

Large Private Companies Raising More Capital and Hunting Growth Over Profits in 2022, Numis Research Reveals

- 200 senior executives of private companies surveyed, with an average valuation of more than \$500m
- 80% of respondents said they would prioritise growth over profits in the next 12 months
- To fund growth, overwhelming majority (87%) expect to raise more capital than they did last year, with three quarters (76%) hoping to raise at least \$100m
- Executives are targeting technology development and new market expansion as top priorities for capital raised

Research¹ by Numis (AIM: NUM), the independent investment bank, reveals that 92% of senior executives at large private companies globally, with an average valuation of more than \$500m, are positive about their organisation's growth prospects in 2022 – with a quarter (24%) stating they are "extremely optimistic".

The survey of more than 200 senior executives also reveals that 80% of respondents are prioritising growth over profitability in the medium-term. Over the next three years, nearly three-quarters (70%) expect revenue growth of at least 50% and just under half (42%) expect between 75% and 100%.

Alex Ham, Numis Co-CEO, said: *"Emerging from an incredibly active 2021 - with a record volume of transactions, increasing deal sizes and an unprecedented number of 'mega-rounds' – private markets continue to evolve rapidly. While not immune to the volatility and de-rating witnessed in public markets in recent weeks, we expect private market pricing dynamics to adjust less quickly and significantly.*

"Founders are frequently backed by longer-duration capital and less focused on the short term. With more institutions seeking exposure to private market value creation, founders continue to anticipate an active year of issuance, with numerous sizeable rounds and mega-rounds continuing to feature. As ever, outstanding technology companies will continue to defy conventional wisdom, both in terms of operational ambition and fundraising success."

The level of funding is significant too, according to Numis' data, with three quarters (76%) of those polled expecting to raise at least \$100m in the next two years. This mirrors the appetite amongst the institutional investment community – with three quarters (73%) of



institutions signalling they would increase their allocations to high growth private companies in the next three years.

Amount senior executives expect their company to raise in new funding over the next two years	Percentage of senior executives working for large private companies that had an average valuation of \$548 million at their last capital raise
Up to \$50 million	9%
Between \$50 million and \$100 million	13.5%
Between \$100 million and \$200 million	30%
Between \$200 million and \$400 million	35%
Between \$400 million and \$500 million	6.5%
Between \$500 million and \$1 billion	2.5%
Over \$1 billion	2%
Do not know	1.5%

In terms of what the new funding will be used for, 83% said investing in new technology, followed by 68% who said expanding into new markets. This is followed by 28% who said they will use it to hire more staff, and 24% who said it will be used to support new product and service launches.

ENDS

1. Numis commissioned the market research company Pureprofile to survey 200 senior executives of large private companies across the UK, The US, Europe, Asia, South America, The Middle East, and Israel. Interviews were conducted online during September 2021.

About Numis

Numis is an independent investment banking group, offering a full range of research, execution, corporate broking and advisory services to ambitious corporate clients and institutional investors. Numis is listed on AIM and has offices in London and New York.

About Numis Global Capital Solutions

Numis' Growth Capital Solutions team supports a broad range of innovative, high-growth private companies. Through primary and secondary capital raisings, strategic and M&A advice, Numis has helped disruptors change the face of their industries. In the past 12 months, Numis has raised more than \$4billion for the likes of Klarna, Cazoo and Getir, with an average valuation uplift of 2.3 times.