

The top half of the page features a dark background with a complex, glowing grid of lines in shades of blue and orange. Overlaid on this grid is a candlestick chart with bars in blue and orange, and several curved lines in blue and orange, suggesting a financial or data visualization theme. The word "FENWICK" is written in a bold, white, sans-serif font in the upper left corner.

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Fenwick & West  
Silicon Valley Venture Capital  
*Flash Report*

August 2020

# Fenwick & West Silicon Valley Venture Capital

## *Flash Report*

August 2020

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This survey is a special interim report to highlight changes in the Silicon Valley venture capital environment through August 2020 in light of the COVID-19 pandemic.

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.

## Key Findings

The venture environment continued to exhibit strong deal volume. Valuation metrics were solid although lagged pre-pandemic levels. The life sciences industry showed notable strength.

### *Financing volume continued strong.*

- The number of Silicon Valley venture financings continued to be strong in August, with 73 financings. This was the same number of financings as July, but surpassed the 2019 average of 65 financings per month.
- July and August have been historically slower months for financings, likely due to venture industry participants taking vacations. However, this year there were 146 venture financings in July and August, compared to 105 in July and August of 2019, and 2020 had the highest combined number of financings for July and August in at least five years. Perhaps one side effect of the pandemic is the limitation on people's ability to vacation has resulted in more time to put into financing activity.

### *Valuations solid and steady, but continue to lag pre-pandemic results.*

- The percentage of up-rounds in August was 77%, effectively level with the 78% up-rounds in July. Both of these results were the highest since February, but continued to lag the 2019 average monthly result of 83%.
- The average share price change declined from 81% in July to 65% in August. Despite this decline, July and August results were the best results since February, although they lagged the 93% average monthly increase in 2019.
- The median per share price change increased from 30% in July to 39% in August. Again, both results were below the 60% median monthly increase seen in 2019.

### *Life sciences results strongest compared to historical norms.*

- There were 19 life sciences financings in August, an increase from 14 in July and more than double the average monthly rate of nine seen in 2019. The monthly number of life sciences financings has surpassed the average rate in 2019 every month of 2020. The number of software and internet/new media financings were approximately even with life sciences, at 22 and 19, respectively.
- From a valuation perspective, life sciences also did well, with a 55% average increase in August, besting its 43% average in 2019. Software and internet/new media surpassed life sciences results, with 73% and 80% increases, respectively, but both of those industries significantly lagged their 2019 results.
- And notably, life sciences bested all other industries in August with a 49% median price increase, the first time that has happened since September 2018.

## Detailed Results

The following charts focus on the results discussed above. More detailed charts will be provided in our Silicon Valley Venture Capital Survey for the entire third quarter of 2020, which will be released in early November.

### Number of Financings by Series

Series	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
A	47	28	22	14	18	13	24	15	255
B	31	12	14	13	16	13	19	19	174
C	26	8	7	16	14	10	11	18	145
D	9	6	3	10	8	12	9	7	75
E+	13	6	8	17	14	15	10	14	128
<b>Total - All Series</b>	<b>126</b>	<b>60</b>	<b>54</b>	<b>70</b>	<b>70</b>	<b>63</b>	<b>73</b>	<b>73</b>	<b>777 (65/mo)</b>

Series	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
A	37%	47%	41%	20%	26%	21%	33%	21%	33%
B	25%	20%	26%	19%	23%	21%	26%	26%	22%
C	21%	13%	13%	23%	20%	16%	15%	25%	19%
D	7%	10%	6%	14%	11%	19%	12%	10%	10%
E+	10%	10%	15%	24%	20%	24%	14%	19%	16%

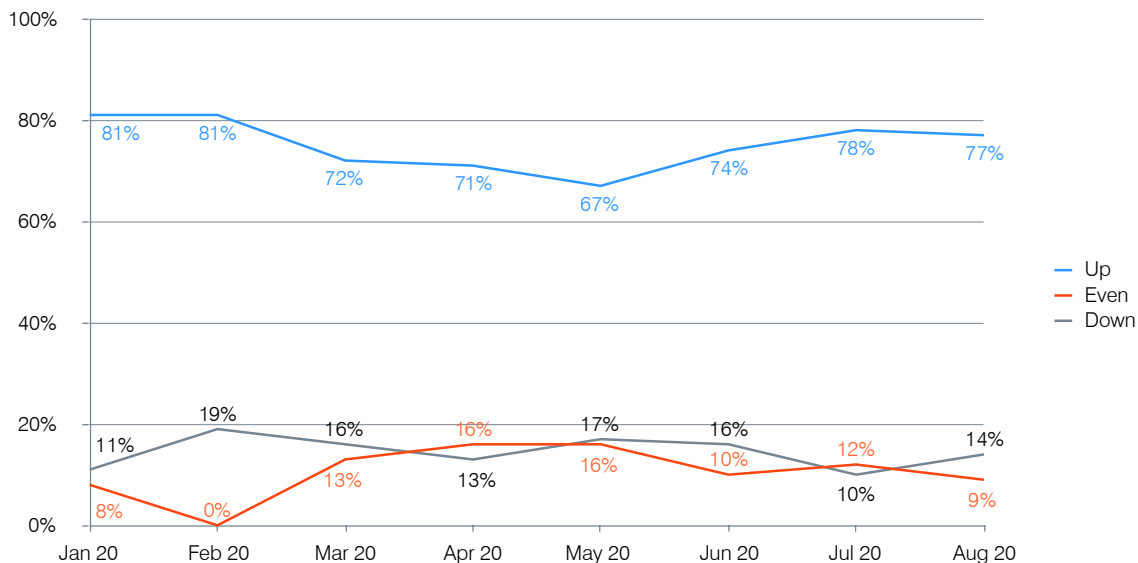
### Number of Financings by Industry

Industry	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
Software	63	22	23	34	38	27	34	22	356
Hardware; Electronics	9	4	4	4	2	5	4	7	82
Life Sciences	20	14	15	17	13	17	14	19	107
Internet; New Media	20	15	7	7	11	7	15	19	149
Other	14	5	5	8	6	7	6	6	83
<b>Total - All Industries</b>	<b>126</b>	<b>60</b>	<b>54</b>	<b>70</b>	<b>70</b>	<b>63</b>	<b>73</b>	<b>73</b>	<b>777 (65/mo)</b>

Industry	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
Software	50%	37%	43%	49%	54%	43%	47%	30%	46%
Hardware; Electronics	7%	7%	7%	6%	3%	8%	5%	10%	11%
Life Sciences	16%	23%	28%	24%	19%	27%	19%	26%	14%
Internet; New Media	16%	25%	13%	10%	16%	11%	21%	26%	19%
Other	11%	8%	9%	11%	9%	11%	8%	8%	11%

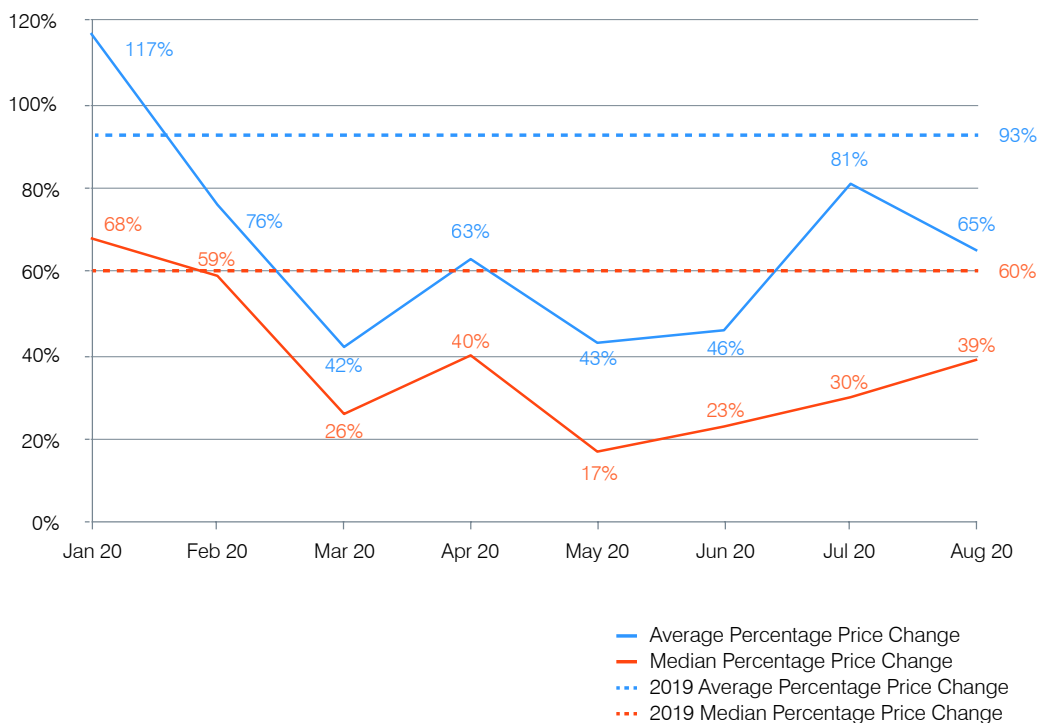
## Price Change

Price Change	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
Up	81%	81%	72%	71%	67%	74%	78%	77%	83%
Even	8%	0%	13%	16%	16%	10%	12%	9%	9%
Down	11%	19%	16%	13%	17%	16%	10%	14%	8%



## Average and Median Price

Price Increase	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
Average	117%	76%	42%	63%	43%	46%	81%	65%	93%
Median	68%	59%	26%	40%	17%	23%	30%	39%	60%



## Average Price Increase by Industry

Industry	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
Software	130%	74%	51%	102%	46%	67%	88%	73%	101%
Hardware; Electronics	108%	47%	58%	-27%	9%	15%	85%	29%	78%
Life Sciences	69%	106%	32%	18%	50%	18%	51%	55%	43%
Internet; New Media	98%	99%	13%	109%	53%	88%	111%	80%	122%
Other	159%	-4%	50%	16%	18%	35%	29%	99%	96%
<b>Total - All Industries</b>	<b>117%</b>	<b>76%</b>	<b>42%</b>	<b>63%</b>	<b>43%</b>	<b>46%</b>	<b>81%</b>	<b>65%</b>	<b>93%</b>

## Median Price Increase by Industry

Industry	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
Software	110%	65%	33%	86%	27%	39%	44%	33%	74%
Hardware; Electronics	37%	37%	51%	0%	9%	19%	30%	42%	38%
Life Sciences	28%	17%	23%	7%	15%	1%	47%	49%	32%
Internet; New Media	68%	103%	8%	36%	40%	75%	19%	45%	66%
Other	76%	4%	50%	2%	-6%	36%	16%	2%	68%
<b>Total - All Industries</b>	<b>68%</b>	<b>59%</b>	<b>26%</b>	<b>40%</b>	<b>17%</b>	<b>23%</b>	<b>30%</b>	<b>39%</b>	<b>60%</b>

## Average Price Increase by Series

Series	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
B	125%	112%	39%	115%	64%	57%	106%	67%	118%
C	128%	99%	60%	71%	69%	50%	102%	105%	112%
D	81%	30%	25%	-10%	33%	53%	20%	44%	86%
E+	103%	26%	39%	57%	-1%	29%	63%	22%	43%
<b>Total - All Series</b>	<b>117%</b>	<b>76%</b>	<b>42%</b>	<b>63%</b>	<b>43%</b>	<b>46%</b>	<b>81%</b>	<b>65%</b>	<b>93%</b>

## Median Price Increase by Series

Series	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	2019
B	71%	75%	20%	89%	42%	45%	51%	37%	89%
C	79%	85%	33%	22%	29%	27%	65%	79%	60%
D	60%	45%	21%	0%	26%	19%	0%	42%	60%
E+	54%	23%	36%	36%	0%	19%	23%	11%	33%
<b>Total - All Series</b>	<b>68%</b>	<b>59%</b>	<b>26%</b>	<b>40%</b>	<b>17%</b>	<b>23%</b>	<b>30%</b>	<b>39%</b>	<b>60%</b>

## 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](http://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. In identifying financing rounds, we label the first professional round as Series A, the second professional round as Series B, etc., regardless of the actual name used by the company, to increase comparability across companies. 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.

## Contact Information

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