3 April 2013

UK Fact Sheet

The UK buyout market remained resilient in the first quarter of 2013, with UK activity accounting for almost a third (30%) of all European deals (33 of 110) by volume, and over a third (34%) by value (£3.2bn of £9.4bn).

Return of IPO market

- The end of Q1 2013 saw three private equity-backed London Market IPOs complete – Countrywide (£750m), Esure (£1.2bn) and HellermannTyton (£420) – the first listings of private equity backed companies in the UK since Q2 2010.
- Strong UK IPO pipeline for the rest of 2013, with Formula One and Merlin Entertainments rumoured to relaunch their IPO processes before the end of the year.
- Exits surpassed buyouts by both volume and value in Q1 2013, with 40 exits at a combined value of £3.7bn compared to 33 buyouts valued at £3.2bn. Exits values in particular were bolstered by more than £2bn from the IPOs of Countrywide, Esure, and HellermannTyton: the highest combined value of IPO exits in any quarter since Q3 2006 (£2.5bn).

UK companies continue to attract overseas investment

- Despite the fluctuating value of GBP, the UK remains an attractive prospect for global buyers, with four of the ten largest exits of Q1 2013 going to acquirers outside of Europe.
- Private equity backed businesses sold to overseas buyers this quarter include Sutton and East Surrey Water which was sold to Sumitomo Corp (Japan) for £165m and the sale of Hydrasun to Bahrain-headquartered Investcorp.

Regional success underpins UK buyout market

- The UK market was underpinned by buyout activity outside of the capital in Q1 2013. Of the 33 deals completed in the UK, 88% were originated outside of London (29 deals).
- Q1 2013 represents the second quarter in a row that the North West has outperformed the capital (9 deals compared to 4); in Q4 2012 there were 11 buyouts in the North West compared to 10 in London.
- The South East also performed well in Q1 2013 with six buyouts in Q1, outperforming London for the first time since Q4 2011 (Q4 2011: South East: 13, London: 9).

- Ends –
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**Notes to editors**

**About CMBOR**

- The Centre for Management Buy-out Research (CMBOR) was founded at Nottingham University Business School in 1986 and has been sponsored by Equistone since its establishment. It is now based at Imperial College London and celebrated its 25th anniversary in 2011.
- CMBOR is world-renowned as the long-standing leader in providing robust analysis of the buy-out market.
- CMBOR data covers all buyout activity and therefore includes transactions funded on a cash or debt-only basis as well as traditional private equity-funded buyouts.
- CMBOR only uses completed deals to calculate its data. Any pending deals at the end of each quarter are carried over to the following quarter. **The data in this press release are for deals completed by 27 March 2013.**
- Any European data provided by CMBOR in this release refers to the buyout activity in 26 countries including Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Serbia, Slovenia, Sweden, Switzerland, Turkey, the UK, and the Ukraine.