

Meggitt agrees £6.3bn takeover by Parker-Hannifin

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Defence and aerospace technology firm Meggitt has agreed a £6.3 billion takeover by American firm Parker-Hannifin.

The Coventry-based company, which makes [parts and systems for planes](#), confirmed an offer from the engineering technology giant to the stock exchange today which has valued Meggitt at 800p per share.

Parker-Hannifin, which is headquartered in Ohio, has a sales and manufacturing operation in Warwick and employs [around 2,000 people](#) across several UK bases. It makes products such as valves, fittings and piping.

The firm has pledged to retain Meggitt's head office on Ansty Business Park where the company employs around 1,000 staff after relocating its global headquarters from Bournemouth Airport in 2019.

Parker-Hannifin also agreed to continue to meet Meggitt's government contractual obligations and vowed to maintain Meggitt's investment in UK research and development.

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It said it would look to increase this by 20 per cent over the next five years, subject to normal activity in the sector.

This deal comes after a period of turbulence during the pandemic, with [Meggitt cutting 1,800 jobs last year across its global business](#) after covid-19 hit the travel sector.

Meggitt also revealed today that pre-tax profit for the first half of 2021 had moved into the black, up to £33.6 million from a loss of £368.4 million in the same period last year.

Chairman Sir Nigel Rudd said: “Meggitt is one of the world’s foremost aerospace, defence and energy businesses, leading the market with a strong portfolio of technology and manufacturing capabilities and holding a significant amount of intellectual property.

“While Meggitt is currently pursuing a strong, standalone strategy which will deliver value to shareholders over the long term, Parker’s offer provides the opportunity to significantly accelerate and de-risk those plans, while continuing to deliver for shareholders.”

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Parker-Hannifin chairman and chief executive Tom Williams added: “We are committed to being a responsible steward of Meggitt and are pleased our acquisition has the full support of Meggitt’s board.

“We fully understand these responsibilities and are making a number of strong commitments that reflect them.

“During our longstanding presence in the UK we have built great respect for Meggitt, its heritage and its place in British industry.”