

The following report details mergers and acquisitions activity globally during the week commencing 8th July 2019 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

IBM completes Red Hat acquisition

Target: Red Hat Inc.
Value: USD 34,000 million
Completed date: 9th July 2019
Target region: US
Target business: Open source software developer; cloud, storage, and systems management services; software consulting services; software training services

International Business Machines (IBM) has completed its previously announced acquisition of Red Hat in a deal worth USD 34,000 million, or USD 190 per share. Jim Whitehurst, chief executive of Red Hat, said that by joining IBM, it will provide greater scale, resources and capabilities to accelerate the impact of open sources as a basis for digital transformation.

Number Two Deal by Value

EP Global planning to take over Metro

Target: Metro AG
Value: USD 5,368 million
Announced date: 10th July 2019
Target region: Germany
Target business: Groceries wholesaler

EP Global Commerce has agreed to acquire the remaining 83 per cent stake it does not own in German groceries wholesaler Metro for USD 5,368 million. The deal is subject to approval from regulators, the European Commission and the US Department of Justice and Federal Trade Commission, with debt financing provided by BNP Paribas, Credit Suisse and Société Générale.

M&A

Rumours and Opportunities

Volkswagen to acquire minority stake in Argo AI: WSJ

Target: Argo AI LLC
Value: USD 2,600 million
Rumour date: 12th July 2019
Target region: US
Target business: Self driving car computer science and robotics software developer

Volkswagen is considering taking a minority stake in Argo AI, a US-based self-driving car computer science and robotics software developer, for USD 1,000 million in capital and USD 1,600 million in business assets for a total USD 2,600 million, people with knowledge of the matter told the Wall Street Journal (WSJ). The deal would value the start up at around USD 7.00 billion, according to the sources.

M&A

Ritesh Agarwal to acquire a stake in Oravel Stays: ET

Target: Oravel Stays Pvt Ltd
Value: USD 1,500 million
Rumour date: 9th July 2019
Target region: India
Target business: Online short-stay accommodation marketplace website operator; hotels operator

OYO founder Ritesh Agarwal is in talks with Sequoia Capital Operations and Lightspeed Management Company to acquire a 20 per cent stake worth USD 1,500 million in Indian short-stay accommodation group Oravel Stays, according to a report by the Economic Times. Three sources told the paper that the deal could potentially take Agarwal's interest from 10 per cent to 30 per cent and while subscribing for new shares, the deal could be funded using debt.

Capital Increase

China Petroleum & Chemical Corporation and investors invest in Sinopec-SK (Wuhan) Petrochemical

Target: Sinopec-SK (Wuhan) Petrochemical Co., Ltd

Value: USD 458 million

Completed date: 8th July 2019

Target region: China

Target business: Petrochemical products technical services provider; ethylene plants research and development services provider

SK Global Chemical, China Petroleum & Chemical and Sinopec Group Asset Management are investing in Sinopec-SK (Wuhan) Petrochemical in a deal worth around USD 458 million, part of which will be invested into registered capital and part into capital reserve. Following closing, SK Global will hold 35 per cent of the company, China Petroleum will own 59 per cent and Sinopec Group will control a 6 per cent stake.

Private Equity

Intermediate Capital and Merieux Equity Partners to acquire DOC Generici from CVC

Target: DOC Generici Srl

Value: USD 1,235 million

Completed date: 8th July 2019

Target region: Italy

Target business: Generic pharmaceuticals products manufacturer; health therapy mobile application provider

Intermediate Capital Group, via ICG Europe Fund, and Merieux Equity Partners, along with the management team, have completed their previously announced acquisition of DOC Generici, an Italian generic pharmaceutical products manufacturer, for USD 1,235 million.



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M&A Research Catalyst – combining deal and company data

Drawing data from Bureau van Dijk's extensive company database, Orbis, and its M&A database, Zephyr, M&A Research Catalyst delivers clear and easy-to-interpret reports specifically created for M&A research. These combine information on companies, comparable deals and valuations alongside an interface to help you identify targets, or acquirers, and value companies. M&A Research Catalyst provides M&A-tailored information in an easy-to-interpret report, including: financials; earnings estimates; news and deals; comparable companies and deals; DCF valuation; and valuation multiples.

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