

## 2018 - A pivotal year

Time to act to capitalise on success in European scale-ups

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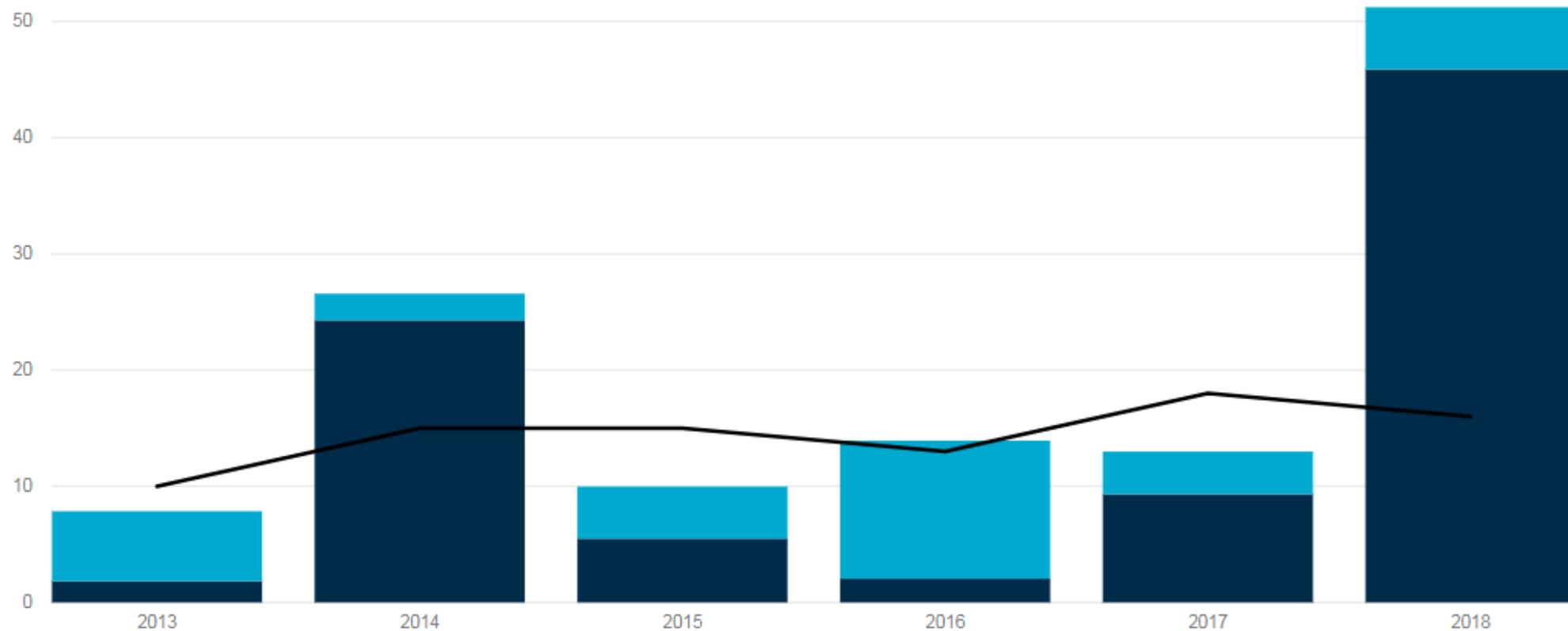
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# \$51bn of venture backed exits in Europe in 2018

Almost 2x prior peak in 2014 driven by strong IPO activity and significantly higher exit values

Exit value (\$bn) and No. of exits by Year and Deal Type

Deal Type ● IPO ● M&A ● No. of exits



Note: Analysis is of 'large' exits worth \$250m+

## Led by top six exits worth \$47bn

Key companies in the Consumer, FinTech and BioTech sector created immense value



\$30bn IPO ↓2%



\$7bn IPO ↑83%



\$5bn IPO ↓3%



\$2.2bn M&A



\$1.4bn IPO ↓21%



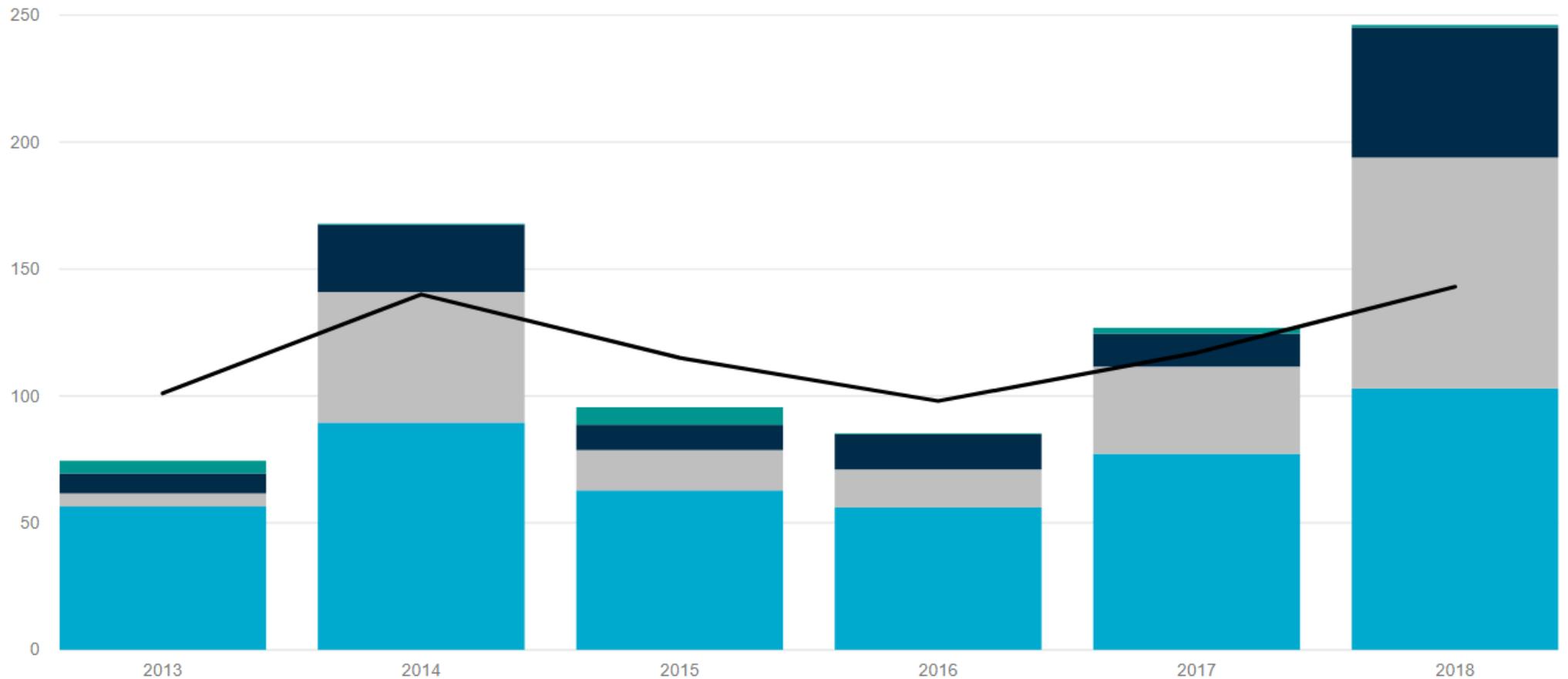
\$1.1bn M&A

# All regions have seen very strong value realisation in 2018

Global exit value will be almost \$250bn, 1.5x prior peak - also driven by strong exit values

Exit value (\$bn) and No. of exits by Year and HQ Region

HQ Region ● Americas ● Asia ● Europe ● Other ● No. of exits



Note: Analysis is of 'large' exits worth \$250m+

# Top six global exits worth \$118bn

Performance of the largest IPOs has been mixed



\$44bn IPO ↓13%



\$30bn IPO ↓2%



\$19bn IPO ↑22%



\$9bn M&A



\$8bn M&A

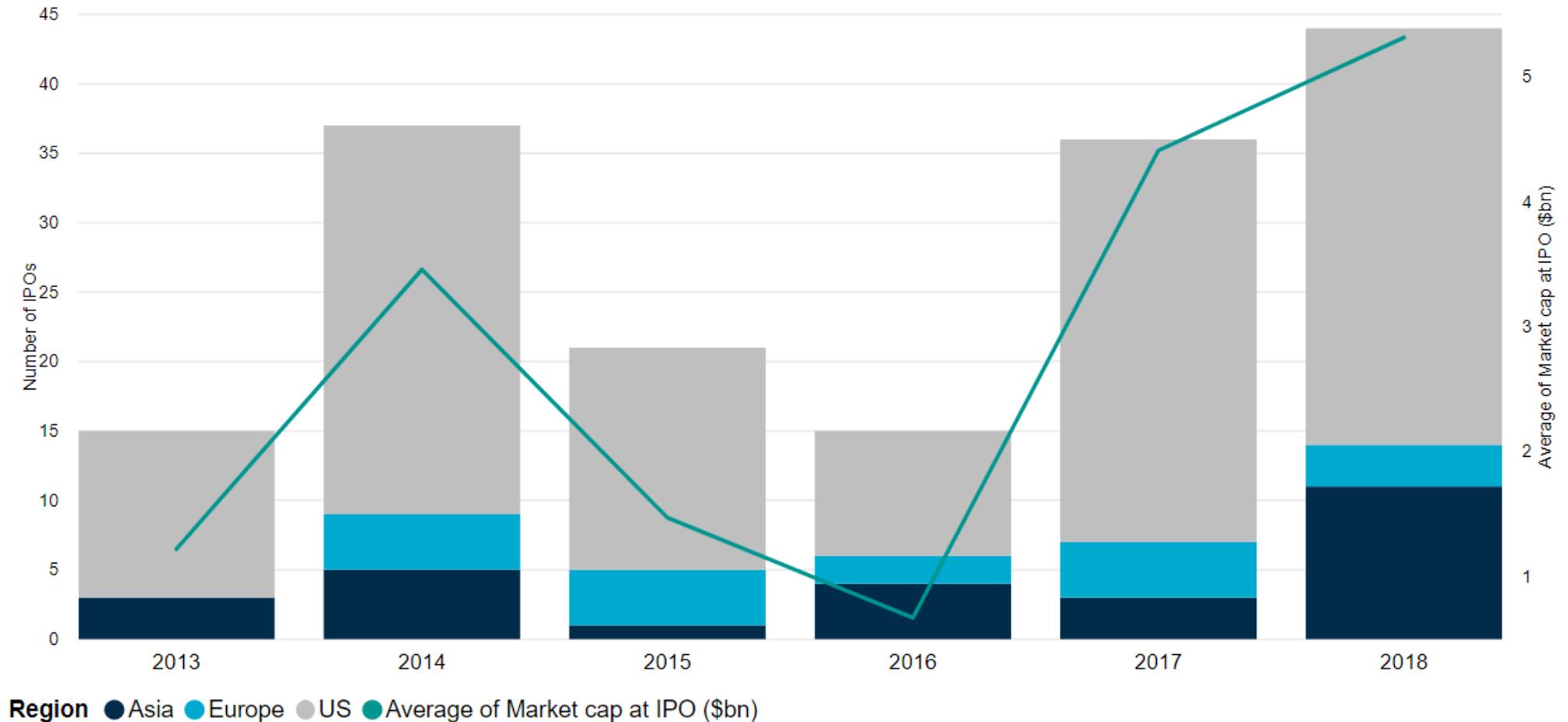


\$8bn IPO ↑2%

# A healthy IPO market has been key to realising value

A total of 44 IPOs completed of VC-backed companies in 2018 at average market cap of \$5bn

## Number of IPOs by region of listing

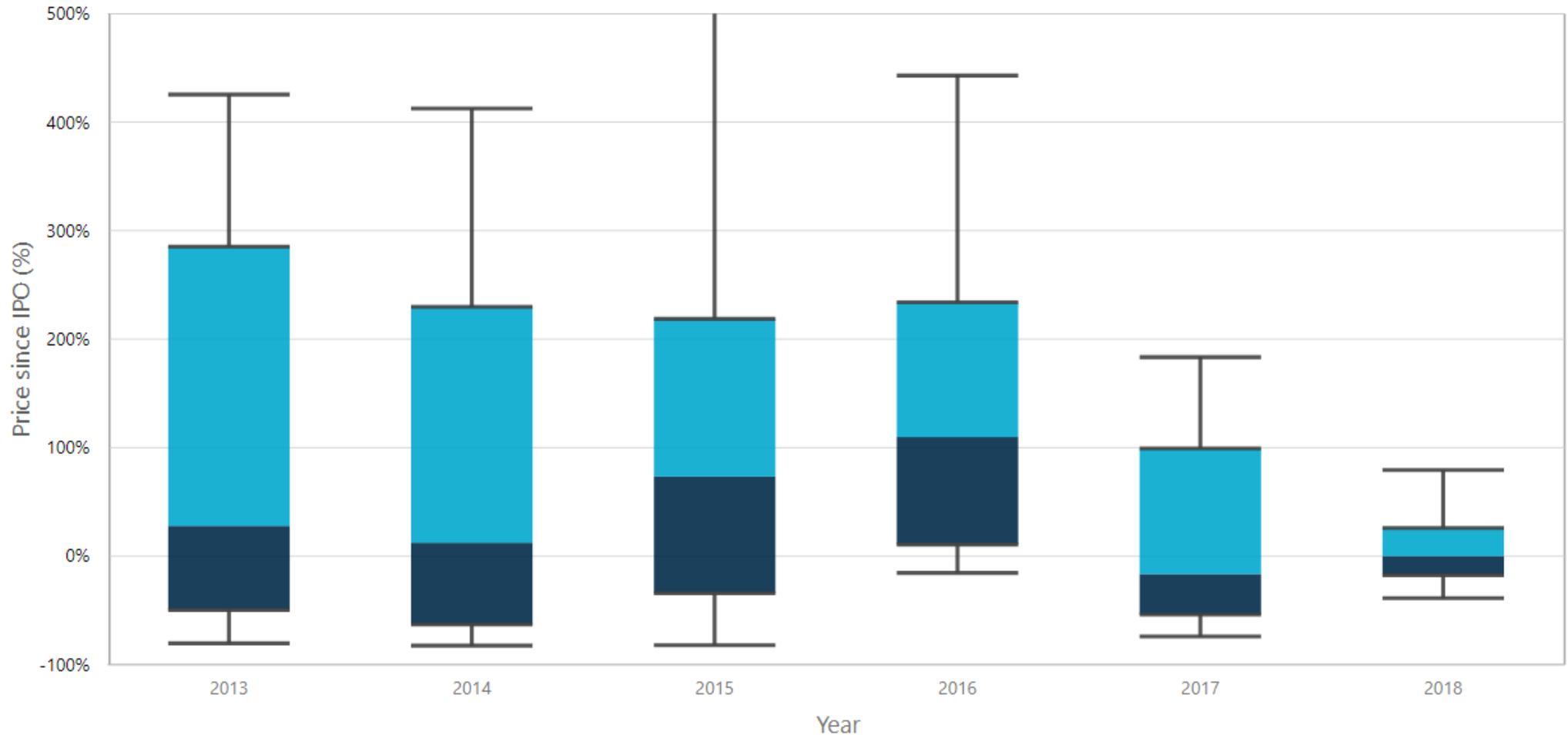


Note: Analysis is of 'large' exits worth \$250m+

# Venture backed IPO after market performance has been good

Strong performance from 2013 to 2016 vintages, 2017 had some good winners, 2018 is a bit more balanced so far

## Price performance since IPO by vintage year of IPO



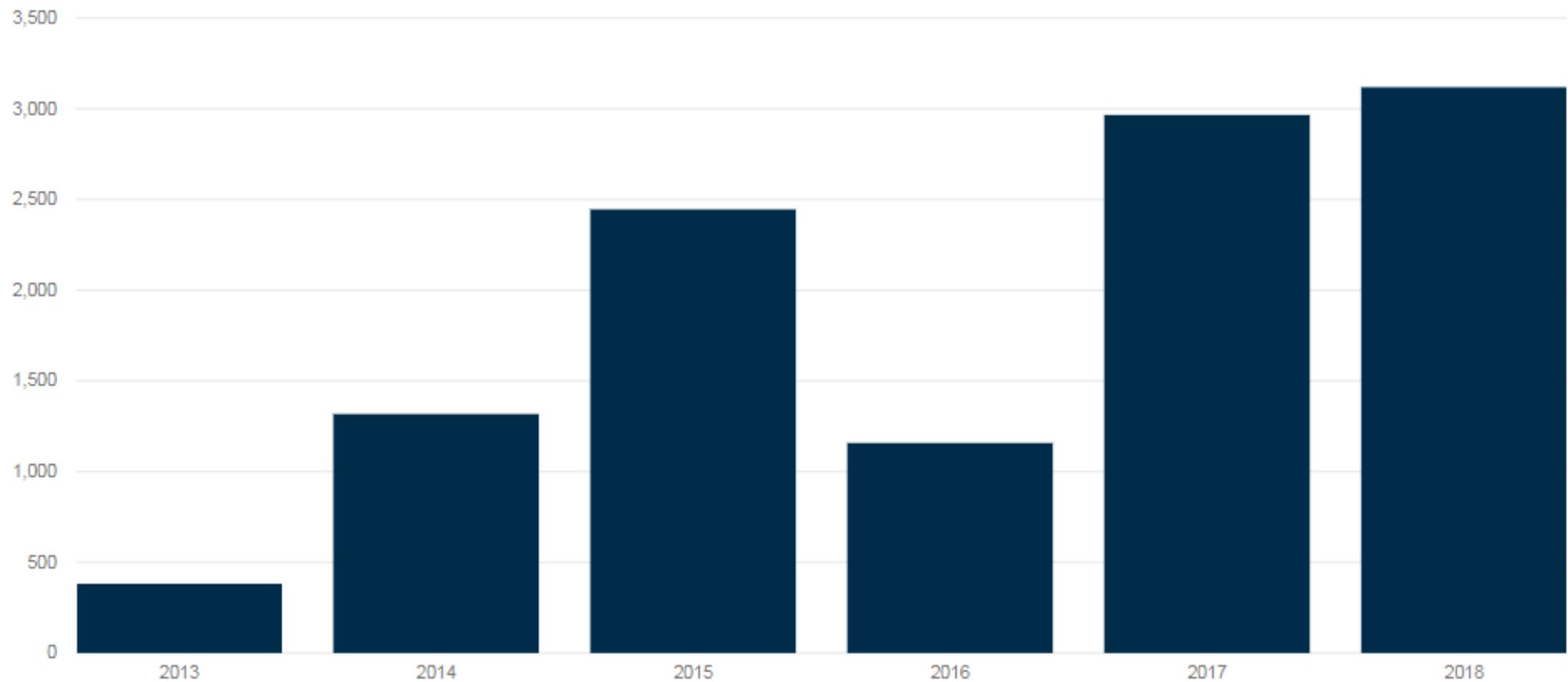
Note: Dark blue box area represents 2<sup>nd</sup> quartile, light blue 3<sup>rd</sup> quartile; whiskers represent 10th to 90th percentiles.

# Record year for large scale-up investment in Europe

There has been over \$3bn invested into companies which have raised \$250m+ in total in 2018

Funds raised (\$m) by Year and HQ Global Region

HQ Global Region ● Europe



Note: Analysis is of companies which have raised \$250m or more in total

## Key European scale-up fund raises in 2018

Seven companies raised money at valuations over \$1bn



\$560m raised at \$3.0bn



\$490m raised at \$2.8bn



\$50m raised at \$2.0bn



\$140m raised at \$2.0bn



\$250m raised at \$1.5bn



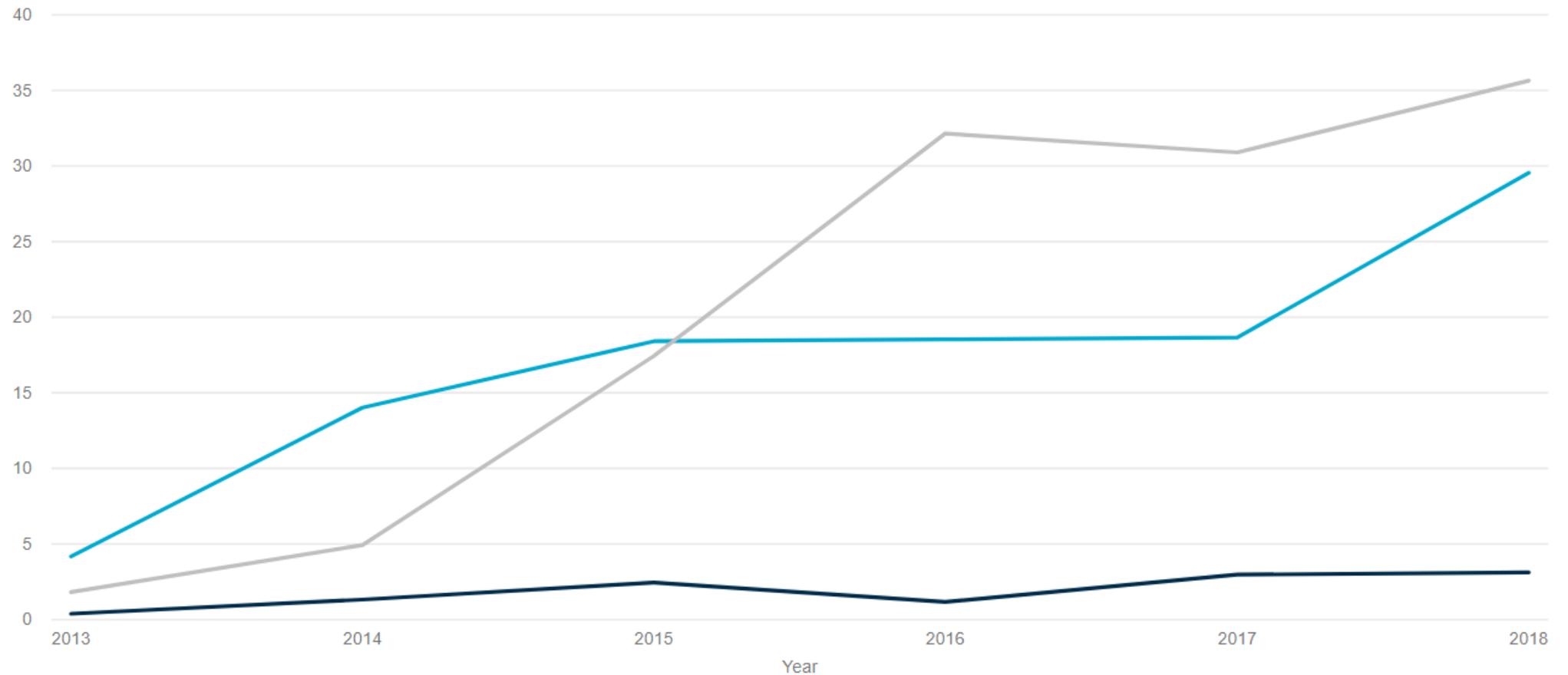
\$160m raised at \$1.2bn

# Europe scale-up investment still small compared with US and Asia

Global investment in large scale-ups will be over \$69bn in 2018, led by China with US catching up

Funds raised (\$bn) by Year and HQ Global Region

HQ Global Region ● Americas ● Asia ● Europe



Note: Analysis is of companies which have raised \$250m or more in total

## US & Asia seeing unprecedented activity in massive scale-ups

Eleven companies raised money at valuations over \$10bn



\$3.0bn raised at \$72bn



\$1.8bn raised at \$68bn



\$4.8bn raised at \$52bn



\$0.2bn raised at \$20bn



\$1.2bn raised at \$15bn



\$0.6bn raised at \$15bn

## European scale-ups to watch

Companies from Numis T100 which could represent the next generation of large scale-ups



E-sports



Autonomous vehicles

GRAPHCORE

AI computing

inform

Vertical farming



Digital identity



PUSH DOCTOR

Digital health

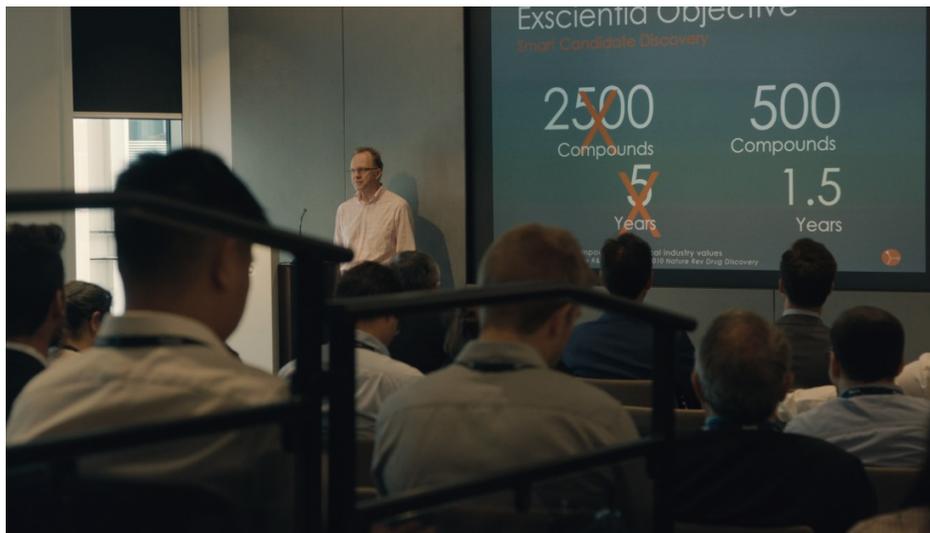
# Conclusions

**We believe that it is time to act in order to capitalise on recent success**

- **2018 is a pivotal year for European venture capital and scale up investments**
- **Proves it is possible to produce global winners and create massive value in Europe**
- **Potential for much more activity and investment to catch up with US and China**
- **IPO market is key to realising value**
  - The market for quality companies is almost permanent
- **Valuations at IPO look rational in the US and Europe**
  - Although China looks bubble-like
- **Many IPOs have performed very strongly in the after-market and were due a correction**
- **Scope for further large exits in Europe**
  - Auto1, Deliveroo, Klarna, Oxford Nanopore, Transferwise, UIPath
- **Important to get exposure to next generation**
  - Challengermode, FiveAI, Graphcore, infarm, Onfido and Push Doctor

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