

Segro agrees £552m takeover for rival Tritax EuroBox



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Warehouse giant Segro has agreed to buy rival Tritax EuroBox in a deal worth around £552 million.

The all-share deal values each Tritax share at 68.4p, which the firms said marks a premium of around 27% on the closing price of the company's stock on May 31.

Including debt, the offer values Tritax at around £1.1 billion.

The transaction with Segro represents a compelling opportunity for Tritax EuroBox shareholders to achieve a significant and immediate uplift in the value of their investment and stronger total shareholder returns

Robert Orr, Tritax EuroBox

It sees FTSE 100-listed Segro swoop in on the group after

Brookfield Global Asset Management said in June that it was in the early stages of considering a cash offer for Tritax.

Tritax then said in July that it was mulling approaches from Brookfield and had seen interest from other possible suitors.

Tritax said it had “carefully reviewed and negotiated a range of proposals” since early June.

Chairman Robert Orr said the offer comes against the background of a “difficult macroeconomic environment for the property sector”.

This transaction offers the opportunity to acquire a high-quality portfolio of big box warehouses in core European markets which would complement and enhance our existing assets

David Sleath, Segro

He said: “The transaction with Segro represents a compelling opportunity for Tritax EuroBox shareholders to achieve a significant and immediate uplift in the value of their investment and stronger total shareholder returns.”

Segro chief executive [David Sleath](#) said: “This transaction offers the opportunity to acquire a high-quality portfolio of big box warehouses in core [European](#) markets which would complement and enhance our existing assets.

“The management of the portfolio will be internalised on completion, taking advantage of economies of scale from our existing, locally-based operating platform.”

Segro owns industrial and warehousing property throughout the UK and Europe, and Tritax has warehousing across continental Europe.

Oli Creasey, property analyst at Quilter Cheviot, said it “remains to be seen” if shareholders will accept the Segro deal and whether suitor Brookfield will come back with a rival

offer.

Brookfield has until September 23 to make a firm offer or walk away.

Mr Creasey said: "The pricing of the deal looks sensible, and Segro deserves recognition for not over-paying.

"However, it remains to be seen whether EuroBox shareholders will accept an offer at the current share price, especially since bid speculation has already led to a 24% increase in returns over the past three to four months.

"Additionally, Brookfield is still in the running with a likely all-cash bid.

"Although the board has recommended the offer, this alone may not suffice."