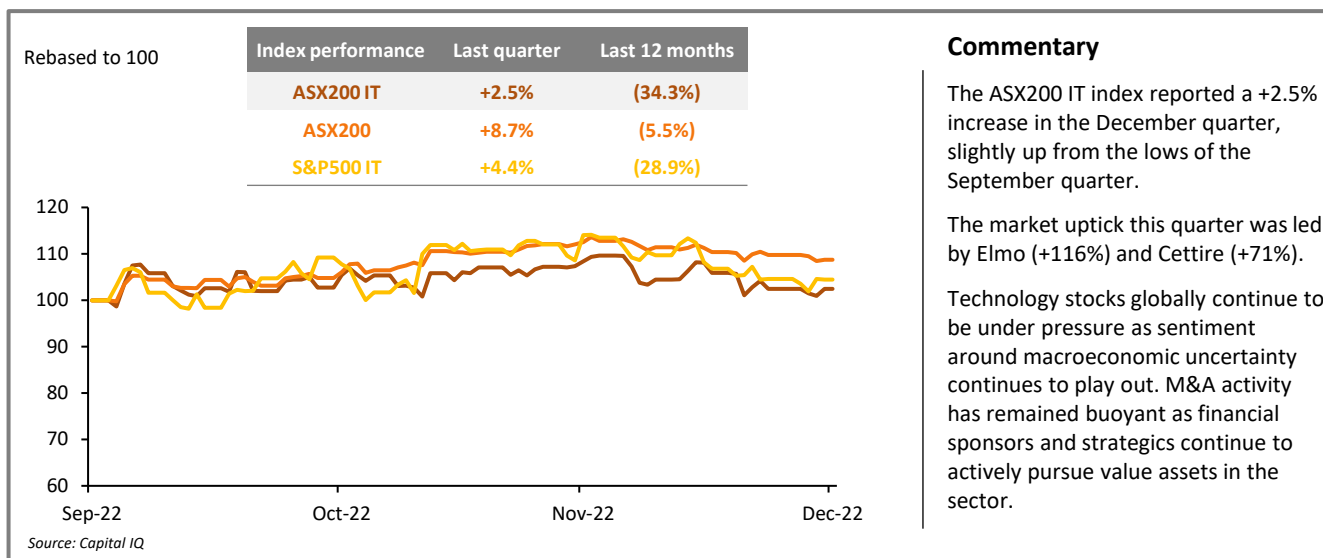


Quarterly performance



Commentary

The ASX200 IT index reported a +2.5% increase in the December quarter, slightly up from the lows of the September quarter.

The market uptick this quarter was led by Elmo (+116%) and Cettire (+71%).

Technology stocks globally continue to be under pressure as sentiment around macroeconomic uncertainty continues to play out. M&A activity has remained buoyant as financial sponsors and strategics continue to actively pursue value assets in the sector.

Quarterly M&A and other news

Date	Description
28-Dec-22	Nitro board talks down Potentia offer (A\$2.00/sh), sticks with Alludo (A\$2.15/sh) for A\$527m consideration (EV/LTM revenue multiple: ~5.2x)
1-Nov-22	Pacific Equity Partners , a mid-market Australian PE, withdrew its offer to acquire ReadyTech , a SaaS technology business specialising in education/work pathways, workforce solutions, and government and justice sectors, for A\$543m (EV/LTM revenue multiple: ~6.8x; EV/LTM EBITDA multiple: ~32.8x)
14-Dec-22	RP Data , trading as CoreLogic Asia Pacific, offering property information, analytics, and property-related risk management services, announced it is acquiring Plezzel , a developer of marketing automation software and digital marketing service, for an undisclosed sum
14-Dec-22	Merkle , a marketing agency offering performance media, enterprise technology, customer relationship management, acquires Aware Services , provider of Salesforce, MuleSoft and Tableau data and analytics consulting, for an undisclosed sum
11-Dec-22	Tyro Payments suitor Potential Capital ups bid to A\$1.60/sh, equating to an implied EV/LTM revenue multiple of ~2.5x
7-Dec-22	Quadrant PE heads into the cloud with three-way IT services deal acquiring Cevo , Arinco and D6 Consulting
5-Dec-22	Wiz Butler , restaurant booking startup, readies seeking a capital raise of ~A\$5m to A\$10m
25-Nov-22	Integral Ad Science , global operator of digital advertising verification, made an unsuccessful non-binding takeover offer for Adveritas , provider of funnel measurement, verification and fraud prevention solutions for digital advertising of A\$52m, representing an EV/ARR multiple of ~17.3x
14-Nov-22	Sandvik , an engineering company for mining and rock excavation, rock processing, manufacturing/machining, and materials technology acquires Polymanthian , developer of application software and industrial mathematics consulting services, for A\$157m (at EV/LTM revenue multiple: ~11.0x)
14-Nov-22	Pemba Capital Partners , a mid-market Australian private equity, makes an offer for MSL Solutions , provider of SaaS for POS platforms software provider for the sports, leisure and hospitality sectors, for A\$120m (EV/LTM revenue multiple: ~3.2x; EV/LTM EBITDA multiple: ~29.1x)
14-Nov-22	Probe Group , a leading customer experience organisation, operating across the Pacific, Asia and North America, acquires Innovior , a digital transformation consulting services firm, for an undisclosed sum
26-Oct-22	K1 Investment Management , a software investment firm, announces acquisition of ELMO Software , provider of SaaS, cloud-based human resource (HR), payroll, and expense management, for A\$557m (implied EV/LTM revenue multiple of ~5.8x)
17-Oct-22	Riot Games , leading global game developer and operator, acquires BigWorld , provider of technology, software, distribution, publishing and game operation services, for an undisclosed sum
6-Oct-22	Endava , provides technology services for clients in the consumer products, healthcare, mobility, and retail verticals, acquires Lexicon , technology consulting services, design, and engineering firm, for A\$96m
6-Oct-22	Deloitte (Australia) , professional services firm, announces offer to acquire Hacktive , provider of cyber risk prevention and cybersecurity services, for an undisclosed sum

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed technology companies by market capitalisation (31 December 2022)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-23)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Xero	10,549	70.27	(4%)	(50%)	(50%)	(52%)	12%	(3%)	(2%)	(10%)	7.7x	36.9x	n.m.
2 WiseTech	16,460	50.75	(2%)	(13%)	(13%)	(20%)	49%	(6%)	(9%)	(5%)	20.6x	39.7x	66.4x
3 SEEK	7,403	20.95	9%	(36%)	(36%)	(38%)	12%	(4%)	(2%)	(3%)	7.1x	15.5x	28.7x
4 Carsales	7,294	20.76	10%	(17%)	(17%)	(19%)	19%	(5%)	(0%)	0%	10.4x	18.8x	27.7x
5 Computershare	15,818	26.20	6%	31%	31%	(8%)	42%	(2%)	0%	3%	3.9x	10.2x	16.3x
6 REA	14,639	110.80	(4%)	(34%)	(34%)	(36%)	18%	(6%)	(7%)	(9%)	12.2x	21.9x	36.3x
7 Altium	4,618	35.08	2%	(22%)	(22%)	(22%)	44%	(5%)	(3%)	1%	11.3x	31.0x	47.4x
8 NEXTDC	4,163	9.10	3%	(29%)	(29%)	(29%)	10%	(1%)	0%	(8%)	13.9x	24.8x	n.m.
9 Block	55,296	91.94	9%	n.a.	n.a.	(53%)	14%	(4%)	(2%)	(6%)	2.0x	34.3x	42.4x
10 Technology One	4,261	13.14	24%	3%	3%	(9%)	38%	(4%)	2%	7%	10.2x	25.3x	44.1x
11 Pro Medicus	5,771	55.26	10%	(11%)	(11%)	(12%)	51%	(3%)	(0%)	4%	n.m.	n.m.	n.m.
12 IRESS	1,736	9.55	7%	(24%)	(24%)	(28%)	13%	(1%)	0%	(8%)	3.3x	14.5x	23.1x
13 Data#3	1,047	6.77	8%	15%	15%	(5%)	57%	2%	2%	8%	0.4x	15.0x	28.0x
14 Life360	947	4.86	(2%)	(50%)	(50%)	(50%)	102%	(11%)	(20%)	(9%)	2.2x	n.m.	n.m.
15 Link	1,011	1.98	(31%)	(65%)	(65%)	(65%)	10%	(39%)	(40%)	(46%)	1.6x	7.3x	9.2x
16 Weebit	564	3.25	56%	14%	14%	(19%)	70%	(8%)	6%	12%	n.m.	n.m.	n.m.
17 BrainChip	1,290	0.75	(14%)	10%	10%	(68%)	26%	8%	2%	(16%)	n.m.	n.m.	n.m.
18 SiteMinder	832	3.04	(2%)	(55%)	(55%)	(56%)	13%	(1%)	(1%)	(11%)	5.1x	n.m.	n.m.
19 Megaport	998	6.31	(19%)	(66%)	(66%)	(67%)	34%	(6%)	(4%)	(13%)	6.3x	n.m.	n.m.
20 Domain	1,712	2.71	(16%)	(52%)	(52%)	(53%)	11%	(2%)	(10%)	(16%)	5.0x	16.1x	30.2x
21 Hansen	1,037	5.14	16%	(4%)	(4%)	(16%)	19%	3%	4%	2%	3.5x	11.1x	22.7x
22 Silex Systems	657	3.20	7%	141%	141%	(23%)	223%	12%	11%	4%	n.m.	n.m.	n.m.
23 Tyro Payments	735	1.42	9%	(51%)	(51%)	(52%)	136%	(0%)	(5%)	18%	1.8x	24.5x	n.m.
24 Codan	743	4.10	(28%)	(56%)	(56%)	(59%)	13%	5%	(5%)	(27%)	1.8x	6.7x	10.8x
25 Dicker Data	1,835	10.19	(0%)	(31%)	(31%)	(35%)	12%	(3%)	(0%)	(5%)	0.7x	15.9x	23.2x
26 Novonix	716	1.47	(16%)	(84%)	(84%)	(86%)	6%	(18%)	(35%)	(38%)	20.6x	n.m.	n.m.
27 Audinate	579	7.48	3%	(15%)	(15%)	(27%)	50%	(4%)	(5%)	(11%)	8.7x	n.m.	n.m.
28 Temple & Webster	576	4.61	(8%)	(57%)	(57%)	(58%)	5%	(2%)	(9%)	(5%)	1.1x	32.2x	73.4x
29 Infomedica	449	1.20	2%	(22%)	(22%)	(33%)	13%	5%	2%	(10%)	3.0x	7.3x	25.2x
30 Nitro Software	537	2.22	38%	(10%)	(10%)	(10%)	107%	3%	8%	33%	4.6x	n.m.	n.m.
31 Kogan	375	3.50	15%	(60%)	(60%)	(61%)	32%	6%	4%	(2%)	0.6x	16.4x	n.m.
32 Praemium	407	0.80	19%	(46%)	(46%)	(46%)	80%	(3%)	(1%)	11%	4.4x	15.5x	43.4x
33 RPMGlobal	401	1.75	15%	(19%)	(19%)	(22%)	24%	2%	(1%)	7%	3.7x	29.1x	75.7x
34 Cettire	486	1.28	71%	(64%)	(64%)	(66%)	286%	(13%)	(14%)	12%	1.0x	29.5x	47.2x
35 Bigtincan	319	0.53	(1%)	(48%)	(48%)	(50%)	23%	(14%)	(11%)	(16%)	2.2x	n.m.	n.m.
36 FINEOS	488	1.53	22%	(67%)	(67%)	(67%)	27%	(1%)	2%	(0%)	2.0x	24.5x	n.m.
37 Appen	307	2.49	(20%)	(78%)	(78%)	(78%)	12%	(6%)	(7%)	(32%)	0.4x	6.8x	n.m.
38 Frontier Digital	258	0.68	7%	(56%)	(56%)	(57%)	10%	(2%)	(3%)	(11%)	3.5x	n.m.	n.m.
39 EML	236	0.63	(21%)	(80%)	(80%)	(81%)	56%	(1%)	7%	(24%)	1.0x	8.1x	14.9x
40 Elmo	481	4.83	116%	7%	7%	(0%)	136%	2%	10%	27%	4.5x	24.2x	n.m.
Average	4,201		7%	(30%)	(30%)	(41%)	49%	(3%)	(3%)	(5%)			

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-23)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Elmo	481	4.83	116%	7%	7%	(0%)	136%	2%	10%	27%	4.5x	24.2x	n.m.
2 Cettire	486	1.28	71%	(64%)	(64%)	(66%)	286%	(13%)	(14%)	12%	1.0x	29.5x	47.2x
3 Weebit	564	3.25	56%	14%	14%	(19%)	70%	(8%)	6%	12%	87.4x	n.m.	n.m.
4 Nitro Software	537	2.22	38%	(10%)	(10%)	(10%)	107%	3%	8%	33%	4.6x	n.m.	n.m.
5 Pushpay	1,363	1.20	26%	(2%)	(2%)	(11%)	46%	(1%)	3%	6%	4.2x	17.5x	28.7x
6 Technology One	4,261	13.14	24%	3%	3%	(9%)	38%	(4%)	2%	7%	10.2x	25.3x	44.1x
7 FINEOS	488	1.53	22%	(67%)	(67%)	(67%)	27%	(1%)	2%	(0%)	2.0x	24.5x	n.m.
8 Praemium	407	0.80	19%	(46%)	(46%)	(46%)	80%	(3%)	(1%)	11%	4.4x	15.5x	43.4x
9 Hansen	1,037	5.14	16%	(4%)	(4%)	(16%)	19%	3%	4%	2%	3.5x	11.1x	22.7x
10 RPMGlobal	401	1.75	15%	(19%)	(19%)	(22%)	24%	2%	(1%)	7%	3.7x	29.1x	75.7x
Average	1,003		40%	(19%)	(19%)	(27%)	83%	(2%)	2%	12%			

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-23)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Symbio	132	1.56	(51%)	(77%)	(77%)	(77%)	16%	(3%)	(26%)	(43%)	0.5x	3.9x	16.0x
2 Link	1,011	1.98	(31%)	(65%)	(65%)	(65%)	10%	(39%)	(40%)	(46%)	1.6x	7.3x	9.2x
3 Bravura	217	0.88	(29%)	(65%)	(65%)	(65%)	62%	7%	(7%)	(32%)	0.7x	11.2x	n.m.
4 Codan	743	4.10	(28%)	(56%)	(56%)	(59%)	13%	5%	(5%)	(27%)	1.8x	6.7x	10.8x
5 EML	236	0.63	(21%)	(80%)	(80%)	(81%)	56%	(1%)	7%	(24%)	1.0x	8.1x	14.9x
6 Appen	307	2.49	(20%)	(78%)	(78%)	(78%)	12%	(6%)	(7%)	(32%)	0.4x	6.8x	n.m.
7 Megaport	998	6.31	(19%)	(66%)	(66%)	(67%)	34%	(6%)	(4%)	(13%)	6.3x	n.m.	n.m.
8 Redbubble	144	0.52	(17%)	(84%)	(84%)	(85%)	13%	(11%)	(10%)	(36%)	0.1x	n.m.	n.m.
9 Novonix	716	1.47	(16%)	(84%)	(84%)	(86%)	6%	(18%)	(35%)	(38%)	20.6x	n.m.	n.m.
10 Domain	1,712	2.71	(16%)	(52%)	(52%)	(53%)	11%	(2%)	(10%)	(16%)	5.0x	16.1x	30.2x
Average	622		(25%)	(71%)	(71%)	(72%)	23%	(7%)	(11%)	(28%)			

Source: Capital IQ as at 31 December 2022

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