

Start-up-Barometer Europe

March 2019

Design of the study



Peter Lennartz

Head EY Start-up-Initiative

Germany Switzerland Austria

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft



Friedrichstraße 140
10117 Berlin



+49 30 25471 20631



peter.lennartz@de.ey.com

-
- ▶ The EY Start-up Barometer has been published since 2014 and every six months since 2015.
 - ▶ Sources: Press releases from start-ups or investors, press coverage, VentureSource
 - ▶ The present study is largely limited to start-ups that are not older than eight years, with the exception of companies whose founding year is unknown or which continue to be regarded as start-ups despite a higher age in the public perception.
 - ▶ All currency translations based on average exchange rates against the euro in the first or second half of 2018, depending on the closing date of the financing round

Investment boom: Number and total volume of deals increase strongly again in 2018



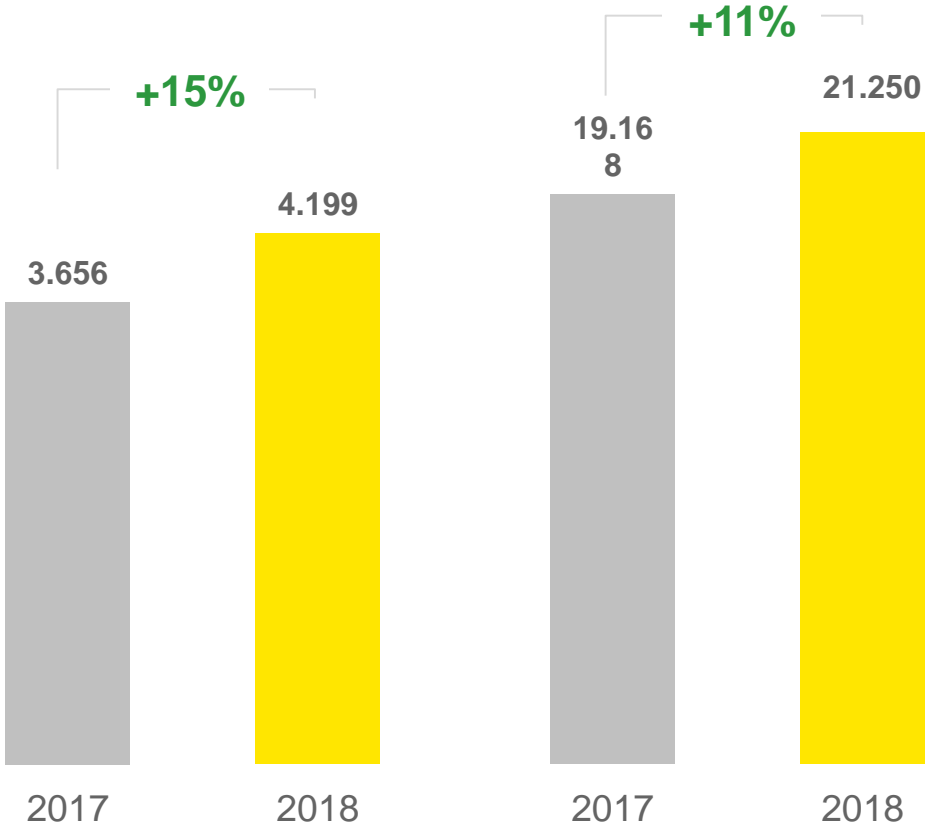
Investments in European Start-ups

Number

Amount in EUR million

Number and Amount of financing rounds in Europe

- ▶ Both the number and value of investments in European start-ups reached a new record level in 2018.
- ▶ The number of financing rounds in Europe increased by 543 or 15 percent in 2018 compared with the previous year.
- ▶ The total value of this financing increase by almost 2.1 billion euros or 11 percent to over 21 billion euros.



European start-up scene shows again record investments for the seconde half of year

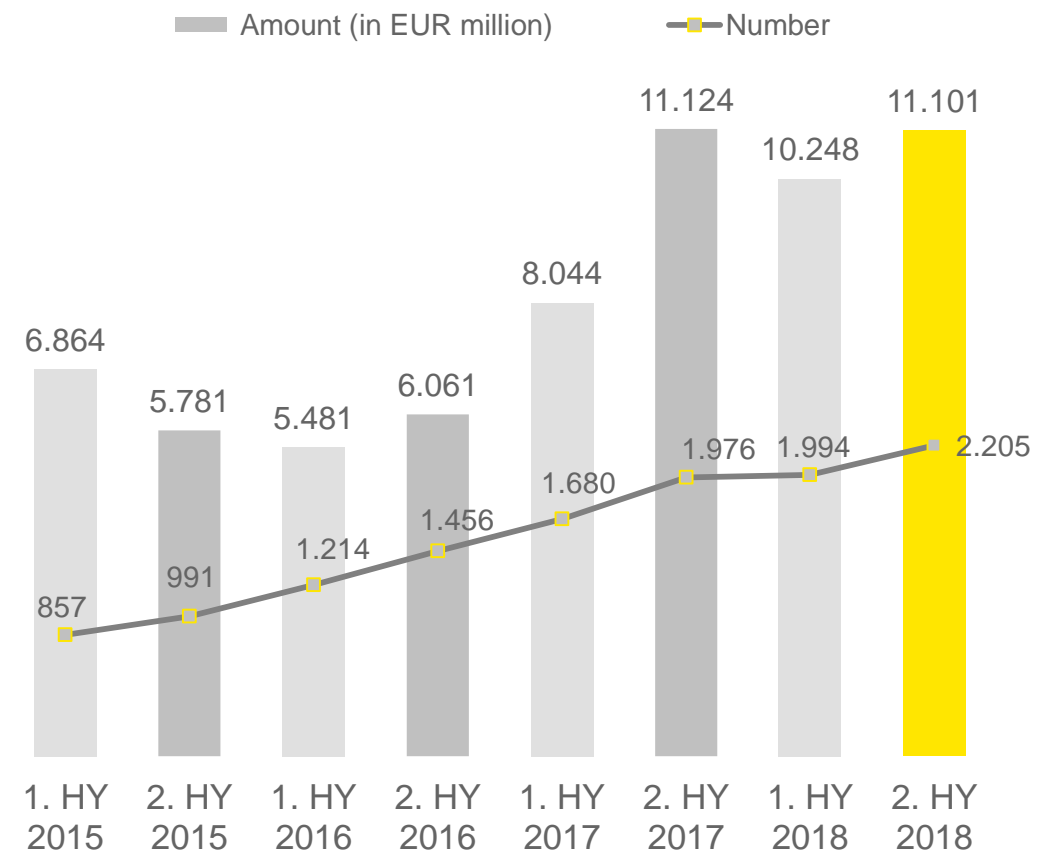


Investments in European Start-ups, 2015 to 2018

Number and Amount (in EUR million)

Number and Amount of financing rounds in Europe per half year

- ▶ In the second half of 2018, 2,205 financing rounds were recorded across Europe, which is more than in any half-year examined so far.
- ▶ The total financing volume in the second half of 2018 amounted to around 11.1 billion euros, almost reaching the record level of the second half of 2017.



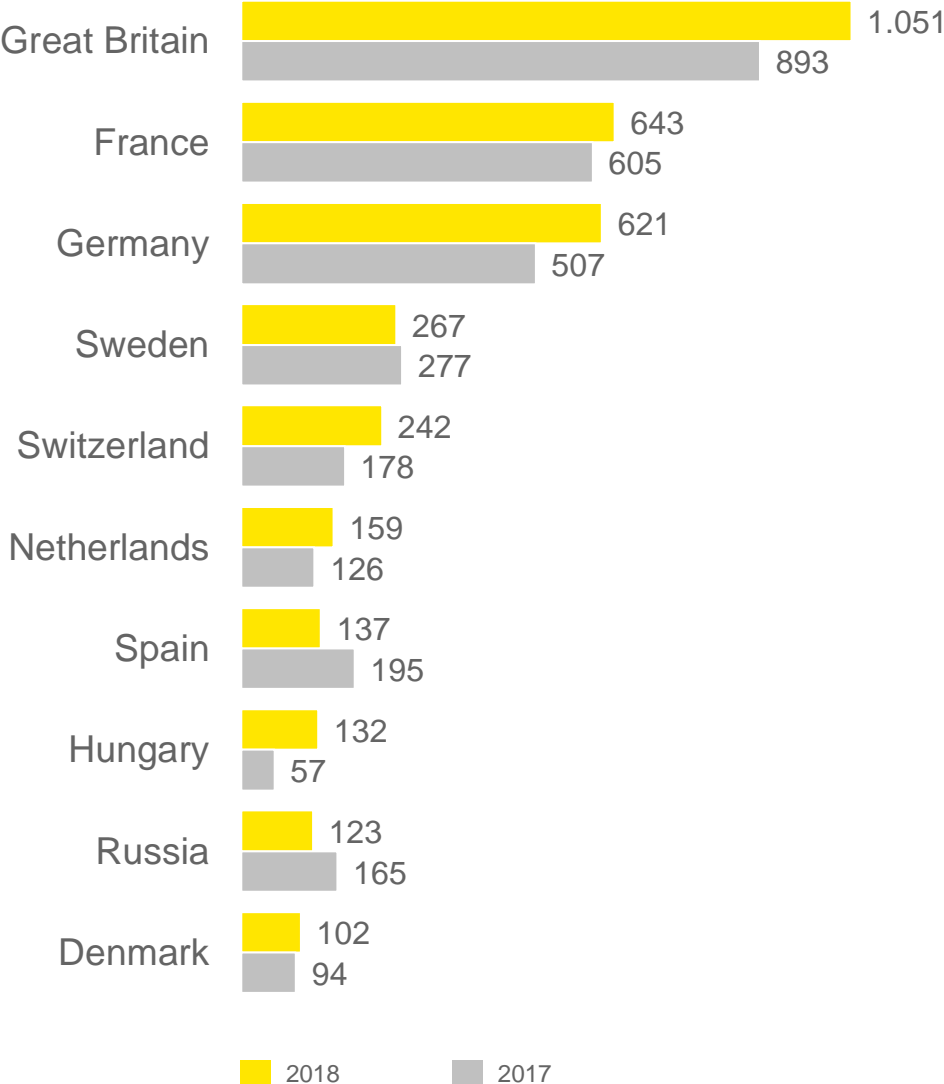
Great Britain clearly ahead of France and Germany in number of financing rounds



Investments in European Start-ups, 2018 and 2017

Number and Amount of financing rounds in Europe

- ▶ In most major markets, the number of deals increased. Among the ten countries with the most financing rounds in 2018, only Sweden, Spain and Russia recorded a decline.
- ▶ Most start-up financing was again in the UK in 2018, followed by France and Germany.
- ▶ In the UK, the number of deals rose by 18 per cent year-on-year, in France by six per cent and in Germany by 22 per cent.



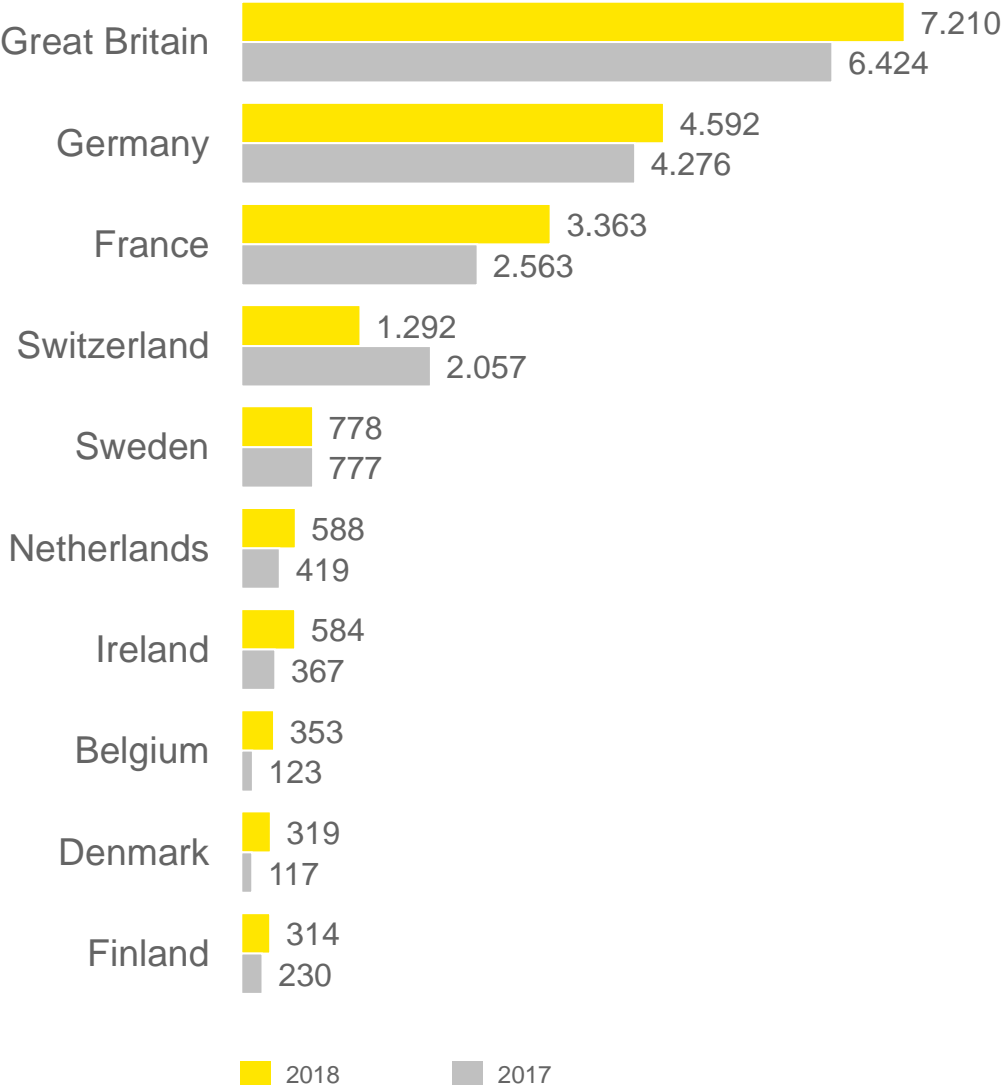
Great Britain also leads in deal volume - Germany ranks second



Investments in European Start-ups

Investment Volume in EUR million in Europe

- ▶ The United Kingdom is also ahead in terms of financing volume, with EUR 7.2 billion in 2018. With around 4.6 billion euros, Germany ranks second ahead of France, where an investment volume of almost 3.4 billion euros was realized.
- ▶ With the exception of Switzerland, all major markets saw higher investment volumes in 2018 than in the previous year, although the decline in Switzerland is attributable to a record deal of almost one billion euros in 2017.



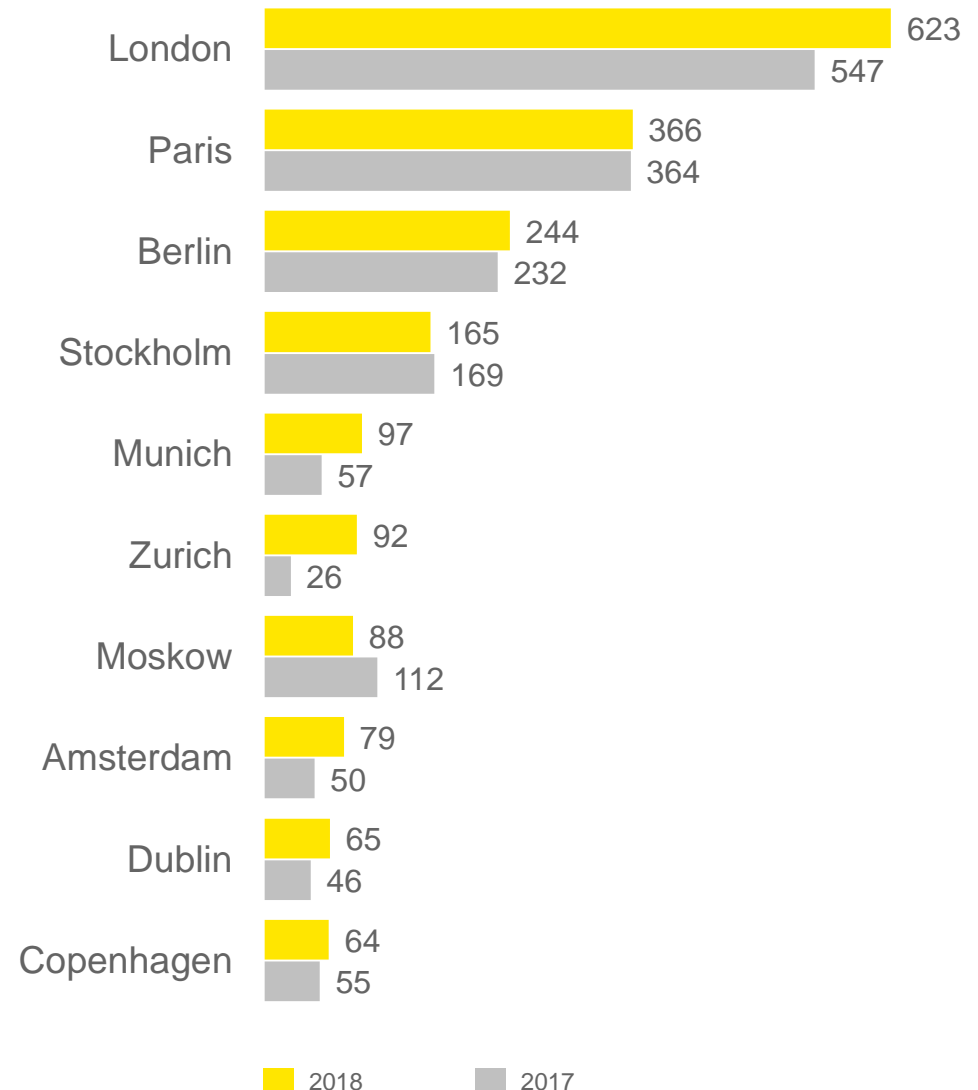
City ranking: London clearly ahead of Paris and Berlin in number of deals, Munich ranks 5th place



Investments in European Start-ups

Number of financing rounds in European cities

- ▶ London, Berlin and Paris remain the hotspots of the European start-up scene: almost every second round of financing (45 percent) in European start-ups was recorded in 2018 in one of these three major cities.
- ▶ In addition to Berlin, Munich is in fifth place as the second German city in the European Top 10. Hamburg places itself in 16th place with 42 financing rounds



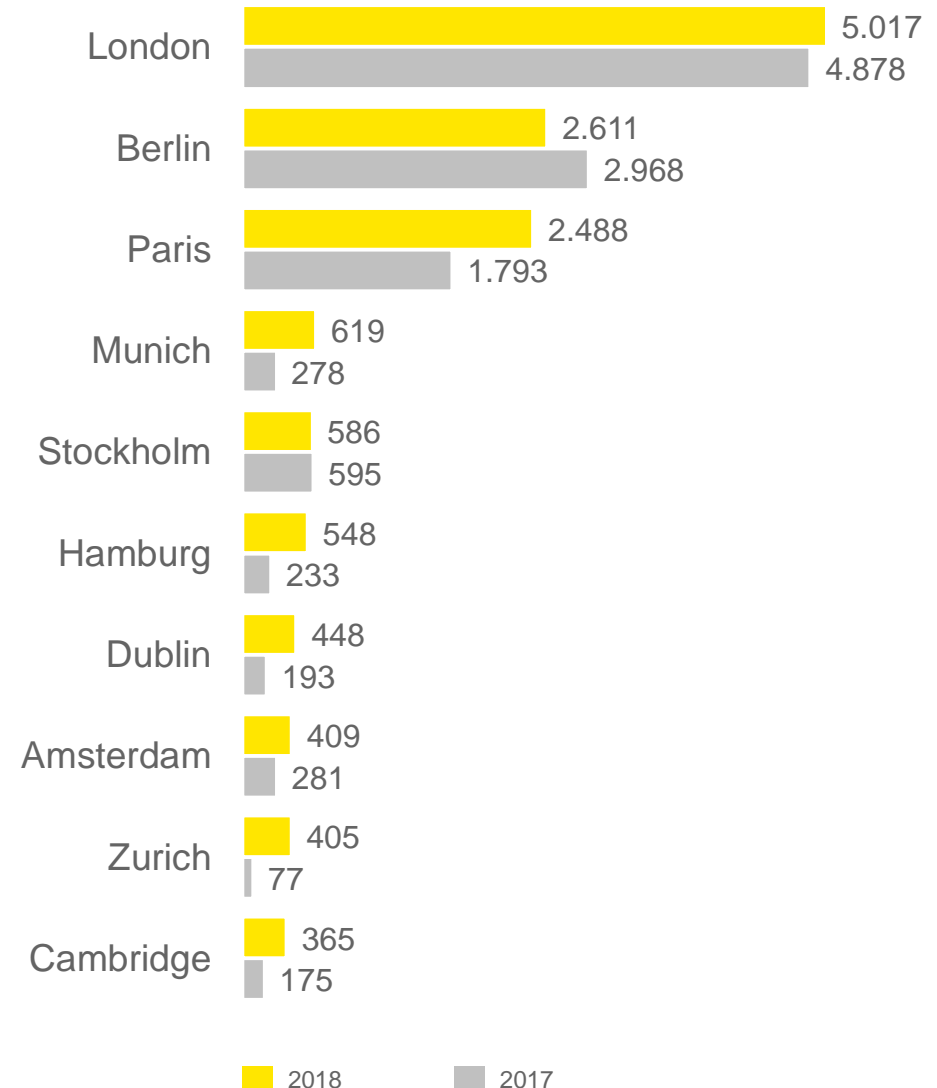
Investment volumes: London the undisputed leader - three German cities among the top 10



Investments in European Start-ups

Investment volume in EUR millions in European cities

- ▶ As in the previous year, the start-up scene in London, with 5 EUR billion, brings together the highest financing volume. In second place is Berlin (2.6 EUR billion) ahead of Paris (2.5 EUR billion).
- ▶ Overall, almost every second euro of venture capital (48 percent) in 2018 has flowed into a start-up from the top three cities.
- ▶ With a financing volume of 619 million euros, Munich ranks fourth behind Paris and Hamburg placing sixth with a volume of 548 million euros.



Europe: Top 5 Financing 2018



Top 5 Financing in Europe 2018

Company	Month	Financing amount in EUR million	Country
FarFetch*	September	583	Great Britain
Auto1	January	460	Germany
About You	July	264	Germany
Funding Circle*	October	230	Great Britain
Greensill Capital	July	217	Great Britain

* IPO (Source: DowJones, VentureSource, own research)

No claim to completeness

Germany: Top 5 Investments 2018



Top 5 Investments in Germany 2018

Company	Month	Financing amount in EUR million	State
Auto1	January	460	Berlin
About You	July	264	Hamburg
Home24*	June	172	Berlin
GoEuro	October	132	Berlin
N26	March	132	Berlin

* IPO

No claim to completeness

EY | Assurance | Tax | Transactions | Advisory

Die globale EY-Organisation im Überblick

Die globale EY-Organisation ist einer der Marktführer in der Wirtschaftsprüfung, Steuerberatung, Transaktionsberatung und Managementberatung. Mit unserer Erfahrung, unserem Wissen und unseren Leistungen stärken wir weltweit das Vertrauen in die Wirtschaft und die Finanzmärkte. Dafür sind wir bestens gerüstet: mit hervorragend ausgebildeten Mitarbeitern, starken Teams, exzellenten Leistungen und einem sprichwörtlichen Kundenservice. Unser Ziel ist es, Dinge voranzubringen und entscheidend besser zu machen – für unsere Mitarbeiter, unsere Mandanten und die Gesellschaft, in der wir leben. Dafür steht unser weltweiter Anspruch „Building a better working world“.

Die globale EY-Organisation besteht aus den Mitgliedsunternehmen von Ernst & Young Global Limited (EYG). Jedes EYG-Mitgliedsunternehmen ist rechtlich selbstständig und unabhängig und haftet nicht für das Handeln und Unterlassen der jeweils anderen Mitgliedsunternehmen. Ernst & Young Global Limited ist eine Gesellschaft mit beschränkter Haftung nach englischem Recht und erbringt keine Leistungen für Mandanten. Weitere Informationen finden Sie unter www.ey.com.

In Deutschland ist EY an 20 Standorten präsent. „EY“ und „wir“ beziehen sich in dieser Publikation auf alle deutschen Mitgliedsunternehmen von Ernst & Young Global Limited.

Diese Publikation ist lediglich als allgemeine, unverbindliche Information gedacht und kann daher nicht als Ersatz für eine detaillierte Recherche oder eine fachkundige Beratung oder Auskunft dienen. Obwohl sie mit größtmöglicher Sorgfalt erstellt wurde, besteht kein Anspruch auf sachliche Richtigkeit, Vollständigkeit und/oder Aktualität; insbesondere kann diese Publikation nicht den besonderen Umständen des Einzelfalls Rechnung tragen. Eine Verwendung liegt damit in der eigenen Verantwortung des Lesers. Jegliche Haftung seitens der Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft und/oder anderer Mitgliedsunternehmen der globalen EY-Organisation wird ausgeschlossen. Bei jedem spezifischen Anliegen sollte ein geeigneter Berater zurate gezogen werden.

©2019 Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
All Rights Reserved.

www.de.ey.com.