



## BERMUDA

# Public Companies Update

**This edition of the Conyers Bermuda Public Companies Update summarises significant transactions involving Bermuda companies listed on the New York Stock Exchange and Nasdaq in the second half of 2023.**

### Global Market Update

The latter half of 2023 brought some comfort to market watchers: inflation slowed, the steady rise in interest rates stabilised, and the economic recession widely-projected earlier in the year appears likely to be averted. Despite these macro improvements, movement in developed markets remained subdued.

The international Initial Public Offering market was quiet overall in 2023. Global IPO volume declined by 8%, and proceeds by 33%. In the US, IPO numbers still fell short of previous years, but showed improvement from 2022's market plummet. Aggressive monetary policies were a key contributor to the decline in IPO volume: the US has witnessed eleven rate increases since 2022, though this approach has now slowed.

Overall, prominent IPOs were few and far between in 2023. Approximately 70% of US IPOs raised less than US\$25 million (a notable departure from the previous decade's average of around 10%). In September, the high-profile IPOs of Arm Holdings (Nasdaq:ARM) and Instacart (Nasdaq:CART) were strong debuts to the market, but both went on to experience substantial revenue declines after their initial highs. The year closed with a generally dampened performance, with the significant drop in valuations generally discouraging potential issuers' plans to go public.

Global merger and acquisition activity also fared poorly against the headwinds of 2023, falling to a 10 year low with an estimated 20% decrease from 2022 to a total value of US \$3 trillion.

As with the capital markets, some cautious optimism for 2024 is provided by cooling inflation and greater interest rate stability, particularly when considered together with pent-up demand and the ongoing attractiveness of business combinations as a corporate growth strategy. We share your interest and will diligently observe developments in this space.

### NYSE and Nasdaq Exchanges



## Bermuda Companies Update

Bermuda public companies generally experienced the same market behaviours in H2 2023, with some notable market activity and deal-making to report. Hamilton Insurance Group's IPO of 15 million common shares on the NYSE (NYSE:HG) raised US\$225 million in proceeds and notched a valuation of US\$1.68 billion. The company plans to use the net proceeds generated from the offering to provide capital contributions to its insurance and reinsurance operating subsidiaries, supporting the activities of its three operating platforms, Hamilton Global Specialty, Hamilton Re and Hamilton Select.

The insurance space was also active in M&A, as RenaissanceRe Holdings Ltd. (NYSE:RNR) finalised its US\$3.6 billion acquisition of treaty reinsurer Validus Re from American International Group (NYSE:AIG). AIG received a total of US\$3.3 billion in cash in the deal, including a pre-closing dividend, and approximately US\$275 million in RenaissanceRe Holdings Ltd. common shares. This milestone acquisition positioned RenaissanceRe as the fifth-largest property and casualty reinsurer in the world.

Brookfield Reinsurance Ltd. (NYSE:BNRE) also finalised its purchase of Argo Group International Holdings, Ltd. (NYSE:ARGO-A) in an all-cash deal valued at US\$1.1 billion. Brookfield Re acquired all issued and outstanding common shares of Argo, and Argo's common shares have ceased trading on the NYSE.

SiriusPoint (NYSE:SPNT) marked a significant milestone in its financial performance by announcing a 140 percent increase in its share price and reporting first-half earnings of US\$205 million. This achievement was commemorated with the ringing of the bell at the New York Stock Exchange to mark the close of trading on 14 August 2023. This positive earnings turnaround contrasts with a loss of US\$278 million during the corresponding period in 2022.

Finally, prior to the redomiciliation of global agribusiness and food company Bunge (NYSE:BG) from Bermuda, Bunge shareholders approved a business combination with Viterro Limited (TSE:VT) in a cash and stock transaction valued at US\$34 billion which will create one of the world's largest agribusiness companies. Viterro's three main shareholders – Glencore, CPP Investments and the British Columbia Investment Management Corporation – will receive approximately 65.6 million Bunge shares (valued at approximately US\$6.2 billion), and approximately US\$2 billion in cash.

## Major Corporations Choose Bermuda

Two large entities chose to bring their companies to Bermuda in the latter half of 2023.

In October, long-term reinsurer Aegon Ltd (NYSE:AEG) redomiciled to Bermuda from The Netherlands in a strategic move prompted by Bermuda's regulatory environment, reputable legal system and long-standing reputation as a global hub for insurance companies.

Just one month later, Liberty Global (Nasdaq:LBTYA + LBTYK) officially redomiciled its jurisdiction of incorporation from England to Bermuda. The move received strong shareholder support in July 2023. The world leader in the telecommunications industry reported a 6.2 per cent year-over-year increase in the third quarter, and as of January 2024 has a market capitalisation of US\$15.75 billion.

Just as the redomiciliations of Aegon and Liberty Global to Bermuda highlight the strategic potential of the island for multinational corporations, confidence in the Bermuda commercial real estate space has been borne out by Brookfield Reinsurance's (NYSE:BNRE) plans to develop a new, state-of-the-art, global headquarters for the company and its four Bermuda-domiciled listed affiliates. The project, which will see the development of a Class A commercial office building in Bermuda's business district of Hamilton in 2024, reinforces Bermuda's status as a sophisticated financial and business centre and ideal location for corporate operations.



Architectural visualisation depicting the proposed Brookfield Reinsurance headquarters, designed by BotelhoWood Architects.

## Highlighted Transactions | NYSE

### Bermuda Enacts Corporate Income Tax Act

Bermuda enacted the Corporate Income Tax Act 2023 (the "CIT Act") on 27 December 2023. The CIT Act is designed to be responsive to the new standard in international taxation, developed by the OECD, known as Pillar 2 or the Global Anti-Base Erosion Model Rules.

In passing the CIT Act, the Bermuda Government stressed that it remains committed to Bermuda's competitiveness as a jurisdiction. One of the stated policy aims of the CIT Act is that it not lead to any incremental taxes beyond those that multinational groups would otherwise face under Pillar 2. A key component of the CIT Act means that its application is restricted to the Bermuda members of multinational groups with consolidated revenues of at least €750 million in at least two of the last four fiscal years. Such restriction means that in practice, only the larger Bermuda public companies will be impacted by the CIT Act.

Beyond the revenue threshold mentioned above, the CIT Act has numerous other provisions that may minimize or eliminate a Bermuda public company's Bermuda tax liability. Certain types of income are effectively excluded from tax under the CIT Act. Certain transitional provisions of the CIT Act, designed to cushion the impact of Bermuda's new tax regime, may be advantageous to Bermuda public companies. For example, consistent with Pillar 2, Bermuda public companies that are over the revenue threshold but have a presence in six or fewer jurisdictions may benefit from a five year exemption from tax under the CIT Act. In the future, taxpayers under the CIT Act are also expected to benefit from the introduction by the Bermuda Government of a robust system of qualified refundable tax credits.

- **Aegon Ltd.** (secondary listing NYSE:AEG) initiated a share repurchase program under which the company will repurchase up to approximately US\$1,636 million in value of its shares. (July)
- Elliott International, L.P., Elliott Associates, L.P. and The Liverpool Limited Partnership, managed by Elliott Investment Management L.P., completed the acquisition of a 5.01% stake in **Seadrill Limited** (secondary listing NYSE:SDRL) from Støperigata Holding As for US\$156.6 million. (July)
- **Brookfield Business Partners L.P.** (NYSE:BBU) announced a share repurchase program under which the company will repurchase up to 3,730,658 units, representing 5% of its issued and outstanding units. (August)
- **Seadrill Limited** (secondary listing NYSE:SDRL) announced a fixed-income offering of US\$500 million 8.375% Senior Secured Second Lien Notes due 2030. (August)
- **Valaris Limited** (NYSE:VAL) completed a fixed-income offering of US\$400 million 8.375% Senior Secured Second Lien Notes due April 30, 2030. The additional notes constitute a further issuance of the issuers' 8.375% Senior Secured Second Lien Notes due 2030 in the aggregate principal amount of US\$700 million, which were issued in April 2023. (August)
- **Seadrill Limited** (secondary listing NYSE:SDRL) announced a share repurchase program under which the company will repurchase up to US\$250 million of its outstanding common shares. (September)
- **Borr Drilling Limited** (secondary listing NYSE:BORR) announced a fixed income offering of approximately US\$500 million 10.375% Senior Secured Notes due 2030. (October)
- **Borr Drilling Limited** (secondary listing NYSE:BORR) completed a private placement of approximately US\$50 million in new shares, each with a subscription price of US\$0.10. (October)
- Stonepeak Partners LP entered into a definitive agreement to acquire **Textainer Group Holdings Limited** (NYSE:TGH) for US\$2.1 billion. The transaction is expected to close in the first quarter of 2024. (October)
- **Hamilton Insurance Group, Ltd.** (NYSE:HG) completed its Initial Public Offering on the NYSE, with Class B common shares trading under the ticker symbol "HG". (November)
- **Paysafe Limited** (NYSE:PSFE) initiated a share repurchase program under which it will repurchase up to US\$50 million in value of its shares. (November)

- **Geopark Limited (NYSE:GPRK)** initiated a share repurchase program under which it will repurchase up to 5,611,797 shares, representing 10% of its issued share capital. (November)
- **Essent Group Limited (NYSE:ESNT)** initiated a share repurchase program to commence in January 2024. The company will repurchase up to US\$250 million in value of its shares. (November)
- **Brookfield Infrastructure Partners L.P. (NYSE:BIP)** initiated a share repurchase program under which the company will repurchase up to 23,107,234 limited partnership units, representing 5% of its issued share capital. (November)
- **Brookfield Renewable Partners L.P. (secondary listing NYSE:BEP)** announced a share repurchase program under which the company will repurchase up to 14,361,497 limited partnership units, representing 5% of its issued share capital. (December)
- **Himalaya Shipping Ltd. (NYSE:HSHP)** completed a significantly oversubscribed private placement of 3,117,143 common shares at an issue price of US\$5.6 per share representing gross proceeds of approximately US\$17.5 million. (December)
- **Borr Drilling Limited (NYSE:BORR)** initiated a share repurchase program under which the company will repurchase up to US\$100 million in value of its own shares. (December)
- **Athene Holding Ltd. (NYSE:ATH)** initiated a US\$589 million fixed income offering of 5.875% senior unsecured notes due 15 January 2034. (December)
- **The Bank of N.T. Butterfield & Son Limited (NYSE:NTB)** initiated a share repurchase program under which the company will repurchase up to 3,500,000 common shares for US\$90 million. (December)

**Fidelis Insurance Holdings Limited (NYSE:FIHL)** announced a share repurchase program under which it will repurchase up to US\$50 million in value of its shares. (December)

### Highlighted Transactions | Nasdaq

- **Tiziana Life Sciences Ltd (NasdaqCM:TLSA)** announced a follow-on equity offering of US\$50 million in common shares. (September)
- **IBEX Limited (NasdaqGM:IBEX)** initiated a share repurchase program under which the company will repurchase up to US\$30 million in value of its shares. (September)
- **Enstar Group Limited (NasdaqGS:ESGR)** initiated a buyback under which the company will repurchase up to 791,735 voting ordinary shares from Canada Pension Plan Investment Board and its affiliates at a price of US\$227.18 per share. (November)
- **Enstar Group Limited (NasdaqGS:ESGR)** initiated negotiated an additional share buyback under which the company will repurchase up to 50,000 voting ordinary shares at a price of US\$227.18 per share from Trident V funds. (November)
- **Sega Sammy Creation Inc. (SSC)** entered into a definitive agreement to acquire **GAN Limited (NasdaqCM:GAN)** from Novo Invest GmbH, River and Mercantile Asset Management LLP, BlackRock, Inc. (NYSE:BLK), Dermot Stopford Smurfit and others for US\$91.7 million. The company expects the merger to close during the fourth quarter of 2024. (November)

**SiriusPoint CEO and Executive Leadership Team ring the NYSE closing bell in August 2023**



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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 July to 31 December 2023 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 publicly known value. Not all deal details are reported immediately, and figures are subject to change as new information becomes available.

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