

Capital Markets Group Of The Year: Ropes & Gray

By **Charlie Innis**

Law360 (February 9, 2022, 2:05 PM EST) -- Ropes & Gray LLP attorneys led multiple billion-dollar initial public offerings for high-profile businesses and special purpose acquisition vehicles, including a \$1.38B SPAC debut backed by private equity giant KKR & Co. Inc., earning the firm a spot among Law360's 2021 Capital Markets Groups of the Year.

The firm steered the issuer-side of 38 equity offerings last year worth an aggregate of more than \$105 billion, and closed on 87 blank-check company IPOs totaling more than \$31 billion, proving it was a powerhouse in a scorching year for public markets activity.

Paul Tropp, co-head of Ropes & Gray's capital markets group, said the firm ran on all cylinders in the last 12 months, advising on SPACS, life science and health care transactions and whole business securitizations, as well as leading underwriters on multibillion-dollar debt offerings.

"Frankly, I think given the size of our practice relative to some others, we've been extraordinarily successful in terms of what we've been able to accomplish," Tropp said.

Ropes & Gray's capital markets group comprises 137 attorneys across six offices, with five offices in the U.S. and one in Hong Kong. The practice group's two largest hubs, in Boston and New York, have 78 and 43 attorneys, respectively.

The firm's capital markets team also ballooned last year, adding 82 associates and two of counsel. Altogether, the practice group includes 115 associates, three of counsel and 19 partners.

Among the team's top deals in the last year, Ropes & Gray's capital markets attorneys advised on a series of debt offerings for business development company Blackstone Secured Lending Fund that totaled \$3.8 billion in value, a \$1.55 billion IPO for shampoo brand Olaplex in September and a \$1.38 billion IPO for a KKR-backed SPAC last March.

Tropp said it was interesting to be lead counsel for KKR's SPAC IPO because the company had never before used a blank-check vehicle, although the private equity firm is "quite accustomed" to capital markets. KKR Acquisition Holdings I raised a total of \$1.38 billion in the upsized offering in March, including an over-allotment of \$180 million of shares purchased by the underwriters.



The firm's capital markets group also guided Altimeter Growth Corp. on its \$500 million SPAC IPO in October 2020 and steered the IPOs for Dragoneer Investment Group's three SPACs between 2020 and 2021: The first raised \$690 million, the second grabbed \$276 million, and the third raised more than \$430 million, including executed over-allotment options.

Craig Marcus, who co-chairs Ropes & Gray's capital markets group, referred to Olaplex's \$1.55 billion IPO as one of last year's highlights. The hair care company's debut on the public exchange turned out to be a little complicated, he said, partly because it was an LLC that needed to be flipped into a corporation, and also because the deal involved tax receivable agreements, which channel certain tax savings Olaplex can claim as a public entity to its pre-IPO owner.

But the firm shepherded the offering to close with minimal holdup, Marcus said.

"It was a really well received story in the market," he said. "And the IPO price in the aftermarket trading was tremendous."

Olaplex's IPO success shows how some businesses weren't as fazed by the economic effects of the pandemic as others, Marcus said. Some companies the practice group paired with last year, like pool equipment maker Hayward Holdings, appeared to prosper as people across the country confined themselves to their homes.

Ropes & Gray's capital markets practice group led Hayward on its \$684.7 million IPO. Partner Rachel Phillips attributed the IPO's success to the company's ability to tap into the market of "post-pandemic outdoor living."

"They've been around a long time and really been able to leverage technology and the new way people are living now to make their business very, very successful in this environment," said Phillips, who co-led counsel on the offering.

Phillips, who joined the firm as a full-time associate in 2010 and became a partner in 2019, said Ropes & Gray's capital markets team shines because of its strong associates, collaborative culture and commitment to diversity.

"This is not just a place that's great for women, it's the sort of place where we're like, 'You're bringing excellence to the table, so that's great. Whoever you are, that's great.' And it's just a very comfortable environment to practice in," she said.

Phillips said Ropes & Gray has the kind of atmosphere in which it's easy for junior attorneys to ask for advice from their colleagues and managers when they come up against any roadblocks.

"We try to be really clear, like, 'We know this is new to you; this is a learning experience,'" she said. "Because odds are somebody around here has had some experience with this, and we want to help. We don't want to waste your time, we don't want to waste the client's time."

--Editing by Adam LoBelia.