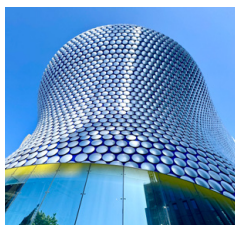
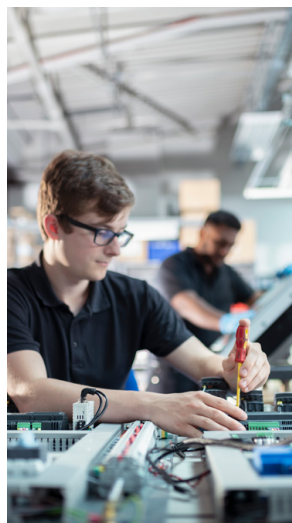




Private Capital in the West Midlands

2026



Contents

Forewords.....	3
How private capital supports business growth.....	5
Employment.....	6
Investment and economic contribution.....	8
Businesses.....	10
Sector dive.....	12
Spinouts.....	14
Innovation and R&D.....	16
Private capital and productivity.....	17
Case studies.....	18
The investment ecosystem: Recommendations.....	21
About UK Private Capital.....	24



Foreword from UK Private Capital

This report is launching at a time when regional economic growth is at the forefront of political discourse. The new Government's ambition for 'growth in every postcode' is a laudable goal that will only succeed by matching stronger local leadership with the investment needed to deliver it.

Private capital already plays a substantial role in the West Midlands economy, backing businesses across every sector. This ranges from supporting industries in which the region has historic strengths, such as manufacturing, to backing early stage companies in industries of the future like clean tech, life sciences and advanced materials.

Through active ownership, private capital firms strengthen management and operational capability, helping promising businesses navigate the difficult journey from innovation to sustainable scale, and helping established businesses compete in a rapidly changing economy.

The industry's commitment to the West Midlands is significant. Combined, businesses backed by private equity and venture capital contribute £10.7bn to the economy on an annual basis. Those headline figures sit behind thousands of day-to-day decisions in firms right across the economy.

The scale of that contribution matters and with the right conditions, the industry can play an even bigger part in the region's success. This means having a policy and regulatory environment that enables firms to move from start-up to scale-up, gives businesses access to the skills and talent they need, and delivers the infrastructure required for investment and expansion.

With those foundations in place, private capital can play an even greater role in turning the West Midlands' ambitions into growth that reaches every part of the region and the wider United Kingdom.



Michael Moore
Chief Executive, UK Private Capital



Foreword from Gallagher



Gallagher

The West Midlands possesses the opportunity for long-term private investment to have a continued impact on the economic growth of the region. The West Midlands is at a pivotal point in its economic development, and it is vital that the region continues to receive private investment to turn regionalised strengths into continued prosperity.

Home to a thriving spinout ecosystem paired with a strong clean-technology cluster, the West Midlands provides plenty of opportunity for further growth. Assets such as Tyseley Energy Park, five energy innovation zones and more than 50 accelerators are helping to bring new technologies from the West Midlands to the market, while the 90 university spinouts draw leading research expertise to the region. Combined, these strengths can create jobs throughout the region and assist with the UK's transition to a low-carbon economy.

The West Midlands has already attracted significant investment from private capital, with £4.3 billion invested into the region within the past five years. In 2025 alone, private capital investment exceeded £1.1 billion, which included

£388 million of growth capital—which went into scaling operations of early- and mid-stage companies looking to expand. The additional investment has had a significant impact on the region's economy, with private capital supporting 503 businesses across the West Midlands, backing 172,000 jobs being developed, which is a 35.9% increase since 2023.

Despite the already impressive momentum gained throughout the region, private capital will remain central to sustaining and ensuring continued growth. By connecting the West Midlands clean-technology cluster and spinout ecosystem to long-term private capital support, the region can turn innovation into lasting economic growth. UK Private Capital provides an excellent platform to connect businesses with funds and continues to facilitate prolonged economic growth. This ambition aligns closely with Gallagher's commitment to empowering local and regional enterprise and supporting resilient businesses through trusted advice and solutions in insurance, benefits and risk management. As one of the world's leading insurance and benefits advisers, Gallagher is therefore proud to partner with UK Private Capital for the 2026 Invest Series.



Alistair Lester
CEO of the Private
Equity and M&A
Practice, Gallagher



Dan O'Connell
M&A Practice Lead,
North, Gallagher



How private capital supports business growth

Private capital supports growth by combining long-term funding with active ownership.

Businesses backed by the industry can benefit from stronger governance, clearer strategic planning and access to specialist networks, helping management teams make faster and better-informed decisions. This support can include professionalising finance functions, improving management information, investing in digital tools and strengthening boards with relevant sector and scaling expertise. For founder-led and family-owned firms, private capital can also help with succession planning and leadership development, so the business is set up to grow sustainably over the long term.

These interventions matter because they translate into measurable outcomes. Private capital-backed businesses in the West Midlands are **1.2x more likely to also deliver annual revenue growth above 10%**¹.

This increased likelihood of growing quickly is supported by a higher propensity of private capital-backed firms to engage in export activity. Companies backed

by the VC industry in the region are **1.6x more likely to also be strongly internationalised**² than those not backed by VCs, which could indicate earlier access to export markets and the investor networks that can help businesses expand overseas.

Private capital-backed businesses in the West Midlands are
1.2x more likely
to also deliver annual revenue growth above 10%¹



¹ Analysis of Pitchbook data by Henham Strategy for UK Private Capital.

² Analysis of Beauhurst data by Henham Strategy for UK Private Capital. The majority of firms captured were VC investments, but there may be a small percentage of PE.

Employment

Supporting jobs across the UK's nations and regions is a key part of what private capital does.

As of 2025, data shows the real impact of private capital investment with **around 172,000 jobs** supported by the industry in the West Midlands. With more regional businesses being backed by the industry, the number of jobs supported has increased by approximately **36%** when compared with the last data set from 2023. This can be broken down into:

Private equity

supports around

160,000 jobs

in the West Midlands



Venture capital

supports around

12,000 jobs

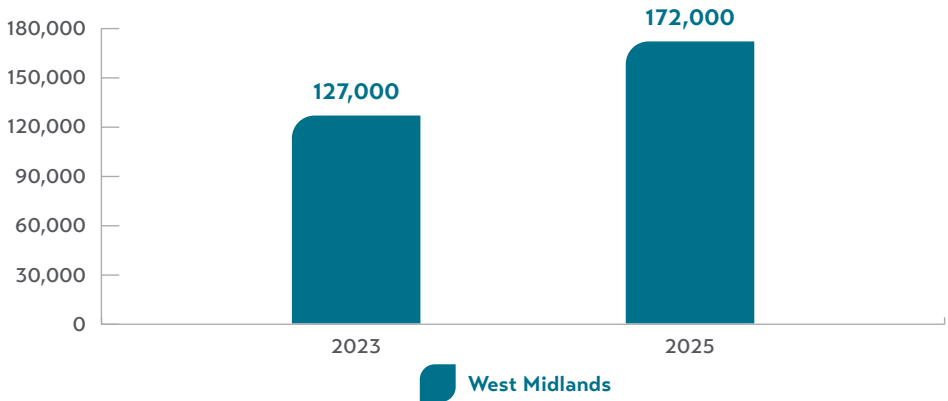
in the West Midlands



Employment cont.

Employment

(Figures are rounded)



Private capital's backing of the wholesale and retail trade sector is a unique standout when supporting jobs. In total, **around 41,700 jobs** were supported by private equity and venture capital across this sector, servicing the important hub of the West Midlands of England.

Employment by sector:

- Wholesale and retail trade:
41,700 jobs
- Manufacturing:
18,000 jobs
- Professional, scientific and technical activities:
16,500 jobs
- Accommodation and food service activities:
15,300 jobs
- Health and social work:
13,400 jobs



Investment and economic contribution

Private capital is a major contributor, both directly and indirectly to the economy.

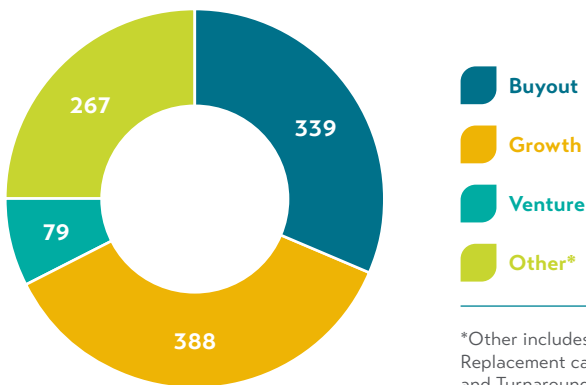
The industry makes long term investments directly into local businesses. Private capital employs an active ownership model, which is a hands-on approach that helps drive value creation in portfolio companies through strategic and operational improvements, whilst supporting wider economic development.

In 2025, **total investment into the region stood at over £1.1 billion**, of which the largest single proportion was £388 million in growth capital investment to support early and mid-stage companies looking to scale their operations. Buyout investment into established and mature companies accounted for £339 million of the overall figure, with a further £79m making up the venture capital investment which provided funding for early-stage innovative businesses seeking to enter the market.

The £1.1 billion invested in the region in 2025 is a significant increase to the £439 million invested in 2024, taking the cumulative overall figure of investment over the past 5 years into regional business by private capital to £4.3 billion.

The level of growth capital investment reflects the strength of the West Midlands' pipeline of ambitious businesses, with companies across the region attracting the long-term funding needed to scale their operations, expand into new markets and contribute more to the regional economy.

West Midlands Investment by Stage (£m)



*Other includes Generalist, Replacement capital, Mezzanine and Turnaround/Rescue funds



Investment and economic contribution cont.

As of 2025, data shows that **£10.7bn** of **Gross Domestic Product (GDP)** was generated by private capital backed businesses in the West Midlands. Some of the key sectors to note are:

Economic contribution by sector (GDP £)

Wholesale and retail:

£2.16bn



Manufacturing:

£1.27bn



Finance and insurance:

£1.25bn



Information and communication:

£1.10bn



Professional, scientific and technical activities:

£800m



Businesses

Backing local business is the bedrock of what private capital does.

It's easy to see why the West Midlands is a great place to grow a business. The area has its own unique advantages that make them desirable locations for a range of different companies. The West Midlands is a region historically tied with the United Kingdom's industrial heritage, and this pattern continues into the modern day. Private capital therefore recognises the unique strength of the local manufacturing sector, and by supporting businesses across the region, this industry alone generates almost **£1.3 billion** for the local economy each year with private capital's backing.

As of 2025, data shows how many businesses are backed by private capital, with **503 companies** being supported across the West Midlands. This can be broken down into:

Private equity
backs

248 businesses

which is a +2% change
from 2023



Venture capital
backs

255 businesses

which is a +16% change
from 2023

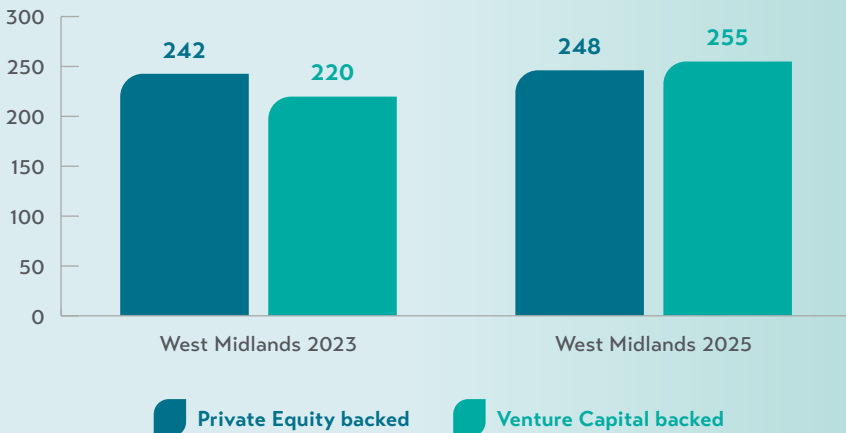


Businesses cont.

The West Midlands has a growing equity ecosystem and a strong base of ambitious businesses, but the SME finance landscape remains complex and difficult to navigate. Founders and business owners can be left relying on trial and error when seeking funding, while the concentration of investors in London continues to constrain local co-investment and the density of on-the-ground investor networks in Birmingham and across the wider region.

The wider West Midlands ecosystem also remains fragmented, making it harder for SMEs and founders to identify the right support and capital at each stage of growth. There is therefore a continuing role for the public sector in connecting the landscape and de-risking innovation, particularly where private markets are unlikely to fund pre-revenue businesses or the expensive specialist infrastructure needed to bring new technologies to market.

Companies backed by private capital



Sector deep dive

Clean technology

The West Midlands' clean technology sector is a major economic asset and a compelling opportunity for private capital. Across the WMCA area, more than 4,900 low-carbon environmental goods and services businesses employed almost 93,000 people in 2019/20, and the sector is the only one in the region where GVA per employee exceeds the UK average³. The opportunity now is to provide the long-term finance that can move the region's leading innovations from pilot projects to widespread industrial use.

Private capital is already associated with stronger innovation outcomes. Clean technology firms backed by private capital in the West Midlands are over two times more likely to hold a patent than those without such investment⁴. This demonstrates how patient investment can help businesses develop intellectual property, refine technologies and build the evidence needed to progress towards commercial deployment.

The region also offers a distinctive industrial platform on which to scale clean

technologies. The Black Country is home to more than 3,000 energy-intensive manufacturing businesses, alongside five Energy Innovation Zones, while Tyseley Energy Park provides 16 acres dedicated to clean technology innovation. Combined with more than 50 accelerators and innovators across the West Midlands⁵, these assets create opportunities to test solutions with potential customers, strengthen supply chains and deploy technologies in demanding industrial settings.



³ West Midlands Combined Authority, *CleanTech Challenges and Opportunities*.

⁴ Analysis of Beahurst data by Henham Strategy for UK Private Capital. The majority of firms captured were VC investments, but there may be a small percentage of PE.

⁵ West Midlands Growth Company, *CleanTech*.



Sector deep dive cont.

Targeted programmes are showing how public support can crowd in private capital and accelerate commercial progress. By 2024, the Clean Futures Accelerator had helped West Midlands SMEs secure £2.6 million of R&D funding, alongside £1.3 million in matched private investment⁶. This combination of early de-risking and investor backing can give clean technology companies the confidence and resources to complete trials, demonstrate performance and prepare for their first commercial deployments.

Private capital is therefore important to the next phase of the West Midlands' clean technology growth. The greatest funding gap often emerges as companies move beyond research into manufacturing, trials and first deployment, when capital requirements rise but technologies may not yet meet conventional lending criteria. Investors can bridge this gap with patient finance, strategic expertise, commercial networks and the discipline needed to turn proven innovations into scalable businesses.

There are already signs that this pathway is working. Tyseley Energy Park-based Hygen has secured project finance from

HSBC UK⁷, demonstrating that West Midlands clean technology projects can attract private finance as their technologies move closer to deployment. Building a stronger pipeline of investable projects will allow more firms to follow this route, moving from grant-supported development and testing towards commercially financed manufacturing and delivery.

Expanding private capital backing can help the West Midlands convert its industrial heritage, research strengths and specialist infrastructure into a nationally significant clean technology cluster. By financing the difficult journey through manufacturing, trials and first deployment, investors can help more businesses commercialise intellectual property, win customers and scale production. The prize is not only stronger returns from high-potential technologies, but also productive jobs, more competitive industry and a durable regional contribution to the UK's transition to a low-carbon economy.

⁶ Catapult, *Clean Futures powers commercialisation for West Mids innovators.*

⁷ Hydrogen Monitor, *Hygen Secures Multi-Million Pound Investment from HSBC UK for Green Hydrogen Expansion.*



Spinouts

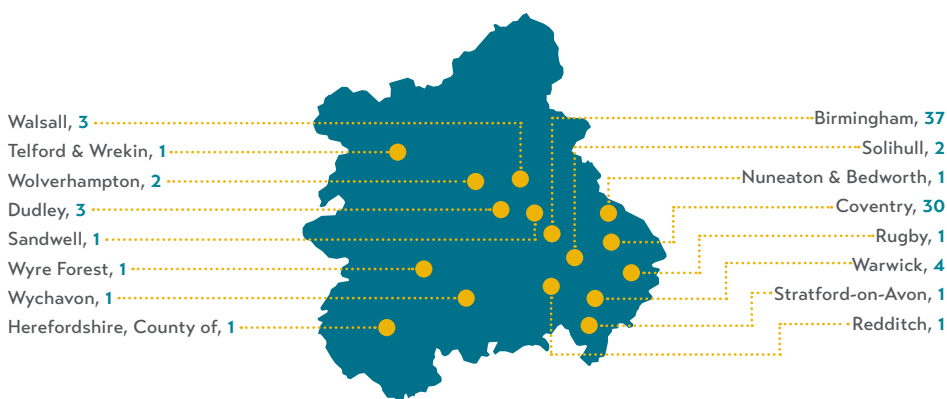
Spinouts are increasingly driving regional growth and attracting venture capital investment.

Spinouts play a crucial role in R&D commercialisation of cutting-edge technology, particularly in high growth sectors such as deep-tech or biotechnology.

Boasting a tight cluster of world leading universities like the University of Birmingham, University of Warwick, alongside Coventry and Aston Universities, the West Midlands is well placed to continue to benefit from a wide range of spinout businesses. Data from Beauhurst shows that the West Midlands has **90 spinouts**. The largest proportion (37) of these are located in Birmingham, with Coventry close behind (30), with the rest spread across the region's Local Authorities.

The innovative businesses that come from university spinouts often seek support from venture capital in order to continue their growth trajectory. In 2025 alone, 42 businesses in the West Midlands attracted venture capital investment, totalling some £79m invested.

Active spinouts by Local Authority⁸



⁸ Data provided by Beauhurst directly to UK Private Capital, April 2026.

⁹ Coventry University also had 16 spinouts with Aston having 15, and Wolverhampton 3.



Spinouts cont.

West Midlands Universities by currently active number of spinouts⁹



UNIVERSITY OF
BIRMINGHAM

21 Spinouts



University of Birmingham continues to strengthen its position as a leading source of university spinouts, supported by a broad research base and dedicated commercialisation infrastructure. University of Birmingham Enterprise works with researchers from invention disclosure and commercial validation through intellectual property protection, licensing, company formation and investment readiness. Its incubation, training and specialist facilities help ventures develop credible propositions across life sciences, advanced materials, clean technology and digital innovation, creating a stronger pipeline of businesses able to attract private capital and scale.

UNIVERSITY
OF WARWICK

18 Spinouts



University of Warwick has built a strong record of turning research into businesses with clear commercial potential. Warwick Innovations supports academics to protect intellectual property, test commercial routes and access proof-of-concept funding, incubation, acceleration and external networks. As part of the wider Warwick Innovation District, it connects founders with the University of Warwick Science Park, the Minerva Business Angel Network, specialist facilities and industry partners. This coordinated support helps spinouts become investment-ready, secure private capital and move promising technologies towards market adoption and scale.



Innovation and R&D

Private capital is already playing a meaningful role in converting the West Midlands' research and innovation strengths into scalable, investable businesses.

Venture capital investors are backing a pipeline of high-potential companies, shown by the fact that over two thirds (69%) of backed clean technology businesses and over half (51%) of digital & technology firms in the region explicitly using private capital for Research & Development purposes¹⁰.

Evidence on innovation outcomes highlights the strength of private capital-backed businesses in the West Midlands. Businesses backed by venture capital in the region are **2.7x more likely to also hold a patent than non-backed peers**¹¹. This underscores the role of long-term capital in supporting R&D activity, intellectual property development and the commercialisation of new technologies.

¹⁰ Analysis of Beahurst data by Henham Strategy for UK Private Capital. The majority of firms captured were VC investments, but there may be a small percentage of PE.

¹¹ *Ibid.*



Innovate
UK

Business
Connect



Innovate UK Business Connect is the home of the UK's innovation networks, connecting businesses, researchers, investors and partners to accelerate innovation. As a strategic delivery partner to Innovate UK, part of UK Research and Innovation (UKRI), it combines data, insight and sector expertise to connect people and opportunities, helping ideas move from concept to scale. It works with private investors to increase investment in high-potential UK innovation, helping to bridge regional and sector funding gaps by connecting public and private investors with emerging growth opportunities. Through a network of early and late-stage investors, public organisations and private investment communities across the UK and internationally, Innovate UK Business Connect helps investors identify opportunities, share funding risk, navigate the innovation ecosystem and connect with businesses at every stage of growth.



Private capital and productivity

The UK has a long-established productivity challenge. Over time, output per worker and per hour has grown more slowly than in many comparable economies, leaving the UK with a persistent gap that constrains wage growth, living standards and the sustainability of public finances.

Productivity performance is also uneven across the UK: London's output per hour worked is 28.5% above the UK average and the South East is 7.7% above, while all other nations and regions are below. The West Midlands sits at the lower end of this distribution, with output per hour worked 14.8% below the UK average¹². And since 2019, output per hour worked has grown by only 0.5%¹³, the lowest growth in productivity of all of the nations and regions outside of London.

Improving firm-level productivity is an area where private capital has a proven track record and can offer lessons to the wider business population. Analysis of published academic studies by Public First found that private capital-backed businesses increase their productivity by 1.1% per year more than the business population as a whole¹⁴. This reflects

a central feature of the industry's active ownership model – a focus on management capability, good governance and adopting technology to enhance business operations.



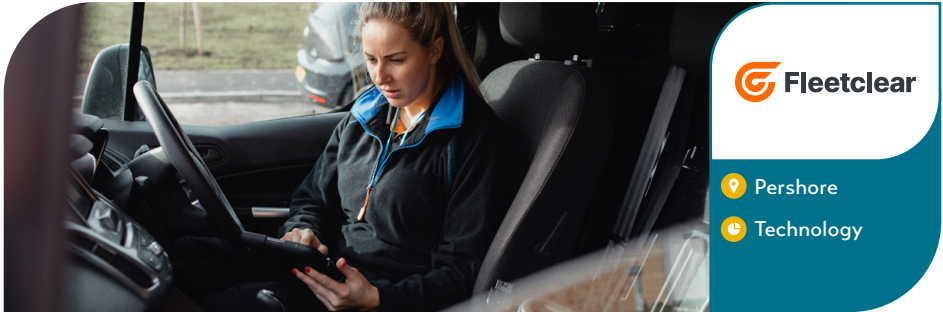
¹² Office for National Statistics, *Regional and subregional labour productivity, UK: 2023*.

¹³ *Ibid*.

¹⁴ Public First, *Private capital and the UK's productivity gap, 2025*.



Case study: Fleetclear



Fleetclear

Backed by YFM

Based in Pershore and founded in 2009, Fleetclear develops intelligent technology that helps make roads, public spaces and essential services safer and more efficient. Its solutions combine vehicle safety, telematics and AI-powered vision systems to support organisations operating across waste management, local authorities and commercial fleets.

YFM chose to invest into the company in 2020 because of Fleetclear's technical expertise, strong management team and the growing demand for intelligent fleet and road safety solutions.

Their investment has supported Fleetclear as it continues to innovate, grow and develop. This includes supporting the launch of LiveLane, an AI-powered safety system that warns roadside operatives of approaching vehicles, and the launch of StreetVision, an AI-powered platform designed to transform existing vehicle camera footage into a valuable source of safety, operational and environmental intelligence.

These innovations build on the company's strong reputation for using technology to solve real operational challenges.

Case study: Kallik



KALLIK

 Birmingham

 Technology

Kallik

Backed by FPE

Kallik is a leading UK provider of Labelling and Artwork Management software for regulated, high-consequence global markets including medical devices, life sciences, chemicals and cosmetics.

Its Veraciti platform helps some of the world's largest businesses manage the creation, review, approval and production of labels and packaging, reducing regulatory, reputational and financial risk. Kallik has grown significantly in recent years, expanding its recurring revenues and customer base, moving into new sectors and investing in the technology and people needed to support global enterprise customers.

FPE invested in Kallik in 2019, supporting the business as it has scaled through investment in leadership and talent, product and technology, and its go-to-market capabilities. This has included strengthening the senior team, significant investment to modernise the Veraciti platform and accelerate product development, and building out Kallik's sales, account management and marketing capabilities. Investment in new functionality, including AI-enabled technology, has also supported Kallik's expansion beyond its core markets into new sectors. Together, these investments have positioned Kallik well for its next stage of growth.



Case study: Pace Group



Pace Group

Backed by LDC

Based in the West Midlands, Pace Group is a dynamic and rapidly scaling lift maintenance and repair specialist leading consolidation across the UK elevator services market.

Today, the Pace Group delivers comprehensive solutions spanning lift maintenance and repair, escalator services, modernisation and refurbishment, LOLER inspections, and stairlift servicing across commercial, residential, healthcare, retail, heritage, and infrastructure sectors. Their growth from a single £1 million business to a £32 million multi-brand operation in less than a decade is testament to their entrepreneurial acumen, operational excellence, and strategic vision.

Since LDC's backing, Scott and Lukas with their outstanding team, have completed twenty complementary acquisitions in under two years, growing revenue by 65 percent and projecting figures of £40 million for 2026. The strategic partnership has proven transformative, enabling the founders to execute their consolidation strategy at pace while accessing the financial resources, governance expertise, and network that only institutional backing can provide.



The investment ecosystem: Recommendations

The private capital landscape in the West Midlands has evolved significantly over recent years. The region has seven private capital firms headquartered there, playing a vital role in attracting investment into dynamic businesses throughout the area.

The private capital landscape in the West Midlands has evolved significantly over recent years. The region has seven private capital firms headquartered there, playing a vital role in attracting investment into dynamic businesses throughout the area.

University Spinouts

The UK's world-class universities have a history of producing innovative companies, and there has been good progress in terms of the number of spinouts generated and the amount invested, with the UK now producing a similar number of spinouts per capita to the US. Over the past decade, average university equity stakes have fallen from 25% to around 16%, which can be attributed to progress following the 2023 Independent Review of Spinouts.

However, the UK still falls behind in supporting spin-outs to commercialise and raise external funding. Further, speculation about a clawback mechanism for funding provided to spinouts by UKRI or other government institutions is concerning and risks weakening the ecosystem. UK Private Capital recommends scaling those programmes that are already delivering

impact and welcomed the substantial increases in the Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT) limits. However, the reduction in income tax relief from 30% to 20% for VCTs is a concern, as it could lead to a decline in fundraising which will potentially impact high growth and high-risk investments.



The investment ecosystem: Recommendations cont.

Local Government Pension Schemes (LGPS) and Pensions Reform

The UK pension landscape is one of the largest in the world, but underinvests in domestic private capital funds. UK Private Capital analysis has shown that, on average, foreign pension funds invest approximately 16 times more into UK-managed funds than domestic pension funds. The LGPS funds and pools are well placed to support regional growth opportunities, and have a strong track record of doing so. As the LGPS landscape evolves and consolidates, UK Private Capital calls to ensure LGPS pooling supports regional growth, a diverse private capital ecosystem, and promotes innovative investment models. The Government's steps to reform the DC pension sector are welcome, but more must be done to ensure savers can benefit from innovative businesses like those in the West Midlands, in the same way as those in other countries currently do. UK Private Capital is calling for DC pension funds to support growth through private capital investment.

British Business Bank

The British Business Bank (BBB) plays a significant role in supporting regional and growth funding in the venture capital ecosystem and the pensions and growth agenda. The BBB must ensure it catalyses

competitive investment ecosystems across the UK, both through its regional angel funds, regional funds and wider programmes. The Bank is now able to invest in lower mid-market private equity funds focused on backing SMEs, with a preference for regionally focused funds and those focused on Industrial Strategy sectors, especially after the launch of the British Growth Partnership fund-of-funds structure and the UK Scale-Up Fund. The Government should continue to support this approach as part of wider efforts to address the UK's scale-up funding gap and support growth across the nations and regions. To do this, it is vital that the BBB has sufficient funding over the next five years.

Investment Signals

While the West Midlands Combined Authority identifies private equity and venture capital as tools for crowding in international investment, there is an opportunity to give these forms of finance a more prominent role in the region's investment strategy. Clearer signals about priority sectors and investable opportunities and visible public-sector support for private capital could help build investor confidence and attract more long-term funding into the region. Local government can reinforce this by improving understanding of private equity among SMEs seeking growth capital and by creating a more coherent route for investors to engage with the West Midlands.



The investment ecosystem: Recommendations cont.

Skills and Talent

Both domestic and international skills shortages remain a persistent barrier to growth for businesses, and businesses across the nations and regions of the UK have access to the skilled workforce they need to generate growth. UK Private Capital recommends that the UK visa system should be modernised to introduce a more efficient, user-friendly process for high-skilled visa routes, and introduce specialist visas for sectors critical to national security and innovation, aligned with the UK's Industrial Strategy. To close domestic skills gaps, the Government should also improve regional skills infrastructure, in partnership with industry and Skills England. This means promoting STEM and enterprise education, skills training programmes that focus on the West Midlands' sectoral strengths, and investing in universities, Further Education colleges and Institutes of Technology as anchors for regional workforce development.

Regulatory Barriers

Private capital is a key driver of growth and productivity in strategic sectors like advanced manufacturing, energy, digital technology, and life sciences. Yet, this potential is often constrained by a regulatory environment that is outdated, duplicative, and slow. For the UK to compete globally and attract more of the £207 billion in deployable capital held by UK-led private

funds, regulation must evolve from a brake on investment to a bridge for economic growth. UK Private Capital recommends that the Government ensure the UK's regulatory and competition institutions across all growth-driving sectors maximise the private equity and venture capital industry's ability to invest in businesses of all sizes. This means delivering predictable, pro-innovation regulation that establishes stable frameworks so that investors can plan with confidence.

Planning and Infrastructure

A place-based approach to economic growth requires transport, energy, digital and commercial infrastructure that enables businesses to start, scale and succeed across all parts of the UK. Strengthening these foundations will improve the UK's attractiveness as a destination for private capital, help regions attract private capital, support business expansion and build sustainable innovation clusters. Planning laws need to be changed to make it significantly quicker and easier to build both the facilities and the supporting infrastructure that enable investment and job creation in the UK. To unlock regional growth and investment in the West Midlands, it is essential to modernise local planning through digitising planning systems, increasing capacity, introducing clear approval deadlines, and prioritising transport connectivity, energy networks, digital infrastructure and strategic growth sites.



About UK Private Capital

UK Private Capital (formerly the BVCA) is the association of the UK private capital industry. We represent 600 firms including the wider ecosystem of professional advisers and investors.

Private capital consists of private equity and venture capital which make long-term investments to grow British businesses and build a better economy. Private credit and venture debt provide active and engaged debt finance to businesses.

The private capital industry backs 13,000 UK businesses, nine in 10 of which are small or medium-sized enterprises. Businesses backed by the industry employ 2.5 million people across the UK and contribute 7% to GDP.

In 2025, £25bn was invested by private capital into UK businesses in sectors across the UK economy, ranging from consumer products to emerging technology.

This increased investment has fuelled the growth of businesses across the UK, with 6 in 10 (57%) of companies backed by the industry in 2025 being outside of London. These investments are long-term, with an average investment period of six years, in contrast to less than a year in public markets.

UK-based private capital specialists have raised £207bn of funds, known as dry powder, which is expected to be invested over the next three to five years.

ukprivatecapital.co.uk

