

M&A Australian digest: ZOOM ON RECENT DEALS



April/May 2020

8 Deals announced during the covid19 period in the consulting sector in Australia

1. **Port Jackson Partners joins EY's strategy consultancy EY-Parthenon:** Australian strategic consulting firm Port Jackson Partners has combined with Big Four firm EY, with the joining forces designed to help the consultancy deliver strategic insights and a more end-to-end service offering. EY-Parthenon, dedicated to strategic consulting services and commercial due diligence work has around 5,000 partners and staff working from offices around the world, including three in Australia; in Brisbane, Melbourne and Sydney. The integration sees the full team of Port Jackson Partners – 13 partners and 40 consultants and staff – join EY. The team will remain operationally separate for the foreseeable future but will work closely together with the existing EY-Parthenon team division comprising 5 partners and some 30 consultants. Port Jackson Partners will rebrand as EY Port Jackson Partners, and Pirola will stay at the helm.
2. **ACOR Consultants beefs up in Canberra with Rudds deal:** National engineering consultancy ACOR Consultants has acquired Rudds Consulting Engineers, adding a team of 70 professionals to its ranks. Founded over fifty years ago, Rudds Consulting Engineers is an engineering consultancy specialised in building services. The firm's two directors – Lou Forner and Andrew Beattie – came on board in 2002 when they bought the firm together with a 12-strong group of experienced team members. Today, the consultancy employs over 60 professionals. The bolt-on provides ACOR Consultants with a beefed up foothold



in the Australian Capital Territory, and enhances its propositions to government clients in Canberra through Rudds' track record and operations in Fyshwick and Southbank. As part of the transition, Rudds will for the time being trade under the new name of ACOR-Rudds Consultants. With over 400 people, ACOR Consultants now is one of Australia's largest home grown employee-owned engineering consultancies. The firm was founded in 1997 and has offices in Sydney, Brisbane, Perth, Melbourne, Canberra, Newcastle, Central Coast, Gold Coast and Broome.

3. **An SCD Advisory deal - TSA buys project management consultancy Calcutta Group:** Project management consulting firm TSA Management has completed the acquisition of Calcutta Group, a 30-strong consultancy with offices in Sydney and Brisbane. The deal sees TSA Management grow its headcount to roughly 350 consultants, project managers and staff, working from eight locations across Australia and New Zealand. TSA Management specialises in programme and project management and has completed over a thousand projects for private and public clients in both the infrastructure and property sectors since launching in 2001. However, ever since it received backing from UK based private equity firm Livingbridge late 2017, the company has been on a stellar growth path. Founded in 2010, Calcutta Group specialises in strategic advisory and project management consulting for clients with a key focus on the transport, healthcare, social services and education sectors. Over the past decade, the firm's engineers, consultants, architects and lawyers have worked on several major infrastructure projects in Australia such as Sydney Metro, Queen's Wharf Brisbane and Sunshine Coast University Hospital.
4. **Brisbane ISV Canopy Tools acquires Melbourne-based Adams Consulting:** Australian software developer and IT services provider Canopy Tools Group has acquired Melbourne-based consulting firm Adams Consulting Group (ACG). ACG joins cloud services provider CT4 and internet of things software developer Canopy Tools under the Canopy Tools Group umbrella. Founded in 2003, ACG offers managed IT services, cloud and consulting services. Some of its partners include Microsoft, APC by Schneider Electric, HP Inc., Cisco, Symantec and Juniper Networks. Canopy Tools Group was founded in 2019 as the holding company for both CT4 and Canopy Tools, which itself was formed under CT4 to develop the Canopy Manage IoT and IT asset management platform.
5. **Janison acquires UNSW Global Educational Assessments:** Sydney, Australia – Janison (JAN:ASX) has acquired UNSW Global's Educational Assessments (EA) business, in a move that could see the publicly listed education technology provider almost double its revenue from the schools sector. The acquisition is a major expansion of Janison's K-12 product offering. UNSW Global is a wholly owned subsidiary of global top 50 university, the University of New South Wales (UNSW). It comprises two businesses: Education, which provides university pathway courses, and Educational Assessments (EA), which develops and distributes assessment products for school Years 2 to 12. The deal brings together and enhances both companies' internationally recognised core offerings: Janison's assessment delivery technology and EA's assessment content creation. Since 2018, Janison has been digitising and delivering tens of thousands of assessments for UNSW Global EA, including ICAS, on the online assessment platform Janison Insights.



6. **Grant Thornton welcomes Glasshouse Advisory, specialist R&D boutique, to the firm:** Grant Thornton has purchased the research and development tax practice of Glasshouse Advisory from listed intellectual property firm IPH as demand surges from start-ups struggling with cashflow amid the COVID-19 pandemic. The move will see Sandra Boswell of Glasshouse Advisory join Grant Thornton as a partner with up to 10 staff, meaning the mid-tier firm will now have two partners and up to 15 staff providing advice in the area. The terms of the deal were not disclosed, however the annualised revenue of Glasshouse Advisory is about \$3 million. It is understood that annual revenue for the R&D business is about \$2.5 million. Glasshouse Advisory is one of the divisions of Xenith IP that came across to IPH when it successfully completed a \$192 million hostile takeover in August.
7. **Nine sells Stuff to CEO Sinead Boucher in management buyout:** Nine has finally found a solution for its New Zealand-based publisher Stuff Limited, with a management buyout expected to be completed by May 31, 2020. The transaction will see the platform return to New Zealand ownership, something that was considered important for its future. Boucher said the transaction gives Stuff, as a wholly New Zealand owned media business, far greater certainty in an industry navigating through the challenging waters of the post COVID-19 ad market. Stuff Limited owns New Zealand's largest news website stuff.co.nz and nine daily papers including The Dominion Post and The Press. The business also owns New Zealand social media network Neighbourly.
8. **SoftwareOne acquires Sydney ISV GorillaStack:** Multinational managed services provider SoftwareOne has acquired Sydney-based software developer GorillaStack. GorillaStack's flagship product is a cloud cost management and real-time event monitoring SaaS platform for Amazon Web Services, and is currently working on a version for Microsoft Azure. The acquisition bolsters SoftwareOne's capabilities within automation and security for the cloud and accelerates its own roadmap towards developing a cloud management platform. GorillaStack's platform will be added to SoftwareOne's PyraCloud solution, its spend management platform for software and cloud environments. The platform will also be available on a standalone basis as "GorillaStack by PyraCloud".

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