Firmer footing
Equity capital markets update
Spring 2019
This equity capital markets update contains commentary on: recent UK stockmarket performance; levels of equity market issuance and macroeconomic considerations; an introduction to IPO transaction management; and a case study of Deloitte Canada’s involvement in the recent IPO of Lightspeed.
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**About this report:** This report contains data sourced from Deloitte’s Q1 2019 CFO Survey, Deloitte’s Spring 2019 European CFO survey, FactSet, Dealogic, company admission documents, press releases and London Stock Exchange statistics. Unless stated otherwise, IPO and secondary fundraisings relate to completed transactions by companies admitted to either the Main Market or AIM and all market data is as at 14 May 2019. The issuance of GDRs and convertibles and the take-up of any over-allotment options have also been excluded. All commentary is provided by Deloitte ECM Partners.
Welcome

Equity markets have posted strong gains in 2019, continuing their recovery from December lows. More accommodative monetary policy and a softening in trade tensions in Q1 have provided support against the backdrop of a global economy slowdown. The FTSE 100 is 7.6% higher than at the start of this year with all major UK equity indices similarly performing strongly in 2019.

This ECM update includes commentary on equity market performance in the first half of 2019, a summary of equity issuance so far in 2019, as well as an insight into Deloitte’s IPO transaction management offering.

Global equity markets have performed well so far in 2019 putting aside slowing global growth and expectations for an end to the 10 year bull market. More recently, signs that domestic economies in Europe and North American are holding up have contributed to a more constructive tone to global equity markets. Bond yields continued to decline as accommodative stances were adopted by the Federal Reserve, the ECB and the Bank of Japan in response to political uncertainty worldwide.

As at 14 May 2019, the FTSE 100 was 6.2% lower than at the same point 12 months ago but 7.6% higher since the start of the year. Volatility levels reduced throughout 2019 with the VIX Index substantially lower than the December high of 36.0 and currently at 18.1 which is broadly in line with the average over the last 5 years.

Overall equity transactions totalled £9.8 billion across 218 transactions in the UK for the year to date were driven by the Financial Services, Healthcare and Technology sectors. AstraZeneca raised £2.7bn of funds in March 2019 and Network International debuted on the LSE main market raising £1.2bn in April 2019, the largest UK IPO so far this year.
Having prepared early and waited out softer market conditions in Q4 2018 and political uncertainties in early Q1 2019, several IPO candidates took advantage of more favourable recent market conditions and the Brexit delay. In 2019 so far, 7 IPOs have completed on main market and AIM with a further 5 currently in the market. The level of pulled IPOs is significantly lower than the 9 IPOs that were cancelled in H2 2018.

We provide a summary of our most recent CFO Survey, which shows CFOs continue to operate prudently by focusing on defensive strategies, which mirrors sentiment across Europe.

We are also pleased to present our perspectives on IPO transaction programme management and the importance of getting the right team in place.

Finally, we are pleased to include an international case study of our Canadian IPO Advisory team’s involvement in the recent IPO of Lightspeed on the Toronto Stock Exchange, the largest Canadian tech firm IPO since 2010.

We hope you find this document of interest and useful. We and the wider ECM team would be delighted to discuss any matters arising with you.

With kind regards

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As at 14 May the FTSE 100 was trading 7.6% higher than at the start of the year.
Market performance
VIX as at 14 May 2019

18.1

FTSE 100 performance since 27 December low

10.0%

FTSE 250 performance since 27 December low

13.3%

S&P 500 performance since 27 December low

20.6%
Following a period of prolonged uncertainty, equity markets have rallied in the first half of 2019

Global stock markets recovered lost ground over recent months on account of more accommodative central bank policies, improving expectations for Chinese growth, and the anticipation of a resolution to US-China trade negotiations. In addition, economic data were more sanguine across several major economies, helping alleviate concerns around the global growth trajectory.

As a result, since the start of 2019, the FTSE 100 and S&P 500 had risen 7.6% and 13.1% respectively. More recently at the beginning of May, the S&P 500 had been at its highest level in the last 12 months following better than expected corporate earnings, however those gains were recently partially undone after President Trump announced a doubling in trade tariffs on Chinese imports.

Recent UK macroeconomic data has surprised to the upside with strong manufacturing PMI readings in April, increasing retail sales and a robust employment environment. However, recent positive Q1 2019 GDP growth of 0.5% likely reflects corporate stockpiling efforts rather than increased business activity.

Trade tensions and a worsening global economic outlook contributed to elevated levels of volatility in December 2018 with the CBOE Volatility Index ("VIX") hitting 36.1. Volatility levels steadily tapered down following more positive sentiment for risk assets, although have slightly increased since the start of May an account of signs of a breakdown in trade negotiations between the US and China. The VIX was at 18.1 as at 14 May.
The FTSE All Share has gained 8.1% since the start of the year with broad-based gains (on an absolute basis) across all sectors. Only the Telecoms sector is lower than at the start of the year with aggregate components of the sector down 13.5% on account of prospective lower dividend payouts ahead of the capital intensive 5G rollout.

The Technology sector was a major beneficiary of more optimistic market sentiment. As at 14 May 2019, the sector had gained 21.9% since the start of the year. Software companies, being the main driver of sector gains, reported strong earnings growth and rewarded investors accordingly.

The Industrials sector was also a strong performer over H1 2019 to date on account of an upturn in UK manufacturing growth and a rebound in Chinese economic growth in the first quarter.

Relative underperformance in more defensive sectors such as Healthcare and Utilities was the main detractor on FTSE All Share aggregate performance as investors rotated out of these sectors and into risk assets.
The Deloitte IPO Barometer

IPO performance relative to FTSE 350 – 2015 to 14 May 2019

Includes Premium Main Market IPOs excluding investment companies (i.e. AIM and Standard Main Market IPOs, investment companies, venture capital trusts, transfers from other markets, cash shells etc. have been excluded). The performance figures reflect share price movements only, take no account of dividends, and are not a measure of total shareholder return.

Source: FactSet as at 14 May 2019, company admission documents
The Deloitte IPO Barometer measures the share price performance of IPOs of premium segment Main Market trading companies versus the FTSE 350 between the date of their IPO and 14 May 2019.

Since the start of 2015, IPOs have outperformed the FTSE350 by an average of 20.7%, which represents an average rise of 28.7% compared to 8.0% for the FTSE 350. Premium segment IPOs of operating companies have been limited so far in 2019, with DWF Group and Network International being the only two to have listed.

Two of last year’s largest IPOs, Funding Circle and Aston Martin Lagonda, had suffered 44% and 48% declines respectively as at 14 May 2019. In contrast, AJ Bell had risen over 150% since its IPO in December 2018, demonstrating that the market can be open and receptive to IPOs notwithstanding prevailing market conditions and political uncertainties.

Since the start of 2015, an investment of £1,000 in each of the IPOs which are still on the market at their listing date was worth £75,952 at 14 May 2019 compared to £63,767 if you had invested an equivalent amount in the FTSE350 at the date of each IPO.

Source: FactSet, Dealogic as at 14 May 2019
Equity issuance and macroeconomic considerations
Equity issuance activity in the year to date has been driven primarily by a small number of big ticket transactions.

In Q1 2019, £7.0 billion of equity had been raised compared to £6.5 billion in the same period in 2018.

Despite the flurry of high-profile IPOs that have occurred in the US recently, market conditions over Q1 2019, while improving, were still challenging. Brexit uncertainty is likely to have pushed out transaction timetables into the second half of 2019 – Q1 IPOs in 2019 totaled five compared with nine in the same period in 2018. By 14 May, a further 9 companies had either announced or completed their IPOs.

The largest completed IPO to date in 2019 was Network International, a payments solution company, which raised £1.2bn in April. The most significant secondary raise in 2019 so far was a £2.7bn placing by AstraZeneca in March to fund product development and repayment of loans.

In 2019 to date, excluding the AstraZeneca placing, the Financials and Technology sectors were the most active for equity issuance and accounted for almost half of all money raised. This was driven by a £350m placing by Standard Life Aberdeen and the £1.2bn IPO of Network International.

Equity issuances last four quarters

Includes money raised from new shares and existing shares from IPOs, secondary fundraisings by companies admitted to the Main Market or AIM and marketed sales of existing shares in such companies. Excludes the issuance of convertibles and the take-up of any over-allotment options.

Source: Dealogic as at 14 May 2019, admission documents.
The 2019 first quarter survey took place between 26 March and 7 April.

89 CFOs participated, including the CFOs of 18 FTSE 100 and 31 FTSE 250 companies. The rest were CFOs of other UK-listed companies, large private companies and UK subsidiaries of major companies listed overseas.

The combined market value of the 60 UK-listed companies surveyed is £377 billion, or approximately 15% of the UK quoted equity market.

“The dash for cash

The latest survey shows little change in confidence and risk appetite among Chief Financial Officers despite the turbulent period surrounding Brexit. The reason is that CFOs priced in a tougher environment earlier, at the start of the year. CFOs went into March braced for tough times and the latest round of Brexit uncertainties has not materially changed that picture.

The survey ran between 26 March and 7 April, opening just after the announcement of the first delay in Brexit and covering a period that saw the failure of the House of Commons to agree a new plan and the start of Brexit talks between the government and the Labour Party. Despite this, perceptions of uncertainty have eased slightly amongst CFOs but remain close to their highest level in more than two years.

The fact that balance sheets are being readied for turbulence fits with findings by the Bank of England’s agents which show that around 80% of companies judge themselves ready for a no-deal, no-transition Brexit. When expectations are low it is harder to be disappointed.

Chart 1. Uncertainty

% of CFOs who rate the level of external financial and economic uncertainty facing their business as high or very high

“Large businesses are clearly looking to protect themselves against risk by raising cash levels and bullet-proofing balance sheets. They appear to be battening down hatches for tougher times ahead.

While last week’s announcement on a further deferral of the UK’s departure from the EU removes an immediate unknown, the continuation of uncertainty is causing much frustration for UK businesses. As well as stashing cash, many continue to delay investment. Businesses remain in a period of further limbo.”

David Sproul, senior partner and chief executive of Deloitte North West Europe
Defensive strategies are leading to high cash levels

Corporates face three pressures. First, growing economic headwinds mean that CFOs have become markedly more negative on revenue growth in the last six months.

Second, cost pressures are increasing, with a record 79% of CFOs expecting operating costs to rise in the next year. Wages have been the swing factor, with official data showing average earnings growing at close to their fastest pace in 11 years.

Third, credit conditions have become less accommodative. CFOs report that credit pricing and availability have deteriorated in the last two years and CFO concern about excessive leverage has ticked up.

Large businesses are looking to protect themselves against these risks by bullet-proofing balance sheets. At the heart of this strategy is a drive to raise cash levels. Official data show that at the end of 2018 UK corporates held a record £747 billion in cash, equivalent to 35% of GDP and almost one-third higher than in early 2016. Cash piles look set to rise still further.
Corporate risk appetite picked up slightly but remains low on account of Brexit and weak demand

CFO risk appetite has edged up slightly but remains close to its lowest level in nine years.

CFOs rank Brexit as the top risk facing their businesses, followed by weak demand in the UK. Rising geopolitical risks worldwide ranks as the third highest risk. Several rounds of trade talks between the US and China have raised hopes of a de-escalation in trade tensions, easing concerns over greater US protectionism.

**Chart 4. Corporate risk appetite**
% of CFOs who think this is a good time to take greater risk onto their balance sheets

**Chart 5. Risk to business posed by the following factors**
Weighted average ratings on a scale of 0-100 where 0 stands for no risk and 100 stands for the highest possible risk
The European landscape displays caution in the face of a weakening economic outlook

The European CFO Survey is part of a global cohort of surveys benchmarking the current and future intentions, sentiment and opinions of European Chief Financial Officers. The survey in its fifth year represents the views of 1,473 CFOs based in 20 European countries.

The flow of worrying economic and political news that characterised the second half of 2018 has reduced since the beginning of 2019. According to the results of the latest European CFO Survey, businesses in Europe remain wary. A decline in demand and weak overall economic outlook are now the main concerns for CFOs in Europe.

During the last quarter of 2018 the economy grew at its slowest pace since the financial crisis. A number of major companies in Europe and the US blamed weaker demand from China and higher tariffs for disappointing sales. The German economy was affected particularly and almost slipped into recession in the last quarter of 2018.

Despite the gloom, the majority of CFOs across Europe do not see an imminent economic recession, neither in their own national economy nor in the euro area or in the US. What CFOs in Europe seem to be seeing is, rather, a return to a “new mediocre” – as the IMF’s managing director Christine Lagarde once defined a scenario of disappointingly low growth.

Optimism dropped in almost all countries within the euro area. Three of the five countries showing a negative net balance on this metric are from the Eurozone. Compared to the Autumn 2018 edition, the proportion of CFOs feeling less optimistic increased by 7pp (from 19 per cent to 26 per cent) while the proportion of those feeling more optimistic slipped further down (from 27 per cent to 23 per cent). For the first time in four years, the net balance is now negative.

The majority of CFOs report that they have taken or are planning to take steps to increase the resilience of their companies to a growth slowdown. They are seeking to enlarge or better define their customer base and increase the use of advanced Technology in order to improve efficiency. Whatever may come, European businesses are conscious they need to be ready and are favouring offensive strategies.

**Chart 6. Financial prospects (net balance %)**

Compared to three months ago, how do you feel about the financial prospects for your company?

<table>
<thead>
<tr>
<th>Country</th>
<th>Net Balance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>29%</td>
</tr>
<tr>
<td>Norway</td>
<td>28%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>23%</td>
</tr>
<tr>
<td>Russia</td>
<td>19%</td>
</tr>
<tr>
<td>Denmark</td>
<td>14%</td>
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<tr>
<td>Sweden</td>
<td>12%</td>
</tr>
<tr>
<td>Turkey</td>
<td>11%</td>
</tr>
<tr>
<td>Ireland</td>
<td>10%</td>
</tr>
<tr>
<td>Spain</td>
<td>7%</td>
</tr>
<tr>
<td>Austria</td>
<td>6%</td>
</tr>
<tr>
<td>Belgium</td>
<td>3%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2%</td>
</tr>
<tr>
<td>Poland</td>
<td>0%</td>
</tr>
<tr>
<td>Portugal</td>
<td>0%</td>
</tr>
<tr>
<td>Italy</td>
<td>0%</td>
</tr>
<tr>
<td>Germany</td>
<td>0%</td>
</tr>
<tr>
<td>Finland</td>
<td>0%</td>
</tr>
<tr>
<td>UK</td>
<td>0%</td>
</tr>
<tr>
<td>Iceland</td>
<td>-24%</td>
</tr>
<tr>
<td></td>
<td>-13%</td>
</tr>
<tr>
<td></td>
<td>-6%</td>
</tr>
<tr>
<td></td>
<td>-12%</td>
</tr>
<tr>
<td></td>
<td>-37%</td>
</tr>
</tbody>
</table>

(1) Countries included in the survey are: Austria, Belgium, Denmark, Finland, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey and the United Kingdom

(2) Note, in Denmark, Finland, Norway, Italy and Poland the question specified a six-month period

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ECM hot topic: IPO Transaction Management
IPO programmes need to be managed in a different way to M&A transactions. In this article we discuss the key components of successful IPO transaction management.

The varied and complex nature of an IPO transaction increases the importance of getting the right team in place to meet the specific requirements of the transaction.

**DRIVERS OF IPO PROGRAMME COMPLEXITY**

- **Entering the unknown** – Typically an IPO is a ‘once in a lifetime’ undertaking for a Company, introducing many new requirements that an organisation will not have experienced before.

- **Business as usual versus IPO** – The IPO process is in part driven by significant structural and regulatory activities, but the Company must manage these additional demands while ensuring the business delivers the best possible results leading into becoming publically listed.

- **Adapting to change** – The eventual transaction outcome in terms of structure, venue and timing is often uncertain and related decisions required to be made early in the process will have a significant impact on what the programme team needs to achieve. The Company must be ready to prepare for all eventualities.

- **Speed of change** – Taking a Company public impacts all functions in the business. The changes that are introduced must be implemented quickly and embedded effectively to ensure success as a listed business. Organisations need to have the capacity and processes in place for their people to embrace this change.

**DELIVERING A SUCCESSFUL IPO**

Therefore, when determining how they will manage their IPO programme, a Company must put a core team in place capable of achieving three broad outcomes:

1. Placing control of the process in the hands of the Company.
2. Driving complex, and interdependent work streams, bringing clarity on progress and priorities to the Executive and Senior Management.
3. Achieving early preparation where possible, to allow the Company flexibility to respond to the market at the right time.

Organisations have a greater chance of achieving their IPO goals if they embed a strong Company side transaction programme management team.
Strong IPO programme leadership must be placed at the heart of the project

Common IPO programme pitfalls

- Failure to identify and drive improvement initiatives early enough required to deliver a strong investor story both prior to, and after, listing
- Distraction of the management from running the underlying business
- Lack of coordination of key stakeholders and visibility on inter-dependent work streams resulting in cost and inefficiency
- Not having an appropriately skilled, resourced and full time team leading to the process being ‘done to’ the business
- Underestimating the timeline and resources required across the myriad work streams
- Last minute reporting and information requirements causing ‘surprises’ in the results or challenging disclosures after listing

The Company IPO transaction management team should be established early during the initial readiness assessment phase and will become the focal point of the transaction - coordinating advisors and internal work streams in order for the Company to control the process.

Multiple stakeholders

- The company
- Regulators
- Sponsor and Investment Banks
- Legal advisors
- Independent Adviser
- Reporting Accountant
- Underwriter / Brokers / Bookrunner

Interdependent work streams

- Prospectus development
- Historical financial information
- Analyst / investor presentations and marketing
- Equity story definition and delivery
- Corporate governance
- Financial position and prospects
- Financial and legal due diligence
- Working capital model development
- Regulator engagement and applications
The ‘right’ IPO leadership team is one which can both lead the programme and is aligned around consistent goals

Key components of establishing the right transaction management team

**ESTABLISH A TEAM TO LEAD**

The central programme management team must have the ability to lead the programme. They must be able to set direction for the functional areas, coordinate external advisors and provide insight to management on priorities in order to support protection of business as usual.

**BUILD TRUST EARLY**

With multiple internal and external stakeholders involved as well as continuous competing priorities, it is important to establish a governance structure that facilitates decisions being made based on aligned objectives.

**Tips for implementing IPO transaction management**

- Appoint a full-time, senior Transaction Director as the IPO leader working with all transaction parties and bringing all work streams and advisers together.

- Put in place a strong transaction management office to work in support of the Transaction Director. The team should have an appropriate mix of corporate finance and capital market skills.

- Determine a split of responsibility amongst the senior leadership as to who will be responsible for the IPO process and who will run the business day-to-day.

- Where there is an element of a demerger or a carve out, ensure Parent and Child are both represented at governance forums in order to drive consistency of decision making and alignment of interests.
The transaction management office will provide insight to the operational work streams and coordinate external stakeholders and advisors

Key characteristics of an effective transaction management office

- **Shapes the programme**
  - Shapes the governance of the programme over time to meet the demands of each stage, ensuring the right people can make informed decisions when required

- **Drives value**
  - Focusses on the value driving initiatives that must be delivered in addition to the structural and regulatory requirements to meet the IPO timeline

- **Focusses on business performance**
  - Understands the longer term priorities. Whilst many acting for the Company will be focussed on getting to the ‘finish line’ of listing, the transaction office should know what needs to be delivered in the 100 days post IPO in order to begin life as a Public company successfully and to meet commitments to the market

- **Guides the business**
  - Manages the preparation on the Company side and provide insights to functional teams on the process in order to establish control in the organisation and to ensure the Company is engaging advisors in the most efficient and effective way possible

- **Owns the roadmap**
  - Is able to develop and own the end to end consolidated roadmap in order to set priorities and identify upcoming issues requiring management attention well in advance

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**Deloitte transaction management team**

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Case study: Lightspeed’s IPO on the TSX
Deloitte acts as IPO advisor to LSPD on its C$276m Initial Public Offering on the Toronto Stock Exchange (TSX)

**Transaction overview**

<table>
<thead>
<tr>
<th><strong>IPO pricing date:</strong></th>
<th>March 7th, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offer type:</strong></td>
<td>Initial Public Offering</td>
</tr>
<tr>
<td><strong>Offer price (IPO Marketing Range):</strong></td>
<td>C$16.00 (C$13.00 - C$15.00)</td>
</tr>
<tr>
<td><strong>Market cap at IPO:</strong></td>
<td>C$1.37bn</td>
</tr>
<tr>
<td><strong>Offering structure:</strong></td>
<td>100% Treasury</td>
</tr>
</tbody>
</table>

**Offer key features of the IPO:**

- Shares offered during the IPO were Subordinated Voting Shares (Multiple Voting Shares held by certain shareholders with 4:1 voting rights)
- Retained ownership by founder represented 49% of total voting interest (19% economic interest)

**Company profile**

- Headquartered in Montreal Canada, Lightspeed provides an easy-to-use, omni-channel commerce-enabling SaaS platform to empower single- and multi-location small and medium-sized businesses
- The software platform provides customers with the critical functionality they need to engage with consumers, manage their operations, accept payments, and grow their business to compete successfully in an omni-channel market environment
- Lightspeed generated revenue of US$71.9m during the last twelve months ended December 31, 2018 and has experienced revenue growth of 36% (CAGR) since fiscal 2016

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**Deloitte’s role**

- Deloitte acted as Independent IPO Advisor to the management team, advising on equity capital markets and public company readiness related aspects of the IPO process
- Deloitte also provided additional support to Lightspeed in the form of an IPO readiness lab and advisory services relating to project management, MD&A, internal controls and tax
Deloitte equity capital markets
Our service offerings

**Independent IPO Adviser**
- Truly independent advice throughout the IPO process
- Offer and transaction structuring advice
- Assistance with adviser selection
- Input into equity story
- Project and syndicate management

**IPO Reporting Accountant**
- Reporting on financial, tax and commercial due diligence
- Assessing the control and governance environment
- Sign off on HFI, working capital and FPP

**IPO Assist**
- Typically where we are not acting as reporting accountant
- Support and advice where and when needed
- Services include project management, seconding staff, building models and working as an integrated part of the company's team

**Post-IPO Support**
- Help management handle the transition to a PLC
- Assist with preparation of first set of public financials, audit of financial statements, ongoing analyst liaison and results announcements
- Ongoing corporate governance advice and support

**Class 1 Reporting**
- Act on any Class 1 transaction and rights issue even when we are not auditor
- Introduction of the new EU audit reform rules will require greater auditor independence

**Sponsor & Nomad**
- Advise and lead the transaction process from a regulatory perspective
- Independent from investors, providing impartial advice
- Advice on corporate governance procedures
- Ongoing regulatory role, including transaction advice

**Public Company M&A**
- P2Ps, public offers, hostile takeovers
- Act as lead adviser on either the buy-side (Offeror Adviser) or sell-side (Rule 3 Adviser) of the transaction
- Advice on corporate restructurings and demergers
- Support and advice on preparing bid defence procedures

**Tax and Remuneration Advice**
- Tax structuring, including domicile of Topco
- VAT treatment advice
- Advice on arranging executive and employee remuneration plans
- Benchmarking remuneration structures against PLC norms
- Implementation and documentation of remuneration plans

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- VAT treatment advice
- Advice on arranging executive and employee remuneration plans
- Benchmarking remuneration structures against PLC norms
- Implementation and documentation of remuneration plans
Deloitte UK – Corporate Finance M&A Lead Advisory

The No. 1 M&A adviser in 2018

Global & Europe
Mergermarket financial advisor rankings by deal count

Part of a global M&A service offering
200 Partners,
1,600 professionals across
120 locations
430 completed deals with a combination deal value of
£37.6bn

An active year across all sectors
Lead advisor on 50+ completed deals...
... with a combined deal value of
£3.5bn

Extensive buyer reach, spanning both strategic and private equity acquirers
PE acquirers Deals: 19 deals
Value: £1.9bn
Strategic acquirers Deals: 36 deals
Value: £1.6bn

US/UK cross-border corridor remains strong
Over ¼ of our completed deals were cross border...
... of which c. 30% were sold to a US acquirer

Impressive Private Equity market share
c. 15% of PE deals in the UK
Advised on deals with PE involvement worth
£3bn

Top three sectors by deal value
1. Business Services
2. Industrial & Manufacturing
3. Healthcare and Life Sciences

Leading UK M&A advisory practice of scale
140+ strong team of lead M&A advisers
Including 40+ Partners and directors

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Equity and PLC Advisory

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Selected Equity and PLC Advisory credentials

<table>
<thead>
<tr>
<th>IPO readiness and advisory services to A J Bell on its Main Market IPO</th>
<th>Financial adviser to DBAY Capital on its public takeover of Harvey Nash Group Plc</th>
<th>Lead adviser to MITIE Group Plc on the sale of VSG Group Limited to Compass Group Plc</th>
<th>Lead adviser to Kier Plc on the sale of its pensions administration business to XPS Pensions Group</th>
<th>Lead adviser to British Land on the sale of its property management business to Savills</th>
<th>Sponsor and financial adviser to Xfinity on its fundraising and Class 1 acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>£651m December 2018</td>
<td>£116m October 2018</td>
<td>£14m October 2018</td>
<td>Undisclosed May 2018</td>
<td>Up to £153m January 2018</td>
<td></td>
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<tr>
<td>Sponsor and financial adviser to Tri Pillar on its proposed Main Market IPO</td>
<td>Sponsor and financial adviser to Xfinity on its Main Market IPO</td>
<td>Independent financial advice to British Business Bank</td>
<td>Independent financial adviser to Morses Club on its IPO</td>
<td>Strategic advice to the Board of Sweett Group</td>
<td>IPO planning, advisory and assist services to Metro Bank on its IPO</td>
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<tr>
<td>Announced November 2017</td>
<td>£190m February 2017</td>
<td>Undisclosed 2016</td>
<td>£140m May 2016</td>
<td>Undisclosed May 2016</td>
<td>£1.600m May 2016</td>
</tr>
<tr>
<td>Lead financial adviser to PayPoint on the disposal of its Mobile and Online division</td>
<td>Financial adviser to Den Hartog on its recommended cash offer for Interbulk</td>
<td>Financial adviser to shareholders of Argus Media on sale to General Atlantic</td>
<td>Financial adviser to US$ lenders on the £407m rights issue and £370m debt restructuring of Lonmin</td>
<td>Lead financial adviser to Colt on the sale of its European managed cloud business to GETEtronics</td>
<td>Financial adviser and IPO Assist services to NMC Healthcare on its IPO</td>
</tr>
<tr>
<td>Undisclosed January 2016</td>
<td>£142m December 2015</td>
<td>c.£1,000m May 2016</td>
<td>£777m November 2015</td>
<td>Undisclosed November 2015</td>
<td>£390m April 2012</td>
</tr>
</tbody>
</table>
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One of the most successful Debt and Capital Advisory teams

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