State of the Market: What Private Companies Need to Know

With private market and technology advancement, there has been a rise in demand for liquidity programs, which NPM helps companies facilitate. Before the JOBS Act of 2012, it was difficult for venture-backed companies to increase valuation and access liquidity. The JOBS Act provided a tipping point for the market, allowing companies to stay private longer and take advantage of private equity and venture capital. This has led to an increase in the number of companies filing for IPOs, with a median age of nine years for Nasdaq companies.

VC ACTIVITY MOVES BEYOND SILICON VALLEY

The VC community is helping bolster the valuation and market positioning of private companies. The number of private companies with more than $50 million in sales has increased year-over-year for every stage due in part to company mandates for growth (at every stage) as well as higher investment demand from the buy side.

DEAL SIZE GROWS

Aggregate capital invested in Nasdaq Private Market programs, which NPM helps companies facilitate, has increased over the years. Median deal size among early-stage companies has increased from 22.9% in 2010 to 148.1% in 2016.

THE JOBS ACT: A TIPPING POINT

The JOBS Act of 2012 moved the market beyond Silicon Valley. It allowed companies to increase valuation and access liquidity, leading to an increase in the number of companies filing for IPOs. The median age of a technology company is 11 years, while the median age of a high-growth company is 4.5 years.

The Nasdaq Private Market, LLC or its relevant affiliate or subsidiary relating to such service. To use of each such service, prospective customers please contact sales@npm.com, and current customers please refer to your contract with The NASDAQ technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services are offered through NPM Securities, LLC, a registered broker-dealer and alternative trading system, and SMTX, LLC, a registered broker-dealer, each of which Technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services

Investing in private company stocks is speculative and involves a high degree of risk. You must be prepared to withstand a total loss of your investment. The information contained herein is provided for informational and educational purposes only. The NASDAQ Private Market, LLC does not provide legal, tax, or investment advice or service. None of the information provided herein, or information displayed on or downloadable from, nor any of the applications and services available, via the Nasdaq Private Market website.

THE JOBS ACT: A TIPPING POINT

The JOBS Act of 2012 moved the market beyond Silicon Valley. It allowed companies to increase valuation and access liquidity, leading to an increase in the number of companies filing for IPOs. The median age of a technology company is 11 years, while the median age of a high-growth company is 4.5 years.

The Nasdaq Private Market, LLC or its relevant affiliate or subsidiary relating to such service. To use of each such service, prospective customers please contact sales@npm.com, and current customers please refer to your contract with The NASDAQ technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services are offered through NPM Securities, LLC, a registered broker-dealer and alternative trading system, and SMTX, LLC, a registered broker-dealer, each of which Technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services

Investing in private company stocks is speculative and involves a high degree of risk. You must be prepared to withstand a total loss of your investment. The information contained herein is provided for informational and educational purposes only. The NASDAQ Private Market, LLC does not provide legal, tax, or investment advice or service. None of the information provided herein, or information displayed on or downloadable from, nor any of the applications and services available, via the Nasdaq Private Market website.

THE JOBS ACT: A TIPPING POINT

The JOBS Act of 2012 moved the market beyond Silicon Valley. It allowed companies to increase valuation and access liquidity, leading to an increase in the number of companies filing for IPOs. The median age of a technology company is 11 years, while the median age of a high-growth company is 4.5 years.

The Nasdaq Private Market, LLC or its relevant affiliate or subsidiary relating to such service. To use of each such service, prospective customers please contact sales@npm.com, and current customers please refer to your contract with The NASDAQ technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services are offered through NPM Securities, LLC, a registered broker-dealer and alternative trading system, and SMTX, LLC, a registered broker-dealer, each of which Technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services

Investing in private company stocks is speculative and involves a high degree of risk. You must be prepared to withstand a total loss of your investment. The information contained herein is provided for informational and educational purposes only. The NASDAQ Private Market, LLC does not provide legal, tax, or investment advice or service. None of the information provided herein, or information displayed on or downloadable from, nor any of the applications and services available, via the Nasdaq Private Market website.

THE JOBS ACT: A TIPPING POINT

The JOBS Act of 2012 moved the market beyond Silicon Valley. It allowed companies to increase valuation and access liquidity, leading to an increase in the number of companies filing for IPOs. The median age of a technology company is 11 years, while the median age of a high-growth company is 4.5 years.

The Nasdaq Private Market, LLC or its relevant affiliate or subsidiary relating to such service. To use of each such service, prospective customers please contact sales@npm.com, and current customers please refer to your contract with The NASDAQ technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services are offered through NPM Securities, LLC, a registered broker-dealer and alternative trading system, and SMTX, LLC, a registered broker-dealer, each of which Technology services may be offered by The NASDAQ Private Market, LLC’s wholly-owned subsidiary, SecondMarket Solutions, Inc. Securities-related services

Investing in private company stocks is speculative and involves a high degree of risk. You must be prepared to withstand a total loss of your investment. The information contained herein is provided for informational and educational purposes only. The NASDAQ Private Market, LLC does not provide legal, tax, or investment advice or service. None of the information provided herein, or information displayed on or downloadable from, nor any of the applications and services available, via the Nasdaq Private Market website.