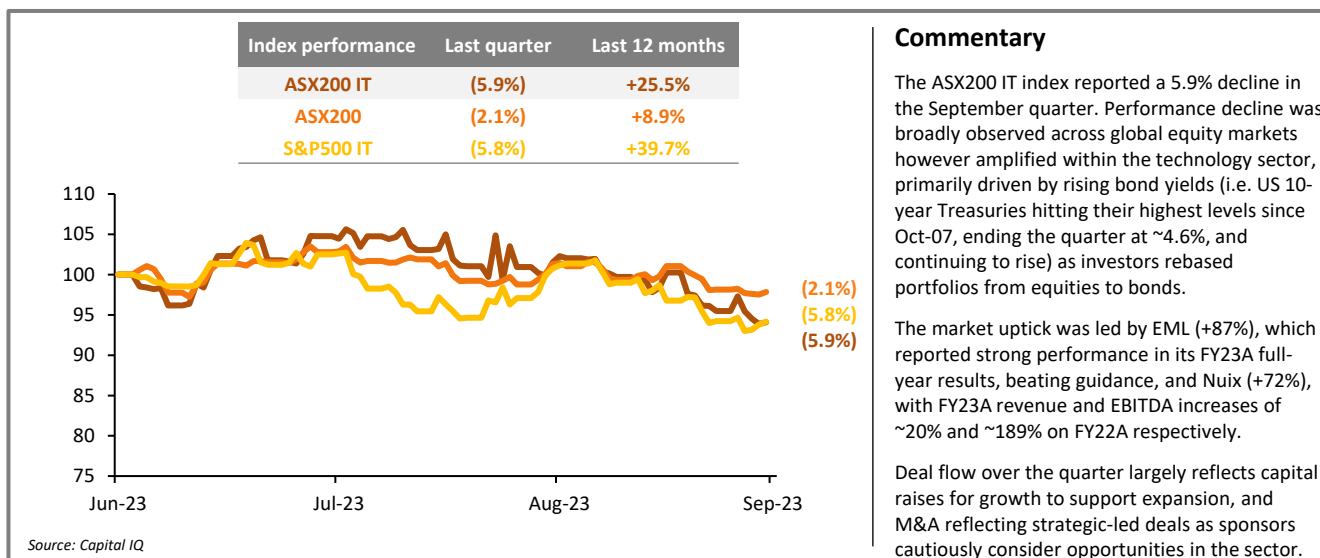


Quarterly performance



Commentary

The ASX200 IT index reported a 5.9% decline in the September quarter. Performance decline was broadly observed across global equity markets however amplified within the technology sector, primarily driven by rising bond yields (i.e. US 10-year Treasuries hitting their highest levels since Oct-07, ending the quarter at ~4.6%, and continuing to rise) as investors rebased portfolios from equities to bonds.

The market uptick was led by EML (+87%), which reported strong performance in its FY23A full-year results, beating guidance, and Nuix (+72%), with FY23A revenue and EBITDA increases of ~20% and ~189% on FY22A respectively.

Deal flow over the quarter largely reflects capital raises for growth to support expansion, and M&A reflecting strategic-led deals as sponsors cautiously consider opportunities in the sector.

Quarterly M&A and other news

Date	Description
25-Sep-23	MadeComfy , short-term rental property management company, launches capital raise for ~A\$5m target after less than a year from its last A\$10m raise in Dec-22
24-Sep-23	AirTrunk , data centre giant, is considering an IPO with valuation north of A\$10bn having sent RFPs to investment banks
20-Sep-23	Rival start-ups me&u (advised by Record Point) and Mr Yum , providers of hospitality ordering and payments technology, announce all-stock merger
15-Sep-23	Atturra , provider of IT solutions provider and advisory services, revises its offer to acquire Cirrus , listed managed service and IT solutions provider, via Scheme of Arrangement to A\$0.063 per share
14-Sep-23	Torqn , mining tech startup, seeks to A\$5m from investors for Series A
12-Sep-23	PainChek , pain management technology provider, seeks A\$3m equity injection
7-Sep-23	Telstra (advised by Record Point), Australian telco, preparing to make a binding offer for Versent , provider of cloud transformation and cybersecurity products, after the process launched in May-23
7-Sep-23	Audinate , audiovisual technology company, kicked off a A\$50m raise
29-Aug-23	An equity slice (A\$37.8m) of Hansen Technologies , listed billing software business, was shopped around by Andrew Hansen, Managing Director on behalf of the family
27-Aug-23	View.com.au , real estate portal based on aerial maps, is eyed by View Media Group , venture between ex-Domain CEO (Antony Catalano) and Melbourne billionaire (Alex Waislitz) as a buyout target
16-Aug-23	The auction for TEG , Ticketek's parent, is likely stalled given rumoured above market price expectations (~A\$3bn) of vendor Silver Lake
15-Aug-23	Fineos , listed insurance software player, raises A\$40m to fortify balance sheet at 15% discount to 5-day VWAP
8-Aug-23	Canva , online design/publishing software, adds ICONIQ Capital and Coatue Management, both US-based technology investment managers, at a valuation of A\$39bn
3-Aug-23	GigaComm , fast internet provider, raising A\$100m to finance the infrastructure investment to reach one million Australian households
1-Aug-23	Symbio , listed UCaaS (unified communications) and collaboration services provider, receives NBIO from Superloop , listed operator of telco infrastructure through APAC, for ~A\$243m
13-Jul-23	Tyro Payments , payment and banking solutions, observes Grok Ventures , Mike Cannon-Brookes' private investment vehicle, fully exit its A\$77m stake via block trade

Sources: Capital IQ, Mergermarket, press reports.

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

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY24F) ⁽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	42,011	69.09	(30%)	(25%)	(22%)	(44%)	1%	(13%)	(27%)	(27%)	1.2x	15.4x	21.0x
2 WiseTech	21,482	65.05	(18%)	28%	18%	(27%)	33%	(5%)	(13%)	(12%)	20.1x	45.1x	80.8x
3 REA	20,388	154.32	9%	39%	31%	(7%)	44%	(4%)	(1%)	6%	14.6x	26.3x	44.3x
4 Xero	17,023	112.43	(4%)	60%	46%	(12%)	79%	(5%)	(6%)	2%	10.3x	37.2x	n.m.
5 Computershare	15,673	25.96	12%	(1%)	5%	(8%)	28%	1%	4%	10%	3.6x	9.2x	14.5x
6 Carsales	10,531	27.94	18%	35%	37%	(7%)	52%	(4%)	4%	10%	10.8x	20.4x	31.8x
7 Pro Medicus	8,711	83.39	25%	51%	57%	(1%)	69%	11%	17%	25%	54.0x	n.m.	n.m.
8 SEEK	7,818	22.07	3%	5%	1%	(16%)	18%	(1%)	(5%)	(5%)	7.3x	16.3x	31.8x
9 NEXTDC	6,377	12.39	(1%)	36%	37%	(14%)	49%	(4%)	(4%)	(0%)	17.2x	36.1x	n.m.
10 Altium	5,701	43.21	17%	23%	23%	(13%)	31%	(5%)	2%	7%	10.9x	29.9x	44.0x
11 Technology One	5,032	15.51	(1%)	18%	41%	(9%)	49%	(1%)	1%	(0%)	10.6x	24.2x	44.7x
12 Domain	2,524	4.00	8%	48%	27%	(7%)	64%	2%	4%	11%	6.9x	19.7x	45.8x
13 Megaport	1,872	11.77	66%	87%	46%	(7%)	207%	4%	13%	47%	9.5x	34.0x	n.m.
14 Dicker Data	1,743	9.67	16%	(5%)	(5%)	(14%)	29%	1%	12%	14%	0.6x	13.3x	20.6x
15 Life360	1,673	8.33	14%	71%	65%	(12%)	89%	(5%)	1%	17%	3.0x	45.7x	88.5x
16 Codan	1,432	7.90	(0%)	93%	36%	(6%)	117%	(1%)	1%	7%	3.0x	11.2x	19.1x
17 SiteMinder	1,265	4.63	64%	52%	56%	(6%)	84%	(2%)	10%	23%	6.4x	n.m.	n.m.
18 Audinate	1,104	13.53	45%	81%	82%	(8%)	98%	0%	10%	19%	11.9x	n.m.	n.m.
19 Data#3	1,095	7.08	(1%)	5%	13%	(10%)	17%	1%	1%	0%	0.2x	11.4x	26.4x
20 Hansen	1,073	5.29	1%	3%	18%	(13%)	22%	(1%)	(1%)	4%	3.3x	10.3x	18.2x
21 IRESS	1,068	5.82	(43%)	(39%)	(33%)	(47%)	4%	(8%)	(21%)	(32%)	2.4x	12.1x	21.2x
22 Silex Systems	826	3.50	(13%)	9%	12%	(34%)	37%	1%	1%	(4%)	342.9x	n.m.	n.m.
23 Link	708	1.38	(29%)	(30%)	(53%)	(62%)	15%	2%	(4%)	(19%)	1.6x	6.4x	8.3x
24 Tyro Payments	708	1.36	14%	(4%)	4%	(25%)	46%	(1%)	4%	6%	1.4x	12.7x	50.3x
25 FINEOS	672	2.00	(10%)	31%	59%	(28%)	82%	1%	(7%)	7%	2.9x	28.8x	n.m.
26 Weebit	596	3.18	(37%)	(2%)	50%	(65%)	59%	(16%)	(32%)	(40%)	n.m.	n.m.	n.m.
27 Infomedia	593	1.58	(0%)	32%	33%	(11%)	49%	3%	(1%)	2%	3.8x	9.7x	29.7x
28 Nuix	458	1.43	72%	128%	148%	(20%)	174%	(4%)	3%	13%	2.4x	10.7x	n.m.
29 EML	440	1.18	87%	87%	42%	(6%)	201%	4%	22%	45%	1.6x	9.5x	15.5x
30 Novonix	403	0.83	(17%)	(44%)	(54%)	(74%)	34%	(3%)	(9%)	(16%)	84.2x	n.m.	n.m.
31 RPMGlobal	338	1.50	3%	(14%)	(14%)	(23%)	16%	1%	(2%)	1%	2.9x	18.8x	41.2x
32 BrainChip	337	0.19	(48%)	(74%)	(78%)	(80%)	15%	(25%)	(36%)	(46%)	7.8x	n.m.	n.m.
33 Bravura	334	0.75	57%	(15%)	(44%)	(43%)	157%	(1%)	24%	50%	1.2x	n.m.	n.m.
34 Praemium	297	0.60	(11%)	(26%)	(9%)	(35%)	10%	(10%)	(4%)	(6%)	3.0x	9.3x	18.6x
35 Cogstate	262	1.53	(5%)	(22%)	(31%)	(38%)	34%	1%	1%	(0%)	3.0x	13.8x	32.2x
36 Symbio	226	2.64	29%	69%	(18%)	(26%)	96%	5%	9%	22%	0.9x	6.2x	20.4x
37 Bigtincan	222	0.37	(28%)	(31%)	(34%)	(53%)	35%	10%	(10%)	(17%)	1.4x	14.5x	42.6x
38 Appen	196	1.24	(49%)	(50%)	(62%)	(69%)	6%	(12%)	(36%)	(49%)	0.3x	n.m.	n.m.
39 4DMedical	156	0.45	(36%)	7%	(21%)	(65%)	55%	(21%)	(31%)	(43%)	19.6x	n.m.	n.m.
40 Alcidion	140	0.11	13%	(24%)	(12%)	(35%)	21%	(3%)	(2%)	5%	2.7x	n.m.	n.m.
Average	4,588		5%	17%	13%	(27%)	58%	(3%)	(3%)	1%			

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 (FY24F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 EML	440	1.18	87%	87%	42%	(6%)	201%	4%	22%	45%	1.6x	9.5x	15.5x
2 Nuix	458	1.43	72%	128%	148%	(20%)	174%	(4%)	3%	13%	2.4x	10.7x	n.m.
3 Megaport	1,872	11.77	66%	87%	46%	(7%)	207%	4%	13%	47%	9.5x	34.0x	n.m.
4 SiteMinder	1,265	4.63	64%	52%	56%	(6%)	84%	(2%)	10%	23%	6.4x	n.m.	n.m.
5 Bravura	334	0.75	57%	(15%)	(44%)	(43%)	157%	(1%)	24%	50%	1.2x	n.m.	n.m.
6 Audinate	1,104	13.53	45%	81%	82%	(8%)	98%	0%	10%	19%	11.9x	n.m.	n.m.
7 Symbio	226	2.64	29%	69%	(18%)	(26%)	96%	5%	9%	22%	0.9x	6.2x	20.4x
8 Pro Medicus	8,711	83.39	25%	51%	57%	(1%)	69%	11%	17%	25%	54.0x	n.m.	n.m.
9 Carsales	10,531	27.94	18%	35%	37%	(7%)	52%	(4%)	4%	10%	10.8x	20.4x	31.8x
10 Altium	5,701	43.21	17%	23%	23%	(13%)	31%	(5%)	2%	7%	10.9x	29.9x	44.0x
Average	3,064		48%	60%	43%	(14%)	117%	1%	11%	26%			

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 (FY24F) ⁽¹⁾		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Appen	196	1.24	(49%)	(50%)	(62%)	(69%)	6%	(12%)	(36%)	(49%)	0.3x	n.m.	n.m.
2 BrainChip	337	0.19	(48%)	(74%)	(78%)	(80%)	15%	(25%)	(36%)	(46%)	7.8x	n.m.	n.m.
3 IRESS	1,068	5.82	(43%)	(39%)	(33%)	(47%)	4%	(8%)	(21%)	(32%)	2.4x	12.1x	21.2x
4 Weebit	596	3.18	(37%)	(2%)	50%	(65%)	59%	(16%)	(32%)	(40%)	n.m.	n.m.	n.m.
5 4DMedical	156	0.45	(36%)	7%	(21%)	(65%)	55%	(21%)	(31%)	(43%)	19.6x	n.m.	n.m.
6 Block	42,011	69.09	(30%)	(25%)	(22%)	(44%)	1%	(13%)	(27%)	(27%)	1.2x	15.4x	21.0x
7 Link	708	1.38	(29%)	(30%)	(53%)	(62%)	15%	2%	(4%)	(19%)	1.6x	6.4x	8.3x
8 Bigtincan	222	0.37	(28%)	(31%)	(34%)	(53%)	35%	10%	(10%)	(17%)	1.4x	14.5x	42.6x
9 WiseTech	21,482	65.05	(18%)	28%	18%	(27%)	33%	(5%)	(13%)	(12%)	20.1x	45.1x	80.8x
10 Novonix	403	0.83	(17%)	(44%)	(54%)	(74%)	34%	(3%)	(9%)	(16%)	84.2x	n.m.	n.m.
Average	6,718		(33%)	(26%)	(29%)	(58%)	26%	(9%)	(22%)	(30%)			

Source: Capital IQ as at 30 September 2023.

Notes: (1) Calendarised to June year end. EV/EBITDA multiples are considered 'n.m.' if they are ≥50x. P/E multiples are considered 'n.m.' if they are ≥100x; (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.