

Tech unicorn Rokt smashes funding record ahead of US IPO



📷 ROKT CEO Bruce Buchanan: ‘This raise amount to me is great, but it’s more the realisation of what it means for the whole Australian tech ecosystem.’

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Former Jetstar boss Bruce Buchanan’s tech unicorn Rokt has smashed the record for the largest single venture capital raising in Australian history with a \$458m Series E funding round as its valuation nears \$3bn ahead of a US initial public offering.

The funding round for Lachlan Murdoch-backed Rokt was led by Tiger Global, which was an early investor in global tech giants such as Facebook, LinkedIn and Square. Existing investors including TDM Growth Partners, Square Peg, AustralianSuper and Hostplus also poured money into the e-commerce business, now worth \$2.75bn.

Mr Buchanan said that the raising represented a “coming of age” for both Rokt and Australian tech start-ups more broadly.

“Australian businesses can now go to the biggest funds in the world and say ‘we are producing a product that is relevant to the whole planet’,” he said.

“This raise amount to me is great, but it’s more the realisation of what it means for the whole Australian tech ecosystem.

“The money will essentially now trickle down to all the hundreds of other businesses that will get started in this country.

“It says to other businesses that have been nervous that they’ve got this. There’s a history now of Atlassians, Canvas and Rokts and other businesses that have cracked the unicorn status and can do big raises with global businesses. It can only be a positive thing.”

Mr Buchanan said Rokt would use new funding to invest in R&D, international expansion and strategic acquisitions ahead of a US IPO, probably in 2023.

More than 3000 brands now use the company’s e-commerce technology, which connects advertisers through partners’ websites to new digital online and mobile consumers. A customer searching for a hotel in a particular city might be shown a relevant deal for nearby parking, for example.

“I think the most likely place we’ll list is in the US, just given the proximity to our customers and revenue base,” Mr Buchanan said. “This raise definitely opens up that market for us.

“Given the world of e-commerce and given the people we’re going to be partnering with, and given where all of our revenue comes from, it makes sense for us to list in the US.”

He said there was no reason why Rokt could not be the next Visa, MasterCard or PayPal.

“We think the value we can add is so much greater than those businesses in e-commerce.

“Even though the share that we take is relatively small, as it scales across all e-commerce transactions it becomes huge and the market opportunity is enormous.

“Our ambition is to be that trusted intermediary that makes e-commerce relevant for everyone and powers the connected world of e-commerce.”

Square Peg co-founder and partner Paul Bassat described Mr Buchanan as an “exceptional founder”.

“I’m thrilled that the new funding empowers him and the team to continue building what is, without a doubt, one of the best companies to come out of Australia,” he said.

“Rokt has profoundly changed the way brands acquire and convert customers worldwide”

TDM Growth Partners’ Tom Cowan said Rokt had been a driving force behind the acceleration of e-commerce and had the leadership, technology and vision to shape the future. “It’s been a privilege to partner with the Rokt team since the early stages of their growth,” he said.

Mr Buchanan said his most pressing challenge now was the war for tech talent.

“It’s very competitive, especially in highly specialised R&D roles,” he said. “Big tech businesses are now trying to stock up on as many smart people as they can. And we find culture, facilities, and equity programs are super important, and we’ve got to be very competitive on cash as well.

“We’re 400 people, about half of them are in R&D, with 80 per cent of our R&D staff located in Sydney.

“It’s been a very, very tough 24 months but we’re so excited.”

Originally published as [Rokt zooms to a raising record ahead of US IPO](#)

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