

Accel 2022 Euroscape

The Reset



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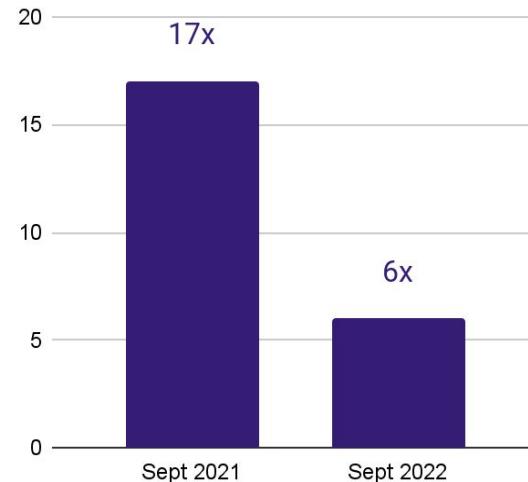
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Global Euroscape cloud index down by \$1.6T

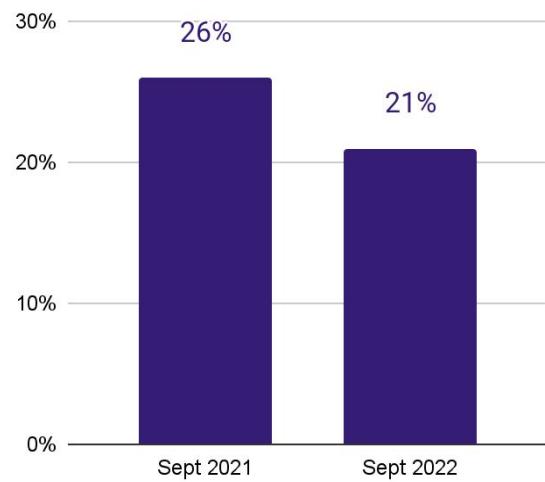
GLOBAL EUROSCAPE INDEX MARKET CAPITALIZATION



AVERAGE FORWARD REVENUE MULTIPLE



AVERAGE FORWARD GROWTH RATE

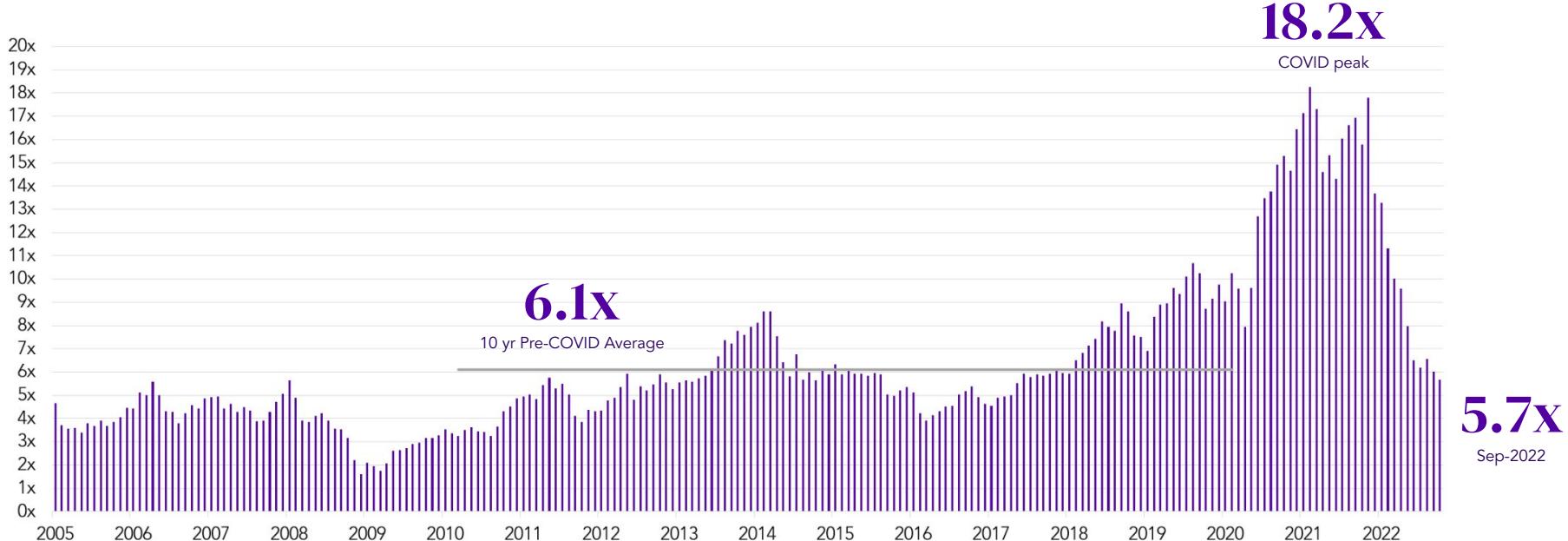


* Selection of US, EU and Israeli public companies in the index listed in appendix

Note: Change from September 24, 2021 to September 30, 2022; Selection of US, Europe and Israeli cloud companies. Source: Accel Analysis, Capital IQ

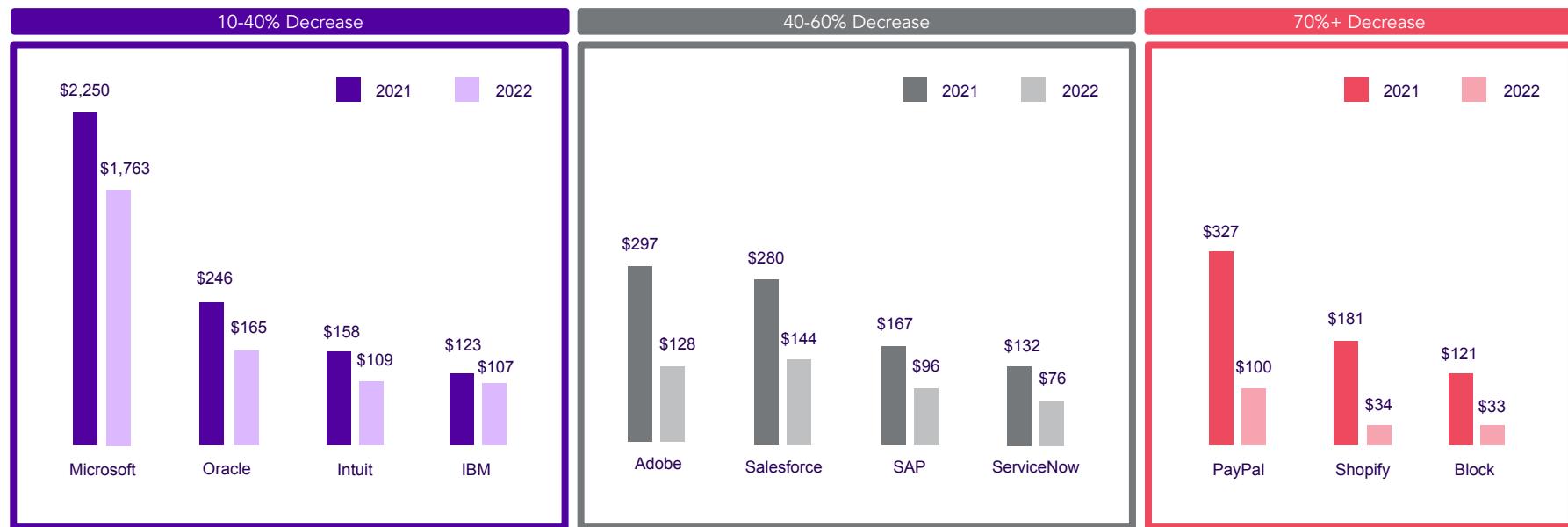
SaaS multiples below 10-year Pre-COVID average

EV / NTM REVENUE MULTIPLE EVOLUTION



No one is immune: Software & cloud giants lost ~35% of their market cap...

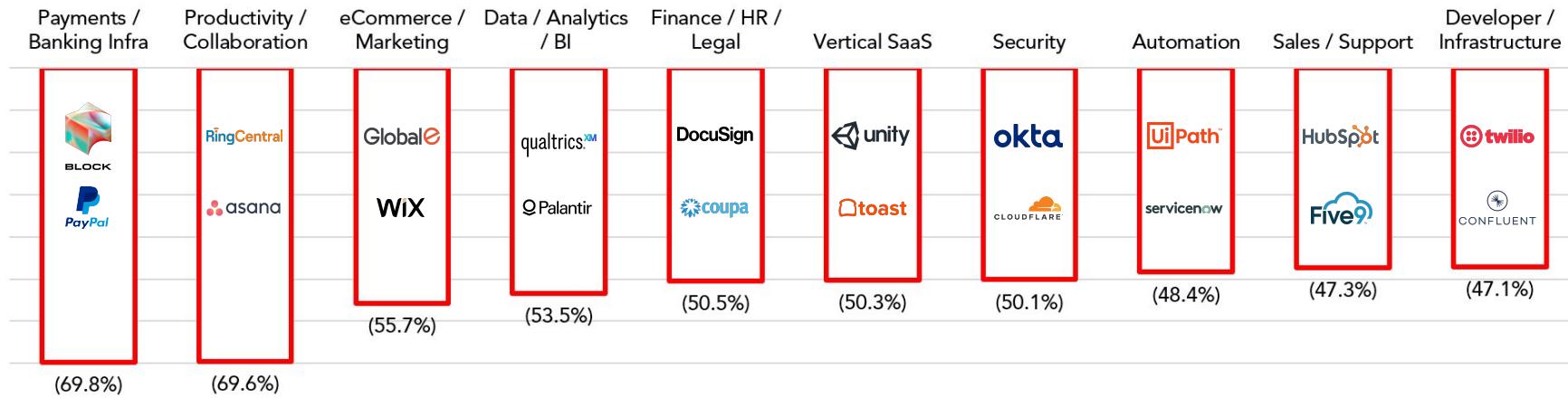
MARKET CAP OF SOFTWARE & CLOUD COMPANIES VALUED ABOVE \$100B IN LAST YEAR'S EUROSCAPE (SEP 2022)



Note: Represents cloud companies above \$100bn in market cap as of September 30, 2022.
Giants represent companies with market cap as of September 30, 2022 above \$100bn. Source: Capital IQ

...and all sectors impacted

CHANGE IN VALUE BY SECTOR OVER LAST YEAR



Note: Selection of US, Europe and Israeli cloud companies. Logos displayed represent largest LTM market cap % declines for companies with >\$10B market cap in last year's report.
Source: Accel Analysis, Capital IQ.

Priorities shifting towards profitability

TOP 10 HIGHEST MULTIPLE SAAS COMPANIES

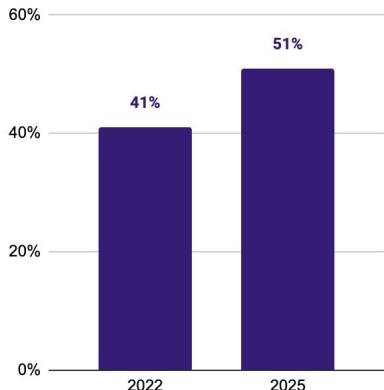
As of September 2021			
Company	EV / NTM Rev	NTM Rev Growth (%)	FCF Margin (%)
1. snowflake	61x	73%	(3%)
2. SentinelOne	59x	78%	(86%)
3. bill.com	57x	104%	(6%)
4. CLOUDFLARE	55x	38%	(7%)
5. asana	53x	41%	(49%)
6. monday.com	46x	51%	(12%)
7. CONFLUENT	44x	34%	(32%)
8. ATlassian	41x	21%	39%
9. DATADOG	41x	45%	21%
10. zscaler	40x	42%	23%
Average (Top 10)	50x	53%	(11%)
Average (All SaaS)	17x	26%	8%

As of September 2022			
Company	EV / NTM Rev	NTM Rev Growth (%)	FCF Margin (%)
1. snowflake	20x	53%	20%
2. CLOUDFLARE	16x	40%	(10%)
3. zscaler	15x	38%	23%
4. ATlassian	15x	29%	29%
5. DATADOG	14x	39%	28%
6. zoominfo	14x	34%	32%
7. CROWDSTRIKE	14x	44%	31%
8. GitLab	14x	49%	(25%)
9. bill.com	13x	51%	(4%)
10. paycom	13x	24%	18%
Average (Top 10)	15x	40%	14%
Average (All SaaS)	6x	21%	3%

Strong secular trends despite the reset

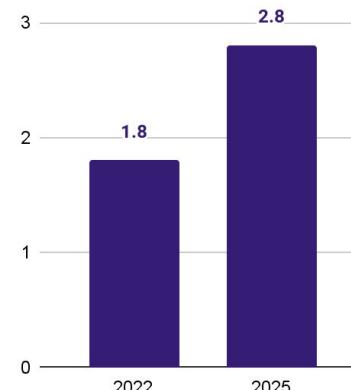
SHIFT TO THE CLOUD

IT spend transition to the cloud
(% of addressable spend)



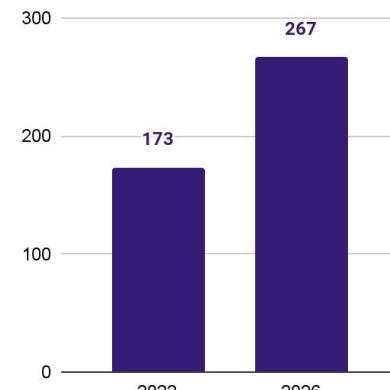
DIGITAL TRANSFORMATION

Spending on digital transformation (\$T)



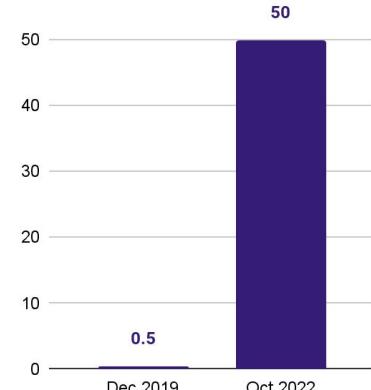
CYBER SECURITY

Spending on cyber security & risk (\$B)



CRYPTO

USDC Market Cap (\$B)



We love SaaS globally

ACCEL CLOUD UNICORN MAP



20+
IPOS

60+
UNICORNS

350+
COMPANIES

\$8B+
INVESTED

PART 1

Market Snapshot

PART 2

Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

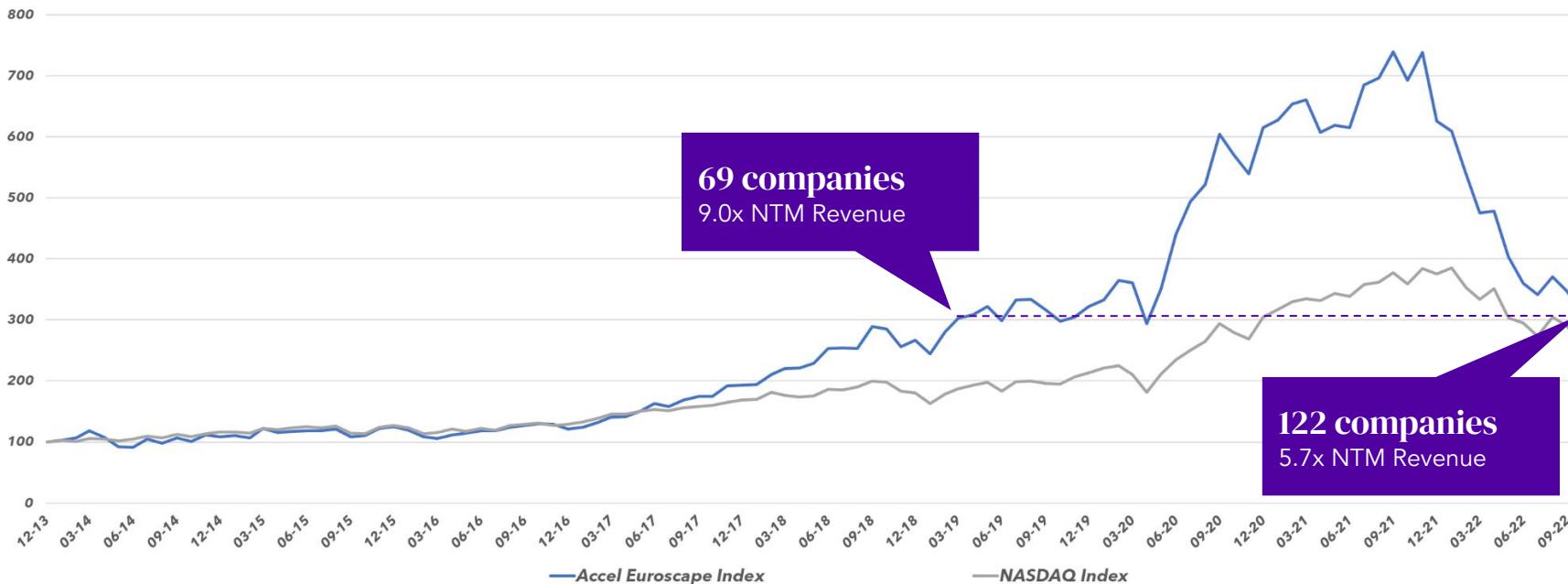
PART 4

What's Next?



Global Euroscape Index back to pre-COVID levels despite 50+ companies added to the Index

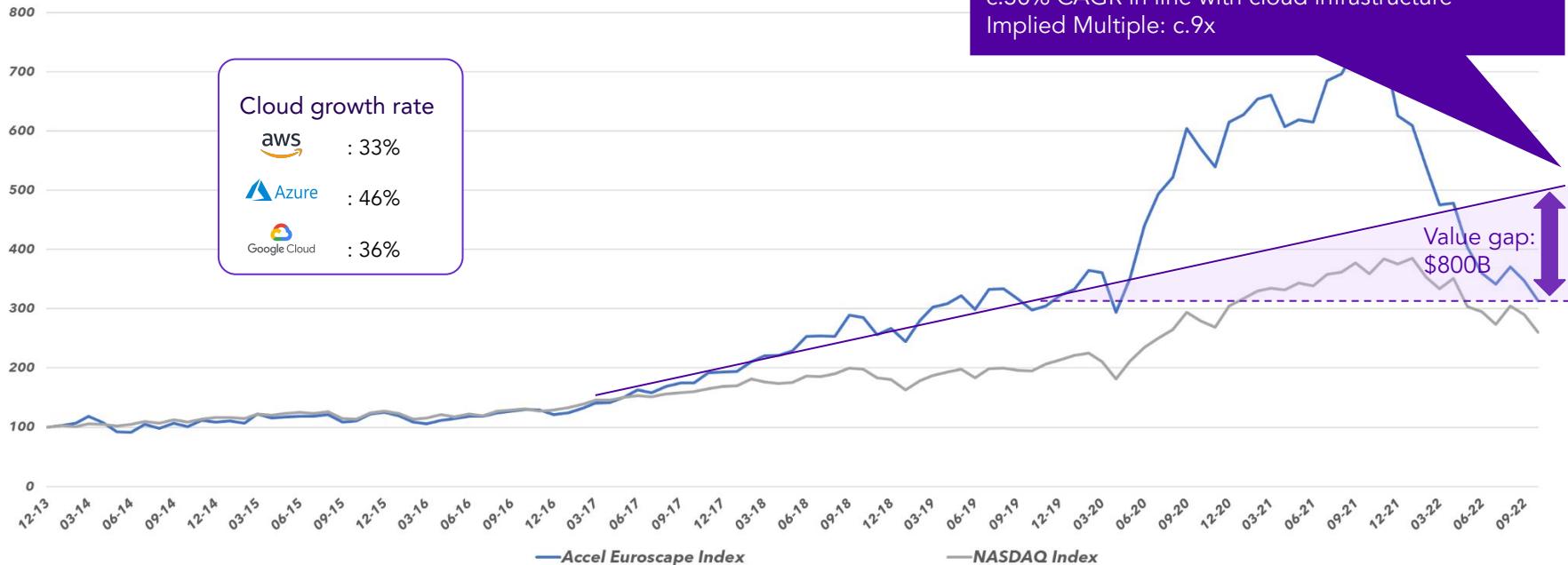
EUROSCAPE INDEX PERFORMANCE OVER TIME



Note: Selection of US, Europe and Israeli cloud companies. Companies that comprise the Accel Euroscape indices are listed in the appendix.
Source: Accel Analysis, Capital IQ

Have we overcorrected?

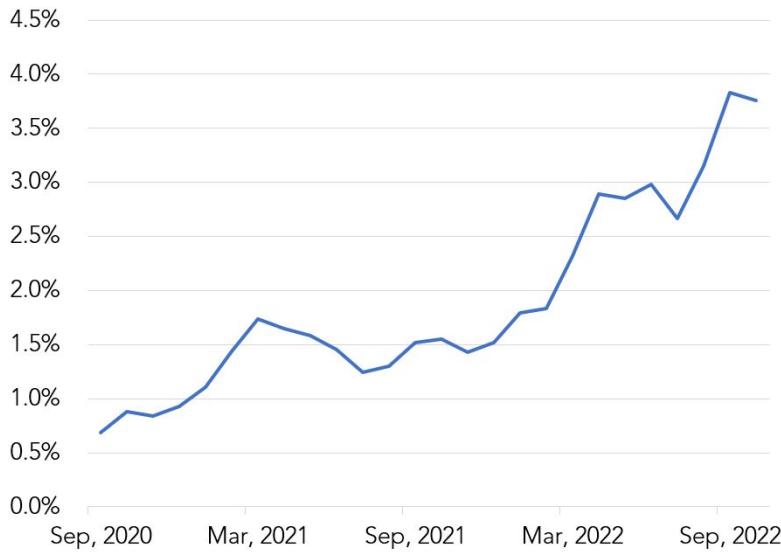
EUROSCAPE INDEX PERFORMANCE OVER TIME



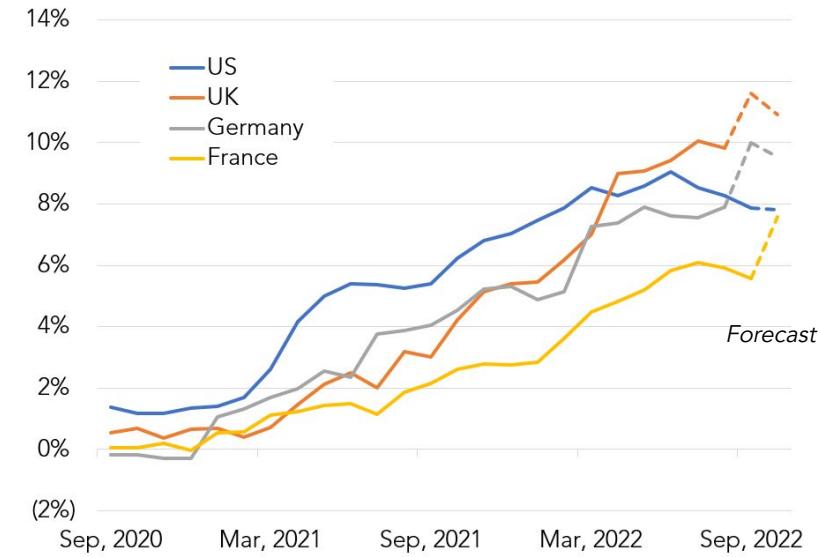
Note: Selection of US, Europe and Israeli cloud companies. Companies that comprise the Accel Euroscape indices are listed in the appendix.
Cloud growth rates are most recent quarter (YoY, c/c) Source: Accel Analysis, Company Filings, Capital IQ.

Trigger: Rising inflation driving interest rates up

10 YEAR US TREASURY YIELD

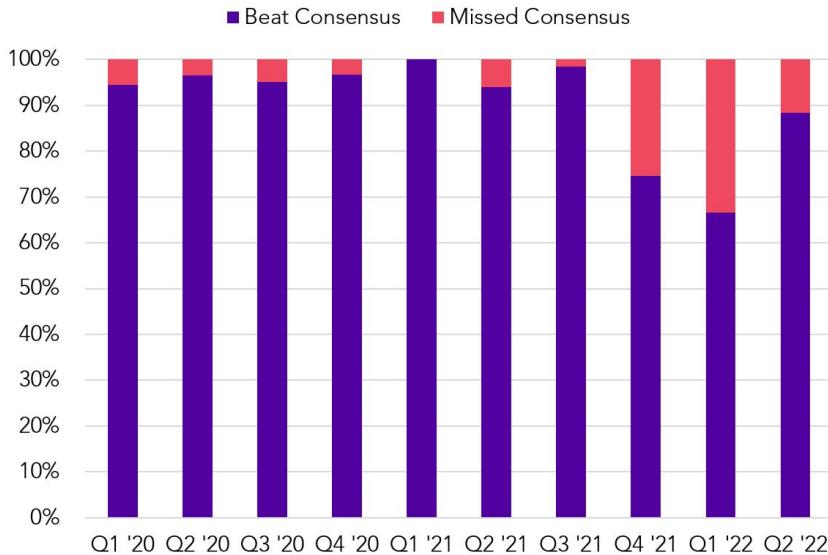


INFLATION (CPI), YOY



Macro softening putting pressure on growth rates and accelerating decline

SAAS COMPANY QUARTERLY RESULTS VS. CONSENSUS ESTIMATES



ESTIMATE MISSES HAVE COME ACROSS SAAS CATEGORIES

Shopify misses estimates and issues gloomy guidance

PUBLISHED WED, JUL 27 2022 10:36 AM EDT

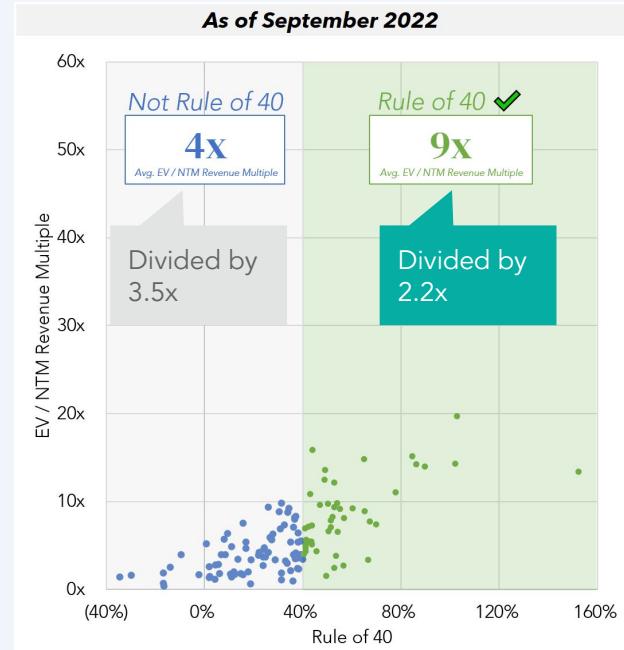
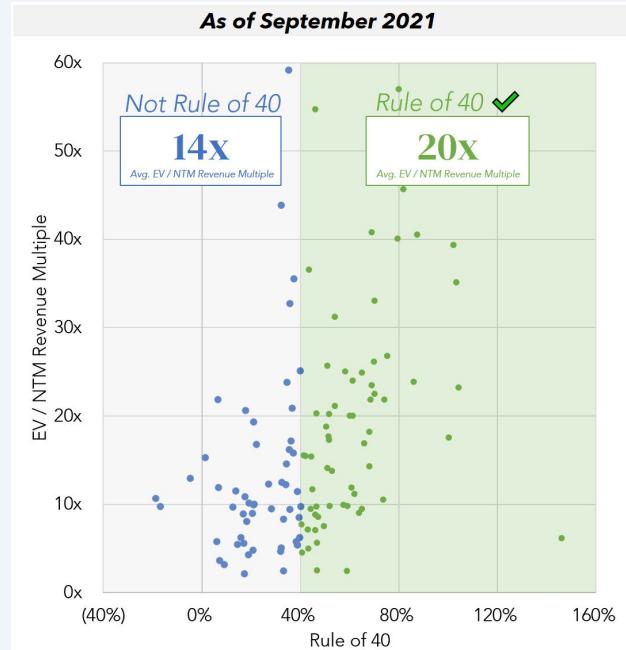
Salesforce Falls as Revenue Forecast Misses Analysts' Estimates

- Software maker announces a \$10 billion buyback program
- Company also trims its sales forecast for the fiscal year

BREAKING • MARKETS

Zoom Shares Sink 15% After 'Concerning' Earnings Miss, Analysts Downgrade The Stock

Multiple contraction less severe for 'Rule of 40' companies



Rule of 40 calculated as the sum of most recent quarter revenue growth (YoY) and LTM FCF margin.
Note: Each dot represents a public SaaS company in the Accel Euroscape index. Source: Accel Analysis, Capital IQ

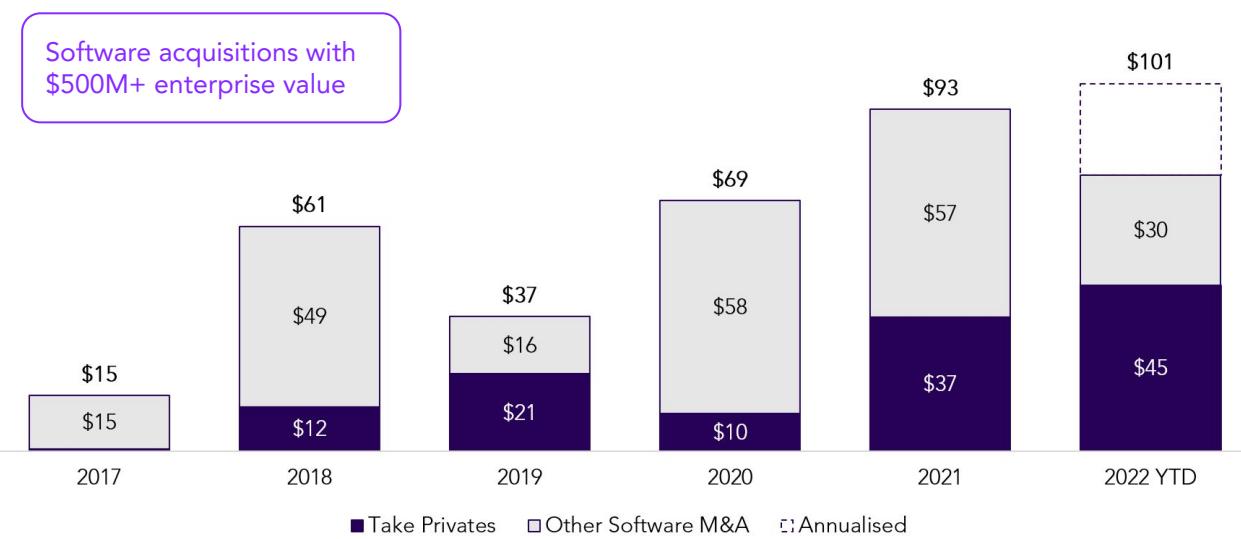
IPO window closed after a record year

SAAS IPO VALUE BY YEAR (\$B)



M&A frenzy fueled by low valuations and take-privates...

AGGREGATE SOFTWARE M&A VALUE FOR LARGE DEALS (\$B)



2022 TAKE PRIVATES (\$B)

9X
NTM Revenue Multiple

33%
Median Share Price Premium
vs. Last Unaffected Day*

M&A momentum expected to last with c.\$770B of cash on the sidelines

CASH AND CASH EQUIVALENTS
(As of most recent public balance sheets)

~\$770B

Represents c. 2/3 of
\$1.2T value of
Euroscape Index

\$440B from strategic
software acquirers

+

\$330B dry powder
from private equity
software acquirers



SELECTED M&A OVER LAST YEAR

Target	Enterprise Value	NTM Revenue Multiple	Acquirer(s)
Figma	\$22.3B	48.8x	Adobe
athenahealth	\$17.0B	8.9x*	BainCapital H&F
Anaplan	\$10.1B	12.8x	THOMABRAVO
zendesk	\$9.8B	5.4x	PERMIRA H&F
Avalara	\$8.3B	9.1x	VISTA EQUITY PARTNERS
SailPoint	\$6.9B	13.3x	THOMABRAVO
mimecast	\$5.5B	8.8x	PERMIRA

* LTM Revenue Multiple provided

Note: Dry powder numbers include cash and cash equivalents, as well as short term investments, as of 30 September 2022

Source: Accel Analysis, Qatalyst, Pitchbook, Capital IQ

Record \$230B cloud venture funding since 2020 - Unicorns taking the lion's share...

TOTAL CAPITAL RAISED IN US, EU & IL SAAS SINCE 2020
(\$B)



~360 total
Unicorns in
US / EU / IL

~125B in
Unicorn
funding since
2020

~54% of SaaS
funding
absorbed by
unicorns

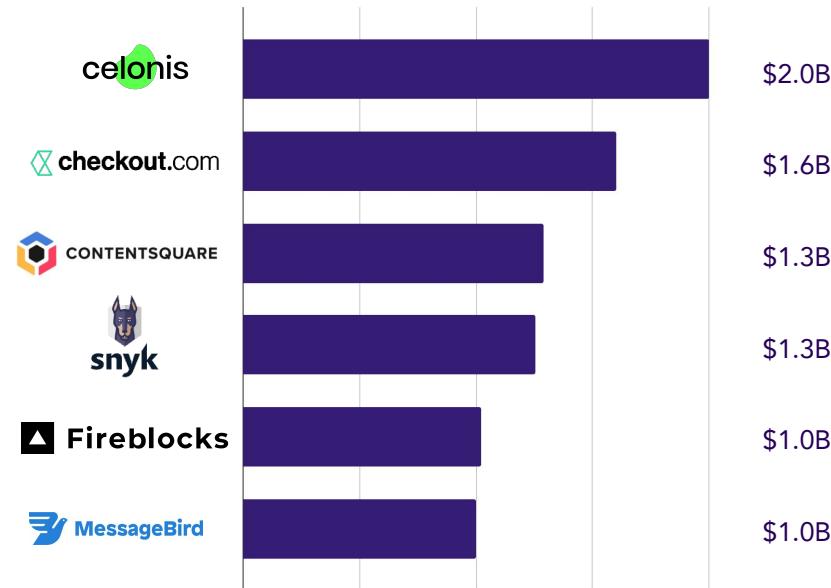
~\$345M per
Unicorn on
average

SELECT EU/IL UNICORNS

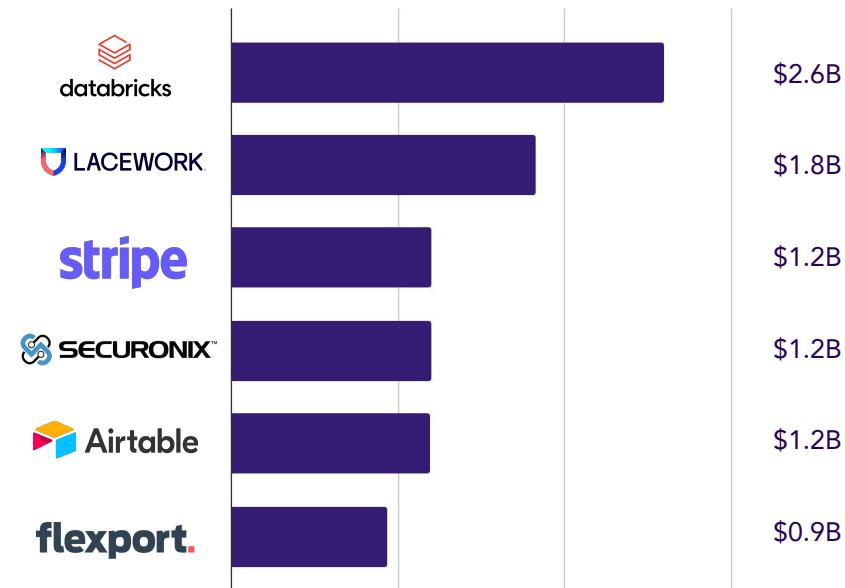


...raising billions of capital since 2020

EU & IL – LARGEST SAAS RECIPIENTS OF FUNDING SINCE 2020



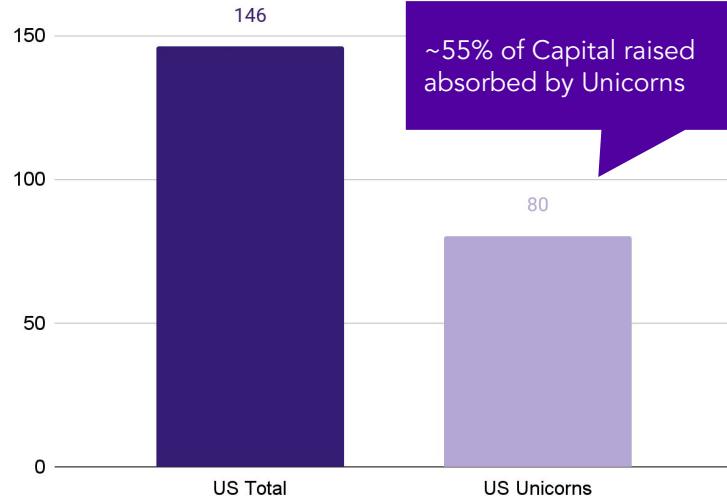
USA – LARGEST SAAS RECIPIENTS OF FUNDING SINCE 2020



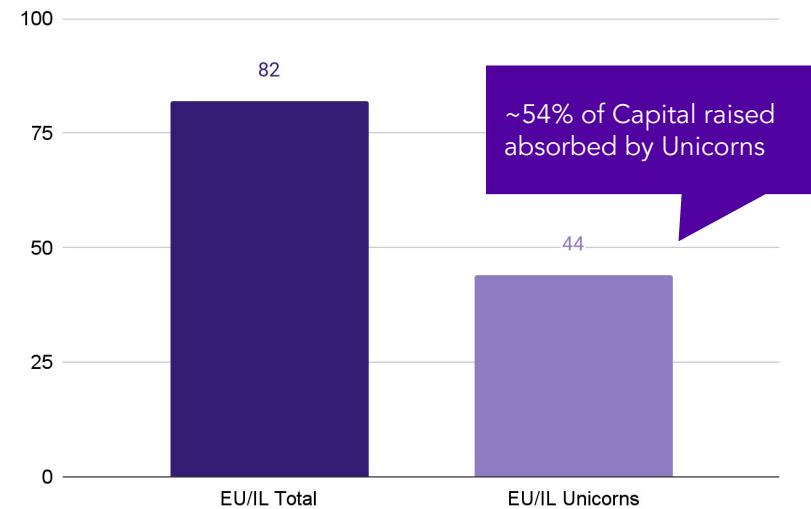
Note: Unicorns founded before 2005 are excluded
Source: Accel Analysis, Dealroom, Pitchbook, Crunchbase

Concentration of capital with unicorns consistent across US, Europe and Israel

TOTAL CAPITAL RAISED IN US SAAS SINCE 2020
(\$B)

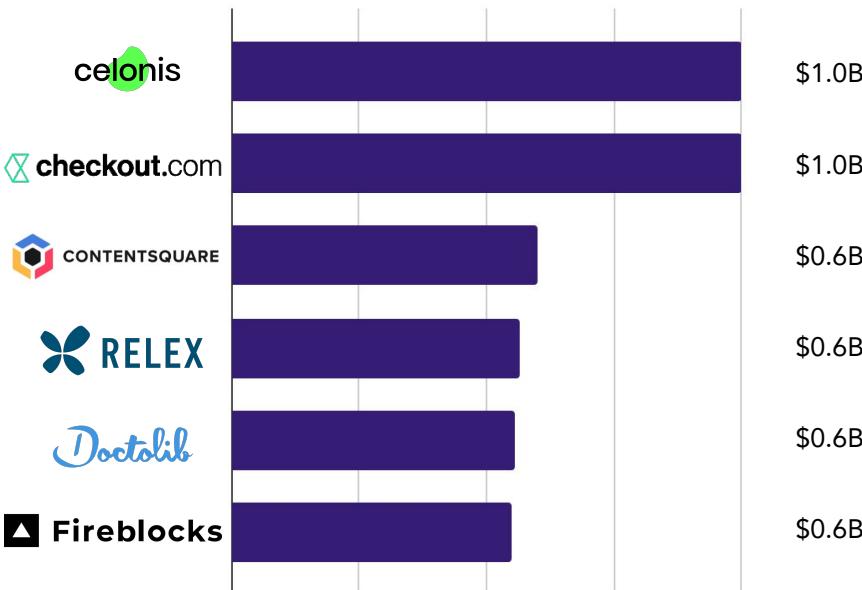


TOTAL CAPITAL RAISED IN EU/IL SAAS SINCE 2020
(\$B)

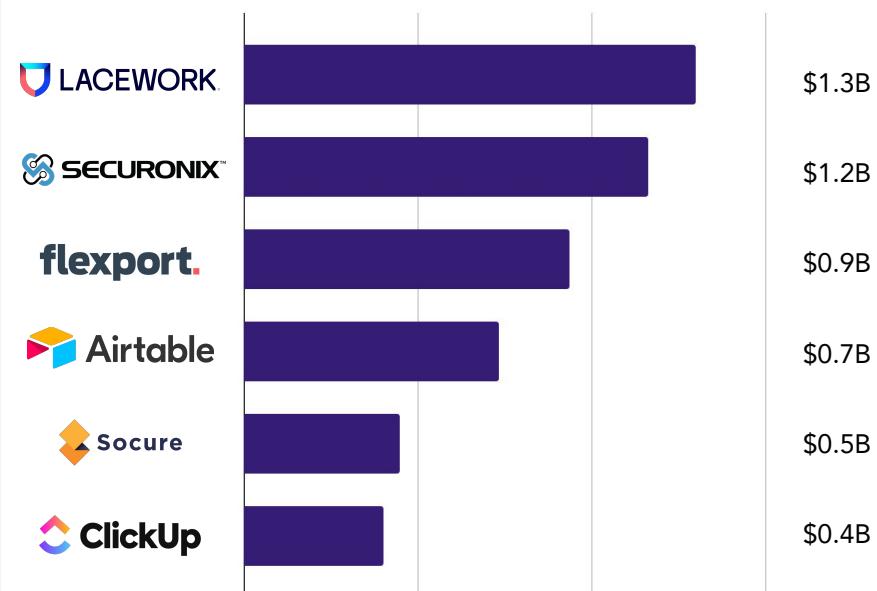


Last 12 months still showing large rounds happening...

EUROPE & ISRAEL – LARGEST PRIVATE ROUNDS LTM



UNITED STATES – LARGEST PRIVATE ROUNDS LTM



Note: Unicorns founded before 2005 are excluded
Source: Accel Analysis, Dealroom, Pitchbook, Crunchbase

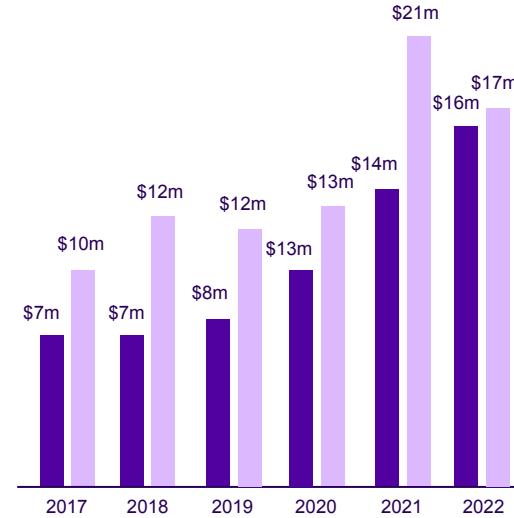
...and increase in average round size across all stages...

■ EU/IL ■ US

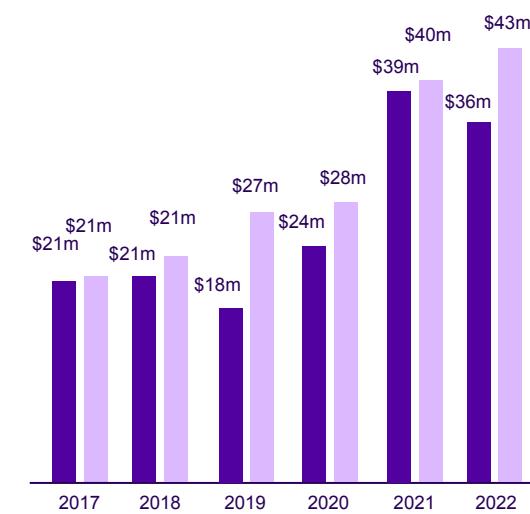
Avg Seed for US, EU, IL SaaS Companies



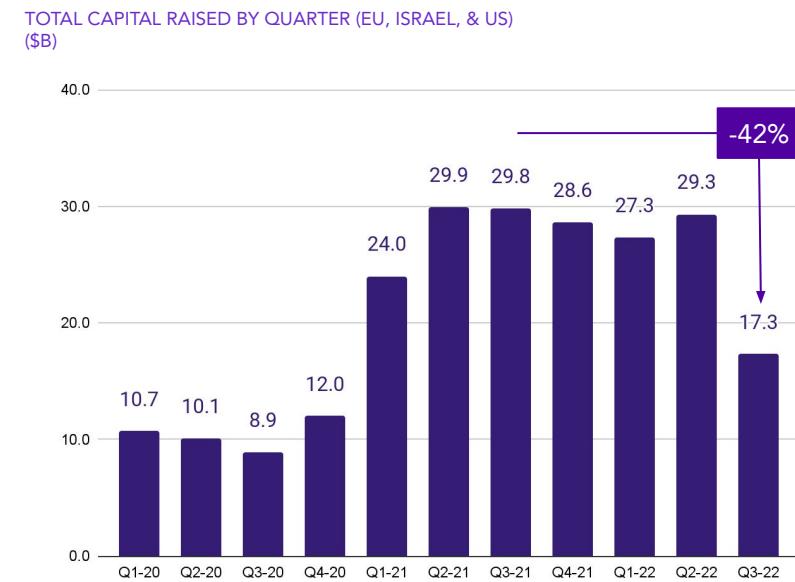
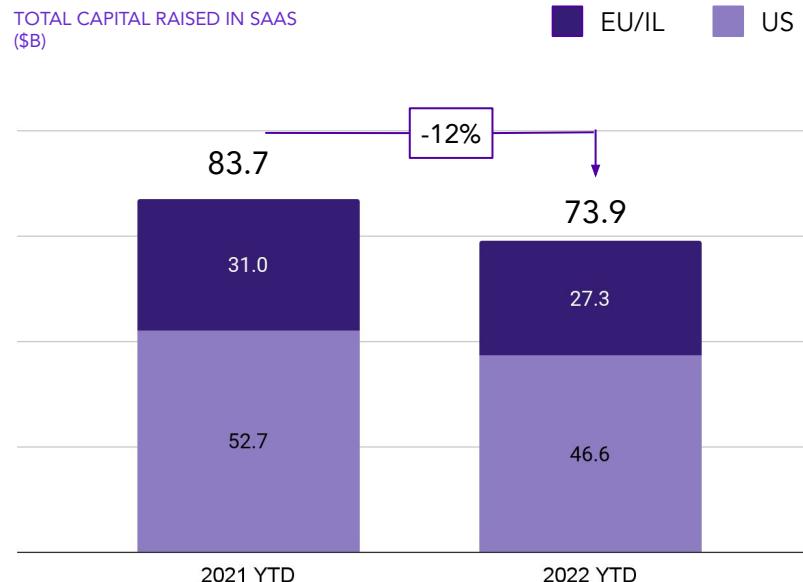
Avg Series A for US, EU, IL SaaS Companies



Avg Series B for US, EU, IL SaaS Companies



...but venture financing eventually dropping sharply in Q3 after record quarters

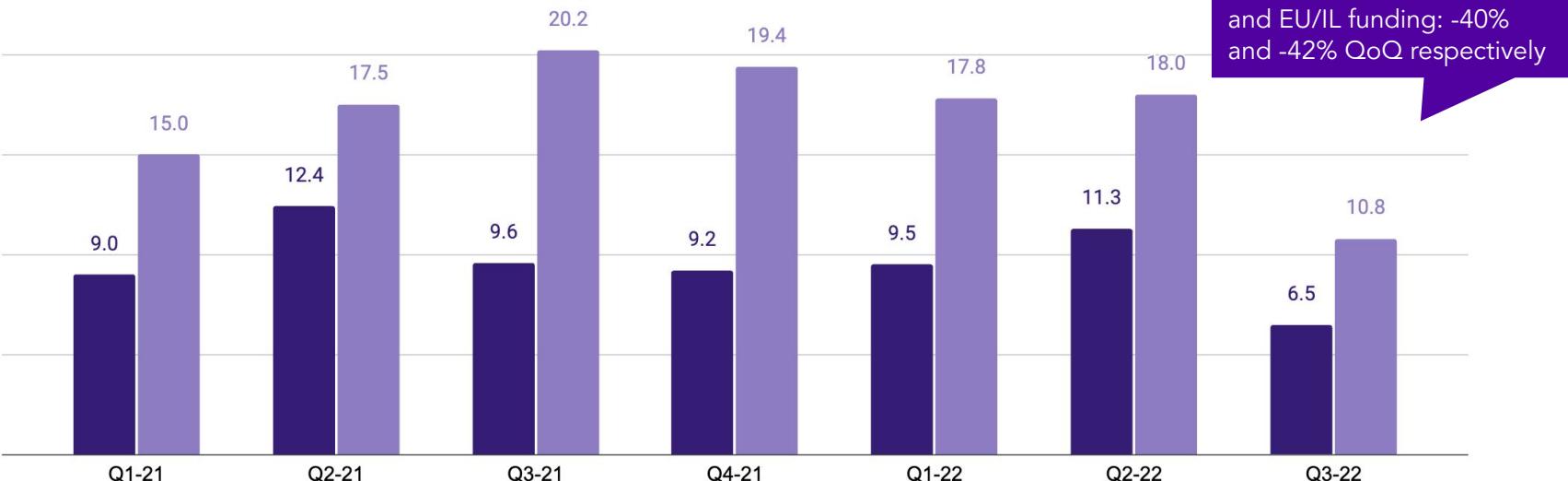


Note: Funding figures as of September 30, 2022
Source: Accel Analysis, Dealroom

Decline in EU/IL funding consistent with US decline

TOTAL VENTURE CAPITAL RAISED IN SAAS

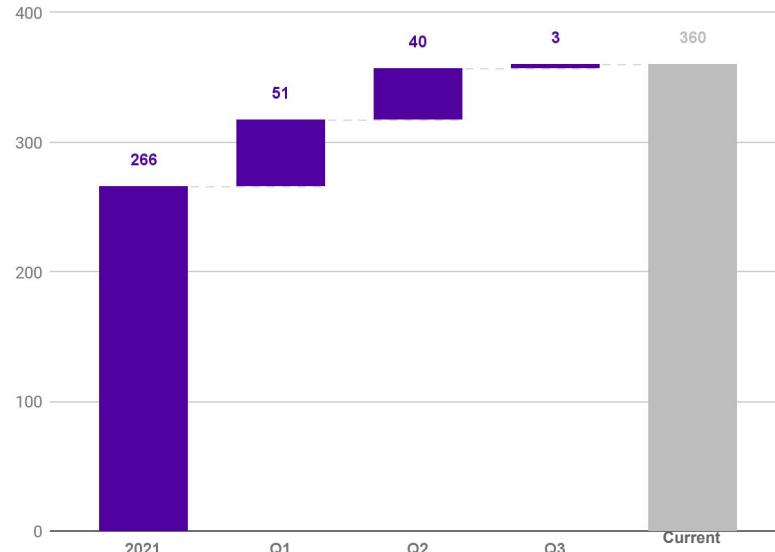
EU/IL US



Similar decline across US and EU/IL funding: -40% and -42% QoQ respectively

Unicorn creation back at pre-COVID levels

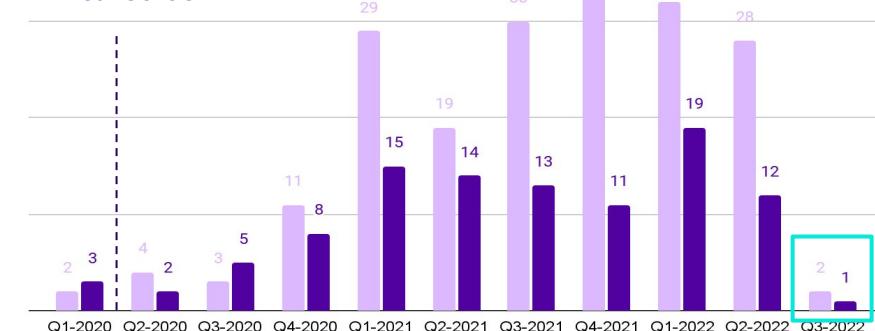
LTM NEW UNICORNS CREATION



NEW UNICORNS OVER TIME

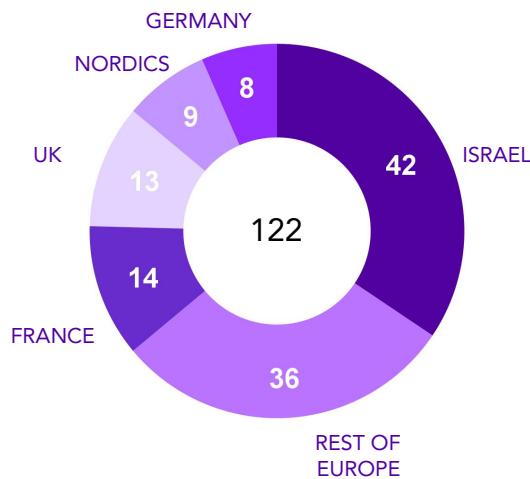
US . EU/IL

COVID
First Lockdown

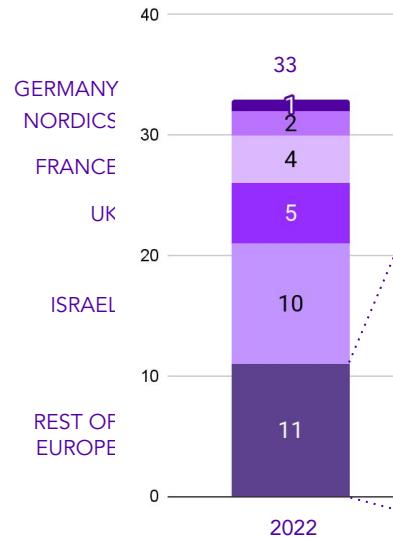


Recent EU/IL SaaS unicorns highlighting diversity of EU ecosystem

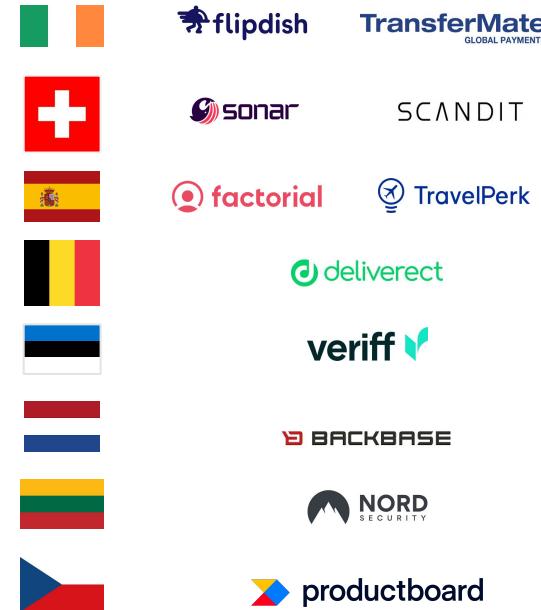
TOTAL # OF EU/IL SAAS UNICORNS



2022 NEW UNICORNS



SELECTED NEW RoE UNICORNS



PART 1

Market Snapshot

PART 2

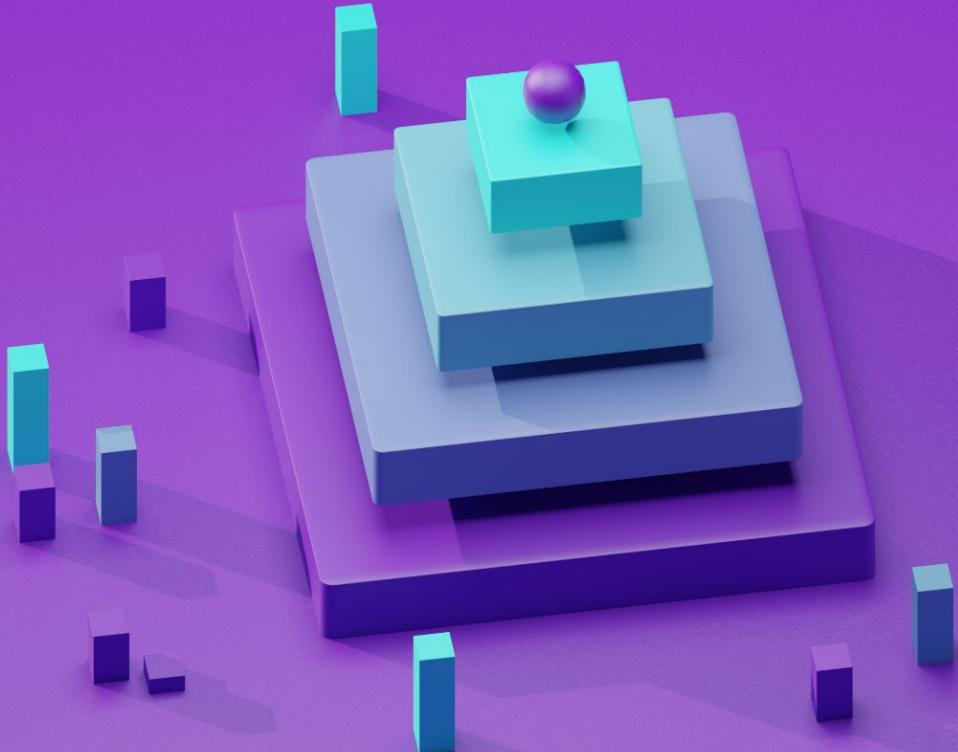
Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

PART 4

What's Next?



122 Europe and Israel Cloud Unicorns

EUROPE AND ISRAEL CLOUD UNICORNS

122 COMPANIES
\$44B RAISED SINCE JAN 2020

\$10B+

celonis deel. checkout.com

grammarly

miro

talkdesk*

\$5B+

Rapyd

GONG

hopin

Chainalysis

Collibra

Dootah

Fireblocks

mollie

outsystems

Personio

RELEX

STARKWARE

\$2.5B+

AXONIUS

CATO

contentful

cybereason

dataiku

DRIVENETS

aiven

FORTER

Grafana Labs

melio

MessageBird

MIRAKL

BACKBASE

Own{backup}

papayaglobal

Pleo

qlik

remote

Tradeshift

transmit

bob

sonar

Thought Machine

\$1B+

aircall

algolia

AppsFlyer

aqua

BigID

BITFURY

BRINGG

BigPanda

CHEQ

CloudBees

Cloudinary

copper

CLAROTY

COGNITE

commercetools

COPADO

AUGURY

deliverect

DEVO

Dune Analytics

ecovadis

fenergo:

HoneyBook

infobip

INTERCOM

ivalua

Ledger

factorial

FIREBOLT

flipdish

GOCARDLESS

Front

MATILLION

nexthink

odoo

orca

PandaDoc

people.ai

pipedrive

Hugging Face

Lusha

noname

NORD

optibus

ppro

redislabs

SaltPay

Shift

SISENSE

solarisBank

paddle

PayFit

payhawk

PENTERA

perimeter 81

productboard

TRACTABLE

Tricentis

TRUELAYER

Trustly

UNIT4

verbit

workhuman*

yotpo.

TransferMate

SCANDIT

spendesk

Staffbase

TravelPerk

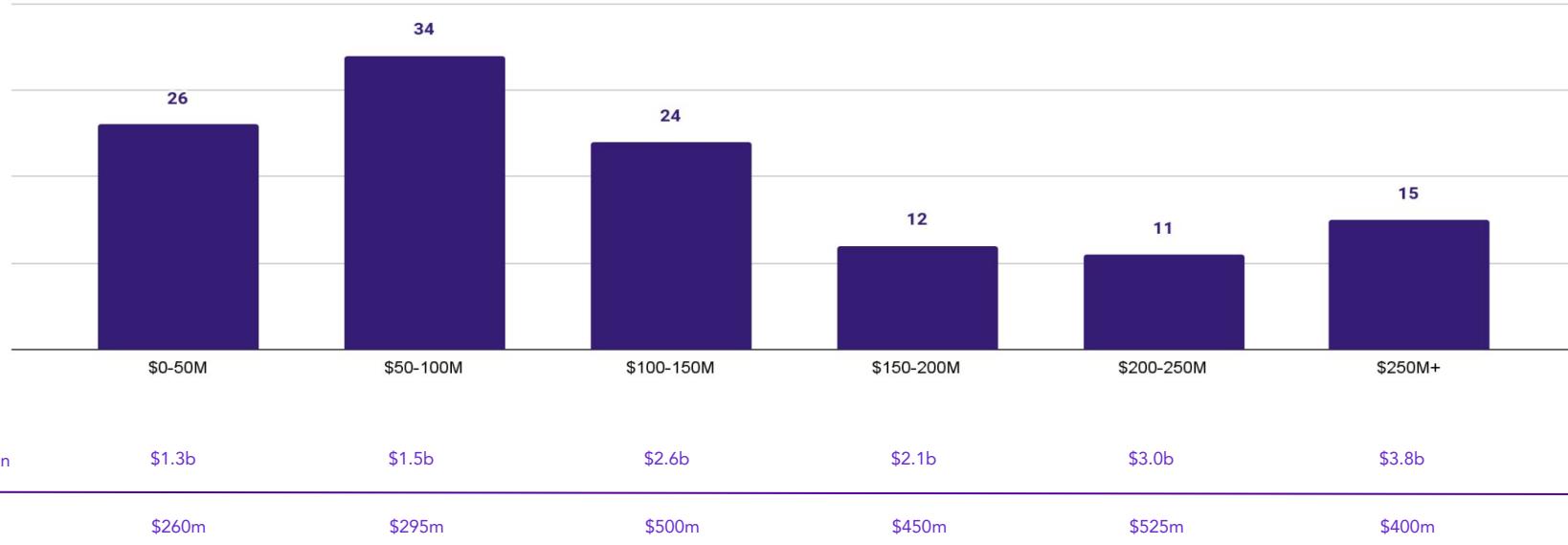
Swile

vizz

Added in last
12 months

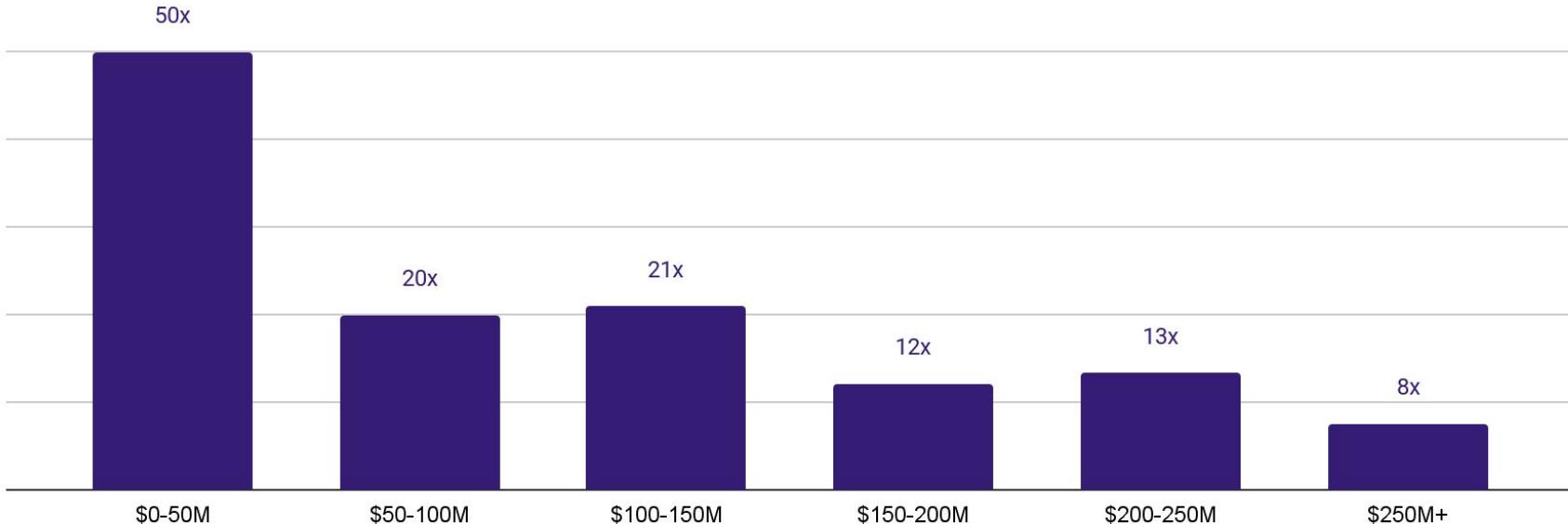
~50% with less than \$100m of ARR

EU/IL UNICORNS BY ARR BAND



ARR multiples at last round valuation ranging from 8x to 50x

EV / ARR MULTIPLE OF EU/IL UNICORNS BY ARR BAND*



*Calculated by dividing the median valuation for the group by the mid-point of ARR band (e.g. \$25M ARR for \$0-50M band)
Sources: Accel Analysis, Dealroom, Pitchbook, CB Insights

Framework - Example for Unicorns with ARR \$0-50M

Metrics	Description
Valuation	\$1.25B
Current ARR	\$25M
Estimated Cash Balance	\$123M
ARR Multiple (Next Round)	10x
ARR Required for 'Flat Round'	\$125M
ARR Gap	\$100M
Burn Multiple for 'Flat Round'	1.2x
Burn Multiple for 2X mark-up	0.5x

Prediction - Flat rounds likely, up rounds challenging

	\$0 - 50M	\$50 - 100M	\$100 - 150M	\$150 - 200M	\$200 - 250M
Valuation	\$1.25B	\$1.50B	\$2.62B	\$2.13B	\$3.00B
Current ARR	\$25M	\$75M	\$125M	\$175M	\$225M
Estimated Cash Balance	\$123M	\$147M	\$283M	\$250M	\$300M
ARR Multiple (Next Round)	10x	10x	10x	10x	10x
ARR Required for 'Flat Round'	\$125M	\$150M	\$262M	\$213M	\$300M
ARR Gap	\$100M	\$75M	\$137M	\$38M	\$75M
Burn Multiple for 'Flat Round'	1.2x Not so easy	2.0x	2.1x	6.7x Likely	4.0x
Burn Multiple for 2X mark-up	0.5x	0.7x	0.7x	1.0x Challenging	0.8x

PART 1

Market Snapshot

PART 2

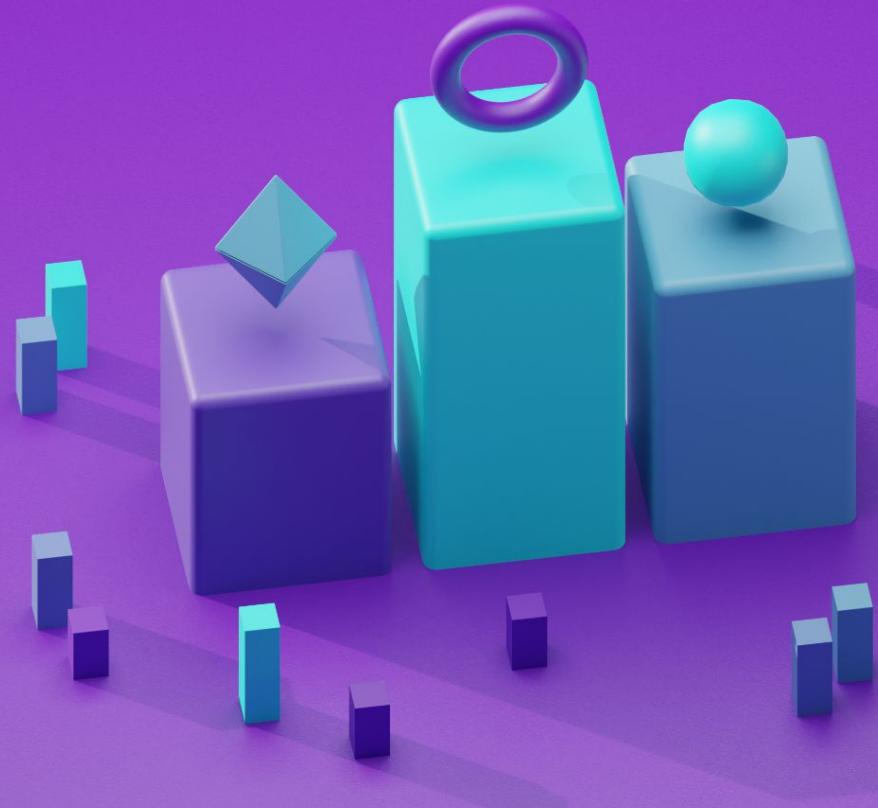
Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

PART 4

What's Next?



2022 Accel Euroscape

WHO?

2,200+

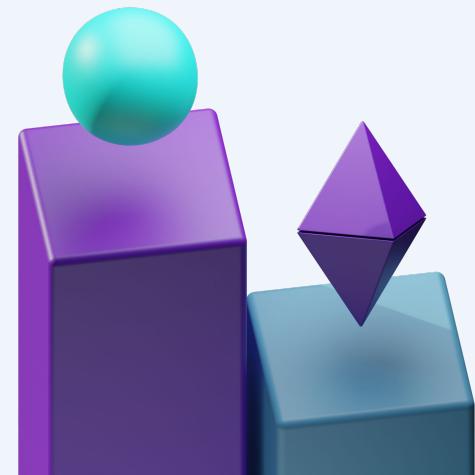
EU & ISRAEL BORN SAAS COMPANIES

25+

COUNTRIES

HOW?

- Market attractiveness
- Competitive differentiation
- Product
- Team strength
- Momentum (ARR, FTEs)
- Customer feedback



2022 Accel Euroscape

Top 100 EU & Israel cloud companies with revenues above \$1m and valued at less than \$1bn

SALES / SUPPORT

E-COMMERCE / MARKETING

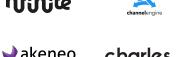
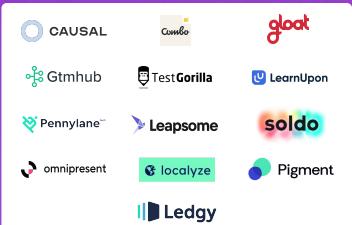
PRODUCTIVITY / COLLABORATION

FINANCE / HR / LEGAL

COMPLIANCE

BLOCKCHAIN / CRYPTO

VERTICAL SAAS



DATA / BI / ANALYTICS



AUTOMATION



PAYMENTS / BANKING INFRA



DEVELOPERS / INFRASTRUCTURE



SECURITY



2022 Accel Euroscape: At a glance



~20,000
Employees



\$8.0B
Total Funding



20
Countries



\$19.5M
Avg. Series A
Funding



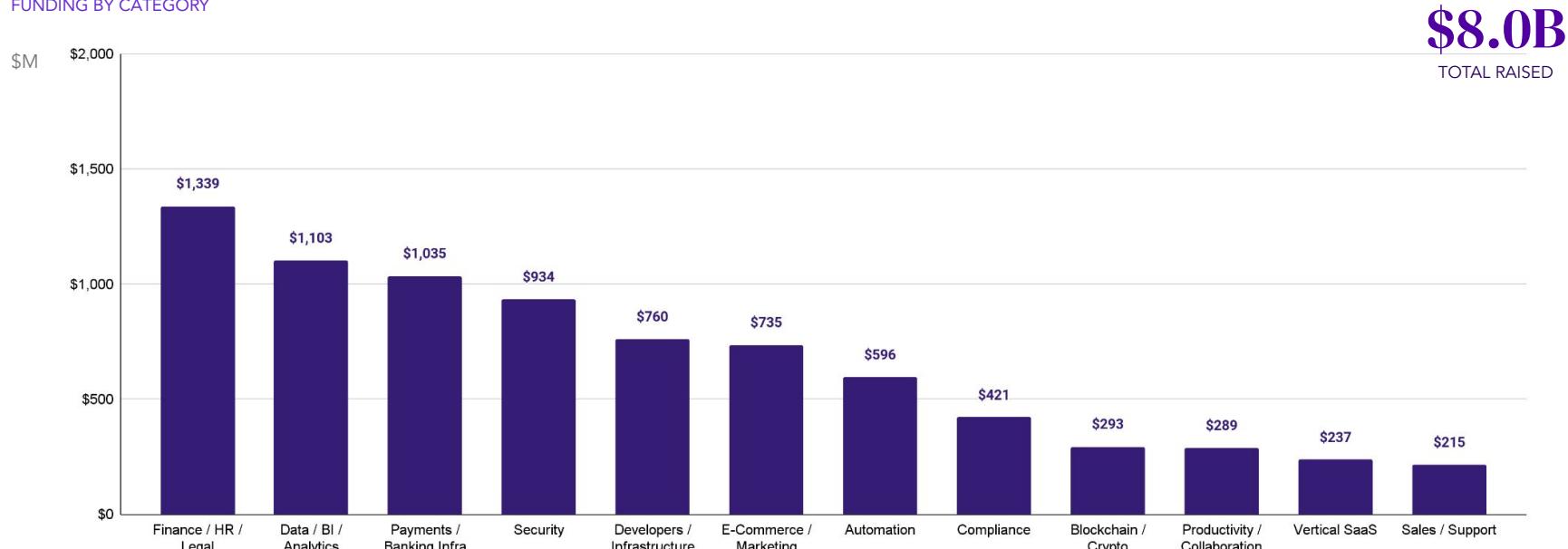
\$80M
Average
Funding



115%
LTM FTE
Growth

Euroscape winners raised \$8B – Finance/HR/Legal category leading the pack

FUNDING BY CATEGORY



Note: Funding figures as of September 30, 2022
Source: Accel Analysis, CB Insights, Dealroom, Pitchbook

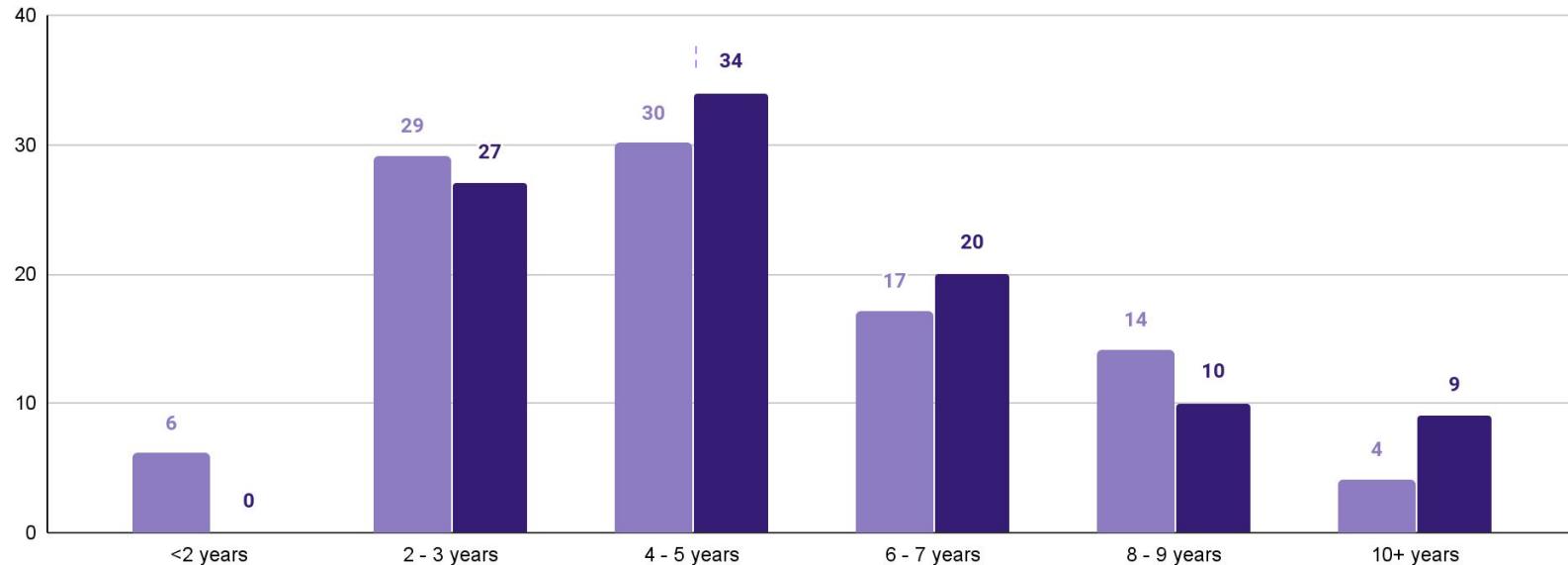
Most winners founded 4-5 years ago...

YEARS FROM FOUNDING

of companies

Median = 5 years
(same as 2021)

2021 2022

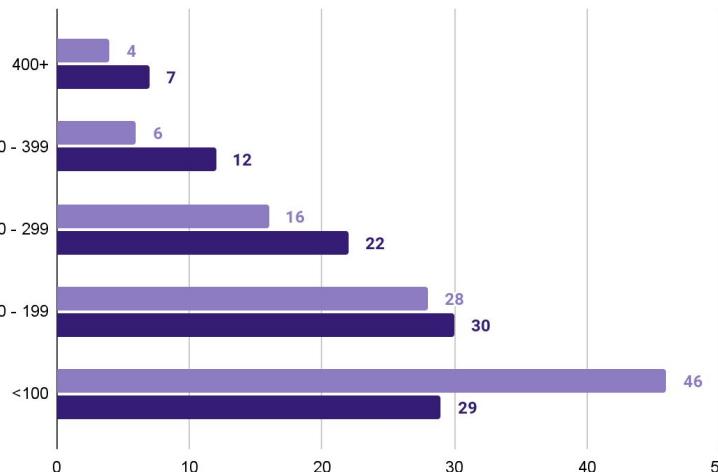


... with less than 200 FTEs and less than \$100M raised

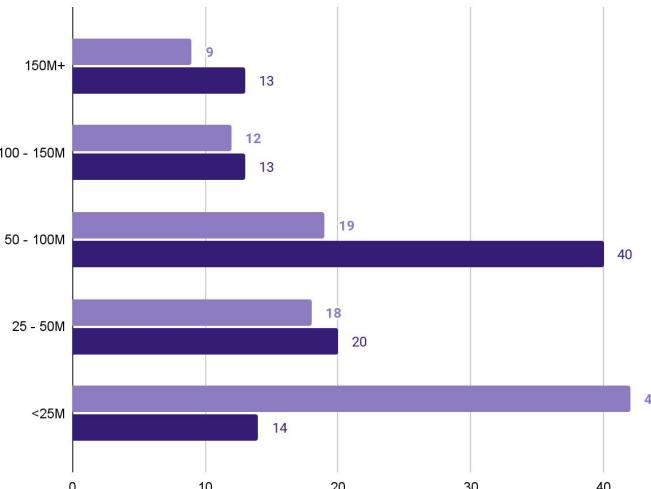
Number of companies by category

2021 2022

OF EMPLOYEES



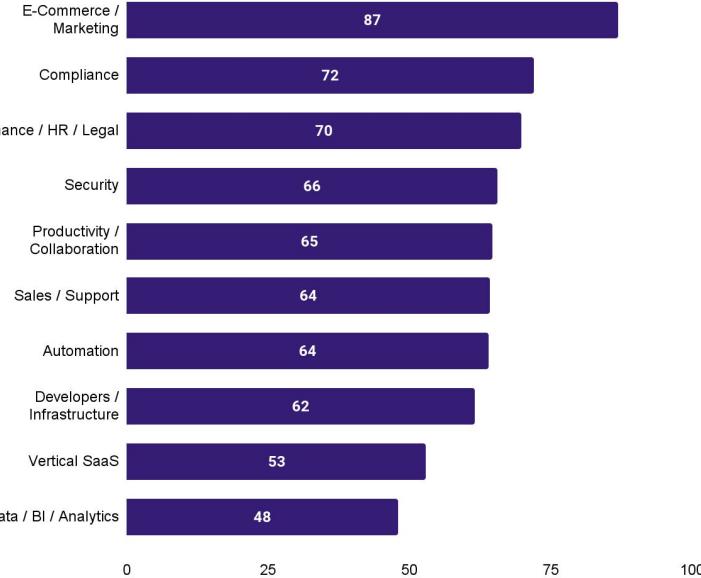
CAPITAL RAISED (\$)



2022 Accel Euroscape: Customer centric



Score by Category

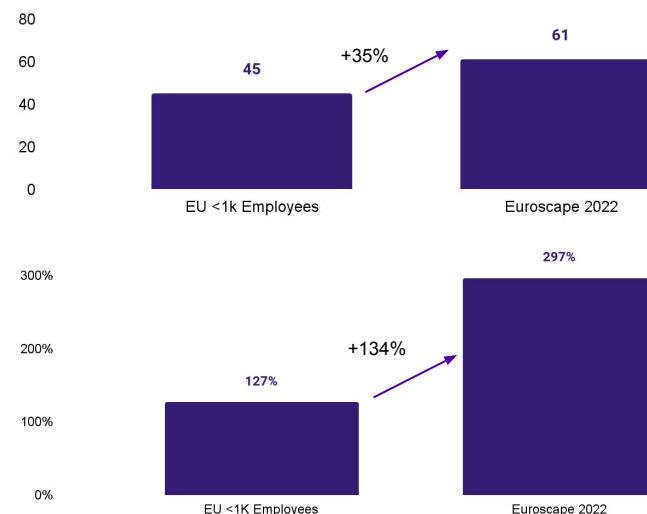


Note: Only Top 10 categories highlighted for G2 scoring
Source: Accel Analysis, G2



Score & Review Growth

G2 Average Score



PART 1

Market Snapshot

PART 2

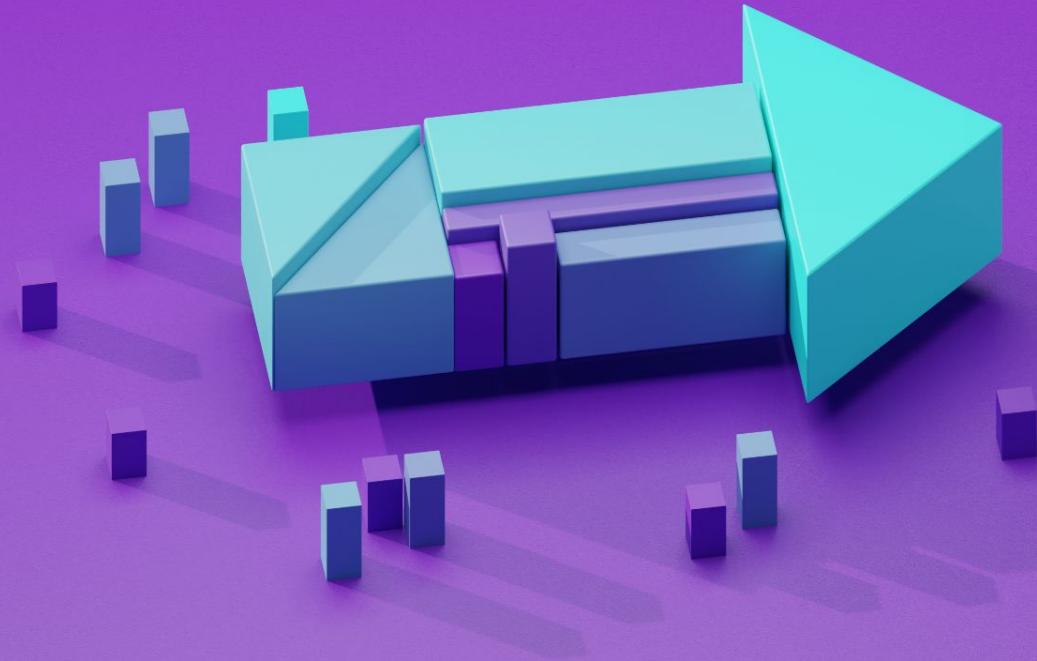
Europe & Israel Unicorn Health Check

PART 3

Accel 2022 Euroscape

PART 4

What's Next?



What's Next?



CLOUD SECURITY TURNING TO
THE APPS & DATA LAYERS



INFRASTRUCTURE AND TOOLING
FOR THE HYBRID WORKFORCE



PERSONALIZED COMMERCE
BECOMING A REALITY



PROLIFERATION OF
EMBEDDED FINANCE



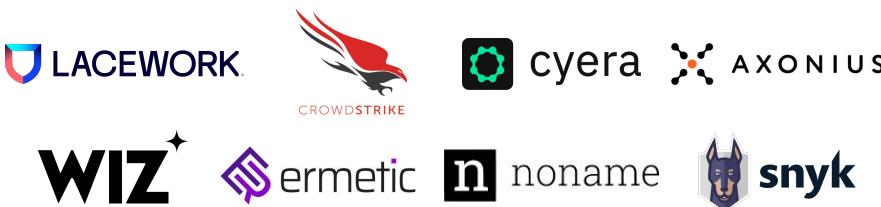
RISE OF THE DEVELOPER DRIVEN
DATA STACK



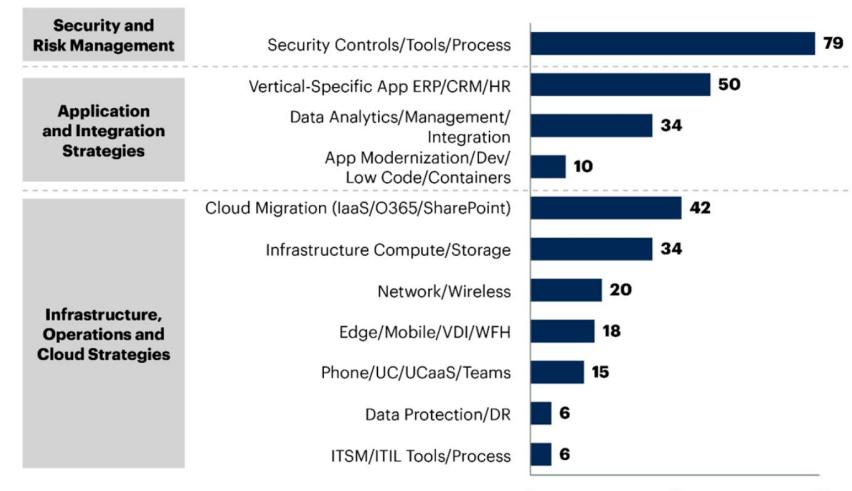
WEB3/CRYPTO DEVELOPER, DATA AND
SECURITY TOOLING LEVELLING UP

Cloud security turning to the app & data layers

- With the ongoing migration to the cloud in full swing and only around 40% complete, securing the cloud remains a top priority for companies
- Following heavy investments in cloud infra security (e.g. CSPM, CIEM) and identity solutions, CISOs are turning their focus to securing the development pipeline, apps and their data landscape across multiple platforms
- Emergence of solutions capable of classifying and remediating sensitive data at cloud scale



GARTNER SURVEY – SECURITY REMAINS THE TOP MID / ENTERPRISE PRIORITY



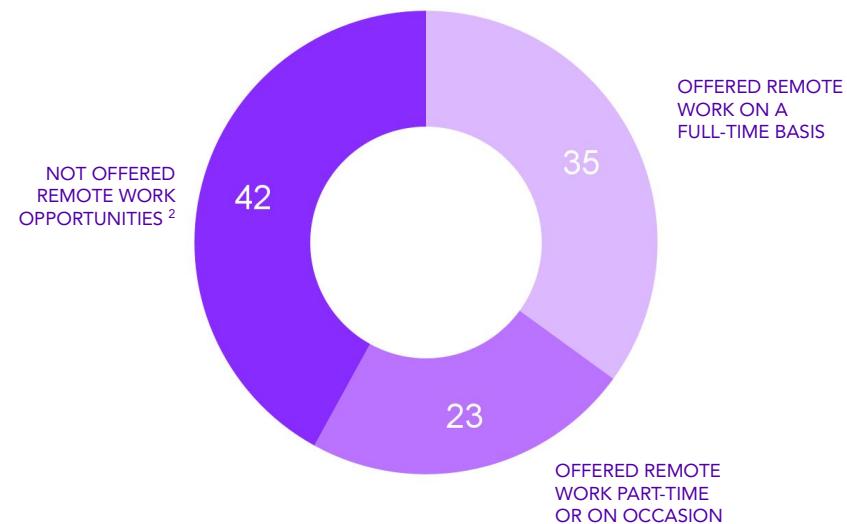
Values represent CIO / IT Leader survey responses in terms of active IT projects in these categories

Infrastructure and tooling for the Hybrid Workforce

- Post pandemic world increasingly requires collaboration tools that can adapt to the increasingly hybrid nature of remote work
- With remote / hybrid work becoming the new standard, companies are increasingly faced with complex and challenging compliance and legal issues
- Key labor shortages in critical areas driving greater need to maximise effective use of internal talent
- AI unleashing new generation of internal talent marketplaces and platforms



AVAILABILITY OF REMOTE-WORK OPTIONS IN THE US,
% OF EMPLOYED RESPONDENTS¹



Personalized commerce becoming a reality

- Commerce platforms' move to cloud-native, API-driven headless architectures unlocks new customer journeys and customisation
- Consumers are looking for more personalized experiences, with merchants needing scalable new channels & automation to engage and sell
- Emergence of conversational and social commerce platforms in the US and Europe, following major adoption in Asia and LatAm



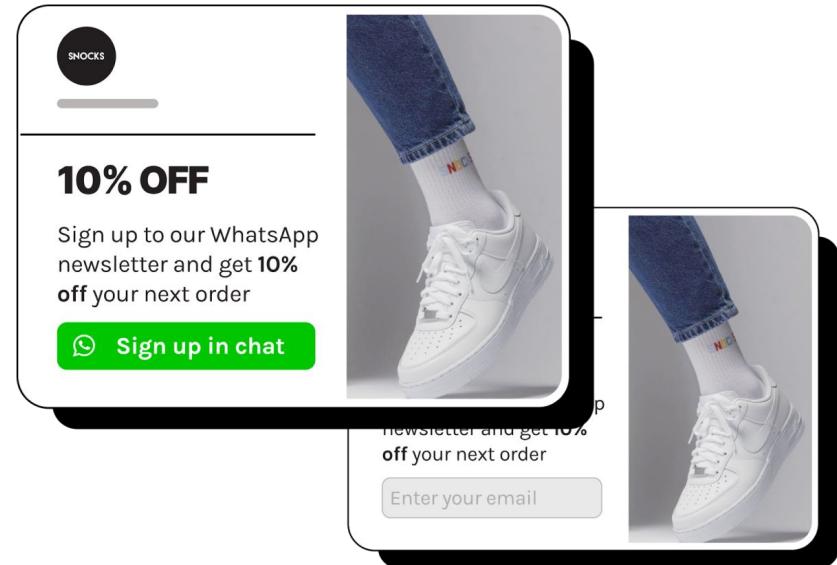
charles



commerce layer



EMERGENCE OF CONVERSATIONAL COMMERCE GAINS MOMENTUM



Proliferation of embedded finance

- Companies will increasingly adopt embedded finance within their offerings to improve their unit economics, build deeper customer relationships and stay competitive
- Proliferation of Open Banking platforms has democratized access to data that was historically limited to financial institutions making it easier than ever to underwrite risk / understand the customer
- Infrastructure tooling has matured and now targets non-fintechs - effectively lowering barriers to development

swan

melio

 PLAID

MARQETA



stripe



kevin.

MARKET SEGMENTATION

Payments	Lending	Banking	Insurance
B2C	BNPL	Account Issuing	B2C
B2B	POS Lending	Card Issuing	B2B
Business		Mortgages	

Rise of the developer driven data stack

- Evolution in cloud data infrastructure is underpinning multiple growth categories, from data-driven B2C products to enterprise ML
- Data teams are borrowing best practices from software development and are demanding new tools for reliability, versioning and governance
- Data infrastructure stack is transitioning from 'top-down' legacy tools to developer-centric solutions for data engineers and analysts



MONTE CARLO

ASTRONOMER



GARTNER PREDICTIONS – DATA INFRASTRUCTURE

"By 2023, 60% of organizations will compose components from three or more analytics solutions to build business applications infused with analytics that connect insights to actions."

"Through 2024, 50% of organizations will adopt modern data quality solutions to better support their digital business initiatives."

"Through 2025, 80% of organizations seeking to scale digital business will fail because they do not take a modern approach to data and analytics governance."

Web3 / crypto developer, data and security tooling levelling up

- The recent bull run stoked significant innovation in the picks & shovels for Web3
- The quality of tooling is catching up with expectations and usage, with thought leaders emerging across the stack
- Similar to the 2018-20 crypto winter, Web3 developer activity appears robust despite falling token prices
- Web3 security software is becoming increasingly sophisticated and battle-tested
- Europe and Israel remain well-positioned as Web3 innovation hubs

THOUGHT LEADERS EMERGING ACROSS THE WEB3 STACK

Security



Data & analytics



Development



Infrastructure





Euroscape 2022

Thank you!

Accel

List of companies in Accel Euroscape indices

Global Accel Euroscape Index - Currently Listed Companies

EU & Israel Accel Euroscape Index

Dynatrace	Austria
Trustpilot	Denmark
Unity	Denmark
TeamViewer	Germany
Global-E	Israel
Jfrog	Israel
Kaltura	Israel
Meltwater	Norway
Monday	Israel
Riskified	Israel
SentinelOne	Israel
SimilarWeb	Israel
Varonis Systems	Israel
Walkme	Israel
Wix.com	Israel
Elastic	Netherlands
Forgerock	Norway
UiPath	Romania
GitLab	Ukraine
Darktrace	United Kingdom

US Accel Euroscape Index

2U	CS Disco	Liveperson	ServiceNow
8x8	Cvent	Marqeta	Smartsheet
Adobe	Datadog	Meridian Link	Snowflake
Akamai	Definitive Healthcare	Momentive	Splunk
Alkami	Digital Ocean	MongoDB	Sprinklr
Alteryx	Docusign	Ncino	Sprout Social
Amplitude	Domo	New Relic	SPS Commerce
AppFolio	Dropbox	Okta	Square
Appian	Duck Creek	Olo	SquareSpace
Asana	Dun & Bradstreet	ON24	Sumo Logic
Autodesk	Enfusion	Palantir	Tenable
AvidXChange	EngageSmart	Paycom	Toast
Bentley	Eventbrite	Paycor	Twilio
Bill.com	Everbridge	Paylocity	UserTesting
Blackbaud	EverCommerce	Paymentus	Veeva
Blackline	Expensify	Paypal	Weave
Blend	Fastly	PowerSchool	Workday
Box	Five9	Procore	Workiva
Braze	Flywire	Q2 Holdings	Yext
C3	Guidewire	Qualtrics	Zeta Global
Clearwater	HashiCorp	Qualys	Zoom Info
Cloudflare	HubSpot	Rackspace	Zoom
Confluent	Informatica	Rapid7	Zscaler
Couchbase	Instructure	RingCentral	Zuora
Coupa	Jamf Holding	salesforce.com	
Crowdstrike	KnowBe4	Samsara	