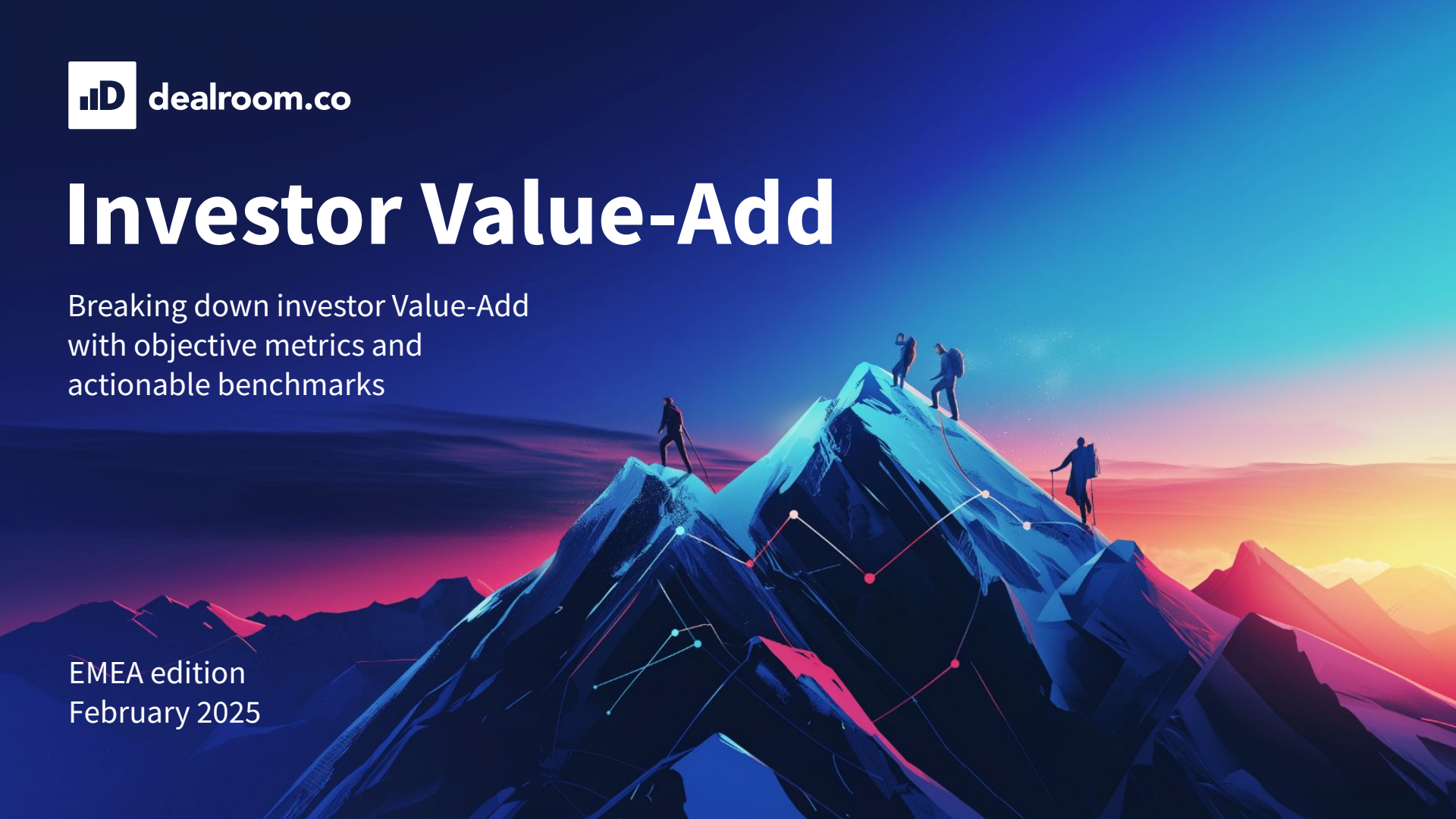


Investor Value-Add

Breaking down investor Value-Add
with objective metrics and
actionable benchmarks

EMEA edition
February 2025



Introduction

The term "Value-Add" is frequently invoked by venture capitalists, sometimes in earnest and other times with a hint of irony (cue 🙌🙌🙌). However, for startups, selecting the right investor is a critical decision with far-reaching consequences.

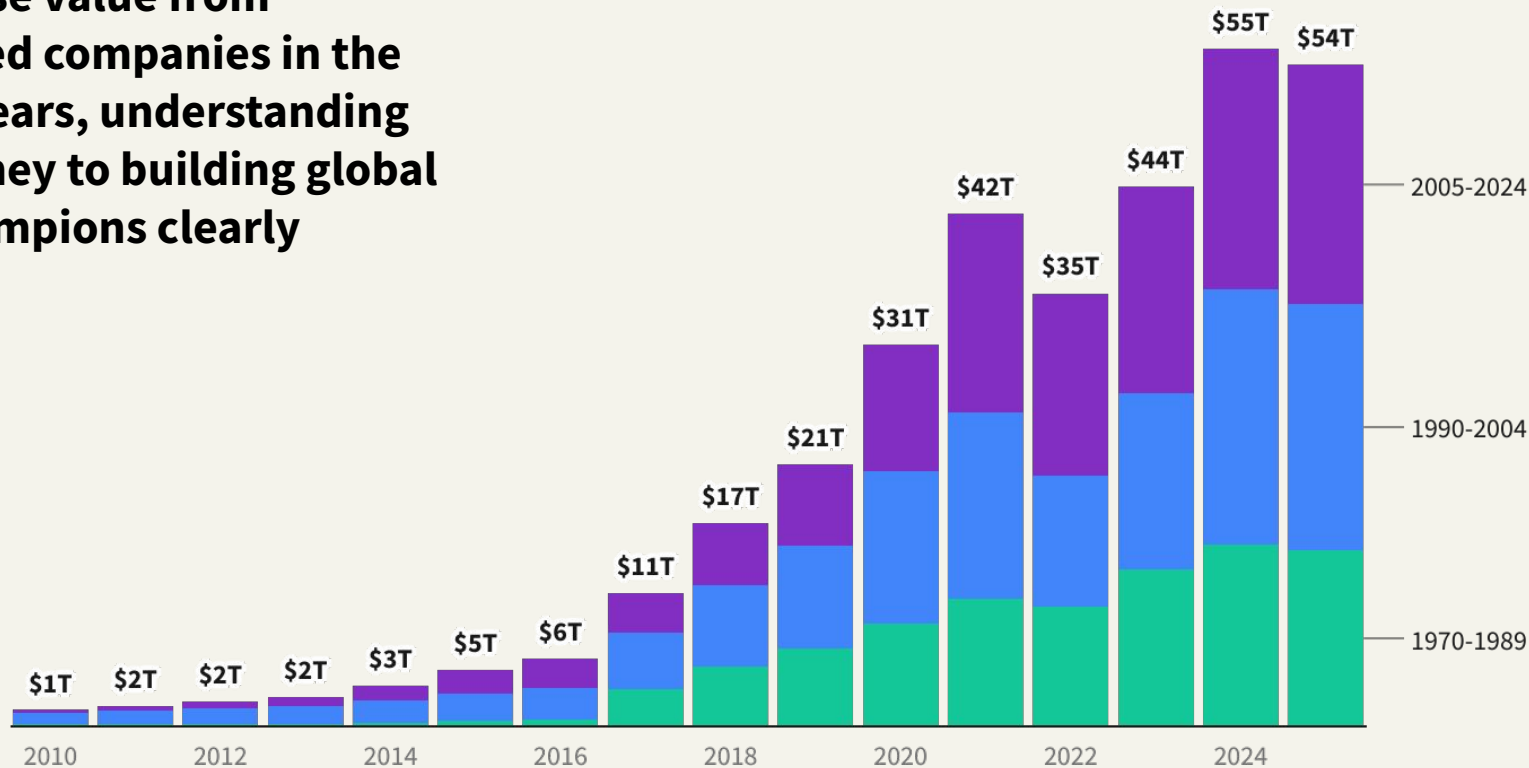
Whereas the [Dealroom Power Law Ranking](#) measures investors' ability to source & pick Power Law Outcomes, this report explores observable differences between investors when it comes to helping startups building & financing at the early stages.

This report aims to answer the following question: what key characteristics define value-add investors, based on objectively observable metrics? Although the actual effort and effectiveness of Value-Add are challenging to quantify directly, it's possible to measure its desired outcomes.

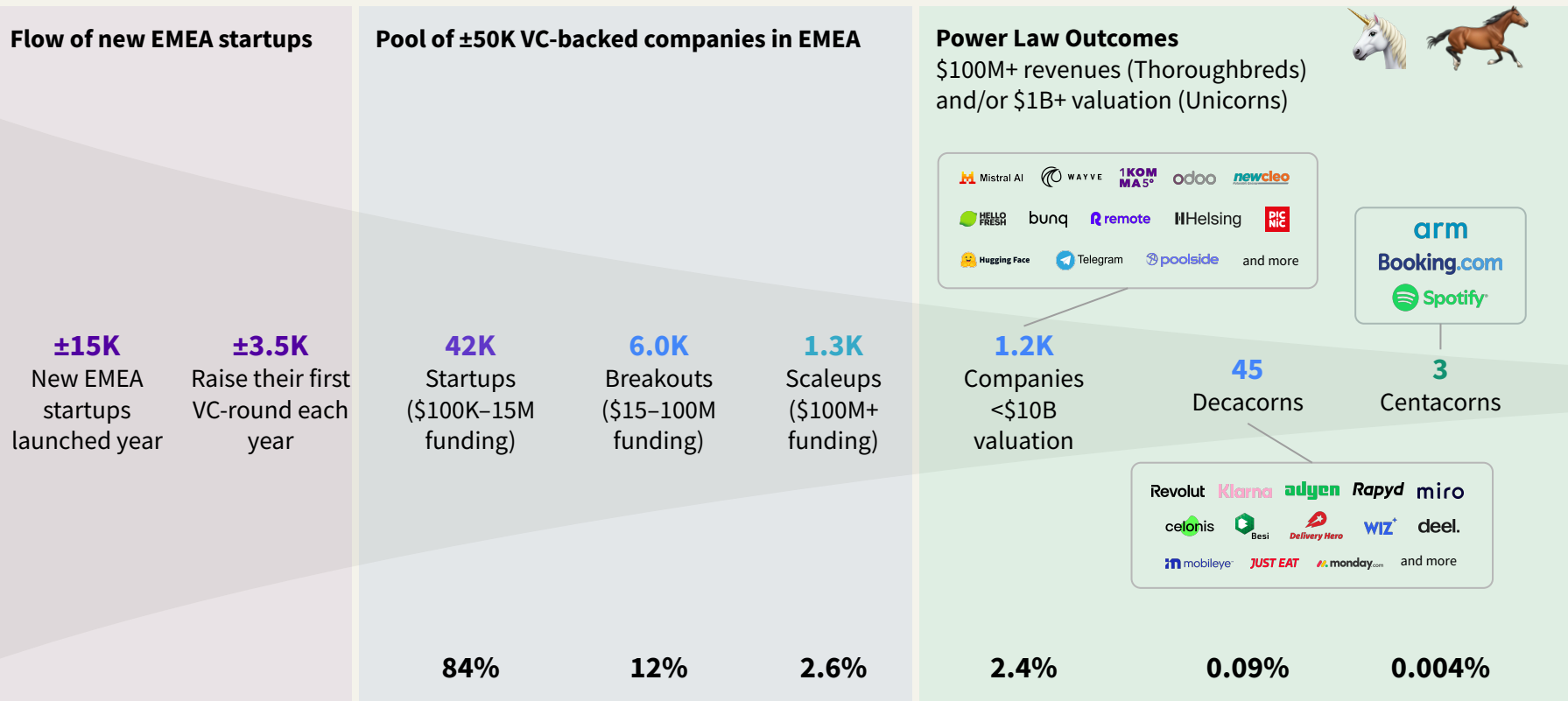
This report represents a preliminary assessment. We welcome your feedback and insights to refine our methodology: support@dealroom.co

With \$54 trillion of new enterprise value from VC-backed companies in the last 50 years, understanding the journey to building global tech champions clearly matters

Enterprise value created by VC-backed companies since 1970



In EMEA, 2.4% of venture-backed startups reach a Power Law Outcome



Correspondingly, venture capital is also a top 1% asset class (aka “access class”)

Flow of new VC firms per year

±250
new first-time
investing entities
(EMEA only)

±50
first-time funds
(EMEA only)

Plus, flow of new
global investors

Pool of active investors

10K
active in EMEA
since 2019

1,570
with at least one
Power Law
Outcome

408
with at least one
Power Law
Outcome
from Seed stage

100%

16%

4%

Power Law Top 100 by Dealroom



100 (top 1%)

The #100th ranked
investor has invested in 2
Power Law Outcomes,
both at Seed

The #1st ranked investor
has invested in 17 Power
Law Outcomes, of which
13 at seed and 3 at
Series A

We've spent the last 6 years using data to build a more objective understanding of these repeat Power Law investors

Extremely skewed field of investors which have been able to source these outliers companies early in their development. Massive differences even within the top 50.

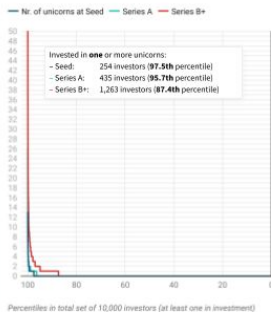
Power Law Ranking »

next edition coming soon

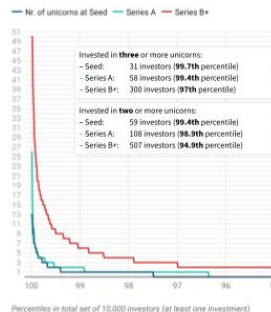
The only 100% quantitative & transparent VC ranking for startups.

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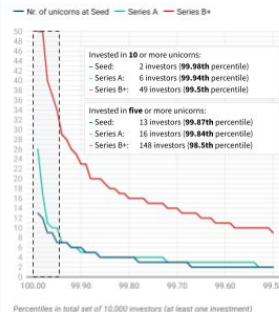
Total dataset of 10,000 investors shows extreme Power Laws.



Zooming in, the top 500 investors (95th percentile) is still heavily skewed.



And even within the top 50 investors (99.5th percentile) massive differences.



Top 5 (99.95th percentile)

PSR.BIT, SoftBank, FUNDACORP, BlackRock, Accel, Lazard, HV, Sequoia, GFC

In this report, however, we aim to quantify investor value-add, especially the building and financing aspect of being a seed-stage VC investor

4. Quantity of follow-on capital

3. Quality of follow-on capital

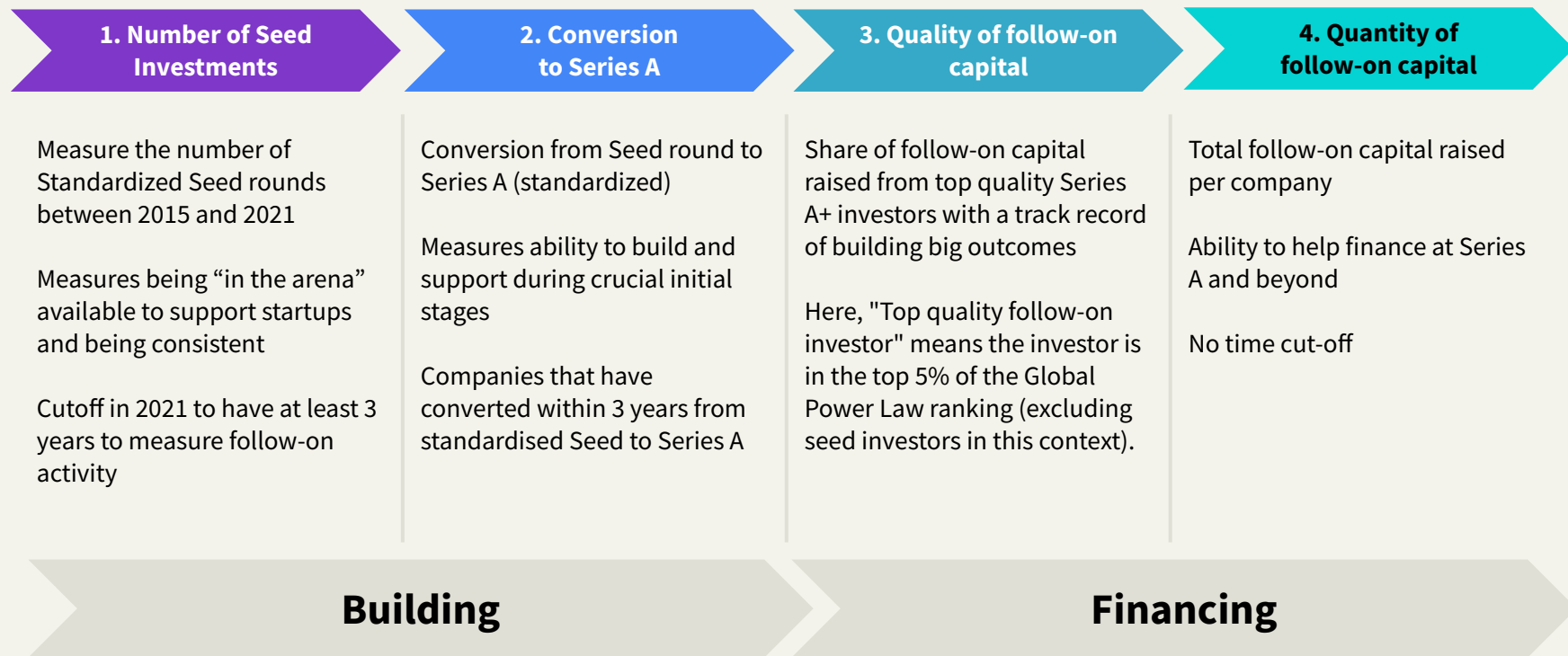
2. Conversion to Series A

1. Number of Seed Investments

Building

Financing

Methodology: we compared ± 800 seed investors in EMEA startups across these four objective & observable metrics

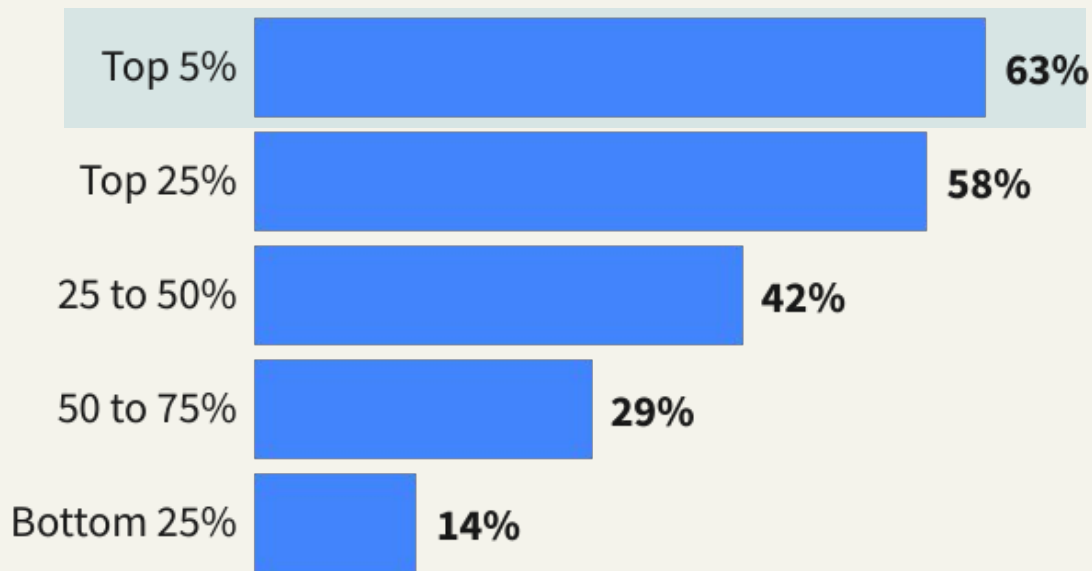


Major differences in Seed to Series A conversion rates

The leading 5% convert 63% of their seed investments to Series A, with the best exceeding 75%. Startups backed by these investors are 4.5x more likely to advance compared to those in the bottom quartile.

This disparity is driven by multiple factors: superior deal access, stronger selection, active value-add support, and top founders gravitating toward investors with proven track records.

Conversion from Seed to Series A within 36 months
Median for each cohort



And the top quality 5% consistently outperforms on all four metrics, doing more deals, raising larger follow-on capital from higher quality investors

Median shown for each cohort

Cohort	Number of Qualified Seed Rounds per Investor	Seed to Series A Conversion Rate	% of follow-up VC raised by top Series A+ investor	Average follow-up VC raised per company
Top 5%	22	63%	91%	\$73mn
Top 25%	13	58%	79%	\$42mn
Next 25 to 50%	9	42%	42%	\$14mn
Next 50 to 75%	8	29%	0%	\$5mn
Bottom 25%	6	14%	0%	\$1mn

And the same top seed investors are consistently more likely to lead the round, convert to larger rounds, convert sooner and have far more experience in raising follow-on capital

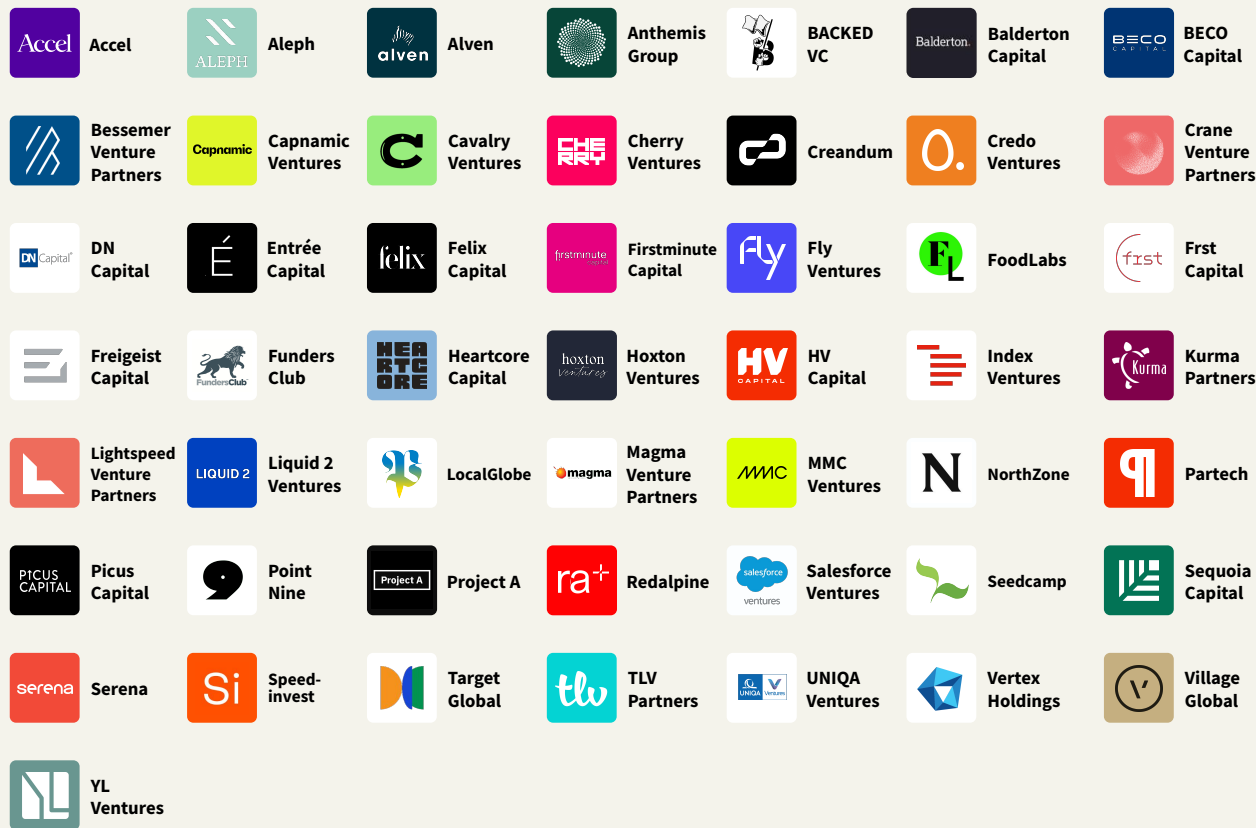
Median shown for each cohort

Cohort	Lead Investor as % of All Seed Rounds	Converted Series A Round Size	Time to Convert to Series A	Total follow-up VC raised
Top 5%	74%	\$13m	17 months	\$1,654m
Top 25%	50%	\$12m	18 months	\$563m
25 to 50%	50%	\$10m	21 months	\$145m
50 to 75%	50%	\$9m	25 months	\$48m
Bottom 25%	25%	\$6m	24 months	\$10m

Raising the bar: 50 Value-Add Seed Investors

Shown in alphabetical order, these 50 investors—representing the top 5% of funds analyzed—have consistently outperformed based on four key Value-Add metrics.

Use these benchmarks to identify investors who don't just fund, but actively help build high-growth companies.



Conclusions for Capital Allocators (LPs, Policymakers, Institutions)

There are justified calls for more capital to flow into venture capital, and initiatives are already underway to make this happen. However, capital allocation is just as important as capital availability. More funding alone won't drive stronger outcomes—it must flow to the right investors.

Our analysis highlights that venture capital operates under Power Laws, with only a small subset of investors consistently backing the startups that scale. For LPs, policymakers, and institutions deploying capital, the focus should not only be on increasing funding but on identifying and backing the investors who truly add value.

To build the next generation of global tech champions, capital must be allocated efficiently—toward those who pick winners, and help create them.

Conclusions for Startup Builders

Securing funding can be challenging—but securing it from the right investors is what truly matters. Our analysis shows that the best seed investors significantly increase a startup's likelihood of reaching Series A and beyond.

As a founder, choosing wisely means maximizing your chances of success. Investors with a proven track record of backing and building high-growth startups make a tangible difference. Startups backed by top-performing investors are 4.5x more likely to raise a Series A.

Use this report as a guide to evaluate investors on observable metrics—because who you raise from matters.

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+ Value-add investors



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SEED



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