

World leading tech hubs: London and Bay Area

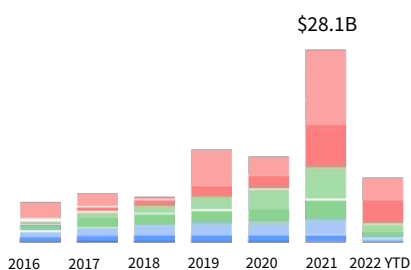
May 2022

Key takeaways

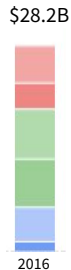
In 2021, London hit the same level of VC investment as the Bay Area reached five years ago.

London startup VC investment reached an all-time high in 2021 of \$28.1B, growing 2.3x year on year, faster than Bay Area. London ranks fourth globally for investment raised in 2021, after Bay Area, New York and Greater Boston.

London



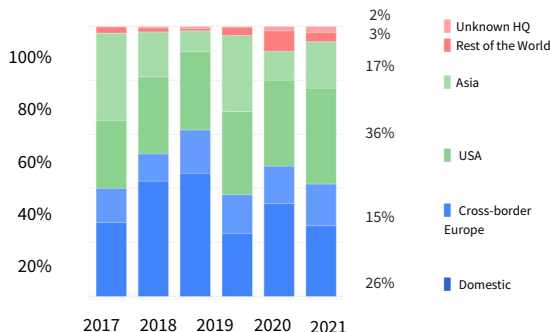
Bay Area



London is the most attractive European city for US VC investment.

London-based startups raised 36% of total capital from US investors in 2021, more than any other geography, including domestic funds. London attracts more funding rounds from US funds than any other European city.

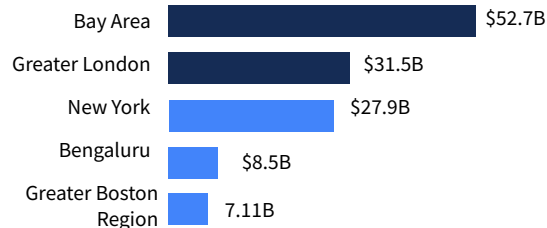
London VC investment by source



Fintech dominates both London and Bay Area funding.

Bay Area and London fintech startups have raised \$52.7B and \$31.5B respectively since 2017, and fintech is the most funded industry in both hubs. London is raising more fintech investment in 2022 than any other hub, with the Bay Area in second.

Top hubs by fintech investment since 2017



1 | **London & Silicon Valley - interconnected tech hubs**

London is Europe's leading tech hub for VC funding, ranking fourth globally in 2021, and first in Europe.

Top hubs by investment, ranked by 2021 total

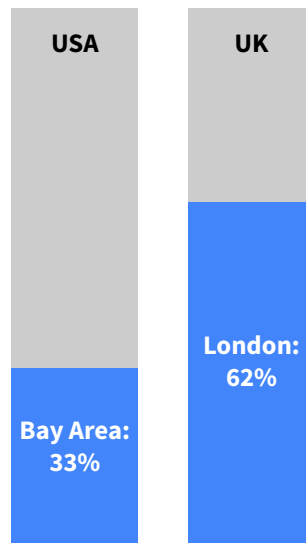
	2017	2018	2019	2020	2021	2022 (Jan-Apr)
Bay Area	\$34.1B	\$56.0B	\$55.5B	\$61.0B	\$121.3B	\$35.9B
New York	\$15.7B	\$18.0B	\$17.0B	\$16.4B	\$46.6B	\$11.0B
Greater Boston Region	\$8.1B	\$12.5B	\$11.2B	\$14.4B	\$29.9B	\$4.8B
Greater London	\$7.0B	\$6.0B	\$12.8B	\$12.2B	\$28.1B	\$9.9B
Bengaluru	\$4.4B	\$3.8B	\$5.2B	\$7.3B	\$18.6B	\$5.8B
Beijing	\$40.4B	\$31.8B	\$26.3B	\$19.7B	\$13.3B	\$1.2B
Shanghai	\$9.4B	\$23.1B	\$8.2B	\$10.6B	\$12.2B	\$1.3B
Berlin	\$2.1B	\$2.6B	\$4.3B	\$3.2B	\$10.7B	\$1.4B
Paris Region	\$2.1B	\$2.8B	\$3.9B	\$3.9B	\$9.8B	\$4.1B
Singapore	\$4.2B	\$5.0B	\$5.3B	\$3.6B	\$9.4B	\$3.0B
Jakarta	\$1.9B	\$3.8B	\$1.7B	\$2.9B	\$9.3B	\$637M
Greater Tel Aviv	\$1.7B	\$3.0B	\$2.6B	\$3.4B	\$8.2B	\$2.1B

The UK is the top European country for VC funding, and ranks fourth globally. London-based companies have received 62% of UK's total VC funding since 2017.

Top countries by VC investment, ranked by 2021 total

	2017	2018	2019	2020	2021	2022 (Jan-Apr)
United States	\$92.0B	\$144.0B	\$131.5B	\$179.5B	\$376.9B	\$87.7B
China	\$63.2B	\$97.4B	\$56.3B	\$53.5B	\$64.0B	\$7.3B
India	\$12.4B	\$9.5B	\$16.5B	\$28.44B	\$47.7B	\$11.9B
United Kingdom	\$10.6B	\$10.4B	\$17.1B	\$17.9B	\$43.8B	\$11.4B
Germany	\$3.9B	\$5.4B	\$7.5B	\$8.0B	\$23.1B	\$4.0B
Canada	\$2.6B	\$4.4B	\$5.6B	\$7.4B	\$16.0B	\$4.6B
Israel	\$2.4B	\$4.0B	\$4.0B	\$4.7B	\$13.6B	\$2.9B
France	\$3.2B	\$4.5B	\$5.5B	\$8.5B	\$12.3B	\$6.2B
Brazil	\$866M	\$1.8B	\$2.5B	\$3.2B	\$10.9B	\$2.0B
Singapore	\$4.2B	\$5.4B	\$5.3B	\$4.2B	\$10.1B	\$3.9B

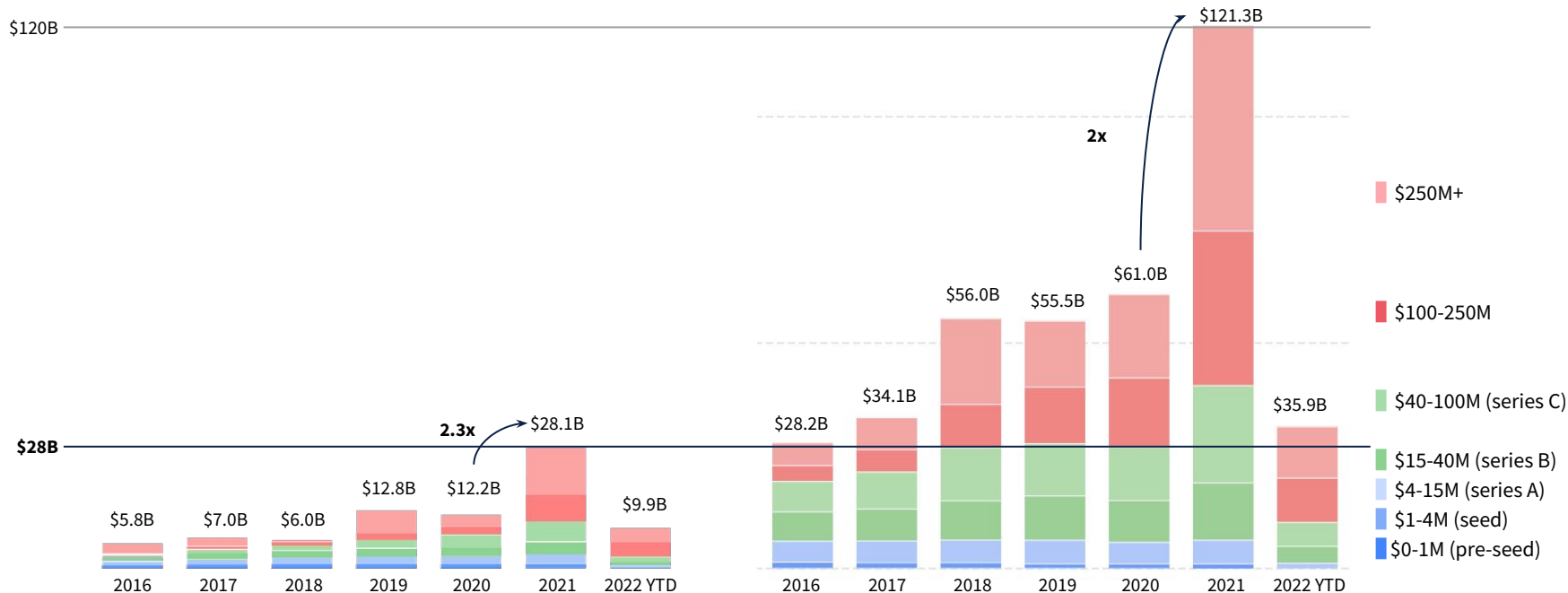
London and Bay Area: % in their respective countries since 2017



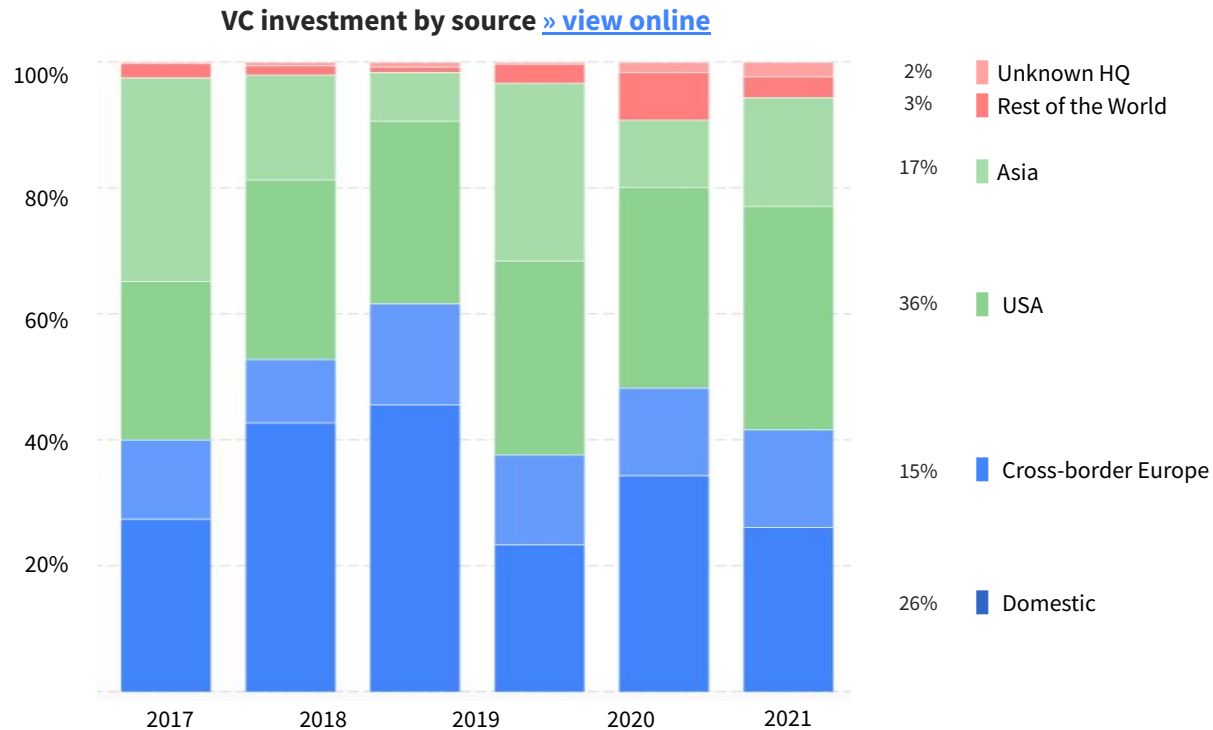
In 2021, London hit the same level of VC investment as the Bay Area reached just five years ago, and is growing at a faster rate.

VC investment in London startups » [view online](#)

VC investment in Bay Area startups » [view online](#)



London-based startups raised more capital in 2021 from the US than anywhere else, including domestic funds.



London is the most attractive European city for US VC investment, with almost 400 London rounds in 2021 with US investor participation.

Top European Cities for US investment by number of rounds [» view online](#)

	2017	2018	2019	2020	2021	2022 (Jan-Apr)
Greater London	245	187	232	259	398	116
Paris Region	67	52	66	79	131	43
Berlin	48	48	55	87	106	28
Amsterdam Region	12	14	25	27	42	12
Munich Metro Area	9	21	25	29	40	10
Stockholm	28	16	26	28	48	11
Barcelona	25	16	25	24	32	19
Copenhagen	13	13	18	10	30	6
Community of Madrid	9	8	9	17	27	9
Canton of Zurich	10	15	13	20	25	13

Leading US-based VCs have set up shop in London, as a European investment launchpad.

Leading US VCs with a London Office

Accel

SEQUOIA

ATLAS VENTURE

SAPPHIRE
VENTURES

ACCESS INDUSTRIES

Selected London-based portfolio companies

gravity
sketch

carwow

monzo

VEED.IO

AudioMob

songkick

Currencycloud

Zoopla

MOO

Wise

CAZOO

YAPILY

SHAZAM

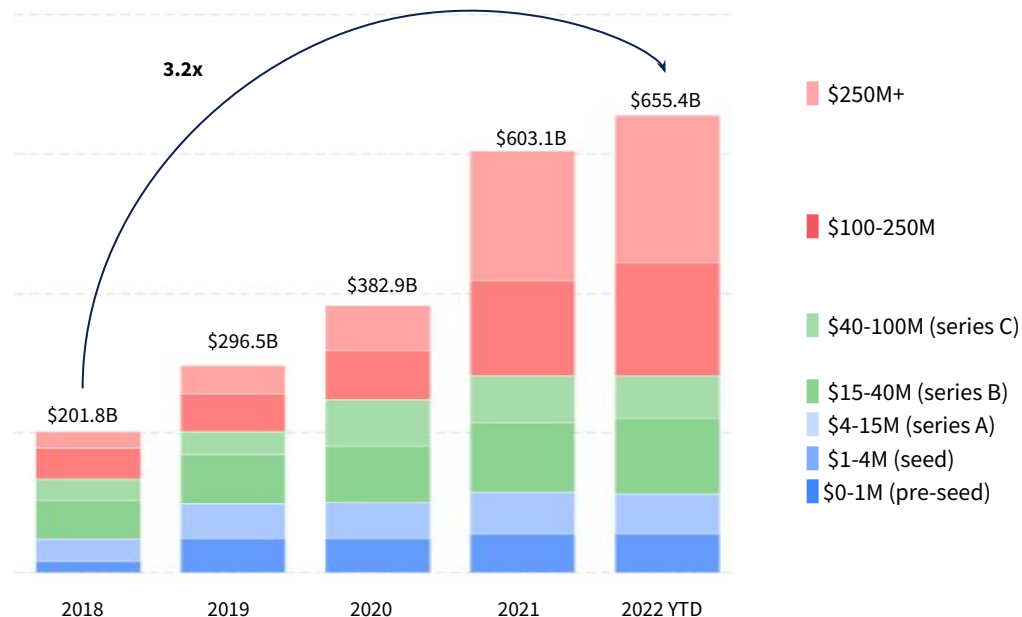
Blockchain.com

songkick

2 | **Maturing tech ecosystems**

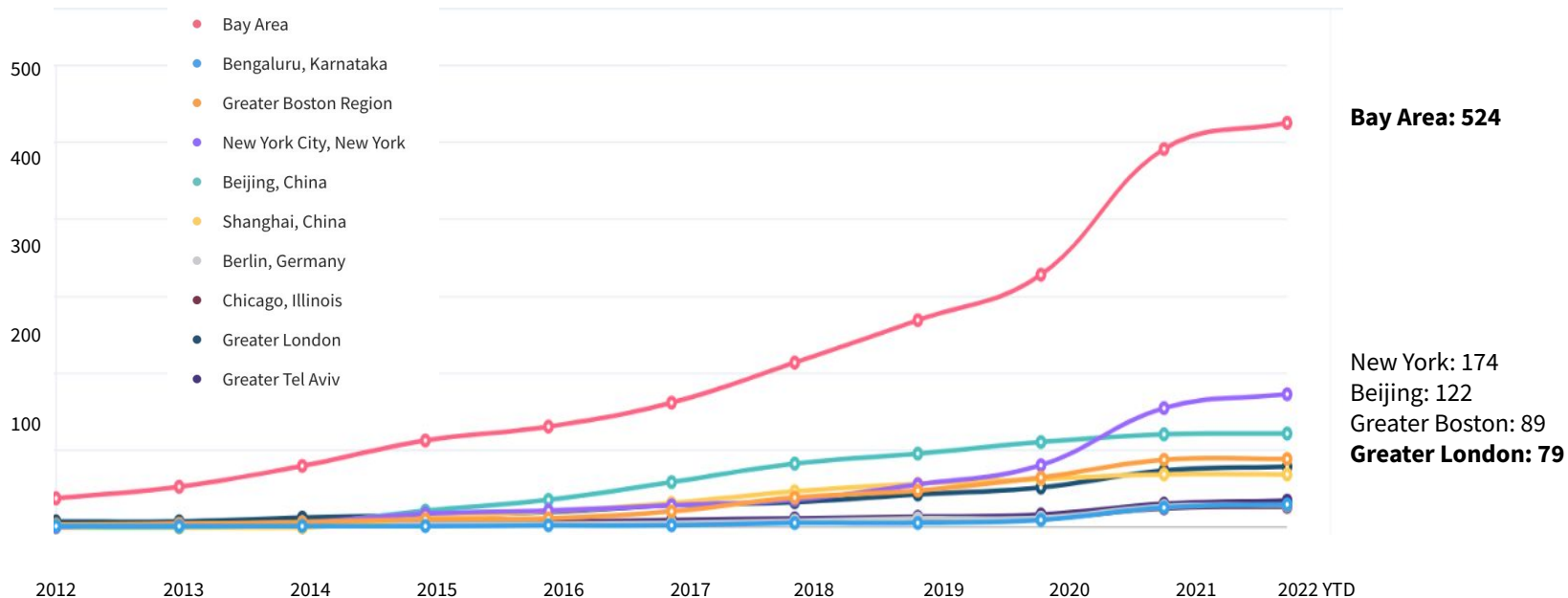
As the UK's tech ecosystem passed \$1T in value in 2022, London alone accounts for \$654B, a 3.2x increase since 2018, growing faster than the Bay Area's 2.8x in the same period.

Enterprise valuation of London » [view online](#)



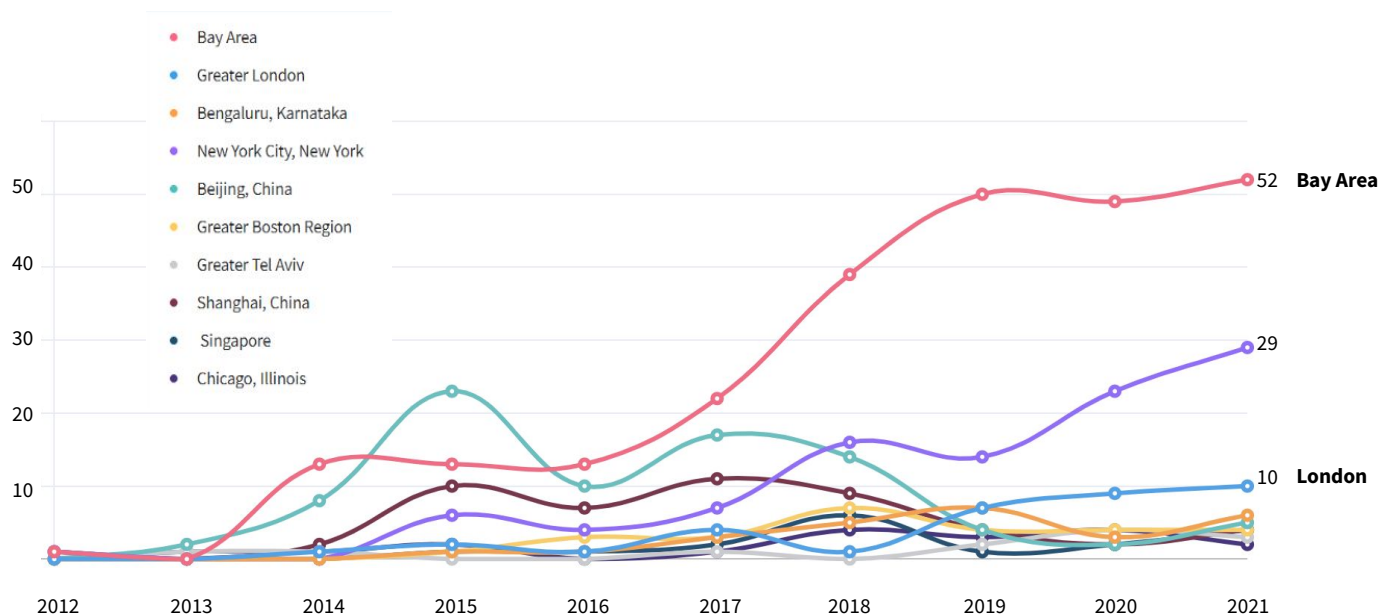
London ranks fifth globally by number of unicorns, having produced a fifth of Europe's billion dollar companies.

Cumulative unicorns and \$1B exits, top 10 hubs [» view online](#)



London ranks third globally by number of future unicorns produced in 2021, and the only European city in the global top 10.

New future unicorns, top 10 hubs » [view online](#)

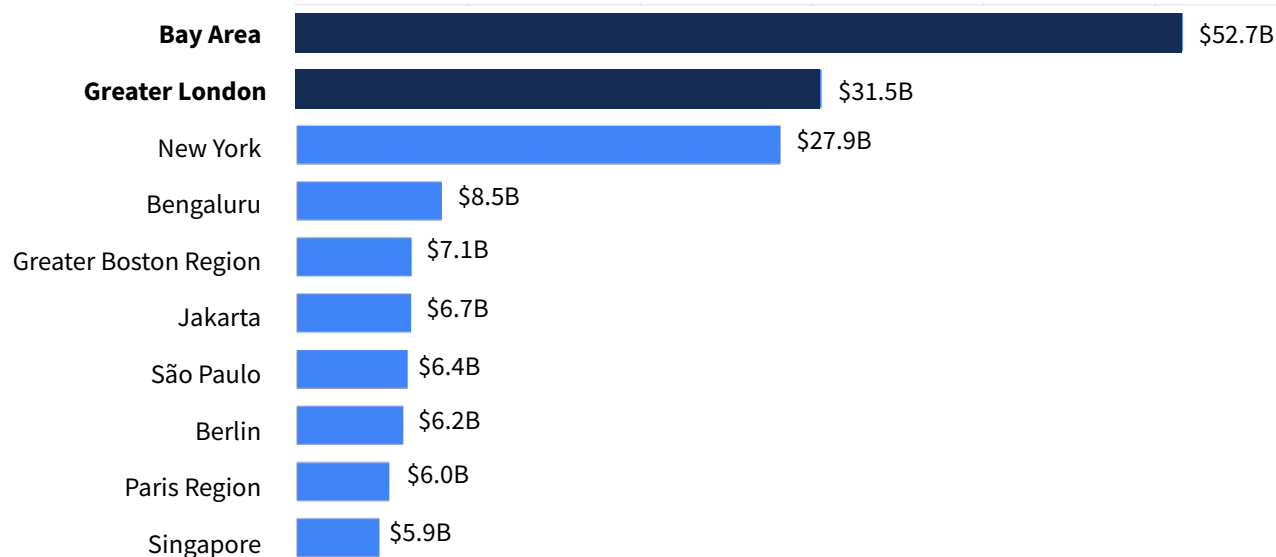


3

Twinning tech hubs and sector strengths

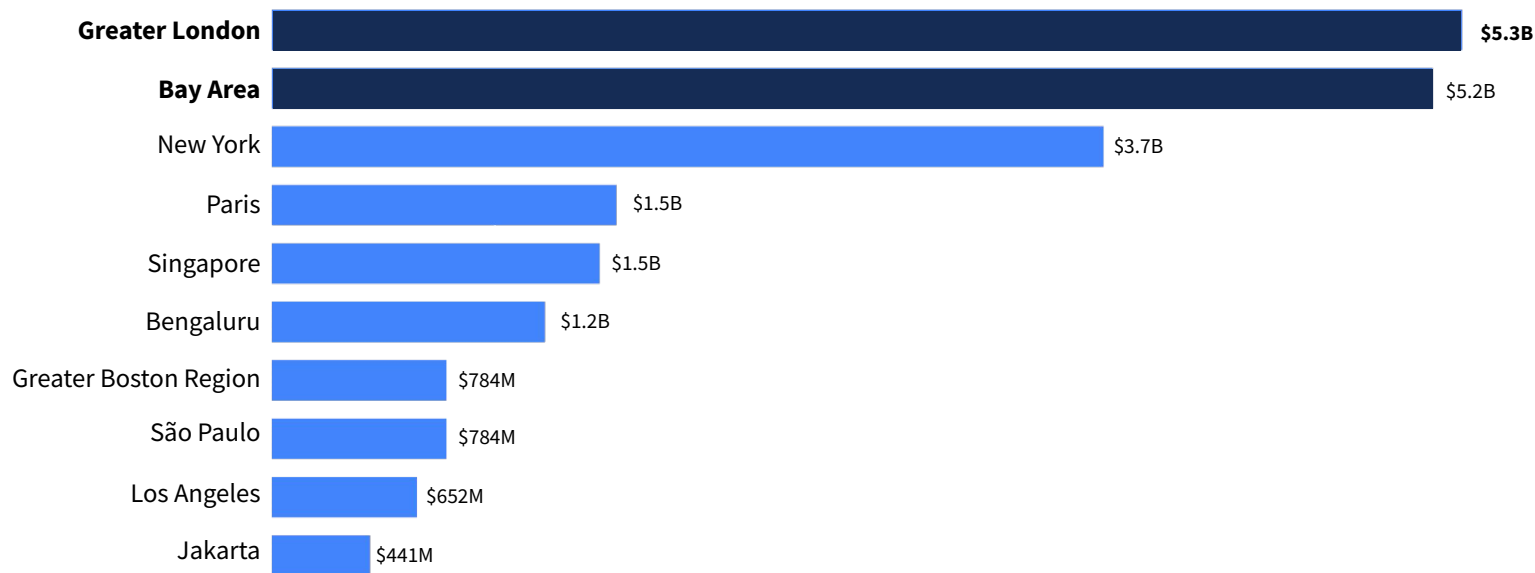
London and the Bay Area are the world's top two hubs for fintech investment, with over \$84B raised between them in the last five years.

Top hubs by fintech investment since 2017



London has raised more fintech investment so far in 2022 than any other global hub, with the Bay Area in second.

Top global hubs for fintech investment in 2022 (January-Apr)



While fintech dominates both London and Bay Area funding, Health is among the of the fastest-growing sectors in both hubs.

Top industries for London startup investment

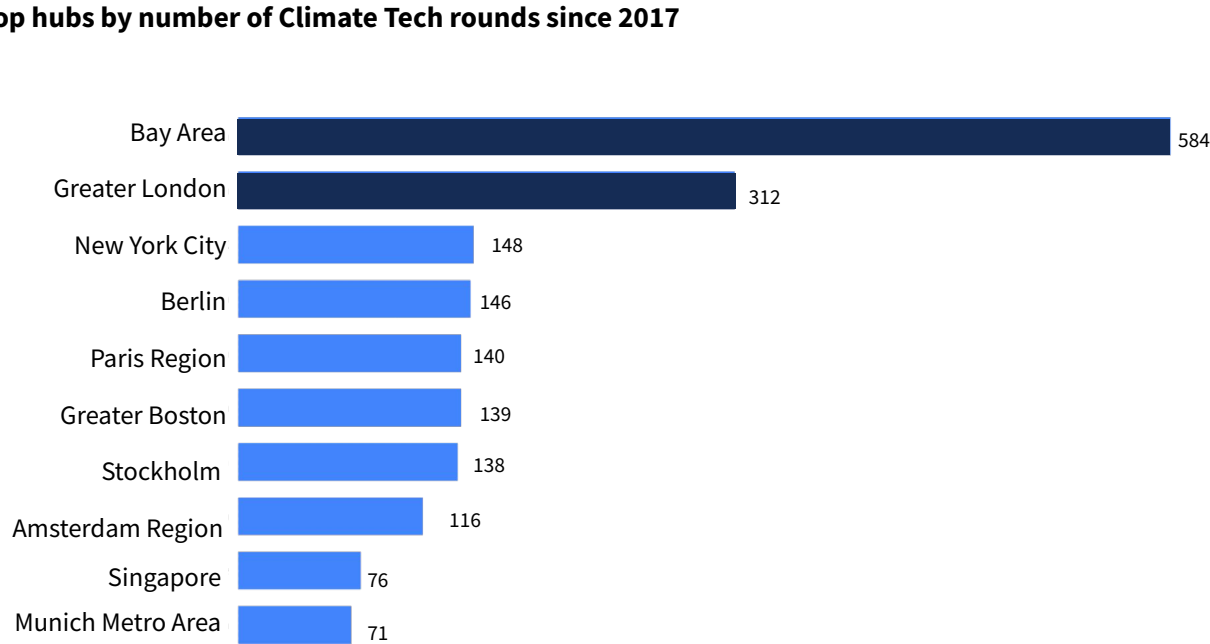
	2017	2018	2019	2020	2021	2022 (Jan-Apr)
Fintech	\$2.2B	\$2.4B	\$5.6B	\$4.6B	\$12.0B	\$5.3B
Telecom	\$374M	\$213M	\$1.4B	\$273M	\$2.1B	-
Health	\$622M	\$465M	\$1.0B	\$691M	\$1.8B	\$295M
Energy	\$38.7M	\$127M	\$173M	\$956M	\$1.5M	\$122M







Top industries for Bay Area startup investment

	2017	2018	2019	2020	2021	2022 (Jan-Apr)
Fintech	\$3.2B	\$5.9B	\$8.5B	\$8.0B	\$22.6B	\$5.2B
Health	\$6.3B	\$10.6B	\$7.4B	\$13.3B	\$17.0B	\$7.8B
Transportation	\$4.0B	\$6.9B	\$6.5B	\$6.4B	\$11.6B	\$3.4B
Security	\$2.3B	\$2.5B	\$2.9B	\$3.5B	\$10.0B	\$1.6B

London and Bay Area Climate Tech startups have raised more rounds in the last five years than any other global tech hubs - 585 and 312 respectively.

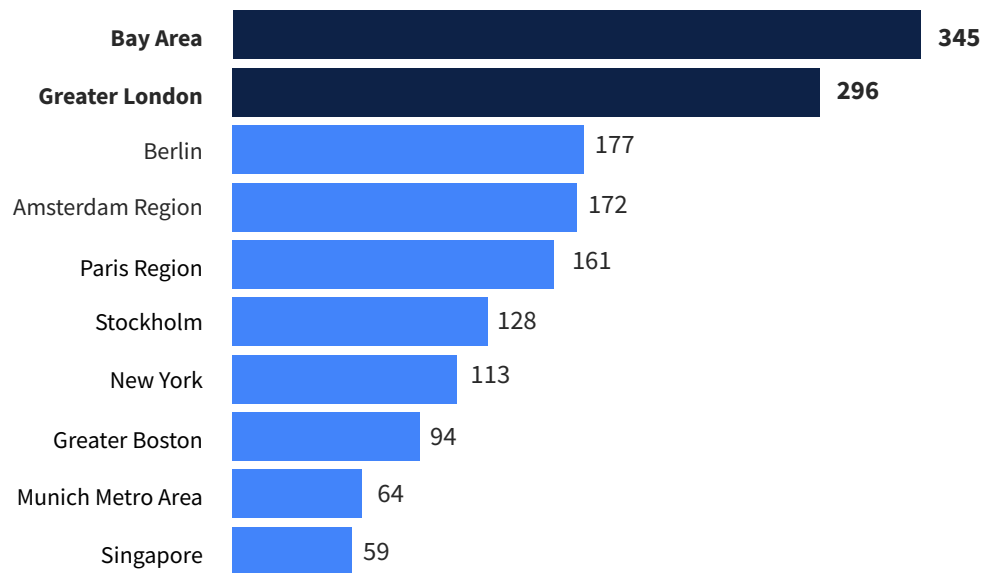
Top hubs by number of Climate Tech rounds since 2017



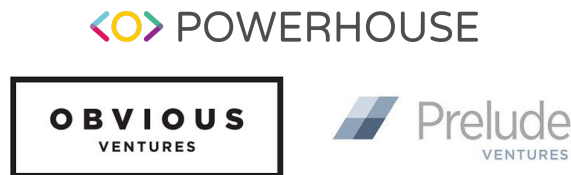
London	Bay Area
	
	
	

London and Bay Area are the world's top two hubs for Climate Tech startups, home to over 640 startups between them.

Top hubs by number of Climate Tech startups



Climate Tech VCs in Bay Area



Climate Tech VCs in London



Summary: London and Bay Area in numbers

- London's tech firms raised an all-time high of \$28.1B in 2021, growing faster (2.3x) than Bay Area (2x) year on year. London is at the same level of VC investment as Bay Area reached five years ago.
- The UK tech ecosystem has passed \$1T in combined enterprise value, with London accounting for two thirds of the total.
- London is the most attractive European city for US VC investment, and it raises more capital from the US than any other geography.
- Bay Area and London fintech startups raised \$52.7B and \$31.5B respectively since 2017, rendering fintech the most funded industry in both hubs.
- London has raised more fintech investment in 2022 than any other global hub, with the Bay Area in second.
- London and Bay Area are the world's top two hubs for Climate Tech startups, and home to over 640 between them. London and Bay Area based climate tech startups have also raised more rounds since 2017 than any other global tech hubs.
- Leading US VCs are using London as their European launchpad, setting up offices in the UK capital.

Methodology & definitions

Startups & venture capital

This report focuses on companies in the internet age, i.e. after 2000. Most but not all unicorns are VC backed.

Companies included in the analysis are tech-driven. Industries include software, ecommerce, online marketplaces, hardware, ICT infrastructure. The full [industry & business model taxonomy](#) can be found online

Investment numbers refer to venture capital investment rounds such as seed, series A, B, C, late stage, and growth equity rounds. It excludes debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data, but included in exit data.

Unicorns

A unicorn is defined as a tech-driven company that has reached a \$1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised).

There are some notable edge-cases:

- Companies that IPO-ed at or above \$1 billion but subsequently dipped below that valuation, are still included as \$1B+ exit (examples: Alfa, Rovio, eDreams).
- Some companies have at some stage reached a \$1 billion but subsequently raised, IPO-ed or were acquired below that value. In this case the company is not counted as a unicorn (examples: Blippar, Home24, Fanduel, Ulmart, Conduit, Wonga, VE Interactive, Powa).
- If a unicorn moved HQ, the company is counted in the country where it reached unicorn status. Occasionally companies received dual HQ status.

Underlying data

Dealroom's proprietary database and software aggregate data from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

Most underlying data from the report is available online via app.dealroom.co. For more info please visit dealroom.co or contact support@dealroom.co



LONDON
& PARTNERS