



# London as a Global Capital Raising & Investment Destination

12<sup>th</sup> Capital Link Shipping & Marine Services Forum

London  
September 2019



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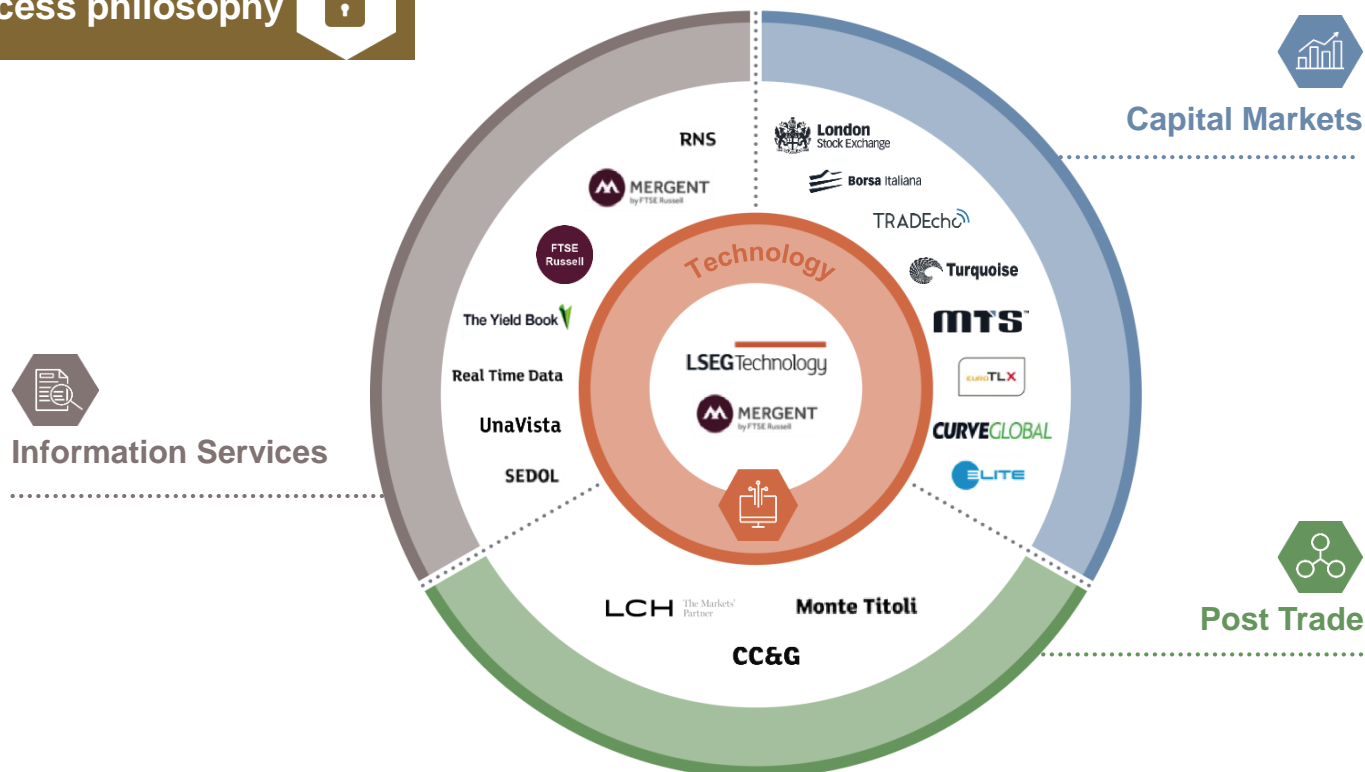
# London Stock Exchange Group

Building stable, trusted markets since 1801



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# Why Partner with London?

## London: A Global Financial Centre



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London is Europe's largest capital market with a deep pool of liquidity and international issuers and investors



London is home to the International Forum of Sovereign Wealth Funds.



London has a geopolitical role as a link to Asia and North America



London provides an ecosystem that promotes innovation and product development, e.g. Islamic Finance, renminbi trading and Indian Rupee internationalisation



London is a centre of excellence for a wide range of audiences, products & legal structures



London has been voted the most attractive global location for relocating/expanding asset management operations

### No. 1 FX Centre

37% of the world's currency exchanges take place here in London, more than New York and Tokyo combined.

### 1/3 Global Assets

A third of assets under management in the UK come from overseas clients, making it the most international global market.

### £6.8tn AUM

The UK has the largest AUM in Europe (£6.8tn), and the second largest on a global basis.

### 30% Int'l Listings

30% of the world's foreign equities are traded in London.

### 40% Int'l Ownership

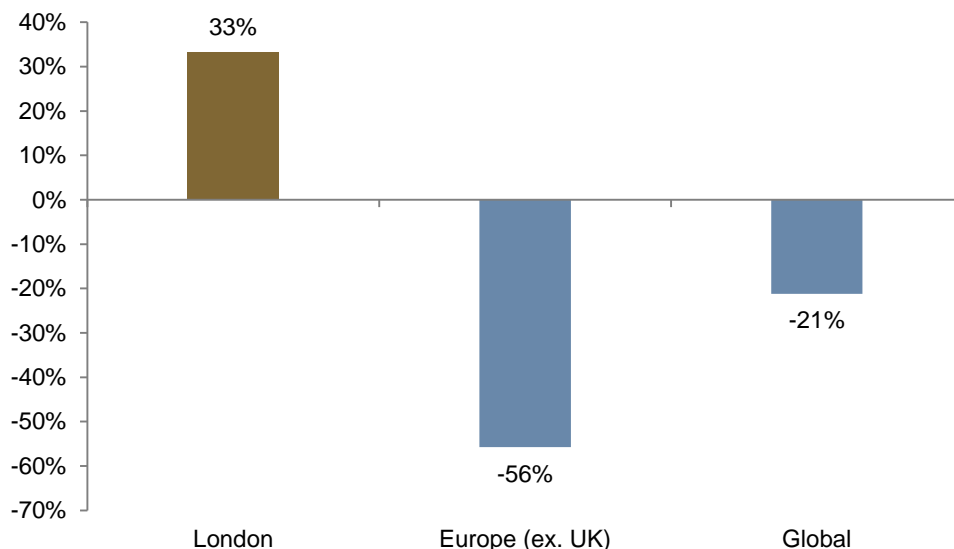
40% of the large and medium sized asset management firms in London are owned by overseas investors.

# Recent Activity on London's Equity Markets

# London Outperforms IPO Market

London IPO volumes are up, while European and Global are down

IPO volumes changes in H1 2019 vs H1 2018\*



- **London IPO volumes have risen by 33%, from \$5.56bn to \$7.42bn year-on-year**
- Europe IPO volumes (ex. UK) are down by 56%, from \$21.91bn to \$9.69bn
- Global IPO volumes, including UK and Europe, have fallen by 21%, from \$110.44bn to \$87.05bn

6 of Top 10 European IPOs were on LSE in H1 2019

Company	Exchange	Capital raised (\$m)
Nexi SpA	Borsa Italiana	2,323
Huatai Securities	LSE	1,692
Network International	LSE	1,593
Traton	Frankfurt, Stockholm	1,535
Stadler Rail AG	SIX Swiss	1,526
Trainline plc	LSE	1,389
Airtel Africa plc	LSE	687
Medacta Group SA	SIX Swiss	590
Schiehallion Fund	LSE	477
Finalbr	LSE	394

Source: Dealogic, July 2019

All calculations are based on a deal pricing date

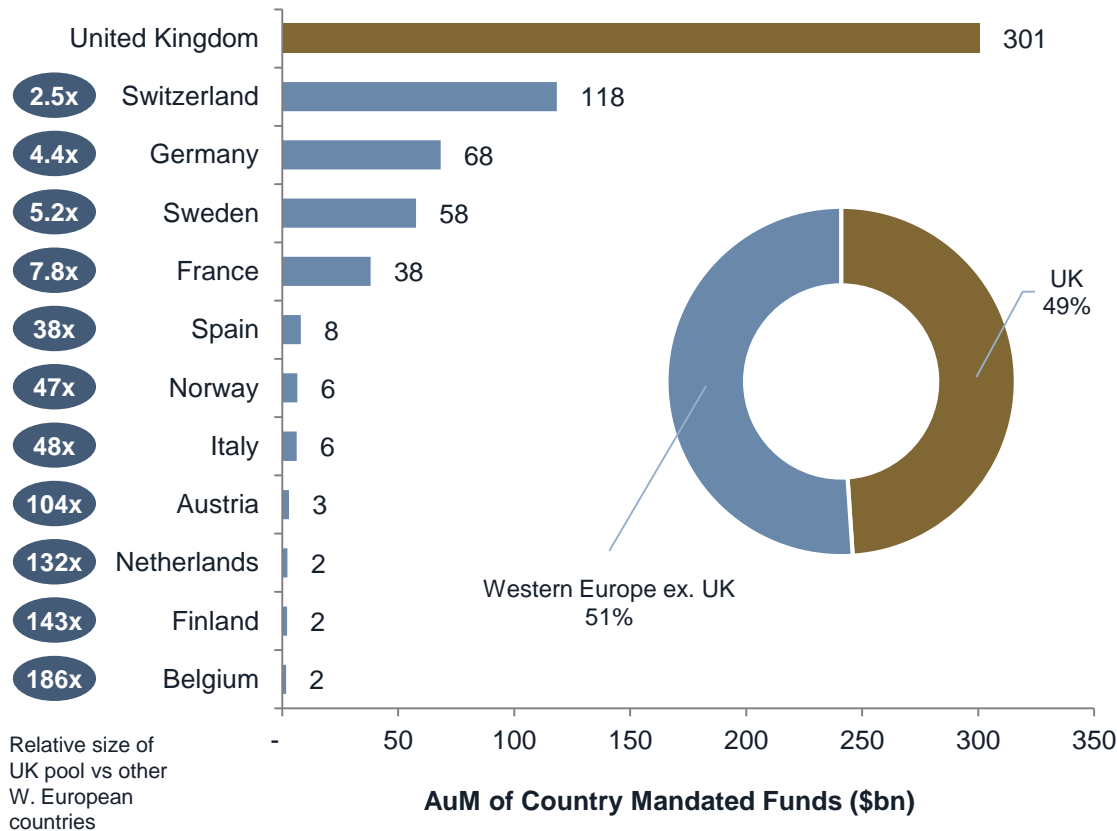
\*Percent is generated using USD values



# UK-Dedicated AuM Remains Robust

Europe's largest pool of dedicated capital stands at \$301bn

## Largest Western European country-dedicated AuM



The UK has a significantly larger pool of dedicated capital compared to its European peers with \$301bn in dedicated AuM

UK dedicated pool of capital has remained consistently larger despite downward pressure on UK equity markets and GBP since 2018

A listing on LSE enables access to a broad pool of European-dedicated capital in addition to UK-only capital (which is unavailable to other European destinations)



# Landmark Equity Offerings

London reinforces its position as a global financing centre



## Network International

"I am delighted that Network International will join London Stock Exchange today through a Premium Listing on the Main Market, marking an exciting new stage in our journey. [...] The Middle East and Africa are at an early stage in the shift from cash to digital payments and our new listing on London Stock Exchange will enable all new shareholders to benefit from this structural growth opportunity."

**Simon Haslam, CEO, Network International**

With \$1.6bn capital raised, Network International is the largest ever Middle East & African (MEA) IPO on London Stock Exchange and largest tech MEA IPO globally since 2014.



## Aston Martin Lagonda

"Today's listing on the London Stock Exchange represents a historic milestone for Aston Martin Lagonda and is a major vote of confidence in the turnaround of the company. By becoming the only British automotive company listed on the London Stock Exchange, Aston Martin Lagonda will provide investors with a fitting opportunity to participate in our future success."

**Andy Palmer, President and Group CEO, Aston Martin Lagonda**

With \$1bn capital raised, Aston Martin Lagonda was the largest IPO on London Stock Exchange in 2018.



## Funding Circle

"We have always believed Funding Circle would be well-suited to the public markets and today's listing is recognition of the strength and global impact of our model. We look forward to starting this exciting new chapter for the business as we focus on growth across all markets... The UK is a great place to start and grow a fintech business and we are proud to have listed on London Stock Exchange today."

**Samir Desai, CEO, Funding Circle**

With market value of \$2bn, Funding Circle became UK's first fintech unicorn. London now world leading global Fintech hub..



# The Global Shipping Sector



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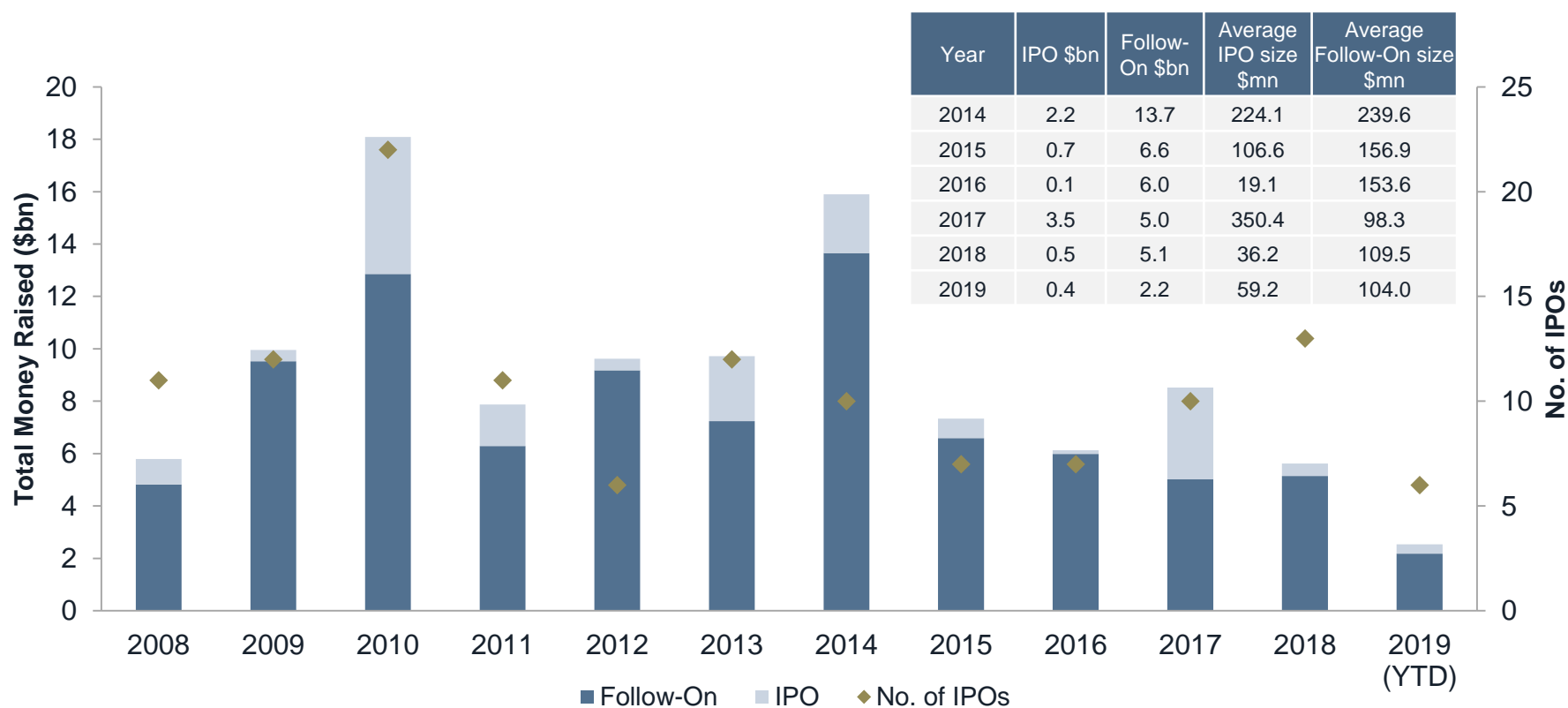


# Shipping Sector: Global Equity Raising



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2008 – 2018 (10 Year) Annual average capital raisings at \$9.5bn



Source: Dealogic, September 2019

Dealogic Company Business Description filtered for: Marine, Maritime, Shipping, Cargo, Tanker, Ocean Freight

# Global ECM Activity: IPOs

## Global Marine, Shipping and Transportation Services

- Globally, since the start of 2017, there have been 31 IPO's raising \$2.1bn, with an average deal value of \$69m
- Global Ports Holding raised \$206m on LSE in May 2017, the largest shipping IPO in EMEA since the start of 2017

### Top 10 largest IPO's since January 2017

Pricing Date	Company	Exchange	Offer Size (USDm)	Deal Specific Industry Group (SIG)	Company Nationality
16-Mar-17	Guangzhou Port Co Ltd	Shanghai Stock Exchange	231.4	Transportation-Ship	China
04-Aug-17	Cochin Shipyard Ltd	Bombay Stock Exchange-BSE National Stock Exchange of India	230.7	Transportation-Ship	India
12-May-17	Global Ports Holding plc	London Stock Exchange	206.3	Transportation-Ship	Turkey
07-Jun-18	Port of Tallinn AS	Tallinn	173.3	Transportation-Ship	Estonia
05-May-17	Fjord1 AS	Oslo Stock Exchange	162.4	Transportation-Ship	Norway
07-Aug-19	Napier Port Holdings Ltd	New Zealand Exchange	150.8	Transportation-Ship	New Zealand
13-Nov-18	Avenir LNG Ltd	Norwegian OTC market	110.0	Transportation-Ship	Norway
20-Apr-17	MPC Container Ships AS	Norwegian OTC market	99.9	Transportation-Ship	Norway
22-Jun-18	Okeanis Eco Tankers Corp	Oslo Stock Exchange	99.0	Transportation-Ship	Greece
18-Dec-17	Tufton Oceanic Assets Ltd	London Stock Exchange	91.0	Transportation-Ship	United Kingdom

Source: Dealogic, September 2019

Dealogic Company Business Description filtered for: Marine, Maritime, Shipping, Cargo, Tanker, Ocean Freight



# Global ECM Activity: Further Issues

## Global Marine, Shipping and Transportation Services

- Globally, since the start of 2017, there have been 126 further issues raising \$13bn, with an average deal value of \$103.8m
- Cobham plc priced the largest further offering in EMEA on LSE with a \$671m rights issue

### Top 10 largest Further Issues since January 2017

Pricing Date	Company	Exchange	Offer size (USDm)	Deal Specific Industry Group (SIG)	Company Nationality
13-Apr-18	Samsung Heavy Industries Co Ltd	Korea Exchange-KOSPI	1,316.5	Transportation-Ship	South Korea
06-Mar-18	Hyundai Heavy Industries Co Ltd	Korea Exchange-KOSPI	1,143.8	Transportation-Ship	South Korea
25-Jan-19	COSCO SHIPPING Holdings Co Ltd	Shanghai Stock Exchange	1,137.7	Transportation-Ship	China
05-May-17	Cobham plc	London Stock Exchange	671.2	Telecommunications-Wireless/Cellular	United Kingdom
04-Dec-17	Hyundai Merchant Marine Co Ltd	Korea Exchange-KOSPI	553.7	Transportation-Ship	South Korea
17-Oct-17	Hapag-Lloyd AG	Frankfurt Stock Exchange-Prime	414.8	Transportation-Ship	Germany
09-Oct-18	Scorpio Tankers Inc	New York Stock Exchange-NYSE	337.0	Transportation-Ship	Monaco
08-Jan-19	Qingdao Port International Co Ltd	Shanghai Stock Exchange	305.6	Transportation-Ship	China
11-Oct-18	Flex LNG Ltd	Oslo Stock Exchange	299.5	Transportation-Ship	United Kingdom
22-Nov-17	Compania Sud Americana de Vapores SA - CSAV	Santiago Stock Exchange	293.0	Transportation-Ship	Chile

Source: Dealogic, September 2019

Dealogic Company Business Description filtered for: Marine, Maritime, Shipping, Cargo, Tanker, Ocean Freight



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# London's Shipping Ecosystem

Galbraith's, headquartered in London, has been at the forefront of shipbroking since 1847.



Global Ports Holding is the world's largest cruise port operator.



Established in London in 1883 Howe Robinson has since grown into one of the largest privately-owned dry-cargo and containership broking houses in the world.

is the world's leading provider of integrated shipping services, bringing our connections and experience to an international client base.



**London has a strong ecosystem for shipping and infrastructure companies thanks to its long naval and industrial history**



Cobham is a leading global and technology services innovator respected for providing solutions to the most challenging problems, from deep space to the depths of the ocean.



The Baltic Exchange, headquartered in London, is the world's only independent source of maritime market information for the trading and settlement of physical and derivative shipping contracts.



In the 17th century, London's importance as a trade centre led to an increasing demand for ship and cargo insurance. Edward Lloyd's coffee house became recognised as the place for obtaining marine insurance and this is where the Lloyd's that we know today began. Lloyd's is now the world's specialist insurance market.



BMS Harris & Dixon Marine is a marine insurer with roots in the marine market dating back to 1797



# London Listed Industrial, Marine Transportation Services companies



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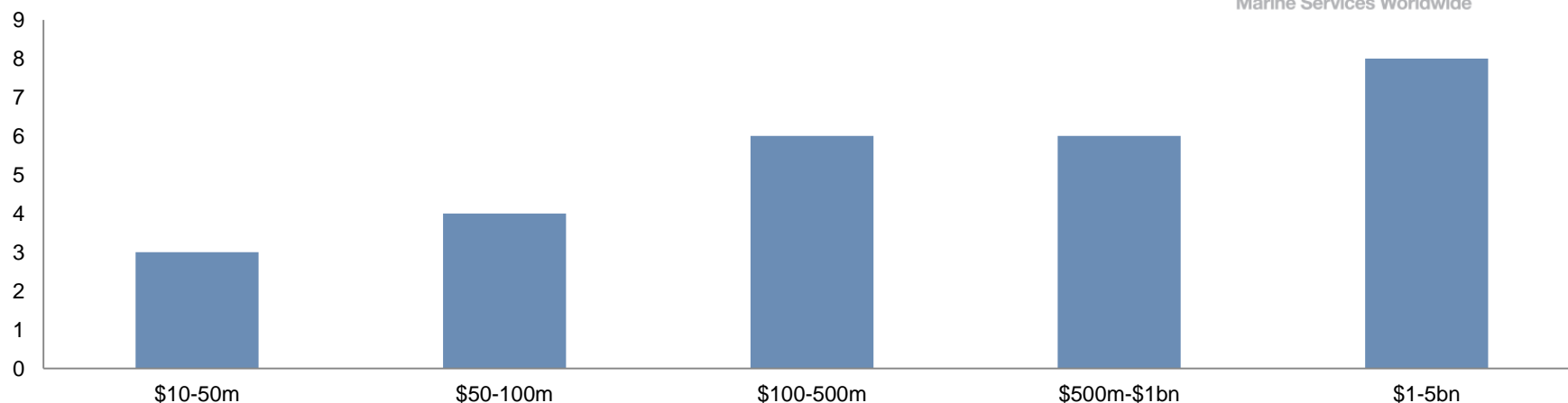
LSE Market	AIM	Main Market	Main Market – SFS	PSM	Grand Total
Number of Companies	7	17	2	1	<b>27</b>
Sum of Market Caps (\$m)	649	20,324	920	2,399	22,540



**BRAEMAR ACM**  
SHIPBROKING



## Industrial Transportation Sector by Market Cap



**James Fisher and Sons plc**  
Marine Services Worldwide

Source: LSE data, Dealogic, Factset, September 2019

# Case Study **Clarksons**

## Repeated London FO activity to facilitate M&A transactions



### Clarksons FO Activity in London



Pricing Date	Deal Type	Offer Size (USDm)	Bookrunner Parent	Premium/(Discount) %	% of Company Sold	% Change Price Offer/Current
22-Mar-17	Accelerated Offering	42	Atlas Merchant Capital LLC, Liberum Capital Ltd	-6.81	4.08	1.82
17-Mar-16	Accelerated Offering	53	Atlas Merchant Capital LLC, Nomura	-3.06	6.73	52.17
27-Nov-14	Accelerated Offering	49	Atlas Merchant Capital LLC	-4.88	7.83	43.59

# \$144m

Money raised by  
Clarksons 3 FO's in  
London since November  
2014

Clarksons Share Price Performance





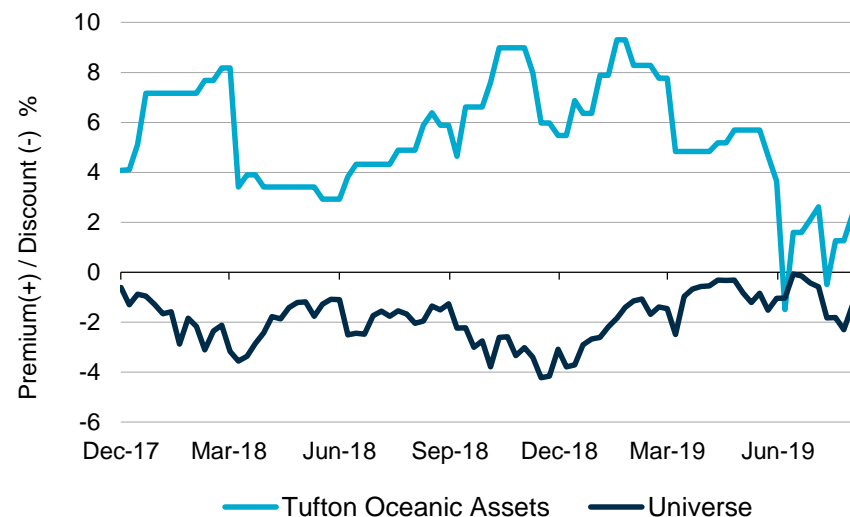


<b>Company name</b>	<b>Tufton Oceanic Assets Limited</b>
<b>LSE market</b>	Main Market – SFS
<b>Sector</b>	Equity Investment Instruments
<b>Admission date</b>	20 December 2017
<b>Market Cap at admission</b>	\$91 million
<b>Current Market Cap</b>	\$226.9 million
<b>Financial advisors</b>	Cenkos Securities and Hudnall Capital
<b>Legal Counsel</b>	Gowling WLG and Carey Olsen
<b>Fund Management</b>	Tufton Oceanic
<b>Premium to NAV(%)</b>	2.3
<b>Gearing</b>	40% of NAV
<b>Yield (%)</b>	4.7
<b>Fees</b>	0.85% of Net Assets

## Objective

To provide investors with an attractive level of regular and growing income and capital returns through investing in a diversified portfolio of second-hand commercial sea-going vessels. The fund will diversify risk across the main vessel classifications in the shipping industry.

Equity Funds Raised :  
\$91mIn in Dec 2017 at IPO / \$50mIn in Mar 2019



## Investor Breakdown

### Top 5 Institutional Investors (value held \$m)

Schroders Plc	14.3
County of South Yorkshire	12.6
East Riding of Yorkshire	10.1
Banque Pictet & Cie SA	9.2
County of West Yorkshire	9.2



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