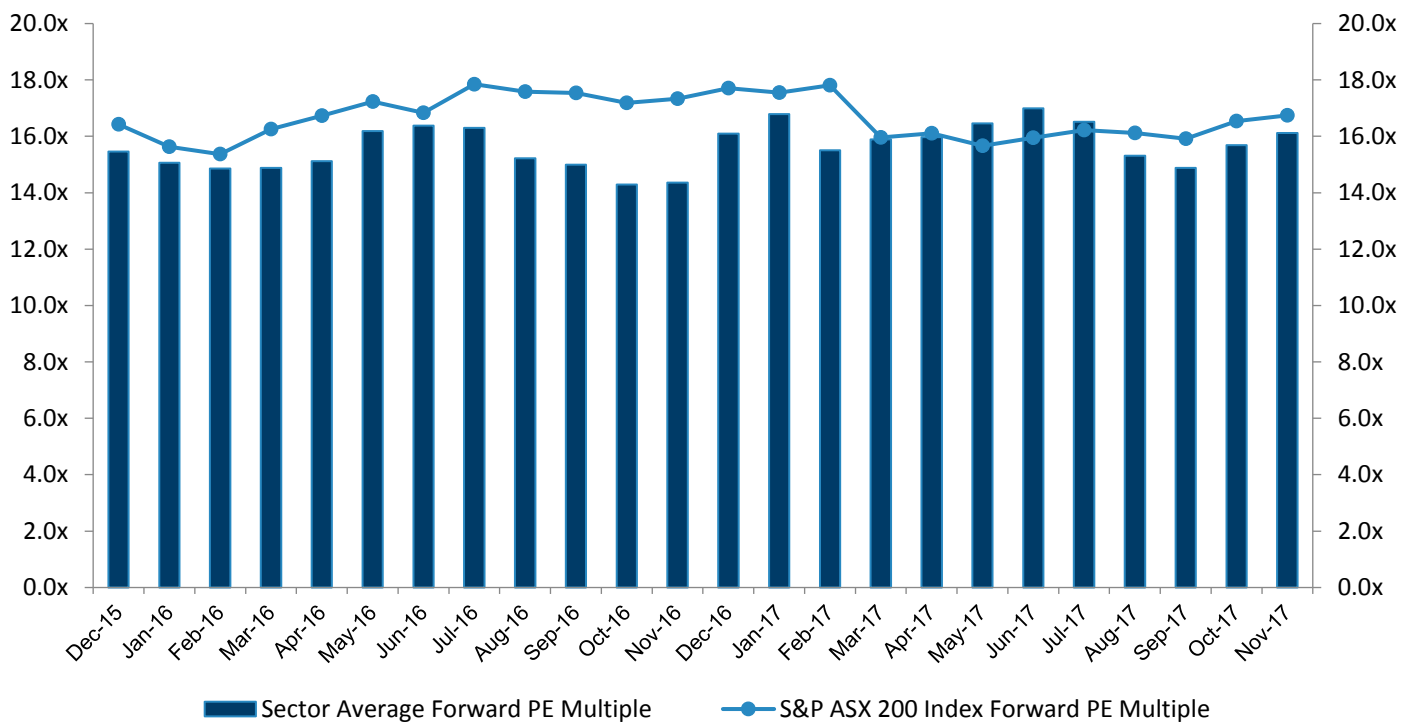


Information & Communication Technology

Pricing Multiples

Forward Price Earnings Multiples (monthly to 30.11.17)¹ Source: FactSet Research Systems Inc.

Multiples in the Information & Communication Technology (ICT) sector have increased over the month. At the end of November, the ICT sector traded on a forward PE of 16.1x, compared to the ASX200 on 16.7x.



Average Values and Trading Multiples (as at 18.12.17) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2018	EV/EBIT FY2018	Price / Earnings FY2018
Broadcasting	7,897	6.0x	7.5x	10.0x
Information Technology Services	20,956	11.6x	13.7x	17.4x
Internet Software/Services	10,408	12.3x	14.9x	19.6x
Packaged Software	1,778	12.5x	17.5x	19.8x

Enterprise Value	EV	EV/Rev FY18	Rev Growth % FY+1	Rev Growth % FY+2
\$500m+ EV	19,456	7.0x	57.2%	22.9%
\$100m-\$500m EV	5,333	3.7x	23.0%	18.4%
EV below \$100m	2,843	3.3x	274.1%	61.5%

Note: Multiples are based on the forward year of the unreported period, this is currently FY2018. The constituents have been refreshed this month to ensure the sector groups and companies included are current.

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.

Merger & Acquisition News...



Value: \$105.3m



ASX-listed software company **Appen** has executed binding agreements to acquire **Leapforce** for a total consideration of \$105.3m. **Appen** is a leader in the development of high-quality, human annotated datasets for machine learning and artificial intelligence. **Leapforce** specialises in search relevance through a highly automated and proprietary end-to-end technology platform. The total consideration for the acquisition is to be funded via cash of \$5m, debt facilities of \$72.6m, a \$25m share placement to institutional shareholders, and a \$5m Share Purchase Plan.



Value: \$132m

CollinStar Holdings has paid \$132m to acquire the entire **BiWang Group (BWG)**, including **BW.COM**. Founded in August 2014, **BWG's** core business includes mining chip R&D, production of mining chips, and the operation of a massive-scale blockchain cloud data centre with tens of thousands of super-power cloud servers.



Value: Unknown

INEA, a Poland-based internet telecommunication services company, is to be acquired by **Macquarie Group**. Specifically, the fibre-to-the-home and cable operator in Western Poland will be sold to **Macquarie European Infrastructure Fund 5 ("MEIF5")**, managed by **Macquarie Infrastructure and Real Assets ("MIRA")**. Terms of the transaction were not disclosed.



Value: \$17m



ASX-listed **Oriental Technologies Investment (OTI)** has secured an option agreement to acquire the business of **eGrowcery** at a valuation of \$17m in an all-scrip transaction. **eGrowcery** is the trading name of **NoQ**. **eGrowcery** is a software business providing a turn-key online solution for supermarkets and grocers in Australia and USA. **OTI** will raise \$5m to support the proposed **eGrowcery** acquisition.



Value: \$20m

WiseTech Global announced the acquisition of **Microlistics**, a provider of warehouse management solutions. **Microlistics'** solutions encompass enterprise, express, third party logistics and cold storage, predominantly across Asia-Pacific, North America and the Middle East. The deal's EV/EBITDA multiple was reported as 11.8x.



Value: Unknown

VMtech, an Australia based professional and managed services provider, has been acquired by **Telstra** for an unknown amount. **VMtech** has expertise in the delivery and management of enterprise-grade hybrid cloud, connectivity and security solutions. **VMtech** has around 75 employees and provides services to Australian business and government customers such as Coca-Cola, Komatsu, ME Bank, Mission Australia and Sydney's Inner West Council.



Value: \$1.035bn

Equinix, the Redwood City, California-based data centre business, has agreed to acquire **Metronode**, the Australian data centre owner. The value of the deal is thought to be \$1.03bn. **Metronode** is being sold by the **Ontario Teachers' Pension Plan**. The deal is likely to be subject to review by Australia's Foreign Investment Review Board.



Value: \$1.526bn

ASX-listed **Aconex**, an Australian cloud-based solution that manages team collaboration for construction projects, has entered into a binding Scheme Implementation Deed with NYSE-listed **Oracle** under which it is proposed that **Oracle** will acquire 100% of the shares in **Aconex** by way of a Scheme of Arrangement for \$7.80 in cash per share. **Aconex** reported revenue and EBITDA of \$161m and \$20.5m in FY17, suggesting multiples of 10x revenue and 75x EBITDA.

Going Viral...

- ASX-listed **Buddy Platform**, an Australian Internet of Things (IoT) resource monitoring technology company, will consider acquiring companies with aligned technologies that can accelerate new market entry. The company has developed a data management, processing and control platform as well as a system of connected sensors and devices.
- ASX-listed **GetSwift**, the Melbourne-based global technology company engaging in SaaS solutions, is planning to raise up to \$100m. A cornerstone investor is anchoring the deal, which has an offer price of \$4 per share.
- **Invigor**, an ASX-listed data analytics and business intelligence company, is taking first round bids for its **Condat Media** business as it turns its focus to its core data analytics and **Condat Skyware** businesses. The sale process for **Condat Media**, which forms part of **Invigor's** German-based business **Condat**, is expected to be completed in the first quarter of 2018. **Condat Media** is expected to achieve a sale value of at least 1x its current revenue of \$6m.
- ASX-listed **Reffind**, an Australian human resources technology company, is actively seeking acquisitions or investments in blockchain technology companies. The Sydney-based \$18m market capitalization software as a service company, which focuses on enterprise rewards and loyalty, will look at opportunities in any global markets. **Reffind** has the capacity to spend some \$10m on deals in the next 12 months.
- **Elabor8**, a privately held Australia-based product development and management consultancy, is seeking a private equity firm for a capital injection. The company wants to achieve global growth ahead of a potential listing in the next three years.
- **FrontierDC**, a privately held Perth-based data centre business, will seek to raise funds from strategics or through an initial public offering on the ASX in 2018. The company is in discussions with the infrastructure sector for a raise between \$50-100m, but will consider an IPO in Q3 2018 if they don't find suitable investors.

If you are interested in specific information regarding mergers and acquisitions in this sector, please contact Sharon Doyle.

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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 FactSet Research Systems Inc.

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