



# Public M&A Review

2023 Annual Review

**Ashurst**

# Introduction

## Political and economic pressures from 2023

Following on from a string of remarkable years, 2023 was no less interesting. Global tensions remained heightened, as demonstrated by the ongoing war in Europe and the evolving conflict in the Middle East. US politicians kept us entertained and, whilst the UK only had the one prime minister in 2023, political pressures were no less fraught this side of the Atlantic.

In the UK, the year ended far less badly than many had predicted though. Recession was avoided, inflation fell faster than expected and many are arguing that interest rates have passed their peak. Going into 2024, it will be interesting to see whether election spending reverses any of these wins and whether the Conservative Party is able to avoid what feels like an unavoidable defeat.

And of course it's not just the UK going to the ballots in 2024. With around half the world's population being able to vote in at least one election this year, it is not surprising that this year has been widely-termed "the year of democracy". How much the polarising election in the US will impact on markets in the second half of the year remains to be seen.

*“Tighter credit market conditions made leveraged M&A a lot harder to execute in 2023, significantly impacting larger M&A deals and P2Ps in particular.”*

Tom Mercer, Partner

### ANNOUNCED BIDS

60	48	61
2023	2022	2021

### RECOMMENDED ON ANNOUNCEMENT

56	39	53
2023	2022	2021

### SCHEMES OF ARRANGEMENT

49	39	48
2023	2022	2021

### AVERAGE OF BID PREMIA (% UNWEIGHTED)

61.0%	50.3%	41.8%
2023	2022	2021

### AVERAGE OF BID PREMIA (% WEIGHTED)

49.5%	39.8%	41.6%
2023	2022	2021

**Click here**

to jump to a summary of the key features of each announced offer set out in a table in the Appendix.

# Introduction (cont'd)

## The impact on the UK public M&A market in 2023 and possible outcomes for 2024

The best way to describe UK public M&A activity in 2023 would be variable. A weak start to the year was followed by an uptick in activity in Q2, a quieter summer and then a surge of activity in Q4 (almost 40% of the firm offers announced in 2023 were announced in Q4). But even with this inflexion point in the final quarter, M&A by value was significantly down on preceding years.

Private equity bidders returned to the market but focused on small to mid-cap opportunities, with only four deals announced that exceeded £1bn. The emphasis on smaller companies was primarily driven by restricted debt markets and the associated increased costs of financing. One of the key drivers for higher activity in 2024 will without doubt be whether the lending markets return, enabling PE to deploy their considerable funds. On that front, there have been some positive signs in recent months and, with further stabilisation of inflation and interest rates, large-scale M&A should follow.

Another theme we expect to carry over from 2023 is increased shareholder engagement. Recent global disruption and the performance and perception of UK equity markets have resulted in traditional valuation metrics being questioned. We expect public company defences and shareholder activism to be major themes in 2024 as bidders return to the markets but valuation gaps remain.

We hope you enjoy the insights and analysis in this publication and, as ever, we would be very happy to discuss any of the topics mentioned.

With very best wishes

## The Ashurst UK Public M&A Team

*“The performance and perception of UK equity markets have resulted in traditional valuation metrics being questioned and we expect bid defences and shareholder activism to be central themes in 2024.”*

Karen Davies, Global Chair

## Ashurst's UK public M&A mandates in Q4

### Renewi

on the unsolicited approaches by Macquarie.

### Equals Group

on its strategic review and possible offers.

### Morgan Stanley

on the offer for Smart Metering Systems by KKR.

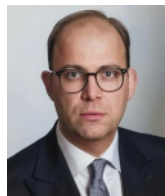
### Cavendish

on the offer for Ten Entertainment by Trive Capital and on the offer for Velocys by a consortium of funds.

# Key contacts



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*“The Ashurst team is very pre-emptive when it comes to advice and the team is particularly commercial.”*

Chambers UK 2024, M&A

## Ashurst's UK public M&A mandates in Q4

### Goldman Sachs

on the offer for OnTheMarket by CoStar.

### RBC

on the offer for The Restaurant Group by Apollo.

### Bank of America

on the offer for Tribal by Ellucian.



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## Overview

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- FCA guidance on the market soundings regime
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# Overview

## Deal volume

Of the deals we reviewed, 2023 saw a decrease in UK public M&A deal volume over the first three quarters of the year, largely as a result of the turbulent economic and political conditions in the UK and globally. However, deal volume increased in Q4, in which 23 firm offers were announced (representing approximately 38% of all firm offers announced during 2023).

In total, 60 firm offers were announced in 2023 compared to 48 firm offers announced in 2022, making it more closely aligned with 2021, in which 61 firm offers were announced, than 2022. Perhaps unsurprisingly in the context of the deal value statistics referred to below, of those firm offers announced in 2023, only 18 were for Main Market companies. A far higher proportion (39) were for AIM companies, with the balance being for unquoted companies (2) and a single firm offer was announced for a company listed on Aquis.

## Deal values

The aggregate value of deals in 2023 was approximately £20.45 billion, which represents a significant decrease of around 53% from £41.35 billion in 2022 (and an even more significant decrease from 2021 aggregate deal values of £61.4 billion). In 2023, there were only 4 firm offers in excess of £1 billion compared with 13 in 2022. The highest value deal of the year was the £4.5 billion offer from EQT and ADIA for Dechra Pharmaceuticals plc.

## Bid consideration

Cash was again the most prevalent form of consideration in 2023, with 51 out of 60 firm offers being solely for cash. The vast majority of the remaining bids were either all-share or cash and share offers.

*“With the traditional debt markets tied up, bidders found innovative new ways to finance bids in 2023”*

Harry Thimont, Partner

## Board recommendation

As is customary in the UK market, the vast majority of bids were recommended by the target board at the time of announcement, with a small number of bids subsequently becoming recommended during the offer process. However, the following four offers were not recommended by the target board on announcement:

- ZQ Capital Management Limited offer for **Allergy Therapeutics plc** (a mandatory offer which was unconditional from the outset).
- AOP Health International Management AG offer for **Shield Therapeutics plc** (a mandatory offer triggered by the conversion of a shareholder loan from AOP into Shield shares).
- Teddy Sagi offer for **Kape Technologies plc**.
- Gerard Lee offer for **Amicrest Holdings plc** (a mandatory offer required following a ruling of the Hearings Committee issued on 16 November 2022).

# Overview

## **Bid premia**

Average bid premia (unweighted) across all firm offers increased from 50.3% in 2022 to 60.97% in 2023.

On a weighted basis, the average of the bid premia on announced bids in 2023 was 49.52% up from 39.82% in 2022.

*“A stagnant IPO market has led to more nuanced deliberations for UK investors struggling to balance portfolios.”*

Nick Williamson, Head of Corporate UK

## **Bid structure**

Consistent with other years and the fact that the vast majority of announced bids were recommended by the target board, schemes of arrangement continue to be the structure of choice in 2023. 49 of the 60 announced bids were structured as schemes of arrangement, with the remaining 11 as takeover offers.

## **Competing bids**

Shortly prior to the end of 2023, a competitive situation arose in relation to Kin and Carta plc with two private equity-backed vehicles, Apax and BC Partners, both vying to acquire the company. In addition, possible competing bidders were identified on the Network International and The Restaurant Group takeovers, as well a series of unidentified possible competing bidders on the offer for Instem. However, in none of these situations did a possible competing bidder become a firm offeror.

## **Break fees and reverse break fees**

Unsurprisingly given the very limited circumstances in which a target company can give a break fee, none were given in 2023.

In addition, the only reverse break fee was agreed on the all-share offer by Belluscura for TMT Acquisition.

## **Irrevocable undertakings**

As is customary, irrevocable undertakings were given by directors who hold shares on 57 bids. Non-director shareholders also gave irrevocable undertakings on 43 bids, of which 10 contained matching and/or topping rights (representing approximately 17% of all firm offers announced in 2023).

## **Formal sale processes**

A number of formal sale processes, whether as part of a strategic review or on a standalone basis, were announced in 2023, though only one process resulted in the announcement of a firm offer, namely the offer by Prax Exploration & Production PLC for Hurricane Energy plc.

Although Teddy Sagi's offer for the Best of the Best was not a result of a formal sale process, the company had nevertheless commenced such a process in June 2020 but brought it to a close in February 2021.

*“We expect an increase in target-led sales processes in 2024, driven by the ongoing perception of undervaluation.”*

James Fletcher, Partner

# News digest

## Panel launches digital Code

On 11 October 2023, the Panel launched a digital version of the Code. The new website functionality includes (i) the ability to navigate between provisions of the Code; (ii) pop-up boxes for defined terms; and (iii) tabs linking the Rules with the related Practice Statements.

## Panel response statement on amendments to Rule 21 (restrictions on frustrating action) and other matters (RS 2023/1)

On 27 October 2023, the Panel published its response statement to PCP 2023/1, a consultation in relation to Rule 21 (restrictions on frustrating action) and other matters, which was published on 15 May 2023.

The proposed amendments – which are summarised in detail in the [Ashurst Q2 2023 Public M&A Update](#) – include the following:

- Target boards will be given more flexibility to take actions deemed to be in the ordinary course or not to be material (with the exception of share issuances where there will not be a materiality threshold), without the need for a separate shareholder vote.
- The time period under which Rule 21.1 restrictions apply will run from the earlier of (a) an approach, and (b) the beginning of the offer period; until (i) the end of the offer period, or (ii) 5:00 pm seven days following an unequivocal rejection by the target board.

- Competing bidders will no longer need to make specific or daily information requests. All information provided to one party will, on request, need to be provided in full to a competing bidder. Such requests will remain open for seven days.

The Panel noted that respondents were generally supportive of the proposals and the amendments proposed were adopted subject to certain modifications. The Panel also provided additional guidance in the form of new Practice Statement No 34.

The amendments to the Code took effect on 11 December 2023 and applied from that date to all companies and transactions, including those which straddled the implementation date, except where to do so would give the amendments retroactive effect.

*“Whilst the direction of travel is clear – tighter and more detailed drafting in the Code – recent changes have shown the Panel remains focused on efficiencies and reflecting market practice.”*

Jade Jack, Senior Adviser, Public M&A



# News digest

## **Revised Practice Statement No 5 in relation to Rule 13.5 (invoking conditions and pre-conditions)**

Also on 27 October 2023, the Panel published an amended Practice Statement No 5, which broadly reflected, and in places clarified, the Panel's approach to the interpretation and invocation of conditions to an offer (previously set out in PCP 2020/1 and RS 2020/1, which covered conditions to offers and the offer timetable).

The proposed amendments – which are summarised in detail in the [Ashurst Corporate Update](#) published on 30 October 2023 – include the following:

- Revised breakdown of the different categories of condition including separate categories to cover long-stop dates and bespoke conditions.
- Further detail around factors the Panel will take into account when considering conditions, in particular "phase 2" reference conditions.
- Confirmation that "phase 2 clearance" or so-called "sweeper" conditions, whereby the bidder includes a condition in relation to a clearance being obtained at the conclusion of a phase 2, or equivalent, reference, will not prejudice a bidder's ability to invoke the original phase 2 reference condition.
- Guidance on the Panel's approach to long-stop dates.

The guidance was welcome and the drafting broadly consistent with our experience, including our role advising Moss Bros Group on the well-publicised Panel ruling that Brigadier could not invoke MAC conditions in relation to the COVID-19 pandemic.

## **Amendments to Note 18 on Rule 9.1 of the Code**

On 18 December 2023, the Panel confirmed minor amendments to Note 18 on Rule 9.1 of the Code to reflect the changes made by regulation 2 of The Resolution of Central Counterparties Regulation 2023. A new paragraph (b) was introduced which disappplies Rule 9.1 in relation to any change in interests in shares, or other transaction, which is effected by the use of "CCP resolution tools, powers and mechanisms" such as the exercise by the Bank of England of a stabilisation power.

The changes came into effect on 31 December 2023, although hard copies of the Code have not been updated for this change.

# News digest

## Hearings Committee Ruling on offer by Costar for OnTheMarket

On 1 December 2023, the Panel published Panel Statement 2023/13 which set out the Ruling of the Chairman of the Hearings Committee, in relation to the takeover offer for OnTheMarket plc (**OTM**) by CoStar Group Inc (**CoStar**).

By way of background, on 19 October 2023, CoStar announced a recommended cash offer for OTM. The shareholders' meetings to vote on the acquisition were scheduled to be held on 4 December 2023. OTM was an AIM listed, UK residential and commercial property portal. The majority of OTM's share capital was owned by estate agents who had acquired shares with the agreement of OTM at the time of entering into contracts with OTM to list properties on the portal.

A third party, Mr Stone, requested the Hearings Committee be convened to review certain rulings made, or at least anticipated to be made, by the Panel Executive, in relation to the offer. Mr Stone was not a party to the offer nor did he own any shares in OTM.

The Chairman rejected Mr Stone's request on the basis that, as he was neither a party to the offer nor did he hold any shares in OTM, he did not have sufficient standing within the Hearings Committee Rules of Procedure to request that the Hearings Committee be convened.

Unusually, however, despite the dismissal, the Chairman went on to address the objections raised by Mr Stone. These were primarily that the bid contravened General Principles 1(1) and 2(1) of the Code.

General Principle 1(1) states that: All holders of the securities of an offeree company of the same class must be afforded equivalent treatment.

General Principle 2(1) states that: The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the takeover bid.

Having considered the objections, the Chairman concluded that Mr Stone had not made out an arguable case that the Code had been contravened in either case.

With regard to his objection under General Principle 1(1), the Chairman ruled that there was a difference in principle between rights attaching to shares and other rights granted to agents as part of a package of contractual arrangements that included the issue of shares. As such, the Executive was correct to conclude that an offer of 110 pence to all shareholders gave effect to General Principle 1(1).

With regard to the objection under General Principle 2(1), the Chairman ruled that Mr Stone had no reasonable prospect of satisfying the Committee that either the timing of the offer or the information supplied to the shareholders gave rise to a contravention of the principle.

# News digest

## **FCA guidance on the market soundings regime**

During a public takeover, it is often customary to take market soundings from investors to help gauge interest in the offer before its announcement. On 31 October 2023, the FCA published Market Watch 75. In this edition, the FCA shared certain observations about market soundings and provided useful guidance on what firms can do to minimise the risks of insider dealing and unlawful disclosure. The edition focused, in particular, on minimising delays between approaching a recipient and disclosing the information to said recipient, given the possibility of the recipient identifying the relevant stock on approach.

## **Publication of draft Public Offers and Admissions to Trading Regulations published and laid before Parliament**

On 27 November 2023, the draft Public Offers and Admissions to Trading Regulations 2023 (the **POAT Regulations**) were published and laid before Parliament, together with a draft Explanatory Memorandum. The POAT Regulations create a new regulatory framework for the offering of securities to the public and admission of securities to trading in the UK, replacing the EU-derived UK Prospectus Regulation.

The new regime will not come into force until the FCA has consulted on and finalised changes to its rules. Following on from the series of FCA Engagement Papers, the FCA is aiming to progress to a formal consultation in summer 2024.

Further information on this matter can be found in the [Ashurst Corporate Update published on 1 December 2023](#).

## **2023 year in review: looking back at Q1-Q3**

The following topics were covered in the News Digest section of our Q1 2023 publication, a copy of which can be found [here](#):

- Publication of revised Takeover Code
- Response Statements to PCP 2022/3 and PCP 2022/4
- FCA Primary Market Bulletin 44
- Panel personnel update

The following topics were covered in the News Digest section of our Q2 2023 publication, a copy of which can be found [here](#):

- Publication of revised Takeover Code
- PCP 2023/1
- National Security and Investment Act updated market guidance notes
- FCA publishes engagement papers relating to the new public offers and admissions to trading regime
- Climate change and directors duties: ClientEarth v Shell
- Panel personnel update

# News digest

The following topics were covered in the News Digest section of our Q3 2023 publication, a copy of which can be found [here](#):

- The Panel's 2023 Annual Report and Accounts
- The Public Offers and Admissions to Trading Regulations 2023
- The National Security and Investment Act 2021 Annual Report



# Practice Statements

The following Practice Statement was **issued** by the Panel during 2023:

Number	Issue date	Subject	Last amended
34	11/12/23	Rule 21.1 – Restriction on actions by the board of the offeree company	As issued

The following Practice Statements were **amended** by the Panel during 2023:

Number	Issue date	Subject	Last amended
2	12/02/04	Rule 21.3 – Site visits and meetings with management	11/12/23
5	28/04/04	Rule 13.5 – Invoking conditions and pre-conditions	27/10/23
20	07/03/08	Rule 2 – Secrecy, possible offer announcements and pre-announcement responsibilities	11/12/23
22	10/07/08	Irrevocable commitments, concert parties and related matters	22/05/23
25	17/06/09	Debt syndication during offer periods	11/12/23
26	09/09/09	Shareholder activism	11/12/23
28	14/11/14	Rules 2.8 and 35.1 – Entering into talks during a restricted period	22/05/23
29	08/10/15	Rule 21.2 – Offer-related arrangements	11/12/23
30	08/10/15	Rule 21.3 – Information required for the purpose of obtaining regulatory consents	11/12/23
31	07/07/17	Strategic reviews, formal sale processes and other circumstances in which a company is seeking potential offerors	11/12/23
33	13/06/22	Purchases of shares in the offeree company by an offeror during the offer period	22/05/23

The following Practice Statement was **withdrawn** by the Panel during 2023:

Number	Issue date	Subject	Last amended
32	08/01/18	Rule 21.1 – Application following the unequivocal rejection of an approach	11/12/23

# Panel Statements

The following Panel Statements were **issued** by the Panel during 2023 – in reverse chronological order:

Number	Date	Subject	Summary
<a href="#">2023/16</a>	18/12/23	Central counterparty recovery and resolution	Publication of Instrument 2023/4
<a href="#">2023/15</a>	11/12/23	Fourteenth edition of the Takeover Code and amended Practice Statements	Publication of new edition of the Takeover Code
<a href="#">2023/14</a>	08/12/23	FireAngel Safety Technology Group plc	Offer timetable suspended
<a href="#">2023/13</a>	01/12/23	OnTheMarket plc	Ruling of the Chair of the Hearings Committee
<a href="#">2023/12</a>	27/10/23	Practice Statement No 5	Publication of amended Practice Statement No 5
<a href="#">2023/11</a>	27/10/23	Restrictions on frustrating action	Publication of RS 2023/1 (Rule 21 (Restrictions on frustrating action) and other matters) and amendments to the Code
<a href="#">2023/10</a>	11/10/23	Takeover Code website	Launch of new Takeover Code website
<a href="#">2023/9</a>	13/07/23	2023 Annual Report	Publication of the Panel's Annual Report
<a href="#">2023/8</a>	06/06/23	Panel Executive appointment	New Secretary for the Takeover Panel
<a href="#">2023/7</a>	15/05/23	Publication of PCP 2023/1	Public Consultation Paper: Review of Rule 21 (Restrictions on frustrating action) and other matters
<a href="#">2023/6</a>	21/04/23	New Panel Member	Panel appointment
<a href="#">2023/5</a>	04/04/23	Amendments to the Takeover Code	Publication of Response Statements and Instruments: (1) The offer timetable in a competitive situation and (2) Miscellaneous Code amendments
<a href="#">2023/4</a>	23/03/2023	Dignity plc	Offer timetable suspended
<a href="#">2023/3</a>	20/02/23	Revised Takeover Code and withdrawal of Practice Statement No 12	Publication of a revised version of the Takeover Code and withdrawal of Practice Statement No 12
<a href="#">2023/2</a>	26/01/23	New Panel Member	Panel appointment
<a href="#">2023/1</a>	26/01/23	Director General	Secondment of the Director General extended

# Appendix

Key features of firm offer  
announcements

**Ashurst**

Q4 Announced UK  
takeover bids



# Q4 Announced UK takeover bids

(1 October to 31 December 2023)

Target (Market)	Bidder(s)	Bid value	Bid premium**	Recommended	Hostile/No Recommendation	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements□	Formal sale process	Non-solicit undertaking of bid in shareholder	Matching/Topping rights****	Shareholder vote	Profit forecast/Q/FBS
Sopheon plc (AIM)	Wellspring Worldwide Inc.	£115m	104%	•			•						•	N,C		•			
Shanta Gold Limited (AIM)	ETC Holdings (Mauritius) Limited	£141.95m	6.72%	•			•						•	N,C					
Kin and Carta plc (Main Market)	BC Partners LLP	£239m	66.7%	•			•						•	N,C		•	•		
Impellam Group plc (AIM)	HeadFirst Global B.V.	£483.2m	154.6%	•						• 12			•	N,C					
Smart Metering Systems plc (AIM)	Kohlberg Kravis Roberts & Co. L.P.	£1.3bn	40.4%	•			•						•	N,C					• 11
Ten Entertainment Group plc (Main Market)	Trive Capital Partners LP	£287m	33.1%	•			•						•	N,C					
Velocys plc (AIM)	Fund advised by Lightrock, fund advised by Carbon Direct Capital, GenZero and Kibo Investments	£4.1m	NP	•			•						•	N,10 C					
Holdings Technology plc (AIM)	Concert party comprising Rudolf Weinreich, Victoria Blaisdell, Irene Weinreich and Amanda Stavri	£970,000	10.26%	•			•				•								
Forward Partners Group plc (AIM)	Molten Ventures plc	£41.4m	-7.3% <sup>8</sup>	•				L,9					•	N,C					
Rotala plc (AIM)	Management team	£23.5m	51.2%	•			•						•				•		
DX (Group) plc (AIM)	H.I.G. European Capital Partners LLP	£314.8m	32.9%	•			•						•	N,C		•			

# Q4 Announced UK takeover bids

(1 October to 31 December 2023)

Target (Market)	Bidder(s)	Bid value	Bid premium**	Recommended	Hostile/No Recommendation	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements□	Formal sale process	Non-solicit undertaking of bid in shareholder	Matching/Topping rights****	Shareholder vote	Profit forecast/Q/FBS
Hotel Chocolat Group plc (AIM)	Mars, Incorporated	£534m	169.8%	•						•6			•	N,C,7					
The City Pub Group plc (AIM)	Young & Co.'s Brewery, PLC	162m	46%	•						•5			•	N,C		•	•		
TMT Acquisition plc (Main Market)	Belluscura plc	£5.78m	23.53%	•				L			•			N			•		
FireAngel Safety Technology Group plc (AIM)	Siterwell Electronics Co., Ltd	£27.68m	252.38%	•			•				•			N					
ScS Group plc (Main Market)	Poltronesofà S.p.A.	£99.39m	66%	•			•						•	N,C					
OnTheMarket plc (AIM)	CoStar Group, Inc.	£99m	56%	•			•						•	N			•		•4
Kin and Carta plc (Main Market)	Apax Partners LLP	£220.3m	41%	•			•						•	N,C					
Allergy Therapeutics plc (AIM)	ZQ Capital Management Limited	£47.91m	-84% <sup>2</sup>		•3		•				•			N					
The Restaurant Group plc (Main Market)	Apollo Global Management, Inc.	£506m	34%	•			•						•	N,C					
STM Group plc (AIM)	PSF Capital Reserve L.P.	Up to £39.8m	144%	•						•1			•	N					
Tribal Group plc (AIM) (lapsed)	Ellucian Company L.P.	£159.5m	41.49%	•			•						•	N			•		
Smoove plc (AIM)	PEXA Group Limited	£30.8m	63.3%	•			•						•	N,C					

# Q4 Announced UK takeover bids

## Key and footnotes

Key	
*	This table includes details of takeovers, set out in chronological order, in respect of which a firm intention to make an offer has been announced under Rule 2.7 of the Code during the period under review (including any offers which subsequently lapsed or were withdrawn). It excludes offers by existing majority shareholders for minority positions.
**	Premium of the offer price over the target's share price immediately prior to the commencement of the relevant offer period
***	Standard 90% (waivable) acceptance condition, unless otherwise stated
****	In shareholders' irrevocable undertakings (unless indicated otherwise)
□	Permitted agreements under Rule 21.2 of the Code
A	AIM traded shares
C	Co-operation agreement
F	Break fee given under formal sale process or white knight dispensation
L	Listed/traded shares
N	Confidentiality agreement
NP	No premium given in offer documentation or nil premium
R	Reverse break fee
U	Untraded shares
B	Bidder shareholder approval
T	Target shareholder approval

1. Cash and CVRs
2. Discount
3. No recommendation
4. Profit forecast
5. Cash and shares
6. Cash and unlisted securities alternative
7. + Confidentiality and joint defence agreement
8. Discount
9. New shares
10. Separate confidentiality agreement with each bidder
11. Profit forecast
12. Mix of cash and loan notes

Q3 Announced UK  
takeover bids

# Q3 Announced UK takeover bids

(1 July to 30 September 2023)

Target (Market)	Bidder(s)	Bid value	Bid premium**	Recommended	Hostile/No Recommendation	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements□	Formal sale process	Non-solicit undertaking of bid in shareholder	Matching/Topping rights****	Shareholder vote	Profit forecast/Q/FBS
<b>Hambleton Vineyard plc (Unquoted)</b>	Berry Bros. & Rudd Limited Atlantis Wine Holdings Limited	£22.3m	NP <sup>1</sup>	•			•				•			N <sup>2</sup>					
<b>Finsbury Food Group plc (AIM)</b>	DBAY Advisors Limited	£143.4m	23.6%	•			•	•U <sup>3</sup>					•	N/C					
<b>Round Hill Music Royalty Fund Limited (Main Market)</b>	Alchemy Copyrights, LLC	US\$468.8 m (approx £375.6m)	67.3%	•			•		• <sup>4</sup>				•	N <sup>5</sup>					
<b>Ergomed plc (AIM)</b>	Permira Advisers LLP	£703.1m	28.3%	•			•	•U <sup>6</sup>					•	N/C					• <sup>7</sup>
<b>Instem plc (AIM)</b>	ARCHIMED SAS	£203m	41%	•			•						•	N/C <sup>8</sup>					• <sup>9</sup>
<b>Osirium Technologies plc (AIM)</b>	Sailpoint Technologies, Inc.	£3.11m	95.83%	•			•						•	C <sup>10</sup>					
<b>Blancco Technology Group plc (AIM)</b>	Francisco Partners Management, L.P.	£175m	24.6%	•			•				•			N			•		
<b>DWF Group plc (Main Market)</b>	Inflexion Private Equity Partners LLP	£342m	52.7%	•			•	•U <sup>11</sup>	• <sup>12</sup>				•	N/C					
<b>Gresham House plc (AIM)</b>	Searchlight Capital Partners, L.P.	£469.8m	63%	•			•						•	N/C <sup>13</sup>			•		
<b>Yourgene Health plc (AIM)</b>	Novacyt S.A.	£16.7m	167.7%	•			•						•	N			•		• <sup>14</sup>

# Q3 Announced UK takeover bids

## Key and footnotes

Key	
*	This table includes details of takeovers, set out in chronological order, in respect of which a firm intention to make an offer has been announced under Rule 2.7 of the Code during the period under review (including any offers which subsequently lapsed or were withdrawn). It excludes offers by existing majority shareholders for minority positions.
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C	Co-operation agreement
F	Break fee given under formal sale process or white knight dispensation
L	Listed/traded shares
N	Confidentiality agreement
NP	No premium given in offer documentation or nil premium
R	Reverse break fee
U	Untraded shares
B	Bidder shareholder approval
T	Target shareholder approval

1. Target shares unquoted.
2. + Rule 15 waiver agreement and other transactions linked to the offer.
3. Unlisted securities alternative.
4. Current dividend plus special dividend payment (if declared).
5. + Investment management agreement deed of termination.
6. Unlisted securities alternative.
7. Profit forecast.
8. + Clean team agreement.
9. Profit forecast.
10. + Cost coverage agreement, bridge finance facility and Rule 15 waiver and redemption agreements.
11. Partial securities alternative comprising loan notes or unlisted preference shares.
12. Special dividend payment.
13. + Joint defence agreement.
14. Profit forecast.

Q2 Announced UK  
takeover bids

# Q2 Announced UK takeover bids

(1 April to 30 June 2023)

Target (Market)	Bidder(s)	Bid value	Bid premium**	Recommended	Hostile/No Recommendation	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements□	Formal sale process	Non-solicit undertaking of bid in shareholder	Matching/Topping rights****	Shareholder vote	Profit forecast/Q/FBS
Lookers plc (Main Market)	Alpha Auto Group Holdings LP	£465.4m	35.3 %	•			•						•	N/C					
Best of the Best plc (AIM)	Teddy Sagi	£45.3m	-3.6 %	•1		•2	•				•3			N		•4			
Network International Holdings plc (Main Market)	Brookfield Business Partners L.P. and Brookfield Asset Management Ltd.	£2.2bn	64 %	•			•						•	N/C 5					
National Milk Records plc (AQSE Growth Market)	Associated British Foods plc	£48m	87 %	•			•						•	N/C					
Dechra Pharmaceuticals plc (Main Market)	EQT Fund Management S.à r.l. and Abu Dhabi Investment Authority	£4.5bn	44 %	•			•						•	N/C 6					•7
CT Property Trust Limited (Main Market)	LondonMetric Property plc	£198.6m	34.3 %	•				•L	•8				•	N			•		
Egdon Resources plc (AIM)	HEYCO Energy Group, Inc.	£26.64m	96 %	•			•						•	N/C 9					
Civitas Social Housing plc (Main Market)	CK Asset Holdings Limited	£485m	44.4 %	•			•		•10		•11			N					
Shield Therapeutics plc (AIM) (Lapsed)	AOP Health International Management AG	£46.1m	-13.3 %		•12	•	•				•13			•14					•15
Numis Corporation plc (AIM)	Deutsche Bank AG	£410m	72 %	•			•		•16				•	N/C		•17			
Medica Group plc (Main Market)	IK Investment Partners Limited	£269m	32.5 %	•			•						•	N/C					•18
Sureserve Group plc (AIM)	Cap10 Partners LLP	£214.1m	38.9 %	•			•						•	N19		•20			
Industrials REIT Limited (Main Market)	Blackstone Inc.	£511.2m	42.4 %	•			•						•	N/C					
Xpediator plc (AIM)	Funds advised by BaltCap, Cogels Investments Limited and Nuoma IR Kapitalas	£62.34m	45.5 %	•			•		•21				•	N/C 22		•23			•24
The Fulham Shore plc (AIM)	TORIDOLL Holdings Corporation	£93.4m	34.8 %	•			•		•25				•					•T 26	



# Q2 Announced UK takeover bids

## Key and footnotes

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L	Listed/traded shares
N	Confidentiality agreement
NP	No premium given in offer documentation or nil premium
R	Reverse break fee
U	Untraded shares
B	Bidder shareholder approval
T	Target shareholder approval

1. Recommended offer even though financial terms deemed not fair and reasonable.
2. Rule 9 offer triggered by market purchases subsequent to Rule 2.7 announcement.
3. 50% +1 mandatory offer condition.
4. Non-solicitation undertaking in respect of other offers for all or a majority of shares or any competing transaction.
5. + Reverse confidentiality agreement and joint defence agreement. Bid parties also entered into bid conduct and interim combination agreements.
6. + Joint defence agreement and commercial clean team agreement. Bid parties also entered into exclusivity and standstill agreement, and bid conduct agreement.
7. Profit forecast.
8. Dividend payment.
9. + Cost coverage agreement.
10. Dividend payment.
11. 75% (waivable to not less than 50% + 1). Waived down to 50% + 1 and declared unconditional.
12. Shareholders recommended not to accept but not hostile. Mandatory offer was triggered by conversion of convertible shareholder loan facility.
13. 50% + 1.
14. Relationship agreement.
15. Profit forecast.
16. Dividend payment.
17. Non-solicitation undertaking in respect of other offers for any shares or other securities.
18. Profit forecast.
19. + Share schemes side letter.
20. Non-solicitation undertaking in respect of other offers/schemes.
21. Dividend payment and loan note alternative.
22. + Bid parties entered into subscription and rollover agreement and bid conduct agreement.
23. Non-solicitation and notification undertaking in respect of other offers.
24. Profit estimate.
25. Deferment note in place for a director shareholder.
26. Retention arrangements for a director-shareholder.

Q1 Announced UK  
takeover bids

# Q1 Announced UK takeover bids

(1 January to 31 March 2023)

Target (Market)	Bidder(s)	Bid value	Bid premium**	Recommended	Hostile/No Recommendation	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements□	Formal sale process	Non-solicit undertaking of bid in shareholder	Matching/Topping rights****	Shareholder vote	Profit forecast/QFBS
ECSC Group plc (AIM)	Daisy Corporate Services Trading Limited	£5.4m	170.1%	•			•						•	•1			•		•2
Amicrest Holdings plc (Unquoted)	Gerard Lee	£3.37m	NP		•3	•	•				•4								
Genkos Securities plc (AIM)	finnCap Group plc	£21.1m	NP	•				•A	•5				•	•C				•B,6	
Hurricane Energy plc (AIM)	Prax Exploration & Production PLC	Up to £249m	84% (assuming maximum bid value)	•			•		•7				•	•8	•				
Hyve Group plc (Main Market)	Providence Equity Partners L.L.C. Searchlight Capital Partners UK LLP	£320m	40.8%	•			•						•	•C					
Redx Pharma plc (AIM) (Lapsed)	Jounce Therapeutics, Inc.	Approx US\$101.7m (£84.4m)	NP	•				•L	•9				•	•C, 10				•11	
Kape Technologies plc (AIM)	Teddy Sagi	US\$1.58bn (£1.27bn) (increased and final offer)	14.7% (based on announcement exchange rate)		•		•				•12			•13					
AdEPT Technology Group plc (AIM)	Macquarie Group Limited	£50.3m	74.8%	•			•						•	•C					
7digital Group plc (AIM)	Songtradr, Inc.	£19.4m	114%	•			•						•	•C, 14					
Dignity plc (Main Market)	SPWOne V Ltd, Castelnau Group Limited and Phoenix Asset Management Partners Limited	£281m	29.3%	•		•15	•	•L,U		•16			•	•17					•18
Seraphine Group plc (Main Market)	Mayfair Equity Partners LLP	£19.4m	114%	•			•				•		•						•19
Curtis Banks Group plc (AIM)	Nucleus Financial Platforms Limited	£242m	32.1%	•			•						•	•C			•		

# Q1 Announced UK takeover bids

## Key and footnotes

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NP	No premium given in offer documentation or nil premium
R	Reverse break fee
U	Untraded shares
B	Bidder shareholder approval
T	Target shareholder approval

1. Service agreement bonus.
2. Profit forecast.
3. No recommendation.
4. 50%+1.
5. Dividend payment.
6. Allotment and issue of consideration shares.
7. Dividend payment and contingent value right
8. Parent company guarantee.
9. Contingent value right.
10. + Joint defense agreement.
11. Allotment and issue of consideration shares.
12. 70%.
13. Partial release from standstill undertakings in NDA.
14. Repayment agreement in relation to shareholder loans.
15. Market purchases triggering Rule 9 offer obligation.
16. 75% (automatically waived down to 50%+1 following Rule 9 offer being triggered).
17. Share schemes letter.
18. Profit estimate.
19. Profit forecast.

# Ashurst



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