

Europe and Israel's founder factories

Accel ×  dealroom.co



Contents

Introduction	p. 04
<hr/>	
Venture-backed unicorns	p. 06
<hr/>	
Founder factories in the spotlight	p. 08
<hr/>	
Tech hubs across Europe and Israel	p. 10
<hr/>	
Funding for the new wave of startups	p. 12
<hr/>	
A new age of sustainable growth for fintechs	p. 13
<hr/>	
Methodology & Appendix	p. 14

Introduction

The European and Israeli tech ecosystem continues to grow thanks to the flywheel of talent springing from existing unicorns. Created in partnership with data provider Dealroom, this report reveals that, of the more than 350 VC-backed unicorns in the region, 248 have fuelled 1,451 new tech-enabled startups across Europe and Israel, with former employees becoming founders.

In addition to repeat founders, there is now a network of people around them who have a wealth of product, engineering and management experience, and have been on the startup journey before. This knowledge and experience is vital to building global success stories out of the region.

Commenting on the report's findings, Harry Nelis, Partner at Accel, said: "The European and Israeli tech ecosystem continues to be a powerhouse of innovation and ambition. Despite a difficult macroeconomic climate, we're seeing a surge in entrepreneurial talent across the board, particularly in sectors such as fintech and AI."

Our data shows a striking trend: nearly 1,500 startups sprouted from the roots of European and Israeli unicorn companies, once again demonstrating that they continue to be thriving founder factories. This region is not just launching startups; it's creating seasoned founders equipped with deep industry insights and, in the current environment, the experience to build enduring and resilient businesses that can achieve sustainable growth.

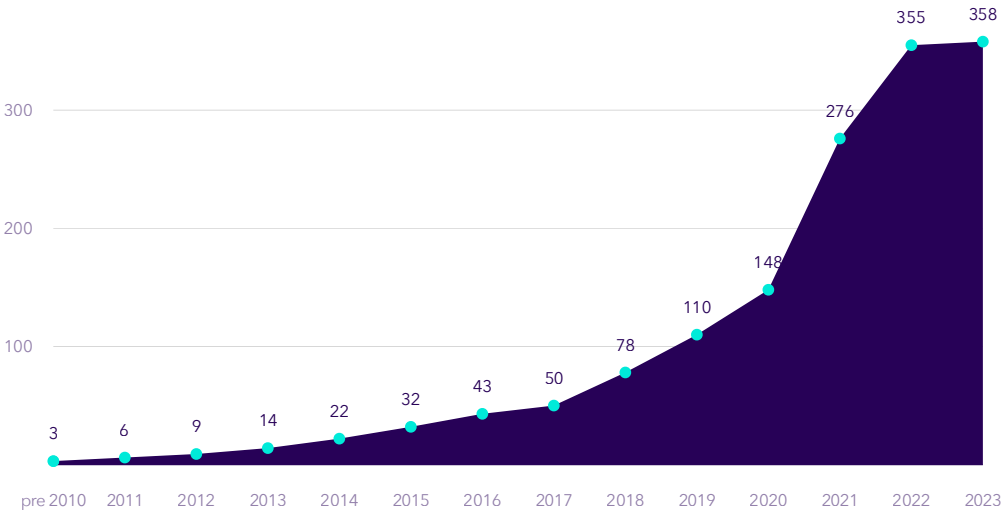
LONDON, 6 DECEMBER, 2023



Venture-backed unicorns

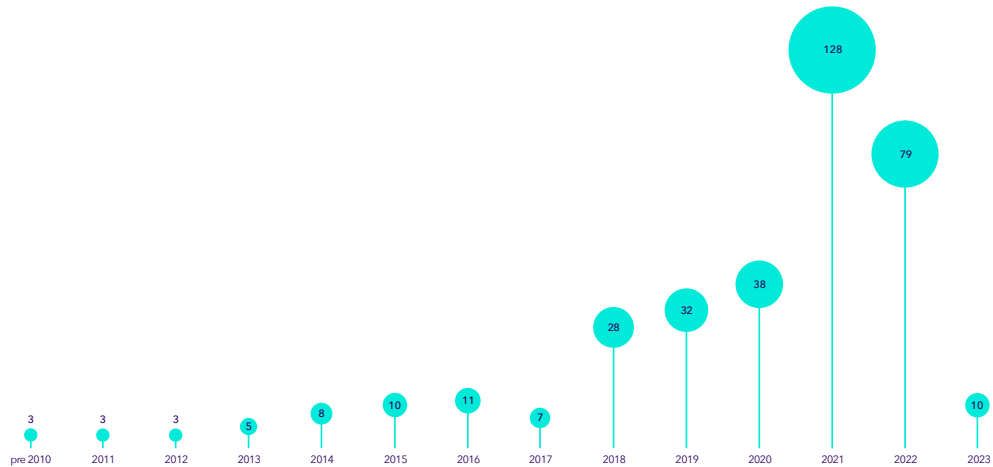
CUMULATIVE NUMBER OF VENTURE-BACKED UNICORNS FOUNDED IN EUROPE AND ISRAEL

Source: Dealroom.co



NUMBER OF NEW UNICORNS FOUNDED IN EUROPE AND ISRAEL

Source: Dealroom.co

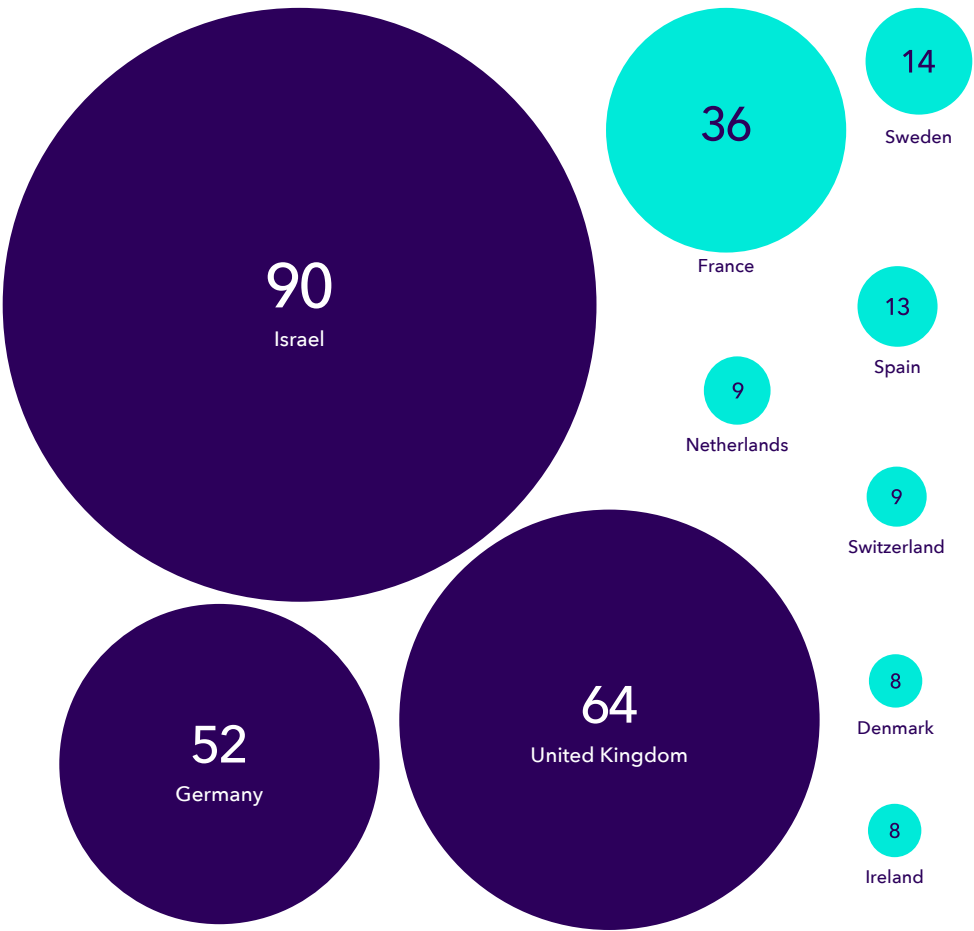


The UK and Israel have produced the most venture-backed unicorns outside the US and China.

TOP 10 COUNTRIES BY VENTURE-BACKED UNICORNS

(founded in Europe and Israel, excluding Biotech and Quasitech)

Source: Dealroom.co



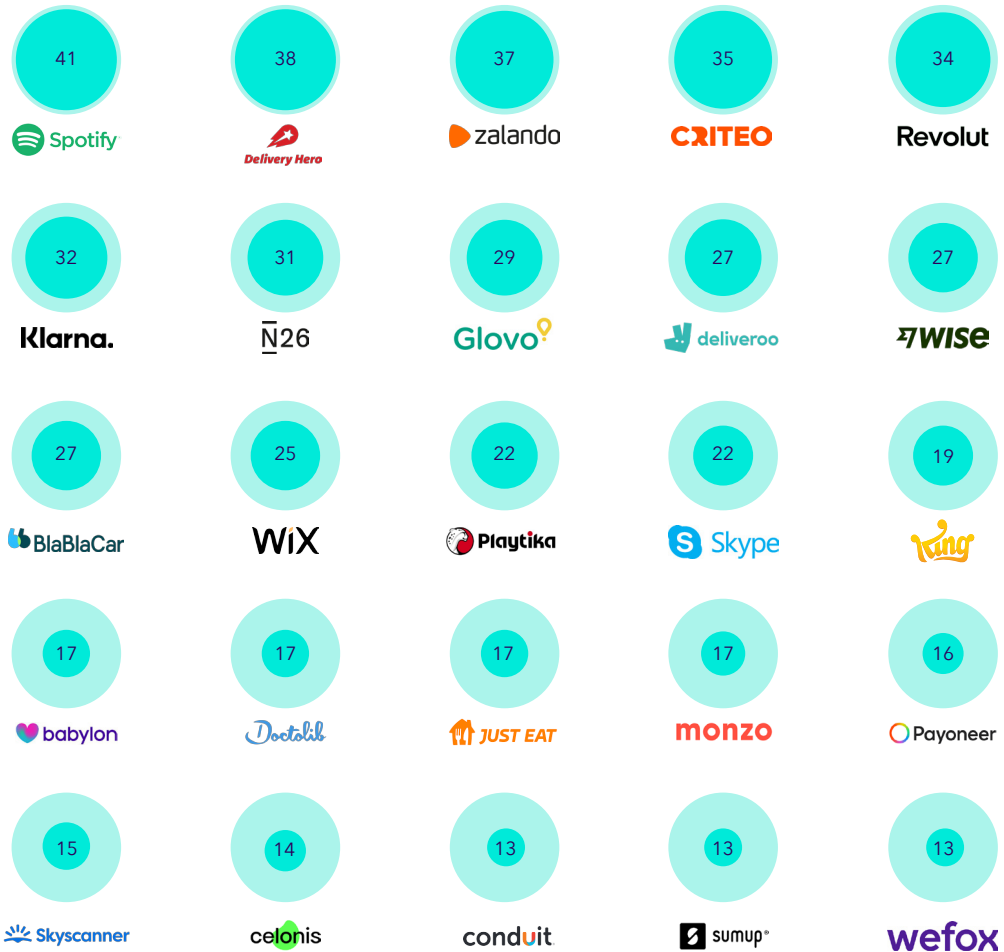
Founder factories in the spotlight

Of the more than 350 VC-backed unicorns founded in Europe and Israel, 248 have fuelled 1,451 new tech-enabled startups across the region, with former employees becoming founders. While familiar tech stalwarts, such as Spotify, Delivery Hero, Zalando and Criteo continue to top the list, with 151 tech-enabled startups springing from those four companies alone, a new wave of founder factories is on the rise.

NUMBER OF 2ND GENERATION STARTUPS

Source: Dealroom.co

Fintech unicorns dominate the top 10, with Revolut, Klarna, N26 and Wise ranking fifth, sixth, seventh and ninth respectively. Former employees of these companies have produced more than 120 new tech companies between them.



Tech hubs across Europe and Israel

Tel Aviv, London, Berlin and Paris are home to the highest number of unicorn founder factories.

Source: Dealroom.co

1. TEL AVIV

45 unicorn founder factories
181 startup spinouts
78% founded in Tel Aviv

2. LONDON

31 unicorn founder factories
235 startup spinouts
68% founded in London

3. BERLIN

27 unicorn founder factories
211 startup spinouts
60% founded in Berlin

4. PARIS

26 unicorn founder factories
182 startup spinouts
75% founded in Paris

5. STOCKHOLM

11 unicorn founder factories
138 startup spinouts
59% founded in Stockholm

6. AMSTERDAM

8 unicorn founder factories
32 startup spinouts
50% founded in Amsterdam

7. COPENHAGEN

6 unicorn founder factories
32 startup spinouts
44% founded in Copenhagen

8. MUNICH

6 unicorn founder factories
33 startup spinouts
45% founded in Munich

9. BARCELONA

5 unicorn founder factories
41 startup spinouts
59% founded in Barcelona

10. TALLINN

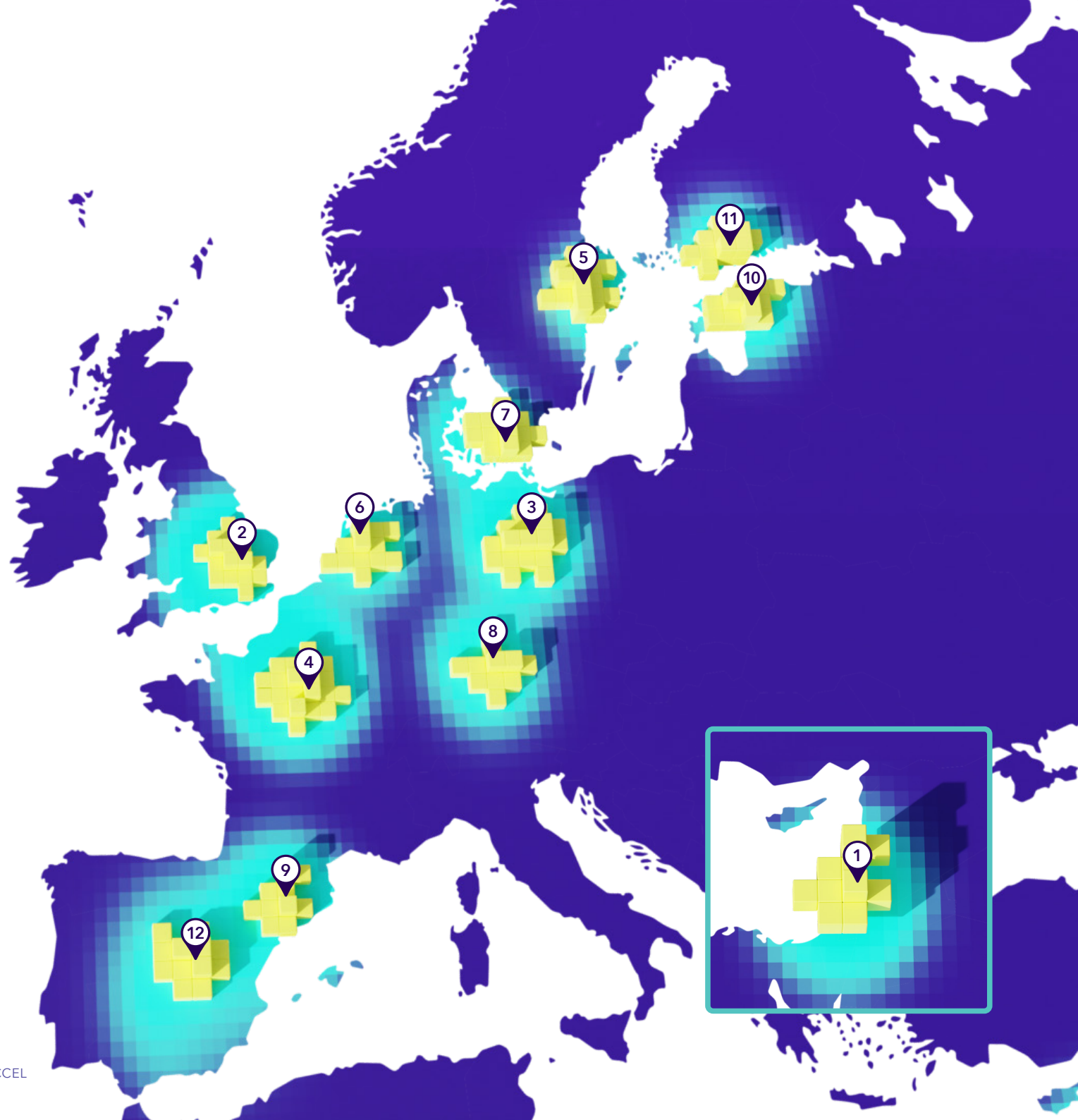
4 unicorn founder factories
44 startup spinouts
36% founded in Tallinn

11. HELSINKI

4 unicorn founder factories
22 startup spinouts
41% founded in Helsinki

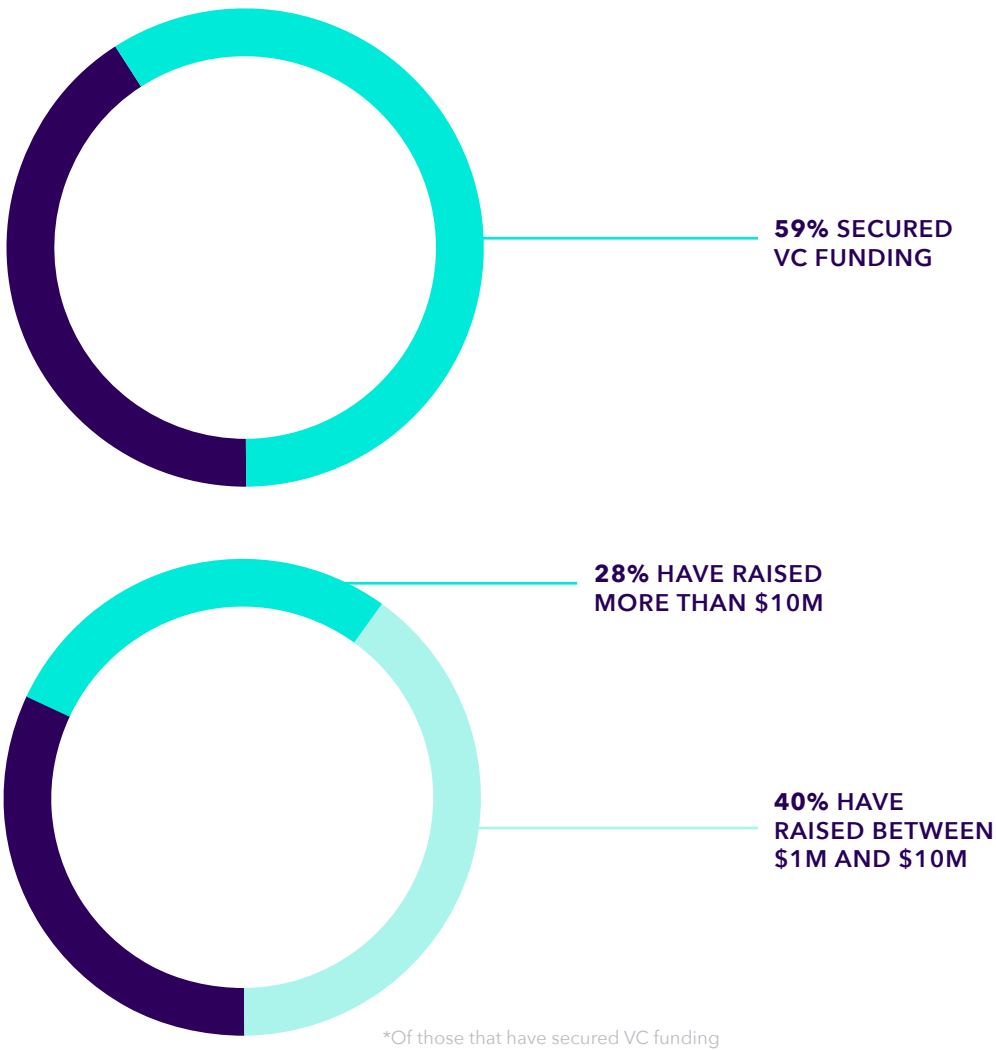
12. MADRID

3 unicorn founder factories
25 startup spinouts
48% founded in Madrid



Funding for the new wave of startups

This new wave of startups founded by former European and Israeli unicorn employees are already attracting significant private investment.

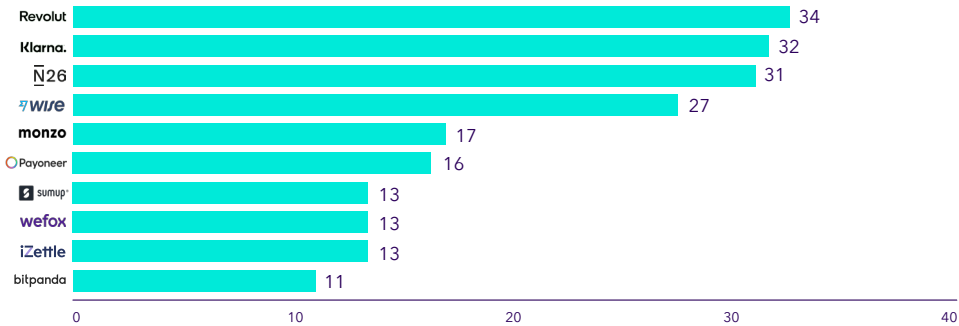


A new age of sustainable growth for fintechs

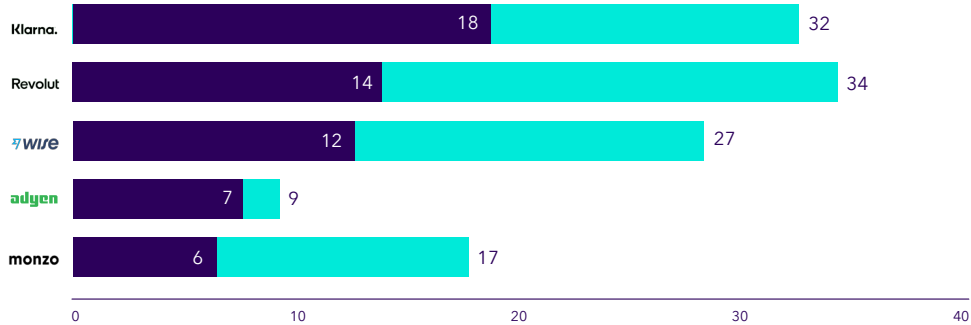
After years of hypergrowth and experimentation, the fintech sector is slowly transitioning to a new age of sustainable, profitable growth, prompted by a market correction last year that led to a sharp decline in funding and deal activity.

The ambition of fintech founders remains undiminished with many new startups being founded, even in the difficult macroeconomic conditions over the last year. In the last 14 years, 70 fintech unicorns have seen 423 startups founded by former employees and more than a third (35%) were also in fintech.

THE TOP 10 FINTECH FOUNDER FACTORIES FOR TECH STARTUP CREATION



THE TOP FIVE FINTECH FOUNDER FACTORIES PRODUCING THE NEW WAVE OF FINTECH STARTUPS



Methodology

This report is based on qualitative and quantitative research into the European and Israeli unicorn ecosystem carried out over the last four months by Dealroom. All data has been gathered up until 30 September, 2023.

Second generation startups

We consider a startup to be part of a unicorn’s “mafia” or snowball effect when a founder has held a full-time position at the parent company for more than five months.

The end date of the experience at the unicorn should not have been more than six years prior to the launch of the new tech-enabled company. The list excludes agencies, consultancies and biotech companies. It also excludes companies founded by people who were at the founders factories as consultants / interim / advisory roles.

Locations

Locations of companies in this dataset are determined by where the company was founded. A company that was founded in Tel Aviv and later relocated its headquarters to London is counted as Tel Aviv.

Venture-backed unicorns

Companies with \$1B+ current valuation or at exit that were founded in Europe or Israel and have received investment from a Venture Capital investor. This dataset excludes quasi-tech (BrewDog) and biotech (Oxford Nanopore Technologies) unicorns.

About Dealroom

Dealroom.co is the foremost data provider on startups, growth companies and tech ecosystems in Europe and around the globe. Founded in Amsterdam in 2013, Dealroom.co now works with many of the world’s most prominent investors, entrepreneurs and government organisations to provide transparency, analysis and insights on startups and venture capital activity.

Appendix

FOUNDER FACTORY RANKING IN FULL

Source: Dealroom.co

FOUNDER FACTORY	COUNT	FOUNDING LOCATION		
SPOTIFY	41	STOCKHOLM	CONDUIT	NESS ZIYYONA
DELIVERY HERO	38	BERLIN	SUMUP	LONDON
ZALANDO	37	BERLIN	WEFOX	BERLIN
CRITEO	35	PARIS	ZETTLE	STOCKHOLM
REVOLUT	34	LONDON	JOBANDTALENT	MADRID
KLARNA	32	STOCKHOLM	IRONSOURCE	TEL AVIV
N26 GROUP	31	BERLIN	BITPANDA	VIENNA
GLOVO	29	BARCELONA	BOLT	TALLINN
DELIVEROO	27	LONDON	FUNDING CIRCLE	LONDON
WISE	27	LONDON	GOCARDLESS	LONDON
BLABLACAR	27	PARIS	UNITY TECHNOLOGIES	COPENHAGEN
WIX	25	TEL AVIV	WOLT	HELSINKI
PLAYTIKA	22	HERZILYA	INTERCOM	DUBLIN
SKYPE	22	TALLINN	YOTPO	TEL AVIV
KING.COM	19	STOCKHOLM	ADYEN	AMSTERDAM
BABYLON	17	LONDON	FLIX SE	MUNICH
DOCTOLIB	17	PARIS	GETT (GETTAXI)	TEL AVIV
JUST EAT	17	KOLDING	IMPROBABLE	LONDON
MONZO BANK	17	LONDON	KALTURA	TEL AVIV
PAYONEER	16	PETAH TIKVA	SIMILARWEB	TEL AVIV
SKYSCANNER	15	EDINBURGH	VESTIAIRE COLLECTIVE	PARIS
CELONIS	14	MUNICH	WAZE	TEL AVIV

ACRONIS	8	SCHAFFHAUSEN	SENTINELONE	6	TEL AVIV
CHECKOUT.COM	8	LONDON	SPENDESK	6	PARIS
GETYOURGUIDE	8	BERLIN	SUPERCCELL	6	HELSINKI
GORILLAS	8	BERLIN	ANAPLAN	5	YORK
PAYFIT	8	PARIS	BACK MARKET	5	PARIS
QONTO	8	PARIS	CONTENTFUL	5	BERLIN
SENNDER	8	BERLIN	EPIDEMIC SOUND	5	STOCKHOLM
SISENSE	8	TEL AVIV	FEVER	5	MADRID
TABOOLA	8	TEL AVIV	FUNDBOX	5	TEL AVIV
VOODOO	8	PARIS	HELLOFRESH	5	BERLIN
WALKME	8	TEL AVIV	ODOO	5	CHAUMONT-GIS-TOUX
ALGOLIA	7	PARIS	ORCAM	5	JERUSALEM
CABIFY	7	MADRID	PANDADOC	5	MINSK
DATAIKU	7	PARIS	PLEO	5	COPENHAGEN
ETORO	7	TEL AVIV	PPRO	5	LONDON
FORTO	7	BERLIN	TIER	5	BERLIN
KRY	7	STOCKHOLM	TINK	5	STOCKHOLM
PIPEDRIVE	7	TALLINN	TRADESHIFT	5	COPENHAGEN
TEYA	7	LONDON	TRIVAGO	5	DÜSSELDORF
THE HUT GROUP	7	MANCHESTER	TRUELAYER	5	LONDON
UIPATH	7	BUCHAREST	TRUSTPILOT	5	COPENHAGEN
VOI TECHNOLOGY	7	STOCKHOLM	ALLEGRO	4	ARNHEM
ZOOPLA	7	LONDON	AQUA SECURITY	4	TEL AVIV
AIRCALL	6	PARIS	AVITO	4	MOSCOW
ALAN	6	PARIS	BITFURY GROUP	4	AMSTERDAM
AUTO1 GROUP	6	BERLIN	BLOCKCHAIN.COM	4	YORK
COLLIBRA	6	BRUSSELS	BUNQ	4	AMSTERDAM
DEEZER	6	PARIS	CHAINALYSIS	4	COPENHAGEN
GOUSTO	6	LONDON	CHOCO	4	BERLIN
PERSONIO	6	MUNICH	COGNITE	4	BÆRUM

ELASTIC	4	AMSTERDAM	MIRO	3	PERM
FORESCOUT	4	TEL AVIV	NEO4J	3	MALMÖ
LEDGER	4	PARIS	NORTHVOLT	3	STOCKHOLM
MAMBU	4	BERLIN	ONEFOOTBALL	3	BERLIN
MIRAKL	4	PARIS	OPENWEB	3	TEL AVIV
OMIO	4	BERLIN	OPTIBUS	3	TEL AVIV
PRODUCTBOARD	4	PRAGUE	OVO ENERGY	3	BRISTOL
RAISIN	4	BERLIN	PADDLE	3	LONDON
RELEX SOLUTIONS	4	HELSINKI	PICNIC	3	AMSTERDAM
TAXFIX	4	BERLIN	REWARD GATEWAY	3	LONDON
TRUSTLY	4	STOCKHOLM	ROHLIK	3	PRAGUE
TTTECH	4	AUSTRIA	SHIFT TECHNOLOGY	3	PARIS
VERIFF	4	TALLINN	SWILE (EX-LUNCHR)	3	MONTPELLIER
WALLBOX	4	BARCELONA	THOUGHT MACHINE	3	LONDON
ADJUST	3	BERLIN	TRAVELPERK	3	BARCELONA
BACKBASE	3	AMSTERDAM	VERBIT.AI	3	TEL AVIV
BRINGG	3	TEL AVIV	VINTED	3	VILNIUS
FACTORIAL	3	BARCELONA	WAYFLYER	3	DUBLIN
FANDUEL	3	EDINBURGH	ZOPA	3	LONDON
FARFETCH	3	PORTO	ANKORSTORE	2	PARIS
FLYWIRE	3	VALENCIA	APPSFLYER	2	TEL AVIV
GITLAB	3	KYIV	BLUE PRISM	2	WARRINGTON
HIBOB	3	TEL AVIV	CAZOO	2	LONDON
HYBRIS	3	ZUG	CLOUDBEES	2	NEUCHÂTEL
INFOBIP	3	ZAGREB	COMMERCETOOLS	2	MUNICH
K HEALTH	3	TEL AVIV	COPPER	2	LONDON
LUNAR	3	AARHUS	CURRENCYCLOUD	2	LONDON
LYDIA	3	PARIS	CYBERARK	2	PETAH TIKVA
MEERO	3	PARIS	DARKTRACE	2	CAMBRIDGE
MESSAGEBIRD	3	AMSTERDAM	DOCPLANNER	2	WARSAW

DRIVENETS	2	RA'ANANA	ZEPZ (WORLDRE-MIT)	2	LONDON
EINRIDE	2	STOCKHOLM	ÖURA	2	OULU
FACILE.IT	2	MILAN	1KOMMA5°	1	HAMBURG
FEEDZAI	2	LISBON	AGILE ROBOTS	1	MUNICH
FLINK	2	BERLIN	AIVEN	1	HELSINKI
FLIPDISH	2	DUBLIN	ARMIS	1	TEL AVIV
GOSTUDENT	2	VIENNA	BERLIN BRANDS GROUP	1	BERLIN
GRAPHCORE	2	BRISTOL	CATO NETWORKS	1	TEL AVIV
GROVER	2	BERLIN	CLARK	1	FRANKFURT
HOPIN	2	LONDON	CLAROTY	1	TEL AVIV
JOKR	2	BERLIN	CONTENTSSQUARE	1	PARIS
KYRIBA	2	PARIS	CYBEREASON	1	TEL AVIV
LENDABLE	2	LONODN	DENTAL MONITOR-ING	1	PARIS
LETGO	2	BARCELONA	EARNIX	1	TEL AVIV
LILIUM	2	WESSLING	FIREBOLT	1	TEL AVIV
MOLLIE	2	AMSTERDAM	FLASCHENPOST	1	MÜNSTER
NORD SECURITY	2	VILNIUS	FORTER	1	TEL AVIV
ORCA SECURITY	2	TEL AVIV	GELATO	1	OSLO
OTONOMO	2	TEL AVIV	HABANA	1	CAESAREA
PLACER	2	TEL AVIV	HMD GLOBAL	1	ESPOO
SALT SECURITY	2	TEL AVIV	HUB SECURITY	1	TEL AVIV
SELLERX	2	BERLIN	HUUUGE GAMES	1	WARSAW
SITCORE	2	COPENHAGEN	INFARM	1	BERLIN
SNYK	2	TEL AVIV	INNOVID	1	TEL AVIV
SOLARIS	2	BERLIN	IVALUA	1	ORSAY
SPORTRADAR AG	2	ST GALLEN	JELLYSMACK	1	PARIS
STARLING BANK	2	LONDON	JFROG	1	NETANYA
TRADE REPUBLIC	2	BERLIN	LIQUIDITY GROUP	1	TEL AVIV
VIVA WALLET	2	ATHENS	LUSHA	1	TEL AVIV
YOUNITED	2	PARIS	MELIO	1	TEL AVIV

MELLANOX TECH-NOLOGIES	1	YOKNEAM ILLIT
MOON ACTIVE	1	TEL AVIV
OUTSYSTEMS	1	LISBON
OWNBACKUP	1	TEL AVIV
PAYHAWK	1	SOFIA
QUANTEXA	1	LONDON
RAPYD	1	TEL AVIV
REDIS LABS	1	TEL AVIV
REMARKABLE	1	OSLO
RIMAC AUTOMOBILI	1	SVETA NEDELJA
RISKIFIED	1	TEL AVIV
SCALABLE CAPITAL	1	MUNICH
SOLAREEDGE TECH-NOLOGIES	1	HOD HASHARON
SORARE	1	PARIS
STAFFBASE	1	CHEMNITZ
TALKDESK	1	LISBON
TRACTABLE	1	LONDON
TRANSFERMATE GLOBAL PAYMENTS	1	KILKENNY
TRAX	1	TEL AVIV
TRIPLEDOT STUDIOS	1	LONDON
VOLOCOPTER	1	BRUCHSAL
WORKHUMAN	1	DUBLIN
ZEGO	1	LONDON
ZWIFT	1	LONDON