

Deal of the Week: XIO Group to Buy J.D. Power for \$1.1B

Announcement Date	<ul style="list-style-type: none"> • April 15, 2016
Acquirer	<ul style="list-style-type: none"> • XIO Group
Acquirer Description	<ul style="list-style-type: none"> • A China based global multi-billion dollar alternative investments firm with operations in the United Kingdom, Germany, Switzerland, Hong Kong and mainland China • With \$5 billion under management, the firm "seeks to leverage its unique global access with an emphasis on Asia and China," according to its website • Key investment sectors include agribusiness, machinery & equipment, consumer & healthcare, automotive, environmental, TMT and financial institutions
Target Company	<ul style="list-style-type: none"> • J.D. Power and Associates (a subsidiary of McGraw Hill Financial)
Target Description	<ul style="list-style-type: none"> • A global marketing information services firm that conducts surveys of customer satisfaction, product quality, and buyer behavior for industries ranging from cars to marketing and advertising firms • A business unit of the Information and Media Group of McGraw Hill Financial, who purchased it 2005 • Headquartered in Costa Mesa, California
Target Financial Statistics	<ul style="list-style-type: none"> • 2016E Revenue: \$350 million
Acquirer Advisor	<ul style="list-style-type: none"> • Moelis & Co.
Target Advisor	<ul style="list-style-type: none"> • Morgan Stanley
Price / Consideration	<ul style="list-style-type: none"> • Price: \$1.1 billion • Consideration: Cash
Rationale	<ul style="list-style-type: none"> • "The transaction represents good value for our shareholders and positions J. D. Power for continued success," said Douglas L. Peterson, the president and chief executive of McGraw Hill Financial. "Our portfolio will now be even more focused on financial intelligence businesses with a common set of attributes." • "We saw an opportunity for us to work together with the management to bring them to some untapped opportunities in some fast-growing regions around the world," said Joseph Pacini, CEO of XIO Group
Deal Points	<ul style="list-style-type: none"> • XIO Group will pay \$1.1 billion for J.D. Power • The deal which is expected to close during the third quarter of 2016 will be XIO Group's biggest investment to date and its first in the United States
Of Note	<ul style="list-style-type: none"> • The deal for J.D. Power is the latest example of Chinese money going after an iconic American brand. Earlier this year, China's Dalian Wanda Group agreed to acquire Legendary Entertainment, a U.S. movie studio company behind films such as "The Dark Knight" and "Jurassic World", for \$3.5 billion