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M&A Telegram

Q2/2017

+++ The German M&A market holds its ground; despite falling transaction volumes, transaction values are on the rise. Q2/2017 sees Fresenius agree both the acquisition of U.S. competitor Akorn and that of Merck's biosimilars business. John Deere acquires road construction equipment manufacturer Wirtgen. 1&1 Telecommunications and Drillisch are set to be brought under the umbrella of United Internet and German property group TLG presents WCM exchange offer. +++

+++ Below foreign outbound investment thresholds, Chinese investors have once again become more active. Creat plans the Biotest takeover. A consortium around industrial group ZMJ agrees the acquisition of Bosch's starters and generators division. Cathay Fortune bids for shares in diagnostics specialist Epigenomics and TruKing Group acquires a 75.1% stake in pharma packaging producer Romaco. +++

+++ The process for the sale of Stada leads to a substantial price rise. Although the takeover bid for Stada ultimately just failed to secure enough shareholder acceptances to complete the deal, the process organized by the Stada management for the sale of the company did lead to a substantial price rise. The bidding syndicate consisting of Bain and Cinven finally increased its bid once again by around half a billion euros. There is (as yet) no obligation under German law for the management to carry out such a procedure. +++

+++ Secondaries dominate Private Equity transactions. Besides the Stada deal, secondaries dominate the market for Private Equity transactions. In a week, DBAG alone sells on three portfolio companies to other financial investors. +++

+++ Shareholders set to vote on key transactions. The merger with Praxair, which was finally approved without a casting vote from Linde's supervisory board chairman has led to calls for shareholders in publicly traded companies should vote on major transactions. Stakeholders demand that the AGM be involved wherever the acquired or divested stake makes up at least one third of total assets or at least half of the market capitalization of the affected company. Implementing this detailed proposal would have a lasting impact on transactional practice. +++

+++ The capital market remains a tough turf. Nonetheless, restaurant chain Vapiano and Internet platform Delivery Hero follow the only Frankfurt IPO in 2017 so far, namely that of engineering group Aumann. The spin-offs of Siemens' medical technology arm Healthineers and Deutsche Bank's asset management division are expected during the course of the year. +++

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