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Austin Weekly Deal Highlights

By Mason Rathe



Who would of thought that a social media app virtually unknown 3 years ago would now be at the center of a controversy involving 2 international superpowers, a handful of Fortune 100 corporations, and over 1 billion users, with potentially serious implications to the city of Austin. The correct answer is: who would of predicted any of the events of 2020. The 2nd best answer is: not me. Well **TikTok**, there ya go, as much as I've resisted, you've made the highly coveted intro to my newsletter. As reported last week, TikTok [has its eyes](#) on Austin for its new headquarters. The deal is still [quite complicated](#), with essentially every relevant party having a different version of the transaction. And of course, per a ban by Trump (that may or may not come into effect), TikTok is supposed to vanish from US app stores by midnight tonight.

In other news, it's our 4th consecutive week of losses for the S&P, the first presidential debate is on Tuesday, and there are 37 days until the election, looks like we are in for a wild 2020 finale!

Austin Financing Activity

- [SigmaSense](#), a developer of motion sensor-based systems and interfaces, [raised](#) a \$22M Series A led by **Foxconn Technology Group**. To date, the company has raised \$31M.
- [Babson Diagnostics](#), a diagnostic blood testing company, [raised](#) a \$13.7M Series A. **Siemens Healthineers, Prism Ventures, Genesis Merchant Capital, and Lago Consulting Group** led the round.

Austin M&A Activity

- **Bristol Myers Squibb**, has [acquired](#) Austin-based clinical-stage protein engineering company, [Forbius](#) for an undisclosed amount.

Other Relevant/Regional Deal Activity

- **Academy Sports + Outdoors**, the Katy-based and KKR-backed sporting goods retailer, set IPO terms to 15.6 million shares at \$15-\$17. It would have a fully diluted market value of \$1.5 billion, were it to price in the middle, and plans to list on the Nasdaq (ASO) with Credit Suisse as lead underwriter. The company reports \$120 million of net income on \$4.8 billion in revenue for the fiscal year ending Feb. 1, 2020.
- [Bright Health](#), a Minneapolis-based medical insurance provider, [raised](#) \$500M in Series E funding, plans almost 50 **Austin** hires this year. **Blackstone, New Enterprise Associates**, and **Tiger Global Management** led the round. **T. Rowe Price** also participated. To date, Bright Health has raised \$1.6B.
- Austin-based PE firm [Blue Sage Capital](#) [raised](#) a \$300M fund to invest in midsize founder-owned businesses in Texas and the Southwest.
- [Symplr](#), a Houston-based governance, risk management, and compliance SaaS company, raised \$65M in debt from **Antares Capital, Bain Capital Credit, New Mountain Finance** and **Golub Capital**. To date, the company has raised about \$440M.
- [Data Gumbo](#), a Houston-based blockchain network company, [raised](#) a \$4M Series B led by **L37, Saudi Aramco Energy Ventures**, and **Equinor Ventures**. To date, the company has raised over \$17M according to Pitchbook.
- [OneNeighbor](#), a Frisco-based platform that connects homeowners with service providers such as lawn mowing, landscape maintenance, etc. raised [\\$1.3M](#) of seed funding from undisclosed investors.
- [Topl](#), a Houston-based blockchain ecosystem built to prove your ethical and sustainable practices, [raised](#) \$1.05M of convertible debt financing from undisclosed investors.

Austin People

- **Jay Hartzell** was officially [declared](#) the **University of Texas** President. Hartzell had served as interim president after **Greg Fenves** left UT for Emory University in April. Before he was named interim president, Hartzell served as the dean of the highly-distinguished UT McCombs School of Business.
- Jewelry mogul **Kendra Scott** has [joined](#) Shark Tank as a guest shark.
- [Hypergiant Industries](#), an AI solutions provider, [hired](#) **Mohammed Farooq** as its new CTO. Before joining Hypergiant, Farooq served as a GM at IBM Global Technology Services
- **Next Coast Ventures** [expands team](#) with **Anthony Walker** as Principal. He previously was a VP of global investment research at Goldman Sachs.

Austin News

- [‘Tremendous increase’](#) in corporate relocations, expansions to Texas since pandemic hit. Austin could set a record in 2020 for the amount of jobs brought to the city through corporate relocations. Twenty-eight relocating companies have announced 9,325 new jobs so far this year, compared to 58 such companies announcing 4,658 new jobs in 2019.
- University of Texas [ranks in the top 10](#) (#9) for the 2020 rankings of university programs that produce the most entrepreneurs that go on to garner venture funding. Between 2006 and 2020, UT produced 749 founders, 686 companies, with \$10.2B in capital raised.
- 2 Austin-based CEO's recognized as a [Top 50 SaaS CEO's of 2020](#) by The Software Report - congratulations to DISCO's Founder and CEO, **Kiwi Camara**, and **Greg Mercer**, Founder

and CEO of Jungle Scout

- Austin biopharma startup **Shattuck Labs** [files to go public](#). The offering size is proposed as \$100 million, although that's likely a placeholder amount. The company was founded in 2016 and has raised about \$239 million, according to the filing, including a \$118 million Series B round announced in June.
- [These](#) Are Austin's 5 Fastest-Growing Tech Companies, According to **Inc.**
- **Shell** [Launches](#) Innovation Studio in Austin
- **Tesla** [bought](#) an extra 381 acres to add to its 2100 acre site in Austin.
- Texas [still sitting](#) on about \$6B in federal coronavirus relief funds, which must be used before the end of the year.
- [Fast 50](#) companies revealed for 2020
- Downtown Austin Alliance [launches](#) new economic recovery plan
- **Governor Abbott** [declared](#) that restaurants and retail shops are now allowed to operate at 75% capacity.
- **Governor Abbott** [announced](#) an allocation of more than \$171M in funding from the CARES act for Texas residents who are at risk of getting evicted.
- Joe Rogan's [new home](#) is a plush \$14 million oasis on Lake Austin. He recently relocated his podcast here after a \$100M deal with Spotify.

Thank you!

Mason Rathe

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Additional research and newsletter support provided by [Dipesh Mehta](#)

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