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Helios looking to raise £20mn for hard market growth

Lloyd's of London investment and underwriting vehicle Helios is aiming to raise £20 million through the issue of new ordinary shares, in an effort to take advantage of the hardening market.



[Helios had initially signalled its interest in pursuing a fundraising back in August.](#)

Discussions with potential investors have now taken place and an issue price of 120 pence per share has emerged, a discount of approximately 42%.

Helios says to issue at this price and raise no more than £20 million will limit the dilution to existing shareholders' adjusted net asset value per share.

In addition, the company says this figure will be enough to make further limited liability vehicle (LLV) acquisitions, increase its retained capacity and participate in upcoming capacity auctions.

As part of the fundraising, which is expected to be subject to shareholder approval, Helios intends to enter into conditional agreements with CEO Nigel Hanbury and CFO Arthur Manners to acquire an LLV from each of them for a combined consideration of £5.5 million.

This is a 21% discount to their Humphrey valuation of approximately £7 million and expected to be satisfied by the allotment and issue of approximately £4.3 million in new shares and roughly £1 million in cash (after the repayment of an inter-company loan of approximately £1.2 million).

Helios says the acquisitions are in line with its strategy to increase underwriting capacity, but also enables Nigel Hanbury and Arthur Manners to continue to invest in the firm, within the context of the fundraising.

“We are most encouraged by the progress we have made on the potential fundraising thus far, and by the significant interest we have seen from well-known and respected insurance specialist institutions,” said Hanbury.

“We remain convinced that this is a period of unprecedented opportunity for Helios, with a hardening market coupled with the opportunities we see to increase capacity from pre-emptions, make further LLV acquisitions and participate in capacity auctions, all of which would be value enhancing for our shareholders.”