

# Macquarie's McCann in the chair at ASX-hopeful Citadel

PUBLISHED: 17 OCT 2014 01:19:29 | UPDATED: 17 OCT 2014 02:58:38

SHARE LINKS:

Share



[Reprints & permissions](#)

GIFT ARTICLE:  100

**EDITED BY SARAH THOMPSON, ANTHONY MACDONALD AND JAKE MITCHELL**

The last time Kevin McCann oversaw a small cap float, Healthscope raised \$70 million at \$1.75 a share.

Twenty-years later, the Macquarie Group chairman's face is back in a small cap prospectus, this time for education and technology services company Citadel Group.

McCann would have done his homework before signing up. Broker Evans & Partners, which is advising Citadel on the float, introduced him to the company founders. Also on board is Deena Shiff, former head of Telstra's wholesale business and involved in founding Telstra's venture capital arm.

Then there is Peter Leahy, who was chief of Australia's army for six-years until July 2008.

It's a big-name board for a \$110 million ASX-aspirant, and sparked some curiosity among fund managers even as the wider market battles.

Citadel's principal earner is its information technology contracting unit whose biggest client is the Department of Defence.

It seeks three-to-five year contracts and specialises in secure audio visual and video conferencing.

The other side of the business is a training arm, which is forecast to make 30 per cent of Citadel's earnings in fiscal 2015. It runs white-collar training courses, which are jobs-focused and not reliant on government funding.

The company is seeking to raise up to \$49.4 million so it can take the Canberra-based company national, and provide a \$20 million-odd payday for the founders.

[As first reported by Street Talk Online on Thursday, the IPO is priced at \\$2.25 to \\$2.55 a share, or 13.9-times to 15.3-times forecast net profit.](#)

If successful, Citadel would list with a \$100 million to \$110 million market capitalisation on November 12. Evans & Partners will run an institutional book-build on October 22.

**The Australian Financial Review**