



News & Trending

NEWS

CLIENT CREE TO SELL LED BUSINESS TO SMART GLOBAL HOLDINGS FOR UP TO \$300 MILLION

10.20.2020

Smith Anderson client Cree, Inc. (Nasdaq: CREE) announced that it has entered into a definitive agreement to sell its LED Products business unit to SMART Global Holdings, Inc. (Nasdaq: SGH) for up to \$300 million.

According to the press release, under the terms of the agreement, which has been approved by the Company's board of directors, Cree expects to receive an initial cash payment of \$50 million, a \$125 million seller note and an earn-out payment of up to \$125 million.

Cree CEO Gregg Lowe is quoted in the press release as saying "We are pleased to announce the sale of our LED Products business to SMART, which represents another key milestone in our transformational journey to create a pure-play global semiconductor powerhouse."

The transaction is subject to required regulatory approvals and satisfaction of customary closing conditions, and is targeted to close in the first calendar quarter of 2021. Click [here](#) to read the official press release.

The Smith Anderson team advising Cree in the merger was led by Gerald Roach, Rob Duggins, Heyward Armstrong and Alex Bowling and was a collaborative effort with support from more than 30 team members from the firm's Corporate; Technology; Finance; Employee Benefits and Executive Compensation; Employment, Labor and Human Resources; and Tax practices.

Smith Anderson has regularly represented Cree for over 20 years in a wide range of transactions, including multiple acquisitions. Of recent note, in 2019, Smith Anderson advised Cree on the divestiture of its lighting products business unit to IDEAL Industries, Inc. for an initial cash payment of \$225 million plus the potential to receive an earn-out payment based on the business's post-closing performance. Additionally, in 2018 Smith Anderson advised Cree regarding a definitive agreement to purchase the assets of the RF power business of Infineon Technologies AG, a world leader in semiconductor solutions, for €345 million in cash.

PROFESSIONALS

[Heyward D. Armstrong](#)

[Amy Meyers Batten](#)

[Alexander M. Bowling](#)

[Jason R. Brege](#)

Clifton L. Brinson

Joshua D. Bryant

Philip J. Cardinale

Maria (Alice) Alvares Dias

Robert E. Duggins

Nicolas Eason

Davis J. Fussell

Robert L. Hash

J. Travis Hockaday

Charles R. Kabugo-Musoke

Rosemary Gill Kenyon

Caryn Coppedge McNeill

Miranda R. Miller

Bart A. Norman

David R. Ortiz

Stephen T. Parascandola

Davis F. Roach

Gerald F. Roach

Donald H. Tucker, Jr.

Kendra L. White

Lisa M. Young, NCCP

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