

## OTM founder urges board to think again over takeover deal

**Trevor Abrahmsohn says: "This could be the greatest opportunity lost since Decca turned down the Beatles".**

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OnTheMarket (OTM) founder Trevor Abrahmsohn (main picture) has slammed the takeover revealed last week as "stupid", and "a terrible deal" for shareholders.

Abrahmsohn, who was instrumental in setting OTM up in 2010 bringing agents together to create a disruptor portal, says its board need to think again.

**It was confirmed last week that OTM has received an offer to sell for £100m** by £33 billion global property data group CoStar, at a price of 110p per share.

In order to complete the transaction, the deal needs another 45.49% of the balance of the shareholders for the deal to be done.

### ■ UNANIMOUS

The deal was unanimously recommended by the OnTheMarket board while CoStar, also received reassurances from approximately 29.5% of OnTheMarket shares, including OnTheMarket's six largest shareholders including Spicerhaart, that the deal will be approved.

CoStar revealed it plans to spend £46.5 million on sales and marketing in the first full year following the takeover, which is six times current spend, and more than three times the current annual media expenditure of Rightmove.

Abrahmsohn says he supports a deal, with investment in OTM, but does not think the current offer is a good one.

"This could be the greatest opportunity lost since 'Decca turned down the Beatles'," he says.

### ■ UNDERVALUES

The deal grossly undervalues OTM's shares by around 33%, he argues. The board could choose to sell 25% or 50% initially, and still secure the benefits of significant investment from CoStar.



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"CoStar are not fools, they know that there is no room in the marketplace for a fourth portal (and it would cost too much anyway), and by the acquisition of OTM, de facto, they are buying market share on the cheap and we shouldn't let them," says Abrahmsohn, who is MD of Glentree International.

There should be an auction giving other possible bidders, such as Australia's **RealEstate.com.au**, an opportunity to get involved, he says.

"The original shareholders who put in a lot of money to give OTM some working capital since it couldn't borrow money [at the time] are losing 33% of the original investment.

### ■ KICK BACK

"If Costar or another big portal were instead to buy 50% of OTM at a discount even to today's price within a few months, the shares would be over £2 or £3 based on hope value that such a wealthy partner would transformed the fortunes of the company. The shareholders are being mugged and we should kick back.

"My shares were floated in Glentree plc at 16p and within seven days there were 70p but when we brought in David Thompson , the 19th richest industrialist in the UK, they went to £4.50. That's what I called Turbo charging against dredging, which OTM have been doing the last three years.

"The company has been desperately under promoted, and consequently the shares were languishing at fifty to sixty pence which is a third of the issue price."

**Tebb to stay in charge at OTM after takeover**