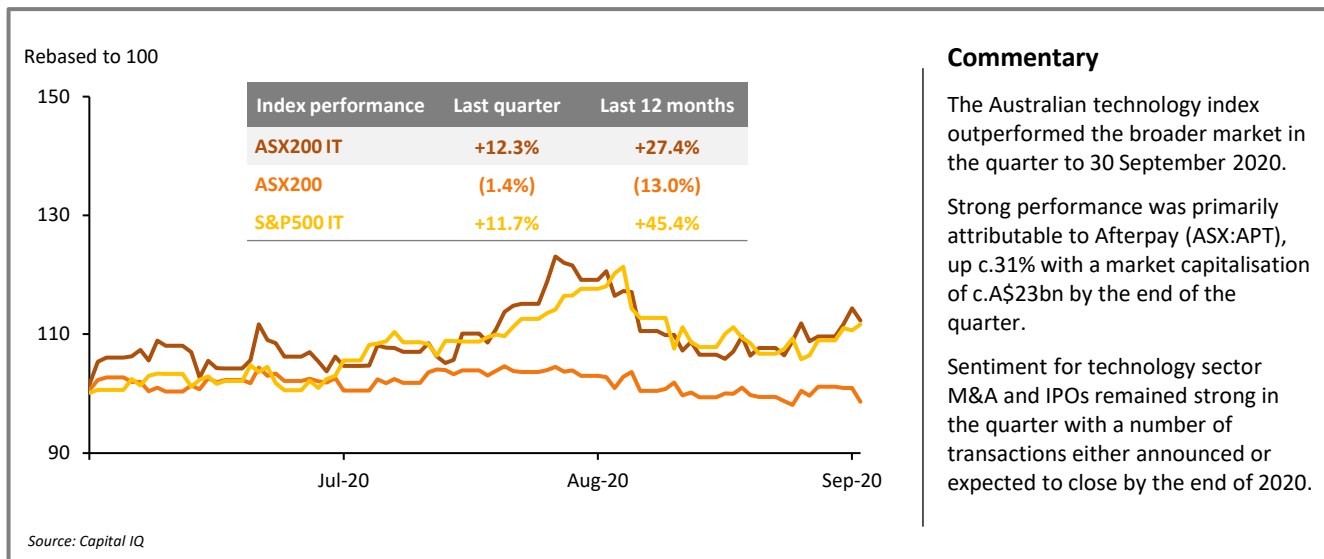


### Quarterly performance



#### Commentary

The Australian technology index outperformed the broader market in the quarter to 30 September 2020.

Strong performance was primarily attributable to Afterpay (ASX:APT), up c.31% with a market capitalisation of c.A\$23bn by the end of the quarter.

Sentiment for technology sector M&A and IPOs remained strong in the quarter with a number of transactions either announced or expected to close by the end of 2020.

### Quarterly M&A & other news

Date	Description
29-Sep-20	<b>Corporate Travel</b> (ASX:CTD) has agreed to acquire US-based travel management company Travel & Transport for a consideration of c.US\$200m
29-Sep-20	Australian payments firm <b>Airwallex</b> has extended an earlier A\$250m funding round by A\$57m with Skip Capital coming on board as an investor
28-Sep-20	Quadrant-backed online cosmetics business <b>Adore Beauty</b> kicks off its IPO marking campaign, providing revenue guidance of c.A\$158m for 2020
28-Sep-20	Hybrid buy-now-pay-later and e-commerce business <b>Zebit</b> seeks to raise A\$35m, implying a market capitalisation of c.A\$149m
21-Sep-20	Adamantem is reported to be mulling exit options for its 50% stake in data analytics company <b>Servian</b> following inbound interest from private equity
14-Sep-20	Pacific Equity Partners enters into a scheme of arrangement to acquire <b>Citadel Group</b> (ASX:CGL) for c.A\$500m
2-Sep-20	Data security business <b>Nuix</b> kicks off its IPO roadshow process. The business is expected to be valued at over A\$1bn based on annualised revenue of A\$176m
18-Aug-20	<b>Ansarada</b> and <b>Dockyard</b> agree to merge, initially valuing the combined business at c.A\$100m. This comes ahead of the combined business seeking to raise A\$50m, which would see it relisting on the ASX
17-Aug-20	<b>FINEOS</b> (ASX:FCL) completes its US\$75m acquisition of Limelight Health, an insurance sales and underwriting software platform provider
2-Aug-20	Australian captioning and transcriptions service <b>Ai-Media</b> is seeking to raise up to A\$70m valuing the company at c.3.6x forecast revenue and an enterprise value of c.A\$158m
27-Jul-20	The Growth Fund is reported to be exploring options for its software testing business <b>Planit</b> which could include a trade sale or an IPO. The company was reported to generate c.A\$139m of revenue in 2019
9-Jul-20	<b>Praemium</b> (ASX:PPS) announces its takeover offer of Australian wealth management platform Powerwrap for a consideration of c.A\$57m comprising a combination of cash and scrip

Sources: Capital IQ, Mergermarket, press reports

## Largest 40 ASX-listed technology companies by market capitalisation (30 September 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	22,740	79.99	31%	173%	123%	(17%)	899%	3%	7%	52%	24.9x	n.m.	n.m.
2 REA	14,485	109.97	2%	6%	2%	(10%)	77%	(1%)	(1%)	9%	16.8x	27.7x	47.1x
3 Xero	14,356	100.75	12%	26%	62%	(3%)	84%	5%	6%	16%	17.2x	n.m.	n.m.
4 WiseTech	8,311	25.79	33%	10%	(26%)	(28%)	159%	(6%)	8%	23%	16.2x	47.6x	89.3x
5 SEEK	7,489	21.29	(3%)	(6%)	(1%)	(12%)	90%	4%	3%	10%	6.1x	27.6x	n.m.
6 Computershare	6,610	12.22	(8%)	(27%)	(24%)	(34%)	48%	(2%)	(8%)	(3%)	2.9x	11.0x	17.0x
7 NEXTDC	5,597	12.28	24%	87%	99%	(3%)	108%	5%	6%	20%	22.5x	43.3x	n.m.
8 Carsales	5,087	20.67	17%	24%	35%	(4%)	114%	1%	6%	22%	12.5x	22.9x	35.8x
9 Altium	4,714	35.92	11%	3%	8%	(16%)	55%	3%	4%	6%	15.9x	39.5x	62.4x
10 Appen	4,146	34.08	0%	52%	61%	(22%)	117%	5%	(3%)	8%	5.4x	26.9x	45.6x
11 Pro Medicus	2,821	27.07	2%	21%	(3%)	(16%)	87%	4%	7%	5%	40.1x	n.m.	95.9x
12 Technology One	2,535	7.94	(10%)	(4%)	11%	(23%)	25%	1%	(4%)	(9%)	7.6x	21.9x	35.6x
13 Megaport	2,483	16.09	33%	50%	77%	(9%)	163%	2%	10%	18%	27.1x	n.m.	n.m.
14 Kogan	2,279	20.18	37%	166%	232%	(12%)	485%	0%	4%	36%	3.1x	27.1x	45.3x
15 Pushpay	2,264	8.18	(0%)	109%	172%	(10%)	241%	11%	6%	15%	8.8x	29.2x	41.7x
16 Domain	2,162	3.70	10%	-	9%	(8%)	121%	(0%)	6%	19%	8.3x	24.9x	66.9x
17 Codan	1,993	11.04	56%	48%	99%	(6%)	183%	1%	15%	37%	5.3x	14.6x	25.1x
18 Link	1,982	3.73	(9%)	(36%)	(35%)	(47%)	41%	(4%)	(9%)	(5%)	2.4x	10.3x	17.0x
19 IRESS	1,825	9.57	(13%)	(27%)	(17%)	(33%)	15%	(3%)	(8%)	(10%)	3.3x	14.6x	23.7x
20 Tyro Payments	1,783	3.56	2%	1%	n.a.	(21%)	267%	2%	3%	4%	7.0x	n.m.	n.m.
21 Temple & Webster	1,485	12.33	95%	353%	549%	(1%)	711%	20%	43%	91%	4.8x	n.m.	74.9x
22 FINEOS	1,455	4.90	26%	85%	57%	(15%)	127%	(3%)	2%	16%	7.2x	n.m.	n.m.
23 Webjet	1,319	3.89	17%	(70%)	(64%)	(73%)	73%	2%	13%	12%	11.7x	n.m.	n.m.
24 Nearmap	1,138	2.37	5%	(7%)	(8%)	(26%)	186%	(6%)	(6%)	12%	10.0x	n.m.	n.m.
25 Redbubble	1,108	4.14	101%	266%	180%	(12%)	935%	(2%)	23%	69%	2.2x	20.7x	38.5x
26 EML	1,031	2.85	(15%)	(37%)	(34%)	(50%)	138%	(3%)	(9%)	(11%)	0.7x	2.2x	28.3x
27 Data#3	1,010	6.56	44%	77%	121%	(4%)	162%	7%	15%	28%	0.4x	17.7x	37.2x
28 Bravura	840	3.40	(24%)	(35%)	(18%)	(43%)	16%	(3%)	(11%)	(17%)	2.7x	13.3x	20.7x
29 Hansen	771	3.88	33%	2%	3%	(8%)	48%	(1%)	10%	17%	2.9x	10.0x	15.7x
30 Life360	610	4.10	101%	30%	14%	(9%)	172%	(1%)	18%	30%	4.0x	n.m.	n.m.
31 Integrated Research	609	3.54	(8%)	9%	15%	(28%)	62%	(2%)	(13%)	(7%)	5.1x	12.3x	23.1x
32 Infomedica	607	1.62	(6%)	(22%)	(20%)	(35%)	35%	1%	(5%)	(3%)	5.0x	10.1x	29.4x
33 Nitro Software	523	2.76	88%	69%	n.a.	(5%)	278%	17%	23%	36%	7.6x	n.m.	n.m.
34 Bigtincan	507	1.34	82%	94%	135%	(7%)	406%	9%	32%	49%	10.9x	n.m.	n.m.
35 Elmo	452	5.28	(26%)	(15%)	(16%)	(37%)	44%	(0%)	(13%)	(18%)	5.6x	n.m.	n.m.
36 Audinate	440	5.78	7%	(27%)	(24%)	(38%)	130%	5%	8%	4%	14.3x	n.m.	n.m.
37 Citadel	439	5.58	76%	13%	53%	(6%)	363%	2%	13%	30%	3.1x	11.4x	22.0x
38 Catapult	398	2.09	86%	32%	43%	(15%)	318%	(2%)	13%	35%	3.4x	26.1x	n.m.
39 Volpara	327	1.31	(5%)	(29%)	(20%)	(40%)	65%	(2%)	(5%)	(3%)	12.6x	n.m.	n.m.
40 rhip	309	1.92	(3%)	(7%)	(27%)	(37%)	66%	9%	5%	5%	3.7x	14.9x	30.2x
<b>Average</b>	<b>3,276</b>		<b>23%</b>	<b>36%</b>	<b>48%</b>	<b>(21%)</b>	<b>193%</b>	<b>2%</b>	<b>5%</b>	<b>16%</b>			

### Top 10 best performers in the last quarter<sup>(1)</sup>

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 Life360	610	4.10	101%	30%	14%	(9%)	172%	(1%)	18%	30%	4.0x	n.m.	n.m.
2 Redbubble	1,108	4.14	101%	266%	180%	(12%)	935%	(2%)	23%	69%	2.2x	20.7x	38.5x
3 Temple & Webster	1,485	12.33	95%	353%	549%	(1%)	711%	20%	43%	91%	4.8x	n.m.	74.9x
4 Nitro Software	523	2.76	88%	69%	n.a.	(5%)	278%	17%	23%	36%	7.6x	n.m.	n.m.
5 Catapult	398	2.09	86%	32%	43%	(15%)	318%	(2%)	13%	35%	3.4x	26.1x	n.m.
6 Bigtincan	507	1.34	82%	94%	135%	(7%)	406%	9%	32%	49%	10.9x	n.m.	n.m.
7 Citadel	439	5.58	76%	13%	53%	(6%)	363%	2%	13%	30%	3.1x	11.4x	22.0x
8 Codan	1,993	11.04	56%	48%	99%	(6%)	183%	1%	15%	37%	5.3x	14.6x	25.1x
9 Atomos	142	0.65	53%	(53%)	(60%)	(64%)	171%	(2%)	15%	17%	2.6x	n.m.	n.m.
10 Class	247	2.00	50%	(2%)	38%	(15%)	126%	3%	14%	28%	4.6x	10.8x	30.9x
<b>Average</b>	<b>745</b>		<b>79%</b>	<b>85%</b>	<b>117%</b>	<b>(14%)</b>	<b>366%</b>	<b>5%</b>	<b>21%</b>	<b>42%</b>			

### Top 10 worst performers in the last quarter<sup>(1)</sup>

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 ResApp	80	0.11	(40%)	(57%)	(57%)	(75%)	91%	(4%)	(22%)	(33%)	9.9x	n.m.	n.m.
2 Elmo	452	5.28	(26%)	(15%)	(16%)	(37%)	44%	(0%)	(13%)	(18%)	5.6x	n.m.	n.m.
3 Bravura	840	3.40	(24%)	(35%)	(18%)	(43%)	16%	(3%)	(11%)	(17%)	2.7x	13.3x	20.7x
4 PainChek	98	0.09	(24%)	(54%)	(71%)	(76%)	43%	(6%)	(20%)	(27%)	15.3x	n.m.	n.m.
5 LiveTiles	176	0.20	(15%)	(29%)	(47%)	(49%)	77%	(8%)	(17%)	(17%)	n.m.	n.m.	n.m.
6 EML	1,031	2.85	(15%)	(37%)	(34%)	(50%)	138%	(3%)	(9%)	(11%)	0.7x	2.2x	28.3x
7 IRESS	1,825	9.57	(13%)	(27%)	(17%)	(33%)	15%	(3%)	(8%)	(10%)	3.3x	14.6x	23.7x
8 Technology One	2,535	7.94	(10%)	(4%)	11%	(23%)	25%	1%	(4%)	(9%)	7.6x	21.9x	35.6x
9 Link	1,982	3.73	(9%)	(36%)	(35%)	(47%)	41%	(4%)	(9%)	(5%)	2.4x	10.3x	17.0x
10 Integrated Research	609	3.54	(8%)	9%	15%	(28%)	62%	(2%)	(13%)	(7%)	5.1x	12.3x	23.1x
<b>Average</b>	<b>963</b>		<b>(18%)</b>	<b>(29%)</b>	<b>(27%)</b>	<b>(46%)</b>	<b>55%</b>	<b>(3%)</b>	<b>(13%)</b>	<b>(15%)</b>			

Source: Capital IQ as at 30 September 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