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The Corporate Value of Venture Investment Companies over the past Seven Years - About 276 Trillion Won

- Announcement : Corporate Value of Venture Investment Companies (2015-2021) -

- The corporate value, at the time of investment, of 5,556 companies that have received venture investment since 2015 was estimated at 276.2 trillion won.
 - As of the end of 2021, the corporate value of 4,453 unlisted companies, excluding listed companies among 5,556 companies, was 174.0 trillion won.
 - This corresponds to 39% of the KOSDAQ market capitalisation (446.3 trillion won), and is 1.8 times that of SK Hynix(95.4 trillion won), the second largest in the KOSPI market capitalisation.
- As of the end of 2021, 435 companies each had a corporate value of more than 100 billion won at the time of investment, of which 255 were unlisted companies with an investment of more than 100 billion won.
- Promising sectors with higher corporate value compared to the average corporate value and investment amount appear to be game industry, blockchain, smart business and finance, etc.

The Ministry of SMEs and Startups (hereinafter referred to as MSS) (Minister KWON Chil-seung) analysed and announced the current status of the corporate value of companies that have received venture investments over the past seven years (2015-2021).

Corporate value is a concept that has lately gained importance in the process of unicorn companies leading the industrial ecosystem, and an indicator of **the current status of the domestic venture ecosystem and the**

growth potential of companies that have received venture investment.

Analysis overview

In this corporate value analysis, **5,556 companies whose corporate value can be confirmed** were analysed among 7,226 companies that received venture investments over the past seven years* from 2015 to 2021, excluding projecting investments such as movies where it is difficult to estimate corporate value.

* For the consistency of time series analysis, this year's analysis was conducted from 2015, same as in 2020 and 2021.

<Terminology description>

- **Corporate value:** ① In the case of stock investment, the Corporate value is estimated by multiplying the price per share by total number of issued shares, ② In the case of convertible bond investment, the value is calculated considering the conversion price
- **The ratio of corporate value to investment amount:** The company value divided by the investment amount (corporate value per investment of 100 million won). A higher ratio means that the company was evaluated as having higher growth potential.

Overview

(1) Total: **The corporate value of 5,556 venture-invested companies are 276.23 trillion won / 435 companies each with a corporate value of 100 billion won or more**

The total corporate value of 5,556 companies that have received venture investments over the past seven years was 276.23 trillion won.

Among them, the corporate value of 4,453 **unlisted companies that maintain investment**, excluding listed and recovered companies, stood at **173.965 trillion won.**

The corporate value of approximately 174 trillion won of unlisted companies that are maintaining investment is **about 39.0% of the total market capitalisation of 446.297 trillion won** (as of December 30, 2021) of all **KOSDAQ listed companies**, which is **about 14 times larger than Celltrion Healthcare** (12.4 trillion won in market capitalisation), the largest of all listed companies on KOSDAQ. In addition, it is the second largest after Samsung Electronics (467.4 trillion won in market capitalisation), which is the largest of all listed companies on KOSPI. And the figure is 1.8 times larger than that of SK Hynix (95.4 trillion won in market capitalisation).

Analysis by industry and sector

As a result of analysis based on various industries and fields, it was found that **game industry, blockchain, smart business and finance sectors** had a higher ratio of corporate value to the amount of investment that represents corporate value and future growth potential.

(1) Venture Investing industry: **game industry had the highest ratio of corporate value to the average corporate value and investment amount in 2021.**

In 2021, **game** companies had the highest average corporate value of **407.8 billion won**, followed by **93.8 billion won in bio and medical care** and **81.6 billion won in ICT services**.

Classification	2015	2016	2017	2018	2019	2020	2021
1st	Chemicals / Materials (581 billion won)	Bio / Medical (601 billion won)	Video / Performance / Record (491 billion won)	Game (1097 billion won)	Bio / Medical (591 billion won)	Game (2722 billion won)	Game (4078 billion won)
2nd	Distribution / Service (482 billion won)	Chemicals / Materials (371 billion won)	Bio / Medical (459 billion won)	Bio / Medical (622 billion won)	Chemicals / Materials (336 billion won)	Bio / Medical (513 billion won)	Bio / Medical (938 billion won)
3rd	Bio / Medical (477 billion won)	Distribution / Service (26 billion won)	Electricity / Mechanic / Equipment (414 billion won)	Video / Performance / Record (428 billion won)	Distribution / Service (322 billion won)	ICT manufacturing (408 billion won)	ICT service (816 billion won)

The ratio of corporate value to investment amount was also highest among game companies (169.9 times), followed by ICT service (24.0 times) and distribution and service (21.1 times).

Classification	2015	2016	2017	2018	2019	2020	2021
1st	Chemicals / Materials (23.2 times)	Bio / Medical (20.0 times)	Video / Performance / Record (20.5 times)	Game (42.2 times)	Bio / Medical (16.8 times)	Game (104.7 times)	Game (169.9 times)
2nd	Distribution / Service (18.5 times)	Chemicals / Materials (16.1 times)	Bio / Medical (18.9 times)	Bio / Medical (17.0 times)	Chemicals / Materials (14.4 times)	Bio / Medical (22.7 times)	Bio / Medical (24.0 times)
3rd	Bio / Medical (18.3 times)	Distribution / Service (15.4 times)	Electricity / Mechanic / Equipment (18.8 times)	Video / Performance / Record (16.8 times)	Distribution / Service (14.2 times)	ICT manufacturing (17.9 times)	ICT service (21.1 times)

On the other hand, the game industry was analysed to have the highest growth potential recently with the highest corporate value as well as the highest ratio of corporate value to investment amount in 2020 and 2021, following 2018.

(Unit: KRW 100 million, ratio)

Classification	ICT Manufacturing	ICT Service	Electricity / Mechanic / Equipment	Chemicals / Materials	Bio / Medical	Video / Performance / Record	Game	Distribution / Service	Etc.	Total	
2015	Average investment amount (A)	24	16	22	25	32	26	16	26	34	22
	Average corporate value (B)	262	268	346	581	477	270	292	482	316	359
	Ratio (B/A)	10.9	16.8	15.7	23.2	14.9	10.4	18.3	18.5	9.3	16.3
2016	Average investment amount (A)	14	16	21	23	30	20	16	17	22	20
	Average corporate value (B)	177	246	224	371	601	163	203	260	166	298
	Ratio (B/A)	12.6	15.4	10.7	16.1	20.0	8.2	12.7	15.3	7.5	14.9
2017	Average investment amount (A)	15	18	22	25	29	24	19	22	17	20
	Average corporate value (B)	187	227	414	386	459	491	359	372	203	320
	Ratio (B/A)	12.5	12.6	18.8	15.4	15.8	20.5	18.9	16.9	11.9	16.0

(Unit: KRW 100 million, ratio)

2018	Average investment amount (A)	20	21	25	25	37	46	26	25	20	26
	Average corporate value (B)	308	279	302	426	622	428	1,097	360	180	403
	Ratio (B/A)	15.4	13.3	12.1	17.0	16.8	9.3	42.2	14.4	9.0	15.5
2019	Average investment amount (A)	19	26	23	20	41	24	22	25	28	28
	Average corporate value (B)	269	297	291	336	591	199	275	322	368	361
	Ratio (B/A)	14.2	11.4	12.7	16.8	14.4	8.3	12.5	12.9	13.1	12.9
2020	Average investment amount (A)	18	16	16	17	36	16	26	22	11	20
	Average corporate value (B)	408	263	207	260	513	177	2,722	394	531	423
	Ratio (B/A)	22.7	16.4	12.9	15.3	14.3	11.1	104.7	17.9	48.3	21.2
2021	Average investment amount (A)	34	34	27	23	45	42	24	30	24	34
	Average corporate value (B)	490	816	422	321	938	419	4,078	633	286	807
	Ratio (B/A)	14.4	24.0	15.6	14.0	20.8	10.0	169.9	21.1	11.9	23.7

(2) By sector of the 4th Industrial Revolution: **In 2021, blockchain, fintech, and O2O sectors** recorded the highest figures both in average corporate value and the corporate value compared to investment amount.

As venture investment increased significantly in 2021, **the average corporate value of companies in the 4th Industrial Revolution** was also evaluated **approximately at 1.9 times higher** than the previous year from 42.7 billion won in 2020 to **81.4 billion won in 2021**.

Among them, companies in the **block chain** sector had the highest average corporate value of **957.3 billion won** in 2021, followed by **fintech** with **221.7 billion won** and **O2O** with **123.7 billion won**.

Classification	2017	2018	2019	2020	2021
1st	Blockchain (104.8 billion won)	5G (906 billion won)	Cloud (66.6 billion won)	5G (94.6 billion won)	Blockchain (957.3 billion won)
2nd	Intelligent semiconductor (47.5 billion won)	Smart healthcare (66.3 billion won)	Smart healthcare (60.5 billion won)	Blockchain (76.1 billion won)	Fintech (221.7 billion won)
3rd	Smart Healthcare (37.7 billion won)	O2O (44.9 billion won)	O2O (60.3 billion won)	Cloud (63 billion won)	O2O (123.7 billion won)

The ratio of corporate value to investment amount in 2021 was also the highest for **blockchain (92.0 times)**, followed by **fintech (52.8 times)** and **O2O (30.2 times)**.

Classification	2017	2018	2019	2020	2021
1st	Blockchain (26.2 times)	3D printing (26.1 times)	Cloud (20.8 times)	Blockchain (76.1 times)	Blockchain (92.0 times)
2nd	Intelligent semiconductor (20.7 times)	5G (22.1 times)	Smart city (18.5 times)	5G (39.4 times)	Fintech (52.8 times)
3rd	5G (19.1 times)	New material (18.4 times)	Automated driving car (16.7 times)	Smart factory (20.9 times)	O2O (30.2 times)

The results of this analysis are interpreted as reflecting recent trends, such as **the future use and development potential of the block chain sector, and the boom in the platform industry.**

(3) By non-face-to-face sector: **Smart business and finance, entertainment, and smart healthcare sectors have high corporate value as well as high corporate value compared to the investment amount in 2021.**

In the non-face-to-face sector in 2021, the average corporate value of companies in the **smart business and finance** sector was the highest at **263.6 billion won**, followed by **entertainment (214.1 billion won)** and **smart healthcare (90 billion won)**.

Classification	2017	2018	2019	2020	2021
1st	Education (45.8 billion won)	Entertainment (62.7 billion won)	Daily consumption (45.8 billion won)	Entertainment (113.8 billion won)	Smart business / Finance (2636 billion won)
2nd	Entertainment (35.3 billion won)	Logistics / Distribution (50.7 billion won)	Smart healthcare (36.9 billion won)	Smart business / Finance (66 billion won)	Entertainment (2141 billion won)
3rd	Smart business / Finance (33 billion won)	Education (326 billion won)	Smart business / Finance (32.3 billion won)	Daily consumption (33.2 billion won)	Smart healthcare (90 billion won)

The ratio of corporate value to investment amount for smart business and finance was also the highest at 61.3 times, followed by entertainment (59.5 times) and smart healthcare (33.3 times), showing a similar trend to the analysis by industry and by sector of the 4th Industry Revolution above.

Classification	2017	2018	2019	2020	2021
1st	Education (35.2 times)	Entertainment (25.1 times)	Logistics / Distribution (16.5 times)	Entertainment (54.2 times)	Smart business / Finance (61.3 times)
2nd	Entertainment (20.8 times)	Logistics / Distribution (14.1 times)	Smart healthcare (14.8 times)	Smart business / Finance (41.3 times)	Entertainment (59.5 times)
3rd	Smart business / Finance (13.2 times)	Smart business / Finance (13.5 times)	Base technology (13.4 times)	Daily consumption (17.5 times)	Smart healthcare (33.3 times)

Current status of companies with a corporate value of 100 billion won or more

(1) Overall: 435 companies each with individual corporate values of more than 100 billion won and 255 companies maintaining investment.

Among the companies that received venture investment in 2021, the number of companies with a corporate value of **100 billion won or more** was **435**, which was an **increase of 116 companies** from 2020.

Of these, **255 companies** were **maintaining investments**, excluding listed companies, companies that recovered their principal, or companies included in large corporate groups (group subject to mutual equity investment limit). Among them, 243 companies, excluding 12 companies each with a corporate value of more than 1 trillion won, are companies

with the potential to become unicorn companies through follow-up investments.

(Unit: company)

Investment year	2015	2016	2017	2018	2019	2020	2021
Corporate value of more than 100 billion won at the time of investment (accumulated)	50	82	112	167	234	319	435
Listed/incorporated into a permanent system/companies with principal recovered (accumulated)	19	36	59	85	113	146	180
Unlisted companies with an investment value of more than 100 billion won (accumulated)	31	46	53	82	121	173	255

Meanwhile, **23 companies** were each valued to have a corporate value of **more than 1 trillion won** at the time of investment, which was **more than double** the number of 11 companies in 2020. The number of unicorn companies (18*) announced by the MSS is different in terms of numbers, because it excluded listed companies or companies included in large corporate groups (group subject to mutual equity investment limit).

* Of the 23 companies, 12 unlisted companies are maintaining investment, and 18 companies are unicorn companies, adding an additional 6 companies to these 12 companies.

(Unit: company, %, % p)

Classification		2015	2016	2017	2018	2019	2020	2021	Compared to 2020	
									Increase / decrease	Increase / decrease rate
100 billion won or more	Number of Company	50	82	112	167	234	319	435	+116	+36.4
	Ratio	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-	-
1 trillion won or more	Number of Company	2	2	4	6	7	11	23	+12	+109.1
	Ratio	4.0	2.4	3.6	3.6	3.0	3.4	5.3	+1.9	-
500 billion won or more and less than 1 trillion won	Number of Company	4	7	10	15	18	22	28	+6	+27.3
	Ratio	8.0	8.5	8.9	9.0	7.7	6.9	6.4	△0.5	-
300 billion won or more and less than 500 billion won	Number of Company	7	13	19	23	35	43	51	+8	+18.6
	Ratio	14.0	15.9	17.0	13.8	15.0	13.5	11.7	△1.8	-
100 billion won or more and less than 300 billion won	Number of Company	37	60	79	123	174	243	333	+90	+37.0
	Ratio	74.0	73.2	70.5	73.6	74.3	76.2	76.6	+0.4	-

PARK Yong-soon, Director General for Venture Innovation Policy of the MSS, said, “Corporate value analysis is meaningful in indirectly estimating the share of innovative venture companies and startups in our economy by identifying the value of unlisted companies, which have limited information, unlike the listed market, and in identifying industries that will emerge in the future through comparison between industries.”

He added, “As there are more than 200 companies each with a corporate value of more than 100 billion won, all of which are likely to become unicorns, we will try to create a venture ecosystem so that these companies can become unicorns and leaders in leading the economy.”

※ The statistics are analysed by the Ministry of SMEs and Startups to determine the corporate value of companies that received venture investments between 2015 and 2021, and nationally approved statistics according to the Statistical Act.