

Italian Unicorns: *what do we need?*

Turin, July 2022

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Executive Summary

It is often discussed whether **Unicorns** are a measure of the **growth** of a country's innovation ecosystem.

These companies are not only an example of success and a role model for young founders, but also **create economic value**.

On average, a European unicorn has about **1,000 employees** when it reaches a valuation of **€1bn** (today we have euro/dollar parity) and it goes up to **2,000** if it reaches the next step: a **stock market listing**.

Every venture capitalist dreams of investing in a start-up that will become a unicorn. But which Italian entrepreneurs, together with their investors, will be able to achieve this?

Today we formally have only one unicorn (**Scalapay**) and, according to some research, about **ten “soonicorns”**.


To understand how to achieve these goals, we did a research among **10 unicorns** founded by **Italian entrepreneurs worldwide** and cross-referenced the data with those of **over 100 European unicorns**.

Executive Summary

We deduced at least three tips for founders and investors:

 **Don't rush.** The average time to become a unicorn is **10 years** from the foundation of the company.

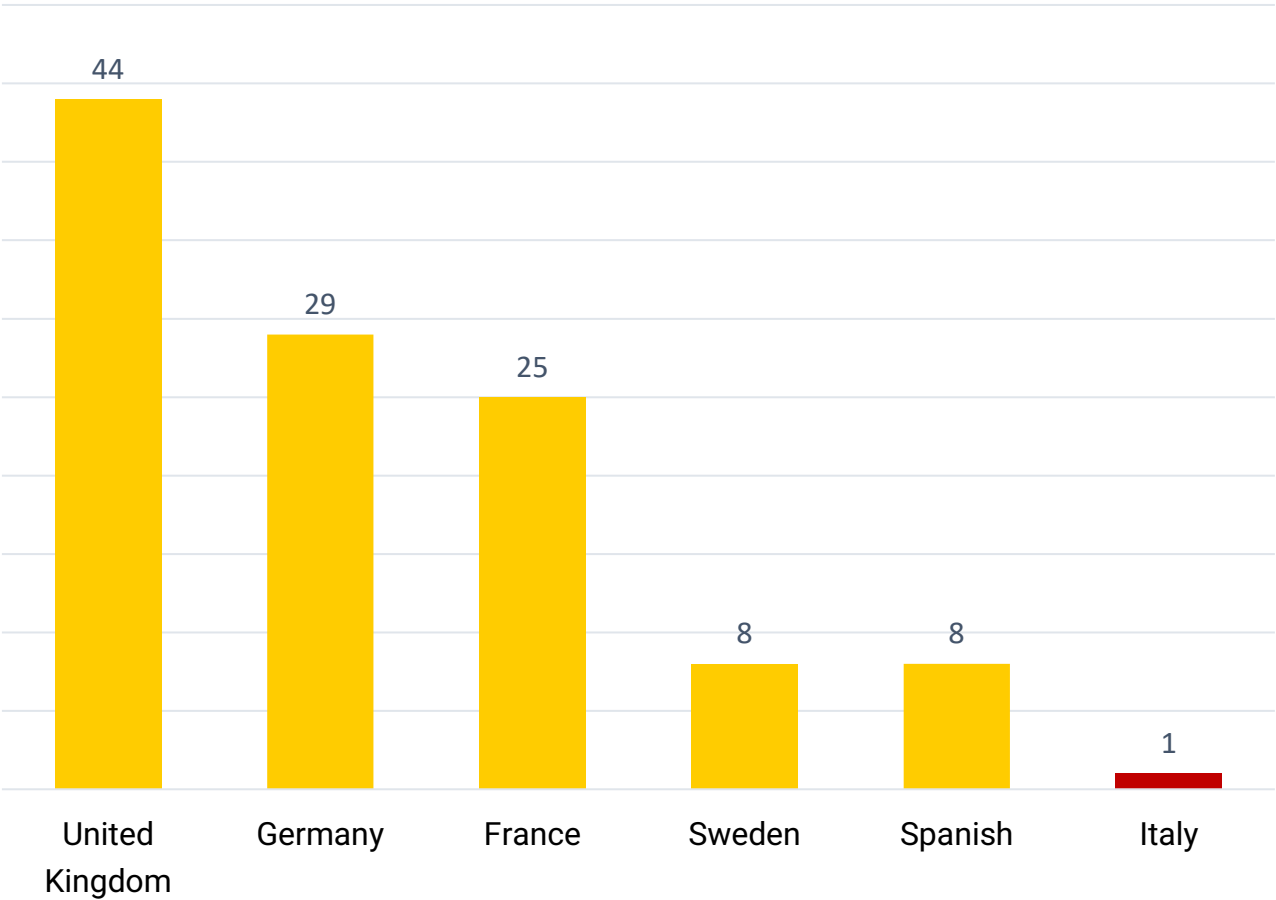
 **Have a global or at least European strategic and financial vision:** 9 of the 10 companies analysed operate in international markets. European unicorns have raised an average of **300 million** and over **40%** of the funds come from investors beyond their borders or from the USA.

 **Founders must have previous experience:** the average age of a unicorn founder is about **40 years old** and most of our sample of Italians had executive experience (4 out of 10) or had already founded a start-up (6 out of 10).

European Unicorns: H1 2022



Top European countries by number of Unicorns *vs Italy*



Sources

CbInsights, "Global unicorn club market map" & Club degli Investitori Analysis

HIGHLIGHTS

To date, there are 151 unicorns in Europe.

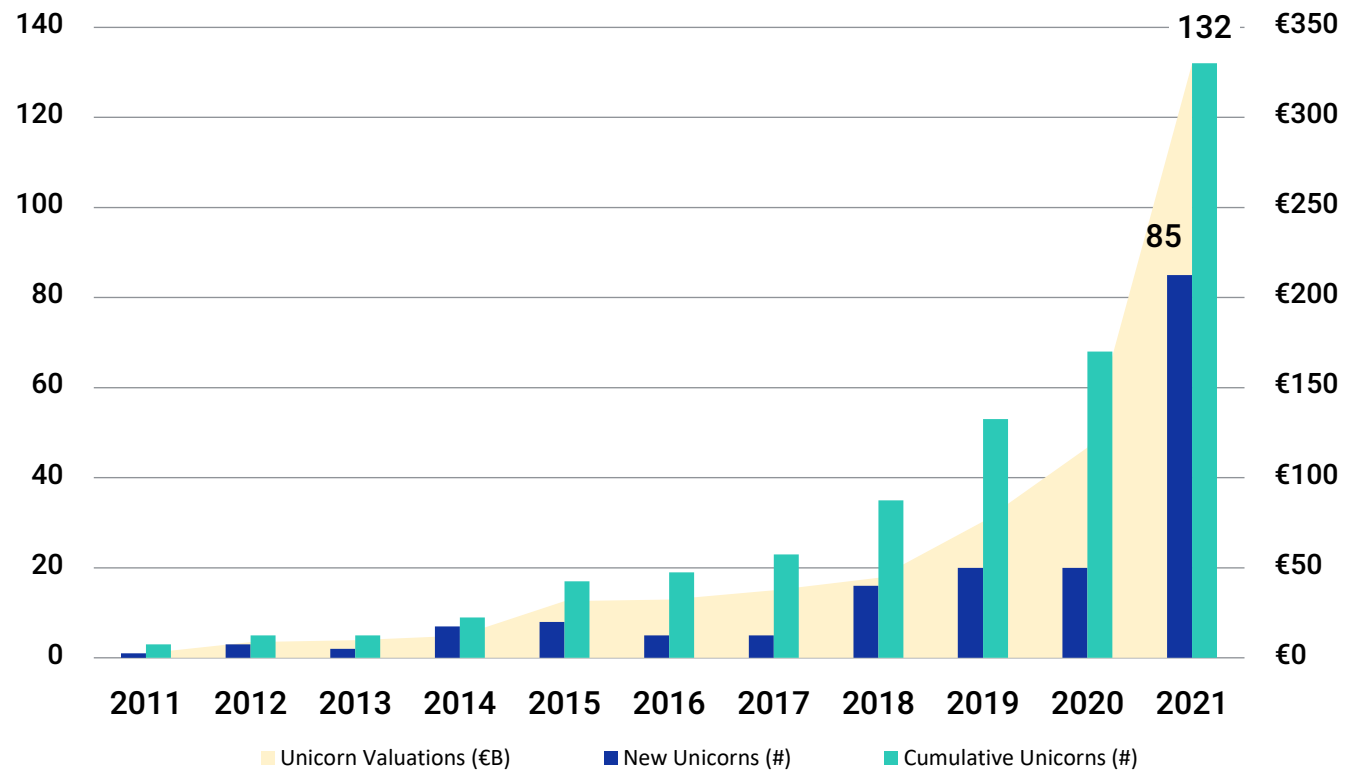
The United Kingdom is the leading European country with 44 tech companies with a valuation of at least €1bn.

The total value of European unicorns is over €500bn and there are currently 6 “decacorns”, 4 of which are in the UK.

European Unicorns: 2021



Number of European Unicorns (2011-21)



HIGHLIGHTS

With 85 new unicorns created in 2021, at the end of year Europe counted 132 tech companies with a valuation of at least €1bn.

They total have created over 135,000 jobs.

The average number of employees is 1,033.

Sources
Pitchbook, "European VC Valuations Report", Club degli Investitori Analysis & The 2022 European Unicorn & Soonicorn Report

Unicorns founded by Italian entrepreneurs



Federico Marchetti



\$6,3 Bn



Riccardo Zacconi



\$7 Bn



Niccolo Maisto



\$1,5 Bn



Augusto Marietti



\$1,5 Bn



Stefano Buono



\$4 Bn

<i>Previous experience</i>	- Lehman Brothers - Bain & Company	- Boston Consulting - Founder of Spray - Benchmark Capital - Founder of uDate	- Lehman Brothers	- Founder of MemboxX	Scientific Associate, CERN
<i>Years to become a unicorn</i>	15 years	Born in 2003, it was sold for \$5.9bn in 2016.	9 years	12 years	13 years
<i># Employees</i>	5.000+	2.000+	~200	480	>1000
<i>Funding before being unicorn</i>	€25M	\$84M	\$29M	\$169.1M	€300M

Unicorns founded by Italian entrepreneurs



Simon Beckerman



\$1,6 Bn



Simone Mancini



\$ 1 Bn



Marco Pescarmona



\$ 1,2 Bn



Francesco Simoneschi



\$ 1 Bn



Loris Degioanni



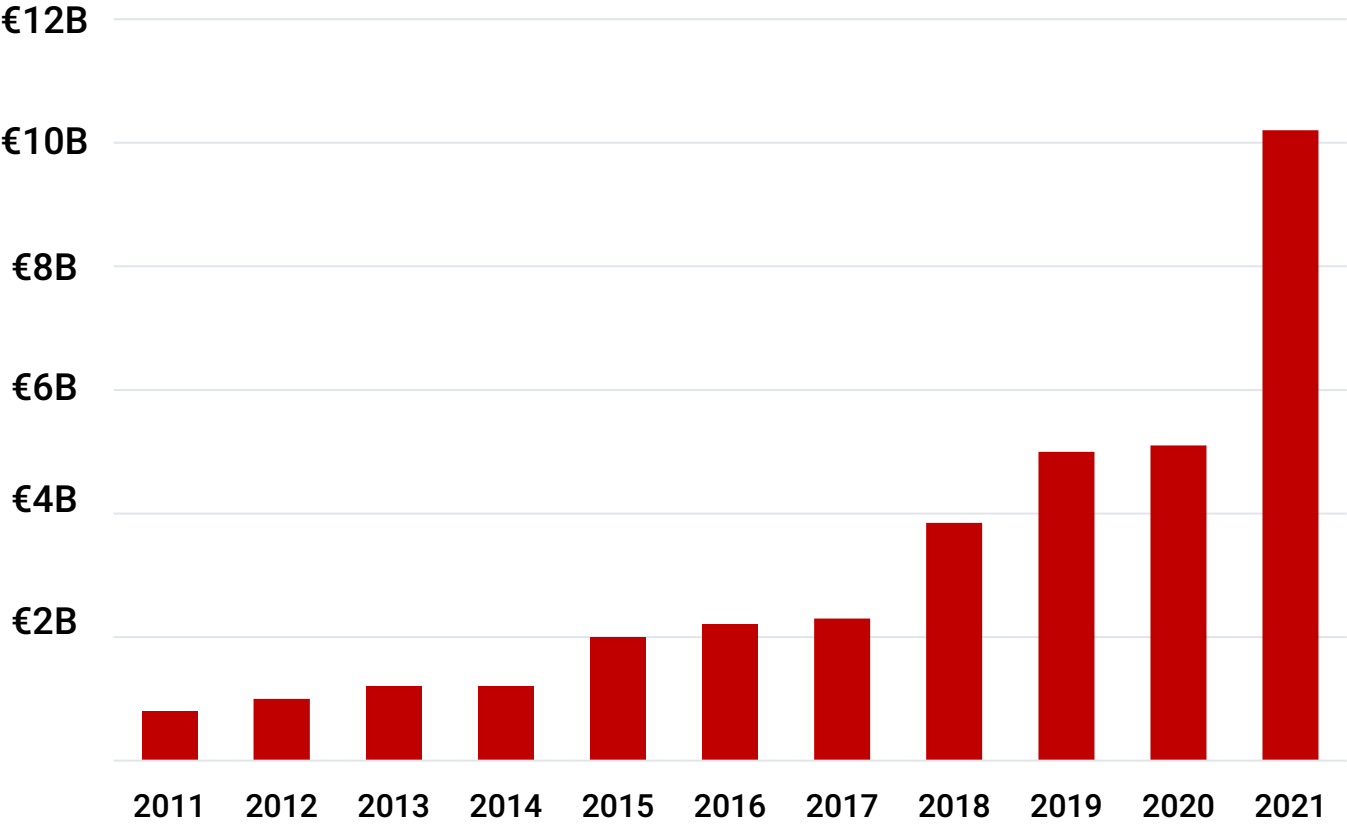
\$2.5 Bn

<i>Previous experience</i>	- Founder Pig magazine - Co-founder glasses brand with his brother	- Founder EatTonight - Founder Sweetly	- McKinsey&Company - Morgan Stanley	- Founder Staq.io (acquired by Playhaven) - Founder Upsight - Founder Mission and Market	- Founder CACE Technologies (acquired by Riverbed a \$30M)
<i>Years to become a unicorn</i>	10 years	3 years	~20 years	5 years	8 years
<i># Employees</i>	>400	200	>1.500	> 200	>650
<i>Funding before being unicorn</i>	\$105,6M	\$727M	round seed da Nestor 2000 e Net Partners Ventures	\$271.5M	\$394M

European Unicorns: France



VC investment in French startups



Sources

Dealroom, "French startups and venture capital on record track in 2021."

HIGHLIGHTS

Unicorn 2021: **23**

Startup 2021: **21K**

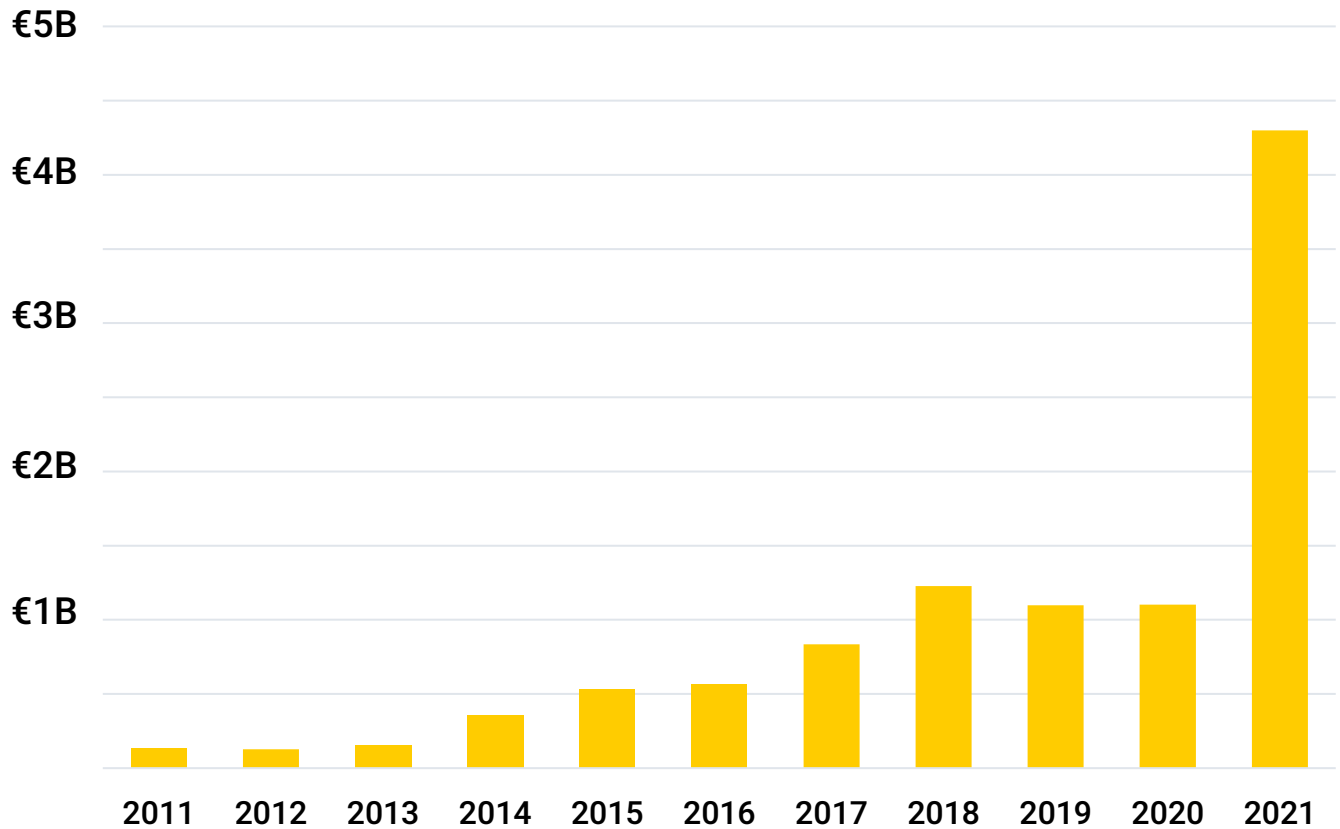
Funding 2021: **€10.2bn**

Funding (2011-21): **€ 35bn**

European Unicorns: Spain



VC investment in Spanish startups



Sources

Fundacion Bankinte, "Investment trend in Spain 2021"

HIGHLIGHTS

Unicorn 2021:

8

Startup 2021:

11K

Funding 2021:

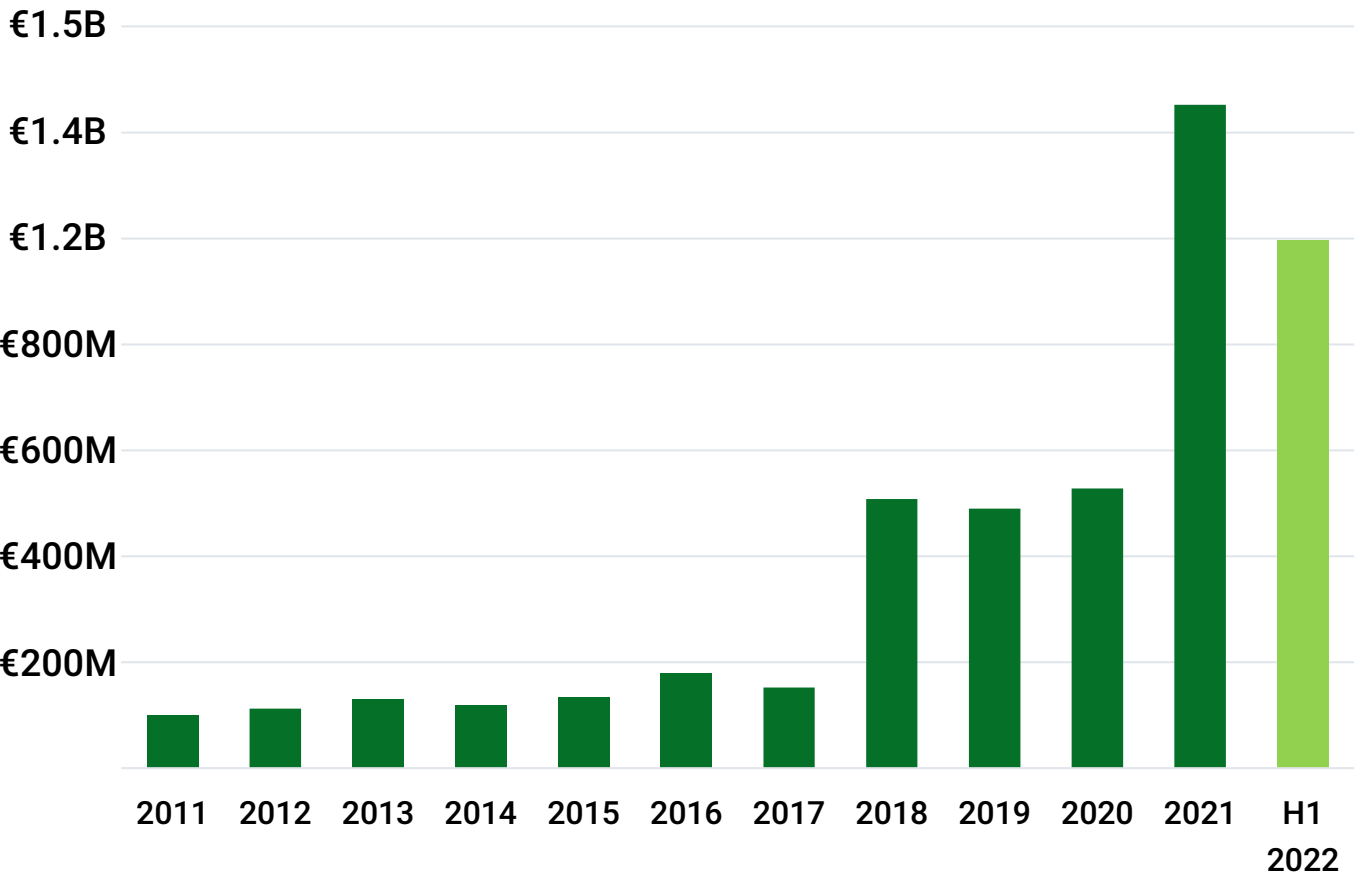
€4.3bn

Funding (2011-21):

€10.4bn

European Unicorns: Italy

VC investment in Italian startups



Sources
Italian Tech Alliance & Growth Capital, "Osservatorio Trimestrale VC - Q2-22"; StartupItalia; Club degli Investitori

HIGHLIGHTS

Unicorn 2022: **1***

Startup 2021: **14K**

Funding 2021: **€1.25Bn**

Funding (2011-21): **€ 3.7bn**

**Scalapay became a unicorn in 2022*

Italian “soonicorn”

Headquarters



Sources

The 2022 European Unicorn & Soonicorn Report & Club degli Investitori Analysis

HIGHLIGHTS

4 of the 16 companies analysed are based outside Italy.

5 of the 16 companies analysed have a valuation above €500M.

The industry with the highest number of “soonicorn” founded by Italians is Fintech/Insurtech.

Conclusions

So how can we foster the development of Italian tech champions in our country?

Here are three tips for our innovation system:

- 1. For the more than 200 VC operators:** integrate and cooperate in supporting founders in their search for executives to scale up and raise funds.
- 2. For CDP:** create a 1 bn fund that can invest from 50 million in operations with international funds.
- 3. For the government:** innovate the 2012 start-up law to prevent new tech companies from moving abroad. In fact, over 30% of Italian 'soonicorn' already have registered offices outside Italy and some think they will have to move abroad sooner or later. The points are: revisiting the right of withdrawal, golden shares, legal certainty and flexibility.

Conclusions

If we work in this direction (and investment growth continues at the pace it is now) Italy could give birth to **15 unicorns** in the next five years (we could potentially reach one unicorn for every 1,000 start-ups, like France).

Moreover, **Italians are more efficient** than the European average in reaching unicorn status: in fact, they have raised around **USD 200 million** compared to the European average of 300.

The next two years will be crucial in closing the gap.



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