

Australian M&A digest: ZOOM ON RECENT DEALS



October-November 2020

Current activity in the M&A market, especially in the IT sector

- Copado has acquired ClickDeploy:** US Salesforce partner **Copado** has acquired its Australian launch partner **ClickDeploy** for an unspecified sum. The deal will give Copado access to Sydney-based ClickDeploy's Salesforce deployment management technology while helping cement its footprint in Asia Pacific. Copado first announced its Australian launch back in March via an investment and partnership with ClickDeploy. The company subsequently opened an office in Melbourne and hired Simon Bishop as general manager for APAC. According to Copado, which supplies a Salesforce DevOps platform, the ClickDeploy purchase will allow customers to continue using the latter's DevOps tool for free.
- OvertheWire set to acquire Digital Sense:** Publicly-listed IT and telco services provider **Over the Wire** is set to acquire all of the shares of cloud hosting company **Digital Sense** in a deal worth \$27 million in total. Headquartered in Brisbane, Digital Sense employs approximately 40 staff and provides customisable and scalable cloud offerings to enterprise and government customers. By acquiring the cloud hosting company, Over the Wire sees itself accelerating its growth and capability in cloud solutions and taking Digital Sense's offering to the whole of Australia through the provider's existing national network. It expects the deal to provide more solution capability in infrastructure-as-a-service (IaaS), desktop-as-a-service (DaaS), storage-as-a-service (STaaS) and data-protection-as-a-service (DPaaS).
- New Era Technology has acquired Vintek Group:** Global IT services provider **New Era Technology** has acquired Australian systems integrator **Vintek Group** as part of an expansion push into the Australian and New Zealand market. New Era Technology claims over 1,200 employees in offices



around the globe, including in the United States, the United Kingdom, Australia, and New Zealand. The company already has offices in Melbourne and Adelaide.

4. **Accenture has acquired Zag:** Technology consulting group **Accenture** has spent \$45 million buying New Zealand-based consulting firm **Zag** as it seeks to increase the number of in-demand SAP specialists on staff. The move is Accenture's first acquisition since the COVID-19 pandemic, coming a month after the firm made 5 per cent of its global workforce redundant and just weeks after it revealed plans to open a new hub in South Australia. The acquisition of Zag, which has about 200 staff, will give Accenture access to additional experts in S/4HANA, the new version of SAP's enterprise resource software package. SAP software is used by many large corporations to digitise their processes and the new version can be based in the cloud or on the company's own physical systems.
5. **RobertsDay has merged with Hatch Group:** Australian urban planning and design firm **RobertsDay** has joined the **Hatch group** of companies, the global consulting and engineering firm with roots in Toronto. The combination brings together Australian thought leaders in urban solutions with global experts in infrastructure, engineering and construction. The integration strengthens Hatch's expertise in the planning, design and development of the urban environment. Hatch's biggest practices are in mining and metals, energy and infrastructure, but it also has an urban solutions and smart cities practice.
6. **Tech Mahindra has acquired Momentom and Tenzing:** **Tech Mahindra** is building up its A/NZ digital services presence with the double acquisition of Melbourne-based **Momentom** and New Zealand's **Tenzing**. Financial details haven't been disclosed, but the deals will form part of Tech Mahindra's TechMNxt charter, focused on building and delivering technology solutions and services. The acquisition of both organisations "will enable digital capabilities, modern cloud-based architecture and transformation for customers in A/NZ in financial services and other sectors," the India-based IT services provider said.
7. **Effectus Consulting joins forces with Arthur J. Gallagher:** Brisbane-based **Effectus Consulting** has joined forces with **Arthur J. Gallagher**, one of the globe's largest firms specialised in insurance brokering and risk management services. The deal is Arthur J. Gallagher's seventeenth deal since the start of the year, but only its second outside of North America. In June, the US-headquartered group bolted-on Queensland-based CA Insurance Brokers, and four months down the line the firm is now also adding Effectus Consulting to its ranks. Founded in 2017, Effectus Consulting offers human resources and talent development strategies, talent diagnostics, culture and engagement surveys, mediation, performance management, and executive coaching services to clients throughout Australia.
8. **Capgemini to acquire RXP Services:** **Capgemini** is set to add more than 500 professionals to its Australian outfit, having laid the groundwork to acquire ASX-listed technology and digital marketing firm **RXP Services**. The total consideration is estimated at more than \$95 million. RXP's end-to-end offering spans strategy, branding, experience design, data analytics, digital transformation and project management services, all of which align firmly with Capgemini's proposition. The acquisition will also bring something new to the table: RXP has a dedicated branding, design and customer experience agency – 'The Works.' For Capgemini, the move marks growth in scope and scale. RXP is headquartered in Melbourne, with additional offices in Sydney, Canberra and Hobart. This 550-strong team – specialised in key digital offerings such as Microsoft, Salesforce and ServiceNow – will now integrate with 4,000 plus employees at Capgemini Australia, while joining a global outfit of more than 250,000 professionals across 50 countries.



-
9. **Liverpool Partners has acquired Seisma:** Seisma is the Melbourne based IT consulting business of ASX listed PS&C limited. Seisma specialises in the delivery of transformation and cloud transition projects and will continue to focus on its financial services and salesforce customer bases. Investors in the Liverpool fund are expecting Seisma will be a platform investment with plans to acquire further businesses and build a scaled and sustainable Australian IT services company. Liverpool is currently pursuing a similar 'buy and build' strategy in the IT cloud services and infrastructure space.

You would like to assess the sale readiness of your consultancy or you are thinking of an M&A deal in the near future, contact pierre.briand@scdadvisory.com