

European Super-Scaleups: Out of The Bubble into The Unicorn World - TrendingTopics.at Bulgaria



Challenger bank N26 is already a unicorn after it gained another €260M of investment at valuation of \$2.3B earlier in 2019. © N26

The question of how many and what types of scaleups are there on the European (or particular national) map is a heavily discussed one. For the fifth consecutive year, the investor's community Tech Tour has published its super-scaleups report after researching and evaluating 300+ European private tech companies at a sub-one billion USD valuation.

The 50 companies that make it to the list are candidates for near future unicorns and are in a way an indicator for how the scaleup ecosystem in Europe is developing. Currently, only 11% of the global unicorn community is coming from Europe.

The trends

Still, most of the super-scale-ups are in the US, Europe and Asia still have a long way to go. However Europe, even slower is catching up to the US. Out of around 1.5K companies at that stage 964 are American, 312 European and another 204 come from Asia. On a global level, in almost two-thirds of the cases, the B2C businesses are the ones that tend to climb the latter more quickly. The study by Tech Tour shows the exact opposite applies to the European scene – 63% of the super-scale-ups are indeed B2B models.

2019 Tech Tour Growth 50

COMPANY	COUNTRY	SECTOR	COMPANY	COUNTRY	SECTOR
Acronis		SaaS	Launchmetrics		SaaS
Alternative		AI/Big Data	Ledger		Fintech
Alan		Fintech	Meroo		SaaS
Algolia		SaaS	Messagebird		Other software
Ava		Health/Biotech	Motorik		SaaS
Babylon Health		Health/Biotech	Movings		Other software
Bankable		SaaS	N26		Fintech
berqom		SaaS	Neatlink		SaaS
Bitfury		Fintech	Outfittery		E-commerce
Blacklane		E-commerce	Phenix		E-commerce
CarPrice		E-commerce	Quinya		SaaS
Chrono24		E-commerce	Scandit		IoT
CloudBHeart		Hardware	Shift Technology		SaaS
Coople		SaaS	Signavio		SaaS
Dectolib		Health/Biotech	Small Giant		Other software
EasyPark		Fintech	Smarty.io		SaaS
eGym		Hardware	Socialbakers		SaaS
Exadel		AI/Big Data	Sonnen		Hardware
Flyability		Hardware	Sophia Genetics		Health/Biotech
GetFourGuide		E-commerce	Spatakome		E-commerce
GoLuna		E-commerce	Taxify		Other software
Jelbandulenti		SaaS	Trustly Group		Fintech
KOMUO		IoT	Wetransfer		Other software
KITY		Health/Biotech	WorldReel		Fintech
			Worldsensing		IoT

Shaded companies enter the Tech Tour Growth 50 for the first time in 2019

Source: Tech Tour Growth50 2019

SaaS businesses are still the best-performing ones in Europe, e-commerce and fintech companies are doing well and e-health and biotech businesses are starting to gain significant traction too. “At first glance, artificial intelligence figures appear low, but we look more to the sectors in which companies operate, and only include pure-play AI enablers. As digital and healthcare converge, particularly in regards to patient’s access to medical professionals, we see this sector increasing year on year, and as the macro conditions seem unlikely to change (aging population, pressure on state healthcare) we expect this to continue”, the report states.

According to the investment bank, Bryan, Garnier & Co European tech scene is ahead in the areas cybersecurity, digital health, smart cities & utilities, industry 4.0 and fintech.

“While it can be argued that Europe may not have fully fulfilled its potential in digital technology, we stand at a historic momentum of opportunity, particularly as breakthrough technologies are increasingly based on “deep-tech”. An undoubted strength of the European innovation ecosystem” – Bryan, Garnier & Co

When we take a closer look we could also see some interesting shifts within the European ecosystem. The clear change between 2018 and 2019 is the decline in the UK and Ireland companies, and the increase in the German-speaking region.

The scaleup recipe

Ok, it would be superficial and misleading to claim there was a universal formula for growing startups to a multimillion business. However, there are some characteristics shared by

companies that made it there. For instance, 76% of the super-scale-ups listed by Tech Tour have at least one US investor. We might not like this fact, but first of all, the venture capital available in Europe is overall not enough ([120B+ in USA vs. a bit over 20B in Europe in 2018, ft](#)) and second, the US market is still a huge and too interesting one where the “local” VC is an important door opener.

[+++ recommended: Europe vs. the US – some thoughts on the matter by Enis Hulli, partner at 500 startups Istanbul +++](#)

Another interesting findings are that more than half of the listed companies have been backed by a serial entrepreneur (probably an active mentor as well, however, there’s no further elaboration), over two thirds of the super-scale-ups have been through an incubator or accelerator program and 54% of them have at least one corporate investor. It has taken those companies on average 8+ years to reach the pre-unicorn status and 26 months to receive their first funding. Even though it’s a geography and sector dependent metric, on average the 50 super-scaleups have raised first rounds of \$5.8M.

So, in case a conclusion is needed – the tech companies with the greatest potential in Europe are B2B, in deep tech, need US investors and corporate venture partners, and their success doesn’t come overnight.

[+++ read the full report here +++](#)

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