



The Scaleup Index 2022

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Irene Graham OBE

Chief Executive Officer, the ScaleUp Institute

Foreword

This is the fifth edition of the ScaleUp Index, the only report that examines all the UK's 'visible' scaleups in depth. As in previous years, the 2022 Index updates all measures of visible scaleup activity and brings fresh analysis as part of our commitment to improving the quality of data that is publicly available. This year we have included additional data on the visible scaling pipeline, "scaling periods" and scaleups' use of different types of finance.

The world today faces an unprecedented set of challenges. We are still managing and adjusting to the effects of the Covid pandemic that has disrupted lives and supply chains, climate change shows no signs of abating, and conflict has led to even greater global tension and pressure on resources and costs. In these challenging times our Scaleup economy is ever more vital to current and future UK prosperity.

Through 2020 the ScaleUp economy across the UK continued to grow despite the effects of the Covid Pandemic. At the end of the year, according to ONS data, we had 33,955 ScaleUps in place, contributing £1.2 trillion to the UK economy. This represents over 50% of the value of the UK SME community despite these

companies making up less than 0.6% of the SME population. They are the UK growth champions, employing over 3 million people.

Of this total number, the ScaleUp Index tracks those scaleups breaking through over £10.2 m turnover and / or £ 5.1m in assets - known as the Visible ScaleUps. It maps the state of the UK's visible scaleups across sectors, geographies and more. In this year's edition we have found:

The key findings for 2022:

- The overall number of visible scaleups has increased to 8,457 a significant increase of 119% since the first Index in 2017, which identified 3,856 visible scaleups.
- A further 2,951 in the scaling pipeline. This is the first time we have published the visible pipeline figure in the ScaleUp Index, which refers to UK businesses, recording turnover of over £10m or assets of £5.1m +, that have increased their turnover or headcount by between 10% and 19% per annum for three years within the five year period observed.
- These figures indicate that despite the challenges of the past five years, scaleups

continue to demonstrate a high capacity for innovation and growth.

- 4,876 scaleup companies had two or more "scaling periods" between 2012 and 2021, this represents 58% of overall scaleups, with 32% of these going through 3 or more scaling periods.
- When considering the different types of scaling event: 25% were achieved by increases in both headcount and turnover; 37% by scaling turnover alone; and 35% by headcount.
- Visible scaleups are found across sectors and across the whole UK with notable scaleup clusters outside of London in Edinburgh, Bristol, Buckinghamshire, Manchester and Leeds.
- A total of 1,581 visible scaleups companies are backed by equity funding; between 2012 and 2021, these businesses raised investment worth £43.5b over 4,596 deals. With £8.82bn invested into visible scaleups in 2021 across 382 deals.
- BGF remains the top investor by number of investments in visible scaleups, having participated in 128 deals

that amounted to £1.10bn between 2012 and 2021. However 8 of the top investors by value are international players with only 3 UK entities - with Japan's Softbank the top investor by amount, having invested £2.54bn across 12 deals over the same period.

- Between 2012 and 2021, notable participants in equity deals alongside BGF included Crowdcube, Seedrs, Balderton Capital, Octopus Ventures, Index Ventures, Accel, Notion Capital, Molten Ventures and IP Group - each of which has been endorsed by the ScaleUp Institute.
- The ScaleUp Index once again highlights the significant impact of UK Business Angels and networks, which accounted for £367.9bn worth of investments made in visible scaleups between 2012 and 2021. Cambridge Angels is the top Angel investor into scaleups, over this period, having made 44 investments into visible scaleups.
- The ScaleUp Index continues to reinforce the importance of Innovate UK grants to visible scaleups - with £31m worth of grants issued in 2021 alone.
- Between 2012-2021, Innovate UK supported 506 visible scaleups through a total of

1,401 grants with a combined value of £318m, with these scaleups leveraging a further £4.51bn in private sector investment - a multiple of over fourteen times the initial sum.

- The ScaleUp Index shows an increase in diversity among scaleups. 16% of visible scaleups now have at least one female founder, an increase of 30% since our last ScaleUp Index in 2020. While 52% of visible scaleups have at least one female c-suite member, and 40% at least one female director.
- New analysis of the scaling lifecycle shows 768 scaleups have exited since 2017. 61 scaleups underwent an IPO, with 707 involved in acquisitions — the latter representing 92.1% of all exits.

The 2022 ScaleUp Index highlights how businesses are scaling across the whole of the UK in a wide range of sectors. With the right source of funding - whether that be private equity, public markets or public sector grants - this cohort of businesses can grow bigger and faster in both headcount and turnover. The scaleups highlighted in the 2022 ScaleUp Index have proven incredibly resilient over a number of challenging years and in doing so have contributed billions of pounds to the UK economy - creating thousands

of jobs for the future workforce. Continuing to support them - and the scaling pipeline of companies that will follow in reaching the £10m+ threshold - is vital to energising the economy and making the UK the best place in the world to scale a business.

“The Scaleup Institute's report speaks volumes about the ambition and determination of scaleup companies in the UK which have grown successfully over the last ten years as the equity funding landscape has changed for the better and the power and impact of scale up's become increasingly understood. The UK is now home to many incredible businesses that have continued to strive forward and achieve notable success. BGF is delighted to be named again as the most active scaleup investor and proud of the contribution we have made to overall equity investment in the UK. However, it is vital that the ecosystem continues to grow in the face of increasing economic headwinds and that we do not let our focus as a country on innovation, scale up's and investment in any way diminish”

Stephen Welton, Executive Chair, BGF

Companies in scope

Reasons for exclusion



Scaleup companies 2022: summary

67,319

visible scaling legal entities examined

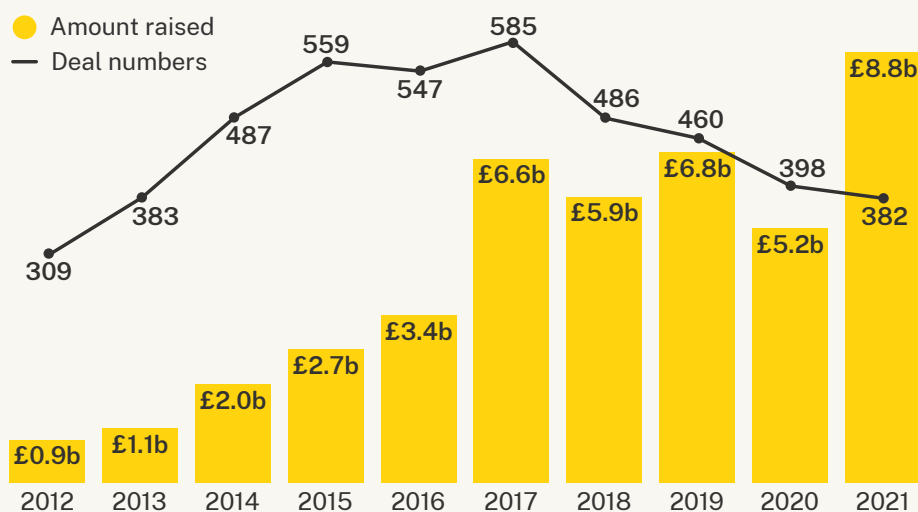
8,457

visible scaleup companies

2,951

pipeline scaleups

Equity investment into scaleups (2012-2021)



Top-level sectors by number of visible scaleups

Business and Professional Services	3,823
Industrials	2,070
Built environment and infrastructure	1,296
Technology/IP-based businesses	1,231
Retail	943

Top investors into visible scaleups (2012-2021) by number

BGF Growth Capital	128
Crowdcube	76
Seedrs	60
Balderton Capital	58
Octopus Ventures	54

Top Visible Scaleups by Turnover

EG Group	£15.7bn
Greenergy	£11.5bn
Angle Platinum Marketing	£5.8bn
Pension Insurance Corporation PLC	£5.1bn
ED&F Man	£5.1bn

Top areas / nations by number of visible scaleups (2022)

London	2,345
Scotland	477
South East	437
Greater Manchester	332
Leeds City Region	286

Top investors into visible scaleups (2012-2021) by value

Softbank Vision	£2.54bn
Accel	£2.06bn
Digital Sky Technologies	£2.06bn
Insight Partners	£1.64bn
Index Ventures	£1.25bn

Top Visible Scaleups by Employee Count

OCS	64.4k
ES Group	44.8k
2 Sisters Food Group	19.8k
The Staffing Group	18.5k
City and County Healthcare Group	13.9k

Scaleup companies 2022: summary

8,457

visible scaleup companies

2,951

pipeline scaleup companies

£332b

total turnover by visible scaleups

1.75m

people employed by visible scaleup companies

1,581

visible scaleup companies with equity funding

£43.5b

total equity investment into visible scaleups 2012-2021

506

visible scaleup companies with grant funding

£318m

total IUK grant funding received by scaleups 2012-2021

639

visible scaleups with a female founder

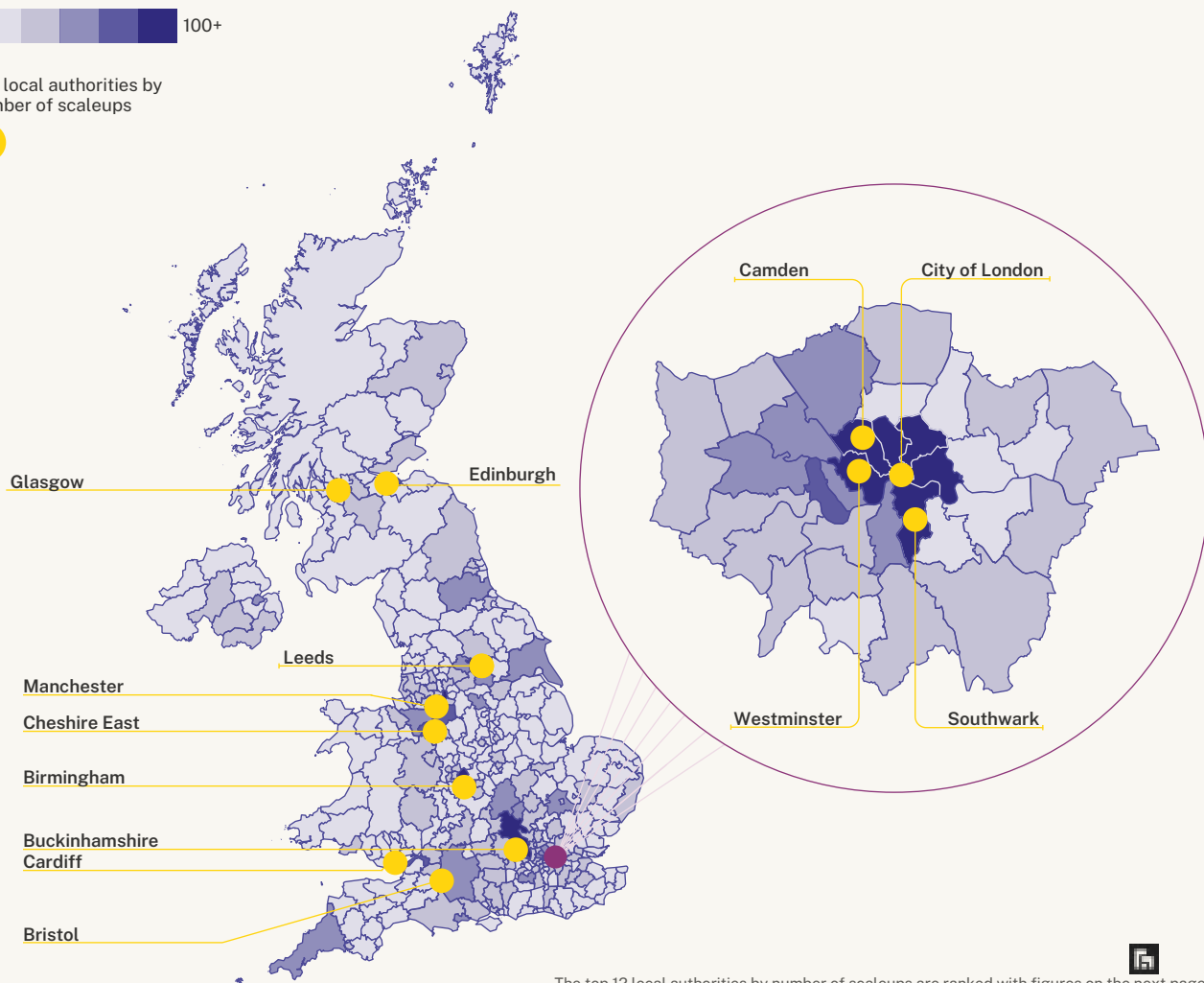
336

number of AIM scaleup companies

Local authorities of the UK by number of visible scaleups (2022)

0 100+

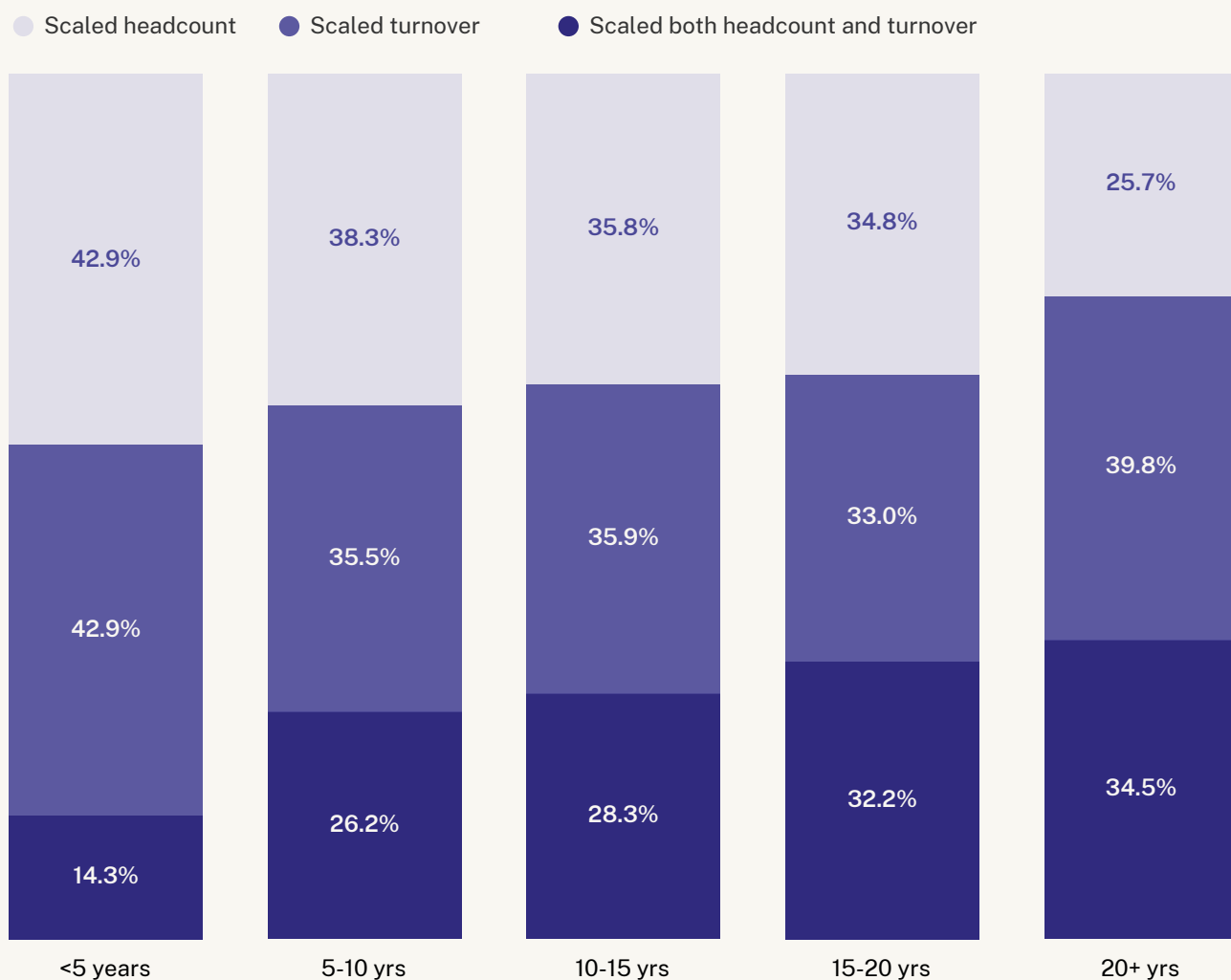
Top local authorities by number of scaleups



The top 12 local authorities by number of scaleups are ranked with figures on the next page.

Types of scaling

Age of scaleups and type of scaling achieved (2017-2021)

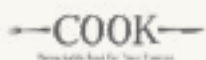


Companies scaling since 2011

Operating in a range of sectors, these companies have scaled every year since 2011.

The logo for Campbell Lutyens, featuring the company name in a serif font next to a blue square icon with a white geometric pattern.


Campbell Lutyens
Sectors: Analytics,
insight, tools,
professional services

The logo for COOK, featuring the word "COOK" in a bold, sans-serif font with a horizontal line through it, and the tagline "The world's best for your kitchen" below.

COOK
Sectors: Food and
drink processors

The logo for Home Bargains, featuring the words "home bargains" in a red, lowercase, sans-serif font.

Home Bargains
Sectors: Electrical,
garden centres,
gift/toy/sport shops

The logo for Langham Hall, featuring a blue square icon with a white building facade and the text "Langham Hall" in a serif font.

Langham Hall
Sectors: Accountancy
and management
consultancy services

The logo for M.V. Kelly Ltd, featuring the company name in a serif font with the tagline "Civil Engineering & Building Contractors" below.

MV Kelly
Sectors: Builders,
civil engineering
services



New Demipower
Sectors:
Restaurants and
cafes, takeaways

The logo for Pricecheck, featuring a blue circular icon with a white dot and the text "pricecheck" in a lowercase, sans-serif font.

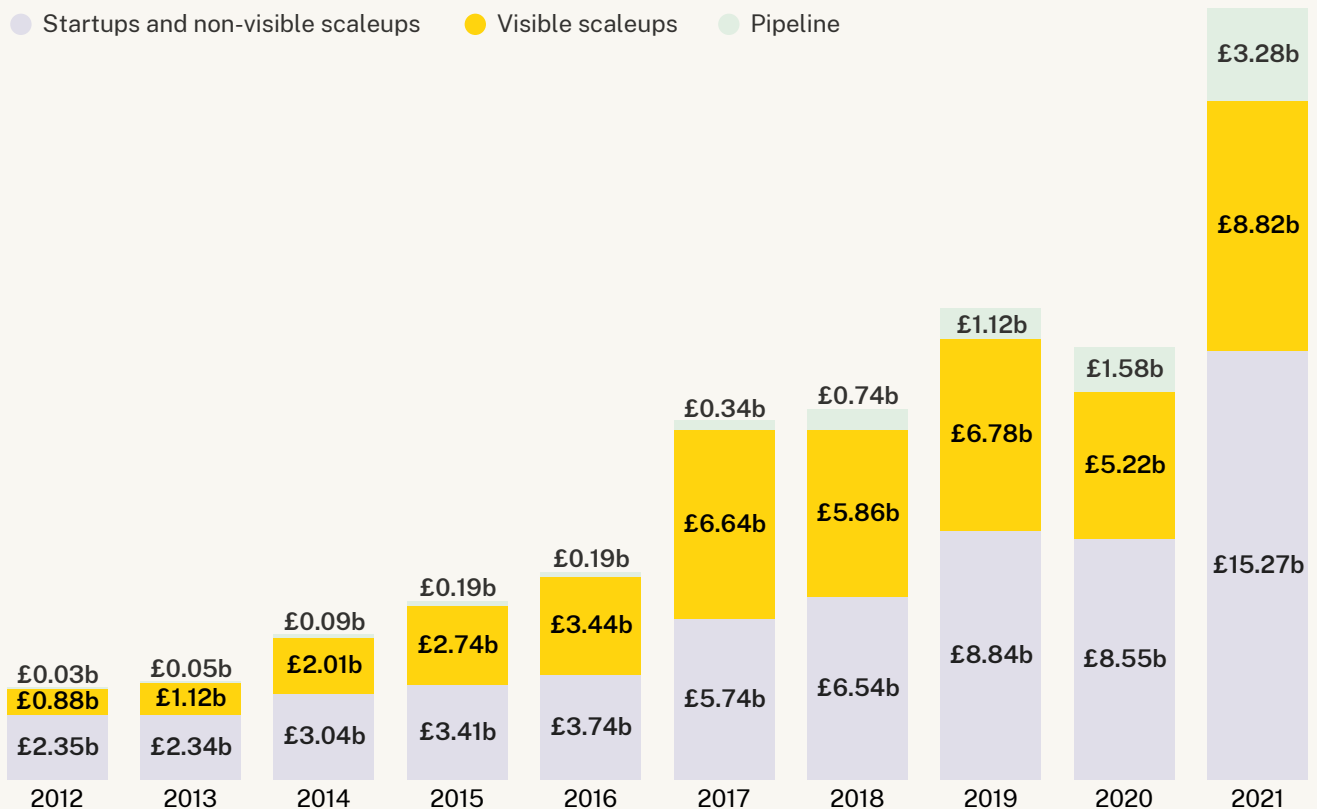
Pricecheck
Sectors:
Distribution and
wholesale

The logo for Tombola, featuring the word "tombola" in a white, lowercase, sans-serif font on a teal background.

Tombola
Sectors: Betting
establishments,
mobile apps

Equity investment

Equity investment into scaleup companies 2012-2021



£43.5b

total value of equity investment into visible scaleups 2012-2021

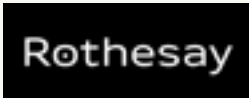






4,596

total number of equity deals into visible scaleups 2012-2021

Against a backdrop of continuing growth within the private markets, the proportion of deals secured by scaleup companies has increased significantly over the past ten years. In the first half of the decade, between 2012 and 2016, equity benefitting this cohort of companies averaged at 37.6% of the total value of investment secured each year. In the latter half of the decade however, this rose to 40.2% — peaking in 2017 when scaleup companies secured 50.2% of all equity investment.

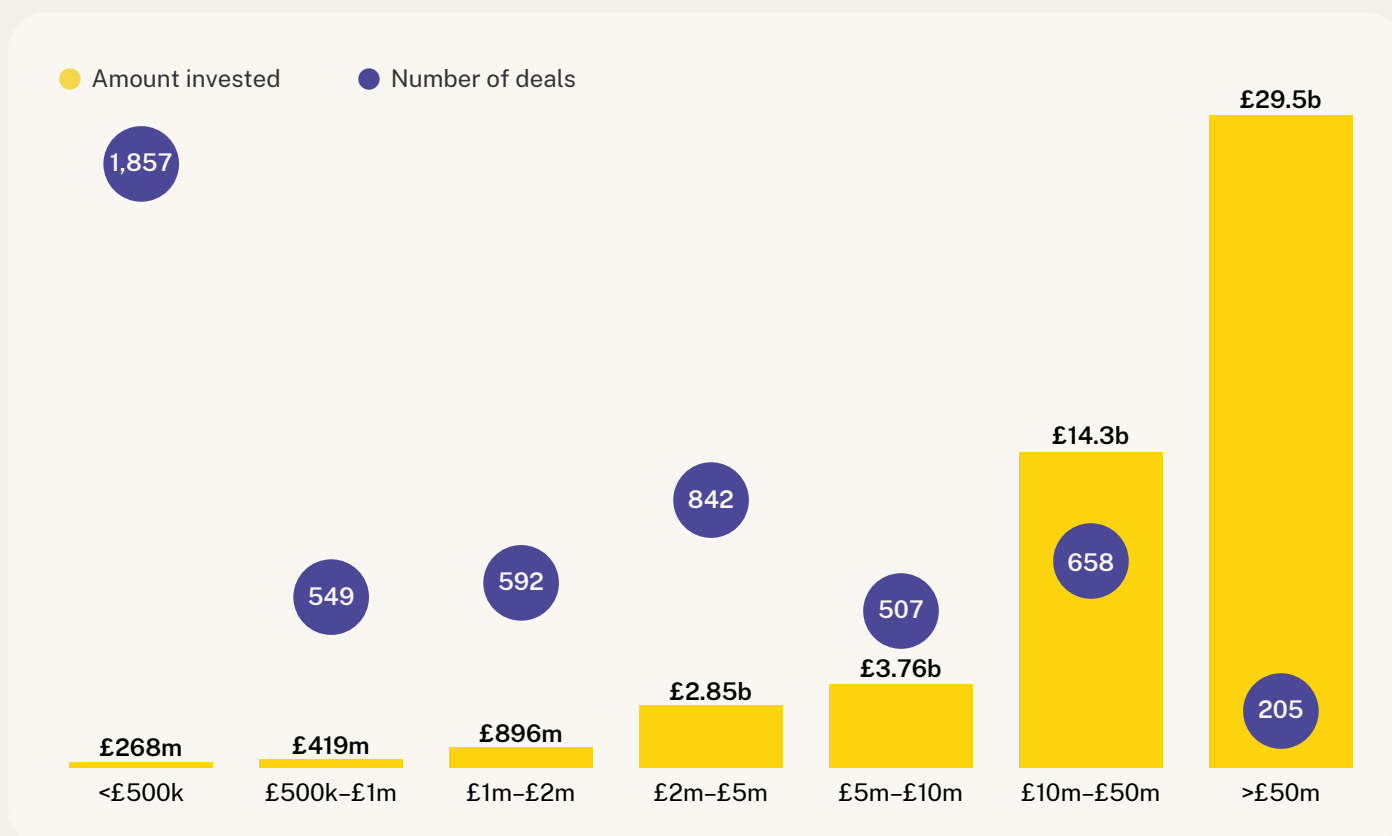
Top scaleups by total equity

Private investment raised 2012-2021(including exited companies)

	£2.69b	Rothesay Life	Year incorporated: 2007 Sector: Insurance Headquarters: London
	£1.28b	Deliveroo	Year incorporated: 2012 Sector: Food delivery Headquarters: London
Revolut	£1.27b	Revolut	Year incorporated: 2013 Sector: Challenger bank Headquarters: London
	£853m	Monzo	Year incorporated: 2015 Sector: Challenger bank Headquarters: London
	£808m	Howden Group Holdings	Year incorporated: 1994 Sector: Insurance Headquarters: London
	£790m	Oxford Nanopore Technologies	Year incorporated: 2005 Sector: Research tech Headquarters: South East
	£743m	CMR Surgical	Year incorporated: 2014 Sector: Robotic surgery Headquarters: East of England
	£699m	OneTrust	Year incorporated: 2001 Sector: Security software Headquarters: London

Scaleup investments by size

Equity investment deals into scaleups by size (2012-2021)

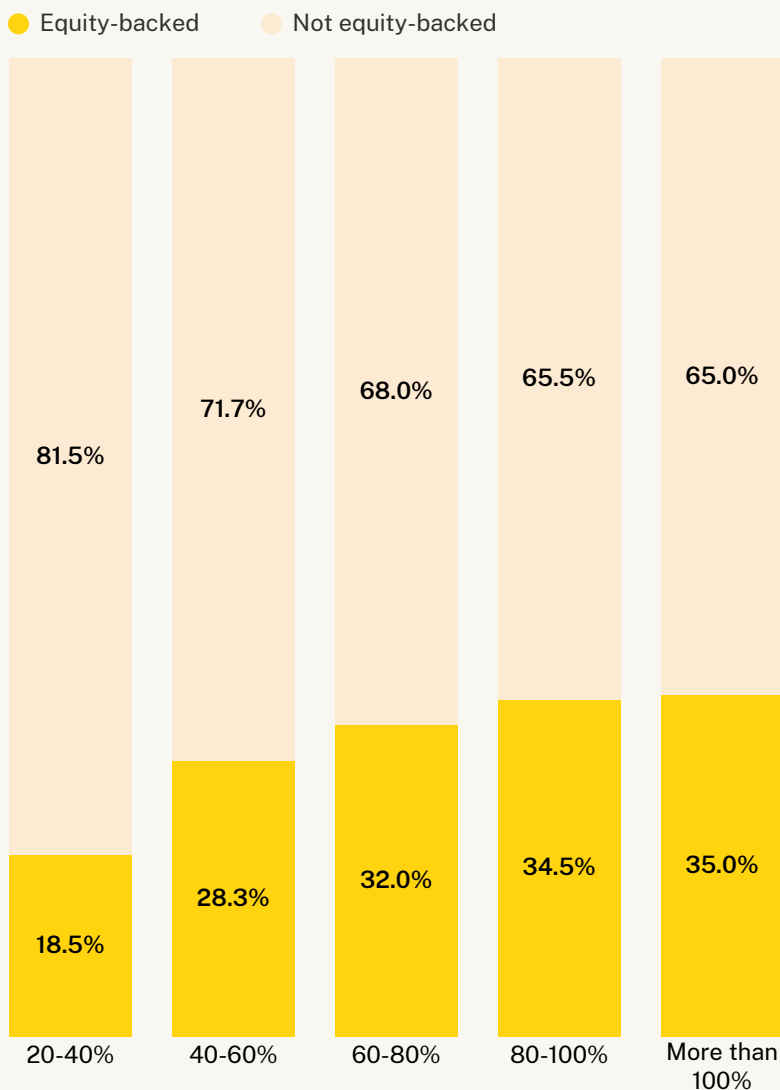


Looking at the size and frequency of equity deals, it is clear that the total deal size increases according to the transaction value bracket. Whilst this is a natural occurrence, it is interesting to observe a degree of variation in the number of deals taking place within each bracket. For the periphery categories of <£500k

and >£50m, there is a correlation between the large number of small deals, and a small volume of high-value transactions. However, within the middle ground between these brackets, these trends are less palpable, with fluctuations between the number of fundraising events and the value of these investments.

Effect of equity on growth: turnover

Turnover growth comparing equity-backed and not equity-backed scaleups

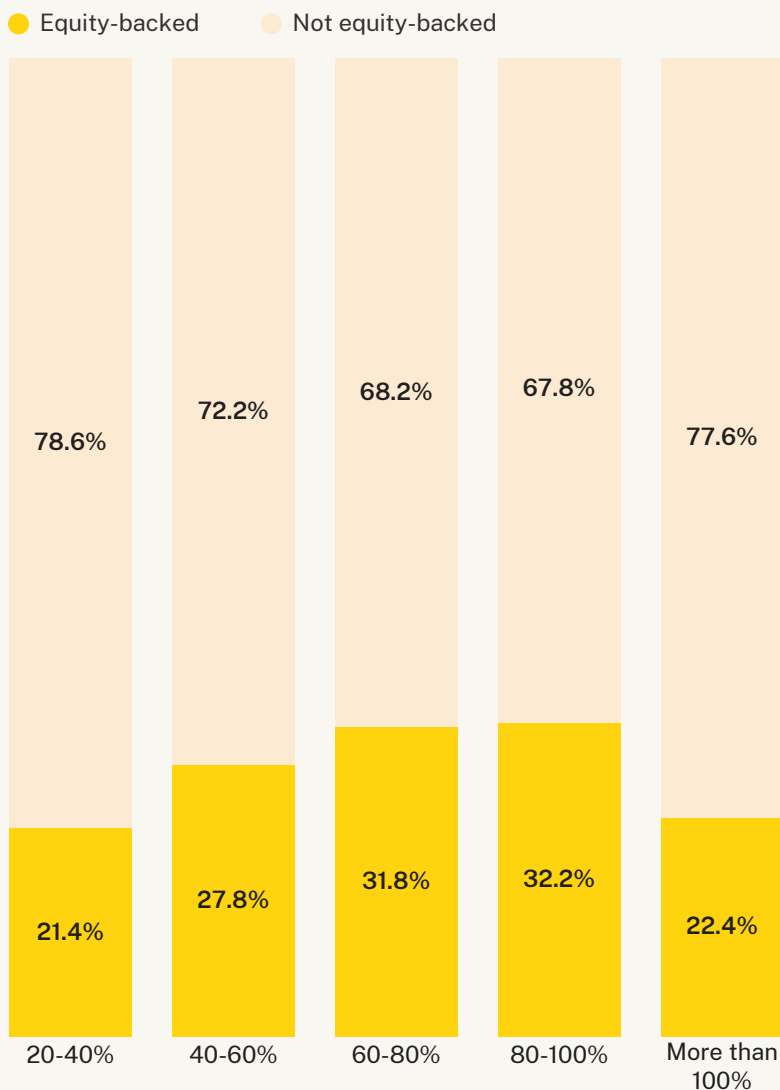


Observing the volume of growth experienced by scaleup companies, it is noteworthy that amongst companies experiencing larger amounts of turnover growth, there is a larger proportion of equity-backed businesses in comparison to those undergoing more modest increases in their turnover. These findings suggest that those companies that have accessed equity investment have a higher likelihood of growing their turnover than those that do not.

The category of scaleup companies that have increased their turnover by over 100%, as well as received equity financing, includes three of the leading challenger banks: Revolut, Monzo and Starling Bank. It also features Monese — an app that enables immigrants and expatriates to open bank accounts outside of their original country.

Effect of equity on growth: headcount

Headcount growth comparing equity-backed and not equity-backed scaleups

















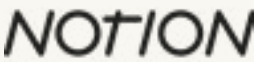





As recognised in the previous chart, for companies experiencing an increase in headcount between 20% and 100%, there is a correlation between growth and equity. In contrast, for businesses benefitting from headcount growth above 100%, the proportion of equity-backed companies declines.

One reason for this may be a difference between types of company that double headcount and those that double turnover. For example, 53.4% of Beauhurst-tracked businesses that have increased headcount by over 100% are established companies. For those experiencing the same levels of turnover growth, this figure was distinctly lower at 43.6%. Established companies are more likely to generate enough income to fund headcount growth without the need for equity investment, providing a partial explanation for the differences observed in these graphs.

Top investors

As of September 2022, the British Business Bank has publicly backed 79 equity investors, 62 of which have invested in one or more visible scaleups since 2011.

Participations in equity deals into visible scaleups 2012-2021

BGF Growth Capital			128
Crowdcube			76
Seedrs			60
Balderton Capital			58
Octopus Ventures			54
Index Ventures			52
Accel			41
Notion Capital			40
Molten Ventures			38
IP Group			34

Top investors

Top investors into scaleups (2012-2021)



The now defunct Woodford Investment Management participated in 32 deals worth £1.32b between 2012 and 2021 but has been removed from this ranking.

Investor types

Top private investor types by number of announced deals into scaleups (2012-2021)

Private Equity and Venture Capital

1,198

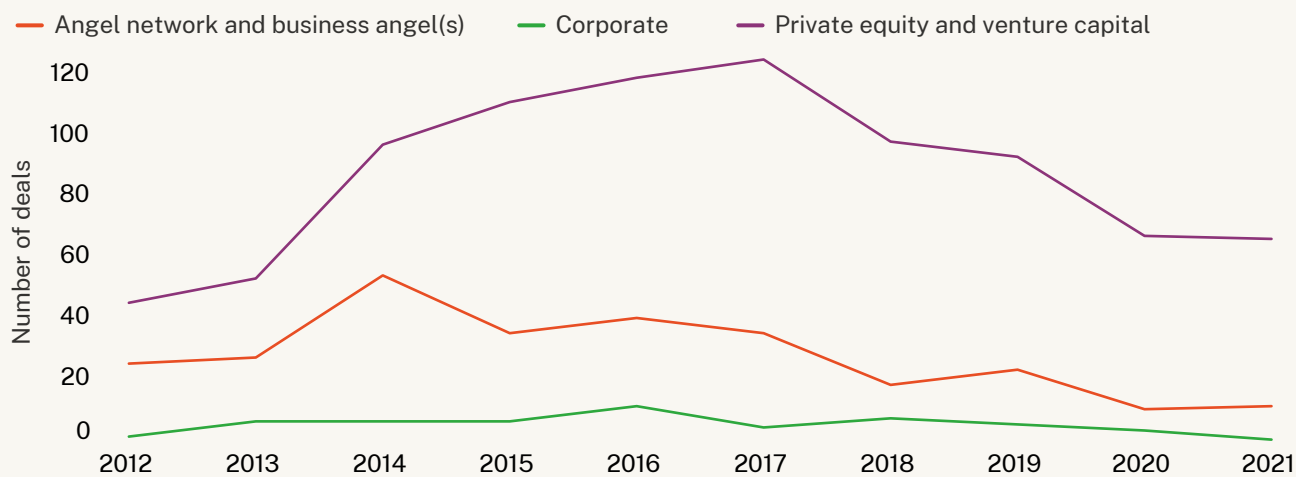
Angel Network & Business Angel(s)

395

Corporate

134

Announced deal numbers by top private investor types (2012-2021)



Angel investment









£365m

total value of deals with participations by angel networks 2012-2021

£3.29b

total value of deals with participations by business angel(s) 2012-2021

Participations in equity deals into scaleups 2012-2021

Cambridge Angels		44
Archangels		40
Investors		32
Wealth Club		22
24Haymarket		20
Conviction Investment Partners		10
Cambridge Capital Group		8
London Business Angels		7

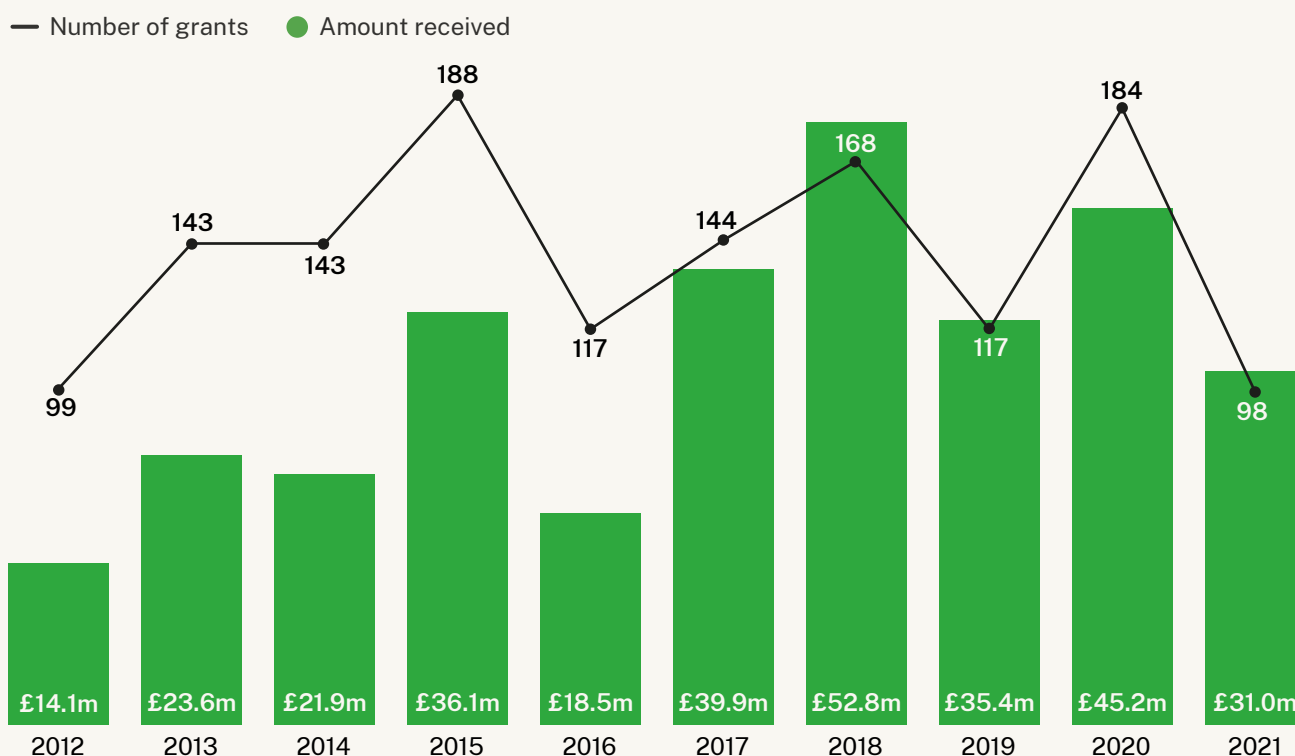
Minerva Business Angel Network, Investing Women, Equity Gap and Adjuvo tie for ninth place, having each participated in six deals.

*The London Business Angels network was acquired by Newable in 2017.

“ This year’s ScaleUp Index 2022 report has identified once again the important role that angel investment has played in the growth of scale-up businesses across the UK bringing not only risk capital but also strategic advice and practical support at the vital early stages of scaling a business. It is heartening to see the range of angel groups identified in the report that have been making a strong contribution to scale-ups, led this year by Cambridge Angels having made 44 deals in visible scale ups over the past 10 years. It’s also good to see that several of these leading Angel investment groups have also received co-investment funds through the Regional Angels Programme to boost their scale-up investment potential. With access to investment remaining a core priority, we need to continue to grow angel investment capacity to support the scale up journey of many more businesses across the UK” **Jenny Tooth, Executive Chair, UKBAA**

Grants

Innovate UK funding into scaleups (2012-2021)



£318m

total value of Innovate UK grants into visible scaleups 2012-2021

1,401

total number of IUK grants into visible scaleups 2012-2021

£4.51b

total equity investment into IUK backed companies

The index shows that Innovate UK has crowded in 14 times that in the private sector funding to a level of £4.5bn. Whilst the number and value of grants awarded to scaleup companies has remained changeable year on year over the last 10 years the index still reflects the importance of Innovate UK kite-mark effect in the market.

Although there has been a general increase in the value of grants secured, rising from £14.1m in 2012 to £31m in 2021, this growth has experienced various fluctuations. A peak in 2020 aligns with broader trends across the high-growth ecosystem, as funding from Innovate UK increased was awarded to projects addressing the impact of the COVID-19 pandemic.

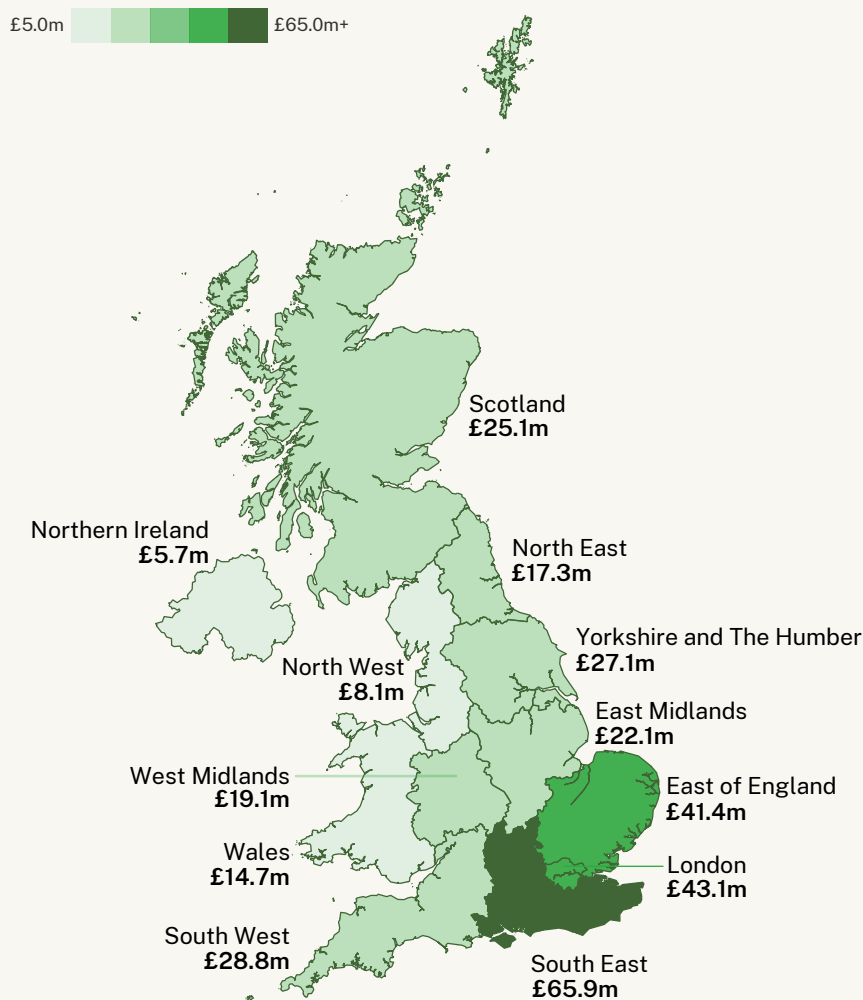
Top sectors for grants

Top sectors by number of scaleups receiving Innovate UK grants (2012-2021)

Automotive	185
Machinery	106
Software-as-a-service (SaaS)	101
Chips and processors	79
Semiconductors	73
Analytics, insight, tools	70
Research tools/reagents	61
Aerospace	58
Energy reduction technology	57
Pharmaceuticals	53
Mobile apps	53
Materials technology	52

Grants by region

Innovate UK grant funding by region (2012-2021)



Innovate UK has a strong regional distribution of its funding. Whilst the South East followed by London have the most significant grant awards almost double the amount is awarded to the regions sitting outside of these combined areas.

The large volume of grant funding for the South East was partially generated by a series of deals secured by Oxbotica. Spun out from the University of Oxford in 2014, the business combines developments in AI, physics, robotics and maths to create autonomous vehicle software. In support of these innovations, Oxbotica has secured £13.7m of grants, awarded by Innovate UK on thirteen occasions.

Grants and equity

£39.0b

total equity
investment into non-
IUK backed companies

£4.51b

total equity
investment into IUK
backed companies

£10.4m

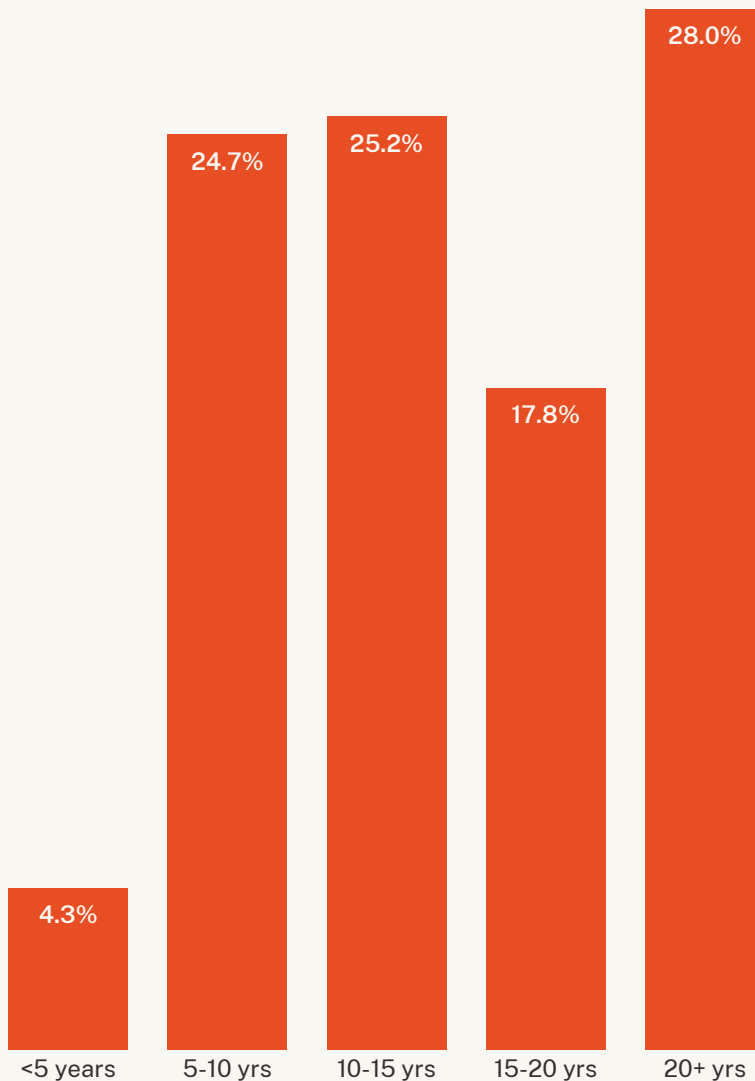
average amount raised
in equity by non-IUK
backed companies

£7.7m

average amount
raised in equity by IUK
backed companies

Company ages

Proportion of scaleups by age



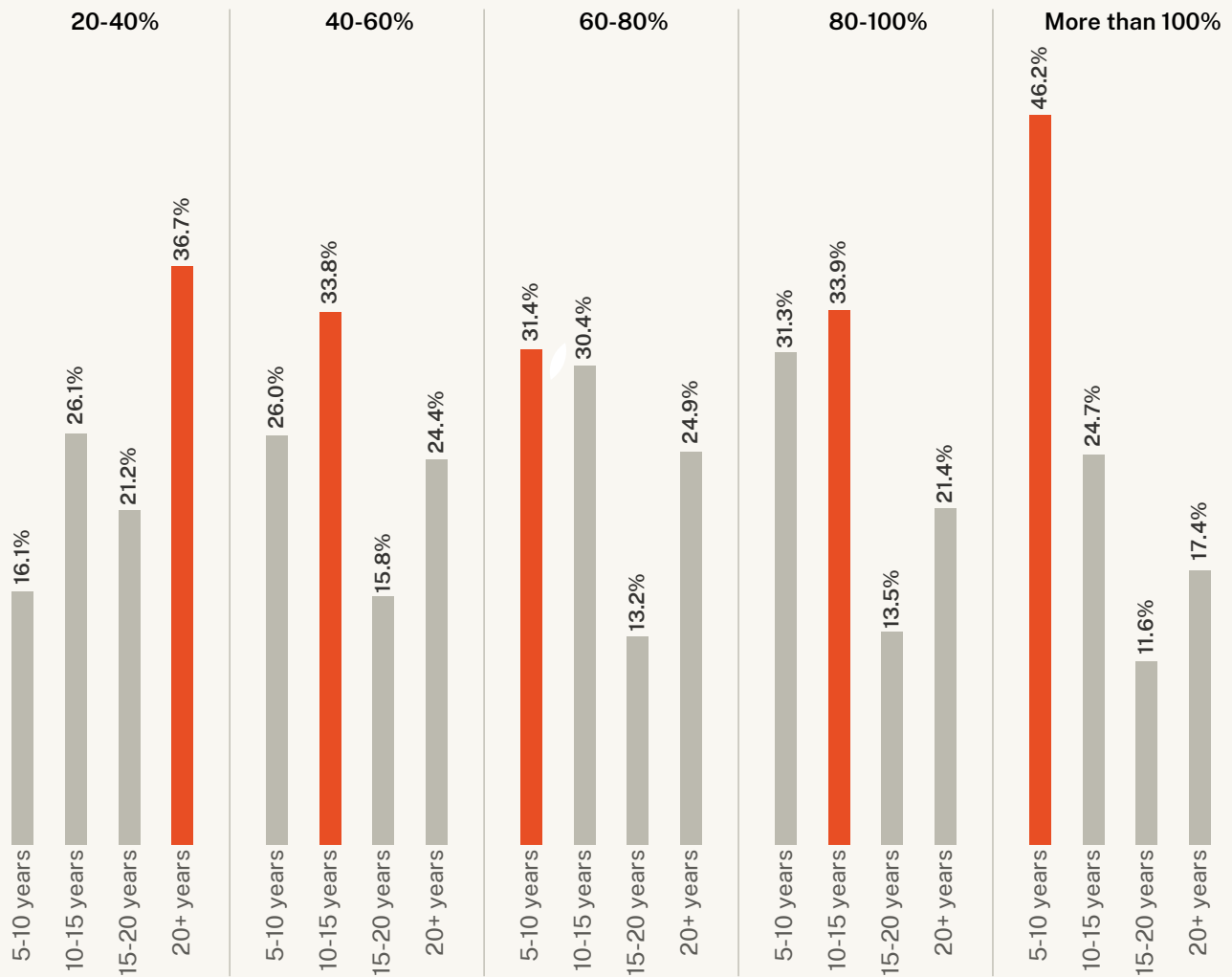
Scaleups span a range of age brackets, with the most popular being those that launched their operations over 20 years ago; these account for 28% of the total cohort. With the brackets of 5 to 10 years and 15 to 20 years close behind, representing 24.7% and 25.2% respectively, it seems that more young companies are scaling up. This is most likely a result of the increased public and private funding that has been available to ambitious and growing businesses in recent years.

The small number of scaleups that are under five years old is to be expected, given that the period of analysis (defined in the methodology at the end of this report) observes five years of accounts. Therefore, the 4.3% of businesses that occupy this category will have been able to successfully scale since launching in 2017.

Growth rate by age

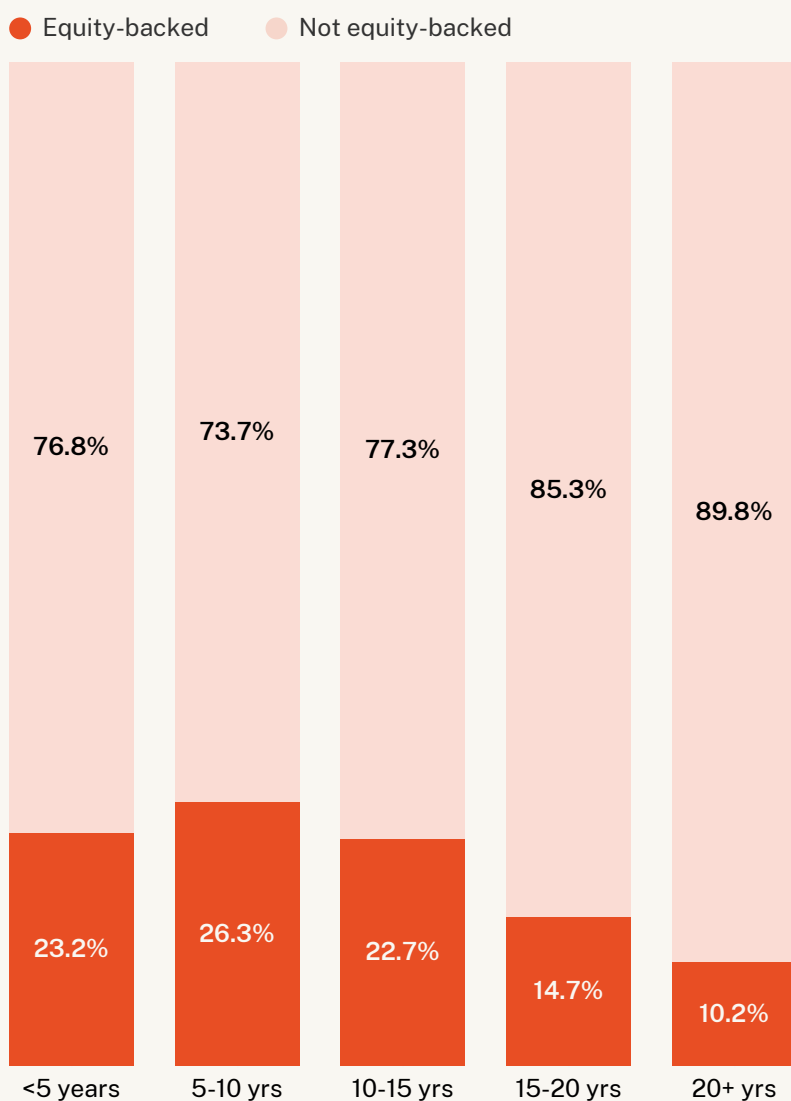
Average turnover growth rate by age of company

● Top company age group per growth bracket



Equity by age

Proportion of scaleups backed by equity funding by company age

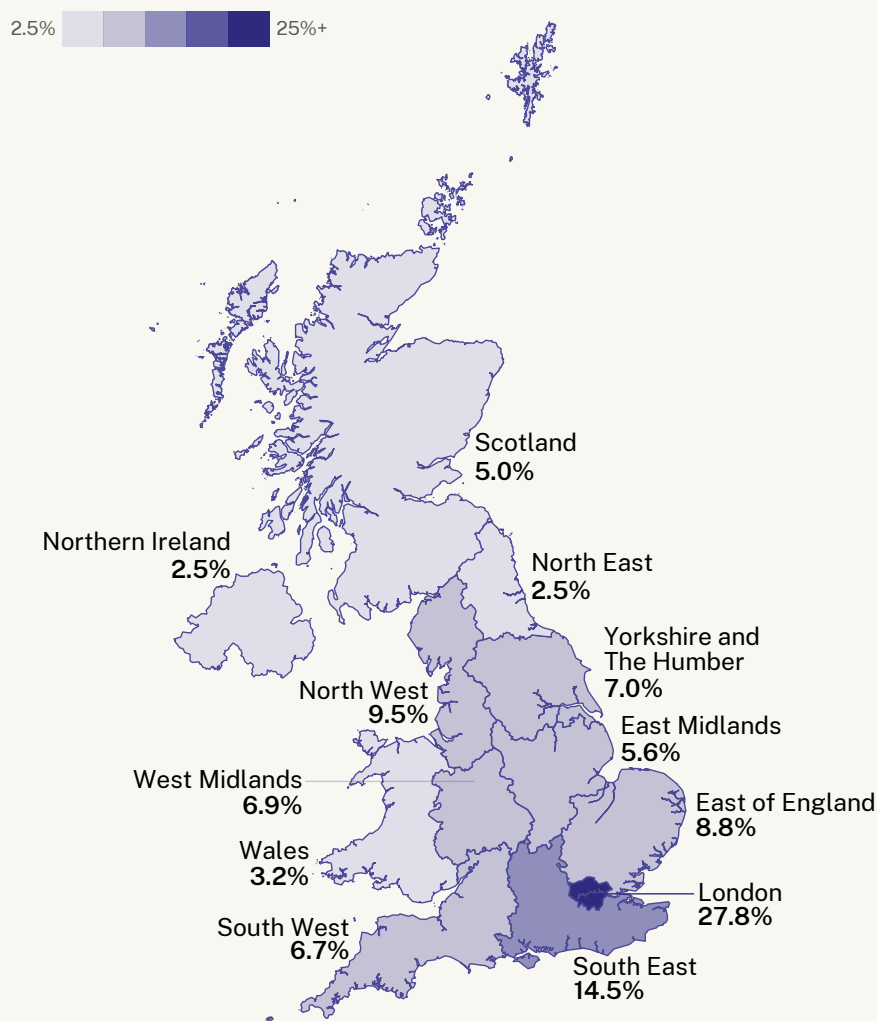


For scaleups over five years old, the proportion of companies receiving equity funding decreases as the age brackets increase. Whilst 26.3% of companies between five and ten years old have benefitted from investment, only 10.2% of businesses over 20 years old have undergone a fundraising round. These findings suggest that equity investment is more critical to the growth of younger companies than to those that are more mature.

These findings do not necessarily align with the proportion of companies that are under five years old, where this value is slightly lower than expected — 23.2%. This is most likely due to the small number of businesses analysed, with just seven scaleups falling within this age bracket.

Map of regions

Map of UK regions by share of scaleups



Scaleups are across the UK with the majority residing outside of London and the South East albeit London has the highest single concentration of scaleup businesses at 27.8% of all scaleups followed by the South East at 14.5%.

Outside of the south of the UK it is notable that Leeds ranks as the fourth most largest local authority in terms of scaleup numbers, hosting 137 companies. Other local authorities outside of London with large volumes of scaleups include Buckinghamshire, Manchester, Birmingham, Bristol, Cardiff, Cheshire East, Glasgow and Edinburgh.

Regions and devolved nations

Top regions by the number of active scaleups

Regions in England Devolved nations

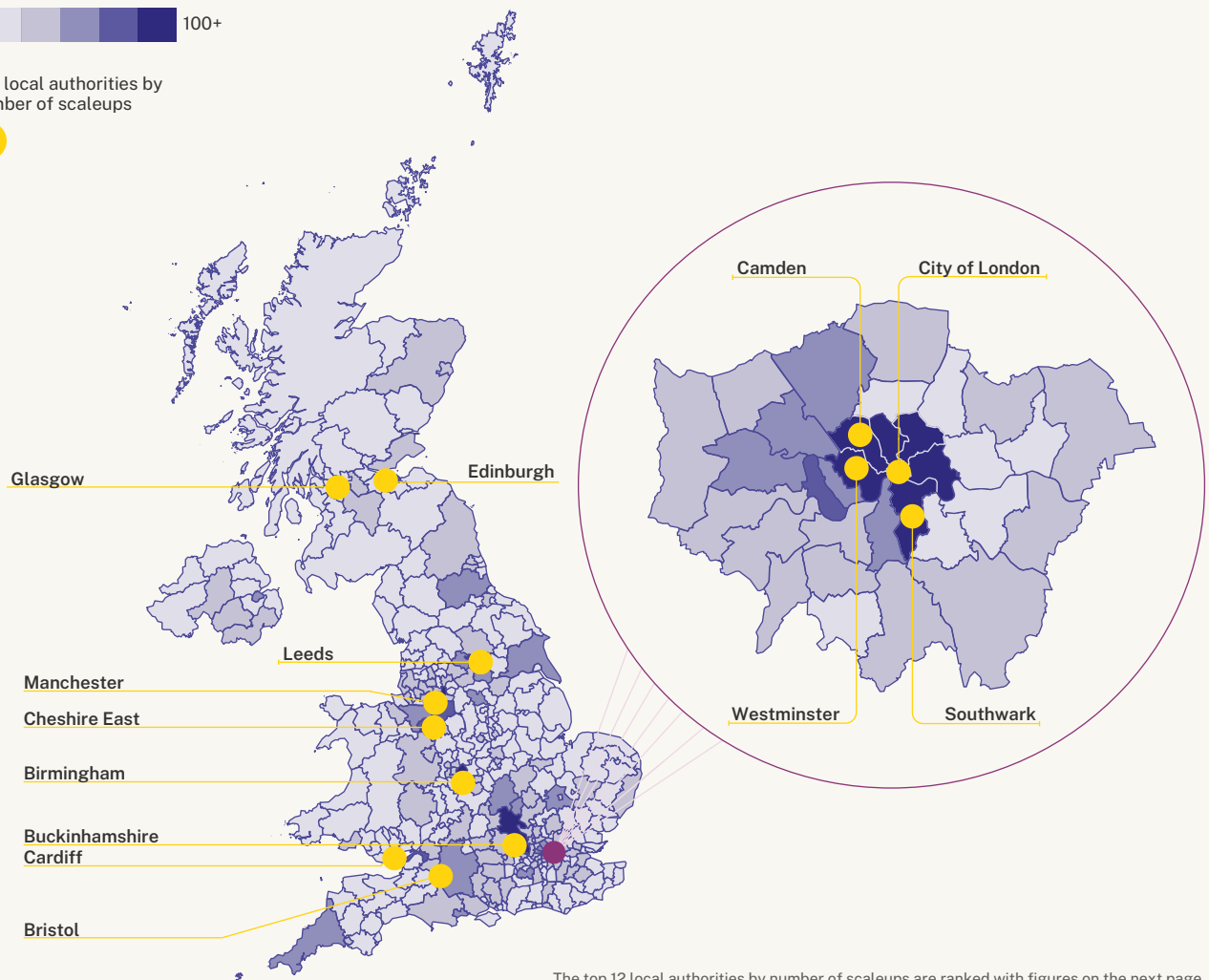
London	2,344
South East	1,226
North West	806
East of England	741
Yorkshire and The Humber	589
West Midlands	582
South West	566
East Midlands	477
Scotland	431
Wales	269
North East	216
Northern Ireland	210

Map of local authorities

Map of UK local authorities by number of scaleups

0 100+

Top local authorities by
number of scaleups



The top 12 local authorities by number of scaleups are ranked with figures on the next page.

Local authorities and LEPs

Top local authorities by number of scaleups

Westminster	535
City of London	377
Camden	211
Leeds	137
Southwark	135
Islington	131
Hackney	106
Buckinghamshire	103
Manchester	98
Birmingham	93
Tower Hamlets	84
Cheshire East	75

Top LEPs by number of scaleups

London	2,345
South East	437
Greater Manchester	332
Leeds City Region	286
Enterprise M3	271
Hertfordshire	206
D2N2*	202
South East Midlands	196
Coast to Capital	192
North East	159
West of England	155
Lancashire	155

*D2N2 stands for Derby, Derbyshire, Nottingham and Nottinghamshire.

Top-level sectors

Top-level sectors by number of visible scaleups

Business and Professional Services	3,823
Industrials	2,070
Built environment and infrastructure	1,296
Technology/IP-based businesses	1,231
Retail	943
Leisure and Entertainment	843
Personal services	836
Tradespeople	833
Supply chain	703
Media	248
Transportation operators	202
Energy	194

The top four top-level sectors are split out into full sector rankings over the next two pages.

Sectors

Top business and professional services sectors by number of visible scaleups

Business banking and financial services	596
Recruitment agencies/personnel supply	431
Consumer banking and financial services	298
Civil engineering services	271
Security services (physical and virtual)	265
Analytics/ insight/tools	250
Waste management services	234
IT consultancy services	227
Marketing services	220
IT support services	171
Design services	170
Advertising and branding services	159

Top industrials sectors by number of visible scaleups

Food and drink processors	343
Automotive	214
Building materials	198
Machinery	190
Packaging and printing	125
Furniture	118
Clothing	112
Metals	95
Household goods	88
Healthcare products	75
Electrical components	66
Toys/games/sports equipment	61

Sectors

Top built environment and infrastructure sectors by number of visible scaleups

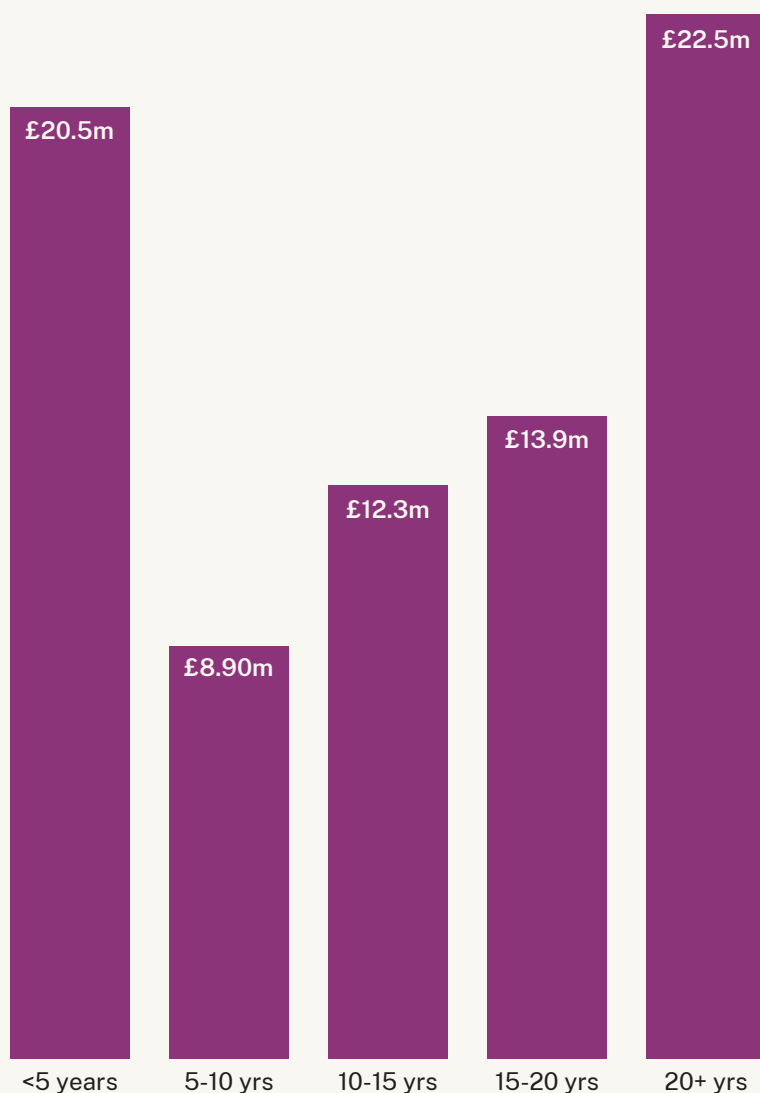
Property/land development/construction	977
Property/land management	252
Property/land ownership and trading	110

Top technology/IP-based businesses sectors by number of visible scaleups

Software-as-a-service (SaaS)	327
Internet platform	258
Mobile apps	155
Pharmaceuticals	72
Internet and networking hardware	62
Clean energy generation	53
Desktop software	49
Mobile and wireless hardware	43
Research tools/reagents	40
Medical devices	33
Consumer electronics hardware	33
Energy reduction technology	33

Exports

Average overseas turnover by scaleups in 2021



12%

Percentage of visible scaleups declaring overseas turnover

When analysing the average overseas turnover compared to company age, a clear correlation emerges. For scaleups above five years of age, as they become more mature, the overseas turnover increases significantly, rising from an average of £8.9m for companies between five and ten years old to £22.5m for scaleups more than 20 years of age. These findings are to be expected, as more mature businesses are more likely to have expanded their operations abroad, having had the opportunity to navigate international markets.

The anomalous figure for this trend is for companies under the age of five. There are a smaller number of businesses within this age bracket, causing aggregate statistics for this group to represent less than 5% of the total cohort.

People: nationalities

Top countries (excluding the UK) by number of scaleup directors

United States	743
Ireland	735
France	249
Germany	176
Italy	147
Australia	124
Netherlands	98
Canada	86
Spain	83
South Africa	80
Sweden	74
India	67

87%

Proportion of scaleup directors from the UK

13%

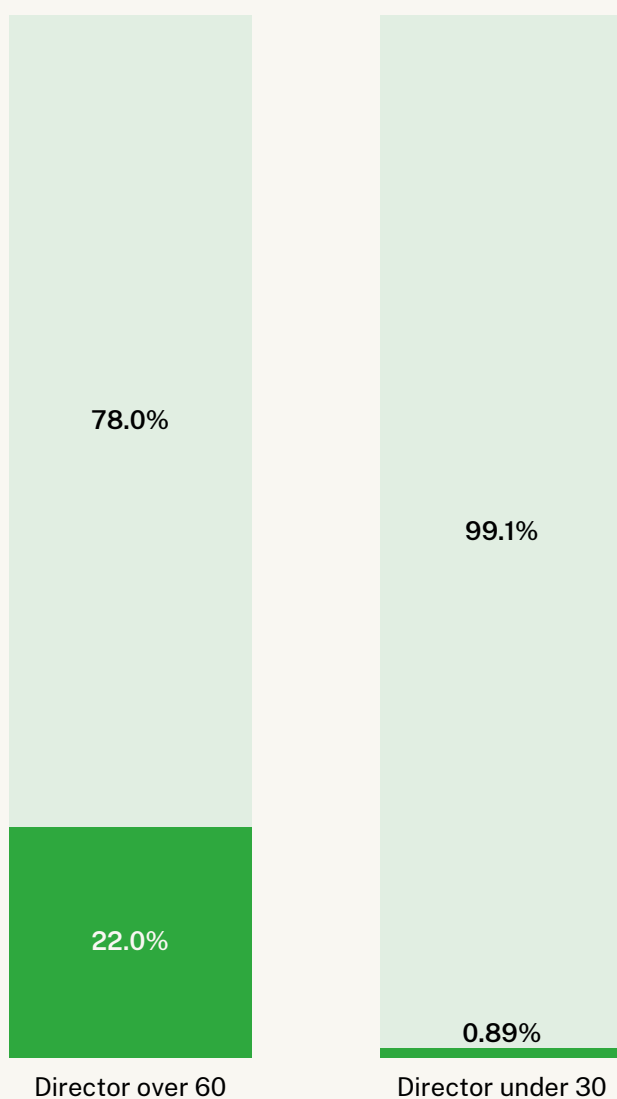
Proportion of scaleup directors from overseas

The vast majority of directors at scaleup companies are from the UK at 87%, and the remaining 13% have a nationality outside the UK. With more than 700 directors from each, the most common overseas nationalities among directors are the United States and Ireland, likely to due the shared native language of English. Australia is also a top nationality with 124 scaleup directors.

France, Germany and Italy then follow in the ranking, perhaps as a result of their close geographical proximity to the UK. The Netherlands, Spain and Sweden also feature in the top 12.

People: age

Age of directors at scaleups

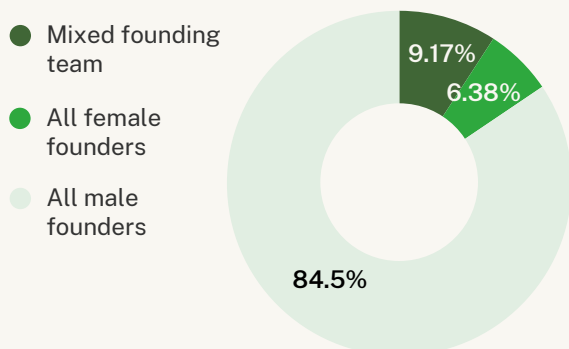
**53**

Average age
of scaleup
directors

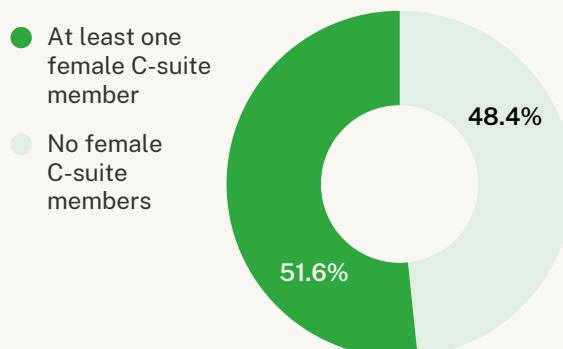
At 77%, more than three-quarters of directors at scaleups are between 30 and 60 years old. As might be expected, less than 1% of directors at scaleups are under 30 years of age, while the remaining 22% are more than 60. The average age of scaleup directors is 52.5 years.

People: gender

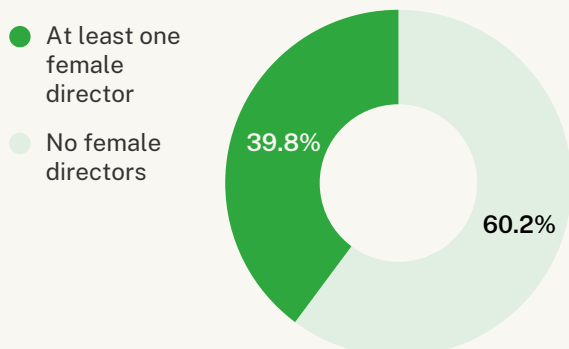
Gender balance of founders at visible scaleups



Gender balance of C-suite members at visible scaleups



Gender balance of directors at visible scaleups



639

visible scaleups with a female founder

7.6%

proportion of visible scaleups that are female-founded

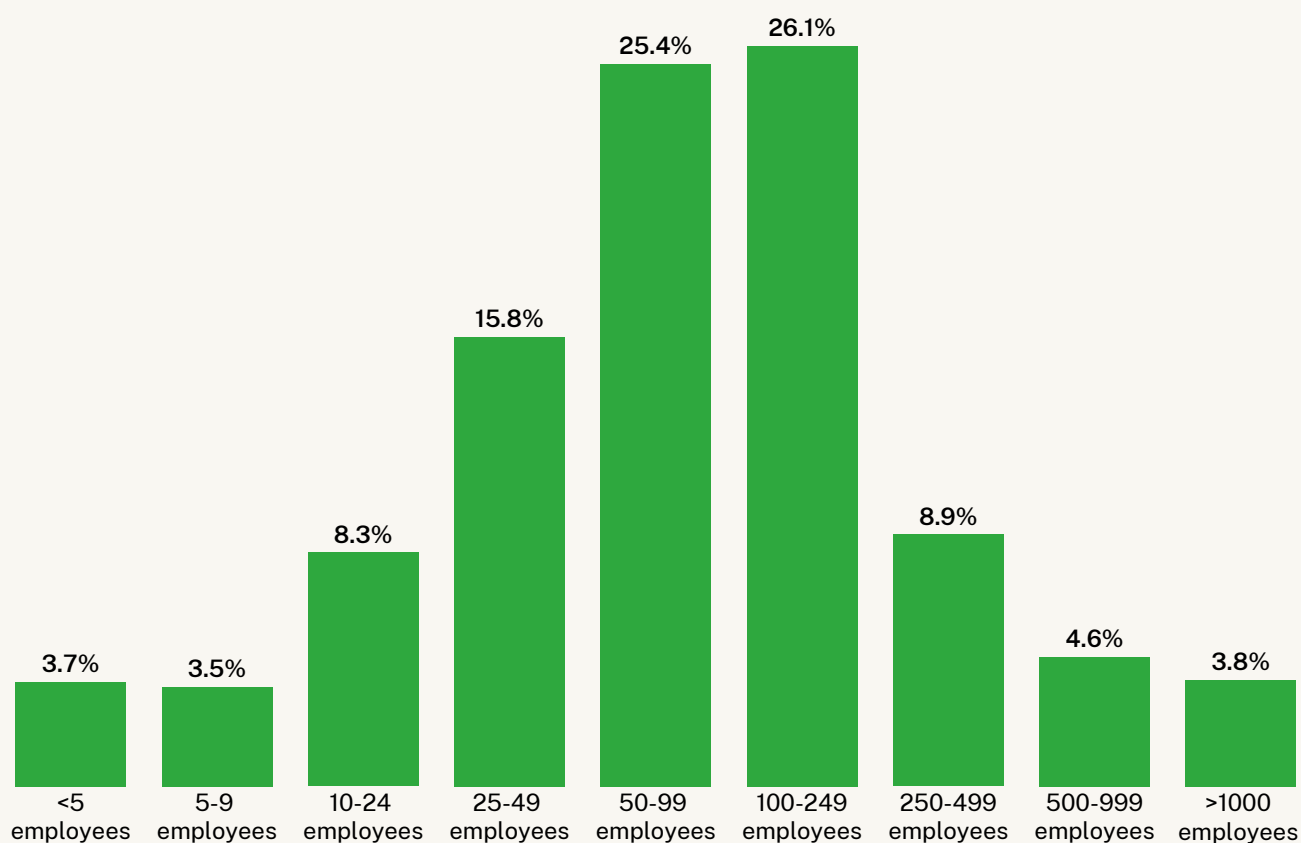
2,965

visible scaleups with a female director

The above charts are based on scaleup companies where the gender balance of the team (either founders or C-suite members or directors) is known. Companies with a founder with an unknown gender have been excluded from gender analysis charts.

Number of employees

Equity investment into scaleup companies 2012-2021






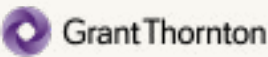






1.75m

people employed
by visible scaleup
companies

Around 43% of scaleups employ more than 100 people and just below 4% employ more than 1,000. In total, 1.75m people are employed by visible scaleups across the UK, demonstrating the contribution of scaleups to the economy and job market.

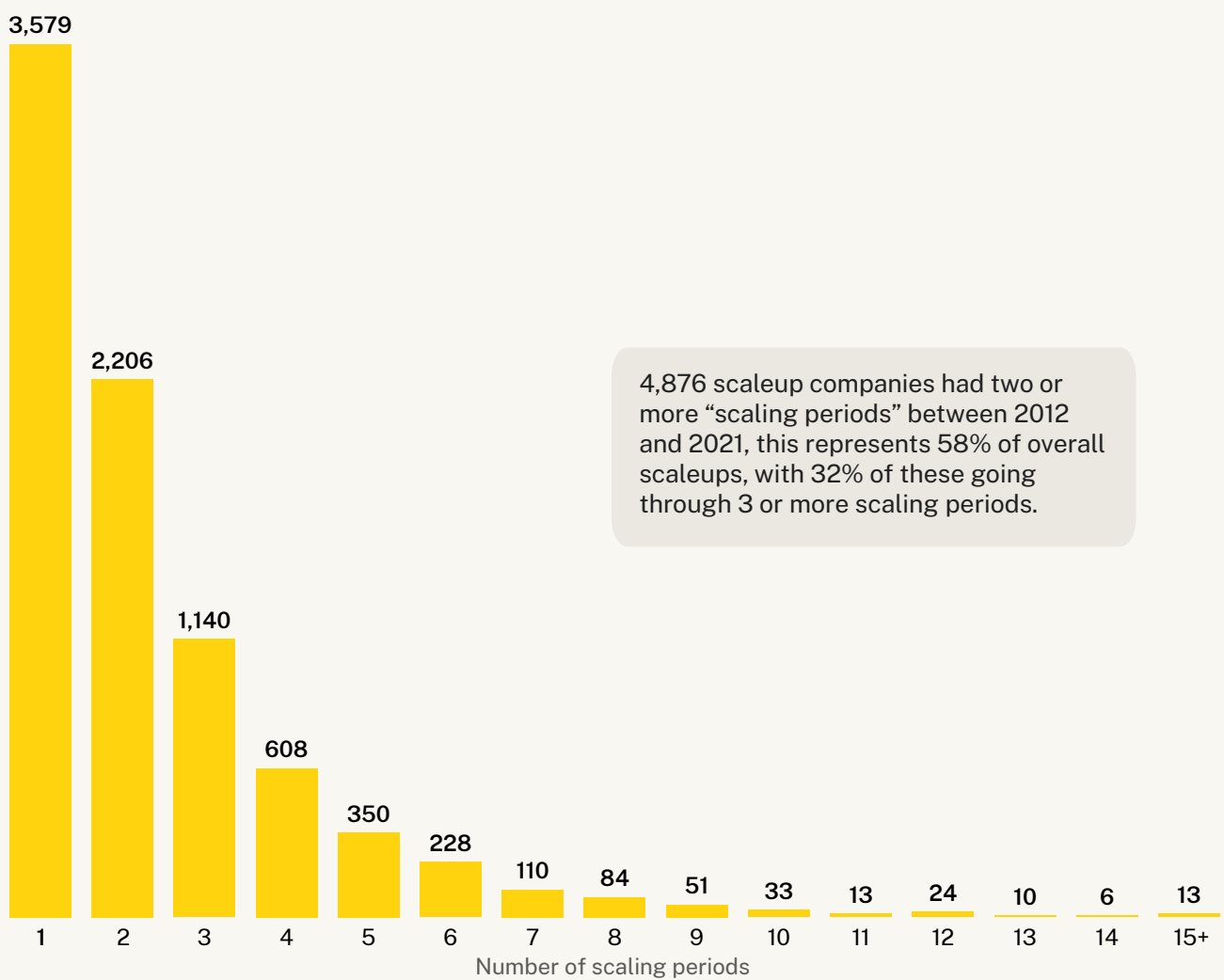
Advisors

Top advisors to scaleups

BDO		376
RSM UK		236
PwC		220
Grant Thornton UK		209
KPMG		159
Azets UK		158
Deloitte		145
Ernest & Young		112
Mazars		111
MHA Macintyre Hudson		90

Scaling periods

Number of scaling periods by number of scaleup companies (2022)



Finance overview

8,457

visible scaleup
companies

262

visible scaleup
companies with
debt funding

1,581

visible scaleup
companies with equity
funding

506

visible scaleup
companies with grant
funding

4,596

total number of equity
deals into visible
scaleups 2012-2021

1,401

total number of IUK
grants into visible
scaleups 2012-2021

£43.5b

total equity
investment into visible
scaleups 2012-2021

£318m

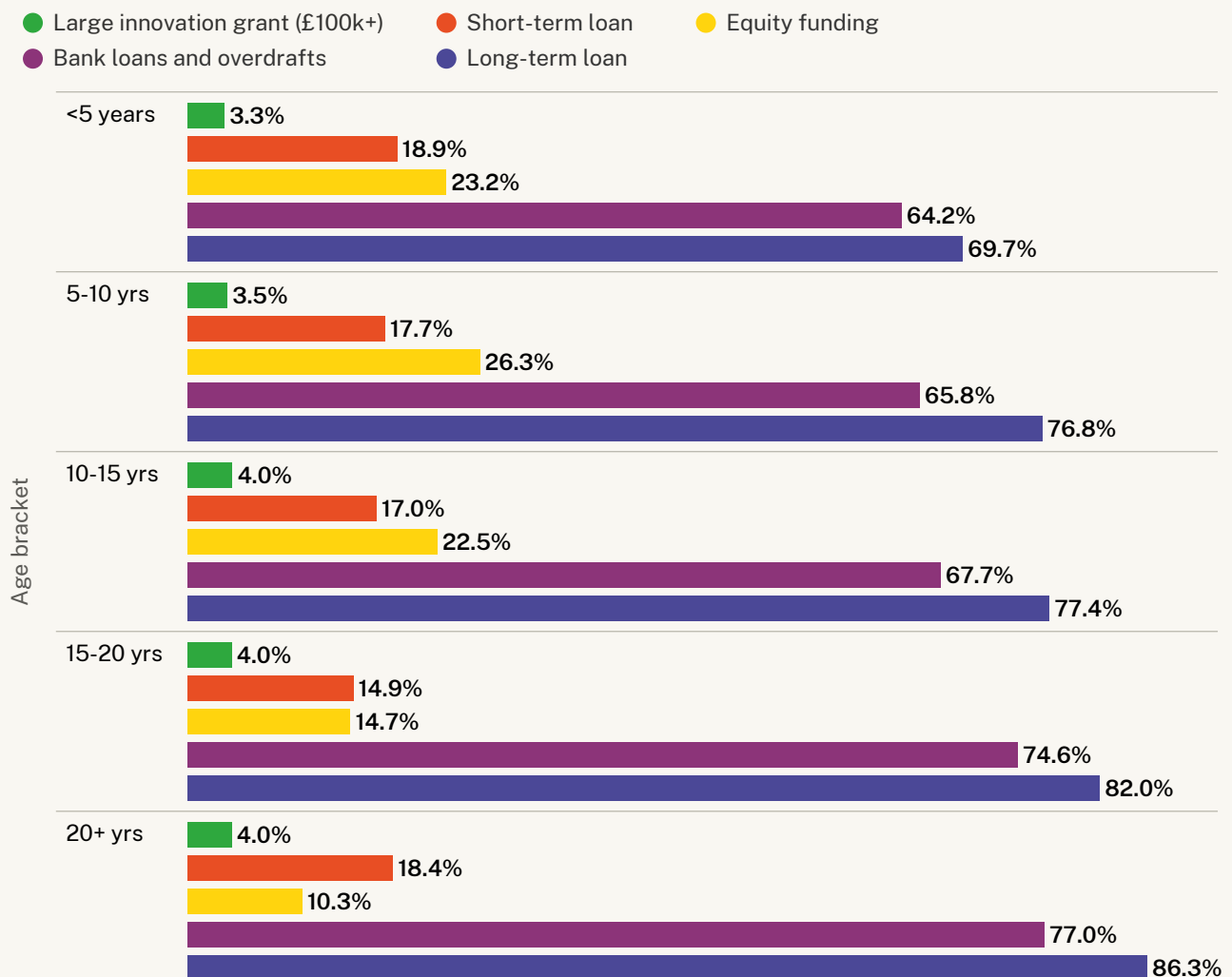
total IUK grant
funding received by
scaleups 2012-2021

The 8,457 visible scaleup companies analysed in this report have secured finance to support growth and development from various sources. A total of 1,581 scaleup companies are backed by equity funding; between 2012 and 2021, these businesses raised investment worth £43.5b over 4,596 deals. Another important source of financial support for innovative companies is public funding — 506 scaleups

have received grants. During the ten year period from 2012 to 2021, Innovate UK made a total of 1,401 grants to scaleup firms with a combined value of £318m. Finally, 262 companies have taken debt funding. The next page of this report explores the use of different financial products; across all age brackets of scaleups, the most used were long-term loans, as well as bank loans and overdrafts.

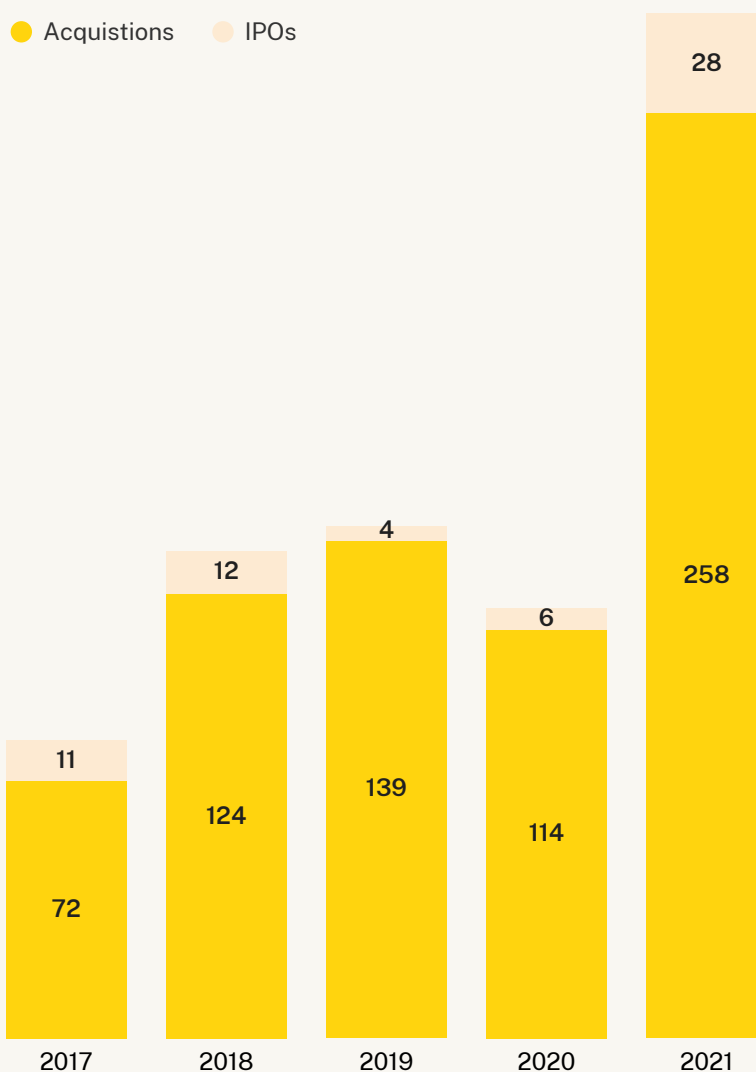
Finance types

Financial products used by scaleups by age bracket



Exits

Acquisitions and IPOs of scaleups (2017-2021)



14.2

Average age at exit for scaleup companies in years

Since 2017, 768 scaleups have exited the high-growth ecosystem. Scaleups have consistently displayed a higher number of exits via acquisition than IPOs. Between 2017 and 2021, there were 61 scaleups that floated compared with 707 that underwent acquisitions – the latter represents 92.1% of all exits. But despite the smaller number of IPOs, these events are more often associated with higher valuations.

The volume of exits taking place in 2021 stands out against previous years, as record numbers of companies left the private high-growth ecosystem. Within the period analysed, the number of companies that exited in 2021 represented 36.5% of all exits, and 37.7% of all IPOs since 2017.

Top exits

Top acquisitions of scaleup companies by consideration paid (2012-2021)

Urbanest	£1.75b
Skyscanner	£1.40b
We Buy Any Car	£1.20b
Chiltern	£909m
Miller Homes	£655m
EUSA Pharma	£593m
WorldFirst	£545m
Servest	£540m
Dotmatics	£496m
Ithaca Energy	£430m
tombola	£402m
Partnerships in Care (Meadow View)	£394m

Top IPOs by scaleup companies by market capitalisation (2012-2021)

Wise	£7.96b
The Hut Group	£4.85b
FarFetch	£4.44b
Oxford Nanopore Technologies	£3.38b
Markit	£2.52b
Exscientia	£2.37b
Metro Bank	£1.61b
Funding Circle	£1.50b
Just Eat	£1.47b
ao.com	£1.20b
Alfa	£975m
McCarthy & Stone	£967m

AIM scaleups by sector

336

 overall number of AIM
scaleup companies

Top sectors by the number of AIM scaleups

Pharmaceuticals	11
Analytics, insight, tools	11
Business banking and financial services	10
Software-as-a-service (SaaS)	8
Clinical diagnostics	6
Security services (physical and virtual)	5
Research tools/reagents	5
IT support services	5
Recruitment agencies and personnel	4
Property/land development and construction	4
Mobile apps	4
Medical devices	4



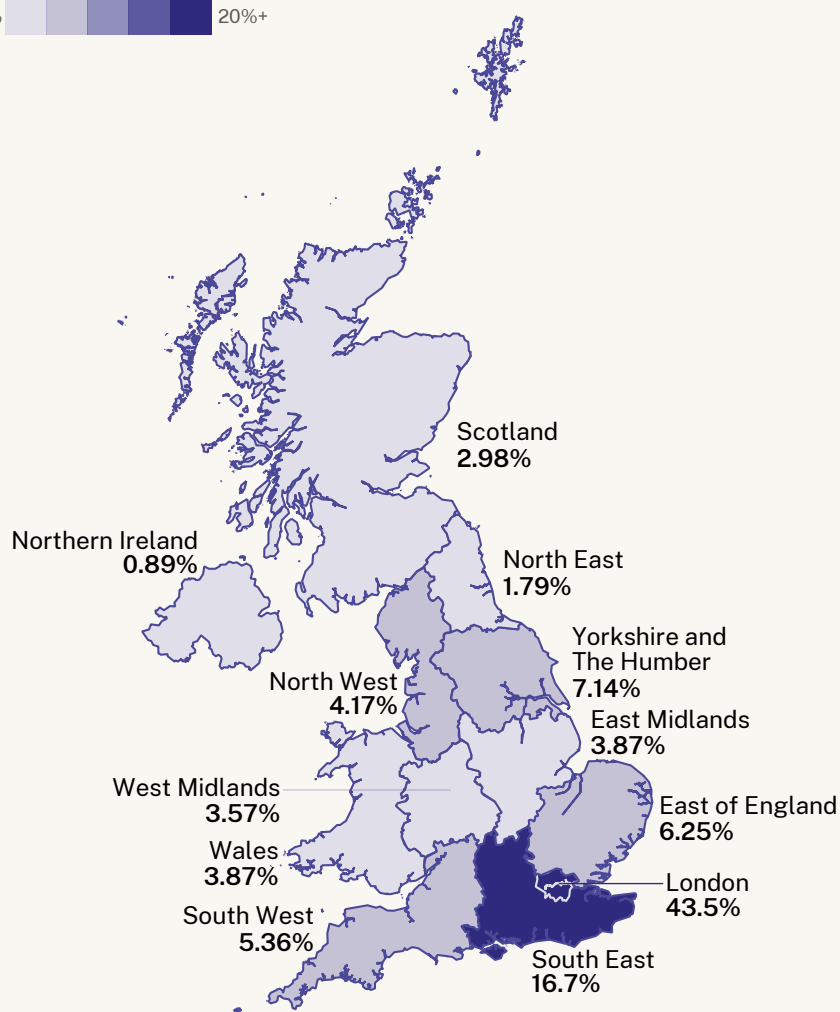
It is vital that every stage of the funding continuum is seamlessly connected in order to enable the UK's scaleups to raise capital and access liquidity at every stage of their growth journey. The data contained in the scaleup index provides valuable insights into the continued progress as well as further opportunities to develop the UK scaleup ecosystem. The data on AIM scaleups highlights the diversity of companies – by region, sector, turnover and number of employees – choosing to use the public markets to finance their future growth. At the London Stock Exchange, we remain committed to ensuring that these companies have long term access to the investors and capital they need to grow their businesses.

Marcus Stuttard, Head of UK Primary Markets & AIM, London Stock Exchange

AIM scaleups by region

Map of UK regions by AIM scaleups

0% 20%+

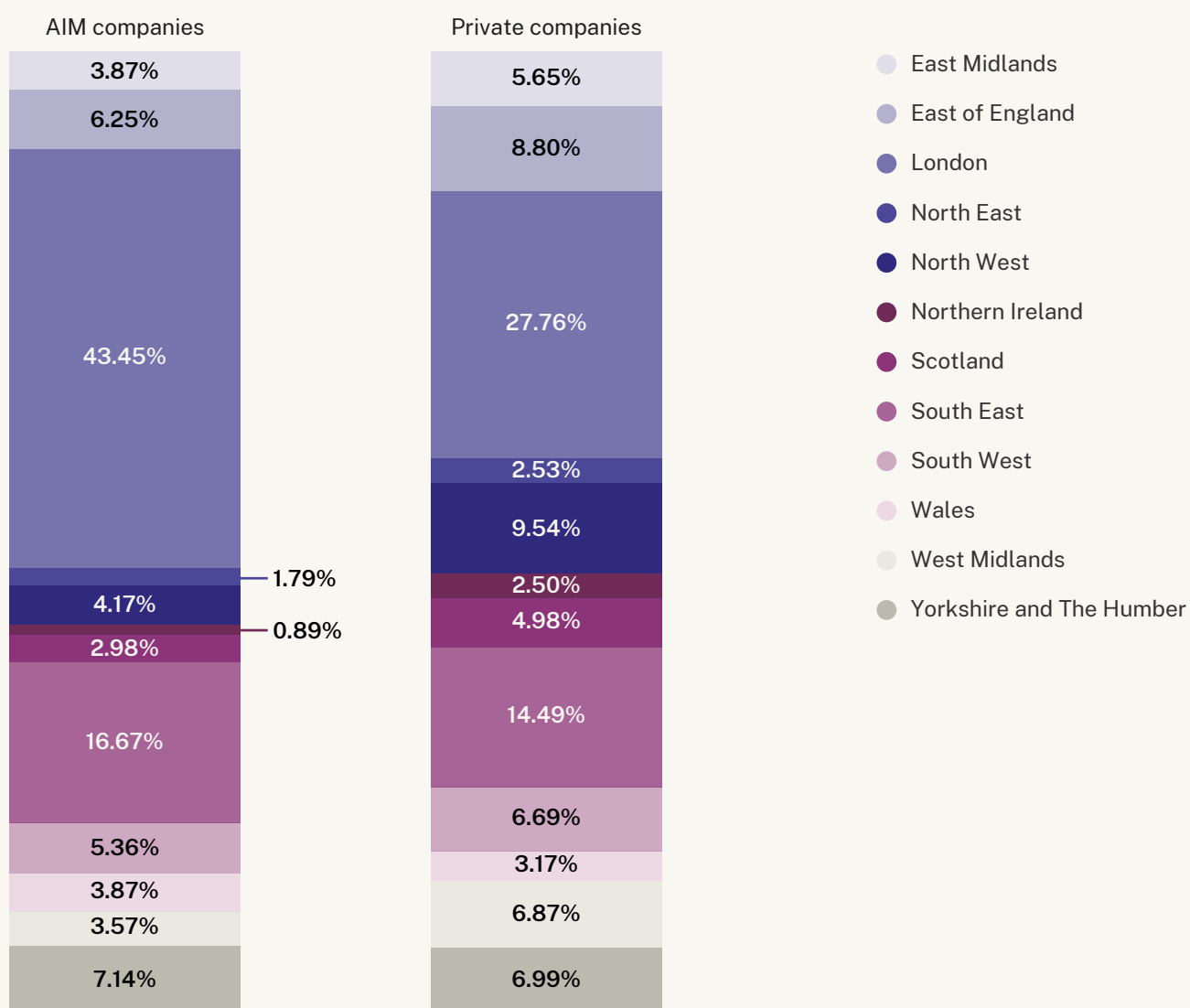


Trends across AIM scaleups broadly replicate those taking place across all scaleups, with London and the South East hosting the largest number of companies. Nevertheless, there are some differences. Most notably, the concentration of AIM scaleups in London is more defined, representing 43.5% of this cohort.

The South East is home to the second largest number of AIM scaleup companies, with 16.7% of companies residing in the region.

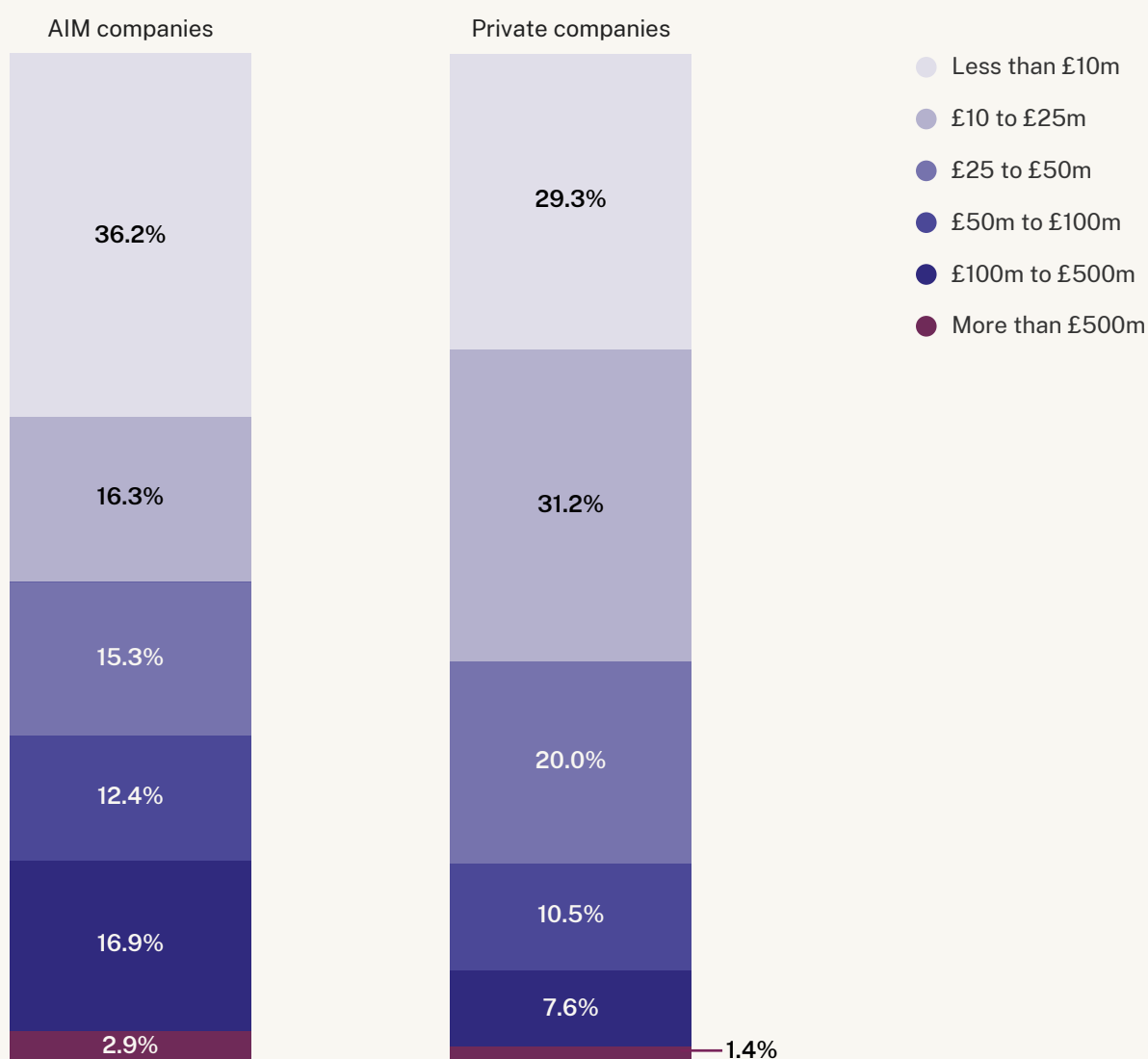
AIM scaleups by region

Number of AIM scaleups and private scaleups by region



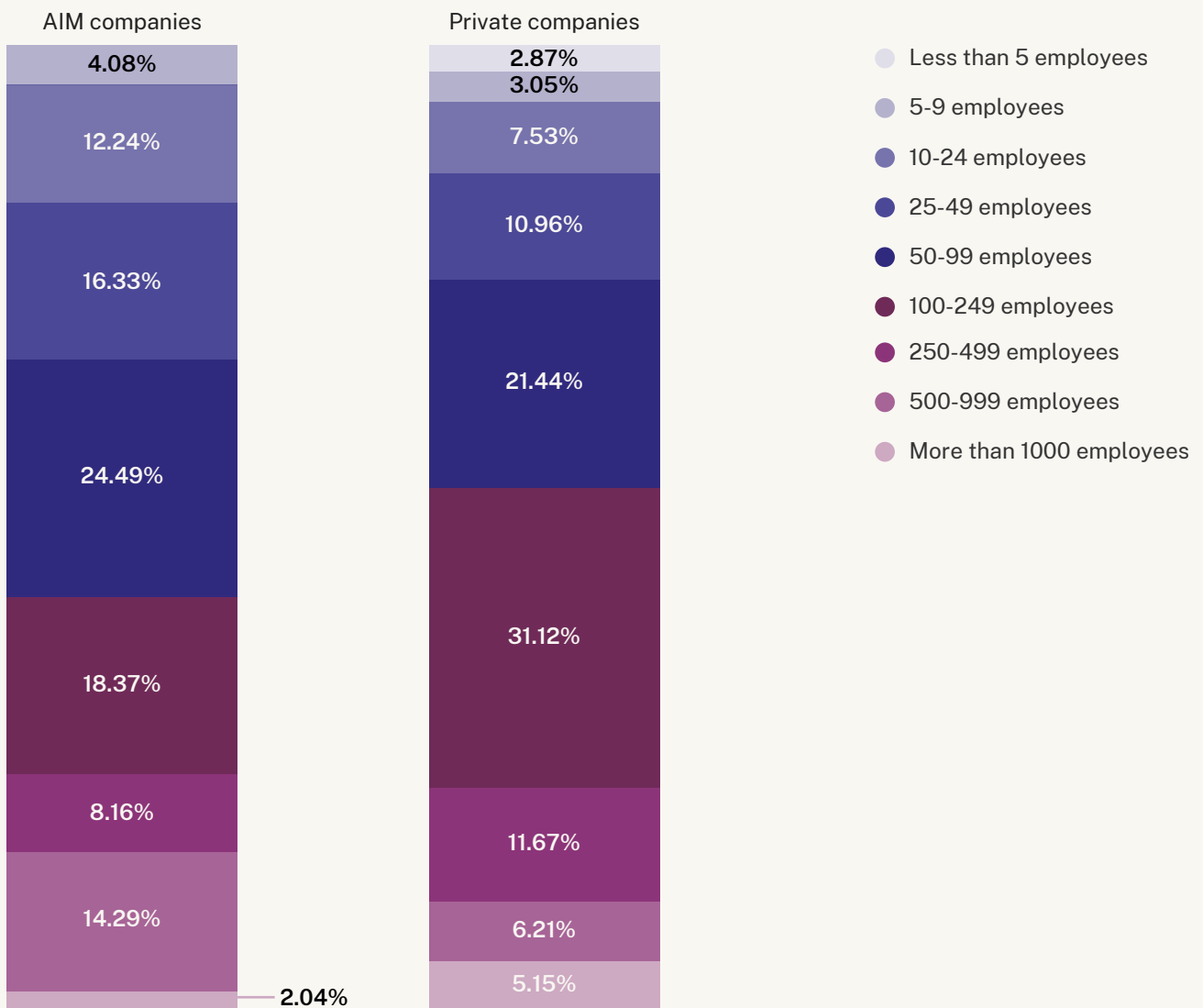
AIM scaleups by size: turnover

Turnover size of AIM scaleups compared with private scaleups



AIM scaleups by size: headcount

Latest employee counts of AIM scaleups compared with private scaleups

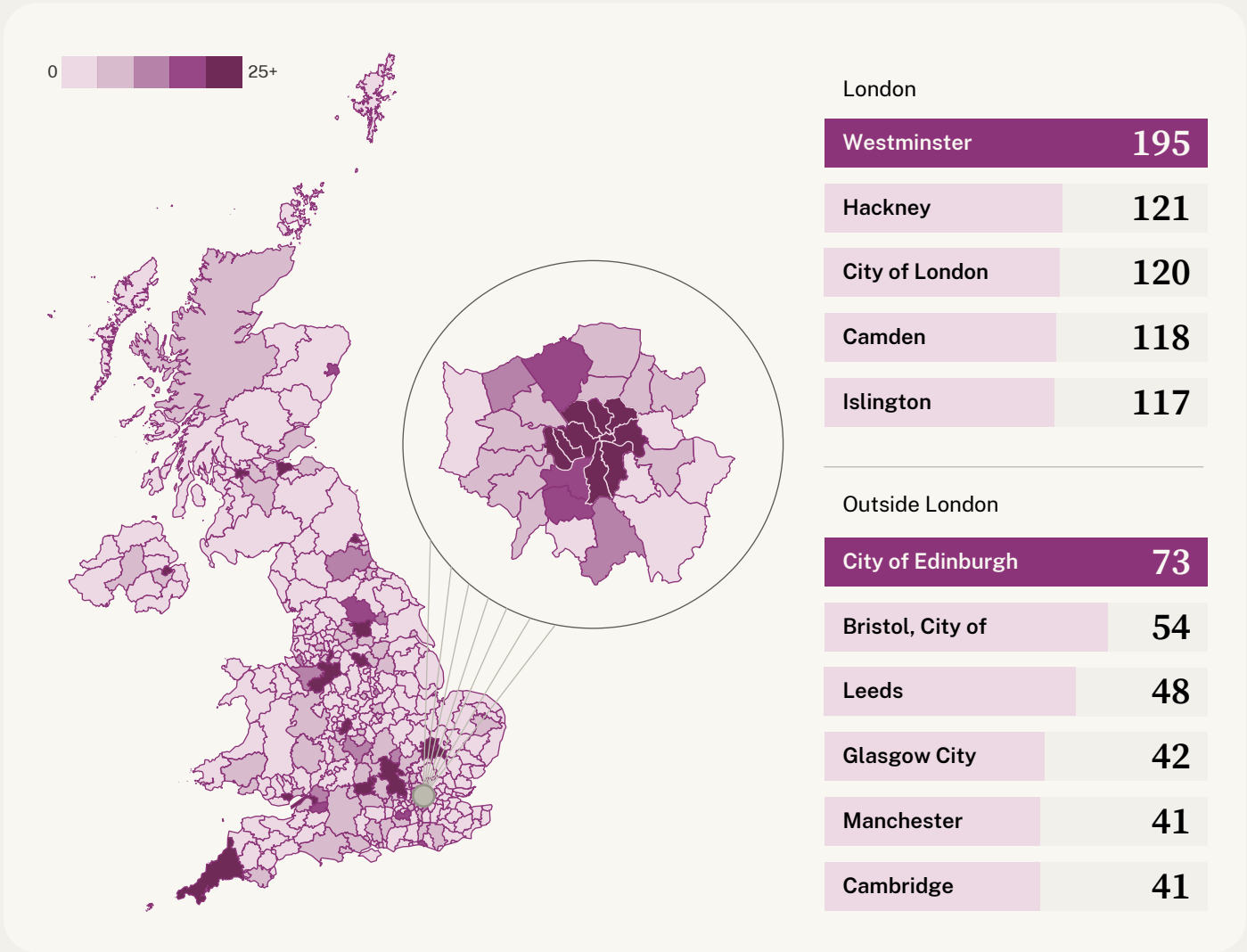


Pipeline: top locations

2,951

scaleup companies in the pipeline

Top local authorities by number of pipeline scaleups



Pipeline: SIC codes

Top SIC codes for pipeline scaleups

Business and domestic software development	349
Other information technology service activities	222
Other business support service activities n.e.c.	121
Information technology consultancy activities	115
Research and experimental development on biotechnology	84
Management consultancy activities other than financial management	83
Other professional, scientific and technical activities n.e.c.	75
Other human health activities	59
Other research and experimental development on natural sciences and engineering	68
Other service activities n.e.c.	45
Activities of other holding companies n.e.c.	58
Other software publishing	46



Methodology

About this report

This year's report follows on from the 2020 edition of the Scaleup Index. To be considered a 'visible scaleup' a company must have:

- (i) Met the OECD definition of a high-growth businesses within the last five years (2017-2021).
- (ii) File full accounts at Companies House.

OECD high-growth companies

All enterprises with average annualised growth greater than 20% per annum, over a three year period, with at least 10 employees at the start of the observation are defined as high-growth firms. Growth can be measured by the number of employees or by turnover.

The analysis in this report only includes companies that have scaled within the five year time frame between 2017 and 2021.

Full accounts

UK companies are only required to disclose their turnover if two of the following are true:

- annual turnover exceeds £10.2m
- assets exceed £5.1m
- more than 50 employees

Only companies that meet two or more of these criteria or those who have chosen to declare their turnover count as 20% visible scaleups.

Pipeline scaleups

In addition to analysing scaleup companies, this year's report introduces a new category of pipeline scaleups, defined as those UK companies that have increased their turnover or headcount by between 10% and 19% per annum for three years within the five year period observed.

Sectors

The businesses in this report have been classified according to Beauhurst's proprietary sector matrix and are tagged with as many sectors as are relevant. In this report scaleups operating in multiple sectors have been double-counted.

About

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Beaurohust is a searchable database of the UK's high-growth companies.

Our platform is trusted by thousands of business professionals to help them find, research and monitor the most ambitious businesses in the UK. We collect data on every company that meets our unique criteria of high-growth; from equity-backed startups to accelerator attendees, academic spinouts and fast-growing scaleups.

Our data is also used by journalists and researchers who seek to understand the high-growth economy, and powering studies by major organisations — including the British Business Bank, HM Treasury and Innovate UK — to help them develop effective policy.

For more information and a free demonstration, visit beaurohust.com



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The ScaleUp Institute builds on the pioneering research and recommendations published in the 2014 Scale-Up Report. The Institute collaborates with policy makers, corporate partners and educational establishments to take these recommendations forward, to track the targets set out in the report, and to make a real and identifiable impact.

We aim to advance understanding of how to scale up a business, and how to build the most effective environment in which scaleups can flourish. We spread best practice, providing opportunities for scaleup companies across industry sectors and regions to meet and share ideas. We undertake research, thought leadership and targeted projects with partners.

We work with policy makers to identify opportunities that will support scaleup businesses. We share our methodology and ideas to create resources that will help aspiring scaleup businesses. We keep scaleups and their issues at the top of the UK political and business agenda.



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