

Private capital: rising to the challenges of turbulent times

BVCA Report on Investment activity

July 2023



About this report

This report has been produced by the British Private Equity and Venture Capital Association (“BVCA”) to demonstrate the activities of our members in 2022. The statistics in this report are largely drawn from the BVCA’s Investment Activity Study, a detailed and comprehensive survey of our members’ activity in the year, covering fundraising, business investments and business exits.

With a significant presence in the UK, developed over the past 40 years, private equity and venture capital provide companies with the finance and know-how to deliver sustainable business growth. Active ownership, over the medium to long-term, delivers economic and social value to those involved in the businesses (from employees, management and owners on the one hand, to customers and suppliers on the other) and a wide group of stakeholders (from local communities and local and regional economies, to national policy makers focused on issues such as climate change, diversity and inclusion and social justice).

Both private equity and venture capital are focused on delivering sustainable growth for the companies in which they invest: venture capital firms typically support early stage and younger companies, holding minority stakes in the businesses, while private equity firms typically acquire controlling stakes in more established businesses.

In this report we look at the story of 2022: how the BVCA’s members invested in businesses of all shapes and sizes, across all parts of the economy and across all the nations & regions of the UK.


A companion publication “[Report on Investment Activity 2022: Statistics from our annual member survey](#)” provides the full aggregated survey results and an excel extract of the aggregated results can also be downloaded from our website [here](#)







With data gathered from nearly 200 BVCA members, supplemented by information from other sources, this research gives us a clear picture of how both UK focused and UK led investment activity has evolved over the past 4 years. Having robust, accurate and transparent data underpins our ability to articulate the economic contribution of private capital to society. My thanks to all firms who provided us with data and enabled us to tell the full story of 2022.



Garry Wilson
BVCA Chair 2023/2024, Managing Partner, Endless LLP



epipole 

 Scotland  Biotech & Healthcare
 SyndicateRoom

Epipole, a company founded in 2011 and headquartered in Rosyth, Fife, developed a patented technology for retinal imaging. This technology sets Epipole apart, delivering exceptional image quality in a portable device which provides a cost-effective alternative to large and expensive desktop systems.

In 2020, Epipole secured investment from Syndicate Room and implemented valuable feedback from ophthalmologists and clinicians, bringing significant improvements to its retinal camera. It also allowed Epipole to concentrate its efforts on penetrating the primary care optometry and ophthalmology markets in the United States.

Recognising the company’s potential to make an impact in reducing blindness worldwide, Epipole subsequently attracted additional funding from both British and Overseas investors. These investments further validate Epipole’s mission and highlight the confidence placed in its ability to address the global challenge of vision impairment.



UK Private Capital at a glance

Employment

Nearly 2.2m

people were employed by companies backed by private capital right across the UK.

Footprint

Over 12,000

UK companies backed by private capital, of which 1,578 received investment in 2022.

Invested in the UK

£27.5bn

was invested in UK companies in 2022 by private capital firms.

UK Capital at work

£145bn

available to be invested by UK managed funds¹ in future years. £70.2bn was raised in 2022 alone.

Focus on SMEs

9 in 10

UK businesses receiving private capital investment in 2022 were small and medium sized businesses.

European Dry Powder

£194bn

available to be invested by funds managed from Europe including the UK¹ in future years.

UK Economic contribution

6%

of total UK GDP directly generated by businesses backed by private capital amounting to £137bn.

Holding period

5 years

is the average holding period for businesses backed by private capital investors and sold in 2022.

Tech investment

£13bn

was invested in UK tech focused businesses by private capital investors in 2022. This represents 47% of the UK investment total.

¹Includes committed but uninvested capital managed by private equity and venture capital funds of BVCA members only.



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Foreword

2022 was a year of turbulence, from the devastating war in Ukraine, to supply chain challenges and rising inflation around the world. The global economic outlook has become more uncertain, and the climate emergency is ever more pressing. Navigating a path to sustainable economic growth is the main priority and private capital is a key part of the solution.

In this report we use the data from the 2022 Investment Activity Survey, along with a series of case studies, to tell the story of private capital: what investors do, where they do it, and how it benefits our society.

Invested for the long-term

Private capital investment is inherently long-term. Investors back businesses, whether startups or more mature companies, with the aim of helping management teams build stronger, more resilient operations. Our data shows that the average investment period is five years, in contrast to 5.5 months¹ in public markets. And moreover, over half of UK businesses backed by private capital firms in 2022 were receiving their second or subsequent investment, demonstrating an ongoing commitment and enabling these businesses to make acquisitions, invest in new factories or expand overseas.

¹ According to the analysis of the New York Stock Exchange data by Reuters as of June 2020.

² BVCA Report on Investment Activity: based on all businesses with UK headquarters and a 'tech' based businesses activity, regardless of main sector.

Invested across the UK

Despite the tough economic conditions in 2022, private capital invested £27.5bn into UK businesses, well above the 2020 and 2019 figures, although a drop from the record breaking £36.1bn invested in 2021. Nearly 1,600 UK companies received investment, of which 9 in 10 were small and medium-sized businesses.

Over 12,000 UK businesses are backed by private equity and venture capital, directly supporting almost 2.2 million jobs and representing 6% of UK GDP. This investment was spread across all nations and regions of the UK. Our data shows that 55% of companies receiving investment in 2022 were headquartered outside of London.

Invested in innovation

Our activity survey shows that private capital invests across all sectors of the economy, with tech focused² businesses attracting 47% of the total amount invested (£12.9bn). The long term view taken by private capital investors provides the time and space to research, develop and commercialise new products and services. Investors are alive to the need to build businesses fit for the future, whether that is decarbonising the business as in the case of the housebuilder Marley or reducing plastic consumption like Tangle Teaser. Environmental, Social and Governance (ESG) considerations are fast becoming business as usual.

Invested in a better future

UK private capital funds raised a record £70.2bn in 2022, bringing the stock of available capital managed from the UK to £145bn. This £145bn, known in the industry as 'dry powder', is expected to be invested over the next 3-5 years to help great businesses innovate and grow. The private capital industry is well positioned to drive the transformation of our economy in the years to come and it is therefore crucial for the UK to sustain its global competitive edge by maintaining a healthy business environment and retaining talent.



Michael Moore
Chief Executive, BVCA



UK is a hub for private capital

The private capital industry remained resilient in 2022 and continued to invest in products and people, despite severe geopolitical and macroeconomic turbulence.

Our data shows that private equity (PE) and venture capital (VC) firms invested £27.5bn in almost 1,600 UK companies in 2022. Activity stayed well above the levels we witnessed in 2020 and 2019, although did not reach the record-breaking heights of UK investment we saw in 2021 (£36.1bn).

Investment led out of the UK reached an impressive £46.9bn, as the UK remains a global hub for driving investment across Europe and beyond. The UK needs to preserve a healthy business ecosystem to maintain and strengthen its position in the fast-paced world we live in.

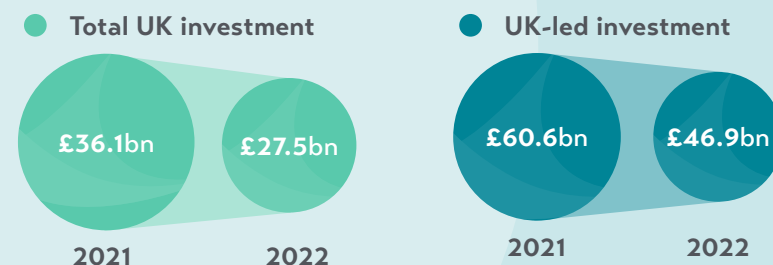


- London
- ICT
- Albion Capital

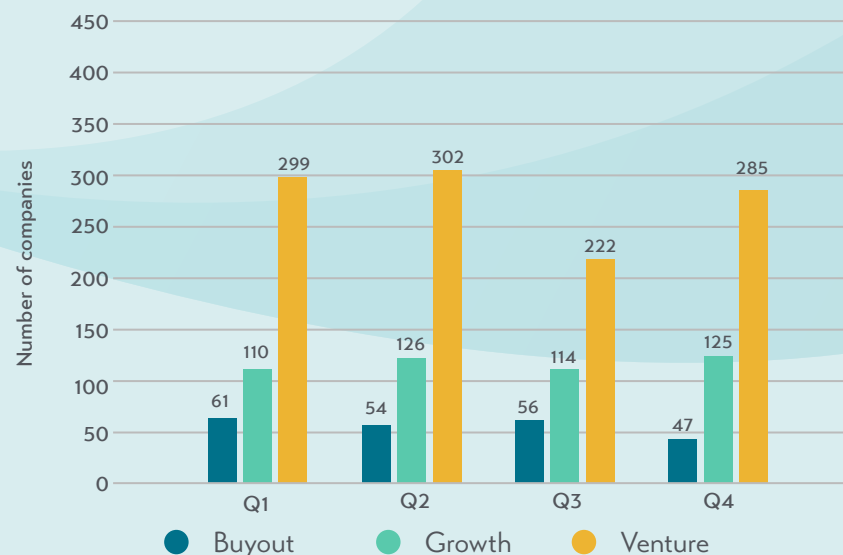
Seldon was founded in 2014 to help data scientists and machine learning engineers put their AI models into production at scale. The company has an open core business model: a free version available to the open-source community as well as a commercial product for enterprise customers, especially in regulated industries. Albion led the Series A in 2020, providing finance and support to bolster the senior leadership team as well as to build the sales and marketing capabilities.

Since then, Seldon has continued to develop a highly engaged open-source community and increased commercial traction, with a customer base now spanning several sectors such as J&J, Ford, Paypal and Rakuten. The company raised a £17m Series B from Portuguese VC Bright Pixel in February 2023. The latest funding will be used primarily for commercial expansion along with continued development of the product.

Year on year comparison of investment amounts



Quarterly number of UK companies backed by investment stage



...attracting capital from around the world

2022 was a record year for UK managed funds, raising £70.2bn to be invested globally. And while this is very promising for the overall sentiment in private markets, some mid-market and venture investors have faced difficulties raising capital as a result of global and national uncertainty.

UK funds attract a significant amount of capital from overseas, with North American investors once again taking the top spot, investing £20.3bn. European investors allocated £14bn while investors from the UK invested £10.2bn – the highest figure in recent years.

Pension funds from across the world are a substantial source of capital for UK fund managers, investing £21bn in 2022 alone. In contrast, UK pension funds have only invested £2.8bn suggesting there is still work to be done to open up the benefits of investment in PE and VC for DC schemes in the UK.

Our data also reveals that UK managed private equity and venture capital funds reached almost £400bn in capital under management in 2022, of which nearly £145bn is available to invest over the next 3-5 years. The UK has typically attracted circa half of this capital,

but macroeconomic headwinds and regulatory scrutiny are making investors more cautious on how and where they invest.

The BVCA will work with Governments of all parties to help maintain the right environment for private capital investors to continue to invest in the UK in the years to come.

Capital under management and fundraising in 2022

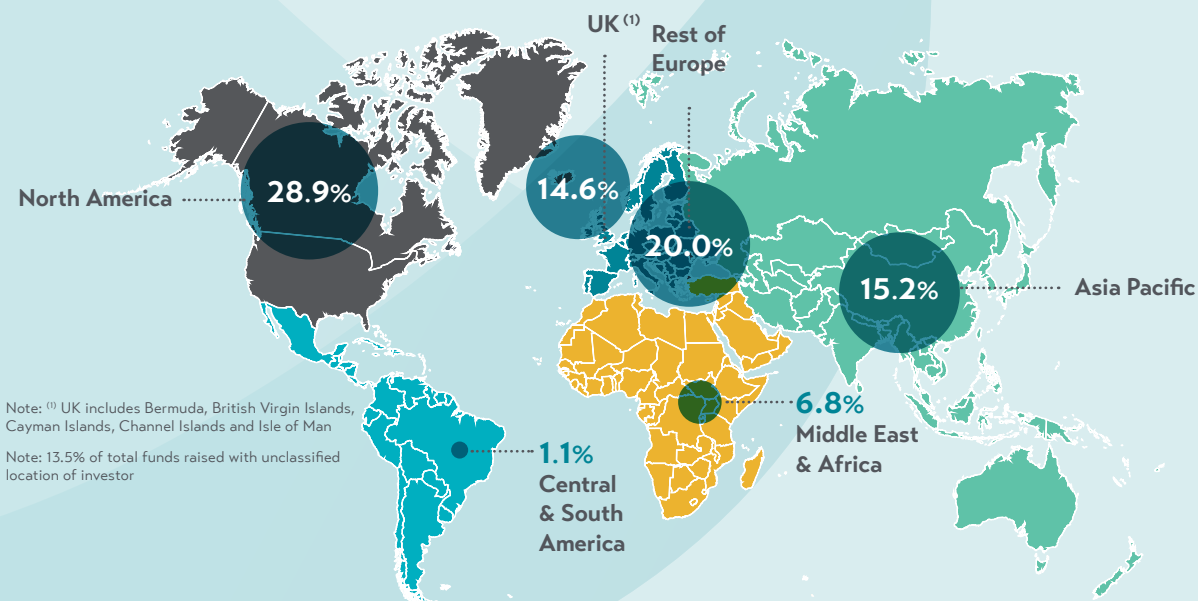
Capital under management



Capital raised



Location of investors - % of total amount



Invested across the UK...

Private capital continues to play a crucial role in supporting businesses across the United Kingdom, particularly SMEs such as Decom Engineering, working across regions and nations. Our data shows that 9 in 10 UK businesses receiving private capital investment in 2022 were small and medium sized businesses operating in every corner of UK.

Regionally, the Midlands witnessed the greatest year-on year uptick in investment, increasing from £2.8bn in 2021 to £5.3bn in 2022. The majority of this capital was directed into the ICT¹ and Biotech sectors.

Our research shows that establishing a UK office is one of the decisive factors influencing regional investment in the UK. 60% of companies which received investment led by a UK office in 2022 were located outside London. However, this was the case for only 30% of companies receiving investment led from outside the UK. Encouraging global fund managers to establish presence in the UK is vital for strengthening the economy in the long run.



- Northern Ireland
- Construction
- Cordovan Capital Management

Set up in 2011, Cookstown-based Decom Engineering has developed a market leading product suite specialising in the decommissioning of existing oil and gas pipelines. Its core services aim to provide a sustainable cutting-edge solution to allow the safe and efficient removal of pipeline for reuse in the future. The company has recently developed a Coating Removal Machine which is a fast and environmentally efficient solution for removing plastic coatings from steel oil and gas pipes, allowing the valuable steel to be reused.

Cordovan has supported Decom since November 2018 and more recently in December 2022 through a further growth investment. Cordovan has helped Decom increase employee count to 16 and put a strong management team in place, who are supported by an industry-recognised Board of Directors. Decom is well-positioned to become the top supplier of decommissioning cutting equipment, thanks to its solid sales pipeline and robust production plan.

Number of companies backed and amount invested by nation and region

- No. of companies
- Amount invested

£27.5bn
invested across the UK



¹ Communications, computer & electronics



...supporting jobs and GDP

Private equity and venture capital backed businesses create jobs across all sectors and regions of the UK economy.

A study¹ undertaken by EY for the BVCA showed that **2.2 million jobs in the UK** were in businesses backed by private capital. These jobs can be found in all parts of the UK, with 65% being outside London. Three industry segments – wholesale and retail trade, information and communication, and human health and social work activities – accounted for over 40% of total employment. It is more evident than ever that private capital has become an integral part of the wider UK economy, fuelling its expansion and competitiveness in global markets.

Overall, private equity and venture capital supported businesses have made significant contributions to the UK's GDP, amounting to over £137 bn¹ in 2023. This showcases the pivotal role private capital plays in driving the country's economic growth, supporting businesses of all sizes and fuelling innovation and development across sectors.



- Scotland
- Consumer goods and services
- Kings Park Capital

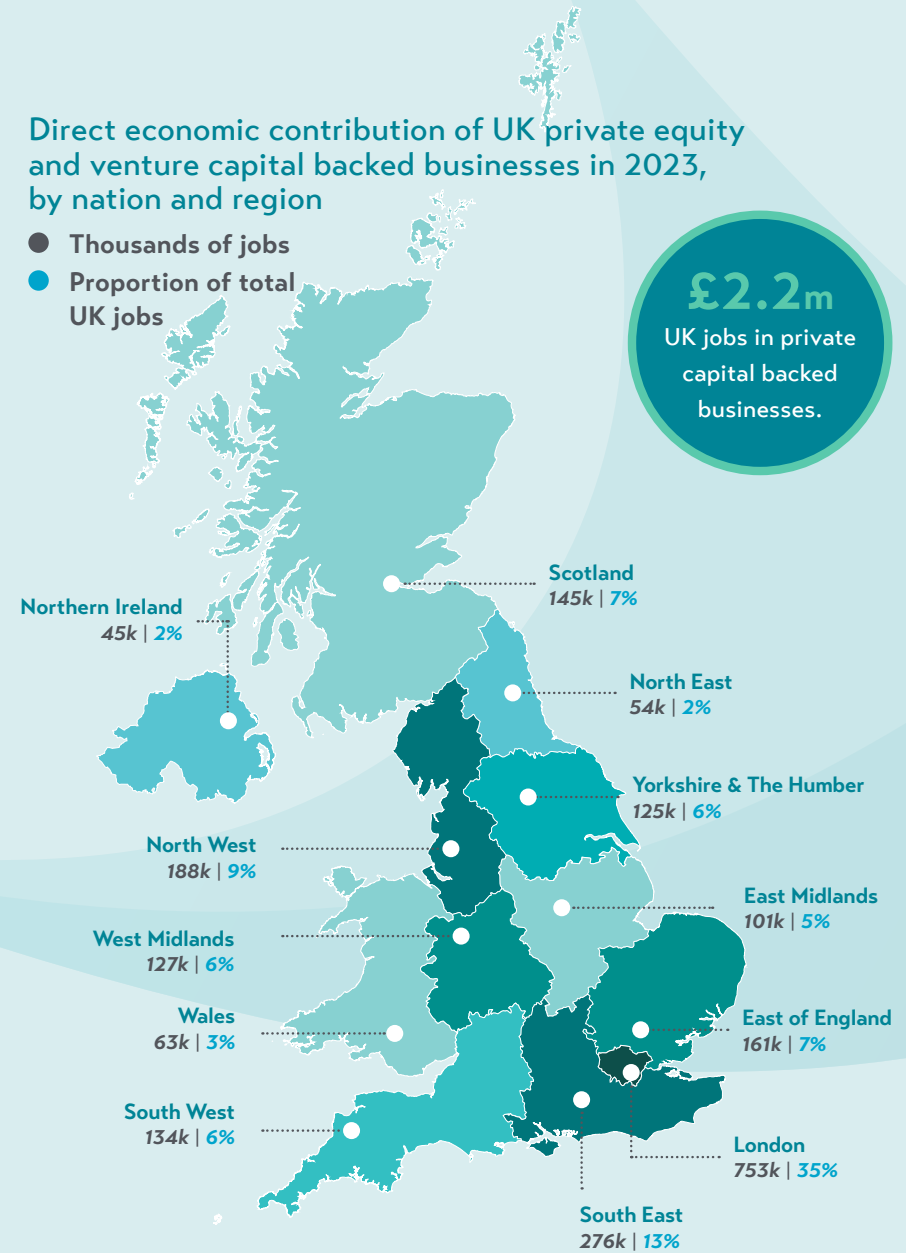
Highland Coast Hotels was formed in 2021 with the intention of building a group of independent hotels focused on 'slow tourism' and championing sustainable growth in local communities across the Scottish Highlands, coupled with an environmentally conscious approach. Kings Park Capital completed its investment in 2021, working in close partnership with the founding team to bring a best-in-class hospitality experience to the region and create significant number of employment opportunities.

Scottish National Investment Bank supported Highland Coast Hotels with additional funding in 2022 to refurbish and upgrade its four landmark hotels on the North Coast 500 route. These investments also benefit local businesses through Highland Coast Hotels' commitment to sourcing food, beverages, and other supplies locally, and its partnership with the University of the Highlands and Islands to provide education and training opportunities in the hospitality sector.

Direct economic contribution of UK private equity and venture capital backed businesses in 2023, by nation and region

- Thousands of jobs
- Proportion of total UK jobs

£2.2m
UK jobs in private capital backed businesses.



¹See 'Measuring the contribution of private equity and venture capital to the UK economy in 2023', EY, April 2023



Invested throughout the business lifecycle...

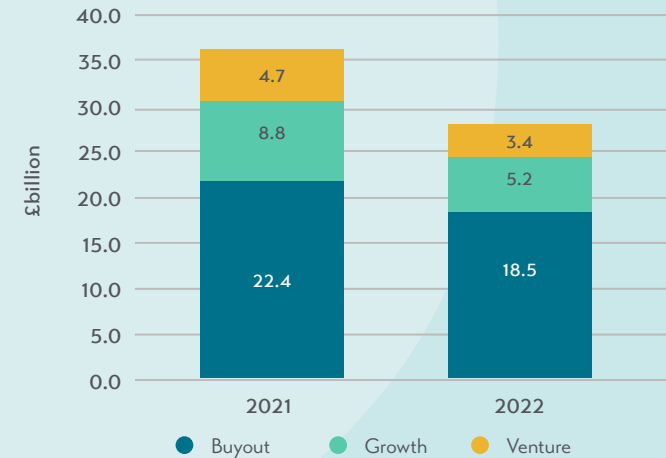
Private capital in the UK supports a wide spectrum of businesses, ranging from nascent startups to firmly established enterprises.

While seed and start-up funding remained strong, our findings show that there is a gap in UK scale-up investment capital; later stage venture investment more than halved in 2022 compared to 2021.

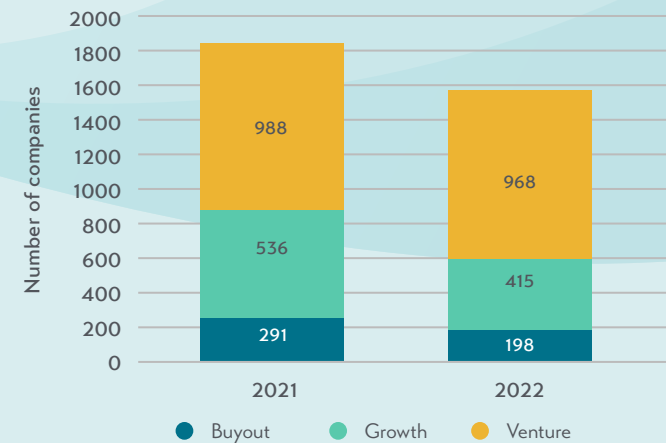
Growth capital maintained a comparable share of the market by amount invested and number of companies backed as a proportion of the 2022 totals.

Buyout funding remained a key source of capital for large UK businesses, representing £18.5bn of the total invested amount.

Amount invested by stage



Number of UK businesses backed by stage



A business may grow during the year and require additional capital such that it receives investment at more than one stage of development. As a result, the total number of companies by type is slightly larger than total number of companies in aggregate.

WONDER

-  South East
-  Consumer goods and services
-  Endless

Wonder, a market leading international designer, manufacturer, distributor and omnichannel retailer of party products and supplies, received investment from Endless in 2021. Following acquisition, Endless has worked with the existing management team to recruit additional skills and experience which match Wonder's scale and growth ambitions.

Endless has also supported Wonder with its 'buy and build' M&A strategy, with three bolt-on acquisitions in Luftballon-Markt, Ginger Ray and Party King. Endless have invested heavily in the businesses infrastructure, including an £8m investment in a fully automated warehouse robotic system and distribution centre reconfiguration to support the national and international growth strategy. Through both organic growth and the impact of the bolt-on acquisitions, revenue of the Wonder Group is now more than £300 million, up from £175 million at acquisition.



...collaborating to bring scale and expertise

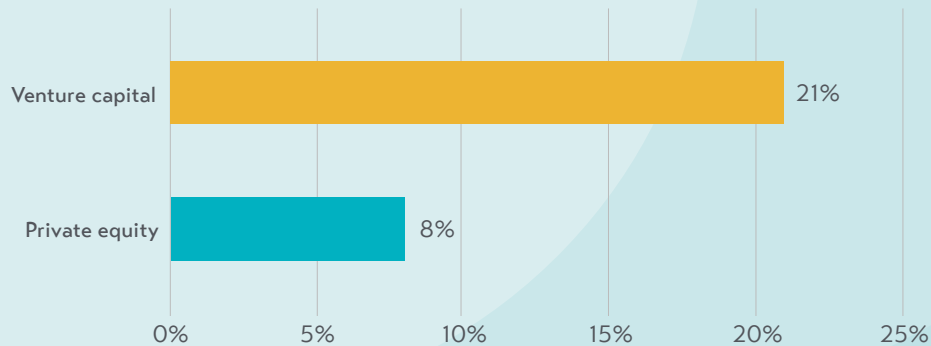
Private capital investors do not always invest alone. They collaborate where appropriate on equity investments both domestically and internationally – this is known as syndication¹. When private capital firms join forces, it can bring a lot of benefits to the portfolio companies, as multiple co-investors contribute their individual expertise and professional network to help businesses to grow.

Our new analysis shows that private equity firms syndicated with other private capital investors on 8% of all UK deals in 2022. Venture capital investors collaborated more extensively, with deal syndication reaching 21% in 2022. This is not surprising given that venture investments are typically riskier and target companies at an earlier stage.

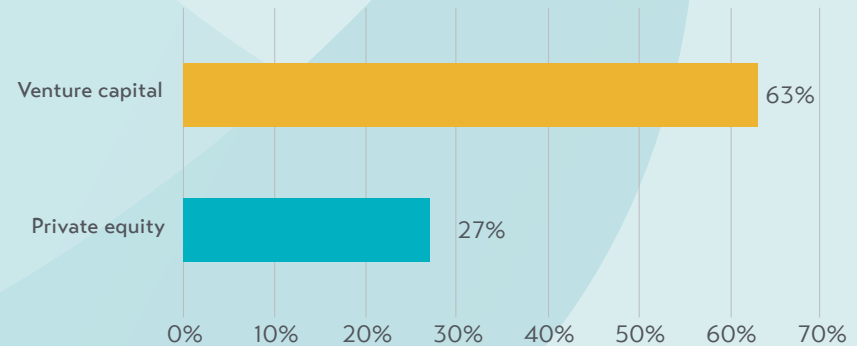
However, syndicated transactions amounted to 63% of the total amount invested by VC firms, which suggests that VC firms syndicated heavily at the top end of the deal size spectrum, where the majority stakes in UK

companies are often taken up by international VCs rather than domestic ones. High-growth companies in the UK have therefore become dependent on overseas financing for later stage, scale-up purposes. This exposes the UK to potential risk in global capital allocations. UK investors are also not benefiting as much as they could, with the realised value being distributed overseas. As a result, the UK would benefit from strengthening the availability of domestic funding sources that would allow homegrown venture investors to provide adequate funding to UK start-ups.

Syndicated transactions - % of deals



Syndicated transactions - % of amount invested



¹Refers to syndication of equity investments.



Facilitating Green Growth

Implementing decarbonisation measures and addressing climate change is our global responsibility. BVCA members have been working with their portfolio companies to increase the usage of renewable materials and energy sources, building sustainable businesses that are fit for the future.



Marley



- 📍 West Midlands
- 🏗️ Construction
- 💷 Inflexion Private Equity Partners

Based in Staffordshire, Marley is the UK leading manufacturer and supplier of roofing system products, employing 500 people across five manufacturing sites and two distribution centres. Inflexion acquired the business in 2019 and worked with company management to optimise Marley's pricing strategy and product offering, ultimately helping to nearly double its EBITDA in less than three years.

Under Inflexion's leadership, Marley developed environmentally friendly products and entered into the solar panel market, reducing its carbon footprint by 33% between 2019 and 2021. Production waste is now 100% recycled and all manufacturing energy is sourced from renewable sources. The company was sold to a building materials supplier Marshalls in 2022, generating a 3.5x return at sale for investors.



TANGLE TEEZER



- 📍 London
- 🛍️ Consumer goods & services
- 💷 Mayfair Equity Partners

London-based Tangle Teezer is the category-defining British haircare brand that produces a range of detangling, blow-dry and styling hairbrushes famous for their unique teeth technology. In 2021, Mayfair Equity Partners made a significant growth investment in Tangle Teezer as it recognised the potential for the business to grow rapidly due to its innovative product and strong brand reputation.

As part of this growth, Mayfair Equity Partners saw several key ESG opportunities for the business, including a need to reduce the use of plastic in both its single-use acetate packaging and brush design.

Mayfair Equity Partners has supported Tangle Teezer in its R&D activities to reduce the amount of plastic being used in its brush manufacture by exploring the use of various plant-based materials, resulting in the business recently launching its first innovative plant-based brush in a newly designed cardboard package.



Joloda hydraroll



- 📍 North West
- 🏢 Business products & services
- 💷 Business Growth Fund (BGF)

Merseyside-based Joloda, which received £7.5 million from BGF, makes systems for loading and unloading cargo into vehicles. The business wanted to improve its performance on environmental, social and governance (ESG) measures, which are increasingly scrutinised by large corporates in the food, manufacturing and logistics sectors that are its clients.

BGF introduced the business to Sustainable Advantage, an energy and waste consultancy, which examined 62 business areas to create an action plan that would establish Joloda as an ESG leader in its sector. Within five months of its first evaluation, improvements in the company's processes had raised its score by 45%. The business has become carbon neutral and is engaging with its suppliers to influence further ESG improvements throughout its supply chain.



Helping other businesses become more sustainable

In the ongoing battle against climate change, businesses are increasingly stepping up to embrace a significant shift to green, demonstrating their increased commitment to building a sustainable future. This transformation is marked by the notable examples of companies that are playing a crucial role in guiding and supporting other businesses in their journey towards adopting sustainable and responsible practices.



- 📍 Yorkshire & Humber
- 🏭 Business products & services
- 💷 3i Group

AESSEAL designs and manufactures mechanical seals and seal support systems for a variety of industry sectors including automotive, marine, power generation, chemical & pharmaceutical and oil & gas. 3i first invested in AESSEAL in 1996, with further funding being provided in 2007.

Their investment has helped AESSEAL to accelerate its growth, expand into new markets and strengthen its international position. In addition, 3i has supported the company's transformation into a sustainability leader with a clear focus on Net Zero Carbon.

AESSEAL's technology enables companies to reduce water and energy consumption, prevent the leakage of product into the environment and improve reliability of their plants, thereby reducing unnecessary waste.



- 📍 South West
- 🏭 Energy & environment
- 💷 Future Planet Capital

Lineat Composites is a climate and clean energy technology company looking to drive the commercialisation of recycled technical carbon fibre tape products. The company can repurpose waste carbon fibre into tape with performance close to the virgin tape, potentially reducing the environmental impact of sectors such as sports equipment, aerospace and automotive.

The company is a spin out company from the University of Bristol's Composites Institute. Lineat has developed a patented process which uses reclaimed carbon fibre to produce a fibre aligned tape that can be used to manufacture new composite components. Lineat has received £1m of investment so far, the latest round led by UK Innovation and Science Seed Fund managed by Future Planet Capital.



- 📍 Yorkshire & Humber
- 🏭 Energy & environment
- 💷 Palatine Private Equity

Cura Terra is a leading environmental services group based in Sheffield and comprises of four market-leading businesses – Environmental Monitoring Solutions (EMS), Ecus, Enviro Technology Services and Envirocare – who provide a range of environmental consultancy services. In March 2022, Palatine's Impact Fund acquired a significant minority shareholding in the company. The investment reflects their long-term commitment to place purpose and responsibility at the heart of their investment strategy, which aligns with Cura Terra's shared mission to protect the environment.

At the time of investment, the group employed almost 240 people, which has grown to over 325 within the last 12 months. Cura Terra has undertaken three acquisitions to date, the global air quality monitoring provider, Enviro Technology Services, the occupational hygiene services provider SI Environmental and the environmental consultancy Naturally Wild, which provides biodiversity net gain expertise for any project that may affect protected species.



Invested in UK Technology

The UK has a thriving tech ecosystem built on world-class research and development, a strong talent pool and connectivity. These key factors position the UK as a global Hub for technological advancement.

Private capital plays an integral role in supporting UK's transition to the digital economy and our data proves it. Tech focused businesses attracted a substantial 47% of the total amount invested in UK companies

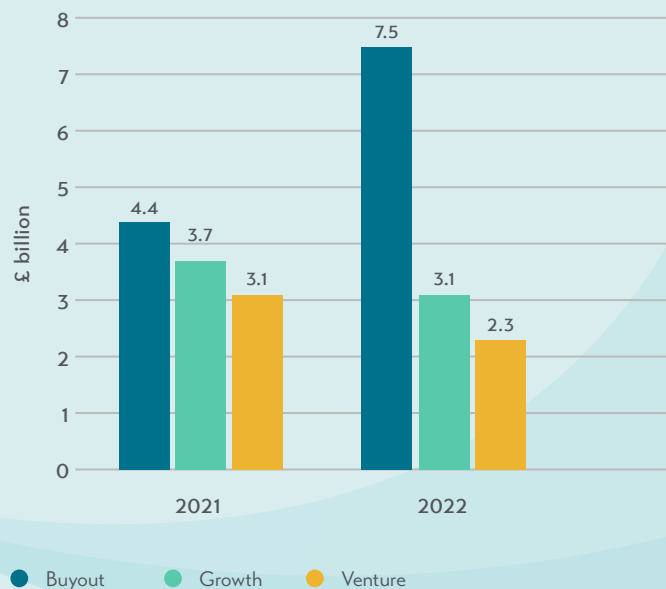
in 2022, having reached almost £13bn. This is £1.7bn more than 2021, despite the overall slowdown in UK investment. Software and online platforms represented the biggest portion of UK tech investment with £9.2bn. Biotech attracted over £600m in 2022.

Buyout activity represented 58% of the overall tech investment in the UK. While this is a significant amount, buyout investment supported only 5% of UK tech companies in 2022.

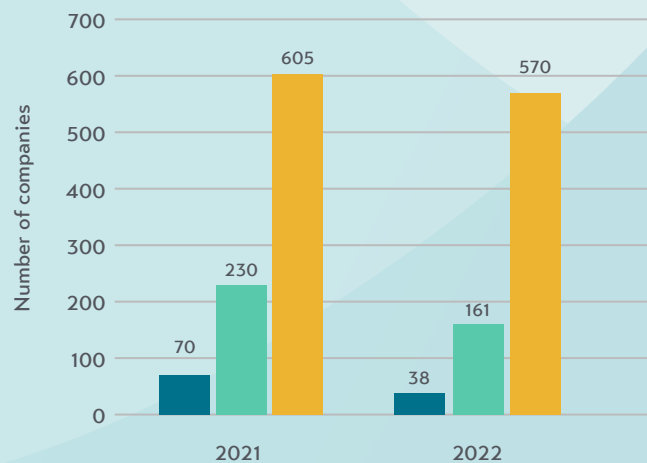
Venture capital on the other hand accounted for 74% of companies that received investment and plays a systemically important role in developing the next generation of innovative businesses that will propel the UK economy forward in the years to come.

The BVCA continues to engage with the Government on how to best attract new sources of capital into UK technology businesses.

UK tech - Amount invested by stage



UK tech - Number of businesses backed by stage



Invested in Innovation

Private capital plays a pivotal role in driving the UK's ambition to become a science superpower. The infusion of private capital investment and scientific research is an important catalyst for accelerating progress and transforming the UK economy. BVCA members invest in high-tech businesses to support commercialisation of innovative technologies, attracting further investment to enhance productivity.



- East of England
- Energy & environment
- Balderton Capital

Better Origin is a Cambridge-based agritech startup using AI-powered insect mini-farms to make food supplies more sustainable, by creating decentralised mini-farms for insects, which are designed to convert food waste from supermarkets into animal feed. In December 2021, Better Origin signed a deal to supply 10 insect mini-farms to feed chickens at Morrisons UK free-range egg farms. The deal is set to save 5,737 tonnes of CO2 emissions per year while also mitigating 1,500 tonnes of food waste.

Better Origin was founded in 2015 by CEO Fotis Fotiadis and CSO Miha Pipan, who bring deep knowledge and expertise in this sector from their time at Cambridge University studying engineering and biological sciences, respectively. In April 2022, the company received a \$16m series A round led by the venture capital firm Balderton. The funding will be used to expand the Better Origin team and further develop the product and technology and help the company scale.



- Wales
- Biotech & healthcare
- IP Group

Intelligent Ultrasound is a Wales-based medical technology company that specialises in real-time hi-fidelity simulation for the ultrasound training market and artificial intelligence-based clinical image analysis software tools for the diagnostic medical ultrasound market. The company has been supported by IP Group since 2010 allowing it to develop new innovative products such as its AI-based image analysis technology that makes ultrasound machines smarter and more accessible.

The technology is utilised by GE Healthcare, the world's largest ultrasound company, in their Voluson Expert 22 and SWIFT ultrasound machines. Thanks to the additional capital, the company has been able to expand its product offering into new medical specialties such as anaesthesia and emergency medicine and grow its sales network to cover operations in the US, Europe and Asia.



- South East
- Biotech & healthcare
- General Atlantic & Oxford University Innovation

Immunocore is a biotechnology company which specialises in developing T cell receptor-based therapeutics for the treatment of cancer, infectious diseases and autoimmune disorders. The company was formed in 2008. In 2010, the University of Oxford invested in Immunocore through its in-house investment fund Oxford Spin-out Equity Management. The company attracted investment from venture capitalists, industry leaders, foundations for several rounds due to its innovative approach and promising pipeline of products.

General Atlantic has invested over \$120 million in Immunocore since 2019, leading Immunocore's \$130 million Series B funding round in 2020 and participating in the company's private placement in 2022. The capital raised was used to advance the company's growing clinical stage pipeline of ImmTAX™ molecules through Phase III clinical trials for the treatment of uveal melanoma and continued development of other programmes in clinical stages.






Invested for the long-term

Businesses rely on long-term thinking and funding to allow them to grow, but the pressure for quick results has too often led to short-termism across the UK business landscape.

Data shows that the typical stock market investor retains shares in their portfolio for an average of 5.5 months¹. Private capital investors think and work differently. They invest for an average period of 5 years² and work with management teams to grow, innovate and build sustainable businesses. These businesses deliver economic growth, create new jobs, and deliver products and services which improve our everyday lives.

Private capital investors typically do not put all their money into companies at once but continue to support their portfolio throughout the business lifecycle. BVCA data shows that 52% of businesses that received investment in 2022 had previously received investment from private capital investors. This follow-on capital contributes to the stability and continuity of projects, enabling business to better scale their operations and adapt to market conditions.



-  London
-  Consumer goods and services
-  Endless

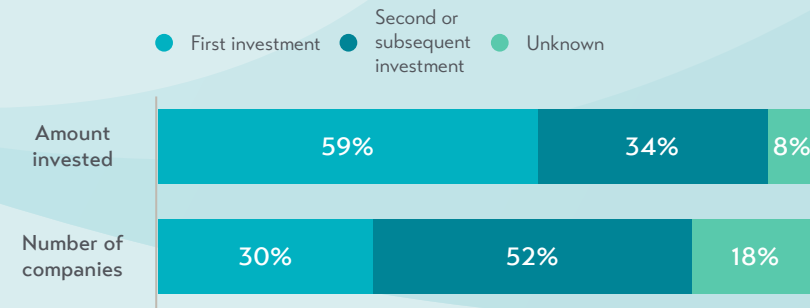
Blis is an advertising technology company that uses location and demographic data to deliver highly targeted advertising to mobile audiences. By making advertising more relevant to their consumers, Blis enables its customers to improve brand performance and return on investment. Initially, Blis secured funding from Beringea's U.K. funds in 2007, before raising further venture capital funding in 2011 from Beringea U.K. alongside co-investors Ballpark Ventures and Meridian Growth Capital. Beringea's U.K. funds subsequently provided follow-on funding in 2016, alongside Beringea U.S., Endeit Capital and Unilever Ventures.

Over the course of Beringea's partnership with Blis, the business established itself as a global success story, bringing vital innovation to the worldwide advertising industry. Beringea was able to provide funds, on-the-ground support, and strategic insights in both the U.K. and the U.S. that bolstered Blis' transatlantic growth. In 2022, Beringea successfully exited its investment in Blis as part of a significant investment by LDC, a British mid-market private equity firm.

Average holding period² by initial investment stage



Proportion of 2022 investment going to UK companies already supported by private capital



In some cases we have been unable to identify whether an investment received by a business is the first investment from a specific investor firm.

¹According to the analysis of the New York Stock Exchange data by Reuters as of June 2020.

²Calculated by comparing initial investment date to exit date, for companies which have been fully exited from a fund's portfolio by an investor.



Building businesses through acquisitions

Private capital investors leverage bolt-on acquisitions to strengthen and expand businesses, fostering growth by integrating complementary assets and capabilities into their portfolio companies. Such acquisitions help to unlock synergies, enhance operational efficiencies and drive value creation in pursuit of building successful businesses.



- 📍 South East
- 🏢 Consumer Goods & Services
- 💷 Equistone Partners Europe

CH&CO provides contract and hospitality catering services throughout the UK to a broad range of sectors including workplaces, schools, tourist destinations and company events. In May 2019, MML Capital's investment in CH&CO shifted to Equistone through a secondary management buy-out.

With Equistone's support, the company completed strategic acquisitions of Gather & Gather, Company of Cooks and Vacherin, allowing CH&CO to grow rapidly, and dramatically expand its regional footprint in the UK while scaling its catering services and expertise. The company is continuing to diversify its customer base and attract new talent while delivering on its sustainability goals and reducing its carbon footprint.



brainlabs



- 📍 London
- 🏢 Business Products & Services
- 💷 Livingbridge

Founded in 2012 and headquartered in London, Brainlabs is a provider of digital marketing services. Livingbridge invested in Brainlabs in 2019 to accelerate the company's growth and support the business in its ambition to become the leading global digital marketing agency.

Since then, Brainlabs has grown rapidly by expanding its digital offering and international footprint through eight add-on acquisitions. The most recent ones included Fanbytes and Nabler, both acquired in 2022. Brainlabs' offices span now the UK, North America and the Asia Pacific region and the company employs more than 400 people in the UK alone.

Together DENTAL



- 📍 East of England
- 🏢 Biotech & Healthcare
- 💷 G Square Healthcare Private Equity

The dental market in the UK continues to be fragmented and highly scalable which makes it attractive to equity investors seeking a 'buy and build' platform. G Square Capital identified this opportunity and made its first investment in the UK dental market in 2019, acquiring Together Dental.

The company was founded in 2010 by three experienced dental clinicians, aiming to deliver best quality dental care and dentist training. With ongoing support from G Square Capital, Together Dental expanded to 33 sites across the UK and started to provide more complementary services such as cosmetic treatments while improving customer experience and building strong relationships with the NHS.



Invested in a better future

Private capital continued to make its mark across all regions and nations of the United Kingdom, supporting economic growth and innovation beyond the boundaries of London. From small businesses such as Decom Engineering in Northern Ireland with 17 people which developed new technology to reuse decommissioned oil & gas pipelines, to larger businesses such as CH&CO in the South East with over 6,000 employees, providing catering and hospitality services.

Private equity and venture capital backed businesses in the UK collectively employ 2.2 million workers. UK investment reached £27.5bn in 2022 alone, supporting nationwide entrepreneurship. An industry of this size can and will contribute to innovation and green growth plans which the UK needs to build a sustainable future.

The UK's position as a global hub for private capital investment remained strong, with significant amounts of capital flowing into the country from overseas investors. However, there is room for improvement in attracting domestic institutional investment, particularly from pension funds. The high level of capital available for investment (£145bn) presents a great opportunity for considered, long-term investment to help the UK economy to grow.



Methodology and data sources

Data sources

The BVCA collects data from members on an annual basis covering fundraising, investments and divestments in each calendar year. In 2022, the BVCA took the decision to widen the scope of captured activity to monitor wider market trends more accurately. The activity dataset now includes the following categories of data:

- Activity data provided by private equity and venture capital BVCA member firms.
- Activity data provided by non-member private equity and venture capital firms to other national associations that are part of the European Data Cooperative ('EDC')
- Activity data of private equity and venture capital firms that was obtained from publicly available sources.

The BVCA together with other national associations have supplemented data provided by members and used estimates where appropriate.

Estimates for total employment and GDP contribution from private capital backed businesses across the UK is taken from an EY report commissioned by the BVCA ['Measuring the contribution of private equity and venture capital to the UK economy in 2023'](#)

All BVCA members who hold General Partner membership and are primarily based in the UK are

required to complete the investment activity survey. To be included in the current year survey, a firm had to be a full GP member of the BVCA as at 1 January 2022.

Number of respondents and year on year comparability

For the 2022 survey we received responses from 187 members out of a total eligible pool of 254 members, a response rate of 74%. For comparison, in the 2021 survey we received a response from 202 members out of a total of 269 who were eligible (75% response rate).

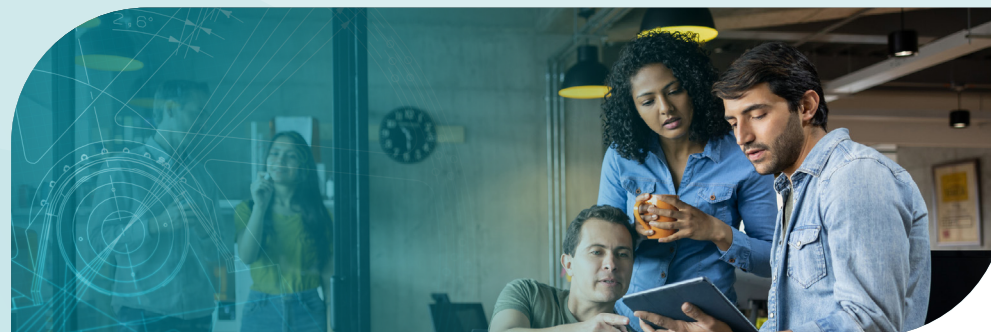
Members that provided data in 2023 but have not formally submitted the survey on the EDC, have their activity included in the dataset and are counted towards the overall number of respondents. Members that already provided 2022 activity last year but did not participate in 2023 have their activity included in the dataset but are excluded from the overall number of respondents. Members that have not provided any information on their 2022 activity are excluded from overall number of respondents; Their activity was supplemented from publicly available sources where possible.

Checks and quality controls

The EDC data collection system allows data providers to review information prior to submission, and our members can see their prior year submissions.

The BVCA research team will process any amendments that are required to prior year data which have been flagged by members.

The BVCA research team reviews all BVCA member submissions for completeness and query any obvious errors, however we do not independently verify the data submitted as this is frequently not in the public domain. We also include information from third party sources that cannot be independently verified. As a result, the BVCA cannot guarantee the ultimate accuracy of the data and therefore BVCA does not accept responsibility for any decision made or action taken based on the information provided in this report.



Methodology and data sources

Industry sector definitions

Industry sectors are based on NACE codes and remain consistent with previous years. Further detail can be found in our [“Report on Investment Activity 2022: Statistics from our member survey”](#)

Currency conversion

Where investment information was collected in currencies other than Pounds Sterling on the EDC platform, the amounts were converted into Sterling using mid-market exchange rates on the date of transaction.

Confidentiality

All data received is treated with the utmost confidentiality. Data is published in an aggregated form only, and only the research team at the BVCA has access to the underlying data.

Transparency and access to data

The BVCA is committed to transparency and making the data we collect easily accessible to the public in a usable form, subject to the confidentiality requirements previously mentioned.

A companion publication [“Report on Investment Activity 2022”](#) provides the full aggregated survey results.

In addition, we have made the numbers behind the charts available in Excel for ease of analysis, which can be downloaded from our website [here](#). No underlying data relating to individual firms or transactions is made available. We hope this will continue to be a valuable data source for other researchers with an interest in private equity and venture capital.



Contacts & useful resources

BVCA Report on Investment
Activity 2022

Measuring the contribution of PE
& VC to the UK in 2023

Creating Sustainable Growth:
Private Capital at Work

BVCA Digest – January 2023

Diversity & Inclusion 2023 Report

If you would like to discuss the report on the industry's contribution more generally, please contact any of the following:



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Acknowledgements

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We would like to extend our thanks to all firms who responded to our Investment Activity Study and who allowed their portfolio companies to be featured as case studies in this report.

About the BVCA

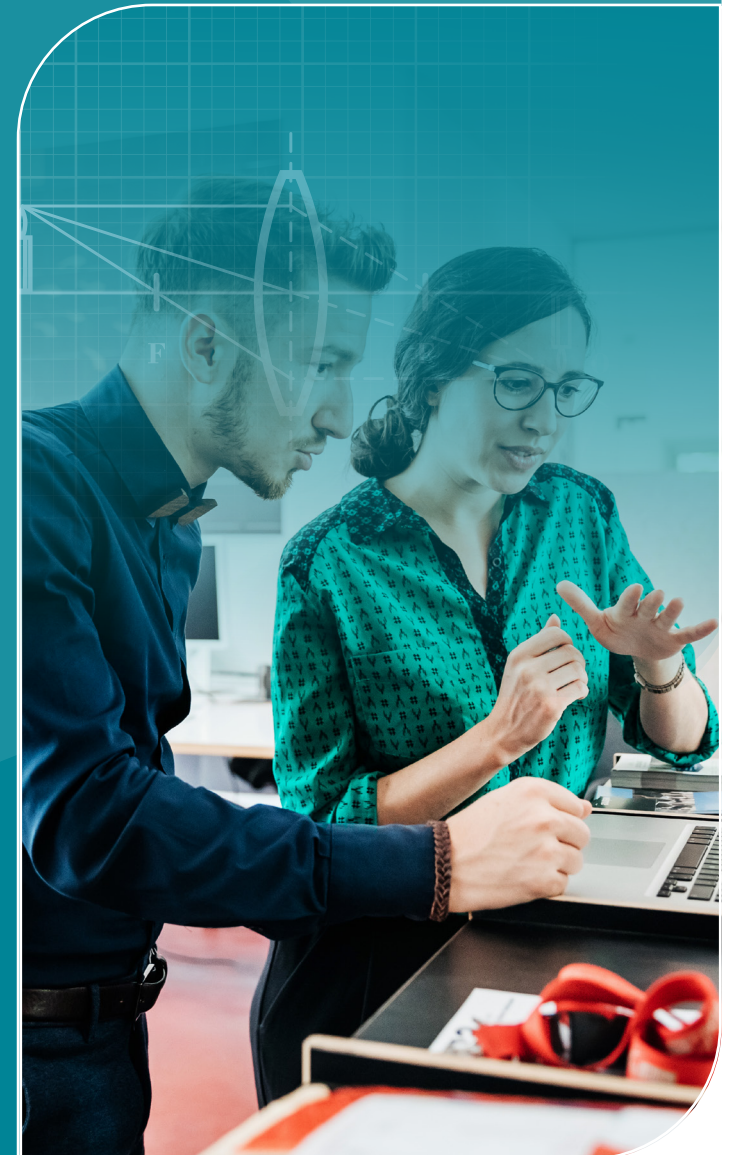
The British Private Equity & Venture Capital Association (BVCA) is the voice of private capital in the UK.

We have been advocating for the UK's private equity and venture capital industry for 40 years, helping it to uphold its vision and achieve its goals. We actively represent this diverse community of long-term investors, enabling them to speak with one clear and consistent voice to society, including the Government, media and MPs.

We connect institutional investors, fund managers, companies, advisers and service providers together, with our membership currently comprising more than 700 businesses from across the private capital ecosystem. This includes more than 325 PE and VC firms, 100 institutional investors and 220 professional services firms.

The BVCA supports its members to help companies grow and achieve their long-term ambitions, creating value for the country, both economically and socially. From creating medicines to protect us against COVID-19, to backing innovative companies in their quest to find solutions to our low-carbon future, private capital also plays a critical role in addressing society's future challenges.

Together we are invested in a better future.





40
YEARS

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