

Gartner peer insights.
Your insight is valuable! Share your experience and get rewarded.
[Write a review](#) →

Approved reviews earn:

- A \$25 USD gift card
- A Peer Insights badge to display on LinkedIn
- and more . . .

Street Talk

Print article

— Street Talk

Rokt's \$458m raise gets it ready for US IPO

Anthony Macdonald, Yolanda Redrup and Kanika Sood

Dec 17, 2021 - 2.00am

Save Share

If there's one person investment bankers are going to want to get to know in 2022, it's ex-Jetstar boss Bruce Buchanan.

Now running Sydney-founded, New York-based ecommerce marketing technology company Rokt, Buchanan's nine-year-old technology company is planning a major multibillion dollar US float in 2023.

On today's numbers, the business could easily fetch a \$5 billion-plus valuation in public markets, based on a 15 times revenue multiple. Give it another year with a 65 per cent-odd revenue growth rate, and the business could be looking at an \$8 billion IPO, assuming tech stock valuations hold up to current levels.



ROKT CEO Bruce Buchanan is planning to take the company public in 2023.

Locally, shares in software-as-a-service cloud accounting software company Xero fetch 23 times trailing revenue and WiseTech trades at 38 times.

On Thursday, Rokt announced a record-breaking [\\$458 million venture capital raise](#), with US investment manager Tiger Global Management leading the Series E round.

See Everything From Miles

Forget Expensive Telescopes (Get This Instead)

Starscope [Open](#)

The raise, which also had participation from Wellington Management, Whale Rock Capital Management, Pavilion Capital and existing local shareholders Square Peg Capital, AustralianSuper and Hostplus, was arranged entirely by Rokt.

The funds were carefully selected for their ability, and willingness, to support the Aussie company through its 2023 float. Rokt wanted long-term holders committed to buying more shares, not selling out.

Buchanan and his board, which includes TDM Growth Partners' Tom Cowan and Janchor Partners' John Ho, completed the mega round without assistance.

"We had a curated list of 10 funds, and we ran it ourselves," he said.

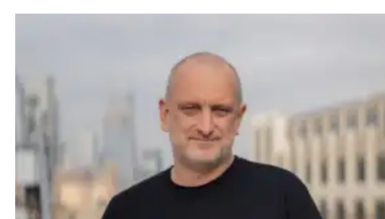
"It was a two-week process, we picked the three best players who had gone deep [on the business].

"It wasn't a mass market, banker-led process."

This, Cowan says, is increasingly how the large growth raises get done.

"There's been a move away from using advisors for these types of rounds... on the basis that it's quite clear who the right 10 to 15 growth funds are for a business," he said.

In good news for bankers, that means Rokt is open to pitches, and we're sure there will be plenty of them.



RELATED
[Bruce Buchanan's Rokt sets VC record with \\$458m raising](#)

The company's ecommerce transaction marketing software utilises AI algorithms to display complementary product offers or experiences to shoppers after the point of checkout on the sale confirmation page. These offers are designed to appeal directly to each individual consumer.

It is used by more than 3000 brands, including Ticketmaster, Disney, Live Nation and Wayfair.

Already profitable and projecting a long-term growth rate of 50 per cent, Cowan believes the business is already listing-ready.

Rokt is on track for \$US230 million in revenue this financial year, with the vast majority of its revenue stemming from the US.

When it does go public, it could be a handsome pay day for the company's early investors.

As well as Square Peg and TDM, the company's Aussie backers include Lachlan Murdoch, Carsales founder Greg Roebuck and Moelis Australia.

Get a first look at tomorrow's headlines

Sign up to the Street Talk First Look newsletter

[SIGN UP NOW](#)

Anthony Macdonald co-edits Street Talk, specialising in private equity, investment banking, M&A and equity capital markets. He has 10 years' experience as a business journalist and worked at PwC, auditing and advising financial services companies. [Connect with Anthony on Twitter.](#) Email Anthony at a.macdonald@af.com

Yolanda Redrup is an award-winning journalist who writes on technology and healthcare from our Melbourne newsroom. [Connect with Yolanda on Twitter.](#) Email Yolanda at yolanda.redrup@af.com.au

Kanika Sood is a Street Talk reporter. Email Kanika at kanika.sood@af.com.au

Save Share

License article

READ MORE

[Street Talk](#) [+](#) [IPO](#) [+](#) [Venture capital](#) [+](#)

LATEST STREET TALK

[IPO](#)

Rokt's \$458m raise gets it ready for US IPO

If there's one person investment bankers are going to want to get to know in 2022, it's ex-Jetstar boss Bruce Buchanan.

2.00am — Dec 17, 2021

[Funding](#)

Bruce Buchanan's Rokt sets VC record with \$458m raising

Rokt is now the third most valuable Australian private tech company thanks to the record-breaking \$458 million raising at a \$2.75 billion valuation.

2.00am — Dec 17, 2021

LATEST STORIES

[Live](#) [Need to Know](#)

Queen cancels royal family's pre-Christmas lunch

25 mins ago

[Monetary policy](#)

Bank of England springs interest rate surprise, ECB holds fire

[Opinion](#) [Letters to the Editor](#)

Letters: A little maths didn't hurt anyone

[Federal election](#)

Why Wallabies great David Pocock is entering the political scrum

SPONSORED

Vrbo

Vacation home near me

[Search homes](#)

Advertisement