Road to Next

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Deloitte.

Data provided by PitchBook

Executive summary

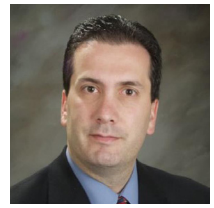
Themes & key findings for this issue:

- **Dealmaking across the expansion-stage ecosystem in e-commerce retail is slow this year, yet this moderation occurs after a very active period of investment and energetic innovation—the latter of which is ongoing as economic concerns remain high.**
- **Although smaller than the broader space due to unique constraints, the intersection of retail, e-commerce, and manufacturing still sees investment thanks in part to increasingly favorable, longer-term fiscal support from governments and shifting consumer preferences. Despite that, significant hurdles remain, but companies are starting to look toward the longer term.**
- **Well underway but with further to go, analytics and artificial intelligence (AI) implementation continues to empower and penetrate multiple aspects of manufacturing, retail, customer experience, distribution strategies, and a variety of products.**

Deloitte and PitchBook have collaborated to produce a unique methodology for the *Road to Next* series to better analyze a new segment of companies that emerged in the 2010s. Dubbing this segment the "expansion stage," the methodology uses investment data restricted to late-stage VC, PE growth, and private corporate financing. In addition, companies must still be privately held by investment firms.

Heather Gates
Audit & Assurance Private Growth Leader
Deloitte & Touche LLP

With more than 30 years of financial services experience, Heather serves as the national Private Growth Leader, with oversight of the Deloitte Private, Emerging Growth Company, and Private Equity businesses within Audit & Assurance.



Jonathan Rothman
Audit & Assurance Partner
Deloitte & Touche LLP

With more than 30 years of experience, Jonathan serves as the Global Consumer Audit Leader and the National Retail, Wholesale, and Distribution Audit Leader.

> "Markets are tentatively starting to open. The summer of 2023 was quiet, but now, with some significant debuts in public markets, there is a cautious turn in market sentiment. That in turn is encouraging businesses to begin investment in preparedness both internally and externally, such as audits and readiness assessments to be primed for any significant transactions."

Heather Gates
Audit & Assurance Private Growth Leader, Deloitte & Touche LLP

Market trends

E-commerce in retail continues to grow, but caution is on the rise

In the second quarter of 2023, e-commerce retail sales totaled $277.6 billion (adjusted for seasonal variation but not price changes), 2.1 percent more than in Q1 2023. That figure also represents a 7.5 percent increase from Q2 2022. In all, e-commerce's portion of total retail sales is over 15 percent.[1]

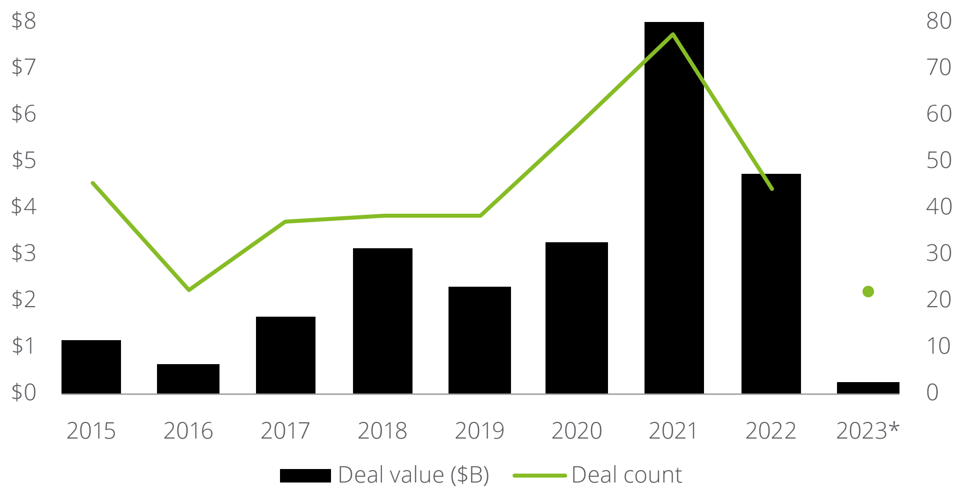
That growth represents a steady, unending increase in e-commerce's penetration into retail over the past two decades, culminating in a recent spike during the COVID-19 pandemic that has yet to slide. Prior to early 2020, e-commerce penetration was climbing steadily past 10 percent of all United States retail sales, yet it surged in 2020 to above 15 percent and has since hovered around that mark.[2]

However, this recent acceleration in growth has occurred against a backdrop of a tumultuous economic landscape. Consumer spending remains strong even though concerns around inflation and the overall health of the economy persist, while credit conditions remain tight due to the relentless rise in interest rates over the past two years. This juxtaposition remains tenuous, leading executives and consumers alike to be wary—consumer sentiment remains below much of 2021 and 2020, although such data is typically complex.[3] PitchBook's own research puts a chance of recession at greater than 70 percent, currently. As Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP, notes: "It is likely that the broader economic scene is holding back some consumer activity. Even if unemployment remains low, there are still distinct anxieties showing up in surveys across consumer sentiment, especially with inflationary pressures."

Probability of a US recession occurring in the next 18 months*

Source: PitchBook | Geography: US | *As of August 31, 2023

E-commerce retail expansion-stage deal activity



Source: PitchBook | Geography: US | *As of September 30, 2023

1: "Quarterly Retail E-Commerce Sales," Census.gov, August 17, 2023.
2: "E-Commerce Retail Sales as a Percent of Total Sales," FRED, August 17, 2023.
3: "United States Michigan Consumer Sentiment," Trading Economics, September 2023.

A variety of e-commerce retail models are in play as businesses seek to optimize

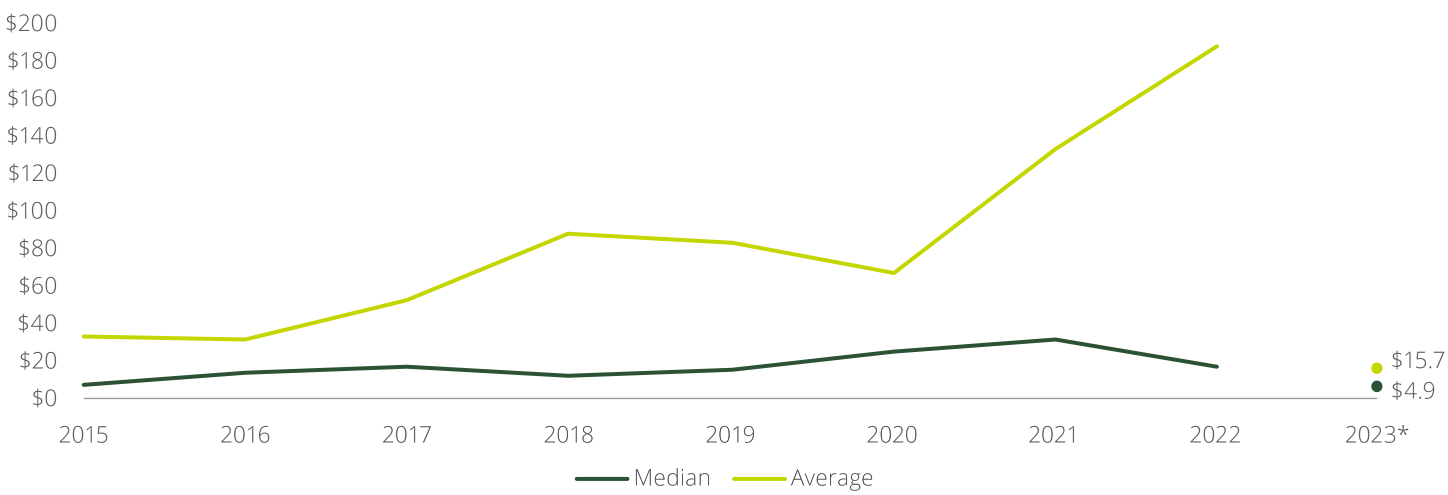
For e-commerce retail, navigation of this choppy market has been complex, especially in light of shopping habits post-COVID-19 pandemic. During the height of the pandemic, there was much discussion over whether shopping habits would permanently shift. Yet, surprisingly, approximately 1,000 net new brick-and-mortar stores were set to open in 2023 by retailers in the US,[4] even as e-commerce remains at previously cited record levels.

Taken together, these trends suggest that consumer behavior has only modified to capitalize on the variety of e-commerce and also brick-and-mortar offerings, with buyers picking and choosing more than ever before. After loyalty clubs and subscriptions were pioneered over the past two decades, they are now commonplace for retailers, helping improve retention rates. However, the pandemic also helped showcase the appeal of brick-and-mortar establishments, leading to an underscoring of omnichannel (direct-to-consumer, brick-and-mortar shops, e-commerce, and other selling options) strategies overall. But different levels of omnichannel work better for different retailers, as brick-and-mortar's recovery and e-commerce stickiness in the wake of the pandemic have also suggested. Direct to consumer (D2C) flourished for a brief period, yet wholesale partnerships and discount off-brand options seem to be gaining traction given the current market environment. In summary, the market is in a state of considerable flux.

Dealmaking remains slow this year, as e-commerce retail grapples with considerable change

Due in part to current volatility but also entrenched market dynamics, expansion-stage activity in e-commerce retail also remains muted thus far in 2023. The retail sector is enormous yet dominated by incumbents, with key segments and product categories packed with well-known brands commanding considerable recognition and market share. E-commerce still represents a way to introduce new categories and scale up, as part of models such as D2C, but challenges remain as the e-commerce realm grows increasingly competitive and crowded. Turnover is rapid, so entry points can occur, with new product categories debuting from trade shows every year, but hitting an inflection point of growth is challenging. As a result, expansion-stage activity is not as prolific in volume as it is in other segments, especially recently. These factors hint at a wave of expansion-stage companies that matured in the late 2010s that are now vying to become dominant in key categories and expanding in others after garnering substantial sums.

Median and average e-commerce retail expansion-stage deal value ($M)



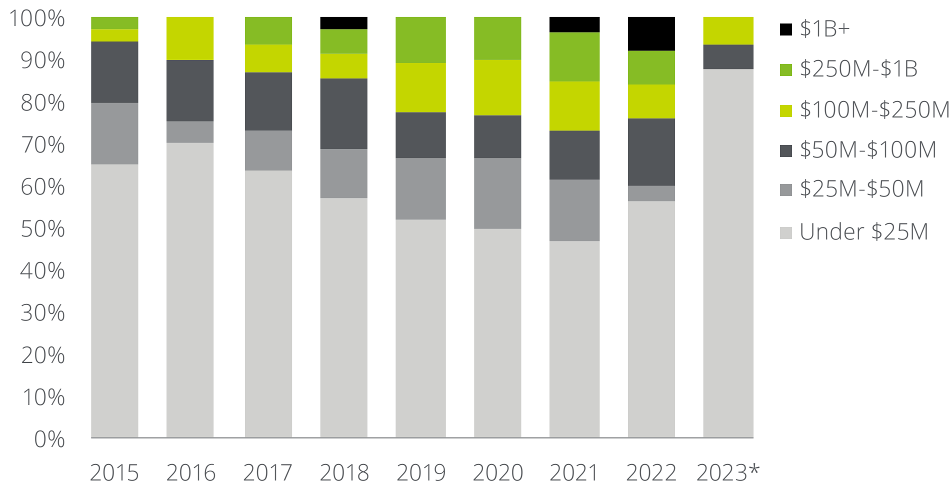
Source: PitchBook | Geography: US | *As of September 30, 2023
Note: Figures for 2016, 2019, 2022, and 2023 YTD are based on non-normative sample sizes.

4: "A Bright Spot in Commercial Real Estate," Wall Street Journal, Kate King, August 21, 2023.

E-commerce retail expansion-stage activity had 77 completed transactions in 2021, a high-water mark. 2022 began a decline to much slower levels of dealmaking at just 44 for the full year, with 21 completed thus far in 2023. After well over $1 billion was invested each year from 2017 until 2022, 2023 has also seen less than $400 million in aggregate deal value, signaling dealmaker hesitation to join or instigate large, expensive financings as economic forecasts grew increasingly uncertain.

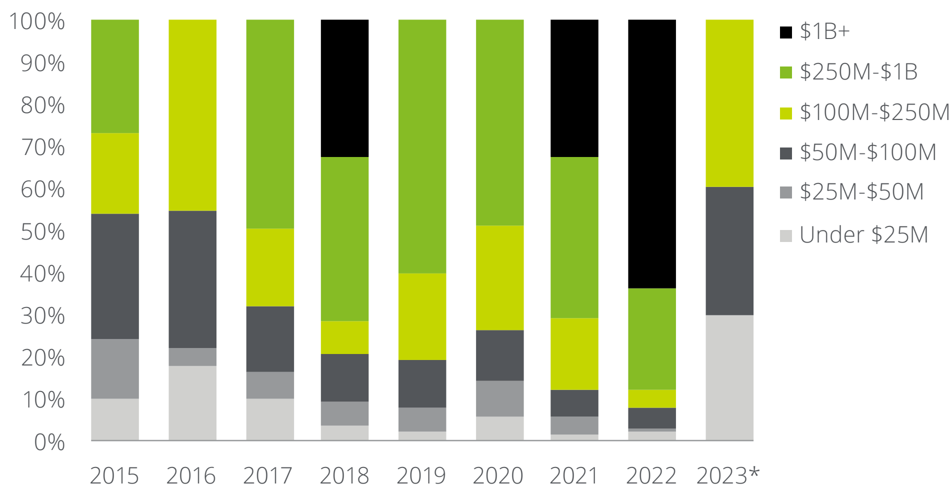
Financing figures reinforce that finding, as even the median deal size has fallen to a low not seen since 2013—although sample sizes are small. After a surging average during the past two years, that metric, too, has plummeted. After the best-positioned, fastest-growing e-commerce retail businesses were able to garner significant financings in that two-year period, now, there are virtually no such transactions occurring. That is attributable to two chief factors: first, current macroeconomic uncertainty and complexity; and second, the aforementioned ramp-up by now-mature e-commerce retail players.

Share of e-commerce retail expansion-stage VC deal count by size bucket



Source: PitchBook | Geography: US | *As of September 30, 2023

Share of e-commerce retail expansion-stage deal value by size bucket



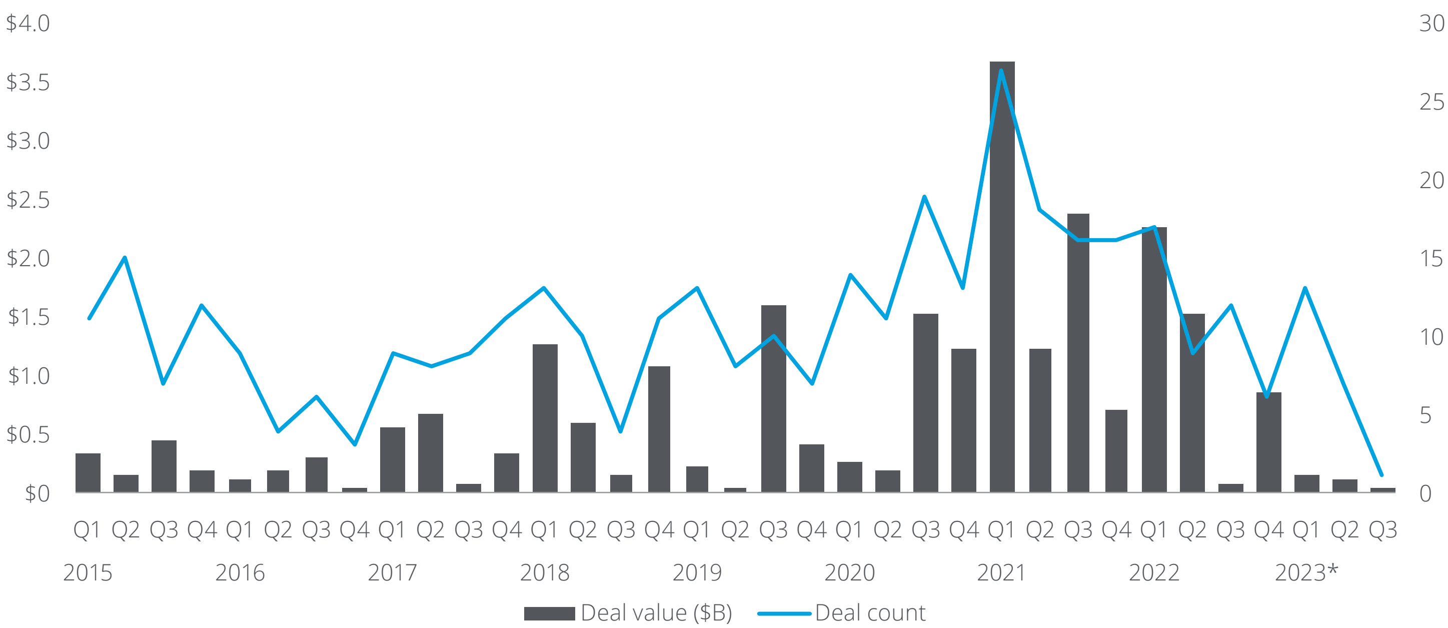
Source: PitchBook | Geography: US | *As of September 30, 2023

"E-commerce and retail players are seeking a balance between consumer spending shifting more toward experiences—with wellness as a growing focus—alongside concerns around overall cost levels. As a result, they are looking to balance customer ease of experience and convenience without too much pressure on margins."

Jonathan Rothman
Audit & Assurance Partner, Deloitte & Touche LLP

Highlights across investment trends

E-commerce retail expansion-stage deal activity by quarter



Source: PitchBook | Geography: US | *As of September 30, 2023

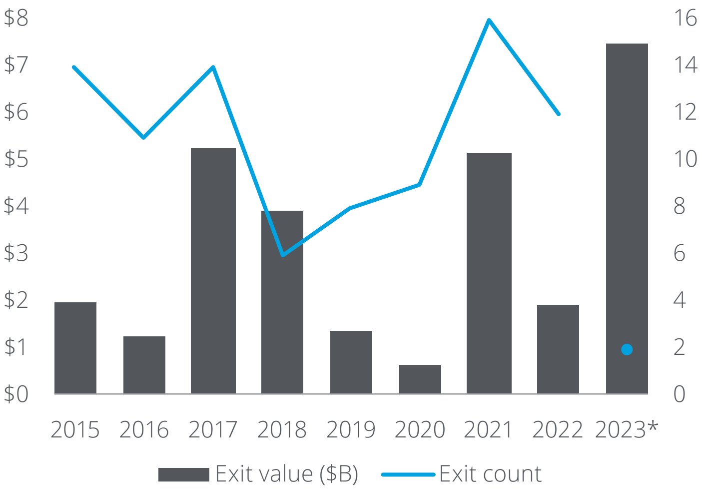
Liquidity and expansion-stage growth rates are choppy due to the segment's unique aspects

Looking at quarterly figures, the expansion-stage market size in e-commerce and retail helps explain annual exit figures. The market is not that large due to a unique combination of incumbency pressures and scaling hurdles—but these factors do not preclude a handful of fast-growing companies from achieving outsized exits. Looking at the intersection of this space with manufacturing reveals an intriguing result, as the 2010s had steady growth in the number of companies reaching the expansion stage, yet the tally has flattened out since due to more recently founded entrants having not yet scaled to the expansion stage.

"E-commerce companies are grappling with complying with privacy regulations while also enhancing customer experiences by streamlining purchases and presenting more relevant results. As regulations and consumer preferences continue to evolve, innovation is required to ensure consumer data is utilized for as long as needed but then not retained. That is just one aspect of technical innovation within the e-commerce space."

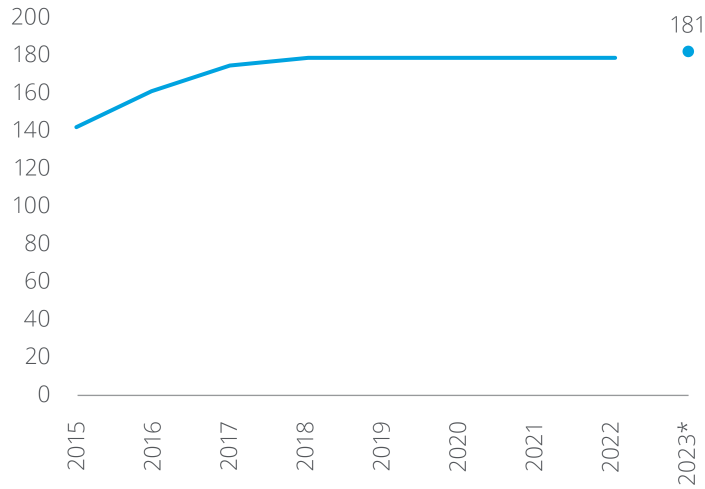
Heather Gates
Audit & Assurance Private Growth Leader, Deloitte & Touche LLP

E-commerce retail expansion-stage exit activity



Source: PitchBook | Geography: US | *As of September 30, 2023

Active expansion-stage companies in e-commerce, manufacturing, and retail by founding year



Source: PitchBook | Geography: US | *As of September 30, 2023
Note: "Active" is defined as being founded during or prior to the given year. Data includes only companies that have raised an expansion stage deal over the entire period.

"Inflation is impacting both retailers and consumers alike. Especially with the shock to supply chains over the past few years, retailers are passing on increases in their costs of goods to their sales price. Consumers are planning for this as well as three-quarters are expecting higher prices compared to last year."[5]

Jonathan Rothman
Audit & Assurance Partner, Deloitte & Touche LLP

$188.2M

The high-water mark of average expansion-stage financing sizes for e-commerce retail companies in 2022.

181 companies

The tally of active expansion-stage companies in e-commerce, retail, and manufacturing has not grown in some time as a new crop of entrants have not yet reached that level of growth.

29.5%

Private equity growth deals accounted for close to one-third of all expansion-stage activity in e-commerce retail in 2022.

All callouts | Source: PitchBook | Geography: US

5: "2023 Deloitte Holiday Retail Survey," Deloitte insights, Nick Handrinos, et al., H2 2023.

As the market resets, players look to innovate further

Market data paints a picture of growing private equity minority deals and late-stage VC capital infusions until the recent slowdown in dealmaking. In this current environment, companies are adjusting strategies and tactics to acclimate. Given the speed inherent in the sector, e-commerce retail especially has shorter runways at times. "Even with an improved e-commerce operation, retailers may have to battle for market share as a matter of course, especially given consumers' growing emphasis on services and experiences over products," states Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP.

Having collected significant capital from fund managers over the past few years—and in some cases having achieved liquidity—e-commerce retailers are now tweaking go-to-market strategies, expediting aspects of operations, and even blending models further. This can occur in a variety of ways across multiple areas, from breaking into new types of products to adjusting pricing schema to rebooting fulfillment strategies. As Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP, states: "Key innovations in e-commerce also include last-mile logistics, which can be the most expensive part of delivery. Whether establishing micro-fulfillment centers or partnerships with shipping companies, retailers are going to continue to try to find a trimming of margin at their most expensive phases, particularly as they also see pressure in this economic environment." Deloitte survey data also shows that supply chain remains a key area of investment for executives in retail,[6] so micro-fulfillment and other distribution and storage plays will likely stay in focus.

> "Consumers now expect speed and ease in their purchasing experience. Yet retailers must juxtapose that against rising labor costs and significant logistics challenges that require considerable maintenance. Companies are trying to not lose customers at the point of sale by offering options such as pickup in store with a slight modification to your product, or an engagement with a personal shopper nearby. These types of strategies usually work best from a cost-of-customer acquisition perspective if those options are offered to repeat consumers, loyalty clubs, or similar subscription bases."
>
> **Jonathan Rothman**
> Audit & Assurance Partner, Deloitte & Touche LLP

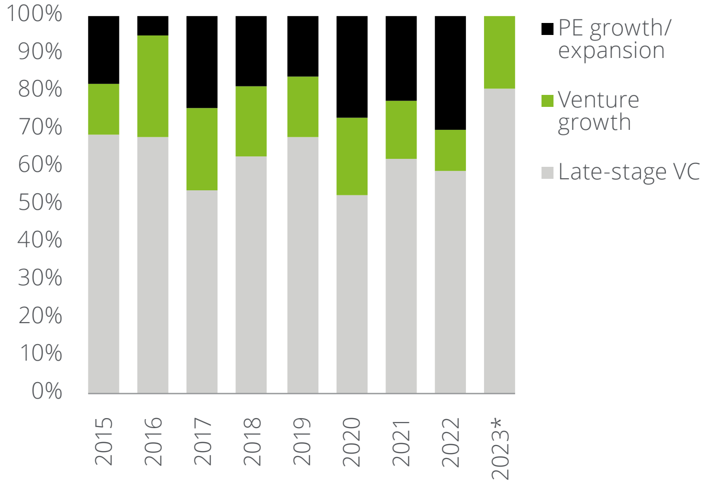
Volatility in input prices across e-commerce retail businesses has also made flexibility a strategic imperative. Profit margins are always under pressure due to the degree of competition and scale within many segments, but as variables such as labor costs and raw materials have gotten costlier or harder to predict and plan for, companies have had to find sources of savings elsewhere. "If points of friction in e-commerce experiences start to get substantial, retailers have to be able to absorb that particular cost and risk within their profitability," says Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP.

Beyond operations, innovation in goods, plus branding and/or marketing to improve awareness of production changes, also remains a focus. "Consumers can often also point the way toward innovations for retailers or even encourage investment in other areas. For example, customers' buying power is directing more revenue toward sustainably produced goods, which in turn can generate a positive flywheel toward exploring how to make other modes of production more sustainability-conscious," says Heather Gates, Audit & Assurance Private Growth Leader at Deloitte & Touche LLP. Sourcing for more sustainable materials can be costly, but much like other such endeavors, is viewed as worthwhile in the long term.

Another key arena for innovation is staying atop evolving technologies within the space. Improved augmented-reality (AR) and AI-powered tools continue to help blending channels for customers, such as eyeglass retailers cutting down on return costs by improving how their visualization tools work for customers doing digital try-ons. It is still difficult to make some experiences seamless, so that remains an area that retailers are working to improve.

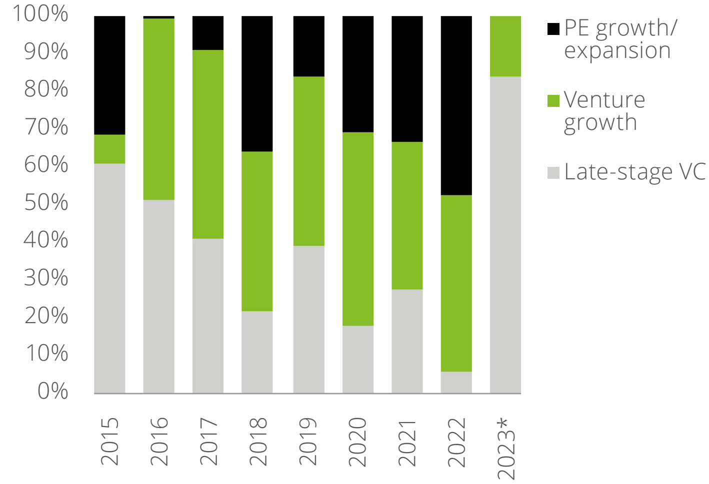
6: "2023 Retail Industry Outlook," Deloitte, Lupine Skelly and Nick Handrinos, 2023, accessed October 20, 2023.

Share of e-commerce retail expansion-stage deal count by type



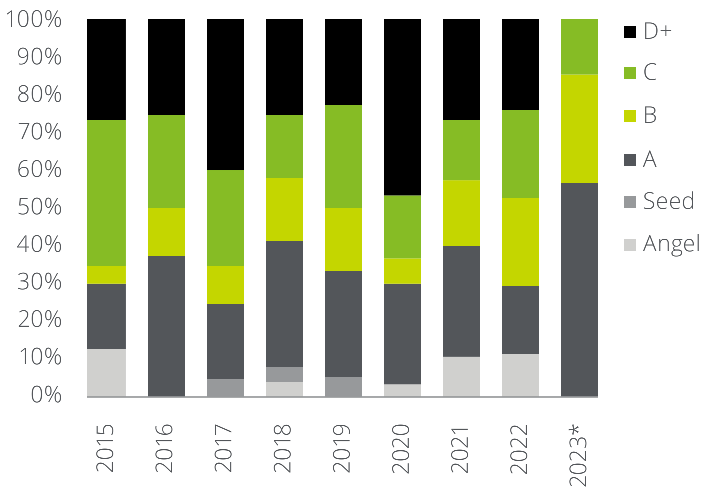
Source: PitchBook | Geography: US | *As of September 30, 2023

Share of e-commerce retail expansion-stage deal value by type



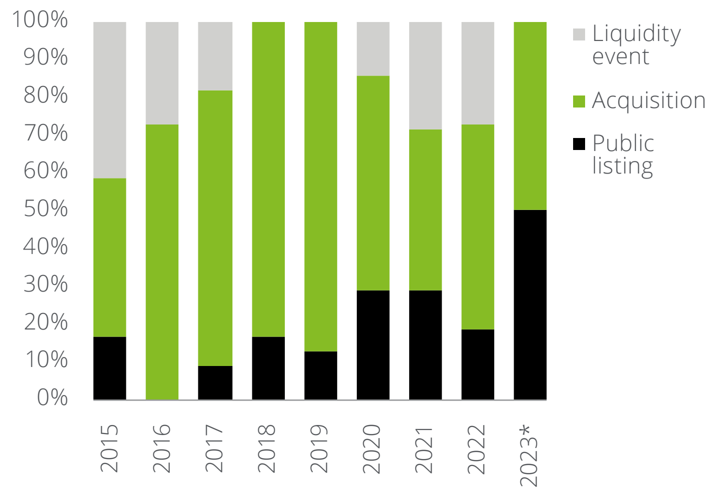
Source: PitchBook | Geography: US | *As of September 30, 2023

Share of e-commerce retail expansion-stage deal count by VC series



Source: PitchBook | Geography: US | *As of September 30, 2023

Share of e-commerce retail expansion-stage exit count by type



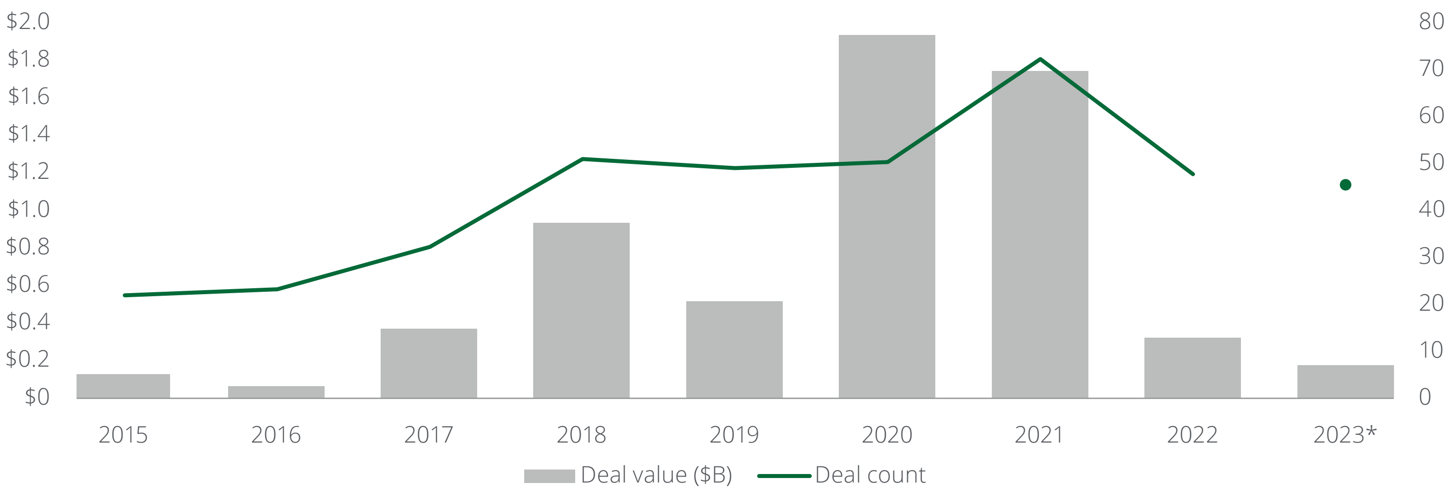
Source: PitchBook | Geography: US | *As of September 30, 2023

As Heather Gates, Audit & Assurance Private Growth Leader at Deloitte & Touche LLP, notes: "Consumer tech companies continue to disrupt traditional retail and consumer spaces. Part of that is due to improved tech stacks and data acquisition that can unlock insights into buying and spending patterns and needs, such as getting a clearer look into what the consumer wants and why and how it can be fulfilled." From there, connections to inventory management can often be streamlined based on a constant flow of feedback data from multiple inputs. Especially in light of the supply chain shocks that have characterized much of the past few years, retailers are further tinkering with inventory models, looking to achieve an optimal blend of just-in-time to ample reserves and other options in between.

"The quality of data inputs matters considerably to make actual improvements. Take AI, for example," Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP, says. "Ensuring that comprehensive datasets are included in AI analysis is often a priority for retailers, as that is still an evolving field. Many datasets spanning purchase logs, quality ratings, and price history, among other things, can be generated, but there are human elements in consumer testing, reviews, usage, and other patterns that must be blended to produce a more accurate picture for AI models to digest."

Spotlight: The complexity of manufacturing for e-commerce retail

E-commerce, manufacturing, and retail expansion-stage deal activity



Source: PitchBook | Geography: US | *As of September 30, 2023

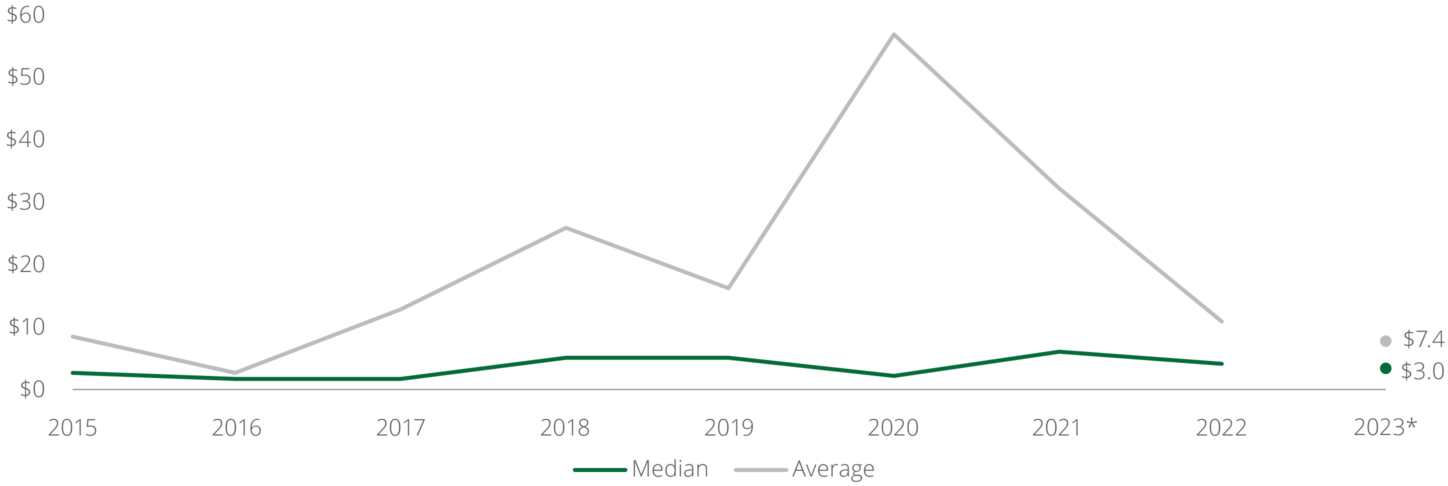
Manufacturing directly by retailers remains uncommon overall yet grows both more appealing and complex

Amid e-commerce retail, engaging in manufacturing remains challenging for a variety of reasons, yet still appealing for certain categories. As can be seen in dealmaking, a spurt of expansion-stage financings in the late 2010s culminated in 72 completed financings in 2021. However, deal values in aggregate remained small. Part of that is due to the unique challenges of engaging in direct manufacturing—even if only for a portion of products—to direct retail across multiple channels. Hence the bulk of all retail remaining in purchasing from manufacturers or wholesalers. Vertical integration remains a commonplace strategy, yet its customary difficulties remain, especially as costs are volatile for raw materials, labor, and transportation.

A wave of domestic manufacturing incentives and programs has been launched in the past few years, yet much focuses on advanced manufacturing and other, often national-security-specific sectors. However, retailers are contemplating or undertaking the gradual evolution of their supply chains and supplier relationships to the extent that some are doubling down on manufacturing domestically and others are seeking to bring their product creation closer to end consumers. This is a difficult, expensive undertaking. As Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP, explains, "One of the principal challenges with any reshoring, in any developed country, is the sheer complexity and cost inherent in modern supply chains, differences in labor, and other key factors. Governments are spurring these efforts with tax incentives and subsidies in other ways, but there are layers of complexity spanning raw materials, design, production, shipping, currency fluctuations, and emissions, to name several factors. Processes can be drawn out and costly, which must be taken into consideration to remain competitive in markets."

That said, allied with similar incentives geared to improve production sustainability of consumer goods, some companies

Median and average e-commerce, manufacturing, and retail expansion-stage deal value ($M)



Source: PitchBook | Geography: US | *As of September 30, 2023
Note: 2015, 2016, 2017, and 2023 values are based on non-normative population sizes.

are exploring how to not only source from raw materials made in the US, but also replace mass production chemicals that typically are created elsewhere. For example, testing how to replace fabric dyes with chemicals made in bulk from abundant natural plants is underway in some locations.[7] After accounting for transportation, labor costs elsewhere that have become pricier than anticipated, and incentives, some companies claim it is now worthwhile to manufacture as close as possible to major markets.[8] Should AI-powered tools on top of existing, rapidly improving software specialized for retailers, manufacturers, transporters, and more continue to accelerate the ability to accurately account for such tactics, it could potentially lead other retailers to conclude the same. As Heather Gates, Audit & Assurance Private Growth Leader at Deloitte & Touche LLP, states: "A trend of layering analytics with improved data acquisition is occurring across multiple industries, and the intersection of e-commerce and retail is no different. AI could lend even more power to processing and producing insights from datasets spanning digital and physical storefronts."

It is unlikely that a complete or even partial reshoring will occur anytime soon, as such a process is lengthy and costly, but it will be interesting to see which parts of retail production chains could either relocate at a minimum or be revolutionized based on improvements to manufacturing processes. Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP shared that "...any such changes will take some time to come to fruition—approximately seven years or more." But should geopolitical tensions and government incentives and subsidies keep intensifying, more retailers could take a closer look at recentering both their micro-fulfillment centers and some manufacturing operations in tandem to further trim transportation costs.

"It remains to be seen if the juxtaposition of increasing transportation costs, labor challenges, and increased automation could ultimately end up benefiting reshoring. It is possible that some key production chains end up relocating, but not all."

Heather Gates
Audit & Assurance Private Growth Leader, Deloitte & Touche LLP

7: "This Tiny Brand Is Revolutionizing One of Your Favorite Products," Gear Patrol, Rae Witte, June 29, 2023.
8: "Harnessing the Tectonic Shifts in Global Manufacturing," BCG, Jonathan Van Wyck, et al., September 21, 2023.

Regional trends

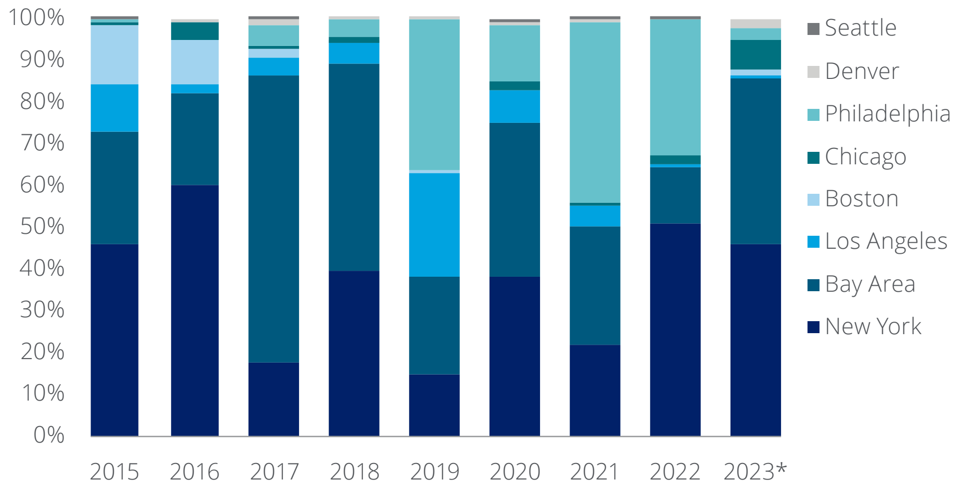
"Until there are larger population shifts or a revitalization in manufacturing locations that produce significant cost savings, it is unlikely that major e-commerce retail hubs may change beyond the current mainstays."

Paige Pinn
Vice President, Southern California EGC Region Market Leader, Deloitte & Touche LLP

Major metro areas remain critical zones of development for e-commerce retail

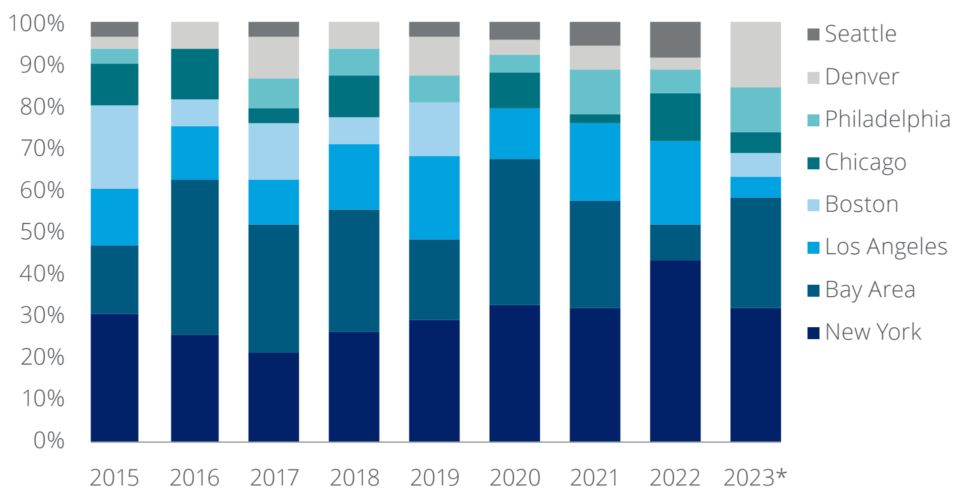
A breakdown of dealmaking by major metropolitan area confirms longer-running trends—namely, e-commerce retail companies rarely reside outside of major consumer centers or ideally where both major consumer centers and manufacturing plays exist. In addition, many are also centered where cities have robust tech presences in the case of e-commerce-first businesses. Hence, dealmaking in turn is concentrated in the major metro areas. The only slight tilts that are observable in the data are growth in New York, Denver, and Seattle deal count, while Philadelphia-based companies have raked in plentiful deal value in the past few years. 2023 has been such a slow year for expansion-stage activity that any reversions thus far are skewed by smaller sample sizes. However, much like in other segments, a geographic diversification is likely occurring, especially as population centers shift slowly and the aforementioned trends of sustainability and domestic manufacturing could encourage companies to establish hubs as close as possible to emerging urban centers.

Share of e-commerce retail expansion-stage deal value by top CSA



Source: PitchBook | Geography: US | *As of September 30, 2023
Note: "Top CSA" refers to the combined statistical areas (CSAs) that saw the most deal activity in the most recent full year available.

Share of e-commerce retail expansion-stage deal count by top CSA



Source: PitchBook | Geography: US | *As of September 30, 2023
Note: "Top CSA" refers to the combined statistical areas (CSAs) that saw the most deal activity in the most recent full year available.

Looking forward

What does the future of e-commerce hold for retail?

The end of the year could produce a bump for retail, with Deloitte forecasting retail sales to increase between 3.5 percent and 4.6 percent. Overall, Deloitte projects that holiday sales will total around $1.5 trillion, and e-commerce is set to account for a forecast 10.3 percent to 12.8 percent of that tally.[9] While bearing in mind longer-running trends, juxtaposing that performance against the uncertainties still swirling around economic resilience and geopolitical tensions ultimately yields the conclusion that e-commerce retailers may continue prioritizing the blend of business and strategy models that accelerated in the past decade. As Jonathan Rothman, Audit & Assurance Partner at Deloitte & Touche LLP, states: "The future of retail may be a hybrid model where e-commerce meshes with brick-and-mortar locations. Consumers could more seamlessly test a product but also consult its online reviews alongside other relevant data points such as frequency of purchase or return rates, while being able to immediately procure the product of their choice."

Manufacturing or wholesale operations taken up by retailers may well evolve, but to some degree, that will depend on any further consolidation within some sectors or greater dominance by a handful of key corporate giants spanning multiple sectors. As club or subscription models grow more popular as a way to ensure stability in revenues and improve customer retention, attaining more control over suppliers could also become appealing in an era of ongoing supply chain disruption and heightening geopolitical tension rendering previous manufacturing relationships tenuous. Such production is also likely to evolve and relocate due to those same factors. As Heather Gates, Audit & Assurance Private Growth Leader at Deloitte & Touche LLP, notes: "A key part of current macroeconomic trends is the rise in labor costs, so digitalization and automation are likely to be key initiatives for retailers wherever it may make the most sense to introduce into their operations."

Thus, in the near term, the blending of channels is likely to be a popular tactic for retailers, while pricing strategies in an era of inflationary pressures could lead to more popularity among bulk and budget-centric chains. Meanwhile, long-term trends should continue to spur evolution of supply and manufacturing chains worldwide, potentially even to some degree in the US. Dealmaking may ebb until greater confidence in economic growth and resilience is achieved, but then is primed to resume as the currently fledging class of startups within this arena enters the expansion stage. As of now, it is a time of adaptation and acclimatization, with subdued dealmaking indicating a biding of time and preparation.

9: "Deloitte: Holiday Retail Sales Expected to Increase Between 3.5% to 4.6%," Deloitte, Daniel Bachman and Nick Handrinos, September 13, 2023.

Methodology

Geographical region: United States

The **expansion stage** is defined from a transactional perspective as including late-stage venture or growth financings as defined by PitchBook. The primary vertical included in this report was the e-commerce vertical in the PitchBook Platform, combined with the retail industry code. For industry breakouts with that vertical, the underlying companies had to have the given industry tagged as their primary industry code as well as the e-commerce vertical. All investment data is restricted to late-stage VC, venture-growth, PE-growth, or corporate financing types, as defined by PitchBook. **Nontraditional investors** are defined as hedge, mutual, or sovereign wealth funds.

Active investors: The number of active investors is calculated by including either investors that have raised a venture or growth fund in the trailing five years or those that have made four or more VC or PE growth investments in the past three years. There is no exclusion on investor type, apart from angel investors.

Exits: All exits are defined by PitchBook's primary exit types: buyouts, acquisitions, or public listings, which include direct listings, traditional public listings, and SPACs, as well as a new category dubbed "additional liquidity events after the public listing," explained in further detail below. The underlying companies are those that have, at minimum, achieved any of the investment data under restrictions. In the Q2 2023 edition of the *Road to Next* series, a fourth category of exit was debuted, explicitly for companies that had undergone a public listing. In order to better capture liquidity for investors post-lockup periods and also for long-term holders of shares that liquidated after the public listing in general, additional liquidity events classified as secondary market offerings on the open market, secondary public offerings, and private investment in public equity (PIPE) deals were also included. Private investors often hold their shares for longer beyond the initial offering and then utilize additional offerings or secondary market transactions as well as sales to new investors when firms seek a PIPE. Up to three additional liquidity events were included.

Updates: For editions in 2023, underlying methodologies were changed due to PitchBook's methodological changes and incorporation of a new venture-growth stage, which will shift numbers slightly yet be more accurate going forward. A new exit methodology was also incorporated, including the breakout of post-IPO liquidity events.

This report was written in mid-October 2023. Unless otherwise noted, all data is as of September 30, 2023.

Deloitte.

Data provided by PitchBook