

MHA Corporate Finance

2019 & 2020 Q1

2019 saw a slowdown in the UK M&A market generally, with Brexit and the domestic political uncertainty dominating agendas and impinging upon market confidence. The number of completed deals in the UK fell 13% compared to 2018 and the value of deals fell to its lowest for 10 years, reaching £206bn (a decrease of £43bn). This was mainly due to a 41% fall in the number of the very largest deals (i.e. those over £1bn in value).

In the face of the uncertainty, the MHA Corporate Finance network delivered a successful year which included 64 announced transactions spanning the entirety of the UK, with particularly strong results reported across East and North East England. Traditional sell side advisory was a major component of activity with increased emergence of buy out/buy ins and development capital deals, supported by a Private Equity market which has grown significantly in recent years. Private Equity demand has influenced sectoral demand, with the emergence of the IT, Digital and Creative sectors becoming a substantial portion of dealflow.

As we entered 2020 we have seen an overspill of market activity with 28 announced deals reported, again with East, North East and London being our most active territories. Further sector movements have been noted with IT, Digital and Creative becoming our most active markets ahead of the lockdown measures, which were imposed by the UK Government in late March as COVID-19 grasped the nation.

2019

2020 (Q1)

64 reported completed transactions

28 reported completed transactions

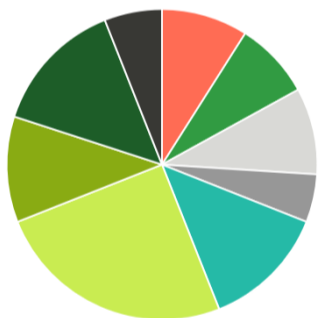
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Transaction Type

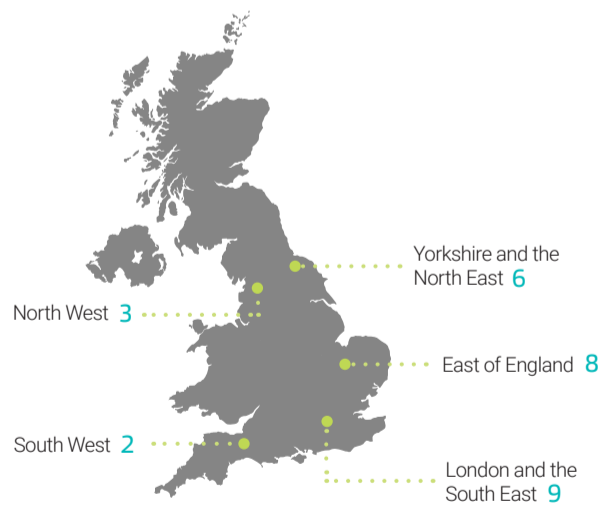
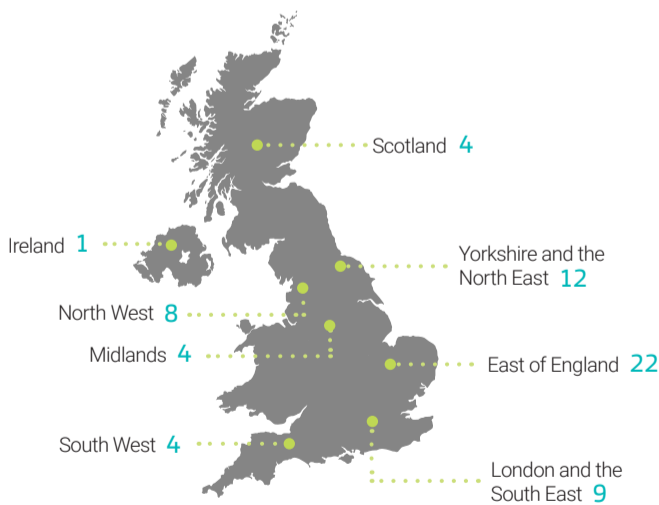
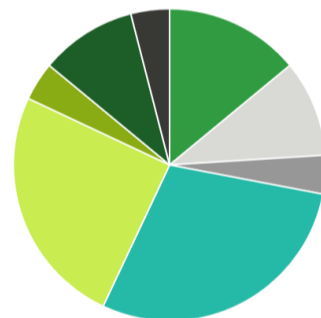


Sectors



- Automotive
- Construction, Property & Real Estate
- Education & Healthcare
- Hospitality & Leisure
- IT, Digital & Creative
- Manufacturing & Engineering
- Professional Services
- Wholesale & Retail
- Other

Sectors



As we trade through Q2 of 2020, we have seen a natural deceleration in M&A activity as the lockdown measures have taken hold, albeit recent weeks have seen the arrival of new demand.

We expect a shift in deal types and sector movement as 2020 continues, with accelerated disposals and mergers likely to become a more regular feature and increased transaction volumes supported by Private Equity finance, with the banks largely focusing upon COVID19 / Government backed debt schemes.

The Technology based and Technology enabled sectors will likely be the most active, sparing for accelerated activity which will likely involve retail and dining sector business.