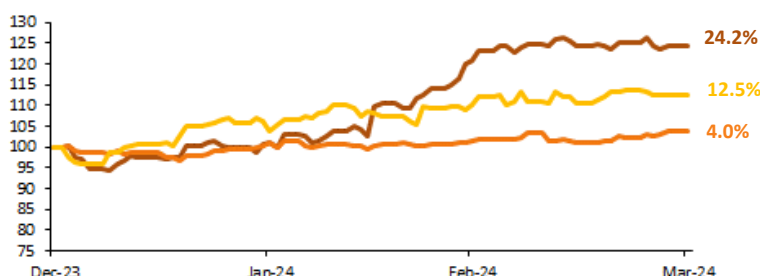


### Quarterly performance

Index performance	Last quarter	Last 12 months
ASX200 IT	+24.2%	+47.8%
ASX200	+4.0%	+9.3%
S&P500 IT	+12.5%	+45.7%



Source: Capital IQ

### Commentary

The ASX200 IT index surged by 24.2% in the March quarter, a significant improvement from the 6.5% increase in the previous quarter, driven by factors boosting investor sentiment.

Technology companies have emerged over the past 12 months as leaner organisations with more targeted strategies, contributing to a strong earnings season across the board. The market uptick was once again led by major players such as Block and Wisetech, which saw share price increases of 11% and 25% respectively QoQ.

Q1 2024 also saw a spike in M&A activity, contrasting the previous quarter's focus on capital raisings. This period also witnessed consolidation in data centres and software, with increased cross border investment, particularly from US firms. Strategic acquisitions aimed at expansion have been positively received by investors, driving share prices and market sentiment higher.

### Quarterly M&A and other news

Date	Description
26-Mar-24	<b>Canva</b> , an Australia-based graphic design software developer, announced the acquisition of Affinity, a software suite for design professionals
14-Mar-24	<b>Innodata Inc</b> , a US based software services provider withdrew its non-binding, indicative offer to acquire <b>Appen Ltd</b> (ASX:APX), an Australian based data provider for \$155.3m on the basis that it was intended to remain confidential.
12-Mar-24	Australian based data centre operator, <b>NEXTDC Ltd</b> (ASX:NXT) has acquired <b>S6 data centre</b> from <b>GH Cloud Management PTY Ltd</b> for \$184m.
10-Mar-24	US based point-of-sale provider, <b>Par Technology Corp</b> (NYSE:PAR) is to acquire <b>Task Retail Technology</b> (ASX:TSK) for \$343.1m, consisting of \$153.7m in cash and \$188.4 paid in common shares. The transaction is subject to regulatory and court approvals and is expected to close in the third quarter of 2024.
27-Feb-24	Investment firm, <b>Salter Brothers</b> (ASX:SB2) is set to acquire c.95% of Prospa Group, a local software fintech company via scheme of arrangement. The consideration was \$74.4m based on an offer price of \$0.45 per share. The transaction is subject to shareholder, FIRB and Court approval and is expected to close August 2024.
15-Feb-24	<b>Integrated Wellness Acquisition Corp</b> (NYSE:WEL) is to acquire <b>Btab Ecommerce Group</b> , the Australian based e-commerce company that provides technology to small businesses in underserved markets for consideration of \$250m. The transaction is subject to completion of due-diligence and shareholder approvals, with the expectation to close in second half of 2024.
13-Feb-24	US-based software company, <b>Datasite Global Corp</b> is set to acquire Australian competitor, <b>Ansarada Group Ltd</b> (ASX:AND) for \$236.2m based on offer price of \$2.50 per share. The deal is subject to FIRB approval and is expected to close mid-2024.
30-Jan-24	Venture capital firm, <b>AirTree Ventures Pty Ltd</b> has acquired an undisclosed stake in <b>Procure Pro Holdings Pty Ltd</b> , an Australian software company offering procurement and subcontract management software.
24-Jan-24	<b>Autodesk Inc</b> (NASDAQ:ADSK), a US based software company is to acquire Australian fintech platform, <b>Payapps Pty Ltd</b> . The transaction is expected to complete during Autodesk's first quarter of FY25, ending April 30 2024.

Sources: Capital IQ, Mergermarket, press reports.

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

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY24F) <sup>(1)</sup>		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Block	80,234	129.00	11%	11%	25%	(1%)	113%	5%	15%	31%	2.3x	35.8x	49.2x
2 WiseTech	31,080	93.95	25%	25%	44%	(4%)	63%	(1%)	12%	27%	29.3x	n.m.	n.m.
3 REA	24,504	185.47	2%	2%	34%	(5%)	44%	1%	1%	9%	17.4x	31.7x	54.3x
4 Xero	20,226	133.32	19%	19%	49%	(4%)	49%	(1%)	8%	16%	12.4x	43.6x	n.m.
5 Computershare	15,548	26.11	7%	7%	21%	(2%)	25%	3%	3%	5%	3.6x	9.3x	14.5x
6 Carsales	13,604	36.08	16%	16%	63%	(2%)	63%	1%	6%	19%	13.4x	25.3x	39.2x
7 Pro Medicus	10,834	103.75	8%	8%	62%	(7%)	77%	5%	5%	11%	66.6x	n.m.	n.m.
8 SEEK	8,908	25.05	(6%)	(6%)	5%	(8%)	24%	(3%)	(2%)	3%	8.7x	20.3x	42.7x
9 NEXTDC	9,157	17.79	30%	30%	70%	(2%)	68%	3%	13%	23%	24.4x	n.m.	n.m.
10 Altium	8,604	65.22	39%	39%	71%	(3%)	87%	1%	4%	13%	17.6x	n.m.	72.1x
11 TechnologyOne	5,525	16.97	10%	10%	17%	(1%)	18%	2%	5%	8%	11.2x	28.1x	48.8x
12 Domain	2,069	3.28	(5%)	(5%)	(7%)	(24%)	8%	(0%)	(1%)	(3%)	5.8x	16.8x	41.5x
13 Dicker Data	1,942	10.77	(10%)	(10%)	32%	(16%)	43%	(1%)	(3%)	(3%)	0.8x	14.5x	22.2x
14 Macquarie Technology	1,942	79.59	16%	16%	36%	(6%)	39%	1%	7%	13%	5.4x	18.2x	64.3x
15 Codan	1,971	10.87	27%	27%	100%	(1%)	102%	3%	15%	24%	3.9x	15.0x	25.0x
16 Life360	2,690	13.09	73%	73%	165%	(5%)	176%	9%	28%	41%	5.1x	n.m.	n.m.
17 IRESS	1,495	8.29	2%	2%	(16%)	(24%)	68%	(2%)	1%	15%	3.0x	22.9x	n.m.
18 Megaport	2,394	14.99	63%	63%	264%	(4%)	284%	1%	18%	32%	12.0x	42.9x	n.m.
19 SiteMinder	1,546	5.63	10%	10%	64%	(4%)	124%	(0%)	3%	10%	7.9x	n.m.	n.m.
20 Audinate	1,740	20.94	29%	29%	142%	(11%)	147%	(7%)	5%	18%	17.4x	n.m.	n.m.
21 Data#3	1,281	8.28	(2%)	(2%)	14%	(17%)	37%	(3%)	(3%)	1%	0.4x	19.4x	29.5x
22 Link	1,150	2.23	2%	2%	6%	(1%)	109%	0%	1%	19%	1.8x	6.8x	13.5x
23 Hansen	989	4.87	(4%)	(4%)	5%	(20%)	11%	(1%)	(3%)	(4%)	2.8x	10.6x	20.3x
24 Weebit	631	3.35	(22%)	(22%)	(33%)	(58%)	22%	(15%)	(14%)	(12%)	n.m.	n.m.	n.m.
25 FINEOS	572	1.69	(12%)	(12%)	26%	(39%)	27%	(1%)	(4%)	(3%)	2.5x	19.8x	n.m.
26 Nuix	718	2.23	18%	18%	68%	(1%)	193%	7%	18%	25%	3.5x	12.1x	66.5x
27 Tyro Payments	540	1.03	(7%)	(7%)	(28%)	(37%)	21%	(6%)	(6%)	(4%)	1.1x	9.1x	31.6x
28 Infomedia	668	1.78	24%	24%	19%	(1%)	34%	9%	12%	15%	4.3x	11.4x	32.6x
29 RPMGlobal	496	2.21	26%	26%	51%	(6%)	71%	(1%)	9%	21%	4.2x	22.7x	36.7x
30 OFX Group	386	1.63	8%	8%	4%	(26%)	23%	(2%)	3%	7%	1.6x	6.4x	12.7x
31 Novonix	420	0.86	17%	17%	(32%)	(36%)	64%	(10%)	4%	11%	24.4x	n.m.	n.m.
32 BrainChip	572	0.31	82%	82%	(35%)	(42%)	114%	(17%)	(10%)	9%	3,252.8x	n.m.	n.m.
33 EML	461	1.23	56%	56%	124%	(4%)	139%	9%	26%	27%	1.8x	9.0x	27.1x
34 4DMedical	254	0.65	(9%)	(9%)	103%	(49%)	117%	(10%)	(4%)	(12%)	38.6x	n.m.	n.m.
35 Symbio	255	2.97	13%	90%	90%	(6%)	103%	1%	1%	10%	1.1x	7.0x	23.0x
36 DUG Technology	318	2.69	42%	42%	177%	(6%)	196%	7%	16%	30%	3.3x	13.0x	57.0x
37 Praemium	214	0.44	13%	13%	(41%)	(42%)	26%	(2%)	8%	2%	2.2x	9.1x	21.4x
38 4DS Memory	159	0.09	5%	5%	181%	(58%)	260%	(18%)	(6%)	(9%)	n.m.	n.m.	n.m.
39 Appen	130	0.59	(7%)	(7%)	(79%)	(85%)	125%	(23%)	1%	(5%)	0.3x	n.m.	n.m.
40 Alcideon	68	0.05	(32%)	(32%)	(59%)	(61%)	28%	2%	(3%)	(22%)	1.6x	n.m.	n.m.
<b>Average</b>	<b>6,407</b>		<b>14%</b>	<b>16%</b>	<b>45%</b>	<b>(18%)</b>	<b>84%</b>	<b>(1%)</b>	<b>5%</b>	<b>10%</b>	<b>95.2x</b>	<b>18.5x</b>	<b>36.8x</b>

## Top 10 best performers in the last quarter<sup>(2)</sup>

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY24F) <sup>(1)</sup>		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 BrainChip	572	0.31	82%	82%	(35%)	(42%)	114%	(17%)	(10%)	9%	3,252.8x	n.m.	n.m.
2 Life360	2,690	13.09	73%	73%	165%	(5%)	176%	9%	28%	41%	5.1x	n.m.	n.m.
3 Megaport	2,394	14.99	63%	63%	264%	(4%)	284%	1%	18%	32%	12.0x	42.9x	n.m.
4 EML	461	1.23	56%	56%	124%	(4%)	139%	9%	26%	27%	1.8x	9.0x	27.1x
5 DUG Technology	318	2.69	42%	42%	177%	(6%)	196%	7%	16%	30%	3.3x	13.0x	57.0x
6 Altium	8,604	65.22	39%	39%	71%	(3%)	87%	1%	4%	13%	17.6x	n.m.	72.1x
7 NEXTDC	9,157	17.79	30%	30%	70%	(2%)	68%	3%	13%	23%	24.4x	n.m.	n.m.
8 Audinate	1,740	20.94	29%	29%	142%	(11%)	147%	(7%)	5%	18%	17.4x	n.m.	n.m.
9 Codan	1,971	10.87	27%	27%	100%	(1%)	102%	3%	15%	24%	3.9x	15.0x	25.0x
10 RPMGlobal	496	2.21	26%	26%	51%	(6%)	71%	(1%)	9%	21%	4.2x	22.7x	36.7x
<b>Average</b>	<b>2,840</b>		<b>47%</b>	<b>47%</b>	<b>113%</b>	<b>(8%)</b>	<b>138%</b>	<b>1%</b>	<b>12%</b>	<b>24%</b>	<b>334.3x</b>	<b>20.5x</b>	<b>43.6x</b>

## Top 10 worst performers in the last quarter<sup>(2)</sup>

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (FY24F) <sup>(1)</sup>		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Alcideon	68	0.05	(32%)	(32%)	(59%)	(61%)	28%	2%	(3%)	(22%)	1.6x	n.m.	n.m.
2 Weebit	631	3.35	(22%)	(22%)	(33%)	(58%)	22%	(15%)	(14%)	(12%)	n.m.	n.m.	n.m.
3 FINEOS	572	1.69	(12%)	(12%)	26%	(39%)	27%	(1%)	(4%)	(3%)	2.5x	19.8x	n.m.
4 Dicker Data	1,942	10.77	(10%)	(10%)	32%	(16%)	43%	(1%)	(3%)	(3%)	0.8x	14.5x	22.2x
5 4DMedical	254	0.65	(9%)	(9%)	103%	(49%)	117%	(10%)	(4%)	(12%)	38.6x	n.m.	n.m.
6 Appen	130	0.59	(7%)	(7%)	(79%)	(85%)	125%	(23%)	1%	(5%)	0.3x	n.m.	n.m.
7 Tyro Payments	540	1.03	(7%)	(7%)	(28%)	(37%)	21%	(6%)	(6%)	(4%)	1.1x	9.1x	31.6x
8 SEEK	8,908	25.05	(6%)	(6%)	5%	(8%)	24%	(3%)	(2%)	3%	8.7x	20.3x	42.7x
9 Domain	2,069	3.28	(5%)	(5%)	(7%)	(24%)	8%	(0%)	(1%)	(3%)	5.8x	16.8x	41.5x
10 Hansen	989	4.87	(4%)	(4%)	5%	(20%)	11%	(1%)	(3%)	(4%)	2.8x	10.6x	20.3x
<b>Average</b>	<b>1,610</b>		<b>(11%)</b>	<b>(11%)</b>	<b>(4%)</b>	<b>(40%)</b>	<b>43%</b>	<b>(6%)</b>	<b>(4%)</b>	<b>(7%)</b>	<b>6.9x</b>	<b>15.2x</b>	<b>31.7x</b>

Source: Capital IQ as at 31 December 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.