

# Euronext Acquires Hugin ASA, while being acquired by NYSE

Complex deal spans multiple parties, countries and currencies

Hugin ASA, based in Norway, is one of Europe's leading providers of investor- and customer-related communications. Its mission is to help its corporate clients communicate with their investors and customers. Hugin's activities include hosting client Investor Relations ("IR") Websites, distributing press releases, e-mails, faxes, video and other forms of corporate communications on behalf of more than 1,200 client companies in 12 European countries,



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— Karl-Christian Agerup, Co-founder, Hugin ASA and Northzone Ventures

and helping these firms comply with regulations regarding timely, simultaneous communications and disclosure.

Founded in 1995 by former McKinsey consultant Karl-Christian Agerup and Ingar Ostby, an investor and industry veteran (see Northzone sidebar on back page), Hugin was one of the first IR firms in Europe to embrace the Internet. Over time, they spread their wings beyond listed companies to help privately owned firms better communicate with their core constituencies. By 2006, Hugin was serving clients through offices in Belgium, Denmark, Finland, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK.

But the landscape was changing. The European Union, as well as many of its member countries, had implemented regulations requiring increased financial disclosure and transparent information disclosure by publicly listed companies. This meant increased demand for Hugin's services. It also spurred industry consolidation, as competitors sought to increase their share of an attractive market. Not surprisingly, Hugin attracted interest from several potential buyers.

After negotiations with one potential buyer ended unsuccessfully, Hugin's owners recognized the need for professional guidance.

"We selected Marlin & Associates (M&A) as our exclusive strategic and financial advisor because of their industry and international experience, commitment of senior resources and realistic perspective," says Karl-Christian.

## About the name "Hugin"



In Norse mythology, Hugin ('thought') and Munin ('memory') were two ravens belonging to the god Odin. Every morning Odin sent forth the ravens and they would fly over the face of the earth. At night, they would return and sit on his shoulders to recount what they had seen and heard.

"It was a complex undertaking," explains Ken Marlin, M&A's managing partner. "Hugin was in the midst of transforming itself from a firm focused solely on investor relations to one with an expanded scope of IR and PR services. At the same time, it was transitioning from being primarily a Nordic firm to one with pan-European customers and capabilities." Further, at the time Hugin engaged M&A to look at a range of strategic alternatives, they were in the process of digesting Directnews, a recent acquisition based in Germany.

Geography was another complication. Norway-based Hugin was potentially attractive to partners from the UK, France, Sweden, Canada, the U.S. and more.

M&A helped organize and conduct a disciplined process, including management presentations with qualified

prospects in Norway, Denmark, Germany, London and New York. Euronext, the pan-European exchange, was among them.

Through its earlier acquisition of Paris-based Companynews, Euronext already had strong corporate news distribution positions in France, Italy, Portugal and Spain—markets highly complementary to those of Hugin. But, getting a deal done with Euronext added another level of complexity. The decision-makers for Euronext were in Portugal and France; their finance and legal teams were in the Netherlands and they engaged additional advisors in Norway. Further, the strategic fit with Euronext came in part because it owned Companynews, and that meant involving their management as well.

To further complicate matters, in the midst of the process, it was announced that Euronext was in negotiations to be acquired by the New York Stock Exchange.

Despite this complex and challenging environment, within seven months after engaging M&A, Hugin was acquired by Euronext and merged with

Companynews; Hugin's CEO, Tor Baekkelund, was named to lead the combined entity.

"M&A's approach and skill throughout this very complex process produced many bids and helped us get the best partner and deal," says Karl-Christian. "We are very pleased with the outcome. Euronext is a great brand and a long-term owner that will maintain Hugin's leadership in this industry." ■

*Hugin's activities include hosting client Investor Relations Websites.*



## Northzone Ventures

With three successful start-ups under their belts, Karl-Christian Agerup and Ingar Ostby co-founded Northzone Ventures to capitalize on their beliefs in Nordic technology, the need for competent venture funding and a desire to help other entrepreneurs.

Since its inception in 1996, Northzone has emerged as one of Europe's leading VCs and the largest early stage technology investment team in the Nordic region. The firm has raised and invested over US \$500 million in more than 50 start-ups. One of those was Marlin & Associates' client Hugin ASA, a firm Karl-Christian co-founded that became one of Europe's leading distributors of investor- and customer-related communications.

Today, Northzone has nine general partners and support staffs in Stockholm, Oslo and Copenhagen and is engaged with 20 technology companies.

To work with Northzone is to work with seasoned, high-energy VC professionals, dedicated to building great companies, who like to work closely with their portfolio companies.

"We have a passion for building companies," says Karl-Christian. "We look for firms with excellent management, in large, growing markets—preferably global companies with strong product acceptance, 10 times investment opportunity and a business model that scales well.

Karl-Christian's prescription for a successful transaction: start early, make sure you reach your numbers and think carefully before you get exclusive with one buyer. And he added one more thing: "I highly recommend using an experienced advisor."

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