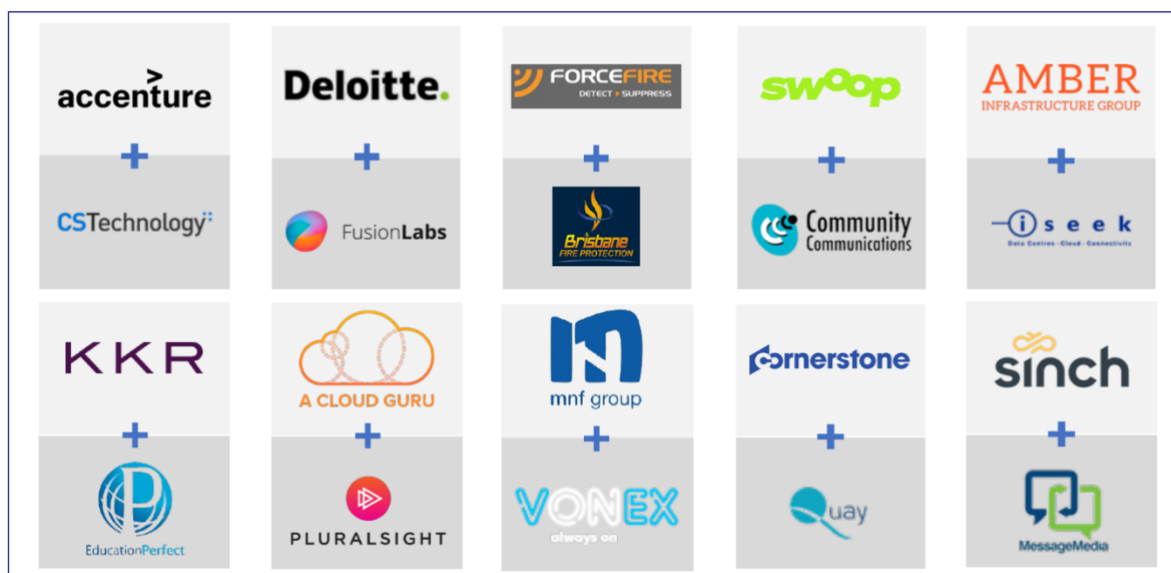


Australian M&A digest: ZOOM ON RECENT DEALS



June 2021 – 15 M&A transactions in Consulting, IT, EdTech, & Telco

1. Australia's Rhiper gets a bid, fingers point to Europe

Rhiper has emerged as the likely takeover target of European player Crayon. Fingers were pointing at Norway's Crayon Group Holding ASA, which also offers software asset management and cloud licensing, and has been talking up its plans to buy a business. Crayon, which is listed with about a \$1.8 billion market capitalisation, told its investors overnight that it was pursuing an acquisition that would "cement Crayon's position as a global leader in direct and indirect software cloud licensing, Cloud Services, Data and AI, and Software cloud Economics".

2. Anacacia's Force Fire blazes M&A trail in Queensland

Anacacia Capital's fire protection business Force Fire is taking the fast track to interstate expansion, agreeing on a deal to acquire south-east Queensland player Brisbane Fire Protection. Street Talk can reveal Anacacia-backed Force Fire has arranged a transaction that will see all of Brisbane Fire Protection's existing shareholders roll into the wider group, while its management team will continue to run the Brisbane-based operations.

3. Swoop swallows Perth telco ComComs

Fixed wireless and wholesale network infrastructure provider Swoop has acquired Perth-based National Broadband Network (NBN) provider ComComs, marking its second acquisition in the space of a week. Fully known as Community Communications, ComComs was founded in 2016 and now provides fixed wireless, NBN and voice services in Perth. Swoop claimed ComComs will be



incorporated into the business with “minimal disruption” and that “supply cost synergies can be realised in the short-term”.

4. Innovation and new ventures team from Fusion Labs to join Deloitte

Professional services firm Deloitte has further strengthened its business model innovation and ventures capabilities, with the team from leading innovation, strategy and new ventures consultancy Fusion Labs to join Monitor Deloitte – the firm’s strategy practice. Established in 2013, founding partners Patrick Crooks and current CEO Matthew Adendorff’s business is known for building substantial new revenue streams for clients by uniquely blending corporate strategy with entrepreneurial execution. Fusion Labs’ expertise includes end-to-end strategy and innovation services that drive business growth through new business models, emerging technologies and uplifting innovation capability. The end result can be anything from new customer propositions to successful new ventures. Its 21 people are located in Sydney and Melbourne. Patrick Crooks, and the CEO, Matthew Adendorff, will become Deloitte Consulting partners.

5. Accenture leaps into cloud infrastructure space with CS Technology acquisition

Global technology consulting giant Accenture has continued its major acquisition push by buying cloud infrastructure services provider CS Technology. The deal, of which the terms were undisclosed, comes as Accenture attempts to push further into the hybrid cloud infrastructure arena. With CS Technology, Accenture will gain access to 100 employees with skills in cloud, workplace, project management and engineering across Sydney, Melbourne, New York and London. Established in 1992 and with headquarters in New York, CS Technology claims a full suite of strategy to execution services in the domains of data centre, cloud, modern workplace and operating models, and has partnerships with original equipment manufacturers (OEMs), data centre providers and cloud providers. In Australia, the business has been led by managing director Simon Abela for the past 10 years.

6. Leading data-centre platform marks Amber's first Australian digital infrastructure investment

Amber Infrastructure Group(‘Amber’), the specialist international investment manager has acquired a majority stake in leading Australian data centre platform, iseek Pty Ltd (‘iseek’). The acquisition is Amber’s first Australian digital infrastructure investment, demonstrating its capability in critical digital infrastructure investment globally. iSeek is a leading Australian digital infrastructure operator with five purpose-built data centres across Brisbane, Northern Queensland and Sydney. Established in 2000, iseek also provides cloud and connectivity services to a diverse range of enterprise and government customers. iseek’s existing management team, led by CEO and shareholder-founder Jason Gomersall, has been instrumental to its success and will continue to work with Amber to take the platform on the next stage of its growth.

7. KKR to Invest in Leading ANZ Edtech Company Education Perfect

Leading Australian and New Zealand education technology (“edtech”) company Education Perfect (“EP” or the “Company”), global investment firm KKR, and Australia-based private equity firm Five V Capital today announced the signing of definitive agreements pursuant to which KKR will acquire a majority stake in the Company. EP, a certified B Corporation, empowers students, teachers, parents, and school leaders by providing them with rich data insights and tools for automated marking, feedback, secure assessment, differentiation, and more. EP also offers tens of thousands of high-



quality pre-built lessons. Founded in 2007, EP's work is grounded in the belief that the provision of accessible edtech solutions fosters a more diverse and inclusive education ecosystem. EP is currently being used by more than 3,000 schools, 50,000 teachers and 1 million students in more than 50 countries worldwide.

8. Melbourne's MessageMedia sold to Swedish cloud communications leader for \$1.7 billion

The Australian leader in mobile messaging solutions for small and medium-sized businesses, MessageMedia, has been acquired by Swedish competitor Sinch in a deal worth USD\$1.3 billion (AUD\$1.7 billion). Sinch hopes the deal will see the merged entity become the world's preferred mobile messaging partner for SMEs as MessageMedia is complementary to the Stockholm-based company's focus on large and enterprise customers. Founded in 2000 by Grant Rule, MessageMedia currently serves more than 60,000 customers and handles more than 5 billion mobile messages per year. The Melbourne-based company's CEO Paul Perrett said Sinch's product, values and global strength were highly complementary to MessageMedia.

9. Superloop to raise cash for \$110m acquisition of ISP Exetel

Bevan Slattery-founded Superloop (ASX: SLC) made its name as a fibre network builder and operator providing cloud services to businesses and consumers, but now the Brisbane-based group is bolstering its burgeoning home broadband segment with the \$110 million acquisition of Exetel. Superloop will raise \$100 million in two fully underwritten placements to help fund the purchase, including a \$49 million institutional offer to new and existing shareholders, as well as a \$49 million entitlement offer. This will be complemented by an additional \$10 million for Exetel shareholders in the former of SLC shares at a price of \$1.01 - just shy of yesterday's closing price, unlike the new share offerings which will be at a 10.6 per cent discount at 93 cents each.

10. Melbourne edtech startup A Cloud Guru acquired by US giant Pluralsight

Cloud skills development platform A Cloud Guru (ACG) has been acquired by US leader in technology workforce development Pluralsight, in a deal described as "one of Australia's biggest" for the tech space. Pluralsight, based in Silicon Slopes, Utah and worth more than \$3 billion, will bring Melbourne-based ACG into the fold later this year, upskilling the company's edtech expertise. Founded in 2015 by two brothers from Perth, Sam and Ryan Kroonenburg, ACG is driven by a straightforward mission to 'teach the world to cloud'. What began as a single cloud certification course has expanded into a rich content library and hands-on labs covering Amazon Web Services, Google Cloud Platform and Microsoft Azure cloud platforms.

11. REA acquires interest in software company Simpology

REA Group has acquired a 34 percent stake in Simpology, a mortgage application and e-lodgement solution provider to the broking and lending industries, for \$15 million. The real estate group will take two seats on Simpology's board as a result of the stake. Simpology's platform provides end-to-end mortgage solutions that are designed to accelerate home loan processes. The Australian-based company currently integrates with more than 30 lenders and roughly 2000 brokers.



12. Vonex acquires part of Direct Business arm of \$400 million MNF Group

Telecommunications innovator Vonex Limited ([ASX:VN8](#)) emerged from a trading halt on Monday morning, informing the market of a highly strategic development in the way of the negotiation of a conditional, non-binding term sheet with MNF Group Limited ([ASX:MNF](#)) for Vonex's acquisition of part of MNF's Direct Business. MNF has been a highly successful telco, having itself delivered substantial shareholder returns through strategic acquisitions as its market capitalisation increased some 50% over the last two years to about \$420 million. During the same period, Vonex's market capitalisation has doubled to nearly \$30 million, and the group is shaping up as an attractive emerging player in the telco space.

13. Cornerstone Performance Management announces merger with Quay Consulting

Cornerstone Performance Management announced that they have signed an unconditional agreement to merge with Quay Consulting and that Quay will become part of the Cornerstone Performance Management Group alongside PMsquare upon completion in July 2021. As outcomes-led organisations, the merger of Cornerstone Performance Management and Quay Consulting will deliver market-leading excellence in end-to-end program and project delivery, coupled with specialist technology capability in supply chain, workforce management, financial modelling, and information management solutions. The merger of the two companies will provide high-level consulting and delivery capability across Asia Pacific, typically seen in larger consultancies, together with the benefits of a small firm approach.

14. Sinch snaps up MessageMedia for \$1.3B to compete with Twilio in business SMS services

Sinch, the Swedish company that provides a suite of services for companies to build communications and specifically "customer engagement" into their services by way of APIs — has made yet another acquisition in its global march to scale up its business and compete more squarely with Twilio. The company announced that it has acquired MessageMedia, a provider of SMS and other messaging services for businesses to manage customer relations, user authentication, alerts and more. The acquisition is being made for \$1.3 billion. The deal is expected to close in the second half of this year. MessageMedia, based out of Melbourne, Australia, is currently operational also in New Zealand, the U.S. and Europe, and it focuses on providing services primarily to the SMB market with a self-service platform where customers can build and operate services, with the option of using a web portal provided by MessageMedia to handle the traffic.

15. IXUP acquires collapsed Data Republic IP for \$3M

Australian collaboration software provider IXUP has acquired the intellectual property (IP) of Data Republic a month after its financial collapse. The publicly listed company will pay \$3 million for the data exchange platform provider, a 94 per cent reduction of the \$50 million expended by the Australian start-up. As part of the deal, IXUP said it hoped to take on previous and affected customers of Data Republic and was "in dialogue" with laid-off staff members about potential job opportunities. Founded in 2014 by Paul McCarney and Danny Gilligan, Sydney-based Data Republic specialised in allowing organisations to share and license data, without risking consumer privacy or data security.

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