

MINERVA



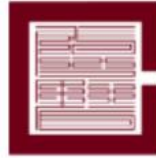
Exit Strategy - IPO vs M&A Forum 2017

Gavin Wilkins - Minerva

Wednesday, 28th June 2017, Hanoi

Thursday, 29th June 2017, Ho Chi Minh City

Introduction



Exit Strategy - IPO vs M&A Forum
2017

Gavin Wilkins
Client Relationship Director
Minerva Trust & Corporate Services

- IPO & M&A in uncertain times
- Case studies – similarities & differences
- Planning & Structuring considerations
- Role of the Fiduciary Services Provider
- Minerva at a Glance

MINERVA

MINERVA

A lot can change in a year!



Responding to uncertainty



Growth & Exit Options

Debt

- Straightforward
- Low interest environment
- Gearing/cash flow & bank risk models
- No exit / no profile

Private Equity

- Partial exit & valuation uplift
- Expertise & experience
- Loss of autonomy & cultural change
- Part of an overall journey

M&A

- Buoyant markets
- Control
- Part of a journey or the end of one?

IPO

- Investors, profile, liquidity
- Time and Preparation
- Which market?

Case Studies



Case Studies



IPO
London

Case Studies



IPO
London

Case Studies



South East
Asia

Case Studies



Jersey
Holding
Companies

They are not alone....

Jersey Holding Companies as Listing Vehicles

- Jersey companies listed on worldwide stock exchanges from London to New York with combined market capitalisation over £240 billion
- Jersey has the greatest number of FTSE 100 companies registered outside the UK
- The greatest number of AIM companies registered outside the UK
- A jurisdiction of choice for listings on NEX Exchange

GLENCORE

WOLSELEY

Est 1856
STANLEY GIBBONS
The Home of Stamp Collecting

cape
Excellence delivered

Caledonia Mining Corporation Plc

MayAir®

Aquatic Foods Group Plc

mimecast®

FUSIONEX®
experience.excellence

Henderson
GLOBAL INVESTORS

MINERVA

About Jersey

- Around 20km from France and 130km from the United Kingdom. Official & business language is English. 30 minute flight from London - regular flights
- A crown dependency, benefitting from British protection but not part of the UK
- Independently recognised as a well-regulated, transparent and co-operative jurisdiction by the IMF & OECD
- Stable and reliable global finance industry for over 50 years. 12,000+ finance industry professionals
- Does business with over 200 countries and \$1 trillion of assets invested/administered



Why use a Jersey HoldCo for IPO?

Key Criteria	Response
✓ Track Record	Greatest number of FTSE 100 and AIM Companies registered outside UK
✓ Proximity to London	<ul style="list-style-type: none">• 30 minute flight• Same time zone• English business language
✓ Corporate Governance	Strong corporate governance framework
✓ International Standing	OECD & IMF rate Jersey as a co-operative international finance centre
✓ Tax Environment	Straightforward tax neutral environment
✓ Stability	<ul style="list-style-type: none">• Politically stable• AA- rated by Standard and Poors
✓ Legal Framework	<ul style="list-style-type: none">• Respected legal infrastructure & court system• Jersey Public Holding Company is comparable to a UK PLC• Modelled on English company law - more flexible in a number of areas
✓ Integration with London Capital Markets	<ul style="list-style-type: none">• Shares settled through CREST (UK share settlement system) without the need for DI's• Investors in London listed Jersey Co's protected by UK Takeover Code

Ultimately, this contributes to the chances of the IPO successfully raising the funds required which has to be the primary consideration

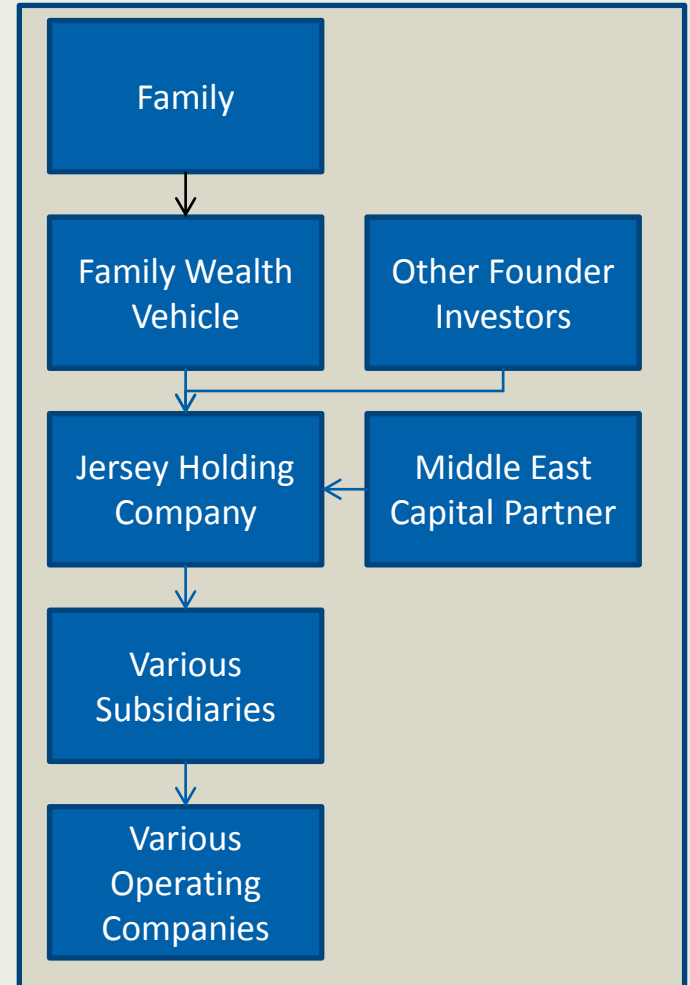
Case Studies

Green Electronic Recycling Business

Growth Stage

£50m

- Family owned
- Proven South Asian operation
- International expansion plans
- Eventual exit to strategic buyer or IPO
- Jersey Holding Company
- Funding from Middle East capital partner
- Organic growth evolving into M&A



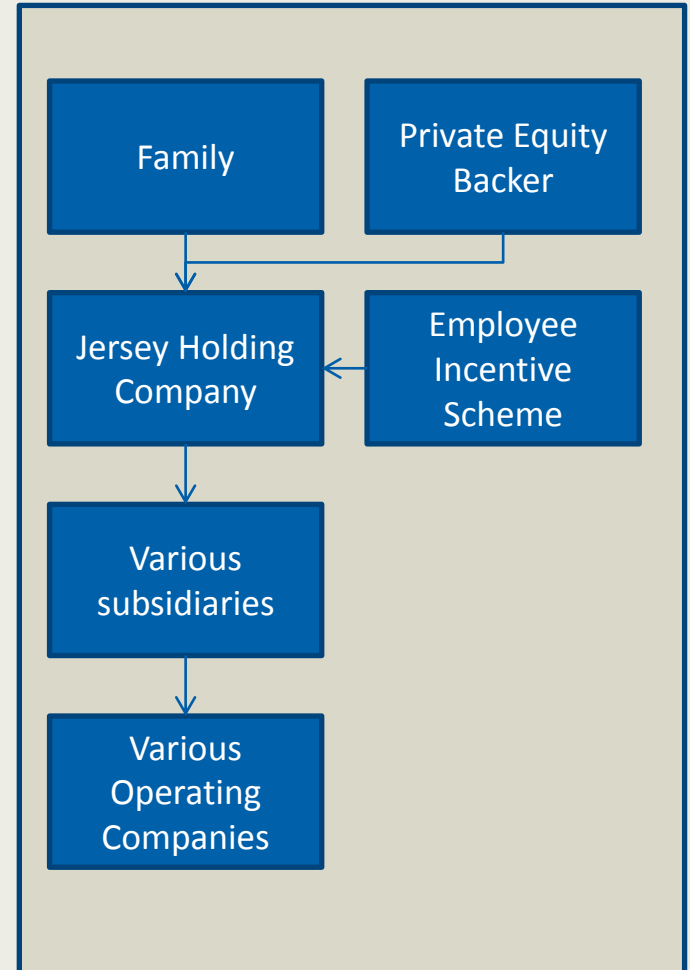
Case Studies

IT – Integrated Hosting and communications

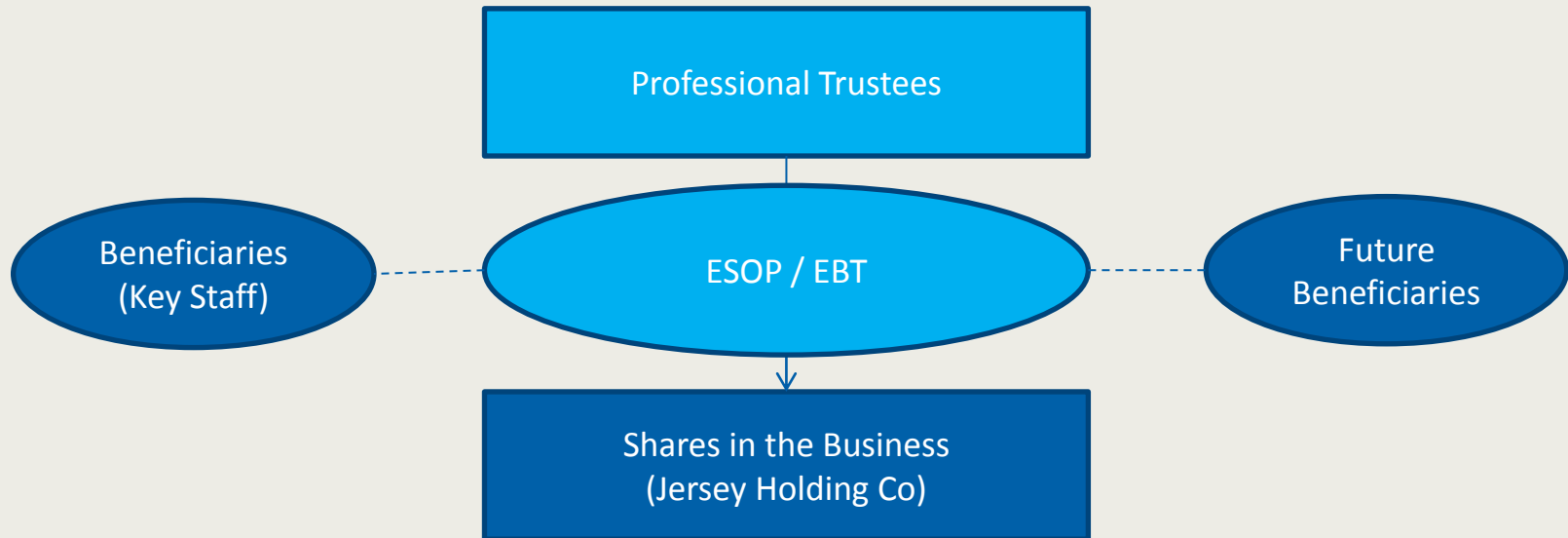
Partial Exit via PE

\$400m

- Established mid 1990's – Family Funded
- Aggressive M&A strategy to build EBITDA
- Jersey holding company
- Employee incentive scheme
- Recent partial exit (20%)
- Private Equity (\$80m)
- Debt restructuring, international growth
- Future IPO being considered 5 year horizon



Share Incentives



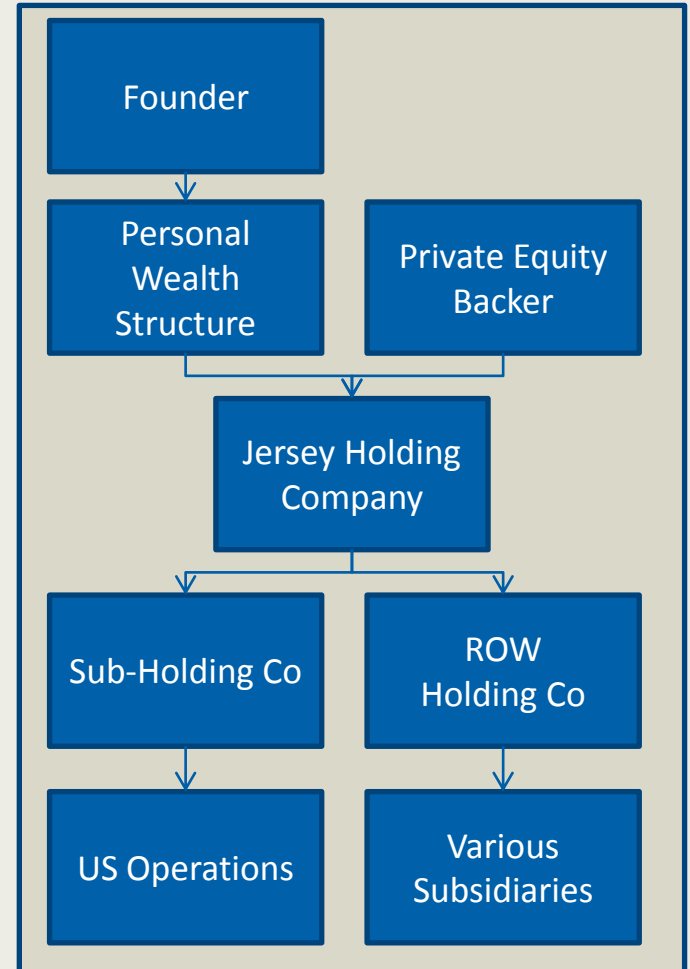
Case Studies

Communications Technology

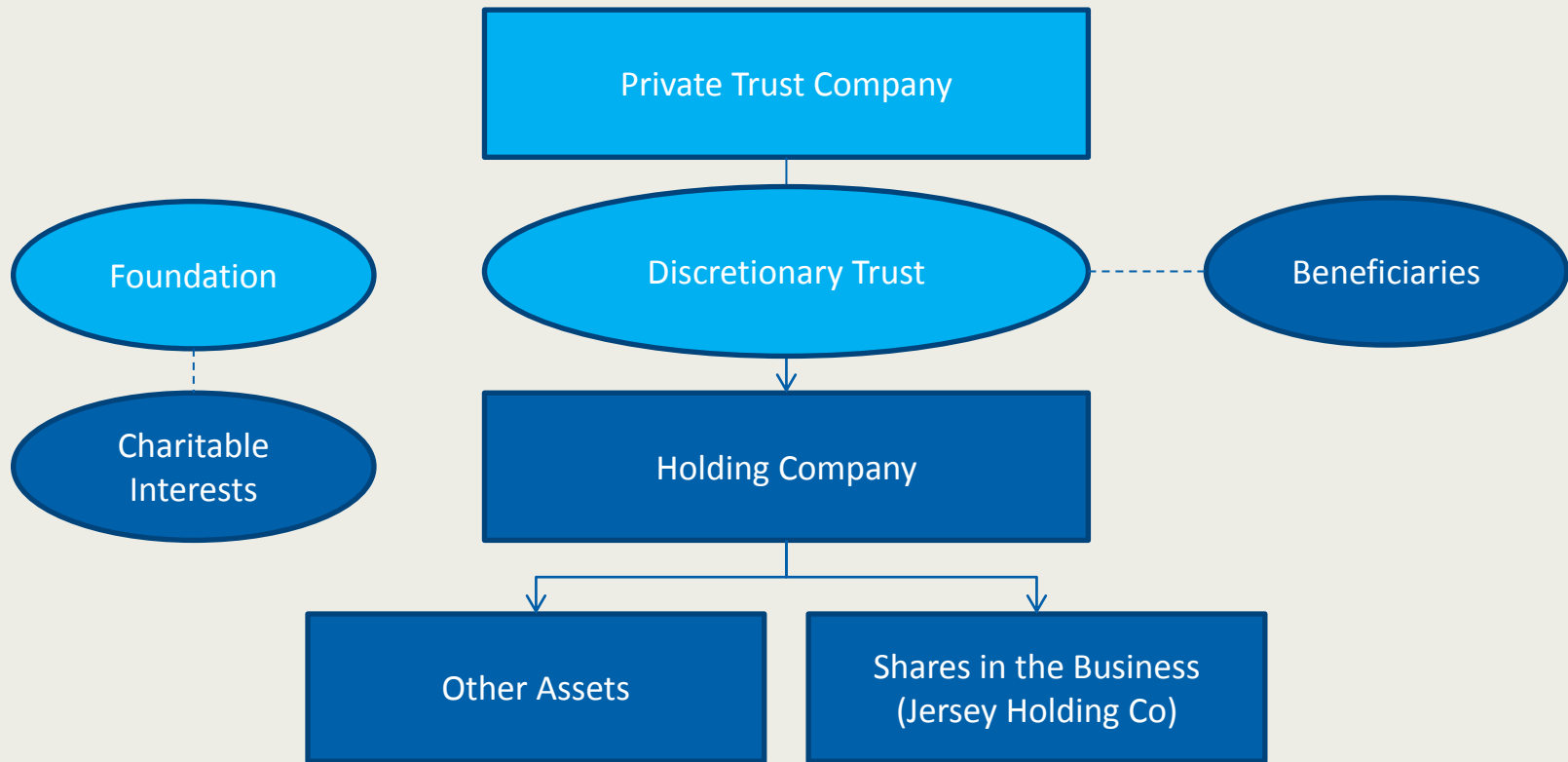
Towards full exit via M&A

\$200m

- Established 1970's – Entrepreneur
- Right space right time
- 2012 PE Funding & partial exit
- Group restructuring & growth
- PE backer now looking to exit
- Founder will exit at same time
- Talking to strategic buyer (Asian presence)



Wealth Planning & Structuring



Case studies

Similarities & differences:

Different stages of
implementing
growth & exit
strategies

Different sectors &
industries

Different
geographical areas of
operation

All planned and
implemented
appropriate
corporate & private
structures

All utilised sub
structures in
different territories

All required flexibility
to accommodate
various possible exit
strategies

All utilised Jersey holding companies

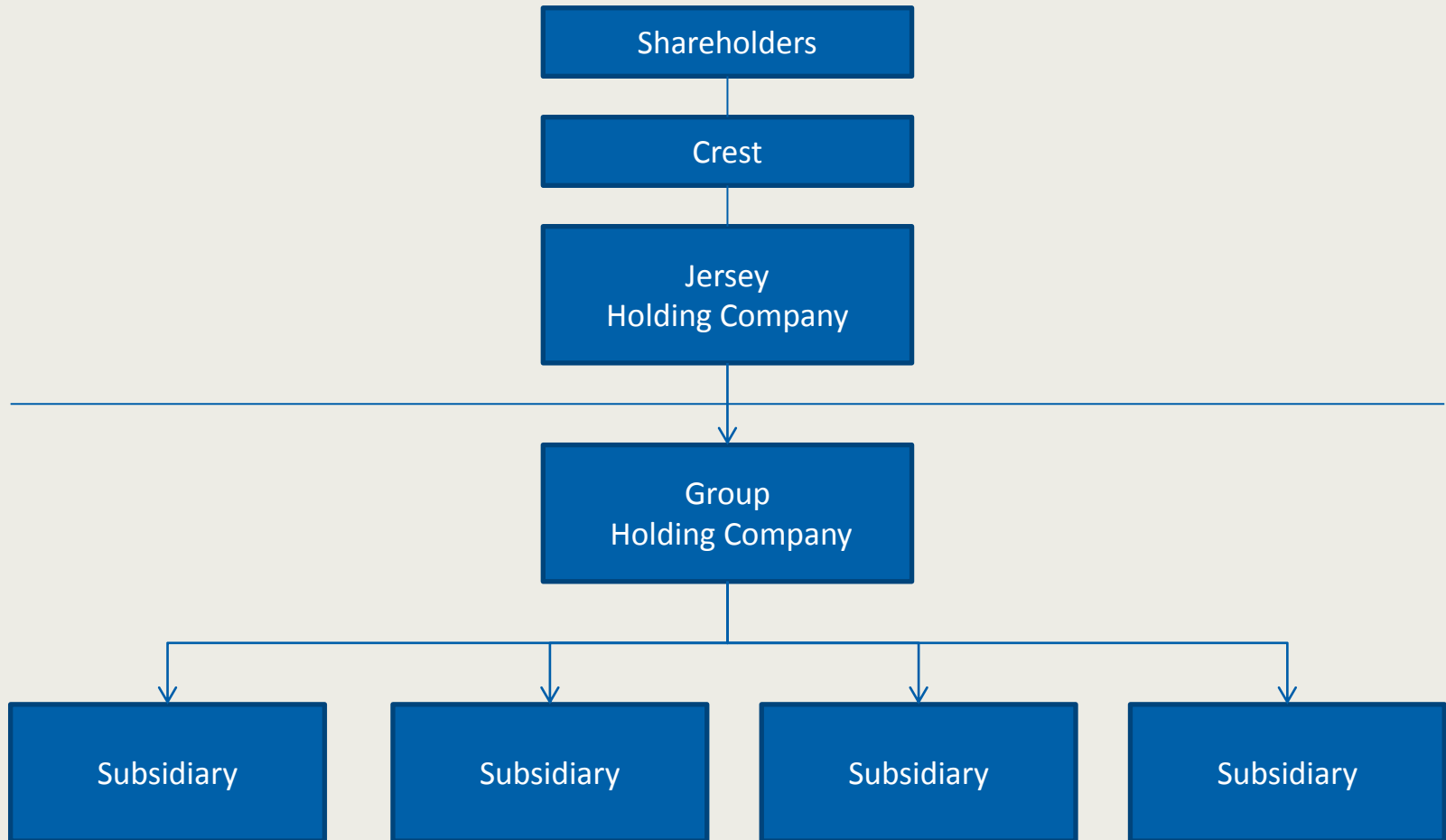
Implementing Jersey Holdco

Introducing a Jersey Company to a corporate structure

Three scenarios:

- New businesses: Use Jersey holding company from the outset e.g. investment company
- New holding company for existing business: Incorporate new company, group re-organisation prior to listing (share for share exchange)
- Migration of existing holding company to Jersey: Re-domiciliation of foreign company to Jersey so that it continues existence as a Jersey registered company

Typical Holding Company



The Process – Jersey Perspective

- Planning and structuring (independent advice)
- Engagement with advisors including fiduciary & corporate services provider (registered office in Jersey) & share registrar (share register in Jersey) and (as appropriate) reporting accountants, corporate advisor, legal counsel
- Implement Jersey holding structure and associated vehicles as required
- Share for share exchange (if required)
- Admission documentation in the case of IPO (compliance with Jersey law, verification of content, regulatory approval)

Redomiciliation



- Particular differences in each country , specific advice required
- In general:
 - In good standing – certificate of good standing
 - Apply for company name
 - Directors & Shareholders meetings, Shareholder notice, EGM
 - Special resolution approving re-domiciliation to registrar
 - Documentation to new jurisdiction
 - Notices in old jurisdiction to give creditors time to object
 - Prepare constitutional documents in new jurisdiction
 - Opinion from lawyer in old jurisdiction may be required
 - Old registrar issues Certificate of Discontinuance & strike off
 - New Registrar issues Certificate of Continuation
- Re-admission process with relevant stock exchange if applicable

Planning Considerations

Should include:

- Wealth planning & structuring by founders
- Holding company establishment / migration
- Employee incentives schemes and related structuring

In the case of IPO, will also include:

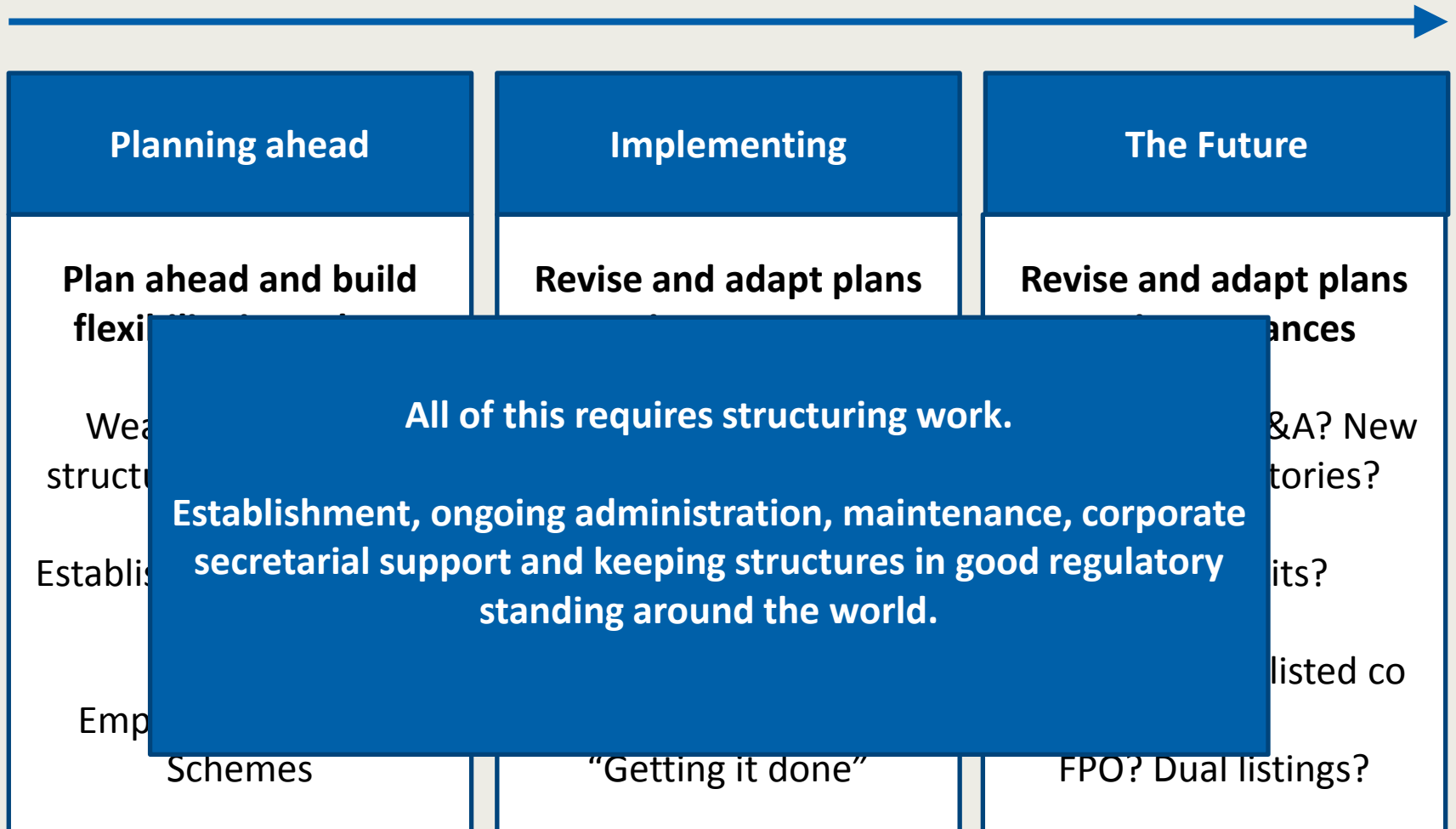
- Pre-IPO fund raising
- Implementing corporate governance regimes
- Becoming Investor ready

The Journey



Planning ahead	Implementing	The Future
<p>Plan ahead and build flexibility into plans</p> <p>Wealth planning & structuring by founders</p> <p>Establishment of holding company</p> <p>Employee Incentive Schemes</p>	<p>Revise and adapt plans to circumstances</p> <p>Debt, PE, M&A, IPO?</p> <p>Full/partial exit?</p> <p>Becoming Investor Ready</p> <p>Implementation “Getting it done”</p>	<p>Revise and adapt plans to circumstances</p> <p>Acquisition / M&A? New markets/territories?</p> <p>Further exits?</p> <p>Life as London listed co</p> <p>FPO? Dual listings?</p>

The Journey



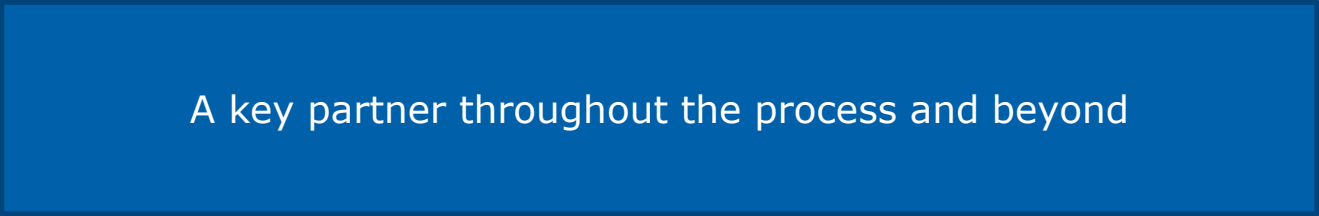
Role of Fiduciary Services Provider

Can include:

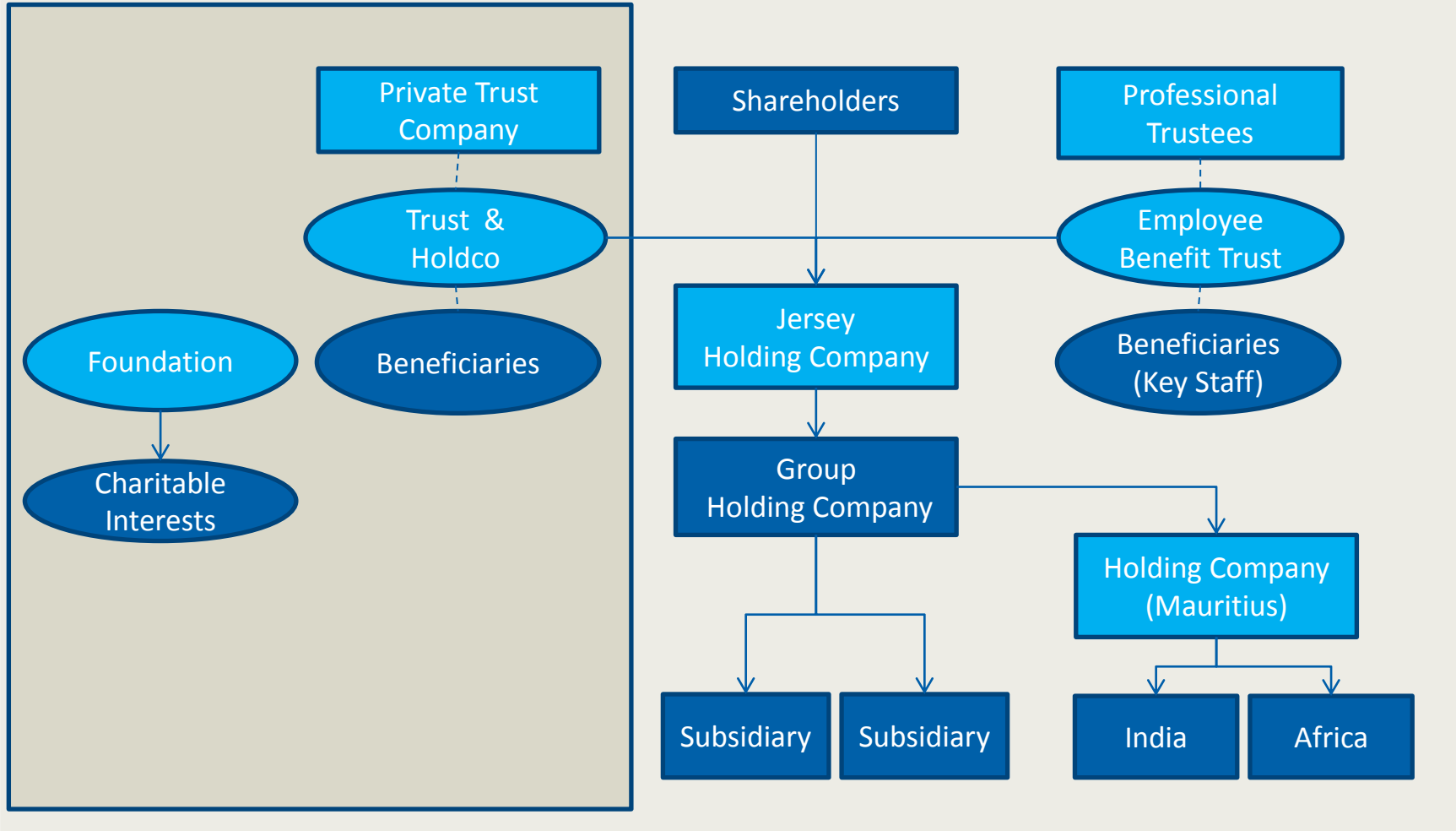
- Formation / incorporation of relevant legal entities
- Company secretarial services and registered office
- Provision of non executive directors
- Ongoing administration including processing transactions, maintenance of statutory and corporate records and undertaking filings
- Board meeting facilitation and support
- Book-keeping and preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) or other relevant accounting framework and arrangement of annual audit
- Management of banking facilities
- Similarly, trustee services or related services for pre-IPO wealth structures, investment holding structures or related arrangements
- Co-ordination of advice from local and international lawyers and tax and other advisors

Role of Fiduciary Services Provider

Can include:

- Formation / incorporation of relevant legal entities
- Company secretarial services and registered office
- Provision of non executive directors
- Ongoing administration including processing transactions, maintenance of statutory and
- Board  A key partner throughout the process and beyond
- Book International Financial Reporting Standards (IFRS) or other relevant accounting framework and arrangement of annual audit
- Management of banking facilities
- Similarly, trustee services or related services for pre-IPO wealth structures, investment holding structures or related arrangements
- Co-ordination of advice from local and international lawyers and tax and other advisors

Example Interaction



Minerva at a Glance

- In existence for over 35 years
- Asia is a core market, present in Asia, regular visiting plan
- Track record – Transactions and IPOs on the London Main Market, AIM and NEX Exchange
- Strategically located offices
 - Jersey
 - London
 - Geneva
 - Dubai
 - Mauritius
 - Kenya
 - Singapore
- Crowe Horwath business alliance member



Thank You

Gavin Wilkins
Client Relationship Director
Minerva Trust & Corporate Services



+44 (0) 1534 702815
gavin.wilkins@minerva-trust.com



This presentation is for information purposes only and should not be treated as advice. Minerva holds no responsibility if the information provided is used otherwise. Advice should be sought prior to setting up any structure. Minerva will be happy to assist in this respect.

Minerva Trust & Corporate Services is regulated by the Jersey Financial Services Commission.

MINERVA