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## Austin Weekly Deal Highlights

By Mason Rathe - November 18, 2018



Here's a fun fact to pull out at Thanksgiving dinner as you try and curve around those awkward conversations: there are over 15 thousand startups based in Austin...which is over 39% of our total businesses, making this a true [startup haven](#). You can thank me for that one later. Also this week, mobile app management and analytics company **Phunware** is [going public](#) in an unconventional way, at a \$301M valuation.

### [Austin Financing Activity](#)

- [Self Lender](#), a fintech company that helps people build credit, [raised](#) a \$10M Series B led by **Altos Ventures**. The company has raised approx. \$18M to date from investors including **Silverton Partners**.
- [Billd](#), a payment and finance solution for the construction industry, raised [\\$8.4M](#) in equity funding and other options, in connection with acquisition of assets of **Atlas44**, an Arizona-based credit supplier for the construction industry.
- [Pilosa](#), an open source index that speeds up data analysis and transfers, raised [\\$3.6M](#) in new equity funding. This new filing appears to be part of the \$5.4M seed round the company [raised](#) earlier this month, led by **Skylark Partners**. Pilosa is also one of the six startups in **Oracle's** new startup program.
- [Babson Diagnostics](#), a healthtech company focused on consumer blood tests and based out of the **Dell Med School**, [raised](#) a \$3.5M Series A from **Prism Ventures**.
- [CrowdOut Capital](#), a debt marketplace for middle market companies, raised \$2.5M in growth capital. The round was led by cofounder and CEO **Alexander Schoenbaum** and other members of CrowdOut's investor network.
- [Zdaly](#), a big data and AI platform, [raised](#) an undisclosed amount of funding from Austin's **S3 Ventures** and **Moneta Ventures**. The company is based in Houston, but also announced it is moving its headquarters to Austin.
- [Ziiker Technology](#), a digital consulting firm, [received](#) a strategic investment led by **Len Pagon** of Cleveland-based private investment firm **Next Sparc**. The amount was not disclosed.

### [Austin M&A Activity](#)

- [Xoxco](#), who builds digital products like websites, apps, and workflow tools, and creator of **Howdy**, a digital coworker for Slack, was [acquired](#) by **Microsoft**, for an undisclosed amount. The company raised \$1.5M to date, from investors including **Bloomberg Beta**, **True Ventures** and **Outlier Ventures**.

- **Barton Watch Bands**, an online watch marketplace, was [acquired](#) by **Altacrest Capital** and **Route 2 Capital Partners**, for an undisclosed amount.
- **Geospace Technologies (NAS:GEOS)**, a Houston-based oil and gas equipment provider, [acquired](#) the IP and related assets of the fiber optic sensing technology previously owned by Austin-based **PGS Americas**. Geospace intends to retain each of the PGS's employees. The deal includes an initial \$1.8M cash payment and up to \$23.3M over the next 5.5 years.

## Other Regional Deal Activity

- [Pickup](#), an Addison-based last mile delivery application, [raised](#) a \$5M Series A1 led by **TDF Ventures** and **Noro-Moseley Partners**.
- [EmpowerMX](#), a Frisco-based provider of aircraft maintenance software, raised \$5M of development capital from **The Argentum Group**. The company has raised approx. \$14M to date.
- [Data Gumbo](#), a Houston-based smart contracts platform for the oil and gas industry, raised \$2.4M of venture funding through a combination of SAFE notes and debt from undisclosed investors.

## Austin (and Other Relevant) People

- **Macrofab**, a manufacturing platform for PCB boards, [named](#) **Misha Govshteyn** as its new CEO. Govshteyn was the founder of Houston-based cybersecurity company **Alert Logic** that raised over \$40M before being acquired in 2013. Macrofab has raised approx. \$7M to date from investors including **Techstars**, **Dentsu Ventures**, and **Enhanced Capital**.
- **Favor**, an Austin delivery app that was acquired by **H-E-B** in February, [announced](#) three new executives. **Angela Lee** was appointed VP of finance. **Jay Doughty** was named VP of sales and **Daniel Guzman** became managing counsel. Lee has been with Favor since 2015, and she previously worked at uShip. Doughty was previously VP of sales at Granify. Guzman was most recently in-house counsel at H-E-B.

## Austin News

- **Phunware**, a mobile app management and analytics company, [going public](#), after a reverse merger with Athens, Greece-based **Stellar Acquisition III**. The deal values Phunware at \$301M. The combined company will take on Phunware's name and trade on Nasdaq under the ticker name "PHUN." Phunware has raised over \$100M to date.
- After pushback from activist investor **Carl Icahn**, **Dell Technologies** [upped](#) its offer to buy back shares of the **VMWare** tracking stock in order to return to the public markets. Dell set the price at \$120 per share (up from \$109), but that might not be enough for Icahn, who is suing Dell and suggested \$300 as a fair price.
- Austin [ranks second](#) nationwide among major metros for the prevalence of startups. A new Austin Chamber of Commerce study found there were 15,077 companies based here in 2016 that were less than six years old, or about 39 percent of the 38,405 total businesses headquartered in the Texas capital.
- **Samsung**, which has a big semiconductor plant in Austin, is planning to [invest \\$291M](#) as part of a major update to its facilities, and will receive state tax breaks. Samsung currently employs 2,952 full-time workers at the facility.
- **Forbes** [named](#) six Austinites on its 30 Under 30 list this year. Those include **Kyle Samani (Multicoïn Capital)**, **Sagar Hemani and Shanil Wazirali (Roomify)**, **Sheldon Zhai (Supreme Optimization)**, **Emmanuel Acho (ESPN)** and **Cory Liu (Office of Gov. Greg Abbott)**.
- **The Forbes 400**: [The Richest People In Texas, 2018](#)
- Austin's **ICON**, which is developing technology that allows for the 3D printing of entire homes, lands on [TIME Best Inventions of 2018](#).
- Professors **Gary Pope** and **Livia Eberlin** honored at the 8th annual [Inventor Awards](#)
- These 4 tech companies just [opened new Austin offices](#)
- **Juicebox Hero**, search engine and marketplace for child care services, was accepted into the [Women's Startup Lab](#).
- Austin officially has its first neighborhood where the median home price is [\\$1 million](#). the Barton Creek neighborhood

## Upcoming Events

- November 27<sup>th</sup>, [TechTalk](#) with **Jan Ryan**, founder of **Women@Austin**
- November 30<sup>th</sup>, **Texas Venture Labs** [Investment Competition](#)
- December 6<sup>th</sup>, [The Medical Device Summit](#)
- December 6<sup>th</sup>, [JBTVL Venture Expo](#)

Thank you!

**Mason Rathe**

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