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## **Record Year for Investment in Pittsburgh's Tech Companies and a Decade of Steady Growth Shown in New Report by EY and Innovation Works**

*Pittsburgh one of the country's most active cities for venture investment*

Pittsburgh, PA — March 20, 2018 — Ernst & Young LLP (EY) and Innovation Works (IW) have coauthored a report that chronicles a decade of growth in tech investment in the Pittsburgh region, including a dramatic jump in investment in 2017, a record year for private investment in tech companies. The report, "A decade of growth: investment in Pittsburgh's technology sector. Trends and highlights 2008–2017," can be found here <https://www.innovationworks.org/wp-content/uploads/2018/03/IW-EY-report-2008-to-2017.pdf>.

Highlights of the report will be the focus of a free event for investors, entrepreneurs and the public on March 20, 2018 at Alloy 26, the co-working space at Nova Place on Pittsburgh's Northside at 100 South Commons Street with comments starting at 9:00 a.m.

The program will include remarks from EY's Pittsburgh Office Managing Partner, Leon Hoffman; President and CEO of Innovation Works, Rich Lunak; as well as a discussion with President and CEO of recently acquired Wombat Security Systems, Joe Ferrara; and CEO of BlueTree Venture Fund, Catherine Mott.

“At EY, we’re proud of our rich history supporting the local entrepreneurial community in Pittsburgh,” said Leon Hoffman. “We hope this report provides entrepreneurs and others with useful insights into the state of the local technology community and venture capital ecosystem that continues to point toward a bright future for our local community.”

Highlights of the report show a decade of growth for the Pittsburgh investment landscape and a highpoint in 2017:

- Over 450 unique Pittsburgh companies attracted a total of \$3.5 billion in investment over the past 10 years, with more than \$2 billion having been invested in just the past five years.
- More than 250 investment firms from around the world invested in Pittsburgh-based companies in the past 10 years including 20 out-of-town firms making their first investment in a Pittsburgh company in 2017.
- Exits (IPOs, acquisitions, etc.) totaled more than \$8.7 billion in disclosed exit proceeds over the past decade. Last year, 16 companies had exits (liquidity events) totaling more than \$250 million.
- Nearly \$10 billion in research funding has flowed to three Pittsburgh universities in the last 10 years: Carnegie Mellon, Duquesne University and the University of Pittsburgh. Technology partnerships between industry and university researchers have resulted in important R&D offices opening in Pittsburgh.
- 2017 marked the largest single year for total investment in Pittsburgh tech companies in the last decade, more than \$687 million. The number of deals funded by angels and venture capital firms also reached a 10-year high in 2017. As a whole, the decade experienced tremendous growth. From 2008 to 2017, annual investment grew 198 percent.
- In 2017, Pittsburgh ranked ninth in the country for the number of venture rounds per capita and seventeenth in terms of dollars invested per capita. By comparison, Pittsburgh’s population ranks twentieth among the nation’s 40 largest metro areas.

“Tracking investment activity helps us begin conversations with new investors interested in regional deals,” said Rich Lunak. “We use this report as a starting point to familiarize investors looking at Pittsburgh deals for the first time of the momentum building in this region. Rising investment trends are just part of the compelling storyline of Pittsburgh’s growing tech ecosystem,” said Lunak.

For more information about the data and methodology, see the full report here:

<https://www.innovationworks.org/wp-content/uploads/2018/03/IW-EY-report-2008-to-2017.pdf>

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## **Notes to Editors**

**About EY:** EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities. EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com). This news release has been issued by Ernst & Young LLP, a member firm of EY serving clients in the US.

**About Innovation Works:** Innovation Works (IW) invests capital, business expertise and other resources into high-potential tech companies with the greatest likelihood for economic impact in the Pittsburgh region. IW is the single most active seed-stage investor in the region and one of the most active in the country. As the Ben Franklin Technology Partner of Southwestern PA, IW is an initiative of the PA Department of Community and Economic Development and is partially funded by the Ben Franklin Technology Development Authority.