

VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/07/2021) Source: FactSet Research Systems Inc.

Multiples in the Technology, Media & Telecom sector has increased over the period. At the end of July, the sector traded on a forward EV / EBITDA multiple of 16.0x, compared to the ASX200 on 10.1x.



Average Values and Trading Multiples (values as at 17/08/2021) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/Sales FY2022	EV/EBITDA FY2022	EV/EBIT FY2022	Price / Earnings FY2022
Digital & Traditional Media	858	0.8x	5.5x	8.7x	16.4x
Internet, IoT	26,517	15.9x	27.0x	31.2x	43.6x
IT Services	6,241	4.9x	13.7x	21.4x	29.7x
Software (SaaS/Licence)	54,707	17.5x	43.9x	94.2x	261.1x
Telecommunications	80,967	6.5x	17.1x	40.1x	67.8x
Emerging vs. Established					
\$500m+ EV	166,727	13.4x	33.0x	66.0x	167.6x
\$100m-\$500m EV	2,563	3.1x	12.1x	22.3x	29.2x
EV Below \$100m	208	1.3x	5.7x	8.4x	18.2x
Technology, Media & Telecom	169,498	9.8x	24.7x	48.5x	114.3x

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: May 2021.

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 36,302 m

Square Inc, a US-based company that develops and provides payment processing, point-of-sale (POS), financial and marketing services, has agreed to acquire **Afterpay Limited**, an Australia-based company engaged in facilitating online commerce between retail merchants and end-customers. The acquisition will accelerate Square's strategic priorities for its Seller and Cash App ecosystems and assist in accelerating Afterpay's growth in the US and globally through offering access to a new category of in-person merchants. The acquisition is the largest M&A transaction ever in Australian market and will involve Square acquiring Afterpay via a 0.375:1 share exchange.



Value: AUD 35 m

Animoca Brands Corporation Limited, a Hong Kong-based company engaged in diversified resources and gaming, has agreed to acquire **Blowfish Studios Limited**, an Australia-based indie games developer and publisher for an upfront consideration of AUD 9m plus payments of up to AUD 26m conditional on certain employment and performance targets. The transaction will add significant game development capabilities and expertise to Animoca Brands as well as an established portfolio of 33 games, including self-development and published titles, that have been played by over 2.5m people.



Value: AUD 95 m

Telstra Health, an Australia-based provider of eHealth solutions, has entered into an agreement to acquire a 70% stake in **PowerHealth Solutions**, a global leader in healthcare and hospital software solutions. The investment will allow Telstra Health to leverage PowerHealth's established international business as it moves into growth markets internationally. The transaction is expected to close in Q2FY22.



Value: Not disclosed

Dense Air Limited, a UK-based telecom company, has agreed via **Dense Air Networks Australia** to purchase Australia-based **TPG Telecom Limited's** 2.6 GHz nationwide spectrum band licence. The transaction will enable Dense Air to work with Australian service providers and cities to build shared 4G and 5G wireless networks.



Value: AUD 54.2 m

Hexatronic Group, a Swedish electronic and technical solutions provider, has acquired Australian firms **Optical Solutions Australia Group (OSA)** and **The Fibre Optic Shop (FOS)**. Both transactions are highly EPS accretive and will allow Hexatronic Group to expand their presence within the Australian market



Value: Unkown

Uptick, Australia-based provider of field-servicing software for building compliance, announced today that it had received a strategic growth investment from **Accel-KKR**, a leading global technology-focused investment firm.

GOING VIRAL...

- **Velrada**, an Australia-based Microsoft services provider, is considering an IPO to help fund its expansion into the US software space.
- **Canva**, an Australia-based graphic design software business, could be targeted by a major US tech company. Canva's size could make a challenging target for many potential buyers but it may be a logical target for **Adobe** [NASDAQ: ADBE] which has a market capitalization of USD 296bn.
- **Quasar Satellite Technologies**, an Australian provider of ground station services for satellite operators and users, is planning to raise a Series A round in around 18 months time. The company will aim to raise AUD 15m – 30m (USD 11m – USD 22m).
- **HT&E** [ASX: HT1], an Australia-based media group, is eager to pursue acquisitions to expand in audio and beyond.
- **DispatchIT**, a US-based business-to-business delivery platform, is considering listing on the ASX and will seek to raise approximately USD 30m.
- **Cirrus Networks Holdings Limited** [ASX: CNW] has rejected the on-market takeover bid from **Webcentral Group Limited** [ASX: WCG], recommending shareholders take no action.
- **Skyfi** [ASX: SKF], an Australian omnidata intelligence company, is interested in doing more small bolt-on acquisitions, especially as it pushes for further growth in North America and EMEA.
- **Cybermerc**, an Australian threat intelligence services provider, is preparing for a Series A fundraising to accelerate its growth.
- **Culture Amp**, an Australia-headquartered HR management software publisher, has raised USD 100m in a Series F funding round at a valuation of over USD 1.5bn.
- **Propic**, an Australian provider of AI-based software solutions to the real estate sector, is planning a Series B capital raise in mid-2022 for international expansion.
- **IntelligenceBank**, an Australian SaaS digital asset management and digital marketing operations platform, will look at acquisitions under its new majority owner **Five Elms Capital**.
- **Iress Limited** [ASX: IRE] confirmed that it received a confidential, non-binding and indicative proposal from funds represented by **EQT Fund Management** to acquire all its shares at a price range of between AUD 15.3 – 15.50 cash per share. The board unanimously concluded that the latest proposal did not represent compelling value for Iress shareholders.
- **SenSen Networks** [ASX: SNS], an Australia-based AI data fusion enterprise solutions provider, is eyeing more acquisitions ahead of a listing in the US.
- **Compare Club**, the Australian personal finance and online comparison marketplace, is eyeing a possible AUD 60m (USD 44m) initial public offering with the proceeds to be used for new verticals including general insurance, credit cards and car loans.
- **Carbar Autos**, a private Melbourne-based mobility technology and car subscription service provider, is seeking up to AUD 30m (USD 22m) to accelerate domestic growth and expand into New Zealand.
- **Limeade** [ASX: LME], a Washington-based, ASX-listed HR employee experience technology company, could consider other strategic acquisitions to support its organic growth strategy.
- **Asset Vision**, an Australian asset management platform for roads and infrastructure, aims to expand outside of Australia and could make acquisitions as part of this growth plan. Markets of interest include New Zealand, the US and Europe.
- **Future First Technologies** [ASX: FFT], an Australian software and digital platform provider, could start a divestment process for its subsidiary **Farmbuy** in the fourth quarter of this year.

CONTACT DETAILS

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