

## Press release

### CHF 1.2 billion for Swiss start-ups: clear decline in start-up investment

Lucerne/Zug, 13 July 2023 – Swiss venture capital financing was no longer able to escape the global downward trend in the first half of 2023. Just under CHF 1.2 billion was invested – a drop of 54% compared with the same period in 2022. However, the current half-year update of *Swiss Venture Capital Report*, published by the online news portal Startupticker.ch and the investor association SECA in cooperation with startup.ch, also shows that Swiss investors believe that rock bottom has been reached.

In the first six months of the current year, Swiss start-ups generated a total of CHF 1,196 million in venture capital, significantly below the two boom years of 2021 and 2022. The number of investments was more stable at 154 compared with 163 in the same period in 2022.

The area of digitalisation is primarily responsible for the decline. Start-ups from the ICT, fintech and healthcare IT sectors attracted only CHF 373 million in 2023, a decrease of more than 73% compared with the first six months of 2022. Not only were particularly large financing rounds missing, but there was also a fall across the board. At CHF 1.4 million, the median of the ICT financing rounds is more than 63% lower than in the same period in 2022, and also significantly below that of the pandemic years of 2020 and 2021.

#### Cantons Zurich and Zug faced with biggest decline – ray of hope from acquisitions

The cantons in which the majority of ICT and digitalisation start-ups are based accordingly recorded the greatest losses. In Zurich, the total amount invested was 70% below the previous year's value, and in Zug it reached 81%. In addition to the industry focus, the fact that the invested capital had risen sharply in both cantons in 2022 is also a factor.

M&A transactions provided a ray of hope: 32 start-ups were taken over – a new record – and of these 11 were acquired by Swiss companies, more than ever before in the first half of a year. Eight start-ups took over other companies in order to boost growth, similar to the previous year's level.

#### Outlook: environment remains challenging, but investors are optimistic

Our survey of approximately 100 Swiss investors, conducted by SECA, provides an outlook for the next 12 months. A third will make fewer new investments in the next year and focus more on follow-up financing. Thus, the financing environment for start-ups will remain challenging. According to the investor responses, start-ups that want to receive investment have to prove that they can efficiently achieve business milestones with the capital invested, and they will have to accept compromises in their valuation.

Almost half of the lenders surveyed expect investment to continue to decline slightly over the next 12 months; however, a third anticipate a recovery. Overall, respondents are more optimistic about the coming 12 months than they were a year ago.

## Figures in detail

Announced financing rounds and invested capital in Swiss start-ups in the first half of the year.

First half-year	Invested capital (CHF m)	Number of financing rounds
2019	1183.0	85
2020	763.4	105
2021	1755.9	124
2022	2585.8	163
2023	1195.5	154

The half-year update for the first six months of 2023 is available as a PDF at <https://www.startupticker.ch/en/swiss-venture-capital-report>

### About Swiss Venture Capital Report

*Swiss Venture Capital Report* collects and analyses all published venture capital investment in Swiss start-ups. The report was created by the editors of the national news portal Startupticker.ch and SECA (Swiss Private Equity & Corporate Finance Association) in cooperation with startup.ch. In addition to the magazine that appears in January, a half-yearly update has been published in July for the last four years.

### About Startupticker.ch

The national news portal Startupticker.ch provides information on current events in the Swiss start-up scene on a daily basis and in a weekly newsletter. The focus is on news about young companies and their success, support offers for founders and background reports. Startupticker.ch began more than 10 years ago and has established itself as the leading medium of the Swiss start-up scene. The client is Innosuisse, the federal innovation agency. In addition, the Startupticker Foundation is supported by more than 40 organisations and companies.

### About SECA

SECA, the Swiss Private Equity & Corporate Finance Association, represents the Swiss private equity, venture capital and corporate finance areas. Its aim is to represent private equity and corporate finance activities to the relevant target groups and the general public. In addition, it encourages the exchange of ideas and collaboration between members and their customers. The promotion of professional training and the development of ethical rules of conduct and their implementation are further areas of responsibility.

### About startup.ch

Startup.ch is the main directory for Swiss startups and offers a platform to get insights on the best of them and discover the top investors and experts of the Swiss startup ecosystem and beyond. Spot global rising stars and track all funding activities in Switzerland to identify your next investment opportunities. Together with the TOP 100 Swiss Startup Award, it is one of the main tools to help Swiss startups be visible. Startup.ch is provided by Venturelab Ltd.

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