

Clipperton releases in-depth review of the DACH technology landscape: from hidden champions to global players

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Clipperton, a leading investment bank dedicated to technology and growth companies, has a privileged vantage point on the transformative trends in technology and the evolving landscape. From this unique perspective the Clipperton team has conducted and published an in-depth review of the DACH technology landscape delivering valuable insights that show the way forward.

The report authored by the German Clipperton team and led by Dr. Nikolas Westphal, Partner at Clipperton's Berlin office and head of the firm's operations in Germany, additionally features contributions from some of the leading voices in the domestic tech landscape, including an outlook column by Olaf Jacobi, a Partner at Capnamic Ventures, a leading German early stage venture capital firm, discussing the longer-term prospects for the German tech ecosystem.

The DACH technology market is increasingly diverse and encompasses both well-known B2C business models as well as a large ecosystem of B2B solutions and services, many of which have emerged in the last five years and grown to critical scale.

"The results of the research show that the accelerating development of the DACH tech market is to continue. Both funding as well as global competitiveness trends support the thesis that software, digital media and health tech will be particularly strong verticals over the next few years. This is also reflected in a strong increase of DACH technology exit activity, primarily driven by strategic M&A private equity buyouts and IPOs.", comments Dr. Nikolas Westphal, Partner at Clipperton's Berlin office and co-author of the report. *"In addition, an ecosystem of DACH-based investors is expected to emerge that will push the technology sector further through their targeted investment focus."*, Dr. Nikolas Westphal added.

This research report highlights the following areas and themes in particular:

- **Overview on venture funding:**
 - In international comparison, the funding per capita for technology start-ups is European average in Germany and in the top-third for Switzerland.
 - Furthermore, funding has in recent years greatly increased and now stands at €4.0 bn for 2020 (up from €1.5 bn in 2015)
 - Consequently, there are now 32 unicorns in DACH (as of March 2021), and the number of unicorns is growing increasingly fast (eight added only in the first three months of 2021); furthermore, there are 102 technology companies that have received more than €50m of total funding that could be good future short-term unicorn candidates
 - Funding in Germany at the venture stage is largely domestic; however, at the growth stage, German companies need to rely greatly on international sources of capital, unlike e.g. in France or the UK. We expect this need to be addressed in the future as the ecosystem grows further
- **Insights from the exit side (M&A and IPOs):**

Technology is increasingly becoming a relevant part of the DACH ecosystem:

 - Great increase in exit activity in 2019 & 2020 vs. previous years: €35 bn cumulated exit value for 2019 & 2020
 - M&A is still the most important exit route for tech companies; financial investors increasingly play a prominent role in this

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- However, there have been several ultra-high profile tech exits recently (such as e.g. the sale of Signavio to SAP or the sale of Adjust to Applovin), which validate the DACH tech ecosystem
- In addition to these highly visible venture funded companies, there is a large ecosystem of (mostly) bootstrapped companies in DACH that are “below the radar”. The Clipperton team believes that there is plenty of hidden value there that will be uncovered in the next few years.
- Five “hidden champions” of this sort are featured in the report: Emnify, a global leader in cloud-native IoT connectivity; Empolis, a software platform for enterprise data and AI and often referred to as “the German Palantir”; The Female Company, a fast-growing consumer start-up with an innovative approach to marketing and lead generation; Forto, a leader in container logistics; and Laserhub, a B2B platform that revolutionizes the way metal parts are being produced and procured.

[Click here for the full report.](#)

About Clipperton

Clipperton is a leading investment bank dedicated to technology and growth companies: we provide strategic and financial advisory to entrepreneurs, corporates and top-tier investors in Europe willing to execute transactions such as strategic M&A, private equity transactions and private placements. Founded in 2003 and with offices in Paris, London, Berlin, Munich, New York and Beijing, Clipperton has completed over 300 M&A and private placement transactions with fast-growing technology start-ups, blue-chip corporates and renowned financial investors.

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