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Deal Structures



Key takeaways

Continuing a trend of recent years, schemes of arrangement were the dominant transaction structure for announced public deals in 2025, making up 65% of deals valued at more than \$50 million, compared to 35% of deals structured as takeover bids.

Schemes remain the structure of choice for all mega deals valued at more than \$1 billion.

Only one deal adopted the dual scheme / takeover structure in 2025, down from two deals in 2024. Three bidders switched from a scheme to a takeover in response to opposition from rival bidders and target shareholders.

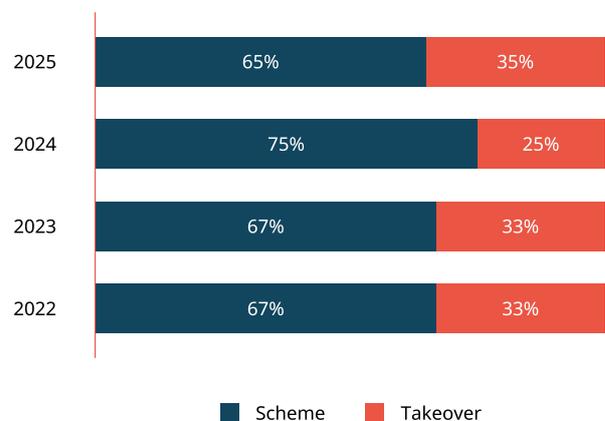
There was one proportional takeover bid in 2025, the first since 2021, which allows bidders to acquire a partial ownership interest, but it was for a relatively small proportion of shares and driven by particular circumstances applicable to that bidder and target company.

Schemes dominate takeovers

Schemes of arrangement continue to be the preferred structure for public M&A deals exceeding \$50 million.

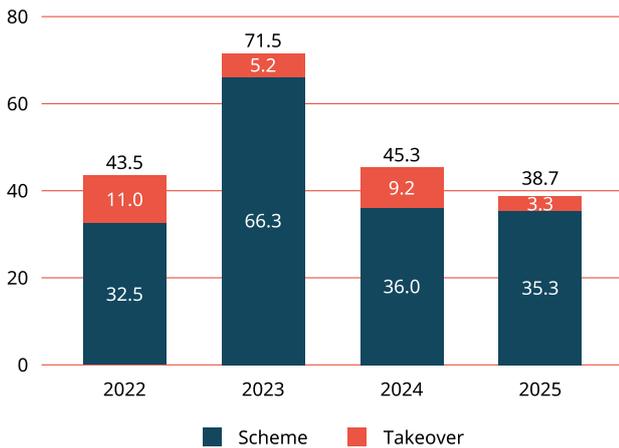
For deals of this value, 2025 saw 26 schemes and 14 takeover bids, representing a 10 percentage point increase in the use of takeover bids compared to 2024 and a return to levels seen in 2023 and 2022. However, when we consider that three of these takeover bids were launched only after the withdrawal of unsuccessful scheme proposals (see further on page 40), we see a strong preference for schemes. Indeed, if we look behind the data, 73% of deals announced in 2025 were initially proposed as schemes.

Proportion of schemes vs takeovers (\$50m+)



The aggregate value of schemes in 2025 was \$35.3 billion, accounting for 91% of the aggregate value of deals announced in 2025.

Value of schemes vs takeovers (\$bn)



For the first time in four years, 100% of deals valued over \$1 billion were structured as schemes of arrangement.

Proportion of schemes vs takeovers (\$1bn+)



Private capital bidders show a particular preference for schemes, having utilised schemes in 77% of deals valued over \$50 million since 2022, including the largest private capital deals of 2025, being:

- the Brookfield / GIC consortium's proposed \$4 billion bid for National Storage REIT;
- CC Capital's proposed \$3.2 billion acquisition of Insignia Financial;
- Pacific Equity Partners' \$1.1 billion acquisition of Johns Lyng Group; and
- TPG Capital Asia's \$651 million acquisition of Infomedia.

This continued preference for schemes is likely attributed to benefits including:

- the **lower shareholder approval threshold for compulsory acquisition**, with schemes binding on all shareholders if approved by 75% of votes cast at the scheme meeting (and by a majority in number under the "head count" test), compared with takeover bids which require the bidder to receive sufficient acceptances to have a relevant interest in at least 90% of target shares (including acceptance from 75% of those shares bid for) before proceeding to compulsory acquisition which provides ownership of 100% of the shares in the target;
- a perception of **higher deal certainty** offered by a structure that delivers an "all or nothing" outcome where a bidder will acquire 100% of the shares in the target if the requisite regulatory, shareholder and court approvals are obtained (unlike takeover bids which can leave bidders falling short of the 90% compulsory acquisition threshold);
- the **greater flexibility** afforded to bidders under a scheme which permits, for example, different forms of consideration to be offered to key shareholders of the target in order to secure their support for the transaction (which might require those shareholders to vote in a separate class but still allow the transaction to proceed if approved by the requisite majority of the other class); and
- the **perception that a scheme is inherently more 'friendly'** (as it is necessarily a target-led process) and will therefore allow the bidder greater access to the target's management in order to conduct detailed due diligence on the target. This is often important for very large transactions where detailed legal, financial, tax and operational due diligence is likely to be required by the debt and equity financiers backing the deal.

The advantages of flexibility and higher deal certainty were particularly highlighted in the highest value transaction for the year, the \$12.7 billion merger between Soul Patts and Brickworks, a complex deal effected by way of two concurrent inter-conditional schemes by each of Soul Patts and Brickworks (for further details, see pages 44 to 45 of this Report).

When were takeovers preferred?

Takeover bids were significantly more common in deals involving competing offers and where bidders held pre-bid stakes.

In 2025, six takeover bids involved competing binding or non-binding offers, representing over 40% of takeover bids, compared to only 12% of schemes involving competing offers. Ten takeover bids involved bidders with pre-bid stakes (including stakes acquired shortly before launching the takeover bid in a pre-bid “raid”), representing over 71% of takeover bids, compared to only 23% of schemes involving bidders holding pre-bid stakes. Interestingly, there were three deals featuring both competing offers and a bidder with a pre-bid stake which switched to a takeover bid following an unsuccessful scheme proposal (see further on page 43 of this Report).

The use of takeover bids in these circumstances demonstrates some advantages over schemes, including:

- **Speed:** Offers under a takeover bid may open as soon as 14 days after a bidder issues a bidder's statement and close as soon as one month later, compared to a typical period of at least two to three months between announcement of a scheme and a scheme meeting.
- **Less conditionality:** Bidders willing to make an unconditional takeover bid, or one subject to minimal conditions, may present a more certain and therefore more attractive offer to target shareholders when compared to a scheme, which will always require court and shareholder approval.
- **Reduced susceptibility to blocking stakes:** Bidders with pre-bid stakes will often be more inclined to proceed by way of a takeover bid to reduce the extent to which minority shareholders or greenmailers can veto the deal. This is because a bidder with a large existing ownership is precluded from voting on a scheme which enhances the power of smaller shareholders to vote down the scheme as only 25% of votes need to be cast against the scheme to defeat it.

We don't expect the market's strong preference for schemes to go away any time soon. Nonetheless, a takeover bid remains an effective option to unlock a deal in the right circumstances, such as where a bidder holding a substantial pre-bid stake faces opposition to a deal (whether from a target, competing bidder or non-supportive target shareholder) and is willing to proceed with an unconditional or low-condition offer.

All of the takeover bids discussed in this report are off-market takeover bids. On-market takeovers remain rare. There were no on-market takeovers in 2025 valued at more than \$50 million. There have been only two on-market takeovers above that value in the past four years, both of which were executed in 2023.

Concurrent or consecutive scheme and takeover structures

In addition to one dual scheme of arrangement and takeover bid, 2025 saw three takeover bids follow unsuccessful schemes.

A concurrent or dual scheme and takeover offer typically involves a bidder entering into an implementation agreement with the target which:

- proposes a scheme for a 100% acquisition at a certain price; and
- includes a commitment from the bidder to make a concurrent takeover offer, typically with a 50.1% minimum acceptance condition and sometimes at a discount to the price offered under the scheme, conditional upon the scheme failing (therefore providing an incentive for shareholders to vote in favour of the scheme).

Ramelius Resources utilised a dual scheme and takeover bid in its successful \$2.4 billion acquisition of Spartan Resources. Demonstrating potential advantages of the takeover bid, Ramelius Resources' 19.9% pre-bid stake, which could not be voted in the scheme, potentially increased the effective power of a minority shareholder to block the scheme (or an interloper to acquire a stake so as to block the deal). A concurrent takeover bid may disincentivise such a strategy. Ultimately, the deal was successful as a scheme.

This follows the use of this dual scheme / takeover structure in two deals valued at over \$50 million in 2024 and one deal in 2023.

In addition, three bidders utilised the two structures sequentially by launching takeover bids after withdrawn or failed scheme proposals for the same targets. These deals also demonstrate the strategic nuances of pre-bid stakes, with a stake in the target potentially enabling the holder to block a competing scheme proposal (as seen in MIXI, Inc / PointsBet Holdings and Central Asia Metals / New World Resources) but also raising the effective power of other shareholders to block the holder's scheme proposal (as seen in Novomatic AG / Ainsworth Game Technology).

- **MIXI, Inc / PointsBet Holdings:** When the board of PointsBet Holdings decided to proceed with a scheme proposal from MIXI, Inc in preference to a proposal from betr Entertainment, betr Entertainment responded by acquiring a 19.6% stake in PointsBet and announcing its intention to vote this stake against the MIXI proposal. A dramatic last-minute scheme meeting vote recount led to betr Entertainment successfully scuppering MIXI's scheme, only for MIXI to successfully utilise a takeover bid to increase its interest from 9% to a controlling interest of 66.43%.
- **Central Asia Metals / New World Resources:** After Central Asia Metals' scheme proposal to acquire New World Resources was threatened by Kinterra Capital acquiring a 19.3% stake and launching a takeover bid for New World Resources, Central Asia Metals (with agreement from New World Resources) restructured its proposal first as a concurrent scheme / takeover bid, and then later solely as a takeover bid. Ultimately, Kinterra Capital prevailed in a contested auction involving competing proposals and Takeovers Panel proceedings.
- **Novomatic AG / Ainsworth Game Technology:** Novomatic AG, a 52.9% holder of Ainsworth, proposed to acquire Ainsworth by way of scheme of arrangement. With Novomatic unable to vote its own shares in favour of its scheme proposal, proxy forms received ahead of the scheme meeting ultimately indicated that the scheme resolution would likely fail. In response, Novomatic exercised its express right under the scheme implementation deed to make a takeover bid for Ainsworth shares on terms no less favourable to Ainsworth shareholders than those under the scheme. Novomatic and Ainsworth also first sought to delay the scheme meeting to allow for the takeover offer to proceed concurrently with the scheme, before ultimately withdrawing the scheme proposal (less than a week after Novomatic launched its bid). This left Novomatic proceeding solely by way of an unconditional takeover offer at the same price offered under the proposed scheme. Ultimately, Novomatic was unsuccessful in its quest for full ownership, holding 66.84% at the close of its offer.

Proportional takeover bids

For the first time since 2021, we saw a proportional takeover bid.

Continuing a contest for control of Ainsworth in late 2025, the son of the founder of Ainsworth Games Technology, Mr Kjerulf Ainsworth, responded to Novomatic AG's unconditional offer of \$1 per share with a \$1.30 per share proportional takeover offer for 2.9% of each shareholder's ordinary shares in Ainsworth. At the time the offer was announced, Mr Ainsworth had a relevant interest of 7.27% in Ainsworth Games Technology, while Novomatic held 61.8% of shares. In light of a statement from Novomatic that it would not accept the offer, the maximum interest that Mr Ainsworth could obtain following completion of the offer was 8.19%.

The offer, described by Mr Ainsworth as being aimed at "*ensuring my holding in AGI remains below 10% to avoid regulatory complications under AGI's licences*", provided Ainsworth shareholders with the unusual ability to sell a proportion (in this case up to 2.9%) of their shares into the higher bid and the remainder into the lower bid (or not at all). In his bidder's statement, Mr Ainsworth explained that he considered the Novomatic offer to undervalue Ainsworth and expressed his commitment to use his influence to advocate for changes that he considers to be in the best interests of minority shareholders, including opposing any delisting, pushing for a recommencement of dividends, advocating for the appointment of appropriate directors and senior management, and an offer to personally serve on the board if a vacancy were to arise.

Proportional takeover bids, under which a bidder offers to acquire a specified proportion of securities from each target shareholder, are rarely utilised in Australian public M&A. This is partly because section 648D of the [Corporations Act 2001](#) (Cth) allows a company to require that a proportional takeover bid be approved by shareholders in general meeting. Companies that wish to include such a requirement in their constitution must have the provisions approved by special resolution and renewed every three years. Ainsworth Games Technology's constitution does not include proportional takeover restrictions.

In 2025, 293 listed companies proposed resolutions to adopt proportional takeover restrictions, with 98% of these resolutions being approved by shareholders. Time will tell if Mr Ainsworth's manoeuvre encourages more companies to consider this option in the coming years.



Deal spotlight

Soul Patts / Brickworks merger

The Soul Patts / Brickworks merger was a transformative simplification of Australia's last and longest-standing corporate cross-shareholdings.

The transaction collapsed the reciprocal positions between Soul Patts and Brickworks into a single, newly listed holding company, materially increasing free float and liquidity, rebalancing portfolio exposures and unifying governance, while preserving dividend heritage and long-term capital discipline.



Background

For more than 56 years, Soul Patts and Brickworks had been connected through a distinctive cross-shareholding structure. Established in 1969, the arrangement arose in an era of heightened corporate raider activity and was designed to deliver long-term stability, foster growth, and shield both companies from opportunistic takeover attempts by stabilising their share registers and aligning strategic horizons. Over the decades, there have been multiple attempts to challenge or unwind the arrangement.

Deal summary

On 2 June 2025, Soul Patts and Brickworks announced a proposed merger to be implemented via inter-conditional schemes of arrangement under which a newly established ASX-listed holding company, "TopCo", would acquire 100% of both Soul Patts and Brickworks. TopCo was subsequently renamed Washington H. Soul Pattinson and Company Limited and had a pro forma market capitalisation (including the equity raising referred to below) of approximately \$14 billion and a combined pre-tax portfolio net asset value (**NAV**) of \$13.1 billion. The merger removed the cross-held shares, significantly expanding the free float and simplifying the capital structure. Topco was able to trade seamlessly under the historical ticker "SOL".

Brickworks shareholders received 0.82 TopCo shares per Brickworks share. Based on Soul Patts' closing price of \$36.93 on 30 May 2025, the implied value for Brickworks shareholders was \$30.28 per share, representing a premium of 10.1% to last close, 11.9% to one-month VWAP, 21.9% to three-month VWAP and 16.6% to post-tax NAV per share (as at 31 January 2025). Soul Patts shareholders received one TopCo share for each Soul Patts share held.

On completion, pro forma ownership of TopCo was approximately 72% former Soul Patts shareholders, 19% former Brickworks shareholders and 9% new shareholders from the TopCo capitalisation.

Structure and conditions

The deal was implemented by two inter-conditional schemes of arrangement. The schemes were conditioned so that neither proceeded without the other. Cross-held shares were cancelled as part of implementation, eliminating Soul Patts' 43% interest in Brickworks and internalising Brickworks' 26% interest in Soul Patts. Permitted dividends were paid in the ordinary course prior to implementation.

Equity raising innovation

TopCo was capitalised with new equity prior to implementation to fund Brickworks' debt reduction, address other liabilities (including the repurchase and cancellation of Soul Patts' SGX listed convertible bonds) and cover transaction costs (including stamp duty).

Post-merger, TopCo targeted and achieved a strong balance sheet with enhanced flexibility for new investments and portfolio optimisation, while maintaining Soul Patts' dividend philosophy.

The equity raising was deliberately structured to provide pricing certainty and minimise execution risk. By securing cornerstone commitments at a nil discount to last close, fully underwritten conditional only on implementation of the schemes, TopCo delivered an innovative capital solution. This structure balanced speed and certainty with disciplined dilution management, anchored the register with supportive long-term capital and ensured a seamless transition to the unified platform.

Strategic rationale and portfolio

The merger created a single, scaled ASX platform with a materially larger free float and index relevance, resolving historical structural complexity and aligning shareholder interests. The combined pre-tax portfolio NAV of \$13.1 billion (as at 31 January 2025) provided diversified exposure

across property and development land (approximately \$3.9 billion), including industrial JVs with Goodman and the Brickworks Manufacturing Trust; Building Products in Australia and North America (approximately \$2.2 billion); and strategic investments, large caps, private equity, private credit and emerging investments (together approximately \$7.0 billion), with portfolio reweighting towards private markets and property.

For Brickworks shareholders, the merger delivered an immediate implied premium and access to a broader, cycle-resilient portfolio with strong cash generation, underpinned by Soul Patts' long dividend record. For Soul Patts shareholders, it was accretive to pre- and post-tax NAV per share and Net Cash Flow from Investments per share, increased exposure to high-quality real assets and private markets, and supported future capital deployment.

Timetable

The transaction was announced on 2 June 2025 and was implemented in late September.

Key takeaways

This was a classic "sum-and-simplify" merger. It collapsed a century-old cross-shareholding into a single ASX platform with a \$14 billion pro forma market capitalisation (including the equity raising referred to above) and a significantly larger free float. It preserved dividend heritage and investment discipline, delivered clear per-share accretion for Soul Patts, an immediate premium for Brickworks, and a diversified, high-quality asset base with enhanced access to capital and improved liquidity. The governance and capital framework were designed to maintain long-term orientation while unlocking flexibility for growth and portfolio optimisation.

Ashurst acted for Soul Patts in relation to this transaction.

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