

Bermuda Public Companies Update July 2019

In the latest edition of our Bermuda Public Companies Update we recap significant transactions involving Bermuda public companies over the period H1 2019.

Global market update

The first half of 2019 saw a notable slow-down in global market activity from the same period last year. Capital raised in the global IPO market fell by 37%, with volume down 34% on last year. A total of US\$69.8 billion was raised across 514 IPO deals. In contrast, North America was the only region to show an increase in capital raised, up 13%. The US domestic IPO market rebounded in early 2019 after a slow end to last year. H1 2019 saw a parade of high-value tech companies go public in the US, and despite the Uber and Lyft IPOs, investor demand remains generally robust, though trading has been volatile.

Similarly, while global M&A volume has been underwhelming in H1 2019, US M&A activity has remained high with seven of the top ten deals of the year being domestic US deals.

Bermuda companies update

Market activity for Bermuda public companies listed on the NYSE and Nasdaq has generally followed the US trend, with several M&A transactions announced and/or completed, particularly in the finance and technology sectors. Although there have been no Bermuda company IPOs on US exchanges so far in 2019 (compared to two in H1 2018) there have been two direct listings of Bermuda companies, one on the NYSE and one on Nasdaq:

- **Flex LNG Ltd.**, a Bermuda-incorporated oil and gas storage and transportation company controlled by shipping magnate

John Fredriksen, completed a direct listing on the NYSE in June under the symbol “FLNG”. Flex was the first listing of an ocean shipping company on a major US exchange in four years and may be the first sign of an up-tick in the shipping markets after several difficult years. We feature the Bermuda shipping market elsewhere in this bulletin.

- **Watford Holdings Ltd.**, a Bermuda-incorporated property and casualty insurance and reinsurance company, parent of Bermuda reinsurer Watford Re, began trading its common shares on the Nasdaq Global Select Market in June, under the symbol “WTRE”.

There have been a large number of fixed income and secondary offerings in the first half of this year, including two tranches of senior unsecured notes offered by IHS Markit in April for a total value of US\$1 billion.

M&A activity over the period included the acquisition by Bermuda-based Invesco Ltd. of Oppenheimer Funds Inc. for US\$5.7 billion. Conyers advised Massachusetts Mutual Life Insurance Company as seller on the deal.

We have included details of the market activity referenced above in this edition of our update, along with statistical information about the Bermuda public companies market, which we hope will be of interest to our legal colleagues, clients and Bermuda market followers.

NYSE and Nasdaq Exchanges

67 Listed Bermuda Companies
increase of 2 since last edition

US\$248 billion
Market Capitalization
of listed Bermuda companies

US\$8.2 billion
Capital raised in H1 2019
by listed Bermuda companies

Highlighted Transactions

NYSE

- **Genpact Limited** (NYSE:G) acquired riskCanvas Holdings, LLC from Booz Allen Hamilton Holding Corporation for US\$5.75 million. (January)
- **Genpact Limited** (NYSE:G) completed a US\$324 million secondary offering of 10,000,000 common shares. (February)
- Apollo Global Management, LLC completed the acquisition of Bermuda insurer **Aspen Insurance Holdings Limited** (NYSE: AHL) for US\$2.6 billion. (February)
- **Triton International Limited** (NYSE: TRTN) completed a US\$86 million offering of 3,450,000 preferred stock series A shares and a US\$223.61 million secondary offering of 7,132,790 common shares. (March)

- **RenaissanceRe Holdings Ltd.** (NYSE:RNR) completed a US\$400 million offering of 3.6% senior notes due 2029. (March)
- **Brookfield Infrastructure Partners L.P.** (NYSE:BIP) acquired a 24% stake in Reliance Gas Transportation Infrastructure Ltd. for US\$443 million. (March)
- **Nordic American Offshore Ltd.** (NYSE:NAO) entered into a common share purchase agreement for a private placement worth US\$20 million. (March)

In June 2019 Nordic American Offshore Ltd. announced the change of its company name to Hermitage Offshore Services Ltd. It now trades on the NYSE under its new name and the ticker symbol “PSV”.

- **Nordic American Tankers Limited** (NYSE: NAT) entered into a sales agreement with B. Riley FBR, Inc. to sell US\$40 million worth of common shares from time to time at the prevailing market prices. (March)
- LVMH Moët Hennessy Louis Vuitton SE completed the acquisition of **Belmond Ltd.** (NYSE:BEL) for an equity value of US\$2.6 billion. (April)
- **Triton International Limited** (NYSE:TRTN) announced a share repurchase program for US\$200 million worth of its common shares. (April)
- **Brookfield Business Partners L.P.** (NYSE:BBU) and Caisse de dépôt et placement du Québec entered into an agreement to acquire Power Solutions from Johnson Controls International plc for approximately US\$11.6 billion. (April)
- **Brookfield Business Partners L.P.** (NYSE:BBU) agreed to acquire a 13.8% stake in Teekay Offshore Partners L.P. (NYSE:TOO) from Teekay Corporation (NYSE:TK) for US\$100 million and later made an offer to acquire the remaining 26.8% stake in Teekay Offshore for approximately US\$120 million. (May)
- **Invesco Ltd.** (NYSE:IVZ) acquired OppenheimerFunds, Inc. from Massachusetts Mutual Life Insurance Company for US\$5.7 billion. (May)
- **GasLog Ltd.** (NYSE:GLOG) issued US\$75 million 8.875% senior notes which will be consolidated with US\$250 million principal amount of 8.875% senior notes from a previous offering. (May)
- **Ship Finance International Limited** (NYSE:SFL) completed a NOK 700 million (approx. US\$82 million) offering of floating rate senior unsecured notes due June 2024. (May)
- **Myovant Sciences Ltd.** (NYSE:MYOV) completed a secondary offering of 17,424,243 common shares for a gross offering amount of US\$125 million. (May)

- **Athene Holding Ltd.** (NYSE:ATH) completed a secondary offering of 30,000,000 depositary shares in the amount of US\$750 million. (June)
- **White Mountains Insurance Group, Ltd.** (NYSE:WTM) acquired an undisclosed minority stake in Elementum Advisors LLC. (June)
- **Triton International Limited** (NYSE:TRTN) completed a preferred equity offering of 8.0% Series B cumulative redeemable perpetual preference shares, raising gross proceeds of US\$143.8 million. (June)
- **Aircastle Limited** (NYSE:AYR) completed a US\$650 million offering of 4.250% senior notes due 2026. (June)

Nasdaq

- **IHS Markit Ltd.** (NasdaqGS:INFO) acquired a stake in Copa Fin Limited. (January)

IHS Markit Ltd., the largest US listed Bermuda company by market capitalization, transferred its common share listing from the Nasdaq Global Select Market to the NYSE on 2 July, 2019. IHS Markit retains its current “INFO” ticker symbol on the NYSE.

- **Kiniksa Pharmaceuticals, Ltd.** (NasdaqGS:KNSA) announced a private placement of 2,000,000 class A1 common shares followed by a secondary offering of 398,247 class A common shares for a total amount of US\$85 million. (January – March)
- **Kiniksa Pharmaceuticals, Ltd.** (NasdaqGS:KNSA) agreed to acquire Primatope Therapeutics, Inc. for US\$18 million. (January)
- **Watford Holdings Ltd.** (NasdaqGM:WTRE) announced a share repurchase program for up to US\$75 million worth of its own shares. (January)
- **Liberty Latin America Ltd.** (NasdaqGS:LILA) agreed to acquire United Telecommunications Services N.V. for an enterprise value of approximately US\$190 million. (January)
- **Urovant Sciences Ltd.** (NasdaqGS:UROV) entered into a debt financing agreement to receive US\$100 million in four optional tranches through June 30, 2021. (February)
- **Brookfield Property Partners L.P.** (NasdaqGS:BPY) announced a repurchase program for up to US\$405 million worth of its limited partnership units. (February)
- **Axovant Gene Therapies Ltd.** (NasdaqGS:AXGT) completed a US\$40 million secondary offering of 20,000,000 common shares. Majority shareholder Roivant Sciences Ltd. purchased 6,666,667 shares at the public offer price of US\$1.50 per share. (March)
- **Brookfield Property Partners L.P.** (NasdaqGS:BPY) completed a US\$160 million offering of 6,400,000 of its 6.50% class A cumulative redeemable perpetual preferred units. (March)

NYSE listing of Bermuda company Flex LNG Ltd. could signify sea change in shipping capital markets

The listing of Bermuda shipping company Flex LNG Ltd. on the New York Stock Exchange in June may be a hint of better times to come for the maritime and offshore oil and gas industries. Flex LNG, controlled by Norwegian billionaire John Fredriksen, is an emerging player in the liquefied natural gas shipping business.

Since 2014, the shipping sector has experienced considerable challenges accessing the equity capital markets. Lack of investor appetite means there has not been a US IPO by a shipping company since June 2015. Flex LNG used a direct listing – in which the shares begin trading but no new capital is raised – as an alternative way to improve liquidity. In fact, Flex LNG is the third shipping company to directly list on a major US exchange this year. Flex LNG's CEO Oystein Kalleklev told delegates at a recent Marine Money conference in New York that the direct listing process was relatively easy and offered speed and cost advantages.

Flex LNG Ltd. was already listed on the Oslo stock exchange and will now be dual-listed. The company is not the only Fredriksen-backed shipping entity to graduate from Oslo to New York to source deeper pools of capital – others that started on the Oslo Børs include Frontline (NYSE:FRO) and Golden Ocean (Nasdaq:GOGL). The last six years have seen several shipping and shipping-related companies incorporate in Bermuda and go on to list on the Oslo Stock Exchange, including Avance Gas, Borr Drilling, BW LPG, Odfjell Drilling and Team Tankers International. The Norwegian over-the-counter market (OTC) has also proved a popular

way to access equity, used by both GoodBulk and 2020 Tankers. A New York listing may yet be in the future for some of these companies, should market conditions improve.

Other notable developments in the Bermuda shipping sector include moves by two companies to streamline and focus on core businesses. Bermuda headquartered Teekay Corporation (NYSE:TK) completed the sale of its interests in Teekay Offshore to Brookfield Business Partners in May. The corporation stated that the divestment of its remaining interests in Teekay Offshore was aligned with its strategy to simplify and focus on its core gas and tanker businesses: Teekay LNG Partners LP (NYSE:TGP) and Teekay Tankers (NYSE:TNK). Also in May, Golar LNG Limited (Nasdaq:GLNG) announced the decision to spin off its LNG carrier business and focus on infrastructure for floating liquefied natural gas and downstream assets.



20 Bermuda Shipping/Offshore Oil & Gas Companies on NYSE and Nasdaq* with a total market capitalization of **US\$25 billion**

24 Bermuda Shipping/Offshore Oil & Gas Companies on the Oslo Børs + Norwegian OTC combined with a total market capitalization of **US\$13.8 billion**

*includes Bermuda headquartered companies

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- **VEON Ltd.** (NasdaqGS:VEON) completed a US\$216 million secondary offering of 100,000,000 American depositary shares. (March)
- **Golden Ocean Group Limited** (NasdaqGS:GOGL) acquired a 15% stake in Singapore Marine Pte Ltd. (April)
- **IHS Markit Ltd.** (NasdaqGS:INFO) completed a US\$600 million offering of 4.250% senior unsecured notes due May 2029 and a US\$400 million offering of 3.625% senior unsecured notes due May 2024. (April)
- **Auris Medical Holding Ltd.** (NasdaqCM:EARS) completed an underwritten public offering of common shares and warrants to purchase common shares, with aggregate gross proceeds of approximately US\$8.4 million. (May)
- **Enstar Group Limited** (NasdaqGS:ESGR) completed a US\$500 million offering of 4.950% senior unsubordinated unsecured notes due June 01, 2029. (May)
- **NXP USA Inc.** entered into a definitive agreement to acquire the Wi-Fi Connectivity business of Bermuda incorporated **Marvell Technology Group Ltd.** (NasdaqGS:MRVL) for US\$1.8 billion. (May)
- **Informa plc** agreed to acquire the majority of the IHS Markit Technology, Media and Telecoms intelligence business from **IHS Markit Ltd.** (NasdaqGS:INFO) and **IHS Markit Ltd.** signed an agreement to acquire Agribusiness Intelligence group from Informa plc. (May)
- **Marvell Technology Group Ltd.** (NasdaqGS:MRVL) entered into definitive agreements to acquire Aquantia Corp. for approximately US\$540 million and Avera Semiconductor LLC from GLOBALFOUNDRIES Inc. for US\$740 million. (May)
- **Helen of Troy Limited** (NasdaqGS:HELE) announced a three year share repurchase program for up to US\$400 million worth of its common shares. (May)

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This bulletin details capital markets activity among Bermuda companies listed on the NYSE and Nasdaq using data from S&P Global Market Intelligence. The date range for this analysis is 1 January - 30 June inclusive. Where necessary, deal values have been converted to USD at a rate set by S&P Global Market Intelligence. Not all deals have a publically known value. Not all deal details are reported immediately, and figures are subject to change as new information becomes available.