

Takeover panel reviewing Canal Plus' attempt to buyout MultiChoice

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South Africa's takeover panel said on Tuesday it was looking into MultiChoice Group and Vivendi's Canal Plus, after MultiChoice ended potential buyout talks with its top shareholder Canal Plus on 5 February.



A MultiChoice logo is displayed outside the company's building in Cape Town, South Africa. Source: Reuters.

Canal Plus, a top shareholder in MultiChoice, had on Thursday offered R105 per share for every MultiChoice share it does not already own. It said the offer - worth R31.7bn according to *Reuters* calculations - was a 40% premium to MultiChoice's closing share price of R75 on 31 January.

The offer price was rejected by the continent's biggest pay TV company, saying it significantly undervalued the group. MultiChoice said, however, it is open to talk to anyone about any deal so long as it is at a fair price.

Possibly anticipating a push back, Canal Plus, which as of Thursday held a 31.67% stake in MultiChoice, raised its stake to 35.01% following the deal's announcement last week, just above the threshold that would require the company to make a mandatory offer to shareholders.



Canal Plus' R105 per share offer rejected by MultiChoice Group

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MultiChoice said on Monday it had requested the Takeover Regulation Panel to make a ruling as to whether a mandatory offer must be made.

"At the time of releasing this statement, the Panel is still engaging with MultiChoice and Canal+ to provide guidance and guidelines on how the matter is to be handled and addressed," The Takeover Regulation Panel said in a statement.

It added that it was investigating various aspects of the current status of the matter.

The French media group was not immediately available to comment.

Shares in MultiChoice have jumped more than 20% since the offer was made, but it is still trading below the offer price, indicating a lack of investor confidence that the deal would go through.

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