



dealroom.co

# European venture capital in 2023

 Mountside Ventures

**Funding Venture Conference.**

London, 10 October 2023



# **1 The rise of European tech**

- 2 Current state of European VC
- 3 The VC landscape

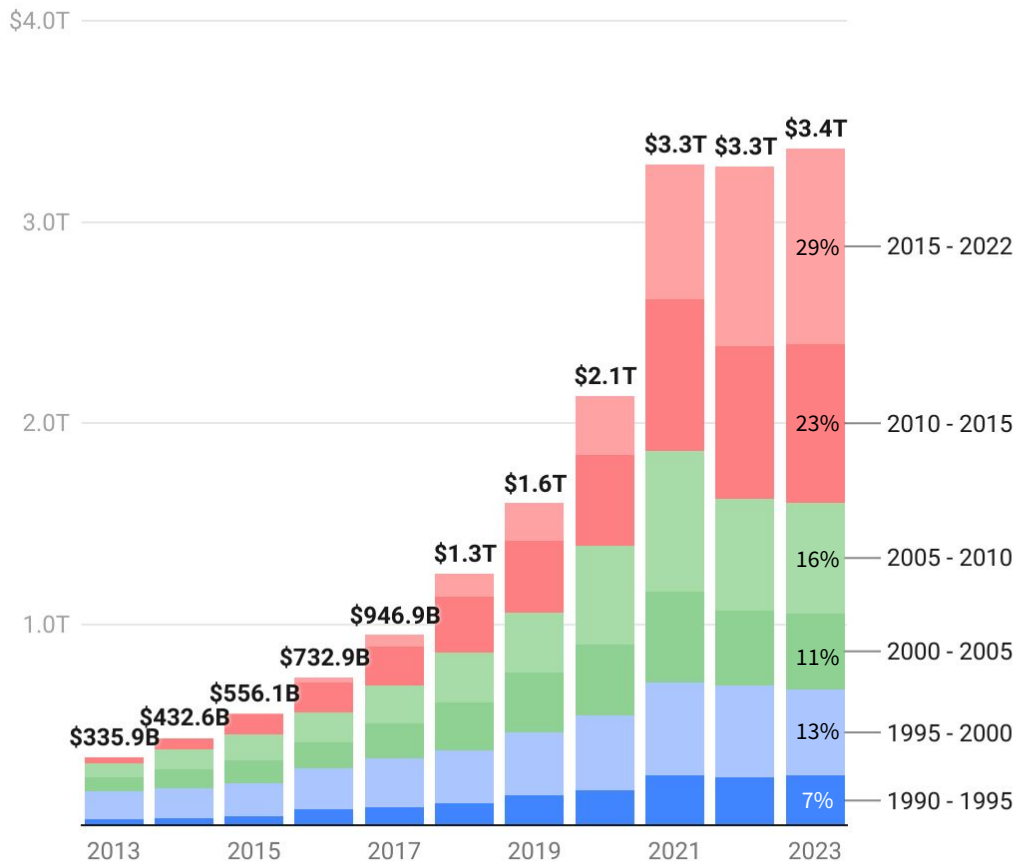
# Europe's tech ecosystem has a combined value of \$3.4 trillion.

## By comparison:

Euronext	\$5.4T
LSE	\$4.3T
Frankfurt	\$2.0T

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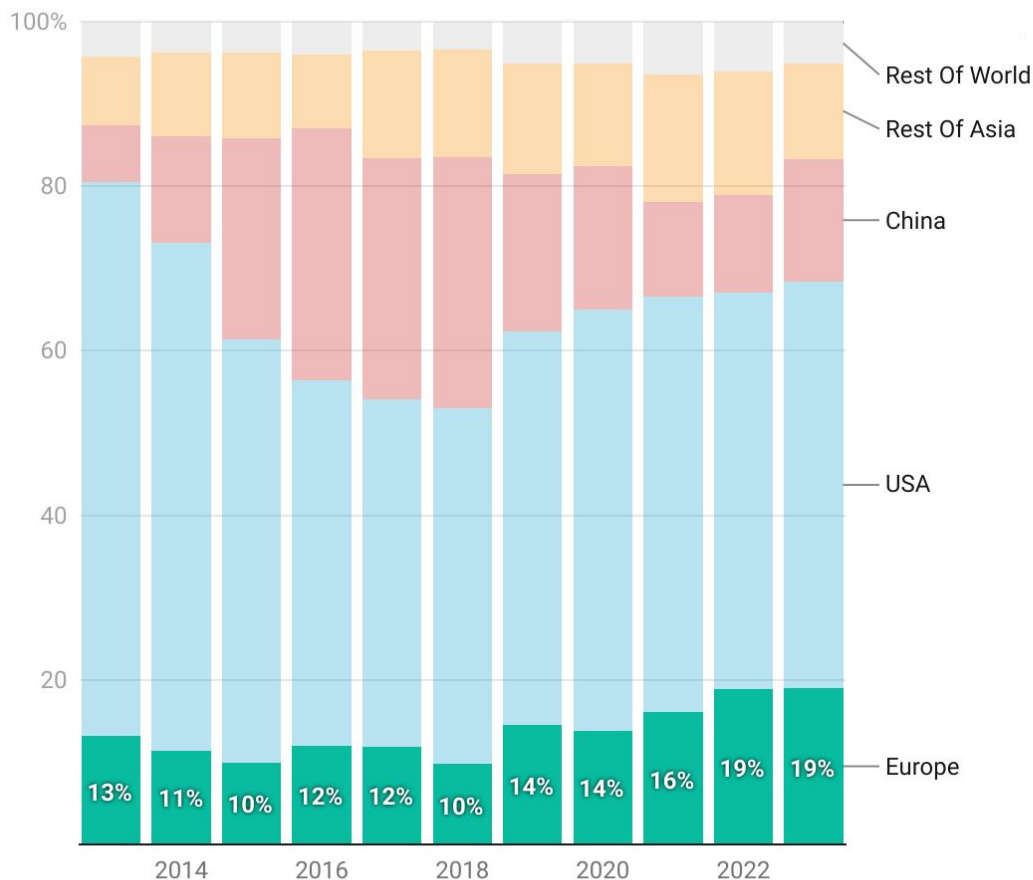
Combined enterprise value of European startups by cohort



**As a destination, Europe's share of global VC is at a record 19% in 2023, up from 13% in 2013.**

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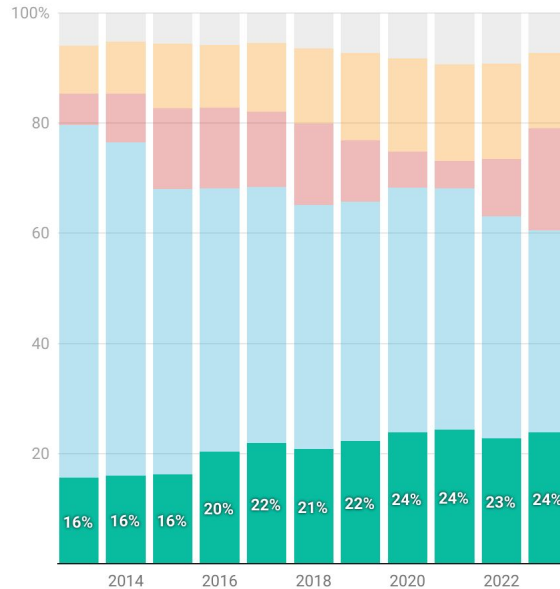
All VC by destination



# Europe's share of global early-stage VC is at a record 24% in 2023.

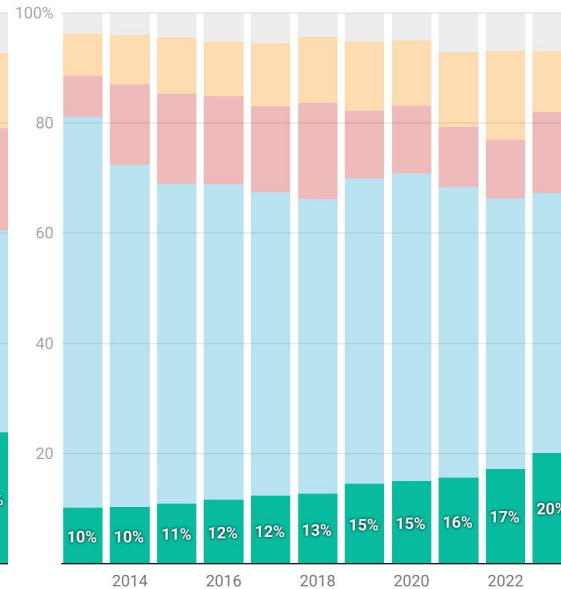
## Early stage

[» view data](#)



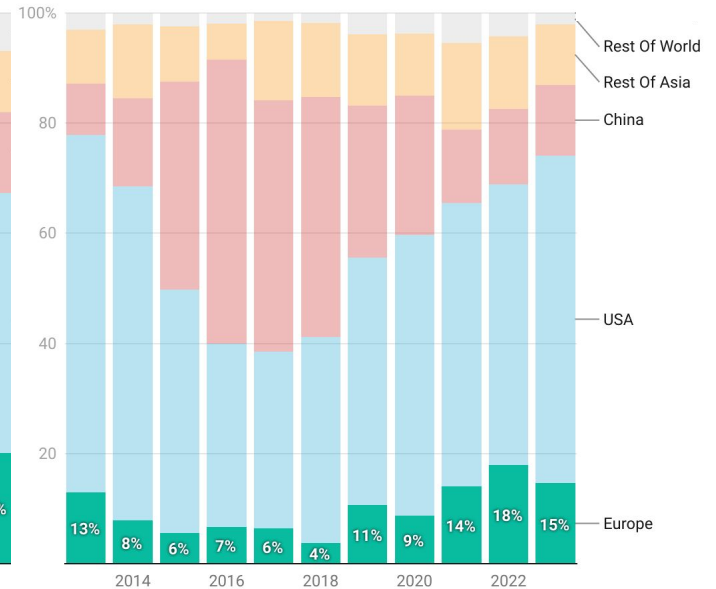
## Breakout

[» view data](#)



## Late stage

[» view data](#)

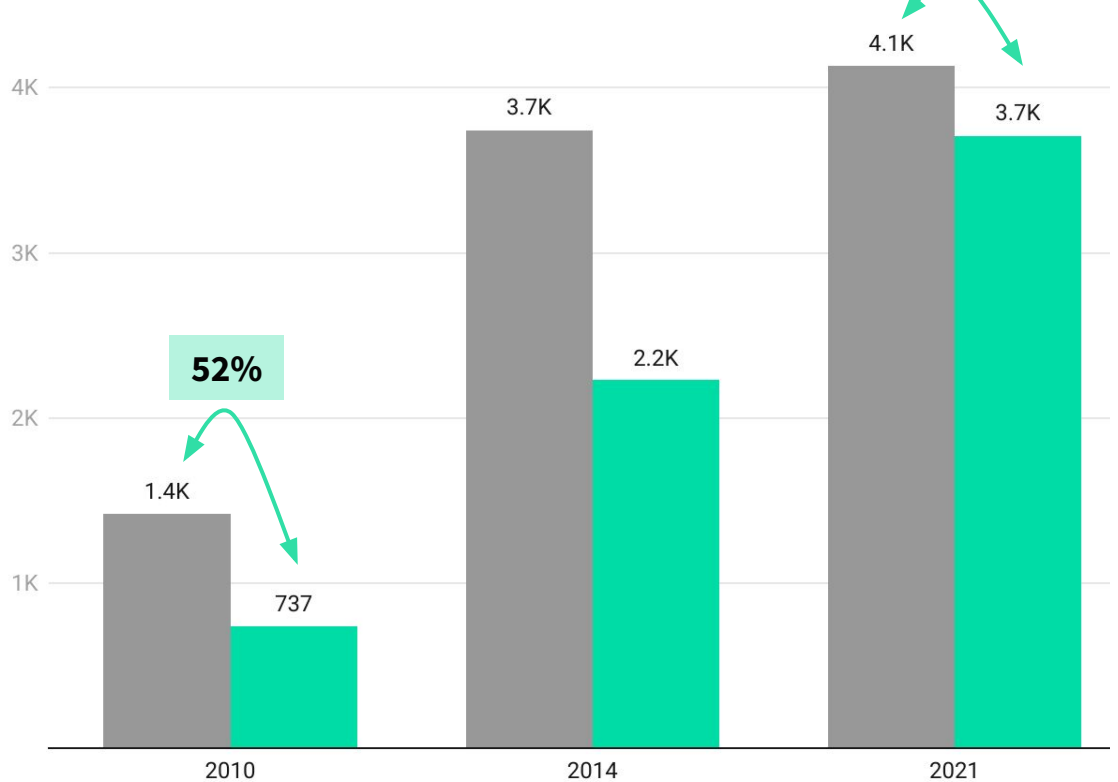


# Europe is catching up with the US at the very earliest stages.

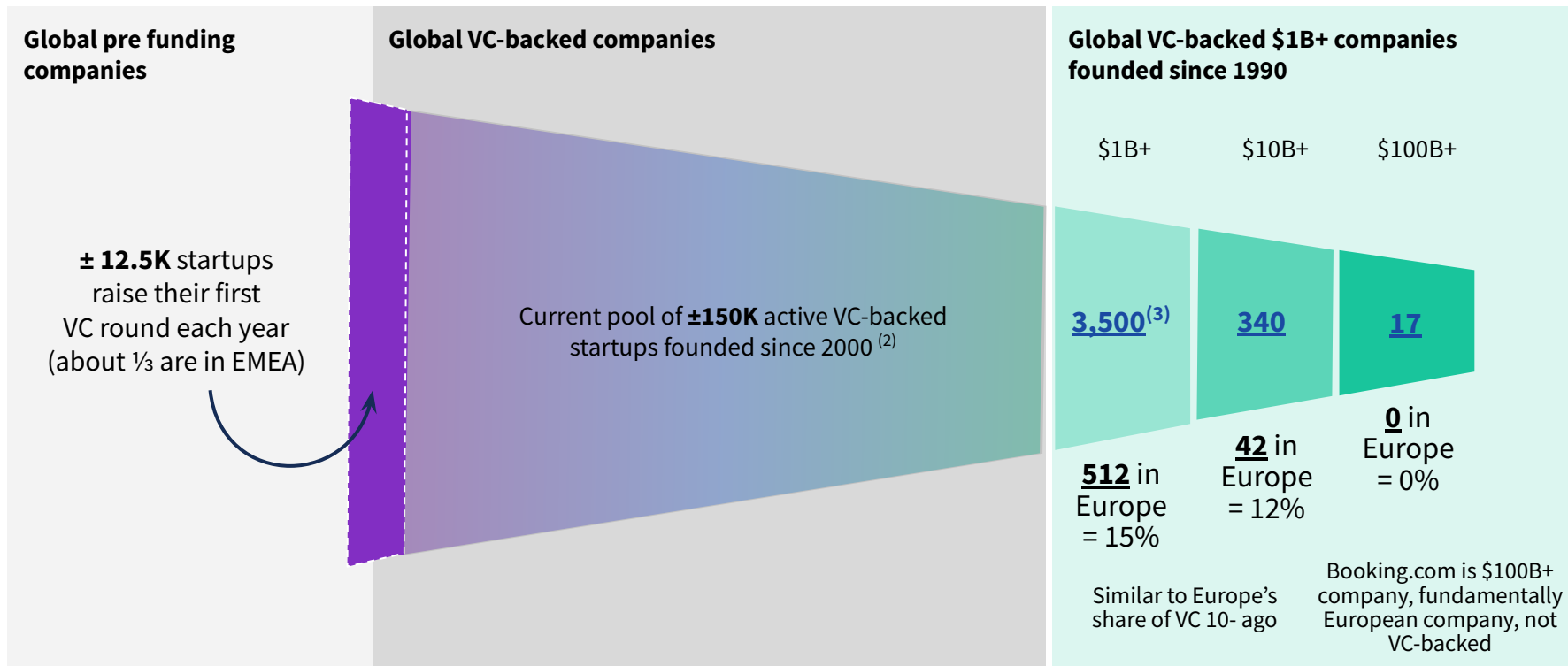
Each year  $\pm 3,700$  European startups receive their first cheque from a VC.

Number of first-time VC rounds per region

■ United States ■ Europe



# Europe produces unicorns and decacorns at a similar rate as the USA. No \$100B+ VC-backed outcomes yet, but a matter of time, given size of ecosystem today.



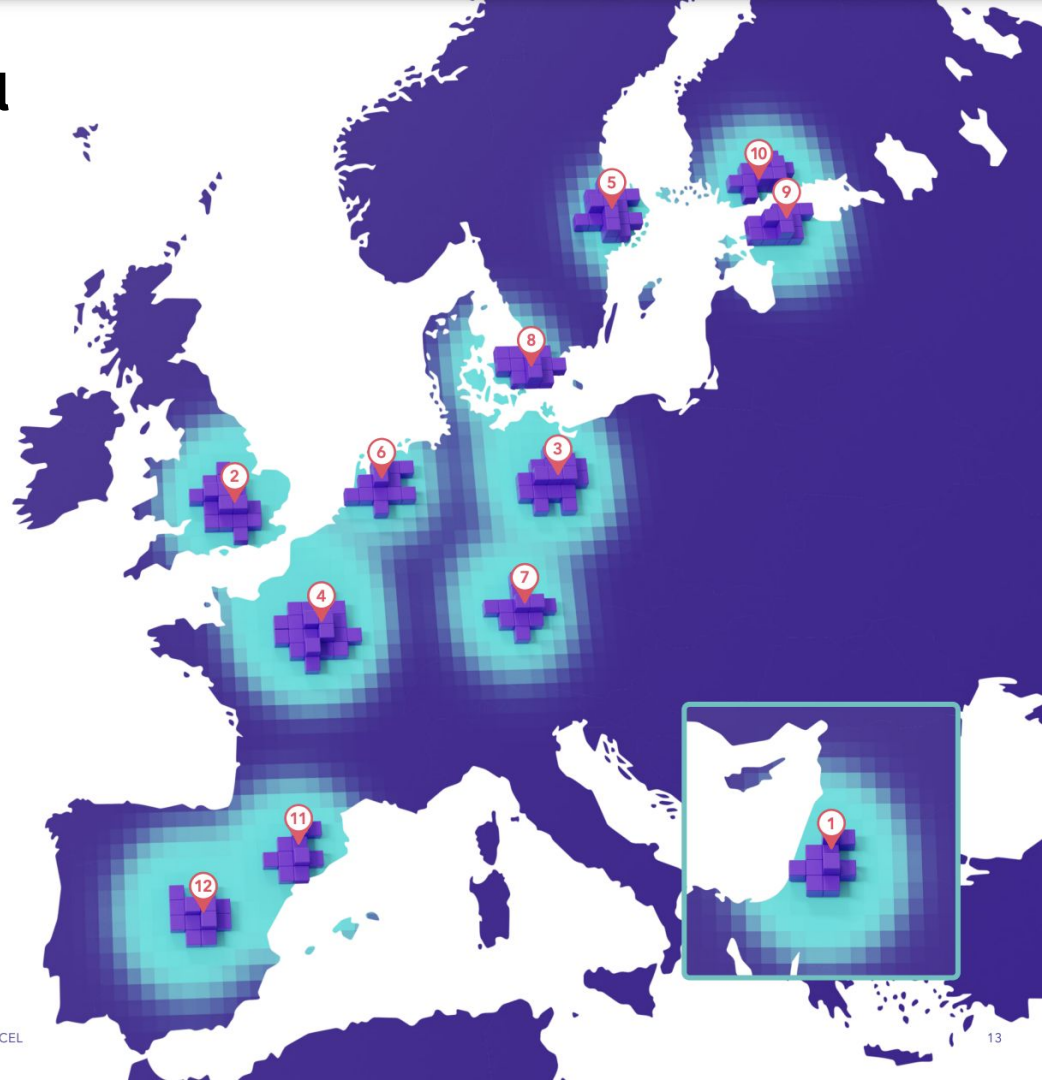
1. Dealroom estimate based on Dealroom Signal.

2. Total number of funded startups is over 300K, but 150K is the number that is currently active.

3. Of the 3,500 there are about [1,400 unrealized unicorns](#) and [1,300 \\$1B+ exits](#) (the remaining 700 are unconfirmed \$1B+ companies).

# More experienced entrepreneurial talent than ever.

Number of founders coming out of European unicorns



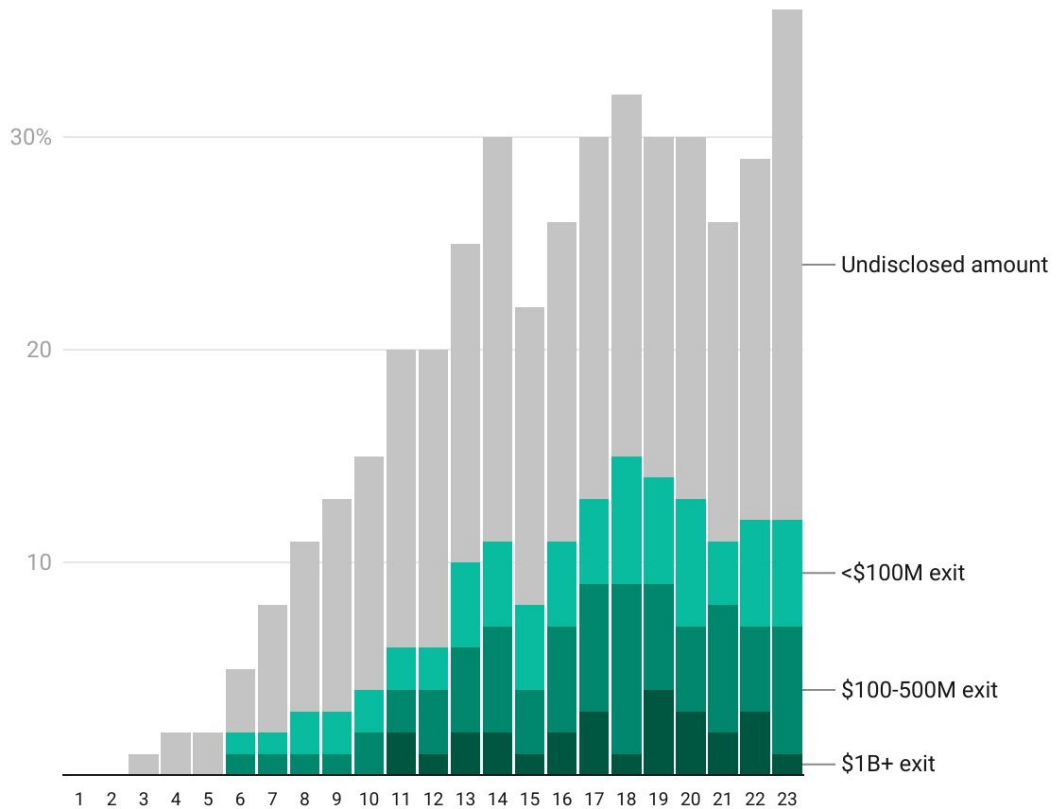


# Europe has the science and engineering talent.

- More than half of the world's top **science clusters** are in Europe (Dealroom)
- Highest concentration of **AI talent** (Sequoia)
- Highest share of highly-cited **research** publications (Clarivate)
- Europe excels in Computer Science and Engineering **university** rankings (THE 2022)
- European students are **more into science** than the US (Benedict Evans)
- European engineers are also much **less costly** (Y Combinator News)

**A third of VC-backed startups have had an exit via strategic sale, buyout or IPO. But it usually takes 10–20 years.**

Percentage of VC-backed companies exited by age

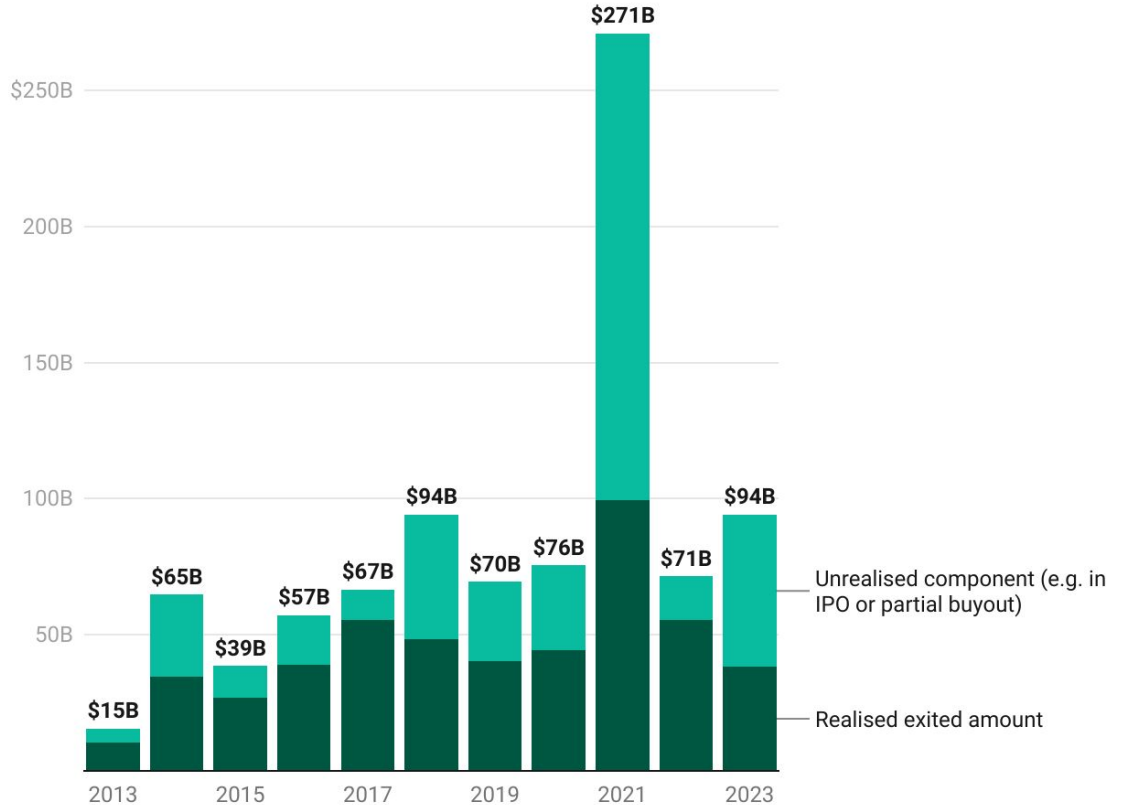


Number of years after since founding date (1 year = 2022 cohort)

**Value of European VC-backed exits is about \$70 billion per year, which is about 3x the amount of VC invested a decade ago.**

[View online »](#)

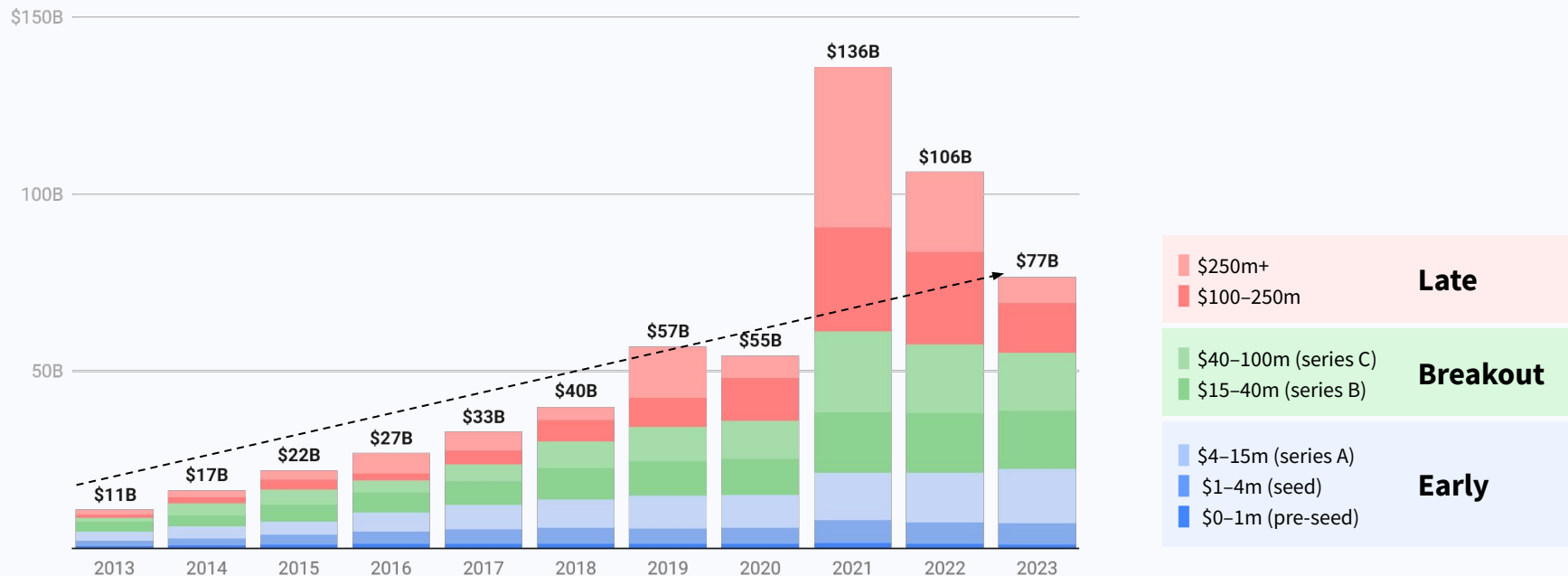
Total value of VC-backed exits



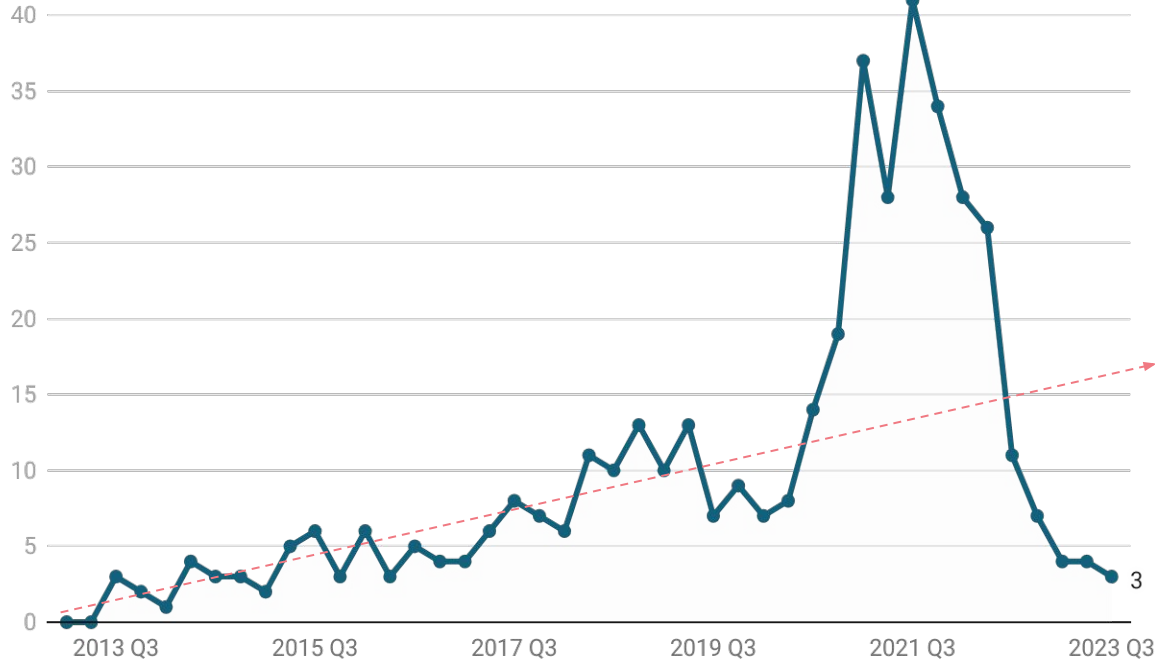
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# Investment into European startups is expected to reach over \$77 billion this year (well over the previous pre-pandemic record).

VC investment into European startups, 2013 – 2023 YTD [» view online](#)



New European Unicorns by quarter



**11 new European unicorns in 2023 so far, of which three in Q3.**

Q1

**raisin.bank**

**DeepL**

**AMARENCO**

**AMRYT PHARMA**

Q2

**synthesia**

**VectivBio**

**RewardGateway**  
the employee engagement people

**quantexa**

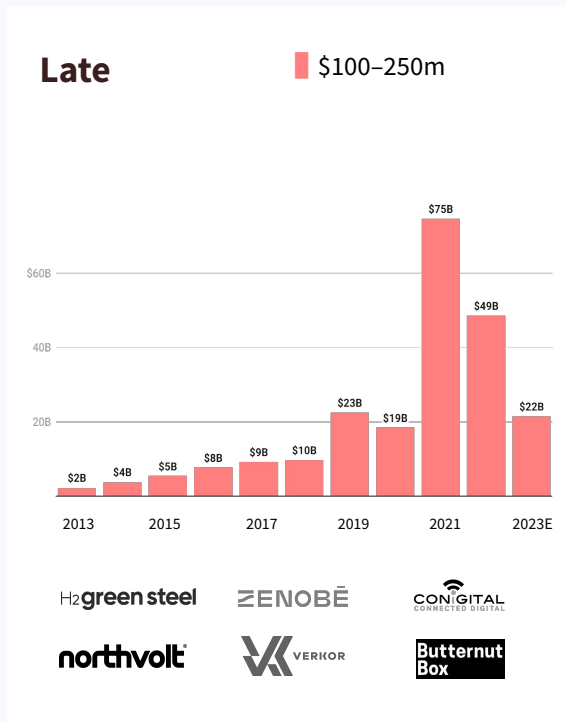
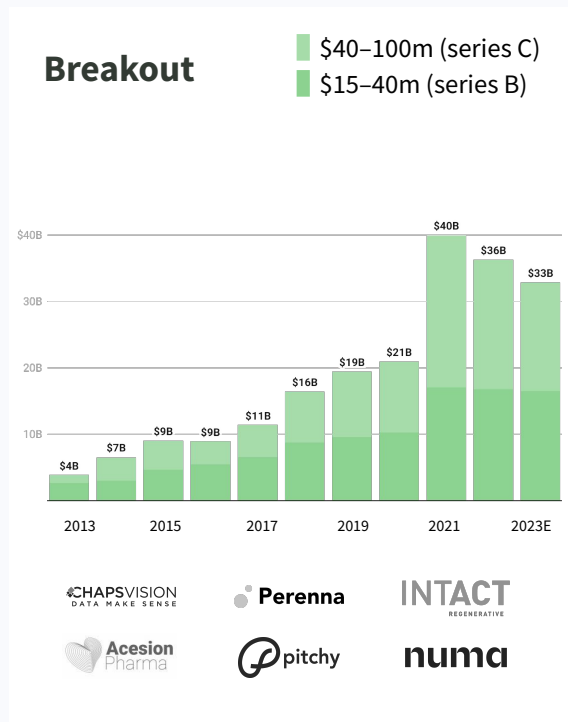
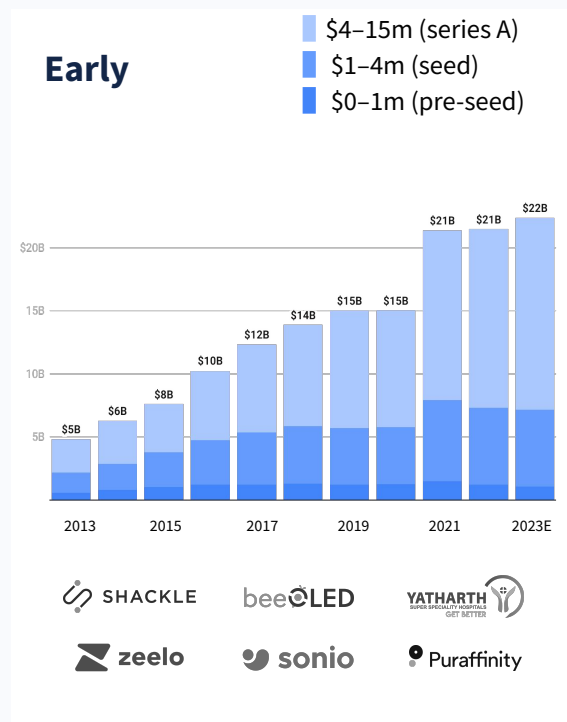
Q3

**LeanIX**

**kerecis**

**ZYBER 365**

# It's mainly late-stage investment that dried up in 2023.



**Most countries are back to 2019 levels of activity, with some exceptions like France, Switzerland, Norway, and Italy.**

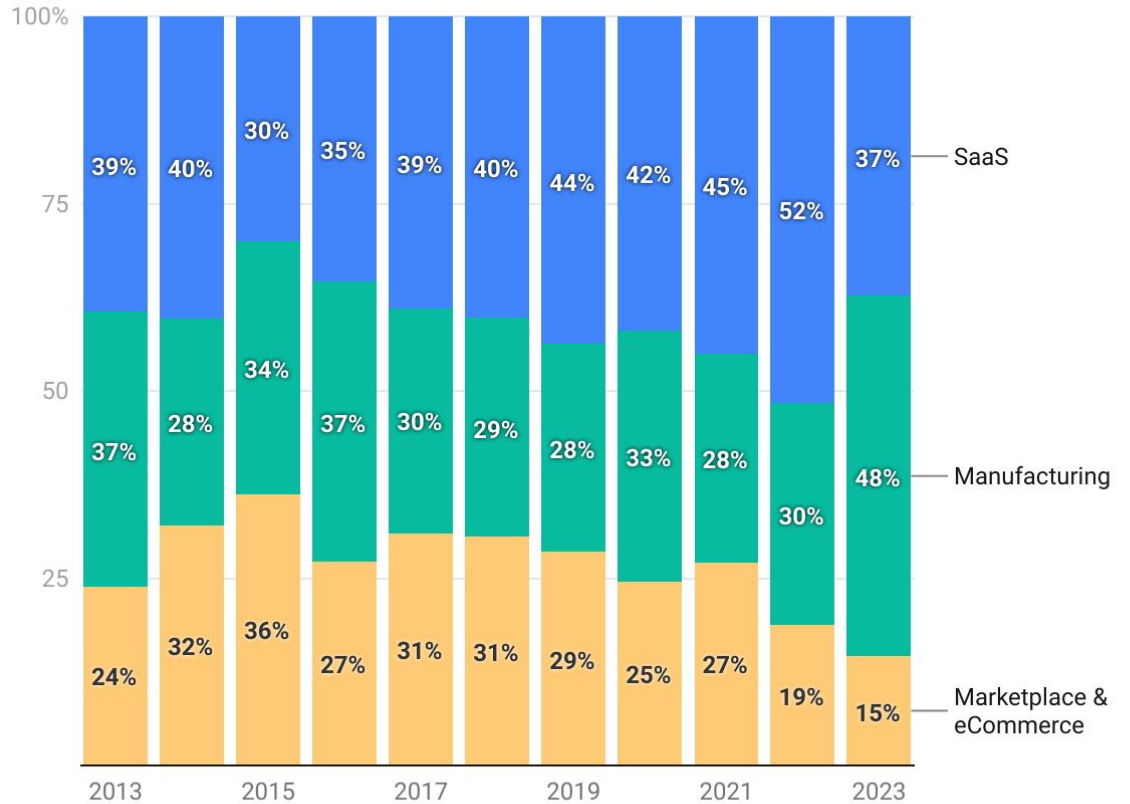
Top 15 European countries by VC investment in H1 2023

Country	Amount raised in H1 2023	Change since H1 2019
United Kingdom	\$11B	-9%
Germany	\$6B	2%
France	\$5B	37%
Sweden	\$3B	-0%
Switzerland	\$2B	64%
Netherlands	\$2B	38%
Spain	\$1B	7%
Norway	\$924M	181%
Denmark	\$847M	72%
Ireland	\$756M	-9%
Italy	\$744M	57%
Belgium	\$654M	-13%
Finland	\$589M	-6%
Austria	\$425M	161%
Iceland	\$263M	153%



# European venture has pivoted to physical tech.

European Venture capital investment by startup type



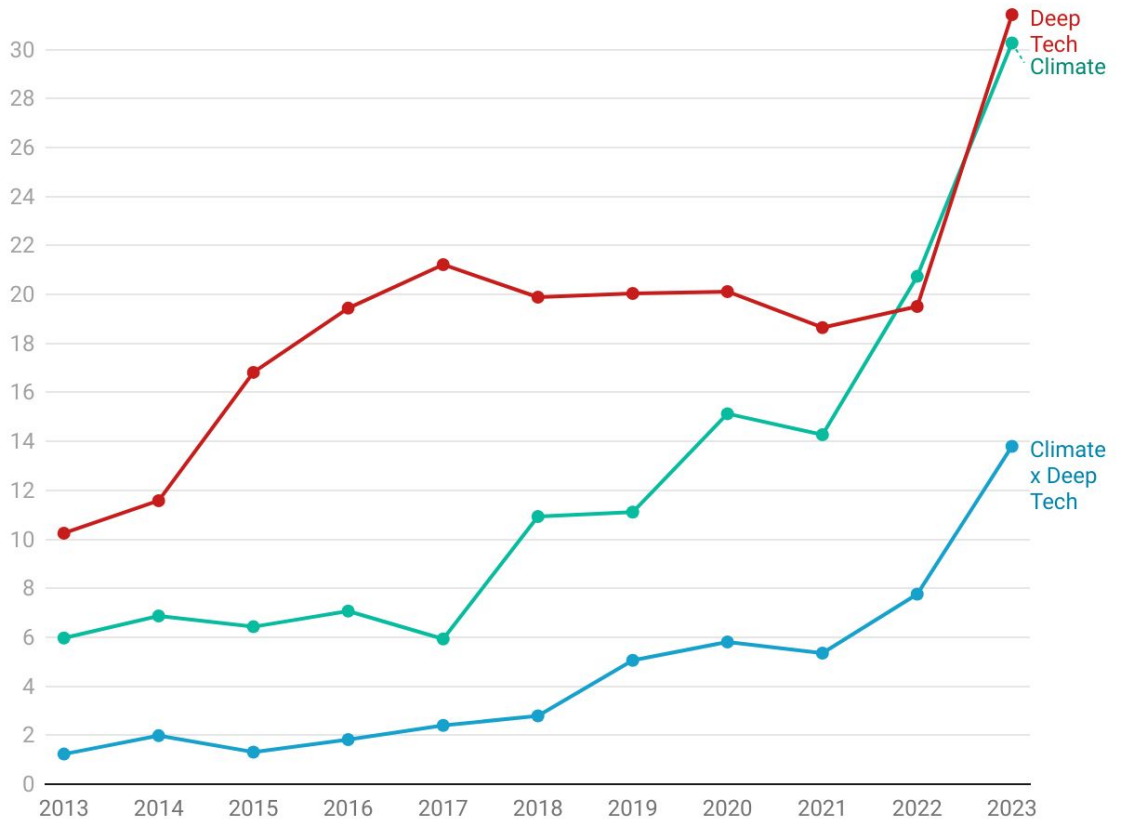
# Deep Tech and Climate Tech have taken over.

Deep Tech »

Climate »

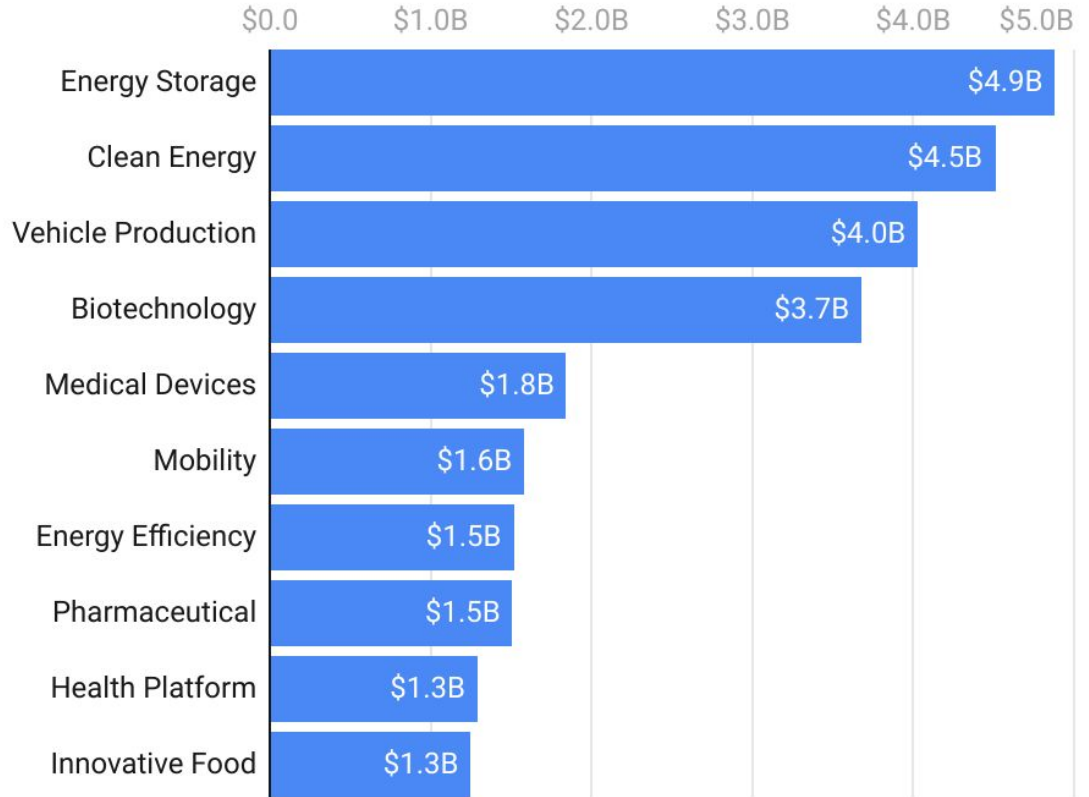
Climate x Deep Tech »

Climate tech and Deep Tech as % of total VC



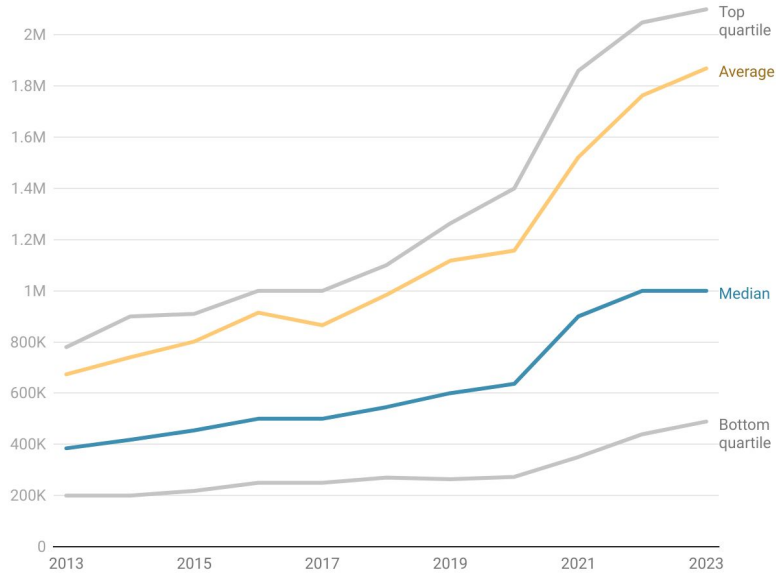
**Top segments include energy storage, clean energy and vehicle production.**

VC investment into leading sub-industries in Europe in 2023



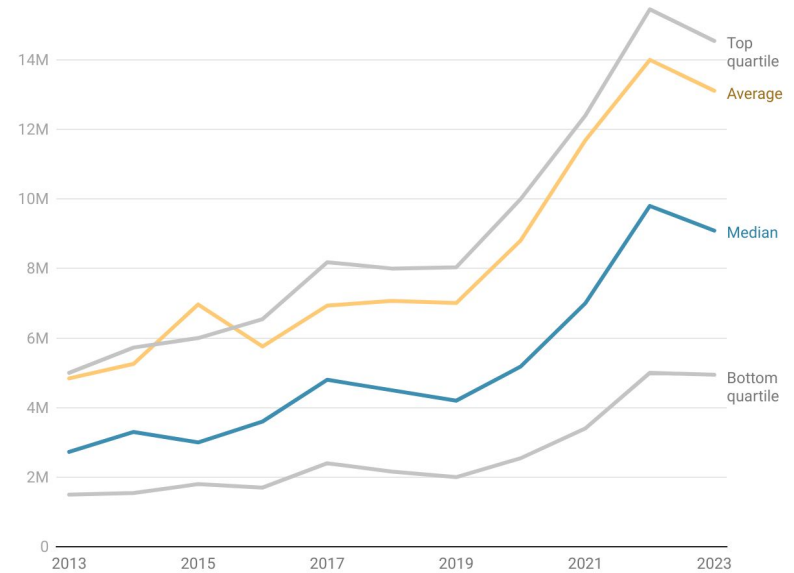
# European Seed & Series A round sizes went up, and stayed up post bubble.

## European Seed rounds



Source: Dealroom.co • Created with Datawrapper

## European Series A rounds



Source: Dealroom.co • Created with Datawrapper

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# New funds raised by European Venture Capital funds.



NOTION

dawn.

united ventures



breega

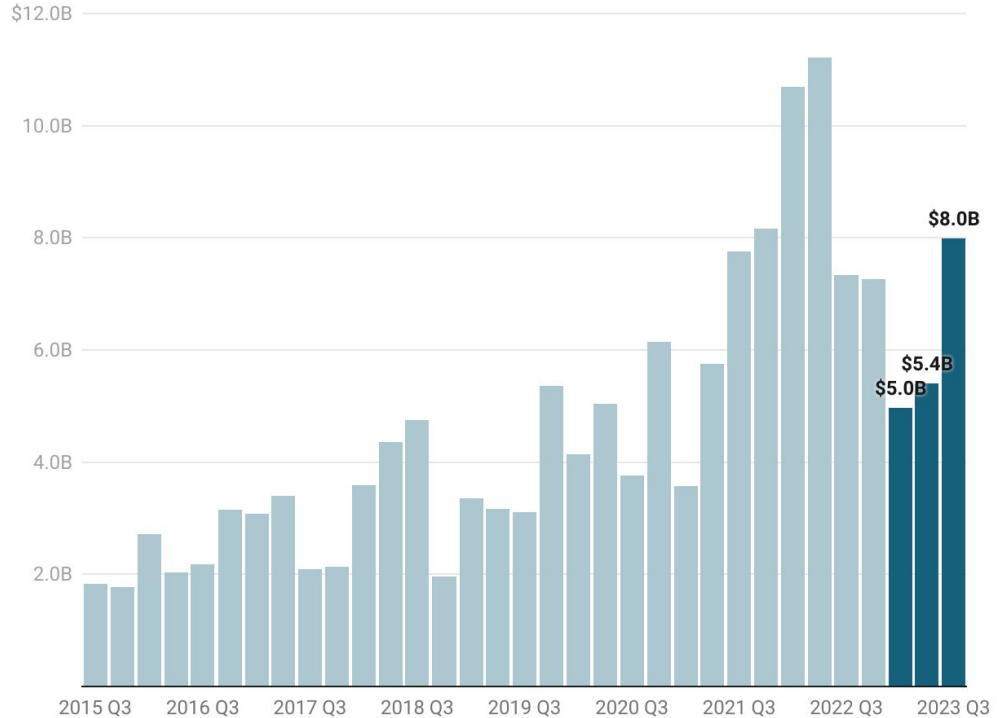
atomico

Molten

EURAZEO

AIR STREET CAPITAL

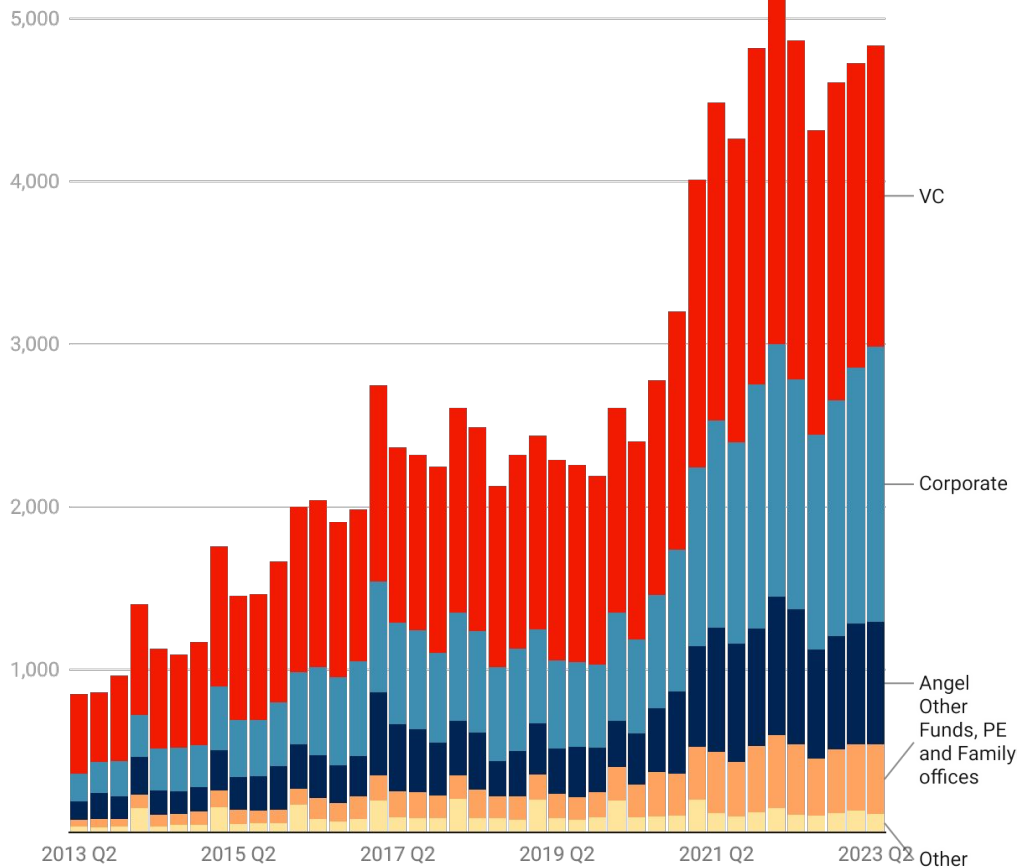
New funds raised by European VC funds » [view online](#)



Source: Dealroom.co • Created with Datawrapper

# Massive increase in the unique number of active investors into EMEA VC rounds, even into Q2 2023.

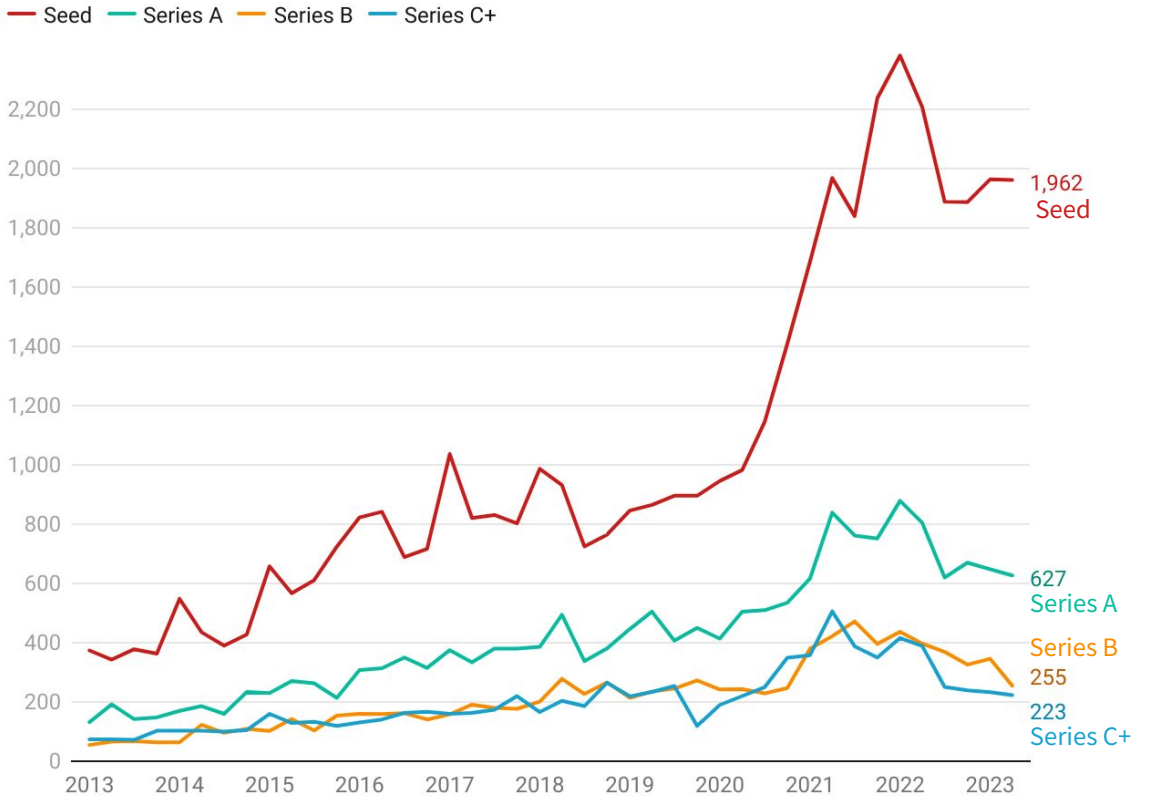
Quarterly unique number of active investors in EMEA



A unique investor is one that did one or more investment in the quarter

# Massive increase in the number of unique active EMEA VCs, even into Q2 2023.

Quarterly number of unique VC investors in EMEA by round



Source: Dealroom.co • Created with Datawrapper

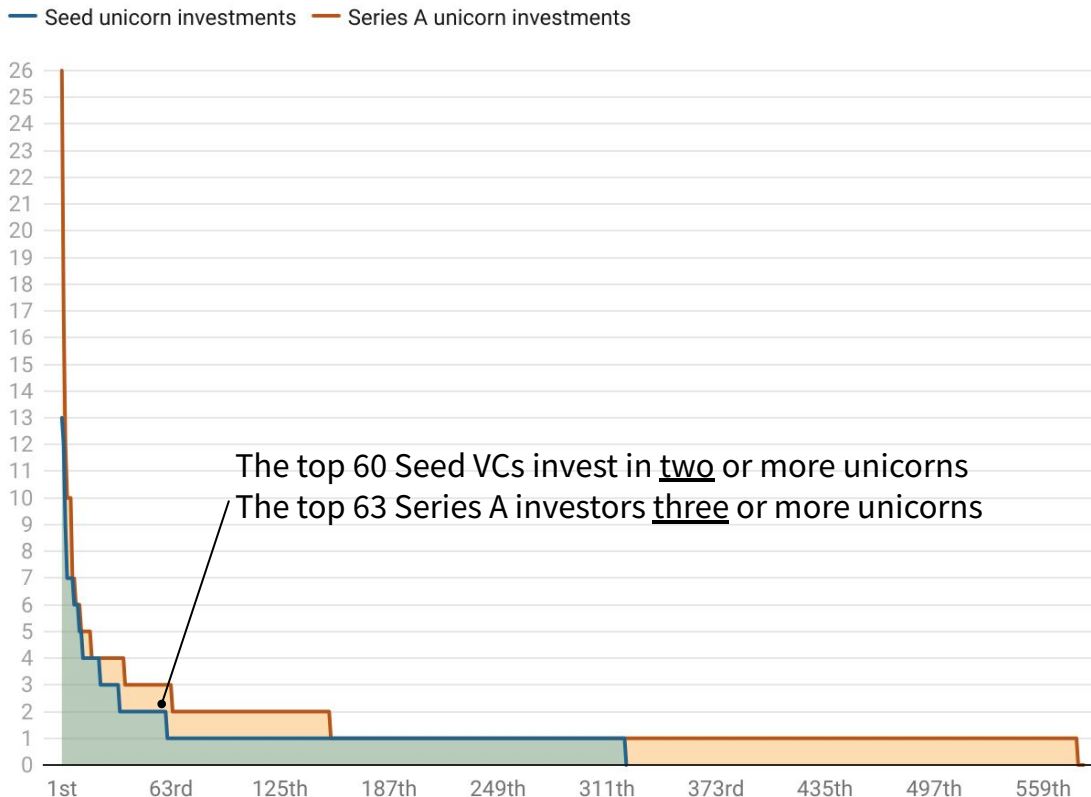


# Power Law distribution on display.

Being successful at VC is hard...

But dozens of investors have achieved big successes. And bear in mind, that the top investors have been around for over a decade.
















Number of unicorn investments



Created with Datawrapper
















## LocalGlobe and PointNine lead the pack at the Seed stage.

Top investors in EMEA by number of unicorns (Seed)

	Investor		Seed unicorns
1	LocalGlobe		13
2	Point Nine		12
3	Global Founders		7
4	Kima Ventures		7
5	Seedcamp		7
6	Cherry Ventures		7
7	Speedinvest		6
8	500 Global		5
9	Entrée Capital		4
10	SV Angel		4
11	Episode 1 Ventures		4
12	Passion Capital		4
13	FundersClub		4
14	Boldstart Ventures		4
15	Fondation FIT		3

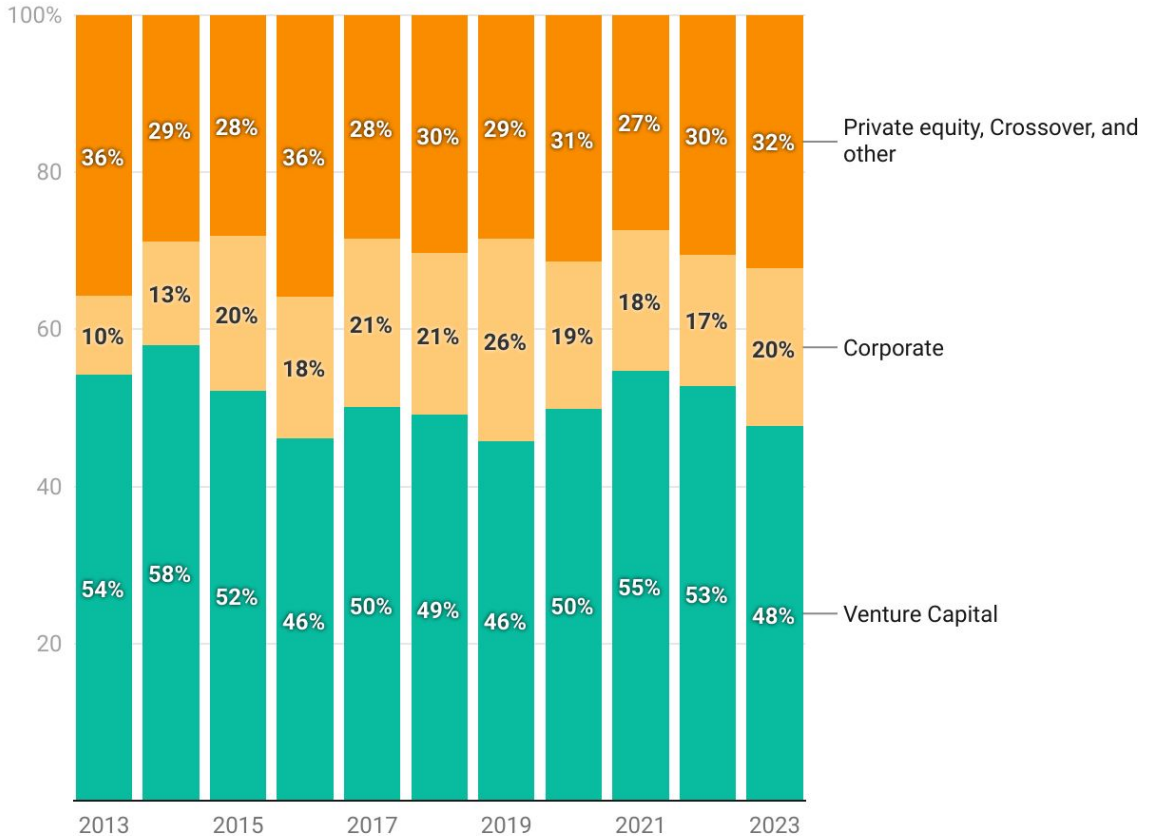
# Accel, Index, Bessemer, Balderton, Northzone lead the pack at the Series A stage.

Top investors in EMEA by number of unicorns (Series A)







































	Investor		Series A unicorns
1	Accel		26
2	Index Ventures		17
3	Bessemer		12
4	Balderton Capital		10
5	Northzone		10
6	Sequoia Capital		7
7	Creandum		7
8	83North		6
9	Atomico		6
10	Lightspeed		5
11	Aleph		5
12	Spark Capital		5
13	Eurazeo		4
14	Target Global		4
15	Genesis Partners		4

**Despite talks of “tourists” leaving the crime scene, corporate and other investor groups are on the rise in 2023, driven by climate and deep tech.**

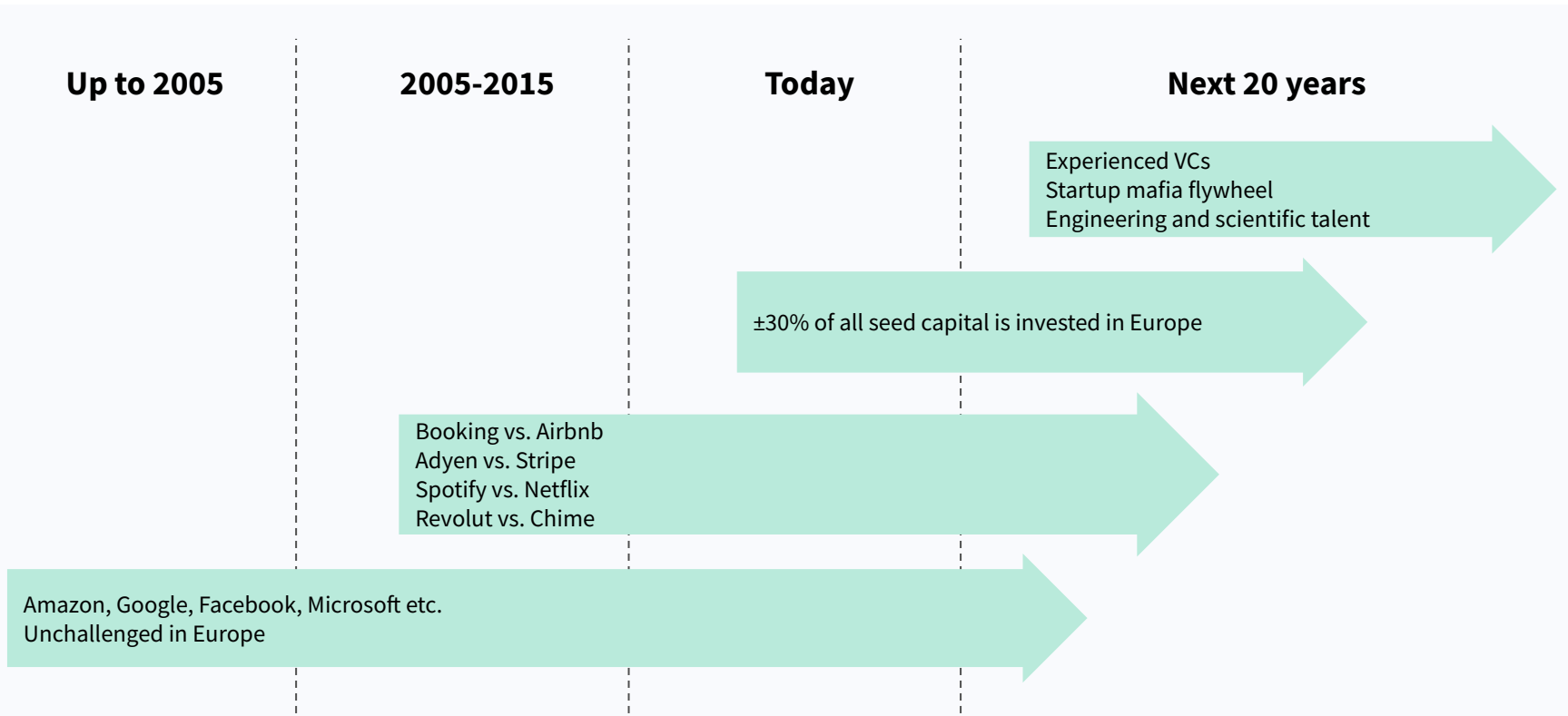
European sources of VC investment » [view online](#)



# European corporates desperately need to innovate on a larger scale. And Europe as a whole needs them to succeed. Startups are a key driver.

	 TESLA	 sanofi	 NISSAN MOTOR CORPORATION	 ZTE中兴	 NAVER	 Rolls-Royce	 BMW	 RENAULT	 Check Point SOFTWARE TECHNOLOGIES LTD.	 ASUS IN SEARCH OF INCREDIBLE	 STELLANTIS
	 Meta	 ASML	 HONDA	 Tencent	 LG	 AstraZeneca	 SIEMENS	 RENAULT	 Elbit Systems	 tsmc	 FIAT
	 Apple	 PHILIPS	 TOYOTA	 Alibaba.com	 SAMSUNG	 gsk	 VW	 sanofi	 teva	 FOXCONN 鴻海科技集團	 eni
	 Google	 VW									 PIRELLI
	 amazon										 RECORDATI
<b>Corporate R&amp;D spend</b> (\$ billions)	USA	EU-27	Japan	China	S. Korea	UK	Germany	France	Israel	Taiwan	Italy
Internet, software, hardware	114	9	9	15	17	1	4	2	1	3	0
Semiconductors	39	5	3	1	2	0	1	0	0	7	0
Pharma, biotech, healthcare	84	52	14	1	0	13	8	8	2	0	0
Automotive	19	46	39	6	4	4	34	8	0	0	8
Aerospace and Defense	11	8	0	0	0	2	0	2	0	0	2
Telecom	13	16	2	3	0	1	1	1	0	0	1
Oil & Gas	1	3	0	3	0	0	0	1	0	0	0

# In Europe, the next 20 years won't be like the last.



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