



Merchant Bank of the Year - UK & Best for Proprietary Investments - UK

Strand Hanson Ltd

Strand Hanson is a management owned, independent, advisory led modern merchant bank. Stuart Faulkner talks us through the firm's approach to business transactions and the various ways in which they support clients.



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DEAL of the year



Company: Strand Hanson
 Email: info@strandhanson.co.uk
 Web Address: <http://www.strandhanson.co.uk/>
 Address: 26 Mount Row, Mayfair
 London, W1K 3SQ
 Telephone: +44 (0) 20 7409 3494

Strand Hanson act primarily for corporates and financial sponsors / private equity, but also act for institutional investors, entrepreneurs and activist shareholders.

As a firm we undertake a broad range of M&A, ECM, DCM and restructuring mandates for our clients, who value our bespoke creative and conflicted advice. Whilst we are sector agnostic, we do have extensive experience in a number of specific areas including oil and gas; mining; agriculture; renewables; support services and technology.

Our main key competitive advantage is our independence, and we are almost unique in that, as an advisory house encompassing AIM, UKLA and Code advisory work we are not owned and controlled by a larger entity, such as a broking house, accounting firm or integrated investment bank.

This provides us with the advantage that we can offer our clients genuinely independent advice, unaffected by the inherent conflicts in firms where the bulk of the revenue is generated by non-advisory business lines. Our second key competitive advantage is our teamwork-driven approach, including a senior team that has been together over a decade, which can create innovative solutions to transactional problems, whilst providing an unmatched consistency of team and service to our clients. We place significant emphasis on building deep and long lasting relationships with our clients which we believe enables us to provide better strategic and financial advice to them.

Finally, our sector expertise provides us with real insight into the risks and opportunities our clients, their funders and counterparties face on a day to day basis.

This expertise comes from our vast experience in supporting clients through their mergers and acquisitions. Ultimately the key to any transaction, whether ECM or M&A, is to bring together all the relevant market participants and for the advisory team to have the expertise, experience and drive to ensure that a mutually beneficial deal is struck for all parties. As such we pride ourselves on our depth of knowledge of our clients and their business plans and our extensive and deep relationships, often forged over decades, within the advisory community with other advisers, including brokers, lawyers and other bankers.

Equally important to any transaction is trust, as participants must trust each other in order to consummate a mutually beneficial relationship, whether it is between investors and investee companies, in an ECM or DCM situation or between corporates in an M&A situation.

One of our key roles is to make sure that such trust is engendered, by providing dispassionate, expert advice and by seeking solutions, not pointless confrontations, while remaining firm, and confident in the technical backing for our advice, when the inevitable storms blow up. To do that requires a mix of strong client sector and country knowledge combined with extensive transactional expertise and experience.

Being based in London we have the advantage of being at the centre of global trade and we do not see that changing in the short to medium term, as it remains in the ideal time zone for Europe, the Americas, Africa and Asia alike, whilst having the infrastructure and personnel commensurate with its current and historic role as a hub of world commerce and global finance. This is reinforced by London's highly regarded regulatory systems (from the UKLA, to AIM to the Takeover Panel) as well as the legal protections available to market participants. Most critically, the capital pools available in London which are genuinely global in both source and outlook and tend to be more comfortable with the risks associated with emerging markets.

Strand Hanson also has the advantage of its African office, established nearly a decade ago, allowing us to service clients on the ground in one of our key jurisdictions in sub-Saharan Africa.

Moving forward we believe that London will continue to be a key centre for the flow of capital into emerging markets and that much of the structuring and execution of transactions will continue to take place here. However, as we have already seen, in order fully to participate in these transactions, local knowledge and parties, and even local offices, will remain critical-as will an established track record of successful deal execution in those jurisdictions.

In addition, we believe that emerging market transactions will increasingly include genuine long-term local partners and funders (as opposed to being primarily led by overseas investors and NGO investors), particularly as deal flow moves from extractive industries-led deals to infrastructure and services deals, which we believe will underpin increasing levels of growth in most emerging markets, particularly in Africa.