Ultra Electronics board backs takeover after UK interests legal deal

D
efence firm Ultra Electronics today formally backed a £2.6 billion takeover after its private equity-owned suitor Cobham agreed to make a series of legally binding commitments to protect UK interests.

The agreement with Cobham, which itself was bought for £4 billion by Boston-based Advent International last year, covers undertakings on national security and safeguarding and creating UK manufacturing and engineering jobs.

Both Ultra, which employs 4,500 people, and Cobham are suppliers of components for the F-35 and Eurofighter Typhoon fighter jets.

Ultra's board said last month it was minded to accept the Cobham offer at 3,500p a share – a 63% premium on its undisturbed share price – but wanted safeguards in place first.

The move for Ultra comes as Coventry-based aerospace and defence group Meggitt continues to support a takeover by Ohio-based Parker-Hannifin at £6.3 billion.

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It has published a document inviting shareholders to vote on the deal on September 21, despite the possibility of a £7 billion offer from US-based TransDigm.