

Murdoch, Square Peg back Rokt's \$US80m raising

By **DAMON KITNEY**, VICTORIAN BUSINESS EDITOR

10:00PM OCTOBER 22, 2020 •  NO COMMENTS

Rokt, the digital marketing company run by former Jetstar boss Bruce Buchanan and backed by Lachlan Murdoch, international media group Time and Square Peg Capital, has boosted its valuation by 40 per cent to over \$US450m after securing its biggest ever private capital raising of \$US80m.

Rokt, whose technology allows advertisers to tailor messages for each individual user of their partners' websites, has now raised \$US160m over the past decade and is firmly on the path to a sharemarket float in the next two years.

"We are getting to a point now given the size of the business and needing to use equity for capital, that is going to require us to list," Mr Buchanan said, noting the company would be IPO-ready by mid next year and that its preference was to list on the Australian Securities Exchange.

He said the \$US80m Series D raising was triggered by some employees asking for liquidity through the early stages of the COVID pandemic.

"When we talked to some of the shareholders they were super keen to invest. Others had financial distress. We ended up getting oversubscribed and the round got way bigger than we thought it would be. It was originally going to be \$US40m," he said, noting it was only offered to existing investors.

While a significant chunk of the funds raised was used to buy back shares and provide some liquidity for staff and other investors, Mr Buchanan said \$US20m had been banked for merger and acquisition opportunities.

The funding round was led by Rokt's largest institutional shareholder TDM Growth Partners, and supported by other existing investors including Square Peg. The raising increased Rokt's valuation by 42 per cent to more than \$US450m.

Rokt's other shareholders include former Carsales chief executive Greg Roebuck, Moelis Australia Asset Management and Hong Kong-based Janchor Partners' chief investment officer John Ho, who is also a director.

Rokt was hit hard by the COVID pandemic, with revenues falling 65 per cent during March and April this year, but Mr Buchanan said the business was still profitable.

"The good news is we will still turn a profit this year and the underlying strength of the verticals we have footprints in is still there," he said, noting none of the company's more than 200 staff were laid off during the pandemic.

"In the last few weeks our revenues have surpassed our pre-COVID levels. But we are definitely not through COVID yet. Events won't start again for another six months. But tickets will start selling before that."

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Damon Kitney has spent two decades in financial journalism, including 16 years at The Australian Financial Review in a variety of writing and editing roles in Sydney, Melbourne, Canberra and Perth, including 5 ... [Read more](#)

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