

Statistical bulletin

Mergers and acquisitions involving UK companies: October to December 2022

Transactions which result in a change of ultimate control of the target company and have a value of £1 million and more.

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1 . Main points

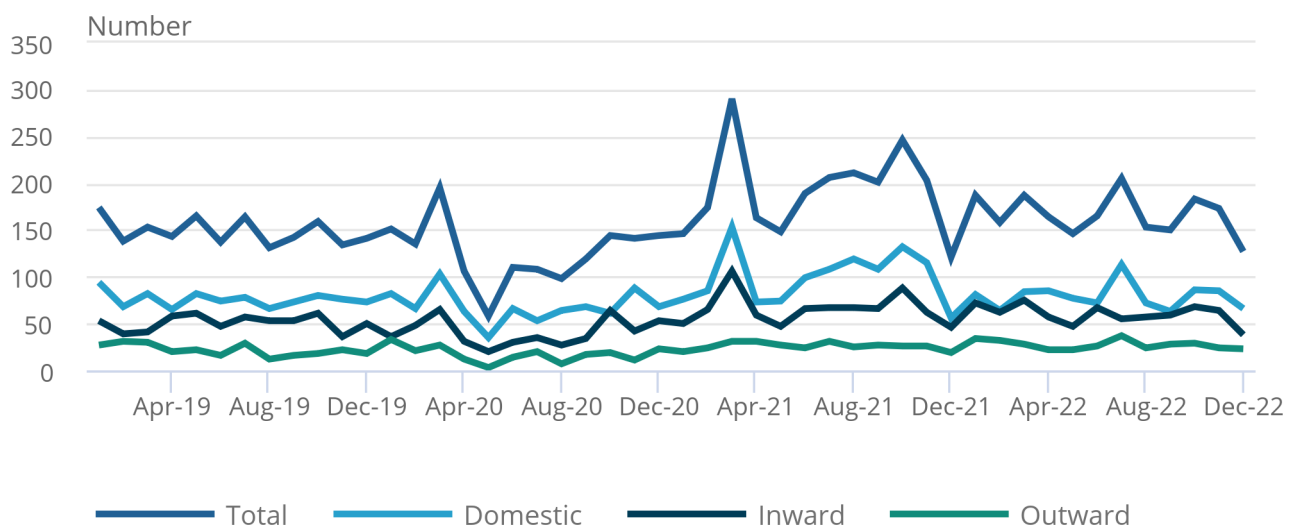
- The total combined number of monthly cross-border and domestic mergers and acquisitions (M&A) involving a change in majority share ownership decreased slightly between October 2022 (total 183) and November 2022 (173), before falling sharply to 127 during December 2022.
- The value of outward M&A (UK companies acquiring foreign companies abroad) in Quarter 4 (Oct to Dec) 2022 was £10.1 billion, £2.5 billion more than Quarter 3 (July to Sept) 2022 (£7.6 billion) and £6.7 billion higher than Quarter 4 2021 (£3.4 billion).
- The total value of inward M&A (foreign companies acquiring UK companies) in Quarter 4 2022 was £5.3 billion, £15.9 billion lower than Quarter 3 2022 (£21.2 billion) and £11.0 billion less than Quarter 4 2021 (£16.3 billion); although the value of inward M&A fell from Quarter 3 to Quarter 4 2022, the number of transactions was broadly unchanged.
- The value of domestic M&A (UK companies acquiring other UK companies) was £3.6 billion in Quarter 4 2022, £1.7 billion higher than the previous quarter (£1.9 billion), but £0.6 billion lower than Quarter 4 2021 (£4.2 billion).

2 . Monthly mergers and acquisitions (M&A)

Monthly domestic and cross-border mergers and acquisitions (M&A) activity was affected by the global coronavirus (COVID-19) pandemic in 2020, but it strengthened in 2021 and 2022. Monthly cross-border M&A activity since February 2022 may have been indirectly affected by the increased economic uncertainty arising from the Russian invasion of Ukraine.

Figure 1. The total number of monthly domestic and cross-border mergers and acquisitions involving UK companies from January 2019 to September 2022 ranged from 58 to 290

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Source: Office for National Statistics – Mergers and Acquisitions Survey

Monthly outward M&A saw a consistent trend of activity month-on-month during Quarter 4 (Oct to Dec) 2022, with 29 transactions in October, 24 in November and 23 in December 2022.

The number of monthly inward M&A transactions was broadly unchanged between October (68) and November (64), decreasing to 38 transactions during December 2022.

Domestic monthly M&A transactions saw consistent numbers between October (86) and November (85), before decreasing to 66 transactions during December 2022.

[The Bank of England's Agents' summary of business conditions for Quarter 4 2022](#) reported that "tighter financial conditions, market volatility and weaker confidence, had weighed on corporate transaction activity, such as mergers and acquisitions, commercial property transactions and private equity deals". The same report stated that "for companies that borrow to invest, higher funding costs had increased the uncertainty around investment plans by extending the payback period on projects. And rising costs continued to deter building-related investment. A number of contacts said that they had less cash available for investment because they had been obliged to build up stocks in order to manage supply-chain disruption. Many contacts reported that higher energy costs had incentivised investment in energy efficiency or power generation, though for some the increased cost had deterred investment".

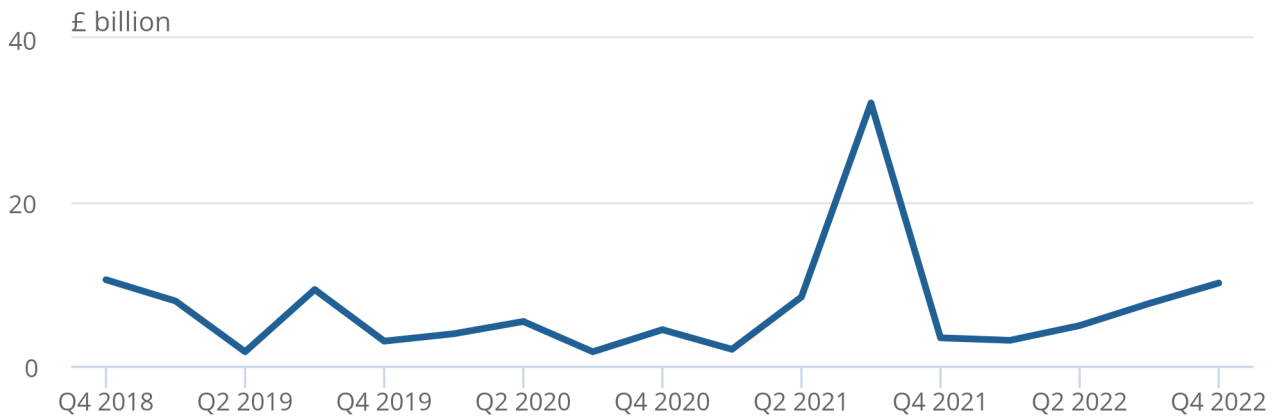
3 . Outward mergers and acquisitions (M&A)

In Quarter 4 (Oct to Dec) 2022, the total value of outward mergers and acquisitions (M&A) of foreign companies made by UK companies rose to £10.1 billion. This is an increase of £2.5 billion compared with the previous quarter (£7.6 billion), and approximately triple that of Quarter 4 2021 (£3.4 billion).

Two notable outward acquisitions in Quarter 4 2022 were the acquisition of Terminix Global Holdings Inc of the USA by [Rentokil Initial Plc](#) of the UK, and the acquisition of Archaea Energy Inc of the USA by [BP Plc](#) of the UK.

Figure 2: The value of outward M&A between Quarter 4 2018 and Quarter 4 2022 ranged from £1.7 billion to £32.1 billion.

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Source: Office for National Statistics – Mergers and Acquisitions Survey

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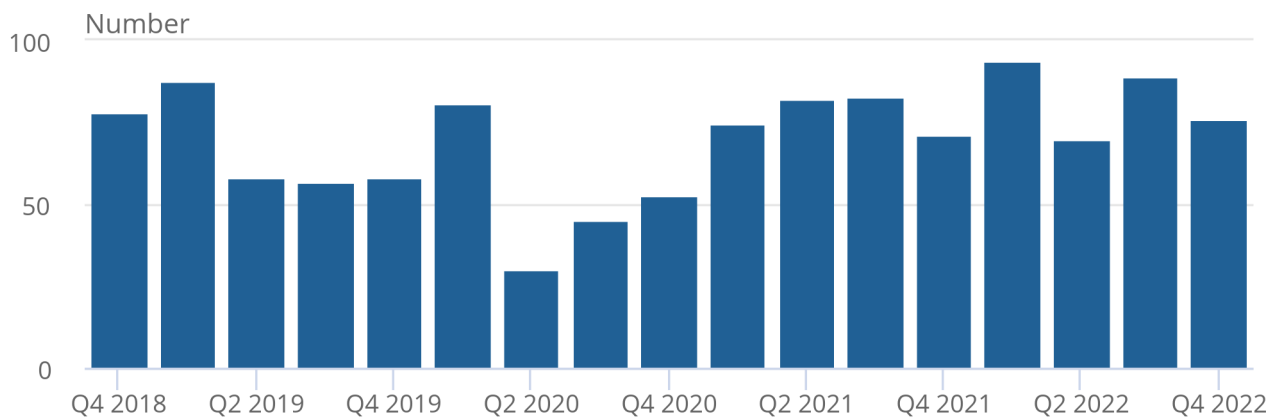
1. Quarter 1 covers January to March; Quarter 2 covers April to June; Quarter 3 covers July to September; Quarter 4 covers October to December.
2. Value of deals are in current prices and consequently do not account for the effects of inflation over time.
3. The total value (£32.1 billion) of outward M&A for Quarter 3 2021 is explained by a few large acquisitions which were valued in excess of £1 billion.

Number of quarterly outward M&A transactions involving UK companies

There were 76 completed outward M&A deals in Quarter 4 2022, a decrease of 13 on the previous quarter (89) and five more than in Quarter 4 2021 (71).

Figure 3: The number of outward M&A transactions between Quarter 4 2018 and Quarter 4 2022 ranged from 30 to 94 transactions

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Source: Office for National Statistics – Mergers and Acquisitions Survey

Notes:

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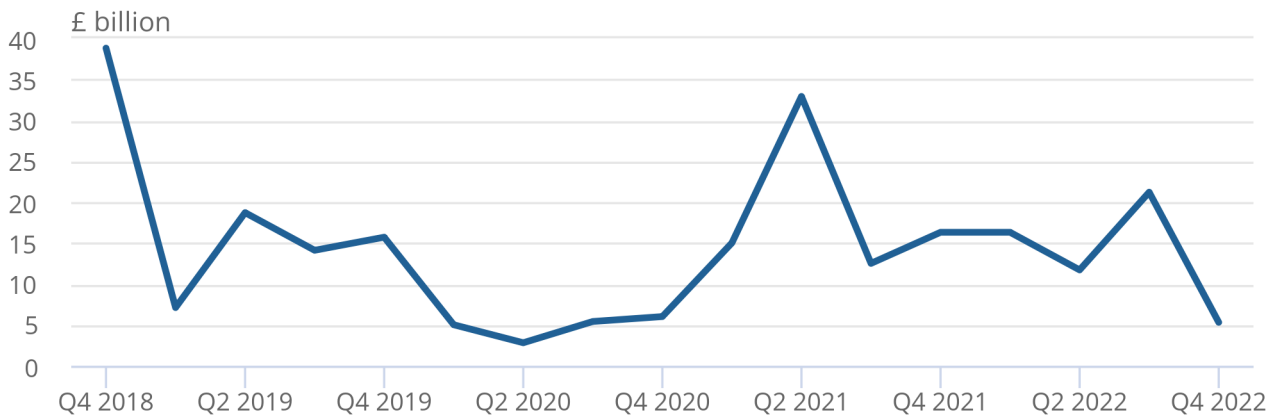
4 . Inward mergers and acquisitions (M&A)

In Quarter 4 (Oct to Dec) 2022 the value of inward mergers and acquisitions (M&A), of foreign companies acquiring UK companies, was £5.3 billion. This is £15.9 billion lower than in Quarter 3 (July to Sept) 2022 (£21.2 billion), and £11.0 billion lower than in Quarter 4 2021 (£16.3 billion).

A large-value inward acquisition, which completed in Quarter 4 2022, was the acquisition of Suez Recycling and Recovery UK Group Holdings Ltd of the UK by [Suez Holdings SAS](#) of France.

Figure 4: The value of inward M&A between Quarter 4 2018 and Quarter 4 2022 ranged from £2.8 billion to £38.8 billion.

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Source: Office for National Statistics - Mergers and Acquisitions Survey

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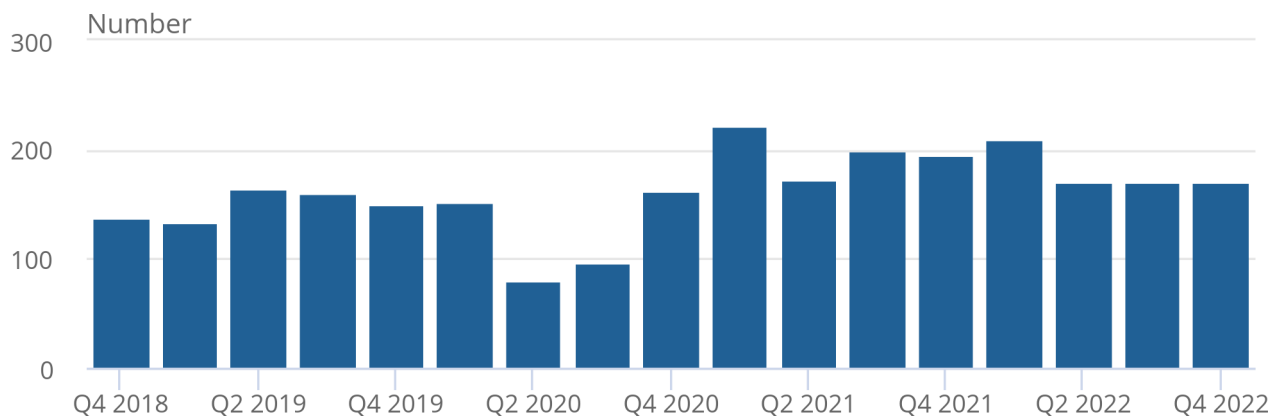
1. Quarter 1 covers January to March; Quarter 2 covers April to June; Quarter 3 covers July to September; Quarter 4 covers October to December.
2. Value of deals are in current prices and consequently do not account for the effects of inflation over time.

Number of quarterly inward M&A transactions involving UK companies

There were 170 inward acquisitions involving a change in majority share ownership in Quarter 4 2022, one fewer than in Quarter 3 2022 (171) and 26 fewer than in Quarter 4 2021 (196).

Figure 5: The number of inward M&A between Quarter 4 2018 and Quarter 4 2022 ranged from 81 to 221 transactions

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Source: Office for National Statistics – Mergers and Acquisitions Survey

Notes:

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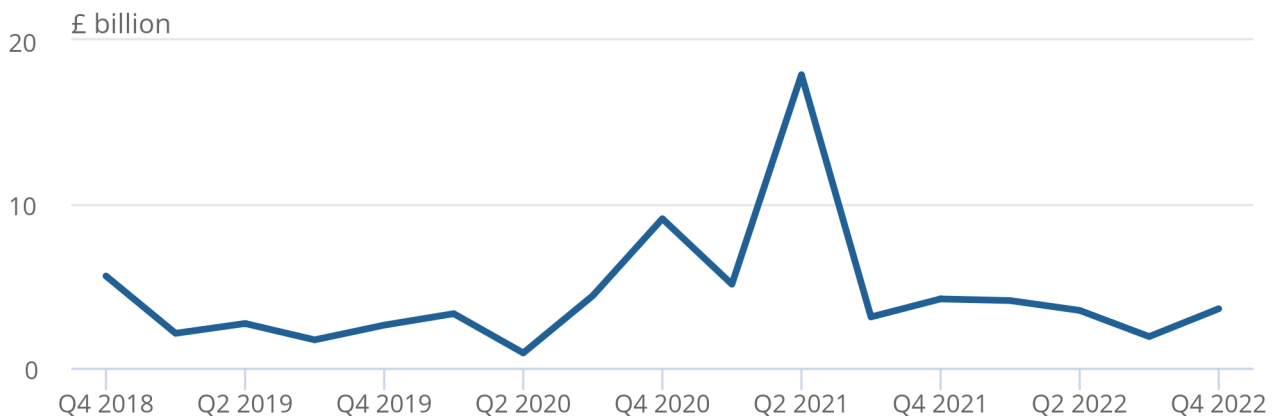
During Quarter 4 2022, there were 46 completed inward disposal deals worth £2.4 billion.

5 . Domestic mergers and acquisitions (M&A)

The value of domestic mergers and acquisitions (M&A), UK companies acquiring other UK companies, in Quarter 4 (Oct to Dec) 2022 was £3.6 billion. This is a £1.7 billion increase compared with Quarter 3 (July to Sept) 2022 (£1.9 billion), but £0.6 billion less than Quarter 4 2021 (£4.2 billion).

Figure 6: The value of domestic M&A between Quarter 4 2018 and Quarter 4 2022 ranged from £0.9 billion to £17.9 billion

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Source: Office for National Statistics - Mergers and Acquisitions Survey

Notes:

1. Quarter 1 covers January to March; Quarter 2 covers April to June; Quarter 3 covers July to September; Quarter 4 covers October to December.
2. Value of deals are in current prices and consequently do not account for the effects of inflation over time.
3. The total value (£17.9 billion) of domestic M&A for Quarter 2 2021 is explained by a few large acquisitions which were valued in-excess of £1 billion.

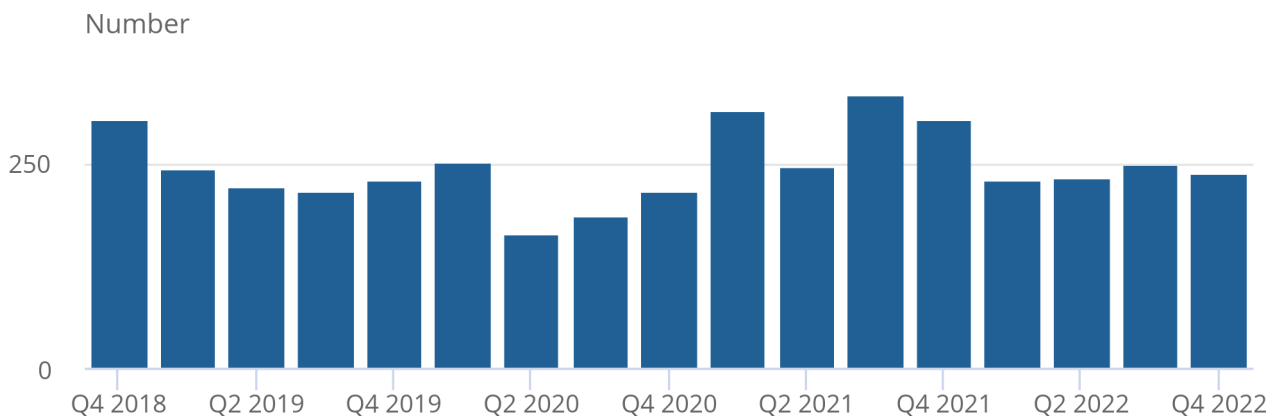
One notable domestic acquisition in Quarter 4 2022 was the acquisition of Countryside Partnership Plc of the UK by [Vistry Group Plc](#) of the UK.

Number of quarterly domestic M&A transactions involving UK companies

There were 237 domestic M&A deals during Quarter 4 2022, 11 fewer than in Quarter 3 2022 (248) and 66 fewer than in Quarter 4 2021 (303).

Figure 7: The number of domestic M&A between Quarter 4 2018 and Quarter 4 2022 ranged from 164 to 335 transactions

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Source: Office for National Statistics – Mergers and Acquisitions Survey

Notes:

1. Quarter 1 covers January to March; Quarter 2 covers April to June; Quarter 3 covers July to September; Quarter 4 covers October to December.

6 . Data for mergers and acquisitions involving UK companies

[Mergers and acquisitions involving UK companies](#)

Dataset | Released 7 March 2023

Quarterly estimates of the value and number of mergers and acquisitions and disposals involving UK companies worth £1 million or more.

[Mergers and acquisitions involving UK companies timeseries](#)

Dataset | Released 7 March 2023

Quarterly data on the value and number of mergers, acquisitions and disposals involving UK companies worth £1 million or more.

7 . Glossary

Domestic mergers and acquisitions (M&A)

Mergers and acquisitions of UK companies acquiring other UK companies.

Inward M&A

Mergers, acquisitions, and disposals of UK companies by foreign companies.

Outward M&A

Mergers, acquisitions, and disposals of foreign companies abroad by UK companies.

Mergers and acquisitions transactions

M&As occur when one company takes control of another company. The internationally agreed definition of an M&A deal is when one company gains more than 50% of the ordinary shares (or voting rights) of the acquired company.

Disinvestments (Disposal transactions)

Disinvestment, or disposal transactions, refers to a disposal of the ordinary share ownership of a subsidiary company.

8 . Measuring the data

Mergers and acquisitions (M&A) statistics from Quarter 1 (Jan to Mar) 2018 fully incorporate the Bureau van Dijk (BVD) Zephyr data source and methods. This new data source increased the coverage of smaller M&A transactions and therefore resulted in a discontinuity in the number of transactions reported. Users are therefore advised to take care when comparing the latest estimates with the number of transactions reported for quarters prior to Quarter 1 (Jan to Mar) 2018.

The Russian invasion of Ukraine began on 24 February 2022, and in response, the UK government has imposed a range of [economic sanctions on Russia](#) from late February and early March 2022. We will continue to monitor the impact of the conflict and resulting sanctions in future quarterly releases.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our [Mergers and acquisitions \(M&A\) QMI](#).

About Office for National Statistics (ONS) datasets

The datasets for mergers and acquisitions involving UK companies has recently been reviewed to ensure they meet the accessibility standards outlined in the Government Statistical Service (GSS) guidance on [releasing statistics in spreadsheets](#). This is to ensure that all GSS outputs meet [Web Content Accessibility Guidelines](#), a legal requirement set out in [The Public Sector Bodies \(Websites and Mobile Applications\) Accessibility Regulations 2018](#).

We welcome any feedback on these changes. Share your feedback by emailing us at MA@ons.gov.uk.

9 . Strengths and limitations

We produce statistics on the number and value of mergers and acquisitions (M&A) transactions. This information is presented in the following way:

- transactions are only recorded in Office for National Statistics (ONS) data once the deal has been legally completed
- each transaction has a value of at least £1 million
- the transactions result in a change of ultimate control of the target company
- all values are in current prices, and therefore have not been adjusted for the effects of inflation

These are among the main reasons our M&A statistics can differ from those reported in other sources. There can be a substantial time gap between the point at which a deal is announced and when it is legally completed. In addition, in some cases, announced M&A deals do not take place.

ONS statistics on disposals (or de-mergers) are also included in tables alongside this bulletin. These are typically fewer in number per quarter, which can lead to greater suppression of statistics to mitigate disclosure. The focus of this bulletin is on acquisitions, although some of the more complex deals can include the disposal of some part of the newly created corporate structure.

It is sometimes necessary to suppress figures for certain items in order to avoid disclosing information about an individual business. Further information on why statistics are suppressed is available in our [Disclosure Control Policy](#).

It is not uncommon for the value of M&A transactions to vary considerably from one quarter to the next. This mainly reflects the nature of M&A activity, in that these capture one-off deals. Therefore, if a particularly high-value M&A deal completes in a quarter, it can make that quarter seem out of line with those that precede and follow it.

The volatility of M&A transactions also makes it difficult to link M&A statistics with other economic indicators - such as gross domestic product - or global events, because of the time it can take between announcing and completing an M&A deal. It can be more informative to look at longer-term trends within M&A statistics rather than focusing on quarterly movements.

Details of any notable M&A deals that completed in Quarter 4 (Oct to Dec) 2022 can be found in Sections 3, 4, and 5 of this bulletin. Lists of notable completed mergers and acquisitions valued in excess of £100 million, and which took place in earlier quarters of 2022, can also be found in our previously published [Mergers and acquisitions](#) quarterly releases.

Transaction aggregates

The following are definitions of reasons why revisions to the aggregates for M&A transactions principally occur. Revision analysis, which shows changes between each quarterly bulletin, can be found in our data tables (table R1).

Completion of transactions

On announcement of a proposed transaction, an expected completion date is usually given. The publicly reported values will be allocated to the quarter of expected completion. If the transaction is ultimately completed in an earlier or later quarter, the recorded values will be reallocated to the new quarter.

Publicly reported values

Publicly reported values are initially used to compile the aggregates. These can vary considerably from the values ultimately supplied by the respondents, frequently because the assumption of debt has been included in the publicly reported value. A nominal value is applied if no publicly reported value is available. The final values used to create the aggregates are those supplied by the respondent.

Non-completion of transactions

On announcement of a proposed transaction, the publicly reported value of the transaction is recorded. If the transaction does not subsequently take place, the recorded value will be deleted.

Non-share transactions

On announcement of a proposed transaction, it may appear that there will be transactions in the share capital of the companies involved, and the publicly reported values will be recorded. If subsequent information contradicts this, the recorded values will be amended or deleted.

Control

On announcement of a proposed transaction, it may appear that the transaction will give the purchasing company control of the purchased company, that is, a share ownership of greater than 50%. If subsequent information contradicts this, the recorded values will be amended or deleted.

Revisions from M&A data source

The current source provider of M&A deal information continually updates its database. Therefore, any new and additional reported transactions which completed in previous quarterly periods will be included as revisions.

Revisions from respondents

Very occasionally companies will restate the values that they have previously supplied to us.

10 . Related links

[Foreign direct investment involving UK companies: 2021](#)

Bulletin | Released 23 January 2023

Direct investment of UK companies abroad (outward) and foreign companies into the UK (inward), including investment flows, positions and earnings, by country, component and industry.

11 . Cite this statistical bulletin

Office for National Statistics (ONS), released 7 March 2023, ONS website, statistical bulletin, [Mergers and acquisitions involving UK companies: October to December 2022](#)