

## HP Refuses Xerox Takeover

Written by Frederick Douglas  
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Earlier this week Xerox managed to get a financial backing worth \$33 billion in order to acquire one of its biggest rivals in the printer business, HP. However HP refuses the offer, and insists Xerox's bid is in no way enough.



"Your letter dated January 6, 2020 regarding financing does not address the key issue-- that Xerox's proposal significantly undervalues HP-- and is not a basis for discussion," a statement from HP CEO Enrique Lores and Board Chair Chip Bergh says. The letter in question comes from Xerox CEO John Visentin, and describes how the company managed to get financing commitment for the aforementioned \$24bn from Citigroup, Mizuho Financial Group and Bank of America.

For the curious, Wall Street estimates HP is worth £30 billion, a valuation far bigger than Xerox's \$7.7bn.

But why did HP refuse the Xerox takeover? In part, of course, it all boils down to a want for a higher price. However HP leadership had also expressed concerns over both the long-term health and long-term viability of Xerox. After all, Xerox missed four out of the five latest consensus revenue estimates, and revenues have been dropping on a 12-month basis since June 2018.

That said, one HP investor is in favour of the Xerox takeover-- Carl Icahn. The infamous investor describes the deal as a "no-brainer," but then again one has to keep in mind the man

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has significant states in both companies.

Go [HP Board Once Again Rejects Xerox's \\$33bn Takeover Bid \(MarketWatch\)](#)

Go [HP Says Xerox Securing Financing Not Basis for Takeover Talks \(Reuters\)](#)