



M & A DEAL OF THE WEEK

Goldman Sachs'
Acquisition of Industry
Ventures

Goldman Sachs  **INDUSTRY VENTURES**

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19.10.2025

Goldman Sach's Acquisition of Industry Ventures: Executive Summary

Summary

On Monday, October 13th, Goldman Sachs announced its intention to acquire Industry Ventures for just under \$1bn, a venture capital firm managing approximately \$8 billion in assets. This strategic move highlights Goldman Sachs' belief in the importance of venture capital, specifically secondaries, for growth.

- Private market Venture Capital acquisitions of this type remain relatively rare, due to their unpredictable long time horizons and high-risk, just-as-likely-to-fail properties.
- The acquisition is expected to expand Goldman's ability to provide better solutions to Technology entrepreneurs, according to the statement released.
- Founded in 2000, Industry Ventures initially focused on early-stage technology investments. By 2011, it had established a diversified portfolio of early-stage venture funds, which includes notable companies such as Coupang, Pandora, Twitter, and Uber.
- Goldman Sachs, on the other hand, was founded in 1869 and has since significantly evolved within the investment banking sector. Since May 4, 1999, The Goldman Sachs Group's market capital has surged by 624.54%, rising from \$32.80B to \$237.63B. That is a compound annual growth rate of 7.77%.
- In 2019, Industry Ventures formed its initial ties with Goldman through Petershill Partners, operated by Goldman Sachs Asset Management, leading to their first permanent capital investment deal formation.
- By 2021, Industry Ventures had surpassed \$5B in committed capital - the total amount of money an investor agrees to contribute to a fund or project over time, disbursed in staged as needed - across four strategies spanning the venture lifecycle: Seed, Early, Growth, Late and Post- Venture.
- Expectation is that all 45 employees will transfer to Goldman Sachs. The Founder and Ceo, Hans Swildens, and Senior Managing Directors , Justin Burden and Roland Reynolds will be appointed as partners within the Asset Management network, joining Goldman's 50,000 employee count.
- Financially, the transaction encompasses a total consideration of \$665 million, comprising cash and equity payable at closing. Subject to Industry Ventures' performance through 2030, an additional contingent consideration of up to \$300 million has been offered.
- Mercedes Bent, Lightspeed venture partner, has added: Industry is "one of the most established players in VC secondaries and hybrid funds, so this gives Goldman a high-quality on-ramp into private markets, both a liquidity solution and early visibility into venture deal flow."
- Further from this, Goldman Sachs commented on Industry Ventures' "trusted relationships and venture capital expertise [that] complement [their] existing investing franchises and expand opportunities for clients to access the fastest growing companies and sectors in the world".
- Though approved by both boards of directors, the deal is expected to close in the first quarter of 2026, subject to conditions.

Key Figures

Deal Value: \$665M (Up to \$965M with earn-out)

Premium: n/a

Enterprise Value: n/a

EV/EBITDA: n/a

P/E Ratio: 15.9 x

Market Cap: \$249.93 Bn

CEO: David M. Solomon

Employees: 45,900

Debt/Equity: 5.9

Company Information

Goldman Sachs

Founded in 1869 by Marcus Goldman, Goldman Sachs is a multinational investment bank and financial services company- one of the world's largest.

- Goldman's currently has headquarters in New York City, though offices can be found in all major financial centres worldwide.
- Three main divisions make up the global financial powerhouse: Global Banking & Markets, Asset & Wealth Management and Platform Solutions.
- Operations and services provided include Financial Advisory, Brokerage and Risk Management for operations such as mergers, underwriting securities and asset management
- As of 2019, Goldman Sachs was part of the leading banks globally by assets, typically funding venture and banking investment projects for different companies
- Under the current chief executive officer (CEO) David M. Solomon, roughly 45,000 staff members are employed.
- Approximately \$1.7 trillion in assets under management were recorded in 2024, of which approximately \$1.16 trillion was earned in revenue and \$9.4 billion in profits
- Since May 4, 1999, The Goldman Sachs Group's market capital has surged by 624.54%, rising from \$32.80B to \$237.63B. That is a compound annual growth rate of 7.77%.

Industry Ventures

Founded in 2000, Industry Ventures is a pioneering investment firm providing flexible capital solutions across the entire venture capital lifecycle, from seed stage to late stage secondaries and technology buyouts.

- Led by Founder and CEO Hans Swildens, with a team of 45 employees.
- Headquartered in San Francisco, with three additional global offices, the firm maintains a strong international presence that enables broad market access and deep regional insights.
- Manages over \$8 billion in assets on behalf of a global base of limited partners, including institutional investors, family offices, and high net worth individuals (as of 2025).
- Provides capital solutions to fund managers, founders, and shareholders at every stage of company growth
- Committed to long term partnerships, Industry Venture supports innovative technology companies and their venture investors with reliability, honesty, efficiency, and patience, ensuring alignment throughout the investment journey.
- Realised over \$4 billion in returns, demonstrating a strong ability to generate value through disciplined investment execution and a deep network across the venture ecosystem.
- Maintains a 25+ year track record of consistent performance, innovation and leadership in venture capital.

Deal Rationale and Risk

Rationale - Stronger Position in the Venture Capital Market

Expansion into the Venture Capital Market

Goldman Sachs' acquisition of Industry Ventures is driven by the need to expand their services in the venture capital market and bolster its \$540 billion alternatives investment platform. Goldman Sachs' board of directors view the venture capital market as a major growth area for the business, with the acquisition fulfilling the increasing complexity of client demands, such as private technology companies, technology entrepreneurs and fund managers. The acquisition will provide Goldman Sachs with the venture capital expertise, whilst Industry Ventures will gain access to Goldman Sachs' immense capital and global reach.

Growth in Asset and Wealth Management

The acquisition aligns with Goldman Sachs' goal of expanding their asset and wealth management divisions. Chief Executive officer of Goldman Sachs, David Solomon, stated his belief that the steady fee income from managing money can help the business become less reliant on the volatile changes in the investment banking and trading divisions.

Risk

Integration and Talent Retention

Incorporating two firms with different cultures and operational processes could lead to senior partners and employees leaving if they are unhappy with the change. This could have an impact on the strategic value of the deal if there is a loss of key employees from the acquired company. As all 45 employees of Industry Venture are set to join Goldman, the deal's strategic value is heavily reliant on retaining employees with technical expertise.

Market and Performance Risk

The acquisition significantly increases Goldman Sachs' exposure to the high-volatility venture capital market, which makes the firm more susceptible to sector-specific downturns. If there is a significant downturn in the technology sector, this could impact performance and lead to poor returns for clients. This could raise questions around the timing and strategic rationale of the acquisition. Furthermore, Goldman's CFO, Dennis Coleman, has raised concerns about the U.S. fiscal situation and global trade dynamics which could undermine the long-term viability of high-growth tech investments, and thus, materially affect performance.

Industry Analysis

This acquisition falls within the Financial Services sector, with focus on Venture Capital and private markets. Goldman Sachs' purchase of Industry Ventures, a key player in the venture capital secondaries and hybrid funds, signals a strategic push to deepen its presence in the innovation-driven venture ecosystem. As private markets grow in scale and complexity, this move reflects Goldman's belief in the venture capital's long-term value. Though rare due to high risk and long horizons, the deal aligns with broader trends in asset and wealth management, as Goldman aims to expand its investment platform and strengthen ties with tech-focused clients.

The Venture Capital Market

The venture capital market experienced a strong start to 2025, with VC backed companies raising a record \$80.1 billion in the first quarter since Q1 2022. This performance was heavily influenced by a single \$40 billion AI deal that closed on March 31st. Excluding this outlier, venture funding would have fallen by 36% compared to the previous quarter, highlighting the ongoing caution among investors. While deal values increased, the overall number of deals declined, indicating continued selectivity- especially in follow-on rounds for companies without a clear path to exit. Despite market volatility and a drop in new fund formation to \$10 billion in the first quarter, the lowest since 2018, venture capital interest remains focused on AI, software and early stage innovation. These areas continue to drive momentum and are viewed as key growth engines for the Venture Capital Market.

Key Trends

AI continues to be the driving force behind venture capital investment, accounting for over 70% of deal value in both the first quarter of 2025 and throughout 2024. Last year alone, \$143 billion was invested in AI and machine learning, more than doubling the \$59 billion invested in 2019. This reflects strong and sustained investor confidence in AI's transformative potential across a wide range of industries. Although the overall numbers of deals declined, median investment sizes and pre-money valuations have risen, especially for AI startups. Investors are becoming more selective, focusing on fewer companies but committing larger amounts, signalling a shift toward a more capital intensive market with greater conviction in high potential ventures.

The informative technology sector led venture capital activity in Q1 2025, capturing 74% of total investment and dominating seven of the top ten deals. While there were 79 transactions exceeding \$100 million, this was slightly down from 90 the previous quarter, suggesting a trend toward fewer but still significant investments. Geographically, venture capital remains heavily concentrated in the United States, with the Bay Area accounting for nearly 70% of investment in this market. New York and Austin also saw major deals, reinforcing the US as the global hub for AI-related venture capital. The country now commands 73% of global AI Venture Capital investment, as geopolitical tensions and regulatory challenges have shifted capital flows away from China and parts of Asia.

Emerging Trends and Insights

As foundational AI models continue to receive strong investment, venture capital is increasingly shifting focus toward application layer AI startups. These are companies developing real world solutions built on top of existing AI infrastructure. Development tools and industry specific applications are attracting more early stage capital, reflecting a growing appetite for technologies with near term commercial impact. Despite broader market uncertainty, early stage innovation remains a bright spot. Startups with strong teams, compelling value propositions, and AI enabled capabilities continue to draw investor interest, even as caution grows around later stage opportunities.

At the same time, liquidity challenges are shaping investor behaviour. Although there is still significant capital available, new fund formation is at its lowest since 2018, and many companies are struggling to raise additional funding without a clear path to exit. The ongoing slowdown in public listings has reduced enthusiasm for older venture capital investments, especially those that raised capital at inflated valuations during the 2020 and 2021 market surge. In response, founders are facing increased pressure to adopt valuation discipline and to focus on building sustainable businesses with strong operational and financial foundations.

Final Thoughts

On October 13, 2025, Goldman Sachs announced plans to acquire Industry Ventures for up to \$965 million, expanding its presence in venture capital secondaries and private markets. The deal strengthens Goldman's position in technology-focused investments and reflects confidence in the long-term growth potential of private markets. Nonetheless, Goldman Sachs is left with increased exposure to the volatile venture capital sector, posing integration and performance risks amid broader market uncertainty. Overall, the move highlights Goldman's strategic bet on AI-driven innovation as a key engine of future growth.

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This M & A deal is understood to be a significant strategic expansion into the venture capital and private markets- an area not typically targeted by large financial institutions due to its high-risk profile, illiquidity and inconsistency. The transaction highlights Goldman's conviction in the long-term value creation potential of the venture ecosystem, particularly within secondaries and hybrid funds, as private markets continue to grow in scale. This move also aligns with broader asset and wealth management trends emphasising access to innovation-driven opportunities and exposure to high-growth sectors such as artificial intelligence and information technology. Despite current market volatility and investor caution, Goldman's entry at this stage signals optimism in the sustained role of venture capital, especially AI-led innovation which Industry Ventures favours, as a key driver of future economic returns.

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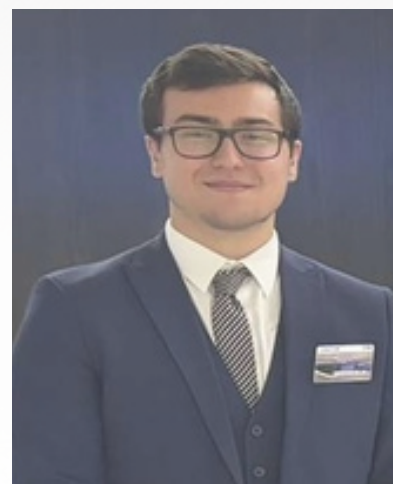
Goldman Sachs' acquisition of Industry Ventures marks an important step for Goldman in reinforcing its position within the venture capital market and a bolster its \$540 billion alternatives investment platform. Whilst the acquisition offers substantial opportunities, realising the deal's full strategic value will be dependent upon successful retention of key talent from Industry Ventures and effective risk management to navigate the highly volatile venture capital market. The acquisition not only provides Goldman Sachs with the venture capital expertise, but also gives Industry Ventures the exposure to Goldman's immense capital and global reach.



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