

Cape's shares have gone electric as a takeover offer from France's Altrad boosts share price by 45 per cent

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The share price of energy services company Cape rocketed by more than 45 per cent this morning, July 7, as the group announced it had agreed to a £332.3 million takeover.

Altrad, a French business which hires out equipment to the construction industry, is set to acquire the Middlesex-based company for 265p per share.

This is a 46.2 per cent premium to the business's share price yesterday, and at the time of writing Cape was trading at 264.5p per share.

Altrad said that the deal would “deliver attractive near and longer term benefit for Cape and Altrad”.

Combining the businesses would create a “multi-disciplinary industrial services leader in key markets around the world, with a strong competitive edge and better able to meet their respective customers' requirements”, it added in a statement.

Cape offers support services to industrial clients working in particular niches of the energy sector.

“Under the leadership of its current management team, Cape has made significant strategic, operational and financial progress and, despite a more challenging year anticipated in 2018, the Cape board has confidence in Cape's future prospects,” said Cape chairman Tim Eggar.

Cape's directors will unanimously recommend that shareholders accept the offer, and have given irrevocable undertakings to sell their own holdings which amount to around 0.24 per cent of the company.

So has key investor Artemis Investment Management, which owned 6.8 per cent of the business.

Schroder Investment Management and Henderson Global Investors, which together owned around 11.2 per cent of Cape, have also issued letters of intent to accept the offer.