

NEW CORPORATE ADVISORY PRACTICE HELPING MIDDLE MARKET FIRMS GO PUBLIC

Specialist expertise in M&A deals, divestments, public listings and capital raisings within TMT, life sciences and healthcare sectors



SYDNEY: A new boutique corporate advisory house has launched in Australia with an aim to disrupt traditional M&A firms and to capitalise on the lucrative boom in tech and healthcare stocks and take them public.

Cube Capital, based in Sydney's CBD, is targeting middle market investment banking transactions. It is focused on deals within the information technology, media, telecommunications, healthcare and life sciences sectors.

The new firm brings a combined 60 years' experience in corporate advisory and transactional

Cube Capital Sydney targeting middle market investment banking transactions

Written by Hani Iskander

deal flow success. Cube Capital is the brainchild of veteran entrepreneur and global technology executive Hani Iskander. Mr Iskander is joined at Cube Capital by fellow partners, Susan Lay and Kashif Ansari.

“Australia’s tech sector is huge. It’s worth over \$100billion and about 5 per cent of Australia’s GDP. However there are only 41 companies listed on the ASX with a market capitalisation of more than \$100million. Only 54 companies exceed \$50million in market capitalisation. There is room to double the number of tech companies on the ASX in the next four to five years if and when we can help guide them through a listing,” Mr Iskander said.

“We assist Australian and international clients undergoing a merger, acquisition, divestment, capital raising or public listing on a stock exchange, including the ASX.

“With a boom in Australian start ups, a thirst for working capital and a resurgence in biotech and life sciences, investors have an appetite for deal flow, transactions and the next big thing.

“Our sweet spot is helping and guiding middle market listed and private businesses in the

information technology, media, telecommunications, healthcare and life sciences sectors. We also advise inbound and outbound clients with cross-border transactions such as establishment of joint ventures, distribution channels and offshore partnerships.

“Cube Capital clients are often pursuing high-growth strategies. They are innovators of convergent and disruptive technologies and business models. They are growing much faster and more valuable than their peers,” he said.

Cube Capital has identified three main reasons for why traditional privately-held technology companies shy from considering a listing on the ASX. They are:

1.

Founders knowledge gap – they often find themselves in a situation where they don’t know what to do and who to go to.

2.

Reluctance by founders to be held ‘accountable’. There is a need for annual audits and establish a professional board of directors.

3.

Fear by founders of having to answer to public shareholders. There is a need to perform

to plans and expectations, and to be measured publicly against peers.

Through Cube Capital, Australian tech companies can:

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* Increase the capital on their balance sheet by raising capital for faster organic growth and by acquisitions.

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* Grow their company's valuation. A privately-held company's valuation is usually half of what it could be if it were a public company.

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* Divest equity at anytime in small or large parcels. Today, as a private company, founders cannot easily sell 10% or 20% of their shareholding. When trading on the ASX you can sell 1%, 5% or 20%.

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* Immediately gain more prestige, visibility and respect by clients and business partners as an ASX company. Prospective clients, especially large ones like government departments and corporates give more credence to suppliers of products and services when they're public companies.

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“With the ASX focusing on shifting from the mining boom to the tech boom, now is an opportunity for Australian tech companies to develop strategies to enter this growing market.”