

Setter

The Setter 30

The Most Sought-After Venture Backed Companies in the Secondary Market

Q3 2022

First in the Secondary Market.

The Setter 30 - Q3 Takeaways

We are pleased to share the Q3 2022 edition of The Setter 30 – our ranking of the most sought-after venture-backed companies in the global secondary market. These rankings were derived from a survey of over 500 leading global investors in late-stage companies and the daily feedback we receive from the market's most active buyers.

While these companies are the most frequently targeted by investors, they may not be the most easily acquired. For instance, some companies have few sellers (e.g., Redwood Materials and The Boring Company) and/or have rigid transfer restrictions (e.g., Anduril, Databricks, Grubmarket, Neuralink, Plaid, Revolut, SpaceX, and Stripe), making secondary trades more difficult.

Our team and respondents noted several trends and observations reflected in the Q3 rankings.

Once again, SpaceX and Stripe were the two most sought-after companies in the secondary market. Elon Musk companies garnered three spots in total, with The Boring Company and Neuralink also making the Top 30.

Anduril, a Defense Tech manufacturer, rose eight spots to knock Databricks out of third place (which it held for the last three quarters). This is likely driven by current political tensions and the ongoing threat of military engagement.

Adobe's announced \$20 billion acquisition of Figma (which ranked 27th and 15th on the Q1 and Q2, 2022 editions of The Setter 30 respectively) created strong interest in enterprise collaboration platforms and the CloudTech & DevOps space, with Notion's first-ever placement and Airtable and Canva's improved ranking.

Fintech performed strongly with three new names added this quarter (Gusto, Ramp, and Brex). HR tech also placed noticeably better, with Deel ranking for the first time and Rippling climbing 12 spots.

Blockchain & Crypto attracted less demand this quarter, with many historically sought-after names (Fanatics, FTX, Kraken, and OpenSea) not making the Q3 Setter 30. Declining crypto prices, paired with the collapse of major market participants (Celsius Network, Terra Luna, Voyager, and now FTX) have caused many investors to approach the sector cautiously, leading to a decline in secondary demand for Blockchain and Crypto businesses.

There was improved interest in later-stage companies. The median valuation amongst all names was \$10.8 billion (\$2.6 billion EV higher Q/Q) and there were four new companies with market caps above the \$10 billion EV threshold, relative to Q2.

We welcome your comments on this edition of the Setter 30, along with any particular interest you may have on the buy or sell side.

The Setter 30

Issuer	Business Activity	Last Round EV* (\$bn)	Change in Rank Q/Q
SpaceX	Aerospace Transport Systems	127.0	-
Stripe	Payment Platform	95.0	-
Anduril	Defense Technology	8.2	+8
Epic Games	Game Development	31.5	-
Flexport	Freight Forwarding Platform	8.0	-
Databricks	Data Analytics Platform	38	-3
Discord	Online Gaming Chat	14.7	+2
Klarna	E-commerce Financing	6.7	-1
Snyk	Security Analysis Tool	8.5	+11
Plaid	Financial Technology Data Verification	13.4	-2
Revolut	Money Transferring Platform	33.0	+6
Canva	Online Graphic Design Platform	40.0	-
Airtable	Data Collaboration Platform	11.7	-3
Rippling	Human Resource Management Platform	11.3	+12
ByteDance	Mobile Creative Content Platform	360.0	+6
Brex	Corporate Card and Expense Management	12.3	new
Pipe	Financial Services Platform	2.0	-2
Ramp	Corporate Spend Management platform	8.0	new
Gusto	Cloud-Based Payroll Management	9.6	new
Instacart	Groceries focused Delivery Tech	39.0	new
Rubrik	Data Management Platform	3.7	new
GrubMarket	Foodtech eCommerce Platform	2.2	-3
Notion	Business/Productivity Software	10.3	new
Arctic Wolf	Risk Management Cybersecurity Platform	4.3	-10
Chainalysis	Blockchain Monitoring and Compliance Software	8.6	new
Faire	E-commerce Wholesale Marketplace	12.6	new
Deel	Online Payroll Platform	12.1	new
Redwood Materials	Sustainable Battery Recycling Technology	3.8	-4
The Boring Company	Underground Transportation Construction	5.7	-6
Neuralink	Implantable Therapeutic Devices	2.1	new

* Enterprise values are as reported by PitchBook™ and other sources and are not verified

About Setter

Established in 2006, Setter Capital is a leading independent advisory firm specializing in providing liquidity solutions for fund managers and institutional investors in the secondary market for alternative investments. We serve a diverse institutional client base including some of the world's largest pensions, endowments, investment consultants and fund managers. To date, Setter Capital has completed over 2000 transactions, representing more than \$40 billion in liquidity across venture capital, private equity, infrastructure, real estate, and real asset fund and direct investments.

Setter Capital's mission is to make the secondary market more transparent and efficient for all market participants.

For further information:

Brian McGrath
brianm@settercap.com
+1 416 964 5574
settercapital.com

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