

# Private Companies Q2 investment update

July 2025

---

Investment manager Tara Sallis gives an update on the Private Companies Strategy covering Q2 2025.

---

Your capital is at risk. Past performance is not a guide to future returns.

Tara Sallis: Welcome to the Q2 2025 investment update for the Private Companies strategy, I'm Tara Sallis, a member of the investment team.

**We've been getting a lot of questions about the IPO market, specifically, when it might be opening back up. So we will dedicate this quarter's update to IPOs, dealmaking in general as well as updates on the progress on some of our portfolio companies.**

The number of IPOs tends to be very cyclical, with an average of about 50 a year. Back in 2021 there was a peak, with over 300 venture-backed companies choosing to list that year. However, the change in the interest rate environment led to a sharp reversal and in 2022, when just 38 companies chose to list. The numbers have been slowly ticking up since then and in particular this year the public markets have been giving a much warmer welcome to new entrants.

One of our own portfolio companies, US neobank Chime, went public on 12 June this year. On first day of trading, the share price went up by 37 per cent, signalling public equity investors more receptive of new listings. And in the case of Chime, that is with good reason. The company spent the last couple of years focusing on profitability while keeping its fast-paced product innovation. It became profitable in the first quarter of this year and is still growing revenues at a rate exceeding 30 per cent a year. **The success of Chime and other's IPO is likely to encourage more optimism for other companies to follow.** Within our portfolios, we are aware of several other companies that are also advanced in their progress towards a listing.

We are also seeing exceptionally performing companies and their backers being rewarded for their progress in the private markets. A number of our portfolio companies, including the European defence company Tekever, have recently raised additional capital at valuations around 100 per cent above their previous funding rounds. Other portfolio holdings like BillionToOne and Bending

Spoons are going from strength to strength through their strong execution, only building our confidence in the value they will create over time.

Recently we have been very busy, working on new opportunities as companies seek private capital to drive their progress. Importantly, seeing companies weather some storms, and watching how they react to change and handle different business environments gives us an interesting, fresh perspective on the quality of those businesses and their management teams. This helps us build a picture of which companies are those with a chance to deliver truly exceptional returns over the long-term.

Over the last quarter we have made several new investments.

We made an initial investment into the US-logistics fulfilment company Stord, the workforce management software company Rippling, and the enterprise internet infrastructure company Meter.

Of all the fantastic additions to the portfolio recently, perhaps the one that most excites me is a company called Altruist. Altruist is a modern custodial system that allows registered investment advisors to run independent practices. This company is both an enabler and a big beneficiary of the structural shift happening across the US towards independent advisors. In an industry that has not changed for decades, their stand-out products position them well to execute on an opportunity with a very long runway ahead.

Looking forward, we believe that the pieces are coming into place for a fantastic period for private growth equity investors. After the restricted funding environment imposed on private companies in the last three years, they have built strength and discipline and are emerging stronger into a more optimistic environment. Companies have also had a reinforcement of the importance of long-term partners on their cap tables. At the same time valuations have reset and are still below public market equivalents. This makes us very excited about the progress of our portfolio companies and our pipeline of opportunities for the rest of 2025 and beyond.

Thank you and please get in touch with our client team if you would like to learn more.

### Risk factors

This communication was produced and approved in July 2025 and has not been updated subsequently. It represents views held at the time and may not reflect current thinking.

The views expressed should not be considered as advice or a recommendation to buy, sell or hold a particular investment. They reflect opinion and should not be taken as statements of fact nor should any reliance be placed on them when making investment decisions.

This communication contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research, but is classified as advertising under Art 68 of the Financial Services Act ('FinSA') and Baillie Gifford and its staff may have dealt in the investments concerned.

All information is sourced from Baillie Gifford & Co and is current unless otherwise stated.

The images used in this communication are for illustrative purposes only.

### Important information

Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority (FCA). Baillie Gifford & Co Limited is an Authorised Corporate Director of OEICs.

Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK Professional/Institutional clients only. Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford & Co and Baillie Gifford Overseas Limited are authorised and regulated by the FCA in the UK.

Persons resident or domiciled outside the UK should consult with their professional advisers as to whether they require any governmental or other consents in order to enable them to invest, and with their tax advisers for advice relevant to their own particular circumstances.

### Financial intermediaries

This communication is suitable for use of financial intermediaries. Financial intermediaries are solely responsible for any further distribution and Baillie Gifford takes no responsibility for the reliance on this document by any other person who did not receive this document directly from Baillie Gifford.

### Europe

Baillie Gifford Investment Management (Europe) Ltd (BGE) is authorised by the Central Bank of Ireland as an AIFM under the AIFM Regulations and as a UCITS management company under the UCITS Regulation. BGE also has regulatory permissions to perform Individual Portfolio Management activities. BGE provides investment management and advisory services to European (excluding UK) segregated clients. BGE has been appointed as UCITS management company to the following UCITS umbrella company; Baillie Gifford Worldwide Funds plc. BGE is a wholly owned subsidiary of Baillie Gifford Overseas Limited, which is wholly owned by Baillie Gifford & Co. Baillie

Gifford Overseas Limited and Baillie Gifford & Co are authorised and regulated in the UK by the Financial Conduct Authority.

#### Hong Kong

Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 is wholly owned by Baillie Gifford Overseas Limited and holds a Type 1 license from the Securities & Futures Commission of Hong Kong to market and distribute Baillie Gifford's range of collective investment schemes to professional investors in Hong Kong. Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 can be contacted at Suites 2713-2715, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. Telephone +852 3756 5700.

#### South Korea

Baillie Gifford Overseas Limited is licensed with the Financial Services Commission in South Korea as a cross border Discretionary Investment Manager and Non-discretionary Investment Adviser.

#### Japan

Mitsubishi UFJ Baillie Gifford Asset Management Limited ('MUBGAM') is a joint venture company between Mitsubishi UFJ Trust & Banking Corporation and Baillie Gifford Overseas Limited. MUBGAM is authorised and regulated by the Financial Conduct Authority.

#### Australia

Baillie Gifford Overseas Limited (ARBN 118 567 178) is registered as a foreign company under the Corporations Act 2001 (Cth) and holds Foreign Australian Financial Services Licence No 528911. **This material is provided to you on the basis that you are a "wholesale client" within the meaning of section 761G of the Corporations Act 2001 (Cth) ("Corporations Act").** Please advise Baillie Gifford Overseas Limited immediately if you are not a wholesale client. In no circumstances may this material be made available to a "retail client" within the meaning of section 761G of the Corporations Act.

This material contains general information only. It does not take into account any person's objectives, financial situation or needs.

#### South Africa

Baillie Gifford Overseas Limited is registered as a Foreign Financial Services Provider with the Financial Sector Conduct Authority in South Africa.

#### North America

Baillie Gifford International LLC is wholly owned by Baillie Gifford Overseas Limited; it was formed in Delaware in 2005 and is registered with the SEC. It is the legal entity through which Baillie Gifford Overseas Limited provides client service and marketing functions in North America. Baillie Gifford Overseas Limited is registered with the SEC in the United States of America.

The Manager is not resident in Canada, its head office and principal place of business is in Edinburgh, Scotland. Baillie Gifford Overseas Limited is regulated in Canada as a portfolio manager

and exempt market dealer with the Ontario Securities Commission ('OSC'). Its portfolio manager licence is currently passported into Alberta, Quebec, Saskatchewan, Manitoba and Newfoundland & Labrador whereas the exempt market dealer licence is passported across all Canadian provinces and territories. Baillie Gifford International LLC is regulated by the OSC as an exempt market and its licence is passported across all Canadian provinces and territories. Baillie Gifford Investment Management (Europe) Limited ('BGE') relies on the International Investment Fund Manager Exemption in the provinces of Ontario and Quebec.

#### Israel

Baillie Gifford Overseas Limited is not licensed under Israel's Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the Advice Law) and does not carry insurance pursuant to the Advice Law. This material is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

#### Singapore

Baillie Gifford Asia (Singapore) Private Limited is wholly owned by Baillie Gifford Overseas Limited and is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence to conduct fund management activities for institutional investors and accredited investors in Singapore. Baillie Gifford Overseas Limited, as a foreign related corporation of Baillie Gifford Asia (Singapore) Private Limited, has entered into a cross-border business arrangement with Baillie Gifford Asia (Singapore) Private Limited, and shall be relying upon the exemption under regulation 4 of the Securities and Futures (Exemption for Cross-Border Arrangements) (Foreign Related Corporations) Regulations 2021 which enables both Baillie Gifford Overseas Limited and Baillie Gifford Asia (Singapore) Private Limited to market the full range of segregated mandate services to institutional investors and accredited investors in Singapore.