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Stifel Financial set to announce acquisition of Oriel Securities

By Harriet Agnew

[Stifel Financial Corp](#), the US brokerage and investment banking firm, plans to announce on Thursday that it has acquired UK brokerage [Oriel Securities](#), according to two people familiar with the situation. The deal marks the latest sign of consolidation in the UK's small and mid-cap broking sector.

Oriel, led by chief executive Simon Bragg, has been in merger discussions for some time. Last year it was involved in early-stage talks with fellow broker [Panmure Gordon](#), but a merger did not materialise.

The deal will give Stifel a foothold in the UK mid-cap market and help it to expand its international presence. Last summer, Stifel bought [Knight Capital Group's](#) institutional fixed income sales and trading business, which has a presence in the US and Europe.

The move comes as Oriel's fortunes have begun to turn round. The broker had suffered from staff departures, with about 10 people leaving to join former chief executive David Knox at his new independent research consultancy, Lazarus Partnership. Financial Services group [Canaccord Genuity](#) has also hired several people from Oriel.

The tie-up follows several years of consolidation in the sector, including Cantor Fitzgerald's acquisition last year of Seymour Pierce, and comes as UK small and mid-cap brokers fight for business amid buoyant equity markets and a rise in initial public offerings.

Oriel reported in January that it raised £1.78bn in IPOs and secondary fundraising during 2013, a record level of fundraising for the firm. This figure is 7 per cent higher than the previous record of £1.67bn set in 2009 and three times the volume Oriel generated in 2012.

Oriel and Missouri-based Stifel, which will report its numbers for the first quarter of this year on Thursday, declined to comment.

Stifel, which is led by chief executive Ron Kruszewski, is listed on the New York Stock Exchange and owns investment bank Keefe, Bruyette & Woods. In February, Stifel reported net income of \$52.1m for the three months to December 31, on net revenues of \$562.5m.

This week, UK brokers Numis Securities and FinnCap reported strong results. On Wednesday, Numis reported that revenues increased 59 per cent to £51.5m, while adjusted profit before tax increased 125 per cent to £20.7m during the six months to March 31.

FinnCap, which specialises in working for technology and small-companies, on Wednesday reported a 36 per cent rise in revenues, to £15.5m, in the 12 months to April 30.

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