Road to Next

Q3 2026

Mega-exits redraw the liquidity map

Executive summary
Exit value surges past $2 trillion, powered by a historic wave of mega-IPOs

Exit trends
Expansion-stage exit value more than quintupled in the first half of 2026

Sector trends
AI and enabling technologies capture the bulk of 2026’s surge, even as exit counts lag for most verticals

Spotlight
Public market graduates ended the first half above their private marks, and middle-market companies see exit tailwinds too

Regional trends
Coastal hubs still lead, but exit dollars are spreading more evenly across the US

Looking forward
A market recalibrated around scale with fewer deals, far larger outcomes

Deloitte.

Data provided by
PitchBook

Editorial team

"The focus on AI infrastructure is completely aligned with what we're seeing across our portfolio. Those companies are often accelerating their IPO plans ahead of typical profitability fundamentals, because the market is willing to take on risk in such a high-growth space."

Justin Yahr
Audit & Assurance Partner and National Emerging Company Growth Leader
Deloitte & Touche LLP

With more than 20 years at Deloitte, Justin is the Audit & Assurance National Emerging Company Growth leader. He advises public and private companies on assurance, accounting, and a range of professional services, bringing deep experience in initial public offerings (IPOs), mergers and acquisitions, and strategies for emerging businesses as they grow.

"We're seeing that broad IPO trend narrow, with deal flow concentrating heavily on the broader infrastructure buildout supporting the AI environment as valuations there outstrip valuations elsewhere in the market."

Will Braeutigam
Audit & Assurance Partner and US Capital Markets Transactions Leader
Deloitte & Touche LLP

Will serves as both the US Capital Markets Transactions and the US Accounting Advisory Services leader for the Audit & Assurance business. His team is responsible for advising companies as they prepare for and execute their capital markets strategies and help companies to optimize their accounting and reporting functions.

His team has served hundreds of companies completing their capital markets transactions. In addition, he leads Mergers and Acquisitions for the Audit & Assurance business.

Deloitte and PitchBook have collaborated to produce a unique methodology for the Road to Next series to better analyze a new segment of companies that emerged in the 2010s. Dubbing this segment the "expansion stage," the methodology uses investment data restricted to late-stage venture capital (VC), private equity (PE) growth, and private corporate financing. In addition, companies must still be privately held by investment firms.

This document is intended to be a digital-first experience and best read in a computer or mobile environment. Printing may not achieve the same intended results.

Executive summary

Exit value surges past $2 trillion, powered by a historic wave of mega-IPOs

Themes and key findings for this issue:

- Expansion-stage exit value surged to $2.26 trillion in the first half of 2026, more than five times the $417.7 billion recorded in 2025. Even excluding the year's single largest transaction, value for the first half of the year (H1) still exceeds the full-year 2025 total by 36.7 percent, confirming a broad-based rise in exit activity beneath the headline figures.

- Public listings now account for 79.4 percent of exit value, up from roughly half in 2025, driven overwhelmingly by IPOs from the ranks of the highest-valued private companies, including the largest IPO in history.

- Large IPOs are not the only driving force behind the recovery, though. Exit activity for middle-market companies—those valued between $100 million and $1 billion—is on a steady upward trajectory as well. Middle-market exit count is on pace for a fourth consecutive annual increase in 2026.

Executive summary

- The investor base behind expansion-stage deals is consolidating around larger, multiparty syndicates. Deals featuring both new and existing investors exceeded $300 billion in H1 2026, 63 percent higher than the total for all of 2025, even as these deals continue to trail last year's pace by count.

- Down-round anxiety has given way to a sharp reversal: Down rounds fell to 10.9 percent of VC deal count in H1 2026 from roughly 20 percent a year ago, aided by a resilient S&P 500 and a Federal Reserve holding rates steady since late 2025.

- Artificial intelligence (AI) and enabling technologies are capturing the bulk of this year's surge. AI exit value more than quadrupled and software as a service (SaaS) value more than tripled, even as deal counts fell in both, underscoring a market rewarding scale over breadth.

Exit trends

Expansion-stage exit value more than quintupled in the first half of 2026

Exit activity is surging in 2026, with total value generated in the first half of the year reaching $2.26 trillion, more than five times the full-year 2025 total of $417.7 billion and by far the largest sum in the history of this series. Even after excluding the year’s single largest transaction, H1 2026 exit value still exceeds 2025’s total by 36.7 percent. This illustrates that the surge is not just a function of a few outliers but a real, broad-based rise in exit flow beneath the headline figures. Exit counts tell a similarly positive story: 689 exits closed in H1 2026, running more than 10 percent ahead of the same period in 2025.

4.93x

The ratio of expansion-stage investments to exits reached 4.93x year to date (YTD), up slightly from 2025 but still below the peak 5x+ levels of 2022–2023

79.4%

Public listings accounted for 79.4 percent of YTD expansion-stage exit value in H1 2026, up from less than half in 2025

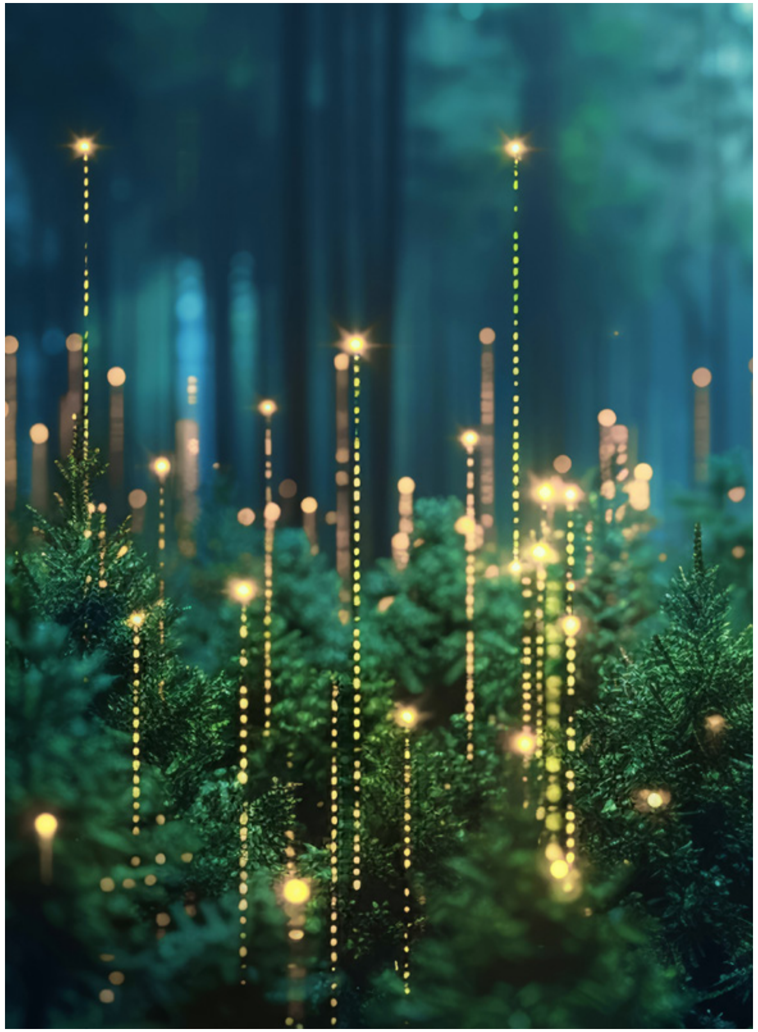
2.7x

Outlier public listings are not the only avenue driving the exit revival; acquisitions generated 2.7x total value in H1 2026 compared to all of 2025

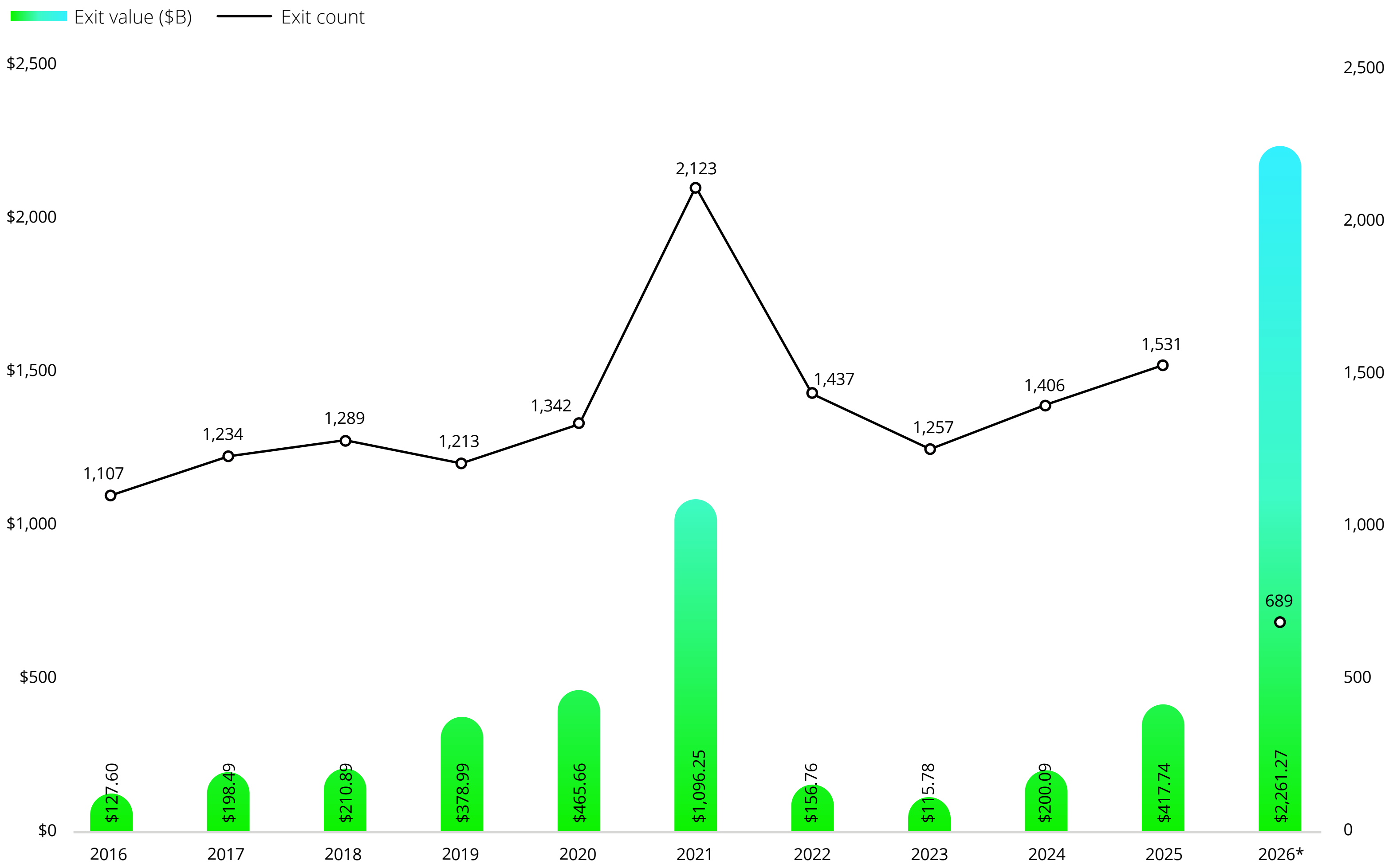
$250M

The median expansion-stage exit size reached $250 million, up more than 25 percent from 2025

Exit trends



US expansion-stage exit activity



Source: PitchBook | Geography: US | *As of June 30, 2026

Exit trends

Public listings now dominate exit value, even as acquisitions dominate exit by count

The composition of exit value has flipped dramatically compared with recent years. Public listings alone generated $1.8 trillion in H1 2026, representing 79.4 percent of the total, and up from $206.9 billion, or about half of exit value, in all of 2025. Acquisitions added another $379.2 billion and buyouts $77.5 billion.

"As private equity firms have raised more capital, the pricing gap between an IPO and a sale to private equity has narrowed significantly. At the same time, we continue to see owners of companies that could potentially IPO instead opt for a private transaction because they may not achieve sufficient pricing upside to justify the risk of holding the company for three to four years."

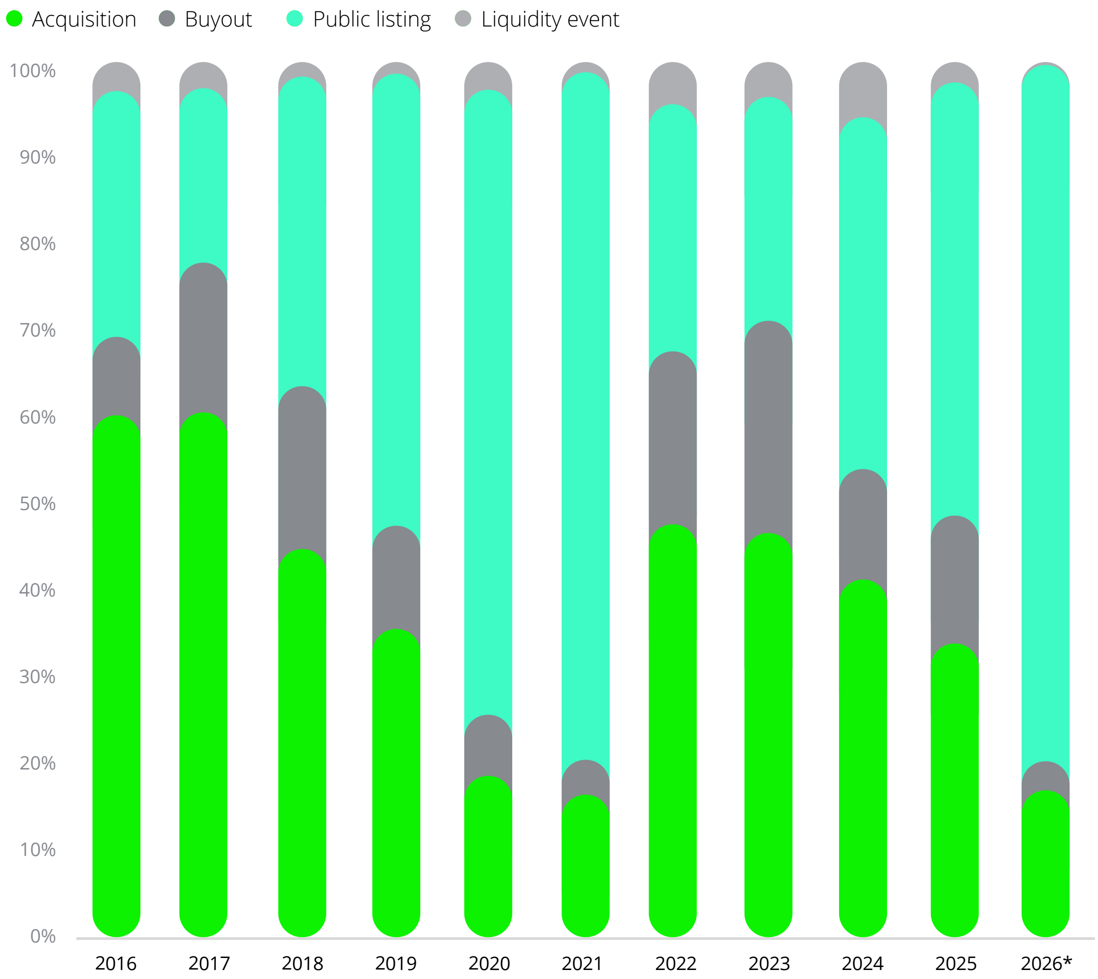
Will Braeutigam
Audit & Assurance Partner and US Capital Markets Transactions Leader, Deloitte & Touche LLP

By count, however, the market still looks familiar. Acquisitions remain the most common exit path, with 329 deals completed in H1 2026, while buyouts continue to represent a consistent share of activity.

While most exit categories are tracking modestly below their 2025 full-year counts on an annualized basis, public listings are on pace for a modest rise compared to that baseline. The market is processing roughly the same volume of exits as last year, but the scale of these exits has dramatically increased, with more companies now able to justify far larger price tags than in years past.

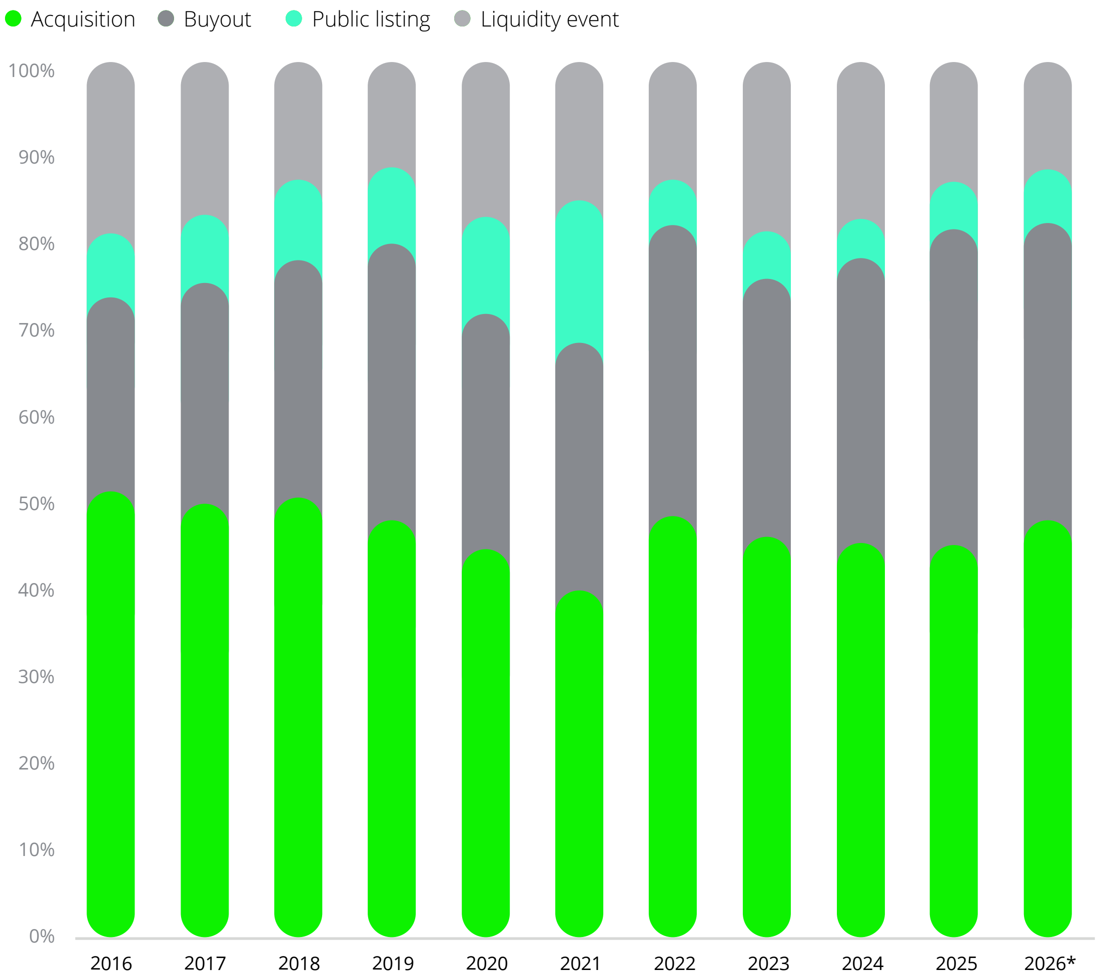
Exit trends

Share of US expansion-stage exit value ($B) by type



Source: PitchBook | Geography: US | *As of June 30, 2026

Share of US expansion-stage exit count by type



Source: PitchBook | Geography: US | *As of June 30, 2026

Exit trends

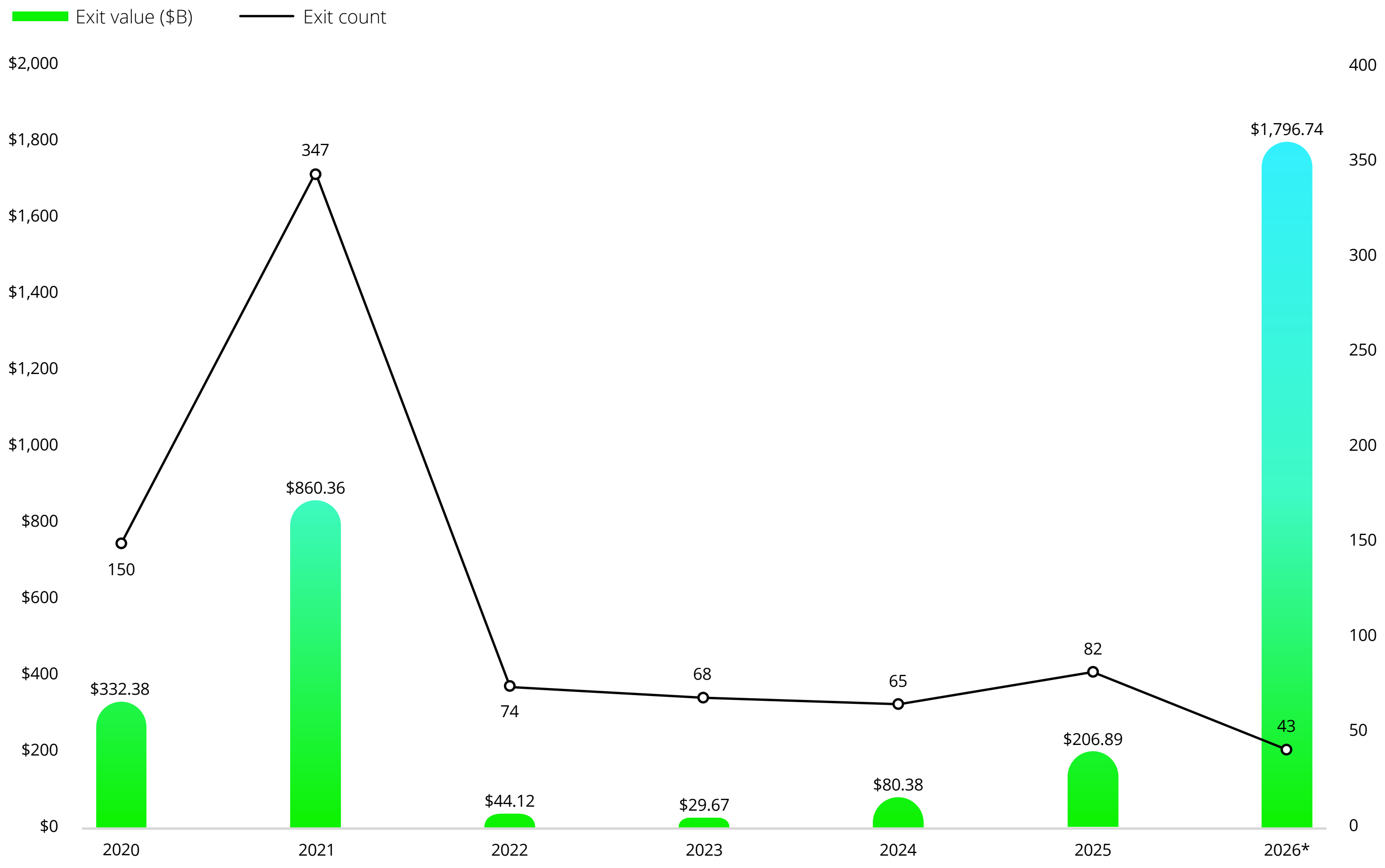
Mega-IPOs lead the charge

IPO value from a small group of the market's largest private companies is the single biggest driver of this year's surge in public listing value, with the data showing this segment leading the exit rebound in both scale and timing. This value had already been climbing well before 2026, rising roughly threefold each year—from $7.8 billion in 2022 to $94.4 billion in 2025—even as the number of transactions stayed in the single digits until 2025. Over the same period, IPO activity across the rest of the market followed a far more muted trajectory.

This divergence set the stage for 2026. Ten highly valued private companies completed public listings in the first half of the year, generating $1.74 trillion in exit value, including the largest IPO in history. That listing also carried the highest private valuation ever recorded, and several companies currently in IPO registration rank among the highest-valued private companies on record. While IPO value from the rest of the market has not yet exceeded its 2025 total, its YTD value already marks 2026 as the strongest year since 2021.

Exit trends

US expansion-stage IPO activity



Source: PitchBook | Geography: US | *As of June 30, 2026

The most mature, highest-valued companies in the pipeline are leading the IPO rebound with larger transaction sizes, but a broader set of smaller IPO candidates is also seeing notable momentum.

A small number of AI- and infrastructure-linked mega-listings, along with reported plans from other large private AI companies, shape both investor attention and the timing decisions of the hundreds of other venture-backed companies waiting in the wings. That backlog dynamic matters for how this quarter's numbers should be read. Although a handful of giant, well-prepared companies have cleared the initial hurdle of the public markets, the markets have not yet demonstrated the capacity to absorb a wider slate of listings of this magnitude.

Exit trends

The investor mix shifts toward joint, multiparty rounds

As mega-exits reignite distributions to select limited partners (LPs), recycling capital into the dealmaking stages can be expected over the next year or so as lockup periods expire. The investor base behind expansion-stage dealmaking is consolidating around bigger, multiparty rounds. Deals including both new and existing investors exceeded $300 billion in H1 2026—63 percent above the amount recorded in all of 2025—even though the number of these deals continues to trail last year's pace. By contrast, deals backed by only new investors are on pace to fall from $60.7 billion in 2025 to roughly $43 billion annualized, and deals backed only by existing investors are on pace to fall from $24.7 billion to roughly $17 billion.

Funding the current wave of generation-defining AI companies increasingly requires check sizes that few investors can write alone.

As round sizes climb to support capital-intensive bets, investors are teaming up rather than competing head-on, pooling capital into fewer, larger, syndicated rounds instead of spreading it across a wider set of smaller checks.

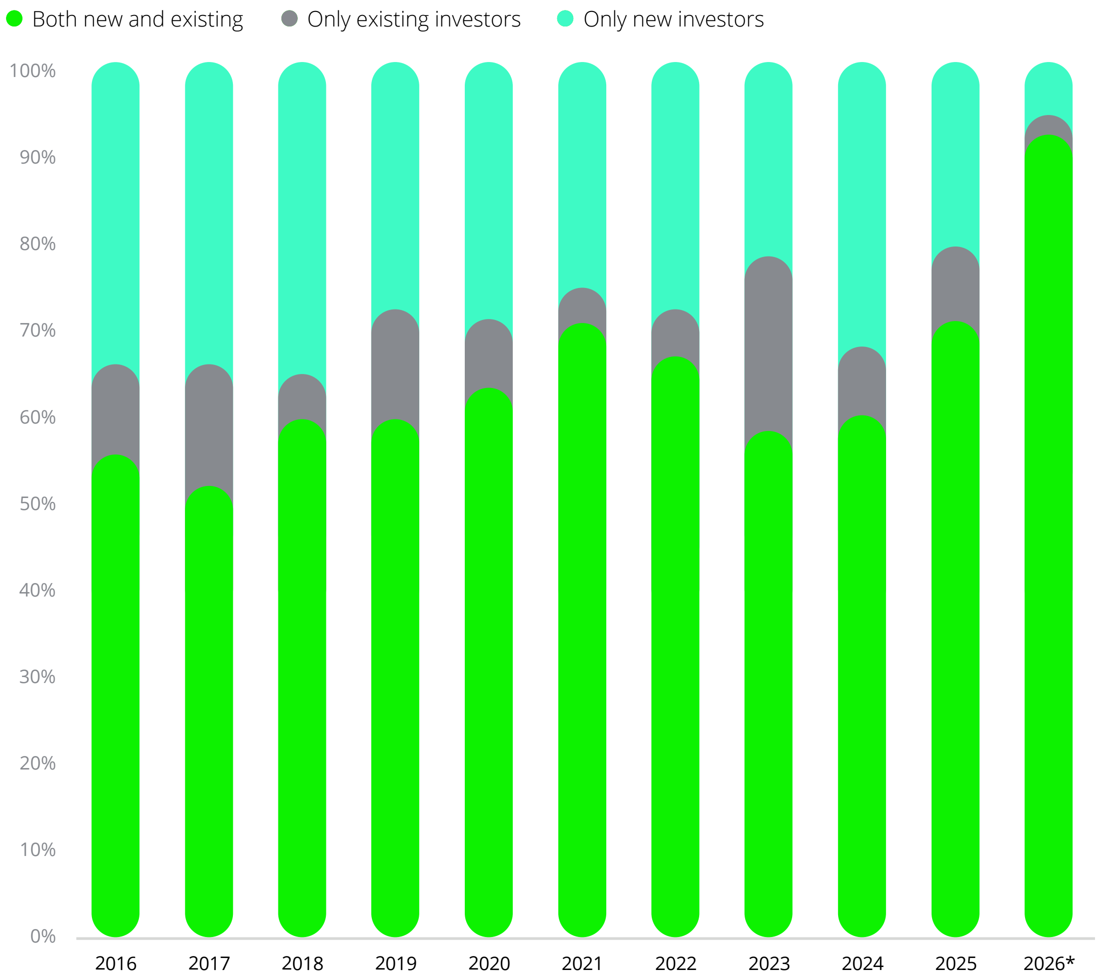
Still, by count, rounds with all-new investors remain the largest category, accounting for more than half of all deals since 2022. Beyond the headline rounds, the broader base of expansion-stage companies is still raising more modestly sized rounds led by new investor relationships. A new lead often brings independent price validation that existing backers alone may not be able to provide, and many rounds simply fall below the size where a syndicated deal is necessary. The market continues to show signs of division by deal size as much as by investor type, with mega-rounds requiring a team effort, while the typical expansion-stage financing still involves a larger and more varied pool of backers.

"In these hot spaces, there's an astronomical amount of capital required to even have a chance at success. When you look at the infrastructure investment needed to compete with large-scale AI platforms, or simply to play in that ecosystem, access to that capital becomes a prerequisite—otherwise, the business model does not really exist."

Justin Yahr
Audit & Assurance Partner and
National Emerging Company Growth Leader
Deloitte & Touche LLP

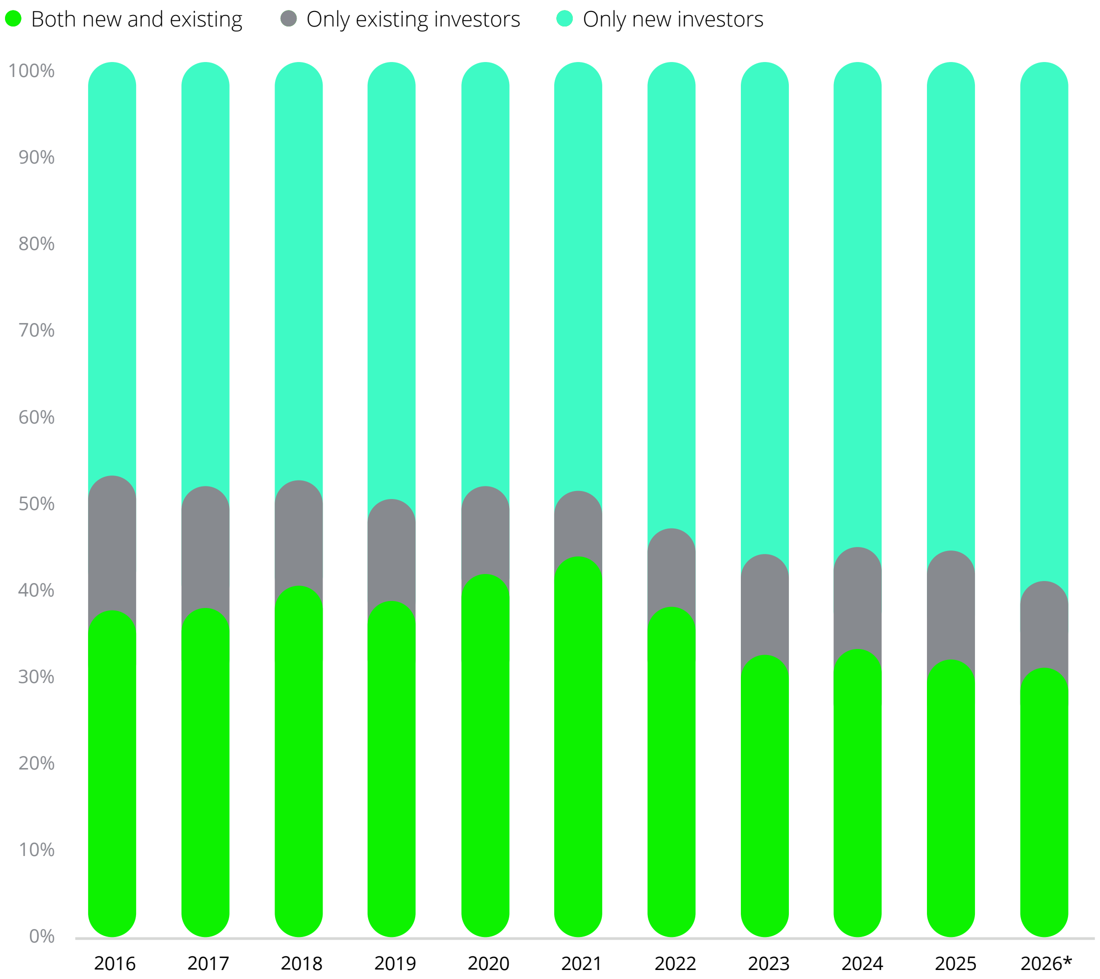
Exit trends

Share of US expansion-stage deal value ($B) by investor makeup



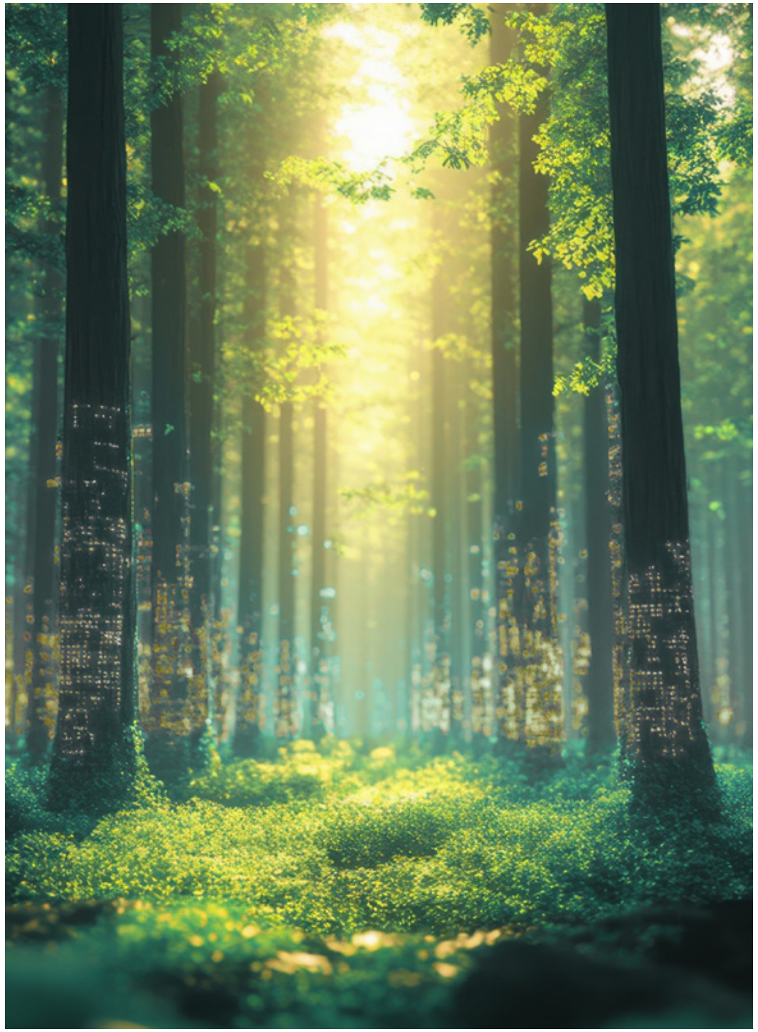
Source: PitchBook | Geography: US | *As of June 30, 2026

Share of US expansion-stage deal count by investor makeup



Source: PitchBook | Geography: US | *As of June 30, 2026

Exit trends



Down-round anxiety gives way to a sharp valuation reversal

Down rounds were a persistent feature of the expansion-stage landscape last year, accounting for roughly 20 percent of VC deal count. That story has begun to reverse, with down rounds accounting for only 10.9 percent of VC deal count in H1 2026. Flat rounds also dropped from 7.7 percent of deals in 2025 to 5.4 percent YTD, meaning more deals are securing higher valuations along the stages of their VC funding journey.

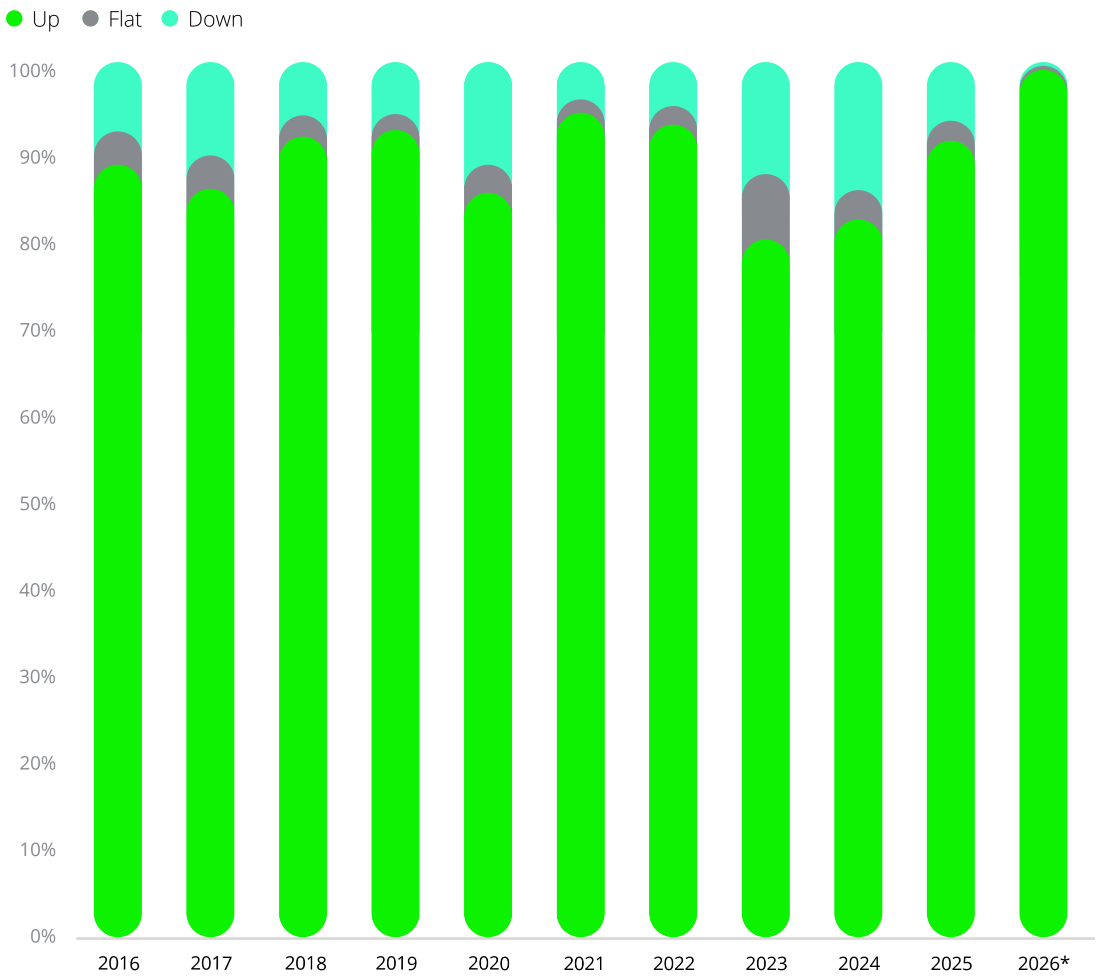
The shift lines up with a resilient broader market backdrop. The S&P 500 returned about 9.6 percent (on a price return basis; on a total return basis, the index hit 10.2 percent) in the first half of 2026 despite a midyear pullback tied to geopolitical tension and inflation concerns, with technology and semiconductor earnings leading the advance.[1] The Federal Reserve has held its benchmark rate steady since late 2025, providing a relatively stable discount-rate backdrop for growth-company valuations, even as officials flagged the possibility of a hike later this year.[2]

"Many companies have genuinely shifted their business models over the last few years, but there is very much a 'show me' culture now. Having an AI story is not enough anymore—companies need to demonstrate that it is driving measurable results."

Justin Yahr
Audit & Assurance Partner and
National Emerging Company Growth Leader
Deloitte & Touche LLP

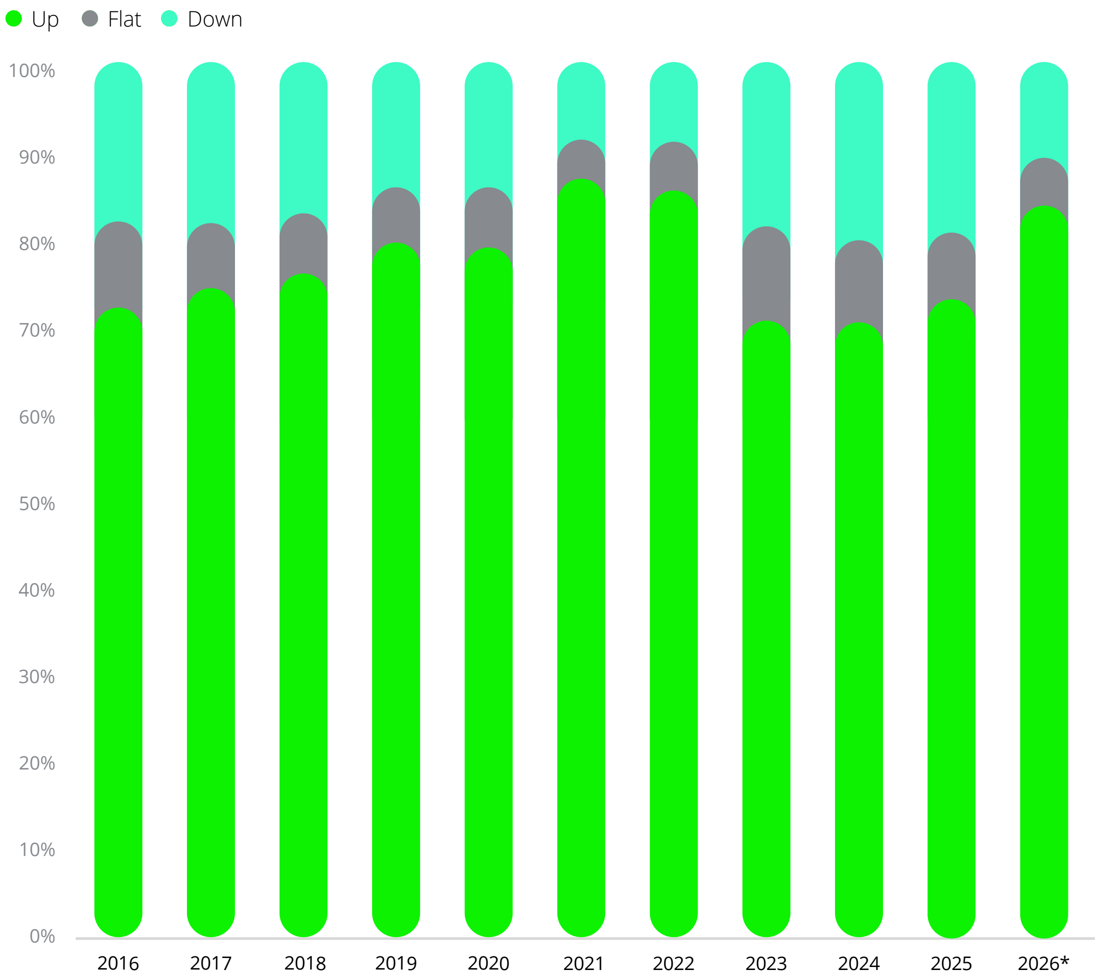
Exit trends

Share of US expansion-stage VC deal count by valuation change



Source: PitchBook | Geography: US | *As of June 30, 2026

Share of US expansion-stage VC deal value ($B) by valuation change



Source: PitchBook | Geography: US | *As of June 30, 2026

Sector trends

AI and enabling technologies capture the bulk of 2026's surge, even as exit counts lag for most verticals

"As part of the IPO process, companies should be prepared to address the question: Are you a net winner or loser in an AI-driven economy, and how do you remain a prominent company in five years? Many companies are still grappling with a response."

Will Braeutigam
Audit & Assurance Partner and
US Capital Markets Transactions Leader
Deloitte & Touche LLP

The sector composition of exit value shifted dramatically in the first half of 2026, with the data revealing a familiar pattern of fewer but larger transactions. AI exit value more than quadrupled from $74.7 billion in 2025 to $312.8 billion in H1 2026, even as exit count reflects more concentration. Similarly, SaaS exit value has more than tripled, while its exit count hovers below half of what it noted in 2025. AI disruption concerns drove a correction in public SaaS markets briefly, but integration efforts have quelled those fears, and exit value has since rebounded well beyond pre-correction levels, suggesting that the correction priced in disruption risk has not materialized. Exit value in the mobile sector, which captures satellite and connectivity businesses, has already drawn more than four times the exit value of 2025 due to outsized infrastructure-linked transactions but is on pace for a higher count this year as well.

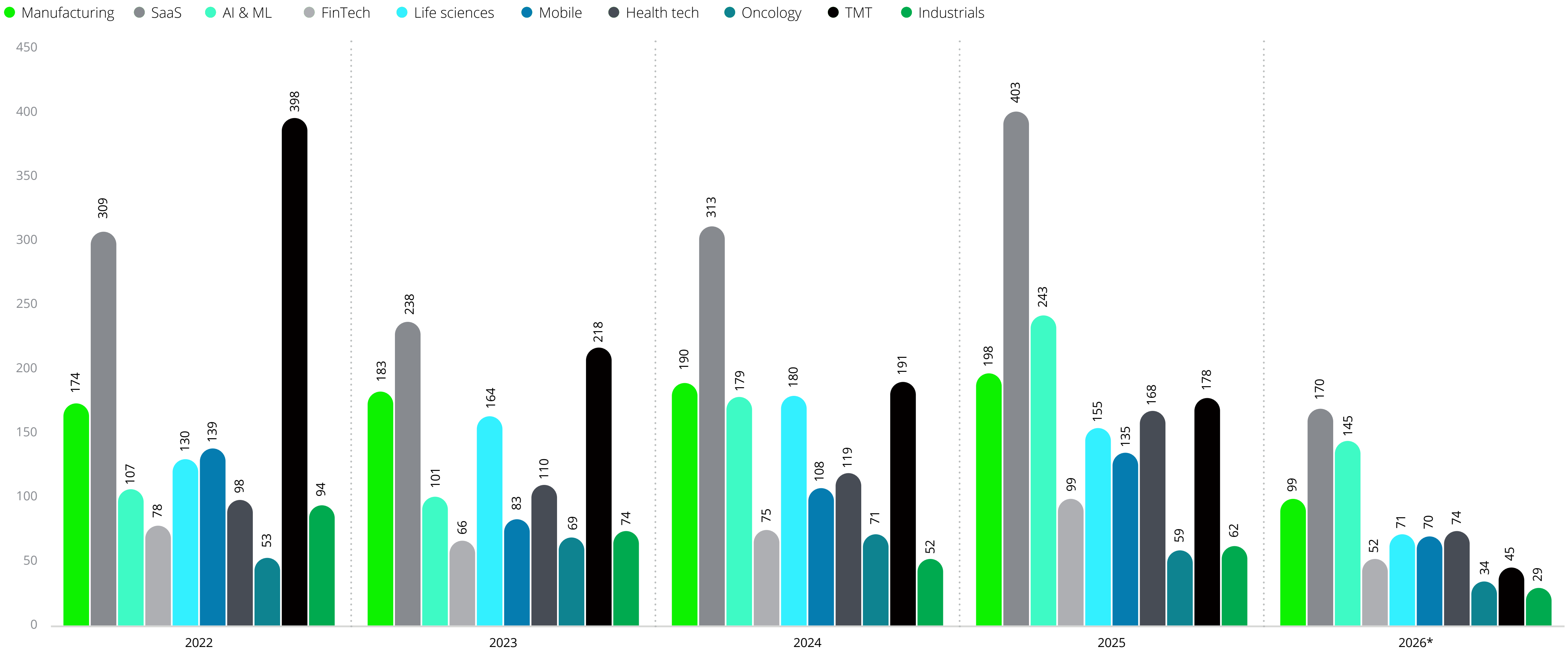
The combination of exits rising in value and falling in count is not limited to the sectors capturing this year's biggest gains. Manufacturing exit value held roughly flat in the first half of the year, but its deal count sits at half of the total last year, meaning the average outcome per deal grew even in a sector without a single standout mega-listing. Fintech, by contrast, is pacing well behind 2025—first-half exit value of $11.3 billion is less than a fifth of last year's $62.3 billion, while deal count has held steady. Sectoral exit trends reinforce the fact that the concentration across fewer, larger deals is widespread but not constant. A handful of standout sectors that began driving the exit rebound last year maintain their dominance, others are gaining momentum with outlier deals, and still others are demonstrating how broader valuation corrections have blunted value gains.

"For companies outside the large-scale AI platform ecosystem, it really comes down to fundamentals—a strong cash flow and earnings story is what gives investors confidence in the return they'll see from an IPO."

Justin Yahr
Audit & Assurance Partner and
National Emerging Company Growth Leader
Deloitte & Touche LLP

Sector trends

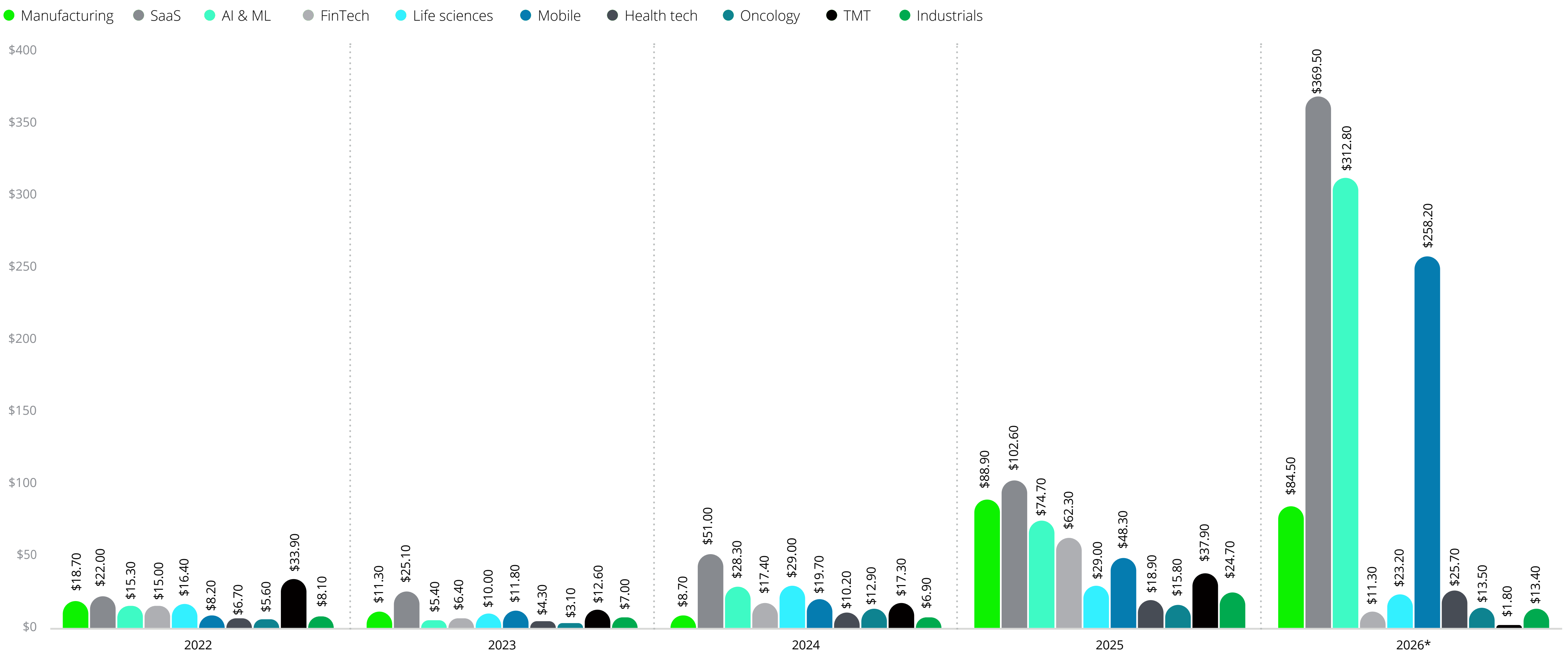
US expansion-stage exit count by top vertical



Source: PitchBook | Geography: US | *As of June 30, 2026

Sector trends

US expansion-stage exit value ($B) by top vertical



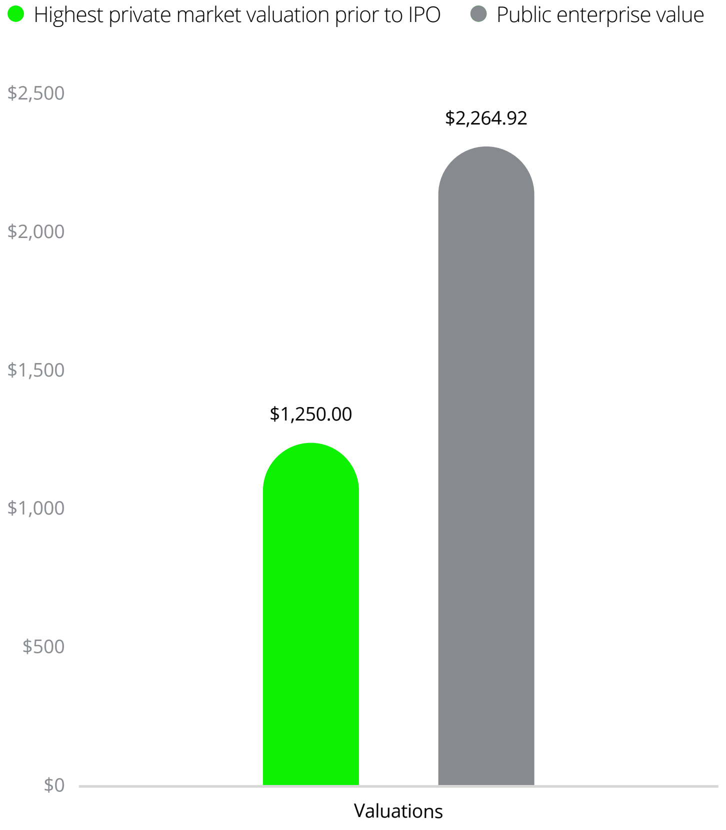
Source: PitchBook | Geography: US | *As of June 30, 2026

Spotlight

Public market graduates ended the first half above their private valuations, and middle-market companies see exit tailwinds too

Halfway through the year, former expansion-stage companies that transitioned to the public markets traded at an aggregate public enterprise value of $2.26 trillion. As of June 30, that collective value stood more than 80 percent above their combined highest private valuation of $1.25 trillion. At the individual-company level, 84 percent of these expansion-stage IPO graduates traded above their last private valuation—nearly the mirror image of the mid-2025 split, when just 44 percent of listings traded above the prior threshold.

Aggregate US expansion-stage IPOs public vs. private valuation ($T)



Source: PitchBook | Geography: US | *As of June 30, 2026

“Several factors have driven the IPO renaissance we are seeing today, and positive returns to investors are chief among them.”

Will Braeutigam
Audit & Assurance Partner and
US Capital Markets Transactions Leader
Deloitte & Touche LLP

Spotlight

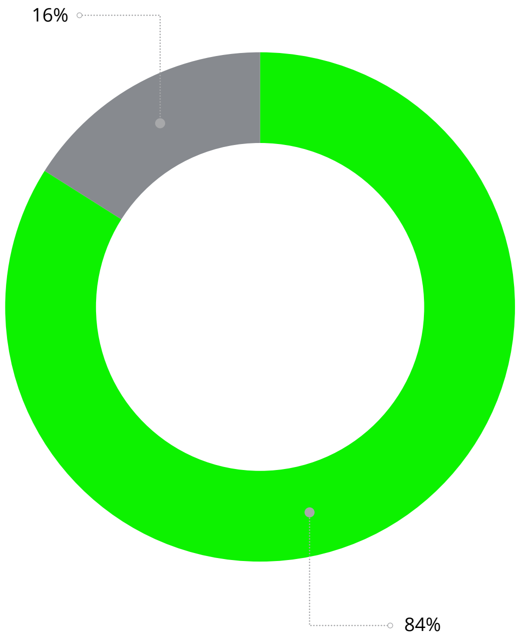
Improving aftermarket performance helped reopen the public markets as a more viable exit route, and more companies have grown comfortable pursuing a listing after several quiet years. Deloitte's analysis of the reopening IPO market attributes this resilience to investor discipline. Rather than a broad reopening driven by sentiment, the market has rewarded companies with clear fundamentals and durable growth, and this discipline has translated into steadier post-listing performance for the issuers that clear that bar, though aftermarket valuations remain sensitive to broader market swings.[3]

"Because there have been so many companies sitting on the sidelines trying to build their story over the last three to four years, there's quite a pipeline of more traditional expansion-stage companies that we're going to continue to see hit the market."

Justin Yahr
Audit & Assurance Partner and
National Emerging Company Growth Leader
Deloitte & Touche LLP

Share of US expansion-stage IPO count by post-IPO public valuation

- Public valuation higher than private market valuation
- Public valuation lower than private market valuation



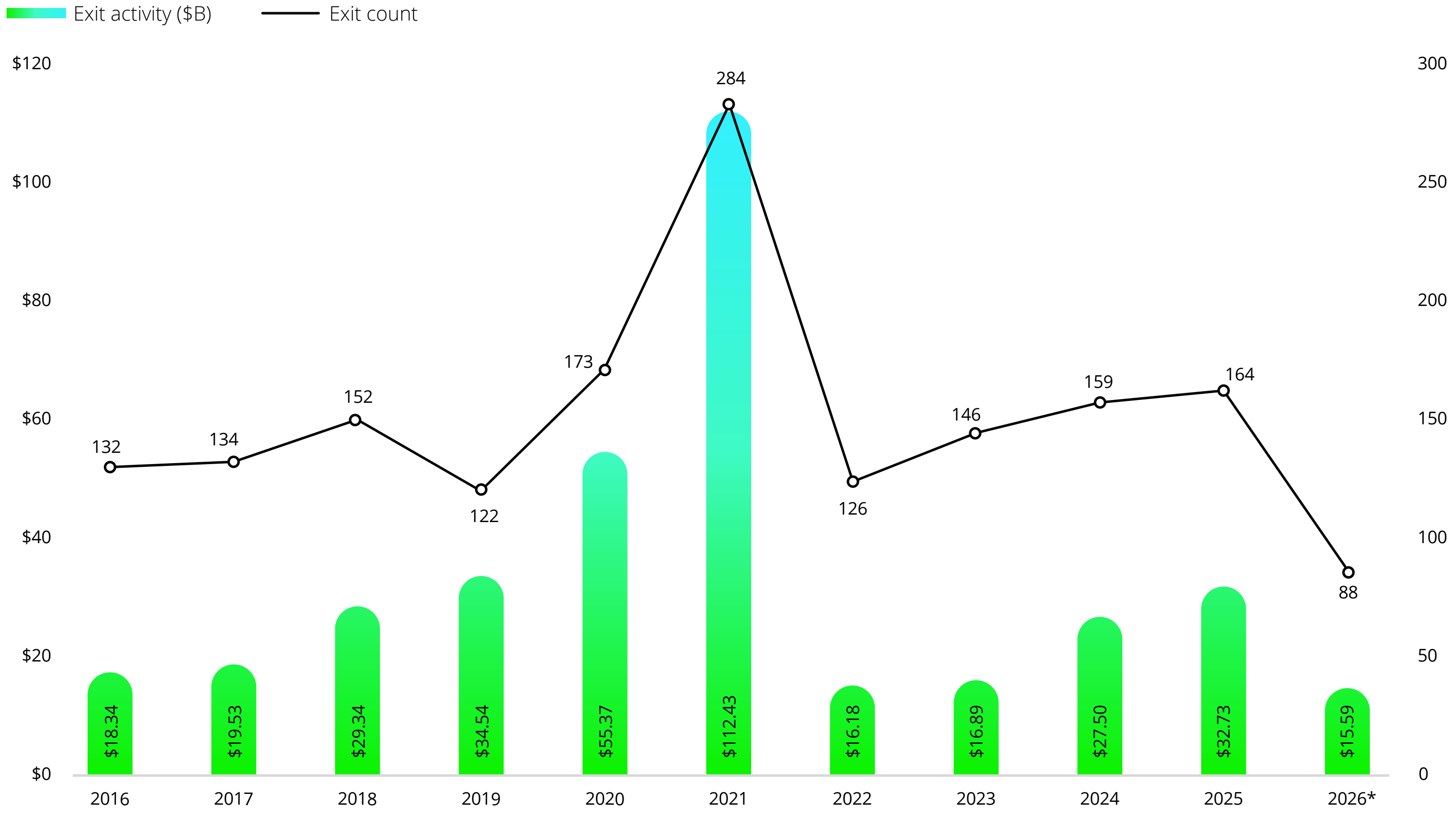
Source: PitchBook | Geography: US | *As of June 30, 2026

Spotlight

Middle-market momentum holds steady beneath the headlines

While mega-IPOs dominate this year's headlines, middle-market companies are building their own multi-year recovery. Exit value for this group climbed for three straight years, from $16.2 billion in 2022 to $32.7 billion in 2025. The exit count followed the same steady climb, reaching 164 in 2025. That momentum has carried into 2026 with 88 exits closed in the first half of the year, putting the cohort on pace to narrowly exceed the full-year count in 2025. Even as capital concentrates into fewer, larger transactions at the top of the market, middle-market liquidity continues to build.

Expansion-stage exit activity for companies valued between $100 million and $1 billion



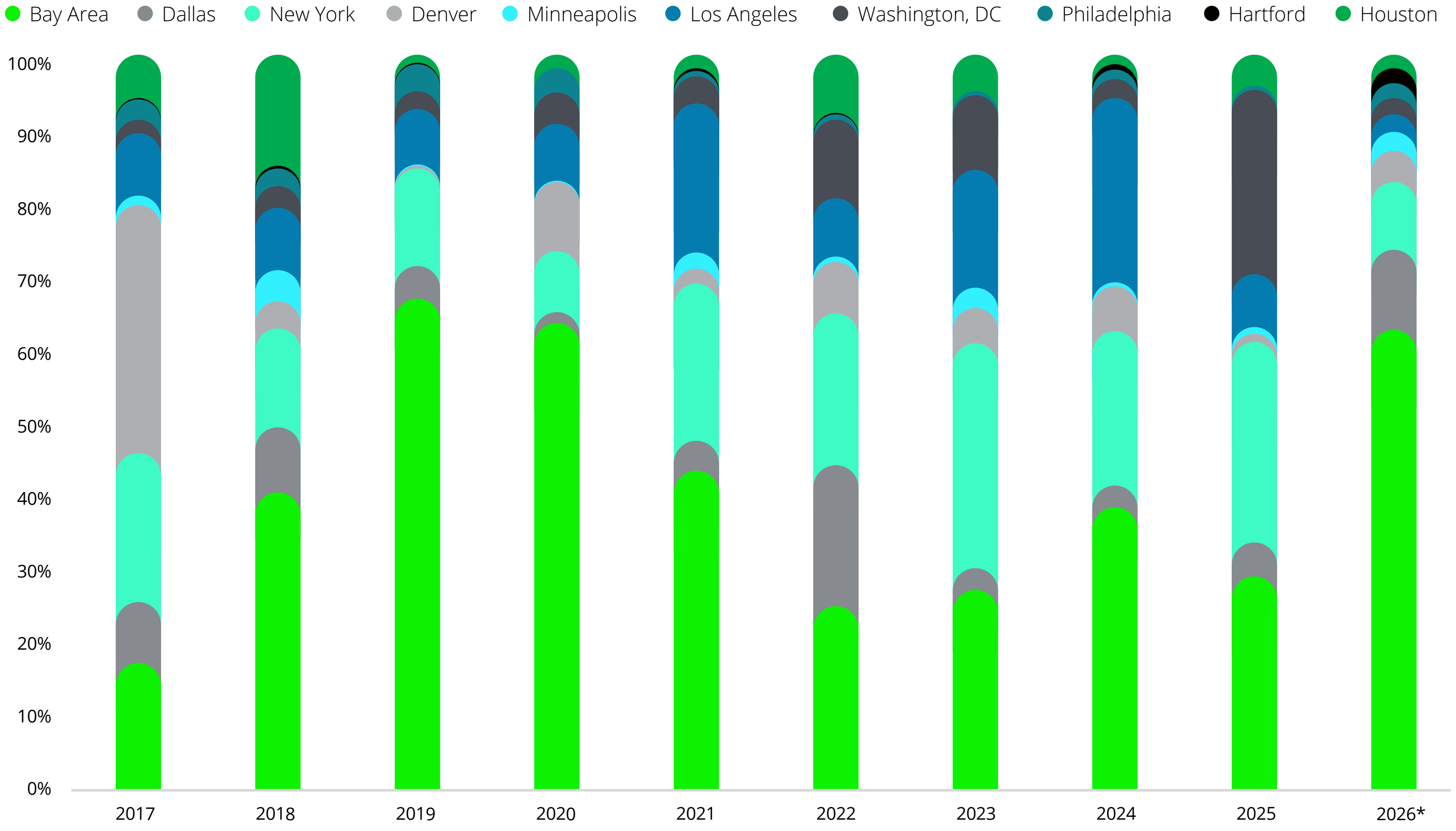
Source: PitchBook | Geography: US | *As of June 30, 2026

Regional trends

Coastal hubs still lead, but exit dollars are spreading more evenly across the US

Regional exit activity in 2026 has been reshaped by the same concentration dynamics seen throughout this report. The Bay Area generated more than $300 billion across 108 exits in H1 2026, a total that is more than four times its total for all of 2025, and by far the largest total of any US market. This surge reflects the density of AI-linked listings headquartered in Northern California. New York logged $47 billion across 101 exits, still one of the largest markets by count, even as its exit value trailed 2025's $66.7 billion full-year pace.

Share of US expansion-stage exit value ($B) by CSA



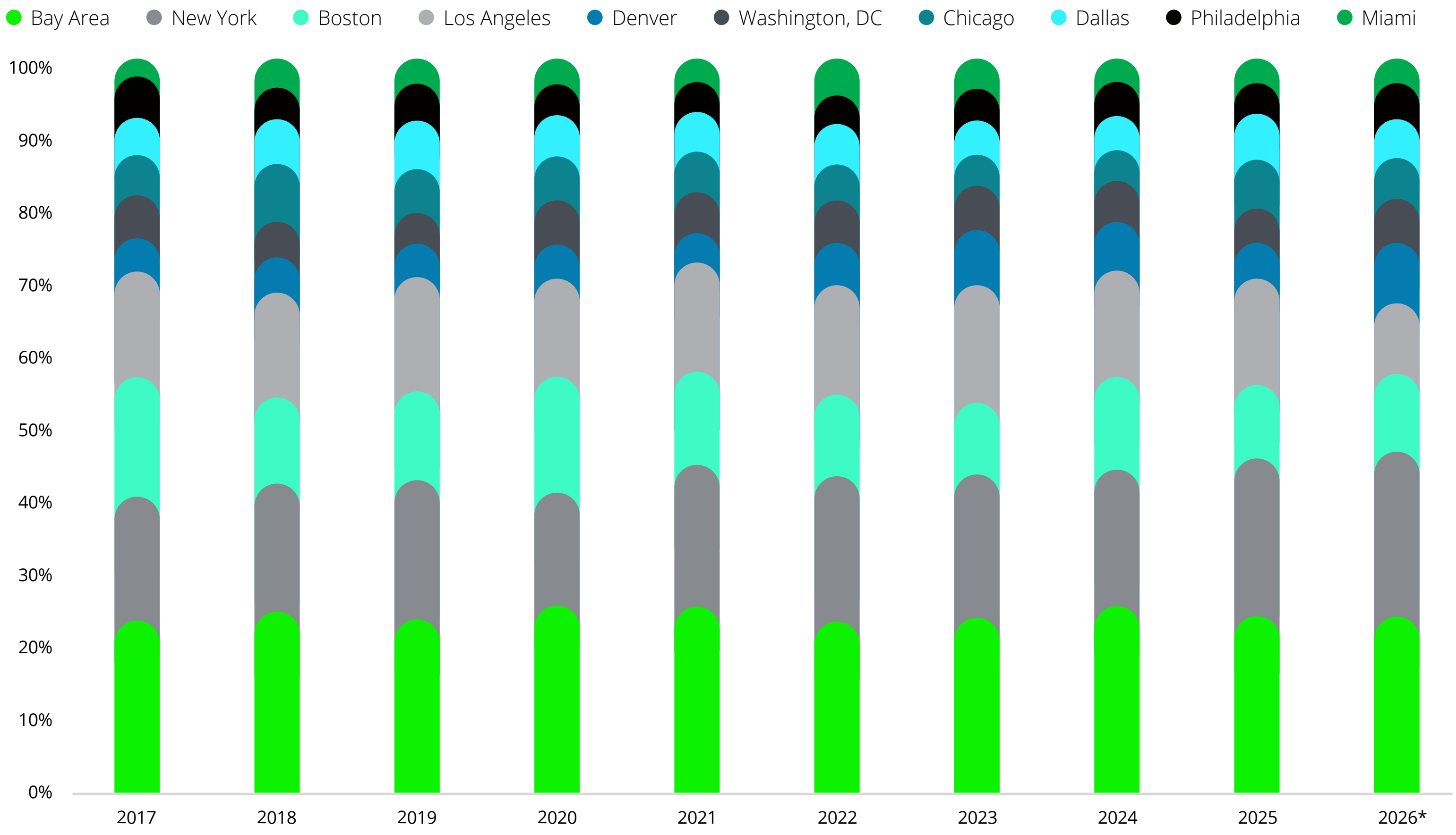
Source: PitchBook | Geography: US | *As of June 30, 2026

Regional trends

Outside the two coastal giants, secondary hubs posted some striking swings. Dallas surged to $55.9 billion across 24 exits, up from $10.9 billion across 54 exits in all of 2025. Activity in Denver climbed to $21.7 billion, up from a prior-year total of $2.5 billion across roughly the same number of exits. In both cases, a small number of outsized transactions drove the increase this year rather than a broad-based rise. In Denver, two large healthcare-adjacent buyouts reflect the region's growing standing as a hub for healthcare and healthtech investment, drawing on an academic and research ecosystem and lower cost base than more expensive coastal clusters.

Regional trends

Share of US expansion-stage exit count by CSA



Source: PitchBook | Geography: US | *As of June 30, 2026

"The Bay Area's outsized share of exit value is not just about volume, but proximity. The core AI companies driving the largest listings are still headquartered where the technical talent and venture ecosystem converge, and that has kept Northern California the default address for the businesses generating the most value, even as deal activity broadens elsewhere."

Kaetlin Liverman

Audit & Assurance Partner, Deloitte & Touche LLP

Looking forward

A market recalibrated around scale with fewer deals, far larger outcomes

The first half of 2026 marks a genuinely different exit environment than the tentative recovery described in last year's edition of this report. Total exit value has detonated higher, powered overwhelmingly by a handful of mega-IPOs. Meanwhile, the broader base of expansion-stage companies has seen a more modest, if still real, improvement with exit counts running ahead of last year's pace and down-round anxiety giving way to a material valuation improvement.

Importantly, this is not solely a story of a few outlier transactions distorting the picture. Acquisitions alone generated 2.7 times the value seen across all of 2025, median deal sizes are climbing, and middle-market companies are quietly compounding their own multi-year recovery. Even sectors without a single standout listing, such as manufacturing, are seeing meaningfully larger average deal sizes. The breadth beneath the headlines is real, even if it is not yet as dramatic as the scale at the top.

Still, the underlying liquidity math facing LPs has not fully caught up. The investment-to-exit ratio remains above pre-2022 norms, and distributions from this year's mega-exits will take time to recycle back into new dealmaking as lockups expire over the next year. With several other highly anticipated IPOs still expected later in 2026, the concentration story that defined the first half of the year could either broaden into a durable, market-wide recovery in liquidity or remain concentrated among a small number of giants. Expansion-stage companies are no longer waiting passively for a perfect window. For a select few, the window has already opened wide; for the rest, the test of 2026 will be whether that opening proves durable enough to widen further.

Methodology

Geographical region: United States

The **expansion stage** is defined from a transactional perspective as including late-stage venture or growth financings as defined by PitchBook. All investment data is restricted to late-stage VC, venture-growth, PE-growth, or corporate financing types, as defined by PitchBook. **Nontraditional investors** are defined as hedge, mutual, or sovereign wealth funds.

Active investors: The number of active investors is calculated by including either investors that have raised a venture or growth fund in the trailing five years or those that have made four or more VC- or PE-growth investments in the past three years. There is no exclusion on investor type, apart from angel investors.

Exits: All exits are defined by PitchBook's primary exit types: buyouts, acquisitions, and public listings, which include direct listings, traditional public listings, and special purpose acquisition companies, as well as "additional liquidity events after the public listing," explained in further detail below. The underlying companies are those that have, at minimum, achieved any of the investment data under restrictions. In the Q2 2023 edition of the *Road to Next* series, a fourth category of exit was debuted, explicitly for companies that had undergone a public listing. To better capture liquidity for investors' post-lockup periods and for longer-term holders of shares that liquidated after the public listing in general, additional liquidity events classified as secondary market offerings on the open market, secondary public offerings, and private investment in public entity (PIPE) deals were also included. Private investors often hold their shares beyond the initial offering and then utilize additional offerings or secondary market transactions, as well as sales to new investors when firms seek a PIPE. Up to three additional liquidity events were included.

Combined statistical areas (CSAs) are geographic designations defined by the US Office of Management and Budget as an area "consisting of two or more adjacent Core Based Statistical Areas (CBSA) with employment interchange of at least 15 percent. Combination is automatic if the employment interchange is 25 percent and determined by local opinion if more than 15 but less than 25 percent."[4]

Updates: For editions beginning in 2023, underlying methodologies were changed due to PitchBook's methodological changes and incorporation of new pre-seed, seed, and venture-growth stages, which will shift numbers slightly yet be more accurate going forward. A new exit methodology was also incorporated, including the breakout of post-IPO liquidity events.

Endnotes

1. Kelly Bogdanova, “First-half 2026 equity recap: Leadership comes in different forms,” RBC Wealth Management, July 1, 2026.

2. Board of Governors of the Federal Reserve System, “Federal Reserve issues FOMC statement,” press release, June 17, 2026.

3. Will Braeutigam, “The IPO market reopens: Lessons from 2025 and expectations for 2026,” Deloitte’s *The Pulse Blog*, February 23, 2026.

4. Legal Information Institute, “40 CFR § 58.1 - Definitions,” Cornell Law School, accessed July 2026.

Data provided by PitchBook

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States, and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see http://www.deloitte.com/about to learn more about our global network of member firms.

Data provided by PitchBook. This report was written in late July 2026. All data is as of June 30, 2026, unless otherwise noted.