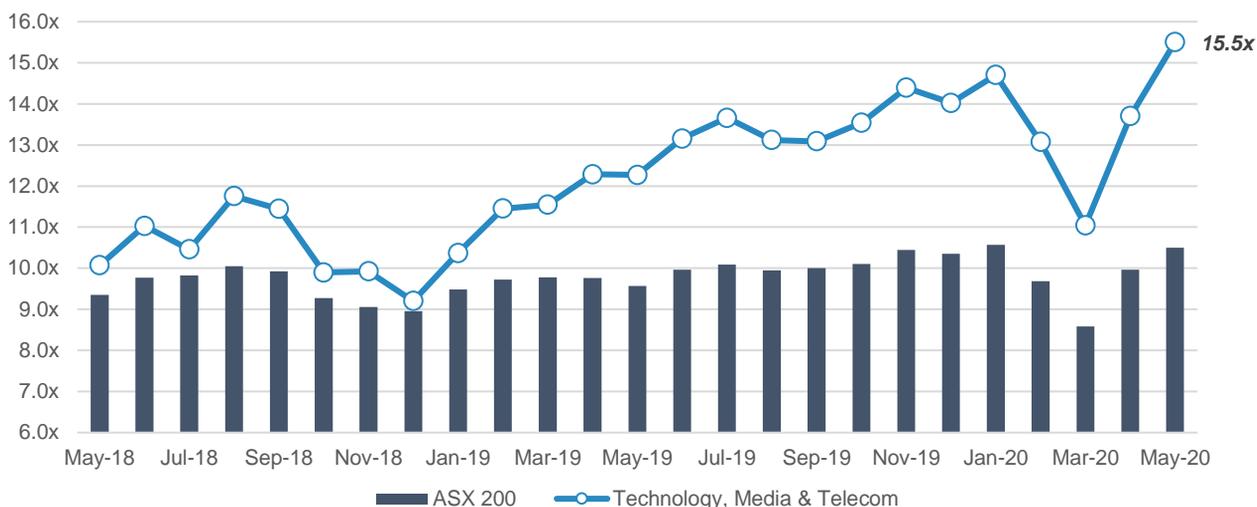


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/05/2020) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of May, the sector traded on a forward EV / EBITDA multiple of 15.5x, compared to the ASX200 on 10.5x.



Average Values and Trading Multiples (values as at 1/07/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Digital & Traditional Media	10,890	16.9x	NA	NA
Internet, IoT	27,792	25.3x	33.3x	57.9x
IT Services, Fintech	5,796	17.3x	24.5x	32.8x
Software (SaaS/Licence)	13,221	17.9x	23.9x	35.2x
Technological Hardware	142	10.0x	NA	NA
Telecommunications	73,468	10.3x	21.1x	27.2x
Emerging vs Established				
\$500m+ EV	134,497	16.9x	NA	32.9x
EV Below \$500m	1,420	10.9x	15.0x	27.7x
Technology, Media & Telecom	135,917	15.5x	29.2x	31.8x

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.

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: Undisclosed

mCloud Technologies Corp (TSX-V: MCLD) (OTCQB: MCLDF), a leading provider of asset management solutions combining IoT, cloud computing, artificial intelligence (AI) and analytics, has announced that it has signed a definitive agreement to acquire **kanepi Group Pty Ltd**, an information, visualization, and analytics software technology company headquartered in Perth, with a development center in Singapore. The acquisition of kanepi, which will be made through a newly incorporated subsidiary of mCloud, will supplement mCloud's customer base and accelerate the expansion of AssetCare to new asset classes.



Value: AUD 14m

Spirit Telecom [ASX:ST1], a Melbourne-based telco and IT services company, has acquired **VPD Group**, the Australian internet, cloud and voice services firm. The gross purchase price for tranche 1 is AUD 14m on circa a 4x multiple of EBITDA.



Value: >AUD 50m

Bauer Media has confirmed the sale of its Australian and New Zealand operations to **Mercury Capital**. **Mercury** is thought to have paid less than AUD 50m for the operation. The deal includes **Pacific Magazines**, which Bauer bought from **Seven West Media** last month for AUD 40m. Mercury is hoping to turn around the business, which has struggled as a result of falling advertising revenue.



Value: AUD 532m

Uniti Group Ltd [ASX: UWL] has entered into a scheme implementation deed to acquire **OptiComm Ltd** [ASX: OPC] in a scrip and cash deal that values the target company at AUD 532m. Uniti bid for Opticomm comprises cash consideration of approximately AUD 407m and scrip consideration of approximately 84 million Uniti shares. Separately, Uniti Group will raise AUD 270m via fully underwritten accelerated non-renounceable entitlement offer and additional AUD 150m via a new debt facility to fund the deal.



Value: AUD 11.2m

Pacific Star Network Ltd. [ASX: PNW] has agreed to acquire all shares in **EON 2CH Pty Ltd**, the owner of all shares in the licensee of the **2CH 1170AM** radio broadcasting licence in Sydney, for a consideration including a cash payment of AUD 11.2m.



Value: Undisclosed



Medtech Global, a New Zealand-based medical software business, has been acquired by **Advent Partners**, a private investment fund, and Australia-based **Acclivis Group**. The group will undergo a restructuring through the sale, which will result in **ManageMyHealth**, a patient health portal, being spun off into **Cereus Holdings**, an investment firm controlled by founder, Vino Ramayah. Medtech Global will keep its core practice management software.



Value: Undisclosed



Checkout.com, a UK-based payment solutions provider, has announced the acquisition of Australian start-up **Pin Payments**, which allows Australian entrepreneurs to process online payments. Pin Payments was launched in 2013 and serves over 12,000 businesses. The acquisition offers the Australian business community access to Checkout.com's unified global acquiring footprint.

GOING VIRAL...

- **Digital Wine Ventures** [ASX:DW8], an Australia-based technology company serving the wine industry, could consider acquisitions to enhance its solutions.
- **Intralinks** and **Datasite** are anticipated to lodge first round offers for **Ansarada**, an Australia-based virtual data rooms business. The acquisition would allow the US-based companies to take control of a significant portion of the Australian data room space. Ansarada is still monitoring market conditions and could choose to list on the ASX if it can achieve an adequate price.
- **Canva**, an Australian graphic design software firm, raised USD 60m in a funding round led by **Blackbird Ventures** and **Sequoia Capital China**. **Bond Capital**, **General Catalyst** and **Felicis Ventures** also joined the round. Proceeds will be used to broaden collaboration tools. Canva will also use the money to hire more people and make acquisitions. This round values Canva at USD 6bn, more than double its previous valuation. Canva has now raised a total of USD 310m. The firm has over 1,000 employees.
- **TX Australia**, a broadcast tower operation jointly owned by **Nine Entertainment** [ASX:NEC] and **Seven West Media** [ASX:SVW], has attracted interest from **BAI Communications Australia**, **Axicom**, and an infrastructure-focused fund.
- **Juwai IQI**, an Asian real estate advertising and sales group, is seeking investors for a private placement ahead of a potential initial public offering (IPO). The group is seeking a few million dollars in a deal valuing the company at USD 76m.
- **Bauer** New Zealand's magazine titles remain up for sale. Despite **Bauer Media** selling its Australian and New Zealand operations to **Mercury Capital**, it is understood that the sale process for Bauer New Zealand's magazine titles - including **Metro**, **North & South**, **Woman's Weekly**, and the **Listener** - is continuing. Several groups remain interested in purchasing some of the titles.
- **oOh!Media** [ASX:OML], an Australian outdoor advertising business, has denied speculation that it is being circled by potential investors.
- **Seven West Media** [ASX:SWM] engaged in talks with Antony Catalano about a potential deal involving **West Australian Newspapers (WAN)**.
- **Oaktree Capital** is said to have offered to buy some of **Seven West Media's** [ASX:SWM] debt. Reportedly, Oaktree approached Seven through the course of the coronavirus pandemic with a "loan-to-own" offer to purchase some of the company's AUD 541.5m debt. However, the offer was rejected.
- **Vero**, a Sydney, Australia-based marketing automation software business, has closed an undisclosed funding round from **Partners for Growth**.
- **DUG (DownUnder Geosolutions)**, an Australia-based geoscience company, is expected to commit to an IPO. Reportedly, DUG raised AUD 18m in pre-IPO funding in February. The company, which was founded in 2003, is spending hundreds of millions on high-performance computers and has 350 employees.
- **Optus**, an Australian telecommunications towers business, is said to be preparing the sale of its AUD 2bn communications towers portfolio.
- **Kogan.com** [ASX:KGN], an Australian online retailer, is looking at distressed assets for potential acquisition opportunities after successfully completing an AUD 100m placement. The Melbourne-based company, with a market capitalization of AUD 1.25bn, is eyeing both going concern and distressed assets, especially iconic Australian brands that Kogan can revive or propel by leveraging its own systems and processes.
- The **Australian Associated Press (AAP)** is in the final stages of a sale of its newswire business to a consortium of investors and financial backers including former **News Corp**.
- **Clinic to Cloud (C2C)**, an Australia-based medical practice management software business, has launched a pre-IPO funding round. C2C is looking to raise between AUD 10m and AUD 12m through the sale of convertible notes ahead of a listing on the ASX.
- **Vortiv** [ASX:VOR], an Australian cloud and cyber security specialist, aims to make two acquisitions in the next 12 months to enhance its offering.
- **OneVue** [ASX:OVH] shareholders may be hesitant to back **Iress'** [ASX:IRE] AUD 107m takeover offer, as key shareholders are thought to consider the bid opportunistic.
- **Bigtincan** [ASX:BTH], an Australia-based software company, announced that proceeds from its AUD 40m equity raising would be used to take advantage of M&A opportunities appearing during FY21/22.

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