

INVESTMENT BANKING | 2020 Year in Review



TO OUR CLIENTS AND PARTNERS

When various European countries first went into lockdown in March 2020, and the world began a series of unprecedented experiments to counter the pandemic, much of today's reality would have seemed fanciful. The S&P500 has risen by 75% since its low point of 11 months ago, despite both Covid-19 and the turbulent final months of the Trump Administration. Closer to home, the FTSE 100 has bounced less sharply, up 30% from its lows, held back by months of uncertainty around the terms of Brexit, and more pertinently for equity market values, by the lack of UK listed technology giants to drive performance. A year ago, conventional wisdom maintained that vaccines were two or three years away; instead we have a number of vaccines already being rolled out in many countries, with more on the way, and all of them being rapidly adapted to cope with virus mutations as they are discovered. On the debit side of the ledger, few of us imagined that lockdowns would persist this long, or that western populations would in general accede to the severe restrictions imposed upon their lifestyles and choices.

At Stifel, we entered that first lockdown with a similar sense of trepidation to many other businesses. What we discovered was the extent to which our people and our systems proved both adaptable and resilient to the new circumstances; the latter was more surprising to me than the former. What continued to surprise me as the year developed was not how much everything needed to change in response to the pandemic, but how much we were able to continue to do, of course with some alterations to business practice.

Over the past five years our consistent goal has been to build the premier full service middle market investment bank servicing European clients. It is our belief that the financial advisor of choice should be able to think through all aspects of a client's strategy and capital structure, and that service should be equally available to small and mid cap companies, and not just the privilege of larger companies with their bulge bracket banking relationships. Each year we have invested in people, broadening our coverage by sector, product and geography, and 2020 was no different. Our European investment banking revenues grew by 20% in 2020; from a standing start in 2016, our advisory revenues have grown to be more than half our overall investment banking revenues in 2020. Having invested in our Capital Solutions Group late in 2020, we fully expect our revenues to diversify further during 2021 to include more private credit market activity and restructuring. As part of our commitment to provide the most comprehensive and insightful service to our clients we acquired MainFirst in late 2019, and integrated it as Stifel Europe Bank AG last year, so that we enter the post-Brexit landscape with local offices in Geneva, Frankfurt, Munich, Zurich, Milan and Paris. Consequently, we are fully prepared to service clients both in the UK and on the continent across all our business lines, a service which includes delivering access to investors in North America and indeed to US capital markets, especially relevant in high growth sectors such as Technology and Healthcare.

The aim of the following pages is to give an idea of the breadth and capability of the Stifel Europe investment banking team. We have invested in all facets of our business over the past 12 months: corporate broking, ECM, M&A and Capital Solutions. The pages give some sense of what we have done recently and what we expect to see in 2021 and beyond. The one thing I confidently expect is that when we come to write this a year from now, our coverage will have again expanded, allowing us to continue to improve the quality of the service we offer to our clients.



ROBIN MANN
Head of European Investment Banking

STIFEL
Europe



KEEFE, BRUYETTE & WOODS
A Stifel Company

In 2020, Stifel executed 500+ transactions across the entire investment banking business. We are pleased to showcase selected European transactions below which highlight the power of our people and platform.

\$350,000,000



Has Acquired

 a subsidiary of


Exclusive Advisor to Buyer
 February 2021

Transaction Type: M&A

Industry: Consumer

Stifel Role: Advisor to Buyer

THG is one of the largest global eCommerce platforms operating in beauty, apparel and home owning brands including Espa, Illamasqua, Myprotein Lookfantastic among others. Dermstore, a subsidiary of Target Corporation (NYSE: TGT), is a US-based provider of specialist and dermatologically sensitive skincare and beauty/cosmetic products online. Stifel acted as an exclusive financial advisor to THG in its largest to date acquisition of Dermstore. The transaction originated through a multi-year relationship with THG, direct access to the key decision makers at Target and seamless collaboration between Consumer & Retail and Global Technology Teams in London and New York. The transaction has significantly strengthened Stifel's relationship with THG as well as across the sectors globally.

up to GBP206,000,000



Has Been Acquired by


Advisor to Seller
 April 2020

Transaction Type: Sale of Prepaid Financial Services to EML Payments

Industry: Financial Technology & Payments

KBW Role: Sole Financial Advisor

The shareholders of Prepaid Financial Services (Ireland) Limited have entered into a binding agreement to sell 100% of their ownership to EML Payments, a listed Australian payments firm.

The businesses are highly complementary and the combined group will become one of the largest FinTech enablers in banking-as-a-service, multi-currency and white-labelled corporate digital banking and prepaid globally, processing c. A\$18bn of gross debit volume in FY20.

\$85,800,000



DIVERSIFIED GAS & OIL
 PLC

Follow-on Offering
 Joint Global
 Coordinator
 May 2020


Transaction Type: Introduction to the premium segment and placing

Industry: Energy & Natural Resources

Stifel Role: Sponsor and Joint Global Coordinator

Stifel served as Sponsor to Diversified Gas & Oil's (LSE: DGOC) admission to the premium segment of the Main Market. Stifel also acted as Joint Global Coordinator in its \$85.8 million placing to fund the equity portion of two potential acquisitions, from Carbon Energy Corporation and EQT Corporation. The placing was 2.7x oversubscribed and completed at 108p, a 1.6% discount to the closing price on the day (vs a post-COVID average discount of 7.9% and despite the shares rallying ~80% in the previous two months). The Placing was the largest E&P transaction since July 2019 and the first public capital raise of size for an E&P company since the outbreak of COVID-19. Then new shares settled directly onto the Main Market alongside the company's move-up from AIM. Diversified was subsequently admitted to the FTSE 250 at the first available inclusion date. Since appointment as the Company's corporate broker in 2018, Stifel has, in addition to the Sponsor services, helped the Company raise \$759 million of primary capital, placed \$51 million of Diversified shares for private equity sponsors and advised on a number of acquisitions through its US-based M&A team. In 2020, Diversified produced an average of 100,000 barrels of oil equivalent per day from its portfolio of gas-weighted assets in the Appalachian basin, onshore USA.

\$877,000,000



DIVERSIFIED GAS & OIL
 PLC

Admission to Premium
 Segment of the
 Main Market

Sponsor
 May 2020

Transaction type: M&A

Industry: Technology

Stifel Role: Advisor to Seller

Skimlinks is a fast-growing UK-based ecommerce content monetization platform, automatically connecting the content of over 60,000 publishers globally with leading merchants to help them monetize their content. Its big-data software engine optimizes publisher returns on close to £1bn of annual transaction volumes. Through Stifel's longstanding and deep coverage of the UK and European venture capital and private equity communities, we were entrusted by Skimlinks' existing investors to design and coordinate a competitive process which culminated in the sale of the company to Connexity, a US sponsor-backed strategic buyer in May 2020. The transaction was a testament to Stifel's strength in cross-Atlantic deal making and our ability to generate qualified strategic interest through specialist domain knowledge. This sale process, like many others, moved entirely online as the world went into lockdown and progressed to successful closing with no major disruption thanks to a fully integrated trans-Atlantic deal team.



a portfolio company of
  

Has Been Acquired by

 a portfolio company of


Advisor to Seller
 May 2020

£8bn+

Raised since 2018

Source: Dealogic

\$85,141,125

RENALYTIX AI

Initial Public Offering
U.S. Nasdaq

Joint Global Coordinator
and Joint Bookrunner
July 2020

Transaction Type: IPO

Industry: Healthcare

Stifel Role: Joint Bookrunning Manager

Stifel served as Joint Bookrunning Manager alongside JP Morgan in RenalytixAI's Nasdaq dual listing IPO. The transaction represents the first significant IPO on Nasdaq for a pre-revenue diagnostics company in over ten years. Stifel has a very deep relationship with management and the board of Renalytix, also serving as Nominated Adviser (NOMAD) and Corporate Broker to the company since early 2019 in connection with the Company's UK listing on the AIM segment of the London Stock Exchange. The transaction was an excellent example of Stifel's globally integrated approach to serving healthcare companies to deliver the best possible results in successful transaction execution. RenalytixAI (LSE: REXN) (NASDAQ: RNLX) is a developer of artificial intelligence-enabled clinical in vitro diagnostic solutions for kidney disease, one of the most common and costly chronic medical conditions globally. The Company's lead product is KidneyIntelX.com (visit www.kidneyintelx.com) which is being designed to help make significant improvements in kidney disease prognosis, transplant management, clinical care, patient stratification for drug clinical trials, and drug target discovery.

£1,800,000,000

Smith & Williamson

Has Merged with

TILNEY

Financial Advisor
September 2020

Transaction Type: The merger of Tilney and Smith & Williamson.

Industry: Wealth Management

KBW Role: Financial & Legal Advisors

The merger has created the UK's leading integrated wealth management and professional services group with over £47 billion of assets under management (AUM) and circa £530 million of pro forma revenue. Tilney Smith & Williamson is the third-largest UK wealth manager when ranked by revenue and fourth when measured by AUM. It is also the sixth-largest UK professional services group by fee income.

The merged business has considerable depth of expertise with circa 290 investment managers, 265 financial planners and more than 140 professional services partners and directors located across an extensive office network across the UK, as well as in the Republic of Ireland and The Channel Islands.

TREMOR
INTERNATIONAL Ltd.

Corporate Broker

October 2020

Transaction Type: Corporate Broking

Industry: Technology

Stifel Role: Tremor is a global leader in advertising technologies with operations in more than 60 countries. The company offers digital advertising solutions leveraging the latest video, native and display technology to reach the most valuable users for every app, service and brand.

Stifel was appointed as Tremor's corporate broker in late October 2020, specifically to help the company with investor outreach in the US and Europe. Stifel brought all of its relevant capabilities to bear in winning the new relationship – UK Corporate Broking and ECM expertise, local on-the-ground coverage in Israel, and deep sector expertise through its Global Technology Group in the US and UK. Since Stifel's appointment, Tremor's capitalisation has risen from around £300m to over £700m in early February 2021.

\$125,000,000

ecofin
U.S. Renewables
Infrastructure Trust PLC

Initial Public Offering
Sponsor and
Sole Bookrunner
December 2020

Transaction Type: IPO

Industry: Investment Funds

Stifel Role: Sponsor and Sole Bookrunner

Stifel acted as Sponsor and Sole Bookrunner on the \$125 million Initial Public Offering of Ecofin U.S. Renewables Infrastructure Trust PLC (ticker "RNEW") on the Premium Segment of the LSE. RNEW is a newly established investment company focused on mixed U.S. renewable energy assets, benefiting from supportive government incentives and the availability of fixed longer-term revenue contracts. It has a primary investment focus on solar and wind assets, with other eligible sectors including battery storage, biomass, hydroelectric and microgrids as well as other sustainable infrastructure assets such as water and waste water. Following several rounds of pre-marketing with key investors to fine-tune the proposition, Stifel led an extensive virtual roadshow with a broad range of UK, European and US investors including large, blue-chip institutions and private wealth managers, resulting in a high-quality shareholder register. In a competitive fundraising landscape, with numerous listed investment fund IPOs being pulled in the last 12 months, this transaction testifies to Stifel's market-leading expertise in the sector, and the ability to leverage our cross-border institutional distribution.

STIFEL EUROPE NEWS

MainFirst Bank AG
rebrands as Stifel
Europe Bank AG

[Read more](#)



STIFEL THURSDAYS

Discerning order in
global markets –
recession or reflation.
Chris Watling, CEO of
Longview Economics,
26 March 2020

[Click to listen](#)

A Letter From
America, Hugh Warns,
Global Head of
Equities at Stifel, 29
October

[Click to listen](#)

Password: *StifelOccasional1!*

2020 CONFERENCE HIGHLIGHTS

Stifel hosts several client conferences and events throughout the year, attracting top institutional investors as well as leading companies across our sectors of focus. In light of the current COVID-19 safety measures, most of our 2020 Conferences took place in a completely virtual format for the first time. Please mark your calendars for this years must attend events.



CROSS SECTOR INSIGHT CONFERENCE

Our 2020 *Virtual Cross Sector Insight (CSI) Conference* was the third CSI conference hosted by Stifel, with this year being the first held in a virtual format and by all measures our most successful yet. With nearly 3,700 attendees, our participants included investors and executives from a variety of sectors, including consumer, diversified industrials & services, energy & power, internet, media, real estate, and technology. The dual public and private company track format was a success. More executives and investors joined our conference than ever before, and we hosted more virtual meetings between public and private companies than any year past.

Please click below to register for the 2021 *Cross Sector Insight Conference* :
[Stifel 2021 Cross Sector Insight Conference USA: Virtual, June 8-10](#)
[Stifel 2021 Cross Sector Insight Conference London: September 1-2](#)



KBW INNOVATION IN FINANCE CONFERENCE

KBW's 3rd *Annual Innovation in Finance Conference* in London was held virtually at the end of 2020, but the event drew 715 unique attendees across the 16 panels we hosted at the conference, making it our most popular conference of the year. We believe this speaks to the breadth of panels we hosted, but more importantly a growing recognition that these issues are central, rather than peripheral, to investment cases. The conference covered a number of important themes: Digitising the back office, banking-as-a-service, B2B payments, emerging payment trends, PoS finance, Crypto 2.0, digital wealth management, capitalising on the credit cycle, talks with the UK's Department for International Trade and the Bank of England's fintech leaders, litigation finance, SME lending and two panels on the Neobanks. We came away with several conclusions: 1) it reinforced our view that change within financial services has accelerated through the pandemic and that these trends are now firmly established; 2) that banks and insurers will need to work with the fintech firms in order to "win" or otherwise face a gradual loss of market share to firms delivering a better customer service at a lower cost; 3) many fintechs seemed open to a level of consolidation or to partner with others to build out capabilities.

Please click here to register for the [4th Annual KBW Innovation in Finance Conference](#) in December 2021.



SWISS EQUITIES CONFERENCE

Our first ever *Swiss Equities Conference* took place on the 9-10 June. Using virtual conference rooms, some 50 Swiss corporates met and presented their equity stories to 350 institutional investors. In one-on-one, small group discussions and fireside chats, key management from the presenting companies provided investors with insightful information regarding the progression over recent quarters and were on hand to answer the many questions put to them. The top quality virtual format enabled a lively exchange between the large group of participants ensuring the Conference was a huge success. Our next Swiss Equities Conference will take place from 2-3 June, 2021.

[Request more information](#)

2020 NOTABLE TRANSACTIONS

M&A

DEREK LAM
a portfolio company of
SANDBRIDGE CAPITAL
Has Been Acquired by
PCC
PUBLIC CLOTHING COMPANY
Advisor to Seller
January 2020

£50,000,000
studio
RETAIL GROUP
www.studioretail.group
Has Disposed of
Findel
Education Retailer
Financial Advisor
and Sponsor
January 2020

VERDE
Has Received a
Minority Investment
from
MANNA TREE PARTNERS
Financial Advisor
January 2020

Cambridge
FINE MESS & COOKERY
Has Been Acquired by
chefsWAREHOUSE
Advisor to Seller
February 2020

BAILEY44
a portfolio company of
NORWEST VENTURE PARTNERS
Has Been Acquired by
DIGITAL BRANDS GROUP
Advisor to Seller
February 2020

\$172,500,000
The RealReal
AUTHENTICATED LUXURY CONSUMER
Convertible
Senior Notes
Joint Lead Manager
June 2020

M&A

Frank And Oak
Has Been Acquired by
UNIFIED COMMERCE GROUP
Advisor to Seller
December 2020

\$33,000,000
Chairish
Private Placement
Sole Placement Agent
September 2020

Grande Cosmetics
Has Been Acquired by
LashCo
a portfolio company of
GAUGE CAPITAL and **HGGC**
Advisor to Seller
September 2020

\$350,000,000
THG
Has Acquired
DERMSTORE
a subsidiary of
TARGET
Exclusive Advisor to Buyer
February 2021

studio
RETAIL GROUP
Strategic Advisory
Financial Advisor
Ongoing

ECM

\$204,687,494
Vital FARMS
EST. 2002
Initial Public Offering
Joint Bookrunning
Manager
July 2020

STIFEL SPOTLIGHT: ASHISH BURMANN



Ashish Burmann
Managing Director/Head of
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Ash, you joined Stifel to build the consumer practice in January 2020, shortly before the first lockdown in the UK. What was your experience of 2020, and what do you expect to see in 2021 as consumer businesses emerge over the course of the year from the shadow of the pandemic?

In 2020, we successfully managed to build the European consumer investment banking team from zero to eight people, during a year of significant challenges in meeting people and attracting new talent.

We closed a transformational transaction in 2020, acting for The Hut Group plc on its acquisition of Dermstore from Target Corp for \$350m, showcasing our expertise in beauty and DTC as well as transatlantic reach. Moving into 2021, we have built a very strong pipeline of active transactions and further opportunities.

Investors continue to focus on the seismic shift to online driven by long term fundamental trends and accelerated by the Covid-19 pandemic. We see significant opportunity for direct to consumer brands and marketplaces (across beauty, apparel, outdoor and other sub sectors) to drive further sustainable and long term growth.

CONSUMER & RETAIL CONTACTS



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2020 NOTABLE APPOINTMENTS

Healthcare



Joint Corporate Broker
September 2020




Corporate Broker
December 2020



Joint Corporate Broker
December 2020

Technology



Corporate Broker
January 2020



Corporate Broker
March 2020



Corporate Broker
May 2020

Technology



Corporate Broker
October 2020

E&NR



Corporate Broker
July 2020

Industrials



Corporate Broker
February 2020

Investment Funds



Corporate Broker
May 2020



Corporate Broker
October 2020



Corporate Broker
December 2020

STIFEL SPOTLIGHT: NICK ADAMS

Nick, Stifel made significant progress during 2020 in attracting exciting growth companies to its Corporate Broking platform. How do you see that trend developing in 2021?

2020 was a year of significant progress for Stifel Corporate Broking. We added 13 new clients across multiple sectors, offering clear differentiation to our clients. A depth of sector expertise, coupled with truly exceptional primary deal execution with both UK and US investors, allowed us to build further on our number 2 position in UK ECM markets achieved in 2019.

Access to high quality US investors continues to be a critical element of the Stifel offering. Our US sales team, led by Jon Saxon in New York, played a central role in a number of our 2020 transactions, particularly in the healthcare and technology sectors. US investors drove the deals we led for Kape Technologies and Seeing Machines during 2020, and for Maxcyte in its crossover round in early February 2021.

The momentum continues, with four new wins already this year across Healthcare, Technology and Energy & Natural Resources. Our UK IPO pipeline is the strongest it has ever been and will deliver a number of new corporate broking clients during 2021, across our traditionally strong sectors of Real Estate, Investment Funds and Resources, and our growth sectors of Technology, Healthcare and Financials. The platform goes from strength to strength, and we are ideally placed to gain market share this year.

CORPORATE BROKING KEY PERSONNEL



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2020 NOTABLE TRANSACTIONS

ECM


\$85,800,000



DIVERSIFIED GAS & OIL
PLC

Follow-on Offering
Joint Global
Coordinator
May 2020

\$877,000,000




DIVERSIFIED GAS & OIL
PLC

Admission to Premium
Segment of the
Main Market

Sponsor
May 2020


£42,500,000



AEX Gold

Placing &
Admission to AIM
Sole Bookrunner
Nomad & Broker
July 2020

£43,300,000



ENERGEAN
OIL & GAS

Block Trade
Joint Bookrunning
Manager
December 2020

M&A

\$315,000,000



amerisur
resources plc

Has Been Acquired by



GEOFARK

Joint Financial
Advisor to Amerisur
January 2020

STIFEL SPOTLIGHT: CALLUM STEWART



Callum Stewart

Managing Director
ENR

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Callum, 2020 was the most challenging market for the Oil & Gas sector in living memory. How did Stifel's clients fare through the period and how are you positioning our franchise for 2021 and beyond?

Strong balance sheets, fixed gas price exposure and sensible hedging meant that the impact on most of our oil & gas clients was at least manageable. With the oil price having rebounded to \$60 per barrel, most of our oil & gas clients are looking to grow their businesses.

The stand-out trend of the last year has been the huge groundswell in ESG investment. We are seizing new opportunities across renewable energy and wider ESG sub-sectors. The integration of the GMP FirstEnergy business has been a great success, and we are making strong progress in winning new clients, particularly in the Mining sector, where our Canada-US-Europe-UK distribution and advisory capabilities are a real differentiator from the competition.

ENERGY & NATURAL KEY PERSONNEL



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Jason Grossman

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We raised over

75%

of All Equity Capital
for London Oil & Gas
Since 2018

*Source: Dealogic. Excludes
integrated energy companies, pure
convertible transactions, and rights
issues*

We Advised on

65%

of the Completed UK
Public Oil & Gas
M&A Transactions
Between 2018 and
Mid-2020

*Source: Dealogic. Excludes
integrated energy companies, pure
convertible transactions, and rights
issues*

We raised

96%

of all London Oil &
Gas IPO Capital
Since 2018

*Source: Dealogic. Excludes
integrated energy companies and
pure convertible transaction*

2020 NOTABLE TRANSACTIONS

Nasdaq ECM

\$96,890,000



Initial Public Offering
U.S. Nasdaq
Joint Global Coordinator
and Joint Bookrunner
June 2020

\$107,686,958




Initial Public Offering
U.S. Nasdaq
Joint Global Coordinator
and Joint Bookrunner
July 2020

\$85,141,125



Initial Public Offering
U.S. Nasdaq
Joint Global Coordinator
and Joint Bookrunner
July 2020

\$230,000,000



Follow-on Offering
Joint Bookrunning
Manager
December 2020


M&A


\$110,000,000



Divestiture of scil animal
care company to
 HESKA
Advisor to Seller
April 2020

\$135,000,000




Has Acquired
Osurnia from
 Elanco
Advisor to Buyer
July 2020

M&A

\$140,000,000



Has Divested Drontal
and Profender to
 VETOQUINOL
ACHIEVE MORE TOGETHER
Advisor to Seller
August 2020



Benchmark[®]
Sale of Companion
Animal Vaccine
Pipeline to
Undisclosed Buyer
September 2020

€87,900,000



Has Been Acquired by
 CALLIDITAS
THERAPEUTICS
Advisor to Seller
November 2020

Corporate Broking



Joint Corporate Broker
September 2020



Joint Corporate Broker
December 2020



Corporate Broker
December 2020

STIFEL SPOTLIGHT: NICK MOORE



Nicholas Moore
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Nick, your Healthcare group saw a high number of trans- Atlantic equity transactions. Do you believe this will continue in 2021? And what about activity levels in the UK/Europe?

2020 was an incredibly active year for us in terms of Nasdaq capital raising for Foreign Private Issuer clients such as Renalytix, Inventiva and Calliditas. In fact, Stifel was at the top of the healthcare dual listing league table for the year. Based on the very successful execution of these transactions, we are only seeing the levels of enquiry from, and activity with, our clients increasing.

Whilst the Nasdaq market has effectively become the “global capital market of choice” for biotechnology companies, we saw very high levels of activity in UK Equity Capital Markets for healthcare companies last year as well, and this trend is firmly set to continue in 2021.

Finally, Stifel made huge strides in advancing our Healthcare UK Corporate Broking retained client base in 2020 (adding Avacta, Uniphar and Polarean Imaging), a theme that has continued strongly in 2021 with wins of Animalcare and MaxCyte already this year.

HEALTHCARE KEY PERSONNEL



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2020 NOTABLE TRANSACTIONS

M&A

ARACHAS

Has Been Acquired by Certain Funds Controlled by

HPS **MDP**

Advisor to Arachas
January 2020

KINGSBRIDGE
CONTRACTOR INSURANCE

Has Been Acquired by

NSM
INSURANCE GROUP

Advisor to Seller
March 2020

DEKO

Has Been Acquired by

New Day

Advisor to Seller
March 2020

prepaid
FINANCIAL SERVICES

Has Been Acquired by

EML

Advisor to Seller
April 2020

Chill
INSURANCE
WELL TAKE IT FROM HERE

Has Received an Investment from

LIVINGBRIDGE

Advisor to Seller
June 2020

Further Global

Has Acquired

AA
Ireland

Advisor to Buyer
September 2020

M&A

£1,800,000,000

Smith & Williamson

Has Merged with

TILNEY

Financial Advisor
September 2020

advantedge
COMMERCIAL FINANCE

Has Been Acquired by

CAPITAL | COMMERCIAL FINANCE

Advisor to Seller
November 2020

Fairstone

Has Received an Investment from

TA ASSOCIATES

Advisor to Seller
February 2021

MARKERSTUDY
GROUP

Has Received an Investment from

POLLEN STREET

Advisor to Seller
Pending

pib Group

Has Agreed to be Acquired by Funds Advised by

Apax
PARTNERS

Advisor to Seller
Pending

AFH wealth management

Recommended Offer by

FLEXPOINT | **FORD**
Financial & Rule 3

Advisor to AFH Board
Pending

KBW Q&A: CHRIS REYNIERS



Chris Reyniers

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Chris, 2020 was another successful year for KBW in the UK, with the completion of several high profile transactions across core coverage areas. Why did the business flourish despite the pandemic, and what are the prospects for 2021?

There were significant drivers for consolidation at play within core financial services markets before the pandemic bit, and 2020 saw an acceleration of that trend. Firms are looking for scale and diversity of operations during the uncertain economic outlook, with distribution, technology and business model enhancements being major drivers for M&A activity. We saw this first hand and, as a result of our industry expertise, knowledge of the buyer universe and deal experience have become the go-to firm for complex and specialist financial services transactions. This is evident from having closed several landmark M&A transactions in each of our core verticals of: Insurance (PIB); Asset & Wealth Management (Smith & Williamson); Specialty Finance (Advantedge); Payments (PFS) and Financial Technology (Deko). Activity going into 2021 remains at similarly buoyant levels, with a strong pipeline across private and public markets capital raising and M&A mandates.

KBW KEY PERSONNEL



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2020 NOTABLE TRANSACTIONS


ECM

£185,000,000




Follow-on Offering
Joint Bookrunning
Manager
April 2020

£139,800,000




Follow-on Offering
Sole Bookrunning
Manager
April 2020

£55,000,000




Follow-on Offering
Sole Global Coordinator
and Bookrunner
October 2020

£200,000,000



Follow-on Offering
Sole Bookrunning
Manager
October 2020

£18,441,212



Follow-on Offering
Sole Bookrunning
Manager
November 2020

\$125,000,000



Initial Public Offering
Sponsor and
Sole Bookrunner
December 2020

STIFEL SPOTLIGHT: MARK BLOOMFIELD



Mark Bloomfield

Managing Director
Real Estate & Investment
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Mark, the final quarter of 2020 saw congestion in new issuance in UK equity markets for listed funds. The level of support for offerings was variable. What do you think will be successful in 2021?

2021 has already seen successful fundraises in the sustainable / efficient energy infrastructure asset class. These areas are likely to be well-supported throughout the year in the wake of renewed US commitment to sustainable energy and general support for ESG mandates. “Long income” funds generally, in infrastructure and other illiquid asset classes with lower correlation with equity markets, should also see continued support. This category is expected to include the royalty sub-sector with income arising from music and other sources.

In the REIT sector, we expect to see continued support for specialist vehicles which have shown significant resilience in the face of the financial pressures so far of the pandemic and lockdowns, such as some care home and medical centre funds.

Finally, investors have appreciated the ability of many other listed funds to continue to pay out some level of dividends, out of accumulated reserves where necessary, even when they invest in listed underlying companies which have seen restrictions on their own payouts. A number of such funds which are Stifel clients are trading at premiums to net asset value and, with our assistance, are carrying out tap issuance of new shares on a recurring basis to meet retail demand.

INVESTMENT FUNDS & REAL ESTATE KEY PERSONNEL



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2020 NOTABLE TRANSACTIONS

Structured private capital

c.\$303,000,000

Project C

Private Debt Facility
U.S. Litigation Funding Platform

Sole Placement Agent
July 2020

c.£250,000,000

Project E

Secured Credit Facility
U.S. Litigation Funding Platform

Sole Placement Agent
Ongoing

Preferred

Project L

Secured Advice in
Relation to Capital
Markets Access

Exiting Funder with
Established Capital
Structure
Ongoing

Preferred

€250,000,000

Project S

Preferred Equity Coupon
Bearing, on Balance
Sheet Facility

Exiting Funder with
Track Record

Placement Agent
December 2020

Broker



Joint Corporate Broker

May 2019

STIFEL SPOTLIGHT: ROB MANN



Rob Mann

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Rob, Legal Services has emerged as a new sector at Stifel, what are its specific characteristics and why do clients need such a specialist team?

Legal services is a relatively new sector of the market, especially the public market. Our coverage spans litigation finance, law firms and alternative legal service models, across both public and private markets; the non-correlated nature of returns is attractive to investors, although the other side of that coin is that investors need to acquire a degree of expertise in order to grow comfortable with the nature of the sector. Litigation finance in particular, but also law firms and their particular cultures, require specialism to understand, hence we have invested in our own expertise.

Most of our business in 2021 is likely to stem from the litigation finance aspect of our franchise. Whilst courtrooms have slowed in 2020, slowing some litigation, there is now a backlog of cases working through the system and, in general, crises tend to spawn litigation, so we would expect to see more litigation driven by issues related to Covid-19 as 2021 unfolds. Adoption of legal funding is becoming more accepted all the time, whether by law firms, individual plaintiffs, or increasingly corporates. Indeed, it may take longer than the next 12 months, but one of the developments we are most excited about is the increasing use of litigation funding by corporates with ongoing claims.

LEGAL KEY PERSONNEL



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2020 NOTABLE TRANSACTIONS

Transatlantic M&A

\$330,000,000



3D HUBS


Has Been Acquired by



PROTOLABS
Manufacturing Accelerated


Advisor to Seller
January 2021

\$350,000,000




THG

Has Acquired



DERMSTORE
a subsidiary of




TARGET

Exclusive Advisor to Buyer
February 2021

\$1,150,000,000



Checkmarx
a portfolio company of



INSIGHT PARTNERS

Has Been Acquired by

HELLMAN & FRIEDMAN

Advisor to Seller
April 2020

 **SKIMLINKS**
a portfolio company of

 **BDMI**  **frog**  **GREYCROFT**

Has Been Acquired by




connexity
a portfolio company of



STG
STERN GROUP


Advisor to Seller
May 2020

Pan-European M&A


 **ONGUARD**
a portfolio company of

MAIN
CAPITAL PARTNERS

Has Been Acquired by



VISMA
a portfolio company of



HgCapital

Advisor to Seller
February 2020

 **Colmero**
subsidiary of



TX

Has Been Acquired by




BYGGFAKTA GROUP
a portfolio company of

 **STIRLING ROBERTSON** and  **T&A ASSOCIATES**

Advisor to Seller
October 2020

Pan-European ECM

\$25,400,000



wandisco

Follow-on Offering
Nomad and
Joint Bookrunner
June 2020

€28,000,000




SNP

Capital Increase

Sole Global Coordinator
July 2020

£30,000,000




CentralNic
Group PLC

Follow-on Offering

Joint Bookrunner
September 2020

\$115,000,000




Kape

Follow-on Offering

Joint Bookrunner
October 2020

US SPAC Transactions

\$1,841,000,000



HENNESSY CAPITAL
A CATALYST FOR GROWTH

Has Merged with

CANOC

Advisor to Buyer
December 2020

\$150,000,000



THAYER VENTURES

Initial Public Offering
Left Bookrunning
Manager
December 2020

STIFEL SPOTLIGHT: PETER GLOBAKAR



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Peter, Stifel's Global Technology Group, which on-boarded Mooreland Partners over a year ago, grew successfully in 2020 despite extraordinary market conditions. What made 2020 a success and what do you expect to see in the technology market in 2021?

While the onset of the pandemic slowed strategic M&A activity across all segments of technology, it wasn't for long. Private equity, in particular, massively invested in technology growth deals in 2020. The sale of Checkmarx to Hellman Friedman at the height of the first pandemic wave and the sale of Olmero or Skimlinks are good examples. In the second half of 2020, Stifel played an active role in many of the high profile US technology and internet IPOs and helped a number of UK and European publicly traded mid-market tech companies raise additional capital. We also worked on the listing of several technology-focused SPACs in the US, some of which are now looking for acquisition targets across Europe.

I see our European and Transatlantic technology M&A pipeline accelerating throughout 2021. Whether the European institutional investors will develop the levels of appetite we continue to see in the US for tech growth equity stories in 2021 remains an open question. But if the answer is yes, the GTG is on the ground in London, Paris, Frankfurt or Milan to deliver great outcomes.

TECHNOLOGY – SENIOR TEAM MEMBERS



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STIFEL SPOTLIGHT: JAN-ERIK BACK



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Jan-Erik, can you provide an overview of the Capital Solutions Group?

Stifel Europe's Capital Solutions Group works closely with clients across a wide range of industries to create tailored debt financing structures. Optimized to meet each client's capital-raising objectives, these structures include both public and private solutions, ranging from senior secured debt to preferred equity and hybrid instruments. The Capital Solutions Group also offers strategic and financial advisory services in financial restructurings, recapitalizations, and other complex situations.

You recently joined Stifel together with your senior team – why did you choose Stifel?

As a global firm with a fully integrated investment banking platform, Stifel is able to provide a bulge bracket offering to clients in the middle market. Stifel has recently consolidated the acquisition of MainFirst which now provides for a truly pan-European presence with ten offices across all the key financial markets. Supported by leading industry teams, other product groups and a leading global distribution platform, the Capital Solutions Group is able to advise clients across the entire capital structure. This makes Stifel unique within the mid-market space and a key reason for the team joining the franchise.

What are your expectations for 2021?

Post the unprecedented global events in 2020, our clients will require continued support to access additional tailored financing, to restructure their existing capital structures and to position themselves for the future with maximum flexibility.

By offering industry focused solutions across the entire capital structure we are ideally positioned to provide a unique service offering to our clients – this has been validated by a strong current pipeline of transactions already in Q1 2021 ranging from private capital raises to highly complex restructuring assignments.

We are very excited about the prospects for 2021 and look forward to supporting our clients through what will undoubtedly be another eventful year.

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Our Capital Solutions team is one of the largest in Europe

We raised over
\$4.6 Billion
of capital since
2016

Source: Company data

STIFEL

Please visit us at www.stifelib.com or email us at ibinfo@stifel.com

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