



# US ECM WEBCAST I: THE GREAT EQUITY RECAPITALIZATION IN A POST-COVID 19 FUNDING ENVIRONMENT



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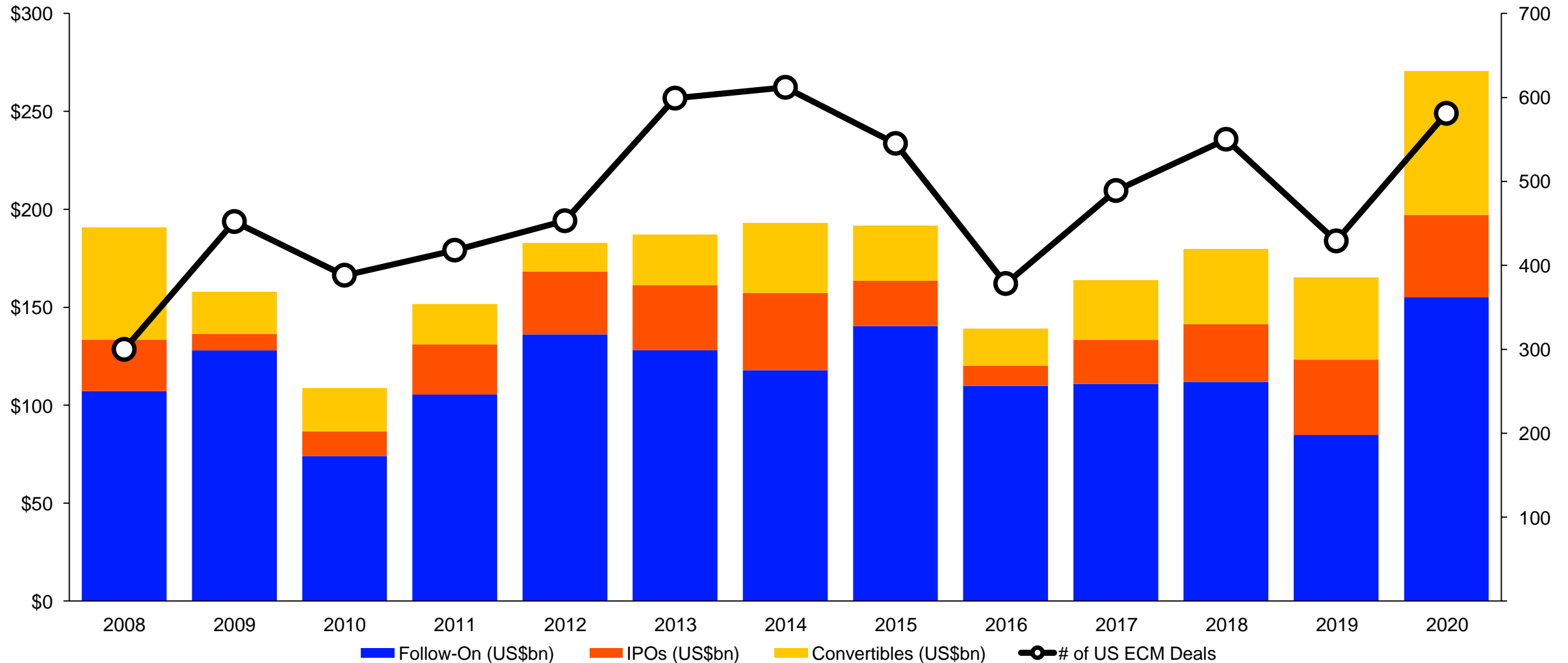
**STIFEL**

- **Anna Pinedo** – Co-Head of Capital Markets, Mayer Brown
- **Seth Rubin** – Head of Equity Capital Markets, Stifel
- **Geoff Feldkamp** – Head of TMT ECM Origination, Barclays
- **Robert McCooley** – Senior VP of Listing Services, Nasdaq
- **Carolyn Saacke** – COO of Capital Markets, NYSE
- **Robert J. Jackson Jr.** – Professor of Law, NYU School of Law
- **Michael Kuchmek** – Head of ECM, Schonfeld Strategic Advisors LLC.
- **Stephen Lacey** – US Editor, IFR (moderator)



# US ECM Activity

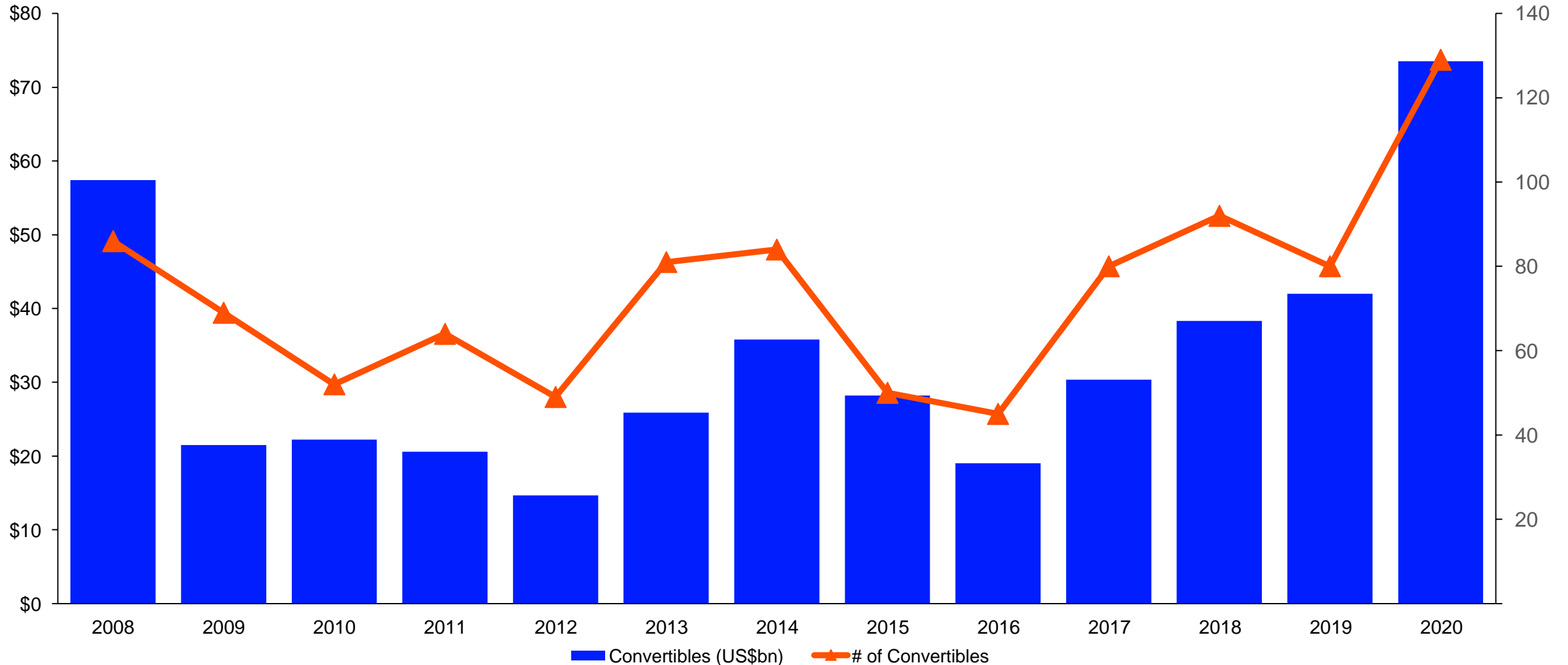
US ECM totaled \$270.7bn across products in first nine months of 2020 from more than 550 transactions. Follow-on activity led the mix of deals, accounting for 57% of total proceeds raised.



\*First nine months for each time period; Excludes deals less than \$50m in proceeds

# US Convertible Bonds

US convertible bond offerings totaled \$73.5bn during the first nine months of 2020 from nearly 130 transactions, up 75% from a year ago. Technology convertibles account for 35% of total proceeds raised.



\*First nine months for each time period; Excludes deals less than \$50m in proceeds

Equity underpins balance sheets, recovery of large corporate issuers



April 1 – \$2.6bn follow-on & convertible bond  
August 5 – \$1.4bn follow-on partially to refinance April CB  
September 15 – \$1bn ATM stock sale



April 28 – \$4.6bn follow-on & convertible bond



June 22 – \$2.15bn follow-on & convertible bond

\*First nine months for each time period; Excludes deals less than \$50m in proceeds

PNC Financial Services, Regeneron Pharmaceuticals and SoftBank undertake transformative transactions



BlackRock

May 12 – PNC Financial Services' \$13.3bn secondary stock sale of BlackRock

**REGENERON**



May 26 – Regeneron Pharmaceuticals' \$6.7bn secondary stock sale of Sanofi



SoftBank



T-Mobile

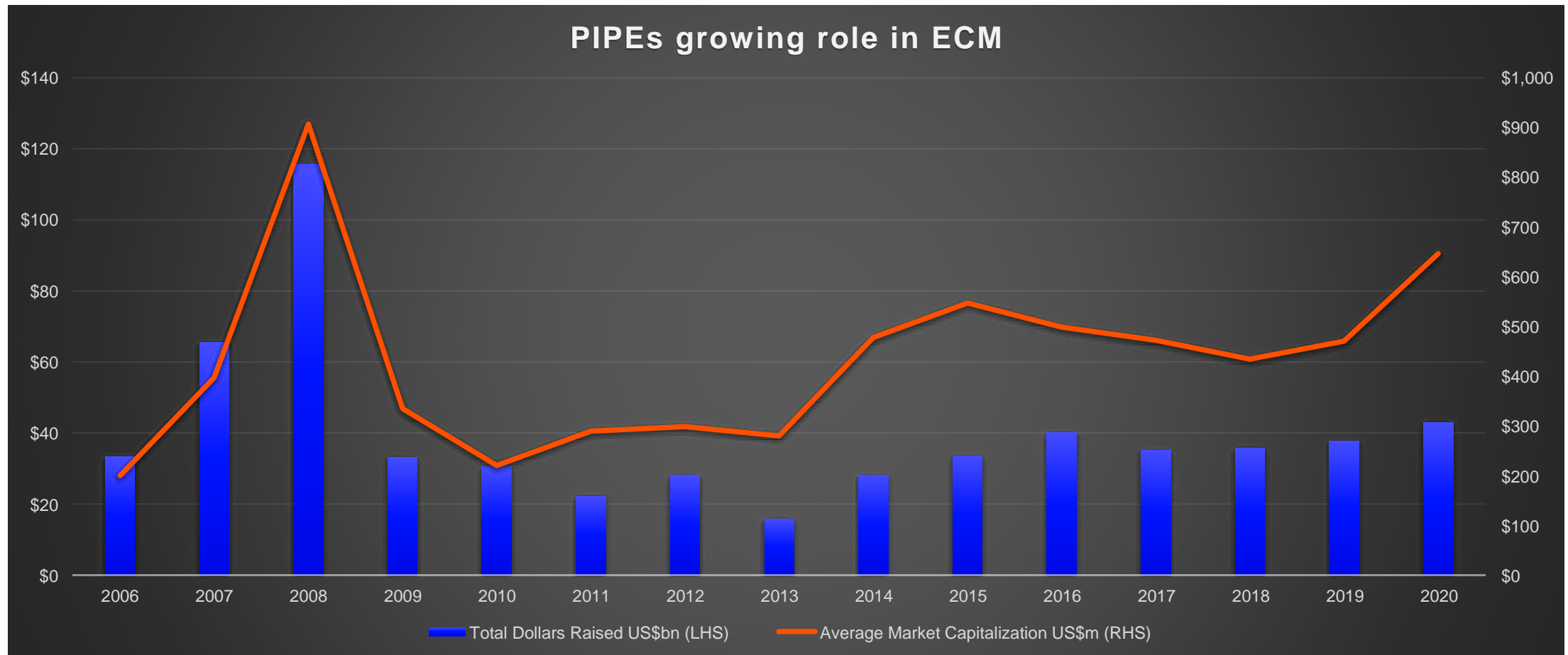


Deutsche Telekom

June 23 – SoftBank's \$15.9bn secondary stock sale of T-Mobile



PIPE issuance grows to post-financial crisis highs, helping to fund large corporates



Howard Hughes, PG&E and ADT turn to PIPEs for different needs

*Howard Hughes.*

March 31 – Pershing Square invests \$500m in real estate developer via PIPE



June 8 – Hedge funds invest \$3.25bn via PIPE as part of BK reorganization

June 25 – California utility raises \$5.6bn combo equity-CB re-IPO



September 7 – Google invests \$450m via PIPE as part of collaboration

September 15 – Apollo Global sells \$435m through overnight stock sale



Shake Shack, Dave & Buster's flip to public. Tesla utilizes post stock split. Hertz's program suspended post-BK.



April 17 – Shake Shack files for \$75m ATM program  
April 17 – Executes \$150m block sale of stock that evening



April 14 – Dave & Buster's files for \$75m ATM program  
May 6 – Completes \$115m FO offering that was marketed for two days



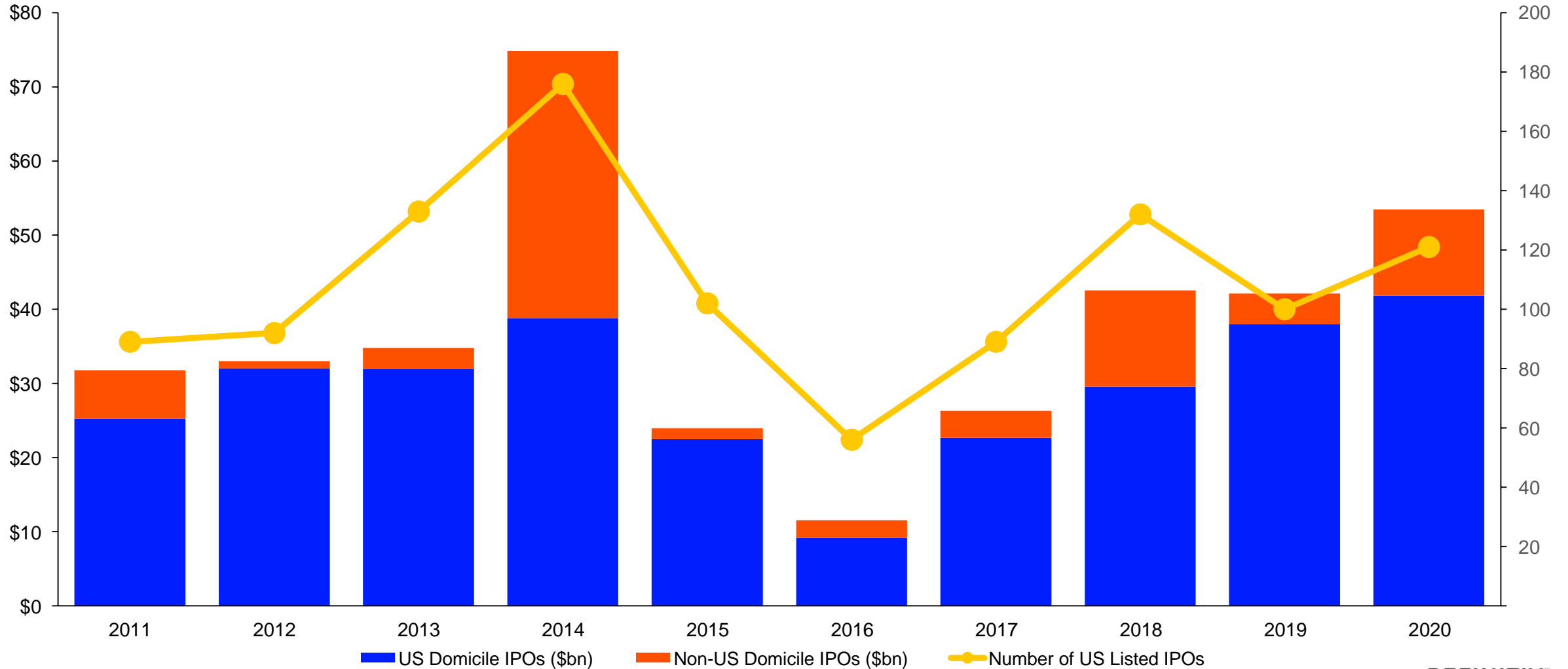
May 22 – Hertz files for bankruptcy protection  
June 15 – Files for \$500m ATM program  
June 15 – SEC informs company of intent to review offering prospectus  
June 17 – Company suspends program



August 11 – Tesla announces five-for-one stock split, effective August 31  
September 1 – Files for \$5bn ATM program  
September 4 – Announces completion of program

# US-Listed IPOs

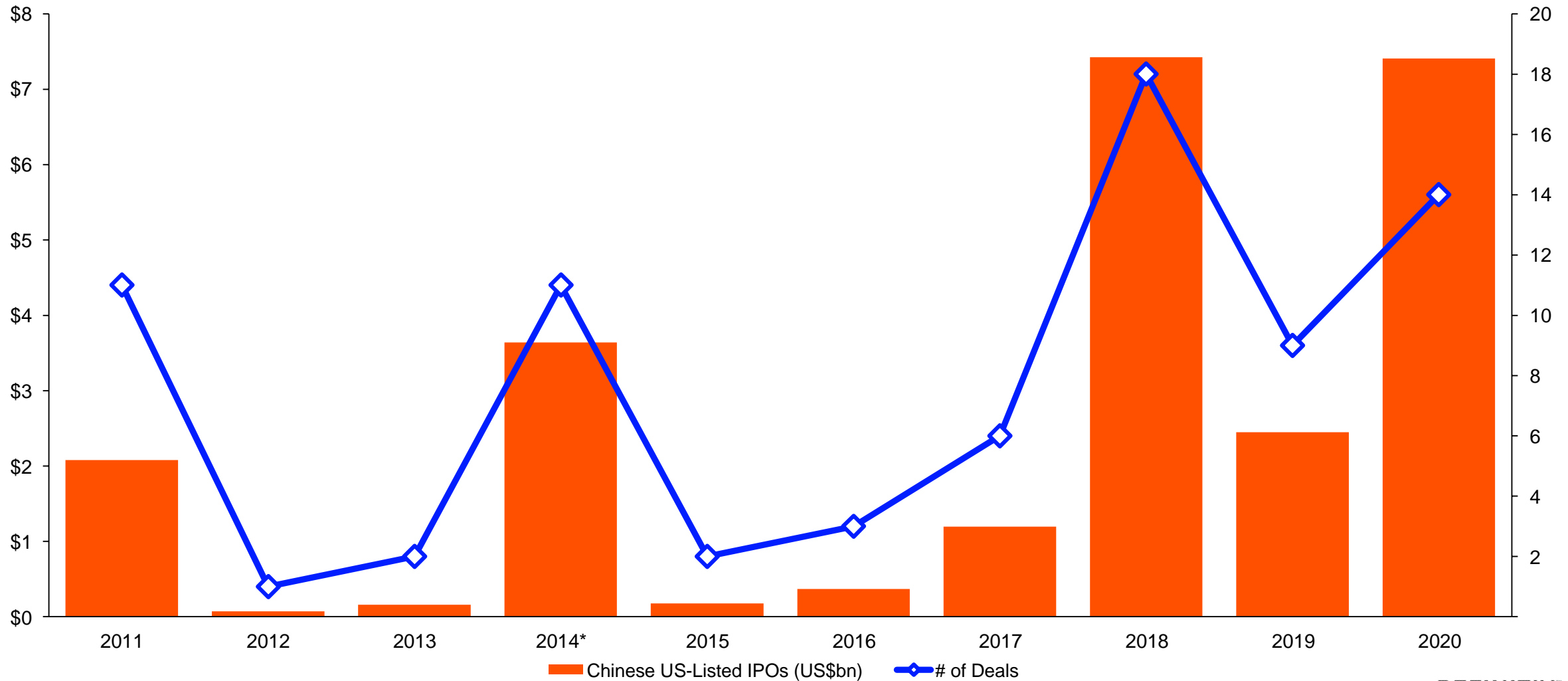
More than \$53bn in proceeds raised during the first nine months of 2020 with 121 IPOs priced.



\*First nine months for each time period; Excludes deals less than \$50m in proceeds

# US-Listed Chinese IPOs (excluding Alibaba)

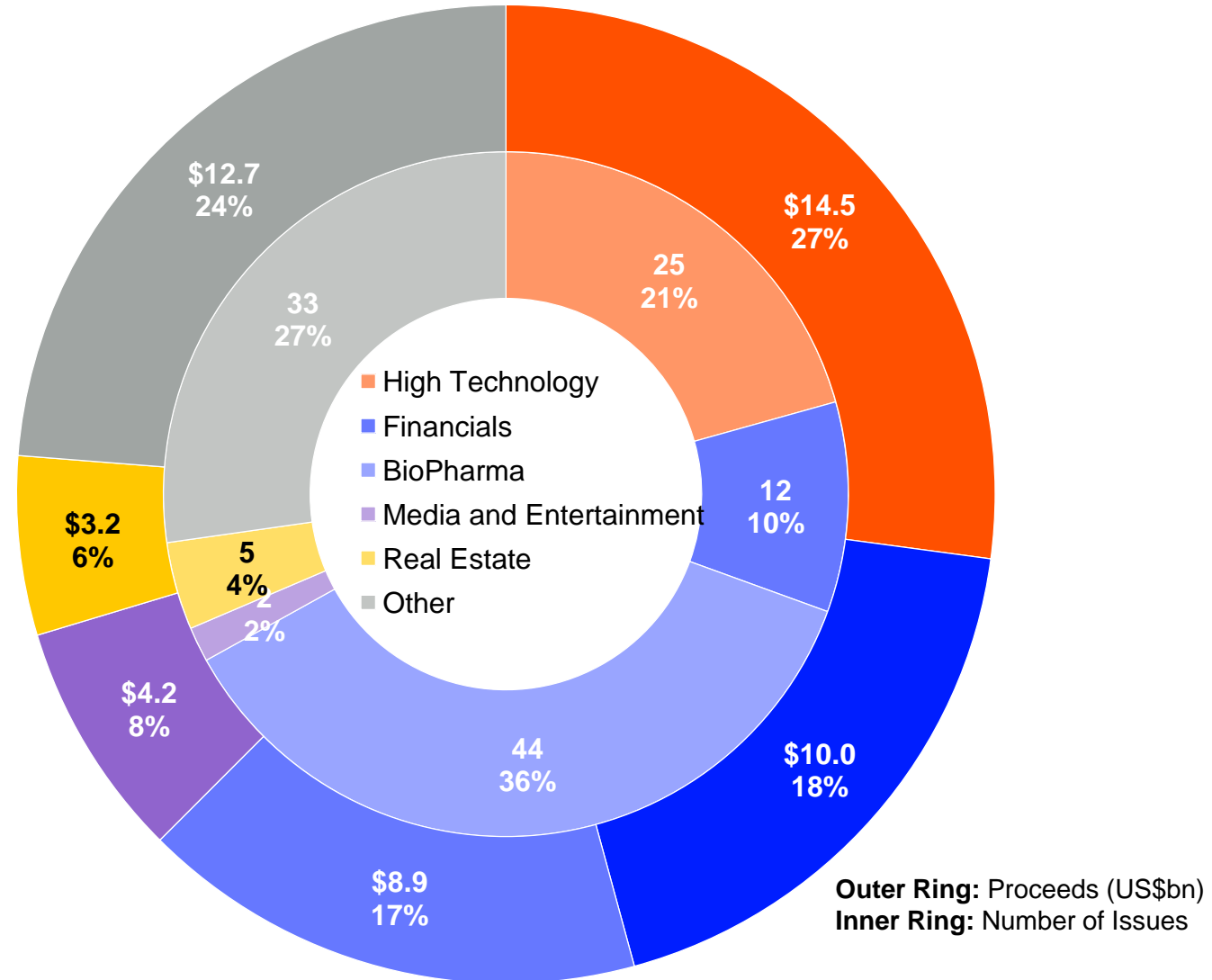
Fourteen Chinese companies priced on US exchanges during the first nine months of 2020, raising \$7.4bn



\*First nine months for each time period; Excludes deals less than \$50m in proceeds

\*Excludes Alibaba's \$25bn IPO in 2014

Tech and biopharma companies accounted for more than half of US IPOs so far this year and 44% of IPO dollars



\*Excludes deals less than \$50m in proceeds

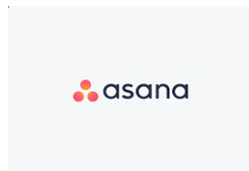
Snowflake takes traditional route; Unity hybrid auction approach; Palantir and Asana directly list



September 15 – Raises \$3.86bn on IPO, more than doubles on debut  
September 16 – VC Bill Gurley labels “final proof” IPO process is broken



September 17 – Raises \$1.5bn on IPO via auction process  
September 18 – Gains 31% on debut, continues to perform in aftermarket



September 30 – Palantir Technologies, Asana directly list on NYSE  
September 30 – Palantir trades down 5% on debut, Asana trades up 6.7%

# Snowflake more than doubles on Sep 16 debut



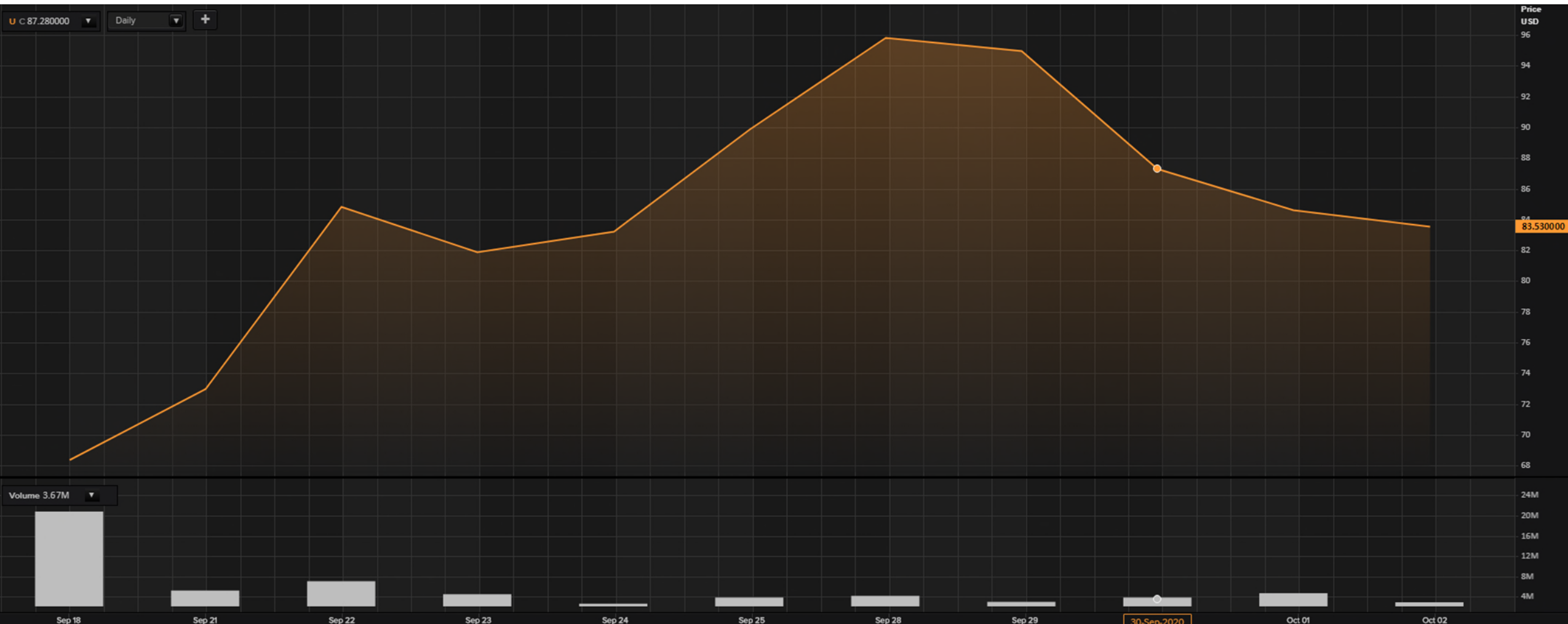
Closes first-day trading at \$253.90, 111.6% above offer and leaving some \$4.3bn of “money on the table”



# Unity Software uses hybrid Dutch Auction on Sep 17 IPO



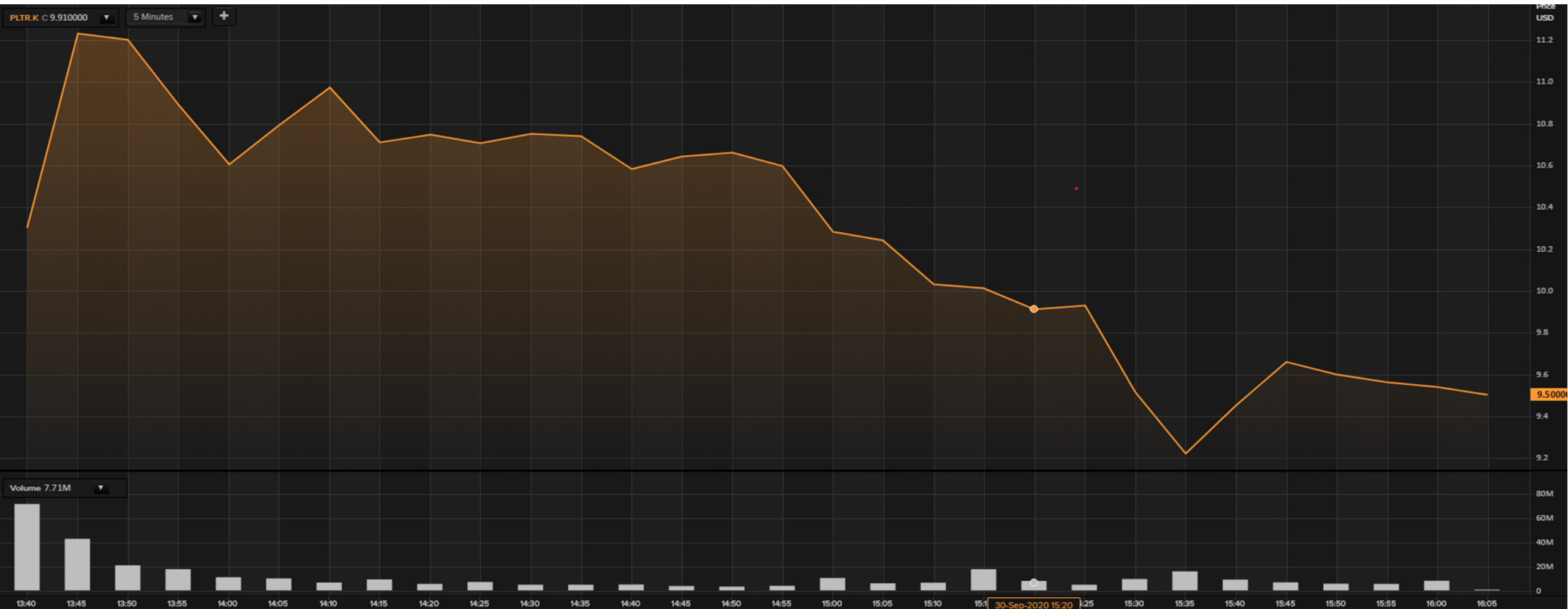
Closes first-day trading at \$68.35, 31.4% above offer and adds to gains in the aftermarket



# Palantir Technologies slips on NYSE Direct Listing debut



Closes first-day trading at \$9.50, above \$7.25 reference but below \$10.00 opening trade

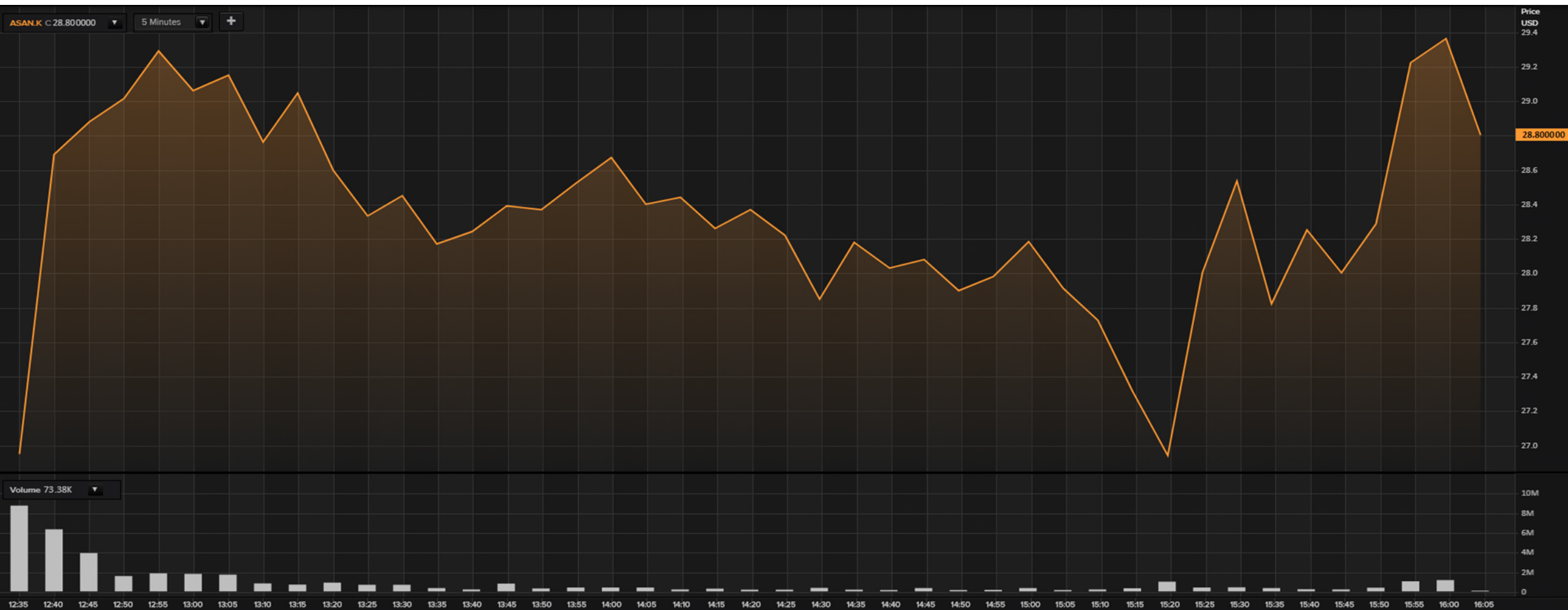




# Asana sees smoother debut after its NYSE Direct Listing



Closes first-day trading at \$28.80, above both \$27.00 opening trade and \$21.00 reference price





- Direct Listing 2.0 – Direct Listings with primary raise
  - NYSE proposal approved by SEC but now being re-evaluated on investor inquiry
  - Nasdaq proposal being evaluated by SEC
  - What are the differences between the two proposals?
- Lock-ups
  - Investment banks respond to dilemma of low-float IPO with early lock-up releases.
- Foreign listings – more stringent standards appear to be on the way
  - May 2020 – Nasdaq submits three proposals targeted at “Restrictive Markets”
  - May 20 2020 – Senate passes the Holding Foreign Companies Accountable Act
    - Requires Public Company Accounting Oversight Board to list on US securities exchange
  - June 4 – White House issues Presidential Memorandum
  - August 2020 – Financial markets working group comes out with proposal
- Foreign companies, exchanges response
  - Chinese companies respond by listing in Hong Kong