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M&A Telegram

Q3/2022

+++ Summertime deal flow. In a highly competitive process, Deutsche Telekom sells a 51% stake in its tower business to Digital Bridge and Brookfield at a reported enterprise value of approx. EUR 17.5 billion. Siemens acquires the specialty software provider Brightly Software for approx. USD 1.6 billion and Nikon submits a takeover bid to the outstanding shareholders of SLM Solutions with a transaction volume of approx. EUR 622 million. Schaeffler acquires the Swedish drive manufacturer Ewellix for approx. EUR 582 million. Bayer succeeds in divesting its testosterone business to Grünenthal for up to approx. EUR 500 million. Dermapharm, on the other hand, plans to acquire the French Arkopharma Group for approx. EUR 450 million. DB Schenker secures the transport company USA Truck for approx. USD 435 million, and the merger of NielsenIQ and GfK creates one of the world's leading market research companies. +++

+++ Financial investors take it easy. Morgan Stanley sells rail logistics company VTG to Global Infrastructure Partners for reportedly over EUR 5 billion. Auctus is able to exit pharmaceutical developer Pharmalex, which is going to AmerisourceBergen for approx. EUR 1.3 billion. DCC acquires the Medi-Globe Group from Duke Street with an enterprise value of approx. EUR 245 million. H.I.G. Capital exits Duales System Deutschland, which becomes part of a recycling group through Circular Resources. Antin Infrastructure Partners secures a majority stake in Blue Elephant Energy AG, which specializes in renewable energies, and through its investment company LRMR Ventures, LeBron James invests approx. EUR 30 million in bicycle manufacturer Canyon together with SC Holdings. +++

+++ Industrial policy plays an increasingly important role. While the state acquiring at least 30% in Uniper, providing a further EUR 7.7 billion in equity-like funds and increasing the KfW credit line to an initial EUR 9 billion is within the scope of already familiar state rescue measures, the acquisition of the insolvent shipyard in Rostock-Warnemünde is new territory for the federal government. Navy ships will be serviced there in the future. In Lufthansa's case on the other hand, the state manages to exit with a profit. Prohibitions under the foreign investment control regime are becoming more frequent. The investment by the Chinese shipping company Cosco in a Hamburg port terminal also threatens to fail. Finally, the Federal Cartel Office's antitrust assessment supports the US prohibition of the sale of a Maersk subsidiary to a Chinese company. Even if distinct in dogmatic terms, antitrust and security interests mesh when dominant positions arise. +++

+++ The capital market is trading water. Market participants are already talking about a lost year for IPOs. Porsche's IPO is nevertheless expected to go ahead as planned. In this context, the anticipated dual role of CEO Blume at VW and Porsche as well as the blocking minority directly granted to the Porsche and Piëch families are viewed critically by the market. +++

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