

# FINANCIAL NEWS

## Moelis prepares for London hiring spree

If you are a respected corporate finance banker in London, you might well have received a call from Moelis & Company in the past couple of months or you might get one soon as the US boutique prepares to recruit in Europe's biggest financial centre.

Eighteen months and more than 150 hires after its formation, former UBS investment banking president Ken Moelis is preparing to launch his eponymous boutique into the London market as he plots international expansion.

Just under three months ago, Moelis hired Kristian Bagger, a for-

mer vice-chairman of investment banking at Deutsche Bank, to head the firm's London office and build European business. Since then, Bagger has embarked on a process of identifying and meeting scores of top investment bankers while looking to recruit partners and bankers for Moelis & Co in Europe.

Bagger said: "There is a lot of interest in our story. Those who know what we have done in the US

are very impressed, and we are in conversations with key people at all the top companies about changing T-shirts next year."

Bagger has already recruited a handful of junior staff. However, big hires will be carried out next year as top bankers wait to be paid what are likely to be low bonuses and consider their next move. Bagger's main pitch to potential partners is the rapid, successful expansion of Moelis & Co in the US.

From a standing start in the middle of 2007, Moelis & Co employs about 160 people, has offices in New York, Los Angeles, Boston and Chicago and has worked on some of the largest deals of the past 12 months, including advising Yahoo! on an approach from Microsoft and Anheuser-Busch on its \$52bn (€41bn) takeover by Belgian brewer InBev. These deals have established Moelis & Co as a leading independ-

ent North American investment bank. However, in Europe the name is less well known.

Moelis admitted this, but said his firm can replicate its US success in London and the wider European market, which he expects in time will account for half of all fee income. He said: "This is a word-of-mouth business. Our aim is to provide high-end, value-added services to our clients, who will spread our name quickly."

To get things started, Moelis has made regular visits to Europe in the past couple of months and, with Bagger, has had meetings with potential clients. Moelis said: "We had some great meetings. People are excited about what we are doing and the dealflow we are part of."

Bagger is a well known name among Benelux and Nordic companies and he has more than 20 years of experience in the market and close relationships with businesses including Dutch paints and coatings company AkzoNobel, Danish brewer Carlsberg and Swedish buy-out firm EQT.

### Moelis & Company's largest deals

Deal	Deal size, \$bn	Adviser to
InBev takeover of Anheuser-Busch	52.0	Anheuser-Busch
Microsoft takeover offer for Yahoo!	45.0	Yahoo! on bid defence
Blackstone buyout of Hilton Hotels	20.0	Hilton Hotels
Invitrogen takeover of Applied Biosystems	6.7	Invitrogen
WPP takeover of Taylor Nelson Sofres	2.8	Taylor Nelson Sofres*

Source: *Financial News*      \*Moelis & Company's first European mandate

After joining Deutsche Bank with its takeover of Bankers Trust, he worked as the bank's head of industrials, consumer and healthcare industry groups and head of Nordic and Benelux investment banking before becoming a vice-chairman of its investment banking business.

Bagger said joining an independent firm would not be for everyone and many staff in large investment banks would struggle outside them, but there are opportunities for those with the right skills. He said: "This is a great time to look for top-notch talent. We feel very good about having the capability to secure high-quality people."

An example of this has been high-profile hires made by independent firms Lazard and Rothschild.

Rothschild hired three top former Lehman Brothers' financial institutions bankers including Antonio Villalon, a former vice-chairman at the collapsed US investment bank, while Lazard recruited two other senior former Lehman financial institutions group bankers.

Bagger said: "The number one strategic priority for me is to ensure we create the necessary critical mass in the course of 2009, so when people look at Moelis & Company they realise it is not only a first-class firm but also has a solid franchise."

Creating this business might not be easy according to some and one banker at a boutique firm said creating a client franchise from scratch will take time and patience.

He said: "At the beginning it is very difficult. You might have a lot of big names who have some client relationships, but asking a chief executive or chairman to take the gamble of hiring an unknown firm is difficult and leaves you very little margin for error."

Bagger said all the clients he has spoken to so far are interested in using Moelis & Co and like the idea of using an independent advisory firm, which has fewer of the conflicts and leaks associated with using a larger bank.

He said: "If you are providing high-level financial advice then people will want your services



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Kristian Bagger,  
Moelis & Company

largely regardless of what firm you are working for."

Another issue for a start out boutique such as Moelis & Co will be to convince bankers, who could potentially start their own independent advisory boutique, of the benefits of joining a firm largely unknown outside its home market.

In October, former Lehman Brothers UK investment banking head Michael Tory set up his own London-based advisory business, Quattro Partners.

Tory might be the sort of high-profile partner Moelis & Co is looking for, but some bankers at this level may feel they could do better on their own, following the model of former Goldman Sachs European investment banking head Simon Robertson, who has established himself as a one-man, top-level advisory business, or former Citigroup investment banking chief executive Michael Klein, who has also established himself as a top-level adviser.

Bagger said: "We've all thought

<b>Kristian Bagger</b>	
<b>Curriculum Vitae</b>	
Age: 51	
<b>Education</b>	
Economics, University of Copenhagen	
<b>Career highlights</b>	
<b>1988:</b> Vice-president, Bankers Trust, New York	
<b>1992:</b> Moved to London as managing director, of Nordic & Dutch investment banking	
<b>1999:</b> Joined Deutsche Bank with Bankers Trust takeover	
<b>2003:</b> Appointed head of Deutsche Bank's industrials, consumer and healthcare groups	
<b>2005:</b> Appointed head of Nordic & Benelux investment banking	
<b>2007:</b> Appointed vice-chairman and managing director, Deutsche Bank	
<b>2008:</b> Head of Moelis & Company, London	
<b>Interests</b>	
Skiing, tennis and golf	

about setting up our own operations. However, the advantage of joining a firm like Moelis & Co is that it is small enough to control the quality of the service, but large enough to provide the a client with the comfort of knowing you have access to the wider geographic and industry expertise of the firm."

Building the business in London is crucial to Moelis & Co's plans to expand further east and the firm wants to establish offices in the Middle East and Asia in the next couple of years, most likely Shanghai, and has also looked at opening in Moscow, though after a recent trip Moelis and Bagger decided against doing that soon.

Moelis said: "After running a global organisation at UBS, I realised how important it is to have a high-quality operation in London in order to move further east. It's almost impossible to manage European and Asian offices from the New York timezone and having access to London's knowledge base is also crucial for our wider offering."