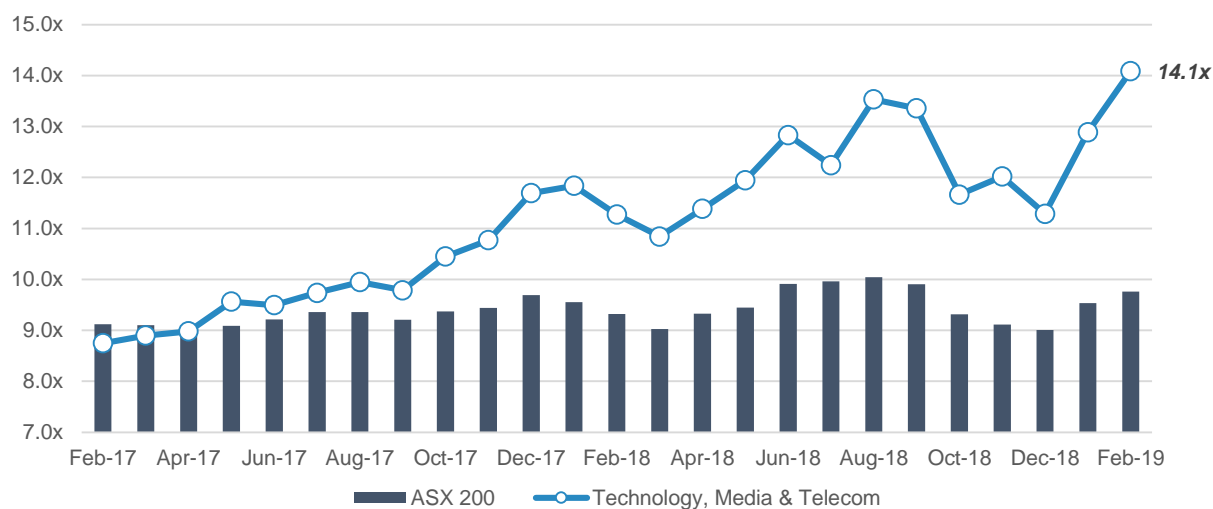


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 28/02/2019) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of February, the sector traded on a forward EV / EBITDA multiple of 14.1x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (values as at 20/03/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Digital & Traditional Media	9,064	8.4x	10.7x	11.8x
Internet, IoT	21,430	17.2x	20.1x	25.7x
IT Services, Fintech	7,438	15.3x	14.3x	18.4x
Software (SaaS/Licence)	19,923	24.6x	31.2x	33.6x
Technological Hardware	321	6.3x	14.5x	12.9x
Telecommunications	70,220	8.8x	17.3x	17.2x
Emerging vs Established				
\$500m+ EV	130,125	18.6x	25.0x	26.1x
\$100m-\$500m EV	3,641	10.3x	11.6x	16.1x
EV Below \$100m	311	5.8x	6.2x	7.9x
Technology, Media & Telecom	134,077	14.8x	18.9x	21.3x

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...

ATLISSIAN



Value: USD 166m

NASDAQ-listed **Atlassian Corporation**, the Australian business software firm, has agreed to acquire **AgileCraft**, a Texas-based provider of enterprise planning software, for USD 166m. **AgileCraft** operates in three locations worldwide. **Atlassian**, with a USD 26.6bn market cap, has 10 offices worldwide.



Value: Not Disclosed

Officeworks, a Wesfarmers group company that supplies office products and services, has acquired **Geeks2U**, a national provider of on-site information, communication and technology services. The value of the deal was not disclosed.

GOING VIRAL...

- **Vocus Group**, an Australian telecommunications business, could be considering equity raisings. **Vocus'** market value has been recovering since the beginning of the year and it may be considering raising \$200m to \$300m to take advantage of the positive market sentiment and lower its debt.
- **Manikay Partners** has continued buying shares in **MYOB** and may be close to securing a large enough stake to block **KKR's** \$2bn takeover offer. **Manikay**, which is opposed to **KKR's** offer for **MYOB**, is believed to have purchased an additional 2.5% of the business on Tuesday 12th March. **Manikay's** stake has reached around 14% and is getting close to the level at which it could block **KKR's** bid. **Manikay** likely requires 15% to 18% of **MYOB** to block the **KKR** transaction.
- **Vamp**, an Australia-based social media technology platform, is preparing to list next year. **Vamp** is seeking to undertake an \$10m pre-IPO raising.
- **Australian Community Media (ACM)**, an Australia-based regional newspaper business, has received indicative offers from **Anchorage Capital Partners**, **Allegro Funds**, and **Antony Catalano**. **ACM's** owner, **Nine Entertainment**, is looking at the offers and has not yet contacted bidders to start the auction's second round. Sources have said that offers are expected to value **ACM** at 2x to 2.5x EBITDA. **Nine** told potential buyers that **ACM** is expected to report EBITDA of \$44m for FY19.
- **QMS Media**, the Australian outdoor advertising company, has approached **Champ Private Equity** about its potential acquisition of the company. In 2014, **Champ** sold **oOh!media**, a rival of **QMS** that it acquired for \$170m in 2011, through an initial public offering valued at about \$400m. **QMS'** share price is down from \$1.39 a share in 2016 to the present \$0.725, and has a market cap of \$239m.
- **Airtasker**, an Australian online marketplace for task outsourcing, has started talks with potential investors to raise capital to back its mulled entry into Germany, Canada and Asia. The Sydney-based company is looking to raise capital from venture capital or private equity firms that invest in "early growth" companies.
- **iVvy**, an Australian provider of a B2B online platform for booking venues for meetings and events, aims to raise a total of \$15m over the coming year to fund US expansion. The company is in the process of raising \$5m via a convertible note, which it aims to close by June. This will be followed by an \$10m equity raise in 6-12 months from now.
- **Spirit Telecom**, a Melbourne-based Australian telco services provider, has a short list of up to three acquisition targets, according to an investor presentation. The company has a focus on acquisition targets with complementary wireless network assets.
- ASX-listed **Knosys**, an Australian knowledge management software developer, is exploring and reviewing potential acquisition opportunities which could complement the current business offering through automated business processes, the management of information governance, enhanced customer experience through analytics or the geographic diversification of revenues.
- ASX-listed **ELMO Software**, an Australia-based human resources software business, is looking for selective acquisitions of complementary technology and customer lists.
- **Speedcast**, the Australia-based global satellite communications service provider, is eyeing acquisitions. The company has an AUD 802.08m market cap.

CONTACT DETAILS

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