

# UK200Group Corporate Finance - 2022 M&A deal volumes flatline but average deal size decreases £800,000

Submitted by: UK 200 Group (UK200)

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M&A deal size has fallen in the last 12 months from £7.1 million to £6.3 million.

Deal volumes have remained broadly the same as in previous years according to the latest analysis from the UK200Group's 2022 Small and Medium Enterprises (SME) Valuation Index.

The Index analyses a representative sample of M&A deals over the last 12 months to understand how deal value has changed against a challenging economic backdrop. It is a collaboration between Mark to Market and the UK200Group.

The data is an invaluable resource to SMEs, corporate financiers, forensic accountants, insolvency practitioners, investors, banks tax planners and expert witnesses who work with these enterprises.

The analysis showed that 60% of transactions were trade sales, 15% MBOs and the rest were a mix of PE, VC, and other transaction.

Michael Watts, partner corporate finance, Haslers and Chair of the UK200Corporate Finance Panel, says:

“Our analysis highlights the fact that acquirors are understandably cautious and want to understand what ‘maintainable earnings’ are going forward. Given the unprecedented events of the last three years it can be difficult to make accurate forward projections as while many companies have experienced tough trading conditions, such as hospitality, others have seen a mini boom e.g., logistics.

The data confirms the overarching caution as the median EBITDA and the median P/E multiples fell from 6.0x to 4.9x and from 7.6x to 6.4x respectively in 2022. The mean EV/EBITDA multiple has also fallen to 5.4x from 6.6x. At a 95% confidence. EBITDA multiples are occurring in the range of 4.5 – 6.2x. The mean P/E multiple decreased to 7.1x from 8.9x. At a 95% confidence level, P/E multiples are occurring in the range of 5.9 – 8.3x. I would expect similar caution in 2023 until long term economic certainty becomes clearer.”

To view the UK200Group SME Valuation Index 2022, please click the link

[http://www.uk200group.co.uk/web/FILES/Publications\\_Brochures/SME\\_ValuationIndex.pdf](http://www.uk200group.co.uk/web/FILES/Publications_Brochures/SME_ValuationIndex.pdf).

End.

## Notes

The UK200Group's Corporate Finance Panel is made up of individuals from UK200Group member firms, who specialise in corporate finance within their companies. Together, the panel successfully gathers a generous number of deals throughout the organisation to produce this document for public awareness. The data provides key information on actual transactions involving the purchase or sale of UK businesses over this year with data from previous years available. Most importantly, the deal data provided by our members has been included in a format which allows comparability in a manner not available from publicly

published data.

For more information about MarktoMarket's visit their website here or Contact Doug Lawson via email: [doug@marktomaket.io](mailto:doug@marktomaket.io)

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