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CFO  
INTERVIEW SERIES

# DRIVING GROWTH AND VALUE AS CFO

Ithaca Energy has developed into a major player in the North Sea oil industry during **Iain Lewis'** three years as CFO. In this interview with Criticaleye, he discusses the company's IPO in 2022, its M&A strategy and the practicalities of working in an unusual executive team structure



**Iain Lewis** holds the unusual distinction of being a part-time CFO in a listed business that is now on the cusp of the FTSE 100 – the North Sea oil and gas operator Ithaca Energy. In fact, **Iain** has successfully maintained part-time leadership and executive roles throughout two decades of his more than 25-year career in finance, since coming through the Chartered Accountant ranks at EY in Scotland.

“For the last 20 years I've been working on a three or four-day a week basis,” he tells Criticaleye. “I used to work only afternoons when I was dealing with US and Canadian inbound clients at EY. I've also worked only mornings. I've tried all sorts of different [time] frames. The aim has been to allow me to fulfil my external responsibilities as a church leader here in Aberdeen, as well as help with my large family (six children!).”

That commitment has largely kept **Iain** tethered to his local surroundings through the years, aside from six months in Calgary, Canada while with EY. This has not, however, precluded him from pursuing stimulating work leading the finance functions of two large oil and gas corporates since leaving EY.

“My wife says I get bored easily and my brain needs to be occupied. I've been >

told I've been trying to do the impossible in my career, which is work part time, live in Aberdeen and do interesting and challenging things in the corporate world. But so far, it's gone really well, and I am very thankful, despite over the years managing these priorities has meant I have had to say no to certain things."

One of these decisions was to turn down moving forward to Partner at EY. Despite becoming the fastest graduate to reach management in the Aberdeen office at the time, the Partner role wasn't for **Iain**, particularly as he felt it was becoming largely a sales role.

But then in around 2008, he was approached by a client – TAQA Global – and ended up spending nearly 14 years with the UAE state-owned energy company in a variety of leadership roles in the UK and Abu Dhabi.

"After [fulfilling] Group roles, I eventually moved into the UK business as Financial Controller as a route to Finance Director, but within a couple of years I became the Group Deputy CFO. And then as the European business diversified, I became the European Decommissioning Director as well. I had three senior roles at one point, all working part time. So it was a bit mad, but very stimulating."

## M&A Deal in Focus

### Deal:

Ithaca Energy's £754 million all-share deal for Eni's North Sea oil assets

### Completion:

October 2024

### Result:

- Ithaca becomes one of the largest independent companies in the North Sea
- Eni receives a stake in Ithaca, making it a major, long-term shareholder in the business

*“My job is to make sure to keep everyone honest on the numbers and to make sure that we're not overleveraging the business”*

After helping to drive value and reshape TAQA over a number of years, the time was right for a new challenge. In 2022, **Iain** was headhunted for the CFO role at Ithaca, which involved leading the IPO of the business onto the London Stock Exchange. He describes the move as “a unique opportunity in Aberdeen to list a company”, in what was a rare window in the IPO market for energy companies at the time.

## Leading the IPO

However, the time frames for bringing Ithaca to market were ambitious to say the least. “I joined in July 2022, and the plan was to list by November that year. I walked in and in the first couple of weeks said to the Chair, ‘Look, we're not ready to IPO. We need to call in the cavalry and work night and day to get this done by November.’ It was a crazy three or four months, but we achieved what seemed like the impossible at the time.”

After attaining an initial valuation of around £2.45 billion for Ithaca, in what was the UK's largest IPO of 2022, he set about getting his feet under the table in a business that was highly focused on M&A, and understood the importance of efficient integration, according to **Iain**.

During the last three years, the business has continued to pursue growth via acquisition, with the most notable being a £754 million all-share deal for Italian giant Eni's oil and gas producing assets in the North Sea, which has effectively doubled Ithaca's oil and gas production in

one fell swoop, diversifying the portfolio and enhancing the Group's capabilities.

There have also been executive changes to contend with. At the end of 2023 and start of 2024, Ithaca parted ways with its CEO and Chair, leaving **Iain** – remarkably – as the only executive director at the business for a period, with a temporary non-executive Chair. This led to him taking on the CEO reins for about ten months, in addition to his responsibilities as CFO.

“My role over the last three years has been very broad: establishing the listed business, adding value through M&A and business performance, leading the business through what was a very transformational deal, integrating the businesses and taking shareholders with us, as well as raising a lot of finance. Nearly £4 billion of finance has been raised over the last two years. So, it's been busy,” he says.

Since a new CEO, Luciano Vasques, and Executive Chair, Yaniv Friedman, were appointed by Ithaca in 2024, **Iain** has been working with them to establish a ‘triad model’ for running the business, which is an unusual set-up for the public markets by his own admission.

## A Triad Model

In this model, the CEO focuses on internal business operations and regulatory stakeholders, the Exec Chair runs the M&A strategy as well as Board management and the CFO spends a lot of time with the markets talking to equity and debt investors. But within that, there is triangulation on key strategic calls.

“One of the key things is making the right calls using our investment metrics around organic projects and inorganic M&A deals, and we're very disciplined in that. My job is to make sure to keep everyone honest on the numbers and to make sure that we're not overleveraging the business, that we're not exposing the business and that we're building a quality asset base with quality of earnings, rather than just short-term cash injections, which can often be appealing to dealmakers.” >

During the last year or so, there have been understandable challenges in ensuring all our stakeholders are clear what the roles are within this triad model, **Iain** explains, but he believes it is a structure that is working and that skillsets are well balanced across the triumvirate. And it's a very different situation from when **Iain** took the helm in 2024.

"I was pretty lonely for a while as the only exec director, but CFOs are used to being lonely, so it's not unusual territory! I think it was what was needed for the business, and the Board asked me to hold the reins and steer things while a new CEO and Chair were appointed, which I did, with very strong Board support throughout.

"I think it was reassuring for everyone, both internally and externally, that I was continuing, and then we had to get the structure set up for the new business. It was about doubling the size of the business, so it was always going to be a big change. And then it was about making sure the right personnel came in."

During this testing period, **Iain** learnt of the breadth of the CEO role, but also the weight of responsibility. When asked if the experience impacted his stress levels, he says: "I am very used to taking responsibility

*“As we grow, we’re going to get more complex. The challenge is how do we keep the ... focus on execution delivery when we become a much more diverse animal?”*

and I think I can thank my parents' [genetics] for being relatively low in trait anxiety and high stress tolerance. But that period really did push me to the limit and I was very dependent on my wife as well as my faith community to support me during that time."

### Internationalising Ithaca

Given the depletive nature of assets in the oil and gas industry, Ithaca's long-term strategy is largely predicated on growth via

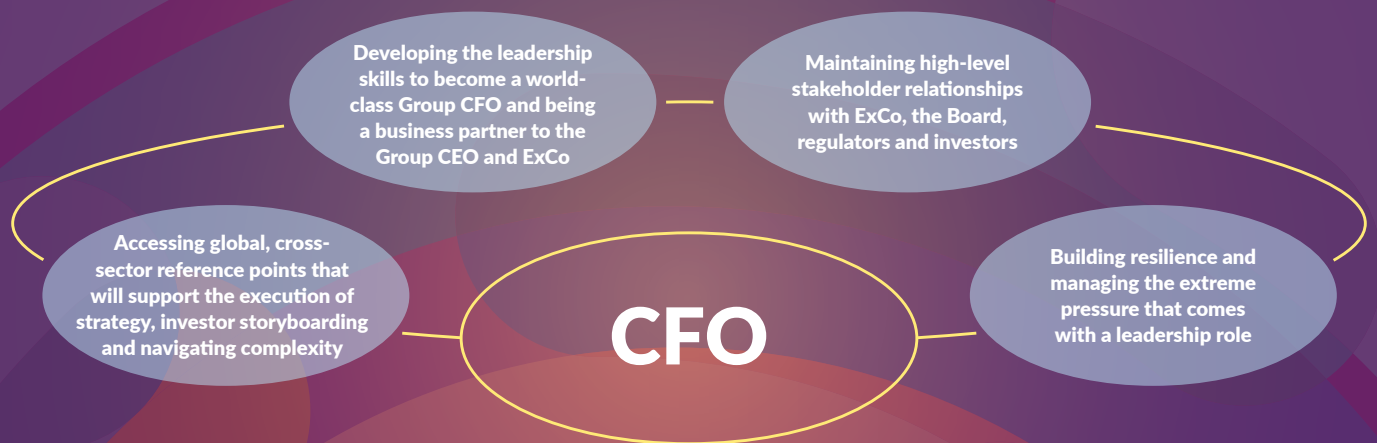
M&A, while advancing its organic growth opportunities. The company has established itself as a major player in the UK North Sea oil and gas industry in the last few years, but **Iain** is clear that international expansion is a likely future play.

"The next big step for us is likely to be overseas expansion, but at the right time, and at the right scale. We've always said there's no hurry for that. The big challenge will be growing up as a company. We're a £3 billion market cap company, but we operate 99 percent of the business from one large office in Aberdeen. There's about 650 people onshore, and then we've got the critical offshore personnel as well. But in terms of the business onshore, I can go and talk to everyone here. I sign every contract. I approve every headcount. I'm able to control everything quite tightly.

"The big challenge will be going to multiple locations, multiple countries. You then, as a business, have even more reliance on tight and consistent processes and controls. As we grow, we're going to get more complex. The challenge is how do we keep the focus on execution delivery when we become a much more diverse animal? But that is exciting, and to be able to do that all from my home in Aberdeenshire is a great privilege." ■

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