



Ashurst

UK Public M&A Update

Q3 2025

Introduction

A quiet return for the markets after the summer break

After a run of firm offers in early Summer, UK public M&A softened in Q3. Despite this, there were some positive signs of growth, including a shift towards larger deals. Global M&A for 2025 surpassed \$1 trillion in the third quarter, helped by some bumper deals such as the proposed \$55 billion leveraged buyout of Electronic Arts. Sector consolidation was a key driver, as was cross-border interest. Back in the UK, competitive pre-announced bids generated a number of interesting issues with larger deals attracting some significant premia.

Withdrawn and lapsed bids

Once a firm intention to make an offer is made under the UK Takeover Code, there are very few scenarios where bidders are permitted to walk away. Q3 saw an uptick in withdrawn and lapsed bids, although this was primarily driven by underbidders falling away in competitive situations:

- Hostile bidder, Regent, became the first bidder to issue an acceptance condition invocation notice (ACIN) in relation to its offer for Inspired. This allowed the bidder to lapse early when the acceptance condition threshold was not met.
- Both Tritax and Advent were released from their obligations to publish a scheme document in relation to their offers for Warehouse REIT and Spectris, respectively. In both cases the bidders confirmed that they would only proceed by way of a scheme of arrangement and the target boards confirmed that they would not proceed with those schemes given the higher competing offers available. On that basis, the Panel consented to the bidders withdrawing their offers.

Financial distress played a part as well though, with the Panel permitting IFX to invoke an insolvency condition after the board of Argentex appointed administrators. Whilst arguably IFX had been aware of the financial situation in advance of making its offer, it had flagged the insolvency condition prominently in the offer documentation and it is generally accepted that, other than in exceptional circumstances, the Panel will not force a bidder to proceed with an offer where the target has lapsed into administration.

12

Announced bids

11

Recommended on
announcement

10

Schemes of
arrangement

41.03%

Average of bid premia
(% unweighted)

66.93%

Average of bid premia
(% weighted)

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



Exceptional conditions

Whilst the invocation of an insolvency condition might be accepted, a blanket waiver of Rule 13.5, as used by Sidara in its offer for John Wood Group, is unprecedented.

- The firm offer by Sidara followed a protracted period of uncertainty for the British engineering and consulting business; Wood had to suspend its shares in May following a failure to publish its 2024 annual report and accounts within four months of its year end.
- The Panel permitted Sidara to launch its offer subject to certain bespoke conditions which were invokable without the need to satisfy the Code's high materiality threshold.
- Those conditions included the publication of Wood's accounts prior to 31 October and the audit not being subject to any modified opinion in relation to the FY24 balance sheet.

The unprecedented waiver of the application of Rule 13.5 in this way is reflected in Wood's board recommendation in which the directors note that, although the offer did not offer the "usual level of certainty" associated with an announcement under the Code, it still considered the offer to be "the best option available", in particular because it offered the fastest route to the receipt of additional funding.

We think the exceptional nature of these conditions turns very much on the facts of the case. However, it is nonetheless interesting to see that the Panel was prepared to be flexible in these highly unusual circumstances.

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

Ashurst's UK public M&A mandates in Q3

Treatt on its recommended offer by Exponent.

Ricardo on its recommended offer by WSP.

Inspired on the competing offers by Regent and HGGC.

Lazard on the offer for Empiric Student Property.

JPM on KKR's offer for Spectris.

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

Chambers UK, Corporate M&A

Key contacts



Karen Davies

Global Chair

T +44 20 7859 3667

Karen.Davies@ashurst.com



Tom Mercer

Partner, Head of Public Company
EMEA

T +44 20 7859 2988

Tom.Mercer@ashurst.com



Nick Williamson

Partner, Head of Corporate UK

T +44 20 7859 1894

Nick.Williamson@ashurst.com



James Fletcher

Partner, Corporate

T +44 20 7859 3156

James.Fletcher@ashurst.com



Harry Thimont

Partner, Corporate

T +44 20 7859 2408

Harry.Thimont@ashurst.com



Jade Jack

Senior Adviser, Public M&A

T +44 20 7859 1183

Jade.Jack@ashurst.com

“Ashurst provide great support and are able to bring a deal to a good end in all circumstances. The team always provide excellent service and they are there when you need them.”

Chambers UK, Corporate M&A

News Digest

Panel publishes Panel Consultation Paper 2025/1 and two new Practice Statements

On 3 July, the Panel published a consultation paper (PCP 2025/1) which proposed a new framework for the application of the UK Takeover Code to dual class share structures (DCSS), and two new Practice Statements (PS35 and PS36) which provide guidance on: (i) profit forecasts, quantified financial benefits statements and investment research; and (ii) unlisted share alternatives, respectively.

Further information on each publication can be found in our corporate updates here: [Proposed new framework for dual class share structures](#), [New Practice Statement 35](#) and [New Practice Statement 36](#).

DCSS framework

Recent reforms to the UK Listing Rules have relaxed regulations around DCSS as they have sought to attract founder-led, high-growth companies to list in the UK. If the recent UK listing reforms are successful, we may well see more of these structures in the future. In anticipation of this, the Executive is seeking to formalise guidance in this area. PCP 2025/1 also proposes to codify certain practices in relation to disclosure at the time of an IPO and to amend the rules relating to share buybacks to make them clearer and more concise.

The consultation period ran until 26 September. The Panel expects to publish its Response Statement by the end of 2025 and for the amendments to come into effect in the first quarter of 2026.

Practice Statement 35: Profit forecasts, quantified financial benefits statements and investment research

New Practice Statement 35 provides guidance on the way in which the Executive normally interprets and applies certain aspects of Rule 28 of the Code. It provides helpful clarification in an area which can be complex. The new Practice Statement includes a number of examples of where the Executive may be prepared to grant dispensations from reporting obligations or where it may be open to taking a lighter touch approach to connected research. In all cases, consultation with the Panel is advised if you are in any doubt in relation to any aspect of the Rules.



Panel publishes Panel Consultation Paper 2025/1 and two new Practice Statements (continued)

Practice Statement 36: Unlisted share alternatives

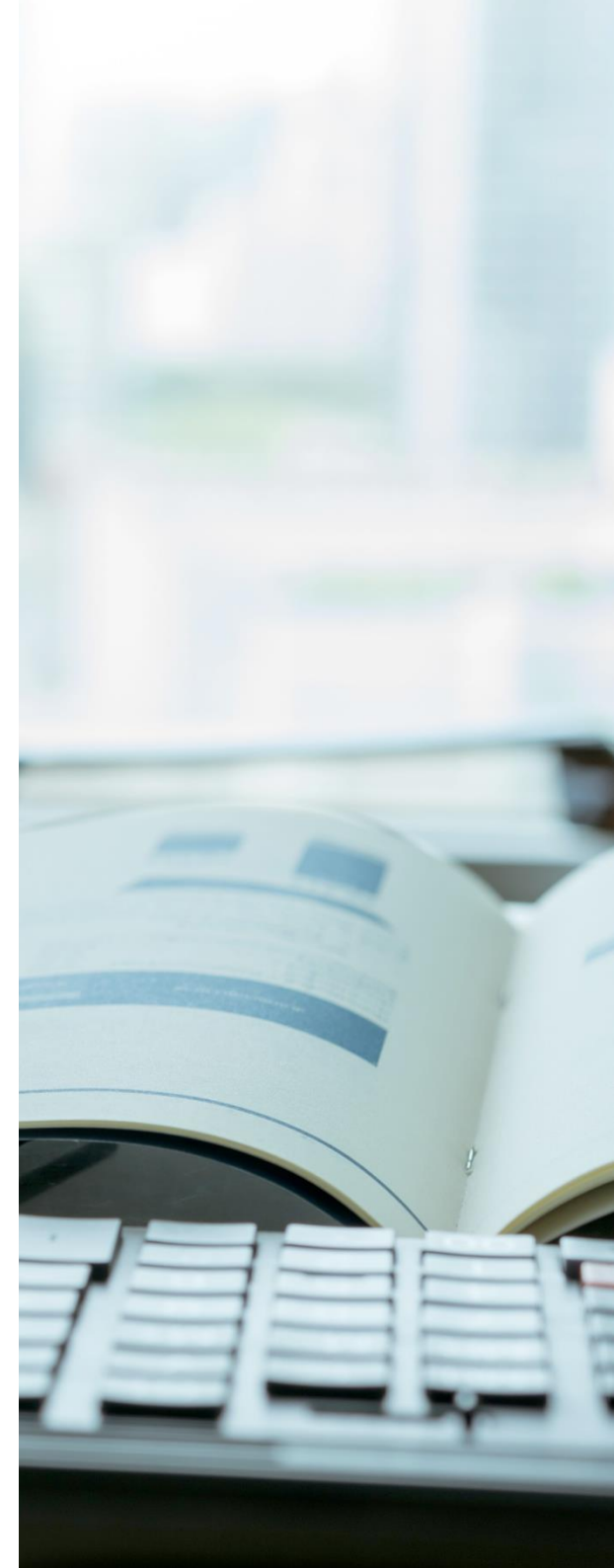
New Practice Statement 36 provides guidance on how the Executive normally interprets and applies the relevant provisions of the Code in respect of an unlisted share alternative to a cash offer (commonly known as "stub equity"). Alternative forms of consideration are increasingly being used to secure shareholder support where there is a valuation gap or where shareholders wish to remain invested in the target or sector. We expect this trend to continue and so the additional guidance is welcome.

Panel publishes its 2024/25 Annual Report

On 21 July, the Panel published its 2024/25 Annual Report for the financial year ended 31 March 2025.

Some highlights from the report are set out below:

- In total, 57 firm offers were announced (compared to 61 in 2023/2024), of which twelve were valued at more than £1 billion.
 - Ten of these larger transactions were announced in the first half, with a marked slowdown in the second half.
 - Of the 57 firm offers announced, eight were structured as contractual offers and 49 as schemes of arrangement.
 - Eight formal sale processes were announced and eight strategic reviews.
 - An important change was made to Code jurisdiction, refocusing the application of the Code on companies which are registered in, and whose securities are admitted to trading on a regulated market, multilateral trading facility or stock exchange in, the UK, Channel Islands or the Isle of Man.
 - The Executive also updated Practice Statement 31, setting out the new guidance in relation to private sale processes.
 - Following completion of the financial year end, the Code Committee published a consultation paper (PCP 2025/1), and two new Practice Statements (PS35 and PS36) (see previous slide for further information).
 - Two letters of private censure and three educational/warning letters were issued.
-



Panel ruling of the Chair of the Hearings Committee

On 4 September, the Panel published Panel Statement 2025/15, which set out the Ruling of the Chair of the Hearings Committee in relation to proposals concerning the acquisition of interests in Third Point Investors Limited (TPIL) by Third Point LLC (Third Point). The Chair rejected the appeal against the Executive's Ruling without convening the Hearings Committee as he determined that the appeal had no reasonable prospect of success.

An investor group had argued that the acquisition of certain interests in TPIL by Third Point should have triggered an obligation under the Code to make a Rule 9 mandatory offer for the remaining shares in TPIL. The Ruling of the Chair considered a number of points including: (i) the definition of control; and (ii) the point at which a company ceases to be a company to which the Code applies.

The key takeaways were:

- Rule 9 applies to shares which carry **voting** rights. In this case, whilst the B shares carried no economic rights, they did have (almost) equivalent voting rights and should therefore be counted towards the denominator for the purposes of considering whether Rule 9 had been triggered.
- The "relevant time" at which the Panel will consider whether a possible Rule 9 transaction should be governed by the Code is the point at which the transaction is carried out, **not** at some earlier point where it is simply being proposed. In this case, the transactions would complete following migration of TPIL from Guernsey (where the jurisdiction of the Code would apply) to the Cayman Islands (where the jurisdiction of the Code would not apply).

The Executive ruled, and the Chair upheld, that no obligation to make a mandatory offer had been triggered, given the proper treatment of the B shares, and that, even if that were not the case, TPIL would not be subject to the Code at the time the transactions were carried out.

The Chair concluded that the Executive was "plainly correct" and that any appeal against it lacked any "reasonable prospect of success".

Publication of the revised Practice Statement for Schemes of Arrangement

On 18 September, the Chancellor of the High Court issued a revised Practice Statement (Companies: Schemes of Arrangement). The consultation had primarily focused on restructuring plans and creditor schemes but was ultimately applicable to member schemes as well. As part of the consultation various parties had raised concerns around timetabling. In particular, the Court was asked to continue to permit the existing informal process of issuing a claim form on a no names basis prior to the date that any Court hearing is arranged in relation to a takeover scheme. The Revised Practice Statement reflects these concerns and excludes members schemes from this particular obligation.



PISCES

On 15 September, the LSE published amended versions of its Admission and Disclosure Standards and Rules of the London Stock Exchange. The rulebooks have been updated to reflect the creation of the LSE's new Private Securities Market (PSM), a Private Intermittent Securities and Capital Exchange System (PISCES) established under the PISCES Regulations.

In addition to amendments to its existing rulebooks, in August the LSE also published two draft rulebooks for the PSM – the PSM Rules for companies seeking to join the PSM and the PSM Handbook relating to compliance, actions, decisions and appeals under the PSM Rules.

The LSE is the first operator to be granted a PISCES Approval Notice by the FCA. It will operate the PSM as a recognised investment exchange, using its existing trading infrastructure to enable private companies to facilitate trading of their securities at intervals through an auction facility.

Further information can be found in the Ashurst Corporate Update published on [1 October](#).

FCA publishes Market Watch 83 with a focus on advisers' handling of inside information

On 8 September, the FCA published Market Watch 83, in which it set out its observations on corporate finance firms' systems and controls for handling inside information about their corporate clients.

Over a five-year period, the FCA undertook a series of "deep dive" UK MAR systems and controls reviews of firms that provide advisory and corporate broking services to small and mid-cap companies. The Market Watch identified various market practices and areas where the FCA saw a heightened risk, focusing on market soundings, the control environment and personal account dealing.

The FCA's aim in sharing its observations is to help firms benchmark their systems and controls and consider whether their arrangements align with the FCA's expected standards.

Further information can be found in the Ashurst Corporate Update published on [1 October](#).

FCA launches new Handbook website

On 8 September, the FCA also launched its new Handbook website. No changes have been made to the structure or content of the Handbook.

The new Handbook website is intended to offer improved functionality and ease of navigation. To that end, the FCA has published video guides to supplement its User Guides for the new website.



FCA publishes final rules for the new Public Offers and Admissions to Trading Regime

On 10 July, the FCA published Policy Statement 25/9 which set out its final Prospectus Rules: Admission to Trading on a Regulated Market (PRMs).

The rules represent the last step in creating a reframed prospectus regime. Together with the Public Offers and Admissions to Trading Regulations 2024 (POAT Regulations), which will replace the UK Prospectus Regulation and establish a new framework for the offering of securities to the public and the admission of securities to trading in the UK, the FCA's rules will create a new regime which seeks to make capital raising more agile.

In overview, the FCA's new rules broadly follow the form of the draft rules previously published by the FCA in Consultation Paper 24/12 and Consultation Paper 25/2, during its consultation phase (see previous updates which deal with the consultation on the POAT Regulations [here](#) and further proposals [here](#)).

A key change will be the increased threshold at which a prospectus is required for further issuances. The current limit of 20% of share capital already admitted to trading has been raised to 75% (with a threshold of 100% applying to closed-ended investment funds). This revision will allow significant secondary capital raisings to be effected without a prospectus.

The new regime will come into force on 19 January 2026. Further clarity as to the transitional arrangements under the PRMs is expected - it is not yet certain when the FCA will begin to review prospectuses under the new rules for the purpose of admissions after 19 January 2026.

Further information can be found in our update published on [16 July](#).



Appendix

Key features of firm offer announcements

Announced UK takeover bids

(1 July to 30 September 2025)

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
Frenkel Topping Group plc (AIM)	Harwood Private Equity LLP	£64 m	19.5%	●			●	U ¹	● ²				●	N ³					
Petershill Partners plc (Main)⁴	Petershill Partners	\$921 m	35%	●			●						● ⁴	N ⁵					
APG Global Limited (TISE)⁶	Bart Turtelboom	\$1.79 m	NP		● ⁷	●	●				●								
Treatt plc (Main)	Exponent Private Equity LLP	£173.8 m ⁸	29.5%	●			●						●	N/C ⁹					● ¹⁰
John Wood Group PLC (Main)¹¹	Dar Al-Handasah Consultants Shair and Partners Holdings Ltd	£207.6 m	62.7% ¹²	●			●						●	NC ¹³					
Empiric Student Property plc (Main)	The Unite Group plc	£723 m	10%	●			●	L					●	N/C ¹⁴					● ¹⁵
Epwin Group plc (AIM)	Laumann Stiftung & Co. KG	£167.3 m	42%	●			●						●	N/C					
Just Group plc (Main)	Brookfield Wealth Solutions Ltd.	£2.4 bn	75%	●			●						●	N/C ¹⁶					
Alpha Group International plc (Main)	Corpay, Inc.	£1.81 bn	55%	●			●						●	N/C ¹⁷					
Anexo Group plc (AIM)	DBAY Advisors Limited, Alan Sellers and Samantha Moss	£70.8 m	17.6%	●				U ¹⁸	● ¹⁹		●			N/C ²⁰					
Apax Global Alpha Limited (Main)	Investment vehicle to be advised by Apax Partners LLP	€916.5 m	18.8%	●			●	U ²¹					●	N/C ²²					
Spectris plc (Main)	Kohlberg Kravis Roberts & Co. L.P	£4.2 bn	96.3%	●			●						●	N/C ²³					● ²⁴

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
**	Standard 90% (waivable) acceptance condition, unless otherwise stated
***	In shareholders' irrevocable undertakings, unless otherwise stated
□	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	Nil premium or no premium given in offer documentation
R	Reverse break fee
U	Untraded shares
B	Bidder shareholder approval
T	Target shareholder approval

1. Unlisted security alternative

2. Cash offer includes CVR loan notes

3. + CVR deed poll and CVR loan note instrument

4. Return of capital and delisting by means of a scheme of arrangement. Notwithstanding no offer is being made for the company and no ordinary shares are being acquired, the Panel is applying the Code to the proposal as it would, if successful, result in Petershill Partners consolidating their control and holding 100%

5. + Goldman Sachs engagement and non-disclosure letter, escrow agreement

6. Unconditional mandatory offer from outset following issuance of new shares as part of emergency fundraise

7. No recommendation given

8. Bidder announced increased and final offer (£173.8m) on 6 October

9. + clean team, joint defence agreement

10. Directors' confirmations

11. Exceptional conditions apply in light of Wood's financial condition

12. Premium is calculated against share price at time of suspension, not commencement of offer period

13. + international data transfer agreement, clean team, joint defence agreement, lender clean team and certain interim financing agreements

14. + reverse confidentiality agreement, limited waiver of privilege side letter, clean team

15. Directors' confirmations, QFBS

16. + clean team, joint defence agreement

17. + clean team, joint defence agreement

18. Unlisted security alternative

19. Loan notes
20. + joint bidding agreement, share purchase agreements, rollover agreement

21. Unlisted security alternative

22. + framework agreement between co-investors

23. + clean team, joint defence agreement

24. Directors' confirmations

