

Riverbed Technology accepts \$3.6B takeover bid

December 15 2014

Private equity firm Thoma Bravo and a Canadian teacher pension will pay about \$3.6 billion to take Riverbed Technology private a couple months after the computer networking equipment maker promised a thorough review of its business.

The San Francisco company said Monday that its stockholders will receive \$21 in cash for each share from Thoma Bravo and the Ontario Teachers' Pension Plan. That represents a 12 percent premium to the stock's closing price Friday of \$18.74

The company's shares jumped more than 9 percent after the deal was announced.

Riverbed Technology Inc. had said in October that its board would review ways to enhance shareholder value, and it planned to cut costs by up to \$25 million to help improve its annual operating profit.

The company had rejected in January a \$3.08 billion buyout offer from Elliott Management, saying it undervalued the company.

Elliott is one of Riverbed's biggest shareholders, with a 9.6 percent stake in the company, according to FactSet.

Elliott executive Jesse Cohn said in a separate statement Monday that his firm was "delighted" with the latest buyout offer, and they commend Riverbed's board for "taking this bold step."

Thoma Bravo focuses on technology-related investments. It said in September that it would spend about \$2.5 billion to buy Compuware and take the software developer private.

Riverbed shareholders and government regulators still need to approve the deal, which is expected to close in the first half of next year.

Shares of Riverbed jumped 9.1 percent, or \$1.71, to \$20.45 Monday in morning trading, as broader trading indexes started off nearly flat. The stock had climbed only about 4 percent so far this year, as of Friday.

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Citation: Riverbed Technology accepts \$3.6B takeover bid (2014, December 15) retrieved 28 April 2024 from <https://phys.org/news/2014-12-riverbed-technology-36b-takeover.html>

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