

ITALIAN INNOVATION DAYS
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VC IN ITALY IN AN EUROPEAN PERSPECTIVE

EMIL ABIRASCID

Emil Abirascid, journalist writes on innovation that becomes new enterprise. He is founder and editor in chief of Startupbusiness. He published two books about startups and innovation. He is also contributor to Il Sole 24 Ore, the main Italian financial newspaper, curator of StartupDigest Italy, president of the valuation commission of Premio Marzotto, the biggest award for startups and scaleups in Italy, advisor of ScaleIT, Startupbootcamp, International Accelerator, Fondazione Symbola for Italian qualities. Emil is also co-organizers of Italian Innovation Days in Tokyo, Japan and Melbourne and Adelaide, Australia.



Scenario so far

- **Italy invests annually on startups and scaleups much less of other comparable economies such as France or Spain (without mentioning UK or US). And 2017 was the 'annus horribilis' for Italian VC industry.**
- **Italian VC funds are all public backed by National and/or EU Government (Fondo Italiano di Investimento by Cassa Depositi e Prestiti – European Investment Fund).**

Scenario so far

- **Historically Italian VC investors are very good for the seed/early stage but struggling to follow up bigger rounds.**
- **Despite the amount of money invested annually on Italian startups and scaleups by Italian investors is wide less compared to other European economies, the amount and the quality of Italian born innovative companies is very high.**

Scenario so far

- **So far Italian scaleups were forced to look for bigger investments rounds abroad and, consequently, moving their register offices in the Country where the Fund is based, although most of the workforce, mainly the R&D, stays in Italy (as is the case, for example, of Octo Telematics, AdEspresso, BeMyEye and many more) .**

Scenario so far

- **Startups and scaleups are successful when they grow up globally, innovative companies are, by definition, international entities. So the presence of international investors is good, but is also good if Italian VC Funds can manage follow up investments in order to maximize their returns and in this way generate new resources and capitals to keep investing in new ventures.**

New Trends

- **New generation of VC Funds with an European wide perspective is rising (Five Seasons Ventures, Sofinnova ...)**
- **Latest Italian VC Funds closings are, on average, higher than in the past (+100 million euro: Vertis, P101, Innogest, Indaco Ventures ...)**

New Trends

- **The Fondo Italiano d'Investimento Tech Growth Fund is starting to invest 5-10 million euro per single round on Italian technology scaleups and SMEs**
- **Italian VC Funds are co-investing with other European Funds.**

New Trends

- **Specialized Funds are rising such as Panakes for bio-tech and Five Seasons Ventures for food-tech.**
- **Other form of investments such as crowdfunding for equity, syndicate investing, business angels club deals, family offices, are starting to look and invest in grow stage startups and not only in seed/early stage segment.**

New Trends

- **Open innovation and Corporate Venture Capital is also playing a growing role. Established companies, mostly SMEs, are looking for startups in order to accelerate their innovation pace and sometime they invest in the startups' equity or even buy them. Bigger corporation are also investing with the focus to acquire interesting technologies and innovations and also talented and skilled people (the so called aqui-hiring phenomenon).**

Some data

VC INVESTMENTS PER CAPITA IN € - Y.2016

US - 231	Denmark – 25
Sweden - 160	Germany - 24
Ireland - 77	Belgium - 22
Finland - 59	Spain - 13
UK 49	Austria - 9,2
France - 41	Portugal - 4,3
Norway - 30	Italy – 2,7

Source : Dealroom

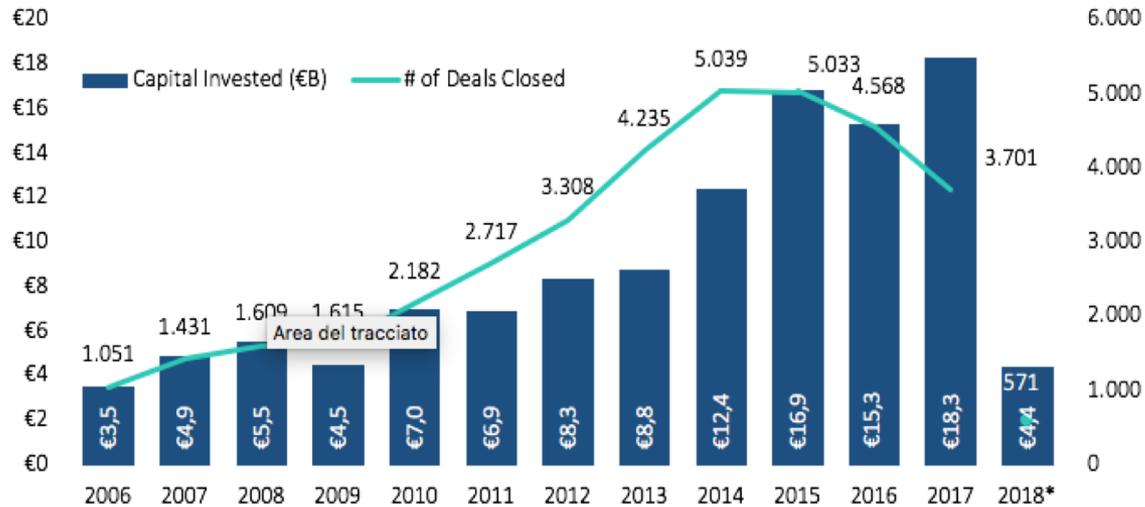
Some Data – European VC deal activity



European VC deal activity

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Capital Invested (€B)	€ 3,50	€ 4,88	€ 5,50	€ 4,52	€ 7,01	€ 6,88	€ 8,33	€ 8,77	€ 12,41	€ 16,88	€ 15,30	€ 18,29	€ 4,38
# of Deals Closed	1.051	1.431	1.609	1.615	2.182	2.717	3.308	4.235	5.039	5.033	4.568	3.701	571

*As of 3/31/2018



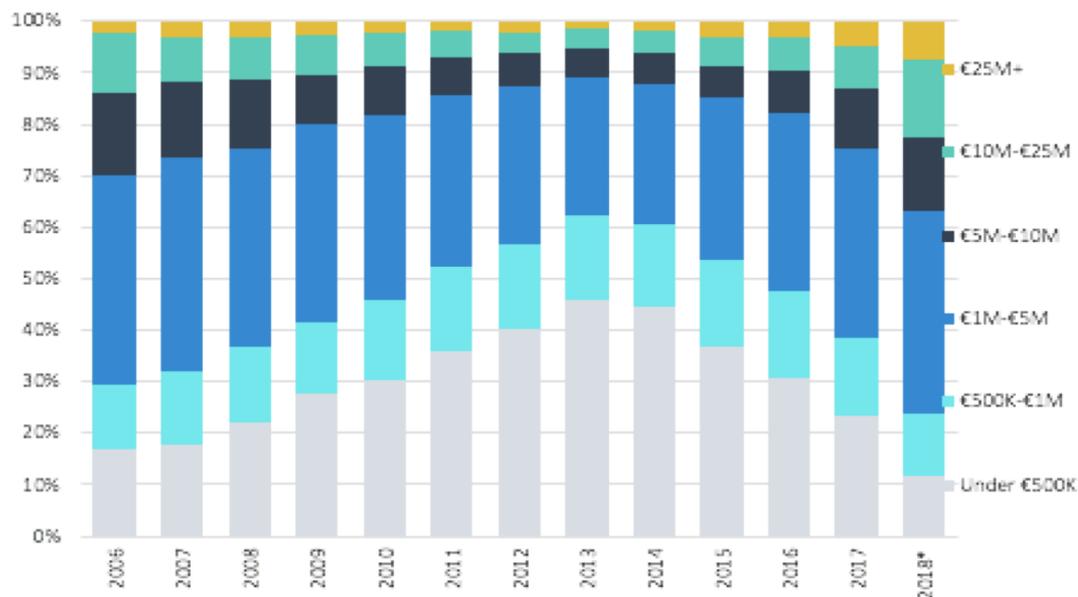
Some data – Europe VC activity by size (numbers)



Europe VC activity (#) by size

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Under €500K	122	172	248	305	449	679	977	1430	1658	1367	1093	700	55
€500K-€1M	90	133	165	157	233	315	398	513	596	629	589	446	57
€1M-€5M	293	401	432	424	537	635	749	838	1008	1175	1234	1104	183
€5M-€10M	113	139	153	107	140	139	162	169	224	221	296	342	67
€10M-€25M	84	83	91	86	96	93	95	121	155	200	230	253	71
€25M+	17	31	36	29	37	37	52	49	70	121	104	142	35

*As of 3/31/2018



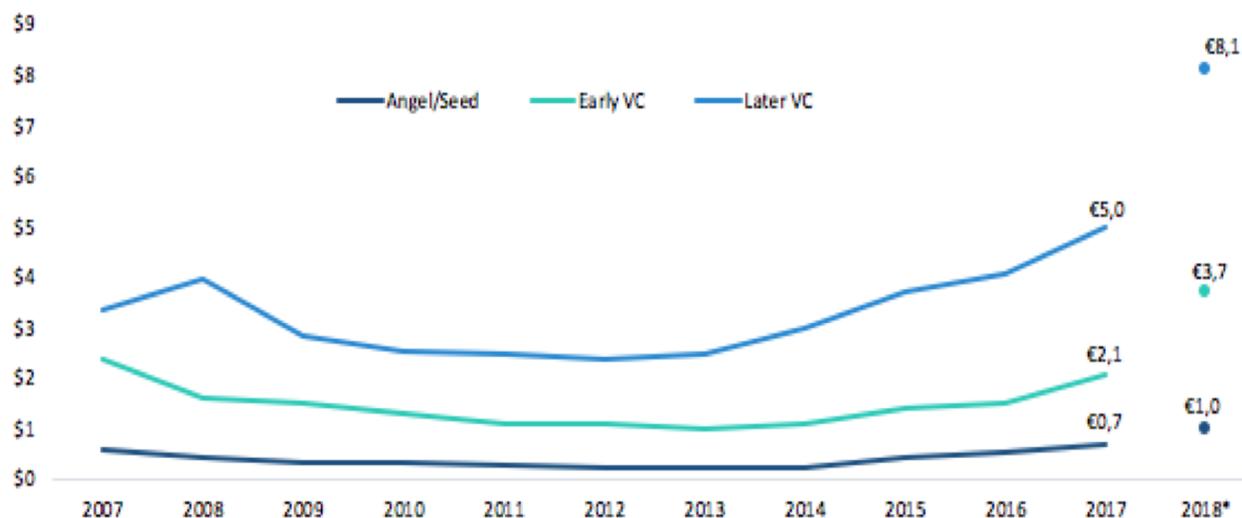
Some Data – Median deal size by stage



Median deal size by stage (€)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Angel/Seed	€0,7	€0,6	€0,4	€0,4	€0,4	€0,3	€0,2	€0,2	€0,3	€0,4	€0,6	€0,7	€1,0
Early VC	€2,4	€2,4	€1,6	€1,5	€1,3	€1,1	€1,1	€1,0	€1,1	€1,4	€1,5	€2,1	€3,7
Later VC	€4,7	€3,4	€4,0	€2,8	€2,5	€2,5	€2,4	€2,5	€3,0	€3,7	€4,1	€5,0	€8,1

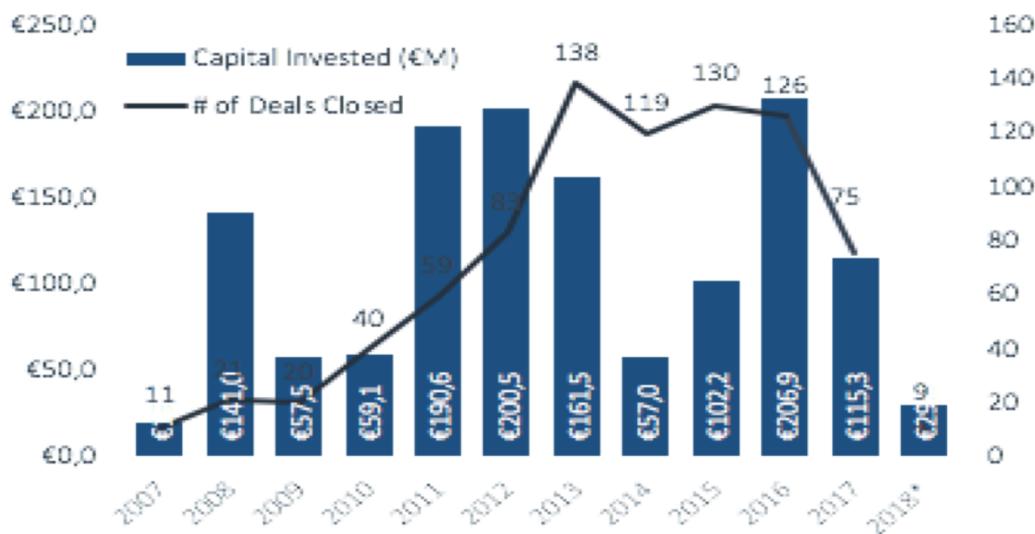
*As of 3/31/2018



Some Data – Italy, VC activity by year

Italy VC ACTIVITY BY YEAR

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Capital Invested (€M)	€ 50,1	€ 19,0	€ 141,0	€ 57,5	€ 59,1	€ 190,6	€ 200,5	€ 161,5	€ 57,0	€ 102,2	€ 206,9	€ 115,3	€ 29,8
# of Deals Closed	10	11	21	20	40	59	83	138	119	130	126	75	9
Angel/Seed	2	3	7	6	14	22	34	78	80	86	69	46	3
Early VC	5	8	12	12	19	19	37	45	35	37	41	21	5
Later VC	3	0	2	2	7	18	12	15	4	7	16	8	1
Angel/Seed	2	3	7	6	14	22	34	78	80	86	69	46	3
Early VC	5	8	12	12	19	19	37	45	35	37	41	21	5
Later VC	3	0	2	2	7	18	12	15	4	7	16	8	1



TEDx Speech

The impact of the new technologies
on modern democracies: a new relationship

(VIDEO TEDx)



My Books



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