The Deal

Equity investment in the UK

H1 2017
About the Deal

What does this report cover?
This report analyses all equity investment in non-listed UK companies between 1 January – 30 June 2017.

Why equity investment?
Beauhurst tracks the UK’s non-listed high-growth companies. The majority of these companies have raised equity finance to fuel their growth. By looking at equity fundraising activity across the UK, we’re able to see the emerging trends and patterns from the perspective of investors and the businesses themselves.

About Beauhurst
Beauhurst is the leading provider of rich data on high-growth UK companies. Our platform is used by hundreds of organisations around the UK to research and monitor the most ambitious businesses and their backers.

For more information, including a free demonstration, visit beauhurst.com
H1 2017  A record half for UK investment

The first half of 2017 saw a record amount invested into UK high-growth businesses, despite deal numbers failing to recover from last year’s slump.

- The total amount invested increased by 74.7% from H2 2016 to a record £3.03b.

- However, deal numbers remained stagnant from the previous half, increasing by only 0.6%. Deal numbers were still 3.5% lower than in the same half last year.

- Later-stage companies saw a decline in deal numbers of 7.6% from the previous half.

- The record amount invested was boosted by two of the biggest deals on record, £389m for Improbable and £313m for FarFetch.

- The number of deals involving funds headquartered outside the UK continued to grow, rising by 26.7% from the previous quarter.

- Crowdfunding deal numbers fell by 18.4% from Q1 to Q2, with £48m invested over 71 deals.

74.7% increase in amount invested from the previous half.

0.6% increase in deal numbers from the previous half.
Deal numbers by company stage of evolution

- **Seed**: 56
- **Venture**: 46
- **Growth**: 64

Top investors by deal numbers

- **Crowdcube**: 56
- **Funding London**: 18
- **Entrepreneur First**: 18
- **Seedrs**: 64
- **Angel Capital Group**: 11
- **Accelerated Digital Ventures**: 11
- **Startup Funding Club-SEIS Fund**: 13
- **Business Growth Fund**: 14
- **Scottish Enterprise**: 17
- **Finance Wales**: 16

*See methodology for an explanation of lift rounds, pre-emption and fund campaigns.*
Deal numbers, UK and non-UK headquartered investors

- UK headquartered
- Headquartered outside the UK

Percent change in regional deal numbers from H2 2016

Deal numbers and amount invested over time, selected sectors

Investment size brackets, number of deals

Biggest deals

- BrewDog £100m
- Gigaclear £111m
- Farfetch £313m
- Improbable £389m
- Gryphon Group £180m

Amount invested

Number of deals
Deal numbers by geography

- England:
  - London: 356
  - South East: 57
  - South West: 38
  - West Midlands: 20
  - Wales: 19
  - Northern Ireland: 9
  - Northern Ireland: 9
  - East Midlands: 16
  - Yorkshire and the Humber: 16
  - North West: 38
  - Scotland: 33
  - North East: 14
- Other:
  - Hackney: 50
  - Westminster: 53
  - Camden: 41
Farfetched or improbable? Two of the biggest deals on record

**Improbable**

Improbable is developing cloud computing technology supporting large scale virtual reality, with applications for gaming, defence, transportation, health and finance. Improbable has raised £423m over 4 fundraisings.

- **Founded**: 2012
- **Investment date**: 11 May 2017
- **Investment amount**: £389m
- **Investor**: SoftBank Capital

**FarFetch**

FarFetch is a global online marketplace for independent fashion boutiques as well as major designer brands. The site has clothing for both men and women. FarFetch has raised £516m over 8 fundraisings.

- **Founded**: 2007
- **Investment date**: 22 June 2017
- **Investment amount**: £313m
- **Investor**: JD.com
Focus on crowdfunding Q1 2017

Selected platforms, amount invested

- **SEED**: 62%
- **VENTURE**: 34%
- **GROWTH**: 4%

Selected platforms, deal numbers

- **SEED**: 37%
- **VENTURE**: 54%
- **GROWTH**: 9%

Selected platforms, average deal size

- **SEED**: £50k
- **VENTURE**: £793k
- **GROWTH**: £265k
- **SYNDICATEROOM**: £654k
- **ALLBRIGHT**: £1.5m

Stage of evolution of all crowdfunded companies, as of Q1 2017

- **SEED**: 33%
- **VENTURE**: 29%
- **GROWTH**: 5%
- **ZOMBIE**: 1%
- **DEAD**: 10%
- **EXITED**: 13%

Headline figures

- **£50m** invested over **87** deals

Biggest crowdfunding deals in Q1 2017

- **£3.3m** Lightpoint Medical
- **£2.5m** Monzo
- **£2.4m** Cocoon
- **£2.1m** Gripit Fixings
- **£1.9m** Idio
Focus on crowdfunding  Q2 2017

Crowdfunding stages of evolution

Platforms by amount invested

Crowdfunding deals and amounts over time

Biggest crowdfunding deals

Platforms by deal numbers

Platforms by average deal size

Headline figures

£48m invested over 71 deals from Q1

Crowdfunding deals and amounts over time
The Beauhurst platform lets you discover the UK’s fastest-growing businesses.

Used by hundreds of organisations to

- Find high-growth, innovative businesses.
- Track their activity with instant updates.
- Monitor market trends and developments.

The most innovative companies

- 9,500+ equity-backed companies
- 3,000+ accelerator participants
- 3,500+ scaleups
- 12,000+ Innovate UK projects

Comprehensive data including

- 50,000+ transactions
- 10,000+ key contacts
- 11,000+ news articles
- 5,000+ investors

Data for this report was finalised on 04/07/17.

Unless otherwise stated, Beauhurst examined all announced UK equity fundraisings from 01/01/2017 to 30/06/2017.

When considering equity finance we included any fundraisings secured by privately-held UK companies. Sources of funding included, but were not limited to, institutional investors, angel networks, crowdfunding platforms and government.

Crowdfunding index

Investments have been included in this index when they meet all the following criteria:
- The recipient company is headquartered in the UK
- The round closed to further investments between 01/01/17 and 30/06/17
- All or part of the round was facilitated through a crowdfunding platform.

The total amounts of investment facilitated by crowdfunding platforms have been calculated using the total value pledged in the round as reported to us by the platforms themselves or as displayed on their website(s). This figure includes investment made by any institutional investors, angel networks, and government funds that were involved in the crowdfunding round.

Where the crowd’s participation in a round was limited to just those with pre-emption rights to exercise, only the value of investment made by those exercising their pre-emption rights has been included. This is because if no crowd investor chose to exercise their pre-emption rights, the round would go ahead without the involvement of the crowd/platform.

Where third-party funders raised their cash from equity crowdfunding platforms, the third-party funders investments are included if crowd investors either retained the power to allocate their money, after making a commitment to the funder, or if they (or the platform as a nominee) directly own shares in the investee companies.

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