



# Venture Capital IPO Report

2<sup>nd</sup> Half, 2014 – United States

## Venture Capital-Backed U.S. Technology Company IPOs

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### Contents

#### IPO Activity

Internet

Software

Biotechnology • Pharmaceutical • Medical Devices

Other Technology

Table 1: Venture Capital IPO Activity 4

Notes 6

## IPO Activity

### Summary

During the second half of calendar year 2014, 33 venture capital-backed U.S. technology companies went public, raising a total of \$4.2 billion in gross offering proceeds. This result was a 38% decrease vs. the first half of 2014, which tallied \$6.4 billion in gross proceeds.

13 Biotechnology and 5 Pharmaceutical companies secured \$1.54 billion during the period, representing nearly 37% of all IPO proceeds. Only one Internet company went public, raising \$319 million. Four Software companies raised \$416 million. 10 companies in the remaining industries of Medical Devices, Digital Media, Insurance, Telecom and Financial Services raised a combined \$1.97 billion.

With respect to pricing, of the 33 IPOs 10 priced above their expected range. 10 companies priced within the expected original or revised range and the remaining 13 companies priced below the original range sought. The half-year period ended on a strong note, with the last six offerings pricing above their expected range, suggesting an improved environment for IPOs. Also, as of 2.1.2015, only 8 of the 33 IPO share prices were lower than their initial flotation price, reflecting an upbeat general stock market for technology shares.

## Internet

### Internet

There was only one Internet company IPO during the second half of 2014, a significant drop from five in the previous six month period.

Internet retailer [Wayfair](#) (NYSE: W) floated its IPO, raising \$319 million in gross proceeds. Headquartered in Boston, Massachusetts, the company operates a website that allows users to purchase furniture, home improvement and baby/kid products under a variety of brand names. It also sells its products through retail partners. The company had been backed by a syndicate of venture capital firms and the late stage investment group [T. Rowe Price](#). The original pricing range was \$25 - \$28 and the shares priced above the range at \$29 each. However, as of 2.1.2015, the share price closed at \$20.09 per share, 31% lower than the IPO price.

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## Software

There were four IPOs during the second half of the year for the Software industry, with gross proceeds totaling \$416 million.

In the largest software IPO during the six-month period, Cambridge, Massachusetts-based [HubSpot](#) (NYSE: HUBS) raised \$125 million in gross proceeds at a price of \$25 per share, above the original range of \$22 - \$24. HubSpot provides Internet marketing software platform that enables companies to drive more prospects to their websites.

[Hortonworks](#) (NASDAQ: HDP) also floated its offering. The company raised \$100 million for its software and services that support the development of open source data management platform Hadoop. The company priced its offering at \$16 per share, above the expected range of \$12 - \$14 and the stock price has since risen 30%, to \$20.72 as of 2.1.2015.

## Biotechnology • Pharmaceutical • Medical Devices

### Biotechnology

There were 13 biotechnology IPOs during the second half of 2014 vs. 19 in the previous six-month period, the most activity by industry. Gross proceeds totaled \$1.15 billion, with two IPOs pricing above their original range.

Seattle-based [Juno Therapeutics](#) (NASDAQ: JUNO) raised \$265 million at \$24 per share, above its estimated range of \$21 - \$23. Juno is developing cell-based cancer immunotherapies to genetically engineer T cells to recognize and kill cancer cells. The company was backed by a syndicate of venture capital firms and other investors including [Bezos Expeditions](#) and had raised at least \$300 million in financing prior to its IPO offering.

### Pharmaceutical

Four venture capital-backed Pharmaceutical companies went public, raising \$290 million in aggregate gross proceeds, versus 15 companies that went public in the first half of 2014.

Houston, Texas-based [Bellicum Pharmaceuticals](#) (NASDAQ: BLCM) raised \$139.65 million in gross proceeds at \$19 per share, above the original price range expectation of \$15 - \$17. Bellicum is developing novel cellular immunotherapies for the treatment of various forms of cancer, with its lead clinical product candidate BPX-501, an adjunct T-cell therapy in early-stage trials.

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Medical Devices Five venture capital-backed Medical Device companies went public versus four IPOs in the previous 6 month period.

[Nevro](#) (NYSE: NVRO) of Menlo Park, California, raised \$126 million in its IPO in November, 2014. Nevro has created a neuromodulation platform for the treatment of chronic pain, called Senza. The company priced its shares at \$18, above its original expected range of \$15 - \$17 per share. The stock has since increased 151% since its IPO, to close at \$45.23 as of 2/1/2015.

## Other Technology

There were five IPOs covering the remaining technology sectors of Digital Media, Insurance, Telecom and Financial Services. Aggregate gross proceeds totaled \$1.58 billion.

## Financial Services

San Francisco-based [LendingClub](#) (NYSE: LC) floated its IPO, raising \$865.5 million in gross proceeds. The IPO went out above its estimated range, pricing at \$15 per share after an original expected range of \$12 - \$14 per share. LendingClub operates an online marketplace that makes it easier for consumers and businesses to obtain loans. The company's stock has increased by 28%, to \$19.26 per share as of 2/1/2015.

### **Table 1** **Venture Capital IPOs – 2H 2014**

Next Page

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**Table 1**  
**Venture Capital IPOs – 2H 2014**  
(Sorted by IPO Date)

Company Name	Ticker	Industry	IPO Date	IPO Amount	IPO Price	2.1.15 Price	% Change
Globelimmune	GBIM	Pharmaceutical	7/2/2014	\$15,000,000	\$10	6.65	-34%
Roka Bioscience	ROKA	Biotechnology	7/16/2014	\$60,000,000	\$12	4.02	-67%
Sage Therapeutics	SAGE	Biotechnology	7/18/2014	\$90,000,000	\$18	39.89	122%
TubeMogul	TUBE	Digital Media	7/18/2014	\$44,100,000	\$7	14.94	113%
Trupanion	TRUP	Insurance	7/18/2014	\$71,000,000	\$10	6.94	-31%
Immune Design	IMDZ	Biotechnology	7/24/2014	\$60,000,000	\$12	25.27	111%
Intersect ENT	XENT	Med. Devices	7/24/2014	\$55,000,000	\$11	21.26	93%
Pfenex	PFNX	Biotechnology	7/24/2014	\$49,800,000	\$6	6.9	15%
Ocular Therapeutix	OCUL	Med. Devices	7/25/2014	\$65,000,000	\$13	30.67	136%
Marinus Pharmaceuticals	MRNS	Pharmaceutical	8/1/2014	\$44,600,000	\$8	\$11.10	39%
Loxo Oncology	LOXO	Biotechnology	8/1/2014	\$68,900,000	\$13	12.67	-3%
T2 Biosystems	TTOO	Biotechnology	8/7/2014	\$57,200,000	\$11	21.38	94%
Otonomy	OTIC	Biotechnology	8/13/2014	\$100,800,000	\$16	31.18	95%
Vitae Pharmaceuticals	VTAE	Pharmaceutical	9/24/2014	\$55,200,000	\$8	14.13	77%
Wayfair	W	Internet	10/2/2014	\$319,000,000	\$29	20.09	-31%
Calithera Biosciences	CALA	Biotechnology	10/2/2014	\$80,000,000	\$10	20.94	109%
Yodlee	YDLE	Software	10/3/2014	\$75,600,000	\$12	9	-25%
Dermira	DERM	Biotechnology	10/3/2014	\$124,800,000	\$16	17.33	8%
HubSpot	HUBS	Software	10/8/2014	\$125,000,000	\$25	33.29	33%
Zaya Group	ZAYO	Telecom	10/17/2014	\$400,000,000	\$19	27.78	46%
Proteon Therapeutics	PRTO	Biotechnology	10/22/2014	\$61,000,000	\$10	10.41	4%
Sientra	SIEN	Med. Devices	10/29/2014	\$75,000,000	\$15	15.44	3%
Xenon Pharmaceuticals	XENE	Pharmaceutical	11/5/2014	\$36,000,000	\$9	17.25	92%
Nevro	NVRO	Med. Devices	11/6/2014	\$126,000,000	\$18	45.23	151%
Coherus BioSciences	CHRS	Biotechnology	11/7/2014	\$85,050,000	\$14	22.49	67%
FibroGen	FGEN	Biotechnology	11/14/2014	\$145,800,000	\$18	30.16	68%
Histogenics	HSGX	Med. Devices	12/3/2014	\$64,900,000	\$11	8.13	-26%
Lending Club	LC	Financial Svcs	12/11/2014	\$865,500,000	\$15	19.26	28%
Hortonworks	HDP	Software	12/12/2014	\$100,000,000	\$16	20.72	30%
New Relic	NEWR	Software	12/12/2014	\$115,000,000	\$23	30.33	32%
OnDeck Capital	ONDK	Financial Svcs	12/17/2014	\$200,000,000	\$20	15.67	-22%
Juno Therapeutics	JUNO	Biotechnology	12/19/2014	\$265,000,000	\$24	41.99	75%
Bellicum Pharmaceuticals	BLCM	Pharmaceutical	12/19/2014	\$139,650,000	\$19	23.12	22%

**Total Venture Capital IPOs      33**

**\$4,239,900,000**

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## Notes

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The information source used was the [VentureDeal.com](http://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.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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