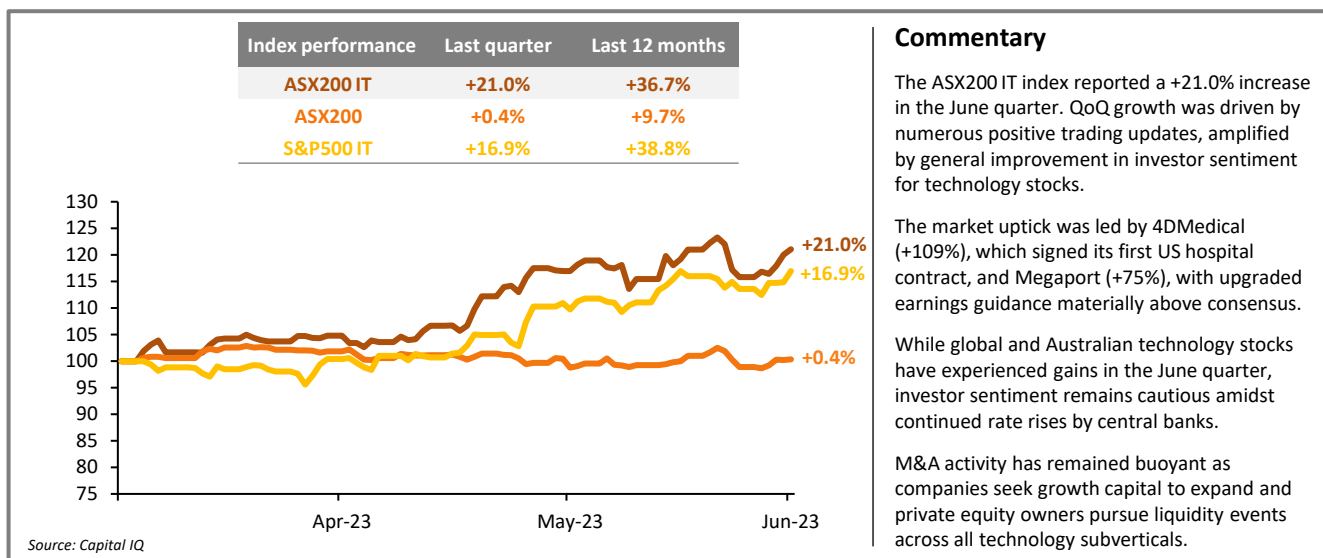


Quarterly performance



Commentary

The ASX200 IT index reported a +21.0% increase in the June quarter. QoQ growth was driven by numerous positive trading updates, amplified by general improvement in investor sentiment for technology stocks.

The market uptick was led by 4DMedical (+109%), which signed its first US hospital contract, and Megaport (+75%), with upgraded earnings guidance materially above consensus.

While global and Australian technology stocks have experienced gains in the June quarter, investor sentiment remains cautious amidst continued rate rises by central banks.

M&A activity has remained buoyant as companies seek growth capital to expand and private equity owners pursue liquidity events across all technology subverticals.

Quarterly M&A and other news

Date	Description
23-Jun-23	Volaris , a subsidiary of Constellation Software (TSE:CSU) , a diversified software company, has lobbed a NZ\$147m takeover bid for EROAD (ASX:ERD) after securing a c.18% stake in the fleet management group
21-Jun-23	Fusion5 , a Melbourne-headquartered IT services business backed by NZ-based Waterman Capital , is up for sale with an expected valuation between A\$200m – A\$300m
13-Jun-23	Thales (EPA:HO) , a French defence provider, has lobbed a 13c per share takeover bid for Tesseract (ASX:TNT) , Australia’s largest listed cybersecurity company, valuing it at A\$176m
5-Jun-23	Bombora Investment Management , an Australian-based pre-IPO investor has invested A\$2m into Autism 360 , an autism management tool and NDIS provider, valuing the company at A\$34m
1-Jun-23	X-Team , a provider of outsourced remote software engineers, is undergoing a strategic review including a potential partial sale and offshore expansion plans
30-May-23	Modica Group , a New Zealand SMS services business, is up for sale with an expected valuation of approximately c.A\$150m
22-May-23	Potentia Capital , an Australian mid-market private equity firm, has walked away from its bid for Tyro Payments (ASX:TYR) after eight months of engagement
9-May-23	Versent , a Melbourne-based cloud services group, has officially launched a sale process, with an expected valuation of over A\$500m
5-May-23	BGH Capital and Sixth Street have acquired control of PushPay , a listed donations payment technology provider, with most shareholders receiving NZ\$1.42 per share
4-May-23	Hub24 (ASX:HUB) , a SMSF and adviser software provider, has acquired myprosperity , a secure digital client portal solutions provider for professional services, for up to A\$51.5m subject to earnouts
26-Apr-23	ClearDynamics , a customised enterprise software start-up, has launched a process advised by Record Point seeking up to A\$20m at a A\$40m pre-money valuation
10-Apr-23	Intellihub , a smart meter provider backed by Brookfield and Pacific Equity Partners , has raised A\$500m debt to accelerate its rollout of smart meters, particularly in New Zealand

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed technology companies by market capitalisation (30 June 2023)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Block	60,855	96.89	(6%)	5%	7%	(24%)	17%	1%	4%	(5%)	2.1x	n.m.	n.m.
2 WiseTech	26,279	79.81	23%	57%	111%	(3%)	112%	2%	9%	20%	31.9x	n.m.	n.m.
3 REA	18,897	143.03	4%	29%	28%	(1%)	33%	6%	4%	9%	16.3x	30.0x	50.5x
4 Xero	17,993	118.93	33%	69%	55%	(2%)	89%	5%	14%	28%	13.1x	n.m.	n.m.
5 Computershare	14,115	23.38	8%	(11%)	(5%)	(18%)	15%	3%	4%	2%	3.4x	8.8x	14.3x
6 SEEK	7,694	21.72	(9%)	4%	3%	(17%)	16%	(1%)	(6%)	(8%)	7.2x	16.1x	30.2x
7 Carsales	8,974	23.82	8%	15%	30%	(4%)	30%	0%	2%	5%	12.9x	23.7x	33.6x
8 Pro Medicus	6,855	65.64	3%	19%	55%	(8%)	56%	(0%)	4%	4%	56.0x	n.m.	n.m.
9 Altium	4,860	36.92	(3%)	5%	37%	(11%)	37%	(2%)	(2%)	(3%)	12.0x	32.7x	50.1x
10 NEXTDC	6,474	12.58	20%	38%	18%	(4%)	52%	(0%)	4%	12%	21.0x	38.2x	n.m.
11 TechnologyOne	5,075	15.65	8%	19%	46%	(9%)	51%	(1%)	0%	5%	12.1x	30.2x	52.2x
12 Domain	2,394	3.79	8%	40%	26%	(8%)	55%	9%	11%	16%	7.1x	24.0x	60.1x
13 IRESS	1,880	10.25	3%	7%	(11%)	(16%)	23%	(1%)	(1%)	4%	3.6x	17.1x	32.8x
14 Dicker Data	1,477	8.20	0%	(20%)	(26%)	(40%)	7%	1%	(1%)	(5%)	0.5x	13.1x	19.1x
15 Data#3	1,113	7.20	(1%)	6%	55%	(8%)	57%	3%	0%	0%	0.4x	17.3x	28.0x
16 Link	854	1.67	(21%)	(15%)	(56%)	(65%)	1%	(13%)	(17%)	(17%)	1.0x	4.5x	8.6x
17 Codan	1,455	8.03	48%	96%	15%	(10%)	121%	7%	14%	34%	3.6x	13.8x	23.1x
18 Life360	1,513	7.60	54%	56%	168%	-	173%	8%	21%	32%	3.6x	n.m.	n.m.
19 SiteMinder	797	2.92	(15%)	(4%)	(17%)	(36%)	16%	(2%)	(8%)	(13%)	4.9x	n.m.	n.m.
20 Hansen	1,045	5.17	12%	1%	(1%)	(15%)	20%	3%	8%	9%	3.5x	11.4x	20.0x
21 Silex Systems	928	3.94	1%	23%	88%	(26%)	91%	(2%)	4%	(1%)	444.2x	n.m.	n.m.
22 Weebit	950	5.07	2%	56%	113%	(44%)	154%	(21%)	(17%)	(19%)	n.m.	n.m.	n.m.
23 BrainChip	648	0.37	(23%)	(51%)	(54%)	(73%)	11%	(10%)	(14%)	(28%)	49.0x	n.m.	n.m.
24 Tyro Payments	593	1.14	(21%)	(19%)	90%	(37%)	88%	9%	(8%)	(17%)	1.4x	14.2x	82.3x
25 Audinate	720	9.29	7%	24%	23%	(9%)	36%	(2%)	1%	8%	10.7x	n.m.	n.m.
26 Megaport	1,145	7.22	75%	14%	32%	(27%)	89%	(0%)	24%	28%	7.3x	n.m.	n.m.
27 Novonix	480	0.99	(22%)	(33%)	(57%)	(70%)	9%	(8%)	(6%)	(27%)	48.0x	n.m.	n.m.
28 Infomedia	601	1.60	7%	34%	(4%)	(6%)	51%	3%	7%	15%	4.2x	10.9x	39.3x
29 FINEOS	711	2.22	66%	46%	50%	(3%)	102%	12%	28%	42%	3.3x	n.m.	n.m.
30 Nuix	270	0.85	(36%)	36%	12%	(47%)	63%	(2%)	(15%)	(23%)	1.4x	7.1x	n.m.
31 Praemium	339	0.68	(9%)	(16%)	45%	(27%)	31%	10%	5%	(3%)	4.0x	12.7x	24.0x
32 Appen	374	2.39	(15%)	(4%)	(57%)	(64%)	25%	(20%)	(14%)	(13%)	0.7x	n.m.	n.m.
33 RPMGlobal	336	1.48	1%	(16%)	(11%)	(24%)	14%	(0%)	4%	1%	3.4x	24.6x	76.4x
34 Cogstate	286	1.65	10%	(16%)	8%	(33%)	45%	(2%)	5%	(2%)	4.2x	42.3x	85.0x
35 Bigtincan	310	0.51	29%	(4%)	2%	(38%)	34%	1%	7%	3%	2.0x	42.3x	n.m.
36 EML	234	0.63	14%	(1%)	(49%)	(58%)	60%	(3%)	(5%)	7%	1.0x	8.9x	n.m.
37 Bravura	211	0.47	18%	(46%)	(67%)	(73%)	62%	3%	6%	7%	0.9x	n.m.	n.m.
38 Alcidion	120	0.10	(24%)	(34%)	(14%)	(47%)	4%	1%	(5%)	(14%)	2.9x	n.m.	n.m.
39 Symbio	172	2.02	13%	29%	(42%)	(56%)	50%	9%	9%	12%	0.7x	5.6x	19.9x
40 4DMedical	231	0.67	109%	60%	14%	(47%)	131%	(11%)	(20%)	(11%)	59.8x	n.m.	n.m.
Average	5,006		9%	12%	17%	(28%)	53%	(0%)	2%	2%			

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 (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 4DMedical	231	0.67	109%	60%	14%	(47%)	131%	(11%)	(20%)	(11%)	59.8x	n.m.	n.m.
2 Megaport	1,145	7.22	75%	14%	32%	(27%)	89%	(0%)	24%	28%	7.3x	n.m.	n.m.
3 FINEOS	711	2.22	66%	46%	50%	(3%)	102%	12%	28%	42%	3.3x	n.m.	n.m.
4 Life360	1,513	7.60	54%	56%	168%	-	173%	8%	21%	32%	3.6x	n.m.	n.m.
5 Codan	1,455	8.03	48%	96%	15%	(10%)	121%	7%	14%	34%	3.6x	13.8x	23.1x
6 Xero	17,993	118.93	33%	69%	55%	(2%)	89%	5%	14%	28%	13.1x	n.m.	n.m.
7 Bigtincan	310	0.51	29%	(4%)	2%	(38%)	34%	1%	7%	3%	2.0x	42.3x	n.m.
8 WiseTech	26,279	79.81	23%	57%	111%	(3%)	112%	2%	9%	20%	31.9x	n.m.	n.m.
9 NEXTDC	6,474	12.58	20%	38%	18%	(4%)	52%	(0%)	4%	12%	21.0x	38.2x	n.m.
10 Bravura	211	0.47	18%	(46%)	(67%)	(73%)	62%	3%	6%	7%	0.9x	n.m.	n.m.
Average	5,632		47%	39%	40%	(21%)	96%	3%	11%	19%			

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 (FY23F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Nuix	270	0.85	(36%)	36%	12%	(47%)	63%	(2%)	(15%)	(23%)	1.4x	7.1x	n.m.
2 Alcidion	120	0.10	(24%)	(34%)	(14%)	(47%)	4%	1%	(5%)	(14%)	2.9x	n.m.	n.m.
3 BrainChip	648	0.37	(23%)	(51%)	(54%)	(73%)	11%	(10%)	(14%)	(28%)	49.0x	n.m.	n.m.
4 Novonix	480	0.99	(22%)	(33%)	(57%)	(70%)	9%	(8%)	(6%)	(27%)	48.0x	n.m.	n.m.
5 Link	854	1.67	(21%)	(15%)	(56%)	(65%)	1%	(13%)	(17%)	(17%)	1.0x	4.5x	8.6x
6 Tyro Payments	593	1.14	(21%)	(19%)	90%	(37%)	88%	9%	(8%)	(17%)	1.4x	14.2x	82.3x
7 Appen	374	2.39	(15%)	(4%)	(57%)	(64%)	25%	(20%)	(14%)	(13%)	0.7x	n.m.	n.m.
8 SiteMinder	797	2.92	(15%)	(4%)	(17%)	(36%)	16%	(2%)	(8%)	(13%)	4.9x	n.m.	n.m.
9 Praemium	339	0.68	(9%)	(16%)	45%	(27%)	31%	10%	5%	(3%)	4.0x	12.7x	24.0x
10 SEEK	7,694	21.72	(9%)	4%	3%	(17%)	16%	(1%)	(6%)	(8%)	7.2x	16.1x	30.2x
Average	1,217		(20%)	(14%)	(10%)	(48%)	27%	(4%)	(9%)	(16%)			

Source: Capital IQ as at 30 June 2023

Notes: (1) Calendarised to June year end; (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.