

IVC-MEITAR H1 / 2019

Israeli High-Tech Exits Report

66 Deals with Total Exit Value of \$14.48 Billion





Highlights

- In H1/2019, total exit value reached \$14.8 billion, with one deal (Mellanox) accounting for \$6.9 billion (*). Even disregarding the Mellanox deal, this is the highest exit value for H1 in the last five years.
- The number of exits (IPOs, M&A and buyouts) in H1/2019 was 66 compared with 73 in H1/2018; however the total exit value in H1/2019 significantly increased (H1/2019: \$14.8, H1/2018: \$6.49B).
- The number of deals between \$100 million and \$1 billion was a record high, with 23 deals in H1/2019, compared with 7 deals in H1/2018 and 18 deals in 2018. This is the highest ever number of deals in this range.
- 4 IPOs were completed in H1/2019. Two sizable companies (Fiverr; Tufin) were listed in the United States and raised significant amounts, once again validating IPO as a path to exit.

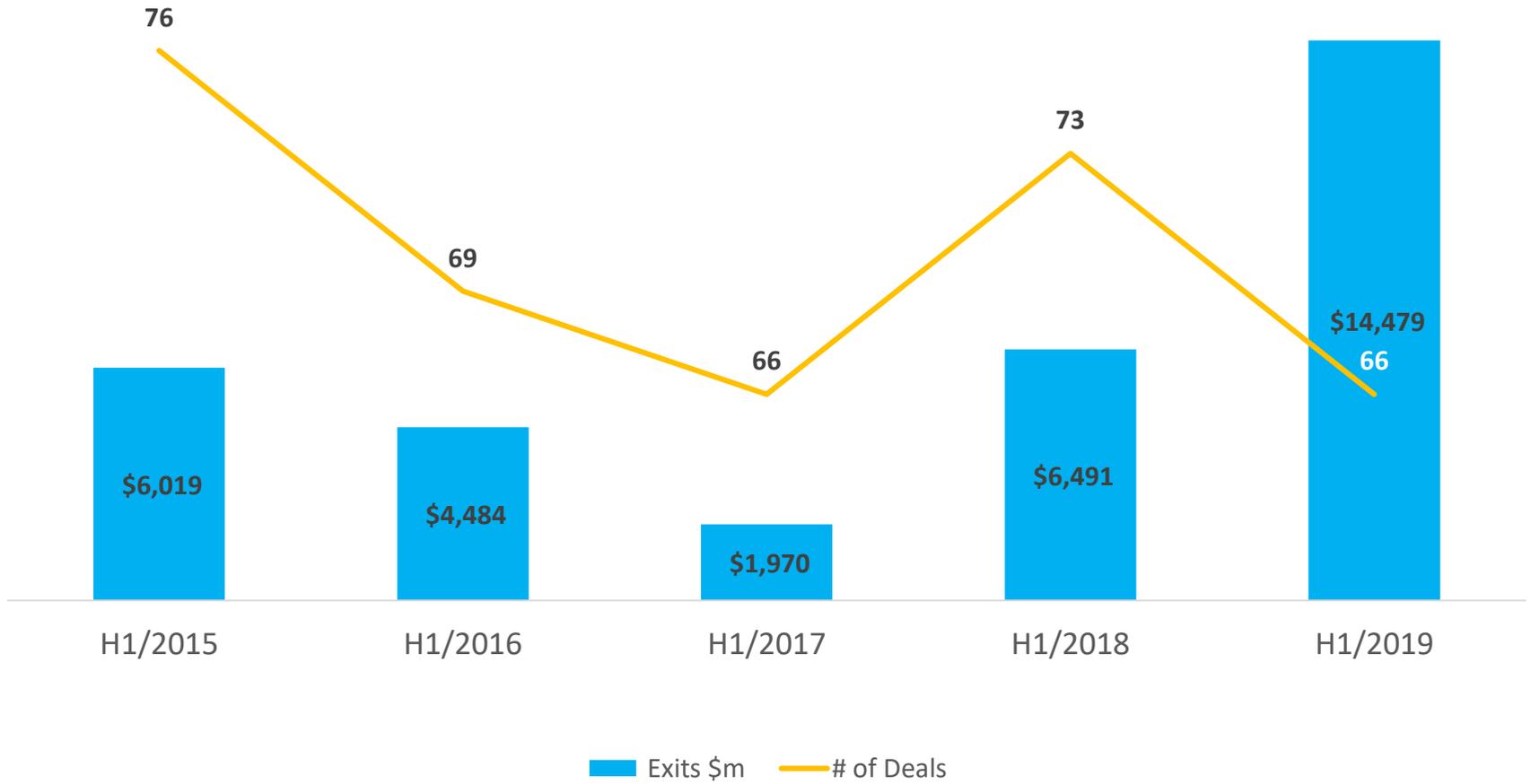


*The deal is expected to close by Q4/2019



Exits H1/2015–H1/2019

Total exit value*



Source: IVC- Meitar Exits Report H1/2019

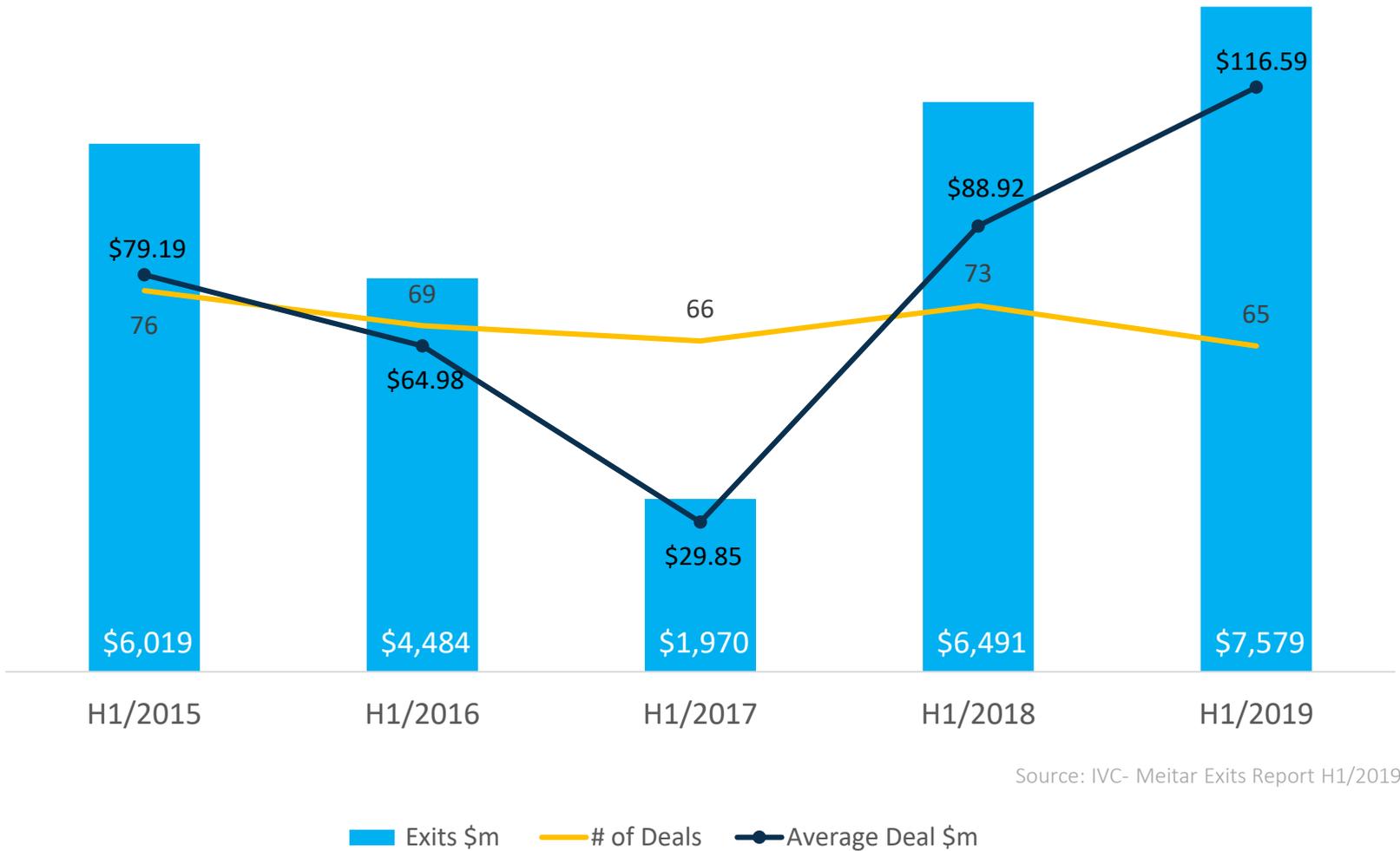
* Including exits of \$5 billion and above

**The Mellanox deal is expected to close by end of 2019



Exits H1/2015–H1/2019

- The average exit value in H1/2019 was \$116.6 million (excluding \$5 billion and above exit value).
- This increase in average exit value is derived from the increase in the number of deals with values of \$100m and higher.

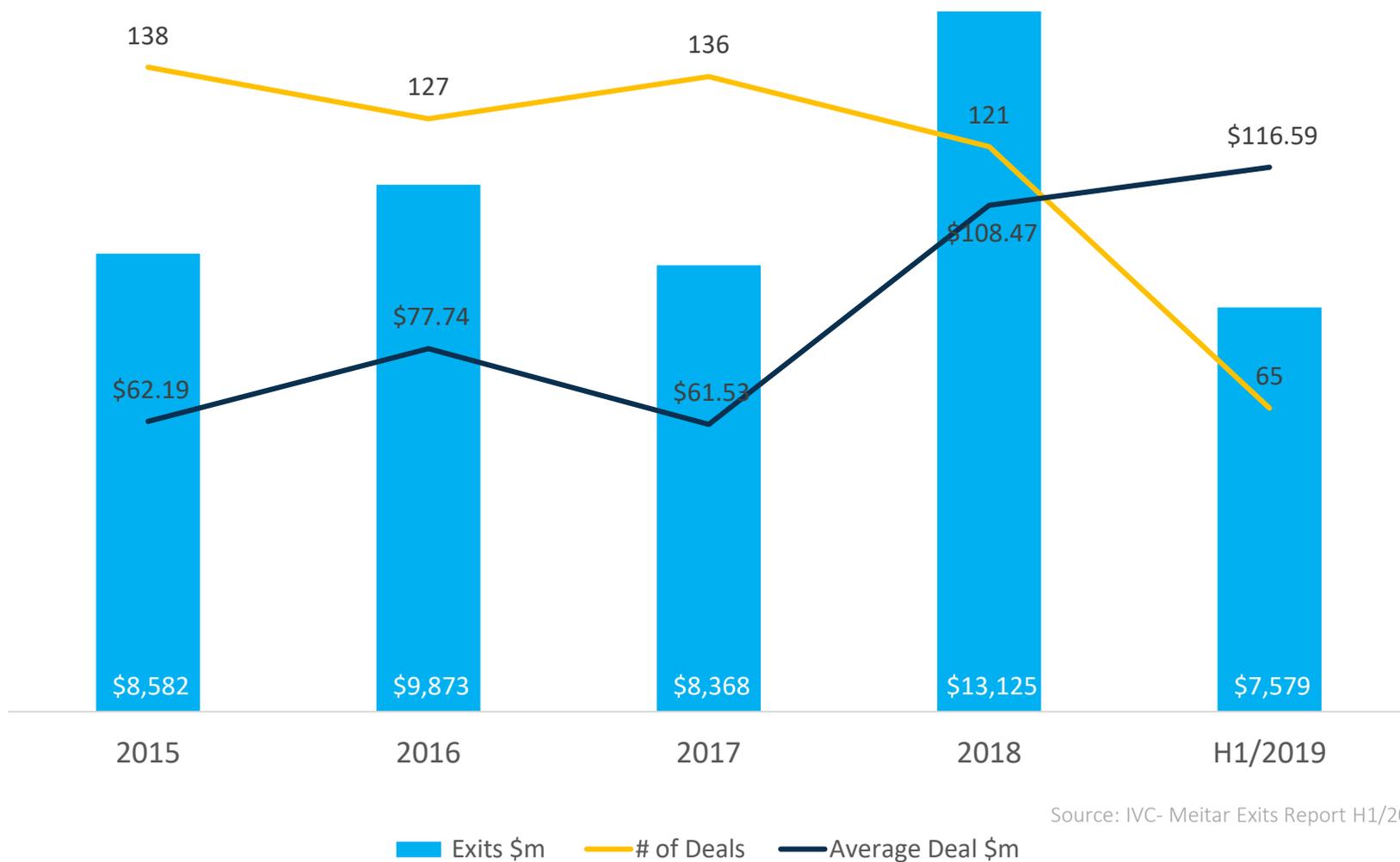


* Excluding exits of \$5 billion and above



Exits 2015–H1/2019

Comparing H1/2019 to annual 2015-2018

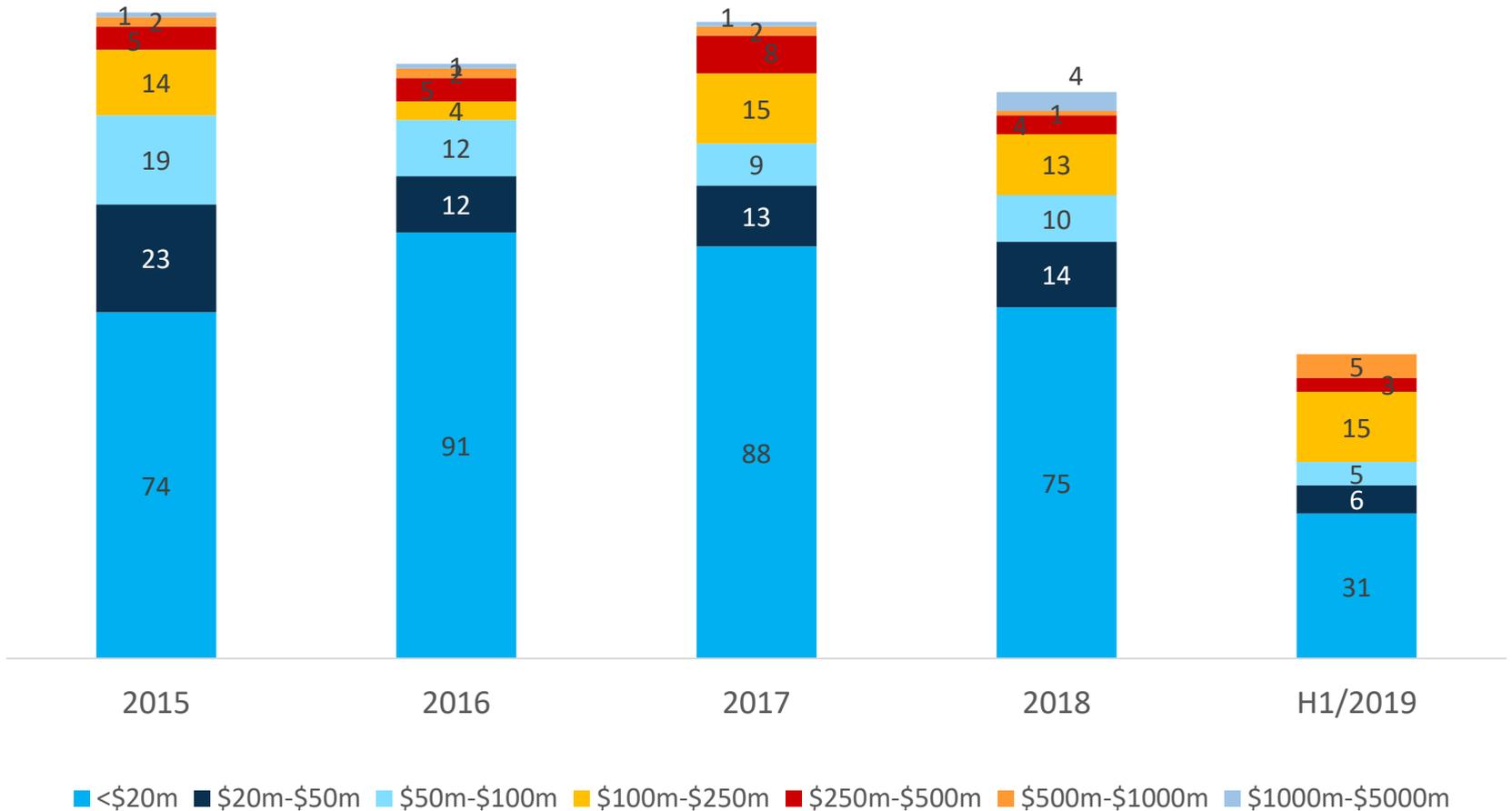


* Excluding exits of \$5 billion and above



Number of Exits by Deal Size, 2015–H1/2019

All Exit Transactions of up to \$5 billion



Source: IVC- Meitar Exits Report H1/2019

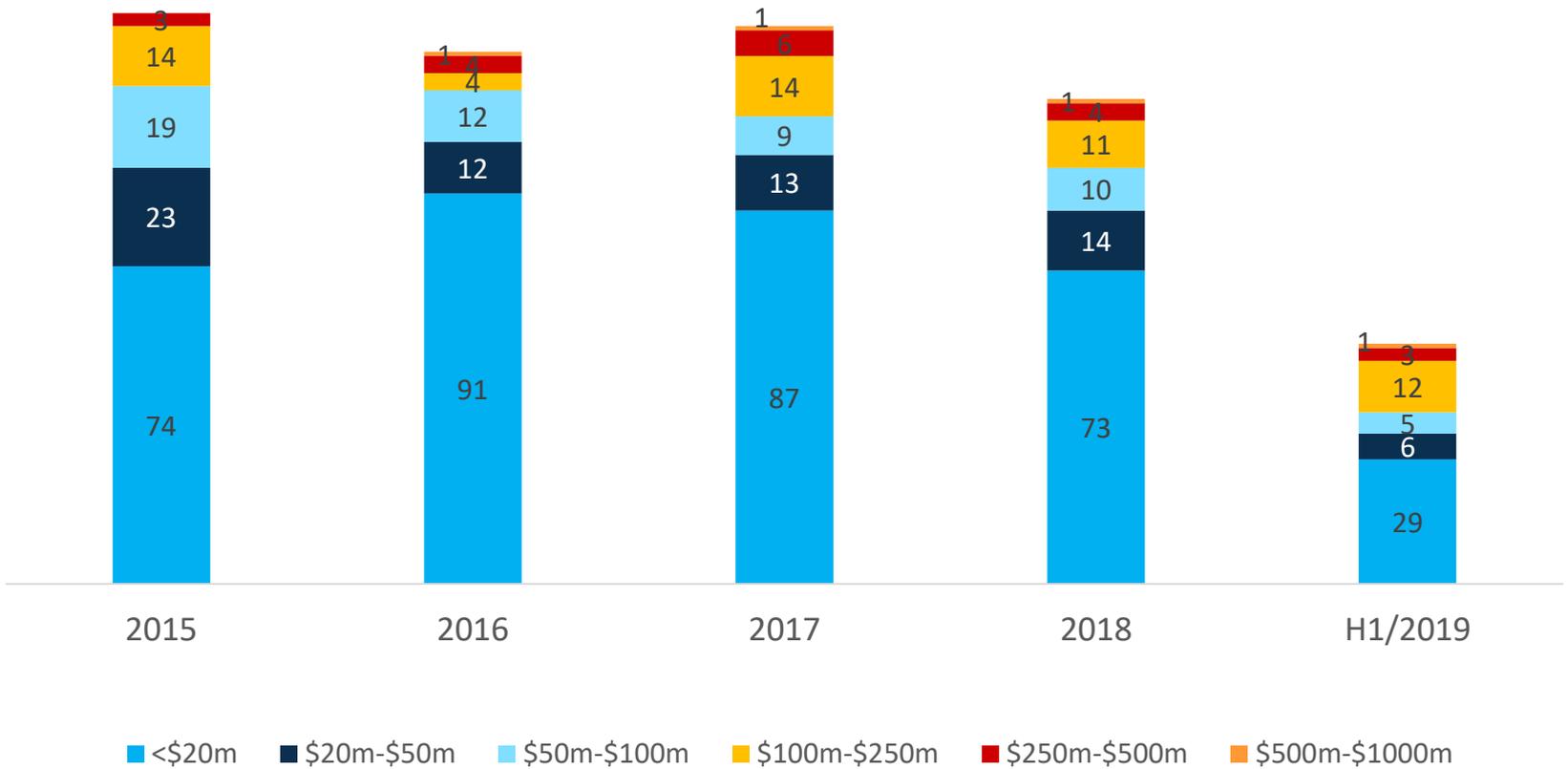
* Excluding exits of \$5 billion and above



Number of Exits by Deal Size, 2015–H1/2019

Analysis for private companies with first time exit

- The number of deals in the high-medium range (\$100m–\$500m) increased significantly.
- The number of deals in the lower range (<\$100) decreased to 40 in H1/2019.



Source: IVC- Meitar Exits Report H1/2019

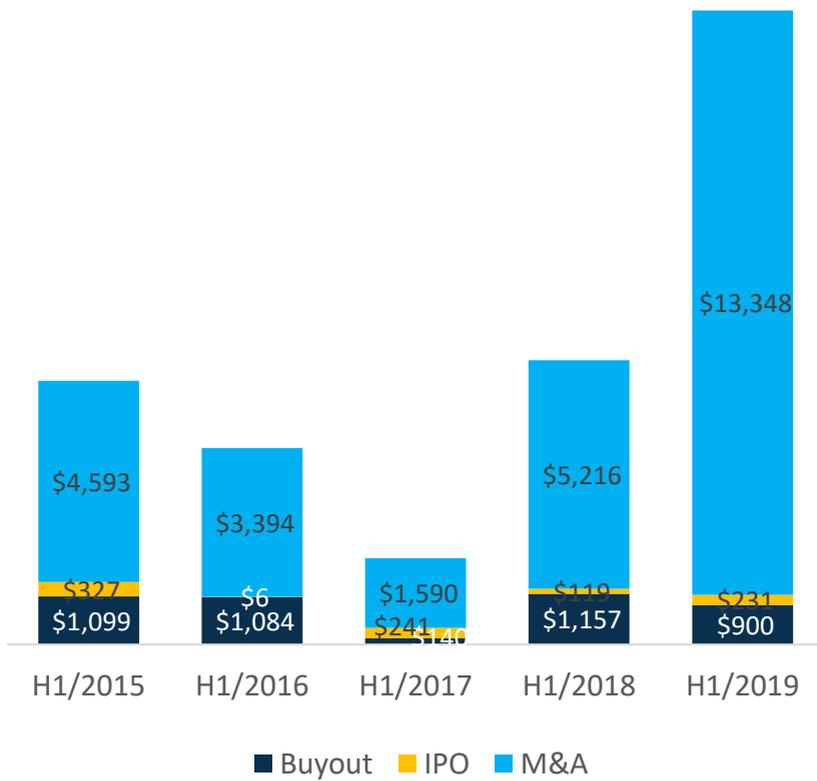
* **Excluding** exits of \$5 billion and above; public companies; and exits of companies with prior exits



Exits by Deal Type H1/2015-H1/2019

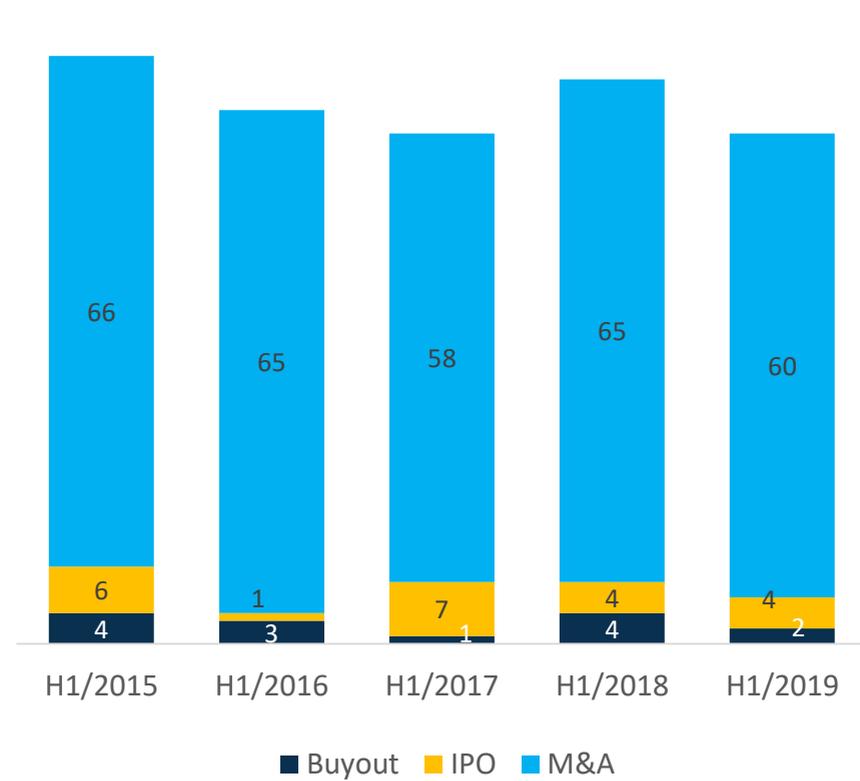
- 4 IPOs were completed in H1/2019: Fiverr, Tufin, Podium and Splitit.
- 2 of them completed IPOs in the US, validating the IPO as a path to exit:
 - Fiverr raised \$110m in NYSE.
 - Tufin raised \$108m in NYSE.

Exits by Deal Type (\$M), H1/2015–H1/2019



Source: IVC- Meitar Exits Report H1/2019

Number of Exits by Deal Type H1/2015–H1/2019



Source: IVC- Meitar Exits Report H1/2019



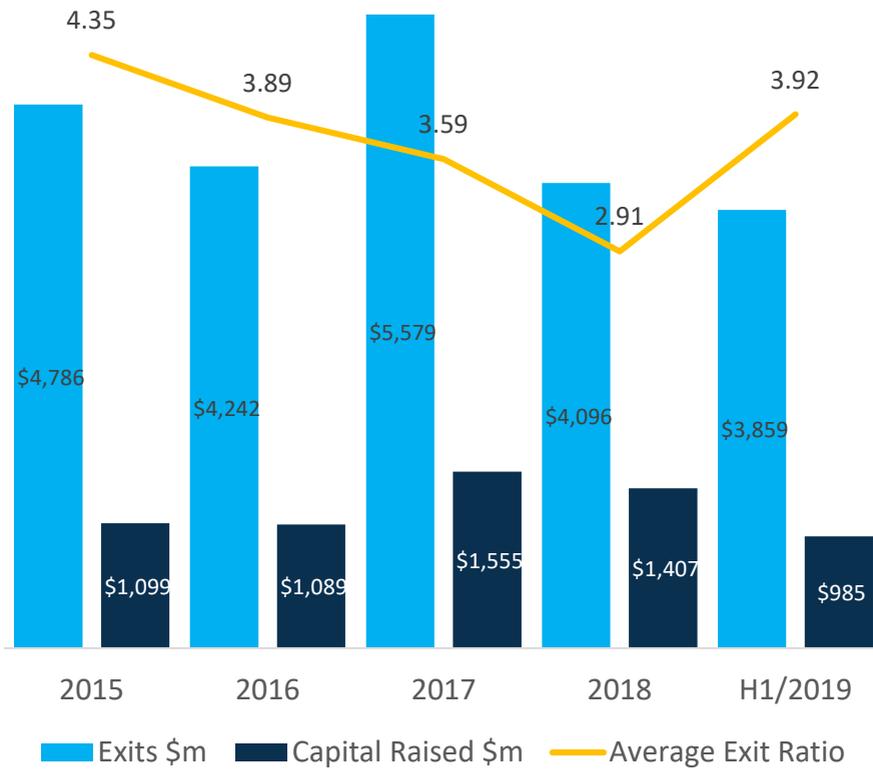
Exit Ratio 2015-H1/2019

Analysis for private companies with first-time exit

The Exit Ratio is calculated by dividing the total exit value (per year) by the total capital raised by all companies that have completed exit transactions in each year.

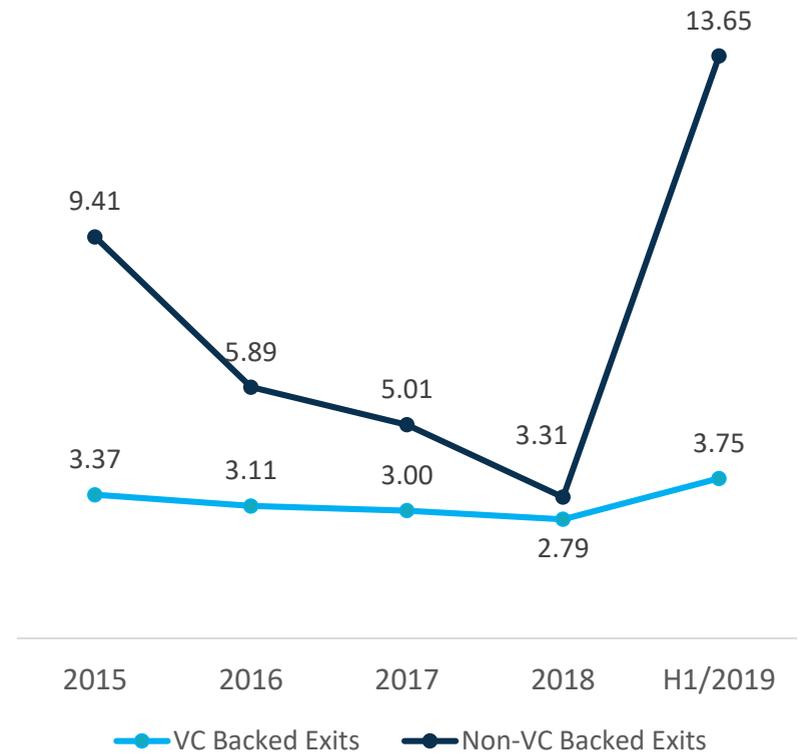
On average, the ratio in H1/2019 increased, indicating a higher return on investment.

Average Exit Ratio* 2015-H1/2019



Source: IVC- Meitar Exits Report H1/2019

Average Exit Ratio: VC-backed vs. Non VC-backed 2015-H1/2019



Source: IVC- Meitar Exits Report H1/2019

* Excluding exits of \$5 billion and above; public companies; and exits of companies with prior exits



Top Exits in H1/2019



Acquired* by NVIDIA for
\$6.9 billion

SafeCharge

Acquired by Nuvei for
\$890 million



Acquired by DiscoverOrg for
\$800 million



Acquired by the founders
& Novalpina Capital for
\$500 million (buyout)

DEMISTO

Acquired by Palo Alto Networks for
\$560 million



Acquired by QlikTech for
\$560 million



Acquired by Palo Alto Networks for
\$410 million

samanage

Acquired by SolarWinds for
\$350 million



Acquired by McDonald's for
\$300 million

Source: IVC- Meitar Exits Report H1/2019

* Subject to closing by Q4/2019.

ABOUT THIS REPORT

This report contains information derived from the IVC-Online Database.

The report summarizes exits of Israeli and Israel-related high-tech companies in merger & acquisition deals and initial public offerings, as well as buyouts performed by private equity and financial investors in Israeli and Israel-related* high-tech companies between 2015-2019

VC-backed deals referred to in this report, represent exit deals where at least one venture capital fund was involved as a pre-exit investor

Up-to-date information is available to IVC Industry Analytics subscribers

* Israeli-related - A company which isn't listed in Israel but has at least one of the following characteristics: Headquartered in Israel; Has an R&D center in Israel; Has senior Israeli management or received funding from an Israeli company.



ABOUT MEITAR LIQUORNIK GEVA LESHEM TAL

Meitar Liquornik Geva Leshem Tal is Israel's leading international law firm and the undisputed leader in the technology sector. The firm's Technology Group numbers over 120 seasoned professionals who specialize in representing technology companies, cooperating with attorneys from complementary practice areas, such as taxation, intellectual property and labor law, and dozens of attorneys from other practice areas.

Meitar has played a significant role in the majority of the largest and most prominent transactions recorded in the Israeli technology sector, including mergers and acquisitions and public offerings on foreign stock exchanges.

The firm is uniquely qualified to work with companies throughout their entire corporate "life cycle". The firm advises clients from their initial establishment through raising seed capital to successful exit.

Alongside emerging companies, Meitar represents high growth companies, and has represented the majority of the Israeli technology companies that have carried out initial public offerings in the US, as well as a diverse range of multinational companies from the US, China and Europe.

The firm represents most of the major venture capital funds active in the Israeli technology sector, and played an active role in formation of some of the most successful and well-known funds in the industry.

Meitar is unique among Israel's largest law firms in the number of partners who have worked for major international law firms in the US and elsewhere. The firm maintains close working relationships with leading firms from around the world to provide our international and Israeli clients with the highest level of service and quality – in line with the finest law firms from across the globe.

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ABOUT IVC RESEARCH CENTER

IVC Research Center is the leading online provider of data and analyses on Israel's high-tech, venture capital and private equity industries.

IVC owns and operates the IVC-Online Database which showcases over 8,500 active Israeli technology startups, and includes information on private companies, investors, venture capital and private equity funds, angel groups, incubators, accelerators, investment firms, professional service providers, investments, financings, exits, acquisitions, founders, key executives and Multinational Corporations.

Publications include newsletters; Daily Alerts; the Magazine; surveys; research papers and reports; and interactive dashboards.

IVC Industry Analytics – analysis, research, and insights into the status, main trends, and opportunities related to exits, investments, investors, sectors, and stages

IVC products and services are used regularly by high-tech companies, venture capital funds, private investors, financial investors and institutions, as well as public entities such as the Central Bureau of Statistics, the Bank of Israel, The Israeli Innovation Authority and Ministry of Economy. IVC's information is used by key decision-makers, strategic and financial investors, government agencies and academic and research institutions in and outside of Israel.





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