

Email not displaying correctly? [View it in your browser.](#)

FORTUNE TERM SHEET



ON DEALS AND DEALMAKERS BY POLINA MARINOVA

SHARE THIS

SHARE THIS

FOLLOW

SUBSCRIBE

ANON TIP

APRIL 10, 2018

BIKE SHARING WARS

The bike-sharing war is roaring in the United States following its explosive popularity in China and Europe.

Yesterday, Uber acquired dockless e-bike service Jump Bikes (formerly known as Social Bicycles) for a reported amount of \$200 million. The company had only raised little more than \$11 million in venture funding from investors including Menlo Ventures, SOSV, and SineWave Ventures.



Jump became [the first stationless bicycle service](#) to receive a permit to launch in San Francisco. Since then, the company has launched 250 dockless, pedal-assist bikes on the streets of San Francisco.

"Rolling out potentially hundreds of bikeshare programs across the U.S. will require hundreds of millions of dollars in capital," said SOSV partner Brad Higgins, who was an early investor in Jump. "Instead of Jump's management team spending half their time raising this additional capital, Uber's financial strength will allow them to focus all their time and efforts on the rollout and support of these bike-share programs."

He also pointed to Uber's experience in setting up local operations around the country, which could be helpful to Jump as it tries to expand rapidly. Since the bike-sharing market is still in its infancy, many services operate in a legal gray zone. [About half](#) of U.S. states classify e-bikes as motor vehicles, requiring licensing, registration and even insurance, making them illegal to ride. Could Jump have an advantage over its rivals now that it's under Uber's umbrella?

"It will help Jump in some places and hurt in others," said an Uber investor familiar with the matter. "In jurisdictions where Uber has good political relationships, it adds value but they also pick up all of Uber's baggage." There's baggage, but there's also massive opportunity. In China, for instance, there were [more bike-share rides between 2013 and 2017](#) than there were rideshare rides in the U.S. during the same period. So rather than compete with some of these well-funded dockless bike and scooter market entrants, Uber chose to acquire one of them.

In the U.S., there are companies like Motivate Co, Bird, LimeBike, and Spin, but there's no one dominant market player yet. Bird and LimeBike have each raised more than \$100 million in venture funding — and they'll need it to fend off the behemoth that is Uber. "The next 12-18 months will determine the market leader, so speed to market with the best consumer product and experience will make all the difference," Higgins said.

The question looms — who will control the new wave of dockless bike-sharing? Will we see a consolidation of the entire industry where Uber purchases a dockless scooter company next? Will Lyft scoop up a competing startup in the near future?

These are all questions to keep in mind as this move gives Uber an edge over its rivals — it's a cheaper and more convenient option. Lyft, for example, has dipped a toe in the bike-sharing world, but it's not too significant. In February, [the company partnered with the city of Baltimore](#) in a deal that granted Lyft five bike-share stations that offer both bike and ride-sharing pickups.

The Jump acquisition allows Uber to prove its commitment to becoming an urban mobility company rather than just a taxi alternative. The bike-sharing arms race will be one to watch.



THE LATEST FROM FORTUNE...

- Meet the Woman Who [Convinced Apple, Starbucks, and Nike to Close Their Gender Pay Gaps](#) (by Val Zarya)

- Pivotal Software [Just Set the Price of Its Upcoming IPO](#) (by Jonathan Vanian)
- President Trump Is [Angry About How China Treats American Automakers. But the U.S. Is Actually Winning](#) (by Aric Jenkins)
- U.S. Budget [Deficit Expected to Surpass \\$1 Trillion by 2020](#)

...AND ELSEWHERE

Auto parts maker [Tenneco to buy Federal-Mogul for \\$5.4 billion](#). Mark Zuckerberg's [growing up moment](#). Trump denounces [F.B.I. raid on his lawyer's office as 'attack on our country.'](#) Big banks [find a back door to finance subprime loans](#). Can humans [understand how robots invest?](#)

▼ VENTURE DEALS

- [Alan](#), a France-based health insurance startup, raised \$28.3 million in Series A funding. Index Ventures led the round, and was joined by investors including Xavier Niel, CNP Assurances, Partech and Portag3 Ventures LP.
- [Expel](#), a McLean, Va.-based security provider, raised \$20 million in Series B funding. Scale Venture Partners led the round.
- [Karamba Security](#), an Ann Arbor, Mich.-based provider of end-to-end automotive cybersecurity prevention solutions, raised \$10 million in funding. Western Technology Investment led the round.
- [TVSquared](#), a Scotland-based provider of same-day measurement and optimization opportunities for TV advertisers, raised \$8 million in funding. West Coast Capital led the round, and was joined by investors including Scottish Investment Bank.
- [Eporta](#), a London-based B2B interior marketplace startup, raised \$8 million in Series A funding, according to TechCrunch. Canvas Ventures led the round, and was joined by investors including LocalGlobe, Oxford Capital Partners, Talis Capital, and Samos Ventures. [Read more.](#)

- [Fleetsmith](#), a San Francisco-based provider of Apple device management, raised \$7.7 million in Series A funding. Investors include Upfront Ventures, Index Ventures and Harrison Metal.
 - [GSVlabs](#), a Redwood City, Calif.-based provider of acceleration programs, raised \$7 million in Series B funding. Investors include HMC Capital.
 - [Chargifi](#), a London-based provider of a wireless power charging platform, raised \$7 million in funding. Accelerated Digital Ventures led the round, and was joined by investors including Hewlett Packard Enterprise and firstminute capital.
 - [Plus Products](#), a cannabis infused products manufacturer, raised \$6 million in Series B funding. Serruya Private Equity Partners and Navy Capital Green Fund LP led the round.
 - [Ocrolus](#), a New York City-based automater of data verification and analysis for bank statements and other financial documents, raised \$4 million in Series A funding. Bullpen Capital led the round, and was joined by investors including QED Investors, Laconia Capital Group, ValueStream Ventures and RiverPark Ventures.
 - [Veerum](#), a Canada-based artificial intelligence platform to predict and resolve issues, raised \$3.9 million in seed funding. to increase construction productivity. Brick & Mortar Ventures led the round, and was joined by investors including Blackhorn Ventures and Creative Ventures.
-

▾ HEALTH AND LIFE SCIENCES DEALS

- [Magenta Therapeutics](#), a Cambridge, Mass.-based biotechnology company, raised \$52 million in Series C funding. Casdin Capital led the round, and was joined by investors including EcoR1 Capital, Eventide Asset Management, Watermill Asset Management, Be the Match BioTherapies and Access Industries.
-

▾ PRIVATE EQUITY DEALS

- Francisco Partners agreed to acquire Verifone Systems, Inc. (NYSE: PAY) for \$23.04 per share in cash, representing a total consideration of approximately \$3.4 billion, which includes Verifone's net debt.

- EQT Partners completed its majority investment in [Spirit Communications](#), a Columbia, S.C.-based provider of business telecommunications services. Financial terms weren't disclosed.
 - Conterra Networks, which is backed by Court Square Capital, acquired two Louisiana-based regional fiber optic network services companies [Network USA LLC](#) and Sun American Communications LLC. Financial terms weren't disclosed.
 - Great Hill Partners invested \$110 million in [Connexeo Inc](#), a provider of education management software and payment platform solutions. Financial terms weren't disclosed.
 - Clearlake Capital Group LP acquired Wheel Pros Holdings, a Denver-based designer, marketer and distributor of branded automotive aftermarket wheels, performance tires, and accessories. Financial terms weren't disclosed.
 - HG invested in the [Access Group](#), a London-based provider of business management software. Financial terms weren't announced, but the deal values Access at about 1 billion pounds (\$1.42 billion). TA Associates is retaining joint control of Access.
 - ProAmpac, a portfolio company of PPC Partners, acquired [Pactech Packaging](#), a Rochester, N.Y.-based manufacturer of flexible packaging solutions. Financial terms weren't disclosed.
-

▼ IPOS

- People's Insurance Group of China, the Chinese insurance giant, is planning a \$1.6 billion IPO in Shanghai, Reuters reports citing sources. [Read more.](#)
- [FirstCaribbean International Bank](#), a Barbados-based spin off of the Canadian Imperial Bank of Commerce, said it plans to raise \$230.4 million in an IPO of 9.6 million shares priced between \$22 to \$25 apiece. The firm posted income of \$160.2 million on revenue of \$424.9 million in the 12 months ending Oct. 31, 2017. Barclays, UBS Investment Bank, and CIBC are joint bookrunners in the deal. It plans to list on the NYSE as "FCI." [Read more.](#)

- **Huya Broadcasting**, a Guangzhou-based eSports live streaming platform spinning out of YY, filed to raise up to \$200 million in an IPO. The firm posted revenue of \$335.8 million and loss of \$12.4 million in 2017. YY (55.5% pre-IPO) and Tencent (39.8%) back the firm. Credit Suisse, Goldman Sachs, and UBS Investment Bank are underwriters in the deal. It plans to list on the NYSE as "HUYA." [Read more.](#)

- **Zuora**, a San Mateo, Calif.-based cloud subscription management platform, plans to raise \$120 million in an IPO of 10 million shares priced between \$11 to \$13 apiece. The firm posted revenue of \$167.9 million for the 12 months ending Jan. 31, and loss of \$46.2 million. Benchmark Capital (11.1% pre-offering), Redpoint Omega (6.5%), Shasta Ventures (8.3%), Tenaya Capital (6.6%), and Wellington Management Company (9.4%) back the firm.. Goldman Sachs, Morgan Stanley, Allen & Company and Jefferies are joint bookrunners in the deal. The firm plans to list on the NYSE as "ZUO." [Read more.](#)

- **Carbon Black**, a Waltham, Mass.-based cloud-based security software maker, filed for to raise up to \$100 million in an IPO. The firm posted revenue of \$162 million and loss of \$55.2 million in 2017. Atlas Venture (17% pre-IPO), Highland Capital Partners (14.9%), Kleiner Perkins Caufield & Byers (8.8%), Point 406 Ventures (7.7%), and Sequoia Capital (9.9%) back the firm. Morgan Stanley and J.P. Morgan are underwriters in the deal. The firm plans to list on the Nasdaq as "CBLK." [Read more.](#)

- **Mereo BioPharma**, a London-based rare disease drug firm, said it plans to raise \$70 million in an IPO of 4 million ADSs priced at \$17.62 apiece. The firm posted loss of \$52.5 million in 2017. Woodford Investment Management (42% pre-offering), Invesco (26.9%), Novartis (19.5%), and Hargreave Hale (4%), back the firm. Cowen & Company, BMO Capital Markets and RBC Capital Markets are joint bookrunners in the deal. It plans to list on the Nasdaq as "MREO." [Read more.](#)

▾ FIRMS + FUNDS

- **Atlas Holdings**, a Greenwich, Conn.-based private equity firm, raised \$1.675 billion for its third private equity fund.

▾ SHARE TODAY'S TERM SHEET

[View this email in your browser.](#)

[Polina Marinova](#) produces Term Sheet, and [Lucinda Shen](#) compiles the IPO news. Send deal announcements to Polina [here](#) and IPO news to Lucinda [here](#).

EMAIL POLINA MARINOVA

SUBSCRIBE

SHARE:   

This message has been sent to you because you are currently subscribed to Term Sheet
[UNSUBSCRIBE HERE](#)

Please read our Privacy Policy, or copy and paste this link into your browser:
[HTTP://WWW.FORTUNE.COM/PRIVACY](http://www.fortune.com/privacy)

FORTUNE may receive compensation for some links to products and services on this website. Offers may be subject to change without notice.

For Further Communication, Please Contact:
FORTUNE Customer Service
3000 University Center Drive
Tampa, FL 33612-6408

[ADVERTISING INFO](#) | [SUBSCRIBE TO FORTUNE](#)