

ACQUISITION

Infineon's acquisition of Cypress is almost done

Infineon Technologies has announced that all necessary regulatory approvals have been received for its acquisition of Cypress Semiconductor. Infineon expects to close the transaction within five business days.



Source: Stock Adobe)

Beginning of June 2019 ([we reported](#)), Infineon and Cypress announced that the companies had signed a definitive agreement under which Infineon would acquire Cypress. With the acquisition, Infineon will be able to offer a portfolio for linking the real with the digital world and shaping digitalization, they explained. The evolve from a provider in components to a provider in system solutions for the automotive, industrial, and Internet of Things (IoT) markets. Infineon is CAN in Automation (CiA) member since 1994. Cypress and Infineon both supply the automotive industry and industrial users with CAN micro-controllers and are involved in the CAN FD and CAN XL development. Still no details on merging the CAN microcontroller families are available.

The transaction will initially be funded through a combination of cash on hand and a committed acquisition financing facility provided by banks. Infineon will use the proceeds from the share placement and the issuance of the hybrid bond in 2019, totaling 2,7 billion EUR. In addition, the acquisition facility, which is syndicated among 20 international banks, will be drawn to pay the remainder of the transaction value. With maturities ranging from March 2022 until June 2024 for individual tranches, the acquisition facility provides ample time for the long-term refinancing measures. The company will keep liquidity corresponding to its target level of 1 billion EUR plus at least 10 % of sales on its balance sheet.

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