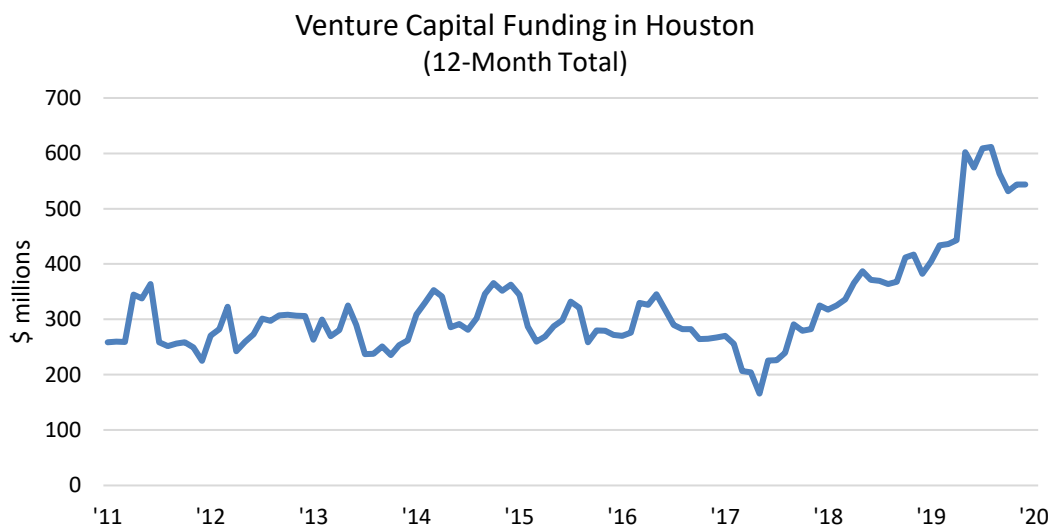


The Partnership sends updates for the most important economic indicators each month. If you would like to opt-in to receive these updates, please click [here](#).

For the latest data, click [here](#).

January 10, 2020

Houston startups received \$543.9 million in venture capital (VC) funding in '19, a 42.2 percent increase from '18 and the highest on record for the Houston region, according to a Partnership analysis of Pitchbook data. The tally marks a third-straight year of growth for VC funding in Houston. The region has doubled its VC investment since '16, when startups received \$267.5 million.

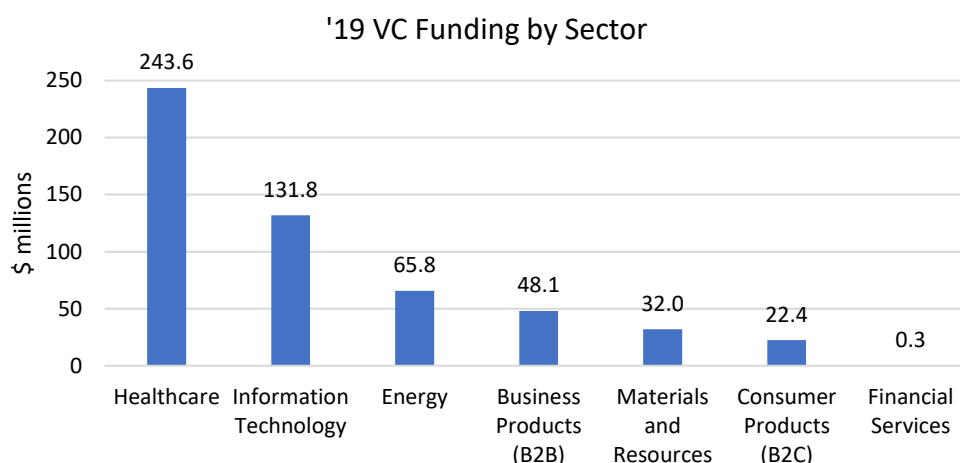


Source: Partnership Analysis of Pitchbook Data

On a 12-month rolling basis, VC investment averaged \$524.7 million in '19, with activity peaking at \$611.5 million in the 12 months from September '18 to August '19, the best yearlong span on record for Houston. While funding levels were up, deal activity was slightly down from the previous year, with 87 deals reported in '19 compared to 92 deals in '18.

Health care was the biggest target for investment in '19, with life science and digital health startups generating \$243.6 million across 26 deals. Half of that total came from Houston's largest VC deal of the year, a \$121 million series B funding to the immunology firm Allovir. Information Technology (IT) companies generated \$131.8 million across 26 deals, while energy-focused technology startups generated \$65.8 million in 10 deals. The Business-to-Business (B2B)

Products and Services sector drew 48.1 million across 11 deals. Notably, the B2B and IT sectors includes several companies offering energy-related.



Other top deals across all sectors included a \$32 million Series B to materials tech company Solugen, a \$30 million Series D to medical device maker Procyron, and a \$25 million Series B to digital oilfield supplier GoExpedi.

Breaking down the investments by maturity, later stage VC showed the greatest uptick in '19 with investments totaling \$255.8 million, twice the previous year's tally of \$120.2 million. Early stage investment grew to \$224.7 million, a 21.9 percent increase, while Seed and Angel fundings fell to \$63.4 million, an 18.7 percent decline.

HOUSTON VENTURE CAPITAL SUMMARY

	<i>Q4 '19 YTD</i>	<i>Q4 '18 YTD</i>	<i>% Change</i>
<i>All VC Stages</i>			
Deals	87	92	-5.7
Volume (\$ millions)	543.9	382.6	42.2
<i>Funding by Type (\$ millions)</i>			
Angel & Seed	63.4	77.9	-18.7
Early Stage VC	224.7	184.3	21.9
Later Stage VC	255.8	120.3	112.6

Source: Pitchbook

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