

# Morrow Sodali considers targets up to USD 50m – CEO

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**Morrow Sodali**, a US-headquartered firm, will continue looking for acquisitions to strengthen its services and facilitate geographic growth with a view to becoming a global leader in the M&A space in proxy solicitation, shareholder services and governance advisory space, CEO Alvise Recchi said.

The company will consider targets up to USD 50m, he said. Yet the sweet spot for the company is between USD 10m and USD 20m, he added.

The company's shareholders, Greenwich, Connecticut-based investment firm **MC Square** along with Milan-headquartered **Fidia Holding**, will help finance potential acquisitions, Recchi said. They also act as the company's financial adviser, Recchi said. A potential target may be a consultancy specialising in one of the company's core services ranging from shareholder communications and proxy solicitation to corporate and analytical advisory services, Recchi said. The company does not plan to diversify, he added.

On 21 March, Morrow Sodali announced a purchase of Australian proxy specialist **Global Proxy Solicitation** (GPS). The value of the deal was not revealed.

However, Recchi said that it was within the budget frame outlined in an interview with this news service last year, USD 10m-USD 15m.

In May 2016, Recchi told this news service that Morrow Sodali plans to focus on its core geographies: Europe, the US and Latin America. He also mentioned Hong Kong, Japan and Australia as potential new markets to enter.

The company decided to start with Australia because GPS is an established company with an "incredible portfolio of clients", Recchi said. In addition, the regulatory environment is good in Australia with lots of activism, Recchi said.

In the future Morrow will also focus on markets where services are strong, Recchi said, citing the US as the top one. The UK is also in this list, he added. In Europe the majority of players in the space are too small, Recchi said.

There is no time frame regarding potential acquisitions, Recchi said.

Recchi declined to reveal Morrow Sodali Global's revenues, but said they are between USD 50m and USD 100m.

## Leadership aspirations

Morrow Sodali is well-positioned to become an M&A leader in its space because its two global competitors are no longer independent and Morrow Sodali Global is the only large independent player in the space, Recchi said.

Recchi named New York City-headquartered **D.F. King** and **Georgeson** as its key competitors. **Link Group** [ASX: LNK] bought D.F. King in 2014. Georgeson was acquired by **Computershare** [ASX: CPU] in 2003.

Other competitors have local presence and mainly operate in North America, he said, naming Toronto based **Kingsdale**, Bloomfield, New Jersey based **Alliance Advisors**, New York, New York based **Mackenzie Partners** and **Okapi Partners** among them.

Morrow Sodali Global was created when London-based Sodali acquired Stamford, Connecticut-based Morrow & Co in May 2016. The acquisition was financed by MC Square Capital, along with Fidias Holding, which became shareholders in the newly created entity, Recchi said. The value of the deal was not disclosed. The majority of the company is held by Morrow Sodali Global management, as reported by this news service.

Morrow Sodali Global has 150 employees and more than 10 offices globally. The company provides its services to over 600 clients in 37 markets.

by Natalia Lapotko