

France scores another tech unicorn as SMB expense management heats up

Article

The news: Corporate spend management platform **Spendesk** became the **fifth French startup unicorn** this month after its **€100 million (\$114 million) Series C extension**.

Spendesk's offering: The French fintech calls itself an “all-in-one” corporate spend management solution that lets mid-sized customers automate and better visualize their expenses. Companies can give employees debit cards, approve expenses, and reimburse employees in one central location.

Spendesk's platform has proved popular with a host of medium-sized tech companies—including **Soundcloud and Wefox**—and the fintech said it **more than doubled its revenues in both 2020 and 2021**.

A closer look at SMB expense management: Investor interest in the space has **rocketed** in the past year.

- A slew of sizable SMB-focused expense management funding rounds closed in 2021.
- In December alone, Copenhagen-based **Pleo raised a \$200 million Series C round**, and US-based **Rho netted \$75 million in a Series B round**.
- Sky-high investor interest stems from growing demand from the client side: In the UK and the US, **36% of businesses** said they planned to upgrade their spend management and expense controls, according to a September 2021 PYMNTS report.

Zooming in on the French tech ecosystem: Spendesk joined **Qonto, PayFit, Ankorstore, and Exotec** in becoming a unicorn in January.

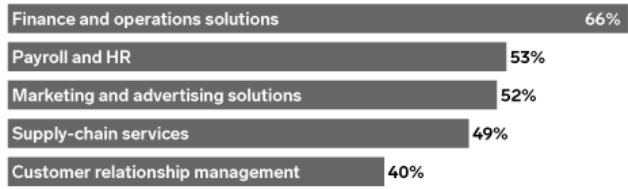
The French tech ecosystem is **booming**—it became Europe's **third-biggest fintech funding hub in H1 2021**—spurred by a supportive Macron presidency that took measures like overhauling tech visas and distributing **€4 billion (\$4.56B) to bail out local startups** during the pandemic.

Despite France's hot start to 2022, we expect it will continue to trail behind the leading European fintech hubs, the **UK and Germany**.

UK-based and Germany-based startups **raised \$16.8 billion and \$5.3 billion more in total venture capital funding** last year than their French counterparts—a larger gap in both cases than in 2020, per a 2022 report from CB Insights.

Areas Where US SMBs Have Shifted Online, Jan 2021

% of respondents



Note: businesses had fewer than 500 employees

Source: Localogy, "Modern Commerce Monitor: Wave 6.1," March 18, 2021

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