

# Research Note

## Life Science Deal and Valuation Data Completeness in Crunchbase

ARGO POND



C O N S U L T I N G

### ArgoPond, LLC

John G Younger MD, Director  
311 Cynwyd Road  
Bala Cynwyd, PA 19004  
jyounger@argopond.com  
www.argopond.com  
734.358.1296

Published on January 31, 2023

ArgoPond Research Notes are provided as a service to ArgoPond clients and colleagues. They are intended as a means of sharing new information related to early-stage investment, methods, and strategy in the Life Science, Medtech, and Diagnostic spaces. ArgoPond is neither a broker nor certified investment advisor. Investment decisions should be made in consultation with professional advisors and with the totality of available evidence.

Life science early-stage investors must estimate the current value of investment opportunities. The most common approach seems to be a hybrid which reflects in part an investor's resources. These may include past experience and an informal deal sharing network all the way to professional analysts working with large curated collections of deal data. **Past comparable deals** are an important starting point for many investors and a reality check on the results of whichever valuation method one prefers.

For comparables, ArgoPond's preferred source is Crunchbase, which uses machine learning, in house analysts, and networks of investors and start-ups to monitor deals.<sup>1</sup> Like many diligence firms, the data we use to assess comparable deals are, in addition to company vertical and stage, the amount of capital raised and the premoney valuation. While extensive, Crunchbase's data has unavoidable limits. It can monitor only the deal details which are 'scrapable' or shared by investors or start-ups. The earlier the stage, the stealthier deals can be, even going altogether undetected. For many deals, the size of the round and the associated valuation maybe incompletely known or fully unavailable.

As part of our data quality process, we track the database's life science, healthcare, and device deals since 2017. We focus on Pre-Seed, Seed, and Series A events and the frequency with which deal size and premoney valuation are available. As shown in the table, between 63 and 85% of early deal entries report the amount of capital raised. Insight into valuation is much rarer: between only 3% and 8% of deal entries provide a premoney valuation.

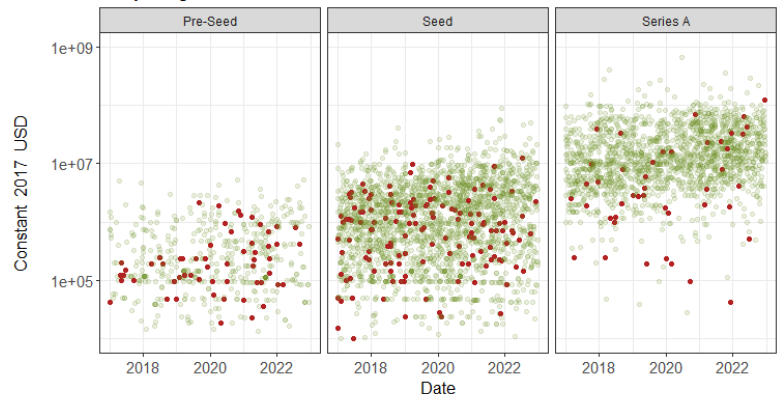
The plot at right shows 6,967 deals by date and stage for which size-of-round was reported. Red points are those which reported valuation. In all stages, and especially Series A, valuation data is over-represented in smaller deals ( $p < 10^{-7}$ ).

Data Completeness for Early-Stage Life Science Deals (2017-2022)

Stage	Number of Deals	Capital Raised	Pre-Money Valuation
Pre-Seed	821	516 (63%)	68 (8%)
Seed	3380	2304 (68%)	165 (5%)
Series A	2026	1730 (85%)	61 (3%)

Source: ArgoPond | CrunchBase

Early-Stage Life Science Investments



Source: ArgoPond | CrunchBase

### Take Home Points: Full

financial details in Crunchbase are uncommon, but as the majority report a deal size, we rely on these data for deal trends and other important deal features. Premoney valuation is reported rarely and in statistically smaller deals compared to instances in which that information is not public. While we track premoney trends in Crunchbase we are cautious when drawing conclusions from these data, preferring other data sets which, while smaller and labor intensive, are more complete.

1. <https://support.crunchbase.com/hc/en-us/articles/360009616013-Where-does-Crunchbase-get-their-data-, 2022>