Australian Government

Takeovers Panel

Reasons for Decision
Accent Group Limited
[2026] ATP 12

Catchwords:

Decline to conduct proceedings – target's statement – disclosure – undervalue statement – forward looking statements – independent expert's report – disclosure of offer premia – undertakings

Corporations Act 2001 (Cth), sections 638, 640, 670A

Guidance Note 18 – Takeover documents, Guidance Note 22 – Recommendations and Undervalue Statements

Tully Sugar Limited [2009] ATP 26, Sirtex Medical Limited [2003] ATP 22

Interim order	IO undertaking	Conduct	Declaration	Final order	Undertaking
NO	NO	NO	NO	NO	YES

INTRODUCTION

1. The Panel, Costas Condoleon, Susan Forrester and Richard Phillips (sitting President), declined to conduct proceedings on an application made by Frasers in relation to the affairs of Accent. Frasers launched an on-market takeover bid for all of the shares in Accent that it did not already own. The application concerned alleged disclosure deficiencies in the Target's Statement, including in relation to a number of undervalue statements within the meaning of Guidance Note 22. While the Panel raised preliminary concerns with certain aspects of the Target's Statement disclosure, it concluded that there was no reasonable prospect it would declare the circumstances unacceptable after Accent provided corrective disclosure.

2. In these reasons, the following definitions apply.

22 June Announcement	has the meaning given in paragraph 7
Accent	Accent Group Limited (ASX code: AX1)
First Supplementary Target's Statement	the first supplementary target's statement given by Accent dated 29 July 2026
Frasers	Frasers Group plc
Initial Undervalue Statements	has the meaning given in paragraph 7
Offer	has the meaning given in paragraph 6
Target's Statement	the target's statement given by Accent dated 29 June 2026
Undervalue Statements	has the meaning given in paragraph 8

FACTS

3. Accent is an ASX listed company that operates a consumer goods retail and distribution business.

4. Frasers is a public limited company incorporated in England & Wales listed on the London Stock Exchange.

5. On 13 May 2026, Accent announced a 2030 Strategic Growth Plan which disclosed various targets and initiatives in relation to the future growth of the company, including a target of "*at least $1.9 billion in sales, 9%+ EBIT margin and ~950 stores by 2030*".

6. On 15 June 2026, Frasers lodged its Bidder's Statement in relation to an on-market takeover for all of the fully paid ordinary shares in Accent that it or its associates do not currently own (the **Offer**). The Offer was unconditional and provided cash consideration of $0.65 per Accent share. At the time of the Bidder's Statement, Frasers held 22.90% of the voting power in Accent.

7. On 22 June 2026, Accent released an announcement titled "*Directors' Statement re Takeover*" (**22 June Announcement**). The 22 June Announcement stated that the IBC unanimously recommends that shareholders reject the Offer and was accompanied by the following statements:

   > "*The Offer Price is materially inadequate and does not appropriately reflect Accent's strategic position, medium-term growth potential or the benefits expected from Accent's 2030 Strategic Growth Plan announced on 13 May 2026, targeting at least $1.9 billion in sales, 9% EBIT margin and ~950 stores by 2030*"
   >
   > "*Importantly, the Offer Price does not factor in the upside benefits of the initiatives within Accent's 2030 Strategic Growth Plan that are in the process of being implemented and are yet to be realised* "

   (together, the **Initial Undervalue Statements**).

8. On 29 June 2026, Accent released its Target's Statement which included the Initial Undervalue Statements and other statements of a similar nature (together, the **Undervalue Statements**). Sections 2.2 and 2.3 of the Target's Statement set out the IBC's eight reasons for recommending that shareholders reject the Offer, which were in summary:

   (a) Reason 1: "*The Offer represents no premium*"

   (b) Reason 2: "*The Offer Price is materially inadequate*"

   (c) Reason 3: "*Frasers is seeking control without paying a control premium*"

   (d) Reason 4: "*The timing is highly opportunistic*"

   (e) Reason 5: "*The Offer Price is materially lower than prices Frasers has paid for Accent Shares*"

   (f) Reason 6: "*Frasers is seeking to increase its exposure to and control of Accent's Sports Direct business and has a conflict of interest*"

(g) Reason 7: "*Shareholders will lose exposure to any future price increases*"

(h) Reason 8: "*Frasers' interests may not be aligned with the interests of Accent Shareholders as a whole*"

APPLICATION

9. By application dated 7 July 2026, Frasers submitted that:

   (a) the Undervalue Statements have the effect, or are likely to have the effect, of reducing the likelihood of acceptances of the Offer

   (b) the circumstances give rise to a market in Accent shares which is not efficient, competitive and informed and Accent shareholders have not been provided with sufficient information to assess the Offer and

   (c) the Target's Statement contains statements which are misleading, or misleading by omission, in contravention of section 670A[1] and that Accent has failed to ensure the Target's Statement contains all information that Accent shareholders would reasonably require contrary to section 638.

10. Frasers did not seek any interim orders.

11. Frasers sought final orders, including that:

   (a) Accent lodge a supplementary Target's Statement in a form approved by the Panel with additional disclosure regarding the Undervalue Statements and

   (b) in the alternative, or if the Panel considers it appropriate, that Accent appoint an independent expert to prepare a report on whether the Offer is fair and reasonable.

DISCUSSION

Target's Statement Disclosure

Undervalue Statements

12. Frasers submitted that neither the 22 June Announcement nor the Target's Statement included clearly disclosed reasons, which were soundly based and reasonable, for the Undervalue Statements. It submitted that:

   "*The central deficiency is that Accent seeks to justify the Undervalue Statements primarily by reference to the 2030 Targets, in circumstances where no meaningful guidance as to the present value of Accent shares is provided and the IBC itself concedes that no assurance can be given that the 2030 Targets will be achieved.*"

13. Accent made preliminary submissions that we should decline to conduct proceedings and that the application did not identify unacceptable circumstances, rather it:

   "*reflects Frasers' disagreement with the [IBC's] assessment that the Offer materially undervalues Accent and seeks to impose a disclosure standard materially more onerous*

[1] Unless otherwise indicated, all statutory references are to the Corporations Act 2001 (Cth), and all terms used in Chapter 6 or 6C have the meaning given in the relevant Chapter (as modified by ASIC)

> *than that required by Chapter 6 of the Corporations Act and Guidance Note 22. The practical effect of the orders sought would be to require Accent to publish a valuation range, medium-term forecasts, valuation work product or an independent expert's report in the middle of a hostile on-market bid. That would give Frasers price discovery and risk creating a negotiating anchor or perceived ceiling for any improved offer."*

14. A target's statement is required to include all information that target shareholders would reasonably need to make an informed assessment of whether to accept the offer,[2] and the board's reasons for recommending that shareholders accept or reject the offer should be clearly disclosed, soundly based and reasonable.

15. Guidance Note 22 provides that where a director relies on an undervalue statement to recommend that shareholders reject a bid, the Panel will consider whether there are "*clearly disclosed reasons, which are soundly-based and reasonable*" for the statement.[3] The Panel will look at whether the undervalue statement is supported by internal analysis or external advice, and whether the board has provided shareholders with sufficient information to allow them to make an informed assessment of the statement.[4] A board does not necessarily need to state the price at which they would recommend the offer, but some guidance as to value needs to be given.[5]

16. Here, we had preliminary concerns that aspects of the Target's Statement fell short of the standard expected under Guidance Note 22: Recommendations and Undervalue Statements. In particular, one of the eight reasons for the IBC's decision to recommend that shareholders reject the Offer was the following Undervalue Statement:

> "*The Offer Price is materially inadequate and does not appropriately reflect Accent's strategic position, medium-term growth potential or the benefits expected from Accent's 2030 Strategic Growth Plan announced by Accent to ASX on 13 May 2026 (2030 Strategic Growth Plan), targeting at least $1.9 billion in sales, 9% EBIT margin and ~950 stores by 2030."*

17. The IBC also made its recommendation on the basis that the Offer is "*opportunistically timed during a period of cyclical weakness*" which was supported by the Undervalue Statement that "*[i]mportantly, the Offer Price does not factor in the upside benefits of the initiatives within Accent's 2030 Strategic Growth Plan that are in the process of being implemented and are yet to be realised.*"

18. We were concerned about the seemingly aspirational nature of the 2030 Strategic Growth Plan and the specificity and apparent confidence that is attached to the statement that Accent is targeting "*at least $1.9 billion in sales, 9%+ EBIT margin and ~950 stores by 2030*". We were of the view that the basis on which the IBC considers the 2030 Strategic Growth Plan to be deliverable needed to be explained to shareholders and must be reasonably based. We did not expect Accent to go as far as disclosing specific valuation materials or putting an upper limit on the value of

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[2] Section 638(1)
[3] Guidance Note 22 at [15]
[4] Guidance Note 22 at [15]
[5] Guidance Note 22 at [17], citing *Tully Sugar Ltd* [2009] ATP 26 at [26]

Accent shares (though it would have been open for the IBC to do so), but we considered shareholders needed further information to make an informed assessment of how (and to what extent) the 2030 Strategic Growth Plan supported the statement that the Offer price is "*materially inadequate*".

19. Accent submitted that the Target's Statement gave Accent shareholders multiple objective reference points to assess the IBC's recommendation and that:

> "*Where the Target's Statement states that the Offer Price is materially inadequate, the 2030 Strategic Growth Plan is only one component of the IBC's assessment. It appears within reason 2 of the eight reasons for rejection, and even within reason 2 it is identified alongside Accent's strategic position and medium-term growth potential. The Target's Statement does not invite Accent shareholders to assess the Offer by reference to the 2030 Strategic Growth Plan alone. Read fairly, the IBC's recommendation is based on the cumulative effect of the matters disclosed in the Target's Statement*."

20. We considered that, read in context, the eight reasons in sections 2.2 and 2.3 of the Target's Statement had not been presented as a cumulative basis to support the Undervalue Statement that the Offer price is "*materially inadequate*". Those reasons supported the basis on which the IBC had made its recommendation to reject the Offer, but it was not clear how some of those reasons could independently support the Undervalue Statements. The eighth reason, for example, was that "*Frasers' interests may not be aligned with the interests of Accent Shareholders as a whole*" and did not contain any reference to an Undervalue Statement.

21. However, we agree with Accent's submission that the Target's Statement indicated certain other factors had supported the Undervalue Statement that the Offer price is "*materially inadequate*", such as Accent's strategic position and medium-term growth potential. While those factors may have informed the IBC's assessment, we still had concerns that the IBC had not properly explained the extent to which the benefits expected from the 2030 Strategic Growth Plan had been relied on vis-à-vis those other components of the IBC's reasons for its 'reject' recommendation.

22. In addition, the Target's Statement did not, in our view, sufficiently disclose what risks and uncertainties are associated with the Undervalue Statements, particularly in relation to the execution of the 2030 Strategic Growth Plan. The prominence of this disclosure is also relevant. The risks associated with the Undervalue Statement needed to be clearly disclosed and incorporated within the reasons to reject the Offer, rather than expecting shareholders to identify these in other sections of the Target's Statement.

Premia disclosure

23. The Target's Statement also included the following disclosure (footnotes omitted):

> "*As at the date of this Target's Statement, Frasers is offering $0.65 cash for each Accent Share, which represents a discount of:*
>
> - *19% to the 6-month VWAP of Accent Shares of $0.80;*
> - *36% to the 12-month VWAP of Accent Shares of $1.02; and*
> - *8% to the closing price of Accent Shares of $0.71 on the Last Practicable Date,*

with each VWAP measured over the relevant period up to and including the last Trading Day before the Announcement Date."

24. Frasers submitted that historical VWAPs are "*misleadingly selective, especially when presented as part of the first reason to reject the Offer.*" Frasers submitted that the historical VWAPs are not an assessment of intrinsic value and:

> "*In Accent's case, which has recently disclosed a material earnings decline, earnings downgrades and the announcement of an ongoing ASIC investigation into senior personnel at Accent, the historical VWAPs are highly likely to mislead if presented out of context (which Frasers submits is the case here).*"

25. We considered the disclosure of historical VWAP comparisons to be overly selective. We agree with Frasers that, consistent with Guidance Note 18: Takeover Documents, a statement as to premium is necessarily a snapshot,[6] and we considered that the inclusion of shorter and more proximate VWAP premia or discounts would allow shareholders to assess the offer price more accurately. To the extent Accent seeks to include long-dated ranges for VWAPs, we considered the disclosure should explain why those date ranges are appropriate and whether there are any changes in circumstances over that period that may be relevant to how they should be interpreted (for example, any earnings downgrades).

Prices at which Frasers previously acquired Accent shares

26. The Target's Statement also disclosed that the IBC recommended shareholders reject the Offer because:

> "*The Offer Price is materially lower than prices Frasers has paid for Accent Shares: Frasers is proposing that Accent Shareholders sell their Accent Shares at a price materially below prices at which Frasers has previously acquired Accent Shares, including the A$1.718 per share paid under the Subscription Agreement with Accent in May 2025 and the average price of over A$0.92 per share paid for on-market purchases in February 2026*"

27. Noting the Offer was announced on 15 June 2026, we were concerned that the IBC had not explained all relevant context in relation to the acquisitions by Frasers in May 2025 and February 2026 that may explain why those acquisitions were priced at a premium to the Offer Price. For example, in Frasers' view, the value of the May 2025 acquisitions was a "*negotiated entry price under a strategic partnership, struck with associated commercial arrangements and against a fundamentally different earnings outlook, while the >$0.92 on-market average reflects the market price of Accent shares at that point in time.*"

28. Accordingly, we considered that the Target's Statement should have put Frasers' previous acquisitions in context and explained whether there were any changes in circumstances since Frasers acquired those shares that may be relevant to shareholders.

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[6] Guidance Note 18 at [34]

Independent Expert's Report

29. The orders sought by Frasers included, as an alternative to a corrective disclosure order, an order that Accent appoint an independent expert (to be approved by the Panel) to prepare a report opining on the value of Accent shares and whether the Offer is fair and reasonable.

30. Accent made preliminary submissions that (footnotes omitted):

> "*The alternative independent expert order is also disproportionate. Section 640 of the Corporations Act specifies when an independent expert's report is required in a target's statement. Frasers has not identified any basis on which those requirements are engaged, or any exceptional circumstances that would justify the Panel imposing such a requirement in these circumstances. [Footnote: None of the statutory triggers in section 640 of the Corporations Act are present in this case.]*"

31. We agree. While the Panel has previously made orders to produce an independent expert's report even where it is not required by law,[7] Frasers did not convince us that such an order would be appropriate in the circumstances. Similar to the Panel's conclusions in *Sirtex Medical* [2003] ATP 22 at [67]-[70], there was nothing in the materials to suggest that the IBC was too beholden to Frasers, or otherwise incapable of providing an independent assessment of the Offer.

First Supplementary Target's Statement

32. We communicated our preliminary concerns to the parties on 17 July 2026 and provided Accent with an opportunity to make appropriate and timely corrective disclosure to address these concerns.

33. Accent provided a draft of the proposed supplementary disclosure on 20 July 2026 and offered an undertaking to issue the draft disclosure to shareholders in the proposed form. The draft disclosure:

    (a) included further information on how the IBC approached its assessment of the Offer price, the role of the 2030 Strategic Growth Plan and the basis on which the IBC considered the 2030 Strategic Growth Plan to be reasonable (including with reference to the underlying assumptions and risks or uncertainties) and

    (b) provided additional context to the premia disclosures and prices at which Frasers had previously purchased Accent shares.

34. Accent submitted that the draft disclosure provides sufficient information for shareholders to understand and assess the basis for the Undervalue Statements, and that the disclosure explains the connection between Accent's previously disclosed strategic and financial information and those statements.

35. Frasers submitted that the draft disclosure does not adequately address the Panel's concerns. It submitted that we should:

> "*[C]onduct proceedings unless Accent withdraws the Undervalue Statements, because it does not have a sound or reasonable basis for them. Alternatively, the Panel should*

[7] See for example, *Bullseye Mining Limited 06* [2023] ATP 11

conduct proceedings unless Accent revises the Target's Statement in a form that is clear, prominent and proximate to the Undervalue Statements, to appropriately qualify them by reference to limitations of, and the risks and uncertainties associated with, the 2030 Strategic Growth Plan and the further limitations on using long-dated VWAPs and historical Frasers acquisition prices as indicators of current value."

36. We considered that the proposed draft satisfactorily addressed some of our preliminary concerns, including the concerns regarding the disclosure of the VWAP prices and the context in which Frasers previously acquired Accent shares.

37. However, there were certain aspects of the draft disclosure that were inadequate and that required correction. In particular, we were concerned that the overall presentation of the draft supplementary disclosure risked undermining its primary objective of addressing the preliminary concerns by bringing the key clarificatory matters to shareholders' attention in a clear, concise and effective manner. We considered the disclosure needed be re-framed so that it:

    (a) is clear that the supplementary statement is being given because it contains corrective disclosure

    (b) focusses prominently and directly on clarificatory matters – particularly those concerning the Undervalue Statements and the extent to which it is said to be based on the 2030 Strategic Growth Plan and

    (c) removes or places less prominence on matters which either do not need to be repeated or risk detracting (due to the length they add to the disclosure or otherwise) from clearly and directly addressing the clarificatory matters.

38. A revised version of the disclosure was provided on 24 July 2026 which (among other things) incorporated our further requested disclosure. It also clarified that:

    (a) the IBC formed the view that the Offer price is "*materially inadequate*" after considering "*internal analysis prepared to assist its assessment of the Offer, publicly disclosed financial information, market trading data, Frasers' existing shareholding and prior dealings in Accent Shares, Accent's strategic position and strategic initiatives (including the 2030 Strategic Growth Plan), and advice from Accent's external financial advisers*"

    (b) the eight reasons set out in sections 2.2 and 2.3 of the Target's Statement continued to support the IBC's recommendation to reject the Offer and of those reasons, reasons one to five informed the Undervalue Statements and

    (c) the expected benefits of the initiatives in the 2030 Strategic Growth Plan are forward-looking statements and are subject to uncertainty and execution risk, but the IBC considered the 2030 targets had a reasonable basis for the reasons set out in the supplementary disclosure.

39. A final version of the First Supplementary Target's Statement was provided on 29 July 2026 in a form we did not object to. Accent also provided an undertaking that it would commence and conclude the dispatch of the First Supplementary Target's Statement to shareholders as soon as practicable, which we accepted.

40. While we had some residual concern about the IBC's reliance on the 2030 Strategic Growth Plan, we did not consider further enquiries were warranted in the circumstances noting the other reasons that were relied upon in support of the Undervalue Statements. There was nothing that led us to second guess the IBC's decision to make the Undervalue Statements given the IBC had stated it had considered (among other things) internal analysis and advice from external financial advisers.

41. Accordingly, we consider that the First Supplementary Target's Statement satisfactorily addressed our preliminary concerns and provides Accent shareholders with sufficient information to allow them to make an informed assessment of the Undervalue Statements. We note for completeness that given the Initial Undervalue Statements were subsequently repeated in the Target's Statement, we did not consider it necessary in the circumstances for separate corrective disclosure to be made in relation to the 22 June Announcement.

DECISION

42. For the reasons above, we do not consider that there is any reasonable prospect that we would make a declaration of unacceptable circumstances. Accordingly, we have decided not to conduct proceedings in relation to the application under regulation 20 of the *Australian Securities and Investments Commission Regulations 2001* (Cth).

Richard Phillips
President of the sitting Panel
Decision dated 30 July 2026
Reasons given to parties 18 September 2026
Reasons published 29 September 2026

Advisers

Party	Advisers
Accent Group Limited	Arnold Bloch Leibler
Frasers Group plc	Lander & Rogers and James Hutton SC of Eleven Wentworth Chambers