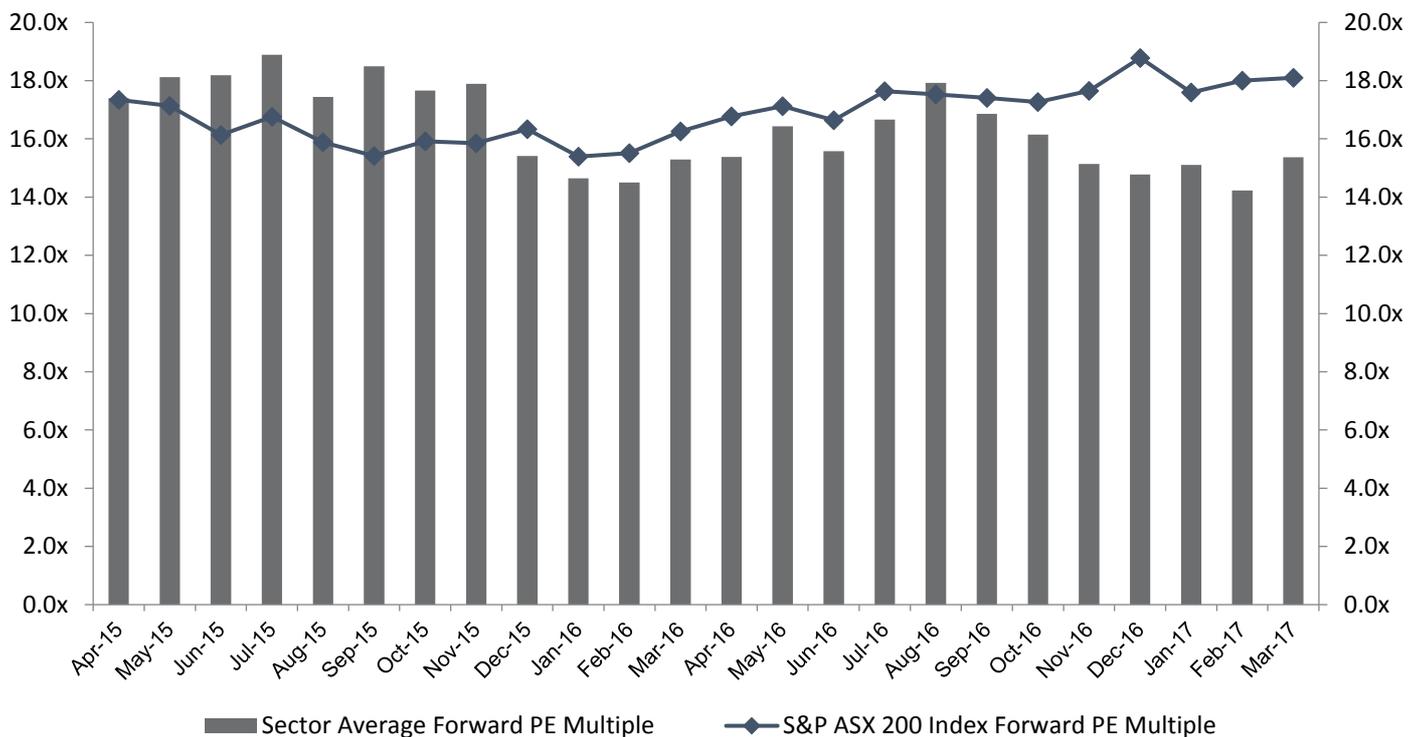


Information & Communication Technology

Pricing Multiples

Forward Price Earnings Multiples (monthly to 31.03.17)¹ Source: S&P Capital IQ

Multiples in the Information & Communication Technology (ICT) sector have increased over the month. At the end of March, the ICT sector traded on a forward PE of 15.4x, compared to the ASX200 on 18.1x.



Average Values and Trading Multiples (as at 26.04.17) Source: S&P Capital IQ

Subsector	Enterprise Value	EV/EBITDA FY2017	EV/EBIT FY2017	Price / Earnings FY2017
Application Software	4,291	16.1x	20.5x	20.9x
Equipment	486	5.8x	7.6x	12.4x
Data Processing and Outsourced Services	9,430	14.1x	19.0x	20.2x
Internet Software and Services	3,254	13.1x	13.7x	18.3x
IT Consulting and Other Services	1,373	9.4x	12.2x	12.3x
Telecommunications & wireless	76,320	7.7x	10.8x	13.8x

Note: Multiples are based on the forward year of the unreported period, this is currently FY2017.

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 S&P Capital IQ.

Merger & Acquisition News...

- **BAI Communications**, an Australian designer, builder and communications networks operator, acquired **inMOTION Wireless**, an Elmhurst, Illinois-based transit communications network provider. The acquisition strengthens **BAI Communications'** presence in North America.
- Australian market leader in web hosting **Digital Pacific** has acquired **Anchor Hosting**, one of Australia's leading managed hosting providers. **Anchor** and **Digital Pacific** will continue to trade under their respective brands.
- **Digital Classifieds Group (DCG)**, Australian based online classifieds portals leader, announced the acquisition of **www.Yula.la**, Laos's leading general classifieds website.
- **TPG Telecom** and **Vodafone Australia** have purchased the Australian government's 700MHz digital dividend spectrum, for a total sum of \$1.54bn. **TPG Telecom** has also successfully bid for two lots of 5MHz of spectrum in the 2.5GHz band at the General Spectrum Auction that concluded in Singapore. The total purchase price for this new spectrum is USD 17m.
- **Superloop** announced that it has acquired all the issued shares of **SubPartners** to gain strategic assets including ownership of international submarine cable capacity as a member of the INDIGO consortium.
- **Amaysim**, a telecommunications provider, has acquired **Click Energy Group**, an online energy retailer, for \$120m. The addition of an energy vertical accelerates the company's strategy of providing multiple services to Australian households and the "vision" of becoming the "remote control for the smart home".

Going Viral...

- **CyberGym**, an Israel-based cyber security business, is believed to be seeking to raise \$30m in a planned IPO. A successful IPO, which includes a 10m performance shares issue, would value the company at \$80m.
- **Complii FinTech Solutions**, the Australia-based software company, is planning to list on the ASX in late 2017. **Complii's** software deals with compliance and corporate systems for stockbrokers.
- **Catch Group**, a privately held Australia-based ecommerce business, is looking to raise between \$80m to \$100m in equity in three to six months to support its growth, including acquisitions, CEO Nati Harpaz said.
- **Mexia**, the privately held Brisbane, Australia-based IT business, is assessing strategic options to accelerate international growth, CEO and founder Dean Robertson said.
- **Full Profile**, an Australian inventor of cloud-based commodity management software for the grains industry, is aiming to raise \$5m-10m by June Chairman Bob McKay said.
- **Nitro**, the Australia-founded San Francisco-based document productivity business, has closed a USD 15m Series C capital raising and is preparing to list itself on the ASX in the next few years. **Nitro** chief executive Sam Chandler said that the company has turned down acquisition offers and is leaning toward the IPO.
- **eWAY**, one of the largest payment gateway providers in Australia and New Zealand, is to accelerate its expansion into South East Asia and India, said the company's chief experience director Joel Symmans. Symmans declined to comment on the exact amount of investment planned for the South East Asia push, but said it would be "significant investment".
- **XapiApps**, a private Australian developer of learning experience software, will look to sell a minority stake in the business to raise \$3m to \$5m in 2018 to scale in the US, co-founder Nick Stephenson said.
- **Cover Genius**, a Sydney, Australia-based financial technology start up, plans to raise USD 5m in a Series A funding round in 4Q17, said Angus McDonald, co-founder and head of partnerships. New capital would be used to build out **Cover Genius's** insurance distribution platform and expand its operations in the US.
- **CoAssets** announced that it has signed a non-binding memorandum of understanding to invest in **Fintech**, a Hong Kong fintech company, a subsidiary of **Brighten Management**.
- **CricHQ**, a privately held New Zealand-based digital platform for cricket, is working on a potential acquisition in Australia while raising USD 7m to finance the potential deal as well as other organic growth initiatives, CEO and co-founder Simon Baker said.
- **Trov**, the technology company revolutionizing insurance for the tech-empowered consumer, today announced that it has closed USD 45m in Series D financing, bringing its total funding to just over USD 85m.
- **Telstra** has appointed advisors to consider options for its long-term contract with the **National Broadband Network**. **Telstra** could demerge the \$5b in revenue that it will receive from the government for the NBN rollout over around 20 years to hold in a separate entity or sell it to an infrastructure investor.

- **Araza**, the privately held Australian IT consulting firm specialising in cloud computing and digital transformation, is in talks with a number of investors while focusing on its Asian entry via Hong Kong.
- **4Cabling**, the privately held Australian electronic components wholesaler and ecommerce retailer, is looking to enter India with a local partner.
- **DoseMe**, a privately held Australian medicine dosing software company, is seeking a US-based advisor to assist with a capital raise of USD 10m-USD 20m for expansion, said CEO Charles Cornish.
- **Animoca Brands**, a Hong Kong-based mobile games developer and publisher, would be willing to listen to offers that could help it scale. The \$15m market capitalization company has had informal interest and would engage advisors as needed if it were to receive a serious offer, CEO Robby Yung said.
- **InstaSafe Technologies**, a Bangalore, India-based cloud security solutions provider, aims to close a Series A funding round by early 2018 to raise at least USD 10m for rolling out its services globally with the Asia Pacific being its top market, co-founder and Chief Executive Sandip Panda said.
- **Digital Shadows**, a San Francisco, California and London headquartered cyber intelligence company, will make a decision regarding its potential Series C funding round in summer, co-founder and CTO James Chappell said. The funds will be used to facilitate expansion in Asia, including Australia.
- **Vestiaire Collective**, the French e-commerce platform for pre-owned fashion and luxury items, could make bolt-on acquisitions in the US, Europe and in the Asia-Pacific, said Managing Director and COO Olivier Marcheteau. **Vestiaire** is not looking to mandate an adviser and aims to open an office in Australia.
- **Touchcorp** has received a non-binding expression of interest to acquire the company's operating assets, excluding surplus cash and its shareholding in **Afterpay Holdings**.
- **KPMG** has invested in AgTech start up, **The Yield**, which works with leading food growers to develop IoT and data-based solutions that improve farm decision making and customer yields. **KPMG** is one of multiple corporate investors which collectively raised \$6.5mn in Series A funding.
- **QuintessenceLabs**, an Australian cybersecurity solutions company, is currently engaged with several companies regarding potential partnerships, including joint ventures and commercial agreements, said VP of Strategic Business Development Jane Melia.
- **Freestyle Technology**, the Australia-based IT business, is preparing to list on the ASX this year. Chief executive, Mohan Jesudason, saying the IPO would raise funds to speed up growth in the Asia Pacific region and to launch operations in India. **Freestyle Technology** was valued at \$85m in 2014 and has increased its operations substantially since that time.
- **Lorica Health**, the Australia-based software business could list on the ASX and could be worth several hundred million dollars.

If you are interested in specific information regarding mergers and acquisitions in this sector, please contact Sharon Doyle or Hyun-ju Johnson.

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This information has been sourced from the ASX, mergermarket.com and various other public information sources. Forecasts are consensus forecasts sourced from S&P Capital IQ.

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