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Apax Partners-backed Azentio flags Asia, MEA as key markets for organic growth, bolt-on – CEO

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Azentio Software, a Singapore-based software product business backed by Apax Partners, has flagged Asia, the Middle East and Africa as its key markets for organic growth and bolt-on opportunities, CEO Tony Kinnear said.

The company, which was carved out from India-based IT company 3i Infotech [BOM: 532628] last year, has a relatively strong presence in the Middle East and is growing in Africa and Asia, including Singapore, Malaysia, Thailand, Vietnam, the Philippines and Hong Kong, said Kinnear, who joined Azentio recently from Thomson Reuters where he was president of the Legal Professionals business.

Azentio is pursuing growth in those core markets through organic investments in product R&D, talent acquisition and services delivery. That is supplemented by acquisitions.

One example is the acquisition of India-based process automation specialist Candela Labs (Automated Workflow Private Limited) for an undisclosed amount last month. This marks its first bolt-on deal as an independent company.

Candela brings to the table talent and digital capabilities with which Azentio can automate processes and deploy microservices on top of its existing core banking and insurance engines, the CEO said. Azentio's headcount has grown to 1,850 following the deal as Candela has 250 employees across seven countries.

Azentio has a portfolio of products for the banking, financial services and insurance (BFSI) industry, and these include the compliance software suite Amlock, which is gaining strong growth momentum, Kinnear said. The company will continue to enrich Amlock's financial crime detection and management features and add new functionalities to other products through in-house development and purchasing technologies, he said.

Azentio's BFSI-centric product portfolio include its universal banking platform Kastle, core insurance software Premia Astra, asset management platform MFund Plus. Its enterprise resource planning (ERP) software Orion has customers from BFSI, manufacturing, trading, retail and distribution, among other industries.

The company announced on Thursday (1 July) that it has signed a binding agreement to acquire India-based insurance technology company Beyontec. Beyontec provides digital solutions for insurers including a core multi-line insurance administration system and a set of cloud-based accelerator tools.

The traditional core banking system segment is facing disruptions from cloud-native core banking solutions in recent years, and the trend is also seen in the insurance industry, Kinnear said. While there are BFSI customers that are pressing forward with cloud migration, others are still very focused on their existing core and functionalities.

Azentio's product portfolio spans across multiple BFSI verticals with a client base in Asia and MEA markets, and this makes it necessary for the company to adapt to the variations among these clients and markets in their infrastructure maturity and readiness for legacy system migration, Kinnear said. Azentio has not launched cloud-native banking solutions yet but is actively evaluating the prospects of such products, he added.

The company is meanwhile looking to strengthen its on-the-ground presence in the core growth markets by having its own local teams or channel partners for services delivery, Kinnear said.

Azentio currently has offices in Singapore, Thailand, India, UAE, Saudi Arabia, Kenya, Mauritius, the UK and the US. It has more than 700 customers in over 48 countries, according to its website.

There are global players in each of the BFSI product verticals, but their pricing points are considered premium for many emerging markets, and the global players also tend to allocate more resources for the developed markets. Azentio has its value proposition of offering affordable solutions and on-the-ground support in the emerging markets, the CEO said.

Through this, the company believes it can contribute to the social welfare in these markets by offering technologies to enable banks and insurers to innovate and deliver products like microinsurance to the underbanked and underinsured population in a more cost-effective way, Kinnear noted.

The company's growth last year is in line with projection, with a relatively balanced revenue stream generated across the banking, insurance, asset management and ERP product verticals, the CEO said without specifying.

Apax Partners completed the acquisition of the software product business from 3i Infotech in March 2021 for INR 10bn (USD 136m). The target had a revenue of INR 4.4bn (USD 59.4m) for the year ended 31 March 2020, as [disclosed](#) by the vendor.

by Lizzie Ko in Singapore

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