

# Healthtech and edtech have raised the most money during COVID

*New data compiled by SeedLegals reveals the impact of the coronavirus on the UK's startup economy. It highlights the sectors that have secured investment the most, with healthcare and edtech leading the way. Anthony Rose, founder & CEO of SeedLegals, the largest funding platform in Europe, gives insights on the findings.*

Temps de lecture : minute

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Conducted from March to 29 July, these findings show that the number of individual investors fell significantly in April by 34%, but steadily increased from May onwards. June 2020 recorded the highest number of individual investments in the previous 18 months.

With more than 15,000 startups on the platform, raising more than £300M, SeedLegals is the largest closer of funding rounds in the UK, giving the business unique insight into funding round patterns.

*“The Coronavirus pandemic has impacted almost every business and industry around the world, and whilst there have been many success stories, there have also been many casualties. Whilst this has been challenging for all businesses, startups have the added pressure of needing to continue to scale*

*their business, whilst adapting to an ever-changing landscape. However, in the face of adversity, it seems entrepreneurs and business leaders are doing what they do best and innovating, and despite the current global economic uncertainty, the sentiment for early-stage investing remains buoyant.” - Anthony Rose, co-founder of SeedLegals*

## Health and edtech surge while the hospitality industry slumps further

Across the 20 sectors that SeedLegals operates in, data reveals that some sectors experienced a significant increase in investors during COVID-19, especially the health and edtech sectors.

Healthcare saw a large jump of over 600% in individual investments in May and June (compared to April), with edtech increasing by 1,700% in June (when compared to the previous month).

It's a similar story for ventures in the manufacturing, fintech and artificial intelligence industries, which shot up 262%, 339% and 392% respectively in June compared to figures in May.

The food industry, however, has dropped consequently. The number of individual investments was significantly down by more than 60% in both April and May. Although they increased in June increased slightly, it remained at its lowest level for over a year (apart from April 2020).

*“There is clearly a lot of volatility across the different sectors at the moment, and while it may be a little early to predict a faster-than-expected recovery for some industries, it’s safe to say that an increase in investors is good news for the UK’s startup economy.”*

## Valuations haven’t halved and existing shareholders are not having to step in

Despite rumours of valuations halving, this is not supported by SeedLegals’ data and there’s been no significant change in valuations over the period. Data proved that investors are not pulling out of deals and leaving existing investors to step in to keep their portfolio companies afloat as investment from existing investors remains around the historic average of 25%.

While most funding round statistics use Companies House data, SeedLegals is able to provide data on rounds in progress, as well as patterns of investors being added and removed to rounds in the months or weeks leading up to the round closing.



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