

HOGAN LOVELLS COUNSELS IBM ON KYNDRYL LAUNCHING

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Hogan Lovells advises IBM on the creation of the new technology group, a leader in its sector, Kyndryl



Starting on November 4, 2021, Kyndryl began "regular way" trading on the New York Stock Exchange under the symbol "KD." Each holder of IBM common stock will receive one share of Kyndryl common stock for every five shares of IBM common stock held on October 25, 2021, the record date for the distribution. For United States federal income tax purposes, the distribution has been conducted in a tax-efficient manner for IBM stockholders in the United States.

"The separation of Kyndryl is one of many actions we are taking to sharpen our focus on hybrid cloud and AI, leverage a portfolio clearly focused on technology and consulting, and achieve our growth objectives," said Arvind Krishna, IBM chairman and chief executive officer. "We look forward to our partnership with Kyndryl as it moves forward as an independent company."

As previously stated, IBM is retaining 19.9 per cent of the shares of Kyndryl common stock, with the intention of exchanging those shares for IBM debt during the 12-month period following the distribution, subject to market considerations.

With 90,000 employees and a turnover of 19 billion (16.45 billion euros), Kyndryl is the world's largest start-up and the world's largest provider of managed infrastructure services. Spain and Portugal are two of the 13 countries in which it operates, where it has more than 250 customers from different economic sectors, including 45% of the Ibex 35 companies.

A Hogan Lovells cross-border team including Madrid office Corporate M&A partner Graciela Llaneza (pictured left), senior associate Enrique de Pablos and junior associate Mariana Blanco, Real Estate partner Emilio Gómez (pictured right) and associate Marta Santos has advised IBM in its international restructuring to create the new technology group, Kyndryl. Up to 31 Hogan Lovells offices were involved in this operation from countries like the United Kingdom, Germany, Italy, France, Luxembourg, the United States, Poland, Australia, Japan, Mexico, China and South Africa.