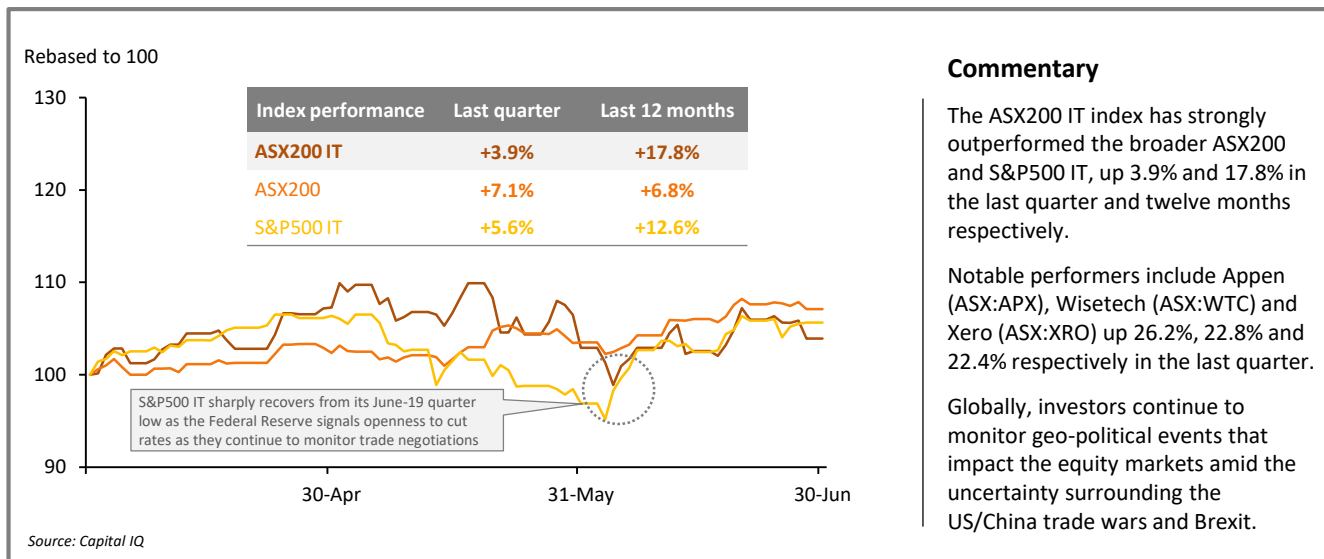


Quarterly performance



Commentary

The ASX200 IT index has strongly outperformed the broader ASX200 and S&P500 IT, up 3.9% and 17.8% in the last quarter and twelve months respectively.

Notable performers include Appen (ASX:APX), Wisetech (ASX:WTC) and Xero (ASX:XRO) up 26.2%, 22.8% and 22.4% respectively in the last quarter.

Globally, investors continue to monitor geo-political events that impact the equity markets amid the uncertainty surrounding the US/China trade wars and Brexit.

Quarterly M&A & other news

Date	Description
1-Jul-19	GBST (ASX:GBT) received a A\$240m non-binding indicative proposal from FNZ (a Scottish based investment platforms company) at A\$3.50 a share, just hours after the company announced a A\$3.25 per share offer from SS&C Technologies (NASDAQ:SSNC), a cloud-based provider of financial services technology solutions. In parallel, the company announced the withdrawal of Bravura Solution's (ASX:BVS) revised A\$3.00 per share offer made on 28-Jun-19
28-Jun-19	Advent International agreed terms to buy Transaction Services Group , a global payments company which derives a significant portion of its earnings in Australia
19-Jun-19	Cloud based communications platform Whispir (ASX:WSP) lists on the ASX raising A\$47m at a market capitalisation of A\$163m
11-Jun-19	Sezzle , a global payments company is planning to IPO on the ASX, seeking to raise A\$43m and valuing the company at a market capitalisation of A\$213m
21-May-19	Canva completed a US\$70m capital raise valuing the company at US\$2.5bn. The transaction included participation from new investors General Catalyst Partners, Bond and existing investors, Felicis Ventures and Blackbird Ventures
8-May-19	Completion of KKR's acquisition of MYOB . KKR entered into a Scheme Implementation Agreement with MYOB in Dec-18 with shareholders voting in favour of the Scheme in Apr-19
29-Apr-19	Seek (ASX:SEK) acquired 50% of FutureLearn and 100% of Coursera, two leading global online education businesses for A\$92m and A\$103m respectively. Seek's investment signals further expansion into education technology
17-Apr-19	Education software platform ReadyTech (ASX:RDY) listed on the ASX at a market capitalisation of A\$121m with former private equity owner Pemba Capital retaining a 41.6% stake
17-Apr-19	Appen (ASX:APX) completed its US\$300m acquisition of Figure Eight, a machine learning and artificial intelligence data annotation company based in San Francisco
10-Apr-19	Seven West Media (ASX:SWM) finalised the sale of its 50% interest in Yahoo 7 to Verizon Media for A\$21m

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed technology companies by market capitalisation (30 June 2019)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Computershare	8,801	16.21	(5%)	(6%)	(12%)	(22%)	-	(3%)	(5%)	(7%)	3.1x	10.5x	15.5x
2 Wisetech	8,787	27.71	20%	64%	77%	(6%)	91%	1%	15%	24%	19.5x	n.m.	n.m.
3 Xero	8,435	59.94	23%	43%	33%	(5%)	66%	(0%)	6%	15%	11.4x	n.m.	n.m.
4 Afterpay	6,334	25.07	20%	102%	168%	(13%)	176%	5%	2%	18%	14.8x	n.m.	n.m.
5 Altium	4,463	34.20	6%	58%	52%	(4%)	74%	5%	7%	10%	14.0x	36.8x	47.3x
6 Appen	3,386	27.99	26%	118%	109%	(6%)	192%	5%	10%	26%	5.8x	33.2x	50.4x
7 Link	2,670	5.00	(32%)	(26%)	(32%)	(40%)	0%	(9%)	(19%)	(24%)	2.6x	9.7x	13.5x
8 Technology One	2,499	7.88	(2%)	28%	85%	(16%)	92%	3%	(0%)	3%	7.5x	27.0x	40.1x
9 IRESS	2,404	13.93	7%	25%	16%	(6%)	32%	2%	1%	9%	5.0x	17.9x	26.7x
10 NEXTDC	2,230	6.49	3%	6%	(14%)	(16%)	16%	(3%)	2%	0%	11.9x	23.4x	n.m.
11 Bravura	1,182	4.86	(11%)	31%	51%	(22%)	65%	(4%)	(11%)	(7%)	4.1x	20.9x	30.1x
12 Pushpay	1,012	3.68	19%	22%	(4%)	(1%)	35%	(1%)	(2%)	n.a.	5.2x	29.6x	42.6x
13 Vista	964	5.79	24%	62%	65%	(3%)	77%	15%	10%	18%	5.6x	23.7x	45.1x
14 Megaport	880	6.53	60%	78%	65%	(2%)	116%	6%	18%	32%	15.9x	n.m.	n.m.
15 Dicker Data	868	5.38	31%	91%	86%	(8%)	94%	6%	11%	26%	n.m.	n.m.	n.m.
16 Hansen	775	3.93	35%	13%	25%	(3%)	38%	2%	10%	16%	2.5x	10.1x	18.5x
17 EML	743	2.96	69%	99%	110%	(5%)	145%	3%	18%	37%	6.0x	18.2x	35.1x
18 iSignthis	705	0.65	120%	319%	261%	(6%)	519%	1%	29%	56%	25.5x	n.m.	n.m.
19 Codan	622	3.47	11%	19%	16%	(3%)	29%	5%	6%	8%	2.2x	7.6x	14.0x
20 Gentrack	586	5.94	26%	23%	(9%)	(14%)	37%	8%	8%	15%	4.9x	17.5x	33.6x
21 Integrated Research	567	3.30	27%	87%	6%	(4%)	123%	5%	17%	30%	5.1x	12.7x	23.9x
22 Life360 ⁽¹⁾	560	3.89	(27%)	n.a.	n.a.	(30%)	11%	3%	(15%)	(15%)	6.3x	n.m.	n.m.
23 Infomedia	531	1.71	12%	44%	78%	(13%)	81%	(0%)	(2%)	5%	5.6x	12.3x	27.7x
24 Audinate	514	7.99	33%	132%	104%	(8%)	159%	0%	13%	30%	13.4x	n.m.	n.m.
25 Elmo	461	7.29	27%	34%	33%	(14%)	64%	3%	16%	27%	7.4x	n.m.	n.m.
26 rhipe	397	2.86	58%	130%	141%	(8%)	176%	10%	25%	45%	1.3x	23.3x	38.0x
27 Serko	330	4.08	34%	52%	51%	(0%)	70%	5%	12%	45%	9.7x	n.m.	n.m.
28 Data#3	326	2.12	20%	41%	33%	(5%)	62%	1%	12%	21%	0.2x	11.0x	17.6x
29 LiveTiles	273	0.44	(11%)	38%	(8%)	(42%)	60%	(3%)	(9%)	(5%)	6.7x	n.m.	n.m.
30 Objective Corp	260	2.80	-	8%	(20%)	(23%)	12%	(2%)	(1%)	2%	n.m.	n.m.	n.m.
31 Over the Wire	253	4.90	1%	6%	48%	(13%)	48%	2%	(0%)	(1%)	2.5x	10.6x	22.4x
32 Netlinkz	250	0.17	224%	416%	371%	(4%)	650%	41%	64%	91%	n.m.	n.m.	n.m.
33 Dubber	250	1.34	41%	231%	219%	(16%)	262%	0%	23%	40%	n.m.	n.m.	n.m.
34 Citadel	227	4.60	(38%)	(37%)	(30%)	(51%)	16%	5%	(6%)	(19%)	1.9x	6.9x	17.7x
35 Catapult	206	1.10	16%	42%	(11%)	(23%)	81%	(7%)	(7%)	14%	1.6x	19.5x	n.m.
36 GBST	201	2.96	53%	97%	40%	(1%)	148%	8%	16%	30%	1.9x	9.6x	19.5x
37 Splitit	194	0.63	(50%)	n.a.	n.a.	(69%)	107%	(13%)	(35%)	(40%)	n.m.	n.m.	n.m.
38 Class	175	1.50	(10%)	8%	(38%)	(40%)	19%	3%	(3%)	(1%)	3.8x	8.4x	20.8x
39 Praemium	162	0.40	(32%)	(38%)	(55%)	(66%)	25%	9%	(1%)	(17%)	2.9x	11.5x	26.0x
40 DWS	154	1.17	12%	(2%)	(7%)	(20%)	32%	7%	15%	8%	n.m.	n.m.	n.m.
Average	1,616		22%	65%	55%	(16%)	103%	3%	6%	15%			

Top 10 best performers in the last quarter⁽²⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 FinTech Chain	94	0.15	303%	202%	45%	(40%)	314%	(7%)	(18%)	(15%)	n.m.	n.m.	n.m.
2 Netlinkz	250	0.17	224%	416%	371%	(4%)	650%	41%	64%	91%	n.m.	n.m.	n.m.
3 CV Check	55	0.20	133%	300%	138%	(5%)	355%	10%	45%	71%	n.m.	n.m.	n.m.
4 iSignthis	705	0.65	120%	319%	261%	(6%)	519%	1%	29%	56%	25.5x	n.m.	n.m.
5 EML	743	2.96	69%	99%	110%	(5%)	145%	3%	18%	37%	6.0x	18.2x	35.1x
6 Dreamscape	60	0.16	67%	94%	24%	(14%)	104%	1%	9%	19%	1.0x	4.8x	6.5x
7 Megaport	880	6.53	60%	78%	65%	(2%)	116%	6%	18%	32%	15.9x	n.m.	n.m.
8 rhipe	397	2.86	58%	130%	141%	(8%)	176%	10%	25%	45%	1.3x	23.3x	38.0x
9 GBST	201	2.96	53%	97%	40%	(1%)	148%	8%	16%	30%	1.9x	9.6x	19.5x
10 Dubber	250	1.34	41%	231%	219%	(16%)	262%	0%	23%	40%	n.m.	n.m.	n.m.
Average	363		113%	197%	141%	(10%)	279%	7%	23%	41%			

Top 10 worst performers in the last quarter⁽²⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Arq	83	0.70	(65%)	(64%)	(79%)	(79%)	2%	(28%)	(39%)	(48%)	0.8x	6.6x	10.2x
2 Splitit	194	0.63	(50%)	n.a.	n.a.	(69%)	107%	(13%)	(35%)	(40%)	n.m.	n.m.	n.m.
3 Citadel	227	4.60	(38%)	(37%)	(30%)	(51%)	16%	5%	(6%)	(19%)	1.9x	6.9x	17.7x
4 Jaxsta	57	0.25	(35%)	29%	n.a.	(47%)	104%	(3%)	(5%)	(6%)	n.m.	n.m.	n.m.
5 Buddy Technologies	92	0.05	(33%)	(46%)	(61%)	(67%)	14%	2%	(19%)	(30%)	n.m.	n.m.	n.m.
6 Link	2,670	5.00	(32%)	(26%)	(32%)	(40%)	0%	(9%)	(19%)	(24%)	2.6x	9.7x	13.5x
7 Praemium	162	0.40	(32%)	(38%)	(55%)	(66%)	25%	9%	(1%)	(17%)	2.9x	11.5x	26.0x
8 Redflex	63	0.42	(25%)	-	(7%)	(32%)	27%	(0%)	(7%)	(14%)	0.5x	3.1x	n.m.
9 LiveHire	122	0.41	(21%)	(29%)	(30%)	(42%)	37%	15%	4%	(10%)	13.1x	n.m.	n.m.
10 BidEnergy	83	0.74	(21%)	(33%)	105%	(58%)	113%	3%	(4%)	(28%)	n.m.	n.m.	n.m.
Average	375		(35%)	(27%)	(23%)	(55%)	45%	(2%)	(13%)	(24%)			

Source: Capital IQ as at 30 June 2019

Notes: (1) ASX IPO via CDI offering on 10 May 2019. Last quarter performance represents the period from 10 May 2019 to 30 June 2019

(2) Top 10 best and worst performers are based on companies with a minimum market capitalisation of A\$50 million and have traded for the full quarter