# Royal Mail board set to recommend £5 billion takeover offer by Czech billionaire Daniel Kretinsky



The board of International Distribution Services, which owns Royal Mail, is expected to recommend a £5 billion takeover offer by Czech billionaire Daniel Kretinsky. The proposed deal includes assumed debts and commitments to retain the Royal Mail name, brand, UK headquarters, and UK tax residency, while ruling out compulsory redundancies.

Business Secretary Kemi Badenoch can scrutinize and potentially block the deal under the National Security and Investment Act. Although there is a 13% discount in the shares of Royal Mail’s parent company compared to the 370p per share offered by Kretinsky, there has been no government intervention so far. Chancellor Jeremy Hunt has stated that the bid will undergo "normal" national security scrutiny, but won’t be opposed in principle.

Royal Mail has been struggling with financial losses and declining letter volumes, while its parcel business has become more profitable. The Communication Workers Union (CWU) has criticized the privatisation and mismanagement of the company, although it welcomes some of Kretinsky's proposed commitments.

Daniel Kretinsky, who has a net worth of £6 billion, has diversified his interests into retail and logistics, holding stakes in Sainsbury’s and West Ham United. The CWU plans to meet with Kretinsky’s EP Group to discuss future commitments and improve employee relations.