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VENTURE-BACKED IPO EXIT ACTIVITY KEEPS MOMENTUM WITH BEST FULL YEAR FOR NEW LISTINGS SINCE 2007; THIRD CONSECUTIVE QUARTER FOR 20+ OFFERINGS SINCE 2004

Slowest Year for Venture-backed M&A since 2009

New York, New York, January 2, 2014 – Twenty-four venture-backed initial public offerings (IPOs) raised \$5.3 billion during the fourth quarter of 2013, a slight decline from the third quarter of this year but a 91 percent increase, by dollars, compared to the previous quarter, according to the Exit Poll report by Thomson Reuters and the National Venture Capital Association (NVCA). This quarter also marked the third consecutive quarter to see 20 or more venture-backed IPOs since the fourth quarter of 2004. During full year 2013, 82 venture-backed companies went public in the United States, marking the strongest full year total for the number of new venture-backed listings since 2007. For the third quarter of 2013, 81 venture-backed M&A deals were reported, 31 of which had an aggregate deal value of \$5.3 billion. This represents a nine percent increase in disclosed value from the third quarter of this year and marks the strongest quarter for M&A disclosed value since the third quarter of 2012. With 377 acquisitions of venture-backed companies during the year, full year 2013 ranks as the slowest year for venture-backed M&A since 2009.

“IPO activity for venture-backed companies continues to improve. The biotech sector is especially notable because it made up over half of the 2013 IPOs, which is more than the previous five years combined,” said John Taylor, head of research for the National Venture Capital Association. “The on-ramp provision of the JOBS Act is likely a significant contributor to this shift and the venture industry overall remains hopeful that IPO and M&A levels will further strengthen as the bulging pipeline of mature companies awaits favorable market conditions.”



Quarter/Year	Total M&A Deals	M&A Deals with Disclosed Values	*Total Disclosed M&A Value (\$M)	*Average M&A Deal Size (\$M)	**Number of IPO's	Total Offer Amount (\$M)	Average IPO Offer Amount (\$M)
2008	423	134	16,236.9	121.2	7	765.0	109.3
2009-1	81	19	830.5	43.7	0	0.0	0.0
2009-2	79	15	1,982.4	141.6	7	997.6	142.5
2009-3	100	30	2,224.3	74.1	2	522.5	261.3
2009-4	100	45	7,327.7	162.8	4	459.7	114.9
2009	360	109	12,364.9	114.5	13	1979.8	152.3
2010-1	149	36	4,945.1	137.4	8	921.9	115.2
2010-2	108	30	2,681.4	89.4	18	1,548.4	86.0
2010-3	141	36	4,140.9	115.0	18	2,061.5	114.5
2010-4	145	48	5,939.8	123.7	26	3,242.6	124.7
2010	543	150	17,707.3	118.0	70	7,774.4	111.1
2011-1	139	51	5,966.8	117.0	14	1,526.9	109.1
2011-2	95	37	6,202.3	167.6	21	5,883.5	280.2
2011-3	142	43	6,934.5	161.3	5	475.9	95.2
2011-4	123	38	4,989.6	131.3	11	2,803.2	254.8
2011	499	169	24,093.2	142.6	51	10,689.5	209.6
2012-1	114	28	3,671.0	131.1	19	1,682.8	88.6
2012-2	123	34	6,304.4	191.0	12	17,227.9	1435.7
2012-3	125	37	8,437.6	228.0	10	1,140.7	114.1
2012-4	126	32	4,031.1	126.0	8	1,408.4	176.1
2012	488	131	22,444.2	172.6	49	21,459.9	438.0
2013-1	85	10	984.3	98.4	8	716.9	89.6
2013-2	96	19	3,405.3	179.2	23	2,436.9	106.0
2013-3	116	30	4,856.7	161.9	27	2,781.4	103.0
2013-4	81	31	5,283.6	170.4	24	5,312.6	221.4
2013	377	90	14,529.9	161.4	82	11,247.7	137.2

Source: Thomson Reuters & National Venture Capital Association

*Only accounts for deals with disclosed values

**Includes all companies with at least one U.S. VC investor that trade on U.S. exchanges, regardless of domicile.

IPO Activity Overview

There were 24 venture-backed IPOs valued at \$5.3 billion in the fourth quarter of 2013. By number of deals, quarterly volume decreased 11 percent from the third quarter of the year but registered a 91 percent increase, by dollars, compared to the previous quarter. Excluding the record \$16.0 billion Facebook IPO, the fourth quarter of 2013 marks the strongest quarter for dollars raised by venture-backed companies since the second quarter of 2011.



Led by the internet specific sector, 10 of the 24 offerings during the quarter were information technology IPOs representing three-quarters of total proceeds raised in the fourth quarter. With six biotechnology offerings in the fourth quarter, this marks the third consecutive quarter for double-digit listings in the life sciences sector since the fourth quarter of 2000.

By location, 18 of the quarter’s 24 IPOs were from U.S.-based companies. Criteo SA, a Paris, France-based internet marketing firm, raised \$288.1 million on the NASDAQ stock exchange on October 29th, the largest non-US offering of the quarter.

In the largest IPO of the quarter, Twitter Inc (TWTR), a California-based social media platform, raised \$2.1 billion and began trading on the New York Stock Exchange on November 6th. The company is currently trading more than twice its \$26 offering price.

		Q4 2013	
Industry		*Number of Venture-Backed IPO's in the U.S.	Total Venture-Backed Offering Size (\$M)
Information Technology	Internet Specific	8	3,482.0
	Computer Software and Services	1	300.0
	Computer Hardware	1	193.2
		10	3,975.3
Life Sciences	Biotechnology	6	486.7
	Medical/Health	5	421.0
			11
Non-High Technology	Other Products	1	253.0
	Consumer Related	1	120.8
	Communications and Media	1	56.0
			3
TOTAL		24	5,312.6

Source: Thomson Reuters & National Venture Capital Association

*Includes all companies with at least one U.S. VC investor that trade on U.S. exchanges, regardless of domicile

Sixteen companies listed on the NASDAQ stock exchange during the quarter, seven companies listed on the New York Stock Exchange, and one listed Over-the-Counter. All of this quarter’s six biotechnology IPOs listed on the NASDAQ stock exchange.

Twenty-two of the 24 companies brought to market this quarter are currently trading at or above their offering price. There are 52 venture-backed companies currently filed publicly for IPO with the SEC. This figure does not include confidential registrations filed under the JOBS Act, where many observers believe the majority of venture-backed companies now file.



Mergers and Acquisitions Overview

As of December 31st, 81 venture-backed M&A deals were reported for the fourth quarter of 2013, 31 of which had an aggregate deal value of \$5.3 billion, the strongest quarter by disclosed deal value since the third quarter of 2012. The average disclosed deal value was \$170.4 million, a five percent increase compared to the third quarter of 2013.

The information technology sector led the venture-backed M&A landscape with 66 of the 81 deals of the quarter and had a disclosed total dollar value of \$4.2 billion. Within this sector, Computer Software and Services and Internet Specific deals accounted for the bulk of the targets with 27 and 25 transactions, respectively, across these sector subsets.

		Q4 2013		
Industry		Number of Venture-Backed M&A deals	Number of Venture-Backed M&A deals with a disclosed value	Total Disclosed Venture-Backed Deal Value (\$M)
Information Technology	Computer Software and Services	27	9	409.4
	Internet Specific	25	7	1,617.6
	Computer Hardware	5	2	1,345.0
	Communications and Media	5	1	2.3
	Semiconductors/Other Elect.	4	3	892.5
		66	22	4,266.7
Life Sciences	Medical/Health	5	4	551.0
	Biotechnology	4	3	366.0
		9	7	917.0
Non-High Technology	Other Products	3	-	-
	Industrial/Energy	2	1	70.0
	Consumer Related	1	1	29.9
		6	2	99.9
TOTAL		81	31	5,283.6

Source: Thomson Reuters & National Venture Capital Association

The largest venture-backed M&A transaction during the fourth quarter was Monsanto’s \$930 million purchase of Climate Corp, a San Francisco, California-based provider of weather risk technology services. eBay’s \$800 million acquisition of Chicago, Illinois-based Braintree Payment Solutions ranked as the second largest venture-backed M&A deal during the quarter.



Deals bringing in the top returns, those with disclosed values greater than four times the venture investment, accounted for 45 percent of the total disclosed transactions during the fourth quarter of 2013, on par with the third quarter of the year. Venture-backed M&A deals returning less than the amount invested accounted for 29 percent of the quarterly total.

Analysis of Transaction Values versus Amount Invested

Relationship between transaction value and investment	Q1 13 M&A**	Q2 13 M&A**	Q3 13 M&A**	Q4 13 M&A**
Deals where transaction value is less than total venture investment	1	3	5	9
Deals where transaction value is 1-4x total venture investment	9	10	11	8
Deals where transaction value is 4x-10x total venture investment	0	6	8	8
Deals where transaction value is greater than 10x venture investment	0	0	4	6
Total Disclosed Deals	10	19	28	31

Source: Thomson Reuters & National Venture Capital Association

** Disclosed deals that do not have a disclosed total investment amount are not included

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