

Computer Software

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Learn Primary could seek to raise capital in 4Q19 to enter New Zealand, Canada - CEO

 Proprietary Intelligence

Headline:	Learn Primary could seek to raise capital in 4Q19 to enter New Zealand, Canada - CEO
Main body:	<p>Learn Primary, a private Australian learning software developer, could look to raise AUD 2m-AUD 3m (USD 1.4m-USD 2m) in 4Q19 to support its planned expansion into New Zealand and Canada in late 2019 or early 2020, said co-founder and CEO Manish Goklaney.</p> <p>Learn Primary could attract investor interest from countries that have curricula similar to Australia, such as New Zealand, Canada, the UK and South Africa, Goklaney said, noting that the global opportunity for the company comprises 20m primary school children in these countries. There is also significant interest from Asian countries such as Singapore and China, which seek western content for Math and English subjects, he added.</p> <p>The Sydney-based firm has been independently valued at AUD 6m using the discounted cash flow (DCF) model and compared with listed peers, such as AUD 157m-market cap 3P Learning [ASX:3PL], Goklaney said.</p> <p>Learn Primary, which has hired Brisbane-based Funding Strategies as corporate adviser, would need additional advisers on the ground in New Zealand and Canada to assist with formulating market entry plans, Goklaney said, adding that advisers can start approaching the company in September.</p> <p>Learn Primary expects to need physical presence on the ground, and options to this end could include opening offices or creating local entities, the CEO said. It is also keen to explore joint ventures (JVs) to enter and expand in these markets, he added, noting that book distributors, stationery suppliers or school administration software developers could be ideal investors or JV partners.</p> <p>Potential partners could be based in New Zealand or Canada, or could be Australian players with a presence in those markets, he said. Developers of software for schools include Navitas [ASX:NVT], UK-headquartered Civica Group, and Sydney-based Sentral Education.</p> <p>Learn Primary's peers include Sydney-based Study Ladder, San Mateo, California-based IXL Learning, UK-based Literacy Planet, and Mountain View, California-based not-for-profit Khan Academy, Goklaney said.</p> <p>It, however, differentiates itself in that it is the only company that has developed an integrated device-agnostic and scaleable portal that links parents, teachers and students via one platform, he added.</p>

The firm's curriculum-based learning system, for primary school children between the ages of five and twelve, has been registered with more than 100 Australian schools. It has completed learning systems for Math and English for Years 2, 3 and 4, and is in the process of completing systems for Years 1, 5 and 6, Goklaney said.

Learn Primary has raised AUD 1.5m since its inception in June 2016 from co-founders Goklaney, Head of Education Joe Butler, and director Andrew Stylianou, as well as from **MinterEllison**-owned **ITNewcom**'s executive director, Stephen Craike. **Roses Only** co-founder James Stevens invested in the company last year.

Goklaney and Stylianou are the largest shareholders in Learn Primary, and together hold about 65% of the shares. In 2013, they sold their **Indicium** and **Access Networks** group of managed services companies to **SMS Management & Technology** [ASX:SMX] for about AUD 30m.

by Louise Weihart in Sydney

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Target:	Learn Primary
<i>Financial advisor:</i>	Funding Strategies
Other:	Civica Group Limited, Navitas Limited, Sentral Education
Source :	Proprietary Intelligence
Size :	
Value :	6m AUD (Company valuation)
Stake Value :	N/A
Grade :	Confirmed
Alert :	Australian M&A Intelligence
Intelligence ID:	2782508



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