

News release

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Graphite Capital acquires Wonderbly

Graphite Capital, a leading UK mid-market private equity specialist, has acquired Wonderbly, the world's leading publishing platform for personalised children's books. The company is also developing innovative personalised products for third-party clients.

As a digital, direct-to-consumer publisher, Wonderbly sells its books in more than 150 countries, with international sales accounting for over 85 per cent of its revenues. The company sold more than one million books in 2020 and, in May this year, won 'Children's Publisher of the Year' at the British Book Awards.

At the heart of Wonderbly's success and growth is its unique operating model - a fully integrated approach to creating, selling, marketing and manufacturing its books. The business has developed proprietary software that enables it to render personalised images and manage orders from customers across the world with short delivery times. This is complemented by a worldwide network of on-demand printers, creating a scalable global model with no inventory.

The company is also in the early stages of using its technology to develop and market personalised products for blue-chip third-party clients, including Warner Bros. and Universal. Wonderbly's technology integrates with its clients' systems, allowing them to market products through their own websites without inventory risk.

The Bookseller described Wonderbly as 'a frontrunner among a new breed of publishers driven by technology and innovation'.

Wonderbly was founded by Asi Sharabi, David Cadji-Newby, Tal Oron and Pedro Serapicos in 2012. Following the success of its first children's picture book, *Lost My Name*, it received funding on the television programme *Dragon's Den*, raising capital on some of the most favourable terms in the history of the programme. They subsequently received funding from venture capital investors including Google Ventures, Project A Ventures and Greycroft.

Today, Wonderbly produces a range of 44 personalised children's books. Revenue has grown by more than 20 per cent per annum over the past three years to over £30 million.

Wonderbly operates in a large and fast-growing sector. The global personalised gifting market is worth £19 billion and is growing at 9 per cent annually. The market for personalised children's books is also growing rapidly, with consumers increasingly seeking unique educational gifts for children.

Wonderbly chief executive Asi Sharabi said: 'We have been talking to Graphite for several years and, when it came to finding our next partners, they were top of our list. We were impressed by the experience of their team, their expertise in brand development and their shared vision for our future. We look forward to working with them on the next stage of our journey.'

Omar Kayat, Graphite senior partner, commented: 'Wonderbly has a talented management team which, in a short space of time, has built a high-quality business with a worldwide footprint and market-leading technology. We will work with Asi and his team to develop further corporate partnerships and expand Wonderbly into a broader digital media and technology company.'

Lara Markham, investment director, and Edgar Borg Rodriguez, investment executive, also worked on the transaction. Debt finance was provided by Santander.

Wonderbly is the seventh investment from Graphite's £500 million fund, Graphite Capital Partners IX. It follows the recent investment in Higher Ed International, the global online programme manager for higher education.