

2021 DEALMAKERS OF THE YEAR



Scott Miller
Sullivan & Cromwell

THE LATE ITALIAN-CANADI an auto executive Sergio Marchionne turned around Fiat and Chrysler with tenacity and legendary business acumen. But his longtime attorney, Sullivan & Cromwell M&A partner Scott Miller, learned something else from the automotive titan.

“He was the most patient negotiator I have ever worked with,” says Miller, who began representing Fiat in 2005 and facilitated its merger with Chrysler in 2009. “He was always willing to let things simmer, to let the real issues bubble to the surface and get resolved.”

Last April, Miller leaned on the patience he learned from Marchionne when the pandemic closed production lines and depressed car buying worldwide. He was four months into the merger of Fiat Chrysler Automobiles (FCA) and Peugeot, two companies in need of a dance partner to achieve the margins required to survive in an increasingly consolidated industry.

The companies were meeting via trans-Atlantic flights when negotiations for the \$50 billion deal began in December 2019, but Miller now had to finish it without any more handshakes. There was also a liquidity problem: FCA needed more of it, having spent \$3.8 billion to sustain its operations through June 2020. Miller helped solve that problem, as both parties agreed to reduce FCA’s shareholder dividend by €1.6 billion (\$1.9 billion) in exchange for an equity stake in a French auto parts supplier, Faurecia, which Peugeot partially owned.

“The willingness to be patient actually created or preserved the ability to maintain a transaction that was really beneficial for all parties,” Miller says. “It would have been so much more difficult had we tried to solve every issue as soon as it came up, because so many issues were hitting us all at once.”

The initial instinct that Miller repressed, he says, was to immediately look to restructure the deal and renegotiate. All parties ultimately benefited from Miller’s measured approach. The deal closed Jan. 16, 2021, within the original closing target.

“If you tried to play whack-a-mole as each issue came up,” Miller says, “it would’ve been much more difficult.”

—DAN ROE