

Venture Capital IPO Report

1st Half, 2013 – United States

Venture Capital-Backed U.S. Technology Company IPOs

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Contents

IPO Activity

Digital Media • Internet	2
Software • ECommerce	3
Biotechnology • Pharmaceutical • Medical Devices	4
Other Technology	4
Table 1: Venture Capital IPO Activity	5
Notes	6

IPO Activity

Summary During the first half of calendar year 2013, 28 venture capital-backed U.S. technology companies went public, raising a total of \$2.4 billion in gross offering proceeds. This result was a 4% increase vs. the second half of 2012, which tallied \$2.3 billion in gross proceeds.

Eight Software and ECommerce companies secured \$884 million during the period. Only one Digital Media venture-backed company went public, raising \$75 million in gross proceeds. 14 life science companies went public, raising \$969 million in gross proceeds. 5 companies in the remaining industries of Cleantech, Nanotechnology and Networking raised \$432 million.

With respect to pricing, of the 28 IPOs, six priced above their expected range. 17 companies priced within the expected original or revised range and the remaining five companies priced below the original range sought. A much higher percentage of companies priced their offerings within their expected range versus the previous 6 month period, suggesting clearer visibility into market demand. Also, as of 7.31.2013, 21 of 28 IPO share prices were higher than their initial flotation price.

Digital Media • Internet

Digital Media Only one Digital Media company went public during the first half of 2013: [Tremor Video](#) (NASDAQ: TRMR).

Tremor raised \$75 million, the fourteenth largest IPO of all venture-backed tech companies during the first half of the year. The company priced its offering at \$10 per share, below the expected range of \$11 - \$13 per share. Tremor provides video advertising solutions that enable advertisers to engage consumers on various Internet connected devices.

Internet There were no Internet company IPOs during the first half of 2013.

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Software and ECommerce There were 8 IPOs during the second half of the year for the Software and Ecommerce industries, with gross proceeds totaling \$884 million.

In the largest software IPO during the six-month period, Seattle, Washington-based [Tableau Software](#) (NYSE: DATA) raised \$254.2 million in gross proceeds at a price of \$31 per share, above the original range of \$28 - \$30. Tableau provides a suite of business analytics and visualization software products for enterprises and consumers.

Two ECommerce companies went public during the period. The largest offering was that of [Xoom](#) (NASDAQ: XOOM), which received gross proceeds of \$101.28 million. The company's stock price has more than doubled in the five months since its flotation. Particular strength in the company's India-region business has helped to propel its stock upward. The company was backed by a large syndicate of top tier venture capital and strategic investors.

Biotechnology • Pharmaceutical • Medical Devices

Biotechnology There were seven biotechnology IPOs during the first half of 2013 vs. two in the previous six-month period. Gross proceeds totaled \$496 million, with 6 of 7 IPOs pricing either within or above original or revised expectations.

[PTC Therapeutics](#) (NASDAQ: PTCT) raised \$126 million at \$15 per share, within its estimated range of \$13 - \$16. PTC is focused on developing small molecule drugs for genetic and neuromuscular disorders, cancer and infectious diseases. The company was backed by a large syndicate of venture capital, strategic and private equity investors.

Pharmaceutical Six venture capital-backed Pharmaceutical companies went public, raising \$428 million in aggregate gross proceeds, versus three companies that went public in the second half of 2012.

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South San Francisco, California-based [Portola Pharmaceuticals](#) (NASDAQ: PTLA) raised \$121.8 million in gross proceeds at \$14.50 per share, within the original price range of \$13 - \$16. Portola is focused on developing treatments for thrombosis and other hematologic and inflammation-related disorders.

Medical Devices One venture capital-backed Medical Device company went public versus no IPOs in the previous 6 month period.

[LipoScience](#) of Raleigh, North Carolina, raised \$45 million in its IPO in January, 2013. The company markets diagnostic tests based on its nuclear magnetic resonance (NMR) technology that assists patients in managing cardiovascular disease risk. LipoScience priced its shares at \$9.00, below its original range of \$13 - \$15 per share. The stock has since sagged as low as \$5.60 until bouncing back to \$6.23 on 7/29/2013.

Other Technology There were 5 IPOs covering the remaining technology sectors of Cleantech, Nanotechnology and Networking. Aggregate gross proceeds totaled \$432 million.

Networking Milpitas, California-based [Gigamon](#) (NYSE: GIMO) floated its IPO, raising \$129.2 million in gross proceeds. The IPO went out within its estimated range, pricing at \$19 per share versus an original range of \$18 - \$20 per share. Gigamon develops and sells networking devices that increase customer visibility and control of network traffic. Since the IPO, the company's stock has risen to a high of \$32.80 on 7/12/2013.

Table 1

Venture Capital IPO Activity – 1st Half 2013

(Sorted by Industry)

Company Name	Ticker	Industry	IPO Date	IPO Amount	IPO Price	7.31.13 Price	% Change
StemLine Therapeutics	STML	Biotechnology	1/29/2013	\$33,000,000	\$10.00	\$28.14	181%
Insys Therapeutics	INSY	Biotechnology	5/2/2013	\$32,000,000	\$8.00	\$17.08	114%
Receptos	RCPT	Biotechnology	5/10/2013	\$72,800,000	\$14.00	\$19.89	42%
Ambit Biosciences	AMBI	Biotechnology	5/16/2013	\$64,800,000	\$8.00	\$14.85	86%
Epizyme	EPZM	Biotechnology	5/31/2013	\$76,500,000	\$15.00	\$36.10	141%
bluebird bio	BLUE	Biotechnology	6/19/2013	\$100,300,000	\$17.00	\$31.13	83%
PTC Therapeutics	PTCT	Biotechnology	6/20/2013	\$126,000,000	\$15.00	\$15.66	4%
BioAmber	BIOA	Clean Tech	5/10/2013	\$80,000,000	\$10.00	\$6.50	-35%
Tremor Video	TRMR	Digital Media	6/27/2013	\$75,000,000	\$10.00	\$8.37	-16%
Xoom	XOOM	ECommerce	2/15/2013	\$101,280,000	\$16.00	\$32.81	105%
ChannelAdvisor	ECOM	ECommerce	5/23/2013	\$81,200,000	\$14.00	\$19.64	40%
LipoScience	LPDX	Medical Devices	1/25/2013	\$45,000,000	\$9.00	\$6.35	-29%
NanoStringTechnologies	NSTG	Nanotechnology	6/26/2013	\$54,000,000	\$10.00	\$9.11	-9%
Silver Spring Networks	SSNI	Networking	3/13/2013	\$80,750,000	\$17.00	\$27.11	59%
Cyan	CYNI	Networking	5/9/2013	\$88,000,000	\$11.00	\$10.38	-6%
Gigamon	GIMO	Networking	6/11/2013	\$129,200,000	\$19.00	\$35.76	88%
KaloBios Pharmaceuticals	KBIO	Pharmaceutical	1/31/2013	\$70,400,000	\$8.00	\$6.02	-25%
Tetraphase Pharma.	TTPH	Pharmaceutical	3/20/2013	\$74,900,000	\$7.00	\$7.90	13%
Enanta Pharmaceuticals	ENTA	Pharmaceutical	3/21/2013	\$56,000,000	\$14.00	\$18.34	31%
Portola Pharmaceuticals	PTLA	Pharmaceutical	5/22/2013	\$121,800,000	\$14.50	\$22.98	58%
Esperion Therapeutics	ESPR	Pharmaceutical	6/26/2013	\$70,000,000	\$14.00	\$17.84	27%
Aratana Therapeutics	PETX	Pharmaceutical	6/27/2013	\$34,800,000	\$6.00	\$9.31	55%
Model N	MODN	Software	3/20/2013	\$103,850,000	\$15.50	\$23.58	52%
Marin Software	MRIN	Software	3/22/2013	\$105,000,000	\$14.00	\$11.56	-17%
Rally Software	RALY	Software	4/12/2013	\$84,000,000	\$14.00	\$28.19	101%
Tableau Software	DATA	Software	5/16/2013	\$254,200,000	\$31.00	\$55.40	79%
Marketo	MKTO	Software	5/16/2013	\$79,300,000	\$13.00	\$31.43	142%
Textura	TXTR	Software	6/7/2013	\$75,000,000	\$15.00	\$30.16	101%

Total Venture Capital IPOs 28
\$2,369,080,000

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