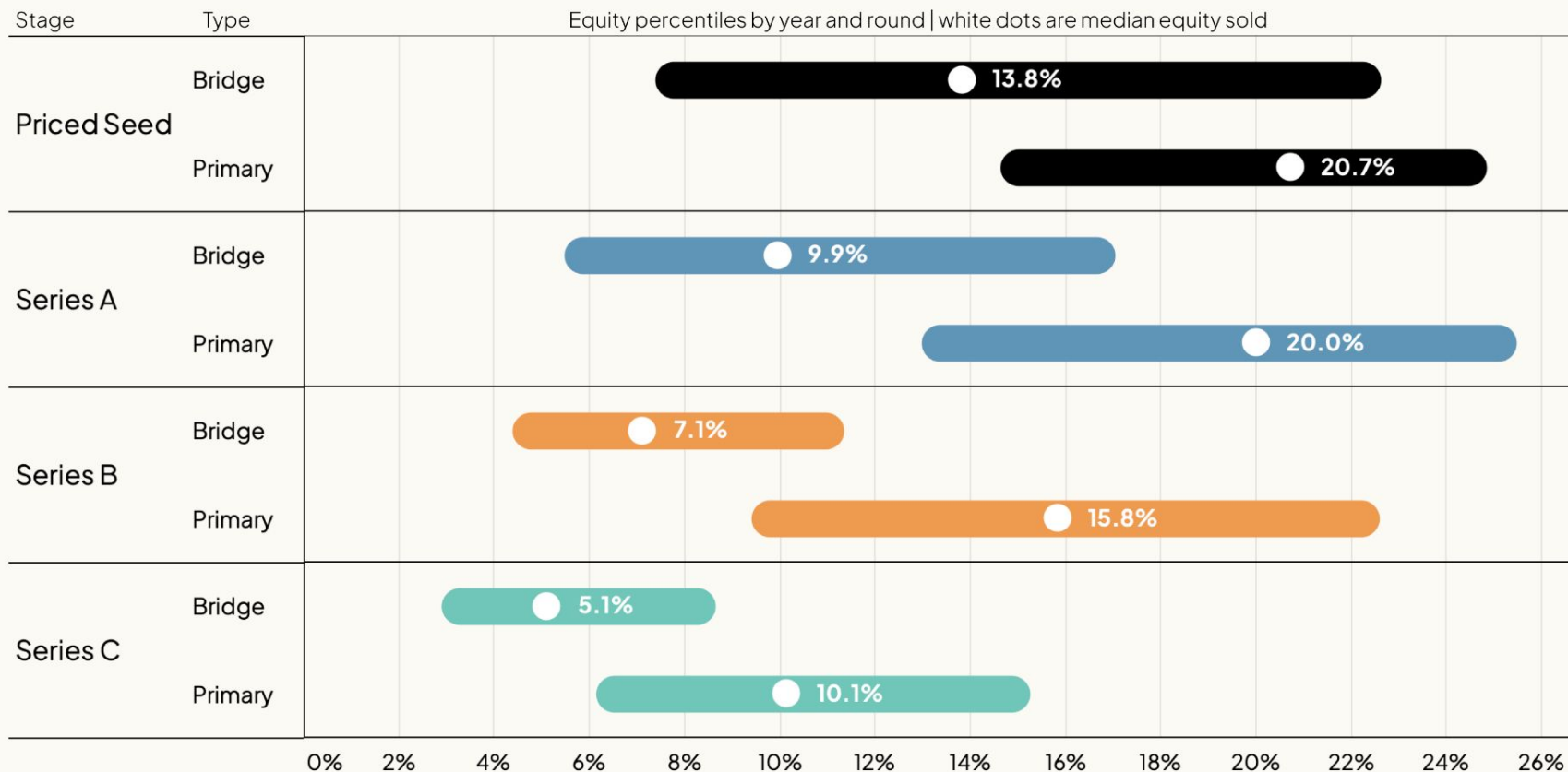
20% rule of thumb in early-stage venture? True.

Median equity sold to investors in primary rounds | US startups on Carta in 2023



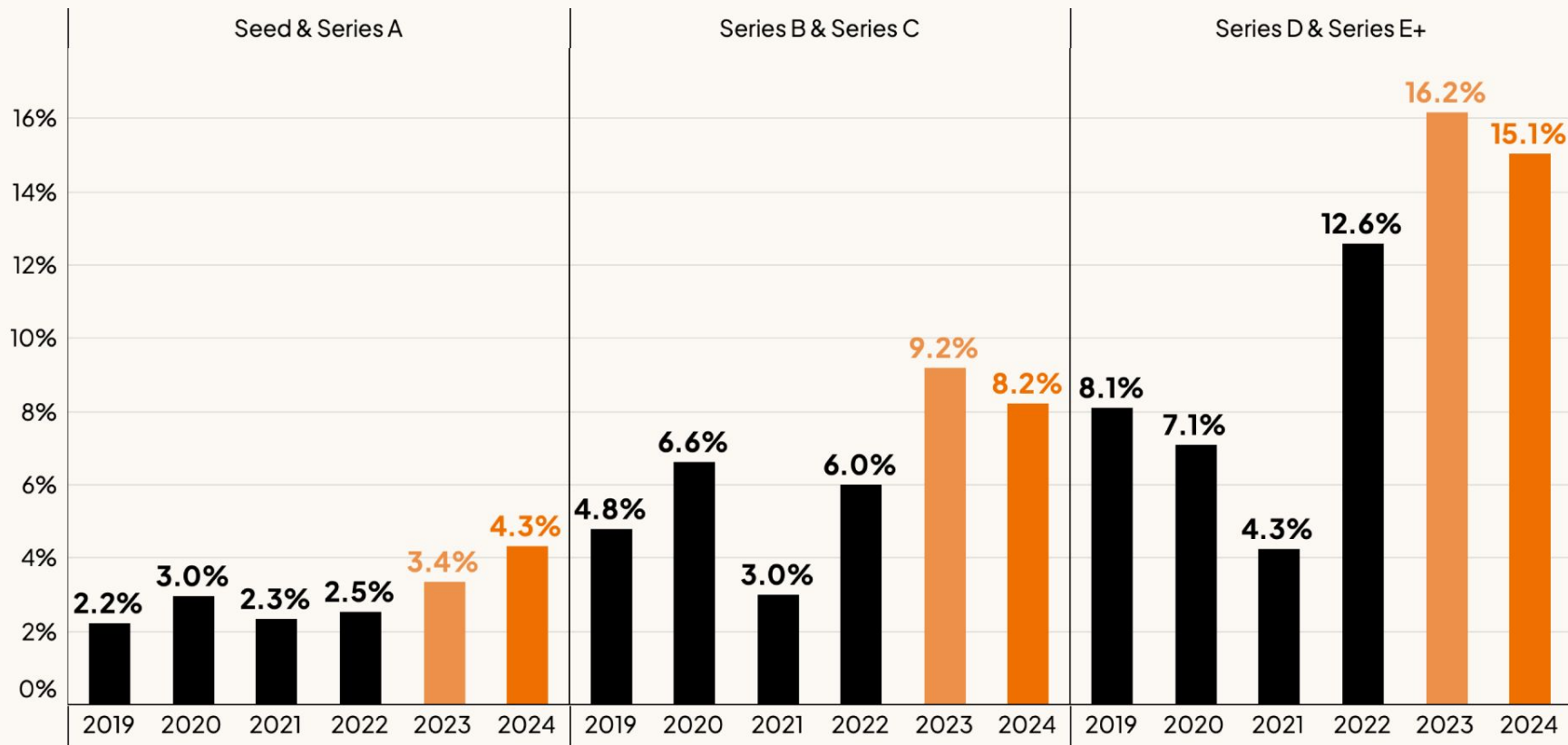
Bridge round dilution settles around half of primary rounds

25th / 50th / 75th percentile equity sold to investors in primary & bridge rounds | US startups on Carta in 2023



High liquidation preferences are back on the menu

Percent of all deals by stage with liquidation preference over 1x | Q1 2019–Q2 2024



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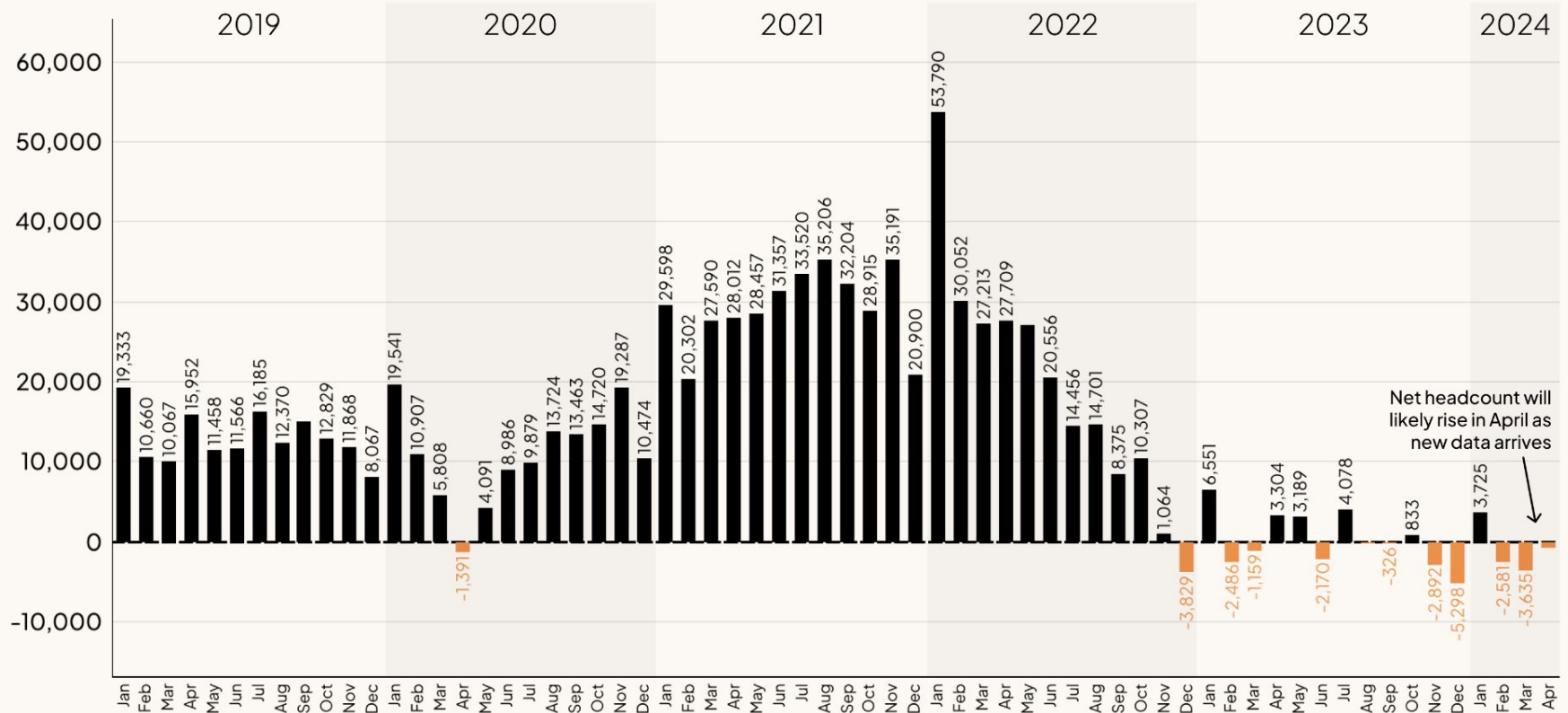
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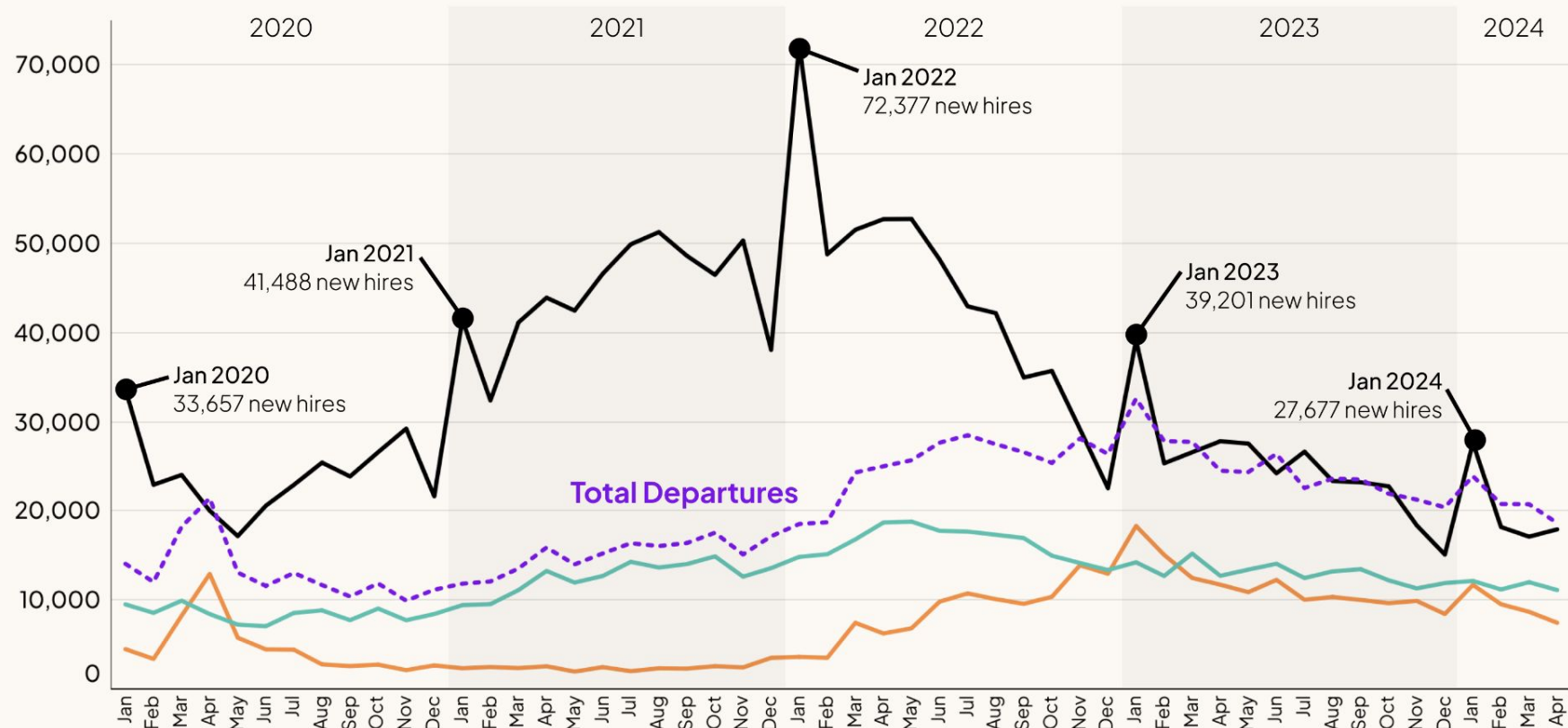
Net headcount at Carta startups flat since Jan 2023

Net **growth** / **reduction** in headcount by month across all existing Carta companies | Data as of Jul 14, 2024



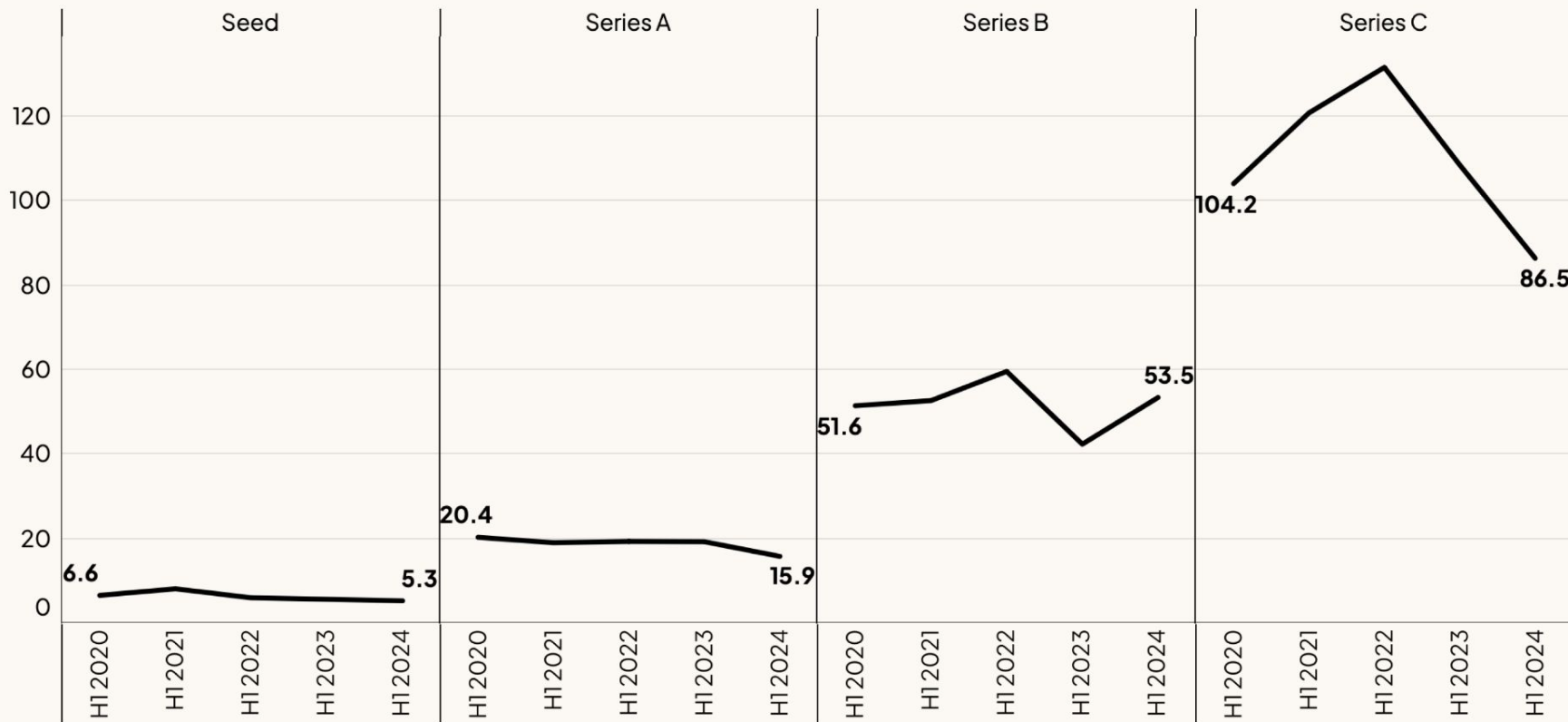
New hires in January 2024 lowest since January 2020

Employees **hired**, **leaving by choice**, and **laid off** by month across all companies on Carta | Jan 2020–Apr 2024



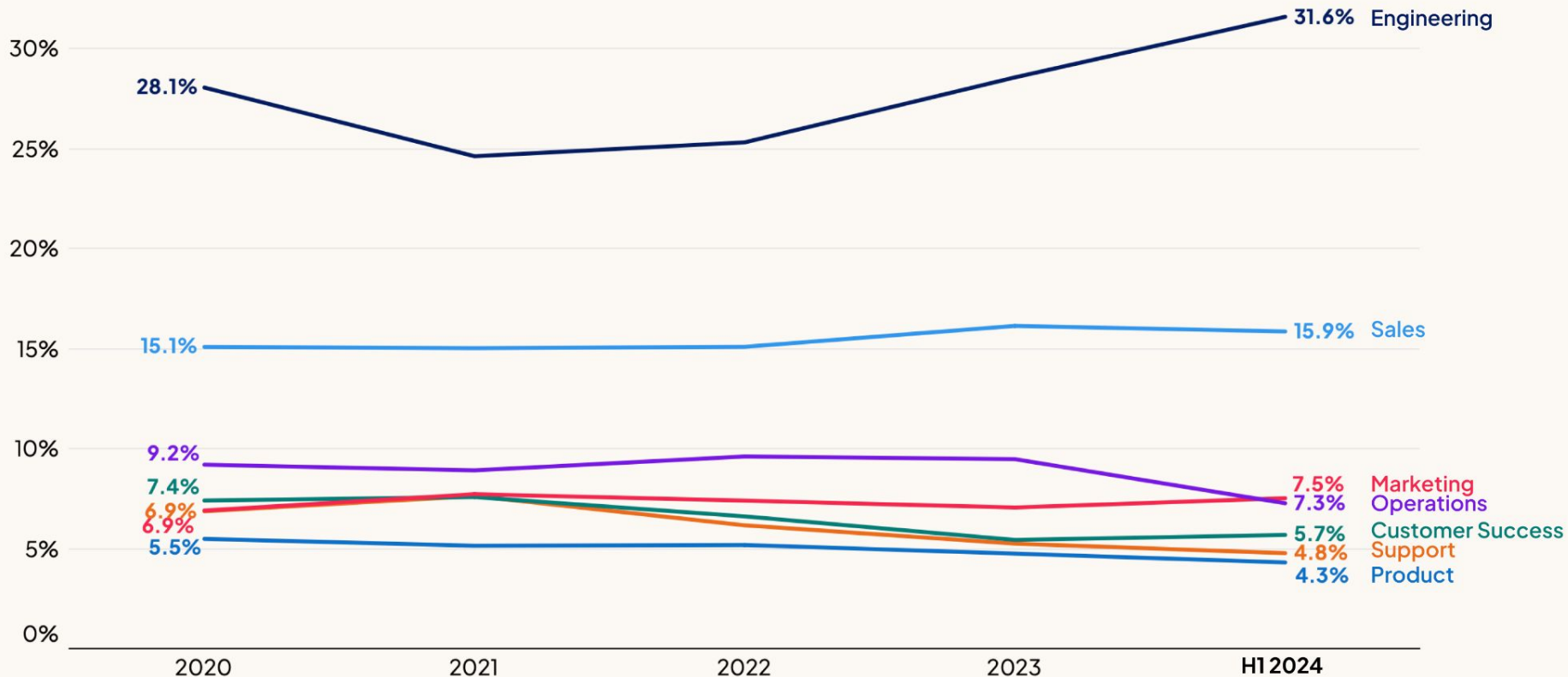
SaaS startups are ~20% smaller at Series A than in H1 2020

Average SaaS startup headcount at the date of fundraise by stage and year



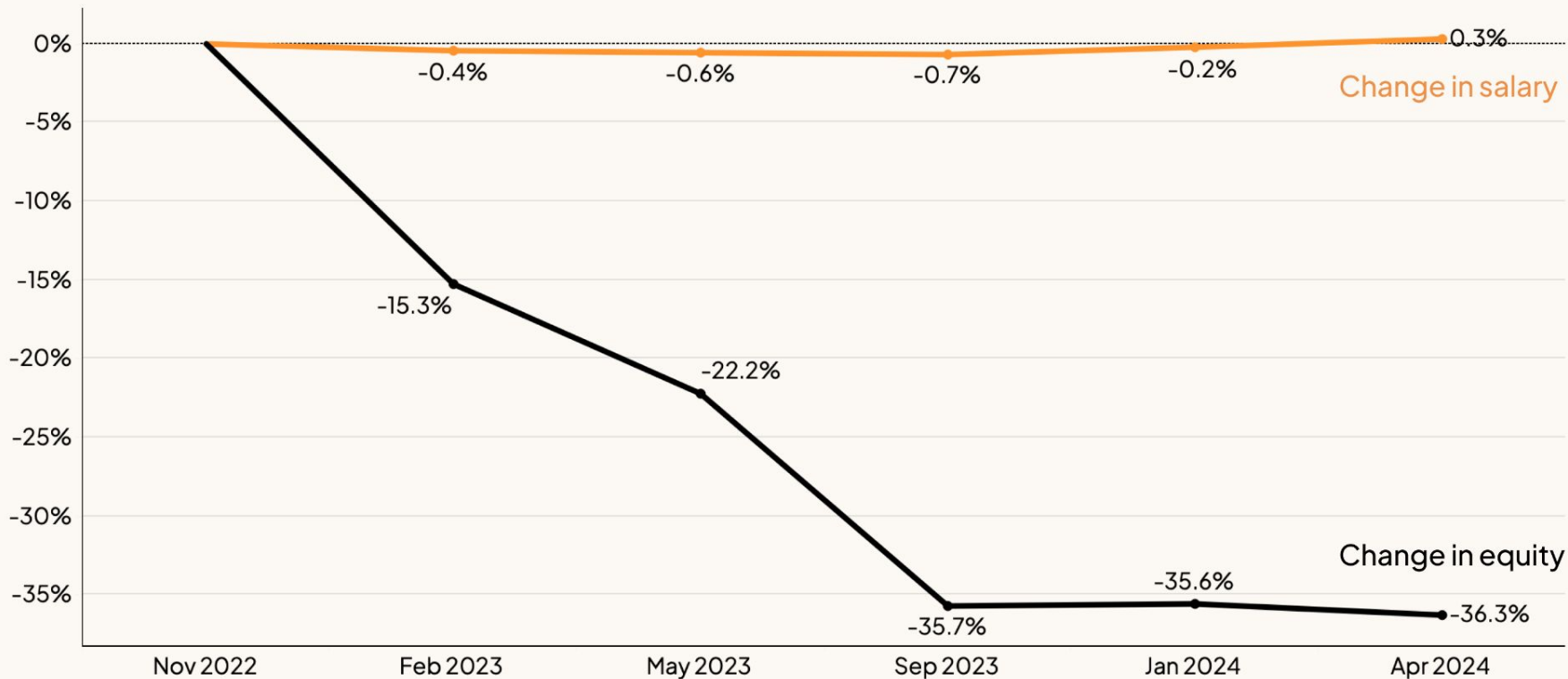
Engineers expanded their share of all new startup hires

Percent of new employees by hire year and function | All functions with 4% or higher share shown below



Equity packages have found a new normal

Average percent change in salary and fully diluted equity | All data relative to Nov 2022 | Companies worth \$1M-\$10B



Note: Data above from the following job functions - Customer Success, Data, Design, Engineering, HR/Recruiting, Marketing, Operations, Product, Sales, Support

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