

FUNDS & ETFs

W Capital Markets' valuation doubles to \$42 mil with new fundraise

BY THE EDGE SINGAPORE

Corporate finance firm W Capital Markets has raised a new round of funds that brings its valuation to \$42 million. At its last fund raising back in May 2021, the firm's valuation was \$21 million. Investors in the current round included institutions, notable businessmen in their personal capacities, and a multibillion single family office.

Wayne Lee, executive chairman of W Capital, says the new funding will help boost expansion plans, including the acquisition of other firms to gain access to clients and helping companies get a public listing.

"Capital market and M&A activities have been subdued in the last three years because of high interest rates. I'm very optimistic more M&A transactions will be completed this year. The valuation gaps between investors and promoters of business will be narrowed significantly this year," says Lee in an interview with *The Edge Singapore*.

Recognising how vibrant the US markets are, W Capital is also getting ready to help at least three Singapore companies list on Nasdaq. One of these companies is in robotics, while another is in the consumer industries. Lee says W Capital's mandates include helping a local listed company spin off a subsidiary for a separate listing in the US, although he cannot provide more details for now. Besides helping to float other companies, W Capital has ambitions to launch its own IPO "when conditions are right", he adds.

While Lee and his clients are drawn



Wayne Lee of W Capital is "very optimistic" that there will be more M&A deals this year

to the US, as the head of a home-grown firm, Lee is upbeat that the market review now undertaken by the government is one being conducted with "conviction and political will" and should lead to a better outcome for what is otherwise a "moribund" Singapore market. "I'm hopeful that the stock market will recover and the IPO market will also come back," he adds.

Meantime, he has a few suggestions on how to improve the market

ecosystem. One example is to remove a requirement that sponsors of Catalyst companies to have a track record of helping to complete at least five IPOs in the last 10 years.

Lee reasons that with the retirement of more seasoned professionals, there are fewer qualified people around. Furthermore, with the dearth of new listings here, a newer generation of corporate finance professionals would have struggled to meet this specific requirement. "This basis is

no longer relevant," he says.

Lee believes that some measures can be introduced to beef up the participation of institutional investors, including government bodies such as CPF and even family offices, in small and mid-caps. The Singapore market has reached near all-time highs in recent weeks, but that is predominantly driven by the three banks that make up half the index, plus a handful of other Straits Times Index component stocks such as Yangzijiang Shipbuilding and Singapore Telecommunications. By having greater participation in a structured way, other investors will be encouraged to participate too, which will help lift overall trading volume, he says.

On their part, some of smaller companies have not been doing themselves a favour. Lee observes that several small- and mid-caps here have been hoarding cash to the point that their market cap is way below their net cash level. Yet, some of these companies have not been paying out dividends, saying they need to preserve cash if they record losses, further depressing share prices. In contrast, the three banks have articulated capital management policies, guiding them to return excess capital to shareholders through higher dividends or share buybacks. "These are examples of inefficient capital allocation that require regulatory attention. The Monetary Authority of Singapore review group may like to consider implementing measures on such companies to enhance shareholders' value," he says.

Also, there has to be an increase in the quality of new listings. In the past few years, the Singapore Exchange has not been attractive as

a listing venue, so it could only list companies generally of lower quality. "And of course, we need the ecosystem stakeholders, including the IPO sponsors, lawyers, auditors, to do our part," says Lee.

A vibrant equity market with good-quality IPOs is essential to making Singapore a world-class financial centre. The IPOs provide exit options for venture capital and PE (private equity) firms. "Furthermore, the wealth effect created from a vibrant stock market will benefit institutional and retail investors and also help rebuild the whole ecosystem of economic activities, including investment banking and stockbroking, legal, IPO auditing and other stakeholders," says Lee.

W Capital is also involved in PE. Thus far, it has invested in Otsaw, a local robotics company that provides machines used in hospitals here and in Germany to perform tasks such as moving laundry and delivering meals from the central kitchens to different wards. Lee says the value of W Capital's investment in Otsaw has thus far improved by fourfold.

This year, W Capital's private equity unit plans to make at least one or two more investments in healthcare and the fast-moving consumer goods sectors, which are more defensive.

According to Lee, global markets and the economy have grown in recent years, but as all things are cyclical, this might change and a major global slowdown or even recession might take place. "At least for these two years, we should still see good economic growth but anything after the next three years is tough. So, when we select new investments, we need to be prepared," he says. **E**



Press Release

W Capital Markets Pte Ltd raises Series B round at Post-Money Valuation of S\$42 million

Singapore, 16 January 2025

W Capital Markets Pte Ltd (“**W Capital Markets**” or the “**Company**”), a dynamic corporate finance firm with a Capital Markets Services (“**CMS**”) licence issued by the Monetary Authority of Singapore and an accredited SGX Mainboard IPO issue manager and Catalyst Continuing Sponsor authorised by the Singapore Exchange (“**SGX-ST**”), has completed its Series B fundraising round in December 2024 with the strong support of several esteemed investors.

The Company founded in July 2018 by veteran M&A investment banker, Mr Wayne Lee, has completed more than 50 notable capital market transactions since its inception, ranging from S\$50 million to S\$3.0 billion.

Helmed by a team of reputable and highly experienced M&A and IPO investment bankers, W Capital Markets’ Board of Directors includes Mr Wayne Lee, Mr Sin Boon Ann, Mr Tan Wang Cheow and representatives from the Nanshan Group (a Chinese conglomerate which is ranked among the top 200 enterprises in China), namely Mdm Chen Aijun and Mr Sui Xinpeng. Also, Mr. Inderbethal Singh Thakral, CEO and Executive Director of SGX Mainboard listed Thakral Corporation Ltd, is a Board Observer of W Capital Markets.

The vision of W Capital Markets is to be an international financial group with presence in key financial centres and be recognized as a premier corporate finance powerhouse in the Asia Pacific region.

“We are delighted and honoured to receive such strong support from the esteemed and well-regarded investors who joined us as shareholders in this Series B round, which include several existing seed shareholders, a billionaire single-family office, listed companies and well-respected business owners. With our expansion into new business segment in advising companies to list on the NASDAQ Capital Market and significant increase in M&A activities and deal completions in 2025, coupled with our advisory business for SGX-listed companies, the successful completion of this Series B round will pave the way forward for W Capital Markets to continue to grow its investment banking business and soar to greater heights as one of the top corporate finance firms in Singapore.” said Mr Wayne Lee, founding Chairman and CEO of W Capital Markets.

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About W Capital Markets

W Capital Markets is a holder of the Capital Markets Services licence issued by the Monetary Authority of Singapore to conduct the regulated activities of “Advising on Corporate Finance” and “Dealing in Capital Market Products that are Securities and units in a Collective Investment Scheme” and is an accredited Mainboard IPO Issue Manager and Catalyst Continuing Sponsor authorised by the SGX-ST. It provides a full suite of bespoke investment banking services, including M&As, NASDAQ IPOs, Pre-IPO & Secondary Fund Raising, Continuing Sponsorship and Financial Advisory with a focus on mid-cap companies (S\$50 million to S\$1 billion enterprise value) in the Asia Pacific region.

W Capital Private Equity VCC (“WPE”), as an associate of W Capital Markets, value-adds strategically to W Capital Markets by investing into promising small-medium enterprises from Series B to Pre-IPO stage in Singapore.

In 2022, Mr Wayne Lee won the prestigious EYA Entrepreneur of the Year - New Entrepreneur Category.

For more information about W Capital Markets, visit www.wcapitalmarkets.com.sg.

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