Equity investment into spinouts

2026



Parkwalk
Investing in Innovation

BeauhurstInsights



Contents

3 Foreword by Parkwalk

4 Executive summary

5 Key findings

6 Equity investment trends

8 Regional investment

9 Investment by industry

11 Top investors

12 Top universities

13 UK and international investment

15 Investor nationality

16 Later-stage investment

18 Later-stage investment by university

19 International acquisitions

20 Acquirer nationality

21 International acquisitions by industry

23 Methodology

24 About

Foreword



Moray Wright

Chief Executive Officer, Parkwalk

Parkwalk

The rise of deeptech is testing Britain's place in the world. Sovereign capability in technology is now inseparable from national security and economic prosperity. Where the UK can compete most successfully is in research. Few countries match our concentration of world-class universities, and that makes spinouts increasingly central to the country's future. British universities are producing companies at the forefront of not just deeptech but life sciences and clean technology: businesses that are transforming computing, drug discovery, nuclear fusion and much more.

The question now is whether we can collectively provide the capital and long-term support needed to turn those early-stage spinouts into scale-ups.

This year's *Equity Investment into Spinouts* report shows a market capable of attracting significant investment, but with continuing imbalances across regions and problems with retention. There has been an encouraging start to 2026, with £1.56bn invested in spinouts during the first half of the year – the second-highest amount in a decade. This is encouraging after the more challenging conditions of 2025. However, a small number of large rounds account for a substantial proportion of the total, while the number and value of first-time equity raises have fallen.

This distinction matters. Companies that go on to raise substantial growth capital are built on years of technical development and experimentation. If fewer spinouts secure first time investment, the impact will be felt in the pipeline and a failure to produce the next wave of frontier companies.

The government should look carefully at the funding routes for spinouts. The Enterprise Investment Scheme (EIS) is a vital mechanism for channelling capital at the earliest stage, whilst giving UK investors tax-efficient opportunities to back our most promising companies. Despite the welcome expansion of EIS, significant changes to the wider tax regime appear to have dampened investment. Stabilising and protecting its incentives are essential.

The report also points to challenges regionally. Britain's research excellence is distributed across the country, but capital allocation is not. The South East, East of England and London continue to attract nearly 80% of spinout investment. Initiatives such as Parkwalk's Northern Universities Venture Fund, established in partnership with Northern Gritstone, aim to address this structural imbalance.

Encouragingly, our findings reflect the diversification of UK innovation. Life Sciences remain a cornerstone, but Digital Technologies, including Quantum and AI, and Advanced Manufacturing are securing higher levels of investment. These are strategically important industries, aligned with the government's priorities.

International investors and acquirers will remain critical to UK spinout investment. Their capital, expertise and routes into global markets are extremely valuable. But a healthy ecosystem should also give UK-founded companies more opportunities to scale with domestic growth capital.

Parkwalk and IP Group will continue to support that ambition and have participated in 42 spinout deals over the past year – as the UK's leading backers of spinouts. The next phase must focus on boosting access to early-stage finance and strengthening the journey from spinout to scale-up. With the right collective commitment, spinouts will help redefine Britain's place in the global economy.

Executive summary



Henry Whorwood
Managing Director, Beauhurst Insights

BeauhurstInsights

The academic spinout ecosystem remains a key part of the UK's innovation economy. Spinouts bridge the gap between research and commercial ventures and align closely with the UK government's Modern Industrial Strategy, driving innovation in areas ranging from semiconductor development to AI drug discovery.

Investment into UK spinouts strengthened in H1 2026, with £1.56bn raised, the second-highest half-year total of the past decade and a 38.2% increase on H2 2025, while deal numbers also recovered, rising from 195 in H2 2025 to 215 in H1 2026. However, 2025's yearly total of £1.98bn represents a 19.6% drop from 2024, indicating that while H1 2026's rebound is a positive signal, it may not offset the broader decline seen in 2025.

Regional equity funding stayed firmly tied to the South East, London and the East of England, which together made up almost 80% of total investment. Beyond the Golden Triangle, Scotland stands out as a hub for the commercialisation of research, accounting for £1.73bn of investment from H1 2016 to H1 2026. New initiatives, including the British Business Bank's Investor Pathways Capital Initiative, aim to widen access to capital in less-established funding ecosystems and could help rebalance the UK's equity landscape.

International capital continues to play an important role in supporting UK spinouts, but working alongside domestic investment rather than in place of it. Internationally-backed rounds accounted for 86.1% of investment in H1 2026, although rounds with UK-only investors continued to drive the majority of deals. At the point of exit, US-based acquirers are the most active buyers of UK spinouts, ahead of their UK counterparts.

This year's data points to a spinout ecosystem raising more capital than at almost any point in the past decade, but with growth increasingly driven by larger transactions rather than a broader base of activity. Sustaining growth into H2 2026 and beyond will depend on whether that capital reaches new spinouts and underrepresented regions, or continues to consolidate around a small number of established companies and institutions.

> “Investment into UK spinouts strengthened in H1 2026, with £1.56bn raised, the second-highest half-year total of the past decade and a 38.2% increase on H2 2025.

Key findings

TOTAL EQUITY INVESTMENT 2025

£1.98bn

Invested into UK spinouts in 2025, a decline of 19.6% from 2024.

TOTAL EQUITY DEALS H1 2026

215

equity deals into UK spinouts in H1 2026, making up **£1.56bn** in investment.

FIRST-TIME EQUITY DEALS H1 2026

£47.0m

Invested through first-time equity deals in H1 2026, down 68.3% year-on-year, while deal numbers fell from 47 to 44.

REGIONAL AND INVESTOR COMPOSITION

~80%

Of spinout investment since 2016 has gone to the South East, East of England and London.

86.1%

Of investment in H1 2026 involved at least one international investor.

59.1%

Of investment value at Seed stage comes from internationally-backed rounds, compared with **82.6%** at later stages.

EXITS AND ACQUIRERS

68.3%

Of UK spinout acquisitions since 2016 involved an international acquirer.

66

Acquisitions involved US buyers, making the US the leading acquirer nationality, ahead of the UK with 57.

TOP IS-8 SECTORS ACQUIRED BY INTERNATIONAL BUYERS

- Digital and Technologies
- Life Sciences

Equity investment trends

Investment into UK spinouts fell to £1.98bn in 2025, a 19.6% decline from 2024. H1 2026 showed signs of a rebound, with £1.56bn raised, but it is too early to tell whether this strength will be sustained, especially since just four deals accounted for £709m, almost half of capital in H1 2026.

Three were secured by advanced computing hardware companies Quantum Motion, Oxford Quantum Circuits, and Fractile, while the fourth was raised by cancer therapeutics company CellCentric.

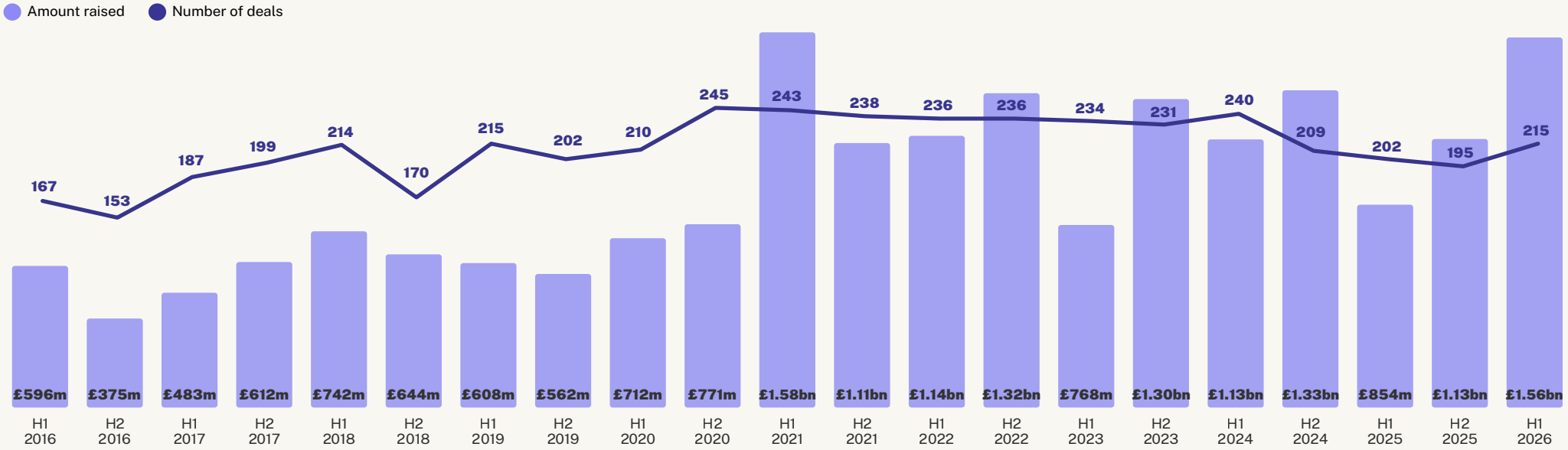
Investment growth in this half is partially driven by a small number of outsize rounds in technology-intensive industries rather than a broadening funding base.

Meanwhile, deal volumes have fallen since their peak in H2 2020. H2 2025 recorded 195 deals, the lowest half-year total since H2 2018, before recovering to 215 in H1 2026. As a result, average deal size has increased from £3.57m in H1 2016 to £7.24m in H1 2026, indicating that the growth in spinout investment across the decade has increasingly been driven by larger rounds rather than higher deal volumes. This mirrors the wider UK equity market, which saw a 7.87% decrease in equity deal numbers from 2024 to 2025, even as investment totals rose from £23.2bn to £24.0bn.[1]

[1] Beauhurst, 2026. "The Deal 2026".
[2] Historic figures may be revised as more information about deals is retrospectively disclosed.

While investment into spinouts fell by 19.6% year on year to £1.98bn in 2025, H1 2026's £1.56bn total is the second-highest half-year in the past decade

01 Investment into spinouts by half (H1 2016-H1 2026)[2]



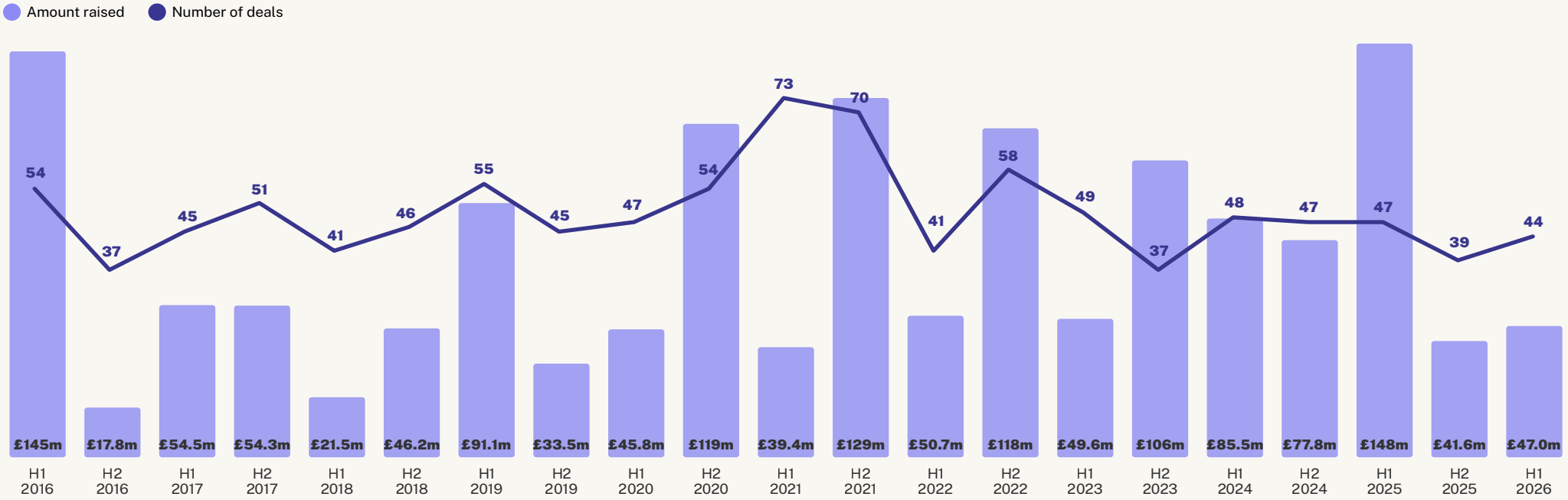
First-time equity investment into UK spinouts has fluctuated considerably over the past decade, while deal numbers have varied within a narrower range. Investment fell from £148m in H1 2025 to £47.0m in H1 2026, a 68.3% year-on-year decline. Deal numbers have also declined from their H1 2021 peak of 73, reaching 44 in H1 2026. However, higher first-time deal volumes have not necessarily translated into greater investment. H1 2021, which recorded the highest number of first-time deals, was among the weakest half-years by investment value.

Read alongside the investment totals in Figure 1, these trends point to a shift in the UK's spinout funding landscape. Capital into spinouts has risen since 2021, but the flow of newly funded companies has not kept pace. This suggests that investment is becoming concentrated among companies that are already established in the funding cycle, rather than a growing pool of first-time raisers.

> Investment fell from £148m in H1 2025 to £47.0m in H1 2026, a 68.3% year-on-year decline.

First-time deals fell to 44 in H1 2026, well below the H1 2021 peak of 73

02 First-time deals into spinouts by half (H1 2016-H1 2026)



Regional investment

Equity investment into UK academic spinouts is heavily concentrated in three regions, with the South East (£5.99bn), the East of England (£4.71bn), and London (£4.66bn) together accounting for nearly 80% of investment. This reflects the strength of the Golden Triangle's research and investment ecosystem.

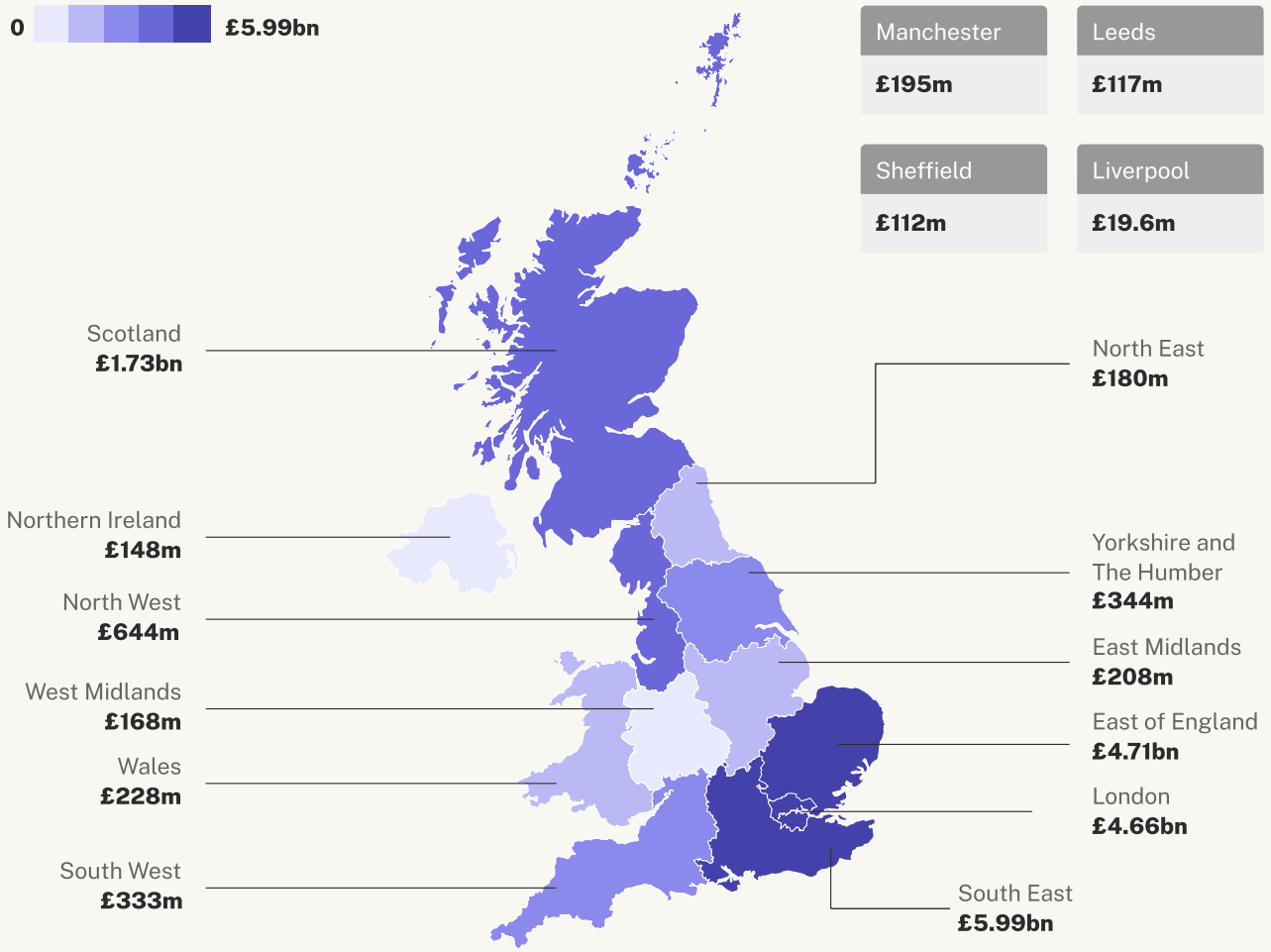
Beyond the Golden Triangle, Scotland ranks highest, with its spinouts raising £1.73bn. Spinouts in Scotland benefit from initiatives such as the Scottish High Growth Spinout Programme, and further commercialisation support announced in 2025.[3]

However, the Golden Triangle's investment dominance cannot be attributed to research strength alone. Bristol and Warwick, for example, rank highly for investment value and deal activity, despite their regions attracting substantially less capital overall (see Figures 7 and 8). This points to the importance of established funding ecosystems and access to investors in shaping where spinout capital is deployed.

Investment also varies within regions. In the North of England, Manchester-based spinouts raised £195m across the past decade, the highest of any Northern city. Extended to Greater Manchester, this increases to £248m, almost 40% of total North West investment. Leeds (£117m) and Sheffield (£112m) collectively accounted for approximately two-thirds of Yorkshire and the Humber's total, while Liverpool's spinouts raised only £19.6m. New regional funds, such as Parkwalk's Northern Universities Venture Fund, in conjunction with Northern Gritstone, which targets early-stage Northern spinouts, may help to reduce intra-regional disparities.[4,5]

The South East, East of England and London accounted for nearly 80% of all spinout investment

03 Regional investment into UK spinouts (H1 2016-H1 2026)



[3] Scottish Government, 2026. "Boosting university spin-outs".
[4] HM Treasury, 2026. "Venture capital access expanded for early-stage companies in UK".
[5] Parkwalk, 2025. "Northern Universities Venture Fund".

Investment by industry

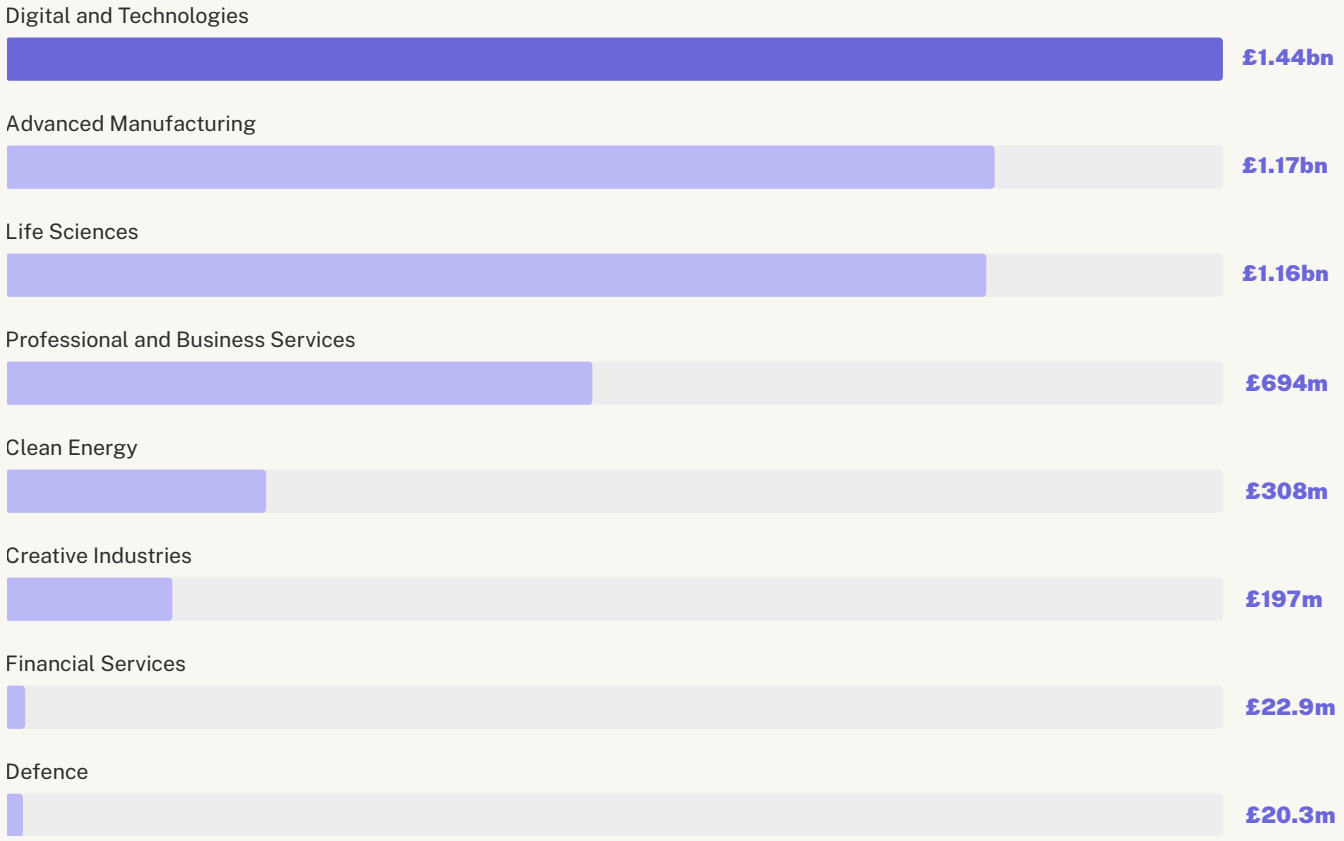
From H2 2025 to H1 2026, Digital and Technologies attracted the most spinout investment of the government's IS-8 priority sectors, securing £1.44bn,[6] followed by Advanced Manufacturing (£1.17bn) and Life Sciences (£1.16bn).[7] By deal count, however, Life Sciences led the IS-8 sectors with 218 deals, ahead of Digital and Technologies on 209, suggesting Digital and Technologies' lead by value reflects larger average rounds rather than a broader base of companies raising.

Of more granular sectors that sit within the IS-8 areas, Electronics Hardware, Pharmaceuticals and AI, all secured more than £850m in investment. This ranking looks different by deal count: Application Software was the most active of these sectors, with 118 deals, well ahead of AI (93) and Pharmaceuticals (88). Electronics Hardware's leading £922m came from 76 deals, reinforcing that value and deal volume are telling different stories across the sector rankings.

> From H2 2025 to H1 2026, Digital and Technologies attracted the most spinout investment of the government's IS-8 priority sectors, securing £1.44bn, followed by Advanced Manufacturing (£1.17bn) and Life Sciences (£1.16bn).

Digital, Manufacturing and Life Sciences IS-8s each attracted more than £1bn in spinout investment

04 IS-8 sectors ranked by spinout investment (H2 2025-H1 2026)[8]



[6] Digital and Technologies encompasses multiple sectors from Figure 5, including: Electronics Hardware, AI, Chips and Processors, Application Software, Quantum, Cloud Computing and Software-as-a-Service (SaaS).
[7] Life Sciences encompasses multiple sectors from Figure 5 including: Pharmaceuticals, Biotechnology, Clinical Research, Genomics, Precision Medicine, and Research Tools and Reagents.
[8] **Note:** companies may be tagged with more than one sector.

Life Sciences remains a major focus of spinout investment by both value and deal count, with Pharmaceuticals and Biotechnology among the leading sectors within the Life Sciences IS-8. At the same time, there are signs that the UK's spinout ecosystem is developing strengths across a broader range of technologies. Within the IS-8 sectors, Advanced Manufacturing slightly outpaces Life Sciences by investment value, while Electronics Hardware and AI are also among the best-performing granular sectors. Together, these trends suggest that the ecosystem is diversifying beyond its traditional strength in Life Sciences. Deeptech and computing spinouts especially may prove pivotal for productivity growth and the transition to net zero.

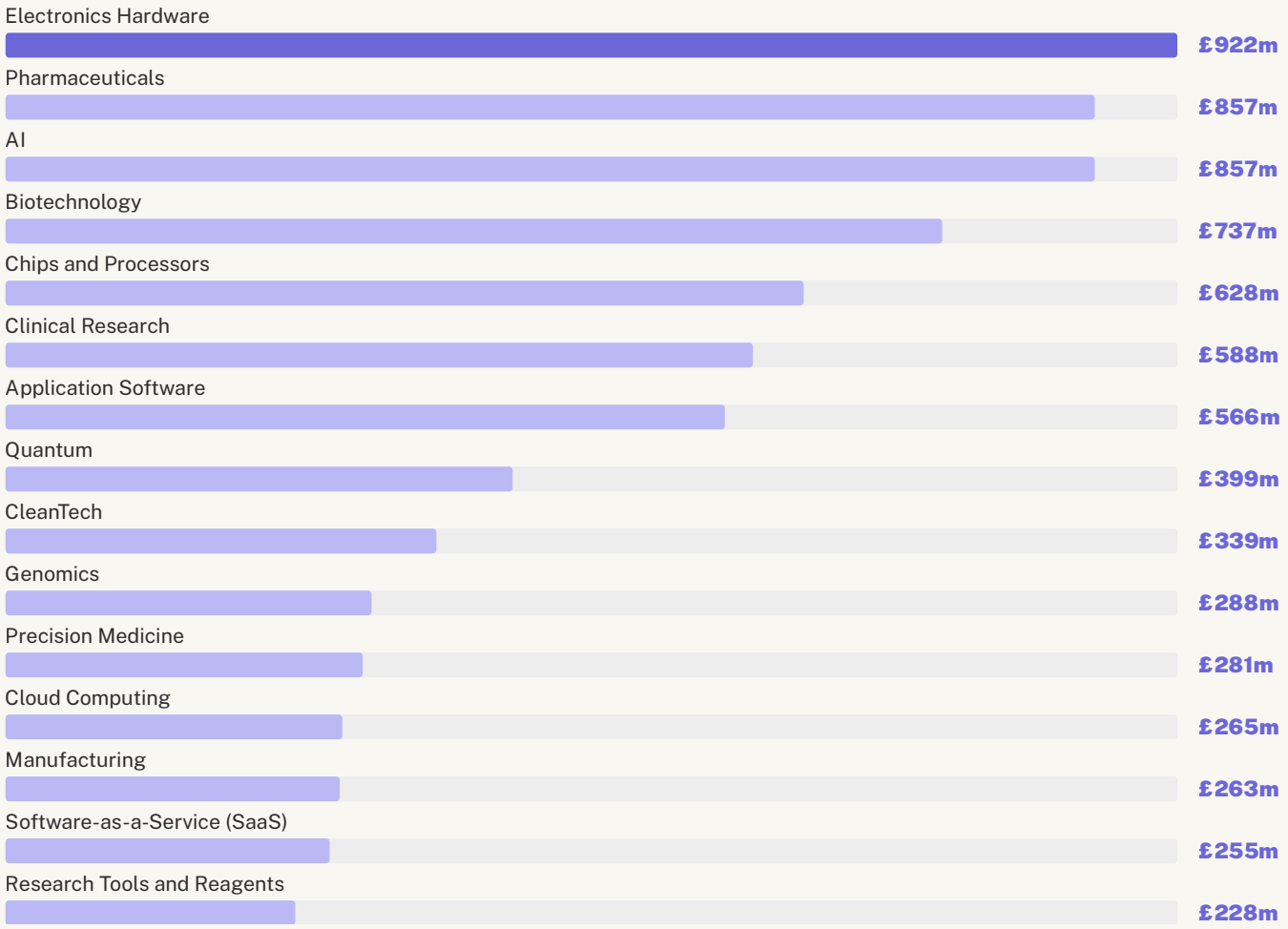
Chips and Processors accounted for £628m of investment, reflecting demand for the computing infrastructure underpinning AI. However, this total was driven by a single £260m investment into quantum computing company Oxford Quantum Circuits in June 2026.

Companies can operate across multiple sectors, meaning the categories shown are not mutually exclusive. Nevertheless, the ranking points to three broad areas attracting substantial spinout investment: digital and deeptech, life sciences, and clean technology. These areas align closely with both the UK's established research strengths and the government's Industrial Strategy priorities.

[9] **Note:** companies may be tagged with more than one sector.

Electronics Hardware, Pharmaceuticals and AI emerged as the leading sectors for spinout investment

05 Top sectors for spinout investment (H2 2025-H1 2026)[9]



Top investors

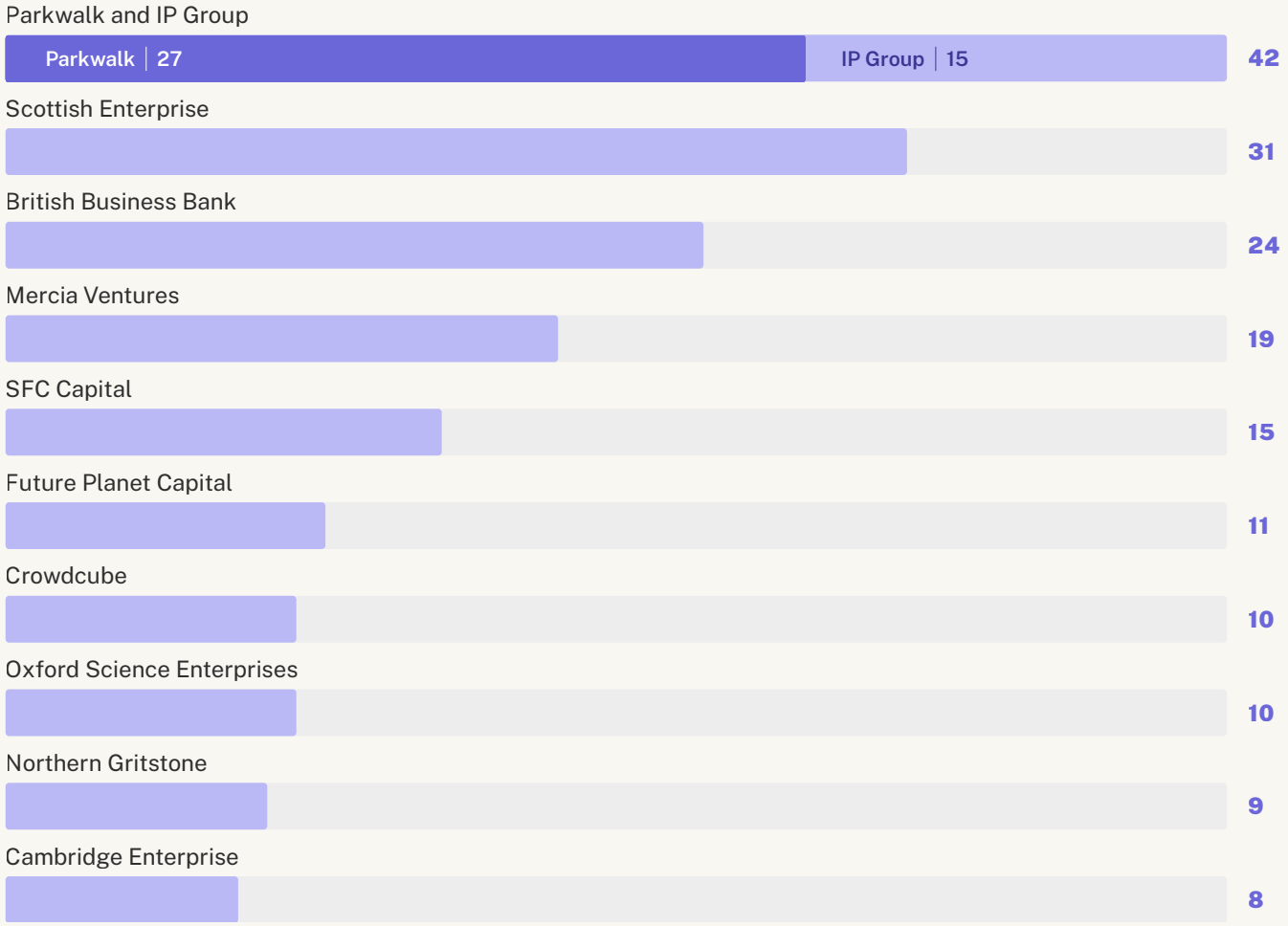
Collectively, Parkwalk and its parent IP Group were the most active investor group in UK spinouts over the year to H1 2026, participating in 42 deals: 27 involving Parkwalk and 15 involving IP Group. The largest deal involving Parkwalk during the period was a £125m fundraise for quantum computing company Quantum Motion, and the largest involving IP Group was a £76.6m deal secured by autonomous vehicle developer Oxa, completed in May 2026 and December 2025 respectively. Their prominence in the ranking underlines the depth of Parkwalk and IP Group's specialised spinout focus.

Scottish Enterprise follows, participating in 31 deals. Its position reflects the relative strength of the Scottish spinout ecosystem, as well as the role national economic development bodies can play in supporting spinout growth. Similarly, the British Business Bank placed third with 24 deals, and Mercia Ventures (19 deals) and SFC Capital (15 deals) also rank highly. Two of the five most active investors are government-linked, highlighting the significant role public capital continues to play in supporting the UK's spinout base.

> Collectively, **Parkwalk** and its parent **IP Group** were the most active investor group in UK spinouts over the year to H1 2026.

Parkwalk and its parent IP Group led spinout investment, jointly accounting for 42 combined deals in the past year

06 Top investors into spinouts (H2 2025-H1 2026)



Top universities

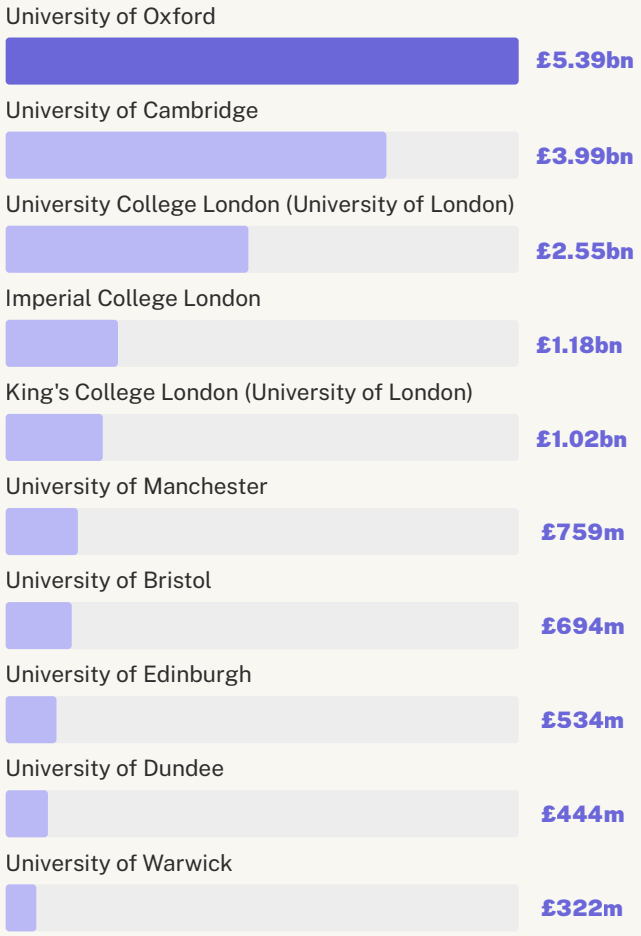
Investment into spinouts is weighted towards a small number of universities. The University of Oxford leads by a clear margin, with its spinouts raising £5.39bn over the period, ahead of the University of Cambridge on £3.99bn. UCL ranks third with £2.55bn, followed by Imperial College London (£1.18bn) and King's College London (£1.02bn), reinforcing the concentration of investment within the Golden Triangle. Beyond these institutions, the University of Manchester (£759m) leads a further group of research-intensive universities, including Bristol, Edinburgh, Dundee and Warwick.

By deal count, the University of Oxford again leads, with 607 equity deals into its spinouts, compared with 539 for the University of Cambridge. Imperial College London ranks third with 274 deals, followed by the University of Edinburgh (226) and University College London (225). The Royal College of Art is a notable presence with 194 deals, reflecting a strong flow of creative and design-led spinouts that raise comparatively frequently, but in smaller rounds.

> The University of Oxford again leads, with 607 equity deals into its spinouts, compared with 539 for the University of Cambridge.

Oxford spinouts raised £5.39bn since 2016, more than any other UK university

07 Top universities by total investment received by their spinouts (H1 2016-H1 2026)



Oxford led by deal count, with 607 equity deals into its spinouts since 2016

08 Top universities by deal count secured by their spinouts (H1 2016-H1 2026)



UK and international investment

Internationally-backed rounds dominate spinout investment by value. They accounted for the majority of capital raised in every year of the past decade, making up 86.1% in H1 2026, the highest proportion in the period. Deal count figures show a different trend. In every year of the past decade, UK-only backed rounds accounted for the majority of deals, reaching 72.2% in H1 2026, despite making up a much smaller share of the capital raised.

This divergence between deal count and value has been a consistent feature of the market rather than a recent development, though its size fluctuates considerably. UK-only deals have outnumbered internationally-backed ones in every year since 2016, but the gap between investment value and deal count for UK-only deals has ranged from 33.3 to 58.3 percentage points, without a consistent trend. This points to a persistent difference in typical round size between UK-only and internationally-backed deals, rather than a one-off shift.

It is worth noting that "internationally-backed" captures any round with at least one disclosed international investor, including those where UK investors also participate, so the predominance of internationally-backed rounds by value does not mean that this capital comes exclusively from overseas. Instead, it highlights the extent to which UK spinouts are able to attract international investors alongside domestic participation.

International investment is a strength of the UK spinout ecosystem, providing growing companies with access to capital, expertise, networks and international markets. The opportunity is not to replace this investment, but to grow the pool of domestic capital available alongside it. A stronger UK investor base would allow domestic capital to play a greater role in funding spinouts as they scale, while continuing to benefit from the international investment the ecosystem already attracts.

Internationally-backed rounds account for a growing share of spinout investment

09 UK-only vs internationally-backed spinout investment by year (H1 2016-H1 2026)[10]



[10] **Note:** Yearly totals for this chart exclude investment where participant nationalities are undisclosed.

Investor composition varies substantially by company stage. Internationally-backed investment accounts for 59.1% of capital at Seed stage, rising to 72.6% at Venture stage and 82.6% at Later-stage.

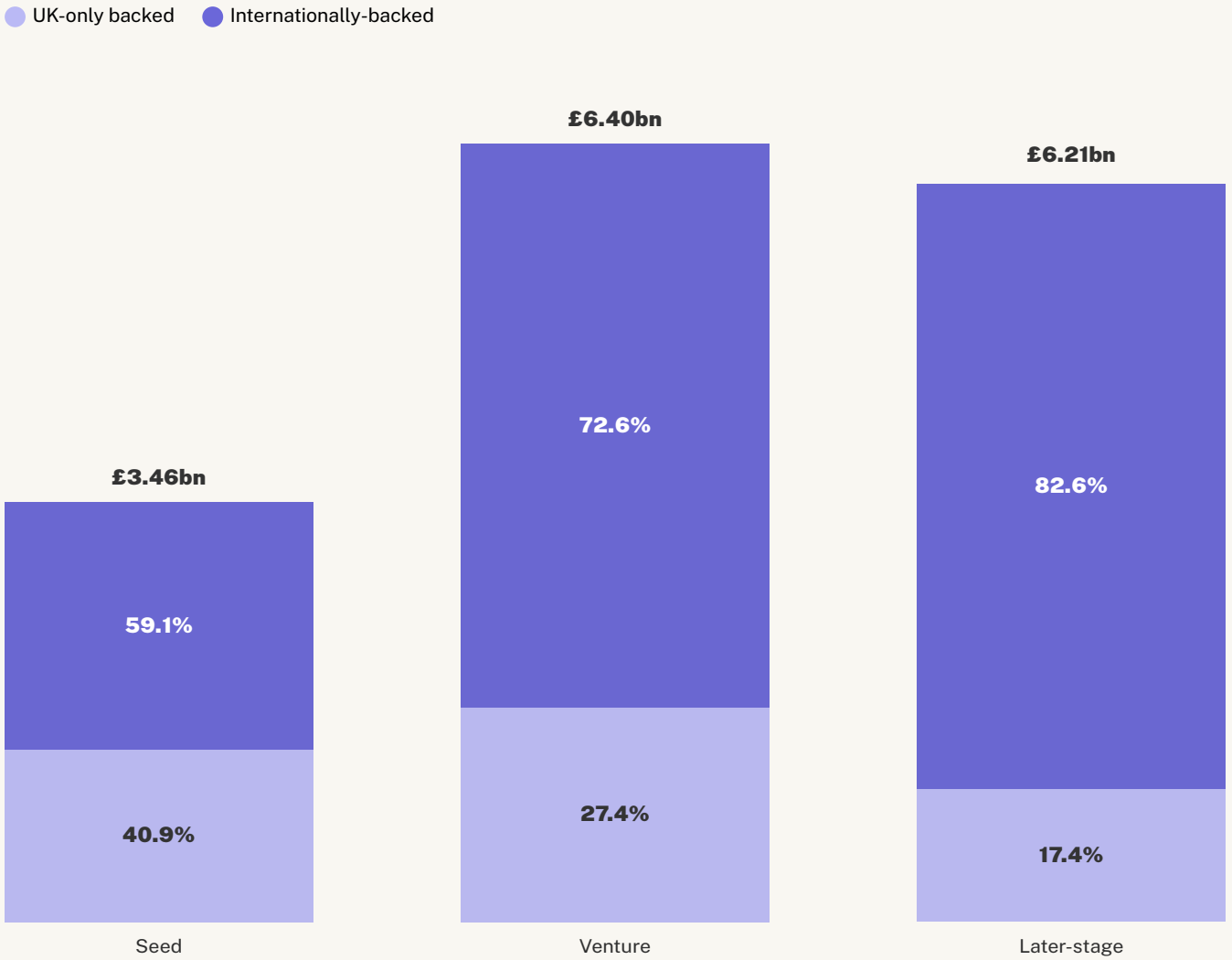
By deal count, however, UK-only backed investment rounds predominate at every stage, particularly at Seed and Venture, where they make up more than 70% of rounds. The gap narrows at Later-stage, where UK-only backed rounds account for 59% of deals.

Both measures demonstrate increasing international involvement in spinout fundraising as companies mature. Read together, they also indicate that internationally-backed rounds are larger on average at every stage.

[11] "Later-stage" combines Beauhurst's proprietary Growth and Established stage of evolution classifications. Totals by stage for this chart exclude investment where participant nationalities are undisclosed.

International capital's share of investment grows sharply beyond Seed stage

10 UK-only vs internationally-backed spinout investment by stage (amount) (H1 2016-H1 2026)[11]



Investor nationality

Investment into UK spinouts is overwhelmingly domestic when measured by the number of investor participations. UK-based investors participated in 2,545 deals over the period, more than six times as many as the second-placed USA (408), followed by Germany (93) and the Netherlands (82). The remaining rankings include funds headquartered across Asia, Europe and Australia, but at considerably lower levels of activity.

The UK is Europe's biggest recipient of US investment,[12] and the US committed £150bn in investment into the UK during President Trump's 2025 State Visit, naming "biotech, AI, and advanced manufacturing" as target areas for inward R&D investment.[13] All three of these areas appear in the top 10 sectors for spinout investment over the last year (see Figures 4 and 5), which may indicate that this new wave of US investment will boost UK spinouts further.

Beyond the dominance of the UK and US, the ranking of international investors has shifted considerably over time. China ranks seventh across the full period, but was third in 2020 with seven deal participations, compared with just one in 2025. Meanwhile, Germany and Switzerland moved from fourth and joint seventh place respectively in 2020 to third and fourth in 2025. While the UK and US remain dominant, the composition of the wider international investor base has become more volatile.

[12] Department for Business, Innovation, Science and Trade, 2025. "How the UK-US business relationship is driving growth".
[13] Department for Business and Trade, 2025. "Record-breaking £150bn investment unveiled during US State Visit".

UK investors participated in more than six times as many deals as the second-placed US

11 Funding into spinouts by nationality of fund (deal count) (H1 2016-H1 2026)



Later-stage investment

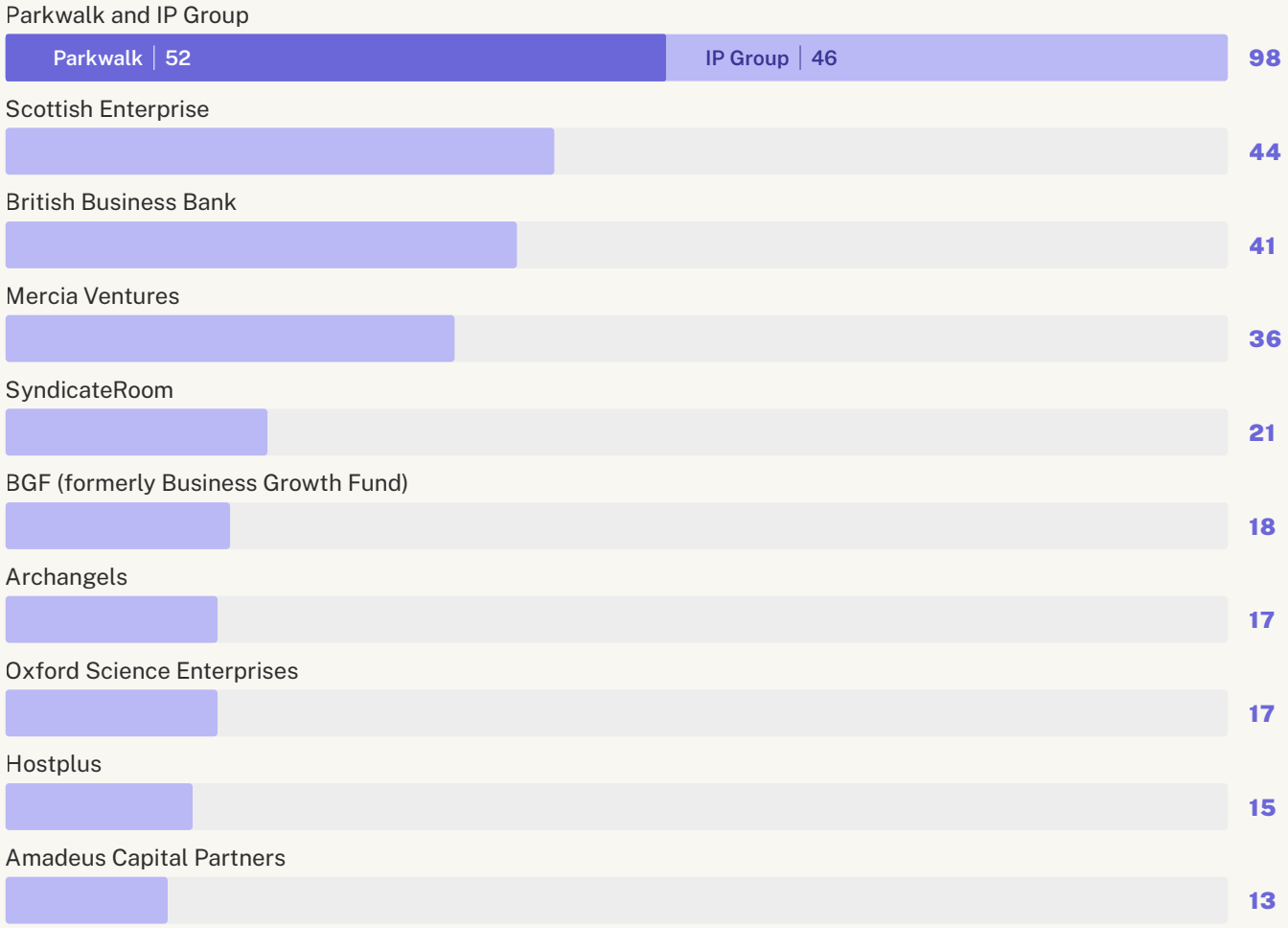
Among later-stage spinouts (those at Growth and Established stage), Parkwalk and IP Group are together the most active investors from H1 2016 to H1 2026, participating in 98 deals between them, split between 52 for Parkwalk and 46 for IP Group. Scottish Enterprise follows with 44 deals, an even wider gap between first and second place than the overall investor ranking in Figure 6.

The British Business Bank (41 deals) and Mercia Ventures (36) also rank highly, followed by SyndicateRoom (21) and BGF (18). The prominence of Scottish Enterprise and the British Business Bank also shows that government-backed investors remain active well beyond the earliest stages of spinout funding.

Over time, later-stage investment has grown substantially. From below £220m in each half in 2016 and 2017, investment reached £760m in H1 2026, one of the strongest half-years in the last decade. This trajectory has been uneven, however, with investment fluctuating considerably since an initial surge to £807m in H1 2021. Deal numbers have risen far more modestly, from the mid-20s to the low-40s per half, indicating that investment growth has increasingly been driven by larger rounds. The 165% year-on-year increase to H1 2026, for example, was largely driven by three megadeals secured by later-stage companies, which together accounted for £547m, almost three-quarters of total investment.

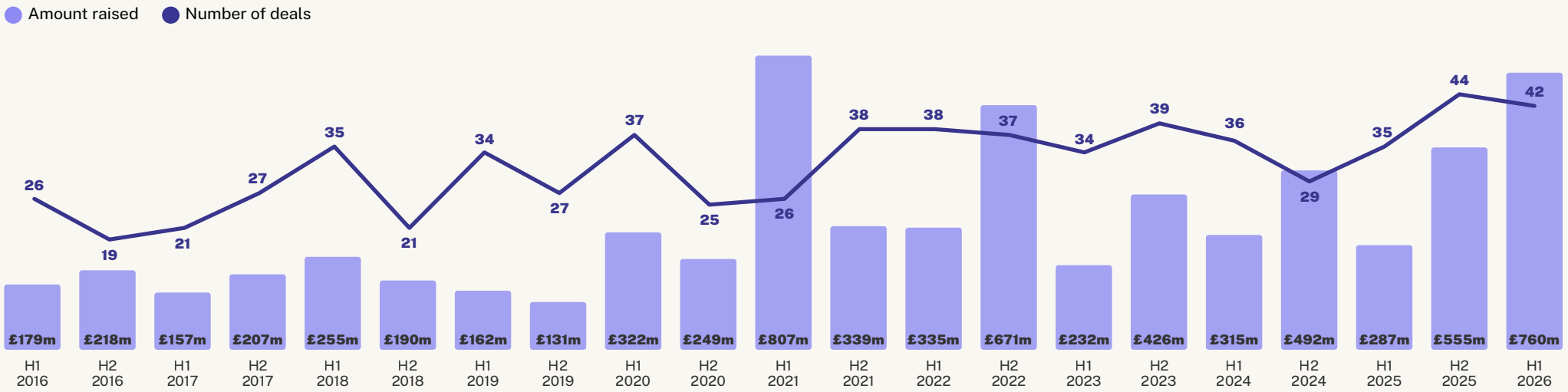
Parkwalk and IP Group were the leading investors in later-stage spinouts, together accounting for 98 deals

12 Top investors into later-stage spinouts by deal count (H1 2016-H1 2026)



Later-stage spinout investment reached £760m in H1 2026, the highest half-year total since 2021

13 Investment into later-stage spinouts by half (H1 2016-H1 2026)



In a clear sign of quality and technological excellence, UK spinouts are attracting ever-larger volumes of later-stage capital. Investment reached £760m in the first half of 2026, its second-strongest half-year in a decade.

Companies built on British science are now raising capital at levels that create global leaders, in fields from life sciences to quantum computing. And the world has taken notice. International investors are backing growth rounds and international acquirers are competing for UK spinouts. That is validation of the exceptional depth of talent and innovation coming out of our universities, and exactly what a maturing ecosystem should look like.

The question is whether Britain is taking full advantage. Global capital is helping to scale UK spinouts - domestic institutional capital should be scaling alongside it. Britain's pension funds manage billions in assets, yet only a fraction reaches the country's most promising science-based businesses. That is not a failure of the pipeline; it is an opportunity waiting to be seized. The more UK institutions invest at the growth stage, the more of the value created in our universities compounds at home, to the benefit of UK savers, the economy and society.

IP Group and Parkwalk participated in 98 later-stage deals over the past decade, more than any other investor. Our model - commercialising early-stage spinouts through Parkwalk, then providing scale-up capital through the Group - has built a portfolio of exceptional businesses at the frontier of deeptech, life sciences and cleantech. We plan to go even further.



Greg Smith
CEO
IP Group

Later-stage investment by university

At later stages, investment is even more concentrated among the leading universities than across the spinout cohort as a whole. The University of Oxford leads decisively, with its later-stage spinouts raising £2.83bn, close to double the University of Cambridge's £1.42bn. Three further Golden Triangle universities rank third, fourth and ninth.

One notable institution in the later-stage rankings is the UK Atomic Energy Authority (UKAEA), whose spinout Tokamak Energy, a company developing fusion energy and superconductor technologies, raised £166m across two Growth stage funding rounds. In June 2026, UKAEA launched a dedicated spinout accelerator programme at its Culham laboratory,[14] aimed at supporting the commercialisation of future spinouts.

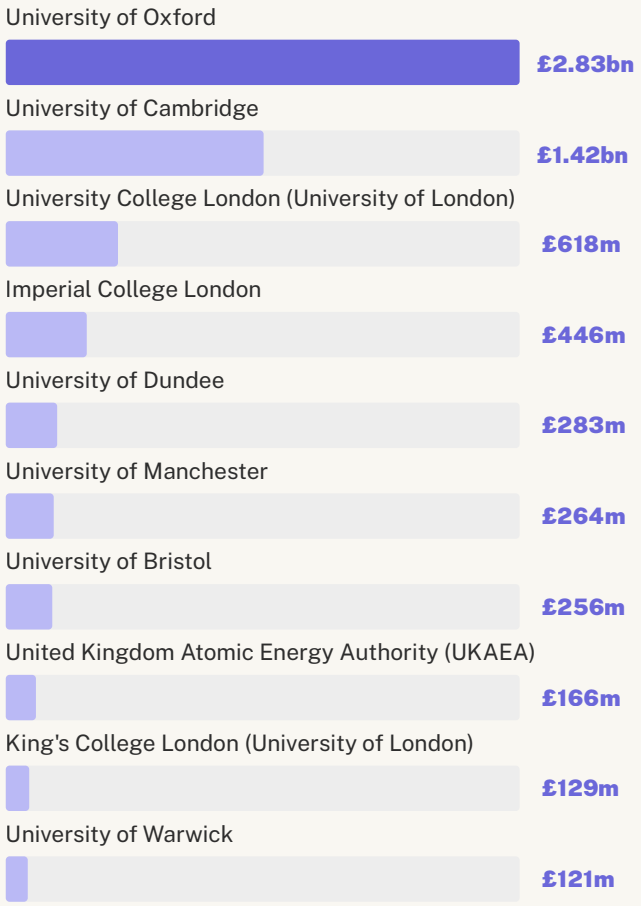
By deal count, the University of Oxford leads again, with 134 later-stage deals, followed by the University of Cambridge with 88. As with the investment totals, there is then a substantial drop to Imperial College London, ranked third with 39 later-stage deals.

Oxford and Cambridge's dominance becomes more pronounced at later stages, particularly by deal count. The University of Oxford stands out from all other UK institutions, especially at the later stages, where its lead over Cambridge in deal count becomes much more pronounced, at 52.3%, compared with 12.6% in the wider cohort.

[14] UKAEA, 2026. "UKAEA launches new Spinout Accelerator".

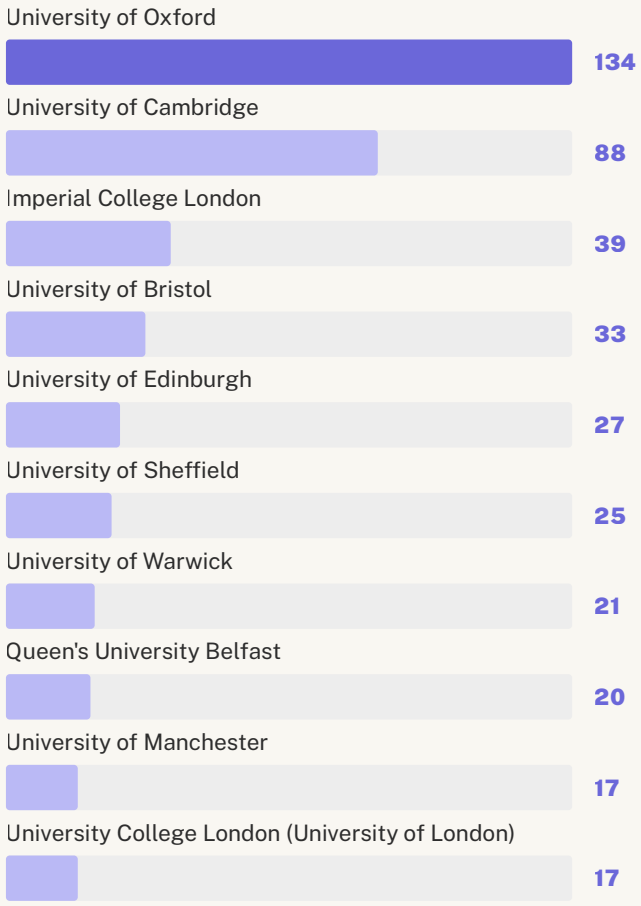
Oxford's later-stage spinouts raised £2.83bn between 2016 and H1 2026, more than any other UK university

14 Top universities by total investment received by later-stage spinouts (H1 2016-H1 2026)



Oxford led later-stage deal count, with 134 equity deals into its spinouts since 2016

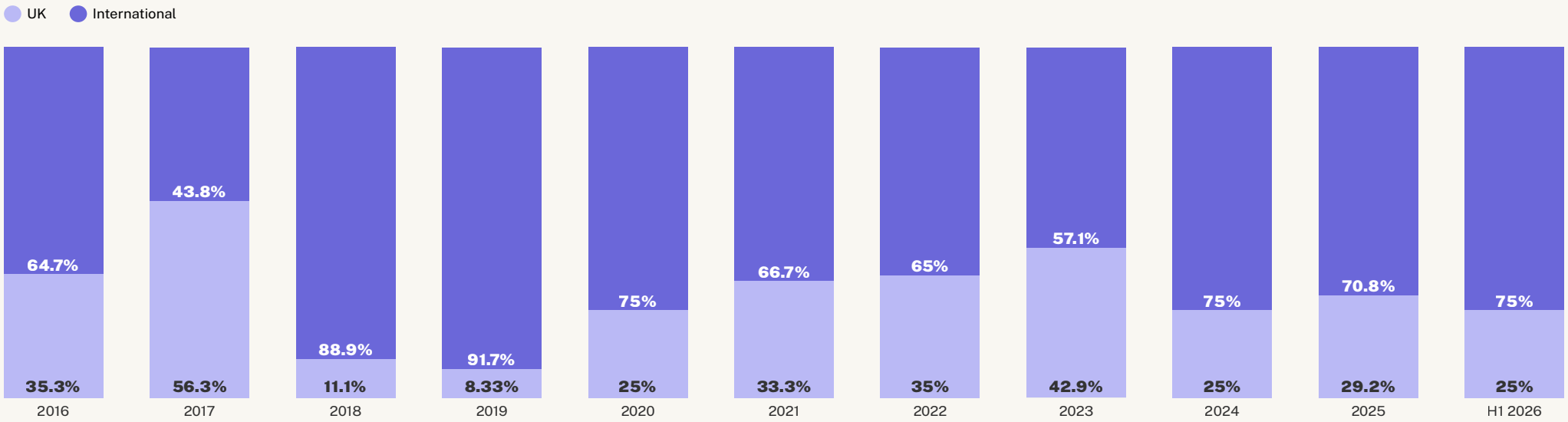
15 Top universities by deal counts received by later-stage spinouts (H1 2016-H1 2026)



International acquisitions

International buyers acquired the majority of spinouts in all but one year since 2016

16 Proportion of equity-backed spinouts acquired by international buyers by year (H1 2016-H1 2026)



International acquirers accounted for 68.3% of acquisitions of equity-backed spinouts between H1 2016 and H1 2026. They also made up the majority of acquirers in every year except 2017. While the proportion has fluctuated considerably, it has remained above 70% in every period since 2024.

Equity-backed UK academic spinouts are therefore more often acquired by international than domestic buyers, highlighting the importance of overseas acquirers as an exit route. International acquisitions can connect UK-developed technologies with global businesses and markets while providing an exit for founders and earlier investors.

The vast majority of international acquisitions (91.9%) during the period were trade sales rather than sales to private equity funds. As well as capital, trade sales can provide scaling companies with access to an acquirer's existing networks and infrastructure. At the same time, the prevalence of overseas acquirers raises questions about how much long-term value is retained domestically once companies change hands. International acquisition does not necessarily mean that a spinout will leave the UK, although wider research suggests that it can increase the risk of relocation. UKRI has found that companies are "most vulnerable to relocation when they are being acquired early in their lifetimes".[15]

[15] UKRI, 2026. "Deepening university-investor links".

Acquirer nationality

Among acquirers of UK equity-backed spinouts, US-based buyers are the most active, accounting for 66 acquisitions across the last decade, ahead of UK acquirers with 57. Taken alongside Figure 11, this demonstrates the prominent role of US capital at both the investment and exit stages of the UK spinout ecosystem.

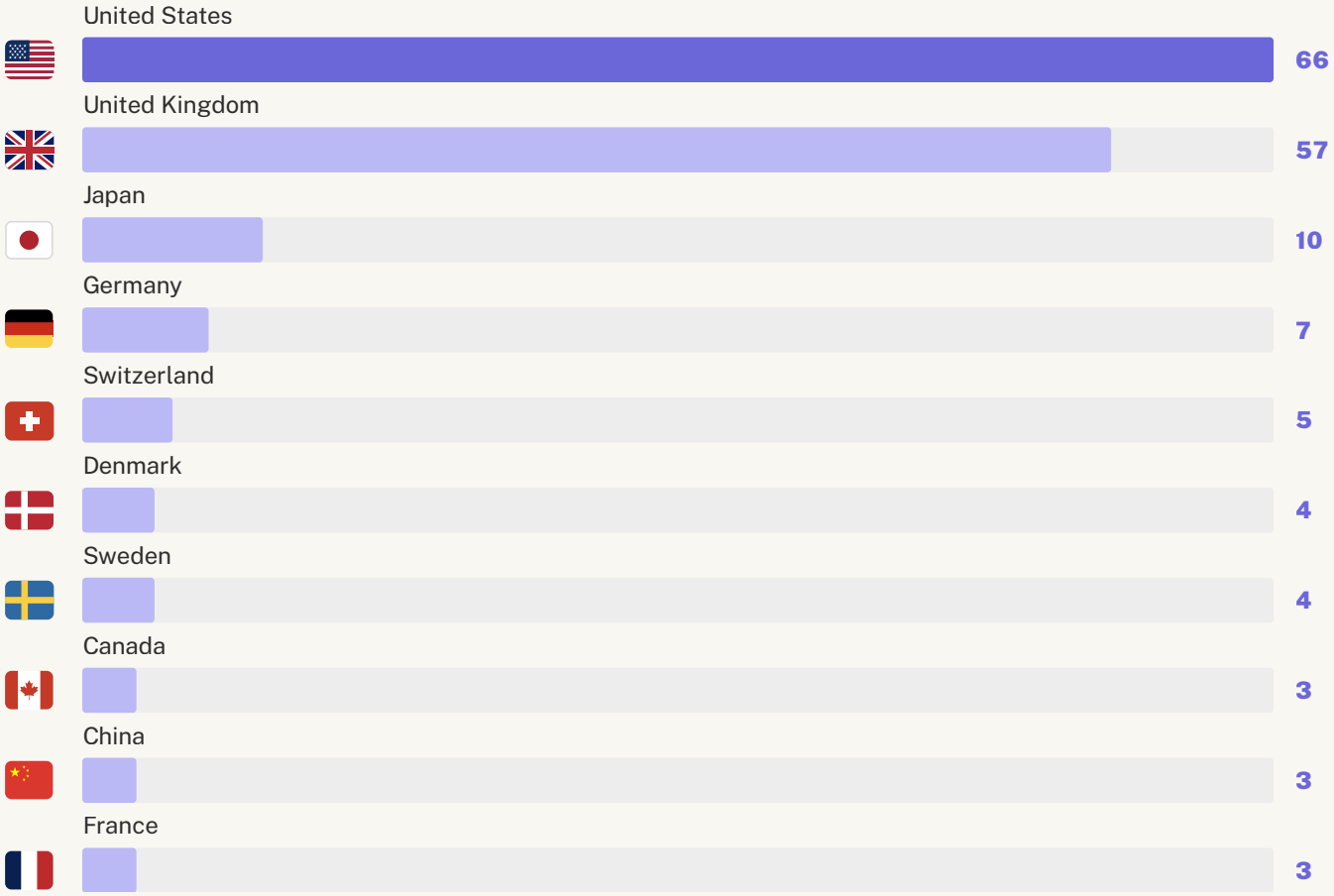
Beyond the US and the UK, the field narrows considerably. Japan ranks third with 10 acquisitions, followed by Germany (seven) and Switzerland (five). No other country accounts for more than a handful of acquisitions across the entire period.

The main contrast is therefore not between UK and international acquirers as a whole, but between the UK and the US. Together, the two countries make up over two thirds of acquisitions of UK spinouts. Greater access to long-term capital in the US may be one factor behind its prominence as an acquirer, particularly as UK spinouts face challenges in securing funding as they scale, a phenomenon sometimes referred to as the "valley of death".[16] Acquisition by a US buyer may also provide access to a wider customer base, particularly for companies in areas such as pharmaceuticals.

Exscientia's £500m acquisition by Recursion, a Utah-based AI drug discovery company, provides an example of a strategic US exit in pharmaceuticals. The University of Dundee spinout developed AI-enabled drug discovery technologies and was acquired in November 2024, having previously raised £300m across multiple funding rounds. The acquisition sought to integrate Exscientia's technology into Recursion's drug discovery pipeline.[17]

US buyers led all nationalities in acquiring UK spinouts, with 66 acquisitions since 2016

17 Top nationalities of acquirers of equity-backed UK spinouts by number of acquisitions (H1 2016-H1 2026)



[16] Imperial Policy Forum, 2025. "Written evidence from Imperial Policy Forum (SUK0012)".
[17] Recursion, 2024. "Recursion and Exscientia, two leaders in the AI drug discovery space, have officially combined to advance the industrialization of drug discovery".

International acquisitions by industry

Of the IS-8 sectors, Digital and Technologies saw the most international acquisitions across the decade (73), followed by Life Sciences (50).[18,19] A closer look at two of the smaller IS-8 sectors, Professional and Business Services and Creative Industries, also highlights the extent of overlap between sector classifications. 27 of the 28 Professional and Business Services acquisitions, and 9 of the 10 Creative Industries acquisitions, involved companies also tagged as Life Sciences or Digital and Technologies.

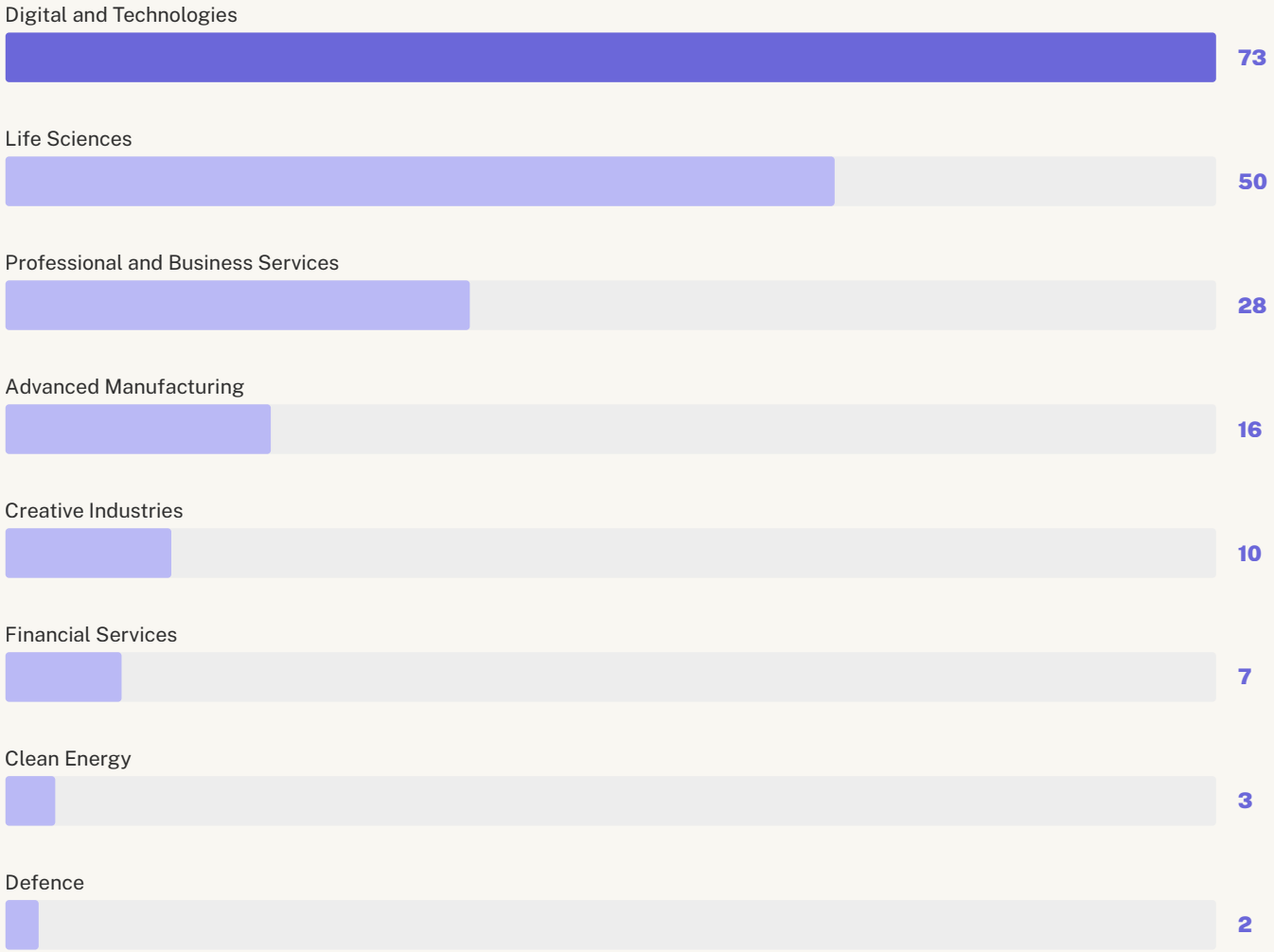
Among the more granular sectors (see Figure 19 overleaf), technology-and life sciences-related spinouts predominate. Application Software leads with 48 international acquisitions, followed by Software-as-a-Service (28) and Data Provision and Analysis (25). AI ranks sixth with 22 international acquisitions, half of which occurred in 2024 and 2025 alone, pointing to accelerating acquirer interest in the sector in recent years.

International acquisition activity is therefore focused on the UK's established spinout strengths, particularly technology and life sciences, including companies that combine these with expertise in other sectors. This pattern may become more pronounced as AI and other emerging fields continue to mature within the UK spinout ecosystem.

[18] Digital and Technologies encompasses multiple sectors from Figure 19, including: Application Software, Software-as-a-Service, Data Provision and Analysis, Electronics Hardware, AI, and Sensors.
[19] Life Sciences encompasses multiple sectors from Figure 19, including: Pharmaceuticals, Clinical Research, Research Tools and Reagents, Medical Devices and Instruments, Precision Medicine, and Genomics.
[20] **Note:** companies may be tagged with more than one sector.

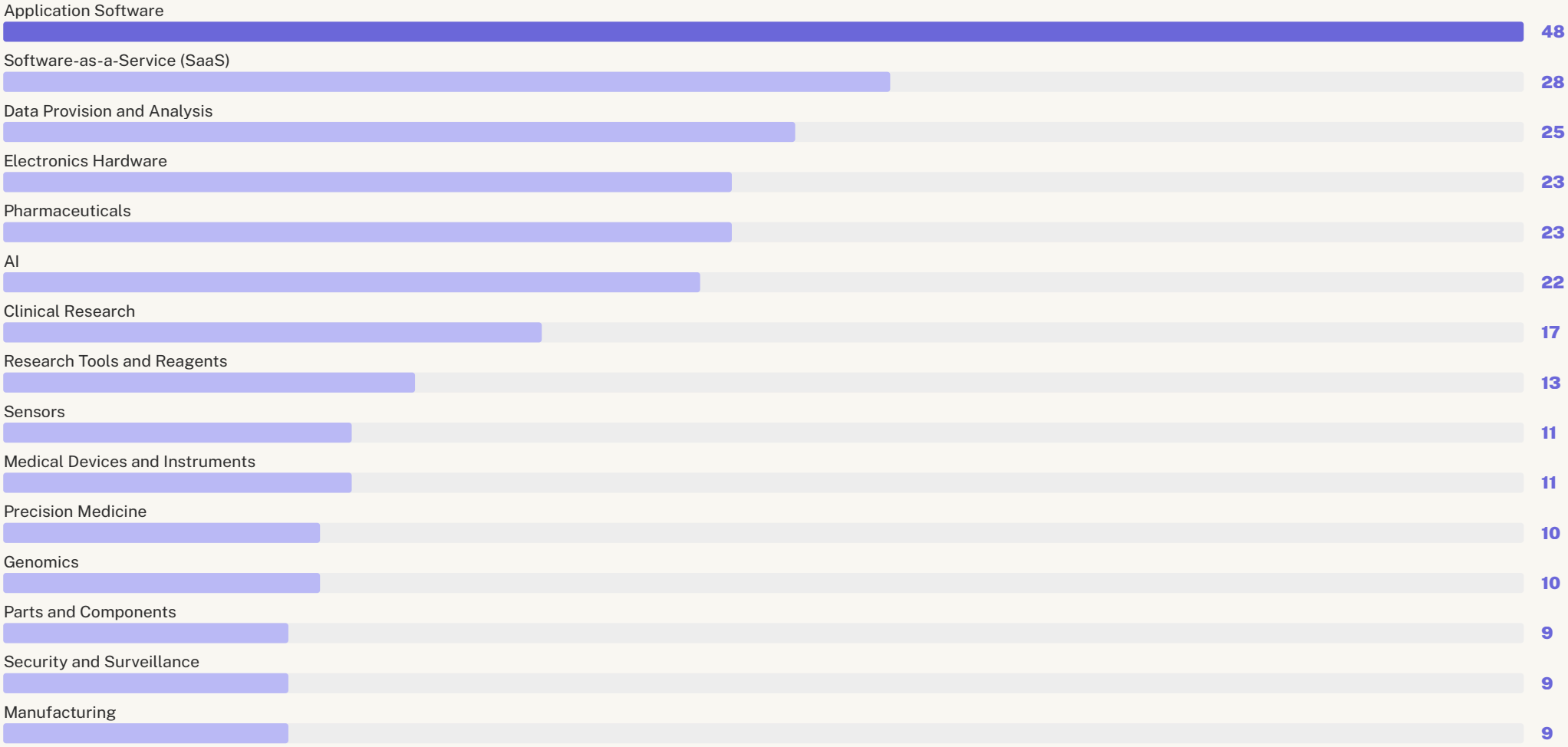
Digital and Life Sciences IS-8s dominate international acquisitions of UK spinouts

18 IS-8 sectors of equity-backed UK spinouts acquired by international buyers (H1 2016-H1 2026)[20]



Software sectors lead international acquisitions of UK spinouts

19 Top sectors of equity-backed UK spinouts acquired by international buyers (H1 2016-H1 2026)[21]



[21] **Note:** companies may be tagged with more than one sector.

Methodology

Beauhurst records all UK academic spinouts. Spinning out from an academic institution is one of eight growth and innovation signals that we believe suggest a company has high-growth potential. More detail on Beauhurst's signals is available via our website.

Growth and innovation signals:
- Equity investment.
- Scale-ups.
- Accelerator attendance.
- MBOs/MBIs.
- Academic spinouts.
- High-growth lists.
- Major grant recipients.
- Venture debt.

What is an academic spinout?
We define an academic spinout as a company that meets condition 1 and at least one condition out of 2-4:

1. The UK-based company was set up to exploit intellectual property developed by a recognised UK or overseas university or research institution.
2. The institution owns IP that it has licensed to the company.
3. The institution owns shares in the company.
4. The institution has the right (via an options or warrants contract) to purchase shares in the company at a later date.

If 1–4 are false, the company may be a startup established by staff or students. Neither HESA nor Beauhurst considers staff and student startups to be spinouts.

This definition follows Beauhurst's published FAQ methodology for identifying academic spinouts, which incorporates data aligned with HESA alongside additional proprietary research, including tip offs from universities regarding newly formed spinouts.

Equity investment
To be included in our analysis, any investment must be:
- Secured by an academic spinout (as defined by Beauhurst).
- Some form of equity investment.
- Issued between 1 January 2016 and 30th June 2026.
- Not secured by a listed company post-listing.

If a company has spun out of more than one academic institution, the full amount for each deal is credited to each institution.

Acquisitions
To be included in our analysis, any acquisition must:
- Have an equity-backed UK academic spinout as its target.
- Have taken place between 1 January 2016 and 30th June 2026.

International investment
- "UK-only backed" refers to investment where every disclosed investor is UK-based.
- "Internationally-backed" refers to investment where at least one disclosed international investor participated.
- All proportions are calculated as proportions of these two types of investment, excluding fundraisings which do not fall into one of these two categories, for example, a fundraising with no disclosed investors.

Sectors
Companies are assigned one or more sectors based on the industries they operate in or heavily target. As companies can operate across multiple sectors, there may be overlaps between sectors and companies may be counted more than once in sectoral analysis.

Data
This report data is up to date as of the 28th July 2026. Historic figures may be revised as our data is updated or as spinout classification methodology changes.

BeauhurstInsights

4th Floor, Brixton House
385 Coldharbour Lane
London
SW9 8GL

insights@beauhurst.com
www.beauhurst.com

Beauhurst Insights deliver analysis, interpretation and commentary on the UK's economy to our clients across the public and private sectors. We specialise in transforming high-quality data into economic understanding.

We work on thought leadership, strategic consulting, and economic evaluation engagements. Anyone wanting to better understand the UK's economy should work with us. Our methodologies and outputs can be tailored to geographies, sectors, and business types.

Parkwalk

3 Pancras Square
King's Cross
London
N1C 4AG

enquiries@parkwalk.vc
+44 (0)20 7759 2285
www.parkwalk.vc

Parkwalk is the UK's most active investor in university spinouts, backing transformative technologies developed by the country's leading universities and research organisations. Parkwalk focuses on investing in companies addressing real-world challenges with IP-protected innovations across a broad range of sectors, including life sciences, artificial intelligence, quantum computing, advanced materials, genomics, cleantech, future mobility, medtech, and big data.

As the leading growth EIS fund manager, Parkwalk has invested over £500m in 200+ companies through its Parkwalk Opportunities and Knowledge Intensive EIS Funds, as well as through enterprise and innovation funds managed for the Universities of Cambridge, Oxford, Bristol, and Imperial College. In 2025, Parkwalk introduced the Northern Universities Venture Fund, targeting opportunities emerging from the Universities of Leeds, Liverpool, Manchester, and Sheffield.

In partnership with our parent company, IP Group, we are dedicated to unlocking the potential of UK university research, supporting businesses throughout their journey from spinout to scale-up and from laboratory to market. For more information please go to: parkwalk.vc



Editor
Henry Whorwood

Production
Freya Morten, Ruth Rimmer

Design
Evangeline Luckhurst

Parkwalk
Investing in Innovation

BeauhurstInsights

© Beauhurst 2026