

2016 Tech IPO Pipeline

December 16, 2015



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The Future S&P 500

Welcome to the 4th annual CB Insights Tech IPO Pipeline Report. This year's Tech IPO Pipeline features 531 of the most promising and highly valued private venture and private equity-backed technology companies in the United States.

These 531 companies represent the cream of the technology crop. You can expect that many of these companies will go on to become the S&P 500 companies of tomorrow.

Interestingly, as we built this year's list, we noticed some differences vs years past:

- **The “Dragged-to-IPO” pipeline** – There are some companies on this year's list who may be forced to go public because their valuations priced them for perfection and their results came in somewhere below perfect. And as a result, the private markets may close up on these firms forcing them to go public. This is something we've not observed before.
- **A smaller pipeline** – We've spent considerable time building technology, [Mosaic](#), that assesses & scores private company health & momentum, i.e., customer signings, hiring activity, favorable sentiment, etc. As Mosaic has advanced, we've been able to be more discerning & rigorous about who deserves to be on the list. And so this year's list is smaller.

Many of the highly likely IPO candidates for 2016, as you will see, are not household consumer names. They tend to be focused on less sexy areas (of course, this depends on your perspective) like analytics, datacenters, security and application integration.

As always, it is worth remembering that not all of these 531 companies will IPO next year. Many have just crossed the \$100M valuation threshold. Others, given the advent of the proverbial “private IPO” (large private market \$100M financings) may not need to go public because well-heeled private market financiers have already made them flush with cash.

But given the maturity of many of the companies in the pipeline, the uncertainty about private markets and the increasing calls by investors for companies to go public, we expect 2016 will see public market activity pick up. Given how bad 2015 was, the reality is it couldn't get worse.

Sincerely,

Anand Sanwal

CEO & Co-Founder, CB Insights



CB Insights is a National Science Foundation backed software-as-a-service company that uses data science, machine learning and predictive analytics to help our customers predict what's next—their next investment, the next market they should attack, the next move of their competitor, their next customer, or the next company they should acquire.

For more information, visit:

<http://www.cbinsights.com>



OUR 2015 IPO PIPELINE PREDICTIONS – HOW THEY FARED

Our 2015 Tech IPO Pipeline identified 588 tech companies that represented the cream of the crop within VC and private equity portfolios. Here are how our predictions did.

588 tech IPO pipeline companies in 2015

→ **39%** exited or raised financing

38 companies exited via IPO or M&A

→ **\$24.6 billion** aggregate value of 38 exits

190 companies raised additional financing in 2015

→ **\$24.8 billion**** in financing raised

**Only includes rounds for companies which did not exit in 2015

THE 2016 TECH IPO PIPELINE – SUMMARY STATS

There are 531 venture capital and private equity-backed technology companies in the 2016 Tech IPO Pipeline. These companies are demonstrating significant momentum based on our [private company Mosaic ratings](#). Below is a breakdown of trends observed across these firms:

\$89 Billion

Equity financing raised to-date by Tech IPO Pipeline companies

64 vs 44

New York IPO pipeline companies versus Massachusetts

\$182 Million

Average amount raised by 2016 pipeline companies, a jump from \$111M last year

291

The number of Tech IPO Pipeline companies in California. Silicon Valley dominates

92

Mega-rounds (\$100M+) raised by Tech IPO pipeline companies in 2015, up from 48 in 2014

SV Angel

Has the most 2016 Tech IPO Pipeline companies valued at \$1B or more. 21 in total, of which they were an early investor in 67%

163

Tech IPO Pipeline companies which raised their first round of funding in 2012 or later, 31%

Top IPO Picks

Based on CB Insights Mosaic, top tech IPO candidates for 2016 include Actifio, MuleSoft, Nutanix, Okta, and Zuora.

A SELECTION OF 2016 TECH IPO PIPELINE COMPANIES



THE TOP 5 IPO PROSPECTS ACCORDING TO MOSAIC

We used our proprietary company rating algorithm, Mosaic, to identify a select group of companies that are most likely to go public in 2016. The list is below.

Company	Mosaic Score (max 1000)	Total Funding (\$M)	Last Round	Select Investors
Actifio	760	\$207.5	\$100M (Series E)	Greylock Partners, North Bridge Venture Partners, Andreessen Horowitz, 83North
MuleSoft	910	\$258.5	\$128M (Series G)	Hummer Winblad Venture Partners, Morgenthaler Ventures, Lightspeed Venture Partners
Nutanix	840	\$317.6	\$140M (Series E)	Blumberg Capital, Lightspeed Venture Partners, Khosla Ventures, Battery Ventures
Okta	910	\$229.3	\$75M (Series F)	Andreessen Horowitz, Floodgate, SV Angel, Greylock Partners, Khosla Ventures, Sequoia Capital
Zuora	880	\$242.5	\$115M (Series F)	Benchmark Capital, Shasta Ventures, Redpoint Ventures, Tenaya Capital, Greylock Partners

Mosaic was built with a grant from the National Science Foundation. Using non-traditional public signals ranging from customer signings to hiring activity to media sentiment to web traffic and mobile app data, Mosaic scores provides a rigorous, data-driven way to understand the health and momentum of private companies. To learn more about Mosaic, visit <https://www.cbinsights.com/company-mosaic>

DO YOU WANT TO TRACK THE TECH IPO PIPELINE?



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*In 2015, Tech IPO Pipeline
companies raised*

\$36.1 billion

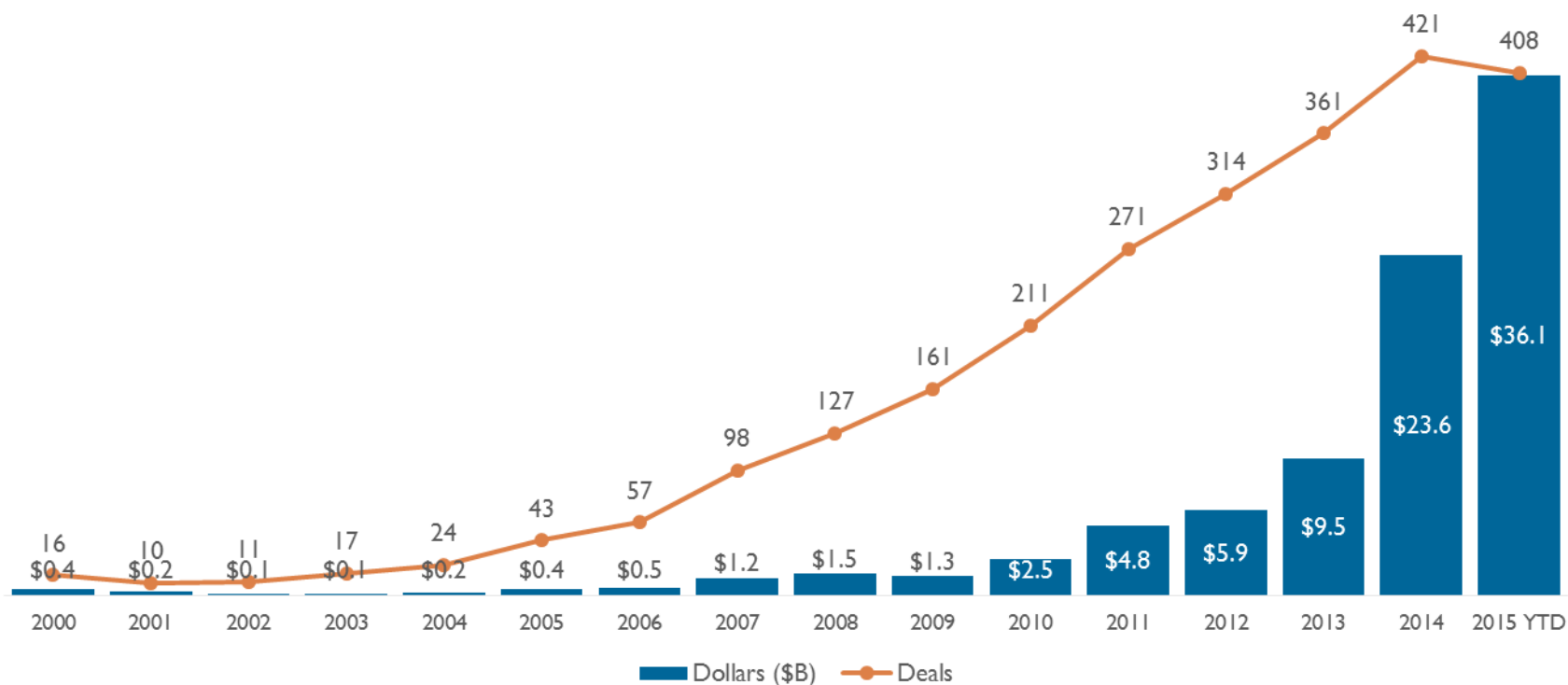
In equity financing

\$89B HAS BEEN RAISED BY TECH IPO PIPELINE COMPANIES

A slew of “private IPOs” driven by increased investment from hedge funds, mutual funds, and corporates has led to the 531 companies in the pipeline raising \$89.03B in equity investment across more than 2,600 deals since 2000. \$36.1B (40.6%) of the funding came in 2015.

2016 Tech IPO Pipeline Investment Activity

2000 – 2015 YTD

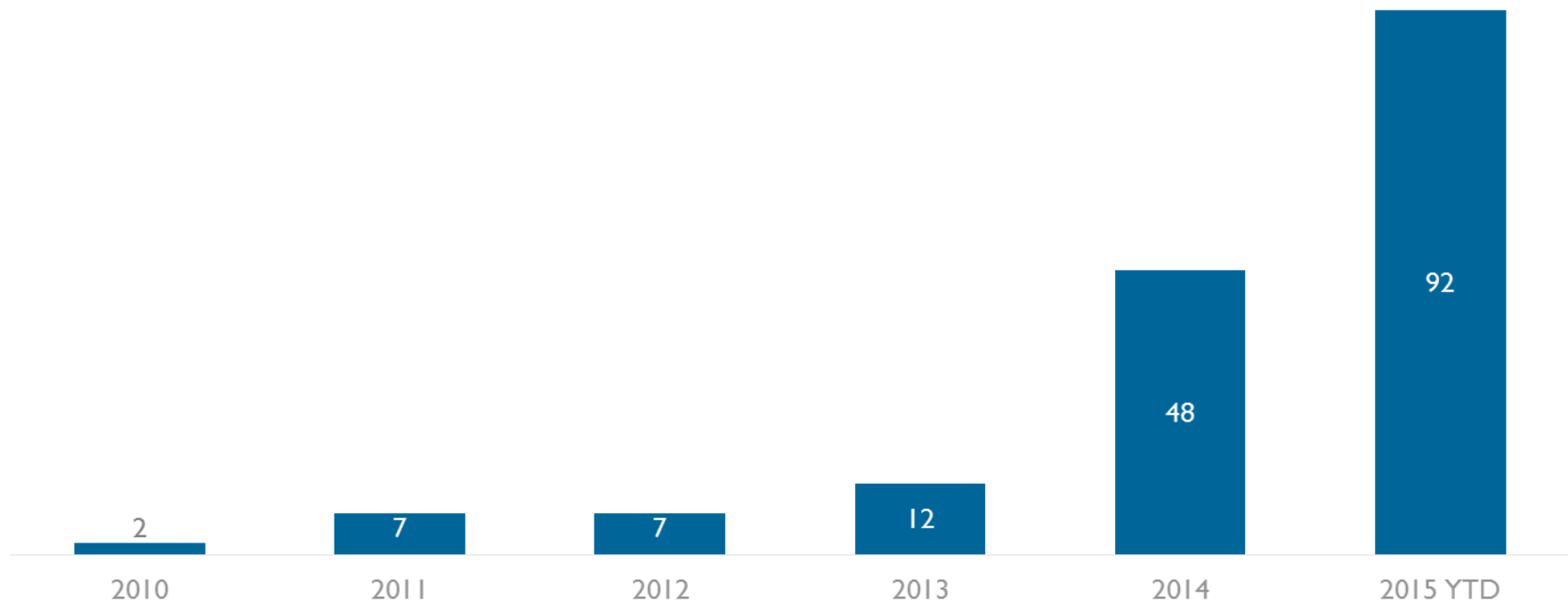


\$100M+ MEGA ROUNDS CONTINUE TO DOMINATE FUNDING

The number of \$100M+ financing rounds to Tech IPO Pipeline companies nearly doubled, going from 48 in 2014 to 92 in 2015. The 92 mega rounds raised a cumulative \$24.4B with Uber alone raising \$5.1B.

2016 Tech IPO Pipeline

\$100M+ Equity Financing Rounds, 2010 – 2015 YTD

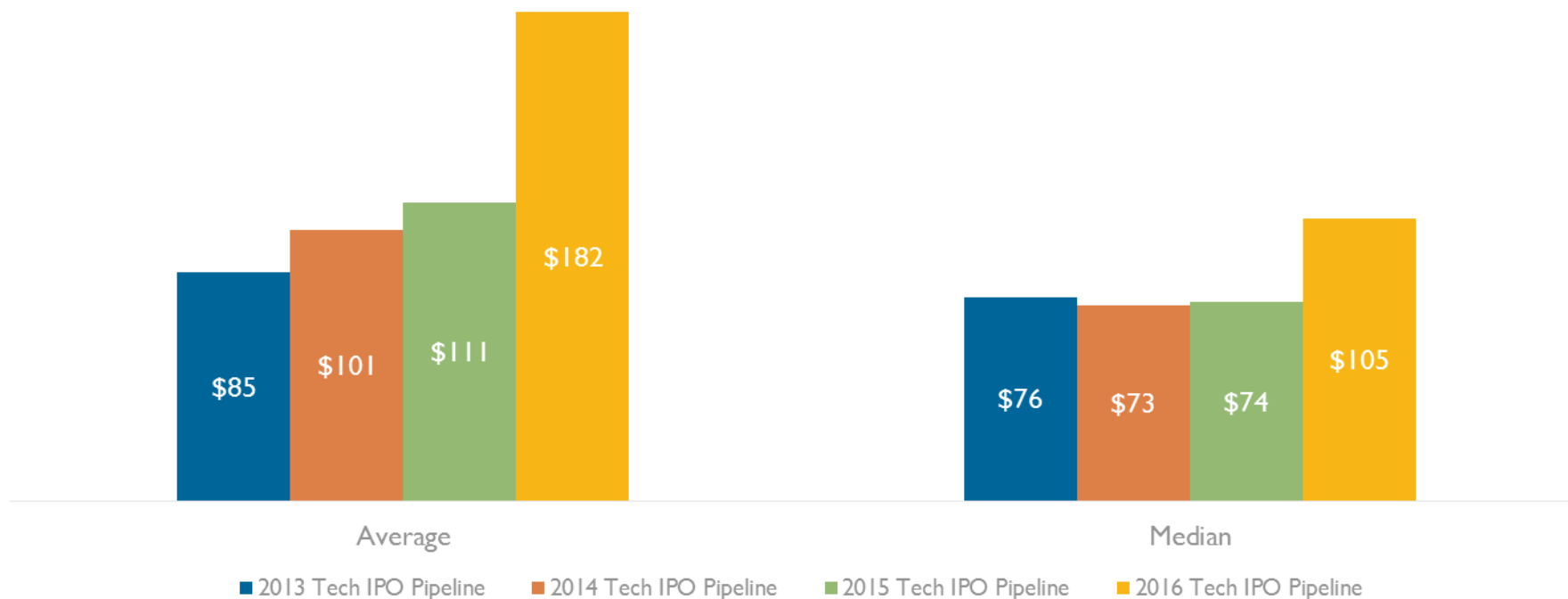


AVERAGE TOTAL FUNDING RAISED BY 2016 TECH IPO PIPELINE HIGHEST EVER

As non-traditional investors continue to pour money into tech startups, the need to go public wasn't there. In fact, total average and median funding raised by this year's Tech IPO Pipeline companies reached an all-time high at \$182M in total funding raised on average and \$105M on a median basis. These figures were up 64% and 42% respectively versus last year's Tech IPO Pipeline as many companies on 2015's list took advantage of frothy private markets to raise more money and ultimately stay private longer.

2016 Tech IPO Pipeline

Average and Median Funding Raised, \$M

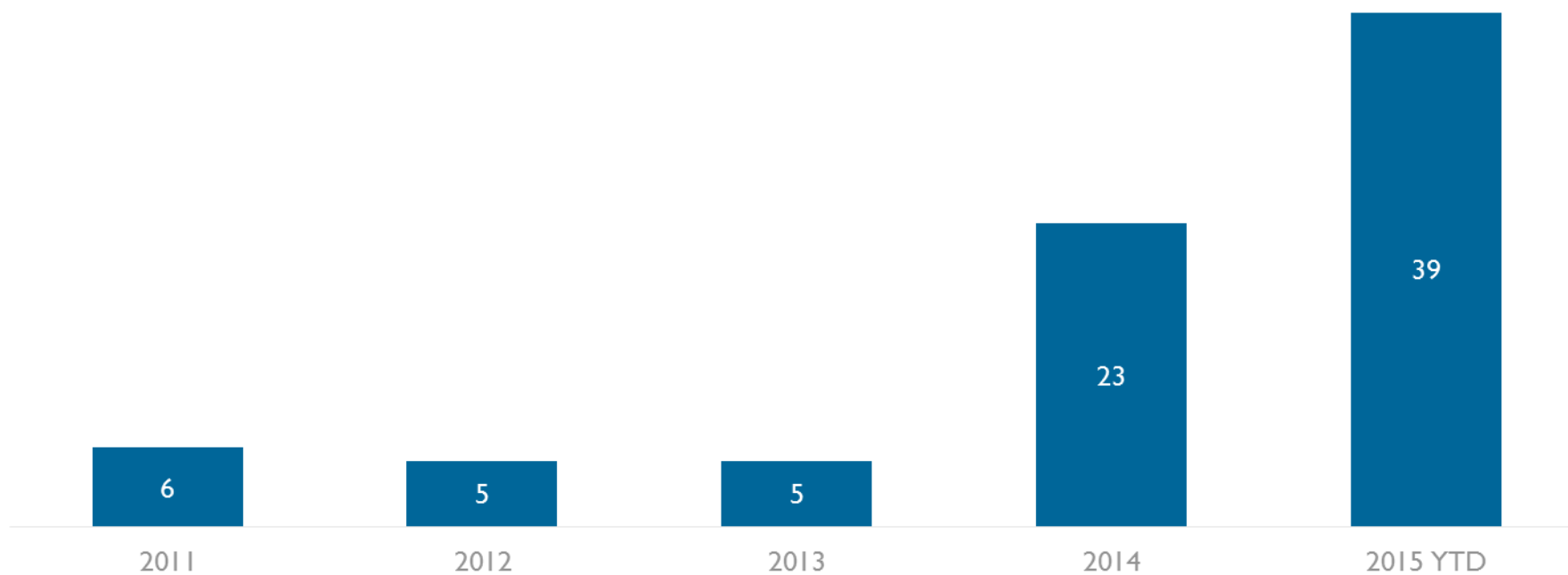


UNICORNS RISING: 39 PIPELINE COMPANIES JOIN THE \$1B+ VALUATION CLUB IN 2015

The number of VC-backed Tech IPO Pipeline companies that entered the billion-dollar valuation club has skyrocketed in the past two years, with 39 companies joining the list this year alone. In the past two years 62 pipeline companies have become Unicorns versus just 16 from 2011 – 2013.

2016 Tech IPO Pipeline

VC-Backed Companies with New \$1B+ Valuations, 2011 – 2015 YTD

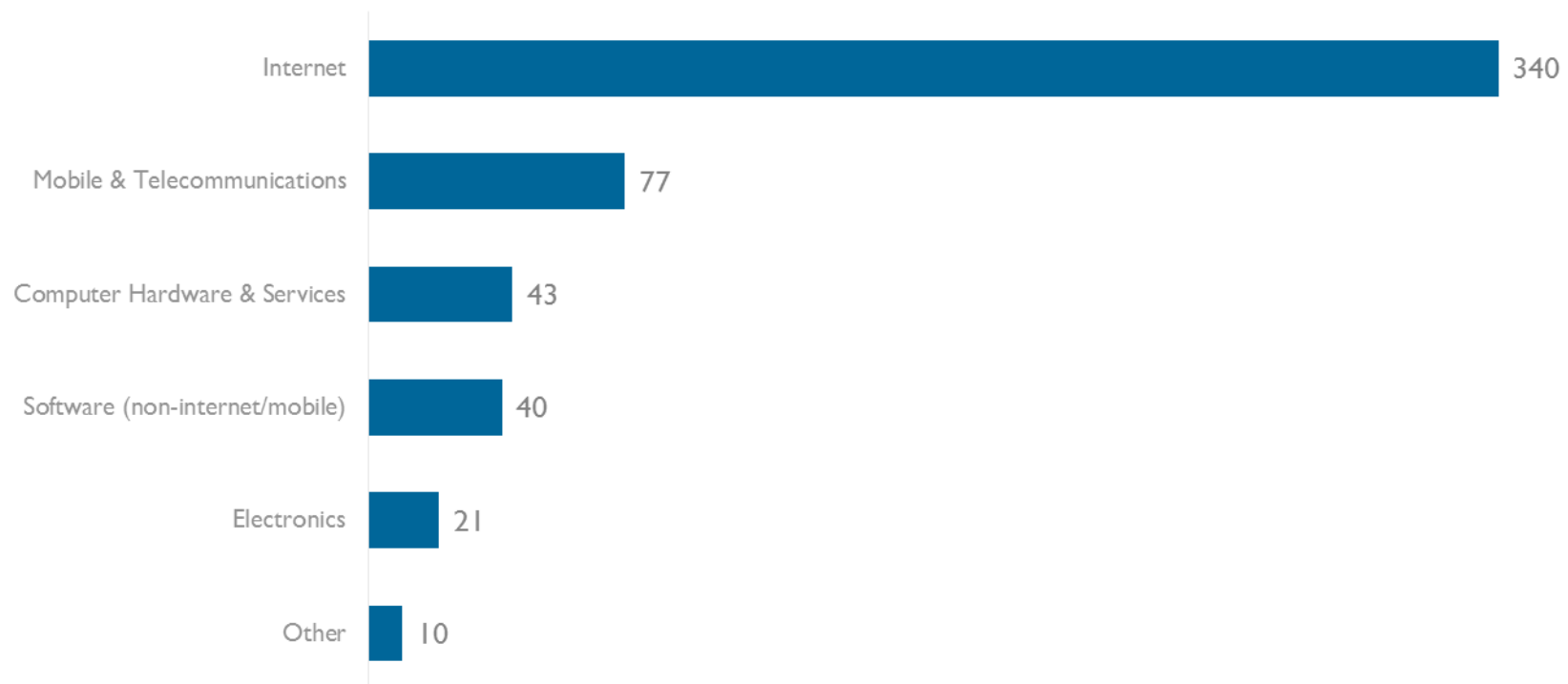


SECTOR BREAKDOWN OF THE TECH IPO PIPELINE

Internet companies make up 64% of the 2016 Tech IPO Pipeline. Mobile & Telecom companies are a distant second with 77 companies including titans such as Uber & Snapchat among others.

2016 Tech IPO Pipeline

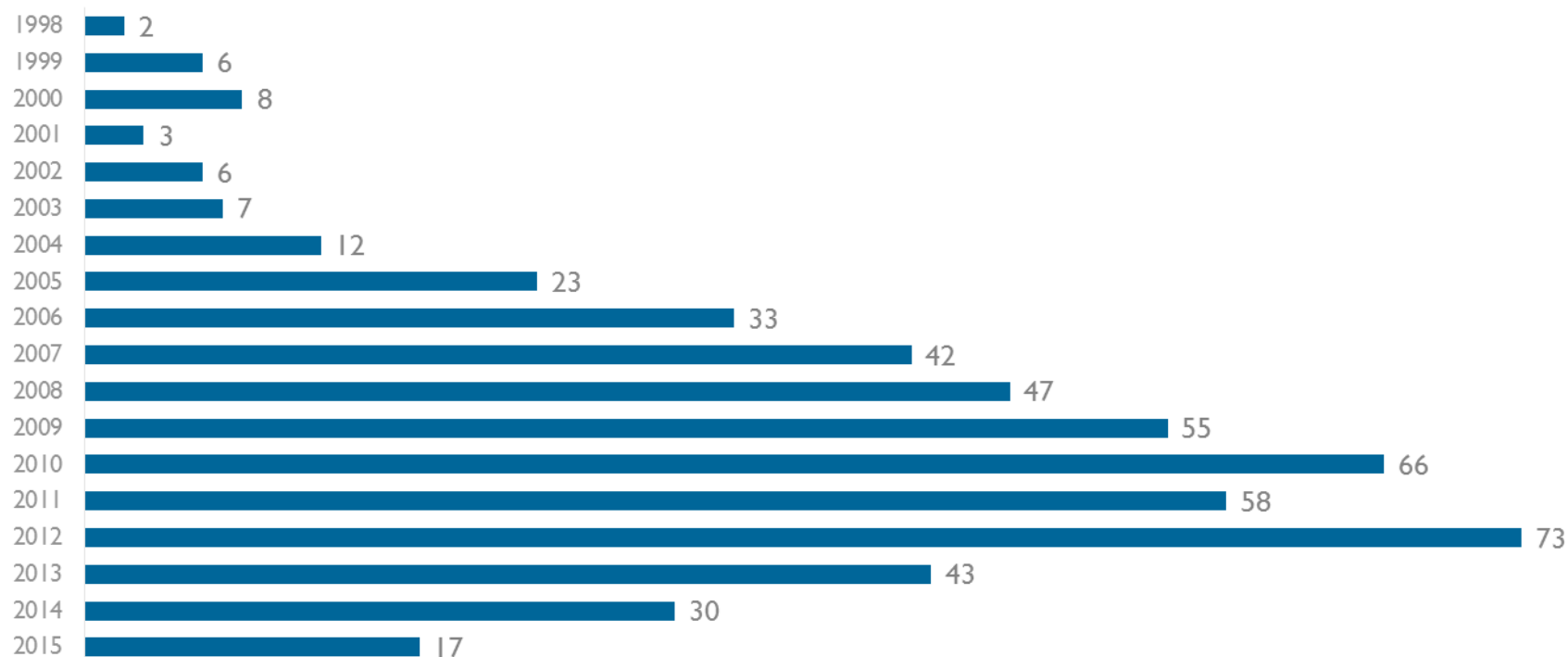
Company Count, by Sector



WHEN DID TECH IPO PIPELINE COMPANIES FIRST RAISE FUNDING?

54% of Tech IPO Pipeline companies raised their first round of funding in the last 6 years. 31% of the firms took their first funding after 2011, which highlights the current strength of the private company financing market as well as the pace at which company building is occurring.

2016 Tech IPO Pipeline *Company Count by Year of First Financing*



DO YOU WANT TO TRACK THE TECH IPO PIPELINE?

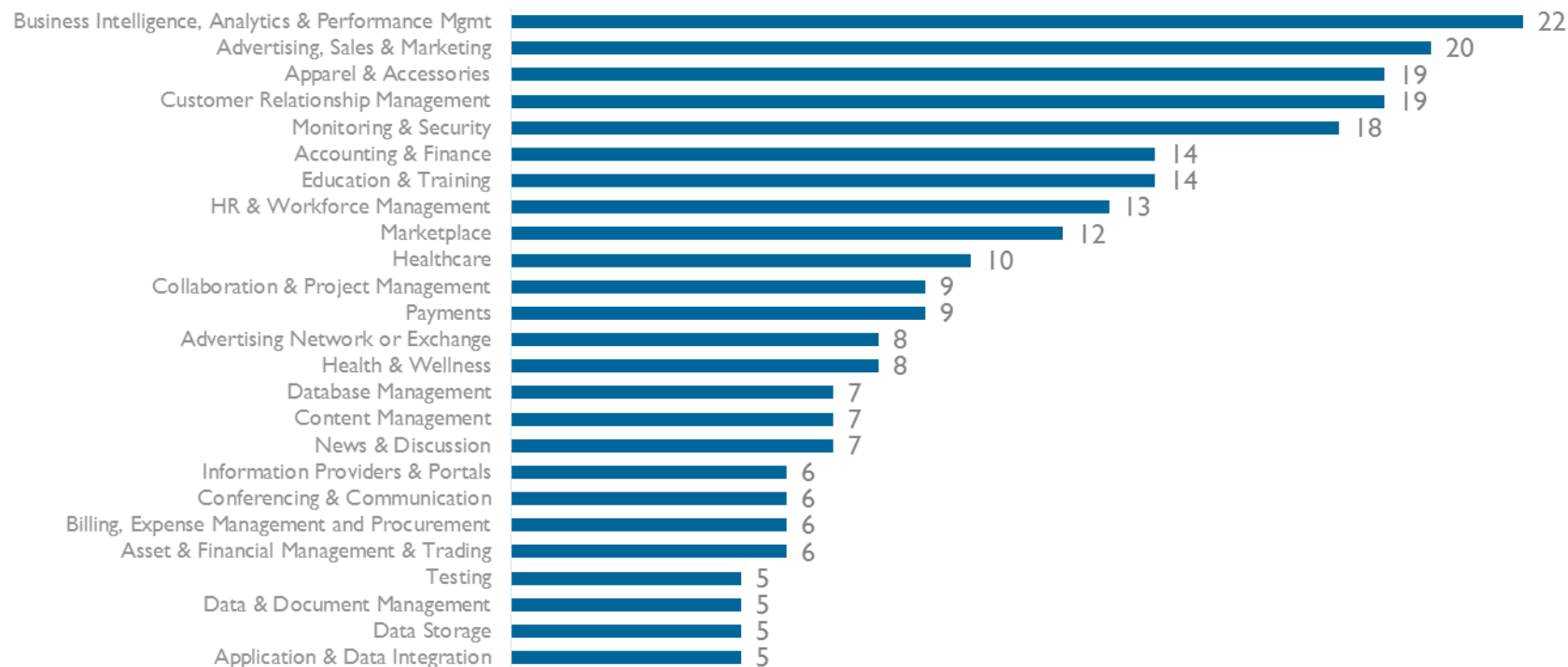


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BI AND AD TECH TOP INTERNET IPO PIPELINE FOR SECOND STRAIGHT YEAR

BI, analytics, and performance management had the most internet companies currently in the pipeline at 22. Ad tech was second once again with 20 companies. The top 25 internet subindustries represented in the 2016 Tech IPO Pipeline are below.

2016 Tech IPO Pipeline *Company Count, Top 25 Internet Subindustries*



MEDIAN FUNDING RAISED UP ACROSS ALL SECTORS VS. LAST YEAR

The median total funding raised by this year's Tech IPO Pipeline companies is up significantly across all sectors versus last year's list. Electronics companies which includes some of the more capital-intensive chips & semi companies raised the most for the second straight year at \$137M, up 71% versus last year's list.

2016 Tech IPO Pipeline *Median Funding Raised (\$M), by Sector*



AMONG UNICORNS IN THE PIPELINE, SV ANGEL, SEQUOIA CAPITAL, ANDREESSEN HOROWITZ LEAD ALL INVESTORS

SV Angel topped all investors with the highest number of billion-dollar Tech IPO Pipeline companies at 21. In addition they also got in the earliest, with early investments in 67% of their pipeline Unicorns coming at the early-stage. Sequoia Capital and Andreessen Horowitz rounded out the top 3.

The Top 15 Investors in the Billion Dollar Valuation Club

Investor	Number of \$1B+ Companies	% of Cos Investor Got in 1 st or 2 nd Round
SV Angel	21	67%
Sequoia Capital	20	45%
Andreessen Horowitz	18	39%
Fidelity Investments	16	0%
Kleiner Perkins Caufield & Byers	13	0%
T. Rowe Price	13	0%
Wellington Management	13	8%
Founders Fund	12	33%
Tiger Global Management	11	9%
Goldman Sachs	11	0%
New Enterprise Associates	11	18%
Khosla Ventures	11	45%
Salesforce Ventures	11	9%
Accel Partners	11	45%
Institutional Venture Partners	11	9%

ACROSS THE ENTIRE IPO PIPELINE CLASS, SEQUOIA CAPITAL & A16Z LEAD; TOP 5 SAME AS LAST YEAR

Sequoia Capital has the most investments in Tech IPO Pipeline companies this year, however, the top 5 went largely unchanged, featuring Andreessen Horowitz, Kleiner Perkins Caufield & Byers, Accel Partners, and NEA in addition to Sequoia.

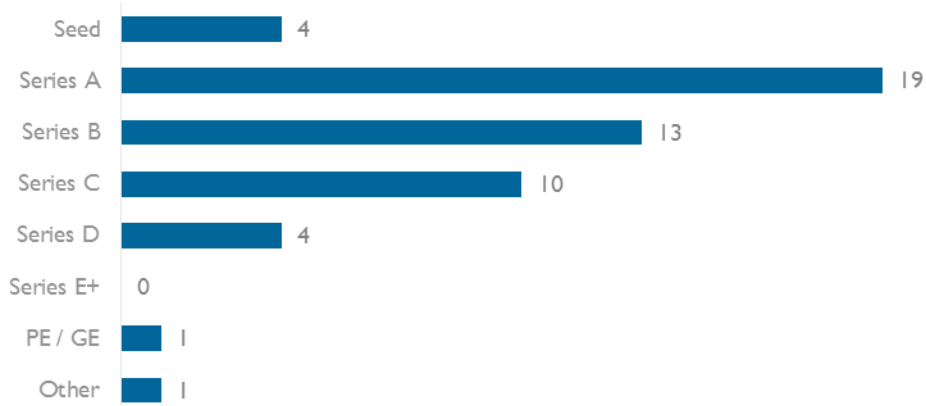
The Top 20 Investors in the 2016 Tech IPO Pipeline

Rank	Tech IPO Pipeline Investor	Last Year's Position
1	Sequoia Capital	2
1	Andreessen Horowitz	4
3	Kleiner Perkins Caufield & Byers	1
4	Accel Partners	2
5	New Enterprise Associates	4
6	Goldman Sachs	8
7	SV Angel	-
8	Institutional Venture Partners	9
9	Google Ventures	-
9	Intel Capital	6
11	Battery Ventures	13
12	Insight Venture Partners	17
13	Salesforce Ventures	-
13	Lightspeed Venture Partners	9
13	Greylock Partners	7
13	Benchmark Capital	9
17	Bessemer Venture Partners	12
18	General Catalyst Partners	-
19	Fidelity Investments	-
19	First Round Capital	15
19	Khosla Ventures	15

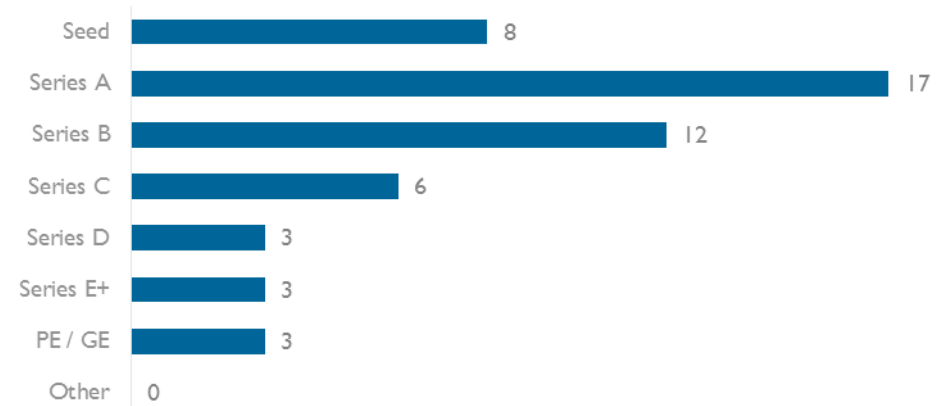
TOP TECH IPO PIPELINE INVESTORS – BY STAGE OF ENTRY

We've illustrated when the top 20 investors first invested in a Tech IPO Pipeline company. Sequoia Capital most often invested at the mid-stage (Series B/C) while A16Z invested most at the early-stage (Seed/A).

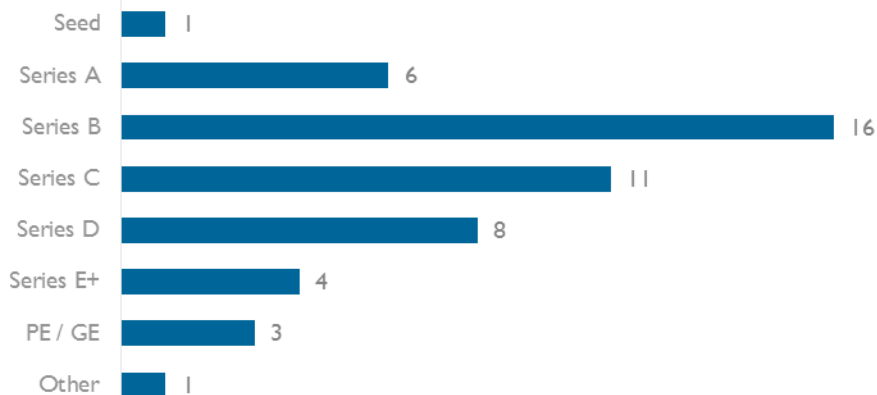
I. Sequoia Capital



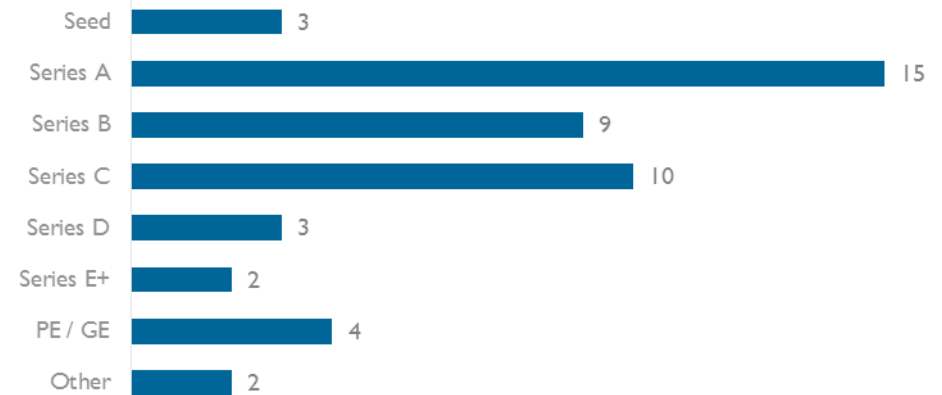
I. Andreessen Horowitz



3. Kleiner Perkins Caufield & Byers

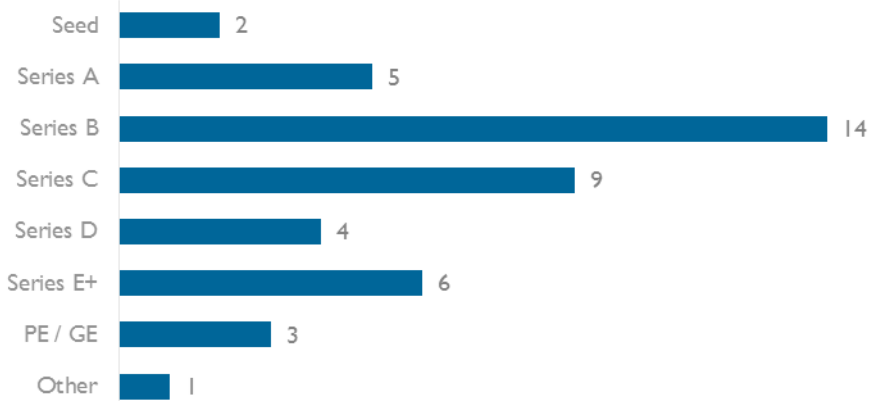


4. Accel Partners

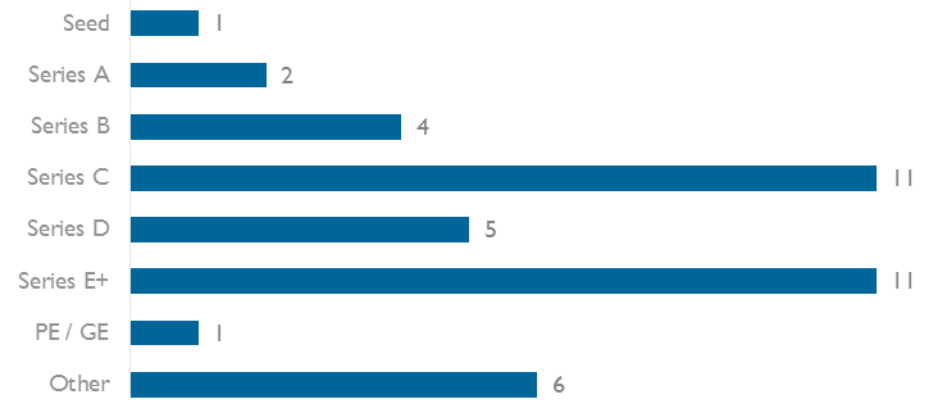


TOP TECH IPO PIPELINE INVESTORS – BY STAGE OF ENTRY

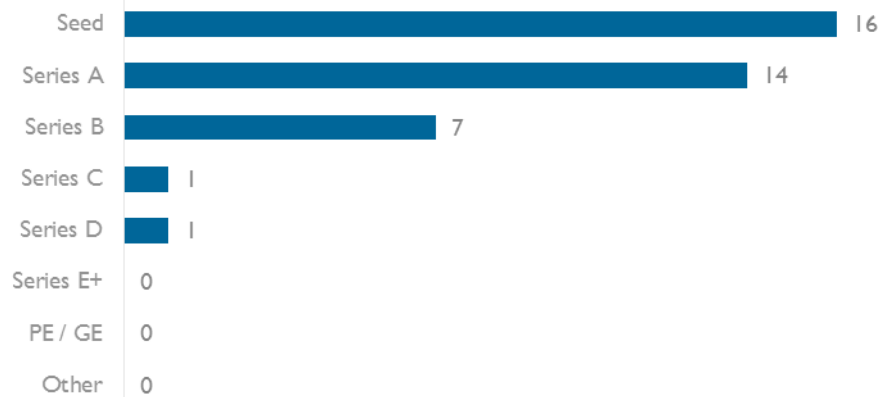
5. New Enterprise Associates



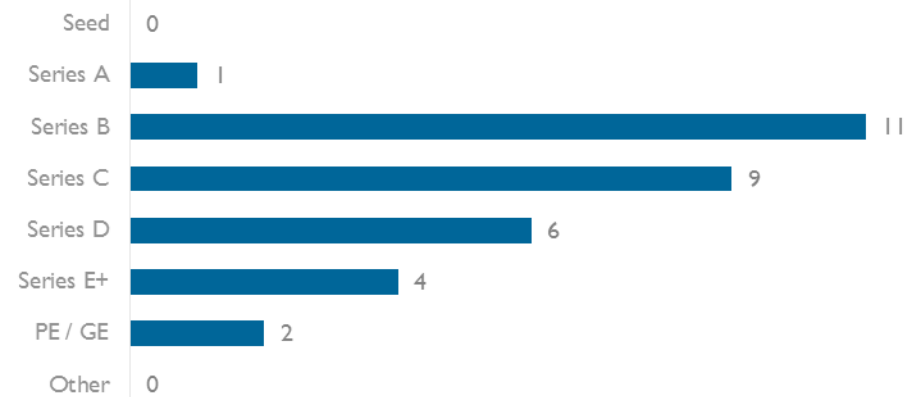
6. Goldman Sachs



7. SV Angel



8. Institutional Venture Partners



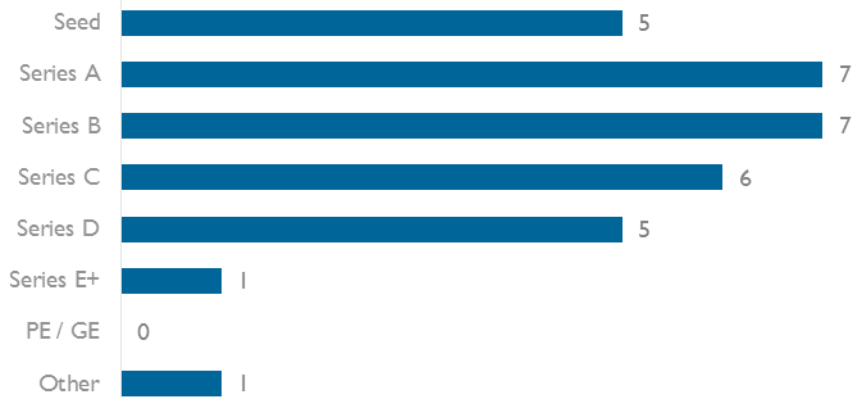
DO YOU WANT TO TRACK THE TECH IPO PIPELINE?



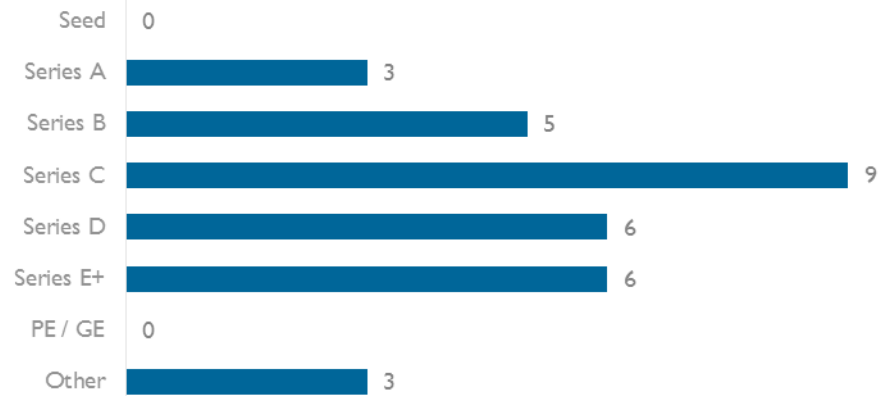
SIGN UP

TOP TECH IPO PIPELINE INVESTORS – BY STAGE OF ENTRY

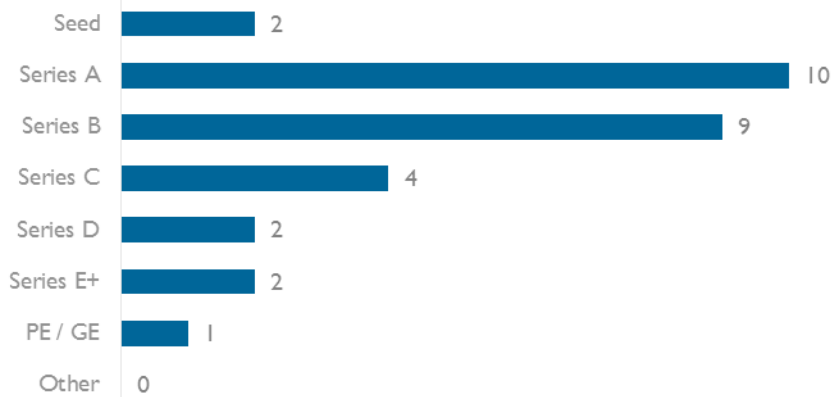
9. Google Ventures



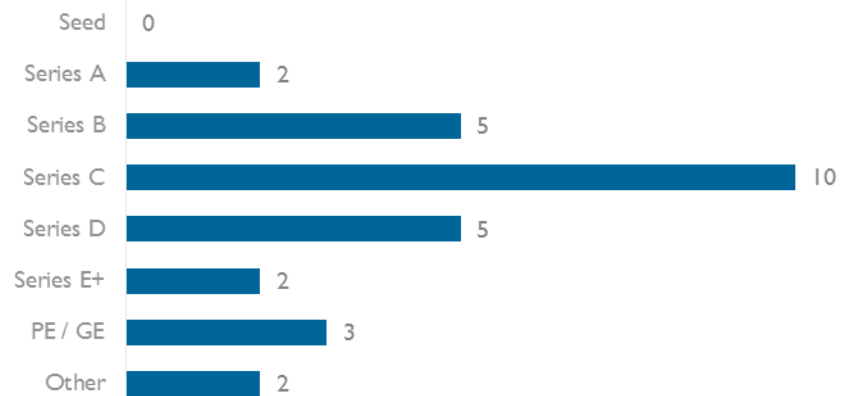
9. Intel Capital



11. Battery Ventures

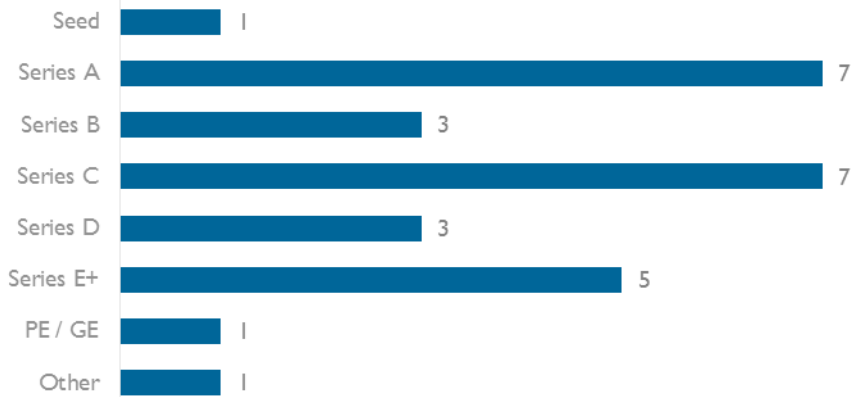


12. Insight Venture Partners

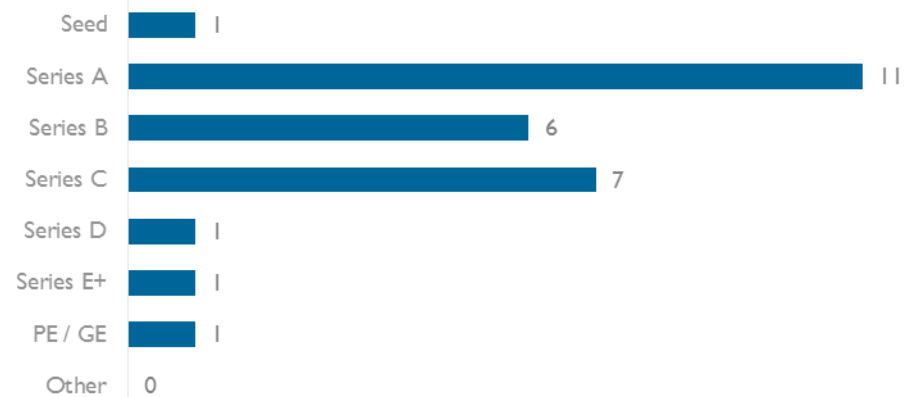


TOP TECH IPO PIPELINE INVESTORS – BY STAGE OF ENTRY

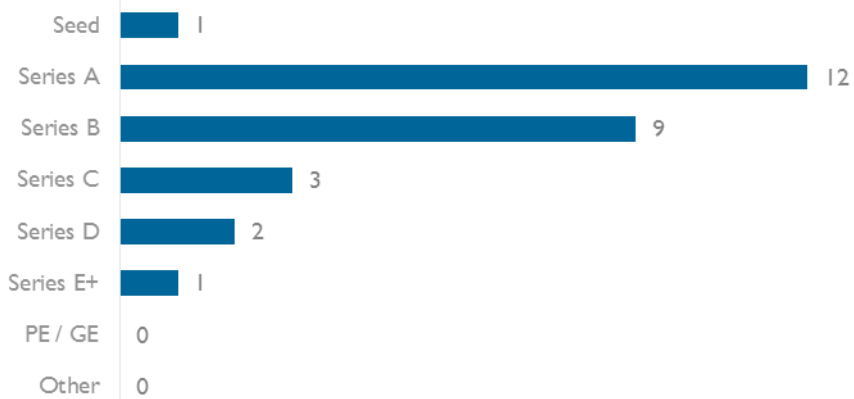
13. Salesforce Ventures



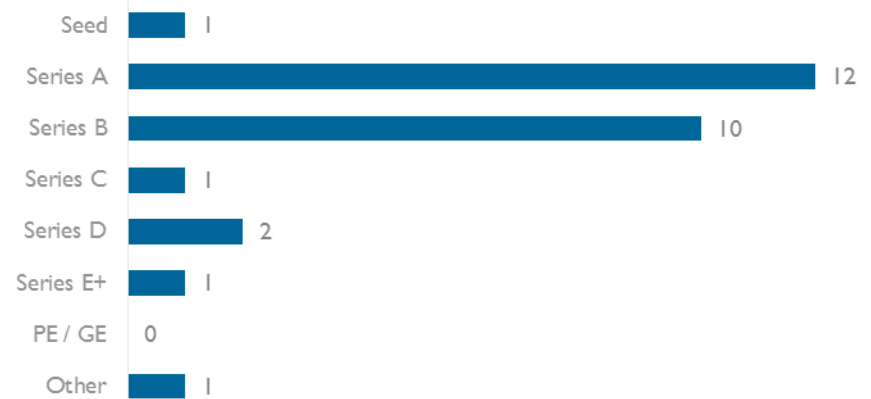
13. Lightspeed Venture Partners



13. Greylock Partners

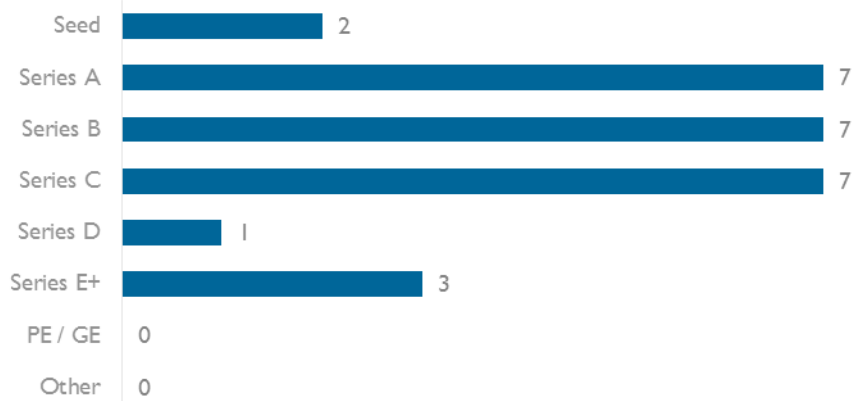


13. Benchmark Capital

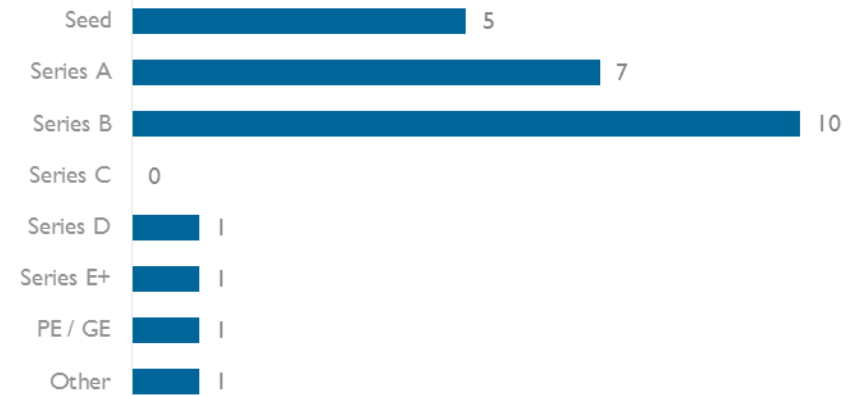


TOP TECH IPO PIPELINE INVESTORS – BY STAGE OF ENTRY

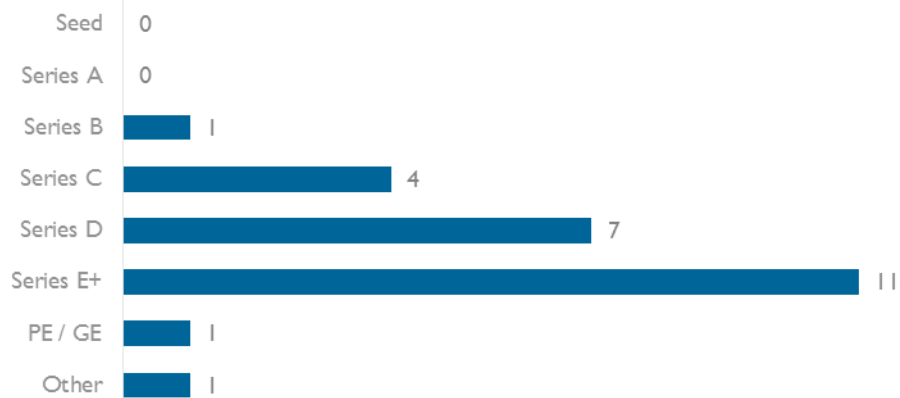
17. Bessemer Venture Partners



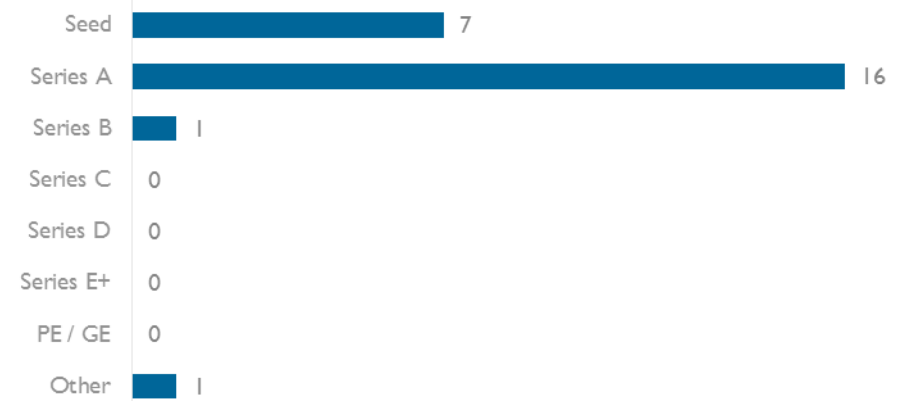
18. General Catalyst Partners



19. Fidelity Investments

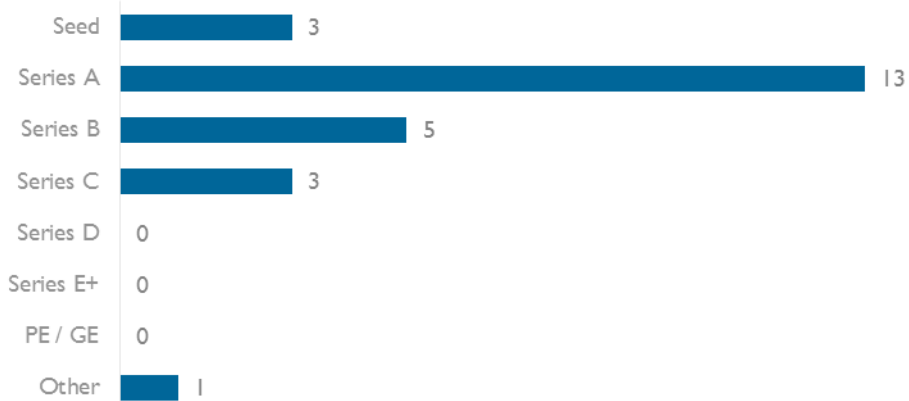


19. First Round Capital

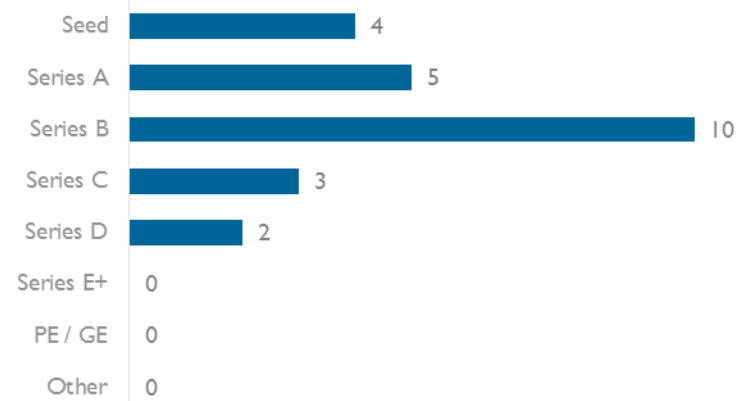


TOP TECH IPO PIPELINE INVESTORS – BY STAGE OF ENTRY

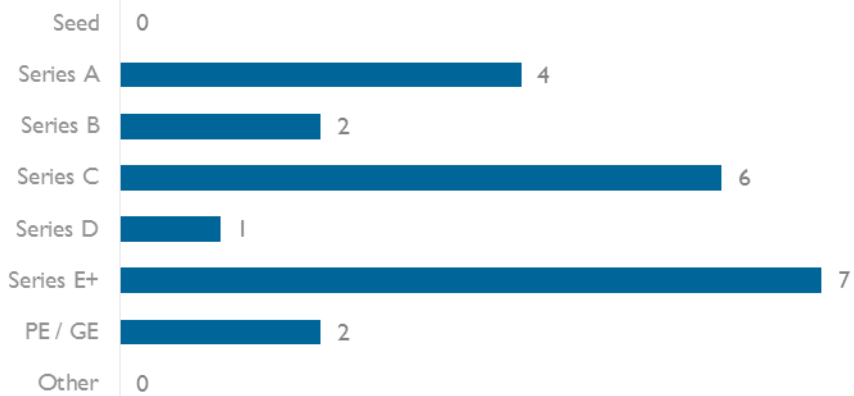
19. Khosla Ventures



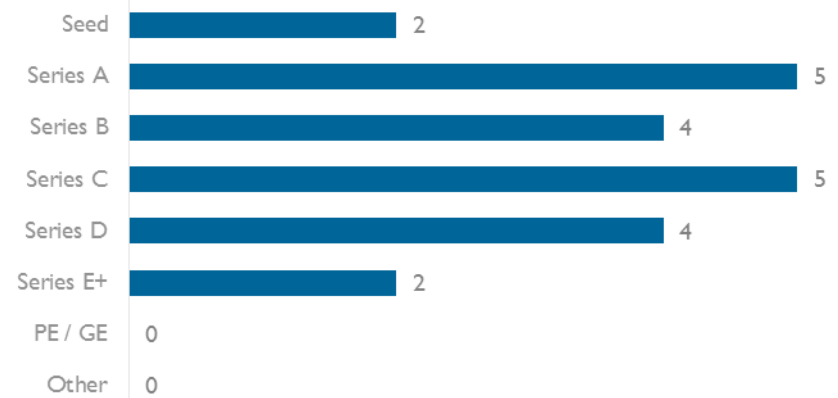
22. Founders Fund



23. Tiger Global Management



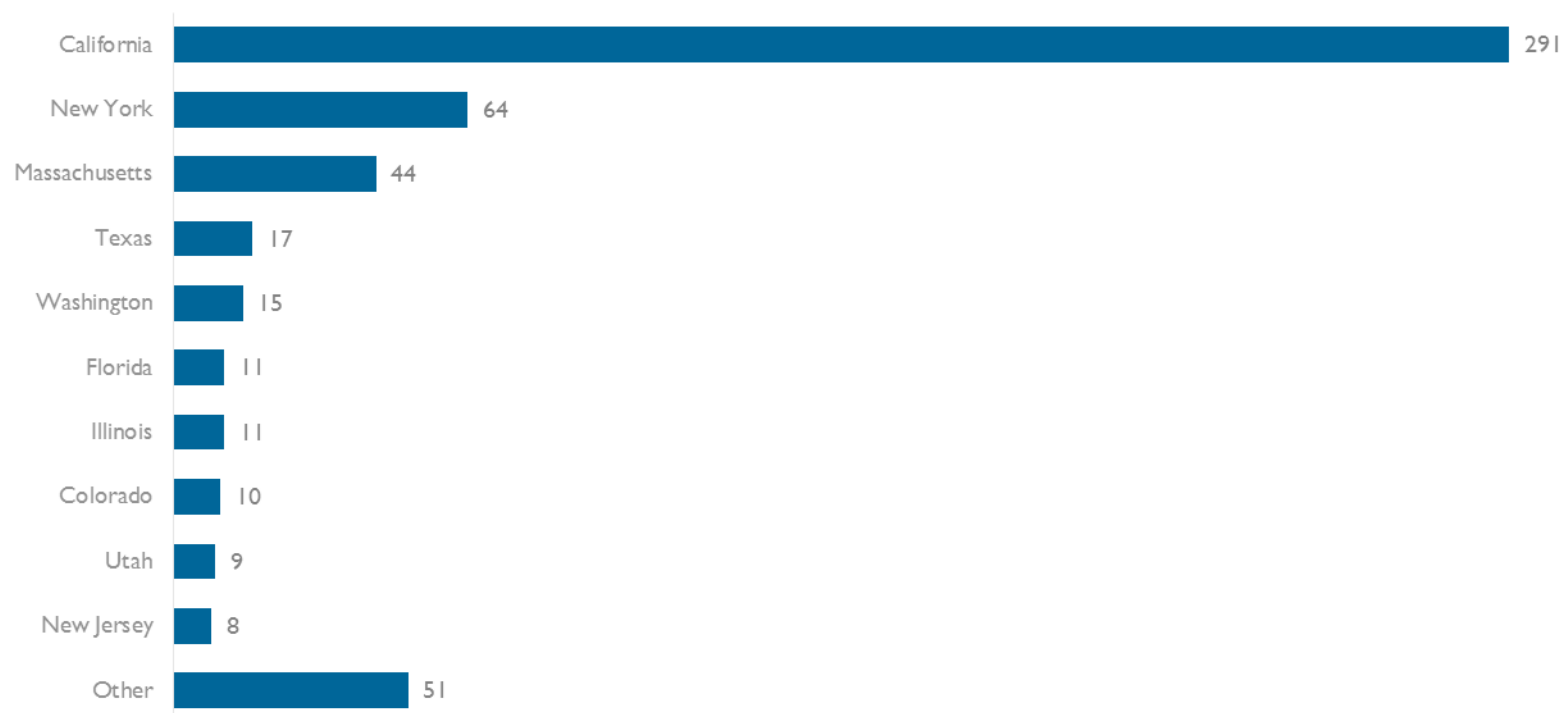
23. Index Ventures



SILICON VALLEY DOMINATES TECH IPO PIPELINE COMPANIES. NEW YORK IS SECOND.

California led all states with 291 (55%) Tech IPO Pipeline companies. New York came in second with 46% more pipeline companies than rival tech hub Massachusetts. Massachusetts saw its number of Pipeline companies drop 57% from last year to 44.

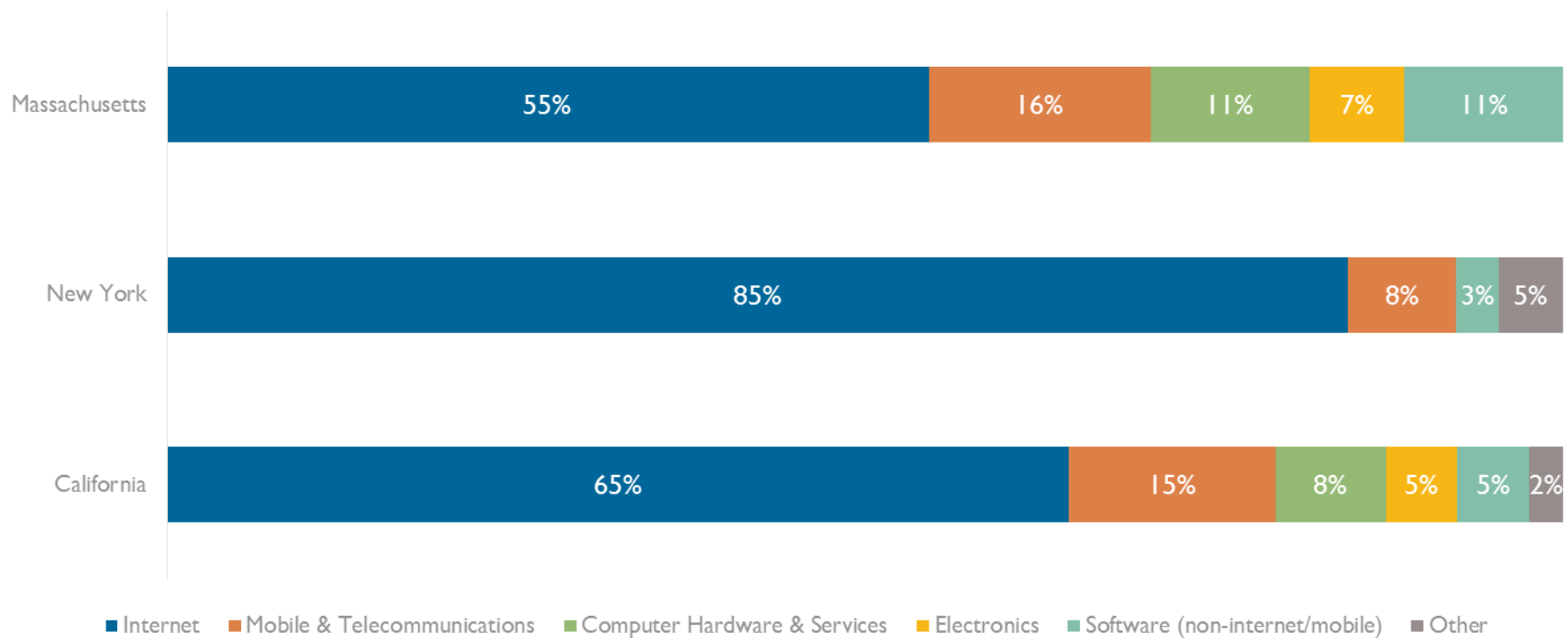
2016 Tech IPO Pipeline *Company Count, by State*



INTERNET SECTOR CONTINUES TO DOMINATE NEW YORK

85% of New York's pipeline companies were in the Internet sector. California and Massachusetts were slightly more diverse with mobile topping 10% in both states. In addition, computer hardware and software also topped 10% in Massachusetts.

2016 Tech IPO Pipeline Geographical Breakdown, by Sector



DO YOU WANT TO TRACK THE TECH IPO PIPELINE?



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THE STRONGEST UNICORNS IN THE PIPELINE

(ACCORDING TO CB INSIGHTS MOSAIC)

THE UNICORN CLUB – TECH IPO PIPELINE COMPANIES

There are currently 80 U.S. private companies on the 2016 Tech IPO Pipeline that have raised money at a valuation of \$1B or more. Up from 40 last year. The 36 unicorns highlighted below are those with the most momentum per CB Insights' Mosaic.



Data virtualization software

Select Investors

Greylock Partners, North Bridge Venture Partners, TCV



Online home-sharing marketplace

Select Investors

General Catalyst Partners, Andreessen Horowitz, ENIAC



Application performance management

Select Investors

Battery Ventures, KPCB, Institutional Venture Partners



Contract management platform

Select Investors

Iconiq Capital, K1 Capital, Salesforce Ventures



Online content management system

Select Investors

Insight Venture Partners, Lowercase Capital, Polaris Partners



Online loan provider

Select Investors

RRE Ventures, Tiger Global, August Capital

Mosaic was built with a grant from the National Science Foundation. Using non-traditional public signals ranging from customer signings to hiring activity to media sentiment to web traffic and mobile app data, Mosaic scores provides a rigorous, data-driven way to understand the health and momentum of private companies. To learn more about Mosaic, visit <https://www.cbinsights.com/company-mosaic>

THE UNICORN CLUB – TECH IPO PIPELINE COMPANIES



BuzzFeed

Social news and entertainment

Select Investors

SV Angel, RRE Ventures, New Enterprise Associates



CLOUDFLARE.

Internet application security

Select Investors

New Enterprise Associates, Venrock, Union Square Ventures



coupa

Spend management software

Select Investors

Battery Ventures, Iconiq Capital, T. Rowe Price



datto

Data backup and recovery provider

Select Investors

TCV, General Catalyst Partners



docker

Engine for deployment of contained software environment

Select Investors

Greylock Partners, Lightspeed Venture Partners, Lowercase Capital



DocuSign

Digital transaction management

Select Investors

Accel Partners, Bessemer Venture Partners, Ignition Partners

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THE UNICORN CLUB – TECH IPO PIPELINE COMPANIES



SaaS-based business intelligence

Select Investors

*Institutional Venture Partners,
Benchmark Capital, Founders Fund*



E-commerce and merchandising for sports teams

Select Investors

*Insight Venture Partners, Andreessen
Horowitz, Temasek Holdings*



Online network to share code

Select Investors

*Sequoia Capital, Thrive Capital, SV
Angel*



Online platform for home remodeling and design

Select Investors

*New Enterprise Associates, Sequoia
Capital, Comcast Ventures*



Data center and cloud traffic security

Select Investors

*Data Collective, Formation 8, General
Catalyst Partners*



Sales acceleration platform

Select Investors

*Microsoft Ventures, US Venture
Partners, Kleiner Perkins Caufield &
Byers*

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THE UNICORN CLUB – TECH IPO PIPELINE COMPANIES



Customer experience management

Select Investors

Sequoia Capital



Integration platform for SaaS and enterprise applications

Select Investors

New Enterprise Associates, Sapphire Ventures, Salesforce Ventures



Enterprise virtualization and storage

Select Investors

Battery Ventures, Khosla Ventures, Wellington Management



Secure identity management

Select Investors

Andreessen Horowitz, Floodgate, Sequoia Capital



Big data analytics

Select Investors

RRE Ventures, Founders Fund, In-Q-Tel



Online survey software and insight platform

Select Investors

Accel Partners, Insight Venture Partners, Sequoia Capital

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THE UNICORN CLUB – TECH IPO PIPELINE COMPANIES



Data virtualization platform

Select Investors

Accel Partners, Swisscom Ventures, Meritech Capital Partners



Enterprise communication software

Select Investors

Google Ventures, Institutional Venture Partners, Index Ventures



Snapchat is an ephemeral social photo and video app

Select Investors

Benchmark Capital, General Catalyst Partners, Lightspeed Venture Partners



Student lending platform

Select Investors

Baseline Ventures, Doll Capital Management, Institutional Venture Partners



Online payment services

Select Investors

Khosla Ventures, Lowercase Capital, Redpoint Ventures



Endpoint security and systems management

Select Investors

Andreessen Horowitz, Nor-Cal Invest

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THE UNICORN CLUB – TECH IPO PIPELINE COMPANIES



API for phone services

Select Investors

Bessemer Venture Partners, Draper Fisher Jurvetson, Redpoint Ventures



U B E R

E-hailing and logistics provider

Select Investors

Lowercase Capital, Benchmark Capital, Google Ventures

UPTAKE

Predictive analytics provider

Select Investors

GreatPoint Ventures, New Enterprise Associates, Caterpillar

WARBY PARKER

Prescription glasses retailer

Select Investors

BoxGroup, Felicis Ventures, First Round Capital



Cloud HR automation platform

Select Investors

SV Angel, Institutional Venture Partners, Venrock



Cloud-based information security

Select Investors

TPG Growth, Lightspeed Venture Partners

Mosaic was built with a grant from the National Science Foundation. Using non-traditional public signals ranging from customer signings to hiring activity to media sentiment to web traffic and mobile app data, Mosaic scores provides a rigorous, data-driven way to understand the health and momentum of private companies. To learn more about Mosaic, visit <https://www.cbinsights.com/company-mosaic>

METHODOLOGY – WHAT’S INCLUDED? WHAT’S NOT?

CB Insights encourages you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to us directly. Additionally, if you feel your firm has been underrepresented please send an email to info@cbinsights.com and we can work together to ensure your firms’ investment data is up-to-date.

What is included:

All financings to Tech IPO Pipeline companies. Investment activity is only equity investments and convertible debt, while total funding on a per company basis includes all types of funding including debt.

- Fundings of only private companies. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers even if they received investment by a venture firm(s).
- Only includes the investment made in each quarter for tranching investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round #s reflect what has closed –not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via (1) various federal & state regulatory filings (2) direct confirmation with firm or investor or (3) press release.

What is excluded:

- No contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- No business development/R&D arrangements whether transferable into equity now, later or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.
- No buyouts, consolidations and recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.
- No private placements. These investments also known as PIPEs (Private Investment in Public Equities) even if made by a venture capital firm(s).

DO YOU WANT TO TRACK THE TECH IPO PIPELINE?



SIGN UP

A panoramic view of the New York City skyline at dusk, with the Freedom Tower prominently featured on the left. The sky is a deep blue, and the water in the foreground is dark. Several boats are visible on the water.

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