

View this email in your browser

BOW Finance Newsletter

2019-2020 Issue 5

Investment Banking: Worldline to Acquire Ingenico



Type of Deal: M&A
Industry: Financial Technology
Acquirer: Worldline (WLN, €69.35; advisor: Morgan Stanley, Cardinal Partners)
Target: Ingenico (ING, €131.15; advisor: Goldman Sachs Paris, Rothschild)
Purchase price: USD \$5.4 billion (\$130 per share) in cash
Time announced: February 3, 2020
Time closed: Expected third quarter of 2020
Purchase price: €7.8 billion (US\$8.7 billion)

Background: Worldline and Ingenico are both European payment companies. Ingenico specializes in point of sale payment terminals, like PIN pads. Worldline has a broader focus on the overall payment chain but historically specializes in e-payment transactions.

Acquisition Rationale:

- Increased market share:** Historically, Worldline and Ingenico have been competitors in the world of European payments. By acquiring Ingenico, Worldline will be able to increase its share of European (and global) digital transactions and to increase its competition with over rivals, like Global Payments, Worldpay and Wirecard. In 2018, Worldline reported revenue of €1.7 billion and Ingenico reported revenue of €2.64 billion, making it a higher risk acquisition.
- Research & Development:** By acquiring Ingenico, Worldline will be able to more extensively cover the entire payment chain which ranges from card terminals to transaction security. This will result in increased revenue, hopefully boosting shares. Further, the acquisition will allow Worldline to further its research and create new, more efficient processing systems that are essential to meet the growing demand for online payments.

Investment Banking: Bristol-Myers Squibb's Acquisition of Celgene



Type of Deal: M&A
Industry: Healthcare
Acquirer: Bristol-Myers Squibb (BMY, \$66.25; advisor: Morgan Stanley, Evercore and Dyal Co)

- Acquirer description: Bristol-Myers Squibb, headquartered in New York City, is a global pharmaceutical company focused on creating and delivering innovative medicine for millions of patients worldwide in areas like cancer, cardiovascular disease, diabetes, fibrosis, hepatitis, etc.

Target: Celgene (CELG; Advisor: J.P. Morgan and Citi)

- Target description: Celgene Corporation, headquartered in Summit, NJ, is a global biopharmaceutical company that develops and commercializes medicines for cancer and inflammatory disorders.

Time announced: January 3, 2019
Time closed: November 20, 2019
Purchase price: \$74 billion

Deal points: Bristol-Myers Squibb's acquisition of Celgene is one of the most expensive acquisitions in the pharmaceutical industry. Bristol-Myers sold Celgene's psoriasis drug Otezla to Amgen Inc. (AMGN) in August for \$13.4 due to antitrust concerns expressed by the U.S. Federal Trade Commission (FTC). See the transaction fact sheet [here](#).

Acquisition Rationale:

- Revenue Potential:** the Combined company will have nine drug products with more than \$1 billion in annual sales as well as six expected near-term product launches representing more than \$15 billion. These launches broaden Bristol-Myers Squibb's market position due to product differentiation and innovation. Celgene's portfolio of biopharmaceuticals will help Bristol-Myers Squibb diversify its portfolio and its existing franchises in oncology, hematology, immunology, and cardiovascular disease.
- Cost Synergies:** Bristol-Myers Squibb expects the acquisition to result in cost synergies around \$2.5 billion by 2022, with 55% from optimized Selling, General, and Administrative (SG&A) expenses, 35% from optimized Research and Development (R&D) expenses, and 10% from optimized manufacturing capabilities. Optimized expenses are expected due to factors such as combined company's early-stage research pipeline, commercial efficiencies, reduction in overlapping sources, and geographic market optimization.

Markets

Market Updates:

- Stocks:** U.S. stocks posted their biggest weekly gains in months, amidst a strong U.S. jobs report (225,000 new jobs in the past month), signaling a robust labor market. The unemployment rate rose slightly to 3.6%, but for a positive reason because the labor force participation rate increased to 63.4%, the highest level since 2013. [Read here.](#)
- Bonds & Rates:** Bond prices rose recently due to investor uncertainty caused by poor European economic data and continued fear of the coronavirus outbreak. Mortgage rates are falling to multi-year lows, pushing up home sales and improving the outlook on the housing market. [Read here.](#)
- Currencies:** The pound fell against the U.S. dollar recently, reflecting uncertainty caused by recent trade talks between the two countries.
- Commodities:** Oil prices fell on concerns that the coronavirus outbreak will reduce energy consumption, but has since slightly rebounded.

China's Coronavirus Outbreak:

Summary:
 Recently, an incredibly fast-spreading and dangerous new virus has caused a continuously increasing number of deaths and is spreading to regions outside of China, interrupting travel and business. This new virus is scientifically named 2019-nCoV, or novel coronavirus. The first case of coronavirus was identified in early December of 2019 in Wuhan, China, and 41 people developed pneumonia without a clear cause. It currently appears to have a mortality rate of about 2% of the people infected – less deadly than a related pathogen named SARS that had a mortality rate of about 10% – and many of those who died from the new coronavirus are elderly or have other diseases. Still, this has been declared a Public Health Emergency warranting numerous travel restrictions and warnings among many countries, with 80% of Chinese provinces' workplaces shut down for an extended period of time.

Economic & Market Implications:

The outbreak's main brunt of effects occurred in January, but U.S. markets have somewhat stabilized since then.. Suppliers to China, travel stocks including the airline sector, and Brent crude oil(the global benchmark of the main transport fuel) are all down. However, the U.S. benchmark S&P 500 is only down 3% as opposed to Chinese, South Korea, and Taiwanese stocks, down 11%, 9%, and 6% respectively. Bond prices have risen and yields have significantly lowered. Despite the moderate level of reaction in the U.S. markets, some have still expressed concern over the assumptions investors have made that underlie this market reaction. Many assume the effects of the virus will be short-lived, that the wider population outside of China will remain calm, and that China's preventative actions are not disruptive. However, we have little idea if these assumptions will hold true: the virus's danger and spread are still unknown, and global confidence is difficult to predict. If confidence crumbles, stock prices may fall significantly, since the U.S. economy has been reliant on consumer confidence for the past year as U.S. manufacturers and exporters struggled. Currently, the world remains on the edge of their seat, and can only wait to see if these predicted outcomes end positively for global health and the markets.

Upcoming Campus Events and Deadlines

Upcoming Deadlines:

-March 2: BlackRock Fine Your Future Forum; apply [here](#)

Rolling Deadlines:

- NTT Data (project & program management consultant); apply [here](#)
- Starwood Capital Group (full-time acquisitions analyst); email nrouleau@starwood.com
- Evercore (healthcare IBD intern in SF); contact Pranav Ganapathy (pg113@duke.edu)
- PIMCO (accountant analyst); apply [here](#)
- Principal Financial Group; apply [here](#)
- Summit Partners (growth equity & venture capital intern); apply on Career Connections
- DUMAC (senior full-time position)

*Please check CareerConnections for more information

Past Issues Archive

Click [here](#) for the past issue!

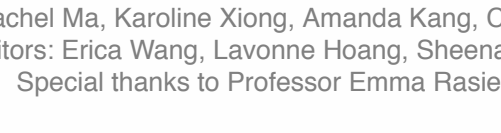


Learn more about us at <http://www.duke-bow.com/>

Disclaimer: These articles are written by Duke students, and only represents the opinions and understandings of the writers. In addition, please do not all talk about the same transactions and news when conversing with firm representatives visiting campus - this is designed as overviews and to help you think more in depth about finance.

Want to sign-up to the Newsletter? Click [here!](#)

Writers: Annabelle Howell, Rachel Ma, Karoline Xiong, Amanda Kang, Caroline Kincaid, Taylor Shabani
 Editors: Erica Wang, Lavonne Hoang, Sheena Ma,
 Special thanks to Professor Emma Rasile!



Duke Association for Business Oriented Women · Duke University · Durham, NC 27708 · USA

Want to change how you receive these emails? You can [update your preferences](#) or [unsubscribe from this list](#).

This email was sent to [«Email Address»](#)
[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)
 Duke Business Oriented Women · Duke University · Durham, NC 27708-0001 · USA

