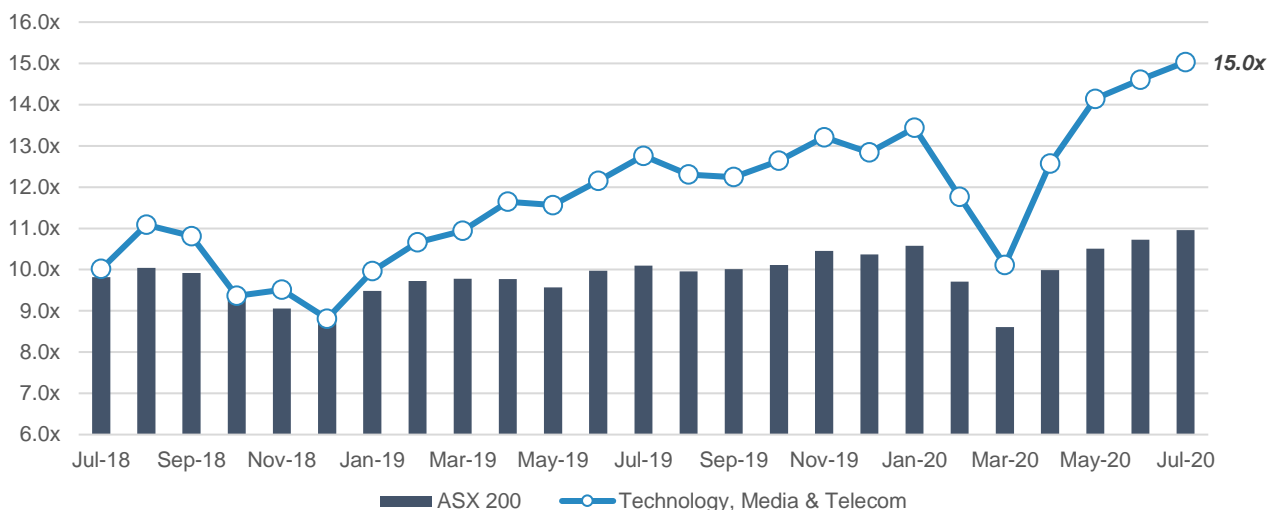


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/07/2020) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of July, the sector traded on a forward EV / EBITDA multiple of 15.0x, compared to the ASX200 on 11.0x.



Average Values and Trading Multiples (values as at 19/08/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Digital & Traditional Media	10,419	17.4x	12.3x	13.9x
Internet, IoT	29,226	25.2x	34.8x	42.1x
IT Services, Fintech	6,114	16.8x	22.8x	33.6x
Software (SaaS/Licence)	20,201	21.8x	30.4x	37.8x
Technological Hardware	134	19.2x	NA	NA
Telecommunications	70,497	9.6x	21.5x	31.1x
Emerging vs. Established				
\$500m+ EV	139,952	17.8x	25.5x	31.2x
EV Below \$500m	1,620	13.3x	20.5x	32.7x
Technology, Media & Telecom	141,572	16.8x	24.5x	31.5x

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: AUD 36m

Over the Wire, an Australian IT services company, has entered into a binding agreement to acquire the Australian and New Zealand voice business of **j2 Global**. The acquisition provides a new solution capability to Over the Wire in the areas of inbound telephony services including call routing intelligence, data intelligence, call management, and analytics reporting, via a proprietary technology platform.



Value: AUD 417m

Telstra has entered an agreement to sell its data center complex in Clayton, Victoria, to **Centuria Industrial REIT** for AUD 416.7m. The sale includes a triple-net lease-back arrangement which means Telstra will retain ownership of all IT and telecommunications equipment, as well as ongoing operations and responsibility for building upgrades and repairs, future capex requirements and security.



Value: Not disclosed

McCann, the Australian advertising agency, has acquired **JSA Creative**, a branding and digital marketing agency with offices in Australia's Gold Coast and Brisbane. The deal furthers McCann Creative Chairman Ben Lilley's vision to build a portfolio of integrated advertising and marketing businesses and is part of an aggressive acquisition strategy.



Value: Not disclosed

Melbourne-based call center operator **Probe Group**, which is backed by **Quadrant Private Equity** and **Five V Capital**, has entered into a merger agreement with its domestic rival **Stellar BPO**. The combined entity will have an annual revenue of AUD 600m and a total workforce of more than 12,600 workers, of which 5,800 Australians are already working for the two companies.



Value: AUD 5m plus equity

Victoria based computer security company **Tesseract** has announced the strategic acquisition of **Seer Security's** Melbourne and Canberra-based businesses to be paid by a combination of an AUD 5m cash payment and Tesseract shares. The acquisition provides specialist high security services and delivery capabilities to Australian Federal Government departments and agencies including Defense and Law Enforcement.

GOING VIRAL...

- **Spitfire**, an Australia fintech business, has entered administration, owing AUD 5m to creditors.
- **Privasec**, a privately held Australian cybersecurity specialist, plans to expand into Asia and enter Europe in 2-3 years, and could consider onboarding external investors to accelerate this growth.
- **ELMO Software**, an Australia-based human resources (HR) software business, is eyeing selective acquisitions.
- **Merchant Group** has purchased an 8.84% stake of **Webcentral**, an Australian-based IT company, and plans to pressure the business to seek an alternative to **Web.com's** takeover offer.
- Administrators of **Direct Mail and Marketing**, an Australian multi channel communication solutions provider, are seeking expressions of interest.
- **Blackmagic Design**, an Australia-based video-production technology business, is planning to list on either the ASX, or another exchange.
- **Clipchamp**, a video editing platform maker, is developing strategic partnerships for international growth prior to a planned Series B raise in the second half of 2021.
- **Catapult Group International**, a Melbourne, Australia-based sports performance analytics company, will consider joint venture (JV) partnerships to expand its product offerings.
- **iSelect Limited** announced on 3 August that it has ended takeover talks with **Innovation Holdings Australia**.
- **Splitit Payments** has conducted an AUD 100m capital raising, priced at AUD 1.30 a share.
- **Quadrant Private Equity** may be considering an offer to buy **HT&E**, an Australian media business.
- **Nexion Networks**, an Australian cloud services provider, has launched a pre-IPO funding round as it prepares to list on the ASX later this year.
- **6clicks**, an Australian risk and compliance SaaS platform, is seeking distribution partners, including for joint ventures, to enter the UK and the US as the COVID-19 pandemic fuels demand for cyber threat assessment and solutions.
- France's **Banijay Group** is said to be in exploratory discussions to buy **Seven West Media's** studios business for AUD 170m to AUD 200m.

CONTACT DETAILS

If you are interested in specific information regarding mergers and acquisitions in the Technology, Media & Telecom sector, please contact Graeme McKellar.

Name	Position	Phone	Email
Sharon Doyle	Executive Chair	(07) 3218 9122	sdoyle@interfinancial.com.au
Paul Keehan	Non-Executive Director	(07) 3218 9100	pkeehan@interfinancial.com.au
Ted Marchant	Non-Executive Director	(07) 3218 9100	tmarchant@interfinancial.com.au
Graeme McKellar	Managing Director IFL Ventures	(07) 3218 9100	graeme@iflventures.com
Jenny Zeng	Associate Director IFL Ventures	(07) 3218 9113	jenny@iflventures.com
Lisa McKellar	Associate Director IFL Ventures	(07) 3218 9100	lisa@iflventures.com
Mark Steinhardt	Head of M&A	(07) 3218 9105	msteinhardt@interfinancial.com.au
Brad Shaw	Director – M&A	(07) 3218 9100	bshaw@interfinancial.com.au
Brent Wall	Director – M&A	(07) 3218 9102	bwall@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
Michael Kakanis	Associate	(07) 3218 9106	mkakanis@interfinancial.com.au
Lachlan O'Rourke	Analyst	(07) 3218 9104	lorourke@interfinancial.com.au

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InterFinancial
Corporate Finance Limited
ABN: 49 136 962 966
AFSL: 341675
Level 2, 201 Charlotte Street
GPO Box 975
Brisbane Queensland 4001
(07) 3218 9100
admin@interfinancial.com.au
www.interfinancial.com.au

