

Rothermere plans to end Daily Mail's 90 years on the stock market with buyout deal

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ORD Rothermere is mulling a deal to end the [Daily Mail](#) & General Trust media group's 90 years on the [stock market](#) by buying out its other shareholders.

The owner of the Mail, Mail Online and i newspapers traces its history back to 1896, when Harold Harmsworth, the 1st Viscount Rothermere, and his brother Alfred launched the Daily Mail.

It listed shares on the stock market under the DMGT name in 1932 but has always retained a controlling stake and the current Lord Rothermere, Jonathan Harmsworth, has long been speculated as wanting to take the group private.

Today's potential deal would see DMGT sell its insurance risk division, known as RMS, for as much as £1 billion, which would be returned to shareholders, with the Rothermeres then buying the rest of the company.

That would see the family take full control of the Daily Mail, Mail Online, Metro and i newspapers, as well as its Ideal Home events arm, a property information division and a venture capital investment business.

The Rothermeres would also control a small stake in The Evening Standard.

DMGT's shares have for years been held back by concerns over the long term future of printed newspapers, resulting in the perceived undervaluing of its other businesses.

It has spent recent years selling those other divisions and returning funds to shareholders.

If the RMS sale were to go ahead, all shareholders would be paid the proceeds in the form of a special dividend.

Then, the Rothermeres would buy the DMGT shares it does not already own using cash plus shares in Cazoo, the second-hand car website in which the group has a 20% stake.

Cazoo is shortly due to complete a US float via a Special Purpose Acquisition Company that would value DMGT's stake at around £1 billion.

The deal is complex and reliant on many moving parts, but analysts at Berenberg have calculated it could equal 1261p a share – a 21% premium to Friday's closing price.

Berenberg stockbrokers said: "The premium doesn't represent a knockout offer, but given the Rothermere holding company already controls the group, there aren't really other alternatives, and versus the share price of DMGT earlier in the year, it's obviously a very significant upside."

The biggest outside shareholder is fund manager Nick Train's Lindsell Train investment group, with 9% of the shares.

The Rothermeres own 36% of the company, including 30% of the stock market listed shares and unlisted stock which has voting rights.

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RMS is a data business that helps insurance companies measure their risks from such factors as bad weather and earthquakes.

It had been growing rapidly until recent years but its acceleration tailed off until a new management team came in

under Karen White.

While the business improved, Covid has held it back, but investors including private equity appear to have been sniffing around buying it.