

Statistical bulletin

Mergers and acquisitions involving UK companies: July to September 2019

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



Contact:
Lee Mallett
MA@ons.gov.uk
+44 (0)1633 455060

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1 . Main points

- During Quarter 3 (July to Sept) 2019 the estimated value of outward mergers and acquisitions (M&A) involving UK companies recorded a notable increase, while both inward and domestic M&A saw notable decreases when compared with Quarter 2 (Apr to June) 2019.
- Outward M&A (UK companies acquiring foreign companies abroad) during Quarter 3 2019 was valued at £7.5 billion, an increase of £5.9 billion compared with the previous quarter (£1.6 billion) and a £3.1 billion increase on the value recorded in Quarter 3 2018.
- The value of inward M&A (foreign companies abroad acquiring UK companies) in Quarter 3 2019 was £10.1 billion, a notable decrease of £8.5 billion compared with Quarter 2 2019 (£18.6 billion), but a £2.7 billion increase on the value recorded during the same quarter a year ago (Quarter 3 2018).
- Domestic M&A (UK companies acquiring other UK companies) was £1.5 billion in Quarter 3 2019, down from £2.8 billion recorded in Quarter 2 2019, and a decrease of £1.5 billion on the value recorded during Quarter 3 2018.

2 . Outward mergers and acquisitions (M&A)

The value of mergers and acquisitions (M&A) of foreign companies made by UK companies during Quarter 3 (July to Sept) 2019 showed a notable increase when compared with both the previous quarter and the same quarter a year ago.

The value of outward M&A involving a change in majority share ownership in Quarter 3 2019 was £7.5 billion, a £5.9 billion increase on the previous quarter (£1.6 billion) and £3.0 billion increase on the Quarter 3 2018 value (£4.5 billion).

There were 54 completed outward M&A deals during Quarter 3 2019, similar in number to the previous quarter when 51 acquisitions were recorded, but 13 fewer when compared to Quarter 3 2018 (67).

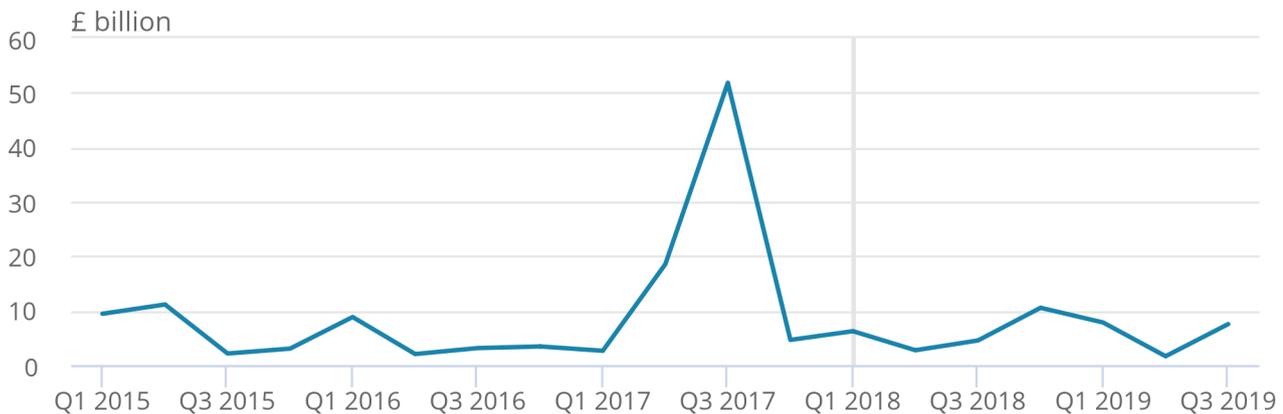
One sizeable outward acquisition which completed during Quarter 3 2019 was [Vodafone Group Plc of the UK which acquired the European Global Operations of Liberty Global Plc of the UK](#).

Figure 1a: Value of outward mergers and acquisitions between Quarter 1 2015 and Quarter 3 2019 ranged from £1.6 billion to £51.8 billion

Value of quarterly outward M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019

Figure 1a: Value of outward mergers and acquisitions between Quarter 1 2015 and Quarter 3 2019 ranged from £1.6 billion to £51.8 billion

Value of quarterly outward M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019



Source: Office for National Statistics - Mergers and Acquisitions Survey

Notes:

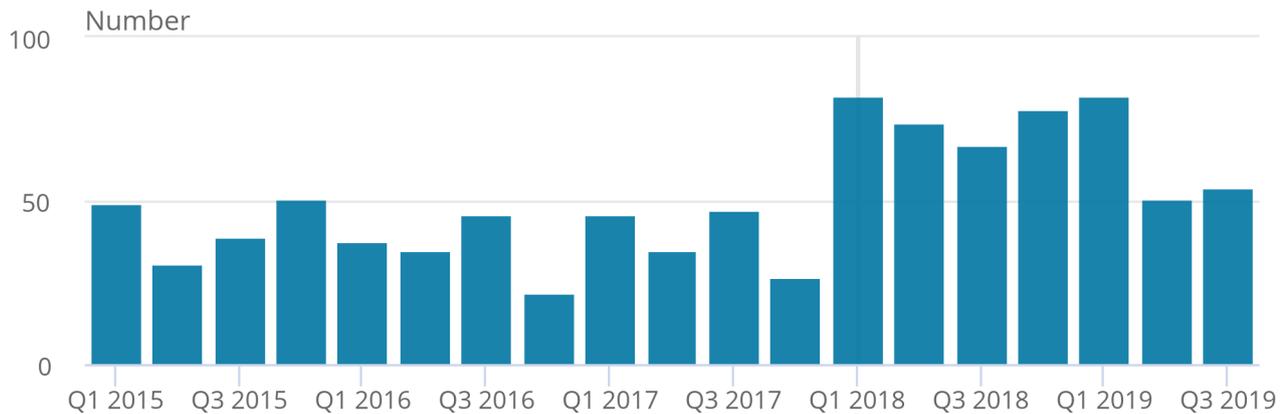
1. Quarter 1 covers January to March; Quarter 2 covers April to June; Quarter 3 covers July to September; and Quarter 4 covers October to December.
2. A new method for compiling M&A statistics was introduced from Quarter 1 2018 (shown as a solid line), which may lead to a structural break in all M&A statistical time series. More information can be found in the [Mergers and Acquisitions Quality and Methodology Information \(QMI\)](#).
3. Value of deals are in current prices and consequently do not account for the effects of inflation over time.

Figure 1b: During Quarter 3 2019 there were 54 completed outward mergers and acquisitions

Subtitle: Number of quarterly outward M&A involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019

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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 and Quarter 4 covers October to December.
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There were 23 outward disposals involving a change of majority share ownership that completed during Quarter 3 2019, worth a total of £10.1 billion. This was a notable increase of £9.3 billion when compared with the £0.8 billion recorded in the previous quarter and the highest value of outward disposals since Quarter 3 2000 (£15.3 billion). One sizeable outward disposal during Quarter 3 2019 was [Liberty Global Plc of the UK which disposed of its European Global Operations](#).

Other notable outward disposals - each valued at £100 million or more - that took place in Quarter 3 2019 were:

[Vodafone Group Plc of the UK disposed of Vodafone New Zealand Ltd](#)

[Royal Dutch Shell Plc of the UK disposed of Saudi Aramco Shell Refinery Company of Saudi Arabia](#)

3 . Inward mergers and acquisitions (M&A)

The estimates for the value of mergers and acquisitions (M&A) of UK companies made by foreign companies during Quarter 3 (July to Sept) 2019 saw a sizeable decrease when compared with the previous quarter (Quarter 2 (Apr to June) 2019). In contrast, the latest value of inward M&A (Quarter 3 2019) recorded a notable increase when compared with Quarter 3 2018.

Between Quarter 2 2019 and Quarter 3 2019, the value of completed inward M&A decreased by £8.5 billion, from £18.6 billion to £10.1 billion. This is largely explained by fewer large value acquisitions being completed in Quarter 3 2019 compared with Quarter 2 2019. Despite the notable quarterly decrease, comparing the latest value of inward M&A to the same period a year ago (Quarter 3 2018) shows an increase of £2.7 billion (from £7.4 billion to £10.1 billion).

A few notable inward acquisitions which took place in Quarter 3 2019 were [Boston Scientific Corporation of the USA which acquired BTG Group of the UK](#) and [EBRO Foods S.A of Spain which acquired Tilda Ltd of the UK](#).

Figure 2a: Value of inward mergers and acquisitions from Quarter 1 2015 to Quarter 3 2019 ranged from £3.6 billion to £85.2 billion

Value of quarterly inward M&A transactions involving UK companies

Figure 2a: Value of inward mergers and acquisitions from Quarter 1 2015 to Quarter 3 2019 ranged from £3.6 billion to £85.2 billion

Value of quarterly inward M&A transactions involving UK companies



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; and Quarter 4 covers October to December.
2. A new method for compiling M&A statistics was introduced from Quarter 1 2018 (shown as a solid line), which may lead to a structural break in all M&A statistical time series. More information can be found in the [Mergers and Acquisitions Quality and Methodology Information \(QMI\)](#).
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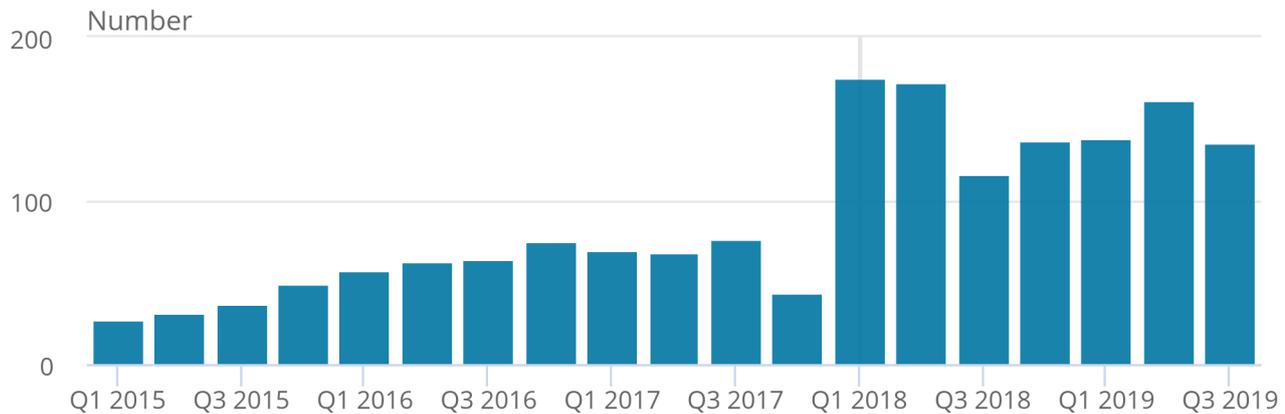
There were 135 completed inward acquisitions in Quarter 3 2019, a decline of 27 transactions on the number (162) reported in the previous quarter. In contrast, the latest estimates for the number of inward M&A saw a small increase of 18 transactions when compared with the number recorded in Quarter 3 2018 (117).

Figure 2b: During Quarter 3 2019 there were 135 completed inward mergers and acquisitions

Number of quarterly inward M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019

Figure 2b: During Quarter 3 2019 there were 135 completed inward mergers and acquisitions

Number of quarterly inward M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019



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; and Quarter 4 covers October to December.
2. A new method for compiling M&A statistics was introduced from Quarter 1 2018 (shown as a solid line), which may lead to a structural break in all M&A statistical time series. More information can be found in the [Mergers and Acquisitions Quality and Methodology Information \(QMI\)](#).

There were 12 inward disposals of UK companies involving a change of majority share ownership during Quarter 3 2019. These were worth £1.2 billion, an increase of £0.6 billion on the value reported in Quarter 2 2019 (£0.6 billion).

One notable disposal which took place during Quarter 3 2019 was [Hain Celestial Jersey Ltd which sold Tilda Ltd of the UK](#).

4 . Domestic mergers and acquisitions (M&A)

During Quarter 3 (July to Sept) 2019 estimates for domestic M&A (UK companies acquiring other UK companies) showed a sizeable decline in both the value and number of completed deals when compared with the previous quarter (Quarter 2 (Apr to June) 2019) and with the same quarter of the previous year (Quarter 3 2018).

The value of domestic M&A in Quarter 3 2019 (£1.5 billion) was £1.3 billion lower than the value seen during Quarter 2 2019 and £1.5 billion lower than the value recorded in Quarter 3 2018.

There were 192 completed domestic acquisitions involving a change in majority share ownership in Quarter 3 2019, a decline of 29 deals on those recorded in the previous quarter (221). However, the total number of domestic acquisitions in the first three quarters of 2019 (663) is in line with the total number of domestic acquisitions recorded for the same three quarters of the previous year (657).

Figure 3a: Value of domestic mergers and acquisitions from Quarter 1 2015 to Quarter 3 2019 ranged from £1.2 billion to £11.9 billion

Value of quarterly domestic M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019

Figure 3a: Value of domestic mergers and acquisitions from Quarter 1 2015 to Quarter 3 2019 ranged from £1.2 billion to £11.9 billion

Value of quarterly domestic M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019



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; and Quarter 4 covers October to December.
2. A new method for compiling M&A statistics was introduced from Quarter 1 2018 (shown as a solid line), which may lead to a structural break in all M&A statistical time series. More information can be found in the [Mergers and Acquisitions Quality and Methodology Information \(QMI\)](#).
3. Value of deals are in current prices and consequently do not account for the effects of inflation over time.

Figure 3b: In Quarter 3 2019 there were 192 completed domestic mergers and acquisitions

Number of quarterly domestic M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019

Figure 3b: In Quarter 3 2019 there were 192 completed domestic mergers and acquisitions

Number of quarterly domestic M&A transactions involving UK companies, Quarter 1 (Jan to Mar) 2015 to Quarter 3 (July to Sept) 2019



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; and Quarter 4 covers October to December.
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5 . Data for mergers and acquisitions involving UK companies

[Mergers and acquisitions involving UK companies](#)

Dataset | Released on 3 September 2019

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

[Mergers and acquisitions involving UK companies time series](#)

Dataset | Dataset ID: AM | Released on 3 September 2019

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

6 . Glossary

Domestic 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

Mergers and acquisitions (M&A) occur when one company takes control of another company. The internationally agreed definition of a 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 transaction refers to the sell-off of certain assets such as a manufacturing plant; division or product line; or a disposal of the ordinary share ownership of a subsidiary company.

Transaction aggregates

The following are definitions of reasons why revisions to the aggregates for M&A transactions valued at £100 million and greater principally occur.

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 to deal data and information.

Revisions from respondents

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

7 . Measuring the data

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 has improved the coverage of smaller M&A transactions and therefore results 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. See [Mergers and acquisitions Quality and Methodology Information](#) for more details.

The previous M&A estimates for Quarter 1 (Jan to Mar) and Quarter 2 (Apr to June) 2019 have been revised to reflect new information received after our last publication in [September 2019](#). The detailed revisions analysis is given in table R1 which is attached to this publication.

No further revisions to estimates prior to Quarter 1 2019 have been made. Therefore, time series statistics for all quarters of 2018 and any previous historic quarterly and annual periods remain unchanged.

Table 1: Survey response rates for the Mergers and Acquisitions Survey, UK, Quarter 2 (Apr to June) 2019 and Quarter 3 (July to Sept) 2019

**Cross-Border Mergers and Acquisitions (CBAM)
Outwards**

Statistics of Sample Size – Latest Survey Conducted:

Reference Period	Quarter 2 2019	Quarter 3 2019
Response Rate (%)	100%	71%

Cross-Border Mergers and Acquisitions (CBAM) Inwards

Statistics of Sample Size – Latest Survey Conducted:

Reference Period	Quarter 2 2019	Quarter 3 2019
Response Rate (%)	79%	88%

Domestic Mergers and Acquisitions (DAM)

Statistics of Sample Size – Latest Survey Conducted:

Reference Period	Quarter 2 2019	Quarter 3 2019
Response Rate (%)	100%	88%

Source: Office for National Statistics - Mergers and Acquisitions Survey

Notes

1. These response rates show the percentage rate of return of ONS statutory Mergers and Acquisitions (M&A) survey questionnaires for transactions valued £100 million and greater. [Back to table](#)
2. Previous quarterly response rates have been revised. [Back to table](#)
3. The latest quarterly response rates are provisional. [Back to table](#)

8 . Strengths and limitations

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

- transactions are only recorded in ONS statistics once the deal has been legally completed
- each transaction has a value of at least £1 million
- the transactions results 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 data are suppressed is available in the Office for National Statistics (ONS) [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 given 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 a M&A deal. It can therefore 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 3 (July to Sept) 2019 can be found in the respective sections of this bulletin.

Contextual external evidence

Global merger, acquisitions and disposals activity can be driven by the availability of credit. Therefore, when credit conditions deteriorate, as happened in the 2008 to 2009 economic downturn, M&A activity may decline. M&A activity can also be affected by the economic outlook and company profits, in addition to a range of other economic factors. The process of completing a M&A transaction takes time and sometimes there may be a lag between improving economic conditions and any change in M&A activity. Therefore, it is important to consider the M&A data within the wider economic context.

The following commentary summarizes some external evidence from the Bank of England's (BOE) Credit Conditions Survey, Agents Summary of Business Conditions report and the Bank of England's (BOE) Inflation report.

[The Credit Conditions Survey for Quarter 3 2019](#) reported "that the overall availability of credit to the corporate sector was reported to have remained unchanged in Quarter 3 2019, and this was the case for small, medium and large businesses. The overall availability of credit to the corporate sector was expected to decrease in Quarter 4 2019". The same report stated that "Lenders reported a slight decrease in demand for corporate lending from small and large businesses, and a decrease in demand from medium businesses in Quarter 3 2019. Lenders expected demand for corporate lending in Quarter 4 2019 to remain unchanged for small businesses, to decrease for medium-sized businesses, and to decrease slightly for large businesses".

[The Agents Summary of Business Conditions report for Quarter 3 2019 stated](#) "that Investment intentions weakened a little further and remained at a nine-year low. Brexit uncertainty continued to dampen companies' appetite to invest. A large proportion of companies were holding off investments, even for projects where payback times were short. And a sizeable proportion of companies reported reducing, postponing or cancelling projects. There were reports of some larger companies diverting investment to EU subsidiaries and factories".

[The Inflation report for August 2019 \(PDF, 8.20MB\)](#) reported that "Brexit-related uncertainties have weighed heavily on UK business investment. The recovery of investment from the 2008 recession was broadly in line with previous episodes until the EU Referendum Act was passed in 2015. Since then, the recovery in business investment has stalled. Overall, business investment is projected to fall over the rest of 2019. This is despite limited spare capacity and accommodative credit conditions which would be expected to support spending".

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [Mergers and Acquisitions Quality and Methodology Information \(QMI\)](#).

9 . Related links

[Foreign direct investment involving UK companies: 2018](#)

Bulletin | Released 3 November 2019

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.

[Mergers and acquisitions activity in context: 2018.](#)

Article | Released 5 March 2019

Commentary outlining provisional statistics on mergers and acquisitions (M&A) involving UK companies for 2018.

[UK mergers and acquisitions in context, activity by industry: 2015 to 2017.](#)

Article | Released 30 October 2018

Transactions that result in a change of ultimate control of the target company, analysed at an industry group level.