



Pemba
Capital Partners



Employgroup

Pemba Capital Partners – a leading investor in the Australian and New Zealand technology sector, has invested in Employgroup, a specialist provider of payroll outsourcing and employee management solutions.

Employee Management Solutions

Pemba/HR3 Acquires Employgroup

HR3 is a leading provider of integrated HR software solutions which, backed by Pemba, was looking to expand its service range to include a bureau based managed service. With the Pemba's assistance HR3 was able to find, finance and integrate Employgroup into its offering.

THE DEAL

HR3, Australia's leading provider of fully integrated HR software solutions (covering payroll, human resources, and workplace health and safety) has acquired Employgroup, a specialised provider of managed services across payroll, time & attendance and award interpretation. Employgroup's modules and functionality significantly enhance and complement HR3's existing offering.

ABOUT EMPLOYGROUP

Employgroup was founded in 2012 by Dean Morelli (Founder), it offers fully outsourced payroll solutions including time & attendance and award interpretation. Sydney based, it has over 500 customers in Australia, Singapore, NZ and the UK across 5 differentiated products.

BACKGROUND TO PEMBA'S INVESTMENT

After establishing a focus on payroll services as a target market for investment, Pemba first approached Dean Morelli directly in early 2016. A close relationship was built and maintained between Dean, his team and Pemba who watched with interest as the Employgroup business continued to grow. The Pemba team continued to look at businesses in the sector and discussed a number of ideas with Dean. These discussions gave Dean a clear sense of what working with an investor and becoming part of the larger HR3 group would be like.

THE VENDOR'S PERSPECTIVE

“There is a natural fit between HR3 and Employgroup; we share the same customer-oriented vision. The trust and relationship that was established with the HR3 and Pemba team gave me comfort in taking a major step in joining forces with HR3. It's the right move personally but it's also a great moment for the business.

The Employgroup management team now have access to the deeper HR3 development resources and distribution networks which will enable our customer offering to evolve to the next level.”

DEAN MORELLI – FOUNDER, EMPLOYGROUP

THE FUTURE

The Pemba team will continue to work at a Board level to support the HR3 and Employgroup management teams in growing the group organically and through carefully selected acquisitions.

PEMBA & BUSINESS SERVICES

Pemba is looking to invest in further high-quality business service providers. If you are considering outside investment and would like to find out more about how Pemba partners with its investee companies to achieve significant growth, please email opportunities@pemba.com.au.