

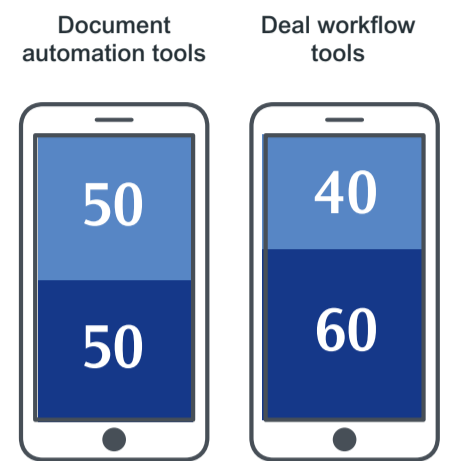
# Monitoring mid-market M&A in the UK

## Our findings at a glance

The disruptive effect of a global pandemic and economic downturn has cast a new light on corporate growth strategies, business transformation and dealmaking. With the end of the pandemic in sight, business and investor confidence has boosted dealmaking and valuations have reached new highs with pent-up demand and cash reserves. What does the future look like for UK mid-market M&A activity? What are the motivating factors in getting deals done and where does dealmaking stand in relation to environmental, social and governance (ESG) issues?

### DealTech yet to take off

Use of technology varies, with respondents split 50/50 on whether they use document automation tools and 60/40 on deal workflow tools.



### Will the next 18 months bring opportunities for deal making?



### COVID: Inconvenient not insurmountable

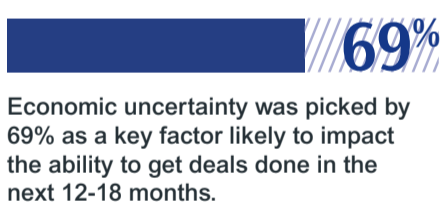
Respondents say the most significant impacts of Covid on M&A have been:



### Will company and deal values increase?

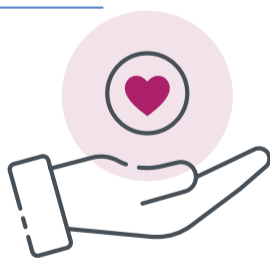


### What will stop deals getting done?



### What makes a target attractive?

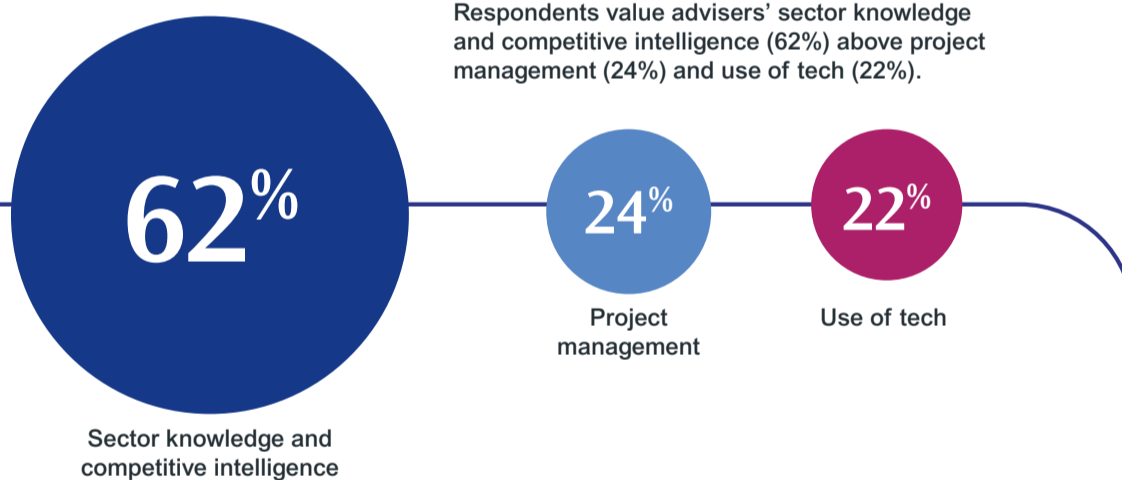
**Priority: Financial health**  
When assessing the attractiveness of a potential target, financial health (profit, revenue, cashflow) is assigned the greatest weight.



### What can the advisor bring to the deal?

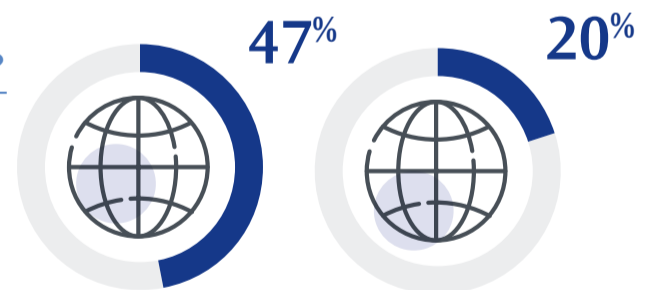
Competitive intelligence > project management and use of technology

Respondents value advisers' sector knowledge and competitive intelligence (62%) above project management (24%) and use of tech (22%).



### Is ESG important to investors?

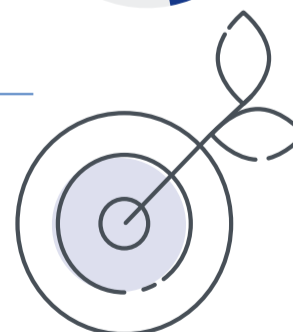
Respondents are split on the extent to which ESG considerations are part of decision-making around a potential acquisition target. 47% say 'to a certain extent' while 20% say 'not very much'.



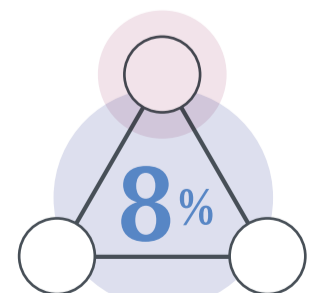
### How ESG factors rank

**Sustainability > tax planning and executive remuneration policies**

A target's approach to sustainability was ranked the most important ESG factor, with tax policy ranked least important.



Only 8% of respondents say ESG considerations are not at all part of the M&A decision-making process.



### Transacting: What will motivate buyers?

Going for growth

**74%**

of respondents list growth and increasing market share as a top motivation for transacting.

