



PRIVATE CREDIT SOLUTIONS  
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# MANCHESTER ROUNDTABLE

MARKET PERSPECTIVES H1 2026

A WHITE PAPER BY BZ

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**BACK ROW LEFT TO RIGHT:** BEN WILDSMITH, ROB WORSNOP, DUNCAN MAYBURY, CHRIS ROBERTS, JOE FREW, BEN MILNER, DEAN STOYANOV, DAVID GRASSBY  
**FRONT ROW LEFT TO RIGHT:** CEM YASLAK, OLIVER WRIGHT, STUART BATES, PETER JAFFE

## MANCHESTER ROUNDTABLE

### Welcome to BZ's Manchester Roundtable extract briefing.

This paper brings together the views of senior advisers, restructuring specialists, and investment leaders who gathered in Manchester on 22 April 2026 to examine conditions across M&A and lending markets.

### THANKS TO OUR EXPERT PANEL FOR YOUR CONTRIBUTION:

Stuart Bates, FRP  
Joe Frew, DLA Piper  
David Grassby, Clearwater  
Chris Roberts, Squire Patton Boggs  
Dean Stoyanov, PwC  
Ben Wildsmith, EY  
Rob Worsnop, Teneo  
Oliver Wright, FTI

**BZ hosts and participants:** Peter Jaffe, Chief Executive Officer; Ben Milner, Managing Director; Cem Yaslak, Managing Director; Duncan Maybury, Associate Director.

## DETAILED INSIGHTS FROM INDUSTRY LEADERS

The roundtable began with Ben Milner inviting participants to share their current read on the market. A candid discussion followed, covering M&A conditions, management quality, buy-and-build activity, the North West's investment case, technology valuations, and the expectations borrowers and sponsors place on lenders.

### THE M&A MARKET IN 2026

The discussion opened with observations on a market moving in two distinct directions, with mainstream M&A activity facing pressure while the special situations market gathers momentum.



**Rob Worsnop, Teneo:** "A lot of the mainstream guys had momentum building into the year, but the last month or two have quietened down, with buyers wanting to pause and consider valuations. The special situations side is going the other way. Q1 started relatively quietly, but in recent weeks we've seen a notable increase in new mandates and opportunities coming through."

Oliver Wright at FTI confirmed a similar view: That some sponsors are trying to push mainstream M&A onto businesses where the market will not support it, with very little acceptance of stress. By the time the mainstream M&A process fails, or advisers clarify where things stand, the situation has already moved into distress.

### DUE DILIGENCE FOCUS

In the absence of a stable baseline, the group explored why commercial thinking is increasingly taking precedence over financial analysis, and what this means for how advisory mandates are being allocated.



**Oliver Wright, FTI:** "We're seeing much more focus on commercial DD (due diligence) rather than financial DD right now. The strategy guys are getting far more attention than the quality of earnings people, which comes down to assumptions. Nobody knows what assumptions to make at the moment."

Ben Wildsmith at EY added that while M&A had seen a reasonably positive year overall, momentum had faded heading into the next planning cycle. Strategy teams, however, had enjoyed a strong year. On the M&A side, deals that would previously have been completed in six to nine months were now taking considerably longer, moving through multiple phases of due diligence.

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## MANAGEMENT QUALITY AND THE FINANCE FUNCTION

Ben Milner asked how uncertainty is feeding into management team thinking and decision-making. The response pointed consistently to weaknesses that years of easy credit had masked.



**Stuart Bates, FRP:** “There’s definitely a lot of over-leverage. When you’ve got a really good entrepreneurial CEO and a weak CFO, they rarely say no. The business just runs off and before you know it you’re in a cul-de-sac and you have to back out again and down tools. FRP has had a really strong year, and M&A engagements seem to be picking up. Much of that activity is coming through supply chain sectors, where strong businesses with good amounts of cash are looking to take advantage of their position within their field. Succession planning is always an issue. We’re seeing a number of businesses where, six years post-COVID, those business owners who were 55 are now in their early 60s. Family members aren’t in the business, the next generation isn’t really interested, and all of a sudden the light bulb’s gone on, precipitating action.”

Oliver Wright made the same point from a diligence perspective: the tide going out has exposed a lot of weaknesses in the boardroom. Entrepreneurial CEOs fuelled by easy credit had outgrown their finance functions, and on a number of occasions his team was ‘downing pens early’ in review stages due to significant rework.

Peter Jaffe reflected on the resilience of CFOs and what they have been through: the financial crisis, COVID, the ongoing Russia–Ukraine war, and now the Middle East. The weaker ones have been exposed, particularly in leveraged structures. Those who have come through have developed real muscle memory on how to deal with unexpected changes both internally and externally.

Dean Stoyanov observed that the more sophisticated PE-backed management teams are already running proactive scenario planning: modelling higher inflation, rising interest rates, and the knock-on impact on covenants, headcount profile, and capital expenditure, and asking whether they need a different funding structure.

## BUY AND BUILD – THE INTEGRATION ISSUE

Buy-and-build has driven a significant share of mid-market activity since COVID, but where the integration thesis has failed and the debt stack has grown beyond what the business can support, sponsors are left with very few options.



**Ben Wildsmith, EY:** “Sponsors will almost gracefully pass the keys to management. They’ll have a favourable relationship with a specialist PE house and just say, “take these over”. Pre-packs are pretty ugly, and unless they can see a nice return in a timeframe, most growth funds won’t go there. It involves disproportionate amounts of time, it’s not normally their skill set, and time is money. They really don’t want to be spending all that time on a turnaround, and normally in the management team there are too many gaps.”

Peter Jaffe cited research from Bloomberg’s Credit Edge podcast to frame the problem: forecast synergies match actual synergies only around a third of the time, meaning debt/EBITDA leverage ratios are understated because the EBITDA is wrong from the start.

## POLICY, EXTERNAL SHOCKS, AND THE DEAL CYCLE

Participants reflected on the role of fiscal policy and geopolitical events in shaping transaction timing.



**Chris Roberts, Squire Patton Boggs:** “Some of that 2025 M&A business referenced earlier was driven by the government’s tax policies – there was a real spike in activity late in the year as people tried to force deals through, and then there was a subsequent slow-down. Our corporate teams have since seen the huge impact of AI affecting valuations of tech businesses, where it is unclear who the future winners and losers will be. From a UK perspective, our teams have seen a bit of an uptick again where certain tech company valuations are looking quite attractive relative to prices across the pond and, for US buyers, the stronger currency obviously helps when buying UK assets.”

Ben Wildsmith noted that you can correlate almost any data point to a market event – the UK election, the Middle East – and you’ll see movement. They all have an impact, but it differs by business and by sector.



**Ben Milner, BZ:** “This year we’ve seen an increase in the amount of requests for additional or more flexible liquidity from borrowers. These have ranged from replacing term loans with RCF structures that better align with working capital cycles to using baskets within senior facility documents to utilise receivables facilities. Some have been driven by a downturn in performance where liquidity is needed to support a revised business plan and then come out the other side. Some are growth or CapEx-based, and others are more pragmatic and conservative, a working capital headroom buffer because of what’s potentially coming down the track.”

## THE NORTH WEST – INVESTMENT CASE AND REGIONAL MOMENTUM

Ben Milner asked the panel what makes the North West particularly investable and where the regional opportunities are most pronounced.



**Joe Frew, DLA Piper:** “If you’re employing people locally, do you still see a brand drain down to London? We’ve seen a little less of that in recent years.

Some northern cities, such as Manchester, have reached a ‘tipping point’ where there’s enough going on that people think: I can build a strong career here; I don’t really need to follow others down to London to realise that.”

Chris Roberts highlighted Manchester’s advantages as a fast-growing city that, in his view, is bucking wider national trends. While the UK continues to grapple with a productivity challenge, he pointed to Manchester as an exception, supported by visible development activity across the City skyline and sustained investment in new buildings. He referenced the strength of its universities, the expanding tech corridor, proximity to London, and an increasingly globally connected airport, alongside a growing media presence, all contributing to a city on a clear upward trajectory. The accepted use of Teams and other technology means that location is not as important as it used to.

Stuart Bates noted that FRP has seen a trend of people moving up from London, often selling substantial properties in the capital and acquiring larger homes in the North. Expanding the picture across the M62 corridor, Rob Worsnop pointed to similar momentum in Leeds, with organisations such as Channel 4 and a growing number of tech businesses establishing a stronger presence in the city.

Both Rob Worsnop and Oliver Wright highlighted the limitations created by the lack of a fast Liverpool–Manchester–Leeds rail link, describing it as a persistent constraint on regional connectivity. Oliver Wright also emphasised that Manchester’s airport plays a central role in the city’s investment case in a way that Leeds Bradford Airport does not, reinforcing differences in international accessibility across the region.

## INFRASTRUCTURE SPEND AND THE SUPPLY CHAIN OPPORTUNITY

The scale of committed capital flowing into the region prompted a discussion about where transaction opportunities sit beyond the headline projects.



**Dean Stoyanov, PwC:** “I saw some recent data around North West infrastructure. The spend budget for the next 12 months is £6 billion, and £15 billion over the next five years. That’s just infrastructure projects, but I’m talking about the supply chain impact too. There is a lot of capital coming here and that has an economic impact, not just Manchester, but Liverpool and the North West as a whole region.”

Ben Wildsmith highlighted the investment implication, noting that access to sectors such as medtech, energy, and data centres depends on the underlying infrastructure that supports them, from parts for transformers to components for data centres. While not traditional heavy industry, he pointed to the significant build-out taking place across this enabling layer. He referenced EY’s Entrepreneur of the Year programme as a useful indicator, observing a growing mix of service businesses aligned to high-growth sectors such as medtech and energy, alongside companies supplying the infrastructure of the new economy rather than being the headline asset.

## SECTOR ROTATION – WHERE CAPITAL IS MOVING

Ben Milner asked whether sponsors are moving toward industrials and asset-backed businesses as a deliberate response to the tech valuation environment and the cost of capital.



**David Grassby, Clearwater:** “From what we are seeing, there’s a focus from lenders on industrial deals, business services and healthcare transactions where the AI risk is clearer. We have transacted some very nice tech deals and conveying any AI risk is an important part of the adviser’s job. A lender I spoke to recently said all the deals on their desk are industrials and business services transactions. There’s limited AI risk there, and there’s such a huge focus on that at the moment.”

## RETURNING TO FUNDAMENTALS

Ben Milner asked whether the age-old valuation gap between buyer and seller had narrowed. The responses were pointed, drawing on live situations where ARR (Annual Recurring Revenue)-based multiples have proved impossible to bridge.

Oliver Wright at FTI has seen three start-up situations in just over two years that follow the same pattern. Cash is needed to bridge to a valuation the business has not yet earned, ARR is not covering costs, and money is being lost every month. Around the equity table, those with capital naturally want more of the upside in return for further investment, and those without it block them to protect their existing slice given how far away from prior expectations the value presently sits. One recent deal illustrated the point: the valuation expectation was above £20m, based on a multiple of future potential ARR on a business currently generating negligible revenue. It went through pre-pack for a nominal sum.

Stuart Bates described a parallel situation: a business turning over £3 million whose American PE backer had 25 times ARR fixed in his head. FRP got the valuation to around 18 times with everything aligned, but the gap proved unbridgeable. Expectations, he said, remain unrealistically high. Ben Wildsmith made a related point: whatever multiple an adviser or PE contact has put in front of a management team in the preceding months becomes the number they expect, and when the market comes back with something different, the question is always why.

## THE LENDING MARKET – WHAT BORROWERS LOOK FOR

Ben Milner closed the session by asking what borrowers are prioritising when they go to market for a new facility and how lenders are responding to a credit environment that continues to favour quality credits heavily.



**Cem Yaslak, BZ:** “From a lender’s perspective, pricing is often seen as the top priority for sponsors and companies, but leverage and structural flexibility are equally important considerations. Many of the deals we’ve completed in recent years involve businesses or sponsors new to ABL, transitioning from more rigid term loan structures to flexible hybrid revolving and term facilities. Supporting these transactions requires continuous evolution on our side, including the introduction of AI-driven tools to help streamline and automate some of the administrative aspects of ABL.”

Dean Stoyanov highlighted certainty of execution as a key requirement in the current market. With conditions shifting daily, he noted that being able to demonstrate confidence in delivery and bring that assurance to both counterparties and advisers carries significant weight. David Grassby agreed, adding that margin is often no longer the primary focus; instead, flexibility and conviction in execution tend to come first. He also pointed to the frustration of deals falling away at final investment committee stage, noting the real cost in management time when processes ultimately do not complete.

Ben Wildsmith observed that, in response, borrowers are running more concentrated and tightly managed routes to market. Given the level of uncertainty and time pressure, there are fewer management presentations, more selective engagement with lenders, and smaller, higher-confidence shortlists.

Stuart Bates raised a concern shared around the table regarding DD-light lending in the lower mid-market, where some lenders are positioning the reduced depth of due diligence as a differentiator. He noted that, in a constrained market for quality credits, weaker businesses are in some cases accessing stronger facilities as lenders work to meet deployment targets. He stressed that the integrity of the underwriting model is critical, adding that even small formula errors can have significant consequences.



**Duncan Maybury, BZ:** “Within an ABL structure there is inherent flexibility in how you can scale and adapt the facility, particularly in multi-jurisdictional situations where additional assets and jurisdictions can be brought into the borrowing base over time. This is particularly relevant in the current environment, both in supporting bolt-on acquisitions and managing more volatile trading conditions, as it enables the facility to adapt to changing funding requirements as the business evolves..”

## PRIVATE CREDIT BEHAVIOUR – THE UNKNOWN VARIABLE

Chris Roberts asked how lenders will react when a company trades off its numbers mid-term – and whether stretching to win a deal limits a lender’s ability to be supportive later. Peter Jaffe addressed the structural question underlying it.



**Peter Jaffe, BZ:** “The biggest change in the last ten to fifteen years is that when you had a bank as a lender, the behaviours you could understand, you could predict.

There was a workout group, it either got there or the portfolio team made an effort.

With private credit now, the motivations, the drivers, how money has been raised, the knock-on effects are not necessarily transparent to the company, the adviser, or even the person originating the deal, because maybe they haven’t been through that type of situation before.

The behaviours can be very, very different, driven by how you raise your money, as opposed to a bank where there’s a range within which they’ll react, but at least you have an idea of what they’re going to do. That’s a big change to everything we do.”



## KEY CONTACTS



### PETER JAFFE

Chief Executive Officer  
[pjaffe@bzcf.co.uk](mailto:pjaffe@bzcf.co.uk)  
+44 (0)7769 640965



### BEN MILNER

Managing Director  
[bmilner@bzcf.co.uk](mailto:bmilner@bzcf.co.uk)  
+44 (0)7500 771186



### CEM YASLAK

Managing Director  
[cyaslak@bzcf.co.uk](mailto:cyaslak@bzcf.co.uk)  
+44 (0)7908 653067



### DUNCAN MAYBURY

Associate Director  
[dmaybury@bzcf.co.uk](mailto:dmaybury@bzcf.co.uk)  
+44 (0)7377 437740