

## December 2017 - Monthly Briefing

10<sup>th</sup> January 2018

### European companies dominate global TMT M&A activity in December

With the exception of the huge proposed takeover of 21<sup>st</sup> Century Fox by the Walt Disney Company for \$77 billion in the US, European companies were responsible for most of the top global TMT deals in December.

In France, Safran's acquisition of Zodiac Aerospace, first proposed in January, received approval from the EU Commission in December. Zodiac Aerospace manufactures state-of-the-art solutions to improve on-board comfort and living conditions, as well as high-technology systems that boost aircraft performance and enhance flight safety. In the year to 31 August 2017, Zodiac reported revenues of €5.1 billion. The deal is valued at €7.1 billion.

Another French technology manufacturer, Thales, outbid Atos to acquire the Dutch digital security technology developer, Gemalto, for €4.7 billion. Gemalto is a global digital security player with customers in over 180 countries and annual revenues of €3.1 billion in 2016.

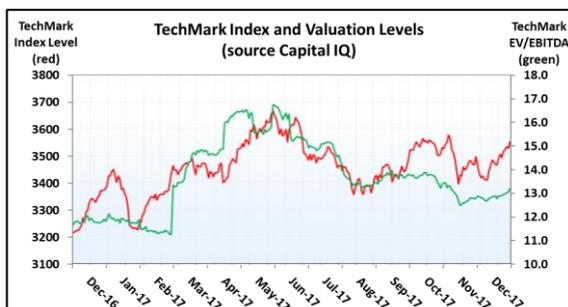
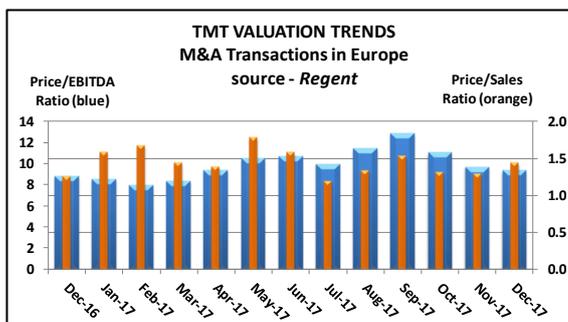
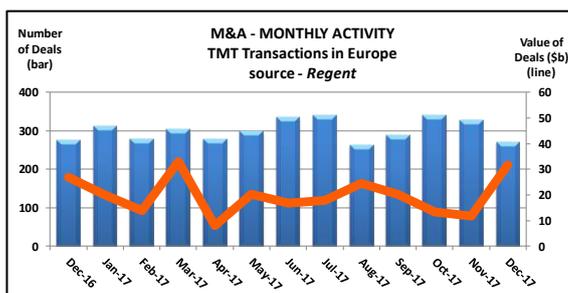
UK listed, Cineworld, announced plans to acquire NYSE-listed, Regal Entertainment Group, a leading motion picture exhibitor owning and operating one of the largest cinema circuits in the US. In FY 2016, Regal had approximately 211 million admissions and generated total revenues of \$3.2 billion with Adjusted EBITDA of \$630 million. The deal implies an enterprise value for Regal of \$5.8 billion.

A consortium led by NJJ Telecom Europe, part of NJJ Group, the private investment firm of telecoms investor and operator, Xavier Niel, has agreed, alongside Iliad, a fully integrated telecom operator in France with nearly 20m subscribers, to acquire a majority of eir, the Irish telecoms and broadband business, at an enterprise value of €3.5 billion. NJJ, which will own 32.9% and Iliad will own 31.6%. Xavier Niel is the founder of, and owns 52% of, Iliad where he serves as Deputy Chairman and Chief Strategy Officer. eir had revenue of €1.3 billion and EBITDA of €520 million in the financial year to June 30, 2017.

Liberty Global announced an agreement to sell its Austrian operations, UPC Austria, to T-Mobile Austria for a total enterprise value of €1.9 billion. UPC Austria is the largest cable operator in Austria with coverage of 36% of the households in the market, mostly in urban areas. The combined company will be an integrated provider of mobile and fixed line broadband internet, IoT (Internet of Things), mobile and fixed line telephony as well as TV and entertainment products in Austria. The company will bring quadruple play offerings to customers and will become a strong converged challenger and alternative to the incumbent A1 Telekom Austria.

#### REGENT's View of the Month

Although there were fewer European TMT M&A transactions announced in December, there were 21 deals valued at more than \$100 million including 5 in excess of \$1 billion which helped lift the aggregate value to \$32 billion in the month. Valuation multiples remain healthy with the Price/Sales ratio up from 1.3 in November to 1.4 in December but the Price/EBITDA ratio was down from 10.0 in November to 9.3. Listed technology companies, as represented by the UK TechMark index, gained 3% in December.



James Calvert  
Managing Partner  
[jcalvert@regent.com](mailto:jcalvert@regent.com)

Dr David Scurr  
Research Director  
[dscurr@regent.com](mailto:dscurr@regent.com)

Hana Glanville  
Business Development Director  
[hglanville@regent.com](mailto:hglanville@regent.com)