



# Munich's startup ecosystem: launch report

JULY 2020

INITIATED BY



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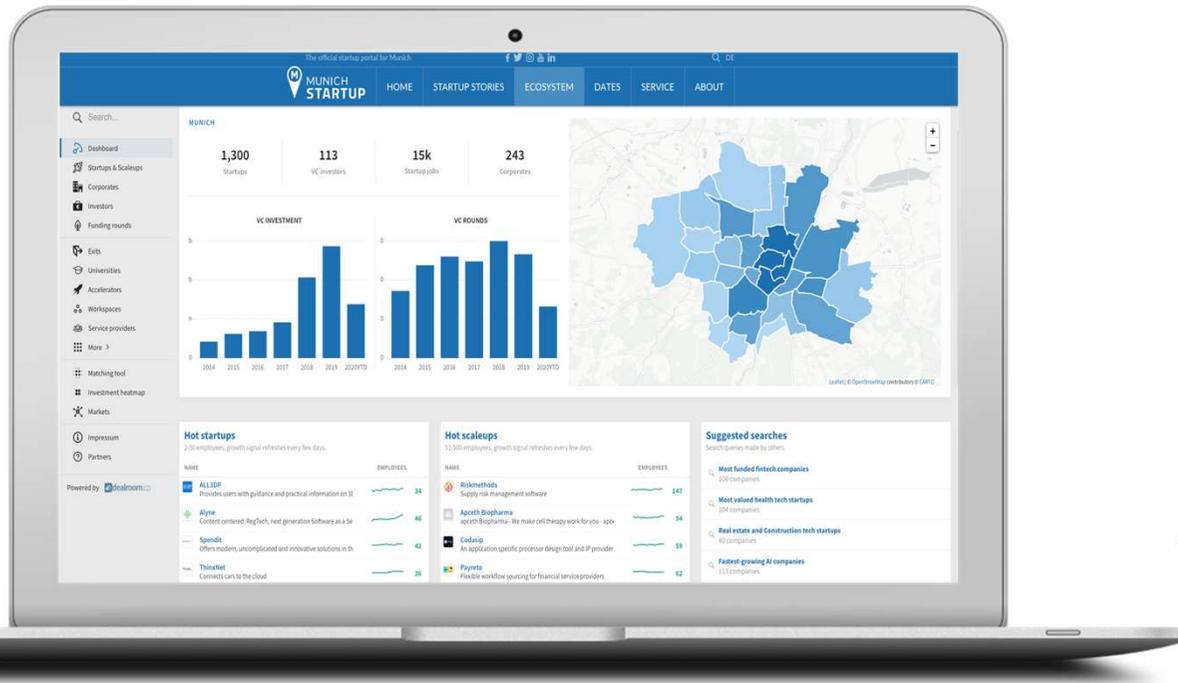
DATA PARTNERS



## About this report.

- » This report marks the launch of a new Munich startup ecosystem database, initiated by Munich Startup and powered by Dealroom
- » The database aims to be the most comprehensive source for showcasing emerging startups and categories
- » The database will be supported by research reports
- » This report covers:
  1. Munich's position in Europe and Germany
  2. Munich's startup landscape: startups & segments
  3. Venture capital, investment trends and impact from COVID-19

# Launching a new Munich startup ecosystem database: munich-startup.de/INSIGHTS



1,300+  
Startups & scaleups

500+  
Funds & corporate investors

50+  
Accelerators, workspaces

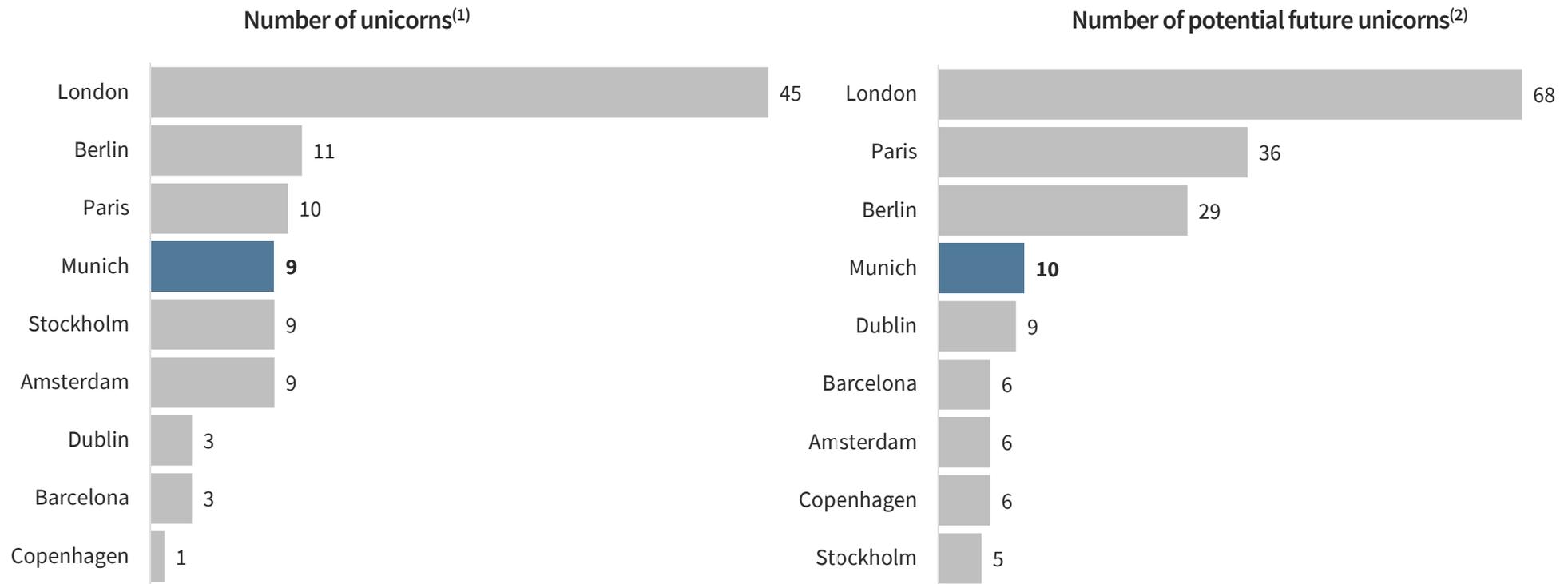
1100+  
Funding rounds & exits

Source: Dealroom.co

# Munich is a leading tech hub in Europe

Munich metropolitan area is one of the most well-established ecosystems in Germany.

## In Europe, Munich ranks #4 by the number of realized, unrealized and potential future unicorns.



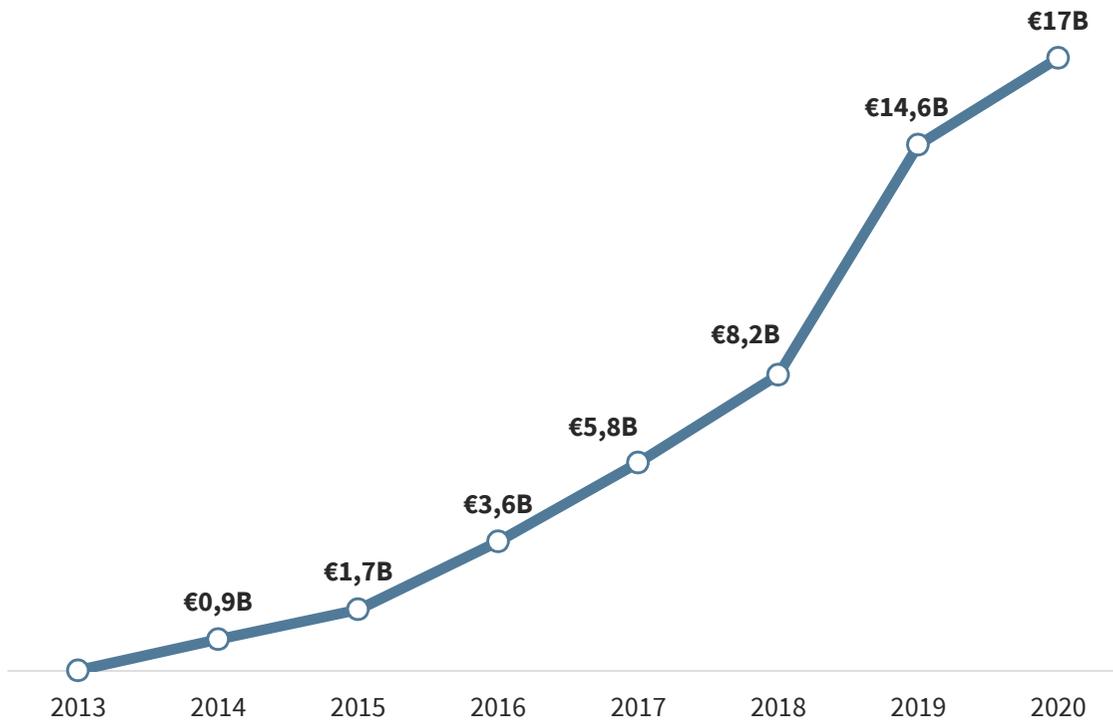
1. A unicorn is defined as a rapidly scaling company (and tech enabled) that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised). In this report, we cover companies founded since 1990.

2. Companies valued over €200 million but less than €800 million.

Source: Dealroom.co

# Today's Munich startups have created over €17 billion in value since 2013.

Combined market capitalisation Munich startups since 2013

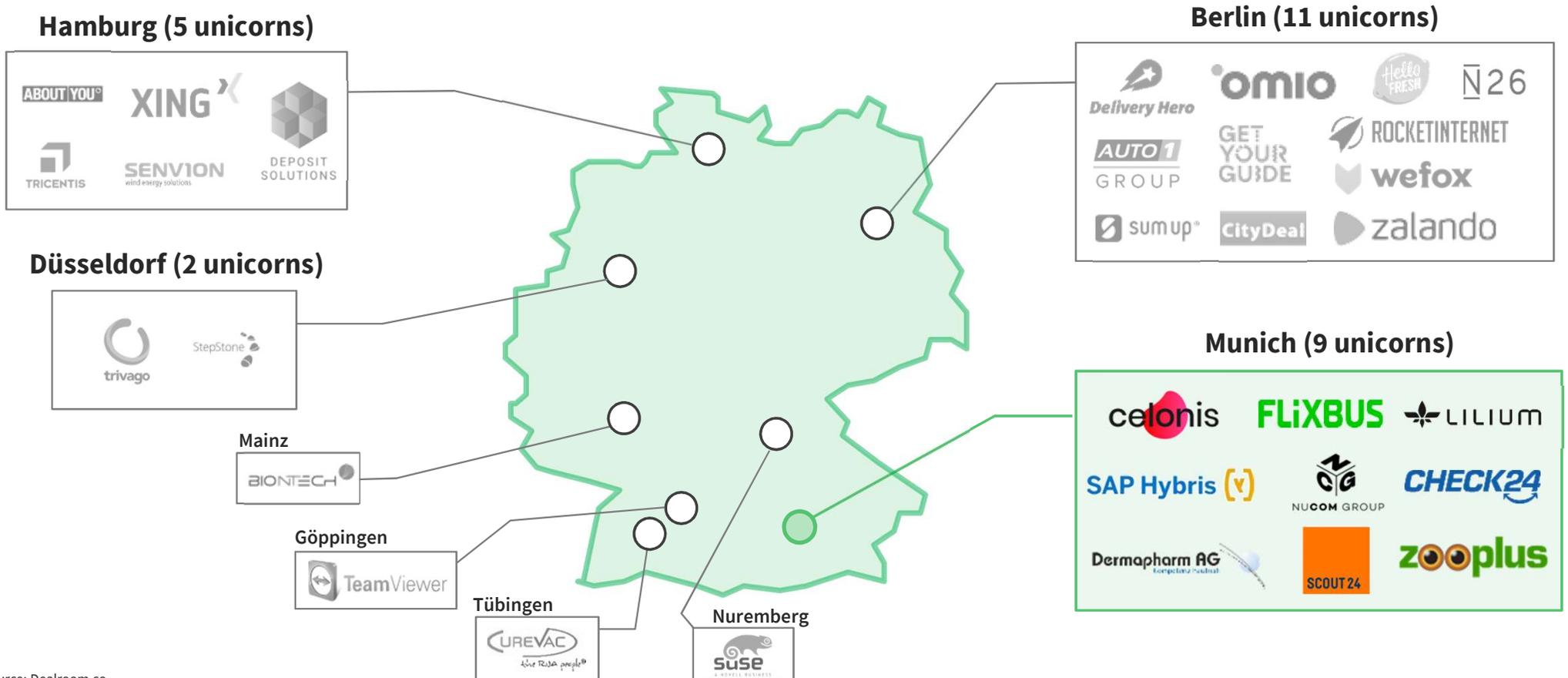


Most valuable Munich startups<sup>(3)</sup>

 €2.2B	 €1.8B
 €1B	 €454M
 €360M	 €300M
 €290M	 €270M
 €245M	 €240M

3. In this table, we cover private companies founded since 2009.  
Source: Dealroom.co

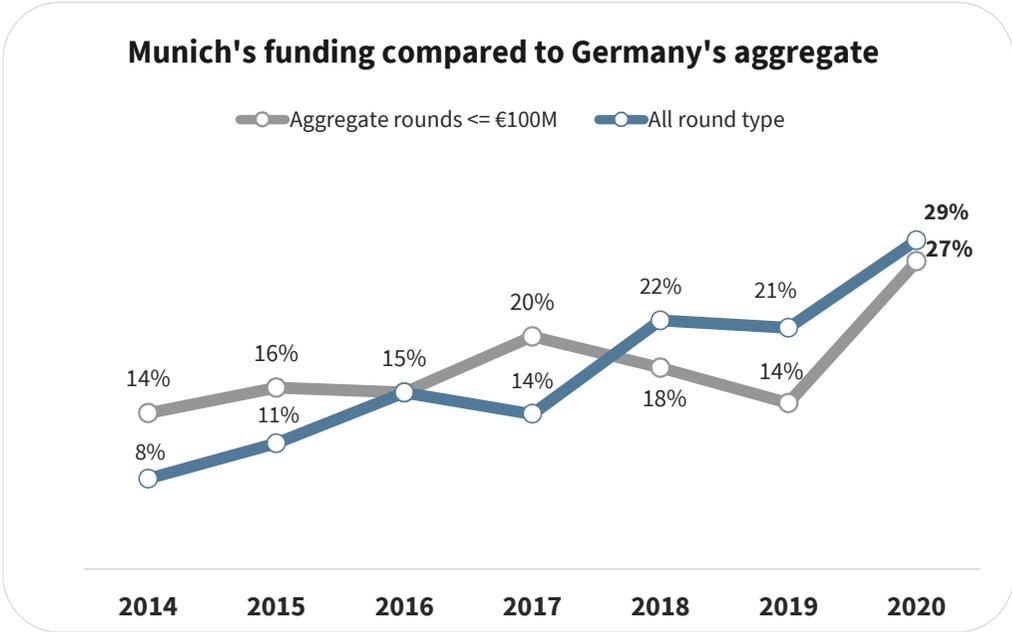
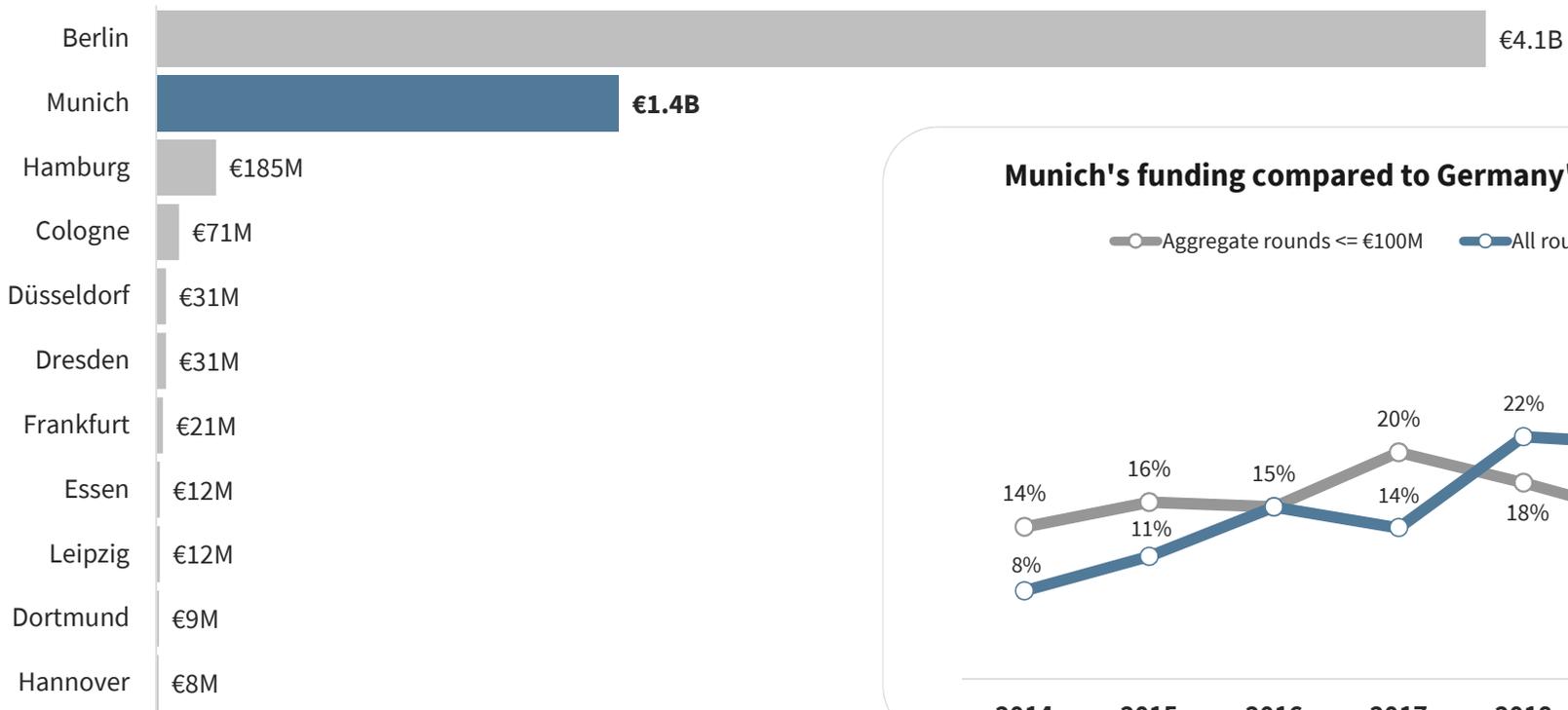
# Munich is Germany's main tech hub next to Berlin, with nearly as many unicorns.



Source: Dealroom.co

# Munich is Germany's #2 startup ecosystem. Its relative share of German venture capital has been increasing.

## 2019 VC investment by HQ of startup



Source: Dealroom.co

# “Bits & Pretzels conference serves as a beacon to connect the whole Munich ecosystem”



Felix Haas  
10x Group

## 10x Group’s history in Munich

10x Group is made up of four partners: Andreas Etten, Felix Haas, Jan Becker and Dr. Robert Wuttke - four entrepreneurs who have invested their money into 100+ digital & tech startups in Europe and the US, with 20+ exits. We are all based in Munich and have built and led our own companies here like BE2, amianto, IDnow, Enmacc and Bits & Pretzels.

## What makes Munich unique as an ecosystem in Europe?

The Munich startup ecosystem is at an extremely interesting point in time: technical talent coming out of TUM and other educational institutions, as well as talent emerging from modern digital corporates like Google, IBM or Microsoft are able to find sufficient capital in the city. Munich is known for its business-related startups, be it B2B or B2C. Munich has excellent international air travel connections, and over the past few years has grown into a leading startup ecosystem in Europe. And of course, the Bits & Pretzels conference serves as a beacon to connect the whole Munich ecosystem.

## How do you see the ecosystem developing?

Munich is attracting more and more startups, more and more investors, and more and more modern corporates. These are the perfect ingredients for a healthy and thriving ecosystem. We are very bullish about Munich and can’t wait to see what the next generation of tech and software founders are building here. In 2019, we welcomed Barack Obama to Munich for Bits & Pretzels and our plans for the years to come stay ambitious.



10x Group is a leading European angel fund.

100+ new investments since 2006

## Selected Munich investments:



# Munich's startup landscape.

Munich shows particular strengths in enterprise software, construction tech and companies adopting industry 4.0 technologies.

# Not just big names but a pool of emerging companies in key verticals with a strong focus on B2B.

Mobility & Travel	FinTech	Enterprise software	Healthcare
 <p>Bus travel across Europe</p> <p>Total funding: <b>€510M</b> Valuation: <b>€1.8B</b> Launch year: <b>2011</b></p>	 <p>Portfolio management technology</p> <p>Total funding: <b>€66M</b> Valuation: <b>€290M</b> Launch year: <b>2014</b></p>	 <p>Big data analytics and process mining</p> <p>Total funding: <b>€334M</b> Valuation: <b>€2.2B</b> Launch year: <b>2011</b></p>	 <p>Digital health insurance</p> <p>Total funding: <b>€85M</b> Valuation: <b>€360M</b> Launch year: <b>2015</b></p>
     	   	     	     

The companies were selected based on the input of local investors, industry players, and dealroom's growth signals.

Source: Dealroom.co

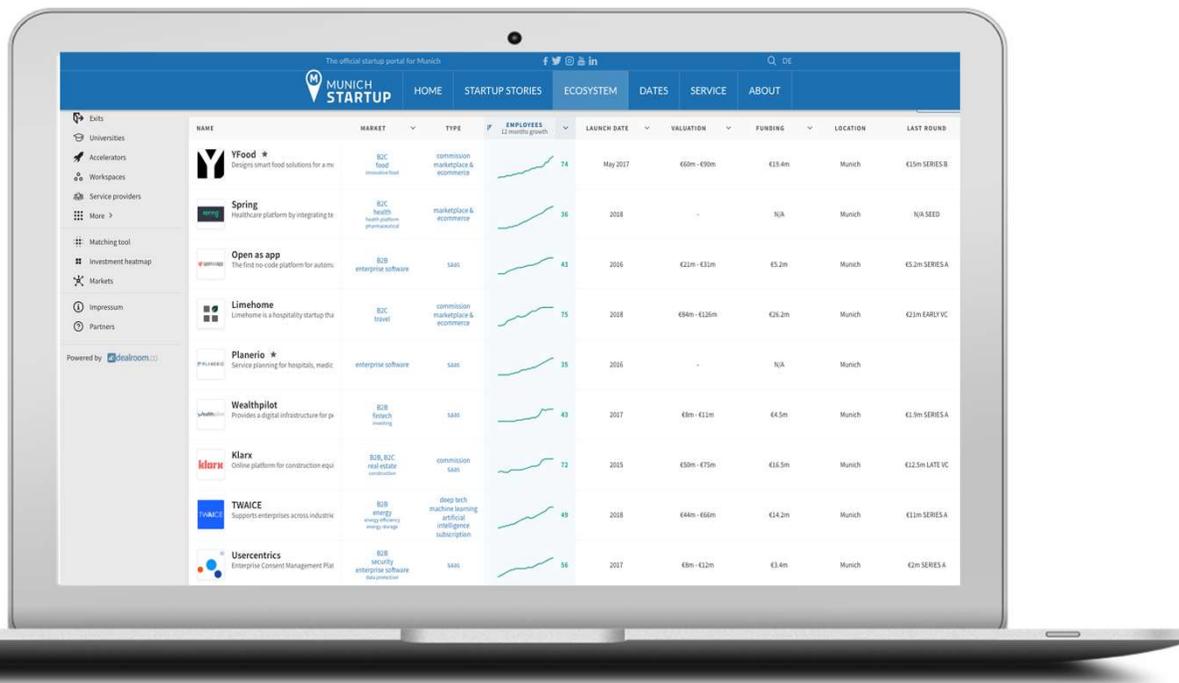
# Munich has rising stars across nearly any industry vertical.

Company valuation	Food	FinTech	Healthcare	BioTech	Enterprise Software	Mobility	Industry 4.0 & Construction	Energy & IoT
€800M+ "unicorns"						 		
€200-800M "future unicorns"					 Global Savings Group			
€0-200M "selected rising stars" <sup>(4)</sup>	   	    	     	    	     	     	       	   

4. Companies selected based on the input of local investors, industry players, and dealroom's growth signals.

Source: Dealroom.co

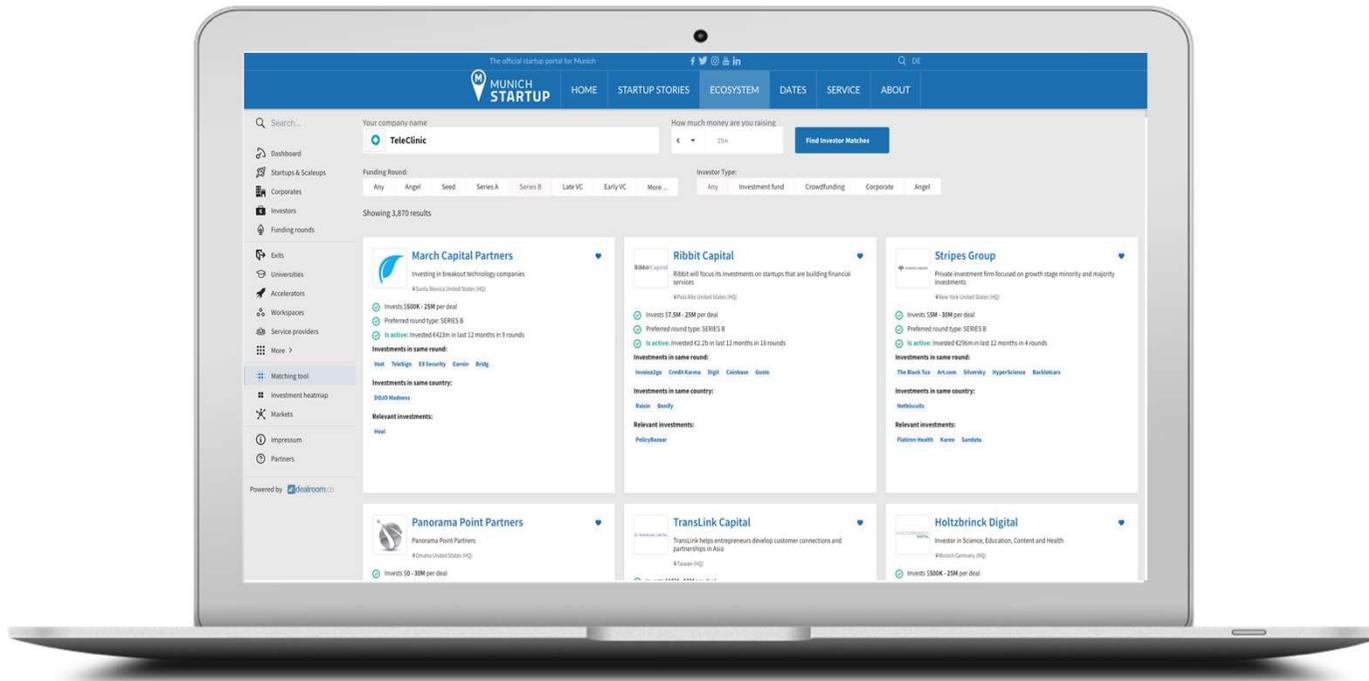
# Explore startups by industry vertical online on [munich-startup.de/INSIGHTS](https://munich-startup.de/INSIGHTS)



- » Food 60+ companies
- » FinTech 100+ companies
- » Healthcare 100+ companies
- » BioTech 20+ companies
- » Enterprise Software 200+ companies
- » Mobility 110+ companies
- » Construction Tech 30+ companies
- » Energy & IoT 50+ companies

Source: Dealroom.co

# Matching tool for founders: discover and research potential investors



Dealroom's matching tool uses your company's industry, location and next desired funding round, to match it with relevant investors. The matches are shown ordered by relevance and can be saved into private or public lists.

Source: Dealroom.co

# “Munich has made a come back over the last years”



Rainer Maerkle  
HV Ventures

## HV's history in Munich

HV was established in Munich in 1999 and has operated here ever since, with an additional Berlin office opened in 2015.

Munich has always been a hotspot for us in terms of investment activity. Though over the last 10 years Berlin has taken over as our prime investment hub, we continue to conduct high levels of investment activity in Munich and are strong believers in the local ecosystem.

Some of our stand-out Munich-based investments include FlixBus, Scalable Capital, Global Savings Group, Ottonova, Alasco, Westwing (exited), Stylight (exited), TrustYou (exited), and many others.

## How does Munich compare with Berlin as a startup ecosystem?

First of all we want to stress that both ecosystems are extremely interconnected, and in many ways very similar. But to look at some of the differences:

**Universities:** Munich has stronger university background with LMU and TUM, and many university driven organizations (CDTM, UnternehmerTUM, Strascheg Center, LMU EC, etc), acting as great pools of local talent

**Corporates:** Munich has a stronger footprint of leading industry tech companies also providing a strong talent pool

**Startup scene:** Berlin tends to be more international, open, transparent, outgoing. Munich can be more heads-down, and its networks can be a little more challenging to navigate.

## How has Munich developed as a startup ecosystem and how do you see it developing going forward?

In around 2000, Munich, along with Hamburg, had very strong startup ecosystems. After a period where other cities were catching up, Munich has come back strong again in the last few years.

The number of unicorns (if useful as a measure) still lags behind Berlin, but latest developments clearly underline the importance and strength of the ecosystem.

We are strong believers in the ecosystem, driven by the mix of local talent, tech focus, university backing, availability of capital, as well as the attractiveness of the city. In Munich there's a lot going on under the radar.

Strong startup successes will further provide momentum to ecosystem development, inspiring a new generation of entrepreneurs to start and scale in Munich.



**HV Ventures is one of the largest European early stage venture funds in Europe.**

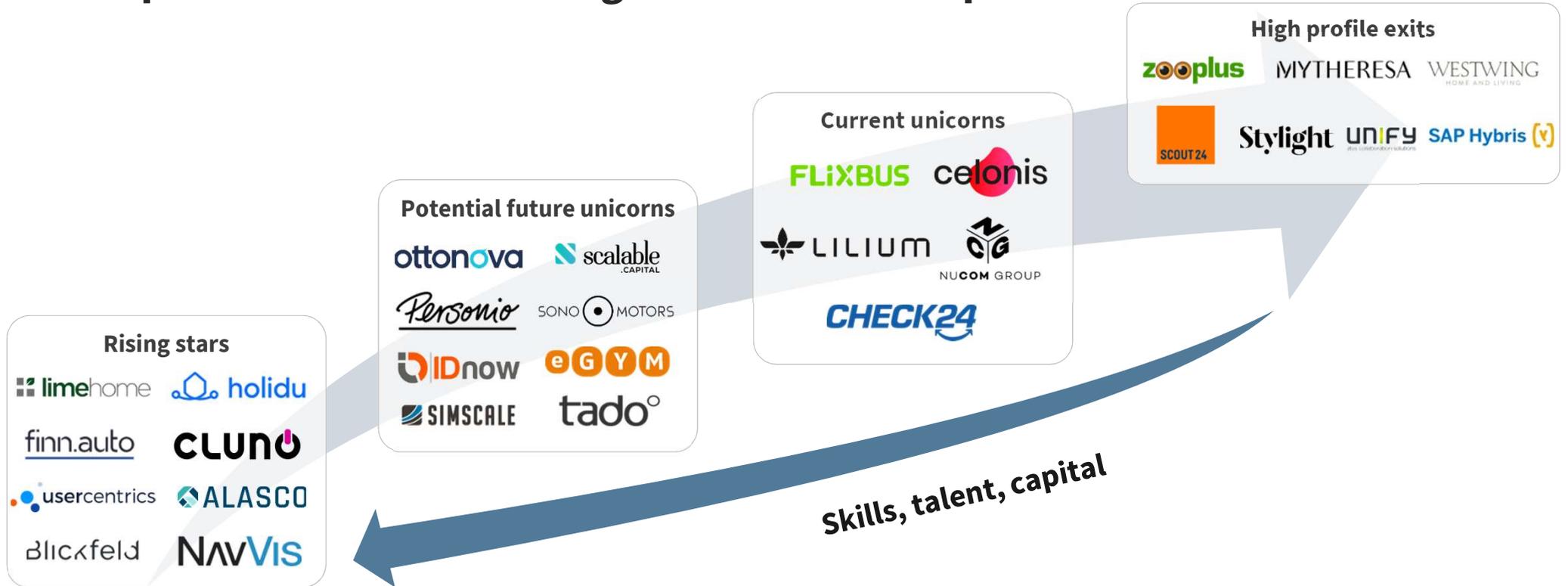
187 new investments  
since 1999

€306M latest fund size

## Selected Munich investments:

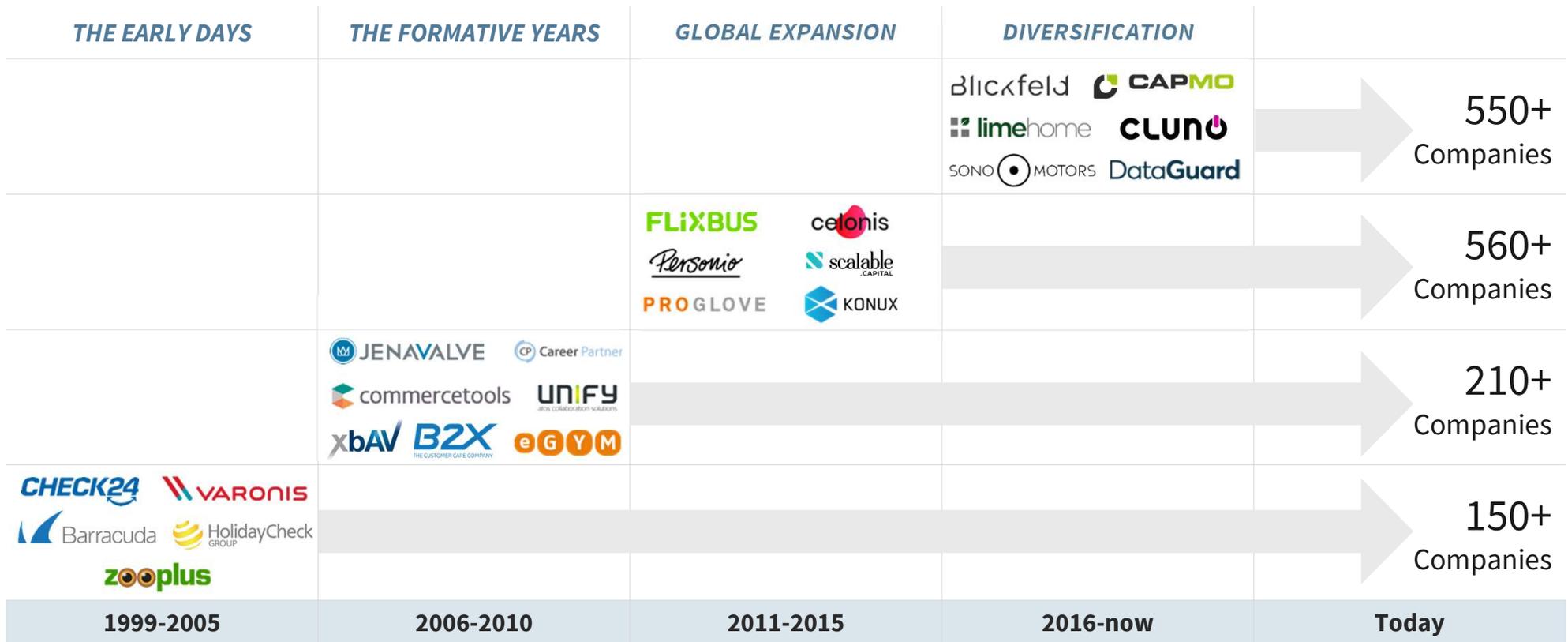


# Munich's past successes are the breeding ground for talent, entrepreneurial skills, and capital needed for the next generation of startups.



Source: Dealroom.co

# Today's cohort of Munich startups is the largest ever, with over 1,000 identified startups founded in the last ten years.



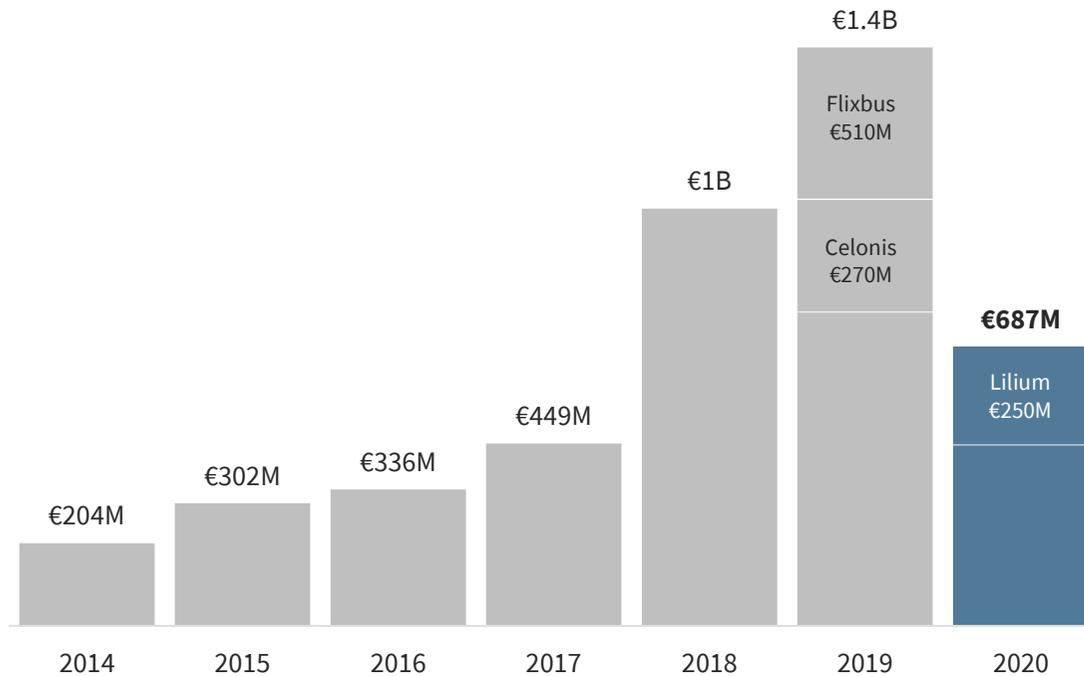
Source: Dealroom.co

# Venture capital, investment trends and impact from COVID-19

Despite COVID-19, venture capital activity in Q1 2020 is in line with, if not higher compared to previous years.

# 2020 was a strong start for the Munich ecosystem, building on the previous year's record investments.

Venture Capital investment into Munich



Top funding rounds in Munich in 2020

 <b>LILIUM</b> €250M Series C	 <b>Personio</b> €68M Series C
 <b>SONO MOTORS</b> €50M Seed / Crowdfunding	 <b>JENAVALVE</b> €45M Series D
 <b>SIMSCALE</b> €27M Series C	 <b>xbAV</b> €25M Series C
 <b>kaia</b> €25M Series B	 <b>limehome</b> €21M Early VC
<b>DataGuard</b> €18M Early VC	<b>Temedica</b> €17M Early VC

Source: Dealroom.co

# “Sometimes a more intimate ecosystem can help to maintain focus.”



Frank Seehaus  
Acton Capital

## Acton Capital's history in Munich

We were founded and are headquartered in Munich. Since 1999, our team has been investing in tech-enabled business models, mainly in Germany and Europe, but also in Canada and the US. Munich-based zooplus was among our first investments and one of the early startup pioneers in Germany. We supported the team on their way through the burst of the dotcom bubble and took them public - just prior to the financial crisis in 2008. With €1.5bn in revenue now, zooplus is Europe's leading online retailer for pet supplies. Despite remaining a kind of “hidden champion” in the startup scene, the company has shaped its market.

## What are the characteristics and challenges for the local ecosystem?

Munich as a startup hub might be a little quieter than others, and establishing an efficient network can be more challenging for founders (and investors). On the other hand, a more intimate ecosystem can help to maintain focus on your startup's success. But the number of meetups is growing, and Bits and Pretzels has become a flagship event, and one of my favourite conferences in Europe.

## What are Munich's major opportunities as a startup hub, what will the future look like?

There is a long-standing tradition of vibrant tech and venture communities in Munich, enhanced by proximity to industry. Munich features a large number of B2B innovators like Celonis, and SaaS solutions like Personio. In turn this has drawn in international talent and attracted tech giants like Google, Amazon or Salesforce. Local industry and entrepreneurship can combine to create a powerful driving force. Examples like Cluno, with its founder team coming from traditional car wholesale, prove an ecosystem of emerging startups together with established industry is beneficial for both.

Munich is already leading in fields like Manufacturing & Robotics, the fastest-growing sub-sector in global tech. At the same time, there is a strong local base of knowledge and dedicated research. Considering these factors, along with the amount of promising deep-tech innovations arising from the TU and LMU environment, this is a perfect location to establish game-changing companies with a global impact.

# A C T O N

Acton Capital is one of the largest European (early) growth-stage venture funds in Europe.

80+ new investments since 1999

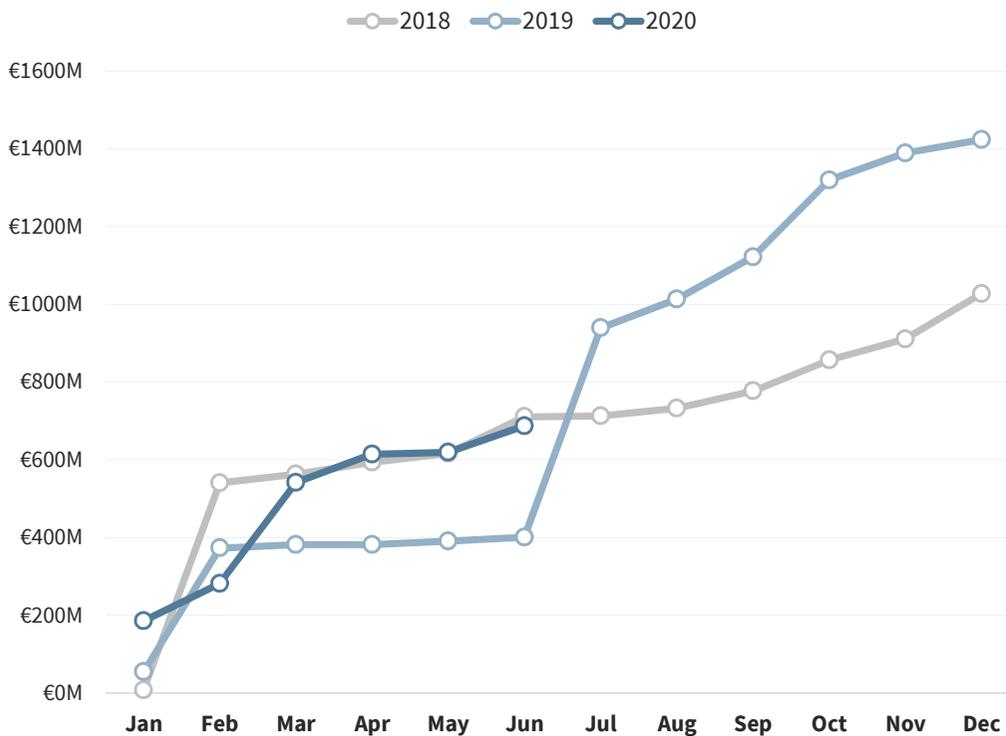
€200M+ latest fund size

## Selected Munich investments:

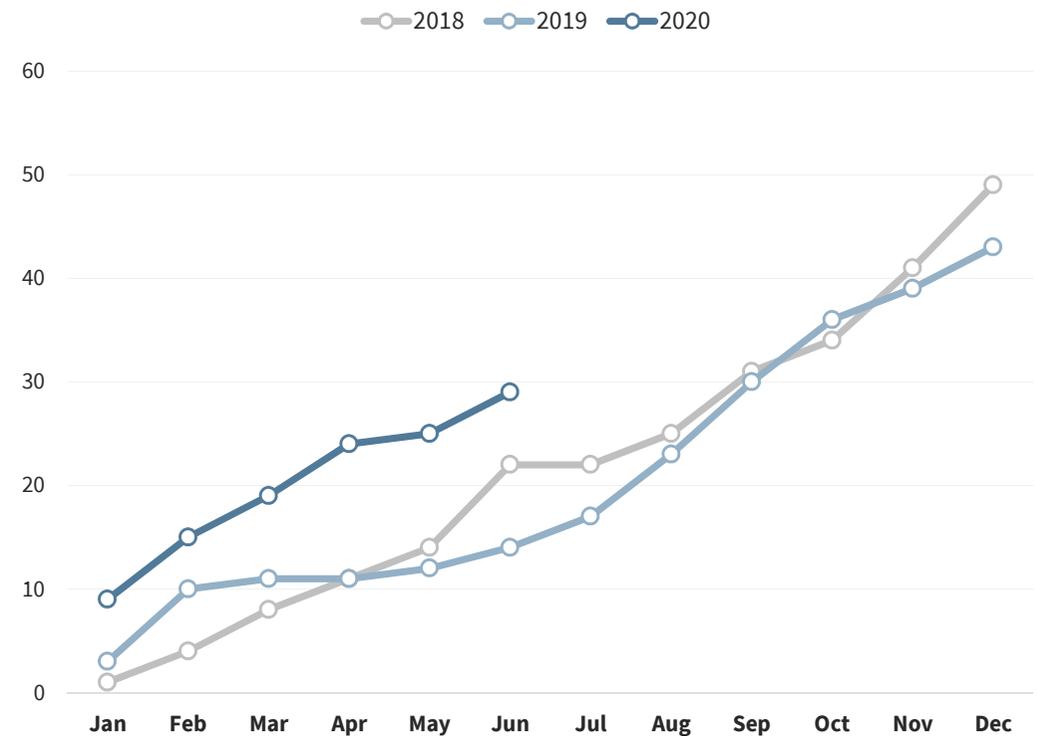


## Despite COVID-19, venture capital activity in March/April is in line with, if not higher compared to previous years.

Cumulative monthly venture capital investment amount



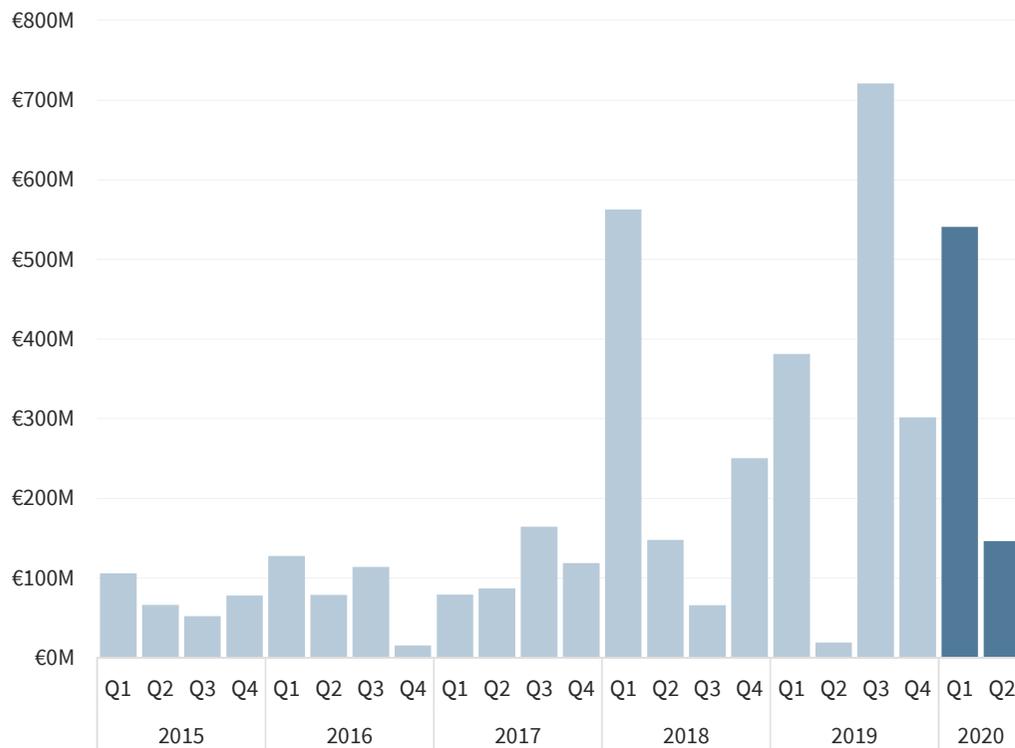
Cumulative monthly number of venture capital rounds > €2 million



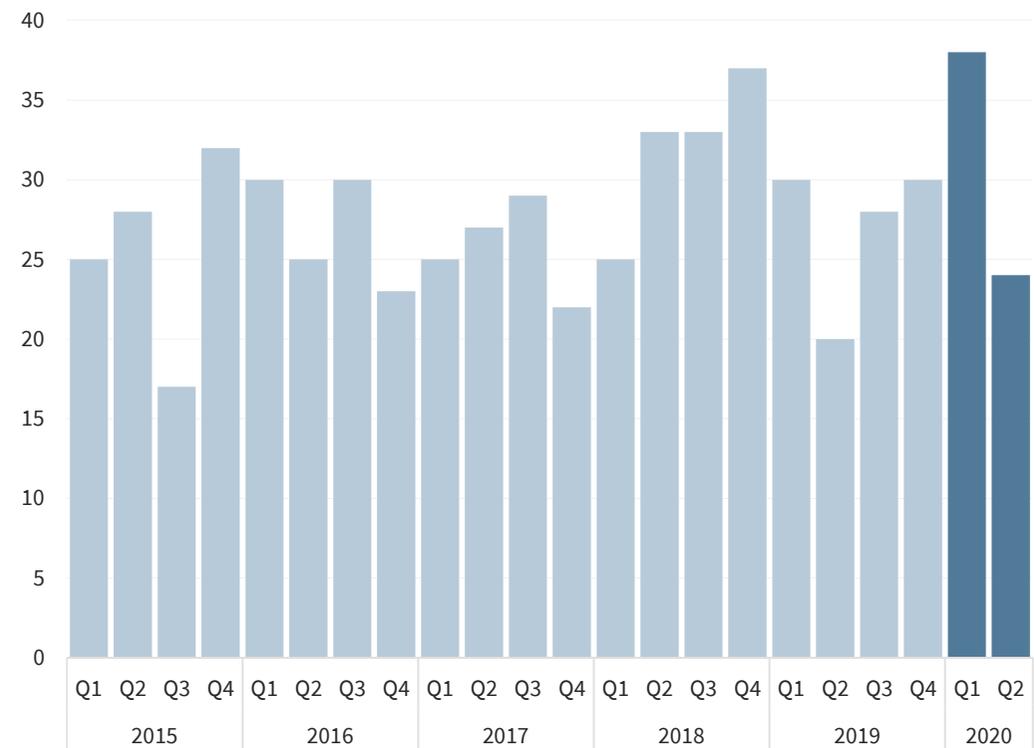
Source: Dealroom.co

## As a result, Munich performed well in Q1 2020. This positive trend is enduring in Q2.

Quarterly venture capital investment amount



Quarterly number of venture capital rounds



Source: Dealroom.co

## Selected Venture Capital funds in Munich.

	FUND NAME	FOUNDED	LAST FUND SIZE	SELECTED MUNICH INVESTMENTS
	<b>Digital+ Partners</b> Growth Equity fund	2015	€350M Jul 2018	NavVis, Riskmethods
	<b>HV Holtzbrinck Ventures</b> Seed / Series A fund	2000	€306M Jan 2018	Alasco, Flixbus, Global Savings Group, Ottonova, Scalable Capital, Stylight, TrustYou, Westwing
	<b>Wellington Partners</b> Seed / Series A fund	1998	€210M Aug 2019	Experteer, IOmx, Orcan Energy, Sirs Therapeutics
	<b>Acton Capital Partners</b> Series A/B+ fund	1999	€200M Nov 2019	Ciao, Cluno, Mytheresa, Plantura
	<b>Unternehmertum Venture Capital Partners</b> Seed / Series A / B fund	2011	€82M Apr 2018	Blickfeld, Capmo, finn.auto, Isar Aerospace, Konux, TWAICE
	<b>Target Partners</b> Seed / Series A fund	1999	€68M Jan 2014	Corrux, Doo.net, NavVis, Tado
	<b>Ananda Impact Ventures</b> Seed / Series A fund	2010	€50M Oct 2018	VerbaVoice
	<b>42CAP</b> Seed fund	2016	€50M Jun 2019	E-bot7, ORDA, Kaia Health
	<b>LeadXCapitalPartners</b> Seed fund	2017	Undisclosed	IDEE, Ordercube, RetailQuant, Shore
	<b>Picus Capital</b> Seed / Series A fund	2015	Undisclosed	Alasco, Building Radar, finn.auto, Limehome, Personio, Talentry
	<b>MIG</b> Series A / B fund	2004	Undisclosed	KEWAZO, Konux, NavVis, Telemedica

Source: Dealroom.co

## Siemens, Allianz, BMW, ... Munich is home to major corporations ...

	NAME	MARKET CAP <sup>(5)</sup>	INDUSTRY	SELECTED TECH INVESTMENTS
	<b>Siemens</b> Global technology conglomerate	€88B	Electronics	Plotly, Sunverge Energy, LanzaTech, Yellobrick Data, LogRhythm
	<b>Allianz</b> Global leader and employer in insurance and financial services	€78B	Finance	QuanTemplate, Ladder, Fundbox, MoneyFarm
	<b>BMW Group</b> Is a automobile, motorcycle, and engine manufacturing company	€38B	Automotive	HERE, DriveNow, CloudRail, Parkmobile Group,
	<b>Munich Re</b> Risk management group that offers insurance and reinsurance	€32B	Insurance	Next Insurance, Augury, Inshur, Helium, Forge Global
	<b>Osram</b> Multinational lighting manufacturer	€4.1B	Electronics	Motorleaf, Blickfeld, VividQ, iThera Medical
	<b>ProSiebenSat.1 Media SE</b> Leading German media powerhouse	€2.5B	Media	Ottonova, Helping, Numbrs, Minute Media, Jaunt VR, Clark
	<b>Hubert Burda Media</b> One of Germany's largest media companies	NA	Media	Vinted, XING, Recount Media, Carsome, Miinto

5. Information updated on 24/06/2020.

Source: Dealroom.co. Google Finance for market capitalization.

## ... as well as many Corporate Venture Capital funds.

NAME	LPs	INDUSTRY	FUND SIZE	SELECTED TECH INVESTMENTS
 <b>Next47</b> Global venture capital firm backed by Siemens	Siemens	Electronics	<b>€1B</b> Jun 2016	Tado, Plotly, ChargePoint, Digital Guardian
 <b>Allianz X</b> Digital investment arm of Allianz Group	Allianz	Finance	<b>€570M</b> Feb 2019	N26 Group, Fundbox, C2FO, Gojek, Lemonade
 <b>BMW i Ventures</b> Venture arm of BMW Group	BMW	Automotive	<b>€500M</b> Nov 2016	STRIVR Labs, May Mobility, Cellink
 <b>Munich Re Ventures</b> Corporate venture capital of Munich Re	Munich Re	Insurance	/	Fair, Babylon Health, Helium, Fraugster
 <b>Fluxunit – OSRAM ventures</b> Corporate venture capital unit of OSRAM	OSRAM	Electronics	/	Blickfeld, iThera Medical, Motorleaf
 <b>Seven Ventures</b> Venture arm of the ProSiebenSat.1 Group	ProSiebenSat.1 Group	Media	/	Otonova, Numbrs, Jawbone, About You
 <b>Burda Principal Investments</b> Venture arm of Hubert Burda Media	Hubert Burda Media	Media	/	Vinted, Zilingo, Carsome, M.gemi, Skillshare

Source: Dealroom.co

# Universities, accelerators, incubators and workspaces.

## Selected Universities<sup>(6)</sup>

[View all 20+ universities](#)



### Technical University Munich

A leading technical university in Germany and Europe



### Ludwig Maximilian University of Munich

Second-largest university in Germany for student population



### Munich University of Applied Sciences

Educational institution with over 17k students



### Center for Digital Technology and Management

CDTMs Technology Management Study Program is part of the Elite Network of Bavaria

## Selected Accelerators<sup>(7)</sup>

[View all 20+ accelerators](#)



### LMU Entrepreneurship Centre

Has supported over 320 startups



### Founder Institute

Based in Silicon Valley and with chapters across 180+ cities and 60+ countries



### InsurTech Hub Munich

InsurTech Hub Munich is initiated by the German Federal Ministry of Economy



### Strascheg Center for Entrepreneurship

Founded in 2002 is affiliated with the Munich University of Applied Sciences



### UnternehmerTUM

Has 50+ startups and 5,000+ participants per year



### Plug and Play

Accelerator with global headquarter in Silicon Valley



### BSH Future Home Accelerator

Powered by Techstars this program focuses on the future of home living

## Selected incubators & workspaces<sup>(8)</sup>

[View all 30+ workspaces](#)

### DESIGN OFFICES

#### Design Offices

Manages 12 co-working spaces in Germany



### Fraunhofer AHEAD

Central platform for technology transfer between Fraunhofer-Gesellschaft and the entrepreneurship ecosystem



### Gate

Startup community for Garching-based startups



### Impact Hub Munich

Offers a unique ecosystem of resources, inspiration, and collaboration opportunities to grow impact



### WERK 1

Startup incubator, coworking space and in-house acceleration programs



### Mates

Creative network and co-working spaces



### Twostay

Co-working spaces in the center of Munich

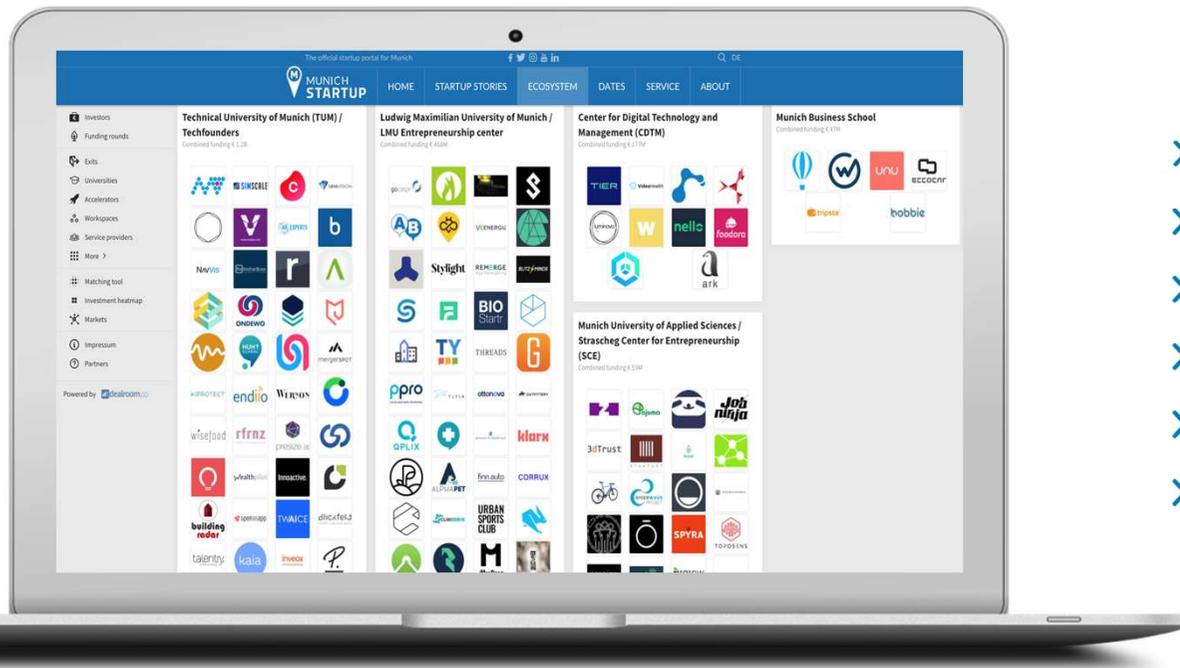
6. Universities are sorted according to the number of alumni founders.

7. Accelerators are sorted according to the number of alumni companies.

8. Incubators and workspaces were selected based on the input of local experts and then sorted alphabetically.

Source: Dealroom.co

# This report initiates the launch of a new Munich startup ecosystem database: in this report is sourced from [munich-startup.de/INSIGHTS](https://munich-startup.de/INSIGHTS)



- » University alumni [130+ companies](#)
- » New startups [60+ companies](#)
- » Deep tech [50+ companies](#)
- » Female co-founded [110+ companies](#)
- » Fastest growing AI startups [100+ companies](#)
- » Real estate and construction [40+ companies](#)

Source: Dealroom.co

## Methodology & definitions

- » Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, .... late stage, and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs.
- » Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data, but included in exit data.
- » A unicorn is defined as a rapidly scaling company (and tech enabled) that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised).
- » There are some notable edge-cases:
  - Companies that IPO-ed at or above \$1 billion but subsequently dipped below that valuation, are still included as \$1B+ exit (examples: Alfa, Rovio, eDreams).
  - Some companies have at some stage reached a \$1 billion but subsequently raised, IPO-ed or were acquired below that value. In this case the company is not counted as a unicorn (examples: Blippar, Home24).
  - If a unicorn moved HQ, the company is counted in the country where it reached unicorn status. Occasionally companies received dual HQ status.
- » A future unicorn is defined as a tech driven company valued over €200 million but less than €800 million, excluding acquired and/or public companies.
- » This report focuses on companies in the information age, i.e. after 1990. Most (but not all) unicorns are VC backed.

Source: Dealroom.co



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*The most comprehensive startup database of Munich's tech scene.*

JULY 2020