

PE-Backed Athene Holding Prices Upsized \$1.1B IPO

By **Fola Akinnibi**

Law360, New York (December 9, 2016, 1:24 PM EST) -- Athene Holding Ltd., a retirement services company backed by private equity and pension funds, priced its initial public offering near the top end of its range after the market closed on Thursday, upped the number of shares it sold and raised about \$1.1 billion for its ownership.

With Thursday's pricing, the company becomes just the fifth U.S. IPO this year to top \$1 billion in its debut, selling 27 million shares at \$40 apiece. Athene originally planned to sell 23.8 million shares for between \$38 and \$42 per share, according to filings with the U.S. Securities and Exchange Commission.

None of the offering's proceeds will go to the company, which is owned by Apollo Global Management LLC and smaller shareholders, including a subsidiary of the Ontario Teachers' Pension Plan Board, plus the Teacher Retirement System of Texas. The private equity shop, its largest shareholder, is shedding the biggest stake in the offering, selling nearly 20 million shares and cutting its stake from 71 percent to about 60 percent.

The underwriters will also have an opportunity to purchase 4.05 million shares at the offering price, which would add about \$162 million in proceeds to the \$1.1 billion raised, a statement said.

On Friday, the markets responded favorably to the pricing, and Athene opened trading on the New York Stock Exchange at \$43.56 per share, a near 9 percent increase from its offering price.

Athene began operating in 2009, saying that it filled a void after the burdens of the financial crisis caused many companies to exit the retirement market. Athene, which issues and reinsures savings products, including annuities, generated \$476 million in operating income on \$3 billion in revenue through Sept. 30, eclipsing full-year revenue of \$2.6 billion for 2015, according to its prospectus.

It joins a quiet IPO market that has cooled since the U.S. presidential election, after a flurry of deals between Labor Day and Halloween. Only three companies priced IPOs in November, although 11 companies submitted plans, according to Renaissance Capital, suggesting activity could pick up in 2017.

Lead underwriters include Goldman Sachs, Barclays, Citi, Wells Fargo Securities, Bank of America Merrill Lynch, BMO Capital Markets, Credit Suisse, Deutsche Bank, J.P. Morgan, Morgan Stanley, RBC Capital Markets, BNP Paribas, BTIG, Evercore ISI, SunTrust Robinson Humphrey and UBS Investment Bank.

Fried Frank Harris Shriver & Jacobson LLP is representing the underwriters.

Weil Gotshal & Manges LLP is representing Apollo. A Cooley LLP team led by partners Justin Stock and John McKenna, with help from associate Danny Bloom, advised Apollo.

Sidley Austin LLP represented Athene on the matter. The Sidley team was led by Sam Gandhi, Perry Shwachman and Tracy Williams.

--Additional reporting by Tom Zanki. Editing by Stephen Berg.

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