

DUG Technology to consider strategic partnerships as it expands into new markets, MD says

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DUG Technology [ASX:DUG], an Australian high-performance computing service provider, is assessing global growth options and would consider strategic partnerships, among other avenues, founder and Managing Director Matthew Lamont said.

The Perth-based company, which has a market cap of AUD 105m (USD 80.4m), has historically grown organically, the MD noted. It may look at doing a deal down the line, however there would need to be a “tremendous” reason for it, particularly as there has been a dearth of attractive targets, Lamont told *Mergermarket*.

DUG has traditionally serviced the oil and gas sector and is now broadening its client base to include astrophysics, bioinformatics, meteorology, and research via its collaborative cloud solution DUG McCloud platform. While it previously opened offices in Kuala Lumpur, London, and Houston when entering new markets, the firm now prefers less cumbersome options such as strategic partnerships, the MD said.

Lamont did not specify the structure or equity component of any potential future partnerships.

In South America, DUG has a strategic partnership with Mexico-headquartered technology service company **Geoprocados**, which allows DUG access to the region, including Brazil and Argentina, without the risks and costs of setting up a physical post. The partnership enables Geoprocados’ geophysicists to deliver customized solutions using DUG’s high-performance computing as a service (HPCaaS) and seismic processing and imaging (P&I) services, among others, Lamont said. Geoprocados will also sell DUG software in the region as part of the deal, he said.

DUG McCloud is a customer-focused, collaborative cloud solution that allows clients to “McMix and McMatch” DUG’s HPCaaS, professional services, and software, as per its website.

The company has forged strategic partnerships with the likes of California-based tech giant **Intel Corporation** [NASDAQ:INTC], as reported by this news service in 2016.

DUG competes with France-based **CGG** [NYSE:CGG], the world’s largest seismic processing imaging company, as well as Texas-based **Schlumberger** [NYSE:SLB], as reported.

A cross-section of DUG's client base includes **Beach Energy** [ASX:BPT], **Chevron** [NYSE:CVX], **Cooper Energy** [ASX:COE], **FAR Limited** [ASX:FAR], **Inpex** [TYO:1605], **Santos** [ASX:STO], **Shell** [AMS:RDSA], and **Woodside** [ASX:WPL], according to a company presentation.

DUG Technology was founded by Lamont and Troy Thompson in 2003 and listed in August 2020 on the ASX in an oversubscribed float, raising AUD 26m. **Canaccord Genuity** was lead manager to the offer, while **Clayton Utz** served as legal advisor.

The company's services include on-demand, HPCaaS, and data, software and algorithm support, per its website.

According to an October company presentation, DUG's major shareholders include Lamont (23.9%) and Perennial Value Management (11.45%).

by Adam Orlando in Perth

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