



We hope that this year-end greeting finds you safe and well. While we continue to face pandemic upheavals, global equity new issue activity once again rose to record levels this year. European ECM volume was up 40% while IPO volume tripled, supported by the continued rise in major stock market indices.

We are very pleased to have **delivered over €13bn in exits and equity offerings for our clients during the year**, with a number of records broken. Our transactions were structured to achieve strong investor engagement with high pricing accuracy, showing positive price performance and low volatility in the aftermarket.

It has been a year of two halves for the IPO market, with volumes down significantly during the second half as investors became more selective and growth stories came under increasingly intensive scrutiny, with the European market failure rate rising to nearly 25%, in line with the 5-year average. STJ is proud to have been able to maintain our unmatched 100% completion rate¹, always delivering for our clients, with far more accurate pricing outcomes² reflecting our proven processes.

Most of our Exit Advisory mandates led to an IPO outcome, totalling 7 offerings valued at €6.3bn. This includes the record €3.2bn IPO of **InPost** in January, which was the largest ever European E-Commerce listing and the largest European IPO of the year. Starting with the largest cornerstone tranche in a decade, and a clearly defined equity story supported with input from our Strategic Research Advisory team, books were quickly covered and the final pricing represented a 7% premium to comparable Allegro priced several months earlier.

Our partnership with AZ Capital (the leading Spanish M&A adviser) in Spain has resulted in a near monopoly of independent equity advisory mandates in Spain in 2021. Most notably we advised on the largest Spanish and European renewable energy IPO in the past 5 years with the €1.52bn listing of **Acciona Energía**, one of the leading pure renewable energy companies globally. Our advice included the selection, engagement and coordination of a 21-bank syndicate to secure a wide, deep and well-coordinated investor engagement process. This resulted in over 220 lines in the final order book, heavily skewed towards Long-Only investors.

Also, together with AZ, we helped facilitate the development of the European SPAC market by acting, as co-advisor and co-sponsor, for the €175m IPO of **SPEAR Investments I** ("Successful Partners in Europe for Accelerating Returns"). This is the first pan-European multi-sector SPAC to offer immediate listing and growth capital for minority stakes in European companies. We took an innovative approach to achieve an upsized offering during difficult markets, by procuring cornerstone support from a dozen family office backers. Investors were attracted to the unique proposition combining leading and specialist ECM and M&A teams along with a broad pan-European group of industry and investment professionals including other Collaboration Partner firms.

Again with AZ we also advised on a further 3 sell downs by Rhône Capital of **Fluidra**, taking the total amount raised to €1.28bn over 11 months at increasingly higher prices. STJ's SRA team has also advised Fluidra on its equity story repositioning and investor targeting and engagement campaign since 2020, with a c.+200% share price performance. In terms of our ABB advisory, we

have delivered a 25% larger relative size and a 12% lower pricing discount than the market average.

Our largest private sale from a multi-track process took place in June where we acted for TDR Capital and Management on the sale of **Modulaire Group** to Brookfield Business Partners. STJ acted as the overarching exit advisor, providing independent advice across private sale, IPO and potential de-SPAC tracks to optimise the outcome. The deal represents one of the largest private equity deals in Europe this year and is the largest ever transaction for Brookfield in Europe.

We further strengthened our leading position in the Nordic markets by advising the Icelandic Government on the record \$457m IPO of **Íslandsbanki** - the largest privatisation and largest IPO in Icelandic history. The offering was anchored by strong cornerstone support, both domestic and international (a first for the domestic institutions), leading to early momentum in the book building process and pricing at the top of the range and nearly 9% of the adult population participating in the offering. It has been one of the best performing European IPOs.

Additional Nordic mandates included advising Nordic Capital on two further offerings - the \$610m IPO of **Cary Group** and the \$330m ABB sell down of **Intrum**. The Intrum placement occurred after a c. 200% share price increase since we started advising on equity story positioning and monetisation options, further evidence of the results delivered by our Strategic Research Advisory team. We have now advised Nordic Capital on c. \$2.6bn of equity sales.

We completed an additional \$410 million of equity and equity-linked capital increases for **Helios Towers** via a \$250m Convertible Bond issue and subsequent combined \$50m CB tap and \$110m capital raise. This followed from our advice on the successful re-launch of the IPO in October 2019 and continued advice on wider capital markets activities.

We also advised **Mister Spex** on its successful €375m IPO in Frankfurt. The IPO was completed against challenging market conditions as well as a strong pipeline of competing IPO's that heightened public market investor fatigue and IPO calendar congestion.

We continued to expand our activities in Japan, advising on 3 IPOs with a total value of JPY82bn (\$725m). This re-confirms STJ's overwhelming dominance of the independent advisory business in Japan and further expanded our client base to include 2 domestically founded Sponsors, CLSA and Advantage Partners. We advised CLSA on 2 deals, the **AB&Company** chain of hairdressing salons and **LIFEDRINK** the water and soft drinks company. We advised Advantage on the Global IPO of its "Unicorn" fintech **Net Protections**, which is Japan's number 1 buy now pay later company. All deals were highly successful.

Our year finished late in December with the SEK2.3bn (€225m) IPO of **Norva24**, Northern Europe's leader in mission-critical Underground Infrastructure Maintenance. It was a tremendous achievement to price the offering against a background of extreme volatility in the markets digesting the implications of the latest Omicron Covid wave. Following launch, the VIX peaked at its highest point since late January at 35.3 and an overall market sell-off included some key M&A compounder growth comparables falling 20% between ITF and Pricing.

Finally, our Cooperation Partner in North America, Solebury Capital, continues to build its dominant position in the US with a market share of 26% of the IPO volume in 2021. Our affiliation with Solebury provides an ECM platform that is multiple times larger with greater jurisdictional reach and a better success track record than any other independent equity advisory firm.

We look forward to continuing to deliver best outcomes for our clients in 2022 and wish you all a happy, healthy and safe holiday season and a prosperous New Year!

1 Excludes deals that did not complete the full marketing exercise or that were pulled when VIX spiked over 28 points
2 25% variation on first day change vs. IPO price compared with 125% for the overall market/other advisors over the past 3 years

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