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UK Public M&A: The Month in a Minute

September Review

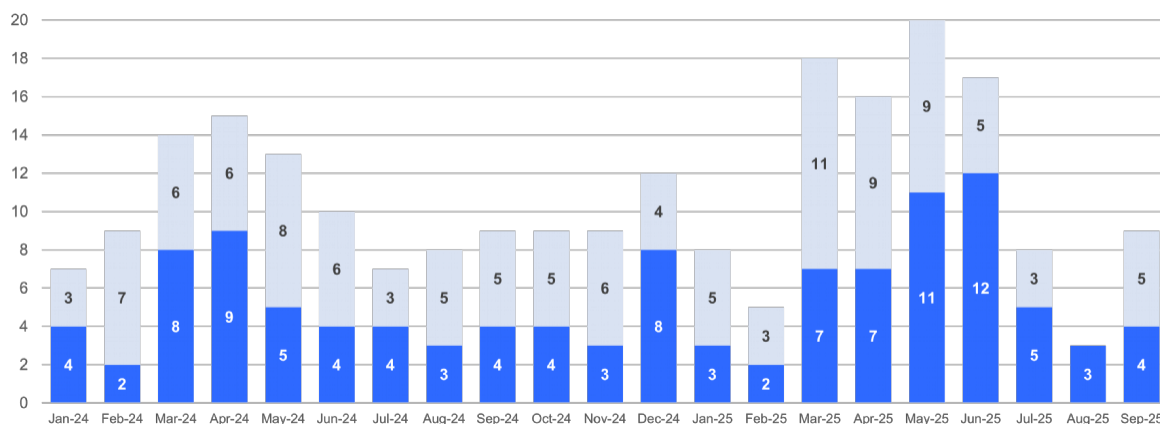
'Spurs reject bids as private equity and strategic reviews dominate September activity'

- Private equity bidders emerged as the most active from the summer break, with three of the four offers announced in September being made by private equity sponsors.
- Strategic reviews were the flavour of the month, with one-third of September announcements commencing an offer period relating to strategic reviews or formal sale processes (IQE, Spire and Aferian).
- JTC courted interest from Permira and Warburg Pincus, which could continue the bout of competitive situations seen earlier in the summer (Blackstone vs BBOX for Warehouse REIT, Primary Health Properties vs KKR for Assura plc). Either offer could be the fifth billion-pound P2P announced this year, a much-needed boost to the upper-end of the market, chasing down eight such deals from last year.
- Tottenham Hotspur has been the subject of media attention, having received unsolicited offers from three different bidders (PCP International, Firehawk Holdings and a consortium led by Brooklyn Earick). Spurs unequivocally rejected the approaches. Spurs is not LSE listed; it remains subject to the Code since its delisting from AIM as it utilises the matched bargain facility, Asset Match, to allow shareholders to trade its shares.

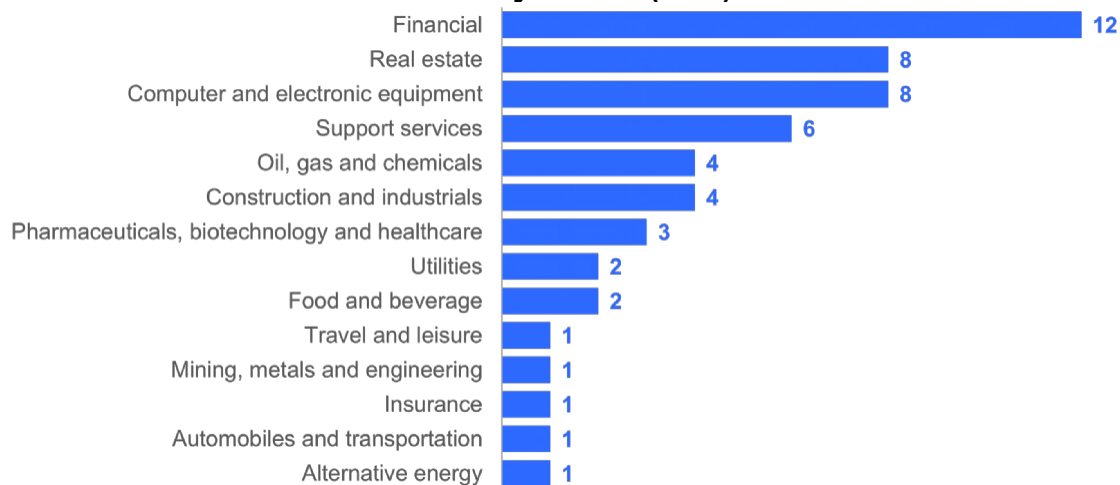


The September Data

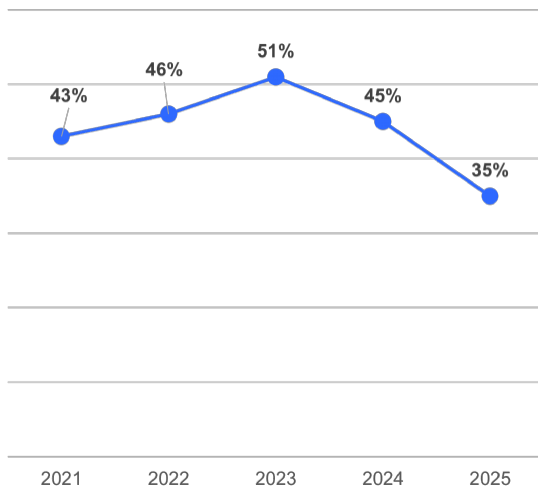
Offers Announced



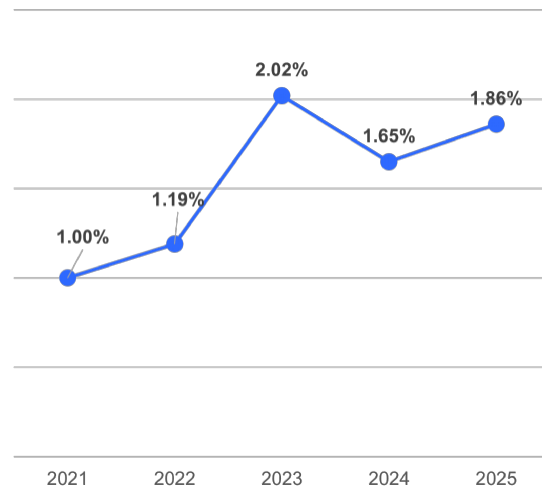
Offers by Sector (YTD)



Bid Premia



Financial Advisor Fees (% deal value)



What's Happened

Sidara offer for John Wood Group plc ("JWG")

JWG announced that it had received an unsolicited proposal from Sidara in May 2024, which was eventually followed by a recommended firm offer at the end of August 2025. A lot happened in the intervening 15 months. JWG's shares are currently suspended, and the final offer price is 30p per share compared to the 230p discussed last year. Notably, in light of JWG's financial position the Panel has allowed a number of bid conditions which are "*highly unusual for a transaction that is subject to the Code*". The Panel has also "*exceptionally agreed*" that Sidara does not need the consent of the Panel to invoke any of these exceptional conditions, nor will Sidara need to show that the non-performance of such conditions is of "*material significance*" to it.

Stub Equity

The prevalence of stub equity alternatives - which led the Panel to issue Practice Statement 36 over the summer - continues. The offer by Harwood Private Equity for Frenkel Topping adopts a particularly novel approach, comprising a cash offer with a Contingent Value Right (but also providing an alternative offer comprising a mix of cash, loan notes, ordinary shares and preference shares).

Alabama Bidco's successful unconditional contractual offer for Anexo included a loan note with a stub equity alternative. However, in conjunction with the takeover offer, Anexo also announced a tender offer to return cash to its shareholders. The Panel agreed that DBAY Advisors and Anexo's founders should be treated as joint bidders, with the effect that the rules prohibiting special deals with the founder shareholders (which are not open equally to all shareholders) did not apply.

Strategic leaks

Since the FCA issued a warning in March about strategic leaks and unlawful disclosure in the context of live M&A transactions, see [Primary Market Bulletin 54](#), the ratio of possible offer announcements to firm offer announcements has fallen. The statistics are a very crude indicator, but the highlighted risk of a potential market abuse investigation does at least appear to have had some effect.



Looking Ahead

Opportunities:

It was widely reported in September that a hedge fund, Irenic Capital Management, was pushing for a takeover of FTSE 250 fast food group **SSP**. A deal could value SSP at significantly above its market capitalisation. SSP has steady revenues, the opportunity for expansion, and assets which could be spun out.

According to a report by ION Analytics **Foresight Group's** management team is considering a potential sale of the London-listed infrastructure and renewables investment manager. Foresight Group is currently a constituent of the FTSE 250.

Shares in **Hilton Foods**, the meat and ready-meals provider, dropped around 20% in recent weeks and are considered to be trading lower than its peer group. There is a trend for consolidation amongst meat and consumer food products businesses amid inflation pressures.

Spire Healthcare, the UK-listed hospital group, appointed Rothschild & Co as its lead financial advisor to explore strategic options including a potential sale. The Financial Times reported that investors including Toscafund, Harwood Capital and Achilles are pushing for Spire to be sold at a price of at least 340p per share, taking the value of a potential deal to over £1 billion.

Predictions for October:

We wait to see if Exponent Private Equity backed Natara's improved offer is sweet enough for Treatt shareholders. Aroma ingredients specialist Natara announced a recommended cash offer of 260p per share for flavour and fragrance producer Treatt on 8 September. Natara increased its offer on 6 October by 12% to 290p per share valuing Treatt at approx. £174m. The uplift follows an announcement by natural ingredients producer Döhler that it is not considering an offer for Treatt, but it has acquired an additional 7% stake bringing its holding in Treatt to just over 10%.



P2P Financing

The outlook for financing P2P transactions in the European markets is more promising. The bond market is open for business and demand in both the syndicated and private credit loan markets exceeds the supply of M&A. This was reflected in the only P2P financing deal which came to market in September, a £1.5 billion equivalent loan (borrowed in Euros and Dollars) to finance KKR's acquisition of Spectris plc.

Demand was sufficiently high that the commitment deadline for the €975 million Euro portion was accelerated and final pricing of Euribor +325 basis points at par, was inside initial price talk of Euribor + 350 basis points with an Original Issue Discount of 99.5-99.75. Price guidance on the \$900 million dollar portion was lowered to SOFR + 275-300 basis points, from SOFR +325. The deal, which had been heavily pre-marketed, is likely to have been assisted by the size of the equity cheque written by KKR, which was reported to be £3.6 billion.

The Spectris loan was underwritten by Credit Agricole, JP Morgan, Jefferies and KKR's own credit fund. The Term Sheet disclosed by KKR provides extensive flexibility under the covenants for Spectris to incur additional debt and make payments to its shareholders provided certain leverage thresholds are met, and generous 'freebie' baskets even if they are not.

A key area of focus for lenders is blocking potential routes for borrowers to carry out so-called "Liability Management Exercises", which have included the removal of key assets from borrower groups or the addition of priority debt to the structure without the consent of existing lenders. It has been reported that a J. Crew blocker and a Chewy blocker, both designed to prevent the leakage of asset collateral, were added to the

Spectris documents during syndication. However, the overall market environment continues to favour borrower-friendly financing terms.



Equity Capital Markets

UK IPO activity burst back to life in September and October. On 8 September, **The Beauty Tech Group** announced its expected intention to float (EITF) on the main market of the LSE with the IPO completing in early October. **Princes Group** and **Shawbrook Group** announced their EITFs on 3 and 6 October, respectively. More on these deals will be included in our October update. Other recent main market transactions included the large cap direct listings of **Metlen** and **Fermi**.

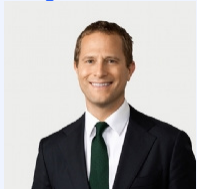
The Beauty Tech Group plc (TBTG), a UK-headquartered business focused on the at-home beauty technology market, announced its ITF on 15 September, pursuing a partially underwritten institutional offer alongside an intermediaries offer coordinated by RetailBook, and a listing in the equity shares (commercial companies) (ESCC) category. The IPO comprised a primary and secondary offering, targeting a free float of c. 35.5%. Net primary proceeds of c. £28.3m are intended to repay c. £22.5m of bank debt and fund transaction costs. Admission occurred on 8 October, with an offer price of 271p per share, at the middle of the 251p to 291p price range. The market capitalisation (based on the offer price) was c. £300m. Net secondary proceeds were c. £72.9m.

Metlen Energy & Metals PLC (Metlen), a global industrial and energy company, completed a direct listing (introduction) on 4 August in the ESCC category following its voluntary share exchange offer for Metlen Energy & Metals S.A. (Metlen SA). The indicative market capitalisation on admission was c. €6.7bn (c. £5.7bn) based on the ATHEX market cap of Metlen S.A. on 26 June 2025. Although Metlen intends to comply with the UK Corporate Governance Code from Admission, there will be an initial period where the roles of executive chair and CEO will be combined. Metlen entered into a relationship agreement with the executive chair and CEO, who is expected to hold c. 21.6% post-admission. A secondary listing on ATHEX also took place.

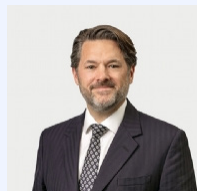
Fermi Inc., a data centre real estate investment trust co-founded by former US energy secretary Rick Perry, announced in late September its intention to pursue a secondary listing on the LSE's main market alongside its primary Nasdaq listing. The US all primary IPO priced at \$21 and completed on 1 October, with LSE admission becoming

effective on 2 October. Fermi's market capitalisation on admission was c. \$12.45bn (c. £9.2bn), with the free float expected to exceed 10%. As a secondary listing, Fermi will not be eligible for inclusion in FTSE UK indices. Net primary proceeds of the IPO (c. \$635.7m / c. £469.7m) are intended for general corporate purposes and potential future acquisitions / investments in technology, solutions and businesses that complement its business.

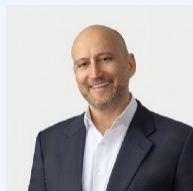
Key Contacts



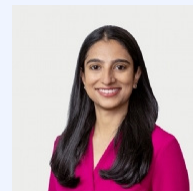
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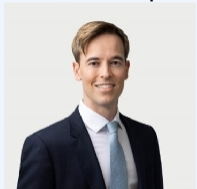
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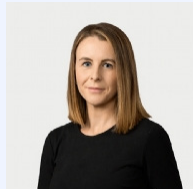
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