

RESEARCH BRIEFS

# Unicorns Q1'15 to Q4'15

A data-driven look at  
private companies  
valued over \$1B

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JULY 21, 2015

## These Investors Are The Best Unicorn Hunters

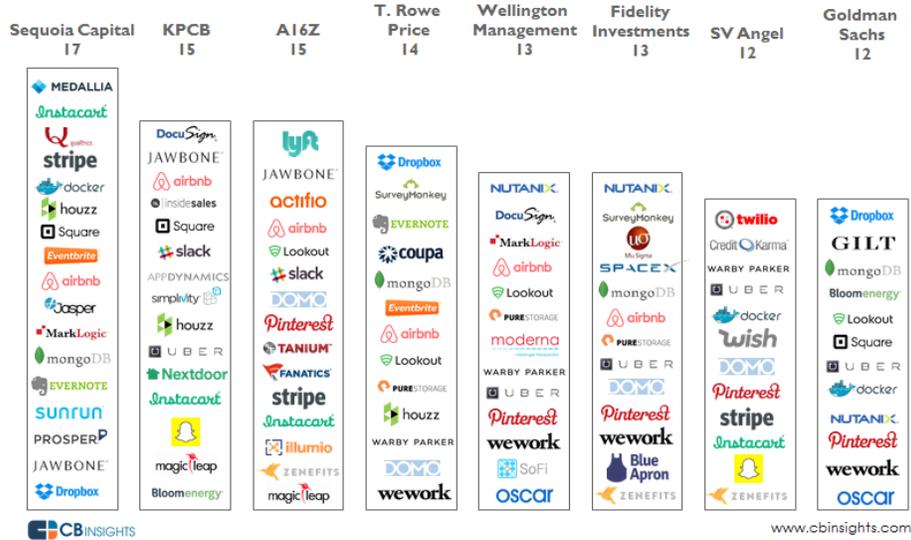
Which investors have the most billion-dollar companies in their portfolios? And who got into those startups early?

There are 74 private US companies valued at a billion dollars or more, according to our real-time unicorn tracker. We used CB Insights data to analyze which investors have backed the most unicorns and are in the best position to capitalize should these companies manage to exit for the valuations they're receiving in private markets.

Sequoia Capital continues to retain its spot as the top investor in unicorns, with 17 currently in their portfolio including Instacart, AirBnB, and Square. Kleiner Perkins and Andreessen Horowitz were tied for second place with 15 unicorn companies each. Some other interesting points:

- 4 of the top 8 investors in unicorns are large, typically public market investors (mutual fund, bulge-bracket investment banks, etc.). Goldman, Fidelity Investments, Wellington Management, and T. Rowe Price all have 12 or more US unicorns in their portfolios.
- There are now 43 institutional investors with at least 5 US unicorns in their portfolio, compared to 14 when we did this analysis in early March.

### Top Investors In The Current US Billion Dollar Club (7/21/2015)



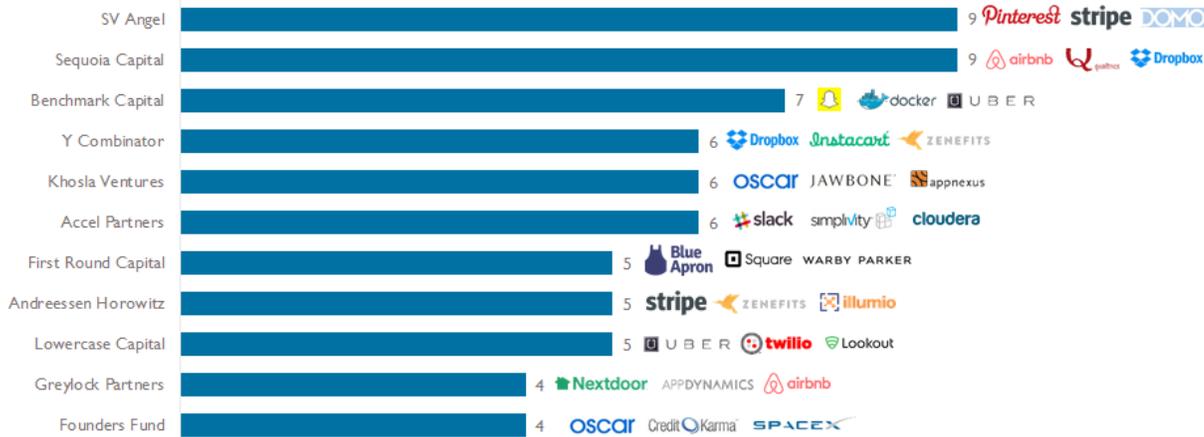
Skilled investors are able to get into these valuable companies early, so we evaluated which firms were able to get into the most unicorns at the early stages (Seed and Series A).

When we last did this analysis in March 2014, Sequoia was the undisputed top early-stage investor in unicorns. But since then SV Angel has jumped up and tied with them, with both firms having 9 early stage unicorn investments. Benchmark followed after them with 7 early-stage investments into some of the most valuable unicorns (four months ago they only had 3).

### Early Stage Investors In Unicorns (7/21/2015)

Number of Unicorns Invested at Seed/Series A Stage

Select Companies



The proportion of unicorn investments that were early-stage offers another way to gauge the firms' relative investment prowess. Below is a full list of the top investors in unicorn companies as well as the number of those unicorns which they invested in at the early stages. Some of the best investors on this list are SV Angel (12 unicorns with 9 investments at the early stage), Y-Combinator (6 unicorns and 6 early-stage investments in unicorns), as well as First Round Capital, Benchmark Capital, and Lowercase Capital.

Top VC Investors in the Unicorn Club (7/21/15)		
Investor	Number of Unicorns	Early Stage Investments in Unicorns
Sequoia Capital	17	9
Andreessen Horowitz	15	5
Kleiner Perkins Caufield & Byers	15	0
T. Rowe Price	14	0
Wellington Management	13	0
Fidelity Investments	13	0
SV Angel	12	9
Goldman Sachs	12	0
Accel Partners	11	6
Founders Fund	11	4
Tiger Global Management	11	1
New Enterprise Associates	11	1
Khosla Ventures	10	6
Greylock Partners	10	4
Benchmark Capital	9	7
Institutional Venture Partners	9	1
Meritech Capital Partners	8	0
Salesforce Ventures	8	0
General Catalyst Partners	7	2
Insight Venture Partners	7	1

Google Ventures	7	0
Iconiq Capital	7	0
Y Combinator	6	6
Lowercase Capital	6	5
Venrock	6	2
GGV Capital	6	1
Draper Fisher Jurvetson	6	1
Morgan Stanley	6	0
First Round Capital	5	5
Lightspeed Venture Partners	5	3
Bessemer Venture Partners	5	2
DAG Ventures	5	1
Valiant Capital Partners	5	0
JPMorgan Chase & Co.	5	0
TPG Growth	5	0
Redpoint Ventures	5	0
Industry Ventures	5	0
Digital Sky Technologies	5	0
Bezos Expeditions	5	0
Intel Capital	5	0
BlackRock	5	0
Alibaba Group	5	0
Comcast Ventures	5	0

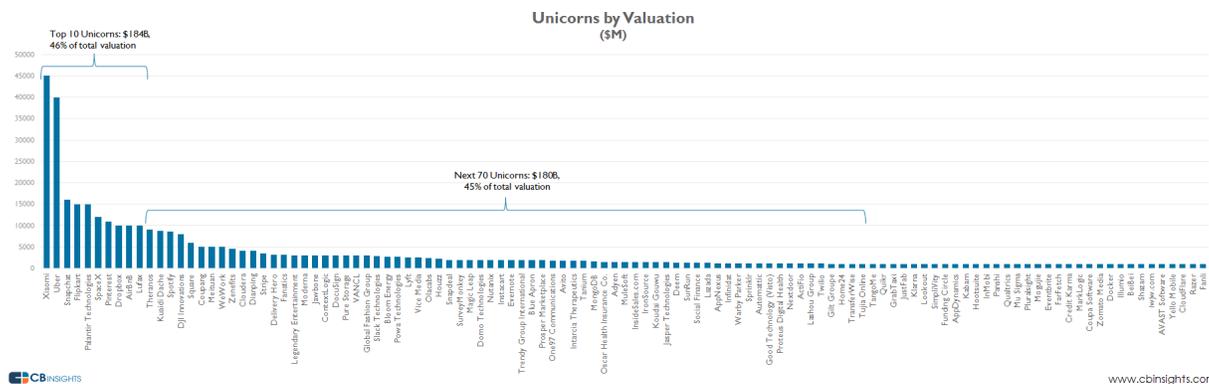
JUNE 23, 2015

# Unicorn Power Law: The Top 10 Unicorns Are Worth More Than The Next 70 Combined

The top 10 unicorns are valued at a combined \$184B, nearly half of the total valuation of all 113 private-company unicorns combined.

Ben Thompson of Stratechery wrote an interesting piece highlighting how the well-known “Babe Ruth effect” in venture capital also applies to unicorn valuations. We decided to use the CB Insights Unicorn List to see if our unicorn data showed a power law-type distribution similar to the one revealed by Thompson’s analysis.

Having previously analyzed the impact of the Power Law in venture capital returns, we weren’t surprised to see that the power law is alive and well when it comes to unicorn valuations.

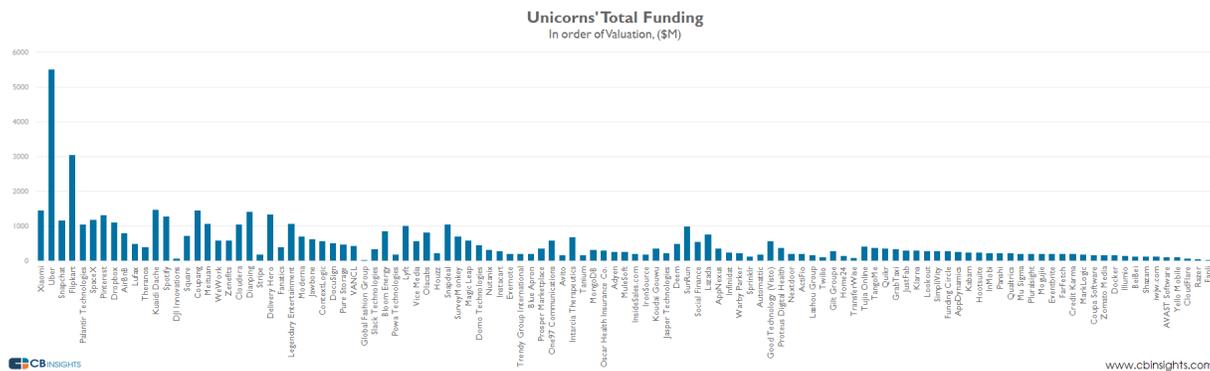


Overall we found that:

- Uber and Xiaomi account for 21.4% of the cumulative valuations of all unicorns.
- The next 8 unicorns account for a further 25% of all value. (These are the decacorns sans Uber and Xiaomi, including Snapchat, Flipkart, and Palantir.)
- Overall these top 10 Unicorns are worth \$184B, more than the next 70 combined.

Breaking down the total funding for all 113 unicorns on the list (as of June 22, 2015), we observed a relatively close correlation between funding and valuation, which both slope down steadily. But outliers include DJI Innovations, which has raised relatively little given its \$10B valuation, and Stripe, which to date has raised “just” \$190M and is currently valued at \$3.5B.

See the full breakdown below:



MAY 25, 2015

## Your Startup Has a 1.28% Chance of Becoming a Unicorn

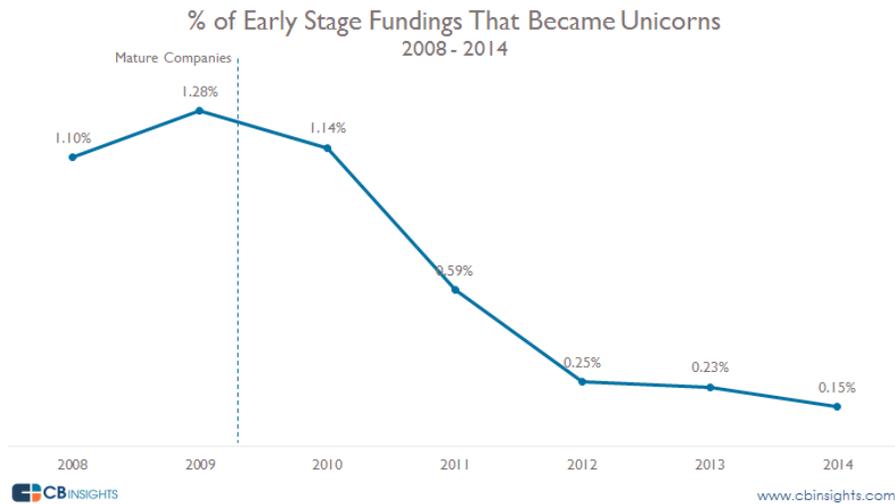
While everyone wants a unicorn company in their portfolio, how many investments end up actually becoming billion dollar companies? Not many.

With 108 unicorn companies today and the rate of unicorn creation accelerating, you'd expect that that unicorns have become drastically more common.

However, for all the fixation on companies reaching billion-dollar valuations, it remains pretty rare for a company to hit the unicorn mark. In fact, the number looks to be just above 1% of companies.

Using CB Insights data, we broke down all the companies that raised their first, early stage financing round by year (vintage) and calculated what percent of those companies ended up reaching billion dollar valuations in private markets or via an exit.

The first notable trend is that the number of early stage first financings by year has seen massive growth, breaking over 4,000 in 2014 compared to less than 1500 in 2008. Of the companies that raised in 2008 and 2009 (which could be consider "mature vintages" at this point), only a bit more than 1% each year became billion dollar companies.



2010 actually saw the most companies, on an absolute basis, reach unicorn status, with more than 20 companies eventually joining the club. Interestingly, 15 companies who raised their first round of financing in 2013 or 2014 have already jumped into the billion dollar club highlighting the increasing pace at which unicorns are anointed. Some of the companies in this group include Zenefits and Airwatch.

**How Many Companies Ended Up With Billion Dollar Valuations?  
2008 – 2014**

Year	Total Companies Raising First Funding (Angel/Seed/Series A)	Number Of Those Companies That Became Unicorns	Unicorn Conversion Rate	Unicorn Sample
2008	1450	16	1.10%	MongoDB, Lyft, SunRun
2009	1405	18	1.28%	Zulily, Airbnb, DataLogix
2010	1843	21	1.14%	Stripe, Slack Technologies, Funding Circle
2011	2690	16	0.59%	Warby Parker, Hortonworks, ContextLogic
2012	3663	9	0.25%	Instacart, Snapchat, Qualtrics
2013	3984	9	0.23%	Zenefits, Airwatch, Juno Therapeutics
2014	4018	6	0.15%	Magic Leap, Adyen, DJI Innovations



JULY 15, 2015

## Unicorn Companies Have More Than Quadrupled In Combined Value

The unicorn club is exploding in size, with nearly 40 companies joining the list so far in 2015. Collectively, unicorns are creeping close to a half-trillion dollars in valuation.

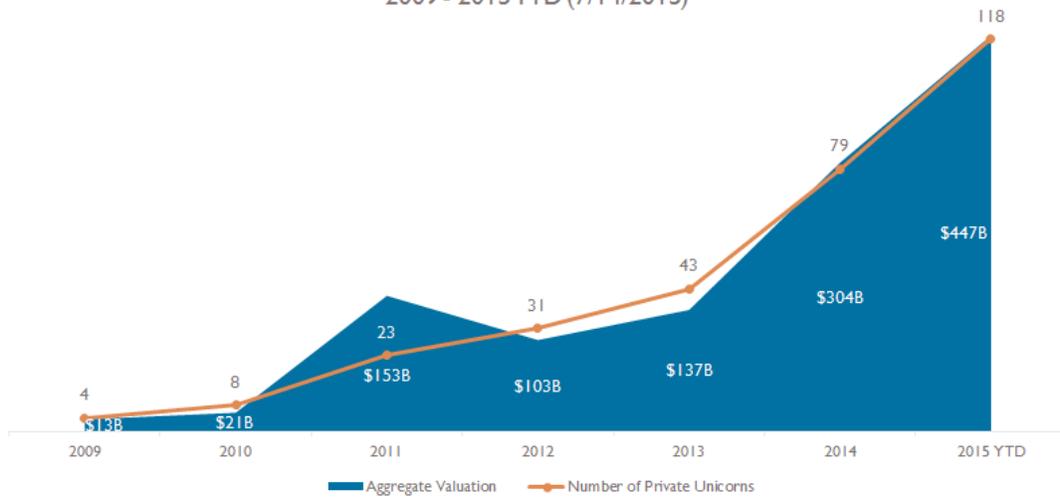
As of July 14th, 2015, there are 118 private unicorns worth \$447B, according to our real-time unicorn tracker.

2015 has been a huge year for growth in the number of unicorns and their value, with unicorns outside the US weighing heavily in total valuation:

- 2015 has seen growth of \$143B in combined unicorn valuations year-to-date, a 47% jump over the aggregate valuation at the end of last year. That means 2015 is not too far from equaling the \$167B in combined unicorn valuation added in full-year 2014, and this year is only half over.
- That number of still private unicorns on the list has increased by 39 in 2015 YTD, a ~50% increase in the number of unicorns in just ~6.5 months.
- Some \$178B of the total \$447B in valuation comes from the 46 non-US companies on the unicorn list.

The current unicorn club of private companies worth \$1B or more is more than 4x as large now as it was in 2012, in terms of total valuation. The biggest percentage growth in total unicorn valuation happened between 2010 and 2011, when unicorn valuations jumped by more than 7x due to Facebook's Series E which valued the company at \$80B (and subsequently fell at their IPO the next year).

### Aggregate Value of the Unicorn Club 2009 - 2015 YTD (7/14/2015)



\*Values were captured at the end of each year, with the exception of 2015



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MAY 21, 2015

## Unicorns Are Breeding Like Rabbits: Set to Double 2014's Record Pace

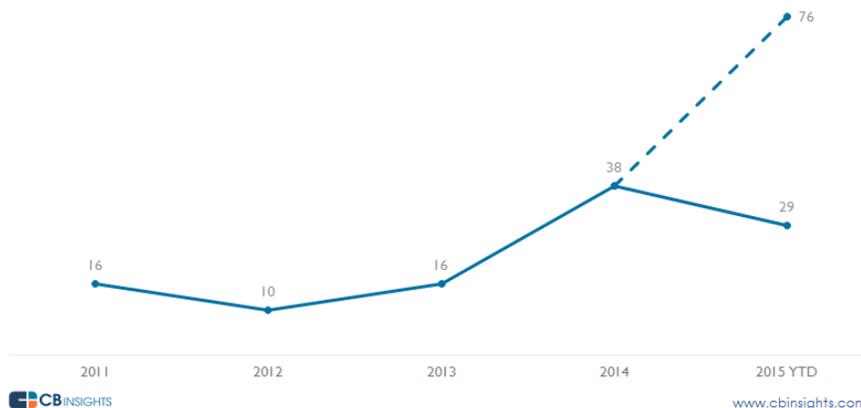
The worldwide “blessing” of unicorns keeps getting bigger every week

From January 1, 2015 to April 14, 2015, there 14 new unicorns were added the billion dollar valuation club. Since then (in one month), 15 have been added.

Things are so absurdly crazy in the private markets that we set up a real-time unicorn company tracker.

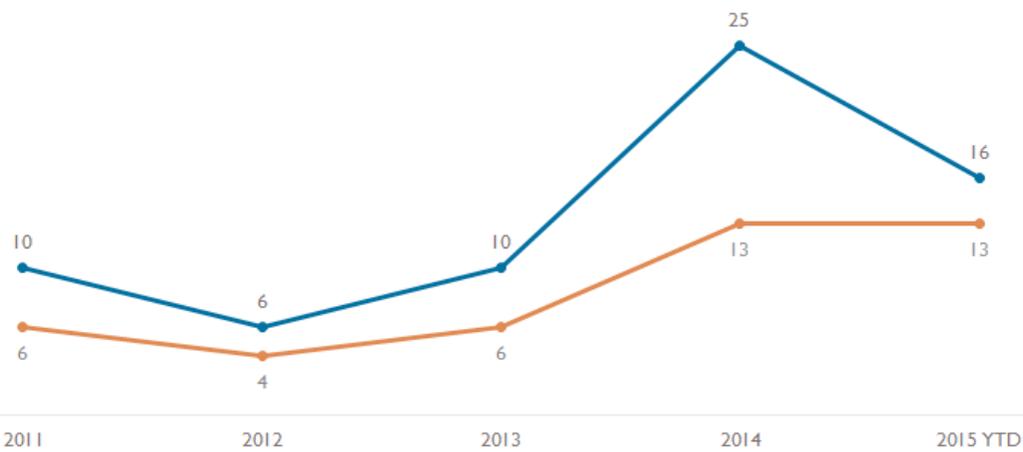
DJI Innovations, a manufacturer and developer of drone technology, recently raised \$75M at an \$8B valuation from Accel Partners, making it one of the top 15 most valuable unicorn companies. Zenefits also had a significant valuation increase, jumping from a \$500M valuation in their previous round of funding to \$4.5B in their current round. So far, 29 companies have now become unicorns in 2015 (as of 5/20/2015), which puts 2015 on track to have 76 unicorns by the end of the year (double the amount of the previous year which was a record in its own right). Although given the current acceleration in unicorn valuations, we may far exceed that.

Number of Companies Becoming Unicorns  
2011 - 2015 YTD (5/20/2015)



A big part of this billion-dollar valuation frenzy can be found outside of the US, where companies like iwjw.com and Panshi are raising at billion dollar valuations in early to mid stage funding rounds. 13 non-US companies have raised at billion dollar valuations in 2015 so far, already hitting the total number of international unicorns for the entirety of 2014. Asia is currently the place-to-go for \$100 million financing rounds.

Number of Companies Becoming Unicorns  
2011 - 2015 YTD (5/20/2015)



Below is a full list of companies that raised at a billion dollar valuation in 2015 YTD (5/20/2015). There are now a total of 108 unicorns world wide, with a cumulative valuation of more than \$381B. For a real time list of unicorns, check out our unicorn company page.

New Unicorns of 2015 YTD (5/14/2015)		
Company	Valuation (\$M)	Select Investors
DJI Innovations	8000	Accel Partners, Sequoia Capital
Zenefits	4500	Khosla Ventures, SV Angel, General Catalyst Partners
Global Fashion Group	3000	Access Industries, Tengelmann Ventures, Rocket Internet
ContextLogic (dba. Wish)	3000	GGV Capital, Digital Sky Technologies, Founders Fund
Lyft	2500	Rakuten, Founders Fund, Alibaba Group
Domo Technologies	2000	Greylock Partners, Institutional Venture Partners, Blackrock
One97 Communications	2000	Intel Capital, Sapphire Ventures, Alibaba Group
Prosper Marketplace	1900	Accel Partners, Benchmark Capital, Sequoia Capital
Tanium	1750	Andreessen Horowitz
Oscar Health Insurance Co.	1500	Founders Fund, Khosla Ventures, Thrive Capital
MuleSoft	1500	New Enterprise Associates, Salesforce Ventures, Sapphire Ventures
Social Finance	1300	Third Point, Wellington Mangement, Insitutional Venture Partners
Infinidat	1200	TPG Growth
Warby Parker	1200	Menlo Ventures, Felicis Ventures, Lerer Hippeau Ventures

Nextdoor	1100	KPCB, Slow Ventures, Shasta Ventures
Docker	1070	Sequoia Capital, Insight Venture Partners, Greylock Partners
TransferWise	1010	Andreessen Horowitz, IA Ventures, Index Ventures
lynda.com	1000 (exited)	Accel Partners, TPG Capital, Meritech Capital Partners
Sprinklr	1000	Battery Ventures, Intel Capital, Iconiq Capital
SimpliVity	1000	KPCB, Accel Partners, CRV
FarFetch	1000	DST, Conde Nast, Vitruvian Partners
BeiBei	1000	New Horizon Capital, Banyan Capital
Shazam	1000	KPCB, Institutional Venture Partners, Buran Venture Capital
Illumio	1000	Formation 8, Andreessen Horowitz, Accel Partners
Zomato	1000	Sequoia Capital, Info Edge
Fanli	1000	Rakuten Ventures, Steamboat Ventures
Funding Circle	1000	Union Square Ventures, Accel Partners, Index Ventures
iwjw.com	1000	GGV Capital, Morningside Group, Banyan Capital
Panshi	1000	WI Harper Group, Fang Fund Partners, NewMargin Ventures

MARCH 22, 2015

## Unicorn Infographic: The Most Capital Efficient Billion Dollar Startups

We used CB Insights financing and valuation data to analyze every capital efficiency ratio in the billion-dollar club.

For the uninitiated, a group of unicorns is called a blessing (seriously, Google it). And from Shazam to Nextdoor to Simplivity, 10+ new billion-dollar startups have already joined the blessing in 2015.

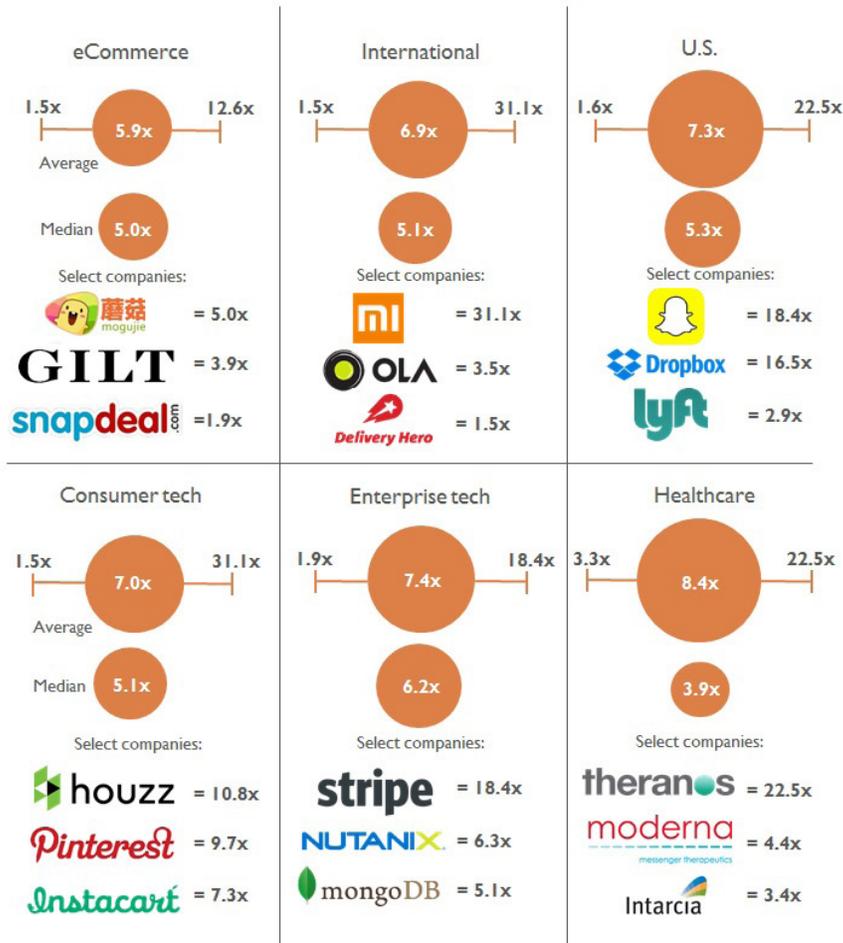
While we've previously looked at the most capital efficient exits in tech, applying capital efficiency to the various companies in the billion-dollar club was floated by John Ryu of Scout Ventures a couple of weeks ago so we wanted to take a look.

So we used CB Insights financing and valuation data to highlight the capital efficiency ratios of the billion-dollar club. Specifically, we divided the latest current valuation by the total amount of equity financing the companies have received across six categories of companies in the club. And the data yields some interesting comparisons among the growing set of companies. Below are the highlights:

- **Enterprise tech companies** see higher average and median capital efficiency ratios than consumer tech cos.
- **E-commerce companies** on the list see a lower capital efficiency ratios as can be seen by firms like Delivery Hero, Snapdeal and Lazada, which all count ratios under 2x. The bottom 3 among unicorns from a capital efficiency perspective are all e-commerce companies.
- **The handful of healthcare companies** on the list see a median ratio of 3.9x, but an average of 8.4x due to DFJ-backed Theranos' ratio of 22.5x.

## The Billion-Dollar Valuation Club: Analyzing Capital Efficiency Ratios

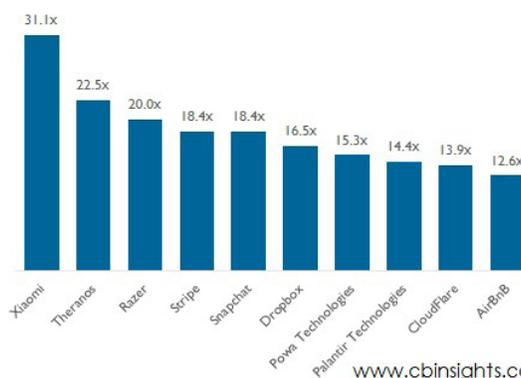
Data By: CBINSIGHTS



Top 3 Capital Efficiency Ratios:



Top 10 Capital Efficiency Ratios  
Billion-Dollar Valuation Club



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OCTOBER 6, 2015

## Despite New York's Growing Stable Of Unicorn Companies, Only A Few \$1B+ Tech Exits

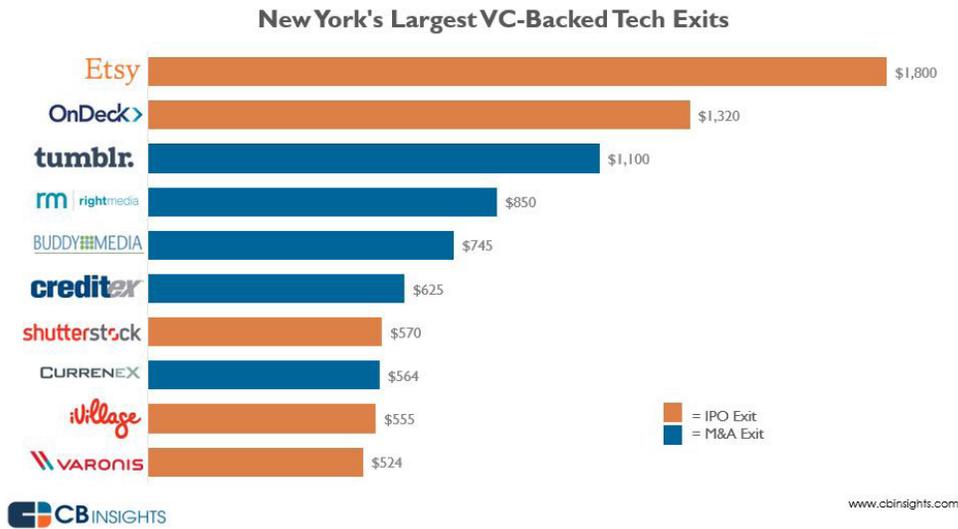
Since 2013, 3x as many new \$1B+ companies emerged in New York as there have been tech exits. This year has seen 7 new unicorns emerge in New York, including FanDuel, Oscar Health Insurance, ZocDoc, and BuzzFeed.

Tumblr's \$1.1B acquisition by Yahoo in 2013 marked a watershed moment as the first billion-dollar VC-backed tech exit in New York ever.

But over the last three years, New York has seen far more private billion-dollar valuations than actual billion-dollar exits, according to CB Insights data. Etsy and OnDeck Capital went public at valuations of \$1.8B and \$1.32B since the start of 2013, bringing to 3 the total number of \$1B+ tech exits in New York over the last three years.

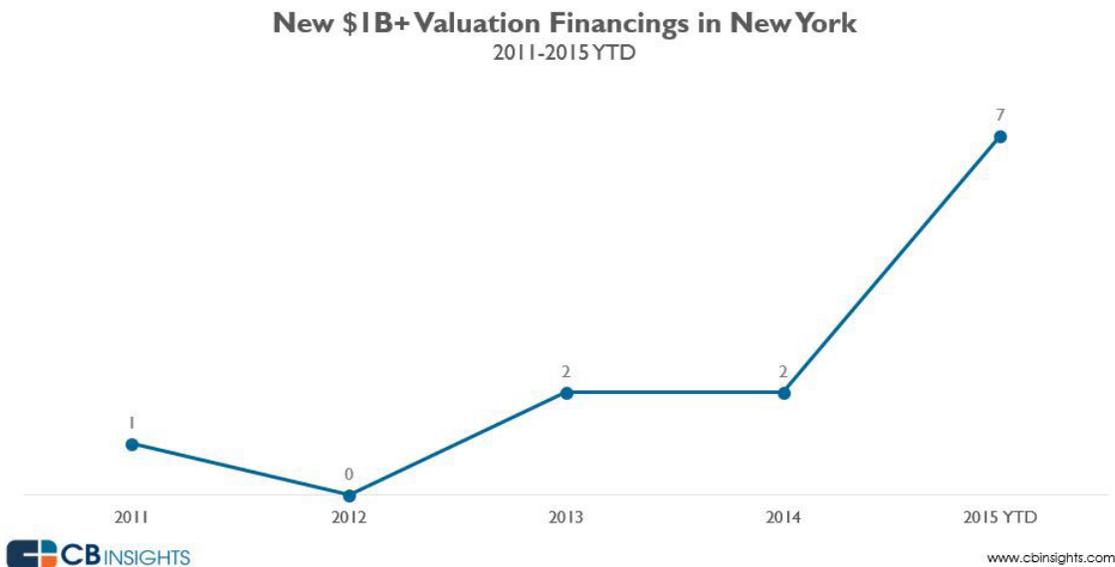
But the same period saw the emergence of 11 new New York-based companies valued at \$1B+.

The chart below highlights New York's 10 biggest VC-backed tech exits. The top three, Etsy, OnDeck, and Tumblr, all took place since the start of 2013.



Over the same period, there has been a spike in billion-dollar private financings — most of which have come in 2015 year-to-date. More specifically, 7 different VC-backed startups in New York have been valued at \$1B+ this year, including FanDuel, Oscar Health Insurance, ZocDoc, and BuzzFeed.

Will New York tech's bigger valuations soon lead to more liquidity and downstream effects in the ecosystem? Weigh in below in the comments.



Data note 1: This list does not include private equity transactions or acquisitions that took place after an initial public offering. For example, Doubleclick, which is often erroneously considered a billion-dollar VC exit for New York, was not valued at \$1B+ at the time of IPO. It was later acquired by private equity firms JMI Equity and Hellman & Friedman, and then ultimately purchased by Google for \$3.1B.

Note 2: We don't consider companies that are based in New Jersey or Connecticut to be part of these New York stats primarily because, simply-stated, those states are not part of New York. That is why exits by the likes of Indeed, Sirocco Systems, etc. are not included in this data.

Note 3: IPO valuations used are the company's market capitalization at the opening of trading.

FEBRUARY 24, 2015

## Backdoor Unicorns – Which VCs Got Into Tech’s Largest Exits Through Pre-IPO M&A?

SV Angel, Sequoia Capital and Accel Partners have had the most portfolio companies acquired by future tech unicorns.

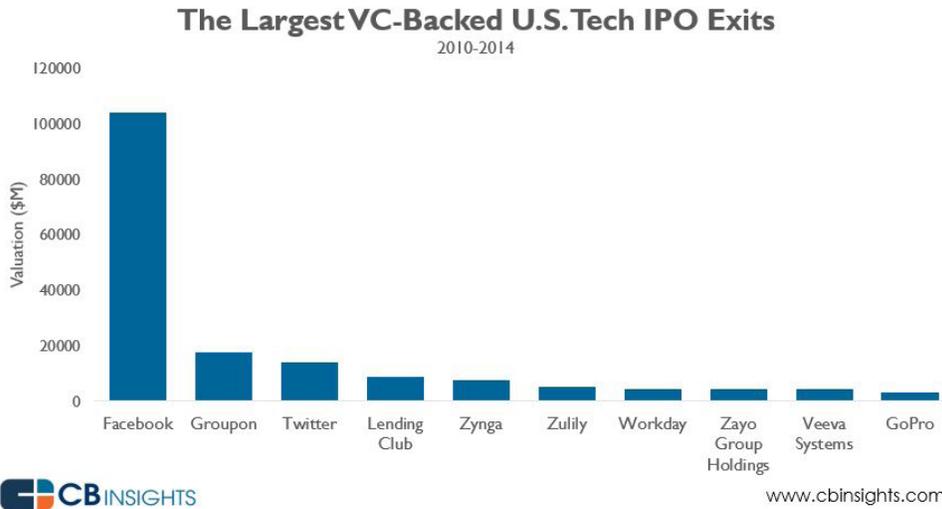
We wanted to look at which investors might have gotten exposure (aka equity) in unicorn exits by virtue of having their portfolio companies acquired by unicorns. We’ll call these “backdoor unicorns” – a somewhat unfortunate name we know.

Specifically, we used CB Insights’ Acquirer Analytics tool to analyze the pre-IPO acquisition activity of the 10 largest US tech IPO exits over the past five years which included:

1. Facebook
2. Groupon
3. Twitter
4. Lending Club
5. Zynga
6. Zulily
7. Workday
8. Zayo Group Holdings
9. Veeva Systems
10. GoPro

## Tech's largest U.S. IPO exits – Facebook dominates

Not surprisingly, Facebook is the largest VC-backed IPO exit by a U.S. company since 2010. Groupon and Twitter represent the next tier of exit valuations at the time of IPO followed by recent IPO Lending Club and flailing game maker Zynga.



## Twitter did most VC-backed pre-IPO M&A

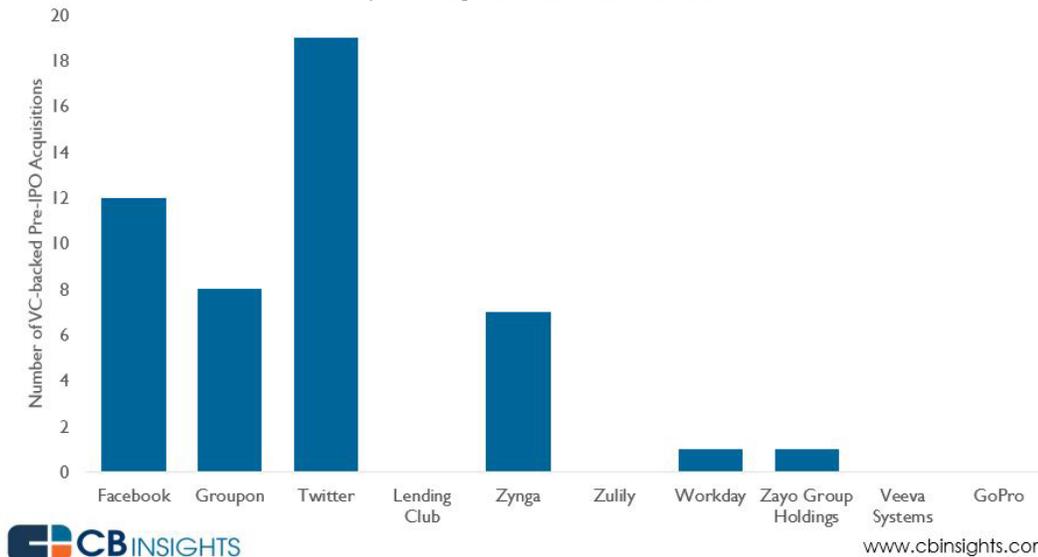
Peeling back the 10 firms by the number of their pre-IPO acquisitions, we see Facebook and Twitter as the two most acquisitive companies with over 30 disclosed pre-IPO acquisitions each. These range from Karma Science, Gowalla and Hot Potato by Facebook and Crashlytics, Bluefin Labs and Summize by Twitter.



Many of these acquisitions were small ball transactions, sometimes focusing entirely on talent. When we look at these acquisitions to see which are VC-backed, we see Twitter had the highest tally at just under 20. Facebook had the second highest number of VC-backed pre-IPO acquisitions, followed by Groupon and Zynga, respectively.

### VC-Backed Pre-IPO Acquisition Activity

By the 10 Largest U.S. Tech IPO Exits, 2010-2014



## The most prominent VC investors in backdoor unicorns

On the investor front, SV Angel had the highest number of portfolio companies acquired including Gowalla (Facebook), Lightbox (Facebook) and Tweetdeck (Twitter). Sequoia Capital and Accel Partners each had five companies acquired by one of the eventual unicorns. Of course, Sequoia has done very well with Facebook after the firm's IPO with the acquisitions of Instagram and WhatsApp.

Below are the VC investors who have had three or more companies acquired by the unicorn firms prior to their IPOs.

### VC Investors Ranked By Backdoor Unicorns

Firm	Select Acquired Portfolio Cos
SV Angel	Tweetdeck, Gowalla
Sequoia Capital	Karma Science, Mixer Labs
Accel Partners	MoPub, Summify
Felicis Ventures	Karma Science, Mixer Labs
Lowercase Capital	Gowalla, BackType
RRE Ventures	Vine, drop.io
First Round Capital	Values of N, Cabana
e.ventures	Citydeal, Darberry
Lerer Hippeau Ventures	Bluefin Labs, Spindle Labs
Greylock Partners	Gowalla, Spindle Labs
Founder Collective	Hot Potato, BackType
Harrison Metal	MoPub, Mixer Labs
Floodgate	Dasient, Mixer Labs, CoTweet