

CPaaS provider Infobip expands its voice presence in the US market with purchase of Peerless Network

Analysts - Raul Castanon-Martinez

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Introduction

Communications PaaS (CPaaS) provider Infobip has announced the acquisition of global VoIP provider Peerless Network, marking its fourth purchase in less than a year. The transaction adds to a wave of deals over the past two years, with 24 CPaaS-related acquisitions so far in 2021, according to [451 Research's M&A KnowledgeBase](#). The company also disclosed that in September it secured additional funding in the amount of \$500m via a direct loan placement.

Snapshot

Acquirer	Infobip
Target	Peerless Network
Subsector	Cloud communications
Deal value	Undisclosed
Date announced	November 2, 2021
Closing date, expected	2022
Advisers	Regions Securities (Infobip); Moelis & Company (Peerless Network)

Source: 451 Research

The Take

We have followed the progression of Infobip over several years. The company has evolved from its initial focus on enterprise messaging to encompass a wider range of use cases with increasing degrees of complexity. Although well-positioned as a messaging supplier in Europe, it faced intense competition from key rivals Twilio and Sinch, which are aggressively expanding their global market footprint. Reaching for Peerless Network kills two birds with one stone, boosting its presence in the US market with voice services that are largely complementary to its existing portfolio, further cementing its position as a leading global CPaaS provider.

Deal details

Terms of the transaction were not disclosed, but it is expected to close next year – pending regulatory approvals – and will be financed with a combination of Infobip shares and cash. Peerless Network plans to roll parts of its holdings into Infobip. Regions Securities advised Infobip, while Moelis & Company banked Peerless. Together, the two companies will process more than 30 billion monthly customer interactions across the full range of communication channels, in more than 190 countries around the globe.

Deal rationale

Infobip initially emerged as a messaging aggregator and has evolved its offering into a comprehensive CPaaS portfolio – encompassing security, AI-enabled capabilities, payments, and conversational commerce. The vendor's voice services are largely complementary and should allow it to increase its voice presence in the US. In turn, this should help Infobip raise its profile as a global player against key rivals Twilio and Sinch.

The deal mirrors Sinch's acquisition in February of voice and messaging services provider Inteliguent and LivePerson's recent purchase of communication systems provider Tenfold – highlighting the growing relevance of voice communications for the digitization of the customer (CX) and employee (EX) experiences. According to 451 Research's recently updated CPaaS Market Monitor, the digitization of the CX and EX – accelerated by the pandemic – has set the stage for the next leg of CPaaS growth, with a projected total market revenue set to expand at a CAGR of 28% over the next five years.

Target profile

Peerless Network is a provider of voice, unified communications as a service, SIP trunking, messaging, APIs, MS Teams integration, and other collaboration products and services. With its own nationwide voice network, the firm serves enterprises, global mobile network operators, mobile virtual network operators and interexchange carriers, as well as competitive local exchange carriers and VoIP service providers. Based in Chicago, Peerless was founded in 2008 and is privately held. The company claims that it covers 93% of the US population, with more than 4,500 interconnections in 49 US states, processing nine billion monthly minutes in over 200 markets.

Acquirer profile

Infobip is a full-stack CPaaS supplier with private cloud infrastructure that offers zero-hop connectivity to telcos globally. The vendor has its own proprietary messaging networks, geo-redundant datacenters, and in-house-developed technologies, and provides 24/7 international support. Based on its annual revenue, 451 Research's recently updated CPaaS Market Monitor positions Infobip as a top tier global CPaaS provider.

The vendor was founded in 2006 by CEO Silvio Kusic and CTO Izabel Jelenic. It is privately held and headquartered in London, with a core development team in Vodnjan, Croatia. Prior purchases include SMS firewall specialist Anam Technologies in May; European tech conference producer Shift Conference in April; and OpenMarket, a provider of enterprise mobile messaging services, in November 2020.

Competition

Infobip's key rivals include CPaaS provider Twilio, which announced the acquisition of messaging and customer engagement firm Zipwhip in May, and CPaaS vendor Sinch, which in September bought cloud-based email provider Pathwire in a deal valued at \$1.9bn. Other competitors include Cisco, which purchased CPaaS vendor IMImobile in December 2020; and cloud communications supplier Dialpad, which recently nabbed Koopid and CX specialist Kare Knowledgeware.