The Rise of Unicorns: Mapping Trends in Billion-Dollar Startups

Data Visualization - Final Project

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Unicorns, a strategic lens for financial analysts

In business jargon, a *Unicorn* refers to a **privately held startup** company valued at over **$1 billion**. Unicorns often attract significant attention from investors and the media due to their rapid growth, disruptive business models, and potential for high returns.

Unicorns often pioneer new technologies, business models, or services, providing valuable insights into the direction of industries and markets. Analyzing them can help identify **emerging trends and anticipate future developments**, giving businesses and investors a competitive edge

The dataset used for the analysis was provided by CB Insights. It provides a comprehensive compilation of information on Unicorn companies such as **country of origin, industry, date at which the company became an Unicorn, total valuation** etc…

A peak in the number of Unicorns founded was observed in 2015, before a drop until 2021

Evolution of the number of Unicorns founded per year and their total valuation ($B)
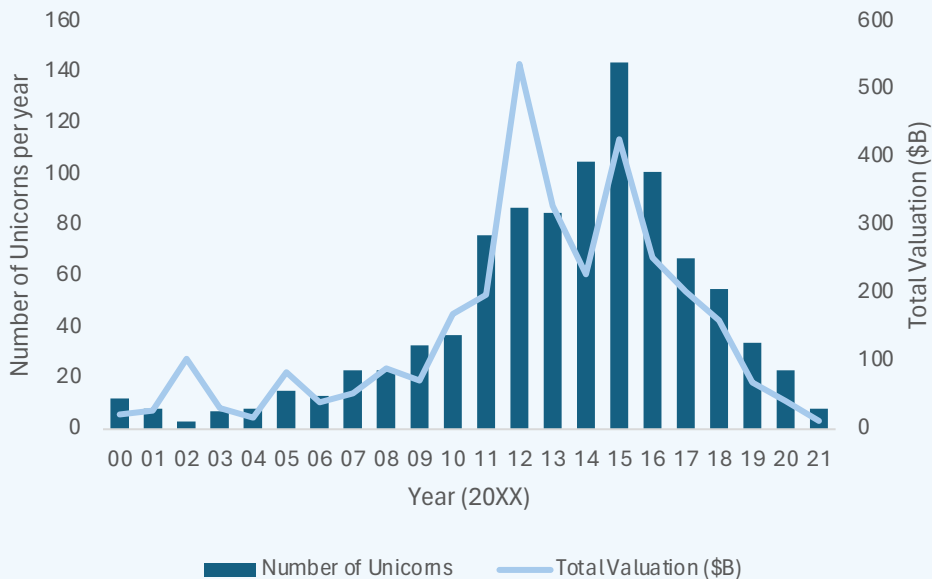
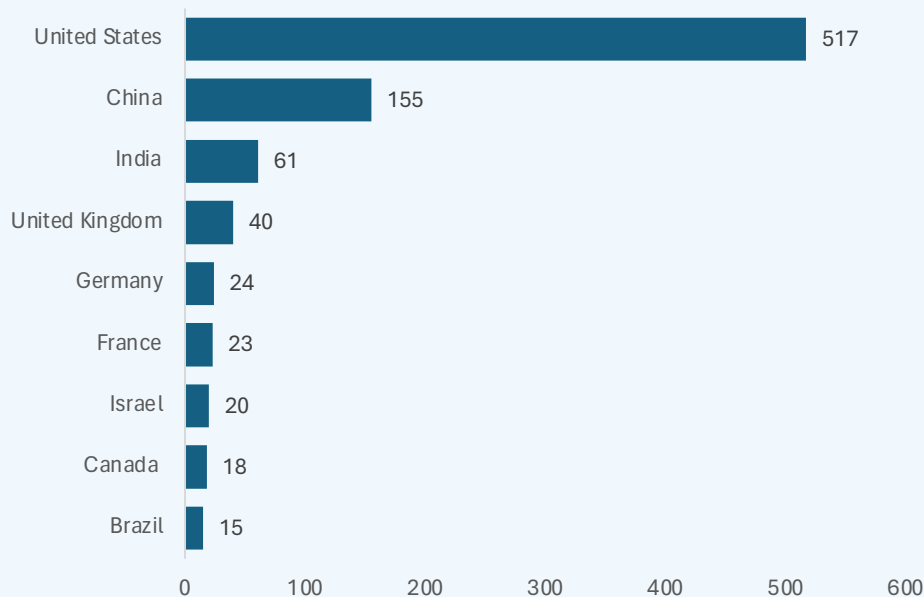The number of Unicorns founded per year was almost null before 2000

The number of Unicorns increased steadily between 2000 and 2015 with a peak at 144 companies founded that year, but started to decrease after

The total Unicorn valuation is correlated to the number of Unicorns founded, with exceptions, like in 2012 ($537.3B)

A vast majority of Unicorns are American companies

Geographical Repartition of Unicorns (number of companies)

Country	Value
United States	517
China	155
India	61
United Kingdom	40
Germany	24
France	23
Israel	20
Canada	18
Brazil	15

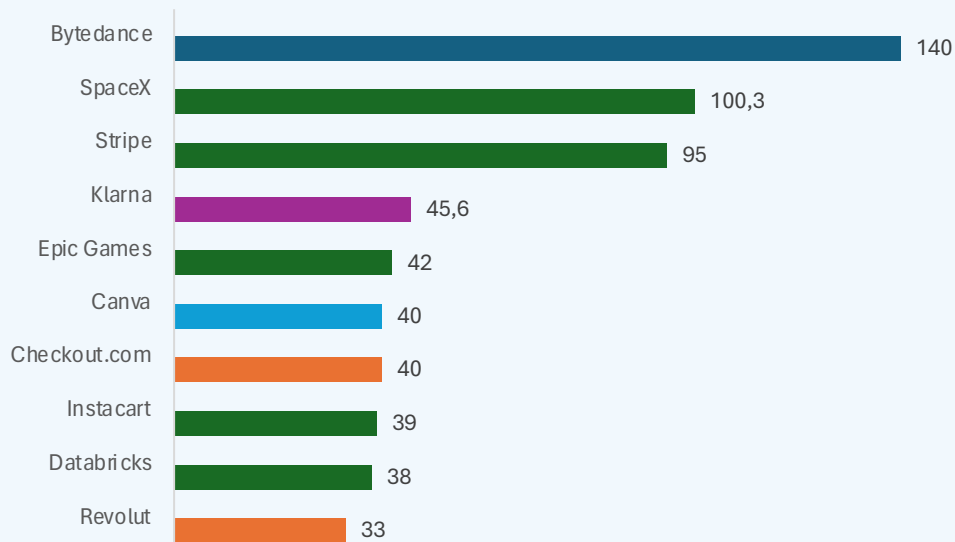517 Unicorns are American companies, which represents 59% of the top 10 countries Unicorns

The China (#2 Country) Unicorns represent 155 companies, which is around 18% of the top 10 countries Unicorns

The 8 remaining countries (from the top 10) represent 201 companies, and only 23% of the top 10 countries Unicorns

The most valuable Unicorn is Chinese even though most of the main Unicorns are American

Company	Valuation
Bytedance	140
SpaceX	100,3
Stripe	95
Klarna	45,6
Epic Games	42
Canva	40
Checkout.com	40
Instacart	39
Databricks	38
Revolut	33

Legend: Australia · China · Sweden · United Kingdom · United States

Top 10 Unicorns in terms of valuation ($B)

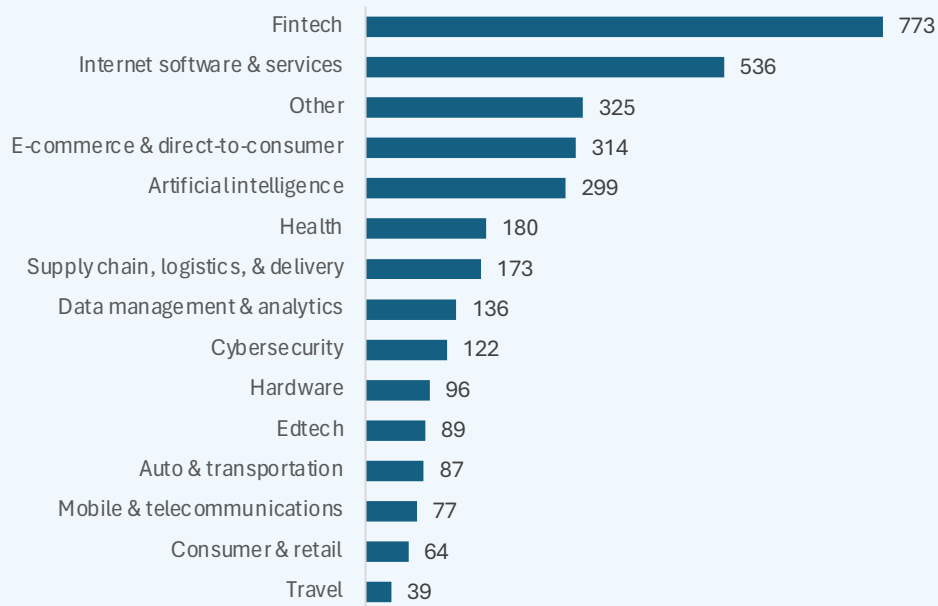The most valuable Unicorn is a Chinese company: Bytedance, evaluated at $140B

American companies are largely represented in the top 10, with 5 companies, worth a total of $314.3B

Unicorns are generally founded in most innovative countries, which explains the presence of a Swedish company here

Industries related to digital services are the most represented in the Unicorns landscape

Industry	Value
Fintech	773
Internet software & services	536
Other	325
E-commerce & direct-to-consumer	314
Artificial intelligence	299
Health	180
Supply chain, logistics, & delivery	173
Data management & analytics	136
Cybersecurity	122
Hardware	96
Edtech	89
Auto & transportation	87
Mobile & telecommunications	77
Consumer & retail	64
Travel	39

Main industries represented by Unicorns and total valuation of companies associated ($B)

The Fintech industry is the most represented with $773B of total valuation
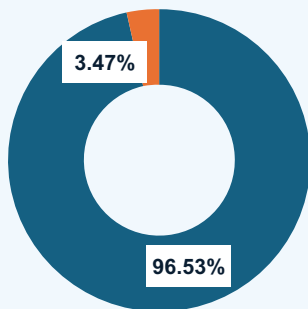
Internet, software & services, E-commerce & direct-to-consumer and AI are other major industries represented

The Fintech sector tends to be more receptive to portfolio exits than the ISS industry*

(1)

3.47%

96.53%

Deal Terms

Portfolio Exits

(2)

0.99%

99.01%

Investment dynamics in Fintech industry (1) and Internet, Software & Services industry (2)
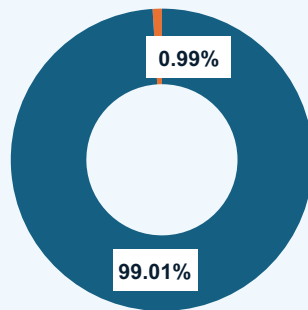
Fintech sector shows a balance with 96.53% deal terms and a slightly higher exit rate at 3.47%, indicating potential for more frequent successful liquidity events

The presence of more exits in Fintech industry might suggest a relatively more dynamic and investor-friendly market

Internet, Software & Services industry (2) experiences fewer exit events, as indicated by the 0.99% of portfolio exits

This lower exit rate could be due to a variety of factors such as longer development cycles, higher barriers to acquisition/IPO, or a preference for remaining private

* Internet, Software & Services

Future investment trends for Unicorns: towards a focus on Chinese companies and AI industries ?

Conclusion

Our analysis shows that geographic location is **crucial**, as local ecosystems play a **significant role** in nurturing Unicorns. The preferred location is the United States, but could move towards China in the future. In terms of industries, **Data analytics, AI, and E-commerce** will certainly have an important role to play in the future.

Limitations

Our analysis was limited by our dataset, which extends only **until 2021.** Some trends like the anticipated AI investment bubble **may not be fully captured** within this **timeframe**

Next steps

Our dashboard can help **better understand** the Unicorn phenomenon with its versatile data display. To go further, **more recent data** could be integrated to **develop** a **predictive visualisation** on which companies are **likely** to **reach Unicorn status**.

Thank you