

SEP MONITOR - June 2014 Mapping Spanish “Scaleups”

Abstract

The **Startup Europe Partnership** mapping & scouting database focuses on “**scaleups**” — European startups that have been able to break the “early-stage barrier” and are a candidate to become large global companies and real job creators.

This **SEP Monitor** includes the results of a preliminary analysis of the startup ecosystem in **Spain** and has a special focus on Spanish scaleups and exits. We mapped over 100 startups able to raise \$0.5M+ (of which 18 received more than \$5M, and 5 more than \$50M). We also reported approximately 30 exits (including one substantial IPO) with a clear pattern of growth. E-Commerce, Software, Hospitality Mobile, and Gaming are the fields that account for the large majority of Spanish scaleups.

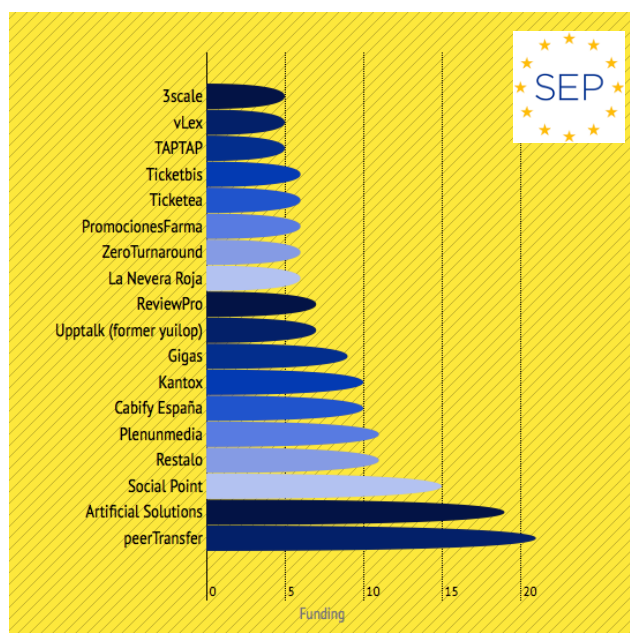
SEP Monitor is based on ongoing online resource and datamining; results and findings are preliminary.

Mapping Spanish “Scaleups” - SEP Headlines

Over 100 startups in Spain broke the early stage level in the last 3 years. 20+ companies raised more than \$5M

- The SEP Monitor identified over 100 Spanish scaleups that received relevant funding (>\$0.5M in capital raised, post seed) in the past three years.
 - Approximately 64% of identified companies raised between \$0.5M – \$2.5M while 13% received between \$2.5M and \$5M.
 - 18% of scaleups were backed by funding between \$5M and \$50M in the past three years.
 - 5% of the identified companies raised more than \$50M.
- The most notable Spanish scaleup is [Privalia](#).
 - Privalia raised in total \$250.8M. Founded in 2006, it is a private club offering flash sales of products from leading brands at special prices exclusively to its members.
- Other promising Spanish scaleups are [Social Point](#), [Kantox](#), [Ticketea](#) and [Jobandtalent](#).
 - Since its creation in 2008, Barcelona-based social games developer Social Point raised in total \$14.7M. The initial Series A investor [Nauta Capital](#) (\$3.4M in 2011) was joined in Series B by [IDInvest Partners](#) and [BBVA](#) (\$7.4M in 2012). Social Point

Figure 1: Spanish Scaleups that raised between \$5M - \$50M (2011-14)

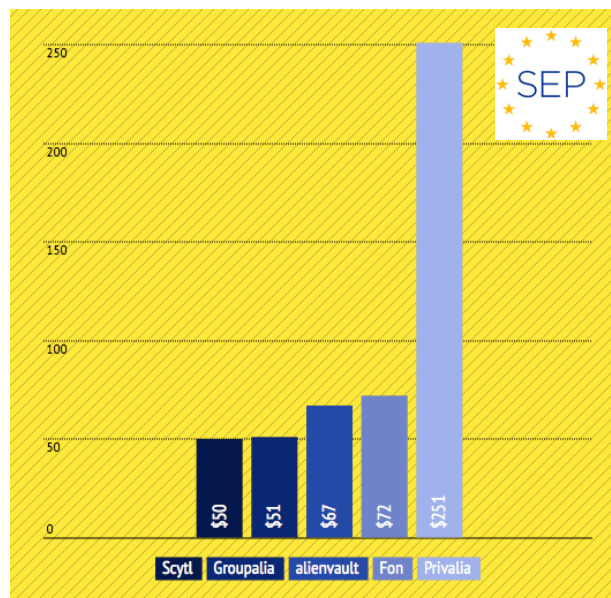


Source: Startup Europe Partnership (SEP) Monitor – June 2014
*Preliminary Data

was also backed by [Greylock Partners](#) (\$3.9M) in 2013. The company is behind the successful Facebook game [Social Empires](#) plus 25 other social games.

- Founded in 2011, Kantox, a peer-to-peer foreign currency exchange for businesses, raised €6.5M in Series A in February this year. The round was led by [Partech Ventures](#) and IDInvest Partners, with the participation of existing investor Cabiedes. It is based in UK (headquarter) and in Barcelona.
- Madrid-based Ticketea, the leading ticketing platform in Spain, has raised \$4M in a Series B round of funding in May 2013. The investment is being led by newly established Spanish VC [Seaya Ventures](#). Prior to that, Ticketea received \$1.5M in Series A and \$280K in seed funding. Meanwhile the company claims to have shifted \$26M worth of tickets through its platform since launch in 2010, issuing more than 1.5 million tickets and managing over 31,000 events in over 10 Spanish-speaking countries.
- Founded in 2009, Jobandtalent, the London and Madrid-based recruitment platform that matches jobs to candidates through an innovative linguistics-based algorithm, received €3.3M funding in 2013 from a group of leading Spanish investors (including Kibo, Félix Ruiz – co-founder of 15 million-user strong [Tuenti.com](#), known as the ‘Spanish Facebook’, in which [Telefónica](#) purchased an 85% stake for €70 million in 2010). Jobandtalent previously secured approx. 1.5M in seed/angel financing.

Figure 2: Spanish Scaleups that raised > \$50M (2011-14)

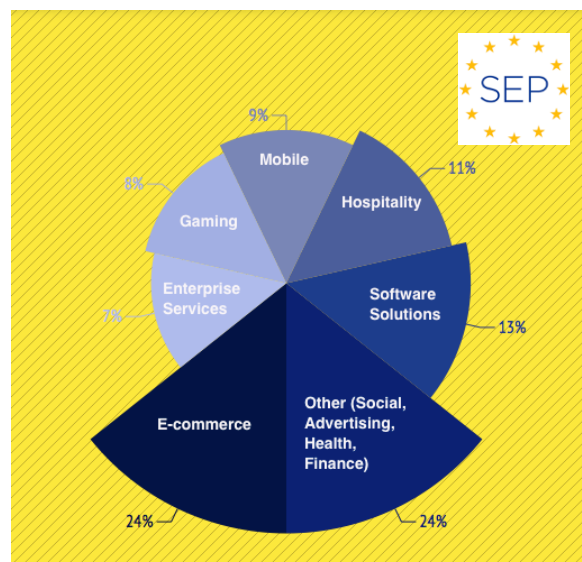


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E-Commerce drives the scale-up of the Spanish startup ecosystem

- E-Commerce is the most relevant sector in Spain.
 - E-Commerce accounts for 24% of all mapped scaleups.
 - The Software Solution sector attracts about 13% of companies, followed by Hospitality (11%), Mobile (9%), and Gaming (8%).
 - The E-commerce category includes mainly E-shops and Discount webs. The Hospitality category is represented mainly by hotel or flight booking sites.

Figure 3: Spanish Scaleups by Category

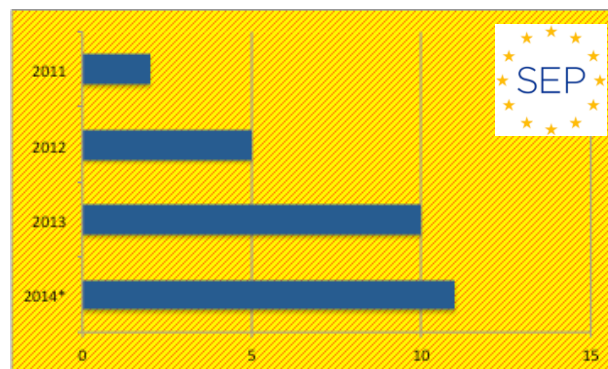


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Nearly 30 exits (including one substantial IPO) reported since 2011. Mostly domestic and European buyers, only 30% were acquired by US companies.

- The SEP Monitor identified nearly 30 exits in the period 2011-2014. The value of the deals remains mostly undisclosed (18 out of 29).
- The largest acquisitions with disclosed deal size were [Arsys](#) (2013) and [Milanuncios](#) (2014).
 - Arsys was acquired by German-based [United Internet](#) for approximately €140M in cash. The company employs 290 people and is one of the leading players in Spain's webhosting and cloud computing market with over 150,000 customers and annual sales of around €40M.
 - The online classifieds company Milanuncios was acquired by Oslo headquartered [Schibsted](#) for around €100M (€50M in cash + €50M in paper). Founded in 2005, it became the most popular classifieds website in Spain. They reported to have reached over 40M million visits without external funding.
- [eDreams Odigeo](#)'s IPO (\$1.5B) in April 2014 was the first listing of a Spanish company on the Madrid stock market since the country emerged from recession.
 - Founded in 2000 by Javier Perez-Tenessa with venture capital firms from Europe and the United States, eDreams Odigeo is one of the biggest online travel companies in the world, which operates travel brands such as as Opodo, Go Voyages, eDreams, Travellink and Liligo. It has a presence in 42 countries with more than 14M customers, employs over 1,500 people and reports revenues of €428M and Ebitda of €84M (March 2014).
- The number of exits has been growing steadily in recent years. In 2013 the number of identified Spanish exits doubled (from 5 to 10) compared to the prior year, while 10 acquisitions and one substantial IPO have been reported in 2014 to date.
- SEP Monitor shows that nearly 60% of the Spanish acquisition deals in the period 2011-14 have been accomplished by Europe-based buyers, which were represented mainly by domestic and UK companies. 30% of the Spanish acquisitions were completed by US companies.

Figure 4: Spanish Exits per Year (2011-14)



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About Startup Europe Partnership (SEP)

Established by the European Commission in January 2014, **SEP** is dedicated to transforming European startups into scaleups able to break the early-stage barriers to growth and development by linking them with global corporations in a pan-European entrepreneurial ecosystem. SEP's goal is to accelerate early-stage companies to become global players and real job creators. By participating in the SEP program, global companies can help this process via business partnerships and strategic and venture corporate investments, providing them with access to the best technologies and talents through procurement of services or products, corporate acquisition or "acqui-hiring."

Under the umbrella of the EU Startup Europe initiative, SEP is the first open platform dedicated to support the growth and sustainability of European startups able to compete and raise funds internationally. It is one of the six actions for web entrepreneurs defined in the Commission Communication, "Entrepreneurship 2020 Action Plan" (European Commission, January 2012), and conceived to realize recommendations included in the Startup Manifesto.

Promoted by the European Commission, SEP is led by [Mind the Bridge Foundation](#), a non-profit foundation based in Italy and United States, with the support of Nesta (the UK's innovation foundation), and The Factory campus for startups and mature tech companies in Berlin. Partners include Telefónica, Orange, BBVA (Founding), and Telecom Italia (SEP Corporate Member), with the institutional support of the European Investment Fund/European Investment Bank Group, Cambridge University, IE Business School and Alexander von Humboldt Institute for Internet and Society. Startup Europe Partnership (SEP) is a Startup Europe initiative. For more info:

<http://startupeuropepartnership.eu> | @sep_eu

About SEP Monitor

SEP Monitor is realized by Startup Europe Partnership (SEP) in collaboration with PEDAL Consulting and Ud'Anet. SEP Monitor is based on the Startup Europe Partnership mapping & scouting database that focuses on scaleups. SEP categorizes high-tech companies as indicated below:

Startup: <\$0.5M/1M funding raised in the last three-year period or bootstrapped companies with revenue in this range.

Scaleup: \$0.5M/1M - \$100M funding raised in the last three-year period or bootstrapped companies with revenue in this range.

Scaler: >\$100M funding raised in the last three-year period or bootstrapped companies with revenue in this range.

Sources of information include the SEP database, portfolios of VC companies, corporate venture units, business angels, accelerators and active seed and early stage funds, crowdfunding platforms, tech competitions, and other relevant channels.

Research is ongoing and results/reported in the SEP Monitor are preliminary and cannot be considered as final. Startup Europe Partnership (SEP) welcomes everybody in the European startup ecosystem to contribute to the research by providing data and indicating cases of scaleup companies and exits to be monitored (contact info: info@startupeuropepartnership.eu).

SEP Corporate Members



SEP is a Startup Europe Initiative

