

Setter

The Setter 30

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

Q3 2023

First in the Secondary Market.

The Setter 30

Rank	Issuer	Business Activity	*Last Round (\$B EV)	Change in Rank (Q/Q)
1.	SpaceX	Aerospace Transport Systems	137.0	+1
2.	Databricks	Data Analytics Platform	43.0	+1
3.	Stripe	Payment Platform	50.0	-2
4.	OpenAI	AI Research and Deployment Company	28.0	-
5.	Anduril	Data Analytics Platform	8.5	+1
6.	Epic Games	Game Development	31.5	+1
7.	Neuralink	Neuroprosthetics Development	3.3	+4
8.	Canva	Online Graphic Design Platform	40.0	+5
9.	Deel	Online Payroll Platform	12.1	+10
10.	Plaid	Financial Technology Data Verification	13.4	+6
11.	Discord	Online Gaming Chat	15.0	-3
12.	Ramp	Corporate Spending and Expense Management	5.8	+2
13.	Rippling	Human Resource Management Platform	11.8	+4
14.	Anthropic	AI Safety and Research Company	25.0	-1
15.	Flexport	Freight Forwarding Platform	8.0	-10
16.	Klarna	E-Commerce Financing	6.7	NEW
17.	Notion	Business/Productivity Software	10.3	+1
18.	Airtable	Data Collaboration Platform	11.7	+7
19.	Arctic Wolf	Risk Management Cybersecurity Platform	4.3	+11
20.	Snyk	Developer Security Platform	7.4	-10
21.	Scale AI	Data Annotation Platform	7.3	-
22.	Rubrik	Data Management Platform	3.7	-7
23.	Reddit	Social Networking Platform	10.0	-
24.	Brex	Corporate Card and Expense Management	12.3	+5
25.	Turo	Car-Sharing Platform	1.2	+1
26.	Hugging Face	Open-Source AI Platform	4.5	+2
27.	Redwood Materials	Sustainable Battery Recycling Technology	5.3	NEW
28.	Wiz	Cloud Security Platform	10.3	NEW
29.	Moloco	AI Advertising Solutions	1.5	NEW
30.	The Boring Company	Tunneling Infrastructure	5.7	NEW

* Enterprise values are as reported by news outlets, data providers and other sources, and are not verified

Our thoughts

We are pleased to present the Q3 2023 edition of The Setter 30 - our ranking of the most sought-after venture-backed companies in the global secondary market. The ranking was derived from a survey of over 500 leading 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. Certain companies have limited supply (e.g., Anthropic, Hugging Face, OpenAI, and Stripe) or strict transfer restrictions (e.g., Anduril, Brex, Databricks, Neuralink, Notion, Plaid, Reddit, and SpaceX), making secondary transactions more challenging.

SpaceX regained its position as the hottest name in the secondary market, a position it has held for ten of the past eleven quarters, followed by Databricks and Stripe, #2 and #3 respectively. Notably, this is the first time in nine quarters that Stripe didn't place in the top two. These were followed by OpenAI, Anduril, Epic Games, Neuralink (which broke into the top 10 for the first time), and Canva.

The biggest surprise was the comeback of Klarna, which ranked 16th after not placing at all last quarter. Klarna's improved financial performance and its achievement of break-even on adjusted operating profit earlier this year likely contributed to the increase in investor interest. Other new additions to The Setter 30 included Redwood Materials (#27), Wiz (#28), Moloco (#29), and the Boring Company (#30).

Deel (#9) and Arctic Wolf (#19) also made material jumps this quarter, both increasing 10+ positions. Deel achieved profitability earlier this year, and recently launched a new AI tool bolstering buyer interest, while Arctic Wolf's significant rise in ranking underscores investor interest in the cybersecurity space.

Artificial Intelligence and Big Data were again the most sought-after verticals, capturing 12 spots on The Setter 30. Notable exclusions this quarter include Relativity Space, which placed 20th in Q2 (and has placed consistently on the list for the last 3 quarters), ByteDance, which placed 26th in Q2, and Attentive, which has been on and off the list for the last year. Flexport (down 10 spots Q/Q) and cybersecurity companies Snyk (down 10 spots Q/Q) and Rubrik (down 7 spots Q/Q) also saw considerable reductions in demand this quarter.

When comparing Q3's rankings with last year's (Q3 2022), it's clear that Fintech had the largest decline in demand, with four less Fintech companies making the list Y/Y.

This quarter, the average last round valuation of The Setter 30 companies was ~\$17.8B, approximately 4% less Q/Q when Bytedance (\$220B EV) is excluded from the Q2 average.

The fluctuation in demand for companies from quarter to quarter illustrates the ever-changing nature of the secondary market. Factors like company performance, public market comparables, market conditions, industry trends all contribute to the variability of investor interest.

We welcome your thoughts on this edition of The Setter 30 and would happily address any inquiries!

About Setter

Established in 2006, Setter Capital is a leading independent advisory firm specializing in providing liquidity solutions for fund managers and institutional and individual 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, private debt, 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.

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Voted Best Secondaries Solution & Platform

Private Equity Wire Award 2021, 2022, and 2023