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ITALIAN
TECH
WEEK

The state of startups & VC in Italy

Keynote by Yoram Wijngaarde

27th September, 2023 | Turin, Italy

About this report...

The state of startups & VC in Italy provides an updated overview of the venture capital ecosystem in Italy, such as how Italy compares to EU countries, how its investments are distributed across different dimensions, and how its investors base is composed.

The report is presented at the [Italian Tech Week \(ITW\)](#), one of Italy's most important conferences on technology and innovation, by Dealroom CEO and founder Yoram Wijngaarde.

This is Dealroom's 3rd edition, sponsored by [P101](#), a leading Italian early-stage VC.

ITALIAN TECH WEEK



2022

The state of startups & VC in Italy

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2021

Startups and investments: where is Italy at?

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P101 Ventures Italian Early-stage VC firm

P101, based in Milan, is a pioneering venture capital firm founded in 2013. With a focus on digital and technology sectors, P101 empowers European early-stage innovative startups.

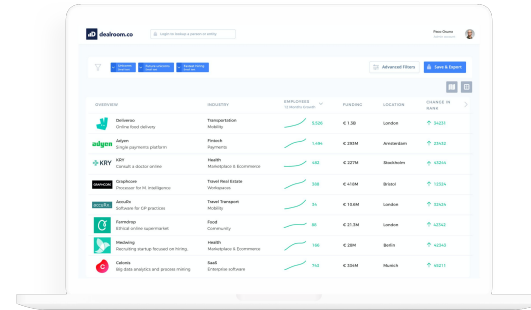
We support entrepreneurs navigating challenges, scaling effectively, and positioning themselves as future industry leaders. We provide unique resources, including deep operational expertise, strategic guidance and global connections.



Dealroom.co 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.



1.

The rise of Italy's startup ecosystem

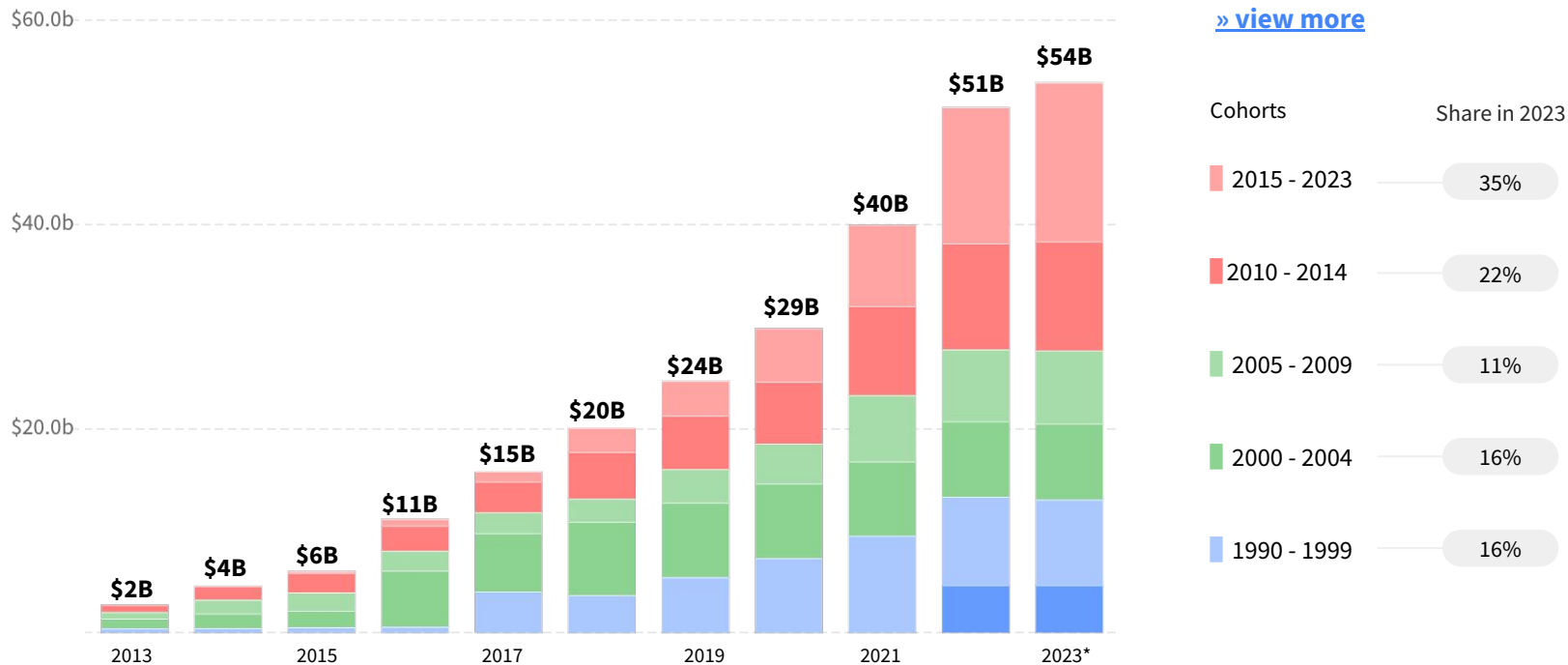
2.

Market sentiment today

3.

Looking ahead

The combined enterprise value of Italian startups has reached \$54B in 2023 YTD.

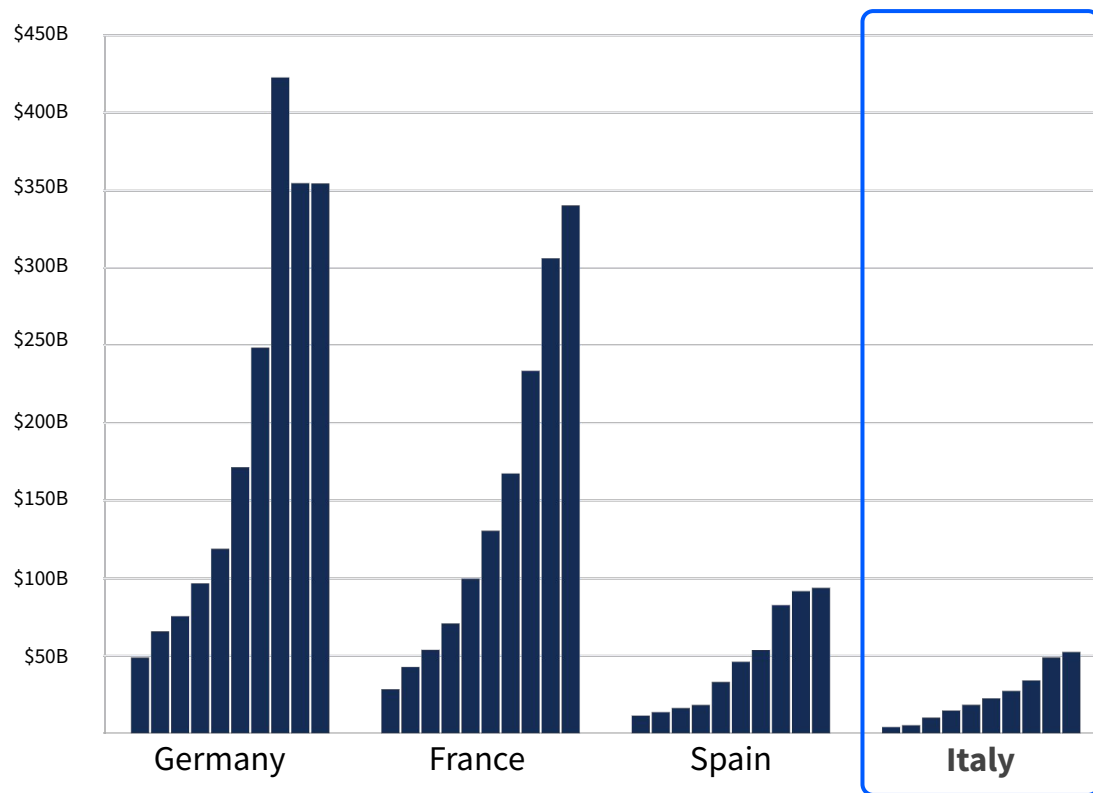


Data as of September 2023.



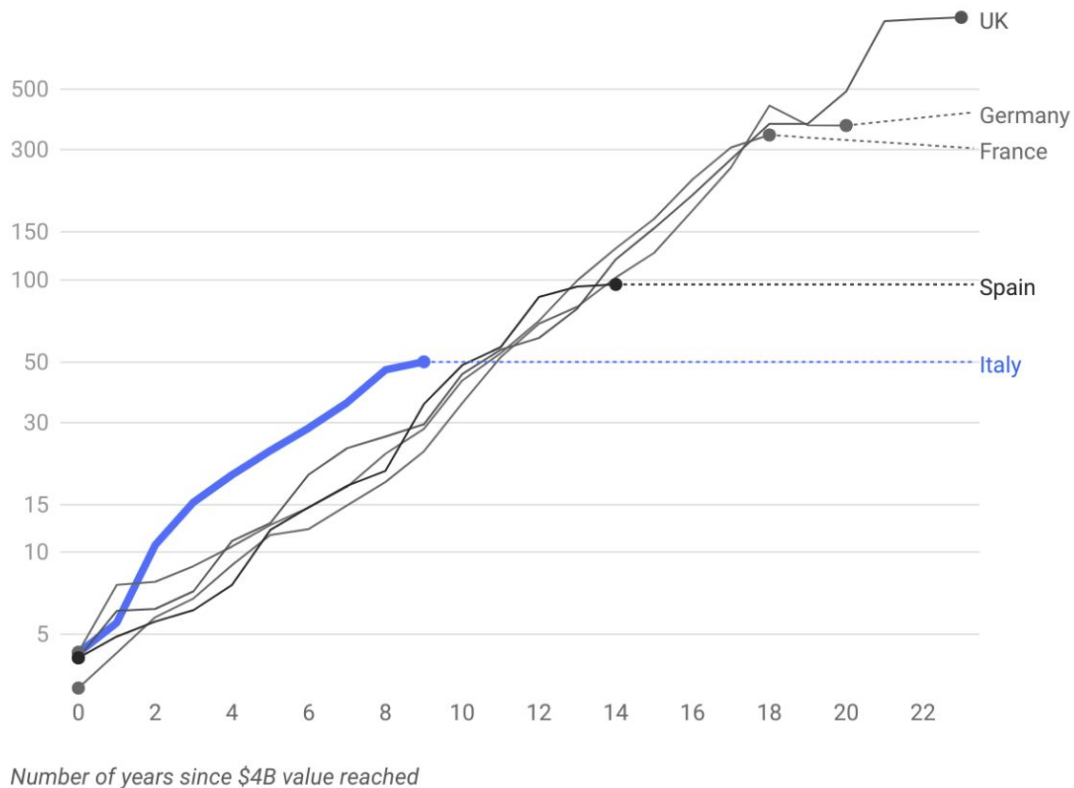
Italy's tech ecosystem is much younger than that of other major European economies.

Combined value of startup ecosystems [» view more](#)



But Italy is on a similar growth trajectory as those countries (even somewhat ahead of the curve).

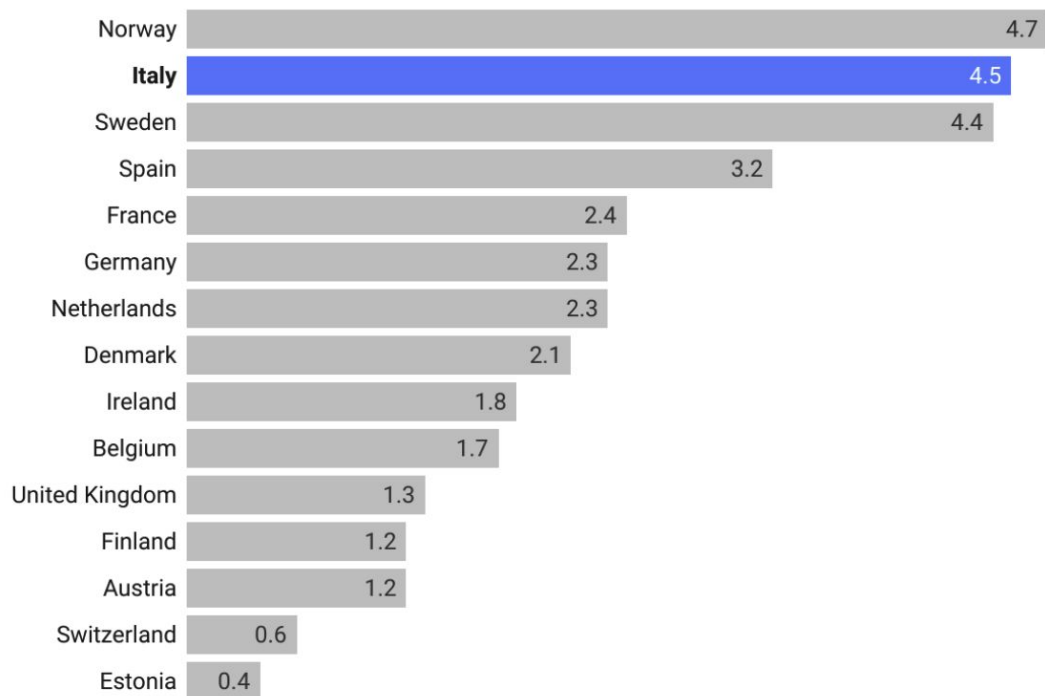
Ecosystem value: combined enterprise value of startups (\$ billions, log scale)



Combined enterprise value of companies HQ in each respective ecosystem. Data as of September 2023.

Italy is one of the fastest developing startup ecosystems in Europe, albeit from a small base.

European VC investment growth (2017-2023E)



2023E calculated based on H12023 data. Data as of Q3 2023.

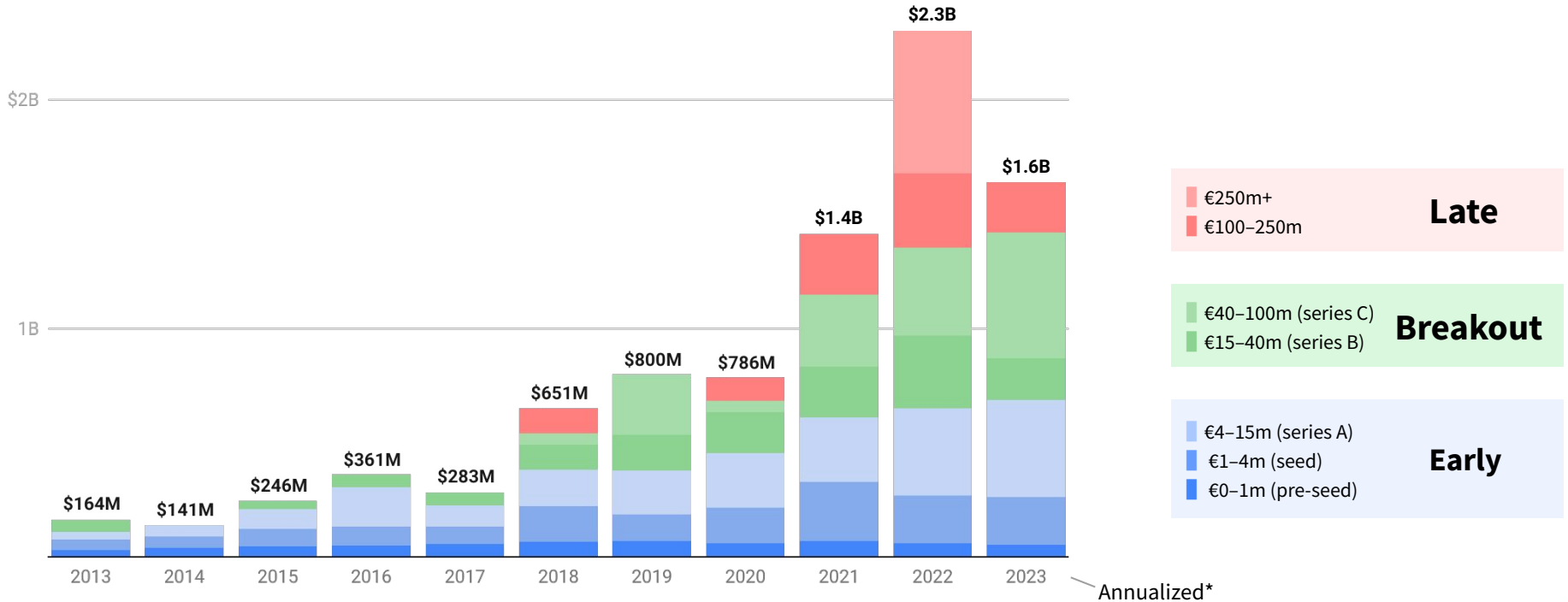
1. The rise of Italy's startup ecosystem

2. **Market sentiment today**

3. Looking ahead

Investment into Italian startups is expected to reach over \$ 1 billion this year.

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

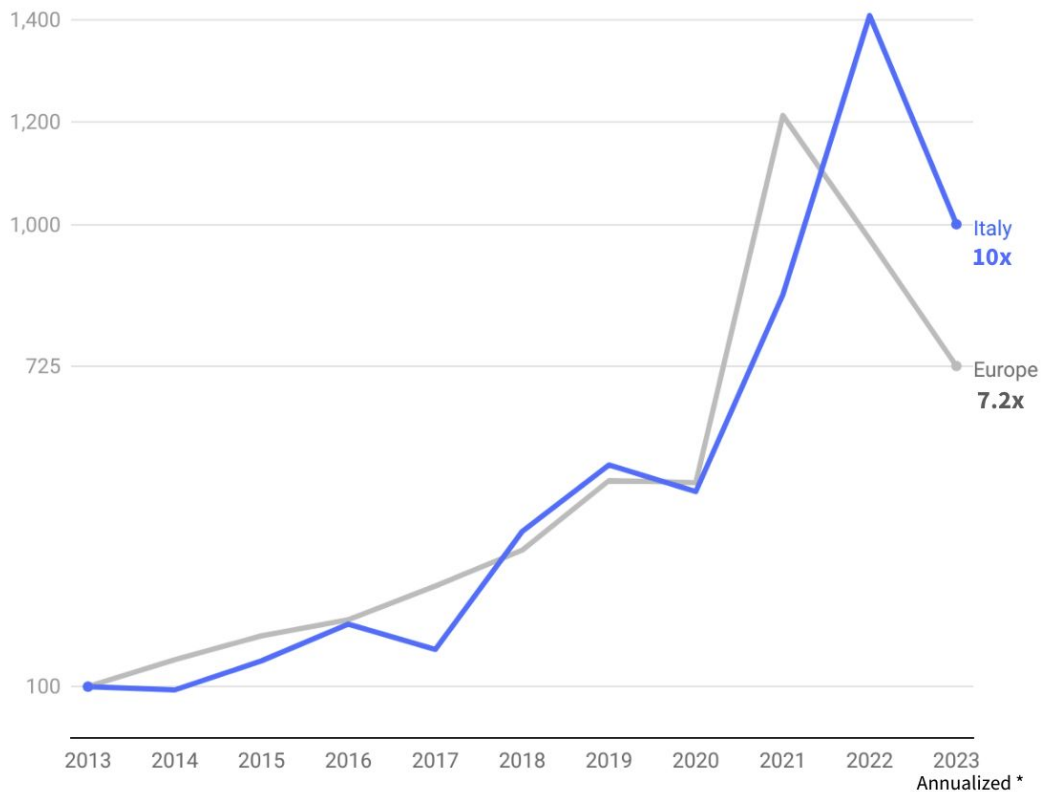


*Annualised based on data as of H1 2023.



Italy has been on a slightly different curve than the rest of Europe.

Italy vs European VC investment growth



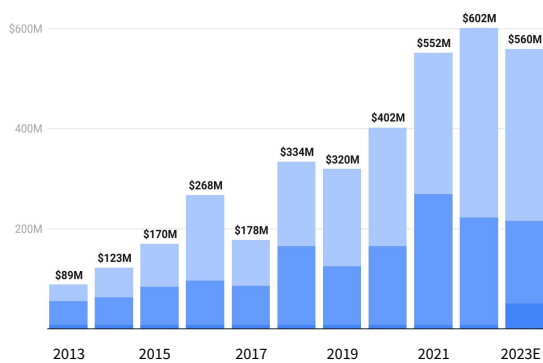
*Annualised based on data as of H1 2023.



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

Early

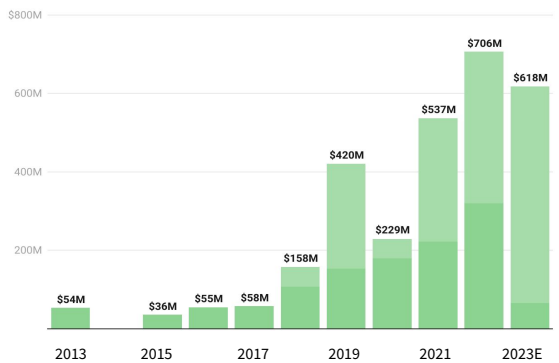
- \$4–15m (series A)
- \$1–4m (seed)
- \$0–1m (pre-seed)



CARACOL kampaay GUESS
 1000Farmacie Jet HR eaze

Breakout

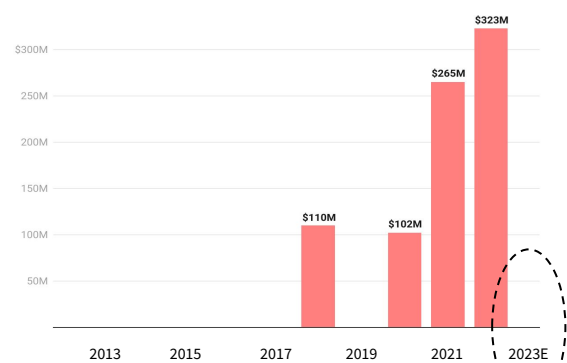
- \$40–100m (series C)
- \$15–40m (series B)



AVANTGARDE BIO ENERGYDOME fabrick
 Alps Blockchain ARDUINO LEAFSPACE

Late

- \$100–250m



newcleo satsipay BENDING SPOONS
 CASAVO scalapay



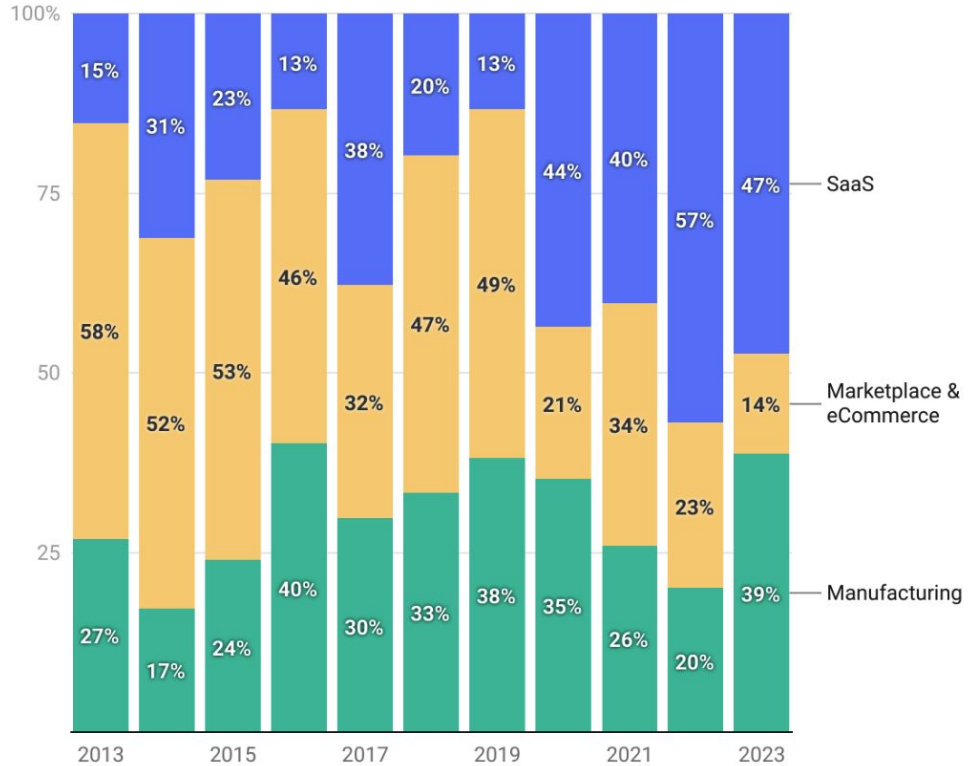
Annualised based on data as of H1 2023.



A shift to SaaS and Manufacturing of physical products.

Away from Marketplaces & eCommerce.

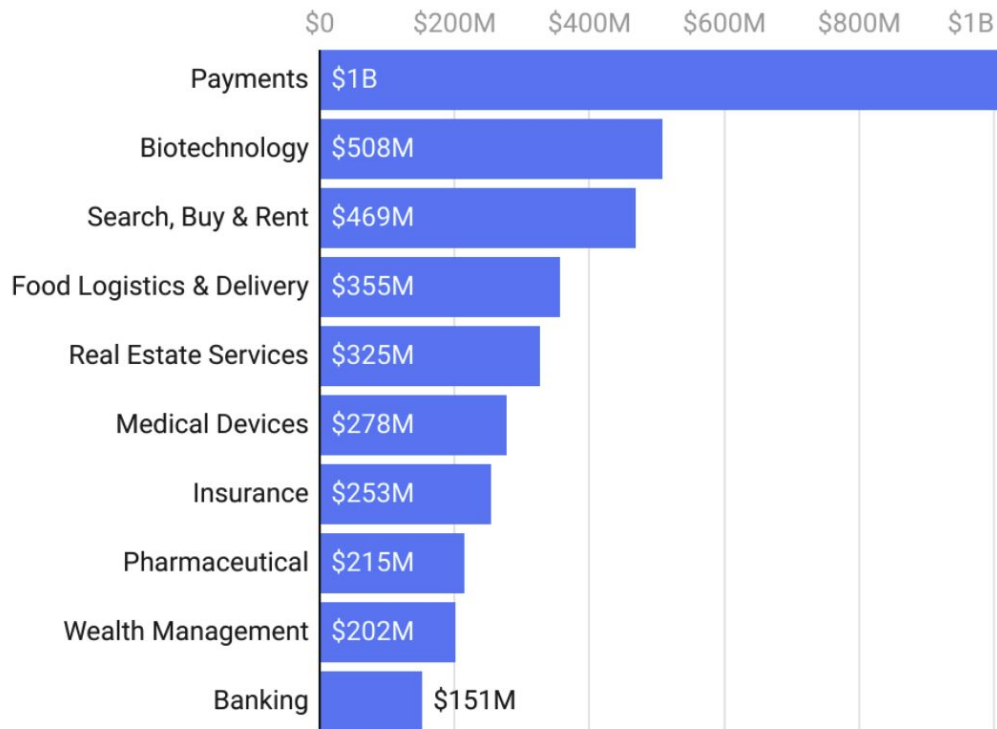
Italian Venture capital investment by startup type



Data as of September 2023.

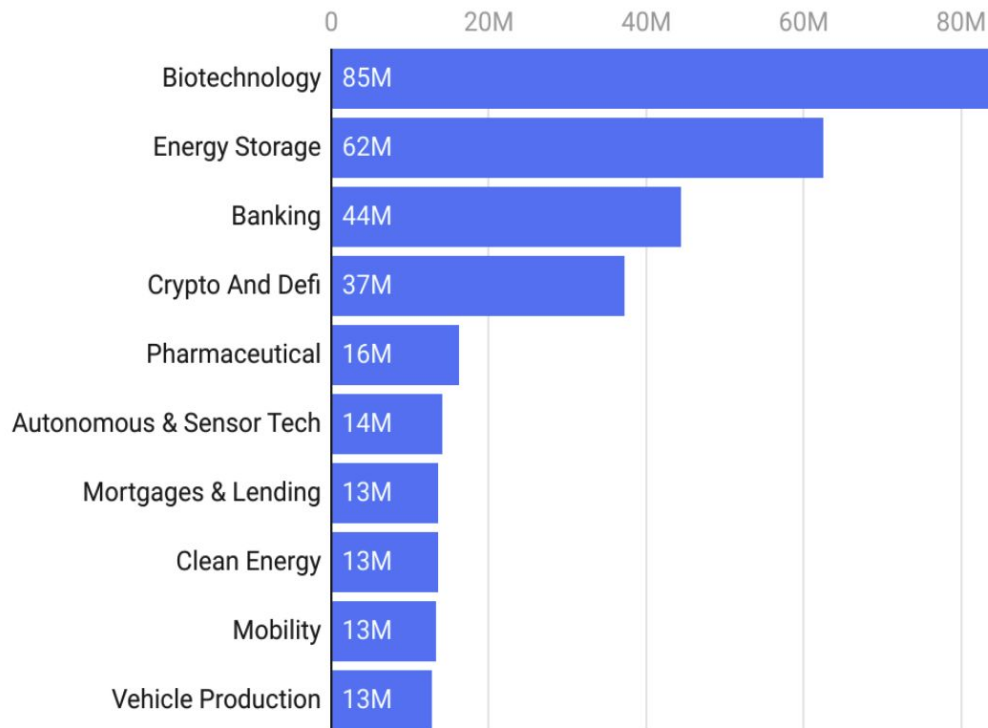
**In the last few years,
the top segments
have been Payments
and Proptech.**

VC investment into leading segments in Italy



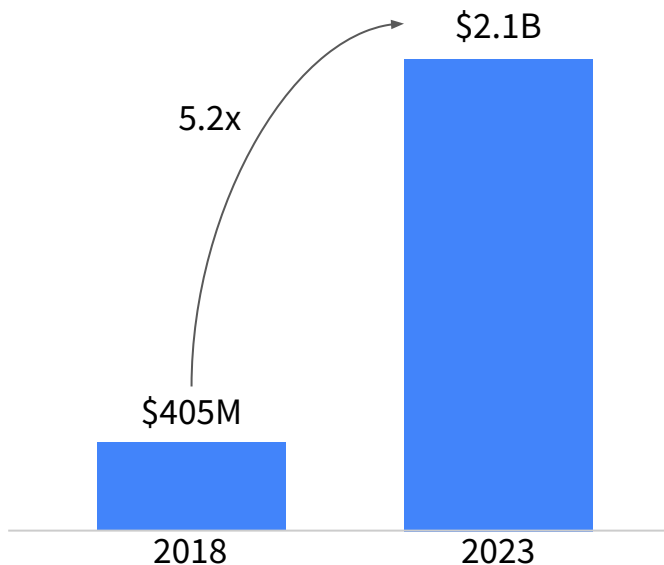
**In 2023, there's
more frontier tech &
physical tech.**

VC investment in Italian startups by sub-industry in 2023



The rise of Italian science spinoffs : 5x growth in combined value.

Combined enterprise value of Italian spinoffs [» view more](#)



Selected Italian spinoffs

AINDO

ALTI LIA

blubrake

Cubbit

ERMES
Intelligent Web Protection

Finapp

fleaptech

KITHER
biotech

PICOSATS
SPACE TECHNOLOGIES SOLUTIONS

SIBYLLA
Fold the future

W • SENSE

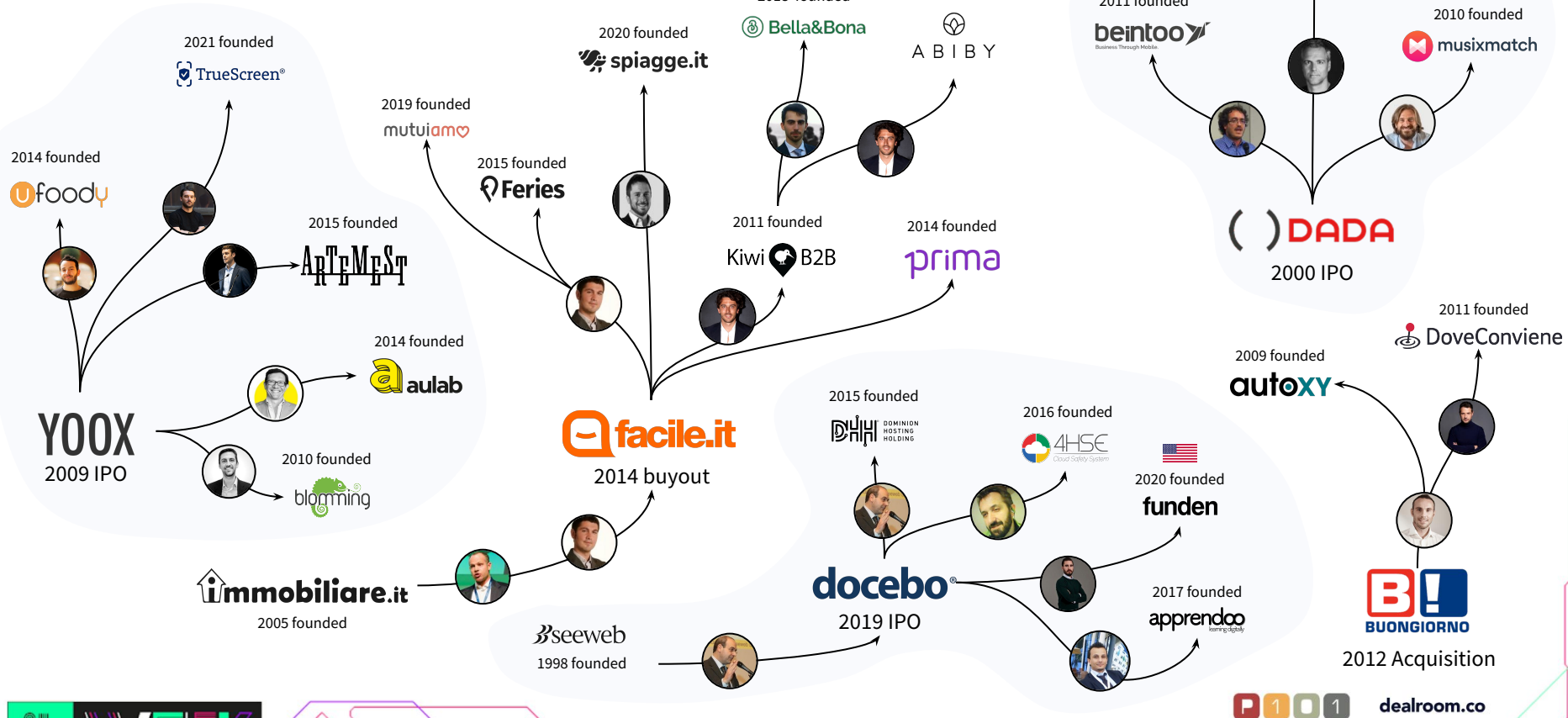
Zerynth.

1. The rise of Italy's tech ecosystem

2. Market sentiment today

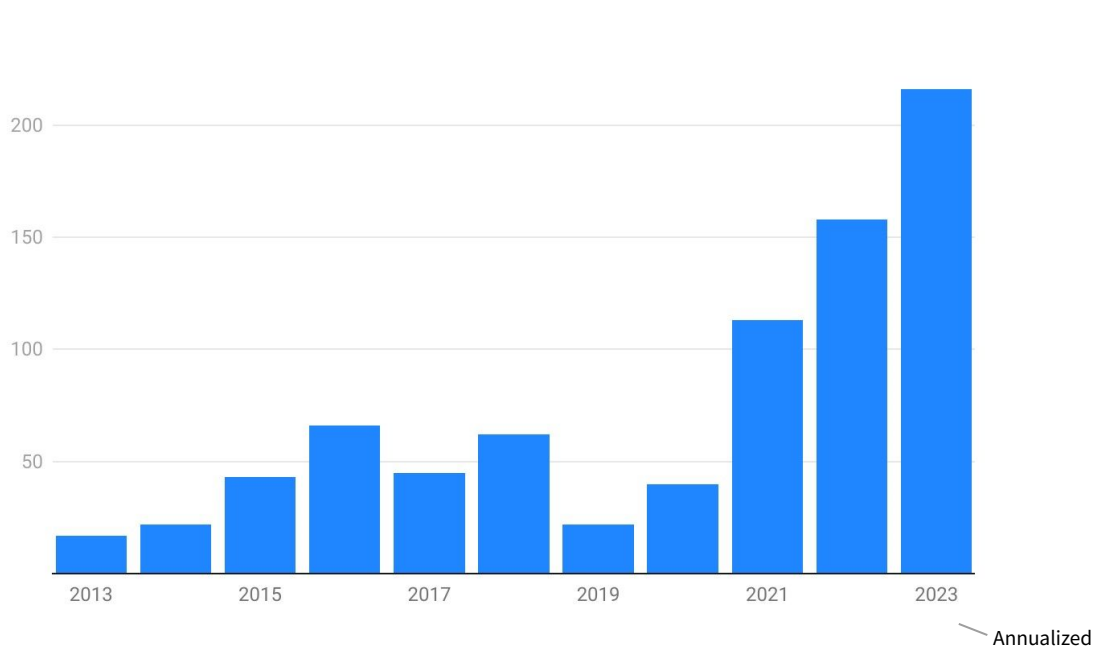
3. Looking ahead

Startup flywheel is accelerating.



M&A activity of Italian startups and tech companies is up.

Number of acquisitions and buyouts of startups and tech companies in Italy [» view more](#)



Selected exits since 2018

| Year | Exit | Acquiror |
|------|---------------------------------------|---------------------------------------|
| '23 | EryDel | QUINCE THERAPEUTICS |
| | ShopFully | MEDIA Central |
| '22 | musixmatch | TPG |
| | TANNICO | CAMPARI GROUP |
| '21 | depop | Etsy |
| | S21 [®] | BregalPartners |
| '20 | Medipass Advanced Medical Services | DWS |
| | Namirial | AMBIENTA ENVIRONMENTAL INVESTMENTS |
| '19 | Easy Welfare | Edenred |
| | viralize | vetryä |
| '18 | facile.it | IEQT |
| | musement | TUI GROUP |

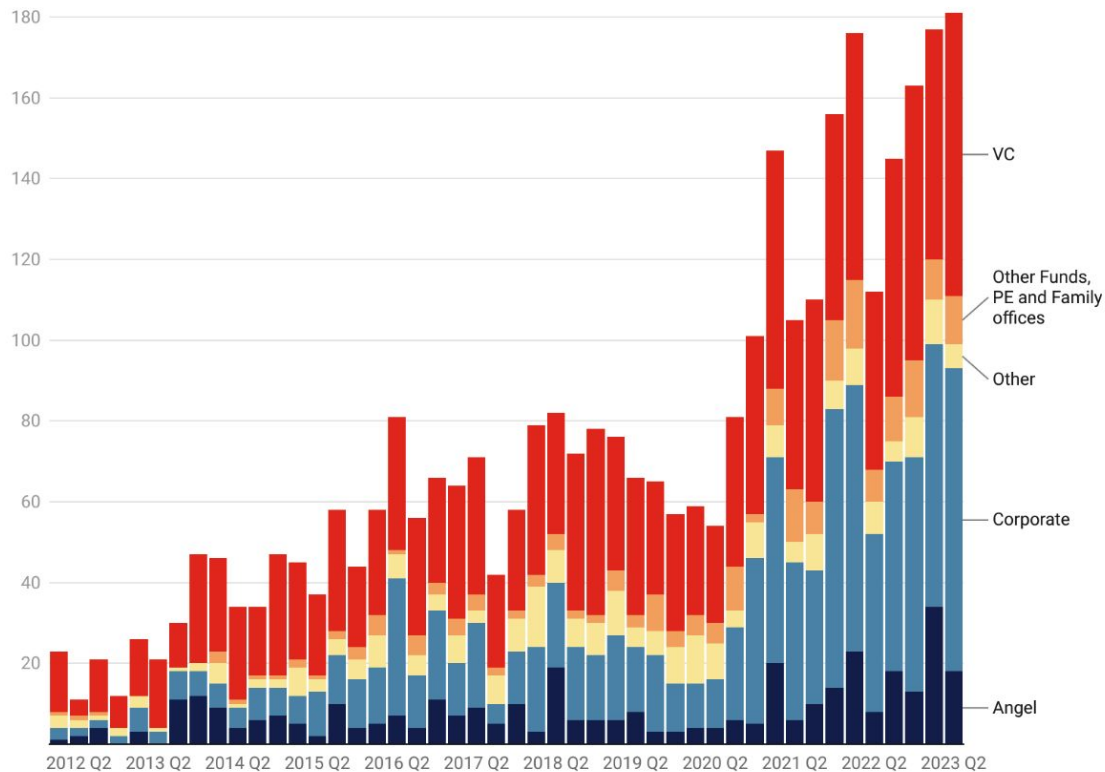
*Annualised based on data as of H1 2023.



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Dramatic increase in the number of unique active investors into Italian VC rounds, even into Q2 2023.

Unique number of active investors in Italy



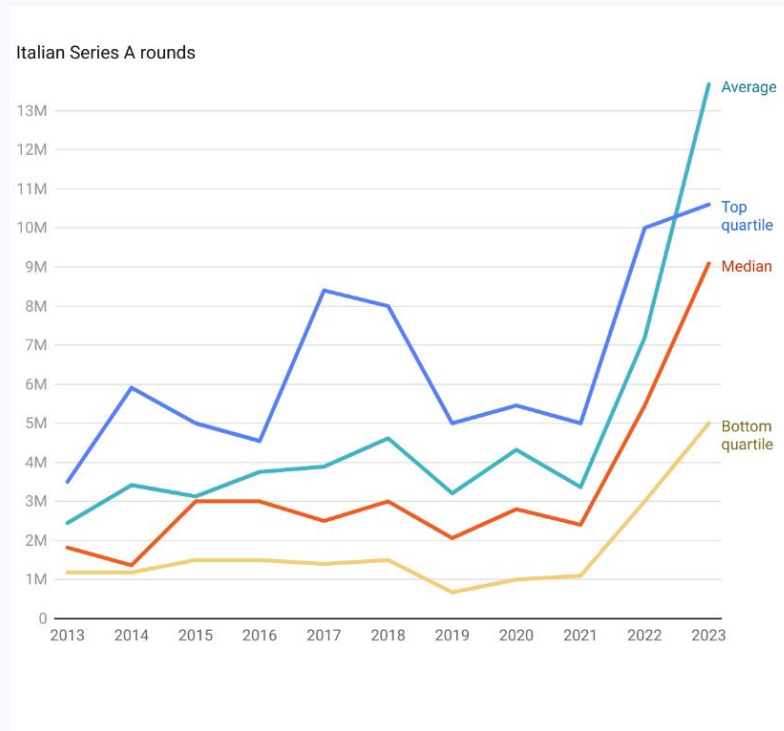
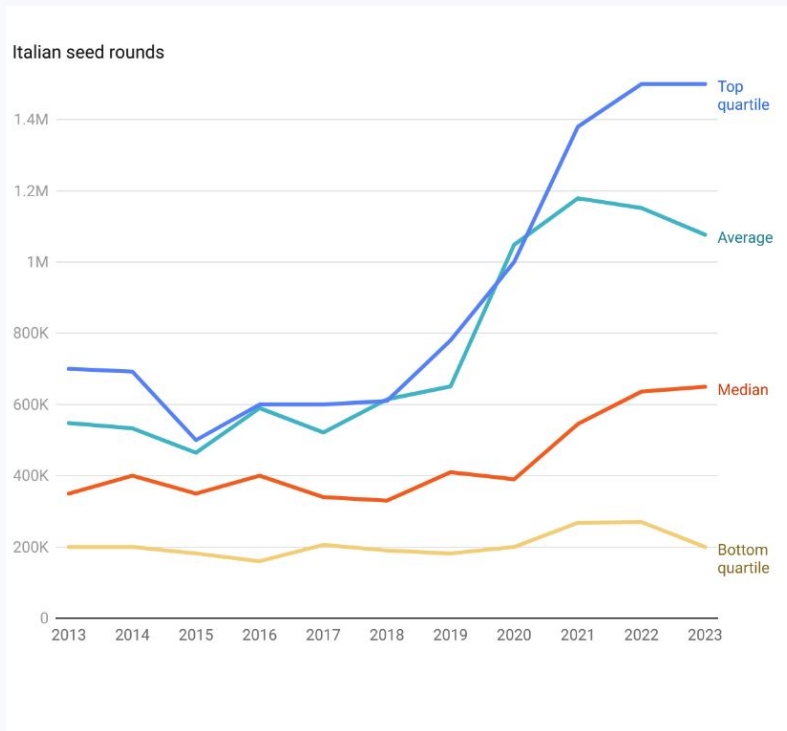
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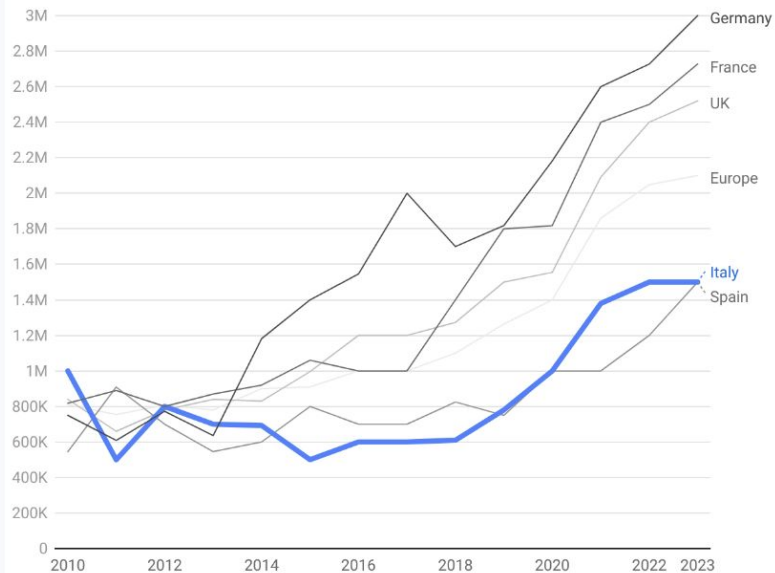


A positive sign: seed and series A rounds are going up in size.

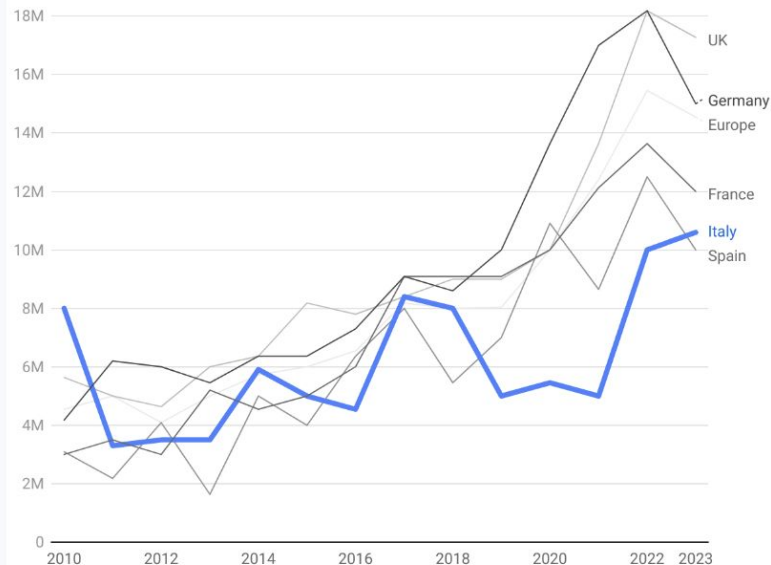


On the right track: catching up with more mature tech ecosystems.

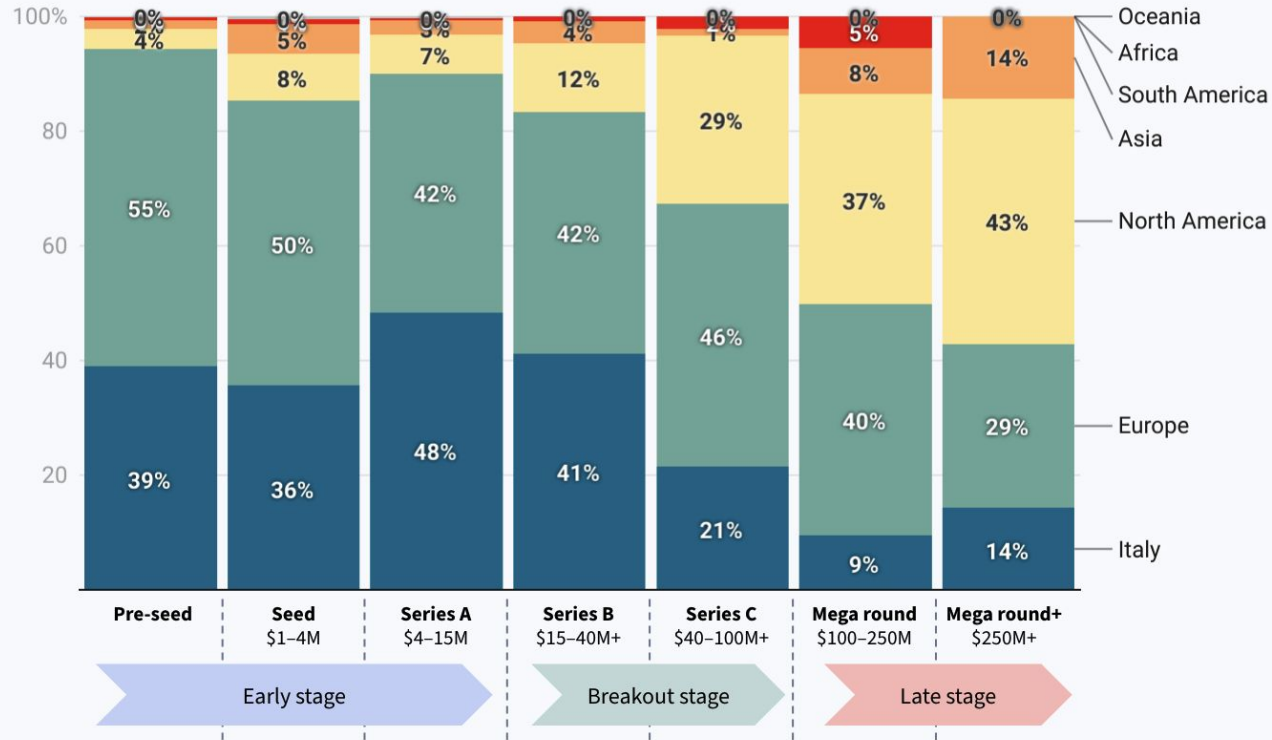
Size of top quartile seed rounds



Size of top quartile Series A rounds



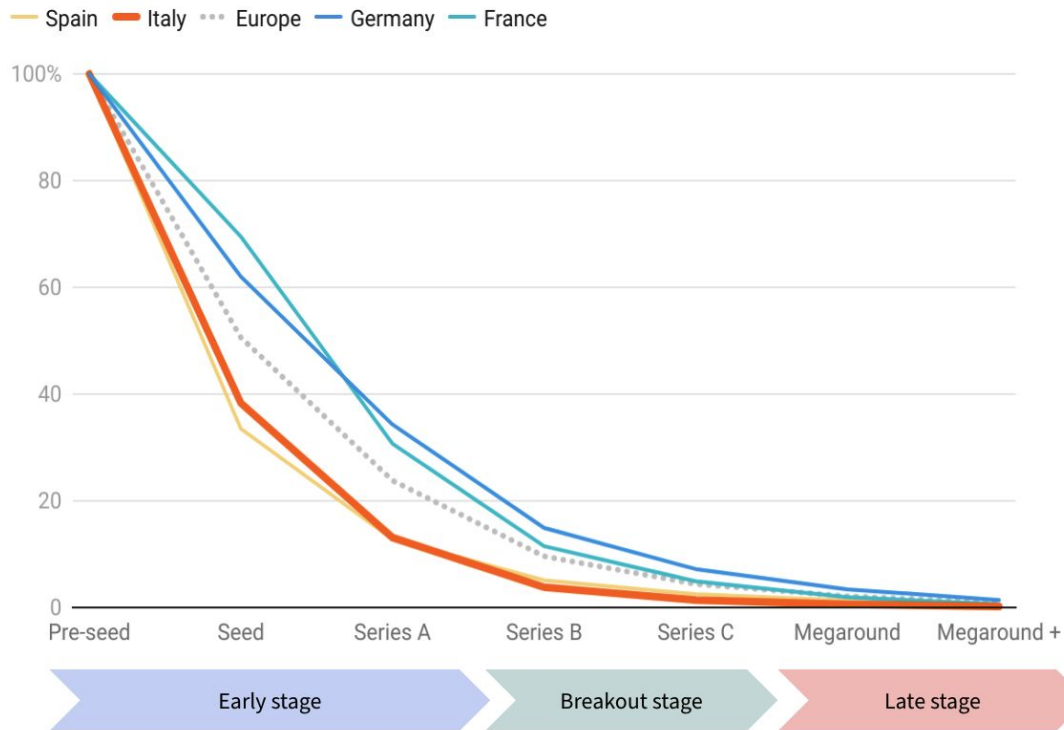
From series C onwards, rounds are still dominated by foreign investors.



Graduation rates are not there yet.

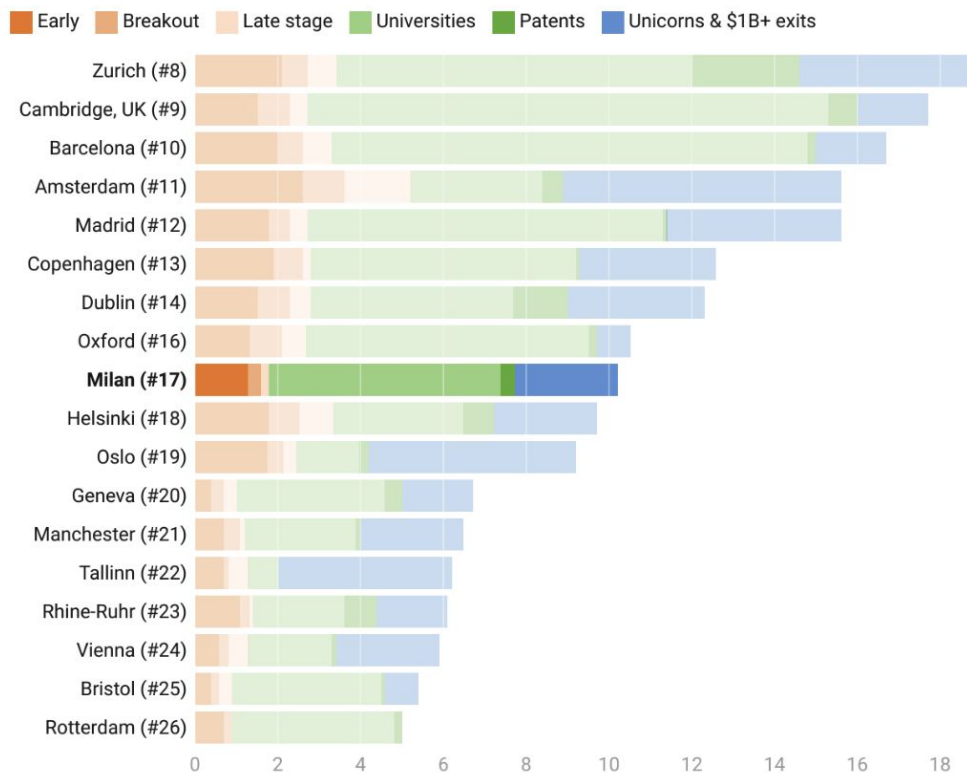
1 in 7 Italian pre-seeded startups obtain Series A funding compared to 1 in 5 seen across Europe

Graduation rates of startups by selected European ecosystems



Milan + Turin ranks #18 city in Europe, in between, Oxford and Helsinki.

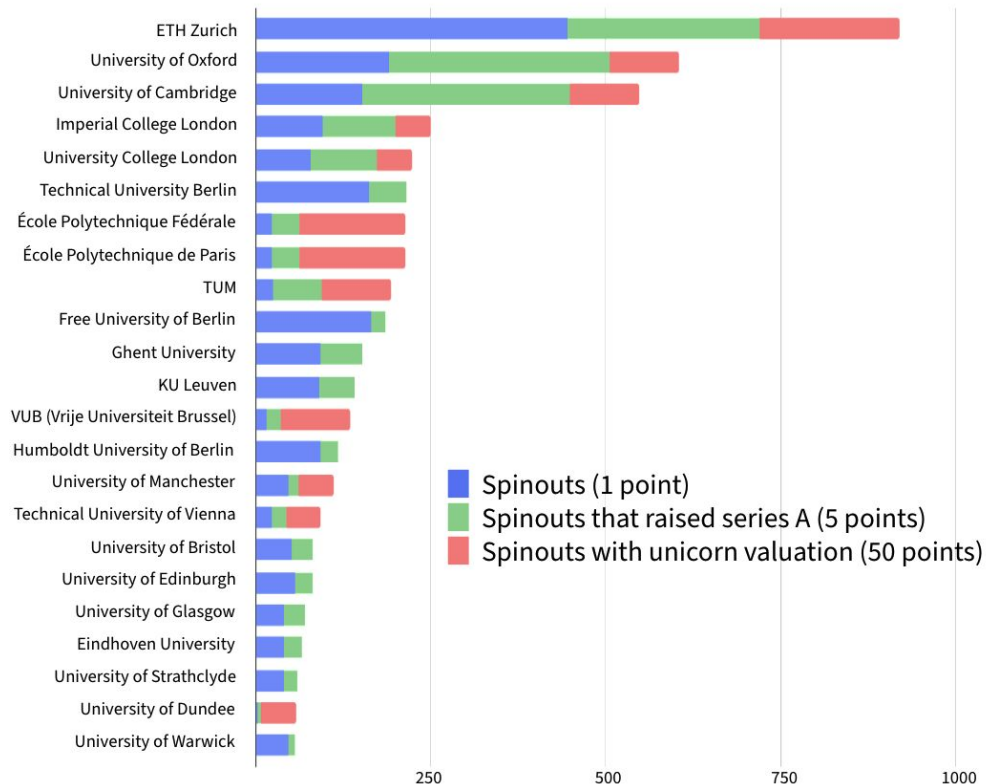
Multi-faceted benchmarking of European Cities



Data as of end of 2022.

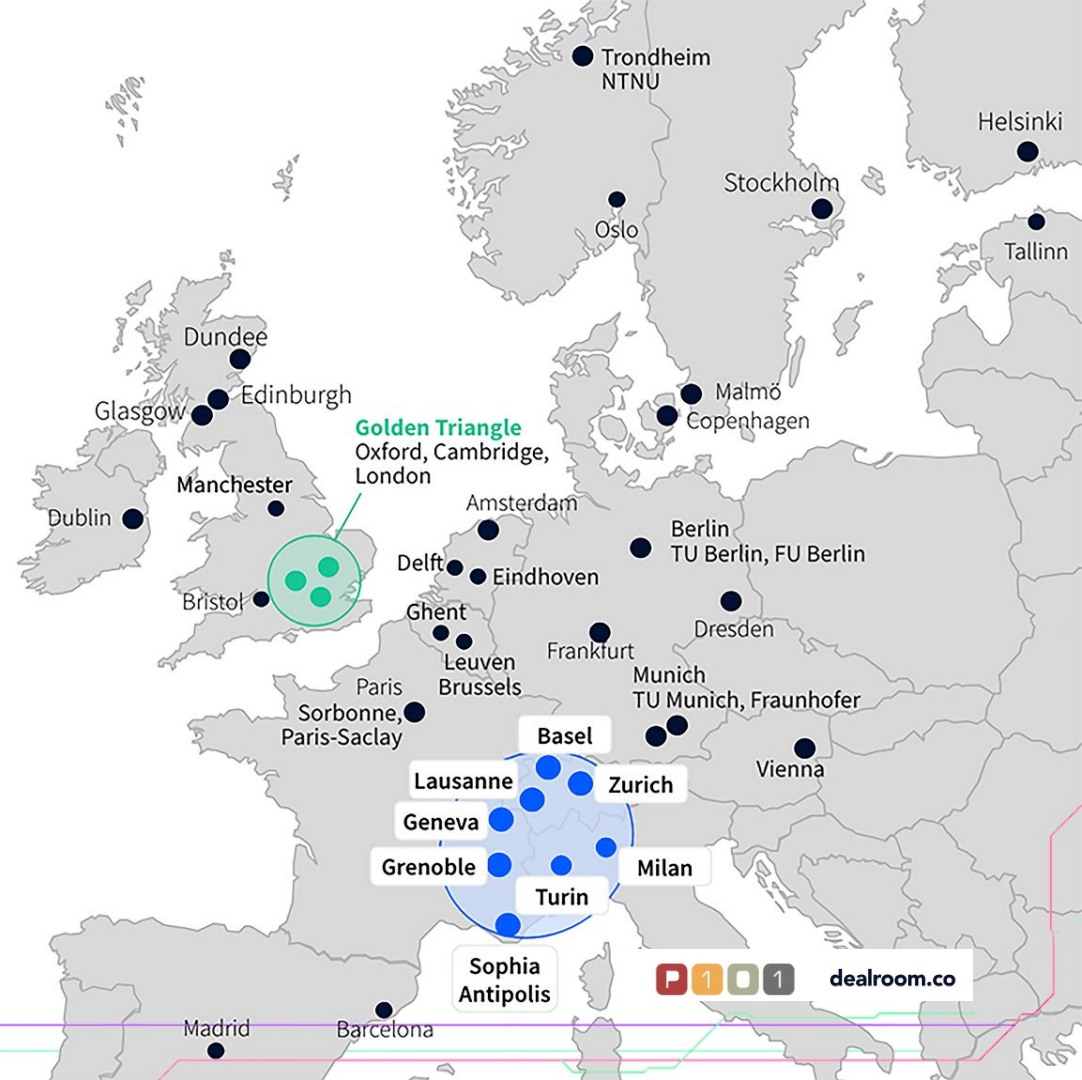
Universities: Bocconi, Polytechnic, Bologna, and Turin are producing the most startup founders – but are not playing on international tech rankings yet.

European universities which created most spinout value*









































Lombardy would benefit from teaming up with nearby Deep Tech hubs.

An Alpine Research Cluster would easily rank #3 or #4 tech & science hub in Europe.



Startups are strategic: corporate innovation is dominated by tech companies.

| |  TESLA |  sanofi |  NISSAN MOTOR CORPORATION |  ZTE中兴 |  NAVER |  Rolls-Royce |  BMW |  |  Check Point SOFTWARE SOLUTIONS |  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 |  |  sanofi |  teva |  FOXCONN 瑞寶科技集團 |  eni |
| |  Google |  | | | | | | | | |  PIRELLI |
| |  amazon | | | | | | | | | |  RECORDATI |
| Corporate R&D spend (\$ 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 |

Methodology

What is a startup?

Companies designed to grow fast. Generally, such companies are VC-investable businesses.

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies. Only companies founded since 1990 are included in this report.

What is a startup?

What is a unicorn?

Unicorns are (former) startups that reached US\$ 1B valuation or exit at one point in time.

What is a Unicorn?

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.

The data on which this report builds is available via app.dealroom.co. For more info please visit dealroom.co or contact support@dealroom.co. Data for this report was taken as of September 2023.

Venture Capital, Investors

Europe investors includes the entire European continent, the UK and Russia, but excludes Turkey and Italy.

Investment are referred to by their round labels such as Seed, Series A, B, C, ... late stage, and growth equity. VC investments exclude debt, non-equity funding, lending capital and grants.

Regional Breakdown

While many startups founded in Italy relocate beyond their borders, most maintain business-critical ties to their homelands.

In order to take this reality into account, this report includes both Italy-based startups, which maintain their main center of business (HQ) in their country of origin, and Italy-founded startups, which relocated their HQ outside of the Italy.

