



NXP'S JAN MAARTEN INGEN HOUSZ TELLS **JULIA BERRIS** WHY CORPORATE TREASURERS NEEDN'T FEAR THE RISE OF PRIVATE EQUITY FIRMS.

The way the wind blows

PHOTOGRAPHER: ROGER HARRIS

Three months into this year and 2006 already seems like a distant memory, fading out of view as we fast approach the spring. But for one treasurer 2006 is still very fresh and memories of transforming a well-established corporate division into a company in its own right feel all too recent.

Jan Maarten Ingen Housz, Group Treasurer of NXP Semiconductors, was recognised for his hard work when NXP was named overall winner of the *The Treasurer Deals of the Year 2006* for its €4.53bn high-yield bond.

Ingen Housz was recognised for the many sleepless nights he put in working on the final details of the largest-ever leveraged buy-out of a technology company.

After such an eventful year you would expect Ingen Housz to be settling into a more relaxed 2007 but that is not the case. His work has only just begun.

WORKING ON TREASURY POLICIES Ingen Housz says: "NXP treasury is still very young. We have just built it and we are still working on the early stages of its development. Our treasury policies, for example, are not yet fully aligned and we have some work to do in that area. But we have a good foundation and this will help make the fine-tuning much easier."

In December 2005 electronics giant Philips decided to demerge the semiconductors division of its business and created NXP. Ingen Housz was asked to work on the private equity transaction that made the headlines with its size and efficient structure.

After months of dedicated work, Ingen Housz was asked to become Group Treasurer of the new company, an offer he was proud to accept.

He explains: "Only very late in the process of organising the financing was I asked to become Group Treasurer. It was an interesting challenge for me and definitely a welcome change."

As the treasurer of a new company, Ingen Housz had no treasury department to help implement policies and carry out traditional day-to-day treasury functions.

NXP had a small risk management department which worked well back in the days when the business was still a division of Philips. However, it could not sustain a whole company.

Company profile

In 2006 NXP was bought by a private equity consortium and made history with its €4.5bn high-yield bond, the largest of its type in Europe.

The company was founded by electronics company Philips and was a division in the group for over 50 years.

NXP has 37,000 employees and provides semiconductors for many well-known brands including Bosch, Dell, Nokia, Samsung and Sony Ericsson.

NXP makes semiconductors for a range of products such as mobile phones and home audiovisual systems.

Ingen Housz says: "The treasury function in Philips was centralised, so we had to start creating a department fulfilling the necessary tasks for NXP. There was no corporate finance organisation and it was a real challenge."

It may sound like this treasurer had a bit too much on his plate but for Ingen Housz it was the sort of challenge that he lives for. Having pioneered the Philips treasury department when he joined in 1994, Ingen Housz is used to this kind of pressure and enjoys the excitement of getting things done to a tight deadline.

He says: "I had been with Philips for 12 years and at first there was not much of a treasury team. We had to build up that function for Philips, which was a challenge but very interesting. In all these years I have prepared and implemented a lot of policies."

NXP was a fresh challenge for Ingen Housz, and so was working with a private equity firm during the business's leveraged buy-out.

Structuring a transaction and creating a new company with a private equity consortium creates very different challenges for the treasurer.

Ingen Housz explains: "In the beginning the private equity firms want to know every detail and what kind of people are working in the organisation. This means they want to be very much involved."

"I liked the challenge from a transactional and intellectual point of view. You don't do a transaction like this every day and I appreciated the private equity involvement."

MISPLACED FEARS OVER PRIVATE EQUITY With private equity activity booming over the last year, working with consortiums can be a daunting affair. But Ingen Housz argues there is a lot of misplaced negativity about private equity and hopes this will change as activity continues to flourish over 2007.

He says: "Especially in the Dutch press, there has been a lot of articles about private equity, but I think these firms are often confused with hedge funds. Private equity firms are much more strategic and act as partners; hedge funds are much more likely to buy and cut. There is a key difference between these investors and there is a lot of misunderstanding."

Ingen Housz's experience of private equity firms is far more positive than the typical media perception.

He argues that private equity involvement results in a heightened



focus on an organisation to deliver structured goals and a strategic influence in the company structure and activity during the early days of the investment.

He explains: "They want to know exactly what is going on in the beginning. When confidence levels have been built and they feel they are comfortable with your ability they will leave you more to your own devices. Personally I appreciated the involvement."

With his experience in creating and embedding strong treasury functions, Ingen Housz was able to work alongside the private equity representatives to establish an efficient department at NXP.

Ingen Housz began his career in banking, which has helped him in complicated transactional processes since moving into the corporate arena. After completing compulsory military service in the Netherlands, Ingen Housz studied industrial management and business economics before joining ABN and working with the bank for four years.

He says: "I then moved to Citibank and was there for 10 years. I did several roles in relationship management and then became the Head of the Structured Finance Team in the Netherlands."

After 14 years in banking, Ingen Housz decided a change was in order and joined Philips in 1994. With his wealth of experience from ABN and Citibank, he found his new position easy to settle into.

Ingen Housz says: "My time in banking was very good for me because I got exposure to credit, financial management. I feel that the wind blows from the west and so many financial innovations come from the US. This meant my time at Citibank was fantastic and I learnt a great deal."

REBUILDING THE ORGANISATION Making the decision to move from a bank environment to a corporate was not difficult for Ingen Housz. After working for some time in banking he felt it was time to move on and take on a new challenge in a very different role.

He says: "I wanted to do something else. I also have a technical background and I wanted to have some exposure to technology. I also wanted a more international scope in my job."

"People in banks are obviously very much focused on money only. I wanted a broader perspective in life rather than just focusing on money. I felt I wanted more exposure to business as a whole."

Joining Philips in 1994 was a challenge not least because of the move from bank to corporate but because the electronics company was struggling to rebuild after a difficult few years.

After a rough patch in the late 1980s and early 1990s, Philips was starting to recover. As a result of its previous weak position, its capital structure was highly leveraged with mainly short-term debt.

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Ingen Housz says: "Philips was having a difficult time and was in a weak position. We had to rebuild the organisation, focusing on restructuring the balance sheet. I had to build up the bank relationships. Before I joined there was no co-ordination for global bank relationship management at all."

"I enjoy the building of something new and getting things done. I knew what I had to do because of my banking background."

Having worked for Philips until the leveraged buy-out of the semiconductor business in 2006, Ingen Housz was keen to begin a new chapter to his career. After working hard at Philips to ensure the transaction was successful it made sense to follow the process and continue working with NXP.

He says: "At the beginning I was working on it from a Philips perspective. It was interesting to move later on and become part of NXP after working so hard on the transaction."

Now that NXP is established as a semiconductor company with more than 50 years' experience as a division of Philips, Ingen Housz's job is to make sure each function of the treasury department operates effectively and fits well with his forward-looking treasury policies.

He says: "We have a very strong and open organisation. You can ask anyone any question, and I feel we are much closer to the business compared to what I have experienced previously. I think we have done very well in making NXP treasury open and much less isolated from the rest of the company."

Julia Berris is a Reporter on *The Treasurer*.
editor@treasurers.org

