

Stockholm a breeding ground for tech billionaires

Written by Staff reporter

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Great companies and entrepreneurs can come from anywhere; the qualities needed to be a great entrepreneur are not confined to any one country. But some countries or cities are home to more successful tech companies than other – and Stockholm is one of these, according to new research by investment firm Atomico, which is controlled by Skype's co-founder Niklas Zennström.

The study combined data from multiple sources along with the investment firm's own research, and for the first time looked at the global distribution of Internet and software companies founded within the last decade that had reached a valuation of over \$1 billion.

"Valuation isn't everything and is in many senses a crude yardstick, but the billion-dollar mark is generally accepted to represent truly phenomenal success," Zennström wrote in an analysis.

In absolute terms, Silicon Valley is the single most prominent tech hub, with 53 companies. But the majority of the 138 companies that met the billion dollar bar have actually been built outside the Valley, with 61% coming from other cities.

The rest of the top five hubs are: Beijing (17), New York (7), Stockholm (5) and Los Angeles (4).

However, on a per capita basis, Stockholm is the second most prolific tech hub globally, with 6.3 billion-dollar companies per million people, compared to Silicon Valley with 6.9.

The five Stockholm based companies with the billion dollar plus value are: King, Skype, Klarna, Mojan and Spotify — all world famous brands.

On a country level, Sweden had the third most billion-dollar firms, after the US and China, the

results showed.

Zennström wrote in an opinion piece published by daily Svenska Dagbladet that Sweden has every reason to feel proud of the results, especially the entrepreneurs who contributed to the development.

"Personally, I am extremely pleased and proud of this result", he said, adding that Stockholm has the potential to be a great place even for the next generation of IT entrepreneurs to build multinational companies.

Other findings in the study included:

- The average time taken to reach the level is six years from founding.
- The sectors with the largest number of billion dollar companies are: Enterprise Software Applications (23), E-commerce (21), Social communications (18), Gaming (13).
- Healthcare (2 companies) and education (1 company) are two of the most obviously underrepresented sectors in terms of number of billion-dollar companies founded since 2003.
- 48% of billion-dollar companies have enjoyed a liquidity event: 43 via IPO and 23 via M&A.
- Companies from 15 different countries have reached a billion-dollar valuation. The US, China and Sweden are the top three nations.

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Atomico invests in fast-growing technology companies around the world, with the aim of helping them scale up to become global leaders.

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