

Draper Esprit

FY21 trading update

A cracking H221, well placed for FY22

Listed venture capital

In its FY21 trading update, Draper Esprit indicated an unaudited NAV per share of not less than 728p, at least a 21% increase over its H121 NAV per share of 600p and a 31% increase since 31 March 2020 (FY20: 555p). This performance was driven by an exceptionally strong tech market, reflecting a fair value increase in Draper Esprit's portfolio of over 47% for the year (vs management's targeted 20% return through the cycle), despite currency headwinds of over £50m. Draper Esprit made £128m of plc investment, with realisations of £206m, including full exits from Peak Games, TransferWise and Decibel and partial disposals of UiPath and Trustpilot. Management has seen no slowdown in deal flow, with a strong deal pipeline of over £50m of approved deals and £75m of qualified near-term deals. Cash at year-end stood at £161m (H121: £62.1m). The shares trade at a 15% premium to the estimated 728p NAV per share.

Period end	plc cash* (£m)	Gross portfolio value (£m)	NAV (£m)	NAV/share (p)	P/NAV (x)
03/18	56.6	243.5	300.5	416	2.01
03/19	50.4	594.0	618.6	524	1.59
03/20	34.1	702.9	659.6	555	1.50
09/20**	62.1	702.4	714.7	600	1.39

Note: *Includes restricted cash but not funds held on behalf of EIS/VCT investors. **H121 interim results

Draper Esprit's £128m of plc investment included £51m of new investments, £34m in follow-on deals, £31m into Earlybird and £12m into seed fund of fund investments, with 75% of investment weighted to H221. Investments included lead positions in Ravelin, Agora, Riverlane and Focal Point and later-stage investments in Cazoo, PrimaryBid and CoachHub. Draper Esprit also made significant follow-on investments into Graphcore, Endomag, M-Files and Freetrade. Post year-end, the group led the \$60m Series B round for FintechOS.

Management has seen no slowdown in deal flow post year-end, with a strong deal pipeline with over £50m of approved deals and £75m of qualified near-term deals. With a heightened investment cadence post-placing, management expects to commit over £150m of plc investment in FY22, including further commitments to the Growth Fund (capital raising continues) and the seed fund of funds programme, in addition to Earlybird Fund VII and the Earlybird Growth Opportunities Fund.

Looking ahead, management's focus for FY22 is to continue to scale the group, in terms of investment, people, systems and processes.

Draper Esprit's FY21 results are scheduled for 14 June 2021.

26 April 2021

Price **834p**
Market cap **£1.2bn**

Net cash (£m) at 31 March 2021 161

Shares in issue 139.1m

Free float 90%

Code GROW

Primary exchange AIM

Secondary exchange Euronext Growth Dublin

Share price performance



Business description

Draper Esprit is a London-based venture capital firm that invests in the European technology sector. It has a portfolio of c 70 investee companies and includes a range of funds (seed, EIS and VCT) within the group, as well as its flagship balance sheet VC fund.

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