

Photoshop maker Adobe ditches \$20bn merger

Adobe says it has abandoned its \$20bn (£15.8bn) merger with designer platform Figma amid opposition from European regulators.

The UK's Competition and Markets Authority (CMA) had revealed earlier in the day that Adobe, best-known for its Photoshop editing software, would not propose remedies to resolve its concerns over the buyout.

The watchdog's European Union counterpart had similar worries.

The deal, which was announced in September last year, was the latest to draw tough scrutiny from regulators worried over big tech acquisitions that boost dominant companies' market power.

For its part, the CMA had provisionally found that the deal could harm the product design software market.

Adobe had argued that it does not compete with Figma in any meaningful way.

It said the only product relevant to the inquiry was the Adobe XD design tool, a loss-making app that employed only five people.

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Adobe chief executive Shantanu Narayen said: “Adobe and Figma strongly disagree with the recent regulatory findings, but we believe it is in our respective best interests to move forward independently.

A termination fee of \$1bn is payable to Figma by Adobe.

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Its share price, however, did recover some value.

The tussle with Adobe marked another high profile intervention by the CMA, which recently U-turned on its opposition to [Microsoft’s takeover of Activision Blizzard](#) after the US tech firm offered new remedies to offset its concerns.

The deal had been seen as a bet on “the future of work” but had sparked investor concerns, particularly over the price tag.

Adobe’s market value took a \$30bn hit when the planned tie-up was first announced.