

PRESS RELEASE

Boutiques Make Hay While Sun Shines for IPOs

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We all know the boutique advisory shops love singing about the value of independent advice.

Some boards buy it, others don't. However, where the independents have had remarkable success in carving out a niche for themselves is initial public offerings.

Sure, it may not be as lucrative as M&A advice, but from a standing start, the likes of Reunion Capital Partners, Highbury Partnership and Luminis Partners, along with the more established players including Rothschild and Fort Street, have had a role in most of the year's large initial public offerings.

The boutiques have been involved in just about everything from the big private equity deals including MYOB and Link Group through to roll-ups like Integral Diagnostics.

Much to the ECM establishment's disliking, the upstarts have muscled in on fee pools, dictated appointment processes and had the vendor's ear around key decisions from early in the process to all-important offer structures.

Whether you believe it is for the better or worse depends on who you talk to.

Vendors reckon it is helpful having one point of contact and one party controlling the message on deals involving three, four or even five joint lead managers, and preparing the management team for listed life.

The big banks, though, reckon independents often just get in the way and struggle to read equity markets given their separation from equity investors.

Reunion - headed by a bunch of senior ex-Goldman Sachs dealmakers - has arguably been most successful at carving out the niche, working on IPOs including Eclipx, MYOB and Amaysim this year, along with Asaleo Care and Medibank Private last year. It should be noted Investec also worked on the Amaysim deal.

Then there is Highbury - started by a pair of former JPMorgan bankers - which have shot to prominence thanks to work on Pepper Group and Integral Diagnostics this year, along with the likes of Spotless Group and Mantra Group.

As always, though, everyone is more worried about the pipeline. Reunion is set to go around again with StatePlus' slated float, while one of the other big contenders, Reliance Worldwide Corp, has Oaktower Partnership in its camp.

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