

Opportunities to succeed in the current UK M&A market

How can companies deliver growth and shareholder value throughout market volatility?

With continued geopolitical and economic uncertainty, a company's ability to successfully navigate volatile financial markets has never been more important for CEOs across the globe. Alisdair Gayne, Head of UK Investment Banking and Head of Corporate Broking, and Matthew Smith, Head of UK Corporate Finance and Advisory, at Barclays, discuss the opportunities for UK corporates who want to deliver growth and shareholder value in the current uncertain environment.

Financing markets remain incredibly resilient and are supportive of companies wanting to execute transactions that will deliver sustainable long-term growth. Investors are looking for compelling and positive stories to put their cash to work and the cost of funding has never been cheaper. Global capital markets are wide open across a variety of funding sources including debt, equity and private placements.

The UK M&A market also remains open to transactions that make strategic sense, it doesn't have to be a huge M&A transaction, it could be a stake sale or an asset disposal. Year-to-date UK announced volumes are up 31% (Dealogic, 06/10/17) and M&A continues for the right deal, whether that's into or out of the UK, and notwithstanding what's happening to the pound.

Sterling depreciation has made the international revenue streams of FTSE 100 companies much more valuable and has magnified the importance of UK corporates executing strategies to diversify revenue streams. That could include expanding into different markets, or acquiring businesses overseas.

In the current environment, risk management has become one of the most important considerations, discussed at Board level to ensure their companies are better prepared to navigate uncertainties like currency fluctuation, increases in commodities prices or movements in interest rates. Risk management packages are a vital part of any company's toolkit and are available to ensure transactions are hedged against moves in the market to lock in anticipated returns.
