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Towards a European Tech Champions League

The case for European Big Tech

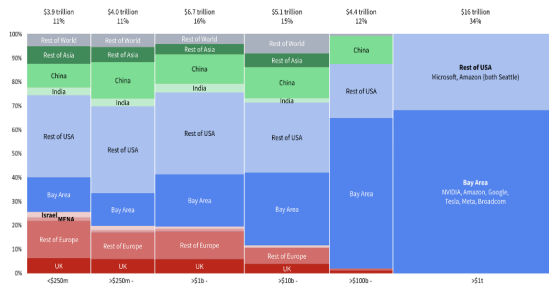
March 2025

Executive Summary

Big Tech is the modern engine of value creation

Value and job creation is increasingly driven by largest 0.01% of companies

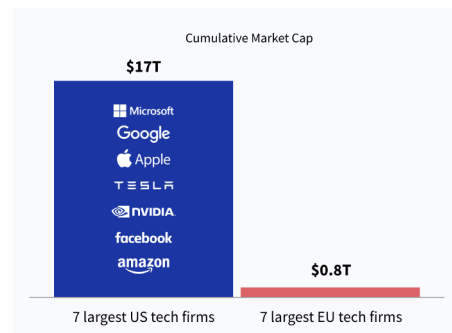
Cumulative market cap of venture funded companies globally (US\$ Trillion)



Europe needs bigger Tech Champions

US Top-7 Tech Giants are 17 times bigger than Europe's 7 largest counterparts

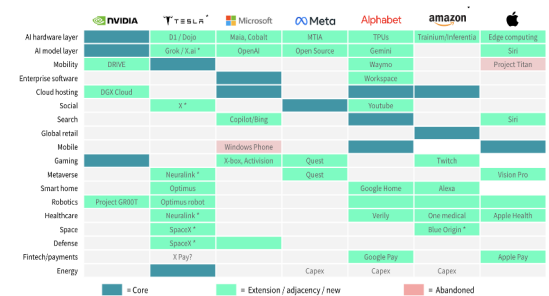
Cumulative market cap of the Top-7 largest Tech companies in US versus Europe (US\$ Trillion)



Ecosystems offer a proven path to \$100Bn+

For European Big Tech to develop into true US\$1 Trillion companies, they should embrace the idea of building compounding ecosystems.

All US Big Tech companies has diversified significantly beyond their core





Investing in the AI-enabled Future of Commerce.

Prosus is a global technology company, unlocking an AI first world for its 2 billion customers. With investments in more than 100 companies across the world, Prosus builds local ecommerce champions in growth markets.

With leading positions in Food Delivery, Classifieds and Fintech, Prosus has created its own unique technology ecosystem, driving innovation, knowledge sharing and growth across its portfolio.

Through the Prosus Ventures team, the Group invests in new technology growth opportunities within AI, social and ecommerce platforms, fintech, B2B software, logistics, health, blockchain, agriculture and more.

The team actively backs exceptional entrepreneurs who are using technology to improve people's everyday lives.



Global startup & venture capital intelligence platform.

Dealroom.co is a global intelligence platform for discovering and tracking the most promising companies, technologies and ecosystems. Clients include many of the world's foremost organizations such as Sequoia, Accel, Index Ventures, McKinsey, BCG, Deloitte, Google, AWS, Microsoft, Stripe.

Dealroom partners closely with local tech ecosystem development agencies and enablers, to create a comprehensive multi-dimensional blueprint of the tech ecosystem, including capital, talent, innovation, entrepreneurship and overall economic dynamism.



Fabricio Bloisi

—
CEO

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“Europe has all the ingredients for a thriving ecosystem: high-income consumers, top talent, and innovative companies. But it is getting stuck with too much focus on risks and regulations.”

Europe is losing ground to the USA and China. The world’s top tech giants—Alphabet, Amazon, Apple, Microsoft, Meta, Nvidia, and Tesla—are worth over US\$17 trillion, accounting for a third of the total S&P 500 valuation. Meanwhile, Europe has just six companies valued over US\$100bn, compared to 33 in the US. Europe needs more Big Tech.

At Prosus, we are ready to do our part and help build the next generation of European US\$1 trillion companies.”

1. The need for European Big Tech

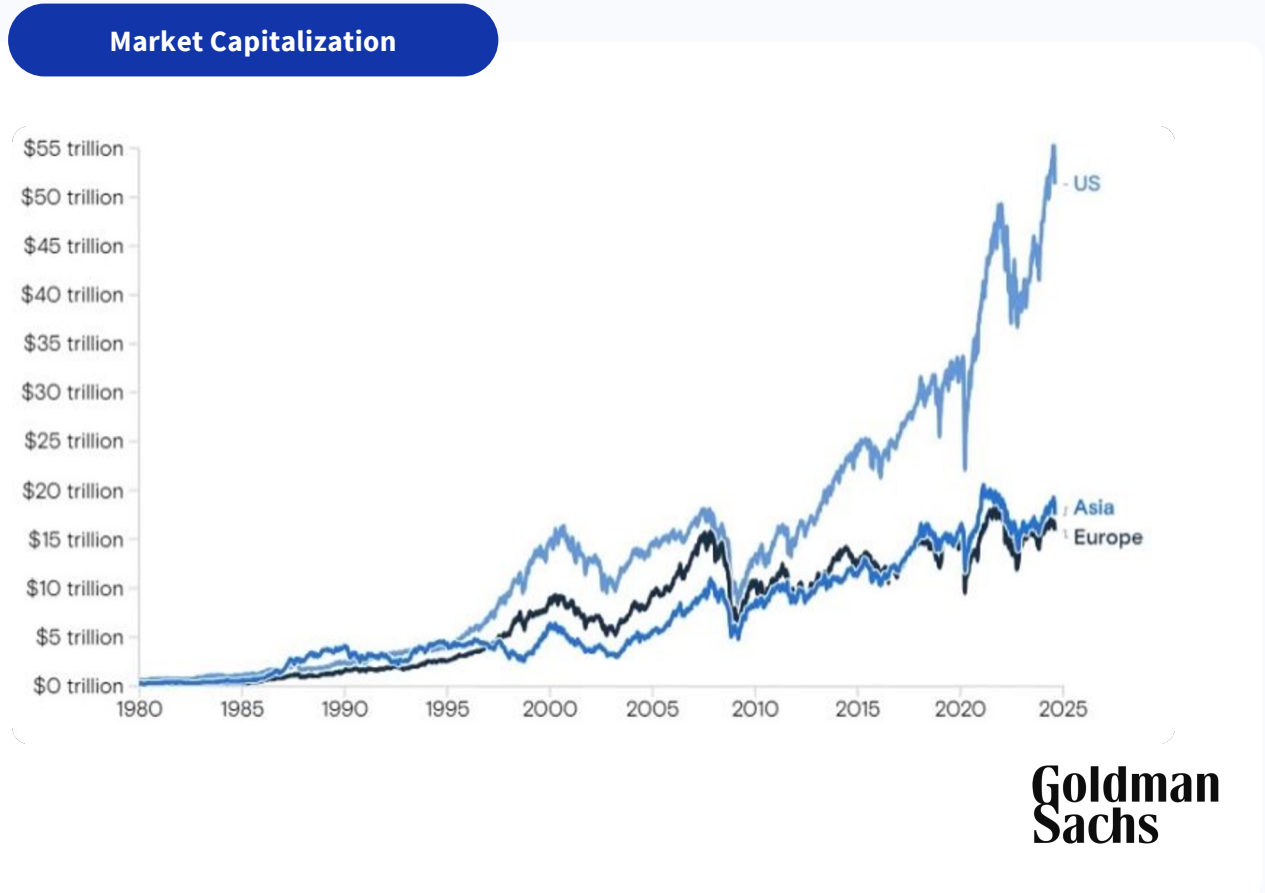
2. Reasons to be bullish about Europe

3. Ecosystem plays: The road to US\$1 Trillion

4. A call for action

**The US appears to
be pulling away from
everyone else.**

**Europe feels
decades behind ...
Is it a lost race?**



While the US and China surged ahead in Tech, Europe chose regulation.



Brett Ryder

The result?

A maze of inconsistent and restrictive rules—AI Act, NIS2, Digital Services Act, GDPR, and more—that choke innovation.

Add to that the burden of heavy reporting requirements like CSRD, and it is clear why European tech is struggling to compete.

Two major global economies.

USA

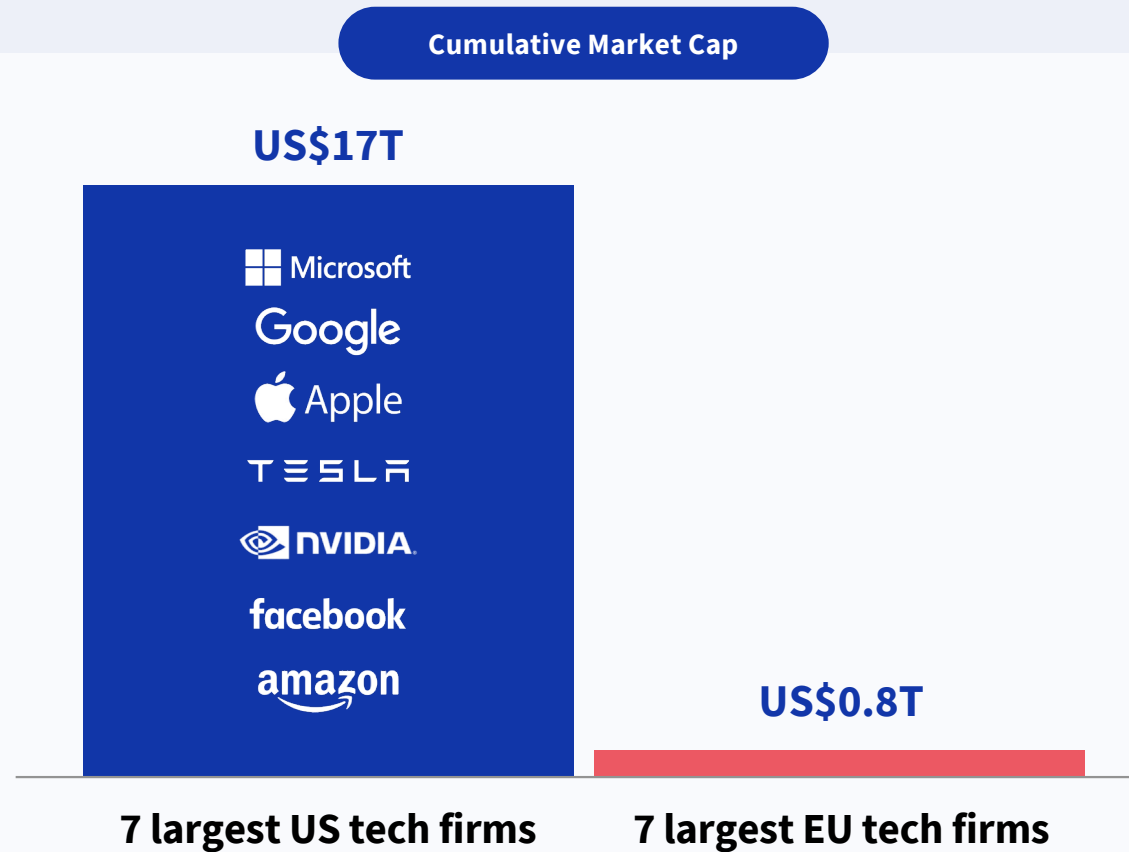
EU27

Population	335 million people	445 million people
Population growth since '08	0.6% / year	0.1% / year
Nominal GDP	\$27 trillion	€17 trillion
Real GDP growth since '08	~2% / year	~1% / year
Years to double GDP	35 years	70 years
Trade as % of GDP (export + import)	27%	102%
Revenues of top 500 companies	\$18.8 trillion	\$14.4 trillion
Fiscal policy	Strong federal spending capacity	Decentralized fiscal policies EU budget capped at ~1% of GDP

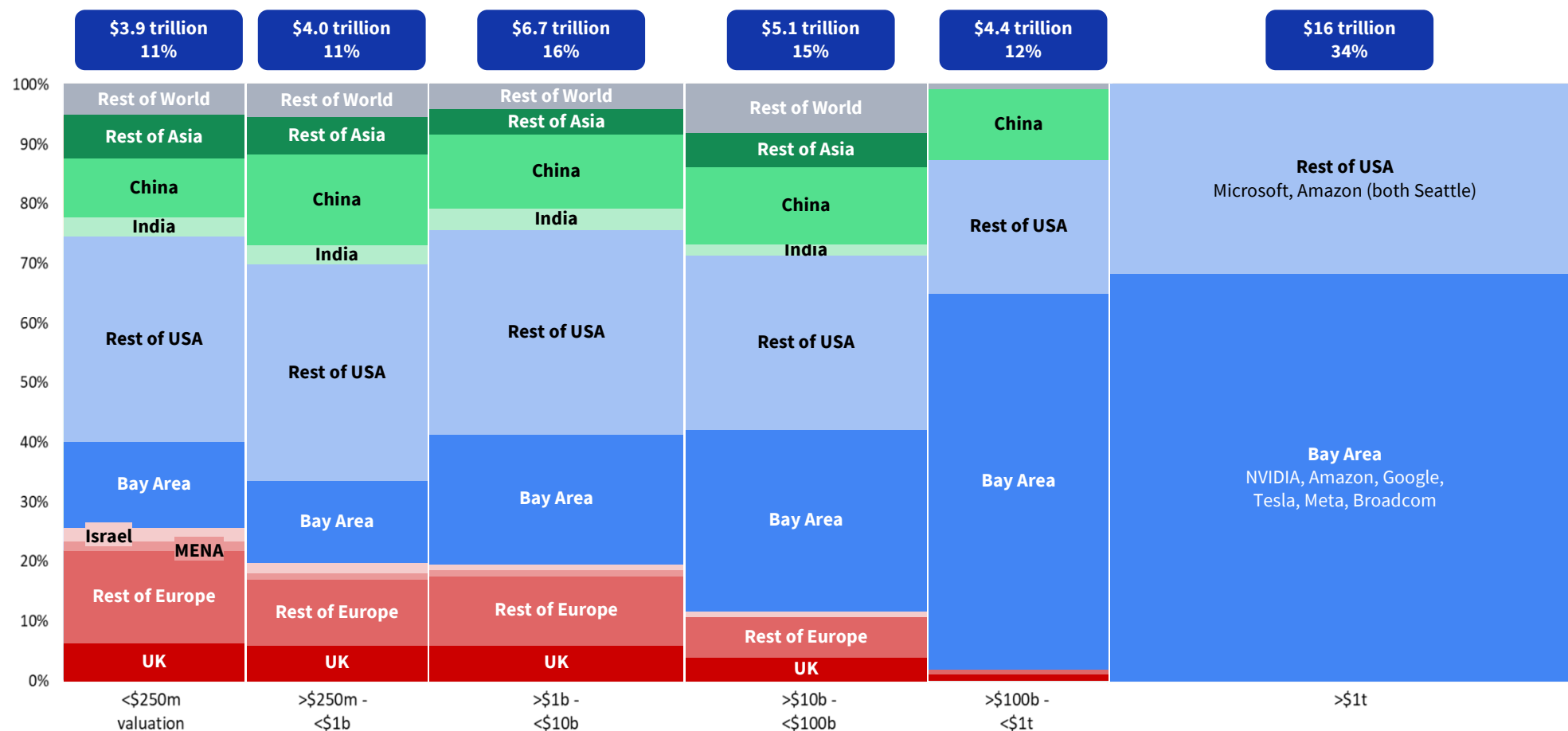
Europe has plenty of startups, but lacks breakthrough, mega-scale companies

	New VC-backed companies per year	Unicorns and/or \$100M revenue	Decacorns	\$100B+ companies	\$1T+ companies	EV Since 1960
Europe	3,500	1,045 2% conversion *	41 0.1% conversion *			\$5T
Americas	4,500	2,167 5% conversion *	166 0.2% conversion *			\$33T
Asia	3,500	1,109 3% conversion *	60 0.1% conversion *			\$9T

US top-7 Tech Giants are 17 times bigger than Europe's 7 largest counterparts



Value creation is increasingly driven by largest 0.01% of companies



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Europe's foundation for innovation is remarkably strong

More than half of the world's top **science clusters** are in Europe (Dealroom)

Highest concentration of **AI talent** (Sequoia)

High share of top-tier **researchers** (Clarivate)

Europe excels in Computer Science and Engineering **university rankings** (THE 2022)

European **students** are more into science than the US (Benedict Evans)

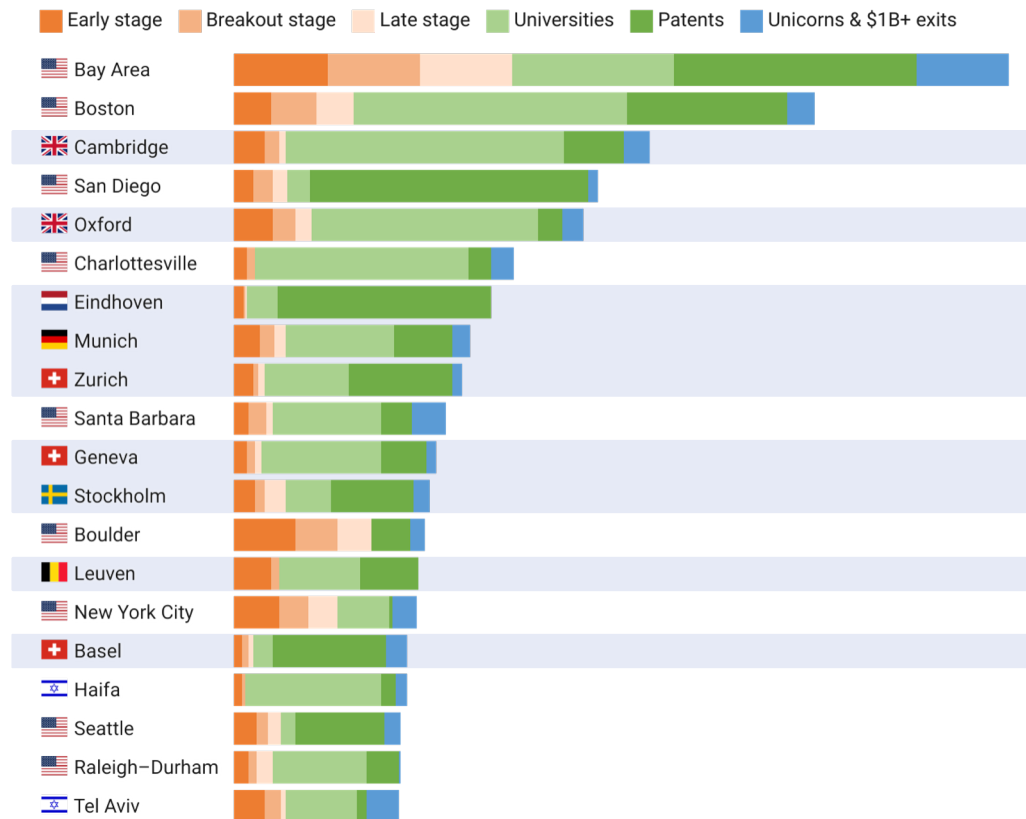
European **engineers** are also much less costly (Y Combinator News)

The London-Paris-Amsterdam “**New Palo Alto**” cluster ranks third globally for unicorns, after the Bay Area and Beijing (Dealroom)

9 of the world's top 20 scientific tech clusters are in Europe.

[Learn more »](#)

Top 20 Scientific Tech Hubs



Note: Ranking based on a weighted ranking that combines levels of funding at different stages, along with university output (venture backed startups by alumni), and patents, and looks at it through a density lens

Source: Dealroom.co

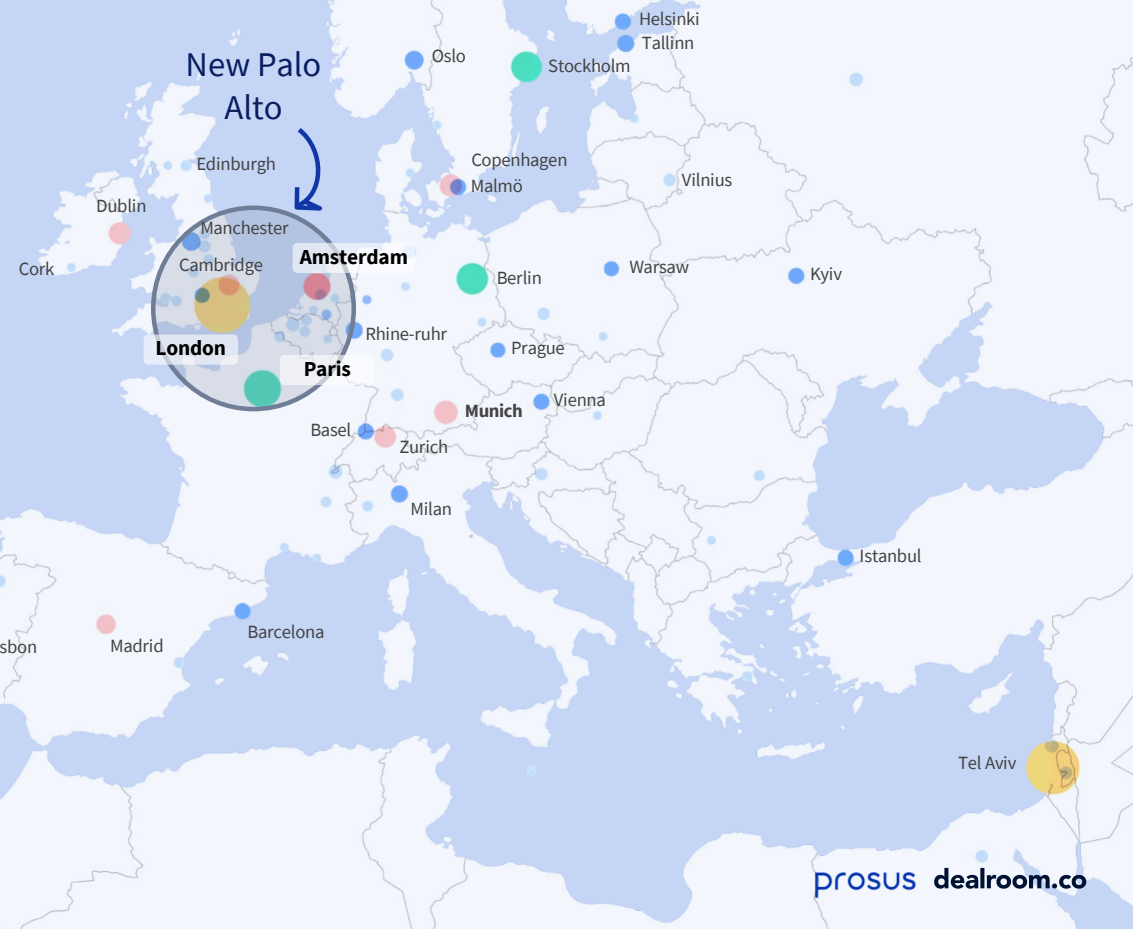
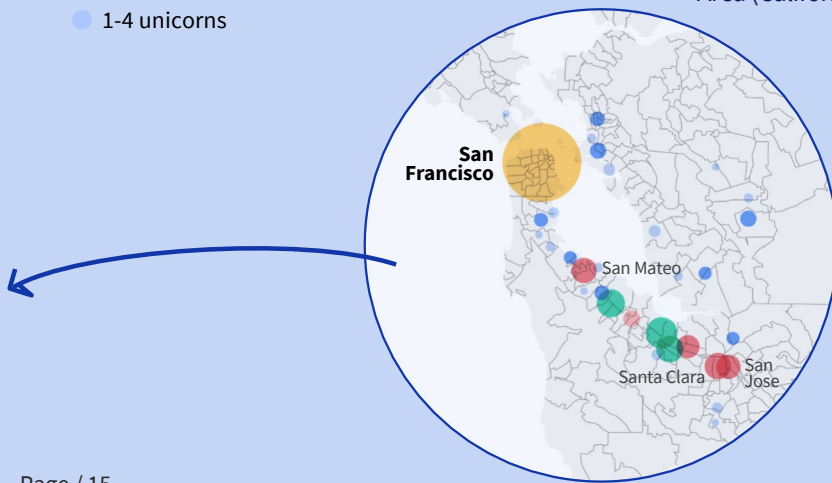
Europe now has 684 unicorns spread across 65 cities, with the highest concentration in New Palo Alto, a dense supercluster of connected tech ecosystems

Cities with at least one US\$1 billion+ startup (“unicorn”)

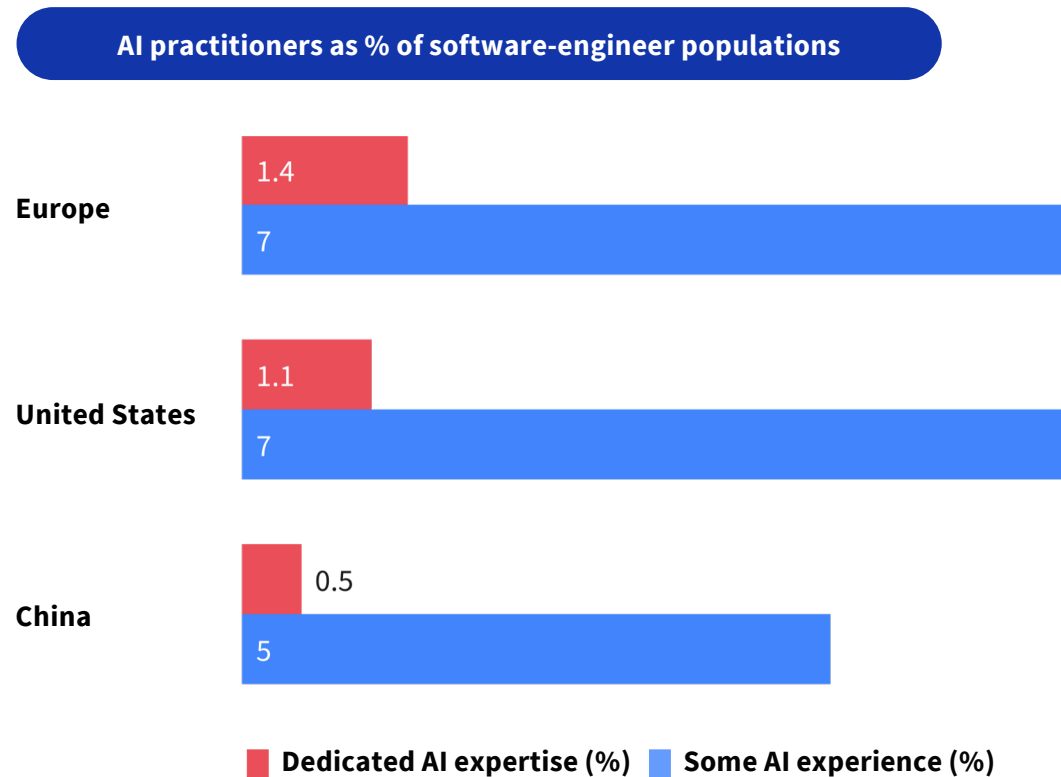
- 100+ unicorns
- 50+ unicorns
- 30+ unicorns
- 20+ unicorns
- 10-20 unicorns
- 5-10 unicorns
- 1-4 unicorns

San Francisco Bay Area (California)

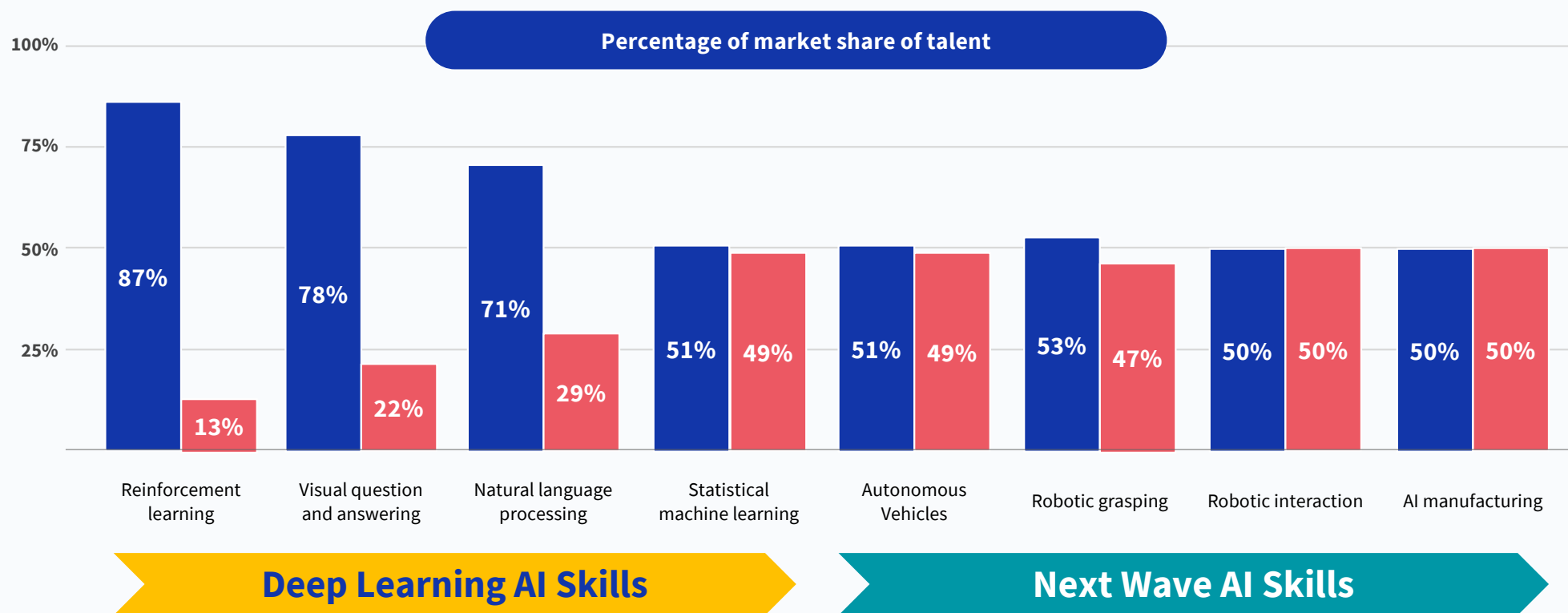
New Palo Alto



Europe has a per-capita concentration of AI experts among software engineers 30% higher than the US and almost three times as high as China.



Europe is trailing in GenAI talent, but remains competitive for the next wave in Robotics, Autonomous Vehicles and AI-enabled manufacturing



■ Europe ■ US

Europe's contributions in AI are far more significant than people think or report



Mistral is competitive with the best AI labs (and its new app Le Chat is very fast...).



LLama, Meta's foundational model, was invented in Paris.



DeepMind emerged from London before Google's acquisition, and its founder Demis Hassabis, now Nobel Prize winner, runs Google AI efforts.



Hugging Face

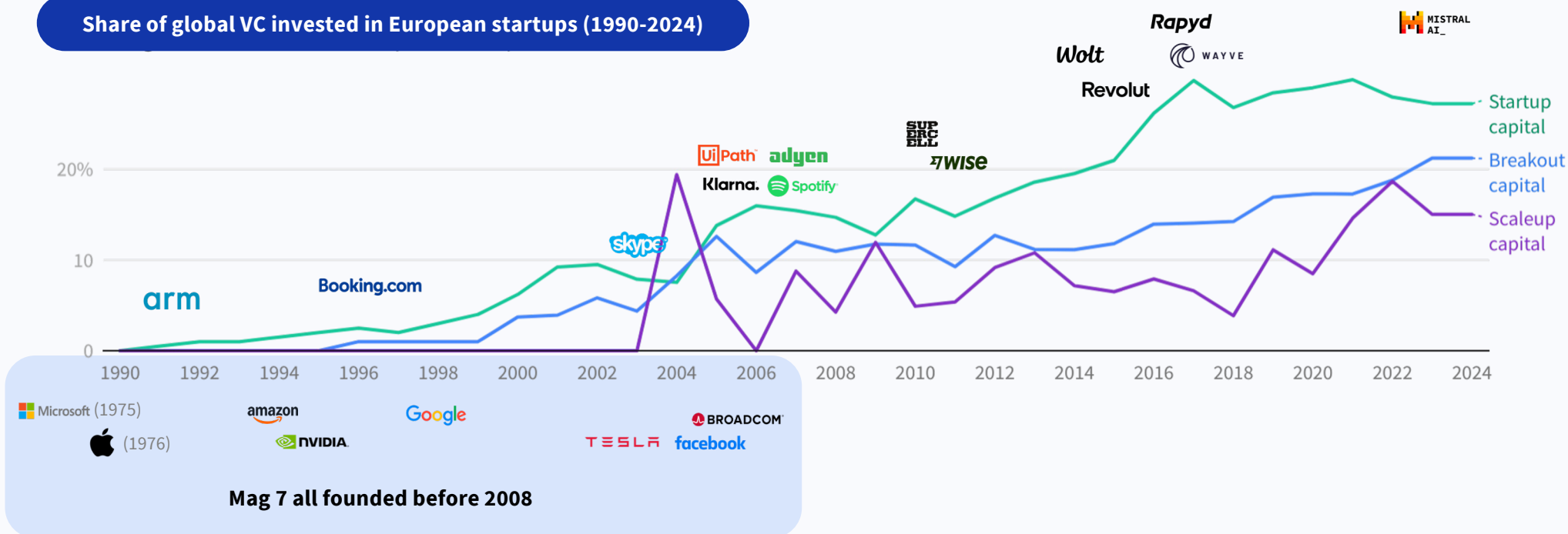
Hugging Face, the heart of the open-source AI community globally was started by French founders.



Europe is producing its fair share of beloved fast-growing AI applications, such as 11x, ElevenLabs, Granola, and Lovable.

In the 1990s and early 2000s, when the Mag 7 were created, European venture capital was still nascent. Today, Europe VC is coming of age.

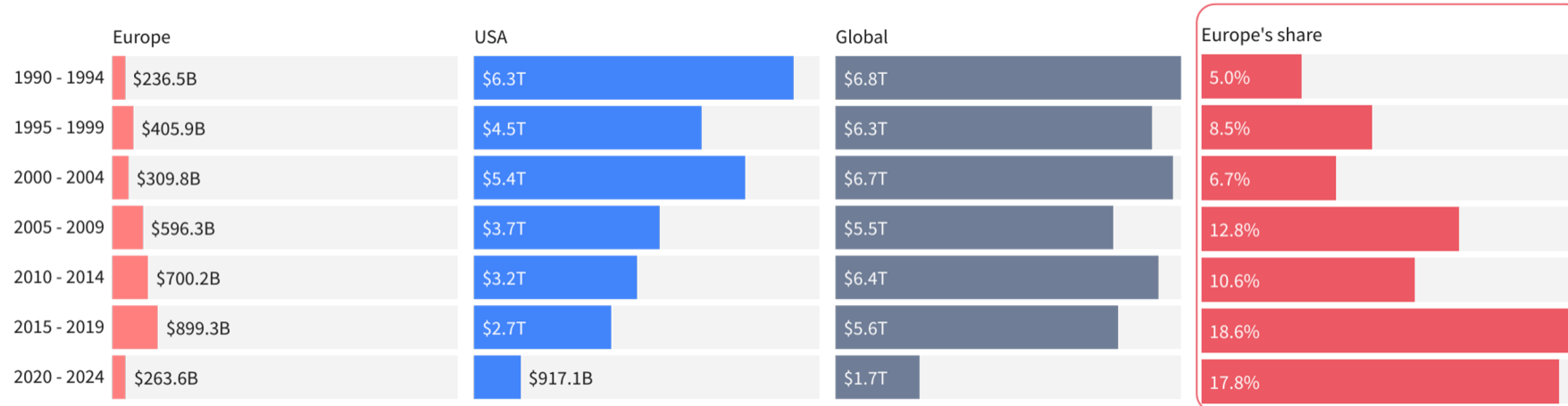
Share of global VC invested in European startups (1990-2024)



Europe's VC ecosystem is ramping up fast

After a 30 year late start, Europe's younger generation of VC-backed startups are now around 18%.

Enterprise value of VC-backed companies by cohort



Europe can build.

It has delivered many great companies which offer the foundation for greater power law outcomes.

European Champions League

The most valuable tech companies based or created in Europe since 1990 with valuation of >\$10Bn(Decacorns+)

Centacorns	Valuation (Bn\$)
	339
ASML	286
Booking.com	168
	166
	124
	103

Decacorns	Valuation (Bn\$)
	52
Revolut	45
	19
	19
miro	18
trendyol	17
Rapyd	15
	14
celonis	13
	13
	13
	11
	10
	13
	11
	10

And many more up-and-coming players

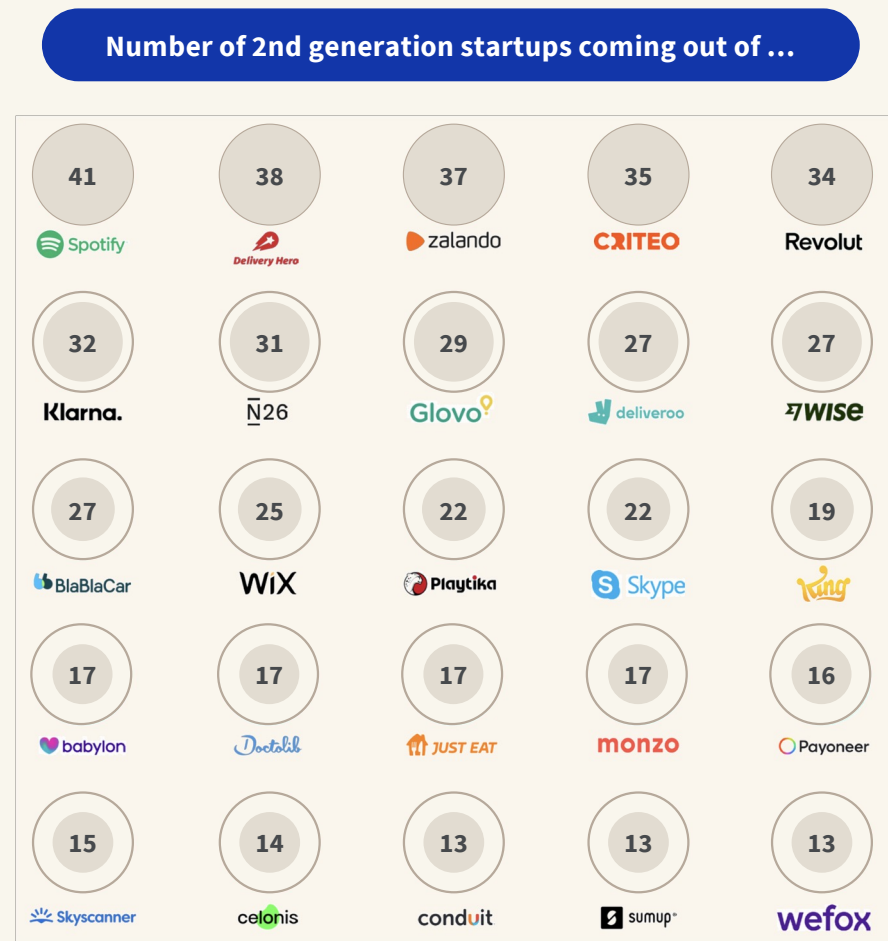
Top-25 fastest growing Unicorns with European origins (fastest growing in FTE)

1	 MISTRAL AI_	2	 Bolt	3	 bunq	4	lElevenLabs	5	NEKO
6	 1KOMMA5°	7	 WIZ	8	 PICNIC	9	 poolside	10	 newcleo Futurable Energy
11	 WAYVE	12	 Hugging Face	13	 Helsing	14	 datasnipper	15	MEWS
16	 remote	17	 lighthouse	18	 pennylane	19	 scalable .CAPITAL	20	 odoo
21	 synthesia	22	 fever	23	 HiBob	24	 HELLO FRESH	25	 PIGMENT

Europe's flywheel is just getting started.

There is a record-number of experienced operators and repeat founders who don't shy away from taking bold risks.

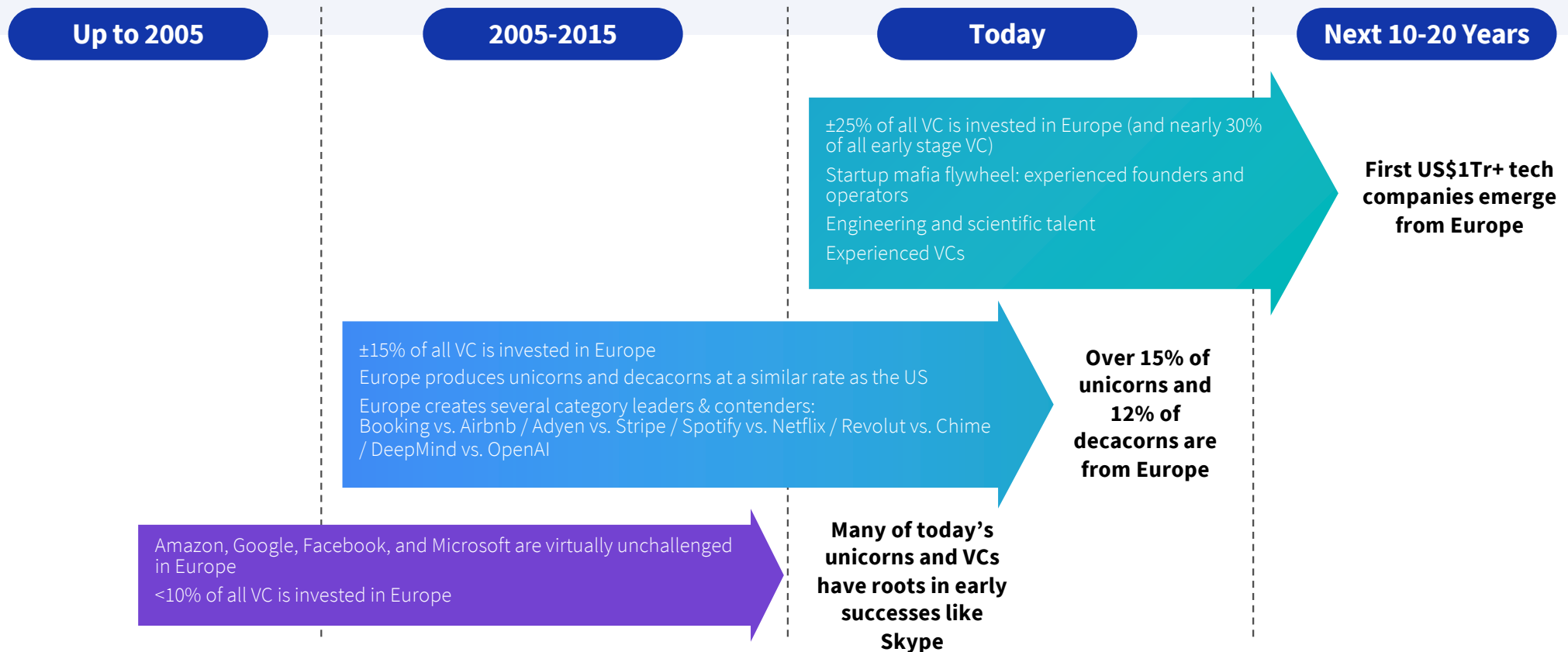
The rise of such local "mafias" of entrepreneurial talent is a vital component of a thriving ecosystem.



Source: Dealroom.co, Accel & Dealroom.co - [full report](#). Only includes VC-backed founder factories.

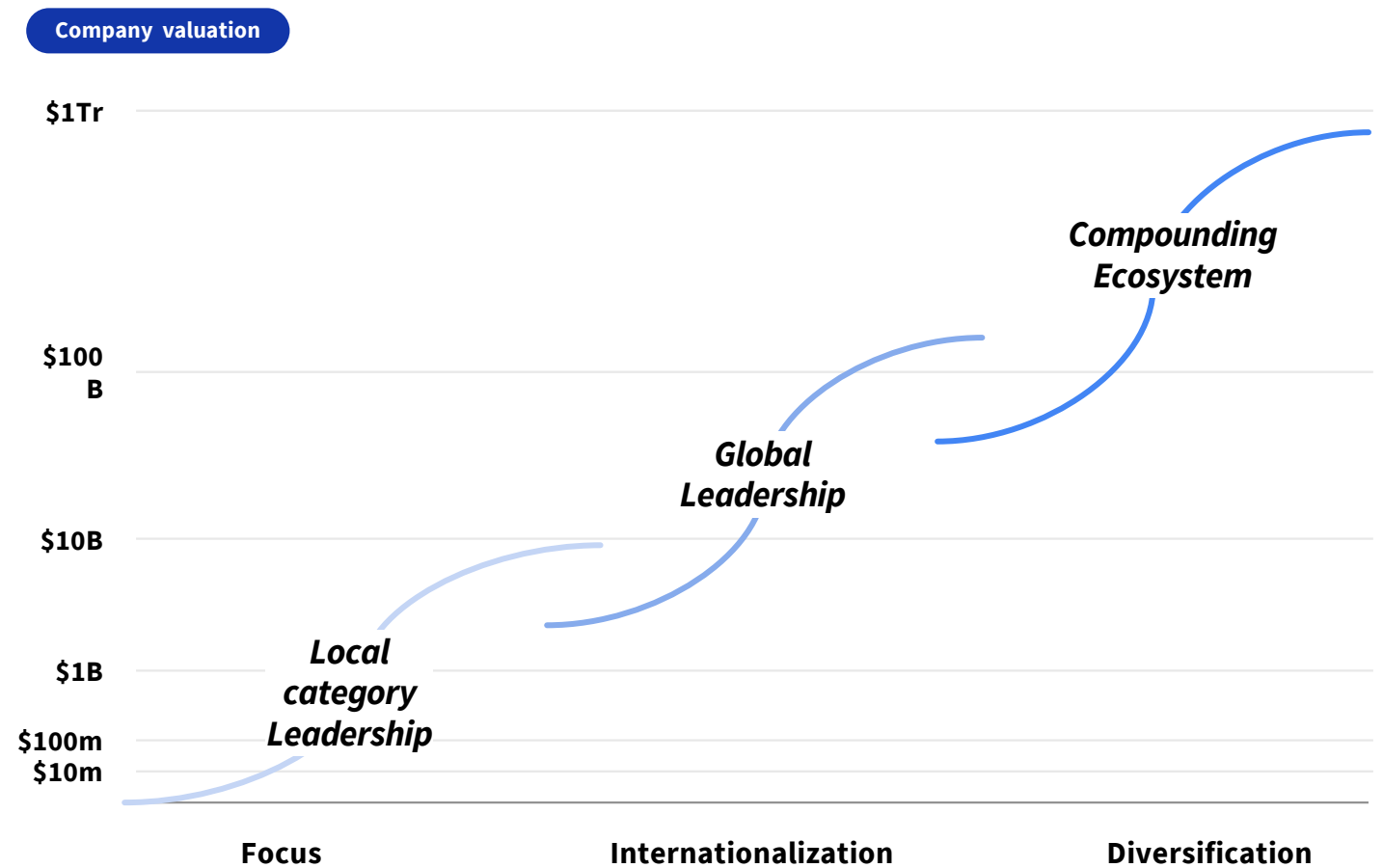
prosus dealroom.co

We believe Europe is primed for its first US\$1Trillion outcome



1. The need for European Big Tech
2. Reasons to be bullish about Europe
- 3. Ecosystem plays: The road to US\$1 Trillion**
4. A call for action

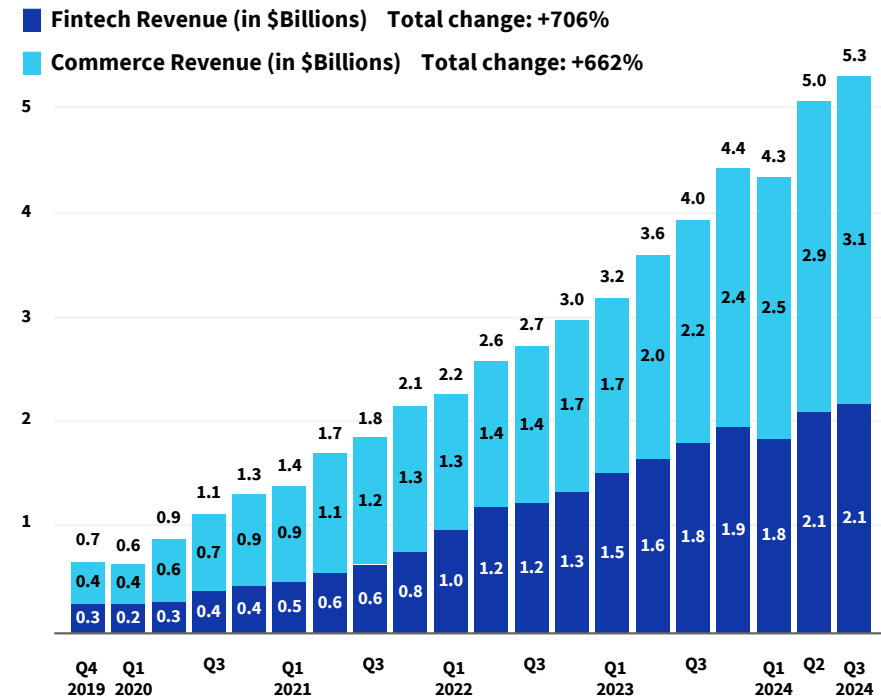
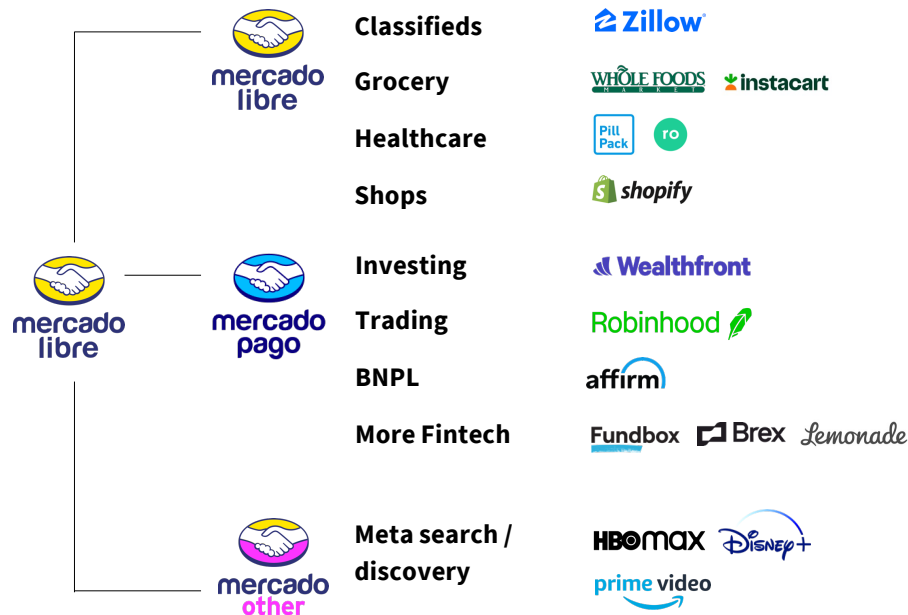
The ability to build broader, compounding ecosystems is an essential ingredient of creating US\$1Tr exponential outcomes.



What are compounding ecosystem plays? You take something that works and you build things on top - Example: Mercado Libre

MeLi has built operating segments comparable to global peers

MercadoLibre Fintech vs Commerce Revenue



All Big Tech companies have diversified significantly beyond their core



	NVIDIA	TESLA *	Microsoft	Meta	Alphabet	amazon *	Apple
AI hardware layer		D1 / Dojo	Maia, Cobalt	MTIA	TPUs	Trainium/Inferentia	Edge computing
AI model layer		Grok / X.ai *	OpenAI	Open Source	Gemini		Siri
Mobility	DRIVE				Waymo		Project Titan
Enterprise software					Workspace		
Cloud hosting	DGX Cloud						
Social		X *			Youtube		
Search			Copilot/Bing				Siri
Global retail							
Mobile			Windows Phone				
Gaming			X-box, Activision	Quest		Twitch	
Metaverse		Neuralink *		Quest			Vision Pro
Smart home		Optimus			Google Home	Alexa	
Robotics	Project GR00T	Optimus robot					
Healthcare		Neuralink *			Verily	One medical	Apple Health
Space		SpaceX *				Blue Origin *	
Defense		SpaceX *					
Fintech/payments		X Pay?			Google Pay		Apple Pay
Energy				Capex	Capex	Capex	

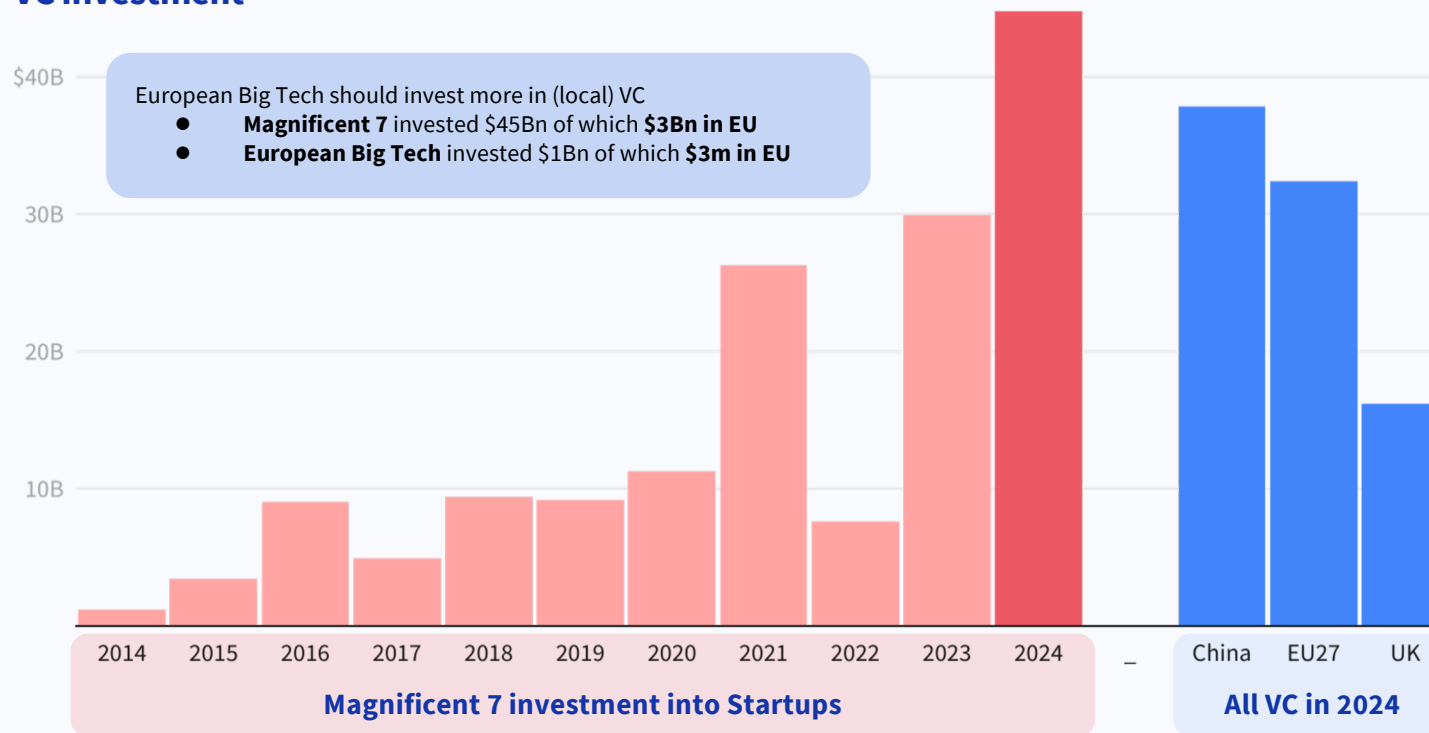
 = Core

 = Extension / adjacency / new

 = Abandoned

VC investments and M&A are a core component to building compounding ecosystem plays; Magnificent 7* invest more in startups than all VC in EU27

VC investment



Virtually all major platforms around the world have adopted an ecosystem strategy

eCommerce



Enterprise



Social / Search



Food Delivery



Hardware



FinTech / Payments



Except in Europe... European big tech are all very successful within their own vertical, but failed to build a broader ecosystem around their core

We believe there is a major underleveraged opportunity in Europe for compounding ecosystem plays.

	Global platforms	European platforms
Examples	• Tencent • Stripe • Square • Shopify • Salesforce	• Booking • Adyen • Zalando • Spotify • SAP
Scope	Ecosystem with multiple reinforcing businesses	Single core
Platform	Open	Closed
Mentality	Experimentation Optionality of assets and business models	Focus and optimization
Growth hack	‘Buy-and-invest-and-build	‘Build’
Corporate Development	Invest in adjacencies and outside the core	Very selective M&A within the core

Why are there no major European ecosystem players (yet)?

Fragmented European Marketplace

Europe lacks a single integrated marketplace

Enduring complexities of growing across borders prevent founders from focusing on growth through diversification.

Lack of Growth Capital and Experience

Europe has a major gap in Growth stage capital vs the USA

Only handful of native European Growth firms with relevant experience:

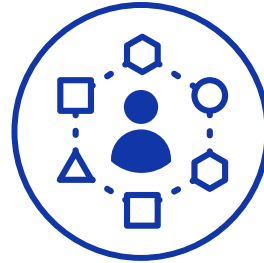
- Most EU growth investors bring a PE or Series A/B mindset
- Few appreciate the opportunities and challenges of ecosystem plays.

Lack of Regulatory Support

European regulators has always been suspicious of 'Big Tech' and M&A.

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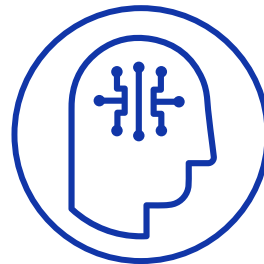
Our commitments to Europe



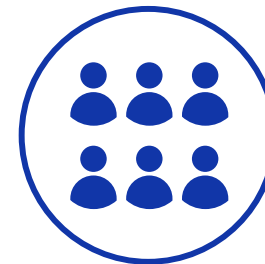
Prosus will lead the way in creating a **US\$100Bn+ ecosystem** player



Prosus sees opportunities to deploy **US\$10bn** in European tech



We will build out a **Global AI Lab** in Amsterdam



We will actively contribute to the development of the **European ecosystem**

A call to action to make Europe more competitive

Capital

Unleash private capital
Invest strategically
Create unified Capital
Market

Policy

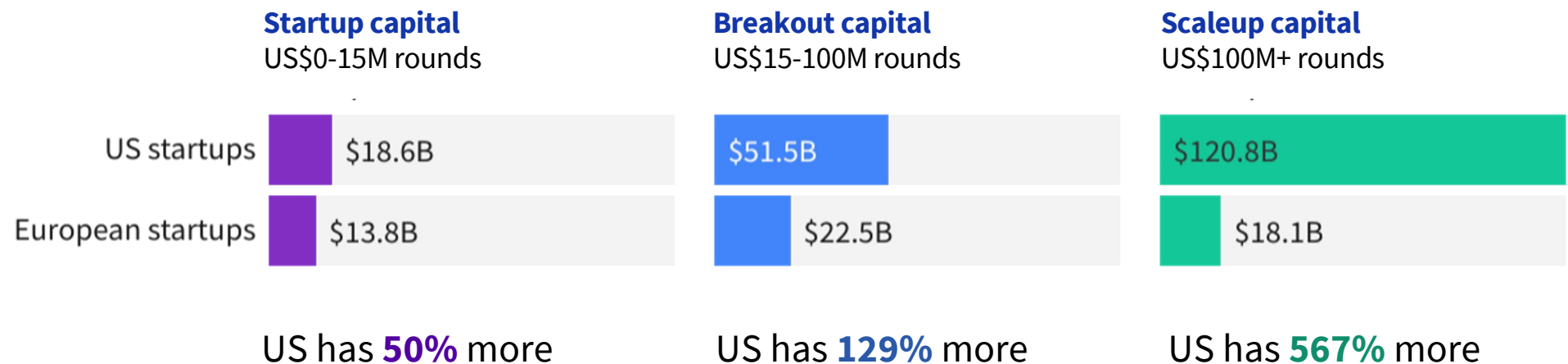
Regulate to enable
progress, not block
it Harmonize and
simplify Promote
European Big Tech

Talent

Welcome global
talent
Build strong hubs
Invest in education



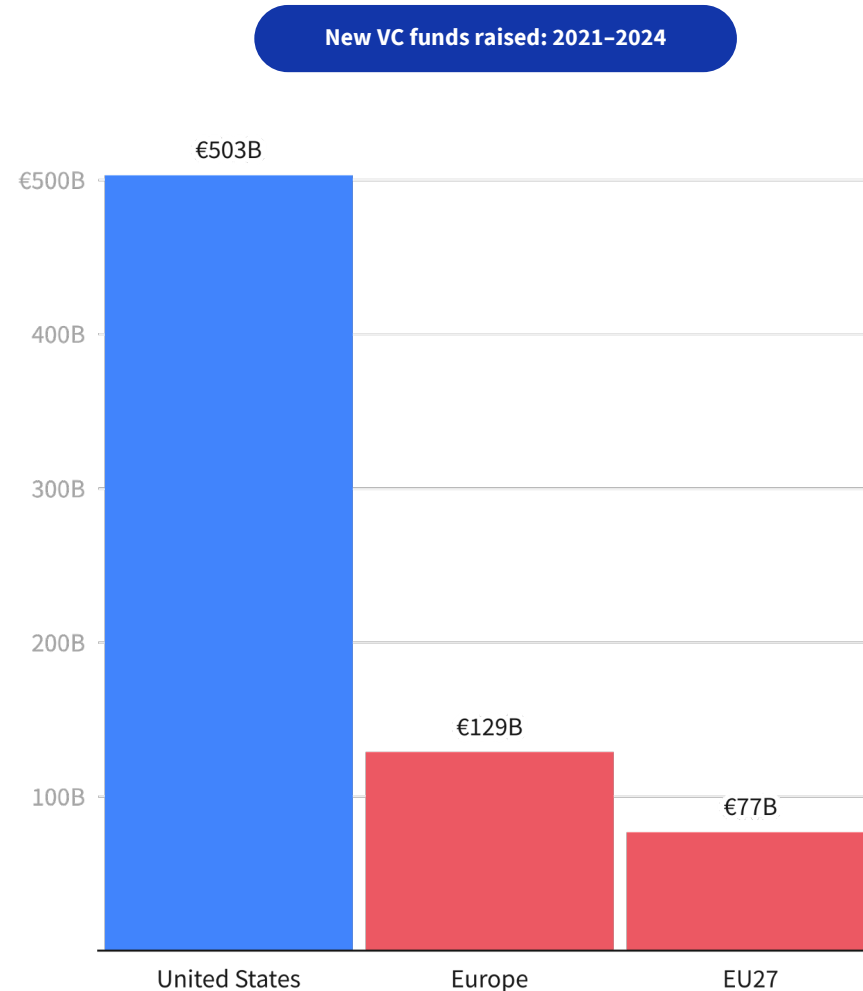
Europe remains massively underinvested in later-stage rounds, making it harder for scale ups to achieve escape velocity



VC investment by stage, 2024

**Europe's
€200bn
commitment to
AI is nice, but it
is not nearly
enough.**

**A €400Bn
shortfall of
growth capital
compared with
the US remains.**



Europe has money, but it needs to reform investment and pension programs to drive more investment into growth

Pension Funds

US\$9 Trillion

in Assets under Management at
European Pension Funds

0.01%

invested in in European
VC

European Union

US\$170 Billion

2025 Budget of the EU, 2025

60%

Goes to regional and
agricultural support

Just 10%

goes to "tech innovation"

European Big Tech and Corporates

US\$20 Billion

Annual European VC investment
from European corporates

10x

Less investments in R&D
than US counterparts

10x

Less in Tech M&A and Investments
than US counterparts

Europe needs to invest more strategically behind its champions

From: "Supporting"



To: "Playing to Win"

Power Law

Spreading it thin across thousands of small bets

Put weight behind creation of a few category-defining (AI) champions

Sector focus

Supporting important, but ancillary 'virtue markets' (e.g. sustainability, culture, creative, justice, regulatory reporting, privacy)

Winning trillion-dollar market spaces (e.g. mobility, food, finance, banking, energy)

Regional Focus

Regional development (e.g. AI factories in peripheral member states)

Focus on a few European Tech hubs that can compete on a global scale (e.g. 'New Palo Alto')

Government Funding

Myriad of giants and research subsidies (resulting in research 'push' and fragmented efforts)

Award a big prize or contract to stimulate collaboration in solving a big societal challenge (e.g. order a nuclear fusion plant for Brainport)

Underlying principles

Business thrives in rule-based economies.

Responsible regulation can enable AI innovation.

Europe thrives in a global economy.

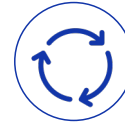
To be competitive, Europe needs to



Promote and support European tech champions to compete globally

Create a favourable financial environment for scaling European companies.

Embrace and support AI (technology) uptake across all EU policies



Rigorously complete the Single Market

Pursue the 28th regime with a sense of urgency.

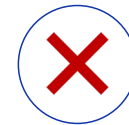
Create an EU Single Capital Market.



Regulate only to enable progress

Accelerate efforts to adapt and streamline tech regulations – be bold.

Simplify rules for building experimental AI in Europe.



Don't regulate when it can be engineered

Engineering is the more innovative regulation. India's public digital infrastructure for eID, eKYC, etc. created a common digital stack on top of which companies can build, while ensuring privacy.



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