

Venture Capital IPO Report

2nd Half, 2013 – United States

Venture Capital-Backed U.S. Technology Company IPOs

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IPO Activity

Summary During the second half of calendar year 2013, 41 venture capital-backed U.S. technology companies went public, raising a total of \$6.7 billion in gross offering proceeds. This resulted in a 279% increase vs. the first half of 2013, which tallied \$2.4 billion in gross proceeds.

Ten Software, Storage, Security, Digital Media and IT companies secured \$2 billion during the period. Five Internet companies floated their initial offerings, raising a total of \$2.7 billion. Twenty-two life science companies went public, raising \$1.8 billion in gross proceeds. Four companies in the remaining industries of Electronics, Semiconductors, Telecommunications and Networking raised \$246 million.

With respect to pricing, of the 41 IPOs, 14 priced above their expected range. 20 companies priced within the expected original or revised range and the remaining 7 companies priced below the original range sought. A much higher percentage of companies priced their offerings within or above their expected range versus the previous 6 month period, suggesting clearer visibility into market demand. Also, as of 1.31.2014, 35 of 41 IPO share prices were higher than their initial flotation price, reflecting strong demand for shares as well as a generally upward trending market environment.

Digital Media • Internet

Digital Media Two Digital Media companies went public during the second half of 2013: [Rocket Fuel](#) (NASDAQ: FUEL) and [YuMe](#) (NYSE: YUME).

Rocket Fuel raised \$116 million, the larger of the two digital media companies to go public. The company priced its offering at \$29 per share, above the expected range of \$24 - \$27 per share. As of 1.31.2014, the company's share price had doubled.

Internet There were five Internet company IPOs during the second half of 2013, vs. none in the previous six month period.

[Twitter](#) (NYSE: TWTR) floated its widely watched IPO, raising \$1.82 billion in gross proceeds. The original pricing range was \$17 - \$20 and the shares priced at \$26 each. As of 1.31.2014, the share price had increased by 148% to \$64.50.

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Software
and
Security

There were five IPOs during the second half of the year for the Software and Security industries, with gross proceeds totaling \$896 million.

In the largest software IPO during the six-month period, Pleasanton California-based [Veeva Systems](#) (NYSE: VEEV) raised \$260.9 million in gross proceeds at a price of \$20 per share, above the original range of \$12 - \$14. Veeva provides a suite of industry-specific cloud-based software solutions for the life sciences industry.

Two Security companies went public during the period. The largest offering was that of [FireEye](#) (NASDAQ: FEYE), which received gross proceeds of \$303.5 million. The company priced its offering at \$20 per share, well above the expected range of \$12 - \$14 and the stock price has increased in value by 265% as of 1.31.2014.

Biotechnology • Pharmaceutical • Medical Devices

Biotechnology

There were 12 biotechnology IPOs during the second half of 2013 vs. five in the previous six-month period. Gross proceeds totaled \$958 million, with only two of the IPOs pricing below their original range.

[OphthoTech](#) (NASDAQ: OPHT) raised \$167.2 million at \$22 per share, above its estimated range of \$16 - \$19. OphthoTech is developing Fovista, for use in combination with anti-VEGF drugs for the treatment of wet age-related macular degeneration.

Pharmaceutical

Seven venture capital-backed Pharmaceutical companies went public, raising \$539 million in aggregate gross proceeds, versus six companies that went public in the first half of 2013.

Natick, MA-based [Karyopharm Therapeutics](#) (NASDAQ: KPTI) raised \$108.8 million in gross proceeds at \$16 per share, within the original price range of \$14 - \$16. Karyopharm is focused on developing drugs directed against nuclear transport targets for the treatment of cancer and other major diseases.

Medical Devices

Three venture capital-backed Medical Device companies went public versus one IPO in the previous 6 month period.

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[Tandem Diabetes Care](#) (NASDAQ: TNDM) of San Diego, California, raised \$120 million in its IPO in November, 2013. Tandem develops a variety of products for people with insulin-dependent diabetes conditions. The company priced its shares at \$15, within its original range of \$13 - \$15 per share. The stock has since increased in value by 72% as of market close on 1.31.2014.

**Other
Technology**

There were four IPOs covering the remaining technology sectors of Electronics, Semiconductors, Telecommunications and Networking. Aggregate gross proceeds totaled \$246 million.

Telecom

San Mateo, California-based [RingCentral](#) (NYSE: RNG) floated its IPO, raising \$97.5 million in gross proceeds. The IPO went out within its estimated range, pricing at \$13 per share after an original range of \$13 - \$15 per share. RingCentral provides software-as-a-service telecommunications to enterprises to facilitate employee communication through voice, text and fax on smartphones. The company's stock has risen to a high of \$18.25 on 1.31.2014, an increase of 40% since the September 26, 2013 IPO.

Table 1
Venture Capital IPOs – 2H 2013
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Company Name	Ticker	Industry	IPO Date	IPO Amount	IPO Price	Price	% Change
OncoMed Pharmaceuticals	OMED	Pharmaceuticals	7/18/2013	\$81,600,000	\$ 17.00	\$30.17	77%
RetailMeNot	SALE	Internet	7/19/2013	\$191,100,000	\$ 21.00	\$35.41	69%
Agios Pharmaceuticals	AGIO	Pharmaceuticals	7/24/2013	\$106,200,000	\$ 18.00	\$26.45	47%
Conatus Pharmaceuticals	CNAT	Pharmaceuticals	7/25/2013	\$66,000,000	\$ 11.00	\$10.57	-4%
Cellular Dynamics Intl	ICEL	Biotechnology	7/25/2013	\$46,200,000	\$ 12.00	\$15.91	33%
Onconova Therapeutics	ONTX	Biotechnology	7/25/2013	\$78,000,000	\$ 15.00	\$15.12	1%
Control4	CTRL	Electronics	8/2/2013	\$64,000,000	\$ 16.00	\$22.92	43%
YuMe	YUME	Digital Media	8/7/2013	\$45,900,000	\$ 9.00	\$7.81	-13%
Intrexon	XON	Biotechnology	8/8/2013	\$160,000,000	\$ 16.00	\$33.57	110%
Regado Biosciences	RGDO	Biotechnology	8/22/2013	\$43,200,000	\$ 4.00	\$6.27	57%
Five Prime Therapeutics	FPRX	Biotechnology	9/17/2013	\$62,400,000	\$ 13.00	\$14.66	13%
Benefitfocus	BNFT	Software	9/18/2013	\$129,850,000	\$ 26.50	\$65.15	146%
Acceleron Pharma	XLRN	Pharmaceuticals	9/19/2013	\$84,000,000	\$ 15.00	\$46.35	209%
Rocket Fuel	FUEL	Digital Media	9/20/2013	\$116,000,000	\$ 29.00	\$58.5	102%
FireEye	FEYE	Security	9/20/2013	\$303,500,000	\$ 20.00	\$72.99	265%
BIND Therapeutics	BIND	Biotechnology	9/20/2013	\$70,500,000	\$ 15.00	\$12.65	-16%
OphthoTech	OPHT	Biotechnology	9/25/2013	\$167,200,000	\$ 22.00	\$30.89	40%
Evoke Pharmaceuticals	EVOK	Pharmaceuticals	9/25/2013	\$25,200,000	\$ 12.00	\$10.92	-9%
Foundation Medicine	FMI	Medical Devices	9/25/2013	\$106,200,000	\$ 18.00	\$29.94	66%
Applied Optoelectronics	AAOI	Semiconductors	9/26/2013	\$36,000,000	\$ 10.00	\$13.63	36%
Violin Memory	VMEM	Storage	9/26/2013	\$162,000,000	\$ 9.00	\$3.78	-58%
RingCentral	RNG	Telecom	9/26/2013	\$97,500,000	\$ 13.00	\$18.25	40%
Fate Therapeutics	FATE	Biotechnology	10/1/2013	\$40,200,000	\$ 6.00	\$6.2	3%
LDR Holdings	LDRH	Medical Devices	10/10/2013	\$75,000,000	\$ 15.00	\$26.42	76%
MacroGenix	MGNX	Biotechnology	10/10/2013	\$80,000,000	\$ 16.00	\$39.81	149%
Veeva Systems	VEEV	Software	10/15/2013	\$260,900,000	\$ 20.00	\$31.79	59%
CommScope	COMM	IT	10/25/2013	\$577,500,000	\$ 15.00	\$17.93	20%
Aerie Pharmaceuticals	AERI	Pharmaceuticals	10/25/2013	\$67,000,000	\$ 10.00	\$18.46	85%
Criteo	CRTO	Internet	10/29/2013	\$251,000,000	\$ 31.00	\$35.19	14%
VeraCyte	VCYT	Biotechnology	10/30/2013	\$65,000,000	\$ 13.00	\$14.65	13%
Wix.com	WIX	Software	11/6/2013	\$127,050,000	\$ 16.50	\$28.66	74%
Barracuda Networks	CUDA	Security	11/6/2013	\$73,800,000	\$ 18.00	\$34.31	91%
Karyopharm Therapeutics	KPTI	Pharmaceuticals	11/6/2013	\$108,800,000	\$ 16.00	\$34.91	118%
Twitter	TWTR	Internet	11/7/2013	\$1,820,000,000	\$ 26.00	\$64.5	148%
Mavenir Systems	MVNR	Networking	11/7/2013	\$48,000,000	\$ 10.00	\$12.74	27%
Chegg	CHGG	Internet	11/13/2013	\$187,500,000	\$ 12.50	\$6.67	-47%
Tandem Diabetes Care	TNDM	Medical Devices	11/14/2013	\$120,000,000	\$ 15.00	\$25.85	72%
Zulily	ZU	Internet	11/14/2013	\$253,000,000	\$ 22.00	\$39.75	81%
Relypsa	RLYP	Biotechnology	11/15/2013	\$75,900,000	\$ 11.00	\$33.06	201%
Xencor	XNCR	Biotechnology	12/3/2013	\$69,850,000	\$ 5.50	\$8.79	60%
Nimble Storage	NMBL	Storage	12/13/2013	\$168,000,000	\$ 21.00	\$43.23	106%

Total Venture Capital IPOs 41

\$6,711,050,000

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