

Q3 2024 Pre-IPO Market Update



Shaking off the summer slowdown

October 2024

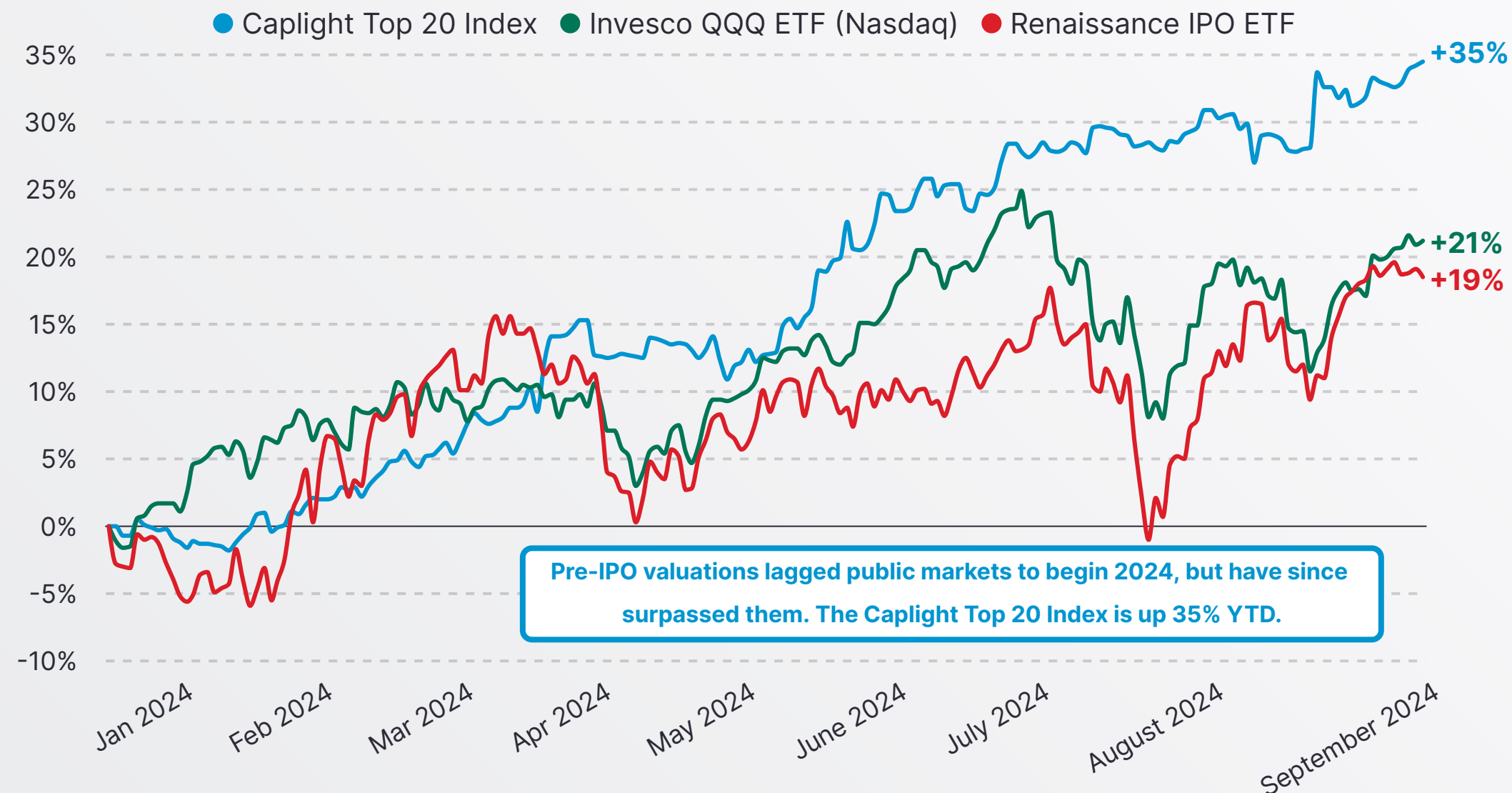
Q3 2024 Update

Pre-IPO company valuations are outpacing public peers, led by Data & AI companies

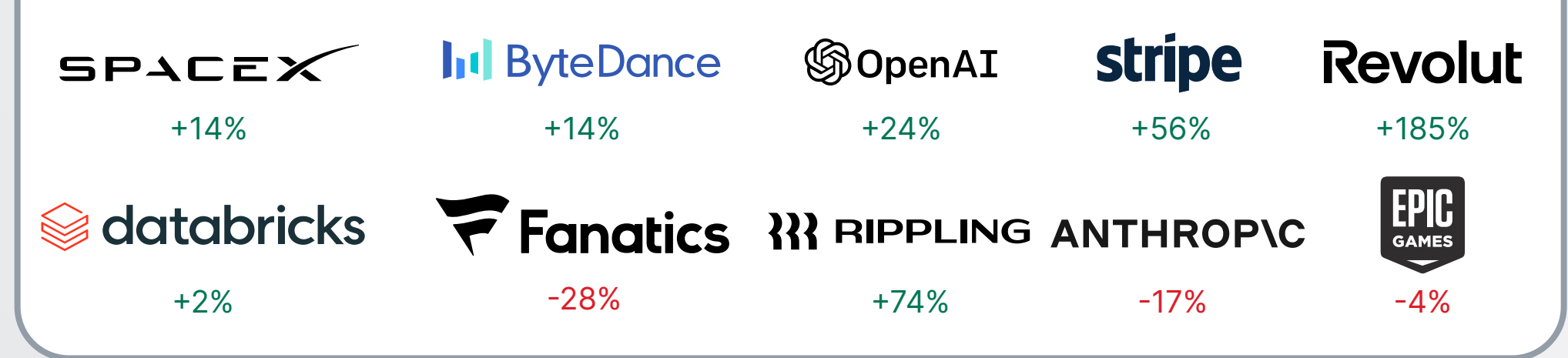
Overview

- Pre-IPO valuations are outperforming public markets
- Secondary market trading activity has been highly concentrated in AI companies and companies with recent primary or tender offers
- Private Data & AI companies are growing into their valuations, while a growing number of ZIRP-era companies are turning into zombies
- The IPO window is showing glimmers of hope

Price performance of private & public equities since January 2024



2024 YTD price performance of top constituents in Caplight Top 20



Note: Sourced from Caplight Data. The Caplight Top 20 Index is a financial index tracking the performance of the largest late-stage, venture capital-backed, private companies with active secondary markets. Please contact us to learn more about the index.

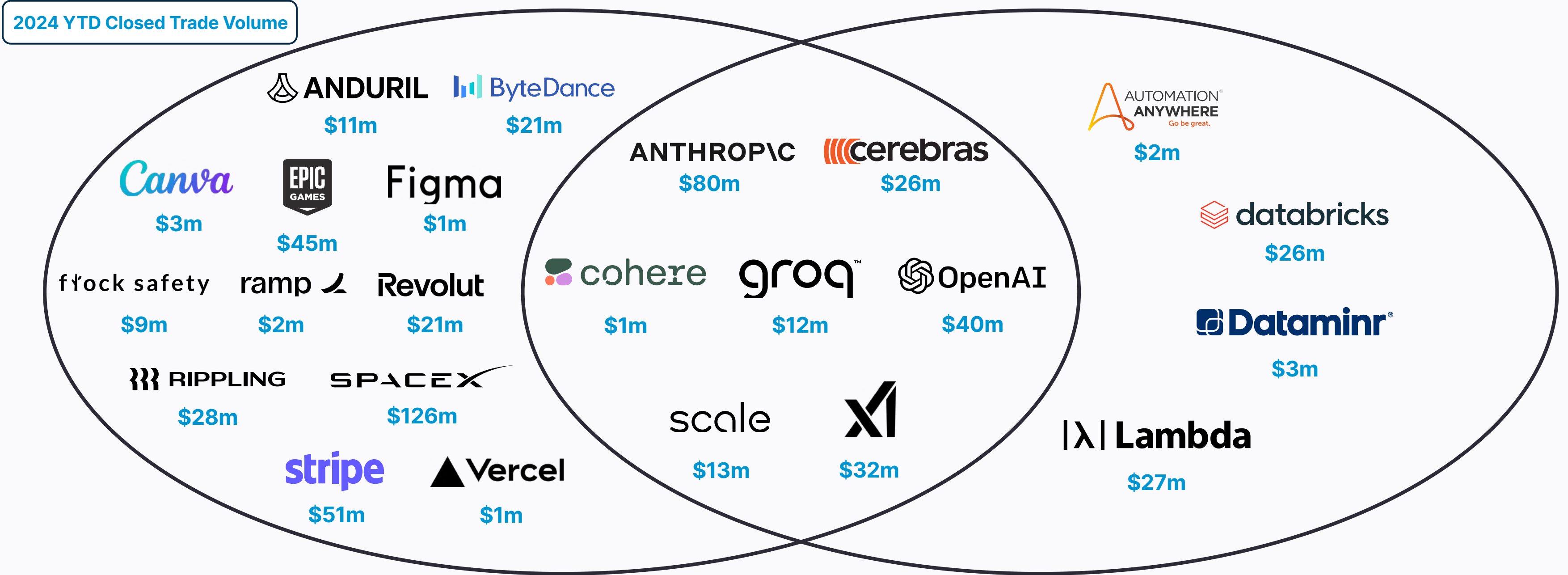
2 themes have produced 57% of YTD trading volume

1. Company Fundraising Events

buying/selling secondary around a company primary or tender

2. Data & AI

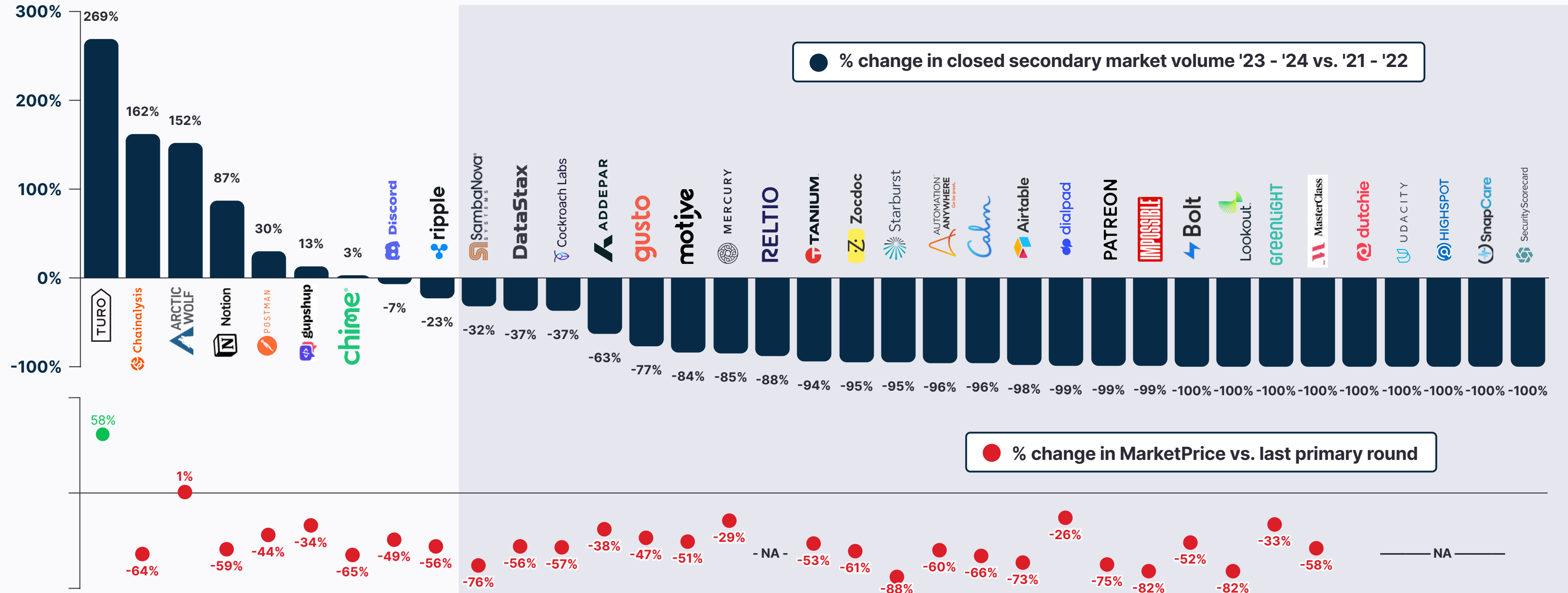
buying/selling companies in the Data & AI sector



Note: Sourced from Caplight Data.

Companies outside of these 2 themes have fallen out-of-favor with secondary market investors

Select companies that haven't raised a primary round since June 2022



'Zombie Unicorns' - those that haven't raised primary rounds since the ZIRP era and are not Data & AI companies - have been mostly ignored in the secondary market. Both trading volume and valuations are down for nearly all of these companies. A primary round or tender is needed to reset the valuation.

Note: Sourced from Caplight Data.

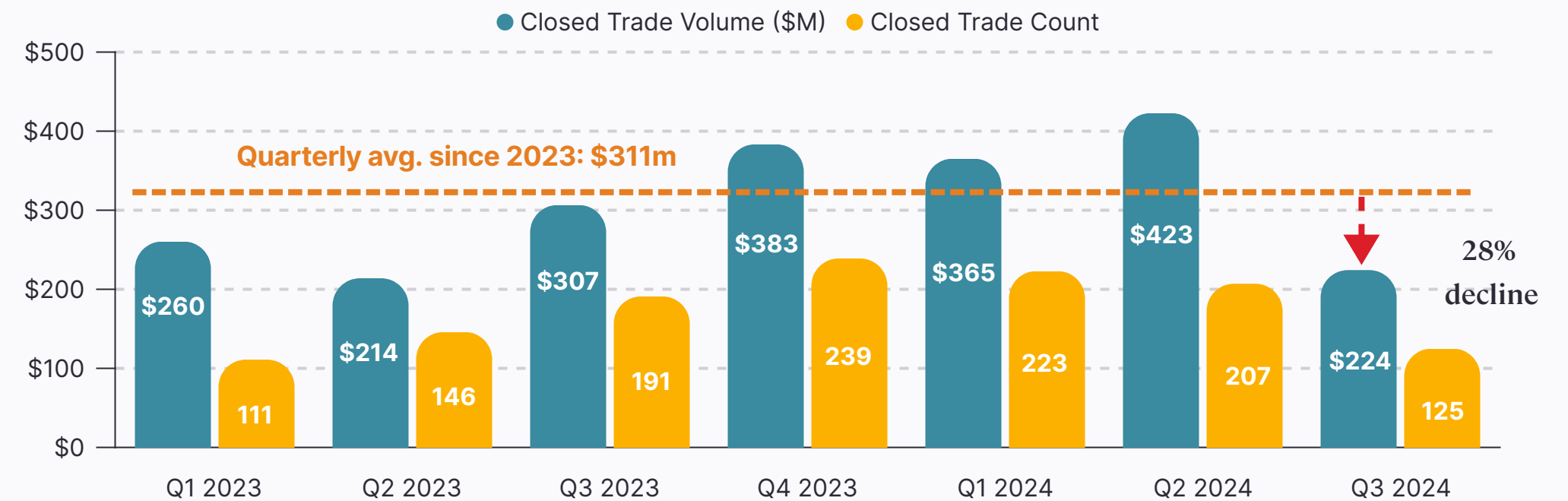
With valuations stretched and investor interest limited to 2 themes, secondary market volumes were down QoQ in Q3

In Q3 2024, secondary market activity was down 28% vs. the quarterly average since 2023.

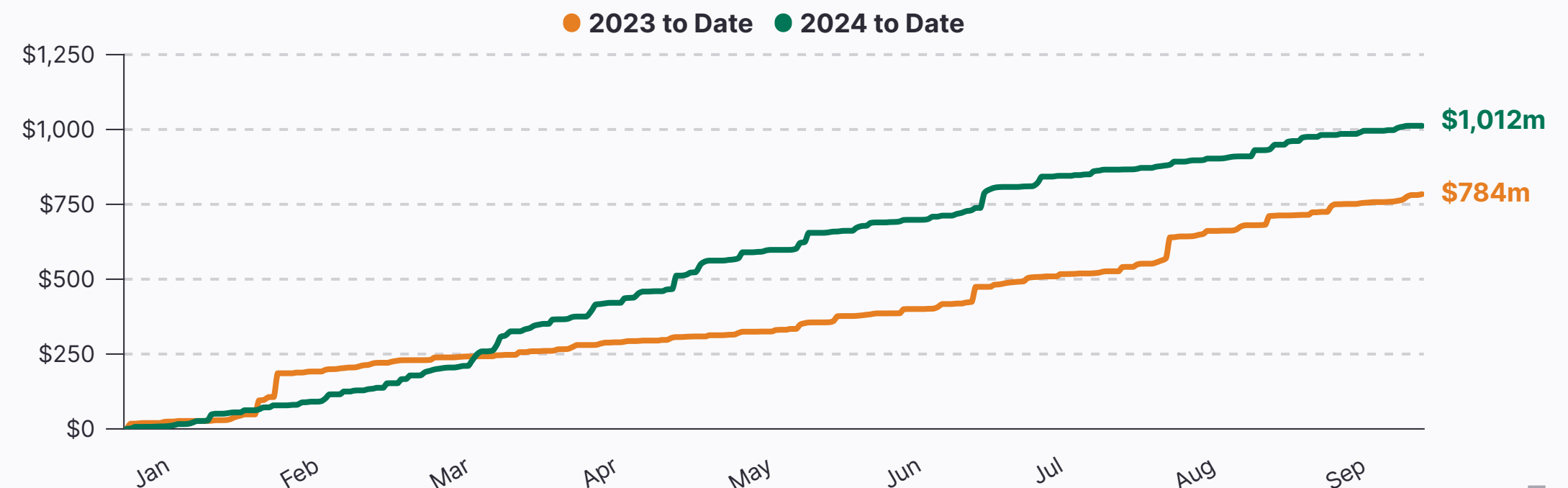
- Investors have been chasing pre-IPO secondary market sellers and consistently increasing their bid levels since June 2023.
- The secondary market remains very concentrated, with ~80% of volume in Q3 in the Top 10 names.
- After 5 quarters of valuation appreciation for most actively traded names, secondary market investors took a breather in Q3 as volume fell.

Nonetheless, cumulative pre-IPO volume YTD is still outpacing 2023 over the same time period.

Quarterly Closed Trade Volume & Count



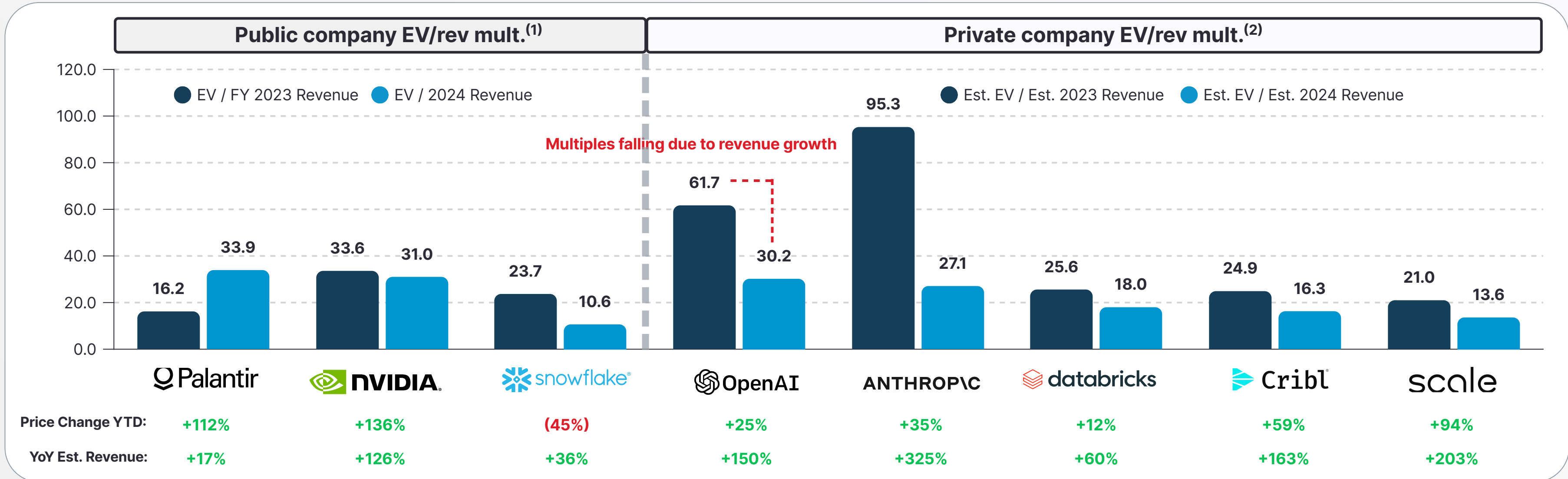
Cumulative Pre-IPO Secondary Volume



Note: Sourced from Caplight Data.

Despite the drop in volume in Q3,
greenshoots exist in the market going into year end.

Private Data & AI company revenues are growing into secondary market multiples



ANTHROPIC

2023 est. revenue figure: "...revenue at a **\$200M** annualized pace by the end of [2023]." - The Information

2024 est. revenue figure: "...more than **\$850M** in annualized revenue by end of 2024." - The Information

OpenAI

"Annualized revenue was **\$1.6B** in late 2023." - The Information

"...implying full-year revenue between **\$3.5B - \$4.5B**" - The Information

databricks

"Annualized run rate of **\$1.5B** for the quarter that ended July 2023" - CNBC

"...annualized revenue will reach **\$2.4B** at midway point of [2024]." - CNBC

Cribl

"Surpasses **\$100M** in ARR [on October 25, 2023]" - Press Release

"ARR has grown at a **163% CAGR** for the last four years" - Press Release
[Implies ~\$263m in ARR end of 2024]

scale

"Revenues doubled to **\$330M** [in 2023]" - The Information

"Revenue is expected to triple to over **\$1B** [in 2024]" The Information

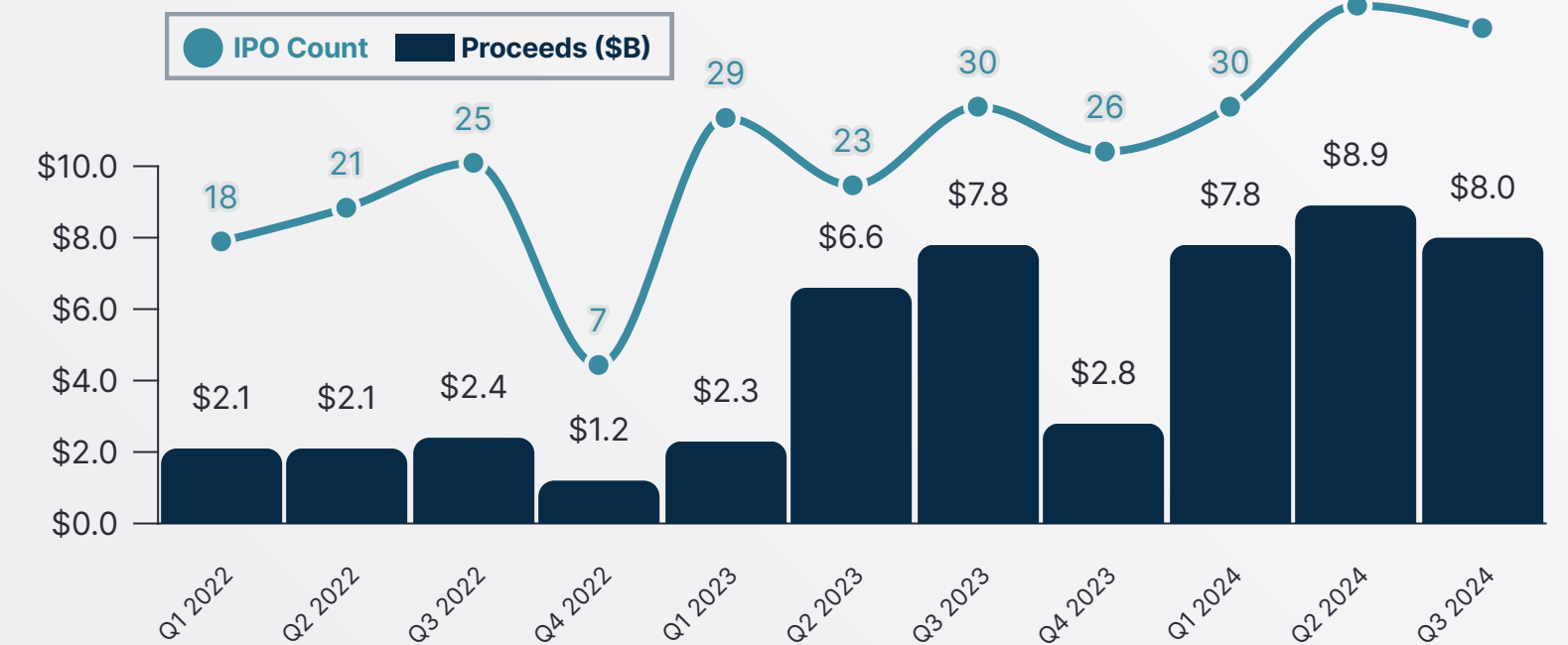
Note: 1) Public market EV/rev multiples sourced from Yahoo Finance as of 10/1/24.
2) All private company estimated revenue figures are from news publications and company press releases, sources have been linked accordingly. Est. valuation is sourced from Caplight Data MarketPrice as of 10/1/24.

Recent Tech IPO performance & lower interest rates may lead to more listings

Recent Tech IPOs have Significantly Outperformed Broader Public Markets

Company	IPO Date	IPO Price	Current Stock Price ¹	Annualized Return Since IPO	Annualized Return Since 1 Year Pre-IPO ²
arm	9/14/2023	\$51	\$143.01	168%	n/a
instacart	9/19/2023	\$30	\$40.74	34%	-22%
klaviyo	9/20/2023	\$30	\$35.38	17%	42%
AsteraLabs	3/20/2024	\$36	\$52.39	103%	392%
reddit	3/21/2024	\$34	\$65.92	250%	59%
rubrik	4/25/2024	\$32	\$32.15	1%	7%
TEMPUS	6/14/2024	\$37	\$56.60	321%	n/a

US IPO Activity has Picked up in 2024³



Top AI & FinTech Companies are Ramping Up Plans to Go Public

9/30/2024 cerebras Files for IPO as It Challenges Nvidia in Chips -- Bloomberg	9/26/24 chime Taps Morgan Stanley to Handle IPO in 2025 -- Bloomberg
8/14/2024 Klarna Nears Picking Goldman as Lead Bank for US IPO -- Bloomberg	5/29/2024 CoreWeave Prepares for 2025 IPO -- The Information
4/19/2024 ShipBob Picks JPMorgan to Lead IPO -- Bloomberg	2/15/2024 neo4j Is Planning IPO on Nasdaq -- Bloomberg

1. Sourced from Yahoo Finance. Closing Price as of 9/30/24.
 2. Annualized return since one year prior to the IPO date, where historical price is estimated by Caplight's proprietary MarketPrice algorithm.
 3. Sourced from Renaissance Capital IPO tracker. Excludes direct listings with a market cap below \$50m.

Secondary-focused fundraising is accelerating, creating dry powder

Notable secondary-fund fundraises in 2024



G Squared Closes \$1.1B Sixth Flagship Fund to Capitalize on Opportunity in Venture Capital Secondaries



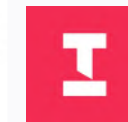
HarbourVest Enters New Territory With \$18.5 Billion to Back Secondary Deals

WSJ



Exclusive

Lightspeed, After Backing xAI and Anthropic, Aims to Raise \$7 Billion in New Funds



NEA quietly reenters the secondaries market



EXCLUSIVE FUND NEWS

StepStone Collects \$7.4 Billion for Private-Equity Secondary Deals

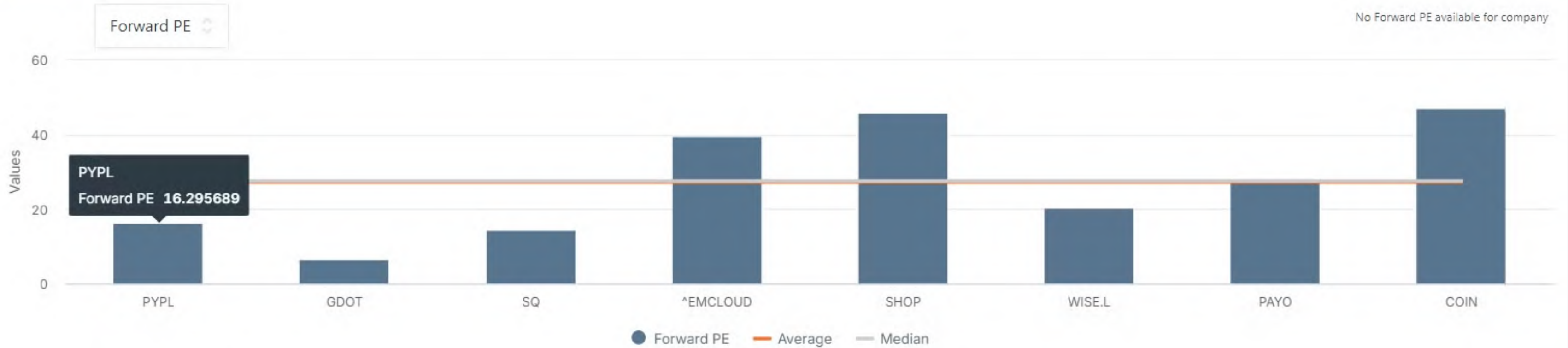
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New Caplight Products & Appendix

Comps on Caplight

Caplight's new comps tool helps investors find the best public and private comps for private assets

Explore Comparables



Search for comparable companies

Download

↕		Market Cap ↕	52 Week Change ↕	Enterprise Value ↕	EV/LTM Rev ↕	LTM Revenue ↕	LTM Rev. Growth ∨	EV/LTM EBITD	
<input checked="" type="checkbox"/>	Coinbase Global Inc	COIN	\$42.5B	+116%	\$39.7B	8.8x	\$4.5B	+108%	29.6x
<input checked="" type="checkbox"/>	Payoneer Global Inc	PAYO	\$2.9B	+27%	\$2.2B	2.4x	\$900.1M	+47%	14.2x
<input checked="" type="checkbox"/>	Wise plc	WISE.L	\$8.8B	-8%	\$7.6B	4.1x	\$1.9B	+38%	11.9x
<input checked="" type="checkbox"/>	Adyen NV	ADYEN.AS	\$46.3B	+101%	\$36.8B	18.4x	\$2.0B	+25%	40.2x
<input type="checkbox"/>	Alkami Technology Inc	ALKT	\$3.3B	+89%	\$3.2B	10.9x	\$297.4M	+25%	-65.9x
<input type="checkbox"/>	Flywire Corp	FLYW	\$2.1B	-44%	\$1.5B	3.4x	\$441.6M	+22%	-199.1x
<input checked="" type="checkbox"/>	Shopify Inc	SHOP	\$106.6B	+54%	\$102.5B	13.2x	\$7.8B	+21%	103.4x
<input checked="" type="checkbox"/>	Bessemer Venture Partners BVP ...	^EMCLOUD	\$26.8B	+9%	\$25.8B	7.5x	\$3.5B	+17%	58.7x
<input checked="" type="checkbox"/>	Block Inc	SQ	\$41.3B	+53%	\$40.1B	1.7x	\$23.5B	+11%	41.6x
<input checked="" type="checkbox"/>	Green Dot Corporation	GDOT	\$592.0M	-15%	-\$658.7M	-0.4x	\$1.6B	+11%	

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