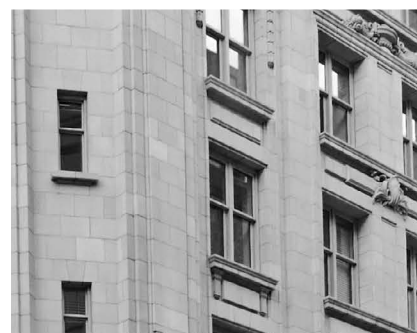
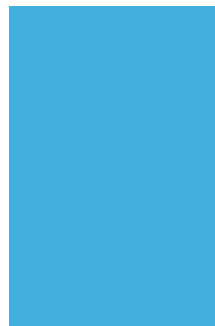
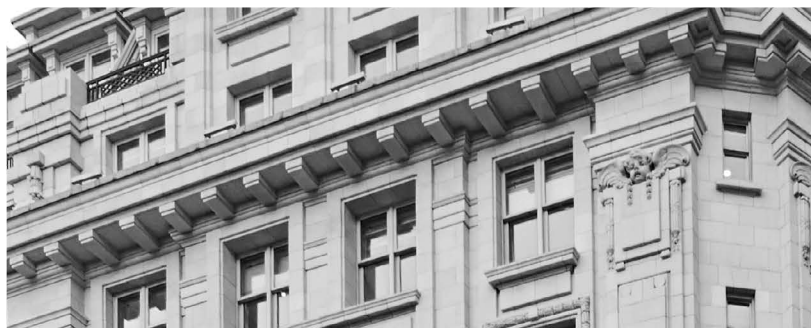
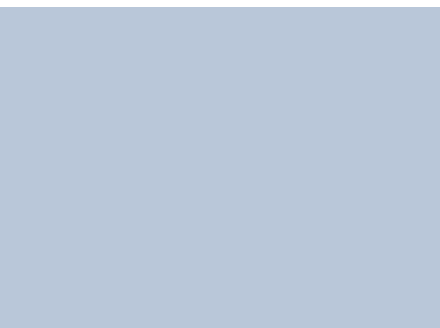


UK Public M&A

H1 2026 Update
& H2 2026 Outlook



H1 2026 Review

The year started dramatically with the announcement of the possible mega-merger between mining giants, Rio Tinto and Glencore, which, if made, would have been amongst the largest UK public M&A deals of all time – fuelling initial optimism around a return in confidence from bidders for larger-scale acquisitions, and that UK market activity would pick up in line with expectations following a muted end to 2025. However, the advent of the US-Iran war at the end of February immediately clouded the macro-economic landscape, and deal activity slowed considerably. The number of firm offers is down significantly compared with H125, but up relative to H225 and the spate of activity in the latter half of June alone suggests growing momentum as we head towards the second half of 2026.

Activity & Transaction Size



25

Number of firm offers
(H125: 42; H225: 21)



41%

Decline compared
to H125

Deal values skewed

64%

of firm offers with
sub-£250m values

£1.41bn

Average deal value
(H125: £534m)

£206m

Median deal value
(H125: £203m)

- In the context of overall lower volumes, the relative proportion of £1bn+ deals has increased and aggregate firm offer value in H126 is already nearly that of the whole of 2025
- While both average and aggregate deal values appear significantly higher than H125, activity has, in reality, been concentrated in the small to lower mid-cap space (sub-£250m). A more accurate picture is painted by the median deal value, which at £206m is comparable to H125 (£203m)
- The average values were skewed by *Nuveen/Schroders*, *Zurich/Beazley* and *EQT/Intertek* (all £8bn+). Other notable deals by size include *Ingredion/Tate & Lyle* (£2.7bn) and *Blackstone-Tinicum/Senior* (£1.3bn)

Structure

84% Schemes



16% Contractual
offers

Schemes remain prevalent structure

Deals that have resulted in firm offers have been overwhelmingly structured as schemes of arrangement (84%) with only four structured as a contractual offer, including two which were hostile (and which therefore can only generally be structured as a contractual offer) and one mandatory offer.

We saw Helios' hostile offer for CAB Payments structured as a rare pre-conditional offer, given the inability of the bidder in this instance to suspend the timetable to accommodate regulatory timetables in the absence of target board co-operation.

Forms of Consideration

Cash is dominant and the five largest deals were all cash only



Bidders are increasingly “topping up” cash consideration by allowing target shareholders to retain certain dividends without reducing consideration.



Other than the unusual all-share offer by Acceler8 Ventures for Intuitive Investments Group (which involved the target reversing into a listed acquisition vehicle to facilitate a move to the ESCC listing category), there were no all-share firm offers to date in 2026, representing a notable change to the prior two years. This is perhaps a result of the challenges to, and therefore reluctance of, shareholders holding overseas listed equity without a cash option.



The number of deals involving any form of share consideration has declined, although (as has been the case for some time) we continue to see: (a) the use of “stub equity” by sponsor bidders as a means of facilitating support from those who wish to remain invested; and (b) firm offers involving a fixed proportion of cash and shares – two firm offers involved cash and listed share consideration.

Bidder Profile

68%

of total firm offers were international

36%

Sponsor Bidders

64%

Strategic Bidders

International bidders involved in majority of significant deals

US bidders – both strategics and sponsors – remain the most prevalent but almost all significant deals (including all five £1bn+ deals) have involved international bidders, including a substantial number from Europe. This reflects the continued trend of the perceived undervaluation of UK assets by the UK markets and international bidders seeking to take advantage of these valuation gaps and, in the case of US bidders in particular, the availability of deeper pools of capital abroad.

The majority of firm offers were made by strategic bidders as compared to sponsor bidders (including offers by portfolio or sponsor-backed companies) – 64% and 36% respectively. This represents an increase in the proportion of strategic bidders from 2025 where the split between strategics and sponsors was nearer even. Strategics have also tended towards larger targets – three of the five largest deals were by strategic bidders. Nonetheless, it is clear that sponsors have been running the rule over many UK-listed targets as they continue to look (and face ongoing pressure) to deploy capital, albeit with a renewed focus on the highest quality assets and enhanced price/value discipline. This is reflected in the fact that the proportion of *possible* offers involving sponsor bidders was notably higher, albeit many were withdrawn prior to the firm offer stage.

Sectors

Activity was spread across diverse sectors

However, there were notable clusters in the real estate (REIT) sector and in financial services.



There were two firm and two possible (ongoing) offers in the REIT sector. We appear to be in the latter stages of the consolidation trend between real estate investment companies, as the last few smaller listed REITs which have not already been subsumed into larger groups come into play.



Five announced firm offers have been in the (wider) financial services sector, including two of the largest, Nuveen's offer for Schroders (asset and wealth management) and Zurich Insurance's offer for Beazley (insurance).

H1 2026 Trends

Antitrust, foreign direct investment and regulatory

Regulatory review continues to be rigorous despite political pressure on the EU and UK agencies to encourage economic growth and investment. At the same time, there has been a proliferation of new or strengthened regimes, meaning that bidders and targets need to craft a robust regulatory strategy for deals. At a more granular level:

UK landscape

In 2025, the UK's Competition & Markets Authority (CMA) continued its more business-friendly "4Ps" framework for merger control (pace, predictability, proportionality and process). We have seen this play out as follows:

- The CMA is generally meeting its new (shorter) timetable KPIs for both pre-notification discussions and straightforward merger investigations at Phase 1
- The CMA has continued to focus on deals which have a clear impact on UK markets and is stepping back from intervening in global deals with minimal effects in the UK
- The CMA is currently consulting on revised guidance on merger efficiencies. While the proposals indicate that the CMA will be more open to efficiencies arguments, the bar remains high

European landscape

- The European Commission is currently reviewing its merger assessment guidelines amid political pressure to support European "champions" and broader priorities such as resilience and sustainability. While the core framework for assessing harm remains the same, the Commission is signalling greater openness to weighing merger benefits against potential harms. The bar for proving efficiencies remains high but bidders can start testing this more holistic approach from now
- For bids with substantive competition issues, recent Phase 2 timings have been unpredictable. Pre-notification discussions can be lengthy, taking 6 months or more in complex transactions

US landscape

- The antitrust agencies remain more open to settlements than the previous administration
- However, state-level merger enforcement has been increasing as states are more willing to diverge from the federal enforcers
- While the agencies have reverted to the old, less burdensome Hart-Scott-Rodino filing form for the rest of 2026, they are pursuing potential rulemaking on a new form - their recent request for public comment suggests that they are seeking to reduce burdens for clearly benign deals while expanding the reach for others

Addressing regulatory risks

Both bidders and targets are increasingly sophisticated in how they seek to address execution risks relating to regulatory approvals:

- Where there are minimal or little regulatory concerns, bidders have been willing to forgo the inclusion of specific regulatory conditions and, in some instances, have done away altogether with entering into co-operation agreements to deal with regulatory clearances
- Where there are material regulatory issues, it has become more common for bidders to highlight to shareholders (in line with Panel guidance, but with varying degrees of specificity) their intention to seek to invoke material regulatory conditions (and therefore have the transaction terminate) if the relevant conditions are not satisfied or if clearance would require remedies that would be materially adverse to the combined group. The degree to which the Panel will allow a bidder to walk away from a deal on this basis remains to be seen
- Although not new, we also continue to see a couple of instances of the use of pre-agreed extensions to long-stop dates to address long regulatory timetables

Financing

While the European syndicated loan and high-yield capital markets were subdued in early 2026 amid wider macroeconomic conditions, the past two months have seen a marked uptick in volumes. On the loan side, activity has again been led by repricing activity, though new-money supply has also emerged to fund a number of large-cap corporate carve-outs. In a UK public M&A context, although deal volumes are down, firm offers with a debt finance component continue to showcase the range of financing routes bidders are pursuing. Blackstone-Tinicum looked to the US syndicated loan markets to support their offer for Senior, while EQT's recent offer for Intertek Group boasts a committed EUR/USD debt package exceeding £5bn, expected to be placed across the syndicated loan and high-yield markets. Private credit also remains a financing source for bidders, as demonstrated by Charterhouse's offer for Animalcare Group. The picture emerging from recent months is one of renewed but selective activity, underpinned by the depth of financing options now available across both the public and private markets.

Competing offers and private sale processes



The number of “actual” competing offers following the announcement of a firm offer appears to be down. However, competition for quality assets remains high and the decline may be more a product of the recent relaxation of rules by the Panel with respect to not requiring potential bidders to be publicly identified in circumstances where target boards are privately sounding out multiple interested parties (i.e. a “private sale process”). While the evidence is anecdotal, target boards seem more willing to take advantage of the private sale process regime to facilitate competition “behind the scenes”, such that the announced firm offer already reflects the “final” outcome of a competitive process.

Use of “hostile” tactics



While most bidders are only willing to pursue deals on “friendly terms” some - both strategics and sponsors - have been willing to take aggressive moves to force engagement, including putting headline terms directly to shareholders (“public bear hugs”) in order to put pressure on target boards to engage (e.g. *CastleLake/easyJet*, *Zurich/Beazley*, *EQT/Intertek*, *Railpen/IP Group*). Relatively unusually for the UK public M&A market, we even experienced two bidders launching “fully” hostile firm offers following a lack of engagement from the target boards (*Helios/CAB Payments*, *Glenstone/Alternative Income REIT*).

Consortium bids and co-investment



Sponsor-led bids involving consortiums or co-investors are no longer unusual, especially for larger deals. We have seen various structures, from “full” consortium bids with equal partners to those fronted by a lead sponsor where others are brought in to provide capital on a passive basis, reflecting the myriad of reasons why sponsors seek co-investors – some simply requiring additional financial support, others wanting the operational expertise of those already invested in the sector. Sponsors are also looking to offload risk at an earlier stage. While Code requirements mean that it is more challenging to commence an equity syndication process pre-completion, we are increasingly seeing sponsors being willing to navigate the issues in order to commence such processes before completion.

H2 2026 Outlook

The outlook for the remainder of 2026 is cautiously optimistic. There continues to be a significant amount of interest in UK targets. Although the Middle Eastern situation remains unpredictable, opportunities presented by perceived short-term price dislocation in some sectors as a result of the current geo-political situation, combined with expected increased market confidence as a result of the number of £5bn+ deals being announced in H1, suggest that activity may well continue to increase during the second half. Financing options remain available, and bidders appear willing to navigate the complex regulatory landscape for the right targets. There is already some indication of this, with a recent spike in both the number of firm offers - with five announced in the last week of June alone - and possible offers, including possible offers for large targets such as easyJet (£5bn+) and SEGRO (£12.6bn).

“Financing options remain available, and bidders appear willing to navigate the complex regulatory landscape for the right targets.”

Your Key UK Public M&A Contacts

Public M&A



Dan Schuster-Woldan
Head of European Public M&A
+44-20-7601-8693
dschusterwoldan@paulweiss.com



Matthew Hearn
Co-Head of UK Public M&A
+44-20-7601-8739
mhearn@paulweiss.com



David Holdsworth
Partner
+44-20-7601-8728
dholdsworth@paulweiss.com



Francesca Storey-Harris
Partner
+44-20-7601-8857
fstoreyharris@paulweiss.com

Finance



Neel Sachdev
Vice Chair of the Firm, Global Co-Chair of Finance & Capital Markets, Co-Head of the London office
+44-20-7367-1607
nsachdev@paulweiss.com



Kanesh Balasubramaniam
Co-Head of European Sponsor Finance and Alternative Credit
+44-20-7367-1604
kbalas@paulweiss.com



Stefan Arnold-Soulby
Co-Head of European Sponsor Finance and Alternative Credit
+44-20-7367-1613
sarnoldsoulby@paulweiss.com

Antitrust



Nicole Kar
Global Co-Head of the Antitrust Department
+44-20-7601-8657
nkar@paulweiss.com



Lauren O'Brien
Partner
+44-20-7601-8648
lobrien@paulweiss.com

Our Recent UK Public M&A Experience

- **Qualcomm Incorporated** on its approximately \$2.4 billion acquisition of Alphawave IP Group plc
- **General Atlantic** and certain of its managed funds, including Atlantic Park, in its approximately £804 million acquisition of Learning Technologies Group plc
- **EP Corporate Group, a.s.**, in connection with the regulatory, financing, and structuring aspects of its acquisition of International Distributions Services plc (IDS), the parent company of the UK's Royal Mail and international parcels network GLS
- **ABC Technologies**, an entity majority-owned by funds managed by affiliates of **Apollo Global Management**, on the financing and regulatory aspects of its approximately £1.83 billion acquisition of TI Fluid Systems plc
- **AMG** and **AMG Lithium B.V.** on the recommended acquisition of the entire issued and to be issued ordinary share capital of Zinnwald Lithium plc that is not already owned by AMG Lithium

Offices

London

20 Air Street
London W1B 5AN
United Kingdom
+44-20-7367-1600

Brussels

Rue Montoyer 10
1000 Bruxelles
Belgium
+32-2-884-08-00

New York

1285 Avenue of the Americas
New York, NY 10019-6064
United States
+1-212-373-3000

Houston

845 Texas Avenue, Suite 200
Houston, TX 77002
United States
+1-713-804-0200

Los Angeles

2029 Century Park East
Los Angeles, CA 90067-3006
United States
+1-310-982-4350

San Francisco

535 Mission Street, 25th Floor
San Francisco, CA 94105
United States
+1-628-432-5100

Toronto

77 King Street West
Suite 3100
P.O. Box 226
Toronto, Ontario M5K 1J3
Canada
+1-416-504-0520

Washington, DC

2001 K Street, NW
Washington, DC 20006-1047
United States
+1-202-223-7300

Wilmington

1313 North Market Street Suite 806
Wilmington, DE 19801
United States
+1-302-655-4410

Hong Kong

Suites 3601 – 3606 & 3610
36/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong
+852-2846-0300

Tokyo

Fukoku Seimei Building 2F
2-2, Uchisaiwaicho 2-chome
Chiyoda-ku, Tokyo 100-0011
Japan
+81-3-3597-8101

paulweiss.com

The content in this document should not be construed as legal advice.