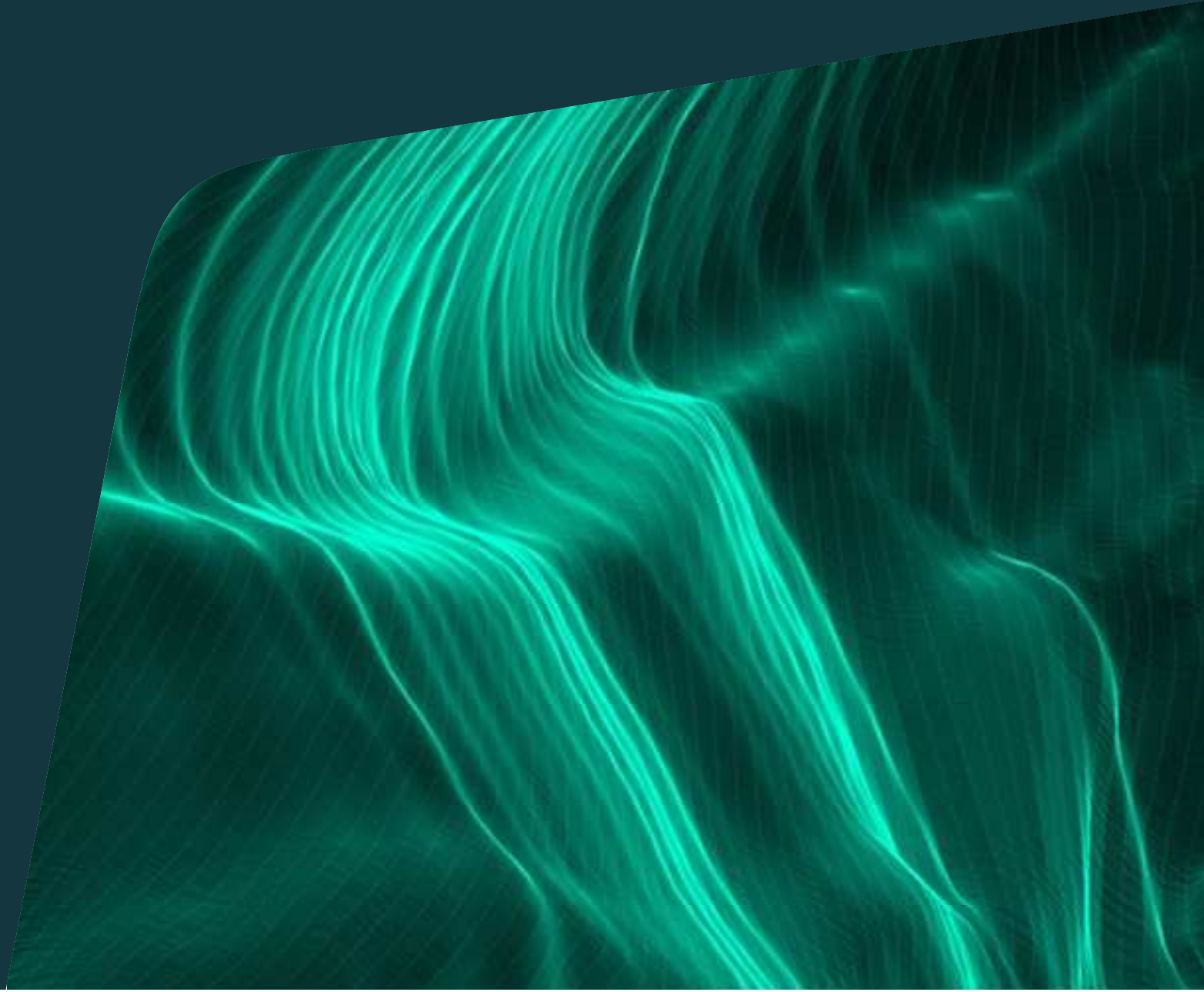


UK Public M&A Update

Q3 2026



INTRODUCTION

A return to hostilities?

UK public M&A activity remained robust over the summer, with a further nine firm offers announced in July alone. While September was quieter, UK equities continued to draw strong interest from overseas bidders, particularly at the small- and large-cap ends of the market, and seven firm offers exceeded £1bn in value.

Notably, bidders have increasingly turned to hostile tactics, with "bear hug" announcements featuring in a number of high-profile situations.

A bear hug is a public announcement by a potential bidder setting out the terms of a possible offer – typically one the target board has already rejected – with the aim of pressuring the board to engage. The tactic has been used rarely in the UK in recent years, where the vast majority of offers are recommended on announcement.

A bear hug is not necessarily a precursor to a hostile offer; its principal purpose is usually to bring the board to the negotiating table with a view to agreeing a recommended deal. It is, however, regarded as a more aggressive bidder tactic.

20

Announced
bids

18

Recommended on
announcement

17

Schemes of
arrangement

43.9%

Average of bid premia
(% unweighted)

51.3%

Average of bid premia
(% weighted)

A summary of the key features
of each announced offer is set
out in a table in the Appendix



Pros and cons

The approach carries clear advantages. It can:

- allow bidders to bypass a reluctant board and engage directly with shareholders – particularly valuable following repeated rejections; and
- facilitate price discovery ahead of a bid, enabling shareholder soundings beyond the constraints of the Panel's "rule of six".

However, a bear hug also:

- sacrifices confidentiality, increasing the risk of interlopers;
- triggers the 28-day "put up or shut up" (PUSU) deadline, effectively ceding control of the timetable to the target; and
- can entrench a defensive stance on the part of the target board.

Recent examples

Bear hugs have been deployed successfully on a number of recent high-profile deals, including Prologis's £14bn offer for SEGRO, EQT's £9.3bn offer for Intertek and Zurich's £8.1bn offer for Beazley. In each case, the bidder raised its offer price several times to secure a board recommendation before announcing a firm offer.

Bear hugs have also preceded some recent hostile firm offers, notably Glenstone's offer for Alternative Income REIT and Brave Bison's offer for System1. In both cases, the bidder already held a significant stake (in excess of 20%) in the target and held firm on value at the time of the firm offer announcement. Both subsequently increased their offers, following the firm offer announcement. While the offer for System1 remains outstanding, Glenstone ultimately prevailed – securing a late board recommendation, albeit only once its offer had been declared unconditional.

Ashurst Perkins Coie UK Public M&A Mandates in Q3

Capricorn Energy plc competing offers by Genel Energy plc and DNO ASA

Legal adviser to Capricorn Energy.

Pharos Energy plc competing offers by Ratio Petroleum Energy LP and Serica Energy plc

Legal adviser to Pharos Energy.

Ashtead Technology Holdings plc possible offer

Legal adviser to Ashtead Technology.

Gooch & Housego plc takeover by Arlington Capital Partners VII, L.P.

Legal adviser to J.P. Morgan.

Rotork plc takeover by ABB Ltd

Legal adviser to Barclays Bank.

Mitie Group plc takeover by OCS Group International Limited

Legal adviser to Lazard.

However, not every bear hug has resulted in a firm offer being made by the potential bidder. Castlelake's bear hug of easyJet, and the public price negotiation that followed, ultimately enabled easyJet to secure a recommended offer from a competing bidder, Apollo. Meanwhile, both Railways Pension Trustee Company and FitzWalter Capital were timed out by PUSU deadlines imposed under the Code and not extended by the respective target boards.

Why have bear hugs returned?

A key driver in the return of the bear hug has been the persistent undervaluation of UK public companies. Whether that discount is perceived or structural, it has made fundamental valuations harder to establish, creating a disconnect not only between bidders and target boards, but also between target boards and their shareholders.

A bear hug can enable bidders to test terms directly with shareholders and gauge whether a deal is achievable. Whether a bidder then holds out for a recommendation or proceeds on a hostile basis will depend on the dynamics of each situation – although a significant existing stake in the target can make the hostile route a more deliverable way to achieve statutory control and less prone to interloper risk.

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 Perkins Coie UK Public M&A Team

System1 Group plc hostile takeover by Brave Bison Group plc

Legal adviser to Cavendish.

SEGRO plc takeover by Prologis, Inc.

Legal adviser to J.P. Morgan and Rothschild & Co.

Harworth Group plc takeover by Peel Holdings Group Limited

Legal adviser to Rothschild & Co.

Pinewood Technologies Group plc takeover by Ridgeview Partners LLC

Legal adviser to RBC.

Bodycote plc takeover by Veritas Capital Fund Management, L.L.C.

Legal adviser to Lazard.

Gamma Communications plc takeover by Epiris LLP

Legal adviser to Goldman Sachs.

Spire Healthcare Group plc takeover by consortium

Legal adviser to Darblay Capital.

Eleco plc takeover by Avocet Bidco Limited

Legal adviser to Rothschild & Co.

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“Market-leading practice, containing real experts. Are willing to go the extra mile.”

Chambers UK, Corporate M&A

“The Ashurst team is very preemptive when it comes to advice.”

Chambers UK, Corporate M&A

“We cannot fault Ashurst’s quality and responsiveness.”

Chambers UK, Corporate M&A

“The Ashurst team is pragmatic, commercial and flexible.”

Chambers UK, Corporate M&A

News Digest

Panel publishes 2025/26 Annual Report

On 20 July, the Panel published its 2025/26 Annual Report for the financial year ended 31 March 2026.

Some highlights from the report are set out below:

- In total, 60 firm offers were announced (compared to 57 in 2024/25), of which twelve were valued at more than £1 billion.
- Half of all offers were made in the first quarter of the year.
- Of the 60 firm offers announced, 9 were structured as a contractual offer and 51 as a scheme of arrangement at the time of the firm offer announcement.
- 2 offers were made as mandatory offers under Rule 9.
- 9 formal sale processes and 8 strategic reviews (without a formal sale process) were announced in the period.
- The changes confirmed by RS 2025/1 on dual class share structures, IPOs and share buybacks came into effect on 4 February 2026, alongside certain minor amendments to the Code in relation to Rule 2.9 and legal entity identifiers and the definition of “FCA Handbook”.
- The Chair of the Hearings Committee upheld the Executive’s ruling that Third Point LLC was not required to make a mandatory offer for Third Point Investors Limited. The Hearings Committee was not convened on the basis that the Chair considered that the challenge brought by the investor group was deemed to have “no reasonable prospect of success”.
- Only 1 private statement of censure and 4 educational/warning letters were issued.

News Digest (cont'd)

Panel publishes Panel Consultation Paper 2026/1

On 9 July, the Panel published PCP 2026/1, a “miscellaneous” consultation proposing a package intended to clarify and simplify Code provisions, codify existing Executive practice and update out-of-date references. The consultation on the proposed amendments closed on 2 October 2026.

The key proposed changes are:

- **Acting in concert:** To amend Note 5 on "acting in concert" (relating to standstill and voting agreements) so that only agreements restricting a shareholder from reducing its shareholding would normally trigger concert-party status with the company/its directors; and to extend Note 5 so that agreements requiring a shareholder to vote as the board recommends on the appointment/removal of directors would also trigger the presumption.
- **Reverse takeovers:** To widen the definition of "reverse takeover" to catch any acquisition by a Code company requiring it to issue more than 100% of its voting equity share capital, whether or not the target is itself a Code company; and to extend Note 4 on Rule 21.3 to require a target board to give a competing offeror any information it has shared with a non-Code counterparty as part of a reverse takeover.
- **Streamlining Notes on Rule 9.1:** To simplify, shorten or delete the Notes on Rule 9.1, including moving certain aspects of Note 2 on Rule 9.1 (in relation to collective shareholder action) to Practice Statement 26 (Shareholder activism).
- **Asset transactions after a lapsed/withdrawn offer:** To amend Note 1(a) on Rule 35.1 so that a former offeror which makes an unqualified no increase or acceleration statement would not normally be permitted to acquire significant assets from the former target within three months of its offer lapsing or being withdrawn.
- **PUSU deadline (Rule 2.6(c)):** To delete the factors which the Panel takes into account when deciding whether to consent to the extension of a put up or shut up deadline and the requirement for the target company to comment on such matters in the extension announcement.
- **"Fair and reasonable" confirmations (Rule 16):** To require independent advisers giving fairness opinions on special deals with favourable conditions or management incentivisation arrangements, to confirm that the terms are fair and reasonable "so far as shareholders are concerned".
- **Frustrating action (Rule 21.1):** To clarify that, where an approach from an unidentified potential offeror is unequivocally rejected, the Rule 21.1 restrictions will lapse seven days later, regardless of whether an offer period has begun.
- **Investment research disclosure (Rule 28.7):** To delete the requirement for targets and securities exchange offerors to remove connected analysts' forecasts from their websites during an offer period, although any connection between the company and an analyst contributing to a published consensus forecast would need to be disclosed.

News Digest (cont'd)

FCA publishes PMB 64 covering TVR disclosures and significant transactions regime

On 6 July, the FCA published Primary Market Bulletin 64, addressing two areas of practical relevance to UK-listed companies: (i) total voting rights (TVR) disclosures and (ii) significant transaction notifications under the reformed UK Listing Rule (UKLR) regime.

Total voting rights: The FCA is focused on specificity. It remains concerned that TVR disclosures lack the clarity required by DTR 5.6.1R. Issuers should: (i) confirm TVR figures explicitly; (ii) use the correct headline classification where possible; and (iii) use clear language when TVR information is embedded in other disclosures.

Significant transactions: The 2024 reforms replaced FCA-approved circulars and shareholder votes with a notification-based regime for significant transactions (broadly, non-ordinary course transactions at or above 25% on any class test). Reviewing how the UKLR 7.3 framework is bedding in, the FCA identified two areas for improvement: (i) risk disclosures (UKLR 7 Annex 2, Part 1, 1.1R(7)); and (ii) board statements on best interests (UKLR 7 Annex 2, Part 1, 1.1R(16)).

For further detail, see [AGC Update – Issue 84](#)

FCA publishes changes to PRM regime

On 31 July, the FCA published Handbook Notice 143, setting out amendments to the FCA Handbook and other material made by the FCA Board in June and July. These include technical corrections (not policy changes) to the FCA's Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM), giving proper effect to aspects of the Public Offers and Admissions to Trading (POAT) regime, in force since 19 January 2026.

For further detail, see [AGC Update – Issue 85](#)

News Digest (cont'd)

Dematerialization Implementation Plan

On 14 July, alongside the Chancellor's Mansion House speech, the Dematerialization Market Action Taskforce (DEMAT) published its Implementation Plan for removing paper share certificates in the UK, a key objective under its October 2025 Terms of Reference.

The Implementation Plan marks the first stage in a phased program to digitize UK share ownership. It sets out the legislative, operational and practical changes required to adopt a digital register model and withdraw paper certificates as evidence of title.

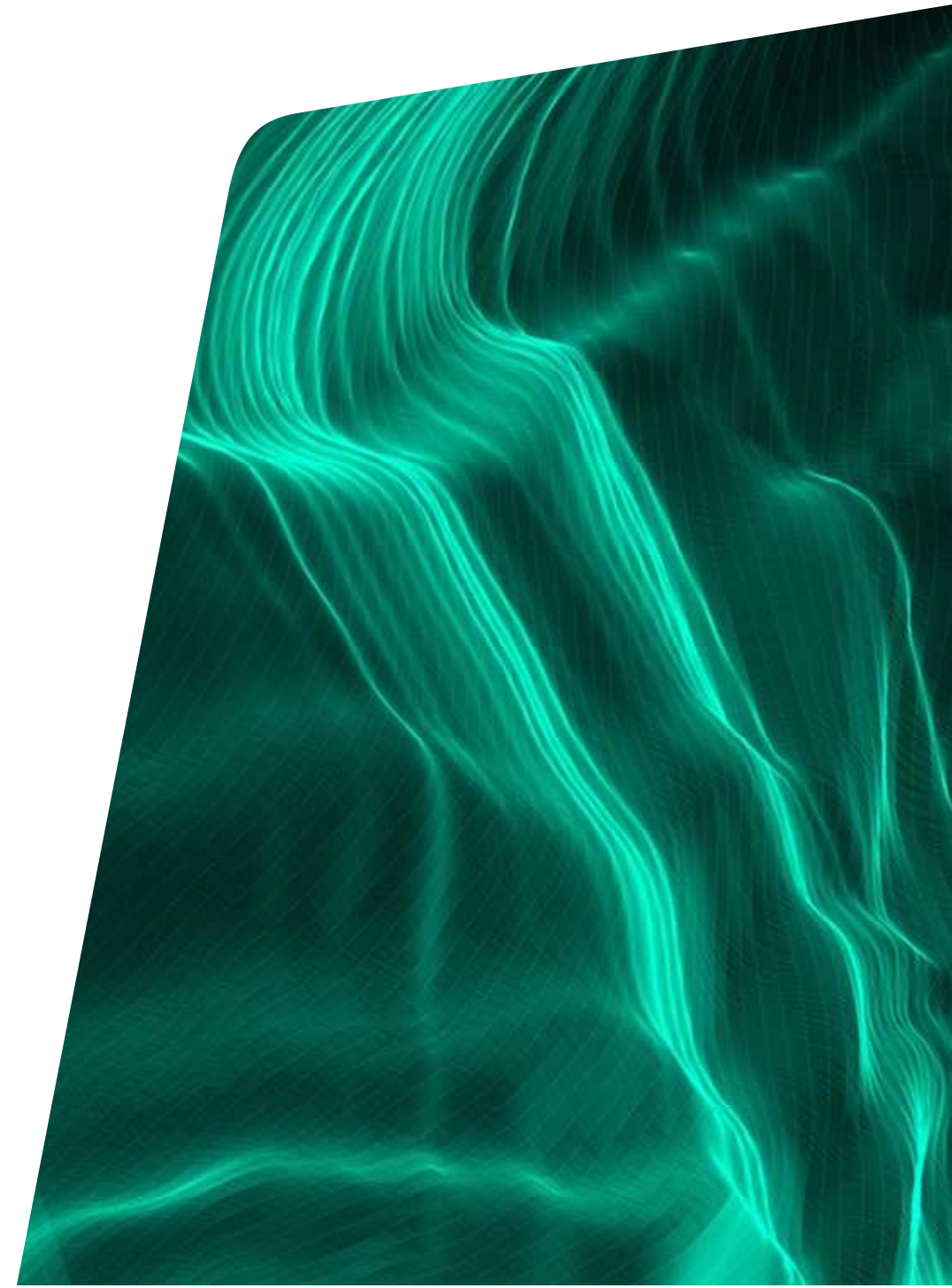
For further detail, see [AGC Update – Issue 85](#)

LSE publishes updated AIM Rules for Companies

On 5 August, the LSE published its updated AIM Rules for Companies - the biggest overhaul in two decades - following its June 2026 consultation. AIM Notice 64 summarizes the overwhelmingly supportive feedback and the Exchange confirmed that all proposals will be implemented, with minor amendments.

A marked-up version of the updated AIM Rules is attached to the AIM Notice, with any further revisions made to the AIM Rules following the draft published in June highlighted.

For further detail, see [AGC Update – Issue 85](#)



News Digest (cont'd)

FCA publishes PMB 65 covering market disclosure under MAR

On 28 August, the FCA published Primary Market Bulletin 65, in which it addresses, among other things: (i) regulatory announcements being used as marketing materials; (ii) the FCA's review of the delayed disclosure of inside information; and (iii) the new inside information declaration form for listings submissions via ESS.

Regulatory announcements: The FCA identified a growing trend of potentially misleading statements in regulatory announcements – with issuers using language which is vague, exaggerated and flamboyant. In particular, the FCA noted that:

- issuers have released regulatory announcements more frequently than appears justified by their content;
- announcements are marked as containing inside information when they almost certainly do not; and/or
- announcements are released against a backdrop of very significant share price spikes.

Examples include unnecessary minor progress updates and repeated commentary on favourable macroeconomic and political conditions which are already in the public domain.

Delayed disclosure: The FCA's review of delayed disclosure of inside information (DDII) notifications under Article 17(4) of UK MAR found no widespread or systemic failures, but it did find some inconsistent practice:

- extended or unusual delays were mainly caused by information being wrongly classified as inside information, or by inside information not being reassessed (or not assessed at all) as circumstances changed;
- some issuers treated advance financial reporting information as inside information by default, without the case-by-case assessment required by Primary Market Technical Note 506.3; and
- automated processes sometimes triggered insider lists and DDII notifications without any real chance to reassess the information.

Inside information declaration form: From 21 September, the first document submission for every new equity case (including guidance requests) submitted through the FCA's Electronic Submission System portal, must include a declaration stating whether it contains inside information and, if it does, giving details. The FCA will not allocate a case for review until the declaration has been provided.

For further detail, see [AGC Update – Issue 86](#)

Appendix

Key features of firm offer announcements

01

Announced UK takeover bids

(1 July to 30 September 2026)

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***	Additional shareholder vote	Profit forecast/ QFBS/ Asset valuation
Dianomi plc (AIM)	Taboola.com Ltd	£19 m ¹	68%	●			●		● ²²				●	N/C ²⁶					
Eleco plc (AIM)	AKKR Fund VII GP LP	£207.6 m	74.7%	●			●						●	N/C					● ³¹
Spire Healthcare Group plc (Main Market)	Toscafund Asset Management LLP, THCP Advisory Limited and Ares Management Limited	£1.03 bn	66.2%	●			●	U ²⁰					●	N/C			●		● ^{31,32}
Capricorn Energy PLC (Main Market)	DNO ASA	US\$396 m ²	46%		● ⁸		● ¹¹						●	N/C ²⁷					● ³²
Gamma Communications plc (Main Market)	Epiris LLP	£1.015 bn	53%	●			●						●	N/C ²⁸					
Bodycote plc (Main Market)	Veritas Capital Fund Management, L.L.C.	£1.64 bn	24.3%	●			● ¹²						●	N/C					● ³¹
Pinewood Technologies Group plc (Main Market)	Ridgeview Partners LLC	£545 m	43%	●			●	U ²⁰					●	N/C ²⁸			●		● ^{31,33}
Time Finance plc (AIM)	Bentley Park (UK) Limited	£55.13 m	12.6%	●			●						●	N/C					● ³¹
easyJet plc (AIM)	Apollo Global Management, Inc.	£5.7 bn	81%	●			●	U ²⁰					●	N/C ²⁸			●		
Harworth Group plc (Main Market)	Peel Holdings Group Limited	£631.7 m ³	30.2%	● ⁷		● ¹⁰	●				● ²⁴								● ³²
SEGRO plc (Main Market)	Prologis, Inc.	£14 bn	39.0%	●			● ¹³	L					●	N/C ²⁷					● ³²
CyanConnode Holdings plc (AIM)	Esyasoft Holding Limited	£36.5 m	40%	●			●						●	N/C					
Picton Property Income Limited (Main Market)	LondonMetric Property Plc and Schroder Real Estate Investment Trust Limited	£404 m	7.0%	●				L ²¹					●	N/C ²⁹					● ³⁴
System1 Group plc (AIM)	Brave Bison Group plc	£53.4 m ⁴	18.7% ⁴		●		● ¹⁴	L	● ²³		● ²⁴								● ³⁵
Pharos Energy plc (Main Market)	Serica Energy plc (lapsed)	£145.7 m ⁵	28.6% ⁵		● ⁸		● ¹⁵						●	N/C					
Mitie Group plc (Main Market)	OCS Group Topco Limited	£3.1 bn	44.7%	●			● ¹⁶						●	N/C ²⁸					● ³¹
Rotork plc (Main Market)	ABB Ltd	£4.136 bn	73.0%	●			● ¹⁷						●	N/C ²⁸					
Gooch & Housego plc (AIM)	Arlington Capital Partners VII, L.P.	£345.6 m	40.7%	●			● ¹⁸						●	N/C ³⁰					
Capricorn Energy PLC (Main Market)	Genel Energy plc	US\$436 m ⁶	63% ⁶	●			● ¹⁹						●	N/C ²⁷					● ³²
Union Jack Oil plc (AIM)	Reabold Resources plc (lapsed)	£6.14 m	25.0%		● ⁹			L			● ²⁵			N				B	

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Announced UK takeover bids – notes

Key and footnotes

This table includes details of takeovers, set out in reverse 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.

Key		
*	Premium of the offer price over the target's share price immediately prior to the commencement of the offer period, unless otherwise stated	1. £27 m assuming full value of contingent consideration units (CVRs).
**	Standard 90% (waivable) acceptance condition, unless otherwise stated	2. Subject to competing bids. Revised offer (valued at approx. £294 m). Original offer comprised cash plus special dividend, payable by target board. Revised offer at equivalent value, including special dividend (see note 11).
***	In shareholders' irrevocable undertakings, unless otherwise stated	3. Increased and final offer. Target subject to two previous offers: original offer £582.88 m and revised offer £599.77 m.
□	Permitted agreements under Rule 21.2 of the Code	4. Final offer. Target subject to two previous offers: original offer £43.1 m and increased offer £47.5 m. Bid value and bid premium exclude CVR.
A	AIM traded shares	5. Bid value and bid premium include special dividend payable by target.
C	Co-operation agreement	6. Subject to competing bids. Increased offer (valued at approx. £330 m). Original offer US\$360 m (approx. £271 m). Bid value and bid premium include special dividend payable by target (see note 19).
F	Break fee given under formal sale process or white knight dispensation	7. Initially hostile. Target recommended increased offer.
L	Listed/traded shares	8. Initially recommended. Underbidder.
N	Confidentiality agreement	9. Initially recommended. Shareholders voted to remove target board during offer period and new board subsequently withdrew recommendation.
NP	Nil premium or no premium given in offer documentation	10. Voluntary offer, acquired shares and switched to mandatory offer.
R	Reverse break fee	11. Original offer comprised cash plus special dividend of US\$0.99 per share (permitted dividend). Permitted dividend was intended and expected to be paid by target board prior to effective date. Revised offer made at equivalent value but solely in cash.
U	Untraded shares	12. Cash plus shareholders entitled to retain FY26 interim dividend of 7.2 pence per share.
B	Bidder shareholder approval	13. Shares plus partial cash alternative to value of approximately 25% of total value of consideration based on a fixed price of 1,031.7 pence per share. Shareholders also entitled to retain FY26 interim dividend of up to 10.14 pence per share and FY26 final dividend of up to 22.56 pence per share. Should timetable extend beyond anticipated date for completion, shareholders also entitled to receive FY27 interim and final dividends (as appropriate).
T	Target shareholder approval	14. Cash and shares with full share alternative (as required by Rule 11.2)
		15. Cash plus special dividend of 4 pence per share which target intends to declare prior to completion. Shareholders also entitled to retain FY25 final dividend of 0.9317 pence per share.
		16. Cash plus shareholders entitled to retain FY26 final dividend of up to 3.1 pence per share.
		17. Cash plus shareholders entitled to retain permitted dividend of up to 3 pence per share, if approved by target board.
		18. Cash plus shareholders on register at close on 19 June 2026 entitled to retain interim dividend of up to 4.9 pence per share.
		19. Both original and increased offer comprised cash plus special dividend of US\$0.99 per share (permitted dividend). Permitted dividend was intended and expected to be paid by target board prior to effective date.
		20. Unlisted securities alternative.
		21. Share consideration comprising 0.190 LondonMetric shares plus 0.894 SREIT shares for each Picton share. Shareholders also entitled to Q1 dividend of 0.69 pence per share.
		22. Cash plus contingent consideration units up to a value of 24 pence in cash.
		23. Cash, listed shares plus 1 Bison CVR, linked to Brave Bison share price in 60 trading days following annual results.
		24. 50% acceptance condition.
		25. 75% acceptance condition.
		26. + standstill agreement and clean team agreement,
		27. + joint defence agreement.
		28. + clean team agreement and joint defence agreement.
		29. + bid conduct agreement, separation term sheet and lock-in agreement.
		30. + clean team agreement.
		31. Directors' confirmation.
		32. Asset valuation.
		33. Profit forecast report.
		34. Asset valuations for both bidder and target.
		35. Bidder directors' confirmation.



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