



UNITED KINGDOM AND REPUBLIC OF IRELAND M&A REVIEW

EXPERIAN MARKETIQ: YTD 2023



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“The slowdown in UK and Irish M&A that took hold in the second half of 2022 has persisted deep into 2023, as companies adjust to headwinds driven by inflation and escalating interest rates inflate the cost of financing deals. However, a silver lining has emerged in the form of a resilient small deals market, and we’ve seen both corporate and private equity buyers still prove keen to deploy mounting cash reserves in this area. Meanwhile, ARM’s multi-billion New York flotation was among the largest ever launched by a UK business, and while the UK IPO market remains subdued, a recent uptick in the US raises hopes that a domestic recovery could follow next year.

With M&A activity remaining a strategic priority for businesses, and the need for technological transformation still high on the agenda, the final quarter could see a welcome acceleration of deal volume. As conditions stabilise, the resilience and adaptability the market has demonstrated in recent years bodes well for a return to growth in Q4. “

Jane Turner
Research Manager, Experian MarketIQ

UNITED KINGDOM M&A ACTIVITY

As the final quarter of 2023 looms, the challenging environment that has cloaked the M&A market for much of the year continues to manifest in another quarter of subdued activity.

The UK has recorded 4,493 deals in the year to date, representing a decline of just over 19% in comparison to the previous year, as fears of recession and rising interest rates continued to shroud the economy. Overall values stood at £135bn, a 29% year on year decline, although the last two quarters have both seen an upward trend in valuations. Activity at the lower end of the market remained brisk, with the 948 deals recorded this year representing a decline of 14% on last year in both volume and value terms. Deals in the mid-market range were slightly more squeezed, with a decrease of 30% and 35% respectively in volume and value. Big-ticket mega deals were down by a quarter – 28 such deals with a value of £73bn have been announced this year – compared to 37 worth £101bn last year. With interest rates appearing to be reaching their peak, the final quarter of 2023 and into 2024 could very well see a much needed pick up in M&A activity.

UK M&A volume was at

4,493

transactions in the year to date, a decline of **19%**



26%

of deals were funded by private equity



Manufacturing M&A increased by

34%

in value

Headline Deals

Q3 saw the announcement of three of the UK's largest deals in the year to date, including the buy-out by GTCR of a majority stake in London-headquartered WorldPay, a payment processing business, for £10.2bn. On completion, GTCR will hold 55% of the business, with incumbent owner Fidelity National holding the remaining 45%. Capri Holdings, with its executive offices in London, the luxury fashion group which counts Versace, Jimmy Choo and Michael Kors amongst its brands, was acquired by US-based Tapestry, which owns Coach, Kate Spade New York and Stuart Weitzman, for £6.6bn. The all cash-offer, which unites six iconic brands, is expected to

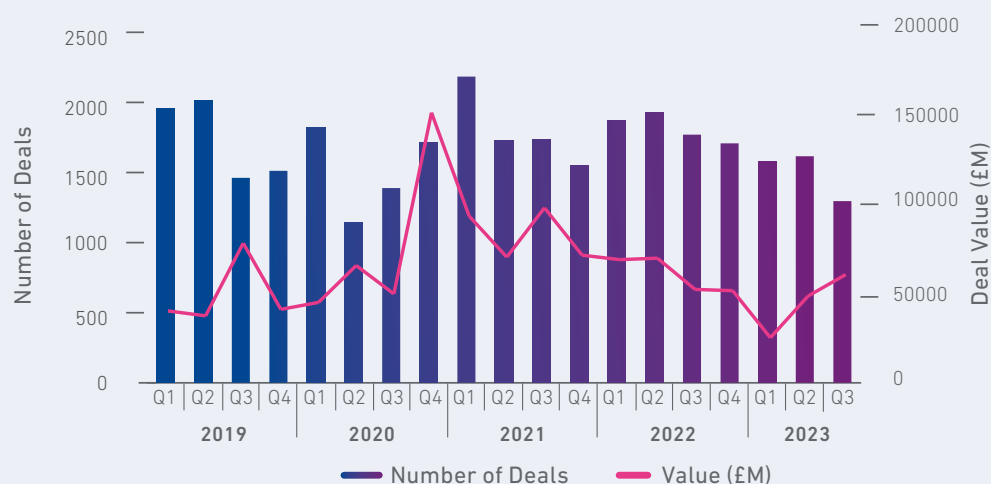
close next year. Elsewhere, Cambridge-based Abcam, a global supplier of protein consumables, agreed to a £4.5bn offer from Danaher of the US. The offer was agreed at a price of \$24 per share in cash, after negotiations started at \$20.50 per share. Abcam will operate as a stand-alone company on completion of the deal.

Industry

With M&A activity in decline across the majority of industry sectors, valuations in the manufacturing and wholesale and retail sectors saw a welcome rise. Manufacturing recorded a total of 953 deals, a drop of 18% on last year, but values increased by 34%, with the rise attributed to in part by a flurry of mega deals in the sector, including the acquisition of luxury fashion group Capri Holdings, the acquisition by Danaher of Abcam, and the take private of Dechra by an EQT owned vehicle. Valuations in the wholesale and retail sector were boosted by 147%, whilst a handful of other industries including mining and quarrying, and transport also reported elevated prices. A number of deals in the software sector by Dye & Durham helped the UK's increasingly attractive technology sector retain its position as the leading source of UK deal activity, whilst acquisition hungry RSK Group's 25 deals helped towards securing the professional services sector as second most active.

Funding

Private equity provided capital in respect of 26% of all UK deals in the year to date, with a total of 1,166 deals funded this way. This was a decline in volume terms of just under 20% on last year, with the total value of deals tumbling by 33%. Business Growth Fund was by some way the most active investor in UK businesses so far this year, with 45 deals, followed by Foresight Group and LDC. Meanwhile, the volume of deals funded by bank debt fell as the debt burden becomes more expensive to service due to higher borrowing rates. There was a 17% decline in volume and a 22% drop in value in deals funded this way. Traditional lender HSBC led the way, with a total of 42 deals, followed by alternative lenders ThinCats with 32 qualifying transactions, and SME Capital with 23 deals.



Top ten deals: UK

1

£10.2bn

Date: 06/07/2023

Deal type: IBO

Target: WorldPay Inc,
London HQ

Bidder: GTCR, USA

2

£6.7bn

Date: 10/08/2023

Deal type: Acquisition

Target: Capri Holdings
Ltd, London

Bidder: Tapestry Inc, USA

3

£4.6bn

Date: 28/08/2023

Deal type: Acquisition

Target: Abcam Plc,
Cambridge

Bidder: Danaher Corp,
USA

4

£4.5bn

Date: 13/04/2023

Deal type: IBO

Target: Dechra
Pharmaceuticals Plc,
Northwich

Bidder: Freya Bidco Ltd,
London

5

£4.4bn

Date: 17/08/2023

Deal type: Acquisition

Target: Ball Aerospace,
USA

Bidder: BAE Systems
Plc, London

6

£4.2bn

Date: 13/09/2023

Deal type: IPO

Target: ARM Holdings
Plc, Cambridge

7

£3.8bn

Date: 23/06/2023

Deal type: Acquisition

Target: Neptune Energy
Group Ltd, London

Bidder: ENI SpA, Italy

8

£3.1bn

Date: 28/06/2023

Deal type: Acquisition

Target: Swire Pacific
Holdings Inc, USA

Bidder: John Swire &
Sons Ltd, London

9

£2.8bn

Date: 29/08/2023

Deal type: Acquisition

Bidder: Aviation Finance
Leasing Business of
Standard Chartered Plc,
London

Target: Aircraft Leasing
Company (AviLease),
Saudi Arabia

10

£2.7bn

Date: 15/05/2023

Deal type: Divestment

Target: London Stock
Exchange Group Plc,
London

UK and Ireland deal volume YTD 2023

Click on the
regions for more
information


















UK AND IRELAND M&A BY REGION YTD 2023



Volume

| Region | YTD 2023 | YTD 2022 | % Change |
|---------------------|----------|----------|--|
| Greater London | 1,534 | 2,056 | -25%  |
| South East | 760 | 950 | -20%  |
| Midlands | 680 | 871 | -21%  |
| North West | 574 | 756 | -24%  |
| South West | 340 | 572 | -41%  |
| Yorkshire & Humber | 418 | 471 | -11%  |
| East of England | 421 | 534 | -21%  |
| Scotland | 265 | 352 | -24%  |
| North East | 168 | 284 | -40%  |
| Wales | 199 | 187 | 6%  |
| Northern Ireland | 138 | 185 | -25%  |
| Republic of Ireland | 484 | 600 | -19%  |
| United Kingdom | 4,493 | 5,570 | -19%  |



UK AND IRELAND M&A BY REGION YTD 2023























Value (£m)

| Region | YTD 2023 | YTD 2022 | % Change |
|---------------------|----------|----------|----------|
| Greater London | 97,111 | 120,554 | -19% |
| South East | 9,077 | 28,906 | -68% |
| Midlands | 5,668 | 19,938 | -71% |
| North West | 15,413 | 7,738 | 99% |
| South West | 2,410 | 3,993 | -39% |
| Yorkshire & Humber | 3,473 | 7,377 | -52% |
| East of England | 15,453 | 12,932 | 19% |
| Scotland | 4,912 | 14,970 | -67% |
| North East | 307 | 3,343 | -90% |
| Wales | 798 | 1,326 | -39% |
| Northern Ireland | 346 | 483 | -28% |
| Republic of Ireland | 21,197 | 38,973 | -45% |
| United Kingdom | 135,273 | 191,613 | -29% |

UK DEALS BY INDUSTRY YTD 2023























Volume

| Sector | YTD 2023 | YTD 2022 | % Change |
|---|----------|----------|--|
|  Infocomms | 1,191 | 1,507 | -20%  |
|  Professional services | 1,090 | 1,261 | -13%  |
|  Manufacturing | 953 | 1,159 | -17%  |
|  Wholesale and retail | 812 | 945 | -14%  |
|  Financial services | 655 | 844 | -22%  |
|  Support services | 474 | 643 | -26%  |
|  Construction | 343 | 425 | -19%  |
|  Health | 286 | 427 | -33%  |
|  Real estate | 200 | 319 | -37%  |
|  Transport | 143 | 186 | -23%  |



UK DEALS BY INDUSTRY YTD 2023

 Value (£m)

| Sector | YTD 2023 | YTD 2022 | % Change |
|---|----------|----------|--|
|  Infocomms | 38,004 | 50,160 | -24%  |
|  Professional services | 19,785 | 43,279 | -54%  |
|  Manufacturing | 53,340 | 39,720 | 34%  |
|  Wholesale and retail | 40,840 | 16,568 | 146%  |
|  Financial services | 46,489 | 64,111 | -27%  |
|  Support services | 11,578 | 15,849 | -26%  |
|  Construction | 2,354 | 19,796 | -88%  |
|  Health | 2,686 | 5,190 | -48%  |
|  Real estate | 10,741 | 22,548 | -52%  |
|  Transport | 9,302 | 9,244 | 1%  |





Volume

LEGAL ADVISER RANKINGS

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|--------------------------|--------|
| 1 | ⇅ 2 | HARRISON CLARK RICKERBYS | 169 |
| 2 | ⇅ 1 | SHOOSMITHS | 149 |
| 3 | ⇅ 3 | ADDLESHAW GODDARD | 122 |
| 4 | ⇅ 5 | GATELEY | 91 |
| 5 | ⇅ 7 | EVERSHEDS SUTHERLAND | 86 |
| 6 | ⇅ 11 | FREETHS | 84 |
| 7 | ⇅ 6 | PINSENT MASONS | 77 |
| 8 | ⇅ 10 | MILLS & REEVE | 71 |
| 9 | ⇅ 15 | SQUIRE PATTON BOGGS | 59 |
| 10 | ⇅ 14 | BROWNE JACOBSON | 58 |
| 11 | ⇅ 4 | DLA PIPER | 57 |
| 12 | ⇅ 20 | DWF | 59 |
| 13 | ⇅ 13 | CMS | 59 |
| 14 | ⇅ 21 | HIGGS | 53 |
| 15 | ⇅ 9 | TLT | 50 |
| 16 | ⇅ 8 | WARD HADAWAY | 49 |
| 17 | ⇅ 19 | HILL DICKINSON | 45 |
| 18 | ⇅ 22 | CLARION SOLICITORS | 42 |
| 19 | ⇅ 30 | ASHURST | 41 |
| 20 | ⇅ - | GORDONS | 39 |



Volume

FINANCIAL ADVISER RANKINGS

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|--------------------------|--------|
| 1 | ⇅ 3 | K3 CAPITAL GROUP | 191 |
| 2 | ⇅ 2 | GRANT THORNTON | 148 |
| 3 | ⇅ 4 | RSM | 102 |
| 4 | ⇅ 1 | BDO | 98 |
| 5 | ⇅ 5 | AZETS | 89 |
| 6 | ⇅ 9 | PWC | 68 |
| 7 | ⇅ 8 | KPMG | 60 |
| 8 | ⇅ 11 | PKF | 52 |
| 9 | ⇅ 12 | ALTIUS GROUP | 50 |
| 10 | ⇅ 17 | BENCHMARK INTERNATIONAL | 47 |
| 11 | ⇅ 6 | HAZLEWOODS | 43 |
| 12 | ⇅ 16 | MAZARS | 42 |
| 13 | ⇅ 7 | EY | 37 |
| 14 | ⇅ 15 | NUMIS SECURITIES | 37 |
| 15 | ⇅ 36 | GS VERDE GROUP | 32 |
| 16 | ⇅ 13 | FINNCAP | 31 |
| 17 | ⇅ 22 | ROTHSCHILD & CO | 29 |
| 18 | ⇅ 20 | CENKOS SECURITIES | 29 |
| 19 | ⇅ 26 | CLEARWATER INTERNATIONAL | 28 |
| 20 | ⇅ 14 | FRP ADVISORY TRADING | 27 |

DEBT PROVIDER RANKINGS



Volume

| Current rank | Previous rank | Debt provider | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ↕ 2 | HSBC | 42 |
| 2 | ↕ 1 | THINCATS | 32 |
| 3 | ↕ 5 | SME CAPITAL | 23 |
| 4 | ↕ - | TRIPLE POINT PRIVATE CREDIT | 22 |
| 5 | ↕ 11 | NATWEST | 18 |
| 6 | ↕ 4 | SHAWBROOK BANK | 17 |
| 7 | ↕ 26 | DEVELOPMENT BANK OF WALES | 12 |
| 8 | ↕ 3 | LLOYDS BANKING GROUP | 10 |
| 9 | ↕ - | NPIF – MERCIA DEBT FINANCE | 8 |
| 10 | ↕ 13 | BARCLAYS BANK | 7 |

CAPITAL PROVIDER RANKINGS



Volume

| Current rank | Previous rank | Investment firm | Volume |
|--------------|---------------|---------------------------|--------|
| 1 | ↕ 1 | BUSINESS GROWTH FUND | 45 |
| 2 | ↕ 6 | FORESIGHT GROUP | 32 |
| 3 | ↕ 3 | LDC | 20 |
| 4 | ↕ 2 | OCTOPUS VENTURES | 18 |
| 5 | ↕ 18 | DEVELOPMENT BANK OF WALES | 16 |
| 6 | ↕ 5 | SCOTTISH ENTERPRISE | 15 |
| 7 | ↕ - | MERCIA ASSET MANAGEMENT | 14 |
| 8 | ↕ 11 | FUEL VENTURES | 13 |
| 9 | ↕ 4 | MAVEN CAPITAL PARTNERS | 13 |
| 10 | ↕ 10 | SEEDCAMP | 12 |

LONDON



Latest figures show that the subdued activity London saw at half year has continued to decline, as Q3 closed on the lowest quarterly volume of deals the region has ever seen. A total of 426 deals were announced in comparison to 663 in Q3 of 2022.

The overall picture for the year to date shows that M&A activity fell by 25% in terms of volume, and by 19% in value. As has been reported across many parts of the UK, deals at the lower end of the market proved more resilient, with the dampening of activity less apparent in volume and value. London reported 410 small deals in the year to date, just over 10% fewer than last year, with a similar drop in value from £1.5bn to £1.3bn. Appetite for mega deals was still apparent, with 20 such deals announced in the year to date in comparison to 24 last year, although total value was down by 17%. Mid-market deals recorded a decline of 32% in volume and 36% in value, whilst large deals were down 37% and 20% respectively in volume and value. Acquisitions accounted for 51% of all deals, a 30% fall on last year, whilst value was up by 15%. Companies based in London still accounted for around 34% of all UK transaction volume in the year to date, along with contributing 89% of overall deal value.



London M&A volume
was down by

25%

year on year



Acquisitions were up by

15%

in value



London companies
raised

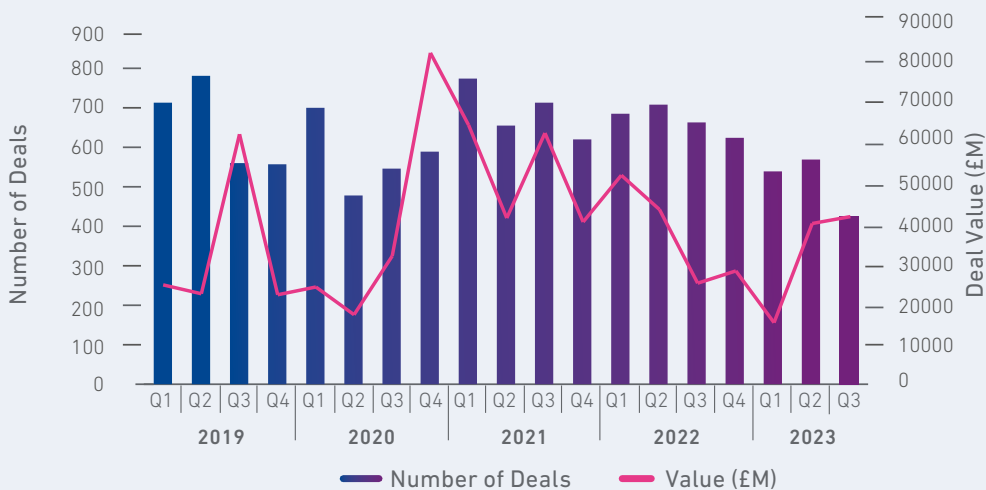
£2.2bn

in growth capital funding

Headline Deals

Three of the region's mega deals were announced in the third quarter, including the buy-out by US private equity group GTCR of a 55% stake in Worldpay, a London-based business that provides payment processing services, for £10.2bn. Fidelity, the US fintech that acquired Worldpay in 2019, will retain a 45% shareholding. Elsewhere, a £6.6bn deal in the luxury goods sector - which has enjoyed heightened deal activity on a global level this year, bucking the wider downward trend - saw Capri Holdings, the luxury fashion group behind the Versace, Jimmy Choo and Michael Kors brands, acquired by New York fashion

house Tapestry, holding company for brands including Coach New York. Finally, London-based Elsewhere, London-based air and defence group BAE Systems, paid £4.4bn to acquire Ball Aerospace from Ball Corp in a deal which is a complementary fit with BAE's existing portfolio. Also in the aerospace sector, Standard Chartered disposed of its global aircraft leasing business to AviLease, which is owned by Saudi Arabia's sovereign wealth fund, for £2.85bn. The deal comes after the announcement in January 2023 that Standard Chartered intended to explore alternatives for the future ownership of the business.



Industry

The technology sector remained the most active sector as Q3 closed, with deals accounting for around 37% of the total volume for the year to date. The 560 deals represented a decline of just over 28% in comparison to last year, although values came in at 6% higher. AI continued to be a key driver, with notable deals including a £49.7m Series E fundraise for Tractable AI, which uses the technology to virtually assess homes and cars, and a £46m Series B round for Causaly, an AI platform for biomedical research. Financial services came in as second most targeted sector with just over 23% of deal volume. Values for this sector remained on an even keel, seeing just a 5% drop on last year's figure. Professional services, which was the third busiest sector, saw a 20% drop in volume year on year, and a respective 66% decline in value. Bucking the trend somewhat, seven returned higher values than last year, most notably wholesale and retail with a 282% boost to valuations.

Funding

Cash was king when it came to funding M&A activity, with the 835 deals funded this way representing a drop of 24% on last year. Companies choosing to fund deals from existing resources fell by 30%, with a contrasting rise of 37% in value. There was a private equity element in the funding of 499 London deals so far this year, representing a decline of 22% from the 636 PE-backed transactions recorded in the same period last year. Octopus Ventures retained its ranking as most active investor in the capital with 13 deals, followed by Seedcamp with 11 and BGF on ten. Meanwhile, the leading debt providers were ThinCats with ten deals, followed by HSBC and Triple Point Private Credit on eight each.

Top five deals: London

#1

£10.18bn

Date: 06/07/2023
Deal type: IBO
Target: WorldPay Inc,
London HQ
Bidder: GTCR, USA

#2

£6.68bn

Date: 10/08/2023
Deal type: Acquisition
Target: Capri Holdings
Ltd, London
Bidder: Tapestry Inc,
USA

#3

£4.46bn

Date: 13/04/2023
Deal type: IBO
Target: Dechra
Pharmaceuticals Plc,
Northwich
Bidder: Freya Bidco Ltd,
London

#4

£4.36bn

Date: 17/08/2023
Deal type: Acquisition
Target: Ball
Aerospace, USA
Bidder: BAE Systems
Plc, London

#5

£3.85bn

Date: 23/06/2023
Deal type: Acquisition
Target: Neptune
Energy Group Ltd,
London
Bidder: ENI SpA, Italy

**LEGAL ADVISER RANKINGS**

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇄ 1 | SHOOSMITHS | 54 |
| 2 | ⇄ 5 | ADDLESHAW GODDARD | 42 |
| 3 | ⇄ 2 | HARRISON CLARK RICKERBYS | 37 |
| 4 | ⇄ 4 | EVERSHEDS SUTHERLAND | 35 |
| 5 | ⇄ 6 | GATELEY | 27 |
| 6 | ⇄ 7 | PINSENT MASONS | 26 |
| 7 | ⇄ 8 | CMS | 26 |
| 8 | ⇄ 14 | DWF | 26 |
| 9 | ⇄ 3 | DLA PIPER | 25 |
| 10 | ⇄ 10 | SQUIRE PATTON BOGGS | 22 |

**FINANCIAL ADVISER RANKINGS**

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------|--------|
| 1 | ⇄ 1 | GRANT THORNTON | 55 |
| 2 | ⇄ 2 | BDO | 44 |
| 3 | ⇄ 4 | K3 CAPITAL GROUP | 40 |
| 4 | ⇄ 3 | RSM | 34 |
| 5 | ⇄ 7 | PWC | 24 |
| 6 | ⇄ 18 | AZETS | 23 |
| 7 | ⇄ 15 | ROTHSCHILD & CO | 20 |
| 8 | ⇄ 6 | EY | 17 |
| 9 | ⇄ 11 | NUMIS SECURITIES | 17 |
| 10 | ⇄ 12 | LAZARD | 16 |

SOUTH EAST



Having enjoyed a small surge in the volume of deals in Q2, the South East saw activity dip by 20% as Q3 closed out on 241 deals, the lowest level recorded for the third quarter in a decade. Year to date, a total of 760 deals were announced, down from 950 in 2022. Whilst total deal value in Q3 saw a welcome rise from £2.4bn to £3.7bn, the overall picture was not so positive, with the year to date figures registering a 67% decline.

Momentum failed to materialise at the high end of the market, with only one mega deal being reported, worth £1.2bn, whilst the same period last year saw eight such deals valued at £18.4bn. Large cap deals proved more resilient – 20 in 2023 in contrast to 24 last year, and a 22% drop in value from £7.4bn to £5.8bn. At the lower end of the market, small cap deals were down 18% in volume and 24% in value, whilst the mid-market saw a 22% dip in volume and 34% in value. Acquisitions accounted for 74% of all activity, up from 71% last year. Private equity buy-outs fell from 33 deals last year to 23 this year, with a similar 30% decline in value. Growth capital represented a further 14% of deals, a fall of 18% on last year, but value was up by 60% from £1.7bn to £2.7bn. Outside of London, the South East is the largest contributor to UK M&A activity, accounting for approximately 16.9% of deal volume and 6.7% of value.


Private equity funded deals rose

 **16%**
in value



74%
of deals were acquisitions

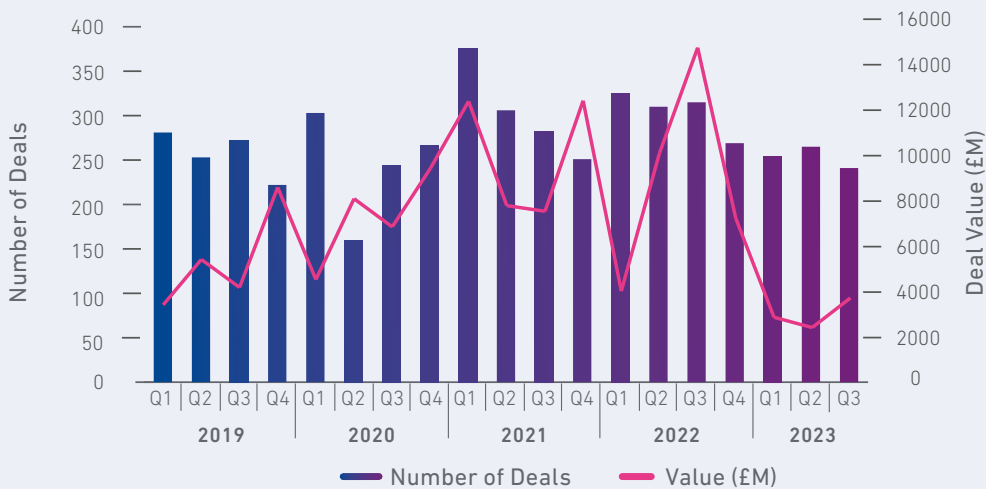
South East deals accounted for

 **17%**
of UK total

Headline Deals

Notable deals announced in this quarter included the £750m equity funding package received by Reading-based Thames Water Utilities. The package came from existing shareholders and will be used to improve performance and outcomes for customers, reduce leakage, improve river health, and accelerate delivery of Thames Water’s turnaround. In the largest take private deal of the year to date, Guildford-based Ergomed, a specialist in clinical research and drug development, agreed a £703m offer from Permira, in a deal which will see the company

de-list from AIM. The Permira offer of £13.50 per share, whilst still a healthy 30% premium, is still somewhat lower than the high of £15.40 per share seen since 2021. Other headline deals include the sale by Bromley-based Direct Line of its brokered commercial insurance business to Royal & Sun Alliance for £320m plus a £30m earnout, and the £305m equity fundraising by supercar manufacturer McLaren Group, as part of an ongoing recapitalisation process to support its product development strategy.



Industry

The technology sector again accounted for the highest proportion of the region’s deals, with the 223 deals recorded in the year to date representing a 14% decline on last year. Valuations in this sector fell by 78%. Professional services was again an attractive sector, accounting for 193 deals, down from the 221 seen last year. Total value in this sector registered a drop of 67%. It was a similar story for the manufacturing industry, with an 11% decrease in volume and a 36% reduction in value. Despite the overall outlook being one of depressed valuations, some sectors saw an improvement, with support services up by 78% despite a 17% fall in deal volumes, and the health sector which saw a huge value spike of just over 300%, against a drop in volume of 35%. Other sectors showing robust growth in value included education, the creative industries, and utilities.

Funding

Whilst existing resources continue to be the most popular way of financing M&A activity, the latest figures show that although the volume of deals funded by private equity fell by 28%, their overall value rose by 16%. In contrast, bank-funded deals fell by 19% in volume, and by 92% in value. Oxford Science Enterprise was the most prolific investor with six deals, followed by Business Growth Fund and Foresight Group each on five. With the higher cost of bank borrowing leading to fewer debt funded deals, Triple Point Private Credit was by some way the most active lender in the region, with nine deals, followed by SME Capital with six.

Top five deals: South East

#1

£1.2bn

Date: 14/02/2023

Deal type: Minority Stake

Target: Vodafone Group Plc, Newbury

Bidder: Liberty Global Inc, USA

#2

£750m

Date: 10/07/2023

Deal type: Development Capital

Target: Thames Water Utilities Ltd, Reading

#3

£703m

Date: 04/09/2023

Deal type: IBO

Target: Ergomed Plc, Guildford

Bidder: Eden AcquisitionCo Ltd, London

#4

£420m

Date: 07/06/2023

Deal type: Development Capital

Target: Gigaclear Ltd, Abingdon

#5

£400m

Date: 26/05/2023

Deal type: Acquisition

Target: RB Manon, China and Hong Kong

Bidder: Reckitt Benckiser Group Plc, Slough

**LEGAL ADVISER RANKINGS**

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|---------------------------|--------|
| 1 | ⇄ 1 | HARRISON CLARK RICKERBYS | 51 |
| 2 | ⇄ 2 | SHOOSMITHS | 32 |
| 3 | ⇄ 6 | ADDLESHAW GODDARD | 31 |
| 4 | ⇄ 5 | FREETHS | 26 |
| 5 | ⇄ - | GORDONS | 24 |
| 6 | ⇄ 7 | EVERSHEDS SUTHERLAND | 21 |
| 7 | ⇄ - | PATTERSONS COMMERCIAL LAW | 18 |
| 8 | ⇄ 8 | MILLS & REEVE | 16 |
| 9 | ⇄ 4 | PINSENT MASONS | 15 |
| 10 | ⇄ 10 | GATELEY | 15 |

**FINANCIAL ADVISER RANKINGS**

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------------|--------|
| 1 | ⇄ 1 | K3 CAPITAL GROUP | 52 |
| 2 | ⇄ 2 | GRANT THORNTON | 29 |
| 3 | ⇄ 3 | RSM | 23 |
| 4 | ⇄ 4 | BDO | 20 |
| 5 | ⇄ 8 | AZETS | 18 |
| 6 | ⇄ 10 | BENCHMARK INTERNATIONAL | 13 |
| 7 | ⇄ 12 | PKF | 13 |
| 8 | ⇄ 7 | PWC | 12 |
| 9 | ⇄ - | HMT | 12 |
| 10 | ⇄ - | JAMES COWPER KRESTON | 11 |

SOUTH WEST



Whilst deal volumes in the South West saw a 20% increase between Q1 and Q2, activity in Q3 fell to a level not recorded in more than a decade.. A total of 88 transactions were reported between June and September, with the total volume of deals in the year to date standing at 340.

In the same period last year, 572 deals were signed, meaning the overall year on year position stands at a 41% decline. Values also fell by just under 40% to a total of £2.4bn for the year to date in comparison to just under £4bn in the previous reporting period. All value segments continued to underperform, failing to come anywhere near the record figures of 2021, where Q1 peaked at £21bn, and volumes also recorded a high of 241. The larger, more complex deals, likely to come under more scrutiny from regulators and a more cautious approach from lenders, were again the value ranges struggling the most, while smaller deals were more resilient to market conditions. Acquisitions drove the bulk of activity, accounting for 66% of the region's deals, although at a much more subdued level than seen over the last few years. Overall activity in the equity capital markets recorded robust growth, with deal volume more than 80% higher than in 2022. South West Plc's raised a total of £393m in capital, approximately 16% of the regions' total deal value. Businesses transitioning to employee-ownership continued to rise, with a total of six reported in the year to date, up 20% from last year, whilst PE buy-outs also enjoyed a 20% upswing, from ten deals last year to 12 in this reporting period. The South West accounted for 7.6% of deal volume and 1.8% of value.



Move to employee-ownership rose by

20%



ECM deals up by

80%



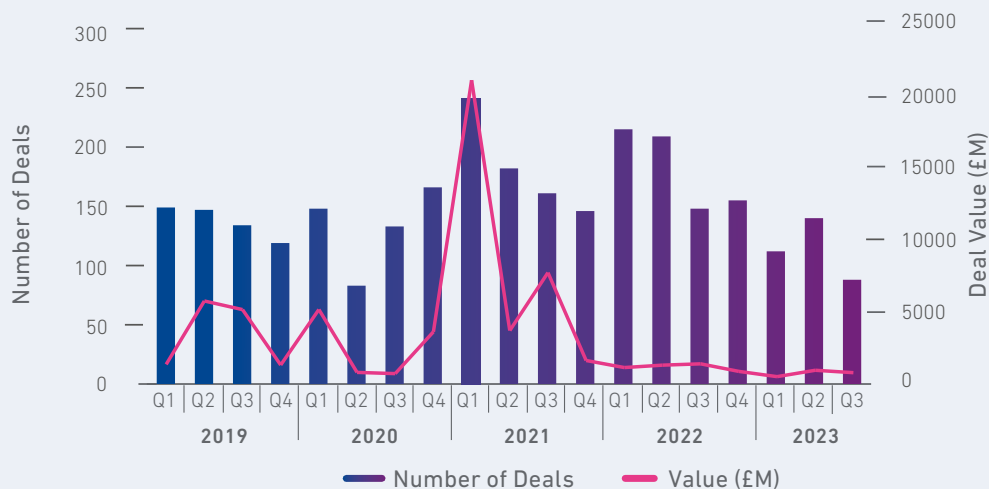
23%

rise in tech deal values

Headline Deals

The largest deal in the year to date saw the £485m take private of Exeter-based Civitas Social Housing by Wellness Unity, an indirect subsidiary of CK Asset Holdings, a property developer registered in the Cayman Islands, with its headquarters and principal place of business in Hong Kong. Bristol-based student accommodation provider Unite Group raised £300m in the largest UK real estate investment trust (REIT) share issue since April

2022 when Supermarket Income REIT raised a similar amount. Unite will invest the proceeds in two new PBSA development schemes. Elsewhere, in the largest private equity-backed deal the region has seen in more than two years, pan-European investment firm AURELIUS, paid £91m for Swindon-based TM Group, a provider of property search aggregation services, previously owned by Dye & Durham Corp of Canada.



Industry

Professional services overtook manufacturing as the most active sector for deal activity in the year to date. The 95 deals, worth £535m, were a long way from the 228 deals recorded last year. However, the average value of deals in the sector rose from £2.7m in 2022 to £5.6m this year. Manufacturing deals remained steady in terms of volume, with the 92 deals recorded this year just eight fewer than last year. Value in this sector slumped by more than 80%, from £1.3bn to just £218m. The tech sector saw a surge of 23% in deal values, making it the second most valuable sector in the region behind financial services. Utilities, transport and education all showed a welcome increase in deal activity, whilst construction, hospitality and real estate delivered higher valuations than seen in the previous reporting period.

Funding

Given the overall decline in deal volume, it's not unexpected to see a comparable fall in funding structures. Whilst most companies funded their M&A activity from existing resources, private equity still accounted for 17% of deals, with bank lending supporting on approximately 9% of deals. Business Growth Fund, Foresight Group and LDC topped the table as most active investors, followed by more than 90 firms choosing to invest capital into the region. HSBC were the most active lender with five deals, followed by Lloyds on four, and NatWest and Triple Point Private Credit on three each.

Top five deals: South West

#1

£485m

Date: 09/05/2023

Deal type: Acquisition

Target: Civitas Social Housing Plc, Exeter

Bidder: Wellness Unity Ltd, Hong Kong

#2

£300m

Date: 24/07/202

Deal type: Share Issue

Target: Unite Group Plc, Bristol

#3

£242m

Date: 06/01/2023

Deal type: Acquisition

Target: Curtis Banks Group Plc, Bristol

Bidder: Nucleus Clyde Acquisition Ltd, Salisbury

#4

£230m

Date: 17/03/2023

Deal type: Debt Financing

Target: Netomnia Ltd, Tewkesbury

#5

£91m

Date: 11/07/2023

Deal type: IBO

Target: TM Group (UK) Ltd, Swindon

Bidder: AURELIUS, Germany



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇅ 1 | HARRISON CLARK RICKERBYS | 23 |
| 2 | ⇅ 10 | GATELEY | 12 |
| 3 | ⇅ 2 | TLT | 10 |
| 4 | ⇅ 13 | BURGES SALMON | 9 |
| 5 | ⇅ 4 | ASHFORDS | 8 |
| 6 | ⇅ - | MICHELMORES | 8 |
| 7 | ⇅ - | COOK CORPORATE | 8 |
| 8 | ⇅ - | EVERSHEDS SUTHERLAND | 7 |
| 9 | ⇅ 3 | SHOOSMITHS | 7 |
| 10 | ⇅ 22 | RWK GOODMAN | 7 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|----------------------------|--------|
| 1 | ⇅ 6 | K3 CAPITAL GROUP | 26 |
| 2 | ⇅ 3 | PKF | 20 |
| 3 | ⇅ 6 | GRANT THORNTON | 14 |
| 4 | ⇅ 24 | BENCHMARK INTERNATIONAL | 9 |
| 5 | ⇅ 1 | BDO | 9 |
| 6 | ⇅ 2 | HAZLEWOODS | 8 |
| 7 | ⇅ 5 | RSM | 8 |
| 8 | ⇅ 4 | BISHOP FLEMING | 6 |
| 9 | ⇅ 11 | AZETS | 6 |
| 10 | ⇅ 11 | FRP ADVISORY TRADING | 5 |

EAST OF ENGLAND



Despite Q3 continuing in the same vein as the rest of 2023 with economic factors such as high levels of inflation, rising interest rates and associated financing costs weighing on deal volume, there were some positives to take from the East of England M&A figures recorded for the year to date.

Although the number of transactions announced fell from 534 to 421, a 21% dip, those deals confirmed were valued at an aggregate consideration of just under £15.5bn, a 20% increase on the corresponding period for 2022, which had been valued at just over £12.9bn. These numbers were driven by the region confirming three deals in excess of £1bn, two of which were recorded in Q3 - this pushed mega deal values up to £10.2bn (in comparison to two deals valued at £5.5bn in 2022). Companies based in the East of England were involved in just over 9% of all UK deals, whilst contributing 11% to their total value.



East of England deal values reach

£15.5bn

the highest since 2020



Manufacturing returns to the forefront of the industry rankings with

125

transactions



Mega deals on the rise with

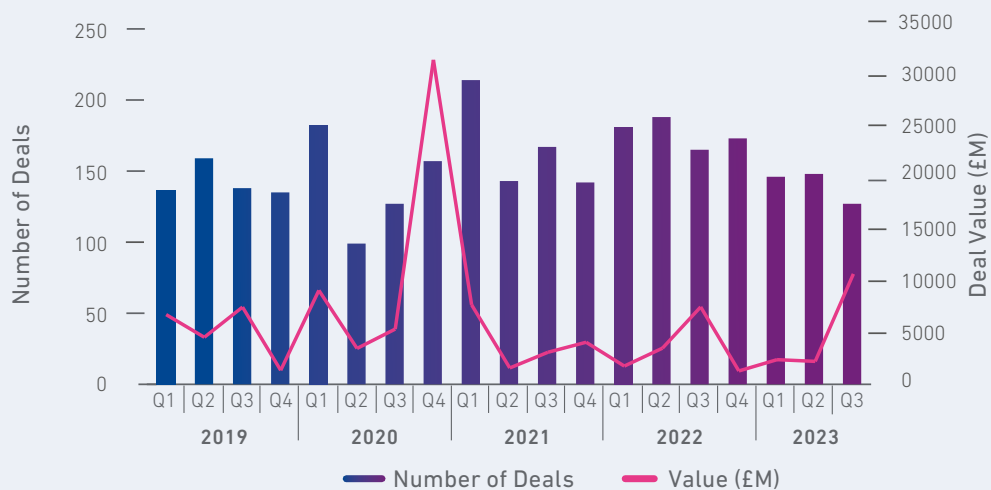
3

announced already in 2023

Headline Deals

There were two stand-out transactions in Q3, the largest of which saw Danaher Corp, the American globally diversified conglomerate, agree to acquire Abcam, the Cambridge-based company that produces and distributes research-grade antibodies, in a transaction valued at \$5.7bn (£4.5bn) including assumed debt. The deal, at an offer price of \$24.00 in cash per share, is expected to close in mid-2024. The next biggest saw Arm Holdings, a British semiconductor and software design company based in Cambridge, close its IPO of ADSs on the NASDAQ Global Select Market in September.

The selling shareholder, a wholly-owned subsidiary of SoftBank Group, will generate revenues in excess of \$5.2bn (£4.2bn), with ARM Holdings subsequently valued at approximately \$54.5bn. The other notable deal in Q3 saw Cashdash UK (Rapyd), the Bishop's Stortford-based fintech company, agree to acquire PayU Global Payment Organisation, a provider of best-in-class payment solutions, from Prosus, the Dutch multinational conglomerate owned by Naspers, the South African multinational Internet, technology and multimedia holding company, in a deal valued at \$610m (approximately £477m).



Industry

The manufacturing sector returned to first position as the East of England's most active industry for M&A up to and including Q3 2023 - the 125 confirmed deals represented almost 30% of the region's total (whereas the 125 deals announced in 2022 represented a 23% share). This was closely followed by professional services (121 deals, down by 7% year on year), while infocomms slipped back to third place with 97 transactions – having ranked as the East of England's busiest sector for YTD 2022, when 132 deals were announced. Of the ten busiest sectors for deal making in the East of England so far this year, each returned a decline in volume in comparison with the figures recorded for 2022. On a positive note, there was some welcome growth in some of the traditionally smaller industry segments in the region, with education up by 36%, waste management by 50%, along with a sharp upturn in creative industries transactions. From a value perspective it was also encouraging to see real estate deals reaching £292m, up from £139m the previous year and somewhat going against the trend that sees the sector struggling across the rest of the UK.

Funding

Private equity was the funding source in respect of 101 East of England deals, representing 24% of the market – down 12% from 2022, when 115 PE-backed deals were announced, with those transactions representing just under 22% of the region's total. These transactions were valued at over £2.8bn, again this figure falling from just under £3.2bn the previous year. Broken down for YTD 2023, of the 101 private equity deals, 27 constituted majority buyouts (comprising of 17 IBOs/SBOs, eight acquisitions and two MBOs), whilst 74 constituted earlier stage growth investments – Business Growth Fund (BGF), with four citations, ranked as the region's most active investment firm by deal volume, closely followed by Molten Ventures (with three deals). Meanwhile, ThinCats and Shawbrook Bank were the region's most active debt providers, each providing financing in support of four deals.

Top five deals: **East of England**

#1

£4.53bn

Date: 28/08/2023

Deal type: Acquisition

Target: Abcam Plc,
CambridgeBidder: Danaher Corp,
USA

#2

£4.19bn

Date: 13/09/2023

Deal type: IPO

Target: ARM Holdings
Plc, Cambridge

#3

£1.48bn

Date: 09/01/2023

Deal type: Acquisition

Target: CinCor Pharma
Inc, USABidder: AstraZeneca
Plc, Cambridge

#4

£900m

Date: 05/04/2023

Deal type: Acquisition

Target: Animal Friends
Investments Ltd,
SalisburyBidder: Pinnacle
Pet Group Ltd,
Borehamwood

#5

£477m

Date: 01/08/2023

Deal type: Acquisition

Target: PayU Global
Payment Organisation,
The Netherlands,Bidder: Cashdash UK
Ltd, Bishops Stortford



Volume

LEGAL ADVISER RANKINGS

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇅ 4 | SHOOSMITHS | 19 |
| 2 | ⇅ 1 | HARRISON CLARK RICKERBYS | 15 |
| 3 | ⇅ 18 | FREETHS | 11 |
| 4 | ⇅ 5 | EVERSHEDS SUTHERLAND | 11 |
| 5 | ⇅ 2 | MILLS & REEVE | 11 |
| 6 | ⇅ 6 | HOWES PERCIVAL | 9 |
| 7 | ⇅ - | WARD HADAWAY | 8 |
| 8 | ⇅ 10 | GATELEY | 8 |
| 9 | ⇅ 18 | ADDLESHAW GODDARD | 7 |
| 10 | ⇅ - | GORDONS | 7 |



Volume

FINANCIAL ADVISER RANKINGS

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------|--------|
| 1 | ⇅ 1 | K3 CAPITAL GROUP | 21 |
| 2 | ⇅ 8 | ENSORS | 19 |
| 3 | ⇅ 2 | GRANT THORNTON | 18 |
| 4 | ⇅ 4 | RSM | 12 |
| 5 | ⇅ 9 | PWC | 9 |
| 6 | ⇅ 6 | BDO | 9 |
| 7 | ⇅ 3 | HAZLEWOODS | 8 |
| 7 | ⇅ 11 | AZETS | 8 |
| 9 | ⇅ 17 | ALTIUS GROUP | 7 |
| 10 | ⇅ 7 | LARKING GOWEN | 7 |

MIDLANDS



2022 was a particularly bumper year in terms of both volume and value of deals, and as a result the comparison with this year is less favourable, given the UK wide subdued M&A market.

Deal volumes have fallen by around 22% so far this year, and value has seen a significant decline of 72% from the highs of almost £20bn last year down to £5.7bn. There was a total of 680 transactions announced in the first three quarters of this year with the majority of these having no disclosable value. Closer analysis of the value ranges shows that mid-market and mega deals were hardest hit with a decline of 32% and 75% respectively. The small deal segment has delivered over 100 deals so far this year declining only 19% compared to 2022. Q3 saw the addition of one mega deal - the £1bn rights issue by Coventry-based Severn Trent. Acquisitions remain the most popular transaction type with 71% of all deals, despite a 25% decline in volume from 650 to 485. Development capital deals have fared well given the overall outlook, with a 3% dip in figures from 92 to 89, with values increasing by 260% - up to £996m from the results in 2022. The volume and value of share issues increased by 60% and 80% respectively with eight transactions worth a total of £1.24bn. Minority stake deals were up 44% year on year, suggesting companies are willing to test the waters with a partial stake. There was a Midlands element in approximately 15% of all UK transactions by volume so far this year, while Midlands firms contributed around 4.2% of total deal value.

Development Capital deal values rise to

 **£996m**
in the Midlands.



Wholesale and retail became the most active sector by volume with

181
Deals



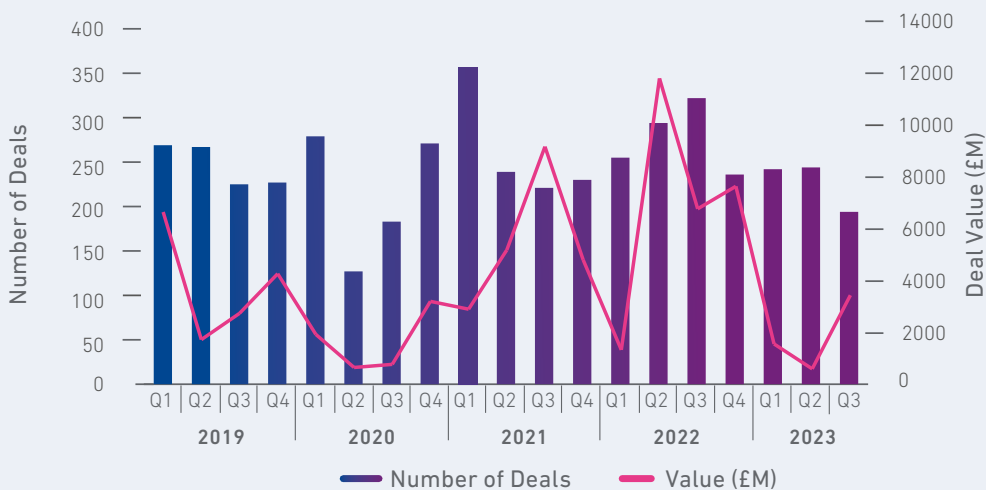
Minority stakes rose by

44%

Headline Deals

The largest transaction in the Midlands so far this year was the £1bn rights issue by Coventry-based water supply company Severn Trent. The Placing, Retail Offer, and Director Subscription in aggregate comprised 23,255,814 New Ordinary Shares, at a price of 2,150 pence per and will raise gross proceeds of approximately £500m. The Subscription by Qatar Investment Authority for 23,255,814 New Ordinary Shares at the Placing Price will raise proceeds of approximately £500m. Investor buy-outs feature heavily in the top ten deals with Phoenix Asset Management Partners, ECI Partners, and ArchiMed SAS investing more than £1.2bn into the Midlands region.

The biggest of these was the take private of funeral service provider Dignity, Sutton Coldfield. The offer from Phoenix Asset Management Partners was at 550p per share in cash, which valued Dignity at approximately £281m on a fully diluted basis and implied an enterprise value of approximately £789m. Dignity delisted from the London Stock Exchange after completion. Interestingly investor buy-outs remained relatively consistent compared to last year with a total of 31 transactions so far in 2023, only one deal less than the 32 recorded in 2022.



Industry

The deal landscape has shifted in the Midlands with wholesale and retail becoming the most active sector in terms of deal volume for 2023 with a total of 181 deals valued at £1.84bn. Manufacturing, usually in the top spot, witnessed deal volume slump by 34% down to 169 deals. With the exception of two of the less active sectors, namely utilities (up by 43%) and mining and quarrying (increased by 14%) all industry sectors in the Midlands recorded a downturn in activity. The second most valuable sector in the region, after wholesale and retail, was infocomms despite the 13% decline in volume and 81% decline in value, with the total recorded so far in 2023 standing at £1.25bn. Interestingly the transport sector where deals were relatively stable, dropped by only four deals compared to last year with 29 deals. The value of these deals rocketed from £20m to £95m, pushing the average deal value in this sector to £3.28m.

Funding

Despite the volume of both private equity and bank debt funded transactions falling, the value of development capital deals has risen by over 260%. The most active investor in the region was Midlands Engine Investment Fund with 11 transactions valued at £14.6m. Mercia Asset Management followed with four deals worth £8.5m. The 2.7% volume decline of private equity funded transactions was relatively minimal in comparison to the more cautious approach of the banking sector, where volume fell by 32%. In terms of bank debt it was the high street regular HSBC which invested most frequently in Midlands based M&A activity with nine transactions worth £32m.

Top five deals: Midlands

#1

£1bn

Date: 29/09/2023

Deal type: Share Issue

Target: Severn Trent Plc, Coventry

#2

£789m

Date: 23/01/2023

Deal type: IBO

Target: Dignity Plc, Sutton Coldfield

Bidder: Yellow (SPC) Bidco Ltd

#3

£500m

Date: 11/09/2023

Deal type: Growth Capital

Target: Conigital Ltd, Birmingham

#4

£397m

Date: 18/09/2023

Deal type: Acquisition

Target: Pendragon Plc, Nottingham

Bidder: Lithia Motors Inc, USA

#5

£265m

Date: 05/09/2023. Deal type: IBO

Target: Commify Ltd, Nottingham

Bidder: ECI Partners



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇄ 1 | HARRISON CLARK RICKERBYS | 42 |
| 2 | ⇄ 4 | HIGGS | 36 |
| 3 | ⇄ 2 | GATELEY | 31 |
| 4 | ⇄ 10 | ADDLESHAW GODDARD | 28 |
| 5 | ⇄ 5 | FREETHS | 28 |
| 6 | ⇄ 9 | EVERSHEDS SUTHERLAND | 27 |
| 7 | ⇄ 3 | BROWNE JACOBSON | 27 |
| 8 | ⇄ 6 | SHOOSMITHS | 22 |
| 9 | ⇄ 11 | THURSFIELDS | 13 |
| 10 | ⇄ 7 | DLA PIPER | 12 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------|--------|
| 1 | ⇄ 1 | K3 CAPITAL GROUP | 51 |
| 2 | ⇄ 2 | GRANT THORNTON | 21 |
| 3 | ⇄ 3 | RSM | 21 |
| 4 | ⇄ - | COOPER PARRY | 17 |
| 5 | ⇄ 10 | MAZARS | 16 |
| 6 | ⇄ 17 | ALTIUS GROUP | 14 |
| 7 | ⇄ 9 | KPMG | 12 |
| 8 | ⇄ 12 | PWC | 12 |
| 9 | ⇄ 5 | AZETS | 11 |
| 10 | ⇄ 8 | PKF | 11 |

YORKSHIRE & HUMBER



Investor buy-outs
increased by

85%



The property sector featured
in several of the **top ten**
transactions

Northern Powerhouse
Investment Fund
(NPIF) was the most
active investor with
nine transactions
valued at

£16m

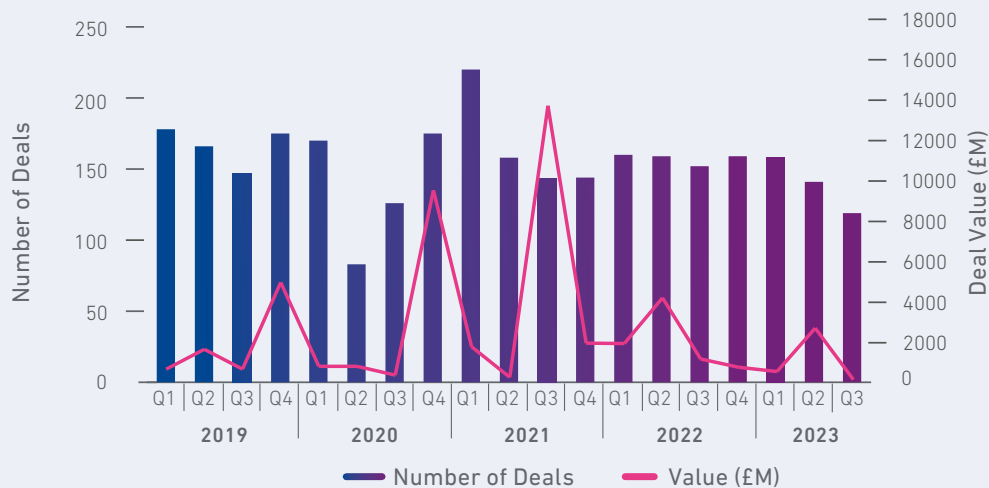
As the chart shows, quarterly deal volumes are relatively stable with an average figure of around 154 transactions. The slow start to the year has continued into the third quarter where we see volume figures dropping off. The comparison with 2022 shows an 11% decline from the 471 deals last year to a more modest 418 transactions so far in 2023.

The value of these transactions has continued the downward trend from the highs of Q3 2021 to a more conservative £3.5bn. This trepidation in the market is not unique to Yorkshire and Humber as we see the same pattern throughout the UK, as the cost of living crisis and high inflation rates continue to impact on the M&A activity of the nation. While the value analysis yields little positive news, it is reassuring to see that mega deals are still being done with Asda Groups' planned acquisition of part of EG Group, valued at £2.27bn. Investors haven't lost faith with Yorkshire and Humber businesses with development funding deals remaining relatively consistent dropping only two transactions to 60 this year. More impressive is the volume of investor buy-outs which increased by 85% to 24 deals. Yorkshire and Humber based companies were involved in around 9.3% of all UK deals so far in 2023 and contributed 2.5% to their total value.

Headline Deals

Acquisitions were not only the most prevalent deal type in the region with 68% of all deals, but they also featured in 60% of the major transactions. The largest of these by some distance was the £2.27bn acquisition by Asda Group, the Leeds-based supermarket chain, of the UK and Irish operations of parent company EG Group (also known as Euro Garages), a Blackburn-based company controlled by the Issa brothers and TDR Capital. The property sector is responsible for several of the other large transactions including Swedish firm Pandox acquiring Queens Hotel in Leeds for £53m, Citigroup in the USA buying One Sovereign Street in Leeds for £39m and Sheffield-based

Henry Boot selling EAST, a property in Preston, to Titan Investors for £30m. Elsewhere, Leeds United added to the rapidly growing collection of UK football clubs coming under US ownership, agreeing a £170m buy-out with the owners of American football team the San Francisco 49ers, while on the outbound side, Goole-based chemicals firm Croda International completed a £231m deal to acquire South Korean biotech Solus – this was the biggest foreign investment by a Yorkshire-based company since Croda acquired Spanish fragrance manufacturer Iberchem at the end of 2020.



Industry

Professional services replaced manufacturing as the most active sector in the Yorkshire and Humber M&A market with 128 transactions, 29% more than the 99 deals announced in the first three quarters of 2022. This sector was one of few that bucked the downward trend in deal making, followed by construction, a much smaller sector in the region, with a 7% increase in deal volume to 44 transactions. There were two more sectors to see some positive comparisons with 2022. These were creative industries (with 150% more deals) and other service activities (with 60% more), albeit with much less significant overall figures. Interestingly, despite a decline of 17% to 109 transactions, the wholesale and retail sector was the most valuable during 2023 with a total value of £2.48bn. Financial services appeared more stable, in terms of volume, dropping by only 6% to 50 transactions, however the value of these diminished significantly from almost £1bn in 2022 to just less than £200m for YTD 2023.

Funding

As mentioned previously, the upswing in investor buy-outs and relatively stable figures for development funding deals, has resulted in only a slight dip in the volume of private equity and bank funded deals in Yorkshire and Humberside. In total there were 68 deals funded by private equity firms, down by 7% from the 73 announced in the previous year. The total value of these deals was recorded at £216m, only 5% down from the £228m seen in 2022. The most active investor in terms of volume was The Northern Powerhouse Investment Fund (NPIF) – combining Mercia Equity Finance and Mercia Asset Management – providing equity financing for nine transactions valued at £15.95m. The second most active was Business Growth Fund (BGF) with £47.25m worth of investment in seven transactions. In terms of volume, there were 49 transactions funded by bank debt, only one less than the 50 recorded last year. The value of these deals decreased dramatically down 88% from £570m to £68m. The most active debt provider in the region was high street staple HSBC with a total of nine transactions valued at £54m.

Top five deals: Yorkshire & Humber

#1

£2.27bn

Date: 30/05/2023

Deal type: Acquisition

Target: UK and Irish Operations of EG Group Ltd, Blackburn

Bidder: Asda Group Ltd, Leeds

#2

£231m

Date: 06/02/2023

Deal type: Acquisition

Target: Solus Biotech Co Ltd, South Korea

Bidder: Croda International Plc, Goole

#3

£170m

Date: 09/06/2023

Deal type: Acquisition

Target: Leeds United Football Club Ltd, Leeds

Bidder: 49ers Enterprises Leeds SPV LP, USA

#4

£53m

Date: 16/02/2023

Deal type: Acquisition

Target: The Queens Hotel, Leeds

Bidder: Pandox AB, Sweden

#5

£39m

Date: 29/08/2023

Deal type: Acquisition

Target: One Sovereign Street, Leeds

Bidder: Citigroup Inc, USA



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|---------------------|--------|
| 1 | ⇄ 1 | CLARION SOLICITORS | 28 |
| 2 | ⇄ 6 | FREETHS | 23 |
| 3 | ⇄ 2 | SCHOFIELD SWEENEY | 19 |
| 4 | ⇄ 7 | SQUIRE PATTON BOGGS | 18 |
| 5 | ⇄ 8 | GORDONS | 14 |
| 6 | ⇄ 4 | SHOOSMITHS | 13 |
| 7 | ⇄ 5 | WARD HADAWAY | 13 |
| 8 | ⇄ 3 | ADDLESHAW GODDARD | 11 |
| 9 | ⇄ 17 | MILLS & REEVE | 11 |
| 10 | ⇄ 11 | PINSENT MASONS | 8 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇄ 1 | K3 CAPITAL GROUP | 29 |
| 2 | ⇄ 3 | GRANT THORNTON | 20 |
| 3 | ⇄ 5 | RSM | 12 |
| 4 | ⇄ 9 | HAZLEWOODS | 12 |
| 5 | ⇄ 7 | AZETS | 11 |
| 6 | ⇄ 4 | TRANSLINK CORPORATE FINANCE | 10 |
| 7 | ⇄ 6 | KPMG | 9 |
| 8 | ⇄ 11 | PWC | 8 |
| 9 | ⇄ - | BENCHMARK INTERNATIONAL | 8 |
| 10 | ⇄ - | TAX ADVISORY PARTNERSHIP | 6 |

NORTH WEST

North West deal values have increased by 100% year on year to a total of £15.4bn. This flurry in high value deals is a positive takeaway from what is otherwise a much more reserved year so far in the M&A market.

Deal volume has declined by 24% from last year to a total of 574 so far this year. This is one of the lowest results seen for the region in the last ten years, notwithstanding the 2020 figures which were heavily impacted by the global pandemic. Ten years ago, there were 473, with volumes dipping to 462 in 2014. The latest figures are a marked change in what was a positive trajectory for the North West market. Value analysis shows a decline for all size brackets, except for mega deals, which increased from zero last year to four this year. Reverse takeovers appear to be making a resurgence in 2023 with three such deals announced so far compared to none in 2022 or 2021 and only one in 2020. Acquisitions proved to be the most popular deal type with almost 70% of all transactions. As expected, these volumes have fallen in line with the overall total number of deals with a decline of over 26% to 399 deals valued at £6.8bn so far in 2023. Whilst investor buy-outs have declined since YTD 2022, secondary buy-outs are on the rise, with five recorded so far this year. The value of investor buy-outs is the second highest despite the lower volume numbers with a total of £4.6bn. There was a North West element in approximately 12.78% of all UK transactions by volume so far this year, while North West firms contributed around 11.39% of total deal value.

↑ **100%**

Total values up by
100% from 2022
to **£15.41bn**

Number of mega deals
increase with four deals
valued at over

£9bn

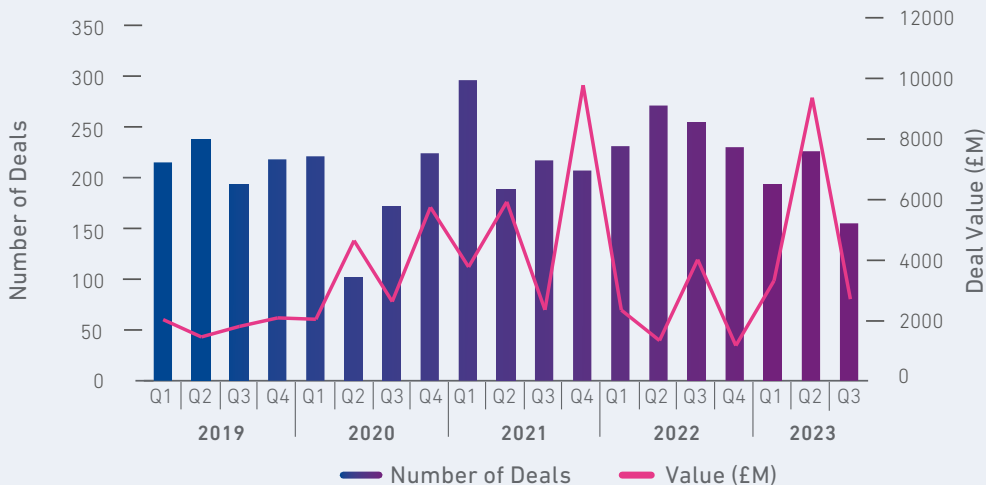


Altrincham the home
of big value transactions
in 2023

Headline Deals

There were four mega deals announced so far in 2023 including two acquisitions, one investor buy-out and one reverse takeover. Interestingly, there are now three transactions in the top 10 from Altrincham, a market town in Trafford, Greater Manchester. Our research shows that there have been 30 transactions worth £2.6bn so far in Altrincham, predominantly in the wholesale and retail space. These include the reverse takeover by Churchill Capital Corp VII (Churchill VII), a New York-listed special purpose acquisition company controlled by Michael Klein, to acquire Altrincham-based CorpAcq, an investment group that owns a plumbing business, a diesel generator specialist and a forklift

truck supplier. The transaction values CorpAcq at a pro forma enterprise value of approximately \$1.58bn and is expected to provide CorpAcq with up to \$592m cash held in Churchill VII's trust account, which will help facilitate advancing CorpAcq's strategy and accelerating its growth initiatives. Upon closing of the transaction, the combined company will operate as CorpAcq and intends to list on the New York Stock Exchange. The top ten deals also include a couple of acquisitions by JD Sports Fashion, based in Bury, one of the region's most acquisitive companies. In total there have been four transactions by JD Sports Fashion buying businesses in France, Spain, Germany and Poland.



Industry

The professional services sector in the North West continues to be the most active in the deal landscape despite the volume of deals dropping by 20% from 189 deals down to 152 so far this year. One of the most acquisitive bidders in this sector is Cheshire-based RSK Group Ltd, the environmental consultancy services group, with 25 acquisitions in both the UK and internationally. All sectors witnessed the impact of the downturn in M&A activity, with the exception of the creative industries, and agriculture, forestry and fishing, where volumes improved compared to last year's figures. Financial services remained consistent with a total of 84 transactions for the first three quarters of 2023 compared to the same volume in 2022. On a positive note, the value of these deals increased by a third up to £2.8bn from £2.1bn. Wholesale and retail remains the most valuable sector in the region featuring heavily in the top 10 deals, including the two mega value divestments by EG Group (also known as Euro Garages), a Blackburn-based company controlled by the Issa brothers, which owns and operates petrol forecourts and retail convenience stores.

Funding

There has been a decline of around 20% for both bank debt and private equity funded transactions compared to last year's figures, potentially as a result of the drop in investor buy-outs and development capital deals. The most active investor in the region is Mercia Asset Management with a total of seven transactions worth £16.5m. In terms of value, Foresight Group has invested the highest amount of capital in the North West with £22m. Despite there being less activity overall, the busiest debt provider for the region is Thincats, investing in seven transactions, followed by Shawbrook Bank with four deals.

Top five deals: North West

#1

£4.46bn

Date: 13/04/2023

Deal type: IBO

Target: Dechra Pharmaceuticals Plc, Northwich

Bidder: Freya Bidco Ltd

#2

£2.27bn

Date: 30/05/2023

Deal type: Acquisition

Target: UK and Irish Operations of EG Group Ltd, Blackburn

Bidder: Asda Group Ltd, Leeds

#3

£1.25bn

Date: 07/03/2023

Deal type: Acquisition

Target: US Property Portfolio of EG Group, Blackburn

Bidder: Realty Income Corp, USA

#4

£1.23bn

Date: 01/08/2023

Deal type: Reverse Takeover

Target: CorpAcq Ltd, Altrincham

#5

£750m

Date: 17/03/2023

Deal type: Share Buy-Back

Target: Unilever Plc, Port Sunlight



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|---------------------|--------|
| 1 | ⇅ 3 | NAPTHENS SOLICITORS | 28 |
| 2 | ⇅ 2 | BRABNERS | 27 |
| 3 | ⇅ 4 | ADDLESHAW GODDARD | 25 |
| 4 | ⇅ 1 | HILL DICKINSON | 25 |
| 5 | ⇅ 6 | GATELEY | 19 |
| 6 | ⇅ 14 | DWF | 17 |
| 7 | ⇅ 7 | PINSENT MASONS | 14 |
| 8 | ⇅ 9 | SHOOSMITHS | 14 |
| 9 | ⇅ 11 | WARD HADAWAY | 14 |
| 10 | ⇅ 15 | TLT | 13 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------------|--------|
| 1 | ⇅ 2 | K3 CAPITAL GROUP | 28 |
| 2 | ⇅ 3 | GRANT THORNTON | 26 |
| 3 | ⇅ 5 | RSM | 19 |
| 4 | ⇅ 7 | BDO | 18 |
| 5 | ⇅ 9 | AZETS | 16 |
| 6 | ⇅ 4 | CORTUS ADVISORY | 15 |
| 7 | ⇅ 1 | DOW SCHOFIELD WATTS | 11 |
| 8 | ⇅ 14 | PWC | 10 |
| 9 | ⇅ 6 | ALTIUS GROUP | 10 |
| 10 | ⇅ 12 | BENCHMARK INTERNATIONAL | 10 |

NORTH EAST

The slow start to M&A activity in the North East region has continued throughout Q3, delivering the lowest YTD stats since 2017. In total there were 168 transactions announced so far valued at £307m, representing a 41% decline in volume and a 91% drop in value compared to last year.

Analysis of market size shows all value bands are down. The majority of North East deals fell into the small category with 28 transactions announced so far this year compared to 57 in 2022, representing a 51% decline. Both the volume and value of mid-market deals fell with only three deals in the mid-market range worth £58m, down from 13 deals worth £416m in 2022. Whilst the market is unlikely to regain the momentum of 2022, historically speaking Q4 tends to be more active so the North East may yet see an upturn in M&A activity. Despite the overall drop off, management buy-outs have increased in both volume and value since 2022, with 16 transactions. While development funding deals are down for the region, public companies are turning to the stock market to raise funds with 25% more share issues than last year. There have been 50% fewer investor buy-outs in the North East but the value of these four transactions soared to a total of £183m. These deals range from software services to alcohol production and kitchen manufacture. There was a North East element in approximately 3.74% of all UK transactions by volume so far this year, while North East firms contributed around 0.12% of total deal value.

↑ **33%**

Management buy-outs
up by a third on
2022 figures

25%

more share issues
worth **£21m**



Wholesale and retail
contributed to

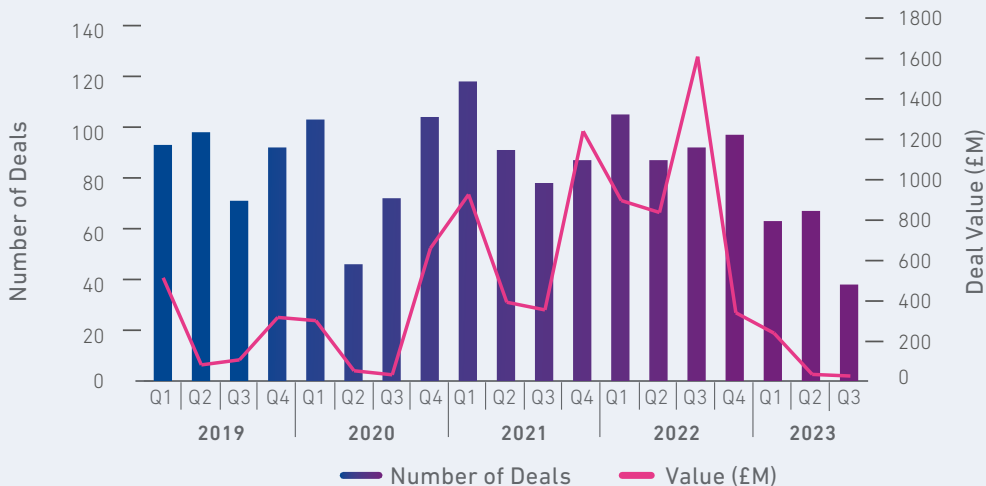
18%

of deals

Headline Deals

The resurgence of share issues so far in 2023 is apparent from the top ten transactions with Shield Therapeutics, Gateshead, a developer and supplier of secondary care-focused pharmaceuticals, raising £4.99m via the issue of 62,393,060 new ordinary shares at 8p per share. The company intends to raise a further £1.14m via a retail offer. In addition to this deal there was the £8m placing by Kromek Group, Sedgefield, designer, developer and producer of x-ray imaging and radiation detection products for the medical, security screening and nuclear markets.

Fellow technology company Tekmar Group, Darlington, raised gross proceeds of approximately £6.39m in a placing. The largest acquisition in the North East during 2023 was the £29m sale by LSL Property Services, Newcastle Upon Tyne, provider of residential property services, of real estate agency Marsh & Parsons (Holdings), based in York, to Dexters London.



Industry

Professional services just pipped manufacturing as the most popular sector for M&A activity with 52 transactions, compared to 51 for manufacturing. In line with the whole region nearly all sectors have witnessed a downturn in volumes, with professional services dropping by 19% and manufacturing down by 37%. One sector which seems to be expanding its presence in the region despite the fall in volumes is wholesale and retail which now contributes to 18% of the transactions compared to 14% during 2022. Three of the higher value deals in the retail sector are the acquisition of chemists. There were three sectors which experienced a small increase in deal volume which included education, waste management and utilities. One of the larger transactions in the education sector was the £4m investment by Gresham House Ventures into Cognassist UK, Newcastle upon Tyne, provider of online assessments that allow colleges and training providers to assess learning difficulties. The proceeds will be used by the company to fund its growth in the education market.

Funding

The cautious approach to deal making during 2023 which has shaped the landscape of North East M&A market is evident in equity funded deals which fell by 58% from 64 deals to only 27 so far this year. The three most active investors in the North East with three transactions a piece have been Business Growth Fund investing in total £4.2m, North East (ERDF) providing £3.6m and Maven Capital Partners with £500,000 into biotechnology, software development and packaging manufacturers. Bank debt funded transactions also declined this year with only 19 deals recorded compared to 45 last year. HSBC was the most active with three deals funded while Barclays Bank invested the highest value with £1.6m invested in two deals

Top five deals: North East

#1

£29m

Date: 26/01/2023

Deal type: Acquisition

Target: Marsh & Parsons (Holdings) Ltd, from LSL Property Services Plc, Newcastle Upon Tyne

Bidder: Dexters London Ltd, London

#2

£15.7m

Date: 26/06/2023

Deal type: Private Equity

Target: SocialRel8 Ltd, Middlesbrough

#3

£13m

Date: 21/08/2023

Deal type: Acquisition

Target: TenetLime Ltd, Leeds

Bidder: LSL Property Services Plc, Newcastle upon Tyne

#4

£8m

Date: 05/05/2023

Deal type: Share Issue

Target: Kromek Group Plc, Sedgfield

#5

£6.4m

Date: 31/03/2023

Deal type: Share Issue

Target: Tekmar Group Plc, Darlington



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ↕ 3 | MINCOFFS | 20 |
| 2 | ↕ 4 | WEIGHTMANS | 13 |
| 3 | ↕ 1 | MUCKLE | 13 |
| 3 | ↕ 5 | SINTONS | 12 |
| 4 | ↕ 2 | WARD HADAWAY | 11 |
| 6 | ↕ 6 | SWINBURNE MADDISON | 7 |
| 7 | ↕ 7 | WOMBLE BOND DICKINSON | 5 |
| 8 | ↕ 15 | DWF | 5 |
| 8 | ↕ - | HARRISON CLARK RICKERBYS | 5 |
| 10 | ↕ - | ANDREW JACKSON | 4 |
| 10 | ↕ 8 | SQUARE ONE LAW | 4 |
| 10 | ↕ 9 | HAY & KILNER | 4 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|---------------------------------|--------|
| 1 | ↕ 1 | CLIVE OWEN CORPORATE FINANCE | 9 |
| 2 | ↕ 5 | K3 CAPITAL GROUP | 8 |
| 3 | ↕ 2 | AZETS | 7 |
| 4 | ↕ 3 | RYECROFT GLENTON | 4 |
| 5 | ↕ 11 | BENCHMARK INTERNATIONAL | 4 |
| 6 | ↕ 5 | RMT CORPORATE FINANCE | 4 |
| 7 | ↕ - | CAVU CORPORATE FINANCE | 3 |
| 7 | ↕ 12 | DEBERE | 3 |
| 7 | ↕ 8 | GRANT THORNTON | 3 |
| 7 | ↕ 10 | RSM | 3 |

WALES



Deal numbers recorded in Wales reached 199 - this was 6% up on the 187 transactions recorded for the first nine months of 2022 and meant that Wales was the only part of the UK to return a growth in transaction volume year on year. However, the continuing challenging economic conditions appears to have reined in the very positive start we had in H1, with the rate of growth in Q3 somewhat checking those initial gains.

At the same time, deal value over the same period fell from £1.3bn to £490m, a considerable 62% drop-off. Large and mega transactions are also notable by their absence so far in 2023 with only one deal recorded in excess of £100m - at this point in 2022, there had been three deals announced. In addition, whilst the volume of mid-market deals remained the same as last year (11), the value of those deals dropped to £259m (down from £447m) and the number of small deals also fell, with 42 announced for an aggregate consideration of £108m. There was a Welsh element in approximately 4% of all UK transactions by volume so far this year, whilst Welsh firms contributed around 0.6% of total deal value.

↑ 6%

199 deals recorded in Wales, up 6% year on year



Employee buy-outs are the **third biggest deal** type in Wales

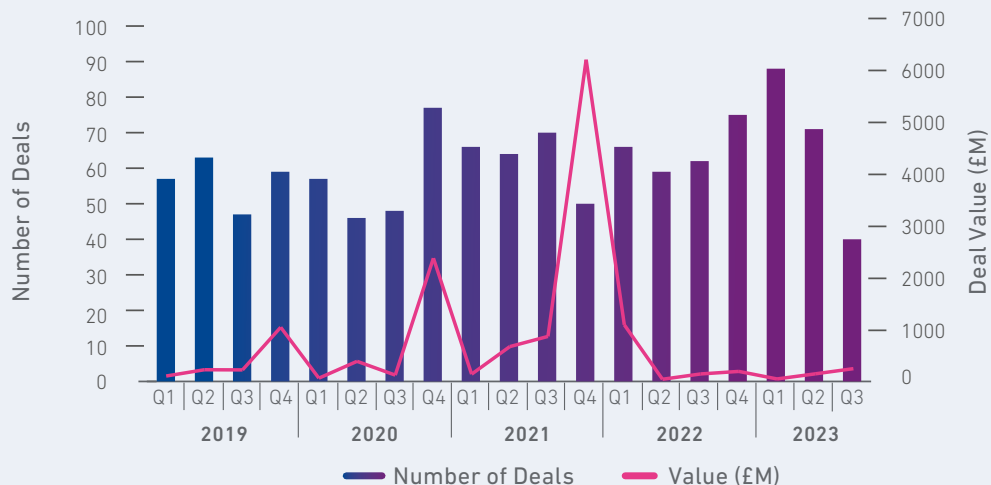


The Development Bank of Wales was the most active lender

Headline Deals

The largest deal recorded so far in 2023 saw Frisbee Bidco, an Isle of Man-registered company controlled by private equity firm DBAY, reach an agreement to acquire the entire issued share capital of Finsbury Food Group, the Cardiff-based bakery manufacturer of cake, bread, and morning goods for the retail and foodservice sectors. The take-private offer of 110p per share, values the company at just over £143m. The other notable deal recorded in the third quarter has seen Surrey-based

discoverIE Group, an international designer and manufacturer of customised electronics to industry, acquire Silver Telecom, a Newport-based power-over-ethernet module manufacturer and designer, in a deal that that could be worth up to £44m - this includes an earn-out of up to £23m which is payable subject to Silver Telecom's performance over the next four years.



Industry

The manufacturing (54) and professional services (47) sectors continue to dominate the Welsh deal landscape – the former also leading the way by value, with deals reaching an aggregate consideration of £308m (an increase from £127m the previous year). Deals in Wales' vibrant technology sector also continue to surge with volumes up by 30% (from 33 to 43), while deal value reached £68m, a up from £32m in 2022. There was positive year on year growth across several of Wales' most active sectors – wholesale and retail deals were up by 7%, construction by 22% and financial services by 19%. At the same time, some of the traditionally smaller industry segments including creative industries, arts and entertainment, hospitality, transport, waste management and mining and quarrying all also reported a significant upturn. From a deal type analysis, acquisitions and development capital remain the most popular type of transactions but it's important to note the significant acceleration in the number of employee buy-outs - the 11 confirmed (only six confirmed in the whole of 2022) sees them on a par with management buy-outs as a way for shareholders to realise their investments.

Funding

Where detailed funding arrangements were disclosed, cash (78) and existing funds (113) were again the preferred method for financing transactions. There were 22 bank debt-funded deals, a 4% dip year on year (23 registered in 2022), with the Development Bank Wales being the most active lender to Welsh businesses with 12 deals. Private equity and venture capital funded deals also saw a fall in numbers with 33 transactions recorded, down 13% on the same period for 2022 (38). Again, the Development Bank of Wales led the way accounting for 16 registered deals valued at just under £15m. Foundation Capital led the way by value leading a £25m venture capital round for Digital Asset Services (trading as Coincover), a Cardiff-based blockchain protection company. The company intends to use the funds to accelerate recruitment, product updates, and partnerships to safeguard the crypto ecosystem preventing, compensating, and protecting against crypto-threats.

Top five deals: Wales

#1

£311m

Date: 30/08/2023
Deal type: Acquisition
Target: Osirium Technologies Plc, Cardiff
Bidder: Sailpoint Technologies UK Ltd, Cheltenham

#2

£143m

Date: 20/09/2023
Deal type: IBO
Target: Finsbury Food Group Plc, Cardiff
Bidder: Frisbee Bidco Ltd, Isle of Man

#3

£45m

Date: 20/04/2023
Deal type: Acquisition
Target: Skycon Ltd, Bretton
Bidder: Better Collective A/S, Denmark

#4

£44m

Date: 01/08/2023
Deal type: Acquisition
Target: Silver Telecom Ltd, Newport
Bidder: discoverIE Group Plc, Guildford

#5

£39m

Date: 24/08/2023
Deal type: Acquisition
Target: Calon Cardio-Technology Ltd, Swansea
Bidder: Ashington Innovation Plc, London

LEGAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇄ 1 | GS VERDE GROUP | 23 |
| 2 | ⇄ 2 | GELDARDS | 19 |
| 3 | ⇄ 4 | HARRISON CLARK RICKERBYS | 14 |
| 4 | ⇄ 3 | CAPITAL LAW | 10 |
| 5 | ⇄ 16 | BERRY SMITH | 9 |
| 6 | ⇄ 6 | ACUITY LAW | 7 |
| 7 | ⇄ - | CMS | 5 |
| 8 | ⇄ 17 | ADDLESHAW GODDARD | 4 |
| 9 | ⇄ - | BLAKE MORGAN | 3 |
| 9 | ⇄ - | HEIGHTS LEGAL | 3 |

FINANCIAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|---------------------------------|--------|
| 1 | ⇄ 1 | GS VERDE GROUP | 23 |
| 2 | ⇄ 2 | AZETS | 10 |
| 3 | ⇄ 15 | GAMBIT CORPORATE FINANCE | 8 |
| 4 | ⇄ 3 | K3 CAPITAL GROUP | 5 |
| 4 | ⇄ 6 | GRANT THORNTON | 5 |
| 6 | ⇄ 9 | NUMIS SECURITIES | 4 |
| 7 | ⇄ 14 | ALTIUS GROUP | 4 |
| 8 | ⇄ 13 | LEXINGTON CORPORATE ADVISORS | 4 |
| 9 | ⇄ - | WH IRELAND | 3 |
| 10 | ⇄ - | DAVY CORPORATE FINANCE | 3 |

SCOTLAND

Deal volume in Scotland fell for the fourth consecutive quarter, with Q3 recording 73 deals, the lowest number seen in Q3 since 2020. Total volume for the year to date stood at 265 deals, just under 25% fewer than in 2022, with the total value of £4.9bn representing a fall of 67% on the previous period.

Whilst Q2 reported a spike in values, the figure reported for Q3 of £273m is the lowest recorded in at least a decade. Small cap and mid-market deals showed more resilience, with volumes averaging a 23% decline. In contrast, mid-market valuations were just 11% down on last year, whilst small-cap deals reported a drop of 25%. There was a more distinct decrease at the higher end of the market, as the volume of deals fell by an average of 50%, and value by 69%, as tough trading conditions and market volatility cooled dealmaking activity. Acquisitions and growth capital deals made up the bulk of corporate activity, with acquisitions accounting for 63% of the total volume and growth capital a further 22%. As seen in other regions, the popularity of the employee-owned business model is evident, as deals of this type increased 100% year on year. Private equity investments fell by just over 30% as investor cautiousness prevailed. This also translated into subdued capital markets activity, with ECM deals down by 70%, and IPO's noticeable by their absence. Scotland's deal activity represented 5.9% of the UK's total by volume, and 3.6% by value.



63%

Acquisitions accounted for **63%** of Scottish deals

Employee buy-outs up by

100%



Professional services deals up by **21%**

Headline Deals

Notable deals in this quarter included the sale by Edinburgh-based Harbour Energy of its Vietnamese assets to Big Energy, a Vietnamese oil and gas business, for £66m. The deal sees Harbour Energy exit from the country. Edinburgh's Gyle Shopping Centre was acquired by Capital & Regional for £40m, in a deal which complements the company's community shopping centre strategy. A flurry of deals by RSK Environment, the Glasgow-based subsidiary of RSK Group, cemented its position as the most active acquirer in

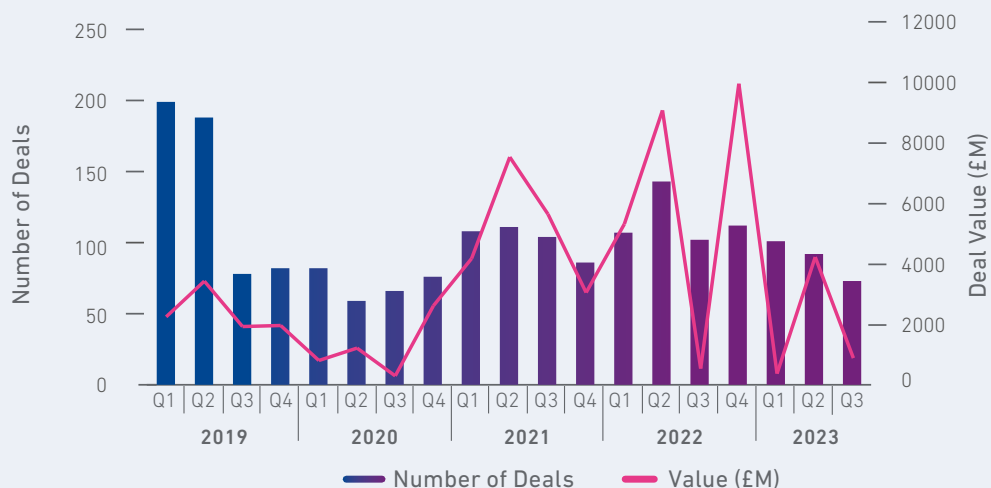
the year to date having completed 14 deals in the environmental consultancy sector. Q3 also saw the largest growth capital deal of the year announced, in which Glasgow-based 3F Bio (ENOUGH), a biotech food technology company, raised £34m in a round led by World Fund and CPT Capital. The investment boost brings ENOUGH's total capital raised to over £81m, enabling the company to expand its production capacity and teams in various locations.

Industry

Whilst the overall picture of M&A activity in Scotland mirrors the downturn seen across the rest of the UK, and indeed in the global markets, the professional services sector bucked the trend, recording growth of 21% in the volume of deals. This year, 92 deals have been recorded, in contrast to 76 last year, in part attributed to by the ambitious growth strategy of RSK Group. Manufacturing enjoyed a year-on-year increase in value, from £2.05bn last year to £2.44bn, despite a fall in volume. Support services, hospitality and utilities all reported improvement in deal value. Scotland's thriving digital and tech sectors continued to attract investment, from both domestic and overseas investors, with Edinburgh aspiring to achieve the status as a European data capital.

Funding

Deals financed from existing cash reserves accounted for 58% of the disclosed funding structures for the year to date. The recent increases in the cost of borrowing saw debt-funded deals fall by 30% in volume and 59% in value. ThinCats has supported the growth plans of four businesses in 2023, with HSBC close behind with three. Private equity and venture capital backed deals took less of a tumble, with the 65 deals funded in this way representing a decline of 13% on the 75 deals reported last year. Scottish Enterprise were by some way the most active investor, followed by Business Growth Fund and Old College Capital.



Top five deals: **Scotland**

#1

£1.68bn

Date: 28/04/2023**Deal type:** Acquisition**Target:** Repsol Sinopec Resources UK Ltd, Aberdeen**Bidder:** Repsol SA, Spain

#2

£1.26bn

Date: 22/05/2023**Deal type:** Share Buy-Back**Target:** NatWest Group Plc, Edinburgh

#3

£596m

Date: 05/06/2023**Deal type:** Acquisition**Target:** MB Aerospace Holdings I Ltd, Motherwell**Bidder:** Barnes Group Inc, USA

#4

£198m

Date: 31/05/2023**Deal type:** Divestment**Target:** HDFC Life Insurance Co Ltd, India (from abrdn Plc, Edinburgh)

#5

£144m

Date: 13/02/2023**Deal type:** Acquisition**Target:** Cushon Group Ltd, Croydon**Bidder:** NatWest Group Plc, Edinburgh



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|----------------------|--------|
| 1 | ⇄ 22 | BELLWETHER GREEN | 12 |
| 2 | ⇄ 1 | ADDLESHAW GODDARD | 12 |
| 3 | ⇄ 6 | BRODIES | 10 |
| 4 | ⇄ 15 | DWF | 9 |
| 5 | ⇄ 3 | PINSENT MASONS | 8 |
| 6 | ⇄ 4 | CMS | 6 |
| 7 | ⇄ 12 | EVERSHEDS SUTHERLAND | 5 |
| 8 | ⇄ 22 | HARPER MACLEOD | 5 |
| 9 | ⇄ - | STRONACHS | 5 |
| 10 | ⇄ 8 | BURGES SALMON | 4 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|--|--------|
| 1 | ⇄ 1 | ANDERSON ANDERSON & BROWN | 13 |
| 2 | ⇄ 2 | GRANT THORNTON | 12 |
| 3 | ⇄ 3 | AZETS | 11 |
| 4 | ⇄ 15 | K3 CAPITAL GROUP | 9 |
| 5 | ⇄ 5 | RSM | 8 |
| 6 | ⇄ 15 | HNH PARTNERS | 7 |
| 7 | ⇄ 4 | JOHNSTON CARMICHAEL CORPORATE FINANCE | 6 |
| 8 | ⇄ - | CORTUS ADVISORY | 6 |
| 9 | ⇄ 9 | BDO | 5 |
| 10 | ⇄ 12 | PWC | 5 |

NORTHERN IRELAND



Mid-market deal volume
up by

200%

with values up to **£302m**

166%

Management buy-out/buy-ins
were up by **166%** on
2022 results



Professional services
deals up by **25%** in 2023

As 2023 progresses, M&A activity in the Northern Irish market has seen a drop off in volume and value, with concerns over rising interest rates and soaring inflation increasingly factored into M&A decision making. Interestingly the chart shows a slower Q3 is historically followed by a rise in deals in Q4, with an average increase of over 50%.

The Q3 results are slightly down against 2021 and 2022 figures but up compared to both 2019 and 2020. We have recorded 138 transactions so far in 2023, which represented a decline of 25% from the 185 deals announced in the same period of 2022. Mid-market deal volume was up by 200% and the value of these rose from £119m up to £302m for the first three quarters of this year. So far during 2023 no large value deals have been recorded in Northern Ireland. However, since 2009 there have only been a total of 34 of such deals announced, suggesting this absence of large deals is not unusual for the M&A market in the region. Management buy-out/buy-ins were up by 166% on 2022 results while acquisitions and development funding deals both declined. The total recorded value of deals in Northern Ireland, at £346m, was down by 28% from the £483m of transactions announced at this point in 2022. Northern Irish businesses were involved in 3.07% of the total number of UK deals by deal volume and provided 0.26% of their total value.

Headline Deals

In Northern Ireland five of the largest transactions by value were development funding deals. The biggest deal of the year to date saw Radius Housing Association, Holywood, which manages more than 13,000 homes in Northern Ireland and constructs more than 400 new social and affordable homes every year, securing a £70m sustainability-linked funding package from Barclays, which includes a £20m green term loan that will be used to increase the energy efficiency of 400 homes per year. There was a total of

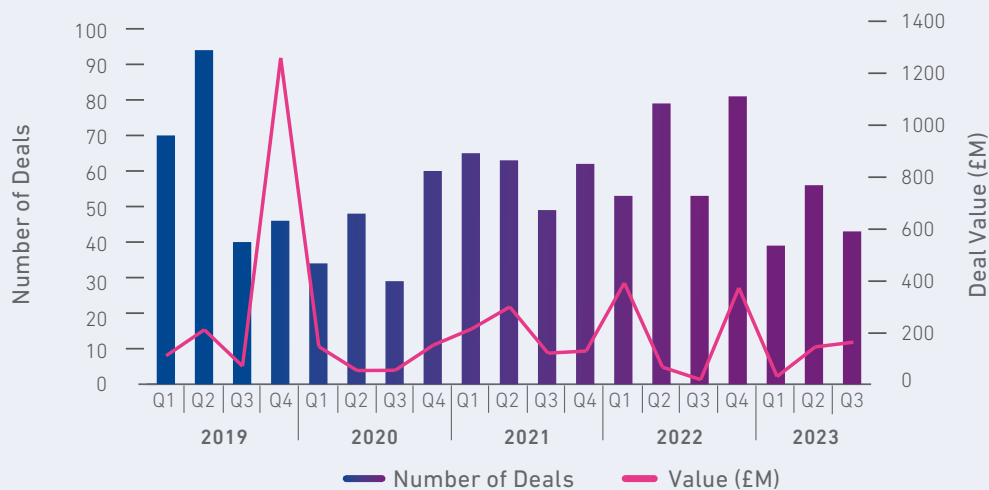
four acquisitions on the list of the top ten deals, including the acquisition by Swedish hotel operator Pandox, of Hilton Belfast, a 202-room hotel, from an affiliate of Starwood Capital Group, USA for a total cash consideration of £40m. During July there was a second cross border transaction involving a Swedish company, this time however it was Texthelp, Antrim, a developer of education and corporate software solutions, a portfolio company of LDC, which bought Svensk TalTeknologi, a provider of literacy software.

Industry

Professional services and infocomms were joint second as the most active sectors for the region with 30 transactions apiece. Whilst this was a 30% decline on 2022 figures for the previously busy infocomms sector, the professional services industry was up by 25% on the same period last year with the value of these transactions soaring to £53m from £1m in 2022. Hospitality, though not as busy overall, saw the volume of deals during 2023 increase by 50% and the value increase to £51m. The two most prominent deals in the sector were the previously mentioned Pandox/Hilton acquisition and the divestment by Quinn Group Properties, Belfast, of hotelier CRD Catering (City), Nottingham, to London-based Only Hotels, for an £11.2m consideration. Despite a dip in volume, manufacturing remained the most active sector for Northern Ireland with 35 transactions valued at over £75m. Two of the top 10 transactions appeared in this sector including the £50m funding of Bamford Bus Company Holdings, an Oxford-registered company, trading from Ballymena, which manufactures buses trading under the Wrightbus brand.

Funding

During the first nine months of 2023 private equity investors provided funding in 27 transactions, a decline of 36% from the 42 deals in 2022. However, the value of these deals increased dramatically from £19m up to £127m. The most active investor in the region was Invest Northern Ireland, with transactions ranging from renewable energy to software development and analysis of data from satellites. A total of 46 different firms deployed their capital in Northern Ireland during 2023, with Techstart Ventures following Invest Northern Ireland as the second most active firm. Meanwhile the impact of the increased cost of credit continued to dampen the already small debt funding market in Northern Ireland with only eight transactions, down from 13 last year. The value of these deals also fell down from £227m to £128m. There were only two debt providers active in the market so far this year, Bank of Ireland and Barclays Bank.



Top five deals: Northern Ireland

#1

£70m

Date: 10/07/2023

Deal type: Debt
Funding

Target: Radius
Housing Association
Ltd, Hollywood

#2

£50m

Date: 31/05/2023

Deal type: Growth
Capital

Target: Weev.le Ltd,
Belfast

#3

£50m

Date: 09/06/2023

Deal type: Development
Funding

Target: Bamford Bus
Company Holdings
Ltd, Ballymena

#4

£40m

Date: 20/07/2023

Deal type: Acquisition
Target: Hilton Belfast

Bidder: Padox AB,
Sweden

#5

£35m

Date: 05/09/2023

Deal type: Development
Funding

Target: Fibrus
Networks Ltd, Belfast

LEGAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-------------------------------|--------|
| 1 | ⇄ 1 | TUGHANS | 27 |
| 2 | ⇄ 3 | CARSON MCDOWELL | 25 |
| 3 | ⇄ 5 | DAVIDSON MCDONNELL SOLICITORS | 18 |
| 4 | ⇄ 2 | A&L GOODBODY | 17 |
| 5 | ⇄ 6 | MILLS SELIG | 9 |
| 6 | ⇄ 4 | ARTHUR COX | 8 |
| 6 | ⇄ 9 | TURLEY LEGAL | 8 |
| 8 | ⇄ 8 | SHOOSMITHS | 6 |
| 9 | ⇄ 16 | DWF | 3 |
| 10 | ⇄ - | MKB LAW | 3 |

FINANCIAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------|--------|
| 1 | ⇄ 2 | GRANT THORNTON | 9 |
| 2 | ⇄ 1 | HNH PARTNERS | 7 |
| 3 | ⇄ 9 | KPMG | 6 |
| 4 | ⇄ - | ALLENBY CAPITAL | 3 |
| 5 | ⇄ - | CAVANAGH KELLY | 3 |
| 6 | ⇄ - | ASM BELFAST | 2 |
| 6 | ⇄ - | K3 CAPITAL GROUP | 2 |
| 6 | ⇄ - | MOORE NI | 2 |
| 6 | ⇄ - | PKF | 2 |
| 6 | ⇄ 4 | PWC | 2 |

REPUBLIC OF IRELAND



The latest figures for Q3 suggest a continued drop off in Irish M&A deal activity that had been apparent since the first part of 2023. Irish businesses have so far agreed a total of 484 transactions, representing a decline of 19% year on year (from 600 transactions in 2022) - although this activity still sits comfortably ahead of the numbers recorded pre-pandemic levels.

Whilst transaction volume remains relatively strong in historic terms, the impact of financing costs rising – there have been 10 straight consecutive interest rate increases since the regulator began to try and tackle inflation in July 2022 - and on-going market volatility has meant that deals in all categories have proved difficult to get off the ground. Small (77) and mid-market (36) transactions have dipped, a considerable drop from the previous year where 122 and 64 deals were recorded, respectively. Whilst at the higher end of the market, we've seen a 27% decline in large deals and a 50% drop in the €1bn-plus category – this has resulted in a sharp fall in the value of Irish M&A this year. The total recorded value of deals so far this year is just over €24bn, this being much lower than the €45bn recorded at this point in 2022.

Irish M&A was down by

19%



11

deals break through the €100m+ barrier

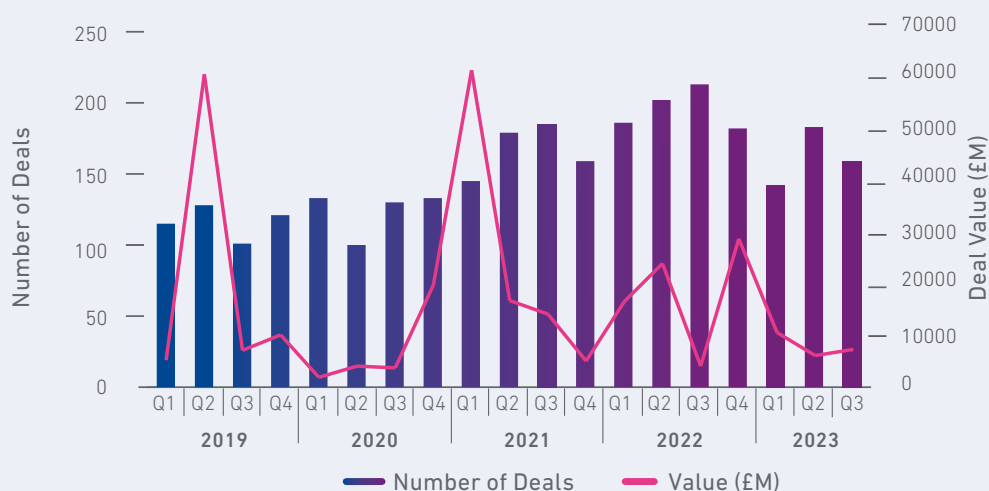


Manufacturing returns to the forefront of the industry rankings with 143 deals

Headline Deals

Q3 saw 11 transactions break through the €100m barrier in Ireland (exceeding the 10 announced for the corresponding period in 2022). The largest of these by some distance was Wayflyer, the Dublin-based startup platform providing loans to e-commerce companies, confirming it had agreed to raise up to US\$1bn (approximately €918m) from investment management firm Neuberger Berman. The facility will enable Wayflyer to be able to continue to offer capital on the most competitive terms to its customers, while growing its offering to meet the huge demand from US eCommerce businesses.

The next largest saw AXA, the French multinational insurance company, agree to acquire Irish health insurer Laya Healthcare, from AIG subsidiary Corebridge Financial, in a €650m deal expected to close later in 2023. Rounding out the top three, STERIS, the Irish-domiciled medical equipment company specialising in sterilisation and surgical products for the US healthcare system, closed a deal to acquire the Surgical Instrumentation Business of Becton Dickinson & Company, a US-based multinational medical technology company, for \$540m (approx. €482m).



Industry

The manufacturing sector returned to first position as Ireland’s most active industry for M&A up to and including Q3 2023 – there were 143 confirmed deals representing almost 30% of the region’s total (whereas the 147 deals announced in 2022 represented a 24% share). This was marginally ahead of infocomms - 142 deals, down by 32% from 209 last year, with wholesale and retail being the only other sector to break through the 100+ barrier (with 106 transactions). Deals of note in this sector saw Kerry Group close the acquisitions of France based Proexcar (€58m) and China based Shanghai Greatang Orchard Food (€188m) further highlighting the consolidation and expansion of their operations into overseas markets. However, there were very few other positives to take in terms of transaction volume, with only creative industries, education, and agriculture, forestry and fishing showing an increase in numbers from some of the traditionally smaller industry segments. From a deal value perspective, only creative industries, other service activities and waste management reported year on year growth.

Funding

There were 99 transactions with a private equity aspect to their funding in the YTD, down from 153 during the first nine months of 2022 – this represented just over 20% of the market (and down from a 25% market share the previous year). These private equity transactions were valued at just over €9.5bn, representing a fall from €18.8bn the previous year (a significant 49% depreciation). Of the 99 private equity deals, 19 constituted majority buy-outs (comprising 17 IBOs/SBOs and two acquisitions), whilst 80 constituted earlier stage growth investments. Enterprise Ireland, with 12 citations, ranked as the region’s most active investment firm by deal volume (which were valued at €27m), well clear of both Western Development Commission and ACT Venture Capital, which provided venture capital for five deals each. Meanwhile, debt funded deals were down by around 15% year on year as financing costs continued to rise - the Bank of Ireland being the leading debt provider to the Irish M&A market (with four transactions).

Top five deals: Republic of Ireland

#1

€6.3bn

Date: 17/03/2023

Deal type: Development Capital

Target: Stripe Inc, Dublin

#2

€3.28bn

Date: 29/08/2023

Deal type: Acquisition

Target: Pembroke Aircraft Leasing Holdings Ltd, Dublin

Bidder: Aircraft Leasing Company, Saudi Arabia

#3

€2.3bn

Date: 30/05/2023

Deal type: Acquisition

Target: UK and Irish Operations of EG Group Ltd

Bidder: Asda Group Ltd, Leeds

#4

€1.4bn

Date: 08/01/2023

Deal type: Acquisition

Target: Amryt Pharma Plc, Dublin

Bidder: Chiesi Farmaceutici SpA, Italy

#5

€1.03bn

Date: 03/04/2023

Deal type: Acquisition

Target: ECM Industries LLC, USA

Bidder: nVent Electric Plc, Dublin



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------|--------|
| 1 | ⇅ 4 | ARTHUR COX | 41 |
| 2 | ⇅ 1 | A&L GOODBODY | 40 |
| 3 | ⇅ 3 | MATHESON | 38 |
| 4 | ⇅ 10 | PHILIP LEE SOLICITORS | 37 |
| 5 | ⇅ 6 | BEAUCHAMPS | 37 |
| 6 | ⇅ 2 | FLYNN O'DRISCOLL | 32 |
| 7 | ⇅ 9 | EVERSHEDS SUTHERLAND | 28 |
| 8 | ⇅ 7 | WILLIAM FRY | 26 |
| 9 | ⇅ 8 | MCCANN FITZGERALD | 20 |
| 10 | ⇅ 14 | REGAN WALL | 19 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------------|--------|
| 1 | ⇅ 1 | KPMG | 26 |
| 2 | ⇅ 2 | GRANT THORNTON | 17 |
| 3 | ⇅ 3 | PWC | 14 |
| 4 | ⇅ 6 | BDO | 14 |
| 4 | ⇅ 4 | MAZARS | 14 |
| 6 | ⇅ 5 | DAVY CORPORATE FINANCE | 13 |
| 7 | ⇅ - | IBI CORPORATE FINANCE | 12 |
| 8 | ⇅ 7 | JPA BRENSON LAWLOR | 12 |
| 9 | ⇅ 8 | BENCHMARK INTERNATIONAL | 12 |
| 10 | ⇅ 13 | PKF | 11 |

- This document was compiled using data from Experian MarketIQ, which reveals new layers of market insight by combining Corpfm's global M&A database with comprehensive Companies House data and our market leading business, financial and risk databases – all on a single platform.
- These tables are based on mergers & acquisitions (M&A) and equity capital market (ECM) transactions announced between the dates of 1 January 2023 and 30 September 2023. Previous rankings are based on information held on MarketIQ at the date on which the report was compiled.
- The minimum deal value for inclusion is £500,000, unless otherwise stated. For the purposes of this report, small deals are worth between £500,000 and £10m, mid-market deals between £10m and £100m, large deals £100m to £1bn and mega transactions £1bn and above.
- Where all aspects of a deal are confidential, the transaction will not be added to our database until this information can be disclosed. As such, transactions that are entirely confidential will not be eligible for inclusion in League Tables and Quarterly Reports. Where the value of a transaction is confidential it does not count towards value rankings.
- Deals are attributed to regions based on the address of target or bidder companies as registered at the UK's Companies House or the Republic of Ireland's Companies Registration Office. Should a company's principal place of business differ from its registered location, we will also attribute the deal to the region of its principal trading address.
- League Tables are based on the volume and value of legal or financial advisory services (including due diligence and certain consultancy services) provided to the target, bidder, vendor, debt or equity provider, shareholders, directors, management or other parties to a deal. League Tables exclude rumoured, cancelled, withdrawn or lapsed deals. Where advisory firms have advised on the same volume of deals, the aggregate value of transactions is used to determine their rank.
- Capital provider rankings are based on the total number of investments, exits and partial exits carried out by a firm over the review period.
- Irish deal values are based on an exchange rate of £1 = €1.15.
- This publication was compiled on 16 October 2023. Experian believes that the information it provides was obtained from reliable sources but does not guarantee its accuracy. Since our records are updated daily, transaction data and League Table rankings may vary between publications.
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For further information on Experian League Tables, inclusion criteria, deal submissions or quarterly updates, please contact:

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