

Shares in Sainsbury's pop amid £7bn takeover speculation

Shares in supermarket giant Sainsbury's surged on Monday morning following reports that US private equity firm Apollo was considering a bid of more than £7bn for the chain.

The supermarket's stock jumped more than 10% in early trading as the market digested the news, first reported in The Sunday Times.

Private equity firms are currently on a buying frenzy in the UK, with the latest activity coming last week in the form of a £7bn takeover offer for supermarket chain Morrisons by Clayton Dubilier & Rice (CD&R).

Now, American buyout giant Apollo is said to be circling Sainsbury's after it missed out on fellow grocery titan Asda last year following a bidding war with rival private equity firms.

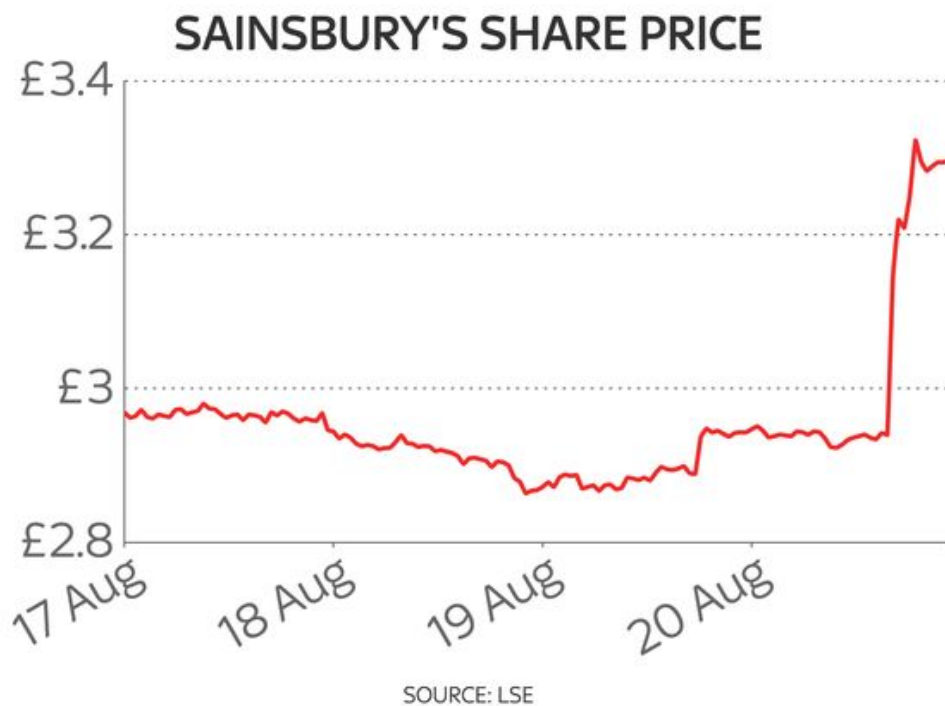


Image:

Sainsbury's share price soared following the news on Monday morning

Sainsbury's has a market value of around £6.87bn, and counts Qatar's sovereign wealth fund as its largest shareholder, with almost 15% of voting rights.

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Apollo may also still enter the fray for Morrisons too, remaining in talks to join a rival bidding consortium led by Fortress Investment Group. The consortium's bid was topped last week by CD&R.

Takeovers of British firms have hit a 14-year high by value in the first seven months of 2021, with US firms leading the way.

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Sainsbury's shares are already more than 40% up this year, amid speculation it could be the next supermarket chain to attract a takeover attempt.

The company owns a huge amount of real estate, with more than \$10bn in property assets.

Sainsbury's declined to comment when contacted by Sky News.