

European Scale-Ups Got Knocked Down by COVID in 2020, But Are Up Again in 2021

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Europe's young fast-growing companies are bouncing back after a difficult year, with investment levels doubling those recorded in 2020, according to the European ScaleUp Monitor 2021 (<https://ece.nl/research/european-scaleup-monitor/>).

Launched last year, the European ScaleUp Monitor sought to map the landscape around Europe's drivers of innovation and growth. To accomplish this, experts at Erasmus Centre for Entrepreneurship and the Rotterdam School of Management, Erasmus University, partnered with a selection of esteemed academic contributors: Bocconi4Innovation, Cambridge University, Carbon Equity, Erasmus School of Economics, Unknown Group, Vlerick Business School, and Startupbusiness.it.

Martin Luxemburg, Managing Director of Erasmus Centre for Entrepreneurship, says;

"While Europe has become more interconnected than ever, most attempts to study scaleups and their ecosystems have focused on a regional perspective. As goods, capital, and talent move at an increasingly high speed in their territories: Why not look at scaleups and their ecosystems from a European perspective as well?"

A continental environment where companies successfully mature from startup to scaleup is highly important, says Luxemburg, because young, fast-growing companies play a pivotal role. These companies drive innovation, create new jobs, provide hands-on solutions for urgent social and environmental problems, and challenge the ideas and actions of the "rusted grownups". This importance is also recognised by global investors, who identify such companies as profitable investment opportunities.

This is good news compared to last year, when COVID-19 had a negative impact on growth, funding and economic opportunity across the European scaleup scene throughout 2020.

Martin Luxemburg says:

"Even the "top dogs" in the European landscape, the UK and London, have not been exempted by the negative effects brought about by both Brexit and the COVID-19 pandemic. At the same time, despite the persistent challenges of the latest months, we see resilience in the scaleup landscape and a promising outlook towards recovery."

In contrast, 2021's Monitor reveals that Europe's most innovative companies have shown remarkable resilience and adaptability, with investment figures doubling across Europe – most notable in the UK, France and Germany, and industries such as Computing, Banking and Biotech securing the biggest levels of financial support.

Prof. Dr. Justin Jansen, Academic Director of Erasmus Centre for Entrepreneurship, concludes that:

"This year's monitor indicates that funding of scaleups has increased dramatically, yet we recommend

taking a holistic, ecosystem approach to assess and improve all building blocks in order to strengthen the context in which scaleups can prosper in the long term.”

The main conclusions from the European ScaleUp Monitor 2021 reveal:

- European scaleups got knocked down, but are up again: Compared to 2019 figures, the total value of investment in European scaleups was found to have dropped by as much as 20% in 2020, ending 14 years of consecutive rises in such investment. Although 2021 is not yet over, the European ScaleUp Monitor reveals that investment in European scaleups has bounced back this year, reporting figures which more than double those from 2020.
- God save the Queen: The United Kingdom leads the way in Europe, both in the number of scaleups created and the total value of investment. France and Germany are the next biggest investors in scaleup companies. The report reveals these top three countries attract more than two thirds of all investment in scaleups across Europe.
- Amsterdam awakes in 2021: Whilst London has previously led the way in terms of total investment in scaleups and the number of deals made, the European ScaleUp Monitor reveals that, for 2021, Amsterdam is set to be the top city in terms of funding (euros invested) for its scaleups, followed by London, Paris, and Cambridge.
- Digitalisation and Tech dominate the landscape: The majority of European scaleups can be found in the Computer Software-industry (57.1%), followed by Banking, Insurance & Financial Services (12%), and Biotechnology and Lifesciences (7.5%). However, in terms of funding, Computer Software received 43% of the total funding, followed by Communications (18%), and Biotechnology, and Life Sciences (16%).
- Energising the future: The most successfully funded European scaleup companies over the period 2017-2021 are Northvolt (Sweden), IVC Evidensia (United Kingdom), and Delivery Hero (Germany).

The full report is available here: <https://ece.nl/research/european-scaleup-monitor/>

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About Erasmus Centre for Entrepreneurship

Erasmus Centre for Entrepreneurship is Europe's leading entrepreneurship centre. Building on the knowledge and network of Erasmus University Rotterdam, they strive to embed entrepreneurship, the main driver for innovation, in the DNA of people.

Erasmus Centre for Entrepreneurship is known for its research into startups and scaleups (<https://ece.nl/scaleup-research/>), including Top 250 ScaleUps (<https://ece.nl/top250scaleups2021/>), and the ScaleUp Dashboard (<https://ece.nl/research/scaleup-dashboard-2021/>) for the Netherlands.

Next to research, Erasmus Centre for Entrepreneurship fosters innovation, entrepreneurship and intrapreneurship through higher education and executive courses in the Netherlands, as well throughout Europe and the rest of the world.

Located in the Science Tower in Rotterdam and Erasmus Enterprise, Erasmus Centre of Entrepreneurship manages a community of over 100 startups and scaleups.

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