

IL BINOMIO STARTUP - VC

17.10.23



Matteo Meinardi



Nice to meet you

EDUCATION



Tor Vergata



PARIS • MÜNCHEN • TORINO

EXPERIENCE



autostrade // per l'italia



KAMA.

ENTREPRENEURSHIP



arithmos
algorithmic trading



COLLÈGE DES INGÉNIEURS

PARIS • MÜNCHEN • TORINO

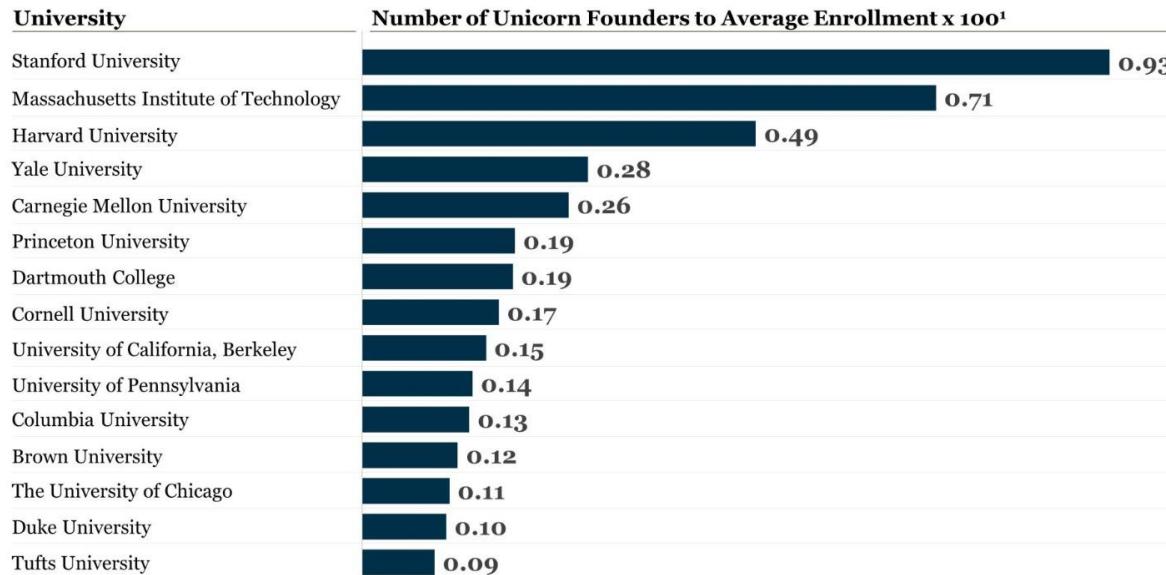
FELLOWS EUROPE

150+

ALUMNI
4000+



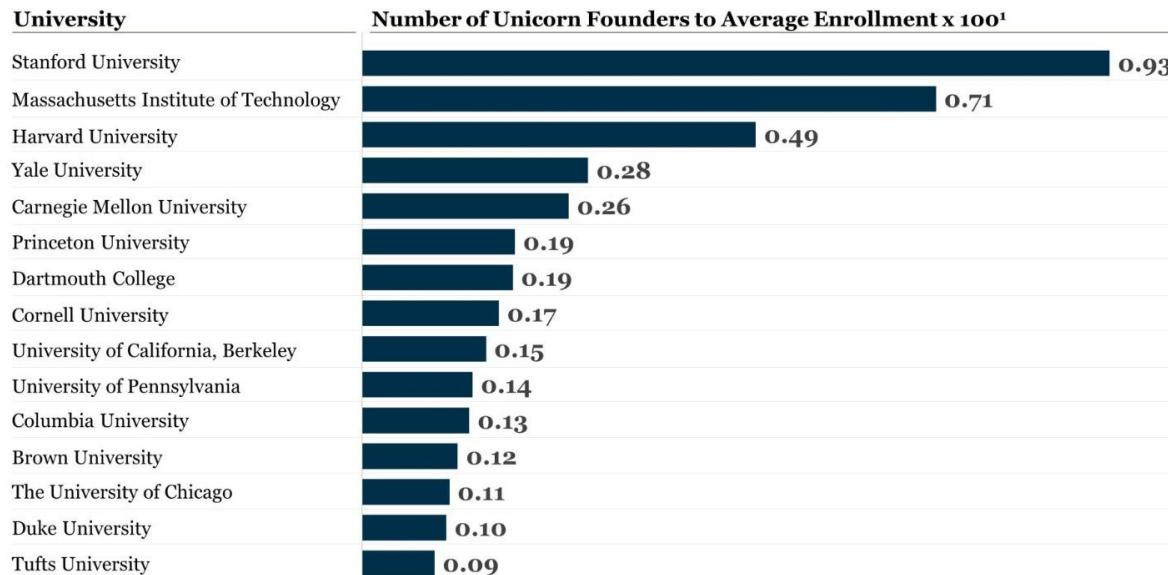
US UNIVERSITIES AND UNICORN FOUNDERS



1. Values show the ratio of the number of unicorn founders to average enrollment between 1995-2019 for each university multiplied by 100. Universities are ranked by this metric; top 15 are shown. Data covers 521 US companies that became unicorns between 1997-2019 and 1,263 of their founders.

Source: ILYA STREBULAEV, VENTURE CAPITAL INITIATIVE, STANFORD GRADUATE SCHOOL OF BUSINESS (05/2022)

US UNIVERSITIES AND UNICORN FOUNDERS



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11.1

ALUMNI
4,000+

INTAKES
150+

AVG. ENROLLMENT
27

UNICORNS
3



la Repubblica.it

Acquisizione nel mercato delle criptovalute: Young Platform rileva Arithmos Trading

di Luigi dell'Olio

La startup fintech di Torino, che semplifica l'accesso al mondo delle monete digitali, ha acquisito la piattaforma specializzata nello sviluppo di trading systems completamente automatici

26 GENNAIO 2022



2 MINUTI DI LETTURA

CORRIERE DELLA SERA.it

Criptovalute, Young Platform acquisisce la londinese Arithmos Trading

di Alessia Conzonato

Dalle aule del Politecnico di Torino all'acquisizione di Arithmos Trading. È il percorso di **Young Platform**, startup fintech fondata allo scopo di semplificare agli investitori l'accesso al mondo delle criptovalute, che ha annunciato la **lavorazione della società londinese specializzata nello sviluppo di sistemi di trading**. Dalla collaborazione, infatti, la piattaforma potrà sfruttare un sistema di **trading automatico** che processa ad altissima velocità molteplici fonti di informazione, in modo da massimizzare il profitto e minimizzare il rischio.

Money.it

Economia e Finanza > Criptovalute

Young Platform finalizza l'Acqui-hiring di Arithmos Trading: tutte le novità per gli utenti

di Andrea Meroni - 26/01/2022 - 26/01/2022 - 17:04

Young Platform, l'exchange italiano leader nella compravendita di criptovalute, ha annunciato l'acquisizione della proprietà intellettuale e del team di Arithmos Trading.



Inscriviti a Money.it

Scopri i vantaggi →

Trading online
in Demo



https://www.repubblica.it/economia/rapporti/impresa-it/alia/tecnologia/2022/01/26/news/acquisizione_nel_mercato_delle_criptovalute-335327177/

https://www.corriere-it.cdn.ampproject.org/c/s/www.corriere.it/economia/finanza/22_gennaio_29/criptovalute-young-platform-acquisisce-londinese-arithmos-trading-6d4e9180-80eb-11ec-97ae-7cc35437dc27_amp.html

<https://www.money.it/Young-Platform-finalizza-l-Acqui-hiring-di-Arithmos-Trading>

Cos'è una startup?

“Startup is a temporary organization designed to search
for a repeatable and scalable business model”

Steve Blank

“Startup is a **temporary** organization designed to search
for a repeatable and scalable business model”

Steve Blank



Time-related

Bound to end

“Startup is a **temporary** organization designed to search for a **repeatable** and scalable business model”

Steve Blank



Time-related

Bound to end



No limit

Country - Time

“Startup is a **temporary** organization designed to search for a **repeatable** and **scalable** business model”

Steve Blank



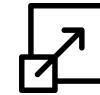
Time-related

Bound to end



No limit

Country - Time



Revenue-cost

structure

Definizione

“Startup is a temporary organization designed to **search** for a repeatable and scalable business model”

Steve Blank



Time-related
Bound to end



No limit
Country - Time



Revenue-cost
structure

STANDARD (tutti validi)

Età
meno di 5 anni

Sede
Italia

Scopo
alto valore tecnologico

Fatturato
meno di 5 mln€

Costituzione
nuova

A SCELTA (almeno uno valido)

Budget
15% Ricerca e Sviluppo¹

Team

- 50% Laurea Magistrale
- 25% PhD

Brevetto
Deposito

¹ Investimento del 15% del maggior valore tra costi e ricavi dell'anno precedente

Società di **persone**

- Le persone sono l'elemento prevalente
- Costituite da 2+ persone
- I soci rispondono illimitatamente e solidalmente (**autonomia patrimoniale imperfetta**)
- Costi bassi, contabilità semplificata
- Fallimento personale dei soci

Società semplice (S.s.)

Non può esercitare attività commerciale

Società in nome collettivo (S.n.c)

Può esercitare attività commerciale

Società in accomandita semplice (S.a.s)

Distinzione soci accomandatari (come S.n.c.) e soci accomandanti (no potere di firma né responsabilità)

Società di **capitali**

- Il capitale è l'elemento prevalente
- Costituite anche da 1 persona
- I soci non rispondono di eventuali perdite (**autonomia patrimoniale perfetta**)
- Costi alti, contabilità complessa
- Fallimento in capo alla società

Società a responsabilità limitata (S.r.l.)

Capitale sociale \geq 10k (25% depositati)

S.r.l. semplificata (S.r.l.s.)

$1 \leq$ Capitale sociale $< 10k$ (100% depositato)

Società per azioni (S.p.a.)

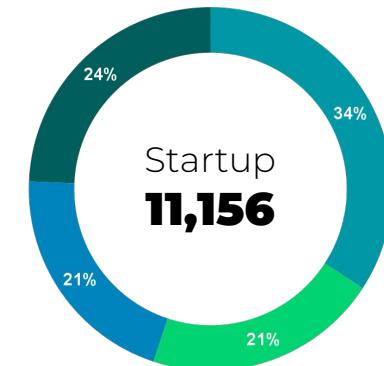
Capitale sociale $\geq 50k$ (30% depositati)

Ecosistema italiano



Avg age
1.7 Y

Med age
2.0 Y

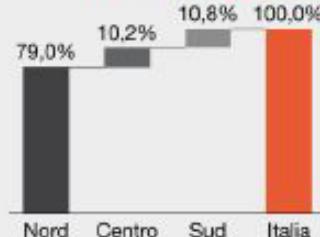


Source: SIM 2021 "Le Startup innovative a significativo impatto sociale"

**167**

Totale delle FinTech presenti nel campione analizzato

Distribuzione startup FinTech in Italia per area



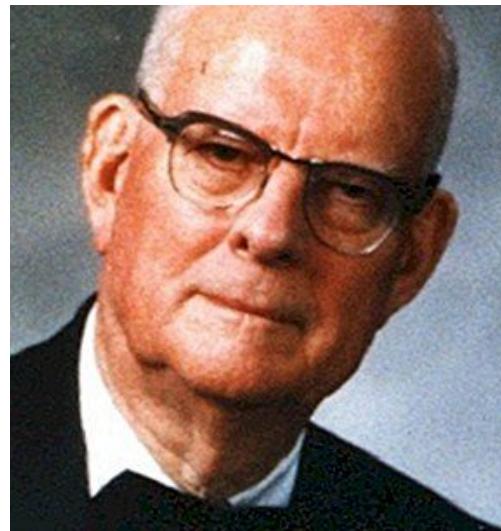
Source: Elaborazione PwC su dati Pitchbook al 31.12.2022

Pitch Deck

SLIDE	KEY ELEMENTS
INTRO	name, logo, payoff, contacts
PROBLEM	validated, pain
SOLUTION	effective, easy , unique
MARKET	huge -obtainable or niche
COMPETITORS	list of plus ("no competitor no party")
PRODUCT	beta testing (interviews + survey), traction (mvp)
TEAM	heterogeneous , track record
BUSINESS MODEL	how will I become rich?
FINANCIALS	when and how rich will I be?

“Without **data** you’re just another person with an **opinion**”

William E. Deming



Welcome

1

AirBed&Breakfast™

Book rooms with locals, rather than hotels.

Problem

2

Price is a important concern for customers booking travel online.

Hotels leave you disconnected from the city and its culture.

No easy way exists to book a room with a local or become a host.

It's 2007, and it's *still* a pain to...

- Work on multiple computers
- Share files across a team
- Put photos, video onto the web
- Protect files from loss



Storage is a mess



Currency Exchange

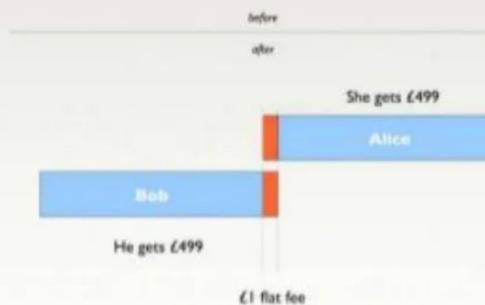
Before

- Banks take 3% - 6% hidden margin on exchange rate
- Additional fee of £10-£25 for foreign payment



After

- You exchange with peers at mid-market rate
- TransferWise is the trusted 3rd party
- We take a flat fee (£1)



Why now?

- Lots of devices, bigger files, more content
- Increasingly distributed/remote teams
- Falling bandwidth, storage prices
- Online storage is unclaimed, unmonetized territory, much like search pre-Google



Business Model

7

We take a 10% commission on each transaction.

\$84M

TRIPS W/AB&B

Share of Market

15% of Available Market

\$25

AVG FEE

\$80/night @ 3 nights

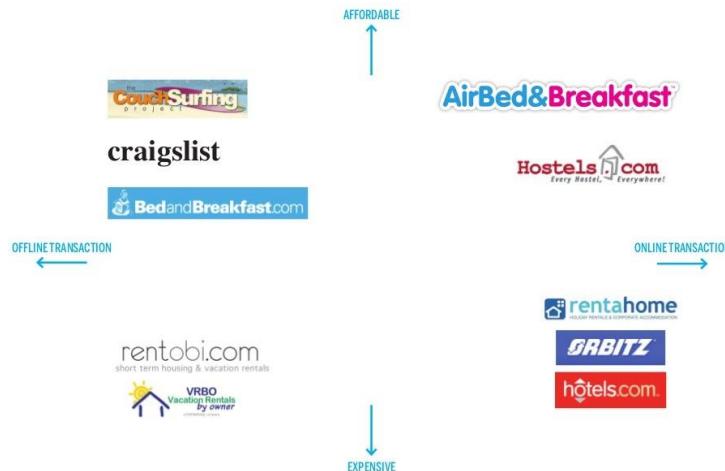
\$2.1B

REVENUE

Projected by 2011

source: \$70 is avg room price on AB&B

Competition



9

Competitive Advantages

1ST TO MARKET

for transaction-based temporary housing site

HOST INCENTIVE

they can make money over couchsurfing.com

LIST ONCE

hosts post one time with us vs. daily on craigslist

EASE OF USE

search by price, location & check-in/check-out dates

PROFILES

browse host profiles, and book in 3 clicks

DESIGN & BRAND

memorable name will launch at historic DNC to gain share of mind

10

Competitors

	Dropbox	Carbonite, Mozy	Foldershare	box.net
Sync	✓	✗	✓	✗
Backup	✓	✓	✗	✗
Sharing	✓	✗	✓	✓
OS integration	✓	✓	✓	✗
Web access	✓	✗	●	✓
Versioning	✓	✗	✗	✗

Technical advantages

- Client & server written in Python: 5-10x faster development time
- Leverage Amazon S3, EC2 to achieve scale & reliability
- Obsession with performance
- Seamless compression, encryption, binary diffing, failure recovery



Financial

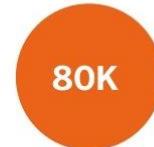
14

We are looking for 12 months financing to reach 80,000 transactions on AirBed&Breakfast.



ANGEL ROUND

initial investment opportunity



TRIPS W/AB&B

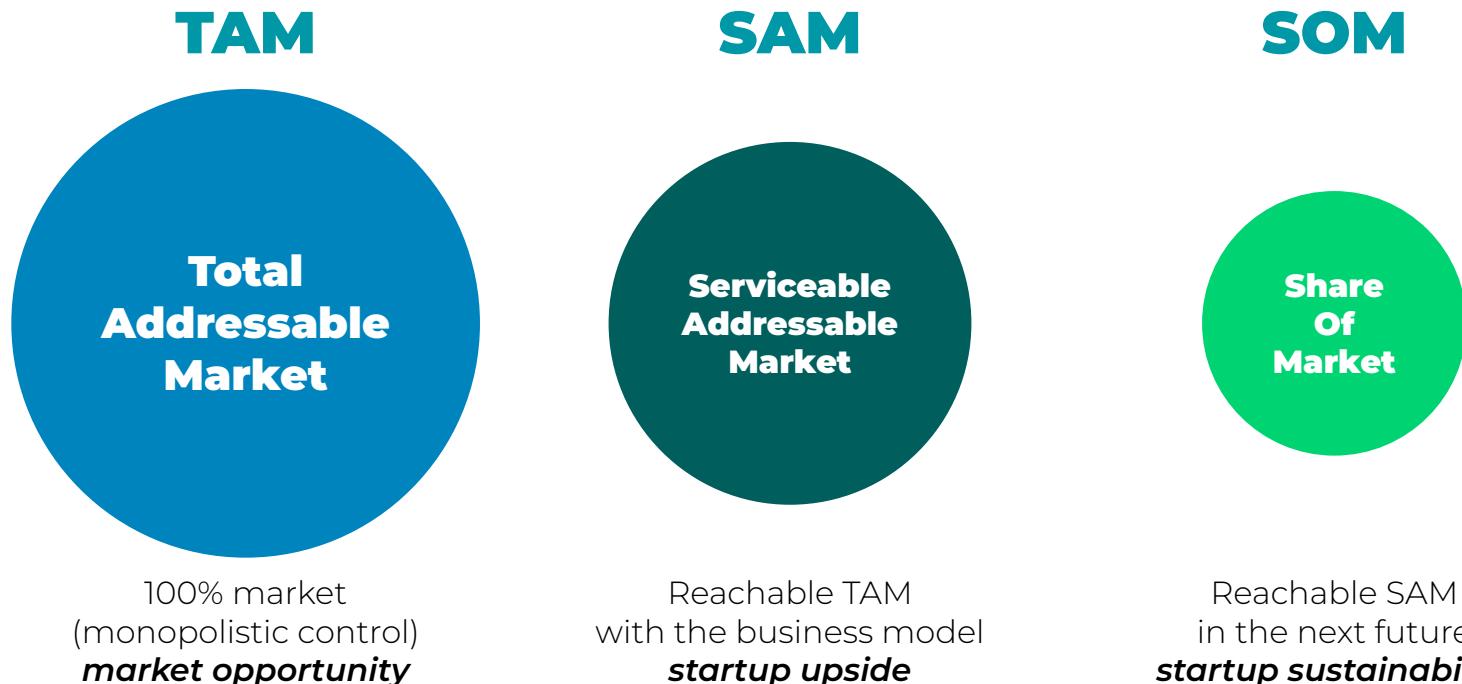
avg \$25 fee

\$2M

REVENUE

over 12 months

TAM, SAM, SOM



¹ Also known as Total Available Market, Serviceable Available Market and Serviceable Obtainable Market.

Perché le startup?

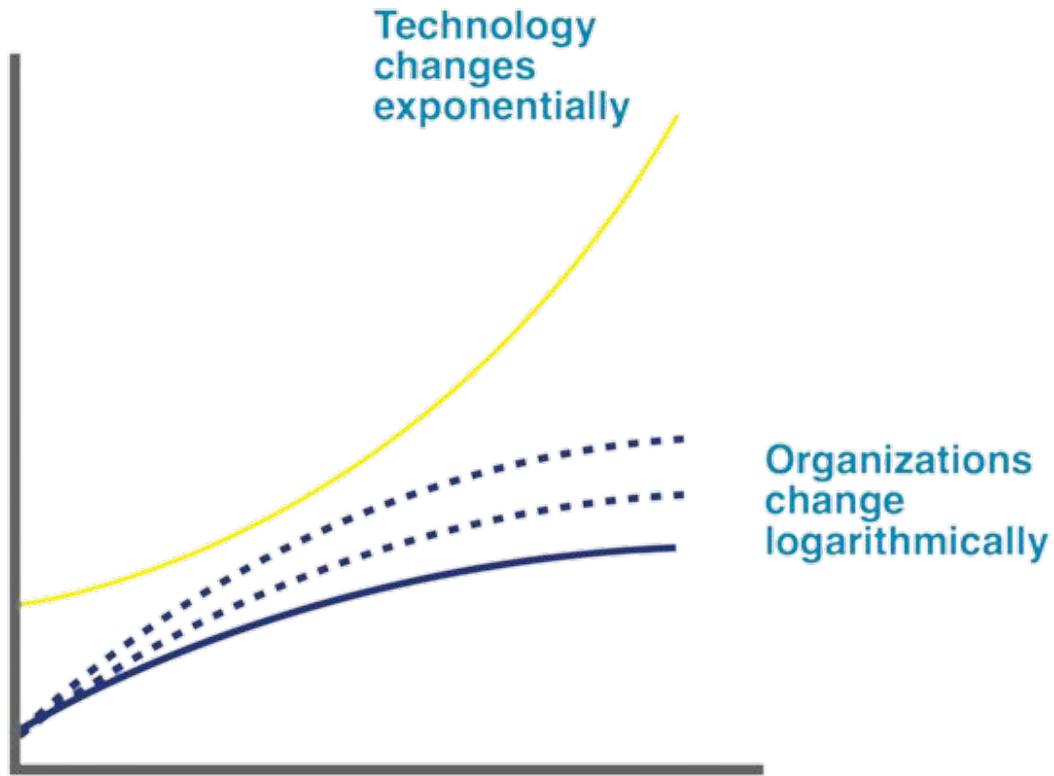
How many **human beings** woke up
this morning¹

NEW NEEDS



¹ <https://www.worldometers.info/world-population/>

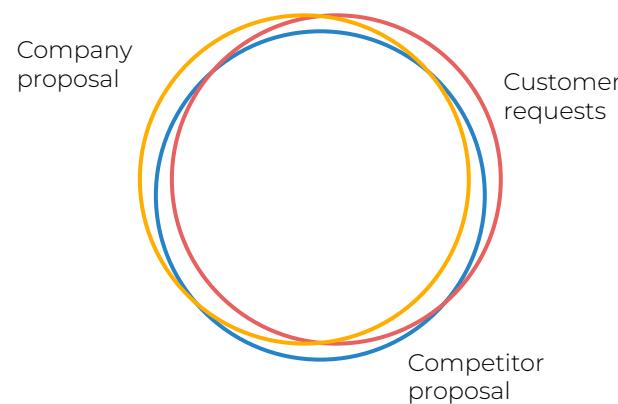
Technology vs. Organization



Digital must mean **value**, not technology

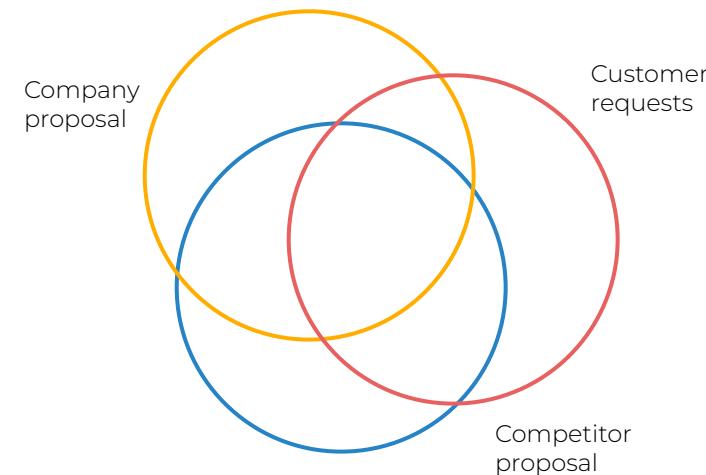
Digital is **digital for business** not *digital for digital* itself

Commoditized market



Source: McKinsey&Co.

Emerging market



**World's largest taxi company**

Owns NO taxi

**World's largest Streaming provider**

Owns NO song

**World's largest movie house**

Owns NO cinemas

**World's most valuable retailer**

Owns NO inventory

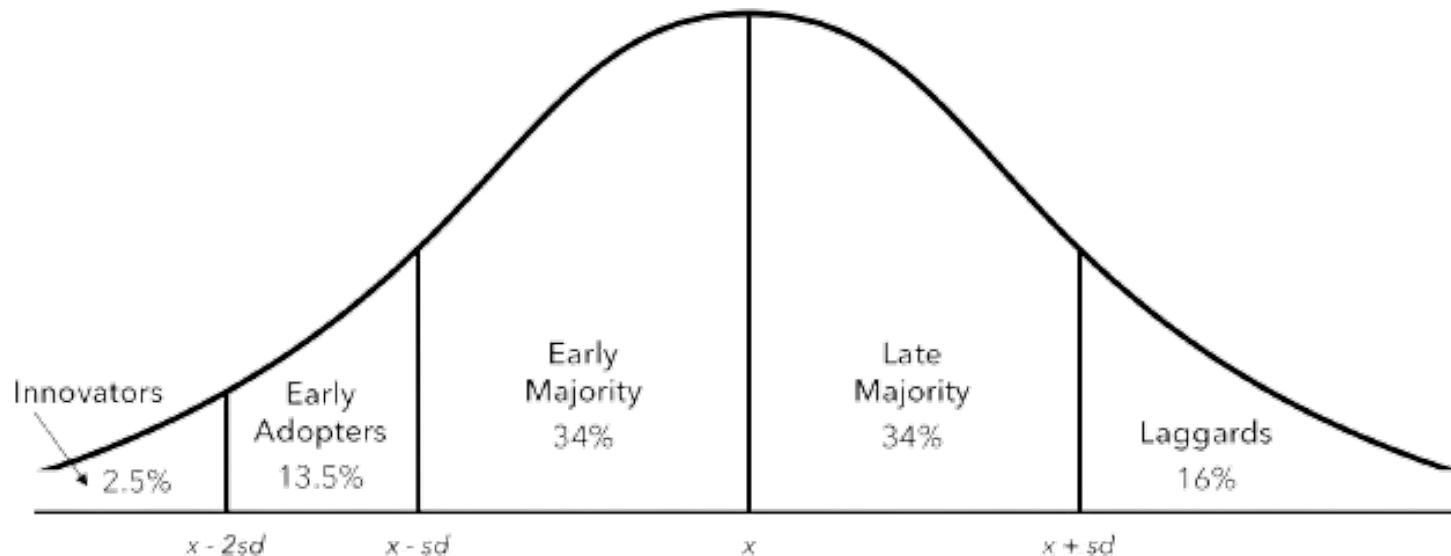
**World's largest accommodation provider**

Owns NO real estate

**World's largest phone company**

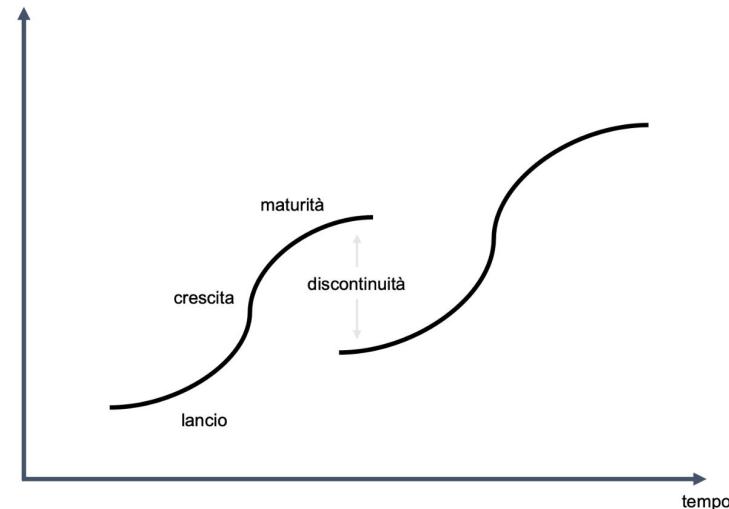
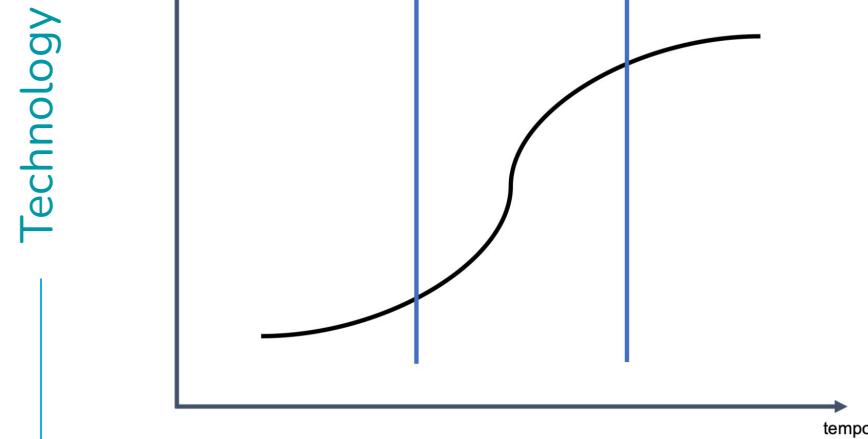
Owns NO Telco infrastructure

Curva di Rogers



Relationship between types of adopters classified by innovativeness and their location on the adoption curve.

SOURCE: Everett M. Rogers, *Diffusions of Innovations*, 5th ed. (New York: Free Press, 2003), p. 281.



Never stop innovating

Kodak



Walter Fallon - CEO



Steve Sasson - 1975



Bankruptcy - 2012

Never stop innovating

Kodak



Walter Fallon - CEO



Steve Sasson - 1975



Bankruptcy - 2012

Never stop innovating

Kodak



Walter Fallon - CEO



Steve Sasson - 1975



Bankruptcy - 2012



“Dot Com Hysteria”



“Dot Com Hysteria”

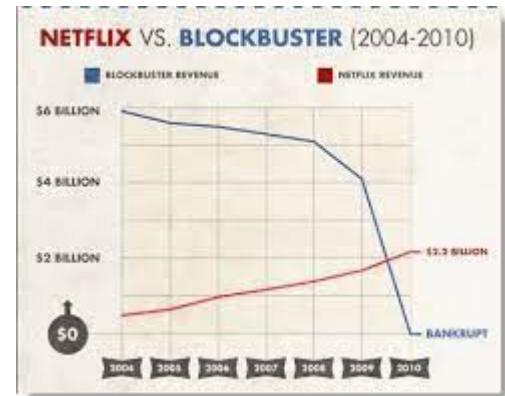


Anteoco
CEO Blockbuster

NETFLIX

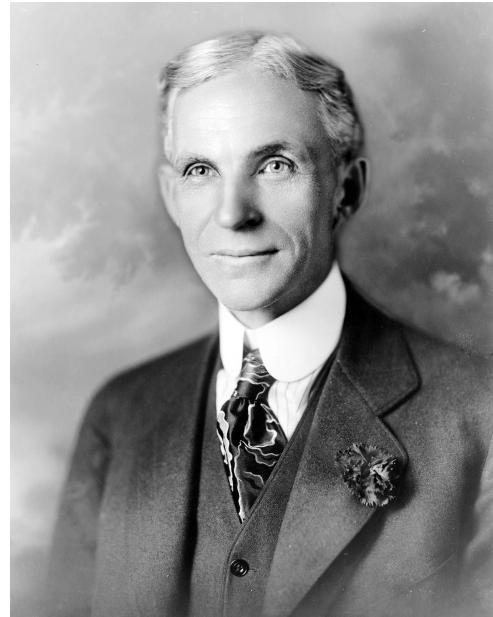
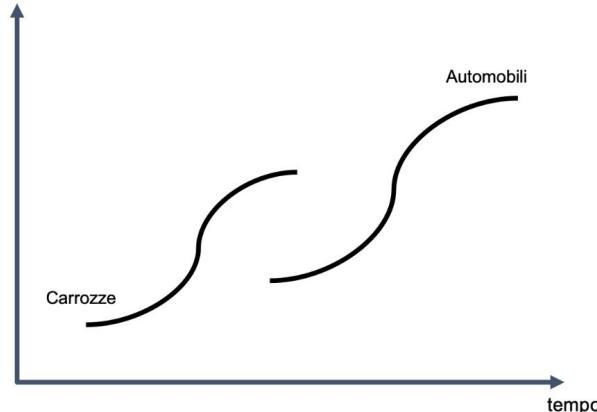


Randolph & Hastings
Co-Founders Netflix

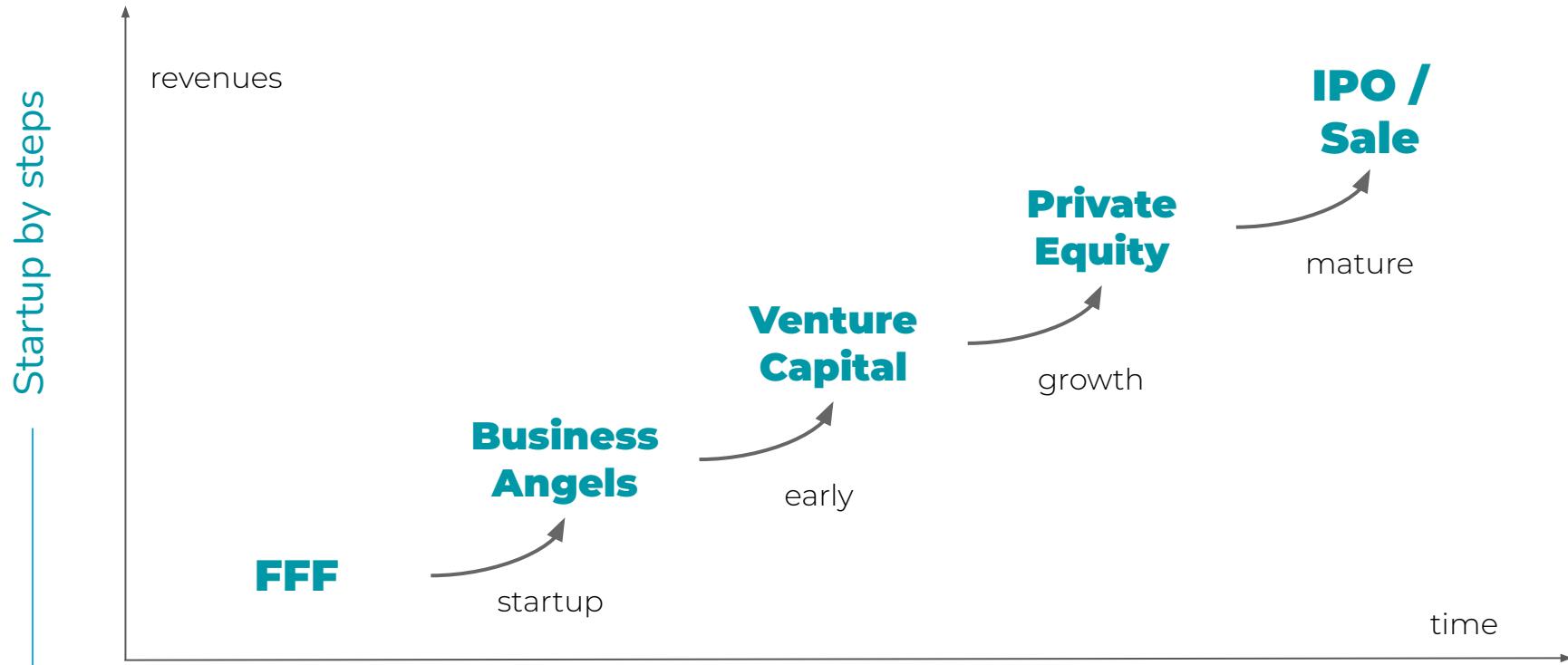


"If I had asked people what they wanted,
they would have said **faster horses**"

Henry Ford



Quanto vale la startup?

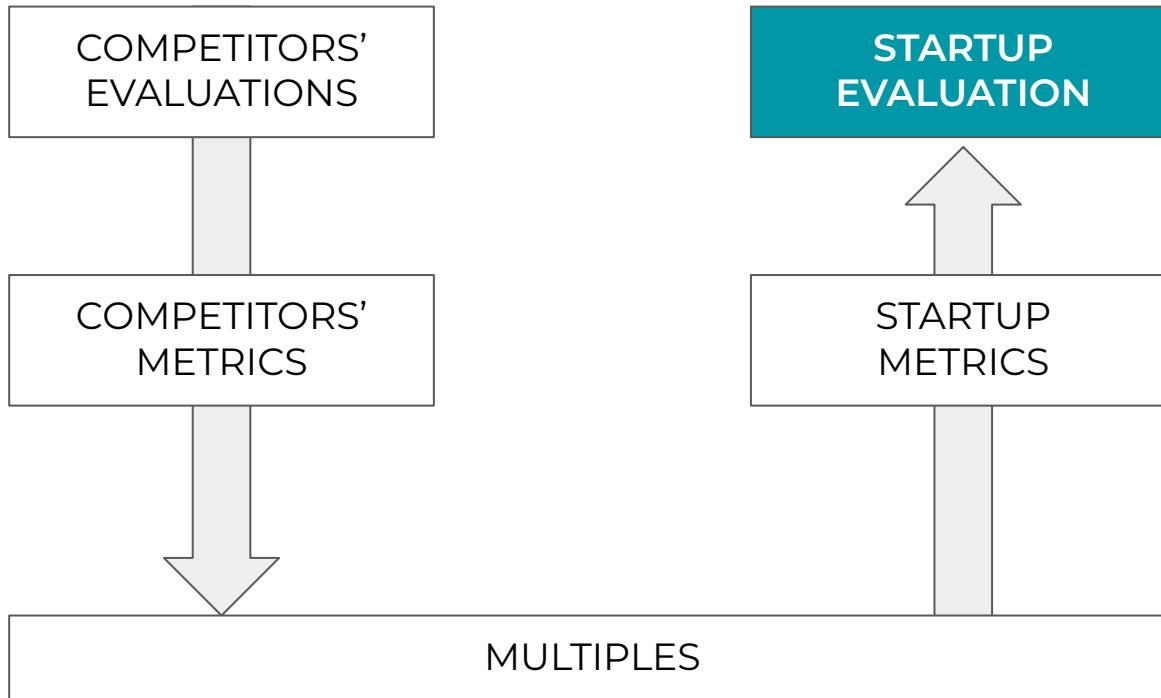


Come si valuta una startup?

Come si valuta una startup?

DIPENDE

Multiples Method



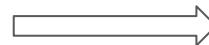
Benchmarking method

Multiples Method

Multiplo	Nome del Multiplo	Numeratore	Denominatore
P / E	Price / Earnings		Utile netto
P / BV	Price / Book Value	Prezzo di borsa	Patrimonio netto
P / S	Price / Sales		Fatturato
EV / EBITDA	Enterprise Value / EBITDA	Prezzo di mercato dell'equity + Valore dei debiti finanziari netti	Margine Operativo Lordo
EV / EBIT	Enterprise Value / EBIT		Reddito Operativo

Forward-looking **earning** capacity

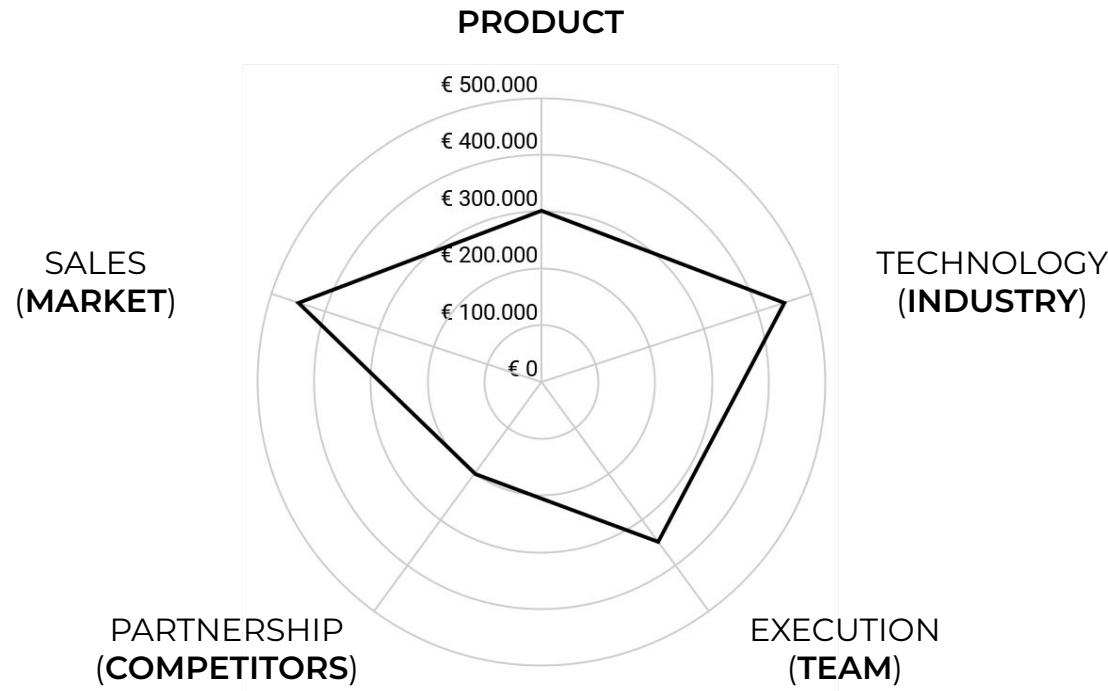
$$V_A = \sum_{i=0}^n \frac{CF_i}{(1 + r)^i}$$



Valore = VA + PFN + assets

¹ PFN = Disponibilità Liquide + Crediti a breve termine - Debiti a breve termine

Risk-based evaluation



Scorecard method



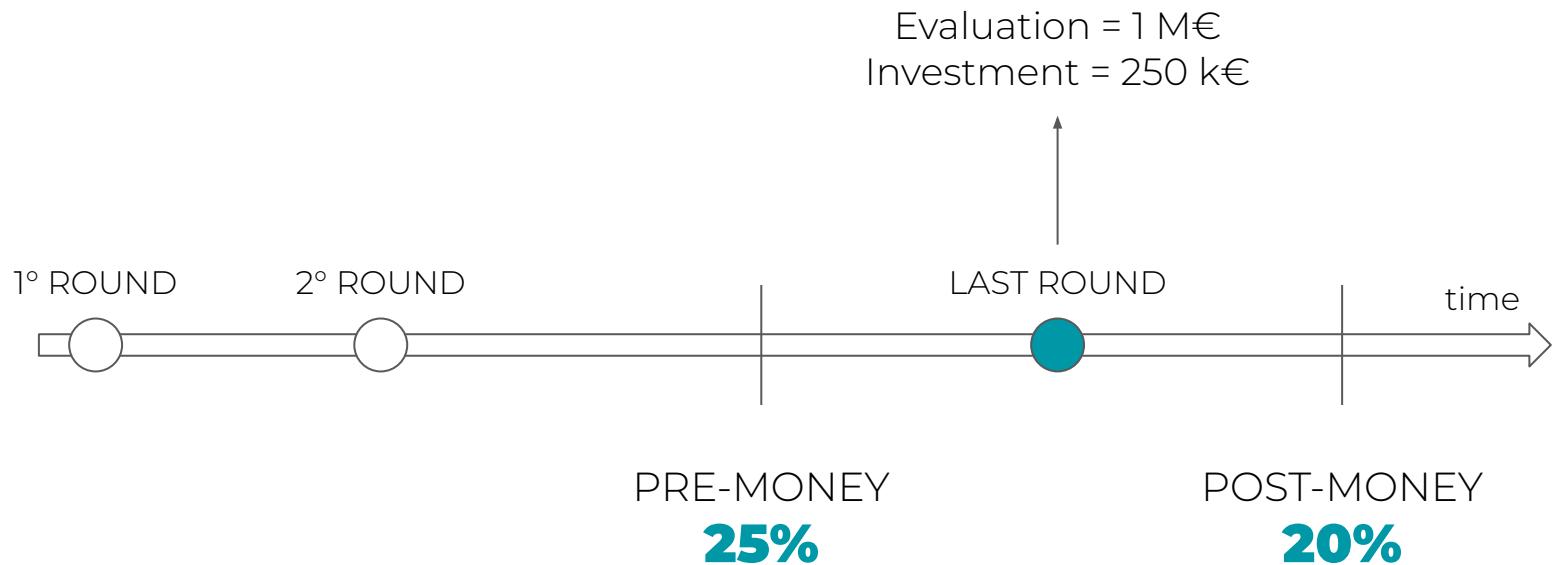
Feature	Maximum
Management	30%
Market Size	25%
Product	15%
Partnership & sales	10%
Competitors	10%
Additional investors	5%
Optionals	5%

¹ by William Payne

Chicago method



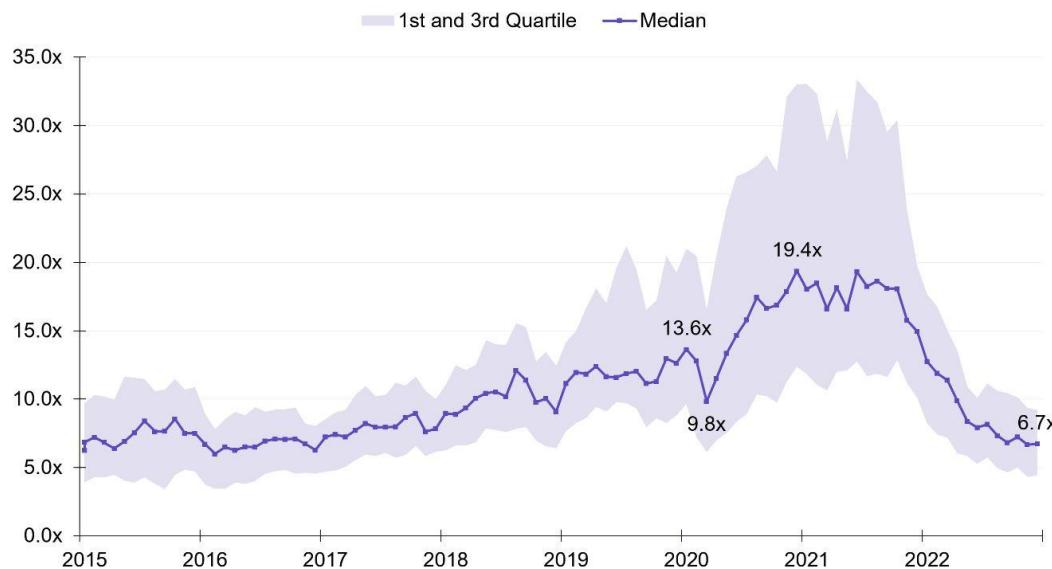
Pre-Money vs. Post-Money



SaaS Valuations: EV/Revenue multiple

SaaS revenue multiples almost doubled during 2020, as investors poured money into software

Median EV/Revenue multiple, 2015-2022



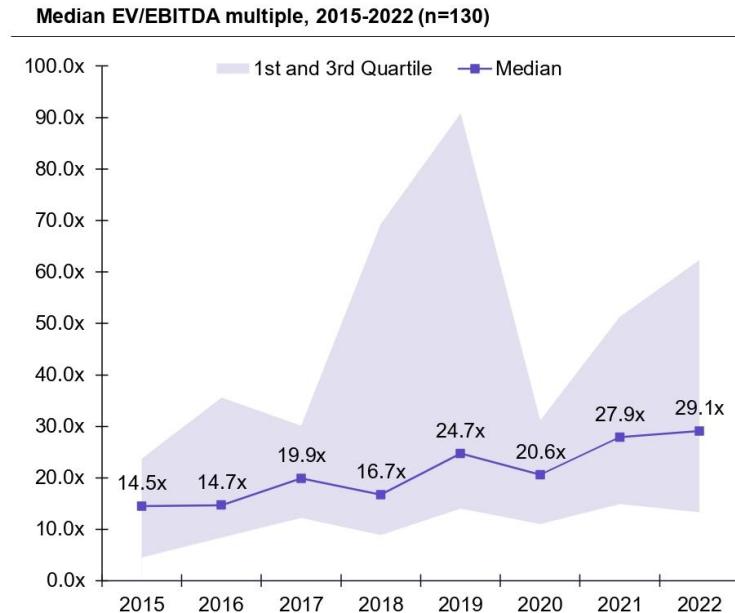
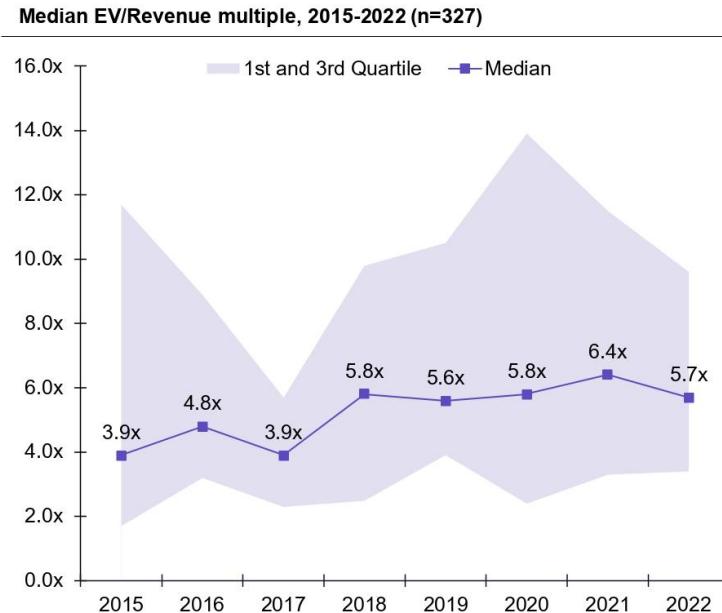
Comment

- Revenue multiples have been growing slowly between 2015-2019, reaching a median of 13.6x before the COVID drop.
- Market drop in March 2020 was short lived, with the multiples quickly recovering.
- Many SaaS companies went public during the peak of the valuations, with the 25% highest valued companies trading at above 30x Revenue.
- The valuation multiples reached their peak and plateaued for a period of time in January-October 2021.
- The highest multiple recorded in our sample was Asana, closing at 89.0x LTM Revenue in November 2021.
- After Federal Reserve started to raise interest rates and growth decelerated, the valuations dropped significantly.
- By December 2022, multiples reached a plateau at around 6.7x.

SaaS valuation multiples in M&A transactions

The EV/Revenue multiple for SaaS companies in the sample fluctuated within a range of 3.9x to 6.4x over the past 8 years

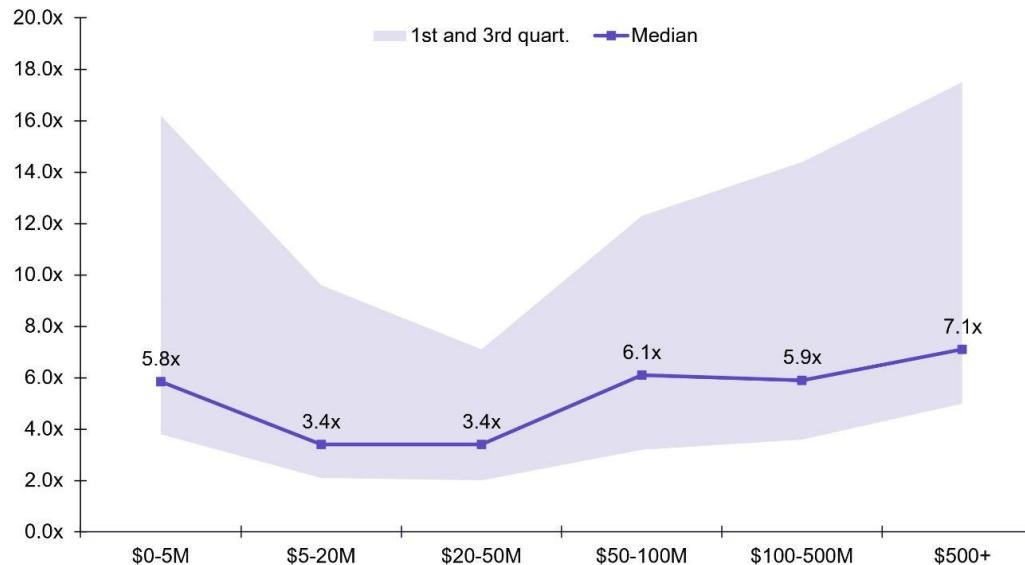
Deep dive: Multiples



Valuation drivers: Company size

Deals above \$50M have significantly higher valuations than smaller deals

Median EV/Revenue multiple by deal size, 2015-2022



Key findings

- The EV/Revenue multiple for acquired SaaS companies tends to increase with the size of the company.
- The gap between the 1st and 3rd quartile of the EV/Revenue multiple widens as the size of the company increases.
- Larger deals include strategic acquirors, take-private transactions, yet the elevated competition for such deals is also a major factor.
- The sample size for the "\$0-5M" size category is smaller and the companies in this group may have elevated multiples due to lower absolute revenue size.

VC
cos'è e come funziona?

How to **raise money**?

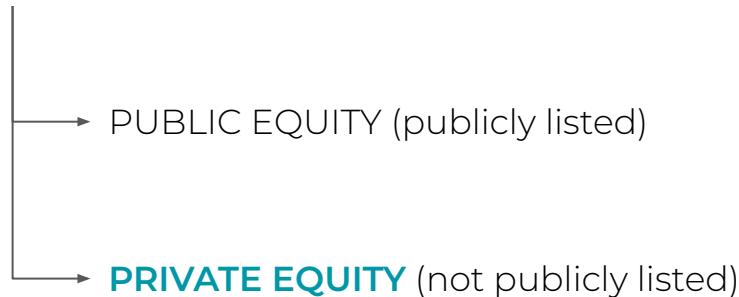
Financing

EQUITY

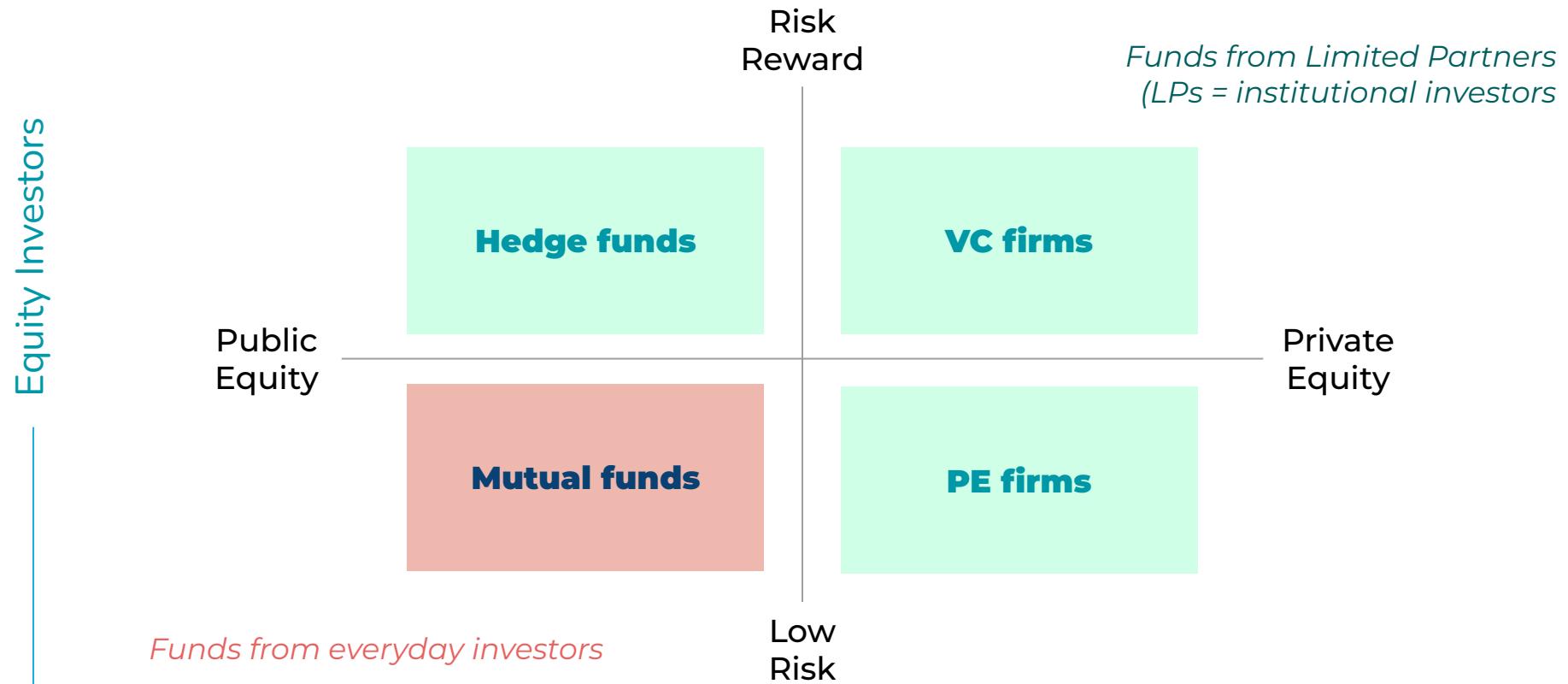
“Cash now, more value later”

DEBT

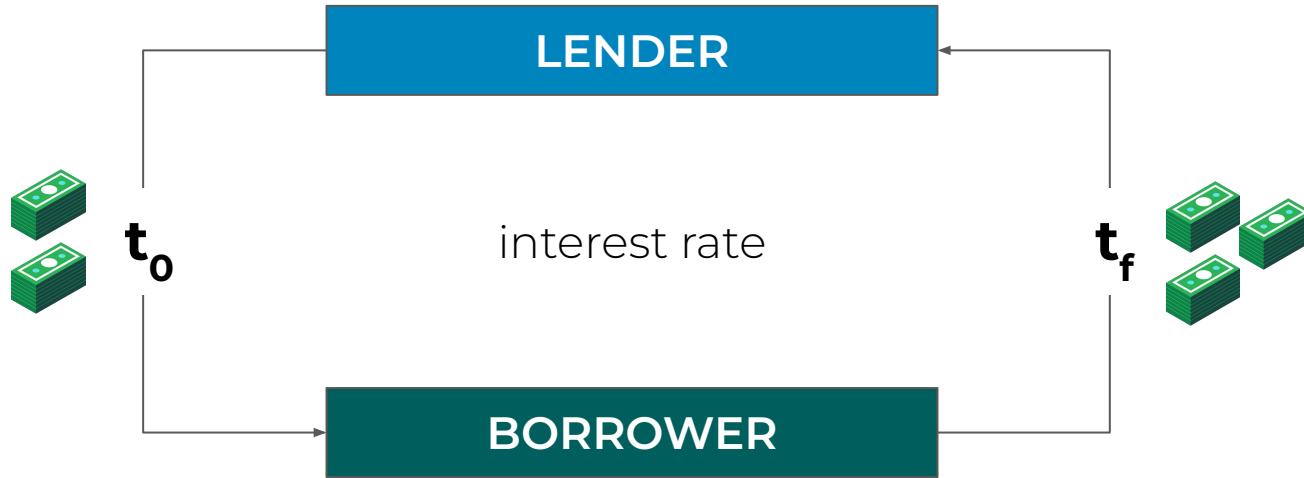
“Cash now, more cash later”



“ PE is a form of **company financing**
via **private capital** ”



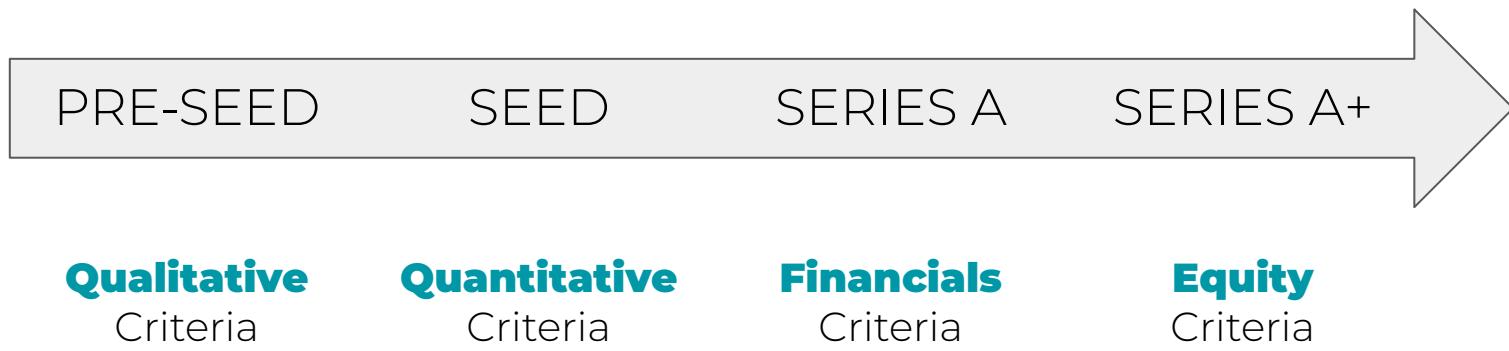
Debt Financing



if interest rate = 0 → why lending money?

What is a **VC looking for** ?

VC's

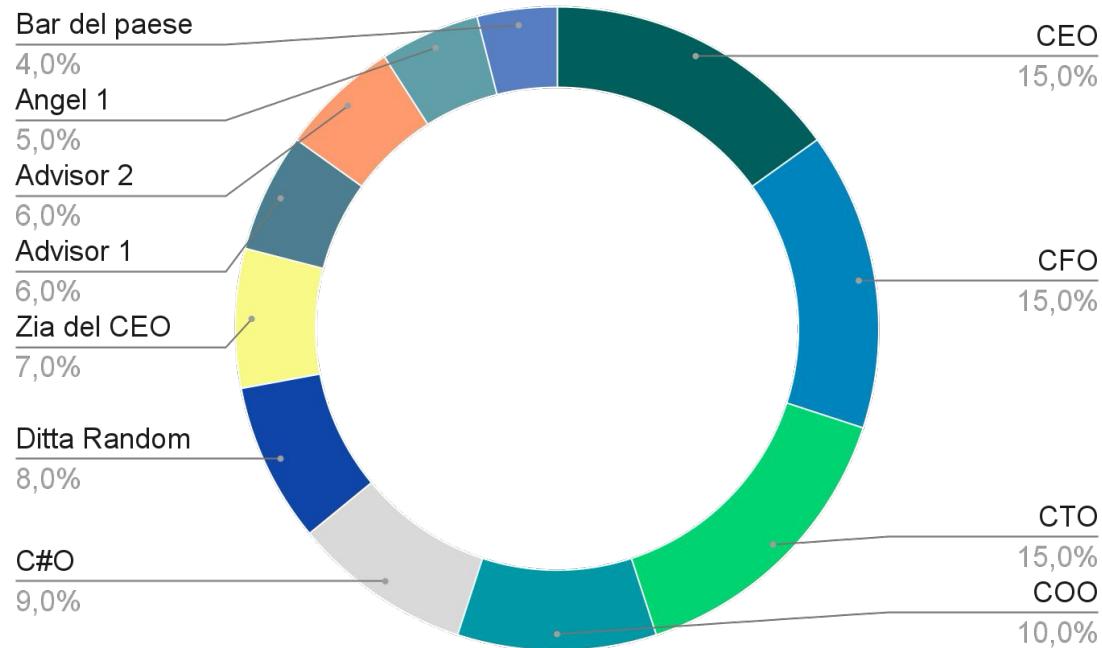


What is a **VC looking for** ?

VC's



CAP Table: worst case

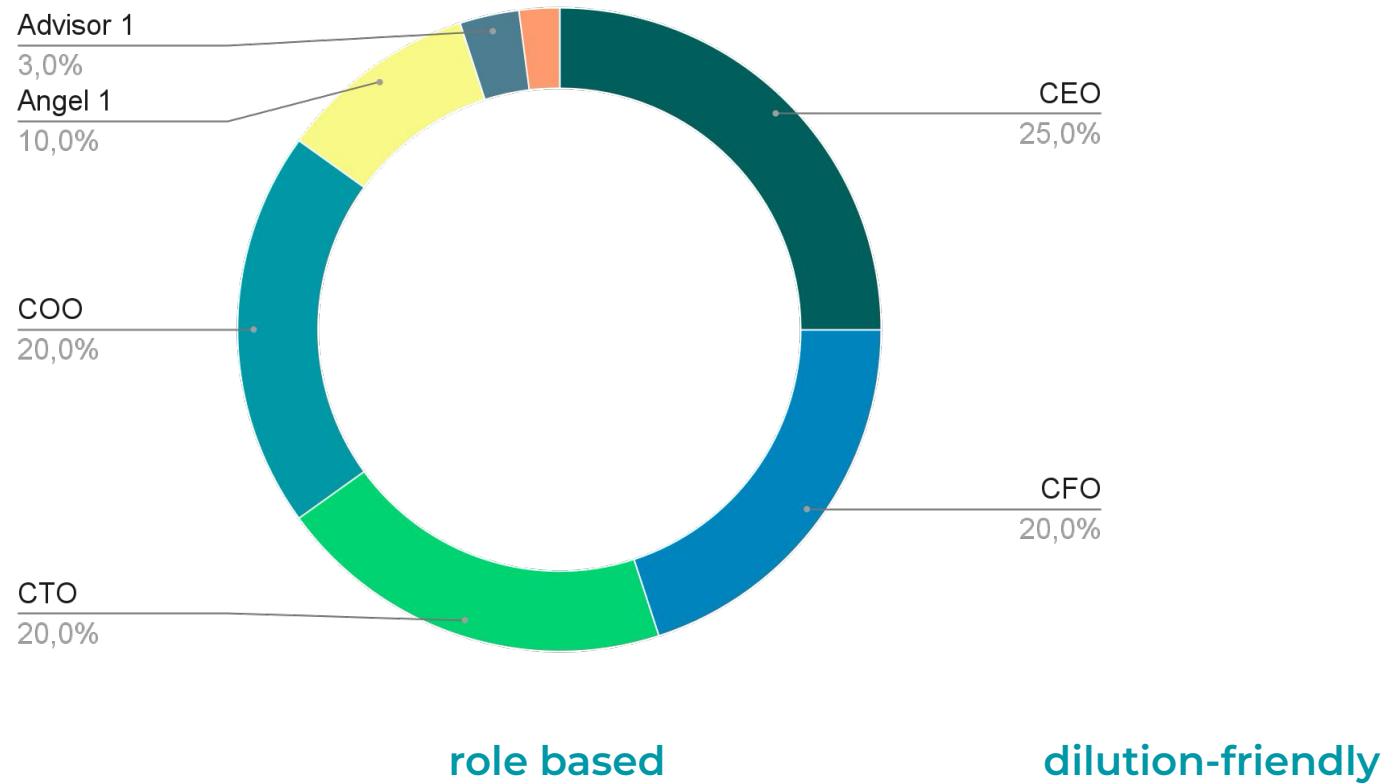


fragmented

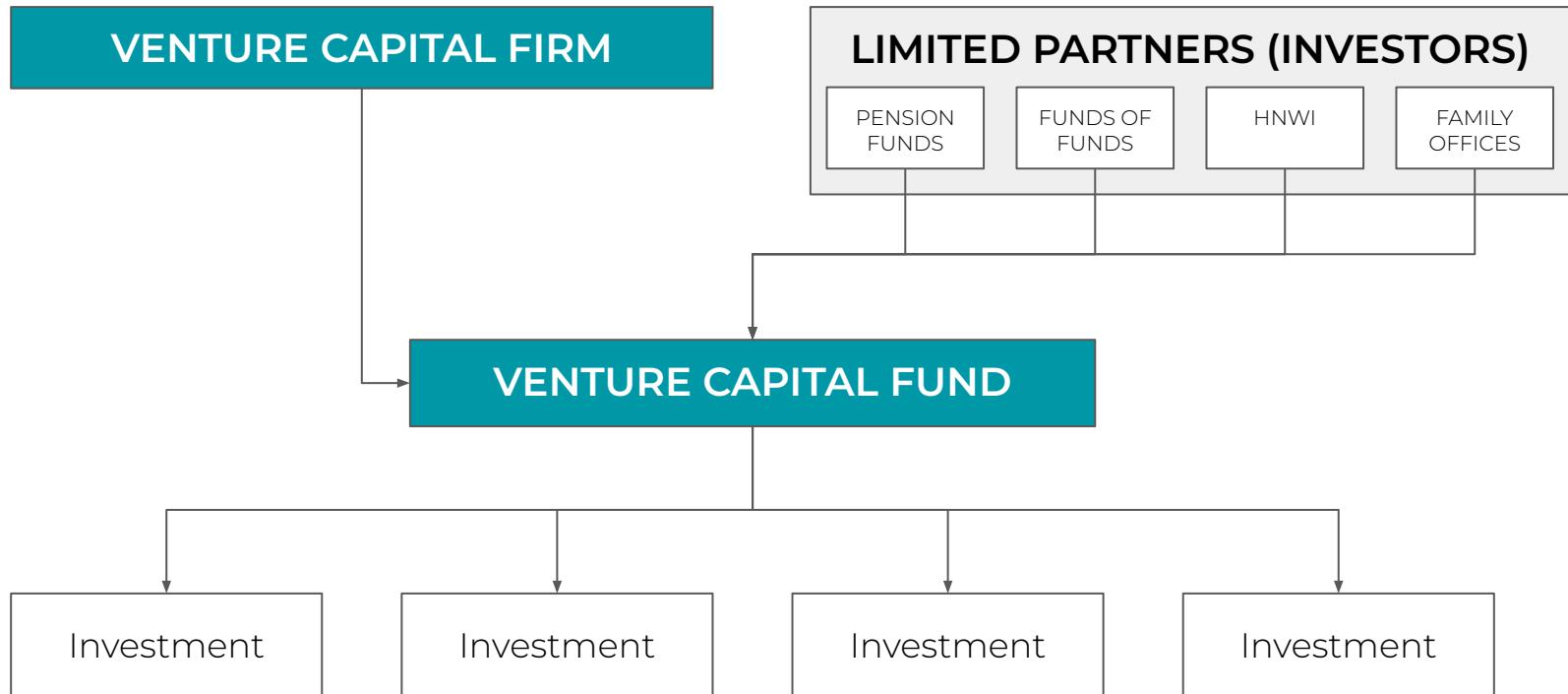
no criteria

unsustainable

CAP Table: sexy

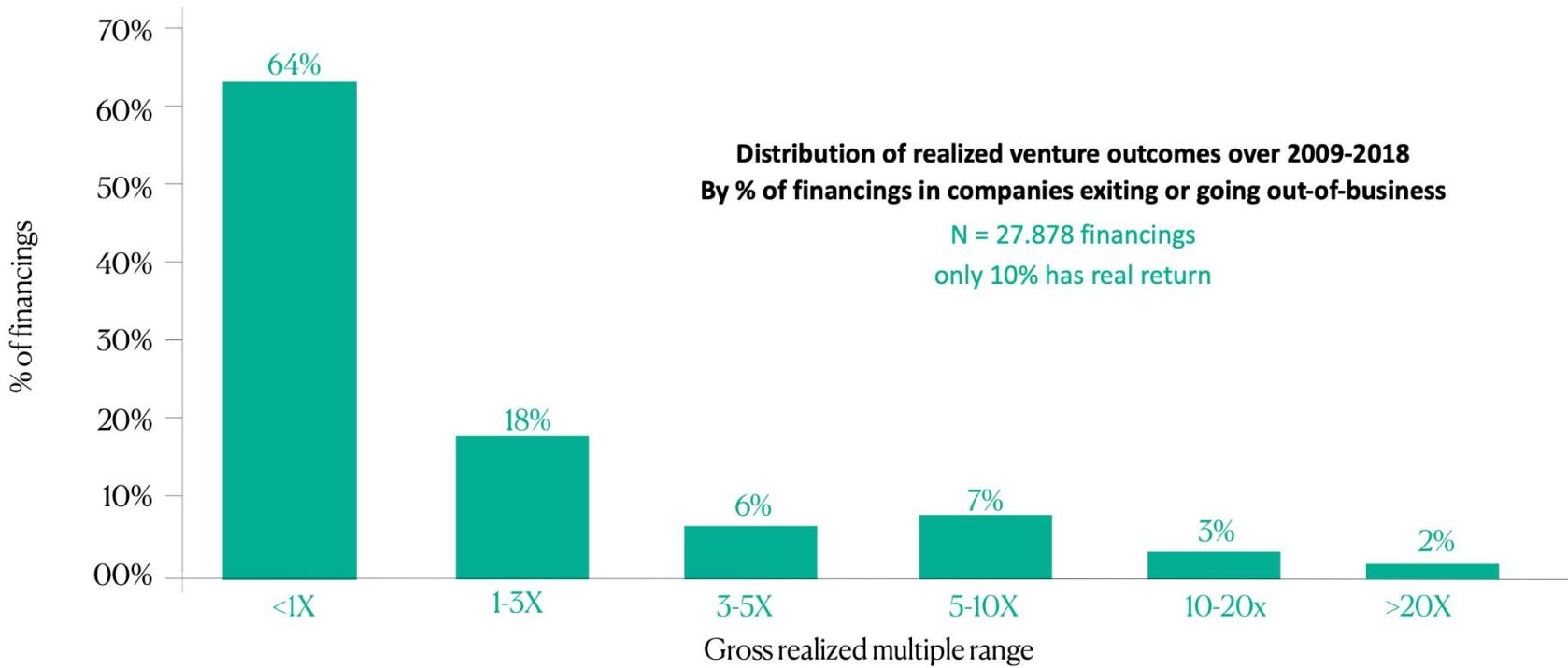


VC's structure



VC's ROI

Being a VC is hard



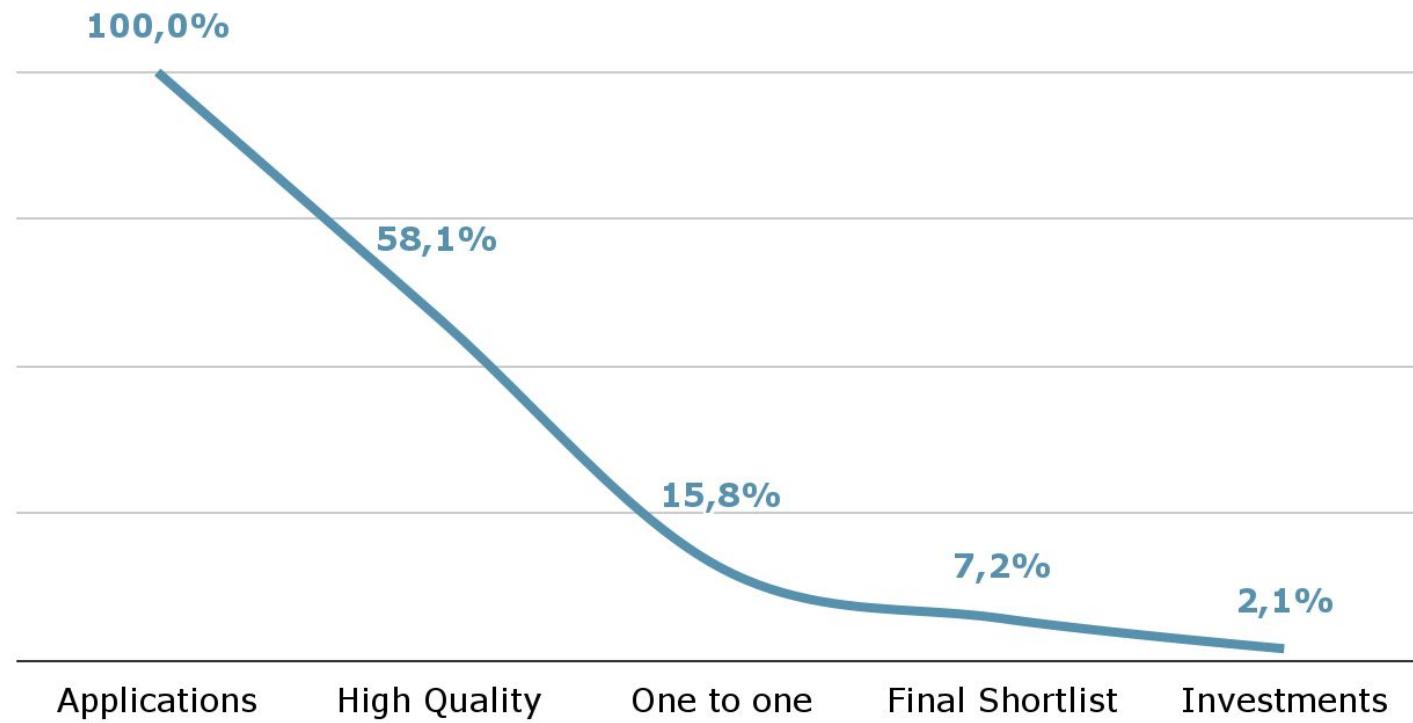
Let's quickly calculate the **Expected Value**

Being a VC is hard

ROI Lower bound	ROI Upper Bound	Avg. ROI	Weight	Startup	Avg. ROI (startup)
0x	1x	0x	64%	17,842	0
1x	3x	2x	18%	5,018	10,036
3x	5x	4x	6%	1,673	6,691
5x	10x	7.5x	7%	1,951	14,636
10x	20x	15x	3%	836	12,545
20x	-	25x	2%	558	13,939
100%				27,878	57.847

2.1

VC's admission funnel



VC in Italy

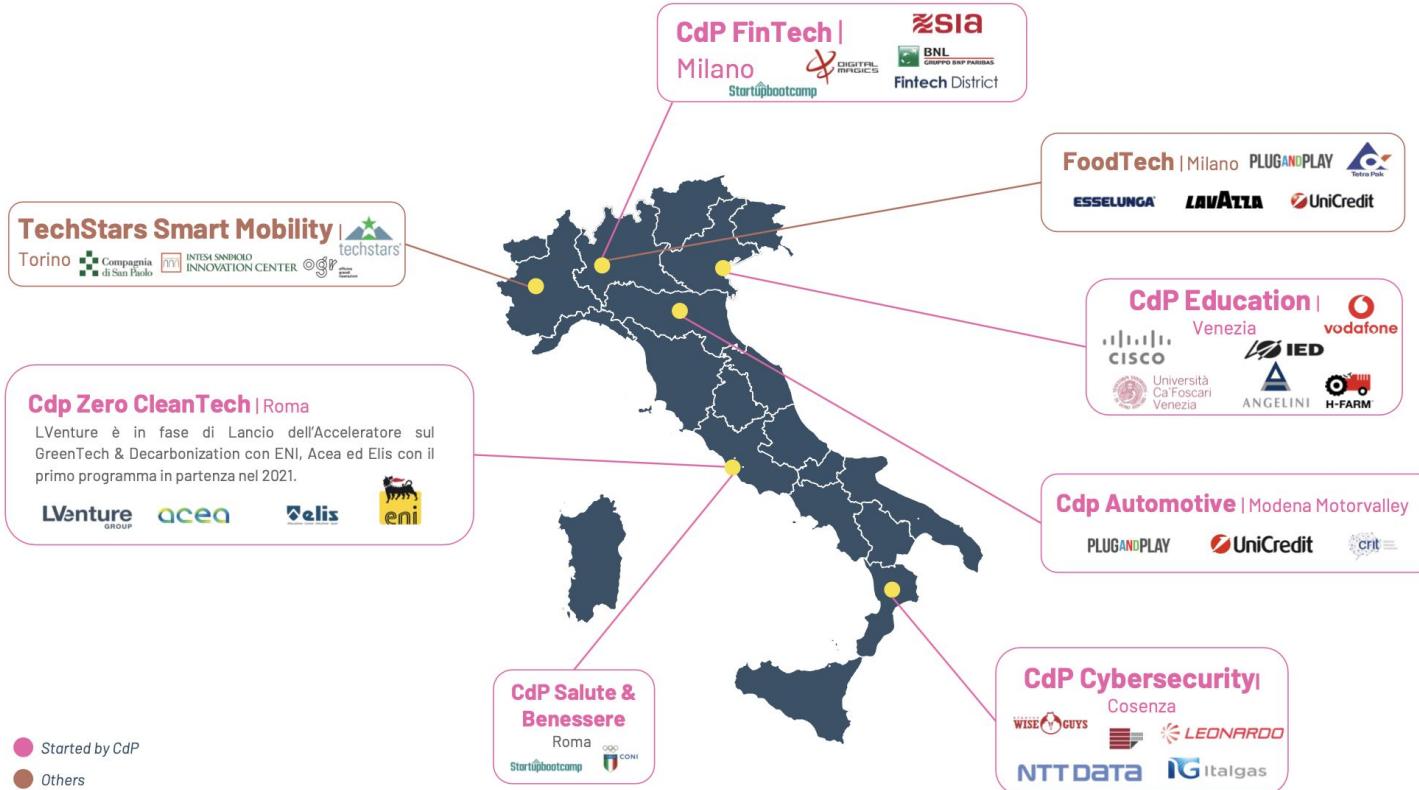
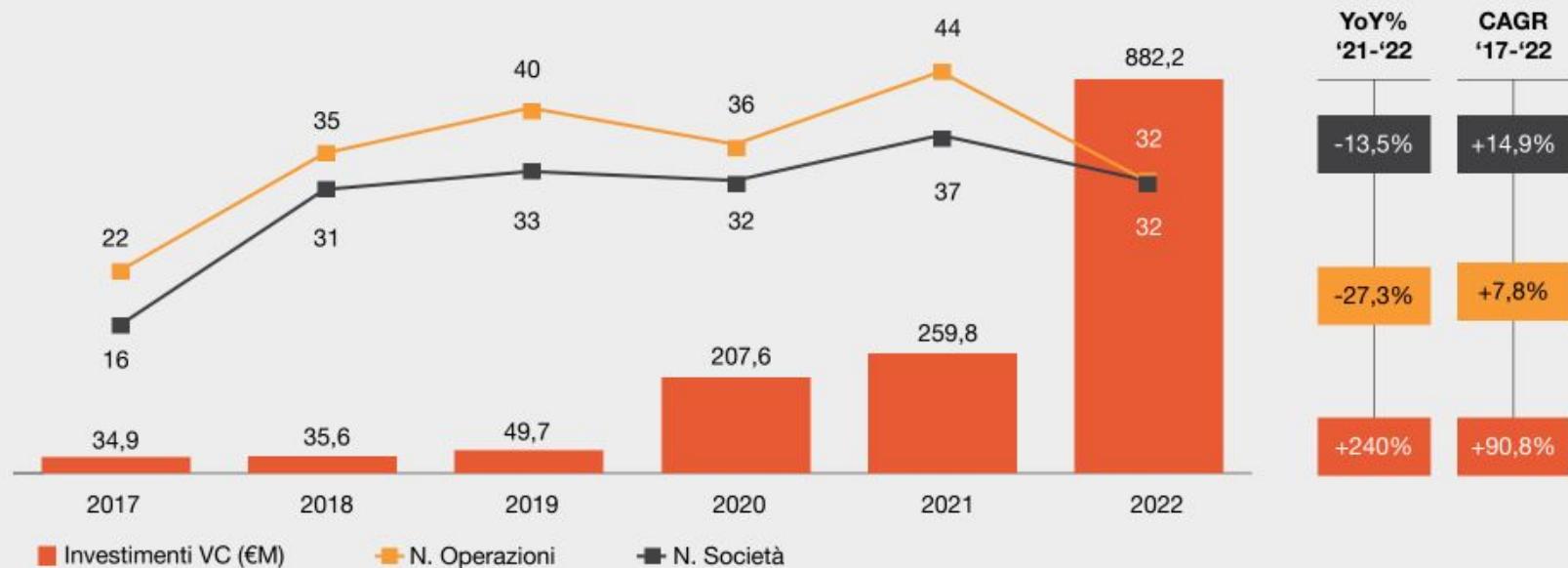


Figura 3: Andamento degli investimenti di *Venture Capital* in Italia in ambito *FinTech* (mln €)

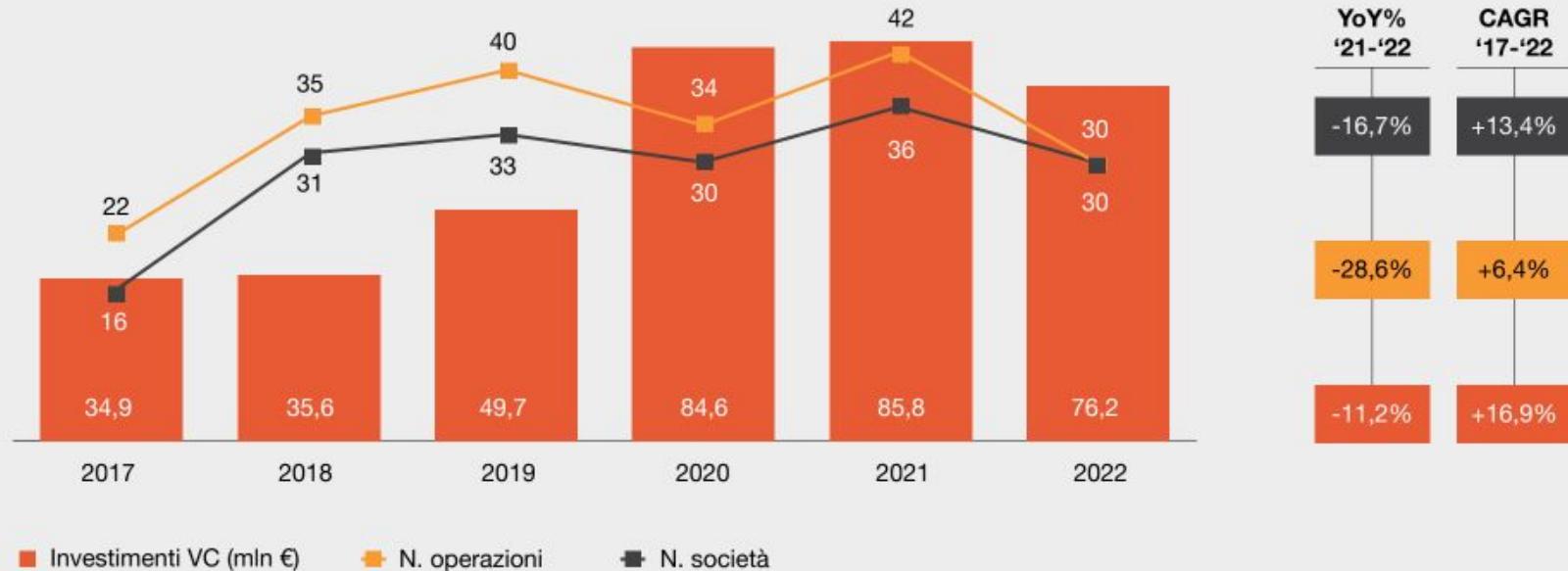
Fintech Focus



Fonte: Elaborazione PwC su dati Pitchbook al 31.12.2022 - Undisclosed deal inclusi nel conteggio delle operazioni e delle società

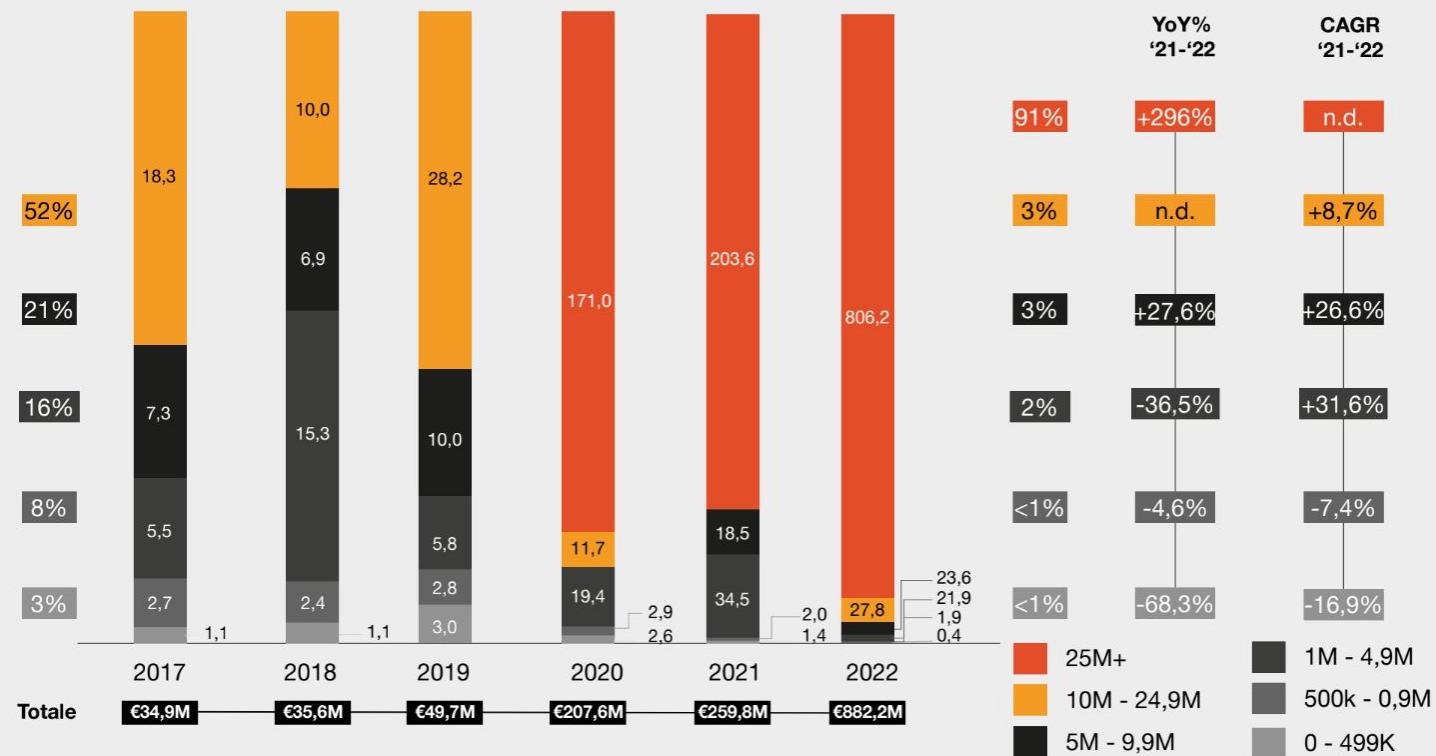
Figura 4: Andamento degli investimenti di *Venture Capital* in Italia in ambito *FinTech* esclusi i mega-round

Fintech Focus



Fonte: Elaborazione PwC su dati Pitchbook al 31.12.2022 - Undisclosed deal inclusi nel conteggio delle operazioni e delle società

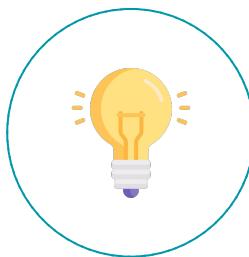
Figura 6: Investimenti di *Venture Capital* in startup FinTech in Italia per Deal Size



Fonte: Elaborazione PwC su dati Pitchbook al 31.12.2022

Top findings

Key factors for success



IDEA



TEAM



BUSINESS
MODEL



FUNDS

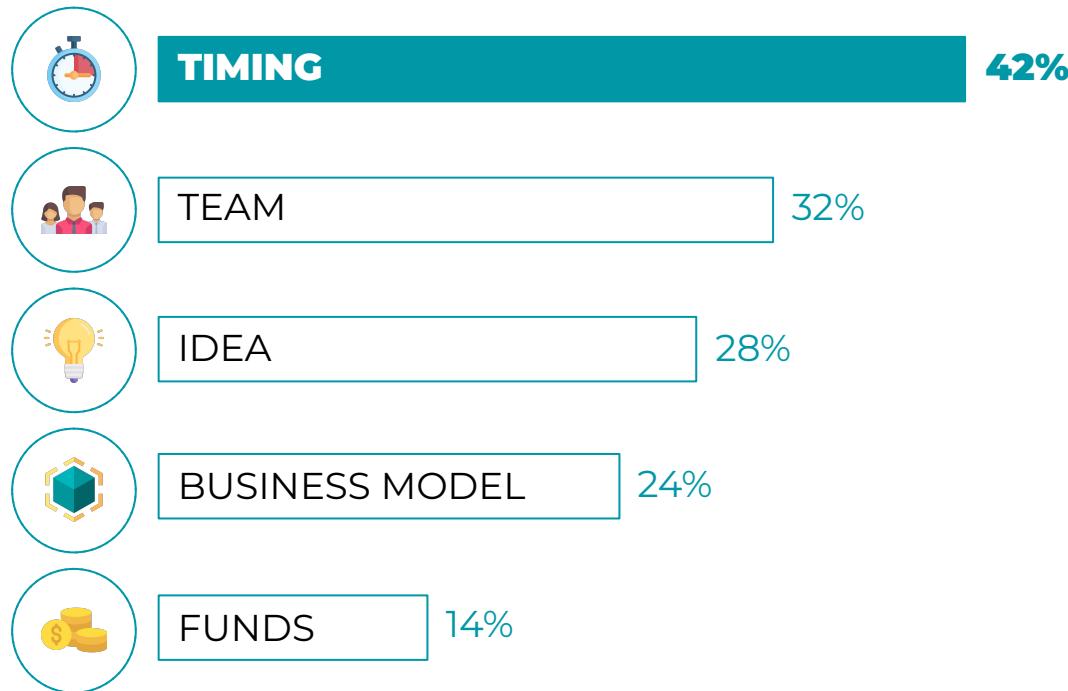


TIMING

¹ Source: Bill T. Gross

Looks like **timing** is the factor that **matters the most**

Key factors for success



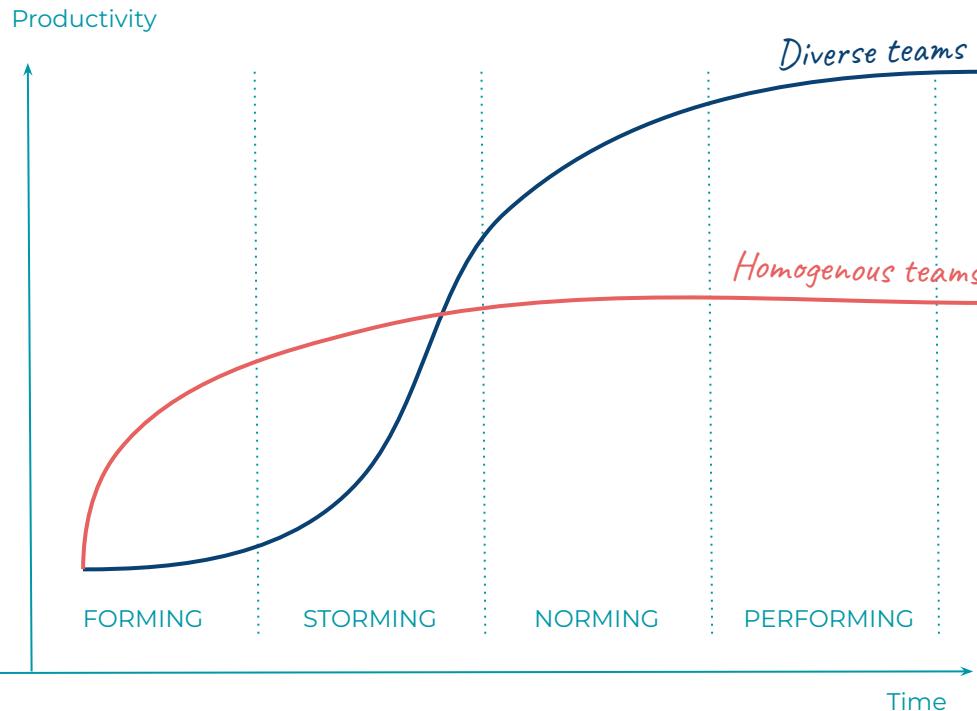
“If you’re not **embarrassed** by the first version of your product, you’ve launched too **late**”

Reid Hoffman



Change Agents embrace **Growth Mindset**
and inspire other people to do the same

Few suggestions: Team



Growth Mindset

- Embrace challenges
- Persevere in the face of failure
- Learn from criticism
- Find inspiration in other's success
- New skills learned through hard work

Fixed Mindset

- Avoid challenges
- Give up easily
- Ignore useful criticism
- Feel threatened by other's success
- Abilities are fixed and too hard to change







NO



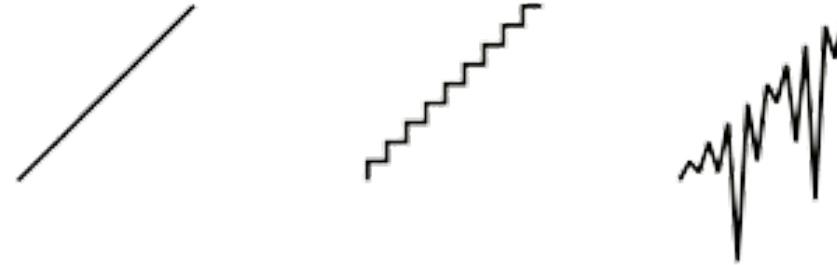
NO

- Heterogeneous
- FULL-Committed
- Role based
- Involve ADVISORS
- Avoid FRIENDS

YES

Life is **difficult**, entrepreneurship is **worse**

Mantra



PREDICTION

PLAN

PRACTICE

Contacts



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