

# INVESTMENT CASE STUDY

## SUBMISSION

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# Business Objective and Data Observations

- **Business Objective:** The objective is to identify the best sectors, countries, and a suitable investment type for making investments. The overall strategy is to invest where others are investing, implying that the ‘best’ sectors and countries are the one ‘where most investors are investing’
- **Data Summary and Observations:**



## Company Details

- A text file with “tab” as the delimiter
- Permalink had some non-English text which needed some encoding modification
- 66368 observations and 10 variables
- Permalink is the variable used to join with Funding Round Details



## Funding Round Details

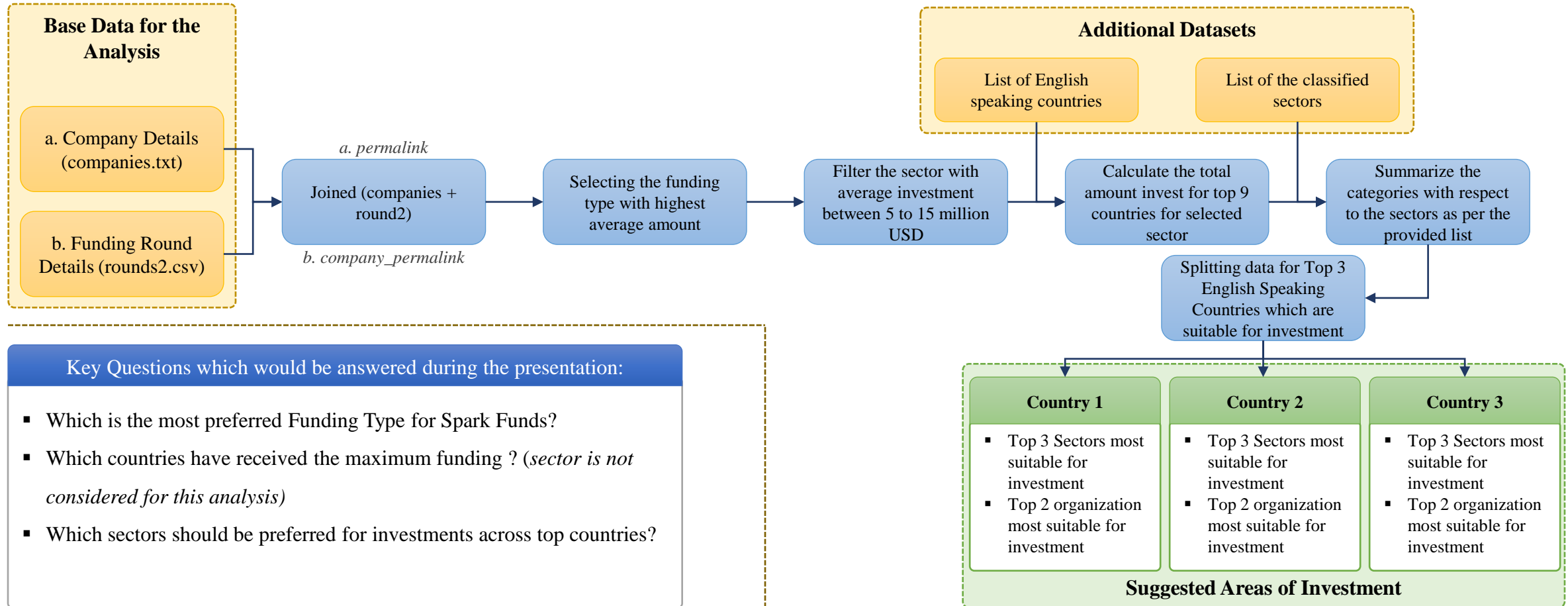
- A csv (comma separated value) file
- company\_permalink is the variable used to join with Company Details
- company\_permalink had some non-English text which needed encoding modifications
- 114949 observations and 6 columns



## Sector Classification

- A csv (comma separated value) file
- Binary classification of data which is represented in rows and columns. Rows represent the categories and columns represent the sectors. The value 1 represents the mapping of the categories against the sectors
- 688 observation and 9 columns

# Methodology



# Funding Type Analysis

Funding Type	Average Funding (in Million USD)	Number of Companies	% Total Companies	Difference of Funding w.r.t. Total Average Funding (in Million USD)	Total Funding (in Million USD)
<b>Venture</b>	<b>11.7</b>	<b>47,809</b>	<b>54%</b>	<b>1.3</b>	<b>560,523</b>
<b>Seed</b>	<b>0.7</b>	<b>21,095</b>	<b>24%</b>	<b>-9.7</b>	<b>15,775</b>
Debt_financing	17.2	6,506	7%	6.7	111,693
<b>Angel</b>	<b>1.0</b>	<b>4,400</b>	<b>5%</b>	<b>-9.5</b>	<b>4,275</b>
Grant	4.5	1,939	2%	-6.0	8,750
<b>Private_equity</b>	<b>73.9</b>	<b>1,820</b>	<b>2%</b>	<b>63.5</b>	<b>134,568</b>
Undisclosed	15.9	1,345	2%	5.4	21,374
Convertible_note	1.3	1,320	1%	-9.1	1,765
Equity_crowdfunding	0.5	1,128	1%	-10.0	575
Post_ipo_equity	66.1	598	1%	55.6	39,514
Product_crowdfunding	1.4	330	0%	-9.1	447
Post_ipo_debt	169.5	151	0%	159.0	25,587
Non_equity_assistance	0.5	60	0%	-10.0	29
Secondary_market	84.4	28	0%	74.0	2,364
<b>Total</b>	<b>10.5</b>	<b>88,529</b>	<b>100%</b>	<b>0.0</b>	<b>927,239</b>

## Key Findings:

- 54% of the companies were provided Venture funding
- 60% of the total funding was under Venture funding type
- The difference between the overall average funding and the average funding for each funding type is the least for Venture
- Venture is the only funding type which has the average funding between 5 to 15 million dollars

**Hence, “Venture” Funding Type is the most preferred funding type for Spark Funds**

# Country Analysis

Country Code	Official Language	Average Funding (in Million USD)	Number of Companies	% Total Companies	Difference of Funding w.r.t. Total Average Funding (in Million USD)	Total Funding (in Million USD)
<b>USA</b>	<b>English</b>	<b>11.7</b>	<b>35,943</b>	<b>75%</b>	<b>0.0</b>	<b>420,068</b>
CHN	Non-English	25.4	1,548	7%	13.7	39,339
<b>GBR</b>	<b>English</b>	<b>9.8</b>	<b>2,041</b>	<b>4%</b>	<b>-1.9</b>	<b>20,073</b>
<b>IND</b>	<b>English</b>	<b>17.4</b>	<b>819</b>	<b>3%</b>	<b>5.7</b>	<b>14,262</b>
CAN	English	7.6	1,246	2%	-4.1	9,482
FRA	Non-English	7.9	912	1%	-3.8	7,227
ISR	Non-English	8.7	786	1%	-3.0	6,854
DEU	Non-English	11.4	554	1%	-0.3	6,307
JPN	Non-English	11.8	269	1%	0.1	3,168
Others Countries		9.1	3,691	6%	-2.6	33,744
<b>Total</b>		<b>11.7</b>	<b>47,809</b>	<b>100%</b>	<b>0.0</b>	<b>560,523</b>

## Key Findings:

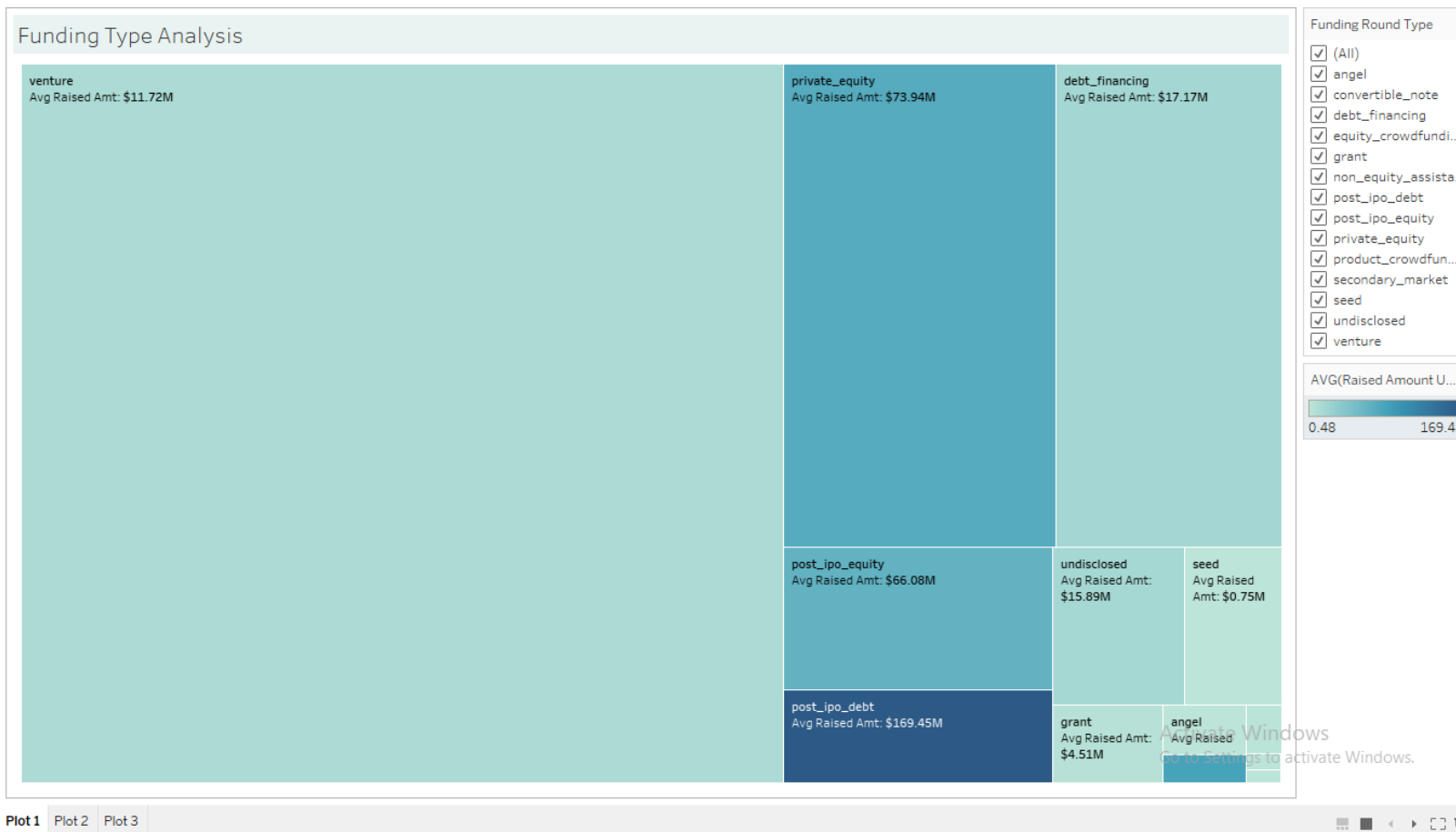
- 75% of the companies and funding is provided to the companies from USA
- There is no difference between the overall average funding and the average funding for USA
- USA, GBR and IND are the top 3 English speaking countries in the top 9 countries list.

**Top 9 Countries Contribute to 94% of the Total Funding**

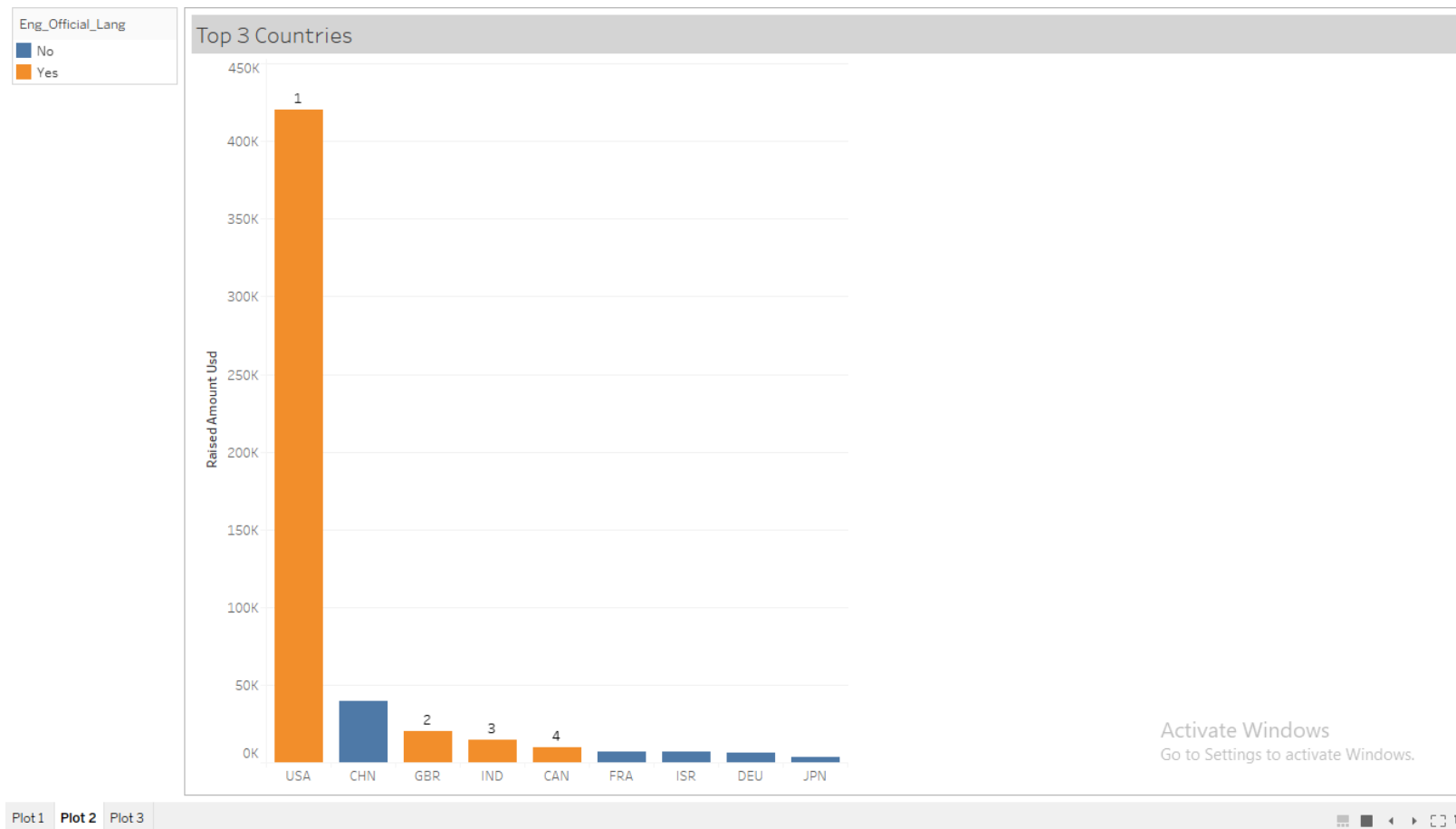
# Sector Analysis

Country Code	Main Sector	Average Funding (in Million USD)	Number of Companies	% Total Companies	Difference of Funding w.r.t. Total Average Funding (in Million USD)	Total Funding (in Million USD)
USA	Others	10.0	8314	23%	-1.7	82822
	Cleantech / Semiconductors	15.0	7996	22%	3.3	119932
	Social, Finance, Analytics, Advertising	11.9	7246	20%	0.2	86331
	News, Search and Messaging	10.5	4356	12%	-1.2	45601
	Health	9.7	3269	9%	-2.0	31675
	Manufacturing	10.1	2453	7%	-1.6	24845
	Entertainment	9.5	1794	5%	-2.2	17015
	Automotive & Sports	23.0	505	1%	11.3	11632
USA Total		11.7	35933	100%	0.0	419853
GBR	Others	8.7	516	25%	-1.1	4492
	Cleantech / Semiconductors	11.5	442	22%	1.7	5073
	Social, Finance, Analytics, Advertising	9.0	421	21%	-0.8	3773
	News, Search and Messaging	12.3	241	12%	2.5	2956
	Entertainment	8.5	136	7%	-1.3	1163
	Manufacturing	8.4	122	6%	-1.5	1019
	Health	8.9	118	6%	-0.9	1047
	Automotive & Sports	10.9	44	2%	1.1	481
GBR Total		9.8	2040	100%	0.0	20004
IND	Others	22.3	284	35%	4.9	6330
	Social, Finance, Analytics, Advertising	10.7	147	18%	-6.7	1579
	News, Search and Messaging	13.4	130	16%	-4.0	1740
	Entertainment	12.8	76	9%	-4.6	976
	Manufacturing	13.3	55	7%	-4.1	730
	Cleantech / Semiconductors	14.6	54	7%	-2.8	786
	Health	13.4	42	5%	-4.0	564
	Automotive & Sports	50.2	31	4%	32.8	1556
IND Total		17.4	819	100%	0.0	14262

# Funding Type Analysis:

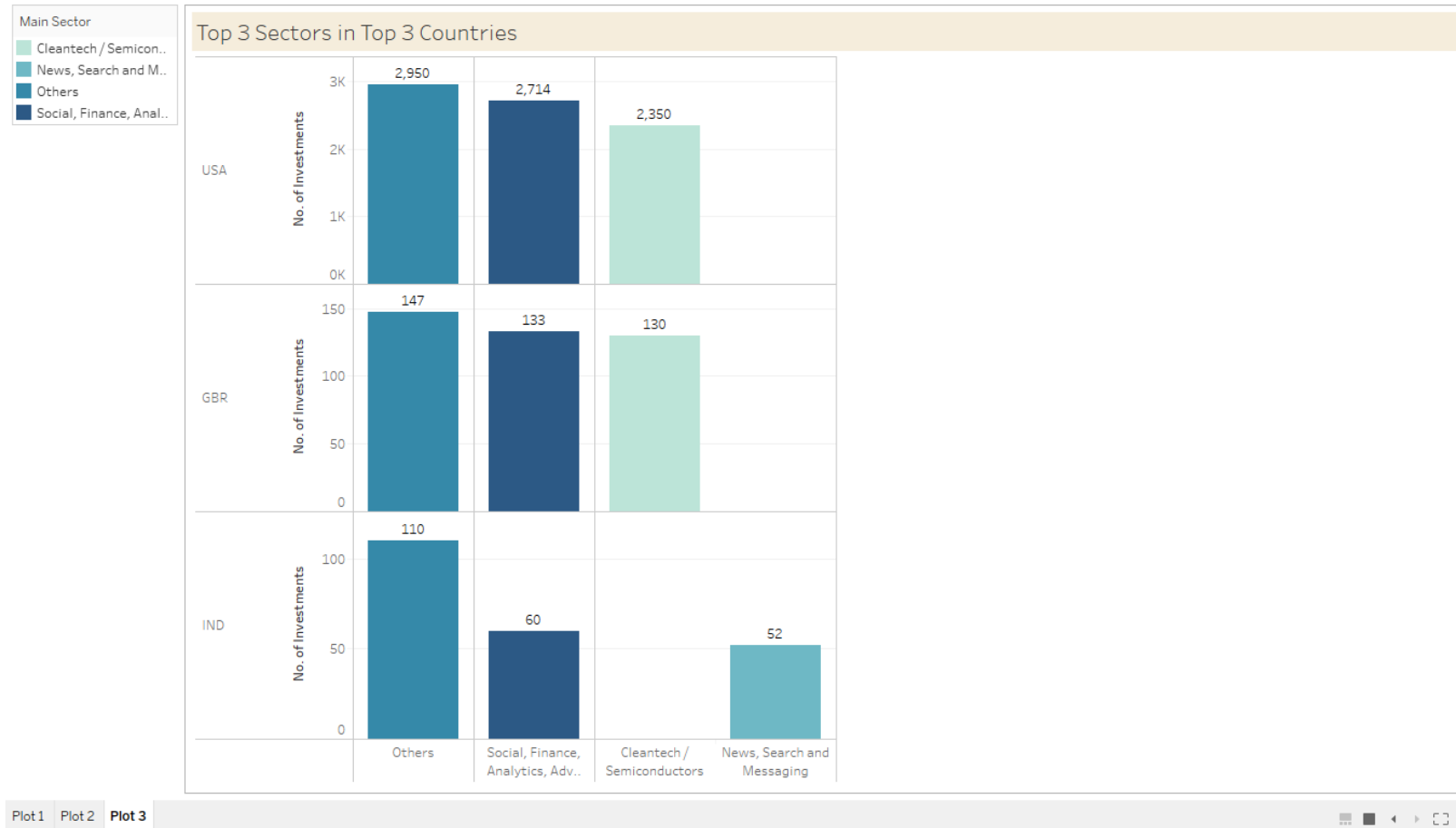


# Top 9 countries by investment of Venture funding type : Top 3 English Speaking Countries





# Top 3 Countries



# Insights

## **By Funding:**

- Venture is the largest Funding Type with 60% of the total investment. Venture also has the average funding at 11.7 million USD. Private Equity (15%), Seed (2%), and Angel (0.5%) contribute to 17% of the total investment.
- 12% of the investments were done in the debt\_financing funding type

## **By Country:**

- USA has received 75% of the total investment. Also the average funding per company is 11.7 million USD
- IND has the second highest average funding of 17.4 million USD among English countries
- GBR has the third highest average funding of 9.8 million USD among English countries

## **By Sector:**

- USA – ‘Others’ is the top sector by number of companies (23%) ; ‘Cleantech / Semiconductors’ is the top sector in terms of total funding at 29%
- GBR – ‘Others’ is the top sector by number of companies (25% ); ‘Cleantech / Semiconductors’ is the top sector in terms of total funding at 25%
- IND – ‘Others’ is the top sector by number of companies (35%) and by total funding also (44%)