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M&A Telegram

Q1/2017

+++ The German M&A market has remained active in Q1/2017: General Motors agreed the sale of Opel to Peugeot, Henkel made another US acquisition with Darex, and Clayton Dubilier & Rice sold the industry packaging specialist Mauser on to BWAY. The merger between Linde and Praxair is imminent. The London Stock Exchange and Deutsche Börse merger, however, looks set to fail due to Brexit, among other factors. +++

+++ There is a tendency toward greater protectionism. The takeover of chip manufacturer Wolfspeed by Infineon, which was thought to be a certainty, was denied CFIUS approval. Germany is working on tightening up its foreign trade law. Together with France and Italy, the issue has been raised to European level. Extended governmental intervention rights in the case of investments in various sectors are under discussion. Likewise, the interests of the investor's country of origin and reciprocity of barriers to investment should be taken into account in the future. +++

+++ Spin-offs followed by IPOs are more often replacing the sale of business divisions. After Bayer/Covestro, RWE/innogy and E.ON/ Uniper comes the Metro/Ceconomy spin-off. Siemens' medical technology arm Healthineers and Deutsche Bank's Asset Management may be next, while ThyssenKrupp's steel operations could follow. The partial sale of Osram shows that M&A transactions can also have their place, albeit late, in this cycle. +++

+++ Activist shareholders are increasingly influencing the M&A business. First, AOC initiated the restructuring of Stada. After expressions of interest, the company has now put itself up for sale, following the US model. MSD Capital, by contrast, wants to participate financially in the taking-private of GfK, which is being driven by KKR, through its stakeholding built up during the takeover process. +++

+++ Capital markets continue to offer exit opportunities. The Alzchem IPO was canceled on the home straight. However, with electrical engineering company Aumann the market did finally see the first German IPO of 2017. +++

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This M&A Telegram is directed toward clients and friends of Cleary Gottlieb interested in developments on the German M&A market. It does not qualify as legal advice. A detailed analysis of the German M&A market can be found in the [Cleary Gottlieb M&A Report](#), published at regular intervals.

