

AUSTRALIA

Navis does Oz for Peoplebank, Asia for Andromeda, Celebrity

Multiple deals, exits include first PIPE Down Under



Nicholas Bloy



Rodney Muse

Asia Pacific buyout firm [Navis Capital Partners](#) has made \$125 million worth of acquisitions around the region this year. Biggest among these is a A\$60 million (\$55 million) stake in ASX-listed recruitment firm Peoplebank, representing Navis' first non-private equity investment in Australia.

Separately, Navis has also acquired Southeast Asian fitness chain Celebrity Fitness, and one of India's largest call centers, Andromeda. According to [Nicholas Bloy](#), founding partner and director at Navis, the combined equity investment in all three companies is \$125 million.

Peoplebank will use the capital to help finance its A\$100 million (\$91.6 million) acquisition of Melbourne-based executive search firm Ambit Group. The merger is touted as one that will create Australia's largest IT and telecoms recruitment firm, with combined revenues of A\$500 million (\$458 million)

in for the 2008 financial year, according to Peoplebank estimates.

Last May, Peoplebank acquired Perth-based Gryphron Consultants, which also specializes IT and telco recruitment. Peoplebank recently announced plans to expand across Asia.

"Navis' strategy background will be invaluable as we chart our aggressive growth path in this dynamic industry," said Peoplebank CEO Leon Lau. "In addition, the Navis network of offices and people across Asia was a definite factor in our decision to work with them. None of the other equity providers we spoke with offered the same ability to assist in expanding into Asian markets."

Navis co-founder and Managing Director [Rodney Muse](#) also told *AVCJ* that the firm would play an active investor role. "We will assist the company in a number of areas, including successfully completing the merger of the Ambit acquisition, assessing other possible

acquisitions, and forming a perspective and strategy for Asia." Muse and another Navis partner, Tom Beecroft, have joined the board of Peoplebank.

Muse said Peoplebank's listed status benefits the company and its shareholders. "Remaining public benefits the company as it relates to its customers, employees and contractors. In addition, it keeps maximum options open to Peoplebank both in terms of raising additional funds and allowing liquidity for current and prospective investors."

The deal marks Navis' sixth in Australia since 2003, but its first non-private equity placement in the market. The acquisition was made through the firm's \$1 billion Navis V fund.

Meanwhile, Celebrity Fitness is headquartered in Jakarta and has gyms across Indonesia and Malaysia. Through an 80% foothold, Navis will expand the chain internationally, said Bloy. "It has a

strong contemporary positioning, and is perfect for some emerging markets where young populations and rising disposable incomes are swelling the addressable market of consumers much faster than decent capacity can be added."

As for Andromeda, Navis's 74% stake will be used to grow the 3000-strong company. Andromeda has call centers around the Subcontinent, dedicated to Indian telcos and financial institutions.

Navis has also "been in selling mode," Bloy added. The firm recently exited Dome, an Australian coffee chain that has expanded across Asia and the Middle East. The transaction had an EV of A\$55 million (\$50.6 million) and a 37% IRR, according to Bloy. Navis's unlevered stake was sold back to management and financial backers.

Navis investee investigative consultancy Hill sold off one of its subsidiaries to an undisclosed buyer. The unit, Verify, performs pre-employment verification services. The deal returned 75% of the total invested capital. -SY