



DEUTSCHE BÖRSE  
CASH MARKET



# Investor sentiment on COVID-19 implications

Deutsche Börse Venture Network

21<sup>st</sup> April, 2020

# Key findings

- **78% of VCs see their portfolio challenged by COVID-19**
- **Number of new VC deals in Q2 expected to drop by 46%**
- **Healthtech vertical with strong momentum and outlook**
- **VCs spend more time with portfolio support and their LPs**
- **Some LPs are expected to reduce their allocation in venture**

# Research design

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Invite-only web-based survey – neutrally hosted

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Scope: DACH-focused venture capital investors

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Fielded anonymously from 10 to 15 April

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**78** venture investors contributed to the survey

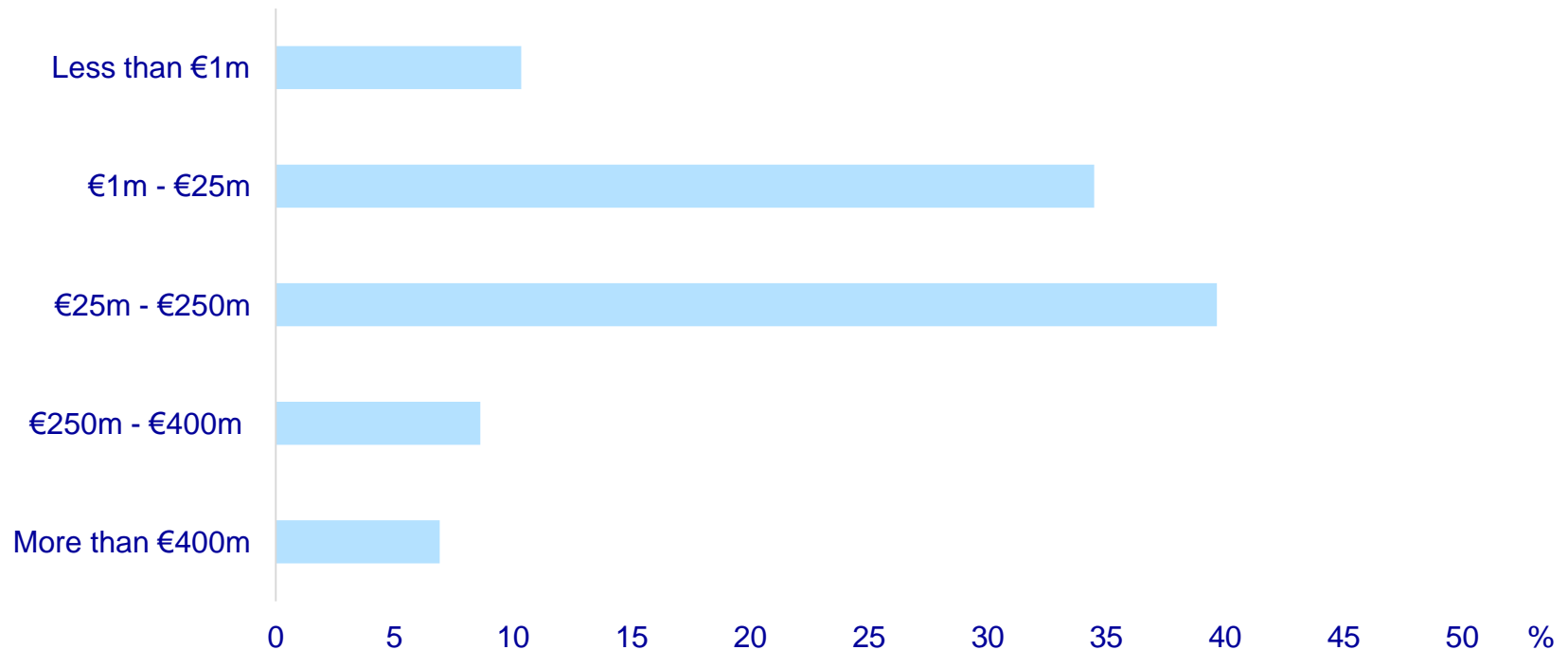
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Objective: Sentiment data on how venture investors react to the COVID-19 crisis

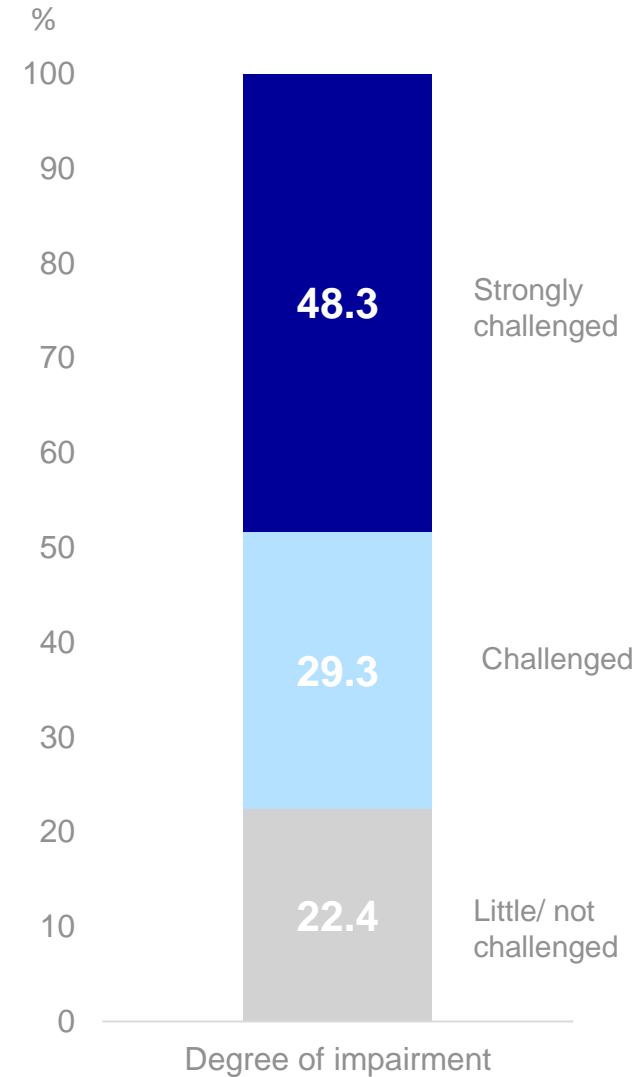
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Technically conducted by an independent market research company: CURTH+ROTH

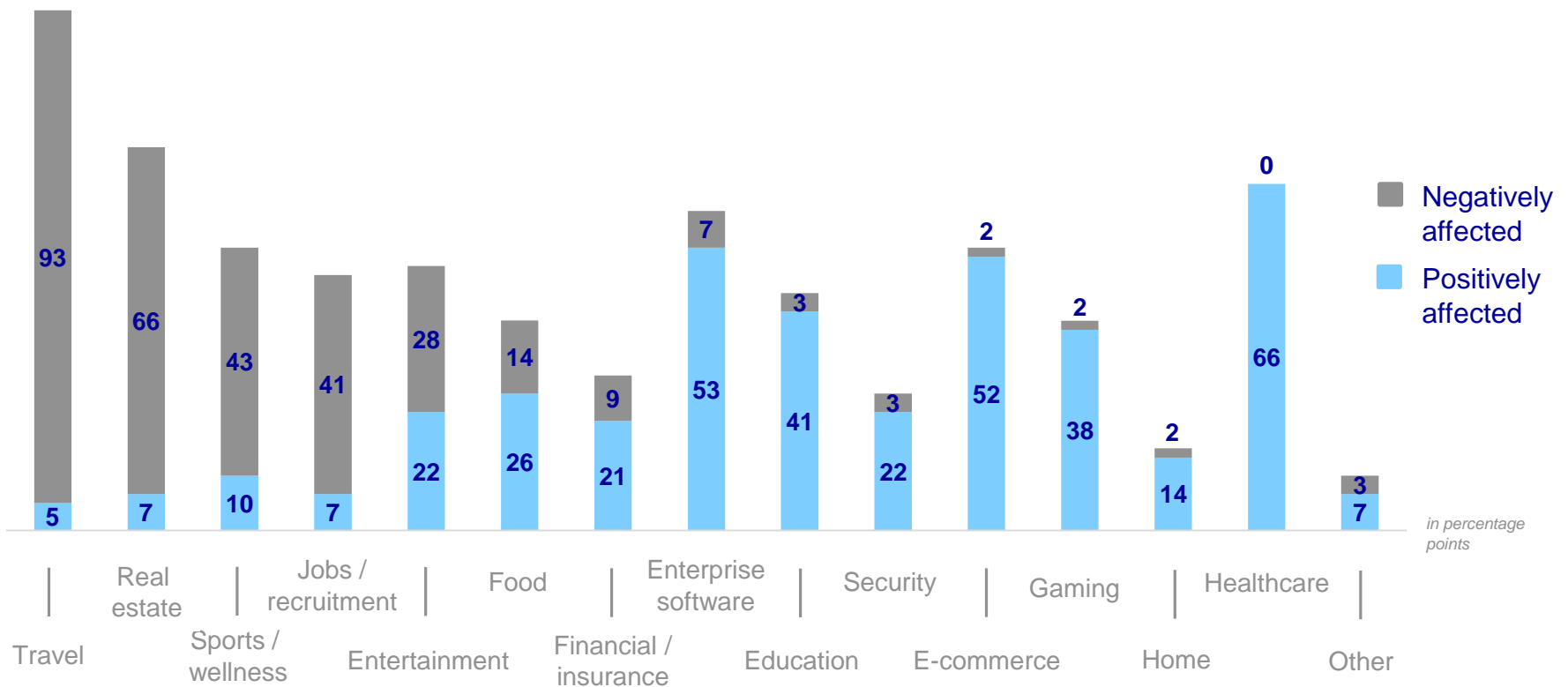
# Majority of survey feedback from fund sizes up to €250m, but also growth funds



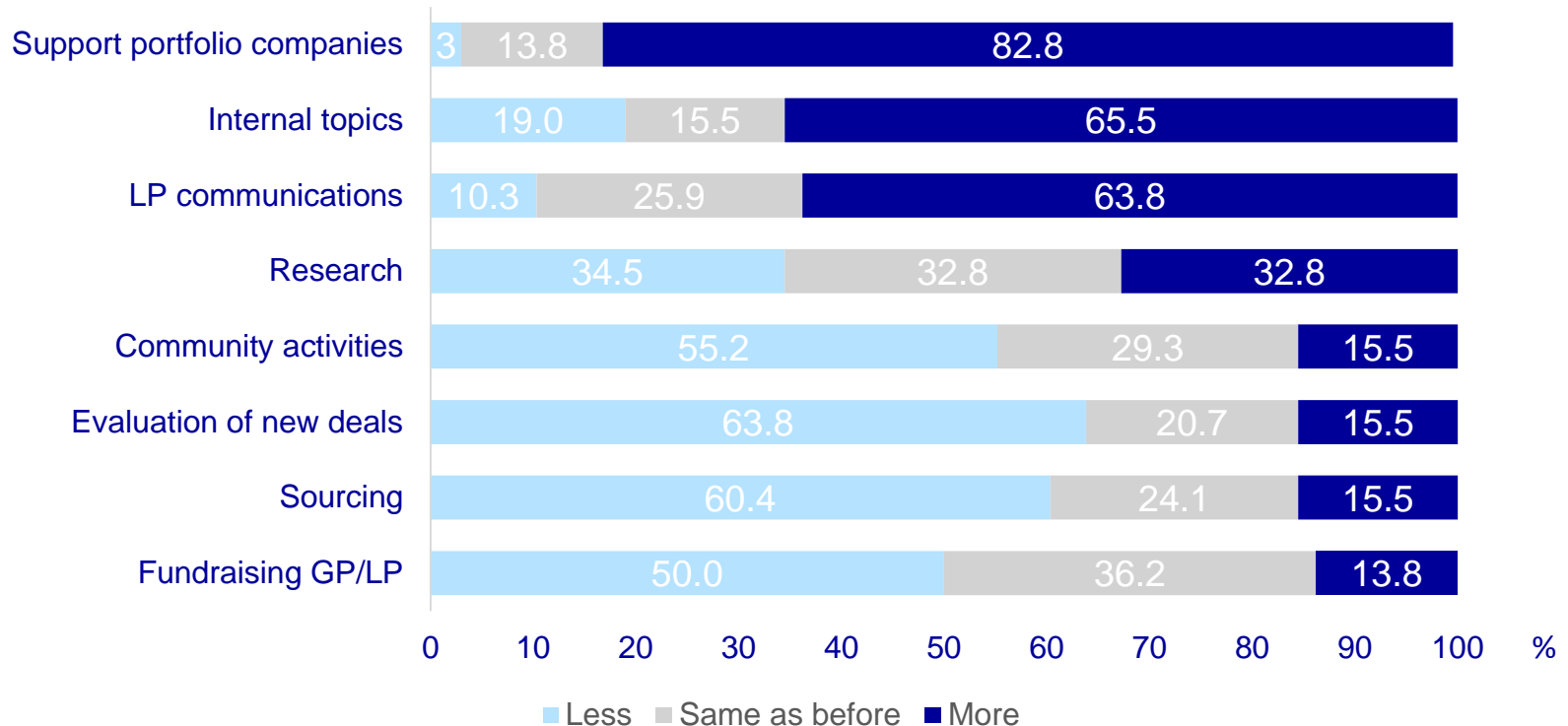
# 78% see that their portfolio is challenged by the COVID-19 crisis



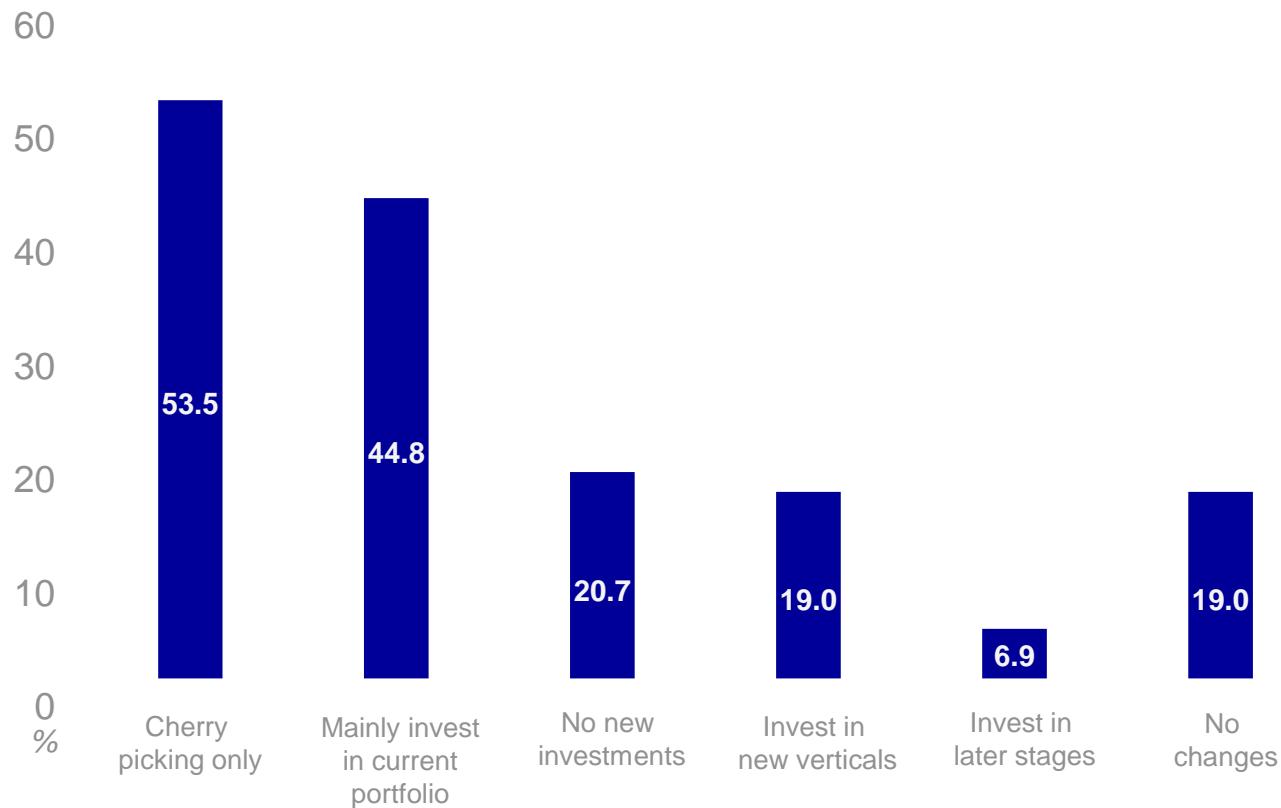
# Travel, real-estate and sports / wellness verticals are the most challenged, healthcare wins



# VCS spend more time with supporting portfolio companies and LP interactions, but less time with new deals and sourcing

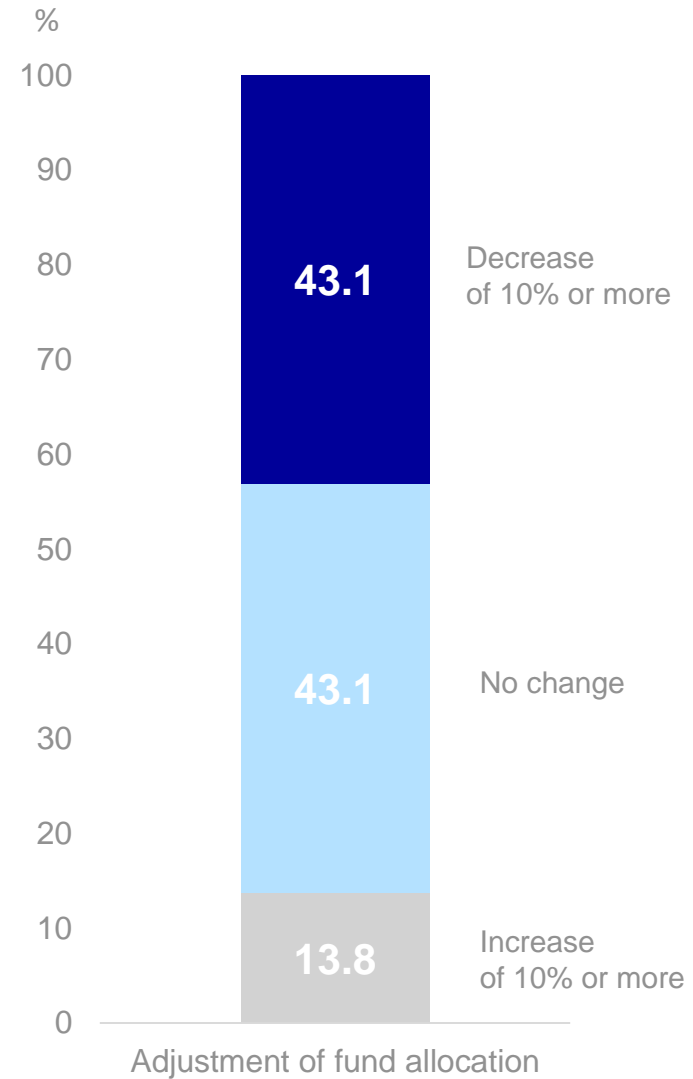


# Investors will either support existing investments more or become very selective





**57% will not reduce their fund allocations into new investments**

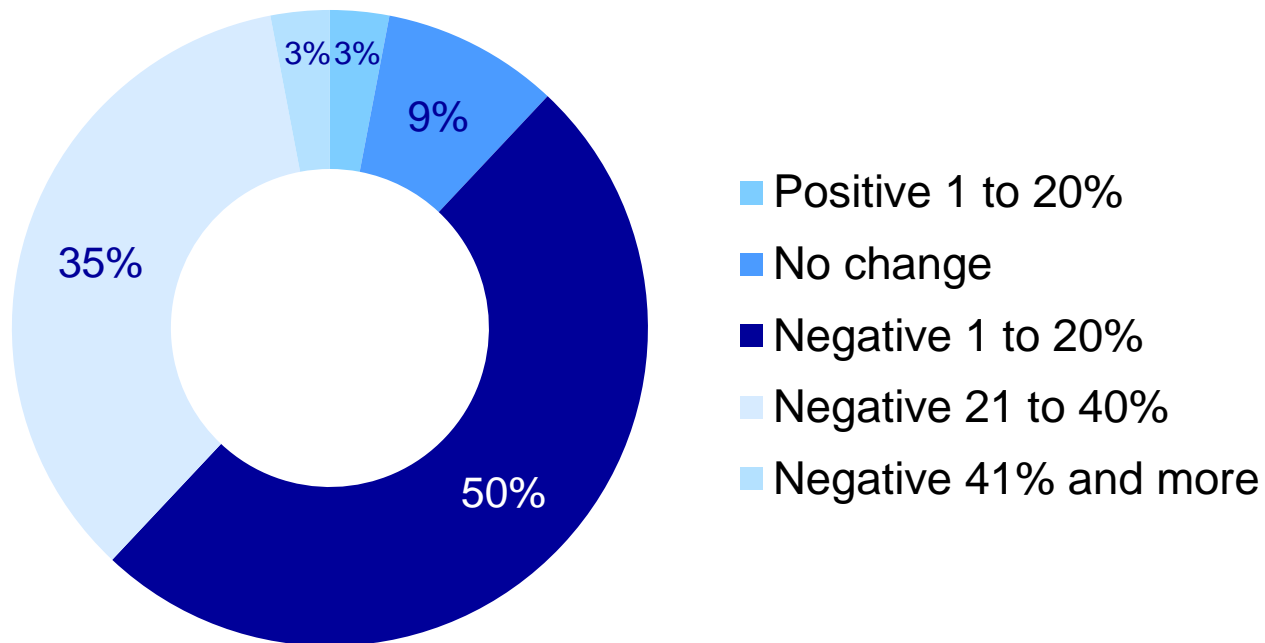


**Number of new  
deals in Q2 2020  
is expected to  
drop by**

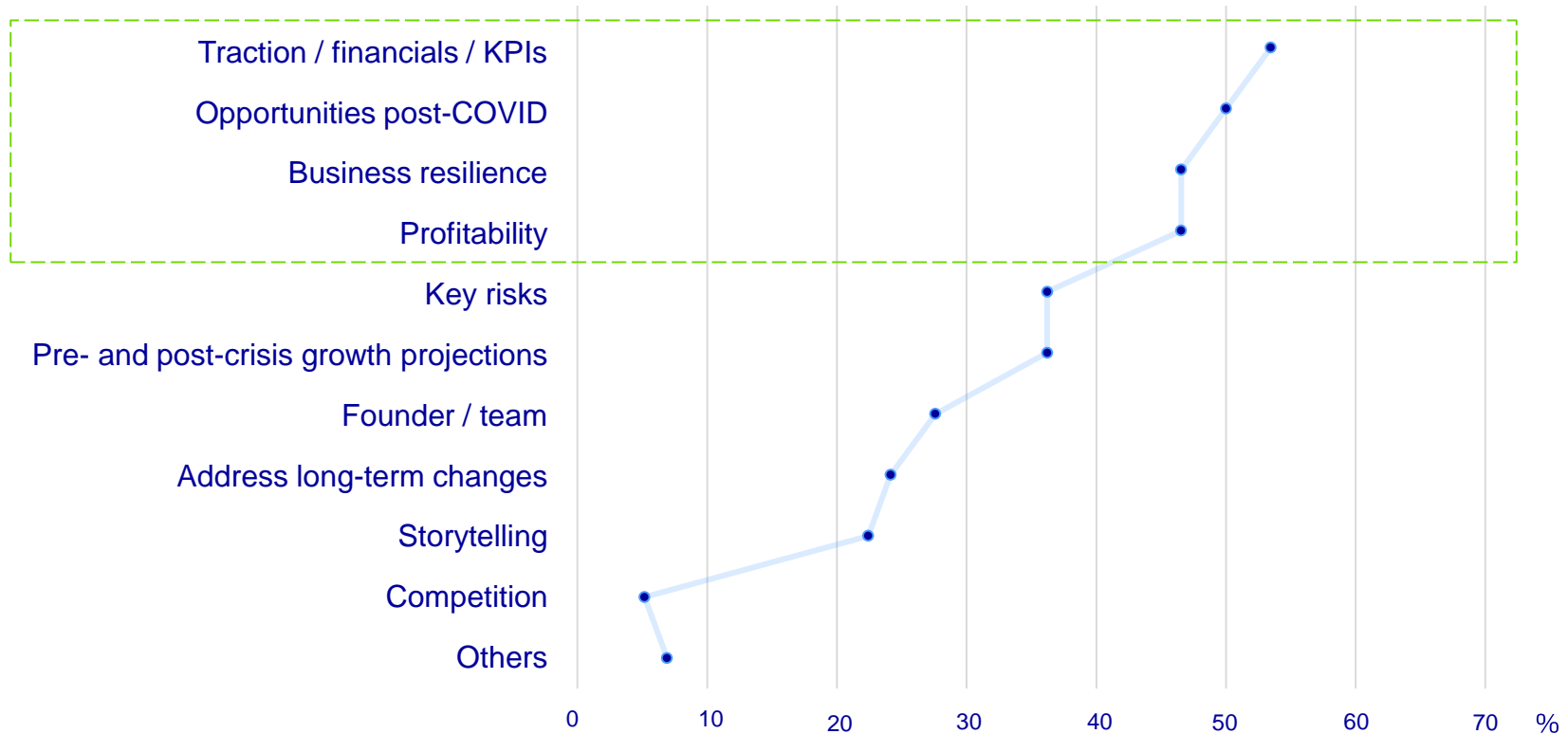
**46%**

**compared to Q2 2019**

# Major decrease in venture valuation compared to 2019. 88% anticipate a negative or strongly negative impact



# Vcs recommend founders to emphasise not alone traction, but post-COVID opportunities in their current pitches



Q: What should founders emphasise more in their startup pitch in the current situation?  
Please select up to 5 options.

# Founders should reflect and understand the full implications of the current situation



Show that you fully understand the current situation and its impact on society, economy and also investor landscape.

Private Equity, Germany

Adjust time frame & strategy in fundraising and rethink how you can grow. Investors tend to support priorities and will be more careful with new investments.

Family Office & HNWI, Switzerland



# About the sentiment report

## A contribution in times of uncertainty

Deutsche Börse is making a large effort to strengthen and expand venture capital financing in Germany and Europe. At **Deutsche Börse Venture Network** it has been our mission to create a strong ecosystem of growth. We believe in the power of innovative ideas – for a better future.

Since 2015 we have been connecting striving start-ups and investors, aiming to improve the overall funding situation in venture capital. Our growth network currently encompasses about **200 start-ups, 420 investors and multiple partners**.

In these times of high uncertainty, caused by the COVID-19 pandemic, a strong ecosystem has become more important than ever. In addition to the founders' perspective, which has already been covered in several surveys, it is crucial to gain understanding of the entire ecosystem. This includes venture investors and also their limited partners. Therefore, we have conducted a **sentiment survey** which takes a **closer look at investors and how they react to COVID-19 crisis**.

The objective of the data-driven sentiment report is to present aggregated results in order to illustrate the status quo situation for investors and derive recommendations for founders.

We would like to thank all participants who took part in the survey. Your insightful and valuable contributions made this report possible. **Thank you and stay healthy!**



## Get in touch with the project team

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