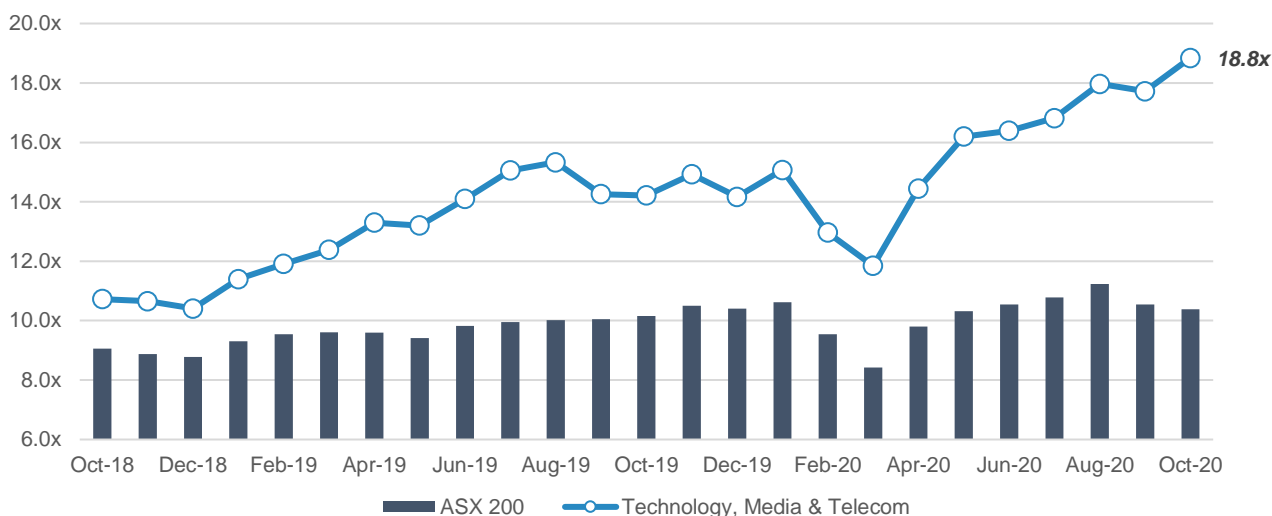


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/10/2020) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector have increased over the period. At the end of October, the sector traded on a forward EV / EBITDA multiple of 18.8x, compared to the ASX200 on 10.4x.



Average Values and Trading Multiples (values as at 27/11/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/Sales FY2021	EV/EBITDA FY2021	EV/EBIT FY2021	Price / Earnings FY2021
Digital & Traditional Media	762	0.7x	5.5x	13.8x	20.0x
Internet, IoT	24,333	16.9x	29.1x	34.1x	47.3x
IT Services	4,568	3.3x	9.7x	14.5x	21.5x
Software (SaaS/Licence)	46,455	13.3x	34.7x	53.7x	77.6x
Telecommunications	71,797	4.0x	10.3x	23.5x	44.3x
Emerging vs. Established					
\$500m+ EV	145,417	10.4x	26.3x	40.9x	62.3x
\$100m-\$500m EV	2,353	2.4x	8.7x	14.3x	21.6x
EV Below \$100m	147	0.9x	5.6x	14.9x	15.4x
Technology, Media & Telecom	147,916	7.4x	18.7x	29.8x	44.8x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2021. 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: October 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...

ReadyTech



Value: AUD 72m

ReadyTech Holdings has announced that it has entered into an agreement to acquire **Open Office Holdings** and **McGirr Holdings**, two Australian software providers, for up to AUD 72m. The proposed acquisition is expected to provide ReadyTech with the opportunity to add a new and attractive vertical expansion into the local and state government and justice sectors while adding additional recurring revenue streams.



Value: AUD 250m

Amaysim Australia has entered into an agreement for the sale of its mobile business to **Optus Mobile** for AUD 250m via a share sale agreement (SSA). The Mobile Sale follows a strategic review to consider options to maximize shareholder value. The sale is conditional on shareholder approval with an Extraordinary General Meeting to be held in January 2021.



Value: Not disclosed

Eftpos, an Australia-based debit payments business, has announced that it has acquired **Beam It**, the Australian payments App that enables consumers to send and receive money using their phone in seconds, regardless of who they bank with. The acquisition will provide Eftpos with access to hundreds of thousands of Australian merchants and millions of consumers.



Value: AUD 100m

Nine Entertainment has reached an in-principle agreement with **Rugby Australia** to acquire Rugby union rights, which includes all rights to Wallabies and Wallaroos test matches, the premier domestic and trans-Tasman competitions, international matches featuring New Zealand, South Africa and Argentina, and the New Zealand and South Africa domestic competitions.



Value: Maximum purchase price of AUD 9.25M + 1M Options (at exercise price of AUD 1.54) to acquire UWL shares

Uniti Group [ASX:UWL] has entered into a binding agreement to acquire 100% of the issued capital of specialist broadband retail service provider **Harbour ISP**. It is expected to be a highly strategic & accretive acquisition, including synergies of AUD 3m+, enabling greater penetration & revenue expansion on Uniti-owned fibre networks.



Value: Not disclosed

AEROCOR, a Los Angeles, California-based broker of aircraft sales, has acquired the BlueMAX wireless data transfer unit from Australia-based **Control-J**. AEROCOR expects this to integrate into their existing systems, allowing users of FlightData.com to seamlessly upload data. This will also give users the ability to replicate or replace the functionality of a multi-function display (MFD) with an inexpensive iPad.



Value: AUD 6.1m

Zip Co, the ASX-listed buy now pay later service provider, has acquired **Urge Holdings**, the Australian fashion search engine company. Zip Co will integrate Urge's technology onto its interest-free installment payment platform, giving Zip Co's millions of customers the ability to shop apparel by taking a photo or screenshot and then automatically finding retailers for the purchase as well as price comparisons.

GOING VIRAL...

- **EML Payments** [ASX:EML], an Australian provider of digital banking services and prepaid cards, has invested USD 5m to secure an 11% stake in **Hydrogen**, a New York-based payments platform and will decide whether to make a full acquisition at a later time
- **IFM Investors** has invested AUD 50m into **Zuuse**, a Melbourne, Australia-based construction payments software business.
- **Quadrant Private Equity** is said to be considering listing **Grays Online**, an Australian e-commerce business, on the ASX.
- **Vocus** is expected to put its retail business up for sale, which provides broadband, voice, mobility, electricity, and hardware services, and could be worth around AUD 500m.
- **ReadyTech Holdings**, the Australian software company, is planning to use the proceeds of an AUD 25m placement for acquisitions.
- **Palantir Technologies** and **Relativity** are believed to be eyeing **Nuiz**, an Australia-based forensic software business.
- **Sourced Group**, an Australian cloud migration consultancy, is interested in acquiring complementary services and capability in both existing markets and new geographies that it is looking to enter.
- **IVE Group**, an Australian diversified marketing company, sees an opportunity to acquire distressed businesses that are struggling due to the COVID-19 pandemic, and expects to capitalize on them in 1H21.
- Australian state-owned wholesale broadband provider **NBN Co** could consider an initial public offering or a partial listing as an alternative to a sale once it decided to go ahead with its privatization plan.
- **Thedocyard**, the Sydney, Australia-based deal management technology company which is acquiring **Ansaranda NewCo** for a merger, is seeking to raise AUD 45m through an IPO on the ASX.
- **Flare HR**, the Australian employment software startup, has raised AUD 22m in fresh funding from **MYOB**.
- **Cettire**, an Australia-based online luxury products retailer, is planning to list on the ASX.
- **Booktopia**, an Australia-based online book retailer, has issued a prospectus for its IPO to raise AUD 43m.
- **Telstra** is believed to be considering the acquisition of **MedicalDirector**, an Australia-based medical software business. Telstra has also announced a restructuring to create three separate legal entities, enabling Telstra to take advantage of potential monetisation opportunities for its infrastructure assets where this might create additional value for shareholders.
- **Pureprofile**, an Australian online profile marketing technology company, is eyeing acquisitions.
- **Akin**, an AI company based out of Sydney, Australia, and San Francisco, is preparing for an ASX listing, thought to be considering an AUD 50m-plus IPO that would take place in the new year.
- **archTIS**, an Australian cybersecurity firm, would look at further M&A opportunities after recently making its first acquisition.
- **Praemium**, a Melbourne-based Australian wealth management platform, is keeping an eye out for bolt-on acquisitions to build its product suite, particularly in the UK, as well as in its home market of Australia.
- **Digital Colony**, is seeking its first investment in Australia, in Optus' AUD 2bn mobile towers business.
- **PictureWealth**, a private Perth, an Australia-based integrated technology and financial advisory company, is actively seeking USD 20m in a Series A growth capital to achieve its goal of doubling current funds under management to more than AUD 4bn.
- **MessageMedia**, the Mercury Capital-backed Australian business messaging provider, is seeking acquisitive and organic growth in Australia, New Zealand, US, and the UK. It is looking particularly for US targets with around USD 10m-25m turnover.
- **Capgemini** [EPA: CAP] has proposed the acquisition of **RXP Services Limited** [ASX:RXP], the Australian technology service provider. The RXP Board unanimously recommends that RXP shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding that the Scheme of acquiring RXP for AUD 0.55 per RXP share in cash, is in the best interests of RXP shareholder.
- **Calamity Monitoring**, a privately held Australian which provides security monitoring services to residential, commercial and government clients company, is considering making an acquisition in Australia to grow its local presence. Calamity would target a security or monitoring company that operates nationally.
- **Cattle Dog Digital**, a privately held Australia-based digital transformation agency, is considering taking an investor aboard to accelerate its growth and for acquisitions.

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