

## Capital Mergers And Acquisitions, LLC (CMA Group)

### MMC Sells Kroll for \$1.13 billion to security solutions firm Altegrity

Marsh & McLennan Companies announced yesterday the sale of its risk consulting subsidiary, Kroll, to global security solutions firm Altegrity. **The purchase price of \$1.13 billion cash values Kroll at approximately 1.7x 2009 sales and between 8x and 10x normalized 2009 EBITDA (assuming an EBITDA margin between 17-21%).** The sale of Kroll had been speculated since 2008 but chatter intensified in March, when the Financial Times reported that MMC was in talks with private equity firms interested in acquiring the risk consulting business; however, the announced sale price of \$1.13 billion is below the \$1.3 billion price tag MMC was reportedly seeking at the time.

For MMC, the sale of Kroll signifies an end to an acquisition that was never fully integrated. MMC bought Kroll in 2004 for \$1.9 billion but the acquisition never produced the returns MMC had hoped for. Now, six years and hundreds of millions of write-downs and impairment charges later, MMC is content to sell Kroll for a loss and refocus on its core business.

**Sector:** *Electronic  
Data Discovery and  
I.T. Consulting  
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