

TOP 10 TIPS FOR RAISING GROWTH CAPITAL

Our research shows that 180 British businesses raised £927 million of growth capital in the first quarter of 2020. Of those 180 deals, almost a fifth involved investment into createch companies, proving that the tech behind Britain’s creative industries continues to be popular with growth capital investors.

Here are our top tips for businesses looking to raise funds:

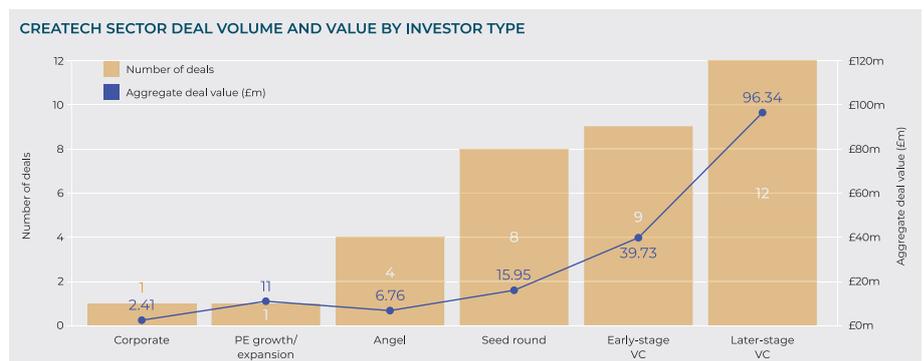
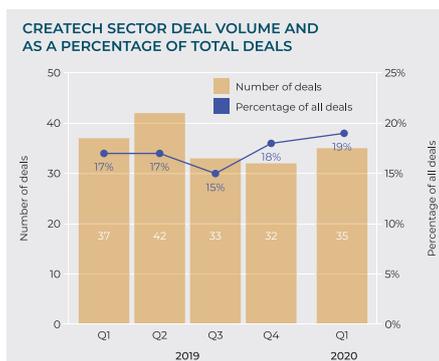
1. Look for “Smart Money” where the investor can provide you with funds as well as valuable and useful expertise and connections which complement the skillsets already in your business.
2. Approach investors whose specific criteria matches your current position and goals (e.g. don’t try raising £2 million from KKR). The venture capital community will generally be looking for run-rate revenues of at least £1 million.
3. Make sure you are armed with all the relevant data. Potential investors will lose interest quickly if up-to-date financials, KPIs and forecast information can’t be provided.
4. PE houses aim to achieve three times their investment within three to five years. Clearly define opportunities for growth and exit strategies in your pitch.
5. Venture capital reliefs such as SEIS and EIS can be a good way to raise capital. But, the rules are complex and tax advice should be sought before using any of these.
6. Make sure your investment decks flows, tells the story and demonstrates how your business provides the solution to a problem.
7. Treat every investor as a generalist – educate them on your view of the market and competition.
8. Consider all your options. Equity is not the only solution, debt can provide a less time consuming and cheaper alternative to bridge the funding gap between equity rounds.
9. R&D tax relief can provide repayable credits for an early stage business that is yet to become profitable, improving cash flow. Seek advice to ensure you have maximised your claim.
10. Work with advisers and investors you like and trust – it will be both a challenging and exciting journey.

GROWTH CAPITAL UPDATE

Our quarterly report analyses mid-market range transactions in which UK Createch private companies have raised £1 million to £20 million of growth equity capital.

The total amount of growth capital raised by createch businesses in Q1 2020 was £172 million, with an average deal size of £4.92 million. This compares reasonably favourably with the final two quarters of last year, where the average was £4.75 million in Q3 2019 and £4.95 million in Q4.

Read more in our latest report [here](#).



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OUR GROWTH CAPITAL SERVICES

We raise growth capital for private companies, typically with revenues in excess of £1 million, from our network of institutions. This network comprises leading VCT and EIS fund managers and private equity and mezzanine providers with a focus on growth capital. It also includes consortiums of high net worth individuals with institutional backgrounds and investment criteria.

We assist with the development of the investment proposition and we market and present the opportunity to selected investors. We then project manage the transaction to conclusion. Our focus is on delivering the best available deal and funding partner to companies while providing active institutions with quality transaction flow.

For more information or to discuss capital raising opportunities, please contact us.

RECENT PROJECTS

<p>Social Media</p> <p>Growth Capital Fundraise</p>  <p>Lead Adviser</p>	<p>Technology</p> <p>Growth Capital Fundraising</p>  <p>Lead Adviser</p>	<p>Technology</p> <p>Investment by Foresight Group in Spektrix Ltd</p>  <p>Due Diligence</p>
<p>Technology</p> <p>Growth Capital Fundraising</p>  <p>Lead Adviser</p>	<p>Healthtech</p> <p>Growth Capital Fundraising</p>  <p>Lead Adviser</p>	<p>Media Technology</p> <p>Growth Capital Fundraising</p>  <p>Financial Adviser</p>

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