
FINANCIAL REVIEW

Market Wrap - Street Talk

Macquarie, Morgans picked for IFM Investors-backed float

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IFM Investors' private equity team has tapped Macquarie Capital and Morgans to prepare its contracting services company Infrastructure Services Group Management (ISGM) for the ASX boards.

Street Talk understands ISGM has already begun working with the two brokers, following a pitching process last month, and is seeking to be on the road and presenting to potential investors before the end of the financial year.

ISGM, which is to be renamed Tandem Corp, is expected to seek to raise about \$150 million for its initial public offering in a deal valuing the company at more than \$200 million.

The freshly minted Tandem Corp is expected to be pitched to growth-oriented small cap investors who are familiar with the contracting and IT industries.

The company is the country's largest specialist contractor management company with more than 500 employees and 4000 subcontractors. It's best known for its long-dated contract with Telstra, where it manages subcontractors for things such as repairs and servicing on behalf of the telco giant.

It's expected to seek to lock in some other major customers before the float.

ISGM is backed by IFM Investors' private equity arm, which took a 50 per cent stake in the business last year. IFM's David Dawson represents the manager on the contracting company's board.

The company's other shareholders include founders and management.

The broker appointments come after ISGM interviewed a host of potential managers for its float, sending a request for proposal to banks and brokerages, as first reported by Street Talk in January.

Macquarie is expected to oversee the float as lead manager with Morgans acting as co-manager.

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