



European Growth Tech Companies: Why US Investors Matter

US Investment In Europe Key Trends
(2010 to 2014-H1)

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Key Findings

- 1 US investors participate in 2/3 of European deals \geq \$10mn
- 2 UK and Germany together represent 2/3 of US investment, while France is notably under-represented
- 3 US investment focuses on game-changing plays: later-stage deals, large bets and/or disruptive technologies
- 4 60% of US investment is in internet companies, with fintech's share increasing significantly
- 5 Since 2010, 10 European companies have raised $>$ €100mn thanks to US investors involvement
- 6 US investors with an office in Europe are the most active, with a group of 5 (Accel, Intel Capital, Highland, Greylock and DFJ Esprit) leading the pack
- 7 Outside this group of 5, top 10 US investors roaming in Europe are surprisingly just as active
- 8 Leading European investors are adept at involving US investors in their deals
- 9 US investors are better pan-European investors than their European brethren

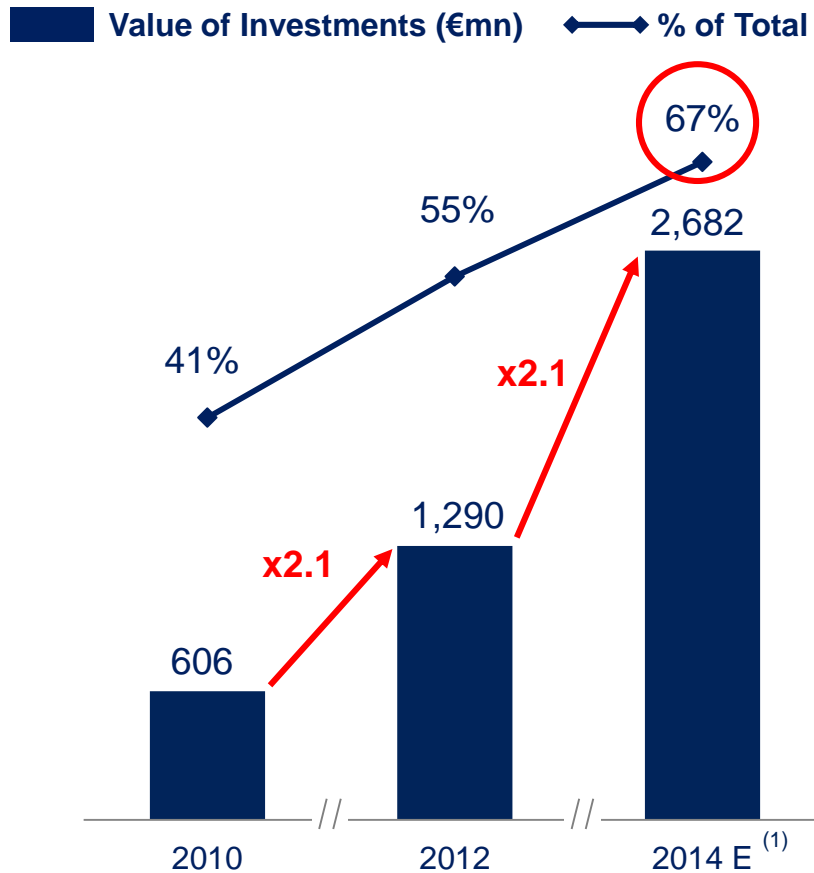
The Go4Venture Advisers View

- **US investors have become an unescapable part of the European landscape.** This surge in US investors' interest is not just cyclical:
 - It **reflects the internet era**: good ideas can start anywhere, and markets can be reached from everywhere. Europe has c. 360mn⁽¹⁾ online consumers (and more than 60mn⁽²⁾ in Germany alone), and high Internet and smartphone penetration
- **To be successful on a meaningful scale, European growth tech companies need to get closer to US investors**
 - Companies can rely on their own contacts (their Board/Advisory Board members and existing investors) and, of course, leverage well-connected advisers
 - **European investors will increasingly differentiate themselves by their US reach**, i.e. their ability/willingness to work with US investors, and the quality of their US contacts. European companies will notice
- **As an aside:**
 - **US investors are redefining what European venture is**, raising the bar for all participants in terms of level of ambition, size of investment, speed of execution and international roll-out
 - **The involvement of US investors in European venture is making it more successful**, but at risk of sidelining smaller, local European investors

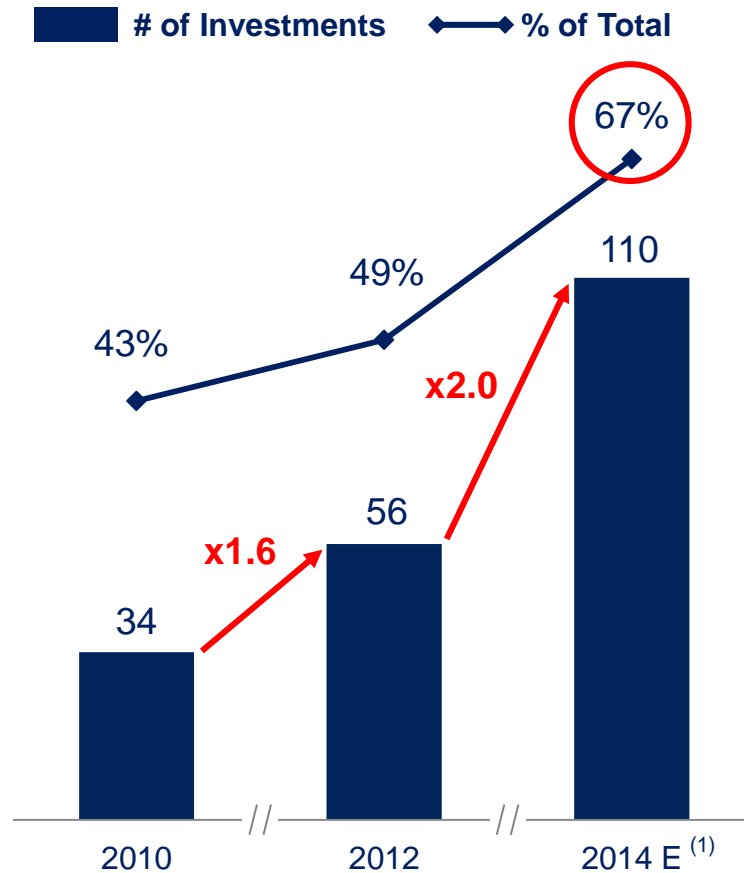
Sources: ⁽¹⁾ [European Commission](#); ⁽²⁾ [Germany Trade & Invest](#)

1 US Investors Participate In 2/3 Of European Deals ≥ \$10mn

Value of European Deals Involving US Investors
(2010-2014 H1, investments ≥ \$10mn)



of European Deals Involving US Investors
(2010-2014 H1, investments ≥ \$10mn)



(1) 2014 E = 2014 H1 * 2 (assumes no seasonality, as was the case for 2010-2013 data)

Source: Go4Venture Advisers HTI Database

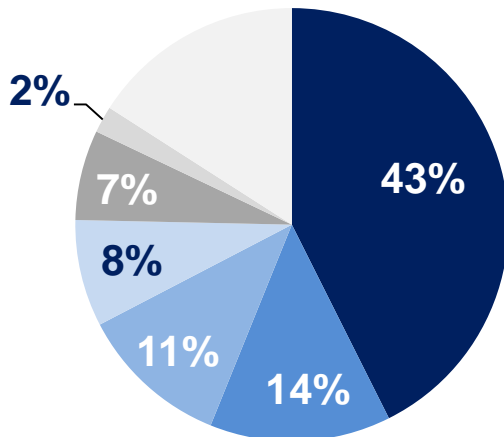
2 UK And Germany Together Represent 2/3 Of US Investment, While France Is Notably Under-Represented

Share of US Investment Value in Europe (2010 vs. 2014 H1, investments ≥ \$10mn)

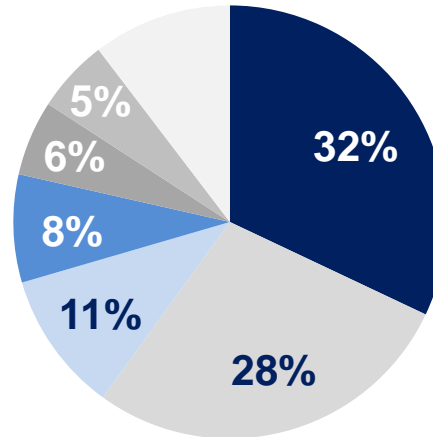
2010

2014 H1

Name *	Rank
■ UK	#1
■ France	#2
■ Spain	#3
■ Netherlands	#4
■ Sweden	#5
■ Germany	#8
■ Others	



Name *	Rank
■ UK	#1
■ Germany	#2
■ Netherlands	#3
■ France	#4
■ Sweden	#5
■ Denmark	#6
■ Others	



2010 → 2014 H1



- Remains #1
- Declining share reflects a more balanced European venture landscape

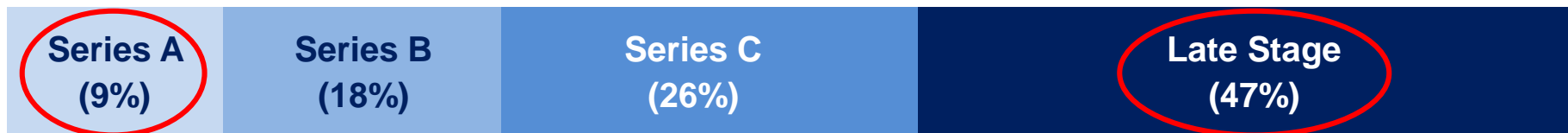
- Considerable surge on the back of e-commerce platforms
- Now #2 with a share nearly equal to the UK

- Losing share
- Now under-represented: ranks #4 (behind the Netherlands) vs. #2 in 2010

* Countries with over 5% share of US investment by value (and Germany in 2010)
Source: Go4Venture Advisers HTI Database

3 US Investment Focuses On Game-Changing Plays: Later-Stage Deals, Large Bets And/Or Disruptive Technologies

US Investment Value in Europe by Stage (2010-2014 H1, investments ≥ \$10mn)



Examples of Large Series A (>\$10mn)

Company	US Investors	€mn ⁽¹⁾ , Date
	WELLINGTON MANAGEMENT	€57mn, August 2013
	J.P.Morgan	€47mn, September 2012
	ACCEL PARTNERS	€37mn, August 2010
	CAXTON WOODCREEK CAPITAL MANAGEMENT	€36mn, September 2013
	ACCEL PARTNERS Felicis Ventures	€30mn, March 2011

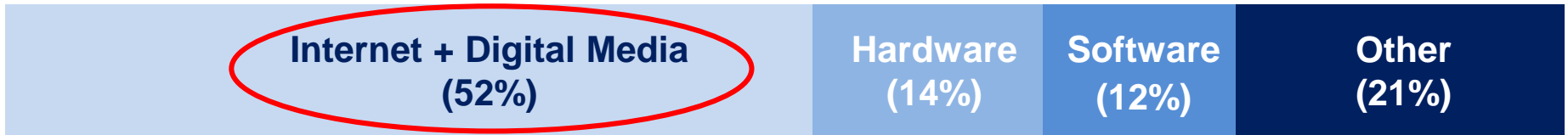
Disruptive Smaller Series A With US Investors

Company	US Investors	€mn ⁽¹⁾ , Date
	FIDELITY GROWTH PARTNERS EUROPE	€5.1mn, July 2010
	ANDREESSEN HOROWITZ greylockpartners.	€4.7mn, March 2014
	IA VENTURES upfront VENTURES	€4.2mn, July 2011
	BLUMBERG CAPITAL	€3.8mn, February 2013
	DFJ QUALCOMM VENTURES	€2.0mn, April 2013

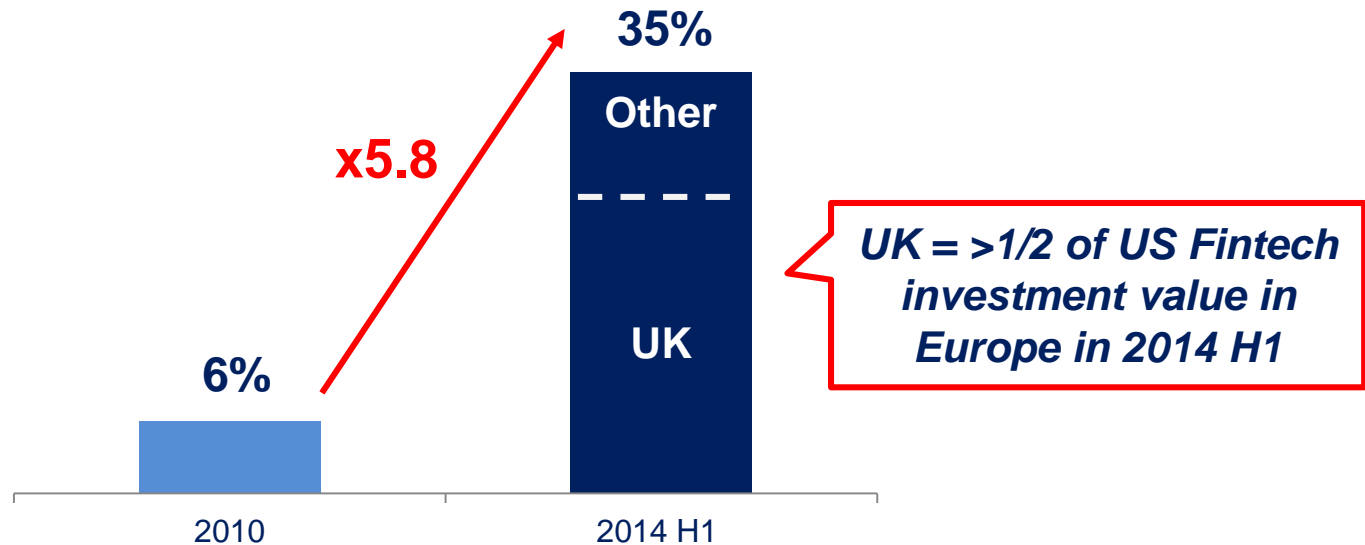
(1) Amounts shown are total size of round
Source: Go4Venture Advisers HTI Database

4 60% Of US Investment Is In Internet Companies, With Fintech's Share Increasing Significantly

*US Investment Value in Europe by Sector
(2010-2014 H1, investments ≥ \$10mn)*



*Fintech as a % of US Internet and Digital Media Investment Value in Europe
(2010-2014 H1, investments ≥ \$10mn)*























Source: Go4Venture Advisers HTI Database


5 Since 2010, 10 European Companies Have Raised >€100mn Thanks To US Investors Involvement

European Companies that Have Raised Over €100mn (2010-2014 H1, investments ≥ \$10mn)

Involving US Investors

#	Company	Country
1	 MOBILEYE	
2	 Spotify	
3	 privalia *	
4	 BIO CARTIS	
5	 Delivery Hero	
6	 borro	
7	 Klarna <i>Simplifying Buying</i>	
8	 SUPERC CELL	
9	 CROCUS Technology <i>Blossoming future</i>	
10	 DEEZER	

From European Investors Only


























#	Company	Country
1	 PLASTIC LOGIC	
2	 OZON <i>Интернет-магазин</i>	
3	 zalando	
4	 Intelligent Energy™	

Only 4 European companies have received more than €100mn from European investors only

Source: Go4Venture Advisers HTI Database

6 US Investors With An Office In Europe Are The Most Active, With A Group Of Five Leading The Pack

































Top 10 US Investors with European Offices by Number of Deals in Europe
(2010-2014 H1, investments ≥ \$10mn)

#	Investor	# of Deals In Europe	Selected Deals in Europe
1	ACCEL PARTNERS	31	   
2	intel Capital	20	  
3	HIGHLAND CAPITAL PARTNERS	17	  
4	greylockpartners.	14	  
5	dfjesprit *	12	 
6	GENERAL ATLANTIC	5	 
7	Goldman Sachs	4	 
8	QUALCOMM VENTURES	4	 
9	FIDELITY GROWTH PARTNERS	4	 
10	SILVERLAKE	4	 

* Note: As DFJ Esprit is part of US-Based DFJ's Global Network, it has been classified as a US Investor with European Offices
Source: Go4Venture Advisers HTI Database

7 Outside This Group of Five, Top 10 US Investors Roaming In Europe Are Surprisingly Just As Active

Top 10 'Roaming' US Investors by Number of Deals in Europe
 (2010-2014 H1, investments ≥ \$10mn)



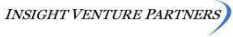






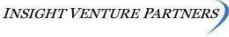


















#	Investor	# of Deals In Europe	Selected Deals in Europe
1	 INSIGHT VENTURE PARTNERS	9	 Delivery Hero  mimecast unified email management  PRIVALIA *
2	 sequoia capital	7	 Klarna Simplifying Buying  Plain Vanilla  talend*
3	 ATLAS VENTURE *	6	 ICERA  Ubiquisys
4	 USV	6	 Funding Circle  SOUND CLOUD
5	 KPCB KLEINER PERCENS CARRFIELD BYERS	6	 SOUND CLOUD  Spotify
6	 BESSEMER VENTURE PARTNERS	5	 criteo.  KUPI VIP.RU
7	 GGV CAPITAL	4	 ALIEN VAULT  SOUND CLOUD
8	 CANAAN PARTNERS	4	 borro  SILVERRAIL
9	 matrix PARTNERS	4	 huddle  zendesk*
10	 LIGHTSPEED VENTURE PARTNERS	4	 eBUZZING  PCH International



* Note: Atlas' position at #3 largely reflects investments made by its European office, prior to closure of the same
 Source: Go4Venture Advisers HTI Database

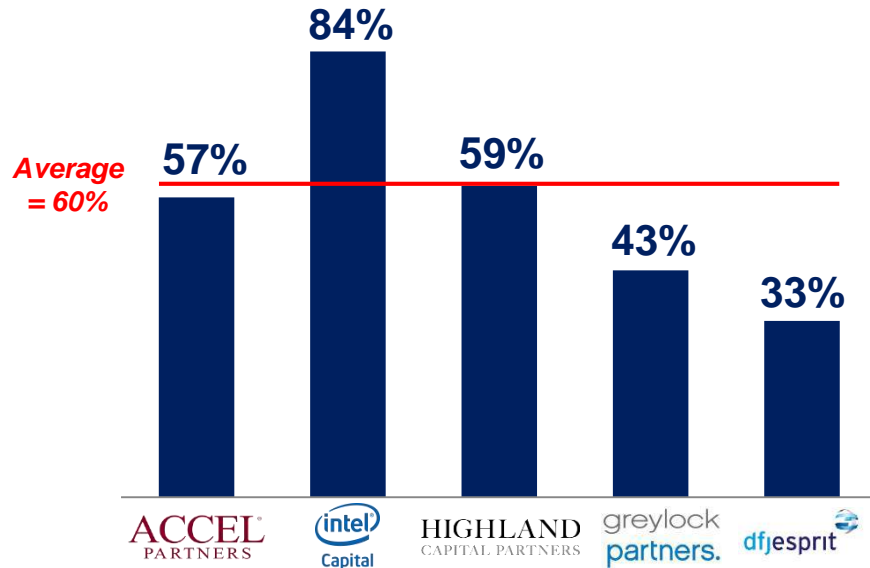
8 Leading European Investors Are Adept At Involving US Investors In Their Deals

Top 10 European Investors by Number of Deals with US Investors
 (2010-2014 H1, investments ≥ \$10mn)

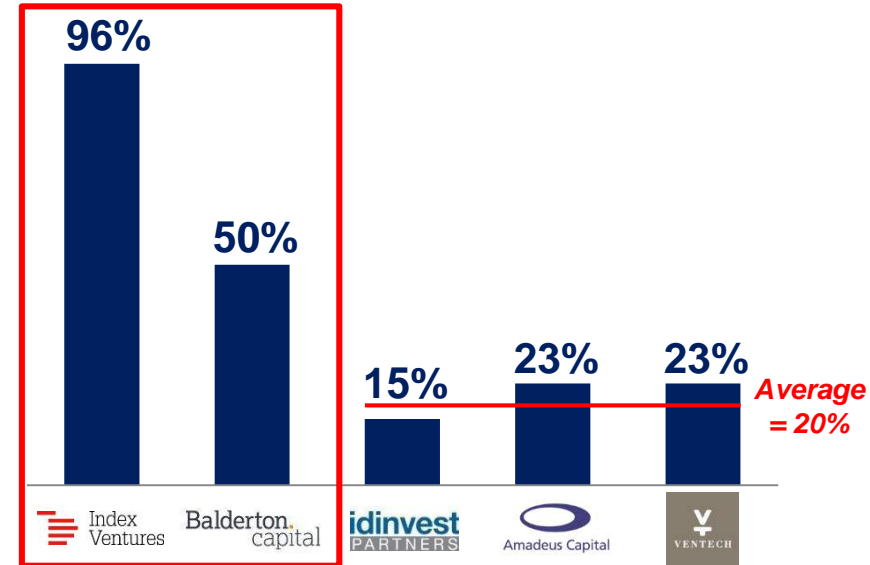
#	Investor	# of Deals with US Investors	Selected US Investors Partnered With
1	 Index Ventures	32	 ACCEL PARTNERS 
2	Balderton capital	20	 ATLAS VENTURE 
3	 idinvest PARTNERS	11	 sequoia capital 
4	 ATOMICO	10	 INSIGHT VENTURE PARTNERS 
5	 wellingtonpartners VENTURE CAPITAL	8	 BESSEMER VENTURE PARTNERS 
6	 eden ventures	7	 BESSEMER VENTURE PARTNERS 
7	 ACTON CAPITAL PARTNERS	5	 HIGHLAND CAPITAL PARTNERS 
8	 Amadeus Capital Partners	5	 ACCEL PARTNERS 
9	CREANDUM	5	 greylockpartners. 
10	 DAWN CAPITAL	5	 greylockpartners. 

US Investors Are Better Pan-European Investors Than Their European Brethren

**Top 5 US Investors in Europe,
% of Investments Outside “Home Market” (UK)
(2010-2014 H1, investments ≥ \$10mn)**



**Top 5 European Investors,
% of Investments Outside Home Market
(2010-2014 H1 , investments ≥ \$10mn)**



The exception are European funds such as Index Ventures and Balderton, which admittedly behave more like US funds:

- Index Ventures is the first European fund to successfully become a global fund
- Balderton Capital has US roots in that it started as Benchmark Capital Europe and is intent on building companies in the US where appropriate

Appendix 1 – Methodology


- The analysis is based on Go4Venture Advisers' **proprietary Headline Transaction Index (HTI) Database**
- The sample used is our '**Large HTI**' dataset which covers:
 - **Investments of \$10mn/€7.5mn/£5mn or more**
 - **Companies based in Europe** (as determined by their current or original HQ location)
 - **Companies operating in the technology, media, telecommunications and life sciences sectors**, but excluding (i) drug discovery and (ii) traditional telecoms operators
 - Each of the transaction were subject to a one-page profile published in our [Monthly Bulletin](#).
- We then **classified these deals by geography, based on the investors' HQ location** (or, where unavailable, their first office opened), into three categories:
 - **US only**: where all investors reported were US-based
 - **Mixed**: where at least one investor, but not all investors, were US-based
 - **Non-US**: where no investor was US-based

For more information, refer to www.go4venture.com/research

Appendix 2 – Go4Venture Advisers

- Go4Venture Advisers is a **London-based corporate finance advisory firm helping high-growth European tech companies and their investors develop and execute growth strategies** (www.go4venture.com)
- Services include Mergers & Acquisitions (M&A) and international Fund-Raising advisory. The breadth and size of projects supported is second to none, and reflects Go4Venture Advisers' ability to work with Europe's best tech companies**

Selected Transactions, 2014 YTD



Portugal
Cloud-Based, Real-Time Threat Detection Software
Sold To:
 Confidential
 US
 Pending



United States / France
Open source e-commerce software
\$7,300,000
 Series B
  
 June 2014



Netherlands
Cloud-based event ticketing and management software
\$11,800,000
 Growth Equity


 FLEMING FAMILY AND PARTNERS
 May 2014






France
Fabless Semiconductors (Manycore Processors)
\$8,000,000
 Series C



 February 2014



Ireland
Mobile Engagement for Consumer-Facing Companies
\$19,000,000
 Series C



 January 2014

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