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UK activism enters a new phase

White & Case Partners Tom Matthews, Alex Woodfield and Sonica Tolani explore what's driving the latest wave of U.K. activism, from M&A and buybacks to bolder boardroom demands.



Tom Matthews
Partner and Head of EMEA Activism, London
tom.matthews@whitecase.com



Alex Woodfield
Partner, London
alex.woodfield@whitecase.com



Sonica Tolani
Partner, London
sonica.tolani@whitecase.com

What have been the key drivers for recent high levels of shareholder activism in the U.K.?

Tom Matthews (TM): Activism campaigns in Europe have increasingly focused on the U.K. during the past year, in contrast with the lower-than-usual levels of publicly observable activism experienced in much of continental Europe. Key recent drivers of activism in the U.K. have included an active public M&A market and continued pressure on the investment trust sector, as well as a greater appetite for buybacks and ambitious board seat demands.

Sonica Tolani (ST): The outlook for the global economy remains uncertain, with heightened geopolitical tensions and macroeconomic risks. Despite this backdrop, the U.K. public M&A market has been highly active, with appetite from both strategic and financial buyers, competing bids and hostile approaches (including numerous "bear hug" announcements released by bidders without target support). This increased engagement by bidders directly with shareholders before securing the target board's recommendation for an offer provides fertile ground for activism.

Alex Woodfield (AW): Campaigns in the investment trust sector also continue to be a significant contributor to high levels of activism in the U.K. Despite steps taken by many investment trusts to manage their discounts to net asset value (NAV) more actively, structural challenges persist for the sector, and it is expected to remain firmly in the sights of activists.

> "M&A-related activism frequently plays out publicly as, in many cases, shareholders will only become aware of the proposed transaction when it becomes public."

The past year has seen a significant uptick in demands for buyback programs. Why now?

AW: While scrutiny by activist investors of companies' capital allocation and demands to return cash are nothing new for the U.K. market, many of the best-known activists have been pursuing increasingly frequent buyback campaigns.

Until the past few years, buybacks were significantly more common in the U.S. than in the U.K. However, the prevailing

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perception that many U.K. companies are comparatively undervalued is considered to have contributed to a more widespread use of buybacks by boards, even in the absence of any activist involvement. This greater receptiveness to buybacks is expected to encourage continuing high levels of demands from activists for buybacks.

Elevated levels of activism at U.K. investment trusts have also partly contributed to the increase in buyback campaigns, with share buybacks serving as a key tool for boards' ongoing management of discounts to NAV.

It is worth noting that the average buyback size (as a percentage of issued share capital) remains low, providing an opportunity for activists to encourage individual companies to do more.

How has the move toward increasingly ambitious board change campaigns evolved in recent years?

TM: Multi-seat board demands were historically mostly confined to small U.K. companies, but from mid-2024 to the end of 2025 there had been a significant increase in multi-seat demands at larger targets. Since then, this momentum has built further. Not only have larger companies continued to face multi-seat demands, but activists have enjoyed some notable positive outcomes, including successfully replacing several entire boards.

The high-profile nature of these successes is likely to encourage continued ambitious demands for board changes from activists. It may also have the wider effect of persuading boards of the need to take more radical action themselves, to demonstrate to shareholders that their concerns can be addressed without a board overhaul.

The U.K. market is no longer just attracting classic hedge fund activists. Long-only funds, private equity and other event-driven investors are increasingly willing to use activist tactics when value dislocation persists.

How does that change the way boards should think about their shareholder base and engagement strategy?

ST: The traditional distinction between specialist activist investors and other types of shareholders has diminished significantly in recent years. This blurring of boundaries has been accelerated by the continued influence of private capital (including private equity and debt/special situations funds).

> "Boards can no longer assume that institutional shareholders will necessarily serve as a defensive moat against activism."

Many public markets investors now have a sufficiently flexible mandate to consider a full range of approaches – from activist engagement to a full take-private – and are able to adapt their approach according to how a particular investment evolves. We are seeing an increased appetite to actually deploy such flexibility where a situation calls for it. The U.S. market has experienced takeovers by some of its highest-profile activist investors and this trend is expected to become a more regular occurrence in the U.K. market, particularly as many activists have become more familiar with key aspects of the U.K. Takeover Code.

AW: Institutional long-only investors may not typically be natural activists and often have a different investment horizon compared with hedge fund activists, but these institutional investors increasingly acknowledge that activists can serve an important purpose in robustly engaging with underperforming boards and unlocking value for all shareholders.

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In practice, boards can no longer assume that institutional shareholders will necessarily serve as a defensive moat against activism, or that an activist hedge fund will not pursue a takeover as an alternative to driving shareholder returns through active engagement.

> “Many of the best-known activists have been increasingly pursuing buyback campaigns.”

U.K. boards have become more sophisticated in private engagement, but plenty of campaigns spill into the public eye. What tends to determine whether a campaign stays constructive or turns confrontational?

TM: Recent years have seen increasing maturity in U.K. activism and an associated shift to campaigns playing out through private engagement. In part, this reflects the greater experience of boards and their advisors, including greater appreciation of the benefits of engaging constructively with activists, even where the board holds a very different view, and avoiding defaulting to a hostile mindset.

M&A-related activism frequently plays out publicly as, in many cases, shareholders will only become aware of the proposed transaction when the transaction (or the possibility of a transaction) becomes public, or in some cases shortly beforehand during a wall-crossing process. Unless a shareholder holds a particularly substantial stake, they will typically need to influence other shareholders if seeking to secure a price increase or otherwise influence the outcome.

Multi-seat board demands are often particularly contentious and harder to settle through private engagement. The contentious nature of these demands is typically exacerbated where the activist is demanding the removal of incumbent directors. While in some cases, a director will opt to step down to avoid a public battle (e.g. where a director is nearing the end of a scheduled term or where it is clear that the director has no prospect of surviving a vote), in others, the board will have a natural inclination to fight the demand, often resulting in the campaign becoming public.

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Germany's activist playbook

Sophia Habbe and Frederic Wünsche, of White & Case, examine how activists in Germany are raising the pressure, from leadership credibility and strategic reviews to cross-border M&A and governance accountability.



Sophia Habbe
Partner, Frankfurt
sophia.habbe@whitecase.com



Frederic Wünsche
Local Partner, Frankfurt
frederic.wuensche@whitecase.com

Leadership transitions at German companies have been much more squarely in focus over the past year. Why are CEO, chair and broader management-credibility questions becoming such an important part of the German activist playbook?

Sophia Habbe (SH): Activists have always cared about management quality, but the threshold for making that concern public has dropped considerably. Leadership credibility has become the sharpest instrument in an increasingly combative playbook. When persistent underperformance can be attributed directly to identifiable management decisions, the campaign becomes far harder for a board to dismiss, — and the personal dimension generates media attention that itself becomes a pressure tool. The Delivery Hero situation is the most striking recent illustration. Aspex Management called for a "strategic realignment that creates value," warning that piecemeal disposals would not suffice. It characterized more than 1.5 billion euros in legal provisions and contingent liabilities as an "existential" issue and attributed the company's predicament to "unfortunate management decisions" by the CEO.

Another big theme in German activism is M&A, especially cross-border interest and break-ups. Is this likely to be a lasting shift for local companies?

Frederic Wünsche (FW): We believe this will be a lasting shift, on account of its structural roots. German corporations trade at a persistent discount to European peers, and that gap is what attracts both break-up activists and cross-border acquirers. The two reinforce each other: activist pressure for a strategic review often accelerates the timetable for a transaction that a potential acquirer was already considering. Aspex's pressure at Delivery Hero ultimately catalyzed Uber's takeover offer. Uber acquired Aspex's stake (including through derivative instruments) as the foundation for its public takeover offer, enabling Aspex to ultimately exit its position through the transaction.

In several recent situations, activists have linked calls for strategic reviews or disposals with a broader argument that the incumbent leadership team is no longer the right one to execute the next phase. Is that becoming the preferred route in Germany: strategy critique first, leadership challenge second?

SH: It is a logical sequence and we are seeing it consistently – though the pace of escalation has accelerated. A strategy critique is easier to substantiate publicly and harder for a board to dismiss. Once the current plan is discredited, the leadership question follows naturally. Activists are no longer willing to wait through

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multiple earnings cycles to make that second argument. We also see a more targeted approach, — the demand is often for the removal of a specific executive rather than a wholesale leadership change, which tends to be both more achievable and more credible to other shareholders. The Gerresheimer situation shows the same logic applied with remarkable speed and precision. Asset Value Investors, and subsequently Active Ownership Capital, pointed to a series of profit warnings that Gerresheimer had issued since September 2024 and called for new financial leadership to restore market credibility. That pressure was swiftly followed by the departure of the company's finance chief and a formal separation of its molded glass division ahead of an intended sale.

> "Leadership credibility has become the sharpest instrument in an increasingly combative playbook."

Does the focus on existential issues for management like succession planning and M&A threaten to reverse greater engagement with activists?

FW: Not in our experience. Boards of publicly listed companies are now more open to engaging constructively with activists, and that openness is proving relatively resilient, provided the activist's demands are grounded in verifiable analysis. The prevailing attitude among well-advised boards is now to engage early, understand the thesis, and respond substantively – even where they disagree.

Has the international retreat from ESG strategies impacted activism in Germany by providing valuation opportunities or diverging views on leadership and strategy for activists to exploit?

SH: ESG has receded as a primary campaign thesis, but it has not disappeared. It has been repackaged as governance accountability and compliance risk, which lands with more force. A governance argument tied to a specific liability is far more actionable than a general sustainability critique. At DHL, 7Square alleged systematic anti-competitive conduct in the letter market and framed it as a supervisory board accountability issue.

At the same time, the U.S. regulatory pushback on ESG, — including sanctions targeting anti-competitive agreements through companies' participation in industry associations or collective initiatives, equal employment opportunity practices, and pressure on companies to distance themselves from international political agendas such as net-zero climate mandates – has redirected some American activist capital toward the European and German markets. Activists pursuing this line of attack may allege a breach of fiduciary duties, arguing that management prioritized climate-political or broader ESG objectives over the economic interests of shareholders. That dynamic has widened the pool of potential campaigns in Germany.

Germany's dual-board structure still limits direct proxy fights, but recent campaigns suggest activists can influence management change without formally controlling the supervisory board. What are the most effective pressure points?

FW: The toolbox has expanded considerably. Alongside no-confidence motions – as deployed by Aspex against the CEO of Delivery Hero – the most effective pressure points include targeted public letters that name specific individuals and specific failures; simultaneous or sequential stake-building that signals conviction and accumulates voting weight; and procedural tools under German company law, including special auditor requests.

The Gerresheimer situation is a clear recent example of this approach. Active Ownership Capital entered at 5.3% in August 2025 with a targeted critique of the CFO and structural demands. Nine days later, CFO Metzner was replaced. AOC then raised its stake above 10.63%, becoming Gerresheimer's largest shareholder. The full sequence – stake entry, public demands, leadership change, stake increase – took under six weeks without a single supervisory board seat. But not every campaign requires that level of public pressure. For example, at Qiagen, Fivespan pursued a collaborative route, securing a board seat for a partner with strategic relevance to the company's most likely acquirer.

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The quiet power of activism in France

Diane Lamarche, Saam Golshani and Simon Martin-Gousset of White & Case explore why private engagement remains the preferred route for activists in France.



Diane Lamarche
Partner, Paris
diane.lamarche@whitecase.com



Saam Golshani
Partner, Paris
saam.golshani@whitecase.com



Simon Martin-Gousset
Associate, Paris
simon.martin-gousset@whitecase.com

Is private engagement with French issuers still the preferred route for activists?

Diane Lamarche (DL): Yes, and as was the case in 2025, we expect private engagement to keep intensifying. Over the past 12 months, we have worked alongside several activists and issuers on large-cap or strategic situations where the entire campaign was conducted without any public statement.

Activists have indeed progressively become more sophisticated and accustomed to the specificities of the French market. They have found that private engagement can deliver more, faster, at a lower cost and with less risk than a public campaign. It is also worth noting that in France, a growing number of "institutional" investors are pursuing activist-style strategies, whether or not they are dedicated activist funds, and their own investors tend to push them to remain as discreet as possible.

Saam Golshani (SG): Confidentiality is a genuine concern, but it is far from absolute. In many instances, the situation nonetheless becomes partially known, whether through press coverage or within certain market circles. The campaign remains private, nonetheless. What is truly at stake for the issuer is preserving control of the narrative and, in some cases, avoiding public escalation.

This private approach is also consistent with the Autorité des Marchés Financiers' past positions on shareholder activism, which have encouraged dialogue between issuers and shareholders ahead of any public campaign.

> "Activists have become more sophisticated and accustomed to the specificities of the French market."

In a French market that values such discretion, what should French issuers be doing before an activist appears?

DL: Issuers should always think like an activist. That means honestly and continuously assessing their own weaknesses, as an activist would when assessing a potential target, and identifying where their group is exposed before anyone else does. In practice, management and the board should constantly interrogate their own vulnerabilities: the quality and independence of their governance, the robustness and clarity of their financial and non-financial reporting, the rigor of their M&A and strategic decision-making processes, and the

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criticisms voiced by analysts and investors, whether on strategy, capital allocation or performance.

Simon Martin-Gousset (SMG): This also requires close and continuous knowledge and monitoring of the shareholder base and short positions. The issuer's teams should track both using the legal and technical tools available to them, so as to identify emerging shareholders, changes in ownership and build-ups of short interest early enough to anticipate any issues that may arise.

> "What is truly at stake for the issuer is preserving control of the narrative and, in some cases, avoiding public escalation."

This also means putting the right internal processes and clear escalation channels in place, so that any approach from an investor is picked up promptly and escalated to the right people. In practice, this involves setting up a small, dedicated task force, designating a single internal point of contact for any activist approach, and defining the strategy and procedures for responding to an activist. It also means ensuring that the lead independent director, the company's usual advisors and the relevant members of management have already thought through and are ready to implement the response procedures and practical arrangements that would apply if an activist were to approach the company.

In one of the market's recent public situations, investors pressed for a shareholder vote on a complex corporate restructuring. Should more French issuers assume that major carve-outs, spin-offs or related-party-style restructurings will now attract demands for a formal shareholder say?

SG: Under French corporate and stock-market law, and in light of the AMF's recommendations, shareholder approval is required for most such situations. The real question, then, is less whether a vote will be held than whether the information given to the market is sufficiently transparent, and whether shareholders are genuinely able to understand it.

For a complex transaction or one involving a transformation of the company, issuers should assume that shareholders will want to understand not only what the company is doing, but also why, what alternatives were considered, how any conflicts of interest were managed, and how value is being allocated among the different stakeholders.

SMG: None of this is new, but it consistently surfaces in highly complex transactions. What has changed is the degree of scrutiny shareholders now apply and their growing willingness to challenge the process itself. One consequence is the renewed and increasingly effective resort to litigation. Bringing a claim can be a highly efficient way to obtain information, challenge a process, or simply create leverage and put pressure on the transaction's timetable. Issuers should therefore assess litigation and disclosure risk at an early stage of transaction planning.

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