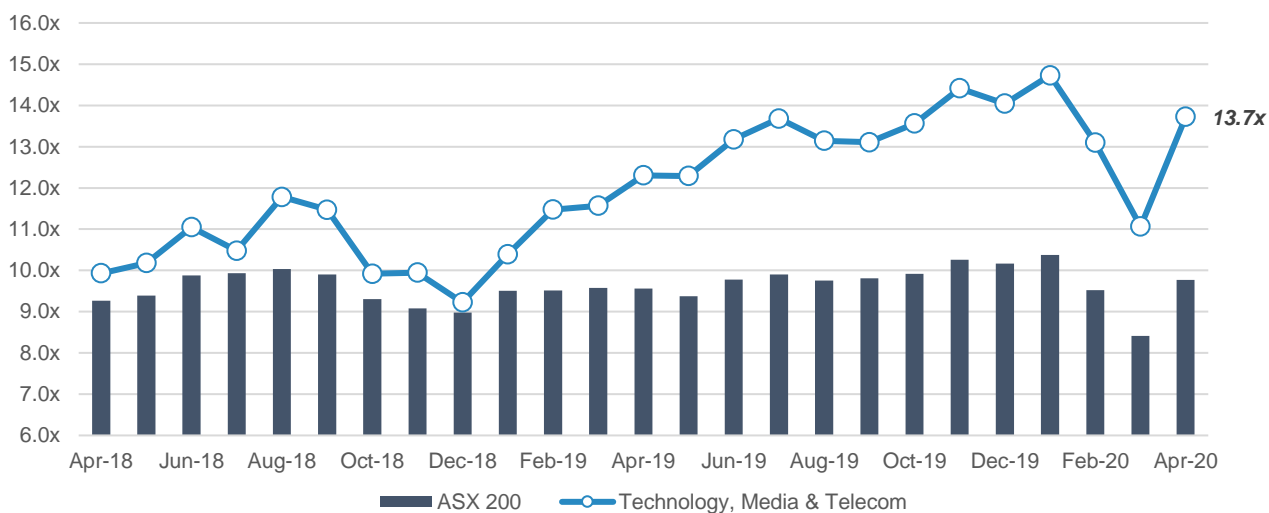


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 30/4/2020) 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 13.7x, compared to the ASX200 on 9.8x.



### Average Values and Trading Multiples (values as at 20/05/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Digital & Traditional Media	10,006	13.0x	33.1x	27.5x
Internet, IoT	24,533	22.6x	29.6x	47.4x
IT Services, Fintech	5,759	16.9x	23.5x	31.7x
Software (SaaS/Licence)	13,374	20.9x	26.8x	37.0x
Technological Hardware	154	6.1x	NA	NA
Telecommunications	71,552	8.9x	17.1x	22.2x
<b>Emerging vs Established</b>				
\$500m+ EV	128,182	17.4x	24.9x	31.9x
EV Below \$500m	1,840	9.7x	12.8x	25.0x
<b>Technology, Media &amp; Telecom</b>	<b>130,022</b>	<b>15.4x</b>	<b>21.8x</b>	<b>30.2x</b>

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. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: February 2020.

<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...

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Value: USD 20m (Series B Capital Raise)

**Cloudstaff Modern Workforce**, an Australian staff outsourcing provider, raised USD 20m in a Series B round from Philippines-focused private equity firm **Navegar**. Proceeds will be used for growth and development. Cloudstaff is an Australian-owned company with operation centers in the Philippines and China, and offices in the USA, UK, Australia and Asia. Despite the deal closing amidst the disruptions caused by the global coronavirus pandemic, Cloudstaff has continued to thrive using its remote working expertise to help businesses around the world shift to a cloud-based remote working model.

*InterFinancial acted as financial advisor to Cloudstaff.*

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Value: AUD 25m

**TradeFloor**, an Australian software developer, has acquired a controlling stake in **OpenMarkets**, an Australian retail stockbroker. Tradefloor bought half of OpenMarkets for AUD 25m after the businesses entered a strategic partnership in December to work on a transformation process. OpenMarkets, which was founded in 2013, is one of Australia's largest independent retail brokers with nearly 60,000 clients, but the group required an overhaul due to intense competition in the space. TradeFloor has also acquired **CCUBE**, an Australia-based provider of software for financial planners, after entering administration in April.

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## GOING VIRAL...

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- **GO1.com**, an Australian employee on-demand training company, raised over USD 40m in a Series C funding round led by **Madrona Venture Group** and **SEEK**. The funding will be used to increase market expansion in North America and to expand GO1's content provider partner network.
- **Law On Earth**, a privately held Australian legal tech company, plans to enter the UK next year after COVID-19 subsidies, and is on the look-out for potential Series A investors that may be able to assist with the overseas expansion plans. The Brisbane-based company, which provides self-service legal advice over the internet, plans to launch its platform in the UK ideally by mid-2021.
- **Q-CTRL**, an Australian developer of software and services for quantum computing, will progress from financial to strategic investors over its coming capital raising rounds. **LG** [KRX:066570], **Cisco** [NASDAQ:CSCO], **Samsung** [KRX:005930], or **Ericsson** [STO:ERIC-B], have been mentioned as potential strategic investors. Q-CTRL raised USD 15m from **Square Peg Capital**, **Sierra Ventures**, **Sequoia Capital**, **Main Sequence Ventures** and **Horizons Ventures** in a Series A last year. In addition, it received an investment of undisclosed size from **In-Q-Tel**, announced last month.
- **Leading Edge Data Centres**, an Australian data centre operator, aims to create a mesh network of data centres across regional Australia through site development and potential acquisitions, backed by new investment from **Washington H. Soul Pattinson** (WHSP) [ASX: SOL]. The Sydney-based company announced that it secured a AUD 20m facility from WHSP to back its national rollout. It is Australia's first edge data centre operator to focus on regional locations.
- **Envato**, a privately owned Melbourne-based Australian digital marketplace for creative assets and people, is actively looking for acquisitions but expects to only complete deals later this year. The company, which currently provides paid-for products and services for the creative community, primarily in developed markets, is now seeking to expand its Mixkit freemium product range to build scale and diversify into developing markets like India and China in Asia.
- **Ansarada**, an Australia-based virtual datarooms business, has launched a sale process for the business. Bidders were informed that Ansarada operates in 153 countries in 13 languages. Ansarada expects more than 75% of its revenue to be subscription-based in FY20.
- **Social Ventures Australia** is considering buying parts of **Australian Associated Press** (AAP).
- **FTS Group**, an Australian group of IT services businesses, is actively seeking acquisitions of companies that complement its existing offerings in Australia and New Zealand to expand into new product lines and enhance existing lines. FTS Group currently comprises companies operating in eight key areas, namely integration (ANATAS), change management (Cubic Consulting), artificial intelligence (FTS Data & AI), business application consulting (Galaxy 42), complex systems and decision support (KoBold), robotic process automation (Talos), Microsoft services (Veritec), and workplace health and safety (Safety Evolved).
- **Telstra** [ASX:TLS] is looking to sell its Melbourne data centre complex. The portfolio could be worth around AUD 400m.
- **5G Networks** [ASX:5GN], a Melbourne-headquartered telco and services provider, is actively seeking accretive data network, data centre, cloud and managed services buys to enable it to fully use its excess capacity. The AUD 65m market cap company is only using 30% of its existing data network capacity, 300 of its 720 data centre racks, 10,000 of its 20,000 devices for managed services, and 880 of its 2,500-plus virtual machines across its private and public cloud networks.
- **ELMO Software** [ASX:ELO], an Australian provider of cloud-based HR and payroll software solutions, is launching an AUD 70m placement and an AUD 20m share purchase plan.
- **Bauer Media Australia** is said to have entered talks with private equity suitors. **Mercury Capital** was previously considering the acquisition of Bauer's Australia and New Zealand operations, but those talks fell through in January when the Australian Competition and Consumer Commission (ACCC) delayed Bauer's AUD 40m acquisition of **Pacific Magazines**.
- **Nine Entertainment Co., Holdings Ltd.** [ASX: NEC] has proposed the acquisition of digital network arm of **National Rugby League** (NRL) in a revised broadcasting contract. It takes about AUD 15m per year to run the digital network arm, which has most recent value of AUD 50m.
- **TPG Telecom** [ASX: TPM] and Vodafone Hutchison Australia (VHA) are on track to implement their scheme in mid-July with scheme documents likely sent to ASIC in the next week or so.
- **AgriWebb**, an Australian provider of livestock farm management software, is in talks with potential investors to raise north of AUD 14m in a Series B round.
- **WiseTech Global** [ASX:WTC], an Australian logistics software provider, is deferring execution of its acquisition pipeline given the speed and scale of the global crisis.

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