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Raine Group LLC

The Broadway producer orchestrating SoftBank's Arm IPO

Tech-focused boutique bank Raine Group has had a long and lucrative relationship with SoftBank founder Masayoshi Son

Samuel Agini and Ivan Levingston in London 16 MINUTES AGO



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Twenty-eight investment banks are working on chip designer Arm's \$50bn initial public offering. But one small advisory firm stands above the crowd.

Headlining the IPO filing is The Raine Group, a tech-focused boutique, whose listing as financial adviser gives it top billing above Wall Street banks including Goldman Sachs and JPMorgan, who are underwriting the [deal](#). The New York-based merchant bank, founded 14 years ago, has become a go-to adviser for SoftBank, the Japanese tech investor that owns Arm.

The two groups are deeply intertwined. Raine co-founder Jeff Sine was appointed to [Arm](#)'s board last year, as SoftBank began to gear up for the IPO. SoftBank owns less than a tenth of Raine, according to people with direct knowledge of the matter.

The Japanese conglomerate also backs Raine's investment funds, according to Arm's IPO prospectus, which highlights the bank's "broad range of advisory services" done for [SoftBank](#) in its disclosures on related party transactions.

Sine's long relationship with SoftBank founder Masayoshi Son, a prolific dealmaker, has been a lucrative one. On the Arm IPO, which is expected to value the Cambridge-based chip designer at upwards of \$50bn, Raine could receive up to roughly \$10mn in fees. It has already garnered \$2.5mn for its Arm work for the year ending in March, according to the IPO filings.

Charles Elson, a corporate governance expert at Delaware university, sees these concurrent relationships as a potential conflict of interest that might concern prospective Arm investors.

"Outsiders may not be privy to all the information and do not know how all the relationships affect valuation," Elson said.

A person close to Raine said it is accustomed to managing potential conflicts.

"It's unusual but I don't think there's anything that strikes me as not above board," said David Erickson, a former equity capital markets banker and lecturer at the University of Pennsylvania.

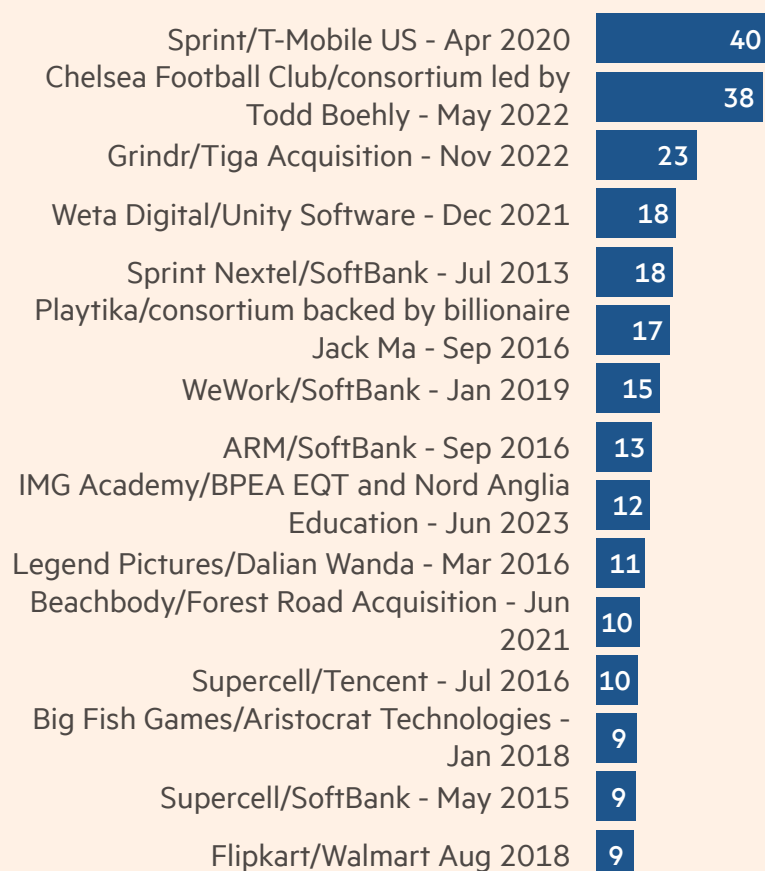
Raine has maintained close ties with two serial dealmakers: Son and Ari Emanuel, the [super agent](#) who was another early backer. The Hollywood powerbroker turned to Raine for advice on a series of transactions that have pieced together Endeavor, his talent agency that has grown to span media and events. But when Emanuel acquired Ultimate Fighting Championship for \$4bn in 2016, Raine represented the mixed martial arts series.

On Tuesday, Endeavor announced the completion of its deal to acquire World Wrestling Entertainment and house it under a newly listed entity that also includes UFC. Raine advised WWE on that deal, [bagging a \\$65mn fee](#) in the process.

Raine's largest M&A fee-earning deals

Fee (€mn)

Target/acquirer



FINANCIAL TIMES

Source: LSEG

This week's Arm IPO is the latest in a longstanding collaboration with SoftBank, which has brought in Raine on deals from Sprint to WeWork

which has brought in name on deals from Sprint to WeWork.

Raine was the lead adviser to SoftBank on its original acquisition of Arm for \$32bn in a 2016 deal that delisted it from the London stock market. Son tapped the firm again when SoftBank agreed to sell the chip designer to Nvidia for \$66bn in a tie-up that ultimately collapsed. Raine also helped line up strategic investors including Apple and Nvidia to back Arm when it returns to the public markets this week, according to people familiar with the matter.

For Sine, who has cultivated a passion for producing shows on Broadway and London's West End on the side, the Arm IPO allows him to reprise a similar role, orchestrating behind the scenes. He has spent weeks coordinating dozens of bankers and strategising with Son at a time when investor enthusiasm for chip stocks is tempered by growing tensions between Beijing and Washington.

In a relationship now into its fourth decade, Sine and Son have repeatedly worked together as SoftBank evolved into a major tech investor, navigating the dotcom bubble, the mass adoption of mobile phones and the emergence of big tech companies including Alibaba, whose links to SoftBank have generated further business for Raine.

Son is focused on strategy while Sine helps execute his ideas, according to one person familiar with their dynamic. Chris Donini, a Raine managing director, shares the task of advising the sprawling Japanese conglomerate.

"We've been through a lot of wars with these guys," Sine told the Financial Times. "It's a classic relationship where you try to put yourself in the shoes of the client and give them good and honest advice."

SoftBank's work with Sine predates Raine's founding. In the mid-1990s, when Sine was a banker at Morgan Stanley, he advised Son on his \$2bn acquisition of the computer and technology magazine publisher Ziff Davis.

In 2009, in the middle of the financial crisis, Sine and Raine co-founder Joe Ravitch ditched their respective employers UBS and Goldman Sachs to start their own business. They crunched their surnames together to name the bank.

As bad loans and trading losses engulfed the banking sector, Sine and Ravitch bet that a traditional merchant banking approach to advice, close relationships with

corporate tycoons and a sharp focus on tech, media, sports and telecoms would set them apart.

Son became a vital client as Sine and Ravitch built Raine's reputation in the early years. A 2010 deal involving Vodafone was the first in a long list of advisory work for SoftBank picked out on Raine's website. By 2012 it had landed a role on SoftBank's \$20.1bn acquisition of telco Sprint Nextel.

Since then, Raine has been a part of many other high-profile SoftBank deals including WeWork's restructuring in 2019, when Sine took a seat on the office space group's board of directors until he stepped down last year.

As Arm returns to the public markets this week, albeit in the US, SoftBank's expected proceeds of up to \$5bn will replenish Son's war chest — and create yet more dealmaking work for Raine.

Additional reporting by Sujeet Indap