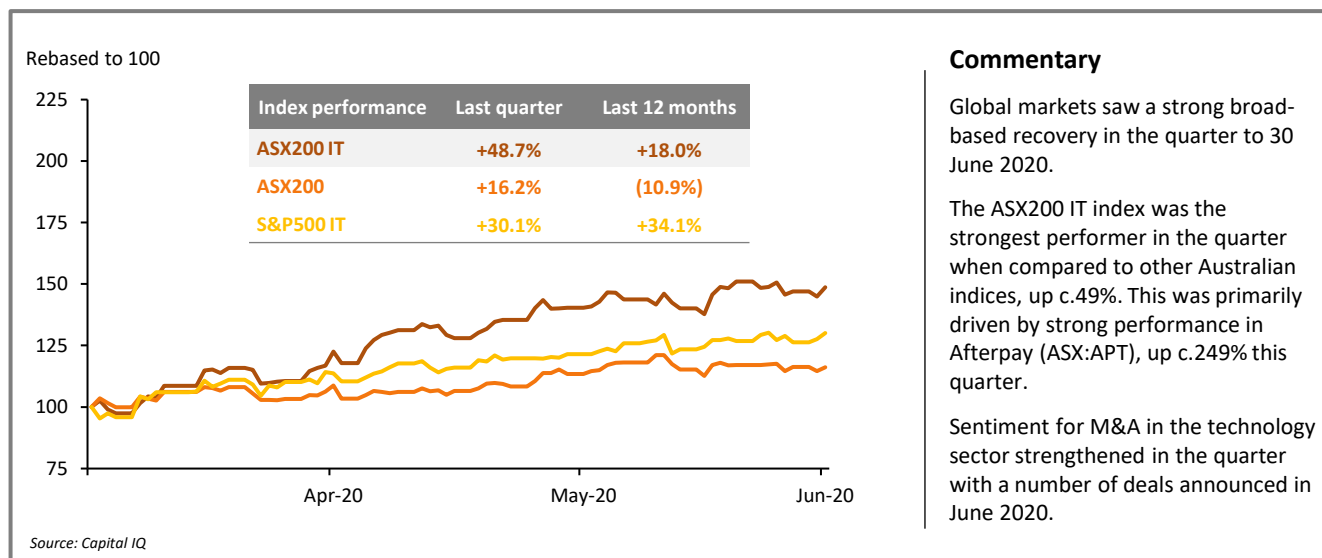


Quarterly performance



Commentary

Global markets saw a strong broad-based recovery in the quarter to 30 June 2020.

The ASX200 IT index was the strongest performer in the quarter when compared to other Australian indices, up c.49%. This was primarily driven by strong performance in Afterpay (ASX:APT), up c.249% this quarter.

Sentiment for M&A in the technology sector strengthened in the quarter with a number of deals announced in June 2020.

Quarterly M&A & other news

Date	Description
29-Jun-20	Lung imaging technology company 4DMedical kicks off its IPO two weeks ahead of schedule in response to significant demand. The business is looking to raise A\$45m, at a market capitalisation of A\$189m
28-Jun-20	US-based music licensing platform, Songtradr , is seeking to raise US\$30m (A\$44m) via a pre-IPO funding round
24-Jun-20	Due to volatile equity market conditions, dataroom provider Ansarada puts its IPO plans on pause as it focuses on the sale process, which is underway and reported to be progressing through first-round bids
19-Jun-20	New Zealand buy now pay later provider Laybuy readies IPO roadshow, seeking to raise up to A\$60m, at a market capitalisation of A\$200m
17-Jun-20	Advent Partners invests in Flintfox International , a New Zealand-based supply chain software and project management business
15-Jun-20	Ai-Media , a closed captions, transcriptions and translation business looks to list on the ASX. The business recorded revenue of A\$32m for the first 10 months of FY20
11-Jun-20	FIRB will apply a new national security test focused on businesses controlling customer data as the federal government looks to tighten foreign investment laws
4-Jun-20	Advent Partners acquires a controlling stake Medtech , a medical practice software business
1-Jun-20	Financial markets software company Iress (ASX:IRE) agrees to acquire OneVue (ASX:OVH), valuing the equity at A\$107m
1-Jun-20	Zip Co acquires US buy now pay later provider Quadpay for US\$300m in a cash and scrip deal, raising A\$200m from Heights Capital Management by way of convertible notes and warrants
1-May-20	Tencent signals a strategic partnership with Afterpay as it takes a c.5% equity stake for a consideration of c.A\$300 million
6-Apr-20	Education Horizons Group , a K-12 school software company backed by Potentia expands its operations to the UK with its acquisition of Double First

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed technology companies by market capitalisation (30 June 2020)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-21)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Afterpay	16,348	60.99	224%	108%	143%	(2%)	661%	13%	58%	101%	21.6x	n.m.	n.m.
2 REA	14,209	107.88	40%	4%	12%	(8%)	74%	2%	16%	15%	16.5x	27.8x	46.0x
3 Xero	12,770	90.11	33%	13%	50%	(2%)	65%	3%	11%	16%	15.2x	n.m.	n.m.
4 SEEK	7,719	21.89	48%	(3%)	3%	(9%)	95%	5%	19%	18%	5.3x	20.8x	63.2x
5 Computershare	7,167	13.25	36%	(21%)	(18%)	(28%)	60%	0%	10%	4%	3.0x	11.4x	17.1x
6 WiseTech	6,231	19.35	13%	(17%)	(30%)	(50%)	94%	(9%)	5%	8%	11.8x	38.5x	71.2x
7 NEXTDC	4,496	9.88	11%	50%	52%	(5%)	73%	4%	7%	16%	20.7x	40.6x	n.m.
8 Carsales	4,357	17.74	51%	7%	31%	(9%)	84%	3%	19%	18%	10.9x	20.4x	30.9x
9 Altium	4,252	32.48	14%	(6%)	(5%)	(24%)	41%	(5%)	(3%)	(0%)	12.7x	32.8x	53.2x
10 Appen	4,127	33.92	72%	51%	21%	(5%)	116%	8%	21%	38%	5.2x	26.6x	44.8x
11 TechnologyOne	2,801	8.79	10%	6%	12%	(14%)	38%	(2%)	(3%)	3%	8.5x	24.4x	39.3x
12 Pro Medicus	2,750	26.46	36%	18%	5%	(31%)	82%	(4%)	1%	14%	38.1x	n.m.	88.2x
13 Pushpay	2,271	8.22	142%	110%	123%	(10%)	243%	7%	26%	45%	8.2x	27.9x	40.5x
14 Link	2,174	4.10	27%	(30%)	(18%)	(41%)	55%	(6%)	7%	(6%)	2.4x	10.1x	14.7x
15 IRESS	2,063	10.95	5%	(16%)	(21%)	(24%)	32%	(2%)	1%	(3%)	3.8x	16.7x	26.2x
16 Domain	1,958	3.35	66%	(9%)	5%	(16%)	100%	3%	19%	13%	7.9x	23.2x	67.7x
17 Megaport	1,851	12.08	23%	12%	85%	(22%)	98%	(9%)	(6%)	7%	20.0x	n.m.	n.m.
18 Tyro Payments	1,748	3.50	85%	(1%)	n.a.	(23%)	261%	(7%)	4%	15%	6.4x	n.m.	n.m.
19 Kogan	1,524	14.72	175%	94%	210%	(7%)	327%	10%	45%	88%	2.6x	26.1x	43.8x
20 Codan	1,276	7.09	31%	(5%)	104%	(18%)	106%	(2%)	7%	8%	3.7x	10.8x	18.5x
21 EML	1,201	3.34	45%	(26%)	13%	(41%)	178%	(11%)	3%	1%	5.0x	17.5x	32.6x
22 Webjet	1,125	3.32	(12%)	(75%)	(76%)	(77%)	48%	(17%)	(6%)	(24%)	6.0x	n.m.	n.m.
23 Bravura	1,100	4.50	17%	(13%)	(7%)	(25%)	54%	1%	1%	1%	3.4x	16.2x	24.3x
24 FINEOS	1,061	3.90	43%	47%	n.a.	(2%)	81%	10%	20%	20%	6.5x	37.4x	n.m.
25 Nearmap	1,020	2.25	99%	(11%)	(40%)	(43%)	171%	2%	32%	32%	8.7x	38.0x	n.m.
26 Temple & Webster	716	6.31	172%	132%	367%	(4%)	354%	21%	52%	66%	2.9x	n.m.	68.2x
27 Data#3	699	4.54	32%	22%	114%	(25%)	115%	(10%)	1%	11%	0.4x	18.7x	30.3x
28 Integrated Research	662	3.85	48%	18%	17%	(1%)	76%	8%	17%	28%	5.6x	14.0x	26.1x
29 Infomedica	628	1.72	21%	(18%)	1%	(31%)	43%	3%	5%	(0%)	5.9x	11.9x	28.8x
30 Elmo	613	7.16	63%	16%	(2%)	(15%)	96%	(1%)	4%	6%	8.5x	n.m.	n.m.
31 Hansen	577	2.91	0%	(23%)	(26%)	(32%)	11%	(5%)	(2%)	(6%)	2.5x	8.9x	14.0x
32 Redbubble	540	2.06	249%	82%	128%	(10%)	415%	25%	89%	99%	1.2x	30.4x	n.m.
33 Audinate	367	5.40	42%	(32%)	(32%)	(42%)	115%	(11%)	(6%)	(6%)	10.3x	n.m.	n.m.
34 Volpara	342	1.37	28%	(25%)	(19%)	(37%)	73%	1%	2%	(0%)	13.1x	n.m.	n.m.
35 rhipe	317	1.97	28%	(5%)	(31%)	(37%)	71%	(4%)	7%	7%	4.4x	17.6x	34.2x
36 Life360	302	2.04	2%	(35%)	(48%)	(53%)	35%	4%	4%	(11%)	1.5x	n.m.	n.m.
37 Nitro Software	280	1.47	25%	(10%)	n.a.	(25%)	101%	(2%)	3%	7%	3.5x	n.m.	n.m.
38 Bigtincan	277	0.74	36%	7%	41%	(32%)	177%	(12%)	(3%)	2%	5.7x	n.m.	n.m.
39 Citadel	249	3.17	35%	(36%)	(31%)	(46%)	163%	(4%)	1%	2%	1.6x	5.9x	12.2x
40 RPMGlobal	235	1.05	27%	25%	84%	(16%)	100%	1%	6%	7%	2.6x	17.7x	48.1x
Average	2,860		54%	10%	33%	(24%)	130%	0%	12%	17%			

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-21)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Redbubble	540	2.06	249%	82%	128%	(10%)	415%	25%	89%	99%	1.2x	30.4x	n.m.
2 Afterpay	16,348	60.99	224%	108%	143%	(2%)	661%	13%	58%	101%	21.6x	n.m.	n.m.
3 Kogan	1,524	14.72	175%	94%	210%	(7%)	327%	10%	45%	88%	2.6x	26.1x	43.8x
4 Temple & Webster	716	6.31	172%	132%	367%	(4%)	354%	21%	52%	66%	2.9x	n.m.	68.2x
5 Pushpay	2,292	8.22	142%	110%	123%	(10%)	243%	7%	26%	45%	8.3x	28.2x	40.9x
6 Nearmap	1,020	2.25	99%	(11%)	(40%)	(43%)	171%	2%	32%	32%	8.7x	38.0x	n.m.
7 Tyro Payments	1,748	3.50	85%	(1%)	n.a.	(23%)	261%	(7%)	4%	15%	6.4x	n.m.	n.m.
8 Appen	4,127	33.92	72%	51%	21%	(5%)	116%	8%	21%	38%	5.2x	26.6x	44.8x
9 Domain	1,958	3.35	66%	(9%)	5%	(16%)	100%	3%	19%	13%	7.9x	23.2x	67.7x
10 Elmo	613	7.16	63%	16%	(2%)	(15%)	96%	(1%)	4%	6%	8.5x	n.m.	n.m.
Average	3,089		135%	57%	106%	(13%)	274%	8%	35%	50%			

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-21)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Webjet	1,125	3.32	(12%)	(75%)	(76%)	(77%)	48%	(17%)	(6%)	(24%)	6.0x	n.m.	n.m.
2 ResApp	129	0.18	(10%)	(29%)	(10%)	(58%)	218%	(2%)	(2%)	9%	16.7x	n.m.	n.m.
3 Atomos	93	0.43	(7%)	(69%)	(59%)	(77%)	77%	(16%)	(22%)	(39%)	2.1x	n.m.	n.m.
4 Hansen	577	2.91	0%	(23%)	(26%)	(32%)	11%	(5%)	(2%)	(6%)	2.5x	8.9x	14.0x
5 Life360	302	2.04	2%	(35%)	(48%)	(53%)	35%	4%	4%	(11%)	1.5x	n.m.	n.m.
6 IRESS	2,063	10.95	5%	(16%)	(21%)	(24%)	32%	(2%)	1%	(3%)	3.8x	16.7x	26.2x
7 TechnologyOne	2,801	8.79	10%	6%	12%	(14%)	38%	(2%)	(3%)	3%	8.5x	24.4x	39.3x
8 NEXTDC	4,496	9.88	11%	50%	52%	(5%)	73%	4%	7%	16%	20.7x	40.6x	n.m.
9 Alcidion	144	0.15	12%	(22%)	16%	(52%)	49%	(12%)	(10%)	(10%)	n.m.	n.m.	n.m.
10 WiseTech	6,231	19.35	13%	(17%)	(30%)	(50%)	94%	(9%)	5%	8%	11.8x	38.5x	71.2x
Average	1,796		2%	(23%)	(19%)	(44%)	68%	(6%)	(3%)	(6%)			

Source: Capital IQ as at 30 June 2020

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