

Recent New Hampshire Economic Trends: Venture Capital Investments in 2013

**Prepared by
Economic and Labor Market Information Bureau
New Hampshire Employment Security**

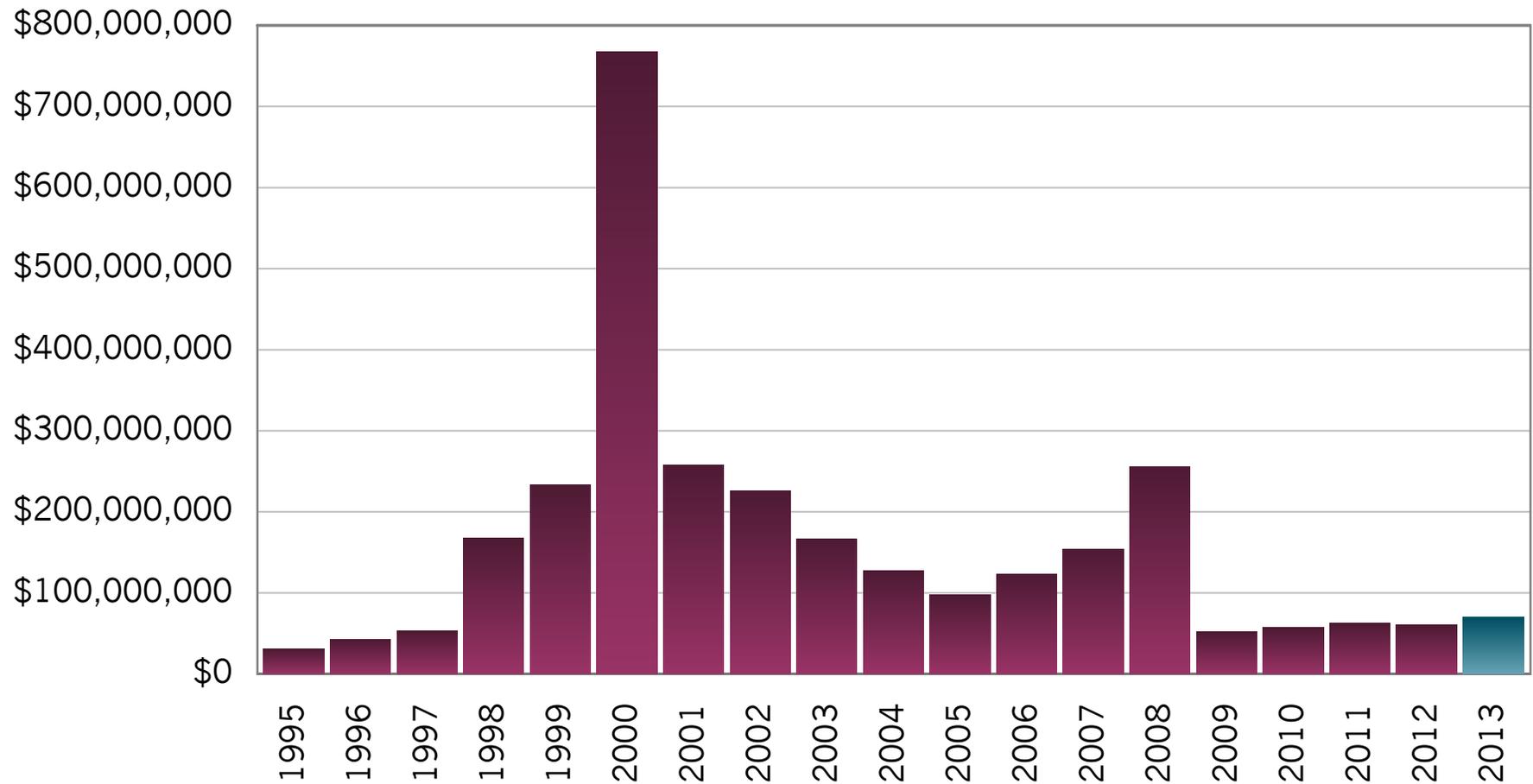
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What is Venture Capital?

- ➔ Venture capital is equity funding provided by professional investors to fast-growing entrepreneurial companies. Funding can be in the form of a direct cash investment or by a private placement of securities.
- ➔ Venture capitalists can often be involved in the management and operations of a company. The ultimate goal of the venture capitalist is to “cash out” in the long-term, after a merger, acquisition, or an initial public offering (IPO).
- ➔ Tracking the flow of Venture Capital by industry can help predict products, services, and jobs of the future.

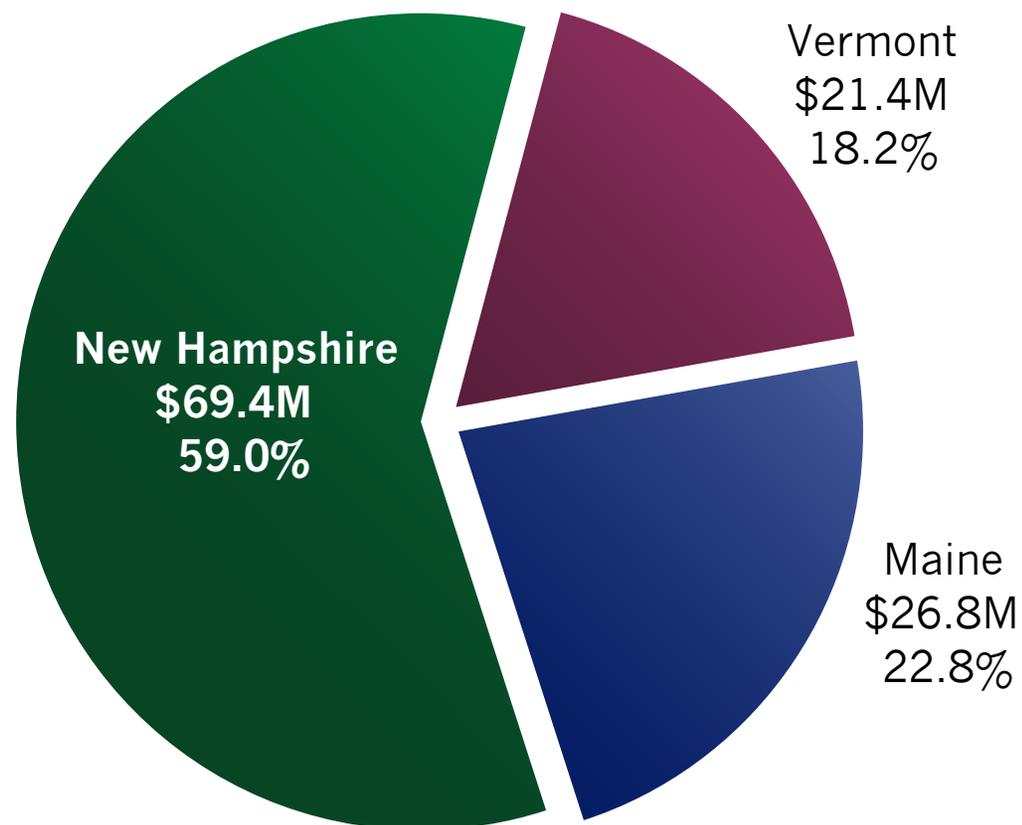
Venture capital in New Hampshire had its strongest year since 2008



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Source: PricewaterhouseCoopers and
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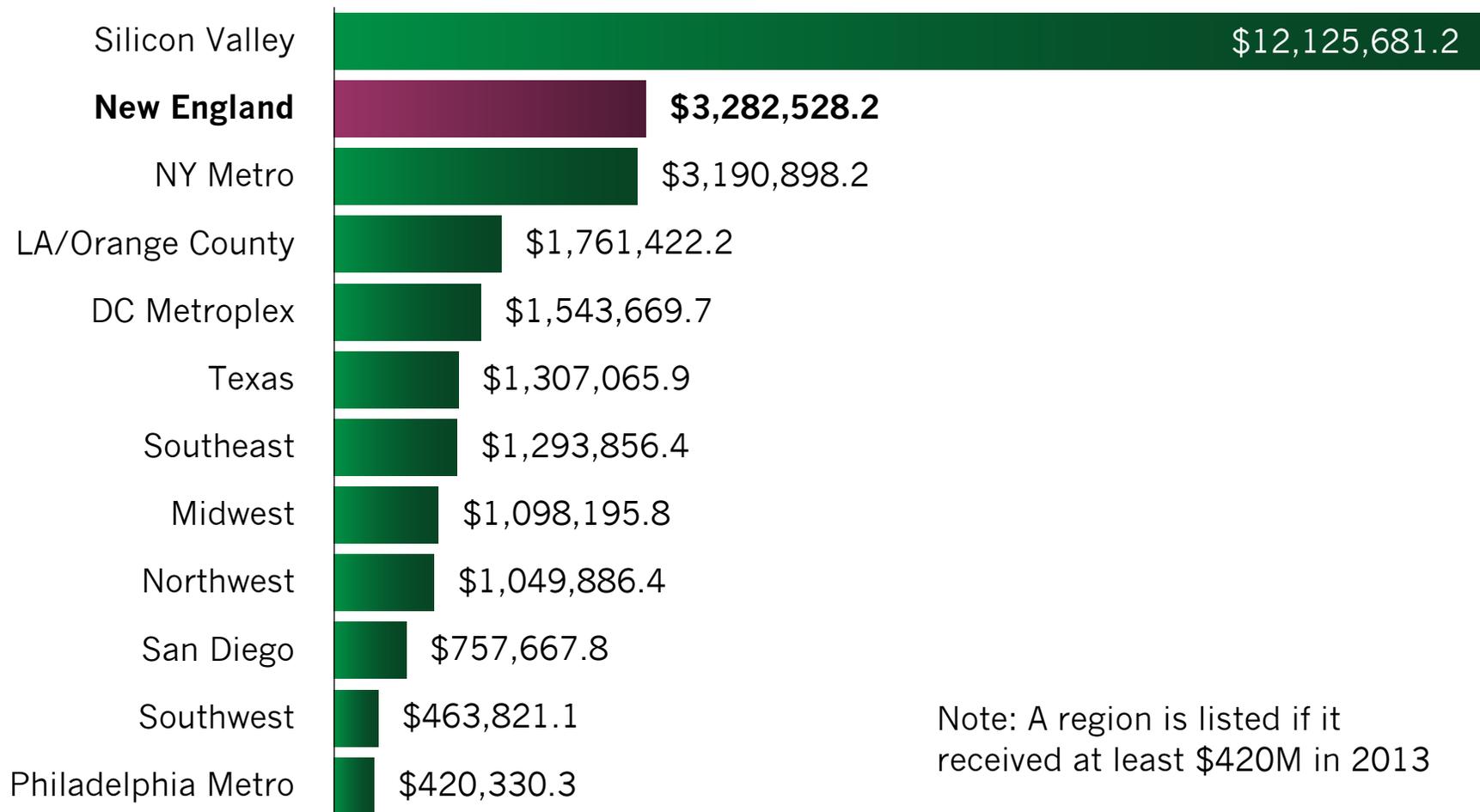
New Hampshire firms brought in the largest share of venture capital dollars in northern New England for 2013



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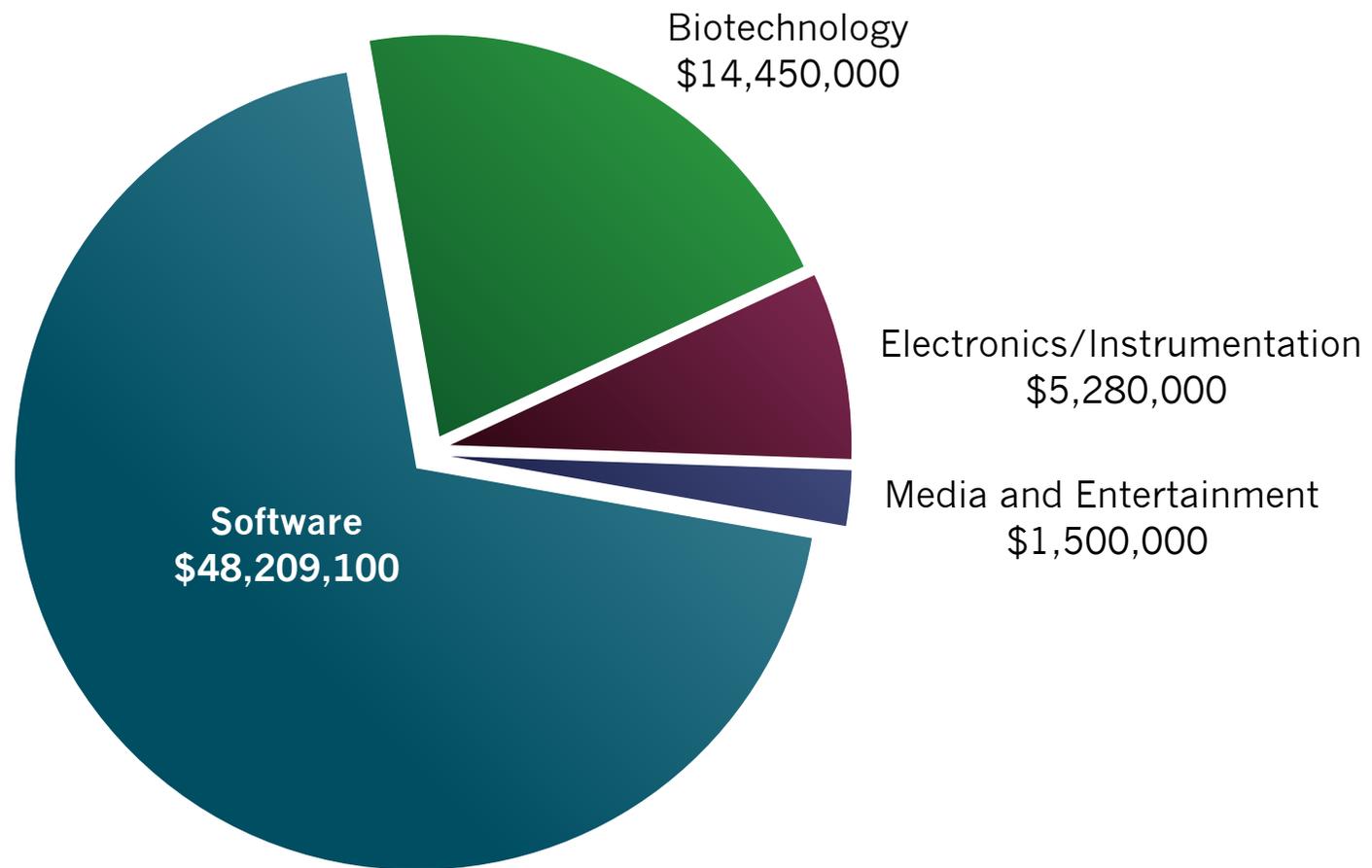
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New England firms attracted \$3.3 billion of venture capital in 2013 (amounts in \$000s)



Note: A region is listed if it received at least \$420M in 2013

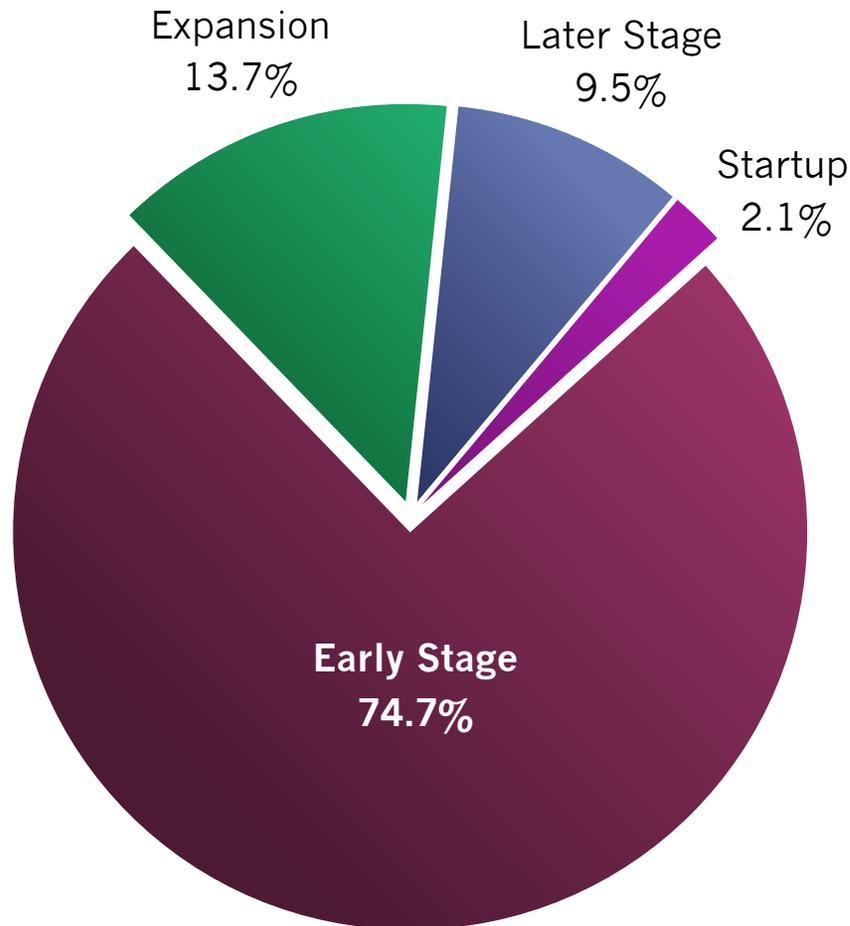
Software firms in New Hampshire brought in the largest share of venture capital in 2013



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New Hampshire firms in the early stage received most of the venture capital dollars in 2013



Startup stage: Company in existence for less than 18 months. May not be fully operational. Venture capital may be attracted by a particular concept or product under development.

Early stage: Company in business for less than three years. Product or service may be at the testing stage or in pilot production. Company may not yet be generating revenues or have a commercially available product.

Expansion stage: Company has a product or service in production or on the market. Venture capital may be used to break into new markets or increase production. Company may be profitable at this stage.

Later stage: Company is generating revenue, likely with a positive cash flow. Venture capital may be in anticipation of an initial public offering (IPO) or other buyout opportunity.