

## Equity capital markets in 2022: Europe cools, the Middle East heats up. What next?

Allen & Overy's ECM practice has been actively involved in a number of high profile and significant ECM transactions which have come to market in the first half of 2022, despite more challenging equity market conditions generally. A selection of our recent EMEA ECM deal highlights are below.

Companies and other market participants will be well aware of the heightened volatility in the equity markets. This has been driven by, among other factors, Russian's invasion of Ukraine, rising commodity prices and inflation, interest rate rises and continued supply chain disruption due to the Covid-19 pandemic. Throughout the year so far, this has resulted in a more challenging environment, as reflected in significantly lower ECM deal volumes, particularly for IPOs. However, we are seeing some encouraging signs and bright spots emerging which are noteworthy.

In the Middle East, increasing energy prices and strong economic growth have spurred investor confidence and resulted in a strong IPO market. In the UAE, we advised on two of the three largest IPOs in the first half of 2022 (both of which were oversubscribed by in excess of 40 times) and are advising on a number of other multi-billion dollar listings in the region. We also advised the first ever SPAC (Special Purpose Acquisition Company) to be listed in the GCC region.

Looking forward, we expect there will be a strong pipeline of deals in this region, with innovative businesses coming to the public markets. We also expect that there will be more government spin-offs across the Middle East region

in the near term. In particular, the Oman government is planning to take public a number of its state-owned businesses and the Saudi Arabia market is expected to be active with a number of significant listings.

More broadly across EMEA, we believe that companies with underlying healthy fundamentals, strong track records and good leadership teams will continue to be attractive to investors, with early preparation by companies being ever more important so they are ready to take advantage of market windows and favourable market conditions.

Future activity in the UK is likely to be influenced by the extent and speed of planned market reforms. In Europe and certain individual members states, regulators and market participants are also considering ways to modernise their capital markets and make them more accessible.

In addition, we expect to see further secondary equity issuance activity by businesses operating in a variety of industries across the EMEA region, intended to serve a variety of capital needs, including to fund M&A and repair balance sheets.

Therefore, we remain cautiously optimistic for the second half of the year and beyond, with a pipeline of exciting and growing companies we are actively working with.

As always, please do not hesitate to contact the Allen & Overy ECM deal team to discuss any matters of interest.

## A selection of our recent EMEA ECM deal highlights

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### **Borouge**

Advising the underwriters on the USD2 billion IPO of Borouge on the Abu Dhabi Stock Exchange (ADX).

### **TECOM Group**

On its USD455 million IPO on the Dubai Financial Market (DFM). TECOM is the owner, manager and operator of 10 strategic, sector-focused business districts across Dubai and a major contributor to the rapid growth of Dubai's knowledge and innovation-based economy. The UAE retail offer achieved an oversubscription level of 40 times, making it the highest retail oversubscription multiple ever for IPOs on the DFM.

### **ADC Acquisition Corporation PJSC**

As the first SPAC to be listed on the ADX. The listing raised USD100m. The SPAC was sponsored by ADQ and Chimera Investment, for the purpose of identifying and acquiring businesses with strong management teams. The UAE was the first country in the region to issue specific regulations on the launch and operations of SPACs, which offer an alternative to go to market without all of the processes needed in a regular IPO. A&O assisted in the drafting of these regulations.

### **Deezer**

Advising the bank syndicate on the merger between Deezer and I2PO and the subsequent EUR909m IPO and listing of the music streaming platform on Euronext Paris.

### **DEME Group**

On its partial demerger from CFE and initial listing on Euronext Brussels (market cap EUR2.6bn).

### **Air-France**

Advising the bank syndicate in connection with the EUR2.256bn rights issue of Air-France KLM.

### **Elia**

On its EUR590m rights issue on Euronext Brussels (underwriters' counsel).

### **A Household UK Retail Brand**

On a GBP578m equity raise on the London Stock Exchange.

### **TUI AG**

On the successful placement of new shares from a cash capital increase with gross proceeds of around EUR425m.

### **Vulcan Energy**

Advising Joh. Berenberg, Gossler & Co. KG as Listing Agent on the dual listing of ASX-listed Vulcan Energy Resources Limited (Vulcan Energy) on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange.

### **Česká Zbrojovka Partners SE**

On the sale of a portion of their shares in Česká zbrojovka Group SE through an accelerated book-build, with total aggregate proceeds of the block trade of approximately CZK1.13bn (c. USD48m).

### **Cairn Capital and Associated Funds**

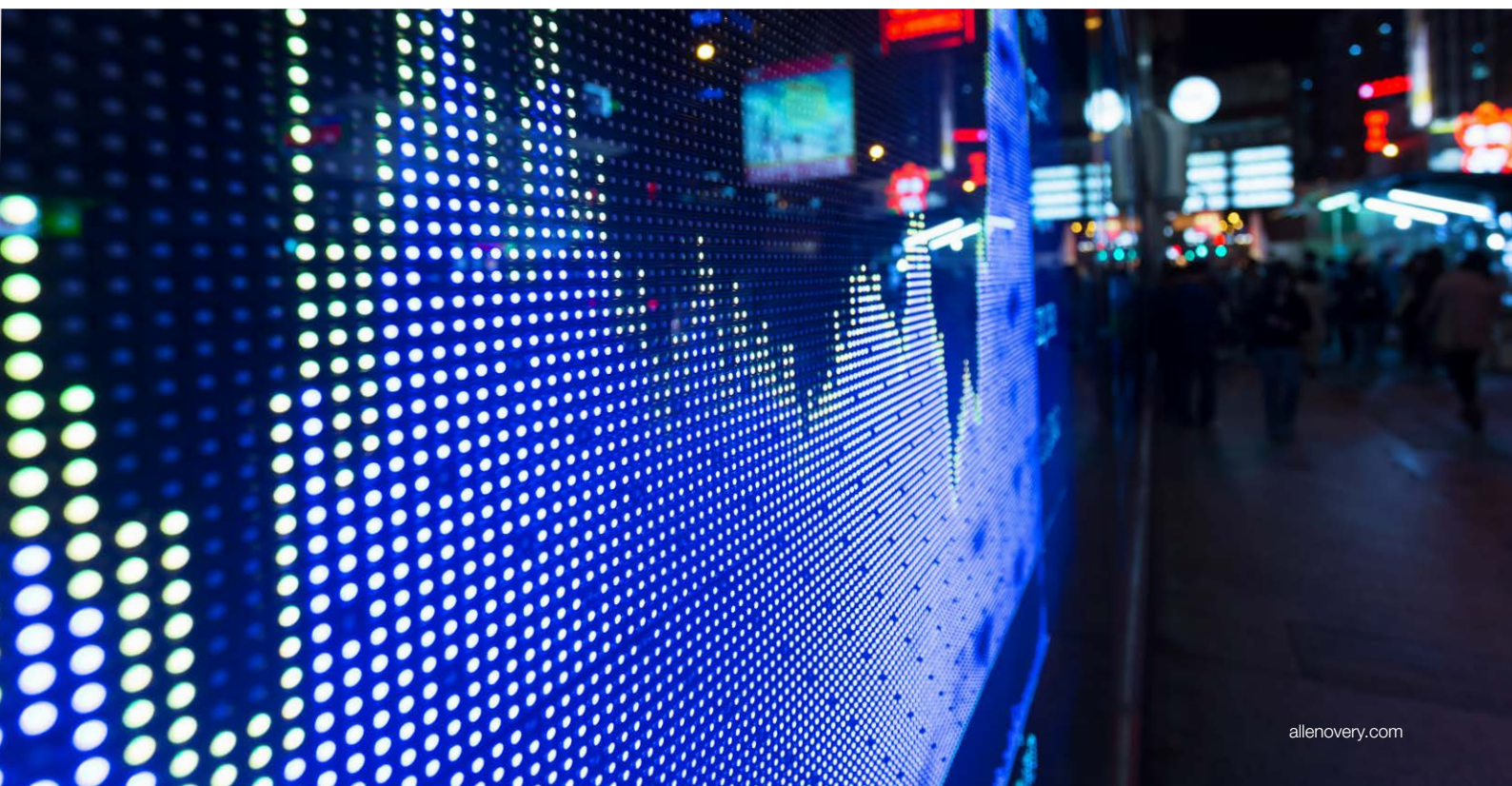
On their block trade of shares in AIM-listed i3 Energy plc, conducted by way of overnight accelerated bookbuild.

### **Thunder Bridge Capital Partners IV**

A SPAC that listed on Nasdaq in June, on the merger with Coincheck, a Japanese cryptocurrency exchange. This was structured through a Dutch Holding Company.

### **Cofinimmo**

Advising the underwriters on the EUR50m sell down of Cofinimmo shares by Care-Ion.







“Allen & Overy is a great firm with a really deep bench across borders. They are really user-friendly as well.”

Chambers Global 2022 (Equity Capital Markets)

“An outstanding track record in high-profile and complex IPOs and other equity fundraisings seen in the UK and EMEA.”

Legal 500 2022 (Equity Capital Markets)

“Exceptional firm with superb capabilities in capital markets transactions.”

Chambers 2022 (Equity Capital Markets)

Band 1 for  
Capital Markets

Chambers Middle East, Europe, Netherlands, the UK

1st Global Debt, Equity & Equity-related Ex FCA: Issuer by volume

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