

M&A Group Of The Year: Skadden

By Alison Knezevich

Law360 (January 18, 2023, 2:02 PM EST) -- Skadden Arps Slate Meagher & Flom LLP steered clients through some of the most talked-about deals of 2022, including the record-breaking \$68.7 billion agreement between Activision Blizzard Inc. and Microsoft Corp. and Elon Musk's blockbuster \$44 billion acquisition of Twitter, earning the firm a spot on Law360's 2022 Mergers & Acquisitions Groups of the Year.

In the midst of last year's M&A slowdown, Skadden's team continued to broker unprecedented deals that presented clients with a host of challenges, such as close antitrust scrutiny by regulators around the world and the intricacies of cross-border transactions.

With offices across the Americas, Asia and Europe, Skadden's global reach has been a key factor in the team's success, said Lorenzo Corte, a global co-head of the firm's transactions practices. More than 400 lawyers are part of the M&A practice, including about 100 partners in international and domestic offices.

"A lot of the transactions we do are cross-border transactions, and the geographic breadth of our M&A team is essential to executing those transactions properly," said Corte, who is based in London.

He pointed, too, to the depth of the firm's M&A bench, its teamwork across offices and the group's ability to integrate practitioners from other key areas, such as the tax, antitrust and national security practices.

"It's all of those components, and our ability to bring those together, identify issues and solve them for the clients early on in the process, that I think sets us apart," Corte said.

The team's busy year included some of the most headline-grabbing deals of 2022.

Skadden managed M&A efforts for Musk in his massive acquisition of Twitter, collaborating with his team to structure the agreement amid round-the-clock news coverage. Palo Alto, California-based Skadden partner Sonia Nijjar called it "one of the most fascinating deals I've ever worked on."

"There were many twists and turns that we encountered to close the deal," she said. "The constant media attention added a dimension that we needed to navigate, as well."



In serving as lead M&A counsel for the deal, which closed in October, the attorneys' work included drafting and negotiating the merger agreements and structuring the debt and equity financings, said Nijjar, describing the timeline as "fast-paced and dynamic."

The Skadden team also represented video game company Activision Blizzard — the maker of iconic games such as "Call of Duty," "Candy Crush" and "World of Warcraft" — in what is the largest proposed technology acquisition ever, as well as the largest video game industry deal.

The deal faces antitrust challenges around the world, including a complaint from the Federal Trade Commission, which in December moved to block the purchase.

Such scrutiny — both from regulators and the public — was expected and "at the forefront of our minds" as Skadden attorneys worked on the negotiations, Nijjar said.

Given the sheer size of the pending transaction, "we knew there were going to be a lot of eyes on the deal," she said.

Aggressive antitrust enforcement in the U.S., European Union and China has been a key challenge for dealmakers, both in the planning phase — whether the parties can reach agreement on a deal — "and working with regulators to get to a solution to get the deal approved," said Skadden partner Brandon Van Dyke, who works in New York.

Van Dyke has advised long-term Skadden client DuPont de Nemours Inc. on numerous transactions, including the \$11 billion divestiture of a majority of its mobility and materials segment to global chemical and specialty materials company Celanese Corp., a deal completed in November.

Skadden's other M&A work has included advising client Intel Corp. on a series of transactions, including its agreement with the infrastructure arm of Brookfield Asset Management, announced this past August, to jointly invest up to \$30 billion to create a program that represents a new funding model for the capital-intensive semiconductor chip manufacturing industry.

In another unique deal, completed in June, the firm represented the Finnish company Wolt Enterprises Oy in its \$8 billion acquisition by DoorDash Inc. in what was among the largest sales of a Finnish company and the largest merger in the food-delivery industry. The team had to tackle challenges including an accelerated timeline and cross-border complexities.

Given economic headwinds, 2023 will be a more challenging year for M&A, and clients will be more cautious in approaching transactions, Corte said.

What sets Skadden apart is its ability to spot deal risks early, bring together its experts and proactively address issues "so that you go into a deal with your eyes open," he said.

That, he said, is "what we are able to do in an excellent way, which is why clients turn to us."

--Editing by Andrew Cohen.