

# Silicon investment

## Where is Europe at?

*Jean-Michel Deligny, Managing Director*

*[jmd@silverpeakib.com](mailto:jmd@silverpeakib.com)*

Tuesday 19 April 2016

GSA Global

23 Hanover Square  
London W1S 1JB  
United Kingdom

T: +44 (0)20 7529 5400  
[www.silverpeakib.com](http://www.silverpeakib.com)



# Disclaimer

Neither this presentation nor any of its contents may be used without the prior written consent of Silverpeak LLP, trading as 'Silverpeak technology investment banking' ("Silverpeak").

The information in this presentation reflects prevailing conditions and our views as of this date, all of which are subject to change. In preparing this presentation, Silverpeak has relied upon and assumed, without independent verification, the accuracy and completeness of all information available to us or from public sources or which was otherwise reviewed by us.

Silverpeak LLP is an authorised representative of Silverpeak Capital Ltd, which is authorised and regulated by the Financial Conduct Authority

# Agenda

- 1. Who we are** **1**
2. The challenge of financing semiconductor innovation in Europe 4



# Silverpeak Technology Investment Banking

Banks growth tech companies and corporates seeking to acquire and invest in them

## ESTABLISHED INVESTMENT BANK TO GROWTH TECH COMPANIES

- **3 partners with 80+ man/years** of experience in technology investment banking
- **150+ deals** and assignments completed to date
- **15-strong team**, based in London
- **M&A and financing advisory** services for growth companies

## SPONSOR OF GO4VENTURE.COM

- Provides tech private funding market information based on **Headline Transaction Index (HTI)** data published since 2004
- Home of the **European Venture & Growth Equity Market Monthly Bulletin** (11,000 recipients)
- **Building a community** around market information ([www.go4venture.com/register](http://www.go4venture.com/register))

### INTERNET & DIGITAL MEDIA

### ENTERPRISE SOFTWARE & SaaS

### ENABLING TECH. & SERVICES

### VERTICALS

#### SUB-SECTOR SPECIFIC EXPERTISE

- eCommerce / Marketplaces
- Digital Entertainment
- Internet Infrastructure
- Adtech

- Fintech
- ERP / CRM / HRM
- Security
- Databases & Content Management


- Materials
- Semiconductors / Components
- Communication Infrastructure
- Electronics / Robotics
- Cleantech

- Fintech
- Healthtech
- Cleantech



# Silverpeak Recently Completed Mandates

More than 150 closed deals and assignments to date

<p>France / France</p>  <p>Fabless semiconductors (manycore processors)</p> <p>Late stage financing</p> <p>Advisor to Kalray</p> <p>JANUARY 2016</p>	<p>Portugal / Germany</p>  <p>bringing light to measurement</p> <p>Fiber optic monitoring for critical assets</p> <p>Sold to</p>  <p>Advisor to FiberSensing</p> <p>OCTOBER 2014</p>	<p>Italy / Italy</p>  <p>Cell-handling platform for medical applications and research</p> <p>has been acquired for €50m by</p>  <p>Advisor to Silicon Biosystems</p> <p>SEPTEMBER 2013</p>	<p>France / Belgium &amp; France</p>  <p>Radio frequency microelectromechanical systems</p> <p>\$10.5m Series B</p>  <p>Advisor to DelfMEMS</p> <p>JANUARY 2013</p>	<p>France / Japan</p>  <p>Humanoid robots for consumer applications</p> <p>Majority investment (+\$100m) by</p>  <p>Advisor to Aldebaran Robotics</p> <p>FEBRUARY 2012</p>
<p>France / China &amp; France</p>  <p>Ultra-fast lasers for research and medical applications</p> <p>Majority investment (\$42m)</p>  <p>Advisor to Amplitude</p> <p>JANUARY 2012</p>	<p>Spain / US</p>  <p>Smart grid solutions</p> <p>&gt;\$40m sale</p>  <p>Advisor to ADD</p> <p>OCTOBER 2011</p>	<p>France / US</p>  <p>Humanoid robots for consumer applications</p> <p>\$13.0m series C</p>  <p>Advisor to Aldebaran Robotics</p> <p>MAY 2011</p>	<p>Belgium / Belgium</p>  <p>3D Gesture Capture solutions</p> <p>\$13.5m series B</p>  <p>Advisor to Softkinetic</p> <p>SEPTEMBER 2010</p>	<p>Italy / Italy</p>  <p>Cell-handling platform for medical applications and research</p> <p>€5.0m series C</p>  <p>Advisor to Silicon Biosystems</p> <p>FEBRUARY 2010</p>

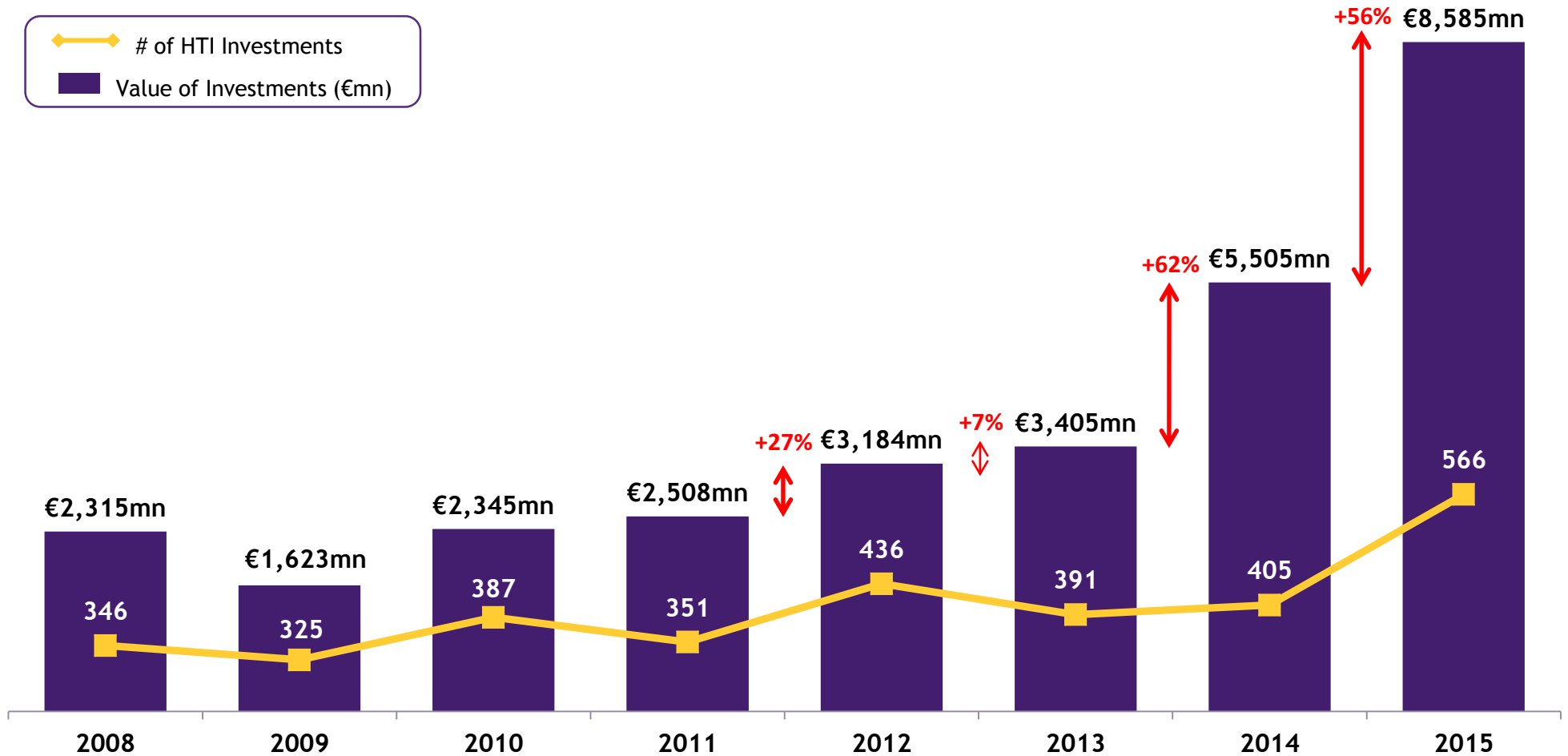
# Agenda

- 1. Who we are 1
- 2. The challenge of financing semiconductor innovation in Europe 4**



# The European Venture Market Is Seeing An Explosion of Activity...

## Total Value and Volume of HTI Transactions (2008-2015)

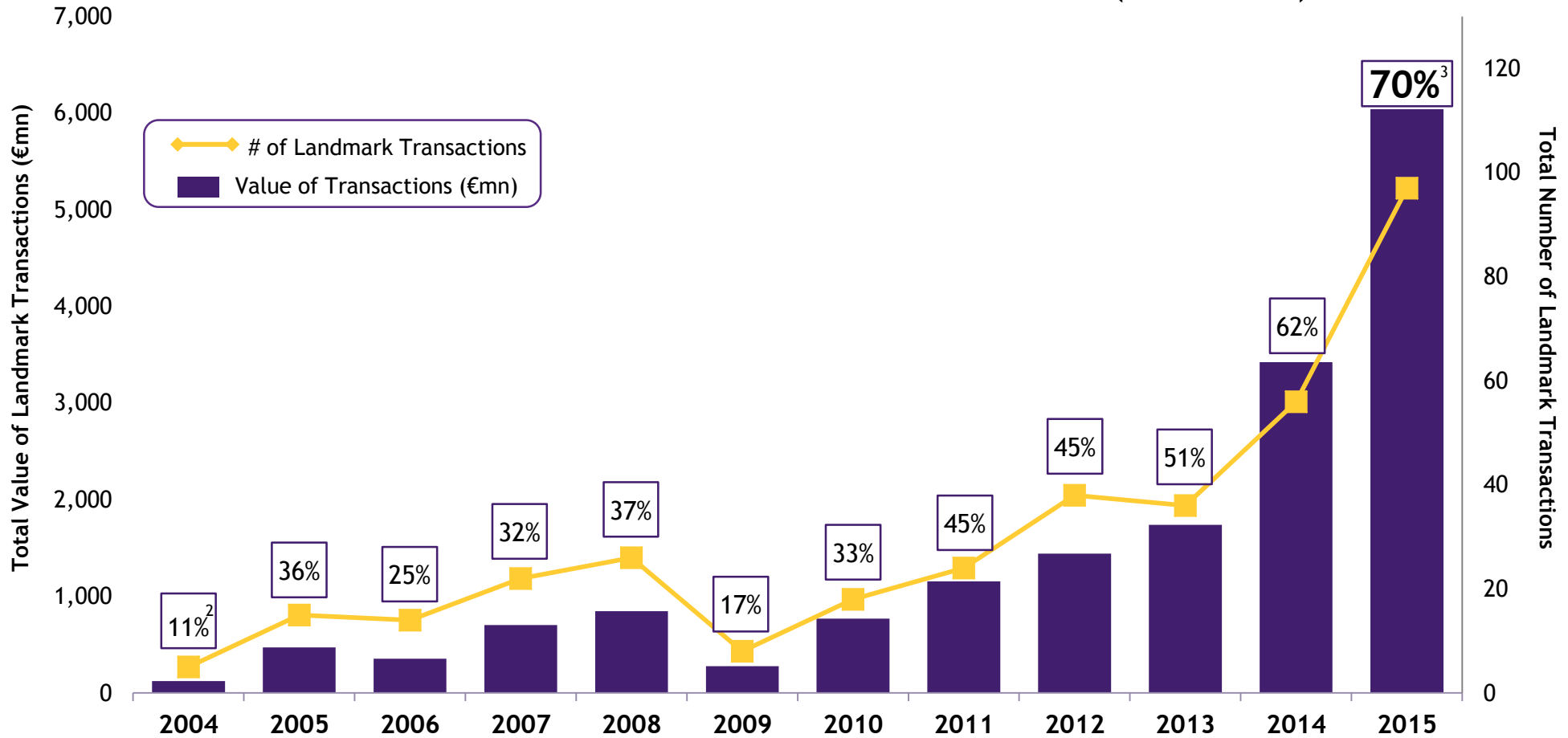


Source: Go4Venture HTI Database.



# ...Driven And Now Dominated By Larger Deals

## Total Value and Number of HTI Landmark<sup>1</sup> Transactions (2004-2015)



<sup>1</sup> Transactions larger than or equal to €20mn

<sup>2</sup> Total value of Landmark transactions as a % of the total value of HTI annual transactions

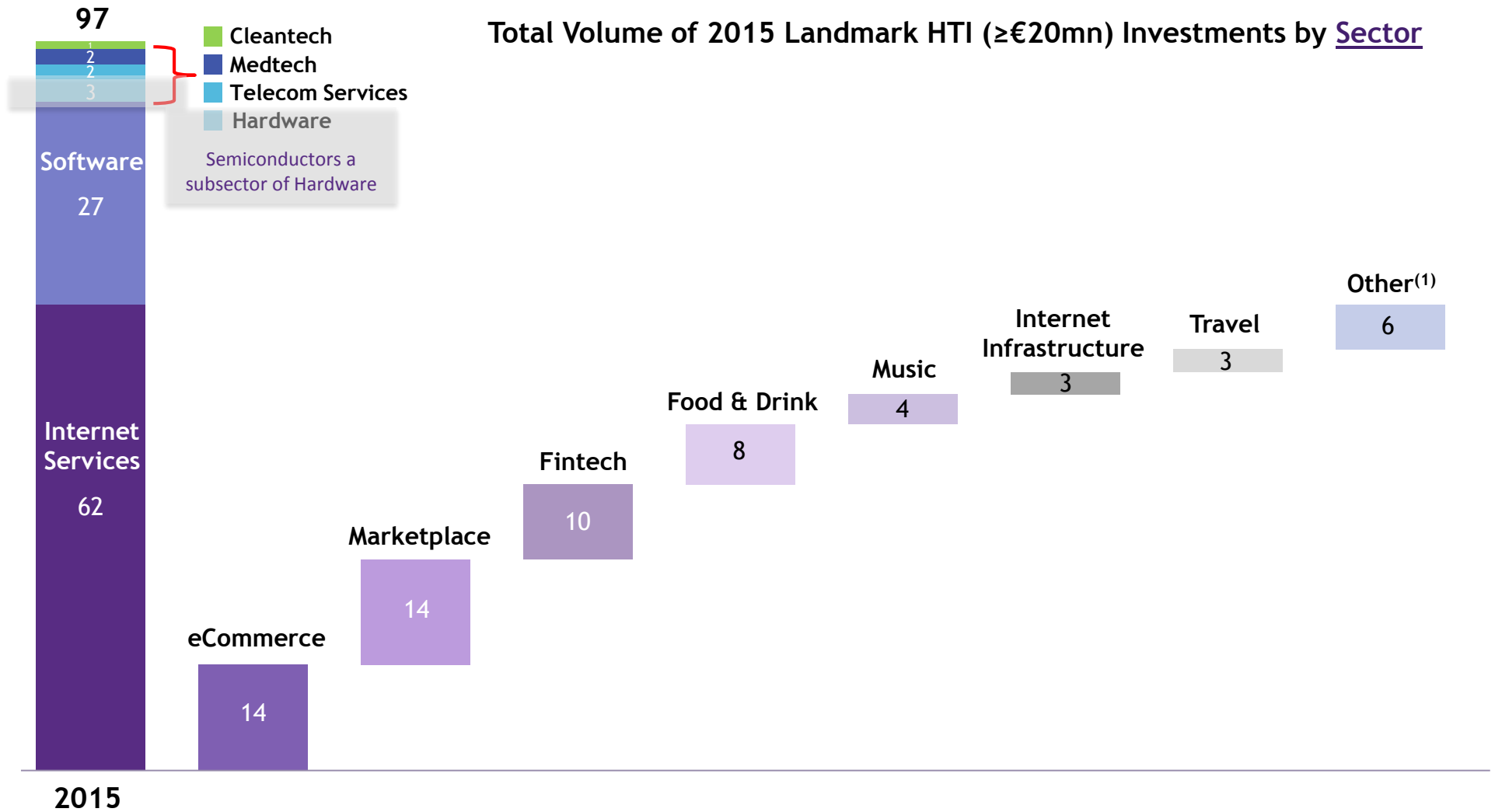
Source: Go4Venture HTI Database.





# Scale-Ups Are Primarily Internet And Software Plays

Total Volume of 2015 Landmark HTI (≥€20mn) Investments by Sector

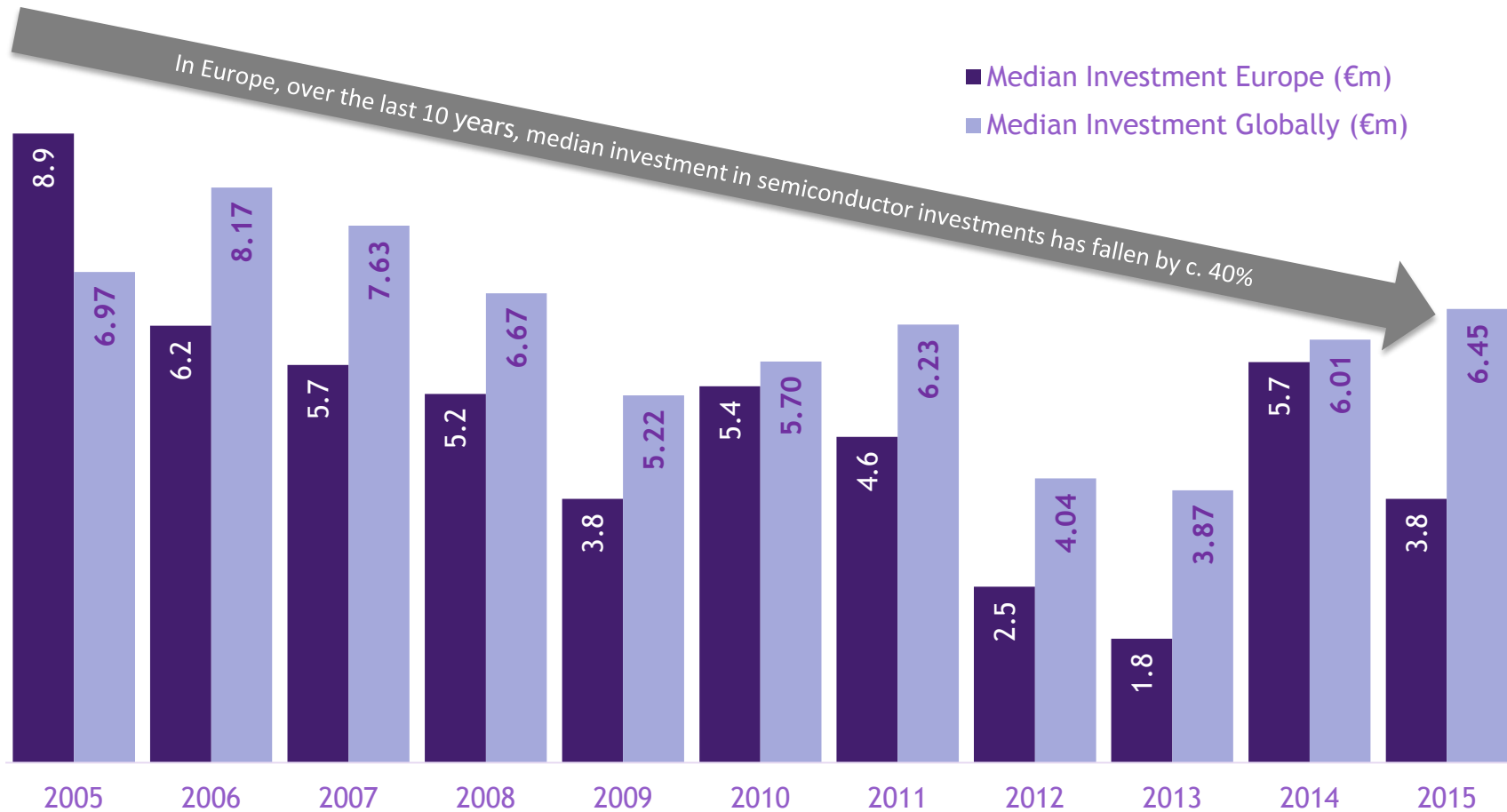


Source: Go4Venture HTI Database.

<sup>(1)</sup> Other category includes Content, Business Management, File Transfer, Logistics and Marketing.



# Semiconductor Is Getting Ever More Difficult To Fund...



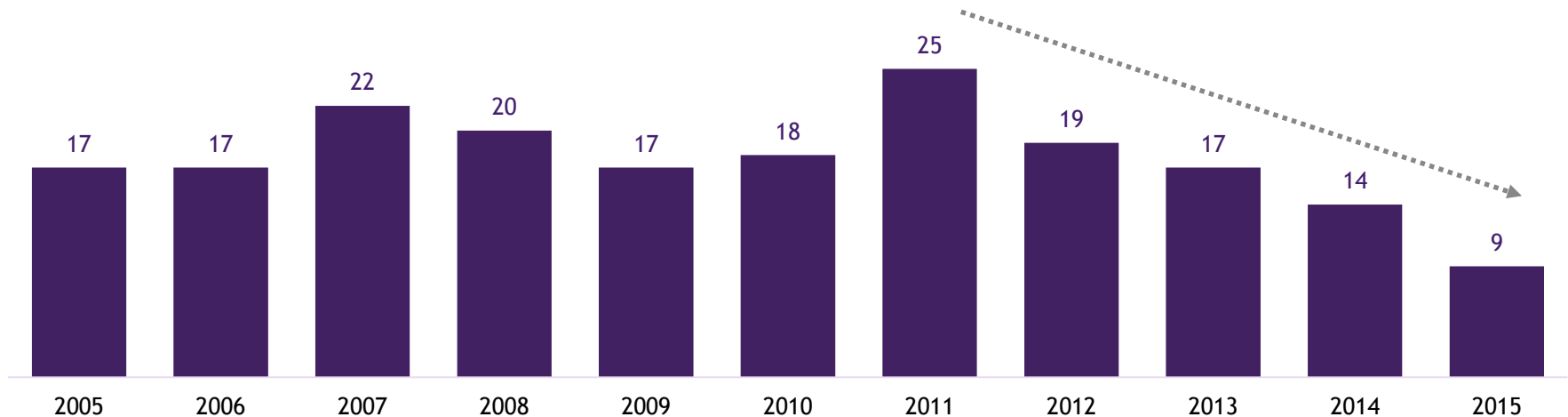
<sup>1</sup> Median deal value for disclosed deals where investment >€1.0m  
Source Pitchbook, 19 April 2016



# ...With The Reasons For This Lack Of Interest Now Well Rehearsed

- ▶ Lack of exits
- ▶ Crowding out effect of hyper scalable internet plays
- ▶ Capital intensity – upfront
- ▶ Fabless model at the mercy of handful of clients (mobile) or atomised markets
- ▶ Software eats the world!

...# exits per annum in Europe has been decreasing<sup>1</sup>



<sup>1</sup> # semiconductor deals where deal value disclosed. Buyer acquiring >50%, deal value US\$1.0m  
Source CapitalIQ, 18 April 2016



# Lessons From Recent Fund-Raisings

## Work in progress

### Searching for volume markets

France



High performance energy chips for embedded and data centres



Ongoing

### Back to the IP licensing model

UK



Plastic electronics licensing and fabless



Ongoing

## Success Stories

### The standard for AR / VR's visual computing

Ireland



Computational imaging and Vision processor chips  
Series E  
US\$40m



April 2015

### Bitcoin's traction

Sweden



Bitcoin mining hardware manufacturer  
VC / Series B  
US\$3m / US\$15m



CREANDUM

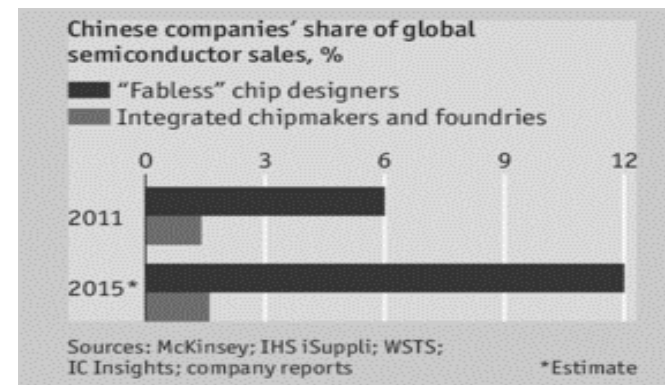
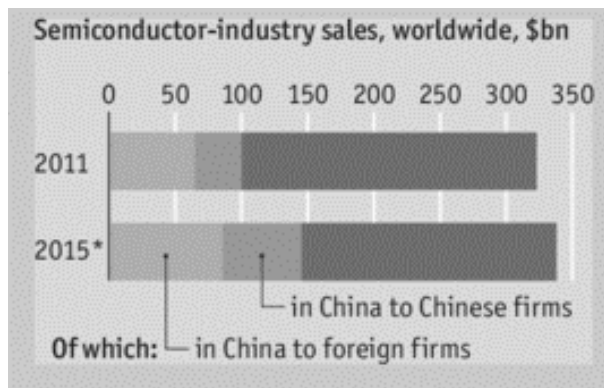
Jan 2016 / Feb 2015

# The Beginning Of A New Era?

- Internet unicorns not so alluring
- High power for low consumption requirements
- End of traditional Moore's law
- The re-awakening to a strategic technology:
  - New needs: visual comping, autonomous vehicles
  - New pressures: China's interest

## China is increasing focus on semi-conductors

- Chinese government recently reinvigorated attempts to build indigenous semiconductor industry
- A domestic semiconductor industry is increasingly identified as a strategic imperative
- \$100bn to \$150bn of private funding identified for semi-conductor investment
- Ten year aim to be producing 70% of domestically required chips



Thank you.

## Silverpeak LLP

23 Hanover Square  
London W1S 1JB  
United Kingdom

[www.silverpeakib.com](http://www.silverpeakib.com)

Silverpeak IB is authorised and regulated by the Financial Conduct Authority

