

"IN THEIR OWN WORDS"

Pemba
Capital Partners



CHRIS NUNIS / CEO / Placard



AFTER 24 YEARS GROWING

Placard into Australia's leading secure transaction card company, its founder was ambitious for the business to expand further. Placard required an outside investor that could take it to the next stage of growth, while respecting the organisation's ethos and values, and enable the founder to transition away from the day-to-day operations to a more strategic role.

Chris Nunis, CEO of Placard, talks about his experience of working with the team at Pemba Capital Partners, and how the business has expanded since Pemba Capital Partners' investment.

BACKGROUND

Placard is Australia's leading secure transaction card company. It was established in 1987 to focus on the developing financial card sector. With backing from Pemba, Placard has grown to become the clear market leader across the financial, government, transport, health, and retail sectors. Placard is renowned for its technical expertise, service culture, product quality and for its value for money products and services. The company has grown steadily to establish its leadership position in the Australian and New Zealand transaction card markets.

Pemba first met with Placard's founder in 2011 and completed its investment in the business in 2012. The owner chose Pemba over other potential purchasers because they offered proactive support in facilitating the owner's move from running the day-to-day operations to a more strategic role at Board level. Pemba worked with the founder to find and appoint a new CEO, Chris Nunis, to lead the experienced management team and accelerate Placard to the next stage of its development. Chris, who had significant prior experience of working in lead executive positions within private equity-backed companies, joined the team in 2012.

WORKING WITH PEMBA

CHRIS COMMENTED: "Having spent many years within private equity circles, I was aware of Pemba's strong reputation in the market. When I was approached by Pemba, I felt an immediate connection with their confident but relaxed style and strategic awareness. Having spent considerable time with them, it is clear that a core value of Pemba's is 'people and culture' - inclusiveness, consultation and partnership in making key decisions."

"It gave me the confidence that I would be partnering with a group that was professional, pragmatic, determined to work together in achieving our objectives and importantly, one that I could trust in terms of their respect for the management team."

MARK COMMENTED: "From the moment we first met Chris at an industry conference we really gelled with him. He was clearly a highly successful, focussed and driven individual with a proven track record of delivering rapid growth. Chris has proved himself to be a strong leader with a clear vision of where to take Placard strategically and he nicely complements the strategic support Pemba brings to the table as a shareholder."

PLACARD TODAY

Since partnering with Pemba, Placard has won a number of major accounts in its industry; strategically increased its capital investment programs in order to increase capacity, improve efficiencies and product quality; built its first offshore facility in New Zealand; dramatically improved its Business Continuity Plan – a critical requirement in the production of 'secure' payment cards; established networks in Asia as Placard begins its entry into this growing region; and initiated market consolidation/restructuring discussions with global industry leaders.



“We have also seen Placard move up to service the largest financial institutions in the region which had previously been out of its reach. These developments have seen shareholder value increase significantly.”

MAGNUS HILDINGSSON



MAGNUS COMMENTED: “Placard was a very strong business but focused solely on certain key markets and customers in Australia. We have seen the business stretch itself to establish international operations in NZ and then look to enter the large markets in Asia. We have also seen Placard move up to service the largest financial institutions in the region which had previously been out of its reach. These developments have seen shareholder value increase significantly.”

The business has achieved significant revenue and EBITDA growth since Pemba’s investment. In addition, Placard has recently won major contracts with Tier 1 banks in the finance sector, the largest contract in the health sector and secured strategic customers in the transport sector.

Pemba have supported the business through each of these projects by providing access to growth capital as well as strategic, financial and operational support.

CHRIS SAID: “They are an interested but not intrusive investor, who willingly lend their expertise when required but ultimately trust the management team to do what they do best. Having the utmost confidence in Pemba’s ability to fund growth/investment projects either through equity or debt has allowed management the freedom to secure new growth platforms; invest in capital intensive technologies; and initiate strategic alliances with industry leaders to begin our push into Asia.”

CHRIS ADDED: “One of the key differentiators that sets Pemba apart from traditional private equity investors is that they make decisions that are genuinely in the best interest of their portfolio companies. A good example of Pemba’s partnership style of investment has been our recent visits to South East Asia. These visits had a dual purpose, one to look for strategic alliances in order for Placard to participate in this growing region by way of acquisition or joint venture; and also to begin the marketing campaign to identify potential buyers for our own exit. I asked Pemba to join me on these trips due to their considerable experience in Asia and also so we could share ideas on how to structure these potential alliances. Having Pemba alongside me also gave potential buyers of Placard confidence that they were dealing with a fair and reasonable investor who would be easy to work with in a future sale process. These visits were remarkably successful in that we now have interested parties that want to leverage off Placard’s expertise in chip migrations, as well as parties that have registered their interest at the point in time that investors want to exit.”

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MARK SUMMERHAYES



“In Their Own Words is a series of interviews between Pemba Capital Partners and the people we partner. In these conversations we explore our working relationships and how, with Pemba Capital Partners’ support, the businesses we invest in are achieving their growth strategies.”

Magnus Hildingsson and Mark Summerhayes are joint Managing Directors of Pemba Capital Partners, a leading investor in small and mid sized private businesses in Australia and New Zealand.



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AFSL No: 448486

T: 02 9256 6300
Level 32, Governor Phillip Tower
1 Farrer Place, Sydney NSW 2000
www.pemba.com.au