



# CORPORATE FINANCE

MARKET INSIGHTS Q3 2018

ambition

Worldwide M&A topped £2.5trillion of announced deals in the first half of 2018 – a 60% increase compared to the same period in 2017. Sectors showing the most activity were energy & power, media, TMT and healthcare.

The UK's tech industry is paving the way in creating billion-dollar businesses, despite political uncertainty and remains one of the prime targets for American purchasers. Exciting and revolutionary brands in the food and beverage sector are also increasing the desire to invest in the UK.

Global M&A activity hit an all-time high during the first half of 2018. In fact, the global M&A market is experiencing the longest growth cycle ever recorded. There has also been a surge in European acquisitions from international buyers.

2018 is on route to be the biggest year on record for global M&A, but how long can it continue?

## SKILLS IN DEMAND

With the continued increase in M&A activity, comes the increase in demand for those with accomplished M&A skills to be able to support and drive transactions as well as to capture new opportunities. Due diligence experience, especially at the Executive level, is also increasing in demand across professional services.

With the high number of private equity and VC-backed transactions, we're seeing the need for specialist modelling professionals and the desire to grow specialist modelling and valuations teams continue. In addition, more new funds are being established, increasing the need to hire buy-side/investment professionals with the ability to manage portfolios.

As recruitment has increased over the last quarter, we're noticing a shortage of relevant candidates actively in the market. This could be partly down to the drive that firms are taking to retain their people, increasing staff engagement, offering better benefits, flexible working and an overall better working environment.

## MARKET NEWS

- BDO appoints new Partner in London M&A Advisory team with a focus on Healthcare/Life Sciences
- Mercer & Hole hires new Corporate Finance Manager - Tanya Yeremenko from KPMG
- Mark Benka appointed as partner in the transaction services team at Smith & Williamson
- Boutique investment bank, Arma Partners, has grown its M&A team with the addition of three new Directors
- Sainsburys and Asda announced merger in £15bn deal, which could create "monopoly towns"
- Good old-fashioned book-selling beats the ever-evolving digital world as Waterstones is acquired by hedge fund Elliott Advisors for £53m

**MARKET NEWS CONT.**

- Debt investor ESO Capital acquires Core Capital creating the opportunity to provide hybrid debt and equity capital to SMEs
- Kreston Reeves merges with SamCorp and brings in BDO Partner – Jack Clipsham
- Begbies Traynor continues expansion with acquiring Springboard Corporate Finance at £4.5m

**PREDICTIONS FOR THE COMING QUARTER**

With worldwide M&A activity predicted to accelerate over the next six months, we can make the assumption that the need for M&A professionals will also increase. We anticipate this will be across professional services, corporate finance advisory firms and private equity funds. In particular, we would expect boutiques to experience substantial growth, in terms of revenue and human capital as they try to keep up with the demand of strategic acquisitions by companies looking to grow themselves and strengthen their market offering. With UK firms keen to “Brexit-proof” their businesses, there will likely be an increase in deals with EU firms.

With the rise in demand for organic and locally sourced foods we anticipate seeing smaller brands in the industry being tapped on the shoulder by larger established companies that are looking to affiliate with the natural/organic food industry. This also includes the premium pet food market which although fairly embryonic in comparison, the UK pet supplements market is reportedly worth in the region of £100million, with a growth of 7% per year.

Recruitment in TMT will continue to increase as companies continue to grow through acquisition, and with the ever-changing technology landscape. We will likely see more of a need for generalist M&A professionals as sectors that have previously been pretty flat, see a rise in M&A activity. Having experience across multiple sectors will be advantageous, and we might even see more and more firms creating specialist teams to deal with the change in the market.

We anticipate Financial Modelling will continue to be a skill in high demand not only in a broader corporate finance role but also within niche Modelling teams.

**PROFESSIONAL SERVICES SALARIES (LONDON) Q3 2018  
MID-TIER/SME FIRMS**

Job title	Annual salary range (£)
<b>Corporate Finance / M&amp;A / Transaction Services</b>	
Associate / Executive	40K - 52K
Senior Associate / Assistant Manager	50K - 60K
Manager	55K - 65K
Senior Manager	60K - 70K
Associate Director	70K - 90K
Director	90K - 110K
Partner	120K +

**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.

## PROFESSIONAL SERVICES SALARIES (LONDON) Q3 2018 CONT. MID-TIER/SME FIRMS

Job title	Annual salary range (£)
<b>Financial Modelling</b>	
Associate / Executive	40K - 52K
Senior Associate / Assistant Manager	50K - 60K
Manager	55K - 65K
Senior Manager	60K - 70K
Associate Director	70K - 90K
Director	90K - 110K
Partner	120K +
<b>Valuations</b>	
Associate / Executive	40K - 52K
Senior Associate / Assistant Manager	50K - 60K
Manager	55K - 65K
Senior Manager	60K - 70K
Associate Director	70K - 90K
Director	90K - 110K
Partner	120K +

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