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M&A Telegram

Q3/2019

+++ Bayer enjoys summertime. Bayer brings this summer's M&A highlight with the sale of its veterinary medicine division to Elanco for approx. USD 7.6 billion. Together with Lanxess, Bayer also sells chemical park operator Currenta to Macquarie for a transaction volume of approx. EUR 3.5 billion. Finally, Bayer lets go of Dr. Scholl's foot treatment articles to financial investor Yellow Wood for approx. USD 585 million. Japanese speciality chemicals company DIC cinches BASF's pigment business for approx. EUR 985 million. Volkswagen and Northvolt establish a joint venture to manufacture lithium-ion batteries and China Railway Rolling Stock Corporation succeeds in entering the European market with its acquisition of Vossloh's European locomotive business. +++

+++ Public-to-Private transactions liven up the M&A market. The bidding competition for Osram enters its critical stage. With the minimum acceptance threshold now lowered and the majority support of Osram's management, there are strong indications that the financially more attractive takeover offer by the Austrian AMS will win out over the Bain und Carlyle offer favored by the company originally. Whether Bain, potentially together with another partner, will submit a better offer is still open. KKR succeeds with its takeover offer for Axel Springer, and plans to delist the company together with the remaining major shareholders. On the other hand, the takeover offer by the major Metro shareholder EP Global Commerce fails due to missing the minimum acceptance quota. +++

+++ Financial investors remain active. CVC makes its move acquiring Bosch's packaging machine business. Dixi and Toi Toi rental toilettes go to Apax following a competitive bidding process. Previous owner Adco still remains invested. KKR acquires a majority stake in Internet payment service Heidelberg, while Ardian sells toy manufacturer Schleich to Partners Group. +++

+++ Ministerial clearance ultimately issued. It remains to be seen whether ministerial clearance of the merger of plain bearings manufacturers Miba and Zollern is to be understood in connection with the industry strategy pursued by Federal Minister of Economics Altmaier. +++

+++ Are activist shareholders reaching their limits? In conjunction with other hedge funds Pelham Capital succeeds in pushing through its candidate for the company's supervisory board at the general shareholder's meeting of online portal Scout24. But the sale of the AutoScout24 division promoted by Elliott meets with opposition from representatives of the free float. Scout24's management is considering a divestiture, but is currently keeping all its options open. +++

+++ Capital markets have an impact on M&A activity. TeamViewer accomplishes the largest European IPO this year while Permira makes a significant partial exit. Parallel to the partial IPO of the Powertrain Division, Continental is also reviewing the full spin-off with subsequent stock market listing. Triggered by investor interest, ThyssenKrupp widens the IPO process of the elevator division toward a dual track procedure. +++

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This M&A Telegram is addressed to clients and friends of Cleary Gottlieb who are interested in developments in the German M&A market. It does not constitute legal advice.

