

# M&A DECEMBER NEWSLETTER



University of Reading  
MERGERS AND ACQUISITIONS SOCIETY

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## **Executive Summary**

This December edition spotlights how 2025 has become a blockbuster year for M&A, defined less by volume and more by bold, thesis-driven mega-deals that reshape entire industries rather than just tweak balance sheets. From consumer staples and energy to insurance and AI infrastructure, each transaction in this issue is chosen not just for headline size, but for what it reveals about pricing power, technology moats, and how incumbents are repositioning for the next decade.

Readers are taken inside Mars's pivot into "total snacking," IBM's bid to own the real-time data backbone of enterprise AI, and Meta's push to turn AI agents from hype into a cash-generating product layer, alongside moves by Shell and TotalEnergies that show how energy majors are simultaneously doubling down on hydrocarbons and recycling capital into renewables. The newsletter also tracks two powerful undercurrents: GLP-1 weight-loss drugs disrupting healthcare and consumer habits, and Disney's landmark AI content pact that signals how legacy IP owners plan to monetise the next wave of generative media.

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This is the first edition of the M&A Society newsletter, and the team would really value your feedback on what worked, what didn't, and what you'd like to see next, so that each future issue becomes sharper, more insightful, and more useful for your career and investing journey than the last.

Wishing everyone a Happy New Year's!

## Deal Analysis: Mars Acquisition of Kellanova - by Giacomo Volpe

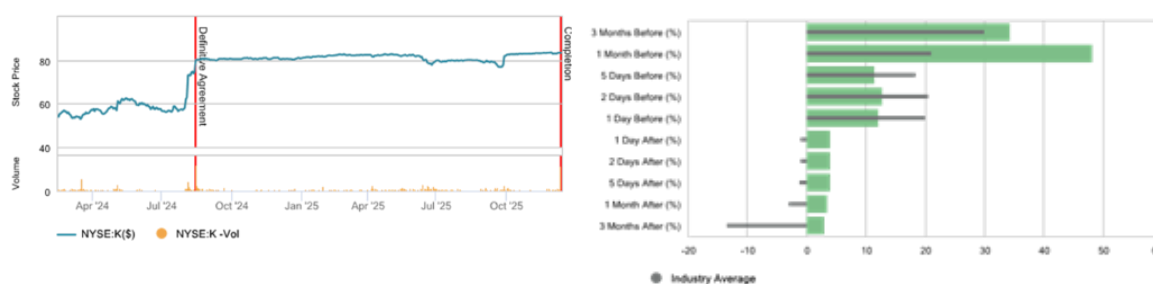
### Overview

Mars, Inc. has completed the take-private acquisition of Kellanova for \$83.50 per share in cash, valuing the deal at approximately \$36 billion and making it one of the largest packaged food transactions in history. Following European Commission approval on 11 December 2025, Mars is pivoting from a confectionery-heavy portfolio to a more diversified global snacking platform by adding brands such as Pringles and Cheez-It to its legacy chocolate franchise.

Key Metrics			
Deal Value per Share (\$)	\$ 83.50	Implied EV/ adj. EBITDA (x)	16.4x
Deal Value (\$M)	\$ 29,533	Price/ Forward EPS (x)	22x
Transaction Value (\$M)	\$ 35,936	Implied EV/ Total Revenue (x)	2.8x

### Premium Paid

### Stock Price



### Strategic Rationale

This transaction tests regulators' appetite for further consolidation in packaged food while allowing Mars to acquire Kellanova at a discount to peers such as Hershey and Mondelez, despite Kellanova's 20% share price gain since its spin-off from WK Kellogg Co. The deal creates a 'total snacking' portfolio: Pringles adds an international salty snack platform that complements Mars's confectionery footprint, and Kellanova's wheat- and potato-based products provide a margin hedge against the cocoa price spike that has pressured Mars's legacy chocolate business.

### Market Context

The deal occurs against a backdrop of historic volatility in cocoa prices, which has pressured margins for chocolate-heavy incumbents like Mars. Simultaneously, consumer preferences have structurally shifted from traditional meals to continuous snacking /grazing. Kellanova represents a strategic hedge against commodity concentration; its portfolio is driven by wheat and potatoes rather than cocoa, allowing Mars to balance its input costs while capturing the faster-growing savoury snacking occasion. This acquisition follows the 2023 spin-off of WK Kellogg (cereal) from Kellanova (snacks), signalling the market's preference for high-velocity snacking assets over low-growth breakfast staples. With high interest rates sidelining private equity firms in 2024-2025, cash-

rich strategic buyers like Mars were uniquely positioned to execute mega-deals that financial sponsors could not leverage.

### Deal Structure and Financials

Deal Valuation		Trading Multiples EV/ EBITDA EV/Rev		
Deal Value per Share (\$)	\$ 83.50	Kellanova (Deal)	16.4x	2.8x
Deal Value (\$M)	\$ 29,533	Hershey	18.0x	3.8x
Implied Equity Value (\$M)	\$ 29,277	Mondelez	16.8x	2.7x
Implied Enterprise Value (\$M)	\$ 35,936	PepsiCo	16.4x	2.6x
Transaction Value (\$M)	\$ 35,936	Nestlé	14.4x	2.9x
Gross Transaction Value (\$M)	\$ 36,217	<b>Mean</b>	<b>16.4x</b>	<b>3.0x</b>
Percent of Equity Ownership Acquired (%)	100%			

Mars acquired 100% of Kellanova's outstanding equity for \$83.50 per share in an all-cash transaction, implying an Enterprise Value of \$36 billion. The purchase price is a 16.4x multiple on LTM Adjusted EBITDA and a 44% premium to the unaffected 30-day VWAP. Mars funded the acquisition through a combination of cash on hand and \$29 billion in new debt financing. The agreement included symmetric breakup fees: \$1.25 billion payable by Mars as a deal breakup fee and \$800 million payable by Kellanova as a termination fee.

### Risks & Challenges

Although the transaction cleared antitrust review due to limited direct product overlap between Mars (confectionery) and Kellanova (salty snacks), post-merger integration poses challenges. Integrating a large former public company into a private, family-owned structure may create cultural and governance frictions, particularly around transparency and decision-making speed. In addition, heightened regulatory scrutiny in the U.S. and EU over food price consolidation could constrain Mars's future pricing power and limit its ability to pass through cost inflation. The growing adoption of GLP-1 weight-loss drugs is a structural threat to consumption of highly processed, calorie-dense snacks. Mars's strategy implicitly assumes that volume growth in emerging markets will offset potential demand softness in developed economies. Should GLP-1 adoption materially alter consumer behaviour, the acquisition risks being exposed to secular headwinds in the traditional snacking category.

### Outlook

Mars will immediately delist Kellanova, using its private status to overhaul the supply chain without the pressure of quarterly earnings calls. Mars is expected to leverage its superior global logistics network to aggressively push Pringles into under-penetrated markets in Asia and Africa, directly challenging PepsiCo's Frito-Lay dominance. The combined entity creates a total snacking ecosystem, likely forcing competitors like Mondelez and Hershey to seek their own M&A targets to maintain shelf-space relevance.

### Analyst Commentary

This transaction utilises a bifurcated valuation framework. At 16.4x Adjusted EBITDA, the deal appears very disciplined when benchmarked against food giants like PepsiCo (16.4x), Nestlé (14.4x), and pure-play snacking peers like Mondelez (16.8x), effectively securing a top-tier asset at fair market value rather than an excessive control premium. This suggests Mars successfully leveraged the lack of private equity competition in late 2024 to negotiate a rational entry price.

<b>Advisers</b>			
<b>Firm Name</b>	<b>Role</b>	<b>Party Advised</b>	<b>Company Name</b>
Citigroup Global Markets Inc.	Financial Adviser	Buyer	Mars, Incorporated
Skadden, Arps, Slate, Meagher & Flom LLP	Legal Counsel	Buyer	Mars, Incorporated
Simpson Thacher & Bartlett LLP	Legal Counsel	Buyer	Mars, Incorporated
Cleary Gottlieb Steen & Hamilton LLP	Legal Counsel	Seller	Investor Group
Goldman Sachs & Co. LLC	Financial Adviser, Fairness Opinion	Seller	Kellanova
Lazard Freres & Co. LLC	Financial Adviser, Fairness Opinion	Seller	Kellanova
Kirkland & Ellis LLP	Legal Counsel	Seller	Kellanova
Kirkland & Ellis International LLP	Legal Counsel	Seller	Kellanova
D.F. King & Co., Inc.	Information Agent	Seller	Kellanova

## **Deal Analysis: Shell Acquisition of LLOG – by Adam Qureshi**

### **Pre-Deal Analysis**

On 9 December it was reported that Shell was in advanced talks to acquire LLOG Exploration Offshore in a transaction potentially exceeding \$3 billion. Sources suggest the parties are close to agreement and that a deal could be announced by year-end but emphasise that terms remain uncertain and there is no guarantee a transaction will be completed.

### **Overview of LLOG**

LLOG produces around 30,000 barrels of oil equivalent per day with production expected to grow considerably over the coming years, according to Ross Lubetkin, CEO of energy consulting firm, Welligence. In comparison, Shell's deep-water Whale platform is expected to produce 100,000 barrels of oil equivalent every day, at its peak.

LLOG announced in September that it had begun first production from its Salamanca floating production unit, which has a capacity for 60,000 barrels of oil per and 40 million cubic feet of natural gas per day. As well as this in July 2024, it announced that they had acquired 41 blocks of acreage (about 236,000 acres) in the deepwater gulf.

LLOG currently operates the Who Dat floating production system on the Who Dat field located in Mississippi canyon blocks 503,504 and 547 in the Gulf of Mexico / America. The field is estimated to contain between 100 and 300 million barrels of oil equivalent comprising of 70% oil.

### **Strategic rationale**

The deal would help to strengthen Shell's position as one of the largest energy producers in the US Gulf, a region that has continued to attract attention for its long-term energy production potential.

A larger balance sheet and higher pro forma cash generation will allow increased investment in high return organic growth projects and stronger resilience to commodity price volatility.

LLOG's founder Gerald Boelte died suddenly in February last year, in an off roading accident leaving his family as the controlling owner, the company has reportedly been looking to sell the company since October of this year according to insiders suggesting the company may be seeking new leadership to help grow the company.

Shell's CEO Wael Sawan said in an earning's call with analysts that he hoped to see attractive M&A opportunities in 2026 and HSBC energy analyst Kim Fustier said they believe that North American and deepwater oil assets would be good additions to Shell's portfolios.

### **Risks and challenges**

Much of LLOG's value depends on expected future growth rather than existing output, meaning the acquisition will not materially increase Shell's near-term production. Much of this expected future growth is driven by new major developments such as the Salamanca floating production unit and so project delays, regulatory delays and technical issues can all have significant impact on the future production growth.

Whilst the acquisition would help to increase Shell's presence in the region, they will also increase the risk of portfolio concentration. This is particularly significant for the Gulf of Mexico as the high pressure, high temperature wells and complex subsea infrastructure make it a particularly difficult region to drill for oil.

With the increased push for climate action and renewable energy, Shell may find it less beneficial to acquire an oil producer and may find it more beneficial to acquire renewable energy producers instead to increase resilience to changing regulation and decarbonisation agendas.

### **Analyst Commentary**

We view the transaction positively. The acquisition helps to expand Shell's North American footprint, which is region growing with interest, and provide shell with greater financial flexibility as a result of a larger balance sheet which will particularly help increase resilience to oil price volatility. It will also help provide LLOG with a succession opportunity which will help to provide liquidity for the family trust whilst creating a unique buying opportunity for Shell. The success of the transaction will largely depend on the ability for both firms to integrate seamlessly and rely on synergy execution.

## **Deal Analysis: Aquarian Acquisition of Brighthouse – by Shubham Desai**

### **Overview**

In November 2025, Aquarian Holdings VI L.P. announced an all-cash take-private of Brighthouse Financial, Inc. at \$70.00 per share via Aquarian Beacon Merger Sub Inc. The offer represents roughly a 37% premium to the last unaffected share price and values the transaction at approximately \$4.1 billion, reflecting renewed private equity appetite for long-duration insurance assets against a backdrop of public-market undervaluation, improving reinvestment yields, and greater flexibility in capital allocation under private ownership.

### **Strategic Rationale**

The transaction allows Aquarian to deploy patient private capital into a scaled U.S. life and annuity platform with predictable long-duration liabilities, capture valuation arbitrage created by public-market discounting of insurers and optimise asset liability management and capital allocation outside the constraints of quarterly earnings scrutiny. Focus on the U.S. retirement market with value creation through enhanced investment management via Aquarian Investments.

### **Deal Structure**

Aquarian will acquire all outstanding Brighthouse common shares for \$70.00 per share in cash, with Brighthouse surviving as a wholly owned private subsidiary post-closing with management continuity and headquarters retained while preferred shares and outstanding debt remain in place, subject to shareholder approval and customary regulatory clearances.

### **Market Context**

The deal occurs amid a Q4-2025 rebound in U.S. FIG M&A activity, where private equity sponsors are targeting capital-intensive insurance platforms trading below intrinsic value despite improving reinvestment economics, positioning such assets as long-term balance-sheet vehicles rather than short-cycle financial trades.

### **Deal Structure & Financial Notes**

Phase 1: Merger agreement execution and shareholder approval

Phase 2: Regulatory approvals and financing clearance.

Phase 3: Merger closing and \$70.00 per-share cash settlement.

The transaction is funded through fully committed equity and debt financing, which is not a closing condition; no valuation multiples were disclosed, but the premium implies confidence in long-term reinvestment spreads and capital optimisation rather than near-term earnings growth, with no incremental debt at Brighthouse Financial or Aquarian's insurance subsidiaries.

Equity sponsor: Mubadala Capital (via Aquarian); Debt financing: fully committed but lenders/amounts undisclosed.

### **Risks & Challenges**

The primary execution risk lies in securing regulatory approvals from U.S. insurance and antitrust authorities, with secondary exposure to interest-rate volatility affecting reinvestment spreads, while operational integration risk is limited given continuity of Brighthouse's business model.

### **Analyst Commentary**

The Aquarian–Brighthouse transaction is strategically well-timed, delivering immediate liquidity at a meaningful premium for shareholders while offering Aquarian long-term upside through disciplined capital deployment and balance-sheet optimisation, with regulatory execution and post-close capital discipline determining its ultimate success.

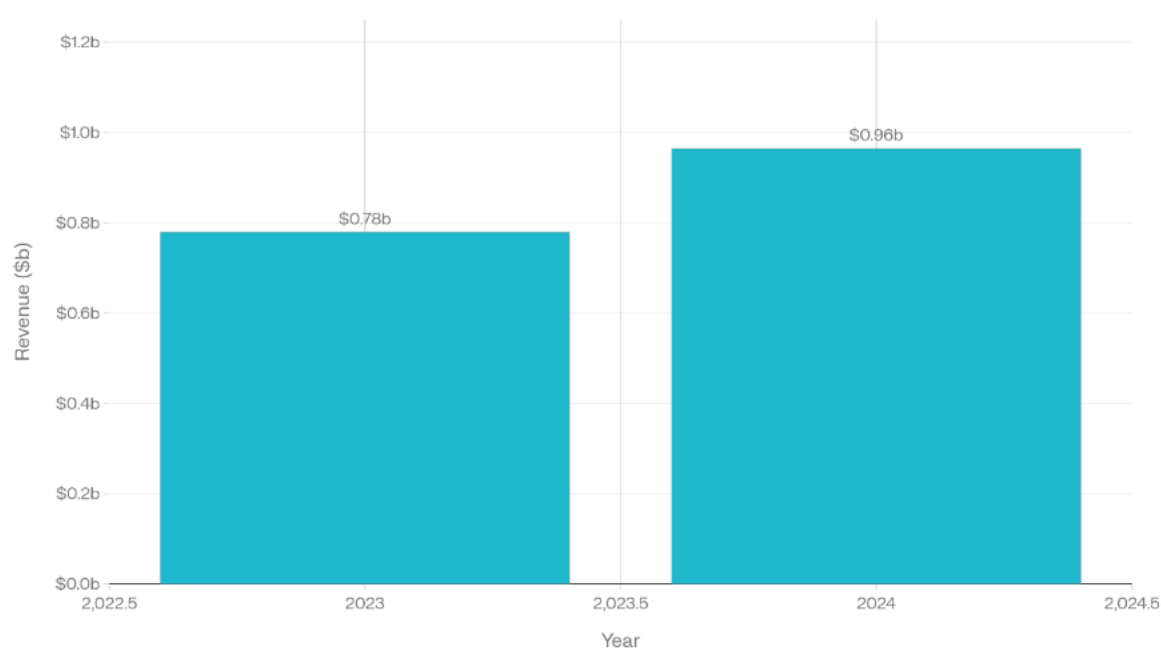
## Deal Analysis: IBM Acquisition of Confluent – by Raphael Rondelot

### Overview

IBM has agreed to acquire Confluent for \$11 billion, or \$37 per share, representing a 30% premium to the undisturbed share price. Confluent generated \$964 million of revenue in 2024 and is guiding to approximately \$1.1 billion in 2025, underpinned by a growing mix of higher-margin cloud subscriptions. The acquisition gives IBM a real-time data ‘nervous system’ for enterprise AI agents and strengthens its hybrid cloud and AI strategy alongside Red Hat and watsonx.

### Confluent Revenue Growth Trajectory (2023-2025E)

Revenue projected to reach \$1.1b by 2025



Acquisition Premium: \$37 per share represents a 30 per cent premium to closing price and reflects IBM's strategic conviction in acquiring a mission-critical infrastructure asset in the AI era.

### Deal Structure and Financials

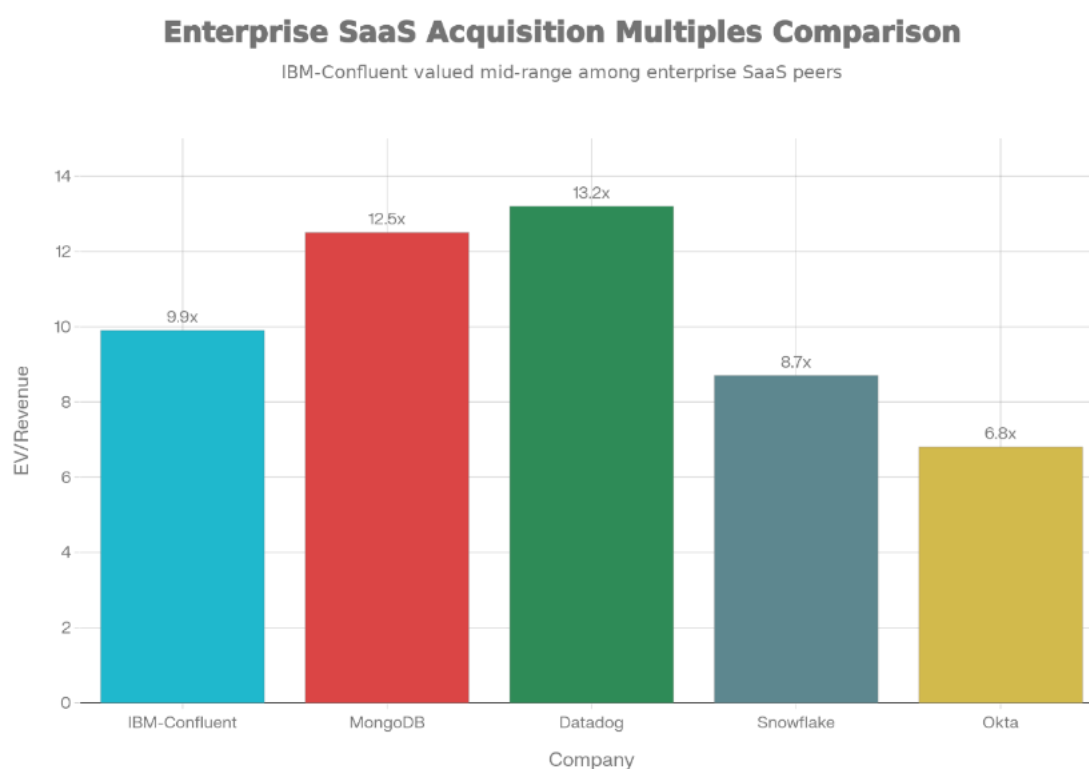
Equity value: \$11 billion, all-cash acquisition

Offer price: \$37 per share

Valuation multiple: 9.9x EV/2025E revenue (\$1.1 billion guidance)

At 9.9x revenue, IBM secured a disciplined entry price. Comparable infrastructure SaaS acquisitions commanded 12.5x (MongoDB) to 13.2x (Datadog) multiples, whilst Okta and Snowflake fetched 6.8x

and 8.7x respectively. IBM's pricing sits squarely in the rational middle of the market, reflecting strong negotiating position and the reality that software M&A multiples have normalised from 2021 peaks.



### Strategic Rationale

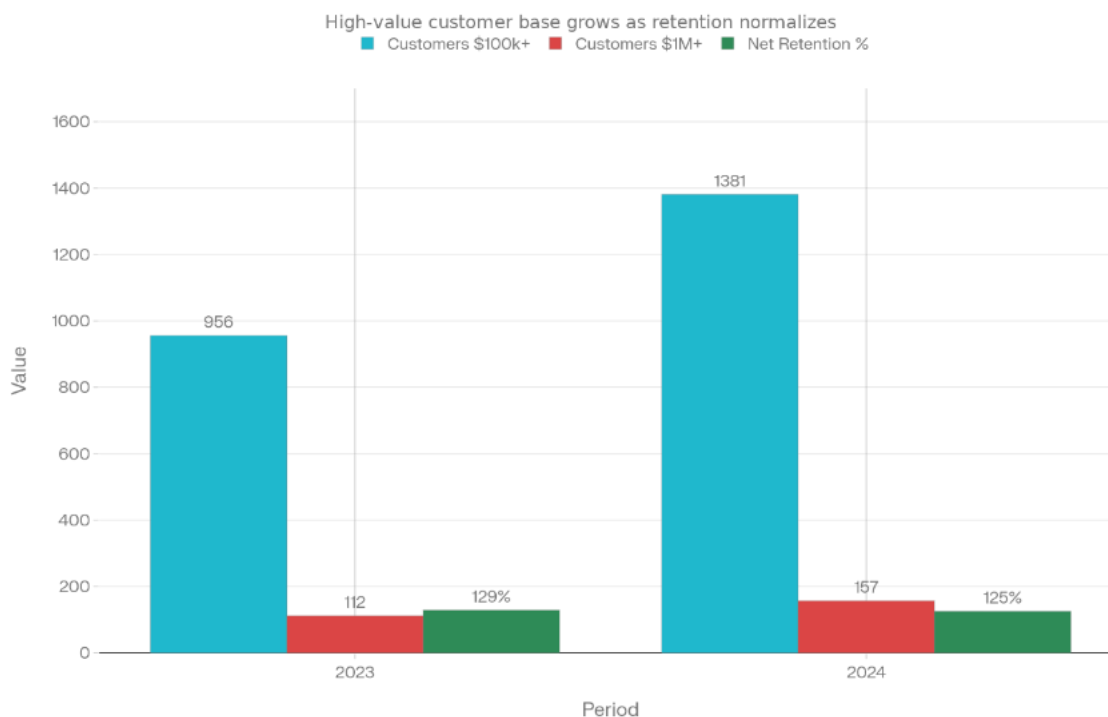
Confluent combines strong technology and a high-quality customer base with a share price that has been pressured by rising interest rates and investor fatigue with loss-making SaaS businesses. Trading at a discount to Datadog and MongoDB despite holding 4,000+ customers and \$1 billion+ ARR made it a realistic acquisition target.

IBM is acquiring three things hard to build fast during the AI wave:

1. Battle-tested real-time data infrastructure acting as the nervous system for AI agents requiring constantly updated information to make autonomous decisions.
2. Sticky enterprise customer base with 1,500+ customers generating \$100k+ ARR and 219 generating \$1m+ ARR, reflecting deep penetration in mission-critical deployments.
3. Kafka-centred developer ecosystem that IBM lacks organically but desperately needs.

The play: Plug Confluent into Red Hat OpenShift, feed Watsonx with fresher data, and cross-sell into IBM's 4,000 enterprise clients still running batch-oriented systems. Risk: what looks tidy on a slide becomes messy when culture, product roadmap, and cloud partnerships collide.

## Confluent Enterprise Customer Expansion (2023-2025)



### Market Context

Most enterprises have batch-oriented analytics architectures that are unsuitable for real-time AI agents or operational decisioning. Confluent solves this by streaming events in real time rather than pushing static tables around.

Meanwhile, independent infrastructure vendors face a squeeze: hyperscalers (AWS, Azure, Google Cloud) offer cheaper competing services integrated tightly with their platforms, and investors have rotated away from "growth at all costs" towards sustainable profitability. IBM has spent five years repositioning itself as a software-and-services company anchored in hybrid cloud and AI, with Red Hat as the flagship. Confluent fits that narrative and signals IBM's determination to compete in the AI infrastructure stack rather than cede ground to pure-play cloud vendors.

### Risks and Challenges

**Integration risk:** Confluent is a high-velocity, developer-driven company; IBM is a century-old incumbent with process layers. Key talent attrition within 12–24 months is a material risk.

**Hyperscaler competition:** AWS MSK, Azure Event Hubs, and Google Pub/Sub could intensify competition, particularly if large customers consolidate around native cloud services.

Normalising metrics: Net retention has drifted from 129 per cent to 114 per cent as the market matures. This is still healthy, but signals IBM is not buying hyper-growth; it is buying a good business in a more rational phase of the cycle. Growth is unlikely to reignite to 30%+ levels post-acquisition.

### **Outlook**

If IBM executes, Red Hat, Watsonx, and Confluent create a credible hybrid-cloud-first story for enterprises avoiding hyperscaler lock-in. Confluent becomes the default data backbone for event data, feeding AI models with fresher signals and making IBM's stack harder to replace.

Downside: growth grinds into the low-teens, talent walks, and Confluent becomes a solid but uninspiring middleware franchise inside IBM. At 9.9x revenue, the deal would not be a disaster, but it becomes a missed opportunity in a market where real-time data is supposed to power the AI economy.

### **Analyst Commentary**

At 9.9x revenue, IBM paid a disciplined price for a category-leading, high-growth platform with strong unit economics (114% NRR, improving gross margins, and positive operating leverage). The valuation sits comfortably within rational M&A parameters, suggesting IBM negotiated effectively and secured a rational entry price.

From a strategic standpoint, the deal signals genuine intent: Confluent plugs a genuine gap in IBM's stack. If integration stays light-touch and cross-sell executes, incremental revenue at Confluent's gross margins drops straight to the bottom line, delivering near-term accretion. For M&A practitioners, this is a clean example of buying assets at fair value when you have distribution and operational synergies to realise. Execution risk is real, but the strategic logic is sound.

## **Deal Analysis: Meta’s Acquisition of Manus AI – by Safer Hussain**

Acquirer: Meta Platforms

Target: Manus AI

Deal Value: >\$2 billion

Deal Type: All-Cash Acquisition

Announced Date: 30/12/2025

Advisers: (Not disclosed, Legal Advisors are Davis Polk & Wardell LLP)

### **Strategic Rationale**

The core rationale for this acquisition is to accelerate AI agent scaling and monetisation. Manus has built a commercially viable, revenue-generating AI agent platform capable of executing complex tasks autonomously, supported by a clear subscription-based monetisation model that delivers immediate revenue rather than purely showcasing model capabilities. This acquisition comes as Meta faces intense competition from rivals such as Google, OpenAI and other market leaders in the ongoing AI boom. The deal aligns with Meta Chief Mark Zuckerberg’s “superintelligence” development. Essentially, Manus serves as an execution layer for deploying autonomous agents across Meta’s platforms, including WhatsApp, Messenger, Instagram, and more. Furthermore, it brings Manus’s engineering talent, led by CEO Xiao Hong, into Meta’s organisation, potentially giving it an upside in the AI development race.

### **Market Context**

Meta has been on an aggressive investment hike in 2025, from a \$14.3 billion deal in Scale AI and appointing Alexandr Wang as their Chief AI officer amid intensifying global competition for AI supremacy among Big Tech companies, where AI agents are seen as the next frontier to assist in autonomous task execution. Manus was originally founded in China but moved its main headquarters to Singapore regarding a lack of accessibility to overseas models, not usually accessible in the mainland. Upon this deal, the company will no longer continue services and operate in China, despite many staff being Chinese. This deal is notable because Manus already operates a profitable, scaled business, reportedly generating back-to-back monthly revenue of around \$100 million, and signals a shift from simply hiring AI talent towards acquiring structurally mature AI platforms.

## Deal Structure and Financials

This deal comprises an all-cash acquisition valued at approximately \$2.0 billion, as reported by the Wall Street Journal. This is further reported to be a single transaction closing with no reported earn-outs or contingent consideration. As of 31/12/2025, this deal is under regulatory review and is yet to be completed.

Manus's \$125 million revenue run rate and \$100 million ARR integrate directly into Meta's monetisation engine, providing immediate revenue accretion. Conservative estimates: 20-30% incremental revenue uplift through cross-platform integration across Meta's various platforms within 18-24 months.

Cost synergies of this deal are estimated at \$15-25\$ million annually through the elimination of duplicate G&A functions, cloud infrastructure consolidation and sales/marketing efficiency (Approx. 10-15% of Manus's operating expenses). The access to commercially viable revenue-generating AI agent technology reduces Meta's time-to-market advantage against competitors by about 12+ months, which alone is valued at \$300-\$400 million in avoided development costs.

Valuation indicators such as  $EV/revenue = 16.0x$  (\$125 million revenue), which is high but justified by the high-growth and swiftly profitable AI software. The  $EV/ARR = 20.0x$  (\$100 million ARR), which is a premium to the SaaS median of 8-10x but reflects an AI category premium and the forecasted growth trajectory. The company's valuation growth increased by  $4x$  in 8 months since April 2025, demonstrating extraordinary market validation and revenue acceleration.

## Risks & Challenges

**Integration Risks:** Integrating Manus's autonomous agent infrastructure into Meta's existing Llama LLM and other AI infrastructure requires a significant amount of engineering effort, sparking the possibility of early service disruptions. Potential organisational risks may occur with Manus's Singapore-based team within Meta's sprawling organisational structure; retention of engineering talent is needed for strategic value to be held. Furthermore, product integration may pose certain challenges as Manus operates via an independent platform, where integrating agent capabilities to Meta's platforms, whilst maintaining an independent revenue stream, may present competing priorities.

**Regulatory/Antitrust Risks:** Chinese ownership roots may trigger scrutiny from US regulators regarding technology transfer, data security or foreign investment in AI capabilities. Further potential for FTC reviews in the antitrust environment, creating delays or certain market conditions. Additionally, US-China tensions are due to an "AI arms race" could create pressure to divest or restrict certain Manus capabilities despite the discontinuation of Chinese operations.

Execution Risks: Competitors such as OpenAI and Google are actively developing similar AI Agent capabilities. Competitors launching competing products before Meta fully integrates with Manus could diminish the first-mover advantage. Scalability concerns may arise as Manus must be able to market \$39-\$199/month subscription model as customer acquisition costs and churn rates will be crucial to profitability post-acquisition. Furthermore, market volatility could impact enterprise investment on AI agents and consumer willingness to pay premium subscription prices.

## **Outlook**

Competitors may accelerate agent capability development and larger competitors may leverage existing distribution capabilities to rapidly scale product. Companies such as Microsoft may integrate agent capabilities deeper into popular products like Office 365 through copilot, leveraging enterprise sales relationships to compete for B2B agent revenue.

Key milestones to monitor span between Q1 2026, where Manus's agent integration into Meta AI is announced to Q4 2026 where an FTC regulatory decision can be expected, allowing adjustments for conditions, remedies and impact on larger integration timeline. 1H 2027 can be the emergence of profitability confirmation.

Meta acquires a rare cash-generative, \$125M ARR AI business, transforming from a pure LLM provider into a full-stack AI agent platform with consumer and enterprise reach. By combining Manus's proprietary agent technology with Meta's unmatched 3 billion-user distribution, the company creates a defensible competitive moat while immediately contributing \$150-175M projected revenue by end of 2026.

## **Analyst Commentary**

This deal poses a strong strategic rationale with an above average execution risk. It further signals Meta's serious commitment in AI leadership and in creating an organised AI agent business signalling diversification from its pure advertising revenue. The realization of the full \$2B value depends on flawless integration and rapid market adoption – both of which are uncertain in a competitive landscape. A conservative valuation would support \$1.2-1.5B where a bull case places it around \$3.0B+ if agents can drive meaningful incremental revenue across Meta's platforms by 2027.

## **Deal Analysis: TotalEnergies Divestiture – by Adam Qureshi**

### **Overview**

On 17/12/2025, TotalEnergies SE announced that it had sold a 50% stake in its 424-megawatt wind and solar portfolio in Greece to Asterion Industrial Partners for €508 million (\$595 million).

The transaction values the assets at €1.2 million (\$1.4 million) per megawatt, with TotalEnergies keeping the remaining 50% stake in the asset while also continuing to operate the asset and handling the offtake and marketing of most of the electricity.

### **Strategic rationale**

TotalEnergies SE produces, transports, and supplies crude oil, natural gas, and low carbon electricity. They are developing a diverse energy portfolio by combining renewables (solar, onshore wind and offshore wind) with flexible assets (CCGT and storage) to provide clean but reliable power. TotalEnergies' gross installed renewable capacity has grown from around 17 GW in 2022 to just over 26 GW in 2024, they are targeting 35 GW by the end of 2025 and 100 GW by 2030. TotalEnergies is divesting a 50% stake to crystallise value, share project risk, and free up capital to fund additional growth opportunities without materially increasing leverage.

Asterion Industrial Partners on the other hand is an independent investment management firm focused on European infrastructure in the mid-market. For Asterion, the purchase of the asset provides Asterion with exposure to the growing industry of renewable energy.

### **Market context**

Energy prices have been extremely volatile over the last few years with major geopolitical and supply chain risk affecting prices. The divestiture allows TotalEnergies SE to reduce its exposure to these risks whilst giving Asterion Industrial Partners the potential for long term return potential. Other energy companies such as BP, Shell and Equinor have performed similar deals where they have sold minority stakes in renewables projects to help lock in value, reduce capital burden and to help finance new projects without over – leveraging.

While the sale might superficially appear to reduce TotalEnergies' exposure to renewables, it in fact represents capital recycling: the company retains operational control while redeploying proceeds into additional renewable projects to accelerate growth.

The European Green deal has put into place laws and regulations and distributed funds to help transform the energy industry within Europe to increase the use of renewables and decrease the reliance on fossil fuels. It includes accelerated permitting for renewables, a commitment to climate neutrality and 275 billion in clean investments, which helps to ensure and solidify renewables place in the future of energy production.

The portfolio's location makes it especially attractive as it sits in between Europe, Africa and Asia making it a key strategic hub for energy exports and regional integration. The appetite for renewables especially in Europe is expected to grow with EU's push for green energy and carbon neutrality. As well as this, the high solar irradiance levels and strong consistent wind from the Aegean and Ionian seas give the assets consistent solar and wind potential.

### **Risks and challenges**

The joint ownership of the asset may lead to governance and alignment issues; this may be amplified for TotalEnergies who will have reduced control over the asset especially considering Asterion's hands on approach with their existing assets.

The project is currently under Greece's regulated tariff regime which has recently changed in August of this year. After which, TotalEnergies has had to sell energy at market prices, leading to a greater volatility in the energy prices. However, TotalEnergies portfolio can use this opportunity to align tariffs with production to undercut firms relying on gas and fossil fuels which will face margin pressures especially during the day when renewables, especially solar, flood the market.

### **Analyst commentary**

We view the transaction positively. The divestiture helps to reduce the risk bared by Total Energy whilst providing them with liquidity, helping them to succeed in the short-term allowing them to invest in other high yielding projects. On the other hand, it provides Asterion with exposure to a growing industry and an asset that will be able to provide strong future cashflows for the fund helping them to potentially succeed in the longer term although they do bare significantly more risk than Total Energy.

## **Industry Trends in December – by Giacomo Volpe**

### **Healthcare & Consumer: The Weight-Loss Drug Revolution**

The healthcare and biotech industries continue to pivot aggressively toward weight-loss pharmaceuticals, especially GLP-1 agonists like Novo Nordisk's Wegovy and Eli Lilly's Zepbound/Mounjaro. These treatments have transcended traditional clinical use for diabetes, driving a consumer-driven market where companies are adopting direct-to-consumer platforms, telehealth partnerships, and lifestyle-oriented marketing as a core growth strategy. This shift is expected to broaden uptake beyond insured patients, with oral versions of these drugs poised to launch by early 2026, further democratizing access and reshaping prescribing patterns.

While established players like Lilly and Novo Nordisk sprint toward broader indications and easier-to-use formats, some big pharma companies face an uphill battle to catch up. AstraZeneca, for example, has early-stage obesity programs and a licensing deal for an oral cardiometabolic agent, but its portfolio is still in mid-phase development and has yet to deliver late-stage clinical proof or marketable GLP-1 products at scale, leaving it behind more advanced rivals in the race for weight-loss drug dominance.

The market potential remains enormous, with a large portion of the adult population overweight or obese and many yet to adopt these therapies, making the weight-loss drug segment one of the fastest-growing frontiers in 2025–26 healthcare investment.

### **AI Meets Hollywood: Disney & OpenAI's \$1B Licensing Pact**

In a landmark move blending technology and entertainment, The Walt Disney Company has struck a three-year licensing and investment deal with OpenAI, committing \$1 billion in equity and granting OpenAI's generative AI platforms access to more than 200 iconic characters from Disney, Marvel, Pixar, and Star Wars for use in AI-generated short videos. The agreement will let fans use Disney's beloved intellectual property on OpenAI's Sora video generator and ChatGPT Images, with a curated selection of AI-created content expected to appear on Disney+ starting in early 2026. This collaboration represents a major shift for Hollywood, from litigation over AI copyright to strategic partnerships that aim to unlock new forms of user-driven creativity while balancing creator rights and brand control. Analysts see this pact as a significant signal that media giants are embracing generative AI not just as an internal production tool but as a consumer engagement engine. By integrating AI tools into both content creation and distribution channels, Disney could redefine storytelling formats and deepen user interaction with franchises, even as the industry grapples with ethical questions about creativity, labour, and the economics of AI-assisted media

## **Learning Corner**

### **A Record-High Year for Deal Making**

One of the most remarkable developments in global finance this year has been the resurgence of M&A. In 2025, total global M&A deal value is tracking above \$4 trillion, one of the highest totals on record, and only exceeded historically by the 2021 boom. This upswing occurred even as the number of individual deals fell, meaning the year was driven by fewer but much larger transactions, especially mega-deals worth \$10 billion or more.

Market conditions shape deal activity, falling interest rates and improved financing availability make large acquisitions more viable, as companies and private equity firms can borrow more cheaply and take strategic risks

Scale and strategy matter more than ever, in a world where capital is abundant and competition for growth is fierce, companies increasingly use mega-acquisitions and strategic consolidations to access new markets, technology, or competitive advantage. Understanding how and why firms pursue these large deals, including valuation, financing, and regulatory considerations, is foundational to modern corporate finance and investment banking.

This trend underscores that M&A isn't just about buying or selling companies, it reflects broader economic forces, corporate strategy, and the role of finance teams in shaping long-term value.

## Meet the Team



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