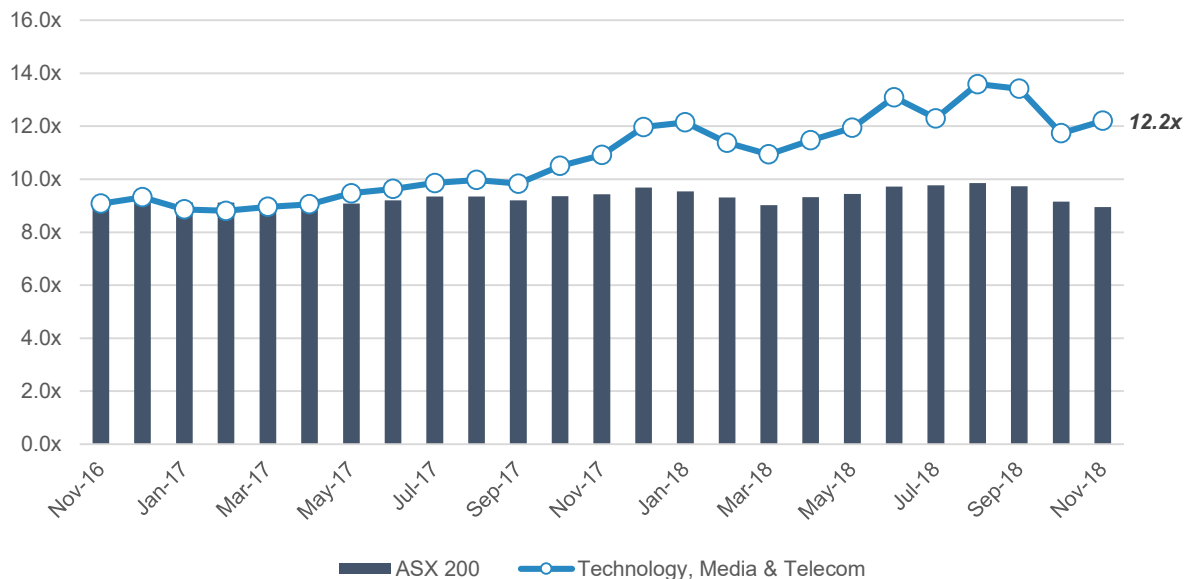


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/11/2018) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of November, the sector traded on a forward EV / EBITDA multiple of 12.2x, compared to the ASX200 on 9.0x.



Average Values and Trading Multiples (values as at 17/12/2018) Source: FactSet Research Systems Inc.

| Subsector | Enterprise Value (\$m) | EV/EBITDA FY2019 | EV/EBIT FY2019 | Price / Earnings FY2019 |
|--|------------------------|------------------|----------------|-------------------------|
| Digital & Traditional Media | 7,511 | 7.6x | 10.7x | 10.0x |
| Internet, IoT | 20,680 | 16.1x | 18.6x | 22.7x |
| IT Services, Fintech | 6,425 | 11.0x | 16.9x | 43.7x |
| Software (SaaS/Licence) | 14,794 | 17.3x | 21.7x | 23.3x |
| Technological Hardware | 266 | 5.3x | 12.1x | 9.9x |
| Telecommunications | 67,636 | 8.2x | 14.4x | 16.2x |
| Emerging vs Established | | | | |
| \$500m+ EV | 118,587 | 16.0x | 21.5x | 37.6x |
| \$100m-\$500m EV | 3,642 | 7.9x | 13.8x | 13.0x |
| EV Below \$100m | 388 | 7.9x | 6.2x | 9.8x |
| Technology, Media & Telecom | 122,616 | 12.0x | 16.7x | 25.1x |

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. Difference in forward EV/EBITDA multiples between Figure and Table are representative of the timing difference between month-end result, and current day result.

¹ The InterFinancial Technology, Media & Telecom Index set is an unweighted index comprising Technology, Media & Telecom sector related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

MERGER & ACQUISITION NEWS...



Value: not disclosed

Sonata Software announced that it has signed an agreement to acquire **Scalable Data Systems**, a highly respected provider of business solutions in the Australian market. With a history of more than 25 years **Scalable** has built a solid reputation in providing Microsoft Dynamics 365 F&O solutions for industry leading clients in Australia especially in the Manufacturing and Wholesale & Distribution. **Scalable's** IP for Commodity Trading "CTRM" has now earned market leading reputation globally.

InterFinancial through its IFL Ventures team acted as M&A advisor to Scalable Data Systems.



Value: not disclosed.

Optic Security Group has been launched through a merger of six entities with combined revenues in excess of NZD 100m. The new company which will operate across New Zealand and Australia brings together the combined capability and expertise of industry-leading security businesses to a large, independent and most technically advanced physical, IT and information security group.



Value: not disclosed

Tabula Rasa HealthCare, Inc., a New Jersey-based healthcare software firm, has agreed to buy Australia-based **DoseMe**. **DoseMe** is the developer of **DoseMeRx**, a precision dosing tool to help physicians and pharmacists dose patients' high-risk parenteral medications based on individual needs. Financial details of the transaction were not disclosed.



Value: \$100m

Canberra Data Centres, an Australia-based data centre business, has agreed to acquire a data centre asset located in the Sydney suburb of Eastern Creek for over \$100m. The data centre is being divested by **DXC Technology**. **Canberra Data Centres** will fund the transaction with both equity and debt.



Value: NZD 2.74bn, EV / EBITDA: 16.7x, EV / EBIT: 19.7x

Trade Me, the New Zealand based internet auction website, announced that it had entered into an agreement with **Apax Partners** that will acquire 100 percent of **Trade Me** shares for NZ\$6.45 per share, subject to the relevant approvals. **Hellman & Friedman**, which had made an alternative nonbinding indicative offer, indicated that it does not intend to pursue a superior proposal to acquire **Trade Me**.



Value: \$8.6m, EV / Sales: 2.3x, EV / EBIT: 5.4x

Transaction Solutions International has entered into a binding agreement to purchase 100% of **Cloudten Industries** for a consideration of \$8.6m. **TSI** has signed a binding agreement to acquire 100% of **Cloudten**, a highly accredited cloud and cloud security service provider. **Cloudten** had FY18 revenue of \$3.8m and profit before tax of \$1.6m. Total consideration of \$8.6m plus variable performance-linked components.



Value: \$31m

Accenture has acquired **PrimeQ**, one of Australia's and New Zealand's top Oracle Software as a Service (SaaS) Cloud implementation service providers. With the addition of **PrimeQ**, **Accenture** is now the largest Oracle Cloud systems integrator in the region. **PrimeQ** had received a \$31m takeover offer.



Value: \$95m

GVC Holdings, a UK-based sports betting and gaming group, announced the acquisition of Australia-based **Neds International** for a total maximum consideration of up to \$95m. **Neds International** is a relatively new entrant into the Australian digital sports betting market, having launched in 2017. Through a combination of effective marketing, proprietary technology and an experienced management team, the business has grown rapidly and is expected to achieve ~\$1bn of wagers and GGR of \$100m in 2018.

GOING VIRAL...

- **KKR** is anticipated to proceed with its \$2.2bn takeover offer for **MYOB** when it completes due diligence. **KKR** is close to completing due diligence and the deal is expected to be finalized by Christmas. **MYOB** was valued at \$2.2bn and an EV / EBITDA multiple of 5.4x.
- **Global Health**, an Australian digital health software company, has turned its offshore market entry growth focus to joint ventures (JVs), primarily in South-East Asia, in the absence of reasonably priced acquisitions. The Melbourne-based \$6m market cap company is talking to multiple potential partners in countries such as Indonesia, the Philippines, Malaysia, Vietnam and Myanmar.
- **NetComm Wireless**, a telecommunication infrastructure equipment business, is looking for potential buyers. A teaser document was sent to potential trade and private equity players to get them interested in the business. The teaser is part of a larger strategic review by **NetComm** to consider options for the business. **NetComm** has a market capitalisation of \$100m.
- **Elegant Media**, a Melbourne-based app developer, is interested in buying assets of the failed start-up **Appster**. The group is keen to help **Appster** clients impacted by the situation. **Elegant Media** is also interested in **Appster's** 23 local employees.
- **Blackmores**, the Australian natural health company, could make acquisitions of health and wellbeing services, such as mobile health apps. The company, which recently acquired health and weight loss program **Impromy** from **Probiotec**, sees growth opportunities in digital and mobile tech and how it supports people's health and wellbeing. The company will look to acquire services that help people track their activity and nutrition and set health goals, or build such services in-house, in the next few years. **Blackmores** has a market cap of ~\$2.1bn.
- **Nine Entertainment** is not anticipated to launch a process to sell certain **Fairfax Media** publishing assets until next year. **Nine** is expected to sell **Fairfax's Australian Community Media (ACM)** division and **Fairfax's** New Zealand newspapers. **ACM** could be valued between \$80m and \$120m.
- **SB&G (Telecoms) Pty Ltd** is withdrawing its proposed offer to acquire **Inabox Group Ltd**, provider of IT/Telecommunication services. The proposed offer, initially received on November 15, was withdrawn as the offer was subject to a shareholder vote related to the sale of a key asset. **Inabox Group** was being valued at \$23m.
- **Nexon Asia Pacific**, the Australia-based IT services business, is looking to find an investor to help grow the business. The company is looking for a partner to take a stake in the company and support their expansion strategy in Australia and overseas. **Nexon** has annual turnover of \$55m and is set to record EBITDA of \$8.5m to \$9m.
- **Canada's Brookfield** is believed to be interested in **Blackstone's** Australian data centres. **Brookfield** submitted the highest bid and the parties are now working on the deal's final terms. **Blackstone's** Australian data centre assets, which are held within the global data centre owner, **DCI Data Centres**, are anticipated to be worth \$350m.
- **ISC**, a Canada-based registry business, is said to be among parties showing early interest in buying **Landgate**, the Western Australian digital state-owned land titles asset. The government will seek expressions of interest early in 2019. The asset could be valued up to \$1.5bn.
- **Adactin**, a privately held Australian IT services company, is interested in setting up joint venture (JV) partnerships to enter India and New Zealand. The company could invest up to \$20m in each JV.
- **Feefo**, a UK-based customer review technology business, will consider add-on acquisitions to broaden its offering to clients. International deals are also considered as the company currently has presence in the US and Australia.
- **Australian Technology Innovators Pty Ltd (ATI)**, the parent company of the software businesses **Infotrack** and **Leap Legal Software**, is seeking funds partly to pay for an acquisition. The company is believed to be seeking \$150m in new funds from the group's existing lenders and new potential investors.
- **Deputy**, an Atlanta, GA- and Australia-based workforce management software platform, announced that it closed a USD 81m Series B to accelerate growth. The funding is Australia's largest Series B secured to date.
- **OFX**, the Australian online FX and payments company, announced with its half year results on 20 November that it is no longer in talks with **Currencies Direct**, a UK-based payments business.

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