



# Global Financial Insights

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## Introduction

The global financial landscape is experiencing significant shifts, characterized by a series of high-impact mergers and acquisitions, private equity transactions, and capital market activities. These developments are not merely indicators of market trends but are strategic moves that shape industries, influence economies, and redefine the competitive landscape on a global scale. In recent months, both established and emerging markets have witnessed a wave of financial activities that reflect broader economic, technological, and regulatory dynamics.

This article will examine major transactions, providing a comprehensive overview of notable deals across the globe, including key developments in Nigeria and Africa. By analyzing these transactions, we aim to offer global insights into the strategic considerations driving these decisions and their potential implications for market participants and stakeholders in the financial sector. We have delineated these transactions according to three sectors and discussed below:

# Mergers & Acquisitions

As a key component of corporate strategy, mergers and acquisitions as a mode of restructuring an entity has continued to spur innovation, expansion, and market consolidation. Over the past few months, several high-profile transactions have been publicized, impacting investor sentiment as well as industry dynamics. These transactions include:

- 1. Mars' Acquisition of Kellanova (August 2024):** One of the biggest deals ever in the packaged foods industry, Mars' \$36 billion acquisition of Pringles maker Kellanova, would be finalized in the first half of 2025. This acquisition not only strengthens Mars' position in the food packaging industry it also provides a wager on customers' continued indulgence in branded snacks as packaged food businesses face slowing growth as a result of years of price hikes embarked upon to cover rapidly rising inflation.
- 2. Johnson & Johnson's Acquisition of Shockwave Medical (May 2024):** In the healthcare sector, Johnson & Johnson's \$13.1 billion acquisition of cardiovascular technology company Shockwave Medical represents a strategic move in expanding its leadership position in the MedTech industry. This purchase will expand Johnson & Johnson's portfolio of coronary artery disease (CAD) and peripheral artery disease (PAD) treatments, two fast-growing segments of the healthcare market. This deal reflects the ongoing consolidation in the MedTech industry, driven by the need for innovation and robust drug pipelines.

- 3. ExxonMobil's Acquisition of Pioneer Natural Resources (May 2024):** In the energy sector, the acquisition of Pioneer Natural Resources by ExxonMobil, which was valued at \$60 billion including debt, ExxonMobil spent roughly \$64.5 billion. In line with Federal Trade Commission directives, Pioneer CEO Scott Sheffield was barred from joining ExxonMobil's board of directors. The transaction highlights the larger trend of consolidation in the oil and gas business, in which larger companies acquire smaller ones to gain a competitive advantage. This might give ExxonMobil more market power and perhaps change the competitive dynamics in the industry.
- 4. Honeywell's acquisition of Carrier Global (June 2024):** In the building automation and security sector, Honeywell's \$4.95 billion acquisition of Carrier's Global Access Solutions business positions Honeywell as a leading provider of security solutions for the digital age with opportunities for accelerated innovation in the fast-growing, cloud-based services and solutions space. The deal underscores the ongoing consolidation in the industry, driven by the increasing demand for advanced security technologies and the need for comprehensive, integrated solutions in smart buildings. This acquisition highlights the increasing convergence of technology and security.

These global Mergers and Acquisitions transactions illustrate how businesses are leveraging strategic acquisitions to boost their edge over competitors, diversify their holdings, and take advantage of expanding market opportunities.



# Private Equity

The financial sector is still largely driven by private equity, with companies using their capital to purchase, expand, and restructure businesses in a variety of industries. The industry has demonstrated its adaptability and durability in the face of fast environmental change through recent private equity investments.

- 1. Vista's majority investment in Nasuni (July 2024):** Cloud storage firm Nasuni has been valued at about \$1.2 billion through a majority investment led by Vista Equity Partners. TVC and KKR also joined in the investment round. This investment highlights the growing interest in the technology sector in emerging markets. This investment aligns with the broader trend of private equity firms focusing on high-growth markets with substantial technological potential, such as the growing demand for scalable, secure, and affordable data management solutions that position Nasuni for significant returns.
- 2. Permira Takes Squarespace Private in a \$6.9 billion deal:** Permira's \$6.9 billion all-cash deal to take website builder Squarespace Private underscores the growing interest in the digital services sector. This move highlights the ongoing strategy of private equity firms to invest in rapidly expanding sectors with significant long-term growth prospects.

- 3. Deal to Privatize Adevinta by Private Equity Consortium:** Private equity consortium, including (Permira, General Atlantic, TVC, and Blackstone), acquires eBay-backed online classifieds group Adevinta for about 141 billion Norwegian crowns (\$13.1 billion) in one of Europe's biggest buyouts. The long-running acquisition of Adevinta reached completion this year, 2024. The marketplace giant specialist is now a private company under new ownership.
- 4. KKR's \$ 4.8 billion investment in Instructure:** KKR, a global investment firm, entered into an agreement to acquire Instructure, an educational technological platform, in an all-cash transaction valued at an enterprise value of approximately \$4.8 billion. This deal further demonstrates the growing interest of private equity firms in the technological sector.

In Nigeria, private equity activity has also been noteworthy. Recent deals include the \$10 million structured private credit facility for one of the country's largest aluminum recyclers by TLG Capital, an alternative investment firm in collaboration with Wema Bank, Nigeria's financial institution and pioneer of Africa's first fully digital bank, ALAT. This deal sets a pioneering benchmark in sustainable finance and massive carbon footprint reduction.

# Capital Markets

Capital markets have remained active globally, with a steady flow of initial public offerings (IPOs), bond issuances, and secondary market transactions. These activities are critical in providing companies with the capital needed to fund expansion, innovation, and strategic initiatives.

- 1. Jumia Secondary Share Sale (August 2024):** The eCommerce giant Jumia completed its at-the-market (ATM) offering of 20,227,736 American Depositary Shares (ADSs), generating aggregate gross proceeds of \$99.6 million before commissions and offering expenses. Jumia will use the funding to finance ongoing efforts to acquire more customers and expand its supplier base and logistics network. It will also invest in improving the technology that supports its vendors and marketing vertical—a value-added service that it has been extending to its customers.
- 2. Nigeria's Domestic Dollar Bond (August 2024):** Nigeria has rolled out plans to issue a \$2 billion domestic dollar bond to be raised in four batches of \$500 million each. It has issued the first series of \$500 million domestic dollar bonds for both local and foreign investors. This issuance is part of Nigeria's broader strategy to raise funds for infrastructure development and economic diversification.
- 3. Apple's Stock Drop:** Apple's shares experienced a notable drop in the Stock market after European Union regulators fined Apple about \$2 billion for violating EU antitrust rules with its App Store policies. Warren Buffett also slashed his significant Apple stake of about \$1.69 Billion by selling 389,368,450 shares of Apple in the second quarter by half, causing the tech stock to crater amid the intensifying global sell-off.

This decline in Apple's stock highlights the sensitivity of the market to large-scale moves by major shareholders and the potential ripple effects such actions can have on the company's overall valuation.

- 4. Aramco completed \$6 billion bond issuance:** Aramco, one of the world's leading integrated energy and chemicals companies, completed a bond issuance of \$6 billion. The issuance was comprised of three tranches of USD-denominated senior unsecured notes under Aramco's Global Medium Term Note Program ("GMTN"). The offering was more than six times oversubscribed, based on the initial targeted size of \$5 billion. The transaction received strong demand from a diverse base of investment-grade-focused institutional investors. All three tranches were favorably priced with a negative new issue premium, reflecting Aramco's strong credit profile.

In Nigeria, there is an ongoing banking recapitalization program, as mandated by the Central Bank of Nigeria, for banks to enhance their financial base and support economic growth, in line with the Federal Government's target of aiming for a US\$1 trillion economy by 2030. In line with this directive, some banks are opting for mergers to strengthen their financial positions, while others are raising capital through Initial Public Offerings (IPOs) and rights issues. This strategy is aimed at enhancing resilience and compliance with regulatory requirements, ensuring the stability of the financial sector.

These capital market transactions, both globally and within Nigeria, underscore the importance of accessing public markets to fuel corporate expansion, drive innovation, and enhance shareholder value.



## Conclusion

The global financial sector is undergoing major transformations, with significant mergers and acquisitions, private equity investments, and capital market activities shaping the landscape. As these developments continue to unfold, it is vital for Nigerian businesses and investors to remain vigilant and proactive in understanding global financial dynamics. By staying ahead of these changes and leveraging new opportunities, as a country, we can better position ourselves to navigate market challenges and contribute meaningfully to the nation's economic progress. Nigerian businesses and investors must be aware of worldwide trends as the financial landscape changes and seize any chances that present themselves. A greater grasp of the ramifications of these international financial operations can help Nigerian stakeholders manage the market's intricacies and advance the nation's economic expansion.

# About Stren & Blan Partners

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Stren & Blan Partners is a full-service commercial Law Firm that provides legal services to diverse local and multinational corporations. We have developed a clear vision for anticipating our client's business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

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