

Private Equity Eyes Tech Data?

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Private equity firm Apollo Global Management has plans to acquire solution provider Tech Data, Reuters report, with an offer "people familiar with the matter" claim is worth around \$5 billion.



The move from Apollo comes as Tech Data stock is at an all-time high, amid investor optimism demand from SMBs for Tech Data products will remain strong despite concerns of a cooling US economy. Reuters says Apollo has offered \$130 per share in cash for Tech Data, making a sum covering both Tech Data's current market capitalisation and \$1.3bn in debt. However, there is no certainty Tech Data will engage in negotiations, never mind any deal taking place.

Tech Data has lower operating margins than its peers, since it is investing in expanding its product offering. For instance, it acquired the Avnet technology business for \$2.6bn back in 2017.

Technology is currently something of a hot sector for private equity. Last January saw CVC Capital Partners buy ConvergeOne, the networking and collaboration product distributor, for \$1.8bn. Apollo is also interested in the sector, having made an unsuccessful bid to buy Ingram Micro from HNA last year.

Go [Reuters: Buyout firm Apollo Global in \\$5 billion bid for Tech Data - sources](#)