ESNA Startup Ecosystem Outlook 2026

Exploratory cross-regional trends over the past decade



FOREWORD

The ESNA Startup Ecosystem Outlook 2026 marks an important step in building a shared, evidence-based understanding of Europe's startup economy.

As the first flagship intelligence output of the ESNA Data Platform, it brings together a decade of comparable information on company creation, growth, employment, valuation and venture capital across the EU and major global ecosystems. The report's central message is both encouraging and demanding.

Europe has developed a large and increasingly mature startup base: EU ecosystem companies generated an estimated EUR 141 bn in revenue, employed around 1,6 m people and reached a combined valuation of approximately EUR 1 tn in 2025. Yet Europe still converts too few startups into centaurs and unicorns. The gap with the United States emerges less in firm creation than in the journey from startup to global scale. The evidence also shows that European firms can perform strongly once they scale. The opportunity is therefore to widen the pipeline: deepen late-stage capital markets, mobilise institutional investment, strengthen cross-border syndication and help more ambitious companies grow across Europe and compete globally.

This Outlook is intended as a practical tool for policymakers and ecosystem leaders. It does not claim to remove every data limitation; instead, it makes those limitations visible and establishes a transparent baseline that can be improved over time.

By monitoring Europe's startup pipeline consistently, the ESNA Data Platform can help turn fragmented information into coordinated action. We hope this report supports a more informed debate—and a stronger collective commitment to turning Europe's innovation capacity into the next generation of globally competitive companies.

Europe Startup Nations Alliance (ESNA)



Arthur Jordão
Executive Director

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Data & Methodology



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Key information for reading the report

For more information and a detailed coverage of Data and Methodology, please see the corresponding section at the end of the report.

Data used in this report come mainly from the ESNA Data Platform.

This report focuses primarily on the startup ecosystem, comprising all companies in our database that meet the definitions below of a startup-only company, centaur or unicorn. The term “startup-only” is used to avoid double counting. All ecosystem companies are considered innovative because every firm included in the ESNA Data Platform is classified as innovative.

Startup

An innovative, privately held tech-sector company that is ten years old or younger and either has annual headcount ≤ 250 employees or annual revenue ≤ €50 million. Companies founded before 1990 are excluded; companies created through merger or restructuring are excluded.

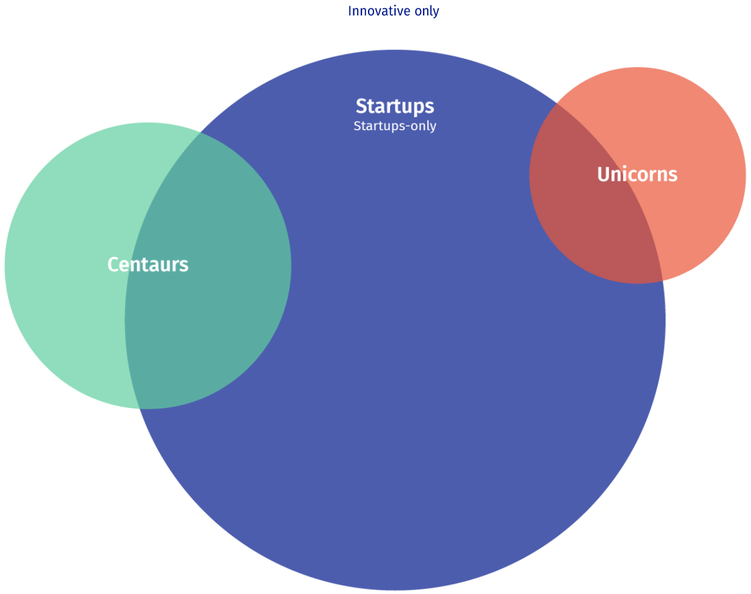
Centaur

A startup that has reached a valuation of at least €100 million.
The designation persists if the company subsequently outgrows its startup status but ceases once the company reaches unicorn status.

Unicorn

A startup that has reached a valuation of at least €1 billion.
The designation persists if the company subsequently outgrows its startup status.

INNOVATIVE COMPANIES



Overlapping areas represent firms that are simultaneously startups and either centaurs or unicorns. The centaur and unicorn categories are mutually exclusive. The diagram illustrates the logical relationships between the categories, not their relative sizes. Startups that are also centaurs or unicorns represent, on average, only a small proportion of the ecosystem.

Innovative companies
Every company in the ESNA Data Platform, the universe of analysis, sourced from a combination of Dealroom.co and Crunchbase records.

Innovative only
Innovative companies that are not classified as startup, centaur or unicorn.

Startups-only
Startups that are neither centaurs nor unicorns.

Scaled
Centaurs and Unicorns, regardless of startup status. Not to be confused with "scale-up", which is a distinct term.

Ecosystem
Startups-only and Scaled, the primary focus of this report.

Classifications are preserved over time, meaning that a firm’s category in year t reflects its status at that point rather than its current status.

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EXECUTIVE SUMMARY



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EXECUTIVE SUMMARY

ESNA Startup Ecosystem Outlook 2026: Exploratory cross-regional trends over the past decade

01
Takeaway
Ecosystem Maturity

The number of companies increased until 2020–21, before growth eased as the market normalised. Meanwhile, centaurs and unicorns worldwide increased from 1,6% to approximately 4% of ecosystem companies. Their shares of revenue, employment and valuation also rose significantly, signalling consolidation and successful progression to scale.



02
Takeaway
Scaled Firms drive Ecosystem Economic Value

Economic value is increasingly concentrated among scaled firms, with centaurs and unicorns accounting for growing shares of revenue and employment. Ecosystem revenue is estimated to account for 0,5–2,5% of GDP, including 0,8% in the EU, while ecosystem companies represent up to 4% of total employment, including 0,8% in the EU. Employment in EU ecosystem companies doubled to approximately 1,6 million over the decade, and scaled firms' share of employment rose from 4% to 22%.



03
Takeaway
The EU's Scaling Bottleneck

The EU has a substantial ecosystem base, with roughly 80% as many ecosystem companies as the US, but only one-quarter as many centaurs and one-seventh as many unicorns. Between 2015 and 2025, scaled companies accounted for an average of only around 1,1% of the EU ecosystem, compared with 3,9% in the US. The bottleneck is progression to scale, not company quality.



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ESNA Startup Ecosystem Outlook 2026: Exploratory cross-regional trends over the past decade

04
Takeaway

Untapped EU Valuation Potential

The EU ecosystem's valuation reached EUR 1,0 tn in 2025, while unicorns more than doubled their share of total ecosystem valuation from 2015. The aggregate valuation discount relative to the US appears to reflect the limited number of firms reaching scale.



05
Takeaway

The EU's Late-stage Funding Gap

The EU is the world's second-largest venture capital market, although it is only around one-sixth the size of the US market. The funding gap is concentrated in rounds above EUR 250 m and in the transition to unicorn status. Relative to its population, the EU funds centaurs comparatively well. Strengthening growth capital, cross-border syndication and institutional investment could enable more European firms to scale globally.



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DEMOGRAPHY

In this section, we examine the demography of the startup ecosystem within the broader population of innovative companies.

1. How large is the startup ecosystem?
2. Where are these companies located?
3. What share of companies have reached scale?
4. How is the number of ecosystem companies related to the size and growth of the economy?
5. How has the ecosystem changed over time?
6. What are the EU’s main strengths and challenges?



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In 2025, we estimate almost 590 k companies form part of the startup ecosystem worldwide, +32% more than in 2015

Figure 1
Evolution of the number of ecosystem companies worldwide

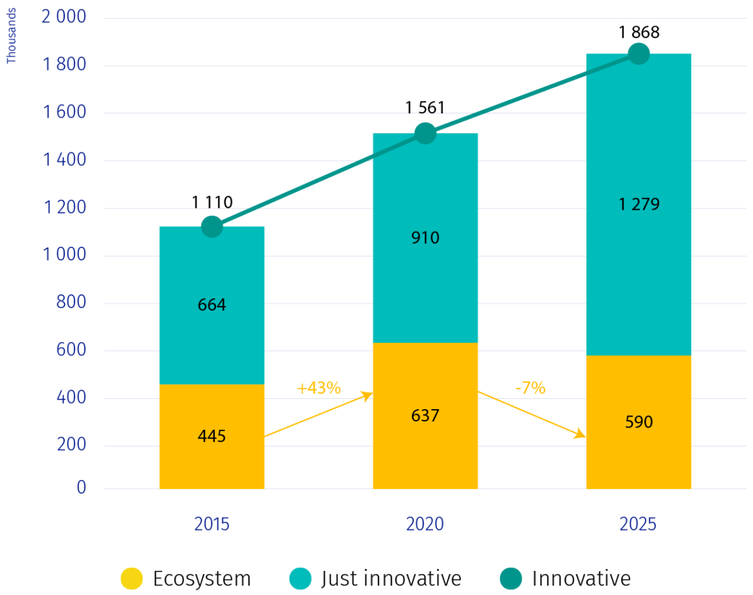
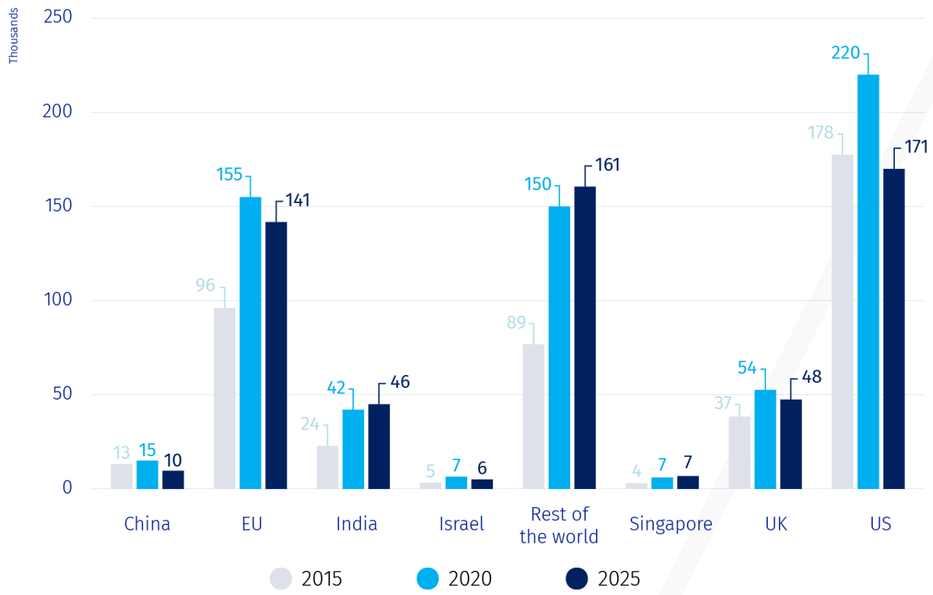


Figure 2
Split of ecosystem companies across regions worldwide



Source: ESNA Data Platform

However, the number of ecosystem companies did not grow consistently over the decade, either worldwide or across major regions

- The ecosystem estimate is based on a broader population of almost 1,9 m “innovative companies”. The ecosystem currently represents ~30% of these companies, down from 40% in both 2015 and 2020. In absolute terms, the number of ecosystem companies worldwide grew by 32%, compared with 68% for the broader population of innovative companies.

- The number of ecosystem companies grew by 43% between 2015 and 2020, before falling by 7% worldwide between 2020 and 2025, returning to approximately 2018 levels.

- Almost all regions followed this trend, with the number of companies in 2025 generally below 2020 levels but above 2015 levels. This pattern applies to the EU, but not to the US, where the estimated number of ecosystem companies in 2025 was lower than in 2015.

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The share of scaled companies rose over the decade, reaching ~4% of the ecosystem in 2025

Figure 3
Evolution of the number of startups-only and ecosystem companies worldwide

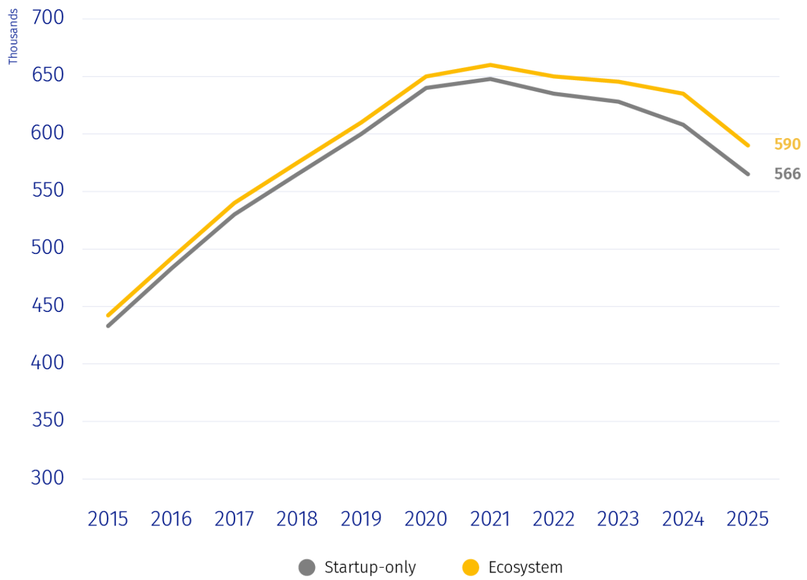
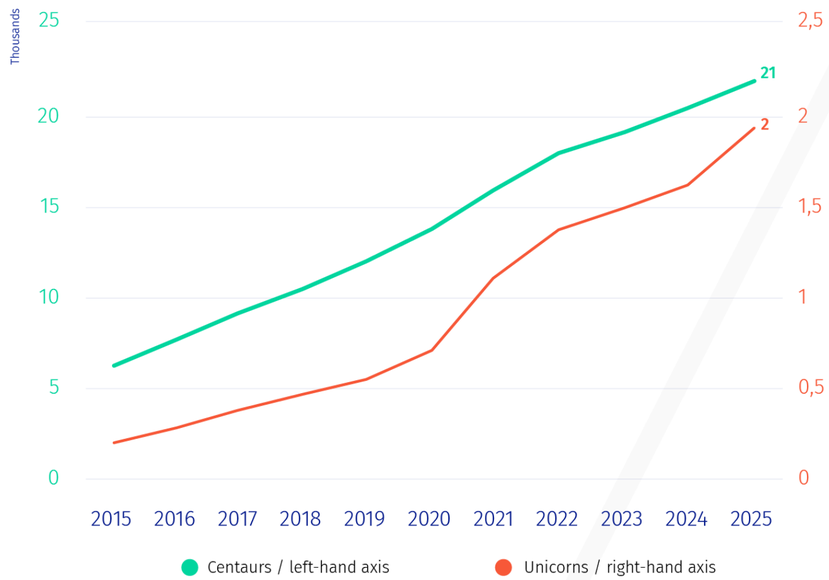


Figure 4
Evolution of the number of centaurs and unicorns worldwide



Source: ESNA Data Platform

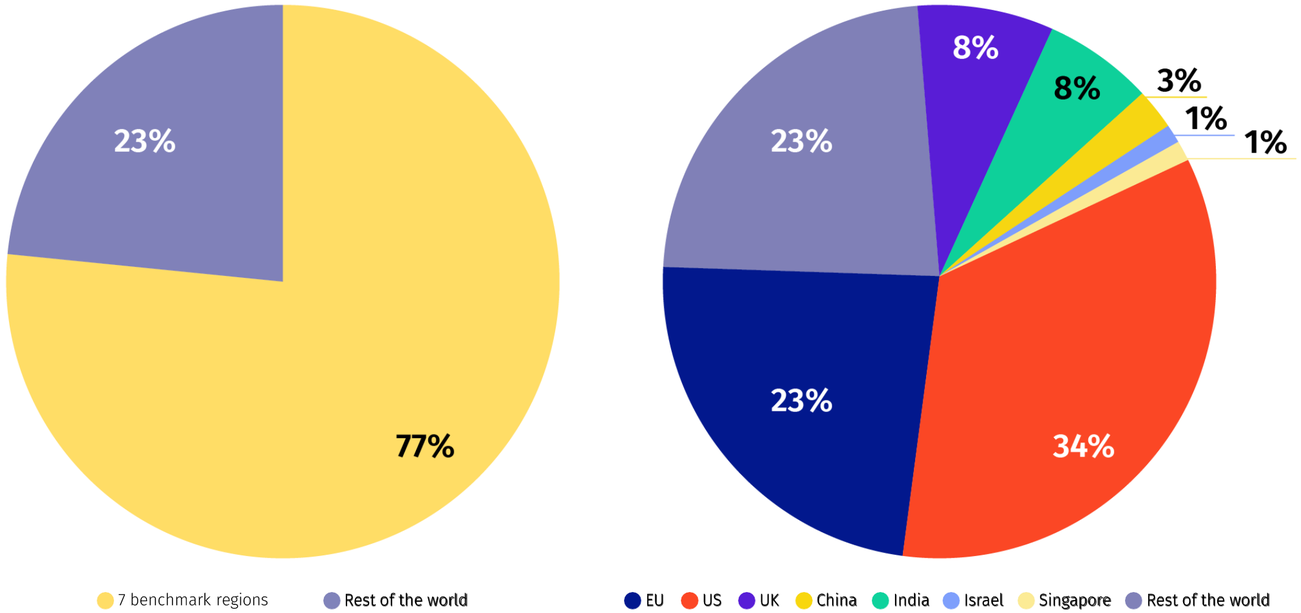
This signals a small but persistent increase in the share of scaled companies, alongside strong growth in the number of centaurs and unicorns.

- In 2025, 4% of ecosystem companies were classified as scaled companies, centaurs or unicorns, compared with 1,6% in 2015. This increase may be seen as a sign of ecosystem maturity.
- The decline in startup-only companies (all startups that have not reached centaur or unicorn status) drove the ecosystem's slight contraction between 2020 and 2025.
- The number of ecosystem companies is an important analytical metric, but it does not in itself indicate strong performance. This is particularly true of startup-only companies, as their number alone provides limited evidence of ecosystem quality. The number of scaled companies is more informative because these firms have demonstrated market traction and attracted investment.

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On average, 77% of ecosystem companies are located in the seven benchmark regions, with more than 50% in the EU and the US

Figure 5
Average Geographic Distribution of Ecosystem Companies, 2015–2025



Source: ESNA Data Platform

- This report provides a general overview of the startup ecosystem, focusing on the EU and comparing it with other major ecosystems in China, India, Israel, Singapore, the UK and, in particular, the US.
- The US has a pioneering startup ecosystem and has traditionally served as a benchmark for the EU's ecosystem development. The UK, an EU member for many years, is also an important benchmark and a significant player in the global economy.
- Israel and Singapore serve as useful benchmarks, with impressive ecosystem metrics on a per-capita basis.
- China and India were selected as sizeable developing economies that account for significant shares of the world's population and economic activity and play important roles in the Asian startup ecosystem.

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The EU–US gap is narrower for ecosystem companies than for innovative companies

Figure 6
Evolution of the number of INNOVATIVE companies across regions

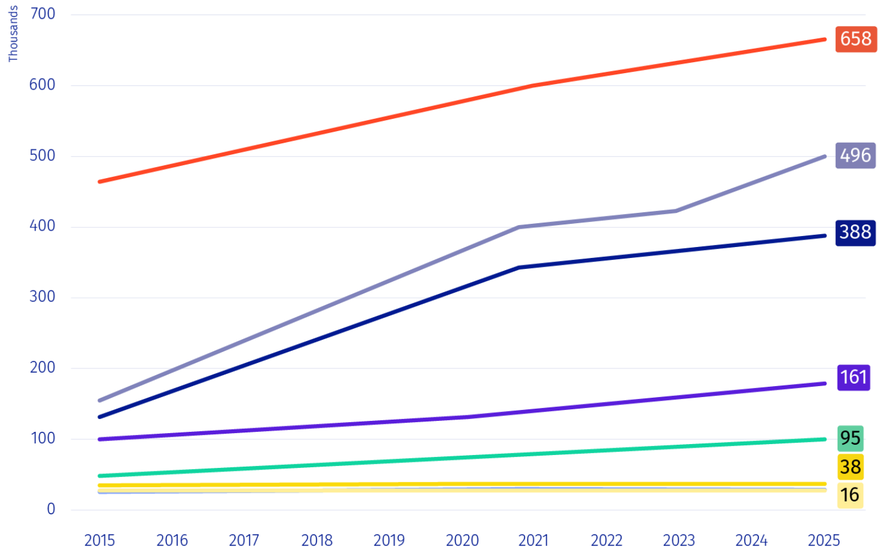
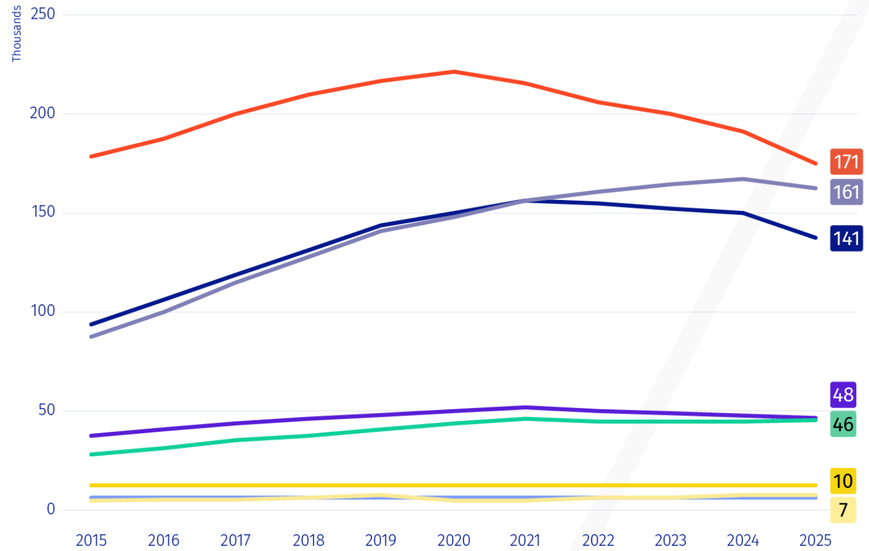


Figure 7
Evolution of the number of ECOSYSTEM companies across regions



Source: ESNA Data Platform

EU US UK China India Israel Singapore Rest of the world

The EU–US gap in ecosystem company numbers narrowed considerably over the decade

- In 2025, the EU had nearly 400 k innovative companies, equivalent to ~60% of the US total. Of these, 141 k were ecosystem companies, equivalent to ~83% of the US total. The gap between the EU and the US in innovative company numbers also narrowed over the decade.
- When the scope is broadened to include the full ecosystem of startups, centaurs and unicorns (Figure 7), the EU and US trajectories become more closely aligned. After expanding steadily until 2021, the EU ecosystem stabilised and then contracted moderately, broadly following the US pattern. Both regions show signs of consolidation after the rapid company creation seen around 2020–21.

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The EU's share of the startup-only base increased slightly between 2015 and 2025, largely as the US share declined

Figure 8
Geographic distribution of INNOVATIVE companies 2015 vs 2025

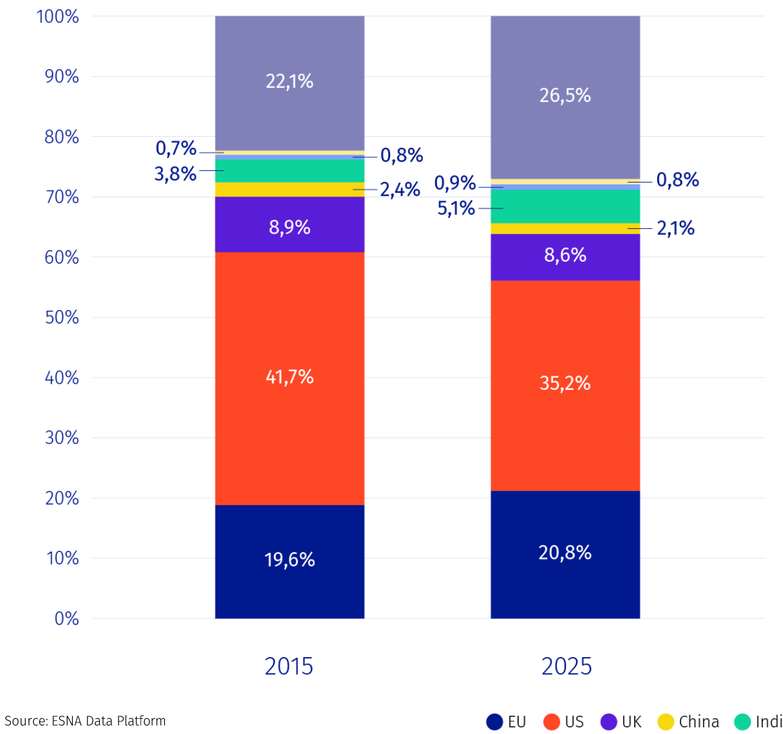
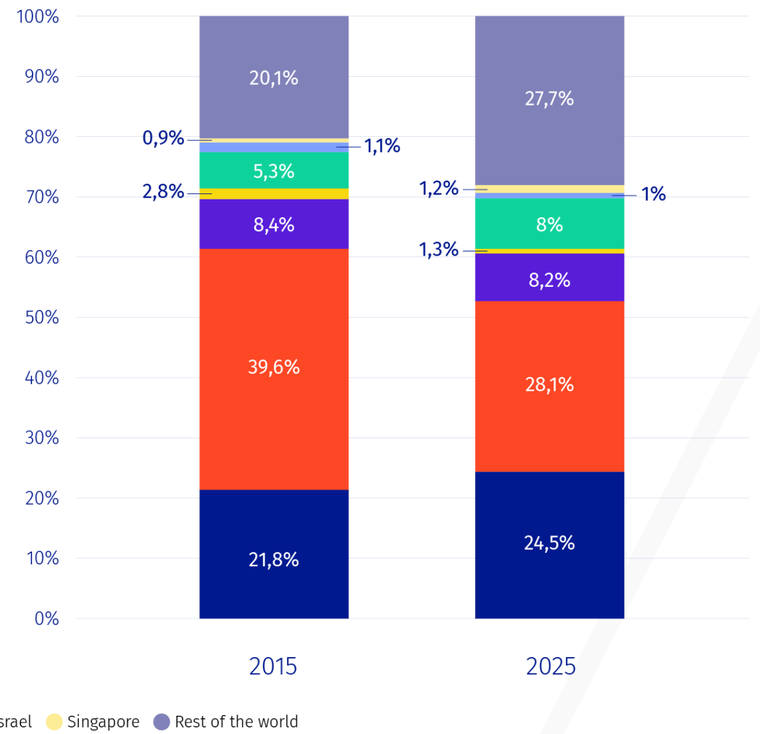


Figure 9
Geographic distribution of STARTUP-ONLY companies 2015 vs 2025



Source: ESNA Data Platform

EU US UK China India Israel Singapore Rest of the world

- India and the rest of the world also increased their respective shares between 2015 and 2025, reflecting the gradual spread of innovation activity across a broader range of economies, while the US share declined.
- The EU and India increased their shares of the startup-only population, while China's share remained very small.

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The EU's share of scaled companies remained stable, while the US retained its dominant position and the UK lost ground

Figure 10
Geographic distribution of CENTAURS 2015 vs 2025

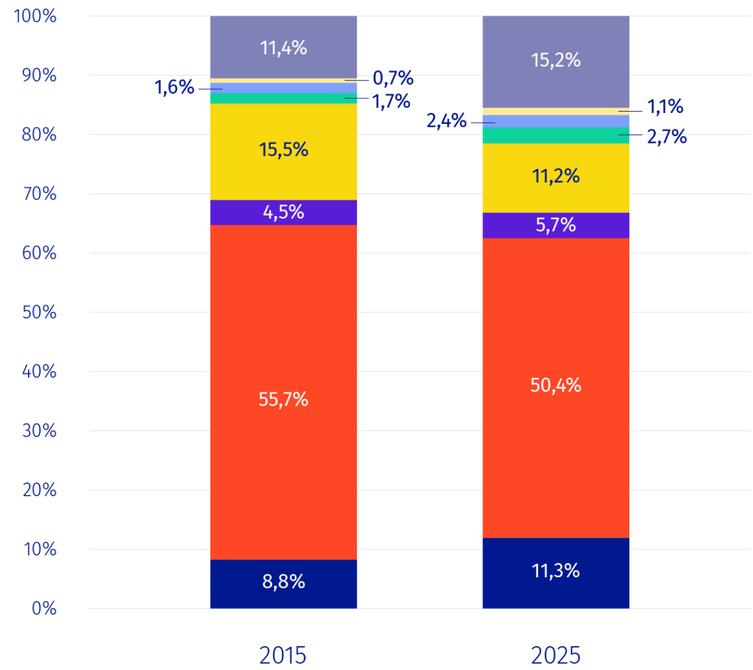
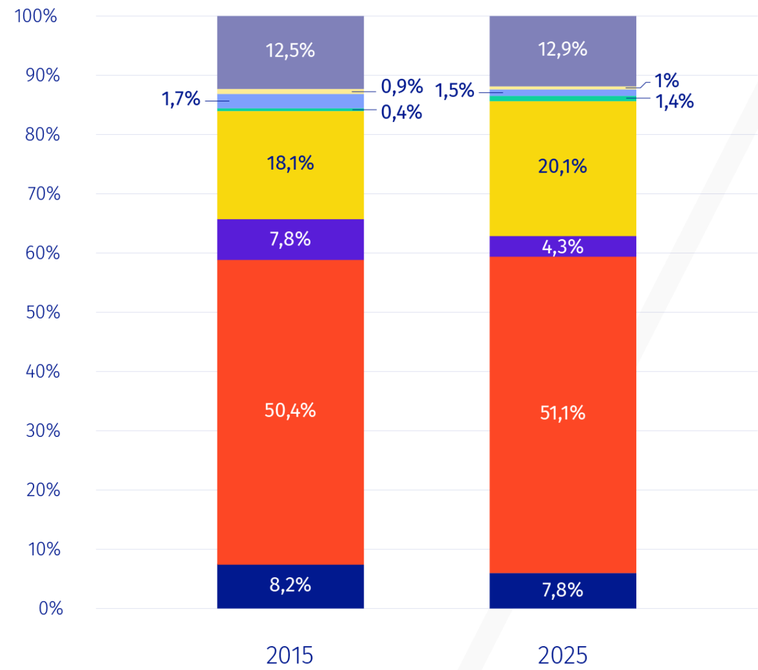


Figure 11
Geographic distribution of UNICORNS 2015 vs 2025



Source: ESNA Data Platform

EU US UK China India Israel Singapore Rest of the world

- Unicorn and centaur shares changed only modestly between 2015 and 2025.
- The EU's share of unicorns remained stable at 8%, despite its unicorn count increasing from 19 to 151 as the global total rose from 232 to 1 948. The US maintained its dominant position, accounting for more than half of the global unicorn population.
- China had the second-largest share of unicorns in 2025, at 20%. However, its share was higher in every intervening year, reaching almost 28% in 2019. The combined US–China share increased from 68% to 71%.
- The UK's share of unicorns fell by almost half, while the rest of the world and smaller markets—including India, Israel and Singapore—increased their shares of the centaur population, signalling a broader geographical diffusion of scaled activity.

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The EU–US gap lies not in startup creation, but in converting startups into centaurs and unicorns

Figure 12
Evolution of the number of STARTUP-ONLY companies

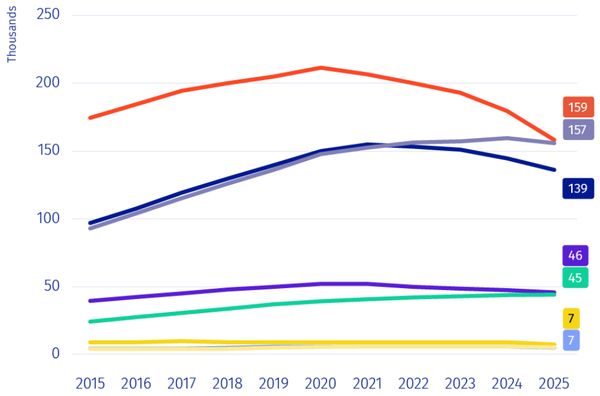


Figure 13
Evolution of the number of CENTAURS

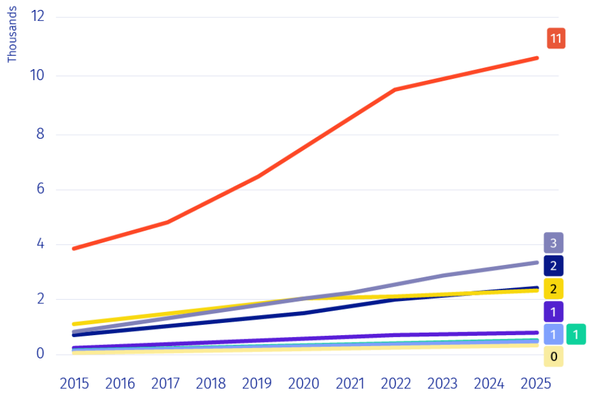
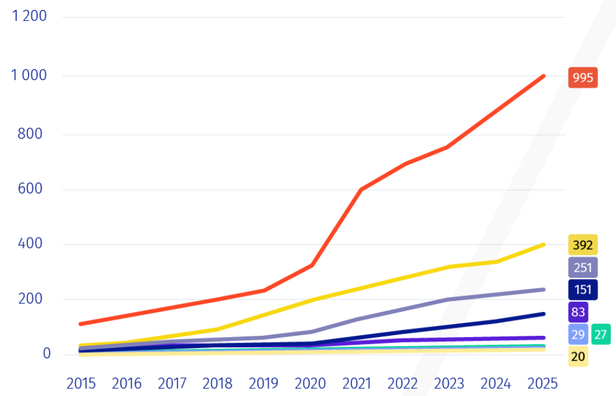


Figure 14
Evolution of the number of UNICORNS



Source: ESNA Data Platform

EU US UK China India Israel Singapore Rest of the world

While the EU's startup-only population is comparable to that of the US, its centaur count is approximately one-quarter as large and its unicorn count approximately one-seventh as large. This indicates that scale-up dynamics, not firm creation, are the principal bottleneck.

- The numbers of startup-only companies are broadly comparable across the EU and the US, with both peaking around 2020–21 before contracting modestly. China is the only major region to show a sustained decline, falling from 12 181 startup-only companies in 2015 to 7 213 in 2025. The recorded declines may reflect not only ecosystem consolidation but also classification effects and right truncation in the most recent years.

- At the centaur stage, the divergence becomes more pronounced. The number of centaurs in the US increased from 3 823 in 2015 to 10 728 in 2025, while the equivalent figure for the EU rose from 606 to 2 403. Despite the EU's faster annual growth rate, the absolute gap widened. The pattern is even more pronounced among unicorns: the US accounted for 995 of the 1 948 unicorns recorded globally in 2025. Israel and Singapore recorded notable unicorn counts relative to their population sizes, consistent with their specialised technology ecosystems.

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Per-capita rankings shift significantly: Singapore, the UK and Israel move to the forefront, while the EU remains below the US and lags sharply in scaled-company density

Figure 15
Evolution of the number of ECOSYSTEM companies per 1 000 population

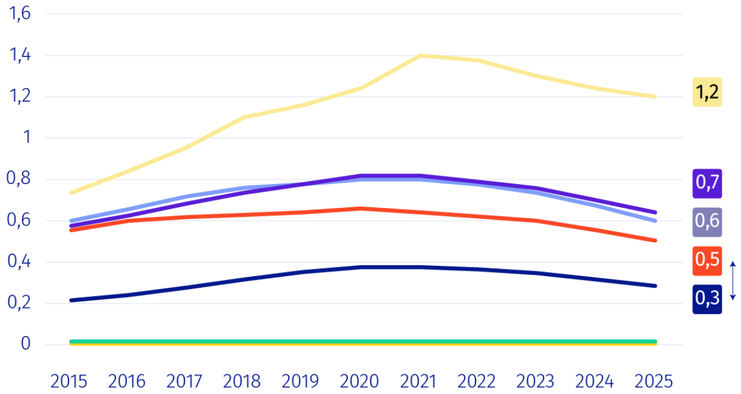
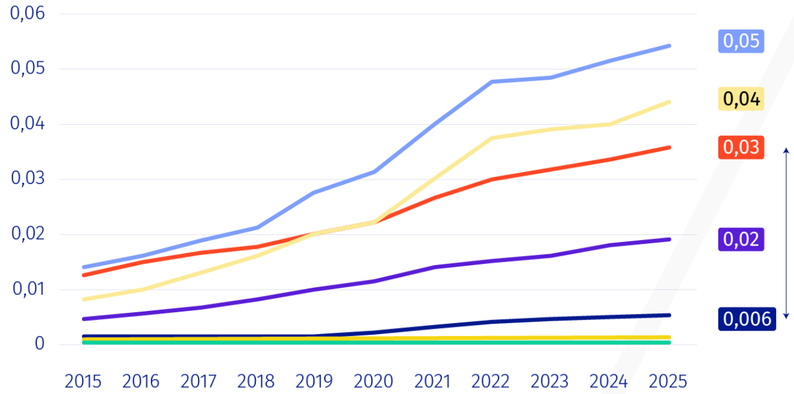


Figure 16
Evolution of the number of SCALED companies per 1 000 population



Source: ESNA Data Platform
Population data are from the World Bank (as 2025 data were not available at the cut-off date, 2024 values were used for the year 2025).

EU US UK China India Israel Singapore Rest of the world

The EU has only ~6 scaled companies per million people, compared with 19 in the UK, 34 in the US and 54 in Israel, highlighting the difficulty it faces in scaling companies.

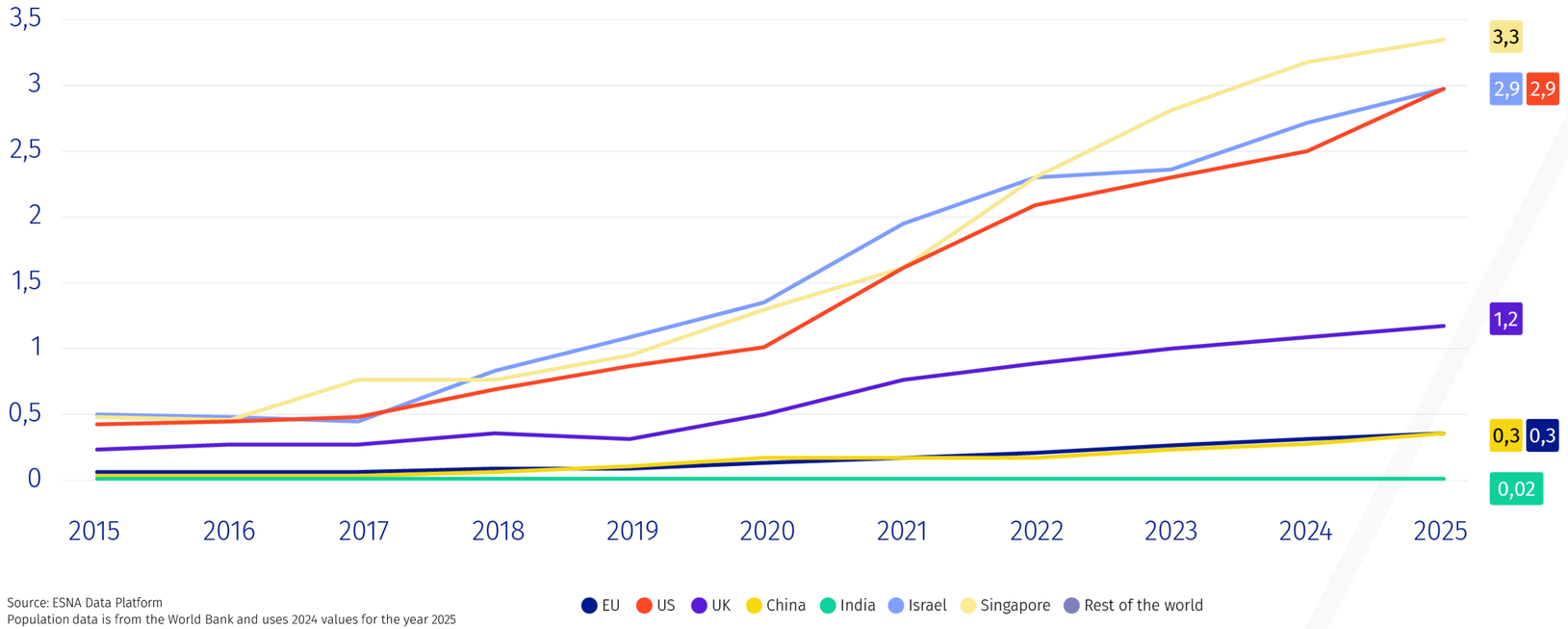
- Singapore moved to the forefront and has been the only economy with more than one ecosystem company per 1 000 people since 2017. The US no longer leads, with both Israel and the UK ranking above it. The EU remains below the US, with 0,2–0,4 ecosystem companies per 1 000 people. More populous economies, such as India and China, have very few companies per capita.

- In terms of scaled companies per capita, Singapore also overtook the US, although only after 2020 and by a narrower margin, confirming the US's strong position in this category of company. China follows a different pattern: despite having the second-largest number of centaurs and unicorns, it falls to the bottom of the ranking when adjusted for population. The most prominent result is Israel, which recorded the highest number of scaled companies per capita throughout the decade, reaching more than 50 per million people.

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Singapore, Israel and the US lead in unicorn density, with approximately three unicorns per million people in 2025, while the EU remains below one unicorn per million

Figure 17
Evolution of the number of UNICORNS PER 1 MILLION population



Source: ESNA Data Platform
Population data is from the World Bank and uses 2024 values for the year 2025

The EU and China have low unicorn density despite the substantial difference in the absolute sizes of their ecosystems.

- Looking only at unicorns per capita, the most notable changes were seen in Singapore—which overtook the US in 2017, earlier than when considering the broader group of scaled companies—and Israel.
- For most of the decade, these two economies recorded the highest numbers of unicorns per capita, slightly ahead of the US, which had by far the largest number of unicorns in absolute terms.
- China, which has the second-largest number of unicorns in absolute terms, falls to the bottom of the ranking when adjusted for population, broadly in line with the EU. Both remain well below one unicorn per million people.

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Scaling is the EU's central structural weakness and the decisive source of its gap with the US

Figure 18
Number of centaurs and unicorns per 1 000 startups-only, 2025

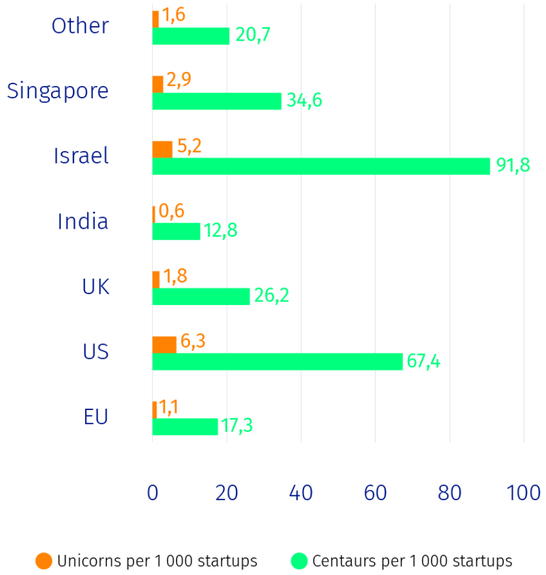
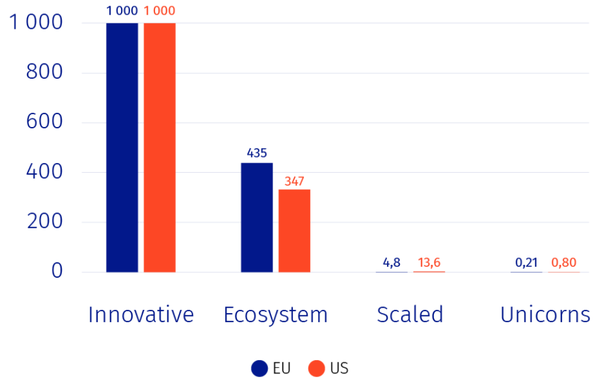


Figure 19
Narrowing from innovative population to unicorn status, EU vs US, 2015-2025 average



Innovative companies are indexed to 1 000 in both regions

Figure 20
Estimation for transition rates (% of previous level), EU vs US, 2015-2025 average

	EU	US
INNOVATIVE → ECOSYSTEM	43,5%	34,7%
ECOSYSTEM → SCALED	1,1%	3,9%
SCALED → UNICORN	4,4%	5,9%

EU US

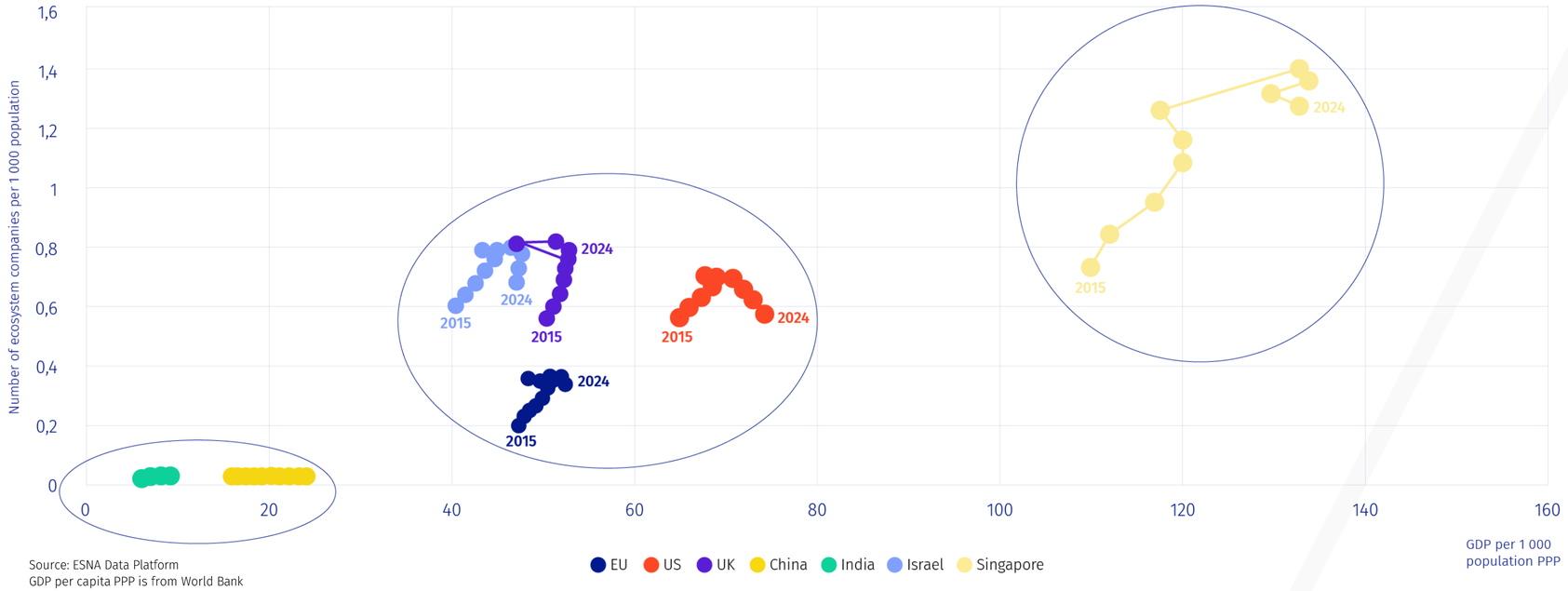
Source: ESNA Data Platform
Transition rates are computed as the ratio of one level to the previous, not from firm-level data.
They do not track whether a given company actually progressed from one stage to the next, so they are indicative rather than true cohort transition rates.

- The EU–US gap is concentrated almost entirely in the transition from ecosystem companies to scaled companies: scaled companies represent an average of 1,1% of ecosystem companies in the EU, compared with 3,9% in the US. At the entry stage, however, the EU has a broader innovation pipeline than the US.
- Figure 18 normalises centaur and unicorn counts by the number of startup-only companies in 2025. Israel records the highest overall density, with 5,2 unicorns and 91,8 centaurs per 1 000 startup-only companies, followed by the US, with 6,3 and 67,4, respectively. The EU records 1,1 unicorns and 17,3 centaurs per 1 000 startup-only companies.
- Figure 20 decomposes the EU–US gap into the three sequential transitions in the innovation pipeline. The EU performs better at the entry stage: on average, 44% of innovative companies are part of the ecosystem, compared with 35% in the US. It is also broadly comparable to the US in the transition from scaled company to unicorn. The decisive gap appears in the middle transition, from ecosystem company to scaled company.

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Three distinct clusters emerge when ecosystem density is analysed in relation to GDP per capita

Figure 21
GDP per 1 000 population PPP vs Number of ecosystem companies per 1 000 population, 2015-2024



Source: ESNA Data Platform
GDP per capita PPP is from World Bank

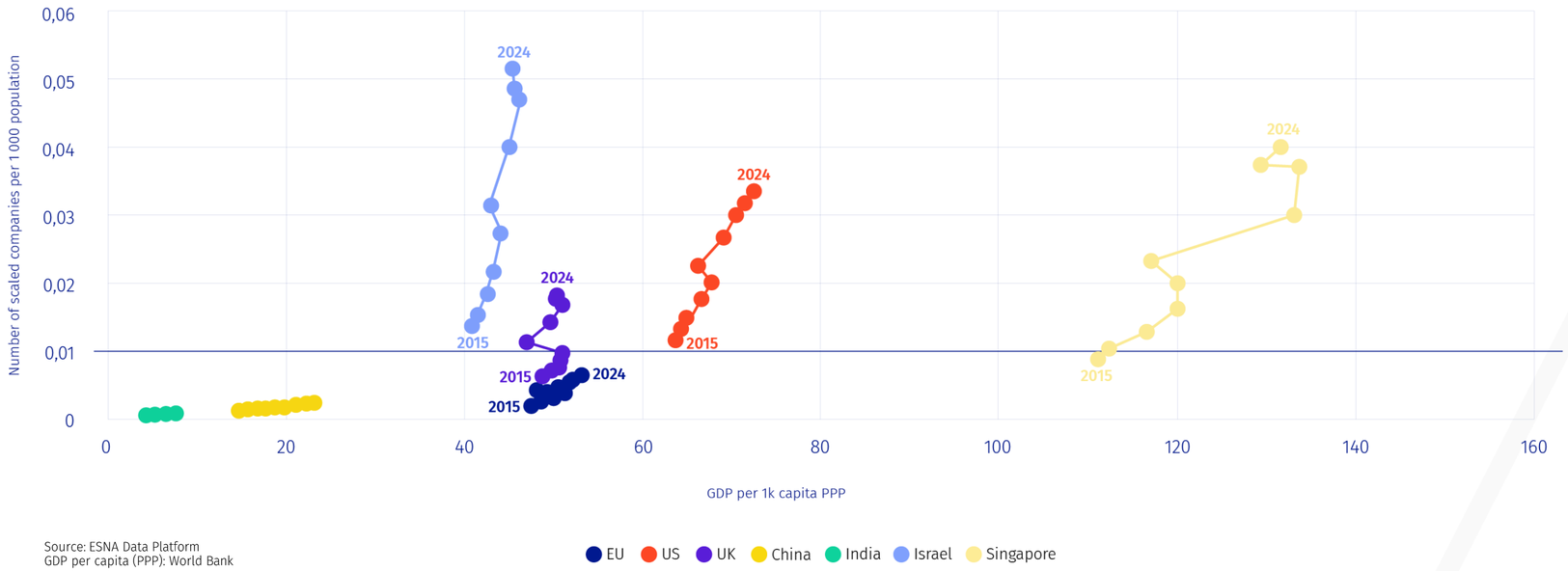
Income alone does not explain ecosystem density: higher GDP per capita is only moderately associated with denser ecosystems across regions and over time.

- Per-capita measures of ecosystem company numbers and GDP reveal three distinct clusters. The first comprises India and China, both of which have fewer than 0,1 ecosystem companies per 1 000 people in the context of large but relatively low-income and unequal economies.
- The second cluster comprises three large economic areas—the EU, the US and the UK—together with Israel. These are middle-income to high-income economies, with GDP per capita of 40–80 k and ecosystem company density ranging from well below 0,5 to above 0,8. The EU trails the UK and Israel despite having a comparable GDP per capita; their ecosystem company density is almost twice as high, and sometimes more.
- Singapore forms a distinct cluster because of its small population and its concentration of high incomes, ecosystem companies and venture capital.

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The EU's scaled-company density continues to trail that of its income peers

Figure 22
GDP per 1 000 population PPP vs Number of scaled companies per 1 000 population, 2015-2024



10 scaled companies per million people

Source: ESNA Data Platform
GDP per capita (PPP): World Bank

- While the EU remains below 10 centaurs and unicorns per million people, Israel, Singapore and the US recorded strong growth. Israel increased from 14 to more than 50 scaled companies per million people, Singapore from 9 to 43 and the US from 12 to 34.
- Scaled-company numbers grew more rapidly in regions with higher GDP per capita. However, although the EU falls within the middle-income GDP-per-capita cluster, its scaled-company density is closer to that of India and China, highlighting the difficulties it faces in scaling companies. Among the middle-income to high-income economies analysed, the EU probably has the most fragmented market, which is likely to affect this indicator.
- This pattern may partly reflect the more concentrated ecosystems of the UK and Israel, which facilitate startup incubation, coordinated policy action and capital attraction. In Israel, the small domestic market may also encourage companies to think globally from the outset and scale quickly.
- Market fragmentation and a less risk-tolerant investment culture in the EU may also limit the growth of ecosystem companies, despite the region's higher savings rates.

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PERFORMANCE & ECONOMIC VALUE

In this section, we continue our analysis of the EU over time, benchmarking its performance against that of other major regions. We focus specifically on the revenue, employment and valuation of ecosystem companies.

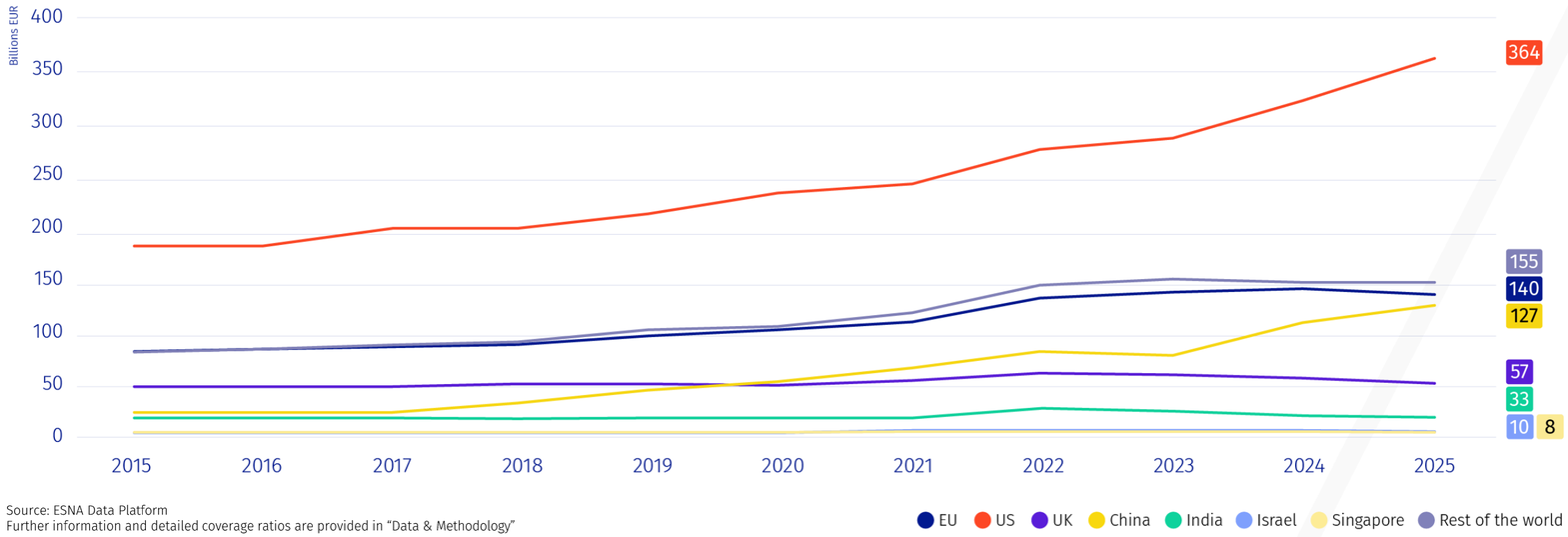
1. How do the EU's ecosystem companies perform against specific metrics, and how do they contribute to broader economic value?
2. How is the growth of scaled companies changing the composition of revenue, employment and valuation by company type?
3. What differences emerge when average company-level metrics are compared?
4. Do revenue, employment and valuation indicate that EU companies generate greater economic value as they scale?



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Lower-bound estimates indicate that rising EU ecosystem revenues between 2015 and 2025 did not narrow the structural gap with the US

Figure 23
Evolution of total ecosystem revenue, 2015-2025



Source: ESNA Data Platform
Further information and detailed coverage ratios are provided in "Data & Methodology"

EU ecosystem revenue reached EUR 141 bn in 2025, equivalent to around 40% of US ecosystem revenue, despite growing at a similar rate over the past decade.

- EU ecosystem revenue increased from EUR 76 bn in 2015 to EUR 141 bn in 2025, an average annual growth rate of 6,3%, broadly matching the US growth rate of 6,7%. Despite these comparable growth rates, EU ecosystem revenue remains approximately 40% of the US level, suggesting that the gap is structural rather than the result of recent performance.
- Within the ecosystem, US revenues are higher across all company types: startup-only companies, centaurs and unicorns.
- China recorded the fastest growth among the major ecosystems, averaging 16,1% per year, while maintaining a considerably smaller startup population and a consistently low coverage rate.

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However, on an average-revenue basis, EU scaled companies generate more revenue per company than their US peers

Figure 24
Average revenue per company, by company type, in 2025

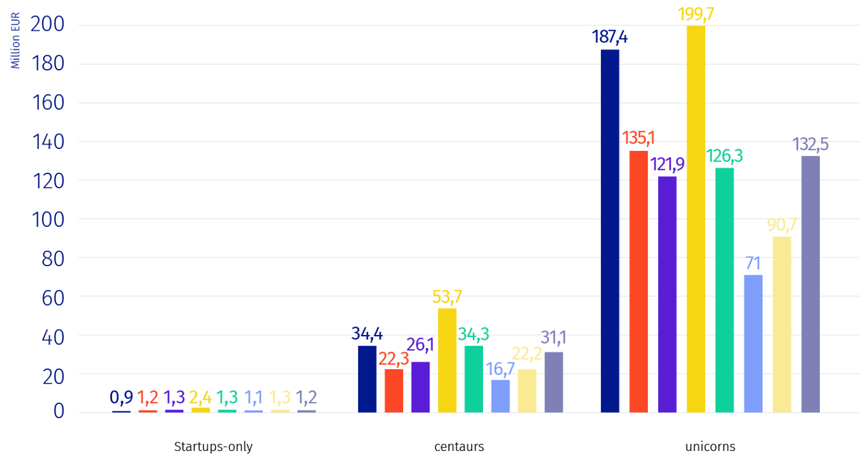
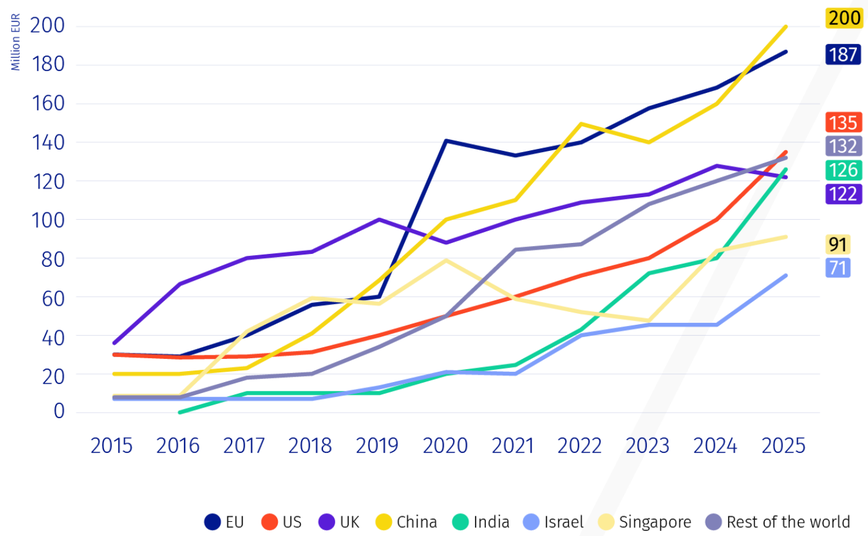


Figure 25
Evolution of average revenue per unicorn



Source: ESNA Data Platform
Further information and detailed coverage ratios are provided in "Data & Methodology".

Average revenues among startup-only companies are similar across regions, however the advantage shifts to the EU among centaurs and unicorns, indicating stronger performance among companies that successfully scale.

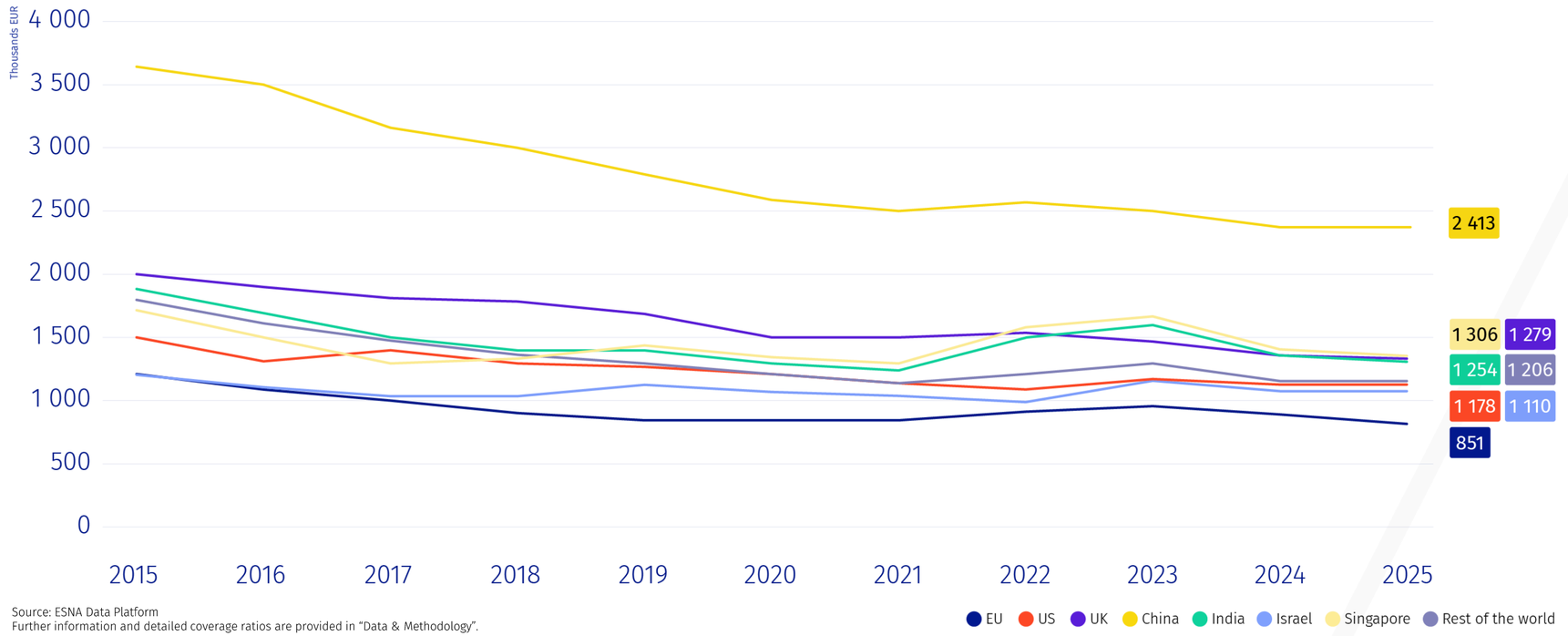
- At the startup-only stage, EU companies generate less revenue, on average, than their US counterparts. However, average revenue per EU centaur and unicorn is higher than in the US. This is particularly notable given that total revenue among scaled companies is higher in the US. In addition, Figure 25 shows that the EU–US gap in average unicorn revenue has widened since 2016.

- At the startup-only stage, average revenue ranges from EUR 0,9 m to EUR 2,4 m, with EU companies at the lower end. Among scaled companies, however, EU averages exceed those of the US: EUR 34 m compared with EUR 22 m for centaurs, and EUR 187 m compared with EUR 135 m for unicorns in 2025.

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Average revenue per EU startup-only company appears to have declined

Figure 26
Evolution of average revenue per startup-only



Source: ESNA Data Platform
Further information and detailed coverage ratios are provided in "Data & Methodology".

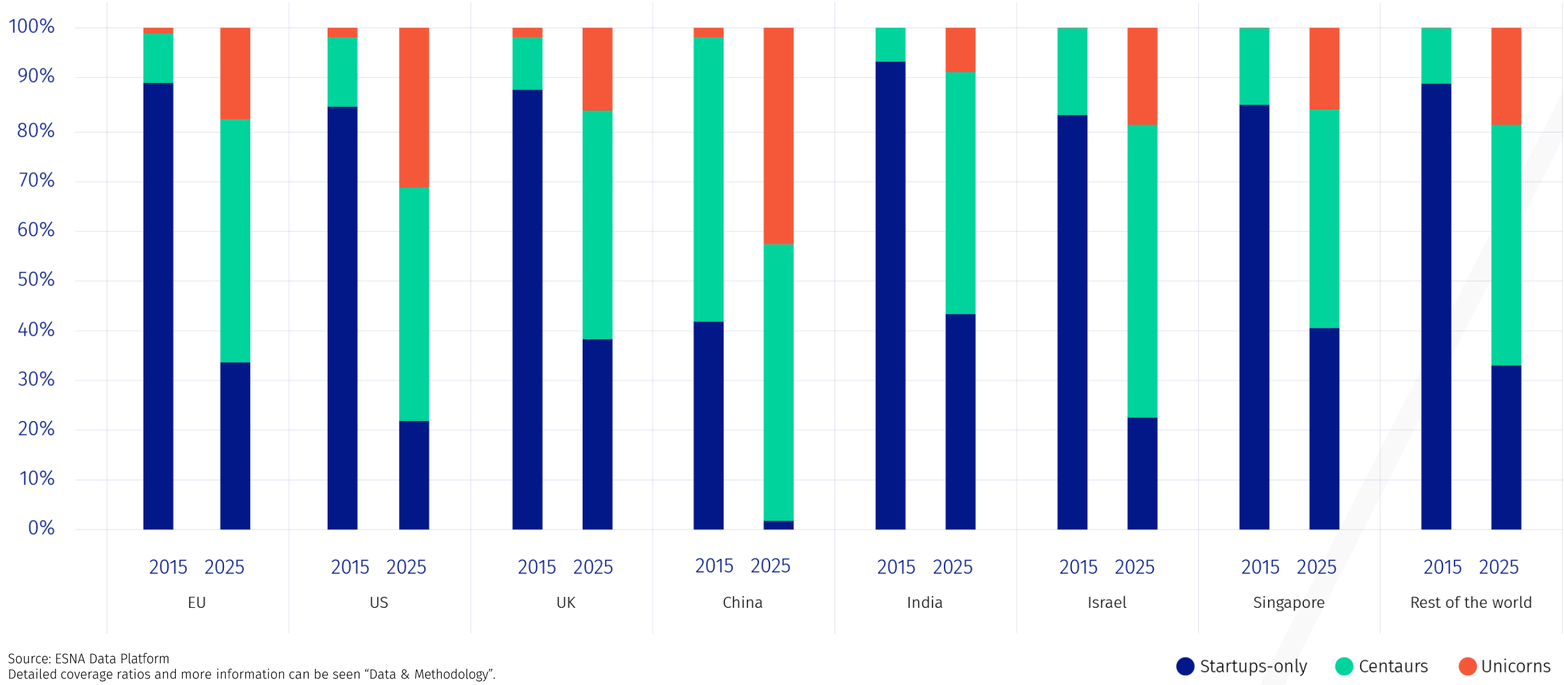
The pattern observed among centaurs and unicorns does not extend to the startup-only population. Average revenue per EU startup-only company appears to have declined over the past decade, and three factors may explain this trend.

- Composition factor: As the startup population expanded, it included a growing proportion of younger and smaller companies that had not yet reached revenue maturity.
- Survivorship factor: Companies that successfully scaled exited the startup-only cohort, leaving behind a group of companies that were smaller, on average.
- Measurement factor: Revenue coverage at the startup-only stage fell ,markedly over the decade, from approximately 61% to 39% of EU companies. Part of the recorded decline may therefore reflect a smaller and changing sample rather than a genuine reduction in revenue per company.
- This pattern is evident across across regions, suggesting a systemic shift in the early-stage environment rather than a phenomenon specific to the EU.

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The ecosystem revenue mix has shifted fundamentally across all regions, as revenue has moved from startup-only companies to scaled companies

Figure 27
Composition of ecosystem revenue 2015 vs 2025 (% of total)



Source: ESNA Data Platform
Detailed coverage ratios and more information can be seen "Data & Methodology".

The shift appears to reflect companies scaling rather than a contraction in startup-only revenue. All major economies show a sharp decline in the startup-only share, a doubling or tripling of the centaur share, and the emergence of unicorns as a material revenue category.

- Startup-only companies accounted for 89% of EU ecosystem revenue in 2015, falling to 33% in 2025. Centaurs and unicorns now generate two-thirds of ecosystem revenue.
- Similar structural shifts are visible across all major ecosystems, indicating a common maturation pattern. The data suggest that companies are progressing into larger categories faster than the startup-only segment is developing.
- The US has progressed further towards a unicorn-led revenue mix, while the EU and the UK remain relatively more concentrated in centaurs.

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Conservative estimates indicate that ecosystem revenue represents between 0,5% and 2,5% of GDP

Figure 28
Evolution of total ecosystem revenue as a % of GDP

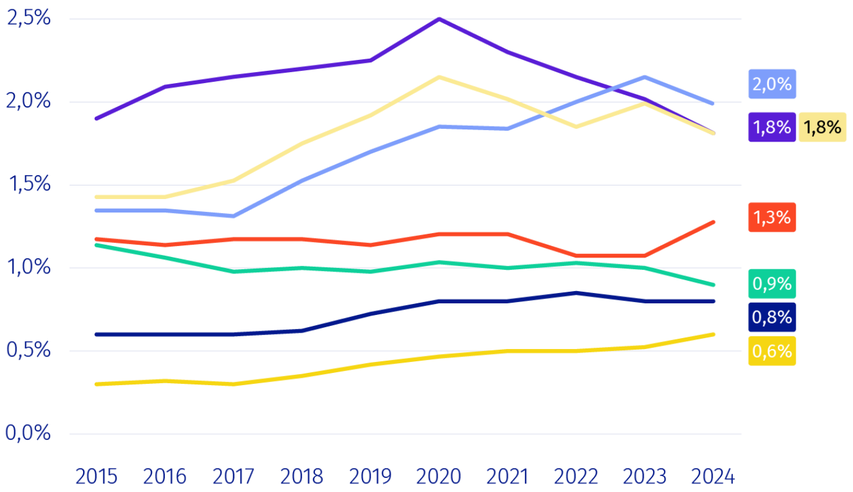
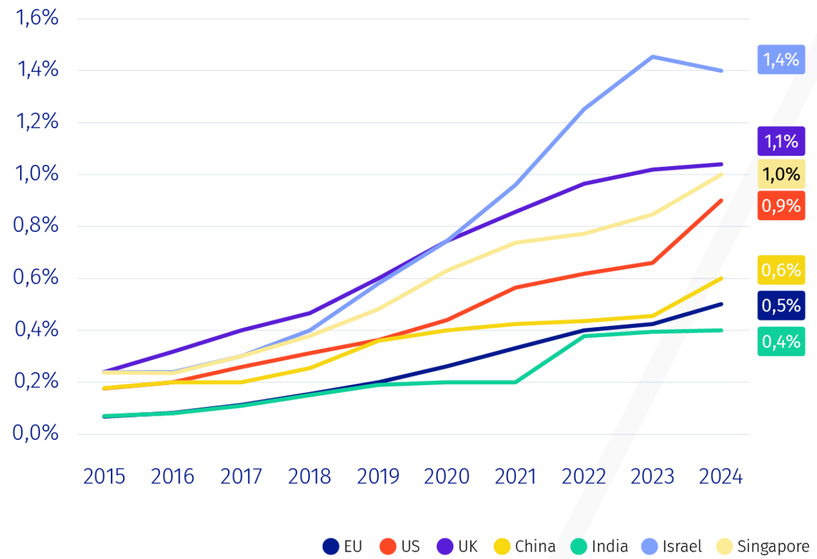


Figure 29
Evolution of scaled-company revenue as a % of GDP



Source: ESNA Data Platform
Detailed coverage ratios and more information can be seen “Data & Methodology”.

Scaled companies account for an increasingly important share of ecosystem revenue, and their contribution has grown steadily over the past decade.

- Total ecosystem revenue is estimated to represent between 0,5% and 2,5% of GDP across the regions analysed. For comparison, global ecosystem revenue may have been close to 1% of GDP in 2024.
- The EU and China remain below the 1% threshold, while most other ecosystems exceed it, highlighting differences in ecosystem maturity and performance.
- Scaled-company revenue represents a growing share of GDP across all regions, reflecting the increasing economic importance of later-stage companies.
- The EU remains among the regions with a lower share of scaled-company revenue—below 0,5% of GDP, alongside India—while Israel, the UK, Singapore and the US record shares at least twice as high.

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EU ecosystem employment doubled to around 1,6 m between 2015 and 2025, with growth concentrated among centaurs and unicorns

Figure 30
Evolution of startups-only employment

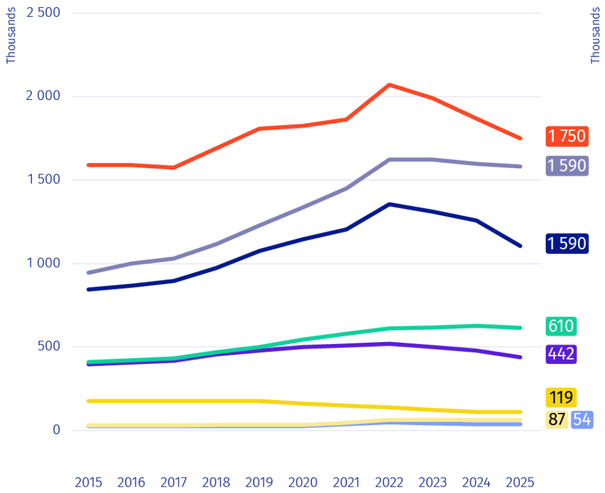


Figure 31
Evolution of centaurs' employment

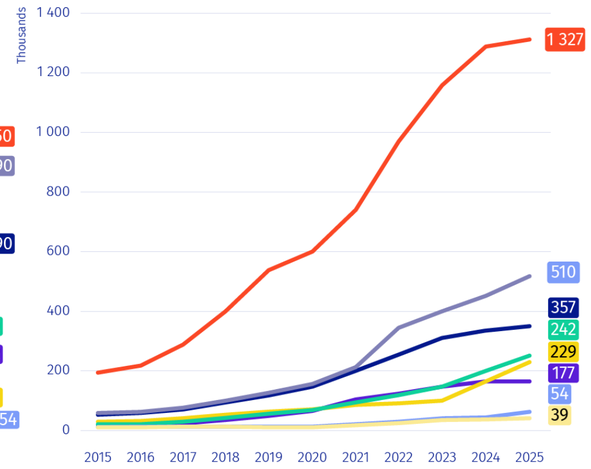
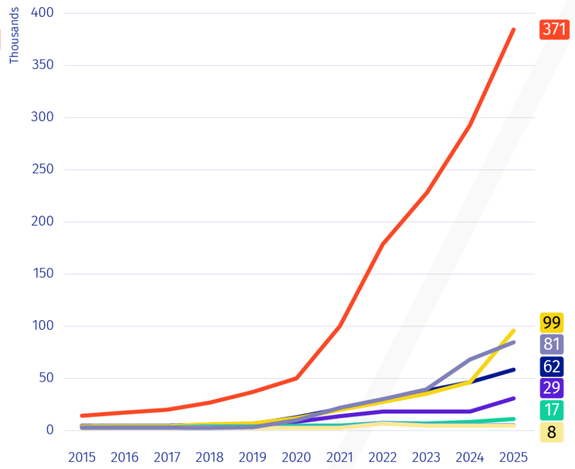


Figure 32
Evolution of unicorns' employment



Source: ESNA Data Platform

EU US UK China India Israel Singapore Rest of the world

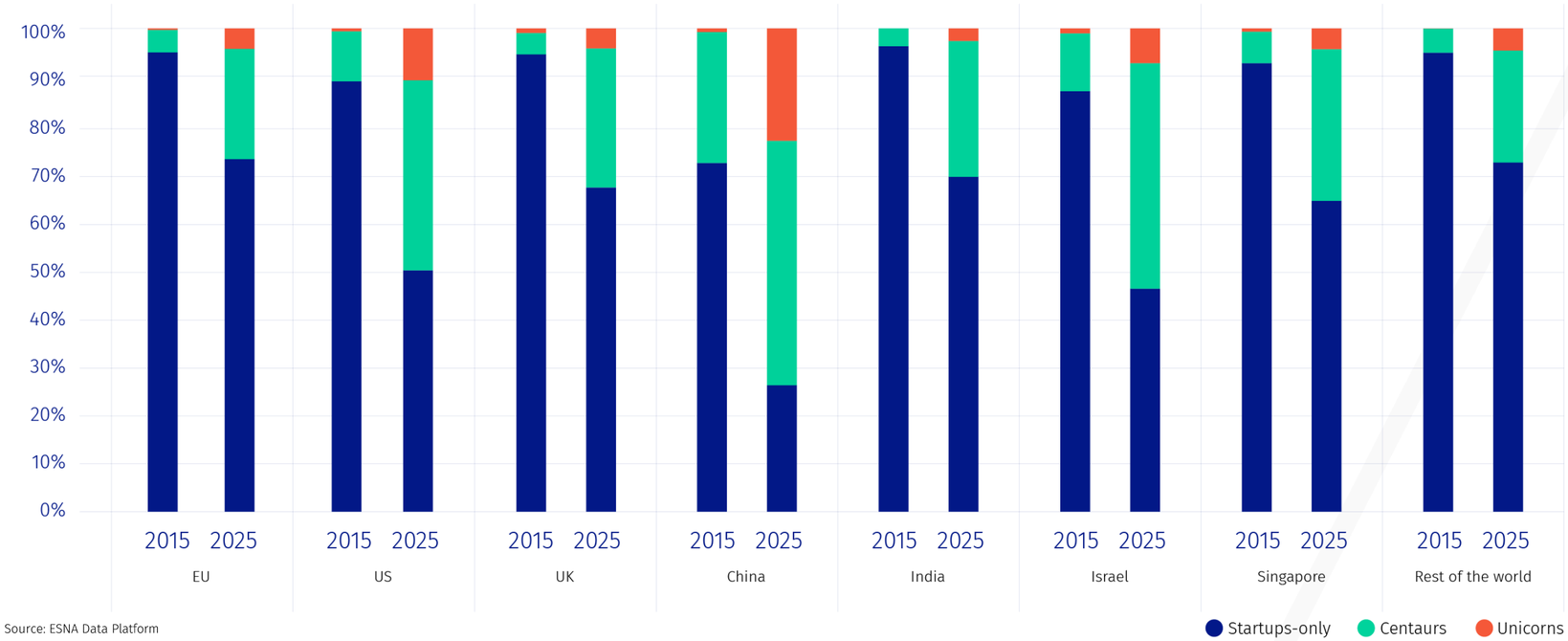
Employment growth follows the scale ladder: the further companies progress, the faster employment grows. The structural maturation seen in the revenue mix is mirrored in employment, with job creation disproportionately concentrated in scaled companies across every region.

- Employment among startup-only companies grew modestly in most regions but declined in some cases in recent years. Centaur employment increased significantly across every region, while unicorn employment grew even faster, reshaping the upper tier of the ecosystem.
- The US has by far the highest level of ecosystem employment, at almost 3,5 m people. The EU ecosystem employed approximately 1,6 m people in 2025, up from 0,8 m in 2015 and broadly matching the US growth rate.
- Growth has been uneven across the scale ladder: startup-only employment increased by 47% over the decade but has declined since 2022; centaur employment increased tenfold; and unicorn employment increased thirtyfold.

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Employment has shifted from startups to centaurs at a similar pace to revenue, driven by companies scaling rather than a contraction in startup activity

Figure 33
Composition of ecosystem employment, 2015 vs 2025 (% of total)



Source: ESNA Data Platform

The migration of employment up the scale ladder is evident across all regions, although its extent varies.

- In 2015, 96% of EU ecosystem employment was concentrated in startup-only firms. By 2025, this share had fallen to 74%, while the centaur share rose from 4% to 22% and the unicorn share from 0,2% to 4%.
- The US shows the most advanced shift among developed economies: centaurs and unicorns now account for 49% of its ecosystem workforce, compared with 26% in the EU. China is an outlier, with 73% of ecosystem employment in scaled firms.
- EU startup-only employment remained 46% above its 2015 level in 2025. However, centaur employment increased tenfold, from 36 k to 357 k, indicating graduation rather than a contraction in startup activity.

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As firms scale, employment becomes increasingly concentrated in the US and China

Figure 34
Geographic distribution of startups-only employment, 2015 vs 2025

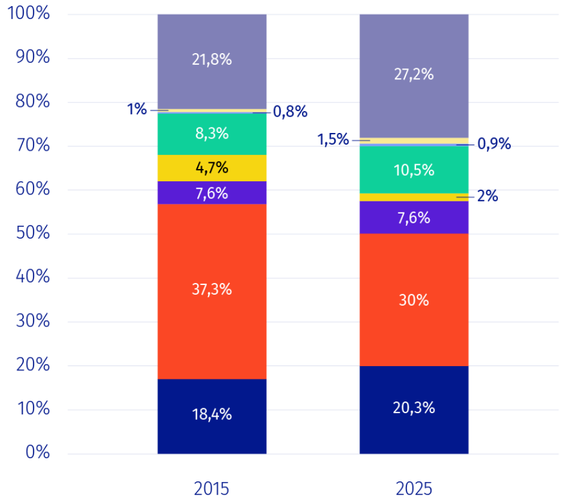


Figure 35
Geographic distribution of centaurs' employment, 2015 vs 2025

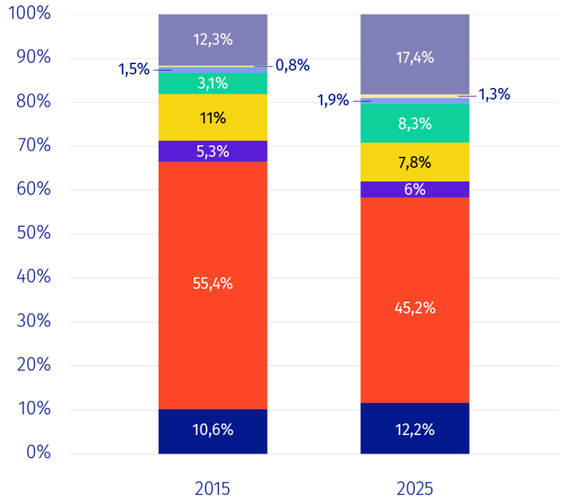
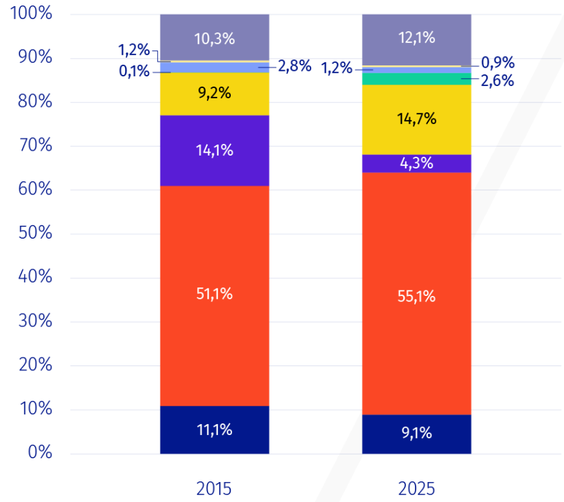


Figure 36
Geographic distribution of unicorns' employment, 2015 vs 2025



Source: ESNA Data Platform

EU US UK China India Israel Singapore Rest of the world

In 2025, the EU accounted for 20% of global startup-only employment, 12% of centaur employment and 9% of unicorn employment. Its share declines at each step up the scale ladder.

- Startup-only employment is the most geographically dispersed, with the US, the EU and the rest of the world accounting for the largest shares in 2025.
- At the centaur stage, employment remains relatively diversified, although the US accounts for approximately 45%. At the unicorn stage, US dominance strengthens and China's share increases, bringing their combined share to 70%.
- The combined US–China share rises from 32% of startup-only employment to 53% of centaur employment and 70% of unicorn employment. Geographic concentration therefore increases sharply with firm scale.

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EU companies employ fewer people than their global peers at the startup stage, but more at the unicorn stage

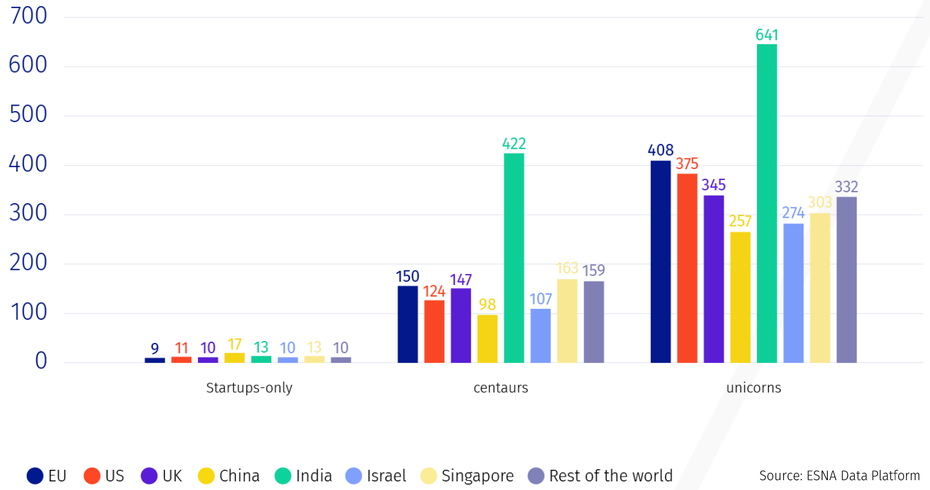
Figure 37
Employment-to-firm-share ratios, 2015 vs 2025

	Startups-only		Centaurs		Unicorns	
Regions	2015	2025	2015	2025	2015	2025
EU	0,85	0,83	1,20	1,08	1,36	1,18
US	0,94	1,07	0,99	0,90	1,01	1,08
UK	0,91	0,93	1,18	1,06	1,82	1,00
China	1,68	1,60	0,71	0,70	0,51	0,73
India	1,56	1,31	1,86	3,04	0,18	1,85
Israel	0,73	0,94	0,92	0,77	1,60	0,79
Singapore	1,11	1,22	1,19	1,18	1,43	0,88
Rest of the world	1,08	0,98	1,08	1,14	0,82	0,94

Source: ESNA Data Platform
Ratio = employment share ÷ firm share.
A region whose employment share exceeds its firm share (>1) hosts companies that employ more people, on average, than the global mean for that category; the reverse (ratio <1) implies smaller firms, i.e. regions' companies employ, on averagefewer people than the global mean for that category.

- EU startups employ fewer people per company than the global average: they represent 24,5% of firms but only 20,3% of employment. The pattern reverses at the unicorn stage, where the EU represents 7,8% of firms but 9,1% of employment. However, this relative employment advantage among scaled firms has narrowed since 2015.
- The table compares each region's share of global employment with its share of firms. Three patterns emerge in 2025. At the startup-only stage, EU firms are smaller than the global average, while India and China are at the opposite end of the range. At the centaur stage, the EU is slightly above average, while India stands out. At the unicorn stage, the EU ratio reaches 1,18, whereas China's ratio is 0,73, making Chinese unicorns the leanest by employment among the major economies.

Figure 38
Average employees per company by company type in 2025



Source: ESNA Data Platform

- The chart shows average employees per firm by category. In 2025, EU unicorns have the highest average employment among advanced economies, ahead of the US. A similar pattern is evident at the centaur stage, while India remains an outlier.
- Regional and company-stage-specific labour-market characteristics may explain these differences, including productivity, regulation, sector mix and management culture.

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Less than 1% of total EU employment is in the startup ecosystem, and only around one-quarter of these jobs are in scaled companies

Figure 39
Evolution of employment in the ecosystem as a % of total employment

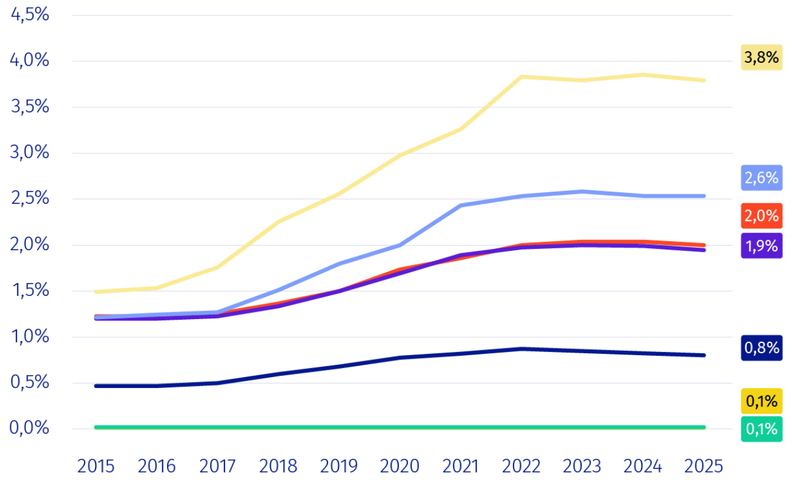
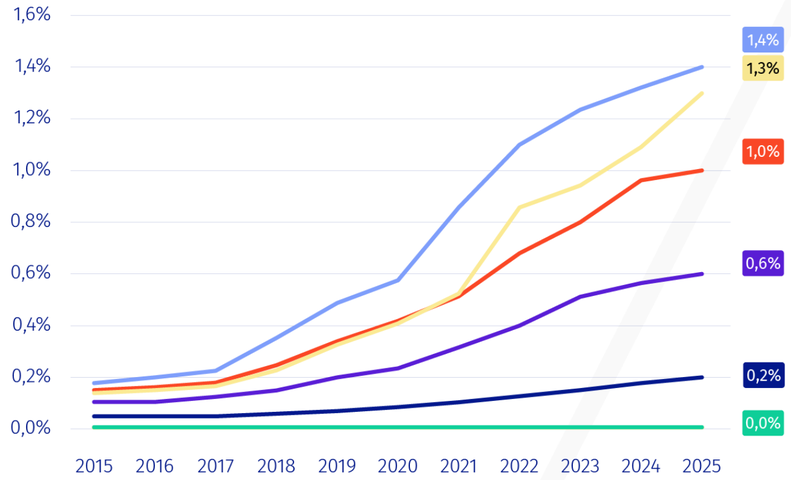


Figure 40
Evolution of employment in scaled companies as a % of total employment



Source: ESNA Data Platform.
Total employment data is from ILO (International Labour Organisation).

EU US UK China India Israel Singapore Rest of the world

Ecosystem employment provides one measure of the sector's economic impact. Its contribution to job creation remains relatively small but is increasing, particularly among scaled firms.

- Ecosystem employment ranges from a negligible share of total employment in China and India to almost 4% in Singapore.
- The effect of population size is evident in the higher shares recorded by smaller, ecosystem-specialised economies such as Israel and Singapore, and the lower shares in China and India despite their substantial absolute employment.
- Scaled companies account for a significant proportion of ecosystem employment in several regions—sometimes half or more, as in Israel and the US.
- Around 1% of total US employment is in centaurs and unicorns, compared with only 0,2% in the EU, illustrating the greater maturity and economic weight of the US ecosystem.

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Ecosystem employment is growing faster than total employment across almost all regions and years, with substantially stronger growth among scaled companies

Figure 41
Total employment in the region vs employment in the ecosystem, 2016-2025

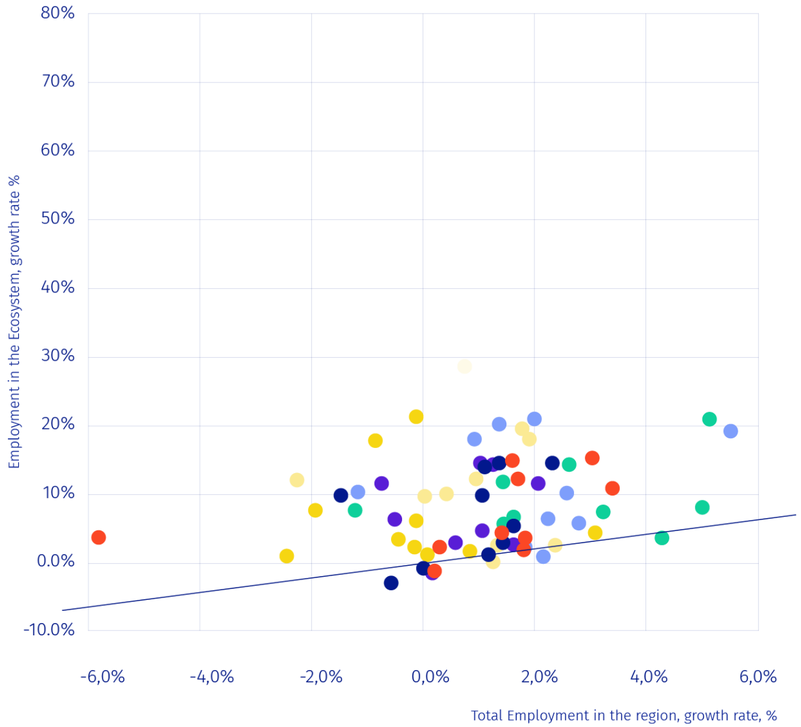
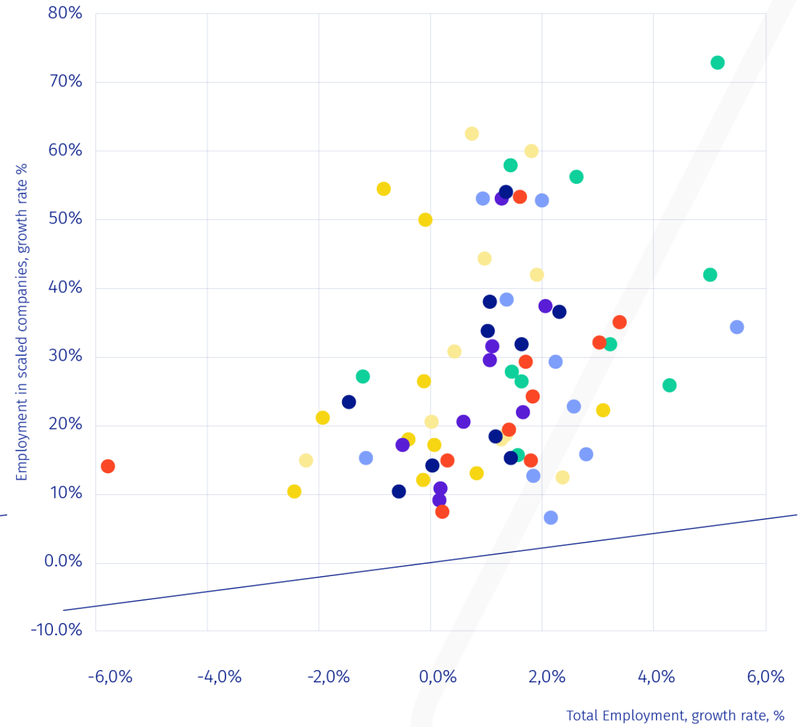


Figure 42
Total employment in the region vs employment in scaled companies,, 2016-2025



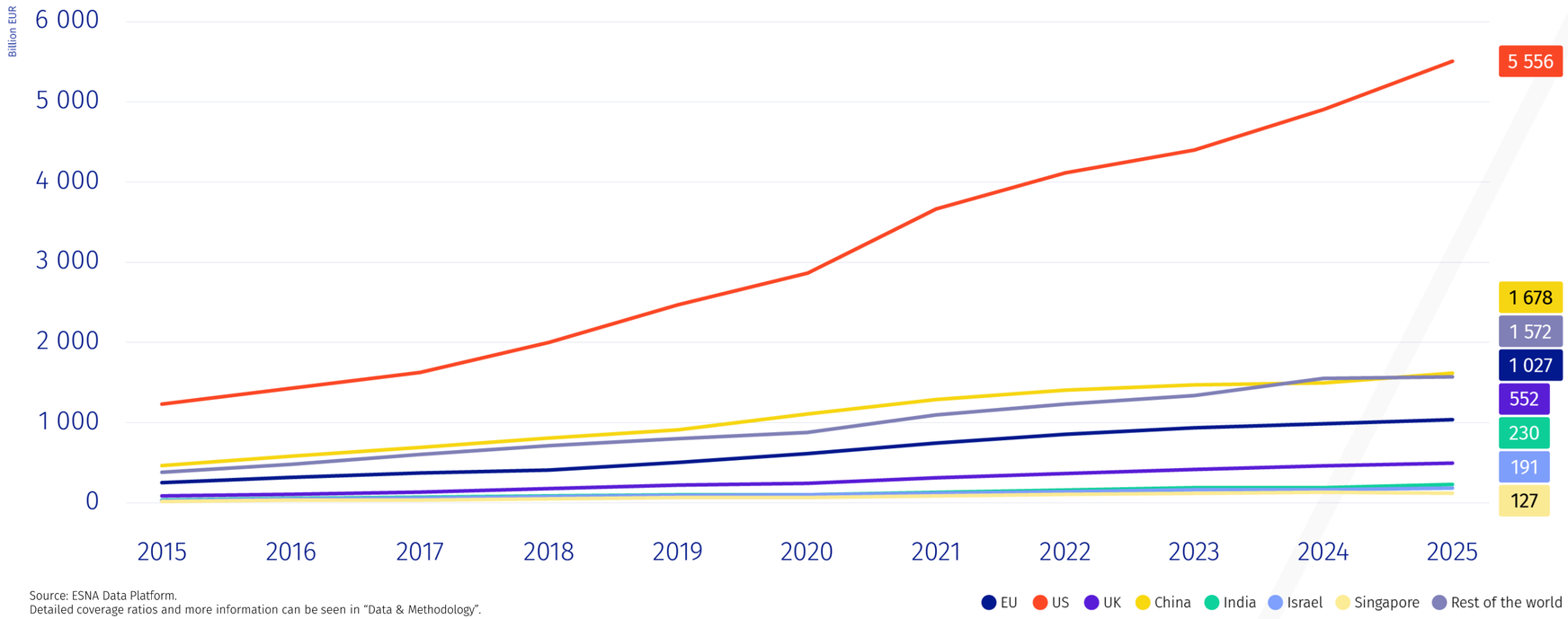
Source: ESNA Data Platform.
Total employment data is from ILO (International Labour Organisation).

EU US UK China India Israel Singapore Rest of the world

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EU ecosystem valuation reached EUR 1,0 tn in 2025, but the gap with the US remains wider than the revenue gap

Figure 43
Evolution of total ecosystem valuation across regions



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in "Data & Methodology".

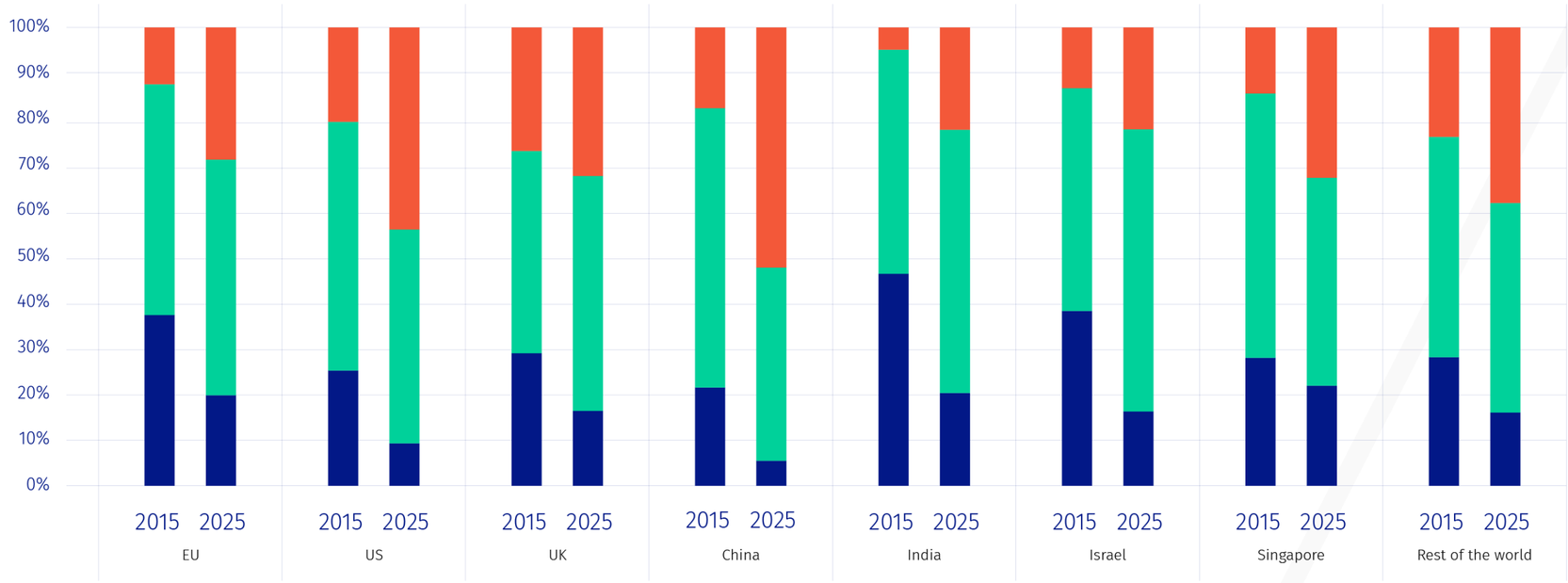
EU ecosystem valuation increased from EUR 244 bn in 2015 to EUR 1,0 tn in 2025, equivalent to average annual growth of 15,5% and broadly matching the US growth rate.

- Despite similar growth rates, EU ecosystem valuation represents only around 19% of the US level, indicating that the structural gap has remained broadly unchanged.
- The EU's relative position is approximately twice as strong in revenue, where it reaches 39% of the US level.
- The EU's ranking therefore varies by metric: it is the third-largest ecosystem by revenue, ahead of China, but only the fourth largest by valuation.

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Unicorns more than doubled their share of EU ecosystem valuation between 2015 and 2025

Figure 44
Composition of ecosystem valuation, 2015 vs 2025 (% of total)



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in "Data & Methodology".

- Unicorns' share of EU ecosystem valuation more than doubled, rising from 12% in 2015 to 29% in 2025, while the startup-only share declined from 37% to 20%.
- The same pattern is visible across all major ecosystems: startup-only firms account for a declining share of valuation, while unicorns become increasingly important.
- The shift is most pronounced in the US and China, where unicorns account for 44% and 51% of ecosystem valuation, respectively.
- The EU remains relatively centaur-led, with centaurs accounting for just over half of its total ecosystem valuation.
- This evolution mirrors the broader maturation seen in revenue and employment, with value creation increasingly concentrated among firms that successfully scale.

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Europe’s valuation gap primarily reflects fewer companies reaching scale rather than materially weaker valuations among scaled firms

Figure 45
Evolution of startups-only average valuation

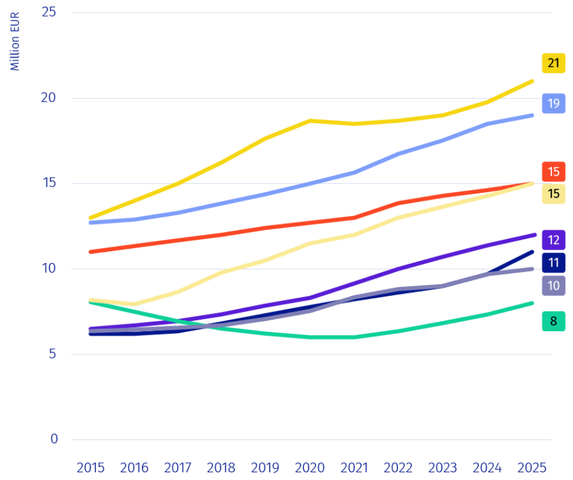


Figure 46
Evolution of centaurs' average valuation

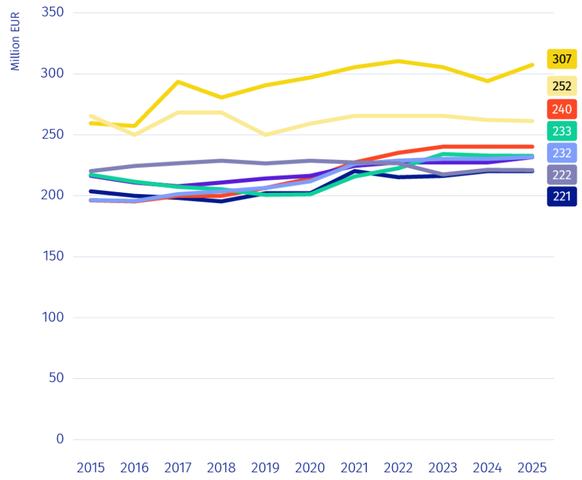
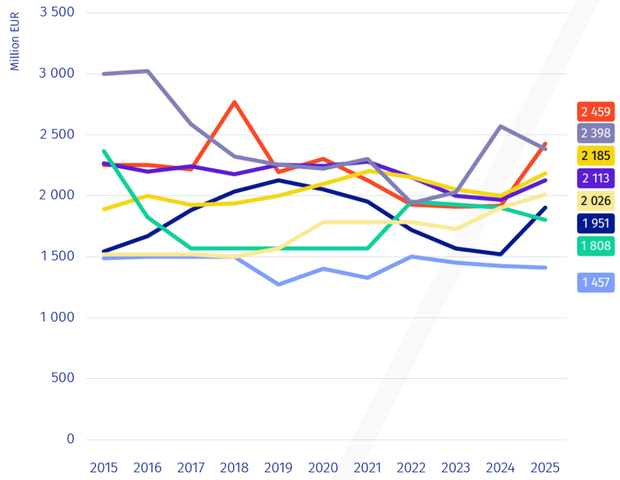


Figure 47
Evolution of unicorns' average valuation



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in “Data & Methodology”.

EU US UK China India Israel Singapore Rest of the world

- EU companies have lower average valuations than their peers across all company stages, although the gap is narrower at the centaur stage.
- At the startup-only stage, average valuations vary widely across regions. The EU remains below the US, Israel and Singapore, while China records the highest average valuation.
- At the centaur stage, most regions, with the exception of China, cluster around EUR 220–250 m, making this the stage with the smallest cross-regional differences.
- At the unicorn stage, valuation differences widen again. The US leads, while the EU sits in the middle of the advanced-economy group: ahead of Israel and India, but behind the US, China and the UK.

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VENTURE CAPITAL INVESTMENTS

In this final section, we examine venture capital activity from several perspectives, including investment volumes, investment as a share of GDP, the number of funding rounds and average deal size, using the same benchmark regions and time horizon.

1. At what stage of the scaling journey does Europe’s capital-depth gap emerge?

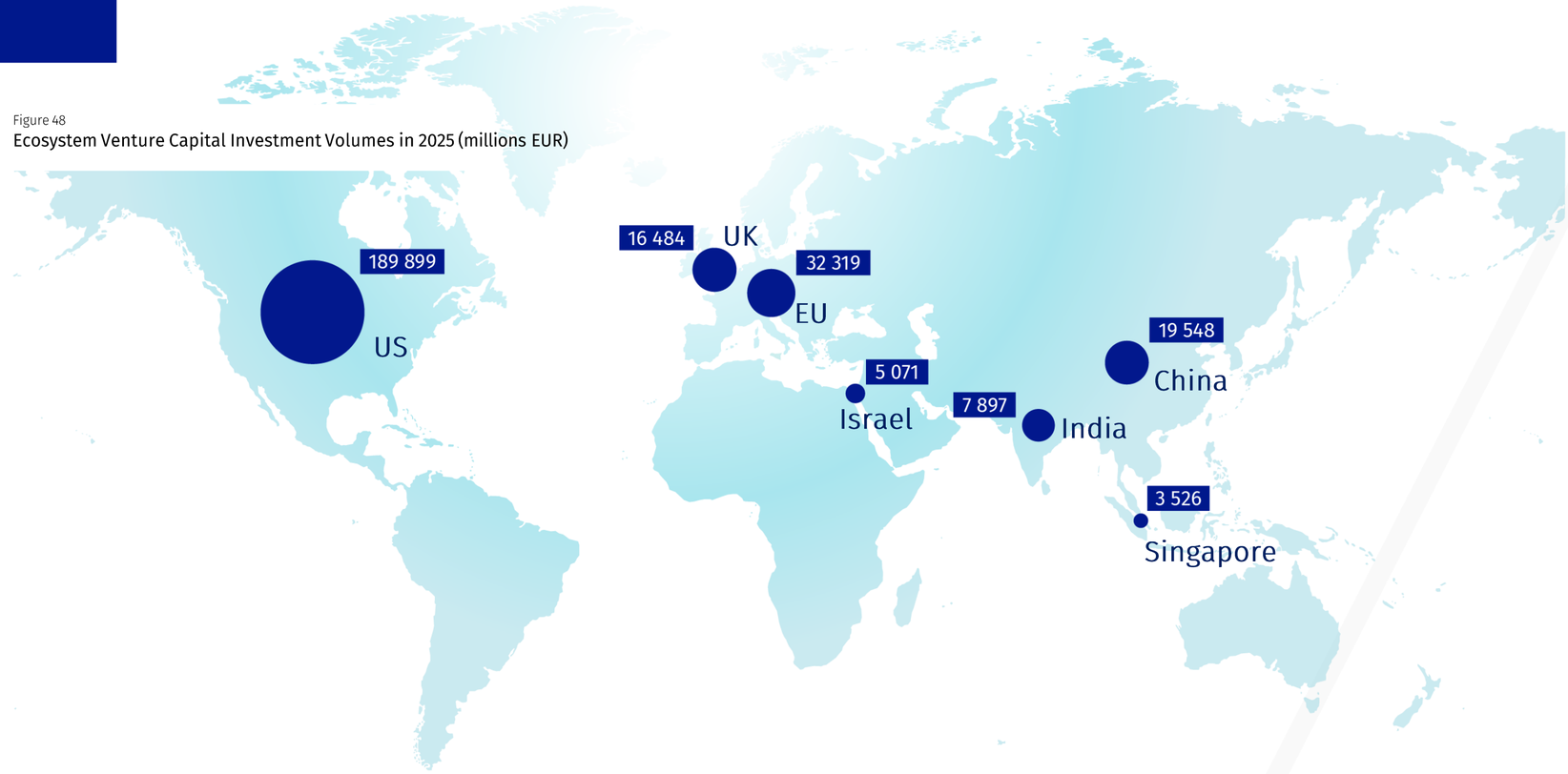
2. Is Europe’s scaling gap driven by the number of deals, deal size, funding stage, syndication or investor depth?



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The EU was the second-largest VC market in 2025, but remained around one-sixth the size of the US market

Figure 48
Ecosystem Venture Capital Investment Volumes in 2025 (millions EUR)



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in "Data & Methodology".

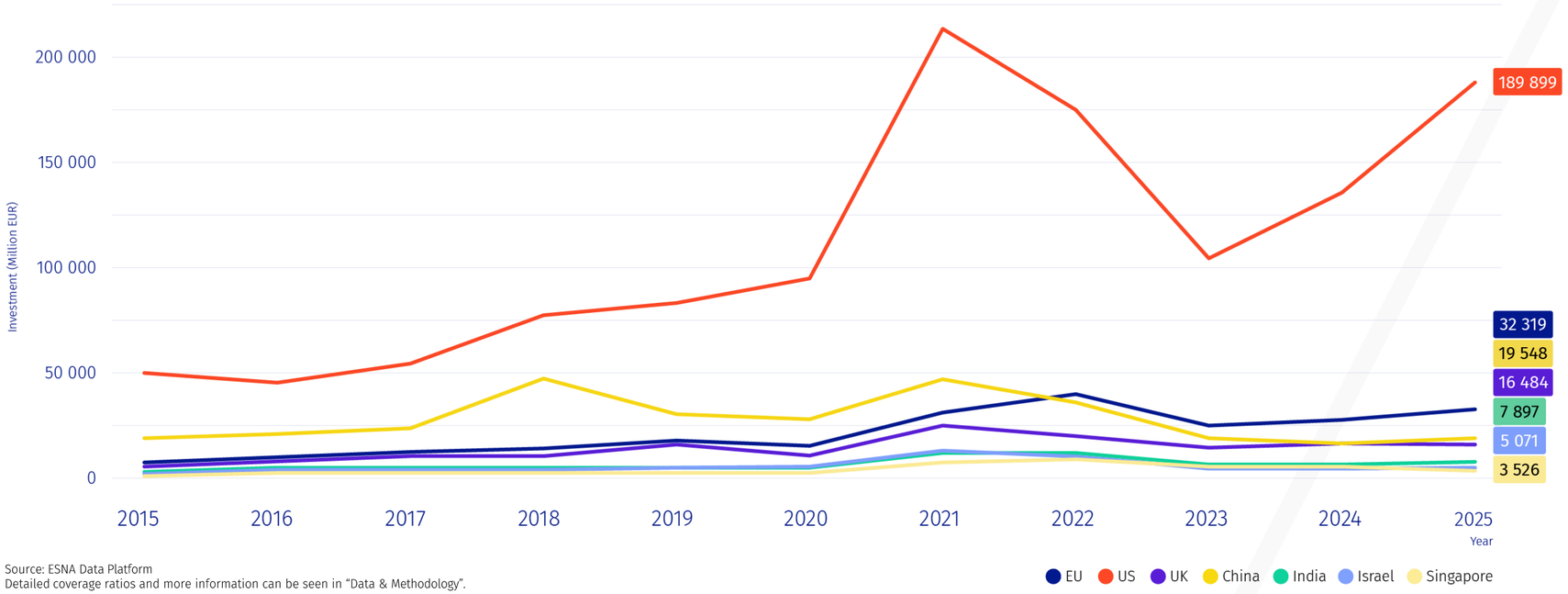
The gap between the EU and the US narrowed between 2015 and 2025 as the EU developed a substantial venture capital market. However, there remains significant scope to deepen capital availability, particularly at later stages.

- Between 2015 and 2025, the US maintained its dominant position in venture capital investment, with volumes increasing from EUR 49,8 bn to EUR 189,9 bn.
- Although the gap between the US and most other regions, excluding China, narrowed in relative terms, the EU remained around one-sixth the size of the US market.

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Venture capital markets gained momentum across all regions over the past decade

Figure 49
Evolution of Ecosystem Venture Capital Investment Volumes



Source: ESNA Data Platform
Detailed coverage ratios and more information can be seen in "Data & Methodology".

The EU is operating in a changing global investment environment in which new technology waves may create fresh opportunities to scale.

- VC investment in the ecosystem expanded steadily across regions between 2015 and 2020, before surging to higher levels in 2021-2022 during the post-pandemic investment boom.
- Following the 2021–2022 peak, investment volumes declined as financing conditions tightened; the EU overtook China to become the world's second-largest VC market in ecosystem companies.
- Investment activity started to recover in 2024, although it remains below the previous peak in most regions.

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The EU–US VC gap is primarily driven by mega-rounds and limited late-stage capital depth

Figure 50
Evolution of the share of investment volumes by deal size in the EU (ecosystem)

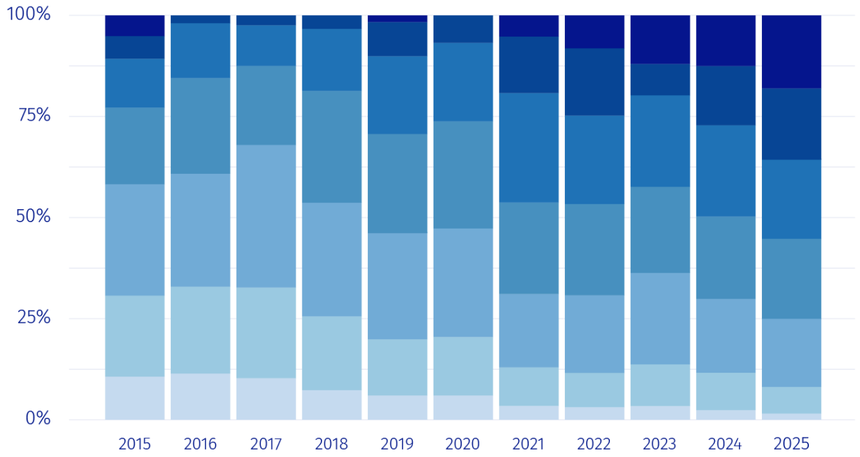
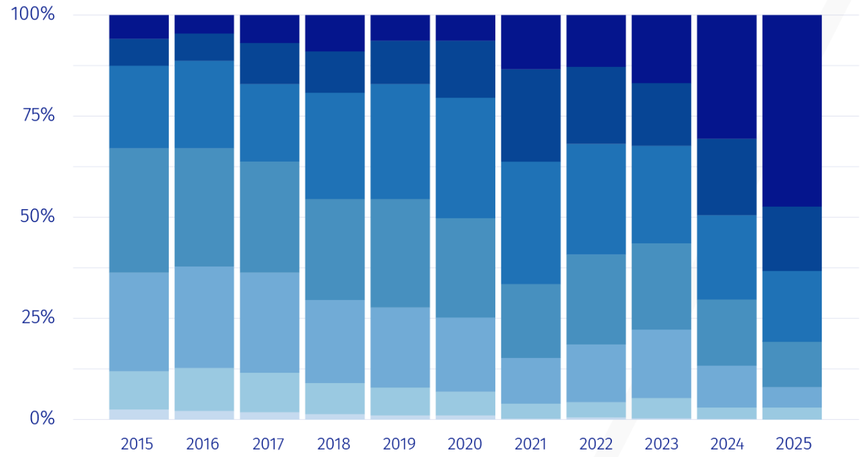


Figure 51
Evolution of the share of investment volumes by deal size in the US (ecosystem)





Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in “Data & Methodology”.

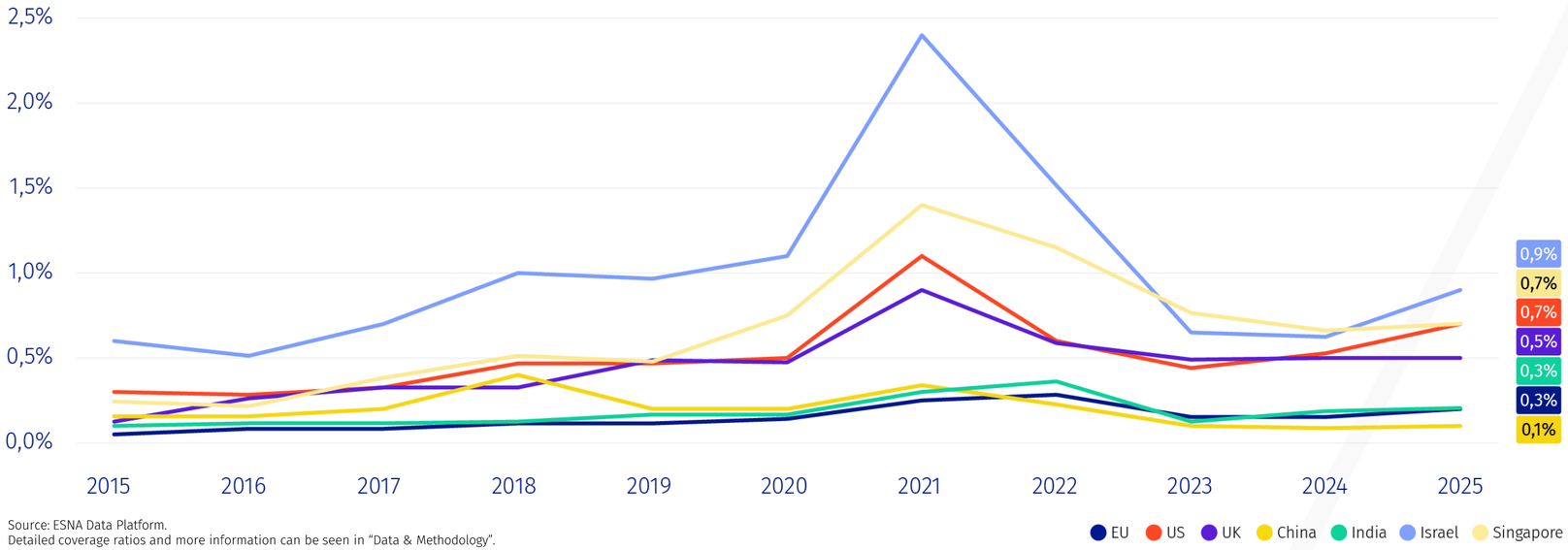
Mega-rounds above EUR 250 m account for about half of US investment but only a small share of EU investment, which remains concentrated in smaller deals.

- In the US, deals above EUR 250 m accounted for roughly half of total volume in 2025; in the EU, the same band is considerably smaller. The US’ overall VC market is about six times larger than the EU market, with much of that gap concentrated in the largest rounds.
- The EU profile is tilted the other way: a much larger share of volume is concentrated in deals below EUR 4 m, while activity remains comparatively limited in the large-ticket bands that dominate US investment.
- This clearly illustrates the late-stage funding gap: the difference between the two regions is concentrated in the largest rounds, which are far more common in the US and comparatively rare in the EU.
- Strengthening late-stage capital, cross-border syndication, growth funds and institutional investment could help Europe retain and scale more category-leading companies.

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Despite being the second-largest VC market by volume in 2025, the EU records a modest level of investment relative to GDP

Figure 52
Evolution of Venture Capital Investments in the ecosystem, % of GDP



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in "Data & Methodology".

- After adjusting for economy size, Israel and Singapore lead in ecosystem VC investments as a percentage of GDP, a scenario consistent with their strong performance in the number of companies per capita.
- The EU remains at an earlier stage of VC market deepening, comparatively underdeveloped, with VC investment representing around 0,3% of GDP. A prosperous investment environment, combined with policies focused on crowding in additional investments could further increase the dynamism of the EU VC market.
- Over the past decade, venture capital markets gained relevance in some economies. In 2015, Israel exhibited the most developed venture capital market among the regions shown, followed by the US, and both retained the lead as a percentage of GDP in 2025. Singapore's VC investment grew significantly between 2016 and 2024, making it one of the leading markets relative to the size of the economy.

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The EU has a higher savings rate than the US and the UK, but this is not reflected in comparable levels of VC investment, particularly in scaled companies

Figure 53
Evolution of Gross National Savings vs VC Investments in startup-only, % of GDP

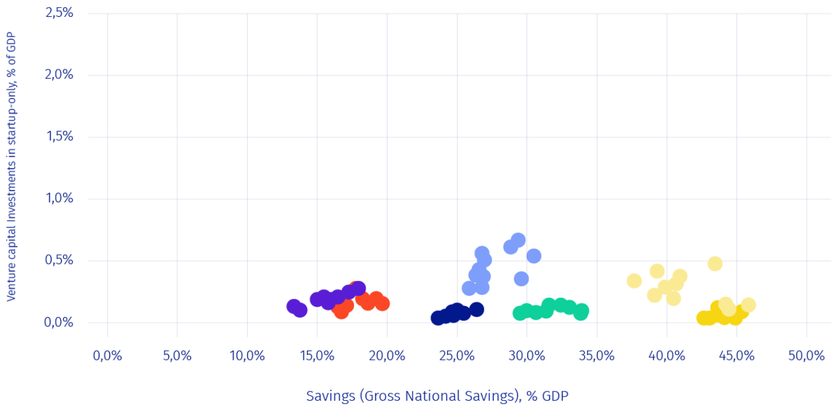
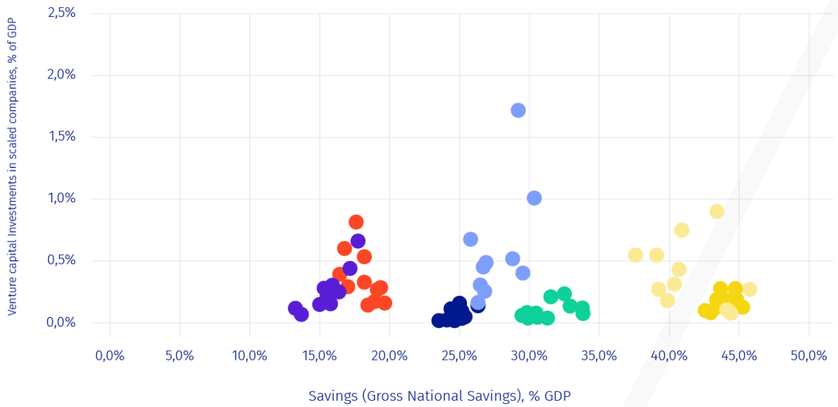


Figure 54
Evolution of Gross National Savings vs VC Investments in scaled companies, % of GDP



Source: ESNA Data Platform. Savings in % of GDP are from IMF.
Detailed coverage ratios and more information can be seen in "Data & Methodology".

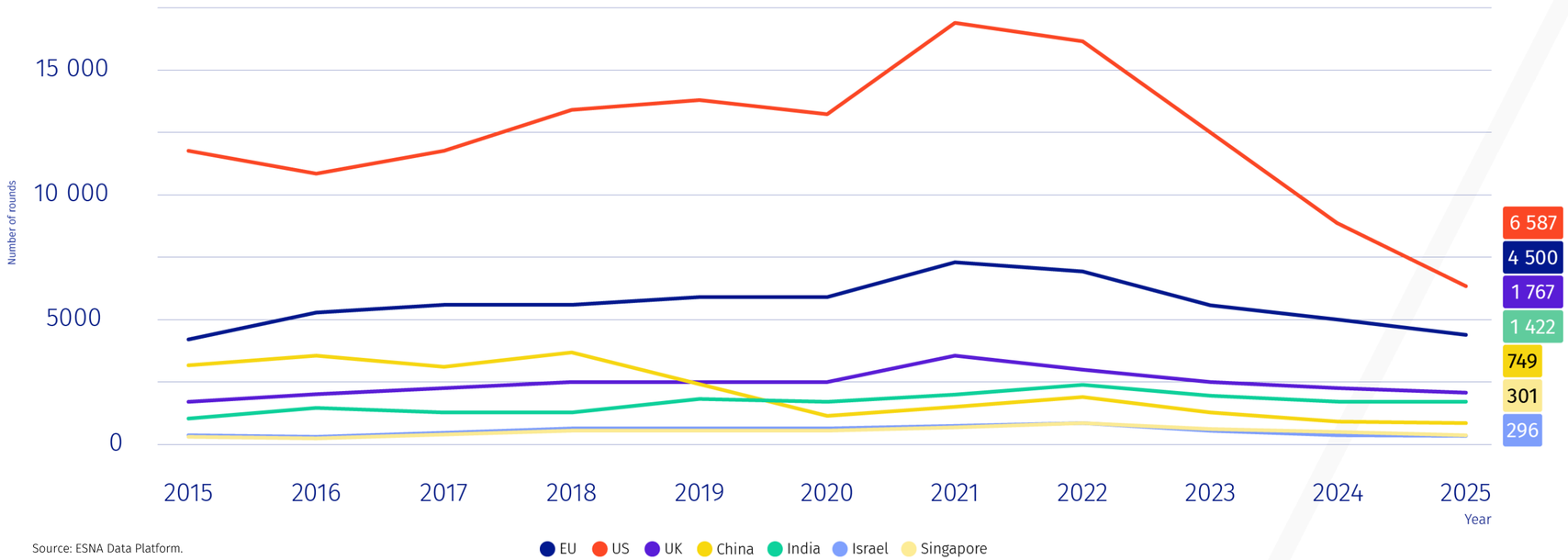
EU US UK China India Israel Singapore

- Gross national savings and venture capital investments as a percentage of GDP might be expected to be positively correlated, as higher overall savings provide more capital available to fund venture initiatives. However, this relationship is not automatic, as savings may be channelled into other forms of investment, while global capital mobility allows venture funds to access international pools of capital.
- In the EU, gross national savings as a percentage of GDP are relatively strong (well above the levels recorded for the US and the UK), yet VC investments, especially for scaled companies, are higher both in the US and the UK.

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The EU–US gap in deal numbers indicates that average deal sizes are significantly higher in the US

Figure 55
Evolution of the number of rounds across regions in the ecosystem



Source: ESNA Data Platform.

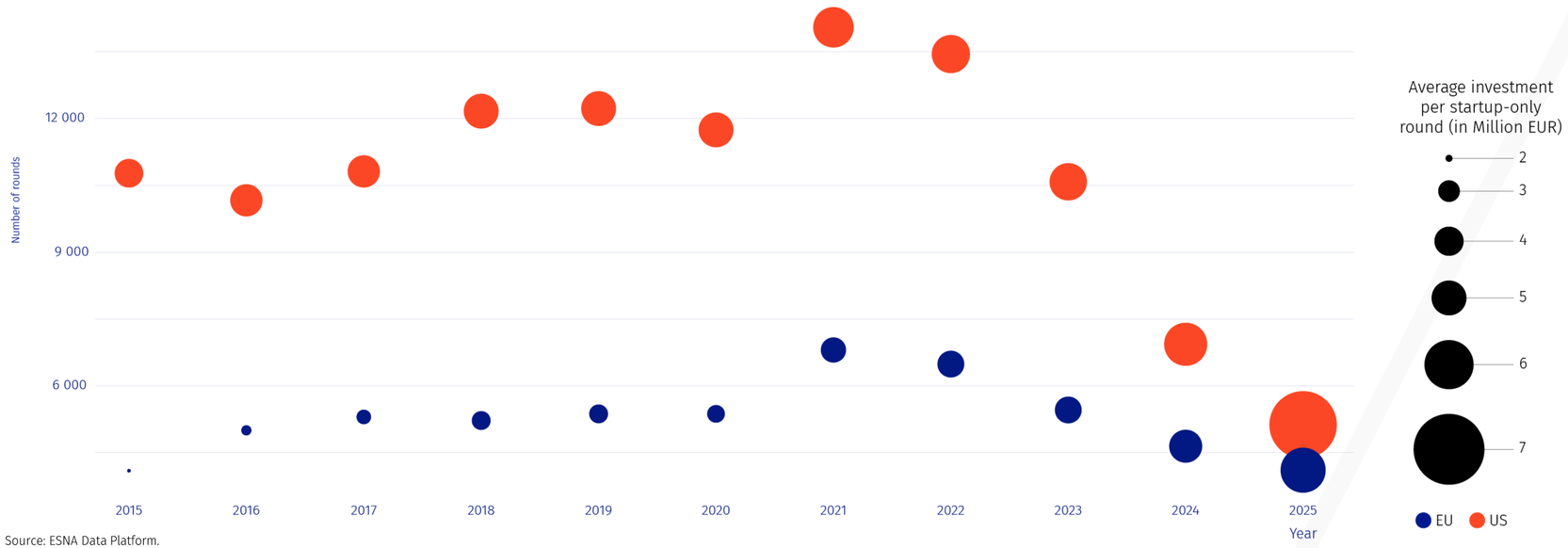
Europe's capital-depth gap is reflected in its average ticket size

- Although the US VC market was six times the size of the EU market in 2025, it recorded only 1,5 times as many deals. In 2015, US investment was eight times the EU level, while the number of deals was 2,8 times higher. This indicates that average deal sizes are significantly larger in the US.
- Between 2016 and 2021, the total number of deals increased in all regions except China as venture capital markets expanded. Deal numbers peaked in 2021 following a year of accelerated growth. As investment volumes grew faster than the number of deals, average deal sizes increased across all regions.
- From 2021 to 2025, deal numbers declined across most regions, although the pace of contraction varied.

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Europe is narrowing the startup-only round-number gap, but the ticket-size gap remains

Figure 56
Evolution of the average round investment in startups-only, EU vs US



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in "Data & Methodology".

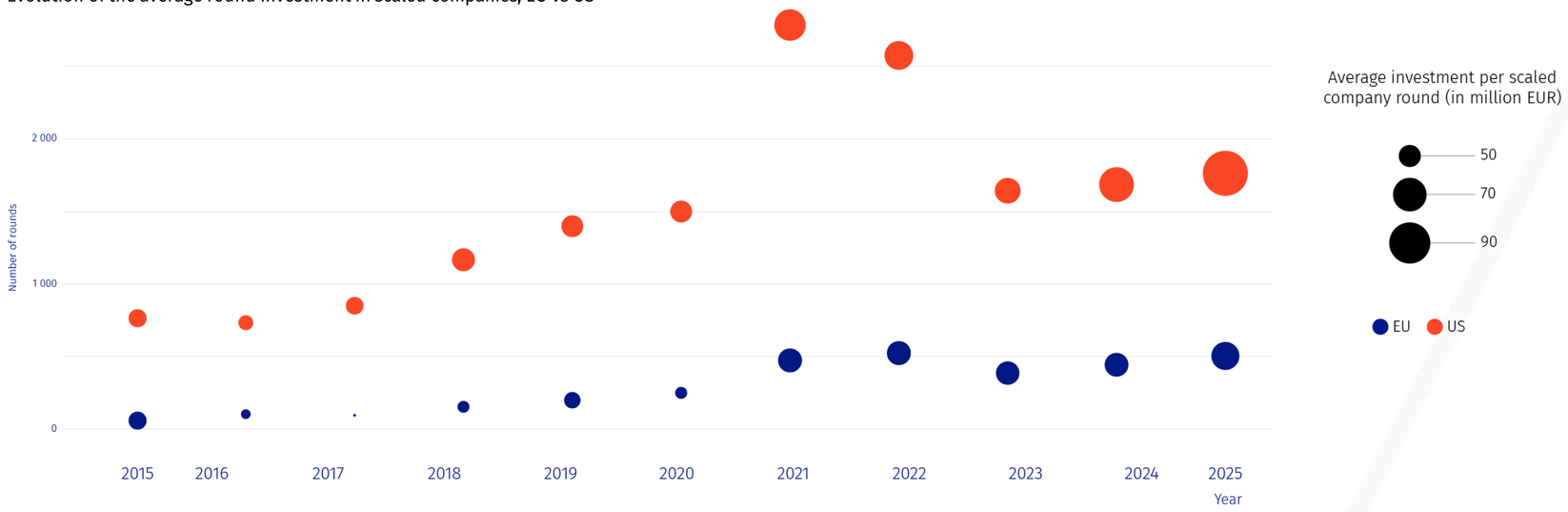
EU startup rounds remain both fewer and smaller than those in the US. However, the two gaps are evolving differently: the gap in round numbers is narrowing rapidly, while the difference in average round size remains broadly unchanged.

- The EU recorded fewer startup-only rounds than the US in every year from 2015 to 2025. At the same time, average US rounds remained several million euros larger than EU rounds, indicating a persistent gap in both dimensions.
- However, the two gaps evolved differently. The gap in the number of rounds narrowed markedly, particularly as the post-2021 decline was much steeper in the US. By contrast, the average US round remained approximately 1,5 to 2,1 times the EU level throughout the decade.
- The combination of fewer deals and larger average deal sizes suggests that investors in startup-only companies have become more selective. However, once they decide to invest, they commit larger amounts or form syndicates for bigger deals.

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Once European companies reach the scaling stage, funding conditions become more competitive

Figure 57
Evolution of the average round investment in scaled companies, EU vs US



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in “Data & Methodology”.

Consistent with the findings in the demography section, the EU’s main constraint appears to be enabling firms to reach scale rather than financing them once they have reached that stage.

- Although the US recorded far more funding rounds for scaled companies than the EU over the past decade, the gap in average round size was narrower than at the startup-only stage. EU average round sizes were typically 10–20% below those in the US.
- Relative to the number of companies, the EU has performed strongly in recent years. In 2025, the EU accounted for 18% of the combined EU and US centaur population but 24% of the corresponding centaur funding rounds, approximately 0,2 rounds per centaur, compared with 0,14 in the US.
- The EU appears capable of financing strong companies once they emerge; the policy challenge is to expand the pipeline of firms reaching scale.

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The EU's smaller share of scaled-company rounds primarily reflects its smaller population of centaurs and unicorns

Figure 58
Evolution of the number of rounds by company type in the EU

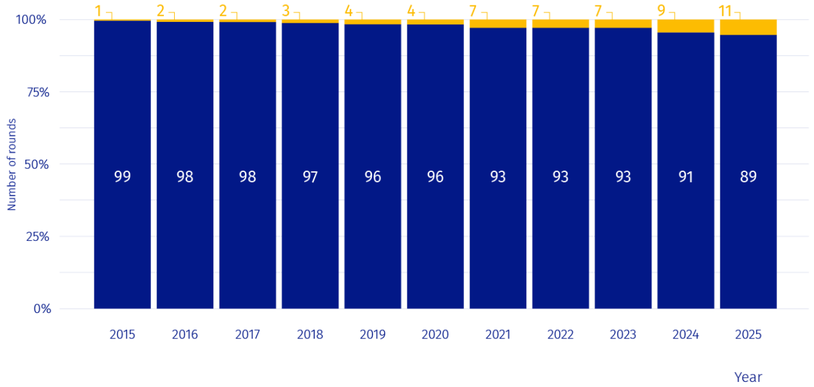
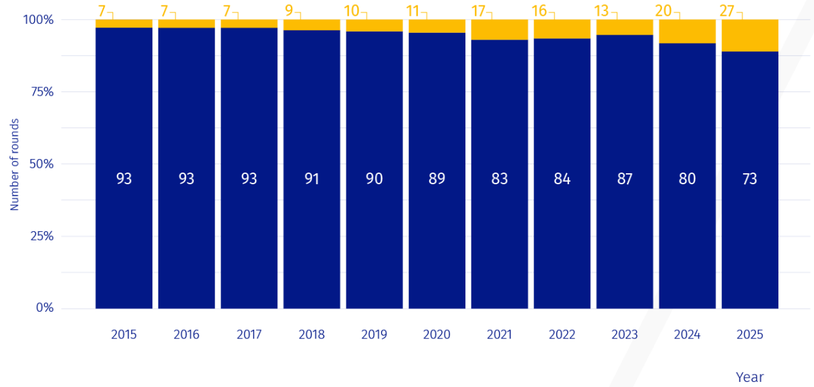


Figure 59
Evolution of the number of rounds by company type in the US



Source: ESNA Data Platform

Startup-only Scaled companies

- In both the EU and the US, most funding rounds involve startup-only companies, but scaled companies account for markedly different shares. In 2025, centaur and unicorn rounds represented 27% of all US rounds, compared with 11% in the EU.
- This contrast should be considered relative to the company population. In the EU, centaurs and unicorns represent only a small proportion of ecosystem firms, yet they attract a disproportionately large share of funding rounds.
- The same over-representation is evident in the US, but from a larger scaled-company base. In 2025, centaurs represented 6,3% of US ecosystem firms and 23% of funding rounds, while unicorns represented 0,6% of firms and 4% of funding rounds.
- These data indicate that the EU channels capital towards scaled firms in proportion to their numbers—potentially to an even greater extent than the US. The EU's smaller share of scaled-company rounds may therefore reflect its smaller population of centaurs and unicorns rather than a systematically weaker tendency to finance them.
- The challenge is to expand the scaled-company base rather than focusing solely on financing existing scaled firms. However, this conclusion should also be considered alongside differences in average round size.

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The EU–US investor-count gap has narrowed, but EU investors participate in fewer deals on average

Figure 60
Evolution of the number of unique participating investors, ecosystem

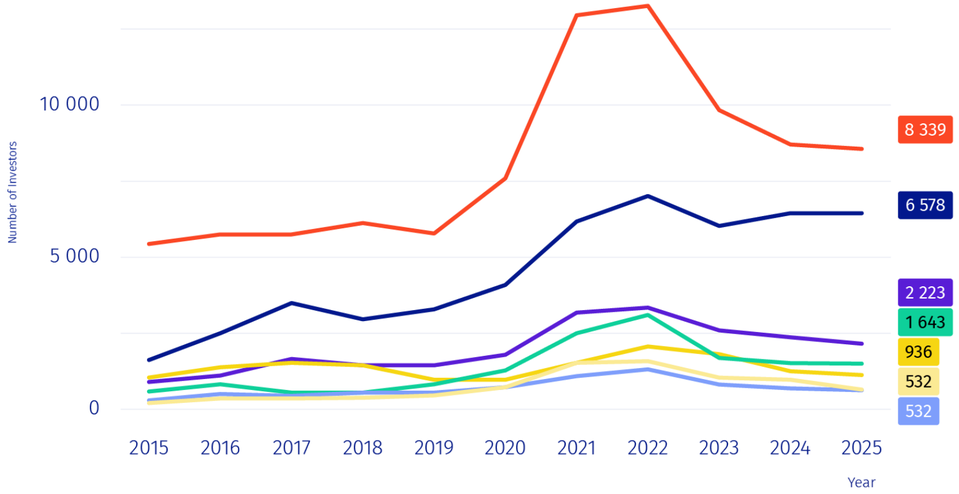
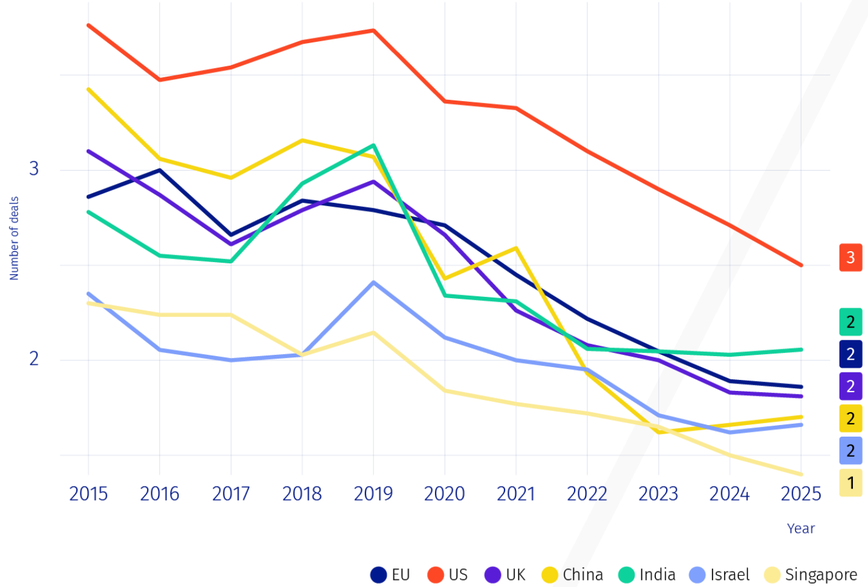


Figure 61
Evolution of the average number of deals by investor, ecosystem



Source: ESNA Data Platform.
The number of investors may be overestimated because the same investor may not always be consistently identified across different funding rounds. Further information is available in "Data & Methodology"

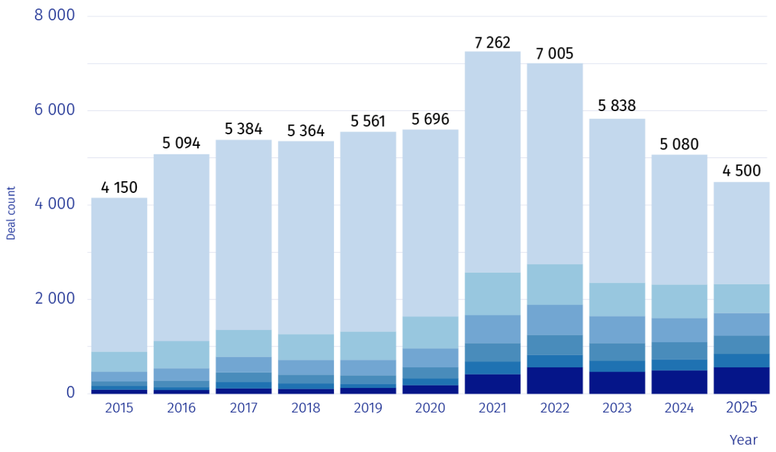
The EU's investor base remains smaller than that of the US, and EU investors participate in fewer deals on average. However, the two investor bases are converging in size: the US-to-EU investor-count ratio fell from 2,6 in 2015 to 1,3 in 2025.

- The number of investors increased in every region between 2015 and 2025, peaking in 2021–2022 before declining. Although the US investor base remains larger, the gap narrowed sharply as the number of US investors fell substantially after 2021.
- At the same time, the average number of deals per investor declined, while the number of investors participating in a typical round increased. This pattern is consistent with a shift towards larger and more heavily syndicated deals, an area in which the EU continues to face challenges.

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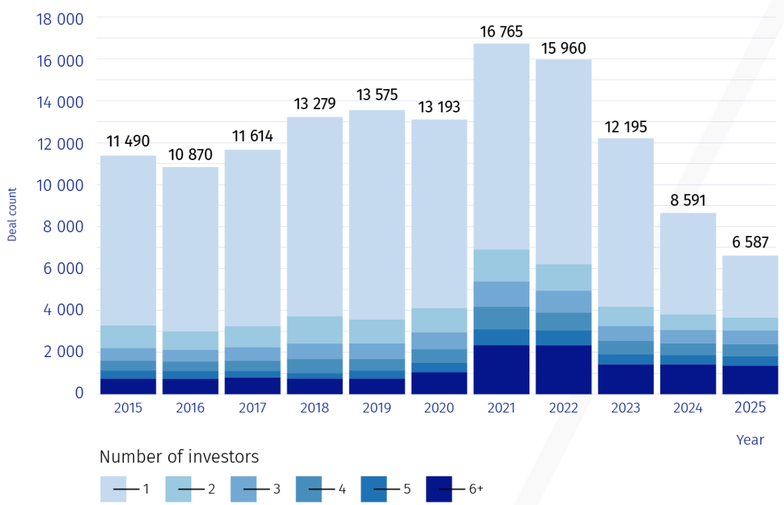
Stronger syndication can unlock larger European funding rounds

Figure 62
Evolution of the number of deals in the EU by number of investors, ecosystem



Source: ESNA Data Platform.

Figure 63
Evolution of the number of deals in the US by number of investors, ecosystem



Deeper syndication is one factor behind the US advantage in large deals. More investors per round can support larger late-stage investments, particularly when investor networks can coordinate deeper syndicates across markets.

- The distribution of rounds by number of investors shifted between 2015 and 2025 in both regions. Although single-investor rounds remain the most common, their dominance has declined as syndicated investment has become more prevalent.
- Syndication levels are higher in the US than in the EU, with a larger share of US rounds involving multiple investors. This may help explain the larger US deal sizes discussed previously and suggests that investor networks and co-investment relationships are stronger in the US.

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At every level of syndication, US funding rounds are larger than comparable EU rounds

Figure 64
Evolution of average round investment in the EU by number of investors, ecosystem

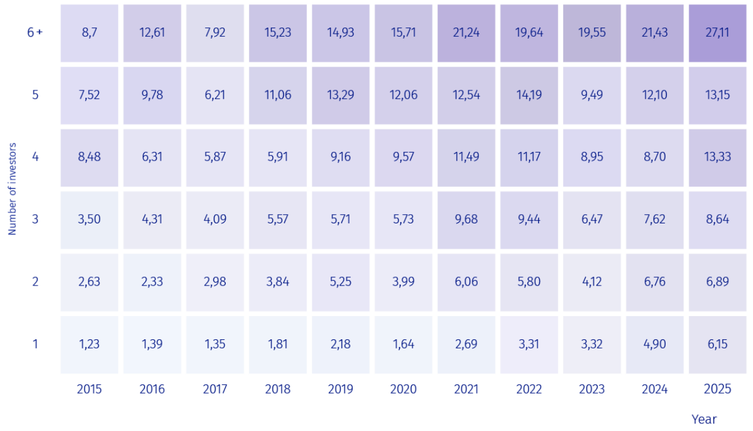


Figure 65
Evolution of average round investment in the US by number of investors, ecosystem



Source: ESNA Data Platform.
Detailed coverage ratios and more information can be seen in "Data & Methodology".

US investors deploy more capital per round than EU investors at every level of syndication. The late-stage funding gap therefore reflects both smaller round sizes and a more limited ability to assemble large, cross-border syndicates in Europe.

- Two findings stand out. First, rounds involving more investors are larger in both regions, indicating a positive relationship between syndication and ticket size.
- Second, average round sizes are higher in the US at every level of syndication. The difference is greatest among the most heavily syndicated rounds and has widened in recent years.

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DATA & METHODOLOGY



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INTRODUCTION

This report is divided into two main parts. The first provides a broad overview of startup ecosystem companies, covering Demography and Performance & Economic Value. The second examines investment, with a particular focus on venture capital.

Drawing primarily on the new ESNA Data Platform, the report provides data-driven insights into the startup ecosystem. It is mainly descriptive, while seeking to remain relevant to policymakers by examining the ecosystem's current position, evolution, strengths, weaknesses and challenges. Recognising that data limitations can hinder both ecosystem development and effective policymaking, the report also seeks to help address this challenge.

DATA

- Data for the first part of the report were calculated using the company as the statistical unit, whereas the investment section uses the transaction as the statistical unit.
- Almost all data used in the report are sourced from the ESNA Data Platform (DP). Full details of the platform's methodology are available in its accompanying manual. For some indicators, data limitations may be particularly significant; the corresponding results should therefore be regarded as exploratory.
- Other data sources used, mainly for macroeconomic data, are the World Bank, the IMF and the International Labour Organisation. These sources are acknowledged where relevant.
- Data from the ESNA Data Platform used in this report were extracted during the first half of May 2026. As the platform is updated continuously, the values of some indicators may subsequently differ from those presented in the report.
- All monetary values are presented in current euros, in accordance with the DP methodology. For firm-level metrics, monthly average exchange rates are applied at the time of observation; for macroeconomic indicators, annual average rates are used. A similar currency-conversion method is applied to macroeconomic variables not sourced from the DP.
- Cross-year comparisons in current euros incorporate a limited exchange-rate effect for non-euro-denominated sources. This is particularly relevant to US-dollar-denominated valuation and funding rounds during periods of significant EUR/USD movement. More generally, some differences across periods and regions may reflect exchange-rate fluctuations and should therefore be treated as a minor caveat.

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METHODOLOGY

- The methodology used in this report is designed to ensure consistency, robust data processing across regions and internal validity. The limitations of the data and methodology should be considered when interpreting the indicators and charts presented.
- **Definitions:** The definitions of startups, centaurs and unicorns used in this report are based on the ESNA Data Platform Methodology and Taxonomy.
- **Time period:** The report covers the ten-year period from 2015 to 2025, allowing us to identify recent trends that may help explain the ecosystem's current position.
- **Regions and benchmarking:** The report focuses on the current position, evolution, strengths and challenges of the EU-27 startup ecosystem. The benchmarking analysis includes China, India, Israel, Singapore, the UK and, in particular, the US, enabling us both to benchmark the EU and to identify global trends. Some indicators also include a "Rest of the world" aggregate covering all other countries recorded in the platform. This aggregate includes companies with no recorded geography—up to 5% in some cases—some of which may belong to one of the seven regions considered.
- **Coverage and potential bias:** In addition to company counts, we analyse revenue, employment and valuation. Values are often missing at company level: coverage is generally limited for revenue and valuation but relatively strong for employment. Coverage is lower for startup-only companies and considerably higher for centaurs and unicorns. Smaller and shorter-lived companies, particularly those with less visible capital-raising activity, are more likely to be under-represented. Geographical recording differences, missing values, imputation methods and self-reported information may also introduce errors and bias ecosystem estimates.
- **Negative observations:** A small number of observations with negative revenue or valuation values were excluded for the specific years in which the values were negative. These represent a very small proportion of the total.
- **Right truncation:** Data for recent years, particularly 2024 and 2025, reflect the information available at the May 2026 cut-off date. Some firms founded during these years and some valuation rounds may not yet have been recorded.
- **Coverage tables:** Coverage tables are provided for revenue, employment and valuation. Where coverage is substantially incomplete, results should be regarded as indicative or exploratory and, in some cases, as lower-bound estimates. Differences in coverage across periods and regions may limit comparability. Where missing data may materially affect the analysis, the relevant graphs or tables include a brief explanation in the source note.

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Investment-specific issues

- In this section, the statistical unit used for the indicators is the transaction recorded in the ESNA Data Platform.
- The definition of venture capital investment used in this report includes equity instruments only; all non-equity financing instruments are therefore excluded. The dataset includes equity financing regardless of investor type. Rounds completed after an initial public offering, including exit and post-exit rounds, are excluded, as are transactions with negative investment amounts. Only rounds involving companies headquartered in one of the regions considered are included.
- The focus on venture capital investment reflects the objective of assessing the EU's performance in this specific segment of startup financing. EU companies typically have greater access to debt financing, while deeper capital markets are commonly identified as a means of reducing companies' dependence on debt.
- Investment amounts are missing for approximately 25% of reported ecosystem financing rounds, on average, and coverage varies across regions, years and company types. All reported deals are included in the deal count, while total investment and average deal size are calculated using only deals for which investment amounts are available.
- The number of investors may be overestimated because the same investor may not always be identified consistently across different funding rounds. However, the number of investors is recorded for every round.

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Data coverage for revenue and employment

Employment coverage: near-complete

Headcount is reported or reliably imputed for almost every firm: coverage averages 97–100% across all regions and company types over 2015-2025. Employment results in this section are therefore not materially affected by missing values, and no detailed table is needed.

Revenue coverage: partial

Reported revenue is far sparser and has thinned over the decade as the firm population grew. Coverage is low at ecosystem level but high for scaled firms, which is why revenue conclusions are most reliable for centaurs and unicorns. The tables below give revenue coverage rates (% of firms with a revenue value). Ecosystem revenue is likely to be underestimated because revenue data are missing for a substantial number of companies. Nevertheless, the figures may still provide an approximate indication of the ecosystem's scale, as missing observations are likely to relate mainly to smaller companies with lower revenues.

Revenue coverage - full ecosystem, % of firms

Ecosystem	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EU	61	60	59	58	56	53	52	50	47	43	40
US	62	62	61	60	59	57	56	54	50	47	45
UK	59	58	57	55	53	52	51	49	45	42	39
China	30	31	30	30	30	30	29	29	29	29	30
India	46	45	43	42	40	39	38	37	33	29	26
Israel	56	56	56	55	55	53	52	50	47	44	42
Singapore	53	53	53	52	52	51	51	49	45	42	40
Rest of the world	46	45	44	43	42	41	40	38	34	30	28

Revenue coverage by company type, 2015-2025 average, %

Region	Ecosystem	Startup-only	Centaur	Unicorn
EU	53	52	84	87
US	56	55	71	77
UK	51	50	84	89
China	30	24	62	63
India	38	38	74	68
Israel	51	50	67	76
Singapore	49	49	68	65
Rest of the world	39	39	76	76

Coverage = share of firm-year observations with a (reported or imputed) value, computed against the full firm count in each cell.

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Data coverage for valuation

Startup-only: very thin
For startup-only companies, a valuation is observed for only a small minority of firms, approximately 25% across regions, on average. Ecosystem-wide valuation totals and startup-stage valuation figures are therefore based on a limited and potentially selective sample and should be regarded as indicative.

Scaled companies: complete by construction
Centaur and unicorn status is defined by a valuation threshold; consequently, valuation coverage for these categories is 100% in every region and year. Conclusions concerning centaur and unicorn valuations, valuation multiples and average value per company can therefore be considered robust

Valuation coverage - full ecosystem only, % of firms

Ecosystem	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EU	14	14	14	15	15	15	15	16	16	16	15
US	20	21	21	22	23	23	24	25	26	26	27
UK	16	17	18	18	19	19	19	20	20	19	19
China	64	66	67	68	68	68	69	69	70	71	71
India	13	13	13	13	13	14	15	16	15	15	14
Israel	30	31	31	31	32	33	33	34	34	35	35
Singapore	19	20	21	22	24	25	27	28	28	28	28
Rest of the world	16	17	18	18	19	19	20	20	19	18	18

Valuation coverage by company type, 2015-2025 average, %

Region	Ecosystem	Startup-only	Centaur	Unicorn
EU	15	14	100	100
US	23	20	100	100
UK	19	17	100	100
China	68	63	100	100
India	14	14	100	100
Israel	33	29	100	100
Singapore	25	23	100	100
Rest of the world	18	17	100	100

Coverage = share of firm-year observations with a (reported or imputed) valuation value, computed against the full firm count in each cell.

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Data coverage for Investment amounts

Investment rounds coverage - full ecosystem, % of rounds

	China	EU	India	Israel	Singapore	UK	US
2015	86	69	67	76	65	74	76
2016	86	67	63	77	66	72	73
2017	83	69	60	72	64	71	73
2018	76	72	67	69	57	74	71
2019	61	73	59	79	58	76	71
2020	70	76	65	83	67	79	74
2021	65	77	75	87	77	82	78
2022	65	79	75	85	76	79	78
2023	72	77	75	84	71	73	74
2024	72	69	81	88	66	78	79
2025	62	66	85	87	68	80	80

Coverage = share of investment round observations with a reported value, computed against the total number of investment rounds.

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About ESNA
Founded as a direct result of the EU Startup Nations Standard of Excellence Ministerial Declaration in March 2021, ESNA is committed to transforming Europe's startup landscape by fostering a robust, interconnected, and competitive entrepreneurial environment within Europe that drives innovation and economic prosperity across the continent.

Report prepared and coordinated by ESNA
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Views and opinions expressed in this document do not necessarily reflect the position of the European Union regarding each topic covered in this report.

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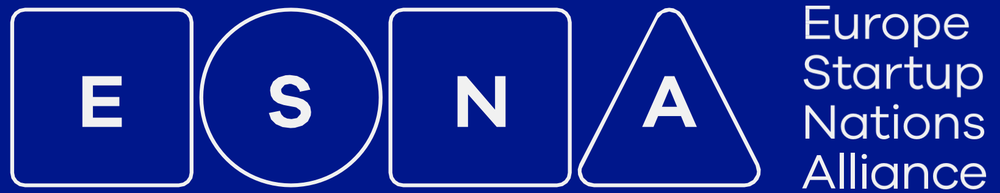
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