

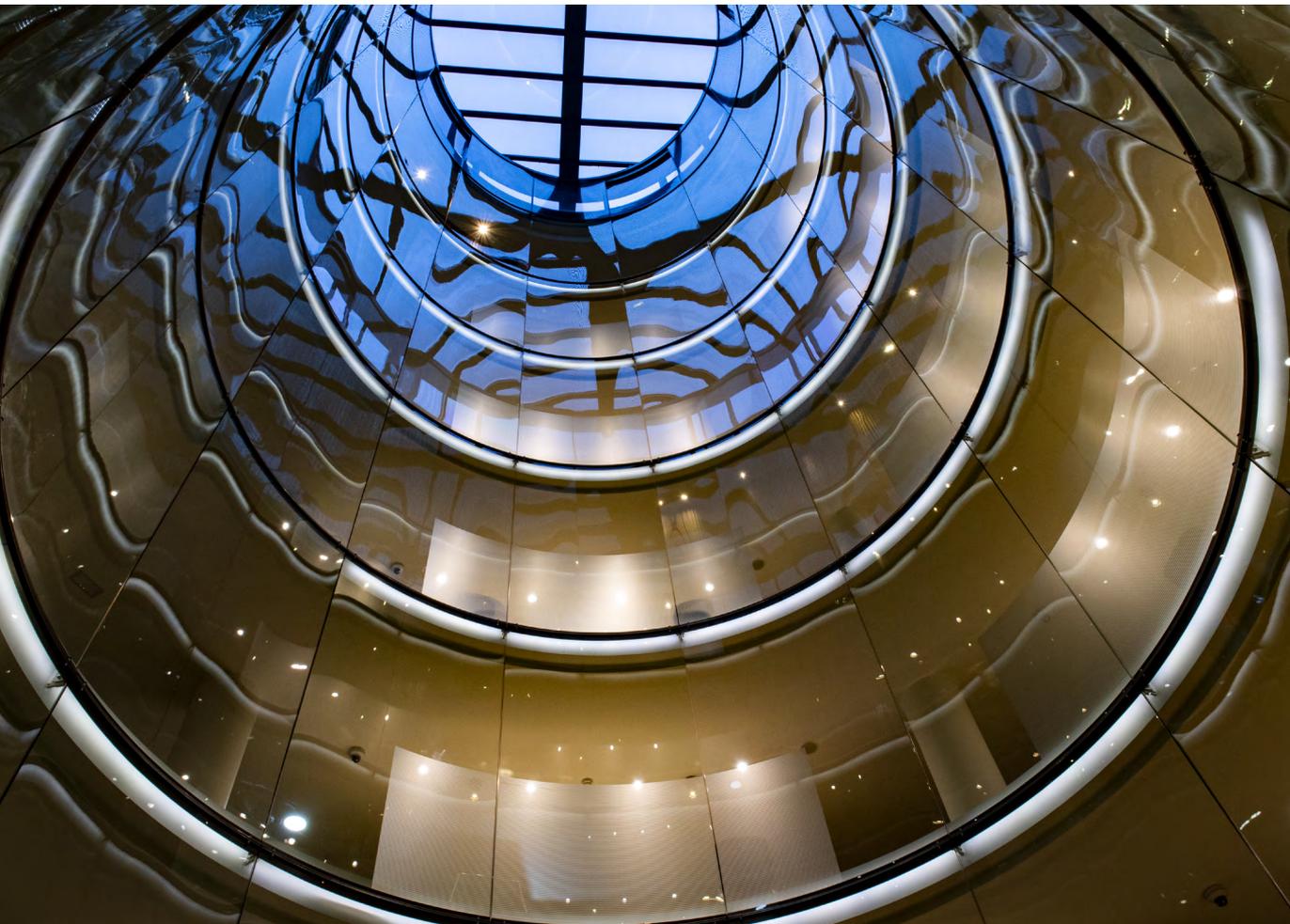


CUATRECASAS

# PUBLIC M&A

Trends and Highlights of  
Takeover Bids in Spain

January 2017 - July 2019







**CUATRECASAS**

# PUBLIC M&A

## Trends and Highlights of Takeover Bids in Spain

**ACI** > Knowledge & Innovation  
Group

October, 2019

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This report provides general information on the Spanish Public M&A market during 2017, 2018 and the first half of 2019 and updates many of the data and tables we included in the practical guide "Ten Years of the Takeover Bid Regime in Spain" we published in February 2017.

It is not intended, and cannot be considered, as a comprehensive and detailed analysis of Spanish takeover bid regulations and market practice or, under any circumstance, as legal advice from Cuatrecasas.

This report was drafted on the basis of information available as of 31 July 2019. Cuatrecasas is under no obligation and assumes no responsibility to update this information.

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# INTRODUCTION

This report offers an overview of the Spanish Public M&A market from 1 January 2017 to 31 July 2019. On February 2017, we published a practical guide analysing the implementation of the Spanish takeover bid regulation over the last decade (the “**Practical Guide**”). Due to its strong market acceptance, we have decided to provide a round-up of the key highlights and trends evidenced since that publication and update many of the data and tables we included in our Practical Guide.

The focus of this report is to address practical issues that will help a potential bidder considering an offer to acquire control of a company registered in Spain and listed on the Spanish Stock Exchanges. It does not intend to be comprehensive and therefore, we refer to our Practical Guide for a more detailed explanation of some of the topics. The Practical Guide is not available to the public but you can request a copy by contacting any of the members of our Securities Markets team.

The report is divided into two parts. The first one includes a review of the tender offers launched from 1 January 2017 to 31 July 2019 and comments on many of the questions that crop up regularly in Spanish public M&A transactions. To help understand many of our comments, the second part of the report includes a Q&A on Spanish takeover bids that provides information on frequent questions and concerns faced by potential bidders.

This report is not intended, and cannot be considered, as a comprehensive and detailed analysis of Spanish takeover bid regulation and market practice. It should not be relied on in place of detailed advice about any specific transaction.



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# Spanish ToB regime at a glance

## 1 Regulatory Framework

- Based on EU Takeover Bid Directive (2004/25/EC)
- Main regulations: Spanish Securities Markets Act and Royal Decree 1066/2007

## 2 Mandatory bids

- Triggered by acquisition of control
- Full offer
- Equitable price
- Unconditional (except mandatory authorizations from antitrust and other supervisory bodies)

## 3 Voluntary bids

- Can be partial
- Freely priced (with limited exceptions)
- Can be made conditional (CNMV has to agree that the condition complies with law)
- Bidders frequently enter into irrevocable undertakings with existing shareholders

## Control thresholds

- $\geq 30\%$  voting rights
- An additional stake, and in 24 months following acquisition, appoints a number of directors that, in addition to any directors previously appointed by them, represents over half the members of the governing body
- If, as of 13.08.17, the bidder held a stake of  $30\% \leq x < 50\%$  in the target company and acquires:
  - 5% within 12 months
  - 50% voting rights

## 4 Squeeze-out /sell-out rights

- Bidder acquires  $\geq 90\%$  target's voting rights; and
- the offer is accepted by  $\geq 90\%$  of the voting rights to which it was directed.

## CNMV's waivers and legal exceptions to mandatory bids

- Counterweight shareholders
- Rescue operations
- Total voluntary bids
- Mergers
- Shares acquired for no consideration

## 5 Acquisition structure

- Mandatory vs voluntary bid strategy
- Bid consideration
- Financing
- Regulatory requirements
- Bid conditions
- Likelihood of competing offers
- Post deal plans



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If you would like to have access to the full version of this guide, please send an e-mail indicating your full name, position, company and email address:

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If you are interested in further reading about takeovers in Spain, you might also want to request access to our guide “Ten years of the takeover bid regime in Spain”.

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