

Cape shares surge over 45 per cent on Altrad takeover bid

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Shares in UK services company Cape have jumped more than 46 per cent after it agreed a 265p-a-share takeover offer from Altrad, a private French company.

The cash offer represents a 46 per cent premium to Cape's closing price on Thursday, July 6, and values the British company at more than £332 million.

It is the latest example of consolidation among services companies after oil and gas specialist Wood Group's £2.2 billion swoop on Amec Foster Wheeler earlier this year.

Like many other services companies which generated significant income from the oil and gas industry, Cape's profit margins have suffered from dwindling activity in areas such as the North Sea, where energy customers have put pressure on services companies to slash their prices.

Cape also serves a range of other industries including power generation, marine, steel and chemical.

Tim Eggar, chairman of Cape, said: "On behalf of the Cape board, I am pleased to announce Altrad's recommended cash offer to our shareholders..we believe that the offer from Altrad represents fair and reasonable value in cash today for Cape shareholders recognising Cape's prospects and growth potential."

Altrad was founded in 1985 in Montpellier in France and specialises in industrial services, scaffolding and construction equipment.

Mohed Altrad, chairman of the Altrad Group, said: "Altrad and Cape have strong complementarity in geographic and product mix enabling the creation of a multi-disciplinary industrial services leader in key markets around the world."

Cape's shares are up 45.79 per cent at publication time to 264.25p.