



# Activist Insight

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## **Activists targeting larger firms**

*Large companies now twice as likely to be targeted by activists as in 2010*

Activist Insight can reveal that the latest analysis of activist investing shows that activists are targeting larger companies. Data on the behavior of over 180 activists illustrates a growth of 104% in the proportion of investments in companies with market capitalizations of over \$10 billion between 2010 and the six months to June 30, 2013.

So-called large-caps still comprise a relatively small portion of the market, at 5.2% in 2013. However, this illustrates a shift in an investment culture that is becoming increasingly significant. The mid-cap sector (companies with market capitalizations of \$2 billion to \$10 billion) saw even larger growth, from 11.7% of activist investments in 2010 to 27.1% in the first half of 2013 – a 2.3 times greater share of activist investments. The relative growth in large- and medium-cap investments comes at the expense of those in companies below \$2 billion, which have fallen as a share of total activist investments from 83% to less than 60%.

Data provided by Activist Insight shows that strong growth in the first quarter of 2013 has meant that investments in large- and mid-cap investments were profitable, with capital appreciation of 14.7% and 12.7% respectively. However, these sectors slowed down in quarter two, with large-cap companies targeted by activists returning less value than the S&P 500 average. Although small-cap investments targeted by activists performed strongly (10.4% in Q1, 6.6% in Q2 2013), this segment of the market is dominated by large numbers of smaller activists, leaving the bigger funds to concentrate on larger corporations.

Josh Black, a journalist at Activist Insight, said, “In recent years, a number of activists have targeted high-profile, large-cap companies, including Greenlight Capital at Apple and Pershing Square Capital Management at Proctor & Gamble. Carl Icahn’s activities at Dell are just the latest in a trend that has seen activists command greater investment capital. The ability of activist investors to outperform the market has seen institutional investors and banks put up greater capital for activists to wage campaigns and all the indications are that it is worth their while.”

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Activist Insight was founded in 2012 by Nick Arnott and Kerry Pogue. The company provides the most comprehensive global information source on activist investment. This includes live alerts on activist investments, over 180 detailed activist manager profiles, over 1,800 relevant company profiles, unique stats on activist campaigns and proxy battles, and much more. A free monthly newsletter subscription is available on request.

If you would like more information about this topic, or to schedule an interview with Nick Arnott or Kerry Pogue, please contact Josh Black at +44(0)20 7129 1314 or email [press@activistinsight.com](mailto:press@activistinsight.com).