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M&A Telegram

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+++ What worked despite Corona. Air Liquide benefits from the pandemic, selling the manufacturer of disinfectants Schülke & Mayr to EQT for around EUR 900 million. In the process Air Liquide even managed to raise the originally expected price. VW is investing in China with billion-dollar deals. Cooperation with the Jianghuai Group will be intensified, stepping up the share in their joint venture from 50% to 75%. VW also agrees to acquire a 26% stake in battery manufacturer Gotion High-Tech. Daimler and Volvo, on the other hand, decide to set up a joint venture to develop and sell fuel cells for trucks. Telefónica Deutschland is selling a portfolio of mobile phone masts to Telxius for around EUR 1.5 billion. Sumitomo Heavy Industries acquires the machine builder Leifeld Metal Spinning from Georg Kofler via a subsidiary. The sale to an interested Chinese party had failed two years ago due to concerns of the Federal Ministry of Economics. First State secures a 41.5% stake in energy supplier MVV for around EUR 750 million and submits a public takeover bid. Finally, Allianz and Spain's BBVA agree to set up a joint venture to distribute Allianz insurance products. +++

+++ What's up next. Following the teaming up with KKR, Axel Springer submits an offer for eBay's classified ad business. Due to the expected volume in the billions and the financing requirements of the financial investors involved in the process, the sales process has a signal effect in the current market environment. The break-up of Thyssenkrupp seems to have been decided. Various business units are to be brought into partnerships or sold. Closure of affected businesses is considered an alternative scenario. The spin-off of the Siemens Energy Division is being prepared for September. The hedge fund Elliott recognizes the need and announces that it will not initially exert any pressure on the management of investment companies during the crisis. +++

+++ What will play a role in the future. Fired on by the EU Commission, member states are intensifying their investment controls. In Germany, foreign trade law is quickly being tightened up again. After the full implementation of the EU Screening Regulation by October, non-European investors in Germany are entering uncharted territory until an administrative practice is established. The interaction of foreign trade and antitrust law creates additional complexities. In addition, the state becomes an active market participant. Negotiations are underway with the Netherlands on acquiring a minority stake in the Dutch electricity network operator Tennet with regard to its German subsidiary. KfW at short notice acquires a 23% stake in the biopharmaceutical company CureVac for around EUR 300 million. The actions of Lufthansa's major shareholder Thiele show only one of the possible consequences of entrepreneurial state action. It remains to be seen whether the idea of the "Deutsche Stahl AG", which is to be created with the support of the state, will ultimately be revived. +++

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