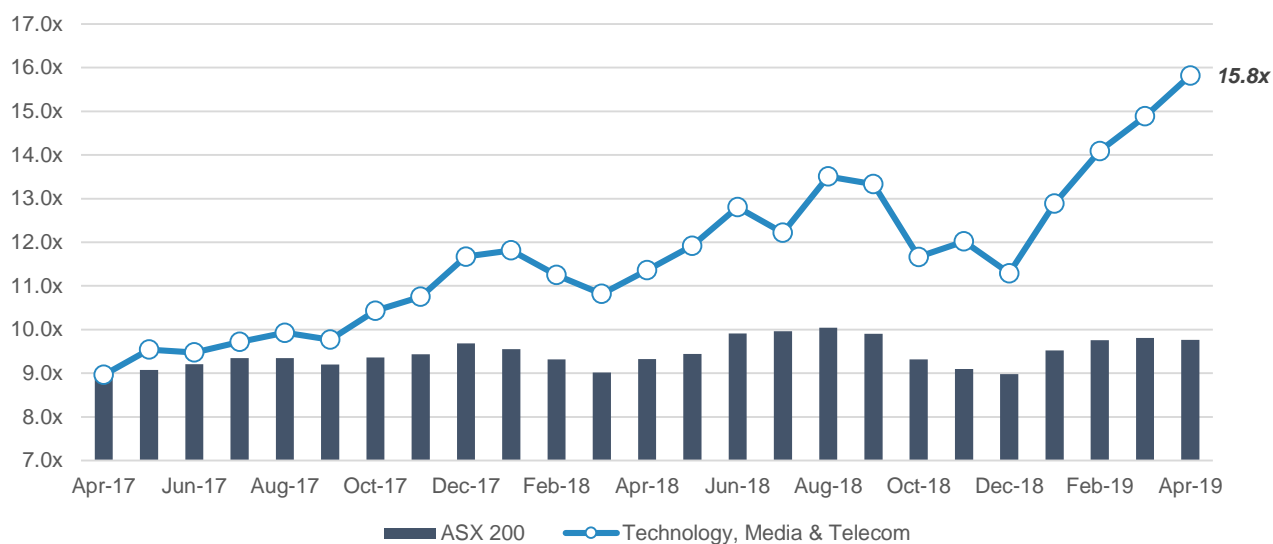


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/04/2019) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of April, the sector traded on a forward EV / EBITDA multiple of 15.8x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (values as at 16/05/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Digital & Traditional Media	8,926	8.2x	10.1x	11.4x
Internet, IoT	23,128	18.9x	22.1x	28.6x
IT Services, Fintech	8,106	17.4x	15.3x	19.7x
Software (SaaS/Licence)	19,919	24.5x	31.4x	30.7x
Technological Hardware	323	6.8x	16.4x	14.7x
Telecommunications	71,965	8.9x	17.8x	17.4x
Emerging vs Established				
\$500m+ EV	134,680	20.0x	22.7x	26.8x
\$100m-\$500m EV	3,428	9.6x	16.5x	16.9x
EV Below \$100m	196	4.6x	4.9x	6.2x
Technology, Media & Telecom	138,305	15.5x	19.6x	21.5x

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: \$2bn

An arrangement has been successfully implemented which will see Australian accounting software business **MYOB** be 100% acquired by **ETA Australia Holdings III**, an affiliate of **Kohlberg Kravis Roberts & Co. L.P (KKR)**. The consideration was \$3.40 per share in cash. **Manikay Partners** and **Bain Capital** are among the investors who sold their stake in the deal.



Value: \$3.25m

Tesserent has acquired experienced Melbourne-based enterprise security specialist **Rivium** for a consideration of \$3.25m. **Rivium** possesses an established team that adds a Security Information Event Management (SIEM) and insider threat capability to **Tesserent's** suite of cybersecurity solutions. The acquisition will be earnings accretive from day one, with **Rivium** forecasting FY19 revenue of \$4.4m and an EBITDA of \$650,000.



THORNEY OPPORTUNITIES LTD

Value: \$115m

Nine Entertainment has signed an agreement for the sale of its **Australian Community Media and Printing** business to a company controlled by interests associated with Antony Catalano and **Thorney Investment Group**. The cash proceeds of the sale are expected to be around \$115m, subject to post-completion adjustments. In addition, **Nine** is anticipated to pursue the shares it does not already own in the Australian radio business **Macquarie Media** once it has completed the sale. **Nine** currently owns 54.5% of **Macquarie Media**.



Value: Not Disclosed

Diversified, a New Jersey-based systems and media technology integration company, announced the acquisition of **Rutledge AV**, the Australia-based audio visual integration specialist. **Rutledge AV** allows **Diversified** to expand their capabilities into the Australian market by utilizing their robust client-base.



Value: \$8.4m (Maximum)

Uniti Wireless has entered into binding transaction documentation to acquire 100% of **Fone Dynamics** for as much as \$8.4m. **Fone Dynamics** is a fast growing, specialist Communications Platform-as-a-Service company that has developed extensive proprietary intellectual property. The consideration is comprised of a forecasted minimum base of \$5.04m, as well as a performance-based consideration, totaling as much as \$8.4m.

GOING VIRAL...

- **Latitude Financial**, an Australia-based consumer finance business, has said that it is not interested in **Zip Co**, an Australian buy-now-pay-later business. This follows reports of **Latitude** supposedly eyeing **Zip** and having undertaken an early stage due diligence on the business.
- Australian pay TV group **Foxtel's** owners, **News Corp** and **Telstra**, are mulling an equity injection of \$500m as part of the group's \$2.5bn refinancing plans. The equity injection is among a number of options being considered by **News Corp**, which oversees **Foxtel's** finances. **News Corp** owns 65% of **Foxtel**, while **Telstra** owns 35%.
- **Cody Live**, an Australia-based digital billboard business, has entered administration. The group is thought to have entered administration as it prepared for a backdoor ASX listing. Investors are thought to have put \$10m to \$12m into the company.
- **HT&E**, an Australia-based broadcaster, could be subject to a management buyout. **HT&E** sold its outdoor advertising business **Adshel** to **oOh!media** and many believe that it no longer makes sense for the remainder of the business to stay listed. **HT&E** is now primarily a radio broadcaster with a market value of \$505.5m. **HT&E's** 13.3% stakeholder **News Corp** may potentially block a deal.
- **Telstra** is seeking buyers for a 49% stake in a new property trust. The proposed trust would be comprised of **Telstra's** telecommunication exchange properties and could net **Telstra** up to \$1.5bn. The trust would hold 37 strategic sites around Australia.
- **Superloop** an Australia-based telecommunications infrastructure business, has granted **QIC Private Capital** exclusive rights to conduct due diligence after receiving a revised unsolicited, non-binding, conditional and indicative proposal from **QIC** to acquire the company for \$1.95 per share. However, many shareholders apparently oppose the deal due to expectations of a higher price per share offering. Other parties are expected to emerge once the exclusivity period ends.
- The ACCC has decided to oppose the proposed merger between **TPG Telecom** and **Vodafone Hutchison Australia**. The ACCC considers that the proposed merger between **TPG** and **Vodafone** will reduce competition and contestability in a concentrated mobile services and fixed broadband market. The two companies intend to launch a legal action in the Federal Court following the decision.
- Administrators for **Argus Global**, an Australian biometric technology developer, are seeking expressions of interest for the business.
- The offer price for an initial public offering of **Whispir**, an Australian communications application firm, is expected to be in the range of \$1.60 and \$2.10 per share. The company is seeking to \$47m in the IPO, and a successful listing would give the company a market capitalization of \$162.7m to \$198.3m.

CONTACT DETAILS

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