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AI Report

$407 billion raised as megadeals dominate

Q2
2026

REPORT PREVIEW
The full report is available through the PitchBook Platform.

Contents

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AI landscape

1. Horizontal platforms
2. Vertical applications
3. Semiconductors
4. Autonomous machines

For the complete AI taxonomy and company list, click here to see the market map on the PitchBook Platform.

Quarterly analysis

Key takeaways

- Horizontal platforms captured 70.8% of total deal value, while vertical applications drove over 60% of all deal counts.
- Exit activity reached a decade high of $391.1 billion, with most value coming from a handful of transactions.
- The median venture-growth pre-money valuation rose 204% to $953.8 million, far outpacing earlier-stage gains.
- We are most bullish on horizontal platforms. Frontier model labs will likely continue to function as a capital center of gravity and be responsible for the VC world's largest megadeals.
- We are also bullish on AI & ML semiconductors. The structural supply gap for compute hardware will likely continue rewarding startups focused on optimizing design and chip efficiency.

VC activity

AI VC deal value for the first half of 2026 has already reached $407 billion across 3,500 transactions, eclipsing the entire previous year's $264.1 billion across 8,290 transactions. In Q2, AI startups raised $144.4 billion, the second highest in the dataset. Q1 of this year still holds the record going back to 2016 for most fundraising in a single quarter, at $262.7 billion. Segment funding dynamics remained broadly the same as in previous quarters: Horizontal platforms led in deal value at $288.1 billion, capturing 70.8% of total capital invested across the space. Vertical applications were a mirror image: The segment accounted for only 12.9% of deal value at $52.6 billion but represented 62.9% of the deal count. This inverse symmetry stems from the cost gap between scaling frontier models and building cheaper vertical applications on top of them.

Fundraising for the autonomous machines segment is accelerating, with $52.2 billion across 260 transactions in H1, more than double 2025's $26.9 billion. The segment's two largest deals, Anduril's $5 billion Series H and Prometheus' $12 billion Series B, accounted for just under 30% of the entire segment's deal value for this year. A handful of outsized deals skewing the segment's total deal value is not unique to autonomous machines; horizontal platforms shows an even more pronounced version of the same effect. Semiconductors investments reached the second-highest peak in the dataset, at $6.9 billion across 99 transactions. Overall, the segment remained the quietest contributor to the sector's total deal value and volume at 3.5% and 5.7%, respectively.

Valuations

The later stage, and particularly venture growth, saw the largest increases in median VC pre-money valuations, rising 204% from $313.8 million to $953.8 million between 2025 and H1 2026. Those same indicators for the early stage (Series A and B) and pre-seed/seed climbed at a gentler pace of 81.3% and 17% in H1 versus 2025, respectively. This valuation gap will likely continue to widen as investors concentrate capital into venture-growth-stage frontier labs, both as a source of potential alpha and as a hedge. Uncertainty remains on who will be the vertical champion, but it will likely be built on one of the cutting-edge large language models.

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The median AI VC step-up climbed to 2x in H1 2026 from 1.8x in 2025, the highest level since the 2021 peak of 2.1x. Unlike valuations, where the later stages inflated fastest, the sharpest markups came at the front end of the funding funnel. Early-stage VC led all types at 2.9x, up from 2.3x, while Series A and Series B each rose to 2.5x from 2x. Semiconductors posted the steepest segment-level step-up at 2.3x, up from 1.7x, followed by autonomous machines at 2.2x from 1.5x, even as both remained among the sector's smallest contributors to deal value. Horizontal platforms, by contrast, led all segments in deal value but posted the lowest step-up, at 2x.

Exits

AI VC exit activity reached a new peak of $391.1 billion across 406 transactions, which is more than double 2025's total of $130.7 billion and the highest in the dataset over the past decade. On a quarterly basis, this marked a significant drop from Q1, which recorded the largest AI M&A deal on record, at $250 billion, for SpaceX's acquisition of xAI. Excluding that deal, Q1 M&A value still stood in a historically high range at approximately $73 billion. On the segment level, horizontal platforms accounted for over 70% of exit deal value and 30% of transaction volume, while vertical applications accounted for under 9% of exit value but 57.1% of exit volume. Semiconductors and autonomous machines lagged across both metrics.

M&A made up the overwhelming share of exit counts, with the xAI acquisition alone accounting for 84% of all exit value for H1 2026. However, when excluding Elon Musk's intercompany transaction, the total exit value drops from $296 billion to $46.4 billion, roughly half the $92 billion generated by public listings alone. Approximately one-third of that came from the IPO of Cerebras Systems, a major chipmaker. The next largest was Quantinuum, one of many emerging quantum computing startups beginning to attract institutional-grade capital as the sector continues to mature.

Notable deals

The largest AI VC deal of the quarter was Anthropic's $65 billion Series H, which pushed the frontier lab's post-money valuation to an eye-watering $965 billion. The foundation model company continues to compete intensely with rivals like OpenAI, with both planning an IPO. OpenAI delayed its IPO plans until 2027 amid macroeconomic turbulence and market volatility, while Anthropic is considering a public listing later in 2026.

The second-largest VC deal was a $12 billion Series B for Prometheus, the robotics startup founded by former Amazon CEO Jeff Bezos. The company now boasts a $41 billion post-money valuation. This trails Q2's third-largest raise, Anduril Industries' $5 billion Series H, which brought the defense tech firm's post-money valuation to $61 billion. We anticipate sustained macro tailwinds for companies building frontier technologies in geopolitically prioritized sectors.

Macroeconomic factors

Geopolitical volatility has become the most potent exogenous force shaping macroeconomic trends and private market funding dynamics. The inflationary ripple effects of the Iran war have single-handedly pushed the Federal Reserve to reverse its rate-cut plans, with markets now pricing in rate hikes amid rising Consumer Price Index figures. There is already precedent for this across the Atlantic: The European Central Bank raised rates on June 11, citing a resurgence in inflation driven by higher oil prices. The prospect of tighter credit conditions creates a less-than-optimal environment for companies to IPO, which could dampen exit activity in private markets downstream.

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On the other hand, the recent global wave of state-sponsored industrial policy targeting sectors with strategic value offers a tailwind for companies operating in those domains. Anduril Industries is a prime example, working at the intersection of cutting-edge software applied to hardware in military/security contexts. “The Lord of the Rings”-inspired company’s $20 billion contract with the US Army in March created a powerful validation effect, drawing a $5 billion funding round just two months later that pushed its valuation past $61 billion. We expect these secular forces to continue exerting asymmetric influence on markets.

Conclusions

Capital is becoming increasingly concentrated in a small number of frontier model developers and strategically important infrastructure companies, while vertical applications continues to generate the majority of transaction volume with comparatively modest capital requirements. The widening gap between later-stage valuations and earlier funding rounds points to growing investor conviction around a limited set of perceived long-term winners, a trend reinforced by increasingly concentrated exit activity. Although tighter financial conditions may temper fundraising and IPO activity at the margin, AI investment continues to be driven less by the macroeconomic cycle than by the strategic imperative to secure leadership in foundational technologies. As a result, we expect capital concentration, rather than capital scarcity, to remain the defining characteristic of the market through the remainder of 2026.

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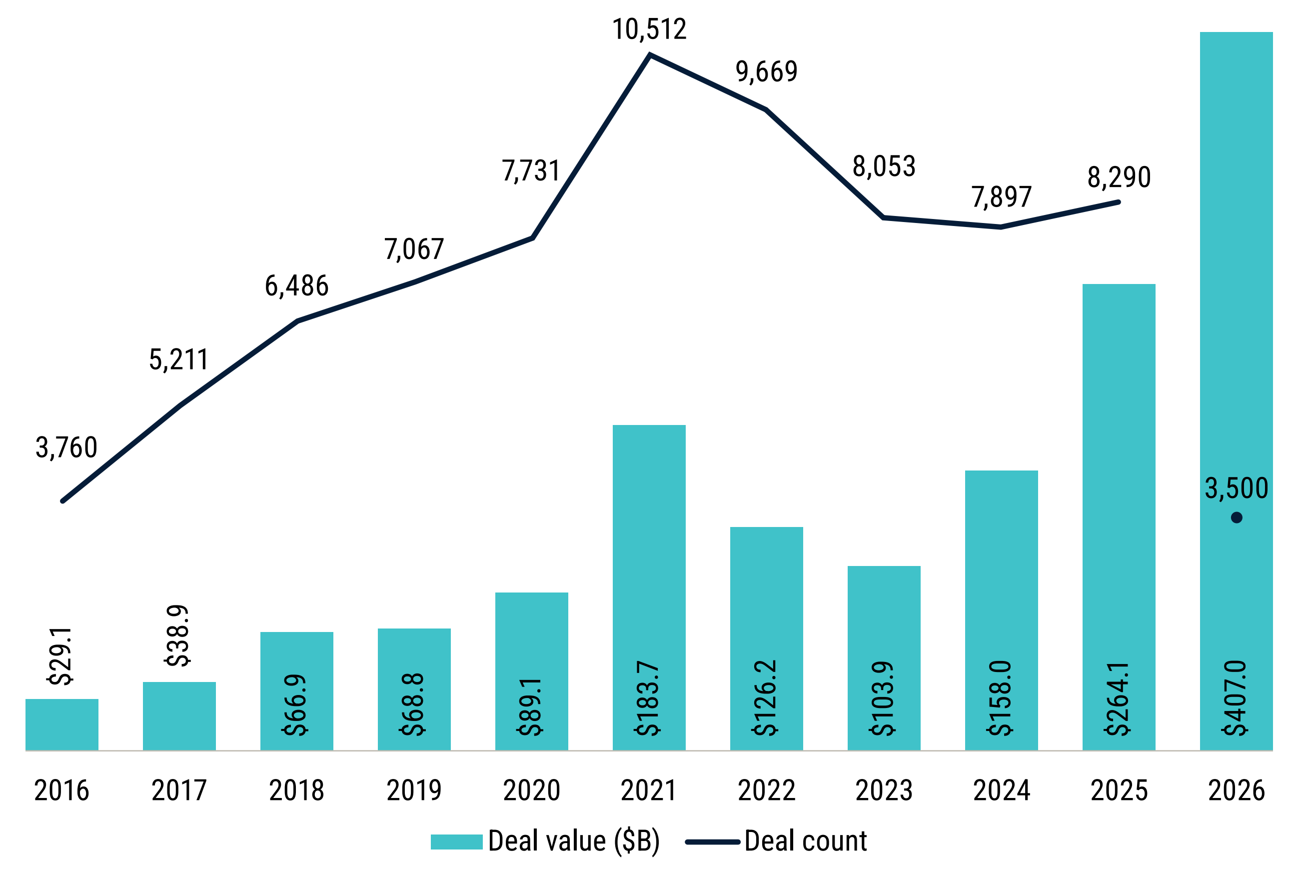
AI VC deal activity



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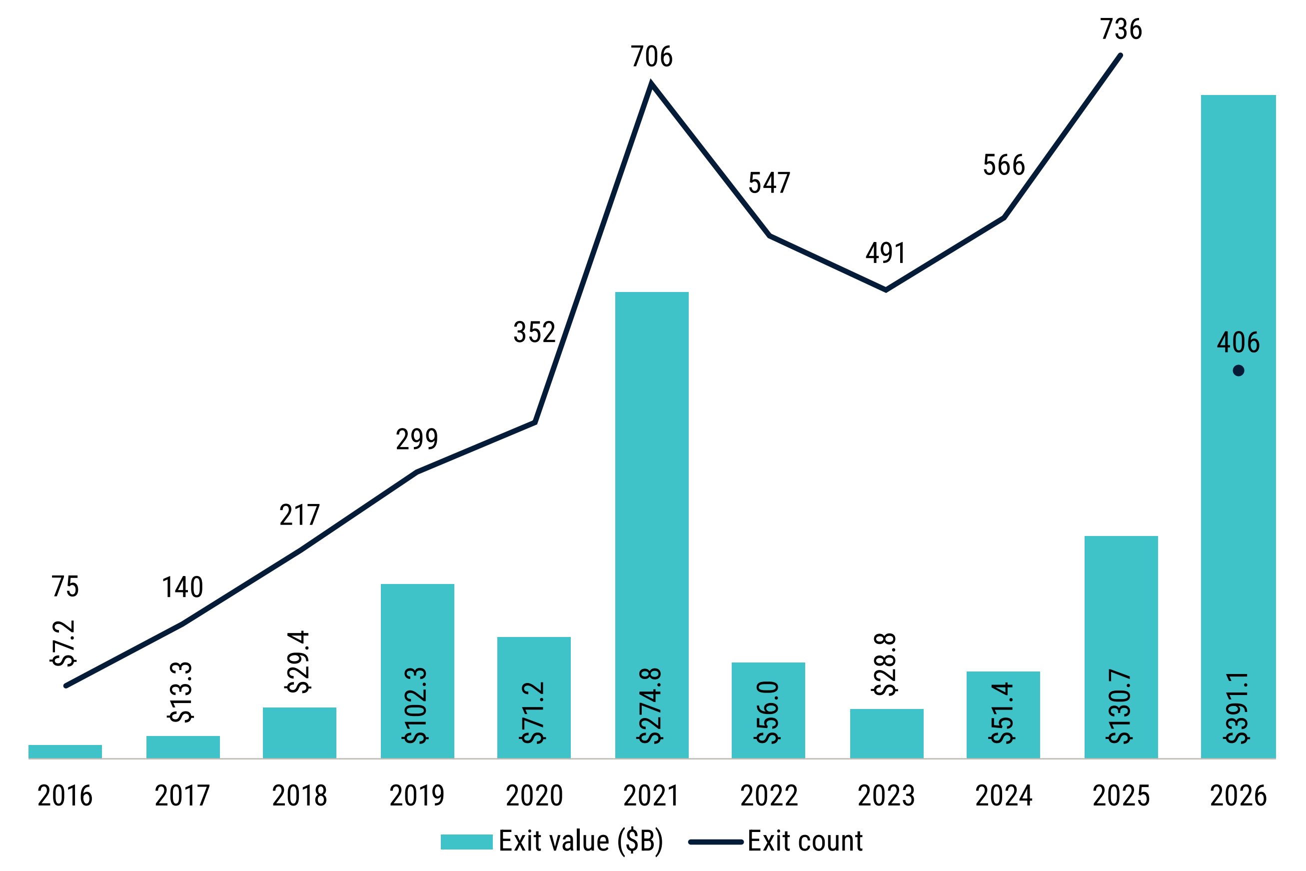
AI VC exit activity



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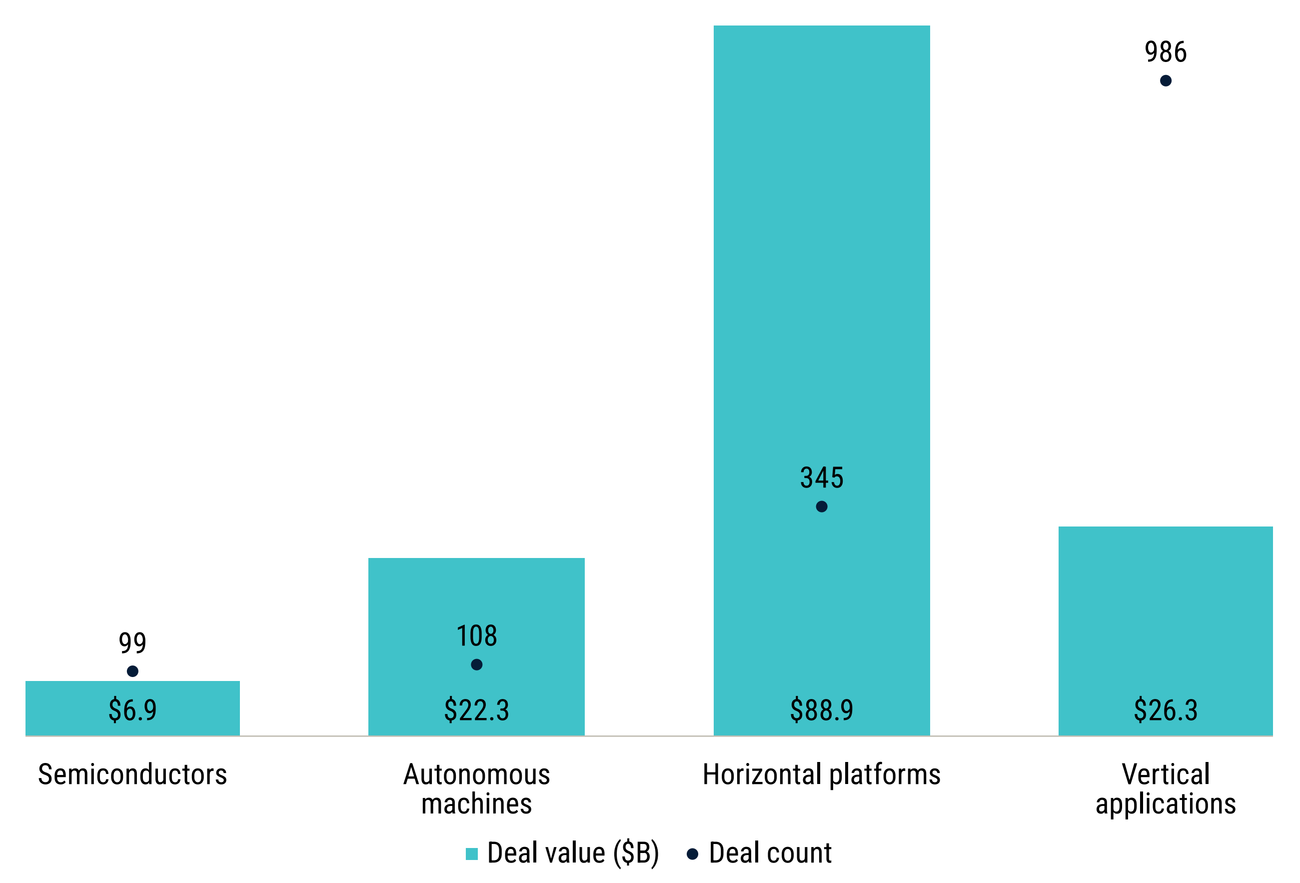
QUARTERLY ANALYSIS

Q2 2026 AI VC deal activity by segment



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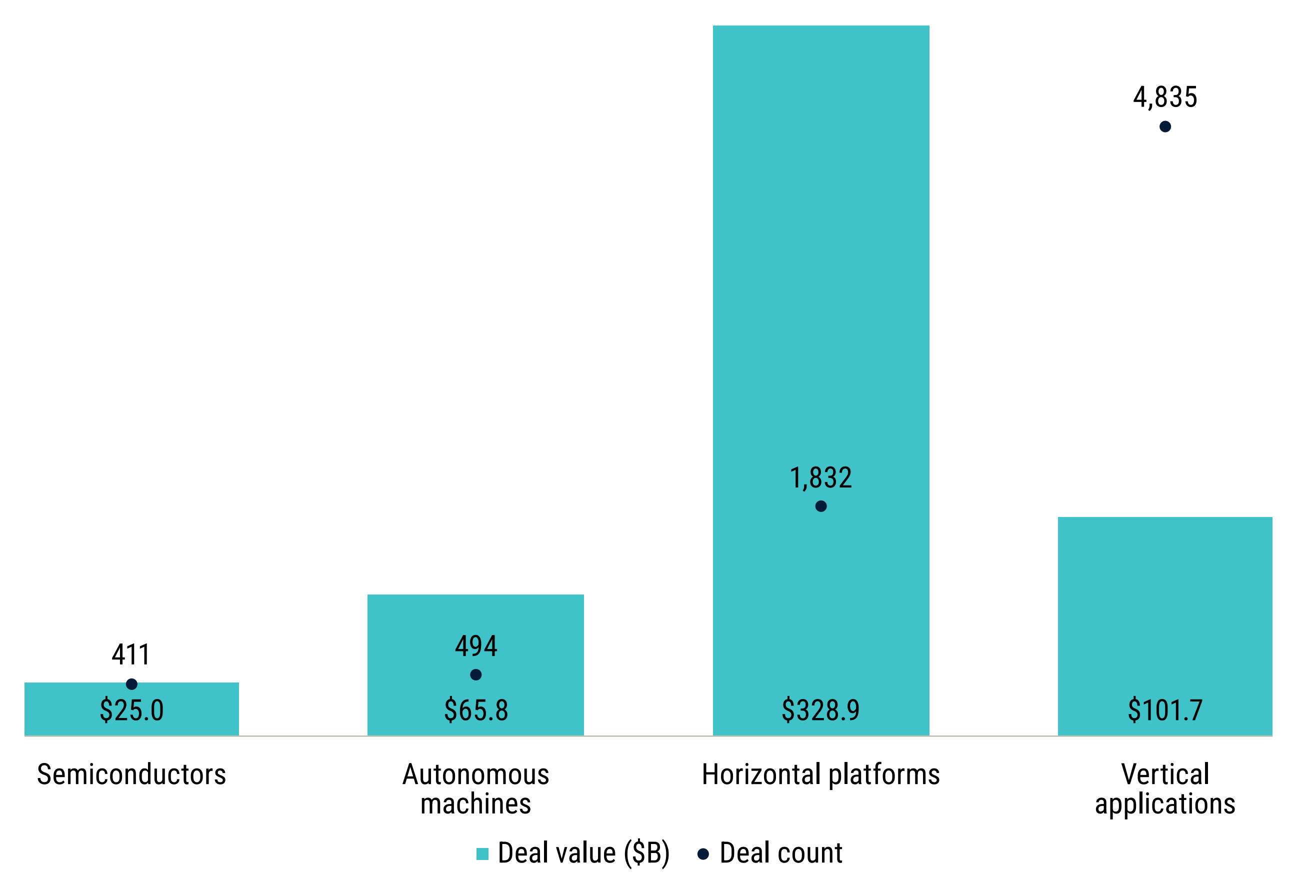
Trailing 12-month (TTM) AI VC deal activity by segment



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Key AI VC deals in Q2 2026

Company	Close date	Deal value ($M)	Pre-money valuation ($M)	Post-money valuation ($M)	Deal type	Segment	HQ location
Anthropic	May 28	$65,000.0	$900,000.0	$965,000.0	Venture growth	Horizontal platforms	San Francisco, US
Prometheus	June 11	$12,000.0	$29,000.0	$41,000.0	Early-stage VC	Autonomous machines	San Francisco, US
Anduril Industries	May 13	$5,000.0	$56,000.0	$61,000.0	Venture growth	Autonomous machines	Costa Mesa, US
ByteDance	May 16	$3,000.0	$367,000.0	$370,000.0	Venture growth	Vertical applications	Beijing, China
StepFun	May 8	$2,500.0	N/A	N/A	Early-stage VC	Horizontal platforms	Shanghai, China
Isomorphic Labs	June 3	$2,100.0	N/A	N/A	Late-stage VC	Vertical applications	London, UK
Moonshot AI	April 1	$2,000.0	$18,000.0	$20,000.0	Late-stage VC	Horizontal platforms	Beijing, China
Baseten	June 22	$1,500.0	$11,500.0	$13,000.0	Venture growth	Semiconductors	San Francisco, US
Wayve	April 15	$1,260.0	$7,340.0	$8,600.0	Venture growth	Autonomous machines	London, UK
Ineffable Intelligence	April 27	$1,100.0	$4,000.0	$5,100.0	Pre-seed/seed	Horizontal platforms	Altrincham, UK

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Key AI VC exits in Q2 2026

Company	Close date	Exit value ($M)	Exit type	Segment	Subsegment	Location
Cerebras Systems	May 14	$34,245.4	Public listing	Semiconductors	Processor design	Sunnyvale, US
Quantinuum	June 4	$13,978.2	Public listing	Vertical applications	Industrial AI	Broomfield, US
Brex	April 7	$5,150.0	Acquisition	Vertical applications	AI in financial services	Salt Lake City, US
dbt Labs	June 1	$3,000.0	Acquisition	Horizontal platforms	AI automation platforms	Oakland, US
METiS TechBio	May 13	$1,464.4	Public listing	Vertical applications	AI in healthcare	Beijing, China
Beijing Zhongke WengeAI Science and Technology	June 26	$1,225.9	Public listing	Horizontal platforms	AI automation platforms	Beijing, China
UISEE Technologies	May 20	$1,139.5	Public listing	Autonomous machines	Autonomous vehicles	Beijing, China
Kardigan	June 18	$1,029.4	Public listing	Vertical applications	AI in healthcare	South San Francisco, US
Bluecore	May 13	$1,000.0	Acquisition	Horizontal platforms	AI automation platforms	New York, US
Deep Fission	June 18	$925.3	Public listing	Vertical applications	Industrial AI	Berkeley, US

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AI VC deal summary

	Quarterly activity					TTM activity	
	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2025-Q2 2025	Q3 2025-Q2 2026
Deal count	**2,038**	**1,970**	**2,102**	**1,962**	**1,538**	**8,122**	**7,572**
QoQ change	-6.5%	-3.3%	6.7%	-6.7%	-21.6%	N/A	-6.8%
Share of total VC	20.3%	19.6%	20.0%	18.8%	16.6%	19.1%	18.8%
Deal value ($B)	**$74.4**	**$54.7**	**$59.7**	**$262.7**	**$144.4**	**$252.1**	**$521.4**
QoQ change	-1.3%	-26.4%	9.1%	340.2%	-45.0%	N/A	106.8%
Share of total VC	56.1%	45.8%	45.8%	78.8%	64.3%	52.3%	64.5%
Exit count	**173**	**190**	**205**	**191**	**215**	**628**	**801**
Acquisitions	136	130	135	134	162	472	561
Buyouts	29	42	53	32	39	99	166
Public listings	8	18	17	25	14	57	74

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Q1 2026 AI VC Trends

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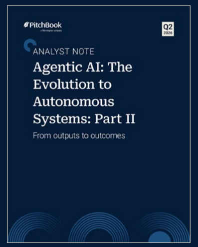

Agentic AI: The Evolution to Autonomous Systems: Part II

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