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## **MailExpress expects continued speedy growth with Series D funding in hand, CEO says**

by Chris Marr in Atlanta

MailExpress, a light-parcel mail services provider based in Atlanta, Georgia, still sees "significant upside" for its revenue and profits before making an exit, said CEO Bob Moss. With USD 30m of Series D venture funding now in hand, the company also could make acquisitions to boost its growth, although its expansion to date has been organic, he said.

The venture-backed company announced today (26 June) that it closed a new round of financing, led by Lightspeed Venture Partners and joined by existing investors. MailExpress has raised USD 95m since its initial funding in September 2005, Moss said. The new capital will be used primarily to boost sales and marketing, and expand the company's processing and distribution network, according to a company press release.

With expected revenue of "well over" USD 100m this year, the company should be able to continue rapid growth for another three to five years or longer, Moss predicted. As the company grows, the CEO expects to encounter a few good exit options, including a possible IPO. The organization and board of directors are being structured to support a public company, he said. MailExpress could also be interesting as part of a private-equity-led rollup of the mail services industry, potentially encompassing U.S. and international players, as privatization of mail services is more prevalent internationally, Moss said.

Asked whether a healthier M&A market might have brought MailExpress an exit this year instead of more funding, Moss contended that it still would have been early for an exit even if the M&A climate had been better, although he noted the company might have had "different conversations".

Demand for light-parcel shipping is on the rise, as products such as consumer electronics get smaller and consumers do more and more shopping online to have their purchases shipped to their homes, the CEO explained. MailExpress manages the expedited delivery of large volumes of parcels (five pounds or less) and non-letter-size envelopes for corporate customers, in partnership with the U.S. Postal Service. Among

its specialist area industry verticals are consumer electronics, clothing and pharmaceuticals -- specifically maintenance medications that are regularly delivered to the customers' homes. Its competitors include divisions of major shipping players such as Georgia-based UPS, Tennessee-based FedEx and German-based DHL (Deutsche Post).

Although all its growth to date has been organic, MailExpress could consider acquiring regional mail services players around the U.S., Moss said, when asked about the idea. He specified that he would not rule out potential acquisitions over the next one to two years.

In addition to Lightspeed, the company's venture investors include CMEA Capital, Logispring, XAnge Capital and Adams Street Partners. The company hired Shawn O'Neill of Bandon Partners as its financial advisor on the latest capital raise, and its corporate legal counsel is Morris Manning & Martin.

Value USD 100m (approximate 2009 revenue, MailExpress)