

Entertainment One

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Peppa Pig owner Entertainment One snapped up by Hasbro in £3.3bn deal

Entertainment One Ltd (LON:ETO) has agreed to be acquired by the world's largest toy maker, Hasbro Inc (NASDAQ:HAS), for £3.3bn.

The FTSE 250 owner of the Peppa Pig brand accepted the cash offer of 560p per share, a 26.3% premium on its Thursday close price of 443p.

READ: Mark Gordon steps down as creative head of TV and film at Entertainment One

Brian Goldner, Hasbro's chairman and chief executive, said the purchase would add "beloved story-led global family brands" to its portfolio, adding that the company would also seek to leverage eOne's entertainment capabilities to screens around the world.

Meanwhile, Darren Throop, eOne's CEO, said there was a "strong cultural fit" between the two companies and that its team would be bolstered by Hasbro's "extensive portfolio" of brands, which include My Little Pony and G.i. Joe.

eOne is the latest in a line of London-listed UK firms that have been taken out by overseas companies as the ongoing Brexit crisis depreciates the value of sterling, leaving UK companies looking a lot cheaper for foreign buyers.

Earlier this week, pub chain Greene King PLC (LON:GNK) agreed to be taken over by a company owned by Hong Kong's richest man, Li Ka-Shing, in a deal that valued the group at £2.7bn.

"Low probability" of competing bid, says RBC

In a note, analysts at Canadian bank RBC downgraded their rating on eOne to 'sector perform' from 'outperform' while also hiking their target price to 560p from 470p, the same level as Hasbro's bid.

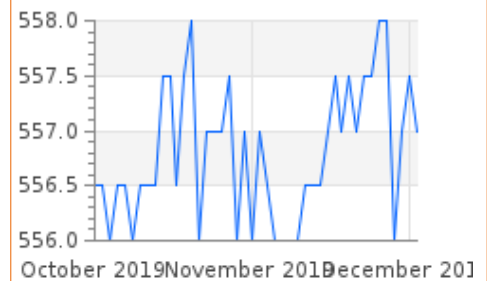
The bank also said that while it wasn't ruling out a higher bid, it was a "low probability" and the £3.3bn price tag was at the "upper end" of the transaction range for content companies such as eOne.

Investors, however, seemed to disagree as in afternoon trading on Friday, Entertainment One shares had surged 31.7% higher to 584p, above Hasbro's offer price.

In pre-market New York trading, Hasbro shares were 4.9% lower at US\$108.79.

-- Adds Hasbro share price, updates ETO price --

1 Year Share Price Graph



Share Information

Code: ETO
Listing: AIM
Sector: Media
Website: www.entertainmentonegroup.com

Company Synopsis:

Entertainment One is a leading independent entertainment content owner that acquires film, television and music rights and exploits these rights in all media in more than 190 countries. The company currently operates in Canada, the U. S. , the UK, Holland and Belgium through its four primary businesses units: E1 Television, E1 Films, E1 Music and E1 Distribution.

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