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SUCCESS FACTORS OF UNICORN COMPANIES IN THE BALTIC STATES

Bachelor's thesis

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I have written this thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced.

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Introduction

Unicorn companies, those startups valued at over \$1 billion, have emerged as significant players in the global business arena, reshaping industries and economies. The founders of these enterprises have changed the perception of entrepreneurial possibilities and demonstrated that owning a unicorn can be a reality.

Starting from the point when Aileen Lee¹ (2013) introduced unicorns as a rare observation in 2013, the worldwide situation has changed from only 43 unicorns to over 1200 unicorns in 2024 with a total cumulative valuation of over \$3800 billion (CB Insights, 2024), showing a significant increase in the occurrence of success (Kuckertz, Scheu & Davidsson, 2023). However, Bock & Hackober (2019) emphasize that even with the emerging cases of startups that turn into unicorns, they still are a rare phenomenon and hold a unique set of success factors in contrast with startups that do not achieve this status.

Startups are the new fuel for the economy, as they tend to innovate and apply new technologies to solve problems today and in the future (Keckes, 2021). Van Praag & Versloot (2007) support the idea of economic contribution, stating that entrepreneurs with their emerging companies create significant value for the economy and advocate it with "employment generation and dynamics, innovation, productivity and growth, and the creation of utility" (p. 367). However, Kenney & Zysman (2018) argue about the potentially detrimental effects of startups, particularly those transforming into unicorns. They raise concerns that unicorns' aggressive pursuit of growth, marked by high operational costs, sustained losses, and predatory practices, does not align with societal interests (Kenney & Zysman, 2018). Concerns about the devaluation of labor further complicate the narrative, as startups may prioritize automation and cost-cutting measures. Distinct promotional strategies are essential for newly established firms with public funding. To foster a nurturing environment where startups can thrive and contribute value to society during their growth phase, policymakers should prioritize understanding the key factors that contribute to both failure and, more significantly, success in these ventures. (Autio, 2016)

It has been discovered that the location of a scaleup startup may play a pivotal role in its growth. The presence of entrepreneurial hubs and a strong support system from governmental institutions help startups to scale. (Bock & Hackober, 2020; Keckes, 2021;

¹ Lee has been a member of Kleiner Perkins Caufield & Byers, a founder and CEO at the KPCB backed company RMG Networks, as well as a founder of of Cowboy Ventures, "a seed-stage fund that backs entrepreneurs reinventing work and personal life through software" (Lee, 2013).

SEP, 2015) Literature is in line with the statistics, as the main geographical locations of unicorns are the United States, China, India, the United Kingdom, and France (Enginsoy, 2023). The situation in the Baltic states differs – there are 10 unicorns in Estonia, 2 in Lithuania, and 1 unicorn in Latvia (Statista, 2023). There is a research gap in assessing the success factors of unicorn companies in the Baltic states and examining what drives their growth in the region. Most research for the Baltics comes from either the government or statistical centers, lacks hands-on experience, and focuses on the business ecosystem as a whole.

This thesis aims to clarify success factors that impact startups attaining unicorn status in the Baltic states.

To achieve the aim, the following tasks are set:

- to introduce the concept of unicorn and define it;
- to the role of financial metrics used for predicting the success of startups;
- to give an overview of previous studies on the success factors of startup companies and differentiate which factors help to scale a unicorn;
- to analyze companies' financial performance from annual reports during their journey to becoming a unicorn;
- to conduct interviews with representatives of unicorn companies in the Baltic states;
- to analyze the results of financial analysis and interviews and present the factors that facilitate attainment of unicorn status in the Baltic States.

Combining financial analysis with interviews with representatives of the unicorns introduces a valuable dimension to the research. As the current managers of the Baltic unicorn companies are the best informed about the venture's road toward success, their views will offer insights into the nuanced challenges and opportunities that may not be captured by broader statistical or governmental analyses (Ünal, 2019; Lehmler, 2021). As the Baltic states emerge as a potential hotspot for unicorn growth (Change Ventures, 2023), this research has the potential to inform not only the entrepreneurs themselves but also the policymakers and academic audience. By understanding the specific factors that contribute to the success of unicorns in the Baltic states region, venture owners can tailor strategies that may lead to valuations that exceed \$1 billion.

The first chapter establishes the theoretical foundation of scaling a startup to a unicorn, beginning with exploring the definition of unicorn companies. This section provides a conceptual framework for understanding the characteristics and attributes that distinguish

unicorn firms. Next, the author provides insights into the role of financial metrics and ratios in predicting startup success. To complete the theoretical background, the author examines the success factors crucial for the growth of startups and unicorns that are generally already found in empirical research by other authors.

In the second chapter, the focus shifts to the empirical analysis of success factors, specifically within the context of the Baltic states' unicorns. Firstly, the methodology and characteristics of researched data are provided. Then, the following subsections present the results of the financial analysis and interviews that were conducted. This thesis concludes with clarified success factors that entrepreneurs in the region can implement to achieve business valuations over \$1 billion.

Keywords: unicorns, success factors, the Baltic states, startups, interviews, financial analysis.

1. Theoretical background of scaling unicorns

1.1. Definition of unicorn companies

With the emergence of unicorns, research on the phenomena has led to diverse viewpoints on the concept. Unicorns have been defined broadly as “a scaleup whose valuation exceeds \$ 1 billion” (Autio, 2016, p. 8), while Kenney & Zysman (2016) add that it is also newly founded and has grown rapidly, but Lee (2013) states that it is also founded no earlier than 2003, and is based in the United States. The fact that there are many interpretations of a unicorn creates challenges and uncertainty in the research field. Establishing a united definition mitigates ambiguity and helps distinguish a unicorn from a general startup.

To distinguish a unicorn from a regular startup, it is valuable to look into the scaling of unicorn companies. The emergence of a unicorn does not happen immediately. In fact, in literature, unicorns are compared with gazelles. Cristofaro et al. (2024, p. 3) distinguish gazelles from unicorns with having “a deliberate strategy of achieving high long-term growth at a measured and consistent pace, primarily focusing on profitability.” Therefore, gazelles they are firms with great growth potential, they do not reach as high valuations as unicorns do. In fact, the growth trajectories and funding used are found to differ for both types of ventures (see Figure 1).

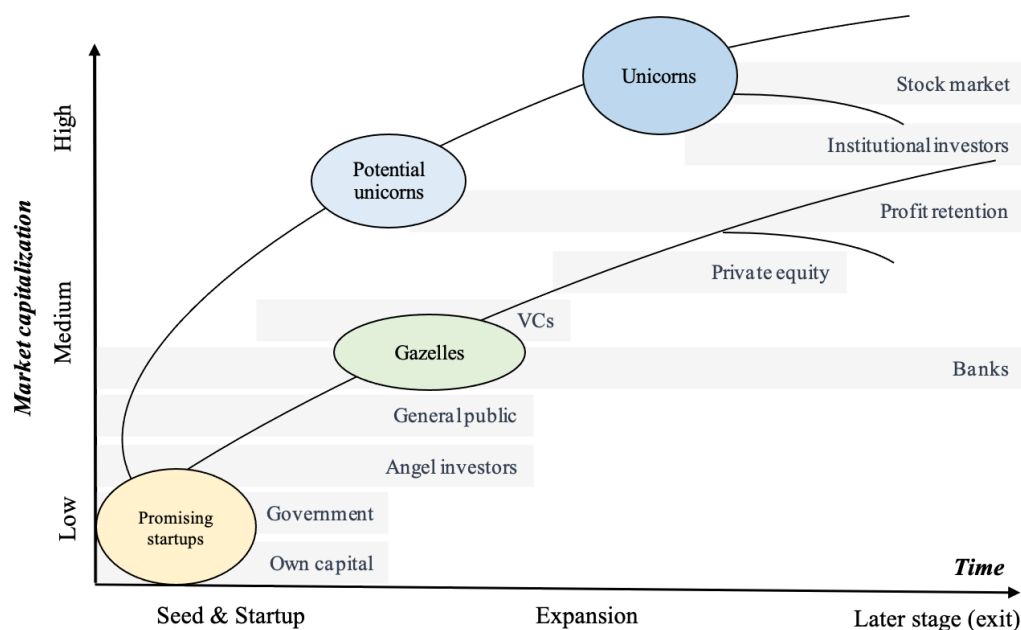


Figure 1. Unicorn versus gazelle development and funding used

Source: Compiled by the author, based on Cristofaro et al., 2024; Burström et al., 2023; Reinfeld, 2018

During the lifetime of a startup, there are three broad phases of existence: seed and startup, expansion, and later stage, also called exit (Burström et al., 2023). However, some scholars use different wordings in the literature. For example, Dietrich (2018) breaks the process down into formation, validation, and growth. According to Cristofaro et al. (2024), the startup development phases can be distributed on the x-axis, but market capitalization would correspond to the y-axis. It is essential to observe that the growth trajectories of unicorns and gazelles differ – gazelles do not reach a high level of market capitalization, and their growth is steeper than that of unicorns. This study by Cristofaro et al. (2024) can be combined with Reinfeld's (2018) findings on the distinction of funding used at each stage of venture development – it is apparent that Venture Capitalists (VCs) play a notable role in steering the growth of unicorns, while gazelles might rely more on funding from the general public, angel investors and eventually also VCs. (Cristofaro et al., 2024; Reinfeld, 2018). Thus, it is observed that unicorns usually emerge between the expansion and maturity stages (Cristofaro et al., 2024; Burström et al., 2023). Unicorn startups thrive on private investments and robust support from Venture Capitalists (VCs), which support their rapid growth trajectory. Conversely, gazelles pursue external equity financing from VCs and seek local backing to stimulate job creation. Both types of businesses leverage external networks and knowledge exchange, with VC participation potentially accelerating startup maturation, having challenges linked to the inherent liabilities of early-stage growth. (Cristofaro et al., 2024)

To better understand the unique aspects of unicorn ventures, examining the definitions given by different authors may reveal trends that help distinguish these firms. Lee (2013) introduced the concept of unicorns in 2013, referring to them as a rare and mystical occurrence. She defined unicorns as “U.S.-based software companies started in 2003 and valued at over \$1 billion by public or private market investors” (Lee, 2013). When analyzing other definitions, it is seen that Lee (2013) has set a theme for other authors, and her definition has been used as a reference point. Despite its impact and historical value, Lee's (2013) definition exhibits certain limitations, mainly its narrow focus on the United States - it overlooks the global expansion of tech innovation hubs beyond Silicon Valley.

Certain elements repeat throughout unicorn definitions offered by scholars (see Table 1). As the concept of unicorns is relatively recent, and studies of these companies occur worldwide, some authors have made the concept more adjustable and less specific. For instance, Autio's (2016) laconic definition of unicorns as scale-ups valued over \$1 billion offers a narrow yet clear view. A similar approach is supported by Fujita et al. (2022), expanding the short definition with the statement that this company is also unlisted. They also

explained that these companies commonly facilitate innovation and mentioned the struggle of research since these companies are not listed on the stock exchange. Interestingly, definitions provided by Simon (2016), Dellermann, Ebel & Lipusch (2018), and Kuckertz, Scheu & Davidsson (2023) do not state that a valuation of \$1 billion is an essential characteristic of a unicorn.

Table 1

Elements mentioned in definitions of a unicorn

Author	Value over \$1 billion;	Innovative	Rapid growth	Unlisted	IT-related	VC-dependent
Autio (2016)	x					
Dellermann, Ebel & Lipusch (2018)		x				
Kuckertz, Scheu & Davidsson (2023)			x			
Lee (2013)	x				x	
Alhusaini, Hendricks & Landsman (2023)	x					x
Kenney & Zysman (2016)	x		x			
Fujita et al. (2022)	x	x		x		
Simon (2016)		x			x	x

Source: Compiled by the author

Rapid growth is a component that is added to the definition by Kenney & Zysman (2016) and Fujita et al. (2022). Kuckertz, Scheu & Davidsson (2023) also emphasize the importance of growth and state that this kind of startup has “concrete and excessively ambitious growth targets” (p. 2). Whether the growth itself or having a growth target contributes more to being a unicorn may be debatable, but the literature supports both perspectives on this factor.

Another observed pattern among the definitions is the presence of innovation. Dellermann, Ebel & Lipusch (2018) highlight that unicorns are not only characterized by their high level of innovation but also their disruptive impact on traditional industries, alongside generating substantial returns. On the same idea, Simon (2016) points out their disruptive nature across various sectors and companies, emphasizing that these startups

deliver innovative and affordable solutions to consumers. Furthermore, unicorns are characterized for creating new solutions and driving innovation within their industries, which, in turn, fosters broader economic growth (Fujita et al., 2022). These views collectively emphasize that unicorns set a challenge to established market participants and play a crucial role in driving technological innovation and generating employment opportunities with their contribution to the economy.

The involvement of VCs appears to be a significant factor in the success of unicorns. Some researchers maintain that VCs are not just beneficial but essential, arguing that unicorns rely heavily on the financial backing and support provided by these investors (Alhusaini, Hendricks & Landsman, 2023; Simon, 2016). This raises a debate on whether the presence of VCs should be considered a fundamental aspect of a unicorn's definition. While some scholars emphasize the importance of VCs, others do not regard their involvement as a critical element, leading to questions about the possibility of unicorns thriving without venture capitalist support.

The last observed pattern among definitions is that unicorns are either information technologies (IT) startups or software companies (Fujita et al., 2022; Lee, 2013). Simon (2016) supports relating them to IT industries but states that they have to be IT-centric and can be either software or hardware, allowing a broader set of companies to enter the term.

This thesis adopts Autio's (2016) definition of a unicorn as a startup valued at over \$1 billion, a concept initially introduced by Lee (2013). It expands with its rapid growth, ability to disrupt industries, high innovation, and VC support. Within this thesis, unicorns are not limited to their geographic location or the year of foundation, as Lee (2013) did.

Building on the understanding of unicorns and their characteristics of rapid growth, this thesis further explores the crucial role of financial information in predicting success. Thus, the next subchapter bridges the gap between the conceptual framework of unicorns and the empirical analysis of financial performance that reveals strategies that fuel their success.

1.2. The role of financial information in predicting the success of startups

Business success can be measured in various ways, reflecting the diverse interests of stakeholders, as pointed out by Martinez (2019). The journey of a startup encompasses different phases, each presenting unique challenges and opportunities for success or failure, a perspective also shared by Martinez (2019). Adding to this, Spiegel et al. (2015) emphasize the importance of sound financial performance as a key indicator of a company's success. However, it's also noted by Fuertes-Callén et al. (2022) that a company can still achieve success despite exhibiting weak financial performance in its initial stages. Therefore, the

ability to achieve strategic goals while ensuring financial stability is crucial for long-term success.

When assessing the potential success of a startup, VCs often consider factors beyond traditional accounting metrics (see Figure 2). These may include the quality of the management team, industry attractiveness, and product differentiation (Miloud et al., 2012). Accounting information reflects financial performance and reveals strategic aspects such as margins, capital structure, and employee compensation, which are crucial to a company's survival (Fuertes-Callén et al., 2022). Interestingly, accounting data can also predict future bankruptcy for startups (Lukason & Käsper, 2017; Rzayev & Khalilov, 2022; Fuertes-Callén et al., 2022). While revenue and other financial indicators are commonly used to assess startup success, obtaining accurate financial data can be challenging (Martinez, 2019). Therefore, it is essential to consider also non-financial characteristics in assessing bankruptcy risk, as Rzayev & Khalilov (2022) noted. This suggests that stakeholders, including business owners, investors, and governments, should examine the various factors influencing the performance of new ventures besides purely on key performance indicators (KPIs) in the financial metrics (Miloud et al., 2012; Coad et al., 2016; Fuertes-Callén et al., 2022; Martinez, 2019; Rzayev & Khalilov, 2022).

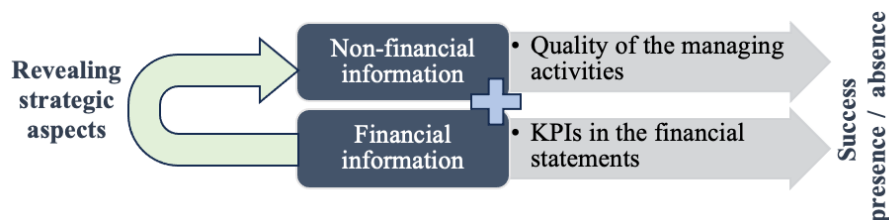


Figure 2. Required information for predicting success for a startup

Source: Compiled by the author, based on Miloud et al., 2012; Coad et al., 2016; Fuertes-Callén et al., 2022; Martinez, 2019; Rzayev & Khalilov, 2022

In analyzing the factors that differentiate successful startups from those that fail, researchers such as Lukason & Käsper (2017), Rzayev & Khalilov (2022), and Fuertes-Callén et al. (2022) have developed bankruptcy prediction models. These studies indicate that the absence of sure warning signs, typically flagged by these models, might signal a startup's potential for success. It suggests that a lack of negative indicators may be a positive sign of a startup's viability, and even high growth.

There have been debates among authors about the validity of financial analysis in predicting the success of startups. For instance, Fuertes-Callén et al. (2022) found that while financial ratios may not be as effective in predicting the success of startups as they are for

established companies, they are still valid. Their research emphasizes the significant influence of financial indicators on the long-term survival of newly established firms, where healthier startups demonstrate greater resilience over time. There have been different approaches in choosing the appropriate years for analysis. Fuertes-Callén et al. (2022) analyzed the first eight years of the firm's existence. Still, Lukason & Käsper (2017) analyzed ratios of the first two years of a firm's existence, suggesting that this information forms the foundation for bankruptcy prediction models for bankrupt firms. However, Mata & Portugal (1994) found that "20% of newborn firms died during the first year of their lives, and that only 50% survived for the four years" (p. 228). The study by Rzayev & Khalilov (2022) supports the importance of analyzing the initial five years of financial data from high-tech startups, taking a similar approach as done in previous studies and referring to the fact that most firms show the presence of success or failure during the first five years (Balcaen & Ooghe, 2006).

Furthermore, Coad et al. (2016) highlight the dynamic nature of startup survival. They found that the ability to explain growth increases over time as firms navigate through their early stages. This means that while predicting survival may be challenging initially, clarity emerges as time passes and data availability about performance metrics increases (Coad et al., 2016).

Scholars have analyzed several factors that predict the success or bankruptcy of a company. These factors include the number of founders (Martinez, 2016), team size with all employees (Martinez, 2016; Coad, 2007; Fuertes-Callén et al., 2022), age of the company, cash reserves (Wiklund, Baker & Shepherd, 2010), as well as total assets (Fuertes-Callén et al., 2022), as shown in Table 2.

Table 2

Information used for examining the success of startups

Factor	Author
Number of founders	Martinez (2016)
Number of employees	Martinez (2016); Wiklund, Baker & Shepherd (2010); Coad (2007); Fuertes-Callén et al. (2022)
Age	Wiklund, Baker & Shepherd (2010)
Cash	Wiklund, Baker & Shepherd (2010)
Total Assets	Fuertes-Callén et al. (2022)

Source: Compiled by the author

In predicting the bankruptcy of startups, Lukason & Käsper (2017) and Rzayev & Khalilov (2022) selected financial ratios that reflect liquidity, profitability, productivity, and solvency (see Figure 3). This is a beneficial way of categorizing the ratios, as they cover the broader areas while still allowing flexibility and incorporating various ratios that other researchers have used. Previous studies have used different ratios under the four main domains of ratios: liquidity, profitability, productivity, and solvency (see Appendix B).

Domain	Ratio	Formula
Liquidity	Working Capital over Total Assets	$(CA-CL)/TA$
	Current ratio	CA/CL
	Quick ratio	$(Cash\&Equivalents+AR)/CL$
Profitability	Return on Total Assets	NI/TA
	Net Income to Operating Revenue	NI/OR
	Return on Investment	$NI/Investment$
Solvency	Shareholder Equity ratio	$Equity/TA$
	Debt coverage ratio	$EBIT/TD$
	Debt ratio	TD/TA
Productivity	Asset Turnover ratio	OR/TA
	Revenue per employee	$Revenue / employees$

Figure 3. Domains of ratios used for predicting successes and bankruptcies of startups

Note. CA – current assets; CL – current liabilities; TA – total assets; NI – net income; OR – operating revenue; EBIT – earnings before interest and tax; TD – total debt, AR – accounts receivable

Source: Compiled by the author, based on Lukason & Käsper, 2017; Rzayev & Khalilov, 2022; Fuertes-Callén et al., 2022; Martinez, 2016; Coad, 2007; Wiklund, Baker & Shepherd, 2010; Huyghebaert et al., 2000

In their research on liquidity, Fuertes-Callén et al. (2022) found that the Working Capital over Total Assets (WC/TA) ratio is a valuable tool in predicting the success or failure of a firm. Rzayev & Khalilov (2022) support this, highlighting that successful startups tend to have a positive trend in liquidity compared to those that fail. However, they note that the unpredictability of liquidity, particularly in the early stages of a startup, may limit its usefulness in prediction models. This aligns with Lukason & Käsper's (2017) emphasis on the importance of having enough cash reserves, assessed with the cash ratio, and managing liabilities effectively during the startup phase, which can be evaluated with the current ratio. Additionally, Rzayev & Khalilov (2022) discussed the challenge of balancing profitability with liquidity, especially for high-tech startups where having excess cash may

not necessarily lead to success. Maintaining adequate liquidity is crucial for startup survival, mainly when there is no track record to rely on, as Coad et al. (2016) noted.

Fuertes-Callén et al. (2022) found that unprofitable startups face a higher risk of bankruptcy than profitable ones after their first year of operation. Rzayev & Khalilov (2022) also emphasize the critical role of profitability in high-tech startups, as young firms that cannot accumulate profits often struggle to maintain financial stability. This aligns with Altman et al.'s (2017) observation that low financial ratios, stemming from limited cumulative profits, diminish a startup's chances of survival. Furthermore, Bercovitz & Mitchell (2007) found that a grander scale positively contributes to long-term survival, even after accounting for baseline profitability. However, Coad (2007) challenges the assumption of a direct linear relationship between profit and growth rates, suggesting that they may be entirely independent instead. Rzayev & Khalilov (2022) also emphasized the significance of profitability for both company stability and shareholder interest. They noted that negative profitability is a prominent indicator of potential bankruptcy, even if the previous year's financial reports do not reflect the company's current financial state.

Startup solvency is another crucial factor in determining their viability. Fuertes-Callén et al. (2022) found a clear inverse relationship between debt levels and the probability of survival, consistent with previous research. The study also showed statistically significant differences between non-failed startups and those bankrupt. Nonfailed startups had lower levels of debt and higher levels of liquidity. The debt ratio emerged as a significant predictor of bankruptcy risk, with higher debt levels correlating with an increased likelihood of failure, even after controlling for other variables. This highlights the importance of managing debt levels effectively to enhance startups' solvency and long-term survival prospects. (Fuertes-Callén et al., 2022)

Lukason & Käsper (2017) suggest that a lower productivity of assets may increase a firm's survival chances. However, this paradoxical anomaly may be explained by bankrupt firms nearing insolvency, which rapidly decreases liquid assets, resulting in a smaller denominator in the asset productivity ratio rather than indicating higher productivity. On the other hand, Rzayev & Khalilov (2022) found that asset productivity does not provide significant insights into survival likelihood and is dependent on competitors' operational strategies. This difference highlights the complexity of interpreting productivity ratios in the context of firm survival, emphasizing the need for detailed analysis that considers broader financial dynamics and industry-specific factors.

According to Coad et al. (2016), sales growth is unpredictable, which has significant implications for practitioners and scholars. This finding suggests that investors should avoid concentrating their investments solely on firms expected to experience rapid growth and adopt a diversified investment approach instead. Additionally, it implies that investing extensively in gathering detailed firm-specific information to predict growth may not be beneficial due to the challenges in accurately forecasting growth. Therefore, it is essential to have a balanced investment strategy that considers broader market dynamics alongside firm-specific factors. (Coad et al., 2016)

Stakeholders seeking to gain valuable insights into a company's financial performance can incorporate metrics such as profitability, liquidity, solvency, and productivity. However, financial indicators alone may not be sufficient to understand the factors that contribute to the success of new ventures. To address this issue, the following section of this thesis uncovers the underlying predictors of success. By doing so, stakeholders within the startup ecosystem can make informed strategic decisions when seeking valuations over \$1 billion.

1.3. Success factors for startup companies

The study of startups has been a subject of empirical research, however, despite observing highly valued companies' rapid occurrences, this phenomenon is researched descriptively and lacks identification of specific factors that contribute to success (Bock & Hackober, 2020). Empirical studies that systematically identify and understand these factors are crucial for establishing solid foundation for organic and strong growth of companies.

To explore already published studies on the topic, keywords like “unicorn,” “success factors,” and “startups” were used on academic search engines, reflecting their foundational role in understanding these rarely successful entities. The selection process involved a methodical review of academic literature and scholarly databases.

The chosen empirical studies, ranging from the geographical locations of specific European countries to grasping the global picture, provide an overview of the situation worldwide. In the course of this thesis, the focus on Europe is crucial for understanding the dynamics driving billion-dollar valuations in the startup landscape, offering insights relevant to the unique characteristics and challenges of the countries.

The achievements highlighted in the examined research studies outline the notion of success. In the context of startups, success is interpreted in alignment with the definition provided by Skawinska & Zalewski (2020), where it considers the realization of predetermined objectives, essentially achieving rapid growth. As emphasized by Kecskes

(2021), it is crucial to remember that attaining unicorn status is an indicator of valuation and is the outcome of substantial growth - similar to the trajectory of a prosperous startup when correlating success with growth. Therefore, success in this thesis is defined by the startup achieving unicorn status and sustaining growth and viability.

This thesis reviews 13 different empirical studies, 10 of which examine factors that contribute to a company becoming a unicorn, while 3 of them look at high-growth firms in general. The authors of these studies used quantitative and qualitative approaches to test predicted factors. The choice of factors that might determine success in these studies differs, and the methods used to conduct the studies have influenced the results. However, some similar patterns suggest possible evidence of success factors frequently found among unicorn companies. To help readers understand the volume of studies examined, the author has provided a table in Annex A that details the region studied, the sample size, the methodology used, predicted factors, and actual findings. Figure 3 shows the frequency of factors that appeared repeatedly across various studies. As can be seen, the most commonly discovered factor for success and growth is the characteristics and quality of the team, while the least common is the size of the startup.

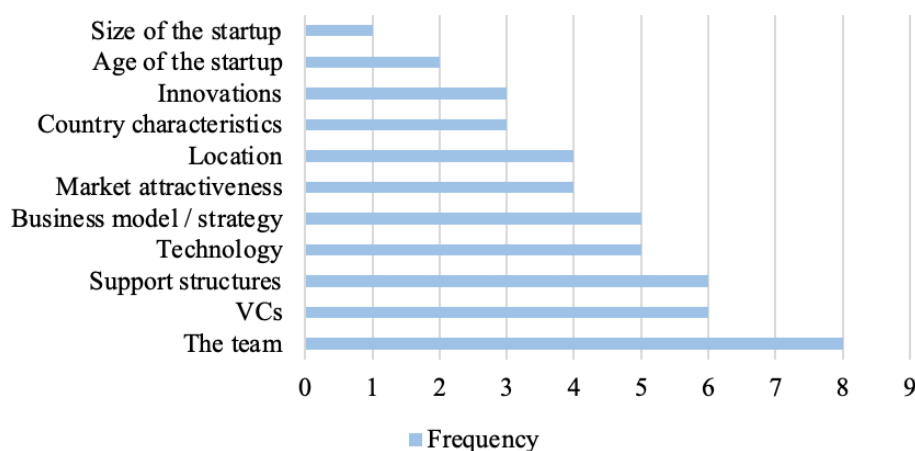


Figure 3. Frequencies of success factors mentioned in the reviewed studies

Source: Compiled by the author

The primary driver behind the success of startups achieving unicorn status is widely attributed to the characteristics of the founding team. Founders' experience forms a foundation for the startup's journey and is pivotal in determining its potential for achieving high valuations. (Lehmler, 2021; Ünal, 2019; Zhai & Carrick, 2019; Kotha, Shin & Fisher, 2022; Almus & Nerlinger, 1999) The team's expertise encompasses education, and without significance to the field of study, founders with higher education are more prone to

establishing unicorns (Lehmer, 2021). Founders' experience and board composition can be extended to further levels of other team members and highlight the collective expertise (Kecskes, 2021; Damasceno, Morini & Pannellini, 2021). Furthermore, it has been found that founders are serial entrepreneurs with lean and talented founding teams and are more likely to succeed (Spacenco & Dahlgvist, 2018; Kabbara & Hagen, 2023). However, there are also contradicting views regarding the impact of previous startup experience on securing early funding versus achieving unicorn status. Lehmer (2021) suggests that while prior experience in founding startups may help obtain initial funding, it may not significantly enhance the likelihood of achieving unicorn status. Even more, Kotha, Shin & Fisher (2022) found that solo founders are more inclined to succeed, presenting a contrasting viewpoint.

The studies suggest that combining VC engagement, reputation, strategic funding, and efficient capital-raising practices can provide a strong foundation for a startup's success. Bock & Hackober (2020) and Lehmler (2021) emphasize the importance of VCs' active involvement and established reputation in driving a startup's success. Furthermore, the amount of the initial funding rounds can determine whether the startup will achieve unicorn status (Kecskes, 2021; Ünal, 2019; Zhai & Carrick, 2019; Damasceno, Morini & Pannellini, 2021). However, as ventures reach unicorn status, the influence of CVC investors diminishes, as unicorns typically already possess a strong market presence and stakeholder awareness (Bock & Hackober, 2020). Importantly, even if Cristofaro et al. (2024) support that VCs play a significant role in fostering unicorn growth, they highlight that startup leaders and investors should carefully plan exits. If investors suddenly stop supporting, it can cause challenges and even threats of bankruptcy, known as the "adolescence problem" - exit plans should be slow and startups should be able to replace the skills and money the investors brought in (Cristofaro et al., 2024).

It is often overlooked that the support system surrounding startups plays a key role in their success. Kecskes (2021) and Bock & Hackober (2020) have discussed this issue and highlighted the important role played by support structures in nurturing startups. Dietrich (2018) found that inter-organizational relationships are the main contributor to a startup becoming a unicorn. Similarly, Zhai & Carrick (2019) claim that early strategic alliances and relationships with government parties may be pivotal. Almus & Nerlinger (1999) found that formal links to other firms contribute to high-growth technology firms. Effective communication with brokers, as well as establishing links with other startups, were found to be characteristics incredibly well-established among unicorns (Damasceno, Morini & Pannellini, 2021). However, Lehmler (2021) disagrees, challenging the idea that support

systems significantly contribute to startup success. This difference in viewpoints highlights the complexity of the entrepreneurial ecosystem, where the impact of support systems depends on various factors.

Unicorns are frequently associated with the presence of technology. According to Kecskes (2021), the technology sector is the most accessible for scale-up companies that aim to achieve unicorn status. Pursuing technology with broad potential strongly shaped unicorns firms, leading them to gather resources extensively and pursue growth aggressively (Zhai & Carrick, 2019). Kotha, Shin & Fisher (2022) support this idea, claiming that platform businesses are particularly likely to become unicorns. Using data and digital innovation as technological resources can enable ventures to scale quickly (Damasceno, Morini & Pannellini, 2021).

It is interesting to note that there needs to be more consensus on the significance of rapid growth strategy in achieving success, as revealed by Kecskes (2021), Dietrich (2018), and Bock & Hackober (2020). Despite its intuitive appeal, these studies have yet to conclusively position rapid growth strategy as a decisive factor in success. This uncertainty prompts a closer look at the dynamics of growth strategies, demanding a nuanced understanding of their relevance in different entrepreneurial scenarios. According to Kecskes (2021), the cost structure may determine whether the company will achieve high valuations. Efficient business model, firm's profitability, as well as management of growth are found to be contributing to the success of studies that examine unicorns with descriptive analysis and case studies, which leave room for further research that regards growth strategies and the ability to be financially efficient for scaling startups (Spacenco & Dahlqvist, 2018; Kotha, Shin & Fisher, 2022; Kabbara & Hagen, 2023).

According to Kecskes (2021), choosing the right market is a crucial factor for the success of startups. This perspective adds complexity, as it goes beyond internal factors and considers external market dynamics. Spacenco & Dahlqvist (2018) also found that attractive markets and captivating products are essential aspects that contribute to the success of scaleups. In a study on unicorns and their financial performance, Kartanaite & Krusinskas (2022) approved that specific sectors drive success. Kabbara & Hagen (2023) add to the strategic choice of markets by paying attention to customer behavior and the creation of an ecosystem. However, Venâncio, Picoto, & Pinto (2023) found in a Fuzzy-set qualitative comparative analysis that demand conditions are essential only if other factors are absent, which is contrary to Damasceno, Morini & Pannellini's (2021) findings that backlog of demand plays a role. Similarly, Kotha, Shin & Fisher's (2022) predictions of industry effects

did not prove to affect whether a company becomes a unicorn. Various opinions have emerged regarding location's role in determining a startup's success. According to Kecskes (2021) and Kartanaite & Krusinskas (2022), geographical location does play a significant role in a startup becoming a unicorn. However, Kotha, Shin & Fisher (2022) conducted a study to test if being located in China has any impact on the success of a startup and found that it does not have a significant effect. The significance of location was also tested, but not confirmed, by Spacenco & Dahqvist (2018). Thus, Bock & Hackober (2020) discovered that being established within a cluster impacts a company's success. Table 3 provides an overview of the main unicorn hubs based on the number of these ventures at the specific region.

Table 3

Main unicorn hubs worldwide

No.	Regions	Number	Countries	Number	Cities	Number
1.	North America	615	United States	594	San Francisco	256
2.	Asia pacific	267	China	144	New York	119
3.	Europe	171	India	68	Beijing	51
4.	Africa and Middle East	35	United Kingdom	46	London	39
5.	Latin America & Caribbean	25	France	29	Los Angeles	37

Source: Compiled by the author, based on Enginsoy (2023)

Kecskes (2021) suggests that socio-demographic trends may influence consumer attraction to unicorn solutions, while Venâncio, Picoto, & Pinto (2023) highlight the impact of various country development and governance characteristics. Digital evolution emerged as a stronger determinant of time-to-unicorn success compared to digital trust, particularly when coupled with institutional and innovation factors, as found by Venâncio, Picoto, & Pinto (2023). The emphasis on innovation is supported by Almus & Nerlinger (1999) and Damasceno, Morini & Pannellini (2021), who stress its role in driving company growth and high valuations for unicorns. However, the predictive power of innovation in success models is not always consistent across studies (Kartanaite & Krusinskas, 2022; Zhai & Carrick, 2019).

Contributing factors such as the age and size of a company were found to be factors that impact its success. While the age of a company when it becomes a unicorn is essential,

the year it had its initial public offering is also a distinct factor among unicorns (Ünal, 2019; Kartanaite & Krusinskas, 2022). As found by Kotha, Shin & Fisher's (2022), the mean of years it took for startups to become unicorns was 9.6 years, while the number of years to unicorn status was 6.7 years, but the authors did not find venture age as a significant success factor. Additionally, Almus & Nerlinger (1999) discovered that the size of a firm plays a significant role in determining if it can achieve high growth – the authors state that “it becomes obvious that large and mature firms have smaller growth rates than small and young innovative as well as non-innovative firms” (p. 150).

Success factors for unicorn companies, as identified in the selected studies, encompass three dimensions attributed to the firm, the founders, and the country where it was founded (see Figure 4).

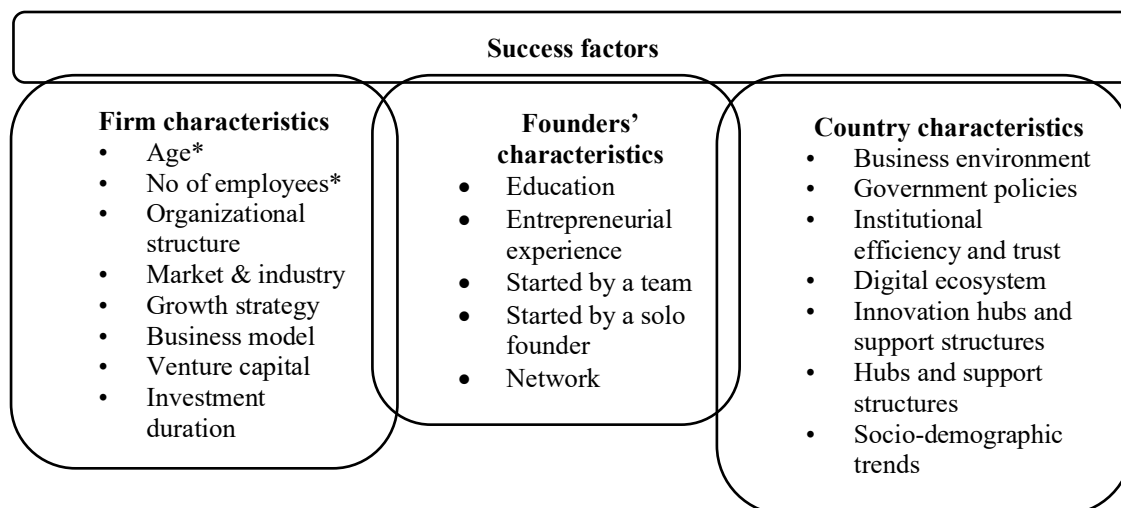


Figure 4. Division of success factors

Source: Compiled by the author

In analyzing research studies and literature reviews, it is evident that qualitative studies are less used. While statistical quantitative methods are a tremendous deductive strategy that contributes to knowledge, more diverse research approaches would provide deeper insights into what drives unicorn valuations. However, some studies have found a balance between quantitative and qualitative methods. For example, Lehmler (2021), Ünal (2019), and Almus & Nerlinger (1999) used regression analysis, while Dietrich (2018) combined regression with case studies, and Bock & Hackober (2020) used hierarchical logistic regression. Kartanaite & Krusinskas (2022) conducted an ANOVA of financial indicators, and Venâncio, Picoto, & Pinto (2023) implemented fuzzy-set qualitative comparative analysis (fsQCA). Case studies were conducted by Zhai & Carrick (2019) and Kabbara & Hagen (2023), who combined it with longitudinal analysis. Kesckes (2021) used interviews complemented by descriptive statistics, while Spacenco & Dahlqvist (2018) also

explored a unicorn with an interview. Damasceno, Morini & Pannellini (2021) used interviews and a questionnaire to conduct their research.

Employing both qualitative and quantitative approaches enhances the research on unicorn success factors. Qualitative methods, such as interviews, provide depth by uncovering insights and contextual details about unicorn companies. Quantitative methods, including regression and machine learning, add statistical generalizability. Combining financial analysis with interviews for unicorns in the Baltic states helps identify the factors leading to over \$1 billion in valuations.

2. Identification of success factors of unicorns in the Baltic states

2.1. Methodology and data of revealing success factors

Applicable methodology and data must be chosen to reveal the success factors in the Baltic states' unicorns. In this subchapter, the author explains the reasoning behind the analysis process and addresses potential limitations while doing the research.

The methodology of this thesis is composed of two main segments - theoretical and empirical. The elements of this thesis are interconnected, as illustrated in Figure 5.

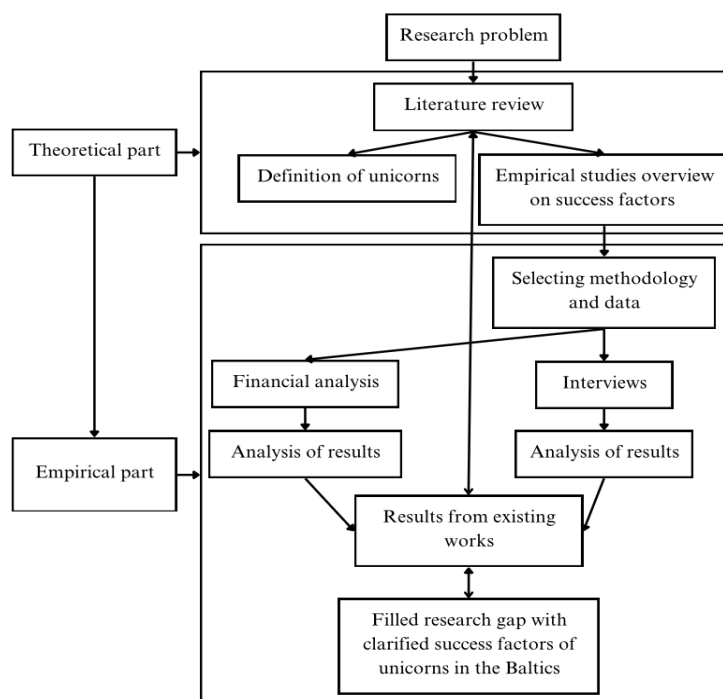


Figure 5. Methodology of the thesis

Source: Compiled by the author

First, the author identified the research problem and research gap that must be filled. Then, it was crucial to establish a foundation of previous theories and findings to create a methodology framework. The author recognizes the importance of conducting a thorough literature review by defining unicorns and analyzing empirical studies to establish

cornerstones for this thesis. The reviewed empirical studies suggested that financial analysis and interviews can provide a sufficient overview of the region. In the empirical part, the author conducted a financial analysis of the unicorn companies and interview representatives. This approach supports the framework of predicting startup success (Miloud et al., 2012; Coad et al., 2016; Fuertes-Callén et al., 2022; Martinez, 2019; Rzayev & Khalilov, 2022). After collecting and analyzing the data, the author examined the results and drew connections between the findings and the literature reviewed in the first chapter, achieving the aim of clarifying the success factors of unicorns in the Baltic states. This approach allowed to present the contribution to literature with a filled research gap and find parallels with previously identified findings.

The empirical section of this thesis consists of two parts that lead to attainment of the aim. Figure 6 provides an overview of the steps in each phase of empirical analysis.

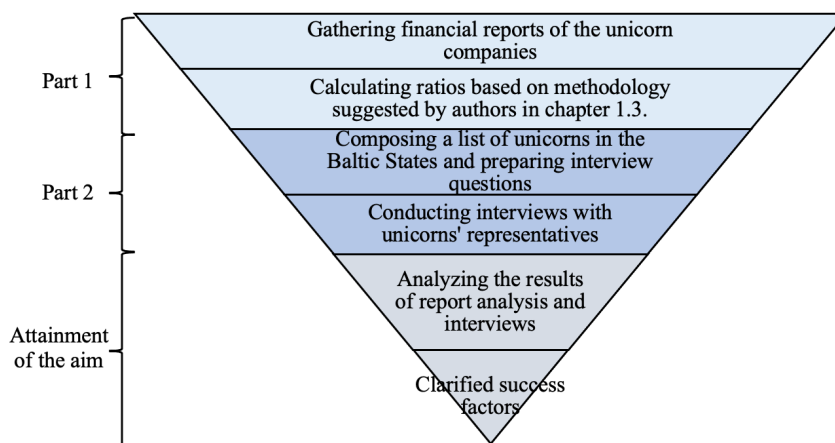


Figure 6. Stages of the empirical analysis

Source: Compiled by the author

During the first phase of the empirical part of the study, the author gathered annual financial reports of unicorn companies from the Baltic states. To select relevant reports, the author considered a specific time frame, from the company's foundation until the fifth year of its operations, as suggested by Balcaen & Ooghe (2006). Some unicorns have not made their financial information public due to it being privately held or they have reported in countries other than the ones of the Baltic states. Once the financial information was collected, the author created a profile for each company by extracting details on the team size and relevant financial information. By analyzing financial indicators, the author uncovered pivotal moments in the unicorn company's business trajectory and gained valuable insights into the company's financial management strategies. The ratios used relied on the metrics suggested by scholars in Chapter 1.2.

In the second part of the empirical analysis, the author developed a list of unicorns that have originated from the Baltic states. The insights from theoretical chapter allowed to create a set of interview questions for the representatives of unicorns in the Baltic states, which were used to conduct interviews. The questions focused on three main areas: success factors related to the founders' characteristics, the firm's characteristics, and the country's characteristics where it was established. The author interviewed representatives from unicorn companies in the Baltic states who have sufficient knowledge about the early stages of the startup, ideally having been there when it was scaling at the first years. However, the author also considered that founders may not be available and was open to considering the perspective of other managers.

According to Statista (2023), there are 13 unicorn companies in the Baltic states, with 10 coming from Estonia, two from Lithuania, and one from Latvia (see Table 4).

Table 4

Unicorn companies originating from the Baltic states

Unicorn	Country	Valuation, \$ billions	Joined unicorns	Sector
Printful	Latvia	1	2021	Consumer & retail
Nord Security	Lithuania	3	2022	Enterprise tech
Vinted	Lithuania	4.53	2019	Consumer & retail
Veriff	Estonia	1.5	2022	Enterprise tech
Glia	Estonia	1	2022	Enterprise tech
Gelato	Estonia	1	2021	Consumer & retail
ID.me	Estonia	1.5	2021	Consumer & retail
Zego	Estonia	1.10	2021	Insurance
Pipedrive	Estonia	1.5	2020	Enterprise tech
Bolt	Estonia	8.4	2018	Industrials
(Transfer)Wise	Estonia	14	2016	Financial services
Playtech	Estonia	3.2	2007	Gambling software
Skype	Estonia	11	2005	Telecommunications

Note. *The listed countries do not represent the current headquarters location. **Valuation of the unicorn companies is provided as per the latest available information, being in 2023. It does not represent the valuation at the date when the company acquired unicorn status

Source: Compiled by the author, based on CB Insights, 2023; Invest in Estonia, 2023

There are seven unicorns - Bolt, Veriff, Gelato, Pipedrive, Playtech, Printful, and Vinted - whose annual financial reports are available online. The author analyzed 35 annual financial reports considering a timeframe of five years for each company. Each company has a different foundation year, with Playtech being the oldest unicorn, and their first report available in 2001. On the other hand, Printful has their first reports available from 2017, providing the most recent financial data.

Table 5

Analyzed annual financial reports

Country	Unicorn name	Business name when reported	Range of analyzed period	No of years / reports
Estonia	Veriff	Veriff OÜ	2015 - 2020	5
	Bolt	Taxify OÜ	2013 - 2018	5
	Gelato	Gelato ASA	2015 - 2020	5
	Pipedrive	Pipedrive OÜ	2010 - 2015	5
	Playtech	Playtech OÜ	2001 - 2006	5
Latvia	Printful	Printful Latvia AS	2017 - 2022	5
Lithuania	Vinted	Friendly Fashion Ltd / Vinted Ltd	2012 - 2017	5
Total:	-	-	-	35

Source: Compiled by the author

Some companies reported their financial information under a different business name. For instance, Bolt was known as Taxify in the first five years of its operations. The financial reports of Estonian unicorn companies were obtained from the E-Business Register of Estonia, while those of Latvian companies were obtained from the Latvian Register of Enterprises. However, Gelato's financial reports in Norway were accessed from www.brreg.no. Vinted's reports were obtained from www.gov.uk by searching for the company's original name, Friendly Fashion Ltd.

To conduct a financial analysis of the Baltic States, the author followed these steps:

1. Collecting annual financial reports from the business registers of the respective countries.
2. Transferring the relevant information from PDF annual financial reports to an MS Excel worksheet.
3. Calculating the ratios as presented in Figure 5.

4. Representing the patterns of ratios graphically.
5. Analyzing how the ratios have changed over time for unicorns individually and on comparative basis.

To ensure that this thesis covers the success factors of unicorn companies in the Baltic states, a qualitative component complemented the quantitative financial analysis. This involved conducting interviews with representatives of existing unicorn companies. The interviews will reveal nuances that may not be captured through a financial analysis. The author expects to find patterns between the two research components, as financial analysis can provide clues to the company's strategic approach. At the same time, interviews can explain why they operate that way and how it has contributed to their success. By approaching representatives of existing unicorn companies in the Baltic states, the thesis will capture insights into the decision-making processes and experiences that have led to their unicorn status. This approach is supported by Fuertes-Callén et al. (2022), who suggest combining financial analysis with qualitative research, such as interviews, can provide a more comprehensive understanding of a company's success factors.

For the qualitative analysis, the author will undertake the following steps:

1. Create interview questions based on previous research and theories developed.
2. Contact representatives from unicorn companies via email or a professional network in the industry.
3. Conduct the interviews.
4. Analyze the interviews by coding their answers and segmenting the factors revealed within the unicorns.

The overview of conducted interviews is presented in Table 6.

Table 6

Overview of interviews conducted

Unicorn	Country	Role of the interviewee	Date of interview	Type of interview	Duration, min	Transcription, pages
Printful	Latvia	Head of Engineering	27.04.2024	Online	31:43	9
ID.me	Estonia	Co-founder	03.05.2024	Online	30:19	10

Source: Compiled by the author

In total, 13 unicorns were contacted, among which 2 agreed for an interview, 2 declined and 9 were out of reach. The author was selective in choosing interviewees, ensuring

that the person understood the initial phases of startup development or had personal experience with it.

The interviews were semi-structured, where pre-developed questions were asked to all interviewees, but additional questions were also asked if required. Prior to the interviews, the author obtained consent from participants to use their interview responses for the purposes of current thesis. Interviewees' identities are anonymized in this thesis. The questions were formulated based on the findings in chapters 1.2 and 1.3, highlighting the main factors contributing to success. Annex C provides the interview questions, divided into three primary domains - founders, firms, and country characteristics - along with the subfactors in each domain. The interviews were semi-automatedly analyzed using Turboscribe.ai for transcription purposes. The audio files of the interviews were uploaded to Turboscribe.ai, which provided a transcription file. The author then manually analyzed this file, coding their answers and allocating the revealed factors to respective segments.

It is essential to acknowledge the potential limitations that may arise during this research. One such limitation is unavailable financial information for some unicorns and only partially available information for some others. For example, Printful was started in 2014 in the US, but the first available information in the registers is from 2017. The sample size is not large enough to allow generalizations for all unicorns in the Baltic states, but they are still expected to reveal some patterns. Furthermore, the dynamic nature of the business environment and regional differences could also limit the generalizability of the findings. The second limitation is the unavailability of company representatives to participate due to their busy schedules. Additionally, the data gathered from interviews may be subject to the founders' selective memory and reporting bias, which could skew the presentation of success factors. Additionally, concerns about confidentiality may restrict the disclosure of sensitive information.

2.2. Financial analysis of annual reports

The following subchapter describes the results of a financial analysis conducted on unicorns in the Baltic states. The author had access to annual reports from seven unicorns, and each company's performance was analyzed over five years.

The financial data from annual reports was transferred from PDF format to a comparable view in an MS Excel database. The profiles of unicorn companies are visible in Appendix D. Applicable ratio formulas were applied to create separate tables for each company (Appendix E). These tables then developed graphs showing patterns in the selected companies' ratios. The author analyzed the changes and patterns in ratios by clusters of the

four domains – liquidity, profitability, solvency, and productivity. This analysis considers previous literature to assess whether these trends can be viewed as success factors in the case of the Baltic States' unicorns.

The liquidity ratios exhibit similarities and notable distinctions (see Figure 7). Under this domain, WC/TA, current ratio, and quick ratio are analyzed. The most significant differences are visible in the WC/TA ratio, but current and quick ratios show similar patterns, so they are analyzed combined.

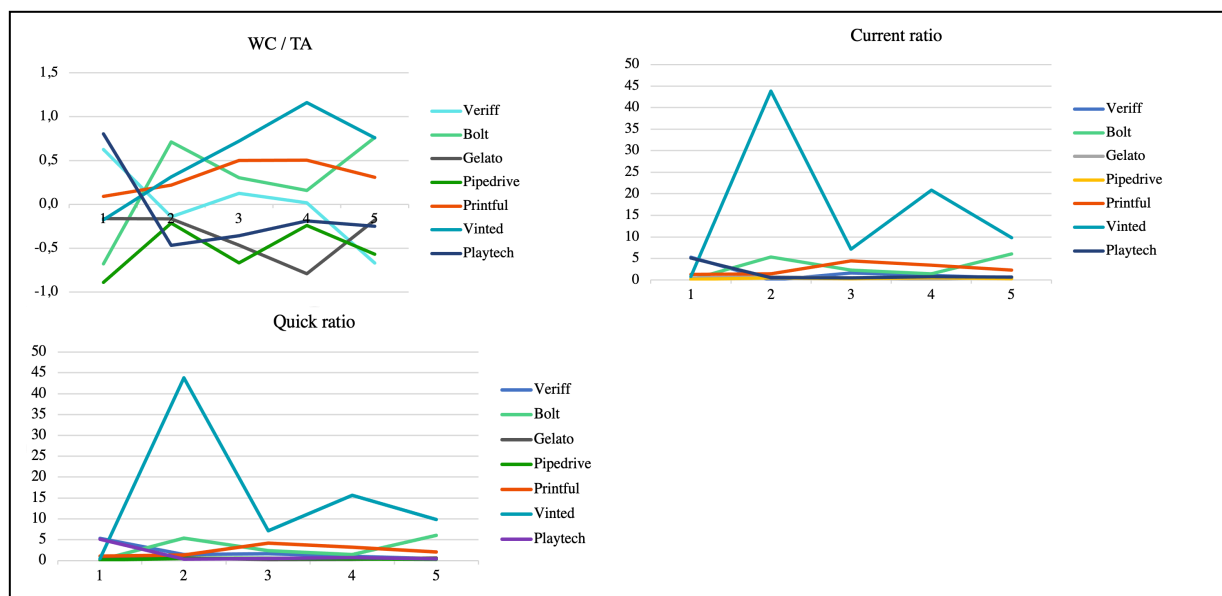


Figure 7. Liquidity ratios for the unicorn companies

Source: Compiled by the author

Analyzing the WC/TA ratios of unicorn companies in the Baltic states provides insights into their financial health and operational efficiency. Among these companies, Playtech, Veriff, and Printful had a positive WC/TA ratio from the first year, indicating strong liquidity. However, only Veriff maintained a positive and improving ratio over time, indicating stability. On the other hand, the remaining four companies - Pipedrive, Gelato, Bolt, and Vinted - started with a negative ratio. However, Bolt and Vinted showed rapid growth and surpassed the negative ratio before the end of year two. Pipedrive and Gelato were the only companies that failed to achieve a positive ratio. While a positive trend in liquidity can be considered a success factor in the early years, it cannot be solely attributed to success, as some companies had negative WC/TA ratios in the first five years and still succeeded (Fuertes-Callén et al., 2022; Rzayev & Khalilov, 2022).

Current and Quick ratios of the unicorns show a similar pattern. Vinted stands out due to its rapid growth in both ratios, from 0.47 in year one to 43.81 in year two and then ranging

from 7.14 to 15.64 in the following three years. This growth can be attributed to an increase in revenues and funding rounds. Veriff, on the other hand, shows a decline in both ratios, which may imply potential liquidity challenges or changes in asset composition relative to liabilities. Bolt displays fluctuations in both ratios over the five years, reflecting variability in its liquidity management practices or changes in business operations or market conditions. Gelato, Printful, and Playtech maintain relatively stable current and quick ratios, indicating consistent liquidity positions and effective management of short-term obligations. Pipedrive's ratios remained low, below the level of 1, which can be explained by their expansion plans that required notable liabilities, prioritizing growth over short-term liquidity. Overall, the quick and current ratios are crucial for startups' survival and success, according to Lukason & Käsper (2017) and Coad et al. (2016). This is supported by findings in unicorns in the Baltic states, as all companies managed to keep either low but positive and stable quick and current ratios or achieve very high liquidity, as in case of Vinted.

Within the profitability ratios ROA ratio shows similarities, but the NI/EBIT ratio suggest different scenarios for the unicorns in the Baltic states (see Figure 8).

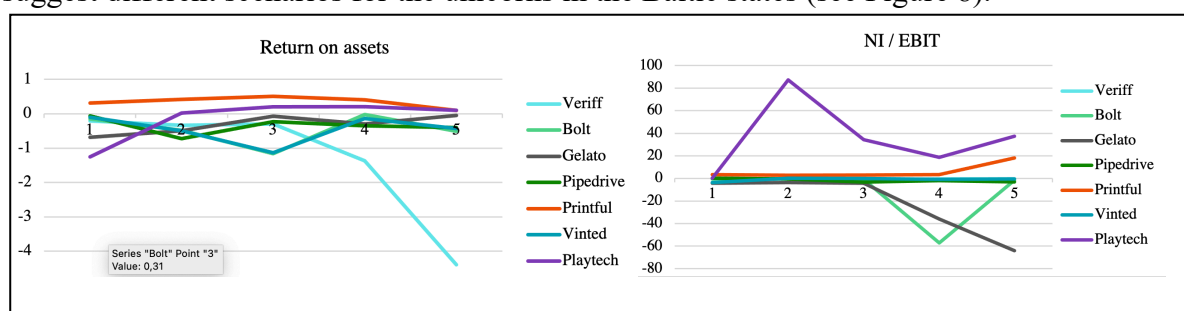


Figure 8. Profitability ratios for the unicorn companies

Source: Compiled by the author

Six unicorns started with a ROA ratio. Printful started with a positive ROA and maintained a ratio above 0. Gelato, even though having their ROA negative, experienced increase from -0.95 to -0.05 in year five. On the other hand, Veriff and Vinted experienced fluctuations in their ROA ratios, suggesting they faced challenges in effectively using their assets to generate profits. Veriff's ROA ratio was affected by its expansion plan, which required talent acquisition and product development. Meanwhile, Vinted's expenses increased significantly, particularly in terms of staff costs and marketing spending, as they entered the UK market. These expenses outweighed the growth in revenues and gross profit. These findings contradict Fuertes-Callén et al. (2022), study, which found that companies with unprofitable ratios are at a greater risk of bankruptcy. Kotha, Shin & Fisher (2022) argue that companies that can achieve profitability early on are more likely to attract funding and have a

higher chance of becoming unicorns. Research on unicorns in the Baltic states aligns with Coad's (2007) research, which suggests that growth and profit rates are not entirely related.

The most significant distinctions in the NI/EBIT ratios are for Playtech, Gelato, and Bolt. Playtech started with a ratio of 0.00 but showed rapid growth in its profitability, achieving a value of 87.16 in year two and staying very profitable in the coming years, showing vital signs of possible success (Rzayev & Khalilov, 2022). Printful showed a healthy positive trend, steadily increasing from 3.33 in year one to 18.13 in year five. However, Bolt experienced notable fluctuations, particularly in year four, with an unusually low value of -57.31, suggesting potential operational challenges and unsustainable profitability. However, Bolt managed to cover the significant decrease in year 5, returning it to an average level. It is observed that six out of seven unicorns had their NI/EBIT ratio close to 0 in the first three years of operations, and then either had a sudden decline or a mild increase in the ratio. According to Altman et al.'s (2017) findings, low profitability diminishes chances of survival, so the fact that investors look beyond financial indicators is supported in the case of Baltic States unicorns (Miloud et al., 2012; Coad et al., 2016; Fuertes-Callén et al., 2022; Martinez, 2019; Rzayev & Khalilov, 2022). Despite facing challenges with profitability at specific points, they may have exhibited other qualities that investors found attractive, which, as a result, contributed to success.

ATR and revenue per employee suggest that productivity has been a significant factor for these companies in achieving unicorn's status (see Figure 9).

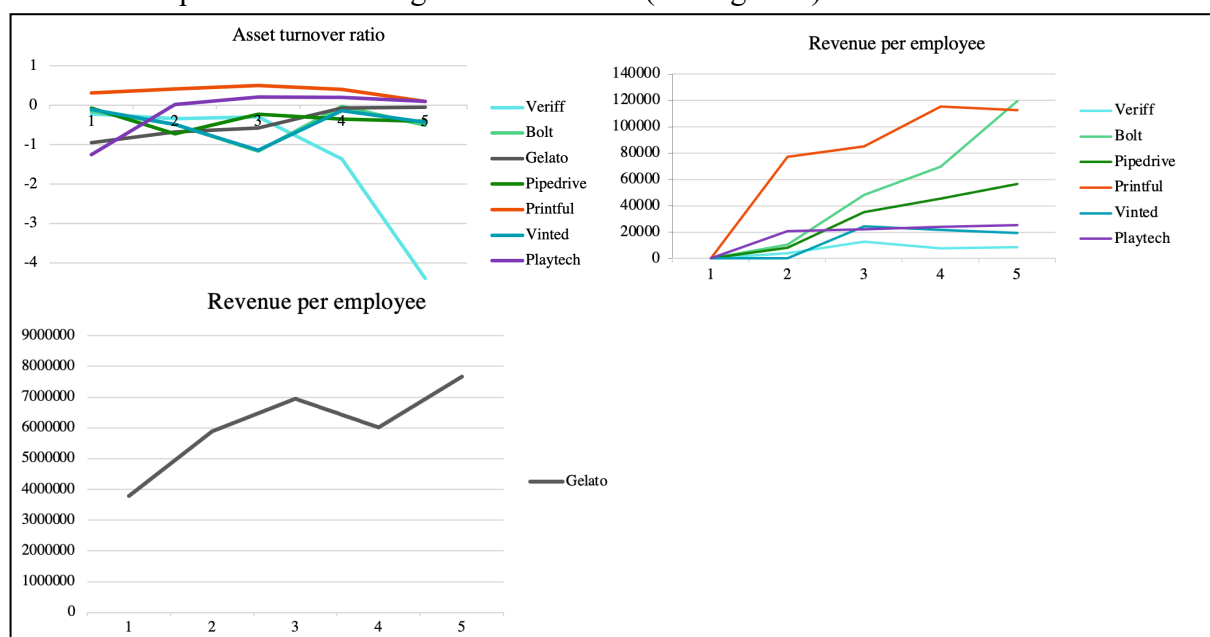


Figure 9. Productivity ratios for the unicorn companies

Source: Compiled by the author

In the first year of operations, the companies' ATR ranged between -4.39 and 0.51. For Veriff, this ratio steadily declined, reaching the lowest value in the fifth year and not achieving a positive value over the period. Over the mentioned period, particularly in year five, Veriff experienced substantial growth, driven by increased demand for digital identity verification solutions, mainly due to the COVID-19 crisis. This growth required significant investments in expanding its workforce, developing new products and services, and establishing a presence in new markets. Similar patterns are visible in Vinted, Gelato and Pipedrive, where the value never reaches 0 despite fluctuating. This is due to strategic investments in market expansion and increased expenditure, which increased total assets without an immediate proportional rise in revenue. Playtech's positive ATR from its second year onward can be attributed to its focus on expanding operations, securing new contracts, and increasing production efficiency. On the contrary, Printful showed positive returns over the period. The low values of ATR align with findings by Lukason & Käsper (2017), who found that lower productivity values may indicate better chances of survival, as bankrupt firms tend to run out of liquid assets, decreasing the denominator of the ATR ratio.

Revenue per employee ratios reveal insights into revenue generation efficiency and workforce productivity. First and foremost, it's important to highlight that Playtech's revenue was converted from EEK to EUR, using the rate of 1 EUR=15.6466 EEK, as per European Central Bank (2001-2005). This adjustment allowed to compare this ratio among unicorns. Playtech, Printful, Pipedrive and Bolt slowly improved this ratio, as they could generate impressive revenues while keeping their team size low. Gelato's ratio is presented separately due to their impressive returns with a small number of employees. These findings are consistent with previous studies highlighting the importance of optimizing workforce management and revenue generation strategies to foster sustained growth and efficiency in startups (Martinez, 2019; Fuertes-Callén et al., 2022).

Solvency was analyzed using three ratios – shareholder equity ratio, debt coverage ratio and debt ratio (see Figure 10).

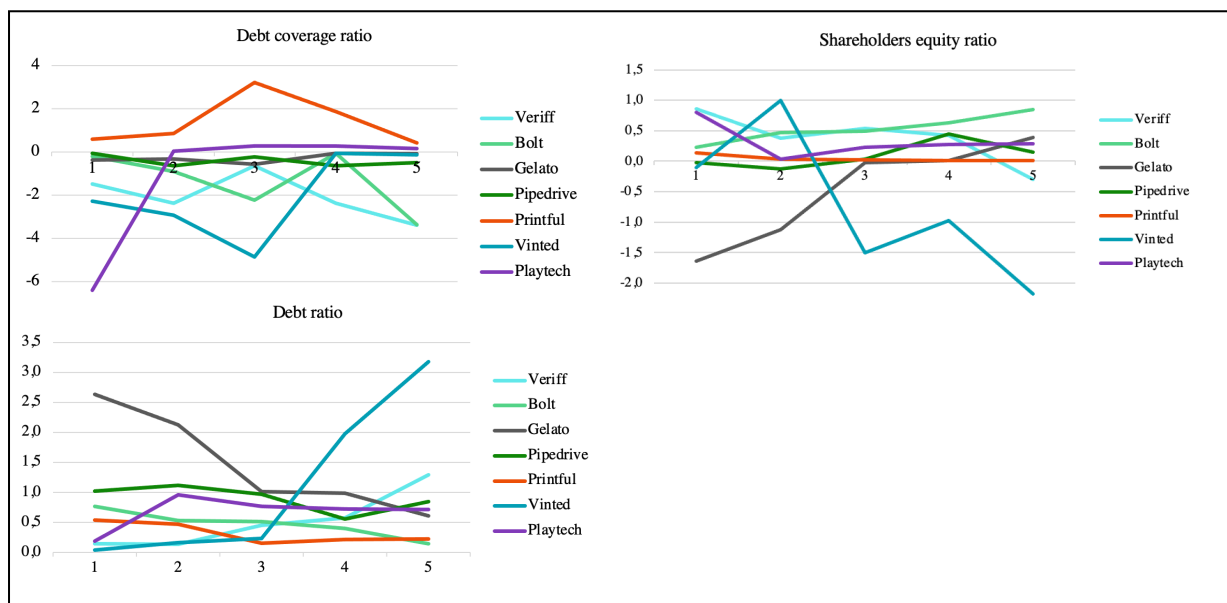


Figure 10. Solvency ratios for the unicorn companies

Source: Compiled by the author

When assessing the financial health and decision-making of unicorn companies, one valuable metric to consider is the shareholder equity ratio. Two unicorns, Vinted and Pipedrive, started with negative ratios. Vinted stands out in particular, as it achieved a ratio of 0.99 in year two before gradually declining to -2.18 in year five. This decline can be attributed to a combination of factors such as increased losses due to higher expenses, strategic changes leading to reorganization and reduction in headcount, and challenges in managing growth. Veriff's ratio also declined steadily over time, which may indicate difficulties in maintaining financial stability, according to Fuertes-Callén et al. (2022), who have also raised concerns about the startup's solvency and viability. On the other hand, Bolt and Gelato showed consistent growth in their shareholder equity ratios throughout the observation period, indicating robust financial strategies and effective capital management. This positive trend aligns with Fuertes-Callén et al. (2022), emphasis on proactive equity financing. Pipedrive's equity ratios also improved significantly, going from negative to positive, indicating adaptability and strategic financial management, according to Rzayev and Khalilov (2022). However, Printful's equity ratios remained relatively stable throughout the observation period, staying around 0. While stability is important, this trend may also suggest limitations in scalability and investment opportunities, according to Fuertes-Callén et al. (2022).

The debt coverage ratio draws a symmetric scene around the axis. While Gelato, Pipedrive, and Playtech maintained this ratio around the value of 0, there have been sudden

drops and increases in this ratio for other companies. As a similar trend, for Printful, Bolt, Pipedrive, Playtech, and Veriff this ratio increased in the year three. This was due to significant revenue growth and profitability, enabling them to better service their debt obligations. Additionally, their expansion into new markets and potential capital raises from investors may have strengthened their financial position, contributing to an improved debt coverage ratio. Vinted's ratio rapidly declined in year three, as the entry into the UK market and the Series B funding round may have also led to increased debt levels, impacting the ability to cover debt obligations effectively and resulting in a decline in its debt coverage ratio.

As for the debt ratio, over the five years Printful, Bolt, and Playtech managed to keep this ratio under the value of 1 and above 0. It appears that Veriff, Gelato and Vinted rely heavily on debt financing, which is indicated by their high debt ratios ranging from 0.14 to 3.18. This aligns with the findings of Fuertes-Callén et al. (2022), who have emphasized the impact of debt levels on startup viability and financial risk. Gelato started their operations with a large reliance on debt, and decreased it over time, but Vinted started off using less debt and increased it after the year three. In contrast, Bolt show a low but decreasing debt ratio, which suggests less reliance on debt over time. Pipedrive's debt ratios remain high in the initial years before declining later on, which could be indicative of strategic efforts to reduce leverage and enhance financial stability, as discussed by Rzayev & Khalilov (2022). Printful and Playtech demonstrate a balanced approach to debt financing, which is reflected in their moderate and relatively stable debt ratios hovering around 0.20 to 0.54. These insights show the critical importance of effective debt management in ensuring financial resilience and long-term success for Baltic unicorn companies.

To assess whether discoveries about the financial performance are applicable as success factors in the Baltic states, the author compiled the findings in Table 7.

In conclusion, the financial analysis revealed that a low but stable and positive liquidity is a characteristic shared by unicorns in the Baltics, particularly evident through their quick and current ratios. The WC/TA ratio, however, did not display consistent patterns across these companies, showing varied trends instead. Regarding profitability, it was noted that Baltic unicorns typically do not achieve profitability in their initial years. Nevertheless, there is a gradual improvement in their ROA. The NI/EBIT ratio follows a similar trend during the first three years of operation, after which it diverges, showing either a decrease, an increase, or stabilization around a moderate value of 0 in subsequent years. When examining productivity, it appears that unicorns have low ATR ratio during their first five years. Yet,

there is a significant and rapid increase in the revenue per employee across all companies, reminding the critical nature of maximizing revenue with minimal resources. The analysis of solvency as a determinant for unicorn status revealed a pattern: while some companies faced challenges with negative ratios, indicating financial instability, others exhibited consistent growth, reflecting robust financial strategies. Furthermore, the management of debt coverage and debt ratios was identified as essential for ensuring financial resilience and securing the long-term success of unicorn ventures in the Baltics.

Table 7

Financial success factors of unicorns in the Baltic states

Domain	Success factor of unicorns in the Baltic states
	No clear patterns in WC/TA ratio
Liquidity	Generally positive and stable quick and current ratios (0.00 to 43.81).
Profitability	Negative ROA in the first year, values slowly increasing over time (-4.39 to 1.16).
	NI/EBIT ratio close to 0 in the first three years, then either had a sudden decline or increase in the ratio.
Productivity	ATR ratio generally low, values ranging from -4.39 to 0.51.
	Revenue per employee ratios increased over time - keeping employees as low as possible and generating impressive revenues.
Solvency	Stable or increasing shareholder equity ratio (-2.18 to 0.99).
	Fluctuation in the debt coverage ratio, with some maintaining stability while others experience sudden drops or increases.
	Debt ratios generally stable and ranging between 0.05 and 3.18.

Source: Compiled by the author

The quantitative analysis has laid a solid foundation by identifying key financial patterns among unicorns in the Baltics, ranging from liquidity and profitability to solvency and productivity metrics. These findings, while insightful, present a high-level view that requires deeper exploration behind these numbers. The next step involves integrating perspectives directly from those steering these unicorn companies—their representatives.

2.3. Insights from the interviews with unicorn representatives

Two interviews were conducted – one with a representative from Printful, a unicorn company based in Latvia, and another with a representative from ID.me, one of the Estonian unicorns. The representative from the Latvian unicorn Printful is the Head of Engineering (further referred as manager) who has been with the company since its foundation, witnessing its growth firsthand as part of the Draugiem Group, its parent company. The Estonian unicorn, ID.me, was represented by a co-founder who shared valuable insights on the journey of building the unicorn from scratch. Attempts to secure an interview with a Lithuanian unicorn representative were unsuccessful due to various reasons, primarily busy schedules. However, the interviews with representatives from the two countries provided valuable insights into the key factors contributing to achieving unicorn status with valuations reaching \$1 billion in the Baltic states.

In the following sections, the interviewees' answers in all three domains – founding team's characteristics, firm's characteristics and country characteristics will be covered.

In the beginning of the interview, participants were prompted to identify key success factors on their companies' road to unicorn status. This approach encouraged them to share their initial insights freely, clear of any restrictive perspectives. Interestingly, both Printful and ID.me mentioned importance of having a clear vision for their products or services. Additionally, they highlighted the significance of targeting niche markets, offering tailored solutions that effectively address specific market needs. In addition, the manager at Printful emphasized having a mother company that allows for the experimenting with ideas and supplies the monetary side of developing prototypes. Vertical integration and controllability supported their expansion plans while having people with IT backgrounds allowed them to provide themselves with the technologies needed. The co-founder from ID.me emphasized focusing on having a mission and building a meaningful business that is user-centric and does not charge the end users. The representative also mentioned luck; however, in his ideas, the thought of taking opportunities from the market and being patient occurred multiple times. Printful managers said the same, as the Print on Demand (PoD) industry experienced a boom at the beginning of 2020s, so they needed to tackle the market.

The significance of the **characteristics of a founding team** in shaping the success of a startup emerges as a consistent theme across both empirical studies and qualitative research. Research consistently highlights the critical role that founders' backgrounds play in setting the direction and success of startup ventures (Bock & Hackober, 2020; Kotha, Shin & Fisher,

2022). This view was supported by the interviewees. First of all, both companies were started by a team, which has found to be a success factor of unicorns (Spacenco & Dahlqvist, 2018).

Representatives from Printful and ID.me emphasized the importance of a founder's mindset, stressing the need for founders to have a "can-do" attitude, be adept problem-solvers, and not fear making mistakes. Additionally, both representatives pointed out the advantage of having an IT background, which enabled them to tailor specific technologies in-house, offering greater flexibility, control, and opportunities for experimentation.

However, there was a notable difference in the interviewees' backgrounds; Printful lacked professional experience in the Print-on-Demand (PoD) industry, which was quite novel when they launched. However, the founders had experience with developing IT solutions before, thus they were serial entrepreneurs, as supported by Spacenco & Dahlqvist (2018), Zhai & Carrick (2019) and Kotha, Shin & Fisher (2022). In contrast, the founder of ID.me had a background in the military sector, which was important since ID.me initially developed identification tools for military use. This supports the literature on the value of having a strong educational background, particularly from an Ivy League institution (Lehmer, 2021). The founder of ID.me benefitted from studying business administration at Harvard Business School, providing a solid foundation for leading the business effectively. Another co-founder at ID.me obtained their education from a technology-focused college, where the main skills in IT were obtained.

The **firm's attributes**, especially organizational structure and growth tactics, play a vital role in determining the success trajectory of startups (Kesckes, 2021; Bock & Hackober, 2020; Spacenco & Dahlqvist, 2018; Zhai & Carrick, 2019; Kotha, Shin & Fisher, 2022; Kabbara & Hagen, 2023).

When looking at the structure of the unicorns, both companies revealed similar patterns. Initially, Printful and ID.me were the classical startups – lean, agile, and adaptive. Spacenco and Dahlqvist (2018) found this to be a success factor. However, as time went by, both companies grew in size, and multiple levels of management were necessary to satisfy the need for specialized roles and departmental growth, a move reflecting the natural evolution of startups seeking scalability (Bock & Hackober, 2020; Kotha et al., 2022). A representative from ID.me explained the need for more levels in a unique manner, comparing it to an expanding triangle:

"I think over time, the departments grow when the need for something grows, or the personnel amount grows. For example, sales grow so big that you want to split it into public sector and commercial sales, and then you start adding layers. So, it is like a triangle that

starts expanding. Because the main driver usually for organization structure expansion is there are too many people to manage.” (ID.me, 2024)

Both companies emphasized the need for a strong executive board and team leaders, as Printful has completed the C-level of executives, and ID.me always looked for ways to lead teams efficiently. Thus, it is easier to move employees upward than to hire executives. This played a role in their journey. Both companies also mentioned agility – even though there are more layers of employees now, they still keep their operations flexible to reduce bureaucracy and time spent on approving decisions.

When discussing growth strategies, notable similarities emerged between the representatives of both companies, emphasizing the importance of addressing market needs and achieving a solid product-market fit. For Printful, this entailed recognizing a required service gap, which was subsequently validated by positive market reception. Similarly, ID.me emphasized the challenge of gaining initial customer trust, thus prioritizing partnerships with established brands as a foundational step in market acquisition and subsequent growth. Moreover, ID.me's user acquisition strategy, emphasizing network effects and partnerships, resonates with established theories on growth hacking and business model innovation (Zhai & Carrick, 2019; Cristofaro et al., 2024). Their multifaceted approach to market penetration, as expressed by the statement, *"You go at the market from multiple directions at once"* (ID.me, 2024), encapsulates their strategic outlook. Furthermore, their strategic planning, particularly amid the e-commerce surge during the COVID-19 pandemic, shows the importance of seizing market opportunities and adapting strategies accordingly (Kotha et al., 2022).

When examining the industries in which unicorns operate, the representatives highlighted this as a critical factor contributing to success. In each instance, they pointed to the 2020 COVID-19 crisis as a pivotal catalyst for the growth of e-commerce and remote technology sectors. A representative from Printful articulated this perspective in the following way:

“What has influenced, I think, is that because we are an e-commerce business, the big explosion happened during Covid-19 when the so-called Brick-and-mortar companies that sell in-store physically could not employ as many people because they do not operate online. Of course, that affected us as well, and it was such a huge boost in monetary growth and all sorts of other developments for the company.” (Printful, 2024)

PoD market's growth can be attributed to the opportunity it provided for individuals to become business owners from the comfort of their homes, without needing any initial

investment. Plus, with the surge in fraud, there was a pressing need for advanced identification technologies. A key factor behind the success of these companies was their foresight in technology development. They had the necessary technology prepared ahead of time, positioning them to meet market needs as they arose.

The author asked the interviewees about a pivotal year in becoming a unicorn. This allowed to detect specific events and achievements that helped these companies. For Printful, the most pivotal year was 2021, marked by Bergal Sagemount's significant investment of \$130 million, catapulting the company's valuation over the \$1 billion threshold. The story of Printful's rise to a unicorn status after receiving investment illustrates the significant role of venture capital in enabling startups to grow quickly and reach high market values (Zhai & Carrick, 2019). Meanwhile, ID.me's co-founder highlighted three pivotal years: 2016, when they began providing identification services for the Veterans Affairs, marking their entry into a crucial sector; 2020, a year when the pandemic underscored the urgent need for secure identification solutions; and 2021, a standout year when their collaboration with the IRS (Internal Revenue Service) and a successful series C funding round pushed their valuation to \$1.6 billion. It can be concluded that important milestones were acquiring funding and being able to tackle opportunities provided by the market.

Printful's growth strategies, including integration with e-commerce platforms, illustrate a customer-centric business model (Bock & Hackober, 2020). The manager from Printful informed us that there are both Business-to-Business (B2B) and Business-to-Customer (B2C) approaches in their case. The most significant benefit for B2B customers is that there is no need for initial investment. This cuts costs and makes the profit generation more effective. Similarly, ID.me designed a business model where the end customer is not charged for the services. They sell trust and keep privacy and security levels high. Their business model was also described with a "flywheel":

“The most significant part is the network effects model, which we also describe as a flywheel. So we have three parts, which are data, users and partners. So when we have data, that unlocks our ability to verify who someone is, that gives us the ability to acquire more users, which then acquire more users, allowing us to develop more partners. Then, the flywheel just keeps going. And then, as you can imagine, the more you get every one of these three spokes, the wheel starts going faster and faster.” (ID.me, 2024)

Venture capitalists (VCs) have been broadly mentioned as significant success factors of unicorns in literature. They provide financial support, strategic guidance, and access to

networks necessary for scaling operations. (Lehmler, 2021; Kecskes, 2021; Bock & Hackober, 2020; Zhai & Carrick, 2019; Damasceno, Morini & Pannellini, 2021). Both companies mentioned VCs as a significant push on their way to reaching unicorn status. Although Printful benefited from having a mother company, Draugiem Group, which could help with resources and programmers, additional external investments were not needed. Therefore, while VCs are essential, the synergy between financial investment, strategic partnerships, and corporate support is necessary to achieve and sustain unicorn status.

Taking a closer look at discussions on how a **country's characteristics** can shape the success of unicorn startups brings some interesting points. Firstly, having a strong support system and the right infrastructure really matters. It supports what Kecskes (2021) found about how the unique solutions from these startups not only draw in consumer interest but also investments, showing just how crucial a supportive ecosystem is. The interviewed manager from Printful shared how their efforts to support the ecosystem have helped in pulling in talent and spreading the word. By visible and organizing events such as the Programmers Summer School, they have created a situation where everyone benefits—the company gets to lend a hand and reap the rewards at the same time. As for ID.me, which was mostly developed in the US, the co-founder could not say much about how Estonia's startup scene influenced their growth. But, they did mention feeling that the community is eager to help and great at networking.

The advancements in digital technology within the Baltic states were initially suspected to be a significant factor in the success of unicorn companies. However, upon further investigation, this factor did not seem to play a major role for the companies interviewed. For instance, Printful attributed its growth not to specific technological innovations but to the skilled IT professionals it managed to attract in Latvia. This aligns with Venâncio, Picoto, & Pinto's (2023) view that innovation and adaptability are key factors in the success of unicorn companies, but the country does not always contribute greatly to the innovations, as businesses appear to be international quickly and have access to resources worldwide. The manager pointed out that there weren't particular technological advancements in the Baltic states region that directly facilitated the company's rapid scaling. Conversely, ID.me's co-founder did acknowledge the Estonian e-ID programs as a source of inspiration for developing similar solutions in the US. Nonetheless, this was seen more as a positive reference point rather than a direct influence on their technological development.

Finally, the governmental policies, laws and barriers to market entry were examined in the interviews. It was highlighted that both unicorns, despite being active in the US, have

differing operational footprints. Printful operates a unit in Latvia, while ID.me's co-founder could only share insights on the entrepreneurial landscape in Estonia from remote observations. Notably, the representative from Printful did not identify any significant governmental obstacles impacting their business operations. This point was supported by the interviewee from ID.me, with both parties noting the relative ease of managing taxes and complying with regulations in the Baltics compared to the US. The fragmented nature of the US, due to its many states, was brought out as a complicating factor for business operations. However, the ID.me co-founder also pointed out advantages of starting a business in the US, such as the vast market size, which is beneficial to fully exhaust before exploring other markets. Additionally, significant cultural differences in business practices were observed. For instance, Estonian businessmen are described as being direct, whereas Americans typically engage in longer negotiations and take more time to finalize deals.

To have an overview of approved success factors of non-financial success factors of unicorns in the Baltic states, they have been aggregated in Table 8.

Table 8

Non-financial success factors of unicorns in the Baltic states

	Founders	IT background of the founders; Mindset of the founder (s); Started by a team; Higher education; Experience in the field.
Interviews	Firm	Being an agile and lean startup in the beginning; Strong team leaders; Agility even with complex structure; Product-market fit; B2B partnerships; Aggressive market penetration strategies; Disruptive and innovative technologies; VCs involvement; Low-cost and attractive business models.
	Country	Supportive startup community; IT professionals; Digital advancements; Ease in terms of doing taxes; Market size.

Source: Compiled by the author

The success of unicorns in the Baltic states is attributed not only to financial metrics but also to non-financial factors. Key elements include the technical expertise of IT-

background founders, the innovative and risk-taking mindset, and the benefits of diverse skills within founding teams. Higher education and relevant experience among founders, along with the adoption of agile and lean methodologies, enhance adaptability and problem-solving. Effective leadership, achieving product-market fit, strategic B2B partnerships, and aggressive market penetration strategies are essential for growth. The uniqueness of unicorns often lies in their disruptive technologies and the attraction of venture capital, supported by scalable and cost-effective business models. A skilled IT workforce, technological advancements, simplified tax processes, and access to large markets within a supportive startup ecosystem also play significant roles in their success.

Conclusion

By using financial analysis and conducting interviews with company representatives, the thesis uncovers the key success factors of unicorn companies in the Baltic states, which have been observed in achieving valuations exceeding \$1 billion.

Previous studies on startups and high-growth firms have employed various methodologies – quantitative, qualitative and hybrid. For financial analysis, scholars have focused on liquidity, profitability, productivity, and solvency. Qualitative findings, on the other hand, focus on the characteristics of founders, firms, and countries. This thesis also uses the same categorization of findings to analyze the results.

The analysis shows that there are no clear patterns in the working capital to total assets (WC/TA) ratio when it comes to liquidity. Some companies start with positive ratios from the beginning while others begin with negatives but improve over time. However, the quick and current ratios are generally positive and stable, which indicates that the companies are managing their liquidity effectively and running their operations efficiently.

Unicorns usually begin with negative returns on assets (ROA) but gradually improve over time in terms of profitability. The ratio of net income to earnings before interest and taxes (NI/EBIT) generally remains around zero for the first three years but then increases or decreases, indicating fluctuations in operational performance and profitability.

Productivity ratios are important metrics that help evaluate the efficiency of revenue generation and employee productivity. The asset turnover ratio (ATR) and revenue per employee are two such ratios that reveal varying levels of efficiency. A low ATR ratio generally indicates better chances of success, whereas increasing RPE ratios over time demonstrate impressive revenues relative to the size of the workforce, showing high productivity.

Unicorn companies' financial stability and decision-making are highlighted by their solvency ratios. Shareholder equity ratios within the unicorns demonstrate stability or steady growth. Debt coverage ratios fluctuate depending on debt management practices, while debt ratios remain relatively stable.

Through qualitative interviews with company representatives, the author has gained a better understanding of the success factors that contribute to the Baltic unicorn ecosystem. Generally, founders have IT backgrounds, maintain a can-do mindset, and initiate ventures as part of a team, often with higher education qualifications and previous experience in the field. In the initial stages, companies prioritize agility and lean operations, led by strong team leaders, and focus on achieving product-market fit through innovative and disruptive technologies. To scale their operations, partnerships with venture capitalists (VCs) play a significant role, while low-cost and attractive business models facilitate market penetration.

The Baltic states provide a favorable environment for unicorn success due to the availability of a supportive startup community and skilled IT professionals, digital advancements, easy tax processes, and access to a significant market. However, there are still challenges such as fluctuations in profitability, variations in liquidity management, and reliance on debt financing, emphasizing the need for strategic decision-making and adaptability to navigate the ever-evolving market conditions.

Although this thesis has provided valuable insights, it is essential to recognize its limitations and suggest future research directions. The small sample size of unicorn companies analyzed restricts the generalizability of the findings. Additionally, the study's focus on Latvia and Estonia may create a biased perspective, as Lithuanian unicorns were not included in the qualitative part of the study.

Further research could involve expanding the sample size for both qualitative and quantitative analysis. Conducting case studies of individual unicorn companies could provide rich insights into their unique strategies and challenges. Furthermore, comparing unicorns with other high-growth companies, such as gazelles, could reveal similarities and differences in their paths to success. Additionally, investigating the role of external factors, such as regulatory environments and market conditions, in shaping the success of unicorn companies could provide valuable insights.

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Appendix A
Success factors researched and found in the empirical studies

Authors	Studied region	Sample size	Methodology	Predicted factors	Actual findings
Lehmler (2021)	Europe	-	Regression model	The reputation of investors; strategic investors; the university attended by the founders; the influence of innovation hubs; previous entrepreneurial experience	The founders; involvement of corporate venture capitalists
Kecskes (2021)	United Kingdom, Germany and France	33 unicorns	Descriptive statistical analysis and interviews	Attractiveness to users; reliance on new technologies; consumer-orientation; growth-orientation	The choice of product and market; the technology sector; the cost structure; socio-demographic trends; founders, funding and board composition; geographical location; presence of support structures
Ünal (2019)	Global	44 522 firms	Logistic regression recursive partitioning tree, conditional inference tree, random forest and extreme gradient boosting		Last funding to date; first funding lag; company age
Dietrich (2018)	US, Canada, Asia, Europe, Latin America, Australia and Africa	52 unicorns	Case study, research study, linear regression	The growth-oriented vision and mission; number of employees as moderator; commitment to growth; interorganizational relationships	Interorganizational relationships
Bock& Hackober (2020)	China, the US and others	235 unicorns	Hierarchical logistic regression	Investor's reputation; foundation within a cluster	Foundation within a cluster; CVC investors; aggressive and

			analysis and linear regression	CVC investors; aggressive and inorganic growth strategies	inorganic growth strategies
Spacenco & Dahlqvist (2018)	The Netherlands	1 scaleup (interview), 100 dutch scale-ups (ScaleUp Nation report)	Semi-structured interview, ScaleUpNation (2019) secondary report analysis and multiple case study	Entrepreneur characteristics, resources, strategy, organiational structures and systems, industry, location	Serial entrepreneurship; founded by a lean, talented team; innovations; attractive market; captivating product; efficient business model;
Zhai & Carrick (2019)	China	68 unicorns	Two-phased case study methodology	Innovation; human capital (management skills); hunger for capital; strategic alliances;	Unique technologies; Early strategic alliances; Relationships with government partners; Previous experience from the founders; Raising capital
Kartanaite & Krusinskas (2022)	US, Canada, Europe and Asia	97 unicorns	ANOVA of financial indicators	Regional financial support; location; sector; technologies; patents; innovations; IPO year; dynamics of financial ratios	Sector; location; IPO year; dynamics of financial ratios
Kotha, Shin & Fisher (2022)	Global	337 unicorns	Descriptive analysis	Founding experience; Age Gender (male); Ivy league affiliation; Edu background; Solo founder; Founding team size; Location in China; Accelerator affiliation; Platform businesses; Venture age Profitability; IP; Industry effects; Seed funding; VC centrality; Equity held by VCs; Deal-size; Media coverage	Founding experience; Solo founder; Platform businesses; Profitability; Deal-size

Venâncio, Picoto, & Pinto (2023)	39 countries	766 unicorns	Fuzzy-set qualitative comparative analysis approach (fsQCA)	Digital evolution score; supply conditions; demand conditions; institutional environment; innovation and change; average of the digital trust score; degree of device and broadband use; degree of digital payment use; business environment; institutions; and the digital ecosystem; institutional effectiveness and trust.	Digital evolution score; digital trust score in conjunction with the institutional environment and innovation and change; demand conditions (in absence of other factors).
Almus & Nerlinger (1999)	West Germany	580,000 firms	Growth regression	Firm age; firm size; legal form and formal links with other firms; diversification; human capital of founders; team founders; location; salary rates and average wage.	Firm size, innovations; legal form and formal links to other firms; human capital of the founder(s); location.
Damasceno, Morini & Pannellini (2021)	Brazil	1 unicorn	Questionnaire (snowball sampling) & interviews	Founder background; capital raising; strategic alliances and government relations; founder experience and skills; corporate governance mechanisms; capability acquisition; digitalization of the value chain.	Efficient investment capture; backlog of demand; rapid experimentation of new products and services; use of data and digital innovation as technological resources; communication and relationship with brokers through; consistent innovation strategy and partnerships, connection with startups; capable employees (CDO,

					CIO) and teams as human resources.
Kabbara & Hagen (2023)	Sweden & Italy/Ireland	2 unicorns	Longitudinal analysis with a matched-pair of two cases	Entrepreneurial team; venture capital; business model; industry; consumer behaviour; partnering; acquisitions.	Entrepreneurial team and key partners' experience; business model; technology; consumer behavior; creation of an ecosystem; strategic choice of markets; management of growth.

Source: Compiled by the author

Appendix B
Ratios used for the success prediction of startups

Domain	Ratio	Formula	Authors
Liquidity	WC over Total Assets	WC/TA	Rzayev & Khalilov (2022) Huyghebaert et al. (2000) Fuertes-Callén et al. (2022)
	Current ratio	CA/CL	Lukason & Käsper (2017) Huyghebaert et al. (2000) Kartanaite & Krusinskas (2022)
	Cash ratio (Quick ratio)	Cash&Equivalents/CL	Lukason & Käsper (2017) Huyghebaert et al. (2000) Fuertes-Callén et al. (2022) Kartanaite & Krusinskas (2022)
Profitability	Return on assets	NI/TA	Rzayev & Khalilov (2022) Lukason & Käsper (2017) Huyghebaert et al. (2000) Fuertes-Callén et al. (2022) Kartanaite & Krusinskas (2022)
	Net income to operating revenue	NI/OR	Lukason & Käsper (2017)
	ROI	Revenue/investment	Laitinen & Erkki (2017) Kartanaite & Krusinskas (2022)
Productivity / Performance	Asset Turnover ratio	OR/TA	Rzayev & Khalilov (2022) Lukason & Käsper (2017)
	Revenue per employee	Revenue / employees	Fuertes-Callén et al. (2022)
Solvency	Shareholder equity ratio	Equity / TA	Rzayev & Khalilov (2022)
	Debt ratio	TD/TA	Huyghebaert et al. (2000) Fuertes-Callén et al. (2022)
	Interest coverage ratio	EBIT/Interest expenses	Fuertes-Callén et al. (2022)
	Debt coverage ratio	EBIT/TD	Fuertes-Callén et al. (2022)

Source: Compiled by the author

Appendix C

Interview questions for the unicorn companies' representatives

Broad factor	Narrow factor	Question
	-	1. What do you believe were the key factors that led to [<i>unicorn's name</i>] becoming a unicorn?
Founders' characteristics	Education	2. How did the team's background contribute to the company's success?
	Entrepreneurial experience	
	Started by a team	
	Network	
	Age*	3. Can you describe the organizational structure of [<i>unicorn's name</i>]?
	No of employees*	
	Organizational structure	
Firm characteristics	Growth strategy	4. What strategies did your company employ to gain the market share initially and grow rapidly?
		5. Which specific year was the most pivotal in driving your company towards unicorn status, and what key events or developments occurred during that time?
	Cost structure	6. What are the key features of your business model that allowed to scale rapidly?
	Business model	
	Venture capital	7. Which funding sources played the most significant role in helping your company achieve a valuation of one billion dollars?
	Investment duration	
Country characteristics	Industry	8. How has the industry you operate in impacted your company's growth trajectory?
	Socio-demographic trends	9. How do you think the startup community influenced your company's growth and success, and what role have they played in helping your company achieve unicorn status?
	Entrepreneurial environment	
	Digital ecosystem	10. How have digital advancements in [<i>country</i>] impacted innovations within your own company?
	Innovation hubs	
	Government policies	11. How have government policies and laws affecting startups in Latvia influenced the ease of doing business there? What changes would you suggest to make it easier for startups to do business effectively?
	Institutional efficiency and trust	

Note. *corresponds to the year when firm became a unicorn. Other values =< the year when firm became a unicorn

Source: Compiled by the author

Appendix D
Financial profiles of the unicorn companies

Veriff

	Year	2015*	2016	2017	2018	2019
Size	No of board members	1	1	1	1	1
	Employees	1	5	12	63	302
Financials	Cash	42 250	32 584	61 476	334 442	1 017 925
	Accounts receivable	1 217	11 245	59 717	261 535	381 760
	Current assets	43 667	43,829	121 193	595 977	1 399 685
	Total assets	56 532	208 115	387 252	1 006 120	2 234 672
	Current liabilities	8 181	29 815	73 658	580 865	2 902 037
	Total liabilities	8 181	29 815	177 408	580 865	2 902 037
	Working capital	35 486	-29 771	47 535	15 112	-1 502 352
	Equity	48 351	77 790	209 844	425 255	-667 365
	Revenue	0	20 416	152 411	485 655	2 653 716
	EBIT	-12 149	-70 561	-114 196	-1 374 310	-9 817 731
	Net Profit/Loss	-12 149	-70 561	-114 196	-1 374 310	-9 817 731
Key ratios	WC/TA	0,63	-0,14	0,12	0,02	-0,67
	Current ratio	5,34	0,00	1,65	1,03	0,48
	Quick ratio	5,31	1,47	1,65	1,03	0,48
	ROA	-0,21	-0,34	-0,29	-1,37	-4,39
	NI/EBIT	0,00	-0,29	-1,33	-0,35	-0,27
	Shareholder equity ratio	0,86	0,37	0,54	0,42	-0,30
	Debt coverage	-1,49	-2,37	-0,64	-2,37	-3,38
	Debt ratio	0,14	0,14	0,46	0,58	1,30
	Asset turnover	-0,21	-0,34	-0,29	-1,37	-4,39
Revenue per employee	0,00	4083,20	12700,92	7708,81	8787,14	

Note. *denotes the year when startup became a unicorn. Values in EUR, ratios as coefficients

Source: Compiled by the author

Bolt

	Year	2013	2014	2015	2016	2017
	Employees	0	14	14	40	149
Financials	Cash	557	620 062	215 169	312 845	14 602 535
	Accounts receivable	0	89 769	156 859	669 403	5 820 698
	Current assets	557	709 831	372 028	982 248	20 423 233
	Total assets	6 557	809 114	699 892	1 869 390	22 373 709
	Debt	27	132 928	158 297	418 474	3 388 719
	Investments		3 324	12 881	9497	72 851
	Current liabilities	5 027	132 928	158 297	688 474	3 388 719
	Total liabilities	5 027	432 928	362 976	752 057	3 388 719
	Working capital	-4 470	576 903	213 731	293 774	17 034 514
	Equity	1 530	376 186	348 391	1 180 916	18 988 302
	Revenue	599	144 733	677 745	2 785 322	17 846 919
	EBIT	-970	-395 107	811 456	-48 605	-11 390 164
	Net Profit/Loss	-970	-395 107	-811 462	-49 367	-11 414 835
Key ratios	WC/TA	-0,68	0,71	0,31	0,16	0,76
	Current ratio	0,11	5,34	2,35	1,43	6,03
	Quick ratio	0,11	5,34	2,35	1,43	6,03
	ROA	-0,15	-0,49	1,16	-0,03	-0,51
	NI/EBIT	-0,62	-0,37	0,84	-57,31	-1,57
	Shareholder equity ratio	0,23	0,46	0,50	0,63	0,85
	Debt coverage	-0,19	-0,91	2,24	-0,06	-3,36
	Debt ratio	0,77	0,54	0,52	0,40	0,15
	Asset turnover	-0,15	-0,49	1,16	-0,03	-0,51
Revenue per employee	-	10338,07	48410,36	69633,05	119777,98	

Note. The name of the company at analyzed years was Taxify. Bolt became a unicorn in 2018, which is the sixth year of their operations. Values in EUR, ratios as coefficients

Source: Compiled by the author

Gelato

	Year	2015	2016	2017	2018*	2019
	Employees	2	4	4	4	4
	Cash	6 319	5 843	28 429	31 514	109 925
	Accounts receivable	494	53 959	60 235	92 405	46 111
	Current assets	6 813	59 802	88 664	123 919	156 036
	Total assets	24 357	59 802	88 664	123 919	156 036
	Current liabilities	21 367	42 105	50 284	61 920	69 554
	Total liabilities	21 367	42 105	50 284	61 920	69 554
	Working capital	-14 554	17 697	38 380	61 999	86 482
	Equity	2 990	17 697	38 380	61 999	86 482
	Revenue	41 058	314 170	435 568	495 996	514 136
	EBIT	490	14 707	20 683	23 619	24 483
	Net Profit/Loss	490	14 707	20 683	23 619	24 483
Key ratios	WC/TA	-0,60	0,30	0,43	0,50	0,55
	Current ratio	0,32	1,42	1,76	2,00	2,24
	Quick ratio	0,32	1,42	1,76	2,00	2,24
	ROA	0,02	0,25	0,23	0,19	0,16
	NI/EBIT	83,79	21,36	21,06	21,00	21,00
	Shareholder equity ratio	0,12	0,30	0,43	0,50	0,55
	Debt coverage	0,02	0,35	0,41	0,38	0,35
	Debt ratio	0,88	0,70	0,57	0,50	0,45
	Asset turnover	0,02	0,25	0,23	0,19	0,16
Revenue per employee	3787809,60	5898524,60	6940531,57	6015958,36	7671812,85	

Note. *denotes the year when startup became a unicorn. Values in EUR, ratios as coefficients

Source: Compiled by the author

Pipedrive

Year	2010	2011	2012	2013	2014
Employees	0	4	9	18	36
Cash	720	12 145	78 988	175 455	172 573
Accounts receivable	7 090	11 079	167 211	54 975	287 048
Current assets	7 810	23 224	133 963	342 666	459 621
Total assets	58 364	105 538	449 315	1 084 886	1 659 582
Current liabilities	59 717	45 671	434 947	606 060	1 407 368
Total liabilities	59 717	118 331	434 947	606 060	1 407 368
Working capital	-51 907	-22 447	-300 984	-263 394	-947 747
Equity	-1 353	-12 793	14 368	478 826	252 214
Revenue	0	32 582	318 409	818 103	2 046 371
EBIT	-3 910	-76 649	-102875	-380435	-679 997
Net Profit/Loss	-3 910	-76 649	-102875	-380435	-679 997
WC/TA	-0,89	-0,21	-0,67	-0,24	-0,57
Current ratio	0,13	0,51	0,31	0,57	0,33
Quick ratio	0,13	0,51	0,57	0,38	0,33
ROA	-0,07	-0,73	-0,23	-0,35	-0,41
NI/EBIT	0,00	-0,43	-3,10	-2,15	-3,01
Shareholder equity ratio	-0,02	-0,12	0,03	0,44	0,15
Debt coverage	-0,07	-0,65	-0,24	-0,63	-0,48
Debt ratio	1,02	1,12	0,97	0,56	0,85
Asset turnover	-0,07	-0,73	-0,23	-0,35	-0,41
Revenue per employee	-	8145,50	35378,78	45450,17	56843,64

Note. Values in EUR, ratios as coefficients

Source: Compiled by the author

Printful

Year	2017	2018	2019	2020	2021*
Employees	0	148	272	409	626
Cash	43 625	781 858	521 994	2 997 829	2 510 131
Accounts receivable	718640	5 882 086	9 062 437	20 174 203	16 279 335
Current assets	924542	7 117 506	10 298 726	24 878 310	21 619 003
Total assets	2505866	10 259 867	15 943 511	34 912 829	40 504 691
Debt	354630	301 383	485 314	1 564 989	1 096 982
Current liabilities	700000	4 884 022	2 304 908	7 267 968	9 195 304
Total liabilities	1358876	4 884 022	2 509 077	7 496 276	9 195 304
Working capital	224 542	2 233 484	7 993 818	17 610 342	12 423 699
Equity	350000	350 000	350 000	350 000	350 000
Revenue	2 657 616	11 461 188	23 125 486	47 242 769	70 564 075
EBIT	796 990	4 228 855	8 058 589	13 982 119	3 892 834
Net Profit/Loss	796 990	4 228 855	8 058 589	13 982 119	3 892 834
WC/TA	0,09	0,22	0,50	0,50	0,31
Current ratio	1,32	1,46	4,47	3,42	2,35
Quick ratio	1,09	1,36	4,16	3,19	2,04
ROA	0,32	0,41	0,51	0,40	0,10
NI/EBIT	3,33	2,71	2,87	3,38	18,13
Shareholder equity ratio	0,14	0,03	0,02	0,01	0,01
Debt coverage	0,59	0,87	3,21	1,87	0,42
Debt ratio	0,54	0,48	0,16	0,21	0,23
Asset turnover	0,32	0,41	0,51	0,40	0,10
Revenue per employee	-	77440,46	85020,17	115507,99	112722,16

Note. *denotes the year when startup became a unicorn. Values in EUR, ratios as coefficients

Source: Compiled by the author

Vinted

Year	2012	2013	2014	2015	2016
Employees	0	100	126	201	228
Cash	69 607	1 324 057	12 541 239	28 870 332	14 039 236
Accounts receivable	181 220	202 199	777 298	1 104 777	1 300 309
Current assets	449 179	1 526 256	13 321 369	39 870 332	15 339 760
Total assets	483 718	4 786 013	15 881 663	32 712 207	18 204 934
Current liabilities	534 414	34 841	1 864 171	1 916 060	1 558 020
Total liabilities	22 414	801 453	3 728 342	64 759 398	57 837 237
Working capital	-85 235	1 491 415	11 457 198	37 954 272	13 781 740
Equity	-50 696	4 751 172	-23 912 209	-32 047 191	-39 632 303
Revenue	181 394	0	3 092 427	4 405 791	4 386 675
EBIT	-50 836	-2 347 742	-18 146 672	-4 461 314	-7 847 719
Net Profit/Loss	-50 386	-2 347 742	-18 132 767	-4 461 314	-7 833 814
WC/TA	-0,18	0,31	0,72	1,16	0,76
Current ratio	0,84	43,81	7,15	20,81	9,85
Quick ratio	0,47	43,81	7,14	15,64	9,85
ROA	-0,11	-0,49	-1,14	-0,14	-0,43
NI/EBIT	-3,57	0,00	-0,17	-0,99	-0,56
Shareholder equity ratio	-0,10	0,99	-1,51	-0,98	-2,18
Debt coverage	-2,27	-2,93	-4,87	-0,07	-0,14
Debt ratio	0,05	0,17	0,23	1,98	3,18
Asset turnover	-0,11	-0,49	-1,14	-0,14	-0,43
Revenue per employee	-	77440,46	85020,17	115507,99	112722,16

Note. Values in EUR, ratios as coefficients

Source: Compiled by the author

Playtech

Year	2001	2002	2003	2004	2005
Employees	0	13	67	109	161
Cash	18 958	661 967	1 076 438	4 554 961	2 663 928
Accounts receivable	483	483	209 268	688 704	2 418 339
Current assets	19 441	961 407	1 296 894	5 749 753	7 614 364
Total assets	19 441	1 925 016	3 256 153	10 763 215	16 346 112
Current liabilities	3 800	1 860 329	2 470 339	7 789 980	11 673 161
Total liabilities	3 800	1 860 329	2 514 123	7 809 884	11 673 161
Working capital	15 641	-898 922	-1 173 445	-2 040 227	-4 058 797
Equity	15 641	64 687	742 030	2 953 331	4 672 951
Revenue	0	4 274 750	23 153 110	41 330 216	64 420 968
Revenue in Eur	0,00	273206,32	1479753,43	2641482,24	4117250,00
EBIT	-24 359	49 046	677 343	2 211 301	1 719 620
Net Profit/Loss	-24 359	49 046	677 343	2 211 301	1 719 620
WC/TA	0,80	-0,47	-0,36	-0,19	-0,25
Current ratio	5,12	0,52	0,52	0,74	0,65
Quick ratio	5,12	0,36	0,52	0,67	0,44
ROA	-1,25	0,03	0,21	0,21	0,11
NI/EBIT	0,00	87,16	34,18	18,69	37,46
Shareholder equity ratio	0,80	0,03	0,23	0,27	0,29
Debt coverage	-6,41	0,03	0,27	0,28	0,15
Debt ratio	0,20	0,97	0,77	0,73	0,71
Asset turnover	-1,25	0,03	0,21	0,21	0,11
Revenue per employee	-	21015,87	22085,87	24233,78	25572,98

Note. The values are in Estonian Kroons, except for “Revenue in Eur”. The Revenue per employee ratio is calculated on Eur basis. 1 EUR = 15.6466 EEK. Ratios as coefficients

Source: Compiled by the author

Appendix E
Ratios of the unicorn companies

Quick ratio

Year	1	2	3	4	5
Veriff	5,31	1,47	1,65	1,03	0,48
Bolt	0,11	5,34	2,35	1,43	6,03
Gelato	0,42	0,64	0,27	0,30	0,55
Pipedrive	0,13	0,51	0,57	0,38	0,33
Printful	1,09	1,36	4,16	3,19	2,04
Vinted	0,47	43,81	7,14	15,64	9,85
Playtech	5,12	0,36	0,52	0,67	0,44

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

Current ratio

Year	1	2	3	4	5
Veriff	5,34	0,00	1,65	1,03	0,48
Bolt	0,11	5,34	2,35	1,43	6,03
Gelato	0,49	0,71	0,54	0,20	0,71
Pipedrive	0,13	0,51	0,31	0,57	0,33
Printful	1,32	1,46	4,47	3,42	2,35
Vinted	0,84	43,81	7,15	20,81	9,85
Playtech	5,12	0,52	0,52	0,74	0,65

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

WC/TA

Year	1	2	3	4	5
Veriff	0,63	-0,14	0,12	0,02	-0,67
Bolt	-0,68	0,71	0,31	0,16	0,76
Gelato	-0,16	-0,17	-0,47	-0,79	-0,18
Pipedrive	-0,89	-0,21	-0,67	-0,24	-0,57
Printful	0,09	0,22	0,50	0,50	0,31
Vinted	-0,18	0,31	0,72	1,16	0,76
Playtech	0,80	-0,47	-0,36	-0,19	-0,25

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

NI/EBIT

Year	1	2	3	4	5
Veriff	0,00	-0,29	-1,33	-0,35	-0,27
Bolt	-0,62	-0,37	0,84	-57,31	-1,57
Gelato	-4,23	-3,62	-4,43	-36,10	-63,82
Pipedrive	0,00	-0,43	-3,10	-2,15	-3,01
Printful	3,33	2,71	2,87	3,38	18,13
Vinted	-3,57	0,00	-0,17	-0,99	-0,56
Playtech	0,00	87,16	34,18	18,69	37,46

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

Return on assets

Year	1	2	3	4	5
Veriff	-0,21	-0,34	-0,29	-1,37	-4,39
Bolt	-0,15	-0,49	-1,16	-0,03	-0,51
Gelato	-0,69	-0,49	-0,07	-0,30	-0,05
Pipedrive	-0,07	-0,73	-0,23	-0,35	-0,41
Printful	0,32	0,41	0,51	0,40	0,10
Vinted	-0,10	-0,49	-1,14	-0,14	-0,43
Playtech	-1,25	0,03	0,21	0,21	0,11

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

Revenue per employee

Year	1	2	3	4	5
Veriff	0,00	4083,20	12700,92	7708,81	8787,14
Bolt	-	10338,07	48410,36	69633,05	119777,98
Gelato	3787809,60	5898524,60	6940531,57	6015958,36	7671812,85
Pipedrive	-	8145,50	35378,78	45450,17	56843,64
Printful	-	77440,46	85020,17	115507,99	112722,16
Vinted	-	0,00	24543,07	21919,36	19239,80
Playtech	-	21015,87	22085,87	24233,78	25572,98

Note. Red denotes lowest values, and the gradual increase to green denotes higher values.

Values in EUR

Source: Compiled by the author

Asset turnover ratio

Year	1	2	3	4	5
Veriff	-0,21	-0,34	-0,29	-1,37	-4,39
Bolt	-0,15	-0,49	-1,16	-0,03	-0,51
Gelato	-0,95	-0,68	-0,57	-0,07	-0,05
Pipedrive	-0,07	-0,73	-0,23	-0,35	-0,41
Printful	0,32	0,41	0,51	0,40	0,10
Vinted	-0,11	-0,49	-1,14	-0,14	-0,43
Playtech	-1,25	0,03	0,21	0,21	0,11

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

Debt ratio

Year	1	2	3	4	5
Veriff	0,14	0,14	0,46	0,58	1,30
Bolt	0,77	0,54	0,52	0,40	0,15
Gelato	2,63	2,13	1,02	0,99	0,61
Pipedrive	1,02	1,12	0,97	0,56	0,85
Printful	0,54	0,48	0,16	0,21	0,23
Vinted	0,05	0,17	0,23	1,98	3,18
Playtech	0,20	0,97	0,77	0,73	0,71

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

Debt coverage ratio

Year	1	2	3	4	5
Veriff	-1,49	-2,37	-0,64	-2,37	-3,38
Bolt	-0,19	-0,91	2,24	-0,06	-3,36
Gelato	-0,36	-0,32	-0,56	-0,07	-0,08
Pipedrive	-0,07	-0,65	-0,24	-0,63	-0,48
Printful	0,59	0,87	3,21	1,87	0,42
Vinted	-2,27	-2,93	-4,87	-0,07	-0,14
Playtech	-6,41	0,03	0,27	0,28	0,15

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

Shareholder equity ratio

Year	1	2	3	4	5
Veriff	0,86	0,37	0,54	0,42	-0,30
Bolt	0,23	0,46	0,50	0,63	0,85
Gelato	-1,63	-1,13	-0,02	0,01	0,39
Pipedrive	-0,02	-0,12	0,03	0,44	0,15
Printful	0,14	0,03	0,02	0,01	0,01
Vinted	-0,10	0,99	-1,51	-0,98	-2,18
Playtech	0,80	0,03	0,23	0,27	0,29

Note. Red denotes lowest values, and the gradual increase to green denotes higher values

Source: Compiled by the author

Resümee

BALTIKUMI ÜKSSARVIK-ETTEVÕTETE EDUTEGURID

Ance Gailuma

Üle 1 miljardi dollari väärtusega üksarvikkettevõtete kasv on viimastel aastakümnetel olnud suur. Aileen Lee poolt 2013. aastal mainitud üksarvikuid peeti algselt äärmiselt haruldasteks. Nende esinemine on aga suurenenud, mõned saavutavad selle staatuse 10 aasta jooksul. Balti riikides on 13 üksarvikut ja nad mõjutavad piirkonna majandust oluliselt. Selleks, et mõista, millised edutegurid on nende tekkimisele Balti riikides kaasa aidanud, viis autor läbi uuringu, milles uuris neid ettevõtteid.

Selles uuringus peetakse üksarvikuteks idufirmat, mille väärtus on üle 1 miljardi dollari, mis kasvab kiiresti, häirib tööstusharusid, millel on kõrge innovatsioonitase ja IT-keskne ärimudel, samuti riskikapitali toetus (Lee, 2013; Autio, 2016; Alhusaini, Hendricks & Landsman, 2023; Kenney & Zysman, 2016; Fujita et al., 2022; Dellermann, Ebel & Lipusch, 2018; Fujita et al., 2022; Simon, 2016). Üksarvikuid on uuritud mitmest vaatenurgast, sealhulgas nii kvantitatiivsete meetodite kui ka kvalitatiivsete uurimuste kaudu. Nagu soovitatud, on oluline jälgida edu nii rahalisest kui ka mittefinantsilisest vaatenurgast (Miloud et al., 2012; Coad et al., 2016; Fuertes-Callén et al., 2022; Martinez, 2019; Rzayev & Khalilov, 2022). See viib otsuseni uurida Balti-riikide üksarvikute edutegureid nende ettevõtete esimese viie aasta majandusaasta aruannete finantsanalüüsi ja esindajatega tehtud intervjuude abil.

Finantsanalüüs näitab märkimisväärsed teadmisi erinevates valdkondades, mis hõlmavad likviidsust, kasumlikkust, maksevõimet ja tootlikkust. Likviidsuse suhtarvud olid väga erinevad, kusjuures käibekapitali ja koguvarade suhe ulatus vahemikus -4.39 kuni 0.51, mis näitab, et üksarvikute ettevõtete finantstervis ja tegevuse tõhusus on väga erinev. Kiir- ja jooksevkulude suhtarvud jäid siiski üldiselt positiivseks ja stabiilseks, ulatudes vahemikus 0.00 kuni 43.81, mis peegeldab järjepidevat likviidsuspositsiooni ja tõhusat lühiajaliste kohustuste haldamist. Kasumlikkuse näitajad näitasid esialgu probleeme, kusjuures esimesel aastal oli varade tootlus negatiivne, kuid aja jooksul paranesid need järk-järgult väärtusteni vahemikus -1.16 kuni -0.95. Lisaks sellele rõhutas maksevõime ja tootlikkuse analüüs tõhusa tööjuhalduse ja tulude teenimise strateegiate tähtsust jätkusuutliku kasvu jaoks. Hoolimata kõikumistest püsisid omakapitali suhtarvud stabiilsed või kasvasid, ulatudes vahemikus -2.18 kuni 0.99, mis viitab kindlatele finantsstrateegiatele ja tõhusale kapitalijuhtimisele. Lisaks sellele, kuigi mõned ettevõtted säilitasid stabiilse võlakohustuste katte suhtarvu, esinesid teistel järske kõikumisi, kusjuures võlakohustuste suhtarvud olid üldiselt stabiilsed ja jäid

vahemikku -3.18 kuni 0.05, rõhutades tõhusa võlakohustuste juhtimise otsustavat tähtsust finantssuutlikkuse ja pikaajalise edu seisukohalt.

Intervjuud asutajatega tõid esile Baltimaade üksarvikute kriitilised edutegurid, sealhulgas asutajate IT-taust, koostööl põhinev mõtteviis ja kalduvus alustada ettevõtteid spetsialistidega, kellel on kõrgharidus ja kogemus valdkonnas. Lisaks rõhutati, et oluline on olla algusest peale paindlik ja täpne, omada tugevat juhtkonda, säilitada paindlikkus keerulistest struktuuridest hoolimata, saavutada toote ja turu sobivus häirivate tehnoloogiate abil ning edendada olulisi partnerlussuhteid riskikapitalistidega. Lisaks sellele nimetati edu võtmeteguritena agressiivseid turulepääsu strateegiaid koos uuenduslike tehnoloogiate ja odavate, atraktiivsete ärimudelite kasutuselevõttuga. Üksarvikute edu soodustamisel piirkonnas mängivad olulist rolli ka toetav idufirmade kogukond, kvalifitseeritud IT-spetsialistide rohkus, digitaalne areng, maksumenetluste lihtsus ja suur turg.

Vaatamata väärtuslikele tähelepanekutele tunnistab uuring piiranguid, nagu väike valim ja keskendumine Lätile ja Eestile, ning soovitab, et tulevased uuringud võiksid hõlmata laiemat valikut tööstusharusid ja asukohti, sealhulgas Leedu üksarvikuid, et anda põhjalikum ülevaade piirkonna edu mõjutajatest.

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