

French aerospace giant Thales acquires SIM maker Gemalto

17 December 2017

French aerospace and defence group Thales said Sunday it has bought European SIM manufacturer Gemalto in a bid to become a global leader in digital security.

The aerospace giant paid 51 euros (\$60) a share for Gemalto, a premium of 57 percent over the closing price on December 8, Thales said in a statement.

The price was also higher than a 46-euro a share bid offer from French tech firm Atos which Gemalto rejected on Wednesday. © 2017 AFP

The Thales offer showed that it valued the world-leading chipmaker at about 4.8 billion euros.

Gemalto chief executive Philippe Vallee said in the statement that favouring Thales over Atos was "the best and the most promising option for Gemalto and the most positive outcome for our company, employees, clients, shareholders and other stakeholders".

"We share the same values and Gemalto will be able to pursue its strategy, accelerate its development and deliver its digital security vision, as part of Thales."

Thales CEO Patrick Caine said the merger marked "a key milestone" in implementing the firm's digital security strategy, in which it has invested one billion euros in the past three years and acquired three other companies.

"Together with Gemalto's management, we have big ambitions based on a shared vision of the digital transformation of our industries and customers."

The French company, which is worth about 18 billion euros, said that with the merger, the Thales group will rank among the top three players worldwide, with 3.5 billion euros in revenue in the

fast growing [digital security](#) market.

The new division will focus on security software, biometrics, multifactor authentication and issuing secure electronic and physical ID cards.

The deal is expected to close in the second half of 2018, but can be terminated before then if Gemalto receives a bid that is at least nine percent higher than Thales's offer price.

APA citation: French aerospace giant Thales acquires SIM maker Gemalto (2017, December 17)
retrieved 9 December 2019 from <https://phys.org/news/2017-12-french-aerospace-giant-thales-sim.html>

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