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Austin Weekly Deal Highlights

by Mason Rathe

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You would think after more than 2 years of doing this newsletter, I wouldn't be surprised by a whole lot. Well, that would be incorrect. There's always a ton of startup and tech activity going on in Texas, but this week was one for the books. Locally we saw **RigUp** pull in \$300M, **SparkCognition** with \$100M of their own, and for icing on the cake, Houston-based **Drunk Elephant** was [acquired](#) for \$845M! Not to mention a casual \$6.7B acquisition of San Antonio-based **KCI Holdings**. O, and a Nobel Prize.

Austin Financing Activity

- **RigUp**, an on-demand staffing platform for the oil and gas industry, became Austin's newest unicorn. The company [raised](#) \$300M in Series D funding at a \$1.9M post-money valuation. **Andresen Horowitz** led the round joined by previous investors **Founders Fund**, **Bedrock Capital**, **Quantum Energy Partners**, and new investors **Baillie Gifford**, and **Brookfield Growth Partners**.
- **SparkCognition** [raised](#) a \$100M Series C led by **March Capital Partners** joined by **Temasek**, **Kerogen Digital Solutions**, **Hearst Ventures**, **Malcom Turnbull**, former Australia prime minister, and **John Chambers**, former Cisco CEO. Since its founding in 2013, the company has raised \$175M. This Series C investment values the company at \$770M according to Pitchbook.
- **Tenfold**, a software solutions provider that produces a unified view of previous customer engagement, [raised](#) a \$7.5M Series C led by local firm **Next Coast Ventures**. Prior investors **Andresen Horowitz**, **Geekdom Fund**, and **Salesforce Ventures** joined the round. The company has raised more than \$38M to date.
- **Place Technology**, a corporate performance management solution that uses **Salesforce** application for financial forecasting, budgeting, and collaboration, [raised](#) \$3M in funding led by **Geekdom Fund**. Other investors include **Star Vista Capital** and angel investors.

Austin M&A Activity

- **Asure Software** (NASDAQ: ASUR), an Austin-based developer of human resources software, [sold](#) its Workplace Management business to **FM:Systems** in a deal worth \$120M.
- **SpaceCraft**, a local cloud-based website platform, has been [acquired](#) by **Madwire**, a Colorado-based business management and marketing software firm. Deal terms were undisclosed. To date, **SpaceCraft** has raised \$2.9M with investment from **Capital Sports & Entertainment** and angel investor **Dave Marmonti**.
- **Upland Software** (NASDAQ: UPLD), an enterprise workplace management software provider, continued with its M&A expansion plans. The company [acquired](#) **Altify**, a San Jose-based customer revenue optimization software company, for \$84M.
- **Solis Security**, a provider of information security and cyber incident response services, was [acquired](#) by **CFC Underwriting**, via its financial sponsor **Vitruvian Partners**, for an undisclosed amount.

Other Relevant/Regional Deal Activity

- **KCI Holdings**, a San Antonio-based provider of wound therapeutics devices, was [acquired](#) by **3M (NYS: MMM)** for \$6.725 billion.
- **Drunk Elephant**, a Houston-based manufacturer of skincare products, reached a definitive agreement to be [acquired](#) by **Shiseido Americas** for \$845M. Previously, the company

- received \$8.3M of development capital from **VMG Partners** and **Leandra Medine**. Drunk Elephant had net sales of close to \$100M last year.
- **Razberi Technologies**, a Dallas-based intelligent video surveillance provider, [raised](#) \$5.8M in funding led by **LiveOak Venture Partners** with participation from **Chartline Capital** and other family offices.
- San Antonio-based **Dura Software**, which acquires and operates business to business software companies, [raised](#) a \$10M round led by **Ozone Capital Management**. In addition, Dura Software bought 6Connex, based in Pleasanton, Calif. The company makes virtual event software.
- **BrainCheck**, a Houston-based cognitive healthcare solutions provider that helps physicians assess patients' mental health, [raised](#) \$8M in Series A co-led by **S3 Ventures** and **Tensility Venture Partners** with participation from **True Wealth Ventures** and **Nueterra Capital**. The company has raised \$11M to date.
- **Luminare**, a Houston-based developer of a sepsis screening software, raised [\\$1.15M](#) of venture funding from undisclosed investors
- **Kibo**, a Dallas-based cloud commerce company backed by **Vista Equity Partners**, agreed to buy **Monetate**, a New York-based e-commerce personalization company that had raised over \$50M in VC funding.

Austin People

- **Megan Lueders** was [named](#) the new CMO of **Silicon Labs**. Lueders was previously the VP of Worldwide Marketing at **Lifesize** and CMO at **Zenoss**.
- [Check out](#) the top Austin tech and startup hires (and departures) of September 2019

Austin News

- **John B. Goodenough**, a professor in the **Cockrell School of Engineering at The University of Texas** was [awarded](#) the **Nobel Prize in Chemistry** for his contribution in developing lithium-ion batteries.
- Texas startups [report dip in venture capital funding](#) in Q3, with \$268.2 million across 38 known deals
- The **South by Southwest** festivals [created an economic impact](#) of \$355.9 million this year, an increase of about \$5.3 million or about 1.5 percent from the \$350.6 million figure generated last year.
- **Eterneva**, a local startup appeared on tonight's episode of **ABC's "SharkTank"**. The firm memorializes loved ones by creating diamonds from ashes. To date, the company has raised \$1.2M Seed Funding from Austin-based investors, **Springdale Ventures** and **Data.world** co-founder **Brett Hurt**.
- **Trust Ventures**, a local venture firm backed by the **Koch brothers**, [announced](#) plans to raise its second fund with a target of \$100M, and it has [confirmed](#) \$70M of commitments. The firm focuses investments in startups that offer services that will improve society but face public policy barriers.
- **SmileDirectClub** [announced](#) plans to open a \$37M manufacturing plant in Kyle which will bring a total of 850 jobs to the Austin area suburb.
- Austin joins a handful of cities where [carbon emissions have fallen](#) in recent years
- **Jungle Scout**, a software provider for **Amazon** sellers, [announced](#) that its global headquarters will be in Austin. The company has approximately 120 employees globally, and 40 employees currently work at the East Austin office. The company plans to hire engineering, marketing, and product management talent.
- **Qualitest**, a London-based quality assurance and engineering company, [announced](#) expansion plans that include a new office in Austin. This expansion represents 500 new jobs, but it is not immediately clear how many would be in Austin.
- **BuildGroup** [launches](#) BuildGroup Data Systems to open access for private capital markets

Thank you!

Mason Rathe

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Additional research and newsletter support provided by [Stephanie Abt](#)



If I missed a deal, major announcement, etc., shoot me an email and happy to include in the next one.

LiveOak Venture Partners is an early stage venture capital firm investing in Texas-based companies. Think your company might be a fit, shoot me an email at mason@liveoakvp.com

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