



CORPORATE FINANCE

MARKET INSIGHTS Q4 2017

ambition

The decision to leave the EU has led to a definite slow-down in recruitment within Corporate Finance. With the depreciation of sterling, M&A itself has seen a rise in activity as UK assets have become more affordable for overseas buyers. As a result, we expect to see general recruitment into Corporate Finance gradually increase. Over the last 12 months, it has become increasingly more difficult for newly qualified ACA candidates to make the move into Corporate Finance. Those who have spent three years within Audit, whilst having a good foundation for Transactional Services, have struggled as a result of their lack of exposure to deals.

Despite the slow start in the first quarter, there was an uplift in deal volumes moving into Q2 with little change in Q3, signifying buoyancy in the M&A market. Given the economic and political uncertainties globally, some may be surprised to hear of the continued strength of the M&A market. We are very much in a seller's market with the likes of PE funding and cash rich corporates exceeding the number of businesses for sale.

SKILLS IN DEMAND

Within professional services firms, Manager level candidates are in high demand, particularly in transaction services, closely followed by advisory. Those with extensive financial modelling experience are also sought after, especially when paired with advisory experience. The need for commercial awareness paired with strong technical knowledge is becoming more necessary.

Many Corporate Finance teams within accountancy practices are finding that the pool of candidates at the Manager level has shrunk. Despite a reasonably flat year for M&A markets generally, most professional services firms were inundated with work and struggled to keep on top of headcount.

MARKET NEWS

Paul Joyce joins Mazars from Deloitte as Head of Corporate Finance in London. He brings with him over 12 years' experience of working on mergers and acquisitions for a wide range of managements team, private equity and corporate clients.

M&A activity within the food and beverage industry has been healthy. In particular, the alcoholic beverages (specifically craft beers and spirits), and "better for you" sectors, where demand has been high.

US payments company, Vantiv, has bought Worldpay Group in a £9.3billion deal. The takeover supports the boom in the electronic payments industry as more people shift from cash to paying online and in store card transactions switch to contactless.

Consumer packaged goods holding company, Post Holdings, acquires Weetabix for £1.4billion.

PREDICTIONS FOR THE COMING QUARTER

It's difficult to predict what will happen over the coming months; speaking with others in the market it would not be surprising for M&A activity to continue to increase towards the end of the year. This in turn will have an impact on the need to recruit, with firms struggling to keep their heads above water and turning work away. As such, we expect to see a rise in the number of Senior Executive / Associate Manager roles being created to pick up the slack where they haven't been able to attract Managers.

Given the significant interest in Fintech globally and its ongoing evolution, we have seen an increase in the number of firms offering specialist expertise in this area. The likelihood is that this is only going to continue over the next 12 months with what is proving to be the biggest disruption to the financial services industry since Big Bang 1986. Meanwhile, the ever accelerating move to the cloud continues to drive the worlds of IT and telecoms closer together through M&A.

PROFESSIONAL SERVICES SALARIES (LONDON) Q4 2017 MID-TIER/SME FIRMS

Job title	Annual salary range (£)
Assistant Manager	45K - 55K
Manager	55K - 70K
Senior Manager	70K - 90K
Associate Director	80K - 100K
Director	110K +

Notes on salary table:

1. The salary ranges given are only approximate guides. For tailored salary advice, please contact us directly.
2. Roles outside of London are likely to be £5K - £10K lower than the salaries indicated above.
3. 12-month base salaries are assumed.
4. All other benefits and bonuses are in addition to these figures.
5. Bonus ranges can vary significantly from company to company and will be influenced by market conditions, business and individual performances.