

— Exclusive

Travelport acquires majority share in Aussie start-up Locomote



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Reporter

Updated Dec 1, 2015 - 6.45am,
first published at 12.01am

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Billion-dollar New York Stock Exchange-listed travel commerce platform Travelport has taken control of Melbourne-based tech start-up Locomote upping its stake in the company to 55 per cent and installing a new chief executive.

Terms of the investment will not be disclosed but *The Australian Financial Review* understands that Travelport's stake in Locomote is now worth between \$50 million to \$100 million, with the new stake being worth multiple millions.

Locomote is a business travel and expense platform headed by serial entrepreneur Philip Weinman, who has been founding successful technology companies since HIsoft in 1983. It has more than 200,000 users at clients including Australia and New Zealand Banking Group, Allen & Overy and Medibank.



Locomote founder and serial tech entrepreneur Philip Weinman will move to the role of vice chairman as Travelport executive Sandra McLeod takes over as CEO. **Wayne Taylor**

Travelport meanwhile has a market capitalisation of \$US1.65 billion (\$2.3 billion) and runs the booking systems for major companies like Flight Centre and Webjet. It originally bought 49 per cent of Locomote in 2014, but has now crossed the 50 per cent threshold.

As part of the deal, long-time Travelport executive Sandra McLeod will become Locomote's CEO, with Mr Weinman becoming vice chairman. Travelport's chief financial officer Philip Emery will also become chairman of Locomote.

Ms McLeod has been the global vice president of global accounts and corporate development at Travelport, where she has worked for 25 years in a variety of roles.

Big potential

Travelport chief executive Gordon Wilson told the *Financial Review* that Locomote's growth potential had no horizons.

"We'll go where the customers want us to go. Travelport is in 170 companies around the world and there is no limit to our goals and aspirations," he said.

"We're introducing Locomote to a range of partners around the world who are interested in using its product with their corporate travel customers. When they understand that the business is backed both financially, strategically and technically by Travelport, it gives them an entry point that they otherwise wouldn't have had."

Locomote, founded by cousins David and Ross Fastuca, Mr Weinman and his son Dean and Dr Clive Sher, is the second Melbourne-based business Travelport has backed.

In 2009 Travelport's first investment in a start-up was in local business-to-business payments solution company eNett, which is on track to generate more than \$138 million in revenue this year. Travelport now owns 73 per cent of the payments business, while PSP International holds the remainder.

"Anthony Hayes from eNett pitched the idea to me in the back of a cab when I was going to be flying home. It was very clever, because I couldn't go anywhere for 40 minutes," Mr Wilson said.

"With Locomote, we knew we needed a better proposition for corporate travellers and we wanted a next generation capability to do it ... My first meeting with Philip Weinman was at a hotel in New York and within 30 minutes it was clear that we shared the same vision and where corporate travel was going."

Personal problem

The Locomote platform runs across all devices and streamlines the travel management and booking process, allowing businesses to save up to 35 per cent on trips.

Mr Weinman said Locomote evolved out of trying to find a solution to a personal problem.

"I was a large corporate traveller and did a very significant travel stint in the 2000s," he said.

"I decided to go and find someone to build a workflow that would reduce travel spend. From there it was never intended to be a business, it was just a way for me to reduce our spend. But it was saving me well over \$1 million a year, so the board of Deasil Management (a company Mr Weinman founded which helps grow start-ups in a variety of sectors) said why can't we do this for our businesses?"

With the help of Travelport, it is now looking to expand further into Asia, the United Kingdom, United States and South Africa.

"We're looking at a very significant opportunity in the Malaysian market where we'll take the technology we've built and offer it as a leisure solution for people who want to travel for holidays and add extra components like booking hotels, cars and tours all in one," Mr Weinman said.

He said the relationship between Travelport and Locomote had already been successful because Travelport had let the team run the business with little intervention to date.

"It wasn't about putting millions of dollars into the business, it was about getting the right mix of people," Mr Weinman said.

"I've never had a partnership as good as the one with Travelport. We've never deviated from the vision we had when we met in New York. Usually I'd have left by now, but I'm staying on board because I don't think we've even started yet."

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