

IFR EUROPEAN ECM BRIEFING



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IFR European ECM Briefing - July 13 2015

Bluefield European Solar Fund, NextEnergy Solar Fund, Sorgente, Deutsche Pfandbriefbank, German Startups Group, Sweco

- *Bank of America Merrill Lynch, Goldman Sachs and JP Morgan* are in the market tonight with 12m shares in German speciality chemicals group **Evonik** on behalf of CVC. The deal launched with guidance of €34.60 to the market close of €35.455, suggesting a deal size of €425.5m without a discount.

Bluefield Solar is back with a new listed fund in the market, launching with a target of €200m for **Bluefield European Solar Fund**. The fund is focused on buying solar assets in eurozone countries, particularly Italy and Spain but not Greece.

The fund, to be managed by Bluefield Partners, will be seeded with a target portfolio of 29 solar assets in Italy and Spain for an expected €157m consideration. There is a commitment that at least 60% of NAV, excluding uninvested cash, will be invested in operational solar assets in Italy or Spain and that leverage will be low across the portfolio.

The manager was last in the market in July 2013 when it raised £130m for its Bluefield Solar Income Fund versus an initial target of £75m. Part of the marketing will focus on the expertise in the management company, which is chaired by Sir Neville Simms, former chairman of International Power and former deputy chairman of GDF Suez Energy International.

Bluefield's new solar fund is targeting an internal rate of return of 7%–9%, with a six euro cents annual dividend for the first two years based on a €1 issue price, increasing to 2% per annum thereafter.

Around 20% of the offering has already been taken through cornerstone commitments. BlackRock has committed to buy 10% of the IPO, while Newton Investment Management will put in a minimum of €20m, subject to a limit of 10% of the deal size. The offer will close by July 30.

Goldman Sachs is sole global coordinator and joint bookrunner with *Numis* and *UBS*.

Bluefield arrives while NextEnergy Solar Fund is still in the market. Although NextEnergy has extended bookbuilding for its €300m-plus IPO, the belief is that there is room in the market for both deals.

Bluefield is differentiated by having already listed a solar fund and it will float with already acquired assets. The two have quite different approaches with NextEnergy targeting a IRR of 10%–12%.

NextEnergy will run through to July 23, from an original expected close of July 7.

Credit Suisse is sole bookrunner, with *Macquarie* and *Peel Hunt* as joint lead managers and *Cantor Fitzgerald Europe* as co-lead manager and *BDO* as sponsor.

A decision is still yet to be made on whether Italian real estate business **Sorgente** will press ahead with what could be a €500m-plus Milan IPO. Bankers on the deal agreed that progress on Greece does make a decision more imminent. They also noted that time is running out to launch bookbuilding.

There is certainly no reputational risk in pushing back until after the summer, but that would position Sorgente among what is expected to be a very full September/October calendar, posing the question as to whether an Italian real estate deal will garner enough attention then. Currently, the deal would have limited competition, but investors will soon be drifting off on holidays as schools break up for the summer. *Banca IMI, Bank of America Merrill Lynch* and *Barclays* are joint global coordinators and joint bookrunners with *Intermonte*. *Societe Generale* is co-lead.

An illustration of the challenge Sorgente faces if it does launch in the coming days came in a conversation with one syndicate banker this morning. He suggested that there is plenty of time left for the deal, after all he had worked on the IPO of Spire Healthcare last year and that priced "at the end of July". It certainly felt like the end of the month, but pricing came on July 18.

Deutsche Pfandbriefbank and **German Startups Group** are both due to close bookbuilding later this week. There was no new messaging this morning. There was a covered message for pbb last Thursday.

Stockholm-listed building services consultant **Sweco** intends to raise approximately €140m in a rights issue to repay a loan taken out to finance Sweco's purchase of the shares it does not yet own in Dutch engineering firm Grontmij.

Shareholders will vote on the rights issue at an AGM that will take place on August 24, and any further decision will be taken following third quarter reports from Sweco and Grontmij on October 23 and October 29 respectively. The capital increase is then expected to be completed in the fourth quarter.

Shareholders Skirner Forvaltning and Investmentaktiebolaget Latour have undertaken to subscribe for their entitlement, representing approximately €52m of the deal proceeds.

This week's deals

Monday

Evonik (Germany – Chemicals): Up to €425.5m ABB, 12m (2.5%) secondary at €34.60–€35.455. BofA Merrill, Goldman Sachs, JP Morgan

Wednesday

Deutsche Pfandbriefbank (Germany – Financial): up to €1.287bn Frankfurt IPO, 100.99m sec at €10.75–€12.75, 6.59m share greenshoe, 75.1% (80%) free-float, books June 8–15, trading July 16. Citigroup, Deutsche Bank, Berenberg, Commerzbank, JP Morgan

Thursday

German Startups Group (Germany): €54m–€72m Frankfurt Entry Standard IPO, 20 primary at €2.70–€3.60, 2.098m greenshoe (primary/secondary), books July 8–16. Commerzbank, Hauck & Aufhauser, BHF Bank, quirin bank

Pipeline

Delayed – Sorgente Group (Italy – Real Estate)

€500m-plus Milan IPO, all primary, up to 15% primary greenshoe, 62%–72% free-float, books c.June 29–July 10. Banca IMI, BofA Merrill, Barclays, Intermonte

Pending – Access Bank (Nigeria)

N52.6bn (US\$275m) rights issue, 7.627bn on 1-for-3 basis at N6.90, subs Jan 26–Mar 18 (ext from Mar 4), Result May 15. Chapel Hill, Marina Securities, Stanbic IBTC Capital, Renaissance, Vetiva Capital, Greenwich Trust, Futureview Financial Services Securities and WSTC Financial Services

July 22 – Empiric Student Property (UK – Real Estate)

£50m placing and offer for subscription at 105.75p, subs July 8–22, result July 23. Jefferies

July 23 – NextEnergy European Solar (UK): €300m LSE IPO, €500m max, 300m at €1. Offer for subscription, placing June 24–July 23, result July 24. Credit Suisse

July 31 – Bluefield European Solar Fund

€200m London IPO, 200m at €1, closes July 31. Goldman Sachs, Numis, UBS

July – Stanbic IBTC Bank (Nigeria)

N20.4bn rights issue, 800m shares at N25.50, 2-for-25 basis, record date June 10. Stanbic IBTC Stockbrokers

August – Mediclinic (South Africa)

R10bn (US\$826m) rights issue, 111.11m (12.8%) new at R90. RMB, Morgan Stanley

August – Latecoere (France – Aerospace)

€222.5m rights issue. 74.2m shares at €3 on a 4-for-1 basis. AGM July 15

November – Sweco (Sweden – Building Services)

€140m rights issue, AGM August 24, post October 23/29 reporting for terms

H2 – Axiom European Financial Debt Limited

£100m–£500m LSE IPO. All prim, launched Dec 1. Liberum

H2 – Prisa (Spain – Media)

€75m rights issue, 141.5m (6.5%) at €0.53

2015 – Al-Khodari (Saudi Arabia – Construction)

SR500m (US\$133m) rights issue, awaiting regulatory/EGM approval

2015 – Afreximbank (Egypt)

US\$500m rights issue, approved by shareholders

2015 – Citadel Capital (Egypt – Private Equity)

£3.64bn (US\$528m) rights issue, EGM date TBA

2015 – Transcorp Hotels (Nigeria)

N8bn NSE IPO (US\$50m), primary, 800m at N10 per share

2015 – Metro Turizm (Turkey – Travel)

Istanbul IPO

2015 – Tarom (Romania – Airlines)

€60m Warsaw privatisation IPO, 20% FF. Carpatica, Swiss Capital

EMEA EQUITIES

BOOKRUNNERS: 1/1/2015 TO 10/7/2015

	Managing bank or group	No of issues	Total US\$(m)	Share (%)
1	Goldman Sachs	50	15,641.85	10.5
2	UBS	45	14,402.87	9.7
3	BofA Merrill Lynch	50	12,904.73	8.6
4	JP Morgan	64	11,948.06	8.0
5	Morgan Stanley	55	11,605.07	7.8
6	Deutsche Bank	49	11,287.59	7.6
7	Citigroup	36	5,774.14	3.9
8	SG CIB	26	4,025.22	2.7
9	Credit Suisse	32	3,890.14	2.6
10	HSBC	19	3,581.27	2.4
	Total	625	149,243.91	

Source: Thomson Reuters (SDC code: C4c)

EMEA CONVERTIBLES

BOOKRUNNERS: 1/1/2015 TO 10/7/2015

	Managing bank or group	No of issues	Total US\$(m)	Share (%)
1	SG CIB	7	1,335.51	13.0
2	BNP Paribas	8	1,139.30	11.1
3	Barclays	4	939.91	9.1
4	BofA Merrill Lynch	5	897.44	8.7
5	UBS	6	698.97	6.8
6	JP Morgan	4	579.42	5.6
7	HSBC	6	567.85	5.5
8	Credit Suisse	2	454.46	4.4
9	Deutsche Bank	2	452.90	4.4
10	Citigroup	2	430.54	4.2
	Total	30	10,304.45	

Including exchangeables

Source: Thomson Reuters (SDC code: C09d)

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