

Vying for Vegemite and IPO deals

MY WAY

Investment banker David Williams is the man who brought Vegemite back to Australia, and a lot more besides

JAMES KIRBY

Investment banker David Williams, of Kidder Williams, has been behind a string of very successful sharemarket floats. He's also made the headlines for his role in 'bringing Vegemite back to Australia'.

You like to claim you brought Vegemite back to Australia ... what actually happened there?

We were a small cog in the Bega Cheese team under chairman Barry Irvin. The trick was to find a way to buy Vegemite when it was not on the market at a value-enhancing price. (Bega bought Vegemite back into Australian ownership in a wider \$460 million deal with food multinational Mondelez.) How this was done while potential competitors were sleeping ... well, I'm afraid it is too soon after the event to reveal.

This was an example of Investment Banking 101 and where clients get value out of an adviser.

I will discuss it in a year or so but in the meantime think 007, *Get Smart* and international espionage!

Your specialisation is food: We never seem to create the great Australian food company though many have tried ... why can nobody get it going on a global scale?

Companies like Bega have done a fabulous job building a great Aus-



David Williams says Tassal has been his best personal investment so far, while he doesn't have a worst 'child'

LUIS ENRIQUE ASCUI

tralian food company with substantial domestic exports. However, some of the best of foreign food companies have had the historical benefit of government support in terms of tariffs, subsidies and antitrust concessions. These have created an uneven playing field for Australian companies trying to be big on the world stage.

You've been in oyster farms and salmon and almonds ... what's the next big thing?

For me the next big thing is in the crossover between food and nutraceuticals (products derived from food sources with extra health benefits) and pharmaceuticals. Using new technology to im-

prove gut health will, in many cases, also help companies use waste and by-products.

There are many "next big things" in aquaculture other than salmon and trees in species other than almonds, especially in areas where land and water are cheaper.

You're also active in financing medical companies such as the skin specialist PolyNovo — how do you select these high-risk/high-reward companies?

I choose first by gut feeling and whether I believe the story, followed by significant due diligence. PolyNovo is already becoming a great Australian medical company. It has been a great pre-

former for shareholders but better still it is changing people's lives. People will see breathtaking advances in the way in which burns, wounds, hernia and breast implants are treated.

Are you concerned the IPO market may close up with this market volatility ... we've seen a string of floats get cancelled such as Pexa and Firetrail?

I have no concerns. The IPO window will shut for a couple of months while the dust settles. However, even now companies, like PolyNovo, with significant growth potential and diversified foreign earnings, can still raise institutional funds of good prices.

RateMyAgent was a very different float for you — how did you get involved there?

The three founders (Mark Armstrong, Xavier Perronnet and Ed Van Roosendaal) came to me for seed funding and to act as a mentor and chairman. In a short period of time more than 80 per cent of Australian real estate agents are on the platform and RMA Global (the ASX-listed parent company) receives a review of agent performance for more than one in every three properties sold in Australia. There are over 29,000 agents and 500,000 reviews on the platform. The company has expanded to the US and New Zealand. In the US, the com-

pany has agents in every state increasing in number every week. All this with 60 staff sitting in an office in Richmond, Victoria.

These monied families in Melbourne such as the Smorgons et al you have as clients ... do you tell them about the best ideas or do they tell you?

I know and have enormous respect for all the family offices but I only share information with those we have an advisory relationship with ... Ervin Vidor in Sydney, for example, is a standout. (Vidor is linked with Adina and Medina hotels.)

The position of family offices has changed significantly over the last 20 years when "cash was king" and those offices could pick the eyes out of the best deals. Now money is a commodity and deal flow is king ... family offices are seeing many deals once they have been used up and picked over by others. They have a tougher task than 20 years ago.

Investment bankers look like hipsters these days — when will we see you in chinos?

I am slightly offended by the question [laughing]. I still see a 30-year-old in the mirror — I am reinforcing my delusion by using a 25-year-old photo on LinkedIn.

What was your best personal investment so far?

Tassal (the salmon producer), PolyNovo and Medical Developments have been excellent financial investments.

RateMyAgent will (hopefully) be my most attractive investment from a financial perspective.

What was your worst?

I don't have a worst "child" ... all have been enormously satisfying, but my time will come.