

Fusion Adds Capabilities With MegaPath

Written by Alice Marshall
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Cloud service provider Fusion pays \$71.5 million for MegaPath-- acquiring cloud services including Unified Communications as a Service (UCaaS), cloud computing, security, SD-WAN and cloud connectivity.



MegaPath also brings around 8000 SMB and large enterprise customers, as well as 45 sales representatives. Fusion says the deal provides with a stable of cloud services professionals, together with a "robust" back office platform.

"This transaction is further evidence that Fusion is rapidly building a cloud services industry leader around our unique and compelling single-source strategy," Fusion says. "MegaPath is an ideal fit with our strategic objectives as it adds a diverse, high-value business customer base, a team of cloud services experts, and incremental financial scale, with a high percentage of MRR, high ARPU and low churn relative to industry averages. Given the similarities between our businesses, we expect the MegaPath acquisition to facilitate the customer, operational and financial integration of Birch, enabling us to drive Fusion's strategy more efficiently across the entire organisation."

Megapath sold its network services business unit and managed services business to Global Capacity and GTT Communications in 2014 and 2015 respectively. However it remains a big service provider in both voice and UC, with a range of business internet and network services.

The announcement comes as Fusion finalises the acquisition of the Birch Communications cloud and business services business-- including customers, operations and infrastructure. The deal is worth \$600 million, and excludes the legacy consumer and single-line business customers.

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