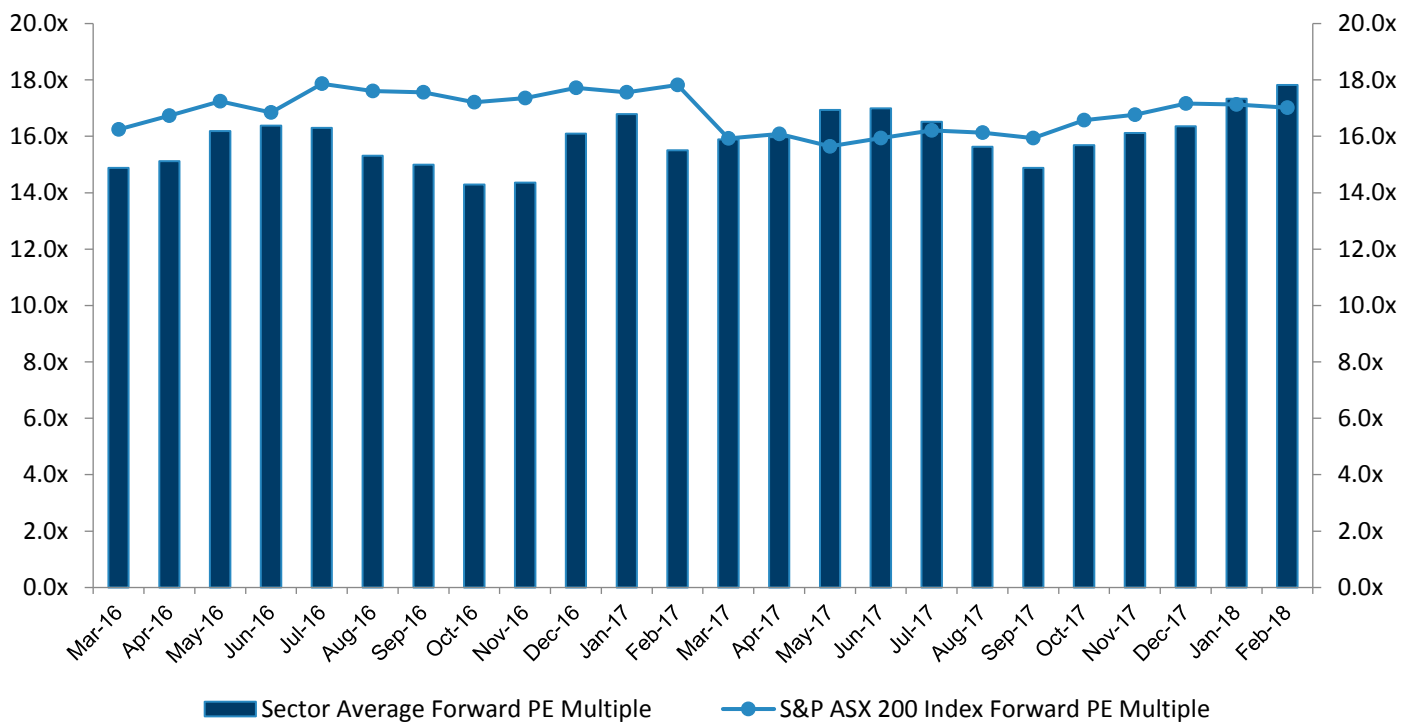


## Information & Communication Technology

### Pricing Multiples

#### Forward Price Earnings Multiples (monthly to 28.02.18)<sup>1</sup> Source: FactSet Research Systems Inc.

Multiples in the Information & Communication Technology (ICT) sector increased over the month. At the end of February, the ICT sector traded on a forward PE of 17.8x, compared to the ASX200 on 17.0x.



#### Average Values and Trading Multiples (as at 19.03.18) Source: FactSet Research Systems Inc.

Subsector*	Enterprise Value	EV/EBITDA FY18	EV/EBIT FY18	Price / Earnings FY18
Broadcasting	7,815	5.8x	7.2x	8.9x
Information Technology Services	27,090	11.4x	15.0x	17.2x
Internet Software/Services	10,643	11.3x	16.0x	19.9x
Packaged Software	4,930	15.1x	17.8x	24.2x

\* Companies included EV > \$50m.

Emerging vs Established*	Enterprise Value	EV/Rev FY18	Rev Growth % FY+1	Rev Growth % FY+2
\$500m+ EV	33,445	7.9x	59.1%	22.2%
\$100m-\$500m EV	6,089	5.5x	44.2%	24.6%
EV below \$100m	3,426	2.5x	174.8%	53.6%

\* 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...



Value: \$300.0m

**CrownBet** has agreed to acquire **William Hill Australia** from **William Hill Plc**. **CrownBet**, an Australia-based company, headquartered in Melbourne, is an operator of online betting platform, and a subsidiary of **The Stars Group Inc.** The listed Canada-based company, headquartered in Toronto, is a designer, developer and distributor of technology-based gaming solutions. **William Hill Australia**, an Australia-based company, headquartered in Darwin, is a provider of online betting services to punters.



Value: \$9.0m

**ELMO Software** has agreed to acquire **Pivot Remesys**. **ELMO Software** is a listed Australia-based company engaged in providing software as a service, headquartered in Sydney. **Pivot Remesys Limited** is a New Zealand-based SaaS, cloud-based remuneration software provider, headquartered in Christchurch. The value of the deal was \$9m, however the financial results of **Pivot Remesys** are unknown.



Value: \$28.0m

**AC3** has agreed to acquire a 100% stake in **Bulletproof Group**. **AC3** is an Australia-based company engaged in designing, building and management of IT solutions, headquartered in Eveleigh. **Bulletproof Group** is a listed Australia-based company engaged in providing cloud services, headquartered in Sydney. The value of the deal was \$28m.



Value: \$40.0m

**Domain Holdings Australia**, the listed Australia-based real estate media and technology services company has agreed to acquire a 50% stake in **Review Property**, the Australia-based real estate property portal providing property listings and auction results. The deal was valued at a maximum equity consideration of \$40m. Valuation multiples for the deal were not reported.



Value: \$50.0m

**Macquarie Group**, the Australia-based listed private equity firm and investment bank, has agreed to acquire a 33.33% stake in **Claim Central**, the Australia-based company engaged in insurance technology and claim management business, for a consideration of \$50m. Pursuant to acquisition, **Macquarie** will secure two seats on **Claim Central's** board. **Claim Central** was founded in the year 2002, and has offices in New Zealand, US, Africa and Europe.

## Going Viral...

- **Nine Network Australia** and **Seven Network** each proposes to acquire a 50% stake in **Network Ten's** one-third interest in **TX Australia**, according to a notice of the Australian Competition & Consumer Commission. **TX Australia** is a joint venture between the three commercial metropolitan television networks providing television transmission for broadcasters.
- **Sportsbet**, the Australian subsidiary of **Paddy Power**, is anticipated to seek additional acquisition opportunities after failing to buy **William Hill Australia**. Consolidation is expected to continue across the Australian wagering space as state-based wagering taxes, credit-betting bans, and restrictions on advertising take effect.
- ASX-listed technology firm **Elsight** raised \$9m through a private placement to wholesale and institutional investors. **Elsight** will issue 12.5m shares at \$0.72 a share, representing a 17% discount to its last trading price on 28 February.
- **SocietyOne**, a privately held Sydney, Australia-based online personal loan business, is about to close an up to \$10m capital raise. The company is expecting to complete the raise by the end of March, with the majority of the target amount already having been raised. Potential investors include institutions that have already been providing lending capital to **SocietyOne**.
- **Data Exchange Network**, the Australia-based data centre group, is preparing to launch an IPO next week. According to the unsourced report in the paper's Street Talk column, the group is preparing to raise \$16m through the IPO.
- **DataDot Technology**, an Australian security technology company, has announced a proposed merger with **Beston Technologies**.
- In contrast with some rumours, **NEXTDC** has no plan at present to acquire all three data centres owned by the **Asia Pacific Data Centres Trust** for \$280m, the company said in a statement filed to the Australian Securities Exchange.

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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