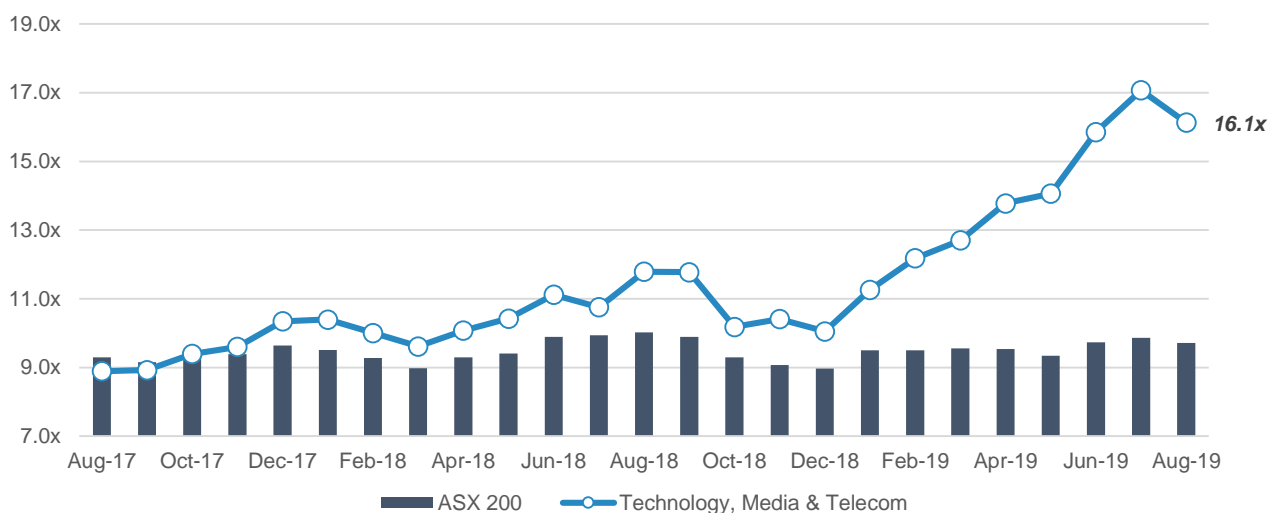## VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/08/2019) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have decreased over the period. At the end of August, the sector traded on a forward EV / EBITDA multiple of 16.1x, compared to the ASX200 on 9.7x.

Average Values and Trading Multiples (values as at 25/09/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value ($ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Digital & Traditional Media	10,522	10.9x	16.7x	13.6x
Internet, IoT	27,142	20.2x	24.7x	38.3x
IT Services, Fintech	9,152	13.7x	18.8x	21.6x
Software (SaaS/Licence)	23,881	22.7x	29.2x	40.8x
Technological Hardware	251	5.8x	23.5x	24.5x
Telecommunications	74,297	8.2x	16.6x	18.3x
Emerging vs Established				
$500m+ EV	150,164	19.3x	26.9x	33.3x
$100m-$500m EV	3,513	10.1x	13.8x	21.6x
EV Below $100m	193	5.2x	6.7x	8.3x
Technology, Media & Telecom	*153,870*	*15.6x*	*22.0x*	*23.3x*

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2020. 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…

CERIDIAN / **RITEQ**	Value: Undisclosed **Ceridian HCM Holding, Inc.,** a human capital management technology company based in Minneapolis, has reached a definitive agreement to acquire Australian workforce management software developer, **RITEQ.** **Ceridian** had acquired **Clearview Logix,** an analytics company, and **Paysa,** an AI-powered career advisor, in March.
zip / **Spotcap**	Value: $8.8m **Zip Co Limited** has entered into an agreement to acquire the Australian and New Zealand businesses of SME lending provider **Spotcap. Spotcap** will provide **Zip** with an accelerated "go to market" strategy for the recently announced Zip Biz 'buy now, pay later' product.
Bigtincan™	Value: Undisclosed **Bigtincan,** a Massachusetts-based provider of AI-powered sales-enablement software, has acquired Australia-based **AsdeqLabs.** With **AsdeqLab, Bigtincan** strengthens its revenue enablement platform by expanding its content management and collaboration solutions to support customer engagement initiatives for service technicians, field engineers and mobile customer support technicians.
midwinter / **bravura solutions**	Value: $50m **Bravura Solutions,** an Australian wealth management applications software company, has acquired **Midwinter,** an Australian financial planning company. The acquisition is a strong strategic fit, with **Midwinter's** award-winning financial planning software, AdviceOS, being a natural extension to **Bravura's** existing software solutions and client base. It opens an important avenue for growth in Australia, the UK and other geographies in which **Bravura** currently operates.
ADOREBEAUTY / **QUADRANT PRIVATE EQUITY**	Value: Undisclosed **Quadrant Private Equity** has agreed to acquire 60% stake in **Adore Beauty**, an Australia-based online retailer of beauty and cosmetics products, from Ms Kate Morris and Mr. James Height. The transaction represents **Quadrant's** 4th investment from its latest USD 400m fund - Quadrant Growth Fund No. 1. The funds from the investment will be used by the company to expand its presence geographically and its product portfolio, by enhancing its marketing activities and content to improve customer engagement. It will also invest in its technology.

M&A news is sourced from MergerMarkets and other sources.

GOING VIRAL…

- **Vocus,** an Australian-based telecommunications business, could make between AUD 207m and AUD 416m from the sale of its retail assets.

- **Illion,** an Australian-based data registry business is in the final stages of an auction and is likely to sell to a private equity player such as, **Pacific Equity Partners, Quadrant Private Equity, BGH Capital, Champ** or **Adamantem. Illion** is thought to be worth between AUD 1.2bn and 1.5bn.

- **ELMO Software,** an Australian provider of cloud-based HR and payroll software solutions, is actively looking for acquisitions in Australia and New Zealand.

- **Damstra,** an Australian workplace software business, has been valued at up to AUD 205m in pre-marketing research for an IPO.

- **Knosys,** an Australian knowledge management software developer, will continue to look at acquisitions.

- **P9 Production,** a privately held multimedia production company, is looking for investors, especially venture capital investors to assist with its Australian expansion plans.

- **Uniti Group** has raised AUD 41.6m in the already announced share placement and institutional component of an entitlement offer. The proceeds will partially finance the AUD 100m acquisition of Australian privately-owned broadband networks building **LBNCo Pty Ltd.**

- **Speedcast** is speaking to banks about increasing its AUD 100m revolving credit facility in an effort to short up its liquidity concerns.

- **Culture Amp,** an Australian HR management software publisher, has raised AUD 122m in a Series E round. **Sequoia Capital China,** a new investor in **Culture Amp,** led the round, with participation from existing investors.

- **MyPass Global,** an Australian provider of cloud-based workforce management solutions, is considering one or two capital raises within the coming year.

- **Hansen Technologies,** the Australian software business, is continuing to assess acquisitions.

- **WiseTech Global,** an Australian logistics software business, is targeting Asia as part of its strategy to grow through acquisitions.

- Australian specialist tech investor, **Potential Capital,** is on the verge of acquiring a controlling stake in **Education Horizons Group (EHG),** an Australian-based provider of software to the education sector.

- **Seven West Media** plans to puruse M&A opportunities in traditional media and non-traditional adjacencies.

- A lawyer for **Vodafone Hutchison Australia** argued that the Australian Competition and Consumer Commission's (ACCC) opposition to the AUD 15bn merger between the Australia-based telecommunications business and **TPG** will hurt competition. **Vodafone's** main business is a mobile phone business via a joint venture with **Hutchison Telecommunications** (Australia), while **TPG** offers low-cost internet services.

- **Q-CTRL,** an Australian quantum computing start-up, has raised USD 15m in Series A funding led by **Square Peg Capital.**

- **News Corp** is committed to its long-term plan to spin off and list **Foxtel,** an Australian pay TV business. **News Corp** owns 65% of **Foxtel,** while **Telstra** owns the remaining 35%.

- **Goodments,** a private Australian ethical investment app developer, has started having early conversations with potential investors for an up to AUD 5m Series A raise planned for 2020.

CONTACT DETAILS

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