

Big M&A deals are back as pandemic pain eases

B londonlovesbusiness.com/big-ma-deals-are-back-as-pandemic-pain-eases/

By LLB Editor

January 26, 2021



The majority of 2020 was a slow year for the UK's deals market, with Mergers and Acquisitions depressed by the Coronavirus pandemic and its subsequent lockdown restrictions.

This trend, however, now seems to be in reverse with a number a big deals on the Horizon, including MGM's £8 billion bid for the UK's Entain and takeover battles ongoing for Signature Aviation, G4S and Codemasters Group – according to the Wall Street Journal.

In the world of accountancy, this trend may be picking up speed, and is welcome news for a sector that has been quiet over the last year. The preparatory work of accounting and consulting on these deals often happens months in advance and so serves as an indicator of future activity.

The end of the Big Four's near monopoly could also open the door for smaller, more nimble firms to capitalise, and the increasing demand for consultancy around deals means that those looking for a more tailored service will in many cases look for small providers.

Chris Biggs, Partner at Theta Global Advisors – an accounting and consultancy disruptor – has commented:

“I can see 2021 being a big year for M&As and other kinds of deals as a large amount of uncertainty melts away that has lingered from Covid and Brexit. We have been instructed on a number of deals in the past few weeks and this looks set to carry on for the foreseeable, something that will be a boost to firms and especially those below the Big Four.

This year has really allowed smaller firms to compete in a way that has been difficult in the past. There are no more advantages to a massive office in Canary Wharf when everyone is working from home and now those overheads look like an unnecessary excess for clients comparing their options.

As business look to avoid actual or perceived conflicts of interest, I can see a big shift towards smaller firms. It is easy to get lost in a sea of big clients if your firm is not a key account, but when working with smaller accountancy practices your needs are prioritised no matter how big you are. This has come into increased focus throughout the pandemic and will continue long beyond it.”