

Venture Capital IPO Report

1st Half, 2014 – United States

Venture Capital-Backed U.S. Technology Company IPOs

Publisher: [VentureDeal](#)

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IPO Activity

Summary During the first half of calendar year 2014, 60 venture capital-backed U.S. technology companies went public, raising a total of \$6.4 billion in gross offering proceeds. This resulted in a 4% decrease vs. the second half of 2013, which tallied \$6.7 billion in gross proceeds.

19 Biotechnology and 15 Pharmaceutical companies secured \$2.1 billion during the period, representing nearly 1/3 of all IPO proceeds. 5 Internet companies raised \$624.4 million, followed by 6 Software companies raising \$586 million. 15 companies in the remaining industries of Medical Devices, IT, Networking, Wireless, Education, Healthcare Services, Nanotechnology and Electronics raised a combined \$3.1 billion.

With respect to pricing, of the 60 IPOs, 11 priced above their expected range. 31 companies priced within the expected original or revised range and the remaining 18 companies priced below the original range sought. A much higher percentage of companies priced their offerings below their expected range versus the previous 6 month period, suggesting a tougher environment for IPOs. Also, as of 7.31.2014, only 33 of 60 IPO share prices were higher than their initial flotation price, reflecting uncertain demand for shares amid a generally flat year-to-date market environment.

Internet

Internet There were five Internet company IPOs during the first half of 2014, the same as in the previous six month period.

[GrubHub](#) (NYSE: GRUB) floated its IPO, raising \$192.4 billion in gross proceeds. Headquartered in Chicago-Illinois, GrubHub operates a website that allows users to learn which restaurants deliver food, view menus, reviews and order meals. The company had been backed by a syndicate of venture capital firms, including [Benchmark Capital](#). The original pricing range was \$23 - \$25 and the shares priced above the range at \$26 each. As of 7.31.2014, the share price closed 40% higher than its IPO opening price.

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Software and IT

There were nine IPOs during the first half of the year for the Software and IT industries, with gross proceeds totaling \$2.17 billion.

In the largest software IPO during the six-month period, Norwalk, Connecticut-based [IMS Health](#) (NYSE: IMS) raised \$1.3 billion in gross proceeds at a price of \$20 per share, within the original range of \$18 - \$21. IMS provides information, services and technology solutions for the healthcare industry in more than 100 countries around the world.

Six Software companies went public during the period. The largest offering was that of [Paylocity](#) (NASDAQ: PCTY), which received gross proceeds of \$119 million. The company priced its offering at \$17 per share, above the expected range of \$14 - \$16 and the stock price has since risen 15% as of 7.31.2014.

Biotechnology • Pharmaceutical • Medical Devices

Biotechnology

There were 19 biotechnology IPOs during the first half of 2014 vs. 12 in the previous six-month period, the most activity by industry. Gross proceeds totaled \$1.12 billion, with only one IPO pricing above its original range.

[Revance Therapeutics](#) (NASDAQ: RVNC) raised \$96 million at \$16 per share, within its estimated range of \$14 - \$16. Revance is developing a topical botulinum toxin that seeks to improve aesthetic and therapeutic dermatology results. The company was backed by a large syndicate of venture capital firms and strategic investors and had raised at least \$170 million in several financing rounds.

Pharmaceutical

15 venture capital-backed Pharmaceutical companies went public, raising \$986 million in aggregate gross proceeds, versus 7 companies that went public in the latter half of 2013.

Santa Monica, California-based [Kite Pharma](#) (NASDAQ: KITE) raised \$127.5 million in gross proceeds at \$17 per share, above the original price range of \$15 - \$16. Kite is focused on developing drugs designed to stimulate the patient's own immune system to fight tumor cells. Kite had raised at least \$85 million in financing from venture capital and private equity investors.

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Medical Devices	<p>Four venture capital-backed Medical Device companies went public versus three IPOs in the previous 6 month period.</p> <p>Trivascular Technologies (NASDAQ: TRIV) of Santa Rosa, California, raised \$78 million in its IPO in April, 2014. Trivascular has developed a novel medical device for the treatment of abdominal aortic aneurysms. The company priced its shares at \$12, below its original expected range of \$13 - \$15 per share. The stock has since increased 15% since its IPO.</p>
Other Technology	<p>There were eight IPOs covering the remaining technology sectors of Electronics, Networking, Wireless, Healthcare Services, Education, Mobile and Nanotechnology. Aggregate gross proceeds totaled \$1.3 billion.</p>
Telecom	<p>Half Moon Bay, California-based GoPro (NASDAQ: GPRO) floated its IPO, raising \$427.2 million in gross proceeds. The IPO went out within its estimated range, pricing at \$24 per share after an original expected range of \$21 - \$24 per share. GoPro manufactures and sells wearable high definition cameras and was backed by venture capital and private equity firms and strategic investor Steamboat Ventures. The company's stock has doubled in price as of its closing on 7.31.2014.</p>

Table 1
Venture Capital IPOs – 1H 2014
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Company Name	Ticker	Industry	IPO Date	IPO Amount	IPO Price	7.31.14 Price	% Change
Care.com	CRCM	Internet	1/24/2014	\$91,800,000	\$ 17.00	\$ 9.49	-44%
Celladon	CLDN	Biotechnology	1/30/2014	\$44,000,000	\$ 8.00	\$ 12.35	54%
Dicerna Pharmaceuticals	DRNA	Pharmaceutical	1/30/2014	\$90,000,000	\$ 5.00	\$ 15.02	0%
Ultragenyx Pharmaceutical	RARE	Pharmaceutical	1/30/2014	\$121,000,000	\$ 21.00	\$ 43.70	108%
Cara Therapeutics	CARA	Biotechnology	1/31/2014	\$55,000,000	\$ 11.00	\$ 12.75	16%
Trevena	TRVN	Biotechnology	1/31/2014	\$65,100,000	\$ 7.00	\$ 6.85	-2%
Genocea Biosciences	GNCA	Biotechnology	2/5/2014	\$66,000,000	\$ 12.00	\$ 17.41	45%
Auspex Pharmaceuticals	ASPX	Pharmaceutical	2/5/2014	\$84,000,000	\$ 12.00	\$ 18.21	52%
Revance Therapeutics	RVNC	Biotechnology	2/6/2014	\$96,000,000	\$ 16.00	\$ 30.68	92%
Eleven Biotherapeutics	EBIO	Biotechnology	2/6/2014	\$50,000,000	\$ 10.00	\$ 10.97	10%
Biocept	BIOC	Biotechnology	2/6/2014	\$19,000,000	\$ 10.00	\$ 5.03	-50%
Egalet	EGLT	Pharmaceutical	2/6/2014	\$50,400,000	\$ 12.00	\$ 12.10	1%
Argos Therapeutics	ARGS	Biotechnology	2/7/2014	\$45,000,000	\$ 8.00	\$ 5.98	-25%
NephroGenex	NRX	Biotechnology	2/11/2014	\$37,200,000	\$ 12.00	\$ 4.65	-61%
Flexion Therapeutics	FLXN	Biotechnology	2/11/2014	\$65,000,000	\$ 13.00	\$ 12.28	-6%
Eagle Pharmaceuticals	EGRX	Pharmaceutical	2/12/2014	\$51,000,000	\$ 15.00	\$ 11.36	-24%
Amedica	AMDA	Medical Devices	2/13/2014	\$20,125,000	\$ 5.75	\$ 4.01	-30%
Concert Pharmaceuticals	CNCE	Pharmaceutical	2/13/2014	\$84,000,000	\$ 14.00	\$ 25.77	84%
Inogen	INGN	Medical Devices	2/14/2014	\$70,400,000	\$ 16.00	\$ 20.00	25%
Varonis	VRNS	IT	2/28/2014	\$105,600,000	\$ 22.00	\$ 21.08	-4%
Coupons.com	COUP	Internet	3/7/2014	\$168,000,000	\$ 16.00	\$ 20.53	28%
Aquinox Pharmaceuticals	AQXP	Pharmaceutical	3/7/2014	\$46,200,000	\$ 11.00	\$ 7.74	-30%
Achaogen	AKAO	Biotechnology	3/12/2014	\$72,000,000	\$ 12.00	\$ 10.81	-10%
Castlight Health	CSLT	IT	3/13/2014	\$177,600,000	\$ 16.00	\$ 13.41	-16%
Ignyta	RDX	Biotechnology	3/14/2014	\$47,580,000	\$ 9.15	\$ 8.12	-11%
Paylocity	PCTY	Software	3/18/2014	\$119,000,000	\$ 17.00	\$ 19.59	15%
Q2 Holdings	QTWO	Software	3/20/2014	\$106,250,000	\$ 13.00	\$ 13.17	1%
Akebia Therapeutics	AKBA	Pharmaceutical	3/20/2014	\$100,300,000	\$ 17.00	\$ 22.14	30%
Versartis	VSAR	Biotechnology	3/21/2014	\$66,000,000	\$ 21.00	\$ 20.40	-3%
A10 Networks	ATEN	Networking	3/21/2014	\$187,500,000	\$ 15.00	\$ 10.80	-28%
Applied Genetic Technol.	AGTC	Biotechnology	3/27/2014	\$50,000,004	\$ 12.00	\$ 16.00	33%
Aerohive Networks	HIVE	Wireless	3/28/2014	\$75,000,000	\$ 10.00	\$ 8.40	-16%
Everyday Health	EVDY	Healthcare Svcs	3/28/2014	\$100,800,000	\$ 14.00	\$ 16.62	19%
2U	TWOU	Education	3/28/2014	\$119,600,000	\$ 13.00	\$ 14.06	8%
The Rubicon Project	RUBI	Internet	4/2/2014	\$102,000,000	\$ 15.00	\$ 11.91	-21%
Corium International	CORI	Pharmaceutical	4/3/2014	\$5,200,000	\$ 8.00	\$ 6.51	-19%
Five9	FIVN	Software	4/4/2014	\$70,000,000	\$ 7.00	\$ 7.28	4%
OPower	OPWR	Software	4/4/2014	\$115,900,000	\$ 19.00	\$ 16.00	-16%
IMS Health	IMS	IT	4/4/2014	\$1,300,000,000	\$ 20.00	\$ 26.10	31%
GrubHub	GRUB	Internet	4/4/2014	\$192,400,000	\$ 26.00	\$ 36.29	40%
Cerulean Pharma	CERU	Pharmaceutical	4/10/2014	\$59,500,000	\$ 7.00	\$ 4.03	-42%
Adamas Pharmaceuticals	ADMS	Pharmaceutical	4/10/2014	\$48,000,000	\$ 16.00	\$ 15.91	-1%
Trivascular Technologies	TRIV	Medical Devices	4/16/2014	\$78,000,000	\$ 12.00	\$ 13.75	15%
Vital Therapies	VTL	Medical Devices	4/17/2014	\$54,000,000	\$ 12.00	\$ 22.90	91%
Quotient Biodiagnostics	QTNT	Biotechnology	4/25/2014	\$40,000,000	\$ 8.00	\$ 9.10	14%
SCYNEXIS	SCYX	Biotechnology	5/2/2014	\$62,000,000	\$ 10.00	\$ 6.98	-30%
Aldeyra Therapeutics	ALDX	Pharmaceutical	5/2/2014	\$12,000,000	\$ 8.00	\$ 3.57	-55%
Alder BioPharmaceuticals	ALDR	Biotechnology	5/8/2014	\$80,000,000	\$ 10.00	\$ 16.89	69%
Zendesk	ZEN	Software	5/14/2014	\$100,000,000	\$ 9.00	\$ 17.39	93%
TrueCar	TRUE	Internet	5/16/2014	\$70,200,000	\$ 9.00	\$ 13.57	51%

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Agile Therapeutics	AGRX	Pharmaceutical	5/23/2014	\$55,200,000	\$ 6.00	\$ 6.25	4%
Arista Networks	ANET	Networking	6/6/2014	\$227,900,000	\$ 43.00	\$ 66.12	54%
Radius Health	RDUS	Pharmaceutical	6/6/2014	\$52,000,000	\$ 8.00	\$ 8.92	12%
MobileIron	MOBL	Mobile	6/12/2014	\$100,000,000	\$ 9.00	\$ 9.00	0%
Aspen Aerogels	ASPN	Nanotechnology	6/13/2014	\$82,500,000	\$ 11.00	\$ 9.00	-18%
Ardelyx	ARDX	Biotechnology	6/18/2014	\$60,200,000	\$ 14.00	\$ 14.46	3%
Zafgen	ZFGN	Biotechnology	6/19/2014	\$96,000,000	\$ 16.00	\$ 17.50	9%
Kite Pharma	KITE	Pharmaceutical	6/19/2014	\$127,500,000	\$ 17.00	\$ 23.50	38%
Imprivata	IMPR	Software	6/25/2014	\$75,000,000	\$ 15.00	\$ 14.50	-3%
GoPro	GPRO	Electronics	6/25/2014	\$427,200,000	\$ 24.00	\$ 47.97	100%

Total Venture Capital IPOs 60

\$6,439,155,004

Notes

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The information source used was the VentureDeal.com database and reputable online resources. VentureDeal is a venture capital database that provides the latest information about venture-backed technology companies, venture capital firms and transactions in the United States.

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