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Building resilience

Equity capital markets update

Spring 2018

This equity capital markets update contains commentary on: recent UK stockmarket performance; levels of equity market issuance and macroeconomic considerations; and a summary of new IFRSs that impact both potential issuers and already listed companies.

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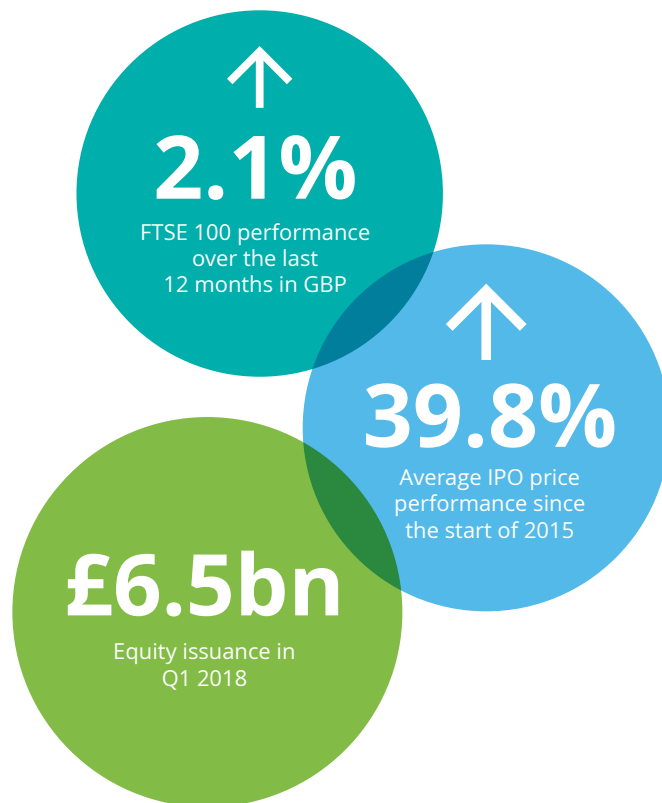
About this report: This report contains data sourced from Deloitte's Q1 2018 CFO Survey, FactSet, ECMi, company admission documents and press releases. Unless stated otherwise, IPO and secondary fundraisings relate to completed transactions by companies admitted to either the Main Market or AIM and all market data is as at 24 April 2018. IPOs and secondary offerings raising less than £25 million have been excluded. 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

Much of the first quarter of 2018 saw rising volatility and a resultant negative impact on market performance. Many of the gains seen at the end of 2017 were lost and against this backdrop the number of IPOs was somewhat muted. Towards the end of Q1 and beyond markets have recovered and volatility has stabilised. This ECM update includes commentary on equity market performance and activity so far in 2018 as well as an overview of the potential effect of three new IFRSs on IPO candidates and already listed companies alike.

The market's performance in Q1 2018 was blighted by falling investor confidence and rising volatility brought on by global political and economic concerns – such as poor US employment data and fears of a global trade war, the strengthening of Sterling against the US Dollar and rising bond yields. Since the quarter end, a number of these concerns have been allayed and London equity markets have recovered Q1's losses and are back around the highs experienced in Q4 2017.

As at 24 April the FTSE 100 had increased by 2.1% over the previous twelve months and was 7.4% above its twelve month low. Volatility hit a high of 37.3 on 5 February but had fallen to 18.0 on 24 April. In Q1 2018 £6.5 billion of equity was raised compared to £7.6 billion in the same period in 2017. In total 46 fundraisings were completed, nine of which were IPOs, which raised £1.2 billion. The majority of secondary fundraisings were undertaken to strengthen balance sheets, such as Provident Financial's £330 million rights issue, or to fund acquisitions, including the £1.7 billion rights issue by Cineworld to part fund its acquisition of Regal Entertainment Group. In addition, Xafinity successfully completed the significant acquisition of Punter Southall Holdings, which was partly funded by a £70 million fundraising, and we set out in this update a case study of the transaction and Deloitte's involvement.



Source: FactSet as at 24 April 2018, admission documents

Once again we provide a summary of our most recent CFO Survey, which shows slightly firmer business confidence and an easing of Brexit concerns. Whilst cost control remains the top priority for UK businesses, international businesses report a clear focus on expansion, especially introducing new products and moving into new markets.

Finally, we set out an overview of the implications to companies of the introduction of new accounting standards – IFRS 9, IFRS 15 and IFRS 16. These can have a significant impact on companies’ historic, current and forecast financial information, including a number of potential issuers currently contemplating an IPO.

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



John Hammond
Partner – Head of Equity
Capital Markets

Tel: +44 (0) 20 7007 2936

E-mail: johammond@deloitte.co.uk



Chris Nicholls
Partner – Head of Equity
and PLC Advisory

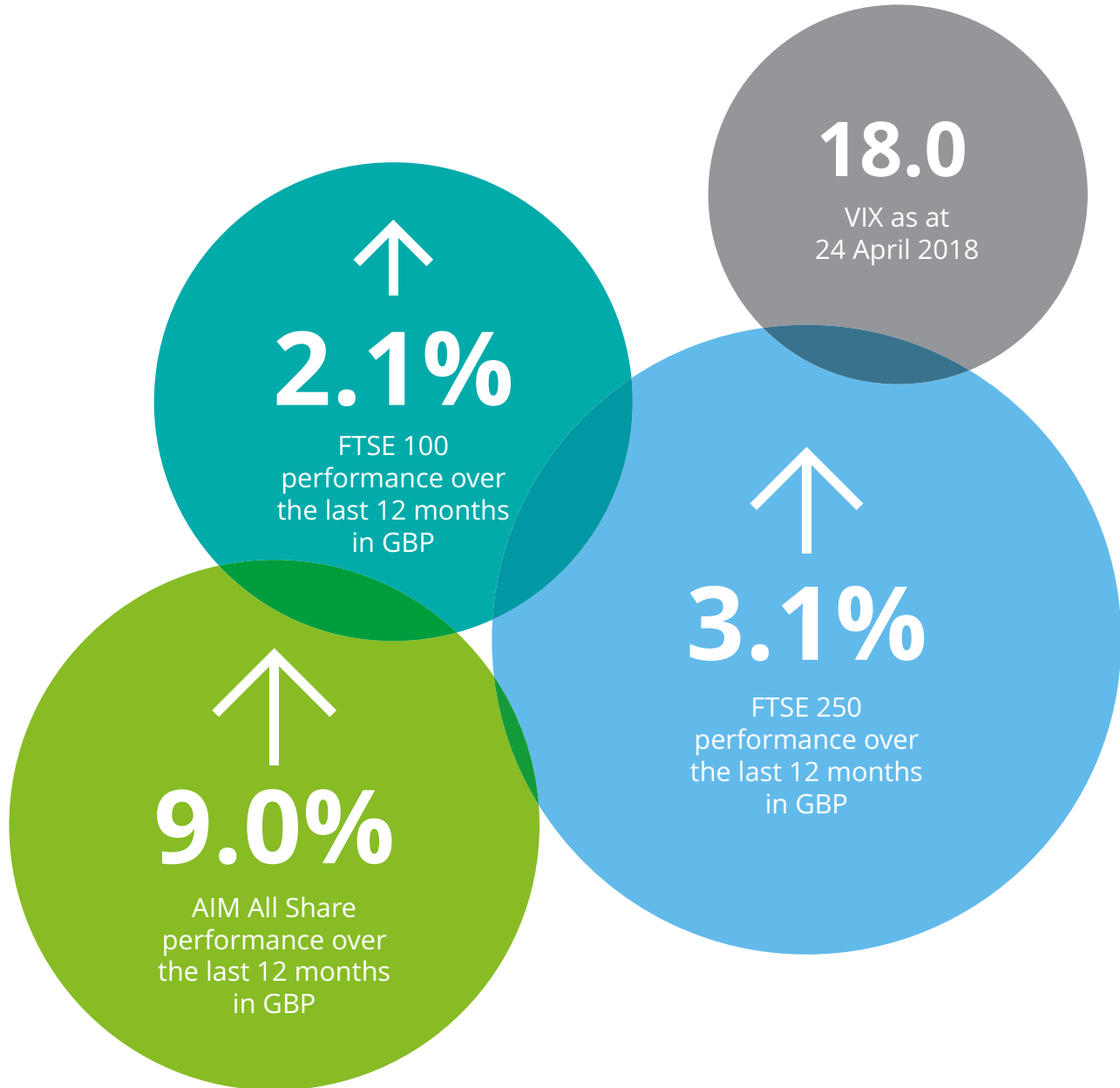
Tel: +44 (0) 20 7303 3092

E-mail: chnicholls@deloitte.co.uk

As at 24 April the FTSE 100 had increased by 2.1% over the previous 12 months and was 7.4% above its low in the period.

Market performance





Equity markets have stabilised and, although off their recent highs, have risen over the last twelve months

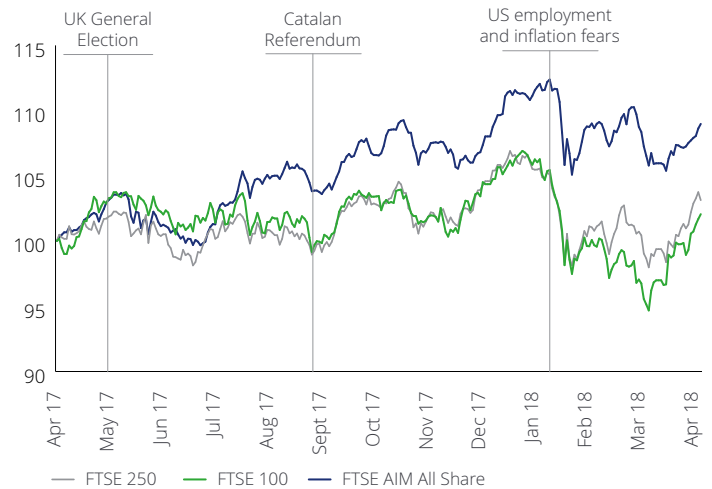
It has been a turbulent start to the year for UK equities. The significant losses experienced in January and February as global markets reacted to negative US employment data and fears of high US inflation were exacerbated towards the end of Q1 as bond yields rose and Sterling strengthened against the US Dollar.

Since the quarter end as Sterling has weakened and the outlook for UK economic growth has improved, equity markets have regained most of their losses. As at 24 April 2018 the FTSE 100 had increased by 2.1% over the twelve month period and was 7.4% above its twelve month low. Similarly, the FTSE 250 had increased by 3.1% and was 5.2% above its twelve month low. At the time of writing the FTSE 100 is back around its all time high.

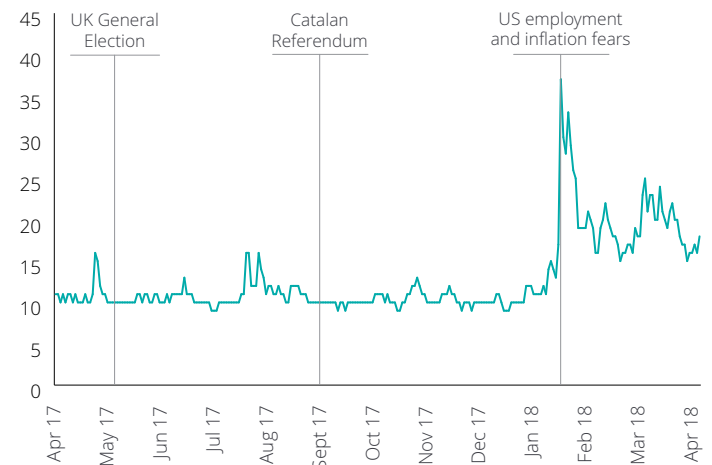
The CBOE Volatility Index (“VIX”) closed at a twelve month high of 37.3 on 5 February 2018 and a low of 9.1 on 3 November 2017. The average VIX value over the twelve month period to 24 April was 12.8, compared to 14.7 over the last three years.

Source: FactSet as at 24 April 2018

UK equity market performance (rebased) – last twelve months



Volatility index (“VIX”) – last twelve months



Natural resources have outperformed other sectors

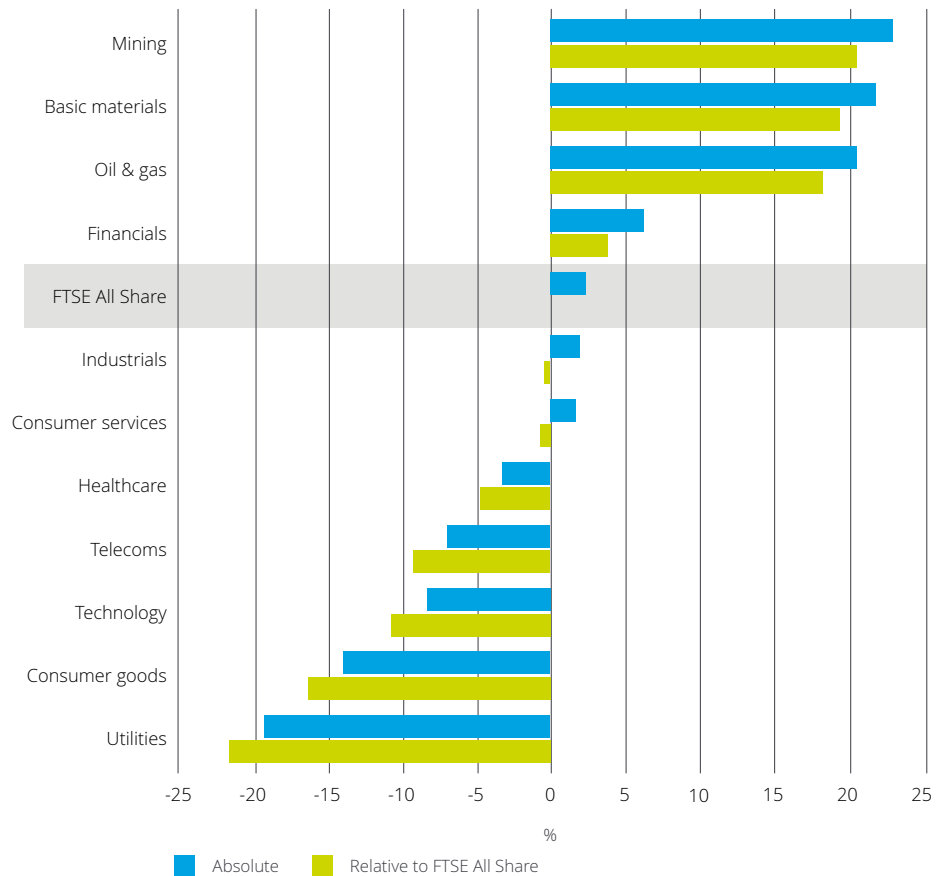
The mining, basic materials and oil and gas sectors were the stand-out performers over the past twelve months. These sectors have been heavily influenced by the weakness in Sterling against the Dollar, inflating the value of their underlying Dollar cash flows and dividend payments, and the recovery of sentiment for commodities.

In particular, the oil price has increased by 36.6% over the last 12 months with the resultant knock-on effect for the oil and gas sector.

The biggest change in fortune over the last few months has been in the technology and consumer goods sectors, which have gone from significant overperformers to underperforming the FTSE 350. This underperformance reflects the volatility of technology stocks in the US and doubts over the strength of UK consumer confidence.

The financial sector has also performed well, in part due to recent rate rises in the UK and US, leading to expectations of a gradual return to a 'normalisation' in monetary policy. Utilities and telecoms sectors underperformed in the period. Interest rate rises and the potential for further increases have contributed to this.

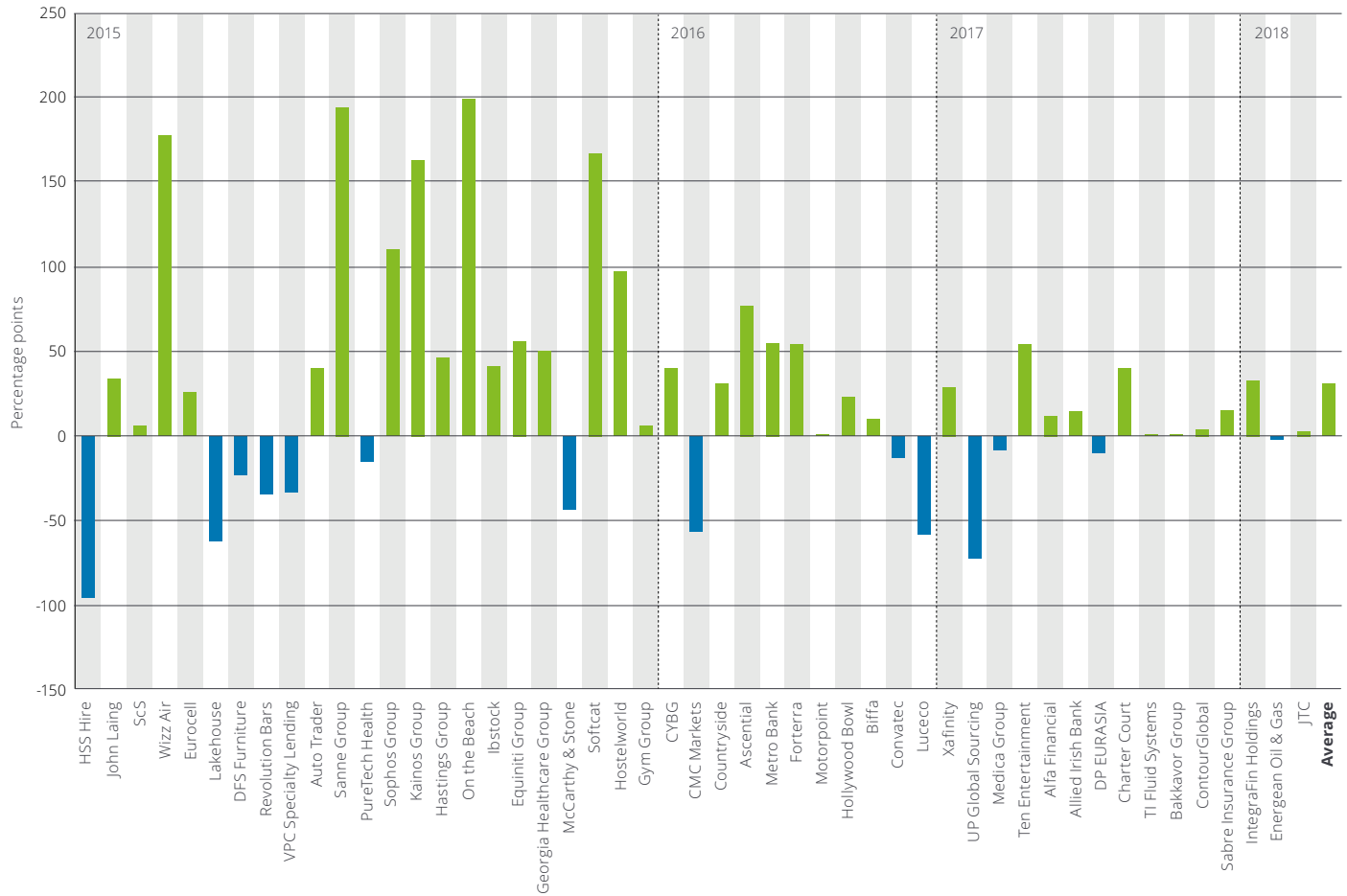
UK equity market price performance – last twelve months



Source: FactSet as at 24 April 2018

The Deloitte IPO Barometer

IPO performance relative to FTSE 350 – 2015 to 24 April 2018



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.

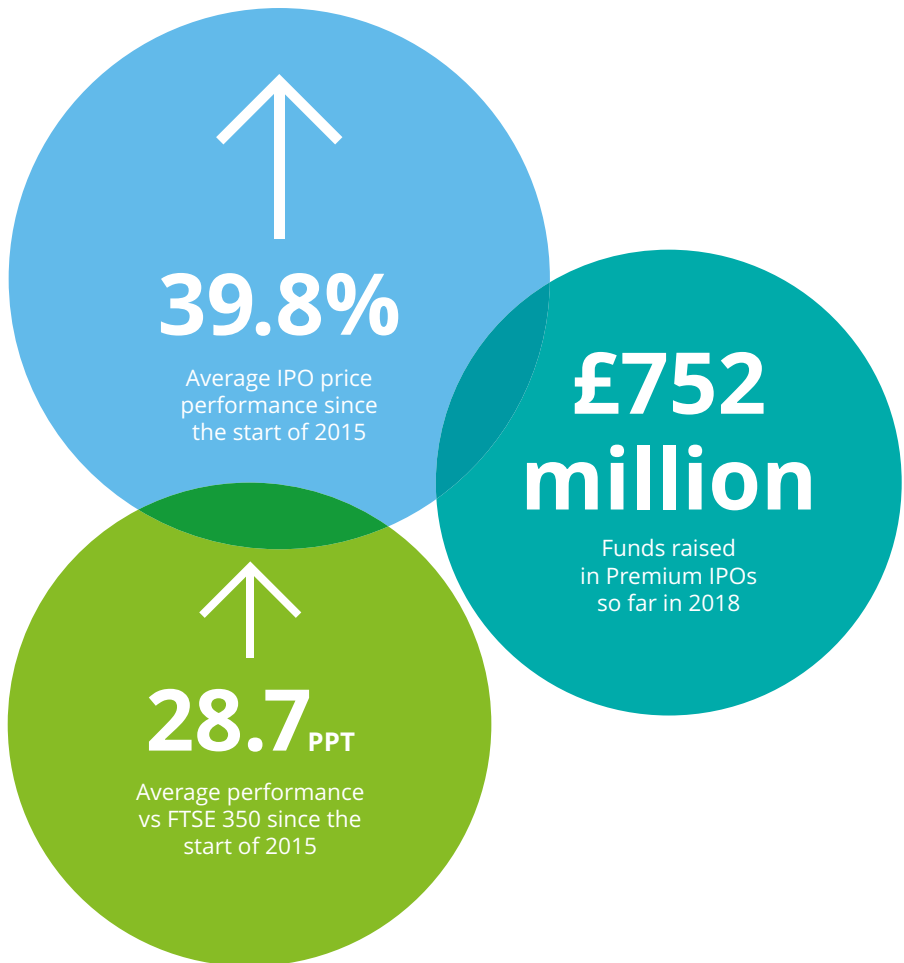
Source: FactSet as at 24 April 2018, company admission documents

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 24 April 2018.

Since the start of 2015, IPOs have outperformed the FTSE 350 by an average of 28.7 percentage points, which represents an average rise of 39.8% compared to 11.1% for the FTSE 350. The few instances of significant underperformance largely result from company-specific factors such as profit warnings.

As at 24 April there had been three premium segment Main Market IPOs in 2018, raising in excess of £750 million and returning an average of 11.3%.

Source: FactSet as at 24 April 2018



An investment of £1,000 in each of the IPOs still on the market at their listing date was worth £68,518 at 24 April 2018 compared to £54,393 if you had invested an equivalent amount in the FTSE 350 at the date of each IPO.



Equity issuance and macroeconomic considerations

First quarter equity issuance was once again driven by high secondary issuance volumes

In Q1 2018 £6.5 billion of equity was raised compared to £7.6 billion in the same period in the prior year. In total 46 transactions were completed compared to 53 in Q1 2017 as market turbulence and rising volatility affected levels of issuance.

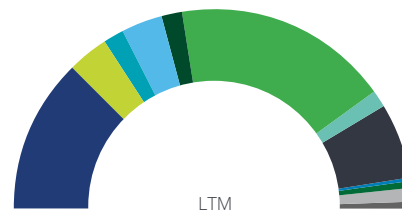
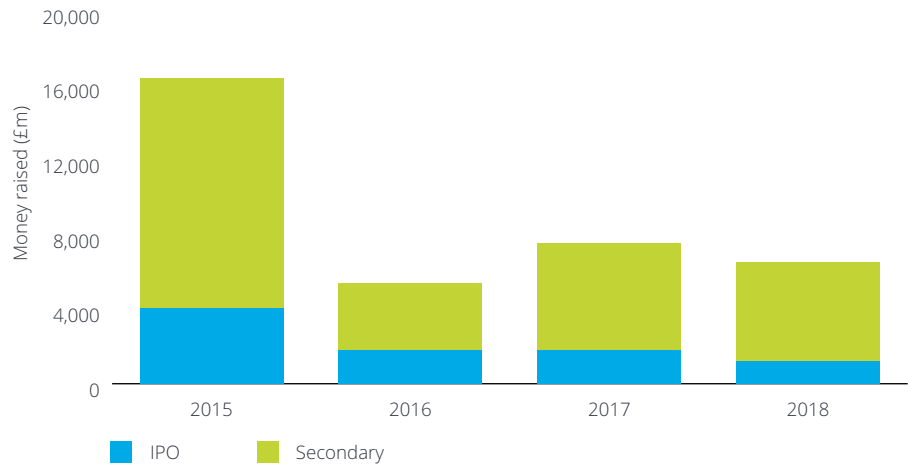
In Q1 2018 there were nine IPOs raising £1.2 billion compared to ten in Q1 2017 raising £1.8 billion. The largest completed IPO in Q1 2018 was that of Energean Oil & Gas that raised £330 million.

The most significant secondary raises in Q1 2018 included Cineworld's £1.7 billion rights issue and the £330 million rights issue by Provident Financial.

Over the last twelve months financials has been the most active sector, accounting for 35% of all money raised. This was driven by the £3.0 billion IPO of Allied Irish Bank and the £6.2 billion Santander rights issue.

At the time of writing, Vivo Energy has completed its £548 million IPO.

Q1 equity issuance volumes



- Investment companies & REITs
- Technology
- Basic materials
- Industrials
- Financials
- Telecoms
- Oil & gas
- Healthcare
- No sector disclosed
- Consumer goods
- Consumer services
- Utilities

Includes IPOs and secondary fundraisings by companies admitted to the Main Market or AIM. Excludes the issuance of GDRs and convertibles and the take-up of any over-allotment options. Source: FactSet as at 24 April 2018, admission documents.

The Deloitte CFO Survey – Q1 2018

The 2018 first quarter survey took place between 7 and 21 March. 106 CFOs participated, including the CFOs of 24 FTSE 100 and 42 FTSE 250 companies. The rest were CFOs of other UK-listed companies, large private companies and UK subsidiaries of major companies listed overseas. 84 CFOs responded to the survey before the transition deal was announced on 19 March and 22 CFOs responded after. The combined market value of the 78 UK-listed companies surveyed is £427 billion, or approximately 17% of the UK quoted equity market.

Transition deal boosts sentiment

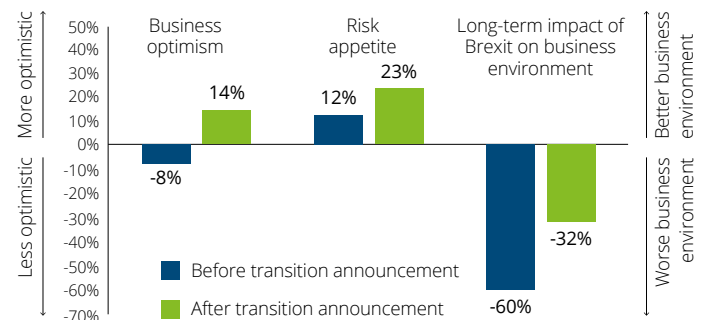
The first quarter survey of Chief Financial Officers shows slightly firmer business confidence and an easing of Brexit concerns.

The announcement of a political agreement in principle of a Brexit transition deal (albeit this is still subject to the Withdrawal Agreement being negotiated, agreed and ratified by March 2019), on 19 March, seems to have had a positive effect on the corporate mood. For the first time in two years, CFOs do not rate Brexit as the main risk facing their businesses. Brexit has dropped to second place, with concerns about slower UK growth now at the top of the risk league.

The effect of the transition announcement on this quarter's survey results underscores the sensitivity of sentiment to developments in the Brexit negotiations. The moment of truth on Brexit is approaching. The UK government hopes to strike a deal with the EU and have it endorsed by Parliament this year. Whether it succeeds in doing so is likely to be a major driver of business confidence through the rest of the year.

Chart 1. Effect of Brexit transition announcement

Net % of CFOs who are more optimistic about the financial prospects of their company now than three months ago, % of CFOs who think this is a good time to take greater risk onto their balance sheets, and net % of CFOs who think the business environment will be better/worse in the long term as a result of Brexit



CFOs are less pessimistic on Brexit

CFOs have become less pessimistic about the short-term effects of Brexit.

The proportion of CFOs who expect to reduce their own capital and discretionary spending, M&A activity and hiring as a consequence of Brexit are at their lowest levels in a year.

The Brexit transition announcement has had a positive effect on corporate sentiment. CFOs surveyed after the announcement were significantly less pessimistic on Brexit's impact on spending and hiring than those surveyed before.

Business optimism has edged up and is now running just below its long-term average.

Chart 2. Effect of Brexit on own spending and hiring decisions

% of CFOs who expect M&A activity, capital expenditure, hiring and discretionary spending by their business to decrease over the next three years as a consequence of Brexit

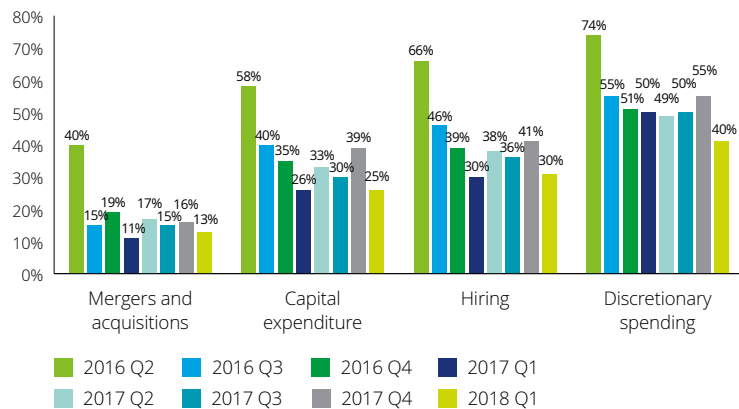


Chart 3. Business optimism

Net % of CFOs who are more optimistic about the financial prospects of their company than three months ago



Corporate risk appetite and perceptions of uncertainty are on the decline

CFO risk appetite remains subdued, declining further in the first quarter.

Chart 4. Corporate risk appetite

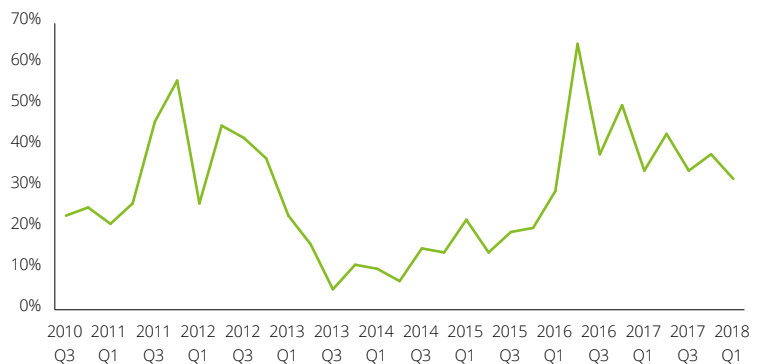
% of CFOs who think this is a good time to take greater risk onto their balance sheets



CFO perceptions of uncertainty have trended down since the summer of 2016 and fell to a two-year low in the first quarter. 31% of CFOs rate current levels of external financial and economic uncertainty as high or very high.

Chart 5. Uncertainty

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



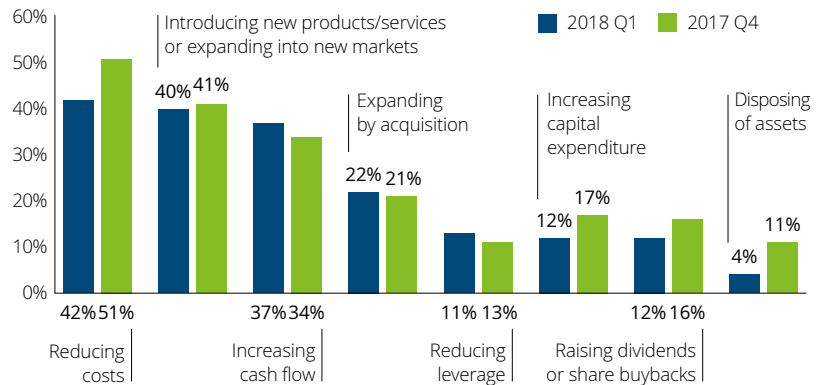
Focus on defensive strategies

Cost reduction is the top balance sheet priority, albeit one to which CFOs attach somewhat less importance than in the fourth quarter of 2017.

Introducing new products or services or expanding into new markets ranks as the second priority followed by increasing cash flow.

Chart 6. Corporate priorities in the next 12 months

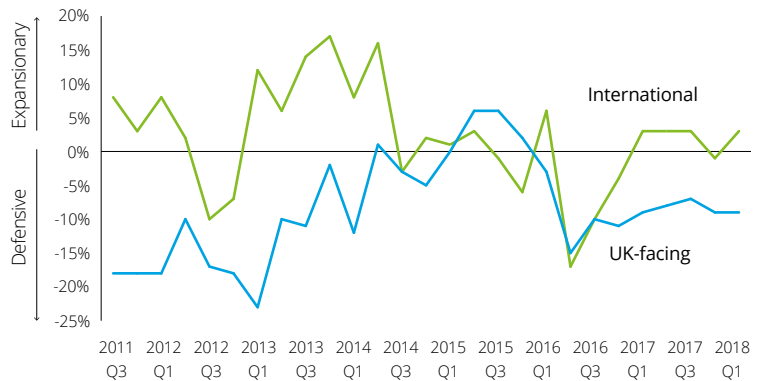
% of CFOs who rated each of the following as a strong priority for their business in the next 12 months



Concerns over UK demand seem to be reflected in the strategies adopted by the large corporates on our panel.

International businesses, ones that derive more than 70% of their revenues abroad, report a clear focus on expansion, especially introducing new products or services and moving into new markets. Businesses deriving most of their revenues from the UK are operating more defensively, with cost control as their top priority.

Chart 7. Index of corporate expansion: International & UK-facing corporates



International corporates are those that derive more than 70% of their revenues abroad while UK-facing corporates derive more than 70% of their revenues from the UK.

Difference between the arithmetic averages of the % of CFOs who rated expansionary and defensive strategies as a strong priority for their business in the next 12 months. Expansionary strategies are introducing new products/services or expanding into new markets, expanding by acquisition and increasing capital expenditure. Defensive strategies are reducing costs, reducing leverage and increasing cash flow.




ECM hot topic: Implementation of new IFRSs



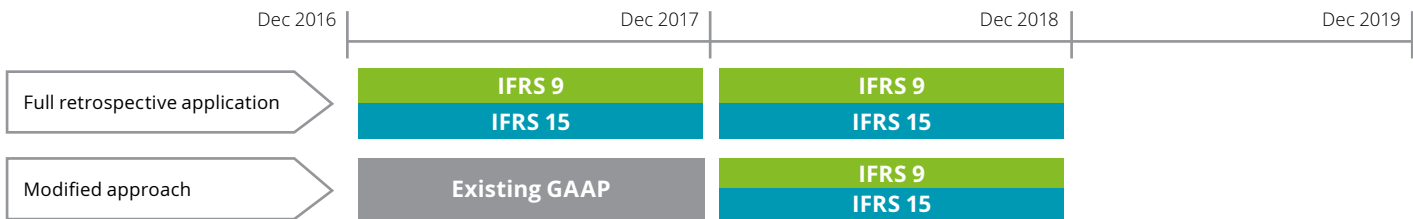
Headlines and key timings

The introduction of three IFRSs in 2018 and 2019 could have a significant impact on an applicant’s IPO preparations, potentially influencing historic, current and forecast financial information.

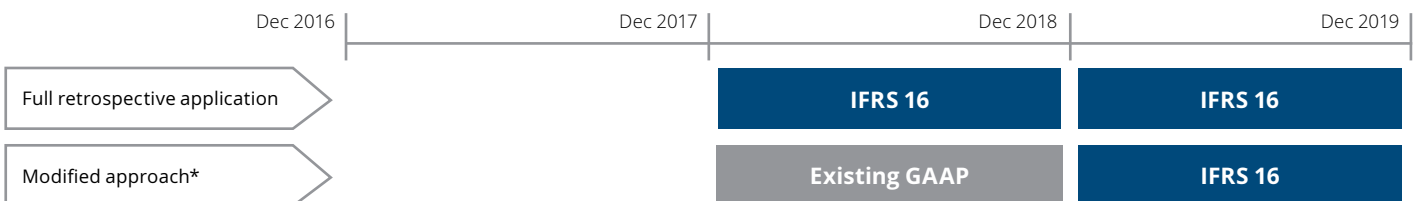
Existing issuers have the option of retrospective application or taking a modified approach in adopting the new accounting standards. Potential issuers, dependent on their existing GAAP and the most effective planned marketing approach, may be required to apply the new standards retrospectively to the entire track record period.

 IFRS 9 Financial instruments	 IFRS 15 Revenue recognition	 IFRS 16 Leases
New rules for the recognition and measurement of financial instruments	Revenue recognition guidance which may result in substantial changes to amount and timing of revenue recognition	New leasing standard requiring lessees to recognise nearly all leases on the balance sheet

Effective for periods beginning on or after 1 January 2018



Effective for periods beginning on or after 1 January 2019



*Multiple options for application of the modified approach

IFRS 9: Financial Instruments

IFRS 9 is mandatorily effective for periods beginning on or after 1 January 2018. The standard introduces changes with respect to the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. We set out below an overview of the key changes.

Classification and measurement

Classification and measurement of financial assets is determined based on the contractual cash flow characteristics and the entity's business model for managing the financial asset. There are three categories; amortised cost, fair value through profit or loss and fair value through other comprehensive income.

Impairment

A single expected credit loss model is applied to all financial instruments subject to impairment testing. The loss allowance is based on expected credit losses.

Hedge accounting

IFRS 9 introduces a substantially reformed model for hedge accounting that seeks to reflect better an entity's risk management activities in its financial statements. There is increased eligibility for certain hedged items and changes have been made to the mechanics of hedge accounting.

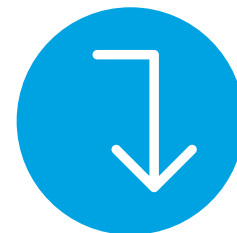
Financial statement line item	C&M	Imp.	HA
Cash and cash equivalents	x	x	
Trade receivables	x	x	
Financial guarantees		x	
Intercompany loans	x	x	
Derivatives			x



Income statement volatility

IFRS 9 raises the risk that more assets will be measured at fair value with changes in fair value recognised in profit and loss as they arise.

Earlier recognition of impairment losses
Earlier recognition of provisions for possible future credit losses including in the first period that a loan is recognised.



Increased disclosure

New systems and processes to collect and process data necessary for IFRS disclosures.

IFRS 15: Revenue from contracts with customers

The more complex an entity's revenue streams and the less homogenous its contracts, the greater the chance of change and the greater the challenge involved in converting to IFRS 15.

Telecommunications



Currently, revenue allocated to sale of handsets tends to be restricted to the amount receivable without the delivery of other goods or services (typically resulting in a loss upon sale of subsidised handsets).

Under IFRS 15, when subsidised devices are sold together with airtime service agreements, the revenue allocated to equipment and recognised at contract inception will increase (giving rise to a contract asset in the balance sheet). Revenue subsequently recognised as services delivered during the contract period will reduce.

The significant complexity associated with allocating the overall transaction price between the two components based on 'standalone selling price' (both initially and over contract period) is causing many to revisit the systems used.

OEMs



Currently, contracts with aircraft manufacturers are sometimes combined with long-term service agreements relating to the OE with the aircraft operator. This typically results in the loss that would otherwise be recognised upon sale of the engine being deferred and spread over the period of the profitable service agreement.

Under IFRS 15, it is not possible to combine contracts with different customers. As a result losses from the initial sale of the OE are required to be recognised upfront rather than deferred over a lengthy service period relating to a contract with a different customer.

In addition, as IFRS 15 requires revenue to be recognised when control is transferred to customers, the stage of completion assessment relating to the service revenue will need to be based on the level of work actually performed rather than accrued on a straight-line basis over the service period.

Technology



Significant judgements / challenges involved in identifying separate performance obligations and allocating the transaction price to them.

Sale of licence - does it have genuine standalone value to the customer or is it an inherent component of an on-going hosted service they receive?

Customisation/implementation work- can it be separated from the licence?

Maintenance and updates - what is their standalone value?

Other sectors



"Joining fees" - for example for health clubs. Specifically not permitted to be recognised upfront and instead required to be recognised over subsequent period of membership reflecting that the customer does not receive any benefit in the form of goods or services on day 1.

"Breakage" revenue - for example gift cards that are not expected to be redeemed. Specifically required to consider the extent to which these will not be exercised by the customer and recognise revenue accordingly.

IFRS 16: Leases

Effective from 1 January 2019, IFRS 16 may have a significant balance sheet and income statement impact.

Lessee accounting
Lessees bring most leases on balance sheet and account for them in a similar way to current finance leases.

Lessor accounting
Lessor accounting largely unchanged from IAS 17 but need to understand impact on lessees.

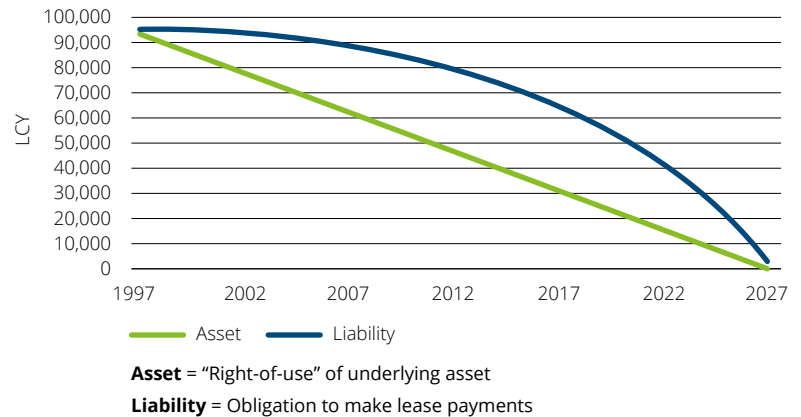
Definition of a lease
Definition of a lease is subtly different from IFRIC 4; could lead to different conclusions.

Effective date
Effective for periods commencing on or after 1 January 2019.

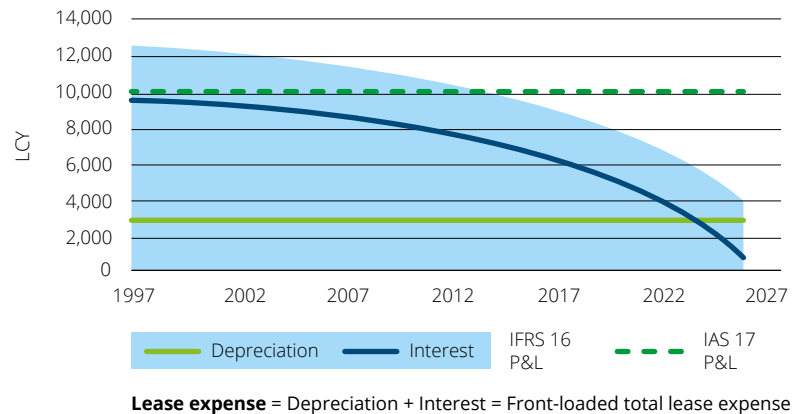
Transition options
Choice between full retrospective application or cumulative catch-up approach (with different options for the initial carrying value of the right of use asset)

Lessee impacts on financial reporting

Balance sheet impact – an illustration



Income statement impact – an illustration



IFRS 16: Leases

Retailers and transportation companies are likely to be two of the industries most impacted by the new standard.

Retailers

Retailers typically have a large volume of operating leases which are “off balance sheet” under current IFRS (i.e. the commitments are just disclosed in a note to the financial statements).

The balance sheets of such entities will look radically different after adopting IFRS 16, with significant lease liabilities appearing together with a “right to use” the related property. This change will be particularly pronounced for businesses with longer, less flexible, lease terms – e.g. those that may recently have undertaken lengthy sale and operating leaseback transactions.

Metric impacts

- EBITDA increases (as straight-line operating lease expense replaced by combination of depreciation and front-loaded interest expense).
- Gearing increases.
- Although total cash flow does not change, net cash flows from operating activities are higher applying IFRS 16, with a corresponding increase in cash outflows from financing activities.
- Onerous lease provisions cease to exist, but replaced with impairment of right-of-use asset.

Transport

Train operating companies/airlines typically lease a large volume of assets under operating leases and hence will be significantly impacted by the change.

Other considerations

Logistical challenge of compiling data to quantify the impact of transition.

Potential impact on:

- Earn-outs
- Bank covenants
- Management remuneration
- Tax

...or are there “frozen GAAP” provisions in place?

Change in leasing strategy? For example:

- Lease v buy decisions
- Push for shorter lease terms; and
- An increased use of variable rentals?

What does this mean?

Impact on business as usual and IPO preparation.



Consistency of track record

- Application of the new standards on the track record will depend on the issuer's existing GAAP and the financial years to be included in the track record.



Management reporting

- Preparation of monthly financials consistent with IFRS.
- Educating the business on the impact and comparability of numbers.
- Impact on covenant testing, budgeting and forecasting.



Performance measurement

- Redefining key ratios and KPIs.
- Availability of financial information.
- Investor education.



Systems and process

- Adequacy of interim solutions to meet the immediate requirements of adoption.
- Potential requirement for transformation of business processes.
- System implementations can be expensive and high risk projects.

Contact details



Richard Thornhill

Partner
Tel: 020 7007 3247
E-mail:
rthornhill@deloitte.co.uk



Dave Honey

Director
Tel: 020 7007 7596
E-mail:
dhoney@deloitte.co.uk



Nick Brown

Senior Manager
Tel: 020 7007 0735
E-mail:
nickmbrown@deloitte.co.uk

Case study: Xafinity plc's acquisition of Punter Southall Holdings





Following on from our role as sponsor and financial adviser on the company's IPO in February 2017, an integrated Deloitte team delivered full M&A, ECM and DCM advice.

Transaction overview	
Announcement date:	7 December 2017
Price change on announcement:	+7.4%
Acquisition key terms:	Up to £153m headline consideration: £92.5m in cash, £42m in Xafinity shares, up to £10m deferred share consideration, £8.5m transfer of Xafinity's HRT business
Acquisition funding:	£70m underwritten equity raise and new debt facilities providing incremental £42m debt capacity
Equity fundraise:	Firm Placing and Placing & Open Offer at 170p (2.7% discount)
Acquisition approval:	Class 1 – shareholder approval at General Meeting
Completion date:	11 January 2018
Vendor:	Punter Southall Group
Deloitte roles:	Sponsor and Financial Adviser on acquisition and equity raise; Debt Adviser on new debt facilities

Punter Southall Holdings overview

- Punter Southall Holdings Limited, which operates across nine UK offices and has approximately 450 employees, comprises the main pensions businesses of Xafinity's competitor, the Punter Southall Group:
 - Actuarial Consulting – advising 425 UK occupational pension schemes;
 - Pensions Administration – administering pensions for 380,000 scheme members across 200 UK occupational pension schemes; and
 - Investment Consulting – providing specialist consulting services to over 115 UK occupational pension schemes.
- The businesses collectively generated Dec-16 revenue and EBITDA (including central costs) of £51m and £11m respectively.
- The businesses are highly comparable and complementary to Xafinity's.

Transaction outcome

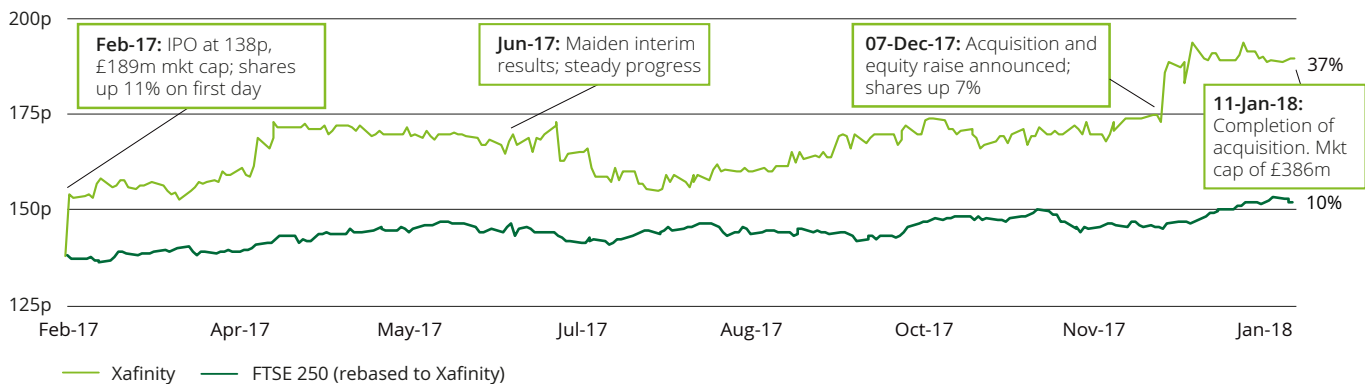
- The deal allows Xafinity to progress its strategy of consolidating the mid-market in actuarial, investment and administrative services by creating the largest UK “pure-play” pensions consulting firm with increased capability.
- Creating a £100m+ revenue and £28m EBITDA business, the transaction is expected to be earnings enhancing for year to 31-Mar-19 and materially earnings enhancing thereafter.
- Following the transaction, Xafinity is in a strong position to take advantage of momentum in the market and achieve its vision of becoming the primary alternative to the big three global consultancies in the UK pensions consultancy market.
- The high quality, long-only institutional investors that came into Xafinity's IPO were supportive of the transaction and the company's strategy outlined at the time of the IPO and, through participation in an underwritten equity raise, were key to the successful financing of the acquisition.

Deloitte's role on the transaction

- Deloitte played a key role in identifying Punter Southall as an acquisition target for Xafinity and worked with the executive management team and board through heads of terms and to final agreement.

- An integrated Deloitte team brought to bear an in-depth knowledge of the Xafinity business and its industry, UKLA rules and requirements, as well as extensive M&A, ECM and DCM advice, covering the following:
 - identification of potential acquisition targets;
 - full M&A support including preparation of initial acquisition proposal, negotiation and advising on the terms of the transaction;
 - advice on the structure of the equity raise and advising on the selection of an underwriter and bookrunners;
 - advising on and leading the arrangement of £80m new debt facilities;
 - leading and managing all interactions with the UKLA and LSE in respect of prospectus compliance and admission to trading of the new shares;
 - delivering strategic advice to management and the board of directors throughout the transaction; and
 - complete project management from inception to deal close and coordination of all advisers.

Xafinity share price evolution from IPO to transaction completion



“Having worked with the Deloitte team on our successful IPO we were delighted to have them act again for us on this transformational transaction.

Deloitte played an important role from the inception of the possible acquisition and steered us expertly through what was an extremely challenging, complex and multi-faceted transaction executed in a tight timeframe while providing consistently clear advice to our Board throughout the transaction.

The integrated approach offered by the Deloitte team made the transaction run extremely smoothly. We also found it very beneficial to have a corporate finance adviser independent from the providers of equity and the financing banks.”



Paul Cuff
Co-CEO, Xafinity plc

- The Deloitte team's integrated approach and extensive experience and knowledge of the regulatory processes were key to efficient project management.
- The transaction demonstrates our added value as a trusted adviser with the capability to provide a full suite of advice to help the company navigate a highly complex and value enhancing acquisition.
- Starting with Deloitte's role as financial adviser to Duke Street on the buyout of Xafinity in 2005, our long-standing and successful relationship with Xafinity is of great importance. Following the company's IPO in February 2017, this is our second transaction for Xafinity within 12 months.

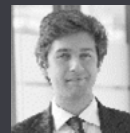
Contact details



Chris Nicholls
Partner
Tel: 020 7303 3092
E-mail: chnicholls@deloitte.co.uk



Peter Stewart
Director
Tel: 020 7007 8400
E-mail: pestewart@deloitte.co.uk



James Hunt
Assistant Director
Tel: 020 7007 8262
E-mail: jchunt@deloitte.co.uk

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 Readiness



- Help companies prepare for an IPO
- Readiness assessment with a key findings report. Identifies deficiencies that may delay or prohibit an IPO
- Scope covers financial and commercial areas
- Design remediation plan to address shortcomings prior to IPO kick-off

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

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

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

Class 1 Reporting Accountant



- 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

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

Equity and PLC Advisory

Core team



Chris Nicholls
Partner
Tel: 020 7303 3092
E-mail: chnicholls@deloitte.co.uk



John Ball
Director
Tel: 020 7007 1248
E-mail: jball@deloitte.co.uk



Eddie Hamilton
Director
Tel: 020 7303 2733
E-mail: edhamilton@deloitte.co.uk



Craig Lukins
Director
Tel: 020 7007 7766
E-mail: clukins@deloitte.co.uk



Peter Stewart
Director
Tel: 020 7007 8400
E-mail: pestewart@deloitte.co.uk



James Hunt
Assistant Director
Tel: 020 7007 8262
E-mail: jchunt@deloitte.co.uk



Alison Macleod
Assistant Director
Tel: 020 7007 4536
E-mail: alismacleod@deloitte.co.uk



Iain McKenzie
Assistant Director
Tel: 020 7007 7909
E-mail: imckenzie@deloitte.co.uk



Jasmine Kanish
Manager
Tel: 020 7007 6897
E-mail: jkanish@deloitte.co.uk

















Stéphanie Ray
Manager
Tel: 020 7007 0289
E-mail: stray@deloitte.co.uk



Alex Manning
Assistant Manager
Tel: 020 7303 3888
E-mail: alemanning@deloitte.co.uk

Selected Equity and PLC Advisory credentials

<p>Sponsor and financial adviser to Xafinity on its fundraising and Class 1 acquisition</p>  <p>Up to £153m January 2018</p>	<p>Sponsor and financial adviser to Tri Pillar on its proposed Main Market IPO</p>  <p>Announced November 2017</p>	<p>Sponsor and financial adviser to Xafinity on its Main Market IPO</p>  <p>£190m February 2017</p>	<p>Independent financial advice to British Business Bank</p>  <p>Undisclosed 2016</p>	<p>Lead financial adviser to PayPoint on the disposal of its Mobile business</p>  <p>Undisclosed December 2016</p>	<p>Independent financial adviser to Morses Club on its IPO</p>  <p>£140m May 2016</p>	<p>Strategic advice to the Board of Sweett Group</p>  <p>Undisclosed May 2016</p>
<p>IPO planning, advisory and assist services to Metro Bank on its IPO</p>  <p>£1,600m May 2016</p>	<p>Lead financial adviser to PayPoint on the disposal of its Mobile and Online division</p>  <p>Undisclosed January 2016</p>	<p>Financial adviser to Den Hartogh on its recommended cash offer for InterBulk</p>  <p>\$142m December 2015</p>	<p>Financial adviser to shareholders of Argus Media on sale to General Atlantic</p>  <p>c.£1,000m May 2016</p>	<p>Financial adviser to US\$ lenders on the \$407m rights issue and \$370m debt restructuring of Lonmin</p>  <p>\$777m November 2015</p>	<p>Lead financial adviser to Colt on the sale of its European managed cloud business to Getronics</p>  <p>Undisclosed November 2015</p>	<p>Financial adviser and IPO Assist services to NMC Healthcare on its IPO</p>  <p>£390m April 2012</p>

ECM team – London

ECM London Partners



John Hammond
Partner
Tel: 020 7007 2936
E-mail: johammond@deloitte.co.uk



Rob Beene
Partner
Tel: 020 7007 2038
E-mail: rbeene@deloitte.co.uk



Matt Howell
Partner
Tel: 020 7 007 1969
E-mail: mahowell@deloitte.co.uk



Simon Olsen
Partner
Tel: 020 7007 8440
E-mail: solsen@deloitte.co.uk



Ian Smith
Partner
Tel: 020 7303 8588
E-mail: ijsmith@deloitte.co.uk



Anthony Stobart
Partner
Tel: 020 7007 8988
E-mail: astobart@deloitte.co.uk



Richard Thornhill
Partner
Tel: 020 7007 3247
E-mail: rthornhill@deloitte.co.uk



Caroline Ward
Partner
Tel: 020 7007 8378
E-mail: carward@deloitte.co.uk

ECM London team



Az Ajam-Hassani
Director
Tel: 020 7303 7827
E-mail: azxajamhassani@deloitte.co.uk



Jeremy Bohm
Director
Tel: 020 7303 7141
E-mail: jbohm@deloitte.co.uk



Jim Brown
Director
Tel: 020 7303 0603
E-mail: jimbrown@deloitte.co.uk



Martyn Brown
Director
Tel: 020 7007 6035
E-mail: marbrown@deloitte.co.uk



Neil Cook
Director
Tel: 020 7007 6593
E-mail: ncook@deloitte.co.uk



Yee Man
Director
Tel: 020 7303 2273
E-mail: yman@deloitte.co.uk



Ian Whitefoot
Director
Tel: 02380 354 364
E-mail: iwhitefoot@deloitte.co.uk



Nick Brown
Senior Manager
Tel: 020 7007 0735
E-mail: nickbrown@deloitte.co.uk



Ameer Maund
Associate Director
Tel: 020 7007 3223
E-mail: amaund@deloitte.co.uk



David Rothwell
Senior Manager
Tel: 020 7007 9627
E-mail: drothwell@deloitte.co.uk



Victoria Edge
Senior Manager
Tel: 020 7007 8246
E-mail: vicedge@deloitte.co.uk



Jackie Hau
Senior Manager
Tel: 01293 761217
E-mail: jhau@deloitte.co.uk



Raeesa Kazi
Senior Manager
Tel: 020 7007 3223
E-mail: rkazi@deloitte.co.uk



Kate Borissova
Manager
Tel: 020 7303 4427
E-mail: kborissova@deloitte.co.uk



Sarah Edmond
Manager
Tel: 020 7303 4858
E-mail: sedmond@deloitte.co.uk



Brett Simblett
Assistant Manager
Tel: 01293 761217
E-mail: bsimblett@deloitte.co.uk

ECM team – Regions

North & Scotland



Rick Ballard
Partner – Edinburgh
Tel: 0131 535 7734
E-mail: rballard@deloitte.co.uk



Tim Grogan
Partner – Manchester
Tel: 0161 455 8646
E-mail: tgrogan@deloitte.co.uk



Matt Hughes
Partner – Leeds
Tel: 0113 292 1634
E-mail: mahughes@deloitte.co.uk



Katie Harrison
Director – Manchester
Tel: 07920 829173
E-mail: katieharrison@deloitte.co.uk



Michael Buckley
Assistant Director – Edinburgh
Tel: 0131 535 7039
E-mail: mbuckley@deloitte.co.uk



Richard Sweetland
Assistant Director – Leeds
Tel: 0113 292 1965
E-mail: rsweetland@deloitte.co.uk



Adam Batson
Senior Manager – Leeds
Tel: 0113 292 1565
E-mail: adabatson@deloitte.co.uk



Peter Braddock
Senior Manager – Manchester
Tel: 0161 455 6687
E-mail: pbraddock@deloitte.co.uk



Raza Mian
Senior Manager – Manchester
Tel: 0161 455 6279
E-mail: rmian@deloitte.co.uk



Phil Randerson
Senior Manager – Manchester
Tel: 0161 455 6081
E-mail: pranderson@deloitte.co.uk

Midlands & East



Andy Halls
Partner – Birmingham
Tel: 0121 695 5974
E-mail: ahalls@deloitte.co.uk



Lee Welham
Partner – Cambridge
Tel: 01223 259 815
E-mail: lwelham@deloitte.co.uk



Jon Throup
Director – Birmingham
Tel: 0121 695 5736
E-mail: jthroup@deloitte.co.uk

South



Bill Farren
Partner – Gatwick
Tel: 01293 761 263
E-mail: bfarren@deloitte.co.uk



Mike Thorne
Partner – Reading
Tel: 0118 322 2388
E-mail: mthorne@deloitte.co.uk



Ian Chamberlain
Director – Bristol
Tel: 0117 984 2732
E-mail: ichamberlain@deloitte.co.uk



Kat Kirkpatrick
Director – Reading
Tel: 0118 322 2056
E-mail: kkirkpatrick@deloitte.co.uk



Eddie Bell
Senior Manager – Bristol
Tel: 0117 984 1159
E-mail: eddbell@deloitte.co.uk



Josh Mason
Manager – Reading
Tel: 0118 322 2449
E-mail: josmason@deloitte.co.uk

Selected IPO credentials

<p>Energiean Oil & Gas Oil & gas</p>  <p>March 2018 £330m</p>	<p>Sabre Insurance Group Insurance</p>  <p>December 2017 £575m</p>	<p>Bakkavor Group Food services</p>  <p>November 2017 £1,043m</p>	<p>Charter Court Financial Services Financial services</p>  <p>September 2017 £550m</p>	<p>Allied Irish Bank Financial services</p>  <p>June 2017 £11,958m</p>	<p>Global Ports Holding Industrial transportation</p>  <p>May 2017 £465m</p>
<p>Alfa Technology</p>  <p>May 2017 £975m</p>	<p>Xafinity Financial services</p>  <p>February 2017 £190m</p>	<p>ConvaTec Healthcare</p>  <p>October 2016 £4,391m</p>	<p>Biffa Industrials</p>  <p>October 2016 £450m</p>	<p>Metro Bank Financial services</p>  <p>March 2016 £1,600m</p>	<p>Clydesdale Bank Financial services</p>  <p>February 2016 £1,583m</p>
<p>McCarthy & Stone Construction</p>  <p>November 2015 £967m</p>	<p>Worldpay Financial services</p>  <p>October 2015 £4,800m</p>	<p>Hastings Insurance Insurance</p>  <p>October 2015 £1,117m</p>	<p>Hostelworld Technology</p>  <p>October 2015 £177m</p>	<p>Equiniti Group Business services</p>  <p>October 2015 £548m</p>	<p>Kainos Technology</p>  <p>July 2015 £164m</p>
<p>Sanne Business services</p>  <p>April 2015 £232m</p>	<p>Revolution Bars Consumer</p>  <p>March 2015 £110m</p>	<p>Lakehouse Business services</p>  <p>March 2015 £140m</p>	<p>Aldermore Financial services</p>  <p>March 2015 £651m</p>	<p>HSS Hire Support services</p>  <p>February 2015 £365m</p>	<p>John Laing Infrastructure</p>  <p>February 2015 £791m</p>
<p>Virgin Money Financial services</p>  <p>November 2014 £1,250m</p>	<p>Jimmy Choo Consumer</p>  <p>October 2014 £546m</p>	<p>SSP Consumer</p>  <p>July 2014 £998m</p>	<p>Spire Healthcare Healthcare</p>  <p>July 2014 £842m</p>	<p>TSB Financial services</p>  <p>June 2014 £1,300m</p>	<p>FDM Technology</p>  <p>June 2014 £309m</p>



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