

A global fund with real local networks and proprietary technologies, a profile of Headline

With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Dominic Wilhelm, Principal at Headline.

My path to VC began in 2012 when I co-organised Europe's largest student-led founders conference. This was followed by a number of work experiences, in startups and growth equity companies in operational roles. Then, I helped build and manage a European PropTech business, on the operational side of things, through thick and thin. And with some success – the company was eventually acquired. I have been with Headline since, scouting European startups and supporting them in their desire to achieve greatness across geographies. Now my role is establishing our UK presence and early-stage investment efforts. For this, we leverage our network throughout Europe, the US, Asia, and Brazil, helping UK-based founders expand their horizons, be it at Seed, Series A, B, and beyond.

Which industries are you working in?

Headline excels as a generalist fund. And one firmly taking a long-term approach, both in fostering relationships, and in not trying to time the market.

This also means that we invest in B2B and B2C technologies alike. More broadly, our investment teams focus on four main areas, or “pods” as we call them: consumer tech, FinTech, infrastructure tools, and vertical SaaS. In B2B, we focus on SaaS, developer tools, and B2B marketplaces.

FinTech, in particular, remains one of the greatest opportunities, and one the UK is uniquely positioned for – the talent pool of serial entrepreneurs and experienced operators has never been this deep. And the market timing to build a new generation of financial services and infrastructure is unique. Headline Europe is at the forefront of this, having already backed incredible FinTech companies like Raisin, Swile, Azimo, Weavr, Defacto, and Plumery.

What do you look for in a founder?

There is never a simple answer, as every founding story is different. But few aspects stand apart:

- Individuals that have personally lived through a problem and gained real industry insights

- Absolute focus on the task at hand. Being really strong at sequencing and prioritizing topics and having a certain aggression about winning over a market

- Honesty and hard work. Shortcuts might occasionally help, but in the end, it's the grit and persistence that decide the outcome

- A set of ethics in line with how we see things at Headline.

Can you talk about your current portfolio?

Headline has been investing since 1998 – a long time in venture capital! We currently employ more than 50 investors across five continents. So there's something new every week. In Europe, we are currently one of the most active investors, with over 12 new deals in the last 12 months.

Some of the greatest hits of the past include household consumer names like Sonos, Bumble, Axios, Farfetch, The RealReal, and Gopuff. Scopely (sold in April for \$4.9B). But also less widely known B2B giants like Segment and SEMRush, and FinTech like Pismo, Acorns, Raisin, Swile, Flutterwave in Africa, and Yeahka in China.

We are a generalist fund, and we believe great companies can be built from anywhere. So our goal is to help founders reach success on the largest possible scale by helping them internationalize across geographies.

A deal that stood out recently is Mistral AI (Europe's largest seed round of all time with \$113M), a new AI natural language model built by researchers turned founders. The team previously collaborated on Meta's LLaMa's AI language model, which significantly advanced our understanding of the issues that impact ChatGPT's chatbots, as well as Google DeepMind's highly scalable Chinchilla.

What does the future look like?

The massive, years-long growth spurt in VC and M&A deal-making culminated in 2021. Things slowed down in 2022, leading to a readjustment of expectations across the ecosystem. We live in a post-exuberance world. Resources are finite, and everyone must be more deliberate with money, time, and energy. Markets like these reward creativity, decisiveness, and independence. Headline was founded just before the dotcom bubble of the 00s, and lived through the economic crisis of 2008. So we are well prepared to continue backing founders in these conditions and keep an even investment pace.

What makes Headline different?

Real local networks, and some very real investment technology! You'll find us at the intersection of the two, squarely focused on how we treat others.

We have teams on the ground in 8 cities around the world, with early-stage funds in Europe, the US, LatAm, and Asia, and growth funds that often double down on investments from our early-stage portfolio. This means we write tickets from \$500K to \$50M. In fact- we recently raised over \$950M to do just that.

The Pismo's story (acquired by Visa in a \$1B all-cash deal on June 28) couldn't be a better example. Headline Brazil led the Seed (and its extension). Then Headline US-led their Series A and helped Pismo expand into the US. Finally, Headline Growth participated in the Series B round, building on the momentum of Pismo's global traction. Participating round after round, we ended up with a combined ownership of close to 30%!

And behind the scenes, our proprietary technology has served as a co-pilot for our investment teams since 2010.

Our sourcing tool *Searchlight*, built and maintained by a team of 20 engineers, enables fully automated sourcing, aggregating billions of proprietary and public data points tracking 7 million companies, and assists us in evaluating 100s of thousands of companies every year.

A cohort-analysis tool, *Deepdive*, complements those growth signals with benchmarks and predictions, offering additional input for highly-informed, collaborative decisions. We hold ourselves to the same standard as our portfolio companies when it comes to building products, often exchanging advice and learning from the teams we back.

We don't believe AI will replace venture capitalists in the future! But perhaps it can make us better investors and humans. And this is really what it comes down to: Working with incredibly ambitious people that, at the same time, are also decent human beings and great partners. We truly believe in that and expect our founders to do the same.

What one piece of advice would you give founders?

To be aggressive and assertive, without forgetting of being respectful, and value others' time and work. To be open to advice, but only if it's both well-communicated and substantiated. And to fight for your vision, and perhaps be a bit stubborn! We all fail thousands upon thousands of times in the course of our life. It's not the small everyday battles, but all about the big one. To prioritize playing another day over the chance to do a little better today.

Dominic Wilhelm is Principal at *Headline*.

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