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UK PUBLIC M&A

The Month in a Minute

GIBSON DUNN

The rainmakers have been in action. No deal drought here. Bidders ABB, OCS, ECP and KKR spell out a busy summer.

July 2026 Review

Share

KEY TAKEAWAYS

- July saw nine announced UK Code deals, including two offers over £3 billion, a hostile bid, a competing bid and a reverse takeover.
- Talks involving SEGRO and easyJet continued, with Prologis announcing a £14.3 billion recommended offer for SEGRO after month end on 4 August and Apollo (Eagle Bidco) soaring ahead of rival Castlelake and announcing a £5.7 billion recommended cash offer for easyJet on 6 August.
- Add in KKR and ECP's Irish Takeover Code-governed £5.75 billion offer for DCC Energy and the heat was on!

9 (+80% vs. July 2025 firm offers) Firm Offers Announced	**38%** (+1% vs. 2025 average) Avg. Bid Premium
£9.03B (-£4.84B vs. June 2026) Total Deal Value	**£308.3M** (-£101.75M vs. June 2026) Median Deal Size

DEAL HIGHLIGHTS

Rotork plc Deal Size: £4.1B

Bidders: ABB Limited

"**A**" is for **ABB Limited's** £4.1 billion recommended cash offer for FTSE 250 liquid and gas flow specialist **Rotork plc** announced on 16 July, with Swiss-based ABB also offering to acquire all of Rotork's listed preference shares under a separate non-Code-governed scheme.

System1 Group plc Deal Size: £43.1M

Bidders: Brave Bison Group plc

"**B**" is for **Brave Bison Group plc's** hostile cash and share offer for **System1 Group plc**, announced on 30 July and valued at £43.1 million. The offer includes an all-share alternative as a result of triggering Rule 11.2 of the Code.

Mitie Group plc Deal Size: £3.1B

Bidders: OCS Group International Limited (owned by Clayton, Dubilier & Rice)

"**C**" is for Clayton, Dubilier & Rice-owned **OCS Group International Limited's** £3.1 billion recommended cash offer for FTSE 250 **Mitie Group plc** announced on 21 July.

DCC Energy plc Deal Size: £5.75B

Bidders: Energy Capital Partners and KKR

“**D**” is for **DCC Energy plc** and the £5.75 billion recommended cash offer for it by **Energy Capital Partners** and **KKR** announced on 27 July. The offer for FTSE 100 DCC Energy is governed by the Irish Takeover Code and includes another example of a contingent value right (“CVR”).

Pharos Energy plc Deal Size: £146.4M

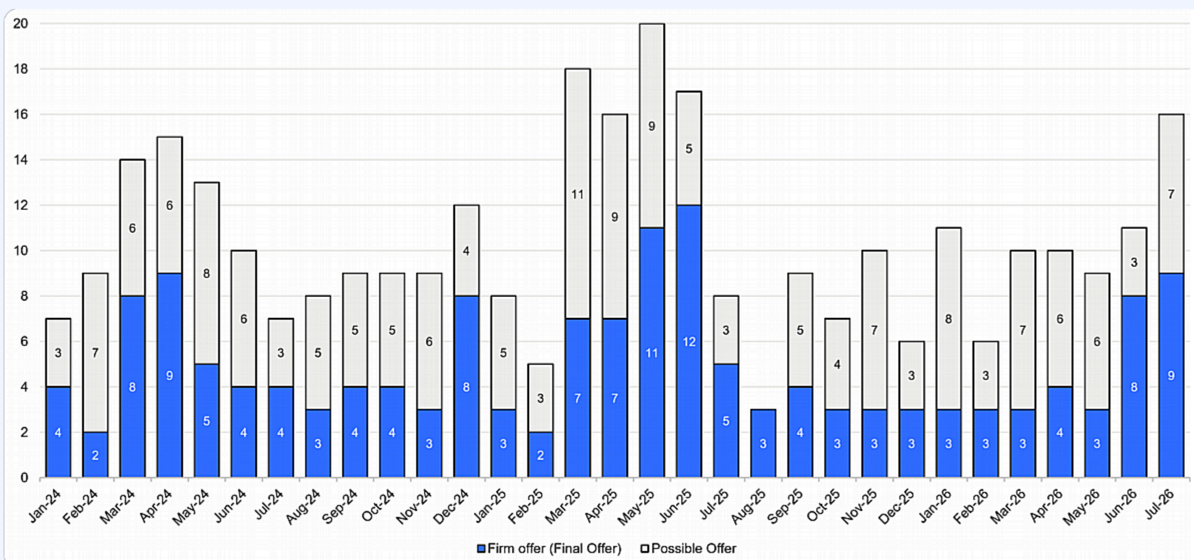
Bidders: Ratio Petroleum Energy LP and Serica Energy plc

“**E**” is for Egypt, energy and the bid battle between **Ratio Petroleum Energy LP** and **Serica Energy plc** for **Pharos Energy plc**. **Ratio’s** £124.3 million recommended cash offer for **Pharos** on 24 June was trumped by **Serica’s** £145.7 million recommended cash offer on 26 July, only for **Ratio** to come back with an improved £146.4 million recommended cash offer on 7 August.

JULY AT A GLANCE

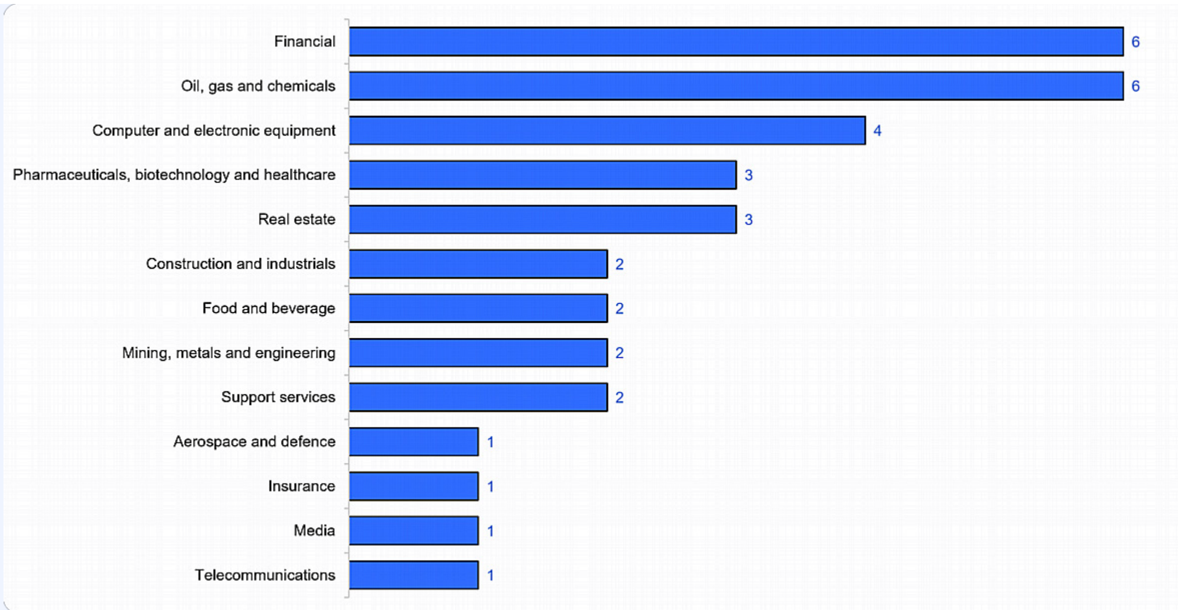
Offers Announced: July firm offers reach 9, the busiest month since the 2025 peak, with the pipeline building as possible offers jump to 7

As at 31 July 2026.



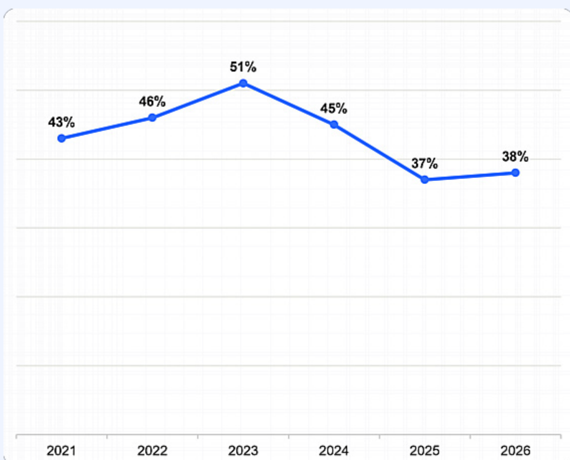
Offers by Sector (YTD): Oil, gas and chemicals drove July activity, drawing level with financial as the joint largest sector YTD

As at 31 July 2026.



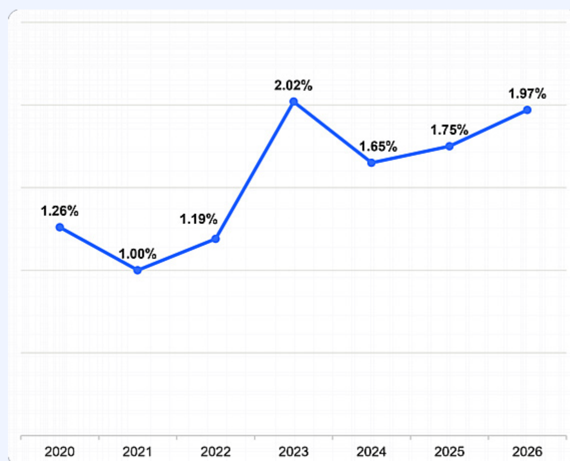
Bid Premia

As at 31 July 2026.



Financial Adviser Fees (% of deal value)

As at 31 July 2026.



Public M&A

WHAT'S HAPPENED: JULY 2026

KKR and ECP complete their Irish Odyssey (or DCC)

KKR and **Energy Capital Partners ("ECP")** sailed to Dublin rather than Troy, but it was still a lengthy adventure. Lookouts first spotted and outed the Consortium on 29 April, the day of its initial indicative approach to **DCC Energy plc ("DCC")**, the London-listed FTSE 100 international energy sales and distribution group. It was not until almost three months later, on 27 July, that the DCC board recommended the Consortium's improved offer, which was not a wooden horse but instead a cash deal, the fixed component of which values DCC at £5.75 billion.

The recommended offer does, however, have a gift hidden inside in the form of a potential additional payment equivalent to a CVR. The additional payment is linked to the sale by DCC of its technology business Nexora. If the sale occurs within a specified time frame and net proceeds are greater than $800 million, then DCC shareholders will receive an additional 125 pence per share (with the additional consideration scaled back on a linear basis if net proceeds are under this threshold).

The Consortium's interest in DCC was in the public domain for a full month longer than EQT's approach to Intertek (which itself seemed long at the time, being 16 April to 18 June), highlighting the complexity involved and the trend of target boards (and bidders) showing increased patience in their efforts to get the best deal for all.

The Gibson Dunn team is proud to be assisting KKR and the Consortium with the transaction.

A merger, demerger or two mergers?

One transaction in the public domain even longer than the bid for DCC is **LondonMetric Property plc** and **Schroder Real Estate Investment Trust Limited's ("SREIT")** potential acquisition of **Picton Property Income Limited**. The initial Rule 2.4 announcements were on 24 March, and Janus, Roman god of beginnings, endings and time, would presumably have smiled on both faces when a recommended offer was finally announced on 31 July. Both faces because, under the all-share deal valuing Picton at approximately £404 million, Picton shareholders will receive shares in both LondonMetric and SREIT.

LondonMetric and SREIT have agreed to separate Picton's assets based on which of Picton's existing debt facilities they are subject to (Canada Life to LondonMetric and Aviva and NatWest to SREIT). Following completion, the assets allocated to LondonMetric will be carved out and transferred to it and, in return, it will transfer its shares in Picton to SREIT (such that Picton will then be wholly owned by SREIT). The result being that if a Picton shareholder continues to hold its consideration shares it will have shares in LondonMetric, which will hold part of the Picton assets and shares in the enlarged SREIT / Picton group. No wonder talks took some time. But is it a merger, a demerger or two mergers? To make it seem even more like a version of the three-cup trick, LondonMetric currently holds 11.1% of SREIT (reducing to 5.7% post-completion) and has agreed not to divest this stake for at least six months post-completion (presumably providing some additional price stability post-transaction). Make sure you watch the ball!

Bidders becoming Braver (Bisons) as well?

Is the resolve of target boards causing bidders to become braver, in particular those with existing substantial shareholdings?

The media and marketing partner, **Brave Bison Group plc**, lived up to its name and announced a hostile cash and share offer for **System1 Group plc** on 30 July. The offer values System1 at approximately £43 million, with an increased cash element as compared with its previously rejected indicative proposal.

The offer comes on the back of Glenstone REIT plc's hostile offer for Alternative Income REIT plc last month. Brave Bison is System1's largest shareholder at 28% (just as Glenstone is at Alternative Income with 24%). The 28% stake was acquired earlier this year mainly through a share exchange acquisition from System1's founder, John Kearon. As a result, in a rare instance of Rule 11.2 of the Code applying, Brave Bison is required to also offer an all-share alternative to its cash and share offer (as it acquired more than 10% of the voting rights in System1 in exchange for Brave Bison shares in the relevant look-back period – normally three months but this can be extended). Brave Bison is not, however, required under Rule 11.1 of the Code to also provide an all-cash alternative even though, under Note 5, an acquisition in exchange for securities will normally be deemed to be for cash for those purposes, as the new Brave Bison shares issued to System1's founder are subject to lock-up arrangements which will apply until after any offer has lapsed or any offer consideration has been sent to accepting shareholders.

The only problem is that System1's business is to help marketers tap into customers' emotions and predict the impact of adverts. So, if anyone is able to read the mood of its wider shareholders it should be System1. This is perhaps a very brave move by System1.

LOOKING AHEAD

The ancient Egyptians were used to contested takeovers

There is something about Egypt-focused oil and gas companies at the moment.

Pharos Energy plc was the first to become the target of a competitive bid situation. After receiving multiple indicative approaches earlier this year from Israel's **Ratio Petroleum Energy LP**, it announced a recommended £124 million cash offer from Ratio on 24 June. It published the scheme document on 21 July (which became an important date) and convened the related shareholder meetings for 17 August. Ratio was in the seemingly strong position of having received irrevocable undertakings (in addition to undertakings from the Pharos directors) in respect of over 41% of the shares. The issue is that the undertakings are, as is usual, only "semi-hard". Although here they are on the harder side and potentially fall away only if a competing bid is announced within a certain time of the posting of the scheme document (varying from five to 15 business days) at a price representing at least a specified premium to the Ratio offer (again varying from 15% to 20%). The stopwatch has been started. **Serica Energy plc** (currently one of the largest companies listed on AIM) announced a recommended £145 million cash offer, within the five-business-day window, on 26 July (and Pharos withdrew its recommendation for the Ratio bid). Ratio had 10 business days in which to match the Serica Energy offer, otherwise the irrevocables would start falling away. In a further twist to the already twisted flax, Ratio did just that, announcing an improved recommended £146.4 million cash offer on 7 August.

In the meantime, **Capricorn Energy plc**, which lost out earlier in the year to NEO NEXT+ Energy in the battle for Deltic Energy plc while simultaneously being the subject of approaches from Alamadiyaf al-Masiyyah for Trading LLC (a member of the Cafani Group), announced a recommended £271 million cash offer from **Genel Energy plc** on 2 July. The acquisition is a reverse takeover for the purposes of the UK Listing Rules and, while shareholder approval is not required, Genel would be required to apply to transfer to the Commercial Companies listing category.

Coincidentally, Capricorn (like Pharos) also published its scheme document on 21 July and convened its shareholder meetings for 18 August. Genel Energy (like Ratio) has healthy irrevocable support (39%, in addition to undertakings from Capricorn management). However, again, this did not put off interest from other parties, with Capricorn announcing on 22 July that it had received an indicative proposal from **Samos Energy Ltd**.

In accordance with Section 4 of Appendix 7 of the Code, the Panel, as is usual in a competitive situation, set a "put-up or shut-up" (PUSU) deadline for Samos and for Alamadiyaf al-Masiyyah of the seventh day prior to the Capricorn shareholder meetings (11 August), rather than the normal 28-day period from the Rule 2.4 announcement. Both Samos and Alamadiyaf al-Masiyyah subsequently confirmed they would not make an offer. However, again, this was not the final twist (in a now knotted flax). On 7 August, DNO ASA (the Norwegian oil and gas operator) announced it had made an indicative approach to Genel, valuing it at approximately

£202 million (meaning that DNO is interested in acquiring Genel, which has made a recommended offer for Capricorn, which in turn had been looking to acquire Deltic). Genel has rejected the proposal, and DNO has a PUSU deadline of 4 September. In the meantime, Genel has the Capricorn shareholder vote to focus on.

P2P Financing

July saw continued momentum in the European financing markets, following June, the strongest month for leveraged loan issuance in a decade, with almost €50 billion of volume. For bidders targeting listed companies in attractive sectors with a compelling credit story, the financing window remains wide open. The clearest illustration in July was OCS Group's £3.1 billion cash offer for rival facilities management company Mitie Group plc. OCS is owned by private equity firm Clayton, Dubilier & Rice (CD&R), which intends to combine the two businesses and has therefore secured committed financing not only to fund the acquisition but also to refinance OCS Group's existing debt.

The £4.8 billion financing package comprises a £2.5 billion-equivalent seven-year Term Loan B (with at least £750 million to be drawn in sterling and the balance in euro), alongside a £1.5 billion bridge to senior secured notes (with at least £500 million to be drawn in sterling and the balance in euro) and an £800 million revolving credit facility. The financing demonstrates that banks remain willing to underwrite sizeable sterling exposures, while pricing of SONIA +5.00% for the sterling tranches and EURIBOR +3.75% for the euro tranches highlights the continuing pricing premium for sterling borrowings. The margins are consistent with the current market for single-B credits (where facilities management businesses would generally be expected to sit) and may even be at the tighter end of the range, given reported leverage of around 4.65x, which is relatively high for this low-margin sector.

As is customary, the financing terms are benchmarked on a "no less favourable" basis against another recent financing completed by the sponsor, in this case to fund CD&R's 2025 acquisition of a controlling stake in consumer healthcare company Opella. However, the proposed OCS/Mitie financing is, in certain respects, even more borrower-friendly than that precedent. The list of covenant flex items is unusually extensive, allowing lenders to amend certain provisions to bring them back into line with the "Opella Precedent" if syndication has not been successfully completed within six months of the Closing Date. The areas in which the OCS/Mitie financing is more borrower friendly than the Opella Precedent include the coverage ratio test and other conditions governing use of the Restricted Payments builder basket, the treatment of asset sale proceeds and the absence of any requirement for annual management calls with lenders. The disclosed documents also reveal top-of-the-market flexibility across a number of areas, including "high-water marking" grower baskets, a general Restricted Payments basket equal to 75% of EBITDA and the ability to incur "inside maturity" Incremental Facilities of up to 200% of EBITDA.

The continued evolution of documentation in a borrower-friendly direction, despite the backdrop of geopolitical uncertainty, bodes well for prospective bidders seeking flexible financing on attractive terms.

Equity Capital Markets

July was a quieter month for the UK equity capital markets. Volex plc and Amaroq Ltd completed their step-up from AIM to the LSE's main market on 24 July and 31 July, respectively. There were also secondary issues by Malibu Life Holdings Limited (up to approx. $125 million), Hammerson plc (£188.7 million) and Supermarket Income REIT plc (£100 million). In addition, on 31 July, the FCA published Handbook Notice 143, which sets out amendments to the PRM rules in the FCA Handbook to give effect to certain aspects of the public offers and admissions to trading regime that came into force on 19 January 2026.

ABOUT THE UK PUBLIC M&A TEAM

Gibson Dunn's London Public M&A team advises bidders, targets and financial advisers on UK takeover transactions. We publish this monthly tracker to share what we're seeing in the market. If you'd like to discuss any of the trends covered here, we'd be glad to hear from you.

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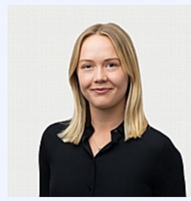

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