

# The State of the Market for Series B&C Rounds in European Tech Companies - 2021

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1.

# SILVERPEAK OVERVIEW

## Providing the best possible representation for European growth technology companies in the global market

- Mid-market M&A and financing transactions
- A passionate team with the courage and creativity to overcome challenges
- A deep understanding of technology businesses and how to articulate their value
- Access to the most relevant investors and buyers, globally
- A single office handling the entire transaction, reducing friction at every stage

# Passionate about technology



SOFTWARE



DEEP TECH



SERVICES

# 01 // A SELECTION OF RECENT TRANSACTIONS

IT | WW

In-space services and satellite transport  
 €51.5m pre-SPAC convertible bond by  
**COBHAM**  
 & **iqt** IN-Q-TEL & OTHER INVESTORS

January 2022

GB | GB

Data extraction & document automation SaaS ML platform  
 Sale to  
**advanced**  
 People. Partnership. Solutions.

October 2021

NO | CA

Project management and risk analysis software  
 Sale to  
**JDM** Technology Group

September 2021

NL | US

Application testing software  
 Majority sale to  
**WAVECREST** GROWTH PARTNERS

September 2021

GB | GB

POWER OVER ENERGY  
 Trading and automation SaaS for renewable energy  
 £20m investment led by  
**BARCLAYS**

June 2021

GB | SE

Construction workforce management platform & SaaS  
 Sale to  
**infobric** backed by **SUMMAEQUITY**

April 2021

GB | LU | US

Satellite antenna technology  
 \$40m investment by  
**SES** & **BOEING HORIZONX**

February 2021

GB | EU

Video compression solutions  
 €33m investment by  
 INVESTMENT FIRMS & TECH ENTREPRENEURS

October 2020

GB | US

Fibre broadband network operator  
 £100m investment by  
**OAKTREE**

September 2020

PT | US

Continuation fund incl. **outsystems**  
 Low-code SaaS leader  
 Led by  
**GENERAL ATLANTIC**

September 2020

LT | JP | GB

Mobility-as-a-Service platform  
 Investment by  
**MS&AD** **Aioi Nissay Dowa** **Sumitomo** **European Bank** **octopusinvestments**

June 2020

ES | US

Gaming cloud streaming  
 Sale to  
**FACEBOOK**

December 2019

GB | US

Cloud transformation consultancy  
 Sale to  
**DXC.technology**

November 2019

EU | EU

**CONFIDENTIAL**  
 SaaS FinTech platform  
 £70m investment

September 2019

FR | US

M2M cybersecurity for the industrial internet  
 Sale to  
**CISCO**

August 2019

GB | GB | US

Autonomous vehicle software  
 Investment by  
**PARKWALK** **ipgroup** **AXA** **XL GROUP**

July 2019

GB | GB

SaaS Intelligent automation platform  
 £80m sale to  
**blueprism**

July 2019

US | NL | BE

Hospitality ERP SaaS  
 Sale to  
**FORTINO** CAPITAL

June 2019

GB | GB

Digital bank  
 Investment by  
**RBS** **Bó**

December 2018

IT | NL

Fingerprint scanners & software  
 Sale to  
**gemalto**  
 security to be free

December 2018

GB | IE

Clinical speech recognition services & software  
 Sale to  
**Clanwilliam** group

December 2018

2.

# EUROPEAN TECH VENTURE ENVIRONMENT

STRONG INVESTMENT ACTIVITY IN 2021

## EUROPEAN TECH SERIES B&C ROUNDS SURGE IN 2021

- Series B&C investment in European tech companies rockets with total capital invested in 2021 increasing 2.5x to €25.3bn
- European mega-rounds (€100m+) are becoming very common. Of the 2021 total of 58, this was 42 Series C and 16 Series B rounds
- Median deal sizes have nearly doubled YoY: C rounds grew 89% to €78.4m and B rounds grew 68% to €29.9m
- UK companies continue to attract the biggest share of investment into European B&C rounds - 32% by value and 35% by count
- Food & Delivery Tech and Fintech captured the largest investments in 2021, with 3 Series C and 2 Series B rounds, totalling €3.1bn



“

2021 has been a watershed year with a step change in the value of Series B&C Technology sector investment. The pace and scale of private investment continues into 2022 despite reduction in Technology stock indices on public markets.

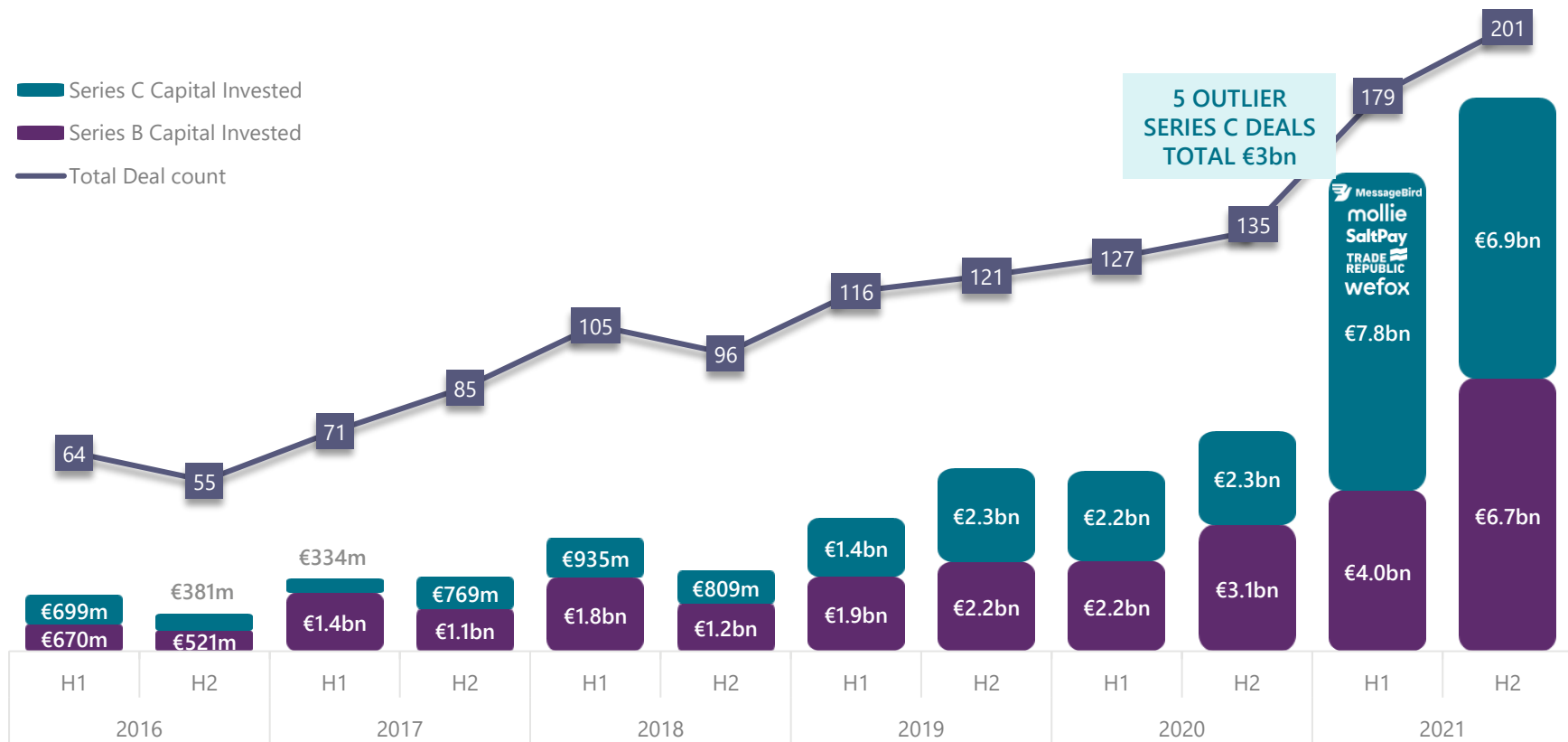
”

PADDY MccGWIRE  
MANAGING PARTNER



# Total capital invested in H2 exceeds an outstanding H1 by yet another €1.8bn

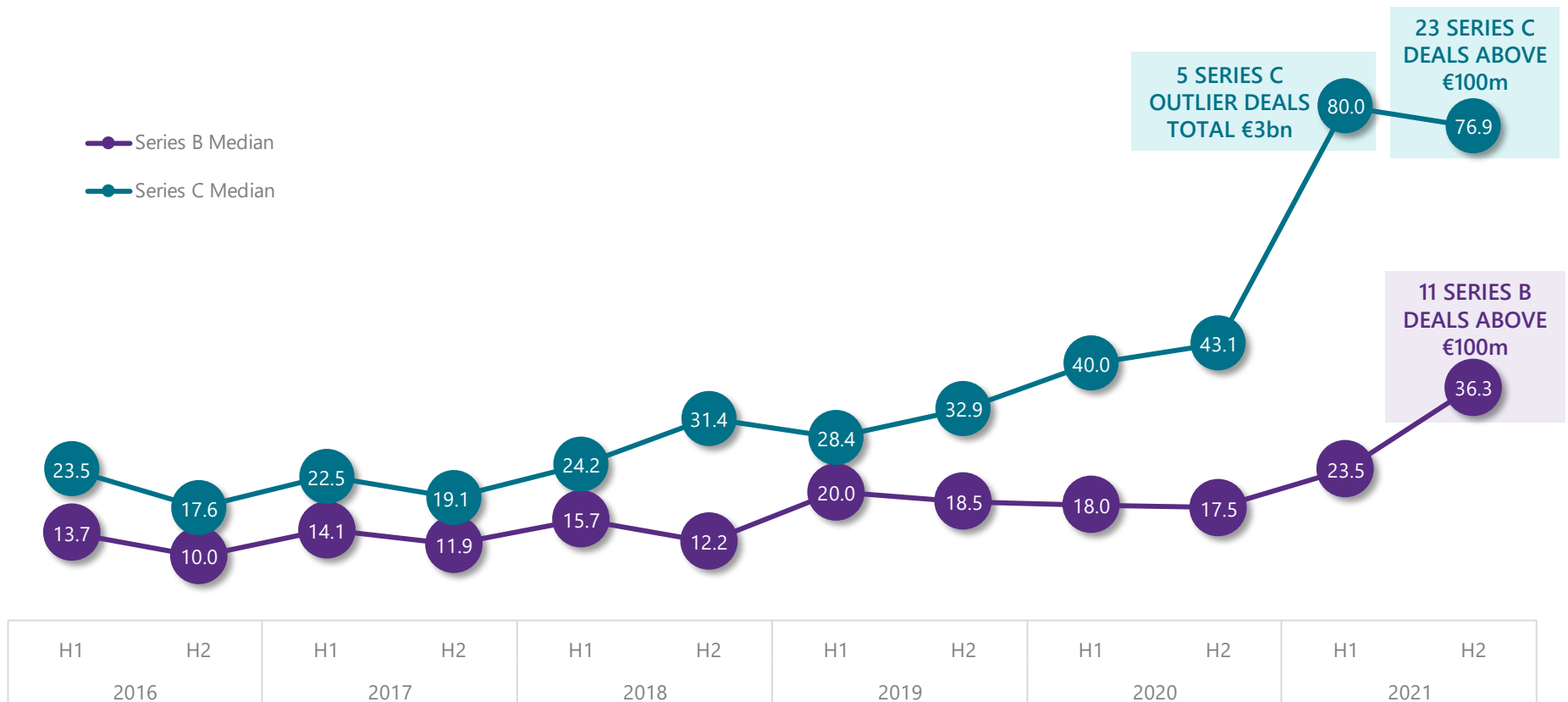
Series B&C Total Financing Amounts (€m) and Deal Count by Half-Year, 2016-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

# Series B median deal size has doubled since H2'20 and grown 50% since H1'21

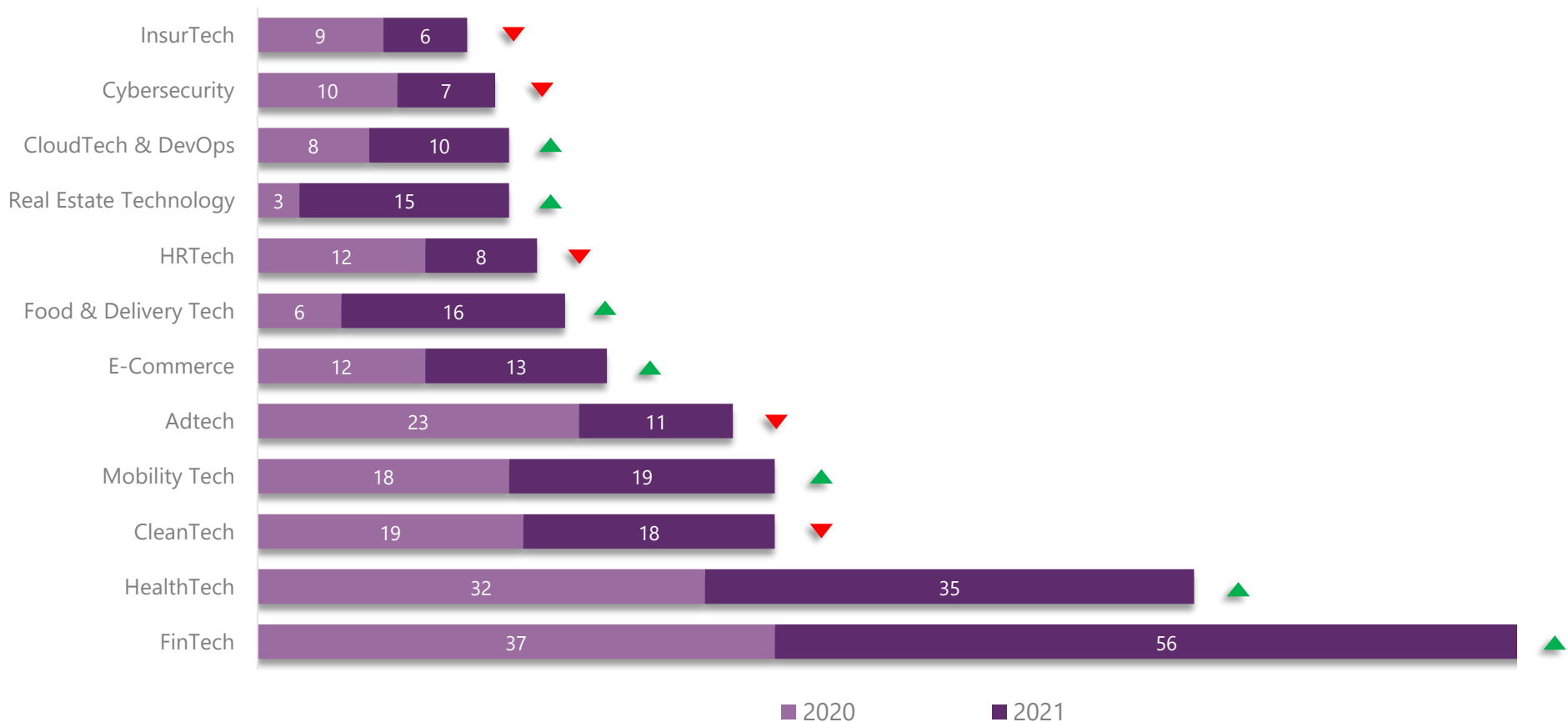
Median size (€m) of Series B&C rounds by Half-Year, 2016-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

# Real Estate + Food & Delivery Tech deals boom in 2021

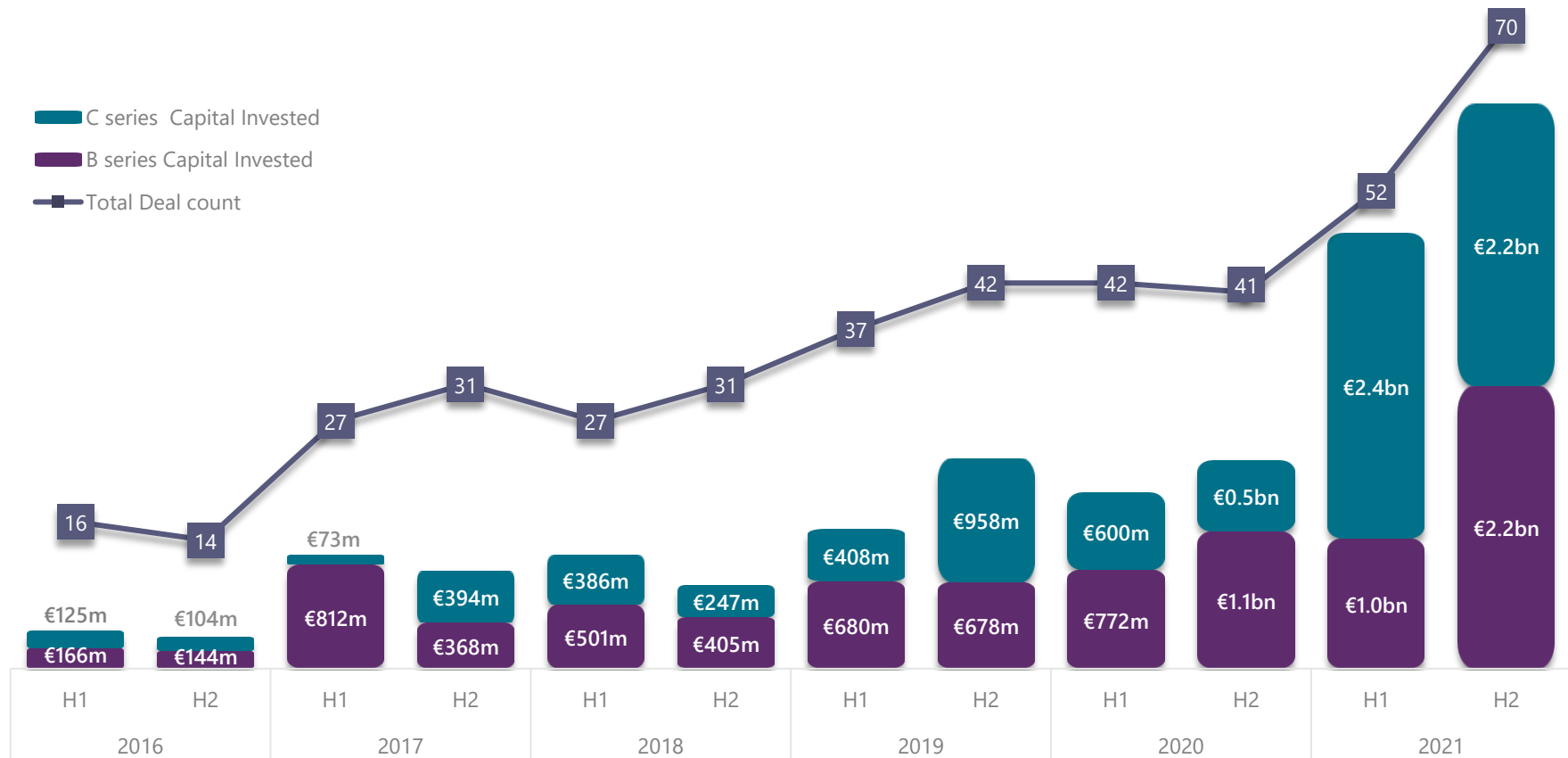
Volume of B&C rounds by vertical 2021 vs 2020



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021 | Only top 12 verticals included

# Capital invested in UK Series B&C rounds increases 2.5x YoY

Series B&C Total Financing Amounts (€m) and Deal Count by Half-Year in the UK, 2016-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

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# EUROPEAN TECH B ROUNDS

UPWARD TREND IN CAPITAL INVESTED

## What is a Series B?

While a Series A funding round is to get the team, product and Go-To-Market strategy developed, a Series B Funding is **all about taking the business to the next level**, past the development stage

Typically, before these funding rounds occur, the company has **completed significant milestones** and now it's time to really **build upon that success** with additional investment

Series B is to **pour the fuel on for growth - acceleration money**, with a larger investment round to exploit the market opportunity to its potential

### Deal Criteria

Type: Series B

Deal Size: min. €5m

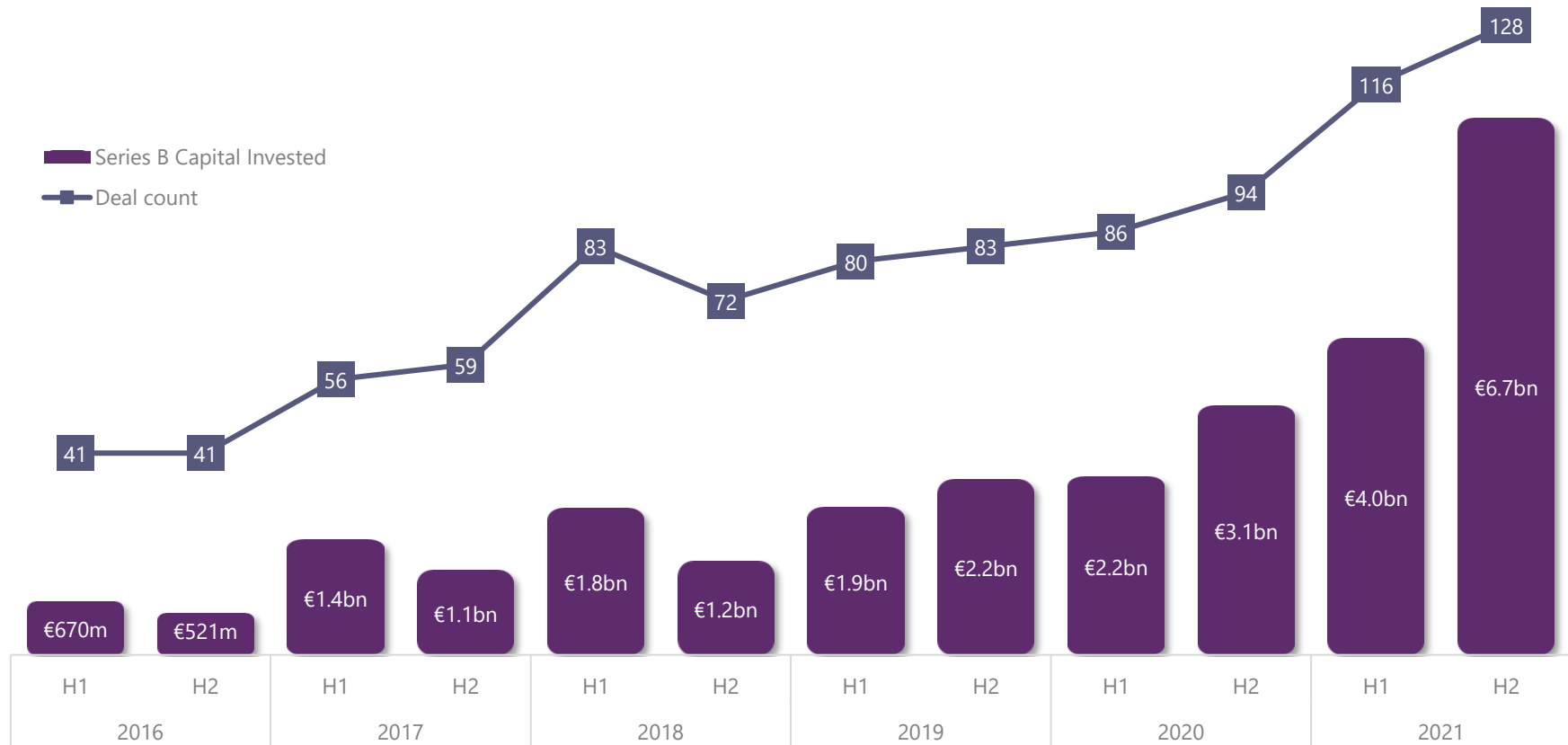
Geography: European HQ

Categories: Silverpeak's Technology filters

*Note: For the purpose of this analysis, Series B is any fundraising announced as Series B on Pitchbook. Some companies/verticals excluded, e.g. BioTech and Life Sciences.*

# H2'21 sees 70%+ increase in total capital invested since H1'21, helped by 11 deals over €100m

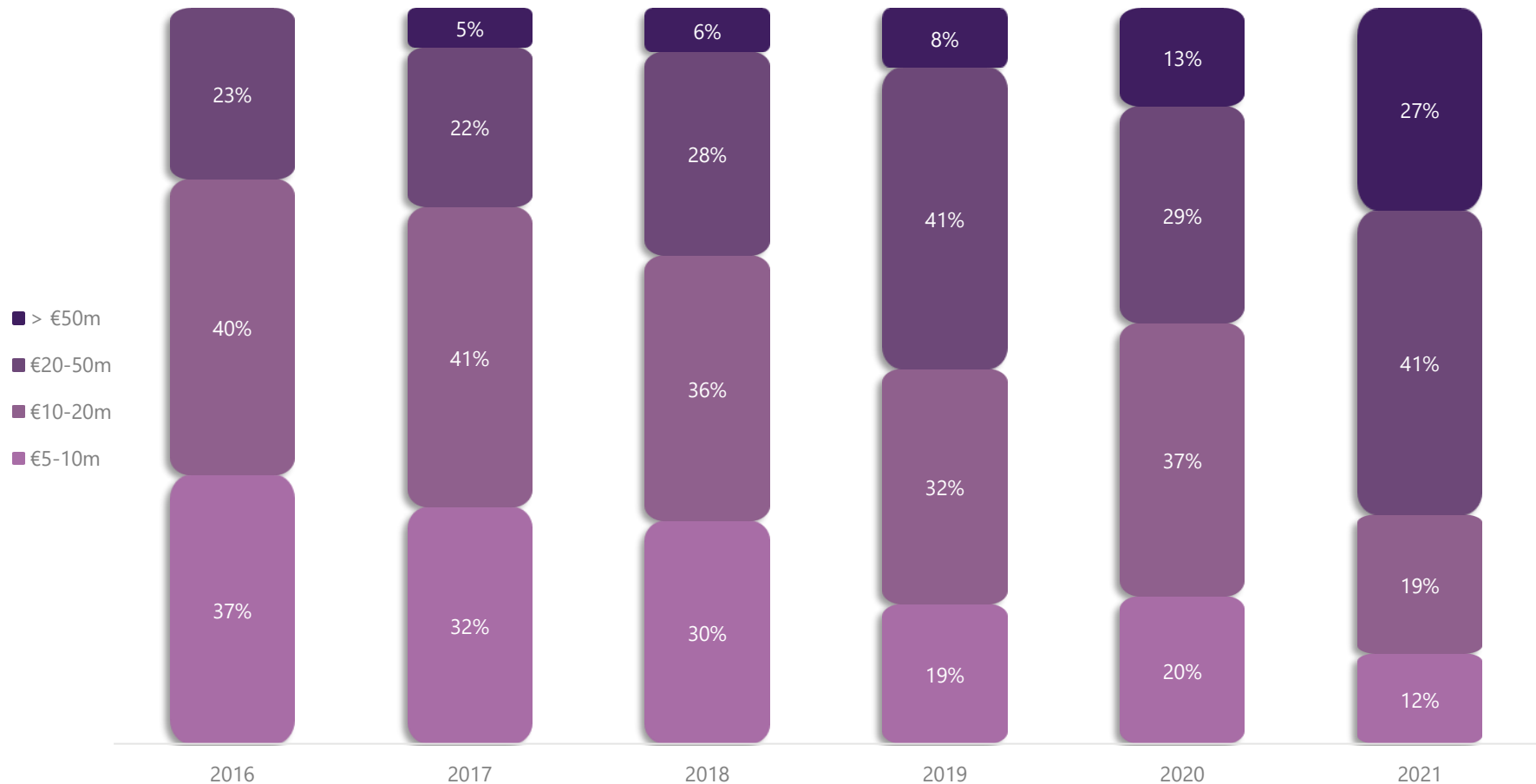
Series B Total Financing Amounts (€m) and Deal Count by Half-Year, 2016-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

# 68% of Series B rounds >€20m in 2021, vs 42% in 2020

Breakdown of Series B rounds by value 2016-2021

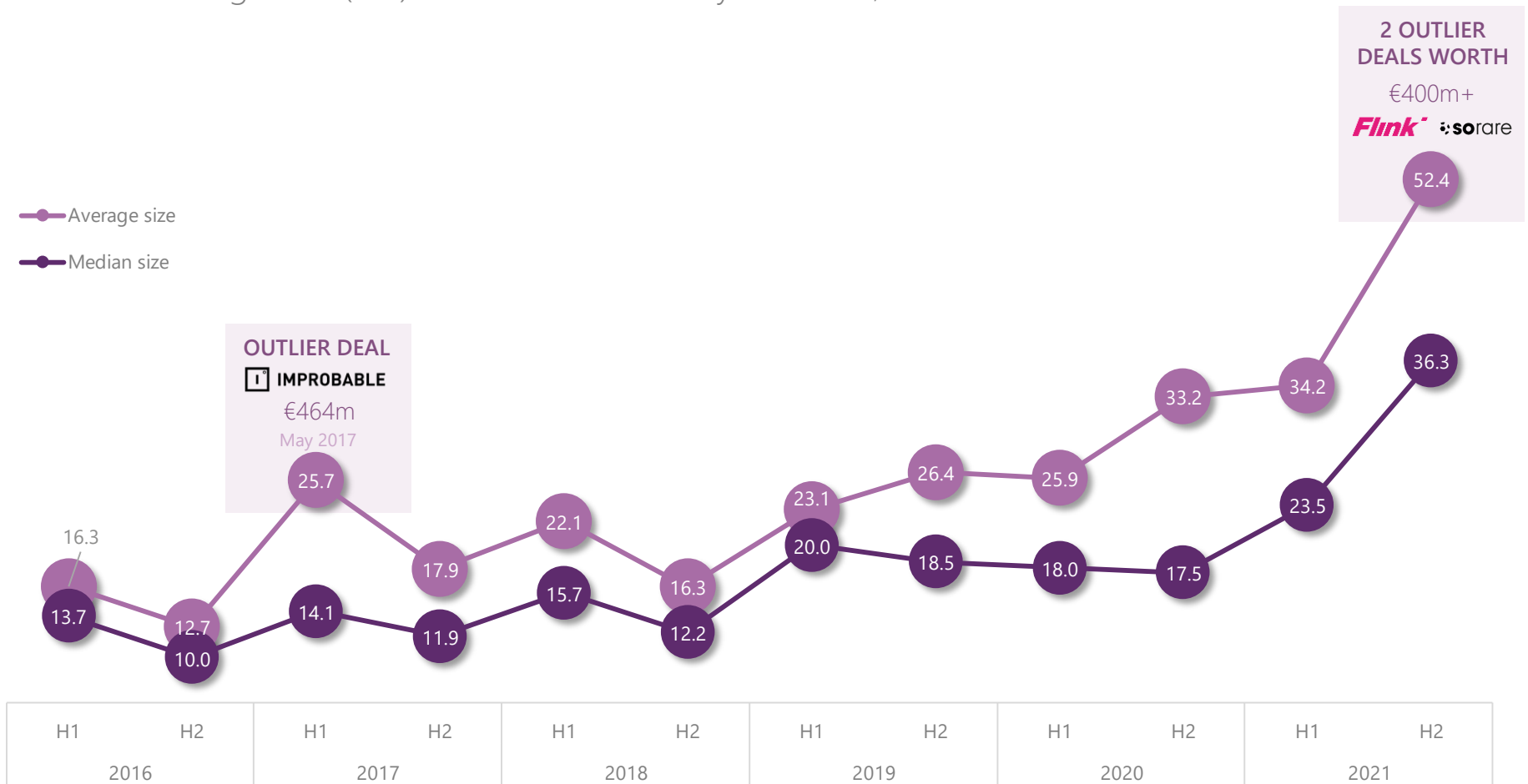


Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021



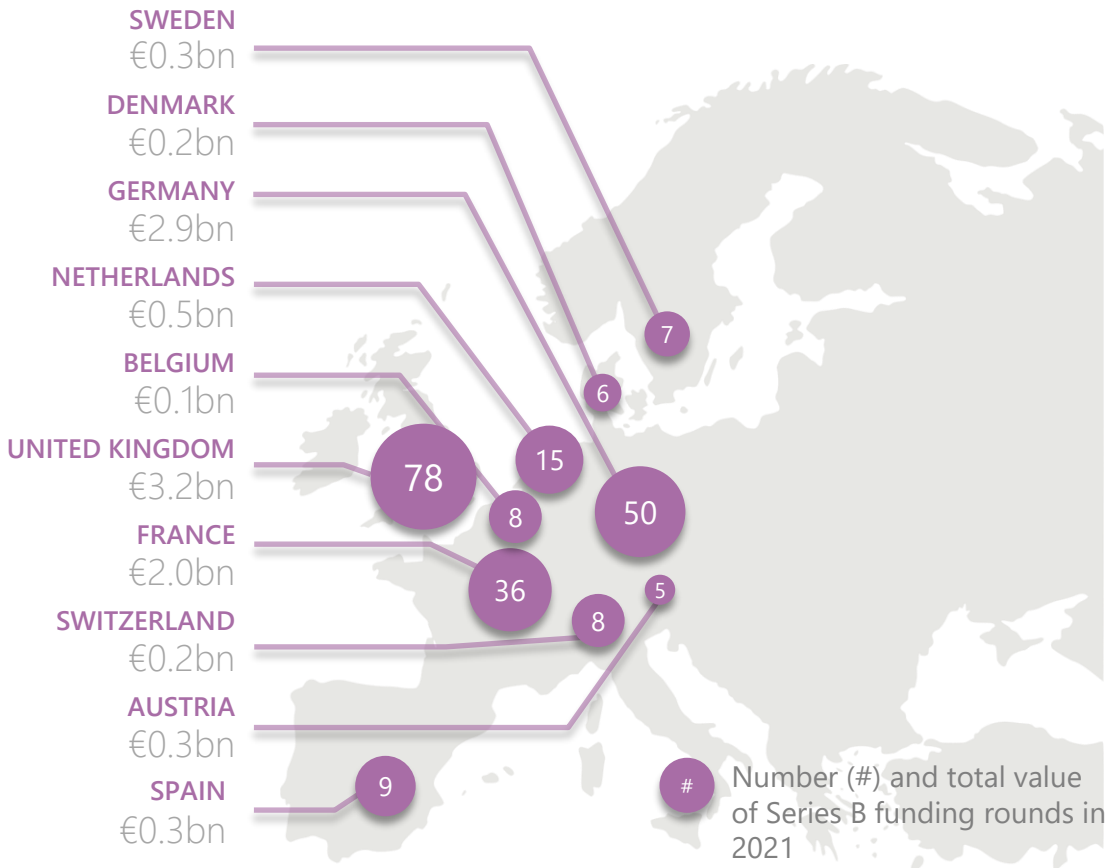
# Median Series B round sizes have doubled since H2'20

Median and Average size (€m) of Series B rounds by Half-Year, 2016-2021

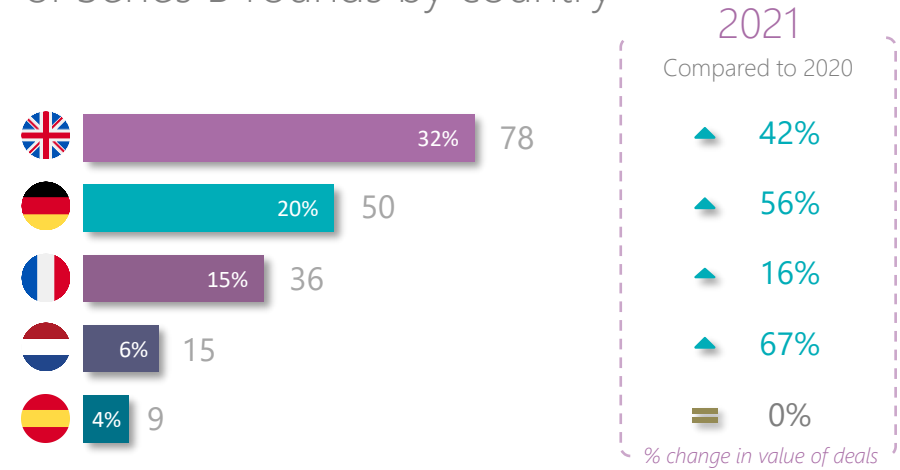


Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

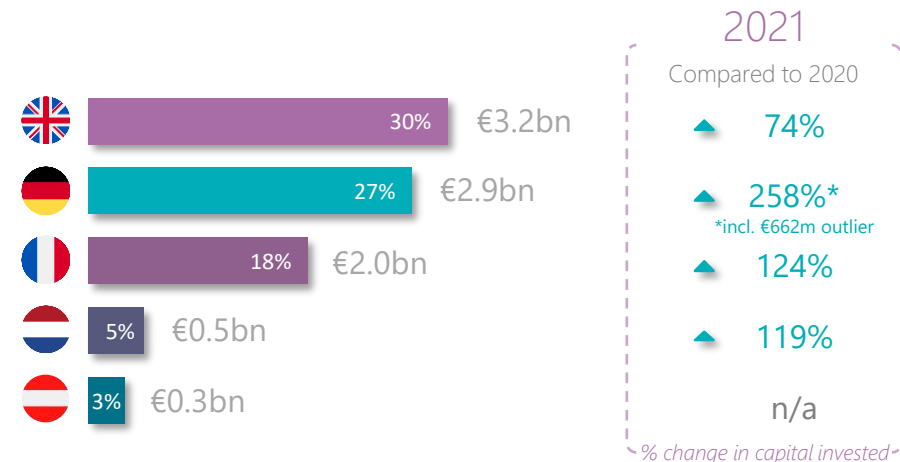
# UK, Germany and France make up 75% of capital invested in Europe in 2021



# of Series B rounds by country



Value of Series B rounds by country



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

# The pool of frequent B round investors is large...

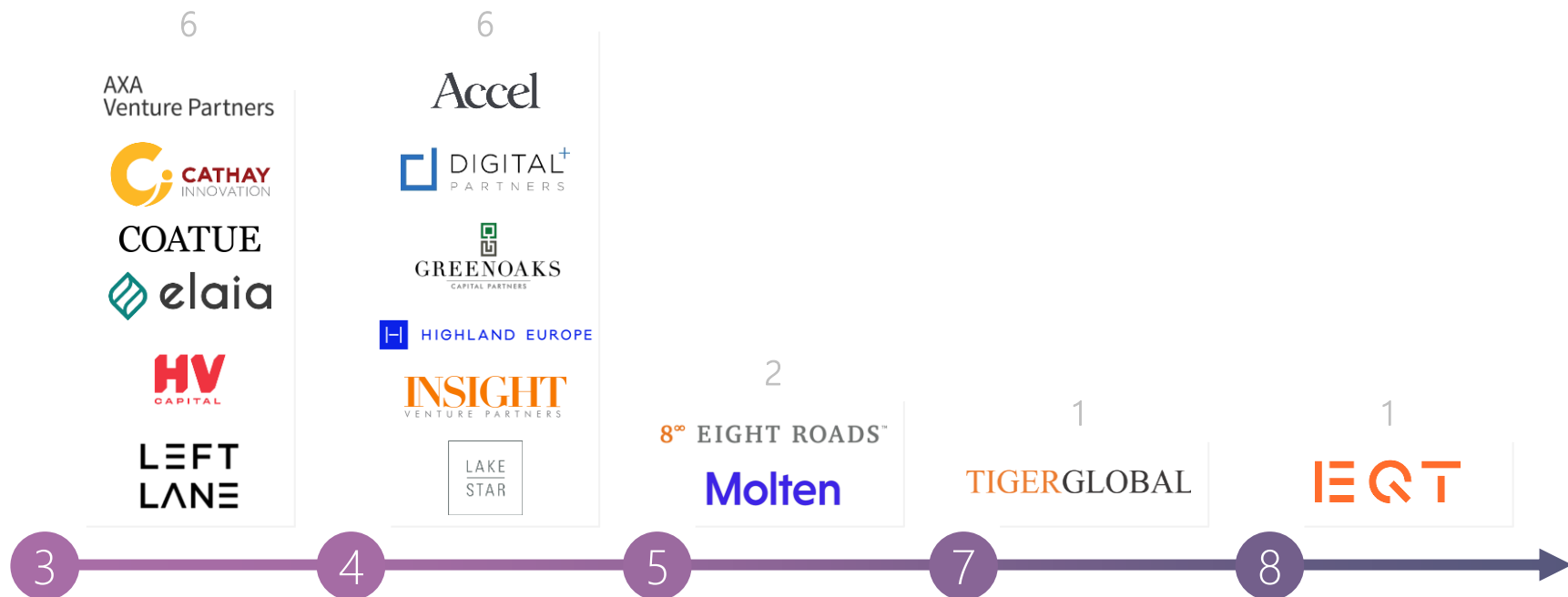
43 investors participated in six or more Series B funding rounds from 2020-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021 | Idinvest includes deals prior to Eurazeo rebranding

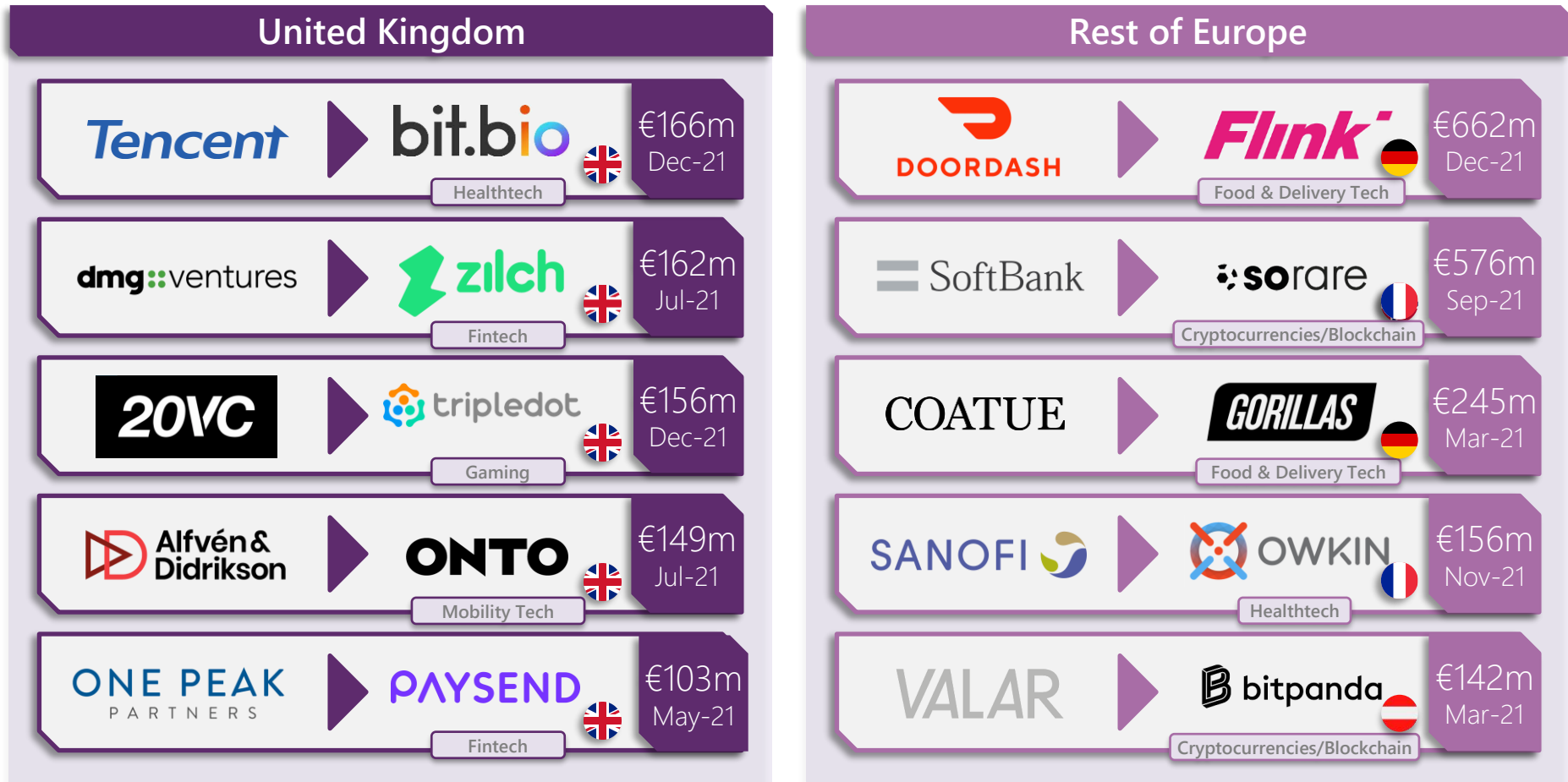
# ...of which a select few frequently lead investments

16 investors led three or more rounds from 2020-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

# 5 out of 16 €100m+ Series B rounds were raised by UK companies in 2021



Source: Pitchbook | Only lead investor logos included | Data as of 31/12/2021

4.

## EUROPEAN TECH C ROUNDS

A SHARP INCREASE IN CAPITAL INVESTED

## What is a Series C?

A Series C round is the **fourth stage** of a company's financing, and **typically the last stage of venture capital** financing

However, some companies opt to conduct more rounds, such as series D, E, etc.

Companies that aim to obtain series C funding are **no longer start-ups**

They are usually established, successful companies in their **late stages of development**, with **solid revenues**

Their core products or services generate **strong demand** in the marketplace, attracting a substantial customer base

### Deal Criteria

Type: Series C

Deal Size: min. €5m

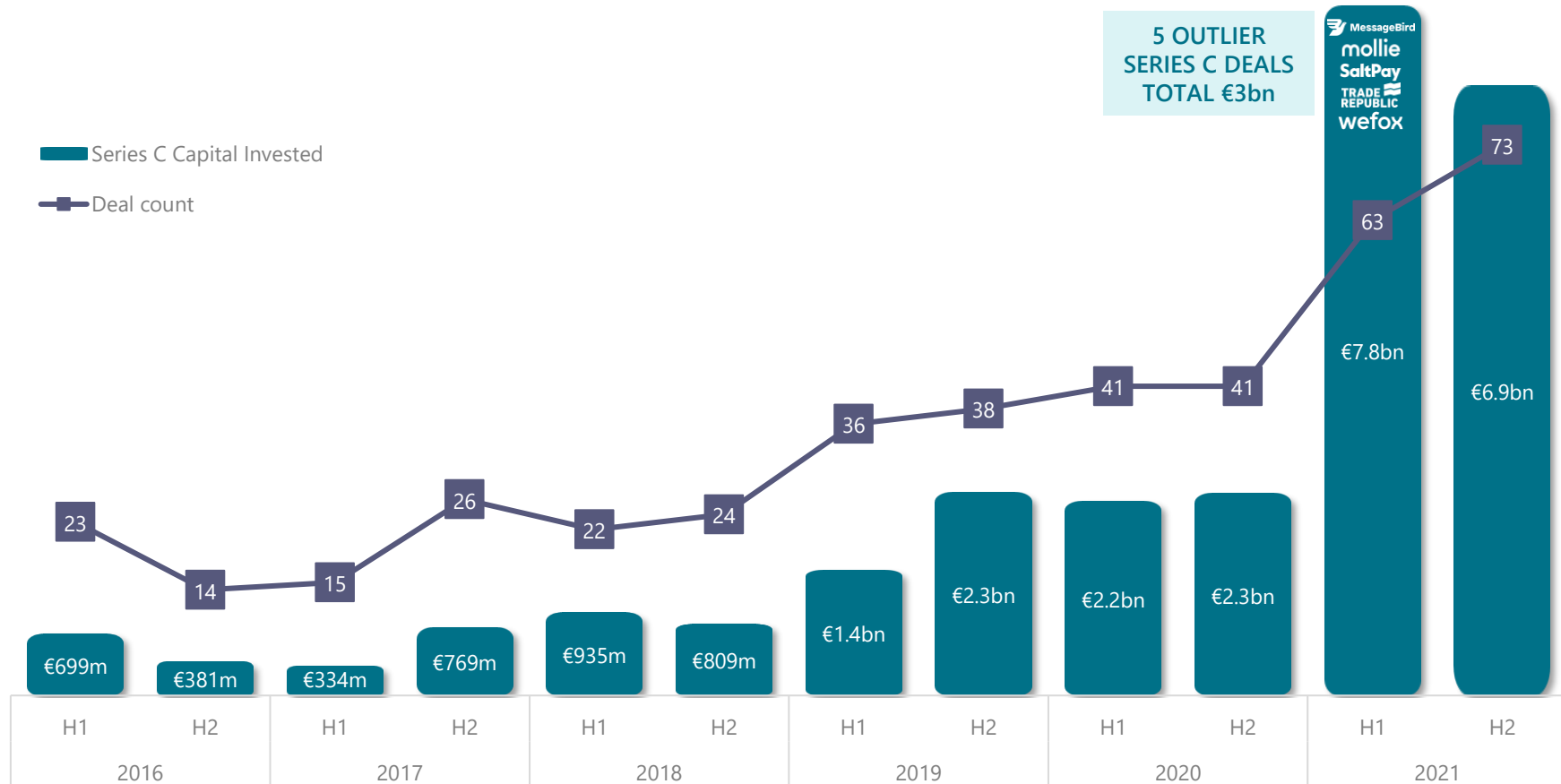
Geography: European HQ

Categories: Silverpeak's Technology filters

*Note: For the purpose of this analysis, Series C is any fundraising announced as Series C on Pitchbook. Some companies/verticals excluded, e.g. BioTech and Life Sciences.*

# Capital invested increases by 3.3x in 2021

Series C Total Financing Amounts (€m) and Deal Count by Half-Year, 2016-2021

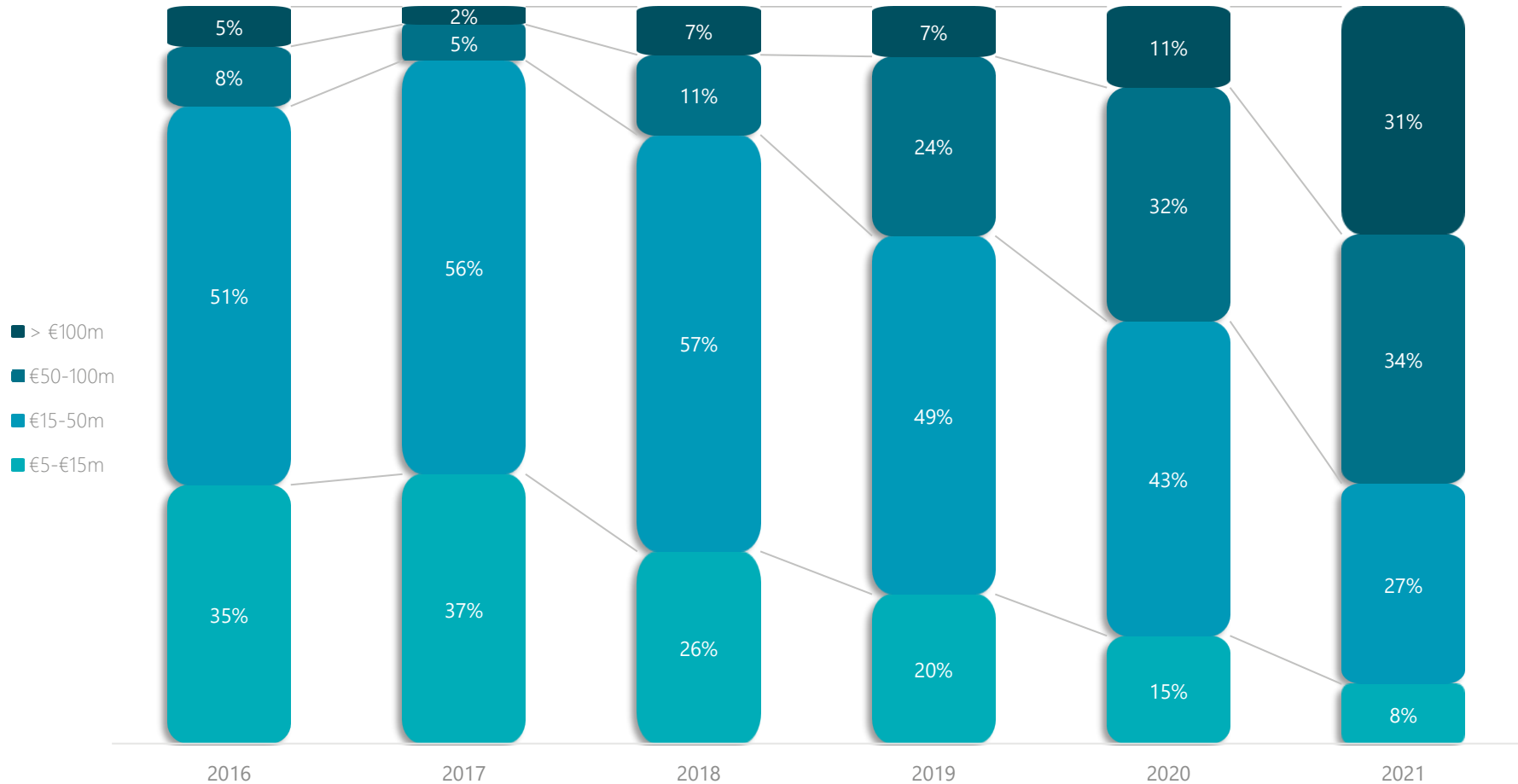


Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021



# 65% of deals in 2021 were above €50m vs 43% in 2020

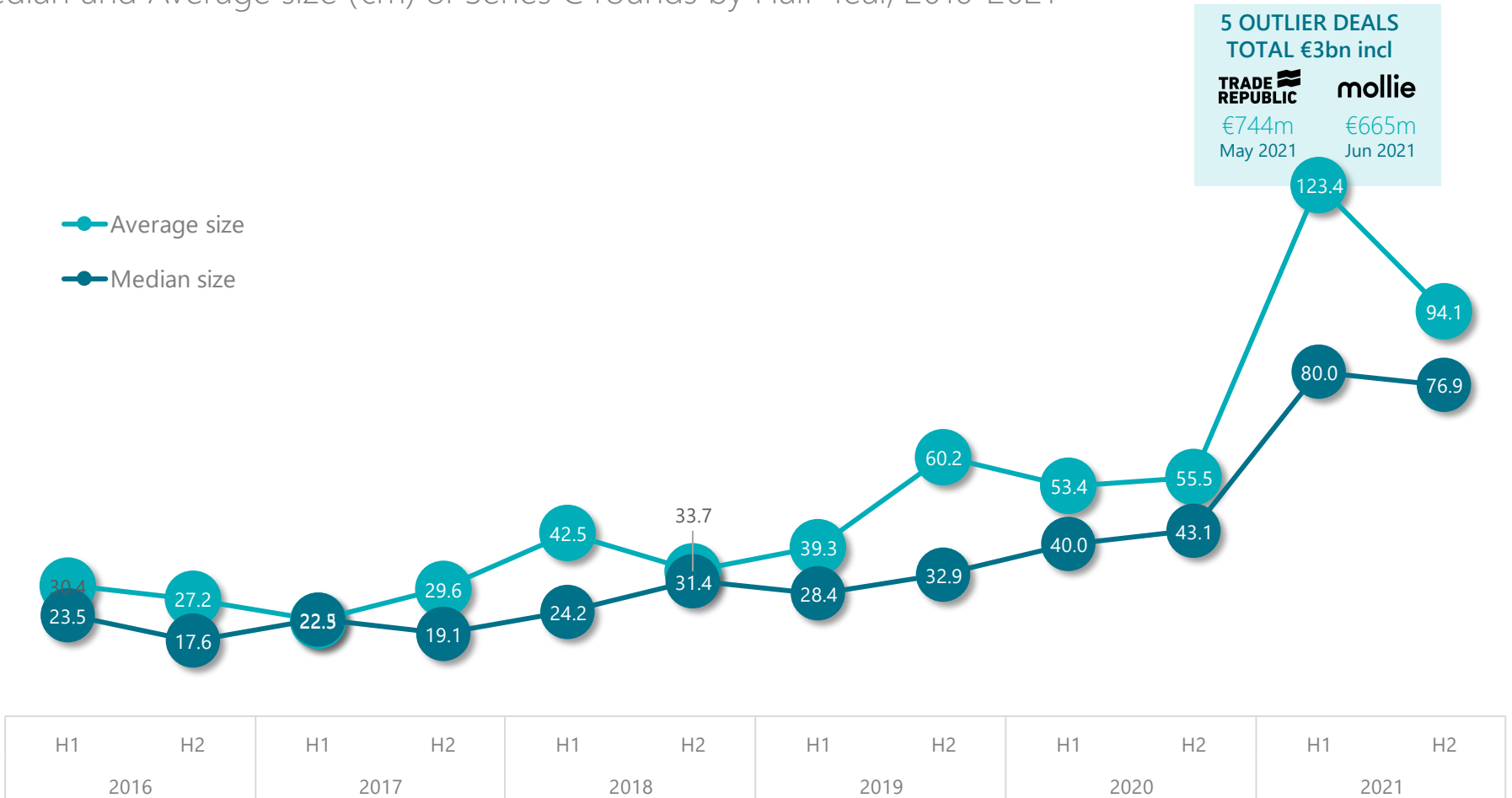
Breakdown of Series C rounds by value 2016-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

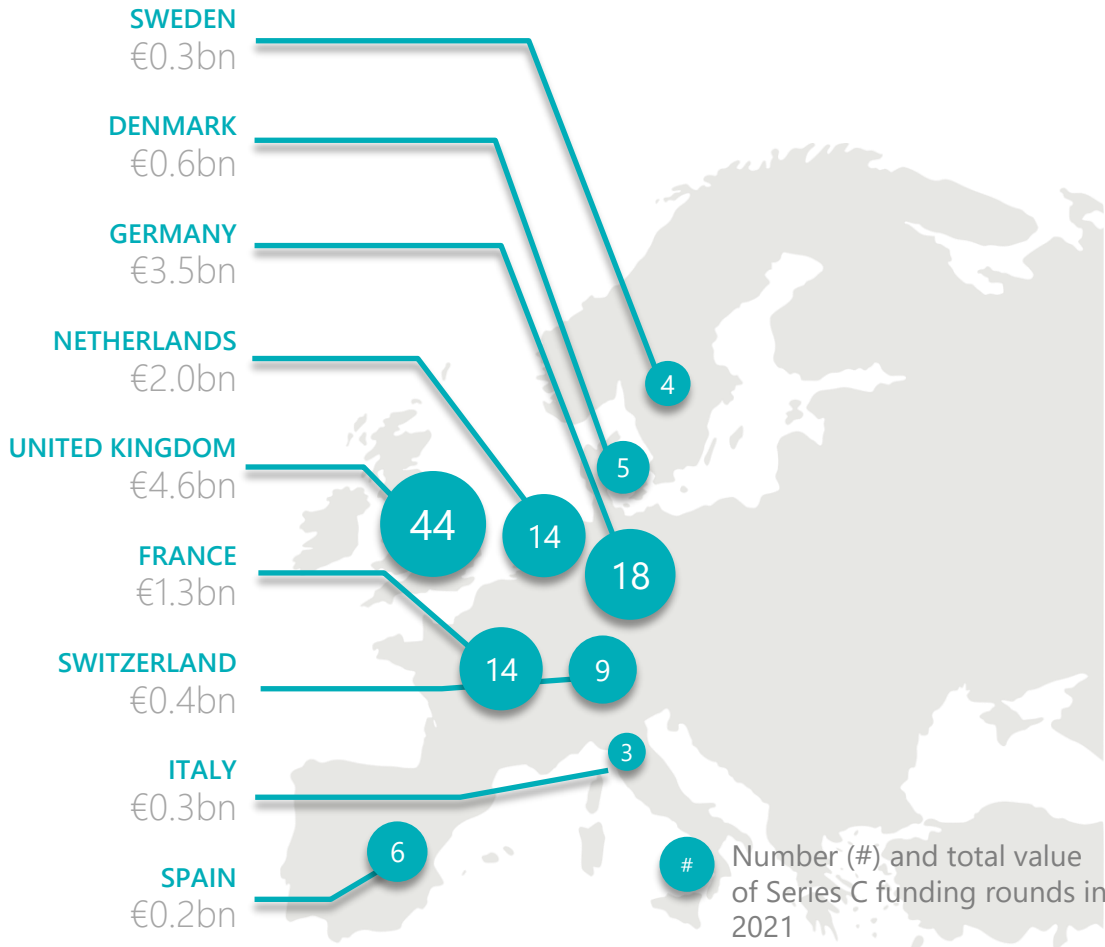
# In 2021, median & average Series C rounds double

Median and Average size (€m) of Series C rounds by Half-Year, 2016-2021

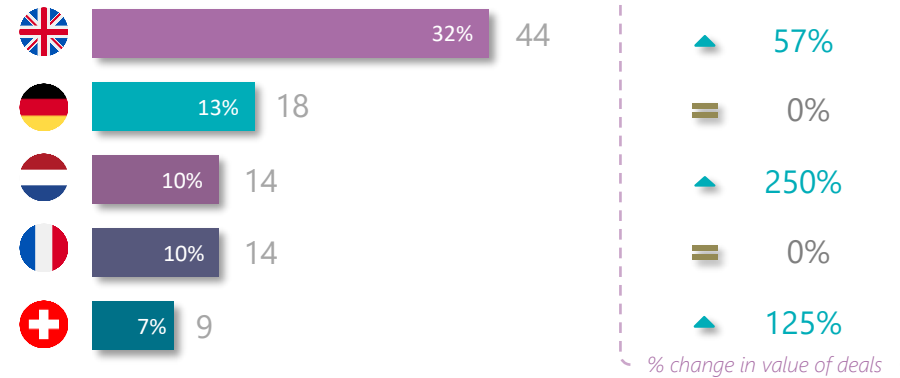


Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

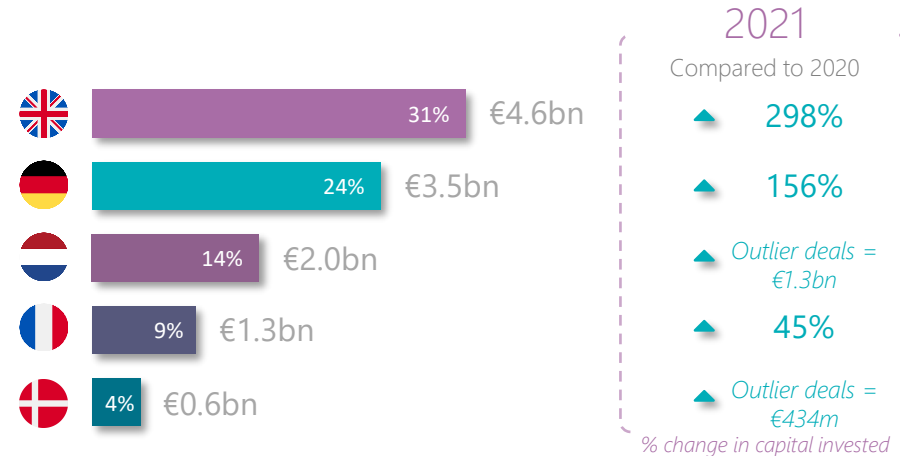
# UK & Germany attract over half of Series C investments



# of Series C Rounds by country



Value of Series C Rounds by country



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

# There is a sizeable pool of frequent C round investors...

27 investors participated in six or more Series C funding rounds from 2020-2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021 | Idinvest includes deals prior to Eurazeo rebranding

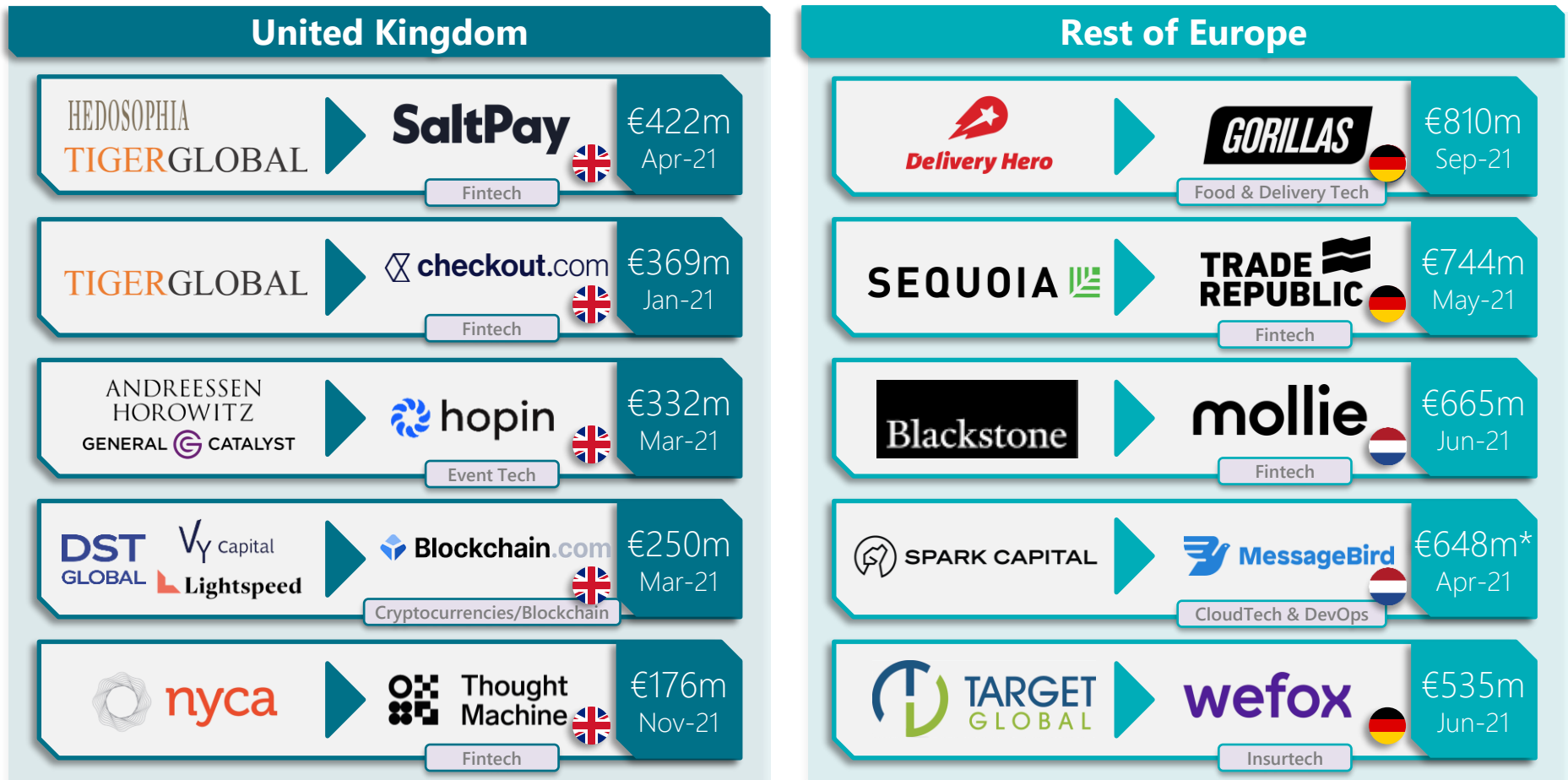
...however, there is only a small number of repeat lead investors

8 investors led four or more Series C funding rounds from 2020- 2021



Source: Pitchbook | Deals below €5m have been excluded | Data as of 31/12/2021

15 Series C rounds exceeded €200m in 2021, 12 more than in 2020



Source: Pitchbook | Only lead investor logos included | Data as of 31/12/2021

\* Spark Capital led the series C in Oct-20, and this is a round extension

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