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WHEN LINCOLN PARTNERS AND PETERS ASSOCIATES STOOD SHOULDER-TO-SHOULDER EARLIER THIS YEAR, UNITING UNDER THE LINCOLN INTERNATIONAL BRAND, THEY CAME UP WITH AN INDUSTRY FIRST - A TRANS-ATLANTIC ADVISORY GROUP FOR THE MID-CAP MARKET. ACQ'S MORAG DICKSON SPOKE TO DR MICHAEL DRILL, CEO OF LINCOLN INTERNATIONAL IN GERMANY, ABOUT HOW THE CONCEPTUAL ALLIANCE IS TRANSLATING INTO REAL BUSINESS.

Dr Michael Drill has no shortage of industry experience. He has worked in the M&A business for 14 years, spanning appointments in German-related M&A at pre-Citigroup Global Markets Inc., Schroder Salomon Smith Barney of London and as Head of M&A at Sal. Oppenheim - Europe's largest private bank.

In April of this year, Dr Drill took up the leadership of Lincoln International's German team of around 25 investment bankers in a calculated follow-through of his managerial experience. "Having worked on German-related M&A transactions for a good many years, I wanted to address the global reach issue and Lincoln International's business model afforded me that," he explains.

GLOBAL REACH IN THE MID-CAP MARKET

"I was intrigued by Lincoln International's business model," admits Dr Drill with refreshing honesty. "It represents an industry first in which mid-cap M&A deals - primarily sell side assignments - are undertaken with an international approach.

"At our offices in Chicago, Frankfurt, Los Angeles, New York and Paris we have more than 100 M&A professionals who, in 2006, advised on 80 completed transactions, a substantial percentage of which have been cross-border or trans-Atlantic. Clearly, the complexities of cross-border deals are many, involving different legislative, regulatory and tax aspects and, even

more importantly, cultural challenges. Because our advisers are familiar with these issues, we are equipped to handle them with efficiency and confidence."

So how did the alliance come about? "Prior to becoming Lincoln International, Lincoln Partners and Peters Associates were very strong domestic M&A houses in their respective domains; Chicago-based Lincoln Partners in the US and Frankfurt-based Peters Associates in Germany. The realisation came in 2005, when both firms identified global reach as a theme that was central to the firms' future operations. And so the strategic alliance was born," says Dr Drill.

Over a period of eight months, the teams won and successfully completed three cross-border joint mandates, one of which saw The Riverside Company's disposal of American Electronic Components (AEC) to Siemens VDO Automotive Corporation.

"This collaborative period brought to light the commonalities between both parties in terms of corporate culture as well as the synergies to be extracted through the generation of new business. The decision was then taken to integrate the businesses and team up under the same brand and leadership."

This would account for the US-German deal path but does not yet explain the French contingent...

"Well, shortly after celebrating the alliance, we decided to open a Paris office with, currently, a dozen M&A professionals," explains the expert.

"Establishing a foothold in France was a particularly strategic move, knowing France to be an important stepping-stone in US and German deal-flow."

LINCOLN INTERNATIONAL: AN INNOVATIVE BUSINESS MODEL

The rationale that underpins Lincoln's operations appears to be rooted in a business model that was developed in response to demands that have been measured over a period of time.

"With offices in the world's top financial centres, we are able to create and deploy international project teams accordingly. Our approach to staff and the management of sell-side engagements has received positive accolades from large corporations and prestigious private equity houses alike - both of which are major client groups for us. When we are talking about clients of this magnitude and calibre, it makes us very proud to be their mid market adviser of choice."

NEW HORIZONS

April of this year brought the formation of a strategic alliance with China Everbright Limited. Everbright has investment banking offices in Hong Kong, Beijing and Shenzhen and, via affiliate, Everbright Securities Co. Ltd., Shanghai. The partnership sees an additional 100 investment bankers join Lincoln's international team.

"Our vision - to be represented on a global scale - is certainly taking shape. In Germany, we plan to continue our growth over the next one to two years in order to gain a dominant market



Dr Michael Drill

positioning akin to that in the US."

And your guiding principles moving forwards?

"As the first and only truly international, integrated, independent mid-market M&A adviser, Lincoln International leverages outstanding people, practices and presence to provide clients with in-depth industry knowledge and superior access to a comprehensive range of buyers, sellers and investors. Our professionals are global investment bankers with the cultural knowledge and linguistic excellence that overseas appointments afford. And the one slogan that binds us as a collective reads: *'Results you can rely on.'*

I can believe it. ACQ

details...

Dr Michael Drill
Lincoln International, Frankfurt
www.lincolnternational.com
m.drill@lincolnternational.de
+49 69 97105 461