

Bruce Buchanan's ROKT hits \$US1b unicorn status

Move over cats and dogs, it's raining unicorns.

Thanks to a small recent secondary share sale from one of its investors, Jetstar boss Bruce Buchanan's ecommerce marketing technology company ROKT has claimed the title of Australia's newest unicorn. The sale, which saw a small parcel of shares change hands, valued the business at \$US1 billion (\$1.36 billion).

Backed by local funds TDM Growth Partners (which led the company's \$US80 million funding round last year and also its previous \$US48 million round) and Paul Bassat's Square Peg Capital, ROKT's technology allows companies to promote goods of other retailers and service providers by allowing them to sell personalised offers for complementary products after a customer has completed a transaction.

If you buy tickets to a sporting match, you might see an offer appear after the

transaction for a discount on nearby parking, for example.

A long-rumoured IPO hopeful, ROKT had been considering listing as early as late 2021, but these plans have been pushed back to mid 2023. It is considering the ASX, or a US exchange.

Instead, the business will raise a substantial pre-IPO funding round later this year, targeting US investors.

Funds likely to be targeted include those focused on the crossover market (companies going from private to public) such as Dragoneer and Wellington Management, as well as funds focused on listed tech equities which also participate in pre-IPO rounds, such as T.Rowe Price.

"One of the big requirements of this round is to set ourselves up with investors in the US who can bridge us from private to public company," Buchanan said.

After taking an initial revenue hit in the second quarter of last year thanks to

COVID-19, the business has more than regained its lost ground, tracking toward 100 per cent revenue growth and forecast to hit between \$US200 million and \$US210 million in revenue this year.

"There was this triple whammy of all these things shutting down that really hit us, but two or three months into that we had a massive rebound where retailers were doubling down on ecommerce as the only channel they could sell to. All the traditional retailers came and wanted to use our technology," Buchanan said.

Thanks to the growth surge this year, ROKT's multi-year compound annual growth rate has stayed at 40 per cent to 50 per cent.

"There's not too many businesses in the hundreds of millions of revenue range growing at [that rate]. That's what we're focusing on. We're investing huge sums of money in R&D and we're actively investing in our go-to-market teams and marketing."

