

Lexmark agrees to buy software maker Kofax for \$1 billion

March 24 2015

Printer maker Lexmark International will buy software developer Kofax Ltd. for about \$1 billion.

The deal values Kofax at \$11 per share. That's a 47 percent premium to the stock's Tuesday closing price of \$7.50.

Lexmark says the purchase nearly doubles the size of its enterprise software business, giving that unit about \$700 million in annual revenue. Lexmark, based in Lexington, Kentucky, had \$3.7 billion in adjusted revenue in its latest fiscal year, while Kofax of Irvine, California, reported \$297 million in revenue.

Kofax stock jumped \$3.40, or 45.3 percent, to \$10.90 in after-hours trading. Shares of Lexmark rose \$2.36, or 5.8 percent, to \$43.15.

It's also the largest deal Lexmark has made in recent years as it's changed itself from a primarily a printer maker to a printing, imaging and software company. In 2010 Lexmark paid \$280 million for business software company Perceptive Software. Two years later it acquired BDGB Enterprises, which gave it the data capture software company Brainware, for \$148 million, and in 2014 it paid \$251 million for business process automation company ReadSoft.

Lexmark announced in 2012 that it would exit its inkjet business in response to shrinking sales. The next year it sold its remaining inkjet assets to Funai, a Japanese technology company.

The companies expect the purchase to close during the second quarter, assuming approval from shareholders and regulators. They say Kofax's board supports the sale, and shareholders who own about 25 percent of Kofax stock will vote in favor of the deal as well.

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Citation: Lexmark agrees to buy software maker Kofax for \$1 billion (2015, March 24) retrieved 27 April 2024 from <https://phys.org/news/2015-03-lexmark-software-maker-kofax-1billion.html>

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