The following report details mergers and acquisitions activity globally during the week commencing 19th August 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

Elanco to acquire Bayer’s animal health unit

Target: Bayer AG’s animal health business
Value: USD 7,600 million
Announced date: 20th August 2019
Target region: Germany
Target business: Animal medication manufacturer

Elanco Animal Health has agreed to acquire Bayer’s animal health business for USD 7,600 million, of which USD 5,320 million will be paid in cash and USD 2,280 million will be funding by the issuance of 68 million Elanco shares. Part of the consideration will be financed with new credit facilities and closing is expected in mid-2020 following the receipts of regulatory and antitrust approvals.

Number Two Deal by Value

CK offers to buy Greene King

Target: Greene King plc
Value: USD 5,592 million
Announced date: 19th August 2019
Target region: UK
Target business: Pub operator; brewery operator; hotel operator; restaurant operator

CK Asset Holding, via CK Noble (UK), has made a cash offer to acquire UK-based pub and brewery operator Greene King for USD 5,592 million. The offer price of almost GBP 9 per share represents a significant premium to the target’s last closing share price. The consideration comprises cash and debt and also allows for the distribution of a final dividend to shareholders by Greene King. Investors will take a vote regarding the offer in November, with closing expected before the end of the year, pending the greenlight from stockholders and other European Commission approvals.
M&A

Rumours and Opportunities

Cigna considering sale of group benefits insurance unit: Reuters

Target: Cigna Corporation’s group benefits insurance business
Value: USD 6,000 million
Rumour date: 20th August 2019
Target region: US
Target business: Health insurance services; disability insurance services

Cigna is exploring a sale of its group benefits insurance division, which could be worth as much as USD 6,000 million, four people familiar with the matter told Reuters. According to these sources, the US-based health cover provider is working with an investment bank to run an auction for the asset and could attract interest from other insurers that already have similar products.

KKR considering sale of Epicor Software: Reuters

Target: Epicor Software Corporation
Value: USD 5,000 million
Rumour date: 22nd August 2019
Target region: US
Target business: Financial and human capital management solutions software developer

KKR & Co is weighing a sale of Epicor Software that could value the enterprise resource planning group at around USD 5,000 million, including debt, people with knowledge of the situation told Reuters. These insiders observed that KKR is working with an investment bank on an auction that could attract other private equity firms; however, the sources cautioned there is no guarantee of a deal taking place.
Capital Increase

Bank Artos Indonesia to hold rights issue

Target: Bank Artos Indonesia Tbk, PT
Value: USD 8,743 million
Announced date: 22nd August 2019
Target region: Indonesia
Target business: Commercial banking services

Bank Artos Indonesia has decided to issue up to 15 billion shares worth around USD 8,743 million via a rights issue, which is subject to shareholder approval and the green light from Indonesia Financial Services Authority. It is expected to complete within 12 months after receiving the go ahead from its investors. The lender intends to use proceeds for business expansion and investment.

Private Equity

General Atlantic to acquire majority stake in Morphe Holdings

Target: Morphe Holdings LLC
Value: USD 2,000 million
Announced date: 19th August 2019
Target region: US
Target business: Makeup brush and eyeshadow palette manufacturer holding company

General Atlantic has agreed to acquire a majority stake in popular online makeup brushes and eyeshadow palette manufacturer Morphe Holdings in a deal worth an estimated USD 2,000 million, including debt. All shareholders will retain a stake in the business following closing, the details of which were not disclosed. Jefferies has agreed to lead the financing for the transaction.
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Bureau van Dijk is a leading provider of company information and delivers the richest, most reliable private company, corporate ownership and deal information in the market via its Orbis database. Orbis currently covers more than 300 million companies across the globe. Bureau van Dijk also researches M&A deals and publishes the M&A research solutions Zephyr and M&A Research Catalyst.

Bureau van Dijk’s product range combines data from regulatory and other sources, including 160 information partners, with flexible software to allow users to manipulate data for a range of research needs and applications.

Bureau van Dijk became a Moody’s Analytics company in August 2017.

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Zephyr is an information solution containing M&A, IPO and venture capital deals and rumours with links to detailed financial company information. Zephyr is the recipient of numerous recent M&A industry awards, including Best Global M&A Database 2016 at the Acquisition International M&A Awards. The deals on Zephyr are linked to the company financials and peer reports on Bureau van Dijk’s company databases. Zephyr contains information on more than 1.9 million deals.

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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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