

SCALEUP INSTITUTE WALES SCALEUP INDEX



In 2025 this Wales ScaleUp Index reflects 1,200 scaleup and 610 scaling businesses generating £19.6bn for the Welsh Economy, and employing more than 121k people. Of the 1,200 scaleups, the majority are growing over 30% yoy in either employment or turnover, and almost a quarter are growing by more than 50%. Furthermore, over 370 have broken through £10.2m in turnover or £5.1m in assets, attaining £541m in external investment. These companies are across all sectors and geographies, with Food and Drink and Accommodation, Health and Social Work, and Wholesale and Retail representing the largest sectors. The biggest barriers highlighted by Welsh Scaleups CEOs to their further growth is Access to Markets at home and abroad; Talent and Access to Finance: ScaleUp Britain wants to make sure that we continue to address these challenges and connect Welsh scaleups to the Money, People and Markets that they need to propel their global ambitions.

WELSH SCALEUPS OVERALL NUMBERS - ONS DATA

NO. OF SCALEUPS
1,200

NO. OF JOBS
87.4k

TOTAL TURNOVER
£13.7bn

AVERAGE TURNOVER
£11.4m

SCALING PIPELINE

610

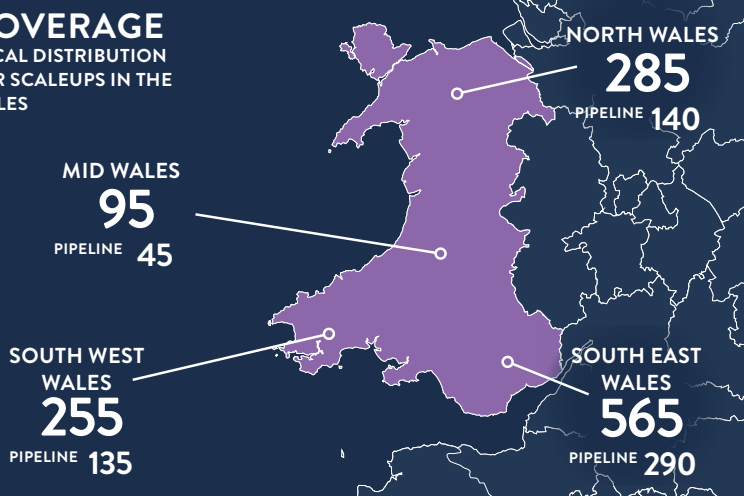
34.1k

£5.9bn

£9.7m

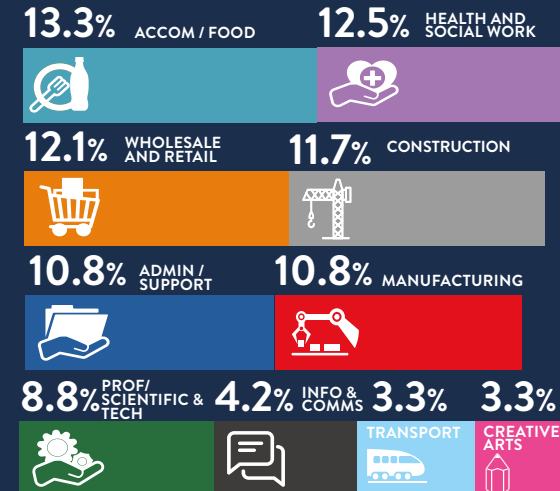
SCALEUP LOCAL

COVERAGE
LOCAL DISTRIBUTION
FOR SCALEUPS IN THE
WALES



OVERALL SECTORAL CLUSTERS ACCORDING TO ONS DATA

ACROSS WALES KEY SECTORAL CLUSTERS ARE ACCOMMODATION & FOOD AND HEALTH & SOCIAL WORK



Sources:
ONS IDBR
2019-2022

WELSH VISIBLE SCALEUPS

Based on Companies House data this shows the number of scaling businesses breaking through the £10.2m t/o; £5.1m assets and / or 50 employees barrier in 2024.

NO. OF SCALEUPS
377

NO. OF JOBS
51.6k

TOTAL TURNOVER
£8.5bn

TOTAL INVESTMENT
£286m



Innovate UK awarded 57 grants to 15 visible scaleups worth £13.4 million supporting their scaleup journey. These scaleups have raised a total investment of £18.5m a 1.4x multiplier effect of their grant funding.

VISIBLE SCALEUP CLUSTERS

ACROSS WALES, KEY SECTORAL CLUSTERS ARE BUSINESS AND PROFESSIONAL SERVICES AND INDUSTRIALS



Source: SUI analysis of Beahurst data

WELSH UNICORNS

THERE HAVE BEEN **2** UNICORNS FROM WALES
FROM **2** DIFFERENT SECTORS



- Admiral Group
- MoneySupermarket

- INSURANCE
- FINTECH

Source: SUI analysis of data from Companies House, Dealroom, Beahurst & Crunchbase



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TOP FUNDERS IN WALES

BY NUMBER OF FUNDRAISINGS FOR DEALS INTO VISIBLE SCALEUPS

Development Bank of Wales	11	Growth Capital Partners	2	Laboratory Corporation of America (LabCorp)	1
Republic Europe (formerly Seedrs)	8	Lloyds Development Capital (LDC)	2	Launcha	1
Business Angel(s)	7	Maven Capital Partners UK LLP	2	M&G Investments	1
BGF	5	AmerisourceBergen	1	MXB Holdings	1
Dawn Capital	3	Barclays	1	Perscitus	1
HSBC Commercial Banking	3	Crossfin Holdings	1	Puma Growth Partners	1
Maven Capital Partners	3	Crowdcube	1	Telegraph Hill Partners	1
Octopus Group	3	DN Capital	1	UK Steel Enterprise	1
British Business Bank	2	Inflexion Private Equity	1	Welsh Government	1

TOP 4 ADVISORS BY NUMBER OF VISIBLE SCALEUPS ADVISED

LEWIS SILKIN

ADDLESHAW GODDARD

ACUITY ADVISORS

CAPITAL LAW

Source: SUI analysis of Beauhurst data

BARRIERS TO GROWTH FOR WELSH SCALEUPS

As identified the following barriers to growth in the recent ScaleUp Institute survey of over 70 scaleup CEOs located in Wales, across all sectors, whose businesses generate £1.9bn in turnover and employing over 15.3k people.

THE KEY CHALLENGES FOR FUTURE GROWTH HOLDING BACK SCALEUPS IN WALES:

Access to markets in the UK / internationally

67%



Access to the talent you can hire

57%



Access to the right debt / equity finance

46%



Access to tax breaks

29%



Infrastructure & access to R&D facilities

22%



WELSH SCALEUPS WANT MORE OF RELATIONSHIP MANAGEMENT AND IDENTIFICATION



7 in 10 would like a single point of contact to act as a relationship manager for them. Welsh scaleups are happy to be identified on a public record, with **7 in 10** stating this should be on an opt-in basis.

LOCAL RESOURCES TO HELP THEM SCALE

Access to peer networks is the local external resource that scaleups in Wales are most keenly seeking.

— 7 in 10 —
Professional services

— 5 in 10 —
NEDs & fractional execs

— 4 in 10 —
Banks / Financiers

— 3 in 10 —
Universities

SCALEUPS WOULD LIKE EASIER LOCAL ACCESS TO:

— 4 in 10 —
Advice on funding your business as it grows / Introductions to investors

— 3 in 10 —
Tailored Growth Support
Flexible leadership programmes and programmes to access domestic markets
Support with R&D and Innovation
Support to find talent

Source: ScaleUp Institute Annual Scaleup Survey 2022-2024

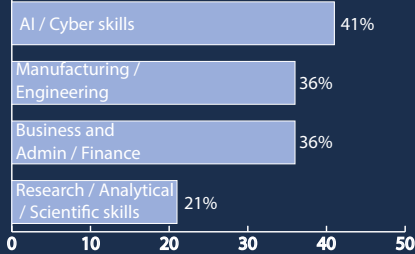


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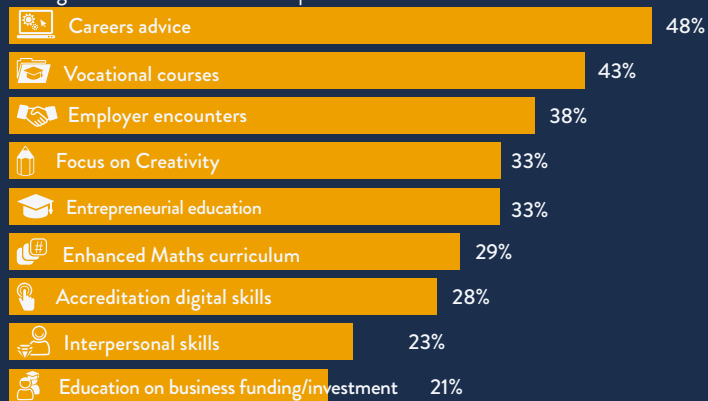


THE TALENT, SKILLS AND LEADERSHIP PERSPECTIVE

WORKFORCE SKILLS GAPS AND RECRUITMENT CHALLENGES (%)



While skills development is an important role for educators, scaleup leaders want improvement in career guidance and how they can connect with young talent through encounters and work experience:



KEY FUTURE SKILLS

MOST IMPORTANT SKILLS FOR THE FUTURE WORKFORCE



47%
46%

ADAPT TO NEW TECH
JUDGEMENT & DECISION MAKING

CRITICAL THINKING

42%

PEOPLE MANAGEMENT

40%

ACTIVE LEARNING

38%

RESILIENCE & FLEXIBILITY

37%

CREATIVITY

34%

ORIENTATION / INITIATIVE

28%



39%

WELSH SCALEUPS OFFER APPRENTICESHIPS OPPORTUNITIES TO YOUNG PEOPLE

6 IN 10



SCALEUPS HAVE A BOARD

Board/senior management skills desired by Welsh scaleups

Strategy development	48%
Brand building / marketing / communications	41%
Finance / Fundraising	33%
Sales / Business Development	33%
Innovation / product development	32%
HR / Talent / Culture Management	28%
Compliance/Risk Management	20%

THE MARKET PERSPECTIVE

WE NEED TO BREAK DOWN BARRIERS TO EXPORTING

60%

PRIMARILY SELL TO OTHER BUSINESSES OR GOVERNMENT (B2B)



40%

SELL DIRECT TO CONSUMERS (B2C)



5 IN 10
CURRENTLY EXPORT



7 IN 10
LOOKING TO FUTURE EXPORT MARKETS

BARRIERS FOR SCALEUPS SELLING TO GOVERNMENT AND LARGE CORPORATES



Complex procurement process



Time taken to win a contract



Having correct finance in place



Contracts too large

WHAT WOULD HELP SCALEUPS



ACCESS TO KEY DECISION MAKERS AND A DEDICATED ACCOUNT MANAGER



BETTER ACCESS TO CONTRACTS FOR INNOVATION



CLEARER GUIDANCE ON HOW BECOME/QUALIFY AS A PRIME CONTRACTOR

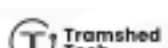
KEY EXPORT MARKETS FOR SCALEUPS IN WALES

THE EU	53%
NORTH AMERICA	33%
OTHER PARTS OF EUROPE OUTSIDE EU	23%
MIDDLE EAST	20%
LATIN AMERICA	17%
AUSTRALASIA	13%
CHINA	10%
OTHER PARTS OF ASIA	10%
AFRICA	7%
INDIAN SUBCONTINENT	7%

What would help Welsh Scaleups grow their exports?

- A LOCAL INTERNATIONAL TRADE HUB CLOSE TO WHERE YOU ARE IN THE UK
- TAILORED SCALEUP EXPORT TRADE MISSIONS
- BETTER INTRODUCTIONS TO BUYERS IN OVERSEAS MARKETS BY THE TRADE DEPARTMENT

Source: ScaleUp Institute Annual Scaleup Survey 2022-2024



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THE FINANCE PERSPECTIVE



7 in 10

Have used or plan to use one of the tax schemes



3 in 10

Scaleups have insufficient capital to meet growth ambitions



5 in 10

Use external finance



5 in 10

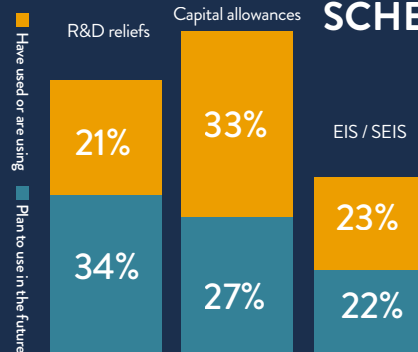
Perceive most funding to be in London/South East

BARRIERS TO FINANCE

Investors often lack understanding of our sector	38%
We don't want to give up any control of the business	25%
We think we would be turned down if we applied	25%
We don't think we would get the deal we want	20%
We have no security or collateral to offer to a finance provider	20%

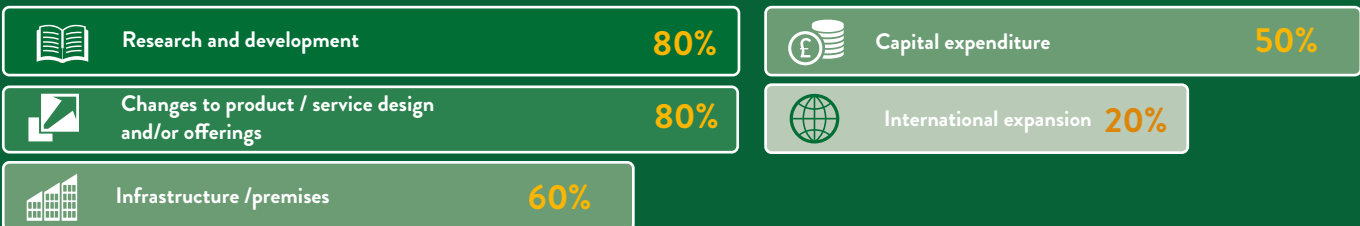
**£66.8M -
£825.2M**
**GROWTH
CAPITAL GAP
IN WALES**

TAX SCHEMES

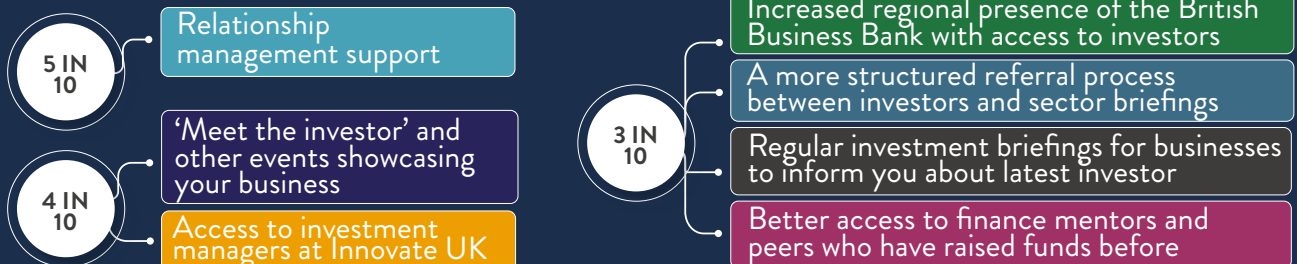


Faster claim processing / settlement	44%
Expanding the range of things we are able to claim for	44%
Commitment from Government to continue offering these schemes beyond current time periods	40%
Making schemes easier to understand/apply for	37%
Increasing value of any allowance we are able to claim for	34%
If it was recommended to me by someone I trust (e.g. accountant, lawyer, etc)	23%

PLANS FOR INVESTMENT



SCALEUPS ARE SEEKING SUPPORT TO ACCESS INVESTMENT



Source: ScaleUp Institute Annual ScaleUp Survey 2022-2024

