

Startup Ecosystem Overview 2019

About Mobile World Capital Barcelona

Mobile World Capital Barcelona is an initiative driving the digital advancement of society while helping improve people’s lives globally.

With the support of the public and private sector, MWCapital focuses on four areas: the acceleration of **innovation** through digital entrepreneurship, the transformation of industries through digital **technology**, the rise of digital **talent** among new generations and professionals, and the reflection on the impact of technology in our **society**. Collectively, our programmes are positively transforming the economy, education and society.

MWCapital hosts MWC in Barcelona and founded 4 Years From Now (4YFN), the startup business platform, present at MWC events around the world.

www.mobileworldcapital.com

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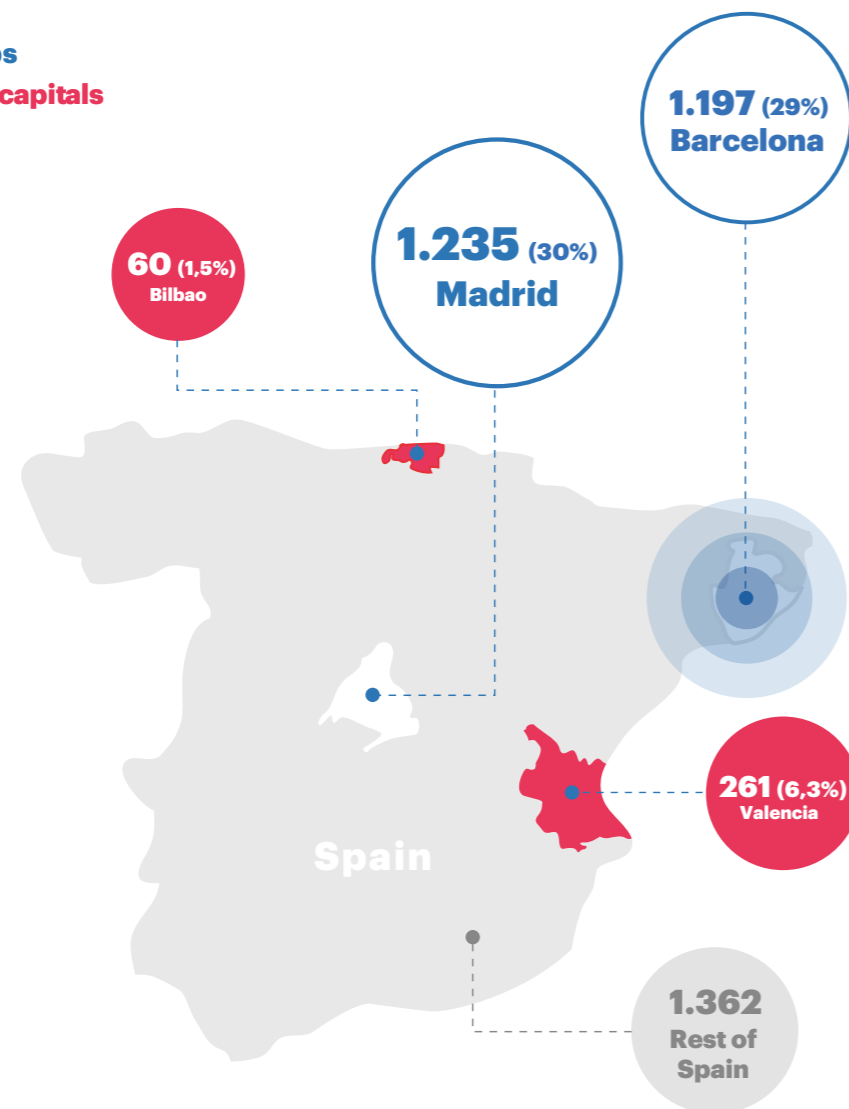


Spanish Startup Ecosystem

4,115 Startups in Spain in 2018

Spain continues to be a welcoming and prosperous place for startups to call home. Barcelona and Madrid continue to be at the forefront in terms of having the greatest amount of startups; however, other cities like Valencia and Bilbao are also emerging as startup Hubs.

- 2 Main hubs
- 2 Growing capitals



Source:
Crunchbase

« »

« **Yes, Spain does have the potential to become the next 'startup nation.** We've already taken the first steps. Just imagine what we could do if the government were not a barrier, but rather an ally. We have to continue working to create an entrepreneurial ecosystem that works in collaboration with all other major economic players. This would lead to reducing social divides, and a country that leaves no one behind. »

Francisco de Paula Polo

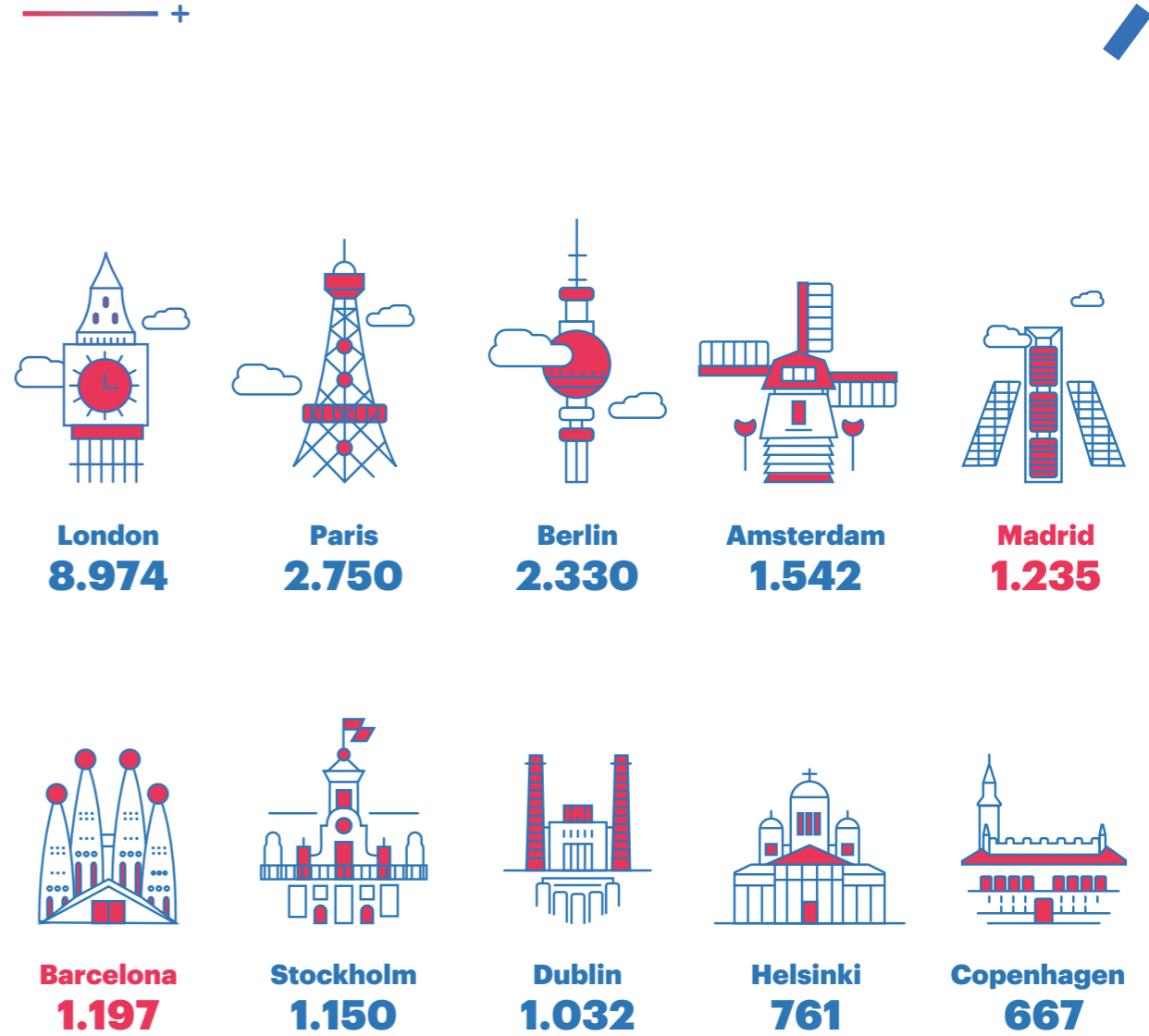
Secretary of State for Digital Advancement, Ministry of Economy and Business

Top European Hubs

As seen in previous years, both Barcelona and Madrid rank as top European tech Hubs (in terms of number of startups).

While Madrid has seen growth in the number of startups this year, Barcelona's startup ecosystem continues to stabilize as it is a more mature ecosystem.

Top 10 European Hubs by number of startups



Source:
Dealroom
Crunchbase

Top Sectors

Growth of startups in 2018 centers on consumer and eCommerce platforms.

Marketplace, e-commerce and mobile take the lead in 2018 as the top startup sectors in Spain. Leading industries include home, transportation and enterprise software.

« The local ecosystem is evolving very fast and it goes beyond the strategic sectors of Mobile and E-commerce. We are seeing great startups working in high-tech fields like VR, Mobility, Gaming and BioTech. **Beyond new sectors, startups are also building more global products with a focus on new markets beyond our borders as projects with global strategies have better chances for success.** A third of startups this year are Spanish at 4YFN, giving them an amazing international platform and showing the robust health of the ecosystem here. »

Pere Duran

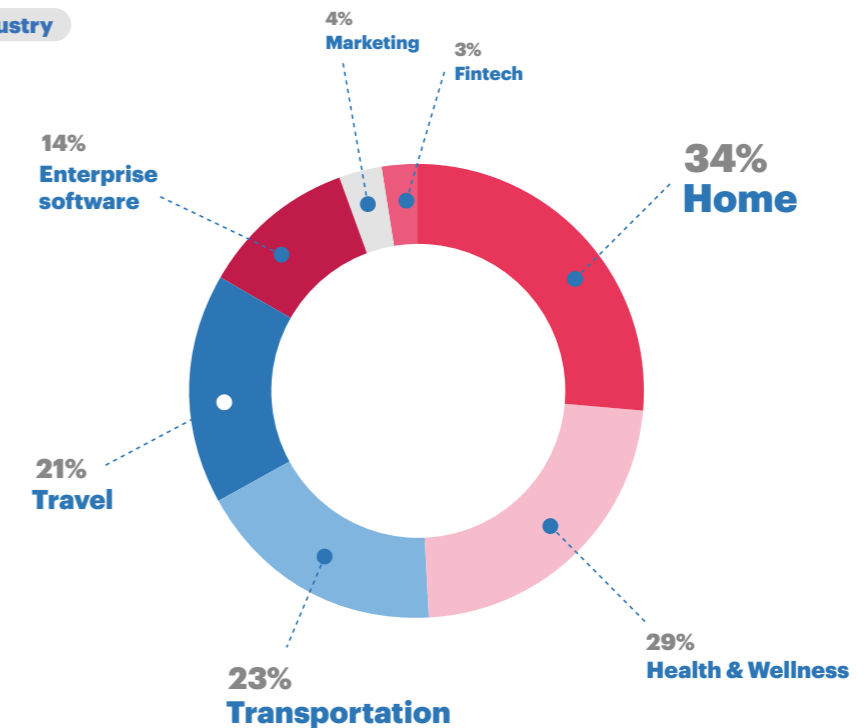
4YFN Series Event Director

Startup sectors in Spain (2018)

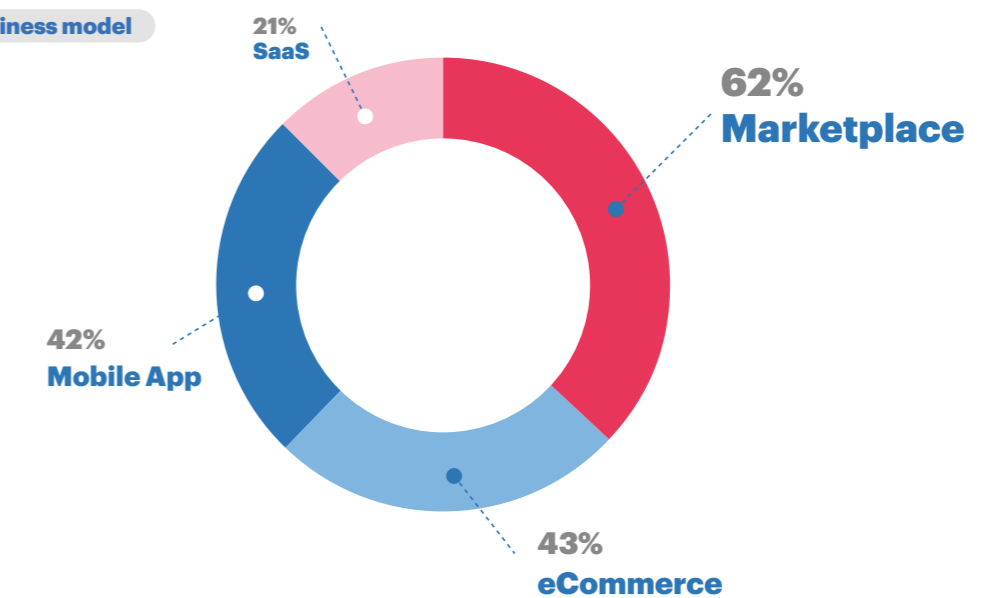
Note: Industries and business models can do overlap.

— +

Per Industry



Per Business model



Source:
Dealroom

Spain shows a healthy developer density...

Moving up a place this year Spain is the 6th European country with the most professional developers

Europe's professional developer pool grew 4.2% (YoY) in 2018 compared to the previous year.

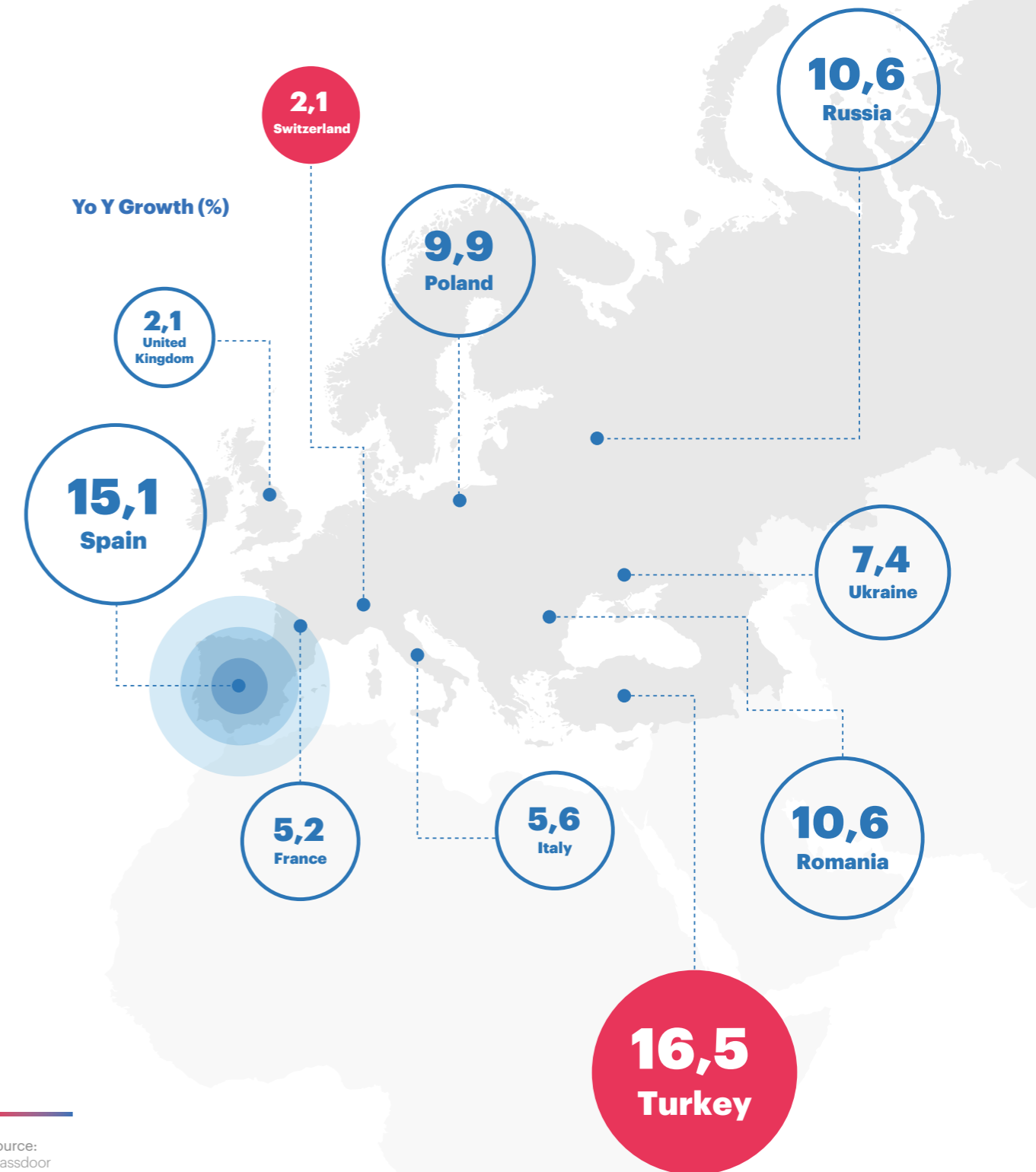
Spain ranks second in Europe for growth in number of professional developers

Spain is among the fastest-growing countries for this profession, with a YoY growth rate of 15.1%.

Barcelona comes in second on the list of Top 30 European cities according to the number of professional developers in 2018 with 72,500 in total.

Top 10 fastest-growing countries for professional developers (2018 versus 2017)

— %



Source:
Glassdoor
Atomico

...and still shows a highly competitive cost compared to other countries

Senior software engineering salaries in Spain continue to be globally competitive when compared to other Hubs across Europe.

Average senior software engineer salaries per year in Spain:

- Spain - €40,000

« Universities need to adapt university curricula to the real needs of the business world. Spain needs educational models oriented toward entrepreneurship in order to develop the talent it needs. Continuing education for lifelong learning also needs to be promoted. »

Josemaria Siota

Director of Research (EIC) at IESE Business School

Average software engineer salary per year by city



*Senior Software Engineer Salary Madrid and Barcelona

Sources:
Glassdoor

Talent continue to choose Spain...

This year, Atomico's State of European Tech, in collaboration with LinkedIn, ranked **Spain as the 3rd most popular destination for European tech talent.**

A "mover" refers to anyone who has started a tech career in their own countries and is now working in the same industry in another.

Beating out other major Hubs such as the Netherlands and France, Spain is making a name for itself as a leading European Tech Hub.

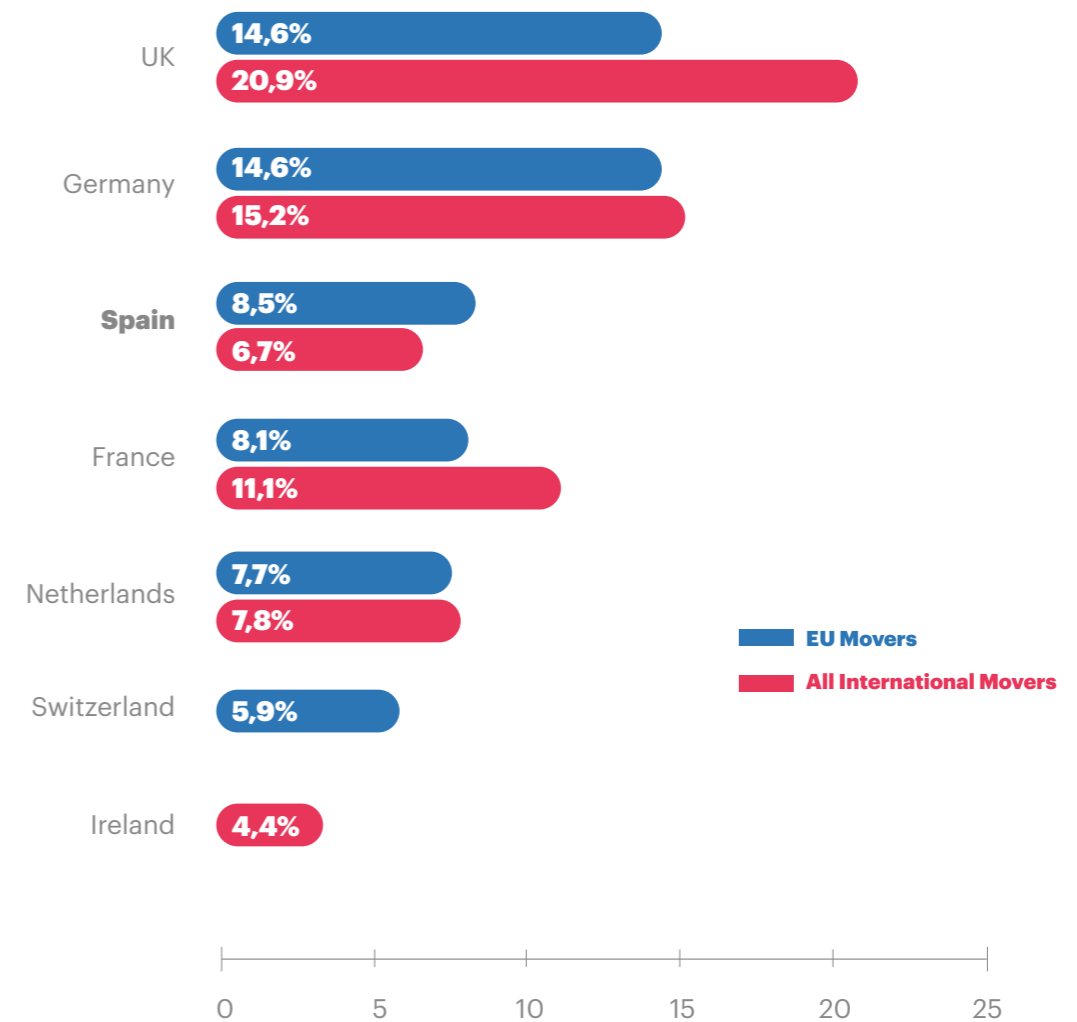
Spain ranks 5th on the list of the top 10 European destinations for all international movers...

...(from outside of Europe) into European tech in 2018, making up 6.7% of all foreign, non-European movers.

Besides its high quality of life and comfortable climate, Spanish startups are attracting more and more leaders in the tech industry.

Top 6 European destinations for intra-European movers within European tech industry in 2018

Top 6 European destinations for all international movers into European Tech in 2018



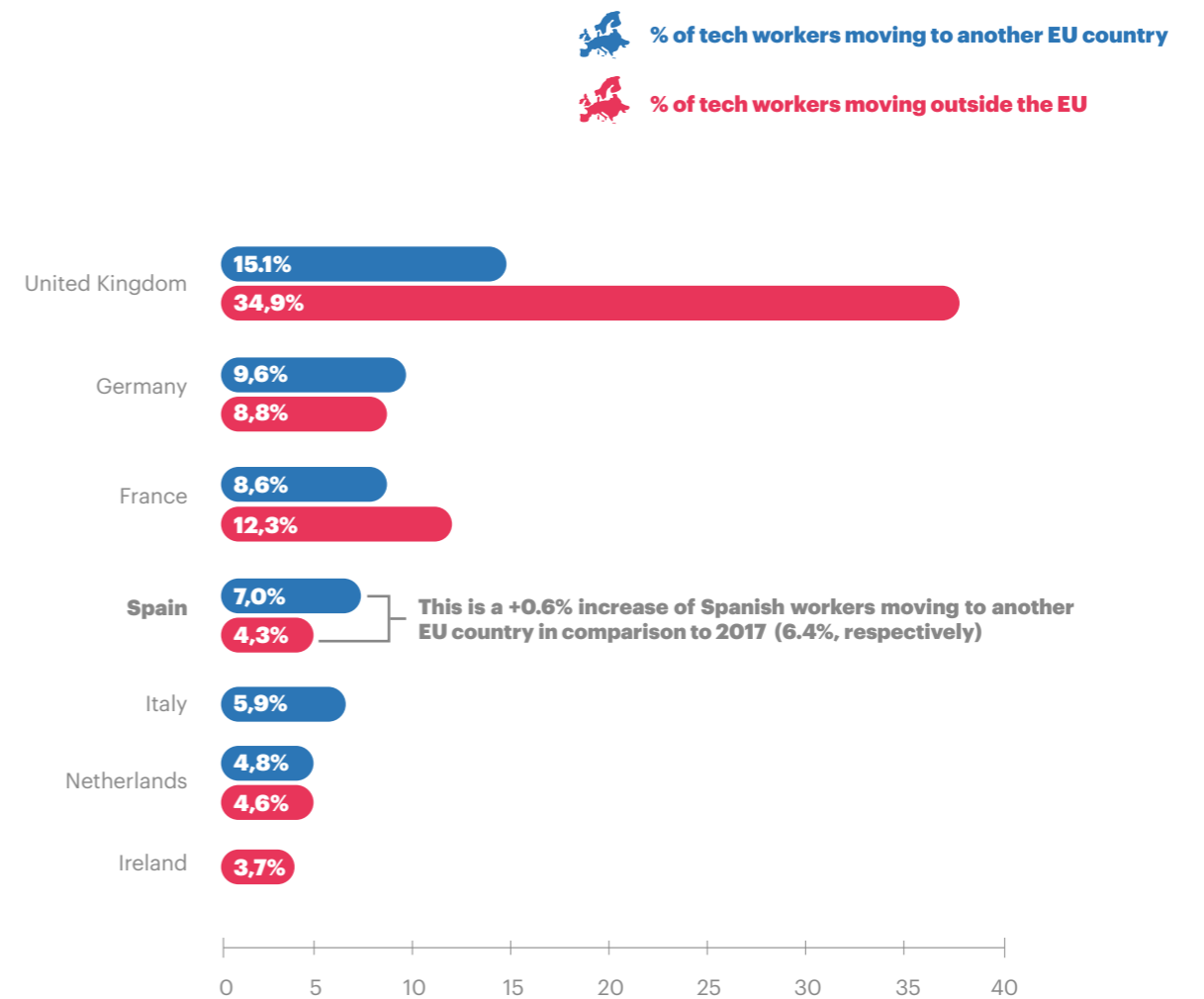
Sources:
LinkedIn
Atomico

...while Spain is the largest 5th exporter of talent to non-EU countries

Consequently, Spain is exporting some of Europe's greatest talent to other EU countries and outside of the EU, making it the 4th largest exporter of talent to other EU countries, after the UK, Germany, and France.

Top European countries exporting talent

— %



Sources:
Atomico

Building bridges

A glance at other European countries:



139 Coworking spaces in Spain

Spain is one of the European countries with the highest number of coworking spaces in Europe. There are currently 139 spaces around the country.

The steady increase of coworking spaces around the country illustrates the health of startup ecosystem in Spain. Furthermore, it is a reflection of the country's welcoming atmosphere, fostering entrepreneurship, and innovation.

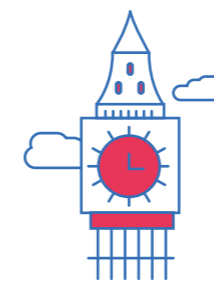


«Spain has evolved to be a powerhouse of European innovation with a series of world-class startups and leading community events such as 4YFN. Entrepreneurship and digital innovation are drivers for the economy and society. Policy makers and community leaders have a role to play in providing the right conditions for startups to thrive and fulfil their promise of solving real problems of citizens. We believe that startups deserve a stronger voice in political decision making; entrepreneurs should sit at the table with leaders from politics, industry and society.»

Lenard Koschwitz

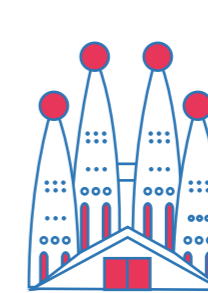
Senior Director, Global Public Policy at Allied For Startups

United Kingdom



319
SPACES

Spain



139
SPACES

Italy



111
SPACES

France



84
SPACES

Germany



65
SPACES

Sources:
Global Coworking Map

2

Investment in Spain



Total investment volume

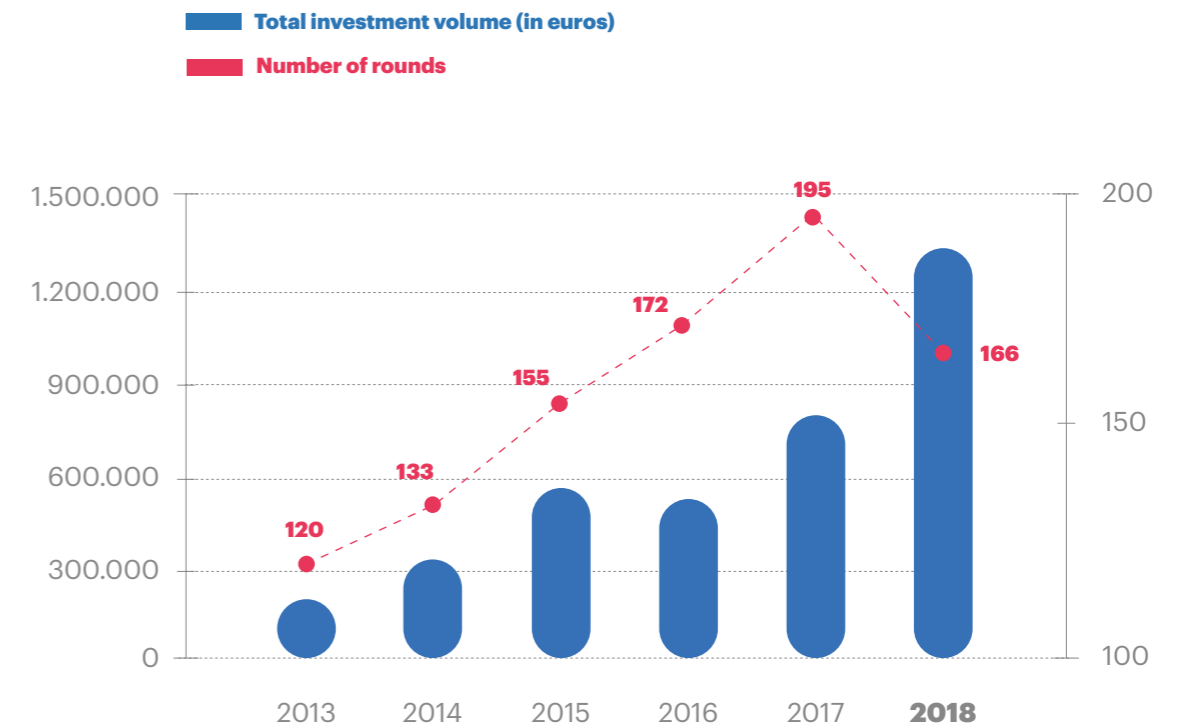
Total investment volume skyrockets in 2018 to over one billion euros.

Spain continues to be one of the fastest growing markets for venture capital investment in Europe.

Investment volume in Spanish tech companies has increased steadily since 2013, and surpassed €1 billion (**€1,311,797,000B**) for the first time in 2018. This is an increase of 67.3% from 2017 (€783M). That was mainly thanks to an increasing number of later stage rounds raised by Spanish scale ups.

Total investment volume

€

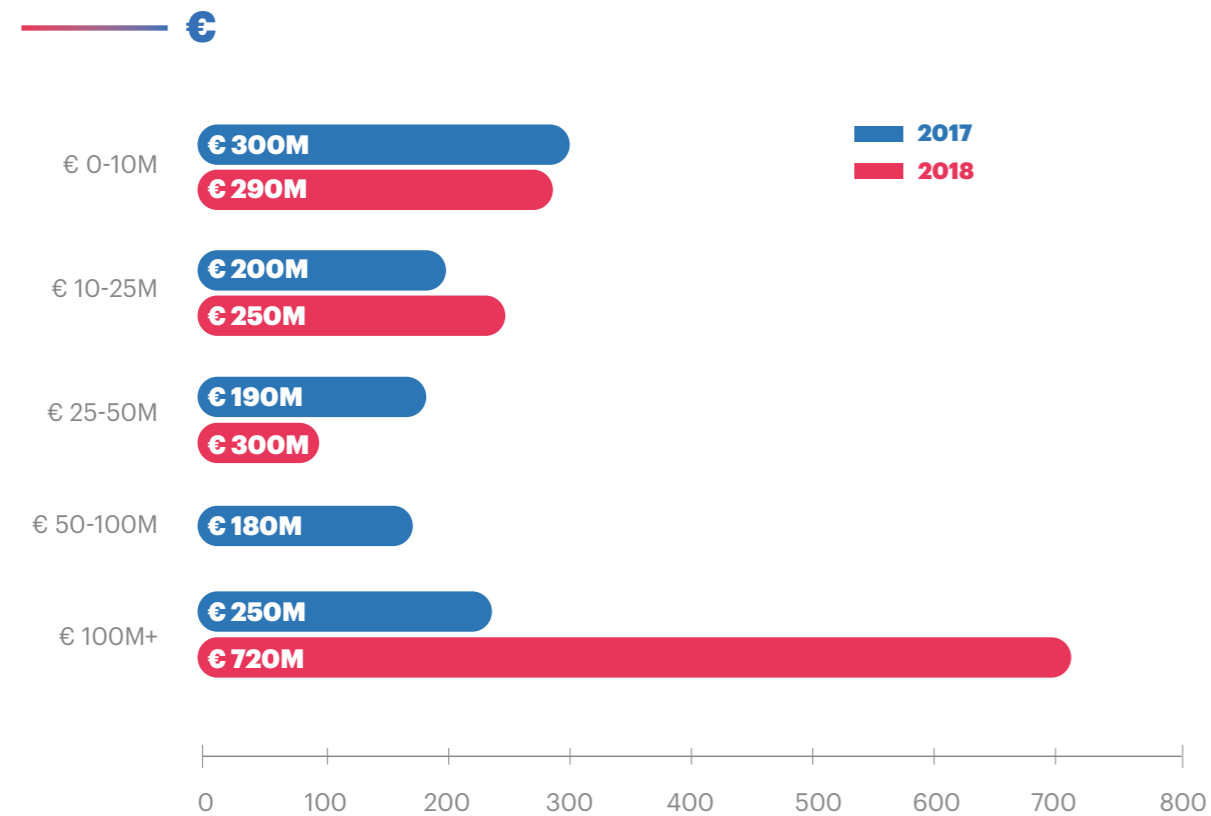


Sources:
Dealroom
KFund

Increase in rounds

Rounds in Spain have greatly increased in 2018 in terms of money, with many rounds of over €100 million, attesting to the startup ecosystems continuous growth and maturity.

Amount investments shot up to (by round size)



Sources:
Dealroom
Atomico

« »

« While it's positive for Spanish startups that they have had more access to finance in recent years, we can't say that Spain has a thriving or healthy ecosystem until the returns the system is generating to investors and other stakeholders is larger than the amounts of money and resources invested. To date that hasn't been the case, and much of the investment is the result of public funding. That said, Spain has the advantage of being a beautiful country and an attractive destination for those who can choose where they want to work. In part because of that, Barcelona, in particular, is already a significant Hub for entrepreneurship, home to leading business schools, and a large number of both up-and-coming and established startups. »

Luis Martín Cabiedes

Partner at Cabiedes & Partners

Investment in Spain continues to soar

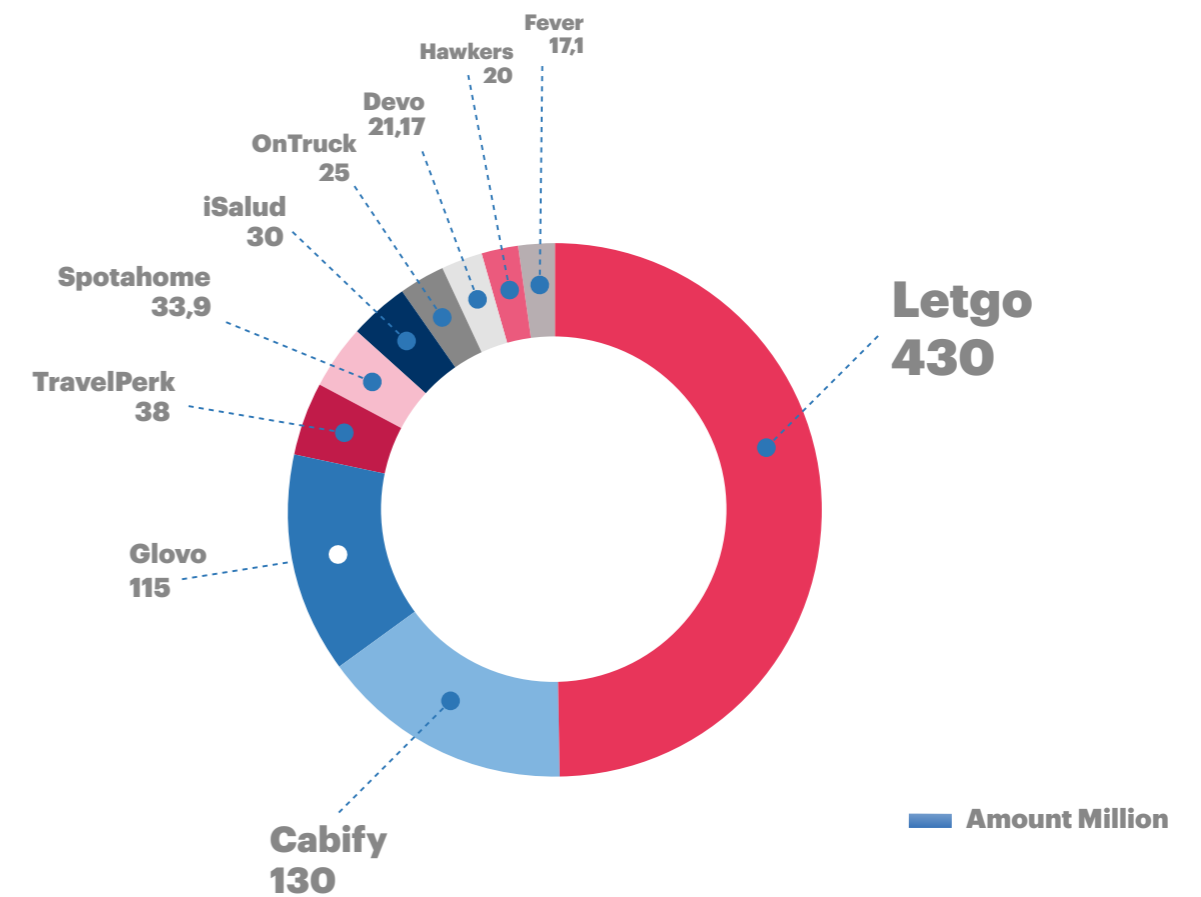
29 startups in Spain raised investment rounds of over 10 million euros in 2018; **12 of those 29 startups were based in Barcelona.**

Overall, €1.3 billion was raised by Spanish startups in 2018 with 34 exits. That marks an 46.08% increase from €850 million in 2017.

10 Biggest Rounds of 2018 in Spain

— €1M

■ Spanish startup



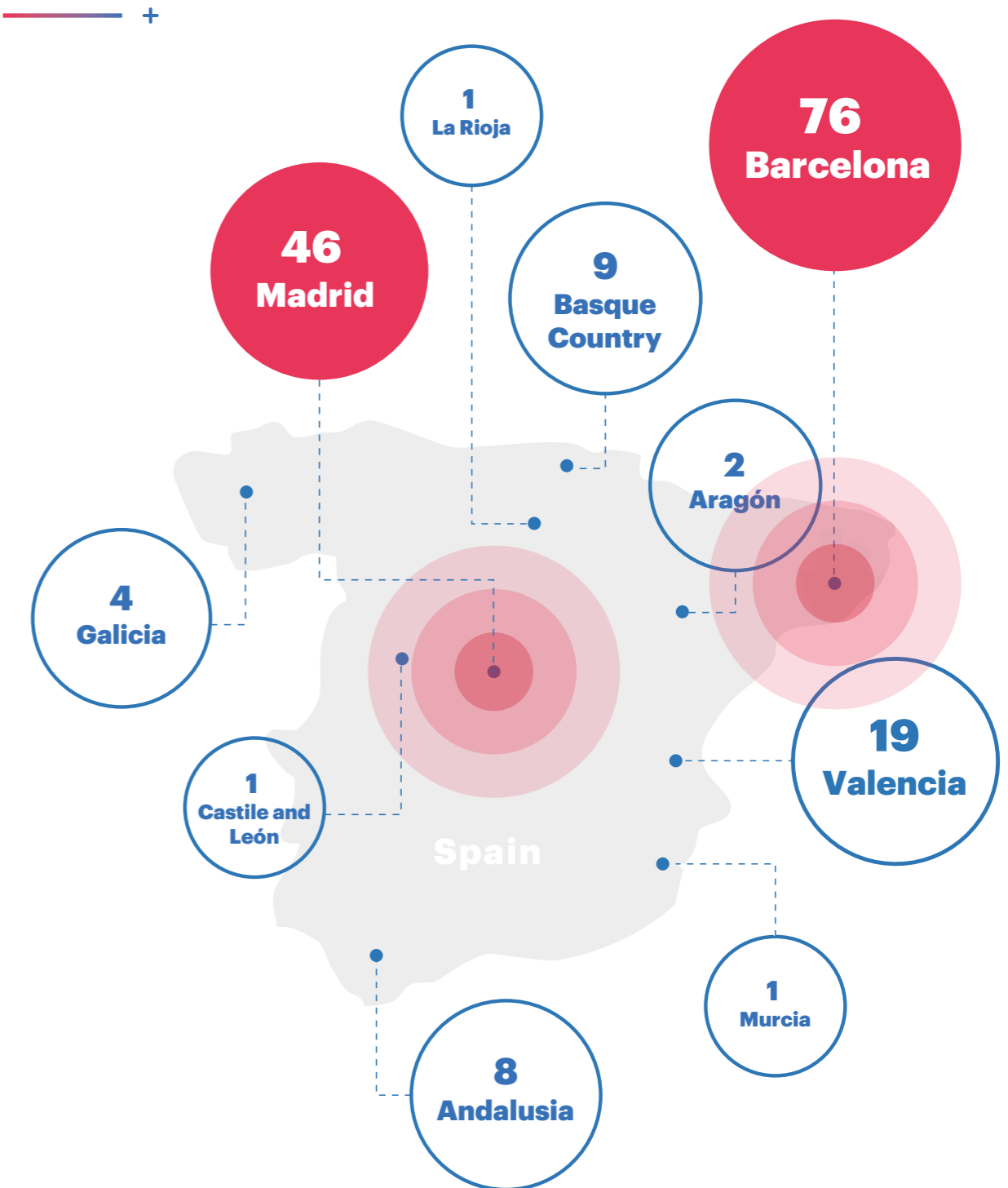
Sources:
Dealroom
One Ragtime
El Referente

Two Hubs are better than one

When comparing Spain's startup ecosystem with countries with only one main Hub, such as Germany (Berlin) and Ireland (Dublin), it must be taken into consideration that Spain's ecosystem is decentralized with two significant Hubs in Barcelona and Madrid.

Barcelona, ranked much higher in comparison to other Spanish cities in terms of deals by region in 2018.

Number of deals by region in Spain (2018)



Sources:
Dealroom
One Ragtime

Spanish cities at the forefront

Spanish cities lead list of top 15 European Hubs by capital invested

Barcelona and Madrid stand among the Top 20 European Hubs based on the amount of capital invested (€).

Top 15 European Hubs by capital invested

€

| | | | | | |
|---|-----------|---------|----|------------|--------|
| 1 | London | € 4.70B | 9 | Amsterdam | € 370M |
| 2 | Paris | € 2.35B | 10 | Lisbon | € 360M |
| 3 | Berlin | € 2.17B | 11 | Oxford | € 350M |
| 4 | Stockholm | € 920M | 12 | Copenhagen | € 350M |
| 5 | Barcelona | € 871M | 13 | Madrid | € 340M |
| 6 | Hamburg | € 470M | 14 | Bristol | € 300M |
| 7 | Munich | € 440M | 15 | Helsinki | € 290M |
| 8 | Cambridge | € 430M | | | |

Sources:
Atomico
Dealroom

Funding & exits

Spain continues to see an increasing number of exits.

As funding increases, exits have also been on the rise in Barcelona, adding to the startup ecosystem's overall value.

There were a total of 40 exits by Spanish technology companies in 2018. Among those, six of them disclosed the amount of the transaction.

In all of Spain, the transaction values added up to a total of €488 M, while in Barcelona the total €272M.

«At K Fund we've seen first-hand the evolution of the Spanish startup ecosystem in the past few years. The landscape has changed dramatically, with more founders, more (and better) startups along with more investors competing to back the best local tech companies. What we've also seen -and our portfolio shows this- is a significant increase in the number of B2B SaaS companies coming out of Spain. 50% of our portfolio is made of startups building products and services for companies and the enterprise, which tend to be companies with a strong software component. These companies face specific challenges when it comes to early traction and go-to-market, but we truly believe that there are a relevant number of B2B SaaS companies in Spain creating high quality software products that can compete at a global level with other tech giants.»

Jaime Novoa
Investor at KFund

Disclosed Spanish exits in 2018

— %

| | | | |
|----------|-------------------------------------|------------------------|--------------------------------------|
| 1 | STAT-Dx Barcelona | Acquiror: Qiagen | Transaction value: € 191 m |
| 2 | Mitula Group Madrid | Acquiror: Lifull CO | Transaction value: € 118 m |
| 3 | Paradigma Digital Madrid | Acquiror: Indra | Transaction value: € 70 m |

* Excluding Euskaltel

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Barcelona Digital Hub



Overview

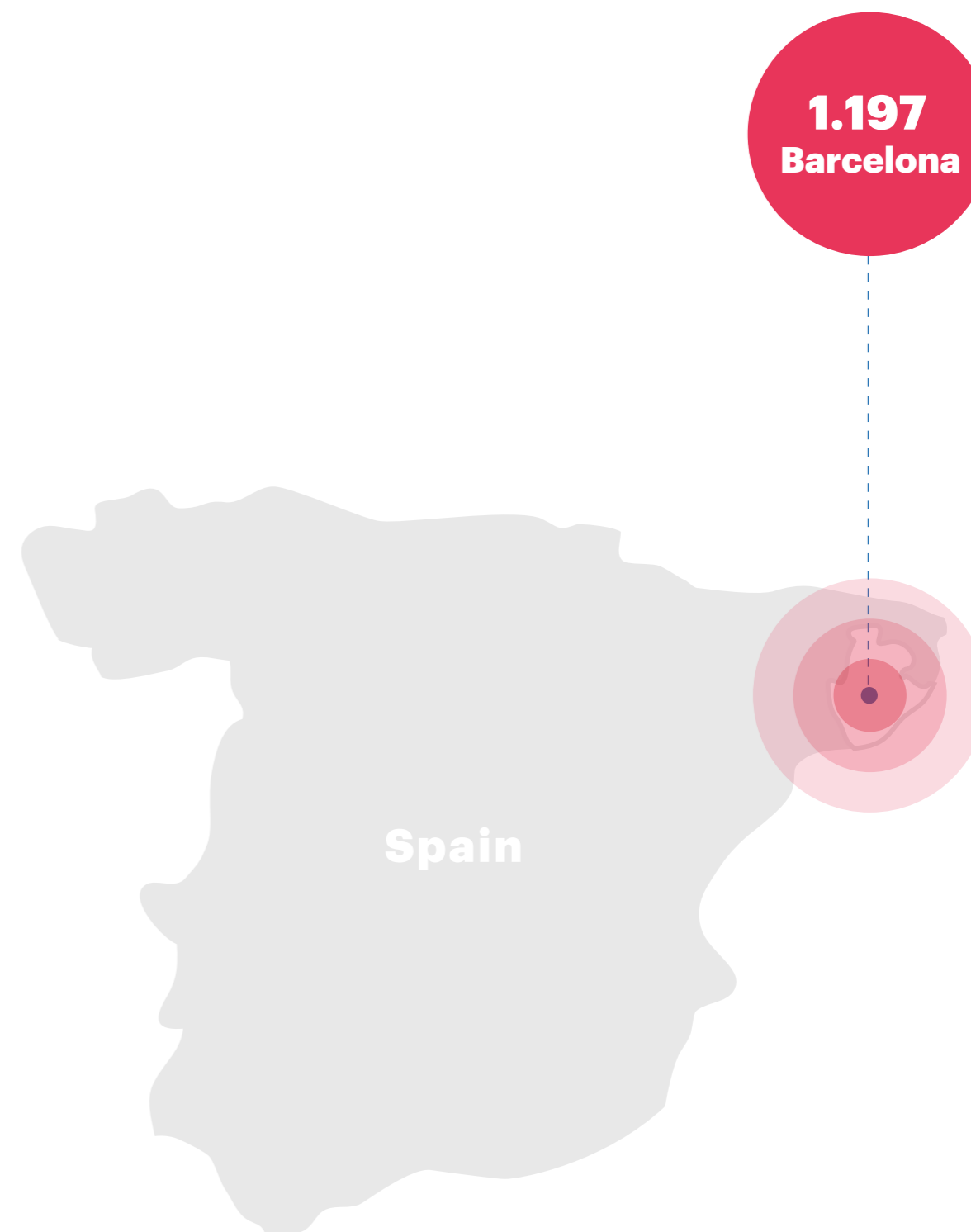
Barcelona is home to 1,197 startups

Similar to previous years, Barcelona remains one of the most important cities in the Spanish Startup Ecosystem and has been ranked the 3rd best European tech Hub this year.

The number of startups in Barcelona has increased 11% in the past year (from 1,073 in 2017).

« Over the past years, Barcelona has emerged as one of the leading European cities for technology entrepreneurship. The combination of highly qualified talent from all around the world and an environment that encourages innovation has led to success stories such as Travelperk, Glovo, and Typeform. For us at Red Points, this has meant that we've been able to tap into a great pool of international talent - to date we have people from over 32 nationalities - which I strongly believe has played a key role in Red Points' success story. In the future, I hope to see this trend continue, with even more innovation and investment coming to companies based in Barcelona, competing with our counterparts in European technology Hubs and of course Silicon Valley in the US. »

Laura Urquizu
CEO, Red Points



Sources:
Dealroom
Startup Heatmap

Attracting founders

Barcelona is recognized as one of the leading cities on the list of the top 20 most recognized startup Hubs in Europe.

An attractive option Barcelona tied as the the 3rd best startup Hub in europe in a survey taken by founders (startup heatmap). Among other spanish cities, Madrid ranked 16th.

Some of Barcelona's strengths in terms of sectors include gaming, health, and life sciences.

The Mediterranean metropolis is also considered the second smart city in the world, making it a prime location for tech and innovation.

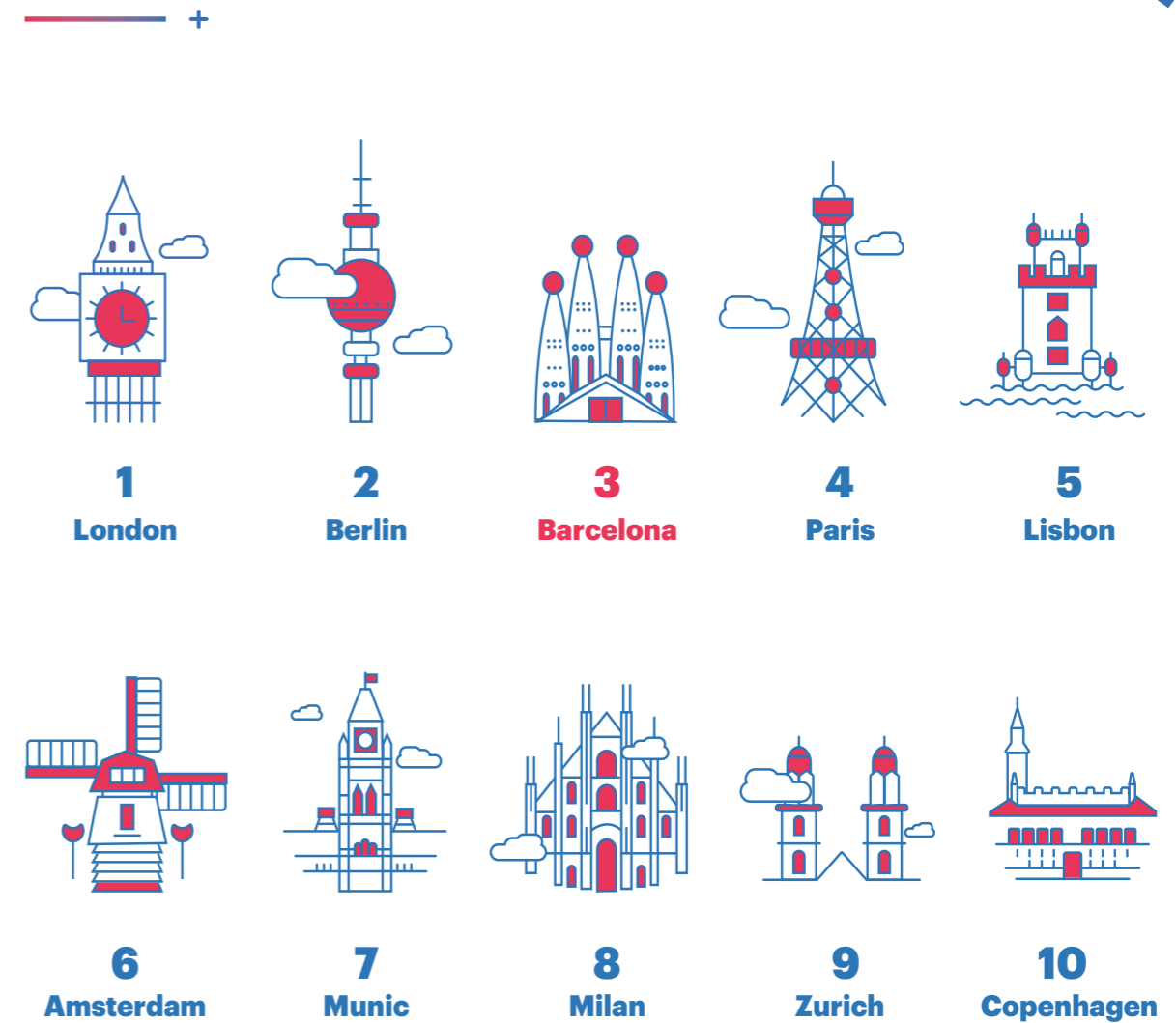
« »

« **A tech-savvy and large user base, reasonable operating costs, a growing influx of capital and a fluid global talent market are all key success factors that will lead to long-term growth for the Spanish ecosystem. To fully realize its potential, more flexible regulation would be needed, such as flexible but secure formats of (self) employment, transferable benefits and fully digitalized services.** While European startups face a fragmented legal landscape, limited capital markets, and a tendency for over-regulation, we also have an opportunity to build a different model for entrepreneurship. As a Spanish and European company, Glovo benefits from an unexpected amount of soft power around the world. The limitations of our home environment have made us ambitious, humble, focused, and driven to be leaders in responsible tech. »

Ionut Lacusta

Head of Public Policy, Glovo

Founders' 10 Most Favorite Startup Hubs in Europe (Startup Heatmap)*



*Founders each had three votes for the best cities for starting a company in Europe

Sources:
Startup Genome
Startup Heatmap

Investment figures

Barcelona continues to grow in terms of startup investments

There has been a **+90% growth in investments in Barcelona over the past year:**

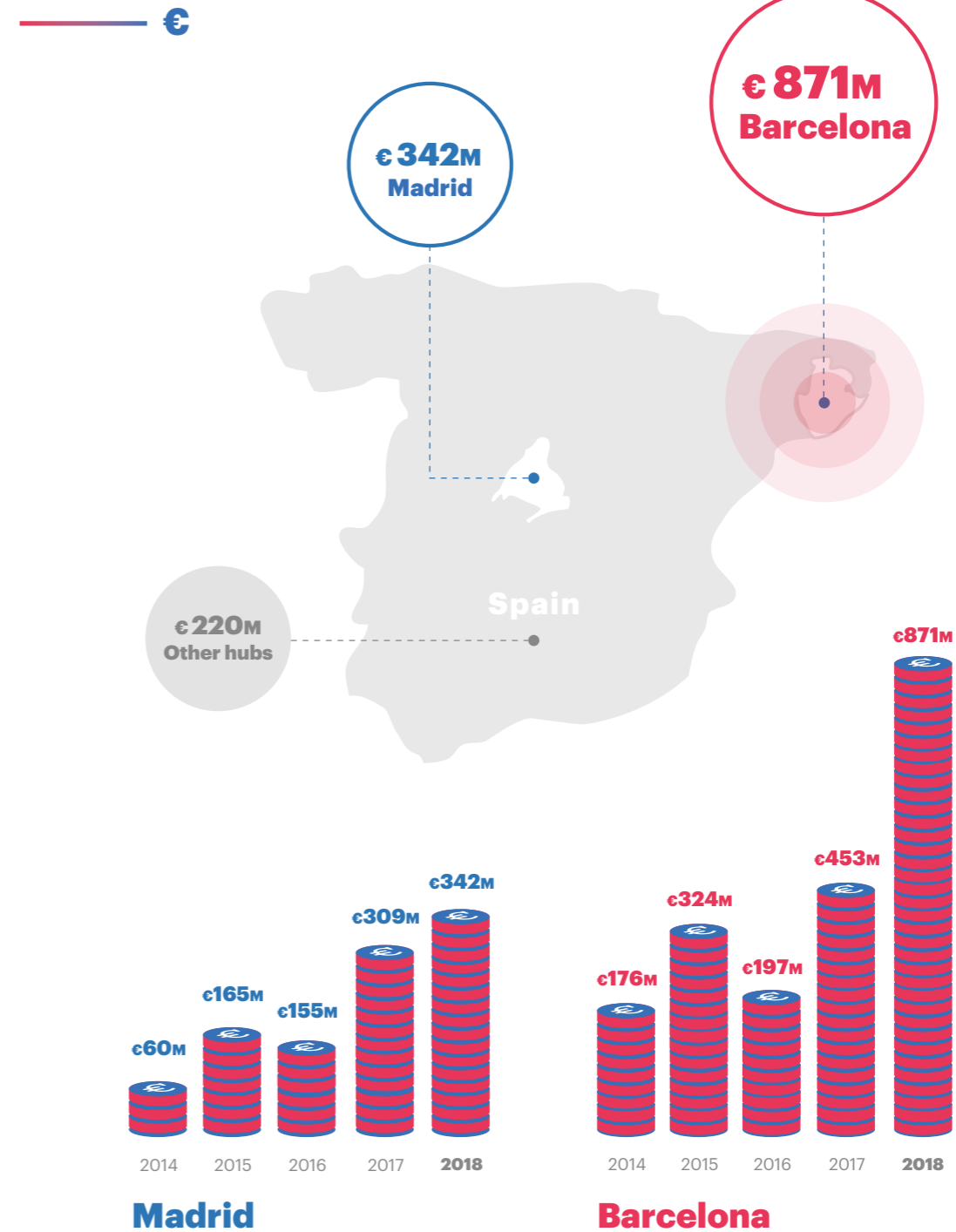
2017 €453 million

2018 €871 million

While Madrid and other smaller hubs like Valencia have had €550 million in investments, **Barcelona has had €860 million worth of investment this past year.**

Startup investments in Barcelona make up 66.4% of all investments in Spain in 2018.

Capital invested by Hub (2018)



Source:
Dealroom

Top invested sectors

Top invested sectors in Barcelona

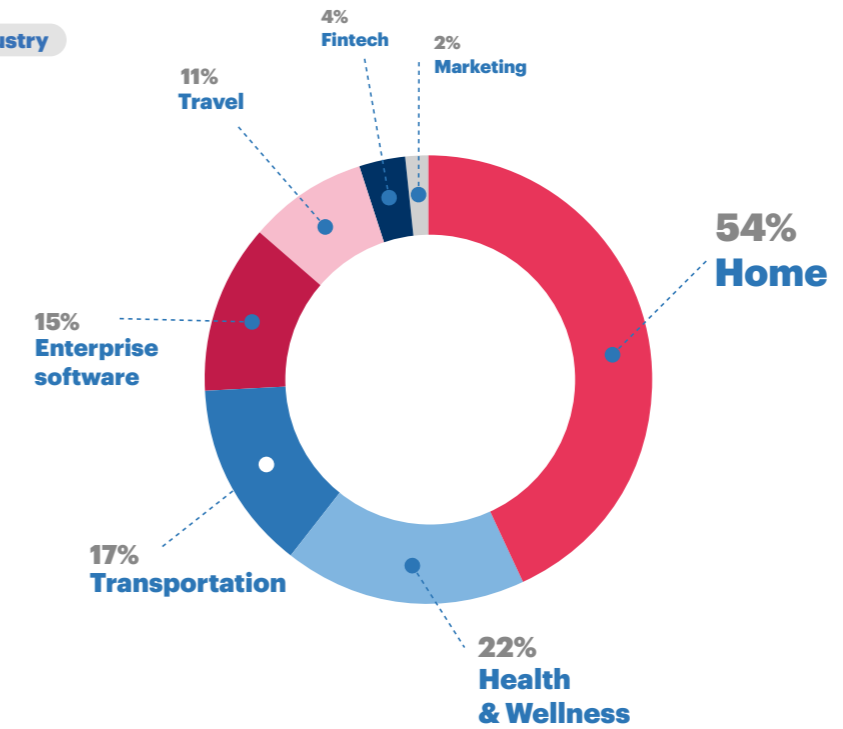
Marketplace, E-Commerce, and Mobile are the three leading sectors in Barcelona this year with the home and transportation industries coming out on top.

Top invested sectors in Barcelona

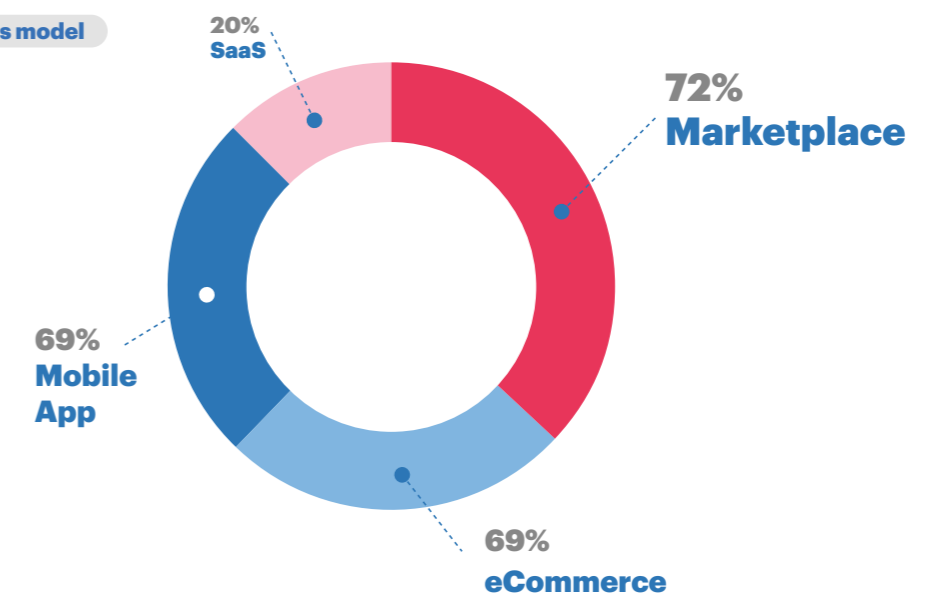
— %

Note: Industries and business models can do overlap.

Per Industry



Per Business model



Source: Dealroom

Capital invested by investor type

Barcelona is a leader in terms of capital invested

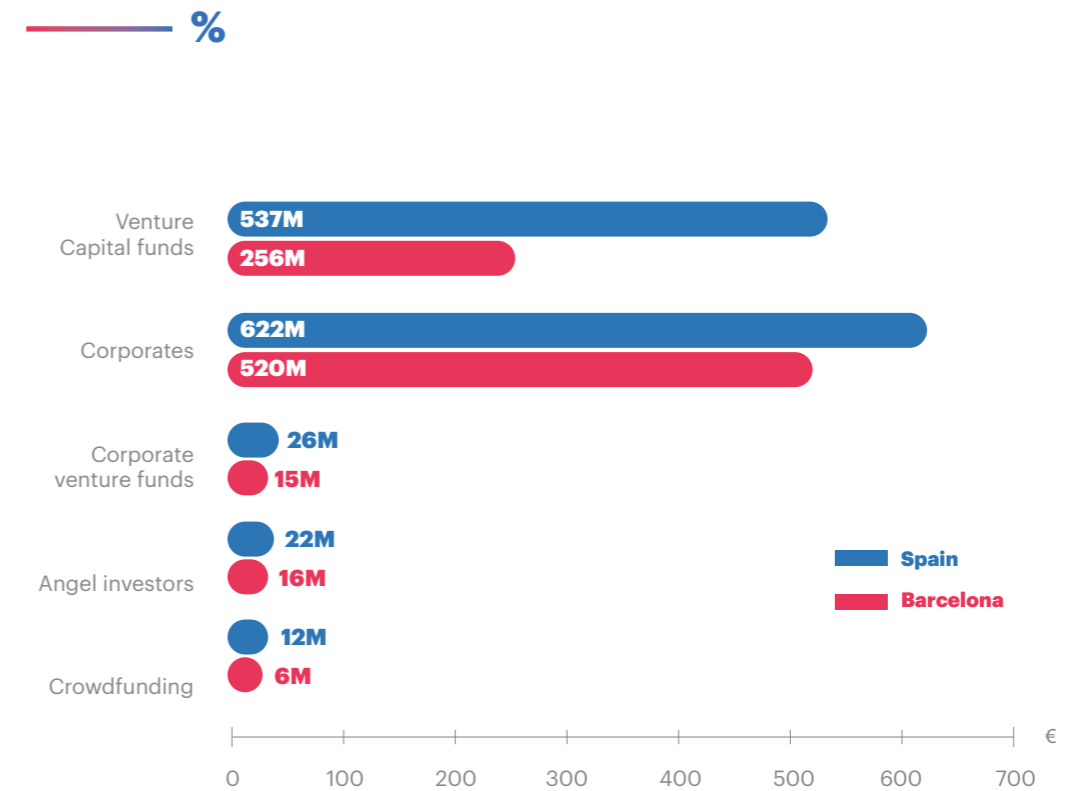
When looking at the capital invested by investor in Spain compared to Barcelona, the impact of the city's economy is self-evident.

« »

« Investment in Spanish startups has grown significantly in recent years, thanks in large part to Barcelona's thriving tech ecosystem. An increasing number of exits and investment rounds by Barcelona tech companies are a testament of the value being created in this community. Barcelona is increasing its global strategy to foster the local ecosystem by attracting founders, investors, and international organizations. More than 110 tech companies settled in the city just last year. We truly believe this focus will bring even more value to the global startup community »

Miquel Martí
CEO, Barcelona Tech City

Capital invested by investor type in 2018



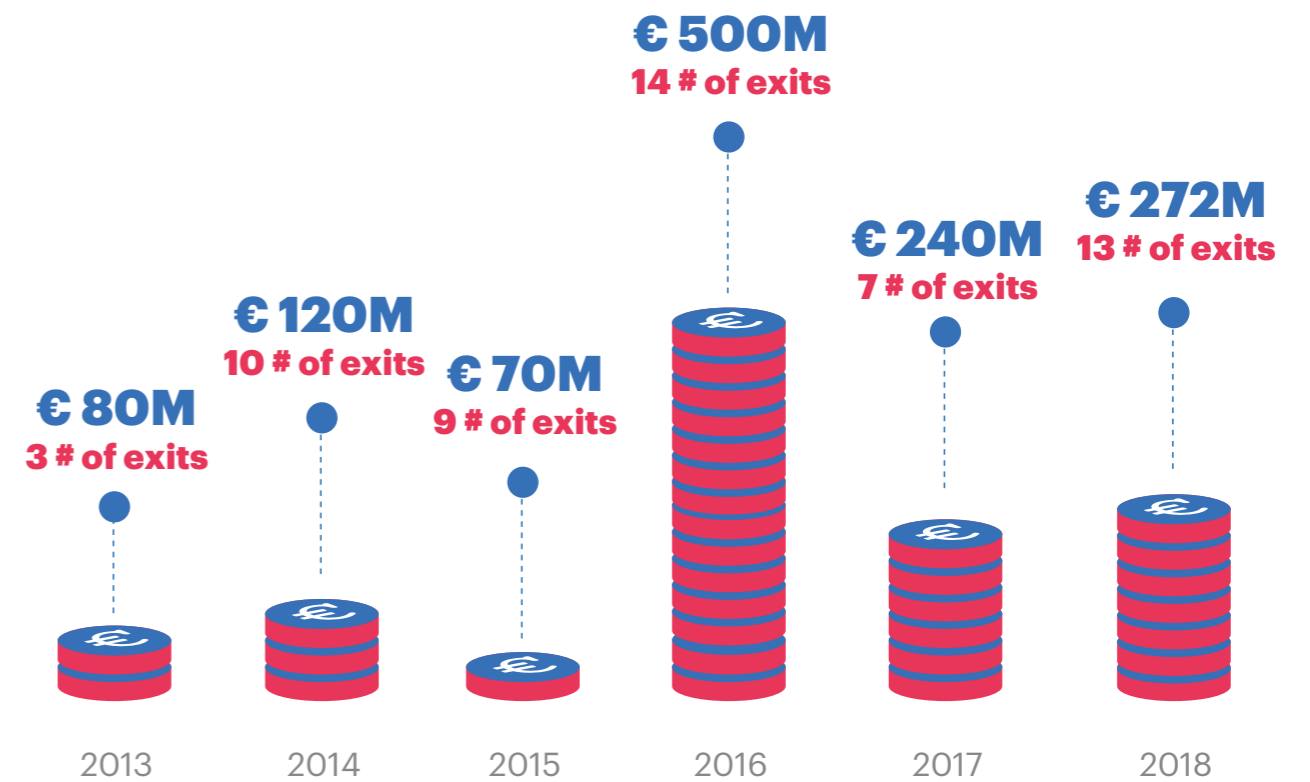
Source:
Dealroom

Mergers and acquisitions

Both the number of exits and their transaction values increased in Barcelona in 2018 in comparison to last year.

Mergers and Acquisitions in Barcelona in 2018 (total capital invested)

€



« »

«**Barcelona offers a large and very international tech and startup scene.** Today, the city is already home to some of Europe's most promising startups, like Glovo, Travelperk, and many more. The EU-Startups team chose the city as our base because it offers a thriving international business environment, as well as excellent quality of life. We already feel at home in Barcelona, and we're looking forward to bringing 1,200 of Europe's top startups and investors to the city during our annual summit in May.»

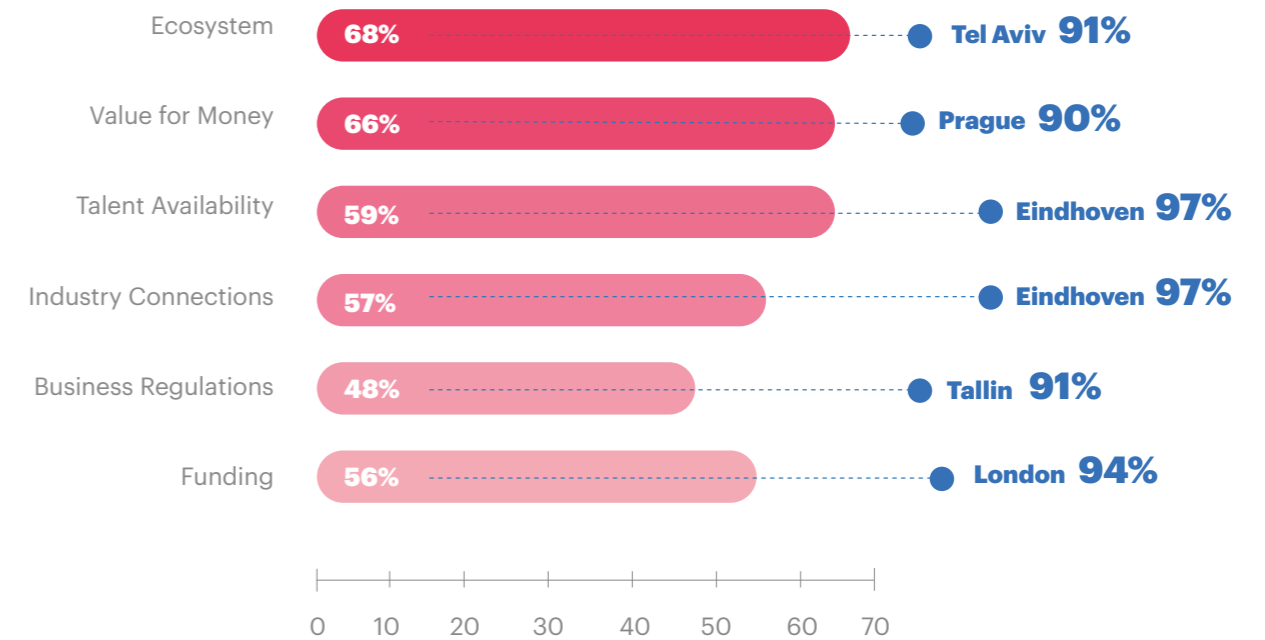
Thomas Ohr

Editor in Chief, EU-Startups.com

Ecosystem value

Barcelona ranks in top 20 for ecosystem, value for money and talent.

Barcelona's ecosystem is one of the strongest in Europe, which allows it to attract more talent and capital, according to Startup Heatmap's annual report, which highlights a survey filled out by 1,500 individuals involved with the startup ecosystem in Europe and around the world.



Top ratings in terms of startup categories for Barcelona in 2018 according to the Startup Heatmap Survey

Cities with the best ratings in the six startup categories according to Startup Heatmap 2018 survey

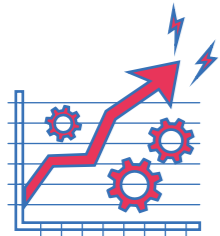
Source:
Startup Heatmap

4

Conclusions

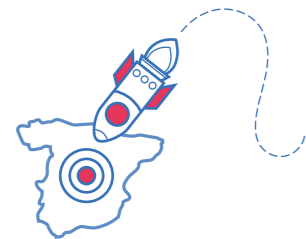


Conclusions



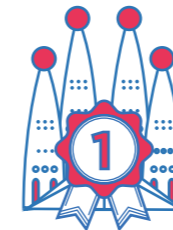
Non-stop growth

With over 4,000 Startups in Spain, a 55% increase over 2016, the startup ecosystem continues to grow at a rapid pace. Factors such as talent, investment, and capital are drawing more and more entrepreneurs to start their new business ventures. In line with trends throughout Europe, Spain has had a volume of investment that has reached over **one billion euros** for the first time. With top international investors betting on Spanish scale ups in recent years, the outlook for future large exits looks promising.



A destination for talent

As the second fastest-growing country for professional developers, Spain is attracting more qualified tech talent than ever and the startup community is taking notice. European founders have voted Barcelona as the third best place to start a company in Europe, which illustrates the city's appeal. Spain's connection to the rest of the European and international tech industry makes the country an exciting place for those who want to take a risk and get their ideas off the ground.



Barcelona, a European leader

While Barcelona was outpaced by Madrid in the sheer number of startups in 2018, it remained the leading Spanish city in terms of the number and amount of investment transactions, as well as a leader in the Ecommerce and mobile sectors. With international talent pouring in, the future for the city is bright. It's beachside location and bustling international startup scene have managed to attract more than 110 tech companies in the past year.



Facilitating further growth

In spite of being one of the most appealing places for startups to call home, Spain could do more to accommodate the startup industry. It may be the startups and the ecosystem that are bringing in both talent and economic growth to Spain, but it's up to policymakers and community leaders to step up and allow the ecosystem to have a stronger voice in regard to politics, industry, and society. The government must work with startups and not prohibit the potential growth they present for the country's economy.

Methodology: data partners

We would like to give a special thanks to [Dealroom.co](#)

Dealroom.co aims to provide market intelligence to investors, corporates, and tech companies and help them stay ahead of their competition. Trusted by leading international media sources, Dealroom's easy-to-use platform includes an SaaS application, an easy-to-use API, custom research, and ecosystem solutions.



We'd also like to thank our other data partners:

glassdoor



LinkedIn

El Referente
Conectando el ecosistema emprendedor

Startup Genome

EUROPEAN STARTUP INITIATIVE

STARTUP-EXPLORE
get found. get funded.

Ragtime

K FUND.VC

meetup

ATOMICCO

CrunchBase

Methodology: our data collection process

This report was created thanks to the combination of both publicly available charts, tables, and figures and the use of Dealroom.co, a private source. Although this report gathers and analyses information from other sources (Startup Explore, Atomico, etc.)—all of which are considered benchmark studies for the startup ecosystem—Dealroom.co provided MWCcapital with unlimited access to their database in order to give consistency to the data represented.

For each figure presented, all information was cross checked with more than one source to ensure accuracy. All pages provide information from the principal source consulted for each figure.

All sources were accessed through reports (i.e. The State of the European Tech report by Atomico), through online articles (i.e. KFund or OneRagtime) or by directly contacting each source to inquire about specific data and figures.

It is worthy to note that Startup Heatmap collects data based on the opinions of startup founders across Europe. Their interactive map can be used to better understand why some cities have become entrepreneurship hotbeds, as startup founders contribute their perspectives on different aspects of a startup ecosystem.

Join the conversation

**Share your thoughts on the
spanish startup ecosystem**

#StartupEcosystem19
@MWCcapital