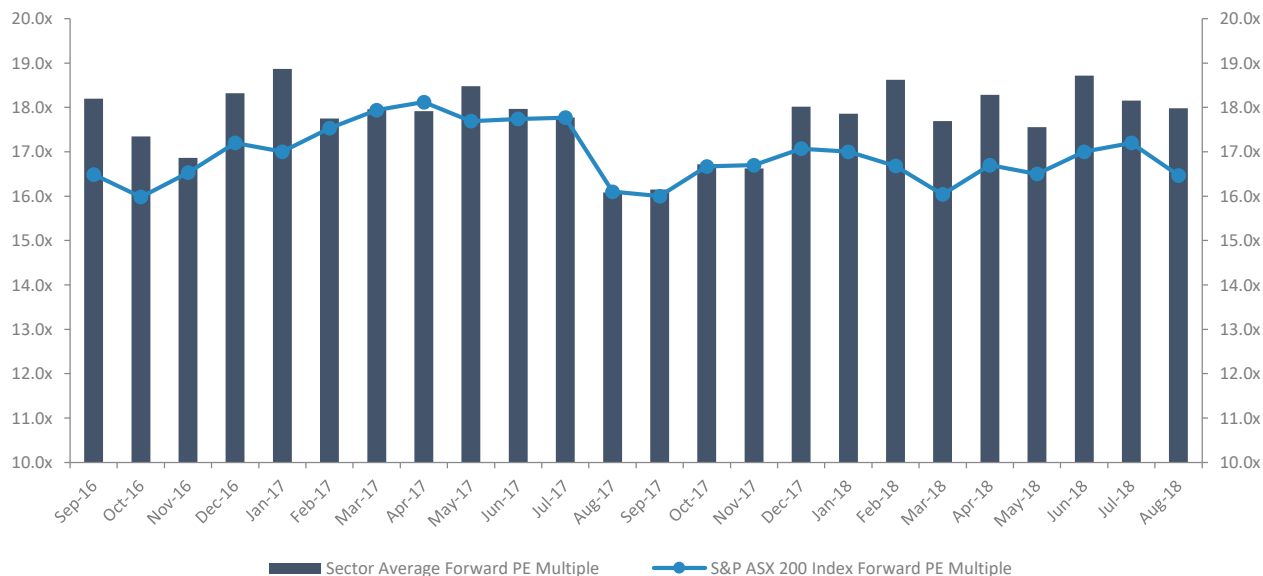


PRICING MULTIPLES
Forward Price Earnings Multiples (monthly to 31.08.18) Source: FactSet Research Systems Inc.

Multiples in the Information & Communication Technology (ICT) sector decreased over the month. At the end of August, the ICT sector traded on a forward PE of 18.0x, compared to the ASX200 on 16.5x.


Average Values and Trading Multiples (as at 19.09.18) Source: FactSet Research Systems Inc.

Subsector*	Enterprise Value	EV/EBITDA FY19	EV/EBIT FY19	Price / Earnings FY19
Broadcasting	8,773	6.1x	7.7x	10.0x
Data Processing Services	1,776	22.1x	N/A	N/A
Information Technology Services	29,649	9.5x	12.4x	13.6x
Internet Software/Services	11,787	13.4x	16.3x	22.6x
Packaged Software	7,429	11.5x	13.0x	19.6x

* Companies included EV > \$50m.

Emerging vs Established*	Enterprise Value	EV/Rev FY19	Rev Growth % FY+1	Rev Growth % FY+2
\$500m+ EV	40,973	7.9x	47.6%	20.6%
\$100m-\$500m EV	6,902	4.3x	47.6%	20.6%
EV below \$100m	2,994	1.6x	75.6%	29.1%

* Comparisons of emerging versus established companies in the Information Technology Services, Internet Software/Services, and Packaged Software subsectors. Does not include Broadcasting.

Note: Multiples are based on the forward year of the unreported period, this is currently FY2019.

¹ The InterFinancial ICT Index set is an unweighted index comprising ICT related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

Company Name	LTM Revenue (\$m)	LTM - 1Y Revenue (\$m)	% Change	LTM EBITDA (\$m)	LTM-1Y EBITDA (\$m)	% Change
Broadcasting						
Fairfax Media Limited	1,661.7	1,713.8	(3.0%)	249.6	372.5	(33.0%)
Seven West Media Limited	1,591.4	1,673.6	(4.9%)	350.7	343.1	2.2%
Nine Entertainment Co. Holdings Limited	1,318.1	1,235.1	6.7%	250.5	123.7	n.m.
SKY Network Television Limited	766.3	827.2	(7.4%)	255.8	259.1	(1.3%)
Southern Cross Media Group Limited	649.1	681.3	(4.7%)	148.6	167.4	(11.2%)
Prime Media Group Limited	218.0	237.4	(8.2%)	44.6	62.0	(28.1%)
Average			(3.6%)			(14.3%)
Data Processing Services						
Nextdc Limited	152.6	117.6	29.7%	69.7	54.9	26.9%
Average			29.7%			26.9%
Information Technology Services						
Computershare Limited	2,946.4	2,785.6	5.8%	720.9	640.8	12.5%
Xero Limited						
Link Administration Holdings Ltd.	1,198.4	780.0	53.6%	335.3	219.3	52.9%
MYOB Group Ltd.	428.8	393.9	8.9%	190.8	176.8	7.9%
Appen Ltd.	245.2	131.6	86.3%	39.6	24.4	62.1%
Hansen Technologies Limited	230.8	174.7	32.1%	58.1	50.1	16.0%
Gentrack Group Ltd	90.0	54.5	65.2%	27.9	17.4	60.3%
Vista Group International Ltd	107.5	92.5	16.2%	23.8	21.1	12.6%
DWS Limited	126.1	137.4	(8.3%)	20.5	26.3	(22.0%)
GBST Holdings Ltd	88.1	87.6	0.5%	12.0	11.6	3.3%
Data#3 Limited.	1,180.3	1,097.3	7.6%	29.6	31.7	(6.5%)
RXP Services Limited	144.4	140.5	2.8%	13.9	20.7	(32.7%)
Empired Ltd	174.3	167.4	4.1%	17.2	16.3	5.8%
SmartPay Holdings Limited	18.8	19.7	(4.6%)	8.8	9.0	(2.5%)
Average			20.8%			13.1%
Internet Software and Services						
Carsales.Com Limited	444.0	372.1	19.3%	204.6	176.5	15.9%
IRESS Limited	447.8	407.2	10.0%	119.6	101.3	18.1%
Trade Me Group Limited	230.8	221.9	4.0%	151.6	157.7	(3.9%)
Kogan.com Ltd.	408.9	287.8	42.1%	20.3	11.4	78.0%
Arq Group Limited	218.4	176.5	23.8%	35.0	26.9	30.2%
Citadel Group Ltd.	107.5	95.2	12.9%	n.m.	n.m.	n.m.
Over The Wire Holdings Ltd.	53.6	34.2	56.5%	12.1	7.1	71.6%
Mitula Group Ltd.	39.2	30.1	29.9%	10.6	10.8	(1.5%)
Average			24.8%			29.8%
Packaged Software						
Wisetech Global Ltd.	221.6	153.8	44.1%	73.2	54.2	35.0%
Integrated Research Limited	91.2	91.2	0.0%	34.9	37.9	(8.0%)
CSG Limited	221.0	237.5	(6.9%)	n.m.	19.0	n.m.
Infomedia Ltd	72.9	70.5	3.5%	28.2	25.0	12.7%
Reckon Limited	75.3	49.8	51.4%	27.3	16.4	n.m.
Adacel Technologies Limited	53.1	42.4	25.0%	9.5	8.3	13.8%
Rhipe Limited	196.6	157.0	25.3%	6.6	4.6	42.9%
Average			20.3%			19.3%

LTM – Last 12 months, LTM - 1Y – Last 12 months, preceding year

Note: Some historical figures have been restated due to changes in accounting standards.

MERGER & ACQUISITION NEWS...



Value: Not disclosed



CHG-Meridian, a Germany-based provider of consulting, operational, financial and remarketing services, has acquired **Equigroup Holdings**, an Australia-based company engaged in providing technology fleet management services. The deal will enhance **CHG** strategy to grow its global business a medium-term planning target for lease originations of EUR 2bn.



Value: \$60m, 8.0x EBITDA



Next Capital has acquired a 51% controlling stake in **iseek Communications**, the Australia-based data storage and cloud services business, for a total deal value of \$60m. **iseek** has revenue of around \$34m with two data centers in Brisbane and one in Sydney. The group is also building a data centre in the far north of Queensland.



Value: \$100m



Nine Entertainment, engaged in television, magazine and digital business, has agreed to acquire a 40% stake in **Pedestrian Group**, an Australia-based online publisher that provides information on music, fashion, arts and culture, from Chris Wirasinha and Oscar Martin. The acquisition will enable **Pedestrian** to grow its business.



Value: \$8,688m



Vodafone Hutchison Australia, an Australia-based mobile telecommunications provider, has agreed to merge with **TPG Telecom**, an Australian internet service provider. The merged group will be renamed as **TPG Telecom Ltd**. The merged entity will be submitting a joint application for the upcoming Australian 5G spectrum auction.



Value: USD 55m

Nuix, an Australia-based security, risk, and compliance software company, acquired Australia-based **Ringtail** from **FTI Consulting**. This transaction unleashes the capabilities of **Nuix** and **Ringtail** to address the entire eDiscovery market (document review software for e.g. law firms, corporations, and government agencies).



Value: USD 295m



Atlassian Corporation Plc, an Australia-based software company that develops products for software developers, project managers, and content management, has signed an agreement to acquire **OpsGenie**, a Boston-based alerting and on-call management solution for development and operations teams, for USD 295m.



Value: USD 135m



Speedcast International, the Australian provider of remote communication and IT solutions, entered into a definitive agreement to acquire **Globecomm Systems Inc.** from affiliates of **HPS Investment Partners**, **Tennenbaum Capital Partners** and certain other members of **Globecomm** for an estimated net purchase consideration of USD 135m.

MERGER & ACQUISITION NEWS...



Value: Undisclosed

KnowledgeSpace, the Australia-based speech analytics business, has been acquired by **Deloitte**. **KnowledgeSpace**, which was purchased for an undisclosed amount, will contribute to Deloitte's assurance and advisory business. The division provides services related to governance, risk, and compliance.




Value: ~\$190m

PeopleStreme, an Australian human resources software company, is to be acquired by **Ascender**, a compatriot payroll software business. The acquisition will enable the company to provide a complete solution by combining payroll and HR. **Ascender** is valued at around \$190m.

GOING VIRAL...

- **Secure Logic**, the Australia-based cyber-security business, is considering its options for the business to be either sold or listed on the ASX. **Secure Logic**, owned by its founder Santosh Devaraj, generates ~\$100m in revenue and is seeking to grow further. The company is behind a blockchain technology underpinning the trial of digital drivers licenses in New South Wales.
 - **Pacnet**, the Asian telecommunications group owned by **Telstra**, is likely available for sale. **Telstra** has not yet launched an official sales process for **Pacnet**, but the asset is widely thought to be available to any party willing to pay the right price.
 - **GetCapital**, a Sydney-based small business loans provider, is seeking acquisitions in Australia that can expand its lending capability. The fintech, which processes small business loans online, explored a few potential buys to-date and is keen to find any other potential targets.
 - **Trimantium GrowthOps**, the Australian IT services management company, is planning to pursue selective complementary acquisitions to primarily grow its client base.
 - **MSL Solutions**, an Australia-based sports club software business is currently at advanced stages with various acquisition opportunities. According to **MSL Solutions**, growth by acquisition is considered to be an efficient and relatively low-cost growth strategy to build their presence and expand their customer base.
 - **CloudJumper**, a privately held provider of workspace-as-a-service (WaaS) solutions, is receiving significant inbound interest and sees a sale as very possible within the next year or two. **CloudJumper** is not actively pursuing a sale but is receiving five to seven inbound inquiries a week from financial sponsors and strategic buyers.
 - **ELMO Software**, an Australia-based human resources (HR) software business, is eyeing acquisitions to accelerate growth. The company is looking for complementary technology and/or client lists to accelerate organic growth.
 - **People Infrastructure**, an Australian workforce management technology company, is actively seeking acquisitions in Australia as well as New Zealand.
 - **WiseTech Global**, a Sydney, Australia-based developer of logistics software, will continue to make acquisitions in 2019. The company is looking to acquire leading market positions in key geographic markets for the world's manufactured trade flows and valuable adjacencies to add to their innovation pipeline that can be grown to a global scale.
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