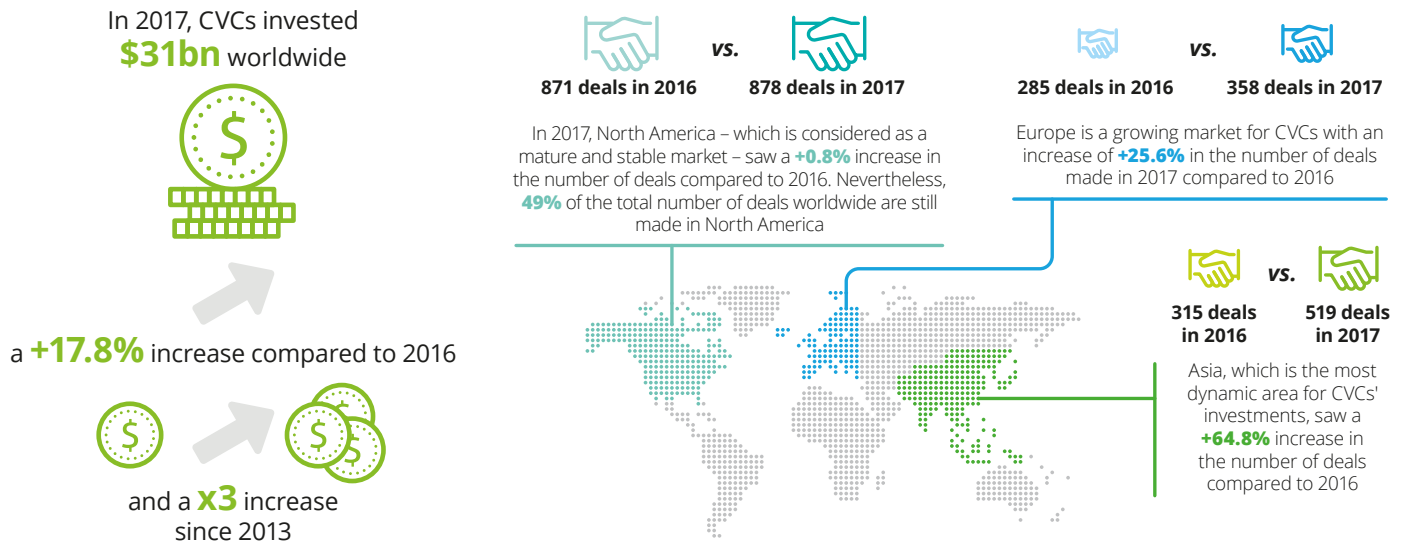




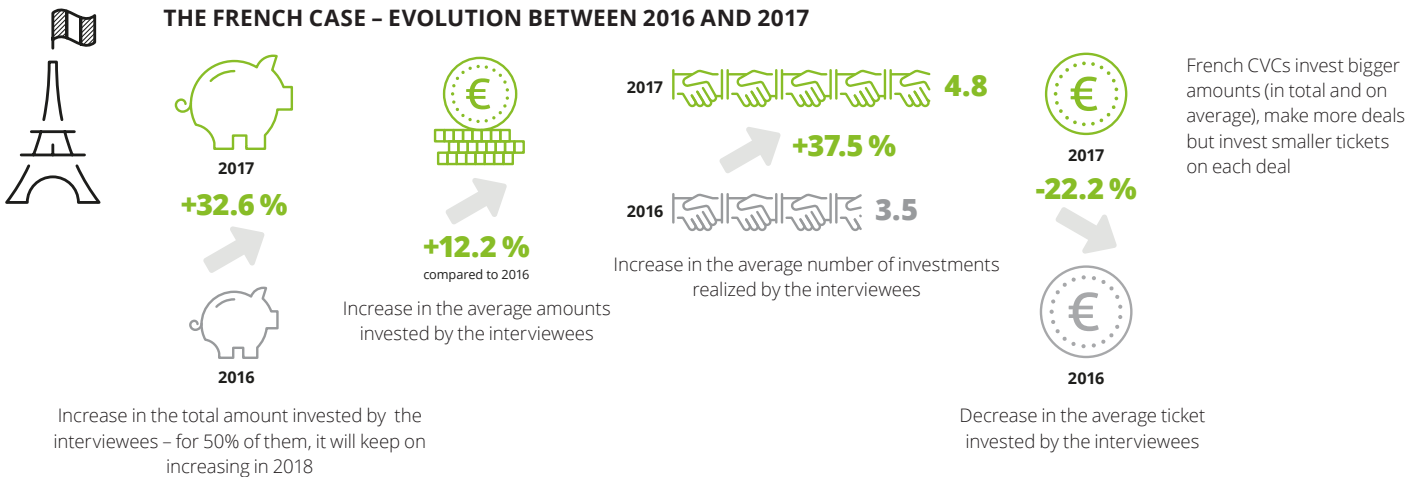
The State of French Corporate Venture Capitalists

June 2018

1. WORLDWIDE CVCS' INVESTMENTS ARE BOOMING

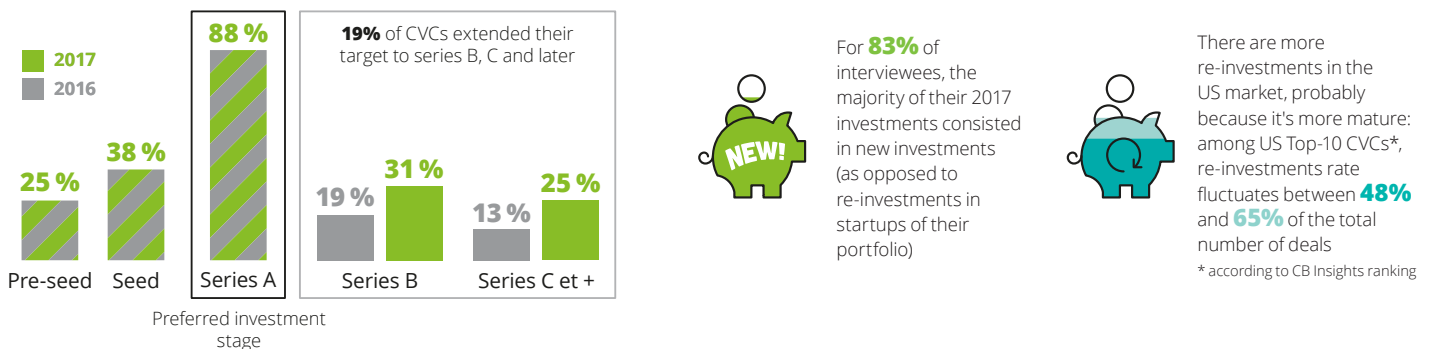


THE FRENCH CASE – EVOLUTION BETWEEN 2016 AND 2017



2. CVCS' INVESTMENT STRATEGY IS EVOLVING

THE INVESTMENT STRATEGY FOLLOWED BY CVCS



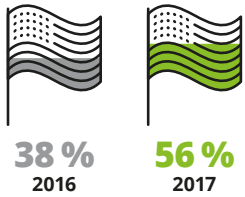
...whereas only **28%** of the interviewees would rather choose to be lead investors



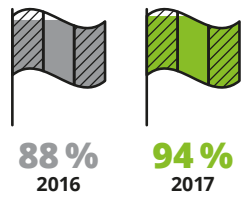
These figures reflect the behavior of CVCs worldwide: according to the 2018 GCV report, only **19%** of CVCs choose to be lead investors in more than half of their investments

INVESTMENT GEOGRAPHIES

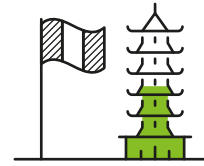
CVCs with a US startup in portfolio



CVCs with a French startup in portfolio

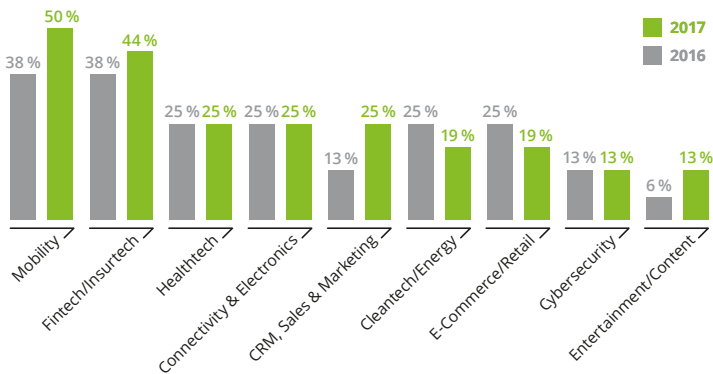


French CVCs prioritize investing in Northern Europe (**83%**), followed by France (**72%**), and North America (**67%**) in the coming years

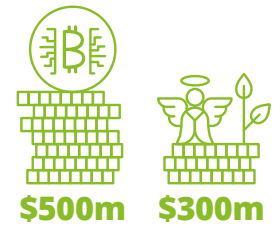


With a **64.8%** increase in number of deals in 2017, the Asian market is attracting French CVCs: **half** of the interviewees said they wanted to invest in Asia in the coming years

INVESTMENT SCOPES



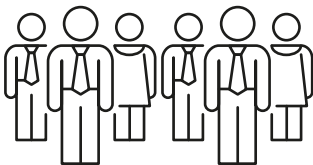
Only **6%** of CVCs are thinking of investing in ICO in the upcoming 12 months



French CVCs do not seem to have followed the trend of some investors for this method of financing, which took off in 2017 and then fell back after a sudden collapse of "crypto-hype"

3. HOW CVCS COPE WITH EXPECTED TRENDS AND MAIN EVOLUTIONS FOR 2018

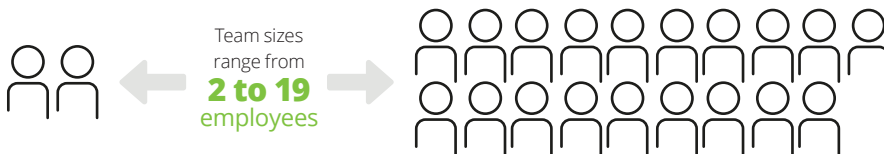
TEAMS



6.6 employees
Average size of teams (versus 18+ in the US)



82% of interviewees had recruited new employees in 2017



OFFICES



22% of CVCs have opened offices abroad since 2016 (South East Asia, US, Germany, UK and Africa)

MAIN STAKES FOR 2018



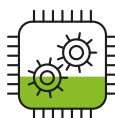
83%
Developing synergies with corporate activity



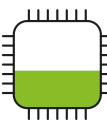
39%
Making investment strategy evolve



39%
Extending geographic scope



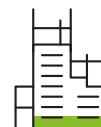
28%
Developing technological axes



44%
Technological (blockchain, AI, ...)



44%
Organizational (startup / corporate collaboration)



11%
Structural (open innovation, VC vs. CVC, intrapreneurship)

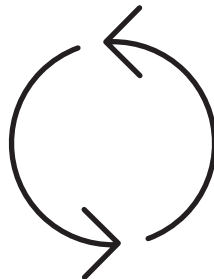
4. MUTUAL BENEFITS AND VALUE CREATION FROM WORKING TOGETHER

BENEFITS FROM WORKING TOGETHER



Startups

Global economic performance improved (revenue, assets, FTEs, etc.) thanks to corporates resources (production sites, IP, R&D, market expertise, networking capacities)



Corporates

Developing synergies (sharing distribution channel, technologies, brands, commercial practices, sales strategy, etc.) which provide additional revenues and earnings, ability to absorb startups' technologies, externalizing R&D, technological watch

RESPECTIVE OBJECTIVES



For startups: to benefit from financial, strategic and technical resources from a corporate



For corporates: financial and strategic objective which enables to boost their knowledge and activity by developing long term partnerships with startups in which they invest

This convergence of interests is concretized by the following facts::

- startups and corporates do work together (on average, each CVC has signed **3.3** commercial partnerships with startups of their portfolio in 2017)
- **83%** of the interviewees have led POCs with startups in 2017

Sources : LinkedIn, Crunchbase, Internet websites, Academic articles [Colombo, Massimo G., and Samuele Murtinu, "Venture capital investments in Europe and portfolio firms' economic performance: Independent versus corporate investors". *Journal of Economics & Management Strategy* 26.1 (2017) ; Galloway T.L., Miller D.R., Sahaym A., et Arthurs J.D. (2017)], CB Insights, *Les Échos*, Atómico Press

Deloitte.



Orange
Digital
Ventures

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms. In France, Deloitte SAS is the member firm of Deloitte Touche Tohmatsu Limited and professional services are provided by its subsidiaries and affiliates.

Deloitte

6, place de la Pyramide – 92908 Paris-La Défense Cedex

© 2018 Deloitte SAS. Member of Deloitte Touche Tohmatsu Limited

PARTNER

#FRANCE
2023