

News release

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Graphite Capital acquires Babble in £90m transaction

Graphite Capital, a leading UK mid-market private equity specialist, has backed the management buyout of Babble from LDC. The transaction values the unified communications, cloud contact centre and cyber security provider at £90 million.

Based in the UK, Babble supports around 2,000 medium-sized companies operating in a wide range of sectors including financial, health and education, travel and accommodation, and public services. Its integrated communications proposition enables clients to improve efficiency, enhance customer service, increase revenue, reduce costs and remain secure in the digital world.

Babble has long-standing relationships with leading suppliers such as Five9, Evolve IP, Gamma and Microsoft, providing them with a sales channel into the fragmented SME market.

Led by chief executive Matt Parker, the company has grown revenues to over £25 million over the past three years, with organic recurring revenue growth of more than 10 per cent per annum in addition to integrating revenues from a series of strategic acquisitions.

The company is poised for further organic growth through winning new clients and selling additional services to its expanding customer base. Babble has a pipeline of potential acquisitions which will expand further its range of products, services and customers, building on its scalable platform of next-generation cloud-based solutions. Its target market in the UK is worth around £2.5 billion.

Babble chief executive Parker said: "We have known Graphite for many years and will benefit from their proven expertise in supporting the growth of technology-led companies, both organically and through acquisition."

Humphrey Baker, Graphite partner, commented: "We were impressed by Babble's talented management team and its proven growth strategy, continually building on its strong recurring revenue base. Babble is a leading player in a very large and attractive market, working closely with its customers and enabling them to move to cloud-based 'UCaaS', 'CCaaS' and cyber solutions. We look forward to working with Matt and the team to take Babble to the next level."

Lara Markham and Tony Saade, investment directors, May Sulaiman, investment manager, and Zoe Jackson, investment executive, also worked on the transaction.

Babble is the fifth investment from Graphite's £500 million plus fund, Graphite Capital Partners IX. It follows the recent acquisition of Ten10, a leading UK software quality assurance and testing services provider.

LDC retains a minority stake in Babble and the management team is reinvesting a substantial proportion of its proceeds.