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Darty party

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More proof that shareholder activism works. Darty, the electricals retailer, has recommended a 170p-a-share offer from FNAC, quite a bit more than it fancied paying before South Africa's Steinhoff pitched up in March with a 125p cash bid, so triggering a bidding war. The sudden interest in Darty surprised many, but not Knight Vinke, the activist investor that bought a sub-5 per cent stake when it was part of the Kesa combine that once included Comet. Eric Knight, of Knight Vinke, always regarded Darty as the best bit of the business — a less controversial view once Comet went bust in 2012.

Mr Knight, who has since built a near-15 per cent stake, agitated for the removal of Kesa's chairman, David Newlands, before joining the board under his successor Alan Parker in March 2013. By then he had helped persuade Kesa to change its name, hire a new chief executive and get shot of loss-making stores in Italy, Spain and Turkey. Yet Mr Knight reckoned that Darty still needed a merger to survive in an electricals market dominated by big players such as Amazon.

In September 2014 he quit the board and, after a decent interlude, hired New York-based TAP Advisors to help to find a buyer for Darty. They identified FNAC as first choice, not least because of the potential synergies. The £900 million deal has now arrived, with synergies quantified at €130 million a year — something that makes FNAC's partial share alternative all the more attractive. Mr Knight has got the deal he wanted but other investors can't complain: the shares are up 130 per cent in 12 months.