Beat: Business

Burger King to buy Tim Hortons for $11.5 billion, move to Canada

-, 30.11.-0001, 00:00 Time

USPA News - American fast food giant Burger King has reached an agreement to buy Canadian coffee and donut chain Tim Hortons, creating the world`s third-largest fast-food restaurant group that will controversially move Burger King`s headquarters to Canada, the companies announced Tuesday. Under the terms of the definitive agreement, which was unanimously approved by the boards of both companies, shareholders of Tim Hortons will receive 65.50 Canadian dollars (59.81 U.S. dollars) for each share, making it a 12.5 billion Canadian dollars (11.4 billion U.S. dollars) deal.

The shareholders will also receive 0.8025 common shares of the new company. Burger King and Tim Hortons said the deal would be taxable in both the United States and Canada, but Tuesday`s announcement prompted immediate criticism as the new company`s headquarters will move the well-known American brand to Canada. Miami in the U.S. state of Florida will remain the "global home" of the Burger King business, but moving the parent company`s headquarters to Canada will likely result in significant tax savings. In a joint statement, however, Burger King and Tim Hortons said the deal would allow both companies to benefit from the parent company`s global scale and reach, as well as shared best practices. It said the two companies expect to significantly accelerate their international expansion and growth in the near future, but both will continue to operate independently. "Our combined size, international footprint and industry-leading growth trajectory will deliver superb value and opportunity for both Burger King and Tim Hortons shareholders, our dedicated employees, strong franchisees, and partners," said Burger King Executive Chairman Alex Behring. "We have great respect for the Tim Hortons team and look forward to working together to realize the full potential of these two extraordinary businesses." Marc Caira, president and CEO of Tim Hortons, said the deal with Burger King will allow the coffee and donut chain to move more quickly and efficiently to bring the Canadian brand to a new global customer base. "At the same time, our customers, employees, franchisees and fellow Canadians can all rest assured that Tim Hortons will still be Tim Hortons following this transaction, including our core values, employee and franchisee relationships, community support and fresh coffee," he said. When the deal is finalized, Behring will lead the parent company as Executive Chairman and Director. Caira will be appointed Vice-Chairman and one of its directors, while Burger King CEO Daniel Schwartz will become Group CEO of the parent company, with overall day-to-day management and operational accountability. The new company`s board will include the current eight Burger King directors and three directors to be appointed by Tim Hortons, including Caira. "Both Burger King and Tim Hortons will continue to operate after the closing as standalone, independent brands which leverage global shared services and best practices," the joint statement added. It said shares of the new parent company will be listed on the New York Stock Exchange and the Toronto Stock Exchange. 3G Capital will own approximately 51 percent of the business.

Article online:
https://www.uspa24.com/bericht-2629/burger-king-to-buy-tim-hortons-for-115-billion-move-to-canada.html

Editorial office and responsibility:
V.i.S.d.P. & Sect. 6 MDStV (German Interstate Media Services Agreement):

Editorial program service of General News Agency:
United Press Association, Inc.

3651 Lindell Road, Suite D168
Las Vegas, NV 89103, USA
(702) 943.0321 Local
(702) 943.0233 Facsimile
info@unitedpressassociation.org
info@gna24.com
www.gna24.com