



# UNITED KINGDOM AND REPUBLIC OF IRELAND M&A REVIEW



EXPERIAN MARKETIQ: 2022

# UNITED KINGDOM M&A ACTIVITY

Annual M&A volume in the UK declined slightly in 2022, with 7,080 transactions announced over the year – down from 7,210 in 2021.

With the idea that an uncertain outlook adversely impacts dealmaking, this represents a robust return, given the wide-ranging set of challenges that UK companies navigated last year. Furthermore, we've recorded strong year on year growth in numerous key industry sectors, historic highs in the private equity sector and, regionally, record-breaking deal volume across several parts of the country in 2022. Cross-border deal making played an ever more prominent role in the UK's M&A landscape, with inward investment reaching 727 transactions in 2022 and the value of inward deals soared by 41% year on year, to reach almost £100bn. Meanwhile, outbound investment volume reached record levels last year, with 654 transactions announced in 2022 – up from 595 in 2021. There was some evidence of a more risk-averse approach to deal making last year and we saw a shift towards smaller deals, with a surge in growth-stage investments that can be less impacted by the potential for rising financing costs. Worldwide, we've recorded a slowdown in activity at the higher end of the market and in the UK, there were 26 fewer deals worth £1bn and above announced in 2022 (44 'mega' deals, down from 70 in 2021). Subsequently the total recorded value of UK M&A, at £233bn, was down by 29% year on year, to £232m.

UK M&A volume hit

**7,080**

transactions in 2022



Private equity took its highest ever share of the deals market, with

**25%**

of total M&A

Inward investment value was up by

**41%**

year on year, to reach almost **£100bn**

### Deals of the Year

The comparative strength of the \$ encouraged US>UK dealmaking and companies based in the USA were by far and away the most active investors in UK businesses, inking 236 deals in 2022, worth around £47bn. These included the £5bn buy-out of renewable energy generation firm ContourGlobal by US private equity house KKR - its largest ever UK investment - and US billionaire Todd Boehly and Clearlake Capital's £4.3bn acquisition of Chelsea FC. Elsewhere, amongst several big corporate transactions targeting UK Plcs, 2022 saw the £5.1bn acquisition of Micro Focus, a specialist in legacy development and deployment

software, by Canadian group Open Text along with French conglomerate Schneider Electric's £4bn deal to buy-out minority shareholders in Aveva, an engineering software business based in Cambridge. The professional, scientific and technical sector was the leading industry for UK outbound investment in 2022, accounting for 30% of all transactions. Volume here was driven by consolidation within the veterinary care segment, while three large transactions in the life sciences segment – GlaxoSmithKline's acquisition of US biotechnology companies Affinivax for £2.6bn and Sierra Oncology for £1.5bn, along with AstraZeneca's £800m deal to acquire

TeneoTwo – pushed value to £6.2bn, up from £2.1bn in 2021. Finally, after the recent ONS statistics showing the total number of company insolvencies in 2022 was 57% higher than 2021, we recorded twice the number of deals where a company was bought out of administration last year, with prominent transactions including high street retailer Next's swoop for the assets of distressed furniture retailer Made.com along with clothing brand Joules.

### Industry

Enhancing digital capacity remains a major factor in persuading businesses to invest in M&A and the UK's innovative technology sector was - again - its leading source of deal activity in 2022. At 1,949 for the year, tech deals were up by a nominal 0.1%, providing 27% of all transaction volume and we recorded strong activity in the fintech, software, cyber security and healthtech segments. The manufacturing sector also had a strong year, with deal volume up by 1.5% on 2021's figures, while the most striking growth was in health & social care, where deals were up by 31% year on year, in hospitality (a 28% upturn) and in arts & entertainment (23%). Healthcare transactions included two big public to private deals, the £2bn acquisition of private hospital group Mediclinic

by South African investment holding company Remgro and an £870m offer for social care business CareTech by a consortium led by its co-founders.

### Funding

There was a private equity aspect in the funding of 1,771 deals in 2022, up from 1,727 in 2021. This represented the largest number of PE-backed deals ever announced in the UK, while at £85.5bn, private equity transactions accounted for 37% of the total value of UK deals in 2022. Investor sentiment remains optimistic and we saw deal volume in the growth stage segment increase by 15% year on year. This outstripped activity in the larger buy-out space, where the number of IBOs was down by 16% on 2021's figures, although there was a small upturn in the secondary buy-out market. Business Growth Fund was the UK's leading investor by deal volume, completing 60 transactions in 2022, followed by Octopus (46 deals) and Maven (38). Meanwhile there was a 10% upturn in the number of deals we recorded being funded by newly-agreed bank debt; here alternative lender Thincats topped the volume table, providing funds in support of 71 transactions last year, ahead of HSBC on 65 deals and Shawbrook and SME Capital with 27 deals apiece.



## Top ten deals: UK

1

£12.2bn

Date: 29/03/2022

Deal type: IBO

Target: Nielsen Holdings Plc, London

Bidder: Elliott Investment Management and Brookfield Business Partners

2

£9bn

Date: 30/11/2022

Deal type: Acquisition

Target: HSBC Bank Canada, Canada (from HSBC Holdings Plc, London)

Bidder: Royal Bank of Canada, Canada

3

£5.8bn

Date: 28/03/2022

Deal type: IBO

Target: UK Gas Transmission and Metering Business of National Grid Plc, London

Bidder: Macquarie Asset Management and British Columbia Investment Management

4

£5.2bn

Date: 25/01/2022

Deal type: SBO

Bidder: Element Materials Technology Group Ltd, London

Target: Temasek, Singapore

5

£5.1bn

Date: 26/08/2022

Deal type: Acquisition

Target: Micro Focus International Plc, Newbury

Bidder: Open Text Corp, Canada

6

£5bn

Date: 17/05/2022

Deal type: IBO

Target: ContourGlobal Plc, London

Bidder: KKR, USA

7

£4.6bn

Date: 01/06/2022

Deal type: Acquisition

Target: Tracker Mortgage Business of Ulster Bank Ireland (from NatWest Group Plc, Edinburgh)

Bidder: AIB Group Plc, Dublin

8

£4.3bn

Date: 07/05/2022

Deal type: IBO

Target: Fordstam Ltd, London (Chelsea FC)

Bidder: Todd Boehly and Clearlake Capital, USA

9

£4.2bn

Date: 21/09/2022

Deal type: Acquisition

Bidder: AVEVA Group Plc, Cambridge

Target: Schneider Electric SE, France

10

£4.1bn

Date: 19/05/2022

Deal type: IBO

Target: Homeserve Plc, Walsall

Bidder: Brookfield Infrastructure, Canada



## UK and Ireland deal volume 2022

Click on the  
regions for more  
information


















## UK AND IRELAND M&A BY REGION 2022



Volume














Region	2022	2021	% Change
Greater London	2,559	2,746	-7% 
South East	1,159	1,209	-4% 
Midlands	1,068	1,044	2% 
North West	945	903	5% 
South West	694	723	-4% 
Yorkshire & Humber	615	660	-7% 
East of England	683	663	3% 
Scotland	446	403	11% 
North East	375	372	1% 
Wales	251	251	0% 
Northern Ireland	267	239	12% 
Republic of Ireland	766	667	15% 
United Kingdom	7,080	7,129	-1% 



## UK AND IRELAND M&A BY REGION 2022



Value (£m)





















Region	2022	2021	% Change
Greater London	138,567	207,407	-33% 
South East	32,505	39,771	-18% 
Midlands	26,817	21,881	23% 
North West	7,583	21,627	-65% 
South West	4,440	31,738	-86% 
Yorkshire & Humber	8,063	17,719	-54% 
East of England	14,420	16,625	-13% 
Scotland	24,886	20,447	22% 
North East	3,664	2,881	27% 
Wales	1,517	7,897	-81% 
Northern Ireland	850	676	26% 
Republic of Ireland	63,776	84,581	-25% 
United Kingdom	228,903	325,923	-30% 



## UK DEALS BY INDUSTRY 2022



Volume

Sector	2022	2021	% Change
 Infocomms	1,946	1,944	0.1% 
 Professional services	1,595	1,684	-5% 
 Manufacturing	1,504	1,482	1% 
 Wholesale and retail	1,213	1,235	-2% 
 Financial services	1,041	1,167	-11% 
 Support services	838	845	-1% 
 Health	523	400	31% 
 Construction	521	527	-1% 
 Real estate	376	395	-5% 
 Hospitality	240	188	28% 

























## UK DEALS BY INDUSTRY 2022



Value (£m)

Sector	2022	2021	% Change
 Infocomms	55,172	81,546	-32% 
 Professional services	51,221	67,417	-24% 
 Manufacturing	58,745	102,867	-43% 
 Wholesale and retail	25,206	84,751	-70% 
 Financial services	76,906	90,947	-15% 
 Support services	17,437	27,601	-37% 
 Health	5,552	6,060	-8% 
 Construction	20,119	18,262	10% 
 Real estate	22,678	20,391	11% 
 Hospitality	12,008	8,148	47% 





## LEGAL ADVISER RANKINGS

Volume

Current rank	Previous rank	Legal adviser	Volume
1	↕ 3	SHOOSMITHS	277
2	↕ 1	HARRISON CLARK RICKERBYS	254
3	↕ 2	ADDLESHAW GODDARD	158
4	↕ 4	GATELEY	145
5	↕ 6	DLA PIPER	127
6	↕ 5	PINSENT MASONS	124
7	↕ 8	WARD HADAWAY	106
8	↕ 13	EVERSHEDS SUTHERLAND	96
9	↕ 10	MILLS & REEVE	96
10	↕ 16	TUGHANS	90
11	↕ 24	MUCKLE	82
12	↕ 18	BROWNE JACOBSON	80
13	↕ 17	TLT	80
14	↕ 15	A&L GOODBODY	79
15	↕ 22	BRABNERS	79
16	↕ 9	SQUIRE PATTON BOGGS	79
17	↕ 12	FREETHS	74
18	↕ 7	CMS	73
19	↕ 23	HILL DICKINSON	73
20	↕ 14	DWF	69



## FINANCIAL ADVISER RANKINGS

Volume

Current rank	Previous rank	Financial adviser	Volume
1	↕ 2	BDO	293
2	↕ 1	GRANT THORNTON	226
3	↕ 3	K3 CAPITAL GROUP	216
4	↕ 4	RSM	171
5	↕ 6	AZETS	131
6	↕ 5	HAZLEWOODS	117
7	↕ 9	PKF	100
8	↕ 7	KPMG	91
9	↕ 8	PWC	86
10	↕ 14	EY	79
11	↕ 11	DOW SCHOFIELD WATTS	79
12	↕ -	ALTIVUS GROUP	77
13	↕ 18	MAZARS	65
14	↕ -	MHA	65
15	↕ 10	NUMIS SECURITIES	63
16	↕ 12	FINNCAP	62
17	↕ 17	FRP ADVISORY TRADING	62
18	↕ 13	BENCHMARK INTERNATIONAL	58
19	↕ 24	DELOITTE	55
20	↕ 16	CENKOS SECURITIES	52

## DEBT PROVIDER RANKINGS



Volume

Current rank	Previous rank	Debt provider	Volume
1	⬆️ 6	THINCATS	71
2	⬆️ 1	HSBC	65
3	⬆️ 4	SHAWBROOK BANK	27
4	⬆️ -	SME CAPITAL	27
5	⬆️ 12	LLOYDS BANKING GROUP	24
6	⬆️ 7	ARBUTHNOT	23
7	⬆️ 10	TRIPLE POINT INVESTMENT MANAGEMENT	20
8	⬆️ 11	BARCLAYS	18
9	⬆️ 3	SANTANDER UK	18
10	⬆️ -	PRAETURA INVOICE FINANCE	18

## CAPITAL PROVIDER RANKINGS



Volume

Current rank	Previous rank	Investment firm	Volume
1	⬆️ 1	BUSINESS GROWTH FUND	60
2	⬆️ 8	OCTOPUS VENTURES	46
3	⬆️ 5	MAVEN CAPITAL PARTNERS	38
4	⬆️ 2	LDC	32
5	⬆️ 16	INVEST NORTHERN IRELAND	30
6	⬆️ 3	FORESIGHT GROUP	27
7	⬆️ 12	SCOTTISH ENTERPRISE	24
8	⬆️ 13	TECHSTART VENTURES	19
9	⬆️ 7	DEVELOPMENT BANK OF WALES	18
10	⬆️ -	TRIPLE POINT INVESTMENT MANAGEMENT	17



# NORTH EAST



102 Deals in the  
manufacturing segment  
up by

**40%**  
year on year



North East deals reach  
a **ten year high** with  
a total of

**375**



Volume of **growth funding**  
deals **up by 21%** and  
value up to

**£5886m**

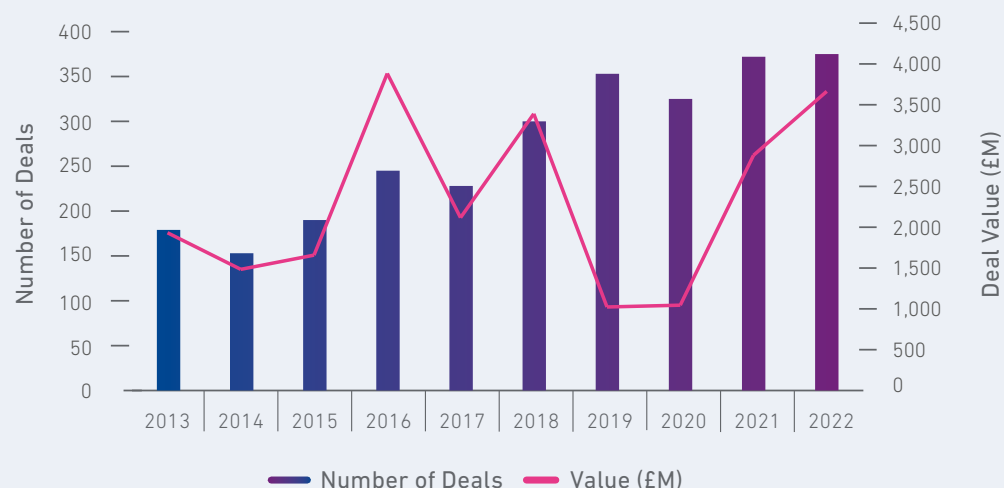
The positive ten-year trend in deal activity for the North East continued in 2022, as deals numbers increased to 375 valued at £3.7bn.

Volume was up by 1%, while associated deal value has soared by 27%. The overall buoyant figures filtered down to the value analysis, where we saw the volume of both small and large transactions increasing year on year. Mega deals were still noticeable by their absence - in fact there have only been two mega deals recorded in the last ten years (one in 2016 and one in 2018) in the North East - but last year's acquisition of a minority stake in Northumbrian Water Group was the largest deal witnessed since those transactions, at £867m. The mid-market was the one area to see a decline in activity, dropping by 19%. Growth funding deals are the second most frequent transaction in the North East, with 99 deals in 2022 - up by 21% from the 82 in 2021 - and the value of these deals climbed to £586m, from only £269m the previous year. Private equity funding has made a big impact in the deal landscape, with a 22% increase in the volume of IBO's and SBO's. Acquisitions, the most common transaction in the region, dropped by 5% in terms of volume, although the value of those rose by 45%. There was a North East element in approximately 5% of all UK transactions by volume so far this year, while North East firms contributed around 0.2% of total deal value.

### Deals of the Year

In July KKR, the US private equity firm, agreed to acquire a 25% stake in Northumbrian Water Group from Hong Kong conglomerate CK Hutchison Holdings for approximately £867m. Upon completion, CKI will continue to be the largest economic benefit owner of Northumbrian Water with 39% interests. Other large deals included the £669m acquisition of transport group Go-Ahead by an Australian consortium and Singapore sovereign wealth fund GIC's £425m

deal to acquire a majority stake in UK Land Estates, which owns industrial estates across North East England. In the final quarter of 2022, we saw the £182m acquisition of Helston Garages Group, a privately owned predominantly premium manufacturer automotive retail group, by Gateshead motor vehicle retail group Vertu Motors – the third acquisition announced by Vertu in 2022, but by the far the most valuable as most deals for Vertu Motors fall into the small or mid-market range.



### Industry

The two most prolific sectors in the North East have experienced very different years in terms of the value and volume of transactions. Manufacturing represented 27% of all transactions reported in the region, making it the busiest industry. Activity here rose by 40% to 102 transactions, while at £586m, value was up by 38% year on year. Professional services, 2021's most active segment, experienced a decline in both volume and value, down 21% and 63% respectively. Elsewhere, infocomms had a lively year, with volume and value up by 7.5% and 12%, respectively, to 72 transactions worth £922m. In terms of value, real estate deals dominated the region with values in excess of £1.58bn, boosted by GIC's previously mentioned purchase of UK Land. While transaction volume here is not in the same league as the North East's more traditionally active sectors, it was up based on 2021's figures by 23%, to 32 transactions.

### Funding

The volume of bank debt funded transactions has rocketed by 63% in 2022 to 57 deals valued at £995m. The most active debt provider was NatWest with seven transactions, closely followed by HSBC which funded five deals. There was a 4% increase the number of private equity funded deals, along with a 64% bump in values up to £2.1bn. The most prolific investor in the region was North East European Regional Development Fund, which completed a total of 21 transactions at a recorded value of £36m.

## Top five deals: North East

#1

£867m

**Date:** 14/07/2022

**Deal type:** Minority Stake

**Target:** Northumbrian Water Group Ltd, Durham

**Bidder:** KKR

#2

£669m

**Date:** 13/06/2022

**Deal type:** Acquisition

**Target:** Go-Ahead Group Plc, Newcastle upon Tyne

**Bidder:** Gerrard Investment Bidco Ltd, Australia

#3

£425m

**Date:** 07/07/2022

**Deal type:** SBO

**Target:** UK Land Estates (Holdings) Ltd, Newcastle upon Tyne

**Bidder:** GIC, Singapore

#4

£300m

**Date:** 14/02/2022

**Deal type:** SBO

**Target:** Inn Collection Ltd, Newcastle upon Tyne

**Bidder:** Accuro Fiduciary Services Ltd, London

#5

£200m

**Date:** 15/02/2022

**Deal type:** Private Equity

**Target:** Power by Britishvolt Ltd, Blythe



## LEGAL ADVISER RANKINGS



Volume

Current rank	Previous rank	Legal adviser	Volume
1	2	MUCKLE	65
2	1	WARD HADAWAY	53
3	5	MINCOFFS	39
4	4	WEIGHTMANS	37
5	8	SINTONS	25
6	6	SWINBURNE MADDISON	22
7	7	WOMBLE BOND DICKINSON	18
8	3	SQUARE ONE LAW	16
9	9	HAY & KILNER	14
10	12	ADDLESHAW GODDARD	11

## FINANCIAL ADVISER RANKINGS



Volume

Current rank	Previous rank	Financial adviser	Volume
1	1	CLIVE OWEN CORPORATE FINANCE	21
2	9	AZETS	15
3	4	RYECROFT GLENTON	13
4	6	RMT CORPORATE FINANCE	13
5	13	UNW	13
6	7	K3 CAPITAL GROUP	9
7	-	BDO	6
8	5	RSM	6
9	8	GRANT THORNTON	6
10	3	TAIT WALKER	6