

Q1 2015 M&A Update – UK

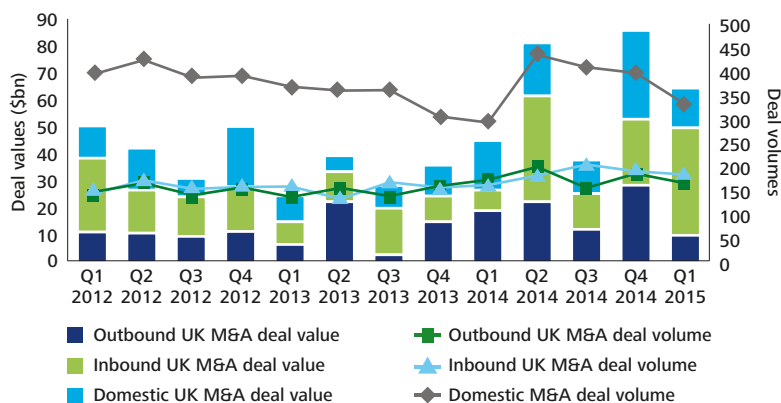
UK remains attractive for overseas buyers

Overview

Q1 2015 saw the highest level of quarterly inbound dealmaking in the UK since 2008. Total deal values reached \$39.7 billion primarily due to the surge in acquisitions by North American (\$11 billion) and Asian companies (\$22 billion).

Overall, the UK M&A market in value terms showed significant improvement compared to the same period last year. However, both domestic and outbound dealmaking remain subdued amid uncertainty about the UK General Election. Domestic dealmaking in volume terms dipped for three consecutive quarters after reaching a peak in Q2 2014.

The TMT sector saw the most significant increase in value terms reaching \$16.5 billion in Q1 2015 compared to \$2.5 billion for the same period last year.



Source: Deloitte analysis based on data from Thomson One Banker

Deal corridors

Corridor	Deal volumes	Deal values in (\$bn)
North America/UK	Inbound (Q1 2015 / Q1 2014)	83 (85) / 11.0 (5.0)
	Outbound (Q1 2015 / Q1 2014)	34 (43) / 0.4 (2.5)
Middle East & Africa/UK	Inbound (Q1 2015 / Q1 2014)	8 (6) / 0.2 (0.1)
	Outbound (Q1 2015 / Q1 2014)	10 (8) / 0.7 (0.2)
South America/UK	Inbound (Q1 2015 / Q1 2014)	2 (2) / 0 (0)
	Outbound (Q1 2015 / Q1 2014)	7 (9) / 0 (0.5)
Europe/UK	Inbound (Q1 2015 / Q1 2014)	66 (53) / 6.6 (1.3)
	Outbound (Q1 2015 / Q1 2014)	92 (94) / 8.8 (15.4)
UK/UK	Domestic (Q1 2015 / Q1 2014)	332 (293) / 14.7 (18.3)
	Asia-Pacific/UK	Inbound (Q1 2015 / Q1 2014)
	Outbound (Q1 2015 / Q1 2014)	23 (19) / 0.1 (0.5)

Note: 'Inbound' refers to UK companies as targets; 'Outbound' refers to UK companies as acquirers
 Numbers in brackets refer to Q1 2014 figures
 Source: Deloitte analysis based on data from Thomson One Banker

Industries Q1 2015 vs Q1 2014



TMT

Deal volume: **87 (111)** ↓
Deal values (\$bn): **16.5 (2.5)** ↑



Financial Services

Deal volume: **69 (64)** ↑
Deal values (\$bn): **5.7 (4.7)** ↑



Consumer Business

Deal volume: **118 (97)** ↑
Deal values (\$bn): **10.1 (8.5)** ↑



Manufacturing

Deal volume: **78 (55)** ↑
Deal values (\$bn): **10.9 (4.2)** ↑



Energy & Resources

Deal volume: **30 (25)** ↑
Deal values (\$bn): **0.4 (0.5)** ↓



Real Estate

Deal volume: **46 (43)** ↑
Deal values (\$bn): **4.1 (5.2)** ↓



Life Sciences & Healthcare

Deal volume: **39 (26)** ↑
Deal values (\$bn): **2.4 (0.5)** ↑



Professional Services

Deal volume: **53 (40)** ↑
Deal values (\$bn): **4.4 (0.1)** ↑

Note: Industry hot spots refer to the target industry where UK company is the target
Numbers in brackets refer to Q1 2014

Source: Deloitte analysis based on data from Thomson One Banker

Top 10 UK deals

Acquirer	Acquirer nation	Target name	Target industry	Deal value (\$m)
Hutchison Whampoa	Hong Kong	O2	TMT	15,381
Ball Corp*	US	Rexam	Manufacturing	6,930
Verisk Analytics	US	Wood Mackenzie	Professional Services	2,785
Banco de Sabadell	Spain	TSB Banking Group	Financial Services	2,530
Haversham Holdings	UK	British Car Auctions	Consumer Business	1,863
Fairfax Financial Holdings	Canada	Brit	Financial Services	1,721
Canada Pension Plan Investment Board (CPPIB)	Canada	Liberty Living, a part of the Brandeaux Student Accomodation Fund	Real Estate	1,678
YOOX Group	Italy	Net-A-Porter Group	Consumer Business	1,647
Brother Industries	Japan	Domino Printing Sciences	Manufacturing	1,539
CK Investments	Hong Kong	Eversholt Rail	Manufacturing	1,515

Note: includes both pending and completed deals where target company is based in the UK

*UK subsidiary

Source: Deloitte analysis based on data from Thomson One Banker

Contacts

Iain Macmillan
Partner

imacmillan@deloitte.co.uk

Sriram Prakash
Director

sprakash@deloitte.co.uk

Irina Bolotnikova
Manager

ibolotnikova@deloitte.co.uk

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