



## **CMA CGM makes offer for additional CEVA shares**

**CEVA's board says the offer is friendly but shareholders may do better if they hold onto their shares.**

By Chris Dupin | Jan 28, 2019

CEVA Logistics is suggesting stockholders may want to hang in there for a few more years rather than sell their shares immediately, saying they will reap benefits from growth and CEVA's intensified cooperation with the French container shipping company CMA CGM.

CMA CGM has announced a tender offer to purchase publicly registered shares of CEVA that it does not own or control for 30 Swiss francs (CHF) each. It is following up plans announced last year by the two companies "to work together and to evaluate opportunities to expand the commercial cooperation and to develop complementary services which address the increasing customer need for integrated end-to-end solutions and one-stop shop providers."

CEVA, with shares listed on the Swiss Stock Exchange last year, spurned two takeover bids by the Danish logistics company DSV in 2018 — the first for 27.75 CHF and the second for 30 CHF — in favor of closer cooperation with CMA CGM, and CMA CGM promised to make a tender offer for CEVA's shares.

CEVA calls the CMA CGM offer "friendly," but its board of directors is recommending shareholders not tender their shares.

"Based on a comprehensive review of the revised business plan for the period up to 2023 developed with external advisers and based on an independent financial opinion the board of directors, with the exception of two conflicted members, came unanimously to the conclusion not to recommend to CEVA's shareholders to tender their shares into the offer. The valuation of the revised business plan indicates a midpoint value of CHF 40 per share, well above the share price of CHF 30 offered by CMA CGM."

However, the company added its directors believe "the offer price of CHF 30 per CEVA share is reasonable from a financial perspective and that the offer provides a fair exit opportunity for shareholders who wish to receive cash for their CEVA shares."

It says its recommendation not to tender shares is based on "the belief that shareholders

could realize a higher value with their continuing investment, due to: the growth potential inherent in the CEVA business, the effects of the acquisition of the freight management business of CMA CGM and the strategic partnership between CEVA and CMA CGM.”

In a [prospectus](#) issued Monday, CMA CGM is offering to acquire up to 27,289,906 shares additional shares or about 49.35 percent of CEVA’s outstanding shares at 30 Swiss francs each.

CMA CGM says that it and “persons acting in concert” with it, including members of the founding Saade family, already own 18,192,034 shares or about 33 percent of the shares. It also says it has purchased pursuant to forward share agreements with Societe Generale and Goldman Sachs for 13 percent of CEVA and that another 4.5 percent of CEVA shares are the subject of a swap with Goldman Sachs. Owners of more than a third of a company are required to make a tender for its shares under Swiss law.

CEVA said, “The strategic partnership between CMA CGM and CEVA is aimed to offer end-to-end logistics solutions to each partner’s customers, pioneering the development of integrated logistics solutions, while retaining an arm’s-length business relationship between the partners. CMA CGM plans to keep CEVA as an independently listed company with a significant free float on SIX Swiss Exchange.”