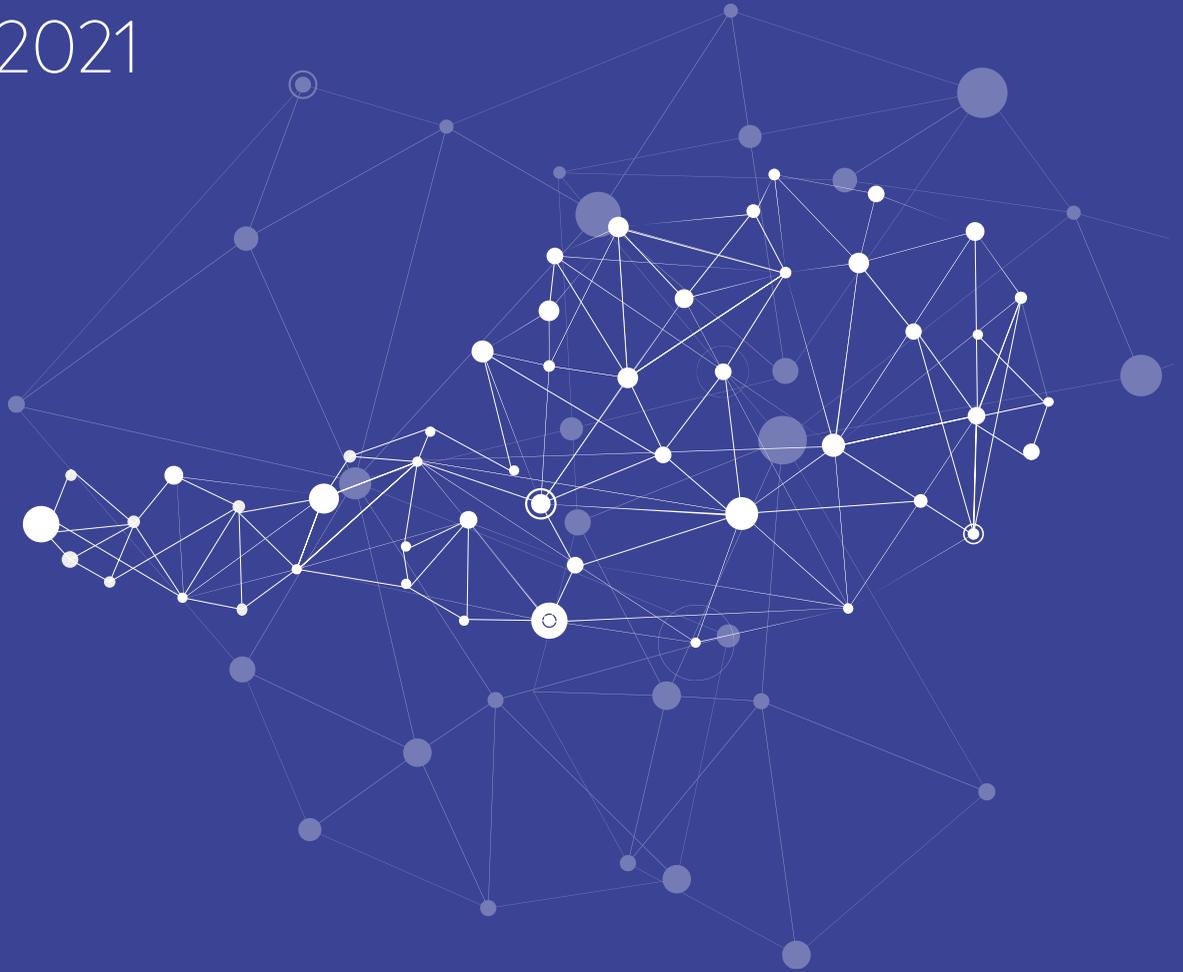


AUSTRIAN STARTUP MONITOR 2021



SPECIAL ISSUE INTERNATIONALISATION

Key facts on the Austrian
startup ecosystem

Powered by the Global Incubator Network Austria (GIN)



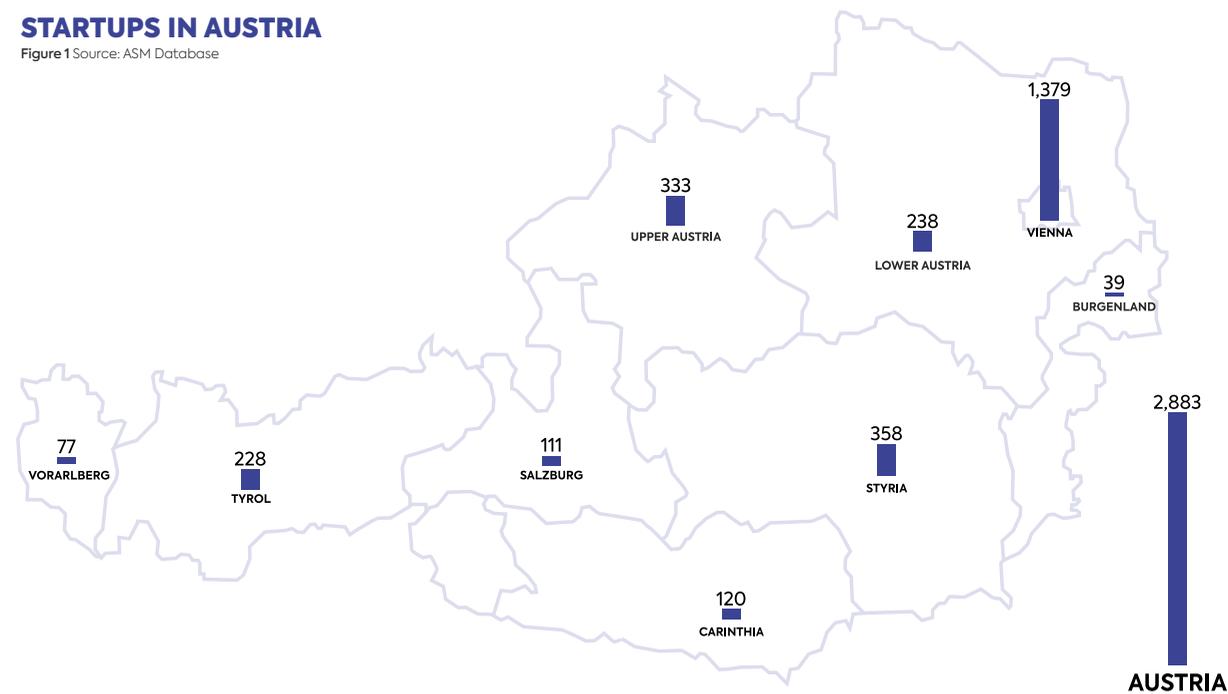
NUMBER & LOCATIONS OF STARTUPS

The number of startups founded per year in Austria has grown continuously over the last decade and on average, 300 new firms are founded every year since 2015. The Austrian Startup Monitor (ASM) shows that half of the companies founded across Austria are created in Vienna, which is considered a particularly

attractive location for many company founders. Vienna is followed by Styria and Upper Austria, each of which is home to around 12% of startups, with a large number of startups founded in the provincial capitals Graz and Linz. Lower Austria and Tyrol are each home to around 8% of all startups founded since 2010.

STARTUPS IN AUSTRIA

Figure 1 Source: ASM Database



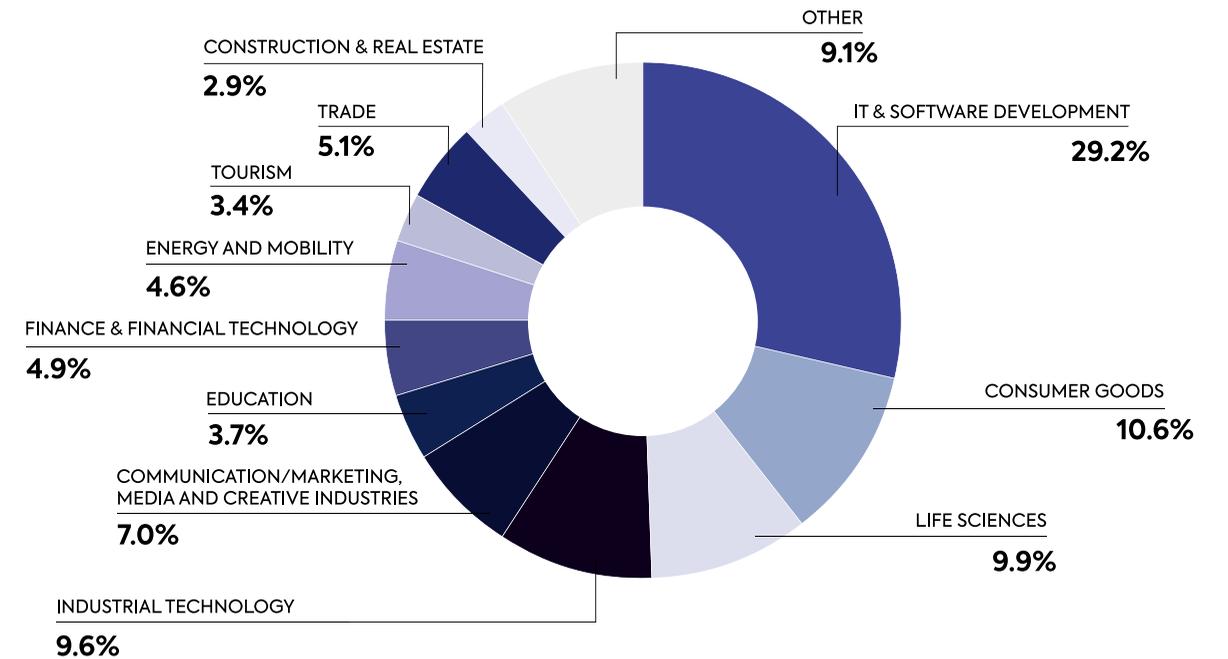
SECTORS

Which sectors do startup founders most commonly choose when founding in Austria? The Austrian Startup Monitor shows a wide range of industries. Grouped into clusters, IT and software development account for around 29% of all startups. Consumer goods (including clothing, textiles and food products), Life Sciences (including biotechnology, healthcare, medical

technology and pharmaceutical) and industrial technology (including production, electronics and electrical engineering) follow with around 10% respectively. A closer analysis of the startup ecosystem's development shows that the consumer goods sector has attracted a growing number of startup founders in recent years.

DISTRIBUTION BY INDUSTRY

Figure 2 Source: ASM Survey 2018–2021 (Startups) n=1097



SPIN-OFFS

Startups have different origins and origin stories, one of which is as a spin-off, an important way of founding. In Austria, about 22% of startups are created as academic spin-offs from universities or research organisations. However, there are also spin-offs from established companies, which account for 16% of the startup ecosystem.

Source: ASM Survey 2021 (Startups) n=445



Share of academic spin-offs

22%



Share of corporate spin-offs

16%

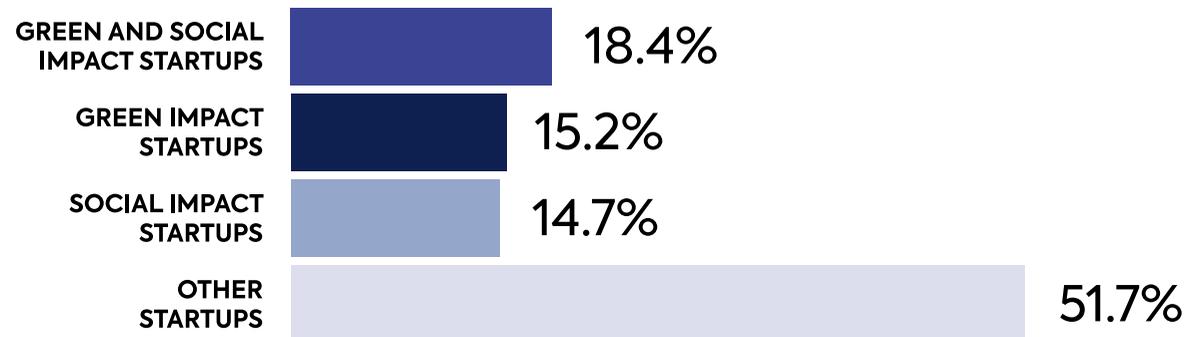
GREEN & SOCIAL STARTUPS

Around 18% of all startups can be classified as green and social impact startups. This means the company has both social and ecological goals as its main corporate objective. Another 30% of startups pursue

either social or ecological goals as a priority and are accordingly designated as green impact or social impact startups.

GREEN AND SOCIAL STARTUPS

Figure 3 Source: ASM Survey 2021 (Startups) n=429



AUSTRIAN FOUNDERS

EDUCATION

The vast majority of Austrian founders hold a university degree (75%). Almost every second founder has completed graduate school (48%), while one in ten (11%) hold a PhD. 18% cite A-levels as their highest level of education. 7% of Austrian founders come from a different educational background (e.g., apprenticeship or craftsman's diploma).

EXPERIENCE

Around 38% of Austrian founders had entrepreneurial experience before starting their current venture. While 22% founded a startup once before, around 15% have (co-)founded a startup at least twice in their career and can thus be described as "serial entrepreneurs".

FOUNDING TEAM GENDER DIVERSITY

One in five startups is founded by a single entrepreneur. Nevertheless, startups remain a collective endeavor, with the vast majority being

founded by all-male teams (51% of all startups). The proportion of mixed teams comprising male and female members currently stands at 28%. 9% of startups is formed by all-female founding teams or by a single female founder.

NATIONALITY OF THE FOUNDERS

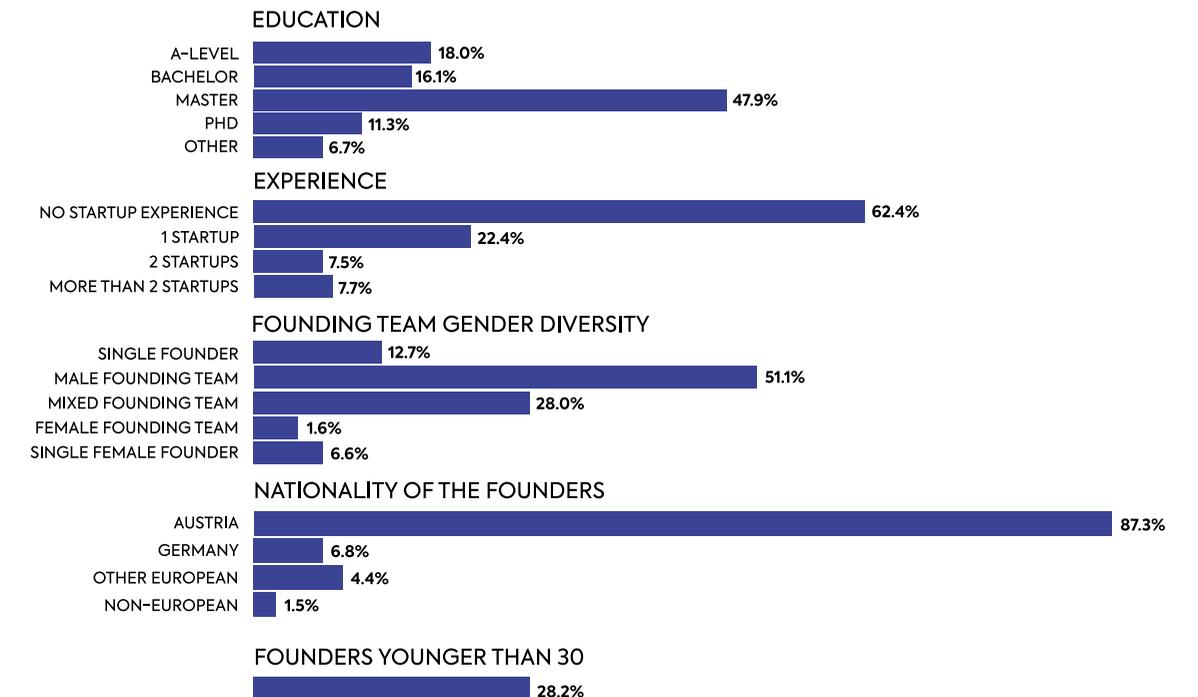
The nationality of startup founders is predominantly Austrian (87%). The share of international founders is 13%. About 11% of founders in Austria come from other European countries with Germany representing the largest share, while only 2% come from outside Europe.

AGE OF FOUNDERS

In terms of age, the dispersion among Austrian founders can be described as fairly diverse, with founders under 30 making up a large share (28%).

KEY CHARACTERISTICS OF FOUNDERS

Figure 4 Source: ASM 2021

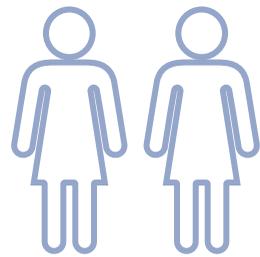


EMPLOYMENT & GROWTH

Currently there are at least 25,000 people employed at startups in Austria, more than a third of whom are women. Despite the pandemic, startups have grown their average number of employees by 31% during the last year and today about half of Austria's startups

Source: ASM Survey 2020, 2021 (Startups)

have international employees. Startups are becoming a strong growth engine for the Austrian economy, with half of them expecting to at least double their revenues in the upcoming year.



36%
of employees
are female



52%
of startups have
international
employees



31%
is the average
employee growth
rate



50% of the
startups expect
growth above
100%

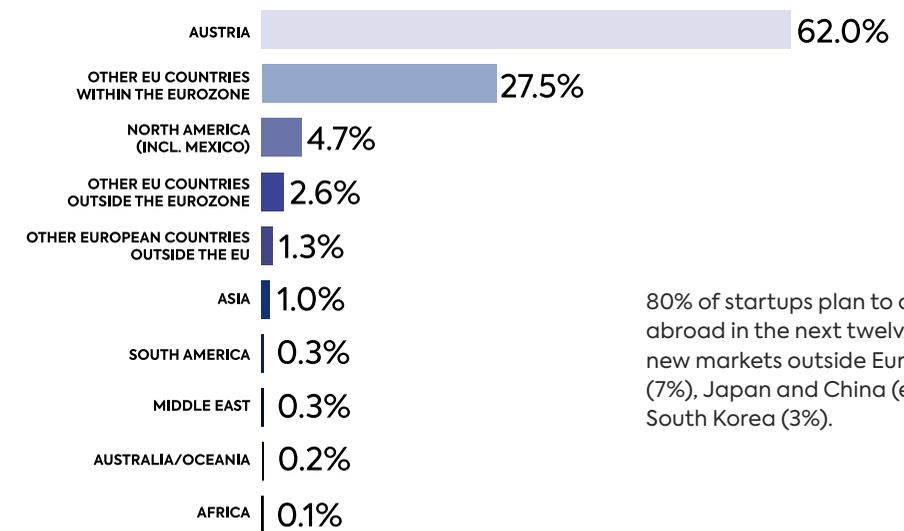
MARKETS

With an export ratio of over 50%, Austria ranks 7th worldwide in terms of exports per capita. Consequently, the Austrian startup industry is very international. Over 70% of startups have already expanded into international markets and have generated export sales revenue. According to the ASM there is a high proportion of "born globals", i.e. companies that quickly push into markets abroad and

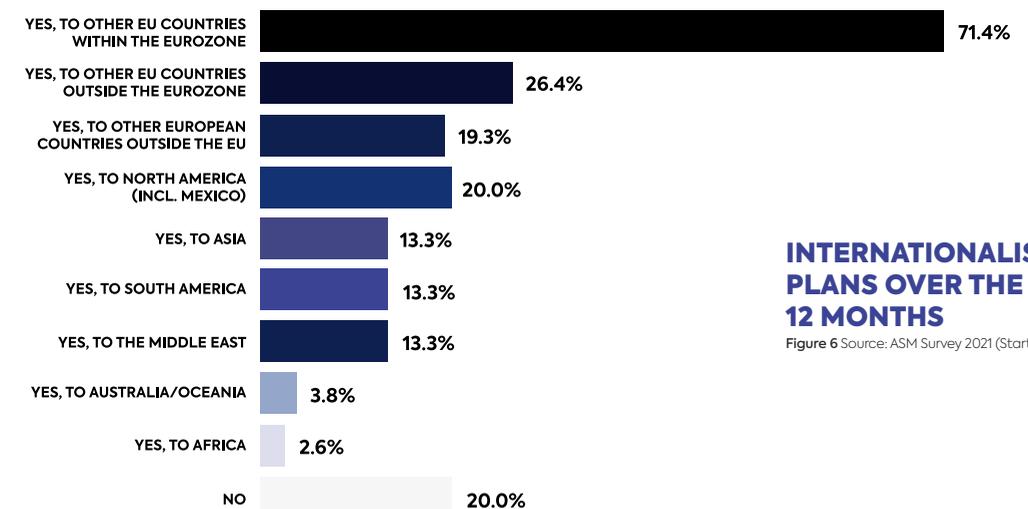
generate the majority of their sales there. Roughly one third (35%) of Austrian startups generate more than 50% of their sales from abroad. The startup sector generates 62% of its sales in the domestic market. 30% of sales are generated in other EU countries. Outside Europe, North America is the most important market, making up 5% of sales.

CURRENT MARKETS

Figure 5 Source: ASM Survey 2021 (Startups) n=369



80% of startups plan to open new sales markets abroad in the next twelve months. The most important new markets outside Europe are the USA (19%), Canada (7%), Japan and China (each 6%), Singapore (4%) and South Korea (3%).



INTERNATIONALISATION PLANS OVER THE NEXT 12 MONTHS

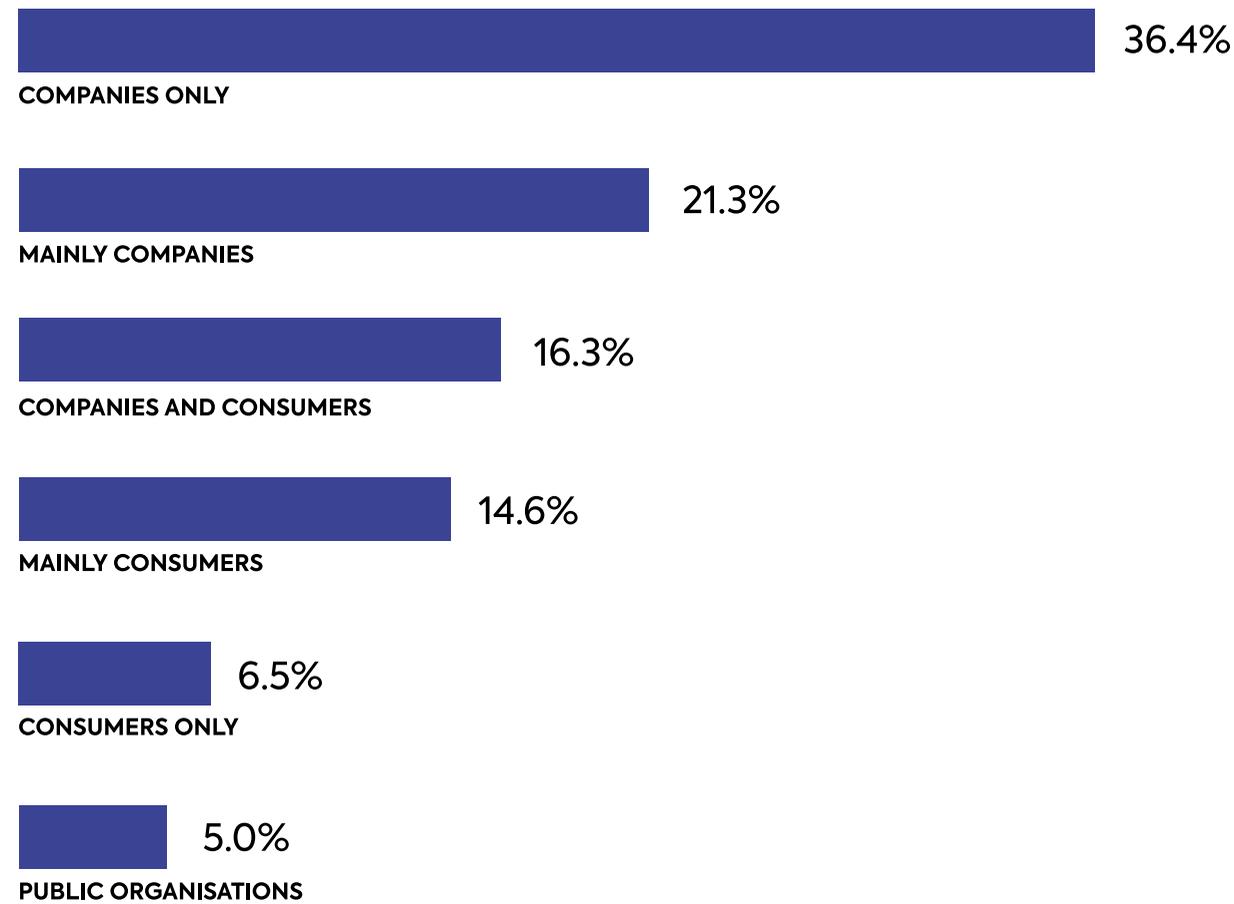
Figure 6 Source: ASM Survey 2021 (Startups) n=420

CUSTOMERS

Most Austrian startups have B2B business models, with 58% generating their sales exclusively or mainly through B2B sales. Additionally, 16% of the startups address both private and corporate customers. Only 7% generate their sales exclusively, and 15% mainly with private consumers. Also, 5% of startups generate sales through public organisations.

CUSTOMER SEGMENTS

Figure 7 Source: ASM Survey 2021 (Startups) n=418



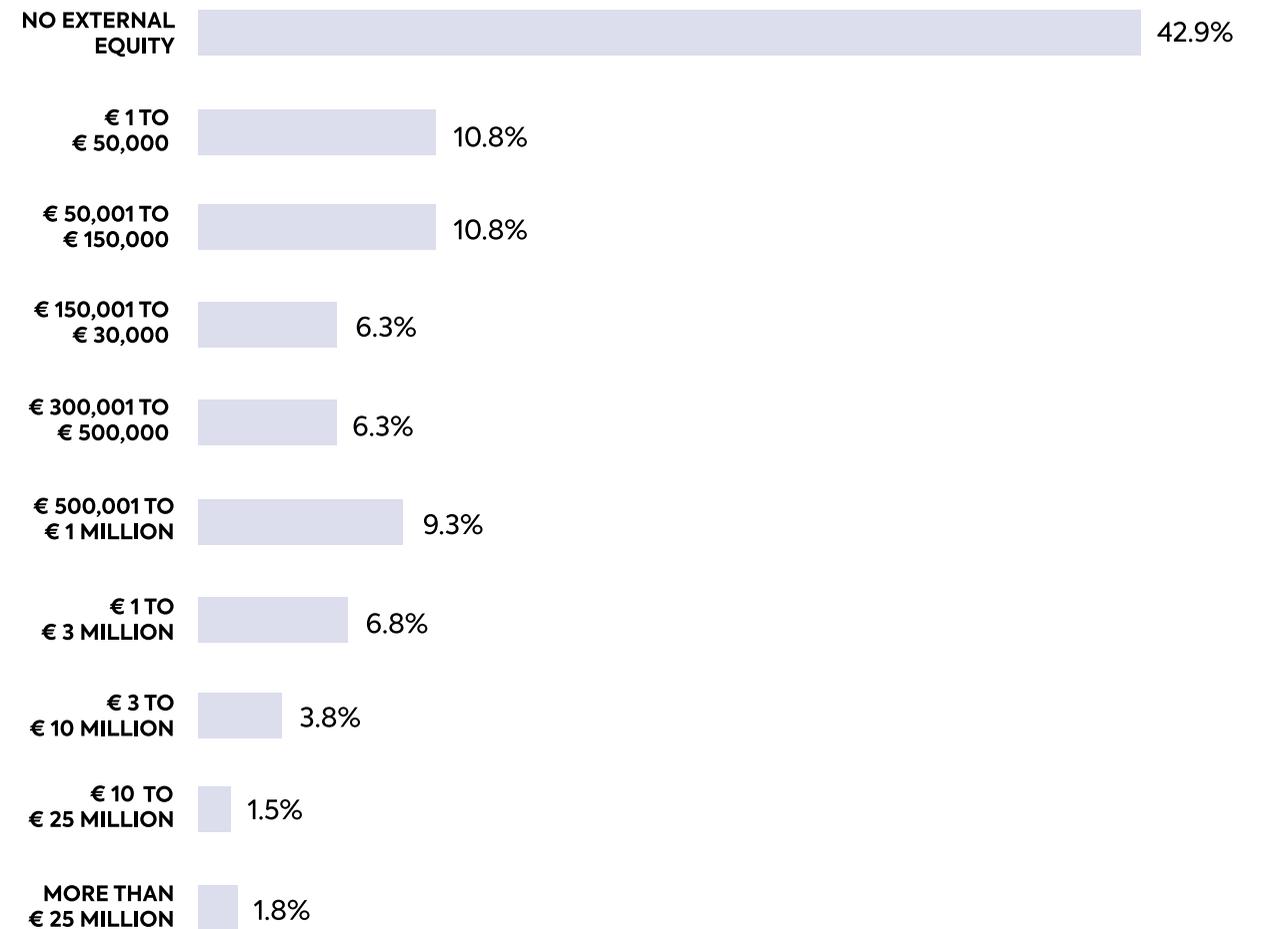
EXTERNAL EQUITY FUNDING

More than half of Austrian startups have received external equity investment, e.g. from business angels or venture capital funds. Almost every fourth Austrian startup has raised more than half a million euros in funding. 7% of the startups raised more than three

million euros. This corresponds to an increase of two percentage points compared to the previous year. Austrian startups are optimistic about raising more capital: 67% are planning a (further) round of financing in the next 12 months.

EXTERNAL EQUITY FUNDING

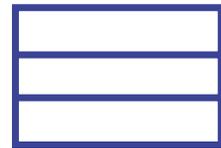
Figure 8 Source: ASM Survey 2021 (Startups) n=399



NATIONAL & EUROPEAN PUBLIC FUNDING

Public funding and domestic support is a critical funding source for Austrian startups: 51% have received public funds and 17% of startups have been supported by EU funds.

Source: ASM Survey 2021 n=425



National Public Funding

51%



European Public Funding

17%

KEY NATIONAL SUPPORT ORGANISATIONS



BACKGROUND

The Special Issue on Internationalisation presents key facts of the Austrian startup ecosystem and the international expansion strategies of startups in Austria. The special issue is based on data from the Austrian Startup Monitor (ASM) and particularly on the most recent survey conducted in 2021 with more than 450 participants. The survey was conducted in fall 2021 and sheds light on specific internationalisation strategies of Austrian startups.

The ASM collects information on startups and their development in Austria with the aim to prepare information for research, public policy, and the startup community. The ASM uses publicly available data to track when new startups are founded. Based on the annual survey, companies are questioned about their outlook, strategy, business model(s), funding and their perception of the Austrian startup ecosystem.

austrianstartupmonitor.at

THE ASM DEFINES STARTUPS AS COMPANIES WITH THE FOLLOWING CHARACTERISTICS:

1. **Startups** are younger than 10 years.
2. **Startups** are innovative with their products, services, technologies or business models.
3. **Startups** seek significant employment and/or revenue growth.

IMPRINT

AUTHORS

Karl-Heinz Leitner (AIT)
Georg Zahradnik (AIT)
Rudolf Dömötör (WU)
Johanna Einsiedler (AustrianStartups)
Markus Raunig (AustrianStartups)

PUBLISHER

Home Town Media GmbH
TSH Collab, Am Tabor 36, 1020 Vienna
hometownmedia.eu

GRAPHIC DESIGN

Alessia Scuderi
alessiascuderi.com

The Special Issue on Internationalisation gives an overview of the Austrian startup ecosystem and the internationalisation strategies of Austrian startups.

The Special Issue is powered by the Global Incubator Network Austria (GIN).

GIN is the connecting link for startups, investors and incubators between Austria and selected startup hotspots in Asia (Hong Kong, Israel, Japan, Mainland China, Singapore and South Korea) to support startup internationalisation to and from Austria.

In 2016, the Austrian Federal Government initiated GIN, which is managed by 2 public funding agencies, the Austrian Promotional Bank – Austria Wirtschaftsservice (aws) – and the Austrian Research Promotion Agency – Österreichische Forschungsförderungsgesellschaft (FFG).

gin-austria.com

