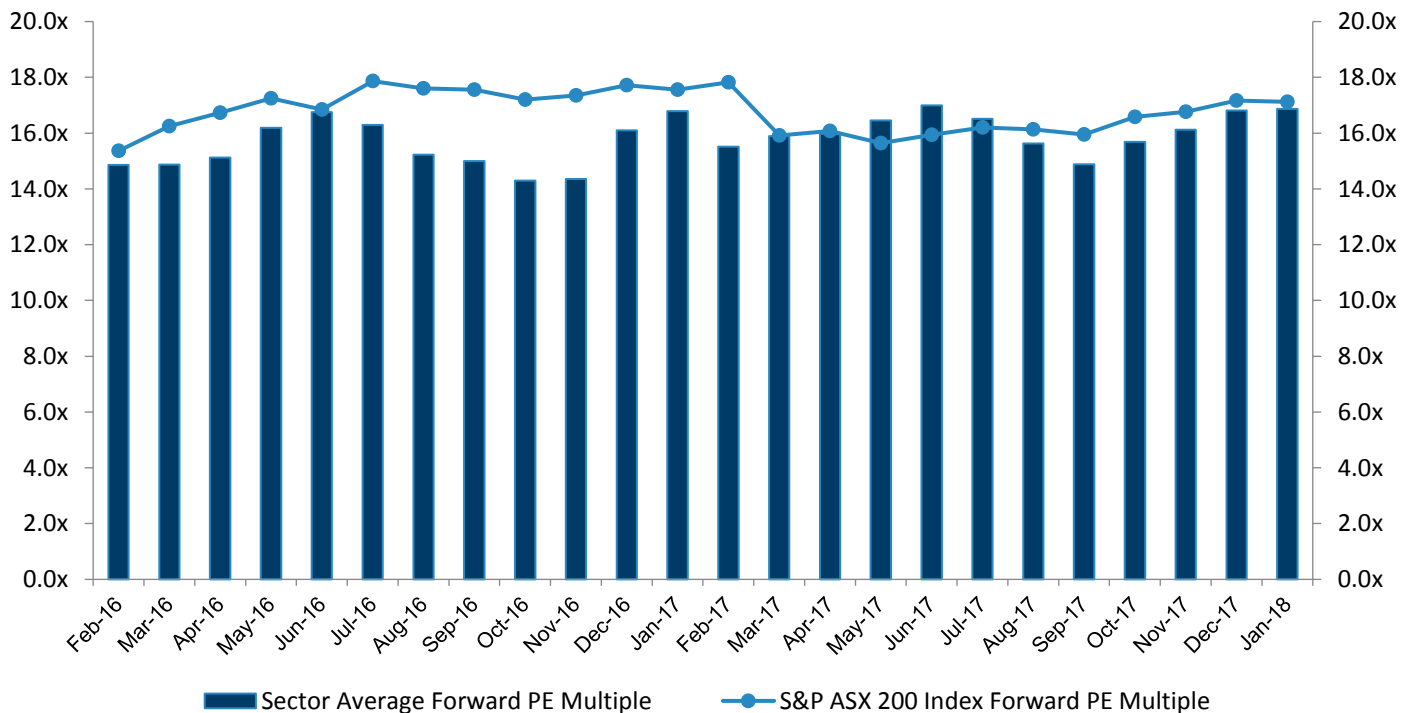


## Information & Communication Technology

### Pricing Multiples

#### Forward Price Earnings Multiples (monthly to 31.01.18)<sup>1</sup> Source: FactSet Research Systems Inc.

Multiples in the Information & Communication Technology (ICT) sector remained steady over the month. At the end of January, the ICT sector traded on a forward PE of 16.9x, compared to the ASX200 on 17.1x.



#### Average Values and Trading Multiples (as at 14.02.18) Source: FactSet Research Systems Inc.

Subsector*	Enterprise Value	EV/EBITDA FY18	EV/EBIT FY18	Price / Earnings FY18
Broadcasting	7,413	5.7x	7.1x	9.0x
Information Technology Services	23,878	9.8x	13.0x	17.1x
Internet Software/Services	9,828	10.4x	13.8x	18.6x
Packaged Software	5,658	14.1x	17.2x	22.6x

\* Companies included EV > \$50m.

Emerging vs Established*	Enterprise Value	EV/Rev FY18	Rev Growth % FY+1	Rev Growth % FY+2
\$500m+ EV	31,099	7.2x	55.4%	21.6%
\$100m-\$500m EV	5,423	4.7x	43.4%	22.1%
EV below \$100m	3,064	1.5x	194.6%	51.7%

\* 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 FY2018. The constituents have been refreshed this month to ensure the sector groups and companies included are current.

<sup>1</sup> 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...

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WiseTech  
GLOBAL



intris

Value: ~\$11.9m + earn-out potential

ASX-listed **WiseTech Global**, the global logistics solutions group, has acquired **Intris N.V.**, a Belgian provider of freight forwarding, customs and warehousing management solutions. Headquartered in Antwerp, **Intris** provides its integrated software and cloud-based solutions to customers. For **Intris**, the purchase cost comprises ~\$11.9m upfront, with a further multiyear earn-out potential of up to ~\$5.5m related to integration, product development and customer conversion. With 2016 annual revenue of ~\$7.1m and ~\$1.1m contribution to EBITDA, this transaction is not material to the WiseTech Global group. This transaction represents an EV / EBITDA multiple of approximately 10.8x, based on 2016 results.

## Going Viral...

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- **IntelligenceBank**, an Australian Software as a Service (SaaS) business process management platform, is in the process of raising around USD 5m in a Series A round of funding. The Melbourne-headquartered company is looking to close the round in three to six months' time. The investment is required to continue driving growth in the US and will be used in roughly equal portions for sales and marketing, product development, and operational purposes.
- ASX-listed **Bulletproof Group** has received indicative proposals from several potential bidders, including one from **Klikon Group Holdings** to acquire 100% of the shares in the company at a cash price of \$15.2 cents per share. All of the proposals contemplate higher offers for the Bulletproof shares than the takeover offer of \$11.0 cents per share made by **Macquarie Cloud Services**, a wholly owned subsidiary of ASX-listed **Macquarie Telecom Group**.
- **Ansarada**, the Australia-based virtual dataroom business, is looking to raise up to \$20m before an IPO next year. The company plans to sell a pre-IPO convertible note to potential investors. **Ansarada** has around \$30m in annual turnover. The potential convertible note would likely be sold at a discount of 17.5% to the IPO offer price.
- **Bullhorn**, a Boston, Massachusetts-based cloud computing company, continues to consider potential targets as part of its ongoing M&A strategy. Backed by **Insight Venture Partners** and **Genstar Capital**, **Bullhorn** works with its PE owners as advisers. An ideal target is expected to show strong financial performance, generating more than \$6.5m in revenue, operating in the software staffing space. **Bullhorn** may consider targets in the US, the UK, mainland Europe, Asia and Australia.
- **Xinja**, a privately held Sydney, Australia-based online bank, is raising \$25m via Series B and C to launch Australia's first 100% digital bank for mobiles this year. Proceeds from the Series B will be used on technology, such as integrating back-office digital banking technology to deliver loan and deposit products to the market and developing the front-end application. The company has a post-money valuation of \$43m.
- **Deputy**, a privately held Australian workforce management software developer, will consider strategic acquisitions globally that can support its 2018 growth focus. The Sydney-based company will look at anything related to human resource technology that can add an innovative piece of IP and bring customers.
- **Starts at 60**, an Australian digital media platform for people over 60, will launch a funding round aimed at raising \$6m-10m. The Brisbane-based company is talking to investors in Australia and the US, and aims to have the round closed within 1H18. The capital is needed to scale the business, to grow the company's travel channel, and to build-up the US website.
- **Zetaris**, a privately held Victoria-based big data analytics company, is planning to raise \$10m-15m in a Series B round by the end of 2018. The company is expected to have a valuation of around \$70m-100m. The company is keen to hear from investors in Australia and from any of its key offshore markets, namely the US, Southeast Asia, and China. Ideal investors would be venture capital firms that understand big data in the enterprise space, or strategics, including financial services companies.

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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