

Acclime puts Philippines, India and Japan on M&A radar this year – CEO

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Acclime, a Hong Kong-headquartered pan-Asia corporate services providers, is going full steam ahead amid the COVID-19 pandemic, putting the Philippines, India and Japan on its M&A radar, said founder and CEO Martin Crawford.

Acclime is currently in active discussions with two targets in Manila, Crawford added.

The company already has a small presence in the Philippines through B P Solutions, a Singapore-based services provider which Acclime acquired last year. Subsequent acquisitions in the Philippines will be integrated with its existing operations there and rebranded under Acclime, the CEO said.

Other markets where Acclime has ongoing discussions to sign acquisition deals this year include India and Japan and those could be followed by transactions in South Korea next year, Crawford said.

In an [interview](#) with *Mergermarket* in October 2019, Crawford said the company is keen on targets in Cambodia, Myanmar, and China's Greater Bay Area, where it is seeking more exposure. The pursuit has been partially fulfilled with last year's acquisition of Cambodia-based BSE Accounting, Crawford said.

While Myanmar is still on the radar, Acclime has no immediate bolt-on plan there given the current political crisis as a result of the coup d'état in February, the executive said.

The global health crisis is not discouraging Acclime from pursuing deals, although Crawford said there was indeed a slowdown in 2Q20 when travel restrictions kicked in. It soon adapted to the situation and was able proceed with deal execution by using its in-country operations and on-the-ground financial, legal, and operation due diligence services, he said.

Last year, it announced eight deals across Southeast Asia, Hong Kong and mainland China. Its latest deal announcement on 1 March was the acquisition of Australia-based CoSec Corporate Services, a deal that was closed remotely toward the end of 2020, Crawford said.

Acclime is still at the build-up phase to achieve a pan-Asia geographical coverage, especially in emerging markets. Crawford noted he sees no shortage of high-quality, small-scale services providers who are willing to join a regional platform to broaden their services scope and geographical coverage for their clients.

Acclime has closed 18 deals since its inception in 2019, focusing on premier services providers with an EBITDA of USD 1.5m or less, Crawford said. The company will integrate those businesses for more bolt-on deals and organic growth to win market share from competitors and onboard more corporate clients who value premier services in hard-to-navigate emerging markets.

Among Acclime's target clientele are multinational corporations and private equity-backed portfolio companies, he said.

Integration, technology stack

While Acclime is well into its stride on the M&A front, Crawford said the progress does not necessarily come at the expense of integration. For a company that pursues a roll-up strategy, it is important for Acclime to have a truly integrated business—from the workflow, branding to marketing—that is why it has allocated a lot of resources into those areas, he said.

Rebranding took a slow start in 2019 when Acclime had less to demonstrate as a group. However, it is now gaining traction and had most of the acquired assets rebranded already. CoSec in Australia has been rebranded to Acclime Australia, according to a company [press release](#) this week.

As the industry is increasing digital input, Acclime has spent the last eight months bringing its technology stack to the minimum viable product (MVP) stage. The stack is focused on four areas, including a document management system that uses meta tags to give each document a digital identity—similar to a QR code on a business card—for more efficient document filing, classification and search, Crawford said.

The three other areas of focus are single client view, user access control, and application programming interface (API) allowing one application to access data and features of another.

Its internal team has designed and built the stack using off-the-shelf software. Acclime's non-equity software solutions partners include Hong Kong-based Take5 People, which specializes in digitizing human resource management.

Through bolt-on deals, Acclime has a headcount of around 450 working across Hong Kong, Thailand, Indonesia, Vietnam, Malaysia, Cambodia, Singapore, Mainland China and Australia, in addition to sales offices in the US and Europe. It offers a suite of services to corporate and private clients from incorporation, business compliance, accounting, HR outsourcing to corporate advisory services.

Acclime is backed by its early investors including Stem Financial, the financial services investment arm of Hong Kong-based Stem Capital Partners. The company's board has three members, which are Crawford, co-founder and COO Debby Davidson and Stem Financial's founder Philip Lynch.

by Lizzie Ko in Singapore

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