

QUARTERLY BUSINESS REVIEW

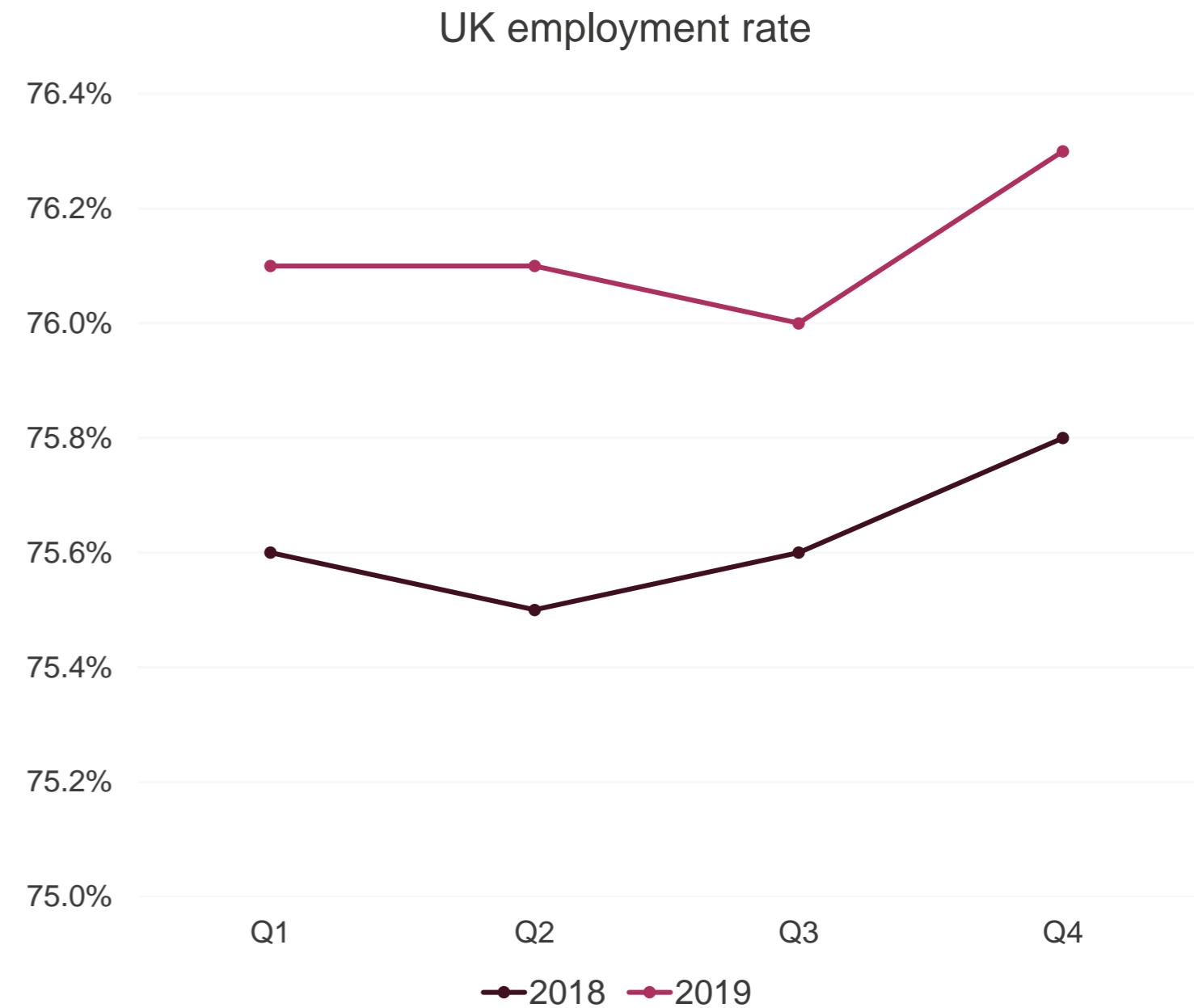
October – December

Powering the future of STEM

20
19

UK Employment & Labour Market Insight

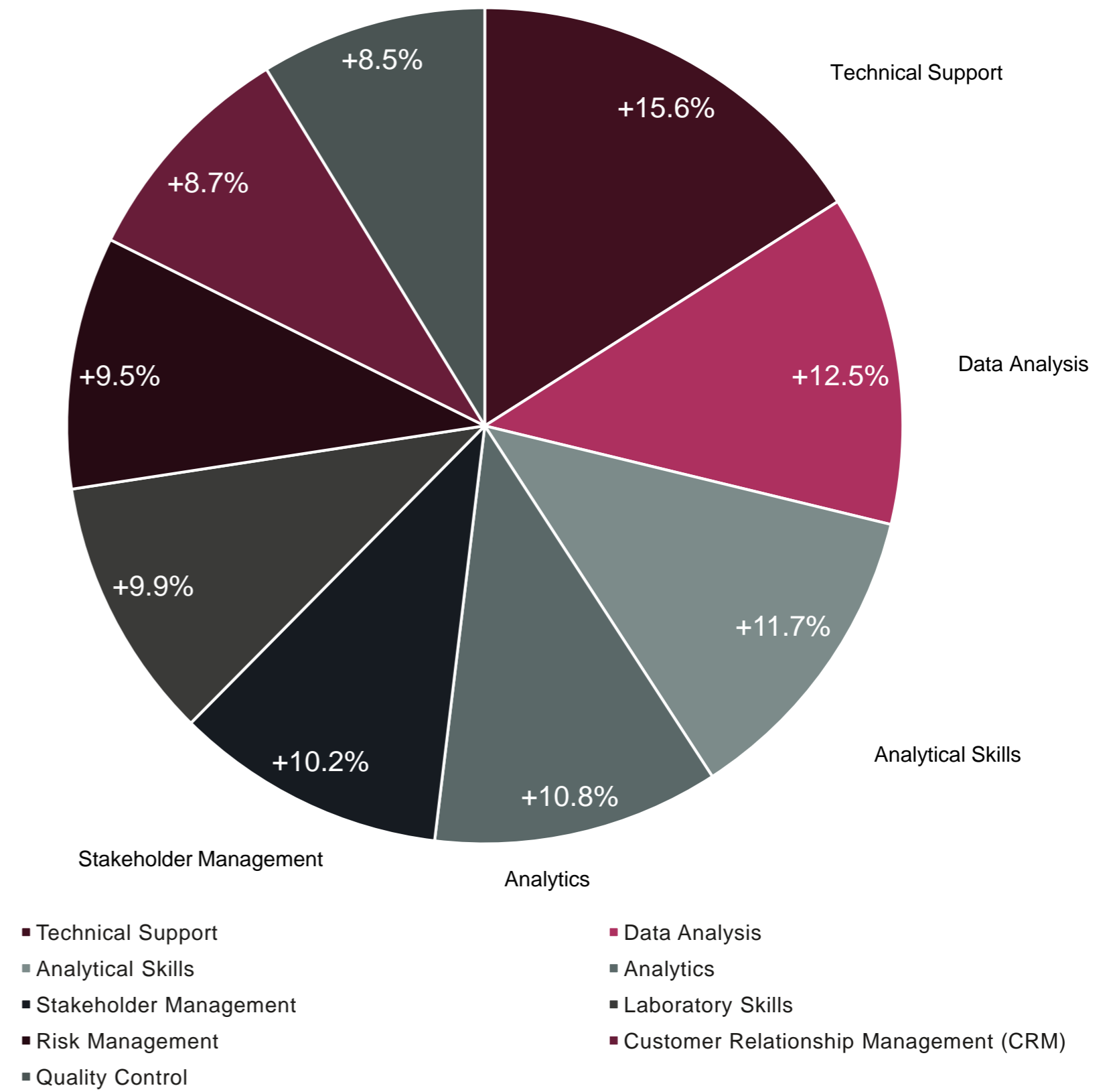
- UK employment rate remains at a record high of 76.3%, up 0.6% yoy but matching previous quarter
- There were 805,000 vacancies: 11,000 fewer than the previous quarter and 49,000 fewer yoy
- Overall inactivity rate for people aged between 16 and 64 years was a record low of 20.6%, down 0.4% yoy
- The number of vacancies in the UK has been falling since early 2019 but remains very high in historical terms (last 20 years), above 800,000
- The national living wage is to rise by 6.2%, taking hourly pay for over 25s to £8.72 from April 2020



Life Sciences Overview

- 240,000 professionals in the UK
- Historically industrial revolutions have favoured companies that embrace the new skill sets required. The 4th industrial revolution requires digital and data skills
- Skill sets will need to be brought in from other industries and high quality training for re-skilling should now become standard
- A number of funding opportunities has seen a 50% growth in life science start ups based around the UK life science hubs
- Skills set for precision medicine are highly desirable. Patient-centricity agendas have helped to drive this area of research into a growing trend for 2020

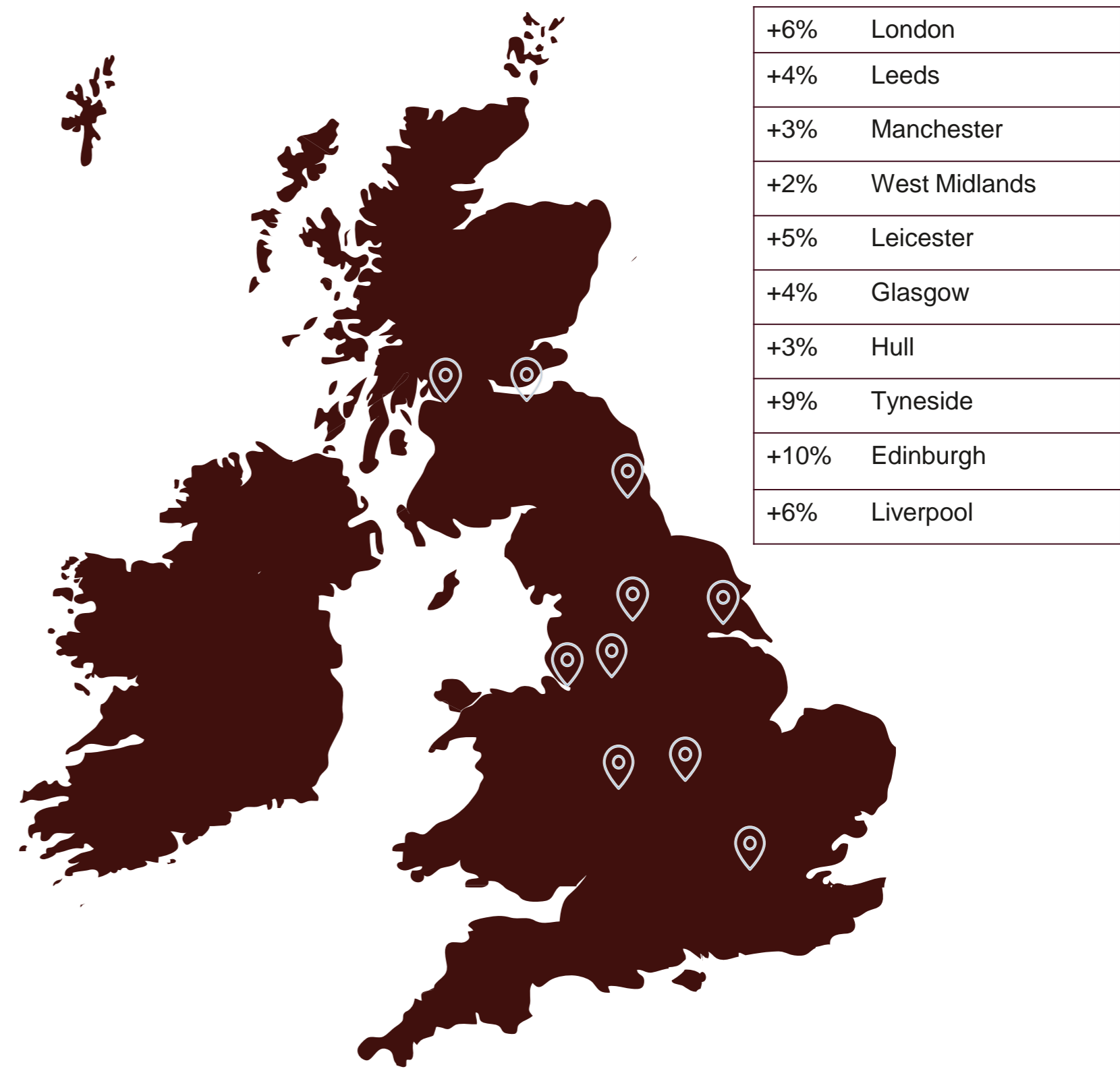
Top Growing Skill sets for Life Sciences - 1y % growth



FMCG Overview

- An estimated 3.3% increase of professionals in the UK yoy
- Investment in new tech and skills has increased 3% from Q3
- 5/10 of fastest growing skills in the sector are coding and programming languages
- Manufacturing output has jumped from 4% to 11% in Q4
- Employment intentions for the industry remained stable at 6% after four quarters of decline
- 4% of respondents to a Food and Drink Federation survey stated temporary workforce was to reduce costs. The main need was for seasonal work or short-term projects
- The increasing shift towards greener energy and eco-friendly products requires increased funding towards numerous areas of product lifecycle:
 - Smaller carbon footprint from transport
 - Biodegradable/recyclable packaging
 - Fewer animal based products

Growth in talent pool for top 10 workforce spots





UK life science sector ready for the future

INDUSTRY TRENDS



- Tech focused: Digital health is now the largest MedTech segment in UK
- UK global top 3 for unicorn companies (worth £1b+) in 2019: e.g. HealthTech firm Babylon Health
- The future is green: European meat-free market is forecast to grow to €2.4bn by 2025 from €1.5bn in 2018, holding 40% of the global market

ECONOMICS



- The British Business Bank have committed to a STEM development scale-up programme worth £600m
- Inward investment to the UK AI sector has increased by 17% yoy, more than all of Europe combined
- £250m provided to set up of National Artificial Intelligence Lab

WORKFORCE



- Broadening STEM education: £1.5 injection into Advanced Therapies Apprenticeship Community schemes
- Founding of the National Artificial Intelligence Lab to train for and support development and deployment of AI in STEM
- A government and industry's Science Industry Partnership report will be released in 2020 to highlight and develop a 'key skill' strategy to focus on future needs