

# Global Top 100 Unicorns

December 2023





# Foreword and outlook



## Foreword

2023 has been dominated by a continuation of the hawkish monetary policy and sustained global macroeconomic and geopolitical uncertainty felt through much of 2022. This has resulted in challenging market conditions with a marked change to the abundant liquidity and high valuations achieved by growth companies in 2021 and early 2022. Combined with a moribund deals market, movement in the top 100 Unicorns this year was comparatively low - with 79% of the top 100 Unicorns having no change in valuation during the year and only two of the top 100 being able to execute an IPO.

Where there have been funding rounds in the year, investors have experienced mixed fortunes. For all Unicorns, there were 25 down rounds, including 11 of more than \$1bn; the largest reductions in value impacting companies closely connected to the consumer industry as the cost of living continued to impact households. The significant valuation increases in the year came as a result of a surge in interest for AI and machine learning, with OpenAI entering the top five at a valuation of \$85bn and ByteDance securing a further \$40bn increase, valuing the company at \$220bn. Thanks to the emergence of OpenAI, the aggregate value of the top 100 only fell \$10bn despite the headwinds facing private markets. As a point of contrast, the MSCI World Index was up 9.3% over the equivalent period, driven by big tech and AI chip makers. The index however has still not recovered entirely from the 2022 sell off.



We will be watching closely as to how Unicorn valuations evolve over the next 12 months. After a subdued period we expect more liquidity events in the coming year as cash reserves continue to run down and Unicorn backers seek to realise investments. Companies and investors will likely need to reconcile themselves to the valuation reset that has occurred as the cost of money has risen. We expect investors renewed focus on companies that can deliver sustainable revenue growth alongside a clear path to profitability to continue. We may therefore see a new type of unicorn emerge in the coming year - Unicorn 2.0, a unicorn with more robust business, operating and financial models.

**Michael Wisson**

Partner, Capital Markets - PwC UK

## Outlook

We have seen companies and their investors shifting attention away from investing capital to capture market share at the expense of margins, to deploying capital in a structured way to drive sustainable growth. This will have allowed companies to extend cash runway in order to delay a funding round that would have otherwise been completed in the year. The markets are indicating, whether based on rumoured near-term funding rounds or investors writing down investments, that we will see further down rounds in the medium term unless the wider macroeconomic environment improves. For now, we expect investors will largely focus on investing in companies that have a clear path to being cash generative, have recurring revenues and a solid track record. There are exceptions, however, particularly with regards to investments in megatrends such as CleanTech/energy transition and AI, which may benefit from investors being willing to pay notable growth premiums even in the current environment.



Only a few new entrants made it to the top 100 unicorns list this year and, whilst the broader market conditions did not help, arguably the current challenging macroeconomic environment has helped to flesh out the desirable characteristics of a successful unicorn. Going back to basics with key ingredients of success being the disruptive nature of the product or service, often technology powered, and a business that is fit for sustainable growth.

**Kat Kravtsov**

Director, Capital Markets - PwC UK

# Highlights



This publication analyses global Unicorns, including the Top 100 Unicorns, and highlights the changes in the composition of the list, comparing the data as at September 2023 and September 2022. As at September 2023, there were 1,385 Unicorns globally (September 2022: 1,281)

- A Unicorn is a privately held startup company valued at over \$1bn.
- A Decacorn is a privately held start-up company valued at over \$10bn and a Hectocorn is valued at over \$100bn.

## Global macroeconomic and geopolitical uncertainty continues to weigh heavily on valuations and the number of Unicorns executing IPOs

- The aggregate value of the Top 100 Unicorns as at September 2023 stands at \$2,001bn, a decrease of \$10bn (less than 1%), when compared to the same date last year.
- The valuation to enter the Top 100 Unicorns fell \$0.2bn to \$7.4bn in line with the overall decline in the valuation of unicorns.
- 79% of the top 100 unicorns had no change in valuation during the year to 30 September 2023 as a subdued deals market impacted the number of external liquidity events for private companies.

## The US continues to be the most prominent region, buoyed by exposure to Tech, particularly AI companies

- Top 100 Unicorns from the US and China and its regions increased in value by 5% in 2023, aided by the significant increases in valuation for SpaceX and ByteDance who achieved 8% and 22% increases from the previous funding round, respectively.
- Top 100 Unicorns from Europe and the RoW declined \$88bn (18%) in 2023, with the down round for SHEIN being a significant contributor to the decline following a \$34bn reduction in valuation for the company.

## The emergence of AI helped to prevent what would have otherwise been a far worse year for the Top 100

- The aggregate value of AI related companies increased \$139bn (43%), driven by OpenAI storming into the top five after recording a valuation of \$85bn.
- Fintech continues to be the dominant industry within the top 100, though the aggregate value of companies in this sector fell \$71bn. This was primarily attributable to the \$45bn down round completed by Stripe, reducing its valuation by almost half from its previous funding round in March 2021.
- E-Commerce was the worst performing industry in the Top 100, with the aggregate value of unicorns declining 39% in the year with SHEIN and Getir completing significant down rounds reflecting the downturn in sentiment towards companies more exposed to consumer spending habits.



Given the challenging macroeconomic environment and the decrease in volume of venture capital funding rounds in 2023, investors are increasingly focused on the path to sustained profitability alongside top line growth. With many businesses reluctant to raise down equity rounds, we are seeing a rise in alternative funding structures such as convertible loan notes and increased liquidation preferences, alongside businesses looking to delay their next fundraising. There is still appetite for quality however and we are seeing growth businesses with strong fundamentals continue to achieve attractive valuations.

**Katrina Hallpike**

Partner, Valuations, PwC UK

# Regional trends



## Global

- The valuation of the Top 100 Unicorns decreased by \$10bn (less than 1%) compared to more than a 30% valuation increase in the previous period.
- The overall regional split of the Top 100 Unicorns broadly remained unchanged, with some valuation uplift in US and China and its regions, offset by valuation declines across Europe and RoW.
- During the year ending on 30 September 2023, there were a total of 104 new entries in the Unicorns club, compared to more than 480 new entries in the previous period.

## US

- The valuation of US Unicorns remained broadly unchanged from the previous year. To summarise the internal movements, new entrants in AI and Information Technology were offset by the IPO of two US Unicorns in 2023 as well as drop outs from FinTech.

## China and its regions

- The valuation increase from this region in the Top 100 is primarily from ByteDance (\$40bn increase) due to its latest funding round in March-23.
- Although Chinese Unicorns in the Top 100 remained broadly unchanged, there was one noteworthy entry by a Chinese electric car company, GAC Aion, as it moved up from its previous rank of 138 to 29 this year following its latest funding round in October 2022 valuing the company at \$14bn.

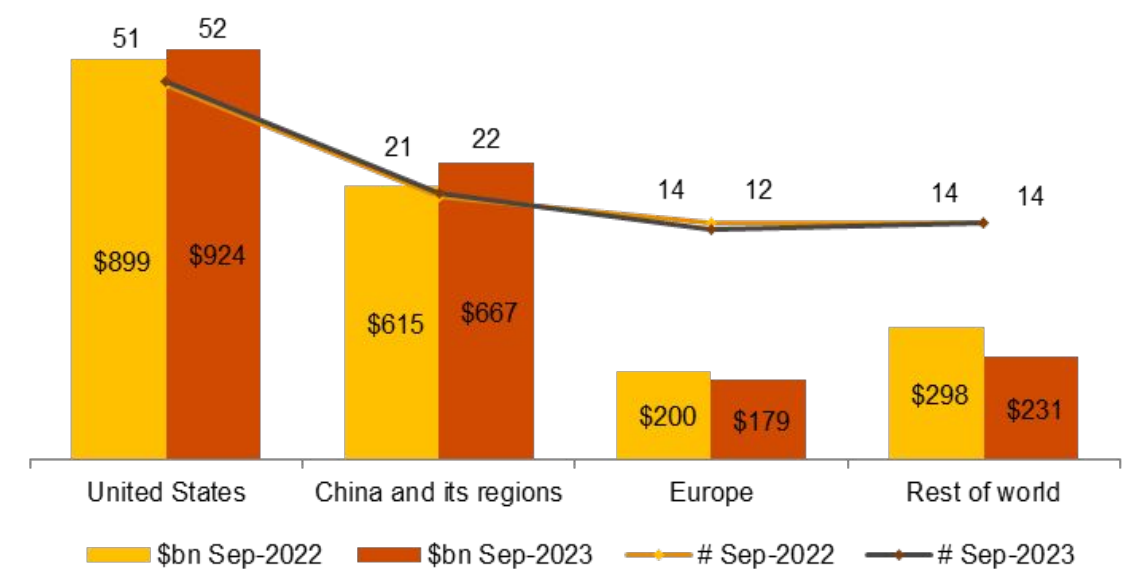
## Europe

- European Unicorns in the Top 100 declined slightly from the previous year, driven primarily by the dropouts of Getir and Snyk following lower valuations in the latest funding rounds.

## Rest of world

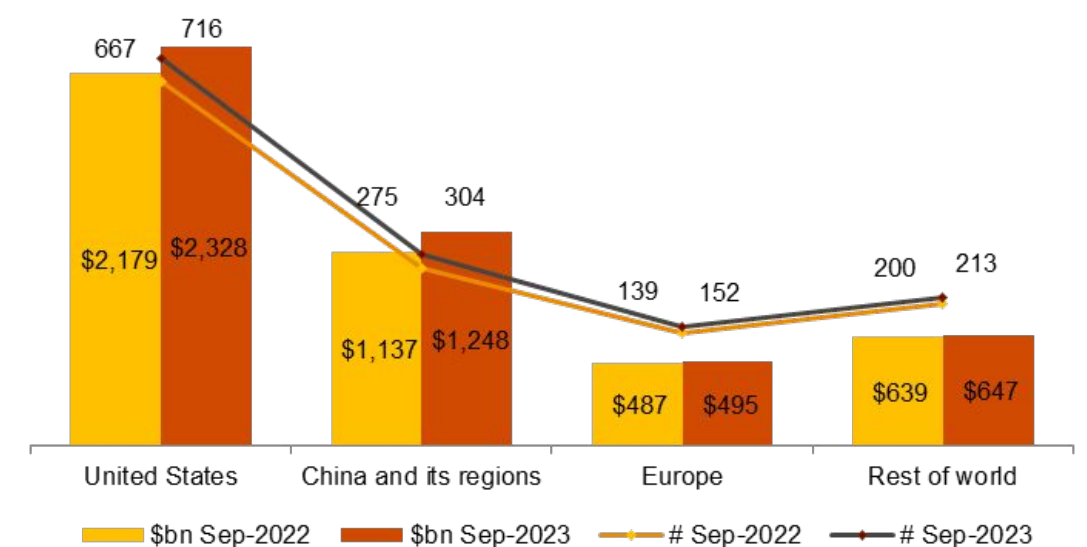
- The valuation decrease in RoW is mainly due to SHEIN. The Singapore-based fast fashion retailer's valuation after its latest funding round in May-23 reduced in value by \$34bn, reflecting the headwinds facing consumer oriented businesses due to cost of living challenges from rising inflation and interest rates.

## Top 100 Unicorns



Source: PitchBook Data, Inc with PwC analysis

## All Unicorns



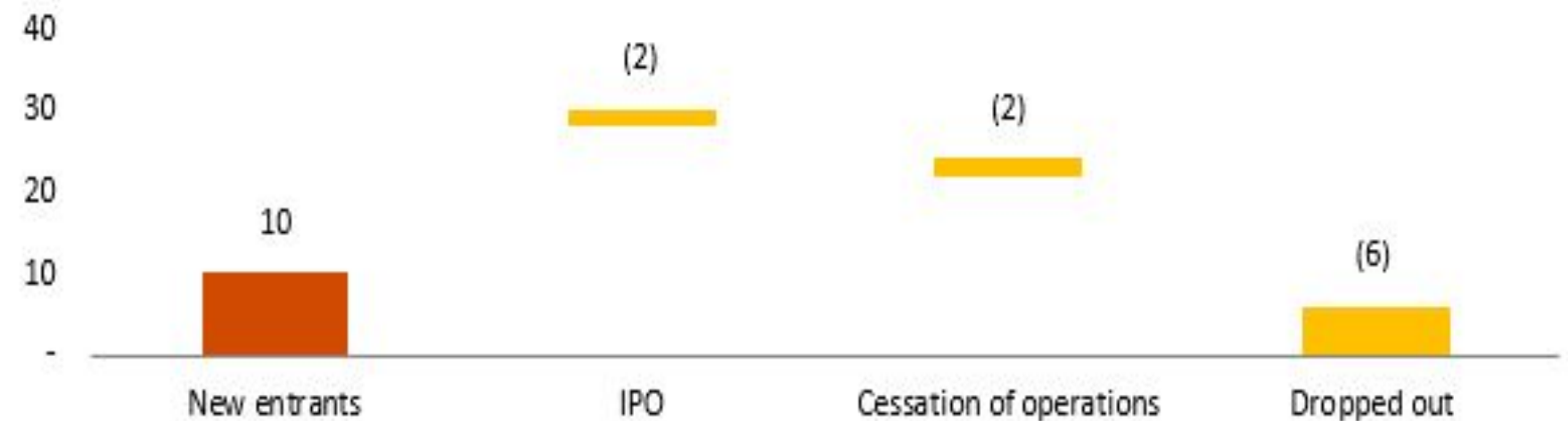
Source: PitchBook Data, Inc with PwC analysis

# Changes from Sep-2022 to Sep-2023



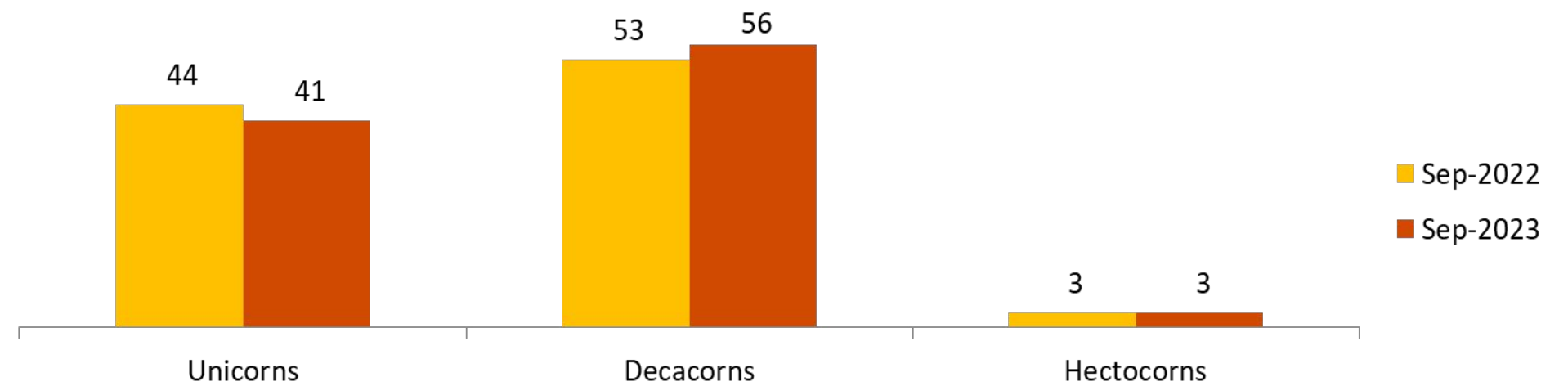
- Out of ten new entries in the Top 100, there were two direct entries to the Top 100 Unicorns. Information technology remained a popular sector for new entries to the Top 100 Unicorns.
- In Jan-23, Microsoft made a multi billion-dollar investment in ChatGPT creator, “OpenAI”, which secured it direct entry as a Decacorn.
- Wiz, an American cybersecurity company, earned the title of fastest SaaS company to gain a valuation of \$10bn (from just \$1bn in the year 2021).
- Only two companies from the Top 100 Unicorns (Instacart and Klaviyo) made their public debuts this year, compared to 26 Unicorn IPOs in the previous year. Both of these IPOs were in the US. There were no M&A exits.
- The bankruptcy of the Bahamas-based cryptocurrency exchange, FTX, led to two unicorns from the Top 100 list (FTX and FTX US).
- The dropouts from the Top 100 Unicorns list are mainly from US (3) and Europe (2) and the majority are Tech companies.
- The Turkey-based grocery app company, “Getir”, dropped out of the Top 100 list after its latest funding round in September 2023. Its valuation declined to \$2.5bn from its previous valuation of \$11.8bn.
- The number of Hectocorns and their constituents remained unchanged this year. TikTok owner ByteDance surpassed “Ant Group,” securing the top rank after its most recent funding round in March 2023.

## Movement in Top 100 Unicorns



Source: PitchBook Data, Inc with PwC analysis

## Top 100 Unicorns composition by value



Source: PitchBook Data, Inc with PwC analysis

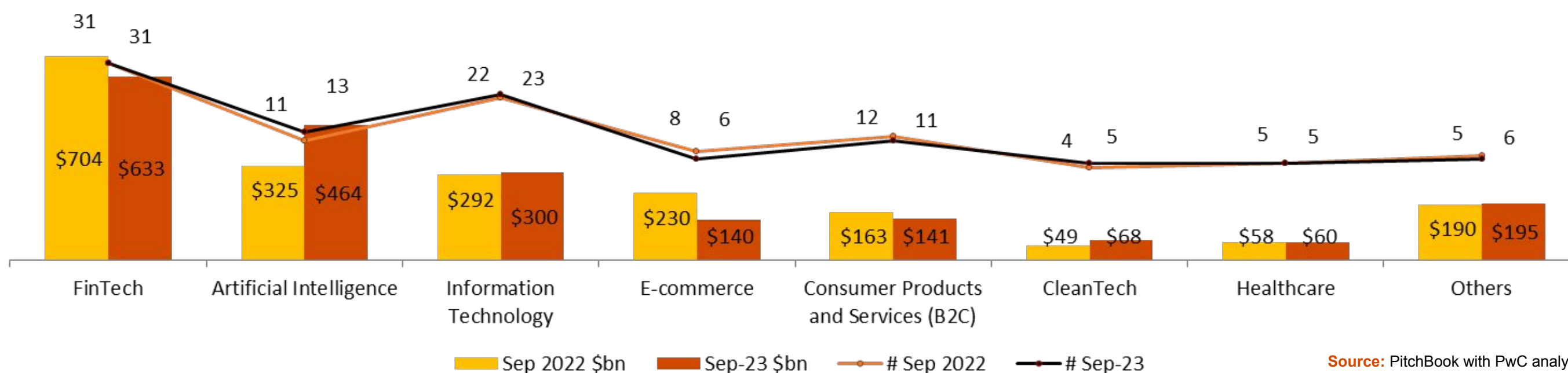
\* A Decacorn is a privately held start-up company valued at over \$10bn, a Hectocorn is valued over \$100bn.



# Sector analysis



## Global Top 100 Unicorns by industry



Source: PitchBook with PwC analysis

Industry	Rank	Company	Valuation (\$bn)
Fintech	1.	Ant Group	\$200bn
	2.	Stripe	\$50bn
	3.	Checkout.com	\$40bn
	4.	Revolut	\$33bn
	5.	Chime	\$25bn
Artificial intelligence	1.	ByteDance	\$220bn
	2.	OpenAI	\$85bn
	3.	Databricks	\$44bn
	4.	Waymo	\$30bn
	5.	Grammarly	\$13bn
Information Technology	1.	Canva	\$40bn
	2.	Epic Games	\$32bn
	3.	Miro	\$18bn
	4.	SZ DJI Technology	\$16bn
	5.	Yuanfudao	\$16bn
E-commerce	1.	SHEIN	\$66bn
	2.	J&T Express	\$20bn
	3.	Gopuff	\$15bn
	4.	Xiaohongshu	\$14bn
	5.	Faire	\$13bn
Consumer Products & Services (B2C)	1.	JUUL	\$38bn
	2.	Genki Forest	\$15bn
	3.	Toutiao	\$12bn
	4.	Swiggy	\$11bn
	5.	Fanatics Trading Cards	\$10bn
CleanTech	1.	CGN Wind Energy	\$14bn
	2.	GAC Aion	\$14bn
	3.	Huadian New Energy	\$14bn
	4.	Zeekr	\$13bn
	5.	Northvolt	\$12bn
Healthcare	1.	VillageMD	\$16bn
	2.	Devoted	\$13bn
	3.	Biosplice Therapeutics	\$12bn
	4.	Tempus	\$10bn
	5.	Resilience	\$9bn
Other	1.	SpaceX	\$137bn
	2.	Greeneden Topco	\$17bn
	3.	Ram Charan	\$14bn
	4.	Digital Currency	\$10bn
	5.	Lalamove	\$10bn

**Note:** The table above reflects the valuation as per the latest external funding round of respective companies until 30 Sep'23 as published by PitchBook Inc. These valuations do not include any effect of internal valuation update by the companies (such as share buyback, employee stock option etc.) nor does it include any valuation updates recognised by shareholders/investors.

# Contacts



**Stuart Newman**

Global IPO Centre Leader – PwC UK  
[stuart.newman@pwc.com](mailto:stuart.newman@pwc.com)



**Stephan Wyrobisch**

Partner, Capital Markets – PwC Germany  
[stephan.wyrobisch@pwc.com](mailto:stephan.wyrobisch@pwc.com)



**Michael Wisson**

Partner, Capital Markets – PwC UK  
[michael.a.wisson@pwc.com](mailto:michael.a.wisson@pwc.com)



**Michael Bellin**

IPO Services Leader – PwC US  
[michael.j.bellin@pwc.com](mailto:michael.j.bellin@pwc.com)



**Kat Kravtsov**

Director, Capital Markets – PwC UK  
[kat.kravtsov@pwc.com](mailto:kat.kravtsov@pwc.com)



**Brian Choi**

Capital Markets and Accounting Advisory  
Services Leader – PwC China  
[brian.my.choi@cn.pwc.com](mailto:brian.my.choi@cn.pwc.com)



**Nadja Picard**

Europe Capital Markets Leader – PwC Germany  
[nadja.picard@pwc.com](mailto:nadja.picard@pwc.com)

# Methodology



- A Unicorn is a privately held startup company valued at over \$1bn. A Decacorn is a privately held start-up company valued at over \$10bn. A Hectocorn is valued at over \$100bn. Global Top 100 Unicorn report ranks the largest companies by valuation in US dollars as at 30 September 2023
- For the purposes of this report, we have referenced the PitchBook data as at Sep-2022. The 2022 report was prepared using data from CBI Insights and therefore the 2022 data set in this report is not like-for-like with the 2022 report.
- Valuations are based on the latest external funding round until 30 Sep'23 as published by PitchBook Inc. These valuations do not include any effect of internal valuation updates by the companies (such as share buyback, employee stock option etc.) nor does it include any valuation updates recognised by shareholders/investors.
- In contrast to our Global Top 100 publication with readily available stock market prices, the Unicorn valuations reflect those based on the most recent funding round completed in the relevant period.
- A company's location is the country or region where its headquarters are located.
- China and its regions includes: mainland China, Hong Kong SAR and Taiwan.
- Data sources: PitchBook Data, Inc with PwC analysis, this includes industry classifications. Data has not been reviewed by PitchBook analysts.





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