

Paper supply problems delay vote on £1.5bn II takeover

It will rank as one of the more unusual reasons for delaying a vote on a major corporate deal: Abrdn, the FTSE-100 fund manager, has been forced to wait to ballot its shareholders on a £1.5bn takeover of the stock-picking platform Interactive Investor (II) because of an international paper supply crunch.

Sky News understands that abrdn will write to its investors this week to seek their approval for the most significant deal since the company was formed from the £11bn merger of Standard Life and Aberdeen Asset Management in 2017.

Under UK takeover rules, companies must send paper versions of documents to shareholders – a requirement which has proved challenging for abrdn, with its army of more than 1m retail investors.

The vote on its purchase of II will take place in mid-March, according to insiders, roughly a fortnight after the company announces annual results to the City.

Abrdn had wanted to hold the vote ahead of its results, but had been unable to secure sufficient supplies of paper in order to do so, the insiders added.

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An abrdn spokesman said on Sunday: “We would have liked to get the shareholder circular out a little earlier but have had to work around the paper supply problems as we are required to write to over a million shareholders.”

The delay highlights how hold-ups in global supply chains are having unexpected corporate consequences.

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The takeover of II – [revealed by Sky News in November](#) – will be strategically transformational for abrdn, which has seen significant fund outflows in recent years but has begun to arrest the decline under Stephen Bird, its current chief executive.

The deal has been broadly welcomed by the City, with analysts at HSBC recently upgrading profit forecasts and describing the

transaction as “a game-changer”.

HSBC added that the company would have £1.3bn of net cash to pursue other strategically attractive deals.

Buying II will position abrdn as a major rival to the likes of London-listed Hargreaves Lansdown and AJ Bell.

It also ends II’s ambitions of joining its rivals as a separately quoted company, following months of preparations for a 2022 stock market flotation.