



Statement re revised proposal and PUSU extension

Released : 10/07/2024 09:00

RNS Number : 8517V
Crest Nicholson Holdings PLC
10 July 2024

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

For immediate release

10 July 2024

Statement regarding revised proposal from Bellway p.l.c. for Crest Nicholson Holdings plc and extension to PUSU deadline

On 13 June 2024, Bellway p.l.c. ("Bellway") announced the terms of a possible all-share offer for Crest Nicholson Holdings plc ("Crest Nicholson"). The announcement stated that, in accordance with Rule 2.6(a) of the Code, Bellway was required, by no later than 5.00 p.m. (London time) on 11 July 2024, to either announce a firm intention to make an offer for Crest Nicholson in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies (the "PUSU Deadline").

On 14 June 2024, Crest Nicholson confirmed it had received two unsolicited preliminary proposals from Bellway in relation to a possible all-share offer for Crest Nicholson, both of which had been unanimously rejected by the Board of Crest Nicholson.

Following further discussions between Bellway and Crest Nicholson, on 3 July 2024 Bellway submitted its latest non-binding all-share offer to the Board of Crest Nicholson to acquire the entire issued, and to be issued, share capital of Crest Nicholson. Under the terms of this latest possible offer, Crest Nicholson's shareholders would receive:

0.099 shares in Bellway for each share they own in Crest Nicholson

and

a dividend of 4 pence per Crest Nicholson share comprising the previously announced interim dividend of 1 pence per share (the "Interim Dividend") and a special dividend of 3 pence per share conditional on completion of the transaction (the "Special Dividend") (together, the "Revised Proposal").

Based on the undisturbed Bellway share price of 2,718 pence at close of business on 13 June 2024 (being the latest practicable date prior to the commencement of the offer period), the terms of the Revised Proposal represent an implied value of 273 pence per Crest Nicholson share and:

- a premium of approximately 28.3 per cent. to the closing price per Crest Nicholson share on 13 June 2024 (being the latest practicable date prior to the commencement of the offer period);
- a premium of approximately 30.2 per cent. to the 3-month VWAP per Crest Nicholson share on 13 June 2024 (being the latest practicable date prior to the commencement of the offer period); and

- a premium of approximately 36.3 per cent. to the 12-month VWAP per Crest Nicholson share on 13 June 2024 (being the latest practicable date prior to the commencement of the offer period).

Under the terms of the Revised Proposal, Crest Nicholson's shareholders would hold 18 per cent. of the enlarged group's issued and to be issued share capital.

The Revised Proposal is subject to a number of pre-conditions, including completion of satisfactory due diligence.

The Board of Crest Nicholson has confirmed to Bellway that the Revised Proposal is at a value that it would be minded to recommend unanimously to Crest Nicholson's shareholders, should a firm intention to make an offer pursuant to Rule 2.7 of the Code be announced on the financial terms set out above and subject to agreement on other key terms and definitive transaction documentation.

The Boards of Bellway and Crest Nicholson believe that there is compelling strategic and financial rationale for a combination of Bellway and Crest Nicholson. The Revised Proposal would bring together the strength of each business with complementary brands to reinforce Bellway's position as a leading UK housebuilder, while enabling Crest Nicholson shareholders to benefit from the scale of the combined business. In addition, the Board of Bellway believes a combination would deliver significant operational benefits (including procurement synergies) and the ability to open dual outlets on at least 10 current and future Crest Nicholson sites with complementary brands to drive incremental volumes at attractive margins. As part of the combination the Board of Bellway intends to retain and deploy the Crest Nicholson brand across the enlarged group (including on Bellway sites).

In order to enable satisfactory due diligence to take place, Bellway has requested, and the Board of Crest Nicholson and the Panel on Takeovers and Mergers (the "Takeover Panel") have consented to, an extension to the PUSU Deadline.

Consequently, in accordance with Rule 2.6(c) of the Code, Bellway is required, by no later than 5.00 p.m. on 8 August 2024 either to announce a firm intention to make an offer for Crest Nicholson under Rule 2.7 of the Code or to announce that it does not intend to make an offer for Crest Nicholson, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline may only be extended with the agreement of Crest Nicholson and the Panel in accordance with Rule 2.6(c) of the Code.

There can be no certainty that a firm offer will ultimately be made for Crest Nicholson by Bellway, even if the pre-conditions are satisfied or waived. Bellway reserves the right to waive any pre-condition to the making of an offer. A further announcement will be made as and when appropriate.

In accordance with Rule 2.5(a) of the Code, Bellway reserves the right to introduce other forms of consideration and/or vary the mix or composition of consideration of any offer. In addition, Bellway reserves the right to make an offer for Crest Nicholson at a lower value or on less favourable terms than the Revised Proposal: (i) with the agreement or recommendation of the Board of Crest Nicholson; (ii) if a third party announces a firm intention to make an offer for Crest Nicholson, which, at that date, is of a value less than the value of the Revised Proposal, and is recommended by the Board of Crest Nicholson; or (iii) following the announcement by Crest Nicholson of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code). If Crest Nicholson declares, makes or pays any dividend or distribution or other return of value or payment to its shareholders, other than the Interim Dividend and Special Dividend, Bellway reserves the right to make an equivalent reduction to the Revised Proposal.

This announcement has been made with the consent of Bellway and Crest Nicholson.

The person responsible for arranging the release of this announcement on behalf of Bellway is Simon Scougall, Group General Counsel and Company Secretary and on behalf of Crest Nicholson is Penny Thomas, Group Company Secretary.

Enquiries:

Bellway p.l.c.	via Powerscourt
Simon Scougall, Group General Counsel and Company Secretary	
Citi	+44 (0) 20 7986 4000
<i>Joint financial adviser and joint corporate broker to Bellway</i>	
Robert Redshaw	
Ram Anand	
Robert Johnson	
Irina Dzuteska	
Deutsche Numis	+44 (0) 20 7260 1000
<i>Joint financial adviser and joint corporate broker to Bellway</i>	
Heraclis Economides	
Derek Shakespeare	
Simon Hollingsworth	
Oliver Hardy	

Powerscourt	+44 (0) 20 7250 1446
<i>Financial communications adviser to Bellway</i>	
Justin Griffiths	
Victoria Heslop	
Crest Nicholson Holdings plc	+44 (0) 19 3258 0555
Bill Floydd (Group Finance Director)	
Barclays Bank PLC, acting through its investment bank	+44 (0) 20 7623 2323
<i>Joint financial adviser and joint corporate broker to Crest Nicholson</i>	
Robert Mayhew	
Osman Akkaya	
Stuart Jempson	
Mark Gunalan	
Jefferies International Limited	+44 (0) 20 7029 8000
<i>Joint financial adviser and joint corporate broker to Crest Nicholson</i>	
Philip Yates	
Sam Barnett	
Will Soutar	
Thomas Bective	
Teneo	+44 (0) 20 7260 2700
<i>Financial communications adviser to Crest Nicholson</i>	
James Macey White	
Giles Kernick	

Sources and bases

1. The 18 per cent. ownership of Crest Nicholson's shareholders in the enlarged group's issued share capital and the indicative offer value of 273 pence per share have been calculated based on the exchange ratio of 0.099 shares in Bellway for each Crest Nicholson share and a total dividend of 4 pence per Crest Nicholson share. The ownership in the combined group is based on Crest Nicholson's number of ordinary shares of 256,920,539 and fully diluted shares of 263,797,252 as well as Bellway's number of ordinary shares of 118,978,859, both as of 9 July 2024. The offer value per share is calculated by reference to the closing price of 2,718 pence per Bellway share on 13 June 2024 (being the latest practicable date prior to the commencement of the offer period).
2. The one-day premia has been calculated by reference to a closing price of 212.8 pence per Crest Nicholson share on 13 June 2024 (being the latest practicable date prior to the commencement of the offer period).
3. The 3-month volume-weighted average price of 209.7 pence has been derived from Bloomberg and has been rounded to the nearest single decimal place.
4. The 12-month volume-weighted average price of 200.4 pence has been derived from Bloomberg and has been rounded to the nearest single decimal place.
5. Certain figures included in this announcement have been subject to rounding adjustments.

Further information

Citigroup Global Markets Limited ("Citi"), which is authorised by the PRA and regulated in the UK by the FCA and the PRA, is acting exclusively for Bellway and for no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Bellway for providing the protections afforded to clients of Citi nor for providing advice in connection with the matters referred to in this Announcement. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this Announcement, any statement contained herein or otherwise.

Numis Securities Limited ("Deutsche Numis"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Bellway and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Bellway for providing the protections afforded to clients of Deutsche Numis, nor for providing advice in relation to any matter referred to herein. Neither Deutsche Numis nor any of its affiliates (nor any of their respective directors, officers, employees or agents), owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this announcement, any statement contained herein or otherwise.

Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Crest Nicholson and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Crest Nicholson for providing the protections afforded to clients of Barclays nor for providing advice in relation to the subject matter of this announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Crest Nicholson securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Jefferies International Limited ("Jefferies"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Crest Nicholson and no one else in connection with the matters referred to in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Crest Nicholson for providing the protections afforded to clients of Jefferies nor for providing advice in relation to any matter referred to in this announcement. Neither Jefferies nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this announcement, any statement contained herein or otherwise.

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 2.9 information

In accordance with Rule 2.9 of the Code, Bellway confirms that, as at the close of business on 9 July 2024 (being the business day immediately prior to the date of this announcement), it had in issue 118,978,859 ordinary shares of 12.5 pence each. Bellway does not hold any ordinary shares in treasury. The International Securities Identification Number (ISIN) of Bellway's ordinary shares is GB0000904986.

In accordance with Rule 2.9 of the Code, Crest Nicholson confirms that, as at the close of business on 9 July 2024, (being the business day immediately prior to the date of this announcement) it has 256,920,539 ordinary shares of 5 pence each. No shares are held in treasury. The International Securities Identification Number (ISIN) for the ordinary shares is GB00B8VZXT93.

Publication on website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.bellwayplc.co.uk/investor-centre and www.crestnicholson.com/investors promptly and in any event by no later than 12 noon on the business day following this announcement. The content of these websites is not incorporated into and does not form part of this announcement.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

STRGPUMCMUPCUMU