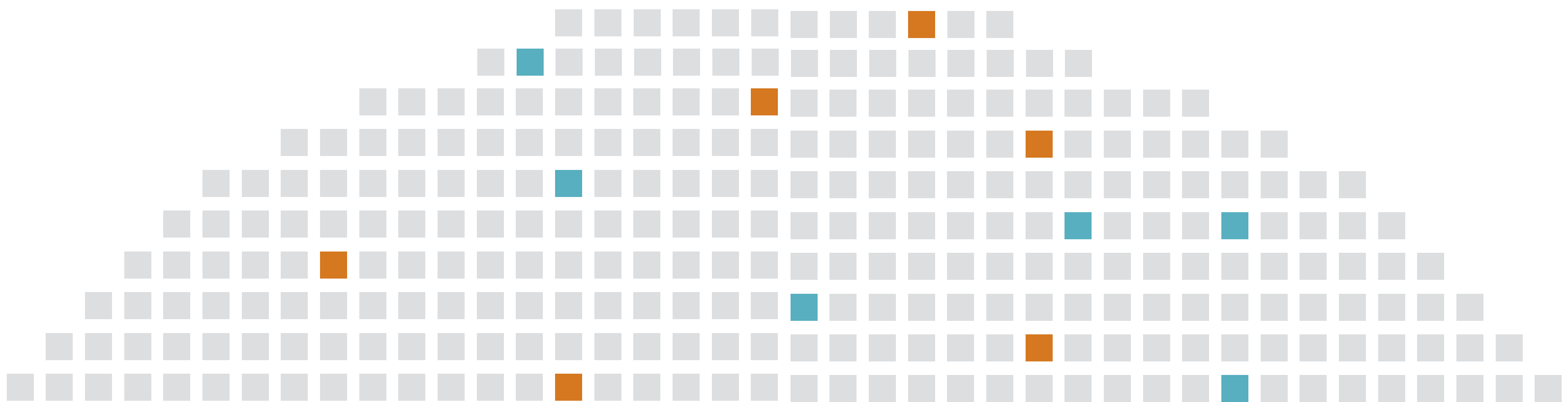
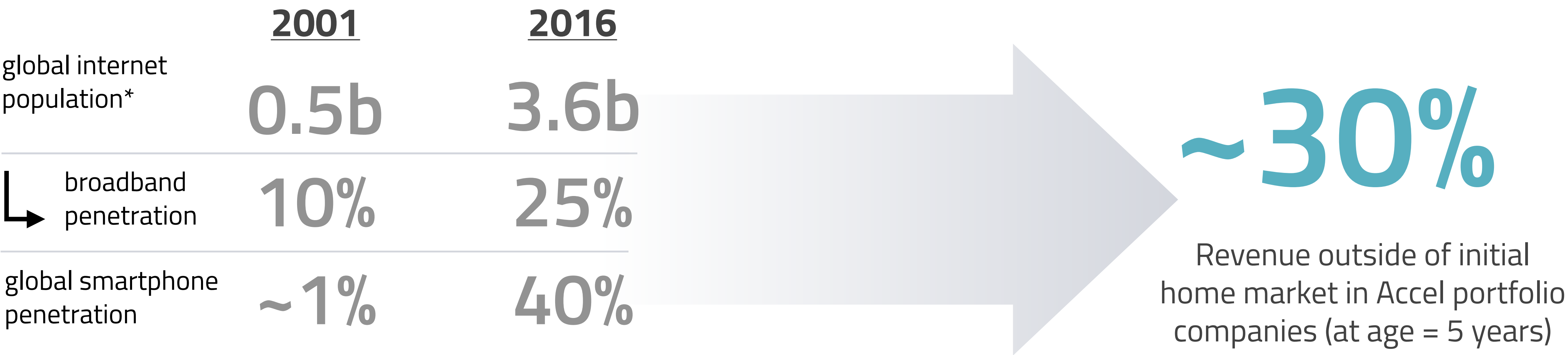


State of the Union

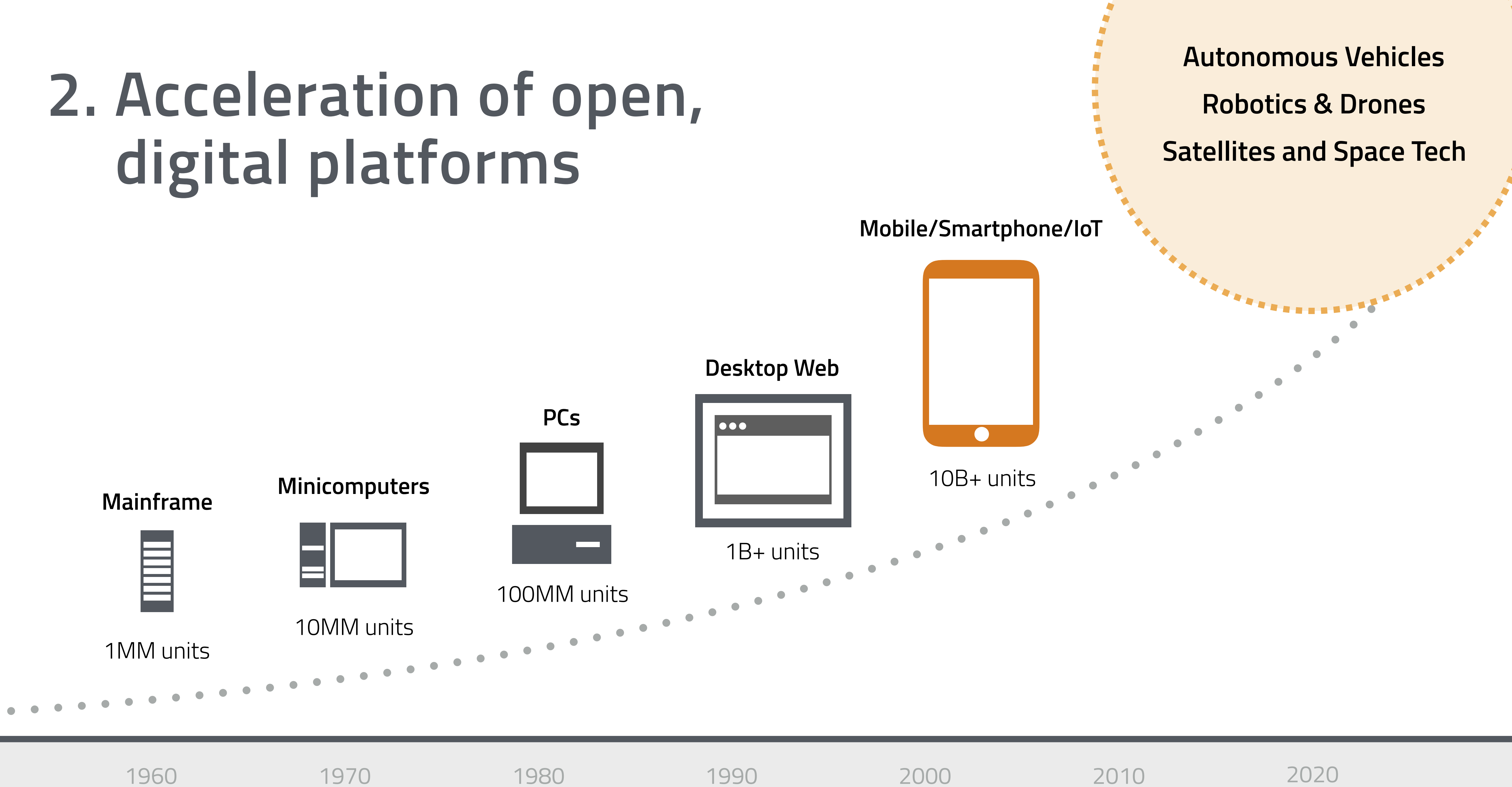
Accel's Perspective of the Current Technology Landscape



1. Global interconnectedness



2. Acceleration of open, digital platforms



3. Data centrality and applied AI/ML



Rich, proprietary data around users/
customers stored ad infinitum



Widely accessible,
GPU-enabled compute



Openly available ML algorithms

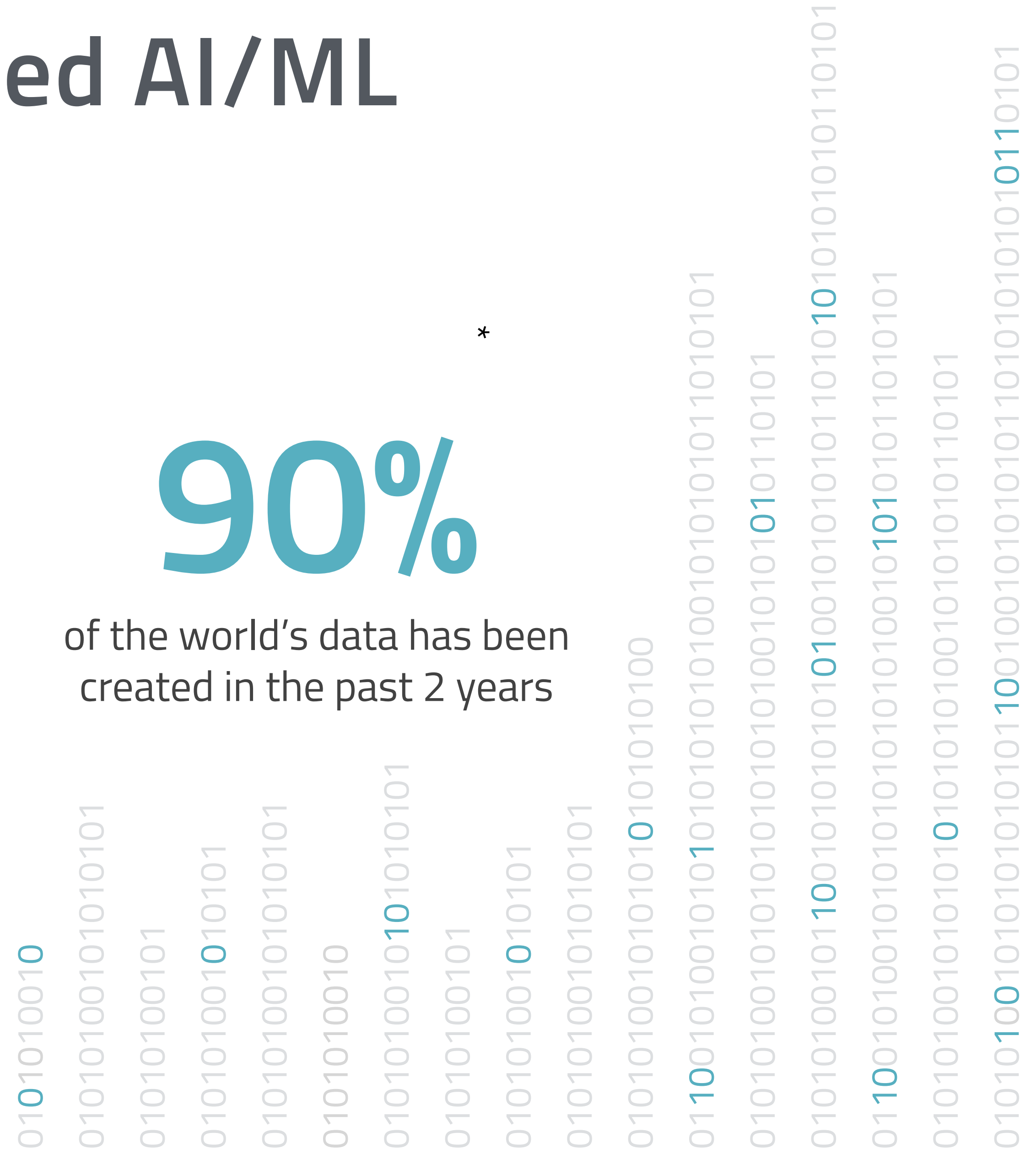


***Rich data network effects powering
data-driven software and services***

90%

of the world's data has been
created in the past 2 years

*



4. Readily available building blocks

(the power of NIH)



Cloud platforms



Scalable APIs



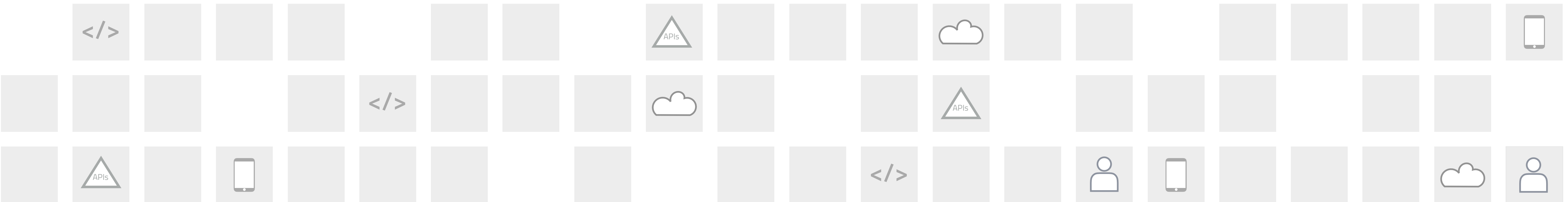
Abundance of Open Source



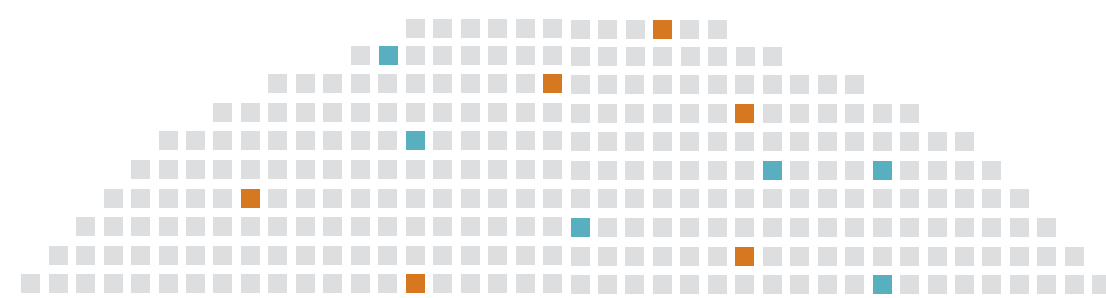
Distribution Platforms



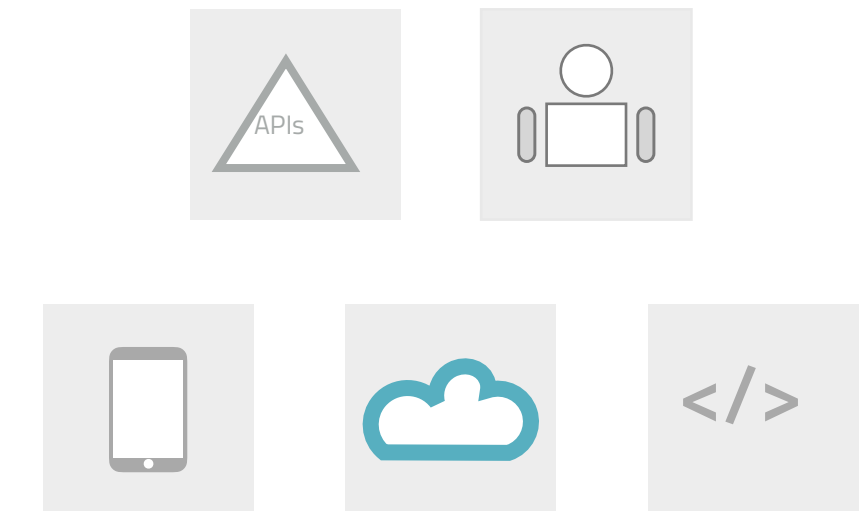
Vocal & Viral Communities



98% of Accel teams are accelerating development via cloud or APIs in 2016 (<10%, 2006)



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Connected Global
Markets

x

Accelerating
Platforms

x

Data
Centrality

x

Pre-Existing
Building Blocks



Advantage New Tech Entrants



New players taking the lead

Changing of the guard?



'New Guard' rapid rise to the Top 5

Top 25 S&P Companies By Market Cap

2008	2009	2010	2011	2012	2013	2014	2015	2016
Exxon Mobil Corp.	Exxon Mobil Corp.	Exxon Mobil Corp.	Exxon Mobil Corp.	Apple Inc.	Apple Inc.	Apple Inc.	Apple Inc.	Apple Inc.
Wal-Mart Stores	Microsoft Corp.	Apple Inc.	Apple Inc.	Exxon Mobil Corp.	Exxon Mobil Corp.	Exxon Mobil Corp.	Microsoft Corp.	Alphabet Inc. Class C
Procter & Gamble	Wal-Mart Stores	Microsoft Corp.	Microsoft Corp.	Alphabet Inc. Class A	Alphabet Inc. Class A	Microsoft Corp.	Berkshire Hathaway	Microsoft Corp.
Microsoft Corp.	Alphabet Inc. Class A	General Electric	IBM Corp.	Wal-Mart Stores	Microsoft Corp.	Berkshire Hathaway	Exxon Mobil Corp.	Amazon.com Inc.
General Electric	Apple Inc.	Wal-Mart Stores	Chevron Corp.	Microsoft Corp.	General Electric	Johnson & Johnson	Amazon.com Inc.	Facebook, Inc.
AT&T Inc.	Johnson & Johnson	Alphabet Inc. Class A	Alphabet Inc. Class A	General Electric	Berkshire Hathaway	Wells Fargo	General Electric	Exxon Mobil Corp.
Johnson & Johnson	Procter & Gamble	Berkshire Hathaway	Wal-Mart Stores	IBM Corp.	Johnson & Johnson	Wal-Mart Stores	Johnson & Johnson	Johnson & Johnson
Chevron Corp.	JPMorgan Chase & Co.	Chevron Corp.	General Electric	Chevron Corp.	Wal-Mart Stores	General Electric	Wells Fargo	General Electric
Berkshire Hathaway	IBM Corp.	IBM Corp.	Procter & Gamble	Berkshire Hathaway	Chevron Corp.	Procter & Gamble	Alphabet Inc. Class C	JPMorgan Chase & Co.
Wells Fargo	AT&T Inc.	Procter & Gamble	AT&T Inc.	Johnson & Johnson	Wells Fargo	JPMorgan Chase & Co.	JPMorgan Chase & Co.	AT&T Inc.
Pfizer Inc.	General Electric	AT&T Inc.	Berkshire Hathaway	AT&T Inc.	Procter & Gamble	Facebook, Inc.	Facebook, Inc.	Wells Fargo
JPMorgan Chase & Co.	Chevron Corp.	Johnson & Johnson	Johnson & Johnson	Procter & Gamble	JPMorgan Chase & Co.	Chevron Corp.	Alphabet Inc. Class A	Procter & Gamble
IBM Corp.	Pfizer Inc.	JPMorgan Chase & Co.	Pfizer Inc.	Pfizer Inc.	Pfizer Inc.	Oracle Corp.	Procter & Gamble	Wal-Mart Stores
The Coca Cola Co.	Berkshire Hathaway	Wells Fargo	The Coca Cola Co.	Wells Fargo	IBM Corp.	Pfizer Inc.	AT&T Inc.	Pfizer Inc.
Alphabet Inc. Class A	Wells Fargo	Oracle Corp.	Wells Fargo	JPMorgan Chase & Co.	AT&T Inc.	Verizon Communications	Pfizer Inc.	Visa Inc.
Verizon Communications	Cisco Systems	The Coca Cola Co.	Philip Morris Int'l	The Coca Cola Co.	Amazon.com Inc.	Bank of America Corp.	Wal-Mart Stores	Verizon Communications
Cisco Systems	The Coca Cola Co.	Pfizer Inc.	Oracle Corp.	Oracle Corp.	The Coca Cola Co.	The Coca Cola Co.	Verizon Communications	Chevron Corp.
Oracle Corp.	Bank of America Corp.	Citigroup Inc.	JPMorgan Chase & Co.	Philip Morris Int'l	Oracle Corp.	Alphabet Inc. Class A	The Coca Cola Co.	The Coca Cola Company
Hewlett-Packard Co	Oracle Corp.	Bank of America Corp.	Intel Corp.	Bank of America Corp.	Bank of America Corp.	Alphabet Inc. Class C	Bank of America Corp.	Bank of America Corp
Philip Morris Int'l	Hewlett-Packard Co	Intel Corp.	Merck & Co.	Merck & Co.	Citigroup Inc.	AT&T Inc.	The Walt Disney Co.	Merck & Co.
PepsiCo Inc.	Merck & Co.	Schlumberger Ltd.	Verizon Communications	Verizon Communications	Merck & Co.	Intel Corp.	Chevron Corp.	Intel Corp.
Abbott Laboratories	Intel Corp.	Cisco Systems	PepsiCo Inc.	Citigroup Inc.	Verizon Communications	Citigroup Inc.	Home Depot	Home Depot
Intel Corp.	PepsiCo Inc.	Merck & Co.	McDonald's Corp.	Amazon.com Inc.	Facebook, Inc.	Merck & Co.	Intel Corp.	Oracle Corp.
ConocoPhillips	Citigroup Inc.	Philip Morris Int'l	Cisco Systems	Qualcomm, Inc.	Philip Morris Int'l	The Walt Disney Co.	Oracle Corp.	Comcast A Corp
Apple Inc.	Verizon Communications	PepsiCo Inc.	ConocoPhillips	PepsiCo Inc.	Comcast Class A Comm.	IBM Corp.	Citigroup Inc.	PepsiCo Inc.
Bank of America Corp.	Philip Morris Int'l	Verizon Communications	Qualcomm, Inc.	Cisco Systems	The Walt Disney Co.	Comcast Class A Comm.	Visa Inc.	The Walt Disney Company

Market cap of the top 5

Top 5 Global Companies By Market Cap

2001

2006

2011

2016



\$425B



Microsoft

\$239B

Exxon

\$289B

citi

\$250B

Walmart

\$250B

Exxon

\$405B



\$378B



Microsoft

\$289B



\$271B

citi

\$263B

Exxon

\$392B



\$339B



PetroChina

\$292B

ICBC

\$231B



\$219B



\$610B

Alphabet

\$542B



Microsoft

\$457B

amazon

\$348B

facebook

\$334B

\$1.4T

cumulative value of
top 5 in 2001

\$2.3T

cumulative value of
top 5 in 2016

Average age of the top 5

	2001	Age in 2001		2016	Age in 2016
1.	 est. 1892	109 yrs		 est. 1976	40 yrs
2.	 Microsoft est. 1975	26 yrs		Alphabet est. 1998	18 yrs
3.	Exxon est. 1911	90 yrs		 Microsoft est. 1975	41 yrs
4.	 est. 1812	189 yrs		amazon est. 1994	22 yrs
5.	Walmart  est. 1962	39 yrs		facebook est. 2004	12 yrs

26
average age of
companies in 2016

Navigating the disruption

Catalyzing strategic dialogue from incumbents



Rising from Asia...



\$256B market cap

#10

globally

17 years old



\$254B market cap

#11

globally

18 years old



\$235B market cap

#13

globally

19 years old

Non-tech incumbents responding

Unilever

\$1b



Walmart 

\$3.3b

jet

MONSANTO

\$1b



 General Motors

\$500m



UNDER ARMOUR

\$475m

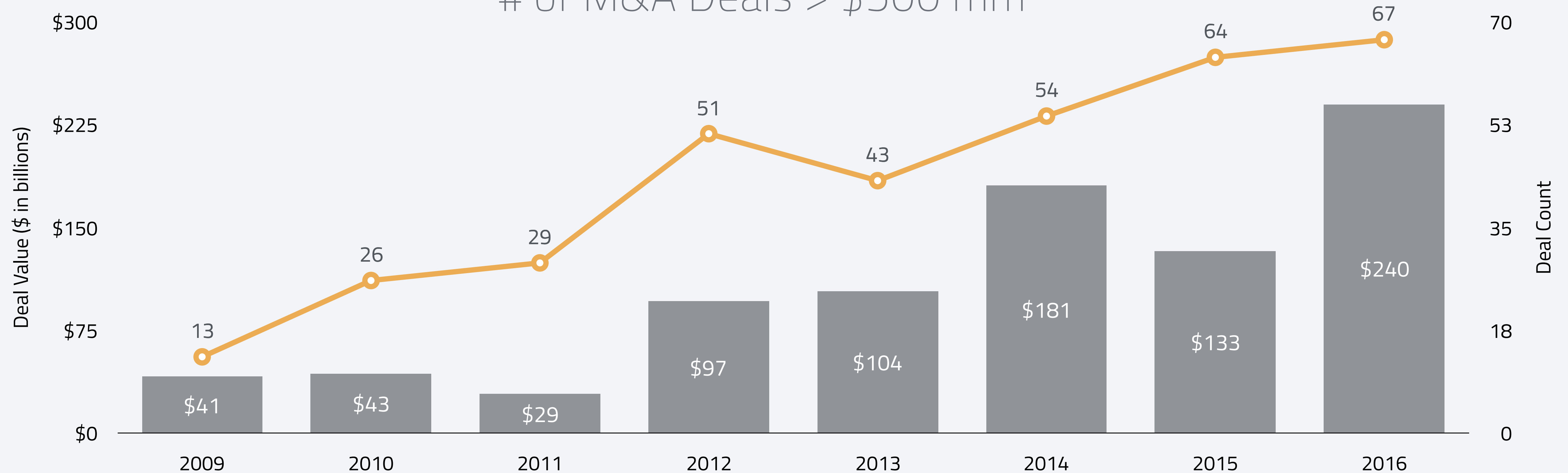


\$7b+

aggregate acquisition value, TTM from non-tech

Resurgence of Technology M&A

of M&A Deals > \$500 mm



Example Transactions

OMNITURE®

Zappos®

admob

ArcSight®

Playdom™

diapers.com

SecureWorks®

successfactors™

ita Software™

Instagram

nicira

yammer™

Braintree

waze

ExactTarget®

WhatsApp

CONCUR

airwatch®

lynda.com

informatica

HomeAway®

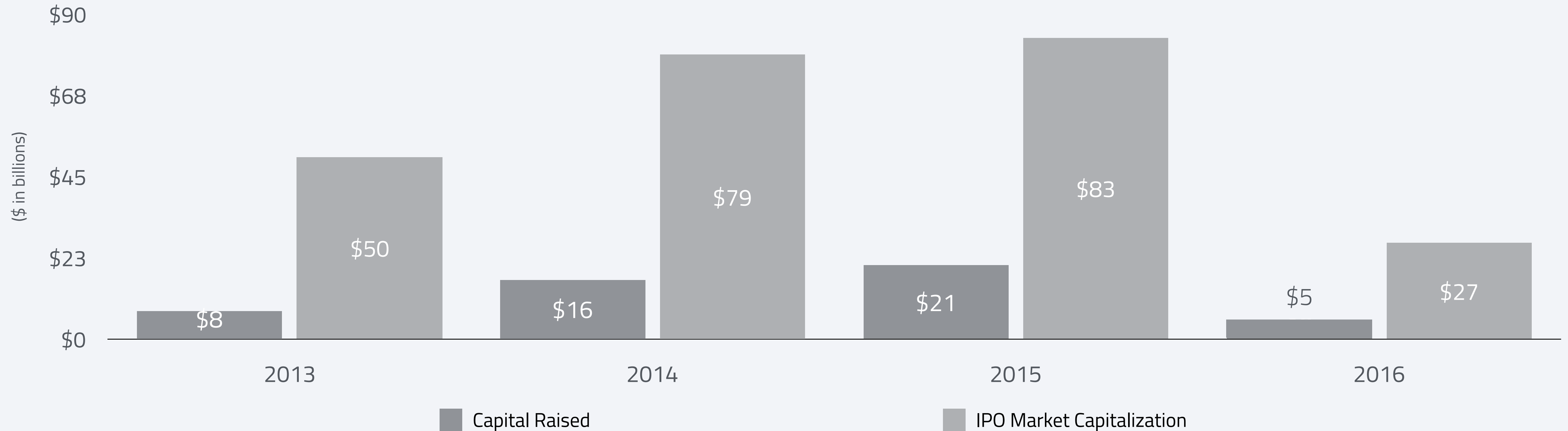
krux

LinkedIn

jet

IPO window is open for durable companies

Tech IPO Issuances Globally



Representative
IPOs

nimblestorage

FireEye

twitter

ARISTA

zendesk

GRUBHUB

Square

Atlassian

shopify

coupa

BLACKLINE

NUTANIX

The Rule of 50

(% of annual revenue growth) + (EBITDA as a % of revenue) should be ≥ 50



Growth (%) + FCF (%)

~20%

Trading Range (NTM)

4-6x



Growth (%) + FCF (%)

~35%

Trading Range (NTM)

6-8x



Growth (%) + FCF (%)

~50%

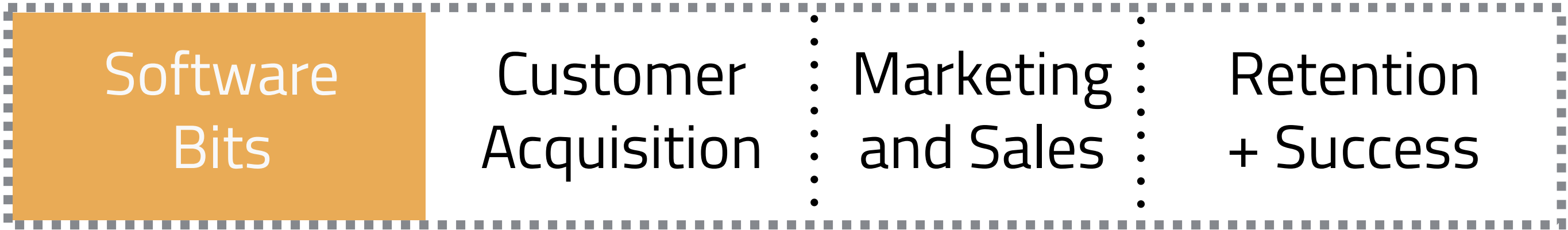
Trading Range (NTM)

8-10x

A New Definition of “Product”

Product as the sum of the core app or service AND how its distributed

Product ≠



Product =



Navigating the funding climate

Keeping an eye on milestones for follow-on funding

Seed

*Strong teams with
crisp end-market
understanding, chasing
large, urgent markets*

Very active

Series A

*Early key metrics that
demonstrate deep,
recurring user value signs
of an efficient GTM; team
beginning to cement*

Active

Series B-C

*Clear capital efficiency +
unit economics; line of sight
to business model
converging, story to \$100m
ARR or 100m MAUs*

Very Selective

Late Stage

*Last dollars needed, just
crossing to profitability (or
line of sight to it),
demonstrable exit path*

Selective

Rare air

41K

companies since
2000 that have
raised venture

440

have ever achieved
an exit >\$100m

66

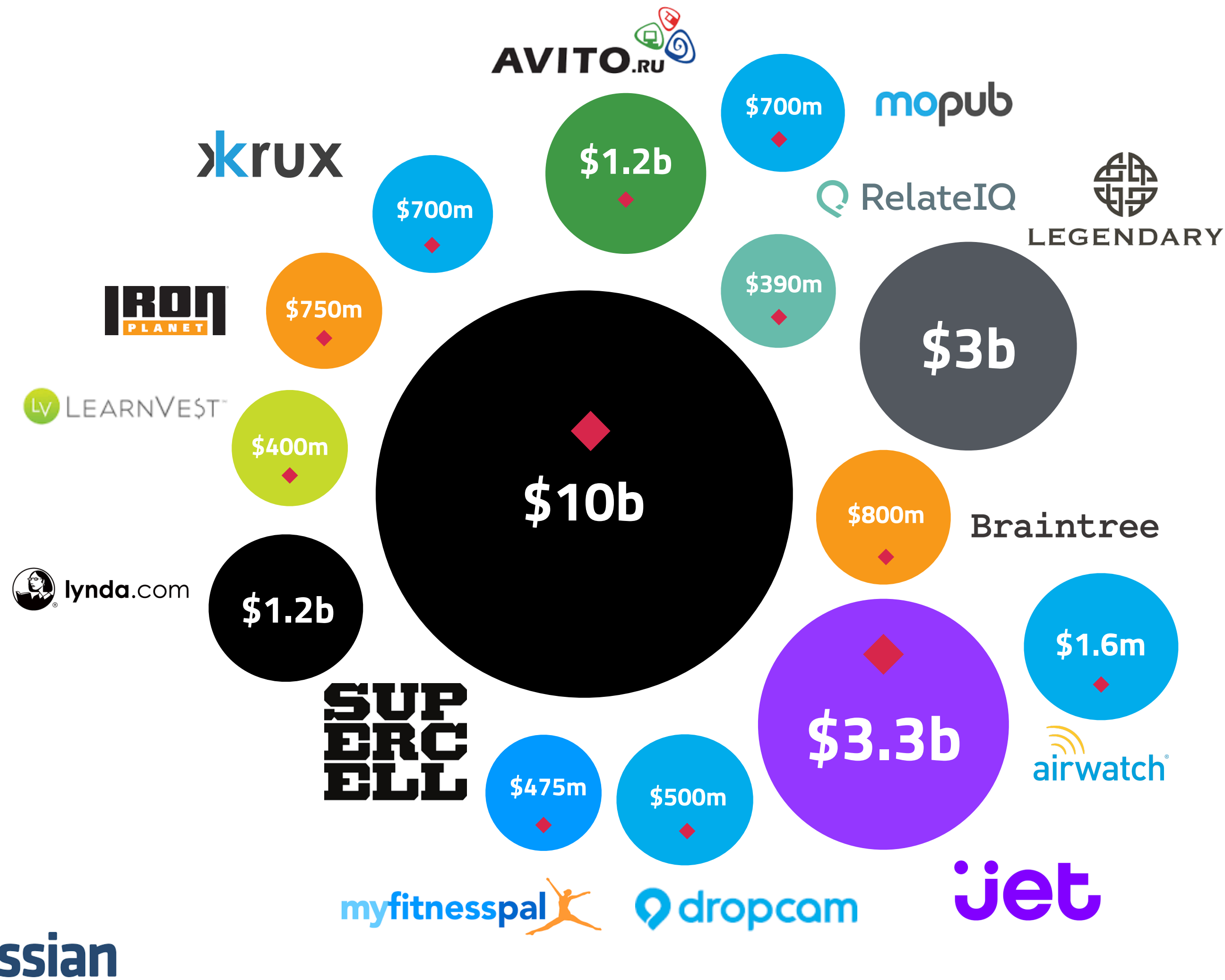
have ever achieved
an exit >\$1b
(*realized* unicorn)**

Thank you

IPOs Since 2013



◆ Accel-led Series A



M&A Since 2013



Accel