

The word "FENWICK" is written in a bold, white, sans-serif font in the top left corner of the page. The background of the top half of the page is a dark, abstract image featuring a grid of thin white lines and several glowing, blurred lines in shades of blue and orange, suggesting a digital or financial data visualization.

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Fenwick & West
Silicon Valley Venture Capital
Flash Report

April 2020

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This survey is a special interim report to highlight changes in the Silicon Valley venture capital environment in light of the COVID-19 pandemic. It focuses on April financing activity and supplements our [March Flash Report](#) that looked at financings in the first quarter of 2020.

Please note that when providing data on a monthly basis, and especially when analyzing trends among industries or series on a monthly basis, we are working with smaller numbers than in our quarterly report and accordingly the possibility of statistical anomalies increases.

Overview

The major results and trends for April 2020 were as follows:

April valuation changes continued to be weaker than normal, but were mildly stronger than March.

- The percentage of up-rounds declined modestly from 72% in March to 70% in April, and both were lower than the 83% of financings that were up-rounds in 2019.
- Interestingly the number of down-rounds also declined, from 16% in March to 12% in April, although both were higher than the 8% down-rounds in 2019.
- Accordingly, the percentage of flat rounds increased, to 18%, compared to 13% in March and 9% in 2019. This increase in flat rounds may be a signal that there were more rounds led by insiders.
- The Fenwick & West Venture Capital Barometer, which measures the per-share price change in a company's current financing compared to its prior financing, showed an increase of 60% in April from 42% in March, both below the 2019 average of 93%. The median price increase increased slightly, from 26% in March to 30% in April, again below the 60% median price increase seen in 2019.
- Internet/new media and software were by far the strongest industries from a valuation increase perspective, with hardware showing the worst results.

Deal volume increased, and was consistent with 2019 monthly results.

- The number of deals increased from 54 in March to 64 in April. The average number of monthly deals in 2019 was 65.

Late-stage deals percentage increased.

- The percentage of Series D and E+ deals increased to 38% of all financings in April, an increase from 21% in March and the highest since August 2018 when Series D/E+ deals combined for 42% of all financings. That said, the average price increase for late-stage financings was only 26%, compared to 35% in March and 59% in 2019.

Life sciences deal volume stayed strong.

- The percentage of life sciences deals continued high at 25% of all financings, compared to 28% in March. During 2019 the percentage of life sciences deals was 14%.

Detailed Results

The following charts focus on the results discussed above. More detailed results will be provided in our complete Silicon Valley Venture Capital Survey Second Quarter 2020 to be released in July 2020.

Number of Financings by Series

Series	January 2020	February 2020	March 2020*	April 2020	2019
A	47	28	22	14	255
B	31	12	14	11	174
C	26	8	7	15	145
D	9	6	3	10	75
E+	13	6	8	14	128
Total - All Series	126	60	54	64	777 (65/mo)

Series	January 2020	February 2020	March 2020	April 2020	2019
A	37%	47%	41%	22%	33%
B	25%	20%	26%	17%	22%
C	21%	13%	13%	23%	19%
D	7%	10%	6%	16%	10%
E+	10%	10%	15%	22%	16%

Number of Financings by Industry

Industry	January 2020	February 2020	March 2020	April 2020	2019
Software	63	22	23	32	356
Hardware; Electronics	9	4	4	4	82
Life Sciences	20	14	15	16	107
Internet; New Media	20	15	7	6	149
Other	14	5	5	6	83
Total - All Industries	126	60	54	64	777 (65/mo)

Industry	January 2020	February 2020	March 2020	April 2020	2019
Software	50%	37%	43%	50%	46%
Hardware; Electronics	7%	7%	7%	6%	11%
Life Sciences	16%	23%	28%	25%	14%
Internet; New Media	16%	25%	13%	9%	19%
Other	11%	8%	9%	9%	11%

Price Change

Price Change	January 2020	February 2020	March 2020	April 2020	2019
Up	81%	81%	72%	70%	83%
Even	8%	0%	13%	18%	9%
Down	11%	19%	16%	12%	8%

Average and Median Price (Fenwick & West Venture Capital Barometer)

Price Increase	January 2020	February 2020	March 2020	April 2020	2019
Average	117%	76%	42%	60%	93%
Median	68%	59%	26%	30%	60%

Average Price Increase by Industry

Industry	January 2020	February 2020	March 2020	April 2020	2019
Software	130%	74%	51%	99%	101%
Hardware; Electronics	108%	47%	58%	-27%	78%
Life Sciences	69%	106%	32%	12%	43%
Internet; New Media	98%	99%	13%	121%	122%
Other	159%	-4%	50%	2%	96%
Total - All Industries	117%	76%	42%	60%	93%

Median Price Increase by Industry

Industry	January 2020	February 2020	March 2020	April 2020	2019
Software	110%	65%	33%	82%	74%
Hardware; Electronics	37%	37%	51%	0%	38%
Life Sciences	28%	17%	23%	6%	32%
Internet; New Media	68%	103%	8%	79%	66%
Other	76%	4%	50%	2%	68%
Total - All Industries	68%	59%	26%	30%	60%

Average Price Increase by Series

Series	January 2020	February 2020	March 2020	April 2020	2019
B	125%	112%	39%	109%	118%
C	128%	99%	60%	79%	112%
D	81%	30%	25%	-10%	86%
E+	103%	26%	39%	52%	43%
Total - All Series	117%	76%	42%	60%	93%

Median Price Increase by Series

Series	January 2020	February 2020	March 2020	April 2020	2019
B	71%	75%	20%	87%	89%
C	79%	85%	33%	31%	60%
D	60%	45%	21%	0%	60%
E+	54%	23%	36%	8%	33%
Total - All Series	68%	59%	26%	30%	60%

***Note:** Results from March have been updated since our prior Flash Report to reflect additional financings that were reported after our Flash Report was issued on April 23, 2020. The delay in reporting of these financings was likely due to pandemic-related circumstances. We have delayed the reporting of our April results in this report by an additional three weeks to reduce/eliminate the effect of any delays in reporting of April financings.

About our Survey

The Fenwick & West Venture Capital Survey has been published quarterly since the first quarter of 2002. Its goal is to provide information to the global entrepreneurial and venture community on the terms of venture financings in Silicon Valley.

The survey is available to all, without charge, by signing up at www.fenwick.com/vcsurvey/sign-up. We are pleased to be a source of information to entrepreneurs, investors, educators, students, journalists and government officials.

Our analysis of Silicon Valley financings is based on independent data collection performed by our lawyers and paralegals, and is not skewed toward or overly representative of financings in which our firm is involved. We believe that this approach, compared to only reporting on deals handled by a specific firm, provides a more statistically valid and larger dataset.

This survey consists of priced equity financings of companies headquartered in Silicon Valley that raised at least \$1 million from venture capitalists or other professional investors during the applicable time period. Subsequent closings of financings are only treated as new financings if they occurred at least six months after the initial closing. For purposes of determining whether a company is based in "Silicon Valley" we use the area code of the corporate headquarters. The area codes included are 650, 408, 415, 510, 925, 916, 707, 831 and 209.

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