

MIZUHO EYES BIGGER SLICE OF U.S. MARKET

Deals for Greenhill and Capstone are indicative of Mizuho's desire to expand in the U.S., particularly in the middle market with private companies and investors, head of the investment and corporate banking unit, Michal Katz, told The Deal.

BY QURATULAIN TEJANI

Mizuho Financial Group Inc. has its eye on the U.S. middle market for expansion and will continue to evaluate acquisitions following a pair of high-profile deals in the last two years.

“Our goal in the U.S. market is to be in the top ten,” said Michal Katz, head of the investment and corporate banking unit at Mizuho Americas LLC, in a conversation with The Deal. “We have a five-year strategic roadmap, which is thoughtful, but fairly aggressive. We continue to look to where there is a gap in the market and evaluate opportunities to stay current, relevant and address the needs of our clients.”

Katz's comments come after the company announced on May 22, the acquisition of the New York-based boutique investment bank Greenhill & Co. (GHC) for about \$550 million. Last year, it added Dallas, Texas-based Capstone Partners.

“In our financial sponsor coverage effort, we tend to focus on the larger household name, private equity firms, the likes of KKR, Blackstone, Apollo, Brookfield etc. and Greenhill has leaned towards the mid-market financial sponsors.” said Katz. “Greenhill has a reputation for working on some of the largest and most complex transactions and it complements our business.”

With the Greenhill transaction, Mizuho has brought



Michal Katz, Head of Investment and Corporate Banking, Mizuho Americas

about 370 bankers and over 80 managing directors into the fold.

The deal combined Mizuho, No. 33 on The Deal's first quarter M&A league tables, with Greenhill, which ranked No. 38 in M&A.

Capstone, too, has a penchant for middle market deals. The independent, middle-market placement agent is focused on fundraising and advisory services to private equity, credit, real assets, and infrastructure investment firms, enhancing its pipeline for lending, acquisition financing, capital markets, and M&A advisory business.

Capstone added over 35 employees to the Mizuho

U.S. operation.

With Capstone's focus mainly on primary fundraising and Greenhill's expertise in the secondaries and in continuation vehicles, both businesses complement Mizuho's offerings and capabilities in the lending capital markets, M&A and the advisory space, Katz said.

Mizuho has been a lender of choice to many Fortune 500 companies. With its capital markets platform and investment grade bonds and loans, it has continued to expand its product offerings, growing its equity capital markets business.

Mizuho Americas has been a bookrunner on some major capital markets transactions, Katz said. It served as the joint bookrunner on the \$1.68 billion Corebridge Financial IPO spin out of AIG and was active bookrunner on \$2 billion of mandatory equity units of NextEra Energy Inc. (NEE) along with Citigroup Inc. and Goldman Sachs & Co. LLC.

On the advisory side, Mizuho was the financial adviser in the \$16 billion acquisition of the Nielsen Co. (US) LLC by a consortium led by Elliot Investment Management affiliate Evergreen Coast Capital and

Brookfield Business Partners where it also provided debt financing to support the deal. It also served as one of the advisers to Elliott Management and Vista Equity Partners, when they acquired software company Citrix Systems Inc. and to funds managed by Apollo Global Management Inc. on its acquisition of Arconic Corp. The bank participated in Elon Musk's buyout of Twitter Inc. as well.

Headquartered in Tokyo, Mizuho Financial Group was conceived in 2002 as a result of the mergers of Japanese banks Dai-ichi Kangyo Bank, Fuji Bank, and the Industrial Bank of Japan. It has \$2 trillion of assets and about 60,000 staffers across 35 countries with 900 offices globally, approximately 3000 of which operate from its operations in the Americas, including the U.S., Canada and Latin America.

Mizuho has three primary divisions in the U.S.: investment and corporate banking led by Katz; equities run by Darlene Pasquill and fixed income headed by Tom Hartnett. The region is not just a growth engine for the Mizuho Financial Group but contributes over a quarter of the operating profit to the institution. ■