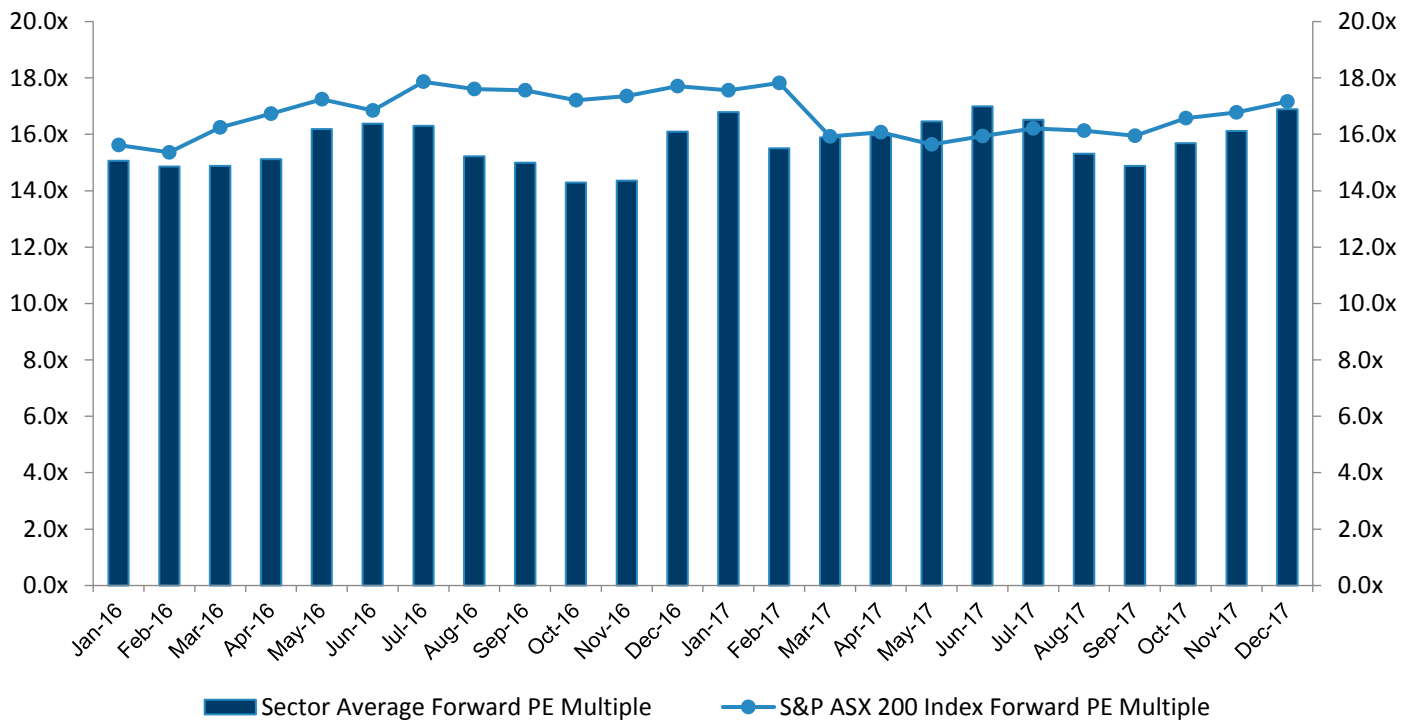


Information & Communication Technology

Pricing Multiples

Forward Price Earnings Multiples (monthly to 31.12.17)¹ Source: FactSet Research Systems Inc.

Multiples in the Information & Communication Technology (ICT) sector have increased over the month. At the end of December, the ICT sector traded on a forward PE of 16.9x, compared to the ASX200 on 17.2x.



Average Values and Trading Multiples (as at 17.01.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY18	EV/EBIT FY18	Price / Earnings FY18
Broadcasting	7,799	5.9x	7.5x	9.8x
Information Technology Services	23,821	10.1x	13.8x	16.1x
Internet Software/Services	10,020	12.4x	13.8x	18.7x
Packaged Software	5,871	13.0x	18.0x	18.9x

Emerging vs Established*	Enterprise Value	EV/Rev FY18	Rev Growth % FY+1	Rev Growth % FY+2
\$500m+ EV	31,709	7.6x	53.3%	21.5%
\$100m-\$500m EV	5,719	4.1x	23.3%	18.2%
EV below \$100m	3,220	5.3x	257.9%	60.1%

* 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 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...

WiseTech
GLOBAL

Value: \$12.3m

ASX-listed **WiseTech Global** announced the acquisition of European customs solutions provider **ABM Data Systems**, headquartered in Dublin. **ABM Data Systems** is a leading pan-European developer and provider of customs clearance solutions accredited for the UK, Ireland, Belgium, the Netherlands, Switzerland, Sweden and Germany. The value of the deal was reported as \$12.3m with multi year earn-out potential.

ABM
Data Systems

Value: \$1.4m

customsmatters

WiseTech Global also announced the acquisition of another Dublin-based customs solutions provider, **CustomsMatters**. The company is the leading customs solution provider in the Republic of Ireland and Northern Ireland. The value of the deal was reported as \$1.4m with potential earn-outs.

LEGEND
CORPORATION

Value: \$12m

CELEMETRIX
the art of measurement

Legend Corporation has reached agreement to acquire **Celex Australia**, **Celex SRC** and **Commsforce**, collectively the **Celex Group (CLX)**. **CLX** supplies test and measurement equipment, calibration and professional services including equipment fleet compliance management. **CLX's** revenue in the year ended 30 June 2017 was \$24.7m with an operating EBIT of \$2.9m. **Legend** will acquire **CLX** for an initial payment of \$12m with additional deferred payments of up to \$3.125m based on performance. This represents a EV / EBIT multiple of approximately 4.1x.

 **envirosuite**

Value: Unknown

Odotech
Leader in Odour Science 

ASX-listed **Envirosuite**, an Australian environmental management software firm, has acquired **Odotech**, a Canadian environmental monitoring company. The acquisition will bolster **Envirosuite's** existing technology platform and customer base. No financial terms were revealed. **Odotech**, with over 50 employees, monitors and manages odours, gaseous contaminants and dust. **Envirosuite**, with a \$17.5m market cap, provides real-time monitoring, investigative and predictive environmental management software and has four locations worldwide.

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.
- PageUp**, the Australia-based recruitment software business, has secured a "significant" investment from **Battery Ventures**, the private equity firm. The investment amount was not disclosed. **PageUp** was reported to have considered a 2016 IPO with the goal of raising \$150m.
- Canva**, the Australia-based design technology business, has been valued at USD 1bn based on a USD 40m series A raising. The company decided to take on more capital to accelerate its global expansion. **Canva** employs 250 staff and its headquartered in Sydney.
- QCamPro**, a privately held Australian smartphone security app developer, will consider a capital raise in 2018 to fast-track global growth by increasing marketing activities and bringing more partners on board. The Adelaide-based company will consider relinquishing a majority stake.
- Avoka**, a privately held Australian digital transaction technology platform, is mulling an ASX listing in FY19 as an option for its next growth phase. The Sydney-based fintech company has had interest from US-based private equity investors and would also consider a strategic investor.
- The Australian Competition and Consumer Commission (ACCC)** has launched an informal review on **MYOB Group's** planned acquisition of **Reckon Accountants Practice Management Business** from **Reckon**. **MYOB** has entered into a purchase agreement to acquire the assets of the Accountant Group in Australia and New Zealand from **Reckon** for a total consideration of \$180m.
- VRT Systems**, a Brisbane, Australia-based provider of smart infrastructure, energy management and industrial automation solutions, is evaluating strategic options including a full or a partial sale. The company provides an Internet of Things (IoT) data management platform, **WideSky**, which enables any provider of smart devices and systems to securely integrate into any blended smart environment. The open IoT platform operates a Software as a Service (SaaS) subscription model.

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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