



# MARKET REPORT

Business Insights

WINTER 2024



**ALTIUS**  
CORPORATE FINANCE

PART OF THE  **ALTIUS** GROUP

# 2023 in Review: Battling with Economic Disruption

by **PAUL J. MILLER**  
Chairman of Altius Group



Happy New Year, and welcome to our latest corporate market report. We hope you have all had a great start to your year and are looking forward to what promises to be an exciting year ahead. In this edition, we would like to look back on the 12 months, the challenges and shifts the market has experienced, whilst looking ahead to what we think awaits us in 2024.

Looking back at 2023, a key theme has been one of uncertainty and economic turbulence, as several major factors applied demand pressure to the UK's M&A sector. Businesses have struggled with a multitude of challenges including staff and skills availability, high energy costs, the increased cost of living, and price pressures driving stubbornly high inflation. This resulted in the Bank of England significantly increasing interest rates to try and counteract high levels of inflation and working towards getting inflation down towards their 2% target.

In the first nine months of 2023, the UK M&A sector saw a total of 4,493 transactions completed. This marked a decline of a little

more than 19% in comparison to the year before. Overall deal values stood at £135bn, a 29% decline compared to the previous year, even with valuations showing an upward trend for the last two quarters. Meanwhile, the lower end of the market suffered a decline of 14% in both volume and value. Mid-market deals saw a decline of 30% in volume and 35% in value. While valuations increased in some sectors, M&A activity remained in decline across the majority of the UK's sectors.

Against a backdrop of declining M&A activity, ACF was able to close several major transactions throughout the year, including the sale of Glenhaze Ltd, a producer of sustainable packaging in West Lothian to McLaren Packaging Ltd, the sale of Get Active Sports to an existing operator in the sector, and the sale of Project Cobalt to a corporate client.

Demand has remained stable, with corporate providers acquiring businesses throughout the year to meet their strategic goals. Even with economic pressures, the market still offers opportunities for

## Predictions for 2024

buy-and-build strategies, regional growth expansion, and first-time acquisitions. Buyer numbers have increased throughout the year and are now more than 40% higher than last year.

In other news, I am hugely proud and delighted to announce that in 2023 we placed 8th in the top 10 of UK-wide advisers in Experian's MarketIQ review of the UK's M&A market.

While some experts still worry that transaction volumes will continue to drop over the course of the next financial year, Altius Corporate Finance forecasts that the corporate market will remain robust. Even with a market that is still fragmented, with increased borrowing as a prime issue, there remain significant M&A opportunities across the UK and across industry sectors.

Looking ahead, we forecast M&A activity to rebound very strongly in Q1 2024 based on our current pipeline. We also estimate this will amount to a record quarter for Altius Group transactions, with volumes expected to increase through to Easter 2024 as delayed



2023 transactions finally complete, along with our Autumn sales agreed pipeline, as owners seek to exit the market before the next election.

# 2024: The year of the election. What impact on M&A?

by **ANDREW K. STEEN**  
Managing Director



Mergers and Acquisitions (M&A) activity can be influenced by various factors but an election year introduces additional dynamics that may impact transactions. In this article we consider the factors that can drive M&A activity during an election year.

## Policy Uncertainty

With uncertainty on future government policies, businesses may seek to complete their M&A transactions before the election to avoid potential changes in regulations or tax policies that could affect the deal's terms.

Equally, companies may engage in M&A based on positive expectations about changes in government policies, for example, the possibility of future business-friendly policies or possible tax incentives could encourage some companies to pursue acquisitions.

## Economic Outlook

Activity can be influenced by the perceived economic outlook

associated with election results, with companies more inclined to pursue acquisitions if they anticipate a stable or favourable economic environment post-election.

## Interest Rates and Monetary Policy

The monetary policy stance can impact interest rates. Companies may accelerate M&A plans if they anticipate rising interest rates, as this can affect the cost of financing deals. Conversely, if interest rates are expected to decline, it may spur increased M&A activity.

## Market Sentiment

Investor and business sentiment can be influenced by election-related news and events. Positive sentiment may encourage companies to pursue M&A opportunities, while uncertainty or negative sentiment could lead to a more cautious approach.

## Industry-Specific

Certain industries may be more sensitive to election outcomes. For instance, healthcare businesses will closely monitor potential

changes in healthcare policies, while energy companies may be concerned about shifts in environmental regulations. Infrastructure-related industries may see heightened activity if candidates propose significant investments in infrastructure projects.

## Global Geopolitical Landscape

2024 will be a record year for elections with 40% of the world's population due to go to the polls. With elections impacting on geopolitical dynamics, companies with international operations may consider M&A activities based on expectations of how election outcomes will affect trade policies and international relations.

## Stakeholder Expectations

Companies may align their M&A strategies with the expectations of key stakeholders, including shareholders and employees. Election-related factors can influence these expectations, prompting companies to adjust their plans.

Of course, the impact of election-related factors on M&A activity



will vary based on the specific circumstances, timing and sentiment surrounding an election and the regional context. With global economic factors and market conditions also playing a role in shaping decisions, 2024 is set to be an interesting year for M&A activity.

Ultimately decisions surrounding the timing of selling or buying a business come down to the individual businesses - the owners, their strategy and when the time is right for them. If you would like to explore your options please contact [robert.yates@altiusgroup.co.uk](mailto:robert.yates@altiusgroup.co.uk) to arrange a confidential meeting.



# Group Update News from the Altius Team

by TERESA DEENEY  
Head of Marketing & Communications



### As Altius Group Plans for Growth

With a positive outlook for the year ahead and beyond, here at ACF, part of the Altius Group, we are planning for sustained growth. As part of our strategy we have announced a new Board structure with effect from January 2024: CEO Paul Miller will become Chairman, Andrew K. Steen is promoted from Sales & Marketing Director to Group Managing Director and a new face joins the Board as we welcome Paul Sweeney as Group Operations Director.

Day to day these changes won't impact on the ACF team that you work with, but we believe by focusing on the strategy, structure and leadership of the business at this time we are well placed to plan, invest and develop our services for the benefit of all our clients and stakeholders.

### Giving Back to the Community

Back in April 2023 our staff selected Luv Preston as their chosen

charity and donated food and items to the Luv Preston foodbank.

In August, Paul Miller announced Altius Group's latest charity action, donating £100 per goal scored by Newcastle United FC this season. The money is split evenly between Newcastle Foodbank and Brian House Children's Hospice in Blackpool and has already raised £5,500!

2023 also saw the formation of our staff volunteer Charity Team who have organised various fundraising events including for Movember, charity bake sales, a sponsored walk for cancer charities and overwhelming support for Cash for Kids: Mission Christmas, donating presents to underprivileged children. The team has many more activities planned for 2024.

We look forward to undertaking many new initiatives in 2024 – and making a difference to our communities.



## A selection of Corporates Sold in 2023



### **Project Emerson: Sports Club & Camp for Children**

Get Active Sports, a successful sports club and camp, delivers over 9,000 activity sessions per month to schools across the UK. The business offers high-quality PPA cover, PE tuition, staff CPD, extra-curricular clubs, breakfast and afterschool childcare, as well as holiday camps, fetes and fundraising events and parties.



### **Glenhaze Limited Sustainable Packaging Manufacturer**

Glenhaze Ltd is a manufacturer of sustainable protective packaging solutions, located in West Lothian, Scotland. With the move toward more eco-friendly alternatives offered by paper-based packaging, businesses like Glenhaze are in high demand in an industry rapidly shifting towards more environmentally friendly and feasible packaging solutions.



### **Project Jones: Steel Fabrication & Installation**

Warwick Steel Structures, a well-established steel fabrication and installation business in Deppers Bridge, Southam, was established in 2001 by former director Tony Langford who helmed the business until deciding to retire. Under his leadership, the business quickly became successful within the steelwork industry establishing a diverse portfolio of completed projects.



### **Project Pickle: Plant Machinery & Skip Hire**

Originally a family business with a long history dating back to 1966, Pudsey Plant Hire Ltd was created by its former owner. Over time, it became a leading name in plant machinery and skip hire across Pudsey, Leeds and all areas of West Yorkshire. With a 50-year trading history and a turnover of £1.8m at the end of 2022, this plant machinery and skip hire service provider has established itself as a reputable mainstay.

# Addressing a Skills Shortage Through Business Acquisition

by VICKIE ELSON-HOOD  
Director of Corporate Finance



**The UK's ongoing skill shortage continues to place great strain on businesses across various sectors.**

As industries evolve and technology advances, the demand for specialised skills often outpaces the available talent pool. Partnered with the increasing costs of salaries, recruitment fees and training, business owners continue to seek solutions for the short and longer term.

For those considering a long-term strategic solution to the issue, acquiring another business can address this skills shortage alongside a myriad of additional benefits:

✔ One immediate advantage of acquiring another business is gaining access to a pool of specialised talent. The acquired company may possess a workforce with expertise in areas the buyer is struggling to access and can therefore bridge the skills gap and significantly enhance overall capabilities of the combined workforce.

✔ An acquisition provides a unique opportunity for knowledge transfer and cross-training among employees from both organisations. The blending of skills can support a collaborative environment with employees sharing insights and best practice, helping to develop a versatile workforce for the future.



"...acquiring another business can address this skills shortage alongside a myriad of additional benefits."

- ✔ Announcing an acquisition can boost employee morale, particularly if the acquiring company is known for providing a positive work environment. The acquisition may be viewed as a sign of stability and commitment to future growth, instilling confidence. The expanded business may increase career opportunities, whilst the prospect of working on different projects can engage and motivate staff.
- ✔ Different perspectives, experiences and skill sets brought together in one business can contribute to a more creative workplace. The improved diversity of ideas can be particularly valuable in industries where creativity and innovation is key to success. The acquisition not only addresses immediate skill shortages but also positions the business ahead of industry developments.
- ✔ Acquiring another business often results in the integration of processes, technologies, and workflows leading to improved operational efficiency, with streamlined operations freeing up time to focus on more value-added tasks.
- ✔ Access to new markets which may otherwise have been impossible to penetrate, can provide invaluable growth opportunities to the acquirer through specialist expertise and experience available in the target company.

## Summary

Acquiring another business can be a strategic solution to address staff skills shortages. Beyond merely resolving immediate skills gaps, this approach can provide a platform for sustained future growth.

For owners considering a possible future sale of their business, it is rewarding to know that the major investment they have undertaken in recruiting, training and developing the skills of their people, will prove to be a valuable asset and a key attraction when it comes to the sale.

Many business owners are concerned about ensuring their staff are looked after following their business sale. It can be reassuring to see their people as highly regarded assets of a future business.

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For further information or a confidential discussion about planning your business sale, please [contact a member of our team](#).

# A Selection of Current Mandates



## Project Chia: Sales & Manufacture of Demagnetizing Equipment

Our client manufactures, sells and hires high power demagnetizing equipment for welding. The small team support the products with advice, training, calibration and consultancy. With the products that they offer, the business delivers robust, portable, and high-power demagnetizers and magnetic instruments used by leading welding companies worldwide.

### Key Features:

- Forecasted turnover of £700k for 2024 with adjusted EBITDA of £530k
- Ability to scale geographically
- Revenue within the the energy sector is currently growing strongly

FORECAST TURNOVER: £700k

LOCATION: UK

Ref. 50638

Asking Price: Price on Application



## Project Rosemary: Insurance Broker

Project Rosemary is a UK based independent Insurance Broker, which has the ability to increase in scalability and growth under the direction of new owners. Project Rosemary is renowned in its field with an attractive book of clientele, boasting an impressive customer retention rate. Rated high on Trust Pilot, Project Rosemary includes a strong team of employees.

### Key Features:

- Turnover of £2m for 2023 with adjusted EBITDA of £640k
- Customer care is at the forefront of this company
- Strong team of employees

FORECAST TURNOVER: £2m

LOCATION: UK

Ref. 50611

Asking Price: Price on Application



## Project Hawthorne: Power Capacitor Distributor, Manufacturer & Service Provider

Our client has an experienced, loyal team including a second tier management team who are capable of running the business day to day.

The company has enjoyed year on year growth which can be further increased through multiple sales and development opportunities currently under review.

### Key Features:

- Turnover of £4.5m per annum 2023 generating adjusted EBITDA of £588k
- Variety of products to the domestic market
- Solid reputation and an enviable client base

TURNOVER: £4.5m

LOCATION: UK

Ref. 50280

Asking Price: Bids Invited



**Project Leaf:  
Bespoke Services for Engineering Sectors**

Our client offers bespoke services to multiple sectors within the markets of fabrication, welding, manufacturing, shopfitting, chrome polishing and plating. The business benefits from wide manufacturing capabilities, with extensive array of equipment, including tube bending, laser cutting and folding, welding and manual chrome plating.

**Key Features:**

- Turnover of £2.5m per annum 2023 generating adjusted EBITDA of £695k
- Specialist and end-to-end service
- Wide scope of services

TURNOVER: £2.5m  
LOCATION: UK  
Ref. 50559

Asking Price: Price on Application



**Project French:  
Gas, Water & Electric Installations Provider**

Our client carries out gas, water and electric-related installations and disconnections all over the UK. They are accredited under the Lloyds scheme for GIRS, WIRS and NERS. The offer full-design facilities for gas, water and electric requirements; and can offer gas and water metering on completion. The business is a MAM registered and are also an AMI-approved meter installer.

**Key Features:**

- Turnover of £3.2m per annum 2022 generating adjusted EBITDA of £1.2k
- Multi-disciplined contractor working across all utility sectors
- Well established with experienced team

TURNOVER: £3.2m  
LOCATION: UK  
Ref. 50292

Asking Price: Bids Invited



**Project Cleese:  
Private Hire Minibus Provider**

Project Cleese is a regionally operated private hire minibus company servicing the whole of the UK. The business has the capability to offer scalability and growth under the direction of new owners. It offers its services to a range of domestic and commercial clients with a client base comprising of various sectors such as local authorities, Olympians, schools and airport runs.

**Key Features:**

- Forecast turnover of c.£1m for year 2024
- Limited competition
- High level of professionalism among the company staff
- All vehicles are no more than 5 years old

FORECAST TURNOVER: £1m  
LOCATION: UK  
Ref. 50299

Asking Price: £4,000,000

# Bolt-on Opportunities in 2024



## Cashew: Plant Repair Provider - Transport/Haulage

### Key Features:

- The business offers plant machinery repairs with a courtesy hire
- Adjusted EBITDA in excess of £500k for year-end 2023
- Currently operating with 10 active clients
- Having operated for 20 years, developed close relationships with clients

TURNOVER: £1.5m  
LOCATION: Midlands  
Ref. 50577

Asking Price: Bids Invited



## Project Bonsai: Hose Manufacturer

### Key Features:

- The business offers bespoke technical hose and tube solutions to clients
- Adjusted EBITDA in excess of £557k for year-end 2022
- Having operated for over 30 years the company is well-established
- Clients originate from a variety of sectors, allowing for diversification

TURNOVER: £4.2m  
LOCATION: Midlands  
Ref. 50154

Asking Price: Bids Invited



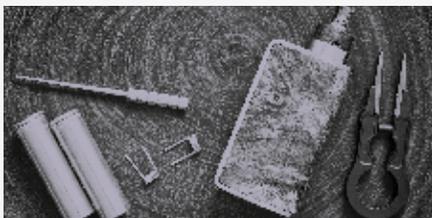
## Project Track: Third Party Logistics Provider

### Key Features:

- The business offers the provision of transport and logistics services
- Adjusted EBITDA in excess of £667k for year ending March 2022
- On receipt, products are delivered same day throughout the UK
- Operating for approximately 15 years, with close relationships with clients

TURNOVER: £2.7m  
LOCATION: South East  
Ref. 49907

Asking Price: Bids Invited



## Project Thunder: E-liquid Manufacturer & Vape Retailer

### Key Features:

- This opportunity includes nine properties across Scotland comprised of eight retail settings and a manufacturing plant
- Adjusted EBITDA in excess of £693k for year-end 2022
- Retail locations are based in five of Scotland's top ten most populous localities

TURNOVER: £1.4m  
LOCATION: Scotland  
Ref. 50140

Asking Price: Bids Invited



## Project Chestnut: Executive Search Recruitment Agency

### Key Features:

- Executive search and interim recruitment alongside recruitment for non-executive and SME roles
- Adjusted EBITDA in excess of £185k for year-end 2023 (draft)
- Well-established, operated for 10 years with a developed base of 150 clients

TURNOVER: £1m  
LOCATION: Remote  
Ref. 50541

Price on Application



## Project Vincent: Aggregate Transport Provider

### Key Features:

- The business provides aggregate transport from quarries in the region
- Adjusted EBITDA in excess of £540k for year-end 2022
- The company is an approved contractor for a blue-chip client in the region
- Operated in the region for over 30 years

TURNOVER: £1.9m  
LOCATION: Scotland/Relocatable  
Ref. 50390

Asking Price: Bids Invited



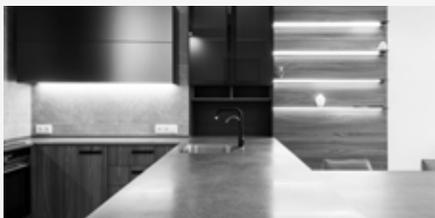
## Project Oregano: Manufacture for Precision Engineering

### Key Features:

- the business caters to many sectors from electronics and hydraulics to fabricating and aerospace
- Forecasted Turnover of £8m for 2024 with an adjusted EBITDA of £700k
- Exceptionally high net margin business

FORECAST TURNOVER: £8m  
LOCATION: UK  
Ref. 50635

Price on Application



## Project Ash: Kitchen Installer & Supplier

### Key Features:

- well-established specialist supplier and installer of kitchens including all accessories and appliances to the new house build sector
- Turnover of £5.8m per annum 2023 generating adjusted EBITDA of £879k
- Secured forward order book of over £12m

TURNOVER: £5.8m  
LOCATION: UK  
Ref. 50031

Asking Price: Bids Invited



## Introducing our Corporate Team

### Thoughts on the year ahead...



**VICKIE ELSON-HOOD**  
Director of Corporate Finance

"I'm optimistic about the M&A picture for 2024. After a turbulent year for the M&A market, we are predicting a rebound in Q1. There's a desire to do deals before the upcoming election, giving impetus to the market. We're currently having conversations with businesses and investors seeking good opportunities right across the UK."



**CALLUM BAMBER**  
Corporate Finance Sales Negotiator

"Having joined the corporate team here last year, it's been an exciting time. I've quickly realised one of the keys to our success lies in our in-depth research and analysis. The insight provided by our specialist researchers enables us to provide a truly targeted approach to identifying potential buyers."



**NATHAN MILLER**  
Corporate Finance Executive

"2023 was an unpredictable year, to say the least! But although UK M&A activity was down, we worked with a number of companies looking for support to fulfil their buy and build strategies. I see that continuing in 2024 as investors continue to seek opportunities for future growth."



**BRADLEY WILSON**  
Corporate Finance Executive

"Looking ahead, I would say to any business owner who is starting to think about their exit plans this year, speak to us as soon as possible. Get a free appraisal of your business and start the steps toward planning your strategy as soon as you can. Getting your business sale-ready and ensuring you achieve maximum value - is all about the preparation!"



**JOHN CARROLL**  
Corporate Finance Executive

"It was great to see Altius Group rank in the Top 10 for M&A activity in the UK in 2023. Right across our sectors, our teams continue to close deals – but for us, it's not just about getting a deal done, it's about getting the right deal for our clients."



# 24 Months of Climate Action

**January 2024 marked our 24th month of continued commitment to sustainability through the Altius Group partnership with Ecologi.**

One standout achievement so far has been the successful planting of 8,500 trees, a concerted effort to combat deforestation and promote biodiversity.

Moreover, we took strides to offset a substantial 660 tonnes of CO2 emissions, contributing significantly to the global fight against greenhouse gas effects. This move aligns with our broader strategy to reduce our carbon footprint and embrace environmentally friendly practices.

Looking ahead to 2024, Altius Group has unveiled ambitious plans that promise to further elevate our ecological impact. The latest funded projects include the generation of renewable solar electricity in Egypt, a move set to revolutionize the region's energy landscape.

Additionally, the company is championing the protection of rainforests in a wildlife sanctuary in Cambodia, safeguarding vital ecosystems and endangered species.

As we look back over the past 2 years, we are proud of what we have achieved through our support of Ecologi and look forward to a greener 2024.



**24 months**  
of climate impact



**660 tonne**  
of carbon reduction



**8,500**  
trees planted



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To Sell 01772 540 773

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