Winter Deal Recap

Introduction

In 2024, global M&A activity maintained a strong pace, with deal value rising by approximately 15% compared to 2023. This growth occurred despite market conditions improving less than expected, as interest rates remained high and geopolitical tensions persisted worldwide. The trend continued in the final months of 2024, as deal activity remained robust, and several new transactions occurred across industries. However, the newly announced tariffs from the Trump administration had a noticeable impact in January 2025, particularly in the U.S., where deal value declined by 18% year-over-year. In this article, we provide an overview of the main transactions that took place in the last months and their broader implications.

Financial Institutions Group

BlackRock's acquisition of HPS Investment Partners

Deal Value: $12bn | **Deal Type**: Acquisition **|** **Date**: December 3rd, 2024 | **Nationality**: US | **Premium**: N/A

BlackRock [NYSE: BLK] announced in early December the acquisition of HPS Investment Partners, one of the most prominent US private credit investment firms. Formerly part of J.P. Morgan Asset Management, the investment firm was acquired by its principals and employees in 2016 and has since then operated separately, reaching $148bn of assets under management as of September 2024.
This acquisition continues the inorganic expansion that BlackRock is pursuing within the private markets. In fact, despite having been historically focused on the public equity and bond markets, during 2024 the investment firm led by Larry Fink also completed the acquisition of Global Infrastructure Partners, a US Infrastructure private equity fund with around $100m AUM, and Preqin, a data provider for the private markets. The considerations paid were $12.5bn and $3.2bn, respectively. With these acquisitions, BlackRock is becoming one of the largest players also in the alternative investment sector, competing with KKR [NYSE: KKR], Blackstone [NYSE: BX] and Apollo [NYSE: APO].
The consideration of the deal includes the payment of around $9.4bn in stocks at the deal's closing, as well as a variable consideration up to 2.9m shares to be paid after 5 years. As part of the deal, BlackRock is also paying off about $400m of the existing debt of HPS Investment Partners and has allocated around $675m for an equity retention pool for the employees.

Aviva acquires Direct Line insurance

Deal Value: $4.65bn | **Deal Type**: Acquisition **|** **Date**: December 6th, 2024 | **Nationality**: UK | **Premium**: 73.3%

Aviva [LSE: AV] is one of the leading insurance companies in the UK, Ireland and Canada, with more than 19m customers. Over the past years, it has decided to restructure its business and refocus on its core markets, completing eight international disposals. In early December, it announced an offer to acquire Direct Line [LSE: DLG], another relevant firm in the UK insurance market, which owns the brands Direct Line, Churchill and Privilege. The combined company would become a major player, especially within the Motor insurance segment, with an approximate 20% market share. This could also raise issues with the competition authorities.
Aviva had already submitted an offer of £2.50 in late November, which was though rejected by Direct Line's board

as deemed too low. The subsequent sweetened offer values each share at £2.75, which represents a premium of approximately 70% compared to the pre-announcement price. The consideration consists of a mix of cash and stock, with £1.297 paid in cash and the exchange of 0.2867 new Aviva shares per Direct Line share. In addition, a dividend payment of up to 5 pence would also be paid prior to completion. The sweetened offer comprised a 10% increase in the valuation of Direct Line shares, and a final agreement was found in late December. After the closing, Aviva existing shareholders would own approximately 87.5% of the newly formed company.

Technology

Emerson to Acquire Remaining Outstanding Shares of Aspen Technology

Deal Value: $16.8bn | **Deal Type:** Acquisition | **Date:** January 27th, 2025 | **Nationality:** USA | **Premium:** 11.54%

Emerson [NYSE: EMR], a global provider of solutions for industrial manufacturing, is set to acquire the remaining shares of Aspen Technology in an all-cash tender offer for $265.00 per share. The transaction will see AspenTech become a wholly owned subsidiary of Emerson, building on Emerson's 57% pre-existing majority stake. This deal values the minority stake at $7.2bn and the total company at an enterprise value of $16.8bn. AspenTech provides an array of systems for industrial use, and their current offering certainly complements Emerson on their journey from originally starting as a motor manufacturer in the late 19th century to their current position as an industrial technology giant. Industrial players are increasingly looking to digitalize, and this deal exemplifies acquisition trends in this sector, following in the footsteps of Siemens in their acquisition of Altair and Rockwell Automation buying Plex Systems. With that being said, renowned activist investor Elliott Investment Management has recently released a statement disclosing their $1.5bn minority stake in AspenTech and vehemently opposing Emerson's offer, citing gross undervaluation of the acquiree. In the context of wider consolidation in this space, Emerson's tender offer is certainly a key story to keep an eye on.

Industrials

Amcor to acquire US firm Berry Global in an all-stock deal

Deal Value: $8.4bn | **Deal Type**: Acquisition | **Date**: November 19th, 2024 | **Nationality**: Switzerland, US | **Premium**: 10%

Amcor [NYSE: AMCR] is a Switzerland-based company operating in the packaging sector, with revenues exceeding $13bn. In November, it announced the acquisition of Berry Global [NYSE: BERY], another firm operating in the packaging industry, though based in the US and with revenues topping $12bn.

The sector is currently undergoing a slowdown in demand, with revenues down around 15% and 7% compared to 2022 for Berry Global and Amcor, respectively. During the pandemic, in fact, the e-commerce boom spurred substantial growth, which did not continue in the following years. As a result, a period of consolidation struck the sector, with two other major acquisitions taking place earlier during the year. The Switzerland-based company Evyosis was acquired by Sonoco [NYSE: SON] for approximately $3.9bn, while International Paper [NYSE: IP] acquired the UK company DS Smith [LSE: SMDS] for around $7.2bn.

The acquisition of Berry Global represents the largest acquisition of the company so far, after the acquisition of Bemis in 2019 for around $5.25bn. The all-stock deal comprises the exchange of 7.25 Amcor shares for each Berry share, resulting in Amcor and Berry shareholders owning approximately 63% and 37% of the combined company, respectively. Management of the firms expects synergies of $650m by the end of 2027, most of which should come from cost savings.

American Axle to buy Dowlais, owner of GKN automotive

Deal Value: $1.4bn | **Deal Type**: Acquisition **|** **Date**: January 29th, 2025 | **Nationality**: US, UK| **Premium**: 24%

As a result of the difficult and uncertain period that the automotive sector is going through, companies are looking to consolidate their positions in order to benefit from greater economies of scale. Within this outlook, at the end of January, American Axle [NYSE: AXL], a Detroit-based manufacturer of automobile driveline and drivetrain components, announced the acquisition of UK-based Dowlais [LSE: DWL], which was created by a spun-off of the GKN Automotive, Metallurgy and Hydrogen business from Melrose Industries in 2023.
The combined company will have revenues exceeding $11bn and management expects synergies up to $300m within the three years following the completion of the deal. The consideration consists of £0.42 in cash, 0.0863 New American Axle shares and an additional £0.028 one-off dividend. Based on the share prices as of the announcement date, the offer values each Dowlais share at £0.852 and existing Dowlais' shareholders will own approximately 49% of the combined firm.

Energy & Natural Resources

Constellation Energy buys rival Calpine Corp in blockbuster power deal

Deal Value: $29.4bn |**Deal Type:** Acquisition |**Date:** January 10th, 2025 |**Nationality:** USA |

Premium: N/A

Nuclear power giant Constellation Energy [NASDAQ: CEG] acquired the privately held power producer Calpine Corporation in a transaction that sees Constellation become the largest competitive retail electricity supplier in the US, serving 2.5m customers. The cash-and-stock deal includes $12.2bn in common shares of Constellation stock and $4.5bn cash, with Calpine continuing to operate as an independent entity. Constellation's share price rose 25% upon announcement of the deal.
With demand for electricity rising globally, spurred by the augmentation of energy-intensive data centers and robust activity in the services industries, natural gas is poised for a major resurgence. Calpine's fleet of 79 energy facilities represents a generating capacity of more than 2.7GW, making them the largest generator of electricity from natural gas in the US. Combining this extensive network with Constellation's fleet of nuclear, hydro and wind facilities gives the combined entity a collective capacity of 60GW and further cements this transaction as a major strategic move in an increasingly pertinent sector.

Apollo and BC Partners acquire a controlling stake in GFL Environmental Inc.'s Environmental Services unit

Deal Value: $5.6bn |**Deal Type:** Acquisition |**Date:** January 7th, 2025 |**Nationality:** USA | **Premium:** N/A

Sustainable solutions provider GFL Environmental Inc [NYSE: GFL] [TSX: GFL] has entered into an agreement to sell a majority stake in its Environmental Services business. The transaction values the unit at an enterprise value of $5.6bn, significantly exceeding initial management expectations, and sees GFL retain a 44% stake, whilst Apollo and BC will hold a 28% equity stake each. From GFL's perspective, the strategic rationale is multi-faceted. Principally, with GFL intending to use up to $2.61bn of proceeds to repay debt and pro forma net leverage getting down to 3-4x, the firm's BB- issuer rating has been placed on CreditWatch with positive implications. This strategy brings GFL closer to an investment-grade rating and hence increases flexibility concerning future capital allocation.

The deal also sees BC partners continue their relationship with GFL, one that started in 2018. Meanwhile Apollo believes that an independent Environmental Services business has immense potential to explore both organic and inorganic growth opportunities and capitalise on the combined expertise of both the Hybrid Value and Infrastructure strategies.

Healthcare

Johnson & Johnson to acquire Intra-Cellular Therapies Inc

Deal value: \$15.5bn | **Deal type:** Acquisition | **Date**: January 13th, 2025 | **Nationality**: USA | **Premium**: 39.14%

On January 13th, Johnson & Johnson [NYSE: JNJ] announced its first biotech deal in the last 8 years – the \$15.5bn acquisition of Intra-Cellular Therapies Inc [NASDAQ: ITCI], an American biopharmaceutical company advancing innovative treatments for people with psychiatric and neurologic diseases. Drug development in this field has long been challenging due to the brain's complexity, leading to high failure rates in early-stage clinical trials. However, the deal enables J&J to access Intra-Cellular's oral therapy, Caplyta, which is already approved in the U.S. for treating schizophrenia and depressive episodes linked to bipolar disorder. Following a recent patent dispute victory, the treatment is expected to remain free from generic competition until 2040. Additionally, its potential expansion to other depressive disorders is under review, leading analysts to project sales exceeding \$1bn in 2025. From a strategic perspective, the acquisition serves as a valuable external growth opportunity for J&J, amidst a surging mental health crisis, an aging population, and looming patent expirations of other. However, some overlaps in product portfolio related to depression and schizophrenia treatments risk product cannibalization and some investors have raised concerns about a potentially though antitrust review, explaining the vague expectation of J&J to close the deal "later this year".

Bain Capital acquiring Surgery Partners

Deal value: \$5.2bn | **Deal type:** Going private | **Date**: January 27th, 2025 | **Nationality**: USA | **Premium**: 26.72%

Late last month, private equity firm Bain Capital made a \$5.2bn offer to buy the remaining 61% share of Surgery Partners Inc [NASDAQ: SGRY] for \$25.75 per share in cash, aiming to take the company private. The healthcare services company is one of the five largest operators of surgical facilities in the US with more than 200 locations in 33 states. The bid follows a strategic review process, during which Surgery Partners explored offers from both private equity firms and strategic bidders but did not reach a deal. Analysts believe that the proposed 26.72% premium is relatively low and might attract other parties, such as TPG Inc. [NASDAQ: TPG] and UnitedHealth Group [NYSE: UNH], both of which have previously shown interest in acquiring the company. Following the announcement, Surgery Partners' shares surged 20%, reflecting investor optimism. However, the proposal remains non-binding and subject to evaluation by a Special Committee of independent directors. If Bain Capital secures full ownership, it would capitalize on the growing shift toward ambulatory surgery centers (ASCs), which offer a cost-effective alternative to hospital-based procedures, a trend increasingly favored by insurers and patients amid rising healthcare costs. The deal also comes at a time when private equity investment in healthcare services continues to rise, as firms seek to tap into high-margin, scalable businesses within the sector. Whether Bain Capital's offer will stand or trigger a bidding war remains uncertain, but the outcome could have significant implications for the broader healthcare landscape.

Stryker agrees to acquire Inari Medical in $4.9bn all-cash deal

Deal Value: $4.9bn |**Deal Type:** Acquisition |**Date:** January 6th, 2025 |**Nationality:** USA | **Premium:** 60.74%

Global MedTech company Stryker [NYSE: SYK], has agreed to acquire Inari Medical for $80 per share, valuing the company at an equity value of $4.9bn. Inari, an innovator in solutions for peripheral vascular diseases, boasts a product portfolio that is highly comparable to Stryker's neurovascular business. Furthermore, with Stryker's more robust production and research capabilities, the acquisition certainly enhances their patient outreach and life-saving abilities. Inari has long been considered an attractive acquisition target within a rapidly evolving MedTech space. But the company's recent history has been one marred with legal troubles and U.S. Department of Justice controversy, due to allegations of unlawful compensation of care professionals. Stryker, having paid a significant premium to Inari's share price, appears to be immensely confident in navigating and future legal and regulatory troubles. On the whole, the acquisition undoubtedly opens the door for market growth in a largely nascent peripheral vascular sector and may spur further technological innovation.

Transportation

Kingdom of Denmark to acquire Copenhagen Airport 3Bn

Deal value: $3.8bn | **Deal type:** Nationalization | **Date**: December 2nd, 2024 | **Nationality**: Denmark | **Premium**: N/A

As part of a strategy to enhance Denmark's connectivity and safeguard critical infrastructure, the Kingdom of Denmark announced in December a $3.8bn deal to acquire an additional 59.4% stake in Copenhagen Airports (CPH) from pension funds ATP and Ontario Teachers' Pension Plan, raising its total ownership to 98.6%. The government plans to gradually reduce its stake to 50.1%, aiming to balance state oversight with private sector efficiency and innovation. Danish Finance Minister Nicolai Wammen emphasized that the move ensures "responsible and long-term" ownership, allowing the state to select strategic partners that align with Denmark's economic and sustainability goals. Scandinavian Airlines (SAS) [STO: SAS] welcomed the decision, highlighting the importance of collaboration among stakeholders to solidify Copenhagen's status as a global aviation hub. The move, at least in the short-term, goes against the broader European trend of increased private sector participation in airport management, seen in Ardian's 23% stake in Heathrow and PSP Investments' acquisition of AGS Airports (Aberdeen, Glasgow, and Southampton). However, the intent to reduce state ownership in the future promises to combine the best of both worlds. Following the announcement, Copenhagen Airports' shares surged 13.1%, indicating strong investor confidence in the government's commitment to long-term airport growth. However, the transaction remains subject to regulatory approvals and other conditions.

TAGS: Deals, Financial Institutions Group, Healthcare, Industrials, Technology, Energy

