

SEP MONITOR - May 2014 Mapping European “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.

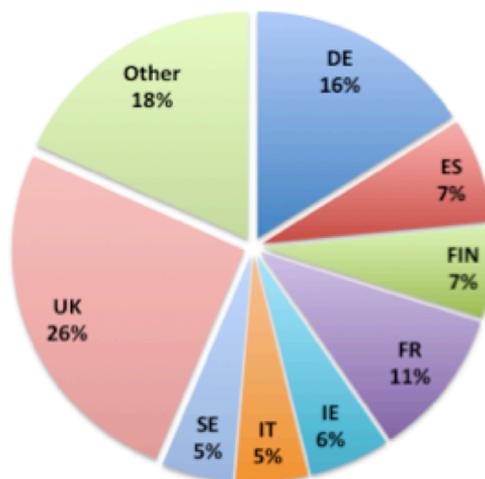
Over one thousand European startups raised more than \$1M funding in the last three years. The vast majority are based in UK (26%), followed by Germany (16%) and France (11%). From 2010 the number of scaleups have increased all over Europe, thanks to a stronger presence of European venture capital and early stage funds.

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

Mapping the European “Scaleups” - SEP Headlines

- There are more than one thousand European startups that have secured an investment of more than \$1M growth funding in the last three-year period.
- In the same period, the market has witnessed a steep rise of multiple, European scaleups. For example: the food-ordering portal [Delivery Hero](#), encompassing over 55K restaurants in 14 countries. Founded in September 2010, it has raised over \$306M in 8 rounds. Another recently founded successful company is Stockholm-based [iZettle](#), which secured over \$102M in three rounds to grow its mobile payment business.
- Not surprisingly, the most prolific startup ecosystem is in the United Kingdom, which accounts for more than one quarter of the mapped scaleups, followed by Germany representing over 15%.
- The most active Venture Capital investors are also predominantly based in these two countries (e.g. Balderton Capital, Index Ventures, DFJ Esprit and Earlybird). Finland’s 7% share is remarkable, considering the size of the economy. Eastern European startups have generally much smaller initial funding, even though there are some exceptions like the Hungary-based [Prezi](#) or Lithuania-based [Vinted](#).

Figure 1: European Scaleups by Country (>\$1M in funding, 2011-14)



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

Figure 2: European Scaleups by Year of Foundation

Year of Foundation	< 2005	2005-9	2010-14
% of Companies raising \$1M+ in 2011-14	6%	37%	57%

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

- The 57% of actively fundraising startups (over \$1M in 2011-14) have been founded after 2010. This suggests a positive evolution for the European ecosystem in which startups are able to get a significant amount of growth capital in their early stages of development.
- One of the trends observed is that a significant amount of successful startups transfer their headquarters from Europe to United States. Although some companies maintain their R&D centers in Europe (such as [Prezi](#) in Hungary and [Funambol](#) in Italy).

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).

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A Startup Europe Initiative

