

Newly rebranded Molten Ventures hits hot streak on backing Covid winners

Recently rebranded [London](#)-listed venture capital firm Molten Ventures, formerly Draper Esprit, has seen its [investments](#) in fast-growing pandemic winners such as online car retailer [Cazoo](#) and fintech [Revolut](#) pay off.


The firm, which has a market cap of around £1.3 billion and a portfolio of over 17 [companies](#) spanning climate tech to [cloud computing](#), saw the [value](#) of its portfolio rise by 27% in the six months to September 30.

Its portfolio value stood at £1.35 billion at period end, up from £984 million on March 31, after a period of rapid growth that saw it enter the FTSE 250 in September.

Molten took in in £67 million in exits cash in the period, and chief executive Martin Davis told the Standard the fund is expecting growth of around 35% for the full year to March 31.

Risers in the half included Revolut, Trustpilot, and a new investment – Cloud payment processing firm Form3.

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Davis highlighted the competition currently being seen in the European VC scene and its “massive growth over the past 12 months”, and said: “A wider trend we’re seeing is just more capital being deployed in Europe from the US in general terms.

“The European [VC] market is moving very much in line with how the US market developed five-to-seven years ago... The opportunity in Europe for US funds is obvious, and as a result we are seeing a lot of American capital coming here.”

Analysts at Liberum said the firm has a “strong outlook” for asset value growth, and noted that its 19% value growth in the half “is ahead of the S&P 500”.

Molten completed an equity raise of £107.7 million in the half, and had £156 million in cash and total available liquidity of £221 million by period end. Davis also pointed to the firm leading investment rounds in the period, and said the fund is “sufficiently diversified to counter volatility”.

He said: “Barring any setbacks [from [Covid](#) or public markets]... the European venture system is exceptionally well-positioned over the next couple of years. It is something a lot of people don’t appreciate – it has delivered superior returns than virtually any other asset class over the last five years. It has outpaced US venture, it has outpaced US private equity.”

The firm’s shares rose as much as 5.1%, or 45p, to 920p, this morning on the update.

It came as Motorway, another online used-car marketplace, joined the ranks of Britain’s “unicorns” – a startup valued at over \$1 billion – on securing a \$190 million funding round.

The London-based company allows people to have their car valued, find out the highest price they can get from dealers and get it collected within a single day.

Tom Leathes, Motorway CEO, said the latest round will help it

“scale even faster”.