

The following report details mergers and acquisitions activity globally during the week commencing 13th August 2018 using data from the Zephyr database.

It focuses on deal activity by target company.

Aside from M&A Rumours and Opportunities all deals were announced or completed during the week.

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## M&A

### Top Deal by Value

#### CK Infrastructure-led consortium agrees purchase of APA Group

Target: APA Group  
Value: USD 9,464 million  
Announced date: 13th August 2018  
Target region: Australia  
Target business: Gas pipeline transmission services; gas distributor; gas pipeline investment trust services; investment services

A consortium led by CK Infrastructure named CKM Australia Bidco entered into a conditional scheme implementation agreement to acquire Australian gas pipeline transmission service and distributor APA Group for USD 9,464 million. The offer represents a premium of 12 per cent over the target's closing share price on 10th August and the schemes are pending approval from shareholders and the court. A meeting is expected to be held in November for stockholders to vote on the deal, with the schemes to be implemented in mid-December 2018.

### Number Two Deal by Value

#### Diamondback Energy to acquire Energen

Target: Energen Corporation  
Value: USD 9,200 million  
Announced date: 14th August 2018  
Target region: US  
Target business: Oil and gas exploration services; natural gas liquid production services; oil and gas production services

Diamondback Energy has agreed to acquire Energen in an all-stock transaction worth about USD 9,200 million, including USD 830 million in liabilities. Under the terms of the deal, Diamondback is offering just under one share for each item of stock held in Energen, implying an offer price of USD 85 and representing a premium of 19 per cent to the last closing share price prior to the announcement. The deal, which will also include the purchase of Energen's patents, is subject to shareholder and regulatory approvals and is slated to complete before the end of the fourth quarter of 2018.

## M&A

### Rumours and Opportunities

#### 'Rio Tinto exploring sale of stake in Iron Ore Company of Canada'

Target: The Iron Ore Company of Canada Inc.  
Estimated value: USD 6,000 million  
Rumour date: 15th August 2018  
Target region: Canada  
Target business: Iron ore mining services

Rio Tinto is seeking buyers for Iron Ore Company of Canada in a sale expected to be worth around USD 6,000 million in cash, banking sources told Sky News. The Australian miner is said to be working with Credit Suisse on an auction of its almost 59 per cent stake and ArcelorMittal and Teck are among other potential suitors that are being sounded out by Rio Tinto. Alternatively, Rio Tinto has hired Royal Bank of Canada to advise on a potential initial public offering on the Toronto Stock Exchange, Reuters reported, citing people familiar with the matter. It is not yet known which option the company will pursue at this time.

## M&A

#### Carlyle Group to explore sale of Atotech: Reuters

Target: Atotech BV  
Estimated value: USD 5,000 million  
Rumour date: 14th August 2018  
Target region: Netherlands  
Target business: Chemical products manufacturer holding company; printed circuit board manufacturer holding company; semiconductor equipment manufacturer holding company

Carlyle Group is said to be preparing a disposal of Dutch chemical company Atotech, Reuters reported, citing people familiar with the situation. According to these sources, the buyout firm is eyeing an initial public offering, but is also open to potential bids from other interested suitors. Atotech, once part of global oil firm Total, is expected to be worth around USD 5,000 million in any such divestment, with Carlyle seeking a valuation of 13 to 14 times core profit of around USD 400 million, Reuters noted. Some of the sources said the private equity firm has asked investment banks to pitch for the listing, which is likely to take place in New York next year, while another person close to the matter said Germany could also be a possible location for a flotation.

## Capital Increase

### Constellation Brands to invest in Canopy Growth

Target: Canopy Growth Corporation  
Value: USD 3,891 million  
Announced date: 15th August 2018  
Target region: Canada  
Target business: Medical marijuana growing services

Constellation Brands entered into an agreement to invest in Canadian medical marijuana growing company Canopy Growth, under the terms of which it will buy around 105 million shares for USD 3,981 million. The shares represent a stake of about 38 per cent, including 140 million new warrants, which are exercisable over the next three years. Once all warrants have been cashed in, Constellation is expected to own over 50 per cent of Canopy Growth. Closing is expected by the end of October, subject to shareholder, regulatory and Canadian government approvals.

## Private Equity

### Thomas H Lee Partners' Federal Street Acquisition is buying Universal Hospital Services

Target: Universal Hospital Services Inc.  
Value: USD 1,580 million  
Announced date: 13th August 2018  
Target region: US  
Target business: Healthcare technology management services; medical equipment outsourcing services; Medical equipment wholesaler

Federal Street Acquisition, sponsored by an affiliate of Thomas H Lee Partners, has agreed to acquire Universal Hospital Services, a US-based healthcare technology management service provider, for USD 1,580 million to be paid in a combination of cash and shares. Completion is subject to regulatory and shareholder approval and is expected to take place before the end of 2018.

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