

Corporate Money

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Maizels in unique tie-up with MeritaNB

Scandinavian M&A activity has consistently outgrown its Continental counterparts in the recent past. And rapid consolidation in Continental banking has found its way into the region. This frenetic pace of change in the financial marketplaces of the Nordic region has led to a transaction which is unique to say the least.

With president Mark Florman leading the way, Scandinavian corporate finance advisory boutique Maizels Westerberg looks set to expand upon its strong existing position in the region. The company has struck a deal with Finnish giant MeritaNordbanken which will see Maizels gain control of the bank's domestic advisory activities under the banner of Maizels, MeritaNordbanken, Investment Banking.

The pace of corporate activity in the Nordic region has helped Maizels grow substantially since its inception in 1992, leading to its position as the top independent corporate finance house advising on European acquisitions (source: *Acquisitions Monthly*). But for Florman, the acceleration of M&A activity ensured that organic growth could never be rapid enough.

To make the move viable, "you need a model that is really special", said an enthused Florman. Though the deal with

Merita removes its independence, it provides ample rewards, arming Maizels with high-yield bond, equity, acquisition finance and private equity capabilities. Florman decided to look to New York and the number of US boutiques which have expanded activities based upon M&A growth.

The decision to utilise the 'New York model' was inspired by Florman himself, who saw definite similarities between the US and the vibrant Nordic region. Companies such as Wasserstein Perella and Blackstone became the inspiration for this model, which is unique among European boutiques. Though Merita will assume ownership Maizels, removing its classification as a bona fide independent 'boutique', Florman stresses the point that the structure will not change, with Maizels holding autonomy and independence in advisory services. And the increase in personnel from 20 to 80 will not alter the internal dynamic of the group, which sees the ratio of business professionals to back-up staff dominated substantially by the former.

This pioneering move stems primarily from the boom in corporate activity in the Scandinavian region. "This is a tremendous place to make acquisitions" said Florman. The growth, he noted, stems to a certain extent from UK

companies' eagerness to tap Continental markets. And where better to start than the English-speaking countries in the North.

Through this deal, Maizels will become the advisory leader in Finland, with an eye on Swedish expansion and eventually a move into Norway. In MeritaNordbanken, the group certainly has an active partner. This week the bank extended the deadline on its bid for Norway's Christiania Bank. In its way stands Norway's protectionist government, which favours a tie-up between Christiania and its bigger rival Den Norske Bank, or even with insurance group Storebrand. The board of Christiania, however, is believed to have reacted positively to the bid from Merita. The deadline, which has been moved to December 22nd, may not be long enough for the Norwegians to decide on the bid, which originally stood at some Nkr44 per share.

It will still be a major coup if Merita succeeds in its ambitious bid. The Norwegian government can be a major stumbling block, as bidders for petroleum products company Saga can bear witness. But whatever the outcome, the old Maizels Westerberg seems certain to embark on a period of real expansion following the deal.