

The SaaS Trends Report

A data-driven review of financing & exit activity to VC-backed U.S. SaaS companies.

About TIBCO Analytics

TIBCO Analytics helps organizations quickly reach their full potential by providing everyone with the right answers they need to make more informed decisions. This is enabled through timely, actionable insights through intuitive visual discovery, analytics and reporting powered by TIBCO Spotfire and Jaspersoft. TIBCO Spotfire® uniquely delivers smart data discovery to help people discover answers hidden in their data through recommended visualizations and interactive analysis. TIBCO Jaspersoft® is the leading embeddable reporting and dashboard solution that gives everyone insight inside the applications they use everyday.

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The data in this report is from CB Insights (www.cbinsights.com)

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TIBCO SAAS REPORT HIGHLIGHTS

SAAS FUNDING EXPLODES TO \$11.7B IN 2014

The success of SaaS companies such as Workday and ServiceNow has prompted VC investment activity in the space to skyrocket, seeing growth of 70% YoY. Overall, SaaS investment has almost tripled since 2011.

WORKDAY IPO TOPS SAAS EXITS

The top 10 SaaS exits over the past four years were dominated by IPOs, with Workday's IPO which valued the company at \$4.49B leading the way. Veeva Systems was second with one of the most capital efficient VC-backed exits of all-time, having raised just \$4M before its \$4.4B IPO.

500 STARTUPS, SV ANGEL, A16Z LEAD SAAS VCS

500 Startups has been the most active SaaS VC over the past four years. SV Angel is the second most active, investing in companies like Zenefits, Github, and Domo Technologies. A16Z rounded out the top three with notable investments that included Box, Slack, and Lookout.

DROPBOX TOPS LARGEST SAAS DEALS IN 2014

Storage software firm Dropbox's Series C was the largest SaaS deal in 2014, followed by SurveyMonkey's \$250M growth round and Automattic's \$160M Series C

VC-BACKED SAAS EXITS UP 66% YOY

VC-backed SaaS IPOs and M&As both reached four year highs in 2014. The 2014 class of SaaS IPOs included Hubspot, New Relic, Castlight Health and Zendesk among others. Notable acquisitions included VMware's \$1.5B purchase of AirWatch and Salesforce's \$390M acquisition of RelateIQ.

BUSINESS INTELLIGENCE & ANALYTICS DOMINATE SAAS INVESTMENTS

BI, Analytics & Performance Management companies made up the largest area for VC investment based on deals and dollars over the past four years. CRM was second in both funding and deals, while Ad, Sales & Marketing was third in deals, trailing only Monitoring & Security companies in total funding.

HALF OF ALL EXITED COMPANIES RAISED <\$10M

49% of all VC-backed SaaS exits raised less than \$10M before exiting. At the other end of the spectrum, 7% raised over \$100M including LinkedIn, Workday and ExactTarget.

CALI SAAS INVESTMENT GREATER THAN ALL OTHER STATES COMBINED

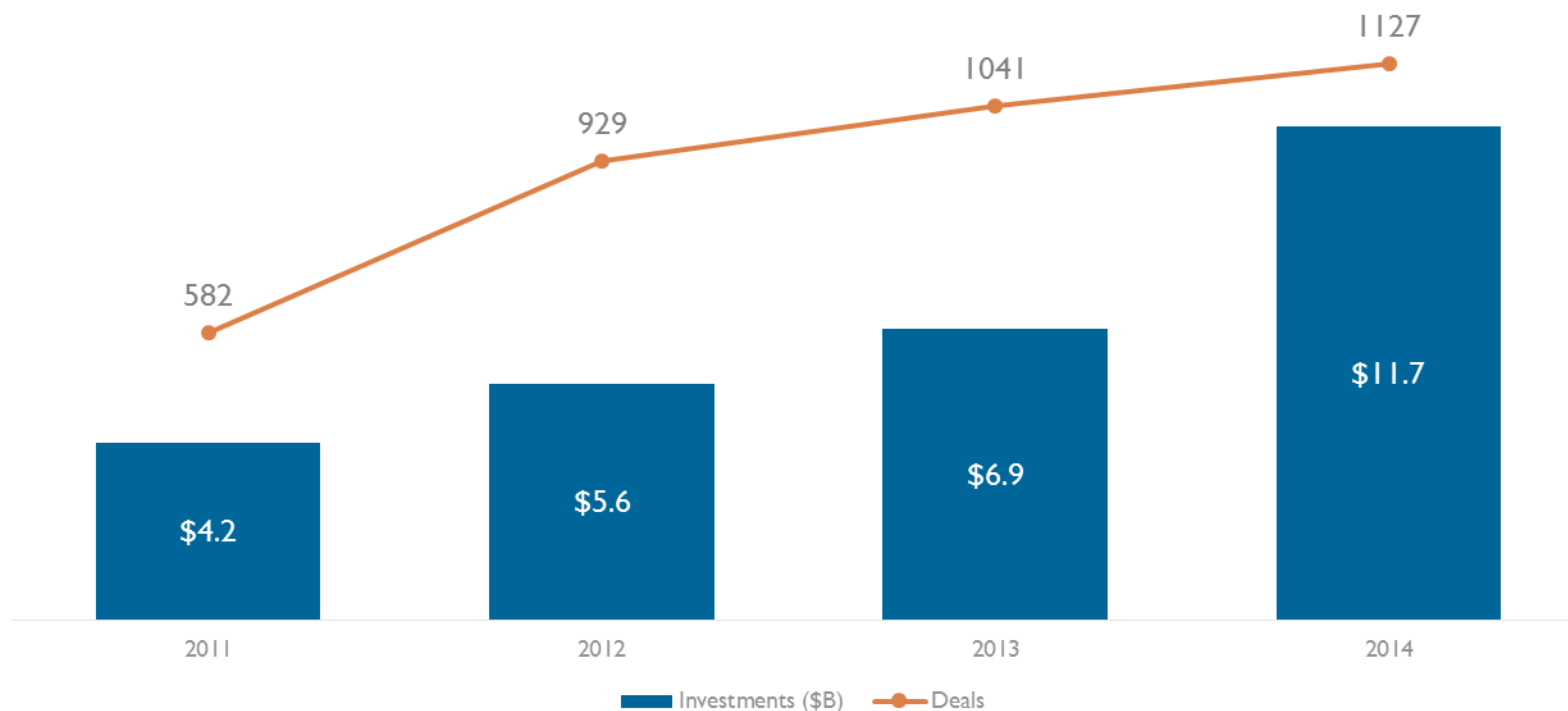
California-based VC-backed SaaS companies have raised \$16.6B from 2011 – 2014, more than all other states combined, which raised a cumulative \$11.7B.

SAAS FINANCING TRENDS

SAAS FUNDING EXPLODES TO \$11.7B IN 2014

The success of SaaS companies such as Workday and ServiceNow has prompted VC Investment activity in the space to skyrocket, seeing growth of 70% YoY in 2014. Overall SaaS investment has nearly tripled since 2011.

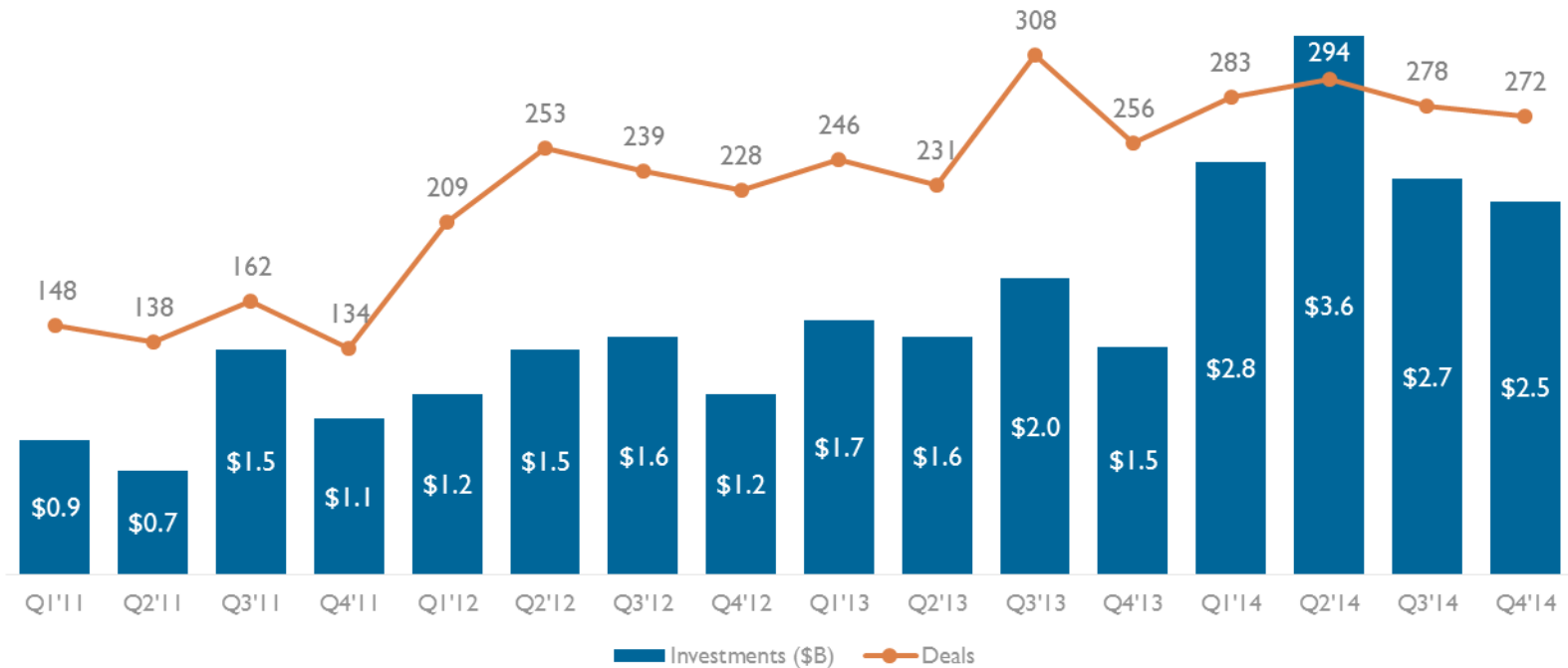
Annual Financing Trends of VC-Backed SaaS Companies
2011 - 2014



2014 SEES SAAS COMPANIES RAISE \$2.5B+ EACH QUARTER

VC-backed SaaS companies raised \$2.5B+ in all four quarters of 2014. Q2'14 saw the highest quarterly amount deployed over the past 4 years due to \$100M+ deals including Automattic, Flatiron Health, Anaplan and Insidesales.com.

Quarterly Financing Trends of VC-Backed SaaS Companies Q1'11 - Q4'14



CALI SAAS INVESTMENT GREATER THAN ALL OTHER STATES COMBINED

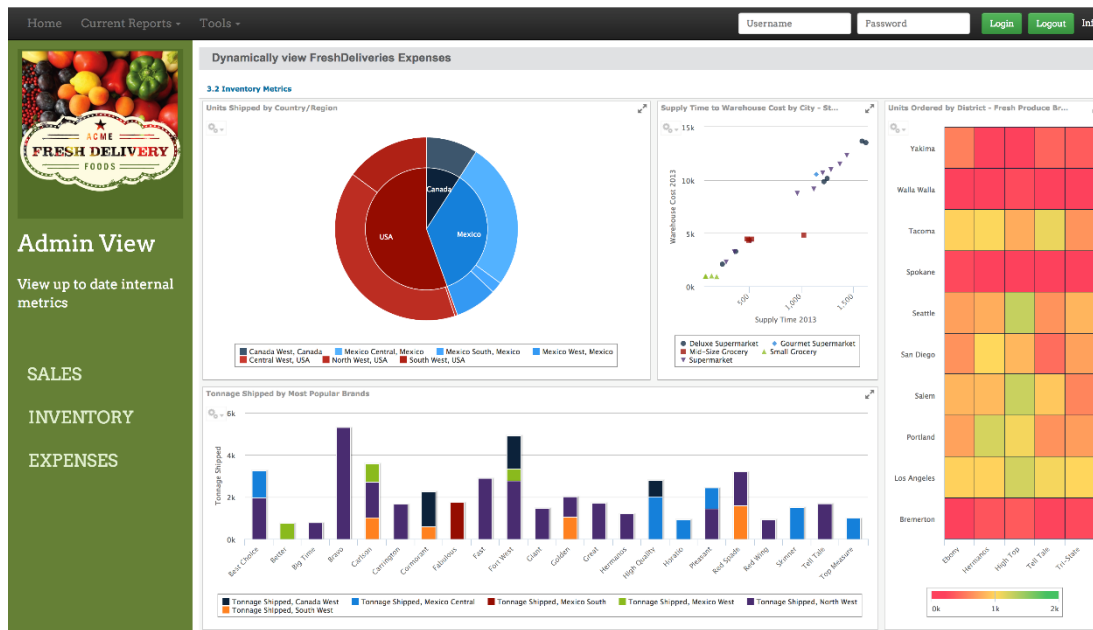
California-based VC-backed SaaS companies have raised \$16.6B from 2011 – 2014, more than all other states combined, which raised a cumulative \$11.7B.

Investments into VC-Backed SaaS Companies by U.S. State: 2011 - 2014

State	Deals	\$M	State	Deals	\$M	State	Deals	\$M
California	1679	\$16,600.0	Florida	34	\$210.4	Nebraska	8	\$34.0
New York	425	\$2,227.0	Maryland	33	\$128.3	Wisconsin	7	\$17.0
Massachusetts	331	\$2,065.1	Tennessee	29	\$116.3	Arkansas	6	\$2.0
Washington	138	\$692.7	Arizona	28	\$347.3	Kansas	5	\$17.7
Texas	131	\$655.9	New Jersey	28	\$252.2	Montana	5	\$2.8
Illinois	113	\$499.5	Michigan	28	\$141.3	New Mexico	5	\$2.7
Colorado	94	\$492.2	North Carolina	28	\$107.8	Delaware	4	\$151.6
Virginia	84	\$771.4	Connecticut	27	\$111.2	Alabama	4	\$6.9
Pennsylvania	68	\$246.5	Missouri	25	\$113.0	Iowa	3	\$31.4
Georgia	67	\$561.9	Minnesota	19	\$51.1	Louisiana	3	\$6.2
Utah	44	\$792.6	Indiana	12	\$92.7	Vermont	3	\$1.4
Oregon	44	\$221.4	New Hampshire	11	\$112.7	Mississippi	2	\$2.1
DC	42	\$168.2	Nevada	11	\$22.5	South Carolina	2	\$0.0
Ohio	40	\$171.0	Rhode Island	9	\$61.5			

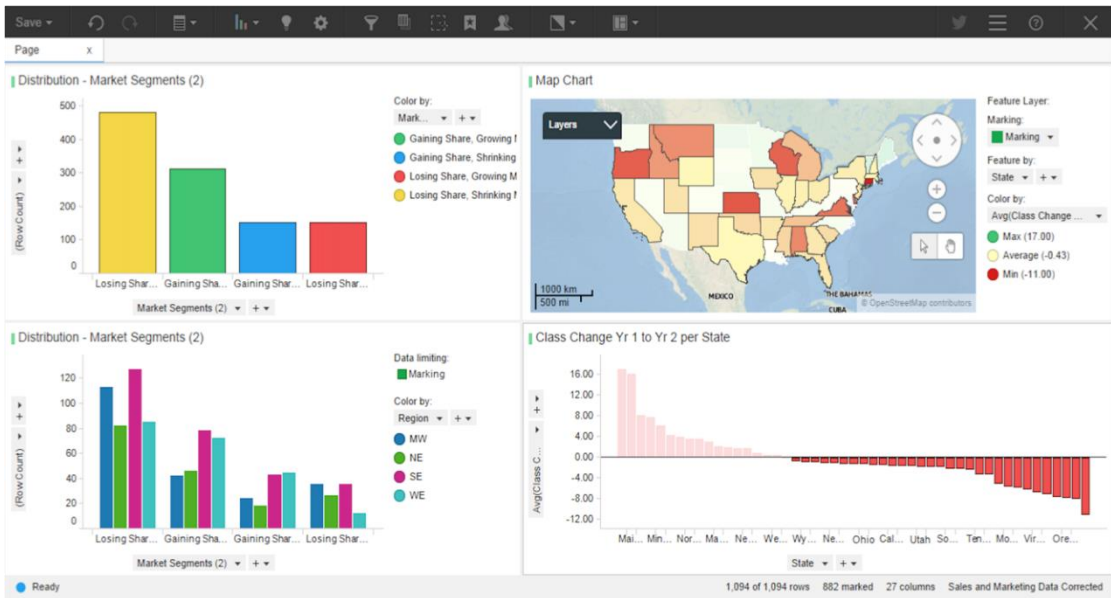
SAAS INVESTOR ANALYSIS

Why Jaspersoft?



- Designed for software product managers, developers, and data architects needing a faster way of delivering better end-user reporting
- Ability for end-users to get the most from on-premises or cloud-based applications by embedding analytics into business processes
- Web-standard open source platform that is easy to integrate and extend
- Modular, scalable solution deployable in any environment and against a plethora of data sources
- Advanced capabilities for enterprise roll-out including report repositories, user-based access, usage logging, etc.

Why Spotfire?



- Designed for Excel users, data analysts, and data scientists
- Ability for every person to use their knowledge to easily produce and act on insights
- Embedded recommendation engine shows how to visualize data – no programming, no scripting
- Ability to meet the evolving needs of the business, from data visualization to real-time analytics
- Flexible consumption models (cloud, on-premises, mobile)
- Cost-effective user scaling
- Ability to capture advanced analytics expertise for the common user

500 STARTUPS, SV ANGEL, A16Z LEAD SAAS VCS

500 Startups has been the most active SaaS VC over the past four years. SV Angel is the second most active, investing in companies like Zenefits, Github, and Domo Technologies. Andreessen Horowitz rounded out the top three with notable investments that included Box, Slack, and Lookout.

Top 50 SaaS VCs by Unique Company Count: 2011 - 2014

Rank	Investor	Rank	Investor	Rank	Investor
1	500 Startups	18	General Catalyst Partners	35	CRV
2	SV Angel	19	BoxGroup	35	Ignition Partners
3	Andreessen Horowitz	20	Greycroft Partners	37	Crosslink Capital
4	Google Ventures	20	Lightspeed Venture Partners	37	InterWest Partners
5	New Enterprise Associates	22	Data Collective	37	Madrona Venture Group
6	Accel Partners	23	Bain Capital Ventures	37	Redpoint Ventures
6	Battery Ventures	24	CrunchFund	37	Webb Investment Network
8	Salesforce Ventures	24	Floodgate	42	ff Venture Capital
9	Kleiner Perkins Caufield & Byers	24	Founder Collective	42	Grotech Ventures
10	First Round Capital	24	Trinity Ventures	42	Mayfield Fund
10	Sequoia Capital	28	Atlas Venture	42	RRE Ventures
12	True Ventures	28	Index Ventures	42	Shasta Ventures
13	Greylock Partners	30	Draper Fisher Jurvetson	42	The Social+Capital Partnership
13	Intel Capital	30	Foundry Group	48	Matrix Partners
13	Khosla Ventures	32	Benchmark Capital	48	Mohr Davidow Ventures
13	Lerer Hippeau Ventures	33	Felicis Ventures	48	Norwest Venture Partners
17	Bessemer Venture Partners	33	Sigma Partners		

500 STARTUPS, NEA, & KLEINER PERKINS ARE MOST ACTIVE BY STAGE

500 Startups was the most active early-stage VC, while New Enterprise Associates led all mid-stage (Series B – C) VCs, investing in mid-stage rounds to Evernote and Box among others. Kleiner Perkins led all VCs by late-stage SaaS investments including Slack and ServiceMax.












Top SaaS VCs by Investment Stage: 2011 - 2014

Rank	Early Stage VCs	Rank	Mid Stage VCs	Rank	Late Stage VCs
1	500 Startups	1	New Enterprise Associates	1	Kleiner Perkins Caufield & Byers
2	SV Angel	2	Andreessen Horowitz	2	Intel Capital
3	Google Ventures	3	Battery Ventures	3	Sapphire Ventures
4	Andreessen Horowitz	3	Intel Capital	4	Greylock Partners
5	Lerer Hippeau Ventures	5	Accel Partners	5	Benchmark Capital
6	True Ventures	6	Kleiner Perkins Caufield & Byers	5	Draper Fisher Jurvetson
7	Battery Ventures	7	Sequoia Capital	5	Meritech Capital Partners
7	BoxGroup	8	Lightspeed Venture Partners	5	Salesforce Ventures
9	Accel Partners	9	Bessemer Venture Partners	5	Sequoia Capital
9	First Round Capital	9	Greylock Partners	5	Shasta Ventures
9	New Enterprise Associates			5	Tenaya Capital

DROPBOX TOPS LARGEST SAAS DEALS IN 2014

Dropbox's Series C was the largest SaaS deal in 2014, followed by SurveyMonkey's \$250M growth round and Automattic's \$160M Series C.

Top SaaS Deals to VC-Backed Companies: 2014

Company	Round	Amount (\$M)	Select Investors
 Dropbox	Series C	350	T. Rowe Price, Morgan Stanley, BlackRock, Salesforce Ventures
 SurveyMonkey	Growth	250	Google Capital, Salesforce Ventures, Tiger Global Management, T. Rowe Price
AUTOMATTIC	Series C	160	Insight Venture Partners, True Ventures, Tiger Global Management, Lowercase Capital, Iconiq Capital, Endurance International Group
 Lookout	Series F	150	Goldman Sachs, Bezos Expeditions, T. Rowe Price, Index Ventures, Morgan Stanley, Wellington Management, Mithril Capital Management
 box	Series G	150	TPG, Coatue Management
 qualtrics	Series B	150	Insight Venture Partners, Sequoia Capital, Accel Partners
FLATIRON	Series B	130	Google Ventures, First Round Capital, Undisclosed Angel Investors, LabCorp
 DOMO	Series C	125	T. Rowe Price, Morgan Stanley, TPG Growth, Fidelity Investments, Viking Global Investors, Dragoneer Investment Group
 slack	Series D	120	Kleiner Perkins Caufield & Byers, Google Ventures, Accel Partners, Andreessen Horowitz, The Social+Capital Partnership
 Hortonworks	Series D	100	Benchmark Capital, Passport Capital, Index Ventures, Tenaya Capital, BlackRock, Yahoo, Dragoneer Investment Group
 is. insidesales.com	Series C	100	Kleiner Perkins Caufield & Byers, US Venture Partners, Hummer Winblad Venture Partners, Salesforce Ventures
 anaplan	Series D	100	Meritech Capital Partners, Brookside Capital, DFJ Growth Fund, Workday, Sands Capital, Coatue Management, Salesforce Ventures
 New Relic	Series F	100	Passport Capital, T. Rowe Price, BlackRock, Wellington Management

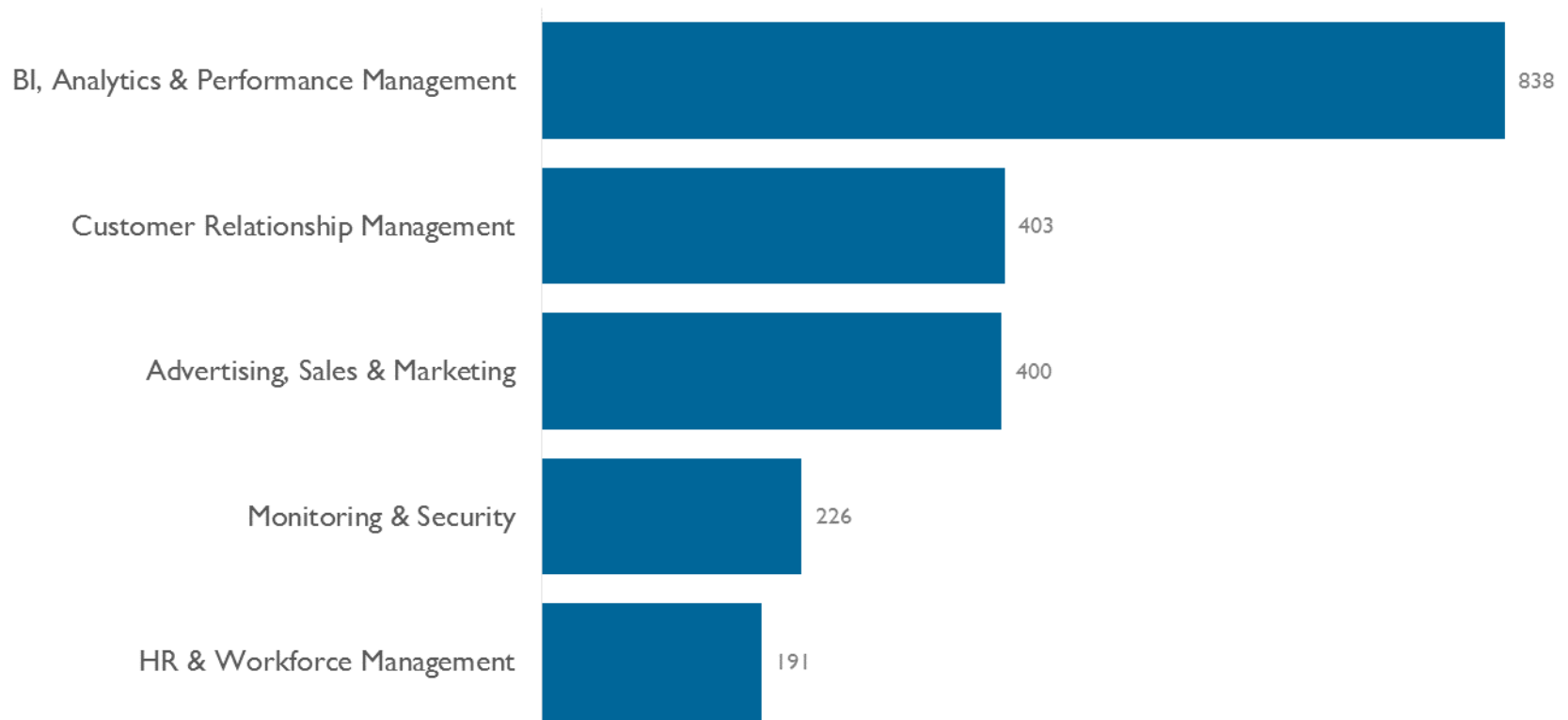
SAAS INDUSTRY BREAKDOWN

THE TOP 5 AREAS FOR SAAS INVESTMENTS

BI, Analytics & Performance Management companies dominated the bulk of the deals and dollars for VC-backed SaaS investments over the past four years. CRM was second in deals but was followed closely by Advertising, Sales, and Marketing.

The Top 5 Sub-Industries for SaaS Investment

2011-2014



THE TOP 20 AREAS FOR SAAS INVESTMENTS: 2011-2014

BI, Analytics & Performance Management far outpaced the top sub-industries for SaaS investment, counting over 10x more investments than areas such as Content Management and Application Development. Despite only having 226 deals, Monitoring & Security saw more than \$2B of investment (even more than Ad, Sales, and Marketing).

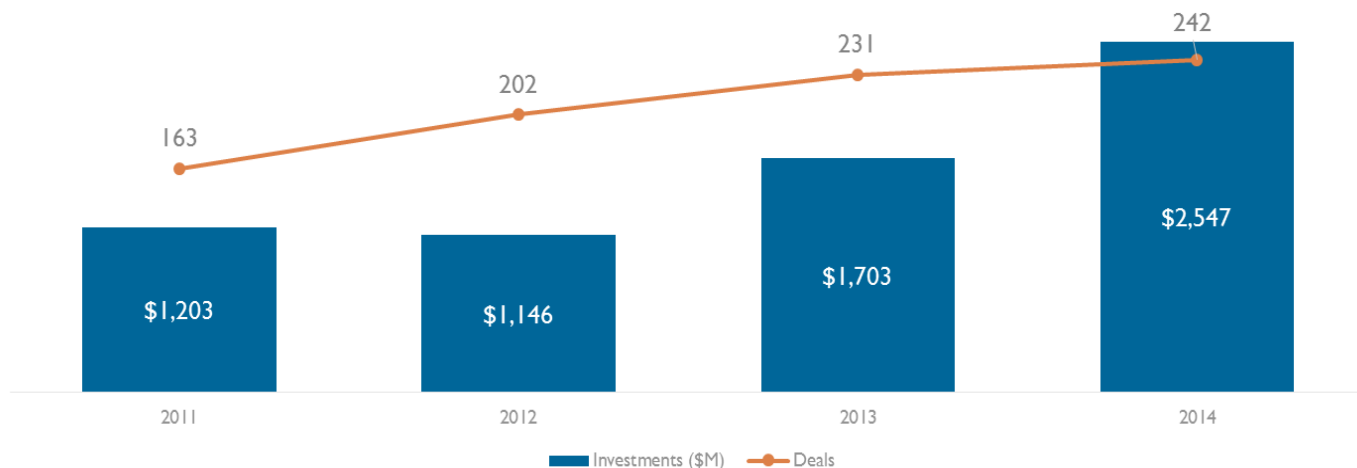
Top Subindustries for SaaS Investments: 2011 - 2014

Subindustry	Deals	\$M	Subindustry	Deals	\$M
BI, Analytics & Performance Mgmt	838	\$6,598.2	Content Mgmt	72	\$495.5
CRM	403	\$2,667.4	Application Development	70	\$367.1
Advertising, Sales & Marketing	400	\$2,016.5	Database Mgmt	68	\$561.7
Monitoring & Security	226	\$2,193.2	Education & Training	66	\$256.7
HR & Workforce Mgmt	191	\$983.1	Payments	59	\$368.3
Collaboration & Project Mgmt	189	\$1,421.1	Conferencing & Communication	58	\$452.3
Data & Document Mgmt	162	\$1,029.3	Accounting & Finance	57	\$262.2
Application & Data Integration	147	\$936.9	Testing	43	\$257.0
Security	115	\$1,543.0	Supply Chain & Logistics	42	\$175.4
Data Storage	99	\$1,523.3	Asset & Financial Mgmt & Trading	36	\$203.3

BI SAAS FUNDING AND DEALS REACH FOUR-YEAR HIGH

VC-backed Business Intelligence SaaS funding ballooned to \$2.55B in 2014 on 242 deals, a 50% rise in year-over-year funding. The funding jump was in part attributed to a deluge of \$100M+ deals to companies including Qualtrics, Domo Technologies, Anaplan and New Relic.

Annual Financing Trends to BI, Analytics, & Performance Mgmt
VC-Backed SaaS Companies
2011 - 2014



NOTABLE BI DEALS



\$150M // Series B
Q3'14 (Active)



\$133M // Series G
Q3'11 (Active)



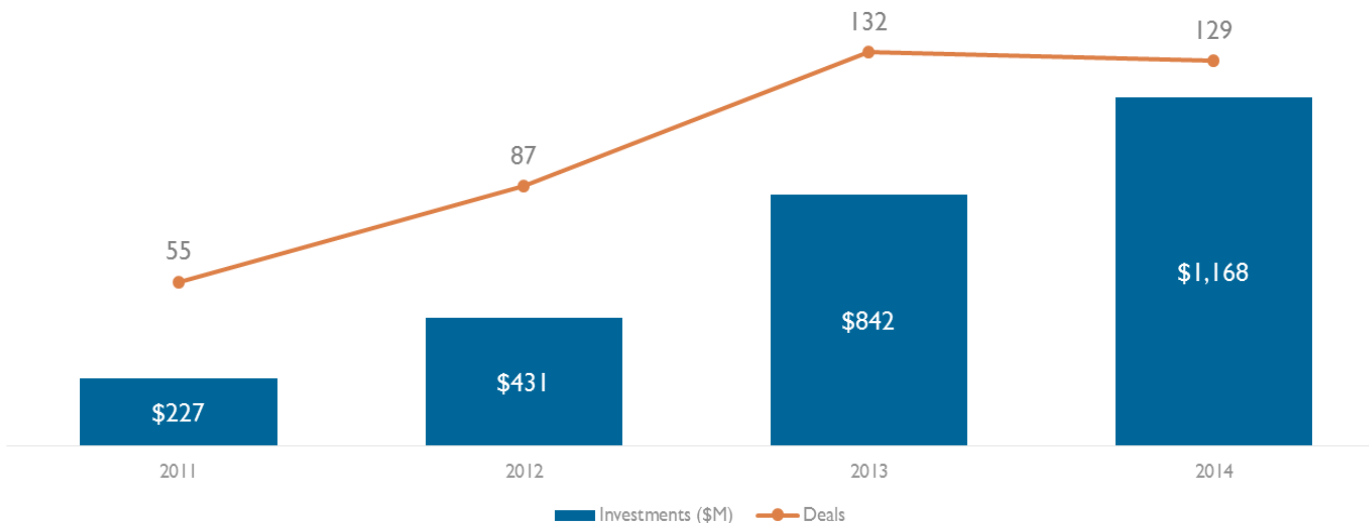
\$125M // Series C
Q1'14 (Active)

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CUSTOMER RELATIONSHIP MANAGEMENT FUNDING PEAKS IN 2014, TOPS \$1B

Funding to VC-backed SaaS companies hit its highest point in the past four years in 2014, at \$1.17B on 129 deals. While deals ticked down, overall 2014 funding to CRM SaaS was up 39% on a year-over-year basis.

Annual Financing Trends to Customer Relationship Management VC-Backed SaaS Companies
2011 - 2014



NOTABLE CRM DEALS

 **inside sales.com**

\$100M // Series C
Q2'14 (Active)



CLARABRIDGE
\$80M // Series D
Q3'13 (Active)

 **MEDALLIA**

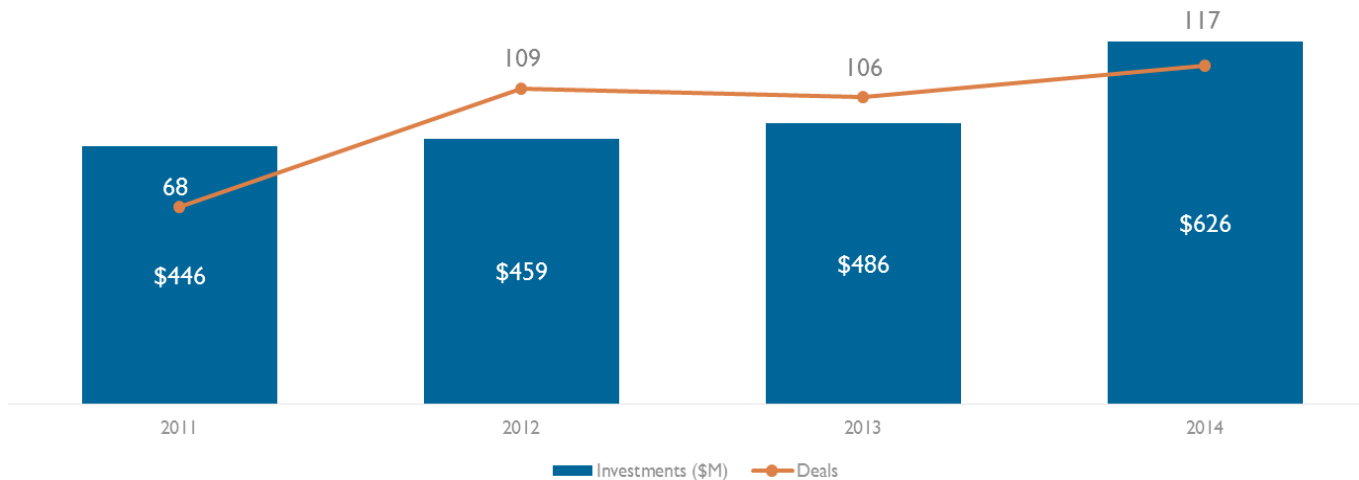
\$50M // Growth
Q3'14 (Active)

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AD, SALES & MARKETING FUNDING UP 29% YOY

After three years of range-bound funding activity, Ad, Sales & Marketing SaaS companies reached four-year highs in 2014, drawing \$626M of investment on 117 deals.

Annual Financing Trends to Advertising, Sales, & Marketing
VC-Backed SaaS Companies
2011 - 2014



NOTABLE AD DEALS



\$50M // Growth Equity
Q4'11 (IPO)



\$40M // Series D
Q2'14 (Active)



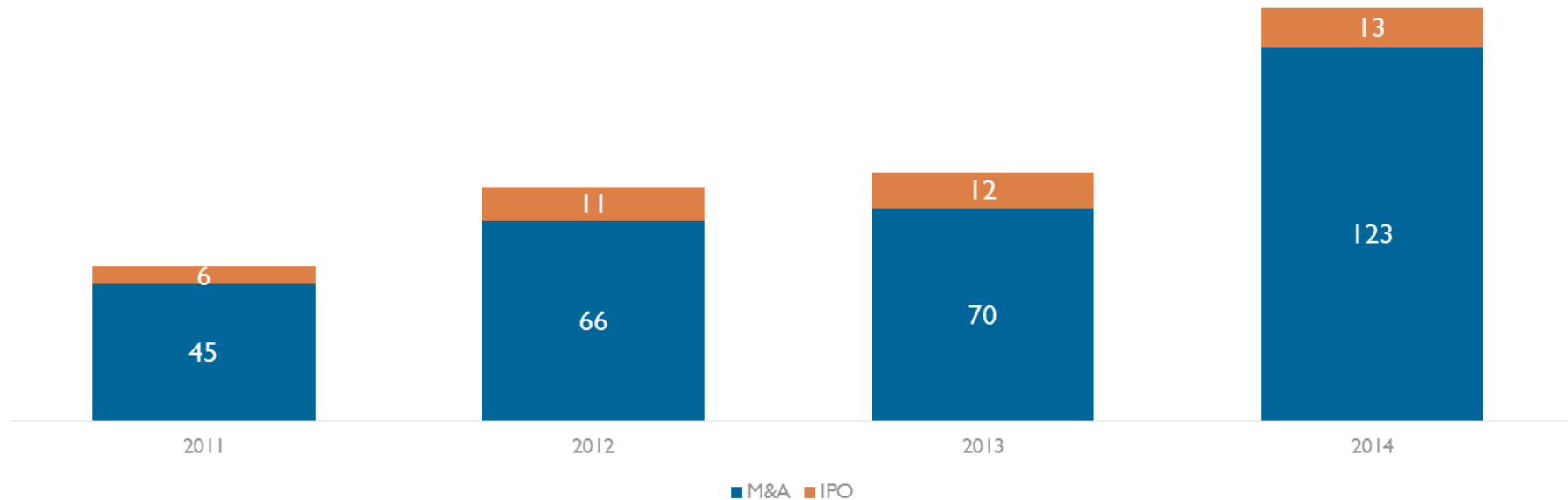
\$32M // Series D
Q1'11 (IPO)

SAAS EXIT TRENDS

VC-BACKED SAAS EXITS UP 66% YOY

VC-backed SaaS IPOs and M&As both reached four year highs in 2014. The 2014 Class of SaaS IPOs included Hubspot, New Relic, Castlight Health and Zendesk among others while notable acquisitions included VMWare's \$1.5B purchase of AirWatch and Salesforce's \$390M acquisition of RelateIQ.

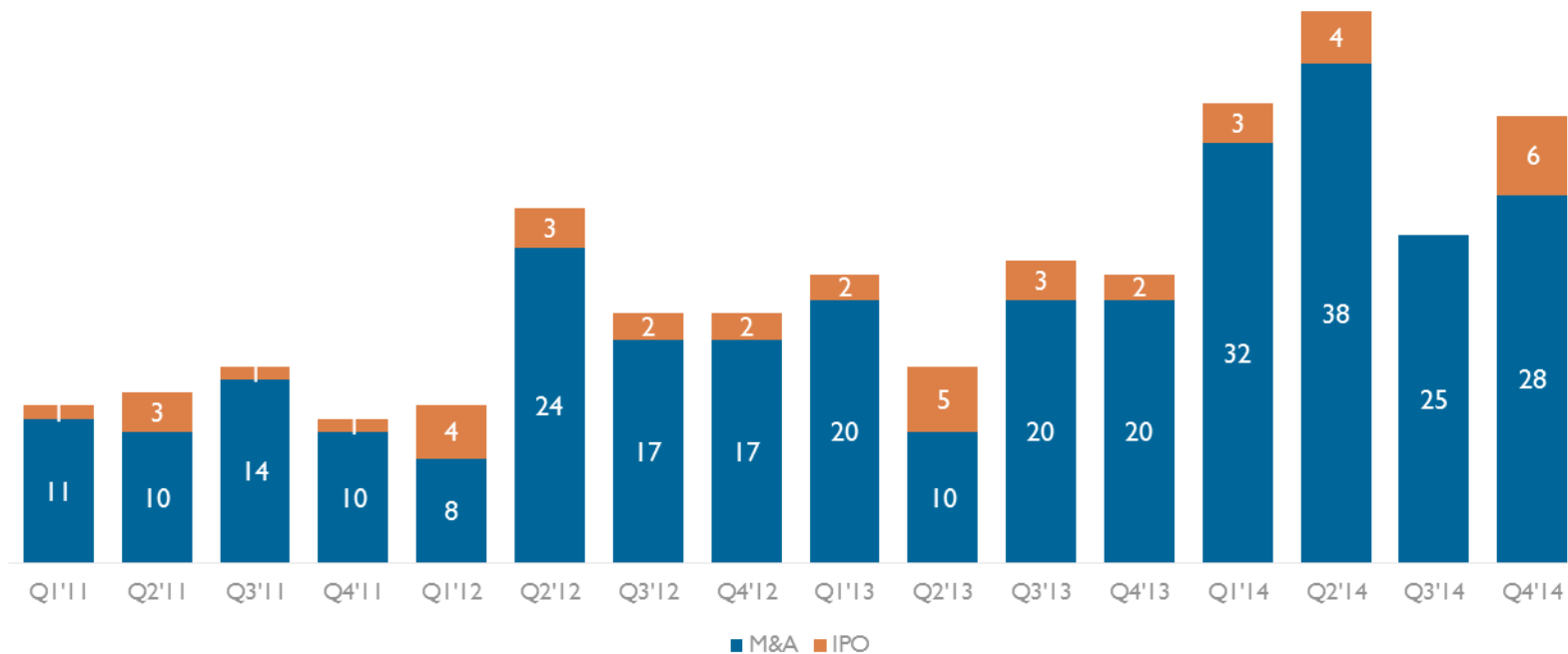
Annual Exit Trends of VC-Backed SaaS Companies
2011 - 2014



2014 ENDS ON STRONG NOTE FOR SAAS PUBLIC OFFERINGS

As general tech IPOs slowed in Q3'14 awaiting Alibaba's massive offering, Q4'14 saw the highest number of VC-backed SaaS IPOs in the past four years including New Relic and Hubspot.

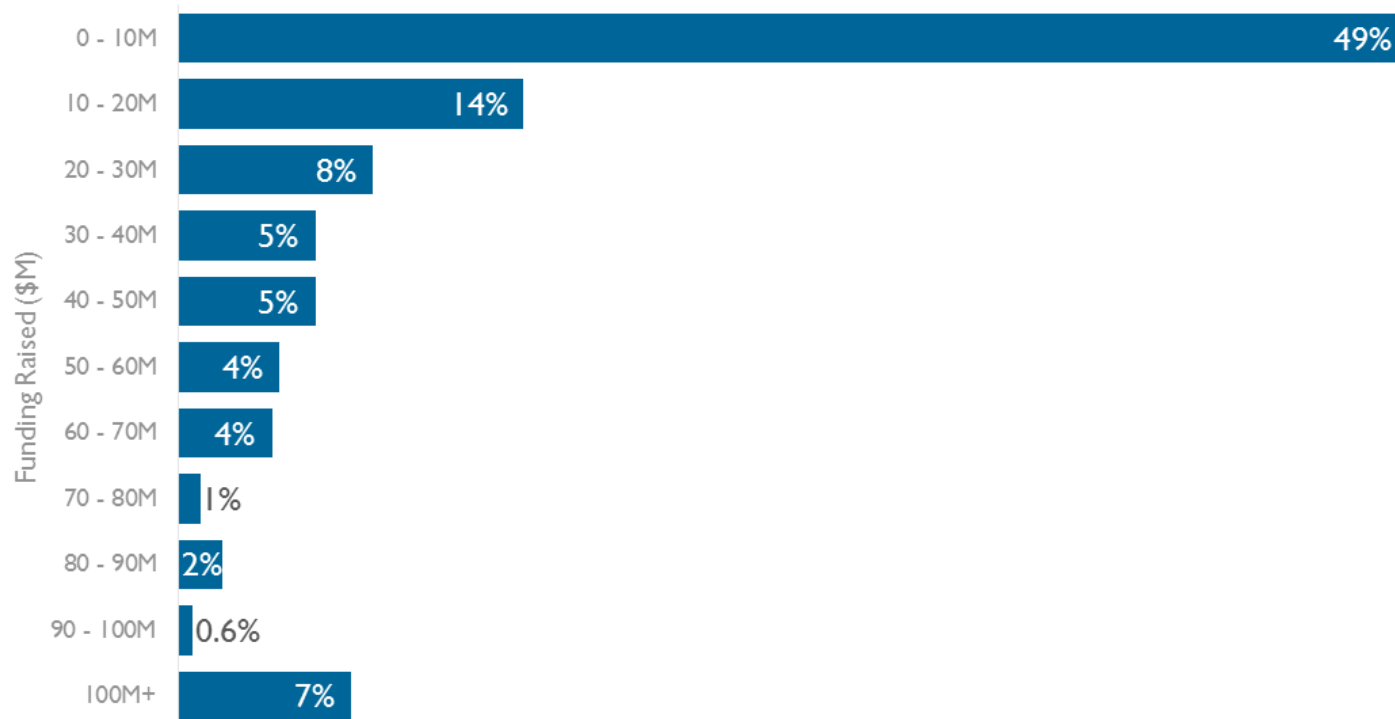
Quarterly Exit Trends of VC-Backed SaaS Companies Q1'11 - Q4'14



HALF OF ALL EXITED COMPANIES RAISED <\$10M

49% of all VC-backed SaaS exits raised less than \$10M before exiting since 2011. At the other end of the spectrum, 7% raised over \$100M including LinkedIn, Workday and ExactTarget.

Funding Raised by VC-Backed SaaS Companies Prior to Exit 2011 - 2014



THE TOP 5 SAAS ACQUIRERS – ORACLE LEADS

Oracle, the company notorious for its acquisition prowess, led all acquirers of VC-backed SaaS companies over the past four years with over 10 deals. Notable acquisitions included BlueKai, TOA Technologies and Vitruve.

The Top 5 Acquirers of VC-backed SaaS Companies: 2011-2014

Rank	Company	Select SaaS M&A
1		BlueKai (\$400M), Vitruve (\$300M)
2		Silverpop (\$270M-\$300M)
3		WildFire (\$400M)
4		Buddy Media (\$745M), RelateIQ (\$390M)
5		Composite Software (\$180M)
5		AirWatch (\$1.54B), Digital Fuel (\$85M)

IBM AND GOOGLE TRAIL ORACLE IN SAAS ACQUISITIONS

While Oracle topped the list for acquisitions, IBM, Google, and Salesforce followed with more than 5 acquisitions each between 2011 and 2014.

Top Acquirers of VC-Backed SaaS Companies: 2011 - 2014

Rank	Acquirer	Rank	Acquirer	Rank	Acquirer
1	Oracle	5	Dropbox	8	Genesys
2	IBM	8	Autodesk	8	Twitter
3	Google	8	Intuit		
4	Salesforce	8	SAP		
5	Cisco Systems	8	Vista Equity Partners		
5	VMWare	8	LinkedIn		

ACCEL PARTNERS, SV ANGEL, & SEQUOIA CAPITAL DOMINATE SAAS EXITS

Accel Partners saw the most SaaS exits of any VC in the past four years including an IPO for Opower as well as an exit for AirWatch which was acquired by VMware for \$1.54B. SV Angel and Sequoia Capital rounded out the top 3.

Top Investors in Exited VC-Backed SaaS Companies: 2011 - 2014

Rank	Investors	Rank	Investors	Rank	Investors
1	Accel Partners	10	CRV	16	Sapphire Ventures
2	Sequoia Capital	12	Benchmark Capital	21	Andreessen Horowitz
2	SV Angel	12	DAG Ventures	21	Austin Ventures
4	Intel Capital	12	General Catalyst Partners	21	BoxGroup
5	Battery Ventures	12	Greylock Partners	21	Greycroft Partners
6	New Enterprise Associates	16	Draper Fisher Jurvetson	21	Ignition Partners
6	True Ventures	16	Felicis Ventures	21	Kleiner Perkins Caufield & Byers
8	Bessemer Venture Partners	16	First Round Capital	21	Lightspeed Venture Partners
8	Google Ventures	16	Foundation Capital	21	Matrix Partners
10	500 Startups				

BI COMPANIES DOMINATE IN EXITS

BI, Analytics & Performance Management led all subindustries in exits, with 87 total VC-backed exits since 2011. Notable exits included Splunk, The Climate Corp, and New Relic. Ad, Sales & Marketing was second with 59 exits, while CRM was third with 38 exits.

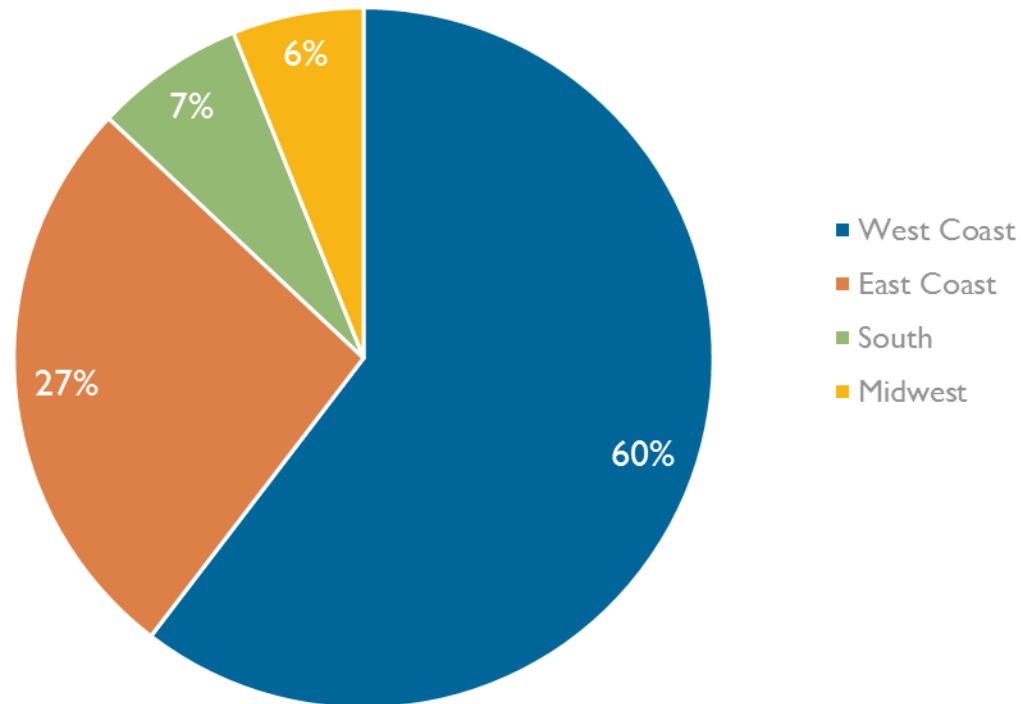
Top Subindustries for VC-Backed SaaS Exits: 2011 - 2014

SubIndustry	Exit
Business Intelligence, Analytics & Performance Mgmt	87
Advertising, Sales & Marketing	59
Customer Relationship Management	38
Monitoring & Security	13
Data & Document Management	19
Collaboration & Project Management	12
HR & Workforce Management	12
Data Storage	8
Content Management	6
Social	5
Application & Data Integration	5

CALIFORNIA DOMINATES

The majority of VC-backed SaaS exits were based on the West Coast. Specifically, California saw over 170 exits over the past four years. The East Coast accounted for just over a quarter of all exits including Opower, Cvent, and Hubspot.

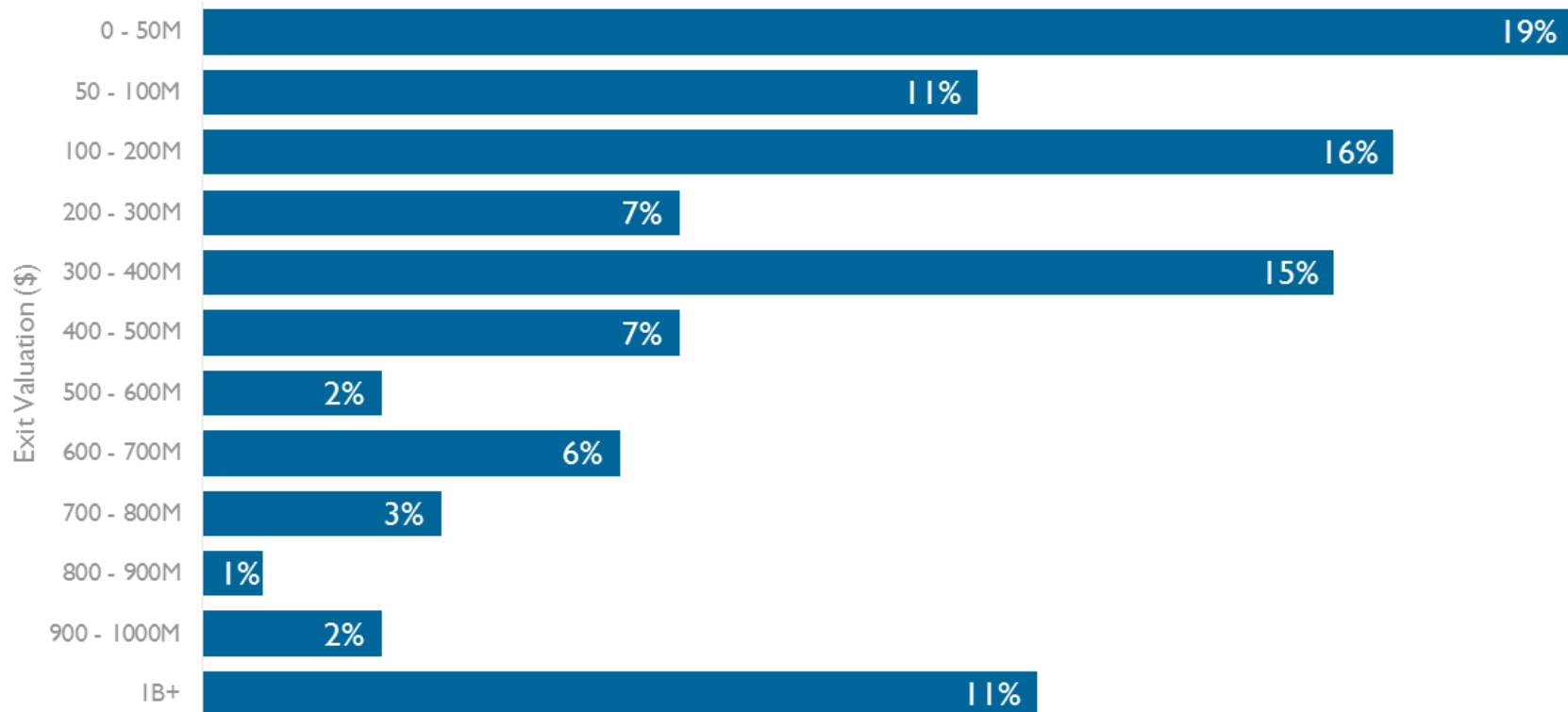
VC-Backed SaaS Exits by Geography
2011 - 2014



4% OF SAAS EXITS ARE UNICORNS

Of exits with disclosed valuations, 11% exited for \$1B+ including Workday, Veeva Systems, and LinkedIn to name a few. On the other end of the spectrum, 30% of all exits with disclosed valuations were below \$100M.

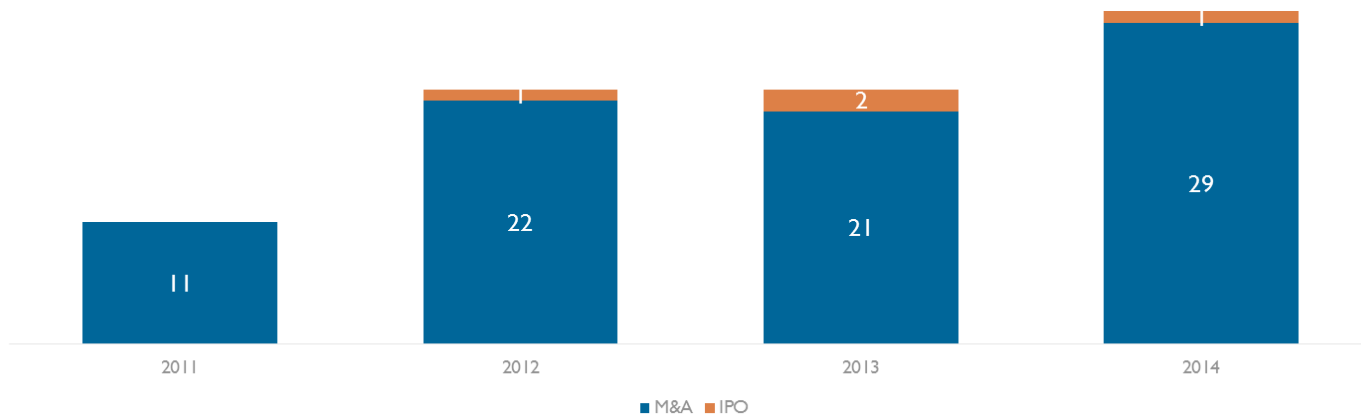
Exit Valuations of VC-Backed SaaS Companies At Exit 2011 - 2014



BI SAAS EXITS VALUED AT OVER \$2.1B

Disclosed valuations for VC-backed BI SaaS exits in 2014 topped \$2.1B. The 30 exits represented a four-year high, up 30% YoY, while the lone 2014 IPO was for New Relic, which valued the company at over \$1B.

Annual Exit Trends to BI, Analytics, & Performance Mgmt
VC-Backed SaaS Companies
2011 - 2014



NOTABLE BI EXITS



\$2B // IPO
Q2'13



\$1.57B // IPO
Q2'12



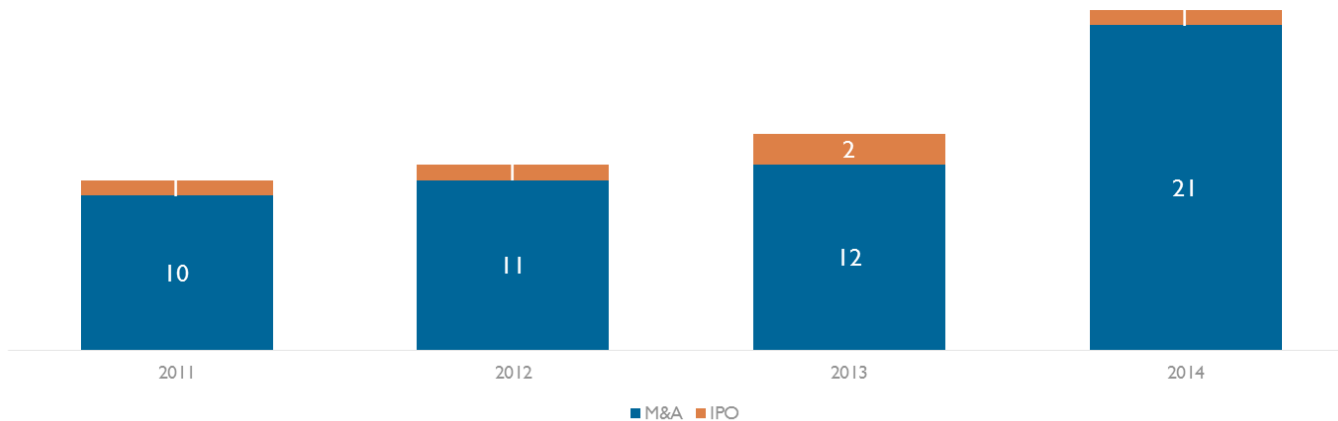
\$1.06B // IPO
Q4'14

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AD, SALES & MARKETING EXITS PEAK IN 2014

VC-backed Ad, Sales & Marketing SaaS exits were up 57% YoY in 2014 including Hubspot's IPO, which valued the firm at \$759M, as well as the 21 M&A transactions such as IBM's \$270M-\$300M acquisition of Silverpop and Rocket Fuel's \$230M acquisition [x+1].

Annual Exit Trends to Ad, Sales & Marketing
VC-Backed SaaS Companies
2011 - 2014



NOTABLE AD EXITS

HubSpot
\$759M // IPO
Q4'14

responsys[®]
\$529M // IPO
Q2'11

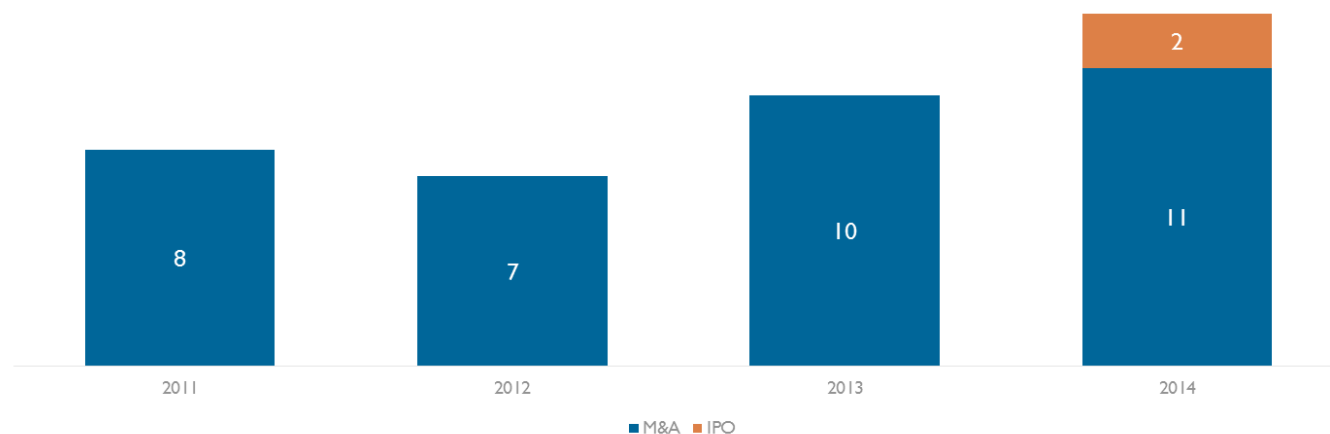
eloqua
\$382M // IPO
Q3'12

TIBCO Analytics

2014 CRM SAAS EXITS TOP PREVIOUS THREE YEARS

VC-backed CRM companies saw more exits in 2014 than the previous two years combined with 13. The two IPOs went to Zendesk and Five9, which fetched values of \$631M and \$322M respectively.

Annual Exit Trends to Customer Relationship Management
VC-Backed SaaS Companies
2011 - 2014



NOTABLE CRM EXITS



\$631M // IPO
Q2'14



\$390M // M&A
Q3'14



\$322M // IPO
Q2'14

WORKDAY IPO TOPS SAAS EXITS

The top 10 SaaS exits over the past four years were dominated by IPOs, with Workday's IPO which valued the company at \$4.49B leading the way. Veeva Systems was second with one of the most capital efficient VC-backed exits of all-time, having raised just \$4M before its \$4.4B IPO.

The Largest VC-Backed SaaS Exits - 2011-2014

Company	Exit Type	Valuation (\$M)	Select Investors
	IPO	4488	Greylock Partners, New Enterprise Associates
	IPO	4400	Emergence Capital Partners
	IPO	2600	Sequoia Capital, Greylock Partners, Bessemer Venture Partners
	IPO	2325.91	Sequoia Capital, Norwest Venture Partners, Icon Ventures, Juniper Networks
	IPO	2165.21	JMI Equity, Sequoia Capital, Greylock Partners
	IPO	2000	New Enterprise Associates, Meritech Capital Partners
	IPO	1573	Sevin Rosen Funds, August Capital, JK&B Capital, Ignition Partners
	M&A	1540	Insight Venture Partners, Accel Partners
	IPO	1400	Venrock, Oak Investment Partners, US Venture Partners
	IPO	1225	Insight Venture Partners, Greenspring Associates, Battery Ventures

About TIBCO Analytics

TIBCO Analytics helps organizations quickly reach their full potential by providing everyone with the right answers they need to make more informed decisions. This is enabled through timely, actionable insights through intuitive visual discovery, analytics and reporting powered by TIBCO Spotfire and Jaspersoft. TIBCO Spotfire® uniquely delivers smart data discovery to help people discover answers hidden in their data through recommended visualizations and interactive analysis. TIBCO Jaspersoft® is the leading embeddable reporting and dashboard solution that gives everyone insight inside the applications they use everyday.

For more information regarding TIBCO's analytics products, visit:
<http://www.tibco.com/products/analytics>



The data in this report is from CB Insights (www.cbinsights.com)