The Deal 2024

Equity investment market update

Beauhurst

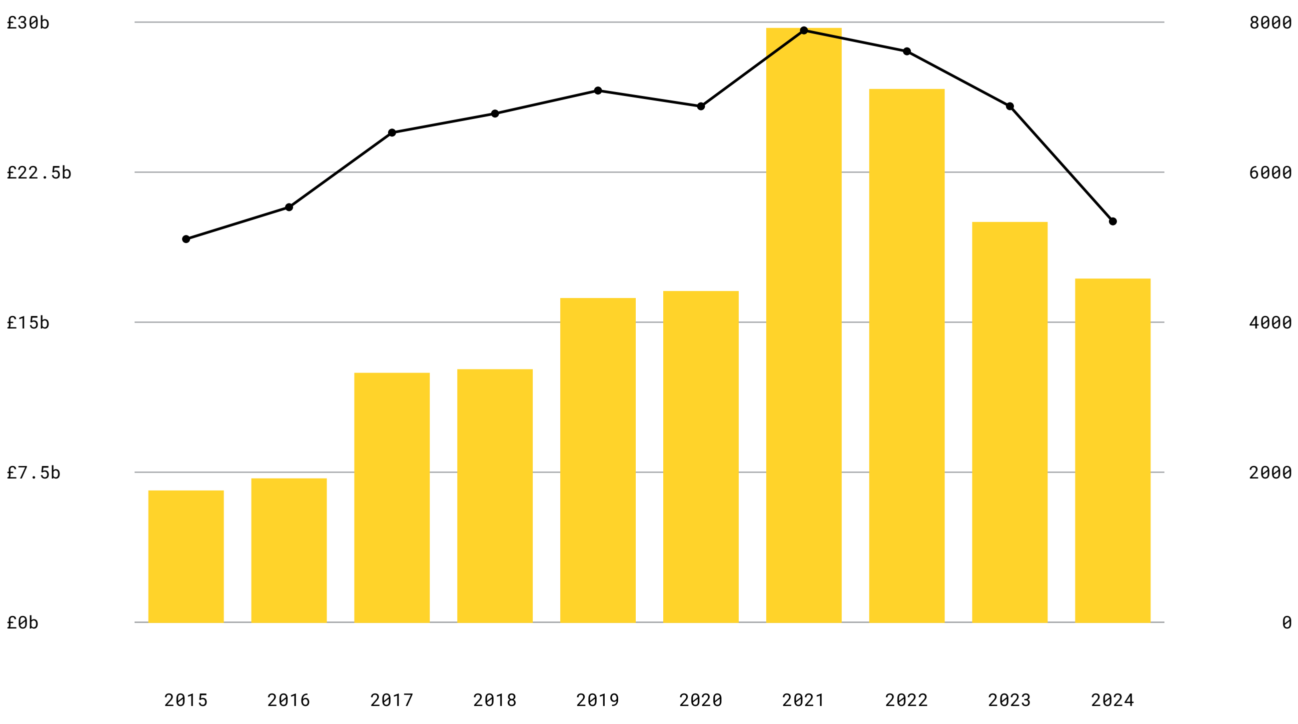
Overview

All deals	Announced	Unannounced
2024 **5,256**	2024 **2,010**	Detected in 2024 **3,246**
2023 **6,885**	2023 **2,463**	Detected in 2023 **4,422**
▼ -24% from 2023	▼ -18% from 2023	▼ -27% from 2023

All investment	Announced	Unannounced
2024 **£16.5b**	2024 **£12.6b**	Detected in 2024 **£3.87b**
2023 **£20.3b**	2023 **£15.2b**	Detected in 2023 **£5.06b**
▼ -19% from 2023	▼ -17% from 2023	▼ -24% from 2023

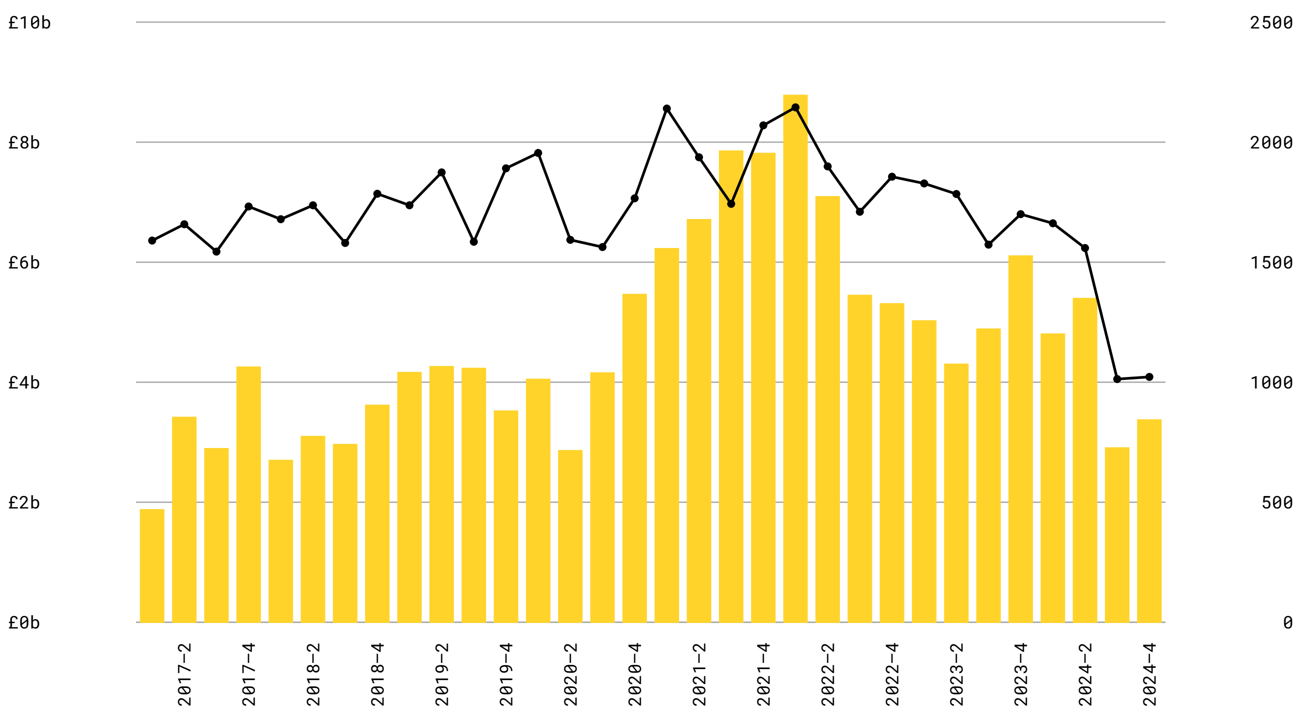
1.1 Number of all deals / Amount raised by year: announced & unannounced

Total amount raised ■ Number of deals



1.2 Number of all deals / Amount raised by quarter: announced & unannounced

Total amount raised ■ Number of deals



Headline funding figures 2024

We've once again seen a decrease in investment across private companies in the UK. 2024 saw the highest-ever number of elections globally, including a change in parliament in the UK and changes in the White House. Geopolitical instability and conflict in many parts of the world also continued throughout the year—all coming together to create a highly uncertain time for the global economy. This unrest has likely contributed to why we're seeing less and less funding going into UK companies.

But there are also pockets of good news. We've seen increases in investment across specific industries such as software, IT, telecommunications and data. In fact, in the UK we've seen record-high investment into AI companies—more than double 2023's amount.

Though, as illustrated by DeepSeek—which emerged seemingly overnight, upending UK stock markets—the AI industry can be unpredictable.

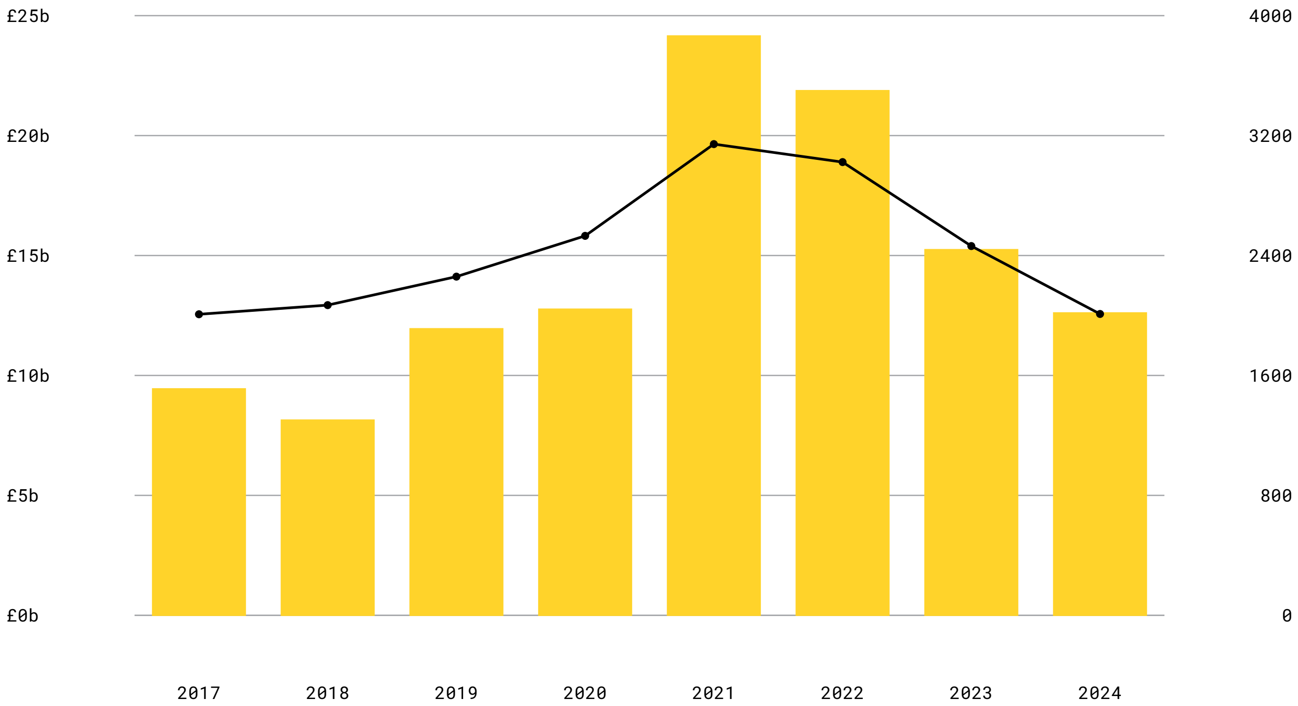
Looking more broadly, it's speculated that interest rates may come down to under 4% after unemployment rates have risen. This in turn could mean more investment in the UK, as investors (and businesses) have a little more money to play with. And as we settle into what should be a 4-year parliament with no party changes in government, we may see more stability across the UK and wider investment markets.

"I've watched the mainstream media's pessimistic outlook matched by the reduced investments being made last year. Despite this I think the outcome hasn't been as bad as many feared—in fact, it does now feel like there should be a good period of relative stability ahead. I hope the economy and flexible early-stage businesses can capitalise on it."

Robert Blackler
Chief Revenue Officer

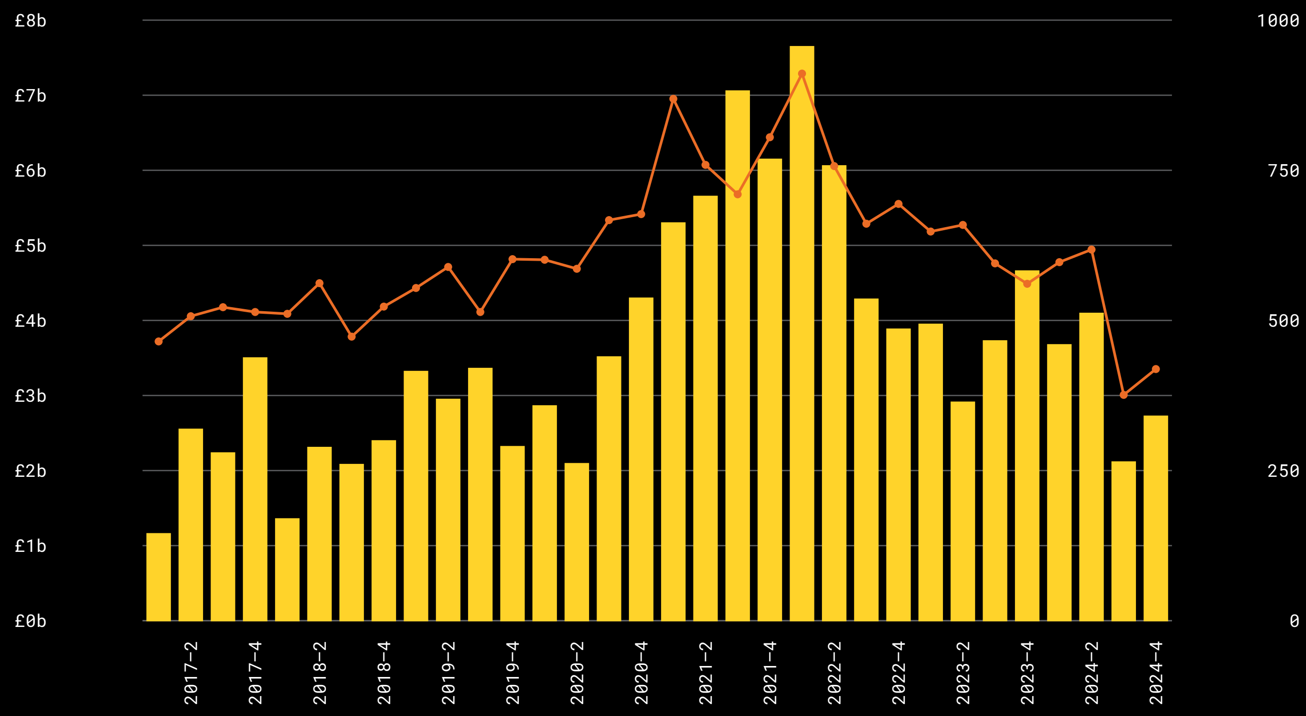
2.1 Number of announced deals / Amount raised by year

Total amount raised ■ Number of deals



2.2 Number of announced deals / Amount raised by quarter

Total amount raised ■ Number of deals



Regional trends

> "The increasing investment in the North West isn't just about affordability and funding initiatives—it's a sign that investors are recognising the region's long-term potential. With a strong tech presence and targeted government support, the North West is positioning itself as a serious contender to London, not just a lower-cost alternative."

Clare King
Marketing Manager

The UK's capital has once again secured the highest proportion of deals and amount raised. This comes as no surprise as London has taken the top spot every year since we began publishing The Deal in 2017. London-based companies secured 47% of deals and 58% of the amount raised across the UK—a hefty proportion, although down from the previous year, by 3.5 and 4.2 percentage points respectively. This means we're seeing a rebalance of investment into other areas in the UK.

The proportion of funds raised by companies in the North West increased from 4.0% in 2023 to 10.1% in 2024—the biggest change for any region.

The West Midlands saw a small increase in the proportion of funds invested—from 2.9% to 4.3%. However, it had proportionally fewer deals overall, decreasing from 3.0% to 2.2%.

Scotland's investment share grew to 4.8% in 2024, a 2.4 percentage point increase in the amount raised. Scotland-based companies secured 199 deals in 2024 (compared to 175 in 2023) and raised a total of £59.3m.

Looking at Wales, we also see an increase in investment though more marginal—3.6% of deals and 1.0% of the total amount raised.

Interestingly, Northern Ireland had the exact same proportion of investment as it did in 2023—1.1% of deals and 0.6% of the total amount raised.

So what could this mean? Are we finally seeing investment more evenly spread across the UK? And why could that be?

One reason we could be seeing less investment solely funnelled into London is digitalisation. As more companies adopt remote work styles, there's less need to be headquartered in the UK's capital city. In fact, in 2024 there were 8,500 fewer company incorporations in London than there were in 2023.

Companies may be opting to set up elsewhere in places like the West Midlands and North West, both of which still have access to big cities but with cheaper rents on office space. And with remote work in place, talent can be located anywhere, even internationally.

Another reason we are seeing more investment in the North West could be because there's been both government-backed and private funding initiatives to support business growth in that area. For example, the Northern Powerhouse Investment Fund II launched in March 2024, providing £660m worth of support to small and medium-sized enterprises across the North of England, including the North West.

In January 2024, the government announced that the National Wealth Fund and the Office for Investment would collaborate with regional mayors to stimulate economic growth. Greater Manchester was one of the first areas to trial the initiative, as well as the West Midlands, which is why we might be seeing more money going into these areas.

We should also consider that a huge proportion of companies receiving investment in this area are software-based (46%), which is the industry seeing the biggest increase in investment overall.

3.1 UK regions with proportion of amount raised in 2024