

BUSINESS

Matt Rubel's Empower Goes Public, Hunts for Deals

- The blank check company raised \$250 million in a listing on the New York Stock Exchange.

BY EVAN CLARK

Matt Rubel is on the hunt.

The fashion and dealmaking veteran – who has served as chief executive officer of Varsity Brands, Payless owner Collective Brands and Cole Haan – is now ceo of Empower, a blank check company looking to snap up a consumer business.

Empower went public on the New York Stock Exchange Friday, raising \$250 million with an eye toward investing in a company with an enterprise value of at least \$750 million over the next 18 months.

Blank check companies offer businesses a way to go public without having to go through the initial public offering process and are set up with an expiration date so funds are returned to shareholders if no deal is cut. They have been a relatively rarity in fashion – American Apparel is one of the few to actually go public by merging with a blank check company – but they are coming into vogue in the opportunity- and risk-laden COVID-19 deal market. Also on the prowl in consumer is Sandbridge Acquisition Corp., which launched last month.

Blank check companies, also known as special purpose acquisition companies, or SPACs, can be heavily focused on the financing aspect of the transaction, but Rubel told WWD that Empower is also coming with a good deal of operational savvy.

“The reason we named it Empower is the whole idea is, we’ve got such talent in the trend-related consumer products business – from beauty to all things cut and sew to the things that consumers are dealing with today – we want to give [potential targets] both the capital and the knowhow to help them move their business forward.”

Empower is incorporated in the Cayman Islands and sponsored by



Matthew Rubel

MidOcean Partners, where Rubel is chairman of the executive board. Graham Clempson, vice chairman of MidOcean, is president of Empower, which also has a long list of plugged-in advisers. They include Mindy Grossman, ceo of Weight Watchers parent WW; Matthew Shay, ceo of the National Retail Federation; Matt Maddox, ceo of Wynn Resorts, and William Cyr, ceo of Freshpet.

The company is looking broadly in the \$14.5 trillion U.S. consumer goods and

services market and sees certain attributes as key, including:

- brand leadership and awareness;
- a highly engaged community of consumers;
- a clear and consistent value proposition;
- sustainability-minded and socially conscious;
- digitally enabled, and
- agile supply chain.

That’s something of a laundry list of what many think a good company looks

like today, but the key for Empower will be to find the right target – and get to it before anyone else does.

Rubel noted the company doesn’t have to take control of the business but could, for instance, help bring a bigger company public by buying a minority stake (many IPOs only come to market with 20 percent or 30 percent of a firm’s stock anyway).

The still-hopping areas of beauty, including products and services, and health and wellness are two of the most promising categories, he said.

Apparel is also a possibility, but with some important caveats.

“Just buying a women’s fashion business, that would not be the first thing on our list,” Rubel said. “In the fashion apparel business today, there are so many dynamics that are coming at those businesses that those businesses need to be repaired in the private marketplace.”

And many fashion businesses are not ready for the public markets anyway.

But brands that have both business and consumer customers could be attractive, such as workwear brands that sell uniforms and such and have a more defined cash flow.

Whatever category Empower ends up going for, Rubel is looking for businesses in touch with the larger picture and how they fit into it sustainably.

Brands need to make products that consumers want, but also produce those goods in a way that shoppers are going to want to get behind – or at least working their way toward a better way of doing business, Rubel said.

“If they’re not fully there, we can help them get there,” he said. “We believe in ESG [companies with a focus on environmental, social and governance issues]. We believe in looking at B [Corp] certifications to enable brands to keep their eye on being a better community member.”

Empower comes to market just as many companies that have held on through the pandemic are looking for some help getting to the other side and preparing for what’s next.

“Winners who have been impacted by COVID-19 and the challenges of COVID-19 are seeking capital,” Rubel said. “They’re seeking capital both to grow and for safety. Deal flow in the past 30 days is the most it’s been in two or three years.”