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SharesPost: Private Tech Growth Investors Bullish About 2017, Expect Uptick In Unicorn IPOs And Higher Valuations

SAN FRANCISCO – Dec. 28, 2016 – Investors in private, venture-backed tech companies are generally bullish about 2017 after a year marked by uncertainty and see a resurgence of IPOs among unicorns to more normal levels, according to SharesPost’s 1st Annual Private Tech Investor Survey.

“The private market’s strong close to 2016 clearly has private tech growth investors feeling optimistic about 2017,” said SharesPost [Founder and CEO Greg Brogger](#). “Our survey results are consistent with our recent increases in transaction volume due primarily to increased buy-side interest. Investors seem to feel that the correction that lasted through much of 2016 has positioned the private growth asset class for growth in the New Year.”

“There is also increasing recognition that private growth companies will continue to go public, but just at a much later stage in their growth. The private market now provides ample growth capital, so that these companies can choose to transition to the public market when their earnings are significantly greater and more predictable,” Brogger said.

Responses from more than 600 institutional and individual private market investors between Nov. 21 and Dec. 15 offer a potential preview of 2017. Among the survey’s highlights:

- 49% think private company valuations will increase in 2017 vs. 28% who expect a decline; the remainder expect valuations to be flat. Institutional investors are more bullish than individual accredited investors.
- 65% think that 10 or fewer unicorns will go public in the next 18 months, in line with the historical average, and a clear uptick from the levels observed in the past 18 months - just three such IPOs in 2016. That suggests just two of the nearly 200 unicorns will IPO per quarter in 2017.
- Investors overall prefer private tech companies to public small and mid-cap stocks. The survey asked investors to state their preference for Public Large Cap Tech, Private Large Cap Tech, Public Small/Mid-Cap Tech, Private Small/Mid-Cap Tech, and Early/Seed investments. 29% chose Private Small/Mid-Cap Tech followed by 25% who preferred Public Small/Mid-Cap Tech over the next 12 months.
- The sectors with highest growth potential are FinTech, Big Data, Security and VR/AR. VC/PE investors generally prefer long-term growth opportunity in Enterprise

Software companies versus Consumer Mobile or Web Internet companies. That's surprising given that three of the five most valuable public companies are in the first group (GOOGL, AMZN, FB) versus just one in the latter group (MSFT).

For the full report, visit www.sharespost.com/insights.

About SharesPost, Inc.

SharesPost helped launch the private market in 2009 and continues to lead and innovate in the space. Based in Silicon Valley, SharesPost is an SEC-registered broker-dealer, investment advisor and Alternative Trading System. SharesPost has also built the largest and most active platform for data, analysis and transactions. With more than \$2 billion in closed transactions for more than 150 leading technology companies, SharesPost provides shareholders and buyers with the expertise and tools they need to transact in the private market with confidence. For more information, please visit www.sharespost.com.

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The matters described herein contain forward-looking statements. These statements include, but are not limited to, statements about research on late-stage, venture-backed companies. We caution that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond SharesPost's control. These factors include, but are not limited to, factors detailed in the white paper. We undertake no obligation to release any revisions to any forward-looking statements.

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