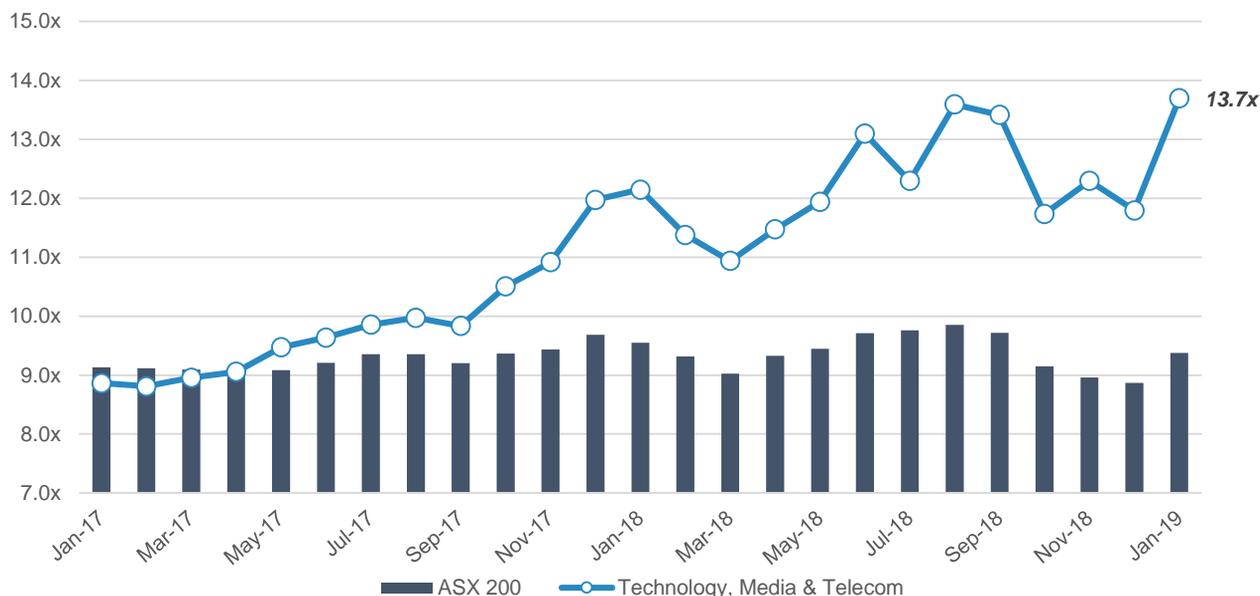


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 31/01/2019)** Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of January, the sector traded on a forward EV / EBITDA multiple of 13.7x, compared to the ASX200 on 9.4x..



**Average Values and Trading Multiples (values as at 21/02/2019)** Source: FactSet Research Systems Inc.

| Subsector                              | Enterprise Value (\$m) | EV/EBITDA FY2019 | EV/EBIT FY2019 | Price / Earnings FY2019 |
|--|------------------------|------------------|----------------|-------------------------|
| Digital & Traditional Media            | 8,476                  | 7.8x             | 11.3x          | 10.1x                   |
| Internet, IoT                          | 20,904                 | 16.5x            | 19.1x          | 23.9x                   |
| IT Services, Fintech                   | 4,591                  | 13.0x            | 22.1x          | 50.8x                   |
| Software (SaaS/Licence)                | 12,858                 | 22.9x            | 30.0x          | 26.6x                   |
| Technological Hardware                 | 311                    | 6.3x             | 14.7x          | 12.0x                   |
| Telecommunications                     | 68,740                 | 9.3x             | 14.8x          | 16.1x                   |
| <b>Emerging vs Established</b>         |                        |                  |                |                         |
| \$500m+ EV                             | 117,263                | 17.9x            | 24.5x          | 44.5x                   |
| \$100m-\$500m EV                       | 3,357                  | 9.1x             | 16.1x          | 16.4x                   |
| EV Below \$100m                        | 464                    | 11.6x            | 13.0x          | 10.0x                   |
| <b>Technology, Media &amp; Telecom</b> | <b>121,085</b>         | <b>13.9x</b>     | <b>20.1x</b>   | <b>28.2x</b>            |

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.

<sup>1</sup> 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

**GradConnection**, an Australia-based graduate job marketplace, has been acquired by **SEEK**, an Australian online job classifieds business. **SEEK** hopes that the **GradConnection** purchase will bring job candidates to the company earlier and serve them throughout their careers. **GradConnection** said that **SEEK's** investment and expertise will help the group expand its digital offering to employers in Australia.



Value: \$10m

**Star Combo Pharma** has entered into an agreement to acquire the businesses of **Koala Mall** and **Austoyou Group** for \$10m. This purchase price of \$10m represents a 10x multiple on FY18 Net Profit After Tax of \$1.0m. **Austoyou** is a fast-growing Australian based E-commerce platform with over 5,000 high demand product lines selling direct to Chinese consumers.



Value: Not disclosed

**Smartrak**, a New Zealand-based provider of fleet asset management software that is part of **Volaris**, has acquired Australia-based **PoolCar**. The deal helps to extend **Smartrak's** offering in mobility, particularly pool vehicle management, electronic key cabinets, and vehicle keyless entry. **PoolCar** provides software used to manage drivers, vehicle reservations, vehicle assets, preventative maintenance, and keys. It serves 80 customers in 14 countries, concentrated mainly in Australia, New Zealand, and the USA.



Value: \$35m

**Madman Media**, an Australia-based film distribution and production business, is believed to have sold its anime unit to **Aniplex** for \$35m. **Aniplex** is owned by **Sony** and **Madman** is controlled by the private equity group **Five V Capital**.



Value: \$47m

**LiveTiles** has signed an agreement to acquire 100% of **Wizdom**, a Copenhagen-based digital workplace software company, for as much as \$47m. **LiveTiles** is a software company founded in Australia in 2014. It offers cloud based intelligent workplace software for the commercial, government and education markets. Including seed money, as of 2018 it had raised more than \$50m in total funding.



Value: Not disclosed

**QSR International**, the Melbourne, Australia-based qualitative data analytics software company backed by **Rubicon Technology Partners**, has acquired Australia-based **Planet Software**. **Planet Software** is a provider of student placement management software to help academic institutions manage and place students and graduates into their chosen industries.



Value: Not disclosed

**WiseTech Global**, a Sydney, Australia-based developer of logistics software, has announced the acquisition of Norwegian customs management solutions provider **Systema**. Headquartered in Oslo, **Systema** offers customs and logistics management solutions from its core software platform **SYSPED** to customers in Norway, Denmark and Sweden.





**Value: Not disclosed**

**Simplus**, a Salt Lake City, Utah-based Salesforce solutions integrator, has acquired Australia-based **Square Peg**. **Square Peg** is a digital transformation company and the first **Salesforce** partner in Australia. It provides consulting and services to clients using Salesforce quote-to-cash.



**Value: \$130m**

**EY** announced that it had acquired **Plaut IT**, an Australian provider of cloud SAP solutions. With the transaction, 130 SAP and digital consultants will join **EY** Technology services. The deal includes **Plaut IT**'s Malaysian subsidiary **Baseliner**. **EY**'s statement announcing the deal said the deal marked its third digital acquisition in seven months, following those involving **Adelphi Digital Consulting Group** in November and **Articulate Consulting** in July.

### GOING VIRAL...

- Antony Catalano, the former chief executive of **Domain**, is said to be interested in **Nine Entertainment's** regional publishing assets. Reports suggest that Catalano has taken a preliminary look at **Australian Community Media**, the regional publishing unit that **Nine** inherited as part of its merger with **Fairfax Media** last year. Previous reports have said that **ACM** could be valued at between \$80m and \$120m. **Seven West Media** is also said to be involved in the auction for **ACM**.
- **Vocus**, an Australian telecommunications business, is anticipated to sell its consumer division by the end of the year. **Vocus** is apparently looking to improve its performance following a number of downgrades and reduce its debt.
- **Pacific Equity Partners** is thought to be considering an offer for Western Australia's land titles business **Landgate**. **PEP** is believed to have looked closely at **Landgate's** sale information. There is also suggestion that **AMP Capital** and **Macquarie Infrastructure and Real Assets** are also thought to be interested in **Landgate**.
- **Transpire**, an Australian digital consultancy business, could consider a stake or an outright sale to accelerate its growth. The Melbourne-based company, which builds digital products and experiences for business clients, has been approached by potential suitors, mostly traditional IT companies looking for more modern services like **Transpire's**.
- **Bastion Collective**, an Australia-based full-service marketing agency, is actively scouting acquisition opportunities in California to spur its US expansion.
- Private equity group **Hellman & Friedman** was close to buying **MYOB**, an Australia-based online accounting software business, last year. **MYOB** is now subject to a \$2bn takeover offer from **KKR**. **MYOB's** board has recommended the bid, subject to a superior offering emerging by the 22<sup>nd</sup> of February.
- **Carsales** and **Domain**, Australian online classifieds businesses, could be potential takeover candidates. This is due to **Carsales** losing \$1bn in market capitalisation and **TPG Capital** being a potential suitor for **Domain**. **Nine** is, however, an unlikely seller of **Domain** due to the fact that it diversifies its more traditional media assets.
- Australia-based provider of recurring payment services for the fitness, childcare and insurance industries, **Transaction Services Group**, has been exploring sale of its business. The **Calera Capital**-backed fintech company is reported to have kicked off the sale process late last year. It has been suggested that **TSG** may fetch approximately \$1.4bn in a deal.
- **Airtasker**, an Australia-based online jobs outsourcing company, is seeking new investors. **Airtasker** is believed to have started a funding round seeking \$75m.
- **TEG**, an Australia-based ticketing and entertainment business, is among parties interested in buying the **Fairfax events business** from **Nine Entertainment**. **TEG**, which is owned by **Affinity Equity Partners**, is thought to be looking at the asset to determine whether it could fit into its portfolio.

## CONTACT DETAILS

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