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Haffner Energy prices first French IPO of 2022

Victoria Thiele February 14, 2022 04:51 PM



The French green hydrogen company has managed to attract investors with its original technology and big cornerstone investors

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Haffner Energy will begin trading in Paris on Tuesday with an initial market capitalisation of €360m, after the French green hydrogen company completed the first French IPO of 2021.

The IPO was priced at €8 a share, the bottom of the initial €8.00-€9.50 range. Haffner Energy has raised €71.2m and will have a freefloat of 20% when it becomes free to trade.

Barclays, Natixis and Portsamparc Societe de Bourse were global coordinators.

The IPO was priced successfully, despite an awful backdrop for new stock market listings in Europe. Laurent Danino, executive director of strategic equity capital markets at Natixis described the market as "very challenging."

Market volatility caused by uncertainty around interest rates and tensions between Russia and the West over Ukraine has led to the cancellation of numerous IPOs since the start of this year, both big and small.

Microoled, a French manufacturer of microdisplays, postponed the launch of its flotation, according to sources.

The IPOs that are still in the market, the largest being Vår Energi in Norway, have had to offer attractive valuations to get their deals done.

"[The Haffner deal] was able to fly for two reasons," said Danino. "On one hand, the breakthrough technology of Haffner Energy really convinced investors. On the other hand, the deal's structure was very secured at launch, with Tier 1 cornerstone names."

Haffner Energy specialises in decarbonisation and has developed a technology called Hynoca to transform biomass into green hydrogen.

"In the current risk-averse environment, some investors could have perceived the company as too early-stage, which does not reflect the reality," added Danino. "Haffner Energy is not a start-up."

Haffner was founded in 1993. The company always focused on creating energy from biomass, but began re-orienting itself towards hydrogen production in 2010.

Safety net

At the outset of the IPO, cornerstone investors including the renewable energy investor Eren had already subscribed for 51% of the base deal.

Launching the deal with a strong safety net played an important role in gaining investor trust in such volatile markets.

"We don't open the door to every investor to be a cornerstone," said Jonathan Banet, equity syndicate manager at Natixis. "You can be an anchor and help the deal on the first day, but if you want to be a cornerstone, you have to bring something to support the equity story."

"It's not a deal of flow or liquidity," he added. "It's a deal of conviction of decarbonisation trends on long-term basis."

Hydrogen businesses will likely be a main driver of activity on French equity markets this year. In 2021, almost a fifth of French IPOs focused on renewable energies.

Earlier this month, the French government announced it would invest €5.6bn in the decarbonisation industry as part of the France 2030 plan.

More deals in the sector, some of them much bigger than Haffner's IPO, are expected this year, according to sources. This was a reason for Haffner to brave the volatile market now and get a head start.

"It was a race because we know that the first quarter is more of an open window than others," said Danino, "and we wanted to avoid congestion in the second quarter."

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