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M&A Telegram

Q1/2020

+++ The first quarter has started well. The planned merger of the hospital groups Rhön and Asklepios will create one of the largest hospital groups in Germany. Lone Star clinches BASF's construction chemicals business for approx. EUR 3 billion. KKR and Reggeborgh can sell the broadband company Deutsche Glasfaser to EQT and the OMERS pension fund for approx. EUR 2.8 billion. Hg Capital acquires from Permira a majority stake in Personal & Informatik AG valued at approx. EUR 2 billion, and Merck sells its allergy division to Dermapharm. +++

+++ Evergreen deals come to a close. Deutsche Telekom brings a years-long project to a close and can now merge T-Mobile with Sprint in the U.S. At the second attempt and by exploiting a legal loophole, AMS will finally take over Osram. Bain and Carlyle once again lose out. With SCP, Metro finally finds a buyer for the Real supermarkets and in what currently is probably the most watched divestment, Thyssenkrupp decides to sell its elevator division to a consortium around Advent and Cinven. +++

+++ Still many public takeovers. At the second attempt, Thermo Fisher receives the support of Qiagen's management and submits a takeover bid for approx. EUR 10.4 billion. Schneider Electric submits a takeover bid for RIB Software for approx. EUR 1.4 billion. Isra Vision, a manufacturer of special machines, enters into a partnership with Atlas Copco whose takeover bid values the company at approx. EUR 1.1 billion. Covivio announces a takeover bid for the shares of the real estate company Godewind in the amount of approx. EUR 700 million. +++

+++ Loophole in the German Securities Acquisition and Takeover Act is closed. Almost unnoticed, German legislators closed the loophole in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*) used by AMS in its takeover of Osram. It is now no longer possible to circumvent the blocking period of one year for a new takeover bid by having a person acting in concert with the bidder submit a new takeover bid after the minimum acceptance threshold has not been met. +++

+++ Investment control is further tightened. The proposed changes to the German Act Concerning Foreign Trade and Payments (*Außenwirtschaftsgesetz; AWG*) not only reflects the new possibilities of participation at the European level. The qualitative threshold for a potential intervention is also significantly lowered. The extension of the catalog of the sectors defined as critical has been announced. The reported U.S. attempt to acquire a German company researching a coronavirus vaccine adds a new dimension to investment control. +++

+++ The capital market is hardly predictable. Even before the coronavirus crisis started, Freudenberg refrained from the IPO of the automotive supplier Vibracoustic. Carlyle, however, merely wanted to postpone the planned IPO of the chemical company Atotech in the U.S. The effects of the coronavirus crisis are now disrupting even the best-laid plans. Nevertheless, Siemens is in principle sticking to its plan of going public with its energy division in the fall. This, as well as the spin off and listing of Continental's Powertrain Division will require a shareholders' meeting to be held in good time. This has now been made considerably easier. +++

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