

AUSTRIAN STARTUP MONITOR 2022

SPECIAL ISSUE INTERNATIONALISATION

KEY FACTS OF THE AUSTRIAN STARTUP ECOSYSTEM

Powered by Global Incubator Network Austria (GIN)

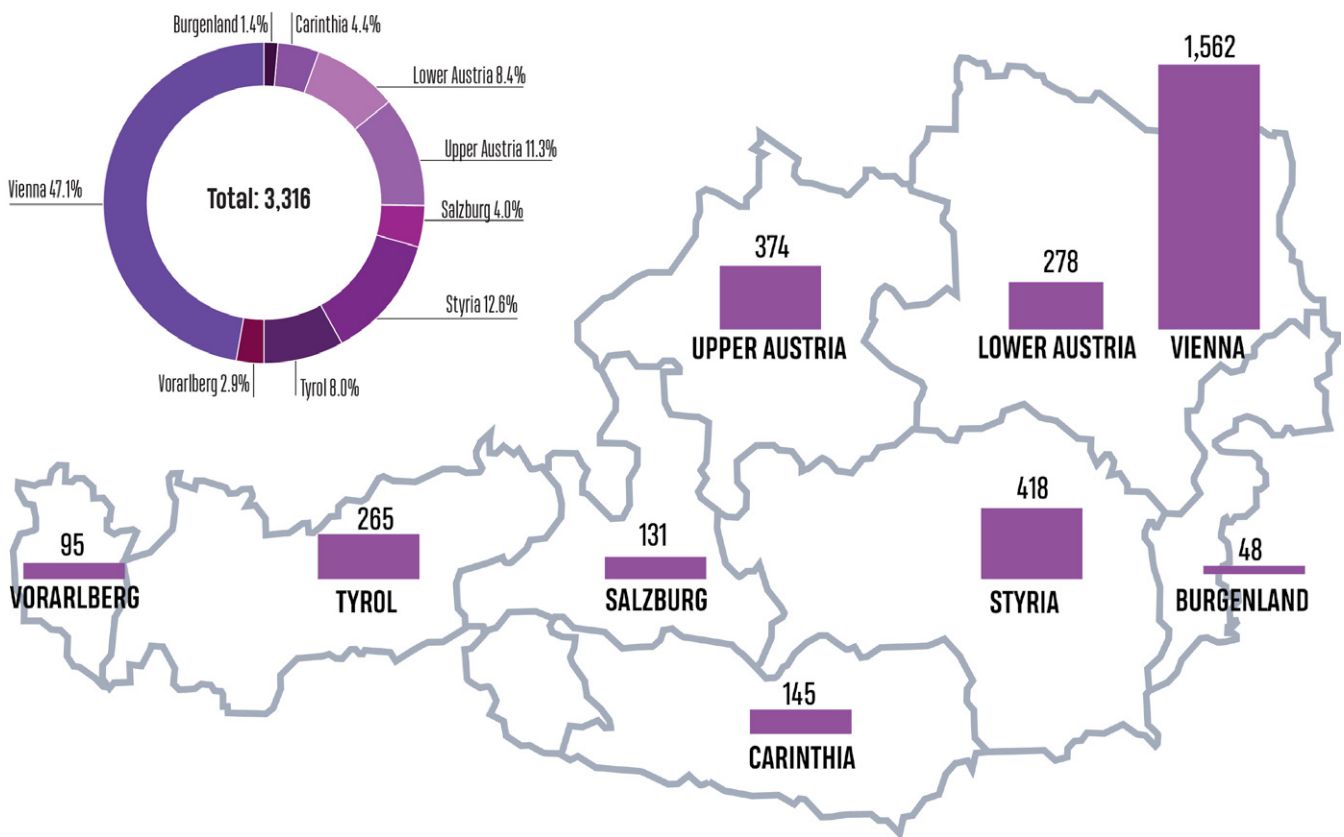


**GLOBAL
INCUBATOR
NETWORK
AUSTRIA**

NUMBER & LOCATION OF STARTUPS

Since 2011, more than 3,300 startups have been founded in Austria. After high annual growth rates of newly founded startups at the beginning of the last decade, the number of startups has levelled off at about 360 per year.

STARTUPS IN AUSTRIA



About half of all startups are located in Vienna, which offers an attractive environment for starting a new venture. Styria is home to just under 13% of all startups founded since 2011, closely followed by Upper Austria with around 11%. Lower Austria and Tyrol are each home to around 8%, while the

federal states of Salzburg, Carinthia, Vorarlberg and Burgenland, account for less than 5%, respectively. A closer look at the startup rates of the last three years shows that their number in Lower Austria and Tyrol has increased more sharply.

Source: ASM database.

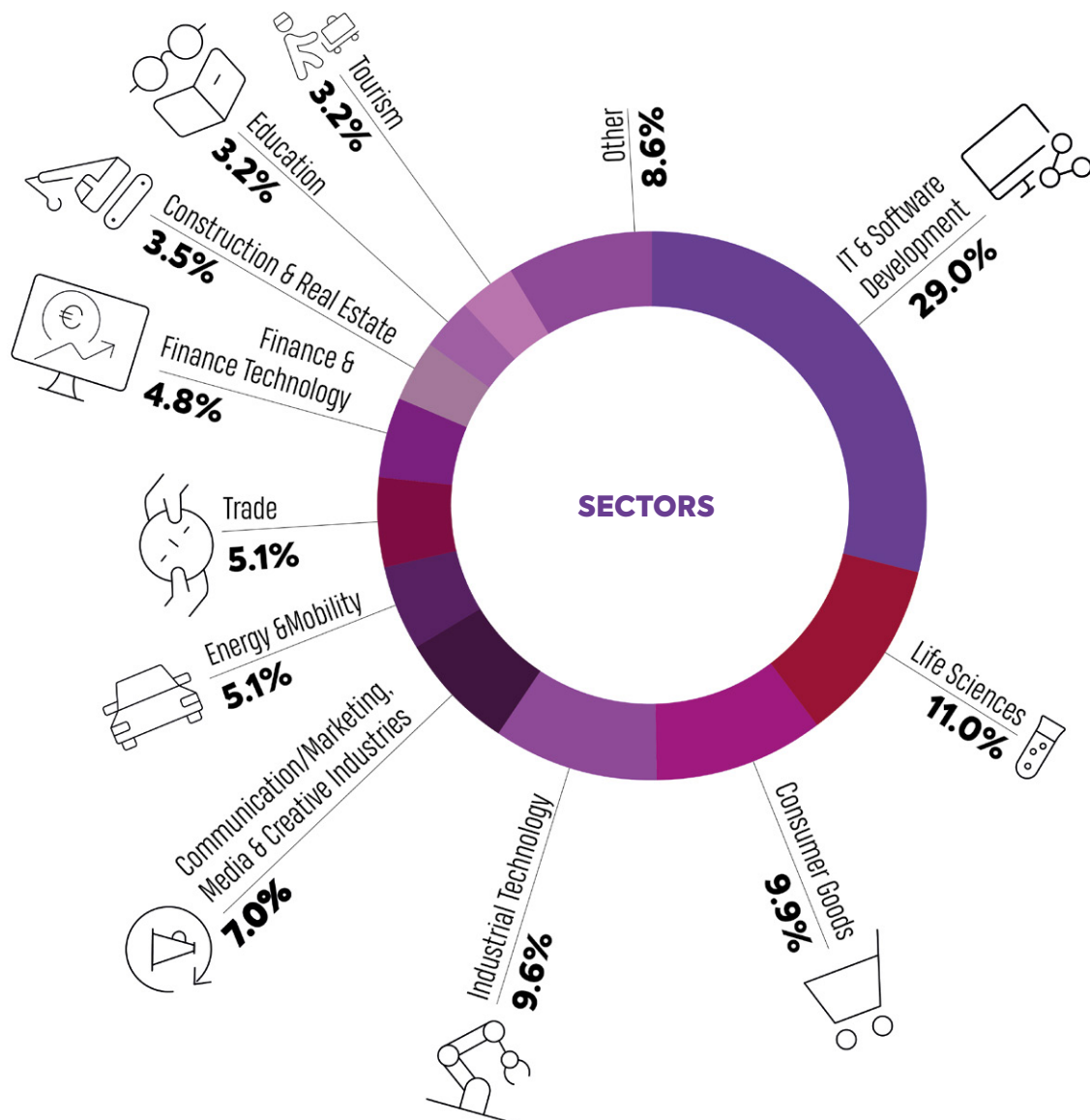
SECTOR

Although the share of startups in the IT/software development sector has declined recently, this sector still holds first place by a wide margin.

Just under one-third of all startups founded since 2011 have been active in this area. Life sciences (biotechnology, healthcare, medical technology and pharmaceutical/laboratory technology) is the

second strongest sector. Consumer goods (encompassing clothing/textiles, consumer goods, food products) and industrial technology (production/electronics/electrical engineering) follow, with around

10%, respectively. A more detailed analysis of the development over time shows that the consumer goods sector has increasingly attracted startup founders in recent years.



Source: ASM Survey 2018–2022 (Startups).

SPIN-OFFS

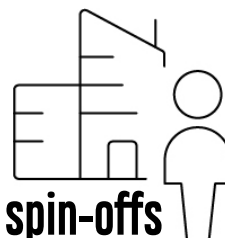
Commercialising ideas that originate in an academic institution or a company is an important path to creating a startup. In Austria, around 22% of startups emerged as academic spin-offs from a university or research institution, with another 16% being spin-offs from established companies.

Source: ASM Survey 2022 (Startups).

22% Share of academic spin-offs



16% Share of corporate spin-offs



GREEN & SOCIAL STARTUPS

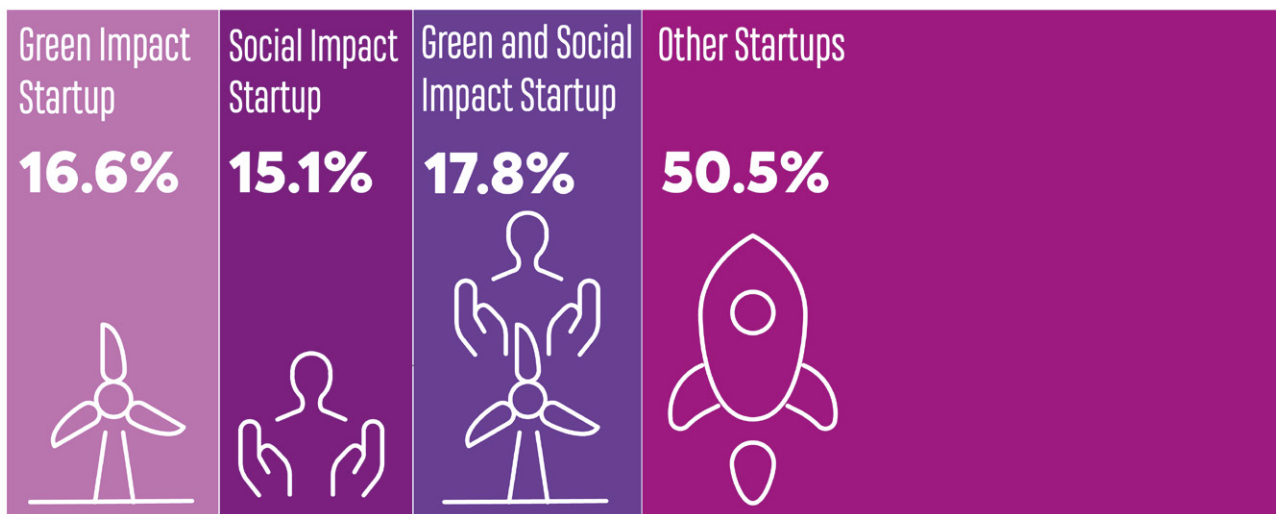
Green and social startups are an increasingly important group of startups that make a significant contribution to addressing environmental and social challenges, representing a share of 50% of all startups in Austria.

Around 18% of all ventures can be classified as green and social impact startups. For them, the achievement of both ecological and social goals

represents an overriding corporate objective. Almost 17% of the startups pursue exclusively an ecological goal and can be classified as green

impact startups. Social impact startups, which prioritise exclusively social goals, account for around 15% of the companies.

GREEN AND SOCIAL STARTUPS



Source: ASM Survey 2022 (Startups).

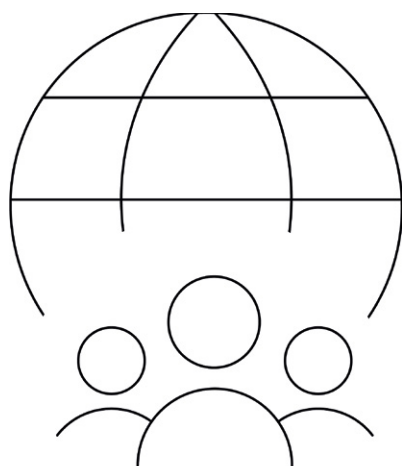
EMPLOYMENT & GROWTH

The startup sector has grown significantly over the last ten years, including the last three years, despite recent crises.

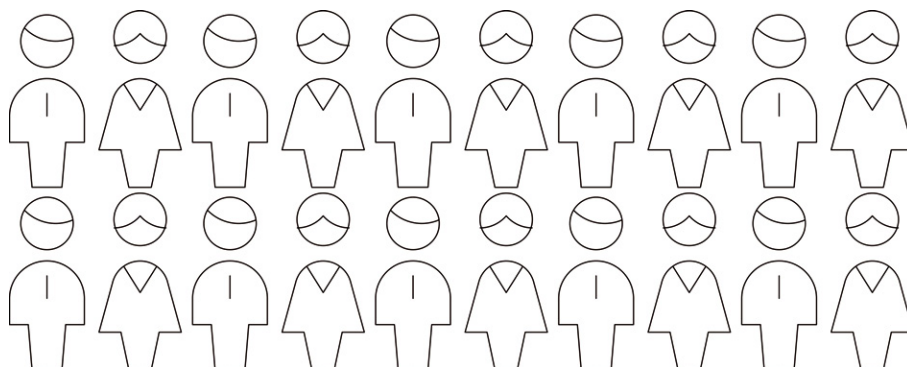
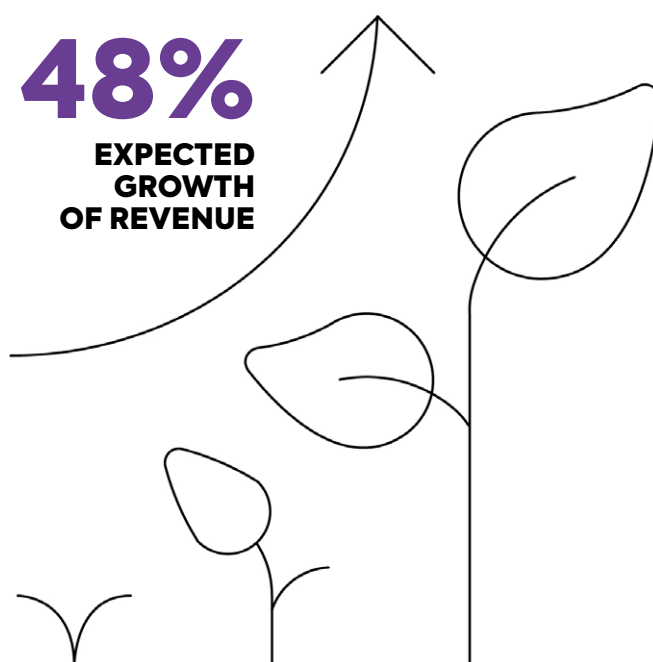
Today there are at least 25,000 startup employees in Austria. The average number of employees is 12. About two-thirds of the companies have fewer than 10 employees, about one-sixth of the companies

have between 10 and 20 employees, and another sixth (14%) employs more than 20 people. Almost two thirds of Austria's startups employ international staff. Startups are becoming a strong

growth engine for the Austrian economy. Almost half of the companies expect to double their sales in the next 12 months. Just under a quarter of the startups are even planning to triple their sales.



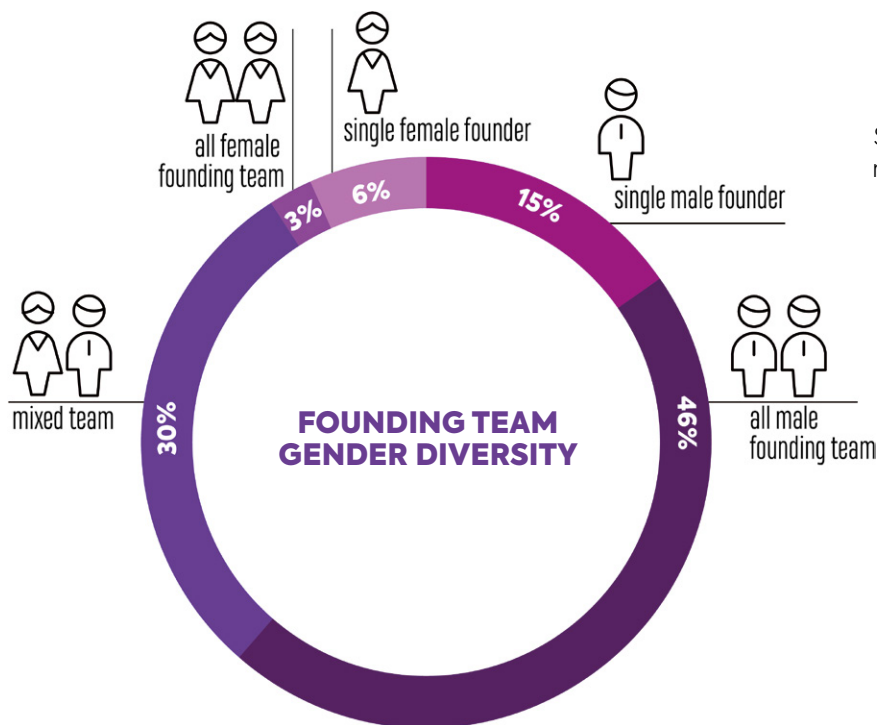
63%
**OF STARTUPS WITH
INTERNATIONAL
EMPLOYEES**



14%
**SHARE OF STARTUPS
WITH MORE THAN
20 EMPLOYEES**

FOUNDERS

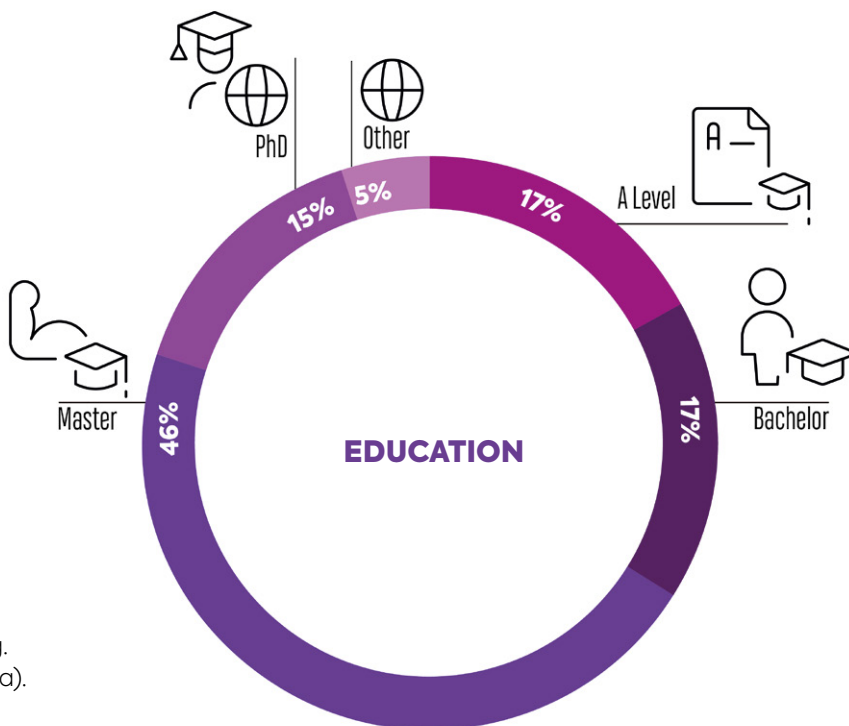
KEY CHARACTERISTICS AND AMBITIONS OF FOUNDERS



Startup teams in Austria are still mostly composed of men only: 61% of all startups are founded by a single male founder or an all-male founding team. However, the proportion of mixed teams comprising male and female members has grown slightly compared to the last year and currently stands at 30%. Only 9% of all startups are formed by all-female founding teams or by a single female founder. The share of women in the total number of founders is 19% and has thus increased marginally compared to the last year.

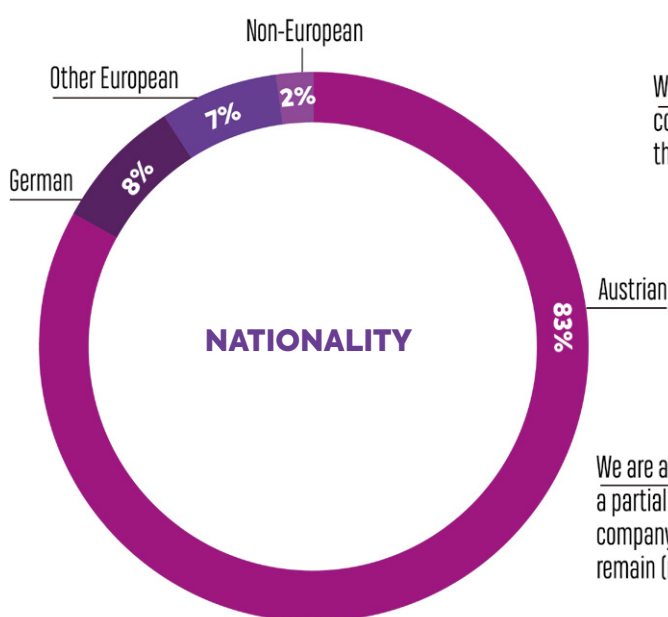
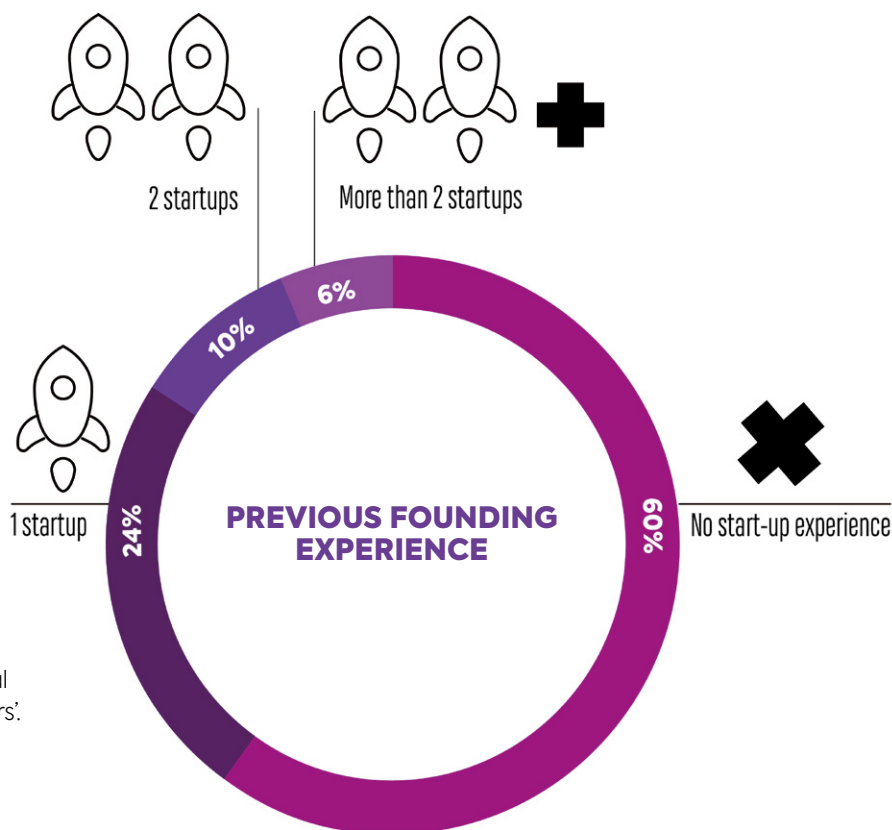
More than three-quarters (78%) of the founders have completed a university education. Almost every second founder has graduated from a master's degree programme (46%) and about every seventh (15%) has completed a PhD. At the same time, a similar proportion (17%) cites A-levels as their highest educational qualification.

A total of 5% of Austrian founders come from other educational backgrounds (e.g. apprenticeship or college diploma).

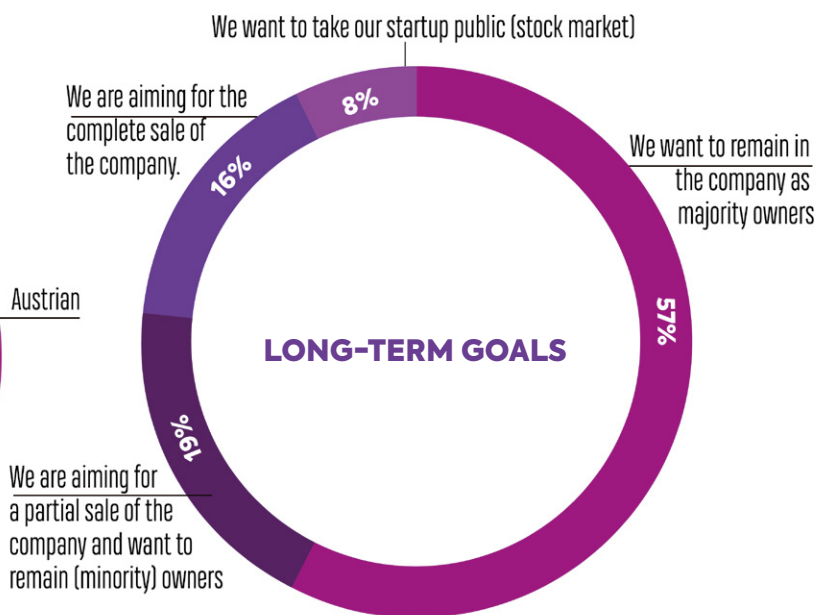


Source: ASM Survey 2022 (Founders & Startups).

Around 40% of Austrian founders had already gained entrepreneurial experience before starting their current venture. While 24% have founded a startup once before, around 16% have (co-)founded a startup at least twice in their career and can thus be described as 'serial entrepreneurs'.



The nationality of the startup founders is predominantly Austrian (83%). About 15% of founders in Austria come from other European countries, with Germany having the largest share, while only about 2% come from outside Europe.

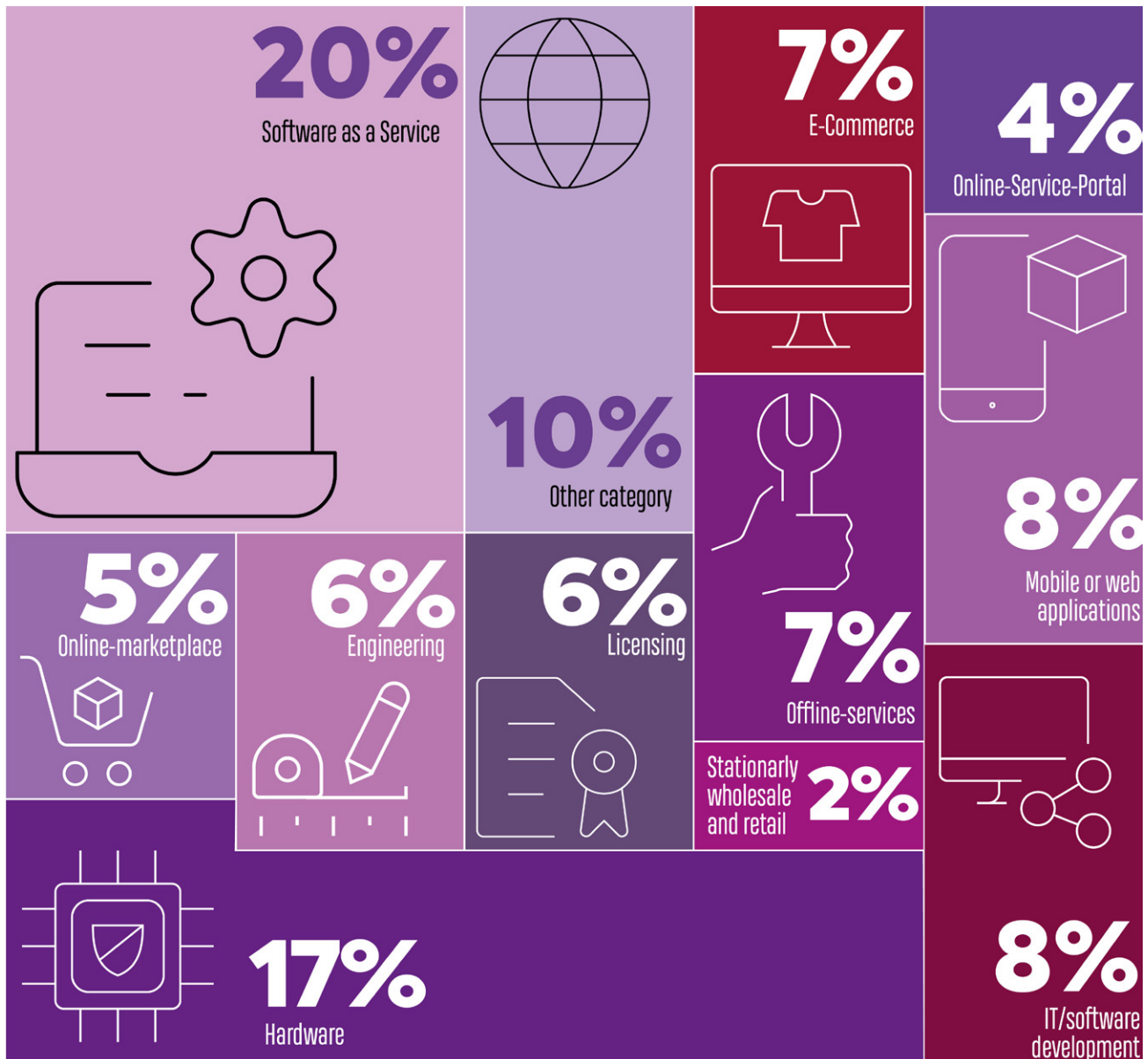


Startup founders in Austria have different long-term perspectives: while the majority wants to stay with the company long-term (57%), many are also looking to sell some or all of the company (35%).

BUSINESS MODELS

The 'Software as a Service' (SaaS) business model is the one most frequently pursued by the startups (20%). Product sales (hardware) comes in second place with a share of 17%, while 8% offer IT / software development and approximately 7% operate e-commerce, an online marketplace, or mobile or web-based applications. Not far behind are online services with 6%, followed closely by a share of 6% each for engineering and licensing.

BUSINESS MODELS



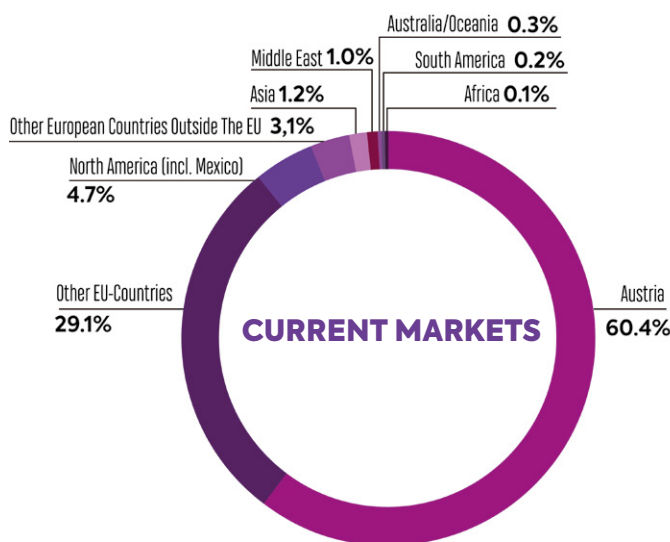
Source: ASM Survey 2022 (Startups).

MARKETS

Austria's startups generate about 40% of their revenues on export markets. After the – probably pandemic-related – decline in the export ratio in the previous year, an increase can be observed again this year. More than 80% of export sales are generated with customers from other European countries, with a slight shift in favour of countries outside the European Union.

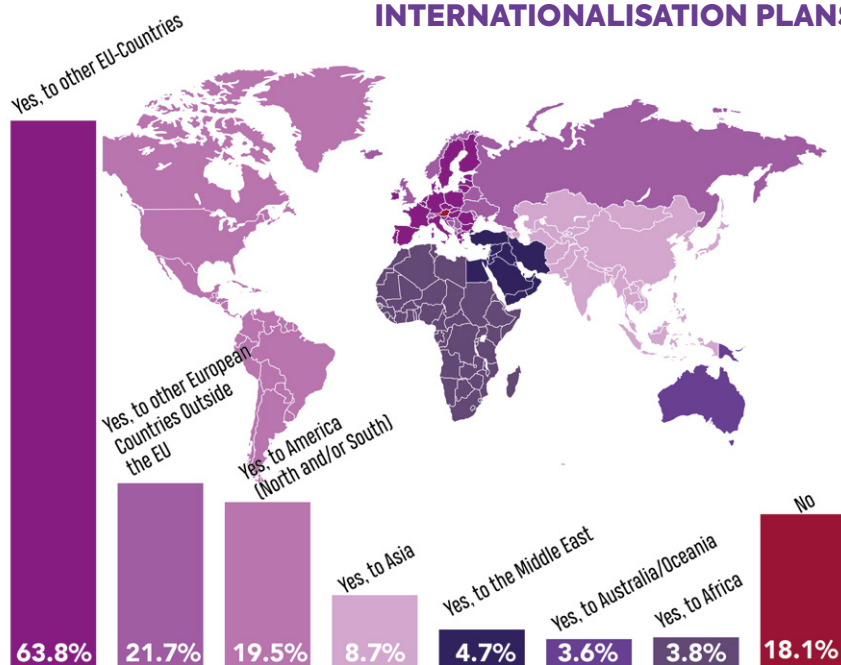
Outside Europe, North America (including Mexico) is relevant as a sales market, generating around 5% of sales on a relatively constant basis over time. Sales totalling 3% come from other countries. In the current analysis, Asia and the Middle East show the highest growth rates.

Another striking feature is the high proportion of 'born globals', i.e. companies that very quickly move from Austria to other countries: 35% of Austrian startups generate more than 50% of their revenues from exports. Across the country one in five of all startups even generates more than 90% of its sales on international markets.



Source: ASM Survey 2022 (Startups).

INTERNATIONALISATION PLANS



Source: ASM Survey 2022 (Startups).

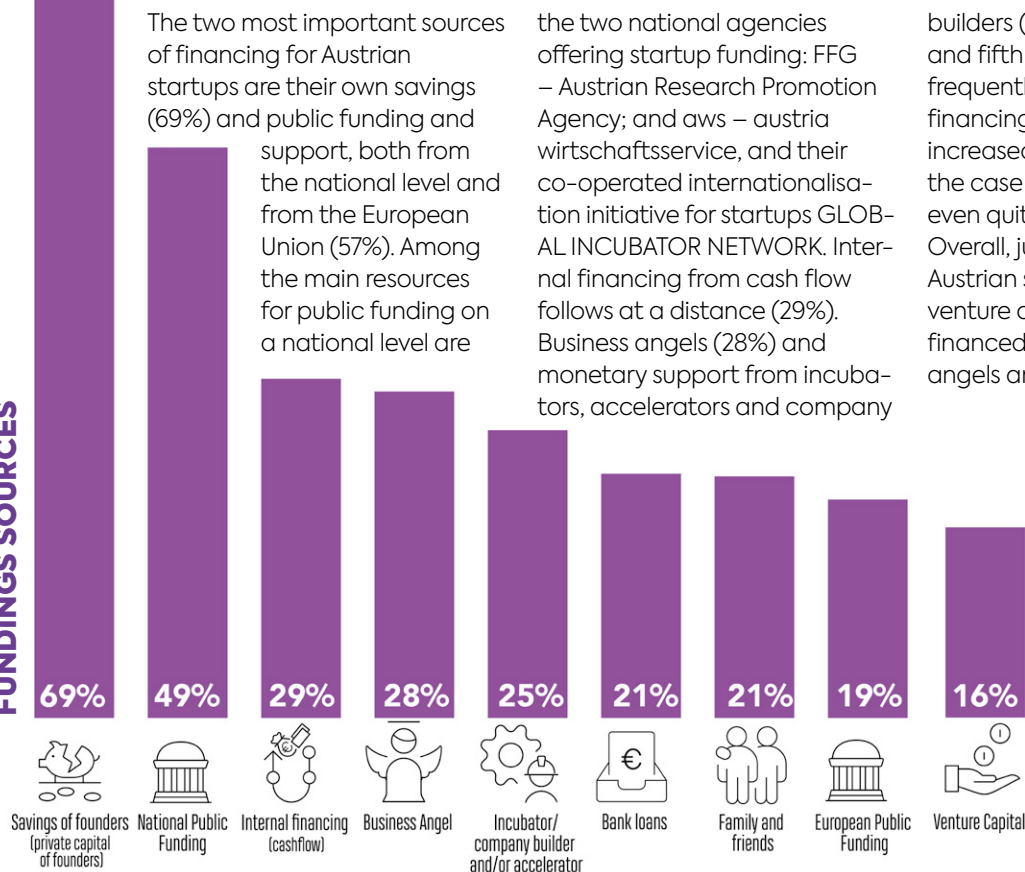
A total of 82% of startups plan to open up new sales markets abroad within the next 12 months. This is an increase of 2 percentage points compared to the previous year.

The most important new sales markets are within the EU: 64% of the startups want to expand into other EU countries. What is striking here, however, is the sharp decline of 7 percentage points compared to the previous year (71%). This is presumably a consequence of Brexit.

A total of 20% want to expand to North and/or South America. This proportion has remained constant compared to the previous year. Startups aiming to expand to Asia (9%), the Middle East (5%), and Australia/Oceania and Africa (with 4% each), follow at a considerable distance.

SOURCES OF FUNDING

FUNDINGS SOURCES



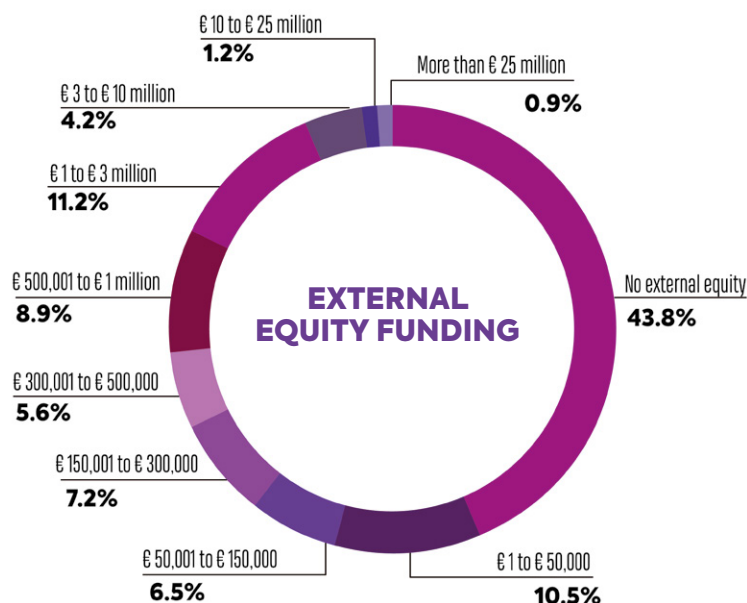
Source: ASM Survey 2022.



EXTERNAL EQUITY FUNDING

At 56%, the proportion of startups that raised external equity has hardly changed compared to the previous year (57%). However, the proportion of startups that have raised more than 500,000 euro has risen from 23% in the previous year to 26%.

Austrian startups are not overly optimistic about further opportunities for raising equity: 42% of the startups state that the opportunities to raise capital worsened (27%) or worsened significantly (15%) in 2022.



Source: ASM Survey 2022.

BACKGROUND



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

The Special Issue is based on data from the Austrian Startup Monitor (ASM) and particularly on the most recent survey conducted in 2022 with more than 460 participants. The survey was conducted in autumn 2022 and specifically addressed internationalisation strategies of Austrian startups.

The ASM collects information on startups and their development in Austria with the aim of preparing

information for research, public policy, and the startup community. Newly founded startups are continuously identified based on publicly available data. Based on an annual survey, the companies are investigated in more depth with regard to their perspectives, strategies, business models, funding and perceptions of the Austrian startup ecosystem.

Within the ASM, startups are defined as companies with the following characteristics:

- 1. Startups are younger than 10 years old.**
- 2. Startups are innovative with their products, services, technologies or business models.**
- 3. Startups have, or strive to have, a significant employee or revenue growth.**

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

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

Initiated in 2016 by the Austrian Federal Government, GIN is managed by the main public funding agencies the Austrian Promotional Bank – Austria Wirtschaftsservice (aws) – and the Austrian Research Promotion Agency – Österreichische Forschungsförderungsgesellschaft (FFG).
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IMPRINT

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