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Europe and Israel's startup founder factories

November 2022

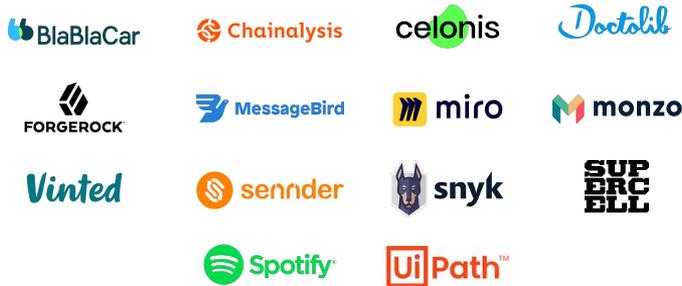




First partner to exceptional teams everywhere.

Accel is a global venture capital firm and the first partner to exceptional teams everywhere, from inception through all phases of private company growth.

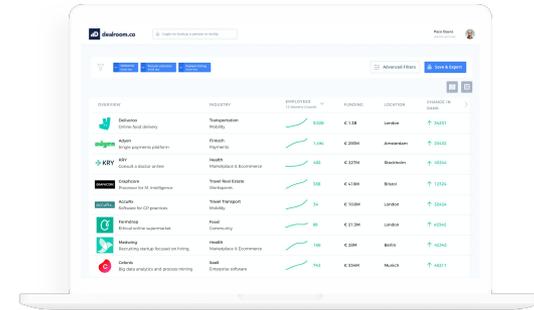
Established in 1983 and with offices in the Bay Area, London and Bangalore, Accel has a long history of partnering with outstanding entrepreneurs and their teams to build global category-defining companies. Celonis, CrowdStrike, Flipkart, Miro, Slack, Snyk, Sorare, Spotify, Trade Republic and UiPath are just some of the companies the firm has backed over nearly 40 years.



Global startup & venture capital intelligence platform.

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, we now work with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on venture capital activity.



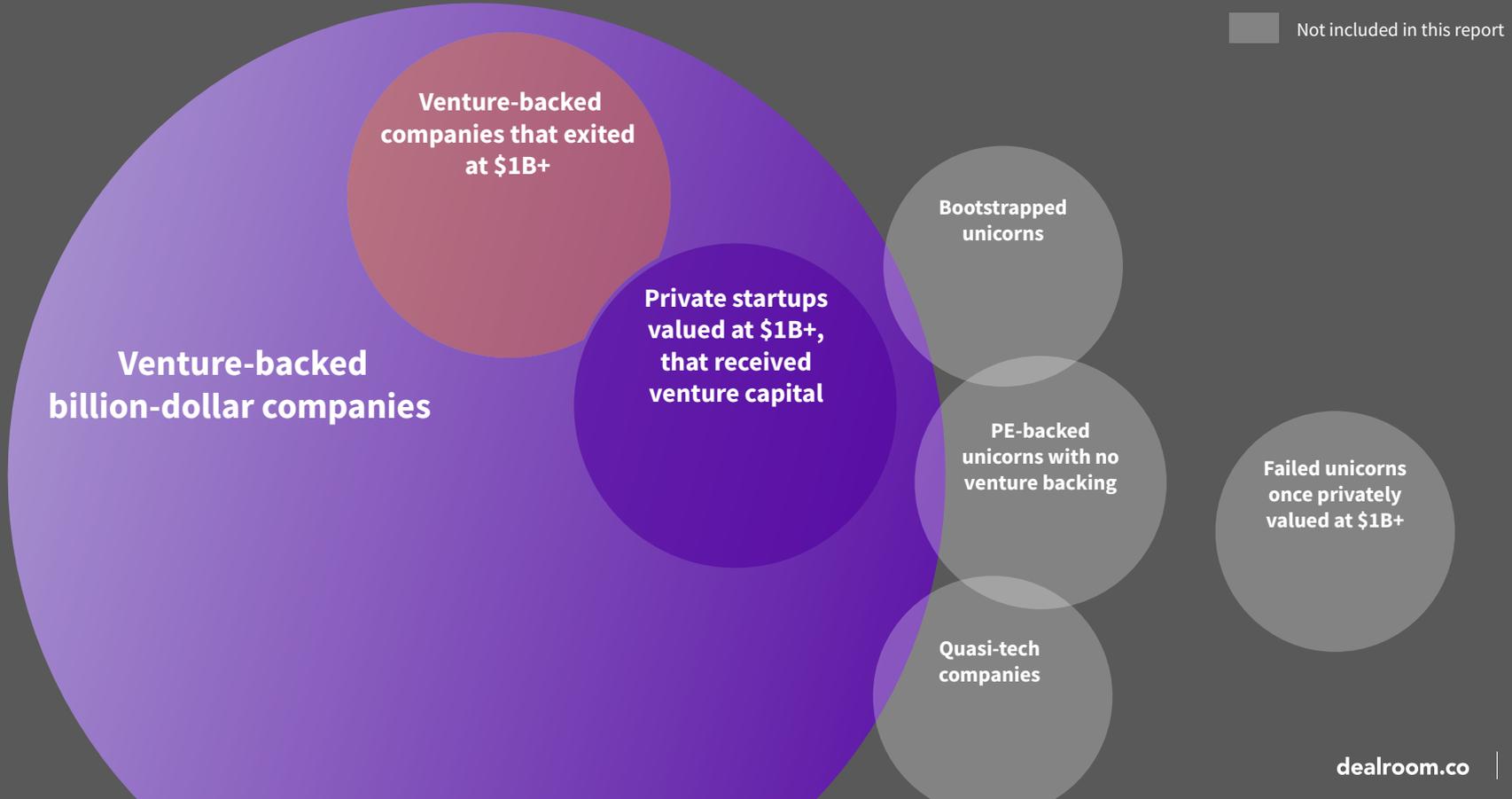
Key takeaways

The European startup ecosystem engine is cranking, with a new wave of ‘founder factories’ surfacing from the region’s recent unicorns. The European and Israeli ecosystem snapshot shows that, of the more than **300** VC-backed unicorns in the region, **203** have fuelled more than **1,000 (1,018)** new tech-enabled startups, with former employees becoming founders.

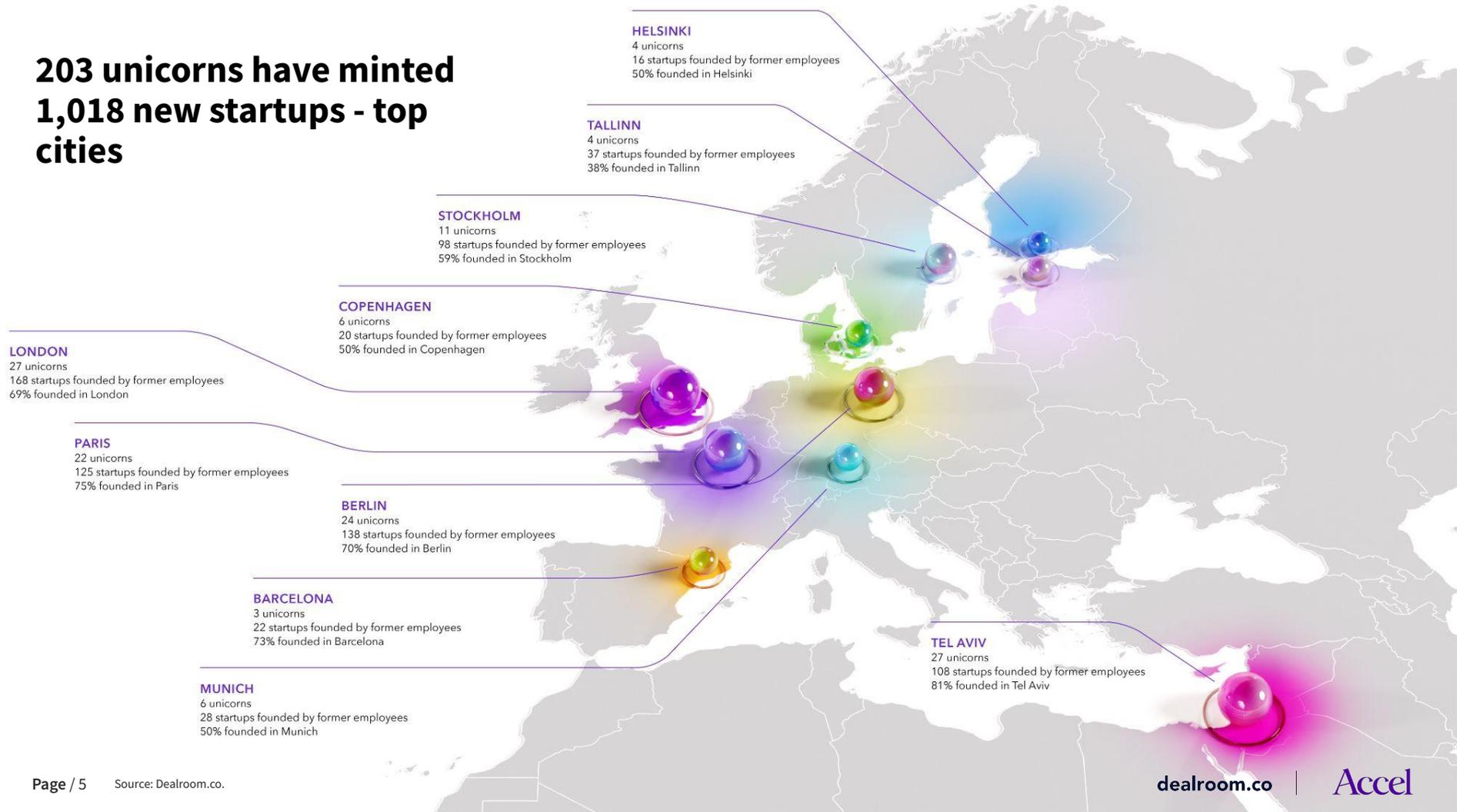
While familiar household names top the overall rankings, former employees from more recent unicorns such as Babylon, Celonis, JobandTalent, Kaltura, SumUp and wefox have founded 10 or more startups. Companies founded by former unicorn employees are often in the same cities, such as London, Stockholm and Berlin, generating thriving tech hubs across the continent.

The fintech industry has unquestionably created enormous value in the European economy over the past decade, yielding multiple decacorns and countless unicorns. Given the size of the opportunity and intricacy of the market, it is no surprise that fintech unicorns continue to produce new waves of founders, especially in Europe, with its favourable conditions for growth and access to leading financial markets. In the last 14 years, **61** fintech unicorns have seen **310** startups founded by former employers, **40%** of which were also fintechs too.

The venture-backed unicorn universe.



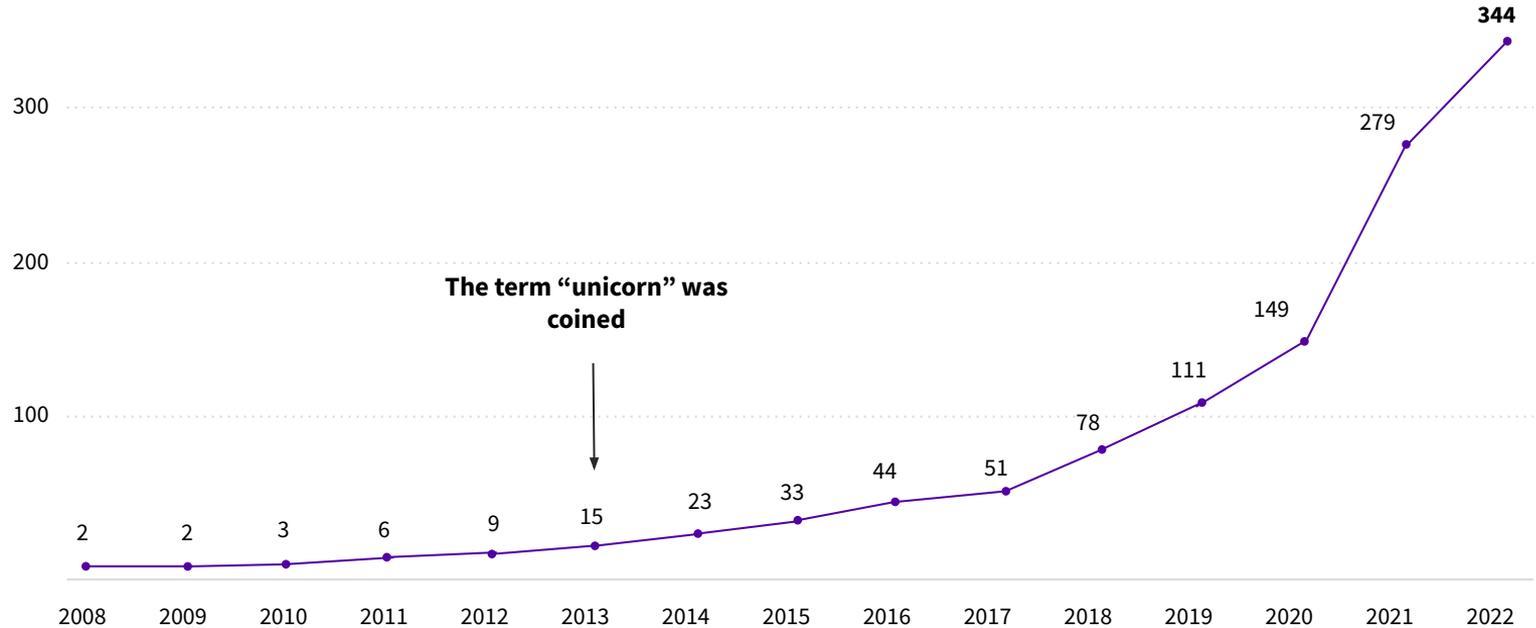
203 unicorns have minted 1,018 new startups - top cities



> **Venture-backed unicorns**

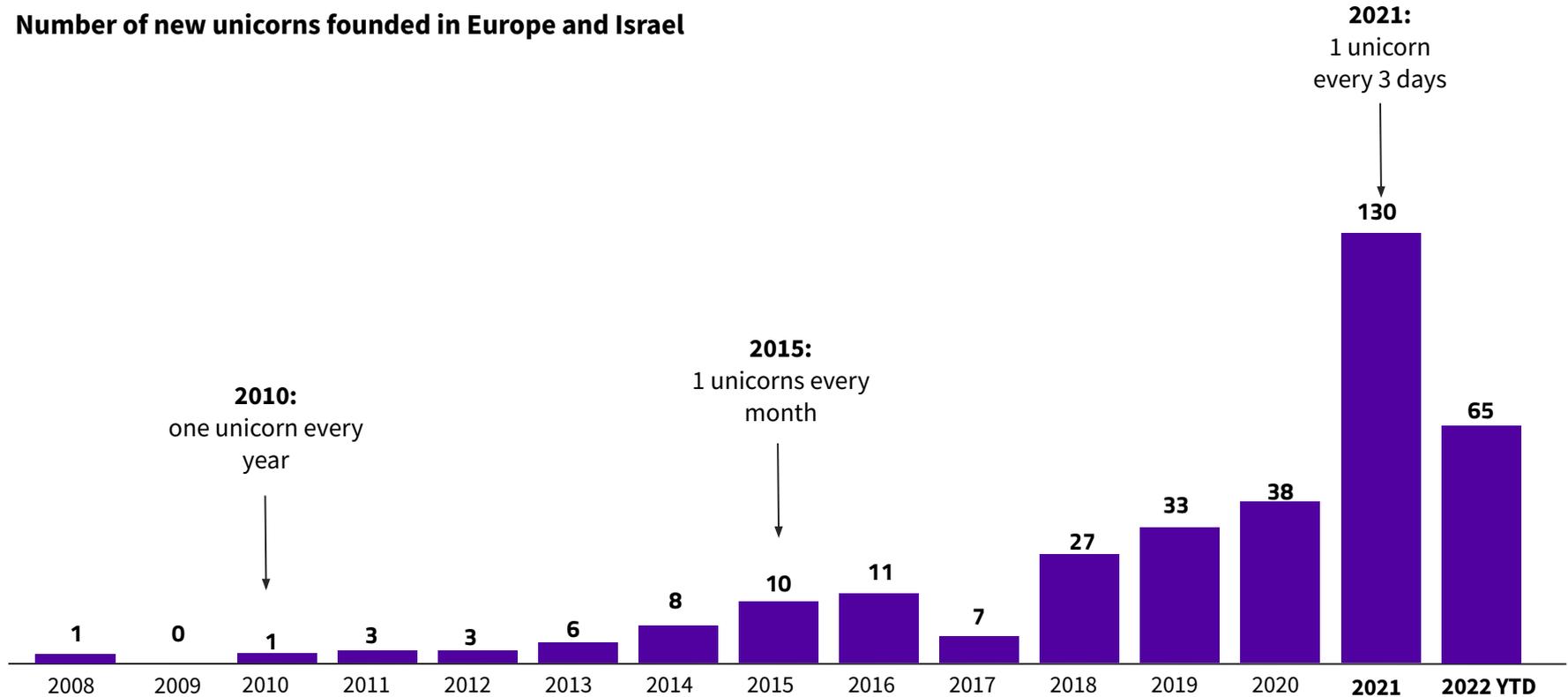
Europe and Israel have produced 344 startups that have reached a billion dollar valuation or exit, after receiving venture capital backing.

Cumulative number of venture-backed unicorns, founded Europe and Israel



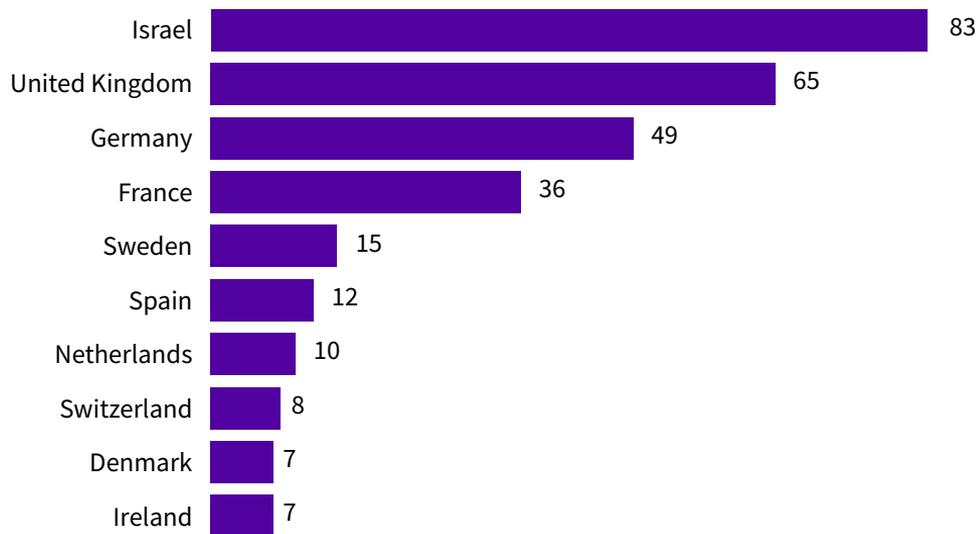
Unicorns are being created at an ever faster pace.

Number of new unicorns founded in Europe and Israel

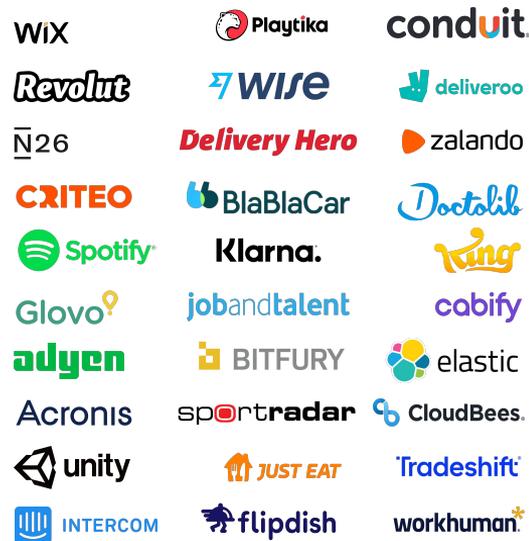


The UK and Israel have produced the most venture-backed unicorns outside the US and China.

Top 10 countries by venture-backed unicorns (founded Europe & Israel, excl. biotech)

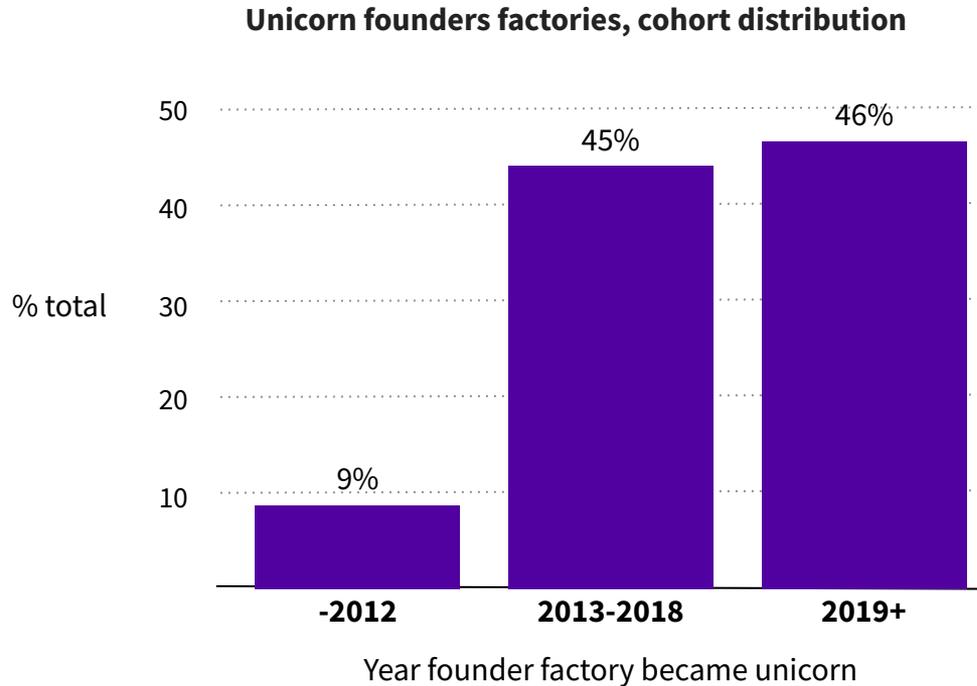


Selected unicorns



> **The European and Israeli founder factories**

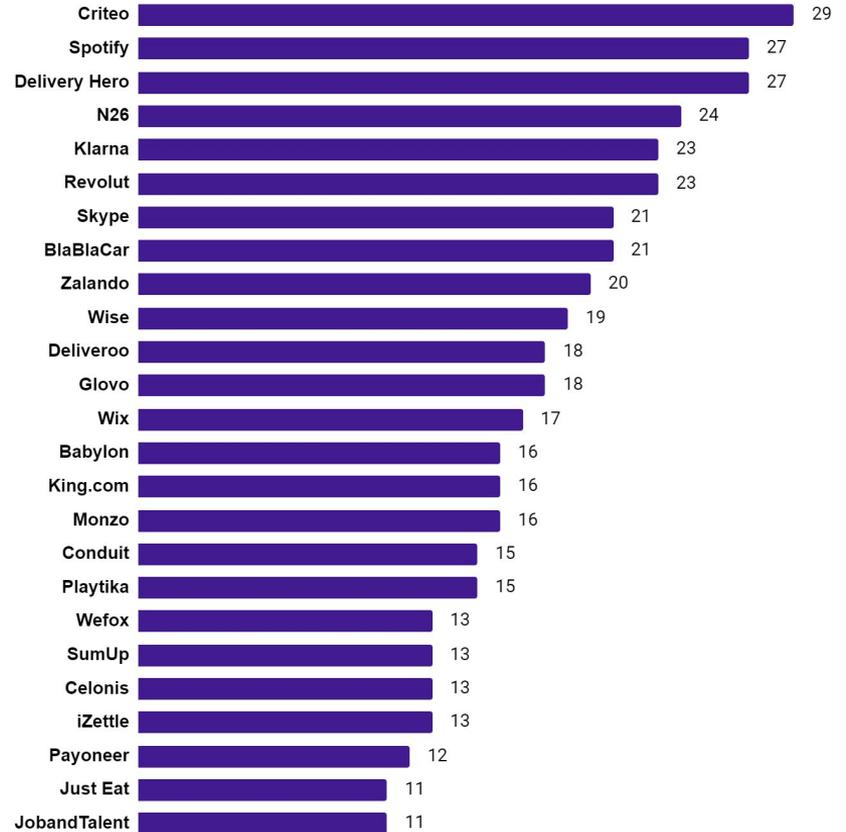
The recent unicorn explosion has led to compounding entrepreneurship.



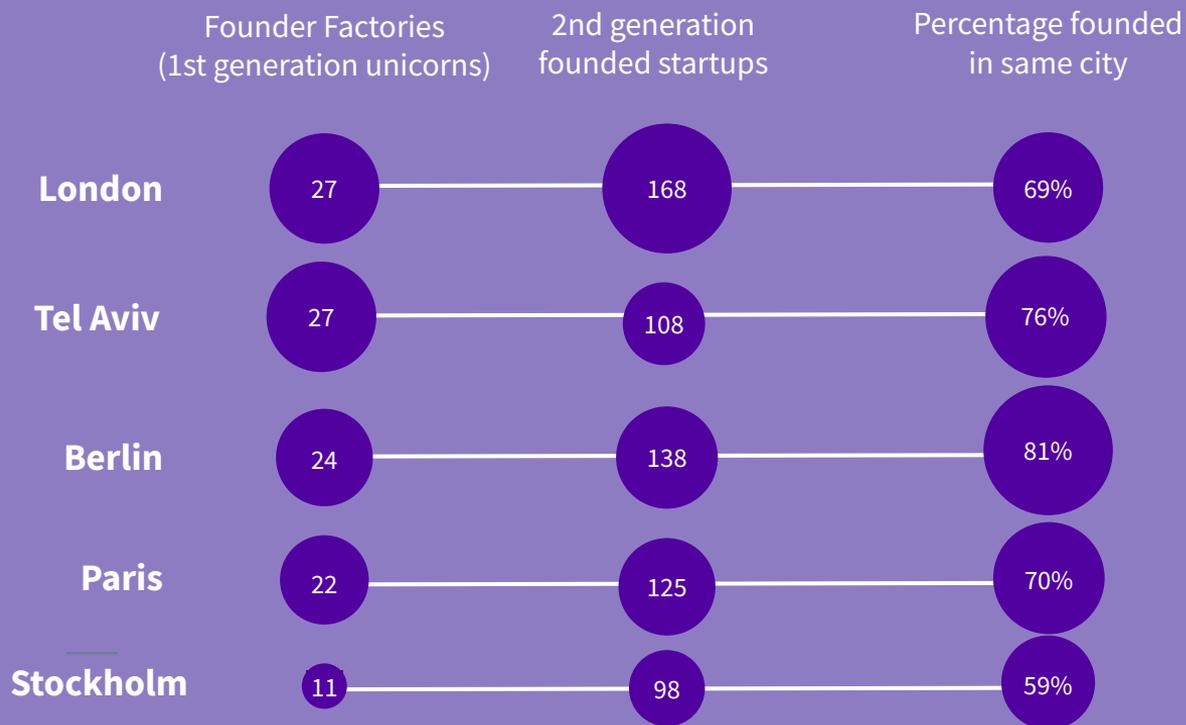
Familiar founder factories, including Spotify, Criteo and Delivery Hero top the rankings.

However, a new wave of founder factories is on the rise with companies such as Babylon, SumUp, Conduit producing numerous new startups through alumni.

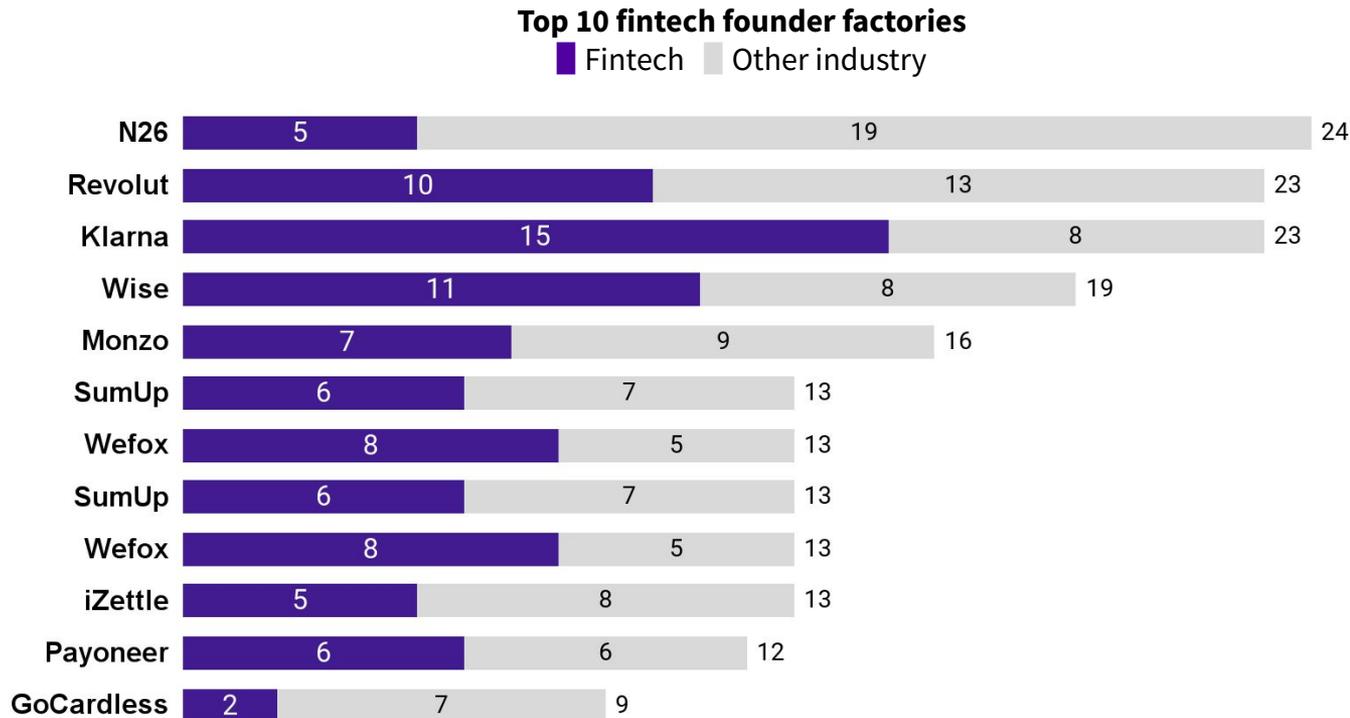
Number of 2nd generation startups



London and Tel Aviv are home to the most founder-nurturing unicorn startups. Both have 27 unicorns that have spawned 2nd generation startup success.



61 fintech unicorns have seen 310 startups founded by former employers. 40% of these were also fintechs.



Methodology

Venture-backed unicorns

Companies with \$1B+ current valuation or exit, that were founded in Europe or Israel and have received investment from a Venture Capital investor. This dataset excludes quasi-tech (BrewDog) and biotech (Oxford Nanopore Technologies) unicorns.

Locations

Locations of companies in this dataset are determined by where the company was founded. A company that was founded in Tel Aviv and later relocated its headquarters to London, is counted as Tel Aviv.

2nd generation startups

We consider a [startup](#) to be part of a unicorn's "mafia" or snowball effect, when a founder has held a full-time position at the parent company for more than 5 months. The end date of the experience at the unicorn should not have been more than 6 years prior to the launch of the new company. The list excludes agencies, consultancies and biotech companies. It also excludes companies founded by people who were at the founders factories as consultants / interim / advisory roles.

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