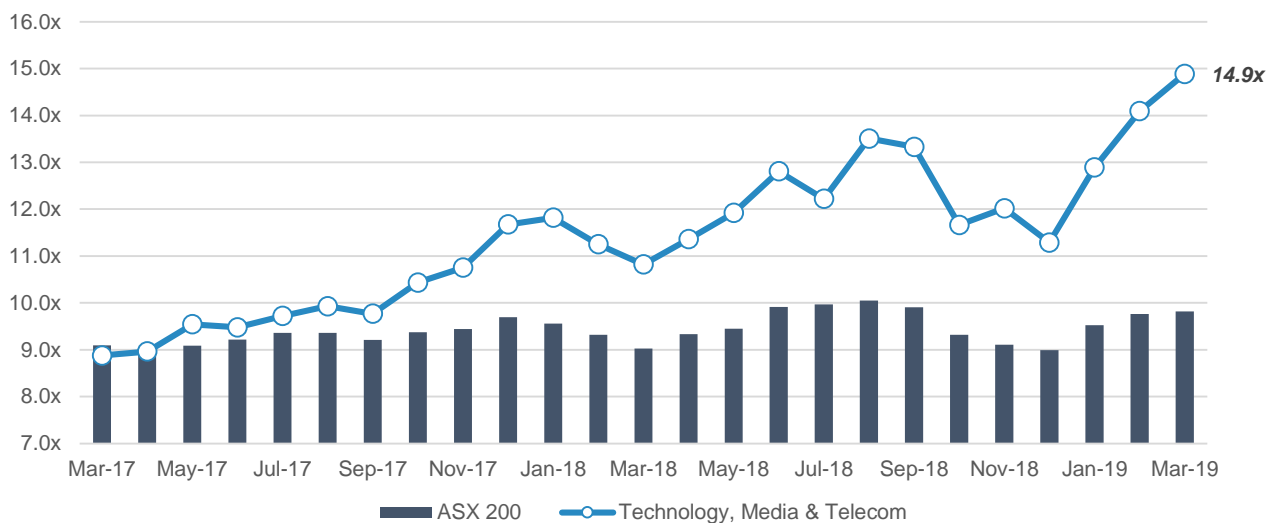


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples** (monthly to 31/03/2019) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of March, the sector traded on a forward EV / EBITDA multiple of 14.9x, compared to the ASX200 on 9.8x.



**Average Values and Trading Multiples** (values as at 18/04/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Digital & Traditional Media	8,795	8.1x	10.4x	11.3x
Internet, IoT	21,319	17.3x	20.1x	25.6x
IT Services, Fintech	7,576	16.1x	15.3x	19.4x
Software (SaaS/Licence)	20,329	25.2x	32.2x	34.6x
Technological Hardware	292	5.8x	13.2x	11.6x
Telecommunications	71,505	8.9x	17.7x	17.4x
<b>Emerging vs Established</b>				
\$500m+ EV	131,498	19.0x	25.4x	26.6x
\$100m-\$500m EV	3,830	11.0x	12.6x	16.7x
EV Below \$100m	196	5.1x	5.4x	7.1x
<b>Technology, Media &amp; Telecom</b>	<b>135,524</b>	<b>15.2x</b>	<b>19.5x</b>	<b>21.8x</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: \$20.8m (50% stake)

**Seven West Media** today announced that it has finalised the sale of its 50% interest in **Yahoo7** to **Verizon Media**. **Seven**, which will receive \$20.8m in cash for its shares this financial year, now fully owns and operates all of its 'direct to consumer' digital products. This has allowed **Seven** to focus on its more successful online news formats to reach a wider audience.



Value: Not Disclosed

**Tanarra Capital** has acquired a controlling stake in **INX Software**, a Perth-based software business. The deal is believed to be in the 'tens of millions' of dollars for the majority stake. **Tanarra** will own the business along with its founder and CTO.



Value: \$11.6m

**CSE Global**, the Singapore-based systems integrator, has acquired a 100% stake in **RCS Telecommunications**, an Australian-based communications networking and 2-way radio systems design & implementation provider, for \$11.6m. **RCS** will, upon completion of the Proposed Acquisition, become an indirect wholly-owned subsidiary of the Company.



Value: Not Disclosed

**Amadeus IT**, a Spanish travel technologies group, has acquired the Australian company **ICM Airport Technics**. **ICM**, which is headquartered in Sydney, specialises in the provision of passenger automation and self-service bag drop solutions for customers principally in APAC and Europe. Following this deal, **Amadeus** is now in a stronger position in this sector to drive future growth.



Value: \$169.0m

**Bravura Solutions** has submitted a nonbinding indicative proposal to acquire all of the shares in **GBST Holdings** for \$2.50 per share. Action is yet to be taken by the shareholders of **GBST**, as the proposal is highly conditional.

### GOING VIRAL...

- **Latitude Financial**, an Australia-based personal loans and credit card company, has believed to have been eyeing **Zip Co**, an Australian payments business. **Latitude** is thought to have undertaken some preliminary due diligence on **Zip**, but there was no engagement or approach, either formal or informal.
- Melbourne fintech **Nauticus Blockchain** has targeted a \$25 million equity raise to fulfill its vision for low cost, borderless financial transactions. The funds raised will enable **Nauticus** to onboard 2.9 million users by 2022.
- **Farmbot**, a privately held Australian water monitoring agtech company, will seek some \$8m to \$10m in a Series A round next March to fund its overseas expansion. The Sydney-based company has developed water monitoring solutions specifically for the agricultural industry.
- **AltoStratos**, an Australian developer of supply chain delivery technologies, has withdrawn its proposed listing on the Australian Securities Exchange.

## GOING VIRAL...

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- New Jersey-based **Dun & Bradstreet** is considered a potential buyer for **illion**, an Australia-based data and analytics business. **Dun & Bradstreet's** new owners, **CC Capital**, **Cannae Holdings**, and **Thomas H. Lee Partners** are thought to be the most logical owners for **illion**, which was previously **Dun & Bradstreet Australia**. **illion's** owner **Archer Capital** previously paid \$220m to acquire **Dun & Bradstreet's** Australian and New Zealand business, which was renamed **illion**. **illion** is now thought to be worth between \$1.2bn and \$1.5bn.
- **Bigtincan Holdings**, an Australia-based software company, is raising \$15.6m to help finance organic growth and M&A.
- **Picture Postie**, an Australian-based picture printing app, is seeking prospective buyers. The company has a potential valuation of \$10m and is recording 50% year-on-year growth.
- **Credi**, a private Australian relationship lending platform, is gearing for an \$5m-\$10m capital raise next year to fund its global expansion.
- **Haylo**, a private Australian customer experience platform developer for aged, home and disability care services providers, is exploring capital raising options to support rapid global expansion. The Melbourne-based company is yet to finalise specifics for the raise, but is happy to start engaging with potential investors or advisors with interested parties.
- **Spirit Telecom** has rejected a non-binding indicative offer made earlier by **Uniti Wireless** to acquire 100% of the issued securities of **Spirit Telecom**.
- **ReadyTech**, an Australian developer of educational and payroll software, is seeking to raise \$50m through an initial public offering. The company is offering 11.3m shares at AUD 1.51 per share. The indicative market capitalization at the offer price is \$120.8m, with a total of 80m shares to be on the issue upon the completion of the offer.
- **Airwallex**, an Australia-based financial technology startup, has been valued at over USD 1bn following the closing of a USD 100m series C funding round.
- The scheme meeting to consider **TPG Telecom's** proposed merger with **Vodafone Hutchison Australia (VHA)** will likely be held around mid-July if approval is granted from Australia's competition regulator (ACCC).
- **Identitii**, an Australian fintech providing Know Your Transaction (KYT) services, will start looking at acquisition opportunities in about six months, and is interested in hearing about potential targets. **Identitii** could acquire complementary businesses, particularly to enter new geographies.
- **Motiv**, a US-based entertainment business, is believed to be leading the race to by **Fairfax Events and Entertainment** from **Nine Entertainment**. Another business being sold by **Nine Entertainment** is **Australian Community Media**, which is currently seeking final offers.

## CONTACT DETAILS

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