

# Case study: XKO Group plc

Simon Beart, Chief Executive, XKO Group plc

Track record and experience is the standout factor selected by survey respondents\* when appointing advisers for the AIM process. Simon Beart, CEO, XKO Group plc explains: "Most printers can cope when everything runs according to plan; the key is to ensure that the Company and its advisers can rely on the printer when the unexpected occurs. Relationship and trust are fundamental and an ability to 'make it happen' is mandatory. We approached the AIM specialist, Millnet, prior to our listing which also involved two acquisitions - the challenge was the extensive costs from all parties should the process not succeed. For their part, we found Millnet understanding and flexible by being prepared to risk a much reduced fee should our IPO be pulled. As things turned out we were successful and, as agreed, we shared that success with Millnet. Our legal advisers at the time, Osborne Clarke, provided that initial support too; furthermore, once the lawyers are familiar with the Company much of the documentation is easily accessible for future deals and the systems and styles are well understood. The same goes for our Investment Bankers, Robert W. Baird who understand us and our styles well.

As an ex Investment Banker I spent many hours at the printers late at night, albeit some years ago. Life has moved on and technology has enhanced the document process. Our Finance Director, William Good feels that costs relating to an issue initially appear high, although the printer's costs are small fry compared with the total; first estimates can be somewhat meaningless due to the unforeseen changes in the documentation and specification. Looking back over our relationship with Millnet, it is interesting to note that I can't ever remember costs being outside my expectation - I can certainly vouch for a good value for money quality end result - which is what counts.

Impressions count too. I like the idea of a medium sized company; not too big for your documents to be just 'another document' and not too small to cope. If I was to start all over again I would certainly take the following into consideration at IPO:

- Experience of prior AIM listings, ideally within the applicant company's sector

- Proactive people with whom we can develop a relationship
- Evidence of an empathetic approach and experience with advisers
- Above average ability at the front-end in handling the day to day activities - a polite receptionist taking messages is no good on the night before a flotation!
- Seamless internal communication and handovers - having to explain twice is boring!
- Transparent costing with up front advice on the "what ifs"
- A 'can do' attitude.

Long term relationships with advisers should save time and expense especially on documentation; my advice: stick with the people with experience, you know and can trust."

Ian Barbour, Director, Millnet stresses the need for expertise: "We are proud to consider ourselves specialists at serving the AIM market with approx. 20% of successful flotations under our belt since 1995 spread across the full range of industry sectors.



Ian Barbour, Director, Millnet

"Over 250 successful flotations under our belt since 1995"

Furthermore, based in the square mile, we have the experience of working with most of the advisers and this allows us to work efficiently and amicably to ensure financial printing is delivered accurately and correctly ahead of expectations. We pride ourselves on our quick turnaround process and precise typesetting that gives us the ability to set documents during the night, receive corrections the following day and print that evening. From a simple black and white document to a glossier colour specification, our printing can offer a bespoke solution at a competitive price."

\*"AIM Listing Guide" pub. mergermarkets.com 2005

