



UNITED KINGDOM AND REPUBLIC OF IRELAND M&A REVIEW



EXPERIAN MARKETIQ: 2023

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“Deal makers across the globe navigated challenging conditions in 2023, and in the UK, we saw fewer deals announced and - where transactions were made - they tended to take longer to complete and came in at a significantly lower price point. Still, despite an overall decline in activity, there were pockets of growth in certain sectors – in energy, and in areas of tech such as AI – and the outlook for 2024 is cautiously optimistic. M&A remains a strategic priority for businesses, private equity dry powder is still at historically high levels and there is a healthy pipeline of transactions that were postponed last year due to market volatility. With the sense that the rise in inflation and interest rates may well have peaked, deal makers are increasingly able to take a longer-term view of the market and feel more comfortable in pushing forward with major investment decisions - raising hopes for an upturn in deal activity in the year to come”.

Jane Turner
Research Manager, Experian MarketIQ

UNITED KINGDOM M&A ACTIVITY

Following a subdued opening to 2023 for UK M&A, reduced levels of corporate deal making persisted into the second half of the year, as uncertainties around interest rates and company valuations - along with continuing macro and geopolitical concerns - all weighed on the volume of announced transactions.

There was diminished activity across most of our key metrics year on year, with the total number of UK transactions, at 6,426, representing a decline of 12% from the 7,304 deals announced in 2022. That said, there were some areas of growth, as deal makers took an increasingly creative and pragmatic approach to navigating risk; we recorded an upturn in minority stake transactions, demergers and joint ventures along with - still - consistently strong buy-out activity. We also saw inward investment volume hold steady year on year, and the value of inward deals increase by around 10%, to £55.5bn. Meanwhile, although outward investment declined last year in terms of deal count - after having reached record levels in 2022 (to 463 transactions, from 686 in 2022) - the total value of outbound deals rose to £39.3bn, up from £28.7bn. Overall though, the higher interest rate environment meant the slowdown in activity at the top end of the market continued, with a 27% decline in the number of large-cap transactions and the 'mega' deal, £1bn plus segment down by 24% year on year (to 36, from 47 in 2022). This meant that the total value of UK M&A in 2023 reached just £194bn, down by 21% from 2022 and the lowest recorded value on Experian record since 2003.

UK M&A volume reached

6,426

deals in 2023,
down by 12%



88

bids for listed firms in
2023 - the highest figure
in more than a decade



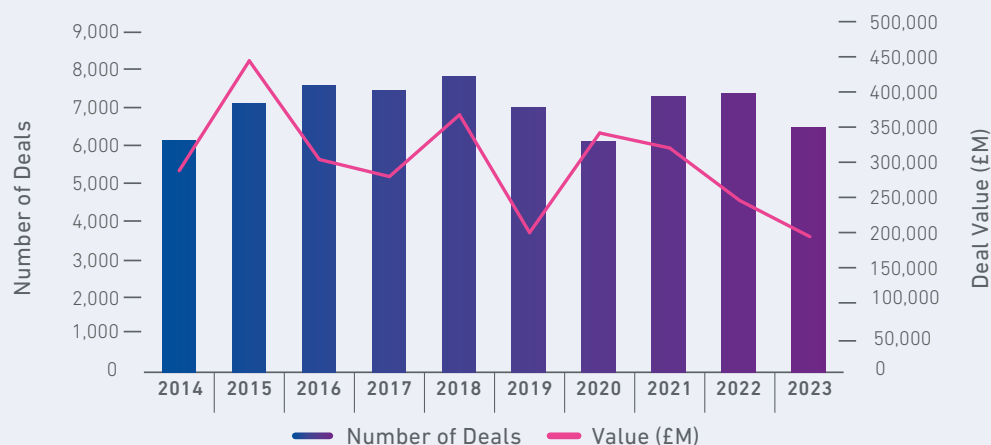
Investment in the
AI space up by

11%

Deals of the Year

The UK's largest deals of 2023 were both in the financial and insurance sector. They comprised the traditional, where London insurer Aon agreed a deal to acquire US brokerage NFP Corp for around £10.6bn, and the more modern, where US private equity firm GTCR paid £10.2bn for a majority stake in London payments business Worldpay, from US fintech FIS. Investors still see good value opportunity in UK Plcs, and we saw a total of 88 approaches for London-listed firms in 2023 – the highest figure in more than a decade. Prominent take private deals included the £4.9bn buy-out of veterinary pharmaceuticals company Dechra Pharmaceuticals by

Swedish investment house EQT and the £4.5bn acquisition of Cambridge biotech Abcam by US life sciences company Danaher Corp. Elsewhere, KKR reached agreement on the all cash acquisition of Glasgow infrastructure company Smart Metering Systems at a valuation of £1.4bn, one of Scotland's biggest ever take private deals, and in possibly the year's highest profile transaction, INEOS chairman Jim Ratcliffe eventually finalised a deal to take a 25% stake in Manchester United for £1.3bn – the latest in a flurry of transactions targeting English football clubs. These deals were the outliers, with the majority of deals targeting Stock Exchange-listed companies falling into the mid to large-cap segment.



Industry

The information and communication industry retained its position as the most prolific industry for deal making in the UK, despite an 18% decline in transaction volume after the heightened activity of 2022. Tech deals accounted for around 25% of the UK total last year, and despite the contraction in deal flow overall, we saw several areas in which volume accelerated – most notably in artificial intelligence, where volume was up by 11% year on year to reach its highest ever annual deal count. AI deals were overwhelmingly in the venture capital space, with a raft of startups attracting investment; among the biggest rounds was a £500m debt and equity package for London fintech Abound. Away from tech, professional services was the next most active sector for M&A, with 1,536 transactions – 24% of the UK total - followed by manufacturing (21%) although again, both sectors saw volume decline year on year. Finally, as insolvency rates grew in 2023, we recorded a 24% year on year upturn in the number of companies bought out of administration; companies involved in manufacturing – particularly food production – and construction were the most common targets here.

Funding

Around 26% of deals were funded by private equity investment in 2023, with 1,645 transactions down by around 10% from the 1,845 PE-backed deals announced during 2022. Drilling down, an 11% downturn in the early investment stage contrasted with a small year on year upturn in buy-out volume – where a shift in investment focus away from larger capital deployments towards small to medium-sized targets was evident. Business Growth Fund was the UK's leading investor by deal volume, completing 61 transactions in 2023, ahead of Foresight (42 transactions) and Octopus (29), while LDC, with eight deals, and Inflexion (seven), were most active in the buy-out space. Meanwhile, increased financing cost contributed to a 20% decline in the number of deals funded by newly-agreed debt; HSBC was the leading provider by volume, with 56 transactions, ahead of alternative lender Thincats on 41 and Triple Point Private Credit (26 deals).

Top ten deals: UK

1

£10.5bn

Date: 20/12/2023

Deal type: Acquisition

Target: NFP Corp, USA

Bidder: Aon Plc, Dublin and London

2

£10.1bn

Date: 06/07/2023

Deal type: IPO

Target: WorldPay Inc, USA (operating from London)

Bidder: GTCR

3

£6.68bn

Date: 10/08/2023

Deal type: Acquisition

Target: Capri Holdings Ltd, BVI (with executive offices in London)

Bidder: Tapestry Inc, USA

4

£5.94bn

Date: 23/10/2023

Deal type: Acquisition

Target: Telavant Holdings Inc, USA (from Roivant Sciences Holdings Ltd, London)

Bidder: Roche Holding AG, Switzerland

5

£4.88bn

Date: 13/04/2023

Deal type: IPO

Target: Dechra Pharmaceuticals Plc, Northwich

Bidder: Freya Bidco Ltd, London (an EQT vehicle)

6

£4.52bn

Date: 28/08/2023

Deal type: Acquisition

Target: Abcam Plc, Cambridge

Bidder: Danaher Corp, USA

7

£4.36bn

Date: 31/10/2023

Deal type: Acquisition

Target: Vodafone Holdings Europe SLU, Spain

Bidder: Zegona Communications Plc, London

8

£4.35bn

Date: 17/08/2023

Deal type: Acquisition

Target: Ball Aerospace, USA

Bidder: BAE Systems Plc, London

9

£4.18bn

Date: 13/09/2023

Deal type: IPO

Bidder: ARM Holdings Plc, Cambridge

10

£3.85bn

Date: 23/06/2023

Deal type: Acquisition

Target: Neptune Energy Group Ltd, London

Bidder: ENI SpA, Italy

UK and Ireland deal volume 2023

Click on the
regions for more
information


















UK AND IRELAND M&A BY REGION 2023



Volume

| Region | 2023 | 2022 | % Change |
|---------------------|-------|-------|--|
| Greater London | 2,267 | 2,559 | -11%  |
| South East | 1,116 | 1,224 | -9%  |
| Midlands | 1,042 | 1,117 | -7%  |
| North West | 893 | 995 | -10%  |
| South West | 539 | 730 | -26%  |
| Yorkshire & Humber | 586 | 635 | -8%  |
| East of England | 622 | 714 | -13%  |
| Scotland | 394 | 464 | -15%  |
| North East | 273 | 383 | -29%  |
| Wales | 270 | 262 | 3%  |
| Northern Ireland | 236 | 269 | -12%  |
| Republic of Ireland | 789 | 787 | 0%  |
| United Kingdom | 6,427 | 7,304 | -12%  |



UK AND IRELAND M&A BY REGION 2023























Value (£m)

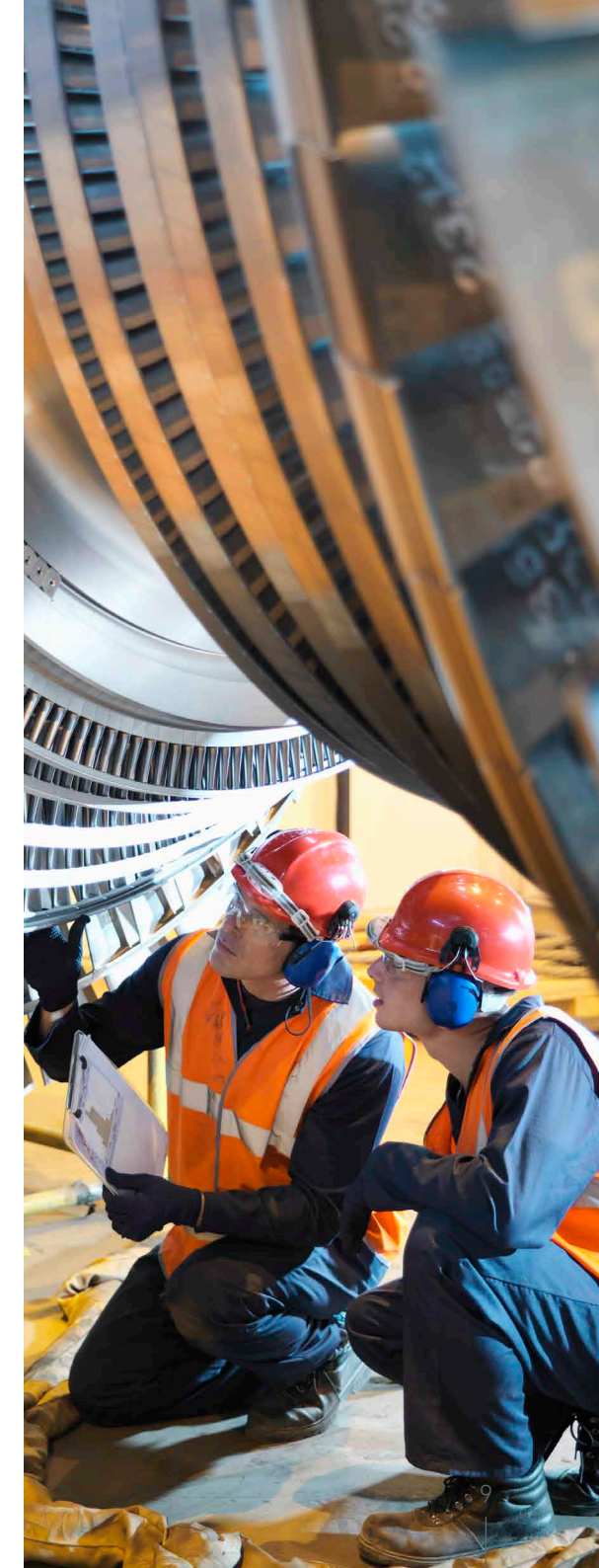
| Region | 2023 | 2022 | % Change |
|---------------------|---------|---------|----------|
| Greater London | 144,323 | 138,567 | 4% |
| South East | 16,142 | 36,256 | -55% |
| Midlands | 7,209 | 27,941 | -74% |
| North West | 19,078 | 9,110 | 109% |
| South West | 3,387 | 4,959 | -32% |
| Yorkshire & Humber | 3,539 | 8,249 | -57% |
| East of England | 20,009 | 14,444 | 39% |
| Scotland | 7,356 | 24,938 | -71% |
| North East | 2,049 | 3,687 | -44% |
| Wales | 806 | 1,546 | -48% |
| Northern Ireland | 442 | 860 | -49% |
| Republic of Ireland | 50,276 | 69,082 | -27% |
| United Kingdom | 194,156 | 245,470 | -21% |

UK DEALS BY INDUSTRY 2023























Volume

| Sector | 2023 | 2022 | % Change |
|---|-------|-------|--|
|  Infocomms | 1,630 | 1,989 | -18%  |
|  Professional services | 1,536 | 1,667 | -8%  |
|  Manufacturing | 1,404 | 1,547 | -9%  |
|  Wholesale and retail | 1,172 | 1,237 | -5%  |
|  Financial services | 937 | 1,096 | -15%  |
|  Support services | 667 | 820 | -19%  |
|  Construction | 499 | 544 | -8%  |
|  Health | 424 | 533 | -20%  |
|  Real estate | 306 | 387 | -21%  |
|  Transport | 212 | 245 | -13%  |



UK DEALS BY INDUSTRY 2023

 Value (£m)

| Sector | 2023 | 2022 | % Change |
|---|--------|--------|--|
|  Infocomms | 50,264 | 63,485 | -21%  |
|  Professional services | 36,184 | 52,178 | -31%  |
|  Manufacturing | 69,453 | 58,996 | 18%  |
|  Wholesale and retail | 44,998 | 26,005 | 73%  |
|  Financial services | 67,690 | 81,126 | -17%  |
|  Support services | 16,514 | 17,643 | -6%  |
|  Construction | 9,814 | 21,991 | -55%  |
|  Health | 3,889 | 5,575 | -30%  |
|  Real estate | 13,779 | 23,864 | -42%  |
|  Transport | 13,262 | 14,769 | -10%  |





Volume

LEGAL ADVISER RANKINGS

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-------------------------------|--------|
| 1 | ⇄ 1 | SHOOSMITHS | 255 |
| 2 | ⇄ 2 | HARRISON CLARK RICKERBYS | 226 |
| 3 | ⇄ 3 | ADDLESHAW GODDARD | 178 |
| 4 | ⇄ 9 | EVERSHEDS SUTHERLAND | 172 |
| 5 | ⇄ 6 | PINSENT MASONS | 122 |
| 6 | ⇄ 16 | FREETHS | 113 |
| 7 | ⇄ 4 | GATELEY | 109 |
| 8 | ⇄ 8 | MILLS & REEVE | 97 |
| 9 | ⇄ 19 | DWF | 91 |
| 10 | ⇄ 11 | SQUIRE PATTON BOGGS | 84 |
| 11 | ⇄ 12 | BROWNE JACOBSON | 83 |
| 12 | ⇄ 20 | CMS | 81 |
| 13 | ⇄ - | ORRICK HERRINGTON & SUTCLIFFE | 79 |
| 14 | ⇄ 21 | HIGGS | 73 |
| 15 | ⇄ 5 | DLA PIPER | 70 |
| 16 | ⇄ 7 | WARD HADAWAY | 67 |
| 17 | ⇄ 18 | HILL DICKINSON | 65 |
| 18 | ⇄ 13 | TLT | 65 |
| 19 | ⇄ 25 | ARTHUR COX | 61 |
| 20 | ⇄ 17 | BRABNERS | 57 |



Volume

FINANCIAL ADVISER RANKINGS

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------------|--------|
| 1 | ⇄ 3 | K3 CAPITAL | 292 |
| 2 | ⇄ 2 | GRANT THORNTON | 193 |
| 3 | ⇄ 4 | RSM | 145 |
| 4 | ⇄ 1 | BDO | 142 |
| 5 | ⇄ 5 | AZETS | 109 |
| 6 | ⇄ 9 | PWC | 104 |
| 7 | ⇄ 13 | PKF | 103 |
| 8 | ⇄ 6 | HAZLEWOODS | 97 |
| 9 | ⇄ 8 | KPMG | 83 |
| 10 | ⇄ 7 | CAVENDISH | 75 |
| 11 | ⇄ 17 | BENCHMARK INTERNATIONAL | 63 |
| 12 | ⇄ 12 | ALTIUS GROUP | 61 |
| 13 | ⇄ 18 | MAZARS | 57 |
| 14 | ⇄ 15 | NUMIS SECURITIES | 48 |
| 15 | ⇄ 10 | EY | 47 |
| 16 | ⇄ 21 | CORTUS ADVISORY | 44 |
| 17 | ⇄ 30 | GS VERDE GROUP | 41 |
| 18 | ⇄ 16 | DELOITTE | 40 |
| 19 | ⇄ 11 | DOW SCHOFIELD WATTS | 40 |
| 20 | ⇄ - | COOPER PARRY | 39 |



CAPITAL PROVIDER RANKINGS

Volume

| Current rank | Previous rank | Debt provider | Volume |
|--------------|---------------|---------------------------|--------|
| 1 | ⇅ 1 | BUSINESS GROWTH FUND | 61 |
| 2 | ⇅ 5 | FORESIGHT GROUP | 42 |
| 3 | ⇅ 2 | OCTOPUS VENTURES | 29 |
| 4 | ⇅ 3 | LDC | 24 |
| 5 | ⇅ 8 | SEEDCAMP | 20 |
| 6 | ⇅ 6 | SCOTTISH ENTERPRISE | 20 |
| 7 | ⇅ 15 | FUEL VENTURES | 19 |
| 8 | ⇅ 4 | MAVEN CAPITAL PARTNERS | 19 |
| 9 | ⇅ 9 | DEVELOPMENT BANK OF WALES | 19 |
| 10 | ⇅ 20 | MERCIA ASSET MANAGEMENT | 18 |



DEBT PROVIDER RANKINGS

Volume

| Current rank | Previous rank | Investment firm | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇅ 2 | HSBC | 56 |
| 2 | ⇅ 1 | THINCATS | 41 |
| 3 | ⇅ 7 | TRIPLE POINT PRIVATE CREDIT | 26 |
| 4 | ⇅ 4 | SME CAPITAL | 26 |
| 5 | ⇅ 10 | NATWEST | 22 |
| 6 | ⇅ 14 | PRAETURA | 19 |
| 7 | ⇅ 3 | SHAWBROOK | 19 |
| 8 | ⇅ 5 | LLOYDS BANKING GROUP | 15 |
| 9 | ⇅ 8 | SANTANDER | 15 |
| 10 | ⇅ 32 | DEVELOPMENT BANK OF WALES | 12 |

LONDON



As ever, London is the UK's engine room for M&A, and companies based in the capital were involved in approximately 35% of annual deals, along with accounting for some 74% of total transaction value in 2023. However, the London market declined last year, as buyers continued to grapple with higher financing costs and uncertain economic conditions. Our new full year figures show that London-based firms launched 2,267 transactions in 2023, a year on year decline of 11% from the 2,559 transactions we recorded during 2022.

This sits under 2020 - when deal making paused almost entirely for several weeks in the initial outbreak of the pandemic - as the most subdued year for deal making in London over the last decade, and close to 500 under the annual average of 2,710 transactions. There was some positivity, as a flurry of high value deals in the second half of the year meant that the total recorded value of London deals reached £144bn - up by 4% from £139bn in 2022 - raising hopes of a recovery in 2024 as deal makers adjust to new realities in the market.



Deal flow in London ebbed to its lowest rate in a decade in **2023**

But, second half mega deals meant that total value was up 4%, to

£144bn

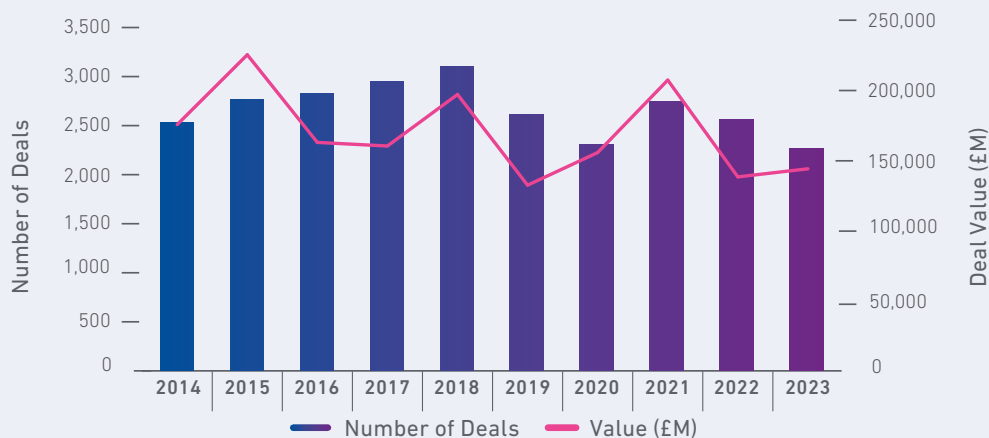


A surge in deals targeting the AI space, where volume was up **24%**

Deals of the Year

After a relatively slow beginning to the year, big ticket deal making returned in the second half of 2023. We recorded 28 deals with a value of £1bn and above – up from 26 in 2022 – with their associated value rising by 11% year on year, to £86bn. Well capitalised corporate purchasers were more prominent than private equity sponsors at the higher end of the market and in the year’s largest transaction, British-American consulting and professional services company Aon agreed the takeover of US insurance broker NFP for around £10.6bn in cash and shares. This deal was funded in part by a debt fundraising of around £4bn and will provide an exit for US investors

Madison Dearborn Partners and HPS Investment Partners. Meanwhile, another in a spate of large deals in the global luxury goods sector saw New York fashion house Tapestry enter into a definitive agreement to acquire Capri Holdings, the global fashion luxury group behind Versace, Jimmy Choo, and Michael Kors, at a total enterprise value of approximately £6.7bn. Elsewhere, there were high profile transactions in telecoms, where Zegona Communications inked a £4.4bn deal to acquire Vodafone’s Spanish division, in aerospace, where BAE Systems bought the space division of US packaging group Ball Corp for £4.3bn, and in oil and gas, where Carlyle-backed Eni bought Neptune



Energy Group at a valuation of around £3.7bn – the biggest energy deal in the UK since 2017.

Industry

London’s M&A market continued to be dominated by tech and tech-adjacent transactions in 2023, with annual deal volume in the sector – at 804 transactions - outstripping the next most active industry, financial services, by almost 300 deals. Tech deals were valued at £39bn, up by almost 25% on 2022’s return. Drilling down, we saw strong activity in the fintech space and deals here included the year’s biggest buy-out, where US private equity firm GTCR paid £10bn for a majority stake in Worldpay, the London-based payment processing firm. Elsewhere, deals centred around the small to mid-market and, increasingly, targeted companies operating in the AI sphere, as firms rushed to build capacity in this area and future-proof their business. This explosion in AI deals – 136 in 2023, up from 110 in 2022 and just 64 at the beginning of the decade – looks set to continue in 2024. Elsewhere most of London’s traditionally most active industries for deal making saw transaction volume decline in 2023, but we did see growth in some smaller sectors – there was a 37% upturn in service activities, a 22% increase in

the agriculture sector and a 17% year on year uptick in the number of waste management deals.

Funding

We recorded 749 transactions in London that stemmed from private equity investment last year, down by 9% from the 827 PE-backed deals announced in 2022. However, private equity’s overall share of the market increased slightly year on year to 33% (up from 30% in 2022). In value terms, private equity-funded deals were worth approximately £42bn, down from £67bn in 2022 - as buy-out volume remained consistent, but smaller to mid-market transactions held sway over large-cap deals. London venture capital firm Seedcamp was the most active investor by deal volume in 2023 with 19 investments, followed by Octopus on 16 transactions, while in the buy-out space, HIG Capital, Inflexion and LDC led the way, each with five deals last year. Meanwhile, despite a 12% downturn in debt-funded transactions, the overall value of debt-backed deals increased by around 17% year on year. ThinCats, an alternative lender targeting the SME market, was the leading debt provider to the London M&A market with 12 deals, ahead of HSBC (nine deals) and Triple Point Private Credit (eight).

Top five deals: London

#1

£10.57bn

Date: 20/12/2023

Deal type: Acquisition

Target: NFP Corp, USA

Bidder: Aon Plc, Dublin and London

#2

£10.17bn

Date: 06/07/2023

Deal type: IBO

Target: WorldPay Inc, USA (operating from London)

Bidder: GTCR, USA

#3

£6.68bn

Date: 10/08/2023

Deal type: Acquisition

Target: Capri Holdings Ltd, BVI (with executive offices in London)

Bidder: Tapestry Inc, USA

#4

£5.94bn

Date: 23/10/2023

Deal type: Acquisition

Target: Telavant Holdings Inc, USA (from Roivant Sciences Holdings Ltd, London)

Bidder: Roche Holding AG, Switzerland

#5

£4.36bn

Date: 31/10/2023

Deal type: Acquisition

Target: Vodafone Holdings Europe SLU, Spain

Bidder: Zegona Communications Plc, London

**LEGAL ADVISER RANKINGS**

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-------------------------------|--------|
| 1 | ⇄ 1 | SHOOSMITHS | 102 |
| 2 | ⇄ 5 | EVERSHEDS SUTHERLAND | 82 |
| 3 | ⇄ 4 | ADDLESHAW GODDARD | 60 |
| 4 | ⇄ 20 | ORRICK HERRINGTON & SUTCLIFFE | 57 |
| 5 | ⇄ 2 | HARRISON CLARK RICKERBYS | 53 |
| 6 | ⇄ 7 | PINSENT MASONS | 44 |
| 7 | ⇄ 13 | DWF | 39 |
| 8 | ⇄ 11 | CMS | 38 |
| 9 | ⇄ 6 | GATELEY | 33 |
| 10 | ⇄ 3 | DLA PIPER | 31 |

**FINANCIAL ADVISER RANKINGS**

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------|--------|
| 1 | ⇄ 1 | GRANT THORNTON | 76 |
| 2 | ⇄ 4 | K3 CAPITAL | 69 |
| 3 | ⇄ 2 | BDO | 63 |
| 4 | ⇄ 3 | RSM | 55 |
| 5 | ⇄ 8 | PWC | 37 |
| 6 | ⇄ 6 | CAVENDISH | 30 |
| 7 | ⇄ 5 | HAZLEWOODS | 27 |
| 8 | ⇄ 21 | ROTHSCHILD & CO | 25 |
| 9 | ⇄ 9 | NUMIS SECURITIES | 25 |
| 10 | ⇄ 10 | AZETS | 25 |

SOUTH EAST



The South East of England remains the busiest region for deal making outside of London and, while transaction volume fell last year - having reached record levels in 2022 - it still sits at the higher end of our ten-year review period and outperforms the wider UK market across a range of key metrics.

We recorded 1,126 deals involving a South Eastern business in 2023, which represented a decline of around 8% from the 1,226 transactions announced in 2022, but with several encouraging areas of sector growth. Corporate acquisitions, accounting for 72% of all transaction activity, dominated the regional deal landscape, and the higher interest rate environment encouraged deal makers to refocus their attention towards small and mid-cap transactions. There were just two deals with a consideration of £1bn and above in 2023, down from nine in 2022, which represented the slowest year at the higher end of the market in over a decade. This meant that the recorded value of deals in the South East was £16bn, under half the £36bn worth of deals announced in 2022. South East companies had a role in 17% of the UK's total deal count in 2023, while providing approximately 8% of aggregate value.

↓ 8%

South East M&A volume fell by 8%



Smaller deals dominated the deal landscape

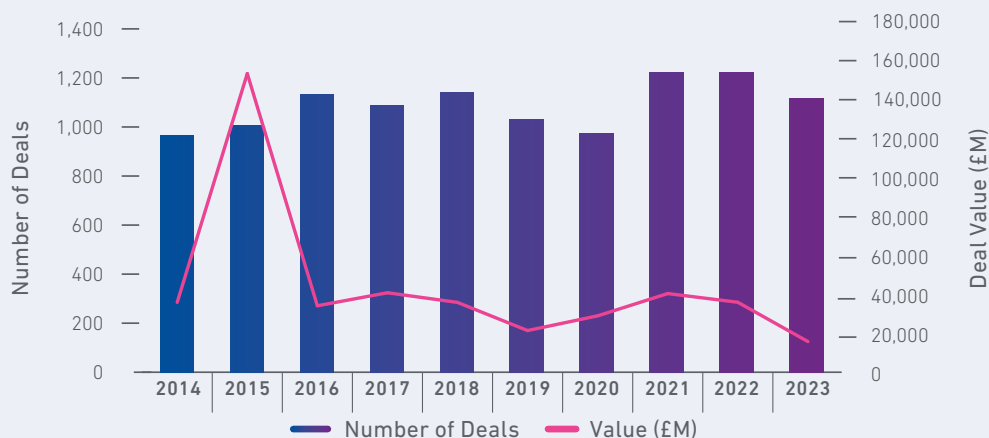


Strong growth in the **professional, scientific and technical** sector

Deals of the Year

The South East's two largest deals of the year involved Newbury-based mobile operator Vodafone. Vodafone agreed the sale of its Spanish business to UK telecoms investment fund Zegona for around £4.4bn in cash and shares, part of its efforts to slim down its European operations. Earlier in the year, US cable business Liberty Global took a 4.9% shareholding in Vodafone for around £1.2bn, before Vodafone also confirmed plans to combine its domestic business with CK Hutchison-owned Three UK - a potentially transformational deal that could create the country's largest mobile operator which at time of writing, is being investigated by the

Competition and Markets Authority. Elsewhere, there were several private equity-backed bids for listed companies based in the South East, reflecting the wider UK trend; these included Permira's £703m acquisition of Guildford biopharmaceuticals business Ergomed, HIG Capital's £291m buy-out of Slough logistics operator DX (Group) and the £269m take private deal for Medica Group, a telehealth business based in East Sussex, by IK Investment Partners. Finally, there were large fundraising deals for Thames Water, which agreed a £750m equity funding package from its existing shareholders, travel software business Travelport Global, which saw equity and credit investors take control



of the company following a £450m cash injection, and roadside recovery business AA, which agreed a £450m equity investment from alternative investment company Stonepeak.

Industry

The information and communication sector remained the South East's likeliest source of M&A activity in 2023, despite seeing deal volume decline by 9% year on year. There was welcome growth in the professional, scientific and technical industry – the South East's second busiest sector – where volume was up by 2% year on year to reach 295 transactions, bucking the downward trend. This represented the highest annual total since 2007 and we recorded strong activity across a range of sub-sectors, with volume particularly driven by consolidation in the legal and accounting space and by investment in biotechnology. Other areas of growth included construction, where deals were up by 13% on a year by year basis, along with a 10% upturn in the education sector and a 16% increase in waste management. However, there was a 10% downturn in the number of financial services transactions and substantial year on year declines in the hospitality sector, where deals were down by 29% and in transport and logistics (19%).

Funding

Private equity transactions declined by 18% in the South East in 2023 in volume terms, and with smaller investments more prominent, the value of PE-backed deals (at £6.2bn) sat almost £3bn under 2022's total. Investors overwhelmingly targeted the South East's flourishing software development sector, with companies operating in research and development and engineering also attracting investment in good numbers. Of more than 100 investment firms that deployed their capital in the South East market, life sciences and tech specialist Oxford Science Enterprises was the most active, completing seven deals in 2023 - followed by Foresight Group (six deals) and LDC (five). Meanwhile in the debt space, Triple Point Private Credit was the leading source of M&A finance, funding ten deals in 2023, with SME Capital (six transactions) and HSBC (five) also active in the market.

Top five deals: South East

#1

£4.36bn

Date: 31/10/2023

Deal type: Acquisition

Target: Vodafone Holdings Europe SLU (from Vodafone Group Plc, Newbury)

Bidder: Zegona Communications Plc, London

#2

£1.2m

Date: 14/02/2023

Deal type: Minority Stake

Target: Vodafone Group Plc, Newbury

Bidder: Liberty Global Inc, USA

#3

£750m

Date: 10/07/2023

Deal type: Growth Capital

Target: Thames Water Utilities Ltd, Reading

#4

£703m

Date: 04/09/2023

Deal type: IBO

Target: Ergomed Plc, Guildford

Bidder: Permira Funds

#5

£450m

Date: 04/12/2023

Deal type: Growth Capital

Target: Travelport Global Ltd, Langley

LEGAL ADVISER RANKINGS



Value

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇅ 1 | HARRISON CLARK RICKERBYS | 70 |
| 2 | ⇅ 2 | SHOOSMITHS | 56 |
| 3 | ⇅ 7 | ADDLESHAW GODDARD | 43 |
| 4 | ⇅ 8 | EVERSHEDS SUTHERLAND | 40 |
| 5 | ⇅ 6 | FREETHS | 35 |
| 6 | ⇅ 3 | PINSENT MASONS | 30 |
| 7 | ⇅ - | GORDONS | 27 |
| 8 | ⇅ 10 | MILLS & REEVE | 22 |
| 9 | ⇅ 9 | GATELEY | 21 |
| 10 | ⇅ 26 | DWF | 20 |

FINANCIAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|----------------------------|--------|
| 1 | ⇅ 1 | K3 CAPITAL GROUP | 86 |
| 2 | ⇅ 2 | GRANT THORNTON | 39 |
| 3 | ⇅ 3 | RSM | 33 |
| 4 | ⇅ 5 | BDO | 28 |
| 5 | ⇅ 9 | AZETS | 27 |
| 6 | ⇅ 4 | HAZLEWOODS | 27 |
| 7 | ⇅ 10 | PKF | 23 |
| 8 | ⇅ 8 | PWC | 22 |
| 9 | ⇅ 11 | BENCHMARK INTERNATIONAL | 21 |
| 10 | ⇅ - | JAMES COWPER KRESTON | 16 |

SOUTH WEST



26%

Total deal volume down by **26%** year on year



Rights-issues total value rises to

£427m



Construction deals were up by **11%**

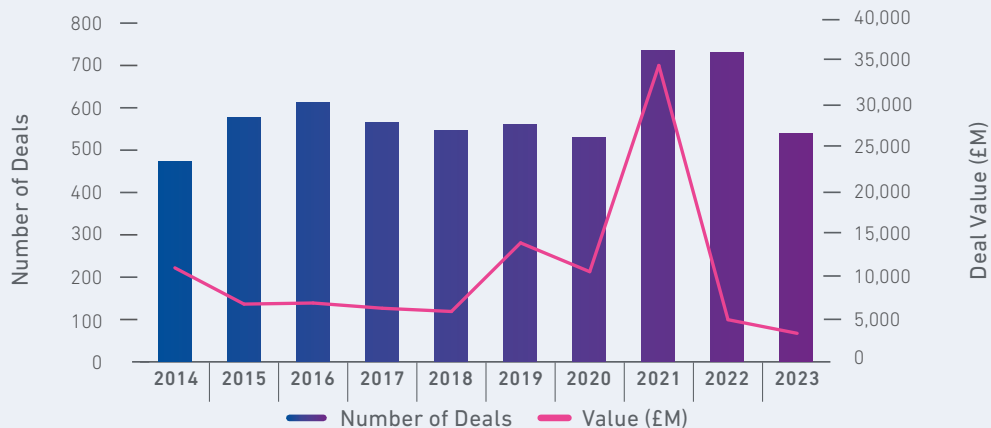
M&A activity in the South West declined in 2023, with a yearly total of 542 deals valued at £3.4bn - a 26% downturn in volume and 32% in value.

However, this annual deal volume falls roughly in line with previous yearly totals, with 2021 and 2022 as the outliers at bumper deal volume of over 730 transactions. This was in part as a result of pent up demand following the initial impact of the pandemic, and partly as a result of the prolific acquirer, veterinary group Independent Vetcare, which bought 288 veterinary practices between 2021 and 2022. This flurry in acquisitions has not continued into 2023, as more scrutiny befell the sector from the CMA. There was diminished activity across all value segments, with small deals dropping by 22% and mid-cap deals falling by 31%. Large deals also fell, to eight transactions from 15 recorded in 2022, while mega deals were again noticeable by their absence - there were also no deals of this size in the £1bn and above category recorded in 2022, suggesting these transactions are taking longer to finance and proving more difficult to complete. Despite a 33% downturn year on year, acquisitions remain the most common deal type for the region, with a total of 362 transactions valued at £2bn. Encouragingly, while corporate acquirors stepped back, we saw several alternative deal types experience a resurgence during the year, with management buy-outs, investor buy-outs and employee buy-outs all increasing in volume compared to 2022. Elsewhere, public companies in the South West have been much more active in raising funds, with almost double the volume of rights-issues recorded last year. The value of these has also soared in 2023, up to £427m from £100m last year. The South West accounted for 8% of UK deal volume and 2% of value.

Deals of the Year

There were two large deals targeting listed companies in the professional services sector in Q4. The largest of these was a £483m recommended offer to acquire recruitment business Impellam Group by HeadFirst Group, a Dutch provider of human resource outsourcing services, via its Bristol-based subsidiary Heather Global. Cross border activity continued with the second of these deals, in which USA based Ellucian Company, a provider of information technology solutions and consultancy services in the education sector, agreed a recommended all cash

offer to acquire Bristol's Tribal Group, for £172m. Tribal was one of three South Western Plcs to be taken private in 2023, along with pensions business Curtis Banks Group, acquired by Nucleus Financial Platforms for £242m and dairy technology company National Milk Records, which was bought by Associated British Foods at a valuation of £48m. The largest rights issue of the year was launched by Bristol-based student accommodation provider Unite Group, which raised £300m to fund new PBSA schemes, while there were multiple issues from Unicorn AIM VCT, SRT Marine Systems and Versarien.



Industry

Regardless of the lower volume overall there were several sectors in the South West that experienced growth in deal activity during 2023. Construction deals were up by 11%, to 62 for the year - valued at £662m. Business Growth Fund portfolio company Hydrock Consultants, a Bristol-based provider of consultancy and specialist contracting services for the construction, infrastructure and environmental sectors, has been busy in this sector with two acquisitions this year including the purchase of Fore Consulting and 3T Safety Consultants. The support services sector has increased by 12%, to 76 deals during 2023; six of these transactions were conducted by Vergo Pest Management, a provider of pest control services to industrial and commercial clients located in Gloucester. Meanwhile professional services retained its top position as the most active sector in the South West with 145 transactions despite a 44% decline in deal volume year on year - predominantly due to the dramatic reduction in deals conducted in the veterinary sector.

Funding

As is expected with a fall in deal volume, the number of debt-funded transactions also fell - by 30%, to 41 transactions in 2023. HSBC was the leading provider of acquisition finance in the region with six transactions, ahead of last year's top funder Shawbrook Bank. Meanwhile we recorded strong activity in the buy-out space, with the number of deals up from 11 in 2022 to 18 last year, mainly targeting companies in the small to mid-market. However, the volume of development capital deals fell, resulting in an overall drop in the volume of deals funded by private equity (from 113 in 2022 to 88 in 2023). Business Growth Fund was the South West's most active investor with seven deals, closely followed by LDC and Cornwall and Isles of Scilly Investment Fund, each with six investments.

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

£483m

Date: 13/12/2023

Deal type: Acquisition

Target: Impellam Group Plc, Luton

Bidder: Heather Global Plc, Bristol

#3

£300m

Date: 24/07/2023

Deal type: Rights Issue

Target: Unite Group Plc, Bristol

#4

£242m

Date: 06/01/2023

Deal type: Acquisition

Target: Curtis Banks Group Plc, Bristol

Bidder: Nucleus Clyde Acquisition Ltd, Salisbury

#5

£230m

Date: 17/03/2023

Deal type: Debt Financing

Target: Netomnia Ltd, Tewkesbury



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇅ 1 | HARRISON CLARK RICKERBYS | 33 |
| 2 | ⇅ - | EVERSHEDS SUTHERLAND | 19 |
| 3 | ⇅ 3 | SHOOSMITHS | 19 |
| 4 | ⇅ 2 | TLT | 15 |
| 5 | ⇅ 12 | GATELEY | 14 |
| 6 | ⇅ - | MICHELMORES | 12 |
| 7 | ⇅ - | BROWNE JACOBSON | 11 |
| 8 | ⇅ 13 | KITSONS BOYCE | 10 |
| 9 | ⇅ 5 | ASHFORDS | 10 |
| 10 | ⇅ 7 | ROXBURGH MILKINS | 10 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|----------------------------|--------|
| 1 | ⇅ 3 | PKF | 52 |
| 2 | ⇅ 6 | K3 CAPITAL GROUP | 43 |
| 3 | ⇅ 2 | HAZLEWOODS | 28 |
| 4 | ⇅ 4 | GRANT THORNTON | 20 |
| 5 | ⇅ 1 | BDO | 15 |
| 6 | ⇅ 8 | RSM | 12 |
| 7 | ⇅ 5 | BISHOP FLEMING | 10 |
| 8 | ⇅ 11 | CAVENDISH | 9 |
| 9 | ⇅ 12 | BENCHMARK INTERNATIONAL | 9 |
| 10 | ⇅ 7 | AZETS | 8 |

EAST OF ENGLAND



A late surge in large deals in Q4 drove up the value of M&A for the East of England region during 2023. There were four new deals confirmed in the final quarter worth in excess of £100m, which were a major contributory factor in transaction values reaching over £20bn, the highest number recorded since 2020 (over £49bn that year) – some signs of stability in interest rates in Q4 and related clarity around financing costs may have been significant factors in this sharp upturn.

The 39% rise in value compared to 2022 (£14.4bn), wasn't reflected by transaction volume falling back to 622 - down by 13% from 714 the previous year – but still represents a strong performance in relation to the ten-year average annual volume for the region of 590 deals, with encouraging growth across several industry sectors. Companies based in the East of England were involved in just under 10% of all UK deals last year, whilst contributing 10.3% to their total value.



Late surge in large Q4 transactions drive up deal value to over **£20bn**, up by **39%**



29% of deal activity targeted the **professional services** sector



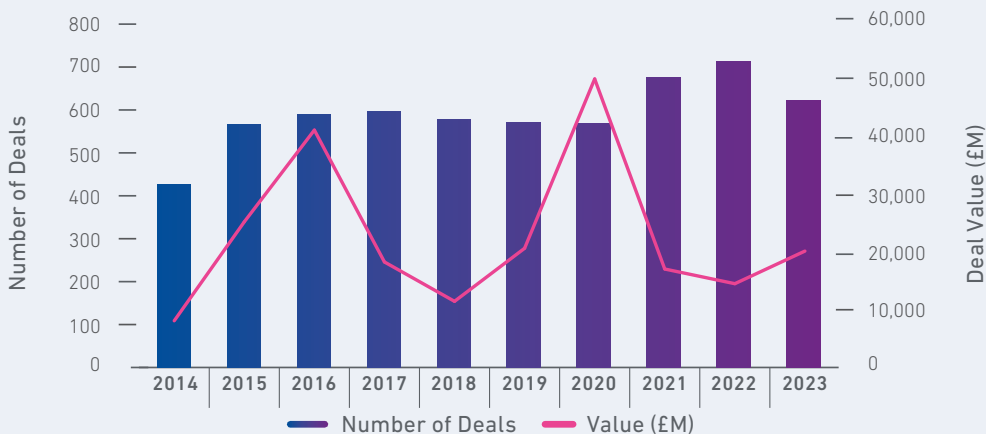
AstraZeneca involved in outward investment transactions valued at

£3.3bn

Deals of the Year

The two stand-out transactions identified in previous M&A reports both closed during the final quarter of the year - Danaher Corp, the American globally diversified conglomerate, acquired Abcam, a Cambridge-based company that produces and distributes research grade antibodies, in a transaction valued at around £4.5bn, including assumed debt. The next best saw Arm Holdings, the 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, generated revenues in excess of £4.2bn, with ARM Holdings subsequently valued

at approximately \$54.5bn. Large and mega deals increased year on year – up from 17 to 22, and two to three transactions, respectively. The value of those deals also rose significantly to £7.8bn and £10.1bn (up from £6.3bn and £5.5bn). These numbers were largely driven by increased activity from AstraZeneca during 2023. The Anglo-Swedish multinational pharmaceutical and biotechnology company, with its headquarters at the Cambridge Biomedical Campus, was a major player throughout the year, acquiring US and Chinese-based biotech/ pharmaceutical companies; in January AstraZeneca acquired CinCor Pharma, for £1.5bn, whilst in December it bought Gracell Biotechnologies for £944m



and Icosavax for £825m. The company has made ten acquisitions valued at just under £34bn since the turn of the decade.

Industry

Professional services returned to first position as the East of England’s most active industry for M&A in 2023 - the 183 confirmed deals represented 29% of the region’s total (whereas the 180 deals announced in 2022 represented a 25% share). This was closely followed by manufacturing (179 deals, up by 5% year on year), whilst infocomms was some way back in third place with 132 transactions – having ranked as the East of England’s second busiest sector for 2022 (when 177 deals were announced). Wholesale and retail was the only other sector to break through the 100+ deal barrier. Of the ten busiest sectors for deal making in the East of England, professional services, manufacturing, and financial services were the only segments to record volume growth in comparison with the figures recorded for 2022. On a more positive note, there was welcome growth in some of the traditionally smaller industry segments in the region; arts and entertainment was up by 80%, other service activities up by 60%, waste management by 33%, along with an upturn in mining and quarrying

transactions (11%). From a value perspective it was also very encouraging to see professional services deals reach £10.8bn, up from £3.1bn the previous year, whilst wholesale and retail, financial services, mining and quarrying and arts and entertainment all reported triple-digit growth increases.

Funding

Private equity was the funding source in respect of 133 East of England deals, representing 21% of the market – down 12% from 2022, when 151 PE-backed deals were announced, with those transactions also representing 21% of the region’s total. These deals were valued at over £3.6bn, slightly up from just over £3.5bn the previous year. Broken down for 2023, of the 133 private equity deals, 33 constituted majority buyouts (comprising of 22 IBOs/SBOs, nine PE-backed acquisitions and two MBOs), whilst 100 constituted earlier stage growth investments – Business Growth Fund (BGF), and Foresight Group, each with five citations, ranked as the region’s most active investment firms by deal volume. ThinCats was the region’s most active debt provider, acting as financier in support of six deals, closely followed by Shawbrook Bank (four transactions).

Top five deals: **East of England**

#1

£4.52bn

Date: 28/08/2023

Deal type: Acquisition

Target: Abcam Plc,
Cambridge

Bidder: Danaher Corp,
USA

#2

£4.18bn

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, USA

Bidder: AstraZeneca
Plc, Cambridge

#4

£944m

Date: 26/12/2023

Deal type: Acquisition

Target: Gracell
Biotechnologies Inc,
China

Bidder: AstraZeneca
Plc, Cambridge

#5

£900m

Date: 05/04/2023

Deal type: Acquisition

Target: Animal Friends
Investments Ltd,
Salisbury

Bidder: Pinnacle
Pet Group Ltd,
Borehamwood



Volume

LEGAL ADVISER RANKINGS

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇅ 3 | SHOOSMITHS | 26 |
| 2 | ⇅ 1 | HARRISON CLARK RICKERBYS | 25 |
| 3 | ⇅ 5 | EVERSHEDS SUTHERLAND | 22 |
| 4 | ⇅ 2 | MILLS & REEVE | 16 |
| 5 | ⇅ 11 | ADDLESHAW GODDARD | 12 |
| 6 | ⇅ 16 | FREETHS | 11 |
| 7 | ⇅ 4 | BIRKETTS | 11 |
| 8 | ⇅ 6 | HOWES PERCIVAL | 10 |
| 9 | ⇅ 24 | WARD HADAWAY | 9 |
| 10 | ⇅ 20 | NORTON ROSE FULBRIGHT | 8 |



Volume

FINANCIAL ADVISER RANKINGS

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|----------------------------|--------|
| 1 | ⇅ 1 | K3 CAPITAL GROUP | 41 |
| 2 | ⇅ 8 | ENSORS | 21 |
| 3 | ⇅ 2 | GRANT THORNTON | 20 |
| 4 | ⇅ 3 | HAZLEWOODS | 19 |
| 5 | ⇅ 4 | RSM | 15 |
| 6 | ⇅ 11 | PWC | 13 |
| 7 | ⇅ 6 | BDO | 12 |
| 7 | ⇅ 12 | LARKING GOWEN | 12 |
| 9 | ⇅ - | PKF | 10 |
| 10 | ⇅ 9 | BENCHMARK INTERNATIONAL | 9 |

MIDLANDS



The M&A market in the Midlands struggled to quite match the buoyant volume we reported in 2022, but still saw strong deal activity last year. Encouragingly for Midlands deal makers, the 7% decline - to 1,042 deals in 2023 - significantly outperforms other regions of UK and the annual total sits on par with, or higher than, seven of the last ten annual volume figures.

Meanwhile, transaction value in the Midlands was impacted by a fall in both the large and mega-deal segment, sitting some 74% lower than the £28bn worth of transactions announced in 2022, at £7.2bn. Drilling down, we see Midlands-based companies still proving attractive to investors, with development capital transactions showing a small year on year upturn, with a number of higher value deals of this type pushing the total value up from £438m in 2022 to £1.2bn last year. Elsewhere, there was positive year on year growth in a number of deal categories, including investor buy-outs, management buy-outs, minority stakes, divestment, mergers and employee buy-outs. Midlands-based public companies have returned to rights issues as a method to raise funds this year, with 13 transactions valued at £1.3bn. This included the largest deal recorded in the region, the £1bn share issue by Severn Trent and two large share issues by Hummingbird Resources. There was a Midlands element in approximately 15% of all UK transactions by volume this year, while Midlands firms contributed around 4% of total deal value.



The Midlands returned strong results despite seeing volume fall **7%**



A **4%** increase in the volume of wholesale and retail deals

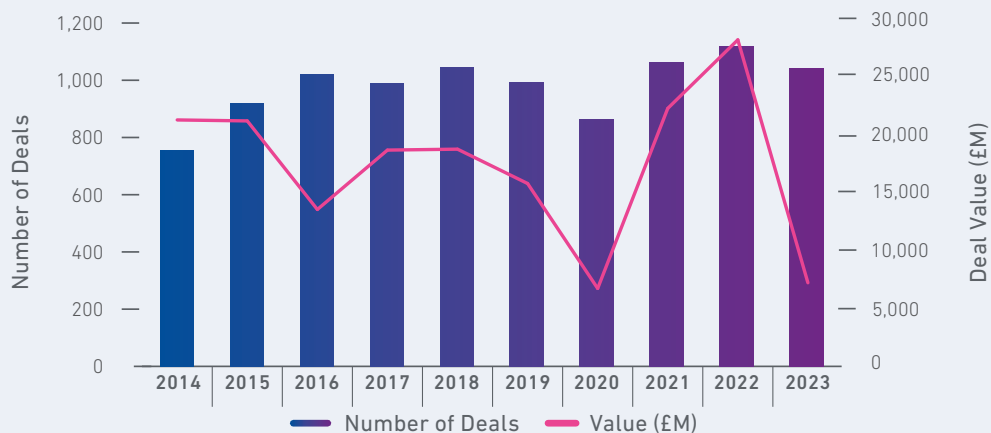


Private equity activity was on the rise, with a **7%** upturn in buy-outs

Deals of the Year

Aside from the Severn Trent fundraising, the Midlands' largest transaction of 2023 was the £910m investor buy-out by iCON Infrastructure of Alliance Medical Group, Warwick, a provider of diagnostic imaging services, from South Africa-based Life Healthcare Group, an owner and operator of private hospitals. Elsewhere, there were three further investor buy-outs among the largest deals of the year, including Phoenix Asset Management Partners' £789m cash offer to acquire funeral services business Dignity, ECI Partners

£256m buy-out of communications firm Commify and the £203m take private of life sciences operator Instem by ARCHIMED. In September Birmingham's Conigital, a developer of driverless vehicle technology, secured £500m in Series A+ funding. This was a combination of equity and debt and part of a strategic partnership with an undisclosed global private equity infrastructure firm. The deal represents the largest ever funding round for a Midlands firm and illustrates the brisk pace of growth enjoyed by Conigital, which raised just £1m in seed funding in 2020.



Industry

The most active sector in terms of volume in the Midlands during 2023 was manufacturing, with a total of 282 transactions worth a total of £1.1bn. The most active bidder was Aggregate Industries of Markfield, a manufacturer and supplier of a wide range of heavy building materials to the construction industry, and a subsidiary of Swiss conglomerate Holcim. In total Aggregate Industries acquired four companies throughout 2023; Sivyer Logistics, Besblock, OCL Regeneration and Eco-Readymix, cementing its position as one of the Midlands biggest M&A players in the manufacturing sector. While most sectors experienced a downturn in volume compared to 2023 there were a few notable exceptions at the higher end of the volume table, where wholesale and retail deals increased by 4% to 273 transactions, worth £1.7bn, and professional services deals remained constant at 233 deals for the year. Midlands-based retail groups Next and Frasers Group have each had a busy year with 17 transactions between them worth over £450m. The second most valuable sector in the region, after wholesale and retail, was infocomms at £1.5bn - despite a 7% decline in volume and 79% downturn in value.

Funding

In terms of volume, the most active investor in the region was Midlands Engine Investment Fund with 13 transactions, while Business Growth Fund was second with seven transactions during 2023. With the upturn in both investor buy-outs and development capital transactions, the number of deals funded by private equity in 2023 was up by 3% year on year, to 151 deals - representing the most active year for private equity activity since 2018. However, bank debt-funded transactions were down by 17% to under 100 transactions. HSBC was the most active financier for Midlands-based M&A with 15 deals - the largest an £18m funding package in support of the £20m acquisition of Hireway Rentals, Scotland, by Reflex Vehicle Hire, Loughborough-based provider of commercial vehicle rental services.

Top five deals: Midlands

#1

£1bn

Date: 29/09/2023

Deal type: Rights Issue

Target: Severn Trent Plc, Coventry

#2

£910m

Date: 09/10/2023

Deal type: IBO

Target: Alliance Medical Group Ltd, Warwick

Bidder: iCON Infrastructure LLP

#3

£789m

Date: 23/01/2023

Deal type: IBO

Target: Dignity Plc, Sutton Coldfield

Bidder: Yellow (SPC) Bidco Ltd

#4

£500m

Date: 11/09/2023

Deal type: Growth Capital

Target: Conigital Ltd, Birmingham

#5

£367m

Date: 18/09/2023

Deal type: Acquisition

Target: Pendragon Vehicle Management, Nottingham

Bidder: Lithia Motors Inc, USA



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇅ 1 | HARRISON CLARK RICKERBYS | 67 |
| 2 | ⇅ 4 | HIGGS | 61 |
| 3 | ⇅ 8 | ADDLESHAW GODDARD | 46 |
| 4 | ⇅ 7 | FREETHS | 42 |
| 5 | ⇅ 10 | EVERSHEDS SUTHERLAND | 39 |
| 6 | ⇅ 5 | SHOOSMITHS | 39 |
| 7 | ⇅ 2 | GATELEY | 34 |
| 8 | ⇅ 3 | BROWNE JACOBSON | 31 |
| 9 | ⇅ 9 | PINSENT MASONS | 20 |
| 10 | ⇅ 12 | THURSFIELDS | 19 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------|--------|
| 1 | ⇅ 1 | K3 CAPITAL GROUP | 82 |
| 2 | ⇅ 2 | GRANT THORNTON | 30 |
| 3 | ⇅ 4 | RSM | 29 |
| 4 | ⇅ - | COOPER PARRY | 27 |
| 5 | ⇅ 8 | PKF | 26 |
| 6 | ⇅ 6 | HAZLEWOODS | 21 |
| 7 | ⇅ 7 | MAZARS | 20 |
| 8 | ⇅ 10 | KPMG | 18 |
| 9 | ⇅ 3 | BDO | 18 |
| 10 | ⇅ 15 | PWC | 17 |

YORKSHIRE & HUMBER



Yorkshire and Humber deal volume and value both dropped off in 2023 – transaction volume fell from 635 in 2022, to 586 this year, an 8% fall from 2022 and down by 12% from the figures recorded for 2021. The slow start to 2023 rolled over into the second half of the year, with no transactions breaking through the £100m barrier in H2. Smaller deals dominated the deal landscape throughout the year, and we recorded a 29% decline in the mid-market, along with the number of large transactions down from 13 in 2022 to just two last year.

This meant that the recorded value of deals in Yorkshire and Humber dipped significantly, to £3.5bn – a 57% fall from the £8.2bn worth of transactions recorded the previous year, and representing the lowest figure announced over the last decade. Yorkshire and Humber-based companies were involved in around 9% of all UK deals in 2023 and contributed just 2% to their total value.



Yorkshire and Humber deal value fell to its lowest level in a decade, to

£3.5bn



Analysis of market size shows deal volume across all value bands has fallen

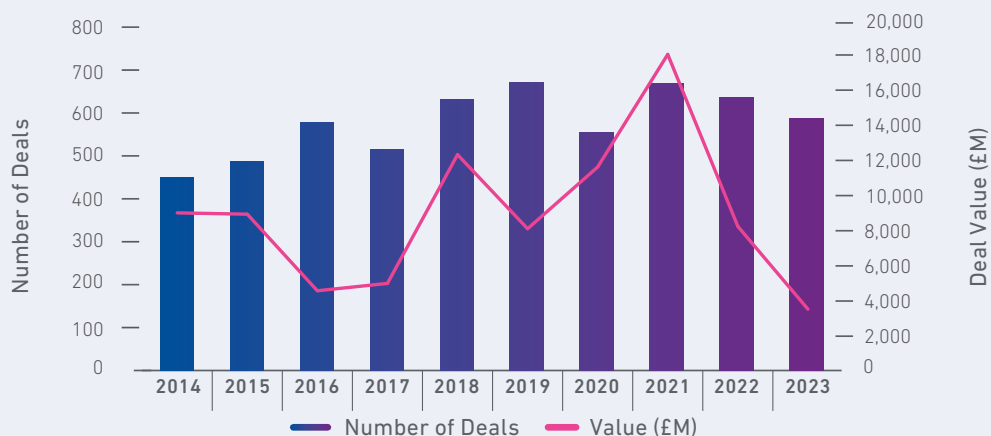


Professional services transactions up **34%** year-on-year

Deals of the Year

The largest deal by some distance saw Asda Group, the Leeds-based supermarket chain, finally close the acquisition of the UK and Irish operations of EG Group (also known as Euro Garages), the Blackburn-based company controlled by the Issa brothers (Mohsin and Zuber Issa) and TDR Capital. The transaction had an enterprise value of around £2.07bn and will see the combination of the 640 stores and online operations of Britain's third-largest grocer, with an estimated 350 filling sites and 1,000 food-to-go stores belonging to EG Group. Following completion of the transaction, Asda plans to invest more than £150m within

the next three years to fully integrate the combined businesses. The largest deal in Q4 saw Constellation Software, a Canadian software company, through its Halifax, West Yorkshire-based subsidiary Vencora UK, announce an all-cash public tender offer to acquire all publicly held registered shares of Switzerland-based Crealogix Holding, a digital banking software company, for £76.5m. Elsewhere, Goole-based Croda International, a chemicals manufacturer, made its fifth overseas acquisition since 2020, completing the acquisition of South Korea's Solus Biotech, a developer of biotechnology derived beauty products, in a transaction valued at £232m.



Industry

The deal landscape shifted in the region in 2023, with professional services replacing manufacturing as the most active sector in the M&A market with 184 transactions, 34% more than the 137 deals recorded for 2022. Manufacturing (171) and wholesale and retail (146) were the only other sectors to break the 100 deal barrier – the latter being the only industry to report the collective value of those deals in excess of £1bn. However, the value of those deals (£2.1bn), has dropped from £3.1bn recorded for the previous year. Of the ten busiest sectors, only professional services, along with construction (22%) and financial services (9%) bucked the downward trend in deal making, reporting positive growth in respect of deal numbers. The acquisition by 49ers Enterprises an investment vehicle affiliated with the San Francisco 49ers NFL team, of Leeds United Football Club from Aser Ventures, an entity controlled by Italian entrepreneur Andrea Radrizzani, for £170m, was the contributory factor in the arts, entertainment and recreation sector being the only industry to report growth in deal values, year-on-year (up from £147m to £217m).

Funding

Where detailed funding arrangements were disclosed, we recorded a total of 61 transactions that were funded at least in part via new bank debt; down from 69 in 2022, a 12% decrease. HSBC was the region's most active lender this year, providing funding for ten transactions (for an aggregate consideration of just over £54m), ahead of the Northern Powerhouse Investment Fund (NPIF) under its different guises which include Mercia Equity Finance and FW Capital, which provided finance for a combined eight deals. Meanwhile there was a dip in those deals where private equity acted as a source of funding. Having been involved in 103 transactions in 2022, the number of deals funded via private equity dropped to 94; this was reflected in the value of those deals dropping to £339m (down from £345m the previous year). The NPIF led the way as capital investors, providing equity financing for a combined 11 transactions, just ahead of Business Growth Fund (BGF) and Northern Gritstone, both providing capital in support of eight transactions.

Top five deals: Yorkshire & Humber

#1

£2.07bn

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

£76m

Date: 16/11/2023

Deal type: Acquisition

Target: Crealogix Holding AG, Switzerland

Bidder: Vencora UK Ltd, Halifax

#5

£60m

Date: 04/12/2023

Deal type: IBO

Target: Fera Science Ltd, York

Bidder: Hazel II Bidco Ltd, York

LEGAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|---------------------|--------|
| 1 | ⇄ 1 | CLARION SOLICITORS | 36 |
| 2 | ⇄ 10 | FREETHS | 35 |
| 3 | ⇄ 2 | SCHOFIELD SWEENEY | 26 |
| 4 | ⇄ 6 | SQUIRE PATTON BOGGS | 26 |
| 5 | ⇄ 4 | SHOOSMITHS | 22 |
| 6 | ⇄ 16 | MILLS & REEVE | 22 |
| 7 | ⇄ 7 | GORDONS | 17 |
| 8 | ⇄ 3 | WARD HADAWAY | 17 |
| 9 | ⇄ 5 | ADDLESHAW GODDARD | 16 |
| 10 | ⇄ 9 | PINSENT MASONS | 16 |

FINANCIAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇄ 1 | K3 CAPITAL GROUP | 34 |
| 2 | ⇄ 3 | GRANT THORNTON | 24 |
| 3 | ⇄ 9 | HAZLEWOODS | 21 |
| 4 | ⇄ 8 | RSM | 18 |
| 5 | ⇄ 4 | AZETS | 15 |
| 6 | ⇄ 5 | TRANSLINK CORPORATE FINANCE | 15 |
| 7 | ⇄ 11 | BDO | 13 |
| 8 | ⇄ 14 | PWC | 12 |
| 9 | ⇄ 6 | KPMG | 10 |
| 10 | ⇄ 19 | BENCHMARK INTERNATIONAL | 9 |

NORTH WEST

As 2023 closes out, the main positive from the North West region compared to 2022 is the increase in overall value - with a 109% increase from the previous year up to over £19bn. Not unlike the rest of the UK, the volume of transactions has declined, from the 995 recorded in 2022 to a more modest 893 for 2023.

This was a 10% reduction in volume, which outperforms the wider UK decline and represents a relatively robust performance against a very challenging economic backdrop, as well as sitting comfortably ahead of average annual transaction volume over the last decade. Value analysis shows that while small and midmarket deals have declined, large deals remain consistent at 23 and mega deals were up from zero in 2022 to five. Investor buy-outs were among the many deal types that witnessed a resurgence in 2023, with 14% more deals than last year. Other deal types which grew in popularity during the year included divestments, minority stakes, mergers and reverse takeovers. However, acquisitions and venture capital transactions - while still the most prevalent deal types - both fell in volume by around 15%. Coupled with the increase in high value deals, the M&A market in the North West has a lot to be encouraged by as it takes tentative steps into 2024. There was a North West element in approximately 14% of all UK transactions by volume, while North West firms contributed around 10% of total deal value.

↑ **109%**

Total values up by
109% to £19bn



£10bn

Number of mega deals increased with five deals valued at over £10bn



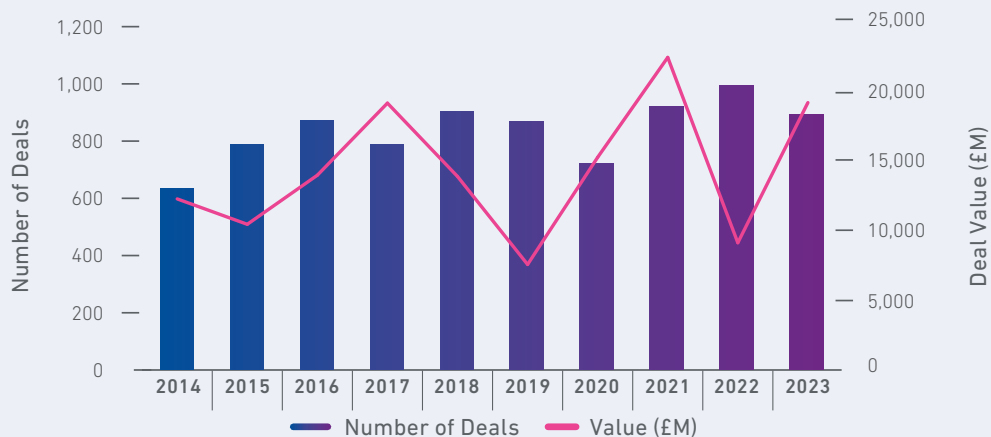
14%

Investor buy-outs up by 14%

Deals of the Year

During 2023 there was a total of five mega transactions - including one of the largest ever buy-outs targeting a North West company, the £4.9bn EQT buy-out of Dechra Pharmaceuticals, a Cheshire-based manufacturer of veterinary pharmaceuticals. The largest deal in Q4 was the £1.3bn minority acquisition by Trawlers, the Isle of Man-based acquisition vehicle of Sir Jim Ratcliffe, of a 25% stake in Manchester United from owners Red Football, the US investment vehicle of the Glazer family. The United deal is the latest in a flurry of transactions that targeted the region's professional football clubs, with eight clubs attracting the attention of investors in

2023. In October Manchester-based Bruntwood SciTech, which operates a network of innovation districts aimed at companies in the science and technology sector, secured £500m of additional investment to expand and redevelop existing science and technology campuses and city centre innovation hubs across a secured 3.6m sq ft development pipeline. Meanwhile, there have been several cross border transactions recorded in the North West, including the £706m acquisition of Suncor Energy UK Holdings, Altrincham, by Norwegian oil and gas company Equinor, along with the reverse takeover of Altrincham-based CorpAcq by US SPAC Churchill Capital Corp.



Industry

Most industries have seen a downturn in deal volume in the North West, with a couple of notable exceptions; financial services and construction. Activity in the financial services sector increased to 112 transactions worth £3.6bn, while construction increased by 21% to 94 deals during 2023. The professional services sector continues to be the most active in the deal landscape, despite a 10% decline in the volume of deals - from 253 down to 228 in 2023. One of the larger deals in this sector was the £224m rights issue by COMPASS Pathways, a biotechnology company, while the majority of the transactions stemmed from corporate acquirors, with 186 deals. Wholesale and retail was the most valuable industry in the North West, with 16 large and mega transactions in the sector during 2023 - including two high value European acquisitions by Bury based sports and leisurewear retailer, JD Sports Fashion. In terms of volume of activity, the wholesale and retail sector remained relatively stable compared to last year with a small 2% drop from 222 last year to 217 in 2023.

Funding

Despite the upswing in investor buy-outs, there has been a decline of around 14% for private equity funded transactions compared to last year's figures, as a result of the drop in the number of development capital deals. The most active investor in the region was Business Growth Fund, with a total of nine transactions, including the £14m buy-out of Signature Medical, followed by Foresight Group with seven deals and River Capital on five. Debt funding declined by around 12%, with the busiest debt provider for the region, Thincats, supporting eight transactions in 2023 across a range of growth funding and buy-out deals. The next most active debt provider was high street bank HSBC, with seven deals.

Top five deals: North West

#1

£4.88bn

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

£1.26bn

Date: 24/12/2023

Deal type: Minority Stake

Target: Manchester United Plc, Manchester

Bidder: Trawlers Ltd, Isle of Man

#4

£1.24bn

Date: 07/03/2023

Deal type: Acquisition

Target: US Property Portfolio of EG Group, Blackburn

Bidder: Realty Income Corp, USA

#5

£1.23bn

Date: 01/08/2023

Deal type: Reverse Takeover

Target: CorpAcq Ltd, Altrincham

Bidder: Churchill Capital Corp VII, USA



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|---------------------|--------|
| 1 | ⇅ 3 | NAPTHENS SOLICITORS | 42 |
| 2 | ⇅ 4 | ADDLESHAW GODDARD | 41 |
| 3 | ⇅ 2 | BRABNERS | 37 |
| 4 | ⇅ 1 | HILL DICKINSON | 34 |
| 5 | ⇅ 8 | SHOOSMITHS | 32 |
| 6 | ⇅ 11 | DWF | 28 |
| 7 | ⇅ 5 | GATELEY | 25 |
| 8 | ⇅ 7 | PINSENT MASONS | 22 |
| 9 | ⇅ 9 | WARD HADAWAY | 21 |
| 10 | ⇅ 25 | FREETHS | 20 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|---------------------|--------|
| 1 | ⇅ 1 | K3 CAPITAL GROUP | 56 |
| 2 | ⇅ 5 | GRANT THORNTON | 33 |
| 3 | ⇅ 3 | CORTUS ADVISORY | 33 |
| 3 | ⇅ 7 | RSM | 26 |
| 5 | ⇅ 4 | BDO | 23 |
| 6 | ⇅ 2 | DOW SCHOFIELD WATTS | 18 |
| 7 | ⇅ 8 | AZETS | 17 |
| 8 | ⇅ 12 | PWC | 16 |
| 9 | ⇅ 9 | HAZLEWOODS | 14 |
| 10 | ⇅ 6 | ALTIUS GROUP | 12 |

NORTH EAST



After several years of growth, the M&A market in the North East region fell to its most subdued level since 2017 last year, as rising inflation and interest rate hikes made completing deals more challenging. We recorded 273 transactions involving a North East company in 2023 – down by more than 100 deals from the 383 announced in 2022.

Meanwhile the total value of deals was down by more than £1.5bn, a decline of 44% year on year, to reach just over £2bn. Encouragingly activity did tick up as the year progressed, with Q4's 76 transactions representing the busiest quarter of the year and, of the six large deals recorded in the North East last year, four of these large deals were announced in the fourth quarter – raising hopes that the M&A market for the region is rebuilding momentum as we transition into 2024. While acquisitions remain the most common deal type in the region, accounting for around 60% of total deal activity, they were down by 24% year on year. However, we saw an upturn in the volume and value of management buy-outs of North East businesses, which were up 14% on a year and year basis, along with an increase in private equity buy-outs, while the number of rights issues remained consistent, although their overall value fell slightly. There was a North East element in approximately 4% of all UK transactions by volume this year, while North East firms contributed around 1% of total deal value.



North East deal volume at its lowest level since **2017**



14% MBOs up by 14%

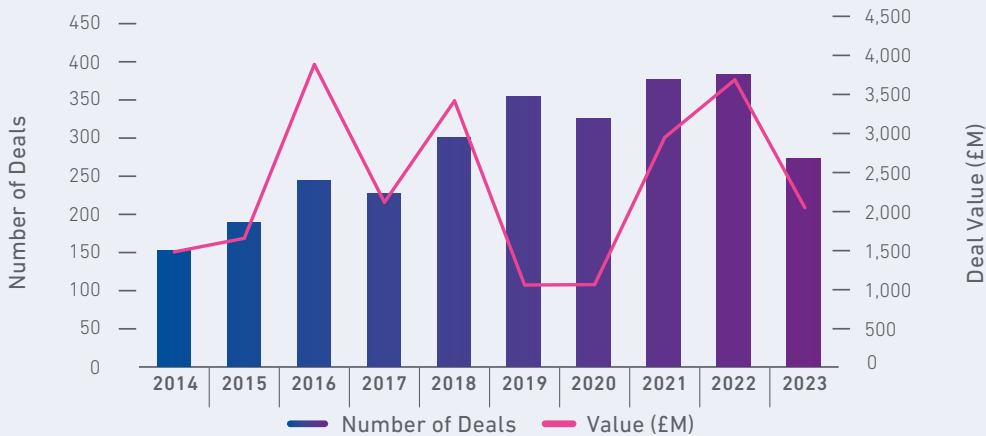


70% 70% of deal value was announced in **Q4**

Deals of the Year

The North East market was boosted by a number of high value deals towards the end of the year. These included the £828m investor buy-out by Canadian infrastructure investor Brookfield of Durham-based Banks Renewables, a renewable energy company that owns operational onshore wind farms in northern England and Scotland – the largest buy-out in the region since Canadian private equity firm Onex acquired holiday park operator Parkdean back in 2016. The second largest deal in Q4 was PragmatIC Semiconductor, registered in Sedgefield, a manufacturer of flexible integrated circuits for customers in the consumer goods, packaging, security

printing and mainstream electronics sectors, completing a £182m Series D funding round. M&G’s Catalyst and UK Infrastructure Bank co-lead the funding round with participation from new investors including Northern Gritstone, Latitude and Mvolution Partners, and existing backers such as British Patient Capital, Cambridge Innovation Capital and Prosperity7 Ventures (the diversified growth fund under Aramco Ventures). Elsewhere, One Equity Partners agreed a £164m investor buy-out of the Measurement Solutions business of TechnipFMC, Newcastle-upon-Tyne, which delivers fully integrated projects, products, technologies, and services to the energy industry.



Industry

During 2023 the deal landscape shifted from manufacturing as the most active sector in the North East towards professional services. Manufacturing deals were down by around 31% year on year, while at a total of 84 transactions, volume in the professional services industry remained relatively consistent with our 2022 figures, when 86 deals were recorded. One of the most active bidders in the professional services arena was Fairstone Holdings, located in Sunderland, a provider of financial and investment management services to retail and corporate clients in the United Kingdom. Perennially acquisitive Fairstone completed nine acquisitions in total across the UK during 2023, completing deals for Sacre Associates, Prosperity Wealth, Goodman Financial Planners, Station Financial, James Ryan Thornhill, Robert Langley Asset Management, Allan Carr, Angus Asset Management, and Executive Wealth Management. Elsewhere there were four sectors which were exceptions to the downturn in deal activity, namely health, waste management, utilities and mining and quarrying, all of which experienced growth in transaction volume compared to 2022.

Funding

The trepidatious approach to deal making during 2023 was evident in the number of bank debt-funded transactions which fell by 50% this year. HSBC was the most active provider of debt finance in the North East, with fellow high street banks Lloyds, NatWest and Barclays also active in the market. Private equity funded deals also declined in 2023 - down by 35%, from 82 deals to only 53 last year. The most active investor in the North East was the North East Fund (supported by the European Regional Development Fund), with nine transactions, including the £2.6m investment into North Shields healthtech Manus Neurodynamica, and two £1m investments into ART Health Solutions and Luminous Group.

Top five deals: North East

#1

£828m

Date: 03/10/2023

Deal type: IBO

Target: Banks
Renewables Ltd,
Durham

Bidder: Brookfield,
USA

#2

£260m

Date: 15/09/2023

Deal type: Acquisition

Target: Equans Urban
Energy Ltd, Newcastle

Bidder: Swiss Life
Asset Management AG,
Switzerland

#3

£182m

Date: 06/12/2023

Deal type: Private
Equity

Target: PragmatIC
Semiconductor Ltd,
Sedgefield

#4

£164m

Date: 20/11/2023

Deal type: IBO

Target: Measurement
Solutions Business
of TechnipFMC Plc,
Newcastle

Bidder: One Equity
Partners

#5

£100m

Date: 01/11/2023

Deal type: Private
Equity

Target: Atom Bank Plc,
Durham



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ↕ 3 | MINCOFFS | 33 |
| 2 | ↕ 1 | MUCKLE | 32 |
| 3 | ↕ 4 | WEIGHTMANS | 26 |
| 4 | ↕ 2 | WARD HADAWAY | 20 |
| 5 | ↕ 5 | SINTONS | 19 |
| 6 | ↕ 6 | SWINBURNE MADDISON | 9 |
| 7 | ↕ 24 | EVERSHEDS SUTHERLAND | 8 |
| 8 | ↕ 10 | ADDLESHAW GODDARD | 8 |
| 9 | ↕ 7 | WOMBLE BOND DICKINSON | 7 |
| 10 | ↕ 9 | HAY & KILNER | 7 |
| 10 | ↕ - | HARRISON CLARK RICKERBYS | 7 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|----------------------------|--------|
| 1 | ↕ 6 | K3 CAPITAL GROUP | 14 |
| 2 | ↕ 2 | AZETS | 13 |
| 3 | ↕ 1 | CLIVE OWEN | 11 |
| 4 | ↕ 3 | UNW | 8 |
| 5 | ↕ 9 | GRANT THORNTON | 8 |
| 6 | ↕ 4 | RYECROFT GLENTON | 5 |
| 7 | ↕ 7 | BDO | 5 |
| 8 | ↕ 11 | BENCHMARK INTERNATIONAL | 5 |
| 9 | ↕ 16 | DEBERE | 5 |
| 9 | ↕ 8 | RSM | 5 |

WALES



Welsh deal activity reached its **highest level** for the last decade

270

Deals recorded in Wales, a year on year upturn of **3%**



150%

Employee buy-outs increased by **150%**

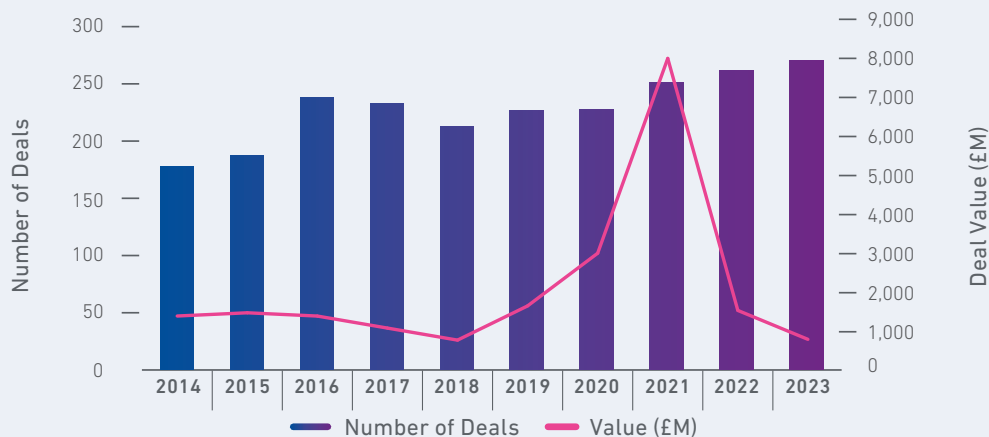
Deal numbers recorded in Wales reached 270 last year - this was marginally 3% up on the 262 transactions recorded for 2022 and meant that Wales was the only part of the UK to return a growth in transaction volume year on year. The number of deals announced was the highest recorded over the last decade.

Drilling down, we recorded a significant rise in the number of deals stemming from management and employee buy-out teams, along with an 8% upturn in venture capital investment targeting Welsh businesses, even as the volume of corporate acquisitions showed a small decline. Most Welsh deals were domestic affairs and tended to be at the lower end of the value range, which meant that conversely, transaction value over the same period fell from £1.5bn to £806m, a 46% drop-off. Large and mega transactions were also notable by their absence in 2023 with only two deals recorded with a value in excess of £100m - in 2022, there were four large deals announced. There had been four deals announced. However, there was a 33% upturn in the mid-market, with the corresponding values jumping from £369m to £415m. There was a Welsh element in approximately 4% of all UK transactions by volume in 2023, whilst Welsh firms contributed around 0.4% of total deal value.

Deals of the Year

Three of the five largest deals of the year were recorded in the final quarter of 2023, the highlight being Vishay Intertechnology, an American manufacturer of discrete semiconductors and passive electronic components, agreeing to acquire Nexperia Newport, a semiconductor manufacturer, from China-based Wingtech Technologies, a company engaged in the research, development and manufacture of mobile terminals and smart hardware products, for £144m in cash. The transaction is expected to complete in the first quarter of 2024, subject to UK Government review. October also saw Brickability Group, a Bridgend-based

supplier of construction materials, announce the acquisition of Glasgow's Group Topek Holdings, a specialist cladding installation and remediation contractor. The consideration payable for the acquisition comprises an initial cash consideration of £27m payable on completion, and deferred contingent consideration of up to £18m. Rounding out the top three for Q4 was the £45m loan facility provided by Danske Bank to Newydd Housing Association (1974), an owner and manager of affordable and low-rent homes based in Cardiff. The deal was the largest growth capital transaction recorded in Wales in 2023 and Newydd intends to use the proceeds to fund ongoing investment.



Industry

The manufacturing (75 deals), professional services (63) and wholesale and retail (58) sectors continue to dominate the Welsh deal landscape. Those industries along with infocomms were the only sectors to record in excess of 50 transactions for 2023. There was also positive year on year growth across several of Wales' most active sectors – health (21%), creative industries (8%) and construction (4%), respectively. At the same time, some of the traditionally smaller industry segments including transport, education, waste management, mining and quarrying, other service activities and agriculture, forestry and fishing, all also reported a significant upturn in deal count. Manufacturing also led the way by value, with deals reaching an aggregate consideration of £457m (a significant increase from £152m the previous year), whilst wholesale and retail saw deal value jump to £259m (up from £95m in 2022).

Funding

Where detailed funding arrangements were disclosed, cash (98) and existing funds (160) were again the preferred method for financing transactions. There were 26 bank debt-funded deals, a 7% dip year on year (28 registered in 2022), with the Development Bank of Wales the most active lender to Welsh businesses, supporting 12 deals last year. Private equity and venture capital funded deals also saw a fall in numbers with 45 transactions recorded, down 15% on the same period for 2022 (53). Again, the Development Bank of Wales led the way here, accounting for 18 registered deals valued at just under £16m. Meanwhile DBAY Advisors topped the value ranking, having closed on the funding for the biggest buy-out of the year, in which its Isle of Man-registered acquisition vehicle Frisbee Bidco Ltd, acquired the entire issued share capital of Finsbury Food Group, a Cardiff-based manufacturer of cake, bread, and morning goods for the retail and foodservice sectors, for £143m.

Top five deals: Wales

#1

£144m

Date: 08/11/2023

Deal type: Acquisition

Target: Nexperia
Newport Ltd, NewportBidder: Vishay
Intertechnology Inc,
USA

#2

£143m

Date: 20/09/2023

Deal type: IBO

Target: Finsbury Food
Group Plc, CardiffBidder: Frisbee Bidco
Ltd, Isle of Man

#3

£45m

Date: 20/04/2023

Deal type: Acquisition

Target: Skycon Ltd,
BrettonBidder: Better
Collective A/S,
Denmark

#4

£45m

Date: 11/10/2023

Deal type: Acquisition

Target: Group Topek
Holdings Ltd, GlasgowBidder: Brickability
Group Plc, Bridgend

#5

£45m

Date: 19/10/2023

Deal type: Growth
CapitalTarget: Newydd
Housing Association
(1974) Ltd, Cardiff



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-----------------------------|--------|
| 1 | ⇄ 1 | GS VERDE GROUP | 30 |
| 2 | ⇄ 2 | GELDARDS | 23 |
| 3 | ⇄ 3 | HARRISON CLARK RICKERBYS | 19 |
| 4 | ⇄ 10 | BERRY SMITH | 12 |
| 5 | ⇄ 4 | CAPITAL LAW | 11 |
| 6 | ⇄ 6 | ACUITY LAW | 11 |
| 7 | ⇄ 5 | HUGH JAMES | 7 |
| 8 | ⇄ 7 | ADDLESHAW GODDARD | 5 |
| 9 | ⇄ - | CMS | 5 |
| 10 | ⇄ - | TLT | 4 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|---------------------------------|--------|
| 1 | ⇄ 1 | GS VERDE GROUP | 30 |
| 2 | ⇄ 6 | GAMBIT CORPORATE FINANCE | 13 |
| 3 | ⇄ 2 | AZETS | 13 |
| 4 | ⇄ 4 | K3 CAPITAL GROUP | 9 |
| 5 | ⇄ 5 | GRANT THORNTON | 9 |
| 6 | ⇄ 18 | ALTIUS GROUP | 6 |
| 7 | ⇄ 12 | NUMIS SECURITIES | 5 |
| 8 | ⇄ 10 | BDO | 5 |
| 9 | ⇄ 3 | CAVENDISH | 5 |
| 10 | ⇄ 8 | LEXINGTON CORPORATE ADVISORS | 5 |

SCOTLAND

The M&A market in Scotland slowed in 2023 after consecutive years of growth, as total figures fell by 15% on 2022's results. The total number of transactions announced during the year was 394 - worth £7.3bn - and quarterly results show a steady decline from 108 in Q1 down to 90 deals recorded in Q4, illustrating the difficulty of getting transactions over the line amidst the challenges of a tough economic climate.

Value analysis showed a decline for all segments inline with overall volume, with small cap deals dropping by 22%, large falling by 46% and mega deals down to only three for the year, down from eight in 2022. Mid-market deals declined by 17%, although the total value of these deals actually remained fairly consistent at £818m for 2023, compared to £816m the previous year. Acquisitions remained the most popular deal type in the country with 261 transactions for the year - 66% of total deal volume - worth £1.4bn. Meanwhile the volume of development funding deals dropped by 13%, with 73 for 2023 compared to 84 last year, while investor buy-outs have remained relatively constant in the face of the shrinking M&A market, with 13 deals last year compared to 14 in 2022. There is one good news story in terms of increased activity in the rise of employee buy-outs in Scotland, with the volume of employee owned acquirors up by 80% year on year; this now rivals the more traditional MBO as a potential exit route for company owners. Scottish deals represented 6% of the UK's total activity by volume in 2023 and provided 4% by value.

£818m

Mid-market values remain consistent at a total of **£818m**



86

private equity funded transactions for the year worth a total of **£1.7bn**

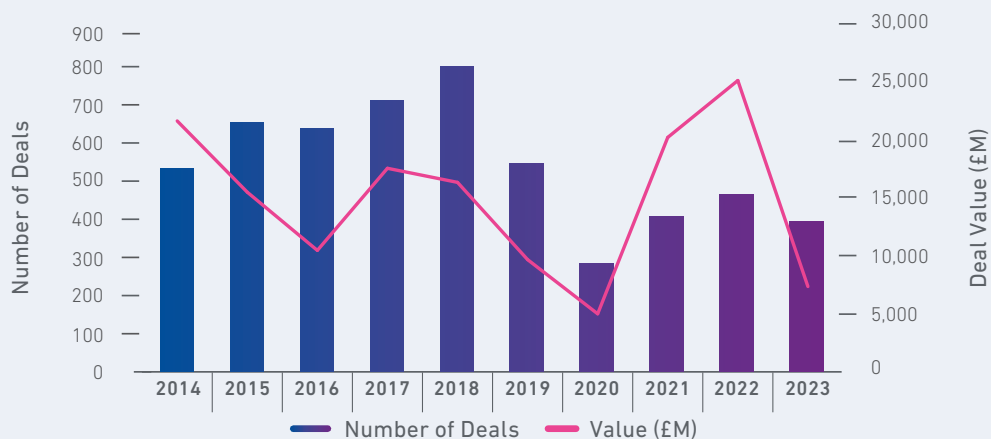


Professional services deals up by **17%**

Deals of the Year

The largest transaction agreed in Scotland was Spanish energy group Repsol’s £1.7bn cash acquisition of the remaining 49% stake in Repsol Sinopec Resources UK, its Aberdeen-based joint venture with China Petroleum and Chemical Corp (Sinopec) - one of a number of high value transactions in the UK oil and gas sector last year. The second largest transaction in 2023 was announced in quarter four, the £1.4bn investor buy-out by US private equity house Kohlberg Kravis Roberts of Glasgow’s Smart Metering Systems, a deal that will see the gas infrastructure firm delist from AIM following completion.

Elsewhere, Edinburgh financial services group NatWest agreed an off-market purchase of shares from HM Government valued at £1.3bn – reducing the state shareholding to around 38% - and US aerospace group Barnes acquired Motherwell-based MB Aerospace for around £600m, providing an exit for investment firm Blackstone. Cross-border activity was a key driver of deal activity last year, with companies based in the Republic of Ireland and the USA the most active bidders for Scottish targets. There were three public companies in the Republic of Ireland which acquired targets in Scotland during 2023, including Origin Enterprises, Greencoat Renewables and Roebuck Food Group.



Industry

The most prevalent sector in Scotland with 130 deals - 33% of all transactions - was professional services. Professional services deals were up by 17% year on year and overtook manufacturing, which ranked as 2022’s busiest industry. The most active bidder in the professional services sector was RSK Environment of Glasgow, a subsidiary of Cheshire based consultancy RSK Group, with 22 transactions recorded in 2023. Manufacturing deals remained the most valuable, with total figures reaching £3.9bn in 2023, while professional services deals tended to be agreed at a lower price point, with total value of less than £1bn. The rest of the sectors examined followed along the same trajectory as manufacturing, with substantial drops in volume and value year on year. Agriculture, forestry and fishing, a traditionally smaller sector by deal count, was the only other industry to see activity grow last year, with volume increasing by 100% since 2022.

Funding

The impact of the increased cost of borrowing was evident in Scotland last year, as debt-funded deals fell by 43% in volume and by 88% in value. Despite this, debt funding was still being provided and the top funder for Scotland was ThinCats, a Leicestershire based provider of alternative finance that specialises in mid-sized SMEs. The volume of private equity and venture capital backed deals was much more stable, dipping only slightly to 86 transactions for the year, worth a total of £1.7bn. Scotland’s national economic development agency, Scottish Enterprise, was by far the most prolific investor in the region with 18 deals, over double the number of the next most active investor Business Growth Fund, which completed eight transactions.

Top five deals: **Scotland**

#1

£1.67bn

Date: 28/04/2023

Deal type: Acquisition

Target: Repsol Sinopec Resources UK Ltd, Aberdeen

Bidder: Repsol SA, Spain

#2

£1.4bn

Date: 07/12/2023

Deal type: IBO

Target: Smart Metering Systems Plc, Glasgow

Bidder: Sienna Bidco Ltd

#3

£1.25bn

Date: 22/05/2023

Deal type: Share Buy-Back

Target: NatWest Group Plc, Edinburgh

#4

£596m

Date: 05/06/2023

Deal type: Acquisition

Target: MB Aerospace Holdings I Ltd, Motherwell

Target: Barnes Group Inc, USA

#5

£506m

Date: 12/10/2023

Deal type: Acquisition

Target: Restaurant Group Plc, Glasgow

Bidder: Rock BidCo Ltd



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|----------------------|--------|
| 1 | ⇄ 1 | ADDLESHAW GODDARD | 21 |
| 2 | ⇄ - | MACDONALD HENDERSON | 20 |
| 3 | ⇄ 17 | BELLWETHER GREEN | 16 |
| 4 | ⇄ 5 | BRODIES | 13 |
| 5 | ⇄ 2 | PINSENT MASONS | 12 |
| 6 | ⇄ 6 | DWF | 12 |
| 7 | ⇄ 7 | SHOOSMITHS | 9 |
| 8 | ⇄ 3 | BURNESS PAULL | 8 |
| 9 | ⇄ 4 | CMS | 8 |
| 10 | ⇄ 14 | EVERSHEDS SUTHERLAND | 8 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|---------------------------|--------|
| 1 | ⇄ 1 | ANDERSON ANDERSON & BROWN | 18 |
| 2 | ⇄ 17 | CORTUS ADVISORY | 16 |
| 3 | ⇄ 2 | GRANT THORNTON | 14 |
| 4 | ⇄ 3 | AZETS | 13 |
| 4 | ⇄ 14 | K3 CAPITAL GROUP | 12 |
| 6 | ⇄ 9 | BDO | 10 |
| 7 | ⇄ 5 | RSM | 10 |
| 8 | ⇄ 18 | HNH PARTNERS | 9 |
| 9 | ⇄ 4 | JOHNSTON CARMICHAEL | 8 |
| 10 | ⇄ 7 | ALTIUS GROUP | 6 |

NORTHERN IRELAND



As anticipated, macro headwinds meant that overall M&A activity in Northern Ireland was lower than in the preceding two years, while still sitting at the higher end of the annual deal volume we've tracked over the last decade – and on a sector level, still returning robust segments of growth. We recorded a total of 236 transactions in 2023, which represented a decline of around 12% from the 269 deals announced in 2022.

This reflects the downturn across the wider UK and in global markets, but encouragingly, after a very subdued first quarter, we saw the number of deals made increase quarter on quarter over the rest of the year as the market stabilised. As we noted at H1, the Northern Ireland market was dominated by small and mid-market transactions – often less reliant on accessing debt funding – as uncertainty over higher interest rates weighed on higher-value M&A. This meant that despite resilient volume, the recorded value of Northern Irish M&A, at £442m, was down by 49% year on year and represented the second lowest annual total over the last decade. Northern Irish businesses were involved in 4% of the total number of UK deals by deal volume and provided just 0.2% of their total value.

Deal volume in Northern Ireland fell by

12%



2023 was the busiest ever year for M&A in **hospitality**



The **Professional, scientific and technical** sector also bucked the trend, with deal activity up by **11%**

Deals of the Year

Northern Ireland’s biggest transactions of the year were in the growth capital space. First, Radius Housing Association, which manages more than 13,000 homes in Northern Ireland and constructs more than 400 new social and affordable homes every year, secured 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. In another green deal, Belfast’s Weev.ie, which builds charging infrastructure for electric vehicles, received a £50m equity investment from Octopus,

through the Octopus Sustainable Infrastructure Fund. Elsewhere Swedish hotelier Pandox acquired the Hilton Belfast for £40m from US investment group Starwood Capital and property investment company Mussenden acquired the entire issued share capital of Forestside Acquisitions, owner of the Forestside Shopping Centre in Belfast, for £42m.

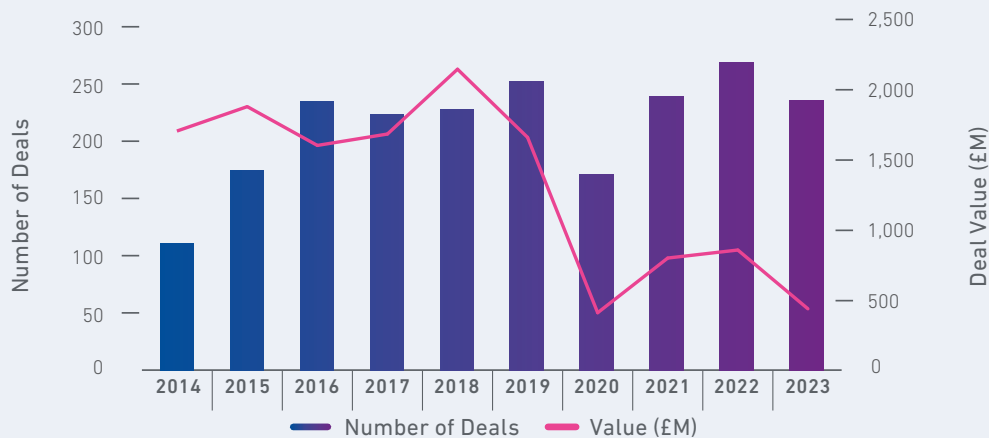
Industry

The manufacturing sector was Northern Ireland’s leading source of M&A in 2023 with 60 deals, despite returning a 21% decline in volume year on year. Within manufacturing, transactions in the

food, electronics and printing segments were prominent. Wholesale and retail and infocomms were the next busiest sectors, but also saw deal volume decline, by 22% and 20%, respectively. Elsewhere, the professional, scientific and technical activities sector was one of five industries to buck the downward trend last year, with deal volume up by 11% year on year to 40 transactions. The total value of deals in the sector also increased by 11%, with companies in R&D, management consulting and engineering the most likely to attract investment or look to grow by M&A. We also recorded strong growth in the number of accommodation and food services deals, which were up by 23% year on year to reach the highest ever annual total in Northern Ireland on Experian record. Cork hospitality group Cliste Consultants’ £15m acquisition of Inislyn, the holding company for the Radisson Blu hotel in Belfast, was one of the largest of a spate of transactions in the hotel segment, alongside the £11m sale of Nottingham hotelier CRD by Belfast’s Quinn Group and Pandox’s £40m acquisition of Hilton Belfast.

Funding

Private equity investment in Northern Ireland fell in 2023, with investors taking an increasingly watchful approach to deploying their capital. There was a private equity component to the funding of 51 Northern Irish transactions last year, representing around 22% of total deal volume. This was down by 31% from the 74 PE-backed deals announced last year. Deals were usually at the venture capital stage - with outright buy-outs few and far between - and targeting companies operating in biotech, telecoms and software development. Notable deals included a £35m investment for broadband company Fibrus Networks from infrastructure fund Infracapital and an £9m Series A2 financing round led by MMC Ventures for Cloudsmith, a Belfast-based software supply chain management firm. Of the 57 firms that made investments in Northern Ireland in 2023, seed capital specialist Techstart was the most active by deal volume, with five completed deals. Meanwhile Bank of Ireland was the leading provider of debt finance, with Barclays, PNC Business Credit, Ulster Bank and Beach Point also active in the market.



Top five deals: Northern Ireland

#1

£70m

Date: 10/07/2023

Deal type: Growth Capital

Target: Radius Housing Association Ltd, Holywood

#2

£50m

Date: 31/05/2023

Deal type: Growth Capital

Target: Weev.le Ltd, Belfast

#3

£50m

Date: 09/06/2023

Deal type: Growth Capital

Target: Bamford Bus Company Holdings Ltd, Ballymena

#4

£42m

Date: 12/09/2023

Deal type: Acquisition

Target: Forestside Acquisitions Ltd, Belfast

Bidder: Mussenden Properties Ltd, Belfast

#5

£10m

Date: 20/07/2023

Deal type: Acquisition

Target: Hilton Belfast

Bidder: Starwood Capital Group LLC, USA

LEGAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|-------------------------------|--------|
| 1 | ⇄ 1 | TUGHANS | 50 |
| 2 | ⇄ 4 | ARTHUR COX | 37 |
| 3 | ⇄ 3 | CARSON MCDOWELL | 36 |
| 4 | ⇄ 2 | A&L GOODBODY | 30 |
| 5 | ⇄ 5 | DAVIDSON MCDONNELL SOLICITORS | 27 |
| 6 | ⇄ 6 | MILLS SELIG | 17 |
| 7 | ⇄ 9 | TURLEY LEGAL | 13 |
| 8 | ⇄ 8 | SHOOSMITHS | 11 |
| 9 | ⇄ 11 | DWF | 7 |
| 10 | ⇄ - | MACALLISTER MCALEESE | 6 |

FINANCIAL ADVISER RANKINGS



Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|-------------------|--------|
| 1 | ⇄ 2 | GRANT THORNTON | 14 |
| 2 | ⇄ 1 | HNH PARTNERS | 10 |
| 3 | ⇄ 5 | GMCG GROUP | 10 |
| 4 | ⇄ 8 | BDO NI | 8 |
| 5 | ⇄ 7 | KPMG | 8 |
| 6 | ⇄ - | CAVANAGH KELLY | 5 |
| 7 | ⇄ 4 | PWC | 4 |
| 7 | ⇄ 13 | K3 CAPITAL | 4 |
| 9 | ⇄ - | BELTRAE PARTNERS | 3 |
| 9 | ⇄ - | MOORE NI | 3 |

REPUBLIC OF IRELAND



After a relatively subdued first quarter, the Irish M&A market picked up considerable pace as the year progressed, bucking the global trend for declining deal activity. A bumper Q4, where 227 transactions were announced – the largest quarterly total on Experian record – meant that annual deal volume reached 789 transactions. This sat marginally above the 787 deals recorded in 2022, which had – previously – ranked as Ireland’s busiest ever year for M&A.

Still, Ireland was not immune to the headwinds that dampened activity in Europe and elsewhere last year, with interest rate volatility and the associated rise in financing costs refocussing buyers’ attention to opportunities within the small to mid-market segments. We recorded a fall in activity at the higher end of the market, with the kind of big-ticket private equity-driven transactions that have been such a feature of the Irish deal market since 2020 conspicuous by their absence. This meant that the total recorded value of deals in 2023 – at €59bn – was down by around 27% year on year, although again, we saw a positive trajectory throughout the year, with the value of transactions announced in Q3 and Q4 more than double that of deals inked in the first half of 2023.



Q4 was Ireland’s busiest ever quarter for **M&A**



25%

Overseas investment accounted for **25%** of deals



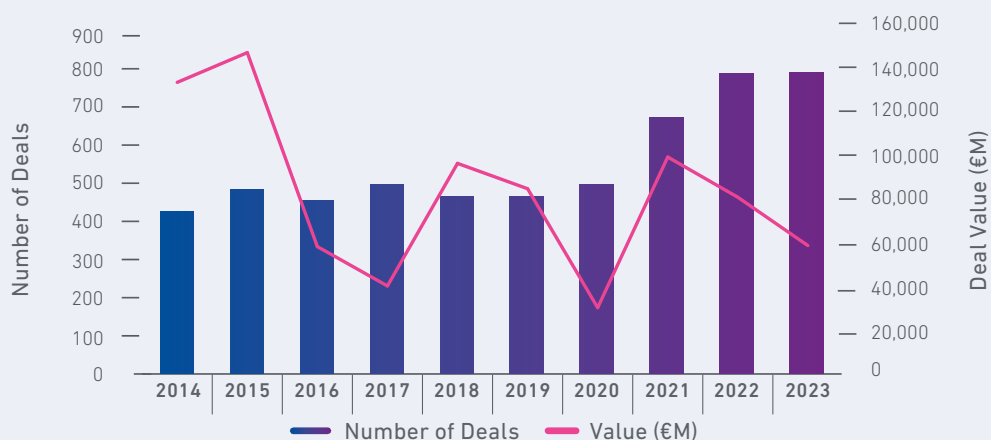
24%

24% upturn in IBOs

Deals of the Year

In the year's biggest transaction, Aon, the Dublin-headquartered multinational insurance business, agreed to acquire New York-based NFP Corp from funds affiliated with Madison Dearborn Partners and HPS Investment Partners, in a €12bn cash and shares deal. Elsewhere, Smurfitt Kappa agreed a transformational €11bn merger with US rival WestRock that, should it complete, will create the world's largest packaging group by annual revenue. Meanwhile, Irish companies continued to prove attractive to overseas corporates, and inward M&A accounted for around 25% of total deals last year. Notable transactions included the €3.4bn

takeover of the global aviation finance leasing business of Standard Chartered by Saudi Arabia's Avilease - the latest of a number of high value transactions in the aircraft leasing sector in recent years – along with UK quarrying firm SigmaRoc's €1bn acquisition of the European lime business of CRH. This deal was one of several launched by the acquisitive building materials firm, with CRH agreeing to acquire a portfolio of cement and concrete assets in Texas from Martin Marietta Materials for around €2bn, before making a €1.3bn approach to Australian cement manufacturer Adbri at the end of the year.



Industry

The information and communication sector remains Ireland's most fertile area for deal activity, accounting for around 30% of all transactions in 2023. Within tech, there was strong volume in the online payments space, where a raft of deals included the biggest ever fundraising involving an Irish business, where Irish-American fintech Stripe raised €6.3bn in Series I funding from international investors including GIC, Goldman Sachs and Temasek, at a valuation of €47bn. There was also brisk activity in the gaming and infrastructure segments. Elsewhere, we recorded strong growth in Ireland's next busiest sector, manufacturing, where deals were up 12% year on year; here, electronics, food and fabricated metal products manufacturing provided the bulk of transactions. We also recorded robust growth in wholesale & retail and construction, where transaction volume rose by 13% year on year, in transport (a 20% upturn) and in resources (17%). However, amongst the traditionally high-volume industries, activity was down by around 24% in support services, 17% in financial services and by 9% in healthcare.

Funding

Private equity retained a keen interest in the Irish market in 2023, with 201 deals having a PE-aspect to their funding. This matched 2022's return, although it was apparent that many private equity houses had shifted their attention to smaller investments, with the total value of buy-out and venture capital transactions reaching €10.7bn - down from almost €20bn in 2022. Drilling down, our figures show a 24% rise in the buy-out space, set against a nominal decline in the VC segment and a more substantial drop off in the secondaries market. Again, buy-out activity tended to target the SME space, with Japanese investor SoftBank's €473m purchase of a 51% stake in mobile connectivity firm Cubic Telecom and I Squared Capital's €800m acquisition of recycling business Enva Ireland the stand out transactions. Dublin-based ACT Venture Capital was Ireland's most prolific investor in 2023, completing 13 transactions over the year, with Irrus Investments (eight deals) and Elkstone Ireland (five) also very active. Meanwhile, debt-funded deals were down by around 26% year on year as the cost of finance continued to rise; as at H1, Bank of Ireland was the leading source of acquisition finance.

Top five deals: Republic of Ireland

#1

€12.36bn

Date: 20/12/2023

Deal type: Acquisition

Target: NFP Corp, USA

Bidder: Aon Plc, Dublin
and London

#2

€10.61bn

Date: 12/09/2023

Deal type: Merger

Target: WestRock Co,
USA

Bidder: Smurfit Kappa
Group Plc, Dublin

#3

€6.31bn

Date: 17/03/2023

Deal type: Growth
Capital

Target: Stripe Inc, USA
and Dublin

#4

€3.38bn

Date: 29/08/2023

Deal type: Acquisition

Target: Pembroke
Aircraft Leasing
Holdings Ltd, Dublin

Bidder: Aircraft
Leasing Company,
Saudi Arabia

#5

€1.96bn

Date: 21/11/2023

Deal type: Acquisition

Target: Portfolio of
Cement and Concrete
Assets, USA

Bidder: CRH Plc,
Dublin



LEGAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Legal adviser | Volume |
|--------------|---------------|------------------------------|--------|
| 1 | ⇄ 1 | FLYNN O'DRISCOLL | 70 |
| 2 | ⇄ 6 | BEAUCHAMPS | 69 |
| 3 | ⇄ 3 | ARTHUR COX | 68 |
| 4 | ⇄ 10 | PHILIP LEE | 55 |
| 5 | ⇄ 4 | MATHESON | 52 |
| 6 | ⇄ 5 | WALLACE CORPORATE COUNSEL | 52 |
| 7 | ⇄ 2 | A&L GOODBODY | 51 |
| 8 | ⇄ 7 | WILLIAM FRY | 49 |
| 9 | ⇄ 9 | EVERSHEDS SUTHERLAND | 39 |
| 10 | ⇄ 8 | MCCANN FITZGERALD | 36 |



FINANCIAL ADVISER RANKINGS

Volume

| Current rank | Previous rank | Financial adviser | Volume |
|--------------|---------------|--------------------|--------|
| 1 | ⇄ 3 | KPMG | 48 |
| 2 | ⇄ 1 | DELOITTE | 32 |
| 3 | ⇄ 6 | GRANT THORNTON | 23 |
| 4 | ⇄ 11 | PKF | 22 |
| 5 | ⇄ 9 | IBI / DC ADVISORY | 20 |
| 6 | ⇄ 2 | PWC | 18 |
| 7 | ⇄ 8 | JPA BRENSON LAWLOR | 18 |
| 8 | ⇄ 5 | MAZARS | 18 |
| 9 | ⇄ 7 | BDO | 17 |
| 10 | ⇄ 10 | DAVY | 17 |

- 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 31 December 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 = €1.17.
- This publication was compiled on 22 January 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.

For further information on Experian League Tables, inclusion criteria, deal submissions or quarterly updates, please contact:

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