

AI fuels uptick in US investor share of European dealmaking

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US investors are again turning their attention to Europe's VC market as AI investment drives increased participation.

Having retreated from Europe with the downturn in dealmaking in 2023, US investors are taking a larger slice of dealmaking, especially in AI. According to PitchBook data, they participated in 413 AI VC deals worth

€7.5 billion (about \$8.7 billion), accounting for 27% of the overall deal count and 67% of the deal value in the space.

US investors' interest in the space has contributed to a rise in their overall participation in European VC deals. So far this year, 22% of European VC rounds, or 1,081 deals, have featured investors from across the pond, up from 21% last year. This is their highest level of participation in percentage terms, matching 2022's levels.

World-class universities and a high concentration of AI talent are luring US investors to Europe. According to [data from Sequoia](#), Europe's software engineering workforce has a per-capita share of AI specialists that is 30% higher than in the US and nearly three times greater than in China.

For European startups, taking on US capital can lead to higher valuations, greater liquidity and an easier exit pathway when the time comes. With less late-stage funding available in Europe, US investors are stepping in to fill the gap.

All but one of Europe's 10 largest VC deals this year have featured US firms and, in some cases, only American investors.

In March, London-based [Isomorphic Labs](#) raised \$600 million in its first external funding round for AI-first drug discovery. [Thrive Capital](#) led the investment, which also featured [GV](#) and [Alphabet](#). Additionally, Israeli large language model developer [AI21 Labs](#) secured a \$300 million Series D in May, with investments from Alphabet and [Nvidia](#).

US investors are also leading many of Europe's most high-profile rounds. [Lightspeed Venture Partners](#) was at the helm of a \$260 million Series B for [Neko Health](#), a Swedish body scanning startup launched by Spotify founder Daniel Ek. AI video communications company [Synthesia](#)'s \$180 million Series D was led by [NEA](#).

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