

The following report details mergers and acquisitions activity globally during the week commencing 30th January 2017 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

Walgreens to acquire Rite Aid

Target: Rite Aid Corporation
 Value: USD 14,281 million
 Announced date: 30th January 2017
 Target region: US
 Target business: Pharmacy chain operator

Walgreens Boots Alliance has agreed to acquire Rite Aid, a US-based pharmacy chain operator, for USD 14,281 million as part of its global development to continue its profitable growth strategy. Walgreens reduced its bid to between USD 6.50 and USD 7 per share from an initial USD 9 offer price tabled in October 2015. The deal, which includes the assumption of about USD 6,914 million in debt, is expected to complete by the end of July 2017, subject to regulatory approvals.

Number Two Deal by Value

Oneok picks up remaining stake in ONEOK Partners

Target: ONEOK Partners LP
 Value: USD 9,300 million
 Announced date: 1st February 2017
 Target region: US
 Target business: Natural gas production services; natural gas pipeline transportation services

Oneok has agreed to acquire the remaining stake in ONEOK Partners for USD 9,300 million. Oneok currently holds a 40 per cent stake in the Oklahoma-based natural gas production services provider and is picking up the remaining 60 per cent to make ONEOK Partners a standalone company with a lower cost of funding and stronger cash flow generation. The deal, expected to complete in the second quarter of 2017, subject to shareholder approvals, is expected to add stable cash flows and attractive growth prospects for Oneok while remaining core to its long-term growth strategy.

M&A

Rumours and Opportunities

'Is Facebook mulling a takeover of Activision Blizzard?'

Target: Activision Blizzard Inc.
Estimated value: USD 30,078 million
Rumour date: 2nd February 2017
Target region: US
Target business: Computer game developer; online computer game publisher

Facebook may be interested in a takeover of Activision Blizzard as it looks to increase its efforts in video and moving materials, Richard Kramer, an analyst at Arete Research told CNBC programme Worldwide Exchange. In the interview Kramer suggested Facebook could also be considering an acquisition of Spotify as part of this effort. Activision Blizzard, the company behind the Call of Duty franchise, had a market capitalisation of USD 30,078 million on 1st February, the last trading day prior to the report.

M&A

'Macy's up for sale, Hudson's Bay making an offer'

Target: Macy's Inc.
Estimated value: USD 9,390 million
Rumour date: 1st February 2017
Target region: US
Target business: Department store operator

Macy's is reportedly being put up for sale by its chief executive Terry Lundgren, who is expected to step down later this year. The New York Post was first to report on the potential disposal, which comes as department store operators are struggling to keep up with discount retailers and online sales. On 3rd February the New York Times suggested Hudson's Bay, the owner of Saks Fifth Avenue, is considering making an offer for Macy's, which had a market capitalisation of USD 9,390 million on 2nd February, to create an industry giant at a critical time for the industry.

Capital Increase

Lonza Group raises cash to fund acquisition

Target: Lonza Group AG
Value: USD 874 million
Completed date: 24th January 2017
Target region: Switzerland
Target business: Specialty chemicals manufacturer; active pharmaceuticals manufacturer; cell-based research services

Lonza Group completed a USD 874 million private placing to raise cash in a bid to finance its USD 5,500 million acquisition of pharmaceutical capsule manufacturer Capsugel. Lonza Group sold 5 million shares, or just over a 9 per cent stake, at CHF 173 apiece by way of an accelerated bookbuilding procedure, which was announced exactly a month after it agreed to buy Capsugel. Institutional investors and strategic buyers in Switzerland took part in the cash call; however, none were identified as part of the announcement. The acquisition of Capsugel is expected to complete in the first half of 2017, subject to regulatory approvals.

Private Equity

IMM Private Equity joins other investors to pick up stake in Woori Bank

Target: Woori Bank
Value: USD 2,051 million
Completed date: 31st January 2017
Target region: South Korea
Target business: Commercial banking services

Korea Deposit Insurance Corporation has successfully completed the privatisation of South Korean lender Woori Bank for USD 2,051 million. As part of the transaction, it was announced IMM Private Equity and other buyers, such as Hanwha Life Insurance, Kiwoom Securities and Korea Investment & Securities, have agreed to take up to a 4 per cent stake each in Woori Bank, with IMM Private Equity receiving approval from the Financial Supervisory Commission to pick up a further 2 per cent. The deal represents almost a 30 per cent stake in Woori Bank, which is billed as the number two lender by assets in the country, and comes after many years of failed attempts to sell due to the size and global economic downturn.

-Ends-

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