

STEPHENSON  
HARWOOD



# DEAL APPEAL

WHY THE UK REMAINS ENTICING ON  
A GLOBAL STAGE

## WELCOME TIME TO LOOK BEYOND THE HEADLINES?

Welcome to *Deal Appeal*, our report on domestic and international investor attitudes towards the UK as a deal-making destination.

As an international law firm, we have witnessed, and been involved in, continued strong deal activity in the UK over the past few years. And, from our perspective, the pipeline of deals remains strong. We felt this was an interesting situation, given the growing number of negative headlines focused on business and investor sentiment about the UK as Brexit negotiations continue. We wanted to find out more about how executives really felt about investment prospects in the UK.

The results are highly encouraging: the UK is considered an attractive location for investment and deal-making by the majority of respondents to our survey, with many looking to the UK for technology and IP, a skilled workforce and access to capital. And while Brexit is clearly on respondents' minds – it emerged as the biggest risk of investing in the UK – it is far from a deal-breaker.

Indeed, when questioned further about why the UK remains attractive, despite the short-term risks presented by Brexit, our respondents pointed to enduring positive characteristics of the UK market – macro-economic stability, strong rule of law, sound legal system, predictability of regulation and ease of doing business. All these factors have long attracted investment to the UK and look set to continue doing so after the protracted Brexit negotiations have concluded.

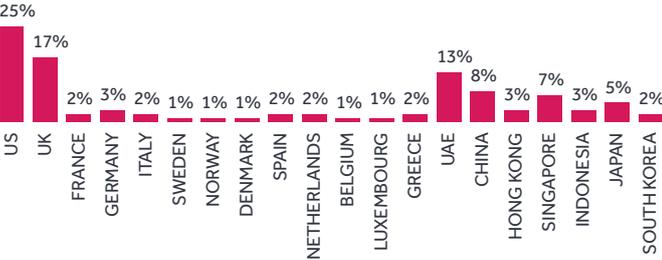
We hope you find the results of our survey thought-provoking and interesting.



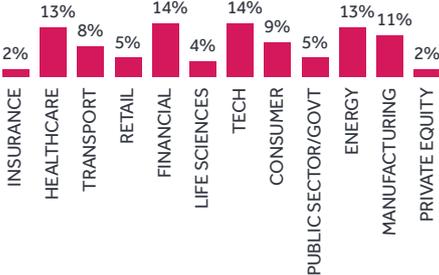
**Duncan Stiles**  
Partner, Head of corporate finance,  
London, Stephenson Harwood

## METHODOLOGY

RESPONDENTS BY COUNTRY (300 IN TOTAL)



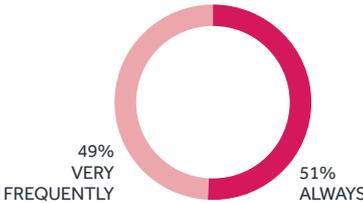
RESPONDENTS BY SECTOR



RESPONDENTS BY ROLE



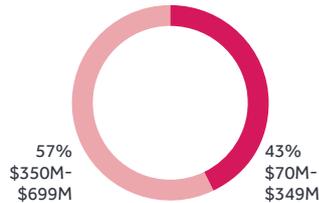
INVOLVEMENT IN MERGERS



ANNUAL REVENUE



TYPICAL DEAL VALUE



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## EXECUTIVE SUMMARY

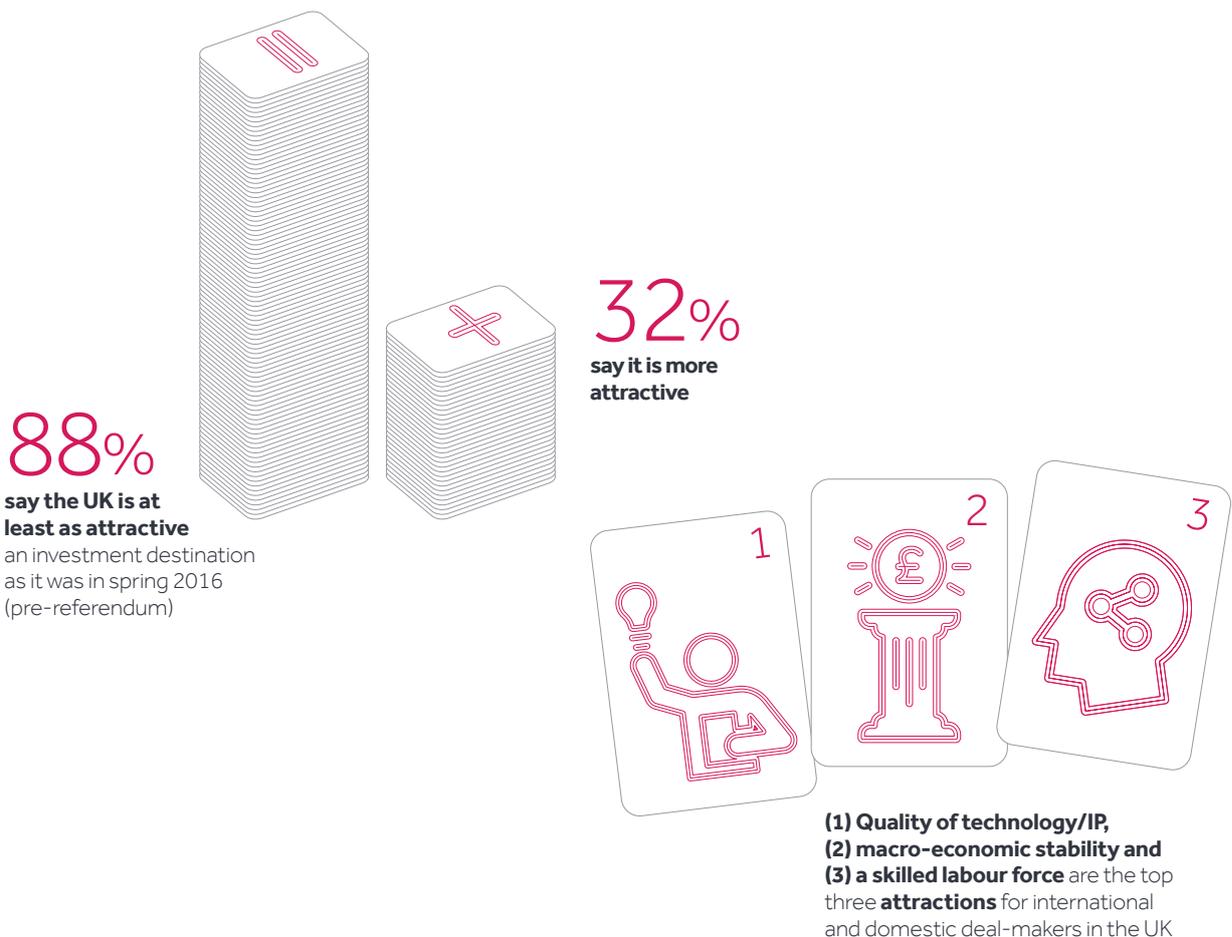
The UK remains an attractive destination for investment.

The message from our survey of executives at domestic and international investors and companies is loud and clear: the UK is an attractive deal-making destination, with many seeing it as an important location for achieving growth through capital raising and access to

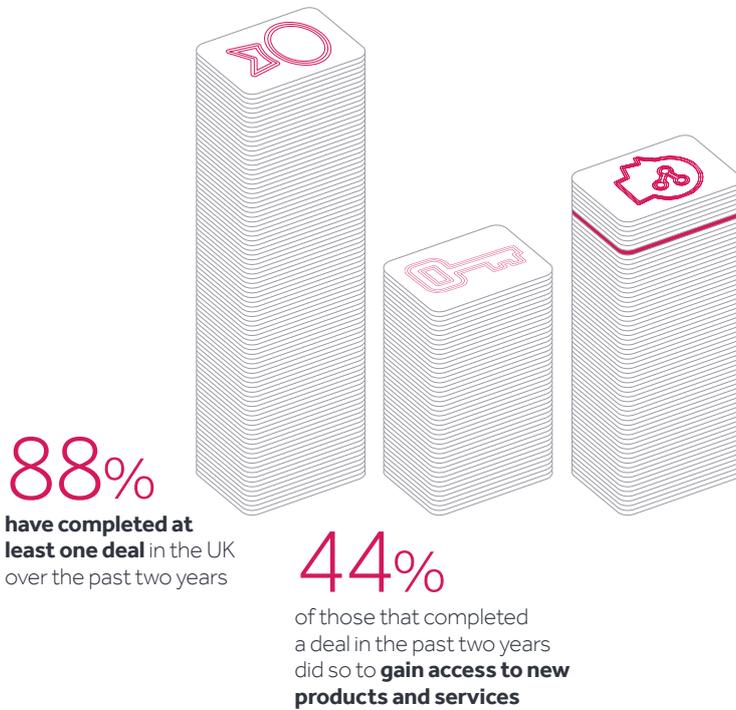
new products or services, innovation and talent. The UK's appeal is underpinned by a mature and well-developed deal-making environment and strong regulatory and legal framework that offer predictability of outcome for investors.

While it might be easy to assume that a weaker sterling has been and will be a major driver of activity, our survey shows this to be more of a side benefit than the only reason to invest. And, for the vast majority of respondents, Brexit uncertainty is a risk to be managed rather than a reason not to invest in the UK.

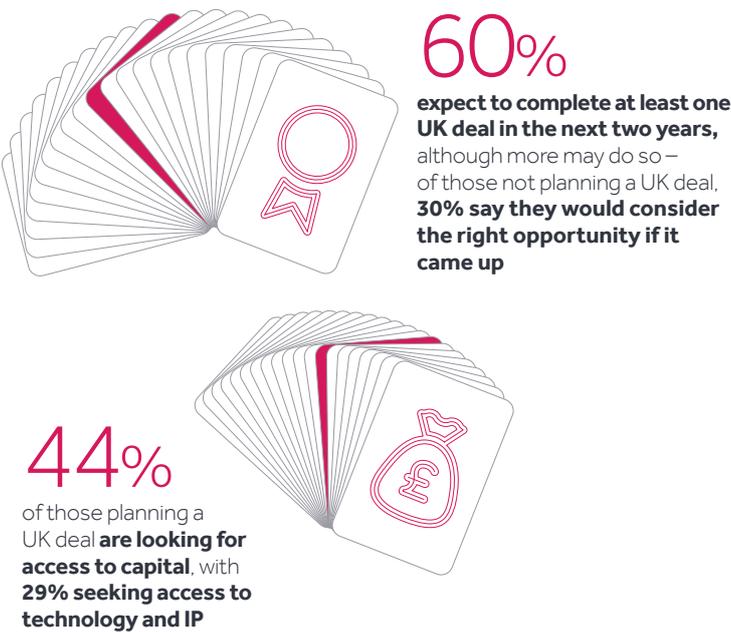
### ATTRactions OF THE UK MARKET



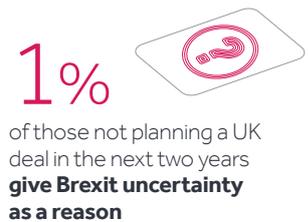
## PAST DEAL ACTIVITY



## FUTURE DEAL PLANS



## PERCEIVED RISKS



# HOT SPOT OR NOT?

Despite short-term headwinds, the UK is retaining its appeal as a deal-making destination over the long term.

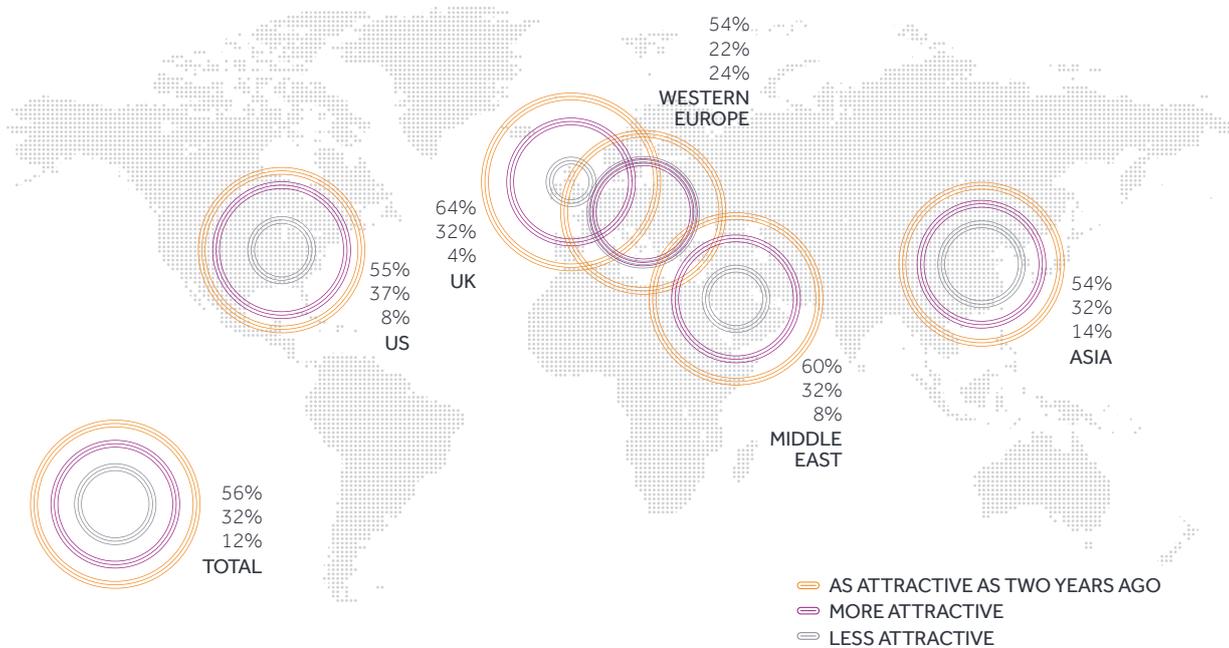


FIGURE 1 | ATTRACTIVENESS OF THE UK AS AN INVESTMENT DESTINATION OVER THE PAST TWO YEARS ACCORDING TO LOCATION OF RESPONDENT

The fifth largest economy by GDP globally<sup>1</sup>, the UK is home to world-class companies and sophisticated, liquid, capital markets. With a reputation for a dynamic deal-making environment, the country has long held a position towards the top of the global rankings for domestic and cross-border investment activity.

The UK ranked third in the first half of 2018 (behind the much larger markets of the US and China) for completed mergers and acquisitions (M&A) activity<sup>2</sup> by value and volume, while London took the top spot in Europe for initial public offerings (IPOs) by value and volume in Q2 2018<sup>3</sup>.

The UK also ranks as the second most attractive private equity and venture capital market in the world in 2018<sup>4</sup> after the US, and its property market attracts investors from around the world. London, for example, was the world’s most active commercial real estate market in the first half of 2018, ahead of Hong Kong and Paris, with £5.6 billion invested in the capital<sup>5</sup>.

### Past and future activity

The results of our survey reflect this dynamic landscape. They suggest that the UK will remain an active deal-making destination for companies worldwide for the foreseeable future, even as the UK prepares to leave the European Union. The majority of respondents (88%) see the UK as at least as attractive an investment destination as two years ago, just before the referendum vote (Figure 1).

This includes nearly a third of all respondents who say it is more attractive than in 2016. Larger companies are particularly bullish about the UK’s prospects: 45% of businesses with revenues of more than £3 billion rate it as more attractive than two years ago.



There is clearly some turbulence and uncertainty in the UK over Brexit. Yet this can provide opportunity. It’s a good time to establish in the UK if you can identify the right opportunities. Five years out, we anticipate that a lot of the turbulence will have passed, and the UK won’t lose its advantages overnight.

**Reuben Anstock, Commercial Director, Vistra**

There are some regional variations, however. Perhaps unsurprisingly, Western European investors appear less inclined than those in other regions to look to the UK for opportunity, with 24% saying the UK is less attractive than it was in early 2016. However, just 8% of US investors believe this, with 37% saying the UK is more attractive today.

When questioned further about the UK's attractiveness, qualitative interviewees pointed to a structural soundness and an openness to investment that will endure beyond short-term uncertainty about the implications of Brexit.

"The UK has a number of positive attributes that pervade short-term issues," says Reuben Anstock, Commercial Director at Vistra. "The infrastructure of professional support with sophisticated banking and legal advice makes it an attractive jurisdiction in which to do deals."

When asked to rank the UK's current attractiveness out of 10 as an investment destination (where 10 is most attractive), respondents are broadly positive. Overall, 84% give the UK a ranking of 6 or more, suggesting they see the UK as a moderately to very attractive country for investment.

In line with the results from Figure 1, US respondents are most likely to view the UK in a positive light, with 28% ranking the country as 8 or above for attractiveness. Asian investors are not far behind, with 24% saying this, ahead of UK respondents, with 22%.

When considering deals, there are three stand-out reasons for investors to look to the UK:

- 1. Quality of technology and intellectual property.** Nearly a quarter of all respondents say the quality of technology and intellectual property (IP) are highly attractive in the UK, reflecting the country's strong base of innovative companies (see box). This is a particularly important finding, given the digital transformation that companies globally are undergoing. Indeed, for respondents seeking to do UK deals in the next two years, access to new products and services is the third most important rationale (see section 2).
- 2. Macro-economic stability.** This is the second key attraction for investors, with 21% of all respondents saying the UK ranks highly here. Middle Eastern investors rank this higher than those in other regions, with this factor garnering 30% of responses.

**3. Skilled labour force.** This ranking is boosted by the responses from US investors, of which almost a quarter select the quality of the UK's workforce. It is also highlighted by those that have completed a UK deal in the past two years or are planning one in the coming two years as a major attraction (see section 2).

By contrast, few respondents pick the tax environment (just 2%) or the quality of the growth opportunity (8%) as attractive features of the UK deal-making landscape.



The UK is regarded as having a safe and navigable legal system, a strong regulatory environment, good quality assets, a solid economy and, overall, as being a good place to do business – that's why many Asian investors continue to see the UK in an attractive light.

Tom Platts, Partner, Singapore, Stephenson Harwood

**UK as a top centre for innovation**

The UK has long held a reputation for high-quality technology and innovation. It ranks fourth in the world's most innovative economies in 2018<sup>6</sup> and, with London holding third position for global tech start-up ecosystems in 2018<sup>7</sup>, the UK is well positioned to benefit from investment by companies keeping ahead of technological change and digital disruption.

Indeed, the UK was Europe's largest recipient of foreign direct investment in digital projects in 2017, accounting for a 27% share by number, growing 23% on 2016 figures<sup>8</sup>.

These are some of the factors that attracted Australian digital payments business Bluechain to the UK, and it has recently chosen to relocate to London. ▶

▶ Chief Strategy Officer Nicholas Sorger explains: "Here, we have access to a blend of technology and industry-specific skills – there is a depth of talent in the UK that we didn't think was available in other markets."

"The UK's Patent Box incentives that support the growth of technology businesses, together with a number of export incentives that have been introduced following the Brexit vote, make the UK a favourable location for us."

For now, Bluechain's development hub remains in Melbourne but the company is preparing to list, with a London IPO planned for 2019. "The strength of the UK public markets was a major driver for opting for a UK domicile," Sorger says.

**Strong activity continues**

UK deal-making has remained relatively strong over the past two years, despite uncertainty around Brexit and a mixed economic picture. The value of M&A deals involving a UK business in H1 2018 increased by 58% over the same period in 2017, registering a total of US\$147.4 billion (£115.5 billion)<sup>9</sup>. 2017 was in itself a very strong year with 1,543 deals recorded with an aggregate value of £157.4 billion. By the same token, on the equity capital markets, there were 103 IPOs in London in 2017, raising a total of €12.5 billion (£11.2 billion), up from 81, raising €6.7 billion (£5.99 billion) in 2016<sup>10</sup>.

This strong UK deal-making activity is reflected in our survey findings (Figure 2). The vast majority of respondents (88%) had completed at least one transaction in the UK over the past two years, including more than a third that had completed two or more.

Among respondents, sell-side M&A ranks top by recent deal type, with 40% of those completing a deal in the past two years having disposed of a UK business, rising to 50% of Middle Eastern investors.

Some of these disposals will have been down to the usual M&A churn seen in any market, but some will also partly reflect a desire by some investors and companies to reduce their UK exposure in the face of Brexit uncertainty. "Investors do need to consider Brexit risk and the associated inherent uncertainty," explains Darryl Murphy, Head of Infrastructure Debt at Aviva Investors. "Within the UK infrastructure sector, investment needs to continue but, increasingly, investors will need to consider the potential impact of Brexit on the economy and any sectors which may be directly exposed."

Meanwhile, the UK's deep public markets remain an attractive choice for those looking to raise capital: 37% of respondents who have completed a deal in the past two years have undertaken a public markets listing, a close second by deal type. Joint ventures and strategic alliances were also an active area in the UK, with 22% having completed such a deal in the past two years.

These results mirror a global trend towards partnerships as companies seek to strike alliances not just in their own sector but also in adjacent sectors, including with technology businesses, to stay ahead of digital disruption. A recent study<sup>11</sup> found that 92% of corporate executives viewed strategic alliances as an important element of their company strategy, including 56% who say they were extremely important, with technological innovation one of the fundamental drivers of this.

The partnership announced between Walmart, Uber and Facebook in 2017 is one example, while PayPal has established 25 strategic partnerships in the past two years

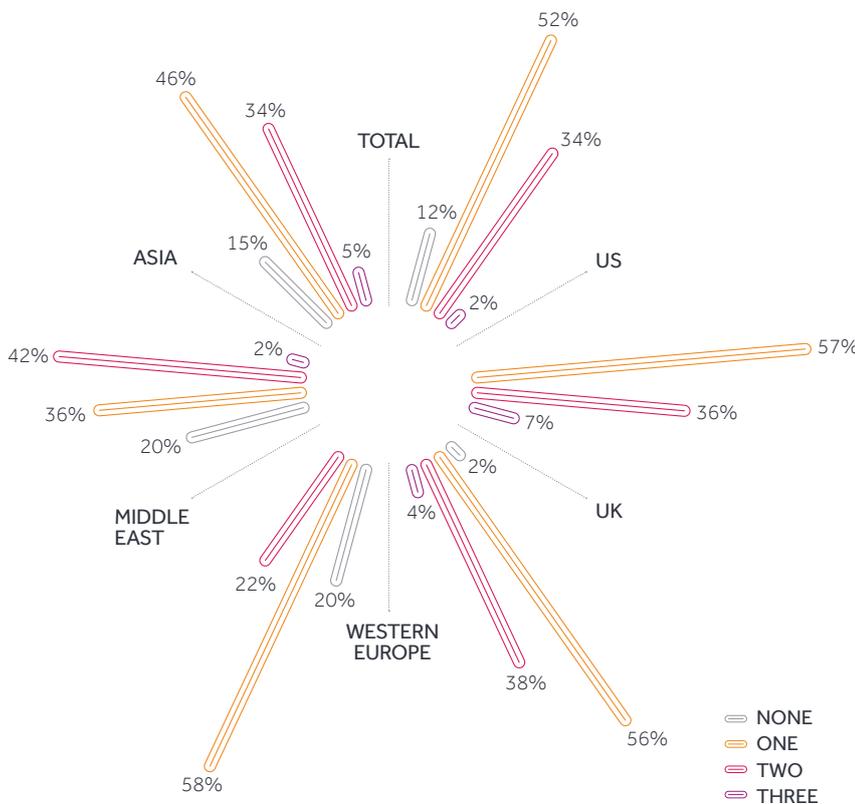


FIGURE 2 | NUMBER OF TRANSACTIONS, FUNDRAISINGS OR OTHER INVESTMENTS COMPLETED IN THE UK IN THE PAST TWO YEARS ACCORDING TO LOCATION OF RESPONDENT

There is a complete and well-established ecosystem in the UK, especially around London. You have financial services, advisers, design, technology, lawyers – all on each other's doorstep. That means you can share information face to face as well as digitally. I think that's very different from a lot of other markets.

**Jonathan Edmunds, Vice-President, AEP Investment Management**

with organisations as diverse as Mastercard, the Red Cross and the Indian government. In the UK and Ireland, US waste-to-energy group Covanta entered a strategic partnership in late 2017 with Macquarie-owned Green Investment Group to develop and acquire energy from waste projects and assets.

### Satisfaction levels are high

UK deals over the past two years have largely been a positive experience for respondents. More than a third say their UK transactions were very successful, and a further three-fifths say they were moderately successful.

Western European companies are most satisfied: more than half say their UK deals are towards the top of the success scale, and all rank their UK deals as at least moderately successful. These investors are least likely to have sold a business (just a quarter of Western European respondents engaged in UK sell-side M&A in the past two years), but most likely to have listed on the public markets (35%).

### Expect the unexpected

Among the challenges for respondents in completing deals over the past two years, the age-old issue of differing valuation expectations is the most significant problem (Figure 3). Just over half of respondents say the gap between buyer and seller expectations was their biggest issue. This is unsurprising at a time when company valuations worldwide have trended higher over recent years. Median M&A enterprise value to EBITDA multiples

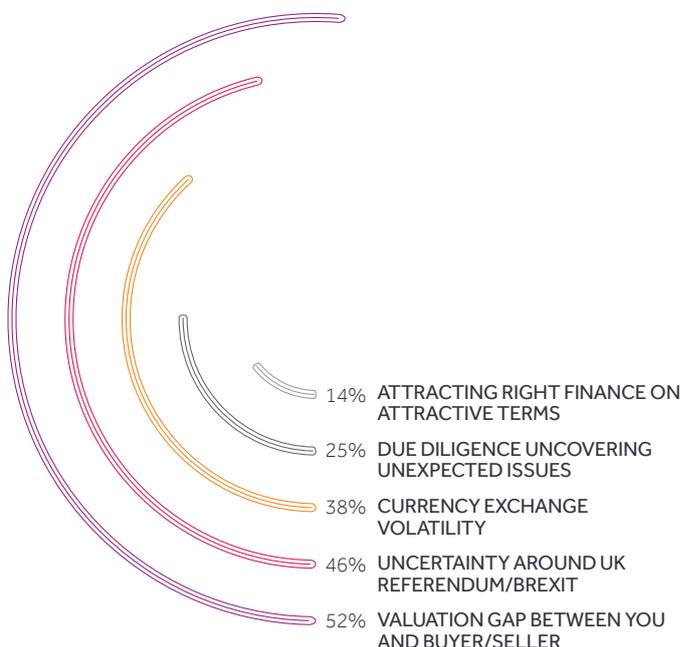


FIGURE 3 | THE BIGGEST CHALLENGES WHEN COMPLETING DEALS IN THE UK OVER THE PAST TWO YEARS

in North America and Europe were at their highest recorded levels in 2017, at above 10x and 7x, respectively<sup>12</sup>.

Part of the driver behind increased valuations is the increase in available capital (dry powder) among private equity firms, which surpassed the US\$1 trillion (£0.78 trillion) mark for the first time in December 2017<sup>13</sup>.

Whereas historically, corporate investors have paid more highly for assets in M&A than private equity, in H1 2018, the valuation gap between strategic acquirers and private equity firms fell to zero. In some sectors, private equity firms are even paying higher prices than corporate buyers (most notably in financials, energy and power, and materials<sup>14</sup>).

The right local partner can help untangle the local intricacies to getting a project over the finish line, and this is demonstrated in the partnerships we have announced in the UK over the past 18 months. Veolia and Biffa are both strong local waste companies, and the Green Investment Group is a committed partner that brings substantial in-market expertise, relationships and resources.

**Matthew Mulcahy,**  
Strategy Director, Covanta

Strategic alliances are a global trend as companies move towards asset sharing and optimisation – they are seeking to avoid wasted capacity and stay ahead of the digital curve.

**Kevin Appleton,** Portfolio  
Non-Executive Director

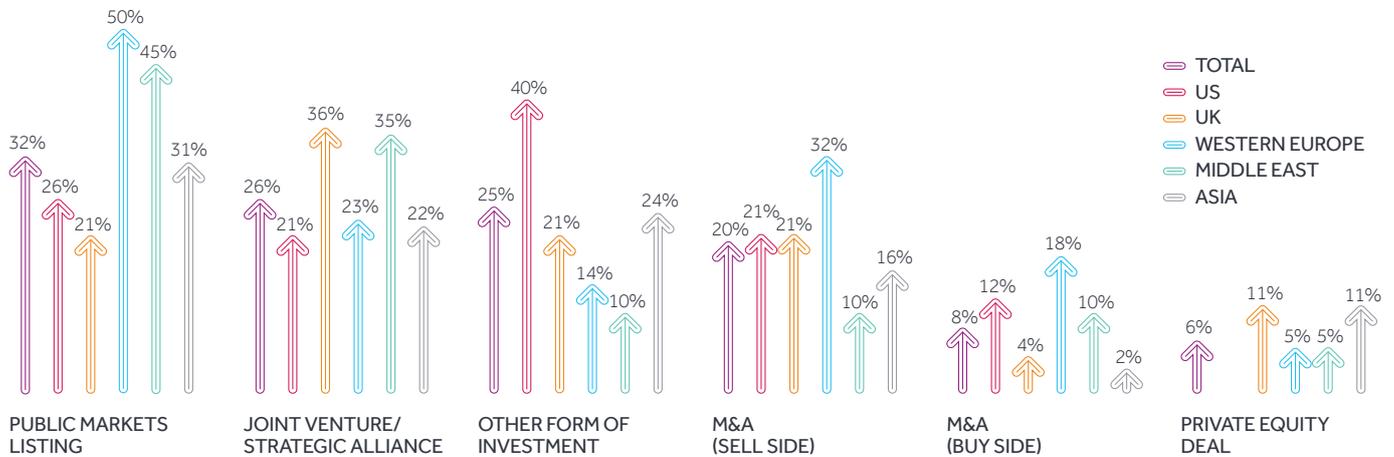


FIGURE 4 | THE TYPE OF DEAL BEING CONSIDERED IN THE UK IN THE NEXT TWO YEARS ACCORDING TO LOCATION OF RESPONDENT

If valuations are a global issue, the second two biggest challenges to deal completion over the past two years – uncertainty around the UK referendum/Brexit (46%) and currency exchange volatility (38%) – are more UK-specific. Western European investors have been particularly sensitive to Brexit uncertainty in their recent deals, with more than half citing this as a major challenge. Some major Western European companies have recently reflected this view. In June 2018, executives from Siemens, Airbus and BMW are reported to have warned the UK government that their plans for investment in the UK were being affected by Brexit uncertainty<sup>15</sup>.

### Fewer, larger deals in future?

Deal volumes may well slow somewhat over the next two years, as some investors take a wait-and-see approach to the UK as Brexit

arrangements unfold: fewer respondents are considering a UK deal than completed a deal over the past two years. Despite this, 60% expect to complete at least one M&A deal, fundraising or other investment in the UK over the next two years.

It might be tempting to draw conclusions about the UK's future attractiveness from lower anticipated activity than in the past two years. However, it's worth noting that, of those not planning to invest in the country, the biggest reason respondents cite is that they have no deal plans over the next two years.

Investors in the Middle East take a long-term view. While there is some uncertainty in the short term, most still believe London will be an important financial centre and see the UK as safe harbour with a legal system they can rely on. It remains a strong market for many Middle Eastern investors strategically.

**Sandeep Dhama**, Partner, Dubai,  
Stephenson Harwood

More than two-fifths overall and over half of Western European respondents say this. In addition, 30% say they don't currently have plans to invest in the UK, but may do so if an attractive opportunity came up. These results suggest that deals in any market are not strategic priorities for many investors, and that a reasonable proportion are willing to take an opportunistic approach to future UK investment.

Indeed, some may be waiting to see how the Brexit negotiations unfold before committing to sourcing deals in the UK. "Uncertainty is putting a pause on plans to invest among some companies," says Vistra's Anstock. "If the UK no longer has access to the single market, that frustrates the reason many businesses have chosen to invest in the UK. Yet, as long as the UK is part of the EU, it is unable to negotiate



## A GATEWAY TO GROWTH AND SKILLS

We look at the rationale behind why investors are looking to do deals in the UK.

Our survey results clearly demonstrate that, for many domestic and international businesses and investors, the UK remains an important deal-making destination. Yet they also reveal why: respondents see the UK as assisting their growth and talent acquisition. In an increasingly global and digitised economy, companies need access to new products and services, highly skilled people and capital, while also finding innovative ways of doing business if they are to stay ahead of the competition. The UK, our respondents say, is an attractive location to source these. They also say their appetite for UK deal-making is underpinned by the strength of its legal and regulatory frameworks and well-established corporate finance advisory community.

### Capital raising spurs future UK deals

Deal-making over the next two years looks set to be driven by the UK's strong capital-raising capacity. In line with the finding that the most popular deal type under consideration in the UK is a public markets listing, the top rationale for deal-making in

the UK is capital raising, with 44% citing this. UK companies lead the way here, with 57% seeking to raise capital through deals, followed by 55% of Middle Eastern and 50% of Western European respondents.

Access to technology and IP comes in second, with 29% of all respondents seeking this through UK deals, led by US (40%) and Western European (36%) respondents.

This reinforces the earlier finding that technology and IP are among the UK's top attractions for businesses. This is in line with the UK government's drive to put the UK at the forefront of future industries, including artificial intelligence (AI) and the data economy. Its Industrial Strategy paper, launched at the end of 2017, claims that: "The UK is already a world leader in AI, with the building blocks to make significant advances. We have some of the best research institutions in the world and globally recognised capability in AI-related disciplines, including maths, computer science, ethics and linguistics."<sup>16</sup>

Access to new products and services is the third most important rationale for those seeking to do UK deals in the next two years, reflecting the maturity and advanced nature of the market, and is potentially linked to the findings mentioned above around the UK's strength of innovation, given that many new products and services in today's market tend to be technology-enabled.

Nevertheless, the survey does show that this rationale has reduced, with the proportion of respondents seeking access to new products and services over the next two years halving from those looking for this in the past two years. One possible reason for this is Brexit uncertainty – with a question mark still remaining over the shape of the UK's future trading relationship with the EU, and the way this will affect exports, some companies are likely to be circumspect about targeting UK products and services until the dust has settled.

The UK benefits from some distinct advantages – ease of doing business and access to high-quality advice. It's a sound market and it's an equitable place to do business.

**Jonathan Edmunds, Vice-President,  
AEP Investment Management**

A true partnership is one that defaults to integrity and fairness to resolve any differences, but we take comfort that we can count on the UK's institutions and legal systems in the event of a dispute.

**Matthew Mulcahy,  
Strategy Director, Covanta**

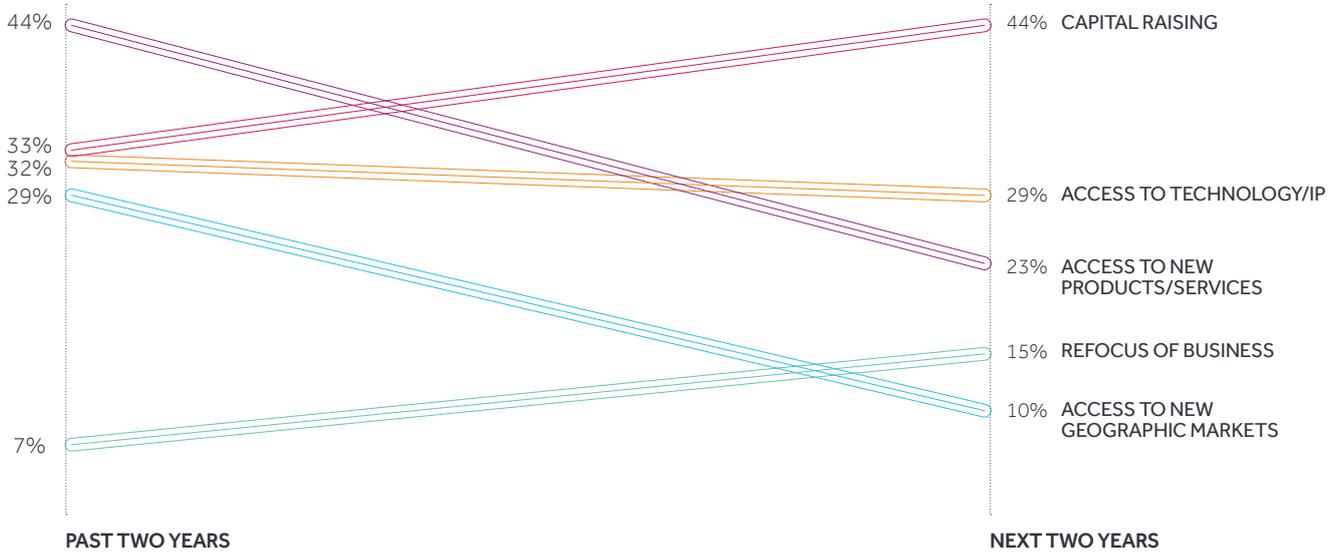


FIGURE 5 | THE RATIONALE BEHIND UK DEALS IN THE PAST TWO YEARS COMPARED WITH THE NEXT TWO YEARS

Yet, once there is greater clarity, it is likely that investors will look more closely at opportunities in the UK that will help them achieve further growth in new areas. As Reuben Anstock, Commercial Director at Vistra, says: "Many businesses look to establish in the UK because it is a sophisticated market in terms of products and services."

The market in the UK is very predictable and that is not to be under-estimated. Most industries are well-ordered, people by and large conduct business sensibly and there is a well-trained and educated workforce.

**Kevin Appleton**, Portfolio Non-Executive Director

Perhaps unsurprisingly, given the uncertainty around the UK's future trading relationship with the EU, access to new geographic markets sits in last place for future deals (10% mention this). This compares with fourth place for those that have completed a deal in the past two years, with 29% of these respondents saying this (Figure 5). This suggests Brexit could be dampening investors' hopes of using the UK as a launchpad to Europe.

There is a great depth of talent in the UK. We deal with businesses looking to expand globally and many of them look to the UK for HR. This is especially the case in Fintech and technology more generally.

**Reuben Anstock**, Commercial Director, Vistra



Currency value is clearly a consideration for investors in the UK. Since the UK referendum, sterling has been trading below historical averages against the dollar and, in particular, the euro, making UK investments cheaper than internationally comparable options. However, it is far from the only factor for the vast majority: just 1% say this is the single most important reason for selecting the UK. The results are broadly similar for respondents who had completed a deal in the past two years (of whom just over half say it was a reason to do a UK deal, but just 3% of whom say it was the most important reason for doing so).

Rule of law and investor protections are very strong in the UK. The UK courts provide certain and well-established procedures to achieve a fair outcome if a deal goes wrong.

**Duncan Stiles**, Partner, Head of corporate finance, London, Stephenson Harwood

These results suggest that sterling depreciation certainly increases the UK's attractiveness for investors, but that it is more of a side benefit than a strong rationale for most deal-makers. While media headlines may suggest otherwise, only a few are bargain-hunting.

In addition, strong local market fundamentals, strong local corporate finance capability and strong investor protections and rule of law are all also important factors for investors, reflecting the UK's reputation for fair dealing and long-standing legal frameworks.

Indeed, when asked to give a single reason, the top response is strong investor protections and rule of law, with 21% saying this. This is particularly important for US respondents, as 31% mention this factor. It is a feature of the UK market mentioned by all qualitative interviewees, too. "The UK legal system is one of the UK's key attractions," says Kevin Appleton, who has

a portfolio of non-executive directorships. "It has a well-respected, independent, relatively predictable and fair legal process – that's the case irrespective of the country of origin of the business. UK law will support fair outcomes. This is especially true of foreign investment – you can get things done without legal impediment."

The advisory community is also mentioned by all qualitative interviewees as one of the reasons the UK stands out when completing deals. "Quality of advice is a key attraction for the UK," says Jonathan Edmunds, Vice-President, AEP Investment Management. "A lot can be lost in translation in cross-border deals in particular, so it really helps to have the best advisers on board."

Interestingly, and encouragingly for the UK economy, with the exception of currency value, all the above are enduring features of the UK market that will largely remain constant regardless of the UK's Brexit route.

**On the right track**

"Other form of investment' is the third most popular type of deal for those seeking to do a deal in the next two years, cited by a quarter of respondents. This may include minority stakes in businesses, acquiring specific IP or, in the case of Spanish train manufacturer CAF, greenfield manufacturing investment. After securing a number of contracts to supply UK rail franchises with new rolling stock, the company announced the construction of a new plant in Newport Wales in July 2017. "We believe this is a strong statement of our intent about our plans for the UK," says Richard Garner, Business Development Director at CAF. Key among the attractions of the UK are the country's rail franchise structure, a strong and liquid financing market ▶

▶ and the quality of opportunity. "Of our global order book of c€6 billion [€5.4 billion], the UK content accounts for over 20% today," adds Garner. "For us, the UK is a hot spot – Brexit or no Brexit – and we need to be investing here."

Nevertheless, Brexit will have an impact, he adds. "There are two main uncertainties for us: the impact on the exchange rate [as we trade in euros]; and whether import duties will need to be paid on supplies. What it does mean is that we're likely to need to maximise the UK content of our products to minimise uncertainty – the more we can build here with a higher value of the cost base in the UK, the better."



**The UK fares favourably in a global context**

Set against global deal-making plans, appetite for the UK looks set to be strong. When asked where outside the UK respondents are planning to invest, Asia-Pacific is the most popular choice among all respondents (31% are considering deals here in the next two years), with particular interest among Middle Eastern and US respondents, followed by Africa and Latin America (Figure 8). Yet just 7% of respondents are looking to non-UK EU countries for deals – the least popular choice – and just 12% say non-UK EU markets are the most attractive currently.

While not directly comparable, when these results are set against our findings on the

attractiveness of the UK market and future deal plans (outlined in section 1), the UK appears to rank more highly than the rest of the EU. This tallies with the results from another recent survey, which found that the UK remains Europe’s most active foreign direct investment market by number of projects, despite Brexit uncertainty<sup>17</sup>.

Reuben Anstock, Commercial Director at Vistra, says: “The UK at present remains extremely competitive against other headline EU countries, principally because of the strong legal and financial framework. It has an easy-to-use corporate regime, attractive corporate tax regime and is generally a place where it is easy to do business.”



Given the global nature of today’s capital flows, investors have to have an eye on what’s going on across the world, from China and Vietnam to the US and Brazil. They have to position themselves to be in the right place at the right time. That means that any decision to invest in the UK is as much influenced by what’s happening elsewhere as it is by what’s happening in the UK.



**Jonathan Edmunds, Vice-President, AEP Investment Management**

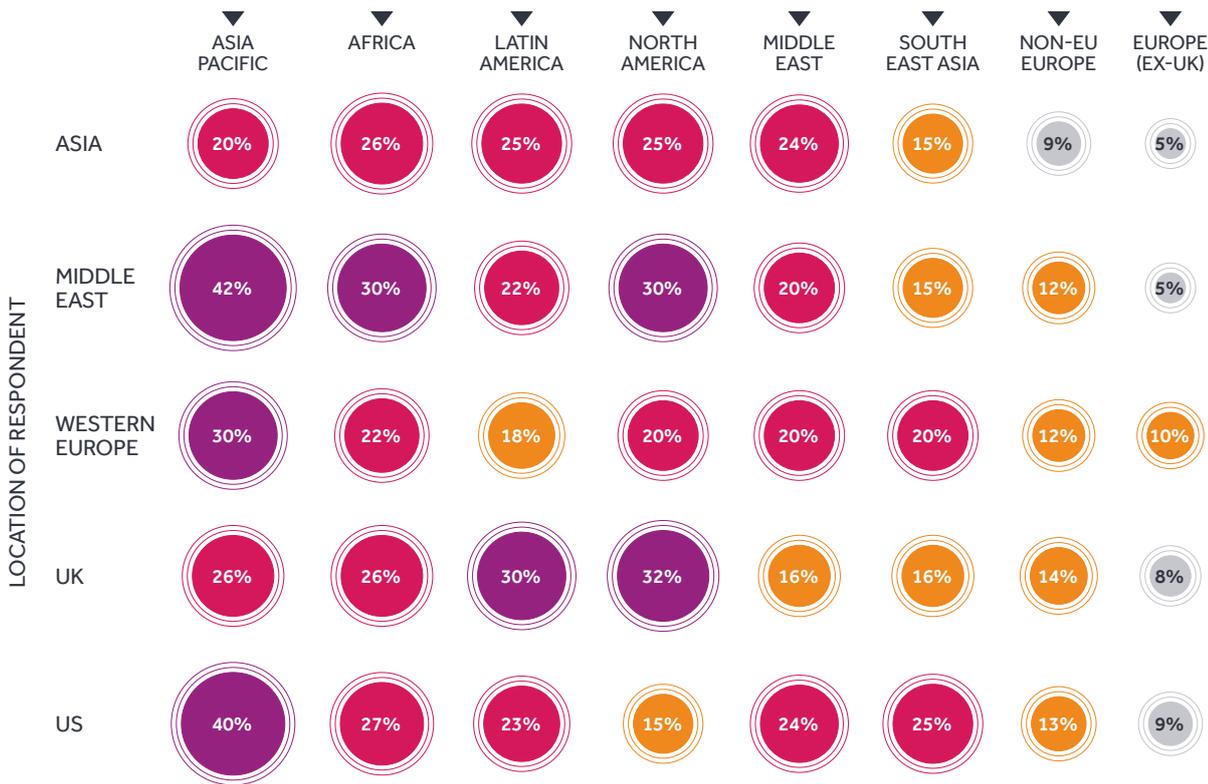


FIGURE 8 | WHERE (OUTSIDE THE UK) DO YOU PLAN TO INVEST IN THE NEXT TWO YEARS?

## CONCLUSION

The UK is an enticing deal destination now and in the future.

Our survey clearly demonstrates that the UK has been, and remains, an enticing deal-making destination, with many investors and companies looking for access to capital, technology and skilled people.

What's also clear is that those looking to the UK are doing so for the long term. The negotiations around Brexit will inevitably take numerous twists and turns, and uncertainty continues over the eventual outcome. Yet, given the right opportunity, many companies and investors are prepared to take the risk of a disorderly or 'no-deal' Brexit and will continue to complete UK deals.

That may seem counter-intuitive at first glance. However, our survey results offer insight into why, even with some of the headwinds currently faced by the UK, the market is highly active for M&A, capital markets and foreign direct investment activity and looks set to remain so.

Contrary to many media reports, the UK's current appeal for deal-makers is far from entirely the result of weak sterling – although this may help in making the case for an investment.

Instead, as our survey shows, it's the UK's enduring structural advantages that draw in investment today and tomorrow. A well-ordered market, a sound legal system, underpinned by a strong rule of law, and an ease of doing business for domestic and overseas investors alike, are all fundamental characteristics of the UK market and are, in many ways, a source of competitive advantage for the UK.

Even in the face of short-term uncertainty, these features provide a predictable and stable foundation on which to build investment. They make the UK an enticing deal destination both now and for the foreseeable future.

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## ENDNOTES

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## ABOUT STEPHENSON HARWOOD

Stephenson Harwood is a law firm with over 1,000 people worldwide, including more than 170 partners. Our people are committed to achieving the goals of our clients – listed and private companies, institutions and individuals.

We assemble teams of bright thinkers to match our clients' needs and give the right advice from the right person at the right time. Dedicating the highest calibre of legal talent to overcome the most complex issues, we deliver pragmatic, expert advice that is set squarely in the real world.

Our headquarters are in London, with 10 offices across Asia, Europe and the Middle East. In addition, we have forged close ties with other high-quality law firms. This diverse mix of expertise and culture results in a combination of deep local insight and the capability to provide a seamless international service.