

Three Bay Area tech startups announce holiday IPOs

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Some of us may still be recovering from our Thanksgiving turkey dinners, but the holiday certainly didn't suck any energy from the IPO market.

Three Bay Area tech companies planning to go public updated their filings Monday to reveal [initial public offerings](#) that promise to light up the stock [market](#) during a normally quiet time on Wall Street. The startups plan to raise a combined \$876 million when all three begin trading next week - another example of the strength of the IPO market, which is so cash-flush that tech companies are racing to the public market even as the season turns to eggnog and carolers, according to IPO experts.

"This isn't unprecedented, but what is rare is these are three pretty high-profile San Francisco (area) names," said Brendan Connaughton, chief investment officer and partner at ClearPath Capital Partners. "While it is a bit surprising, I think they are trying to monetize a market right now that is friendly to IPOs."

San Francisco-based New Relic and Palo Alto-based Hortonworks are expected to begin trading next week, giving a boost to other fledgling "big data" firms. But all eyes are on Lending Club, a San Francisco online lending platform whose IPO could be the largest this year from a California company. Widely considered the leader among a growing crop of Internet lenders, Lending Club is expected to create a windfall of IPOs from similar companies, according to experts.

"It's another step of really authenticating that alternative lending is not going away," said David Goldin, chief executive and president of AmeriMerchant, a financial tech company. "When this first came out there were a lot of naysayers, but the model is starting to prove out."

Lending Club's IPO is expected to raise up to \$692 million, eclipsing action-sports camera-maker GoPro's \$427 million debut in June, which had been the largest of the year from California. Lending Club plans to sell 57.7 million shares at \$10 to \$12 each. At the middle point of that price range, it would be worth \$3.97 billion.

New Relic, which makes cloud-based software for businesses to collect, store and analyze massive amounts of data in real time, will offer 5 million shares at \$18 to \$20 a share, raising up to \$100 million and hitting a market cap of roughly \$876 million.

And Hortonworks, a software platform for storing and analyzing big data, could raise \$84 million when it sells 6 million shares at \$12 to \$14 a share. That would put the company's valuation at \$538 million - down from the \$1 billion valuation Hortonworks received in March.

Hortonworks is moving to the public market at breakneck speed - it filed for an IPO less than a month ago.

IPOs traditionally slow during the holidays because investors are focused on wrapping up their deals for the year and not making new ones. But analysts say companies may want to squeeze in a December IPO before political or economic discord causes unrest in the market.

"If there is some wrangling in immigration, companies don't want to get stuck in that," said Jeff Grabow, U.S. venture capital leader for Ernst & Young, a global accounting and consulting firm. "If there is some foot-dragging with getting the government funded, that could cause problems. So it makes sense."

-Lending Club

Headquarters: San Francisco

Estimated IPO: \$692 million

Market value: \$3.8 billion

2013 Revenue: \$98 million

-New Relic

Headquarters: San Francisco

Estimated IPO: \$100 million

Market value: \$876 million

2013 Revenue: \$63 million

-Hortonworks

Headquarters: Palo Alto, Calif.

Estimated IPO: \$84 million

Market value: \$538 million

2013 Revenue: \$16 million(ASTERISK)

*Fiscal year was only 9 months, though September 2013

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