

A blurred background image of a business meeting. In the foreground, a person's hand is visible, holding a pen and pointing at a document with a bar chart. Other documents with charts are scattered on a wooden table. In the background, several people in business attire are seated around the table, looking at the documents. The lighting is warm and focused on the table.

Selling Your Company in **2025**

A MARKET UPDATE

Introduction

What is the market like?

This is a question we are often asked, so in this update we will take a look at what has been happening in the world of deal making and what we might expect as we progress into 2025 and beyond.

We will discuss:

- The relative stability of the Mergers and Acquisitions (M&A) market over the years and how recent data compares
- The value of cross-border interest in UK companies and what that means for you
- What the next 12-18 months might look like for dealmaking in the UK SME market

This is a general update about the broad landscape for M&A, so we won't touch on individual industry sectors or specifics on preparing for sale and selling your business.

However, if you would like to discuss the specifics of your business sale and the market within which it operates, we would be happy to help and give you some feedback on the prospects for a successful transaction – be that in the short, medium, or longer term.

Alternatively, check out our other guides on these topics:

[How to Value a Business](#)

[Selling a Business – 5 key areas to consider](#)

[How to avoid the pitfalls when selling your business](#)

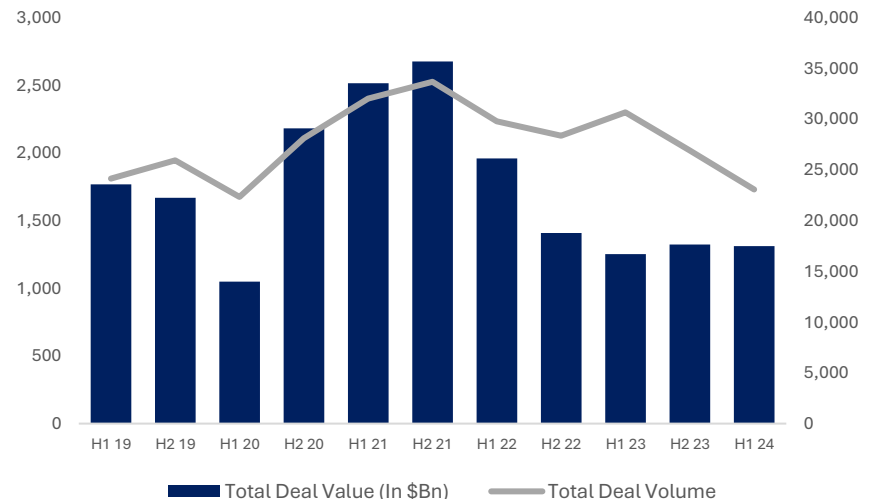
The global picture

Before focusing in on the UK market, it's useful to understand the wider context and take a look at the global landscape.

In the first half of 2024, global M&A deal values increased by 5% compared with the same period in 2023, totalling \$1.3 trillion in H1 2024. This was largely attributed to megadeals in the technology and energy sectors.

Deal volumes, however, continued to fall which indicates a trend towards more discerning acquisitions of high-value targets rather than seeking 'cheap deals' – a positive trend for those wishing to sell for maximum value.

Global M&A Deal volumes and values



Source: pwc

The UK M&A Market

Bucking the global trend

The UK M&A market saw a strong rise in transaction value of 66% between H1 2023 and H1 2024. Again, volumes were lower in the same period but there was a small rise in volume from H2 2023 to H1 2024.

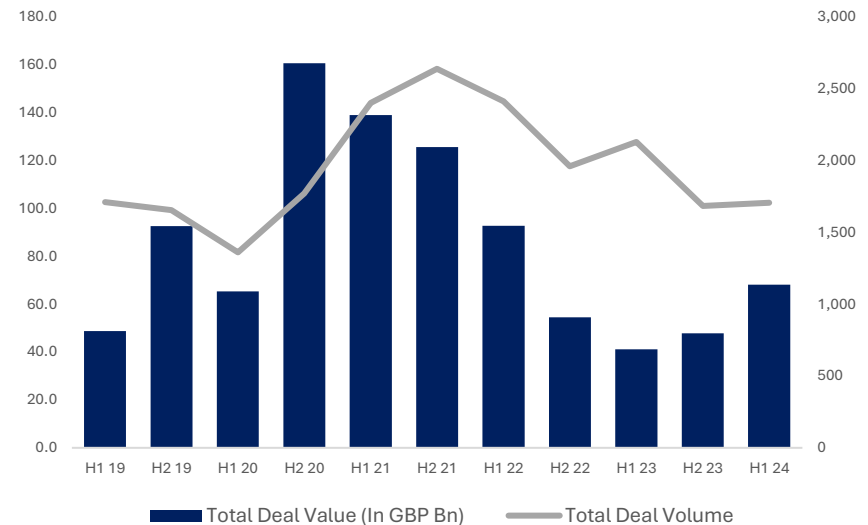


These changes were, once again, driven by larger deals including 16 transactions that exceeded £1bn in value.

With political uncertainty reduced following the UK election and macroeconomic conditions stabilising, corporate and private equity investor transactions are expected to increase. Sectors like artificial intelligence (AI), net-zero energy transitions, infrastructure, construction, and healthcare are likely to see increasing activity as businesses look to capitalise on transformational M&A opportunities.

However, challenges remain, and dealmakers are closely watching for interest rate cuts by the Bank of England and further clarity on the new government's industrial strategy, which could further unlock M&A potential.

UK M&A Deal volumes and values (£ Billion)



Source: pwc

What does this mean for SMEs?

It's fair to say that fluctuations in both global and UK M&A activity are disproportionately affected by large deals and megadeals.

What we see in the SME market, by comparison, is a relatively **stable picture**. Average deal values and volumes have **remained consistent** over the last decade. (source: BDO)

Our experience tells us that a good business, prepared and marketed in the right way will sell – even in challenging market conditions!

The UK an Attractive M&A Target

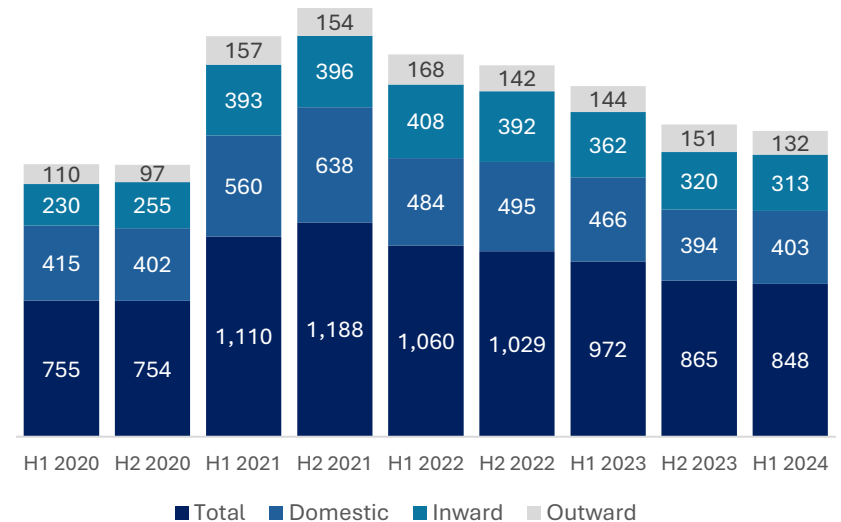
Overseas activity accounts for more than 50% of UK deals

Although UK valuations have increased significantly this year, they are still half of those in the US, and therefore, appealing to investors from overseas.

The largest completed M&A deal involving a UK target in the first half of 2024 was US-based private equity firm GTCR LLC's £9.99 billion acquisition of a 55% stake in payments provider WorldPay (UK) Limited, Market Intelligence data shows. There were at least 10 deals over the £1 billion mark

US bidders were the most active in UK public M&A in the first half of 2024, having been involved in 41% of firm offers and accounting for 54% of aggregate deal value booked over the period, according to White & Case estimates.

M&A Involving UK Companies



Source: ONS



Favourable Outlook for 2025

The forecast remains positive

The outlook for mergers and acquisitions (M&A) in the UK for 2025 appears highly favourable, supported by several key factors. Investec data indicates that a strong economic environment and declining global inflation and stable interest rates are expected to promote an increase in M&A activity.

Early signs suggest that 2025 may offer more flexible conditions for businesses engaged in M&A. As the expectations of buyers and sellers begin to converge, new opportunities are likely to emerge.

However, the landscape for securing funding is expected to become more challenging and costly, with private credit assuming a larger role.

Despite these hurdles, the private equity sector remains vibrant, particularly in the technology, media, telecommunications (TMT), energy, pharmaceuticals, and healthcare sectors.

Overall, the forecast for M&A activity in H2' 2024 and 2025 remains positive. Economic stability and strategic growth areas are expected to drive deal-making, with significant transactions in the energy, technology, and healthcare sectors likely to define the M&A landscape.



Next Steps – What to do if you are considering a sale in the next 12-36 months...

Start planning now!

The date of approaching the market can be determined later down the line but benchmarking your aspirations and expectations against your company's commercial, financial, and legal readiness is vital to success.

Once you have a plan, you have peace of mind and clarity. Once you have assessed and understood the facts, you are in a better state of 'transaction readiness' and able to make better decisions.

If the Pandemic has taught us anything – it is that anything can happen at any time! This is why most entrepreneurs will benefit from remaining focused on properly assessing their own situation to make sure they understand their options - rather than paying too much attention to the headlines (and the ones which will inevitably follow in the coming years too).

Preparation is paramount

The caution for 2025 and beyond is that business owners looking to sell need to ensure they are well prepared to enter the transaction process, as acquirers (and their advisors) invest more time and resources into ensuring quality due diligence and wise investment decisions.

In conclusion, we trust that this short update has been useful and interesting for you. If you would like to discuss your specific situation / sector / business sale strategy, then we would be happy to help.

In the meantime, we wish you well and good trading.



Malcolm Murray

**Director and Co-Founder
Entrepreneurs Hub**

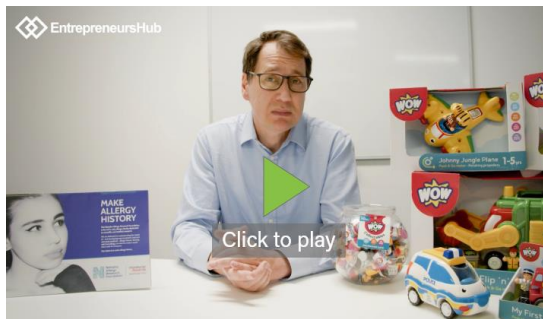


About Entrepreneurs Hub

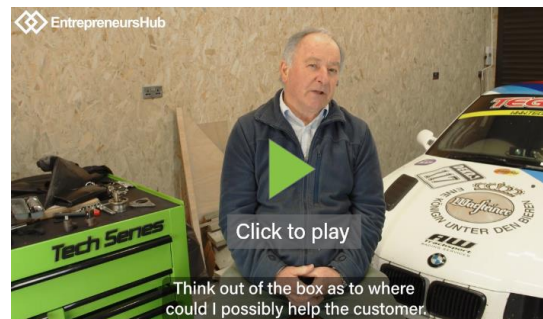
Entrepreneurs Hub specialises in advising the owners of SME companies on their exit strategy, including preparation and sale – whether to a trade buyer, investor or EOT.

We could talk about our experience, our expertise and our proven, leading process - but what our clients usually talk about is our support, our dedication, availability and relationships.

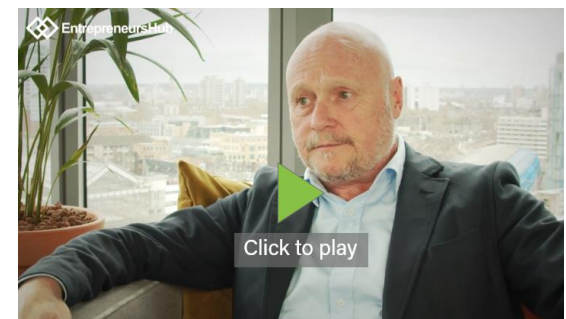
Here is a selection of what our clients have said about us:



Nadim Ednan-Laperouse OBE, WOW Toys



Martin Gadsby, Optimal Industrial Automation



John Sanderson, Hicom



Entrepreneurs Hub stood out, they had a pedigree that we felt was unmatched by their competitors. Having industry experts to help you along the bumps and turns that naturally occur during the process is a “must have”. You build your business with a winning team, so my personal recommendation is to maintain that eminence by adding Entrepreneurs Hub. **Matt Allen, CEO, Bluegfx**



Many thanks to the team at Entrepreneurs Hub for their support throughout the sale process; something we couldn't have managed without their help. With no previous experience, the journey was much more comprehensive than envisaged and their support was invaluable. **Derek Jones, Managing Director, Bulb Interiors Ltd**



For us it came down to trust. It took 25 years to build a very successful business in our sector, but the biggest decision we ever made was the appointment of Entrepreneurs Hub. If we were to do it all again, it would be with Entrepreneurs Hub. **Gary Rowe, Managing Director, Pallet Plus Ltd**



I had never sold a business before. Entrepreneurs Hub were very helpful from the beginning and gave me realistic advice and expectations which was invaluable. Excellent service from EH overall and wouldn't hesitate to recommend.

Lee Bateman, Managing Director, Bateman Skips



It was important for us to work with experienced advisors who share our ethos for delivering outstanding service. The Entrepreneurs Hub team took the time to understand our business and guide us through all the necessary steps to prepare for, discretely approach and meet with several interested parties and to ultimately complete this transaction for us. I would highly recommend Entrepreneurs Hub to anyone considering a sale of their business.

Steve Lees, Managing Director, A.T.E. Solutions Ltd



M&A projects are extremely complex, and success is only possible when the right team is assembled. Having counted on the support of Entrepreneurs Hub to design and execute the strategy was key to achieve the goal; their professionalism, responsiveness and technical knowledge made them a valuable asset to us.

Juan Pablo 'JP' Paredes, Executive Director, Socrates Ltd



We are proud to announce after continued support throughout from Entrepreneurs Hub, the deal has completed, we have realised "our dream" and all our expectations have been met.

Paul Alexander, Director Hi-Level Mezzanines Ltd



This was the first time we had been through a business sale, and it would have been impossible without the support of Entrepreneurs Hub. A fascinating but occasionally stressful process, it was made significantly more manageable by their expert, patient, and friendly guidance.

Nick Corlett, Co-Founder of Radical Materials Ltd



During the process Entrepreneurs Hub was there every step of the way and helped with finding specialist lawyers and professional trustees and was always available to answer questions and to assist throughout the process. I know just how difficult a decision it is to appoint the correct consultancy and I can confirm first hand that by appointing your company I got it right.

Matt Hughes, Director NWPS Construction Ltd



Much appreciation goes to team at Entrepreneurs Hub for guiding us through this process to achieve such a successful outcome. They have supported us from beginning to end with measured and insightful advice and a personal approach.

Ruth Walton Director, E.R. Williams Ltd



Entrepreneurs Hub went above and beyond on many occasions to help us through what is for most owners a once in a lifetime transaction. I cannot recommend them highly enough. DWS was looking for an investment partner that shared our vision and culture and that would help to propel us to the next level of growth. We certainly believe we have that in spades with Logigear Corporation and Digital Hearts.

Dave Harrison, Director, Developing Worlds Systems Ltd

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