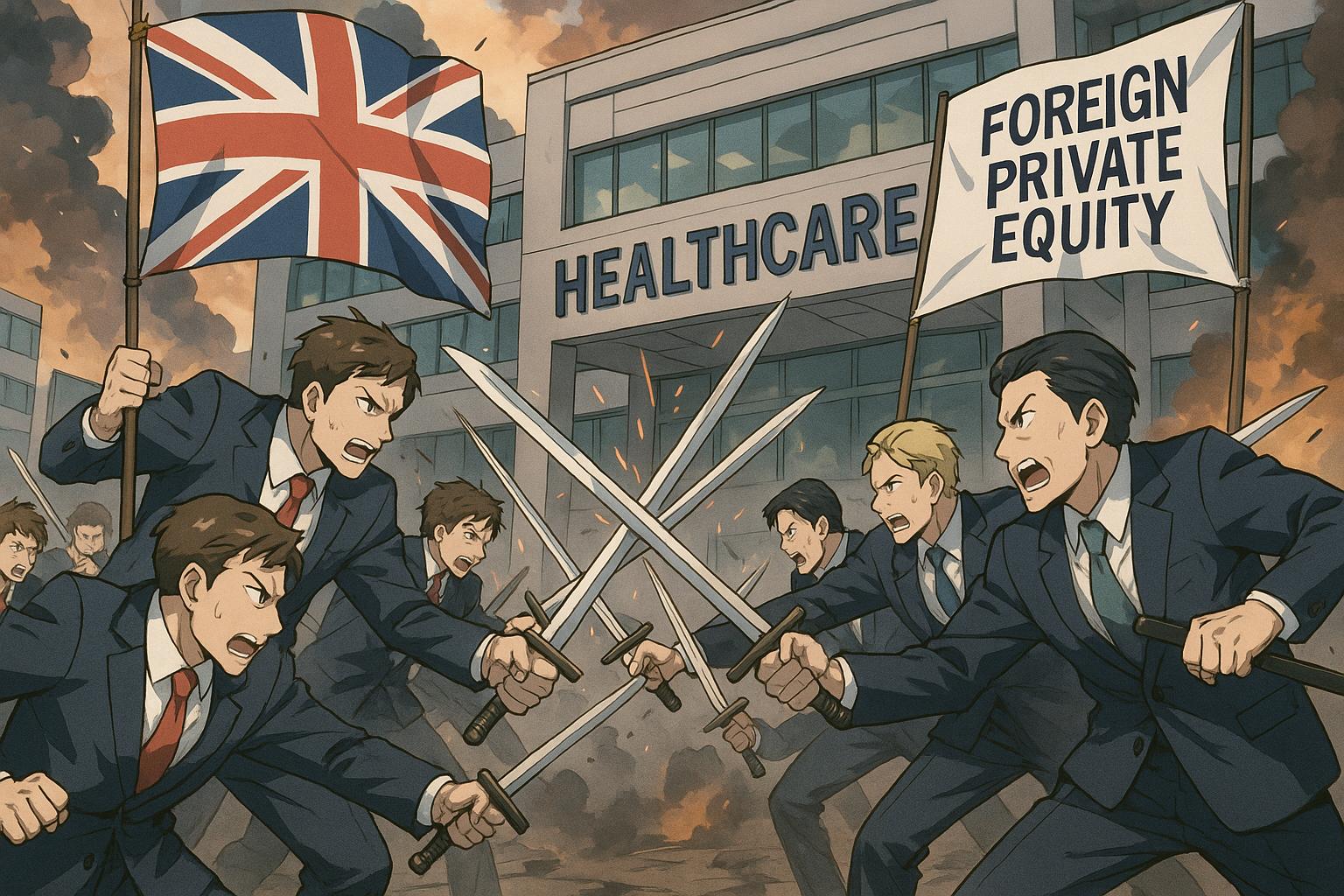
# Assura takeover signals rising foreign influence over UK healthcare assets



The ongoing battle for Assura, a UK-listed healthcare property company, has emerged as a compelling case study in corporate governance and shareholder interests within Britain's increasingly turbulent market for public listings. This situation is particularly highlighted given the backdrop of rising interest from private equity firms and the challenges facing UK-listed entities.

Recent developments have seen Assura agree to a £1.6 billion all-cash takeover led by KKR and Stonepeak Partners, which represents a 32% premium over its share price prior to the bidding frenzy that kicked off in February. This takeover is notable not just for its scale, but also for the dynamics it represents in the current financial landscape. Assura previously rejected a £1.5 billion offer from rival Primary Health Properties (PHP), which it deemed insufficient. Critics have pointed out that the strategic choice to accept the KKR offer reflects an operational environment where UK firms increasingly find themselves at the mercy of foreign buyers as they navigate complex financial landscapes.

The decision by Assura's board indicates a broader trend where shareholders are opting for short-term gains over potential long-term stability. Indeed, the allure of immediate cash offers, especially in a climate where UK equities are perceived to be undervalued, seems compelling. This was echoed by industry analysts who remarked on the pressures faced by companies to accept what may be financially advantageous proposals, rather than pursuing the unpredictable terrain of independence. As highlighted by one analyst, Assura had been trading at a considerable discount compared to its peers, intensifying the urgency for a strategic decision.

Assura's story is emblematic of a worrying reality for UK-listed entities. High-profile cases, such as AstraZeneca’s successful rejection of a Pfizer takeover bid in 2014, are becoming rarer as the landscape shifts towards consolidation. The stakes for shareholders could not be higher, particularly as long-term investors in the healthcare sector, including Blackrock and Schroder, are increasingly faced with the choice of supporting a move that aligns with national interests or opting for the possibly lucrative offers from foreign entities. The financial leverage wielded by private equity firms like KKR amplifies this dilemma, as they possess the capital required to outbid rivals while promising potential growth through synergies and economies of scale.

The board's initial reluctance to engage in a bidding war reflects a certain degree of confidence in Assura's long-term prospects. Speaking on the matter, one commentator pointed out that “long-term funds should prioritise building value within the UK market,” amidst growing pressure from regulatory bodies and public sentiment clamouring for stronger domestic support. The involvement of significant shareholders like Legal & General and Quilter suggests a desire for a more autonomous future for UK businesses.

However, the recent turn of events may ultimately dilute this stance, as the board appears to have prioritised the immediate financial benefits of KKR's offer. This raises questions about the strategic foresight of Assura’s leadership and whether they will indeed act in what is deemed as shareholder best interest, given the broader implications for the UK economy—a topic that continues to provoke widespread discussion among industry experts and policymakers alike.

The trend towards significant mergers and acquisitions in the healthcare property market is increasingly intertwined with the shifting economic landscape. Compounded by rising interest rates and the challenges facing the real estate sector, firms like Assura are finding themselves in precarious positions. The market's volatility has opened the door to aggressive bidding, which some fear may undermine the very fabric of British corporate identity.

As the fallout from this latest merger plays out, the ramifications for other UK-listed entities are yet to be fully realised. The current situation not only underscores the delicate balance between shareholder interests and company independence but also positions Assura at the forefront of a debate that will shape the future of public listings in the UK.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5, 6
2. Paragraphs 1, 5
3. Paragraphs 2, 3, 5
4. Paragraphs 1, 2, 5
5. Paragraphs 2, 3
6. Paragraphs 1, 4
7. Paragraph 5

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/money/comment/article-14728543/Battle-FTSE-listing-Assura-right-thing-shareholders-Britain-asks-ALEX-BRUMMER.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/399398d4-6c4f-4693-9f7e-030082243ee5> - Assura, a UK-listed healthcare property company, has agreed to a £1.6 billion all-cash takeover by a consortium led by KKR and Stonepeak Partners, rejecting a rival £1.5 billion cash-and-shares offer from Primary Health Properties (PHP). Assura owns hundreds of UK healthcare properties, including doctors' surgeries and centers. The agreed offer represents a 32% premium over Assura’s share price before bidding began in February. The deal requires shareholder approval and is expected to close by autumn 2025.
3. <https://www.reuters.com/business/healthcare-pharmaceuticals/uks-assura-rejects-15-billion-bid-php-2025-04-09/> - A consortium formed by private equity firm KKR and infrastructure investor Stonepeak has agreed to acquire British healthcare real estate investment trust Assura for £1.61 billion ($2.06 billion). This acquisition follows Assura's recent rejection of a £1.5 billion cash-and-stock proposal from industry peer Primary Health Properties (PHP), which Assura deemed insufficient for shareholder recommendation. Under the new agreement, Assura shareholders will receive 48.56 pence in cash per share and a quarterly interim dividend of 0.84 pence, totaling 49.4 pence per share. This represents a 33.5% premium over Assura’s share price as of February 13, the day before the initial bid was revealed. The agreement marks the fifth proposal from the KKR-Stonepeak consortium.
4. <https://www.theaic.co.uk/aic/news/industry-news/primary-health-properties-still-sees-considerable-merit-in-working-with> - Primary Health Properties (PHP) has responded to Assura's board indicating a preference for a £1.6 billion cash offer from KKR and Stonepeak Partners, rejecting PHP's proposal for an all-share merger. PHP had made a preliminary approach on March 3, 2025, for a possible all-share offer for Assura, believing in the merits of a potential combination of the two businesses. Despite this, Assura's board has indicated a preference for the KKR-Stonepeak offer, considering it more attractive for shareholders.
5. <https://www.theaic.co.uk/aic/news/industry-news/assura-to-exit-market-as-it-rejects-php-for-us-private-equity-deal> - Assura, a UK-listed healthcare property investor, is ending its time as a London-listed investment trust after rejecting a bid from Primary Health Properties (PHP) in favor of a US consortium. The portfolio of 600 healthcare buildings, including GP surgeries, pharmacies, and treatment facilities, will be sold to KKR and Stonepeak Partners, whose 49.4p per share bid, worth £1.6bn in total, surpassed PHP's offer. Assura's board stated that the PHP offer was 'not at a level that is sufficient to be recommended to shareholders'.
6. <https://www.ft.com/content/39b76813-27ef-440c-98a5-f73279cb5a14> - Assura, a major UK landlord owning numerous doctors' surgeries and healthcare centres valued at £3.2 billion, has received a £1.5 billion takeover bid from Primary Health Properties (PHP), a competing real estate company. This follows a higher previous offer of £1.6 billion in cash from a consortium including private equity firms KKR and Stonepeak Partners, which Assura’s board had indicated was more attractive than PHP's initial all-share proposal. PHP has since revised its offer to include 20% cash, valuing Assura at 46.2p per share, but still short of the 49.4p offered by KKR and Stonepeak. PHP argues its bid would offer strategic and financial advantages through increased scale and future growth potential. This development comes amid a wave of private equity interest in UK-listed real estate firms, many of which are undervalued due to rising interest rates affecting property valuations.
7. <https://www.theaic.co.uk/aic/news/industry-news/assura-rejects-ps16bn-takeover-approach-from-us-private-equity-giant> - Specialist primary care property investor Assura has rejected a £1.56bn approach from US private equity giant KKR. The buyout house confirmed that it has to date put four indicative, non-binding proposals to the board of the self-managed real estate investment trust, all of which have been rejected. The latest proposal, at 48p per share, reflects a 28% premium to the closing price on 13 February, the date the proposal was made. The board of Assura, which owns more than 600 buildings including GP surgeries, pharmacies, and treatment facilities, rejected the proposal on 15 February. KKR said it ‘follows significant work over the last six months’ and represents ‘a highly attractive opportunity for Assura shareholders to realise their investment in cash at a significant premium to prevailing market prices’. It is now ‘considering whether there is any merit in continuing to try and engage with the board’. ‘There can be no certainty that any firm offer for the company will be made,’ it added in a statement to the stock market. Following the latest rejection, it said in a separate statement that it does not intend to make an offer for Assura. Shares in Assura soared 17% to 45.7p in early trading amid news of the proposals, but quickly slid back to below the opening price. ‘The board remains confident in the long-term prospects of the company and believes that Assura is strongly positioned to create value for shareholders,’ it said in a statement. Deutsche Numis analyst Andrew Rees noted that the rating differential between Assura and its closest peer, Primary Health Properties (PHP), had widened significantly over recent months. Assura was trading at a circa 25% discount to net asset value prior to the possible offer announcement, compared to a circa 10% discount for Primary Health Properties. The news comes amid Saba Capital’s strike on the London-listed investment trust sector, as it seeks to capitalise on wide discounts.