

FINANCIAL REVIEW

SE Market Wrap - Street Talk

HD **Next Capital to retain minority stake in Hirepool on listing**

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Mid-market private **equity firm** Next Capital is preparing to keep a minority **stake** in equipment rental business Hirepool in an effort to demonstrate its confidence in the initial public offering candidate.

Brokers Deutsche Bank / Craigs Investment Partners , UBS and Macquarie Capital were finalising pre-marketing research over the weekend.

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They are expected to distribute the reports to clients later this week.

The analysts were expected to value New Zealand's Hirepool at 10 to 11 times earnings before interest and tax, although it is hard to find a listed comparable in the region.

Other rental businesses, including Coates Hire and Hirequip (now part of Hirepool), are also in private hands.

The offer is expected to be worth about \$300 **million**, and, if successful, would see Rothschild-advised Hirepool list in both Australia and New Zealand.

There will also be a New Zealand retail offer.

The banks will tell potential investors that owner Next Capital would like to retain a "significant" minority **stake** at the IPO, which will reignite some debate about whether or not that's a good thing for Hirepool .

The pre-marketing analyst roadshow comes after some earlier meetings with investors.

In April, Hirepool 's brokers introduced the **company** to fund managers in **Hong Kong**, Wellington, Auckland, Sydney and Melbourne.

Investors sources said the presentations were light on financial detail, but management were bullish on New Zealand's construction cycle and the wider economy.

Next Capital entered the business in 2006, before bolting on a number of other companies including Hirequip.

Hirepool 's IPO is just the latest Kiwi **company** to pursue a dual-listing in Australia. **Energy** companies Mighty River Power , Genesis **Energy** and Meridian **Energy** have taken a similar path in the past two years, along with fuel retailer Z **Energy**. Investment bank UBS has been sounding Australian fund managers about Gentrack , an Auckland-based software business, ahead of its planned June 25 listing.

Elsewhere in listings, media monitoring business iSentia will hit the ASX boards on Thursday after raising \$283.5 **million** for its IPO.

The offer, priced at 15 times forecast 2015 financial year net profit after tax and amortisation, was handled by Macquarie and UBS .

CO abncrg : Craigs Investment Partners Ltd. | caohi : Coates Hire Ltd | irpool : Hirepool Limited | nxcp : Next Capital

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