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M&A Telegram

2021

+++ A strong M&A year. Despite the ongoing Corona pandemic, Germany is experiencing a strong M&A year. After several attempts, Vonovia finally succeeds in acquiring Deutsche Wohnen. The merger will create Europe's largest residential real estate group. Deutsche Telekom makes a sweeping move. It sells its stake in the Netherlands to Apax and Warburg Pincus for approx. EUR 5.1 billion, ups the holding in T-Mobile US to approx. 48.4%, and takes on U.S. partner Softbank as a new major shareholder and in a strategic partnership. Faurecia secures the automotive supplier Hella for a transaction volume of approx. EUR 6.8 billion. HeidelbergCement sells parts of its US business to Martin Marietta Materials for approx. USD 2.3 billion. Adidas finds a buyer in the Authentic Brands Group, for which Reebok is worth approx. EUR 2.1 billion. Axel Springer acquires the website POLITICO, the news site Protocol and the 50% stake in the joint venture POLITICO Europe from the previous partner Robert Allbritton. Disney sells its 50% stake in Super RTL to joint venture partner RTL. +++

+++ Financial investors maintain high market share. After an unusually hard-fought takeover battle over the retail platform Zooplus, EQT and Hellman & Friedman join forces. The orchestrated takeover offer has a volume of approx. EUR 3.7 billion. Lone Star succeeds in the sale of BASF's former construction chemicals business to Sika for approx. EUR 5.2 billion. EQT exits energy services provider Getec with a reported transaction volume of over EUR 4 billion. Advent sells synthetic resins producer Allnex to PTT Global Chemical for approx. EUR 4 billion. CPPIB and BC Partners outbid the other interested parties in the Ceramtec sale process with their reported EUR 3.8 billion offer, while CD&R acquires a 49% stake in Solenis from joint venture partner BASF in a transaction with a total volume of approx. USD 2.5 billion. In a widely noticed transaction, Cobepa sells beverage logistics company J.F. Hillebrand to Deutsche Post for approx. EUR 1.5 billion. +++

+++ Investment control an integral part of M&A processes. After renewed tightening of the foreign trade law, investment control has now become a crucial element of M&A processes, having a significant impact on process structuring, timing and award decisions as well. The number of foreign trade law procedures has multiplied. An administrative practice has yet to evolve. Transaction security suffers. So far, however, this development has not done any noticeable damage to Germany's attractiveness as a business location. +++

+++ SPACs and capital market on thin ice. SPACs have also arrived in the German market, although other European stock exchanges seem to have an advantage over Frankfurt. While skepticism about SPACs is growing in the U.S., the first de-SPAC transactions are taking place here with HomeToGo and Boxine. After a promising start to the IPO season, the receptiveness of the capital market is reaching its initial limits. Since the summer break, IPOs no longer reliably deliver the hoped-for success. First IPOs are postponed. +++

+++ Trend likely to continue. The trend towards "corporate clarity", the unbroken financial strength of financial investors and the transformation of a wide variety of areas of economic life indicate that the global M&A boom will continue and that the German M&A market will also continue to show strength in 2022. +++

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This M&A Telegram is addressed to clients and friends of Cleary Gottlieb who are interested in developments in the German M&A market. It does not constitute legal advice.

