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# Investors COVID-19 Survey

July 2020



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# Introduction

C-19 INVESTOR SURVEY

The purpose of this survey was to evaluate the impact of the Covid-19 pandemic on the Portuguese startup ecosystem.

The survey starts with the characterisation of the participant investors, their companies, teams, business models and preferred funding stage.

The following set of questions focuses on the direct impact of the pandemic, namely on business and funding runway, and on investment decisions and focus.

Finally, the survey ends with the investors' outlook for post Covid-19, the necessary measures, opportunities and plans going forward.

## EXECUTIVE SUMMARY

Survey respondents are mainly Business Angels (60%) and most (90%) focus their funding on early stage startups.

60% report a negative impact from C-19 on their investment portfolio, while 25% registered no impact so far.

Consequently 55% have decided to reduce their investments, 30% will keep their plans, and interestingly enough 15% will actually increase their investments during C-19.

55% have decided to shift their investment focus and are thus looking for new sectors like food, energy, logistics or education. 20% are leaning towards new business models and 5% are selecting startups in different funding stages, mostly more mature.

Investors witnessed the online acceleration of the economy, the need to adopt digital solutions and the birth of new businesses.

Governments should help by cutting taxes on investments and startups, increasing subsidies in value and scope, and also implementing flexible hiring policies.

Going forward, investors highlight the need for networking and partnerships to increase investments and portfolio diversification, for extra funding to improve resilience and for leaner structures to improve flexibility.

There's a new landscape and way of doing business and all companies need to adapt quickly.

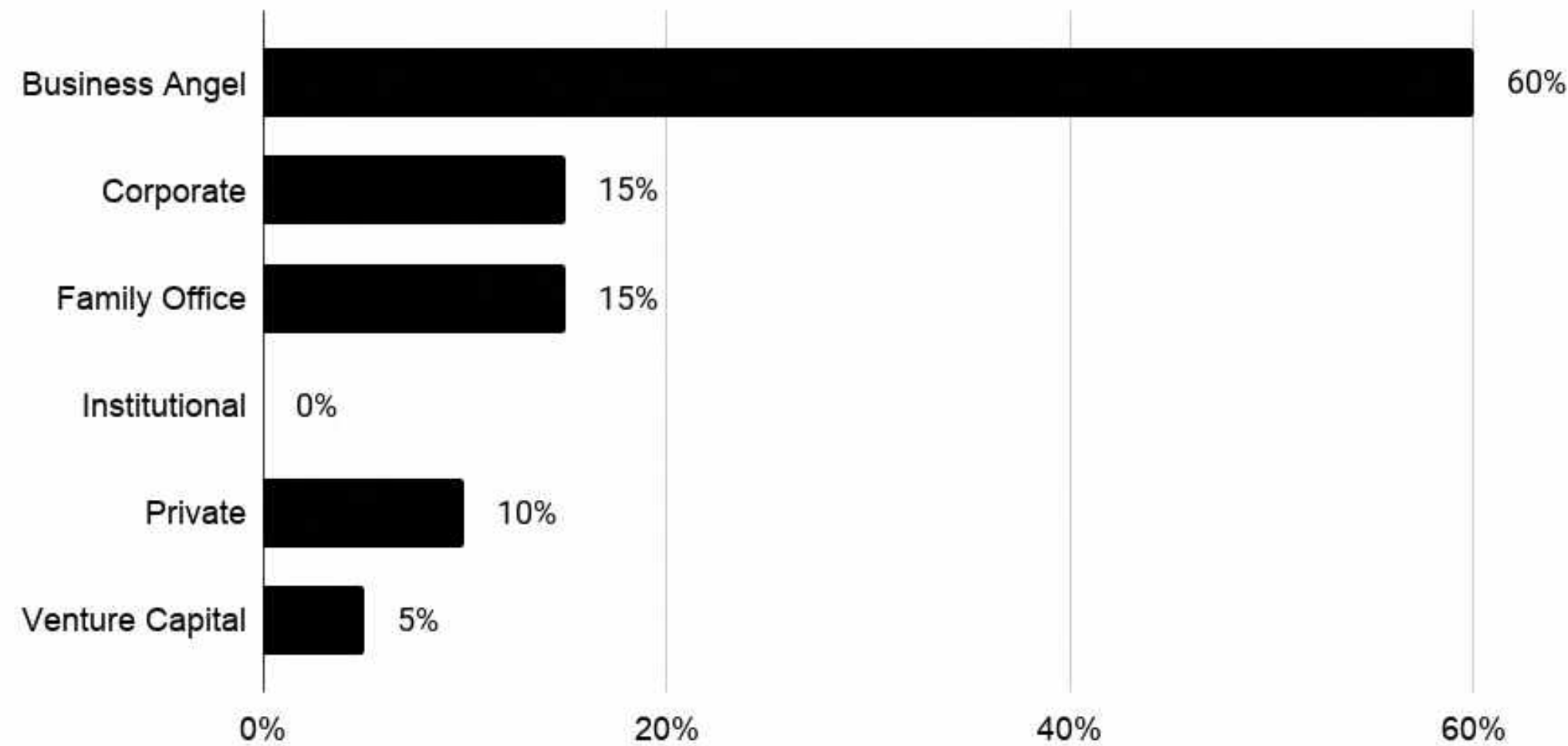


# Profile

## SECTION 1

Tell us about your investor profile

# Q1. INVESTOR TYPE



Five types of investors are represented on this survey.

The **Business Angel** profile gathered the most responses (60%), followed by the **Corporate and Family Office** profiles (15%).

**Private and Venture Capital** investors are represented by 10% and 5% of the respondents respectively.

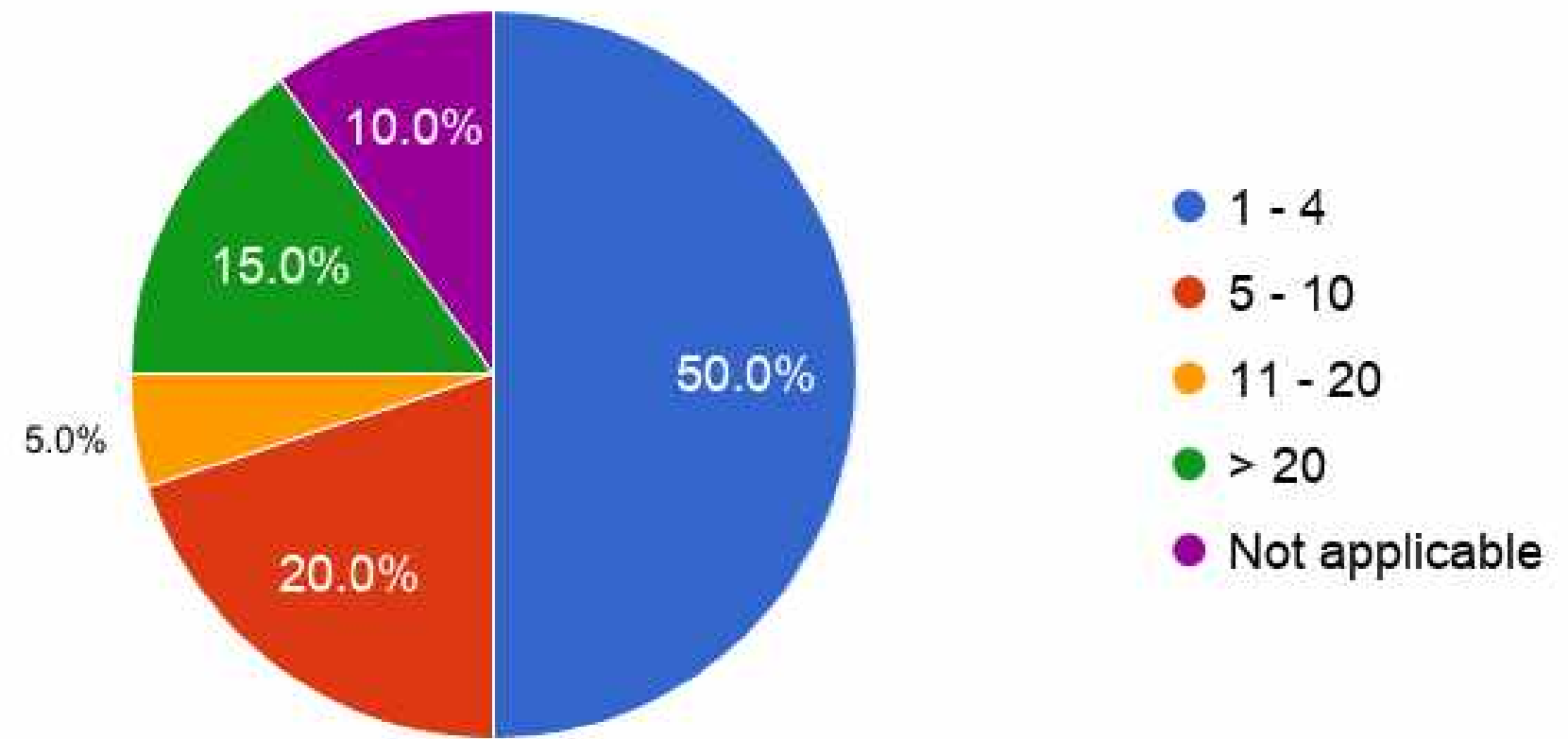
Q1 What type of investor are you? Multiple Answers Allowed



90% of all the investors have supporting teams.

50% have teams up to four people and 40% have more than five.

## Q2. SIZE OF TEAM



Q2 What is the size of your team?

## Q3. INDUSTRIES / SECTORS

### WORD CLOUD

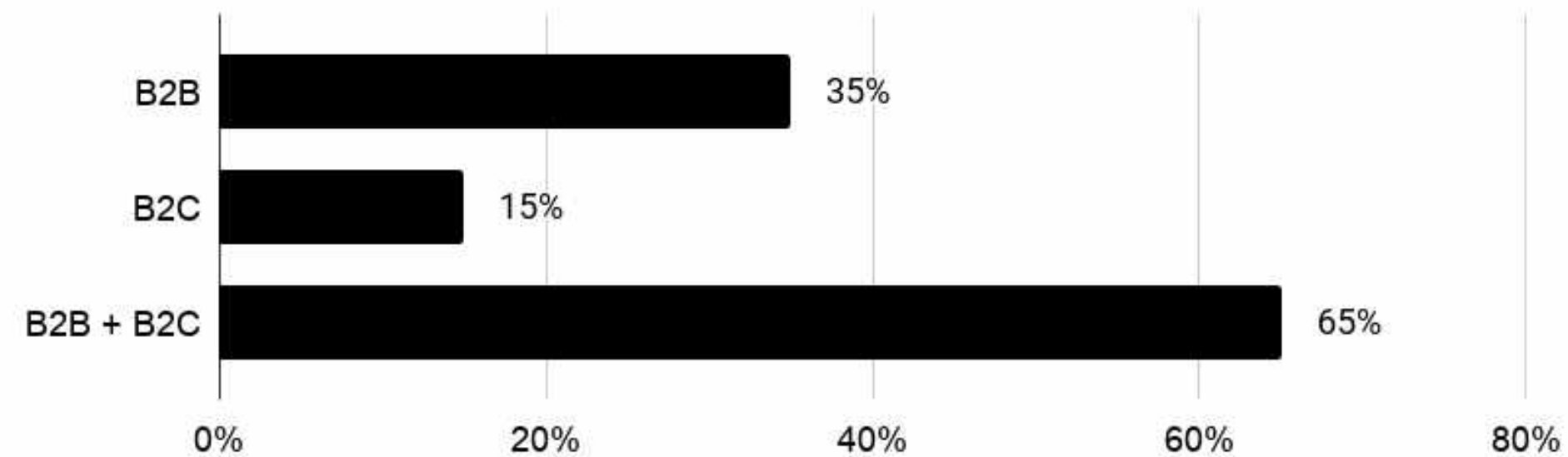


The industries / sectors most mentioned by the respondents were: **Energy, Tech, Financial and Food.**

The investors also have startups on **Health, Consumer, Digital and Sustainability** sectors.

Q3 Which are the industries / sectors you invest in?

## Q4. BUSINESS MODELS



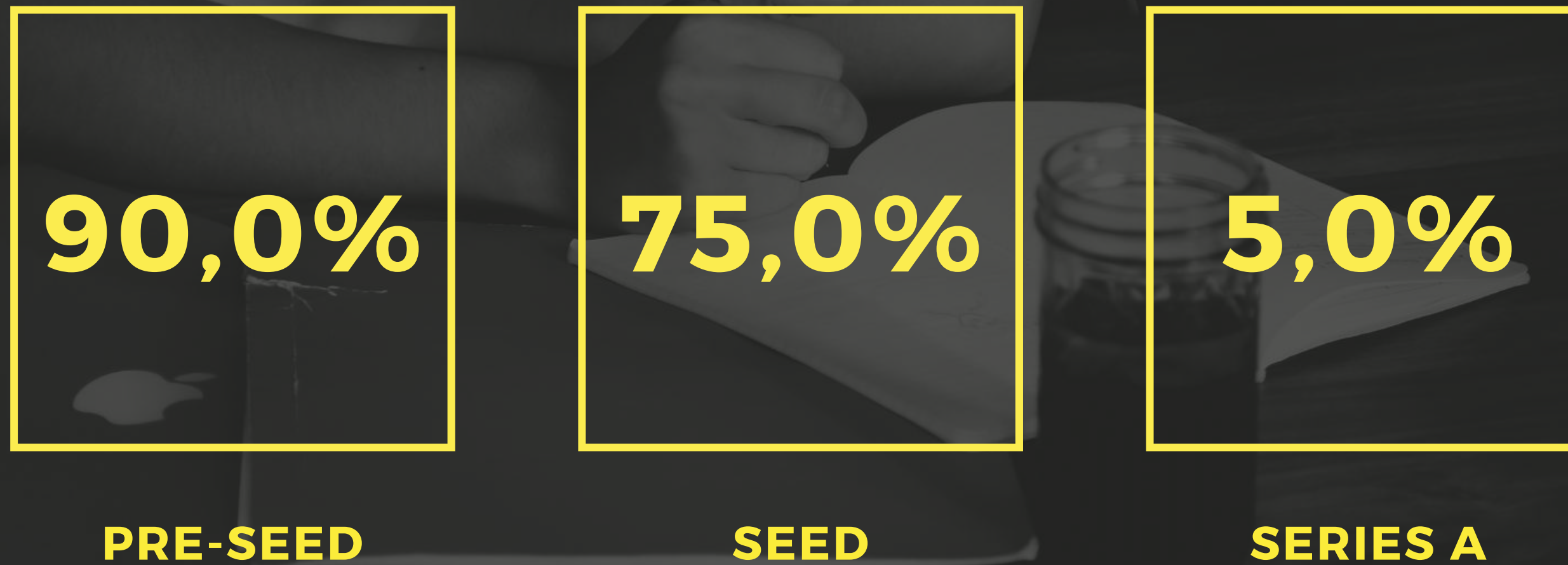
The **B2B + B2C** business model was identified on the majority (65%) of responses, followed by the **B2B** selected by 35% of the investors.

15% of the responses identified investments on startups focused only on consumers (**B2C**).

Q4 Which are the business models you invest in? Multiple Answers Allowed



## Q5. STAGES



Q5 Which are the stages of the startups you invest in? Multiple Answers Allowed



# C-19 Portfolio Impact

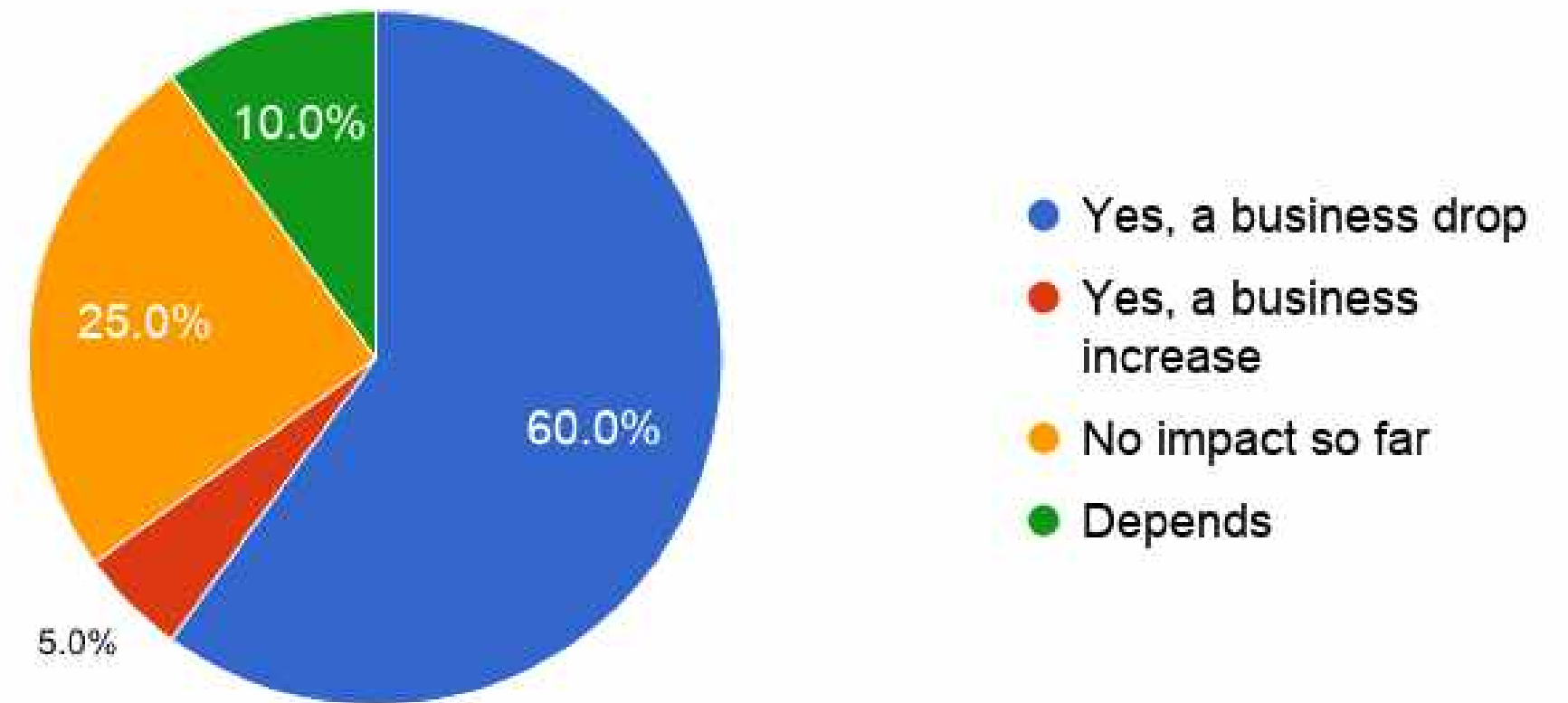
## SECTION 2

Tell us about the C-19 impact on your portfolio



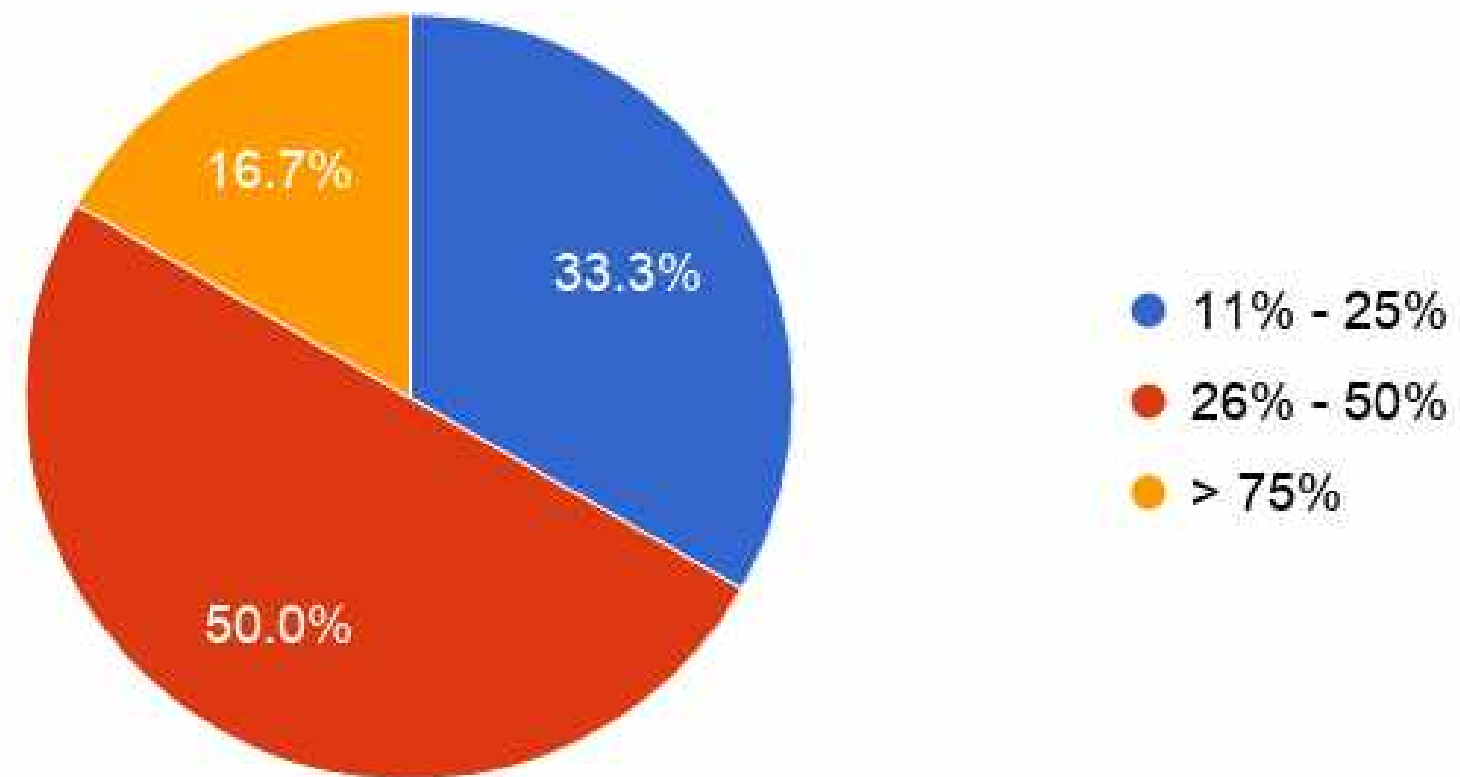
60% report a negative impact on their investment portfolio, while 25% registered no impact so far.

## Q6. PORTFOLIO IMPACT



Q6 Is the C-19 pandemic having an impact on your startups?

## Q7. BUSINESS DROP



**Most startups (50%) experiencing a business drop estimate a negative impact between 26% and 50%.**

**33% expect a lighter business drop from 11% to 25% .**

**Fortunately, only a small percentage (16,7%) of investors report large business drops of over 75%.**

Q7 What is your estimate for the business drop percentage of your startups?

## Q8. FUNDING RUNWAY

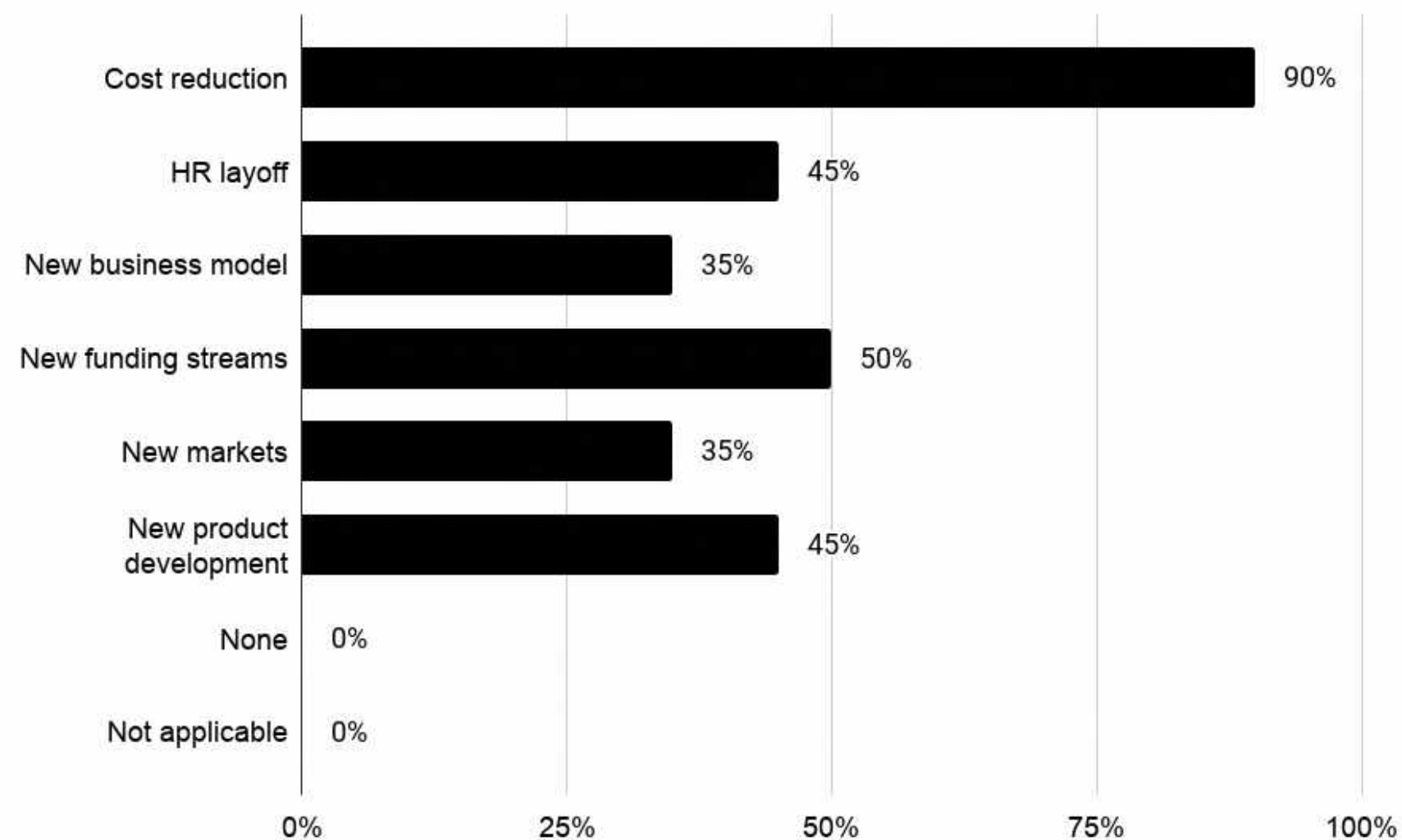


Q8 What is the expected funding runway of your startups now?



All startups have reacted to C-19 with almost all (90%) opting for overall cost reduction, and 45% needing to include HR layoffs on those cost cuts.

## Q9. REACTIVE MEASURES



Half of the startups are looking for new funding streams and many are venturing into new products (45%), new markets (35%) and new business models (35%).

Q9 What measures have been or will be taken by your startups? Multiple Answers Allowed

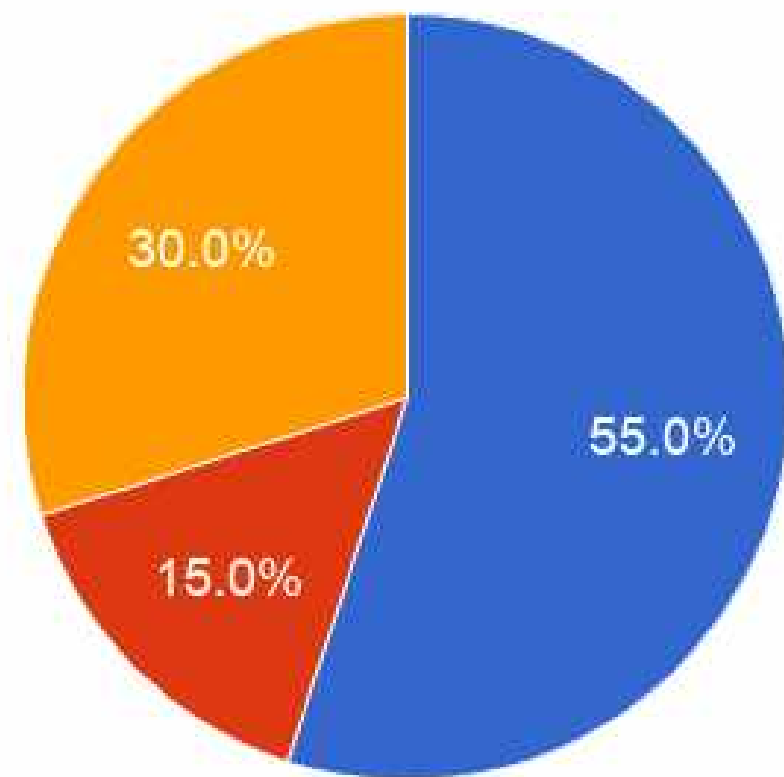


# C-19 Investment Impact

## SECTION 3

Tell us about the C-19 impact on your investment decisions

# Q10. INVESTMENT IMPACT



- Yes, an investment drop
- Yes, an investment increase
- No impact so far

**55% of the respondents decided to reduce their investments has a result of C-19.**

30% report no impact so far and will keep their plans.

**Interestingly though, 15% actually increased their investments during C-19.**

Q10 Is the C-19 pandemic having an impact on your investment decisions?

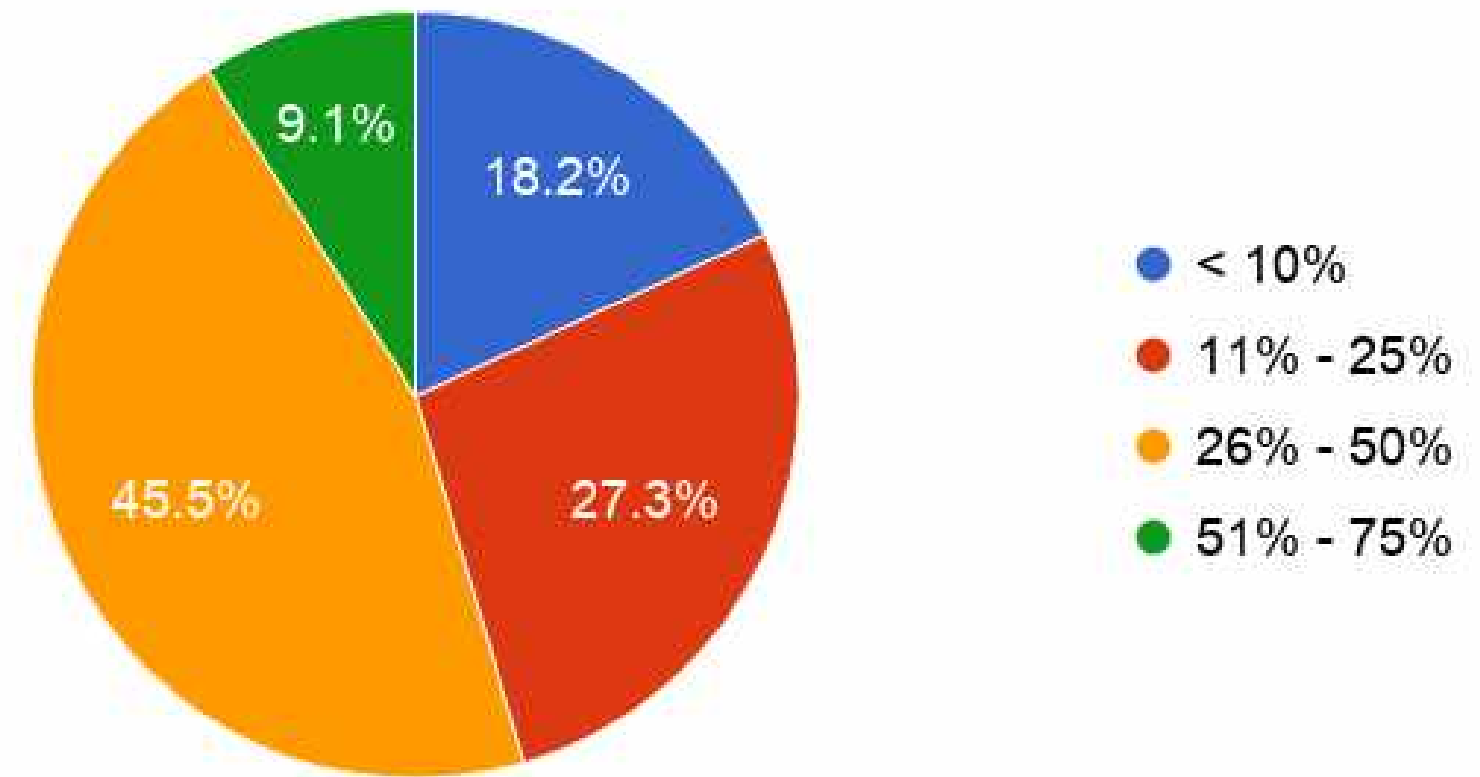




**45,5% expect  
an investment  
drop from 26%  
to 50%.**

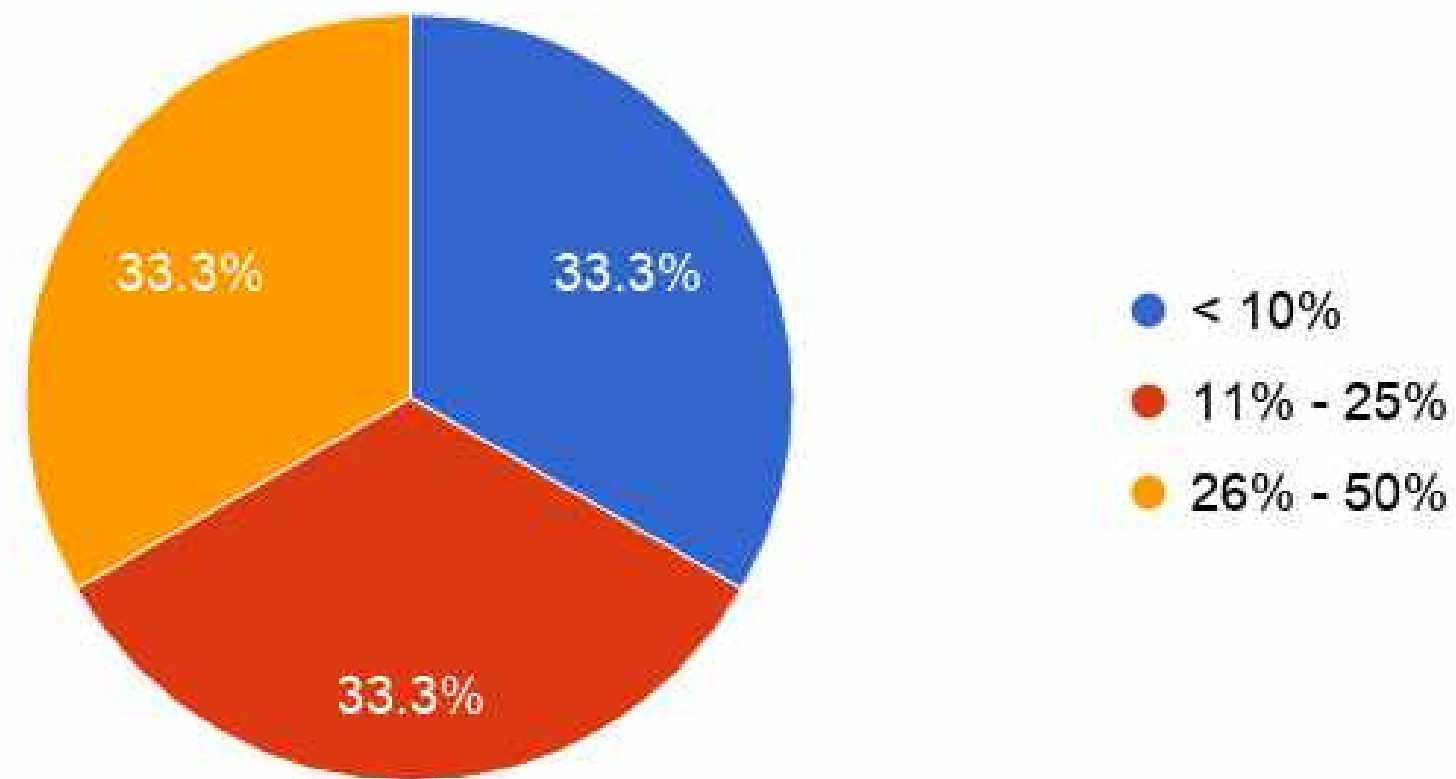
**27,3%  
of the investors  
report a 11% to  
25% reduction.**

## Q11A. INVESTMENT DROP



Q11A What is your estimate for the investment drop percentage?

## Q11B. INVESTMENT INCREASE



**The percentages of the answers for investment increase are evenly distributed between up to 10%, up to 25% and up to 50%.**

**These investors have startups on the Agriculture, Food & Beverages, Energy & Sustainability, Financial and Insurance sectors.**

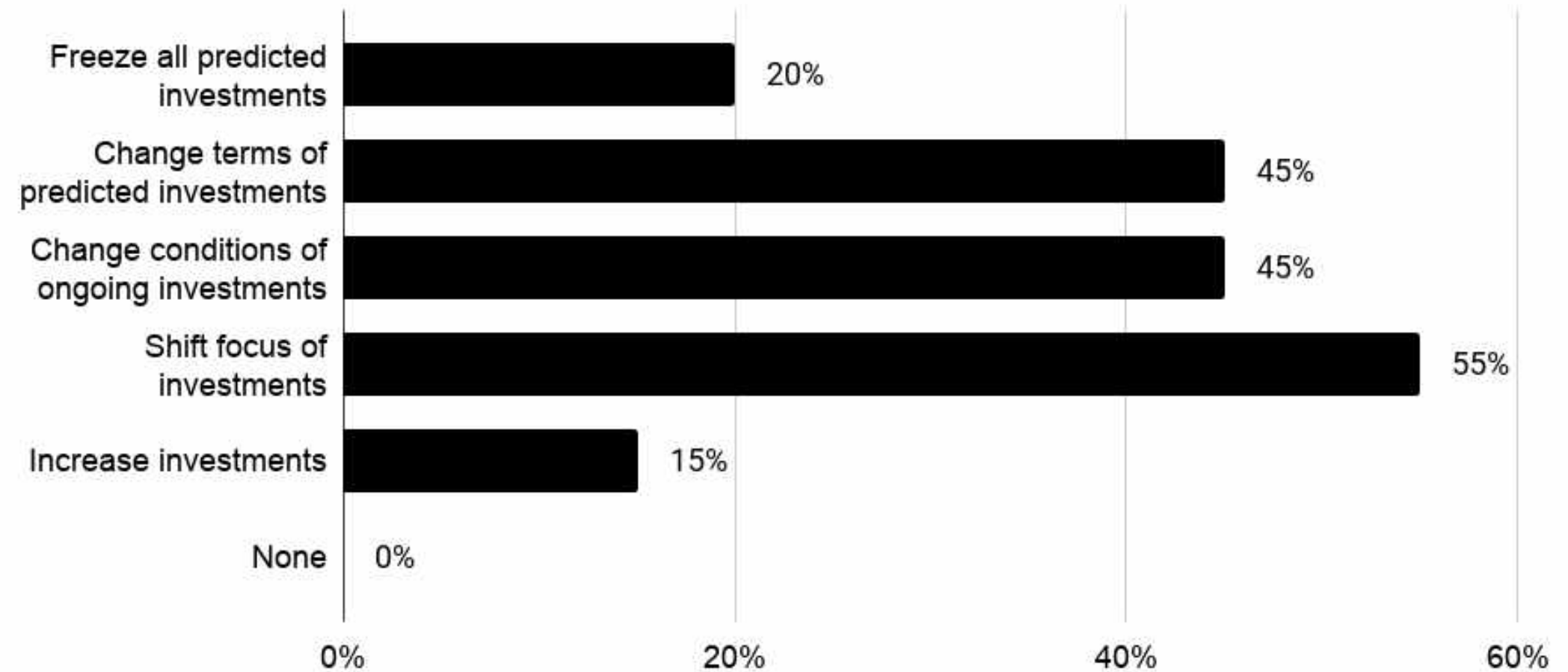
Q11B What is your estimate for the investment increase percentage?



55% have decided to shift the focus of their investments.

45% reacted by changing the terms of either ongoing or predicted investments.

## Q12. REACTIVE MEASURES



20% have frozen their decisions pending context evolution and 15% will invest more.

Q12 What measures have been or will be taken concerning your investment decisions? Multiple Answers Allowed

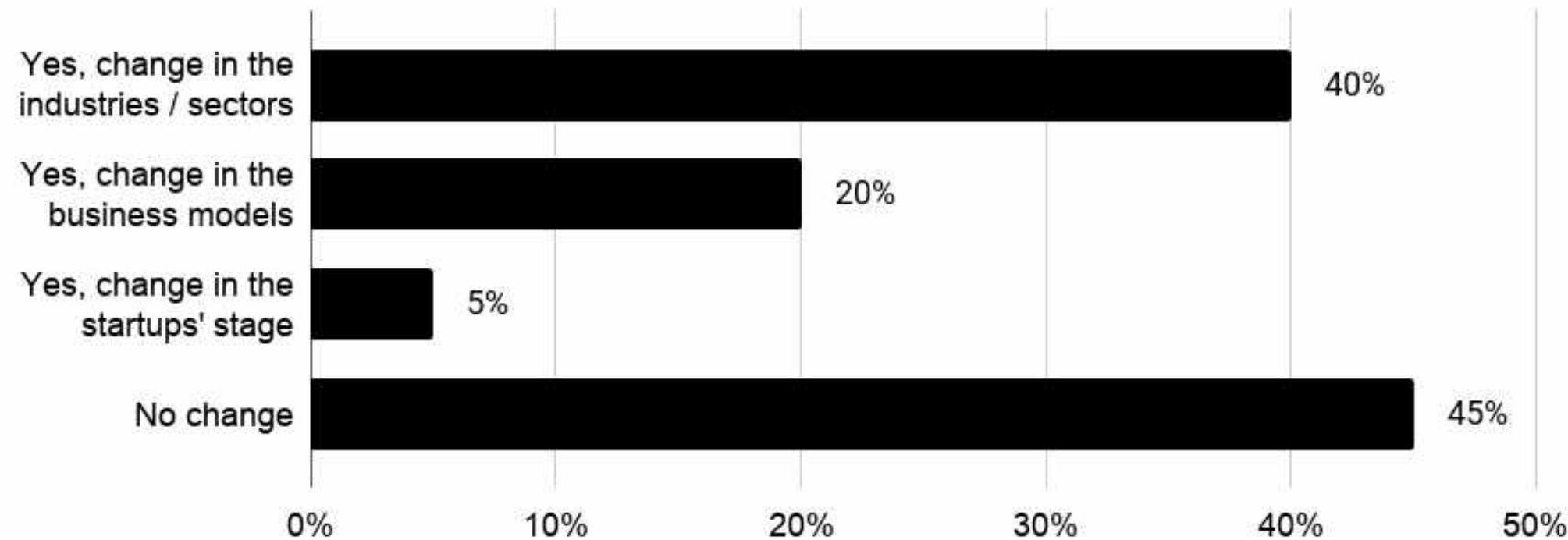
# Q13. SHIFT INVESTMENT FOCUS



**More than half (55%) of the investors have new investment focus.**

The majority (40%) of responses are for shifts to **new industries / sectors** and 20% are for leaning towards new **business models**.

Selecting startups in different funding **stages** had 5% of the responses.



Q13 Have you or are you planning to shift the focus of your investments? Multiple Answers Allowed

## Q14. NEW INDUSTRIES / SECTORS

### WORD CLOUD



Most investors are looking for opportunities on the **Food, Agro, Energy, Logistics and Tech** sectors.

Other mentioned sectors were: **Climate, Collaboration, Education and Digital.**

Q14 If you are shifting the focus, what are the new industries / sectors of interest?



50% of the investors are interested in B2B + B2C.

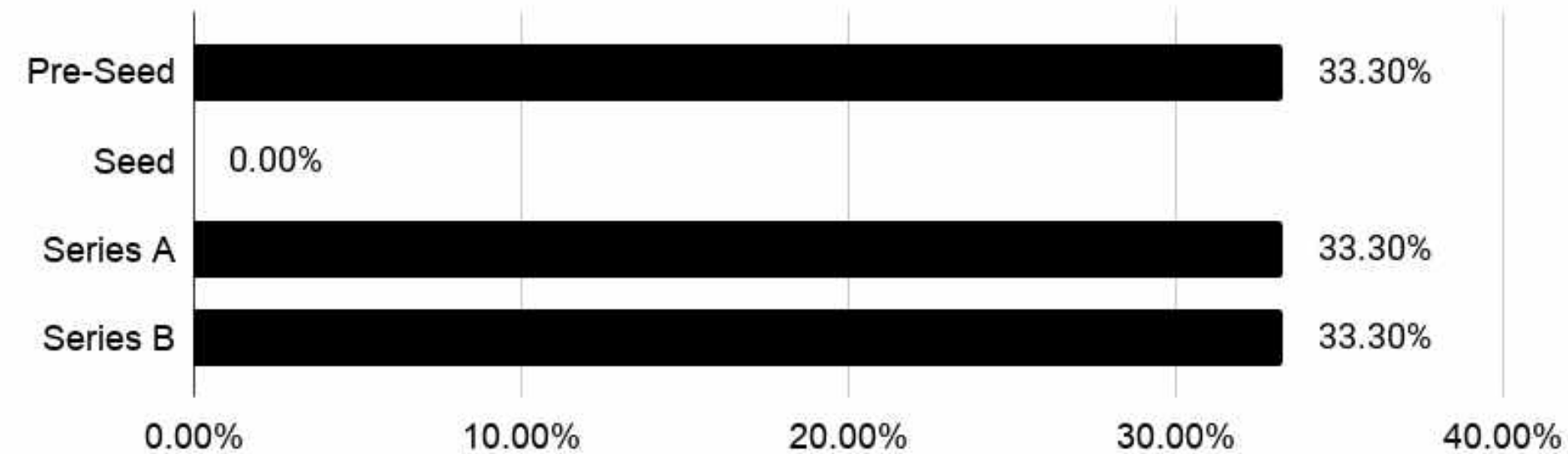
B2C business model was chosen by 50% of respondents.

## Q15. NEW BUSINESS MODELS



Q15 If you are shifting the focus, what are the new business models of interest? Multiple Answers Allowed

## Q16. NEW STAGES



Investment stage seems to have changed. Most respondents are focusing on stabler projects shifting to startups currently on **Series A (33,3%)** or **Series B (33,3%)** rounds.

The other third of responses is for early-stage **Pre-Seed** projects.

Q16 If you are shifting the focus, what are the new stages of the startups of interest? Multiple Answers Allowed



# Life After C-19

## SECTION 4

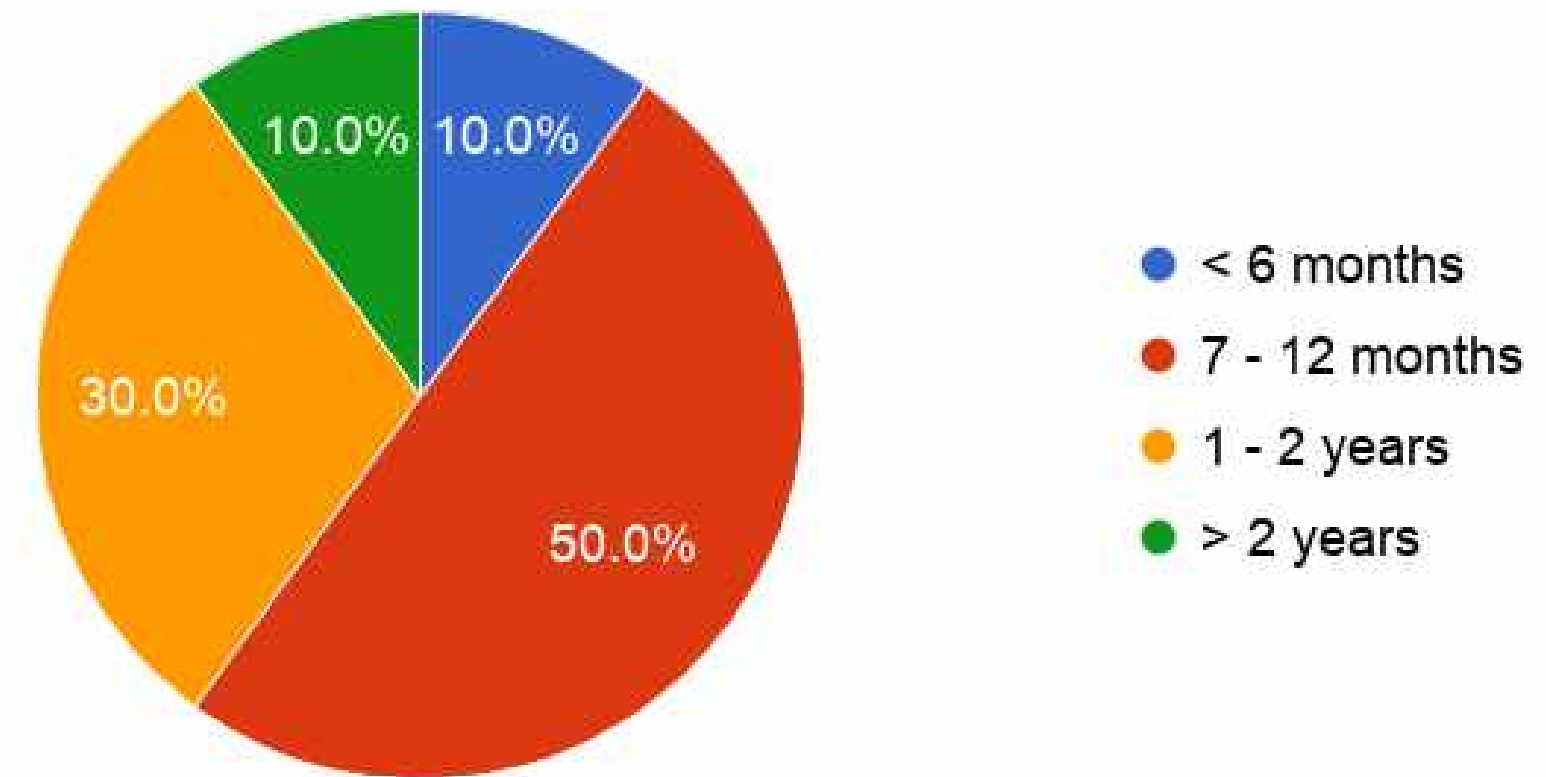
Tell us about your plans after C-19





Most of the answers fall in the middle, with 50% expecting recovery under 12 months and 30% expecting from one up to two years.

## Q17. ECONOMIC RECOVERY

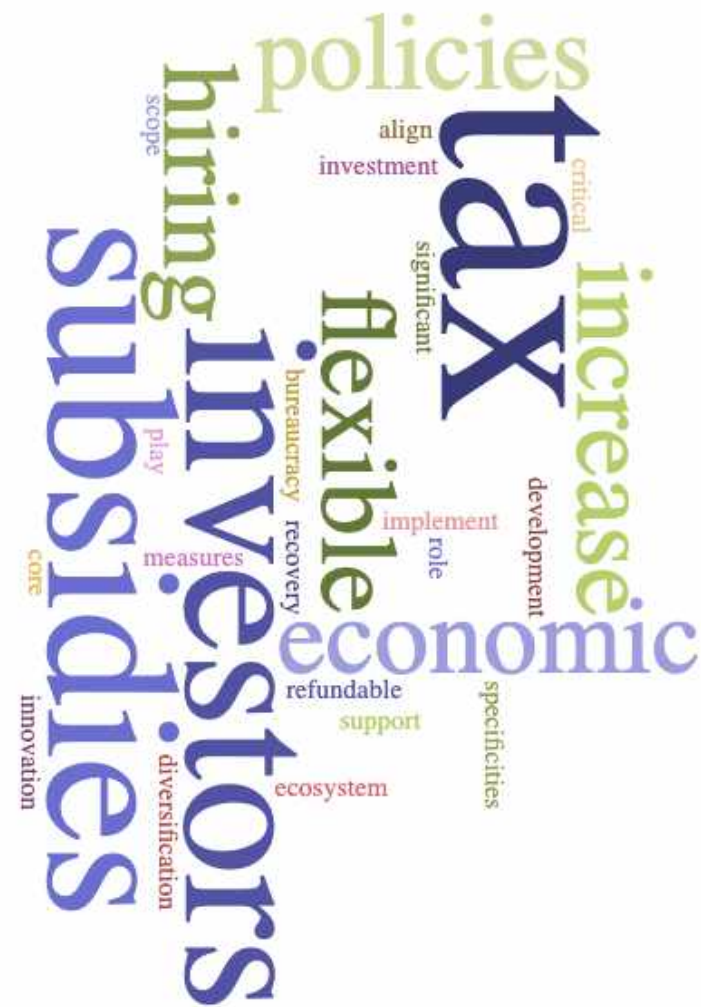


Q17 When do you expect economic recovery to start?



## Q19. EU & GOVERNMENT ROLE

### WORD CLOUD



Responding on the role of EU and Local Governments the most frequent keywords were: **Tax**, **Investors** and **Subsidies**. Also **Flexible** and **Hiring** were repeated.

"**Tax reductions**" or "**benefits for investors**", "**increase subsidies** in value and scope", "**non-refundable subsidies**" and "**flexible hiring policies**".





# Sample

This document reports on the responses to the Investors C-19 Survey, conducted from June 1st to June 30th 2020 via anonymous online form.

The sample size was 21 investors.

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