

Mergers & Acquisitions Group Of The Year: Cravath

By Benjamin Horney

Law360 (January 19, 2022, 2:03 PM EST) -- Cravath Swaine & Moore LLP assisted on multiple massive M&A transactions over the past year, from the more than \$30 billion purchase of General Electric's aircraft leasing business by AerCap to the nearly \$21 billion acquisition of contract research organization PPD by Thermo Fisher, earning the firm a spot among Law360's 2021 Mergers & Acquisitions Practice Groups of the Year.

The Cravath deals practice had its hands full in 2021, with the firm serving as legal counsel on more than 125 M&A-related matters totaling more than \$450 billion in value, according to Mark I. Greene, a partner at Cravath and head of its corporate department.

"When you think about the size of our M&A department relative to many of our peers, that's really punching above our weight class," Greene said. "We are smaller, but we are as active, or more active, than many of them."

Cravath's guidance of AerCap Holdings NV and Thermo Fisher Scientific Inc. in the above-mentioned deals represents merely a morsel of the mergers and acquisitions it had a role in — the firm's fingerprints are all over many of last year's major M&A plays. For instance, Cravath counseled Australian buy-now, pay-later company Afterpay Ltd. in its roughly \$29 billion sale to mobile payment giant Square Inc., and represented Rogers Communications Inc. in its deal to buy fellow Canadian communications company Shaw Communications Inc. for CA\$26 billion (\$21.34 billion), including debt.

The Afterpay and Rogers deals showcase something the firm is particularly proud of: its work on complex cross-border transactions, especially given its lighter global footprint than many of the other major M&A law firms. Cravath has offices only in New York and London and features just 27 M&A partners, according to its website, yet it regularly represents international entities on enormous transactions, regardless of the continent a given client calls home. Almost half the deals Cravath counseled on in 2021 were of the cross-border variety, Greene noted.

"Again, relative to most of our peers, we don't match up in terms of geographic boots on the ground," he said. "But year in and year out, we're one of the top firms for multinational cross-border deals in the market, which is something we work really hard to maintain."

When it comes to cross-border transactions from 2021, they don't get much bigger than the more than



\$30 billion acquisition of GE Capital Aviation Services by Dublin-based AerCap. The deal, unveiled March 10, was the eighth-largest M&A transaction in all of last year. The merged entity features more than 2,000 owned and managed aircraft, over 900 owned and managed engines, and over 300 owned helicopters. It was announced about eight months before GE revealed plans to split into three smaller public companies.

"GE exiting the aviation services industry was in and of itself something that took the aviation world a little bit by surprise," said Greene, who led the Cravath M&A team on the deal. "It was also such a transformational transaction for AerCap, which was already a large and growing player in the industry. The combination of AerCap with GE Aviation Services really made AerCap a clear industry leader across all segments of aviation leasing."

The AerCap situation shows the importance of relationship building. Cravath's connection to AerCap dates back to 2014. Then, it advised AerCap on the \$28 billion acquisition of International Lease Finance Corp. Greene shouted out a couple of corporate partners at Cravath who played a major role in the 2014 deal — Craig Arcella and Keith Hallam.

"They led the deal in 2014," he said. "By virtue of them having done that deal, and then advising them on all sorts of really important day-to-day matters over the years, it was absolutely logical for the client to turn to Cravath for this transformational deal," Greene said.

Then there's Thermo Fisher's \$20.9 billion enterprise value acquisition of PPD, on which Cravath counseled the buyer. That one wasn't a cross-border deal; it featured Waltham, Massachusetts-based Thermo Fisher picking up Wilmington, North Carolina-headquartered PPD Inc. The acquisition added to Thermo Fisher's portfolio a contract research organization, or CRO, that provides drug development services to health care companies. In 2020 alone, PPD reported revenue of \$4.7 billion.

Unlike in the AerCap transaction, the deal for PPD represented Cravath's first time advising Thermo Fisher, according to Ting S. Chen, a corporate partner at Cravath who had a significant role on the deal. She told Law360 that the major issues on that transaction related to negotiating with PPD's private equity majority owners in order to secure written consent approving the deal after it was signed and ensuring that regulatory scrutiny didn't stop the deal in its tracks.

"The current regulatory environment is a little uncertain, given the calls for more aggressive antitrust enforcement, not just from U.S. agencies, but globally," she said.

But Cravath fully prepared for potential regulatory roadblocks ahead of time and was able to guide Thermo Fisher to a successful outcome, despite investigations by authorities including the Federal Trade Commission in the U.S. and the Competition and Markets Authority in the U.K., among others.

"Nothing that came up from a regulatory perspective was surprising," she said. "We anticipated what would happen, and what we anticipated is kind of what played out."

The list of deals Cravath advised on in 2021 is significant, but there was another development from last year that Greene and Chen pointed to as immeasurably important as the firm tries to replicate the same success going forward. After a difficult 2020 that forced everyone to work from home, Cravath was able to firmly wrap its arms around the effects of the COVID-19 pandemic on its more junior attorneys.

"The internal aspect of making sure our younger lawyers felt involved and part of the team, I think we got very good at that in our second year of dealing with the pandemic," Chen said.

"And we feel very well-equipped to continue doing so," Greene added.

--Editing by Rich Mills.

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