



Quarterly European Venture Capital report

Q2 2018

dealroom.co

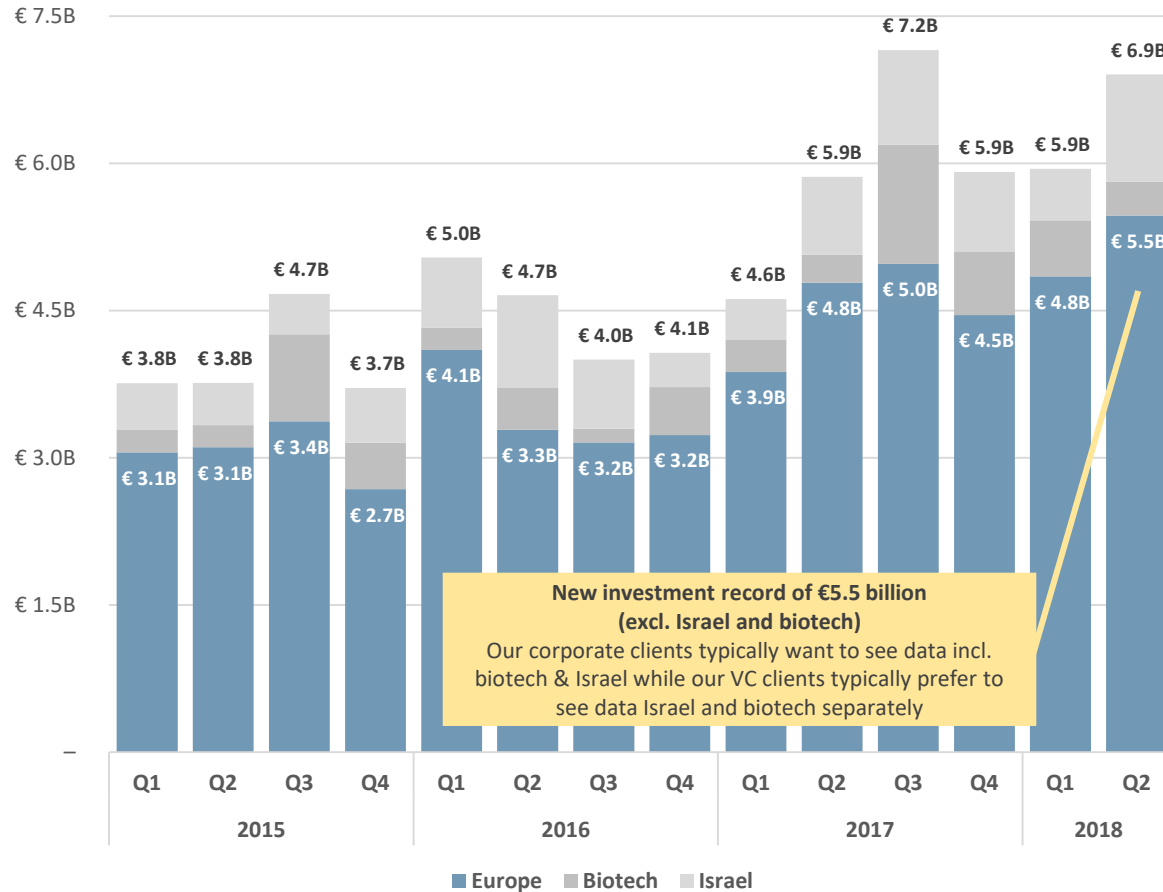
17 July 2018

Contents

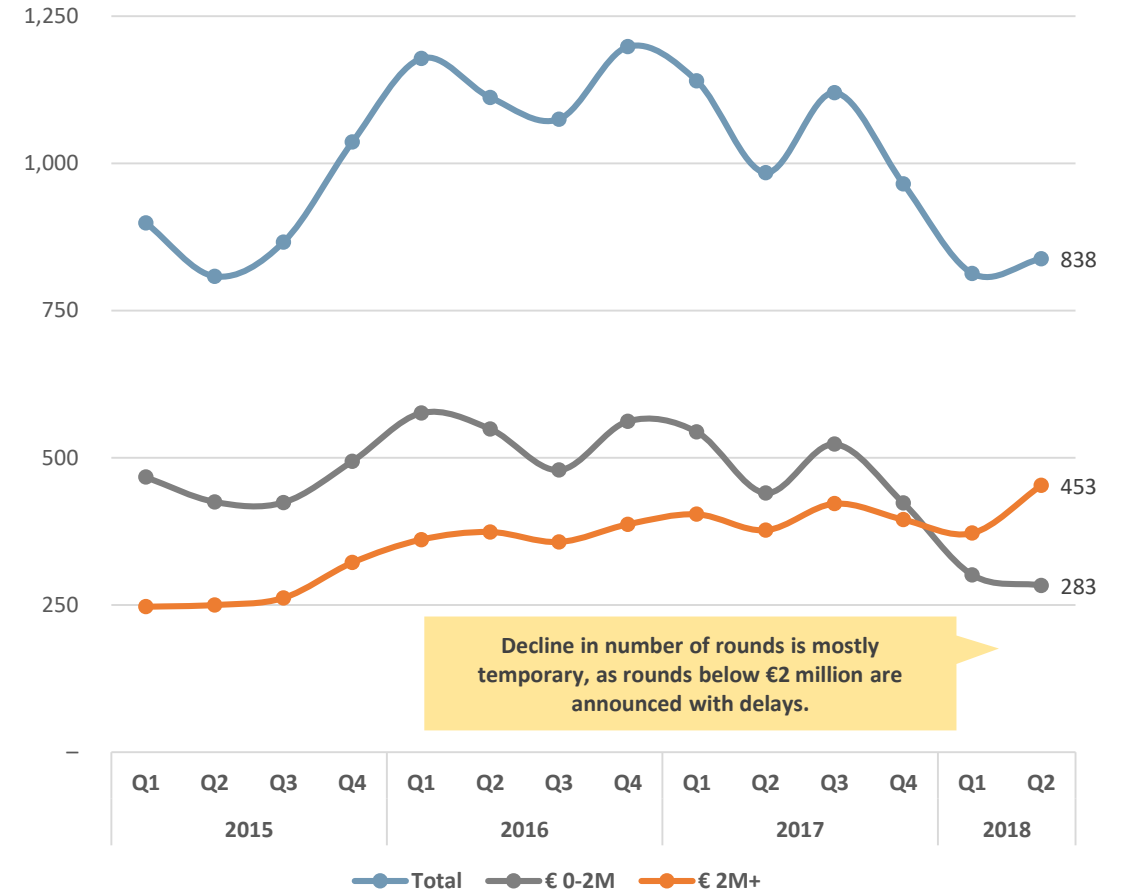
1. Europe & Israel venture capital
2. Investment by country
3. Investment by category
4. Update on unicorns and big exits

All-time investment record of €5.5 billion excl. biotech (including biotech and Israel €6.9 billion)

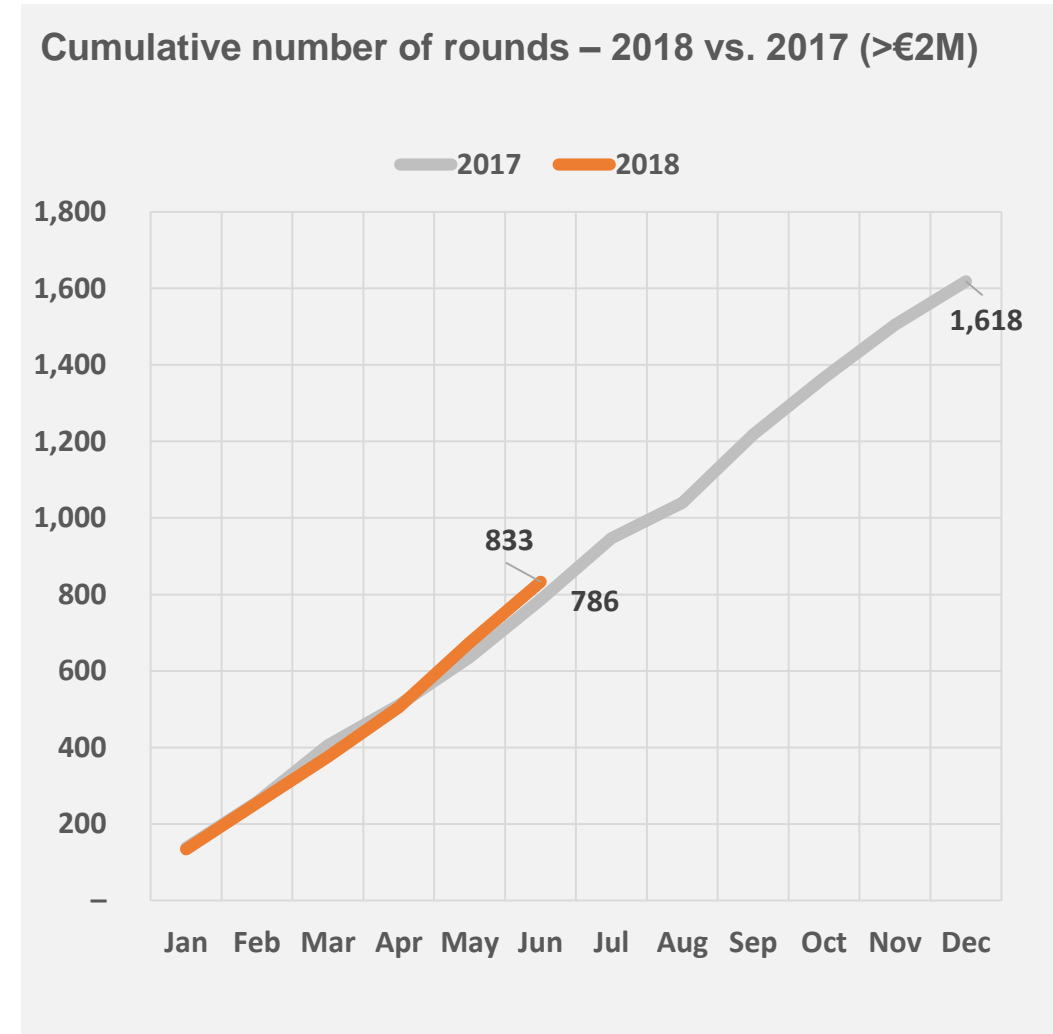
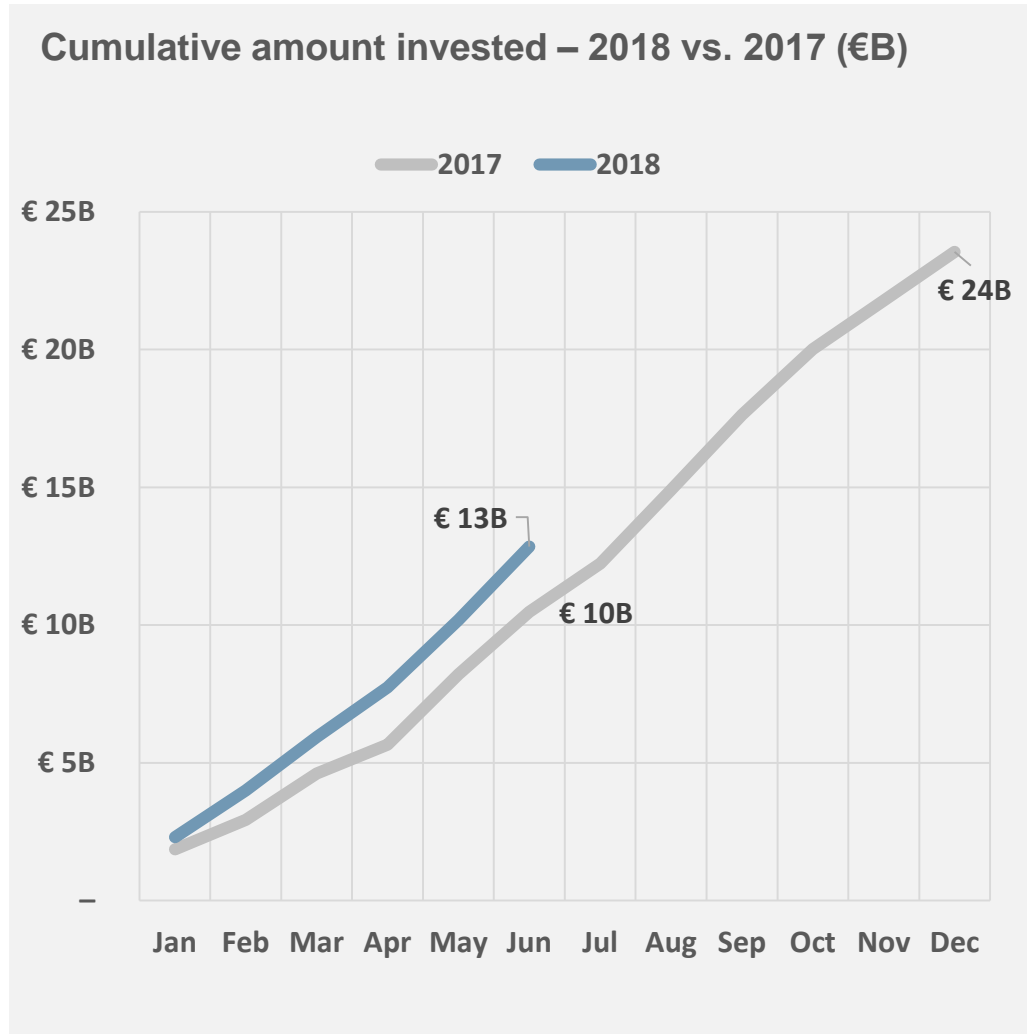
Investment in European & Israeli rounds VC rounds



Investment in European & Israeli rounds VC rounds

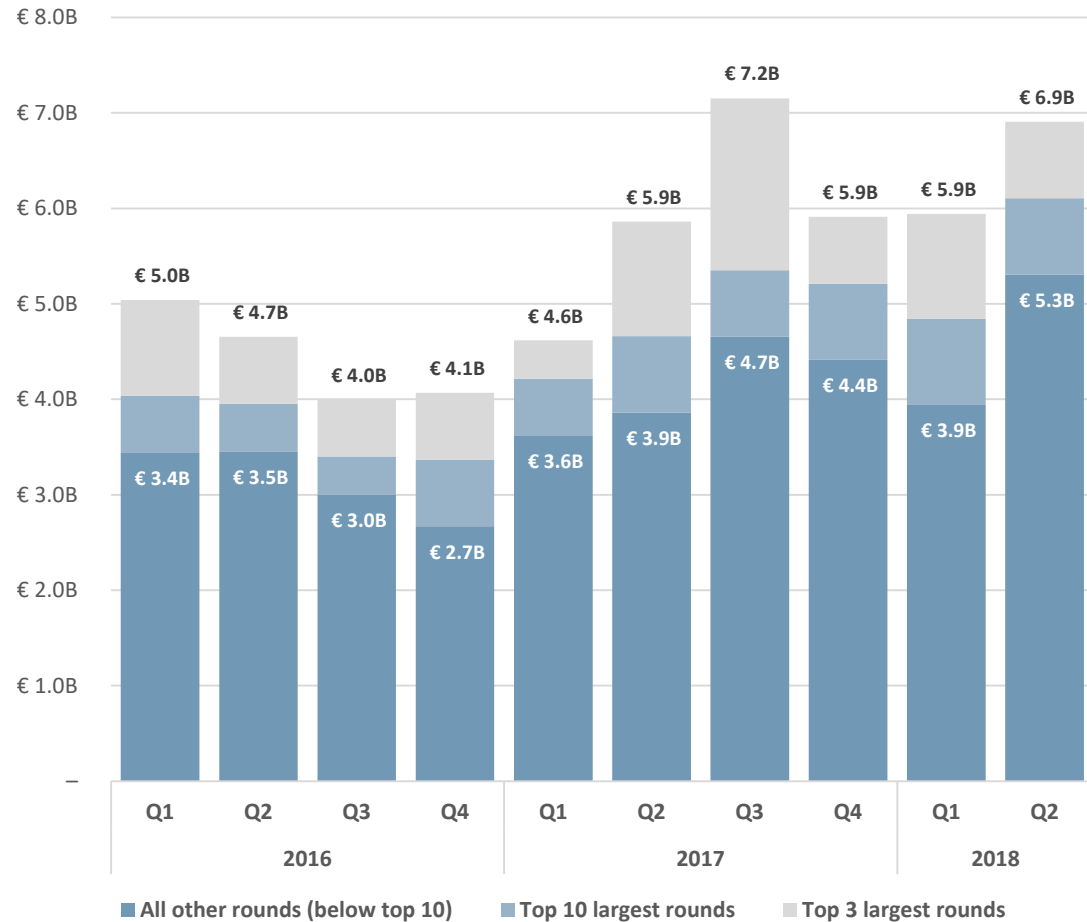


As a result, investment activity to date in 2018 is well ahead of 2017 (which was a record year itself)



When excluding the top three or top-10 largest rounds Q2 still reached an all-time investment record

Quarterly investment in European VC rounds



Top-10 Investment Rounds in Q2 2018	Location	Round
OutSystems Platform to build software applications with minimal coding	Portugal	\$ 360 m GROWTH EQUITY \$1.0B valuation
Revolut Platform to use and manage money around the world	United Kingdom	\$ 250 m SERIES C \$1.7B valuation
Voodoo Casual games developer for mobile	France	\$ 200 m GROWTH EQUITY
Taxify Leading ride-hailing app in Europe and Africa	Estonia	\$ 175 m LATE VC \$1.0B valuation
Nexteam Group Machining of complex & hard parts for aviation	France	€ 114m GROWTH EQUITY
Freeline Therapeutics Development and commercialisation of gene therapies for bleeding and other debilitating disorders	United Kingdom	\$ 116 m SERIES B
BenevolentAI Harnessing AI to enhance and accelerate scientific discovery	United Kingdom	\$ 115 m LATE VC \$2.1B valuation
HMD Global Owns the right to use the Nokia brand on phones	Finland	\$ 100 m LATE VC
CMR Surgical Surgical robotics company	United Kingdom	\$ 100 m SERIES B
Frontier Car Group Builds and runs marketplaces focused on emerging markets in the auto sector	Germany	\$ 89 m SERIES C

Increased investment across different types means the investor mix is relatively constant

Venture funds



Corporate



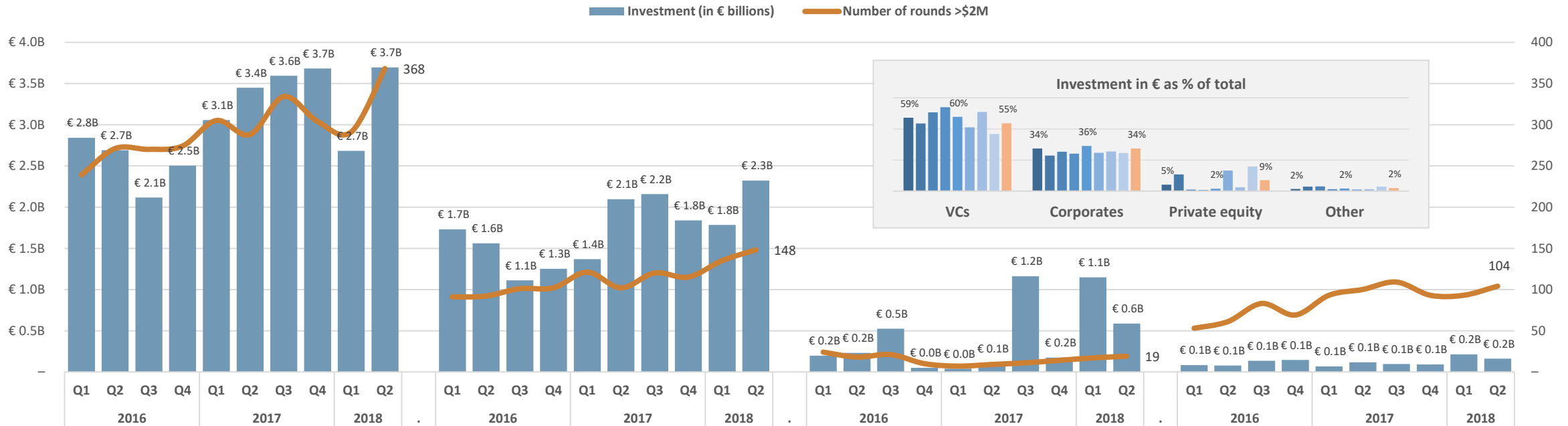
Private equity



Accelerators, angels, crowdfunding



Most active in 2018:



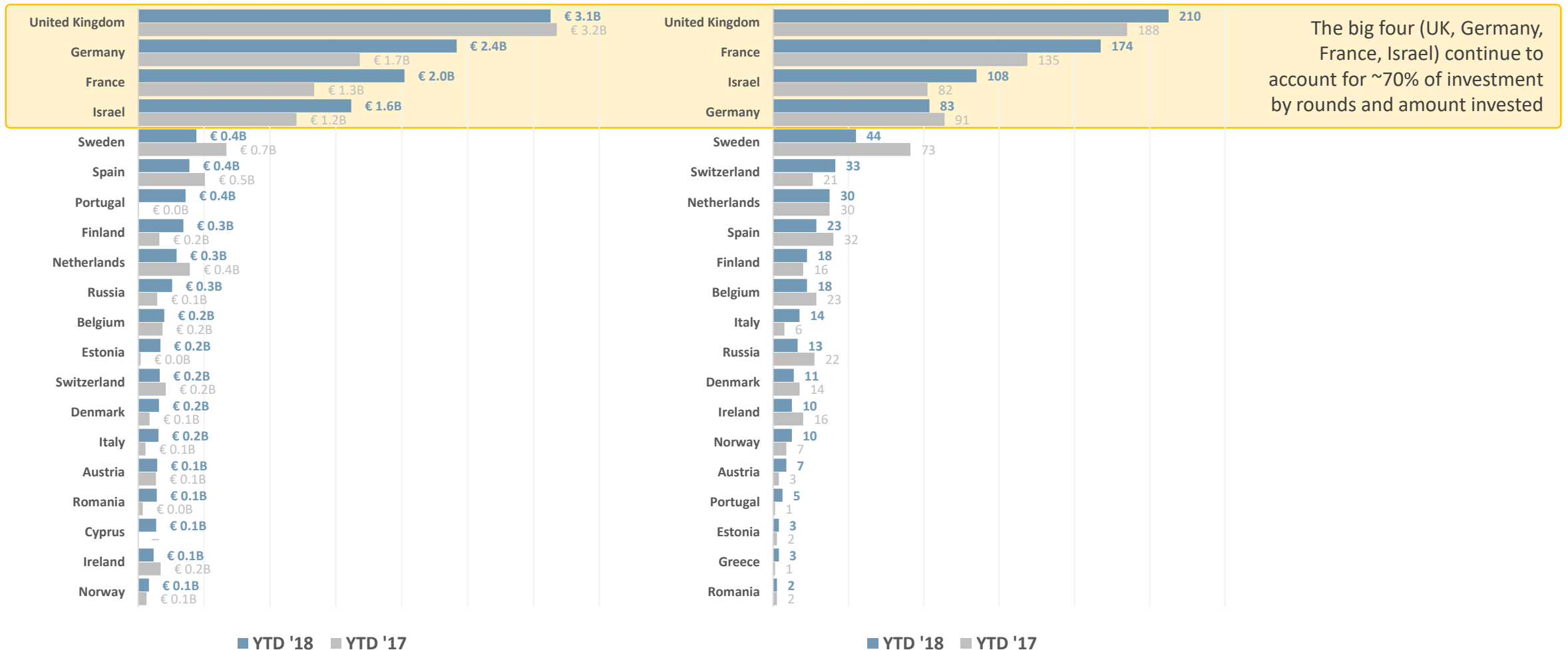
Contents

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The big four (UK, Germany, France, and Israel) continue to be highly active in 2018 to date

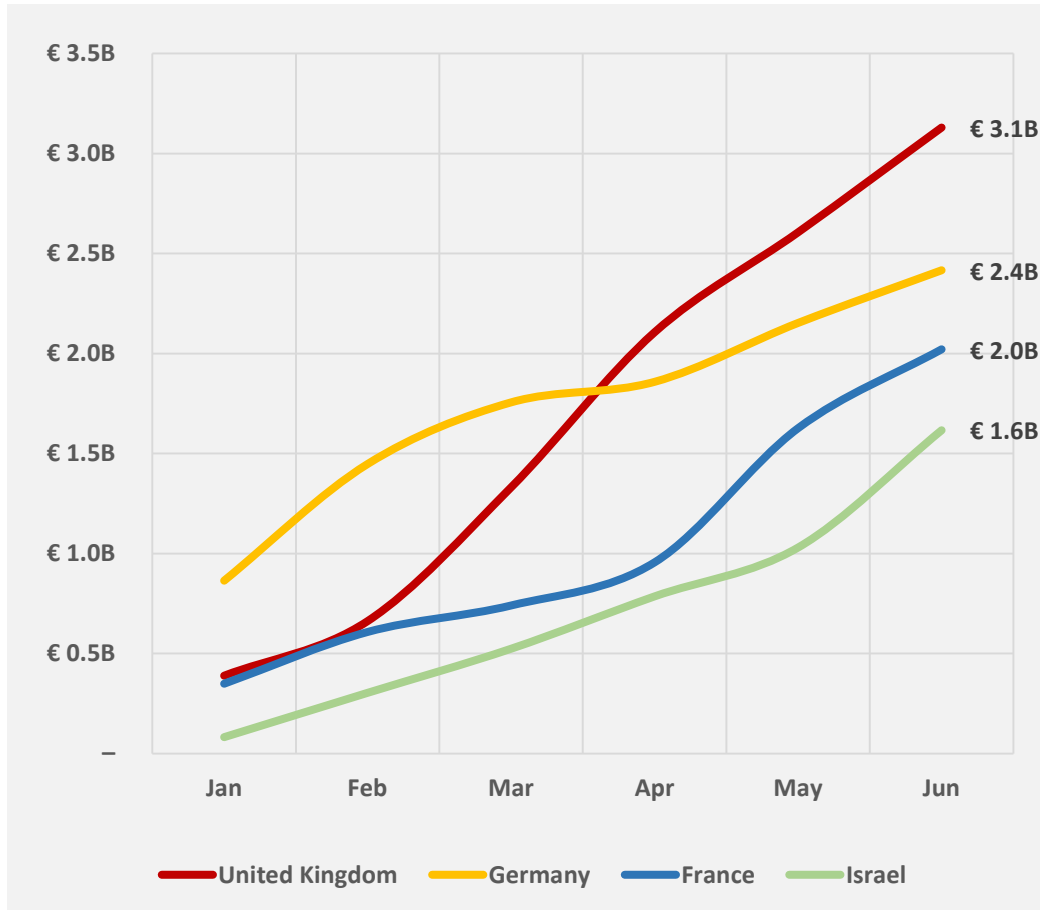
Investment by country (€B) Jan-June '18

Number of rounds (>\$2M size) Jan-June '18

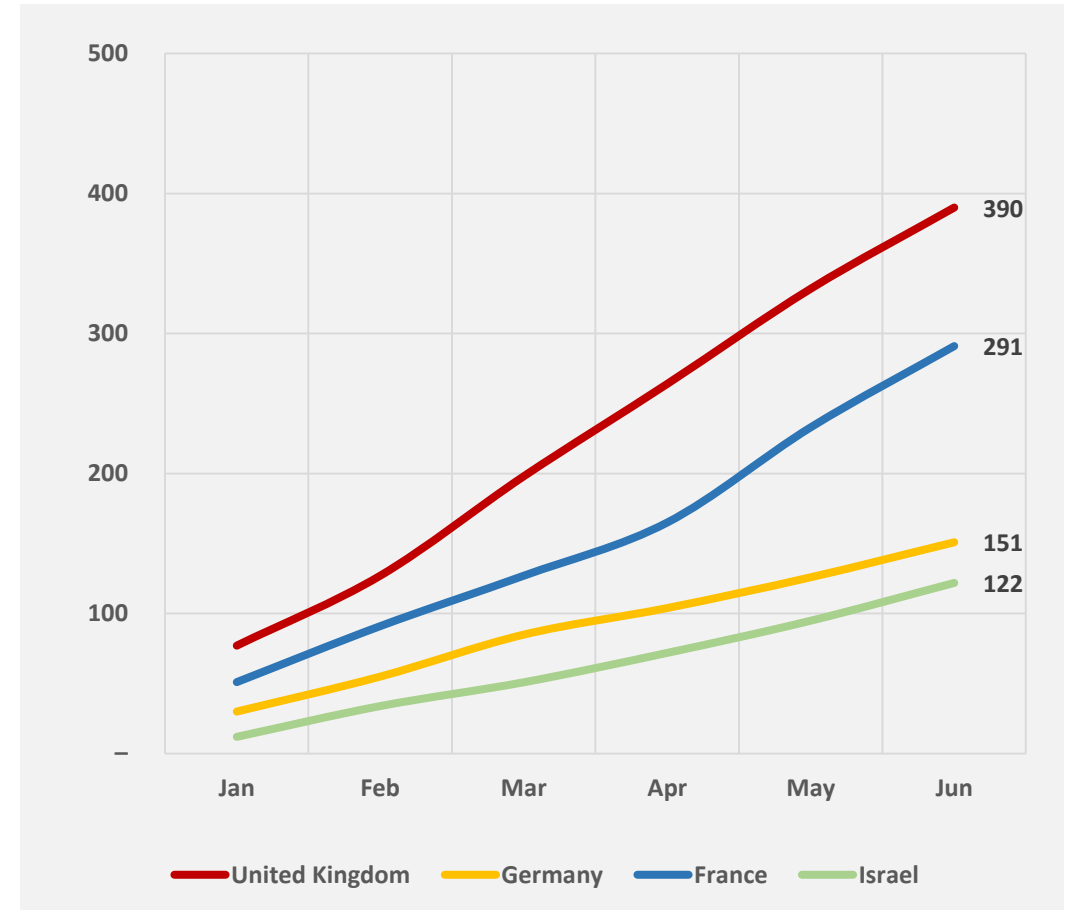


The United Kingdom leads, followed by Germany (by amount invested) and France (by number of rounds)

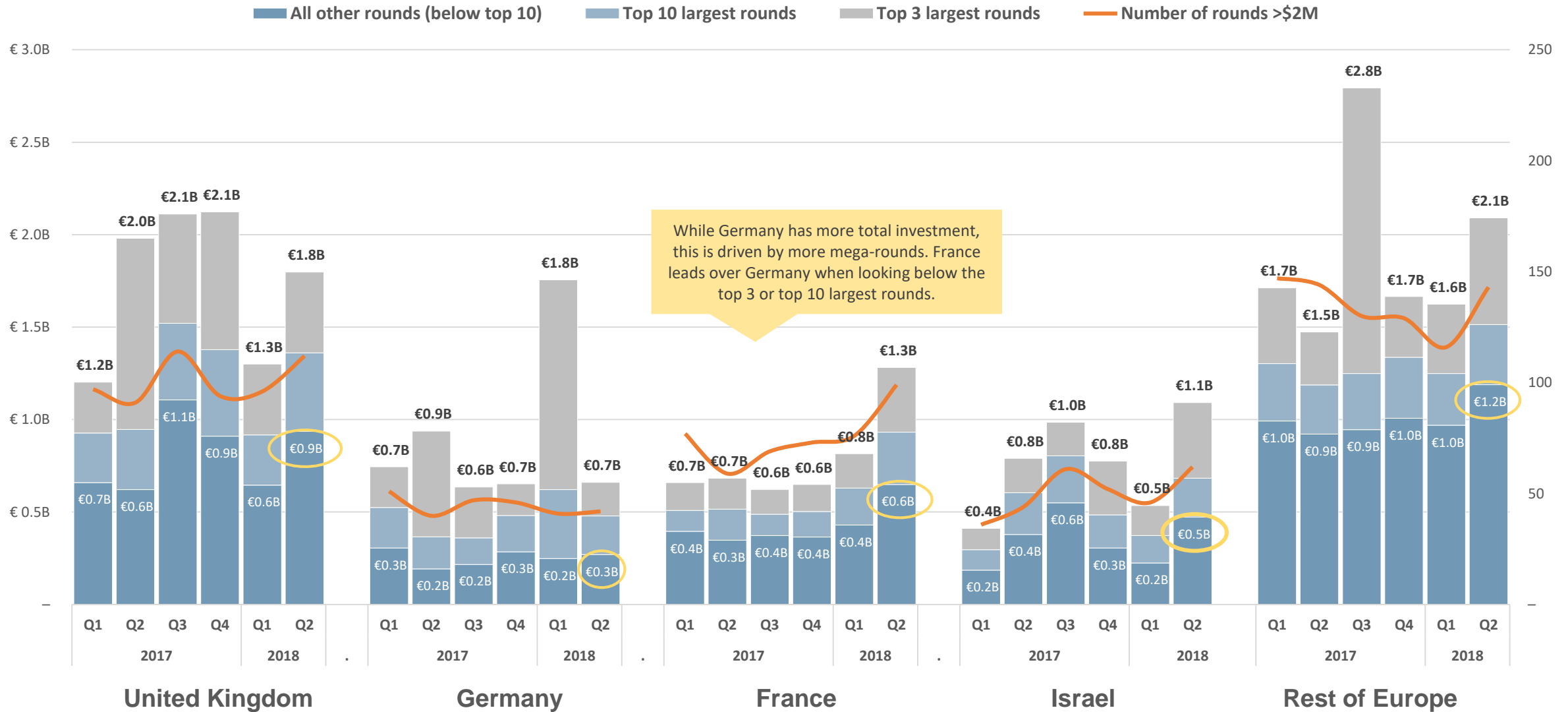
2018 cumulative amount invested by country



2018 cumulative number of rounds ⁽¹⁾

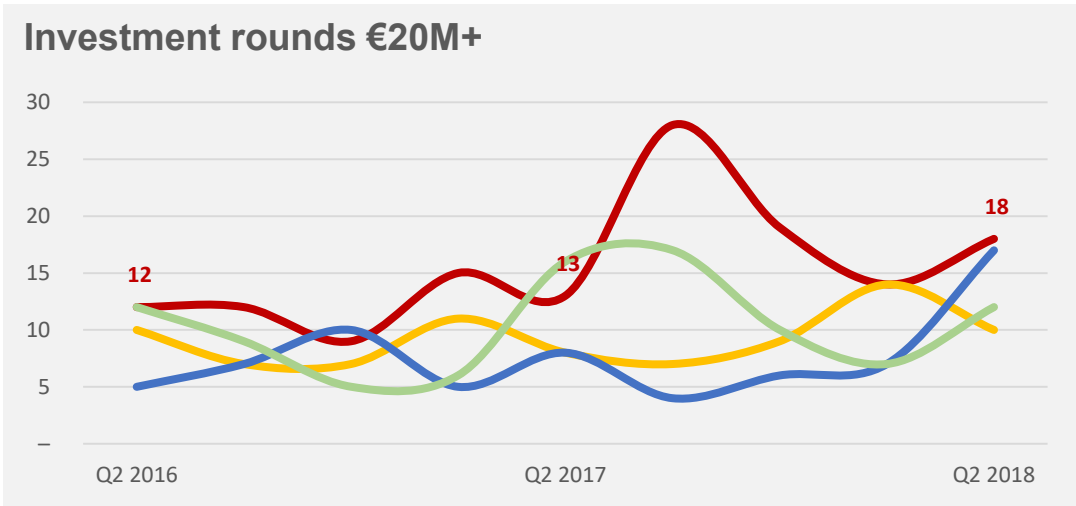
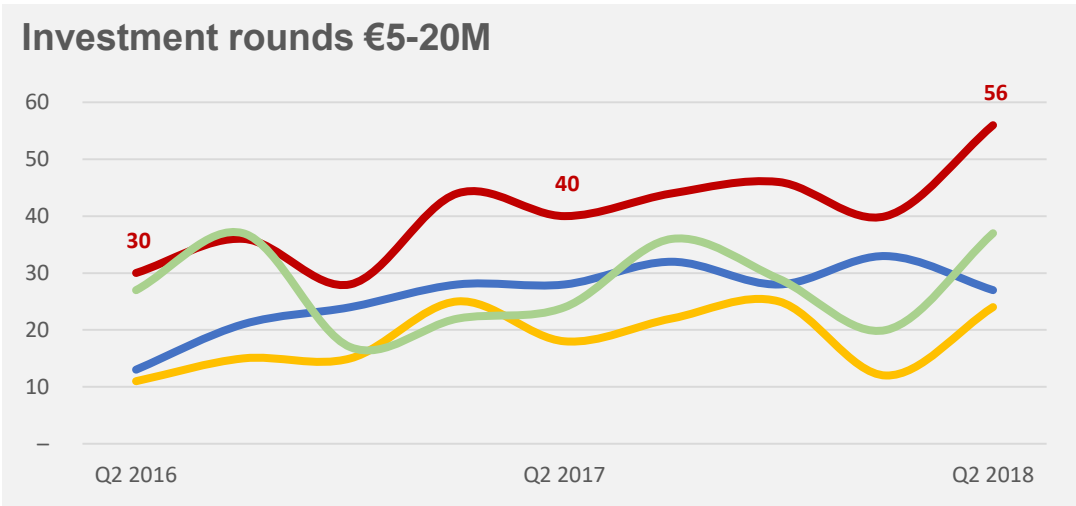
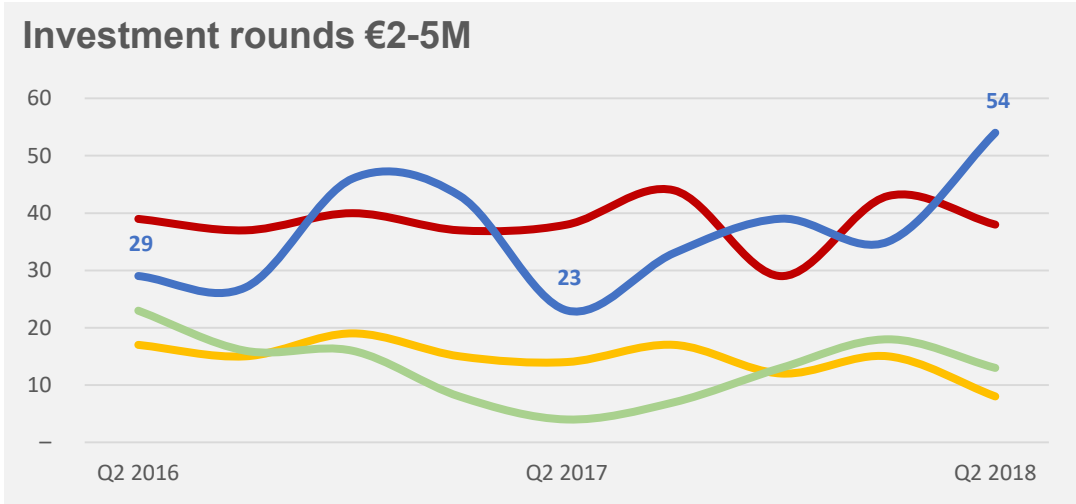
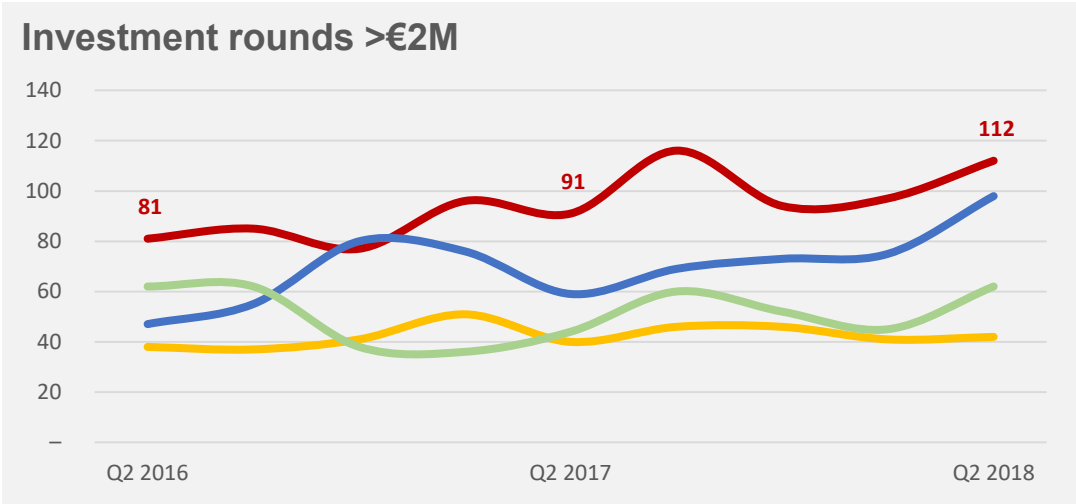


The impact of mega rounds is more significant in Germany than in the UK, France and Israel



Big four: the number of rounds by size category. The UK has the most rounds except €2-5M category

United Kingdom Germany France Israel



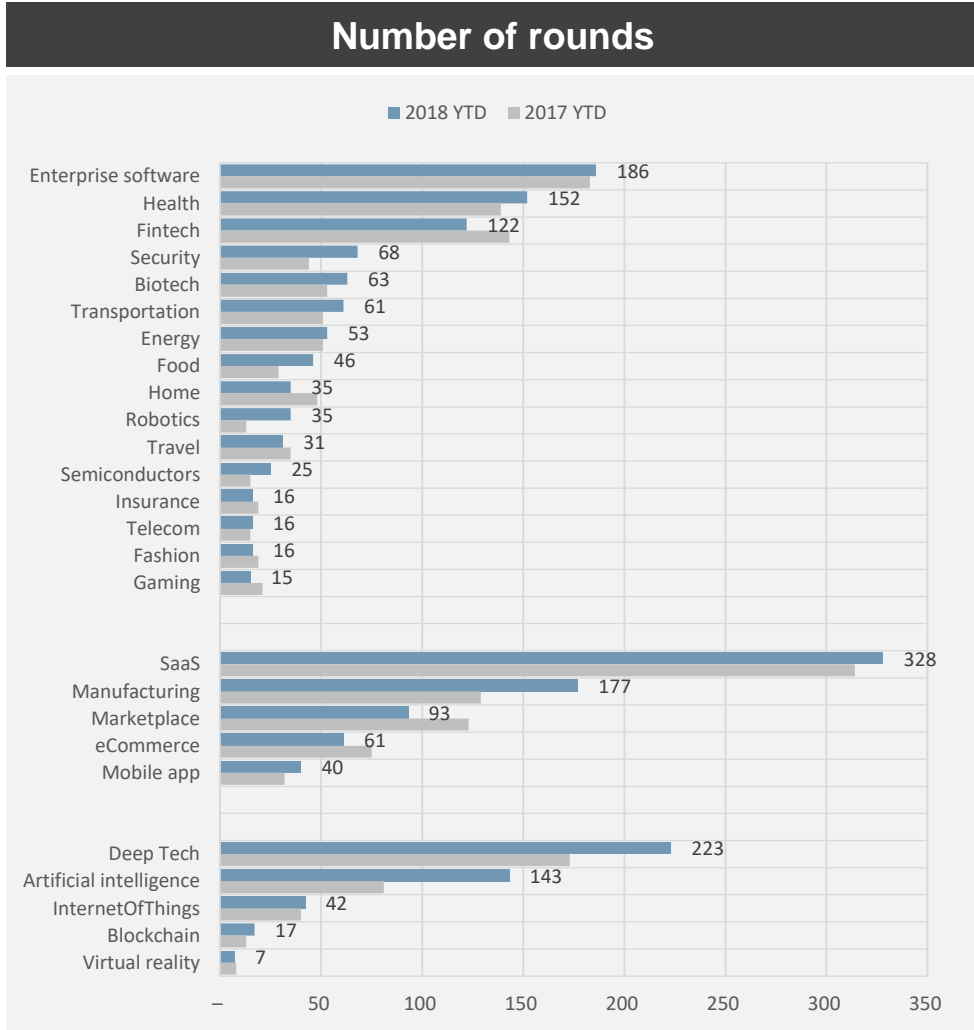
Contents

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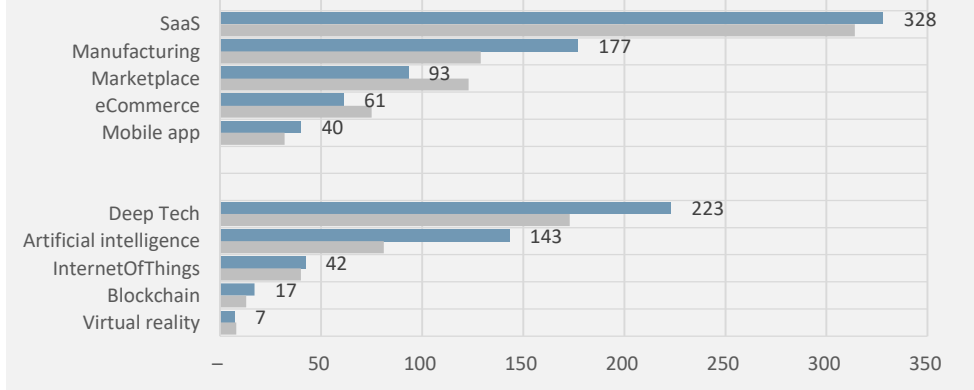
Health, fintech and enterprise software continue to be the most invested industries



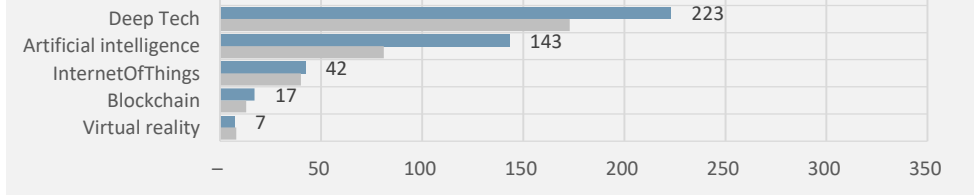
By industry vertical



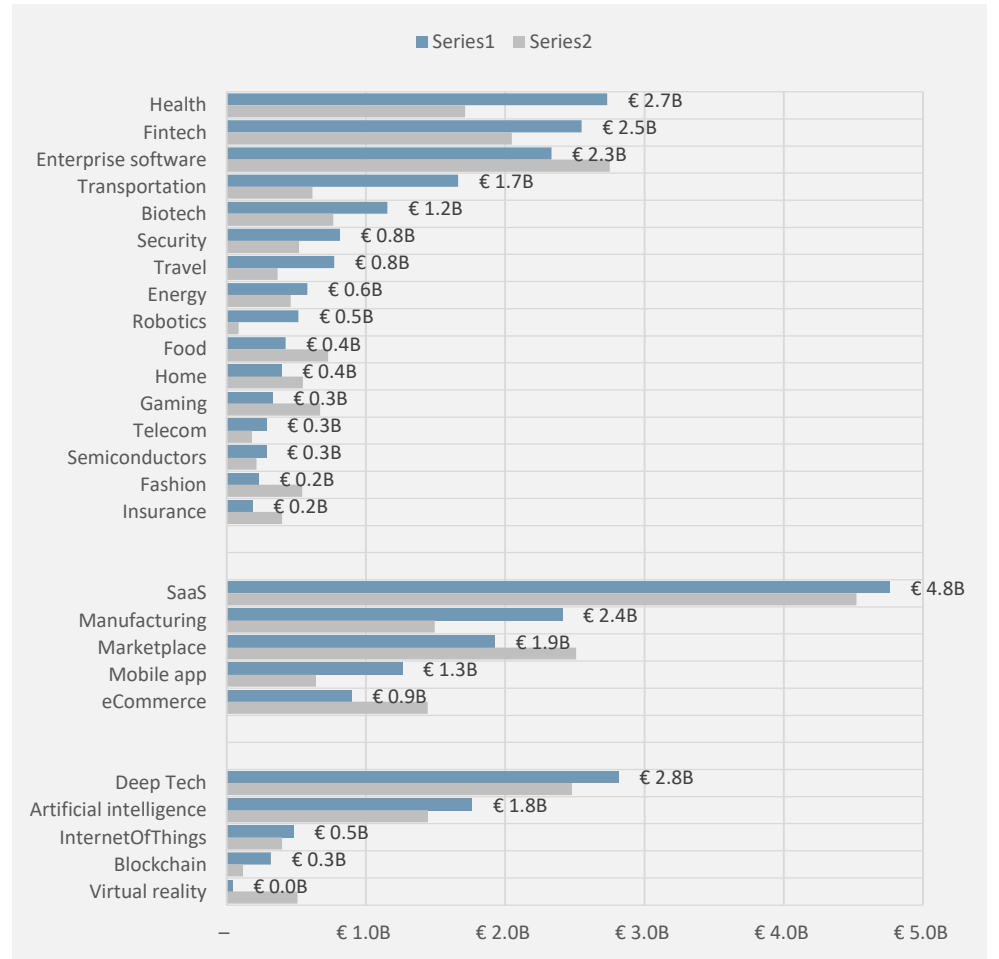
By business model



By keyword



Amount invested (€B)



Increased focus on deep tech related areas (robotics, AI, semiconductors) is noticeable in investment data



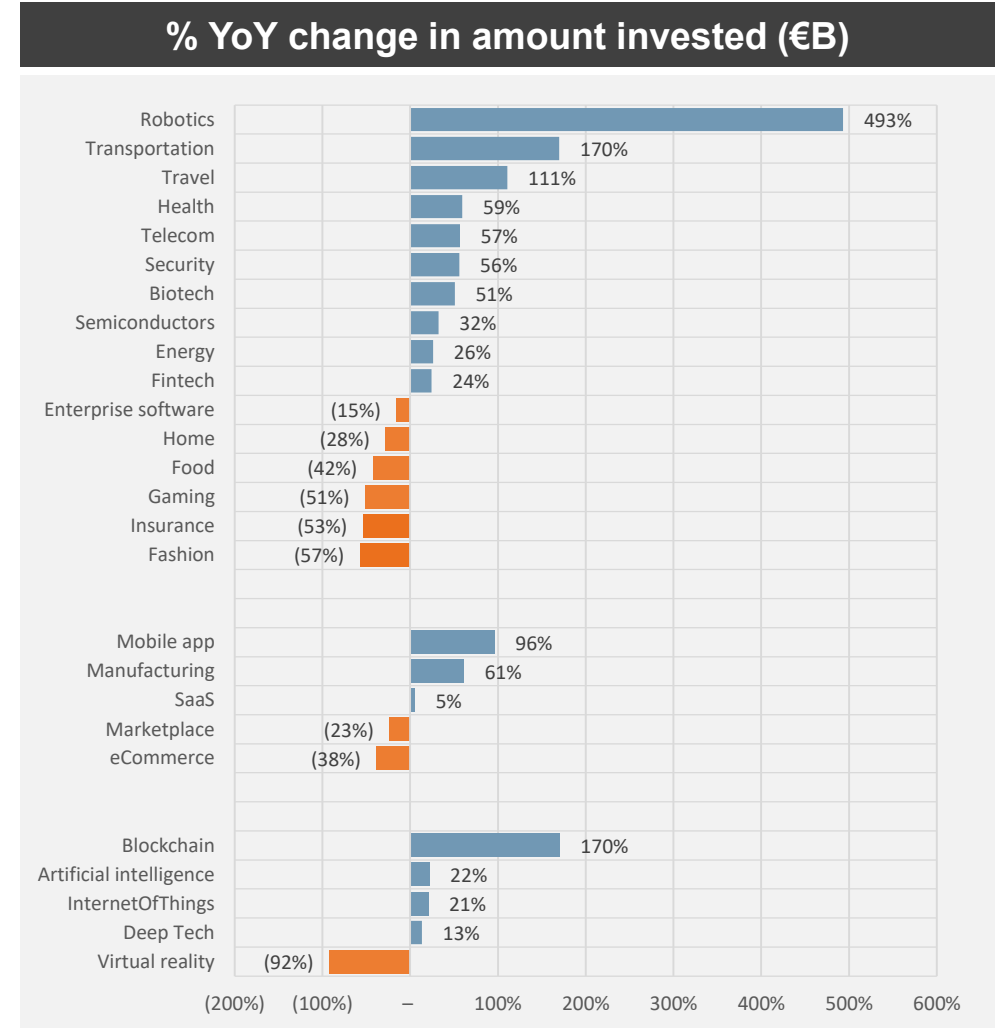
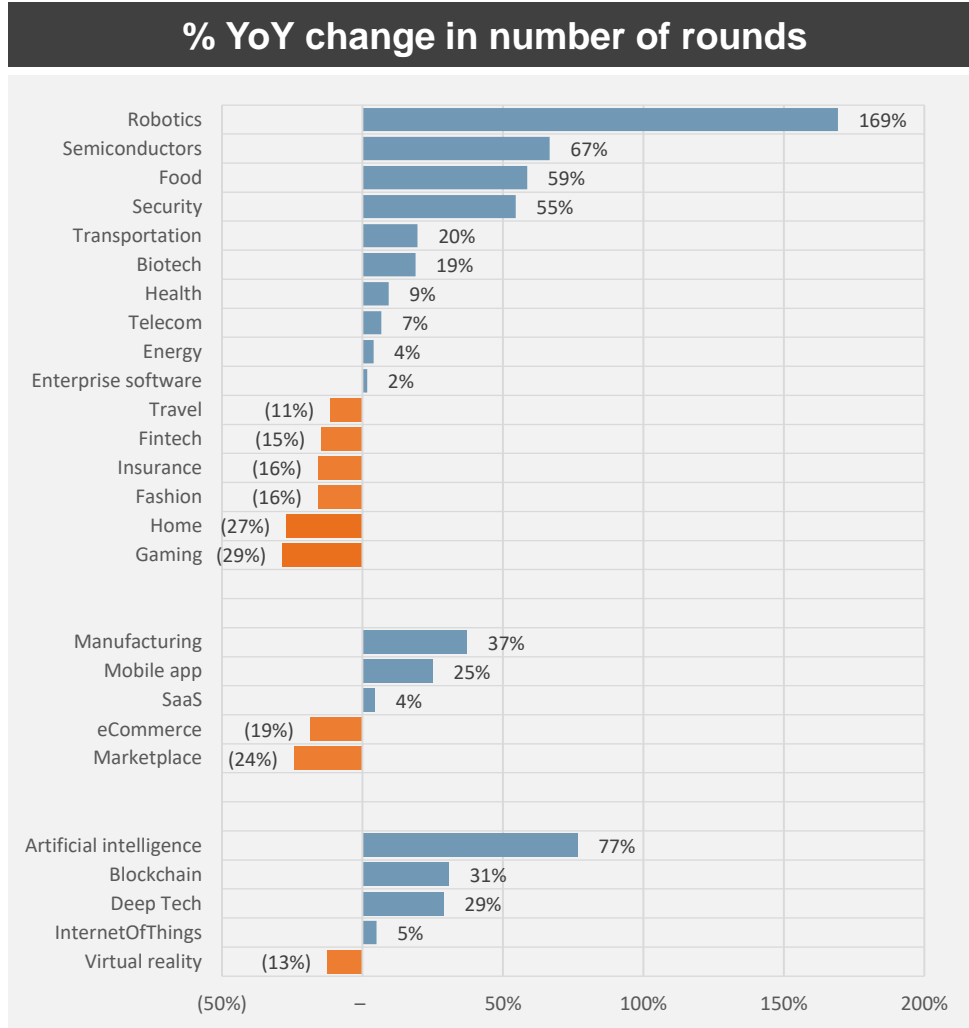
By industry vertical




By business model



By keyword



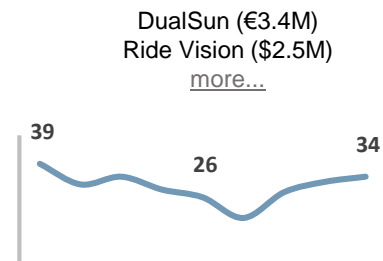
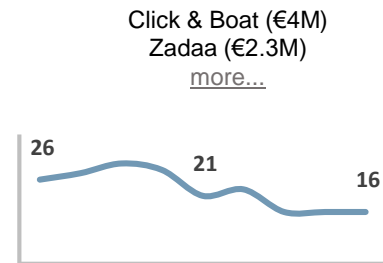
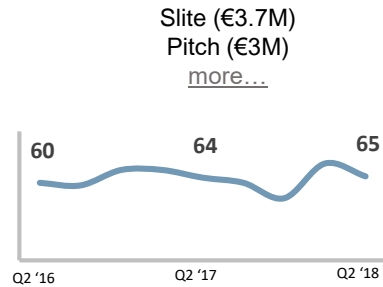
Quarterly investment trends by key business models


SaaS

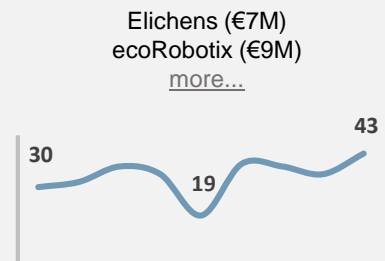
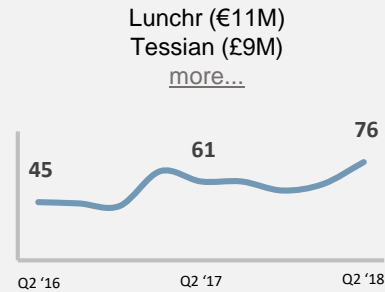

Marketplaces & eCommerce


Hardware & Manufacturing

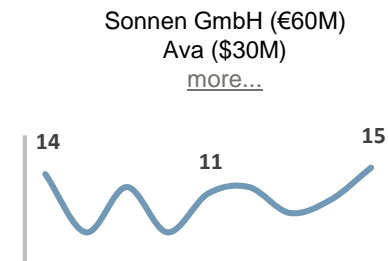
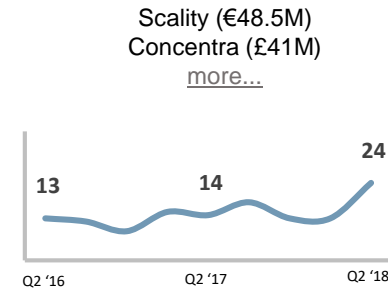
€2-5M rounds



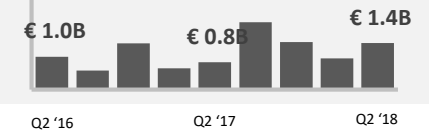
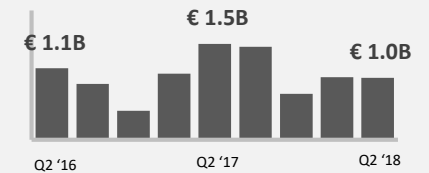
€5-20M rounds




€20M+ rounds





Total funding



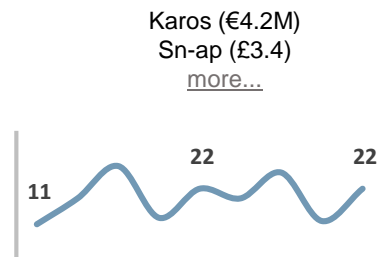
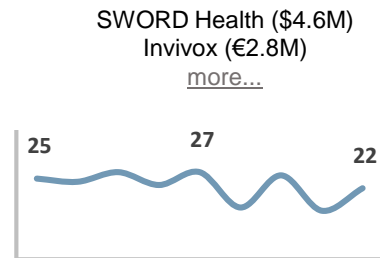
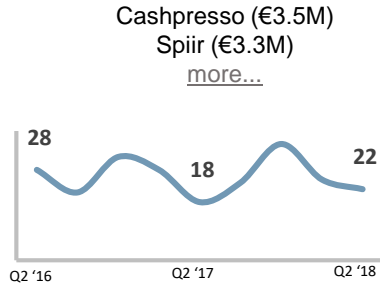
Quarterly investment trends by key industry verticals


Fintech

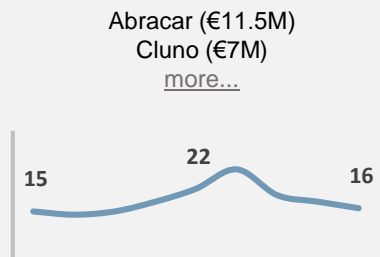
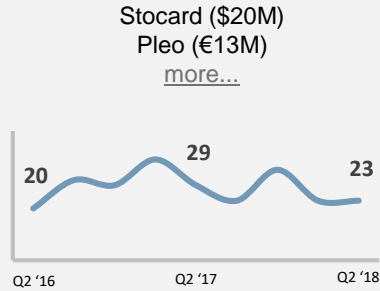

Health


Travel & Transportation

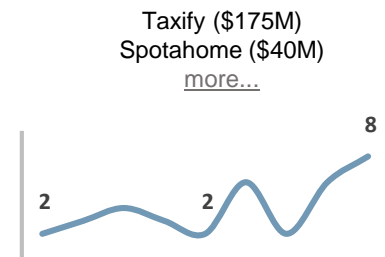
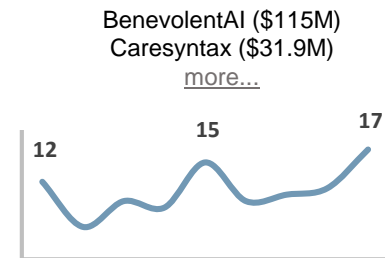
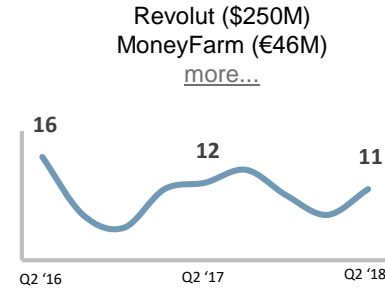
€2-5M rounds



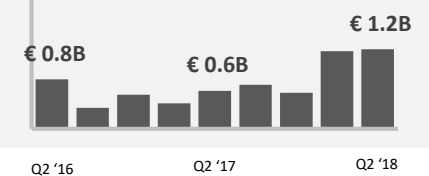
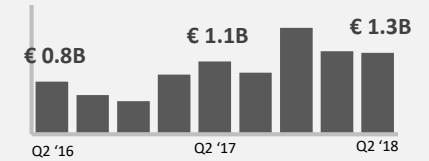
€5-20M rounds



€20M+ rounds



Total funding



Industry vertical investment heatmap

Number of rounds in 2018 to date by country

	United Kingdom	Germany	France	Israel	Sweden	Netherlands	Spain	Russia	Switzerland	Ireland
Industry vertical										
Fintech	83	20	27	17	15	7	14	2	6	4
Health	61	16	39	21	15	23	8	2	21	5
Enterprise software	83	37	65	26	8	16	22	7	8	6
Energy	26	9	26	6	7	20	1	–	9	3
Transportation	24	20	25	8	5	11	6	10	6	–
Security	23	3	8	40	4	3	5	1	3	1
Food	19	6	22	5	5	3	5	3	5	2
Biotech	21	3	14	8	2	5	3	–	12	–
Travel	18	9	9	1	–	5	10	1	–	–
Home	13	5	11	4	5	7	5	2	2	–
Insurance	15	7	4	2	2	2	–	–	–	–
Telecom	6	1	6	5	2	1	1	1	–	–
Fashion	7	5	5	–	8	3	5	3	1	1
Semiconductors	8	5	8	6	2	2	2	–	4	2
Robotics	9	2	12	6	–	5	1	4	6	–
Gaming	6	3	3	2	3	1	1	2	–	–
Business model										
SaaS	139	67	115	53	21	35	30	17	12	6
Manufacturing	74	18	57	33	19	57	11	3	30	7
Marketplace	50	31	36	5	10	11	17	6	5	–
eCommerce	21	16	20	7	16	6	4	5	3	2
Mobile app	16	2	10	6	6	4	7	6	4	–
Keywords										
Deep Tech	106	29	60	50	13	33	15	9	22	4
Artificial intelligence	72	15	31	34	8	15	9	7	6	1
InternetOfThings	10	13	18	18	4	3	2	1	4	–
Blockchain	15	2	1	4	1	4	–	3	4	1
Virtual reality	8	2	2	–	1	5	–	–	3	–
Total	394	153	296	127	85	123	83	47	67	22











Europe total

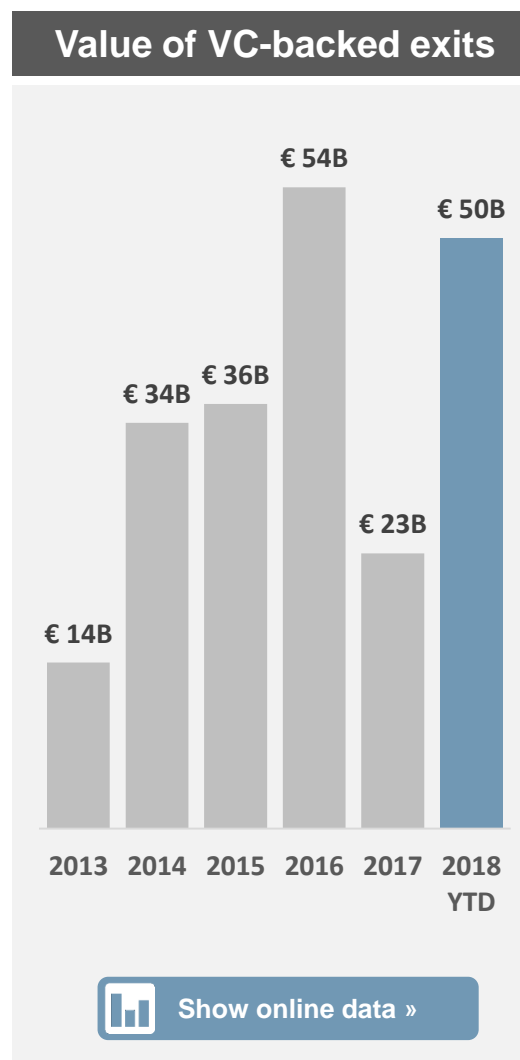
Number of rounds	% YoY growth	Investment (€B)	% YoY growth
122	(15%)	€ 2.5B	24%
152	9%	€ 2.7B	59%
186	2%	€ 2.3B	(15%)
53	4%	€ 0.6B	26%
61	20%	€ 1.7B	170%
68	55%	€ 0.8B	56%
46	59%	€ 0.4B	(42%)
63	19%	€ 1.2B	51%
31	(11%)	€ 0.8B	111%
35	(27%)	€ 0.4B	(28%)
16	(16%)	€ 0.2B	(53%)
16	7%	€ 0.3B	57%
16	(16%)	€ 0.2B	(57%)
25	67%	€ 0.3B	32%
35	169%	€ 0.5B	493%
15	(29%)	€ 0.3B	(51%)
328	4%	€ 4.8B	5%
177	37%	€ 2.4B	61%
93	(24%)	€ 1.9B	(23%)
61	(19%)	€ 0.9B	(38%)
40	25%	€ 1.3B	96%
223	29%	€ 2.8B	13%
143	77%	€ 1.8B	22%
42	5%	€ 0.5B	21%
17	31%	€ 0.3B	170%
7	(13%)	€ 0.0B	(92%)
833	6%	€ 12.8B	23%

Contents

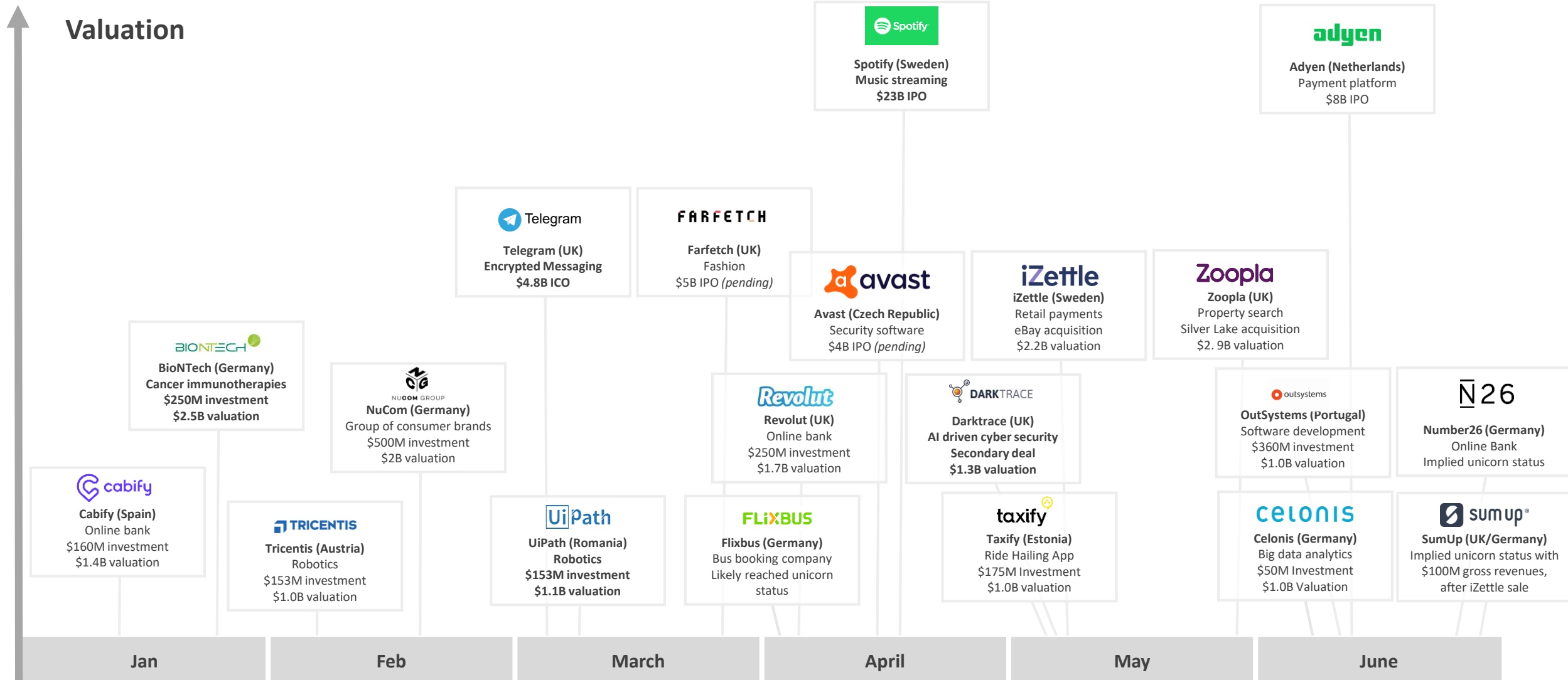
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2018 will be a record year for European VC-backed exits, with already €50 billion realised year to date

VC BACKED EXITS IN Q2 2018 exits ⁽¹⁾		ACQUIROR	SELLER	VC BACKED	INDUSTRY	LOCATION	ROUND
	Spotify Music streaming service		GP Bullhound Northzome more...	✓	Music	Sweden	\$ 27B IPO 2017 revenue of €4.2B
	Adyen Leading next generation global payments company		ICONIQ Capital Index Ventures more...	✓	Fintech	Netherlands	€ 7.1B IPO 2017 revenue of €1.0B
	Avast Software Cybersecurity products for businesses and consumers		CVC Capital Partners Summit Partners	✓	Cybersecurity	Czech Republic	£ 2.4B IPO
	Zoopla ⁽¹⁾ Property website for the British residential market	Silver Lake Partners	De-listing	✓ (prior to listing)	Real estate classified search	UK	£ 2.2B ACQUISITION 7x 2018E revenues 18x 2018E EBITDA
	iZettle Payment services and apps	Paypal	Zouk Capital Index Ventures 83North more...	✓	Fintech	Sweden	\$ 2.2B ACQUISITION 13x 2018E revenue of \$165M 11x 2019E revenue of \$200M
	Exclusive Group Innovative cybersecurity, networking and infrastructure technologies	Permira	Omnes Venture Capital more...	✓	Security	France	€ 1.3B BUYOUT 2017 revenue of €1.8B
	Gram Games Global mobile entertainment studio	Zynga	Hummingbird Ventures	✓	Gaming	Turkey	\$ 250M ACQUISITION
	Chargemaster Provider of electric vehicle charging solutions	BP Global	Beringea BMW i Ventures more...	✓	Energy	UK	£ 130M ACQUISITION
	Autolus A leader in cutting-edge T-cell therapies		Woodford Investment Management more...	✓	Health	UK	€ 130M IPO ACQUISITION
	Mitula Group Search engine for classified ads	Lifull Co	De-listing	✓	Marketing	Spain	\$ 118M ACQUISITION

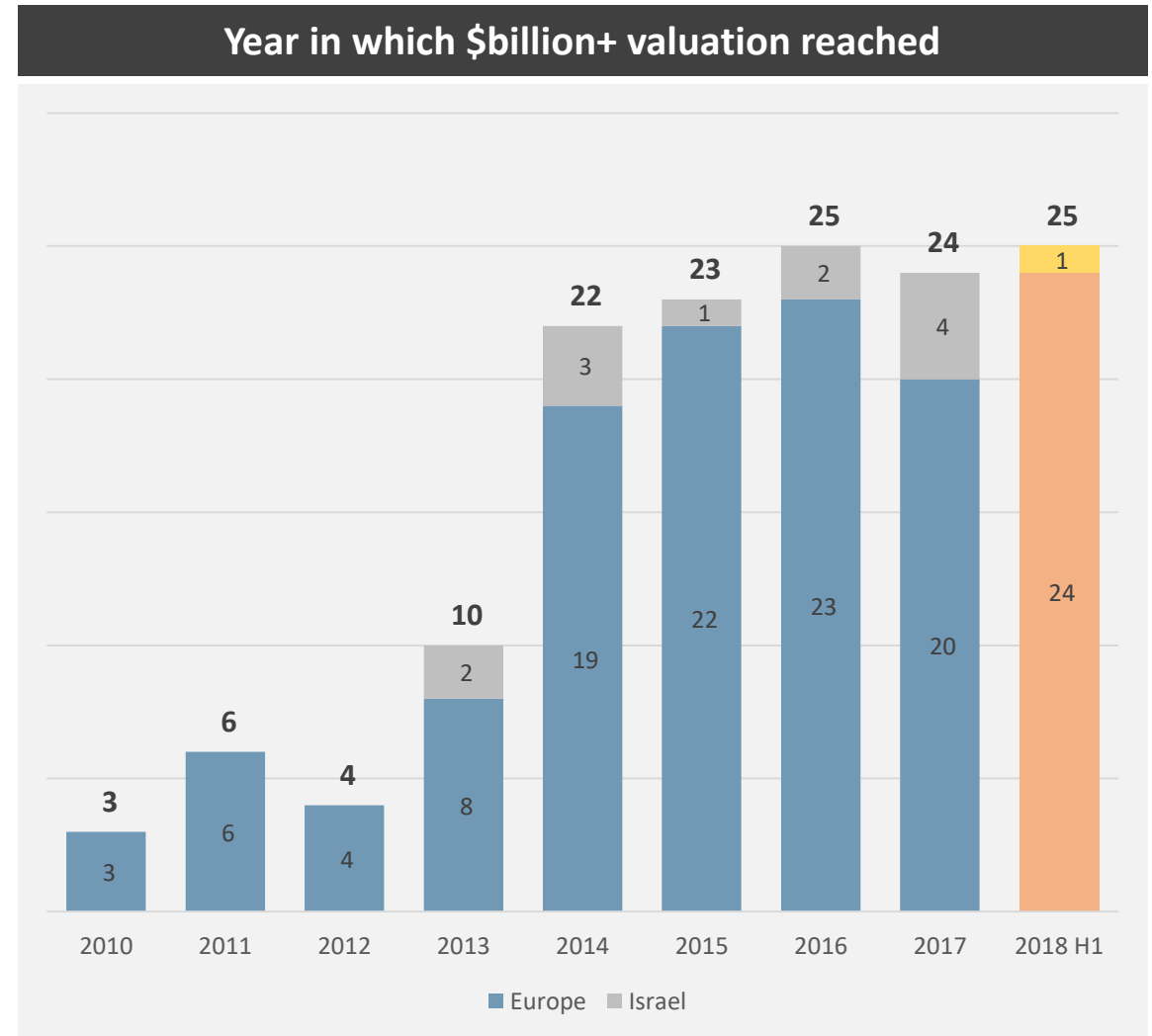


An extremely eventful 2018 so far: 18 new unicorns and the two largest-ever European VC exits



In the first six months of 2018, already 25 companies reached \$billion+ valuations, as many in any other full year

Company	Location	Founded	\$B+ reached	Valuation		VC Backed ⁽¹⁾	Unicorn ⁽³⁾
				EUR	USD		
#1 Telegram	Dubai ⁽²⁾	2013	2018	€ 4.4B	\$4.8B	v	v
#2 BioNTech	Germany	2008	2018	€ 2.3B	\$2.5B	v	v
#3 Revolut	United Kingdom	2014	2018	€ 1.5B	\$1.7B	v	v
#4 Cabify	Spain	2011	2018	€ 1.3B	\$1.4B	v	v
#5 Darktrace	United Kingdom	2013	2018	€ 1.2B	\$1.3B	v	v
#6 Intercom	US / Ireland	2011	2018	€ 1.1B	\$1.3B	v	v
#7 FlixBus	Germany	2011	2018	€ 1.0B	\$1.1B	v	v
#8 OVH	France	1999	2018	€ 1.0B	\$1.1B	v	v
#9 UiPath	Romania	2012	2018	€ 1.0B	\$1.1B	v	v
#10 Tradeshift	UK / United States	2009	2018	€ 1.0B	\$1.1B	v	v
#11 SumUp	UK / Germany	2011	2018	€ 0.9B	\$1.0B	v	v
#12 Celonis	Germany	2011	2018	€ 0.9B	\$1.0B	v	v
#13 OrCam	Israel	2010	2018	€ 0.9B	\$1.0B	v	v
#14 Tricentis	Austria	2008	2018	€ 0.9B	\$1.0B	v	v
#15 Taxify	Estonia	2013	2018	€ 0.9B	\$1.0B	v	v
#16 N26	Germany	2013	2018	€ 0.9B	\$1.0B	v	v
#17 OutSystems	Portugal	2001	2018	€ 0.9B	\$1.0B	v	v
#18 Speechmatics ⁽⁴⁾	United Kingdom	2009	2018	€ 3.5B	\$4.0B	v	v
#19 iZettle	Sweden	2010	2018	€ 2.0B	\$2.2B	v	
#20 NuCom Group	Germany	2018	2018	€ 1.8B	\$2.1B	v	
#21 Callcredit	United Kingdom	2000	2018	€ 1.6B	\$1.9B	v	
#22 Exclusive Group	France	2003	2018	€ 1.3B	\$1.5B	v	
#23 THQ Nordic	Austria	1999	2018	€ 1.0B	\$1.1B	v	
#24 On The Beach Holidays	United Kingdom	2004	2018	€ 0.9B	\$1.1B	v	
#25 Prexton therapeutics	Switzerland / NL	2012	2018	€ 0.9B	\$1.0B	v	

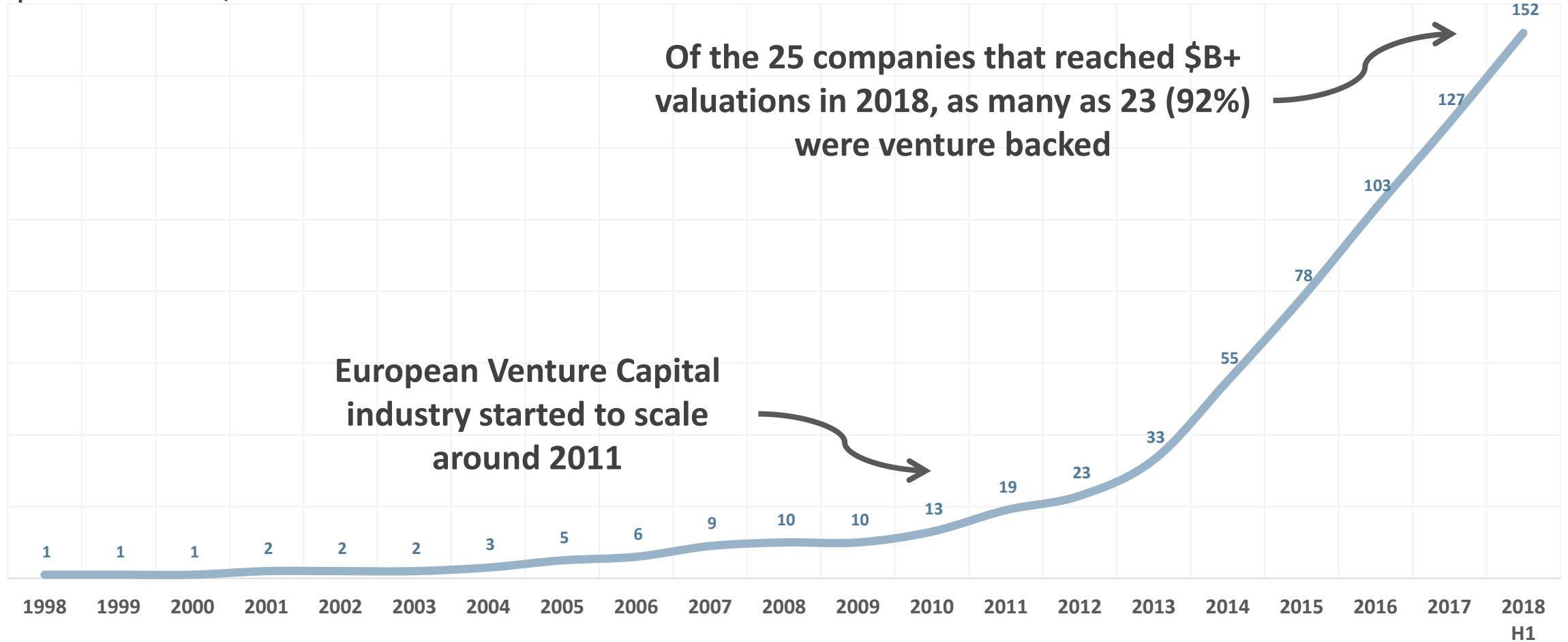


Source: Dealroom.co

1. VC backed here includes early funding from professional angel investors and late stage growth equity investment.
2. Telegram has Russian founders but has been based in London but has since moved to different jurisdictions.
3. Unicorn here means the startup is still private and not yet acquired.
4. Speechmatics based on GP Bullhound report.

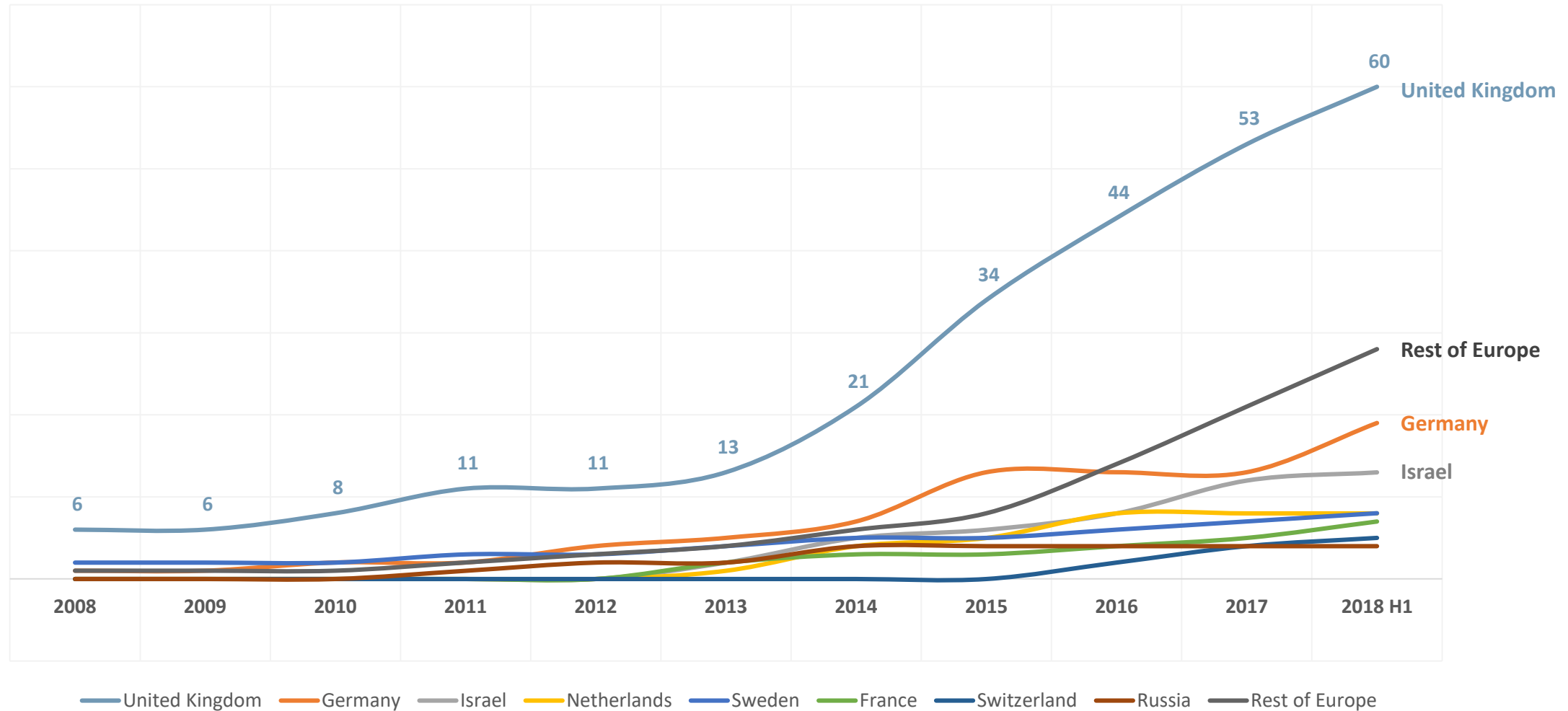
Since 1998, 152 companies in Europe & Israel reached \$billion+ valuations, of which 63% were venture backed

Companies valued over \$1 billion



The United Kingdom leads with 60 companies (42% of total), followed by Germany (13%) and Israel (9%)

Companies valued over \$1 billion





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A light gray world map is centered in the background, showing the outlines of continents and countries.

The global database to identify & track growth opportunities and innovative companies