

Deal of the Week: Newmont Mining Corp. to Buy Goldcorp, Inc. for \$10B

Announcement Date	<ul style="list-style-type: none"> January 14, 2019 	
Acquirer	<ul style="list-style-type: none"> Newmont Mining Corp. (NYSE: NEM) 	
Acquirer Description	<ul style="list-style-type: none"> The company primarily acquires, develops, explores for, and produces gold, copper, and silver. Its operations and/or assets are located in the United States, Australia, Peru, Ghana, and Suriname Founded in 1916 and headquartered in Greenwood Village, CO 	
Acquirer Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$17.0 billion EV: \$19.0 billion LTM Revenue: \$7.1 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$2.7 billion LTM EV / Revenue: 2.7x LTM EV / EBITDA: 7.0x
Target Company	<ul style="list-style-type: none"> Goldcorp, Inc. (NYSE: GG) 	
Target Description	<ul style="list-style-type: none"> The company acquires, explores for, develops, and operates precious metal properties in Canada, the United States, Mexico, and Central and South America. It primarily explores for gold, silver, lead, zinc, and copper deposits Founded in 1954 and headquartered in Vancouver, Canada 	
Target Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$9.0 billion EV: \$11.8 billion LTM Revenue: \$3.1 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$1.1 billion LTM EV / Revenue: 3.8x LTM EV / EBITDA: 11.1x
Acquirer Advisors	<ul style="list-style-type: none"> BMO Capital Markets, Citi and Goldman Sachs 	
Target Advisors	<ul style="list-style-type: none"> TD Securities and Bank of America Merrill Lynch 	
Price / Consideration	<ul style="list-style-type: none"> \$10.0 billion 	<ul style="list-style-type: none"> Stock
Rationale	<ul style="list-style-type: none"> According to executives, the new company, Newmont Goldcorp, will result in an investment-grade balance sheet, an unparalleled project pipeline on four continents, and exploration opportunities in the world's most prospective gold districts The company will have mineral reserves and resources that represent the largest in the gold sector Company operations will be located in less risky mining jurisdictions in the Americas, Australia and Ghana, representing approximately 75%, 15% and 10%, respectively, giving it a competitive advantage by keeping costs relatively low and making it less vulnerable to local policy changes In addition to the existing gold reserves, the company expects steady, profitable gold production targeting 6 to 7 million ounces over a decades-long time horizon According to Newmont's CEO, Gary Goldberg, the company "...expects to generate up to \$100 million in annual pre-tax synergies," with additional cost and efficiency opportunities and is "... expected to be immediately accretive to Newmont's net asset value and cash flow per share" The company will have a targeted sustainable annual dividend of \$0.56 per share, the highest among senior gold producers 	
Deal Points	<ul style="list-style-type: none"> Under the terms of the agreement, Newmont will acquire each Goldcorp share for 0.3280 of a Newmont share, which represents a 17% premium based on the companies' 20-day volume weighted average share prices Newmont and Goldcorp shareholders will own approximately 65% and 35% of the combined entity, respectively 	