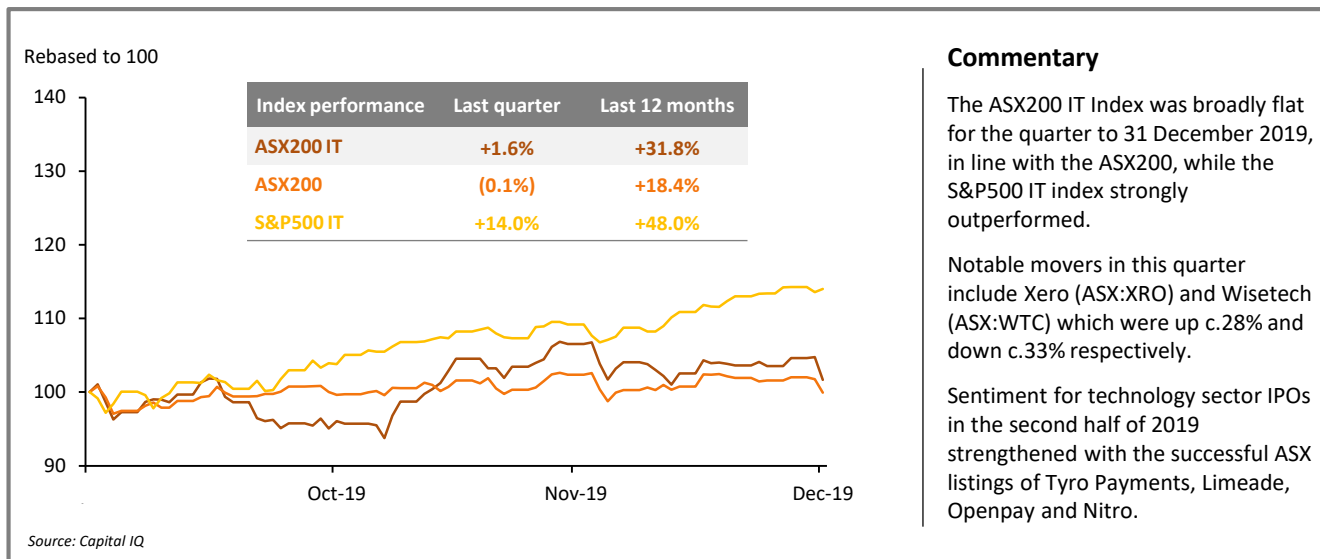


Quarterly performance



Commentary

The ASX200 IT Index was broadly flat for the quarter to 31 December 2019, in line with the ASX200, while the S&P500 IT index strongly outperformed.

Notable movers in this quarter include Xero (ASX:XRO) and Wisetech (ASX:WTC) which were up c.28% and down c.33% respectively.

Sentiment for technology sector IPOs in the second half of 2019 strengthened with the successful ASX listings of Tyro Payments, Limeade, Openpay and Nitro.

Quarterly M&A & other news

Date	Description
18-Dec-19	Hotel acquisition platform SiteMinder reported to be raising up to A\$200m in capital, valuing the company at an EV of c.A\$1.2bn
17-Dec-19	Buy now pay later facilitator Openpay (ASX:OPY) listed on the ASX, raising A\$50m at a market capitalisation of A\$150m
12-Dec-19	Data room platform Ansarada seeking to list on the ASX. The business is reported to generate annualised revenue of c.A\$50m with valuation expectations between 4x - 6x revenue
10-Dec-19	Travel group Webjet (ASX:WEB) rumoured to have been pitched to prospective acquirers as part of an informal sale process
6-Dec-19	Tyro Payments completed the largest IPO of 2019, raising A\$287m with pricing at the top end of the IPO range and debuting on the ASX with a market capitalisation of c.A\$1.4bn
5-Dec-19	Affinity EquityPartners launched a formal sale process for its portfolio company, Medical Director , an Australian healthcare software business which generates annual EBITDA of A\$30m
29-Nov-19	Employee engagement software company Limeade (ASX:LMO) raised A\$100m, listing on the ASX in Jan 2020. This IPO values the company at an EV of c.A\$454m and an implied forward revenue multiple of c.5.5x
28-Nov-19	Payment terminal provider SmartPay (ASX:SMP) announced the sale of its New Zealand business to Verifone for NZ\$70m
19-Nov-19	Document productivity software company Nitro PDF (ASX:NTO) listed on the ASX, raising c.A\$110m at a market capitalisation of c.A\$325m
11-Nov-19	EML Payments (ASX:EML) agreed to acquire Irish fintech business Prepaid Financial Services for c.A\$423m
5-Nov-19	Payroll software provider Ascender seeking to list on the ASX in the first half of 2020 with market value expectations of up to A\$750m based on annualised revenues of over A\$100m
28-Oct-19	Advent Partners acquires Mandoe , a provider of digital advertising and marketing solutions
23-Oct-19	Singapore-based property listing business PropertyGuru withdraws its IPO from the ASX where it was seeking to raise up to A\$380m. If successful, this would have valued the business at an EV of c.A\$1.2bn (c.10.9x forward revenue)

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed technology companies by market capitalisation (31 December 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	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Xero	11,283	80.00	28%	90%	(5%)	101%	(1%)	8%	15%	15.1x	11.6x	n.m.
2 Computershare	9,076	16.78	4%	(2%)	(12%)	18%	(2%)	2%	5%	3.2x	11.6x	17.4x
3 Afterpay	7,632	29.28	(18%)	136%	(22%)	150%	(1%)	(5%)	0%	14.8x	n.m.	n.m.
4 WiseTech	7,436	23.37	(33%)	38%	(40%)	43%	(5%)	(15%)	(20%)	15.2x	47.3x	78.9x
5 Altium	4,547	34.72	4%	60%	(10%)	69%	(3%)	3%	0%	14.4x	38.0x	51.5x
6 Link	3,111	5.86	3%	(13%)	(26%)	30%	3%	3%	8%	3.0x	11.1x	18.9x
7 Appen	2,720	22.46	6%	75%	(30%)	85%	(3%)	(1%)	(7%)	4.3x	23.6x	36.7x
8 Technology One	2,641	8.29	15%	35%	(12%)	39%	(6%)	(0%)	4%	8.4x	27.5x	41.4x
9 NEXTDC	2,267	6.58	7%	8%	(9%)	15%	(1%)	1%	2%	13.6x	26.7x	n.m.
10 IRESS	2,252	13.04	13%	17%	(12%)	24%	(1%)	5%	3%	4.7x	18.2x	28.0x
11 Tyro Payments	1,748	3.52	n.a.	n.a.	(9%)	7%	1%	n.a.	n.a.	n.m.	n.m.	n.m.
12 Megaport	1,545	10.74	18%	193%	(4%)	198%	8%	16%	n.a.	25.9x	n.m.	n.m.
13 EML	1,477	4.54	6%	205%	(6%)	231%	3%	5%	13%	9.3x	30.0x	48.9x
14 Codan	1,341	7.45	34%	156%	(2%)	166%	7%	19%	36%	4.1x	13.5x	22.0x
15 Bravura	1,267	5.20	26%	41%	(17%)	42%	1%	18%	16%	3.6x	18.0x	31.2x
16 iSignthis	1,170	1.07	14%	590%	(39%)	664%	n.a.	(3%)	4%	20.8x	n.m.	63.0x
17 Nearmap	1,149	2.54	(2%)	69%	(41%)	72%	(4%)	(5%)	(10%)	10.7x	n.m.	n.m.
18 Dicker Data	1,115	6.90	(13%)	145%	(15%)	146%	13%	4%	6%	n.m.	n.m.	n.m.
19 Pushpay	1,059	3.85	20%	28%	(3%)	36%	(4%)	7%	10%	5.2x	24.9x	38.7x
20 Hansen	752	3.80	1%	9%	(11%)	33%	8%	9%	5%	2.9x	12.2x	19.3x
21 FINEOS	701	2.65	(15%)	n.a.	(21%)	14%	2%	(5%)	(4%)	5.5x	n.m.	n.m.
22 Infomedia	665	2.09	3%	77%	(16%)	94%	1%	(2%)	2%	6.8x	14.7x	35.7x
23 Vista Group	573	3.45	(6%)	(4%)	(42%)	4%	(5%)	(8%)	(19%)	3.8x	18.5x	40.9x
24 Data#3	571	3.71	25%	147%	(5%)	159%	2%	8%	19%	0.3x	13.6x	27.4x
25 Integrated Research	560	3.26	6%	85%	(7%)	104%	1%	7%	9%	5.1x	12.9x	24.2x
26 Objective	557	5.99	43%	130%	(13%)	140%	(3%)	11%	25%	7.6x	36.8x	55.1x
27 Audinate	538	7.94	4%	130%	(15%)	127%	(4%)	(0%)	5%	13.8x	n.m.	n.m.
28 Elmo	463	6.18	(2%)	13%	(20%)	39%	(3%)	(4%)	(1%)	8.2x	n.m.	n.m.
29 Life360	459	3.15	(13%)	n.a.	(43%)	14%	11%	3%	(6%)	3.1x	n.m.	n.m.
30 Limeade	453	1.85	n.a.	n.a.	(5%)	7%	(0%)	n.a.	n.a.	n.m.	n.m.	n.m.
31 Serko	436	4.74	18%	77%	(5%)	81%	(5%)	13%	13%	13.4x	n.m.	n.m.
32 Gentrack	354	3.59	(28%)	(26%)	(43%)	6%	(3%)	(12%)	(23%)	3.2x	15.6x	51.5x
33 Nitro Software	308	1.63	n.a.	n.a.	(4%)	10%	2%	n.a.	n.a.	n.m.	n.m.	n.m.
34 Catapult	301	1.58	8%	105%	(29%)	161%	(11%)	(5%)	6%	2.6x	22.9x	43.6x
35 rhipe	290	2.07	(21%)	66%	(34%)	73%	(4%)	(17%)	(20%)	4.4x	20.3x	37.4x
36 Citadel	243	4.92	35%	(32%)	(45%)	67%	12%	34%	25%	1.9x	8.5x	20.5x
37 Class	241	2.05	42%	47%	(13%)	78%	(3%)	4%	25%	5.4x	13.1x	35.8x
38 Over the Wire	238	4.60	(6%)	(1%)	(16%)	23%	(0%)	(1%)	3%	2.4x	11.5x	23.1x
39 Netlinkz	231	0.13	(22%)	291%	(59%)	468%	4%	(15%)	(35%)	n.m.	n.m.	n.m.
40 LiveTiles	228	0.28	(26%)	(14%)	(55%)	17%	2%	(10%)	(25%)	4.4x	n.m.	n.m.
Average	1,850		5%	85%	(20%)	96%	0%	2%	2%			

Top 10 best performers in the last quarter⁽¹⁾

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	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Smartpay	93	0.54	184%	211%	(3%)	250%	2%	34%	66%	8.3x	n.m.	n.m.
2 Buddy Technologies	81	0.03	48%	(63%)	(70%)	113%	19%	25%	19%	n.m.	n.m.	n.m.
3 Energy One	61	2.74	45%	162%	(3%)	163%	14%	15%	24%	n.m.	n.m.	n.m.
4 Objective	557	5.99	43%	130%	(13%)	140%	(3%)	11%	25%	7.6x	36.8x	55.1x
5 ikeGPS	88	0.86	43%	29%	(6%)	84%	1%	14%	23%	n.m.	n.m.	n.m.
6 Class	241	2.05	42%	47%	(13%)	78%	(3%)	4%	25%	5.4x	13.1x	35.8x
7 Janison	84	0.46	42%	15%	(3%)	70%	2%	37%	39%	2.8x	15.3x	52.5x
8 CSG	137	0.31	39%	74%	(2%)	144%	(0%)	1%	4%	1.6x	18.8x	18.1x
9 Citadel	243	4.92	35%	(32%)	(45%)	67%	12%	34%	25%	1.9x	8.5x	20.5x
10 Codan	1,341	7.45	34%	156%	(2%)	166%	7%	19%	36%	4.1x	13.5x	22.0x
Average	292		55%	73%	(16%)	128%	5%	19%	28%			

Top 10 worst performers in the last quarter⁽¹⁾

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	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Isentia	57	0.29	(35%)	2%	(38%)	54%	16%	(3%)	(13%)	0.8x	4.2x	7.0x
2 WiseTech	7,436	23.37	(33%)	38%	(40%)	43%	(5%)	(15%)	(20%)	15.2x	47.3x	78.9x
3 Gentrack	354	3.59	(28%)	(26%)	(43%)	6%	(3%)	(12%)	(23%)	3.2x	15.6x	51.5x
4 Dubber	221	1.16	(28%)	185%	(34%)	200%	(7%)	(16%)	(12%)	n.m.	n.m.	n.m.
5 LiveTiles	228	0.28	(26%)	(14%)	(55%)	17%	2%	(10%)	(25%)	4.4x	n.m.	n.m.
6 FinTech Chain	72	0.11	(24%)	129%	(54%)	214%	(6%)	(28%)	(18%)	n.m.	n.m.	n.m.
7 LiveHire	68	0.23	(22%)	(61%)	(68%)	7%	(4%)	(8%)	(18%)	7.7x	n.m.	n.m.
8 Firstwave	51	0.16	(22%)	(9%)	(58%)	28%	(0%)	(3%)	(19%)	n.m.	n.m.	n.m.
9 Netlinkz	231	0.13	(22%)	291%	(59%)	468%	4%	(15%)	(35%)	n.m.	n.m.	n.m.
10 rhipe	290	2.07	(21%)	66%	(34%)	73%	(4%)	(17%)	(20%)	4.4x	20.3x	37.4x
Average	901		(26%)	60%	(48%)	111%	(1%)	(13%)	(20%)			

Source: Capital IQ as at 31 December 2019

Note: (1) 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