

Q3 2024 IPO Report

IPO Pipeline Update

As market dynamics shift and investors seek fresh opportunities, the potential for IPOs among privately held unicorns remains a key area of focus. The Prime Unicorn Index is an essential barometer for understanding the landscape of high-growth firms poised for public offerings. In recent years, the Index has witnessed significant activity, reflecting the robust growth and maturity of its component companies.

Despite market volatility and macroeconomic challenges, several Index components have demonstrated strong operating fundamentals and continue to attract substantial investment. These companies span various sectors, and are characterized by their innovative business models, scalable technologies, and solid revenue growth.

By leveraging proprietary data, the index identifies companies with the most compelling IPO characteristics, such as sustainable revenue streams, strong market positions, and capable management teams. Our analysis aims to provide a comprehensive view of these companies' readiness and potential impact on the public markets.

Through this report, we aim to shed light on the upcoming opportunities within the Prime Unicorn Index and provide insights into the evolving IPO landscape.

Components



databricks



CoreWeave



ServiceTitan®

NAVAN



Index Overview

The **Prime Unicorn Index** is a modified market cap price return index that measures the share price performance of U.S. private companies valued at \$1 billion or more. The price changes of component companies are derived from publicly available information associated with company transactions, filings, and other disclosures. The index provides empirical data to asset managers and financial advisors interested in tracking today's private capital markets. The index is designed for use in the creation of financial products and as a performance benchmark.

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Company Overview



databricks

Databricks is a unified data analytics platform that simplifies big data processing and machine learning by integrating with tools like Apache Spark, Delta Lake, and MLflow. Founded by the creators of Apache Spark, Databricks provides a collaborative environment for data engineers, data scientists, and business analysts to work together efficiently and securely on large-scale data projects.

Company Information

Details

- **Sector:** Data/AI
- **Founded:** 2013
- **Founders:** Arsalan Tavakoli, Ion Stoica, Andy Konwinski, Reynold Xin, Patrick Wendell, Ali Ghodsi, Matei Zaharia
- **Last Raised:** \$684.6 million (September 2023)
- **Post-Money Valuation:** \$35.2 billion
- **Current Index Pricing:** \$57 (secondary)
- **Current Index Rank:** 2
- **Revenue:** \$2.4 billion, up over 60% YoY
- **Public Competitors:** Snowflake, AWS, Microsoft Azure, Google Cloud
- **Private Competitors:** Cockroach Labs, MotherDuck, Redis

Why Now?

- Despite economic uncertainty and an overall decrease in fundraising, Databricks managed to raise a massive \$500 million up round in Fall 2023
- Databricks has recently made many large acquisitions, including a \$1.3 billion acquisition of MosaicML, a genAI startup, and a >\$1 billion acquisition of Tabular, a data management startup
- The company's 50% growth rate is strong compared to both public and private comps, and the company also boasts a 140% net expansion rate (Snowflake, its largest public comp, reports 31.5% and 131%, respectively)
- While no specific time horizon has been offered, CEO Ali Ghodsi claims the company is watching the market for positive signs to go public

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Company Overview

NAVAN

Navan (FKA: Tripactions) is a cutting-edge travel management platform designed to streamline business travel and expense management through its user-friendly interface and AI-powered solutions. It offers comprehensive services including booking, itinerary management, and real-time expense tracking to enhance efficiency and reduce costs for companies and their traveling employees.

Company Information

Details

- **Sector:** Business Products and Services/ Software
- **Founded:** 2015
- **Founders:** Ariel Cohen, Ilan Twig
- **Last Raised:** \$354 million (October 2022)
- **Post-Money Valuation:** \$9 billion
- **Current Index Pricing:** \$12.48
- **Current Index Rank:** 11
- **Revenue:** \$1 billion (2023)
- **Public Competitors:** American Express, SAP Concur, Egencia (Expedia)
- **Private Competitors:** TravelPerk, Brex, Expensify, TravelBank, Ramp

Why Now?

- In a May 2024 interview, CEO Ariel Cohen disclosed he believes the company is nearing an IPO
- In June 2024, Navan appointed Amy Butte, former NYSE CFO, as its new CFO
- The company is expected to reach profitability this year
- Navan saw revenue of \$1 billion in 2023, up from \$300 million, showing a revenue growth rate of 335%
- The company is already seeing 40% YoY growth in EBITDA
- Navan has retained Goldman Sachs and JP Morgan Chase to handle its listing

Notable Investors

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Company Overview



CoreWeave

CoreWeave is a specialized cloud provider offering high-performance compute resources optimized for GPU-intensive workloads. It supports industries such as artificial intelligence, machine learning, visual effects, and rendering by providing scalable and efficient cloud solutions tailored to these high-demand applications.

Company Information

Details

- **Sector:** Data/AI
- **Founded:** 2017
- **Founders:** Michael Intrator, Brian Venturo, and Brannin McBee
- **Last Raised:** \$1.1 billion (May 2024)
- **Post-Money Valuation:** \$17.9 billion
- **Current Index Pricing:** \$779.05
- **Current Index Rank:** 86 (as of April 2024)
- **Revenue:** \$2.4 billion (projected 2024)
- **Public Competitors:** AWS, Microsoft Azure, Google Cloud
- **Private Competitors:** Paperspace, Lambda Labs, Run

Why Now?

- CoreWeave has begun prepping for an IPO in the first half of 2025
- The company is launching a multi-billion dollar expansion, anticipating to double its global footprint by the end of the year
- CoreWeave has raised over \$12 billion in debt and equity over the last 12 months, the most recent being a \$7.5 billion debt financing led by BlackRock and Magnetar
- CoreWeave recently entered into a contract with Core Scientific, under which Core Scientific will deliver roughly 270 MW of infrastructure to host Coreweave's operations by the second half of 2025

Notable Investors



ALTIMETER



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Company Overview



Cerebras Systems is a pioneer in artificial intelligence compute technology, known for developing the world's largest computer chip designed specifically to accelerate AI and deep learning workloads. Their flagship product, the Wafer Scale Engine, aims to deliver unprecedented performance and efficiency for AI research and development.

Company Information

Details

- **Sector:** Semiconductors
- **Founded:** 2016
- **Founders:** Andrew Feldman, Sean Lie, Jean-Philippe Fricker, Michael James, Gary Lauterbach
- **Last Raised:** \$300 million (October 2021)
- **Post-Money Valuation:** \$2.44 billion
- **Current Index Pricing:** \$14.66
- **Current Index Rank:** 105
- **Revenue:** ~\$1 billion
- **Public Competitors:** NVIDIA, Intel, AMD
- **Private Competitors:** Graphcore, Groq, SambaNova Systems

Why Now?

- Cerebras was announced to have confidentially filed for an IPO in mid-June 2024
- Cerebras recently picked Citigroup as the lead bank for its IPO, according to recent reports
- The company is targeting an IPO as soon as H2 2024 and expects to go public at a valuation higher than its Series F valuation in 2021
- In December 2023, Cerebras claimed its revenue is doubling year on year, and it had recently reached cash flow break-even
- Recently partnered with Mayo Clinic to develop LLMs for medical applications
- Public Comp NVIDIA (NVDA) is up nearly 150% YTD

Notable Investors



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Company Overview



ServiceTitan®

ServiceTitan is a cloud-based software platform designed to help home service businesses manage and streamline their operations. The platform provides tools for scheduling, dispatching, invoicing, and customer relationship management, enabling service companies to enhance their efficiency and grow their businesses.

Company Information

Details

- **Sector:** Business Software
- **Founded:** 2013
- **Founders:** Ara Mahdessian and Vahe Kuzoyan
- **Last Raised:** \$200 million (June 2021)
- **Post-Money Valuation:** \$8.1 billion
- **Current Index Pricing:** \$66 (secondary)
- **Current Index Rank:** 30
- **Revenue:** \$577 million (2023 estimate)
- **Public Competitors:** Salesforce (Service Cloud), Intuit (QuickBooks), Oracle (NetSuite)
- **Private Competitors:** Housecall Pro, Jobber, Service Fusion

Why Now?

- In December 2023, it was reported that ServiceTitan was working with Goldman Sachs and Morgan Stanley towards a 2024 IPO
- ServiceTitan operates in a very niche market and boasts over 11,800 businesses using its software
- The company experienced an estimated growth rate of 25% in 2023
- In April 2024, ServiceTitan acquired Convex, a leading sales and marketing platform for the commercial services industry
- The company has recently entered into multiple strategic partnerships, including with Southland Industries, Synchrony Financial, Bluon, and Thumbtack

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