

Molten Ventures

FY25 trading update – key takeaways

Molten's FY25 trading update (to end-March 2025) showed a positive uptick in portfolio valuations in the second half of the company's financial year, resulting in a c 4% increase in NAV per share to 671p in H225, and in turn a marginally positive NAV per share total return for FY25 of 1.4%. Molten delivered a strong level of realisation proceeds in FY25 of c £135m (above original management guidance of £100m) and has seen continued traction in recent months with further expected proceeds of £30m (despite the overall soft European VC exit market in Q125), supporting its share buybacks. Molten's cash balance at end-March 2025 stood at £89m (which further improved to £110m as of 23 April 2025 following the receipt of Freetrade proceeds). Together with its undrawn revolving credit facility of up to £60m and limited near-term funding requirement across its portfolio for FY25 (up to £20m according to management's previous statements), this provides it with a good balance sheet position for new and follow-on investments (Molten invested £73m in FY25).

The fair value change of Molten's gross portfolio at constant currency was 5.2% in FY25 (3.6% including fx), with notable positive contributors being Ledger, Aircall and Revolut, more than offsetting the H125 markdown of Thought Machine. The value-weighted revenue growth across Molten's core holdings (making up 61% of its portfolio value) was a robust 51%. Molten has a solid cash runway across its portfolio, with 88% of core companies funded for at least 12 months or already profitable, and 71% for more than 18 months or already profitable. The share of holdings with a cash runway of at least 12 months went up from 78% at end-September 2024, which may suggest some progress in closing new funding rounds. Encouragingly, JPMorgan recently indicated a solid momentum in growth rounds in Europe with 58 VC-backed transactions exceeding US\$50m between end-December 2024 and end-February 2025. The €16.7bn deal volume in the European VC market in Q125 was quite robust and represents a run-rate that implies 10.8% growth for the full year, according to PitchBook, supported by continued European Central Bank rate cuts. Management highlighted that Molten's technology- and software-focused portfolio is less exposed to the direct impact of tariffs. Still, the recent macroeconomic and geopolitical uncertainty may weigh on VC deal activity and affect further fund-raising and realisation activity in the short term.

Molten's FY25 realisations include the full exits of M-Files, Endomag, Perkbox and Graphcore (all completed at or above last carrying value), as well as a minor £7m partial realisation of Revolut as part of the company-led secondary share sale (at a 25% uplift to previous carrying value). These transactions were completed at an average multiple on invested capital (MOIC) of 1.8x, with M-Files (7.4x) and Endomag (3.9x) generating attractive returns for Molten. After the reporting date, Molten completed the exit of Freetrade, a commission-free self-directed investment platform sold to IG Group at a moderate 1.5x MOIC, and Lyst, a global fashion shopping platform sold to ZOZO at an undisclosed MOIC. These transactions were realised at uplifts of 17% and 7% to last carrying values, respectively. The healthy realisation activity allowed Molten to complete a £15m buyback programme in FY25 and, given the persistent wide discount to NAV (currently at 60%), initiate another £15m programme on 13 March 2025, of which £3.8m had been spent as at the trading statement release date. This brings the total buyback volume above the minimum level of 10% of realisation proceeds earmarked for share repurchases as part of Molten's capital allocation policy.

Investment companies
Listed venture capital

30 April 2025

Price	270.40p
Market cap	£495m
Shares in issue	183.1m
Code/ISIN	GROW/GB00BY7QYJ50
Primary exchange	LSE
AIC sector	N/A
52-week high/low	432.5p 215.6p

Fund objective

Molten Ventures is a UK 250, London-based venture capital (VC) firm that invests in the European technology sector. It has a portfolio of 100+ investee companies and includes a fund of funds programme (as well as EIS and VCT schemes) in the group, as well as its flagship balance sheet VC fund.

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