

Tug of war Bain Capital locks horns with Native American tribe over future of sprawling casino complex in Korea → PAGE 10

Companies & Markets

Elliott rejects Toyota Motor's \$34bn offer for subsidiary

- Take-private bid 'undervalues' unit
- Activist urges investors to block deal

DAVID KEOHANE — TOKYO

Elliott Management, one of the world's most prominent activist investors, has urged shareholders to block an attempt by Toyota Motor to take its largest subsidiary private in a ¥5.4tn (\$34bn) deal that has become a test case for corporate governance reform in Japan.

Last week, Toyota Motor raised its offer to buy forklift maker Toyota Industries by 15 per cent to ¥18,800 per share from the ¥16,300 proposed last year after being criticised by investors and analysts for undervaluing the business and using opaque valuation methods.

Elliott launched a broadside against the revised offer in a public letter to

Elliott said it had held talks with Toyota Industries over a 'standalone plan' for several months

shareholders yesterday, saying that it did not intend to tender its shares and that it "strongly" encouraged other shareholders to take the same position.

"The new price continues to very substantially undervalue Toyota Industries, whose intrinsic net asset value is ¥26,134 per share or almost 40 per cent above the revised [tender] price," said the US-based fund, which owns more than 5 per cent of Toyota Industries' stock and is the company's largest independent shareholder.

"If successful, the revised [takeover bid] would represent a major setback for corporate governance, minority shareholder rights and fair M&A in Japan," Elliott added.

Toyota Industries' share price rose almost 8 per cent last week after the latest offer to trade at ¥19,440 yesterday.

Elliott added that it had "been discussing a standalone plan" with Toyota Industries for several months. The investor said that with its plan, the company could "achieve a valuation of more than ¥40,000 per share by 2028" by unwinding more cross-shareholdings, consolidation initiatives and further governance reforms.

The activist investor is hoping to generate enough leverage to force Toyota Motor to pay more for the company, a leading producer of forklifts, equipment used in ports and automotive parts.

"Independent shareholders have the opportunity to determine whether they receive fair value for their investment — either through meaningfully improved transaction terms or through the company pursuing a standalone path," Elliott said.

Elliott faces an uphill battle to extract more value from Toyota Motor, according to analysts and other investors.

Toyota will need to acquire two-thirds of the stock to trigger a squeeze out. According to people familiar with the transaction, the car group already has close to 50 per cent of the stock, taking into account cross-shareholdings and companies close to Toyota.

The revised offer for Toyota Industries "can be viewed as reasonably reflective of intrinsic value" as it is broadly in line with the company's peak share price last June, said Bernstein in a note, adding that the new offer represented a 42 per cent premium to the level prior to the initial news reports.

"[The] fact that one of Japan's largest companies has responded positively to engagement from minority shareholders regarding its [takeover bid] terms and conditions is, in our opinion, a sign that the pace of corporate governance reform in Japan could really start to accelerate again from here," said Bruce Kirk, an analyst at Goldman Sachs.

Gone flat Sales of Carlsberg's 'core' local beer brands hit less than half of total for first time



The Danish group's core beer sales fell from 59% of the total in 2024 to 49% last year — Robbie Jay Barratt/AMA/Getty Images

RICHARD MILNE — COPENHAGEN

Carlsberg's boss has said the Danish group will remain a brewer at its core even as the local beer brands that it historically relied on for most of its revenue have dropped to less than half of its total annual sales for the first time.

Jacob Aarup-Andersen, chief executive since September 2023, said "moderation" was a big trend among consumers and this had led to Carlsberg bulking up in soft drinks such as Pepsi. But beer would "continue to be a major driver of relevance for us for as long as I'm alive", he said.

Core beer sales — made up of local, mainstream brands such as Falcon, Karhu and Angelo Poretti — accounted for just 49 per cent of total sales in 2025, while the share from soft drinks and non-alcoholic beer has climbed to a third.

The brewer, founded in 1847, also

sells premium beer brands such as Carlsberg, Tuborg and Kronenbourg, which account for about a fifth of sales, as well as other alcoholic drinks including cider and hard seltzers.

"We have a very, very strong heritage and very, very strong brewing DNA in this company, and I'm not going to let go of that. Carlsberg is a brewer at the core. We believe we're building moats around our beer business by creating a diversified portfolio around it," Aarup-Andersen said.

Carlsberg has been the most aggressive of the global brewers in pushing into non-beer beverages, with the 2025 acquisition of Britvic in the UK almost doubling its soft-drink sales to just below 30 per cent of the total.

The push to soft drinks has helped it achieve better volume growth and margin performance in the past five years than both its main rivals, AB InBev and Heineken.

Analysts at Bernstein said that

Carlsberg's underlying volume growth from 2019 to 2024 was 1.8 per cent per year, compared with 0.5 per cent at AB InBev and a 0.8 per cent drop at Heineken. Carlsberg was the only one of the trio to improve its underlying margin, lifting it 0.7 percentage points in the past five years.

"You can't deny those facts," Aarup-Andersen said. He added that his goal was to create a "structurally higher growth" company that could boom when weakness in consumer sentiment, caused by higher inflation and geopolitical uncertainty, subsided.

"We're doing it against a backdrop that is significantly harder than expected. Especially, global consumer confidence is a significant headwind."

Carlsberg's core beer sales dropped from 59 per cent of the total in 2024 to 49 per cent last year, and Aarup-Andersen expects the shift to continue as a result of higher growth rates for soft drinks and non-alcoholic beer.

TCI's \$18.9bn return breaks hedge fund sector record

COSTAS MOURSELAS — LONDON

Hedge fund manager Sir Christopher Hohn beat rivals including Ken Griffin's Citadel and Izzy Englander's Millennium to make \$18.9bn for investors last year, the largest annual gain recorded by a hedge fund.

Chris Hohn's fund TCI, which manages \$77bn as of last month, made a return of 27 per cent after fees last year as it profited from multibillion-dollar bets on defence and aerospace companies Airbus, Safran and GE Aerospace.

The gains propelled TCI to the best-ever year in dollar terms for any hedge fund, according to an annual survey by Edmond de Rothschild Group. The fund had now generated \$68.4bn in cumulative gains for investors after fees since its founding in 2003, making it the fifth most-profitable in history, the survey showed.

"Our survey proves that it was possible to make large amounts of money on equities that weren't in the Magnificent 7. Lone Pine, Viking and TCI had great years," said Rick Sopher, senior adviser at Edmond de Rothschild.

Hohn bets on companies that he believes have advantages that rivals will find difficult to overcome. For instance, aerospace companies can possess valuable intellectual property and infrastructure that shield them from competition.

Hohn has also invested in companies that operate natural monopolies such as railway operator Canadian Pacific Kansas City and Spanish airport and toll road operator Ferrovial.

TCI still trails some multi-manager hedge fund groups, including Citadel, which has racked up the largest aggregate profit since it was founded, the rankings found, as well as DE Shaw and Millennium. However, TCI is also at least 14 years younger than these firms.

TCI's gains in dollar terms beat Citadel's previous record of \$16bn in 2022, which was partly driven by volatility in commodities markets kicked off by Russia's full-scale invasion of Ukraine.

The second-most profitable hedge fund of 2025 was macro hedge fund Bridgewater, which is ranked the third-most profitable hedge fund of all time.

Macro firm Brevan Howard had the least profitable 2025 of the hedge funds in Edmond de Rothschild's top 20 all-time list, dropping from 15th to 17th place as it made \$100mn in net gains.

All the funds on the list declined to comment or failed to respond.

Fractious times mean nationality is no longer irrelevant for CEOs

BUSINESS INSIGHT

RECRUITMENT

Anjali Raval



Saty Nadella's rise to the helm of Microsoft in 2014 was both remarkable and unremarkable. For many Indians it was a proud moment to see someone from Hyderabad run a US tech giant. Yet he wasn't the first Indian to rise to the top of a US corporate and for Microsoft his background was incidental, only featuring in the last paragraph of his company biography.

He had, after all, been at the company since 1992, working in several divisions and was probably the best qualified to take the top job. But with the retreat of globalisation and rising nationalist pressures, will it be harder for a foreign-born executive to rise to the top of companies in the US and elsewhere?

Some of America's largest companies are led by foreign-born individuals — from Jane Fraser at Citigroup to Tesla's Elon Musk — but there is now a more hostile political climate towards outsiders. Amid the Trump administration's crackdown on immigration and America First agenda, where a CEO comes from now matters more.

Last year, the US president publicly called for Intel's Malaysian-born boss Lip-Bu Tan to resign, alleging China ties, saying he's "highly conflicted". And spreading anti-foreigner abuse is now reaching the C-suite. FedEx chief Raj Subramaniam has faced racist vitriol

over his Indian origins. "Stop the fucking Indian takeover of our great American companies," read one post on X, as reported by my colleagues.

For multinationals in the west, the international composition of their leadership ranks and broader workforces has become a default model of doing business. After all, sales, operations and shareholders are global. The best person for the job could come from anywhere.

Yet nationalist political agendas, stricter immigration policies, sanctions regimes and security concerns are dragging the nationalities of executives back into the frame, one US CEO adviser told me. Anti-globalist rhetoric may begin as political messaging, but over time it seeps into government policy, regulation and corporate decision-making.

US protectionist policies and the crackdown on H-1B visas have already driven banks and big consultancies to expand local workforces, including their Indian outsourcing hubs.

Meanwhile, the language of the national champion is returning. Headhunters say it is inevitable that the tendency to look inwards and view foreigners as riskier will have an impact on hiring practices, shaping not just who is recruited at the helm but wider teams.

Foreign-born CEOs already face a more difficult time than native ones. Academic research shows they are held to higher standards and are more likely to be dismissed when things are going wrong. They also have to work harder to prove their legitimacy and trustworthiness. In politicised environments, the margin for error becomes smaller.

At a conference this month in Lon-

don, board chairs sought to reassure me that even if the rightwing populist Reform UK party won power, they would continue to tap into the global talent pool for CEOs — not least because the bulk of profits for multinationals are generated outside the UK. Nearly half of the current FTSE 100 CEOs were born outside the UK, data from BoardEx and executive search firm Odgers shows. From Rolls-Royce's Tufan Erginbilgic and Pascal Soriot at AstraZeneca to Unilever's Fernando Fernandez and Rio Tinto's Simon Trotter.

Boards have even grown accustomed to UK-listed companies having CEOs who live elsewhere. Smith & Nephew's Deepak Nath is based in Texas while Rentokil Initial's new chief Mike Duffy will also be based in the US.

Still, the head of the London Stock Exchange recently highlighted British nationality as a positive for one company. In seeking to make the case for why investment in London-listed shares was good for the UK, Julia Hoggett pointed to pharmaceutical company GSK as a "British headquartered company with British leadership that has invested a huge amount in the country".

The fact that its share price has dramatically underperformed that of AstraZeneca, led by a French-born CEO who lives in Australia, over the past five years was not mentioned. It was also a notable remark as the LSE's own parent company is run by a New Yorker.

Foreign-born leaders are not likely to disappear from the tops of global companies. But in an era of hardening borders and fractious geopolitics, their nationality is no longer irrelevant. That means boards could risk losing out on top talent should they prioritise political point-scoring over their businesses.

anjali.raval@ft.com

Legal Notices

JOHN WOOD GROUP PLC

Company Number: SC036219

NOTICE IS HEREBY GIVEN that, on 9 September 2025, a Petition (the "Petition") was presented to the Court of Session of Parliament House, Parliament Square, Edinburgh EH1 1RQ, Scotland (the "Court") by John Wood Group PLC, a public limited company incorporated in Scotland under the Companies Act 2006 (the "Companies Act") (Company no. SC036219) and with its registered office at Sir Ian Wood House, Hareness Road, Aitens Industrial Estate, Aberdeen, AB12 3LE (the "Company"), for, among other things, sanction of a scheme of arrangement (the "Scheme") under Part 26 of the Companies Act proposed to be entered into between the Company and the Scheme Shareholders (as defined in the Scheme).

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act are incorporated into the circular relating to the Scheme (the "Scheme Document") which was sent to, amongst others, Scheme Shareholders on 11 September 2025, in advance of the Court Meeting. A supplementary circular relating to the Scheme (the "Supplementary Circular") was subsequently sent to, amongst others, Scheme Shareholders on 30 October 2025. Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the Scheme Document. Copies of the Scheme Document and the Supplementary Circular are available, subject to restrictions in relation to persons resident in Restricted Jurisdictions and Sanctioned Shareholders, from the following websites: www.woodplc.com/investors/pages/sidara-proposal-2025 and www.energy-pillar.com.

At a meeting held under the authority of the Court on 17 November 2025 (the "Court Meeting"), the Scheme Shareholders voted to approve the Scheme and, at a general meeting held on the same date, the Company passed the related Special Resolutions which are set out in the Scheme Document and the Supplementary Circular. By an order dated 20 November 2025, the Court ordered that: (i) notice of the Petition be advertised once in each of The Edinburgh Gazette, The Scotsman and The Financial Times newspaper; and (ii) any parties claiming an interest in the Petition be allowed to lodge written answers to the Petition, if so advised, at the Office of Court, Court of Session, 2 Parliament Square, Edinburgh, EH1 1RQ, within 21 days after the date of publication of the last of those advertisements. As the last of those advertisements is expected to be published on 20 January 2026, the deadline for lodging answers to the Petition is expected to be 10 February 2026.

The Court hearing to sanction the Scheme (the "Sanction Hearing") is expected to be in H1 2026, subject to satisfaction (or, if applicable, waiver) of the relevant Conditions to the Scheme (as set out in the Scheme Document) and, in any event, prior to the Long Stop Date. Adequate notice of the date and time of the Sanction Hearing will be given when a date for the Sanction Hearing has been fixed with the Court, by the Company issuing an announcement through the Regulatory Information Service of the London Stock Exchange, with such announcement being made available on the Company's website at <https://www.woodplc.com/investors/pages/sidara-proposal-2025/microsite>. Any updates or changes to this date and time will be notified to Scheme Shareholders in the same way.

Any Scheme Shareholder or other person who considers that they have an interest in the Scheme (each an "Interested Party") and who is concerned that the Scheme may adversely affect them is entitled to lodge written answers to the Petition and to be heard by the Court, as explained below. If an Interested Party wishes to raise concerns in relation to the Scheme with the Court or appear at the Sanction Hearing, he or she should seek independent legal advice and lodge written answers to the Petition with the Court at the above address within 21 days after the publication of the last of the advertisements referred to above and pay the required fee. Written answers are a formal Court document which must comply with the rules of the Court and are normally prepared by Scottish counsel or Scottish solicitor advocates. The Court may also consider written objections which are not in the form of written answers and/or allow an Interested Party who has not lodged written answers to appear at the Sanction Hearing. Each Interested Party should note that, although the practice of the Court is to consider informal objections made in person or in writing, the decision to do so is entirely at the discretion of the Court, and that the Court may require an Interested Party to lodge written answers in order to raise objections to the Scheme and/or appear at the Sanction Hearing.

Dated 20 January 2026

Slaughter and May

One Bunhill Row, London EC1Y 8YJ

Burness Paull LLP

50 Lothian Road, Festival Square, Edinburgh EH3 9WJ

Solicitors for the Company