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Austin Weekly Deal Highlights

# Austin Weekly Deal Highlights

May 23, 2021



Mason Rathe

May 24   

Well aren't we spoiled, it's just one of those weeks where there are so many interesting threads to pull on. For one, **Workrise** raising at \$2.9 billion dollar valuation - again proving critics wrong that one can build a highly successful startup in the oil and gas sector. And what do we have here, look at **Cognite** breaking into the unicorn club! Then there's **Udemy** cofounder **Gagan Biyani** pulling in \$20M from VC heavy hitter **Andreessen Horowitz**. Love to see these noteworthy Bay Area investors targeting Austin more and more. Let's keep it rolling, we can't forget about telehealth platform **Wheel's** \$50M raise, proving that certain Covid tech trends are here to stay. Lastly, I mean if it's even worth mentioning...the biggest acquisition in Austin this year! **Mitrtech** was purchased for \$1.55 Billion, representing a hefty 5x return for **TA Associates!**

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Huge shoutout to everyone who purchased a Company Spotlight, you should have received an email earlier today requesting the marketing collateral and timing details for featuring your company in an upcoming newsletter! Will start showcasing you guys next week! And for clarity, your Company Spotlight will still be sent to my free subscribers. Last PSA, only the paid subscribers will receive the full newsletter and venture reports, so don't miss out, subscribe above!

## Austin Financing Activity

- Workrise, formerly known as **RigUp**, an Austin-based oil and gas skilled labor discovery and matching platform, became a billion dollar company in 2019, and is expanding its focus to renewable energy with a \$300M Series E round at a \$2.9B valuation led by **Baillie Gifford** with participating from **Founders Fund, Bedrock Capital, Andreessen Horowitz, Moore Strategic Ventures, 137 Ventures, Brookfield Growth Partners, and Franklin Templeton**. Workrise has now raised over \$750M to date.
- Cognite, an industrial software as a service company, announced this week that it has closed on a \$150M investment round led by TCV. That funding round values the company at \$1.6 billion, earning the company's

unicorn status.

- Wheel, an Austin-based platform connecting clinicians with companies that provide telehealth services, raised a \$50M Series B round led by **Lightspeed Ventures** with participation from **CRV**, **Silverton Partners**, **Tusk Venture Partners**, **J.P. Morgan**, and **Future Shape**. This brings Wheel's total funding to \$66M.
- Hearth, a financial platform for home improvement contractors, raised a \$23M Series B led by Human Capital. Other investors include **8VC**, **Suro Capital**, **Jay Levine**, **Barry Sternlicht**, and **The Chainsmokers**.
- Maven, a cohort-based learning platform, landed \$20M in new funding led by **Andreessen Horowitz**. Maven previously raised \$4.3M in equity funding from investors including **First Round Capital's Bill Trenchard**, **Backstage Capital founder Arlan Hamilton**, **AngelList** co-founder **Naval Ravikant**, and **Netflix** co-founder **Marc Randolph**.
- Sevco Security, a cyber security discovery, inventory, monitoring & analysis platform, raised \$15M of venture funding from undisclosed investors, according to Pitchbook.
- data.world, a cloud-native data catalog company, raised \$11M led by Dutch chemical company **Vopak**, a customer. The company has raised approx. \$80M from investors including **LiveOak Venture Partners**, **Tech Pioneers Fund**, **Workday Ventures**, and **Shasta Ventures**.
- Austin Software Inc., a company that helps other startups build distributed engineering and product teams, raised \$2.1M from 18 investors. The company boasts four offices throughout the world and is profitable.

## Austin M&A Activity

- Mitratech, an Austin, Texas-based provider of enterprise legal and risk management software, was acquired by **Ontario Teachers' Pension Plan Board** for \$1.55B from **TA Associates**. TA acquired the company for \$315M in 2015.
- Austin artificial intelligence company **SparkCognition Inc.** acquired California-based **Ensemble Energy**, which makes software and services for renewable energy companies. Terms of the deal weren't disclosed. SparkCognition, founded in 2013, has raised \$163.6 million in funding and provides AI solutions for defense, oil and gas, financial services and other large industries.

## Other Regional Deal Activity

- Dallas-based AT&T's (NYSE: T) Warner Media is teaming up with Discovery to form a new standalone company. AT&T will receive \$43B and Warner's retention of a particular debt and AT&T shareholders will receive

stock representing 71% of the new company. AT&T acquired WarnerMedia in 2018 for \$80B.

- Solera Holdings, a Dallas-based insurance risk management software platform, Irving's DealerSocket, and Dallas' Omnitracs, are being merged by Vista Equity Partners. Vista acquired Solera in 2016, taking it private for \$6.5B. They acquired Omnitracs for \$800M in 2013, followed by DealerSocket's acquisition in 2014.
- TPG, a Fort Worth and San Francisco-based investment giant, is looking to raise its second tech-focused fund. Aimed at helping companies stay private longer, the **TPG Tech Adjacencies II LP** fund is hoping to bring in \$3B; its first tech-focused fund raised \$1.6B in 2019.
- Entourage Effect Capital, a Dallas-based Cannabis investment firm, is raising \$150M for its third flagship fund, focusing on later stage companies in the industry. Entourage has invested more than \$200M into nearly 70 companies to date.
- Cypress Growth Capital, a Dallas-based investment firm, raised \$50M for its fourth fund, \$8M more than their last fund. Cypress, which specializes in helping growing tech companies, provides funding amounts of a little over \$2M for tech companies which are bootstrapped and leaning towards profitability.
- **Rhodium**, a Fort Worth-based cryptocurrency venture, hit its \$31M debt and equity funding goal according to a filing with the SEC, with the participation of 31 investors.
- Bivacor, a Houston-based developer of magnetic artificial hearts, raised a \$22M Series B funding co-led by **Cormorant Asset Management** and **OneVentures**.
- Rhithm, a DFW-based mental and emotion wellness training and content platform, raised a \$4M seed round led by **Reach Capital** with participation from **SFJ Ventures**, **Red House Education**, and **Edovate Capital**. This brings Rhithm's funding to \$4.5M.
- Dottid, a Dallas-based real estate tech platform, landed \$4.5M in new funding led by **Kevin McManus**, **Matthew Morris**, and **Steven Bean**, bringing its total funding to more than \$8.4M.
- Adaptive3D, a Plano-based maker of polymer materials, was acquired by Desktop Metal, a Massachusetts-based 3D printing solutions company. The terms of the deal were not disclosed. Adaptive has raised over \$5.1M to date.
- Outmatch, a Dallas-based human resources platform, acquired Amsterdam-based Harver, a candidate selection platform. The financial terms of the deal were not disclosed, but the merger increases Outmatch's headcount by 50% to 300.

- Hammer Price, a Dallas-based car pricing tool and auction data aggregator platform, was acquired by **Motorsport Network** for an undisclosed amount.

## Austin People

- Hypergiants Industries' CEO, co-founder **Ben Lamm** is stepping down, making way for **Mike Betzer**, who was named president and CEO of the AI-focused company. Betzer was previously the chief digital transformation officer at Khoros, an Austin-based customer engagement platform.
- Headspring, an Austin-based consulting firm, is launching a new healthcare division led by **Walt Hauck**, previously VP of worldwide development at Haemonetics (NYSE: HAE).
- Solar Proponent LLC, a solar development company, announced it added **Alan Stringer** as COO. Stringer was most recently CTO at **Ceiba Energy Management**. Solar Proponent is backed by **EnCap Investments**, **Yorktown Partners**, **Mercuria Energy**, and **SolarPro**.

## Austin News

- Austin draws closer to scoring \$17 billion factory from Samsung
- Austin is one of the best places to live in the country, according to rankings by Niche.com.
- Why **Resonant**, a \$173M public tech co., quietly moved its HQ to Austin
- Now headquartered in Austin, Oracle sells Silicon Valley trophy tower for \$155M
- **KORE Power** names Texas one of three finalists for new lithium-ion battery factory
- After financial meltdown, **Austin's Superconductor Technologies** re-attempts merger with ClearDay
- Austin's jobless rate drops below 5%, hits lowest point in pandemic era
- Austin to loosen Covid vaccine, distancing rules for live music and events
- Austin home prices keep setting records, worsening buyers' challenges
- Prominent VC **Tim Draper** considers moving Draper University to Austin
- Austin leads US tech hubs in post-pandemic rental market recovery
- Austin ranks in top US cities to start a career

Thank you!

**Mason Rathe**

Additional research and newsletter support provided by William Scheffrahn.

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