



# **VC & EXIT TRENDS FRANCE 2023**

# INTRODUCTION

## Europe Outpacing the USA in Post-Covid Resurgence

The aftermath of the Covid-19 pandemic has propelled the global Tech sector into a tumultuous journey, with Europe emerging as a swifter and more robust player in the recovery.

Commencing with a new gold rush from September 2020 to June 2022, an influx of substantial capital surged into the tech ecosystem. Heavyweight speculators, including Softbank, Tiger, Coatue, and others, were drawn by the scent of potential high returns, facilitated by cash nearly flowing freely due to negative interest rates.

However, the narrative took a turn as inflation materialized, prompting central banks to swiftly raise interest rates. This catalyzed a sharp downturn in the valuation of public tech stocks, subsequently applying downward pressure on private tech valuations. The period from June 2022 to December 2023 evolved into one of the most challenging phases for tech companies globally, particularly those that secured capital during the gold rush at valuations that defied rationale.

Currently, inflation in the US has dwindled to 3.1%, suggesting the potential for central banks to consider a reduction in interest rates in 2024. Notably, the BVP Nasdaq Emerging Cloud Index, a key indicator of public tech valuations in the US, exhibited an impressive +45% surge in 2023.

These developments are interpreted as early signs of recovery, anticipated to fuel growth in VC fundraisings in 2024.

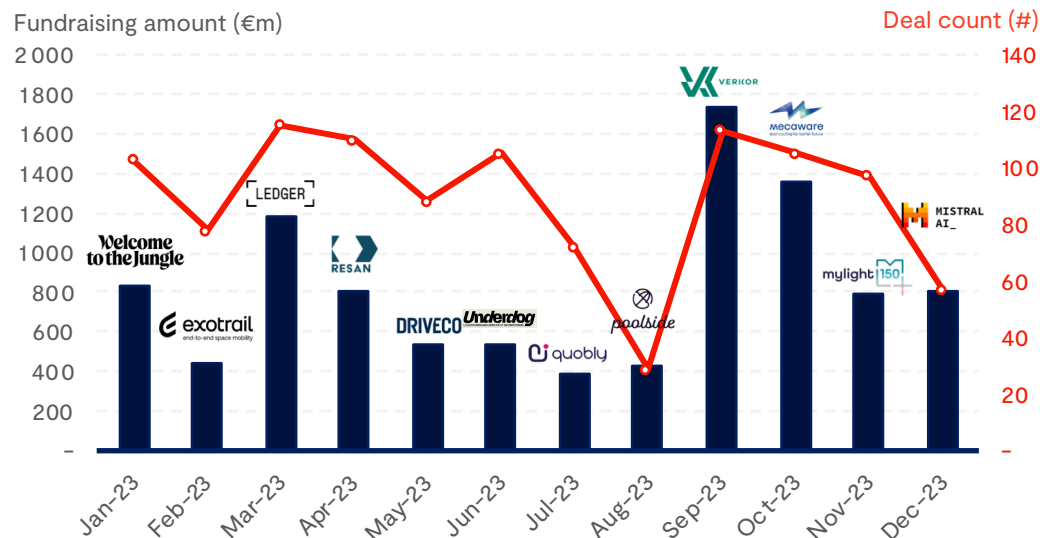
However, the intriguing aspect lies in the contrasting trajectories of VC fundraising between Europe and the US. In Europe, there has been a notable resurgence with €45 billion raised, reflecting a substantial +30% increase compared to 2020. Conversely, the US total amount raised in VC remains below the 2020 level, with €130 billion as opposed to €160 billion in 2020 (-20%).

Moreover, Q4-23 fundraising in Europe reached €20 billion, marking the highest since Q2-22 and signaling a robust rebound from the nadir observed at €12 billion in Q1-23.

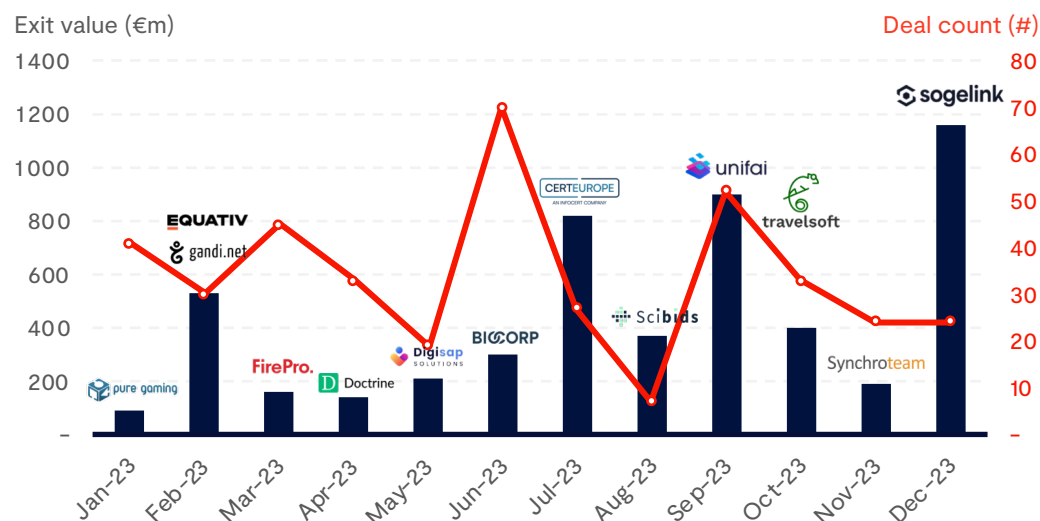
A closer examination of the French landscape reveals stark disparities between sectors basking in hype, such as sustainability (Verkor, etc.), AI (Mistral, etc.), and deeptech (Aledia, etc.), and others, such as Fintech, which experienced an 80% reduction in the total amount raised in 2023.

Arthur Porré, Founding Partner – Jan. 4th, 2024

## With €2.9bn raised in Q4-23 in France, the momentum is up once again



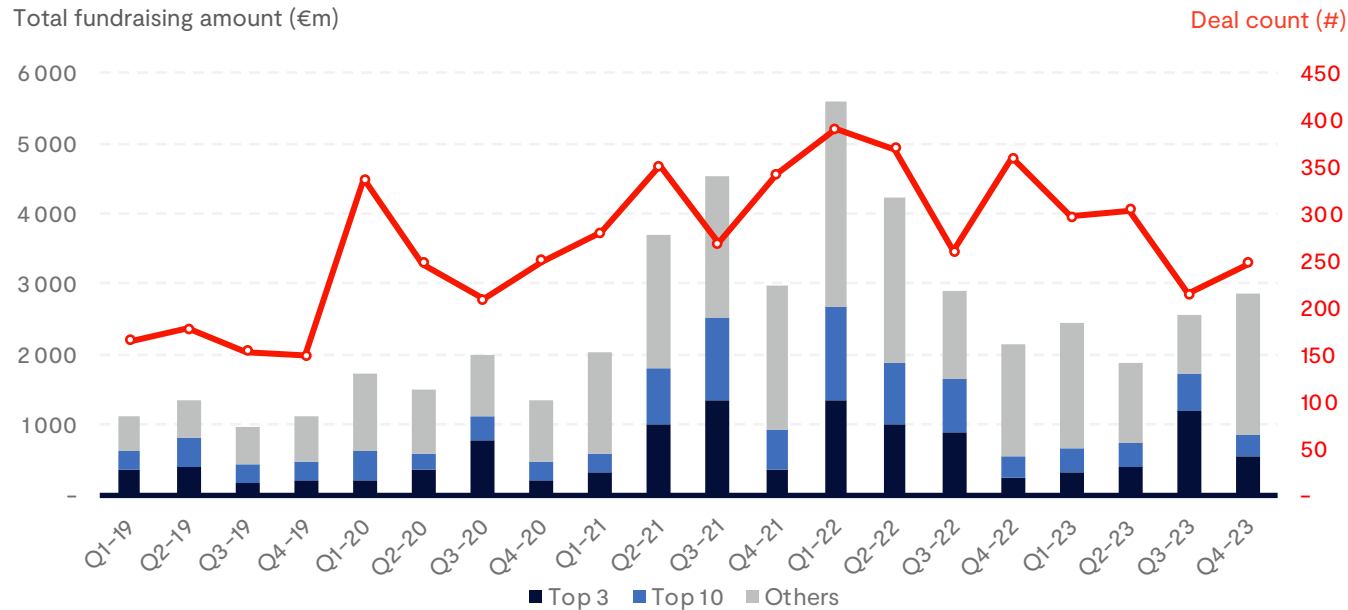
## 2023 in line with historical trends around €5.3bn in total exit value



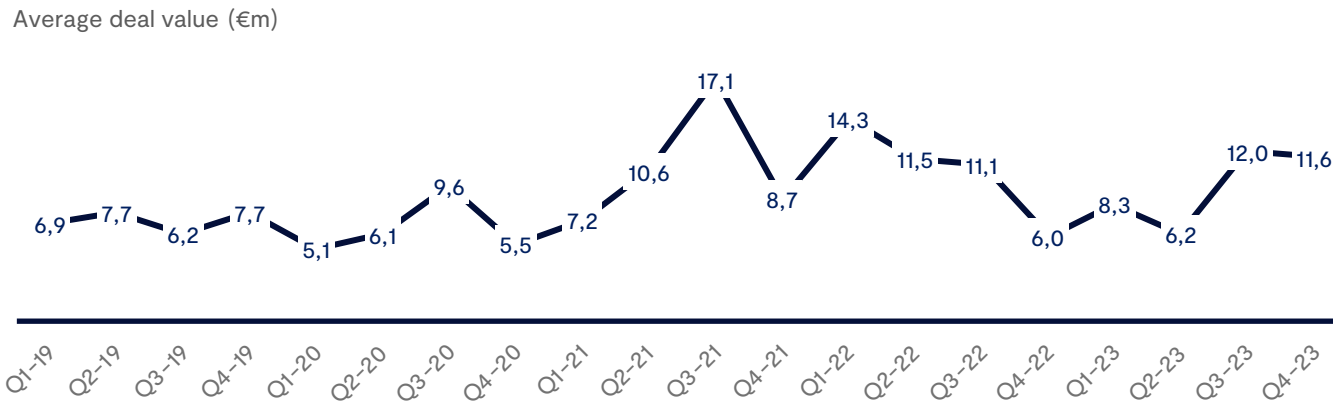
# VC TRENDS

WITH €2.9BN RAISED IN Q4-23, THE MOMENTUM IS ONCE AGAIN ON THE RISE FOR FRENCH STARTUPS

Although Q4-23 showcased fewer fundraising, total amount totaled €2.9bn, its highest in 6 quarters



Average deal value stabilized at c. €12m in the fourth quarter



Top 10 funding rounds in 2023

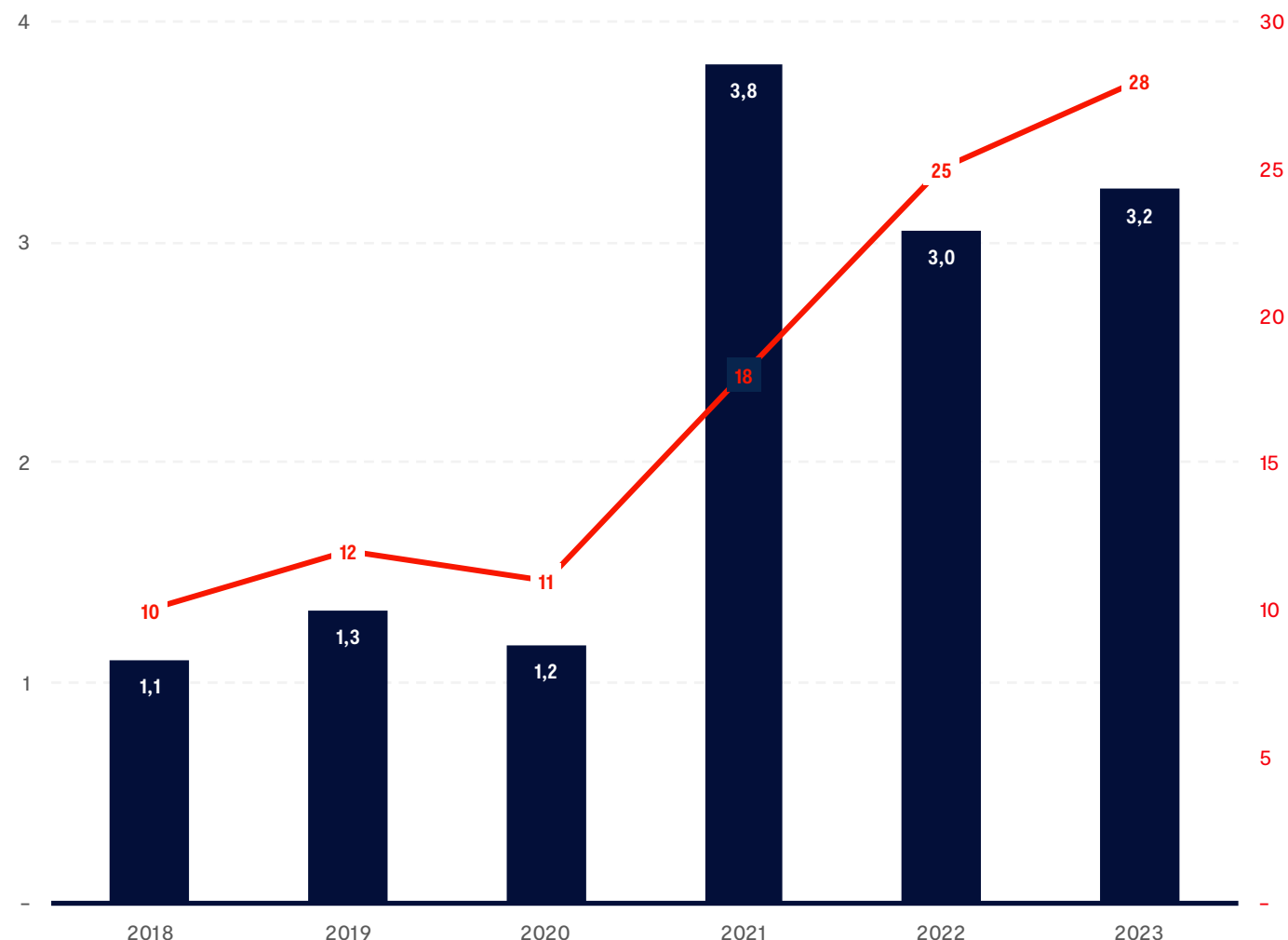
1.	 <b>VERKOR</b> Led by Macquarie	€850m
2.	 <b>MISTRAL AI</b> Led by Andreessen Horowitz	€385m
3.	 <b>DRIVECO</b> Led by APG Group	€250m
4.	 <b>Ynsect</b> Led by Upfront Ventures	€161m
5.	 <b>AMOLYT PHARMA</b> Led by ICG & Sofinnova	€130m
6.	 <b>TSE</b> Led by Eurazeo	€130m
7.	 <b>Aledia</b> Led by CEA Investissement	€120m
8.	 <b>poolside</b> Led by Felicis	€116m
9.	 <b>accenta.</b> Led by Eren Froup & Credit Mut.	€108m
10.	 <b>MISTRAL AI</b> Led by Lightspeed Venture Partners	€105m

# VC TRENDS

## AN ACCELERATION IN NEW VC FUNDS RAISED

Total amount raised by French VCs in 2023 similar to 2021-22, with a very active Q4-23

Total amount raised by French VCs (€bn)

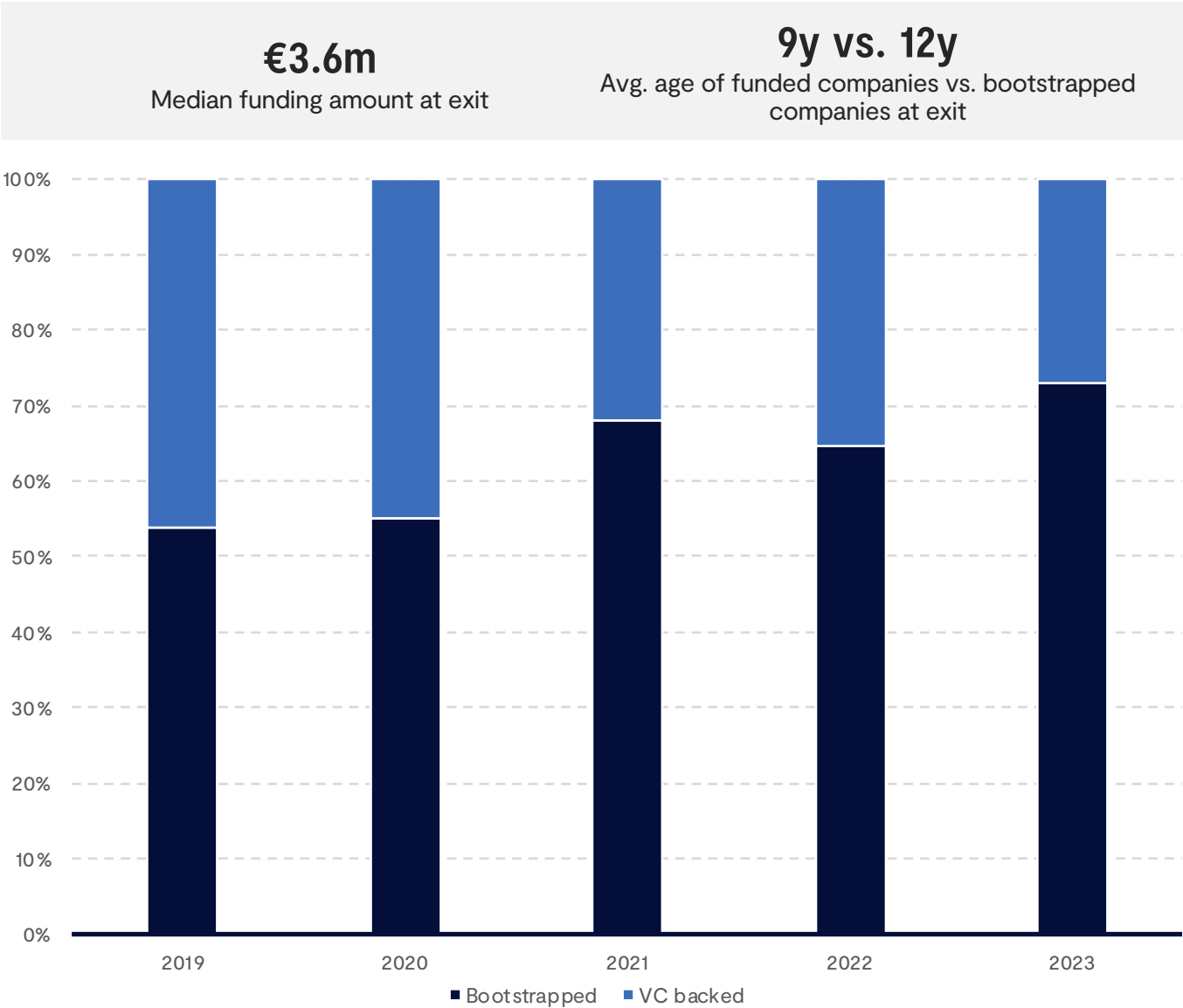


## New VC funds raised in 2023

1.	<b>EURAZEO</b>	€400m Jul. 2023
2.	<b>Singular.</b>	€400m Dec. 2023
3.	<b>CDC CROISSANCE</b> 	€300m Jun. 2023
4.	<b>PARTECH</b>	€245m Feb. 2023
5.	<b>blisce</b>	€225m Apr. 2023
6.	<b>elaia</b>	€200m Mar. 2023
7.	<b>Sofinnova partners</b>	€190m Oct. 2023
8.	<b>SWEN</b> Capital Partners	€170m Mar. 2023
9.	<b>breega</b> capital	€150m Oct. 2023
10.	<b>EDUCAPITAL</b>	€150m Apr. 2023

# EXIT TRENDS

BOOTSTRAPPED COMPANIES HAVE CONTINUOUSLY MORE EXITED THAN VC-BACKED



Top 10 VCs by number of exits in 2023

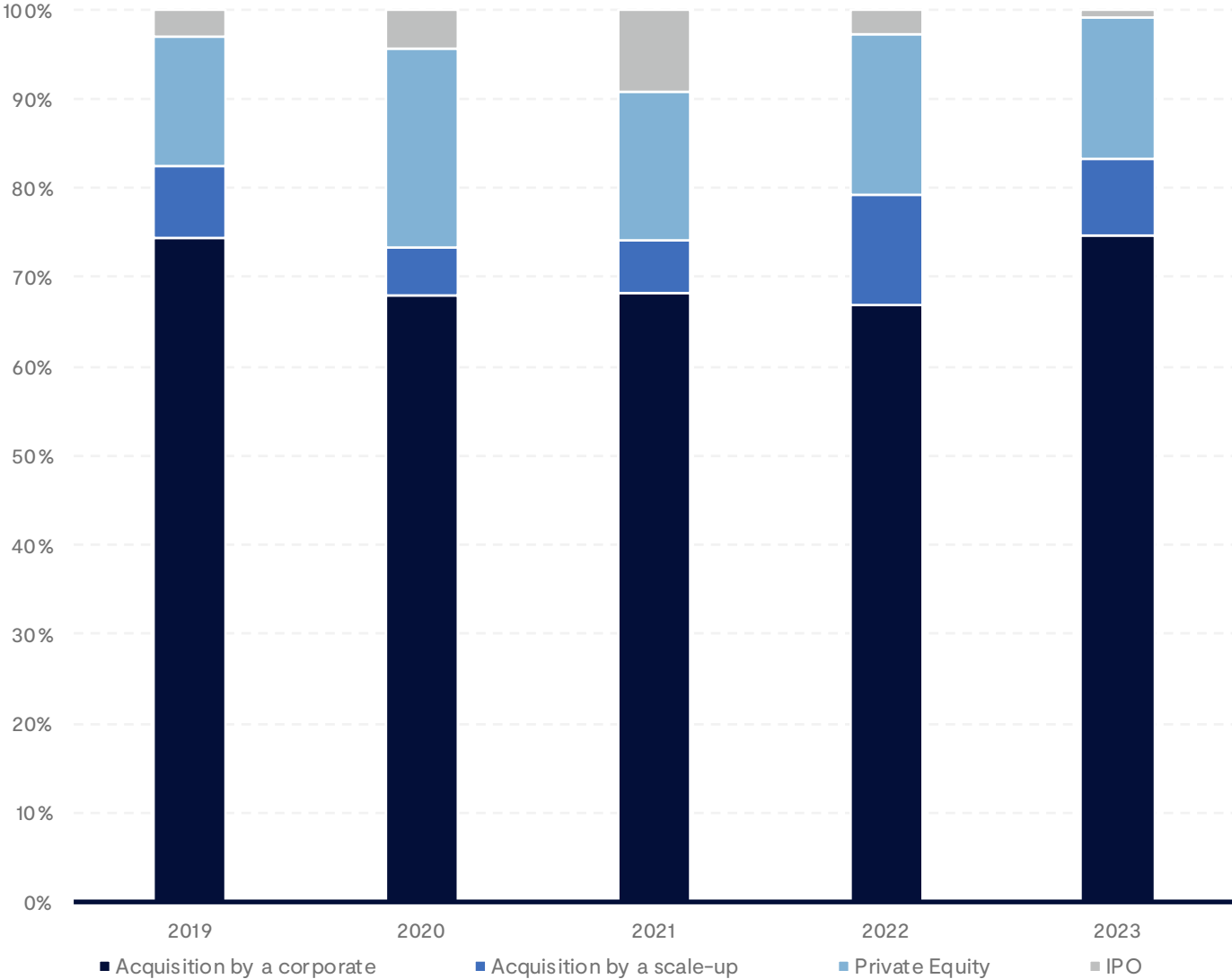
1.	—	bpi <b>france</b>	18 exits
2.	↑4	EURAZEO	11 exits
3.	New	 CRÉDIT AGRICOLE	11 exits
4.	New	Turenne GROUPE	8 exits
5.	New	UI investissement	7 exits
6.	New	INA CO	6 exits
7.	↑1	Crédit Mutuel Equity	5 exits
8.	New	 alven	4 exits
9.	↓5	 elaia	3 exits
10.	New	XAnge	3 exits

Note: Credit Agricole’s investment funds have been gathered under the same flag. Sofimac Innovation, part of UI Investissement, made 5 out of the 7 exits mentioned for UI Investissement.











# EXIT TRENDS

ACQUISITIONS BY A CORPORATE REPRESENT 74% OF DEALS IN 2023, A YEAR WITH ALMOST NO IPOs

Distribution of deals per acquiror type (%)



Top 10 acquirers in 2023

1.	 CHAPSVISION DATA MAKE SENSE	4 deals
2.	 naxicap PARTNERS	3 deals
3.	 TotalEnergies	3 deals
4.	 Bridgepoint	2 deals
5.	 AMEXIO	2 deals
6.	 nomadia SMART MOBILITY SOLUTIONS	2 deals
7.	 fives	2 deals
8.	 GROUPE POSITIVE	2 deals
9.	 enovacom	2 deals
10.	 RAISE	2 deals

# ABOUT AVOLTA

LEADING TECH M&A AND FUNDRAISING ADVISOR IN EUROPE ON €20-200M EV

- Leading Tech advisor in Europe
- Co-founded by 3 Tech entrepreneurs
- 120 deals for €2bn+ completed in 10 years
- All types of transactions (€20-200m EV)
  - M&A & LBO
  - Fundraising (Series A/B/C+)
- 70% cross-border deals
- 100% Tech, with major focus on:
  - Software
  - Artificial Intelligence
  - Sustainability
  - Fintech
  - Deeptech
  - Social impact (health, education, HR)
  - Web 3.0



# RESEARCH TEAM



**Arthur Porré**  
Founding Partner



**Alexandre Meiers**  
Vice President



**Olivier Saint-Marc**  
Associate

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## Avolta

With 120 deals executed for €2bn in total over the last 10 years, Avolta is one of the most active Tech M&A advisors in Europe. Based on this expertise, Avolta's team of 20 people has maximised the value of each deal in terms of valuations and overall conditions – this due to its time-tested sectorial methodology and expert negotiating skills