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ALLEGRO FUNDS ACQUIRES PWC AUSTRALIA'S PUBLIC SECTOR BUSINESS

PwC Australia's Public Sector advisory business will become an independent government-specialist company, as Allegro Funds and PwC reached binding term sheet on the sale of the business. The transaction will have an effective date of 1 July 2023.

The new business will be fully independent of PwC with around 1,750 employees overall. The new business will be known as Scyne Advisory.

Allegro will acquire the business for \$1 and expects to commit more than \$100 million to support the business in the future. The funds will support employment and operational costs during the transition, making the necessary investments in people and systems.

Scyne Advisory will establish an independent Board of Directors to oversee a rigorous, ASX-standard of governance and integrity in the business. Hon. Andrew Greenwood, who served as a Judge of the Federal Court of Australia for 17 years, has agreed to join the Board as a non-executive director, with candidates for an independent chair and further non-executive directors currently being interviewed.

An independently reviewed governance structure has been purposely designed to meet the standards of the Australian public sector. A Probity, Conflict and Ethics sub-committee ("PCES") of the Board will be established, chaired by the Hon. Andrew Greenwood, tasked with approval and authority on matters relating to the probity of employees joining Scyne Advisory, as well as future conflict and code of conduct matters. This includes reviewing all contracted advisory work to vet for conflicts and probity of employees involved.

Importantly, Scyne Advisory will solely advise the public sector and their agencies.

Scyne Advisory will also implement any relevant findings of reviews being conducted by PwC into the tax confidentiality matters.

The Board will also set up an Audit & Risk and People & Remuneration sub-committees.

Members of the leadership teams of PwC's Government Health Infrastructure and Defence (GHID) and Trust and Risk (T&R) practices will lead Scyne Advisory in the short-term, before a CEO search is conducted by the Board and the leadership team is appointed.

Allegro's highly experienced operating partners will support this interim leadership team to transition partners and employees to Scyne Advisory, and set up new, independent systems.

This will allow current public sector client work to continue uninterrupted through the transition. The transaction is targeted to complete by the end of August.

Scyne Advisory and PwC are engaging with governments to transition and re-establish the new business' position on procurement panels.

Scyne Advisory partners Tim Jackson and Ben Neal said the new leadership's immediate focus will be on achieving a rapid transition to independence, with ethics, strong governance and a government-only focus embedded from the start.

"We have a once-in-a-generation opportunity to lead the change required in government advisory in Australia. The DNA of our people is solving complex problems impacting the public sector. Governments throughout Australia are assisted on a daily basis by external advisers, which play a meaningful role in the ecosystem of policy development and service delivery."

"Governance and culture will be at the core of the new business. We are pleased to have secured roles for around 1,750 people to continue making a contribution to governments across the country. Our people have deep sector knowledge and they will set our new culture, with the needs of our clients' remaining paramount. Restoring those clients' trust is our number one priority."

Adrian Loader, Allegro's co-founder, said "We are backing the leaders of Scyne Advisory and their vision to drive real change in the public service advisory sector. It's clear there is a need for a strong and independent government advisory firm of scale in the Australian market. Scyne Advisory will have an industry-leading governance model able to meet the requirements of the Australian government and its agencies."

"We have been incredibly impressed by the quality of the people and their attitude and outlook. We're pleased to have the Honourable Andrew Greenwood join our Board, bringing expertise and independence to ensure that we have best practice probity and conflict processes."

"Allegro has deep expertise in managing corporate carve-outs – extracting businesses from complex organisational structures and putting in place a strong governance framework that supports cultural change and improves performance. The recent process of buying Toll Global Express from Japan Post is a great example."

MEDIA CONTACT:

Domestique Consulting
Lachlan Johnston – 0499 953 336
Hayley Ashburner – 0497 554 588
Jon Snowball – 0477 946 068

About Allegro Funds

Founded in 2004, Allegro is an independently owned Australian investment manager based in Sydney. With more than A\$4 billion of assets under management across Australian and New Zealand, Allegro has a strong track record of partnering with management teams and other stakeholders to create value and improve business performance. Since inception, the firm has acquired 27 businesses, exited 18 investments and is Australia's most-awarded team in the transformation capital investing space.