

The State of the Market for European Deep Tech Companies

15th October 2019

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Managing Partner



Agenda



01 // SILVERPEAK OVERVIEW

02 // EUROPE REALITY CHECK

03 // EUROPEAN DEEP TECH FUNDING ENVIRONMENT

04 // DEEP TECH VS SOFTWARE INVESTMENT

Silverpeak advises outstanding growth technology companies on M&A and financing transactions

European clients – **Global** counterparties



Silverpeak has deep sector knowledge and extensive execution experience in the technology sector



We have closed 22 transactions in the past two years – of which half are deep tech

FR | US

sentryo

M2M cybersecurity for the industrial internet

Sale

CISCO

August 2019



GB | GB | US

oxbotica

Autonomous vehicle software

Investment by

PARKWALK

ipgroup

AXA

XL GROUP

July 2019



GB | GB

thoughtonomy

Intelligent automation

Sale

blueprism

July 2019



GB/FR | US

[CONFIDENTIAL]

HealthTech device

Sale

US Strategic

June 2019



GB | IE

dictate.it

Clinical speech recognition services & software

Sale

Clanwilliam group

December 2018



FR | FR

sentryo

M2M cybersecurity for the industrial internet

Investment by

sopra steria

BNP PARIBAS DEVELOPPEMENT

OMNES

ALLIANCE ENTREPRENDRE

kreaxi

ACE

REPLY

November 2018



NL | NL

EFFECT

PHOTONICS

High performance integrated optoelectronic communication devices & modules

Investment led by

InnovationIndustries

November 2018



GB | GB | US

oxbotica

Autonomous vehicle software

Investment by

PARKWALK

ipgroup

AXA

XL GROUP

September 2018



IT | IT

e-novia

Developer of Sensor fusion, AI, robotics & control technologies

Investment by

Family offices & individual investors

July 2018



US | GB | FR

SCALITY

Software for multi public cloud data management

Investment by

bpi france

GALILEO INVESTMENT

Harbert Management Corporation

Hewlett Packard Enterprise

idinvest

iris capital

Menlo

OMNES CAPITAL

April 2018



US | LU

MARLIN EQUITY PARTNERS

Investment in

talkwalker

Social media analytics & monitoring software

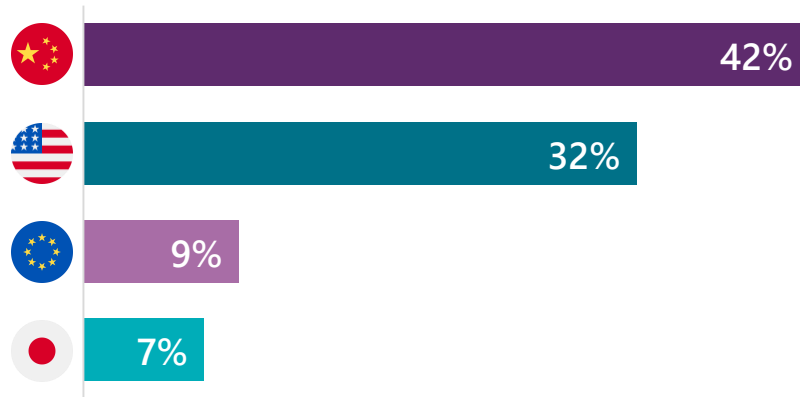
January 2018



 Denotes Silverpeak transaction

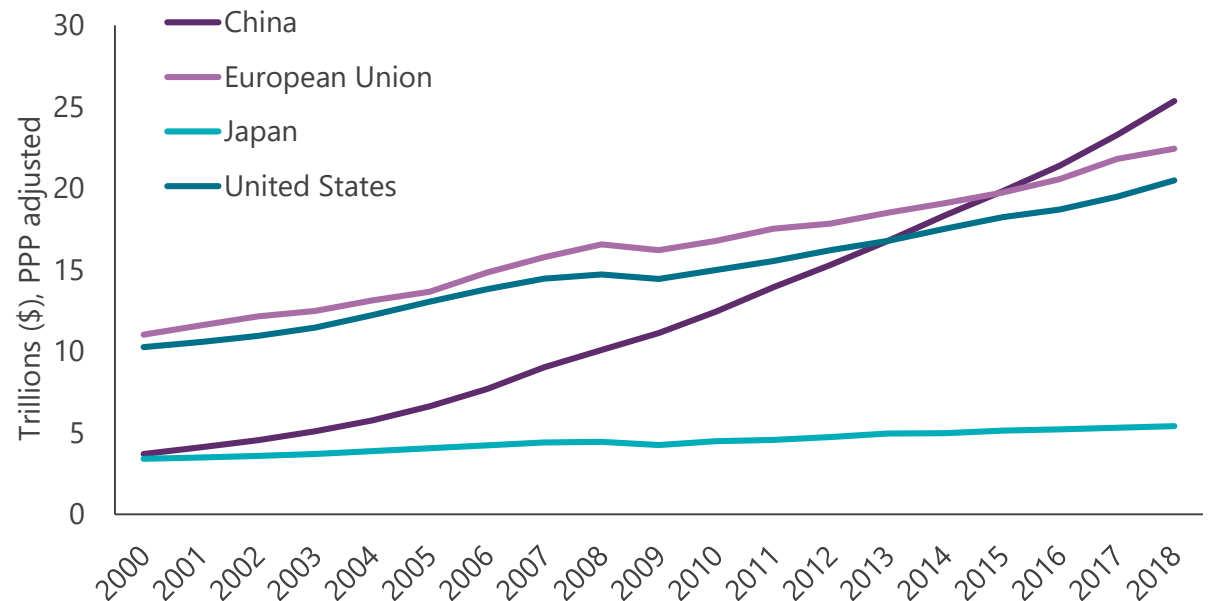
02// EUROPE REALITY CHECK

Proportion of people who believe ... is the World's leading economic power



Europe is not considered to be the World's leading economic power...

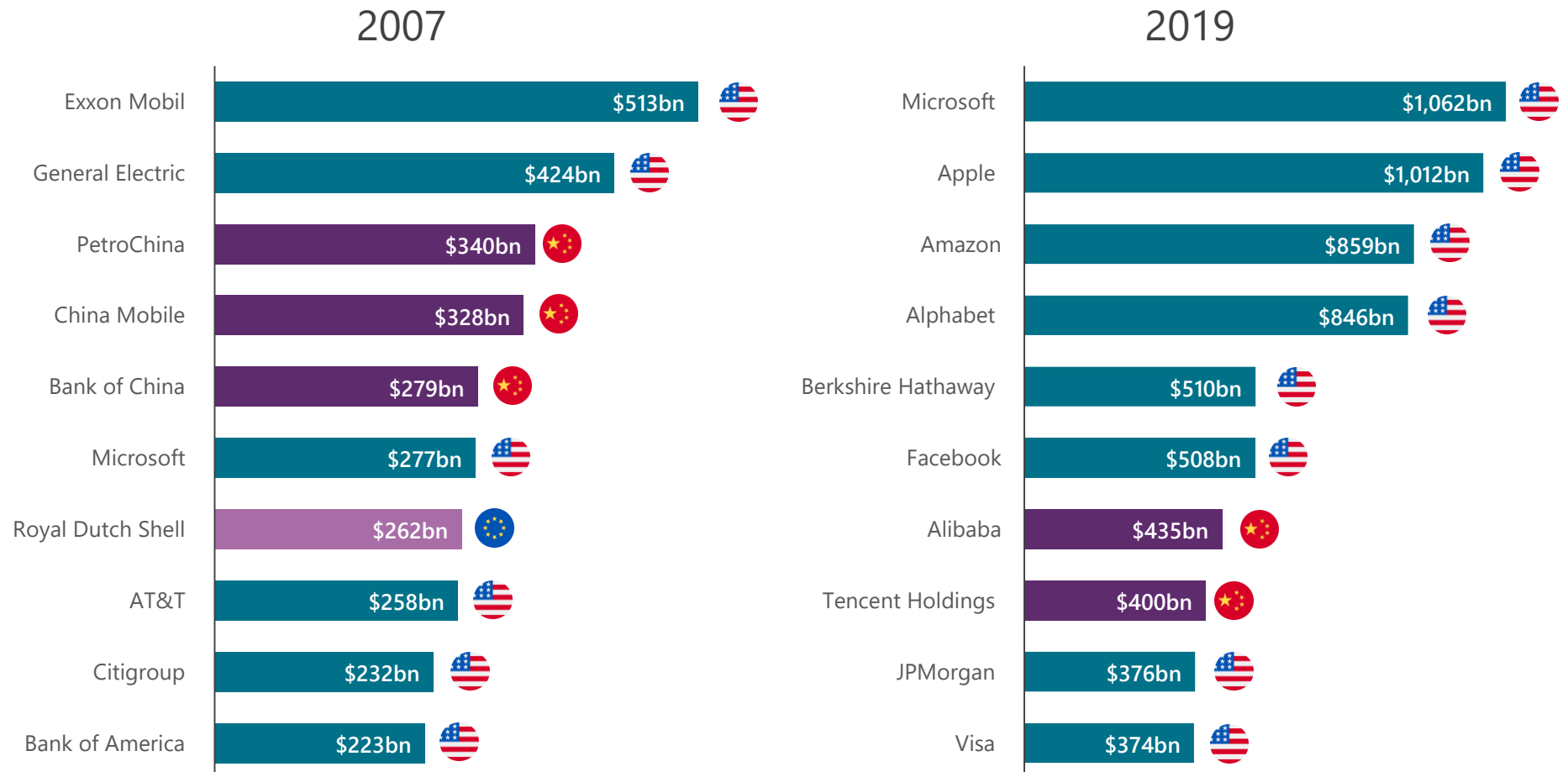
... despite having the 2nd largest GDP...



Source: Pew Research Center 2017

...as they're not present in the World's largest companies

Largest companies by market capitalisation and country



Most Prominent Deep Tech sectors

For this analysis, we've selected **European fundraisings** above or equal to **€10m**

Most Prominent Deep Tech sectors



3D Printing



Autonomous Vehicles



IoT



Quantum Computing



Space Technology

AI & Machine Learning



Cryptocurrency/Blockchain



Photonics

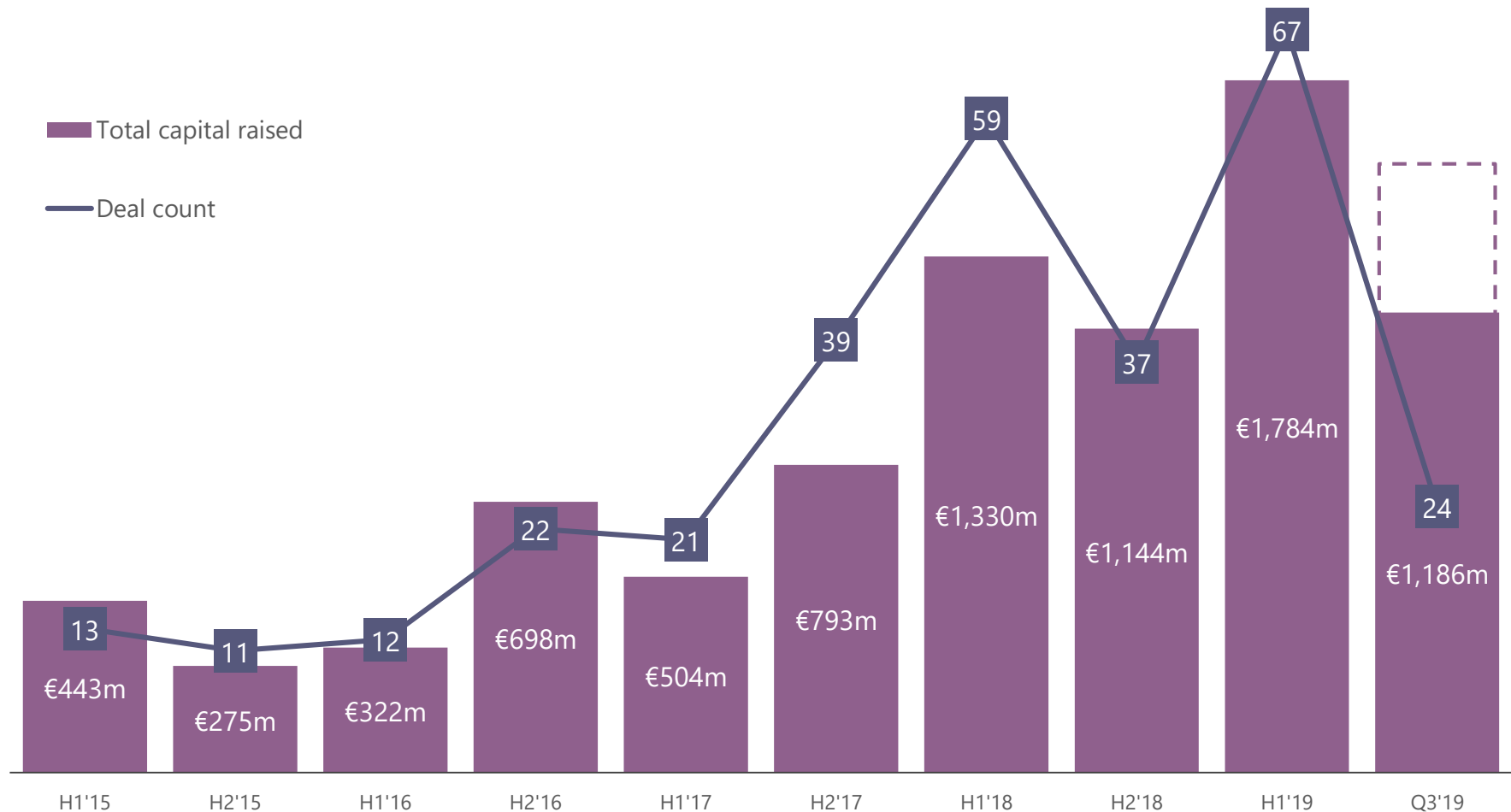


Robotics and Drones



2019 fundraising is booming to record highs

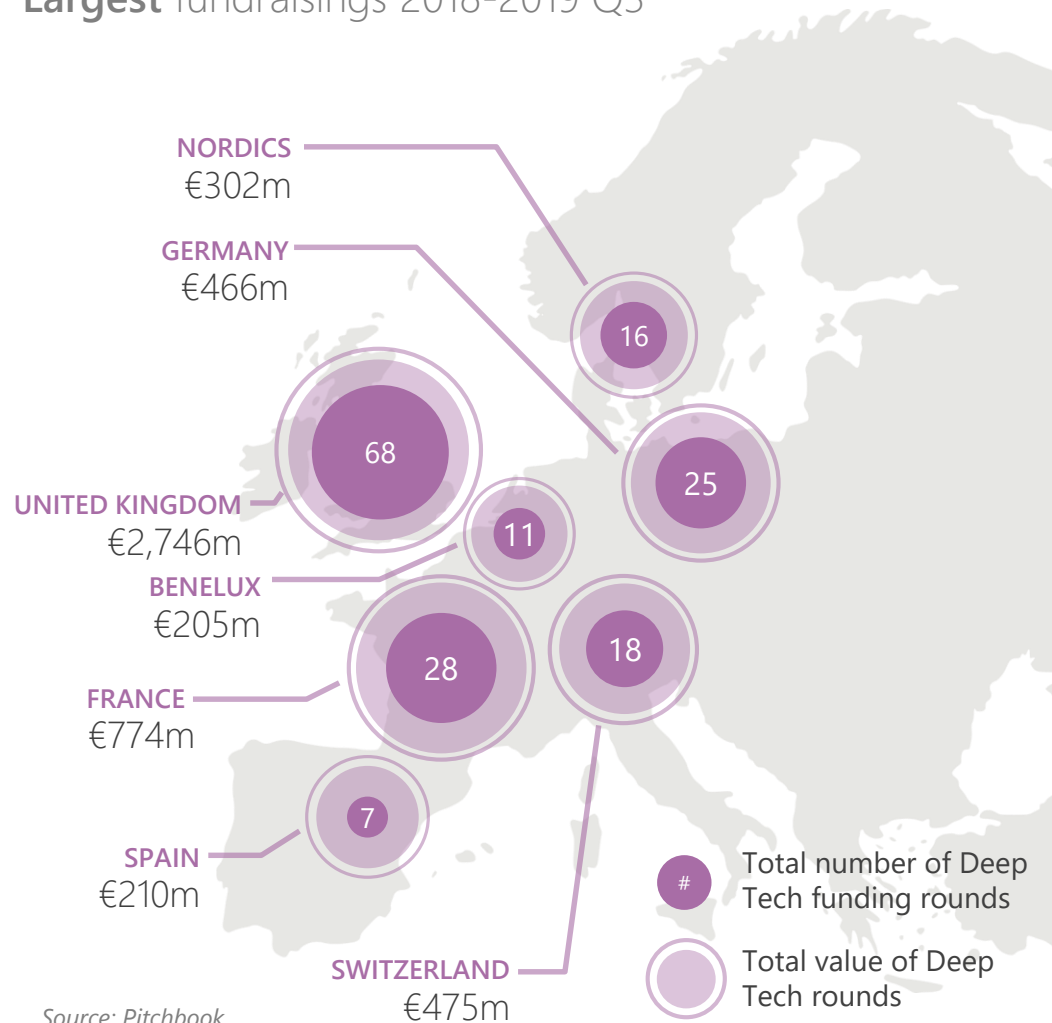
Total Financing Value and Deal Count by Half-Year, 2015-2019 Q3



Source: Pitchbook

Largest Deep Tech rounds are dominated by the UK

Largest fundraisings 2018-2019 Q3

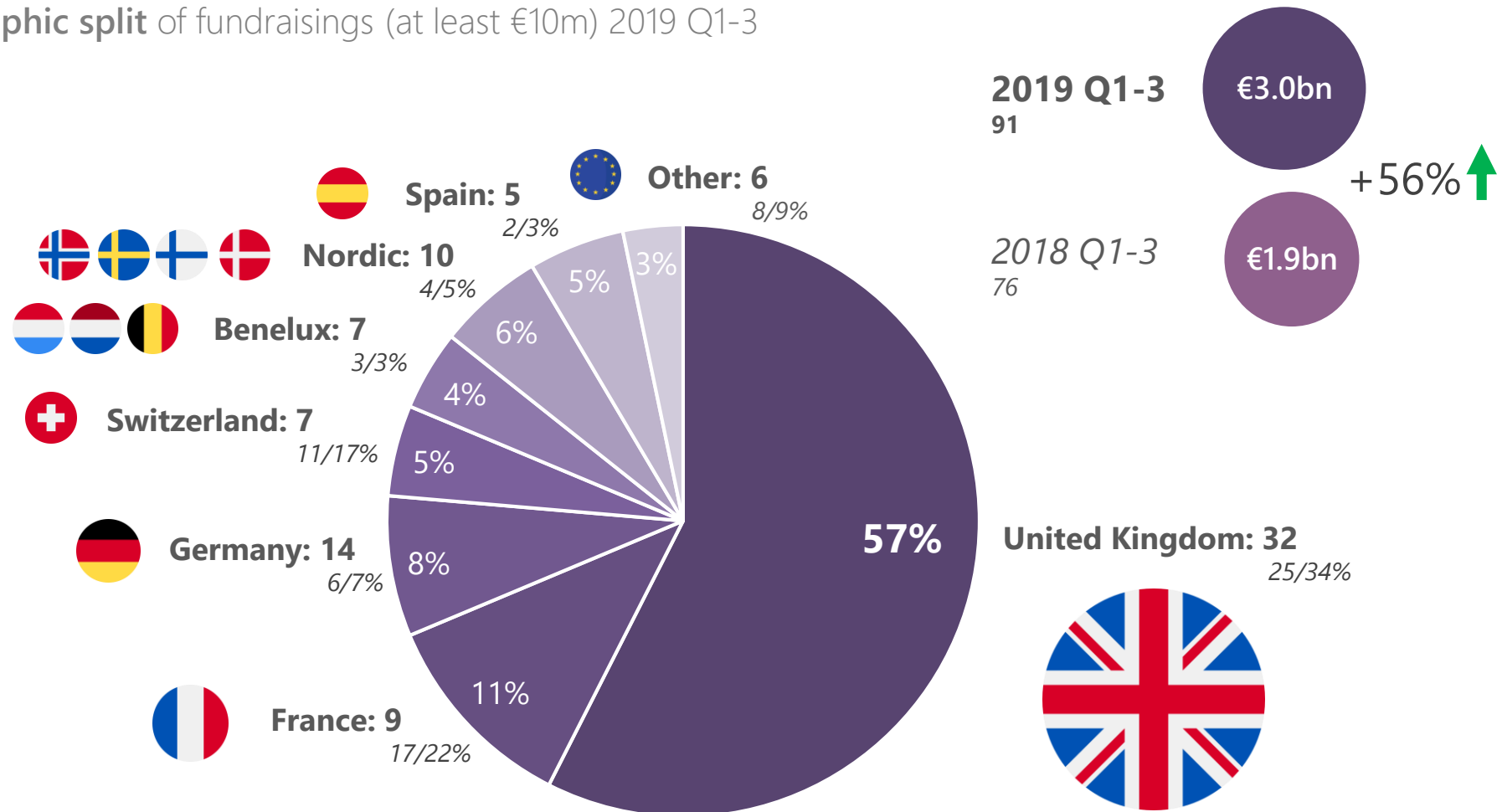


Rank	Company	Date	HQ	Deal Size (€m)	Series
1	 babylon	Aug 19		491	C
2	 CMR SURGICAL	Sep 19		218	C
3	 meero	June 19		205	C
4	Graphcore	Dec 18		176	D
5	 SEBA	Sep 18		89	Later VC
6	 DFINITY	Aug 18		89	Later VC
7	 CMR SURGICAL	Jun 18		85	B
8	 OXFORD PV™ The Perovskite Company	Jul 19		83	D
9	 onfido	Apr 19		76	Later VC
10	 VadeSecure Predictive Email Defense	Jun 19		70	Later VC

Source: Pitchbook

UK attracts over half of total fundraising

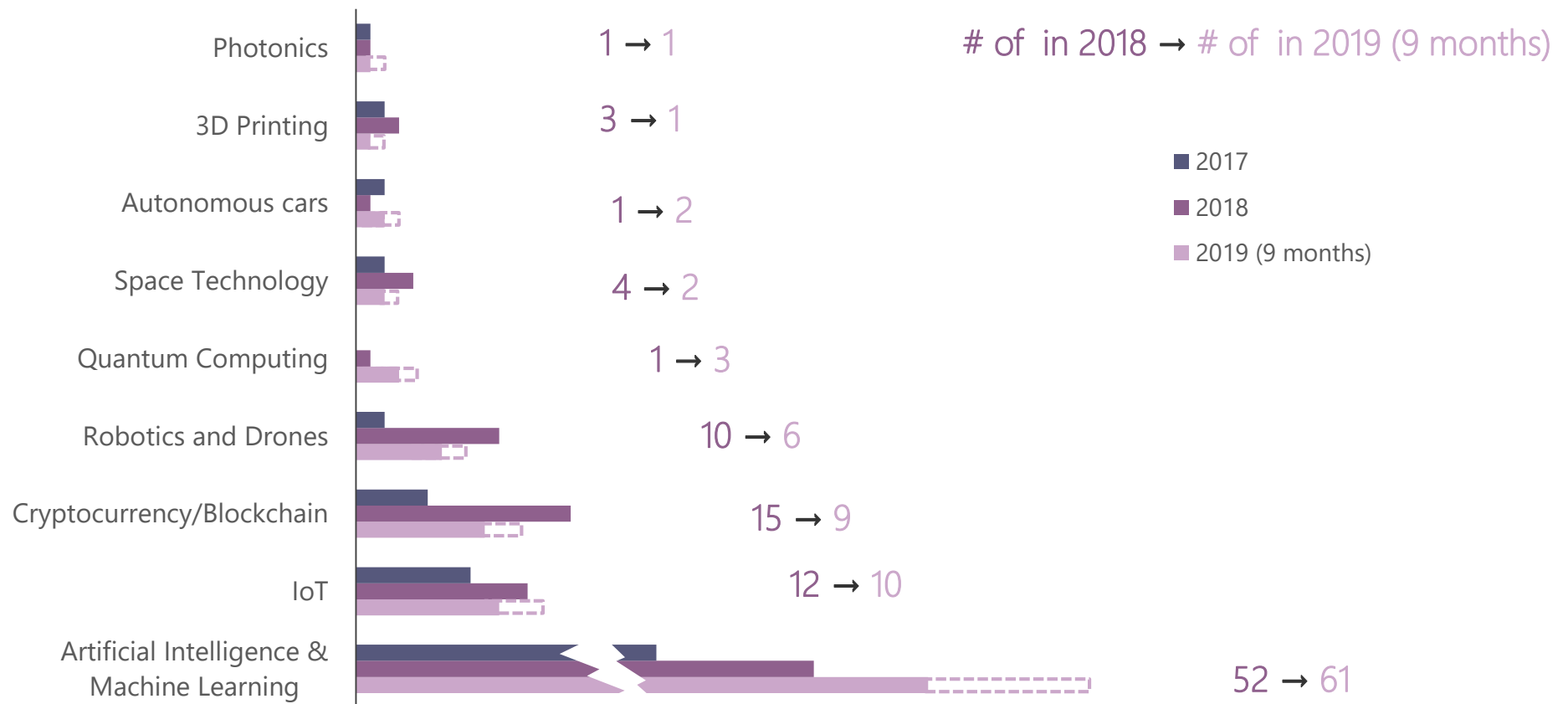
Geographic split of fundraisings (at least €10m) 2019 Q1-3



Source: Pitchbook

AI & Machine Learning sees significant growth

Deal count by **sector** 2017-2019 Q3

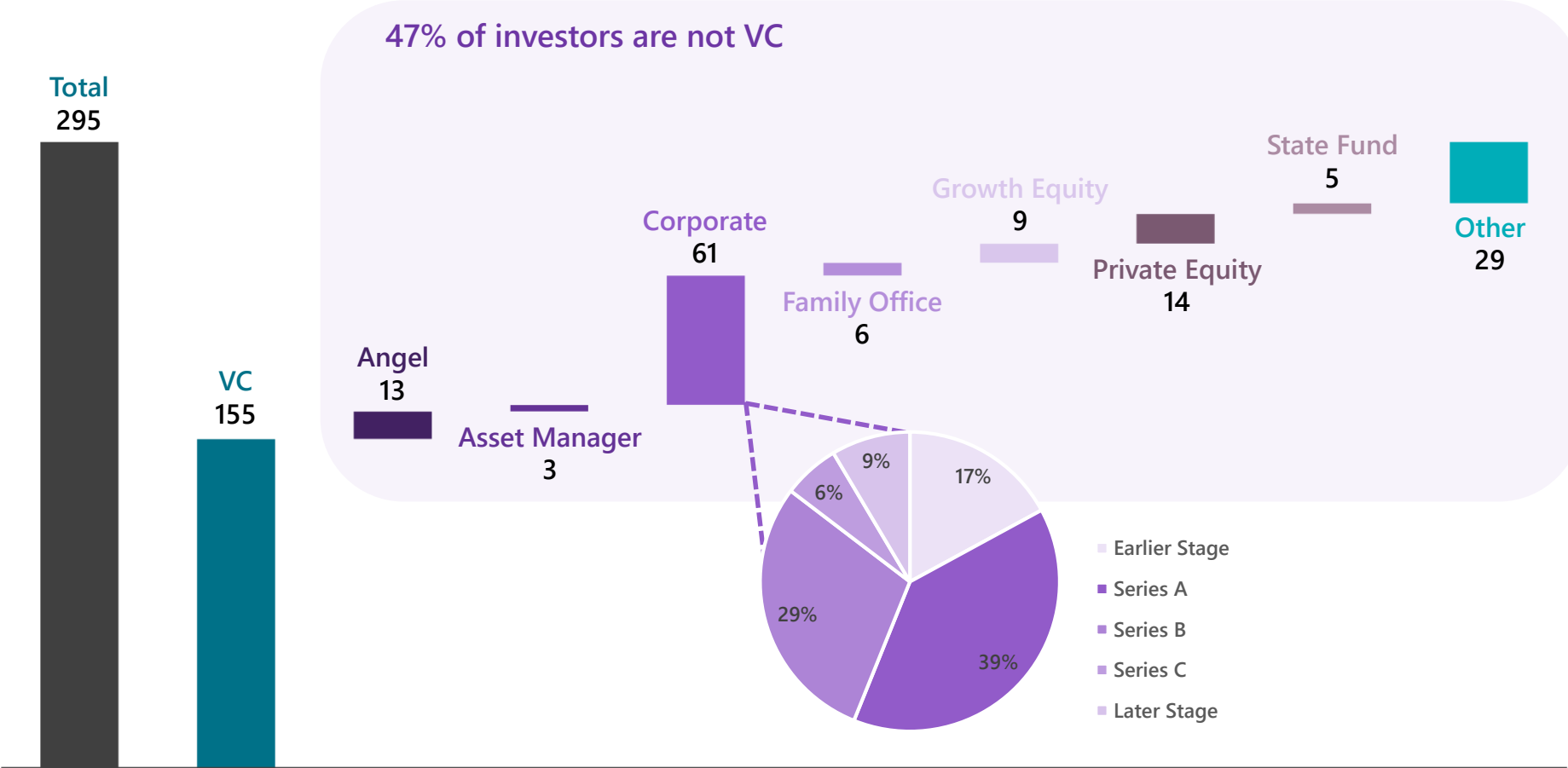


Source: Pitchbook

Note: AI and Machine Learning is not proportional to the other sectors

A wide variety of investors participated in deep tech

Total number of investors by type 2019 YTD



Source: Pitchbook | Note: 2019 YTD is up to 30/09/19

There is a large pool of “serial” investors

142 investors participated in **more than one** round, of which **25** participated in **more than three** rounds in 2018-2019 Q3



Source: Pitchbook

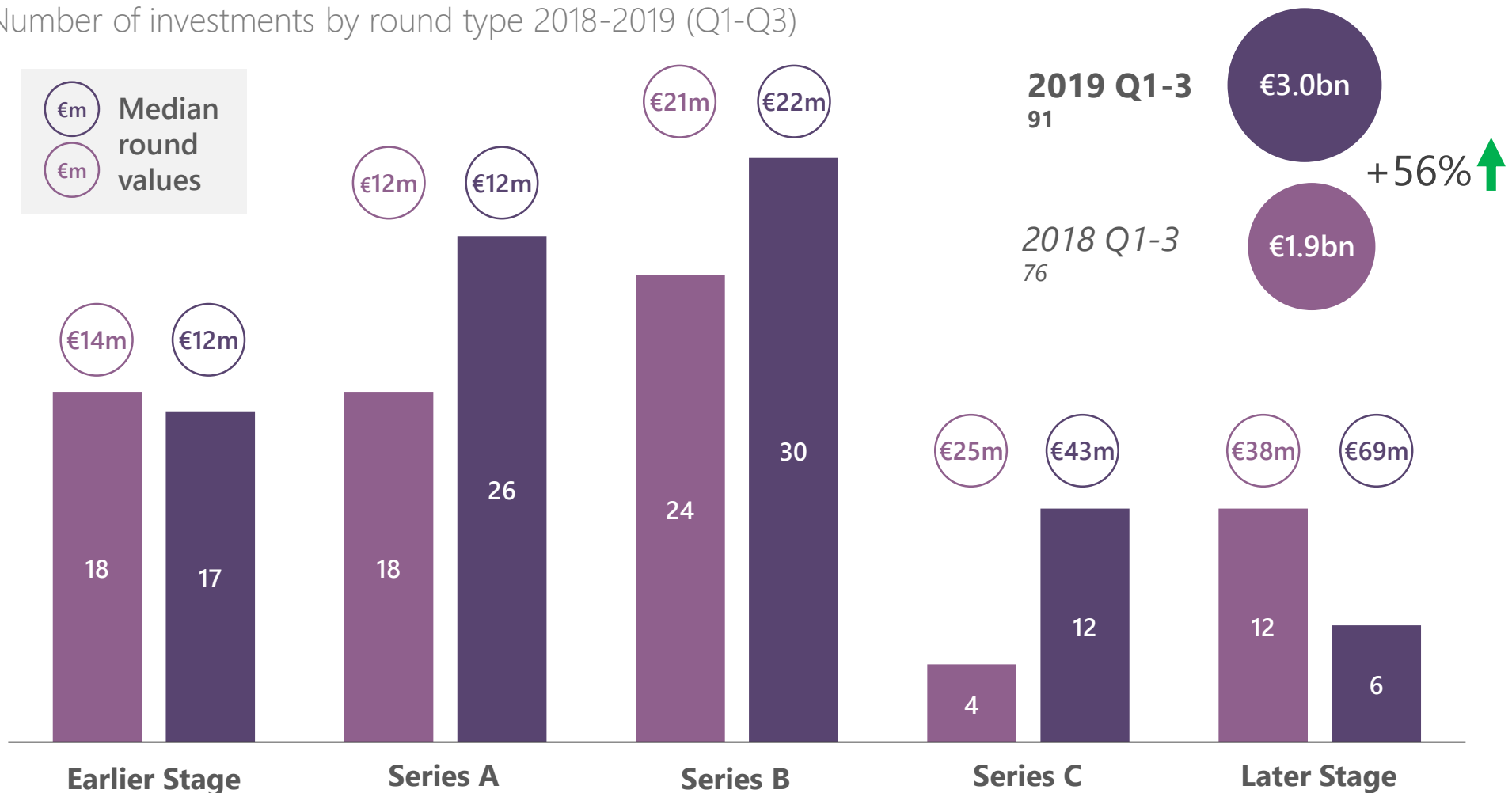
17 investors have **led** more than one round between 2018 and 2019 Q3



Source: Pitchbook

Share of series A and B fundraising is on the rise

Number of investments by round type 2018-2019 (Q1-Q3)



Source: Pitchbook

03 // EUROPEAN DEEP TECH FUNDING ENVIRONMENT

UNITED KINGDOM



GERMANY



FRANCE



SWITZERLAND



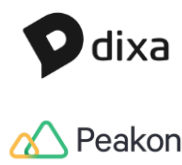
AUSTRIA



BELGIUM



DENMARK



FINLAND



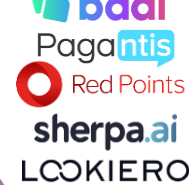
IRELAND



NETHERLANDS



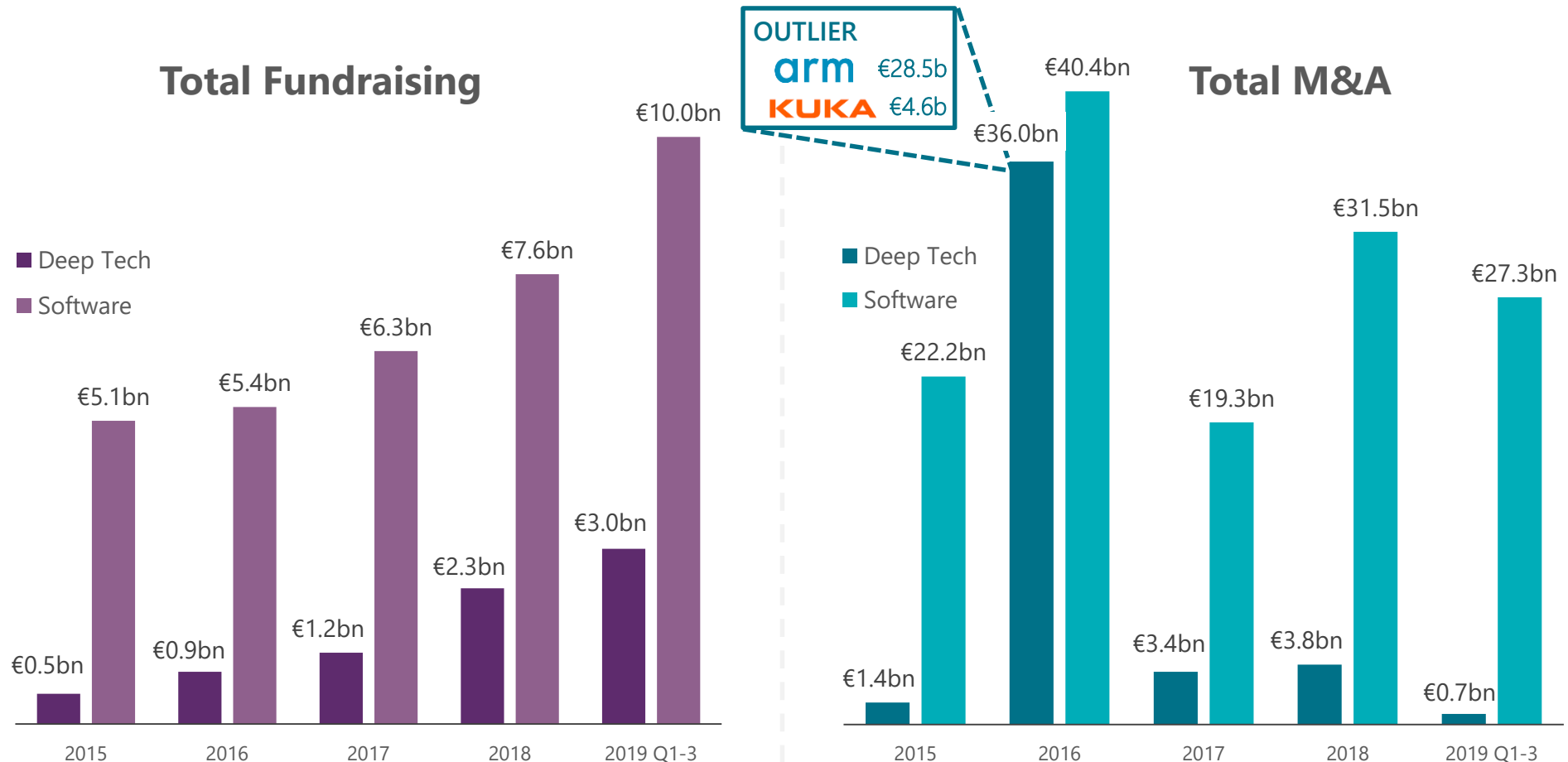
SPAIN



Source: Pitchbook

Note: Selected companies

Software consistently attracts >3x the amount of funding,
M&A volumes remain very volatile



Source: Pitchbook

Thank you

