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Investor Value-Add

Breaking down investor Value-Add
with objective metrics

EMEA edition
February 2025

Introduction

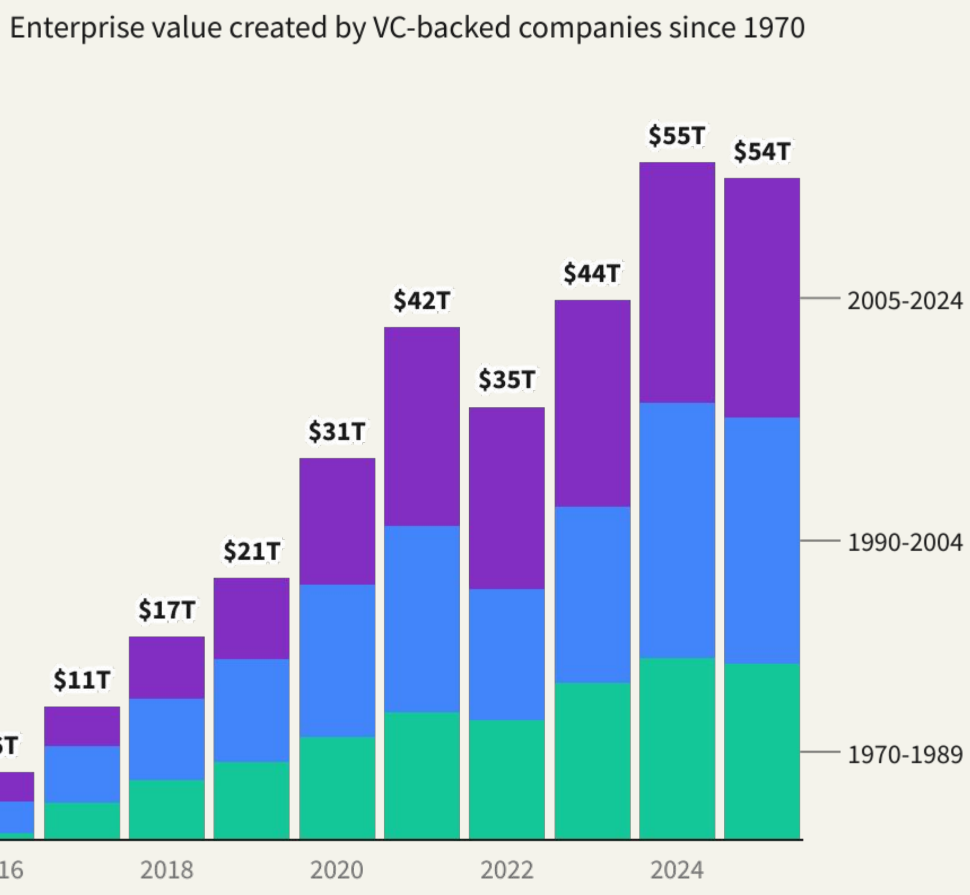
The term "Value-Add" is frequently invoked by venture capitalists, sometimes in earnest and other times with a hint of irony (cue 👏👏👏). However, for startups, selecting the right investor is a critical decision with far-reaching consequences.

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



Source: Dealroo.co

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

Flow of new EMEA startups		Pool of ±50K VC-backed companies in EMEA			Power Law Outcomes $100M+ revenues (Thoroughbreds) and/or $1B+ valuation (Unicorns)		
±15K New EMEA startups launched year	**±3.5K** Raise their first VC-round each year	**42K** Startups ($100K–15M funding)	**6.0K** Breakouts ($15–100M funding)	**1.3K** Scaleups ($100M+ funding)	**1.2K** Companies <$10B valuation	**45** Decacorns	**3** Centacorns
		84%	**12%**	**2.6%**	**2.4%**	**0.09%**	**0.004%**

Companies <$10B valuation: Mistral AI, WAYVE, 1KOMMA5°, odoo, newcleo, HelloFresh, bunq, remote, Helsing, PicNic, Hugging Face, Telegram, poolside, and more

Decacorns: Revolut, Klarna, adyen, Rapyd, miro, celonis, Besi, Delivery Hero, WIZ, deel., mobileye, JUST EAT, monday.com, and more

Centacorns: arm, Booking.com, Spotify

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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, first-time global funds

Pool of active investors

10K
active in EMEA since 2019

1570
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

20VC, Accel, ACTON, AIR STREET CAPITAL., atomico, Balderton.,
Bessemer Venture Partners, CHERRY, CREANDUM, EURAZEO, GENERAL ATLANTIC, hoxton ventures,
HV CAPITAL, Index Ventures, INSIGHT PARTNERS, kima ventures, LocalGlobe,
NORTHZONE, PARTECH, passion capital, Project A, Seedcamp, SoftBank,
Si Speedinvest, TIGERGLOBAL, VISIONARIES CLUB
and more

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

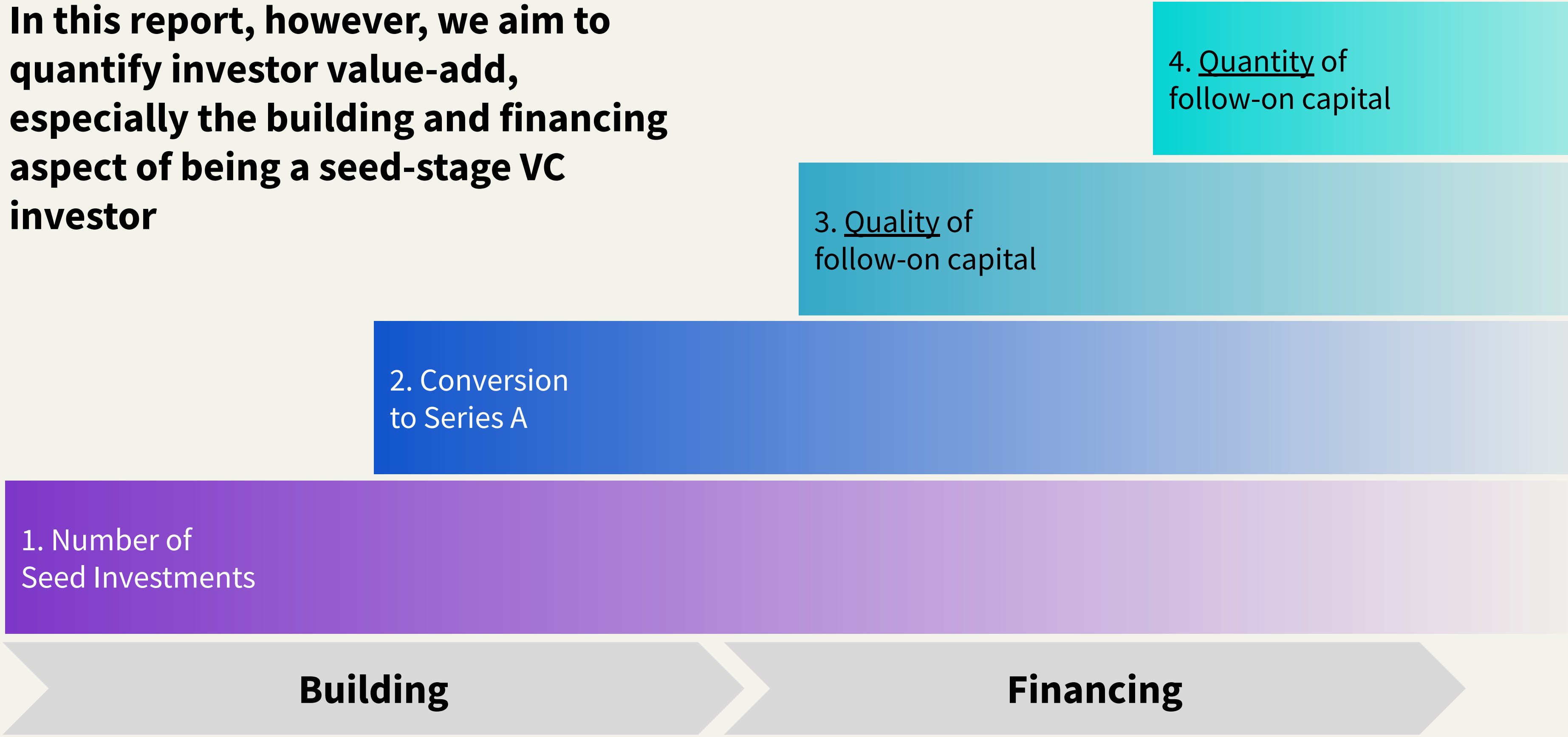
We’ve spent the last 6 years using data to build a more objective understanding of these repeat Power Law investors

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

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



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

1. Number of Seed Investments	2. Conversion to Series A	3. Quality of follow-on capital	4. Quantity of follow-on capital
Measure the number of Standardized Seed rounds between 2015 and 2021 Measures being “in the arena” available to support startups and being consistent Cutoff in 2021 to have at least 3 years to measure follow-on activity	Conversion from Seed round to Series A (standardized) Measures ability to build and support during crucial initial stages Companies that have converted within 3 years from standardised Seed to Series A	Share of follow-on capital raised from top quality Series A+ investors with a track record of building big outcomes Here, "Top quality follow-on investor" means the investor is in the top 5% of the Global Power Law ranking (excluding seed investors in this context).	Total follow-on capital raised per company Ability to help finance at Series A and beyond No time cut-off

Building (metrics 1–2) **Financing** (metrics 3–4)

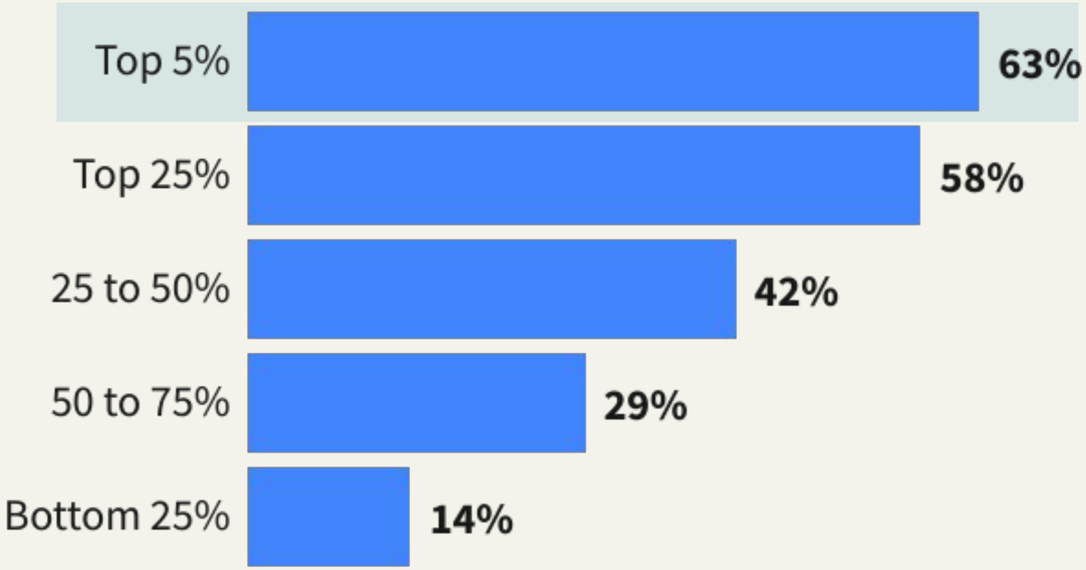
Standardization based on Journey to Series A methodology.

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



Source: Dealroom.co.

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

Source: Dealroom.co.

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

Source: Dealroom.co.

Raising the bar: top 40 Value-Add Seed Investors

Shown in alphabetical order, these 40 investors—representing the top 5% out of 800 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.

- Accel
- Aleph
- Alven
- Anthemis Group
- BACKED VC
- Balderton Capital
- BECO Capital
- Bessemer Venture Partners
- Cherry Ventures
- Credo Ventures
- Crane Venture Partners
- Creandum
- Entrée Capital
- Felix Capital
- Firstminute Capital
- Fly Ventures
- Frst Capital
- Freigeist Capital
- Hoxton Ventures
- HV Capital
- Index Ventures
- Kurma Partners
- Lightspeed Venture Partners
- Liquid 2 Ventures
- LocalGlobe
- MMC Ventures
- NorthZone
- Partech
- Picus Capital
- Point Nine
- Project A
- Sequoia Capital
- Serena
- Seedcamp
- Target Global
- TLV Partners
- UNIQA Ventures
- Vertex Holdings
- Village Global
- YL Ventures

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.

👉 **Building a Startup? Check out Dealroom for Founders to find the best investors**

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	Dealroom Signal	Hiring?
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Apex Spacecraft Manufacturing Manufactures satellite buses as scale using a combination of software,...	95	✅
Harmonic Forging the world's most advanced mathematical reasoning engine		
Ema Ema is building the next generation AI technology to empower every...		
Ideogram Helping people become more creative through generative AI		
Decagon Generative AI solutions enhancing customer support and operational...		

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Index Ventures Index Ventures capital firm based in London, San Francisco and Geneva...	SEED
Accel Accel is a leading venture capital firm that invests in people and their...	SERIES A
Point Nine Early-stage venture capital firm primarily focused on SaaS and...	SEED
HV Capital Leading German VC active throughout Europe. Notable...	SERIES A
Sequoia From idea to IPO and beyond, Sequoia helps the daring build...	SERIES A

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