

EUROPE

VC Valuations Report



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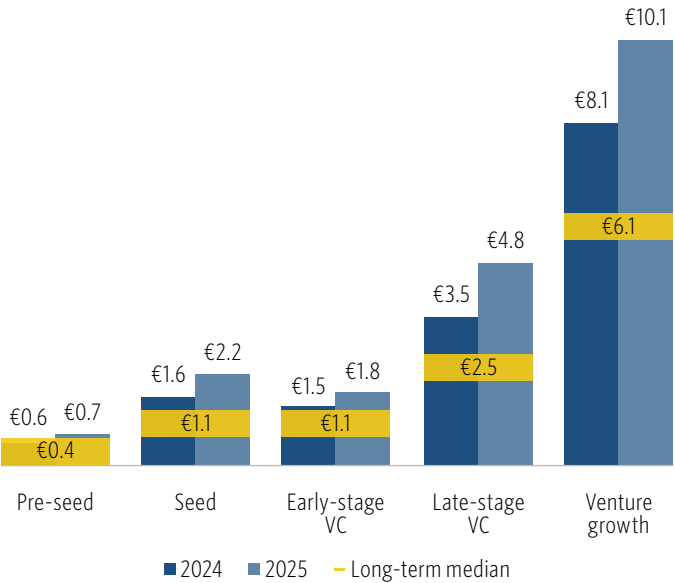
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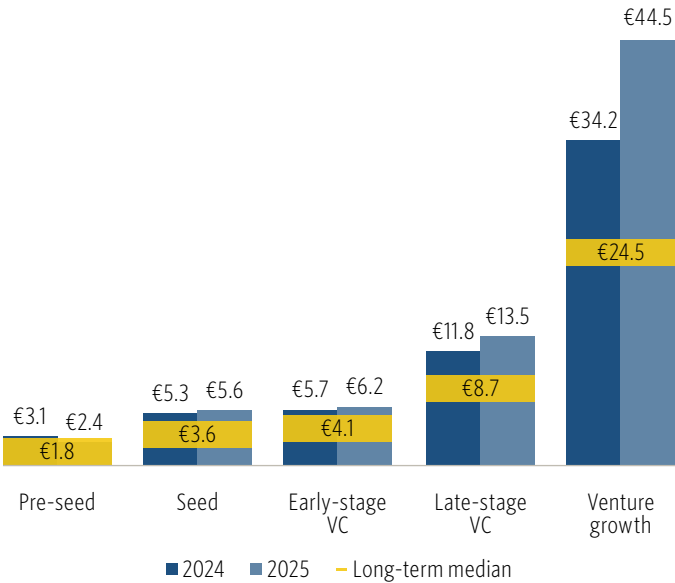
Overview

Median VC deal value (€M) by stage



Source: PitchBook • Geography: Europe • As of 31 March 2025

Median VC pre-money valuation (€M) by stage



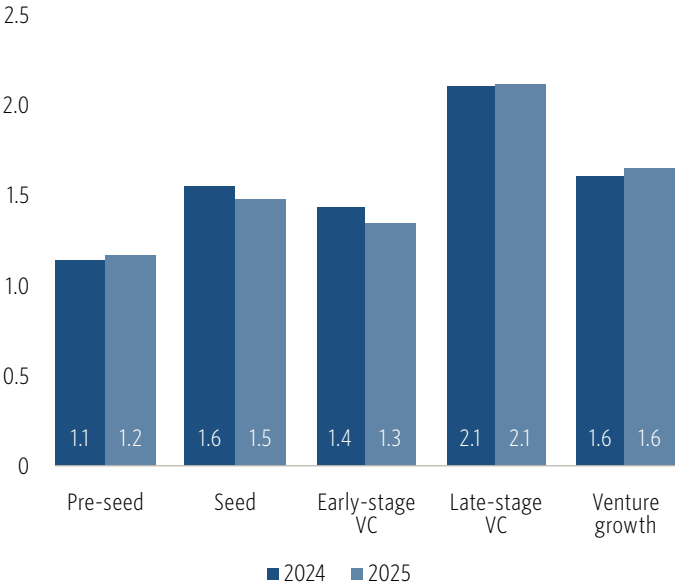
Source: PitchBook • Geography: Europe • As of 31 March 2025
Note: Pre-seed and venture-growth counts are low.

Tariffs throw more light on pivotal themes for VC valuations this year

Due to the recent tariffs, many of the frameworks we established for looking at VC this year have been uprooted since the start of Q2 2025. Therefore, we are cautious to extrapolate Q1 data from this report for the rest of the year, where market conditions would have changed, impacting activity metrics. Our [recent note](#) on the impact of tariffs on VC observes that, first and foremost, exit markets are being impacted, and ramifications for other areas of the ecosystem will be felt at a lag. Exit activity is the first of the three main themes we predicted to shape valuations in 2025, and it is proving to be the most imminent factor. Whilst Q1 exit valuations remain unaffected, public market volatility in Q2 still leaves market conditions uncertain and less conducive for an IPO window.

Other areas noted as key: AI and regional disparities will continue to matter in 2025. There have been several AI-related investments from US Big Tech, such as Alphabet confirming its \$75 billion investment in data infrastructure, and Microsoft and Meta continuing their commitments to large AI investments this year. However, the valuation declines seen in public AI-related stocks could weigh on the same area of the venture market, with the vertical

Median time (years) between rounds by stage



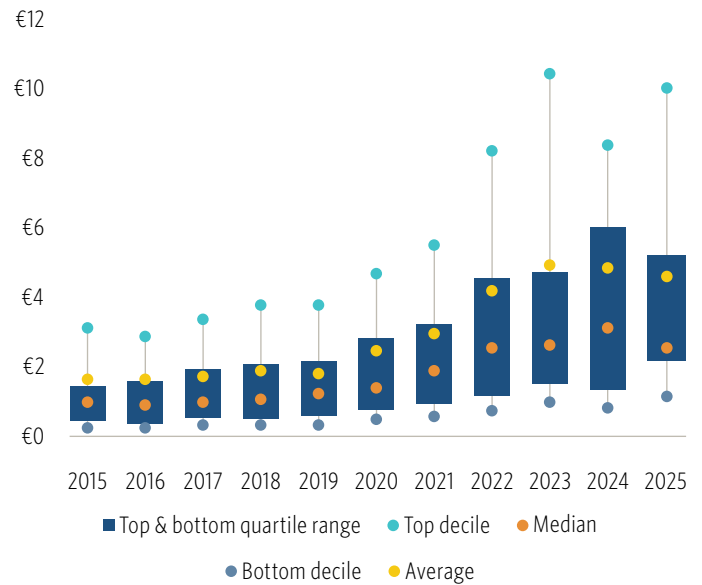
Source: PitchBook • Geography: Europe • As of 31 March 2025

possessing some of the highest valuations in the venture-growth part of the market. In other stages, AI medians continue to sit below other sectors, such as fintech or broader software as a service (SaaS).

Regional disparities between the US and Europe will be even more pivotal this year, but for different reasons. Where previously European assets continued to trade at a significant discount to the US, we may see less capitalisation on such due to more domestic mandates. Tariffs and a generally more nationalistic US presidential administration might cause a retreat from European investments from US players, which could weigh on valuations if competition for European deals decreases. For instance, Andreessen Horowitz announced the closure of its UK office in January, due in part to the new Trump administration being elected, as well as Andreessen's increasing focus on advantaged strategies, such as crypto. Overall, trends since Q1 will likely change somewhat, although we expect the full impact of recent market events to impact private markets at a lag, especially for valuations. Regarding Q1, the start of 2025 continued to see median deal value and valuations increase across all stages. The largest step-ups in pre-money valuations fell into venture growth, where for deal size, late-stage median deal values grew the most.

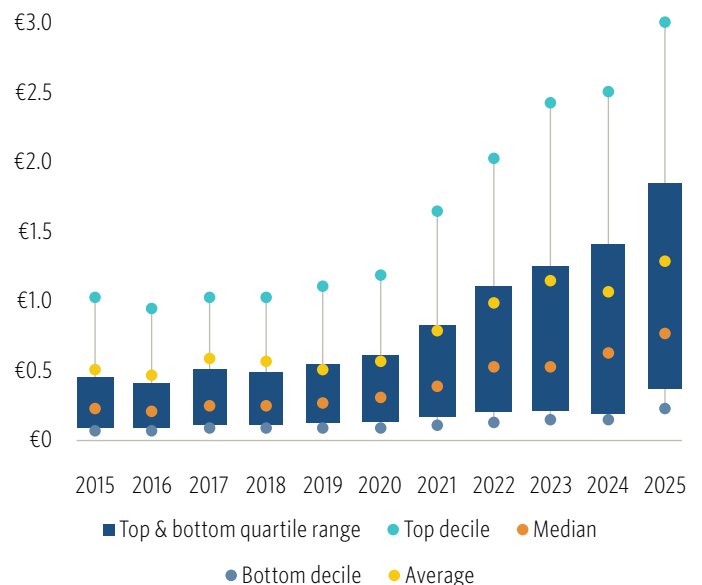
At the pre-seed stage, the median pre-seed valuation sat at €2.4 million. The sample size for the pre-seed data is small, and we are generally cautious on extrapolating too much from it, especially for Q1. Median pre-seed deal sizes also increased to €0.7 million from €0.6 million at the end of 2024. Since the start of 2025, median time between rounds slightly increased to 1.2 years in Q1 2025 from 2024.

Pre-seed pre-money valuation (€M) dispersion



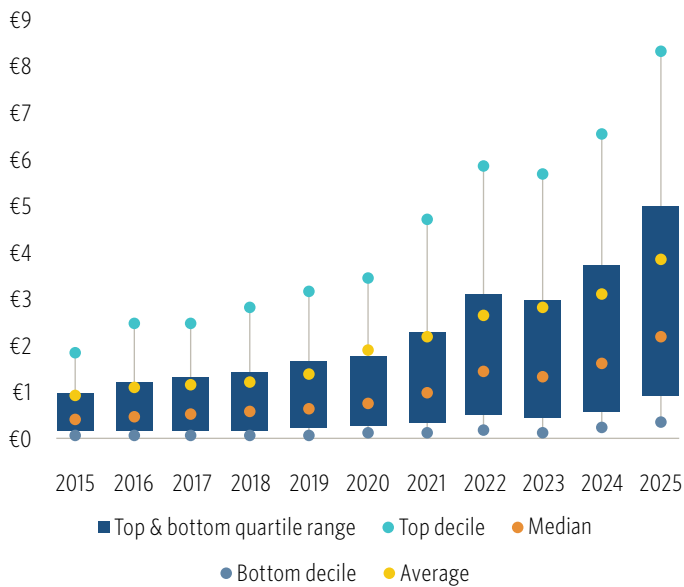
Source: PitchBook • Geography: Europe • As of 31 March 2025

Pre-seed deal value (€M) dispersion



Source: PitchBook • Geography: Europe • As of 31 March 2025

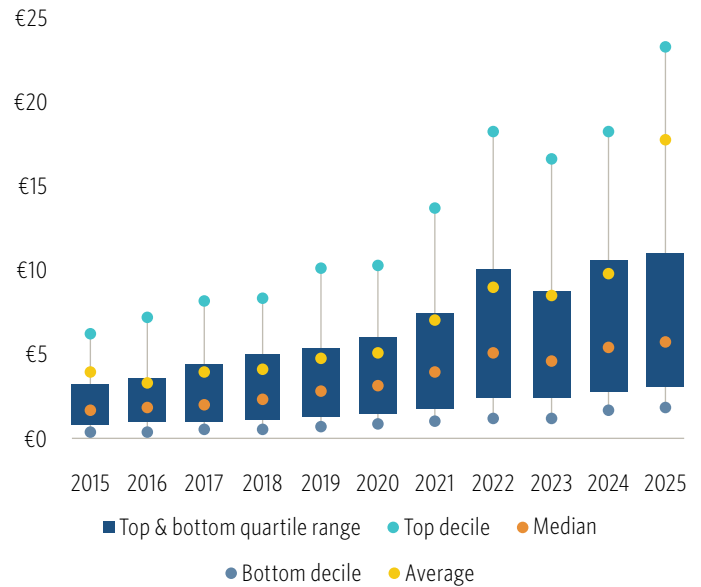
Seed deal value (€M) dispersion



Source: PitchBook • Geography: Europe • As of 31 March 2025

Median seed valuations increased to €5.6 million from €5.3 million in 2024, and median seed deal sizes were 34.6% higher than in 2024, at €2.2 million. Unlike pre-seed, the median time between rounds slightly declined to 1.5 years from 1.6 years in 2024.

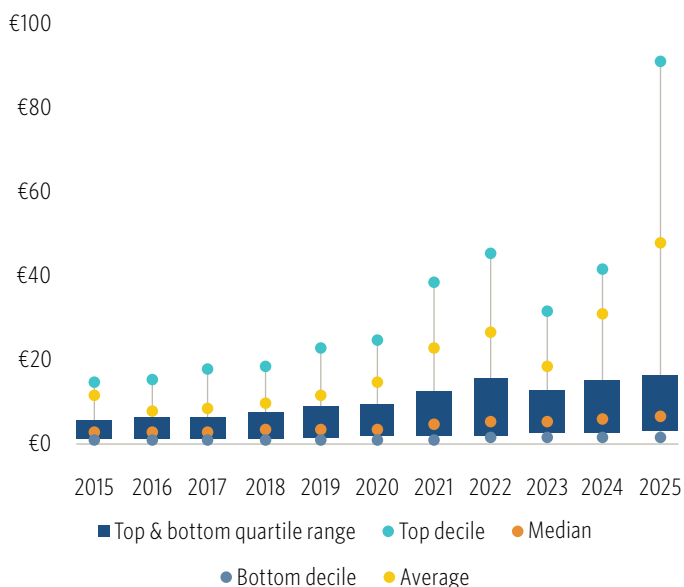
Seed pre-money valuation (€M) dispersion



Source: PitchBook • Geography: Europe • As of 31 March 2025

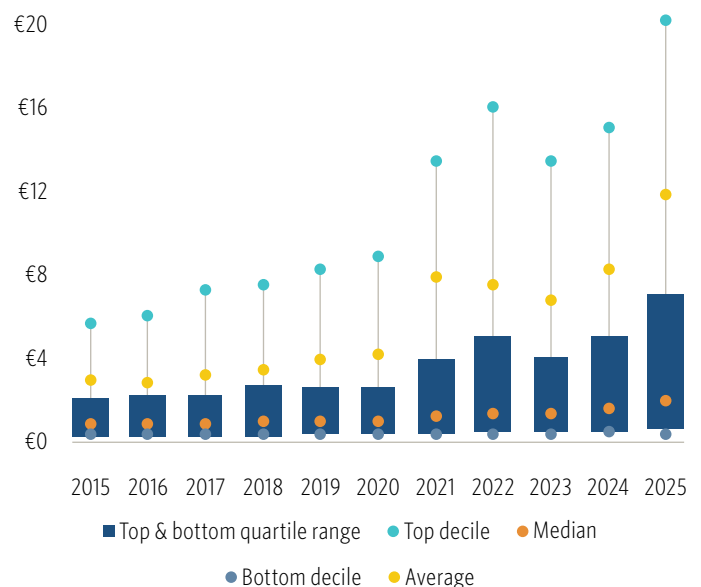
Median early-stage valuations increased 8.5% to €6.2 million versus 2024. Median early-stage deal sizes sat 23.1% higher than in 2024, at €1.6 million. The time between rounds also declined slightly to 1.3 years in Q1 2025.

Early-stage VC pre-money valuation (€M) dispersion



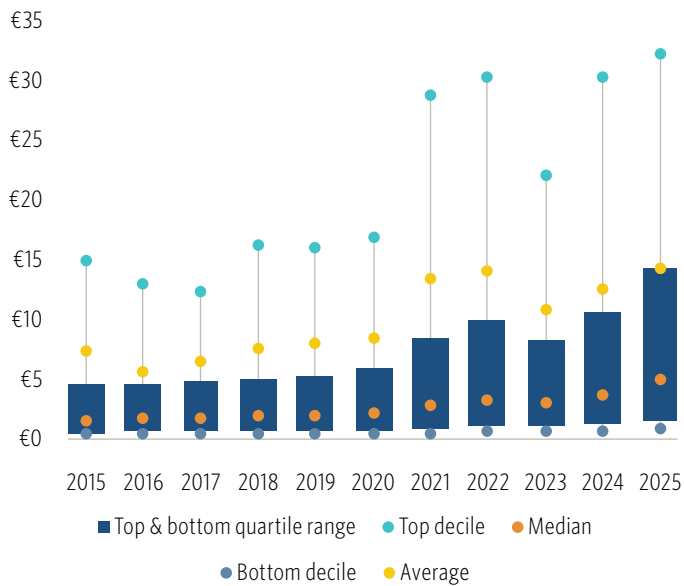
Source: PitchBook • Geography: Europe • As of 31 March 2025

Early-stage VC deal value (€M) dispersion

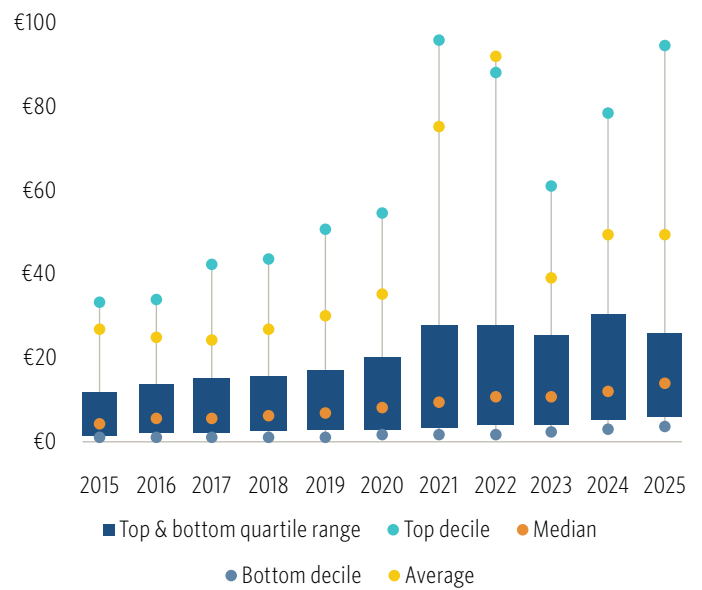


Source: PitchBook • Geography: Europe • As of 31 March 2025

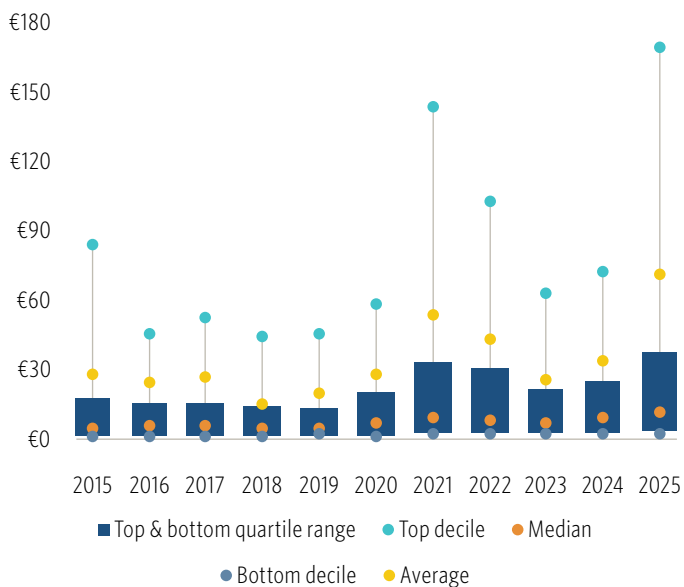
Late-stage VC deal value (€M) dispersion



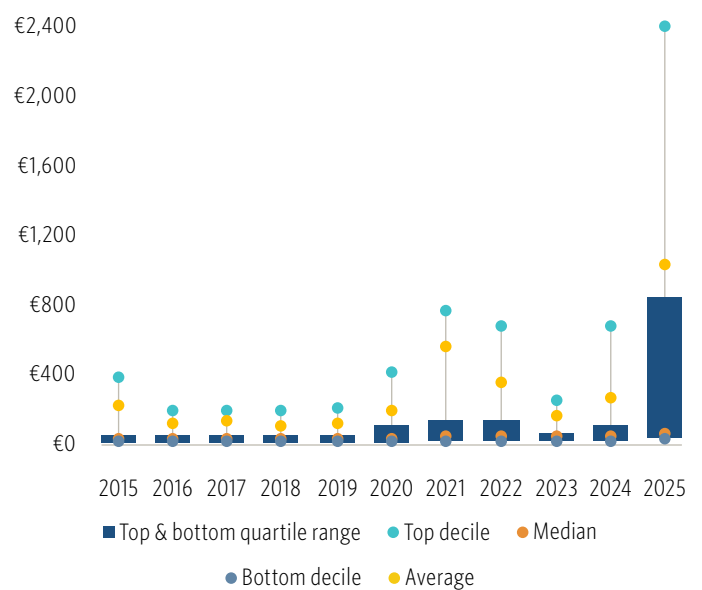
Late-stage VC pre-money valuation (€M) dispersion



Venture-growth deal value (€M) dispersion



Venture-growth pre-money valuation (€M) dispersion

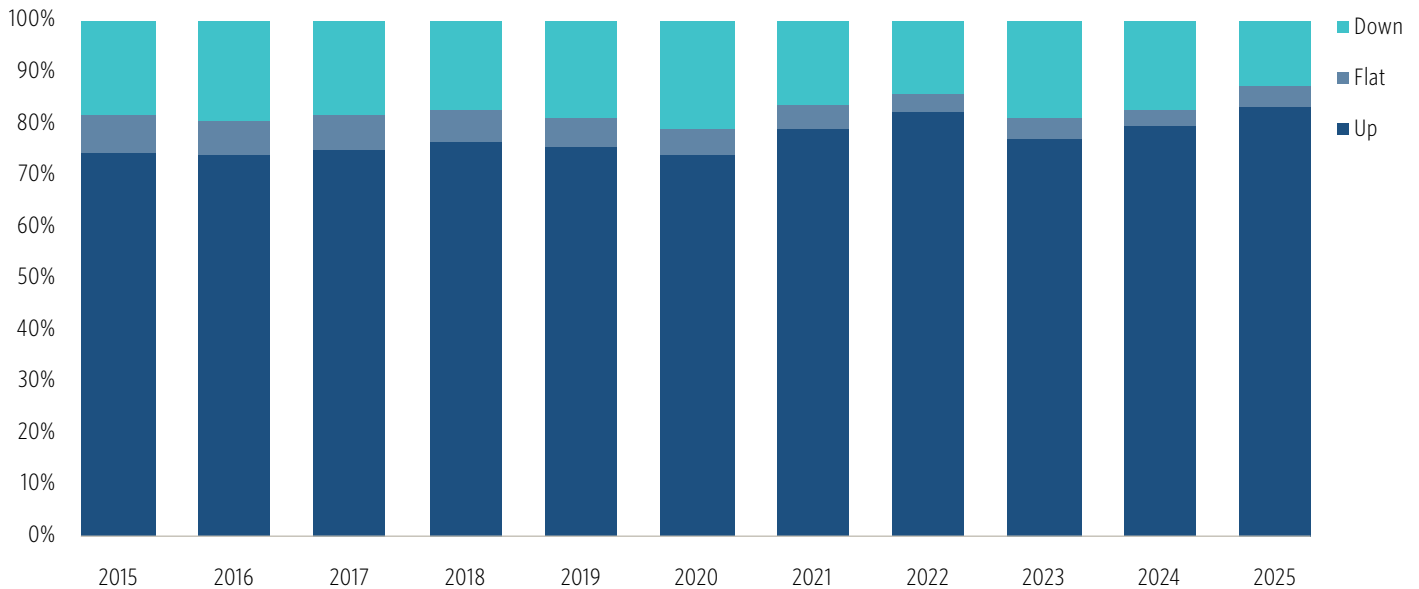


The median late-stage valuation came in at €13.5 million, 14.2% higher YoY. The median late-stage deal size increased the most out of all the stages, at €4.8 million, which is 36.7% higher YoY. The late stage continues to have the longest time between rounds, flat versus 2024 at a median of 2.1 years.

At the top of the VC ecosystem, the median venture-growth valuation saw the largest increase. Median venture-growth

deal size increased 24% to €10.1 million. Median valuations sat at €44.5 million, 30.2% above the 2024 average as rounds from prominent unicorns—CMR Surgical, TravelPerk, and Quantexa—sat at the top end of valuations. The dispersion of valuations in this stage, however, is the greatest, with a smaller sample than other stages.

Share of VC deal count by up, down, and flat rounds



Source: PitchBook • Geography: Europe • As of 31 March 2025

Down rounds down, but more to come ahead?

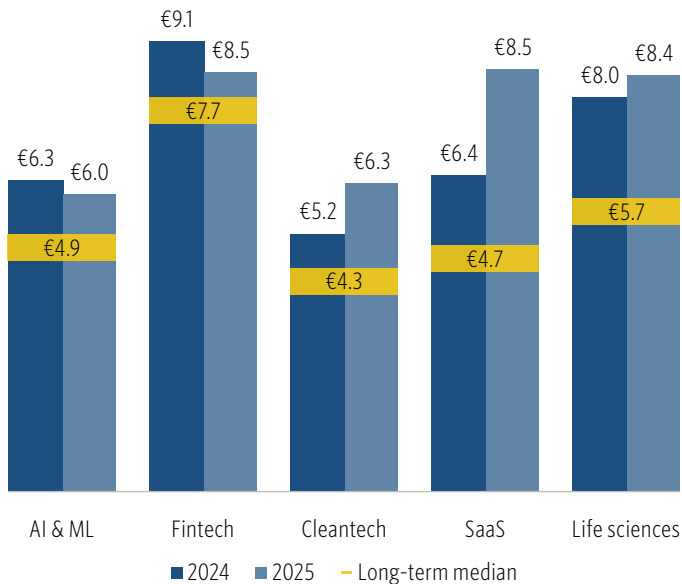
The proportion of deals with down rounds decreased to 12.2% in Q1 2025, a significant step-down from 17.1% in 2024. The proportion of deals warranting a step-down has declined since H2 2024, where the proportion of deals with a step-down in valuations sat at 13.9%. We believe most of the rationalisation in valuations has taken place, where public and, therefore, private valuations saw recovery through the end of 2024. Whilst this trend has continued through to Q1 2025, the uncertainty in public markets could limit the upside to further valuation growth in European venture markets. It remains to be seen if and how the private market corrects. Interest rate regimes do not seem to have drastically changed in Europe; however,

public markets have been more volatile. GPs are therefore likely to adopt a wait-and-see approach, which may mean venture valuations do not correct at the same rate as public markets.

Of the down rounds we tracked in Q1, the majority sat in the UK & Ireland. There is some selection bias here, as total round volume is weighted towards the UK & Ireland. By sector, step-downs fell across cleantech, AI & machine learning (ML) startups, and healthtech. The biggest step-down was from energy equipment cleantech startup Electron Green, followed by AI & ML firm NGDATA, and Nobi, an AI-powered home furnishings company that saw its valuation fall from €49.2 million to €12.9 million.

Verticals

Median early-stage VC pre-money valuation (€M) by vertical in Q1 2025 versus 2024

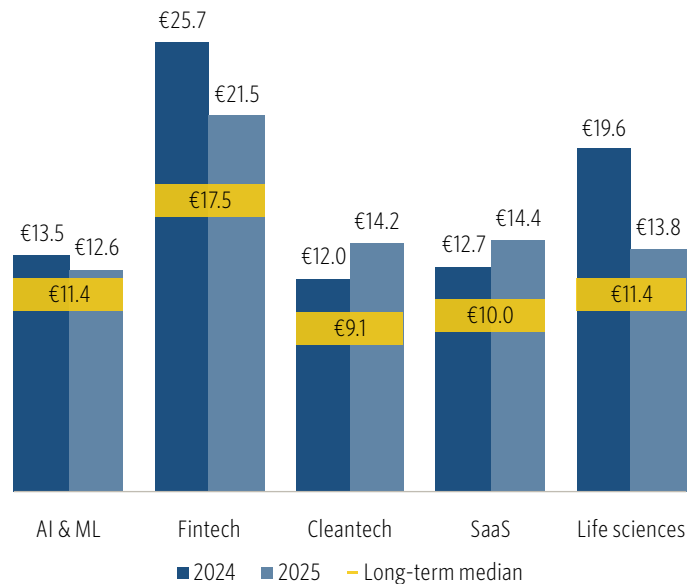


Early-stage AI valuations lag as broader SaaS leads

We flag that data as of Q1 2025 is limited in scope, and trends could change as more data points are added throughout the year. As of Q1, median AI & ML early-stage valuations slightly declined to €6 million from €6.3 million in 2024. Median deal size in AI-related deals also slightly declined to €1.4 million. Fintech was the other vertical where valuations declined versus 2024; however, median deal sizes more than doubled to €5.6 million. For median deal size by vertical, life sciences saw the greatest decline, falling 25% to €2.1 million in Q1 versus 2024.

SaaS was the largest gainer in terms of valuations, up by nearly one-third from 2024 levels, at €8.5 million. Much of the AI inflation was in the venture-growth stage, where in the early stage, median valuations in absolute terms sat below the other key verticals we track. That being said, seven of the top 10 valuations in the early stage sat in AI-based companies.

Median late-stage VC pre-money valuation (€M) by vertical in Q1 2025 versus 2024



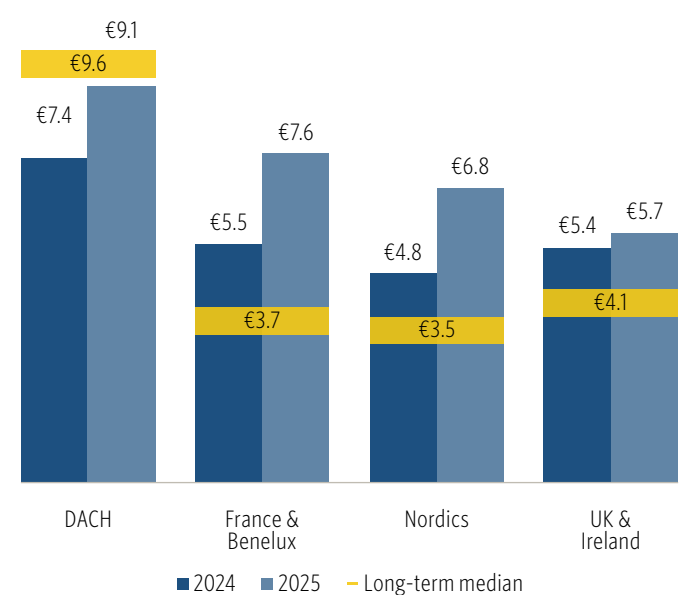
AI late-stage valuations decline as life sciences gain

Within the late stage in Q1, cleantech and broader SaaS saw increases in median valuations, sitting at €14.2 million and €14.4 million, respectively. Similar to the early stage, in terms of absolute values, AI & ML still emerged as the lowest vertical, with a median valuation of €12.6 million compared with the highest vertical, fintech, at €21.5 million.

Regarding median deal sizes, all verticals saw increases in Q1 2025 versus 2024. Cleantech had the largest uptick, which sat at €10 million—double that of 2024 and the highest absolute median of all the verticals. The top five highest-valued companies were in the UK & Ireland, with the highest being electric-vehicle-battery recycling firm Altium Metals. Average deal sizes in cleantech also sat significantly above broader SaaS late-stage valuations of €4.8 million, the lowest of all the sectors we track.

Regions

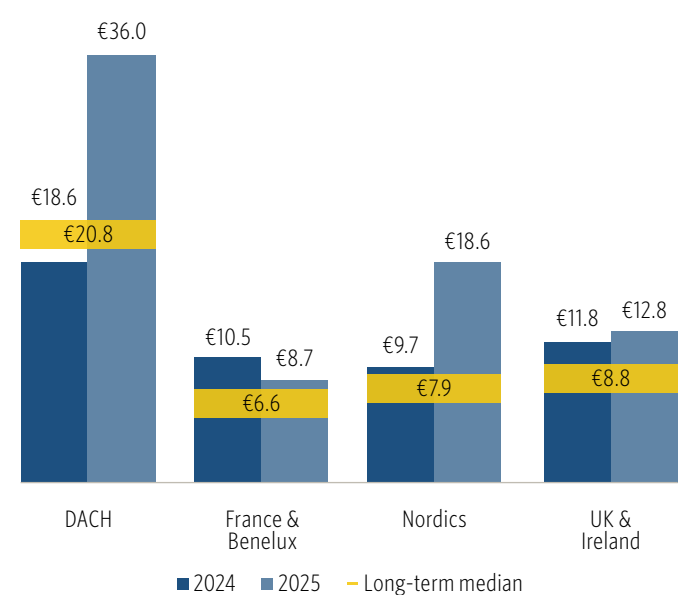
Median early-stage VC pre-money valuation (€M) by region in Q1 2025 versus 2024



Venture-growth valuations and deal sizes gain the most in the UK

Regarding median valuations in the UK, the venture-growth stage gained the most, sitting at €34.2 million versus €26.7 million in 2024. The earlier stage of the market also showed gains, with seed valuations up 15.4%, at €5.6 million in Q1 2025. The trends within deal sizes are similar in the region, with median early-stage and seed deal sizes on par with each other.

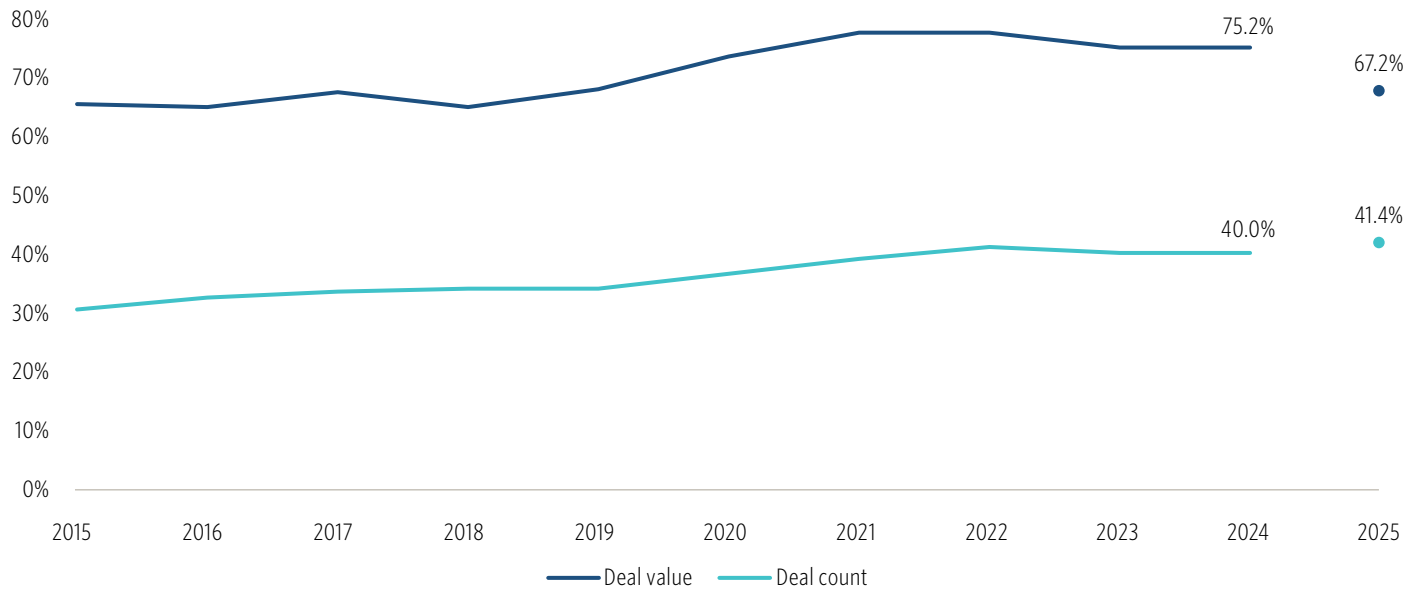
Median late-stage VC pre-money valuation (€M) by region in Q1 2025 versus 2024



In other regions, like France & Benelux, median deal sizes in key stages, such as the early and late stage, saw no movement in 2025 versus 2024. Comparatively, the median DACH late-stage deal sizes slightly declined to €7.6 million versus €8 million in 2024. Of these three largest ecosystems—the UK & Ireland, France & Benelux, and Germany—the highest-valued companies to close deals in Q1 2025 included UK biotech AI player Isomorphic Labs, Switzerland-based biotech drug discovery startup Numab, and Irish workflow-automation platform Tines.

Nontraditional investors

VC deal activity with nontraditional investor participation as a share of all VC deal activity

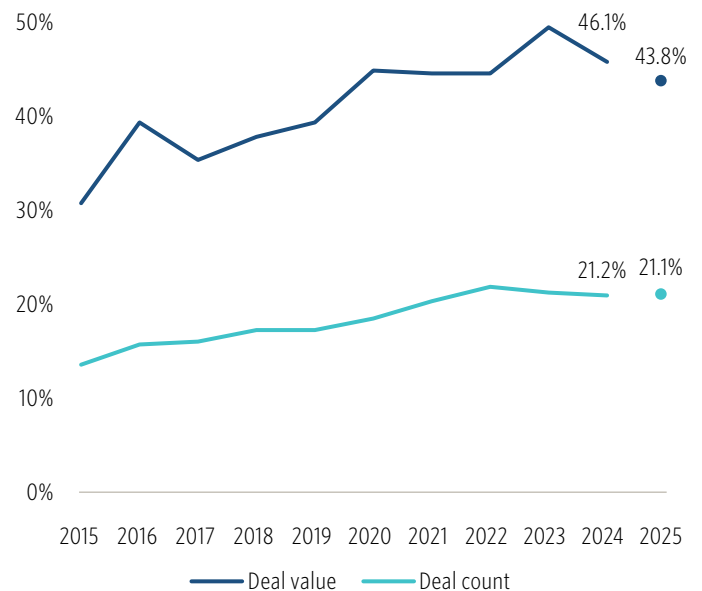


Source: PitchBook • Geography: Europe • As of 31 March 2025

Nontraditional investor share of deal value declines, but count slightly increases. As of Q1 2025, nontraditional investor deal value in Europe came in at €11.6 billion, making up 67.2% of European deal value. This was a pullback in the share of value that nontraditional investor deals contributed to dealmaking in 2024, which sat at 75.2%. Median valuations and deal sizes with nontraditional investors on board still sit higher than market averages; however, there is clearly some discrepancy in the nature of the deals in which they are participating, given the large decline in the share of value.

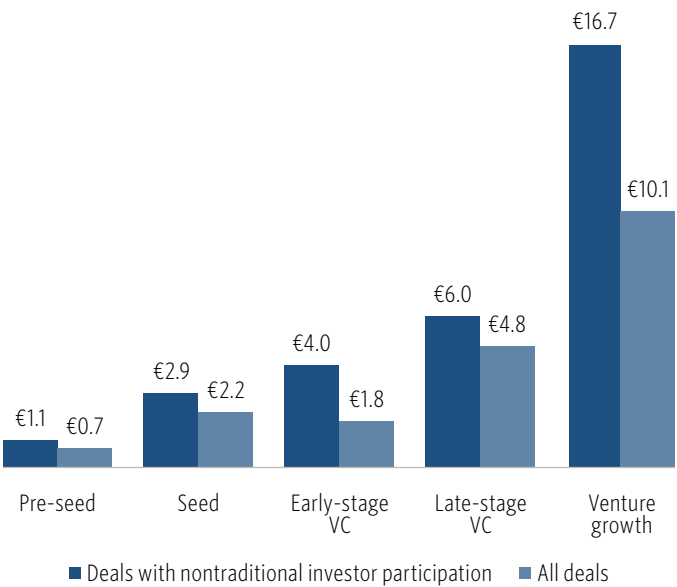
Corporate venture capital (CVC) activity is more resilient than the rest. We bucket nontraditional investors into five areas: CVCs, PE, asset managers, government/sovereign wealth funds (SWFs), and other tourist investors. Deal value with CVC participation in Q1 2025 sat at €7.5 billion.

VC deal activity with CVC participation as a share of all VC deal activity



Source: PitchBook • Geography: Europe • As of 31 March 2025

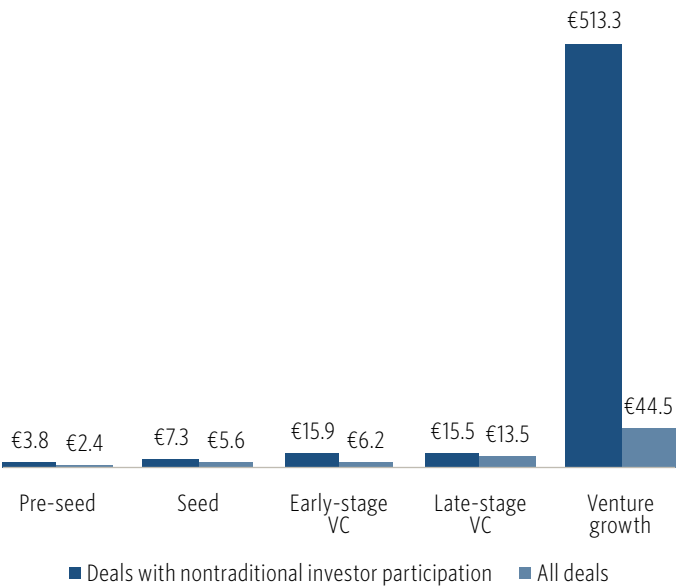
Median VC deal value (€M) by stage



Source: PitchBook • Geography: Europe • As of 31 March 2025

Out of the nontraditional buckets we track, this investor base has shown the most resilience so far this year, with a run rate pacing 6.9% above 2024. Deal value with participation from other investors, such as government/SWFs, has had weaker starts to the year, with deal value pacing below 2024. Median deal value for transactions with CVC participation increased 10.3% versus 2024, to €4.9 million, with the median pre-money valuation at €14.6 million from €11.8 million in 2024.

Median VC pre-money valuation (€M) by stage

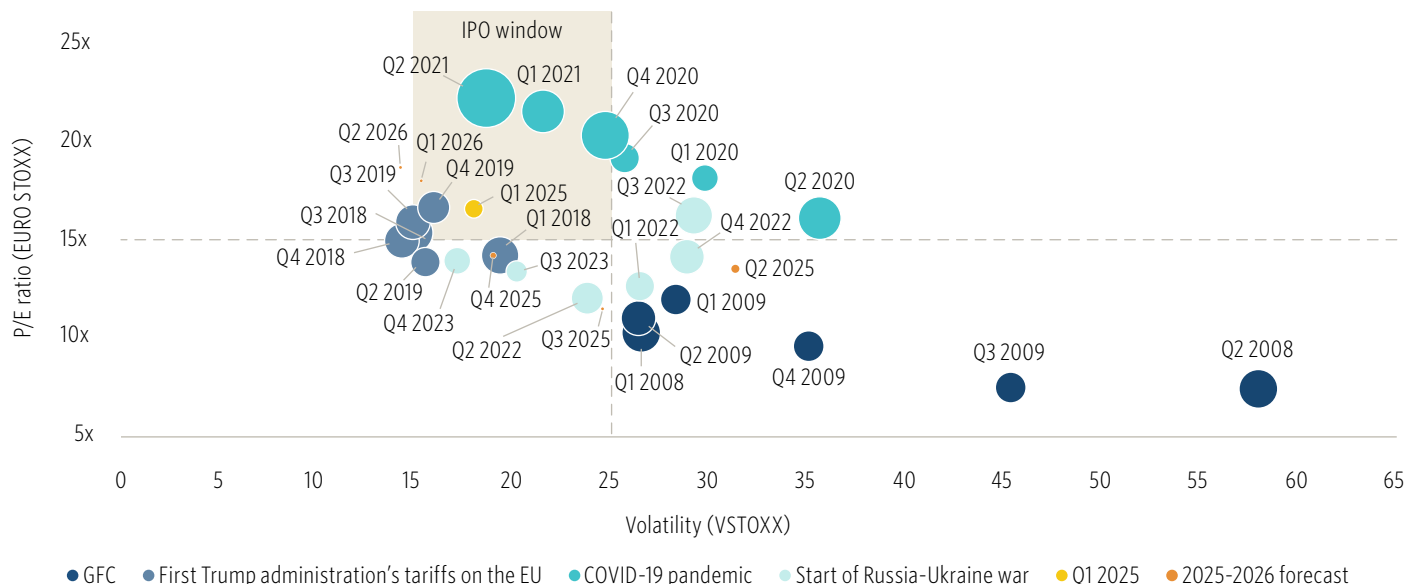


Source: PitchBook • Geography: Europe • As of 31 March 2025

Notable deals with CVC activity in Q1 included Reneo’s €600 million round that saw investment from real estate agency Bauwens; a standout deal from Isomorphic Labs that Alphabet participated in; and a €220 million investment in Spanish ride-sharing startup Auro by Uber. By vertical, 99 CVC transactions involved AI & ML startups, 50 were in cleantech, and 35 transactions fell into life sciences-related firms.

Unicorns

Quarterly IPO count by select metrics and period



Source: PitchBook • Geography: Europe • As of 14 April 2025

Note: Bubble sizes represent quarterly IPO counts. The P/E ratio and volatility measures are monthly averages.

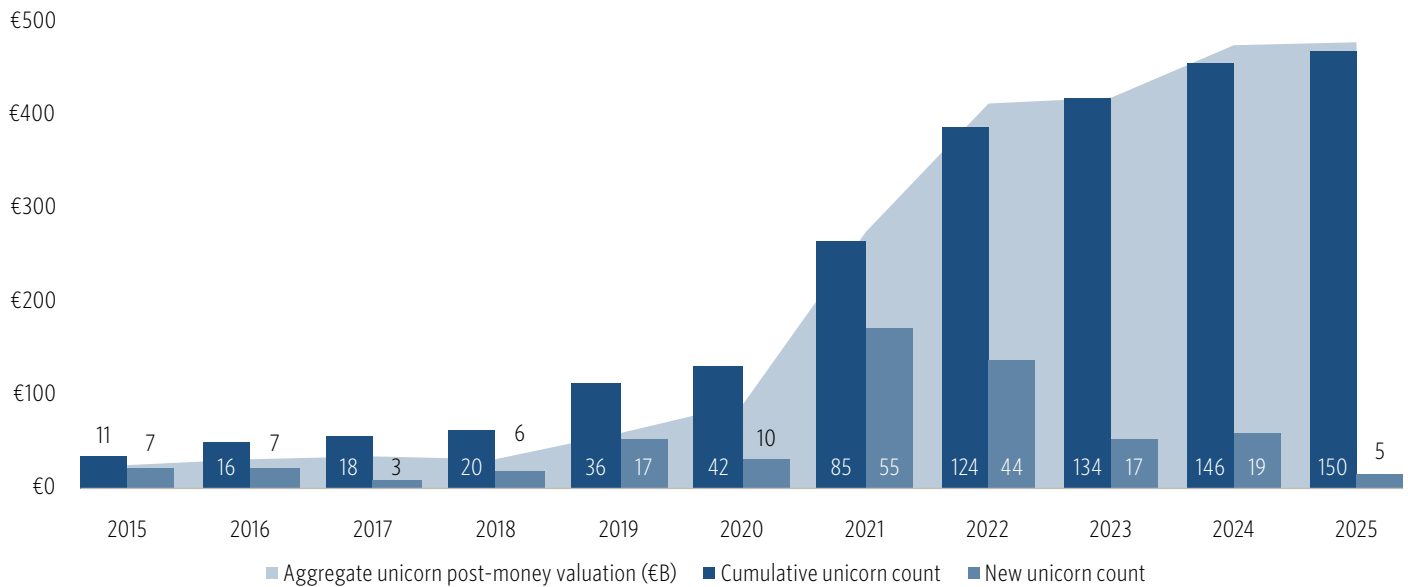
Recovering deal value leads to a growing market

Unicorn deal value is pacing above 2024. Q1 2025 deal value sat at €2.5 billion, over 14 transactions—a run rate that implies that 2025 levels could surpass 2024 if maintained for the rest of the year. AI continues to support this mature area of the market. As mentioned, this falls in line with deal size trends seen by stage, where venture-growth valuations and deal sizes have shown resilience; and although AI valuations have lagged in the earlier stages, over half of the unicorn deals in Q1 2025 were from AI firms. The largest was the aforementioned €536 million round from Isomorphic Labs, followed by €473.6 million from Rapyd Financial Network, and €251 million from Neko Health.

The market is growing as step-ups in valuations have offset haircuts. The aggregate unicorn market value sat at €477.3 billion as of Q1 2025, broadly flat YoY.

This comprised 150 names, where an addition of five names to the herd was offset by one exit (via bankruptcy), leading to a net addition of four to the European unicorn count. From a broader sector perspective, of the five new unicorns, two were healthcare companies and three were IT firms. More specifically by vertical, four of the five new unicorns were in the AI & ML space. The three highest-valued names included Synthesia, Neko Health, and Isomorphic Labs, showcasing the role AI applications have across various industries, from SaaS to life sciences. Unicorn valuation creation in Europe has been skewed to the upside. Our thesis that we outlined in our [Q4 2024 Analyst Note: European Unicorns—Modelling Myth or Magic?](#) anticipated a shrinking of the market, but that has not played out. This is not to say that there have not been significant haircuts in company valuations. However, the caveat we noted of several step-ups and new unicorn value offsetting large declines seems to be playing out.

Unicorn count and aggregate post-money valuation (€B)

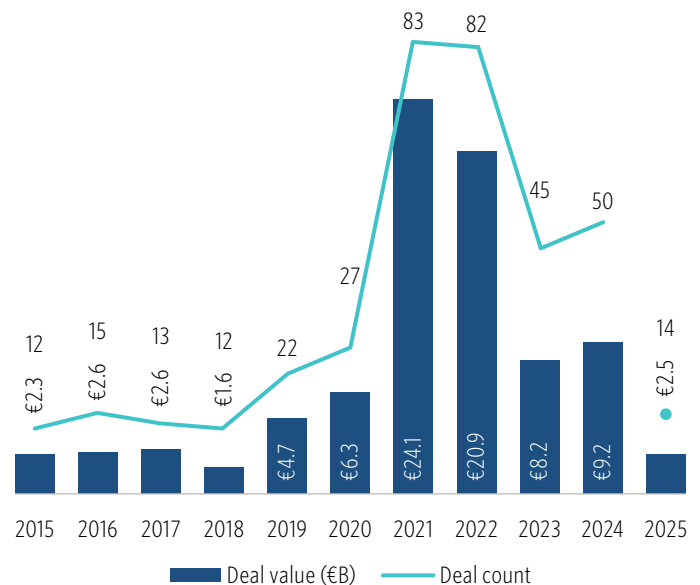


Source: PitchBook • Geography: Europe • As of 31 March 2025

A tough year ahead for (unicorn) exits

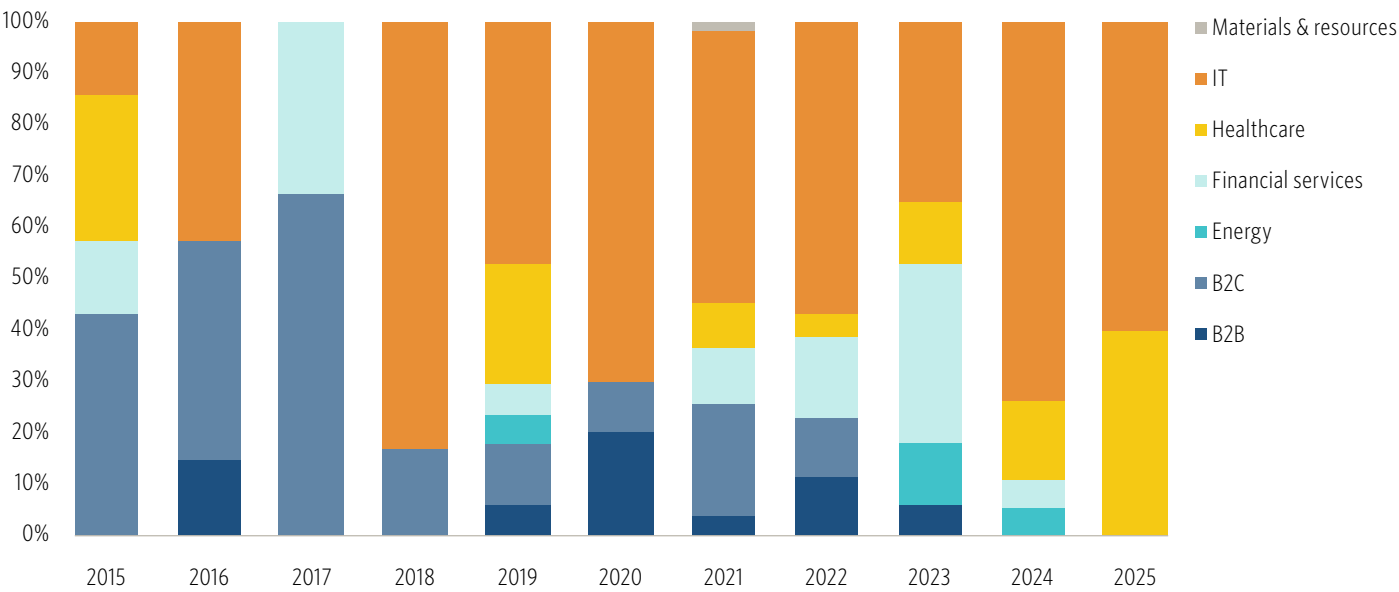
The unicorn exit environment is set to be challenged in 2025. Despite valuations and volatility being at a sweet spot for listings in Europe in Q1 2025, the privately backed space of the market saw limited listings in the quarter, whilst nonbacked listings saw some uptick. Unicorn exits via any strategy were also challenged, with none occurring apart from a bankruptcy with one name. In the entire European venture ecosystem, the share of exit count by strategy was similar to 2024, where nearly 75% fell in acquisitions and only two VC-backed listings occurred. Since Q1—as we note in [Tariffs and European VC: IPO Window Threatened First](#)—both conditions needed for a window have been derailed by geopolitics, with our forecasts now pointing to a closed window in 2025 and such only reopening in H1 2026.

Unicorn VC deal activity



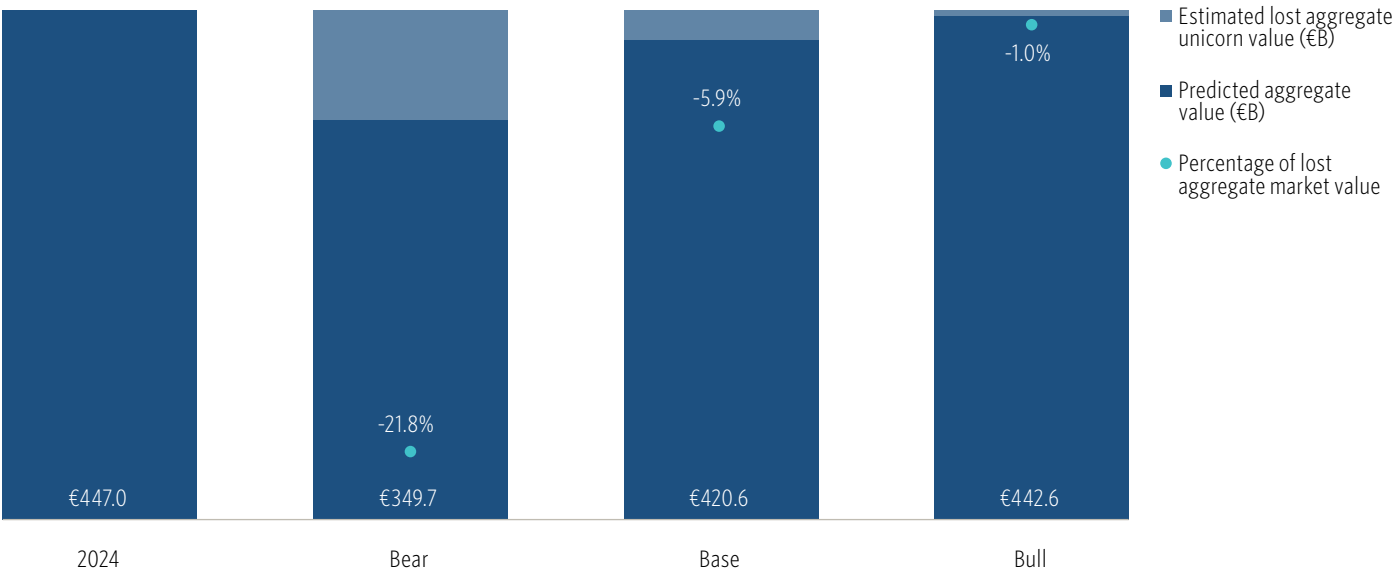
Source: PitchBook • Geography: Europe • As of 31 March 2025

Share of active unicorn count by unicorn mint year and industry



Source: PitchBook • Geography: Europe • As of 31 March 2025

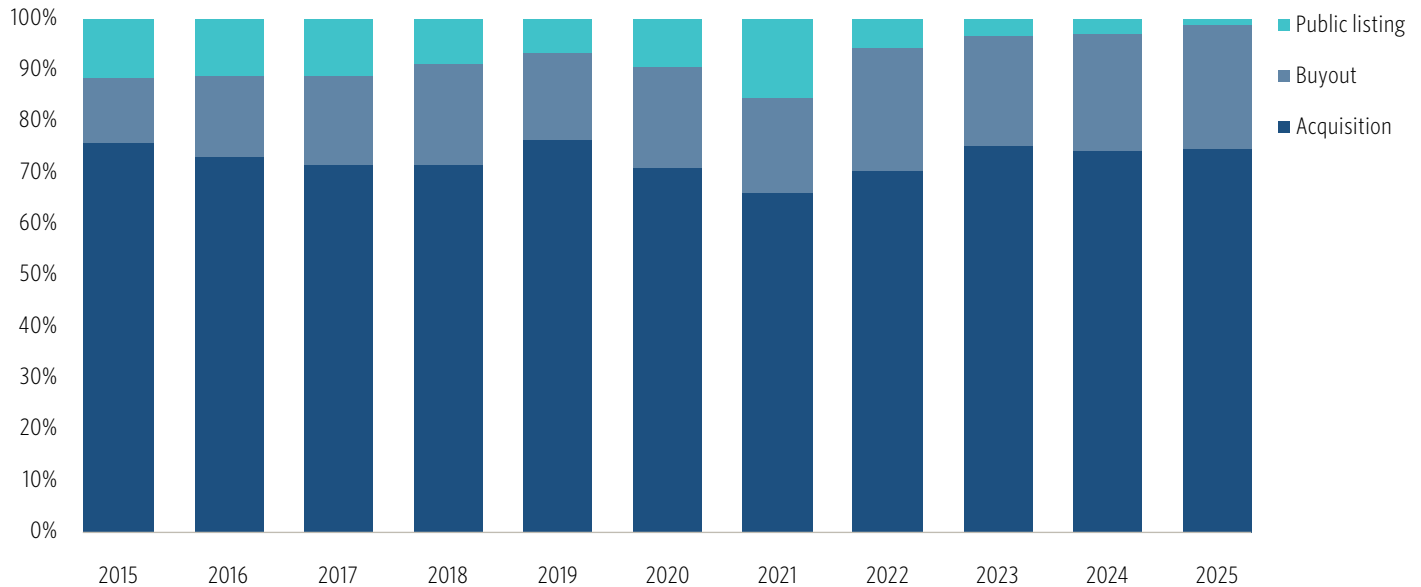
Bear-to-bull unicorn value step-downs



Source: PitchBook • Geography: Europe • As of 20 August 2024

Liquidity

Share of VC exit count by type



Source: PitchBook • Geography: Europe • As of 31 March 2025

All exit types will be affected, giving rise to more nascent strategies. It is not just listings that will prove difficult in the coming year. We have also seen several players pause acquisitions; and generally, across deals, exits, and fundraising, volatility will add to timelines as financial stakeholders adopt a wait-and-see approach. Given how much the exit environment in venture is tied to public markets, the impact will be felt first and the most here. It is likely that continued challenged exit markets will give rise to other asset classes that finance the same mature, venture-growth part of the ecosystem. Two that we have noted since last year are venture debt and secondaries. [Venture debt deal value had a record year in 2024](#), and direct secondary transactions have become more utilised in Europe. Asset prices still seem to be at discounts, but such seems to be narrowing.

The rise of secondaries coincides with initiatives like the Private Intermittent Securities and Capital Exchange System (PISCES) in the UK, which may help liquidity in private markets. PISCES is a UK government initiative aimed at creating a regulated secondary market for shares in private companies.¹ Unlike traditional public exchanges, PISCES facilitates periodic trading windows for existing shares, allowing private company shareholders to realise gains without a full public listing. The platform operates under a financial market infrastructure sandbox, overseen

by the Financial Conduct Authority, with legislation expected by May 2025. It offers stamp duty exemptions and tailored disclosure requirements, targeting institutional and sophisticated investors. Whilst PISCES aims to enhance liquidity and provide an exit route for early investors, it has faced criticism that it shares similarities with the underperforming Alternative Investment Market and may not sufficiently address the need for more UK institutional investments in public equities. Concerns have also been raised about the potential reluctance of fast-growing companies to relinquish control over their shareholder base.

¹: "Private Intermittent Securities and Capital Exchange System (PISCES): Consultation," Gov.UK, HM Treasury, 6 March 2024.

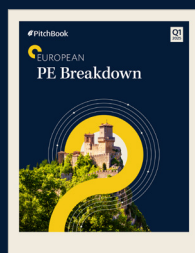
Additional research

Private capital



Q1 2025 European Venture Report

Download the report [here](#)



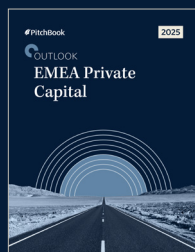
Q1 2025 European PE Breakdown

Download the report [here](#)



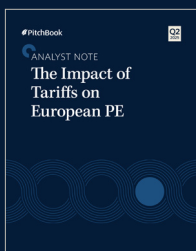
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