

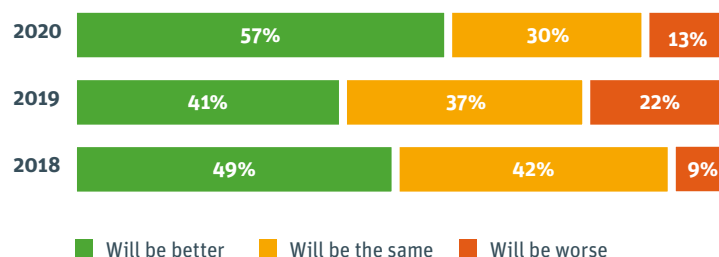
# Will Brexit mean business as usual for startups?

With an exit finally certain, startups are more optimistic about business conditions than in recent years. But they clearly think that leaving the EU will come with a negative cost – notably that it will add to already difficult hiring challenges in a globally competitive market.

## Confidence bounces back

Startup confidence in business conditions for the coming year is back at the level it was before the June 2016 Brexit vote (58%). For 2020, 57% of UK startups expect improving conditions.

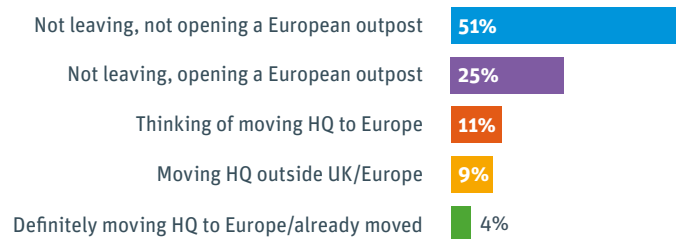
Describe your outlook for business conditions for your company in the coming year.



## Many startups are considering an outpost or HQ outside UK

One-quarter of UK startups say they are opening an outpost in Europe, or are at least considering it. What's more, 13% are moving their headquarters (HQ) – or already have – outside the UK, and another 11% are thinking about it.

In light of Brexit, I'm:



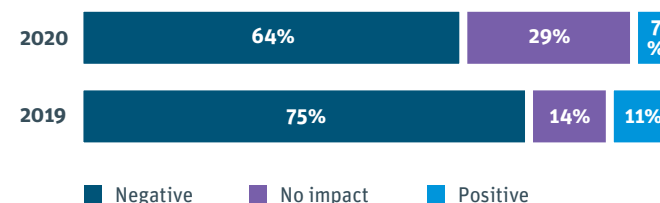
## Almost two-thirds predict a negative Brexit impact

# 64%

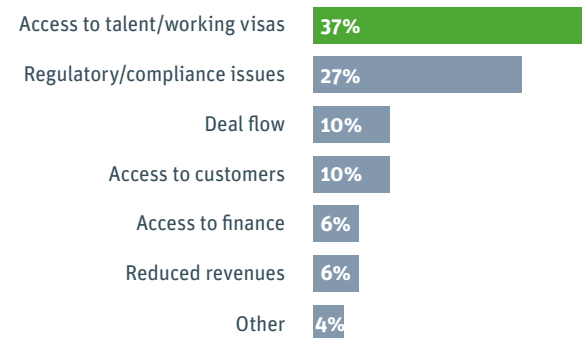
of UK startups are concerned that as new Brexit rules take hold, their businesses will see a negative impact.

Nearly one-third predict that there will be no impact on their business, compared with just 14% who said the same a year ago.

The impact of Brexit on your business will be:



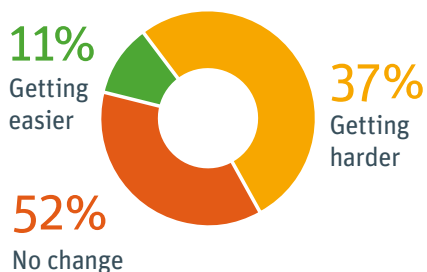
If negative, what do you expect the biggest impact to be?



## Half of UK startups say fundraising is stable

While raising capital is easier for only a few, half of startups say they see no change in the overall fundraising environment. Asked specifically about access to international capital, 47% say access remains unchanged, while 32% say it is getting harder.

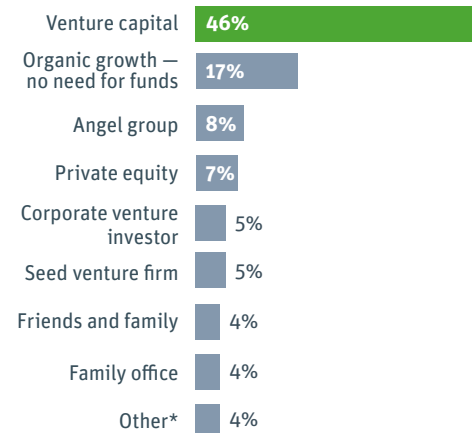
What is your view of the current fundraising environment for companies like yours?



## Venture capital remains the top source of capital

Startups are continuing to rely on venture capital as their go-to source. Many UK and European companies are seeing growing interest from US and Asian VC firms that are raising large, globally focused funds.

What do you expect your next source of funding to be?

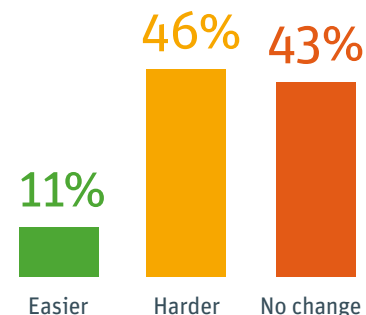


## Startups brace for post-Brexit race for talent

86% of startups are planning to hire.

Nearly half of startups report that finding employees is getting harder — and that's before the full impact of Brexit becomes clear with regard to hiring skilled immigrant workers. In fact, 79% of startups say access to talent is their top public policy issue, followed by international trade at 45%. Startups are most often seeking product development and R&D skills.

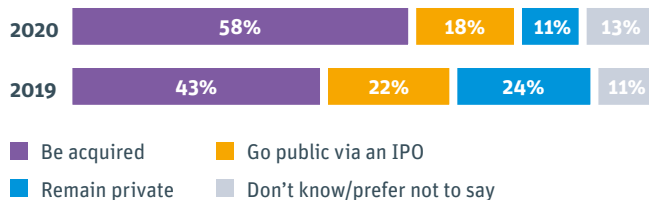
How would you describe the hiring environment compared with last year?



## More startups plan for an acquisition

A growing number of UK startups expect to be acquired, while fewer say their exit goal is to remain private.

What is your realistic long-term goal?



## Are women making it into UK startup leadership?

While initiatives to increase the number of female tech leaders are growing, these findings underscore that there is a large gap to close before reaching gender parity.

44% have at least one female C-suite executive

43% have at least one female board member

## How are ethnic and racial minorities represented in UK startup leadership?

For the first time, we asked startups in the UK about ethnic and racial minorities\*\* in leadership positions.

26% have at least one C-suite executive who is ethnically or racially diverse

36% have at least one board member who is ethnically or racially diverse

\* Other includes bank debt and unspecified sources.

\*\* Ethnic and racial minorities are defined as Black/African/Caribbean or Asian.

For further information please refer to the SVB 2020 Global Startup Outlook Report at [www.svb.com/startup-outlook-report-2020](http://www.svb.com/startup-outlook-report-2020). Number of UK startup respondents was 76 (Public Survey).

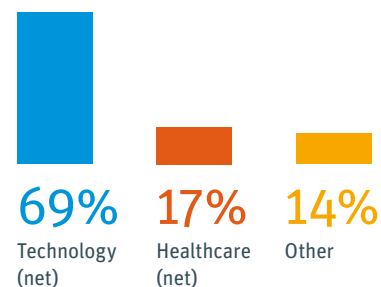
# About the Startup Outlook Survey

Our annual survey offers insights into what is on the minds of technology and healthcare startup leaders. For the 2020 report, we conducted the survey in October and November 2019 and received responses from startup executives in innovation hubs primarily in the **US**, the **UK**, **Canada** and **China**.

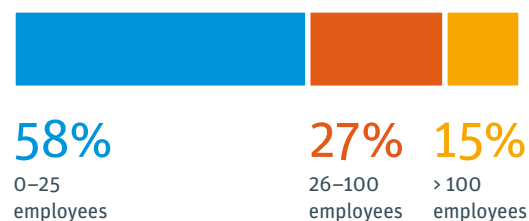
## Total respondents

1,100

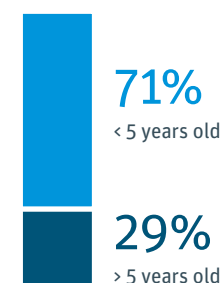
## Industry sector



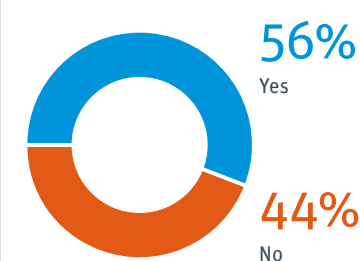
## Size



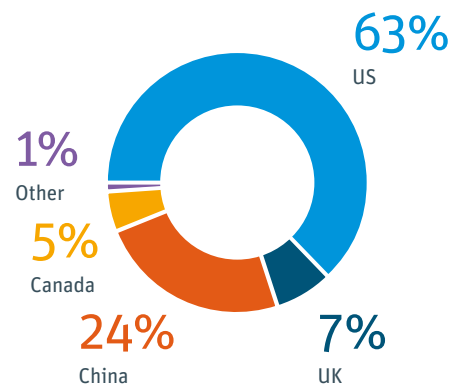
## Company age



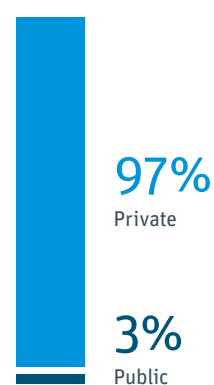
## Profitable



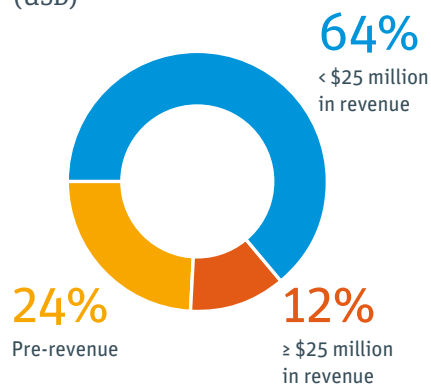
## Primary place of business



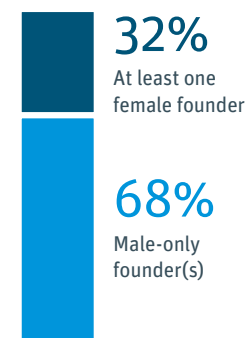
## Ownership



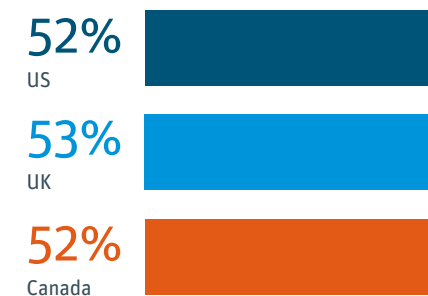
## Revenue stage (USD)



## Founder gender



## Companies with at least one founder born outside their primary country



For further information please refer to the SVB 2020 Global Startup Outlook Report at [www.svb.com/startup-outlook-report-2020](http://www.svb.com/startup-outlook-report-2020). Number of UK startup respondents was 76 (Public Survey).

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