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Mullis Partners may not be on your radar, but it should be, *writes Jason Gagliardi*

MAKING A DIFFERENCE



Mullis was on hand with money and food for people in need post floods

Schoolchildren giggle, fidget and stare as an Englishman in a tailored pink shirt sits cross-legged and sweat-drenched on the rough wooden floor of their schoolroom. He is reading a message in halting but creditable Thai. Behind him, a priest slouches, hands clasped, garb askew, beaming at the kids from above a dog-eared dog collar.

Water laps at the floorboards from below; the run-off from Thailand's worst floods in 60 years. We are deep in the backstreets of Bangkok's Suttisan district, at one of the schools run in the city's slums and poorer quarters by the unorthodox cleric Father Joe Meier and his Human Development Foundation.

The perspiring Englishman is his friend and benefactor Robert Mullis, the charmingly eccentric chief of Mullis Partners, an entity that lives up to its billing as a "unique investment bank". This morning, he's giving a million baht to help the foundation's flooded schools — not to mention 10 tonnes of rice dumped in a pile on his front lawn and bagged by his friends and family.

Later, he'll likely be found in his Bangkok firm's 37th floor Exchange Tower eyrie, analysing some arcane aspect of petrochemicals or shipping, plotting slicker ways to stitch loans together or swotting up on a deal.

Then again, he might decide to dash up to the far northern province of Chiang Rai to discuss patchouli oil with the head of his organic farm, pop over to Nepal for a *chukka* or two of elephant polo, check in with his "discovery"

— Thai pop star Tata Young — or spend the afternoon skimming through screenplays, a movie mogul manqué.

Despite the elephants, singer and the movies, Mullis keeps a low profile; he doesn't screech about town in a flash Ferarri or mix in investment banker circles. But he has a handful of traditional banking deals to his credit, including securing project financing of \$360 million for Indorama Petrochem, a subsidiary of Thailand's Indorama Group, the world's 11th-biggest maker of polyester. The deal, concluded in 2006, took three years to put together and allowed the company to become one of Thailand's largest manufacturers of purified terephthalic acid, critical to the polyester manufacturing process.

Mullis was appointed to advise on the Bt4.8 billion (\$157 million) expansion of Vinythai, Southeast Asia's third-biggest PVC producer, partly owned by Thailand's giant Charoen Pokphand. He arranged the sale of 20% of the company to Thai Olefins, ensuring a supply of ethylene needed for expansion while also negotiating a \$52 million debt facility with Bangkok Bank; he advised on the \$30 million sale of Chinese resin company Shunde Syntech Resin, a wholly-owned subsidiary of Huarun Paints to Dutch Group DSM; and negotiated a \$16 million loan for Hong Kong shipping firm Sunwise Navigation in late 2004.

These may be small by international standards, but this is Thailand, where such deals make a difference. Indeed, Mullis is a right-brain thinker and arch connector who has carved a niche as a concocter of creative deals for cash-strapped clients in messy industries while hobnobbing with Hollywood royalty.

As an interview subject he is hard to keep up with and occasionally difficult to quote — sentences are left dangling from a string of ellipses, his mind on board the next train of thought.

He is cheerily candid about the near collapse of his company six years ago. "There was a loss of success at some point," is how he puts it.

Mullis launched out on his own in 1998, sensing opportunity in Thailand's crisis. This followed stints with three investment banks — NatWest Markets,



Mullis helped launch Thai pop singer Tata Young's debut album

Paribas Capital Markets and Credit Lyonnais Securities — where he said he managed deals worth more than \$3


billion.

Since establishing what was then Mullis Capital, he has arranged loans, merged, acquired and otherwise dispensed advice on everything from telecoms, shipping and petrochemical plays to major movies and record labels.

The flood aid project for Father Meier was cobbled together in the space of a

couple of weeks, through sheer force of personality and personal connections, complete with a letter from Amanda Thirsk, deputy private secretary to the Duke of York, conveying the best wishes and gratitude of the inhabitants of Buckingham Palace to Robert Mullis, Esquire, for doing Britain proud during Thailand's wettest hour.

But that's just how Mullis rolls. When a subject catches his passion, or he gets the scent of a deal, he is like a dog with a bone. According to one Hong Kong private equity specialist, Mullis is



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Frank Smith, InFocusAsia

respected for his deal-making skills. “He has a unique perspective,” said the source. “His global experience and Thai knowledge allow him to provide more customised solutions compared with local firms that are mostly limited to their existing markets, and international institutions that are focused on covering either sovereign transactions or servicing very large firms while neglecting the middle market.

“In Thailand, domestic firms focus on volume aimed at local investors, while

the multinational investment banks need to focus on very large deals to cover their costs. Thus, there is a bit of a gap in the market and the information packages that Robert prepares are very thorough, comprehensive and value-added, as opposed to a generic information memo.”

That said, one of Mullis’s fellow expatriate investment bankers in Thailand tempered that praise, saying: “I haven’t seen or heard much of him these days. I think he had a few lucky breaks early on and then went on to do a

few more deals. I think his weakness is that he doesn’t have a true Thai partner.”

Mullis would beg to differ, and says his true Thai partner is his wife, Wassana, who was “a tower of strength” through the investment bank’s difficulties.

Frank Smith, a close friend, and managing director of InFocusAsia, which is a regional producer of documentary films, described Mullis as generous to a fault, fiercely loyal and a person who “has a knowledge and interest level that never ceases to amaze me” on a broad range of subjects. “He



understands the finer points of so many things. On several occasions where he had absolutely no financial interest at all, he shared his knowledge to help me with deals I was involved in. It's true that he doesn't give up.

"He looks at deals the same way he looks at life. A deal is fun, an opportunity to learn and solve problems and see what can be done. He is intensely interested in the process of everything. He has a spark, a twinkle in his eye. For some people who are not as full of enthusiasm, energy and ideas, he can be an overwhelming character, a bit of a force of nature."

Around the same time he was pondering polyester, he was appointed by lycra-loving pop singer Tata Young as promoter for her first English album, *I Believe*, released by (Sony Music) Columbia Records, following an earlier undisclosed investment to launch her career. But this was just the overture to his real passion play: in 2006, his bank invested A\$1 million and he raised almost A\$9 million (\$1.07 million) more to make *Little Fish*, an award-winning

film starring Cate Blanchett, Hugo Weaving and Sam Neill.

Flying high and swept up in the glamour, Mullis now admits he took his eye off the main game while expanding too aggressively. As he partied with A-listers, the team he'd left minding the store was struggling.

"We definitely came close to losing our shirts," he said. "It's a great film but I learned a lot about what not to do." A legal wrangle over a A\$20 million film grant diverted further time and resources as the world economy lurched towards crisis and his bank teetered on the brink of insolvency.

"I had quadrupled our budget, hired some expensive people, but it didn't work out." A painful round of downsizing was forced by the realisation that his bank's balance was fast approaching zero. Mullis Capital became Mullis Partners, but



in reality it is The Mullis Show, for he is his bank.

Refocused and running the show alone, he pulled off his biggest deal, a refinancing and new loan facility for Thai public company Precious Shipping to the tune of a just under \$600 million, which was followed by the company's shares soaring by more than 1,000% in the space of three years. His

commission and fees were substantial. "We paid every bill, cleared every debt and got to start with a clean slate."

Mullis said he doesn't believe in the art of the deal, so much as the craft and graft. "The key? You just can't give up. We don't get the simple deals, the huge bond issues you do if you're Goldman Sachs. Our deals tend to be more complicated. In fact, our clients have usually been to Goldman Sachs and everyone else and we're the last port of call.



“We don’t get the simple deals, the huge bond issues you do if you’re Goldman Sachs”

“Why do clients keep coming back? Why is 70% of our business repeat customers? What I’ve tried to do is be a bit more creative when it comes to structuring deals. Here’s an example. In the shipping industry, most financing was done over five or six years, which is utterly absurd when shipping tends to run in three-to-four-year cycles. So you’d borrow and pay the bank off just as your ships’ value starts to fall. So we started doing 10 and 12 year refinances for shipping companies, and suddenly these deals started throwing off cash flow.”

Another expatriate Bangkok investment banker suggests managing egos and bridging expectation gaps are key to putting deals together — areas where Mullis excels. “The art of the deal is also about demonstrating value creation, being able to play a network in forging value for the client, which could mean the ability to swing a new banker, find new money, or create new business alliances. Time to market is also important. Thailand deal making is suffering from very long lead times simply because everyone lets their ego

run above everything else. It’s not just about getting the best price. It’s about getting the deal done. From what I’ve heard, Mullis is good on restructuring, bringing life back into a difficult situation. A bit of a fixer.”

Mullis’ most recent “fix” was the tricky business of advising Globex Corporation on the acquisition of a 51.98% stake in Thailand’s oldest construction firm, Christiani and Nielsen, from the Crown Property Bureau Equity Company, for roughly Bt1 billion, with a loan facility of Bt2 billion also negotiated with Bangkok Bank. The deal was concluded in November last year. “Now that was a deal that had its moments,” says Mullis.

He won’t be drawn on pending deals, but says the areas that excite him most are agriculture and entertainment. He foresees a strong future in organic farming and he is looking into setting up an investment fund. In the meantime he is practising what he preaches with his own set-up in Chaeng Saen on the Mekong river in Thailand’s northernmost province, Chiang Rai, his

wife’s hometown and where he has bought more than 320,000 square metres of land to grow teak, organically-farmed patchouli oil and rare orchids.

In between time spent on the farm “driving my tractor and watching my trees grow”, he has also been devouring every book he can find, including some he has had translated from Thai, on the history of the Lanna Kingdom, which once stretched over vast tracts of northern Thailand. He just smiles when asked about the scope of his own landholding ambitions, but it should be noted that he has called his company “Million Fields”, a direct translation of “Lanna”.

Somehow the conversation veers into a discussion of organic fertiliser and manure, which in turn leads to the Asian elephant that adorns the Mullis Partners logo. Mullis waves away suggestions that it might be seen as somehow clumsy, slow and hard to turn around. “The elephant,” he said, “is family-minded, thick-skinned ... and it never forgets.” This appears to be true of Mullis as well. ■