

# Verdane

## PE Trends

### NFF Webinar

19 January 2021

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# The preferred growth partner to **sustainable** tech-enabled businesses in Northern Europe



Best European Growth Private Equity Firm  
2019 Private Equity Exchange Awards



**2003**  
Founded



**50+**  
Employees



**6**  
Offices



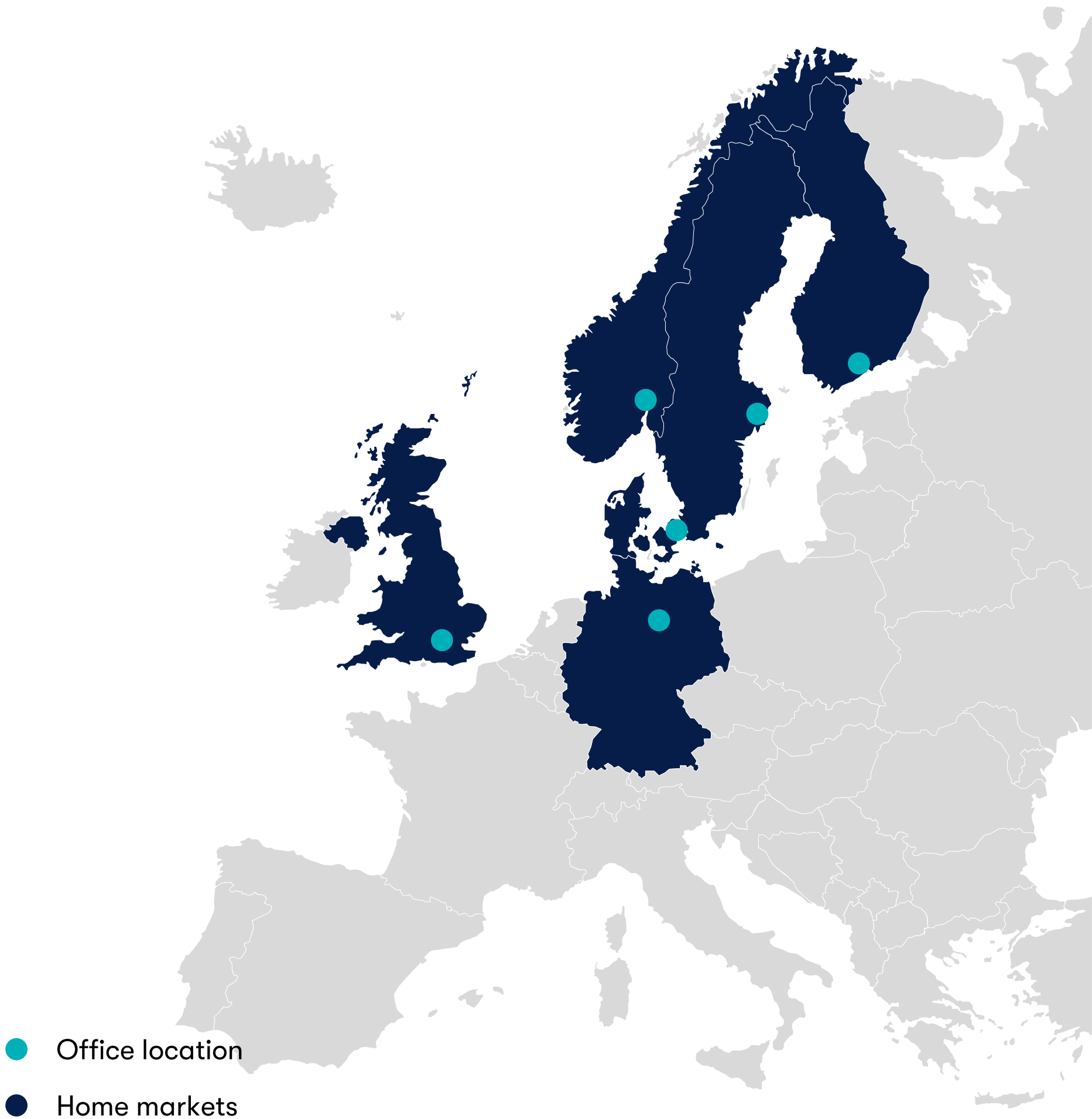
**€2bn**  
Committed capital



**9**  
Funds

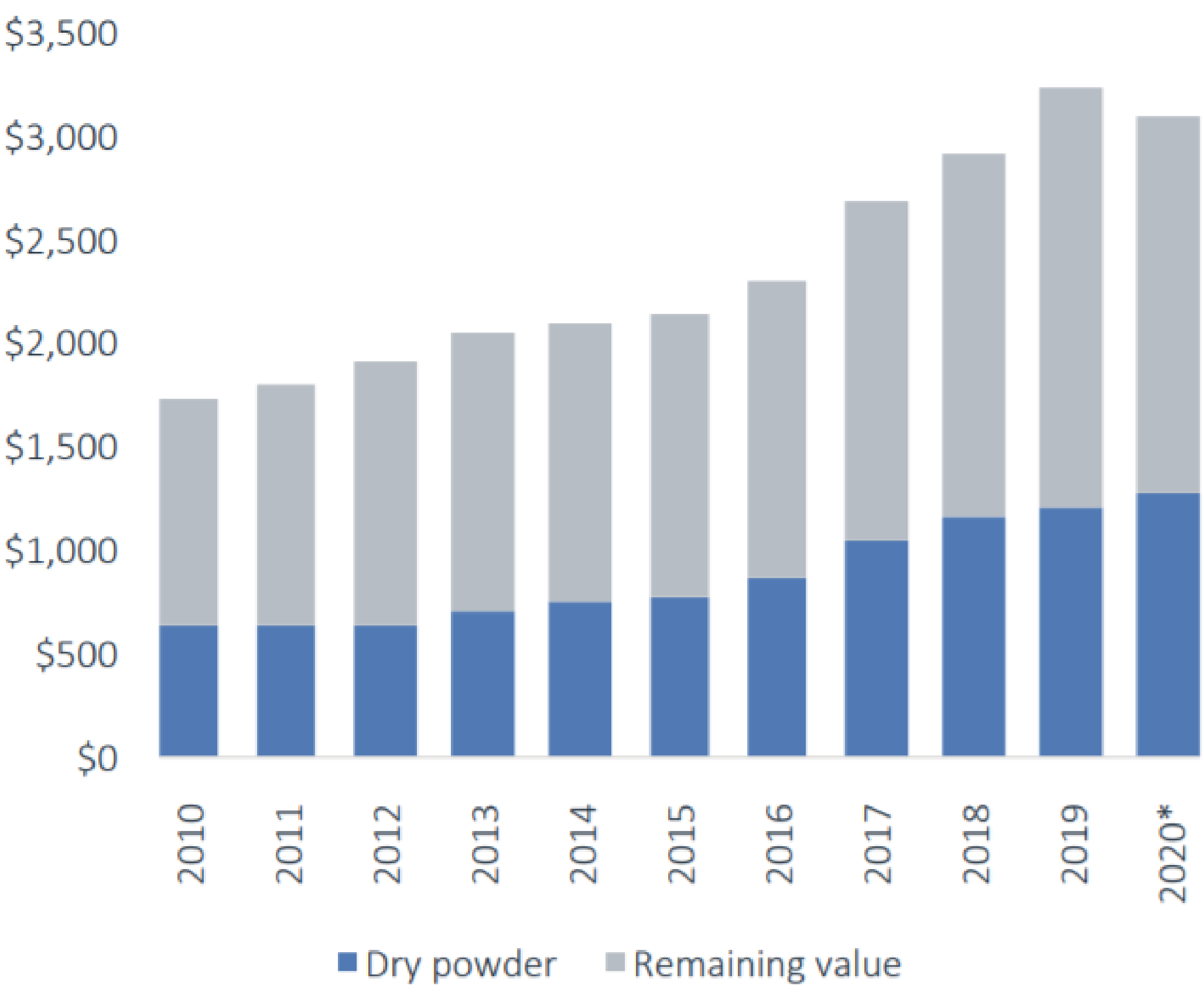


**53**  
# companies in portfolio

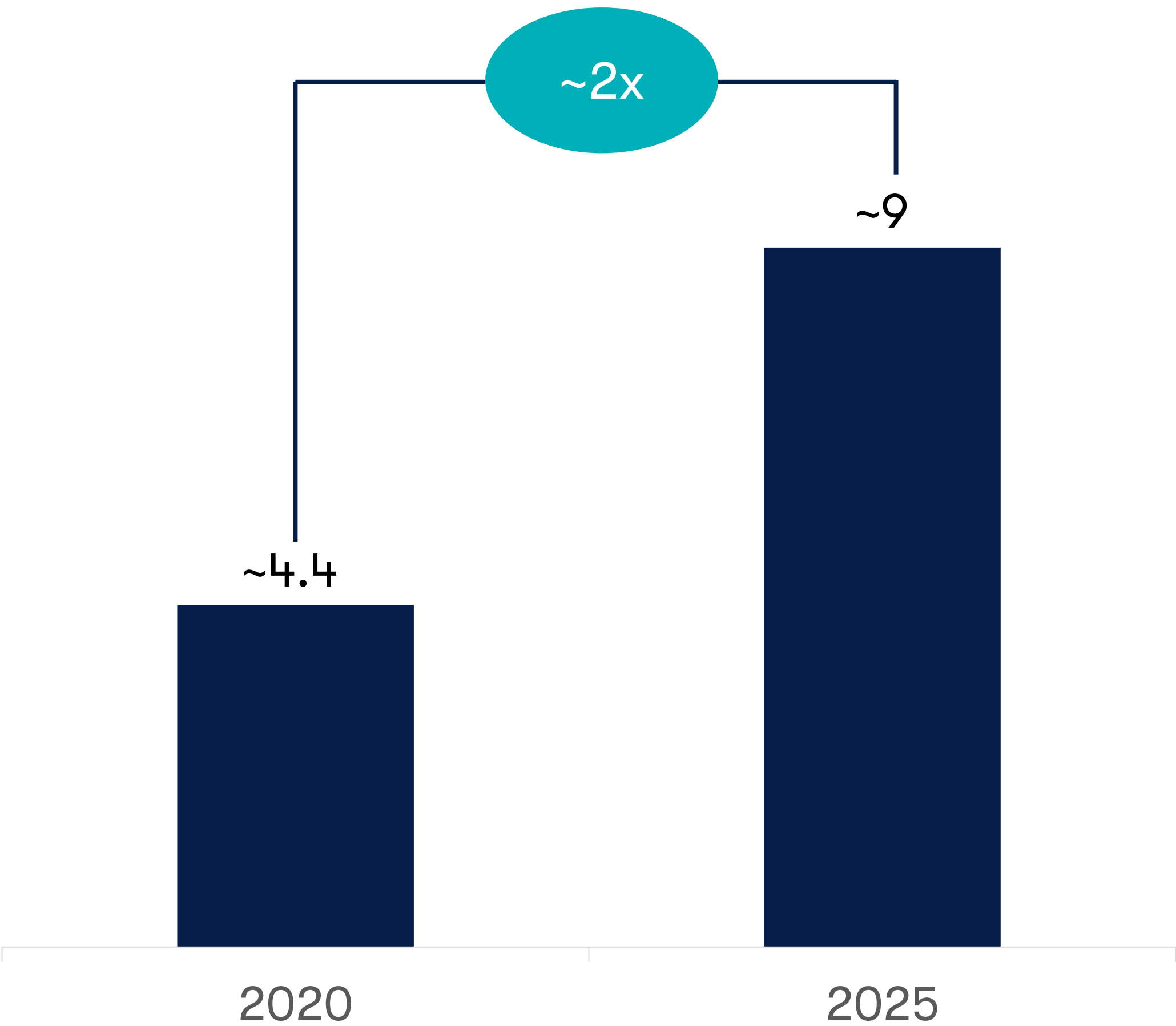


# Long term structural growth set to continue

Private Equity AuM (in \$Bn) has been growing for the last 10 years...



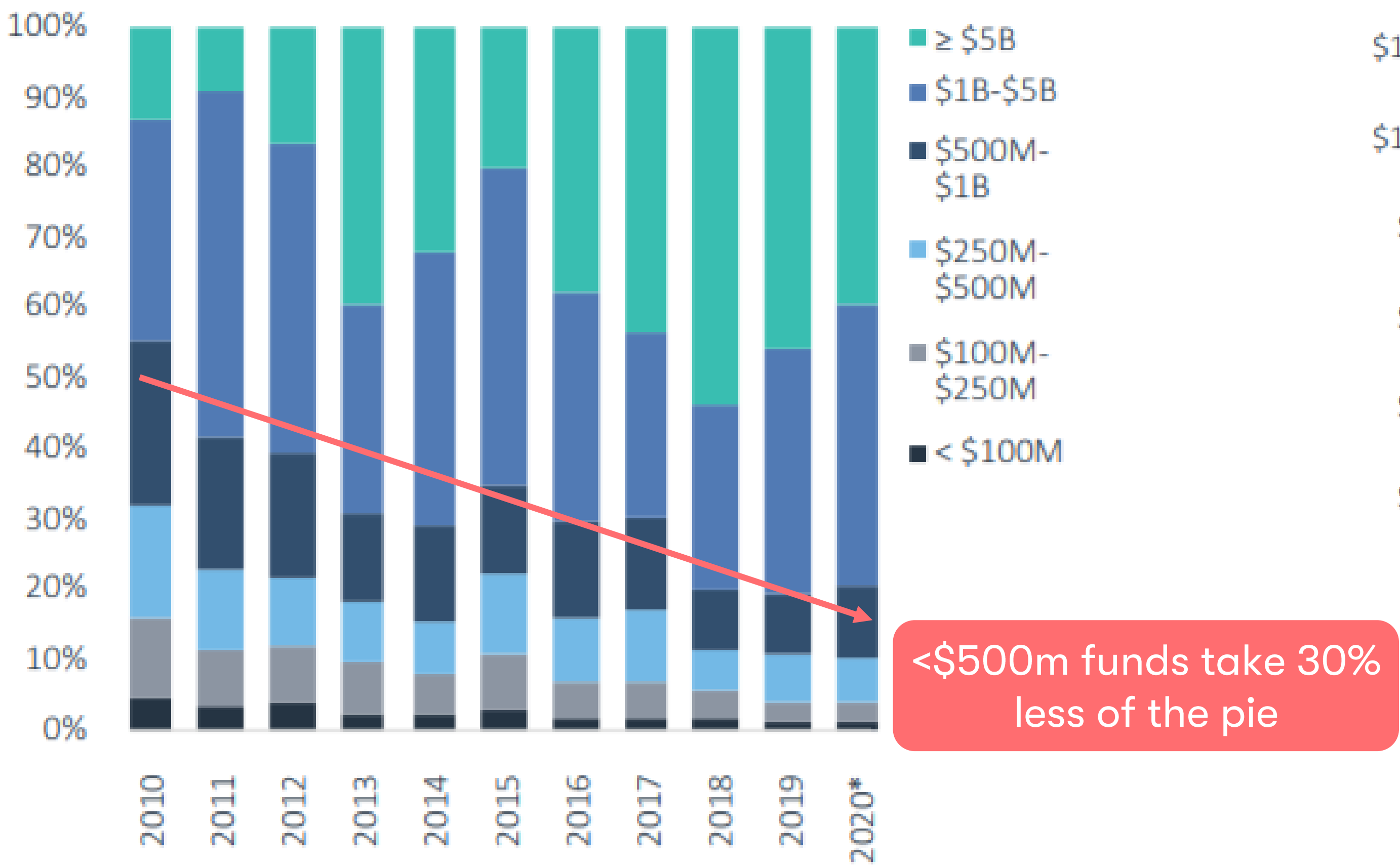
...and is projected to double in 2025 (in USD trillions)



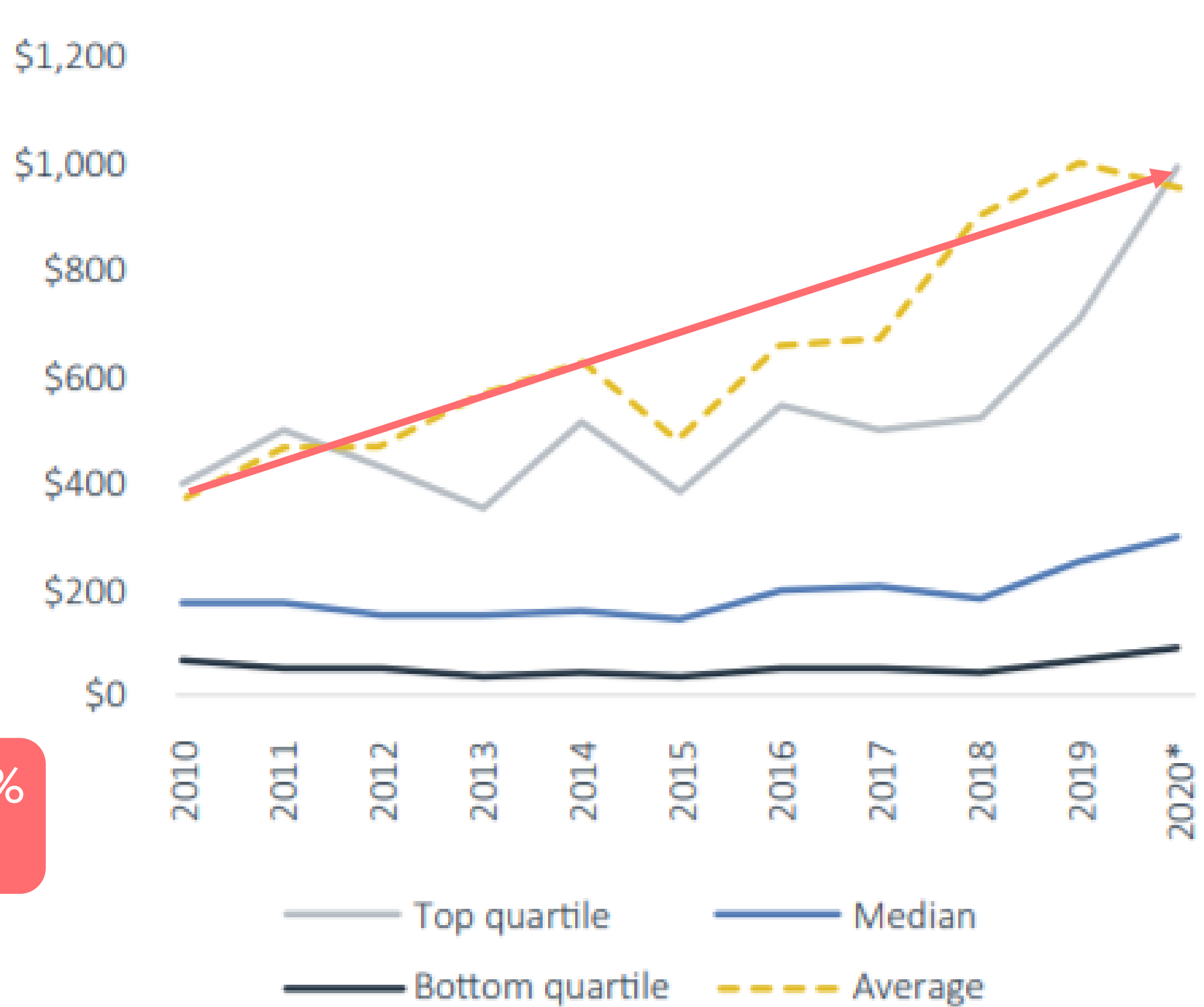
1. Source: Pitchbook (as of March, 2020), Private Equity International

# Funds and winning firms getting larger

PE funds by size (in \$)



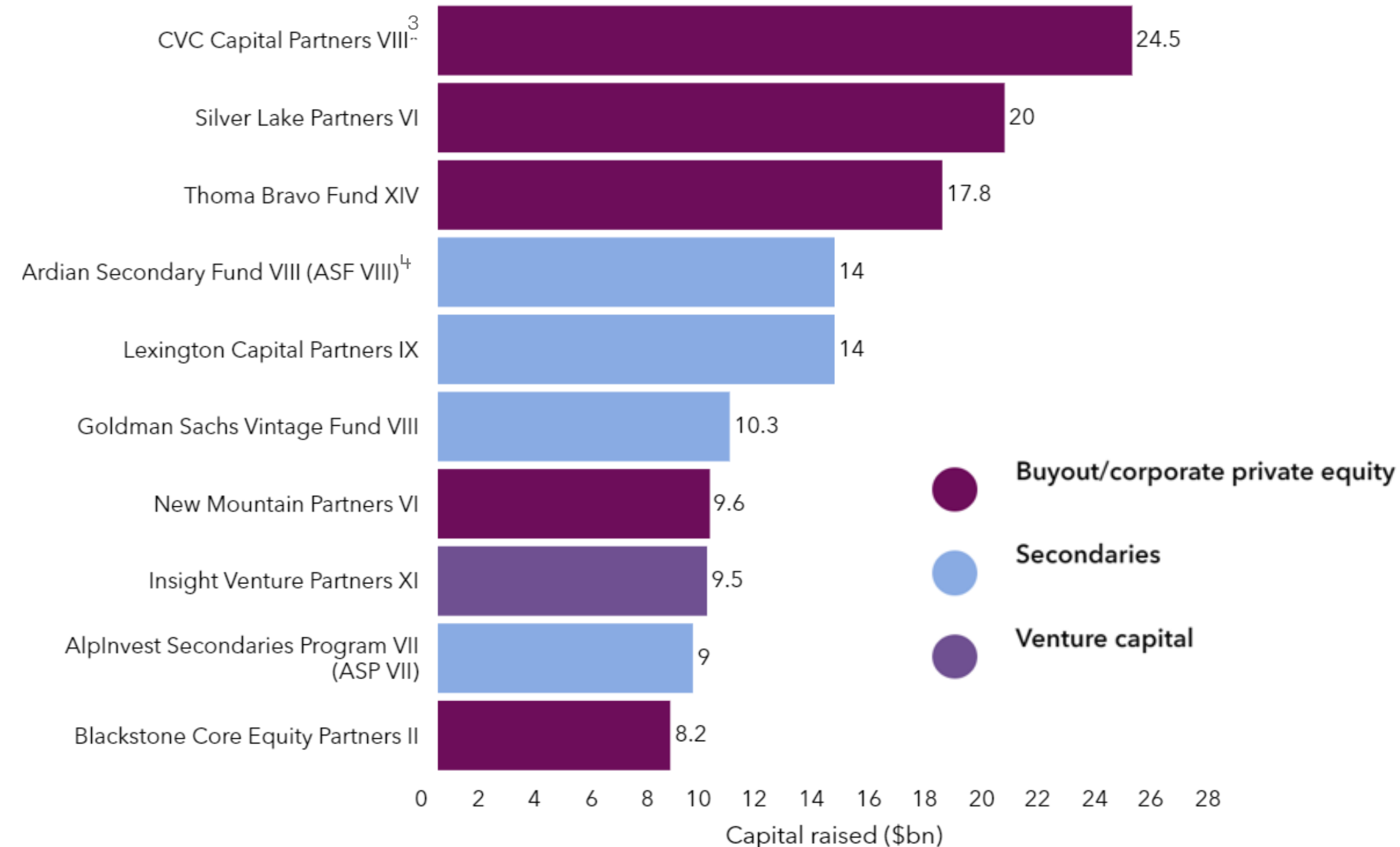
PE fund size (in \$M)



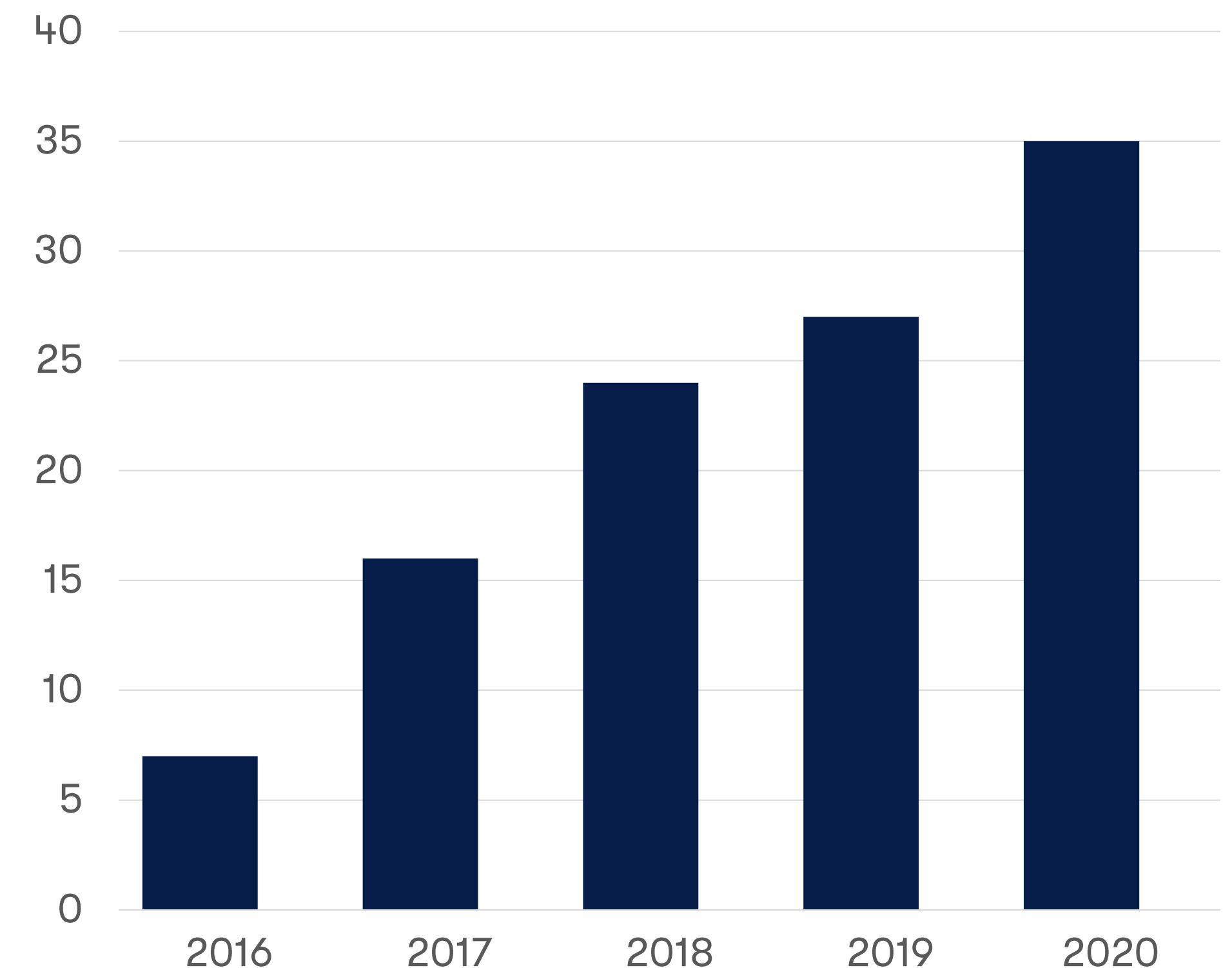
1. Source: Pitchbook (as of September, 2020)

# Secondary funds and continuation structures help drive further industry growth

Four of the 10 largest PE funds raised last year were for secondaries



Total value of continuation fund deals<sup>2</sup> (in \$Bn)



1. Source: Private Equity International (as of January, 2021), Lazard (as of December 2020)

2. Data also includes a small number of deals in which private equity groups sell investors's stakes in their fund. Data for 2020 is estimated as some deal yet to close

3. CVC Capital Partners raised €22bn

4. ASF VIII gathered \$14bn and a further \$5bn for co-investments



**specialization**

**Sector-specific funds  
outperform generalist  
funds (by 4.7%?)<sup>1</sup>**





**Fully SDG aligned vehicles emerging**





**But a clear taxonomy needed (way to go EU!)**





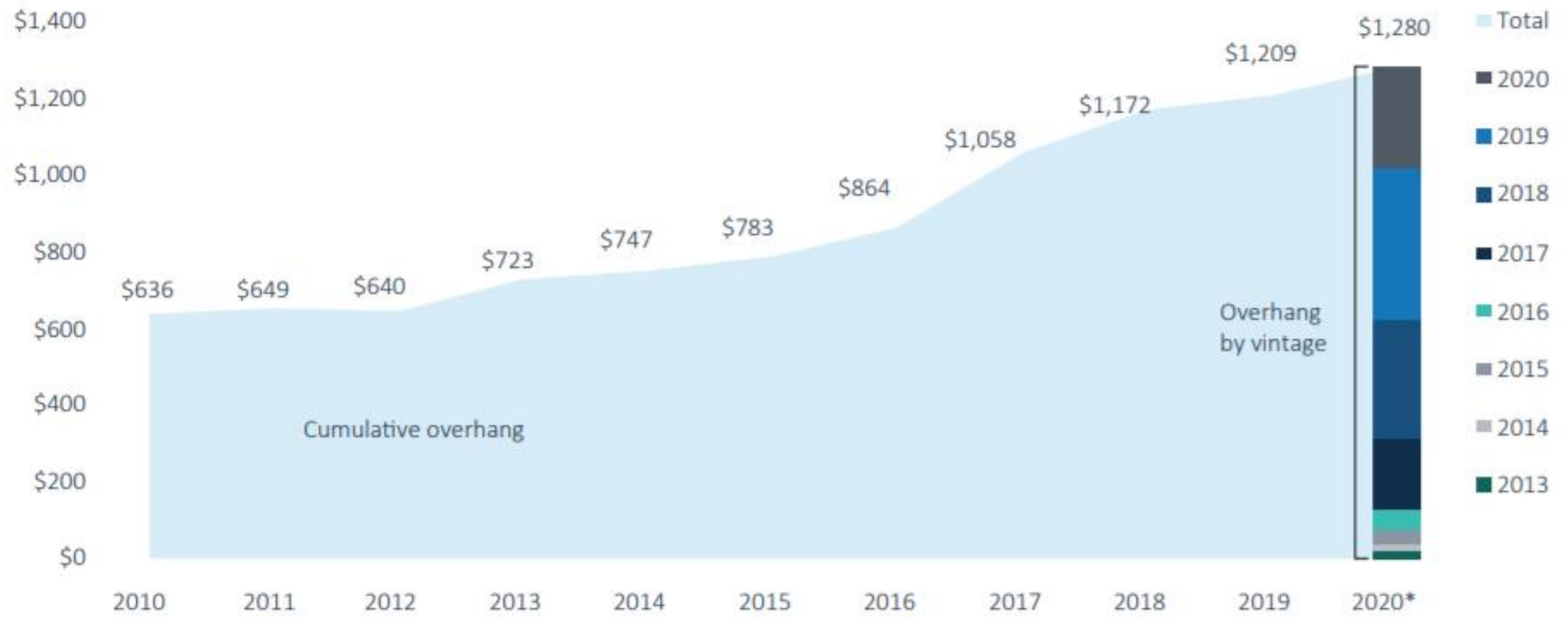
# Ever increasing dry powder





# A record high \$1.3 trillion overhang in 2020

PE overhang (in \$Bn)



1. Source: PitchBook (as of March, 2020)





**An increasing portion of world's equity held outside listed markets**



# 2020s Secular shift into tech stocks

NASDAQ-100 Technology Index up by ~43% in the last 12 months,



1. Source: Nasdaq (as of January, 2021)



# All top 10 NASDAQ-100s stocks experienced >100% growth this year and drove the S&P 500 index

NASDAQ-100s 6 out of 10 stocks doubled their value over the last year

COMPANY	TICKER	INDUSTRY	PRICE CHANGE - 2020
Tesla Inc.	<a href="#">TSLA, -2.23%</a>	Motor Vehicles	743%
Moderna Inc.	<a href="#">MRNA, -0.05%</a>	Biotechnology	434%
Peloton Interactive Inc. Class A	<a href="#">PTON, -4.50%</a>	Other Consumer Services	434%
Zoom Video Communications Inc. Class A	<a href="#">ZM, +0.34%</a>	Software	396%
Pinduoduo Inc. Sponsored ADR Class A	<a href="#">PDD, -3.62%</a>	Internet Retail	370%
DocuSign Inc.	<a href="#">DOCU, -0.39%</a>	Software	200%
MercadoLibre Inc.	<a href="#">MELI, -0.04%</a>	Internet Software/Services	193%
Okta Inc. Class A	<a href="#">OKTA, -2.36%</a>	Software	120%
Nvidia Corp.	<a href="#">NVDA, -2.58%</a>	Semiconductors	122%
PayPal Holdings Inc.	<a href="#">PYPL, -0.94%</a>	Data Processing Services	117%

Majority of S&P 500s best performing stocks are in tech

COMPANY	TICKER	INDUSTRY	PRICE CHANGE - 2020
Tesla Inc.	<a href="#">TSLA, -2.23%</a>	Motor Vehicles	743%
Etsy Inc.	<a href="#">ETSY, -3.36%</a>	Miscellaneous Commercial Services	302%
Nvidia Corp.	<a href="#">NVDA, -2.58%</a>	Semiconductors	122%
PayPal Holdings Inc.	<a href="#">PYPL, -0.94%</a>	Data Processing Services	117%
L Brands Inc.	<a href="#">LB, +0.49%</a>	Apparel/Footwear Retail	105%
Albemarle Corp.	<a href="#">ALB, -1.22%</a>	Chemicals: Specialty	102%
Advanced Micro Devices Inc.	<a href="#">AMD, -2.84%</a>	Semiconductors	100%
Freeport-McMoRan Inc.	<a href="#">FCX, -5.13%</a>	Other Metals/Minerals	98%
Cadence Design Systems Inc.	<a href="#">CDNS, -0.56%</a>	Software	97%
ServiceNow Inc.	<a href="#">NOW, -0.11%</a>	Information Technology Services	95%

1. Including Tesla

2. Source: FactSet (as of November, 2020), S&P 500

# Are we seeing a reversal of a long term trend?

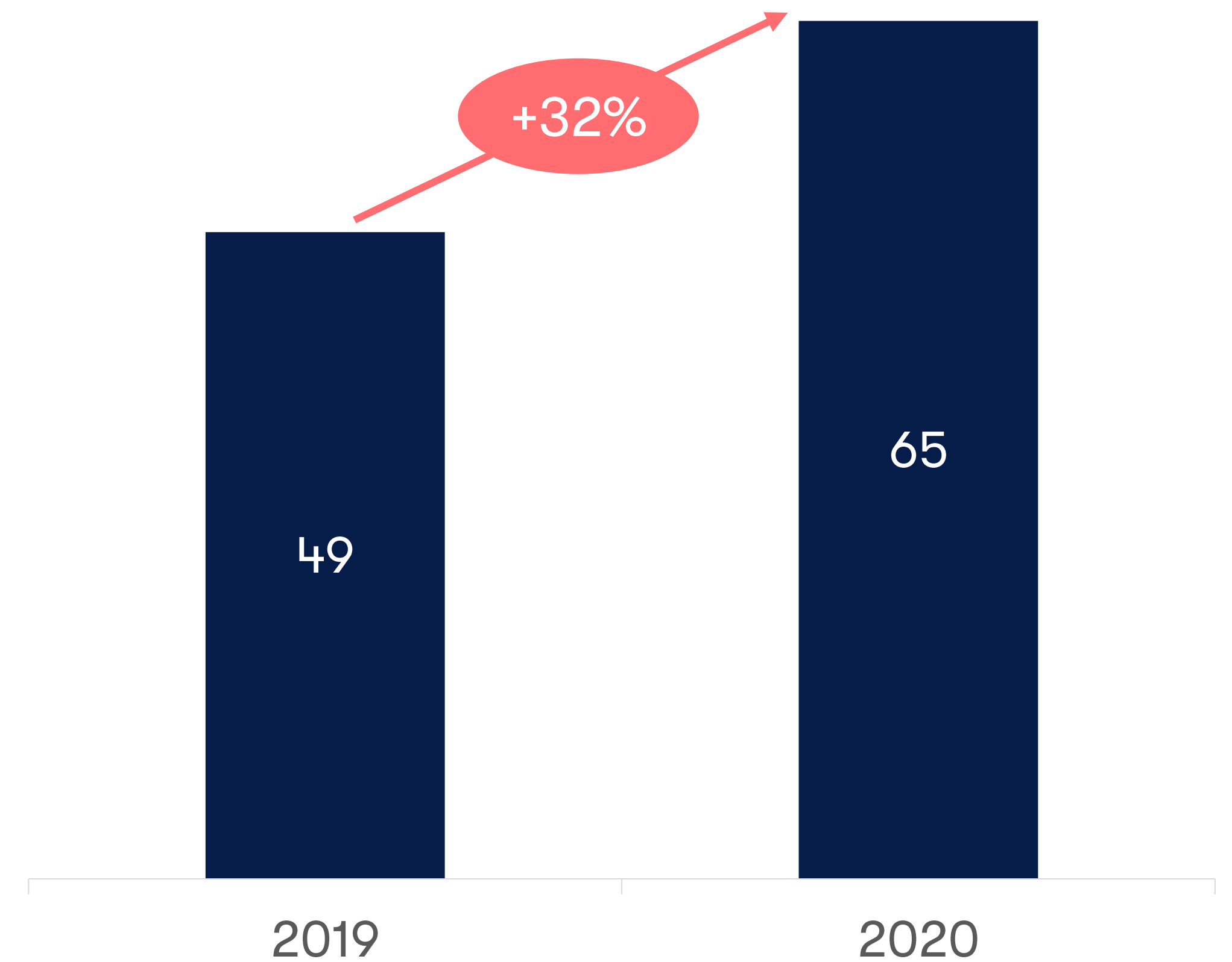
Three of the biggest IPOs for US tech companies have been in 2020

Company	IPO Date	Amount Raised
Facebook	May '12	\$16.0B
Uber	May '19	\$8.1B
Agere Systems	Mar '01	\$4.1B
Snap	Mar '17	\$3.9B
Snowflake	Sep '20	\$3.9B
Airbnb*	Dec '20	\$3.7B
DoorDash	Dec '20	\$3.4B
Lyft	Mar '19	\$2.6B
Altice USA	Jun '17	\$2.2B
Twitter	Nov '13	\$2.1B

\*Airbnb figure assumes underwriters buy allotted shares.

Tech IPO companies raised \$13Bn more in 2020 than in 2019

Number of Tech IPOs in 2019 & 2020

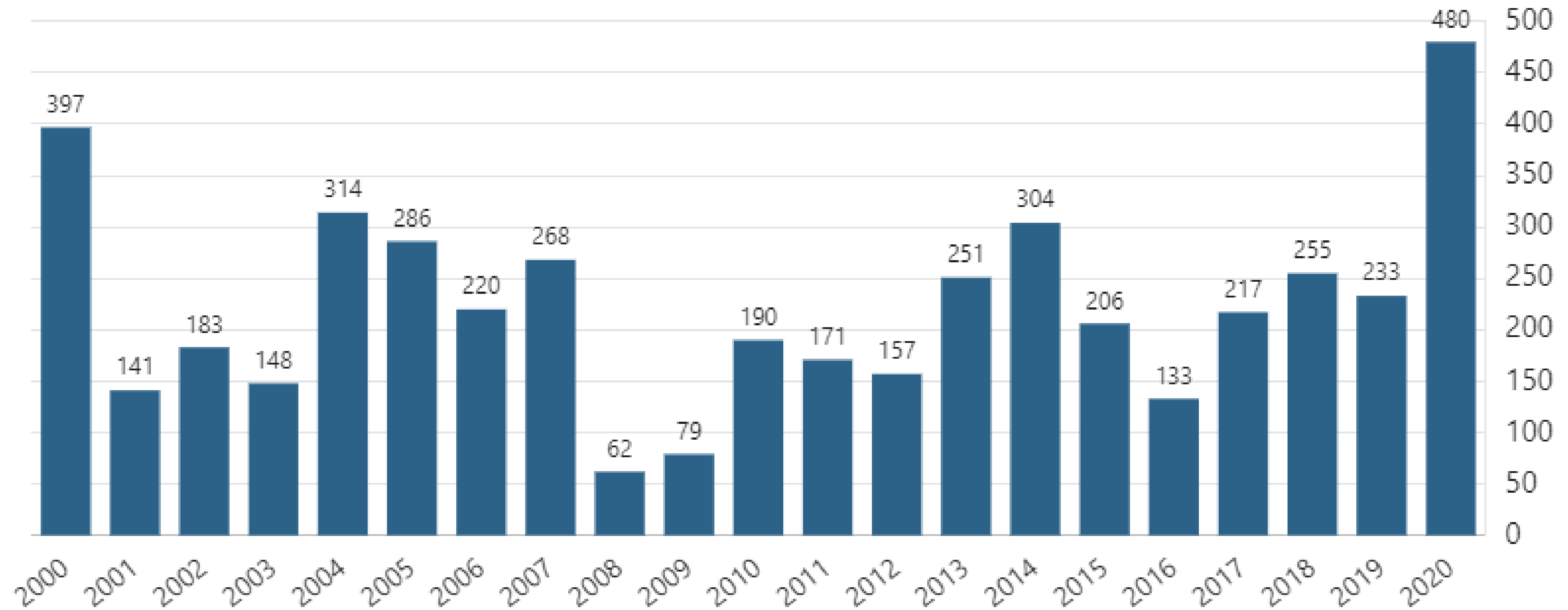


1. Counting Tesla
2. Source: FactSet (as of November, 2020), S&P 500



# 2020 has been an all time record for IPOs

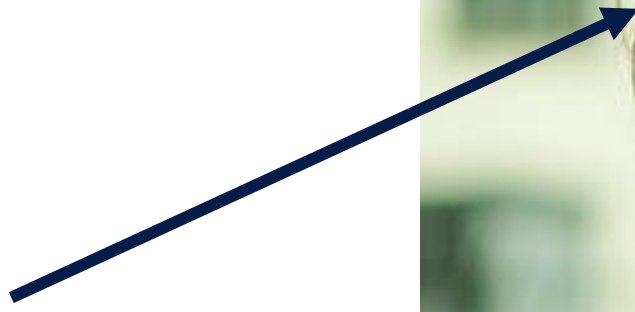
+106% more than in 2019 and 20% higher than the previous record IPO year of 2000





**SPACs making  
waves**

**SPACs**



**Traditional  
IPOs**





# SPACs raised capital grows significantly...

...backing disruptive companies



 Pershing  
Square  
Tontine  
Holdings  
\$4bn



SOCIALCAPITAL  
\$800m



NIKOLA™  
MOTOR COMPANY

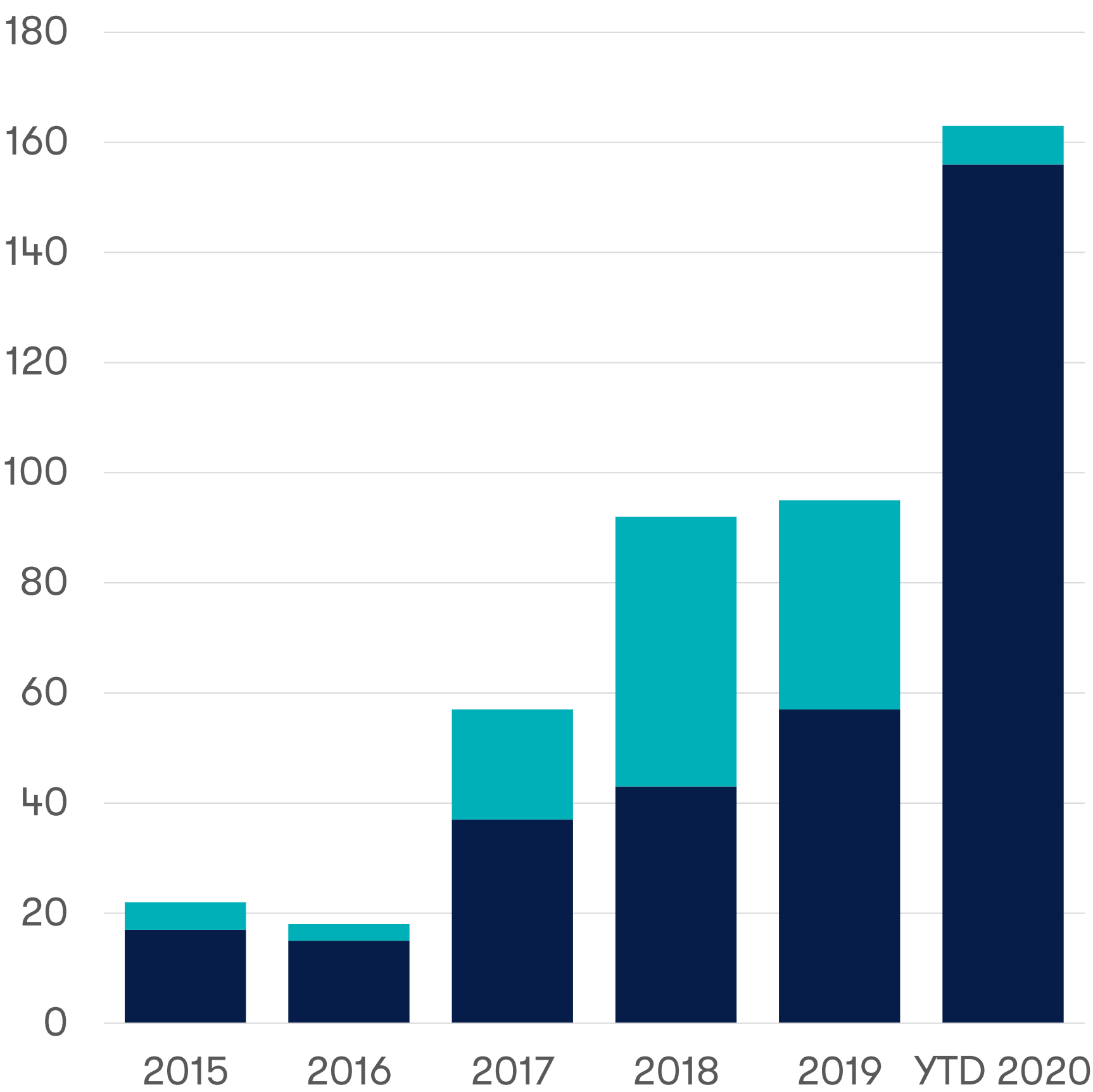


GALACTIC

# Sign of exuberance in public markets, or structural change?

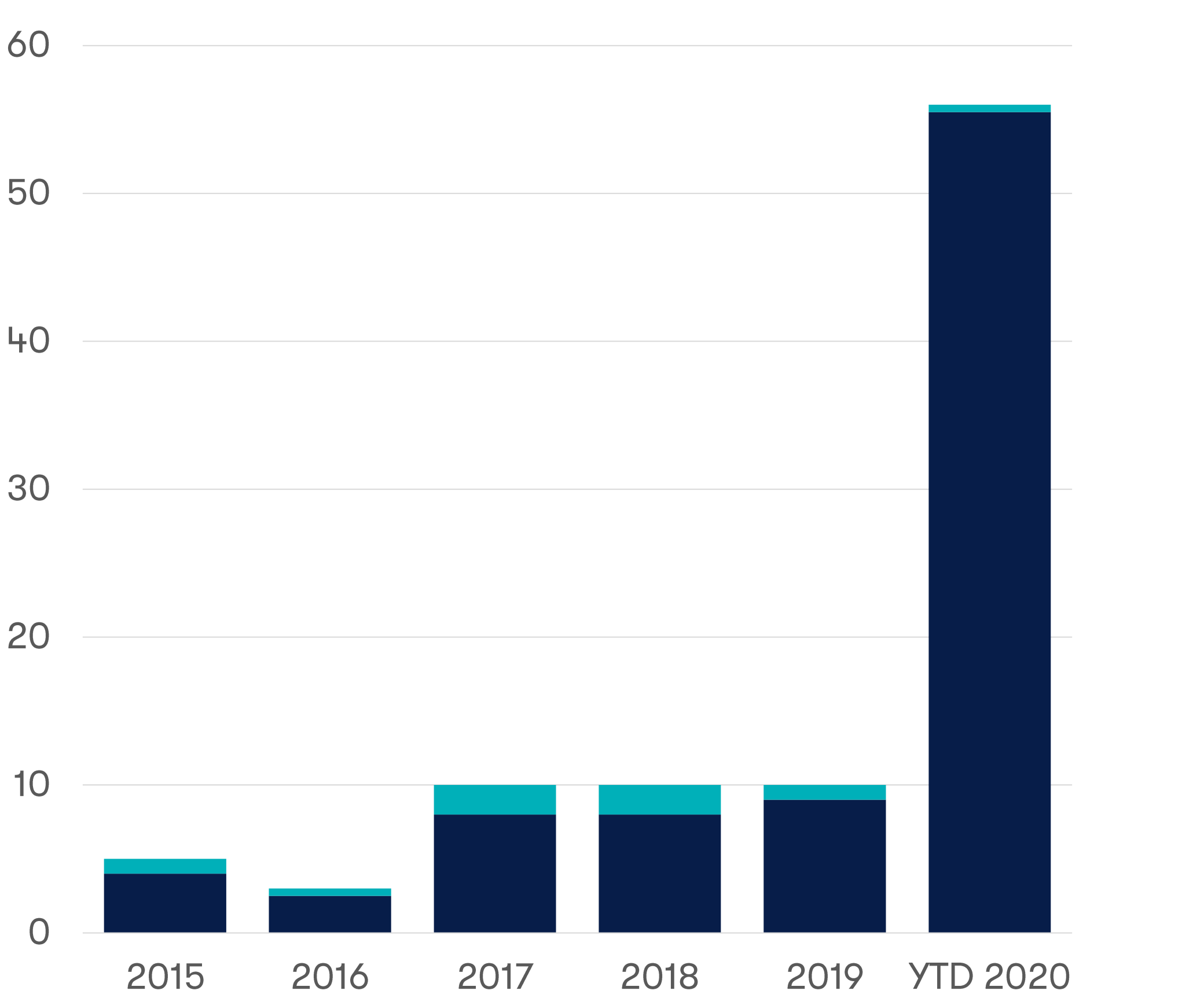
SPAC listings in 2020 are at a record high

Annual volume 2015-2020



More than 5 times proceeds than last year

SPAC IPO proceeds (in \$Bn)

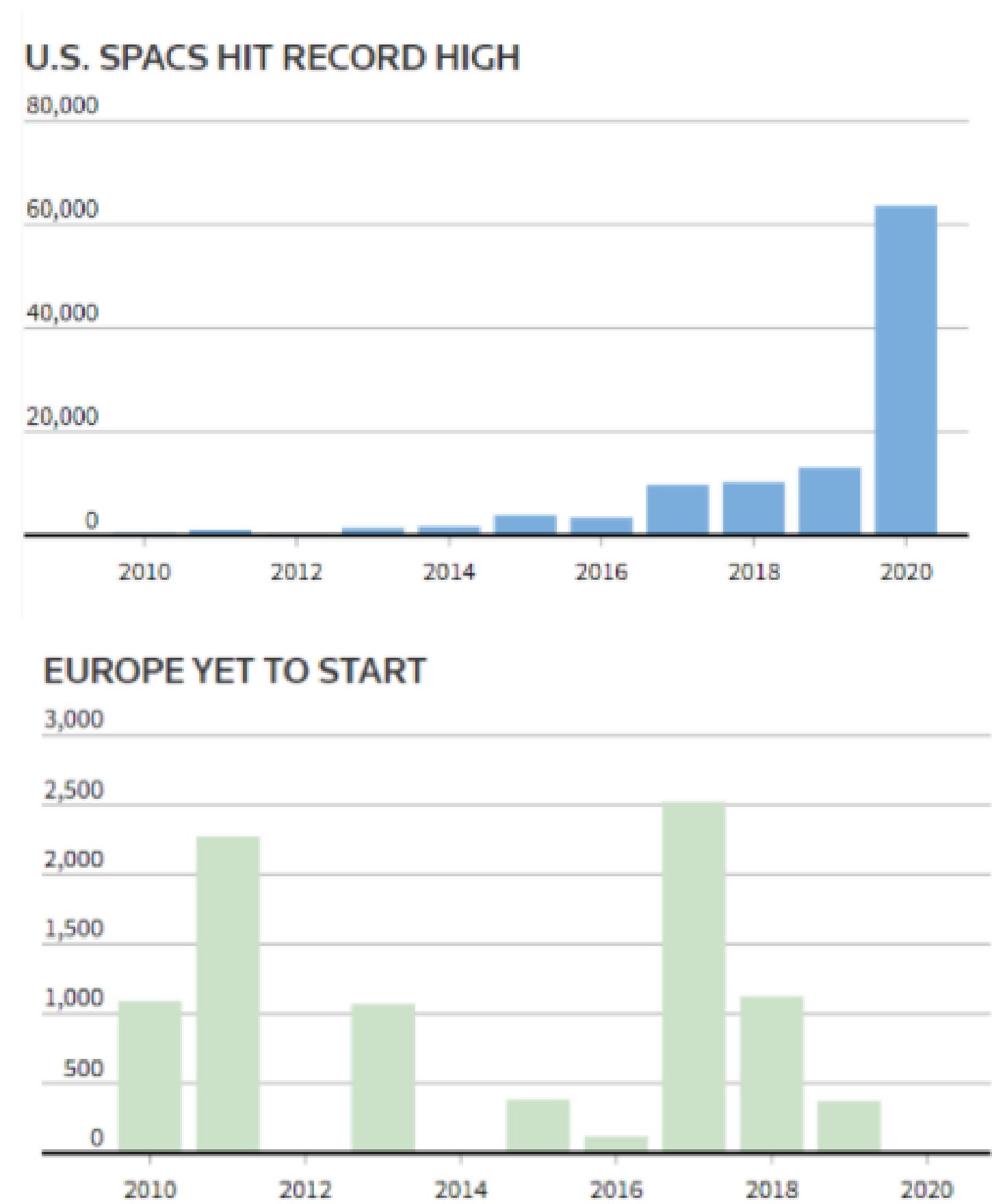


1. Source: Refinitiv (from Jan – Oct 2020)



# Will SPACs arrive in force in Europe?

Europe runs for SPAC train as US roars ahead (in \$m)



1. Source: Reuters (as of December, 2020)





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