

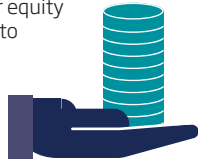
# Small Business Equity Tracker Report 2020



## EQUITY INVESTMENT REACHED NEW HIGHS FOR INVESTMENT AND NUMBER OF DEALS IN 2019

**£8.5bn**

a record for equity invested into UK SMEs



**up 24%**

value of equity up 24% since 2018



**1,832**

record number of deals - up 4%



**up 21%**

average deal sizes up 21% to £5m



## UK TECH SECTOR REMAINS HIGHLY ATTRACTIVE TO EQUITY INVESTORS

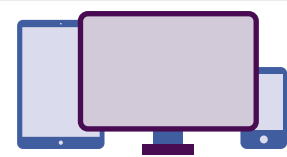
**up 27%**

Investment in the UK's tech businesses to **£4.0bn**, the highest amount since 2011



**47%**

of overall investment in tech sector - **691 deals**



### The largest share of deals

**Software**  
(425 deals / £2bn)



**Life sciences**  
(78 deals / £540m)



### Verticals attracting greatest investment<sup>1</sup>

**Software as a Service**  
(471 deals / £2.5bn)  
value up 69%<sup>2</sup>



**FinTech**  
(193 deals / £1.8bn)  
value up 21%<sup>2</sup>



**AI**  
(173 deals / £880m)  
value up 14%<sup>2</sup>



## GROWTH STAGE DEALS PRIMARY DRIVER OF INCREASED INVESTMENT...

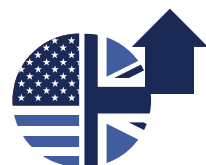
**up 39%**

growth stage investment up 39% to **£5.3bn**



**up 27%**

Growth stage deal size, where the UK has traditionally lagged behind the US, grew by 27%



**1% decline**

in seed stage investment, falling for the first time since 2011, indicates a potential slowdown in the UK equity pipeline



**964 vs 868**

Higher number of follow on deals than deals for companies raising equity finance for first time



**43% of companies**

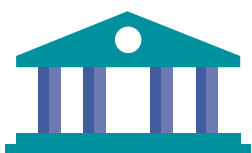
backed by equity in UK identified as being at least moderately affected by delivery changes and product demand



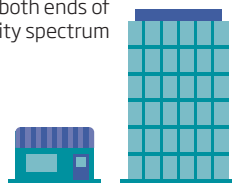
## THE BRITISH BUSINESS BANK CONTRIBUTION (2017-19)

**11% of deals**

Our programmes are estimated to have supported 11% of UK equity deals - up from 9% in 2016-18



Compared to wider market, Bank supported seed and venture stage deals are generally smaller, and growth stage larger, showing we are tackling market gaps at both ends of the equity spectrum

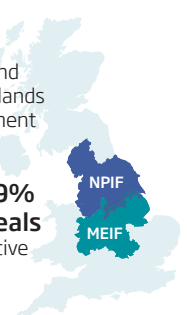


**50%**

of our equity deals went to technology/IP-based businesses, compared to 39% overall



Our Northern Powerhouse Investment Fund (NPIF) and Midlands Engine Investment Fund (MEIF) contributed to **16% and 19% of equity deals** in their respective regions



<sup>1</sup>NB - companies can appear in one or more verticals.  
<sup>2</sup>In value since 2018

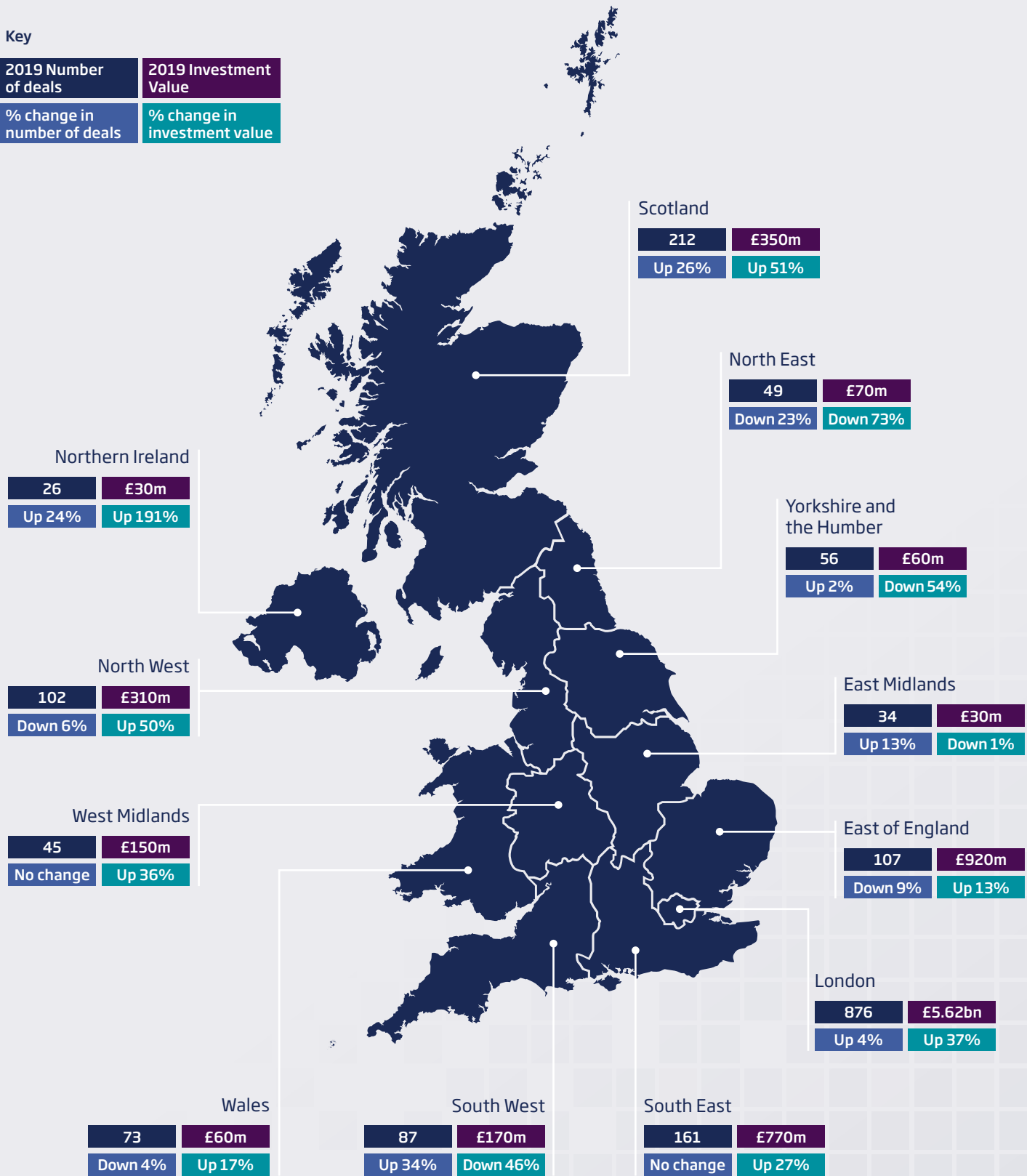
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## The regional picture



### Key

2019 Number of deals	2019 Investment Value
% change in number of deals	% change in investment value



Source: British Business Bank analysis of Beauhurst data

