



dealroom.co

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NEW PALO ALTO

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14 JUNE 2022

“

**Palo Alto isn't an American city, it's a global city.
It attracts global talent to build global businesses.**

“In Palo Alto you can be queueing for a coffee and the person in front of you will have just exited for \$500M. If you're looking for advice, it is everywhere.”

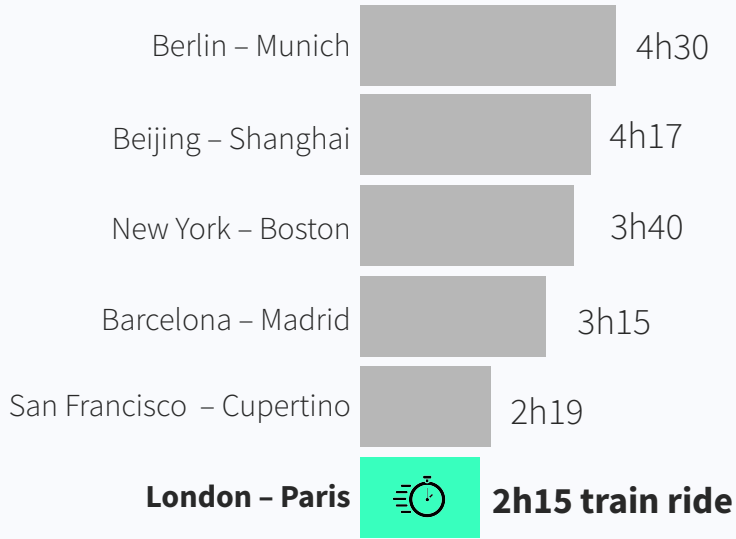
Thomas Hellmann

Oxford Said Business School
at LocalGlobe New Palo Alto event, 14th June 2022



- 1 Introducing New Palo Alto
- 2 Role as European innovation hub
- 3 Role as venture capital hub
- 4 Becoming a global leader

Paris and London: two closely connected cities, one ecosystem.



Within a 4 hours rail trip to several other leading tech hubs: introducing New Palo Alto.

London

#1 tech hub in Europe

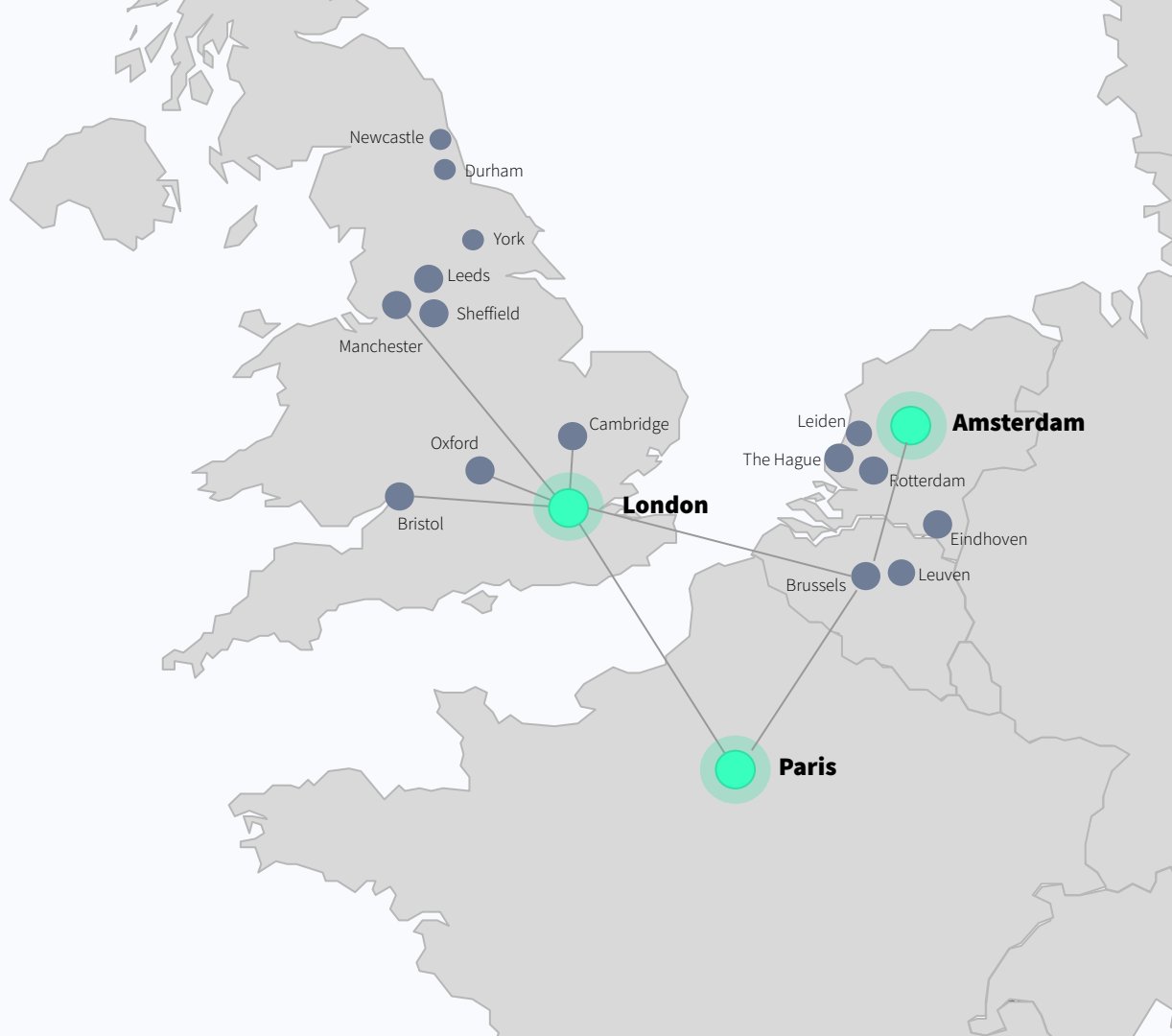
Paris

#3 city by unicorns and
#2 by future unicorns

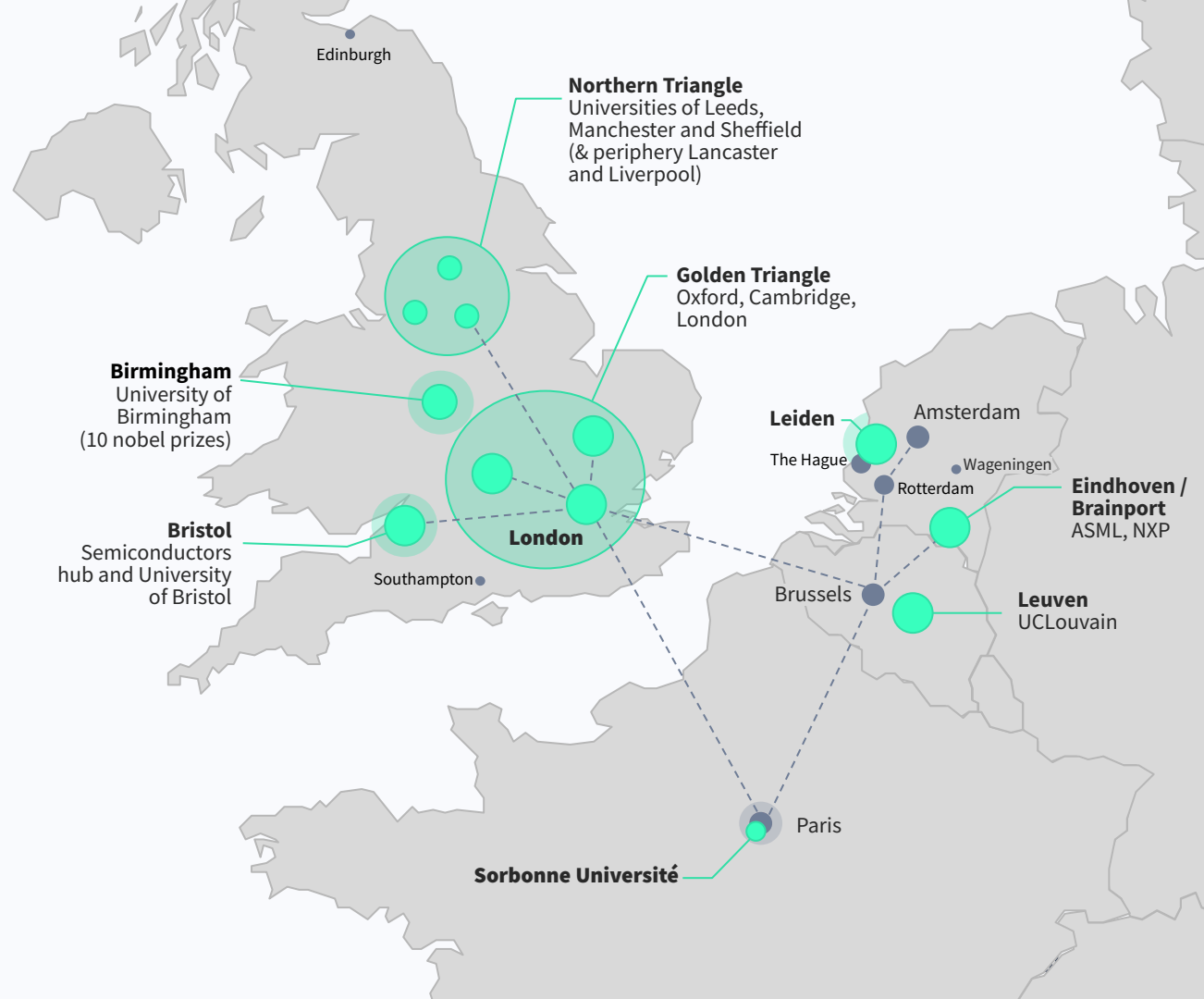
Amsterdam

#2 city by ecosystem value

**Plus: Bristol, Oxford, Cambridge
Manchester, Brussels, Brainport ...**



New Palo Alto also includes several Deep Tech and Life Science clusters like Oxbridge, the Northern Triangle and Life Science clusters like Leuven.



“

In a world of zoom-based calls, our connection to corporate America became very anodyne. That was a big loss for efficiency and markets.

"Innovation and creativity fall in a remote workforce. The last few months have been a wonderful sea change. Having everybody back together has been really powerful in driving forward our overall business."

Ken Griffin

CEO Citadel

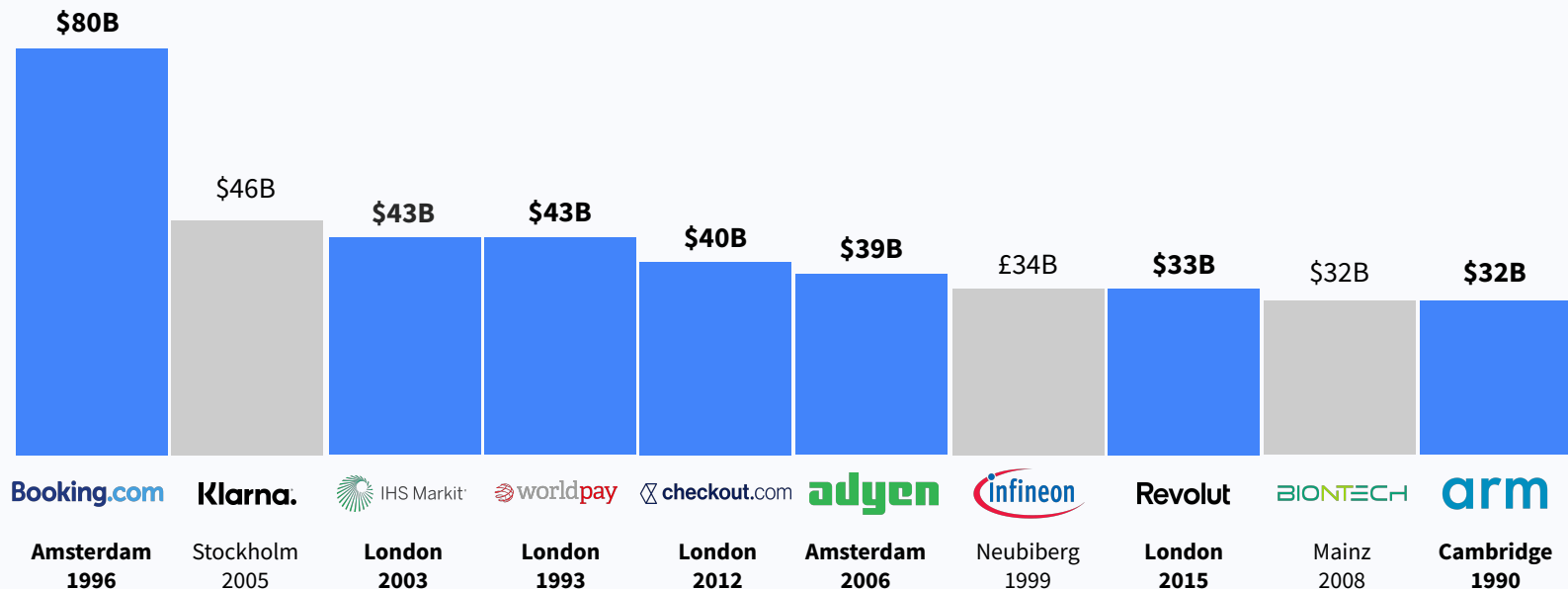
Speaking to Bloomberg, 20th May 2022



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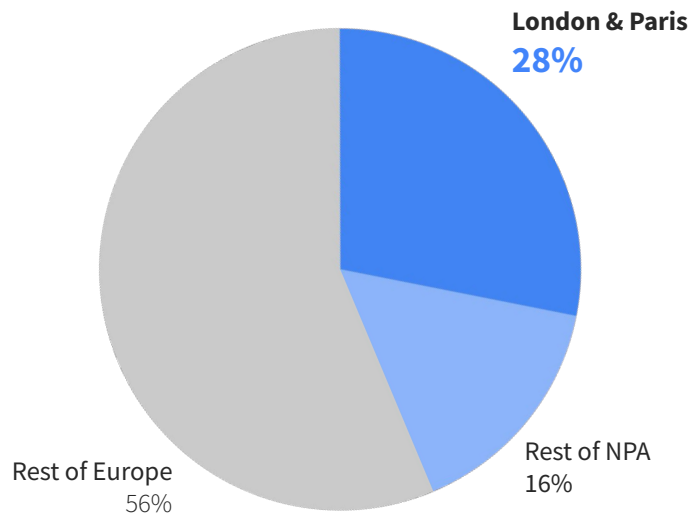
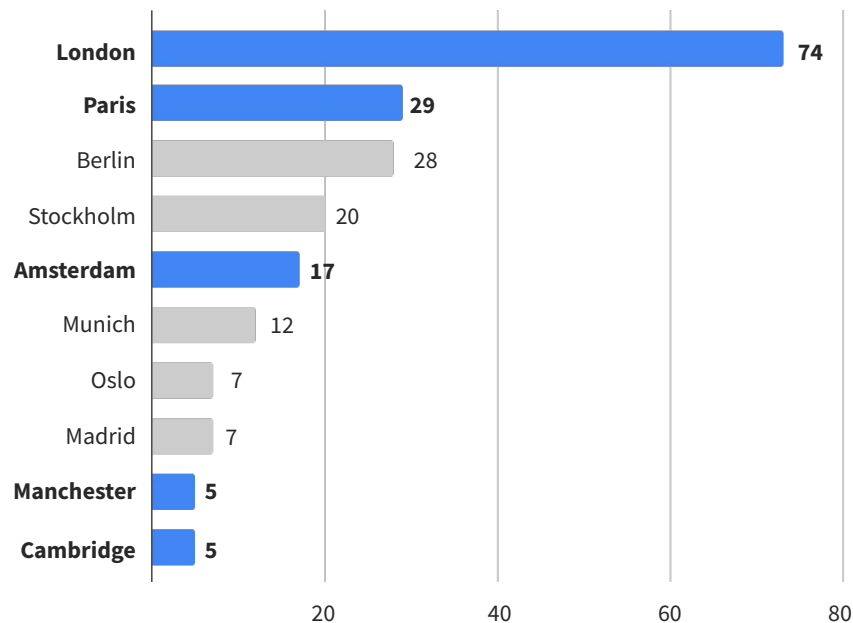
Seven of Europe's 10 most valuable tech companies have been produced from New Palo Alto.

Top 10 European tech companies by valuation



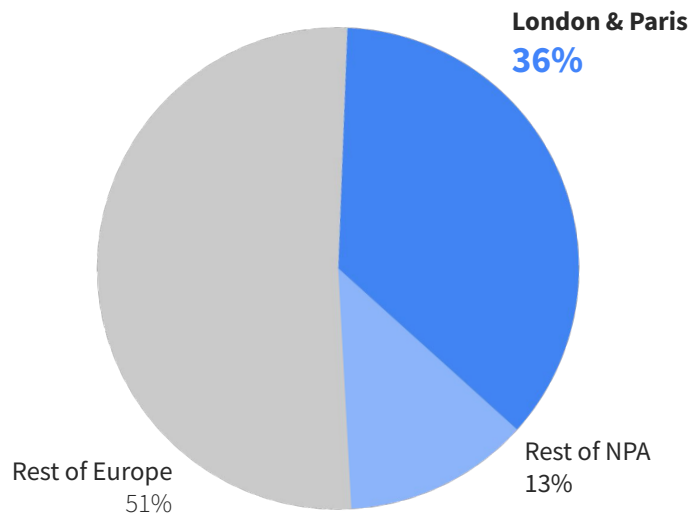
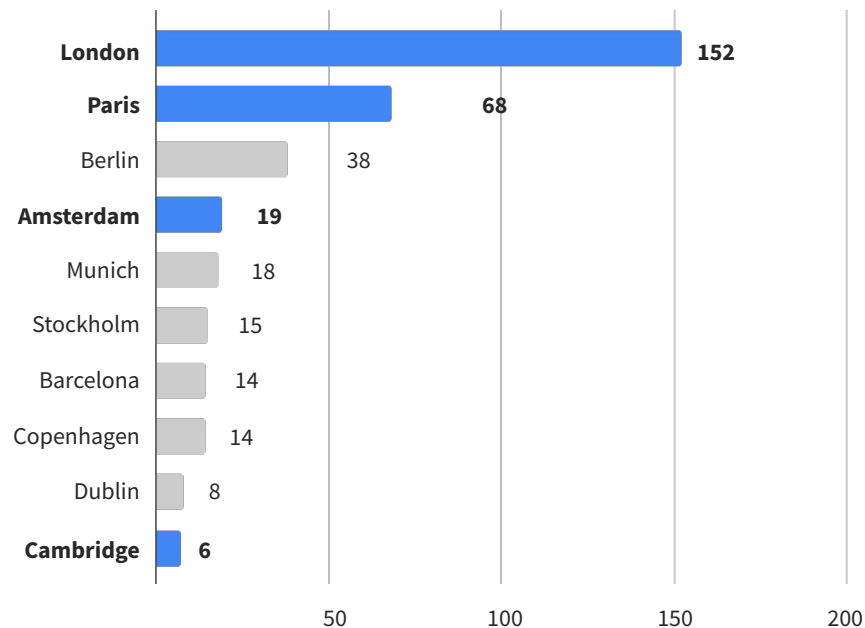
New Palo Alto is home to 44% of all unicorns in Europe.

New unicorns since 2014 by city



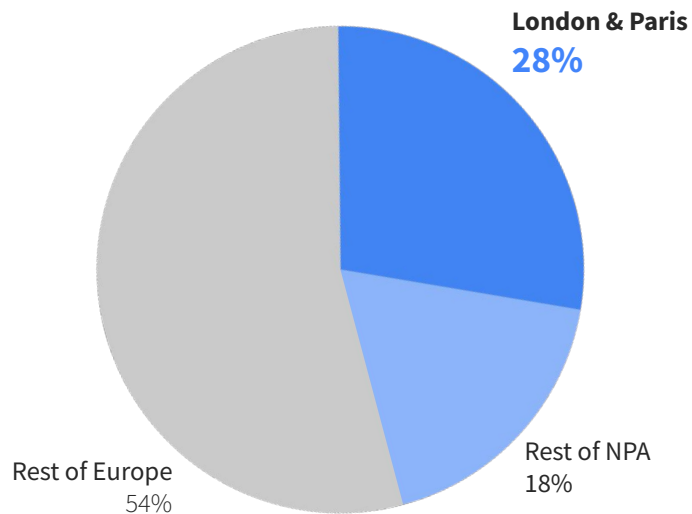
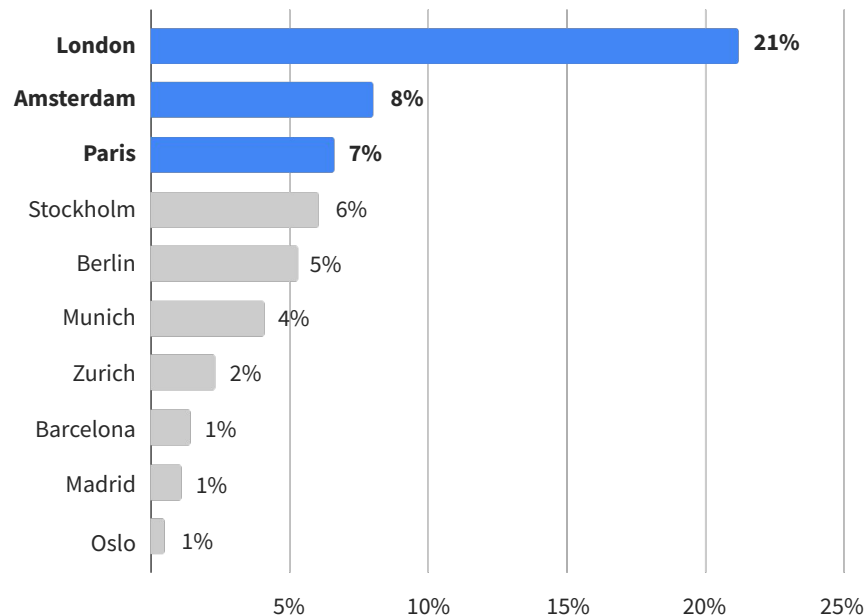
New Palo Alto is home to 49% of all future unicorns in Europe.

Future unicorns by city



New Palo Alto represents 46% of startup enterprise value in Europe.

% of ecosystem value as of European total (Today)



New Palo Alto dominates by university spinouts ...

RANK	University / Research centre / Cluster	Alumni startups	VC invested since 2000	Number of rounds raised since 2000	Nr of unicorns	Nr of future unicorns	Nr of alumni startups that have raised a Series A	Nr alumni startups that have raised a Series B	Number of Series A rounds	Number of Series B rounds
#1	Golden triangle total	507	\$10.7B	1039	6	18	158	77	206	92
#2	University of Oxford	173	\$4.3B	369	2	8	60	27	79	34
#3	University of Cambridge	151	\$3.6B	365	2	5	58	32	73	38
#4	Eidgenössische Technische Hochschule Zürich (ETH Zurich)	437	\$3.4B	378	2	4	54	27	65	37
#5	University College London	78	\$1.6B	131	1	4	19	10	27	11
#6	Imperial College London	91	\$1.0B	160	1	1	18	7	23	8
#7	Technical University Munich (TUM)	21	\$2.9B	70	2	5	12	9	16	12
#8	Northern triangle total	99	\$0.6B	107	1	1	9	4	9	5
#9	Ghent University	92	\$0.4B	70	0	1	12	7	14	10
#10	École Polytechnique Fédérale de Lausanne	19	\$1.0B	86	3	3	6	3	7	3
#11	University of Bristol	50	\$0.4B	73	0	1	6	3	9	3
#12	Eindhoven University of Technology (TU/e)	41	\$0.7B	57	0	1	5	3	6	8
#13	University of Glasgow	39	\$0.2B	43	0	1	5	4	6	4
#14	University of Edinburgh	49	\$0.2B	74	0	0	4	4	4	6
#15	University of Manchester	46	\$0.5B	45	1	1	3	2	3	3
#16	Aalto University	14	\$0.5B	34	0	1	4	3	5	3
#17	University of Southampton	30	\$0.1B	48	0	0	4	3	5	4
#18	University of Zürich	20	\$0.3B	35	0	0	3	4	4	10
#19	KU Leuven	88	\$0.0B	6	0	0	10	9	2	2
#20	University of Twente	21	\$0.0B	35	0	0	5	2	8	2
#21	University of Strathclyde	37	\$0.1B	44	0	0	3	3	3	3
#22	Vrije Universiteit Brussel	13	\$0.8B	16	1	1	3	2	3	2
#23	University of Leeds	27	\$0.1B	22	0	0	4	2	4	2
#24	Lund University	14	\$0.2B	22	0	0	4	1	5	1
#25	King's College London	14	\$0.2B	14	0	0	3	1	4	1

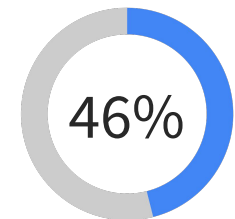
... and by university alumni companies.

RANK	University / Research centre / Cluster	Alumni startups	VC invested since 2000	Number of rounds raised since 2000	Nr of unicorns	Nr of future unicorns	Nr of alumni startups that have raised a Series A	Nr alumni startups that have raised a Series B	Number of Series A rounds	Number of Series B rounds
#1	Golden triangle total	2663	\$111.2B	6394	127	201	868	469	1012	523
#2	University of Cambridge	675	\$29.9B	1645	32	50	234	131	260	144
#3	University of Oxford	497	\$30.7B	1412	34	51	193	108	229	126
#4	London School of Economics and Political Science	532	\$18.7B	1081	23	36	151	87	174	92
#5	Northern triangle total	364	\$11.8B	824	10	16	102	48	127	50
#6	London Business School	312	\$11.4B	702	14	26	94	51	111	57
#7	Imperial College London	308	\$9.9B	774	10	16	98	42	122	52
#8	Technical University Munich (TUM)	240	\$9.4B	539	10	15	78	37	89	44
#9	Eidgenössische Technische Hochschule Zürich (ETH Zurich)	208	\$10.8B	557	8	15	85	39	108	47
#10	KTH Royal Institute of Technology	226	\$11.4B	518	12	15	55	26	64	24
#11	University College London	209	\$6.0B	436	10	13	54	27	62	27
#12	University of Manchester	187	\$6.5B	408	8	8	51	26	65	27
#13	Universitat Politècnica de Catalunya (UPC)	176	\$5.2B	500	4	10	57	25	72	30
#14	University of Edinburgh	164	\$4.0B	436	5	9	46	26	54	33
#15	Lund University	152	\$4.5B	348	6	8	50	24	56	27
#16	University of Bristol	140	\$6.1B	351	8	11	41	22	48	28
#17	Aalto University	169	\$4.5B	372	6	9	39	21	49	21
#18	University of Amsterdam	295	\$5.1B	328	9	8	37	17	40	18
#19	Technical University Berlin	167	\$3.2B	323	4	5	48	24	54	24
#20	King's College London	123	\$4.3B	327	4	8	42	21	51	23
#21	University of Copenhagen	129	\$4.5B	261	6	7	39	16	39	15
#22	University of Warwick	135	\$2.6B	294	2	3	37	19	45	24
#23	Karlsruhe Institute of Technology (KIT)	85	\$2.4B	204	2	7	31	22	43	22
#24	Vrije Universiteit Amsterdam	181	\$3.6B	202	4	4	22	11	25	11
#25	Delft University of Technology (TU Delft)	173	\$1.1B	278	2	3	32	7	38	8
#25	Humboldt University of Berlin	124	\$3.8B	213	2	2	27	12	34	15

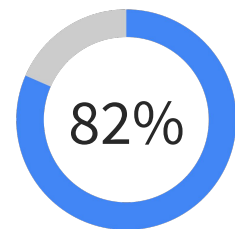
- 1 Introducing New Palo Alto
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The epicenter of Europe's ecosystem

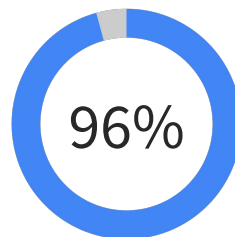
% of ecosystem enterprise value



4 hrs train ride



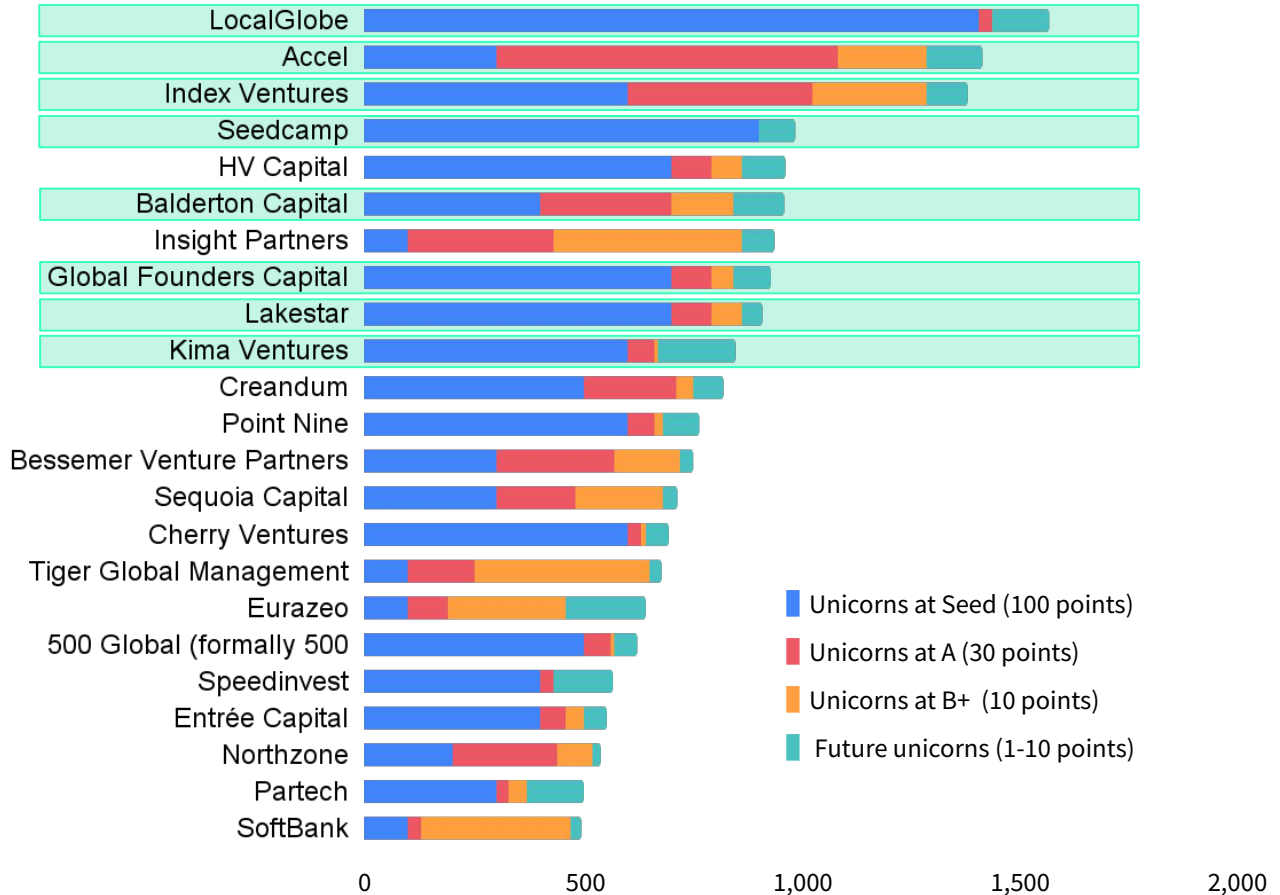
2 hrs flight



3 hrs flight

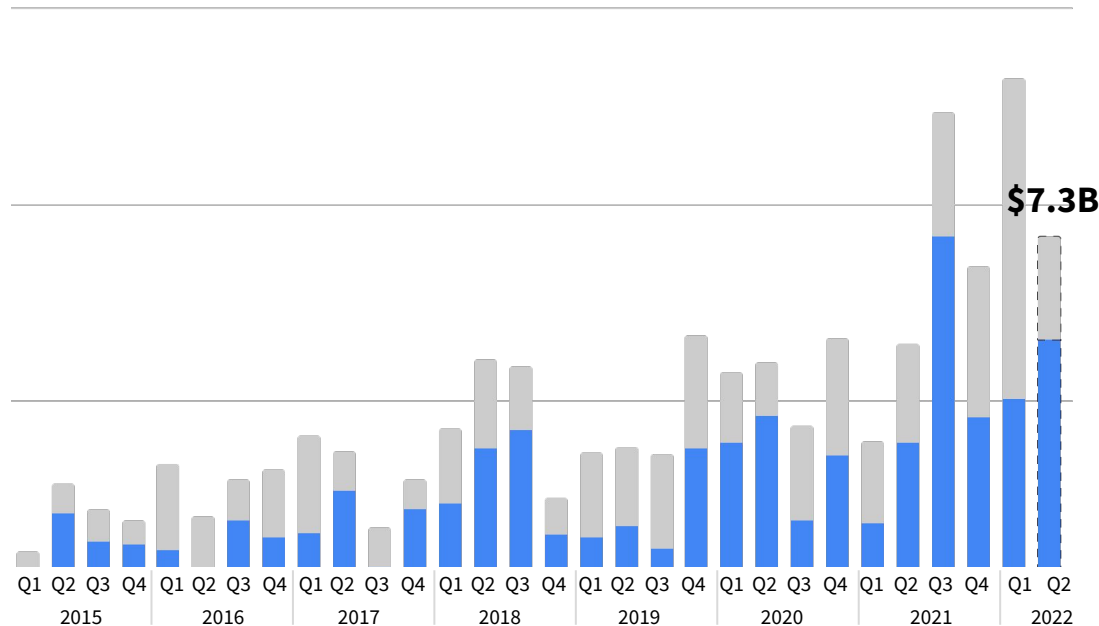


Seven of the top 10 funds for EMEA startups have their main office and major team presence in New Palo Alto.

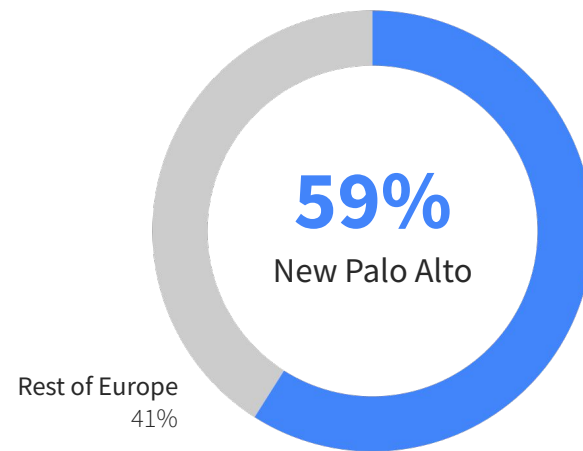


In the last four quarters, European VCs have raised more fresh capital than ever before. And New Palo Alto investors accounted for 59%.

New venture capital funds raised by HQ

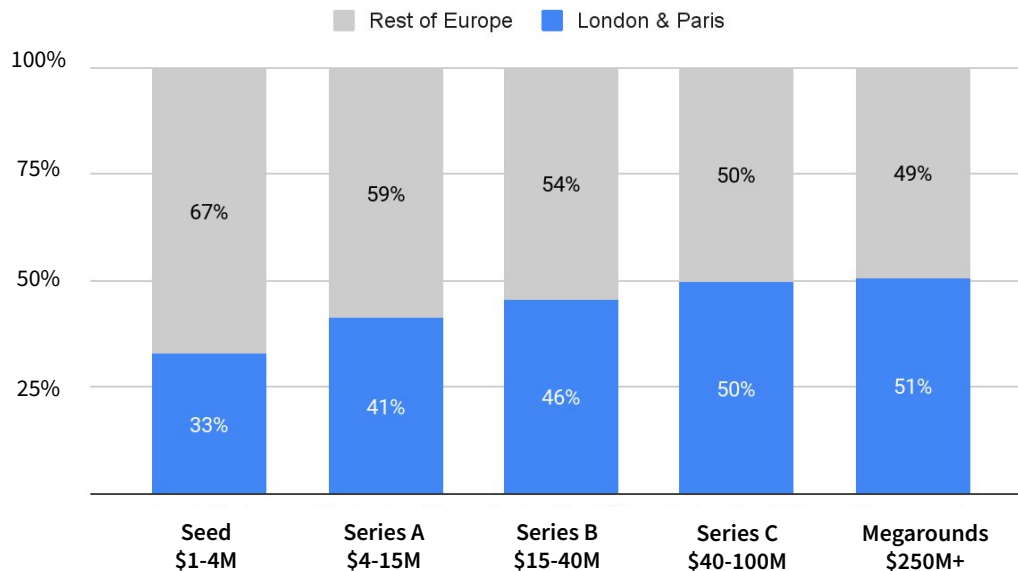


Share of new funds raised as European total (Q3 2021-Q2 2022E)



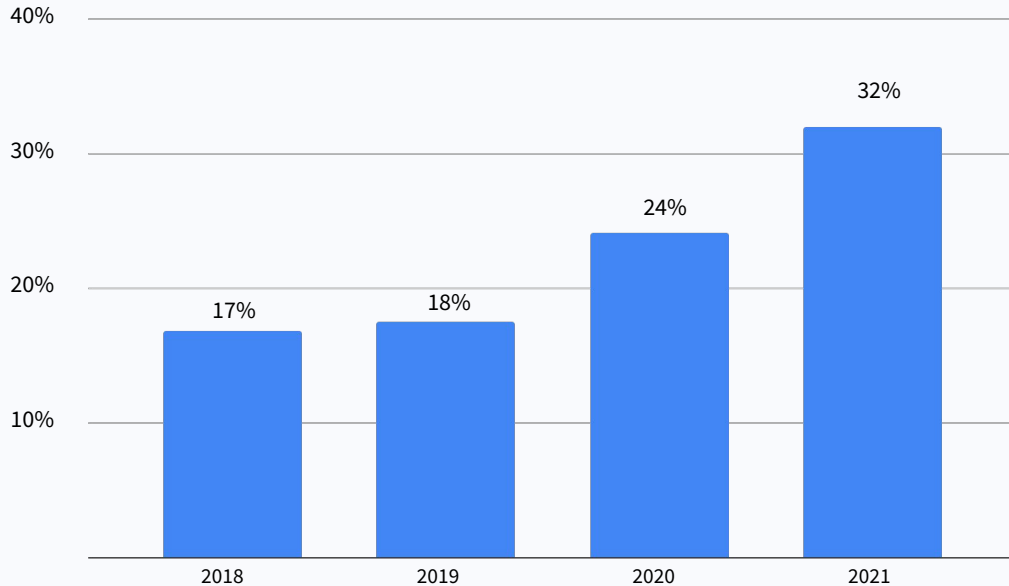
London and Paris alone, account for over half of Europe's late stage capital invested.

European venture capital per round size and per source
(invested in European startups 2017-2021, HQ of VC firm)



An extensive landscape of iconic European corporates.

London and Paris's share of total European corporate investment
(invested in European startups 2018-2021)

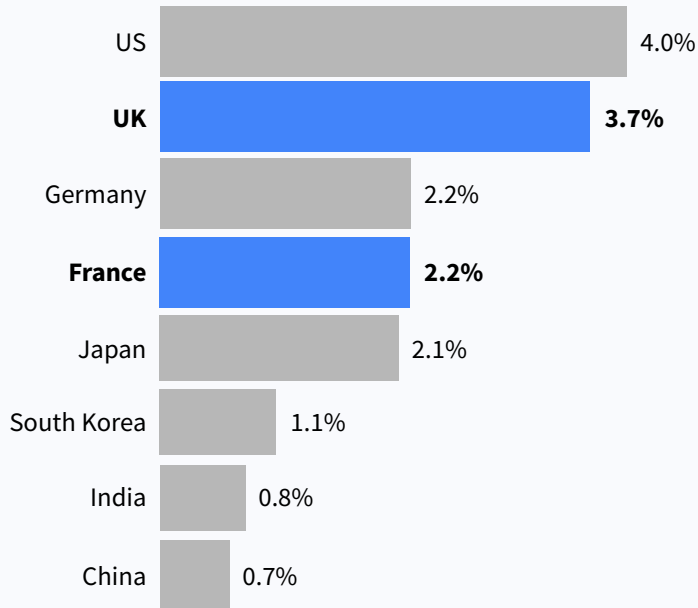


Corporates with investments in European startups

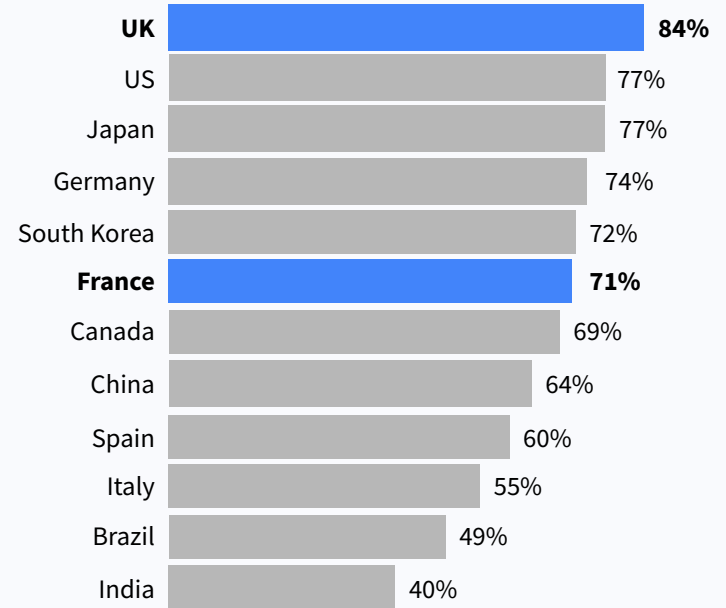
	London	Paris
Fashion	BURBERRY	LVMH
Banking	 BARCLAYS	 BNP PARIBAS
Automotive		Renault Group
Energy		
Media	 REUTERS	 PUBLICIS GROUPE
Insurance	LLOYD'S <small>LLOYDS OF LONDON</small>	
Creative		L'ORÉAL

The UK is an early adopter market where corporates spend more on tech, consumers spend more online.

Spending on IT as % of GDP (2018)⁽¹⁾



Consumer e-commerce penetrations (2020)⁽²⁾

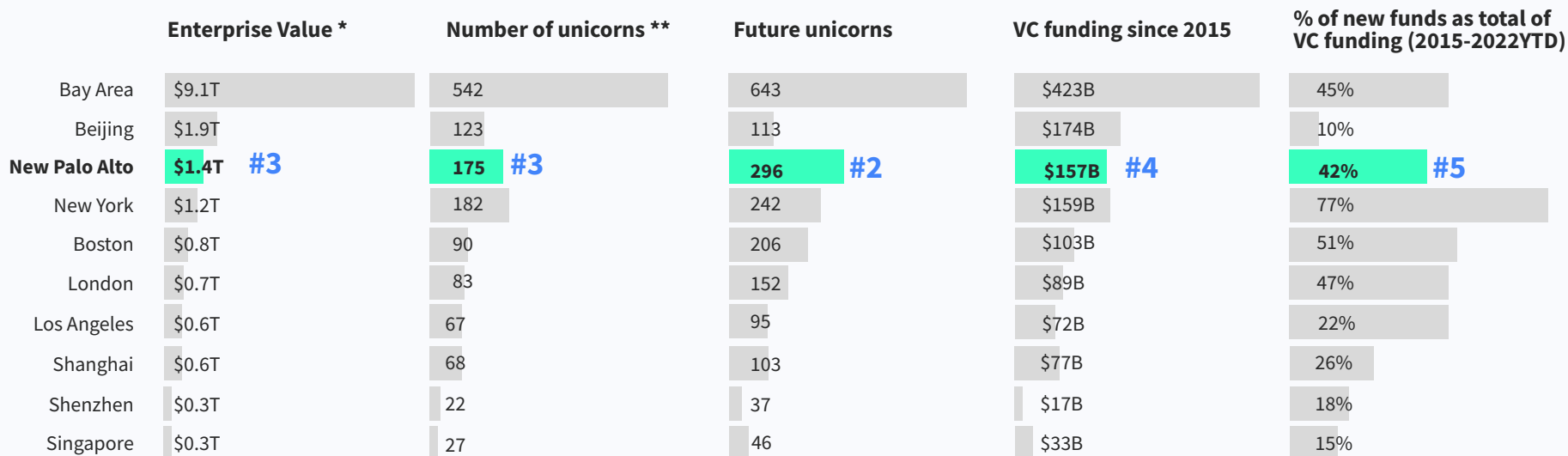


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Globally, New Palo Alto ranks only significantly behind the Bay Area, but roughly at par with New York and Beijing.

NPA is overperforming ...

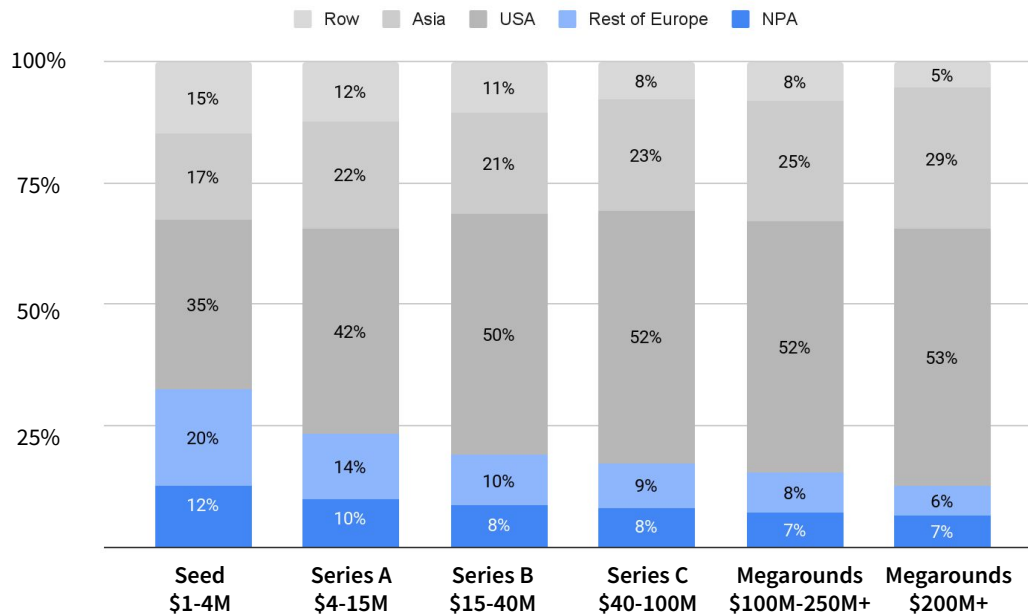
... and yet underinvested



Source: Dealroom.co. *Combined enterprise value of all startups & tech companies founded since 1990. **A unicorn is defined as a rapidly scaling company (and tech enabled) that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised).

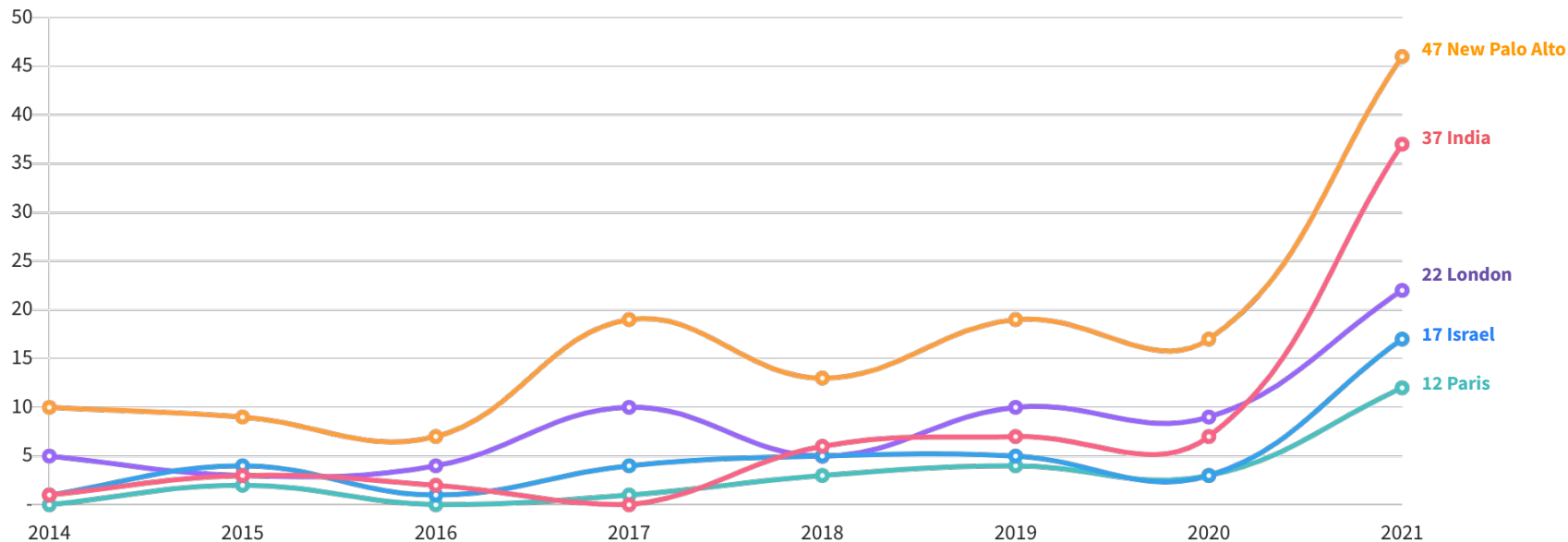
Europe (and New Palo Alto) remain massively underinvested in later-stage rounds.

Share of global VC investment by destination (2020-2022 YTD)

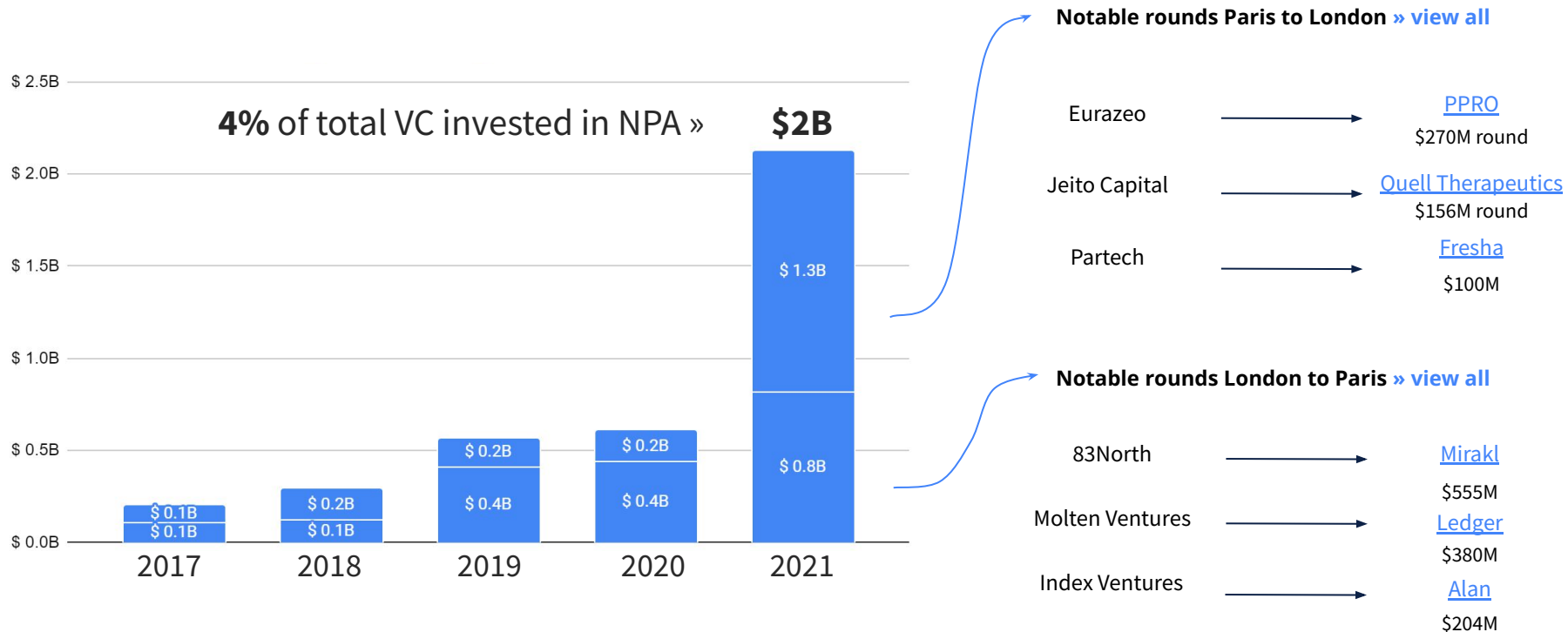


No time to be complacent. Places like Israel and India are catching up.

Number of new unicorns: » [view online](#)



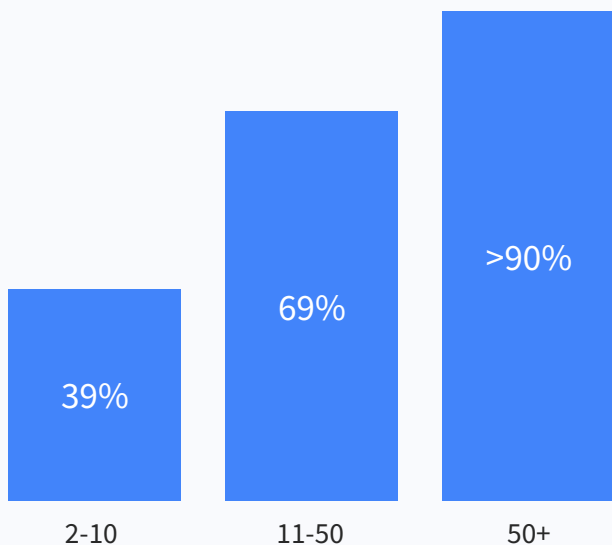
Opportunity to become more interconnected: investment between Paris and London reached record levels in 2021, but is still relatively low volume.



Meanwhile, almost all London & Paris scaleups have recruited talent from the other hub.

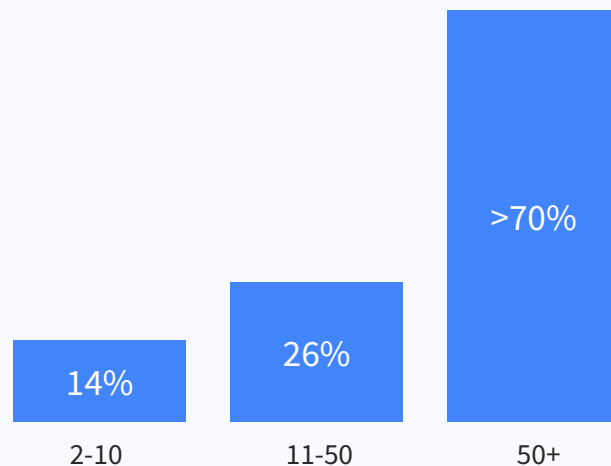
Paris-based startups

% of startups who recruited someone from London

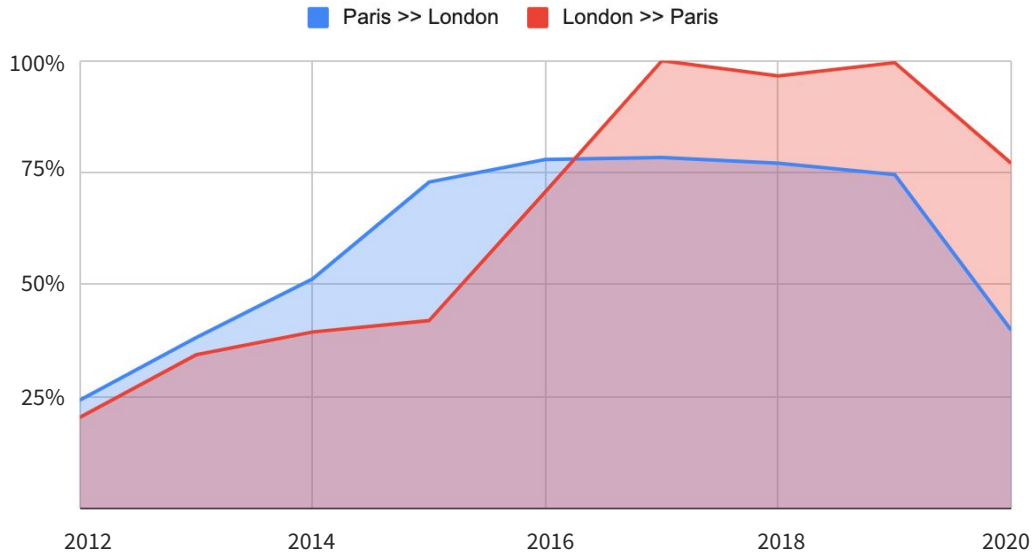


London-based startups

% of startups who recruited someone from Paris



Public policy really does have an impact on talent flows.



Paris and London share a rich, mobile talent pool, but the momentum of talent flow has swung from London to Paris since Brexit.

Analysing the movements of professionals who have worked in both Paris and London shows that pre Brexit, the direction of travel was distinctly inbound into St Pancras. However, since 2016 the trend has reversed. Paris is now a net importer of talent from London.

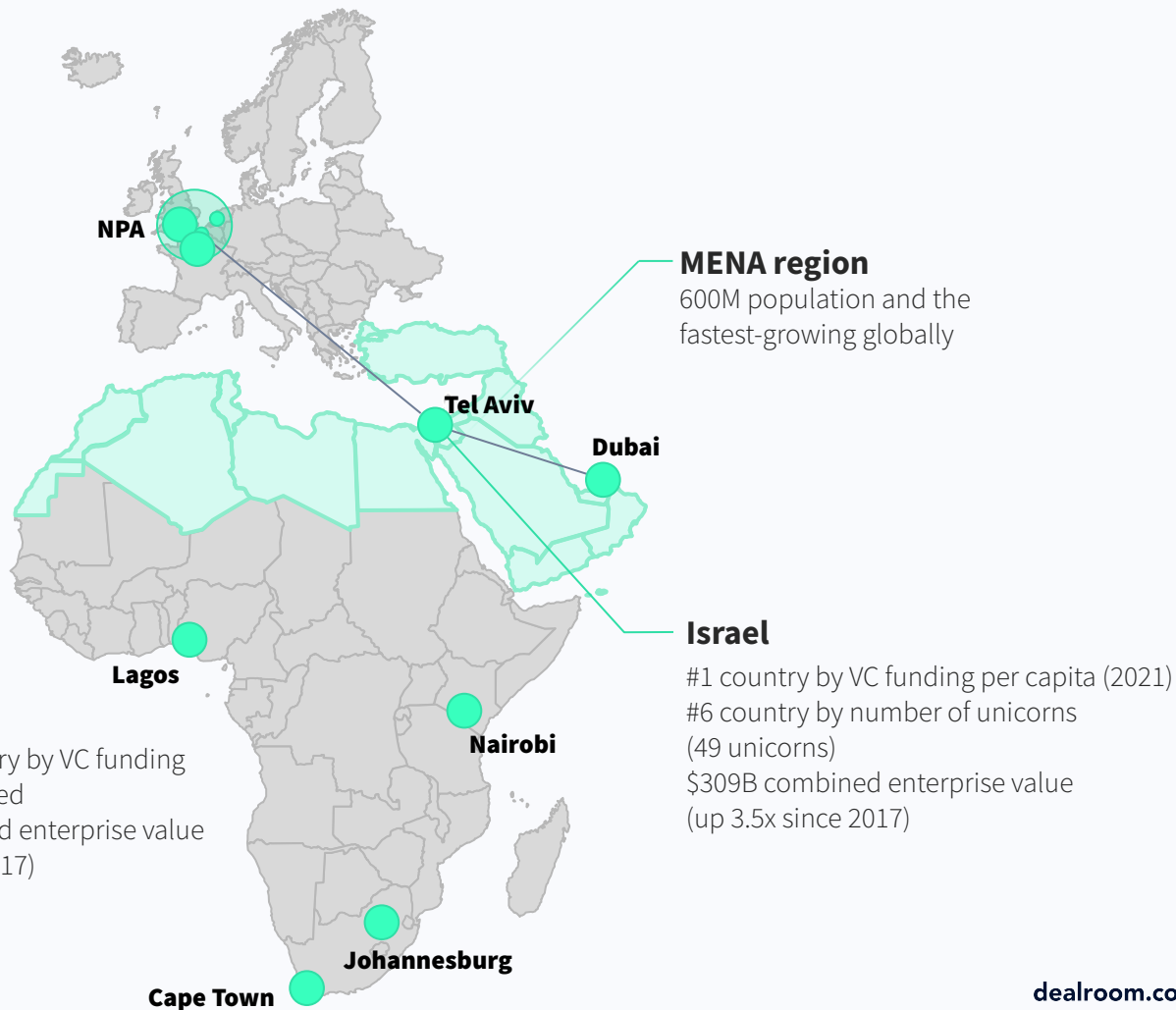
From 257K+ work experiences tracked between 2012 to 2021, this analysis looks at all movements of professionals between London and Paris (2.7K).

For accuracy, a movement to destination city is only included if it happened less than 2 years after the work experience in the origin city ended.

Both UK and France are generally strongly supportive to tech and science.

Initiative	UK	France
Tech Visa	Tech Nation Visa (2014)	French Tech Visa (2017)
R&D tax credits	£4.5B (2018)	CIR €6.2B (2019)
Investor tax relief	SEIS (2012)	PEA-PME, Tax deduction program for investors
Employee Options	EMI Scheme (2000)	BSPCE
Deeptech and life sciences startup support	Future Fund (2021)	ADD (2019) and French Tech Seed

**Massive opportunity
to strengthen existing
close links to MENA.
And Sub-Saharan
Africa, all within
similar time zones.**



Density vs. Distribution.

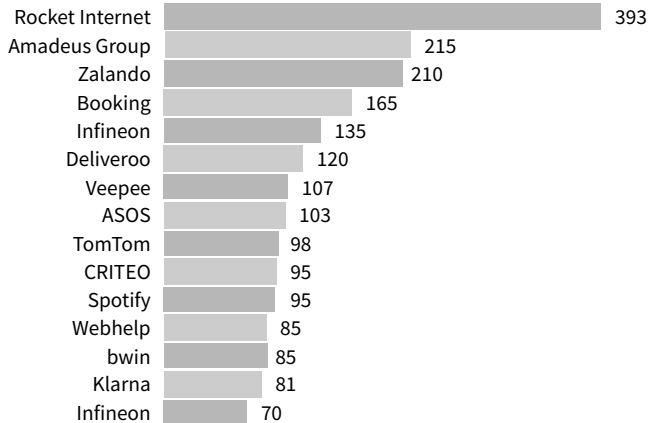
“Just 15 European unicorns have produced over 2,000 founders. There's so much unrealised potential that's coming.”

Seth Pierrepont – General Partner at **ICONIQ**

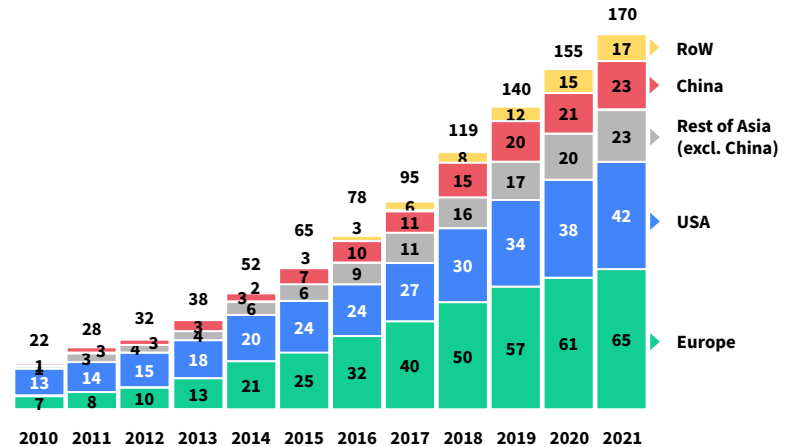
“Europe has 65 unicorn cities, more than any other region. That's pretty cool, because you can tap into different thinking when you have that distribution.”

Paul Murphy – Partner at **Lightspeed**

Top 15 European \$1B+ companies by number of alumni founders



Cities with one or more unicorn



New Palo Alto ...

The pinnacle of Europe's tech ecosystem.

Leader in science, successful startups, venture capital, early-adopters, corporate innovation.

Already a global a top-3 tech hub, but massive opportunity.

Opportunity for late-stage capital, stronger ties between cities, policies removing friction, ambitions beyond Europe into MENA and sub-saharan Africa.

Methodology & definitions

Startups & venture capital

This report focuses on companies in the internet age, i.e. after 1990. Most but not all unicorns are VC backed.

Companies included in the analysis are tech-driven. Industries include software, ecommerce, online marketplaces, hardware, ICT infrastructure. The full [industry & business model taxonomy](#) can be found online

Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, late stage, and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data, but included in exit data.

Unicorns

A unicorn is defined as a tech-driven company that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised).

There are some notable edge-cases:

- Companies that IPO-ed at or above \$1 billion but subsequently dipped below that valuation, are still included as \$1B+ exit (examples: Alfa).
- Some companies have at some stage reached a \$1 billion but subsequently raised, IPO-ed or were acquired below that value. In this case the company is not counted as a unicorn.
- If a unicorn moved HQ, the company is counted in the country where it reached unicorn status. Occasionally companies received dual HQ status.

Underlying data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

Most underlying data from the report is available online via <https://app.dealroom.co>. For more info please visit dealroom.co or contact support@dealroom.co.

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