



**Space Venture Europe:**  
*Entrepreneurship and private investments in  
European space sector*

World Space Forum  
Vienna, 19th November 2019

# The European think-tank for Space

*The institute provides decision-makers with an informed view on mid- to long-term issues relevant to Europe's space activities.*

Who we are	What we do
<p>Independent think-tank specialised in space policy</p> 	<p>Research and analysis on major space policy issues</p> 
<p>Multinational team with interdisciplinary expertise</p> 	<p>Monitoring of global space trends and policy developments</p> 
<p>Part of a network of European and international partners</p> 	<p>Organization of thematic conferences and workshops</p> 



 <p>Research &amp; Analysis</p>	 <p>Conferences &amp; Workshops</p>	 <p>Space Sector watch</p>	
 <p>Policy &amp; Strategy</p>	 <p>Economy &amp; Business</p>	 <p>Security &amp; Defence</p>	 <p>International &amp; Legal</p>

# Space Venture Europe 2018

The Study provides a complete overview of entrepreneurship and private investment trends in the European space sector based on indicators and statistics.

Space Venture Europe 2019 is coming soon!



# “New Space” trends

- New verticals in the upstream sector structured around innovative solutions (cubesats, mega-constellations, on-orbit servicing...)
- New downstream markets: global connectivity, geo-information, IoT/M2M networks, space tourism, space mining

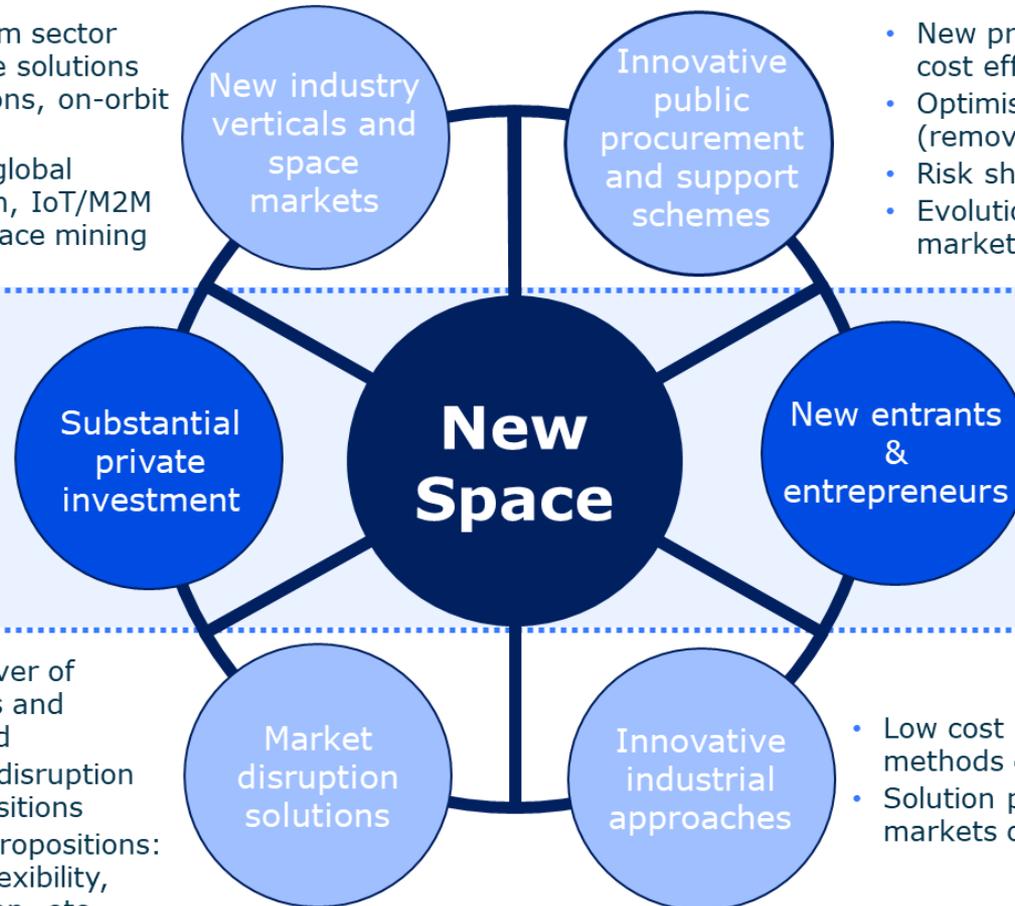
- New procurement schemes seeking cost effectiveness
- Optimisation of industrial organization (removing prescriptive constraints)
- Risk sharing with private sector
- Evolution of industrial policy towards market creation

- Considerable growth of private investment since 2000\*
- Private investment around \$1.7 billion per year (2012-2017)\*

\*Bryce, Start-up Space 2018

- Technology not the main driver of innovation: product, process and business innovation favoured
- Business strategy based on disruption with aggressive value propositions
- Common features of value propositions: integration/customization, flexibility, availability, decomplexification, etc.

- Entry or emergence of new companies challenging the traditional approach with alternative models
- Entrepreneurs and new business ventures
- Non-space companies entering the sector



- Low cost development and production methods of space systems
- Solution presented to disrupt existing markets or address new mass markets

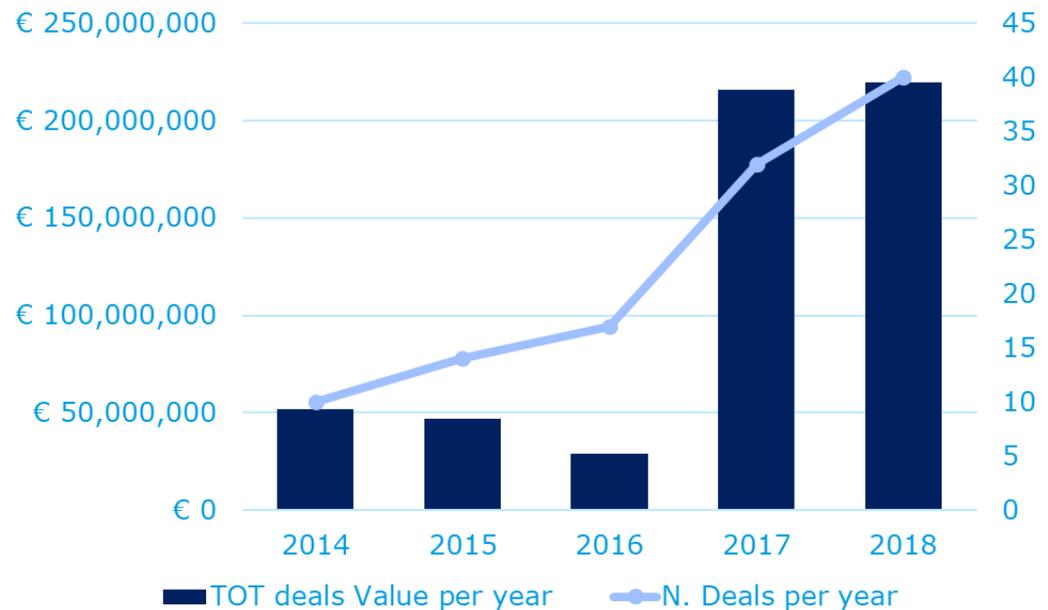
# Private investments in European Space start-ups

## General overview:

- **113** private investment deals
- Total amount of **€562.7 million**

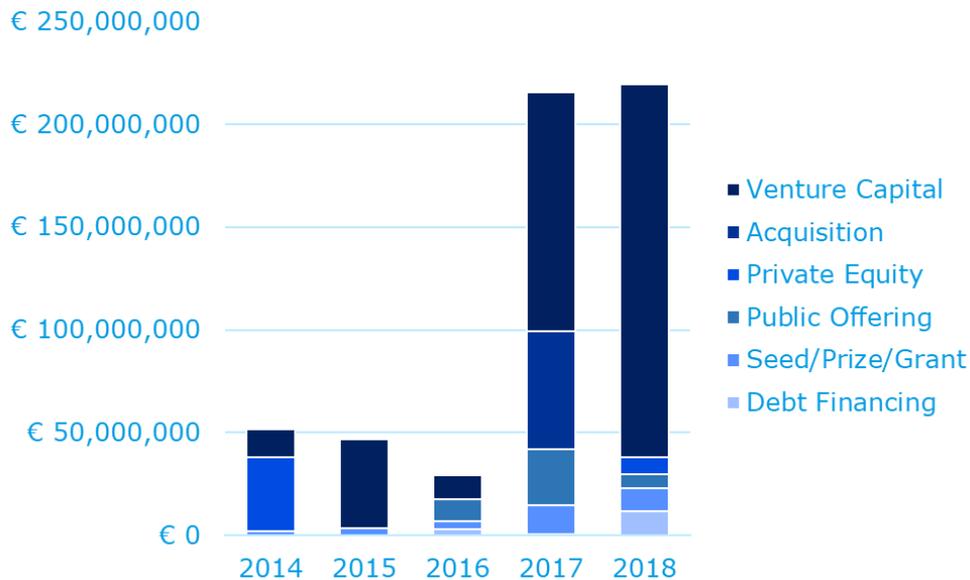
## 2018 Insights:

- New record high with +25% of recorded deals
- + 2% of total deals value, reaching €220 M



Including mature start-up in the scope of the study the total amount of investment would reach **€1.78B**

# Private investments in European Space start-ups



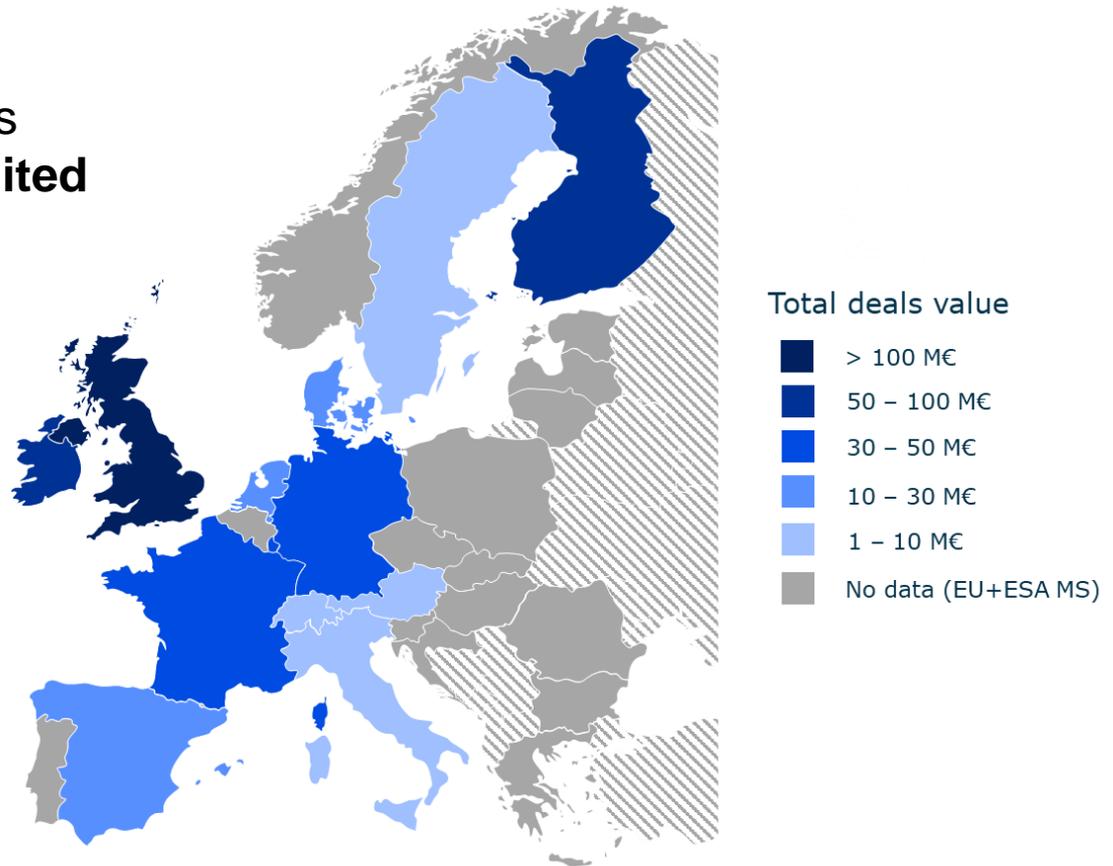
## Overview 2014-2018

- **Venture capital** is the main form of private funding for start-ups
- Total number **VC deals: 48**
- Total amount invested over the period **€365.8 million**
- VC represented the **65% of the total** amount of private investments

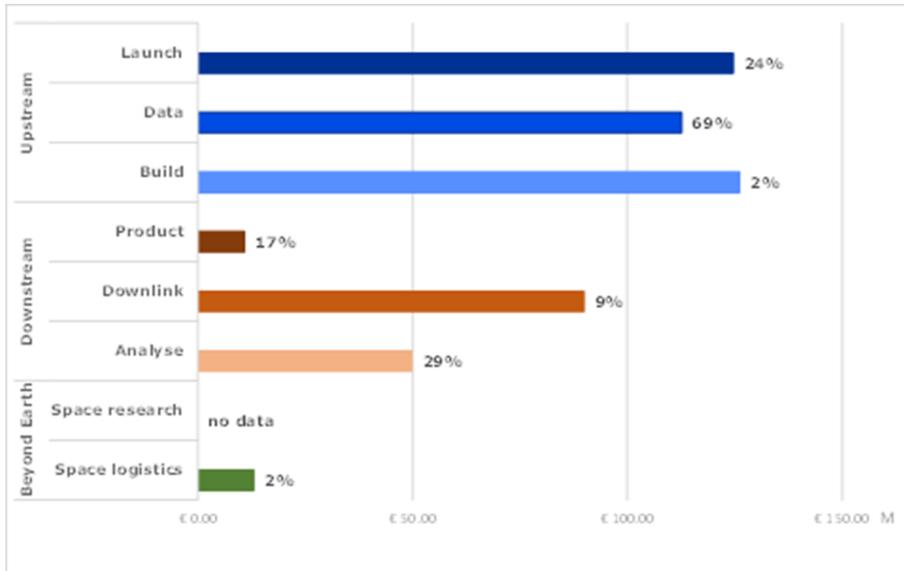
This trend was confirmed in 2018 marking a **+56% in the total VC** invested compared to previous years

# Distribution of investment in Europe

With both a strong start-ups and investors base, the **United Kingdom**, stands out as a clear leader of the space entrepreneurship trend in Europe.



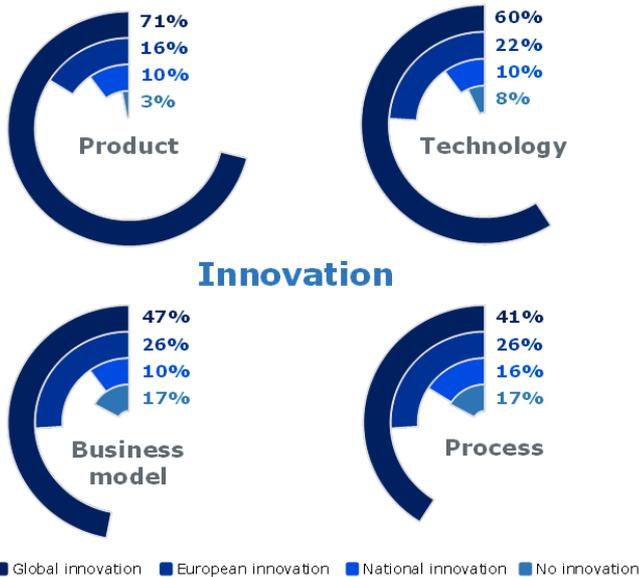
# Investment across the space value chain



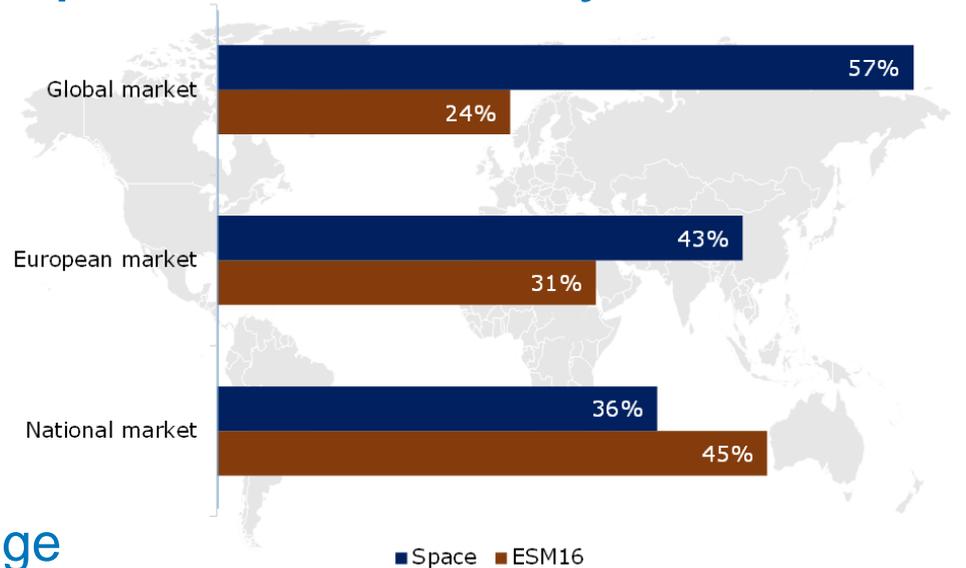
- Investments in the **upstream segment** are **more than twice greater** than in the downstream
- The emergence of **vertical; integrated business models** investments in the upstream ultimately affect the downstream as well;
- The **space sector benefits greatly from investments in other sectors;**
- The growing **cross-fertilization** between space and terrestrial technologies is poised to become increasingly blurred.

# European Space Entrepreneurial Ecosystem

European space start-ups are largely **innovation-driven**

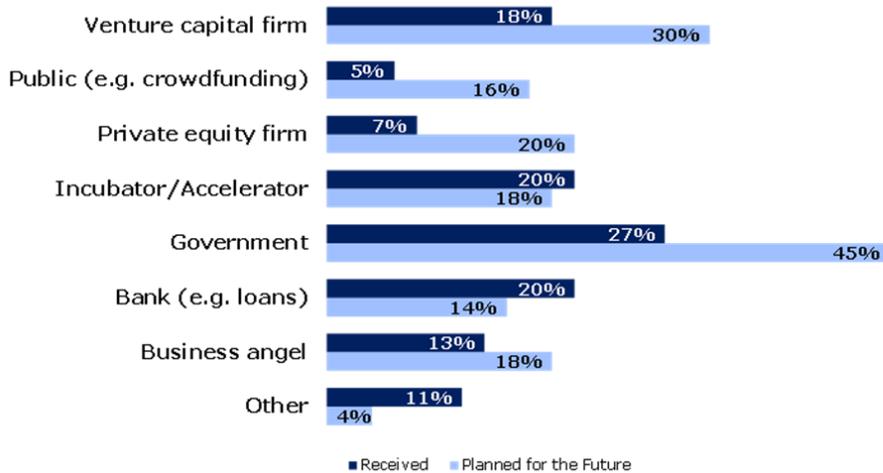


The average start-up is led by 2 to 3 founders and employs 9 people.



A vast majority of start-ups (63%) also seek to address global markets with their product and only 8% confine it to their domestic market.

# European Space Entrepreneurial Ecosystem

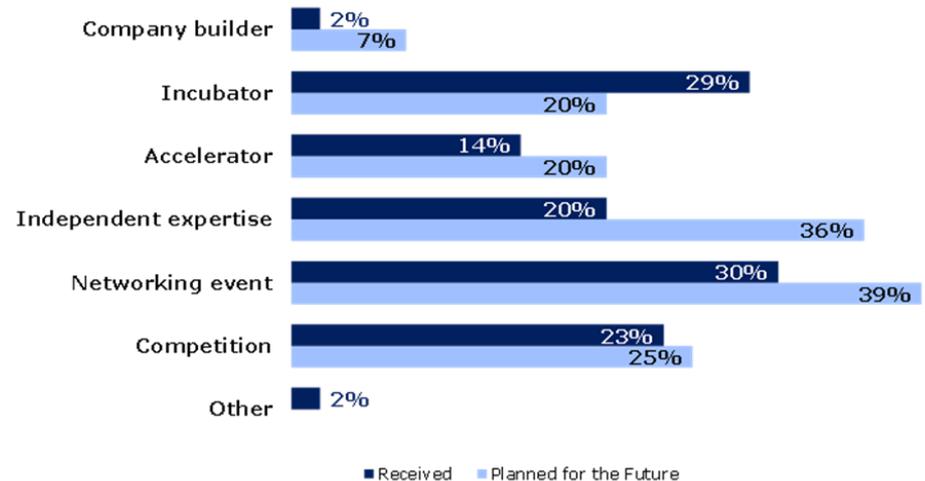


## Financial support:

- 60% of start-ups benefited from at least one type of financial support
- VC firms, business angels and private equity firms (73% of the total private investments), are underrepresented

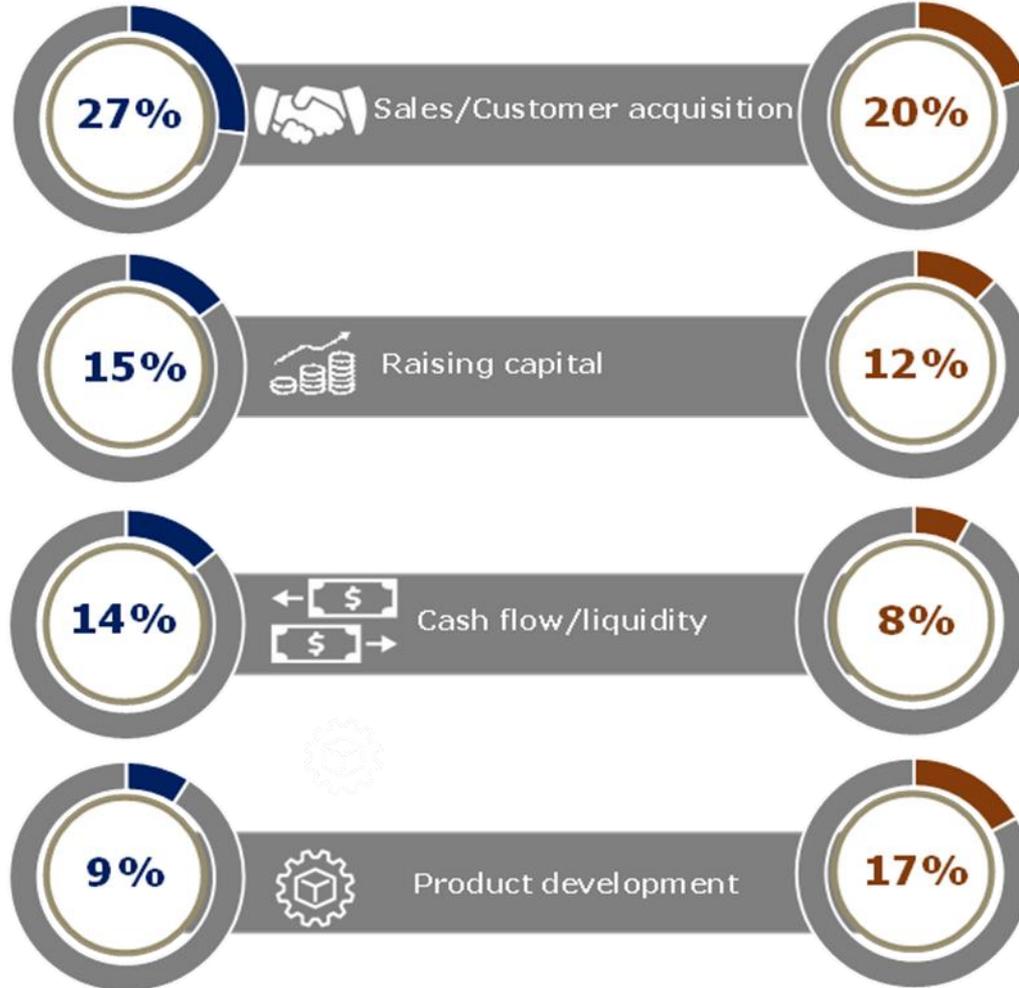
## Non-financial support:

- 60% of start-ups looking for non-financial support
- networking events (30%), incubators (29%) and competitions (23%).

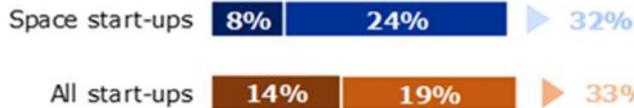


**Space start-ups  
ESPI survey**

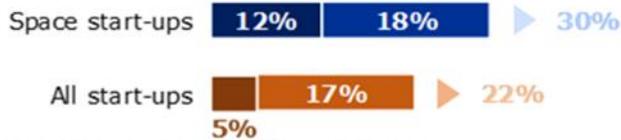
**All start-ups  
(ESM16)**



### Speed of innovation in the market



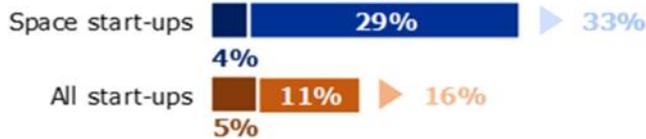
### Threat of substitute products



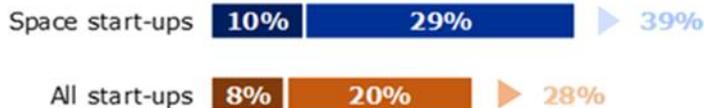
### Bargaining power of customers



### Bargaining power of suppliers



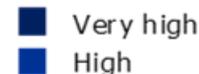
### Threat of new market entrants



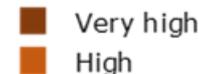
### Intensity of competition in the market



Space start-ups  
(ESPI survey)



All start-ups  
(ESM16)



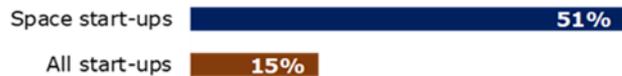
## Space start-ups perceive their business environment as rather hostile:

- Difficulties with the demand side: reluctance to change, a market that is not yet mature, a concentrated demand;
- intense competition (43%),
- a strong bargaining power of suppliers (33%)
- potential entry of new entrants (39%) or substitute products (30%) on the market.

**Improved exchange between politics, startups, and the established economy**



**Raising the cultural acceptance for entrepreneurship**



**Establishing entrepreneurship education**



**Better support to founders (e.g. local support and advice structures)**



Expectations from public actors are much higher than every other industry across all the themes addressed in the survey.

**Support for venture capital**



**Better understanding of the special needs of startups**



**Support with raising capital**



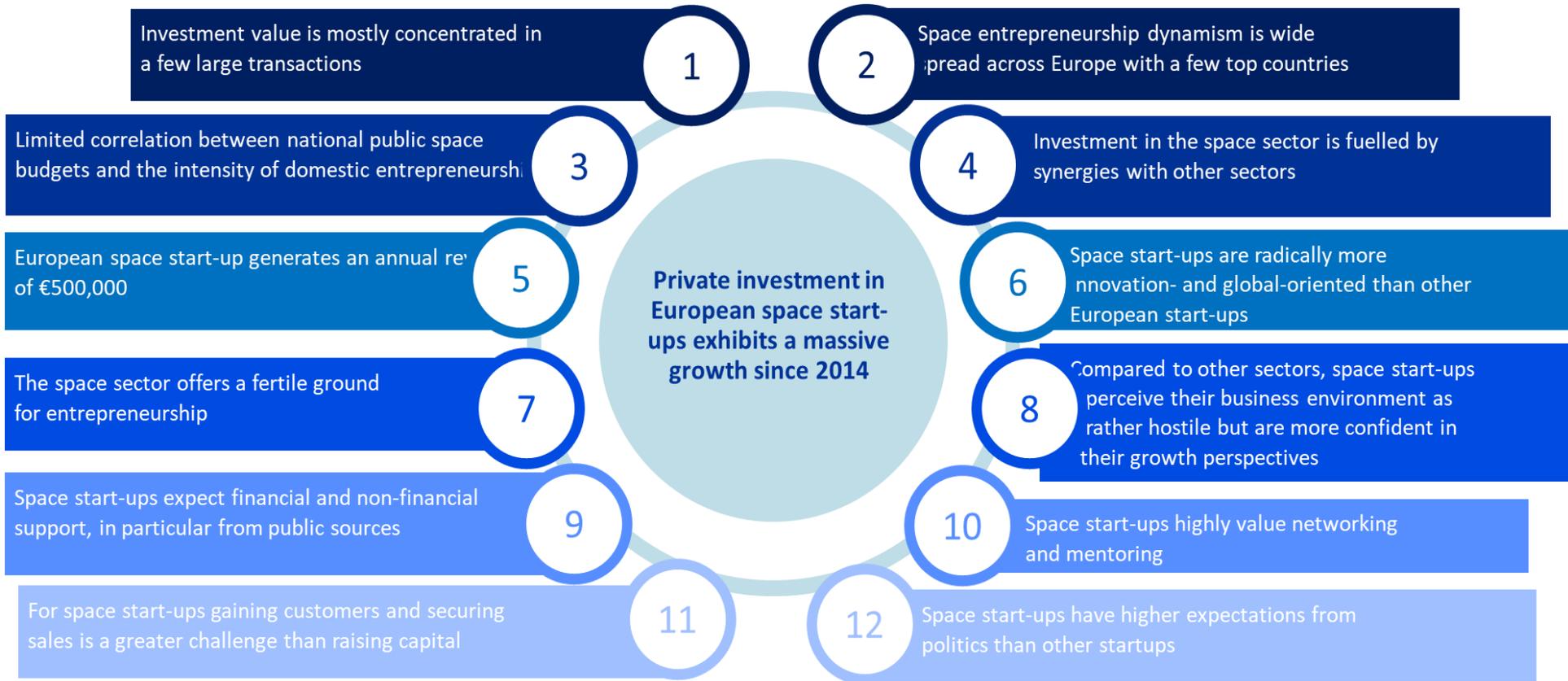
**Tax reduction/relief**



**Reduction of regulatory and administrative burden**



# Key findings



# Thank you

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