

Market Tracker Trend Report

## Recent trends in UK Shareholder activism



Produced in association with

**WHITE & CASE**

 Activist Insight

Contributions from

 **UBS**

**Georgeson**

**Greenbrook**

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## Introduction

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Shareholder activism has increased significantly in the UK in recent years, with the number of UK-listed companies subject to activist demands more than doubling between 2014 and 2019. Although the COVID-19 pandemic has led to a significant reduction in the publicly observable level of activist engagement, the expectation from practitioners is that this is a temporary hiatus and that activism is very much here to stay.

“ “ *Whilst we have seen a decline in the level of public campaigns and demands since the COVID-19 pandemic, as activists adopt a lower profile so as not to be perceived to be unreasonably aggressive and opportunistic, that is no cause for complacency on the part of the boards of UK companies. Many activists have adopted a “wait and see” approach, and there is much activity going on below the surface, with various activists repositioning themselves to take advantage of share price volatility and preparing for strategic engagement once the path ahead is clearer. In particular, we have noticed an increase in stake-building and private engagement. It is vital that companies are well-prepared for when activists appear on the register. Knee-jerk or defensive actions rarely get the best results and we recommend that companies have in place an “activist approach guide” to guide the board through the key initial hours following an approach.*

*Patrick Sarch, Co-Head of EMEA Activism Practice, White & Case*

Whilst many campaigns against companies are being initiated by seasoned activists, in recent years an increasing number of mainstream institutional investors have been turning to activist strategies to maximise the performance of their investment portfolios and fulfil their stewardship responsibilities.

“ “ *Traditional long investors are prepared to go public and provide a quote or even publish their own statements when they don't approve. Activism is a style of investing which is growing in commonality by both professional activists and regular institutional investors.*

*Cas Sydorowitz, Global Head of Activism at Georgeson*

Similarly, the demands made by investors in activist campaigns have also become more diverse, with ESG-focused activism and M&A-related activism rising up the agenda to sit alongside the more traditional forms of activism, such as demands for board change.

In this report, we look at these and other recent trends in shareholder activism in the UK, including a review of what has happened in the first half of 2020 and predictions for the rest of the year. We also look at how companies can prepare for an activist approach and provide some tips on how activists can run a successful campaign in the UK.

## Highlights H1 2020



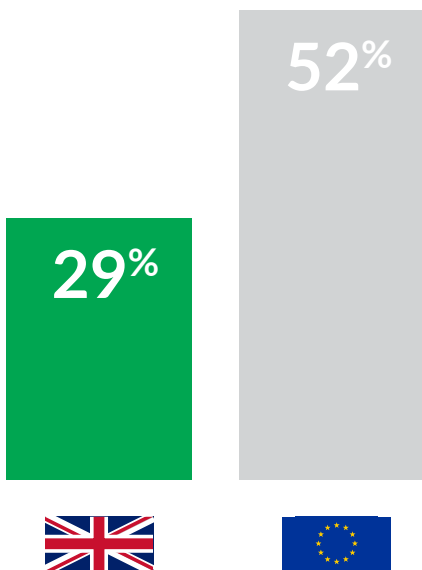
**US\$2.9bn**  
of newly disclosed activist investments held by primary and partial focus activists in UK targets



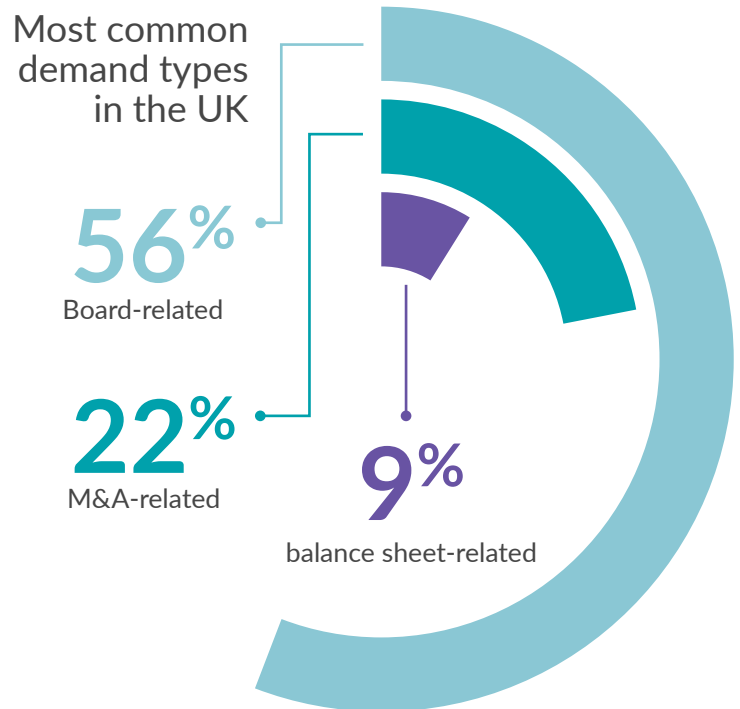
Sweden overtakes UK for **highest number** of companies subject to activist demands in Europe



**Basic Materials, Financial Services** and **Industrials** were the most active UK sectors



29% of UK targets were Mid-Cap (US\$2-10bn) or Large-Cap (US\$10bn+) companies compared with 52% in rest of Europe



**100%** of UK board seats secured through settlements

**17%** secured through settlements

**83%** of European board seats secured through shareholder vote

## Executive summary

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### Activity levels in the UK

After a record number of activist campaigns in 2018 and the first half of 2019, activity levels in the UK were more subdued in H1 2020. 17 UK companies were publicly subjected to demands by activists in H1 2020 (H1 2019: 38 companies; H2 2019: 25 companies).

Although the number of companies publicly subjected to activist demands decreased in H1 2020 when compared to H1 2019 and H2 2019, the aggregate amount of capital deployed in campaigns was significantly higher, with the value of newly disclosed activist investments by primary and partial focus activists being US\$2.9bn. This is nearly double the levels seen in 2019 (H1 2019: US\$1.3bn; H2 2019: US\$1.4bn) and was largely attributable to the activist campaign against Prudential, which accounted for over US\$2bn of activists' positions in H1 2020.

### Global picture

Globally, H1 2020 saw a slight decline in the proportion of campaigns involving non-US companies, with 37% of the targets of activist campaigns being non-US companies (H1 2019: 44%; H2 2019: 51%).

Activity levels were more robust in Europe, with 58 European companies publicly subjected to activist demands in H1 2020 (H1 2019: 68 companies; H2 2019: 38 companies). The aggregate value of newly disclosed activist investments held by primary and partial focus activists in Europe was US\$1.7bn, which represents a decrease on H1 2019 (US\$4.5bn), but an increase on the levels seen in H2 2019 (US\$913m).

The three most active jurisdictions in Europe for shareholder activism were Sweden (18 companies), the UK (17 companies) and Germany (9 companies). This is the first time in several years that the UK has not been the most active jurisdiction in Europe in terms of the number of companies subjected to activist demands. However, the amount of capital deployed in UK campaigns was almost double that deployed in the rest of Europe, with the value of newly disclosed activist investments being US\$2.9bn (Rest of Europe: US\$1.7bn).

### Industry focus

Shareholder activism was spread across a range of sectors in H1 2020. Basic Materials, Financial Services and Industrials were the most active sectors in the UK, with three companies the subject of activist campaigns in each sector. In the rest of Europe, the most active sectors in terms of targets for activist campaigns were Financial Services (18), Consumer Cyclical (8) and Industrials (6).

The Financial Services sector saw the highest amount of capital deployed by activists in the UK, with the value of newly disclosed activist investments by primary and partial focus activists at UK-headquartered companies in H1 2020 being US\$2.4bn. In the rest of Europe, the highest amount of capital deployed was in the Basic Materials sector, where the value of newly disclosed activist investments by primary and partial focus activists in H1 2020 was US\$585.75m.

### Target company size

The size of companies subject to activist campaigns varied widely in H1 2020. In the UK, only five (29%) of the 17 activist targets were Mid-Cap (US\$2-10bn) or Large-Cap (US\$10bn+) companies (H1 2019: 11%; H2 2019: 24%). By contrast, in the rest of Europe, 29 (52%) of the 56 activist targets were either Mid-Cap or Large-Cap companies (H1 2019: 45%; H2 2019: 44%).

### Activist profile

15 UK-headquartered primary, partial and occasional focus activists made public demands globally in H1 2020 (H1 2019: 16; H2 2019: 18) and, of those 15, two made public demands for the first time. No single investor publicly subjected more than one UK-headquartered company to activist demands in H1 2020.

In the rest of Europe, 22 European-headquartered primary, partial and occasional focus activists made public demands globally in H1 2020 (H1 2019: 28; H2 2019: 19) and, of those 22, nine made public demands for the first time. Charity Investment Asset Management (CIAM) was the most engaged activist in H1 2020, subjecting three European-headquartered companies to public demands. Petrus Advisers, Bluebell Partners and ENA Investment Capital were the three next most active investors, each leading two public campaigns.

## Demand type breakdown

Activists pursued a range of strategies in H1 2020, with the most common demand in the UK being board-related, which accounted for 18 (56%) of the 32 public demands made by activists during the period. The next most popular demand types were M&A-related (22%) and balance sheet-related (9%).

Board-related activism was also the most common activist strategy in the rest of Europe, accounting for 49 (42%) of the 117 public demands made by activists during the period. The second most common activist demand in the rest of Europe was 'other governance-related', which accounted for 23% of public demands.

M&A-related activism took various forms, including investors encouraging companies to pursue M&A opportunities (Push for M&A), opposing or seeking improved offer terms on announced transactions (Oppose M&A) and calling on companies to hive-off parts of their business (Break-up). Of the seven M&A-related campaigns in the UK in H1 2020, four (57%) 'pushed' for M&A, one (14%) opposed a transaction and two (29%) called for a break-up of the business. Europe saw 10 M&A-related campaigns, with five of these being 'Push for M&A' campaigns and five being 'Oppose M&A' campaigns.

## Outcome of resolved demands

Activists enjoyed a lower success rate on UK campaigns in H1 2020 compared with 2019, with only nine (24%) of the 37 public demands that were resolved in that period being at least partially successful (H1 2019: 44%; H2 2019: 54%). Of the remaining 28 demands, 18 were unsuccessful and 10 were withdrawn or superseded by external events (eg, the bankruptcy or takeover of the target company) during the period.

Activists enjoyed slightly more success in the rest of Europe, with 28 (31%) of the 89 resolved public demands being at least partially successful (H1 2019: 33%; H2 2019: 38%). Of the remaining 61 demands, 53 were unsuccessful and eight were either withdrawn or superseded during the period.

## Board seats

Activists won a total of four UK board seats in H1 2020 (H1 2019: 16 seats; H2 2019: 15 seats). This is significantly lower than the number of board seats won by activists in H1 2019 and H2 2019. In Europe, activists won a total of 18 board seats in H1 2020 (H1 2019: 29 seats; H2 2019: 17 seats). This was significantly lower than the number of board seats won by activists in H1 2019 but in line with the number of board seats won in H2 2019.

All of the UK board seats won by activists in H1 2020 were settled without the need for a shareholder vote. By contrast, 15 of the 18 board seats won by activists at European-headquartered companies went to a shareholder vote.



## Outlook and predictions for H2 2020 and beyond

### Views from White & Case



Following the onset of the COVID-19 pandemic, activists have taken a more cautious approach, preferring to remain in the background until there is a sufficient degree of predictability to the markets. However, we believe that the threat of activism to UK companies has only increased and that we will see a significant uptick in activism as we emerge from the COVID-19 pandemic.

In the next six to twelve months we expect to see:

- **Greater focus on ESG**

Activists are increasingly focusing on the “E” and the “S” of ESG as part of their investment theses and campaign rhetoric, in part due to the significantly increased weighting being given to these factors by passive and active fund managers. As we move past the immediate impact of the COVID-19 pandemic, we expect the issues of sustainability of business models and board diversity (in particular, racial and gender diversity) will be focused on as central campaign theses.

- **M&A-related activism resuming**

Prior to the pandemic, M&A-related activism remained popular, as activists viewed break-up activism, transaction promotion or disruption and “bumpitragage” as favourable routes to generating value. As we emerge from the pandemic, we expect these campaigns to return as the wider M&A market returns.

- **Increasing use of tactical litigation to force change**

There has been an increase in the number of high profile disputes between founder or major shareholders and companies, with several recent examples leading to tactical litigation, court hearings and injunctions. At the same time, the possibility of shareholder class actions emerging as a new exposure for companies has increased recently, with several high profile claims currently being tested in the UK courts.

- **Short selling to continue**

Finally, following some high profile successful campaigns, activist short sellers are directing increased attention to UK and European companies. After the initial shock at the arrival of “bear attacks” in mainland Europe and vindication of various shorters’ theses, the technique is becoming more accepted, in particular in the UK.

**Patrick Sarch and Tom Matthews, Co-Heads EMEA Activism Practice, White & Case**

## Views from Activist Insight

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Activism in the UK was for many years driven both by the attractiveness of the UK market and the saturation of the American one, which saw many hundreds of activist campaigns per year. The UK market should remain attractive and many industries in the US are still too badly impacted by COVID-19 to make for good targets, which should encourage American activists to dust off their pitchbooks for UK companies.

Even UK companies that are currently doing well may be exposed to big challenges in the years to come. Succession planning, consolidation, and cost-cutting are all areas where activists can nudge management teams and boards further than they may be willing to go alone.

Short attacks on UK companies are not new but have increased significantly this year. A fair regulator not given to halting short selling and economic volatility makes for an attractive combination in the eyes of short sellers.

Different incentives may mean activists continue to clash with UK-based institutional investors on some issues, such as paying competitive remuneration or delisting from London-based exchanges. However, with active management under pressure to produce returns, shareholder value maximisation will continue to be a powerful force, especially as activists seek to mitigate concerns that they are not friendly to environmental, social, or governance (ESG) best practices.

**Josh Black, Editor-in-Chief, Activist Insight**





## Views from UBS



- **Convergence**

The convergence of the following factors at any particular company could propel that company to the top of activist screens:

- Companies in reasonably resilient (although not necessarily unaffected) sectors in the face of COVID-19
- Companies with valuation multiples and TSR profiles that trailed peers since COVID-19 dislocation
- Companies with resilient cash flows that are cheaply priced by the market
- Companies with balance sheets that have weathered the COVID-19 storm
- Companies with latent PE interest
- Companies in sectors with consolidation pressures post-COVID-19

- **Transactional solutions to relative undervaluation**

Activists remain focused on driving their fund returns through unlocking value at companies they perceive as being undervalued through transactional means. For mid- and small-cap companies, that means a sale. For large-cap companies, that generally means a sum-of-the-parts narrative where activists seek to break up companies using a multiples arbitrage analysis. Activists are looking at the actionability of these transactions in terms of whether these transactions are doable when the M&A market opens more fully again. Companies are attractive at present if transactions could be theoretically achieved within a 9- to 24-month window.

- **Increased activism at mid- and small-caps**

We expect to see an increasing number of mid- and smaller-cap companies being subject to activist campaigns. With mid-cap activists from the US comfortable with the UK and the growth in domestic activists adept at the art of activism, there will be an increased focus on companies that may not be experiencing the benefits of being public to the same extent as their larger peers. This has been the bread and butter segment for activists in the US for the last decade, and this dynamic will become increasingly the trend in the UK.

- **Buyback demands have not disappeared, but they have morphed**

Demands for capital returns through buybacks have not disappeared during COVID-19, but have morphed. Activists remain focused on buybacks as a core component of their overall investment theses, but they are sufficiently “politically” sophisticated to avoid that debate in the current climate. Activist focus will be on “capital allocation” arguments which will be used as the foundations for buyback demands in the future. In fact, activists are already asking... when will your capital return policy return to normal?

**Darren Novak, Head of Shareholder Activism, UBS Investment Bank,  
EMEA Mergers & Acquisitions, Global Banking**

## Views from Greenbrook



- **Increased focus on ESG**

The increased focus on ESG that we have witnessed over the last couple of years will continue to be of importance to activists. Institutional investors are under growing pressure to find E&S 'wins', so action from activists that help them with this will be supported. We expect to see issues such as board diversity, employee diversity, sustainability and climate change to be central to a growing number of campaigns over the coming year.

- **Increased interest from US funds in UK companies**

With the support of specialist advisors on the ground and the increasing number of successful case studies, US-based activists are increasingly open to pursuing campaigns away from their home market. Several US firms we are speaking to consider UK listed companies, particularly those with an international component, to present attractive opportunities in the current environment. As we approach the end of the year and the uncertainty around Brexit subsidies, we expect to see an increased number of US activists appearing on UK share registers.

- **Increased focus on preserving hard earned reputations, whilst also holding companies to account**

In the context of the pandemic, activists have been careful to preserve their reputations and focus on campaigns that are not a distraction to management teams in times of crisis. We expect activists to continue to operate with a degree of caution; an aggressive campaign to leverage up balance sheets or reduce headcount is unlikely to receive support from some large institutions at this time. That said, we are also increasingly seeing activists grow impatient with management teams who are using COVID-19 as an excuse for poor performance or misguided strategies. A careful balance will be struck over the coming months, but we will increasingly see management teams and boards held to account in the same way they were prior to the pandemic.

- **Activists as providers of long-term capital**

There is a growing desire among activists to be seen as supportive providers of long-term capital to companies constrained (or worse) by short-term capital or cash-flow problems. More interesting, however, is the willingness of activists to sign NDAs and confidential standstill agreements with companies to conduct detailed due diligence. Activists argue they have the resources and ability to conduct the sort of forensic analysis that will quickly identify whether a favourable financing solution can be delivered for a company in need of urgent funding.

**Andrew Honnor, Managing Partner and Rob White, Partner, Greenbrook**

## Views from Georgeson



ESG Activism has already attracted new investor clients, so we will see traditional activists going after companies focused on ESG initiatives.

- Activist investor Jeff Ubben, has left ValueAct after 20 years, to start a new fund focused on investing based on environmental, social, and governance criteria.
- TCI with \$30 billion in assets, is pushing holding companies to reduce greenhouse gas emissions and disclose their carbon footprint. Penalty for failure may include ousting the boards or dumping the shares.

SPACs will become more prevalent for activists and Private Equity investment in 2021.

- There have been many US SPACs that have attracted activist investment to help generate outsized returns.
- Bill Ackman launched Tontine Holdings, raising \$4 billion for his newly launched SPAC.
- On 15 August, Far Point Acquisition Corp, Silver Lake and Third Point entered into agreements that paved the way to close a \$2.6 billion merger with travel company Global Blue.
- Nikola Motors, which used to be a SPAC called VectoIQ Acquisition Corp, had Fidelity Investments and hedge-fund manager P. Schoenfeld Asset Management as minority investors. Trevor Milton has stepped down under attack from short seller, Hindenburg, after allegations of fraud.

**Cas Sydorowitz, Global Head of Activism, Georgeson**

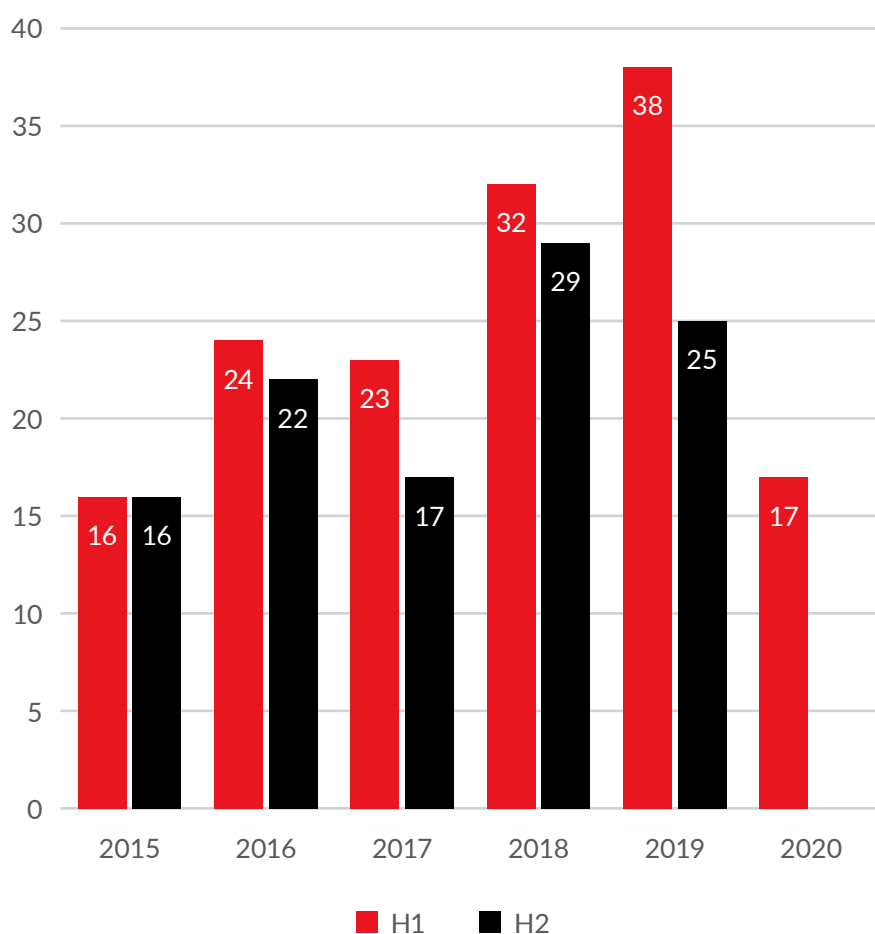


## 01 Activity levels

### UK

After a record number of activist campaigns in 2018 and the first half of 2019, activity levels in the UK were more subdued in H1 2020. 17 UK companies were publicly subjected to demands by activists in H1 2020, which represents a 55% decline compared with H1 2019 (38 companies) and a 32% decline compared with H2 2019 (25 companies). The fall in campaigns has widely been attributed to the impact of COVID-19.

Number of companies publicly subjected to demands (UK)



Although the number of companies publicly subjected to activist demands decreased in H1 2020 when compared to H1 2019 and H2 2019, the aggregate amount of capital deployed in campaigns was significantly higher with the value of newly disclosed activist investments by primary and partial focus activists being US\$2.9bn. This is nearly double the levels seen in 2019 (H1 2019: US\$1.3bn; H2 2019: US\$1.4bn). This was largely attributable to Third Point’s investment in Prudential, which accounted for over US\$2bn of activists’ positions in H1 2020.



*Driven by a weak pound, saturated US market, and a new generation of domestic players, activism in the UK began to rise even before the Brexit referendum in 2016. Although it has been sharply reduced this year, the UK’s flexible legal system means that it could quickly re-establish itself.*

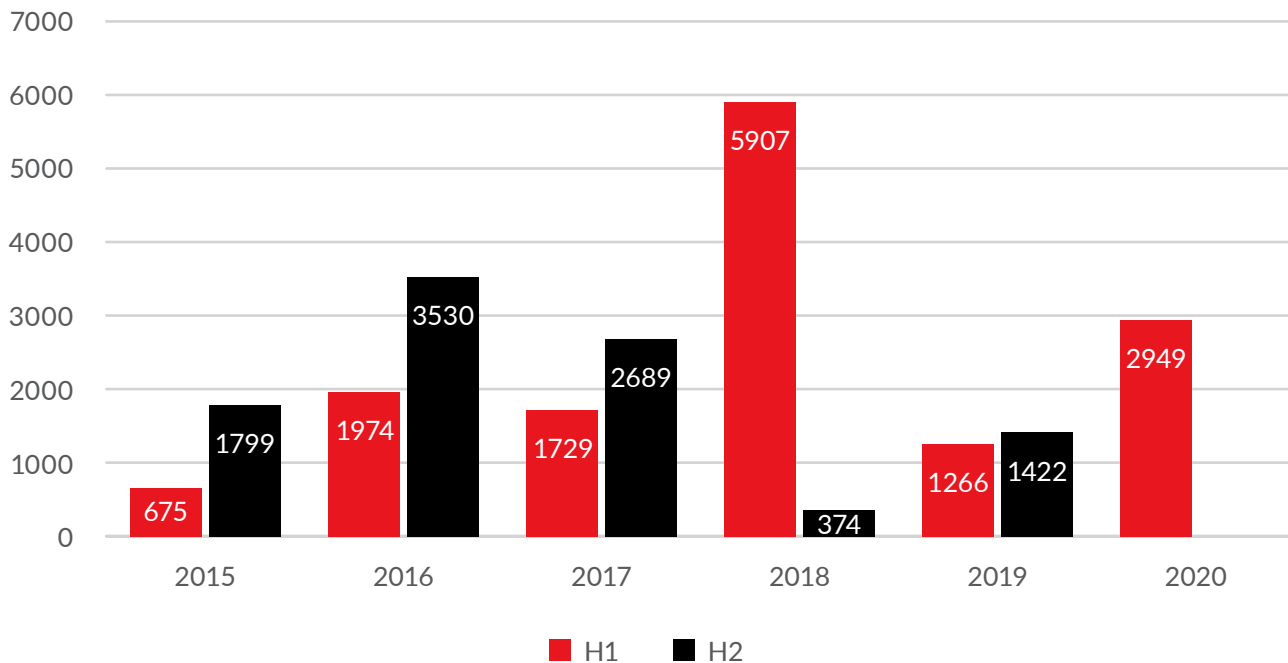
Josh Black,  
Editor in Chief, Activism Insight

*As we approach the end of the year and the uncertainty around Brexit subsides, we expect to see an increased number of US activists appearing on UK share registers.*

Rob White,  
Partner, Greenbrook



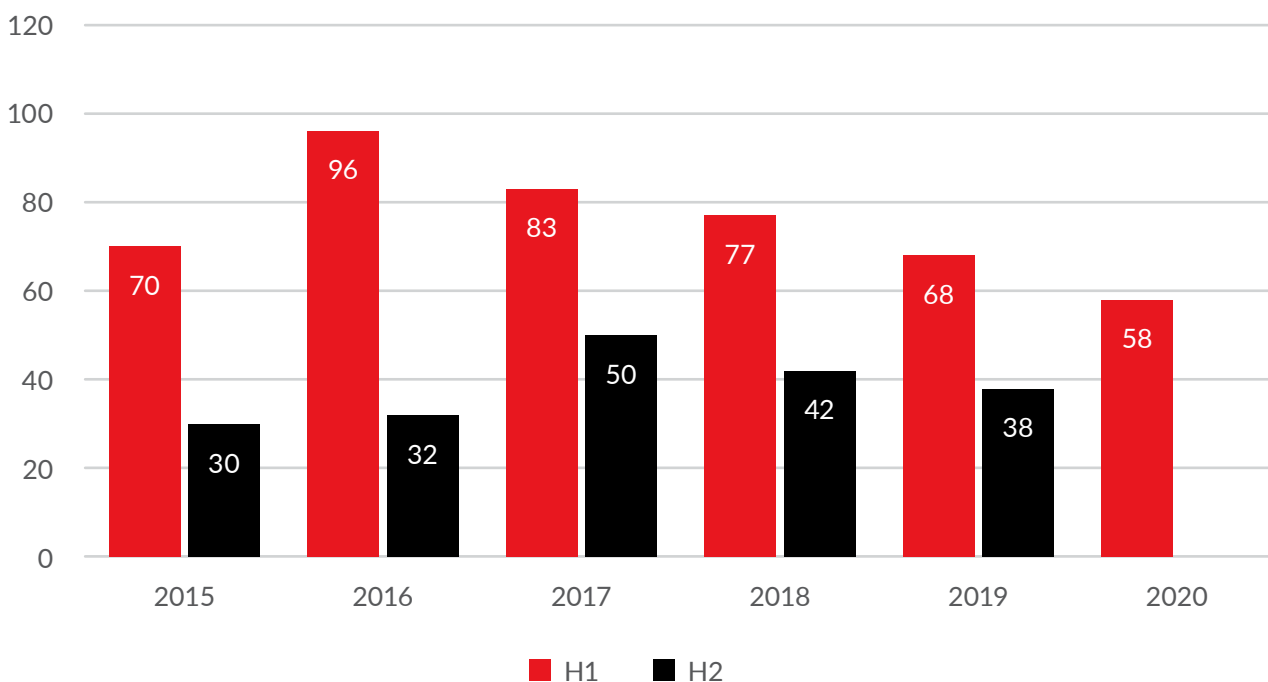
Value of newly disclosed activist investments held by primary and partial focus activists at UK companies (US\$m)



Europe

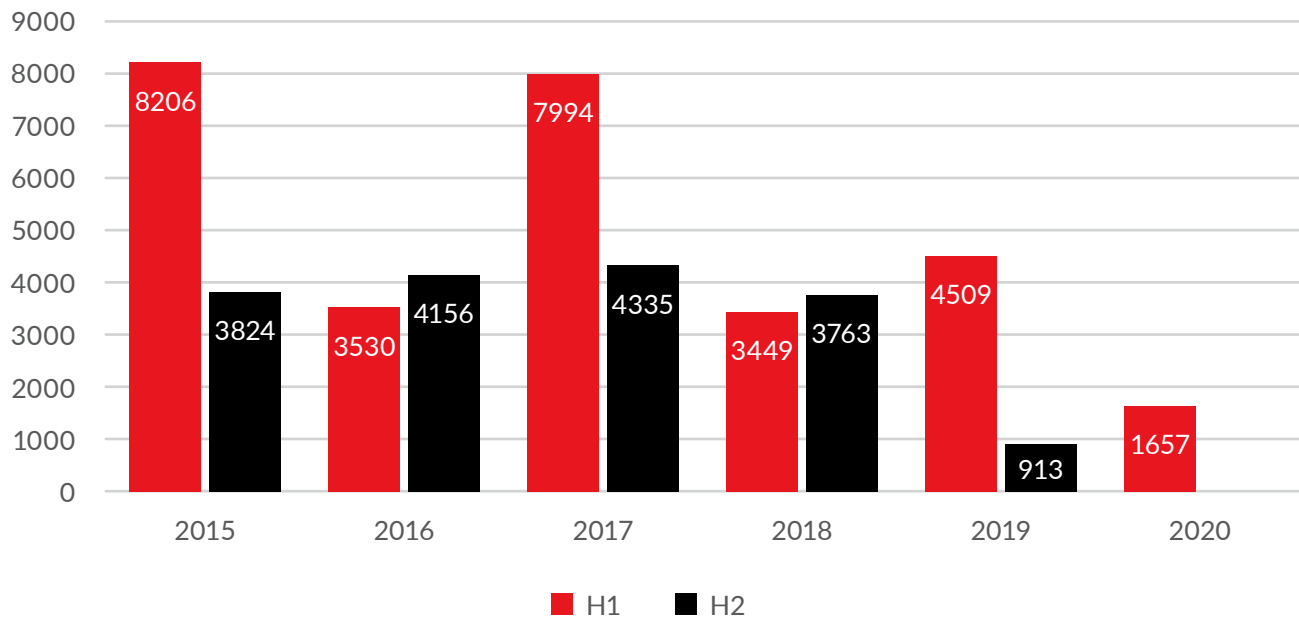
Activity levels were more robust in the rest of Europe with 58 European companies publicly subjected to activist demands in H1 2020 (H1 2019: 68 companies; H2 2019: 38 companies).

Number of companies publicly subjected to demands (Rest of Europe)



In Europe (excluding the UK) the aggregate value of newly disclosed activist investments held by primary and partial focus activists was US\$1.7bn, which represents a decrease on H1 2019 (US\$4.5bn), but an increase on the levels seen in H2 2019 (US\$913m).

### Value of newly disclosed activist investments held by primary and partial focus activists at rest of Europe companies (US\$m)



#### Global

522 companies were the subject of campaigns globally in H1 2020 with the three most active jurisdictions being the US (329 companies), Japan (42 companies) and Canada (24 companies). This represents a decline in the proportion of campaigns involving non-US companies with 37% of the targets of activist campaigns being non-US companies (H1 2019: 44%; H2 2019: 51%).

The three most active jurisdictions in Europe for shareholder activism were Sweden (18 companies), the UK (17 companies) and Germany (9 companies). This is the first time in several years that the UK has not been the most active jurisdiction in Europe in terms of the number of companies subjected to campaigns. However, the amount of capital deployed in UK campaigns was almost double that deployed in the rest of Europe with the value of newly disclosed activist investments held by primary and partial focus activists being US\$2.9bn (Rest of Europe: US\$1.7bn).

#### Top 10 jurisdictions for number of companies publicly subjected to activist demands

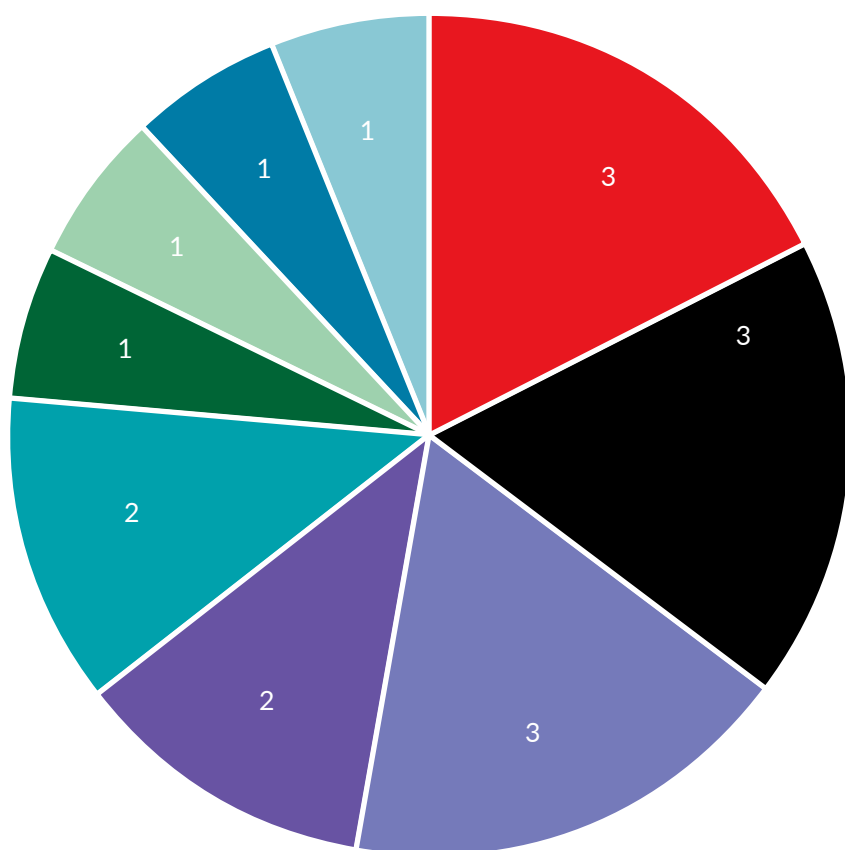
Country	2015	2016	2017	2018	2019	H1 2020
US	430	484	468	492	472	329
Japan	24	23	41	56	66	42
Canada	70	66	56	77	51	24
Australia	62	63	63	78	72	19
Sweden	18	23	22	10	11	18
UK	30	42	37	55	55	17
Germany	12	18	20	18	19	9
France	11	13	10	9	11	7
Singapore	10	13	12	11	7	7
Hong Kong	17	16	14	10	14	7

## 02 Industry focus

Shareholder activism was spread across a range of sectors in H1 2020 with Basic Materials, Financial Services and Industrials being the most active sectors in the UK, with three companies the subject of activist campaigns in each sector. In the rest of Europe, the most active sectors in terms of targets for activist campaigns were Financial Services (18), Consumer Cyclical (8) and Industrials (6).

The Financial Services sector saw the highest amount of capital deployed by activists in the UK (boosted by Third Point's investment in Prudential), with the value of newly disclosed activist investments by primary and partial focus activists at UK headquartered companies in H1 2020 being US\$2.4bn.

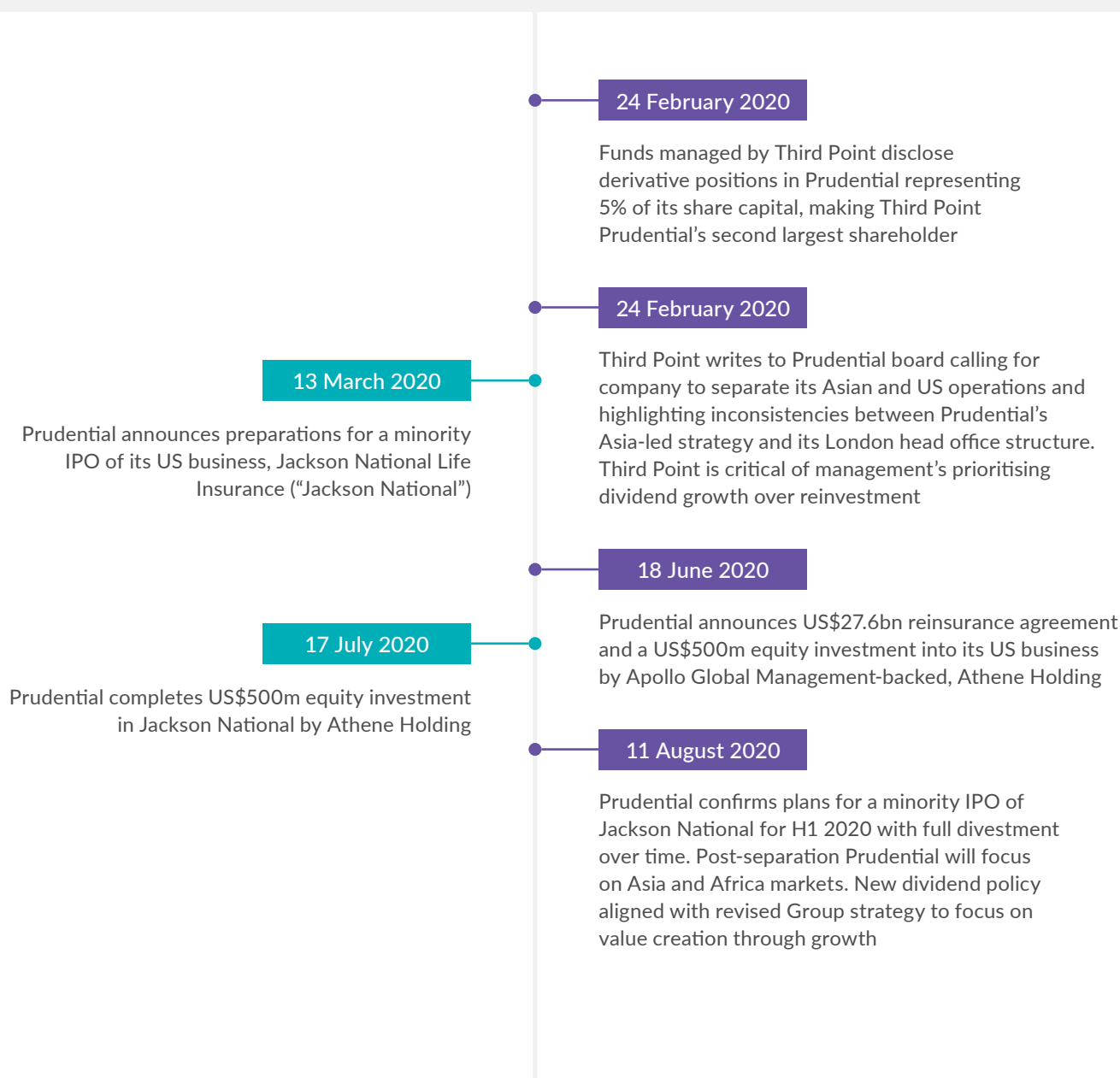
Number of UK-headquartered companies publicly subjected to activist demands by sector (H1 2020)



- Basic materials
- Financial Services
- Industrials
- Consumer Cyclical
- Energy
- Consumer defensive
- Healthcare
- Funds
- Real Estate



## Deal in focus: Third Point/ Prudential



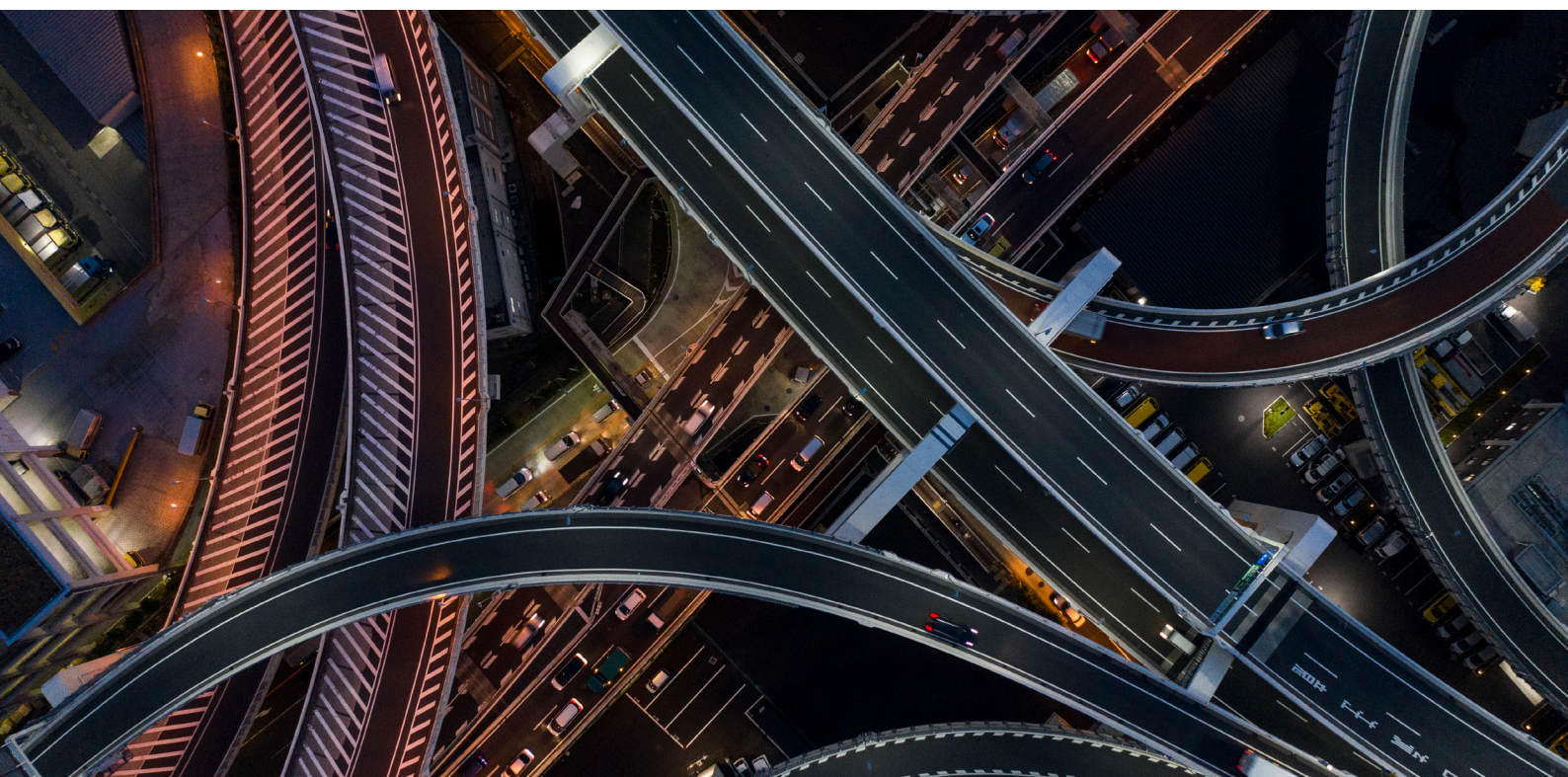
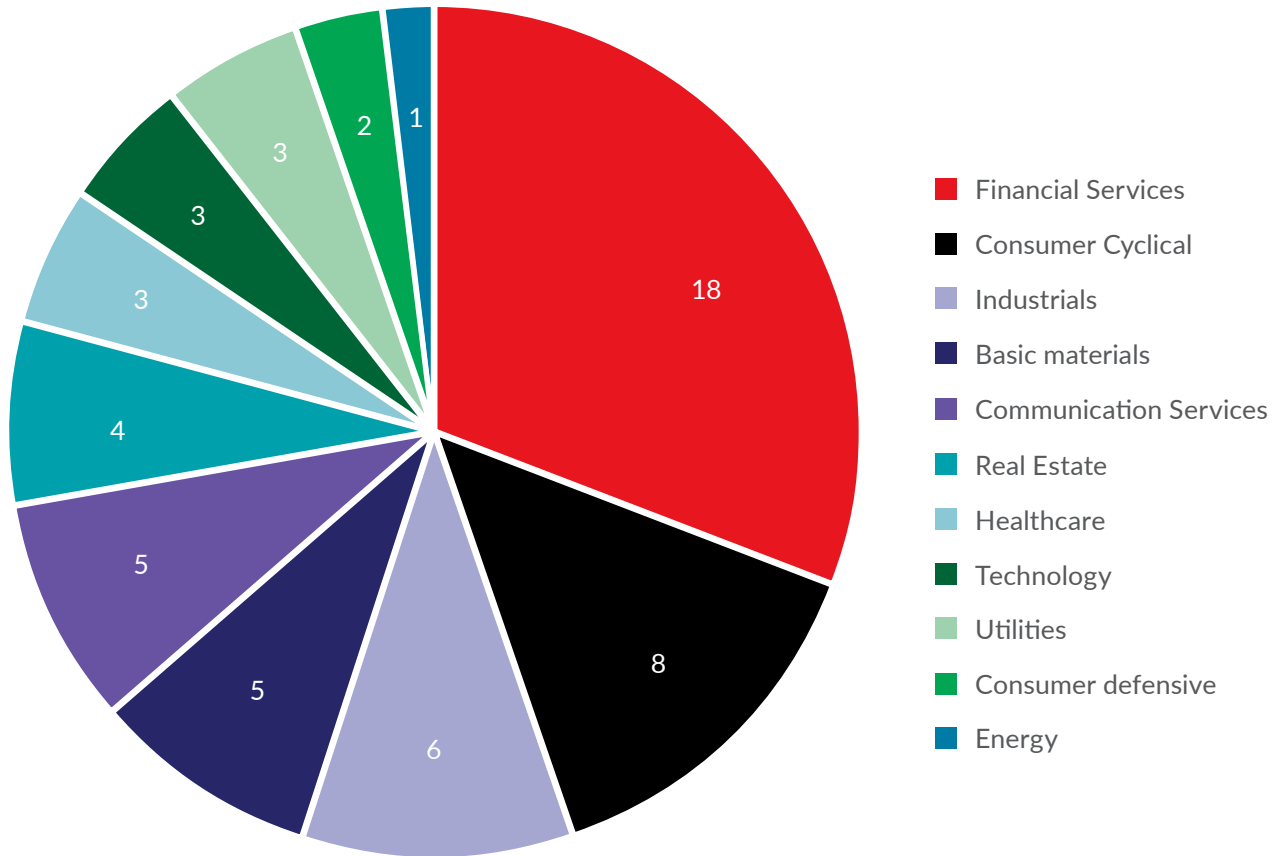
*Trying to run a proxy fight in the initial stages of COVID 19 could have been perceived very negatively, as many of the voting and corporate governance contacts were adjusting to working from home and figuring out how they would access all the normal resources to get through another very busy proxy season. Many governance contacts would have taken such an initiative as being tone deaf and not practical as both investors and companies were getting to grips with a whole new reality for staff and carrying on business in the new environment. Several activists held fire with their campaigns in an effort to avoid losing such battles with investors supporting management and the current board in trying to preserve cash and survive.*

Cas Sydorowitz,  
Global Head of Activism, Georgeson



In the rest of Europe, the highest amount of capital deployed was in the Basic Materials sector where the value of newly disclosed activist investments by primary and partial focus activists in H1 2020 was US\$585.75m.

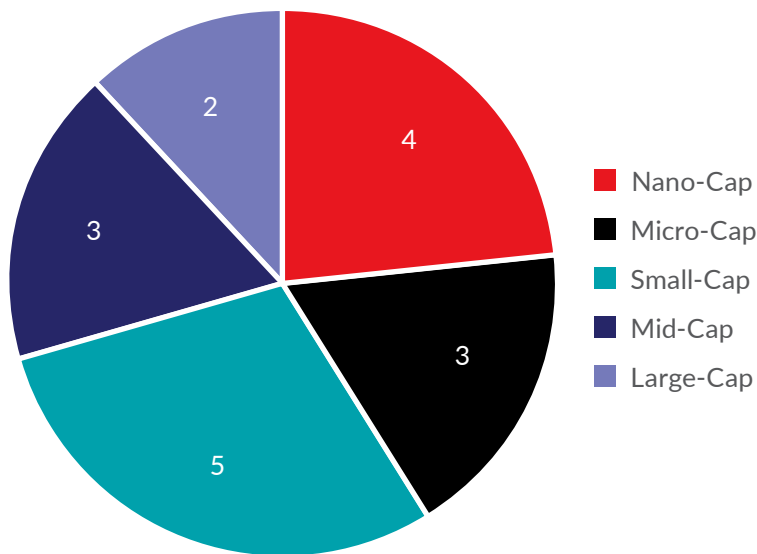
Number of European (excl. UK)-headquartered companies publicly subjected to activist demands by sector (H1 2020)



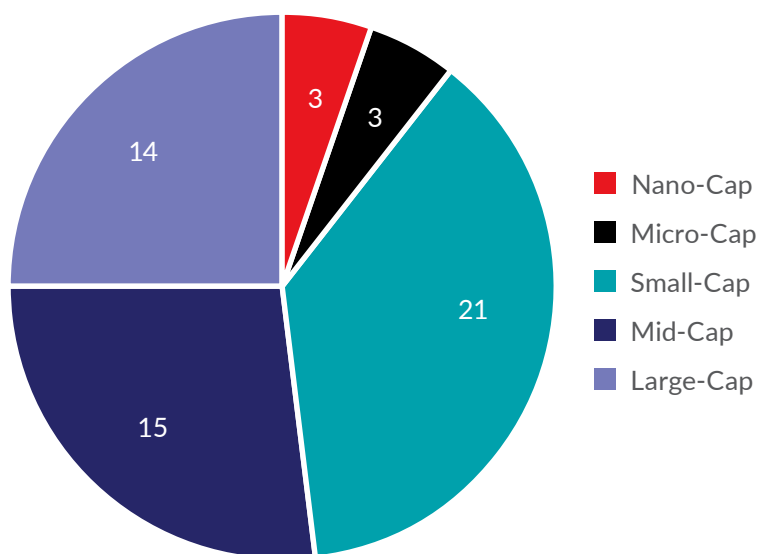
### 03 Target company size

The size of companies subject to activist campaigns varied widely in H1 2020. In the UK, only five (29%) of the 17 activist targets were Mid-Cap (US\$2-10bn) or Large-Cap (US\$10bn+) companies (H1 2019: 11%; H2 2019: 24%). By contrast, in the rest of Europe, 29 (52%) of the 56 activist targets were either Mid-Cap or Large-Cap companies (H1 2019: 45%; H2 2019: 44%).

Target company size (UK H1 2020)



Target company size (Rest of Europe H1 2020)



Activists will be judging boards on how quickly and effectively they are seen to have reacted and recalibrated their businesses to manage the immediate impact of COVID-19 and its longer-term implications. Large-Cap companies and well-established brands may find themselves in the spotlight as activists' attention is drawn to the inefficiencies in complex conglomerate-type structures, as has been seen in Europe. This trend will be accelerated where discounts are available on the share prices of liquid Large-Cap companies.

Guy Potel,  
Partner, White & Case

Large or multinational companies that can easily be broken up are particularly vulnerable to activism, with the relisting of divestable business units in the US a favoured arbitrage.

Josh Black,  
Editor-in-Chief, Activist Insight



## 04 Activist profile

15 UK-headquartered primary, partial and occasional focus activists made public demands globally in H1 2020 (H1 2019: 16; H2 2019: 18) and of those 15, two (13%) made public demands for the first time.

No single investor publicly subjected more than one UK-headquartered company to activist demands in H1 2020, but some of the high profile campaigns that were ongoing in H1 2020 included:

- Third Point's campaign against Prudential
- Sherborne Investors' campaign against Barclays
- Sir Stelios Haji-loannou (easyGroup Holdings Ltd)'s campaign against easyJet
- Trian Fund Management's campaign against Ferguson

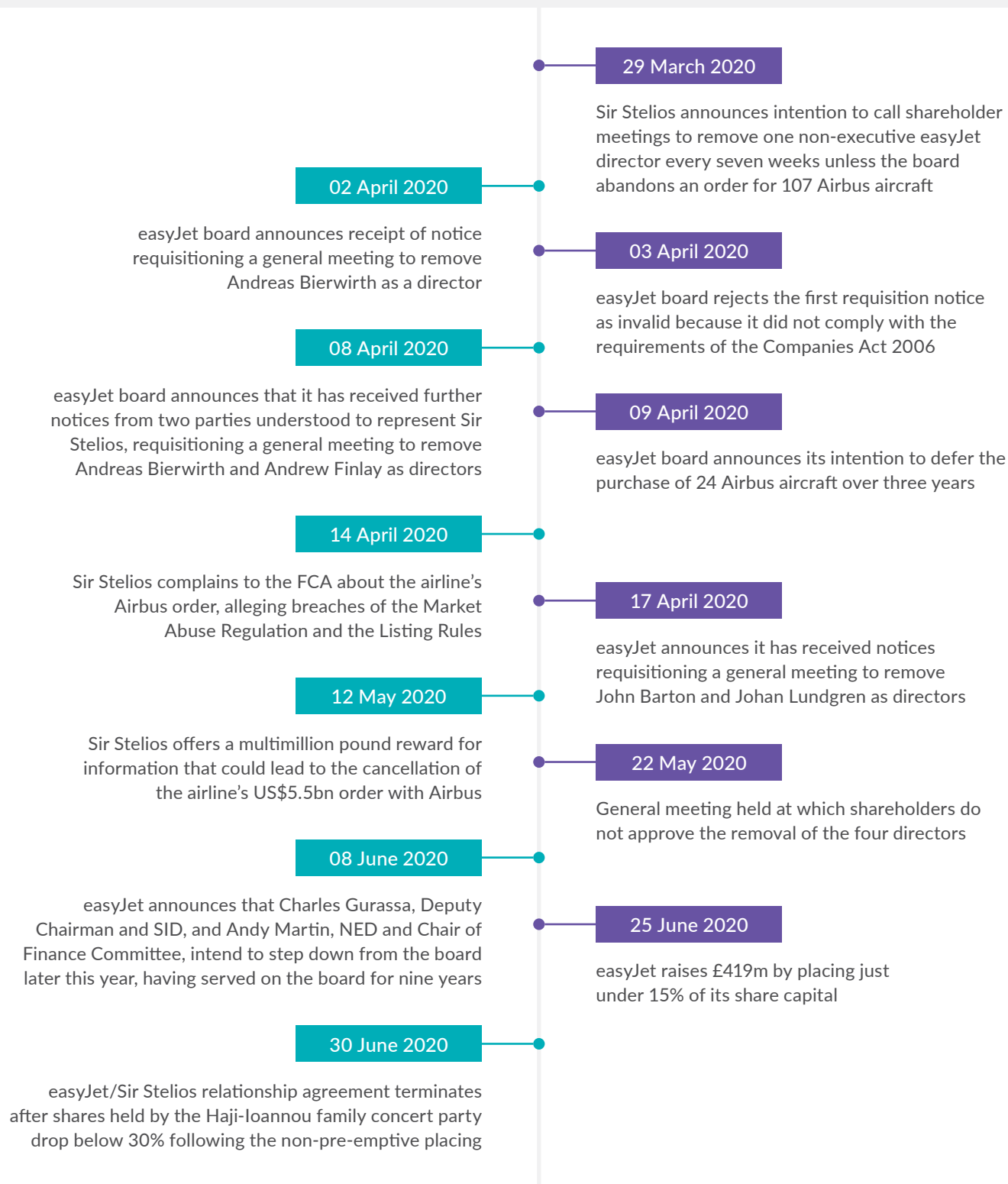
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*Sir Stelios Haji-loannou's campaign against easyJet is an example of the increasing number of high profile disputes between founder or major shareholders and companies, with these shareholders increasingly running activist campaigns.*

Amanda Cowell,  
Partner, Litigation, White & Case

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Deal in focus: **Sir Stelios Haji-Ioannou/easyJet**

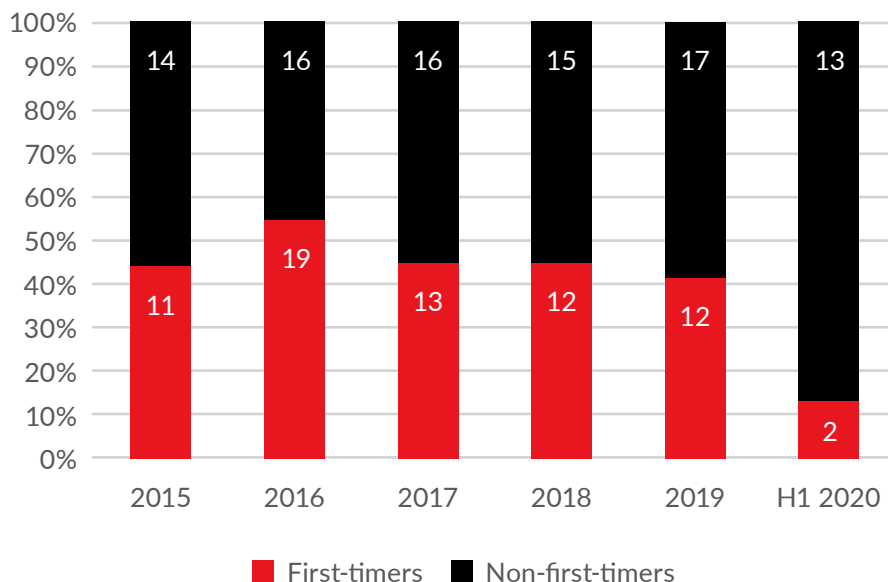
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*During this campaign, Sir Stelios offered a bounty of £5m to anyone who could produce evidence that would stop easyJet from completing on the Airbus transaction. As an activist tactic, while aggressive, this is something I could see being utilized by other activists.*

Cas Sydorowitz,  
Global Head of Activism, Georgeson

In addition, although historically institutional investors have been more reticent about publicly criticising management of investee companies, in recent years a greater number of institutional investors have taken to public forums to air their views on board performance and company strategy.

**Public demands made globally by UK-headquartered primary, partial and occasional focused activists**

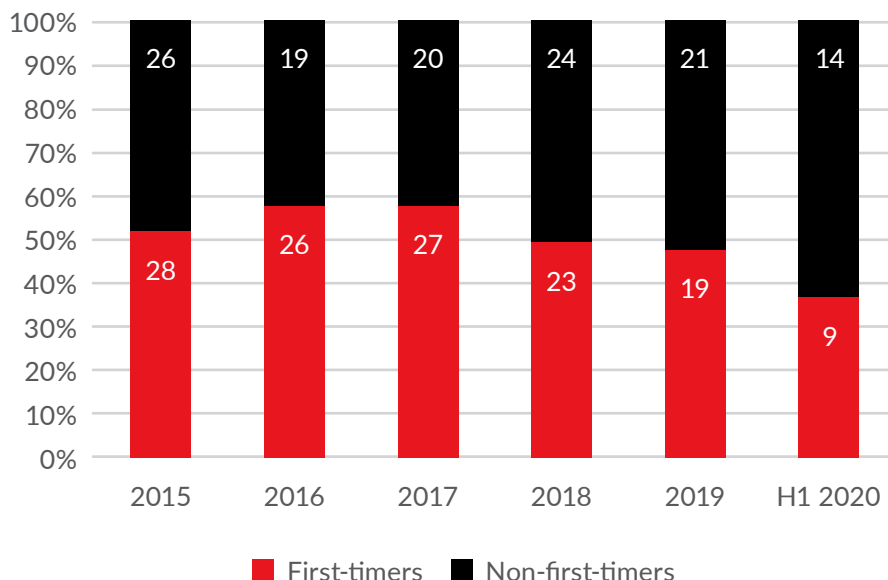


We continue to see non-traditional activists, such as institutional or founder shareholders, former board members and some corporates, adopting activist techniques and running activist campaigns. Activists are gaining mainstream imitators; whether it is Legal & General seeking to block PT Medco’s offer for Ophir, or Schroders publicly supporting the board of Provident against Non-Standard Finance’s bid, activism is becoming more acceptable and the activist toolkit is being used more widely.

Patrick Sarch, Co-Head EMEA Activism Practice, White & Case

In the rest of Europe, 22 European-headquartered primary, partial and occasional focus activists made public demands globally in H1 2020 (H1 2019: 28; H2 2019: 19) and of those 22, nine (41%) made public demands for the first time. Charity Investment Asset Management (CIAM) was the most engaged activist in H1 2020, subjecting three European-headquartered companies to public demands. Petrus Advisers, Bluebell Partners and ENA Investment Capital were the three next most active investors, each leading two public campaigns.

**Public demands made globally by European (excl. UK)-headquartered primary, partial and occasional focused activists (2015-2019)**



Legal & General’s intervention in PT Medco’s offer for Ophir illustrates another recent trend – last minute representations to the court regarding procedural or substantive issues. The same issues arose in the Apax consortium bid for Inmarsat. In both cases, the shareholders raised objections to the schemes on the grounds of inadequate disclosure. Both objections were dismissed, and the schemes ultimately sanctioned. These cases highlight the importance of proper disclosure in offer documentation and the impact that delays to the court sanction hearing can have on a transaction.

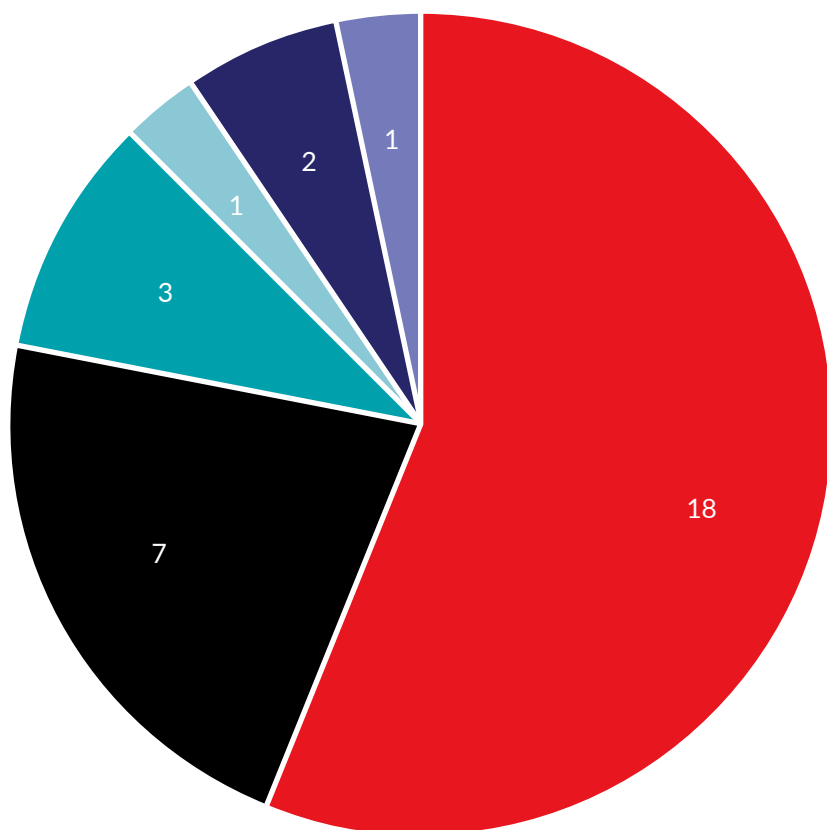
Tom Matthews, Co-Head EMEA Activism Practice, White & Case

## 05 Demand type breakdown

Activists pursued a range of strategies in H1 2020, with the most common demand in the UK being board-related, which accounted for 18 (56%) of the 32 public demands made by activists during the period. M&A and balance sheet-related demands remained popular (22% and 9%, respectively), although these types of demand fell as compared to prior years.

In contrast to the rest of Europe (see below), the growing interest in environmental, social and governance (ESG) investing was not reflected by an increase in shareholder activism in this area in H1 2020, with only one UK 'other governance-related' campaign occurring in the period. This is a decrease on the level of activity seen in H1 2019, which saw three such campaigns, but is the same level as witnessed in H2 2019. However, the market expectation is that the prominence of ESG will only increase, whether as a central campaign theme or as a supporting line of attack for activists.

Demand type (UK H1 2020)



- Board-related
- M&A
- Balance sheet
- Other governance
- Remuneration
- Other



*We expect activists to continue to operate with a degree of caution; an aggressive campaign to leverage up balance sheets or reduce headcount is unlikely to receive support from some large institutions at this time. That said, we are also increasingly seeing activists grow impatient with management teams who are using COVID-19 as an excuse for poor performance or misguided strategies. A careful balance will be struck over the coming months.*

Andrew Honnor, Managing Partner, Greenbrook

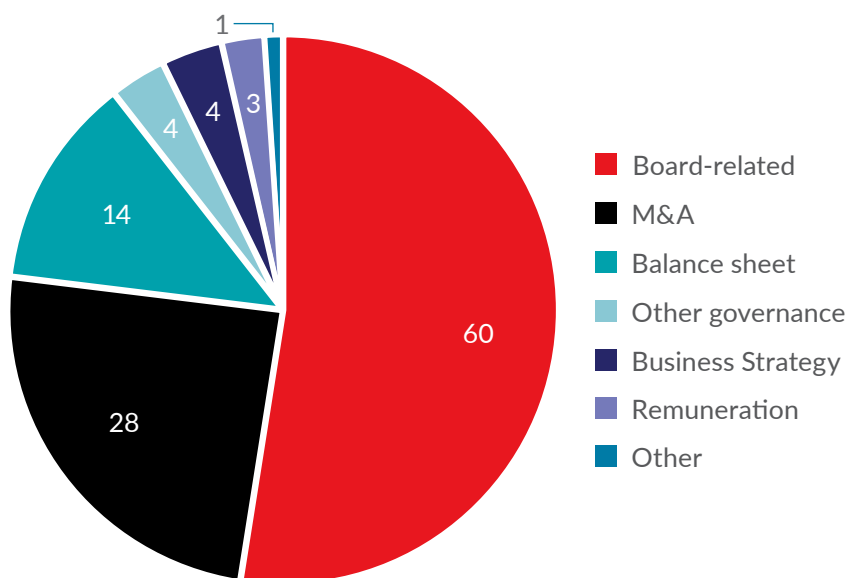
*Campaigns seeking to precipitate M&A were more difficult to execute in the early stages of the COVID-19 pandemic, as companies sought to stabilise their businesses and potential buyers found it more difficult to access finance. Similarly, balance sheet-related campaigns fell away in the short term as boards focused on preserving liquidity and suspending dividends and share buybacks.*

Dominic Ross, Partner, White & Case

*As we move past the immediate impact of the COVID-19 pandemic, we expect the issues of sustainability of business models and board diversity (in particular, racial and gender diversity) will be focused on as central campaign theses.*

Tom Matthews, Co-Head EMEA Activism Practice, White & Case

Demand type (UK FY 2019)



“

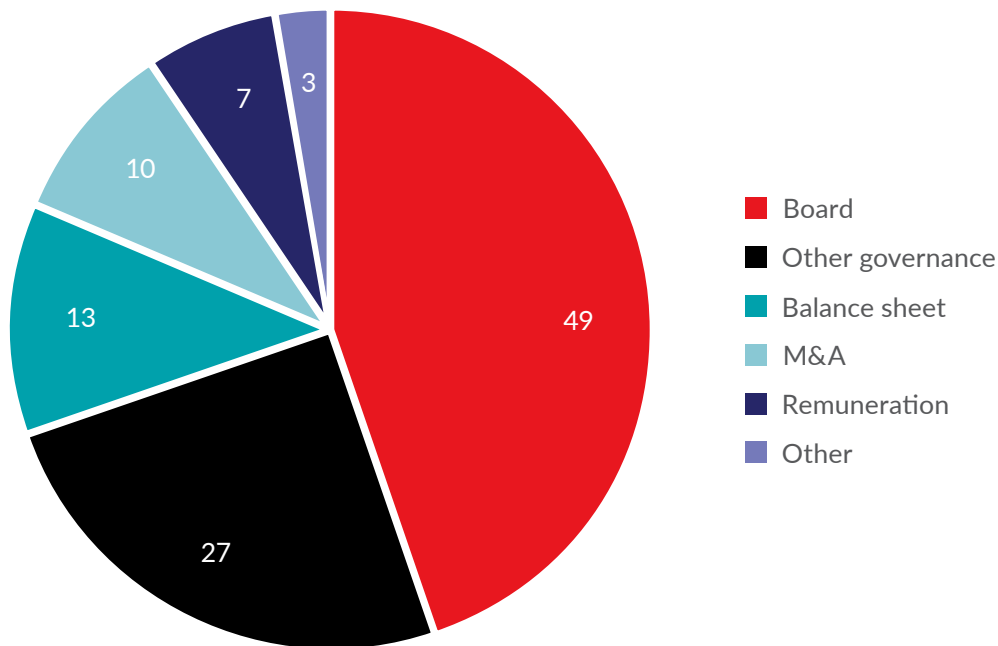
*Institutional investors are under growing pressure to find E&S ‘wins’, so action from activists that help them with this will be supported. We expect to see issues such as board diversity, employee diversity, sustainability and climate change to be central to a growing number of campaigns over the coming year.*

Rob White,  
Partner, Greenbrook

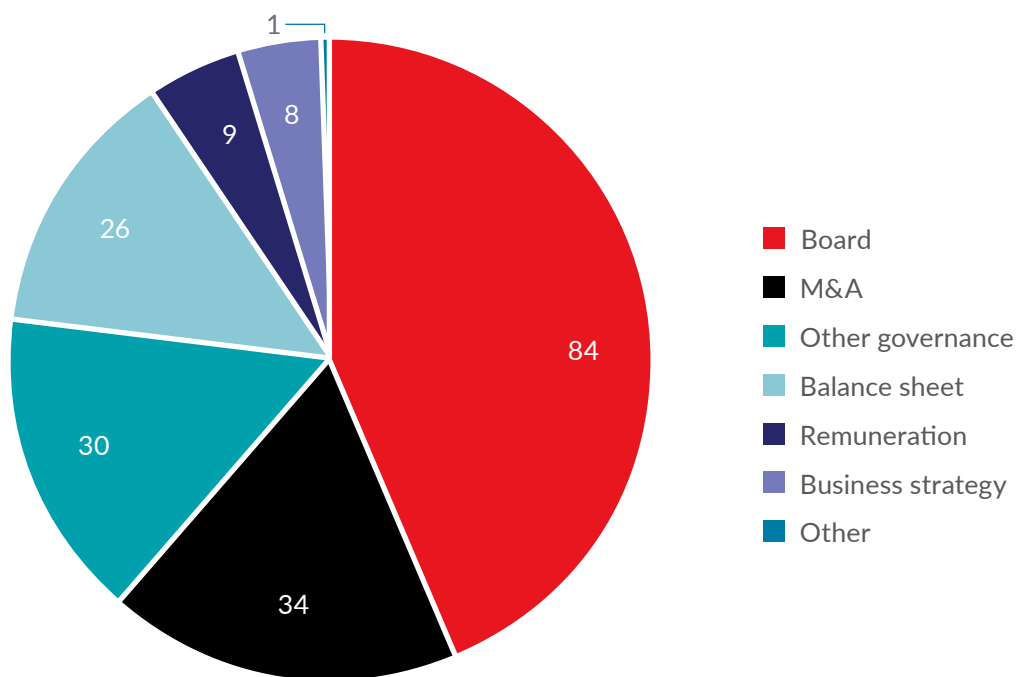
Board-related activism was also the most common activist strategy in the rest of Europe, accounting for 49 (42%) of the 117 public demands made by activists during the period. The second most common activist demand in the rest of Europe was ‘other governance-related’, which accounted for 23% of public demands.



Demand type (Rest of Europe H1 2020)



Demand type (Rest of Europe FY 2019)

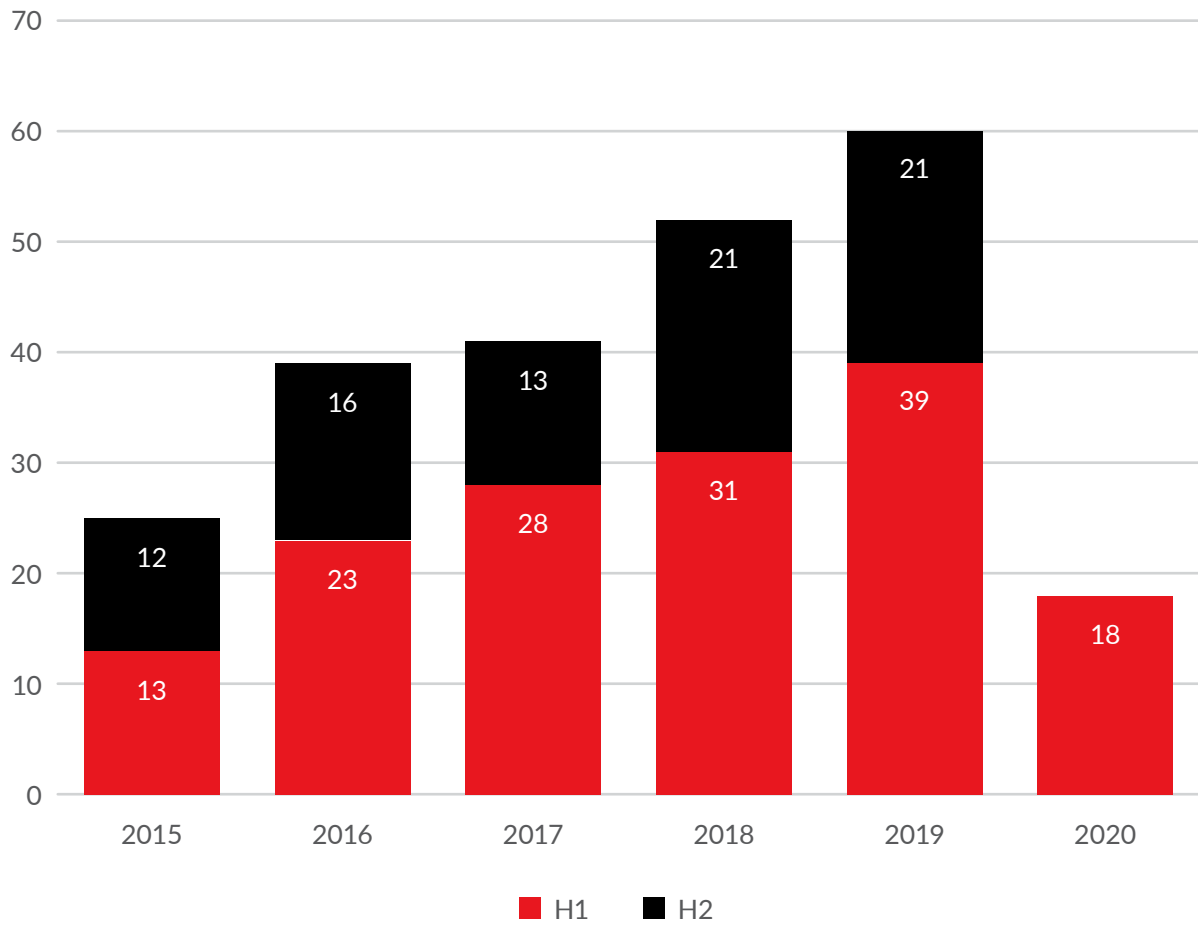


**Growth of different forms of activism in the UK**

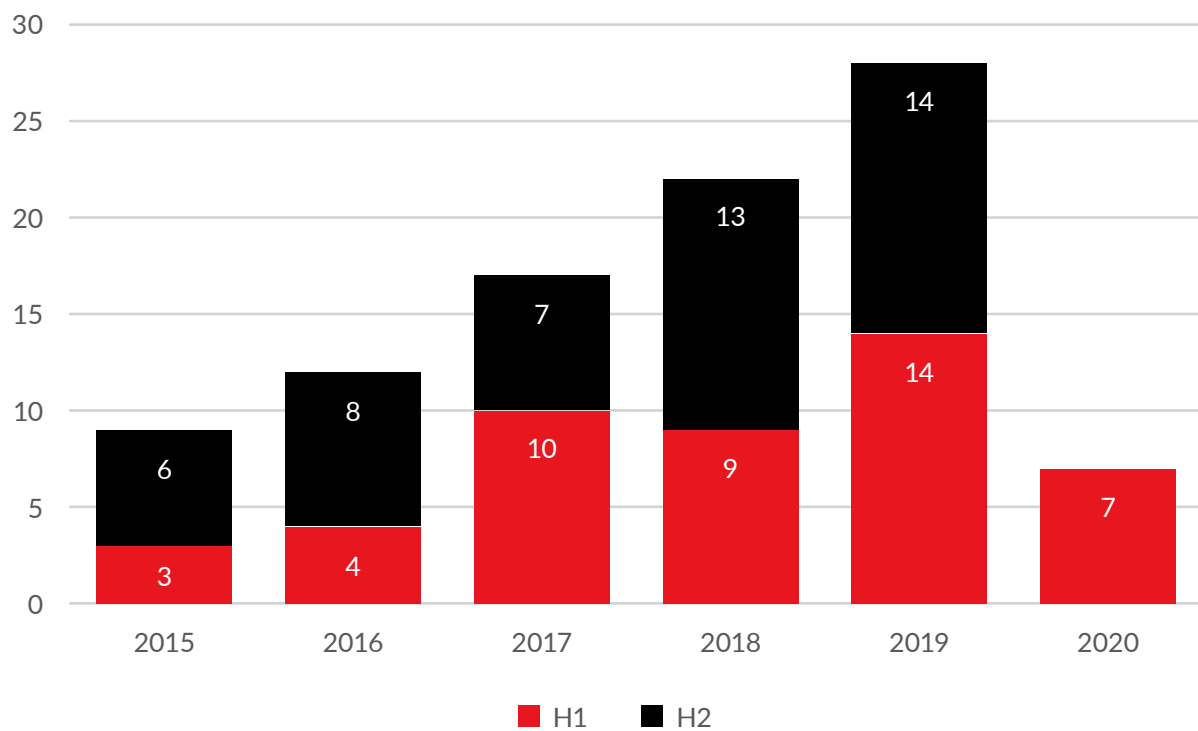
Board-related activism, M&A-related activism and balance sheet activism accounted for 88% of activists’ demands in H1 2020 in the UK, and these three forms of activism have been responsible for much of the growth in shareholder activism in the past five years.



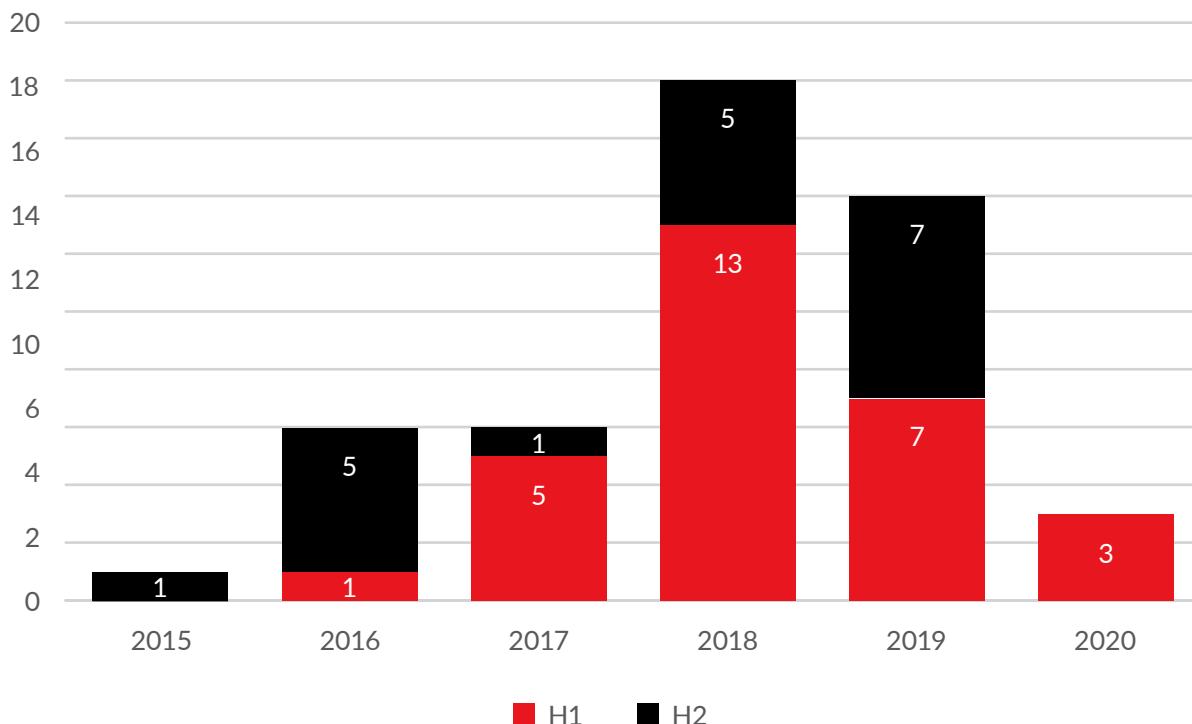
### Board-related activism (UK)



### M&A activism (UK)



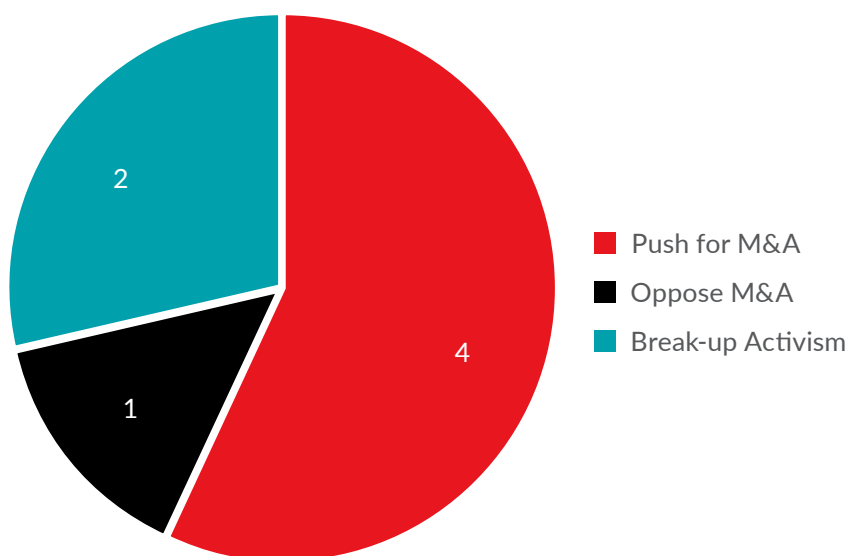
Balance sheet activism (UK)



**M&A-related activism**

M&A-related activism took various forms, including investors encouraging companies to pursue M&A opportunities (Push for M&A), opposing or seeking improved offer terms on announced transactions (Oppose M&A) and calling on companies to hive-off parts of their business (Break-up). Of the seven M&A-related campaigns in the UK in H1 2020, four (57%) ‘pushed’ for M&A, one (14%) opposed a transaction and two (29%) called for a break-up of the business.

M&A demand type (UK H1 2020)



M&A-related activism continues to be attractive to activists and we expect these campaigns to return as the wider M&A market returns. Those companies that have benefitted from the COVID-19 pandemic and/or lockdown are expected to consolidate their position, whilst those companies that have suffered may be vulnerable to a takeover or broader activist interest. Target boards who rejected takeover offers in 2019 but have since seen a significant decline in market value could be first in the cross-hairs.

Guy Potel,  
Partner, White & Case

Europe saw 10 M&A-related campaigns with five of these being ‘Push for M&A’ campaigns and five being ‘Oppose M&A’ campaigns.

# WHITE & CASE

## Different activist approaches to M&A

By Patrick Sarch and Tom Matthews,  
Co-Heads EMEA Activism Practice, White & Case

M&A-related activism has continued to rise in the UK, as activists view break-up strategies, transaction promotion or disruption and “bumpitraging” as favourable routes to generate value.

Activists generate value from takeover situations in a number of different ways. They can:

### Engineer a transaction

- Agitate for sale of the whole or merger opportunities through private or public engagement with the target board
- Require the company to convene a shareholder general meeting or add a resolution to the annual general meeting

### Improve the offer – “bumpitraging”

- Acquire large enough stake in target to block a squeeze-out vote, acceptance condition, scheme vote or delisting and apply pressure on bidder to increase
- Acquire smaller stake and work with other target shareholders to amass a blocking position
- Seek alternative competing bidder
- Keep target’s share price above offer price – precludes stake-building by bidder (without increasing offer), indicates offer likely to fail, and puts pressure on target board’s recommendation

### Oppose the offer

- Acquire and use blocking stake
- Agitate for strategic alternatives to the offer
- Seek to appoint directors to dilute target board or change board recommendation
- On a scheme, make representations to the court regarding procedural or substantive issues with the offer – if the court refuses to sanction the offer, the scheme will fail
- Complain to Takeover Panel regarding offer terms or technical issues such as ability to extend the offer, mechanism to switch between offer and scheme, and if so, on what terms, etc

### Compete with the offer

- Launch a competing takeover offer for target – with or without target board recommendation
- Launch a possible tender or partial offer (generally very rare, but some recent examples)

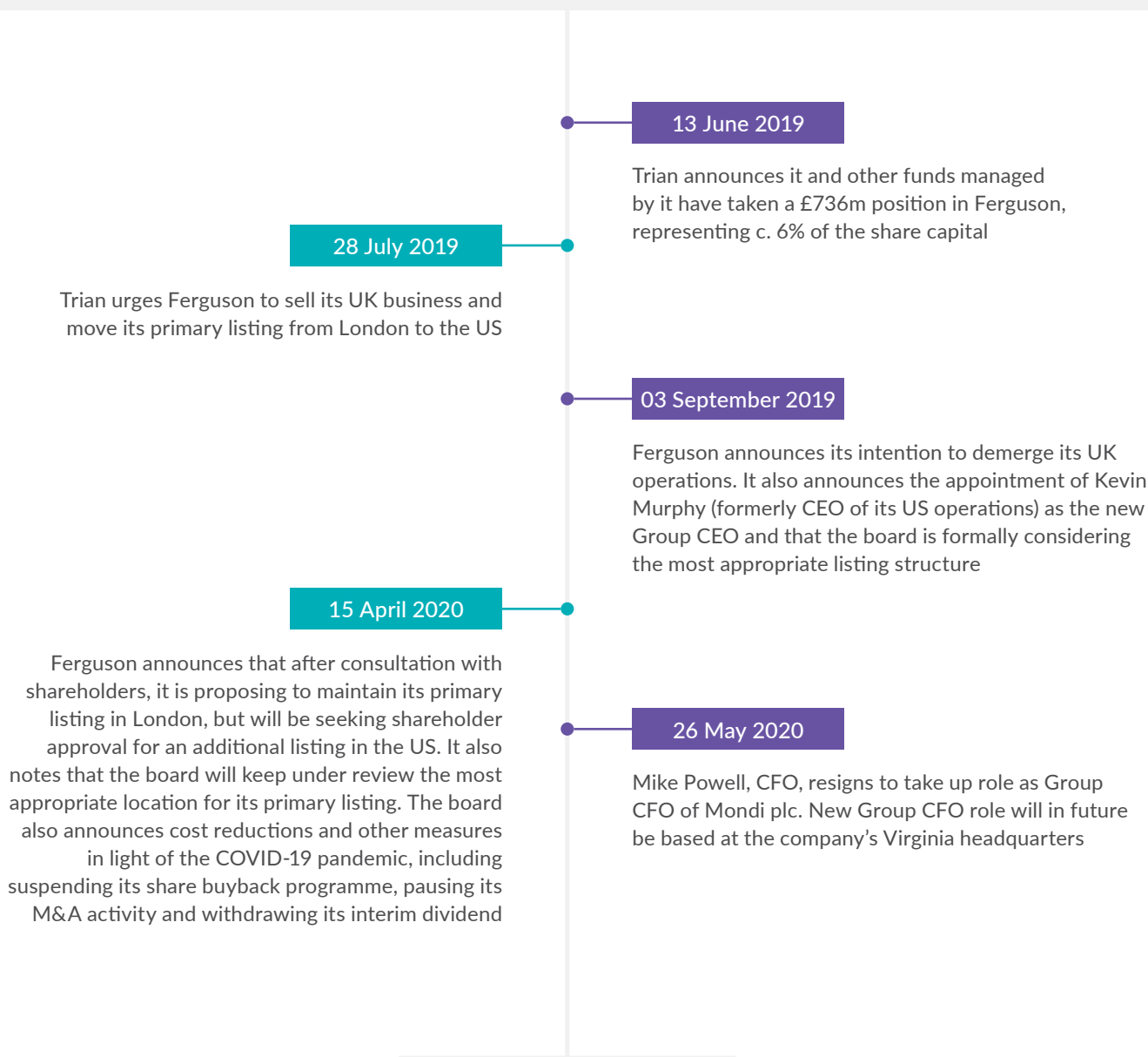


Activists have played their part in engineering and participating in a number of recent high profile transactions. Third Point and Trian both conducted successful break-up campaigns against Prudential and Ferguson. Similarly, Cat Rock's campaign to merge Just Eat with another trade player and ValueAct's open letter to the board of Merlin, expounding the benefits of a take private, both ultimately resulted in offers being made for the companies.

"Bumpitriage" is a relatively well-known tactic that can be deployed by activists and other shareholders in takeover situations. Recent examples include Sand Grove's successful campaign to get PT Medco to increase its offer for Ophir Energy, and Oaktree's unsuccessful attempt to extract additional value from the consortium of Apax and Warburg Pincus on Inmarsat. As the market matures, bidders are developing tactics to close out activists in these situations and, in both examples, the bidders used "final" and "no extension" statements to good effect.

Although there are no examples yet of activists launching full takeover offers in the UK, Elliott has made a number of public acquisitions in the US and it may only be a matter of time before this trend comes to the UK.

## Deal in focus: Trian/Ferguson

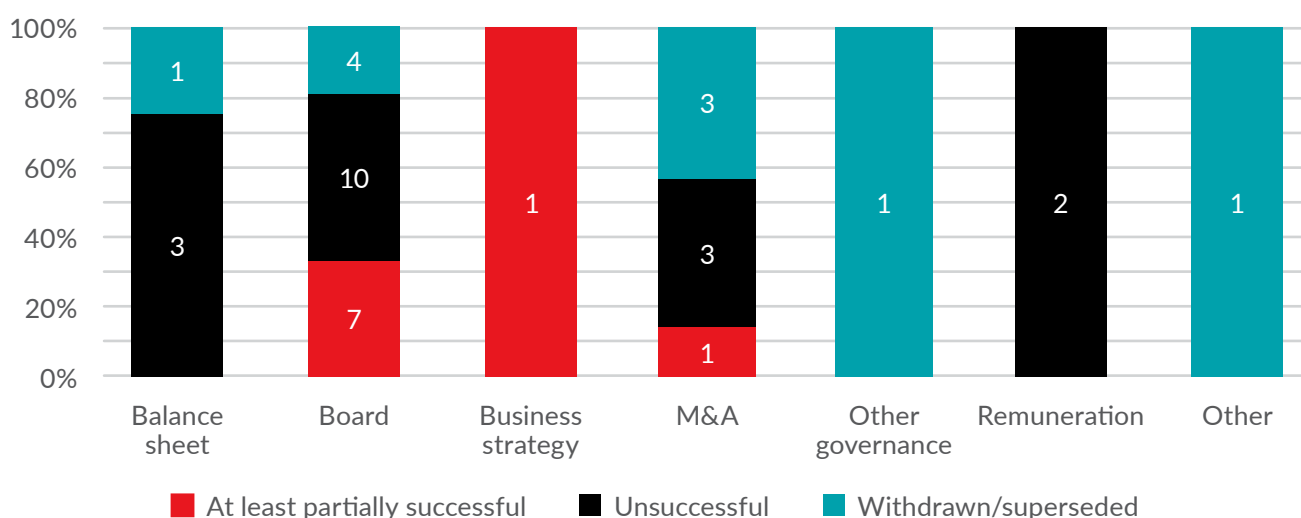


## 06 Outcome of resolved public demands

37 public demands by activists against UK companies reached resolution in H1 2020 with activists being at least partially successful in nine (24%) of these resolved demands. This represented a lower success rate compared with H1 2019 and H2 2019 where 44% and 54% of resolved demands were at least partially successful. Of the remaining 28 resolved demands, 18 were unsuccessful and 10 were withdrawn or superseded by external events (eg, the bankruptcy or takeover of the target company) during the period.

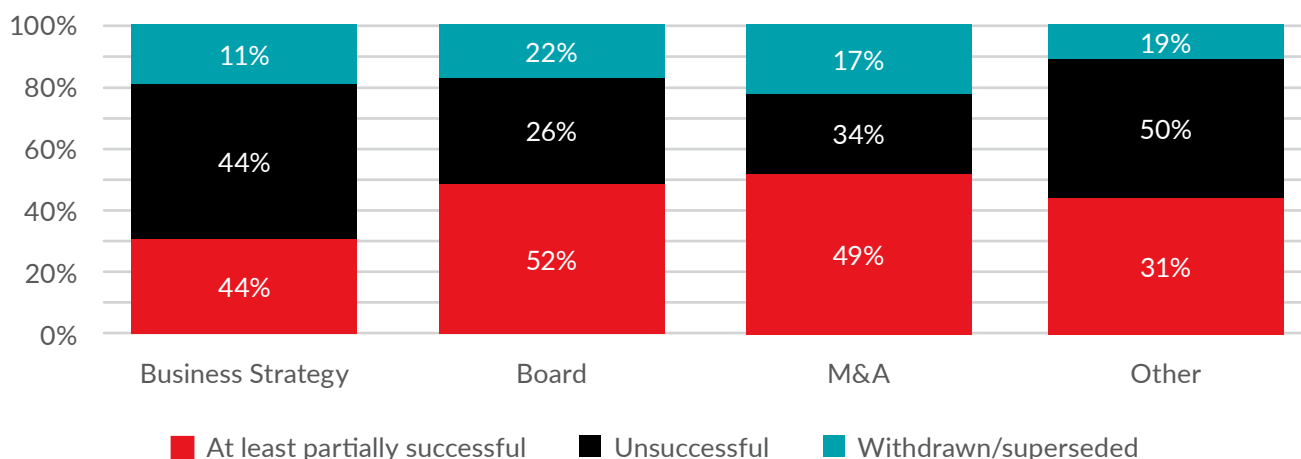
In the rest of Europe, 89 public demands by activists reached resolution in H1 2020 with 28 (31%) of these resolved demands being at least partially successful (H1 2019: 33%; H2 2019: 38%). Of the remaining 61 demands, 53 were unsuccessful and eight were either withdrawn or superseded during the period.

Outcome by public demand type (UK H1 2020)  
Numbers and percentage breakdown



The activist demands that were at least partially successful in the UK were board-related (seven demands), business strategy (one demand) and M&A (one demand). Historically, these forms of activism have been the most successful in terms of persuading companies and shareholders to back activists' demands, with 51% of such demands between 2015-2019 being at least partially successful. Other forms of activism, such as remuneration-related and governance-related activism, have enjoyed lower success rates, averaging 31% partial success rates between 2015-2019.

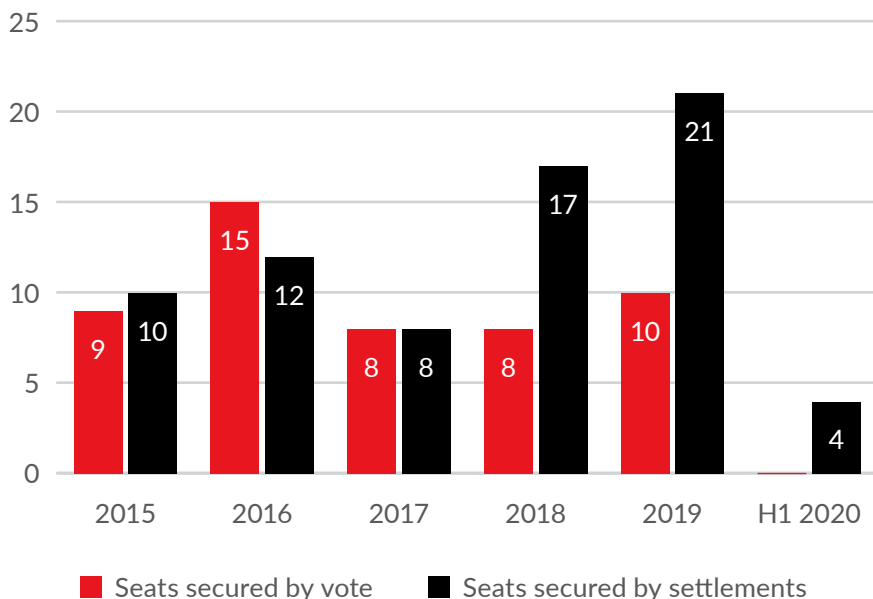
Outcome by public demand type (UK 2015-2019)  
Percentage breakdown



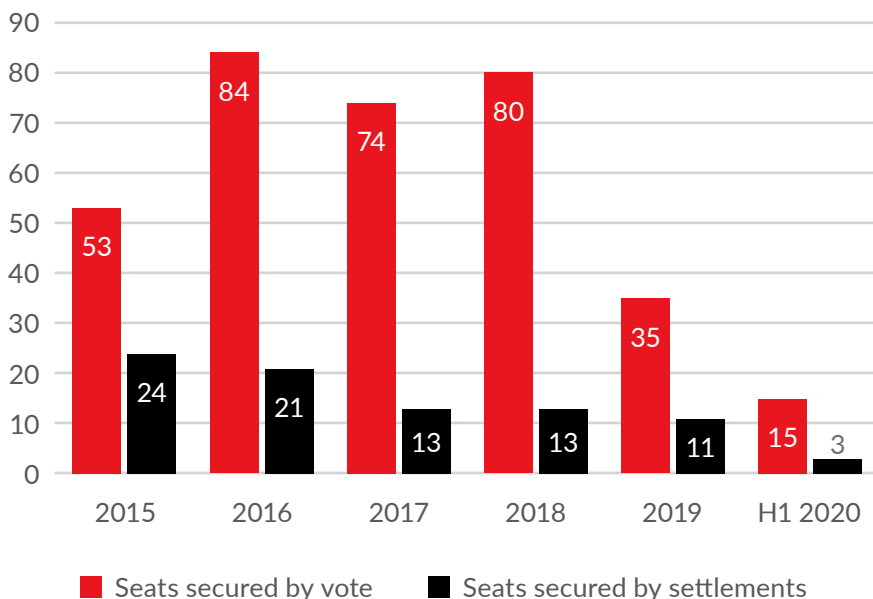
## 07 Board seats

Activists won a total of four UK board seats in H1 2020 (H1 2019: 16 seats; H2 2019: 15 seats). This is significantly lower than the number of board seats won by activists in H1 2019 and H2 2019. In Europe, activists won a total of 18 board seats in H1 2020 (H1 2019: 29 seats; H2 2019: 17 seats). This was significantly lower than the number of board seats won by activists in H1 2019 but in line with the number of board seats won in H2 2019.

Number of seats won by activists (UK)



Number of seats won by activists (Europe)

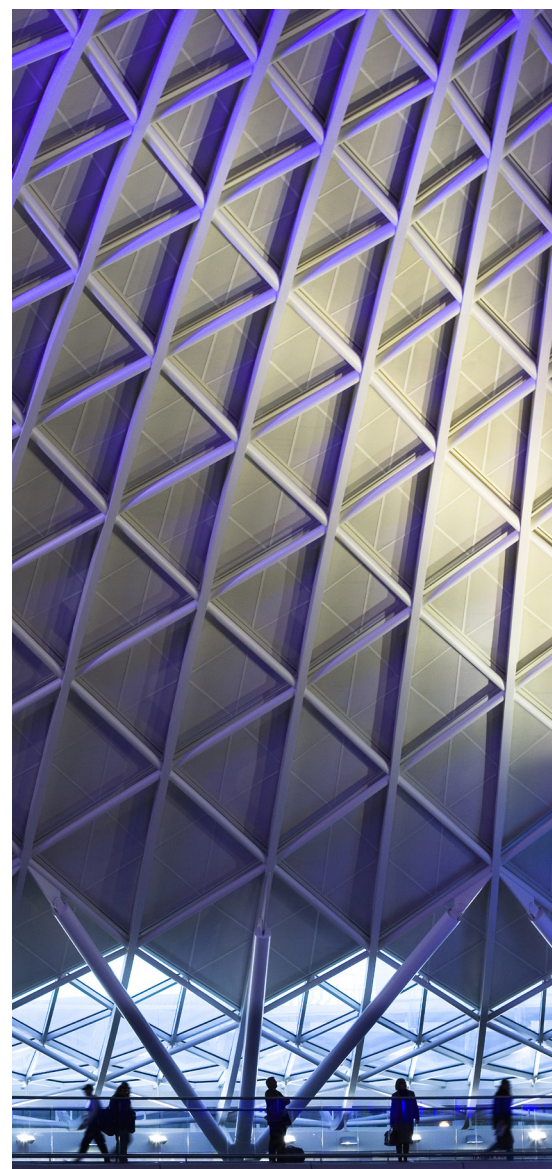


Whether an activist nominates an independent or connected party to the board, replacing board members is one of the most direct methods by which an activist can seek to force a change of strategy at a company. Sherborne’s campaign against Barclays is an interesting case study for this.

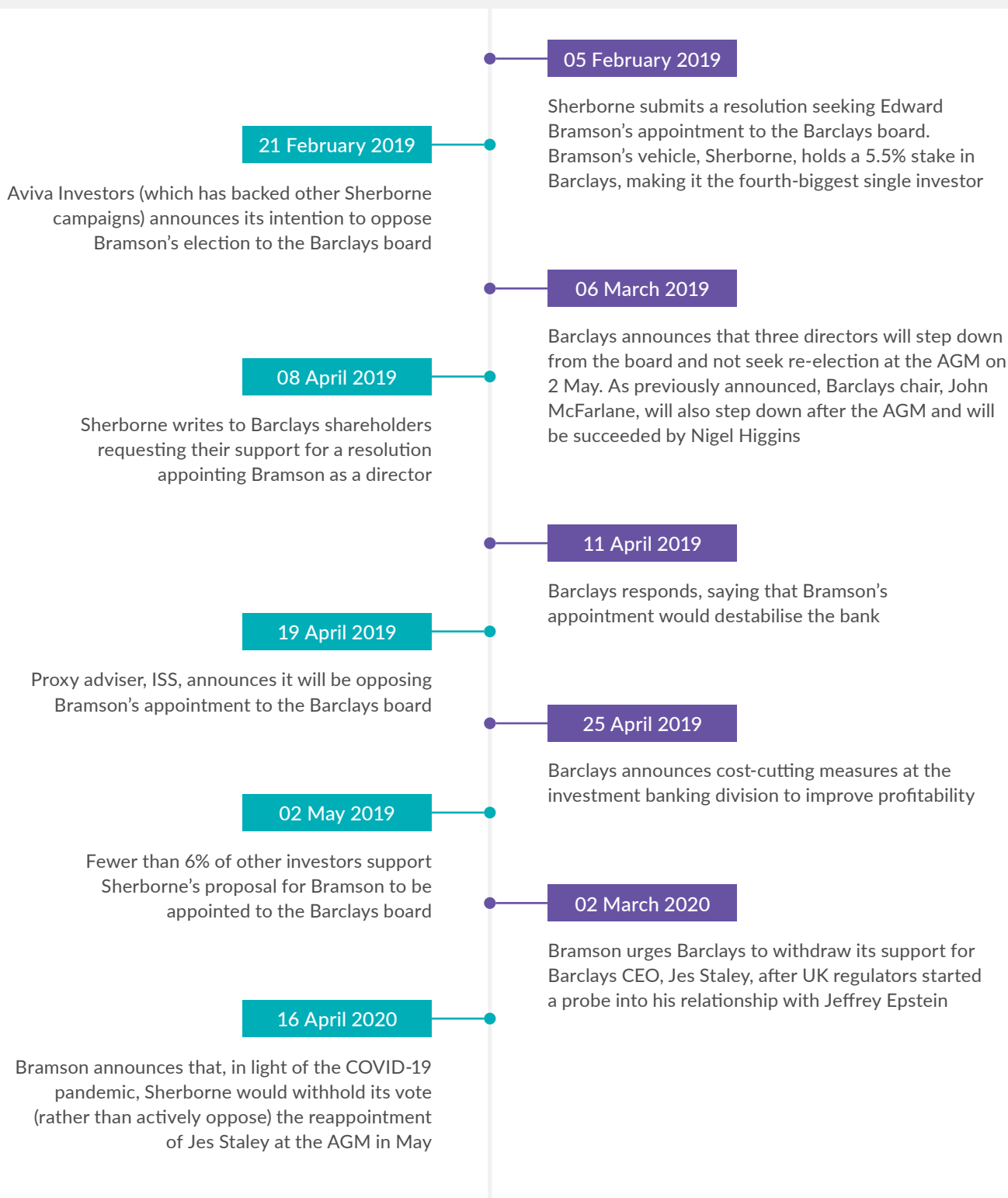


*There are pros and cons for both the activist and the company associated with an activist nominating someone to the company board. If a company agrees to the shareholder’s request, in exchange the company will typically require the shareholder to enter into a relationship agreement which will enshrine certain rights of the shareholder but also impose certain restrictions (for example, standstills, non-competes and anti-disparagement).*

Patrick Sarch,  
Co-Head EMEA Activism Practice,  
White & Case



## Deal in focus: Sherborne Investors/Barclays



Following the AGM, Bramson has renewed his engagement with the board of Barclays including sending a letter to Sherborne shareholders, dated 6 August, in which he renewed calls for Barclays to cut its trading division to boost profitability.

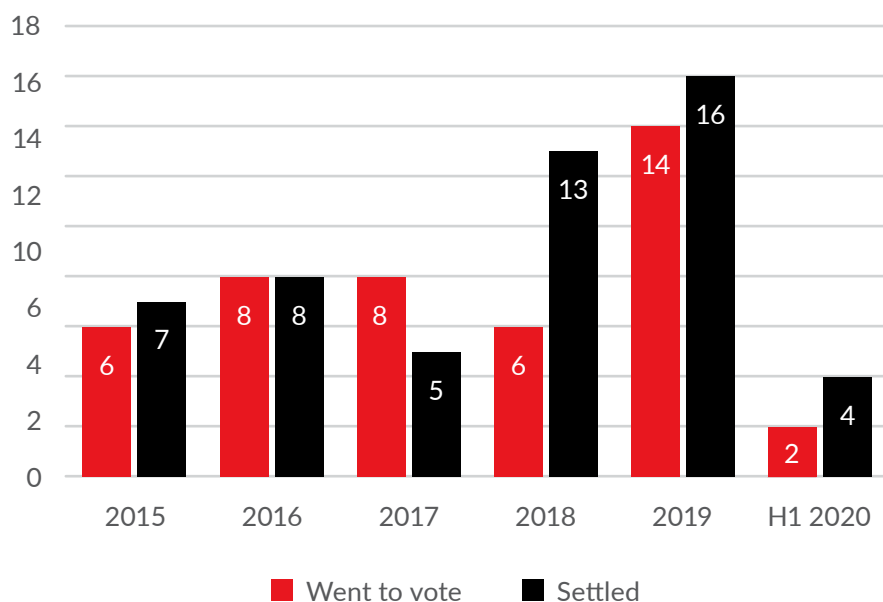


### Settlements

All of the UK board seats won by activists in H1 2020 were settled without the need for a shareholder vote. By contrast, 15 of the 18 board seats won by activists in European-headquartered companies went to a shareholder vote.

It remains to be seen whether UK companies will follow the US precedent and start entering into formal settlement agreements. From the target company’s perspective, these agreements provide a means to avoid a protracted public proxy battle. They can contain standstills with respect to future agitation, further board nominations and/or shareholder proposals, as well as anti-disparagement and confidentiality clauses, all of which can provide some respite for the target company. However, these agreements are often only for a fixed period and so this relief can often be temporary. In addition, in exchange for making these commitments, activists may extend their demands beyond those they might have sought through a public campaign (for example, asking for additional director nominees or governance controls).

Number of settlements and votes for activist board representation (UK)



*As activism has developed and become more accepted in the UK, a greater proportion of campaigns have shifted into the private sphere. Companies are moving away from a defensive mindset and are looking to engage with activists early, away from public scrutiny. Equally, activists want to be seen to be striking a more collaborative tone in their engagements. This is likely to lead to more settlements and fewer publicly hostile campaigns.*

Tom Matthews,  
Co-Head EMEA Activism Practice,  
White & Case

*The settlement between ValueAct and Rolls-Royce Holdings in 2016 ushered in a new way for boards to handle relationships with their shareholders, avoiding the need for a zero-sum battle with activists.*

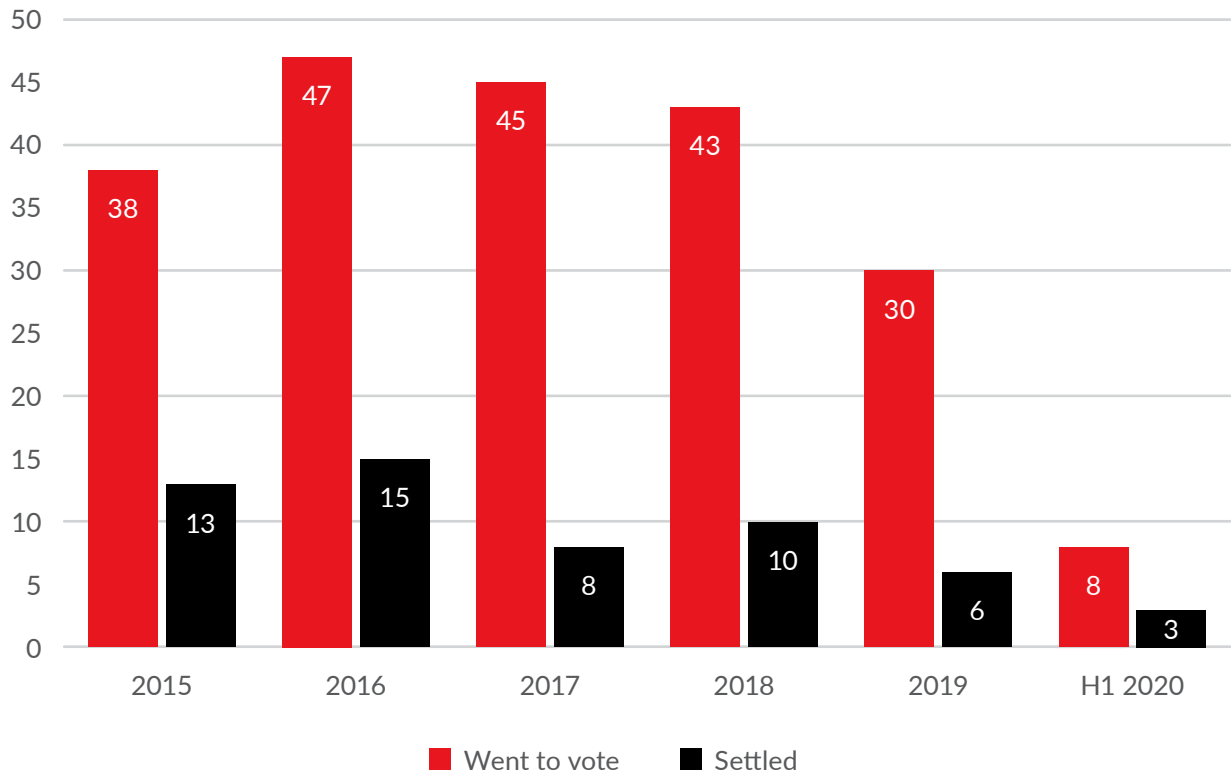
Josh Black,  
Editor-in-Chief, Activist Insight

*In the US, settlement agreements are a feature of the market and far more campaigns are settled than go to proxy fights. The order of magnitude for the costs of proxy fights in the US and the disruption to the day to day running of the company, makes focusing on a fight very difficult and risky. Institutional investors will support an activist more frequently in the US vs the UK and the rigid expectation of proportionality (i.e. you shouldn’t ask for more seats on the board than the % of share in the company you own.) is not demonstrated in the US vs the UK, with activists with 3-5% getting 20-30% board seats in a US fight.*

Cas Sydorowitz,  
Global Head of Activism at  
Georgeson.



### Number of settlements and votes for activist board representation (Rest of Europe)



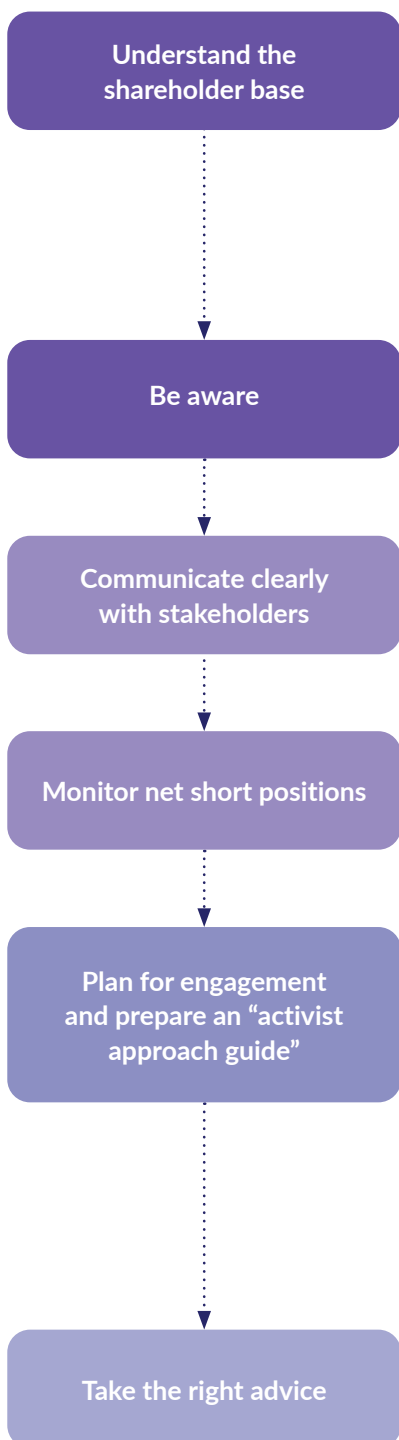
# WHITE & CASE

## Preparing for activism

By Patrick Sarch and Tom Matthews,  
Co-Heads EMEA Activism Practice, White & Case

It is vital that companies are well-prepared for when an activist appears on the register. Many of the preparatory steps are similar to those that would be taken in preparing for a takeover. However, unlike on a takeover bid, there is no timetable or “put-up or shut-up” regime, and so it is difficult for companies to exert any real leverage over determined activists. The best defence, of course, is to avoid becoming a target in the first place.

Well-prepared boards should:



Shares are typically held through nominees, so searching the shareholder register may not reveal a shareholder’s true identity. Under DTR 5, a person (including a company) must notify a listed company of the percentage of voting rights that it holds as shareholder (including indirectly) subject to certain thresholds. Keeping track of DTR 5 notifications will allow a company to identify the beneficial holder which it believes might be an activist.

Companies can also use section 793 notices to try to identify any shareholders hiding behind corporate structures.

Boards need to recognise the moments when the company is likely to be vulnerable. For example: following poor results or profit warnings; where there is a change in CEO (and where that CEO’s strategy has not yet been fully communicated to the market); or where a company has divisions that are performing less well than others.

Boards should communicate strategies clearly and interact regularly with key shareholders, ensuring that those shareholders understand and support the proposed strategy. It is also important to understand whether or not key shareholders would be prepared to support the board publicly.

Holders of net short positions in a company’s shares are required to make notifications to the Financial Conduct Authority once certain thresholds have been reached. These notifications, which include information on the position holder and the size of the net short position, can be monitored.

Ensure that you have a plan of action for when an activist does appear on the register and which can flex depending on the tools that the activist deploys. We recommend that companies have in place an “activist approach guide” (similar to a takeover defence manual) which guides the board through the key initial hours and actions following an approach from an activist. If you would like us to help you with this, please let us know and we would be delighted to assist.

If and when an activist appears, you should, research the activist, its associates and its likely agenda before engaging. Boards should think carefully before taking any knee-jerk or defensive action in response. In many circumstances, the better approach is to engage pro-actively with the activist, or to resist activist demands only once the support of other key shareholders has been obtained.

Timing is everything and boards should know which advisers to speak to quickly – corporate brokers, lawyers and PR and proxy advisers will be key. Boards may also wish to appoint an additional financial adviser to provide strategic advice.

With close to 600 M&A lawyers around the world, White & Case is one of the most active M&A practices among global law firms – ranked among the top three firms for global M&A by deal value for 2014-2019. We have a deep bench of UK public M&A and PE specialists with an established record as heavy hitters. Alongside this, we offer a full range of specialist expertise to support transactions both in the UK and cross-border whilst our dedicated public company advisory teams give us a unique understanding of Board engagement, strategies and operation, as well as corporate governance excellence.

As a regular advisor to both public companies and activists, White & Case is uniquely placed to give clients valuable tactical and strategic insight and develop bespoke response plans to guide our clients to a successful outcome. Our dedicated shareholder activism practice, comprising a core team of public M&A, public company advisory, litigation, tax, capital markets and employment specialists, was ranked #1 law firm in the H1 2020 Bloomberg Activism League Tables for both company and activist side work.

**WHITE & CASE**



**Law Firm in Europe,  
company side**

Bloomberg Activism  
League Table, H1 2020

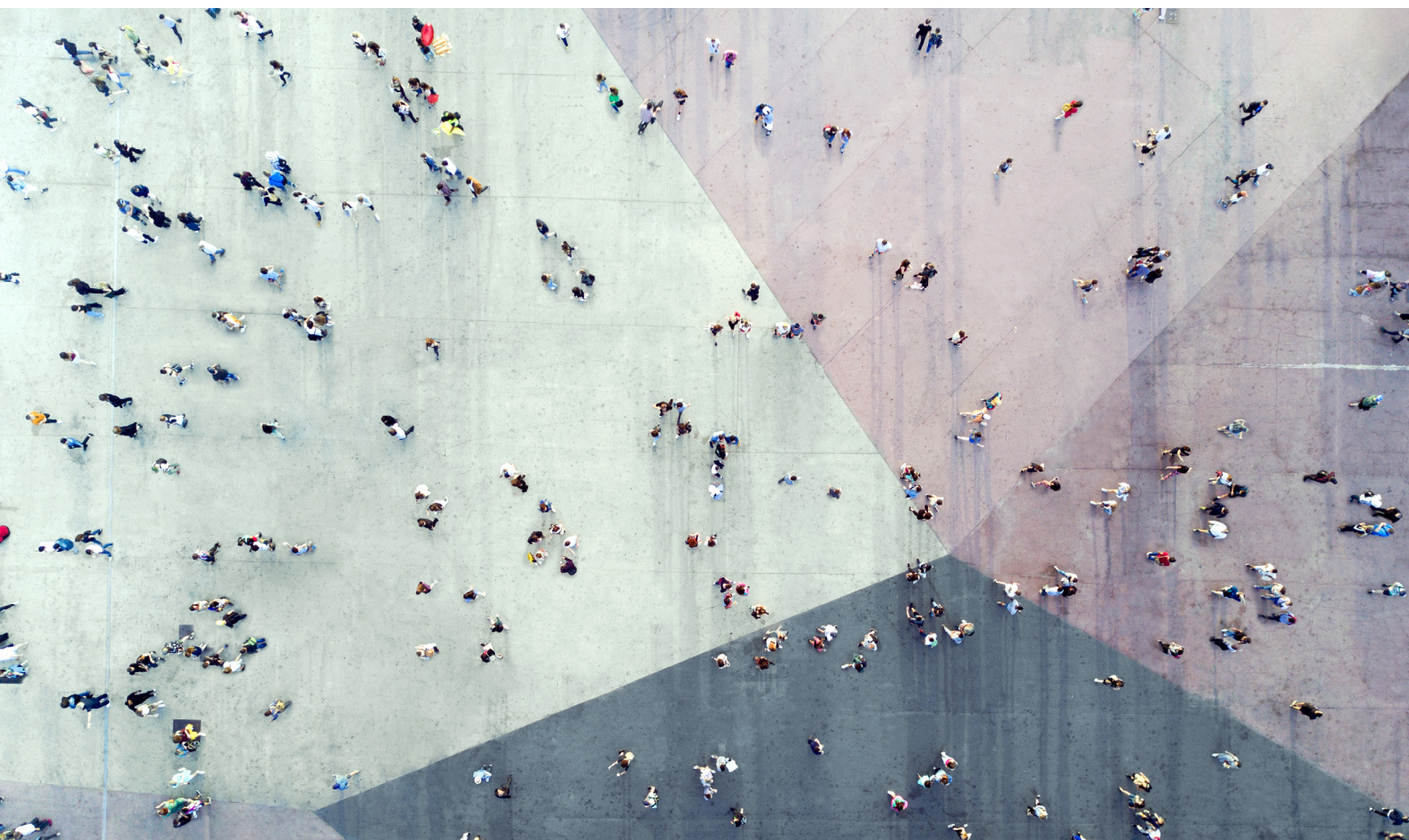


**Law Firm in Europe,  
activist side**

Bloomberg Activism  
League Table, H1 2020

“White & Case’s uniqueness and value shone through ... Your cadre of activist investor work is unlike anything I have seen from other law firms.”

Leading proxy advisor





## A new approach to activist preparedness – UBS-GUARD

By Darren Novak, Head of Shareholder Activism, UBS Investment Bank, EMEA Mergers & Acquisitions, Global Banking

### Levelling the playing field through technology

A key component to activists' success has been the ability to be several steps ahead of target companies – only making themselves known when they want to be known. By the time that an activist is detected in a target company's shareholder register, the opportunity for effective defence could have passed.

UBS has come up with a novel technology to attack this problem. UBS-GUARD is a new tool which uses machine learning and pattern recognition to predict the odds of a company becoming a target for activists.

UBS-GUARD – or Global Utility for Activism and Risk Defense – takes the tools of the activist investor and turns them into the means to create an early-warning system for its corporate clients and their directors, enabling them to adapt more quickly and ready their response, even before a single move on the company is made.

There are over 220 million data points built into the model. UBS-GUARD has analysed more than 5,000 historical activist campaigns and 8,000 public companies over a 13-year period, and applied machine learning to identify the patterns in companies that have been subjected to these campaigns, and those who were not. By looking at the statistical relationships, UBS-GUARD predicts the risk of an approach and help companies avoid being in these situations in the future. UBS-GUARD is examining over 400 features per company – the same features that activists themselves assess in their target screening and diligence.

### Substantive Defence... in a world of limited resources

The defence preparation needed to appropriately mitigate the risk of an activist approach requires a focused and detailed approach to address the vulnerabilities that attract activists. Not all companies necessarily need to do the same level of preparation, depending on their level of attractiveness to activists.

UBS-GUARD allows clients an ability to assess the level of in-depth preparedness they should undertake. For companies exhibiting high vulnerability to an activist approach, much more analysis and preventative action needs to be taken to address the underlying reasons for undervaluation (which is generally at the core of activist interest). Furthermore, UBS-GUARD provides insight, from an outside-in, activist perspective on 12 key categories of activist vulnerability – from valuation, TSR, balance sheet, capital allocation and operational data, to trading, shareholder profile and governance data.

With the right tools in place, companies can efficiently use their limited resources of time and capital to best address the fundamentals of activist risk and limit the risk that an activist ever shows up. Activism is not an unavoidable risk.

# Greenbrook

## Tips for a successful activist campaign in UK/Europe

By Andrew Honnor, Managing Partner, Greenbrook

Activist investing has become a clearly established and successful strategy in the UK and continental Europe, spurred by campaigns at high-profile companies such as Nestlé, Whitbread and Euro Disney. At Greenbrook, we have worked on more than 30 campaigns over the past two years alone, and we have helped engaged shareholders of all sizes achieve successful investment outcomes. Here are my recommendations for maximising your chances of positive results based on our experience.

### One size does not fit all

Different jurisdictions across Europe will have varying attitudes towards an engaged shareholder, which may dictate the flow of a campaign. Therefore, it is worth assessing issues such as how experienced a particular market is when it comes to activism, or whether the country in question is a 'closed shop' where the establishment may close ranks against you, whatever the merits of your arguments.

### A constructive approach often yields better results

Sometimes being vocal is the only way to achieve what you want, but in many cases, boardrooms in the UK and the continent prefer to engage privately, where conversations with shareholders can be safely held without the media and other stakeholders weighing in.

### Build intelligence

Spotting an undervalued stock and calculating which levers to pull to alleviate that is one thing. Knowing why these things haven't happened sooner is something else. Take time to understand the dynamics of the business in which you are investing. What do the directors care about? Who carries the influence around the board table? Is the business one that is well-loved and therefore may feel less pressure to bow to calls for change? These are all questions that will weigh heavily on the chances of success.

### Canvass support

Even if they agree with what you are saying or proposing, many institutional investors will automatically vote with the board; it is part of their protocol. Therefore, it is vital to gather intelligence on a target company's investor base and, where possible, garner support from sympathetic fellow shareholders.

### The offside rule

Bear in mind that some institutions will be concerned about being taken offside – knowing the details of shareholder demands may be detrimental to their ability to trade. In these circumstances, making your demands public may be preferable. This doesn't have to be done via the media, where press briefings may be seen as aggressive. Consider launching a micro-site to outline your arguments, or post a presentation to your website.

### Keep a paper trail

Even if you are conducting a behind the scenes campaign, it is advisable to have a record of all engagement – letters, calls, emails, meetings, etc – to show to the outside world, if necessary, that you have tried everything to engage with the board and that what you are asking for is reasonable. It is important to be able to demonstrate that the target company is the one being intransigent and that as an engaged shareholder, you are pushing for changes that will benefit all investors.

**Be reasonable**

You may think the company in which you have invested needs wholesale change, but going in with a shopping list of demands is unlikely to arouse support. You will likely be seen as a troublemaker and dismissed as unrealistic and not worthy of serious consideration. More focused demands with a specific and achievable endpoint are easier to understand and more likely to encourage a coalition of support. You can always press for more changes later.

**Prepare for resistance**

As activist campaigns have become more prevalent across Europe, so too has the sophistication in dealing with them. What was once a cottage industry, activism defence, has mushroomed into a key offering of investment banks and advisory firms all geared up to help boards man the barricades and prevent engaged shareholders from gaining traction.

**The media can help**

The press, particularly in the UK, enjoys confrontation and drama so an activist trying to shake up a mismanaged company can win sympathetic coverage merely by showing up. But the media is a double-edged sword. Forcing change on a company where the senior team are well-liked, even if the business has lost its way, is unlikely to be well received. Again, it is worth emphasising the importance of due diligence to understand the likely media reaction.

**We're in the middle of a pandemic**

COVID-19 is hitting businesses in a variety of ways, and whilst the initial stages of the crisis saw a pause in activism, as with most other aspects of life, activity has started to resume. But engaged investors should still proceed with caution – there will be sympathy for boards and management teams doing their best to keep their businesses afloat; even if shareholder action is warranted, it may be harder to gain traction if you are deemed to be undermining efforts to cope with COVID-19.

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*Andrew Honnor is founder and Managing Partner of Greenbrook, a specialist in all aspects of communications and reputation management for the investment industry. The firm was ranked #1 advisor to activist investors in Europe by Bloomberg for H1 2020.*  
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## Sources and approach

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All data for this report has been provided by Activist Insight. Since 2012, Activist Insight has provided its diverse range of clients with the most comprehensive information on activist investing worldwide. Regularly quoted in the financial press, Activist Insight is the trusted source for data in this ever-evolving space. Activist Insight offers five great products: *Activist Insight Online*, *Activist Insight Monthly* magazine, *Activist Insight Shorts*, the *Activist Insight Vulnerability* screening tool and the new *Activist Insight Governance* database, and counts many of the world's leading investment banks, law firms, shareholder communications firms and institutional investors as its clients.

The value of newly disclosed activist investments has been calculated by multiplying the number of shares disclosed in activists' first publicly notified holding by the closing share price on the day of disclosure. Share prices are converted to US\$ using the prevailing exchange rate on the day activists first publicly notified their holdings.

The percentages included in this report have been rounded up or down to whole numbers, as appropriate. Accordingly, the percentages may not in aggregate add up to 100%.

For the purposes of this report, we have treated the Channel Islands and the Isle of Man as part of the UK.

The final date for inclusion of developments in this report is 30 June 2020. Reference has been made to deal developments after this date if considered noteworthy.





## Report produced by Lexis®PSL Corporate team members:

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**Darius  
Lewington,**  
Solicitor



**Jenisa Altink-  
Thumbadoo,**  
Head of Market  
Tracker

## The wider Lexis®PSL Corporate team:

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**James Hayden,**  
Solicitor, Head  
of Lexis®PSL  
Corporate



**Will Beasley,**  
Solicitor



**Edward Davies,**  
Solicitor



**Maria Delyfer,**  
Solicitor



**Tunji Emanuel,**  
Solicitor



**Claudia Gizejewski,**  
Solicitor



**Tara Hogg,**  
Solicitor



**Eleanor Kelly,**  
Solicitor



**Michelle Cheng,**  
Paralegal



**Zahra Ali,**  
Market Tracker  
Analyst



**Ambreen Chohan,**  
Market Tracker  
Analyst

## With thanks to our valued contributors:



**Josh Black**  
Editor-in-chief - Activist Insight

Josh is the editor-in-chief of Activist Insight, handling the company's news, publications, vulnerability reports and public relations. In 2014 he relaunched the first magazine dedicated to shareholder activism, now known as Activist Insight Monthly. Josh is regularly interviewed by the media as an expert on shareholder activism, and also speaks at conferences on a frequent basis.



**Amanda Cowell**  
Partner of Dispute Resolution Practice, London - White & Case

Amanda is the head of White & Case's Commercial Litigation group based in the London office. She has a wealth of experience in commercial litigation and domestic and international arbitration, primarily working with corporate, telecoms and banking clients (including investment banks and funds).

In recent years, Amanda has gained a dynamic reputation acting for clients involved in shareholder disputes, representing multinational companies on strategy, governance issues, and wider transformational change. With a strong practice developed around crisis management and advising on strategic, commercial responses to activism risks, Amanda is a leading adviser for companies faced with the threat of shareholder action.

Amanda is recognised by Legal 500 UK 2020 as a Next Generation partner for Commercial Litigation.



**Andrew Honnor**  
Managing Partner - Greenbrook

Andrew founded Greenbrook, the leading communications advisor to alternative investment firms in Europe, after more than 20 years working in financial, corporate and political communications. Andrew has worked on more than 30 separate activist campaigns in the past two years, with Greenbrook being ranked as #1 activist advisor in Europe. Andrew started his career working on political campaigns in both the UK and United States and was formerly a UK Government Special Advisor. Prior to founding Greenbrook, Andrew was a member of the Executive Committee at News UK (News International), advising the company following the phone-hacking crisis.



**Tom Matthews**  
Partner of M&A and Corporate Practice,  
London and co-head of EMEA Activism Practice - White & Case

Tom is a partner in White & Case's M&A and Corporate Practice based in London. Tom is also co-head of White & Case's EMEA Activism Practice.

Tom has over 16 years' experience advising corporates, investment banks, private equity and hedge funds and family offices on international public and private M&A transactions, primary and secondary equity raisings and sell-downs, joint ventures and listed company advisory and corporate governance matters.

Tom also advises a number of companies, activist funds, founder shareholders and other active shareholders on their shareholder engagement campaigns and responses.



### **Darren Novak**

Head of Shareholder Activism, UBS Investment Bank, EMEA Mergers & Acquisitions, Global Banking

Darren Novak leads UBS's activist defence practice globally. Darren advised leading corporations on live activist defence campaigns and defence preparedness. Darren is now located in London after having been based in New York City for 20 years. Prior to joining UBS Investment Bank, Darren co-led the Activist Situations Team at Houlihan Lokey in New York where he has advised many of the leading activists in campaigns since 2011. Noteworthy campaigns that Darren has advised on include Bayer, BHP, Clariant, CSX, Darden, Kirin, MetroPCS and NXP. Prior to Houlihan Lokey, Darren was an M&A attorney for a dozen years, most recently as a partner at Davies Ward specializing in contested situations, and before that as an associate in the M&A departments of Simpson Thacher and White & Case.



### **Guy Potel**

Partner of M&A and Corporate Practice, London - White & Case

Guy is a partner in White & Case's M&A and Corporate Practice based in the London office.

With more than 20 years of experience, he advises both listed and private companies on acquisitions, equity capital raisings, joint ventures and minority equity investments. Guy has a reputation for being an impressive negotiator and commercially astute. His advice is sought by companies across a variety of industry sectors, particularly in the fintech and technology sectors.

Listed companies seek Guy's advice to help them navigate the complex landscape of securities laws that apply to them (including the Market Abuse Regulation, Listing Rules, the UK Takeover Code and various corporate governance codes). His depth of experience in this field has also made Guy a go-to individual for certain activists in their public market value creation strategies.



### **Dominic Ross**

Partner of M&A and Corporate Practice, London - White & Case

Dominic is a partner in White & Case's M&A and Corporate Practice based in the London office.

Dominic regularly advises both corporate clients, financial sponsors and investment banks on a wide variety of M&A, Takeover Code and Listing Rule transactions and equity capital raisings, as well as corporate governance and shareholder activism-related matters.

Dominic has a particular focus on large, complex, cross border M&A transactions involving UK public companies, and is recommended by the Legal500 for M&A – upper mid-market and premium deals. Dominic also has sector expertise in the healthcare, gaming and consumer and retail industries.



### **Patrick Sarch**

Co-head of UK Corporate Practice, EMEA Activism Practice and the Financial Institutions Global Industry Group - White & Case

Patrick is co-head of White & Case's UK Corporate Practice, the EMEA Activism Practice and the Financial Institutions Global Industry Group. As a senior corporate partner, Patrick is valued by his wide range of clients for providing commercial, pragmatic and sound business advice. He is widely viewed as a trusted adviser to the boards of many UK and international listed companies and investors.

Patrick has almost 25 years' experience advising clients on corporate finance, domestic and cross-border public company M&A (with extensive expertise in competitive and hostile situations), innovative structuring, the Takeover Code, disclosure issues, securities law and the Listing Rules as well as secondary issues and capital restructuring. In recent years, he has developed a strong "activism" practice, advising both companies and activist shareholders on strategic, governance and M&A-related campaigns and disputes. He has a very broad base of skills and also advises on corporate aspects of investigations and crisis management.

Patrick has advised on a number of global and UK "firsts" and record breaking deals. Patrick is a member of the City of London Law Society Company Law Committee.

**Cas Sydorowitz**

Global Head of Activism and M&A, Georgeson

Cas has been with Georgeson since 1998. He is the resident expert on shareholder activism globally. Cas has worked on Activist fights in the US, Europe and Asia, for both issuers and activists. Understanding shareholders governance and voting policies allows him and his team to provide direct, impactful guidance to Georgeson's clients, on how to navigate the choppy waters of an activism defence. Before taking on the role of Global Head of Activism in 2018 he ran the Northern European arm of Georgeson since 2002.

Prior to his time at Georgeson, Cas helped issuers in Europe and Asia develop and deliver their equity story to the US capital markets. Part of his role was to develop a proprietary method of identifying investors irrespective of their country of origin.

Cas has an expert knowledge of global proxy voting mechanics and key governance matters affecting issuers and shareholders globally.

Established in 1935, Georgeson is the world's original and foremost provider of strategic services to corporations and investors working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our core proxy expertise is enhanced with and complemented by our strategic consulting services, including solicitation strategy, investor identification, corporate governance analysis, vote projections and insight into investor ownership and voting profiles. Our local presence and global footprint allow us to analyse and mitigate operational risk associated with various corporate actions worldwide.

**Rob White**

Partner - Greenbrook

Rob joined Greenbrook soon after its formation in 2012. He advises activist shareholders on a range of issues including launching funds, AUM growth strategies, engaging with boards and management teams, initiating public campaigns, communications to support proxy contests, and establishing and managing media relationships. Rob is a committee member for the SOHN Conference Foundation London.

## Market Tracker

Market Tracker is a unique service for corporate lawyers housed within **Lexis<sup>®</sup> PSL Corporate**.

Key features include:

- a transaction data analysis tool for accessing, analysing and comparing the specific features of various listed company transactions including takeovers, initial public offerings and secondary offers
- detailed, searchable summaries of listed company deals and AGMs
- a comprehensive and searchable library of deal documentation such as announcements, circulars, offer documents and prospectuses
- news and analysis of key corporate deals and activity, and
- in-depth analysis of recent trends and developments in corporate practice

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## Market Tracker | Forthcoming Trend Reports

### Public M&A Q3 2020 update

Market Tracker's quarterly review of public M&A transactions between July 1, 2020 and September 30, 2020, including statistical analysis and an update on developing trends.

We have a wealth of free content available on our Corporate microsite.

## Market Tracker | Previous Trend Reports

### Trends in UK Public M&A deals in H1 2020

This Market Tracker trend report includes in-depth analysis of the 12 firm offers and 10 possible offers announced in H1 2020 and provides insight into what to expect to see in H2 2020 and beyond.

The report includes detailed transaction data analysis, case studies and contributions from leading practitioners at:

Addleshaw Goddard	Jones Day
Clifford Chance	Linklaters
Freshfields	Pinsent Masons
Gibson Dunn & Crutcher	White & Case

To access these trend reports, a variety of mini trend reports and news stories on developments in public company transactions, visit <https://www.lexisnexis.co.uk/blog/corporate-law>

### UK Equity Capital Markets 2019

This Market Tracker trend report provides an in-depth look at IPO and secondary offering transactions in 2019. Highlights include:

- a three-year comparative review and month-by-month analysis of deal activity
- case studies of the biggest transactions in 2019
- focus on industry sector and transaction structure
- a study of risk factor disclosures in prospectuses
- a look at emerging trends in choice of market segment
- legal and regulatory developments in 2019 and H1 2020

Existing subscribers can access Lexis<sup>®</sup> PSL Corporate and Market Tracker at <https://www.lexisnexis.com/uk/lexispsl/corporate/home>

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