



SPECIAL REPORT

Corporate Finance



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Key takeaways

- Mergers & acquisitions: 259 deals worth \$41bn
- Equity capital markets: 548 deals worth \$9.58bn
- Demerger of Coles was 2018's largest transaction

LAW MEN: Herbert Smith Freehills energy and resources partner Graeme Gamble (left) with head of corporate Simon Reed and corporate partner Paul Branston. **Photo:** Gabriel Oliveira

Goldman, Freehills top deal tables

Corporate finance dealmakers in Perth worked on just more than 800 transactions last year worth \$51 billion.



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10-PAGE FEATURE

THE annual *Business News* review of the corporate finance market has again highlighted the split between major investment banks dominating the large deals, and local players winning numerous smaller transactions.

Looking across both mergers and acquisitions (M&A) and eq-

uity capital markets (ECM), Goldman Sachs topped the league tables for 2018.

It advised on six corporate finance transactions during the year, worth a total of \$24.5 billion.

In value terms that put it just ahead of Macquarie Capital, which advised on 11 transactions worth \$21.6 billion.

Other corporate advisory firms that ranked high on the league tables included Gresham and UBS.

Herbert Smith Freehills was the standout among the law firms, advising on 20 transactions worth \$24.8 billion.

It was followed by King & Wood Mallesons, which advised on 11 transactions worth \$8.3 billion.

The *Business News* league tables comprise announced M&A transactions and completed ECM

transactions with a connection to Western Australia.

That typically means one of the counterparties, or its assets, are based in WA, or the person leading the advisory team is based in Perth.

The top end of the league tables has been influenced, as always, by a handful of very large transactions.

These include Wesfarmers' demerger of its Coles business and Santos buying Quadrant Energy – both of which involved multiple corporate advisers and law firms (detailed below).

Established in 2017 by former UBS executive Tim Day, Sternship Advisers was the standout among local corporate advisory firms, advising on nine M&A transactions last year worth a combined \$899 million.

\$2.1bn
BGH CAPITAL NEW BID FOR NAVITAS

The deal value was boosted by its work on Silver Lake Resources' merger with Doray Minerals, and the SRG Global merger.

In terms of deal numbers, Sternship was broadly on par with several other Perth-based advisory firms, including Argonaut, PCF Capital and Azure Capital.

Among the law firms, Gilbert + Tobin was one of the busiest last year, working on 13 M&A transactions and 21 ECM deals.

Johnson Winter & Slattery also

had a good year, helped by the presence of corporate partners Paul Vinci and Justin Harris, who transferred from Clifford Chance in mid 2017.

JWS advised on nine M&A deals and 14 ECM deals last year, with major clients including Ausdrill and Northern Minerals.

Steinpreis Paganin continued to be by far the most prolific corporate law firm in Perth, advising on 68 capital raisings and 15 M&A deals.

The average value of its capital raisings was \$6.6 million, reflecting its focus on the smaller end of the market.

Bellanhuse Lawyers, led by managing partner Bryn Hardcastle, has entrenched itself in a similar small-cap market space, advising on 38 capital raisings and eight M&A deals.

Capital raisings

BNIQ SEARCHENGINE
...your key to WA business

ECM ADVISERS 2018

LEAD MANAGERS	NUMBER OF DEALS	VALUE OF DEALS \$m	KEY CLIENTS
UBS	4	2,930.3	Woodside Petroleum, Ausdrill
Morgan Stanley Wealth Management	1	2,530.1	Woodside Petroleum
Euroz Securities	24	876.9	Sundance Energy, IMF Bentham, Fleetwood Corporation
Goldman Sachs	1	773.7	Coronado Resources
Hartleys	46	717.7	Jupiter Mines, Decmil Group, RTG Mining
Morgans Financial	14	533.2	Sundance Energy, Emeco Holdings, Calima Energy
Patersons Securities	56	327.6	AJ Lucas Group, Bellevue Gold, Aspire Mining
Macquarie Capital	3	315.0	Northern Star Resources, Emeco Holdings, Metals X
Canaccord Genuity	17	293.6	Dacian Gold, AusCann Group Holdings, Alliance Mineral Assets
Argonaut	24	265.8	Dacian Gold, Myanmar Metals, Paringa Resources
Deutsche Bank	1	250.0	Ausdrill
Ashanti Capital	12	202.7	Eastern Goldfields, Alliance Mineral Assets
Bell Potter Securities	15	200.1	Avita Medical, Aeris Resources, Data Exchange Network
LEGAL ADVISERS	NUMBER OF DEALS	VALUE OF DEALS \$m	KEY CLIENTS
Herbert Smith Freehills	4	2,768.5	Woodside Petroleum, Cash Converters International
Allen & Overy	9	1,129.0	Fortescue Metals Group, ESR Cayman, Pilbara Minerals
Gilbert + Tobin	21	642.8	IMF Bentham, Fleetwood Corporation
Johnson Winter & Slattery	14	452.2	Ausdrill, Northern Minerals, TNG
Steinepreis Paganin	68	448.1	Poseidon Nickel, Finbar Group, Doray Minerals
Baker McKenzie	2	421.0	Sundance Energy, Emeco Holdings
Bellanhouse Lawyers	38	305.5	New Century Resources, Myanmar Metals, AusCann Holdings
Jackson McDonald	9	268.7	Jupiter Mines, Eagle Mountain Mining, Exopharm
DLA Piper	11	226.5	Alliance Mineral Assets, IMF Bentham, Paringa Resources, Primero Group
Ashurst	2	197.3	Northern Star Resources, Sheffield Resources, Prodigy Gold
Corrs Chambers Westgarth	6	164.6	Dacian Gold, RTG Mining, Blackham Resources. Image Resources
Clayton Utz	3	145.1	Squadron Resources, Fleetwood Corporation, Nusantara

Capital raisings

UBS and Morgan Stanley topped the league table for ECM deals, courtesy of their role as joint lead managers on Woodside Petroleum's bumper \$2.53 billion capital raising.

More revealing for the local market was the competition between Perth-based broking firms.

Euroz Securities had a lead role on 24 transactions that raised a total of \$876 million, with Sundance Energy and IMF Bentham being its most valuable clients.

Euroz finished the year ahead of rival broking firm Hartleys, which had a lead role on 46 transactions worth \$718 million.

These included the IPO of Jupiter Mines and raisings for Decmil Group and RTG Mining.

Perth-based brokers Patersons Securities, Argonaut and Ashanti Capital were also busy during the year.

Large deals

The largest transaction last year was Perth-based Wesfarmers' demerger of its Melbourne-based Coles Group business.

Advisers on this \$16.5 billion deal included Goldman Sachs, Macquarie Capital, Gresham and Herbert Smith Freehills.

The lead advisers were based on the east coast, with the HSF team, for instance, led by Baden Furphy in Melbourne.

HSF's Perth-based corporate partner, David Gray, and his team assisted on the deal, while Perth-based litigation partner Liz

Macknay had a lead role on the court hearings for the demerger scheme.

A second large transaction was Santos's acquisition of Perth-based Quadrant Energy, which involved even more advisers.

Santos was advised by UBS and HSF, with Perth-based corporate partner Robert Merrick leading the legal team.

Three financial advisers and four law firms were involved on the sell side, with most of the work done on the east coast.

That's where the two largest vendors – Brookfield Business Partners and Macquarie Capital – are headquartered.

“ Hard rock and mining are still playing a strong part and there was sensible transacting in the energy sector - Simon Reed



ON TOP: Peter Watson heads Goldman Sachs' national mining practice. **Photo:** Attila Csaszar

Goldman Sachs, Citi and Macquarie Capital advised the sellers.

Among the law firms, Clayton Utz was the main adviser to the selling consortium, while King & Wood Mallesons and Allens had secondary roles advising Brookfield and Macquarie respectively.

Gilbert + Tobin also worked on the deal, with Perth-based corporate advisory partner Justin Mannolini advising Wesfarmers, which held a minority stake in Quadrant.

The third largest transaction listed in the BNIQ database was private equity group BGH Capital's takeover proposal for Perth-based education services business Navitas.

The BGH consortium, which also included Australian Super and Navitas founder Rod Jones, proposed a takeover pitched at \$5.50 per share, valuing the target at \$1.97 billion.

That was rejected by the Navitas board, which was advised by Goldman Sachs and Ashurst.

Their strong stance paid off when the BGH consortium, which was advised by Morgan Stanley and Gilbert + Tobin, came back early this month with an improved proposal.

Pitched at \$5.83 per share or \$2.1 billion in total, the new proposal has been endorsed by the target's board.

WA acquisitions

The largest acquisition by a WA company last year was South32's purchase of the remaining 83 per cent stake it did not already own in US company Arizona Mining.

Goldman Sachs, Canaccord Genuity and King & Wood Mallesons advised South32 on the deal.

Goldman's Perth-based managing director, Peter Watson, who heads the firm's Australian mining practice, had a lead role on the takeover.

Mr Watson's mining expertise was also reflected in his role as lead adviser on the \$774 million initial public offering of Brisbane-based Coronado Global Resources, which has coal mines in Queensland and the US.

Other notable acquisitions by Perth-based companies were Woodside Petroleum's \$560 million purchase of ExxonMobil's stake in the Scarborough gas field, and Northern Star Resources' \$347 million purchase of the Pogo gold mine in Alaska.

Some notable in-market deals were also transacted during the past year.

These included Hancock Prospecting's acquisition of Atlas Iron after a contested three-way tussle, and Ausdrill's friendly merger with Barminto.

Goldman, Freehills top deal tables

M&A deals



M&A ADVISERS 2018

LEAD MANAGERS	NUMBER OF DEALS	VALUE OF DEALS \$m	KEY CLIENTS
Goldman Sachs	5	23,692.6	Wesfarmers, Brookfield Asset Management, Navitas, South32
Macquarie Capital	8	21,279.9	Wesfarmers, BGC, Mineral Resources, Synergy
Gresham	4	17,606.3	Wesfarmers, Barminto
UBS	2	3,588.1	Santos, AWE
Citigroup	1	2,986.1	Brookfield Asset Management
Morgan Stanley	1	1,970.0	BGH Capital
Canaccord Genuity	2	1,969.0	South32, Tawana Resources
Sternship	9	899.6	Alliance Mineral Assets, SRG, Silver Lake Resources, Quintis
Argonaut	7	428.0	SRG Global, Rand Mining, Tribune Resources
PCF Capital	8	248.7	Doray Minerals, BCI Minerals
Azure Capital	8	92.1	Tap Oil, Strike Energy
LEGAL ADVISERS	NUMBER OF DEALS	VALUE OF DEALS \$m	KEY CLIENTS
Herbert Smith Freehills	17	22,116.7	Wesfarmers, Santos, Mitsui & Co, OZ Minerals
King & Wood Mallesons	11	8,289.6	South32, HBF, Lone Star Fund X, Sinomine Fuhai
Gilbert + Tobin	13	7,639.9	BGH Capital, Mineral Resources, ExxonMobil, Wesfarmers
Allens	7	6,823.1	INPEX, AWE, Sino Gas & Energy Holdings, Macquarie Capital
Clayton Utz	6	3,193.6	Macquarie Capital, Brookfield Asset Management
Ashurst	6	2,811.3	Navitas, Hancock Prospecting, Phoenix Energy
Johnson Winter & Slattery	9	2,503.1	Total, Ausdrill
Norton Rose Fulbright	4	966.9	Posco, Tiger Resources, DIF
DLA Piper	12	951.5	Atlas Iron, Alliance Mineral Assets, Talisman Mining
HopgoodGanim Lawyers	12	685.4	Kangaroo Resources, Silver Lake Resources, Golden Harp
Steinepreis Paganin	15	682.9	Avanco Resources, Poseidon Nickel

Relationships

Herbert Smith Freehills head of corporate Simon Reed said his firm had a strong year in 2018, and attributed this to the longstanding relationships his team has across the business community in WA.

"There was a good contribution across all of the key sectors in the WA market," he said.

"Hard rock and mining are still playing a strong part and there was sensible transacting in the energy sector."

Mr Reed said the expected growth in capital projects in sectors such as LNG, iron ore and lithium, was likely to spark more corporate activity among businesses servicing the projects.

"That has led to, and will con-

tinue to lead to, a fair bit of activity in the services sector, which has come through a pretty challenging period," he said.

"There are groups that have indicated they are preparing for sale or seeing opportunities in that sector.

"There will be more attractive M&A opportunities in that sector."

Mr Reed also noted several competitive takeovers in the market, including for AWE, Atlas Iron and Navitas.

"That tells you that M&A market is becoming healthier," he said.

"That's the environment where deal returns are enhanced and deal strategy becomes integral.

"You need to think carefully about the potential for counter bidders, which in recent years

hasn't eventuated in many circumstances.

"If that continues into 2019, shareholders will be much better for it."

Privatisation

The McGowan government's modest privatisation agenda has delivered some work to advisory firms, including Investec and Herbert Smith Freehills.

It's been very modest compared with the big deals the Barnett government had been pursuing, including the partial sale of Western Power and the sale of ports.

Investec has arguably been the main winner, picking up several contracts on the planned sale of TAB and Landgate's automated land titling functions and title searches.



BUSY: Bryn Hardcastle's law firm, Bellanhouse Lawyers, advised on 46 transactions last year. **Photo:** Attila Csaszar

Investec signed a \$495,000 contract in December to advise on the TAB sale, after previously providing strategic advice on options for the government.

In August, it signed a \$528,000 contract to advise on Landgate sale options and has subsequently been appointed to manage the expressions of interest process, currently under way.

Its success fee will be a percentage of the final sale price.

Ashurst is legal adviser on the Landgate deal, while PwC won a \$1.6 million contract for accounting and tax advice, KPMG signed a \$1.1 million contract for ICT advice, BIS Oxford Economics won a \$760,000 contract for economic forecasting advice, and Stantons International is the probity adviser.

The government has agreed to sell Landgate's automated land titling functions and title searches, which is its core business.

In addition, the government is planning to sell Landgate's 78 per cent stake in IT company Advara, which counts Landgate as its major client.

Completed privatisation deals last year included the govern-

ment's 11.8 per cent stake in on-line settlements company Property Exchange Australia for \$189 million.

The stake was held through Landgate.

Investment bank Lazard was paid \$220,000 to advise on the dual-track sale process.

Another notable government deal was the sale of Synergy's renewable energy portfolio into a new entity – Bright Energy Investments.

Dutch investment company DIF and Australian industry fund Cbus Super each acquired a 40 per cent stake in Bright, with Synergy holding the balance.

The new venture has subsequently committed to construction of the new Warradarge wind farm, which will have a 180-megawatt capacity.

It also owns the Greenough River solar farm and the Albany wind farm.

Advisers to Synergy were Macquarie Capital and Herbert Smith Freehills, with Lazard having a more limited role advising the Synergy board, while Ironstone Capital Partners and King & Wood Mallesons advised the new investors.



MAJOR DEALS – December quarter 2018

EQUITY CAPITAL MARKETS						
Company	Transaction Type	Amount (\$m)	Lead managers		Lawyer	Public Relations
Coronado Global Resources	Initial public offer	773.7	Goldman Sachs		Herbert Smith Freehills, Sullivan & Cromwell	
Fortescue Metals Group	Share buyback	500.0			Allen & Overy	
IMF Bentham	Placement + share purchase plan	76.1	Euroz Securities			Gilbert + Tobin
AMA Group	Placement + block trade	68.0				
West African Resources	Placement	43.1	Euroz Securities, Sprott Private Wealth		Allion Partners	
Avita Medical	Placement	40.0	Bell Potter Securities			Monsoon Communications
Emerald Resources	Placement + share purchase plan	27.9	Euroz Securities			
Northern Minerals	Placement	25.0				Cannings Purple
Westgold Resources	Placement	23.4	Canaccord Genuity			
Sheffield Resources	Placement	16.2	Credit Suisse, RBC Capital Markets		Ashurst, Gilbert + Tobin	
Bellevue Gold	Placement	15.5	Canaccord Genuity		Bellanhouse Lawyers	
Strike Energy Limited	Placement + share purchase plan	14.0	Hunter Capital Advisors		Allen & Overy	
88 Energy	Entitlement offer	13.6	Hartleys		Steinepreis Paganin	
Crater Gold Mining	Placement	13.2				
Salt Lake Potash	Placement	13.0	Argonaut, Canaccord Genuity			
Piedmont Lithium	Placement	12.1	Canaccord Genuity, Shaw and Partners			
Next Science Pty Ltd	Convertible notes	11.0	Patersons Securities			
Adriatic Metals	Placement	10.8	Ashanti Capital		Price Sierakowski Corporate, Gilbert + Tobin	
Breaker Resources	Placement	10.5	Bell Potter Securities			Read Corporate
Nusantara Resources	Placement	10.2			EMK Lawyers, Clayton Utz	
Shekel Brainweigh	Initial public offer	10.1	RM Corporate Finance		Gilbert + Tobin	FTI Consulting
Fat Fish Blockchain	Convertible notes	10.0			K&L Gates	
MERGERS & ACQUISITIONS						
Bidder	Target	Value (\$m)	Bidder adviser	Bidder lawyer	Target adviser	Target lawyer
INPEX Corporation	4% of Icthus from Total	2,200.0		Allens		Johnson Winter & Slattery
BGH Capital	Navitas	1,970.0	Morgan Stanley	Gilbert + Tobin	Goldman Sachs	Ashurst
Albemarle Corporation	50% stake in Mineral Resources' Wodgina	1,600.0			Macquarie Capital	Gilbert + Tobin
Macquarie Group, DIF	Phoenix Energy Kwinana waste-to-energy facility	275.0		Allens, Norton Rose Fulbright		Ashurst
Link Group, Morgan Stanley, CBA	WA gov's 11.8 per cent stake in PEXA	189.0			CLSA, Lazard	Allen & Overy
Silver Lake Resources	Doray Minerals	157.0	Sternship Advisers, RBC Capital Markets	HopgoodGanim Lawyers	PCF Capital	Bellanhouse Lawyers
Northern Star Resources	Rand Mining's and Tribune Resources' stakes in East Kundana	150.0			Argonaut	Herbert Smith Freehills
Ganfeng Lithium, Mineral Resources	Neometals' Mt Marion lithium	103.8				
DVG Automotive Group	Andrews & Wallis Motor Group	66.0				
Lion Energy	Seram (non Bula) gas project	44.4		Bellanhouse Lawyers		
Petrel Energy	Warrego Energy	39.9				
Tribune Resources	Prometheus Developments	30.3				
Intermin Resources	MacPhersons Resources	28.9	Jett Capital Advisors	Mills Oakley		Baker McKenzie
Strike Energy	UIL Energy	18.5	Azure Capital	Allen & Overy	Bizzell Capital Partners	HopgoodGanim Lawyers
Westgold Resources	Doray Minerals' Andy Well and Gnaweeda Gold Projects	15.0			PCF Capital	
SilverStream	Westgold Resources' non-core lithium royalties at Mt Marion and Buldania	15.0				
Galane Gold	Doray Minerals' Andy Well project	10.0		Piper Alderman	PCF Capital	EMK Lawyers
Teranga Gold Corporation	Boss Resources' 49% interest in the Golden Hill and Gourma Projects	10.0		DLA Piper		
P&N Bank	bcu	WND				
Potentia Capital	Micromine	WND	PwC, Partners in Performance	Johnson Winter & Slattery, Herbert Smith Freehills	PwC	MinterEllison
Bis	UGM	WND				
Rivet Group	SMS	WND		Herbert Smith Freehills	EY	K&L Gates
Stantec	Wood & Grieve	WND				

Cutting through tech funding maze

Tech startups in WA can raise capital if they know where to look and how to ask, a Perth seminar was told.

UPBEAT: Gary Macbeth (left) with Susie Jackson, Morgan Barron and Tracie Clark. Photo: Gabriel Oliveira

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GARY Macbeth says the tech sector and tech funding were moribund when he arrived in Perth 10 years ago.

The jovial Scot with 16 years' experience in Silicon Valley was undeterred, however, and has helped turn that around.

"There was a dearth of companies trying to do things," Mr Macbeth said.

"In the 10 years I've been here we now have, to a degree, all the check points in terms of sources of funding and capital.

"That represents a massive maturing in Western Australia and everyone should be absolutely stoked about that."

Mr Macbeth, who is managing partner at venture capital group 808 Ventures, was one of the more positive speakers at a seminar held late last year on funding for the tech sector.

The 10 panelists at the event, organised by Perth-based consultancy Techboard, were divided on how well the local tech sector is being served.

Dorado Capital's Tim Moore

was positive about the prospects for tech startups.

"A good idea with good people will find money, it doesn't need government grants and it doesn't matter where they are," Mr Moore told the seminar, held at Spacecubed's Flux co-working space.

The discussion was framed by Techboard's data on fundraising activity by startups and 'young' tech companies.

Nationally, there were 736 funding events by Australian startups and young tech companies totalling just over \$3.5 billion, Techboard's 2017-18 report found.

Of this, WA companies raised \$295 million, or 8.3 per cent of the national total.

Techboard's reports have consistently shown that WA tech companies are more reliant on public funding via the stock market.

Specifically, their main source of funding has been placements by ASX-listed companies.

In other states, angel investors, accelerators and venture capital funds are the major funding sources for startups.

Mr Moore said this reflected

the history of WA, where investors had traditionally taken risk exposure by investing in small listed companies via IPOs and placements.

Charlie Gunningham, whose diverse experience includes being founder of a successful tech startup and a former chief executive of *Business News*, took a different slant.

He noted the large number of reverse takeovers in 2014 and 2015, in which tech startups listed on the ASX via mining 'shells'.

"Personally I don't think a tech company at a very early stage should be going anywhere near the ASX," Mr Gunningham said.

"I haven't seen many that have gone onto great success, I'm worried about that.

"I think some of them do that because of the dearth of other options."

Mr Gunningham said he saw the funding problems in his current role as an adviser on the federal government's Accelerating Commercialisation program.

"Companies come to me for a grant but really struggle to find

\$295m

**RAISED BY WA STARTUPS FY17-18
(8.3% NATIONAL TOTAL)**

the matching funding," he said.

Founder and director of equity crowdfunding platform Enable Funding, Ashley Zimpel, shared this concern.

Mr Zimpel said there was a cultural issue in investment markets, with too many people chasing a quick buck and not enough patient capital.

"There is a lack of patience that investors have in this state, and I guess in Australia at large," he said.

Mr Zimpel believes an ASX listing is very much the wrong strategy for tech startups and has welcomed tougher listing rules.

"They have done us a favour," he said.

"The ASX has become quite stringent in terms of the type of businesses they want to list and that's a good thing."

Mr Zimpel said this has opened other options, including

the National Stock Exchange of Australia, the Sydney Stock Exchange and equity crowd funding.

Preparation crucial

Tim Brewer, who was entrepreneur in residence at the Plus Eight accelerator and adviser to investment group Larsen Ventures, said tech entrepreneurs needed to invest a lot of time and effort in their fundraising strategy.

"Far too many founders have a conversation with a single investor and then wonder why there was no competition in the deal," Mr Brewer said.

The best funding source was from customers, he added.

Where founders needed third-party funding, months of preparation was usually required for a successful campaign.

"If your path requires venture



FINDING FUNDS: Tim Moore (left) with Liddy McCall and event organiser Peter van Bruchem. **Photo:** Gabriel Oliveira

capital investment, you need to put in the same amount of energy as you do building your business," Mr Brewer said.

"You need to understand what makes a venture capitalist tick, how they are paid, how their fund is structured, and their typical terms.

"If you want angel funds, angel investors follow things they like, what they are comfortable with, what they know. Find out what that is."

Mr Brewer encouraged founders to educate themselves and then go and meet investors here and overseas.

"It's nobody else's responsibility to find you when you want capital," he said.

"The people who do really well, you can track it back years to when they met the VCs and started building relationships."

Consultant Susie Jackson agreed preparation was key.

"I think there is money out there, but you need to meet half way and be well prepared," Ms Jackson said.

"It has to be really well targeted.

"As long as you do your home-

work and are well prepared, there is money.

"It can't just be a handout for a bucket of money."

The panellists at the Techboard event agreed that educating tech entrepreneurs and investors was a priority.

Tracie Clark is an angel investor with a 20-year track record, with 11 companies currently in her portfolio.

"I'm quite surprised about how few people are aware of angel investors as a source of funding," Ms Clark said.

"We're keen to raise awareness among both investors, this is a viable asset class, and founders seeking investment."

While angel investors typically make small investments in very early stage startups, venture capital funds are able to make larger investments in more mature businesses.

Venture capital

Techboard chief executive Peter van Bruchem said there was more venture capital funding available in Australia than ever before.

VC funds have in excess of \$1.5

billion available, but very little has been deployed in WA.

"VCs historically have been more likely to invest where they are located," Mr van Bruchem said.

Mr Gunningham advocated the establishment of a large venture capital fund based in Perth.

"Seriously, we need a \$100 million fund," he said.

"There is lots of money in this town, that's a small amount."

Some of the panellists played down location as an investment driver.

Mr Moore said he was agnostic about where Dorado invested.

Similarly, Mr Macbeth said his focus was on finding good quality deals.

As a result, 808 Ventures had invested in startups in the US, Europe and Israel, with just one from Perth.

Ms Clark said many angel investors also took a broader approach.

"If we see a good deal here, we will share that with our counterparts in other states," she said.

"We will invite other angel

groups around the country to co-invest with us, so the funds come from across the country."

Leaving home

The panel noted that some tech startups have left Perth in search of money and markets.

Liddy McCall, who is a director of Perth-based VC Yuuwa Capital, said one reason was the availability of generous government grants in states such as Queensland and Victoria.

As a result, some of Yuuwa's

investees were incorporated in those states.

DigitalX director Leigh Travers said he knew of several companies that had shifted their domicile overseas to take advantage of more favourable regulatory jurisdictions.

A notable example of Perth entrepreneurs moving away from their home state is Canva.

Privately valued at \$1 billion, the Sydney-based tech success story was founded by Perth-raised Melanie Perkins and Cliff Obrecht.

Mr Macbeth said tech startups leaving Perth to achieve success should not be seen as a negative.

"If they have to leave to be successful, go do it," he said.

"Because what that proves, if you fly the flag, they started here and moved on.

"The investors will see that success and will want more and more.

"Let them go.

"Some of them might come back; some might come back and invest because this is where they started."

“A good idea with good people will find money, it doesn’t need government grants and it doesn’t matter where they are

-Tim Moore



Lithium, gold and base metals driving deals

Global players are converging on WA as resources assets become increasingly attractive in the international arena.

UPTICK: Meredith Campion says global investors are running the ruler over WA projects en masse. Photo: Gabriel Oliveira

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A REBOUND in mergers and acquisitions activity in 2018 has been tipped to build momentum over the next 12 months, as international interest increases in Western Australian lithium, gold and base metals assets.

M&A activity in WA has mirrored global trends, with the total value of deals done in the state increasing to \$25.07 billion in 2018, from \$14.8 billion in 2017.

The collective value of M&A activity reached \$US3.5 trillion (\$4.88 trillion) globally, according to research by Mergermarket, the third most prolific year since 2001.

Allen & Overy partner Meredith Campion said there had been a significant uplift in mergers of equals in WA, as well as general M&A activity.

"We always say every year 'I think things are going to get better', but in 2018 they really did," Ms Campion told *Business News*.

"Globally, there has been an increase in foreign investors looking; we have a lot of clients looking at projects in Australia again.

"There hasn't been a lot of activity for a long time, so companies

are starting to feel the need to take action.

"What we're seeing is companies branching out into broader M&A because they've got the funds to continue on, but they're not going to see organic growth so they are going to try and buy some assets.

"We are also seeing a lot of private equity funds that are very cashed up and doing a lot of due diligence on projects, and I think we'll see a lot more of that in the next 12 months."

Ms Campion said interest in Australian assets was coming from all sectors of the globe, particularly from European, Japanese and Northern American institutions keen on adding to their portfolios.

She said many big global resources investors had shifted their attention away from assets in Africa towards Australia due to increasing political risks.

"It's fairly clear that the political risk there and changes in government policy towards mining have made projects difficult to do there, and we've had some clients looking back at Australia for investments and having a bit of a hedge with diversity," Ms Campion said.

Technology metals such as lithium have drawn significant interest from global players, helping the McGowan government turn its grand vision to transform the state into an internationally significant lithium province into reality.

A recent report from PwC forecast increasing demand for lithium had been underpinned by rising interest in electric vehicles, with cashed-up chemicals giants and battery manufacturers jostling to secure supply.

US-based industrial chemicals giant Albemarle made a \$1.6 billion splash in WA with its acquisition of a half stake in Mineral Resources' Wodgina lithium mine, illustrating the emergence of a new era of resources development.

The two companies plan to move the operation up the supply chain away from simply extracting and exporting minerals to value-adding through processing, by constructing a two-stage, 100,000 tonnes per annum lithium hydroxide plant at the mine.

Another major deal was Kidman Resources' Covalent joint venture with Chilean lithium giant SQM, with the companies planning to add value to the

“Globally, there has been an increase in foreign investors looking; we have a lot of clients looking at projects in Australia again

- Meredith Campion

Mount Holland lithium operation by building a 45,000tpa lithium hydroxide plant at Kwinana.

Cannings Purple managing director Warrick Hazeldine, whose firm advised Mineral Resources on the Wodgina deal, said both transactions were indicative of the shifting attention from corporates and investors towards the delivery of the state's potential.

"A key focus was on securing world-class hard-rock deposits with long-term potential," Mr Hazeldine told *Business News*.

"These two joint ventures are great examples of a wave of long-

term investment to ensure a new downstream processing industry can take hold in this state and create not just jobs, royalties income and shareholder returns but hopefully the know-how for the next generation of workers in the battery metals sector.

"I would expect the corporate narrative this year to focus heavily on the delivery of early goals for these long-term ventures – including the benefit these and other lithium projects are delivering to the state, and in particular regional WA."

Gold was also a major highlight of M&A in WA during the past 12 months, with miners Northern Star Resources, Doray Minerals, Silver Lake Resources and Ramelius Resources driving major transactions.

The largest value M&A deal in WA's gold mining sector in 2018 was a \$421 million tie-up between Silver Lake Resources and Doray Minerals.

Ramelius launched a \$59 million hostile takeover bid for junior explorer Explaurum in September, a deal flagged at the time to kick-start further consolidation in the sector.

HopgoodGanim partner Paul



TECH METAL: Warrick Hazeldine believes WA's lithium sector came of age in 2018. Photo: Cannings Purple

Harley told *Business News* that mid-tier miners were joining forces in efforts to capture more attention from institutional investors.

"Gold's been fantastic," Mr Harley said. "While the headline gold price hasn't moved a lot, our currency has, and that's made it competitive."

"There are margins to be made in gold now, and I see people pulling the trigger to pull ounces out of the ground and make that margin."

"The Doray-Silver Lake merger is a great example of where the consolidation in mid-tier gold is."

"All the mid-tier guys are trying to combine to jump in with the big guys, to get that relevance and increase the return for shareholders."

"Effectively what they are trying to do is put themselves in the eye line of the big funds and get that institutional backing."

Northern Star accounted for the biggest-value asset grab in gold, with the Bill Beament-led miner splurging \$347 million on its first asset outside of WA in the Pogo underground mine in the US, which it bought from Japan's Sumitomo Corporation.

"Northern Star were having a good look around, they've been cashed up for a long time and you get the sense that they did have a look at quite a few projects," Mr Harley said.

"Everything I've heard about Pogo is that the resource is amazing, the key will be bedding down the operations."

"One thing about Northern Star is they are really disciplined operators, they are in that top tier of operational know-how."

"They have that relevance, which the other guys are aspiring to."

Outside of gold and lithium, Mr Harley said base metals were also garnering interest, particularly from big international private equity players.

A recent report by Wood Mackenzie flagged nickel as an M&A hotspot in 2019, with many nickel producers' share prices at lows not experienced since mid-2017.

US-based private equity group Black Mountain Metals is spearheading a push into the WA's nickel sector, with its activity including a failed takeover bid for Poseidon Nickel and the \$15.1 million acquisition of Panoramic Resources' Lanfranchi mine near Kambalda.

"Black Mountain has obviously got a strategy around WA nickel, it's a good nickel province historically and there are some good assets out there," Mr Harley said.

"They are bullish on nickel, they make no bones about that."

He said the rising interest in nickel was similar to the lithium sector, in that the mineral was a key ingredient in the manufacture of lithium-ion batteries.

"If you go to as many mining conferences as we do, you've certainly heard about the battery revolution many times," Mr Harley said.

"The nickel guys are certainly riding that wave, but nickel has a lot of other industrial applications."

"So what drives nickel is not only this battery blue sky, but also the fundamentals of a growing US economy."

"We can't lose sight of what that actually means for commodity prices, which is a lot more important than the hype around battery cars in China."

"That provides your froth, your real excitement, and you see copper starting to move now was well."



2018 M&A highlights

Biggest company acquisitions

\$2.9bn	Santos's acquisition of Quadrant Energy
\$1.97bn	BGH Capital's bid for Navitas
\$602m	Mitsui & Co's acquisition of AWE

Biggest asset acquisitions

Lithium	
\$1.6bn	Albemarle acquiring a 50% stake in Mineral Resources' Wodgina lithium operation (<i>pictured</i>)
Gold	
\$347m	Northern Star Resources' acquisition of the Pogo underground gold mine
Iron ore	
\$290m	Hancock Prospecting's acquisition of Atlas Iron

410 CORPORATE FINANCE STAFF AT TOP 40 FIRMS

Rank	Change from previous year	Company name	Senior executive and title	Year est. in WA	Total staff in WA	Staff in corporate finance area (WA)	Offices a) WA b) interstate	Core business
1	—	EY	Ms Fiona Drummond Managing Partner, Western Region	1989	690	68	a) 1 b) 6	Provides strategic financial advice and transaction execution expertise. Areas of specialisation include mergers & acquisitions, transaction support, valuation advisory services, business modelling, restructuring, oil & gas, mining...
2	—	Deloitte	Mr Michael McNulty Managing Partner, Western Australia	1891	550	44	a) 1 b) 17	Acquisitions, takeovers, mergers, divestments, due diligence, capital raising, valuations and modelling, infrastructure advisory and Deloitte Access Economics. We serve an international and national blue chip and SME client base.
3	—	PwC	Ms Michelle Tremain Managing Partner, Perth	1896	600	30	a) 1 b) 9	Strategic advice and assistance across a full range of deal services including mergers, acquisitions, divestments, takeovers, strategic options analysis, financial modelling, restructuring, IPOs, capital raisings, infrastructure advisory...
4	—	Azure Capital	Mr Adrian Arundell Managing Partner	2004	31	26	a) 1 b) 1	Provides a range of corporate advisory services including advice in relation to mergers & acquisitions, equity and debt capital markets and financing transactions. Assists early stage companies in raising growth capital
5	—	BDO	Mr Sherif Andrawes Partner, Corporate Finance	1978	215	22	a) 1 b) 9	Corporate advisory, independent expert, investigating accountant, due diligence, valuation services, mergers and acquisitions
6	—	Argonaut	Mr Glen Colgan Managing Director	2002	44	16	a) 1	Argonaut is a full service advisory, stockbroking & research and investment house with offices in Perth and Hong Kong
7	—	Patersons Securities	Mr Aaron Constantine Executive Director, Head of Corporate Finance	1903	162	NFP	a) 4 b) 6	Capital markets and corporate advisory
8	—	Hartleys	Mr Dale Bryan Director, Head of Corporate Finance	1955	110	11	a) 1	Range of services to listed and unlisted companies including equity capital markets, mergers and acquisitions, corporate & strategic advisory services, equity research, stockbroking and portfolio management
9	—	Regency Corporate	Mr Philip Re Principal, Managing Director	2001	10	NFP		
10	—	KPMG	Mr Gary Smith Chairman of Partners, WA	1907	515	9	a) 2 b) 11	Divestments, acquisitions, takeovers, bid defence, debt advisory, equity advisory, real estate advisory, IPOs, private equity, public private partnerships, privatisations, project and structured finance, valuations, independent expert...
11	—	Macquarie Capital	Mr John Stanning Division Director	1984	150	9	a) 1 b) 10	Full range of corporate advisory services including mergers and acquisitions, equity and debt capital markets advisory and raisings, restructurings, privatisations and tailored strategic and financial advice including public private partnerships...
12	—	RSM	Ms Nadine Marke Partner	1922	402	8	a) 18 b) 11	Corporate advisory, independent expert, investigating accountant, due diligence, mergers and acquisitions and valuation services
13	—	Euroz Securities	Mr Brian Beresford Executive Director; Head of Corporate Finance	2000	65	8	a) 1	Provides equities dealing, corporate finance and research services relating to companies listed on the Australian Securities Exchange
14	—	Indian Ocean Consulting Group	Luke Martino Director	2007	12	8	a) 1 b) 1	Corporate advisory, strategic planning, capital raising, investment banking services, corporate secretarial
15	—	PCF Capital	Mr Liam Twigger Managing Director	1999	9	8	a) 1	PCF Capital is an independent Australian-based corporate advisory firm providing clients in the resources sector with high quality corporate finance and capital markets advice
16	—	CPS Capital Group	Mr Tony Cunningham Managing Director	2001	30	7	a) 1	Stockbroking and capital raising
17	—	Gresham Partners	Mr Chris Branston & Mr Michael Smith Executive Director(s), Perth	1997	8	7	a) 1 b) 2	Gresham Advisory Partners is a leading Australian M&A and corporate advisory practice and one of the largest and highest ranking independent corporate advisors operating in the Australian market
18	—	Mainsheet Capital	Mr Maurice Argento Managing Director, Perth	2016	7	7	a) 1 b) 1	Mergers and acquisitions, divestments, capital raising & IPOs, debt advisory, due diligence and business valuations
19	—	Akamai Management Group	Mr Tri Suseno Managing Director	2007	78	6	a) 1 b) 1	Business consultants, corporate advisory, management consultants and investments
20	—	MVP Financial	Mr Doug Verley Director, Strategy, Coaching & Advisory	1985	25	6	a) 2	

All information compiled using surveys, publicly available data and contact with industry sources. Other companies may be eligible for inclusion. If you believe your company is eligible, please email claire.byl@businessnews.com.au.
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**CORPORATE FINANCE STAFF
AT TOP 10 FIRMS DOWN 9.4%**

Rank	Change from previous year	Company name	Senior executive and title	Year est. in WA	Total staff in WA	Staff in corporate finance area (WA)	Offices a) WA b) interstate	Core business
21	—	Mac Equity Partners	Mr Bryant McLarty Principal	2003	10	6	a) 1	Provide specialised expertise in the areas of capital raising and strategic corporate services to clients and stockbroking services to wholesale investors
22	—	Ventnor Capital	Mr Morgan Barron Executive Director, Partner	2004	9	6	a) 1	Mergers and acquisitions, capital raisings, IPOs, placements, SPPs and other new issues, corporate advice on IPOs and RTOs on ASX, AIM and TSX, strategic advice and planning, corporate compliance and administration, asset divestments...
23	—	Trident Capital	Mr Adam Sierakowski Co-Founder, Director	2002	8	6	a) 1	Corporate advisory, domestic and international capital raisings, ASX listings, reverse takeovers, corporate reconstructions, mergers and acquisitions, corporate transaction and secretarial
24	—	Banksia Capital	Mr Mark Dutton Director and Founder	2003	6	6	a) 1	Provides equity funds for expansion, acquisition and small-to-mid market buyouts in WA
25	—	Goldman Sachs	Mr Peter Watson Managing Director	2012	6	6	a) 1 b) 2	Investment banking, securities, investing and lending, investment management, research
26	—	Otsana Capital	Mr Faldi Ismail Managing Director	2010	6	6	a) 1	Corporate restructures, ASX Listings – IPO's and Reverse Take Overs (RTO's), company recapitalisation - capital raising and debt finance, company / project evaluation and identification
27	—	DJ Carmichael	Mr Davide Bosio Managing Director	1896	36	5	a) 2	Equity capital markets - seed capital, Initial Public Offers, placements and secondary markets, Share Purchase Plans, Rights Issues. Advisory - financial modelling, corporate strategy, board and management restructuring...
28	—	Grange Consulting	Mr Ian MacIver Executive Chair	1995	7	5	a) 1	Corporate advisory services related to capital raising and corporate finance transactions. Capital raisings undertaken through Grange Capital Partners, the licensed securities arm of Grange
29	—	Cygnnet Capital	Mr Darien Jagger Managing Director	2003	5	5	a) 1 b) 2	Corporate advice, investment banking, capital raising, equities trading, equity research, mergers and acquisitions, reverse takeovers, recapitalisation.
30	—	Wolfstar Group	Mr Brett Fraser Director	2002	11	4	a) 1	Provides corporate advisory and financial and company secretarial services to organisations in all industries
31	—	Mergers & Acquisitions	Mr Ross Goldstein Managing Director WA	1988	6	4	a) 1 b) 3	Mergers & Acquisitions is a leading specialist in the sale of businesses and companies in the \$5 million to \$200 million price range.
32	—	Ashanti Capital	Mr Rob Hamilton Managing Director		5	4	a) 1	Capital raisings, mergers and acquisitions, financial advisory, investor relations
33	—	Lazard	Mr Trent Lisle Managing Director	2010	5	4	a) 1 b) 2	Corporate finance
34	—	Pendulum Capital	Mr Peter Fogarty Director	2004	5	4	a) 1	Corporate advisory and finance services
35	—	FIIG Securities	Mr Darryl Bruce State Manager, WA	2011	4	4	a) 1 b) 3	OTC Bond Market, Rolling Term Deposit Service, Bond Issuance
36	—	Sternship Advisers	Mr Tim Day Director	2017	4	4	a) 1	Corporate advisory
37	—	Merchant Group	Mr Andrew Chapman Managing Director	2012	10	3	a) 1 b) 1	Fund management, stockbroking
38	—	RFC Ambrian	Mr Stephen Allen Executive Director	1984	NFP	NFP	a) 1 b) 1	Investment and corporate finance advisory
39	—	JP Equity Partners	Mr Jason Skinner Managing Director	2018	4	3	a) 1	JP Equity Partners is a professional Australian Financial Services Licensed team identifying and assisting engagement between emerging companies and high net worth/sophisticated investors

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 79

RANKED BY TOTAL NUMBER OF STAFF IN CORPORATE FINANCE AREA (WA)

All information compiled using surveys, publicly available data and contact with industry sources. Other companies may be eligible for inclusion. If you believe your company is eligible, please email claire.byl@businessnews.com.au. WND: Would Not Disclose, NFP: Not For Publication, N/A: Not Applicable or Not Available.

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Department of Finance. Western Australian Treasury Corporation Department of Treasury Gold Corporation ... Australian Treasury Corporation today. WATC is the state's central borrowing authority, additionally ... serves on the board of the Gold Corporation.

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08 Jan 2019 by Matt Birney

heavyweight Sumitomo Corporation, over its significant suite of Australian projects dotted throughout the ... President Quinton Hennigh said: "We are delighted to continue working with Sumitomo Corporation to advance ... to evaluate, finance and develop mines."

Corporate finance deals Sep 24 to 28, 2018

01 Oct 2018 by Edited announcement

acquisition provisions of the Corporations Act 2001 such that Titan now holds 100% of Andina. Alderan ...

Corporate finance deals August 2018

03 Sep 2018 by Edited announcement

Fleetwood Corporation is pleased to announce that it has completed the sale of the Coromal and Windsor ... Tranche 1 Share. Gulf Manganese Corporation is pleased to announce that it has agreed to place ... the Placement.

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30 million to 375 million barrels. The project is a joint venture with US-based Apache Corporation ... costs of up to \$70 million. Department of Finance Department of Jobs Tourism Science and Innovation ...

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