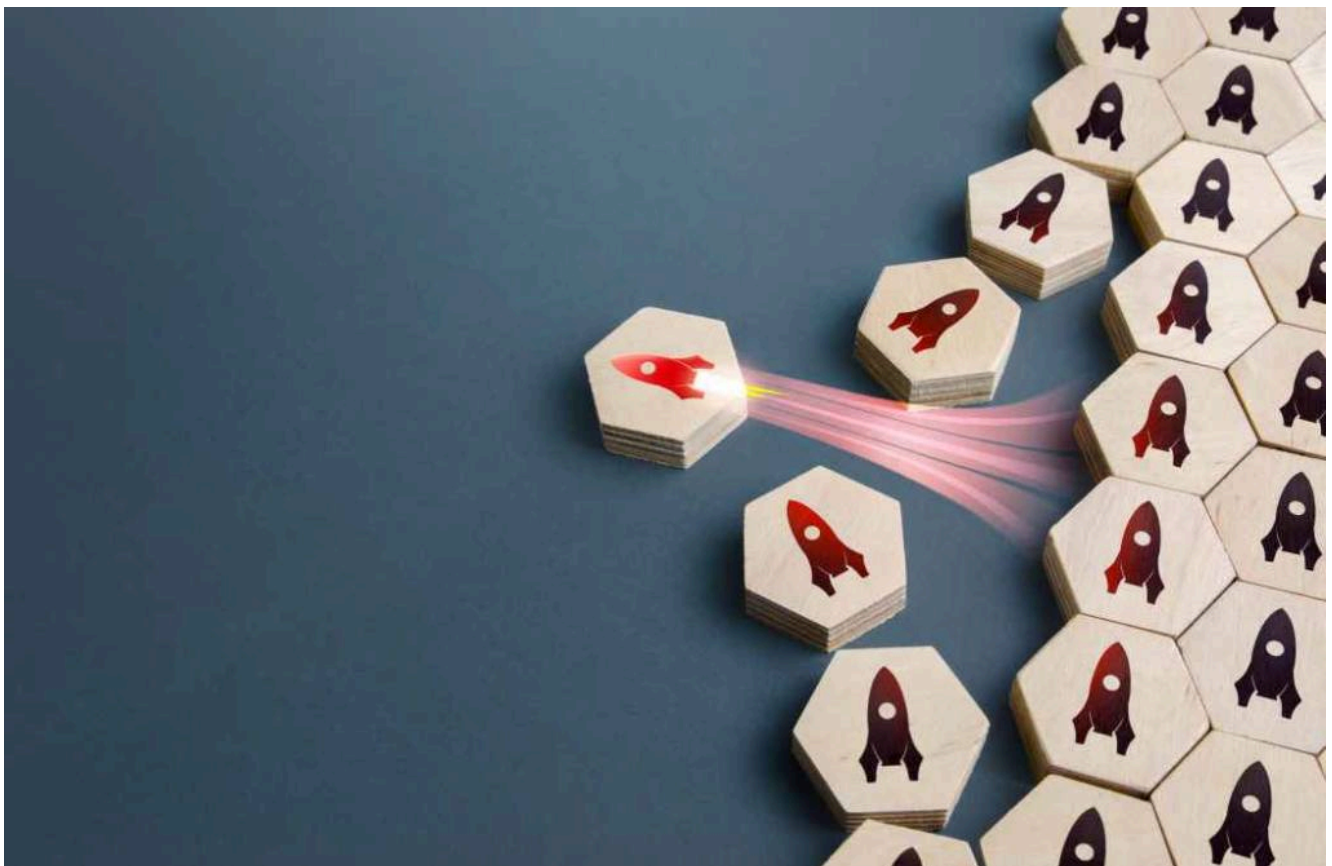


# Aerospace and wellbeing, the most profitable areas for startups in Spain and Portugal

Despite market uncertainty in 2021, the year saw significant growth in startup volume and activity, as well as an increase in funding received. This is the conclusion of a study analyzing a new generation of startups in Spain and Portugal.



July 19, 2022

- **Personal investment (55%), contributions from friends and family (13%) and business angels (12%) remained the main sources of funding for startups in Spain and Portugal, according to a new study.**
- **The young ventures included in this study generated a total of 4,404 new jobs, with an average of seven employees per startup.**
- **Healthcare, food and beverage, and social impact were the three areas with the most startups. Meanwhile, the three most profitable industries for new businesses were aerospace, wellbeing and fitness, and entertainment.**

2021 was a year of evolution and maturation for Spanish and Portuguese startups, with significant growth in volume and activity and an increase in funding received, despite uncertainty in the markets.

This is one of the conclusions drawn from the third edition of the study "[Analysis of a new generation of startups in Spain and Portugal](#)," by CaixaBank, through DayOne, with the collaboration of [IESE's Entrepreneurship and Innovation Center](#).

## **X-ray of the Iberian startup scene**

For startups included in the study, the average growth in 2021 was estimated to be higher than in previous years. In fact, 50% in the study's sample grew by more than 25% last year. The overall average indicated that the region's startups nearly doubled their sales (up 99%), although their profitability fell and the percentage of companies with positive EBITDA dropped to 61% — which was 16% below the previous year.

The healthcare industry (9%) saw the highest concentration of startups, followed by food and beverage (6%), social impact (6%) and energy (6%). However, the sectors estimated to be the most profitable were aerospace (80% of companies in this field have positive EBITDA), wellbeing and fitness (67%) and entertainment (67%).

The sample identified the greatest competitive advantages as having a product/service superior to that of the competition (76%), speed of service (56%), and having proprietary technology (55%). Among the proprietary technologies, software and platforms (15%), data analysis tools (12%) and artificial intelligence (8%) stood out. What's more, 28% of the companies analyzed had a fully developed product, and 22% had a solid and diversified customer base.

In terms of the business model, 43% choose subscription-based payments to monetize their

innovations, and 58% opted to orient themselves to sell to other businesses (B2B).

## **The average amount of financing per company is growing**

The majority of entrepreneurs participating in the study (65%) said their main challenge was obtaining financing. The report points out that the total volume of financing received by the study's companies since their creation (including the financial years 2019, 2020 and 2021 tracked in the study) has reached 270 million euros, of which 245 million went to Spanish companies.

During the 2020-21 period, the various financing rounds managed to raise a total of 109 million euros. That total was lower than the previous year's, yet the amount of financing obtained by each company, on average, increased by 16% to 422,000 euros, compared with 363,000 euros the year before.

Startup financing continued to come mainly from founders' personal investments (55%), indicating a slight decrease compared to the previous edition (59% in 2020). That was followed by contributions from family and friends (13%), the participation of business angels (12%) and venture capital investors (9%).

At the same time, the startups analyzed brought in 33 million euros from public financing, 30 million euros from subsidies and prizes, and 27 million euros from bank financing.

## **Qualified and experienced teams**

In 2021, it is estimated that the startups analyzed created a total of 4,404 jobs in Spain and Portugal, with the average number of employees per venture moving up from six in 2020 to seven in 2021. The teams not only grew in terms of numbers of employees, they also grew in experience — as befits an ecosystem that is gaining in maturity, with founders who have longer track records to draw upon. In the sample, 44% of the founders had more than 11 years of experience and 46% had previously launched three or more companies. In addition, in line with previous editions, the education level of the founding teams remained high: 87% of the founders had a university degree or higher, and those with a doctorate represented 11%.

Yet, as seen previously, women's participation in entrepreneurial ventures continued to be weak in the region. Only 14% of the companies had a majority of female founders and female

entrepreneurs were concentrated in the social impact and marketplace/e-commerce areas (both with 11%). Overall, the percentage of women among startup founders decreased slightly compared to the previous edition, from 27% to 26%.

## **Decline in internationalization, increase in online sales**

The latest analysis presented new trends regarding the destination of sales. The percentage of startups selling internationally decreased from 44% in the previous year to 42% in 2021, which responds to the difficulties that companies have encountered in transcontinental trade.

However, an increase in the online channel helped some extend their reach: the percentage of startups making international sales exclusively via the internet rose to 37%.

For 80% of the startups analyzed, Europe was named the most relevant market, nearly double compared with the previous edition. Europe was followed by Latin America (41%) and the North American market (32%), including the United States and Canada.

## **Methodology, very briefly**

The study analyzed the 763 startups from Spain (87%) and Portugal (13%) participating in the 15th edition of the [Startup AwardsXXI](#), driven by CaixaBank, through DayOne, with the collaboration of Spain's ENISA (a state-owned company under the auspices of Spain's Ministry of Industry, Trade and Tourism) and Portugal's BPI (Banco Português de Investimento).

The documentation required to participate in the Startup AwardsXXI provided an in-depth view of the region's startups recorded in recent years and the short- and medium-term prospects for a broad and representative sample of recently created startups, incorporated as of 2018.

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