



Technology sector update

February 2020

Blackpeak is a leading independent investment banking & advisory firm

- We are an independent corporate advisory firm based in Sydney providing corporate finance and strategic advice on mergers & acquisitions, strategy and capital raisings
- We strive to be our client's trusted advisor and confidant and are focused on building long term relationships with clients to assist them achieve their growth ambitions and maximise value
- **Blackpeak is the most active independent adviser to technology growth companies in ANZ, completing ~30+ technology transactions in the last 5 years**



Mergers & acquisitions

- Strategic and financial evaluation
- Execution of private and public market transactions including takeover defence
- Designing optimal sale processes to create competitive tension to maximise value
- Negotiating and structuring complex transactions



Strategic advice

- Evaluate all options to maximise shareholder value
- Identify & evaluate acquisition targets
- Portfolio review to consider value impacts of potential divestments
- Balance sheet & capital structure advice
- Capital management options including dividend policy and other initiatives



Capital raising advisory

- Private capital raising including pre-IPO financing
- Advice on IPOs and secondary equity capital raisings including both initial planning, structuring and execution
- Debt and hybrid raisings

AGC strategic alliance: leading local coverage + global distribution

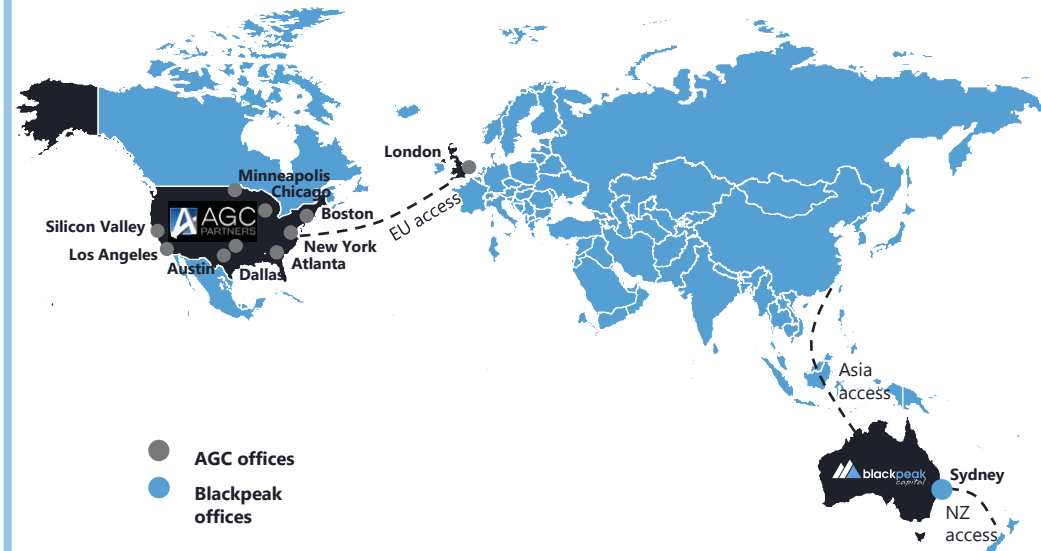
AGC Partners

- **Leading tech investment bank:** AGC is ranked as the most active boutique bank dedicated to tech, having completed more than 390 M&A and growth equity transactions since inception in 2003. More than 50 professionals, including 20 partners, with offices in Boston (HQ), Silicon Valley, New York, Chicago, Dallas, Los Angeles, Minneapolis, Austin, Atlanta and London
- **Strong connectivity with buyers/ investors:** relationships with over 1,000 technology investors and strategic buyers across North America, Europe, and Asia
- **Domain knowledge:** Experience and in-depth domain knowledge across all key technology sub-sectors including Application Software, Cybersecurity, Defence Technology, Digital Media / Internet, Energy & Industrial Tech, FinTech, Healthcare IT & Life Sciences, Infrastructure / Cloud, Internet of Things, Mobility Solutions, Semiconductors and Tech-Enabled Services
- **Industry conferences:** AGC runs industry conferences in Boston, San Francisco, London and Las Vegas, providing one-on-one meetings with strategic tech acquirers, investors, and emerging growth companies

Benefits for Blackpeak's clients

- Alliance will uniquely position Blackpeak to provide global technology investment banking capabilities, combined with leading local coverage, service and support to technology growth companies in ANZ that are institutional size and quality
- Alliance enhances Blackpeak's access to strategic acquirers and investors in US and Europe as well as proprietary market intelligence and industry content (particularly relevant in the context of running sell side M&A or capital raising processes)

Blackpeak and AGC's Global Reach



Leading local coverage to service ANZ tech Co's

















Extensive experience in tech financing + M&A

































Global investor/ buyer connectivity (APAC, USA, EU)

Blackpeak is a leading adviser to technology companies in Australia & NZ

 <p>Current Private Raising <i>Financial Adviser</i></p> 	 <p>2019 Private raising <i>Financial Advisor</i></p> 	 <p>2019 Trade sale Size undisclosed <i>Financial Advisor</i></p> 	 <p>2019 Sale of controlling stake <i>Financial Advisor</i></p> 	 <p>2019 Acquisition HROnboard Undisclosed <i>Financial Advisor</i></p> 
 <p>2018 Initial Public Offering A\$79m <i>Financial Adviser</i></p> 	 <p>2018 Pre-IPO Raising A\$25m <i>Financial Adviser</i></p> 	 <p>2018 Strategic Review <i>Financial Adviser</i></p> 	 <p>2018 Equity Raising A\$100m <i>Financial Adviser</i></p> 	 <p>2018 Equity raising A\$45m <i>Financial Adviser</i></p> 
 <p>2018 Series B equity raising A\$11m <i>Financial Adviser</i></p> 	 <p>2018 Acquisition of Pivot Remesys A\$11m <i>Financial Adviser</i></p> 	 <p>2017 Strategic Review <i>Financial Adviser</i></p> 	 <p>2017 Trade sale A\$44m <i>Financial Adviser</i></p> 	 <p>2017 Block Trade A\$73m <i>Financial Adviser</i></p> 

Blackpeak is a leading adviser to technology companies in Australia & NZ

 <p>2017 Block Trade A\$23m Financial Adviser</p> 	 <p>2017 Acquisition of Quintessential Marketing A\$12m Financial Adviser</p> 	 <p>2017 Pre-IPO equity raising NZ\$11m Financial Adviser</p> 	 <p>2017 Initial Public Offering A\$73m Financial Adviser</p> 	 <p>2017 Initial Public Offering A\$108m Financial Adviser</p> 
 <p>2016/ 2017 Initial Public Offering Pending Financial Adviser</p> 	 <p>2016 Acquisition of minority stake (size undisclosed) Financial Adviser</p> 	 <p>2016 Initial Public Offering A\$1.0bn Financial Adviser</p> 	 <p>2015 Sale of minority interest in SiteMinder (size undisclosed) Financial Adviser</p> 	 <p>2015 Acquisition of CompuClearing A\$25m Financial Adviser</p> 
 <p>2015 Acquisition of Core Freight Systems (size undisclosed) Financial Adviser</p> 	 <p>2015 Acquisition of Zsoft (size undisclosed) Financial Adviser</p> 	 <p>2015 Pre-IPO debt raising A\$45m Financial Adviser</p> 	 <p>2015 Pre-IPO equity raising A\$35m Financial Adviser</p> 	 <p>2015/ 2016 Sale of strategic stake to Bosch (size undisclosed) Financial Adviser</p> 

Performance of Blackpeak advised tech IPO's

WiseTech Global (ASX:WTC)



Elmo Software (ASX:ELO)



Audinate (ASX:AD8)
















Straker Translations (ASX:STG)



Exceptional performance of Blackpeak advised tech IPO's supports strong relationships with key investors across the globe

Senior corporate finance professionals

Name/ position	Prior experience	Education/ experience	Years of experience
 <p>Max Billingham Executive Chairman max@blackpeakcapital.com.au M +61 417 208 845</p>	 	<ul style="list-style-type: none"> Formerly a Managing Director at Credit Suisse Qualified as a chartered accountant Global experience, worked in New York and London INSEAD, MBA Bachelor of Business, University of Technology Sydney 	27
 <p>Scott Colvin Managing Director scott@blackpeakcapital.com.au M +61 416 335 455</p>	  	<ul style="list-style-type: none"> Prior to founding Blackpeak Capital, Scott held senior positions with Credit Suisse and Wilson HTM AGSM UNSW, Executive MBA London Business School, Masters in Finance Graduate Diploma, FINSIA Bachelor of Commerce, UNSW 	22
 <p>Jamie Taylor Director jamie@blackpeakcapital.com.au M +61 414 922 560</p>	 	<ul style="list-style-type: none"> Previous roles include Head of Australian Institutional Sales for Merrill Lynch (London-based), and Head of Corporate Finance For Wilson HTM (Sydney-based) Bachelor of Economics, Monash University 	33
 <p>Tom Ng Director tom.ng@blackpeakcapital.com.au M +61 490 796 752</p>	  BANK OF ENGLAND	<ul style="list-style-type: none"> Formerly a senior FIG banker at Credit Suisse and regulator at Bank of England Oxford University, MPhil (Economics) B. Econ (Hons), UNSW Graduate of Royal Military College, Duntroon 	21

Agenda

1. Market snapshot
2. ANZ tech sector performance
3. ANZ tech trading multiples
4. Technology sector capital raisings
 - a) ANZ
 - b) US
5. Technology sector mergers and acquisitions
 - a) ANZ
 - b) US



Market snapshot



Market themes



Market overview

- Despite extensive commentary on an overvalued ASX tech sector, investors in fintech and software & services companies had been handsomely rewarded for their loyalty and patience, with ASX 200 IT being the best performing sector after ASX 200 health care
- Outstanding performance of the so called “WAAAX” stocks (returned ~84% over the past 12 months) exemplify the confidence of Australian investors in supporting local mid-cap growth companies, with the homegrown tech boom itself serving as an invitation for institutional and sophisticated investors to inject additional capital into ANZ listed and private tech companies



Context for capital raising





- ASX is becoming an increasingly attractive source of capital, with numerous foreign tech companies seeking Australian investors to fuel their growth trajectory (e.g. Splitit, Life360, Sezzle, FINEOS, Nitro, Limeade), contributing to the sharp rise in number of ASX tech IPO's over CY19
- Record-high levels of PE/VC dry powder have contributed to significant increases in volume of VC investments in recent years
- Active VC fund raising activities in CY19 involving the likes of Square Peg (\$340m), AirTree (\$275m) and Brandon Capital (\$250m) should funnel waves of growth capital towards ANZ tech companies
- Blackpeak advised companies' IPO performance since listing continues to be very strong with these companies generally delivering upon or exceeding expectations and all except for Straker having raised additional capital since listing to pursue well articulated growth initiatives.



Market outlook

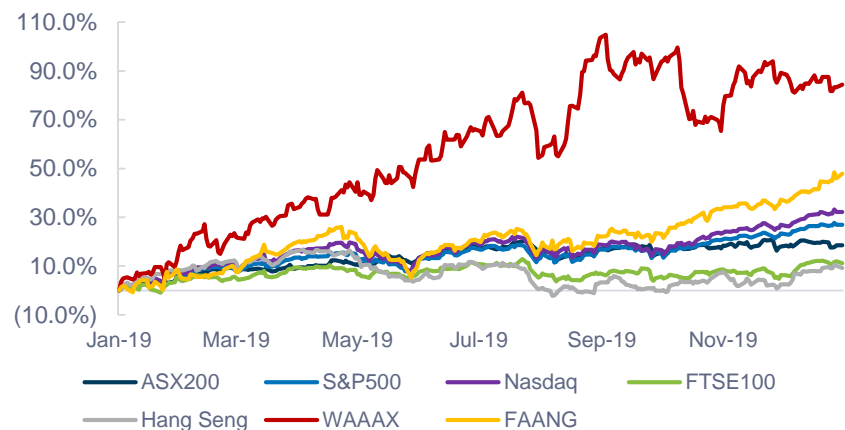
- While strategic acquirers are expected to maintain their dominance across the M&A landscape over the coming years, PE firms across the globe could become some of the most important contributors towards a resurgence in M&A value and volume amidst global economic uncertainty
- Given the absence of sectors with attractive investment opportunities, the ever-growing tech sector continues to be a key area of interest for most types of investors
- Strong business fundamentals and growth outlooks for the technology sector is likely to continue to support robust sector valuations as well as capital raising and M&A activity in the near term

Recent ASX tech IPO's (> A\$10m raised)¹

Overview				EV/ Revenue		EV/ EBITDA		IPO metrics				
Company	IPO date	Category	Raising size (A\$m)	IPO year	Forecast year	IPO year	Forecast year	Revenue growth ¹	Recurring revenue ²	EBITDA margin ²	Market cap at IPO (A\$m) ³	Return since IPO
 DAMSTRA	Oct-19	SaaS	49.3	5.1x	n.a.	25.1x	n.a.	39.4%	69.5%	20.3%	123.7	11.1%
	Dec-19	Fintech	287.1	4.8x	n/a	n.a.	n.a.	26.8%	n.a.	(0.3%)	1,376.6	26.5%
	Dec-19	Technology enabled services	25.0	6.3x	n.a.	19.4x	n.a.	n.a.	n.a.	n.a.	94.4	93.5%
	Dec-19	SaaS	110.2	7.4x	4.5x	n.a.	n.a.	14.4%	49.9%	(13.1%)	325.0	(4.7%)
	Dec-19	Fintech	45.0	3.8x	n.a.	60.4x	n.a.	43.6%	n.a.	6.3%	211.8	12.0%
	Dec-19	Fintech	50.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	150.0	(25.6%)
	Dec-19	SaaS	100.1	6.6x	5.5x	n.a.	n.a.	19.4%	96.2%	(19.1%)	452.9	(0.5%)

Equity markets have strengthened over 2019

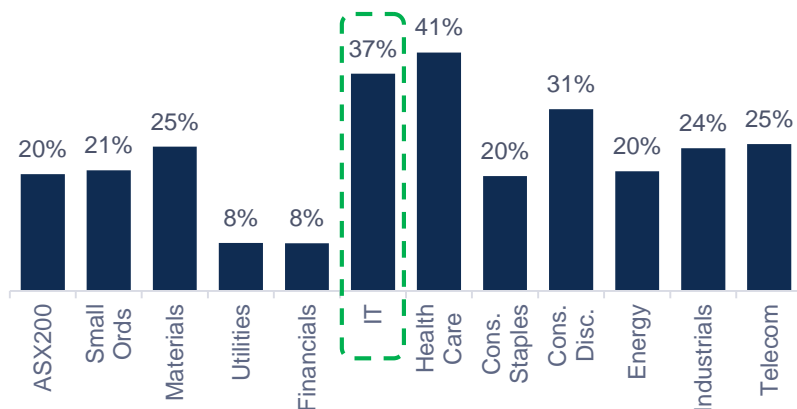
WAAAX index¹ continues to outperform global markets



Volatility (VIX) fluctuated significantly throughout 2019



Tech was the 2nd best performing ASX sector over 2019



Valuations are still well above long term averages²



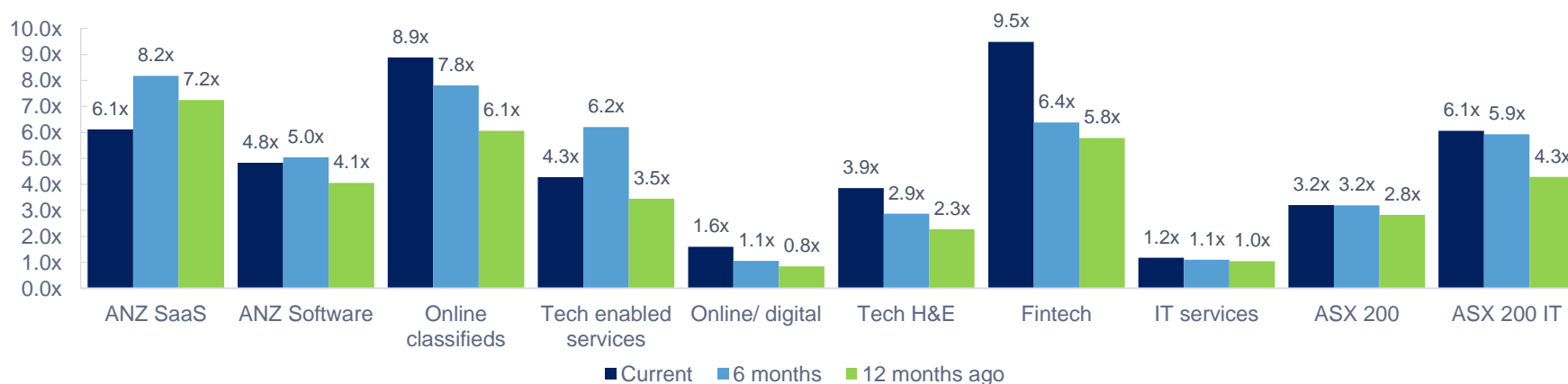
The Australian tech sector continues to be a top performer in recovering global equity markets

Performance of small caps and tech sector has been mixed

Blackpeak ASX tech indices performance¹

	SaaS	Software	Online classifieds	Tech enabled services	Online digital	Tech H&E	Fintech	IT services	ASX 200	ASX 200 IT
1 month	(0.2%)	0.6%	4.7%	(3.3%)	(2.2%)	2.4%	2.2%	6.4%	0.4%	(1.3%)
3 months	3.1%	14.1%	11.2%	(9.8%)	7.5%	10.2%	(2.9%)	11.8%	2.6%	4.1%
6 months	2.7%	1.2%	12.8%	(13.7%)	22.0%	25.4%	13.4%	9.1%	1.0%	3.5%
12 months	38.6%	29.3%	48.3%	45.5%	33.2%	54.9%	88.1%	12.6%	18.5%	33.3%

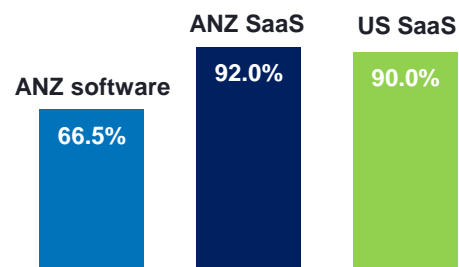
Blackpeak ASX tech indices EV/ NTM revenue multiple



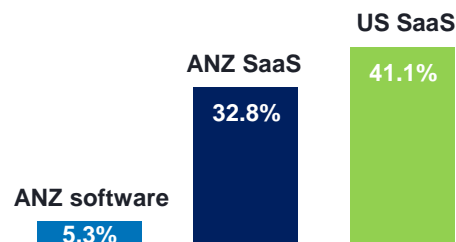
ASX tech indices generated significant returns over 2019, with the majority outperforming ASX 200

Snapshot of Blackpeak ANZ & US technology universe¹

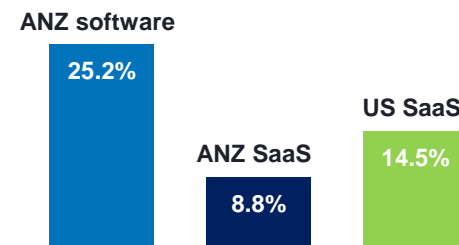
Recurring revenue



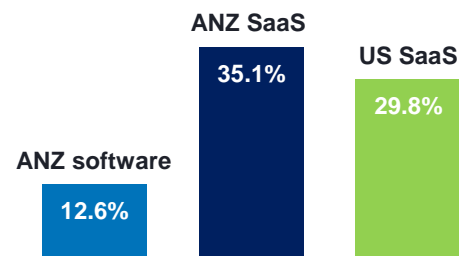
S&M expense/ revenue



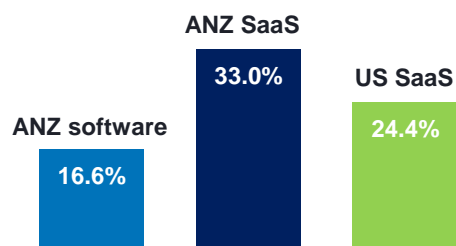
NTM EBITDA margin



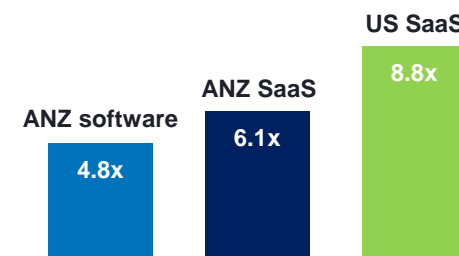
NTM revenue growth



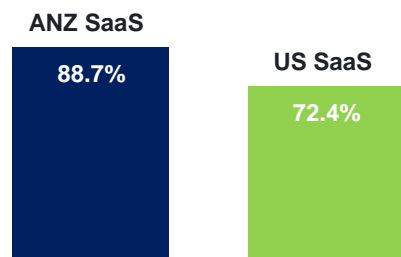
Total R&D expense/ revenue²



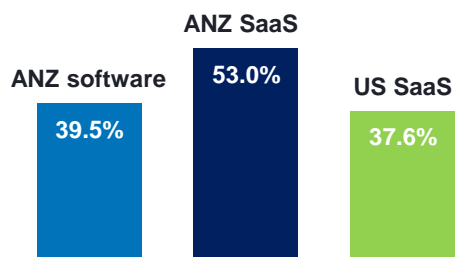
EV/ NTM revenue



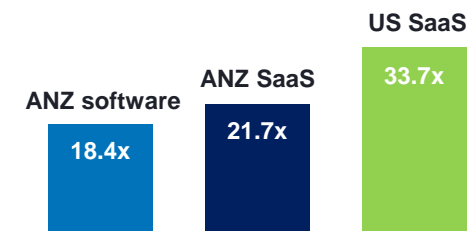
Gross margin



Rule of 40% (NTM)



EV/ NTM EBITDA

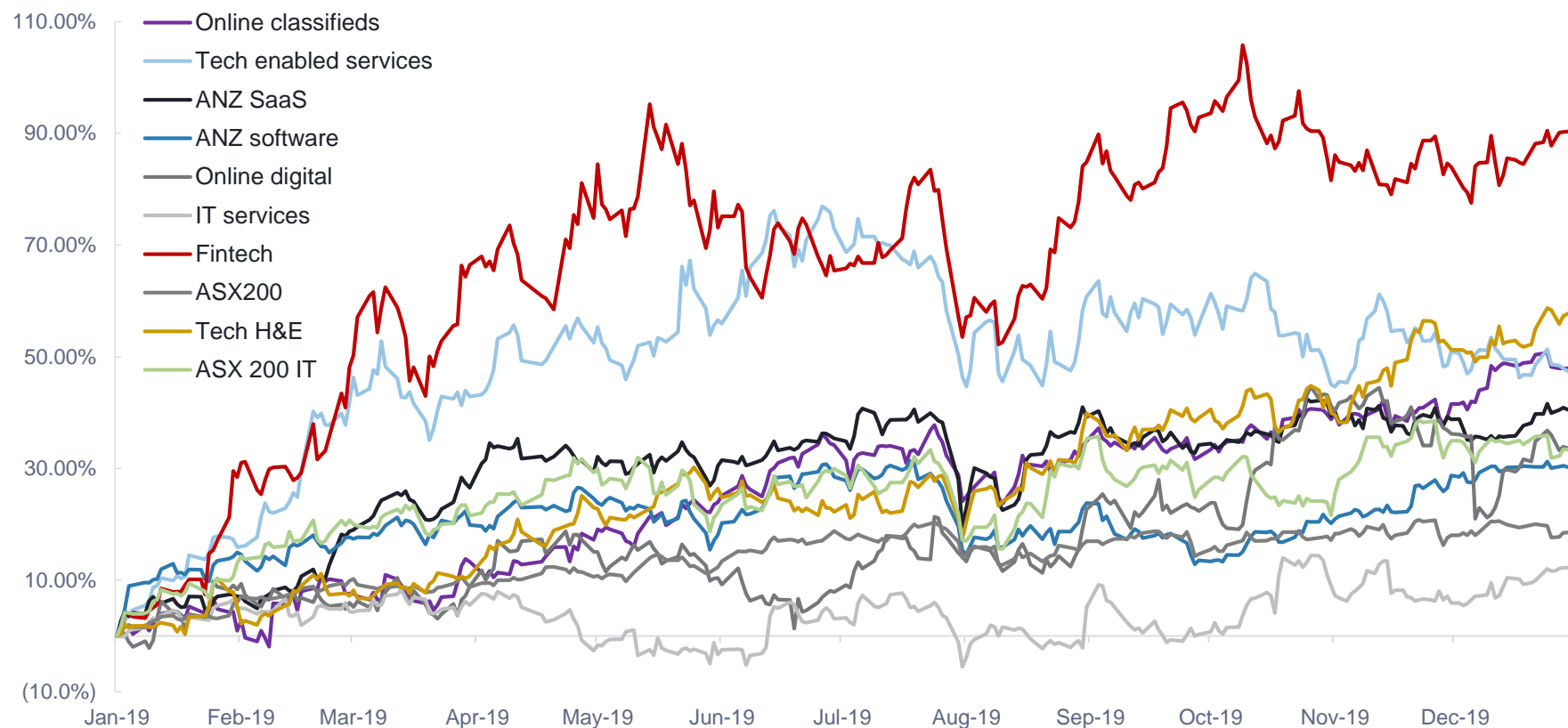




ANZ: Technology sector overview



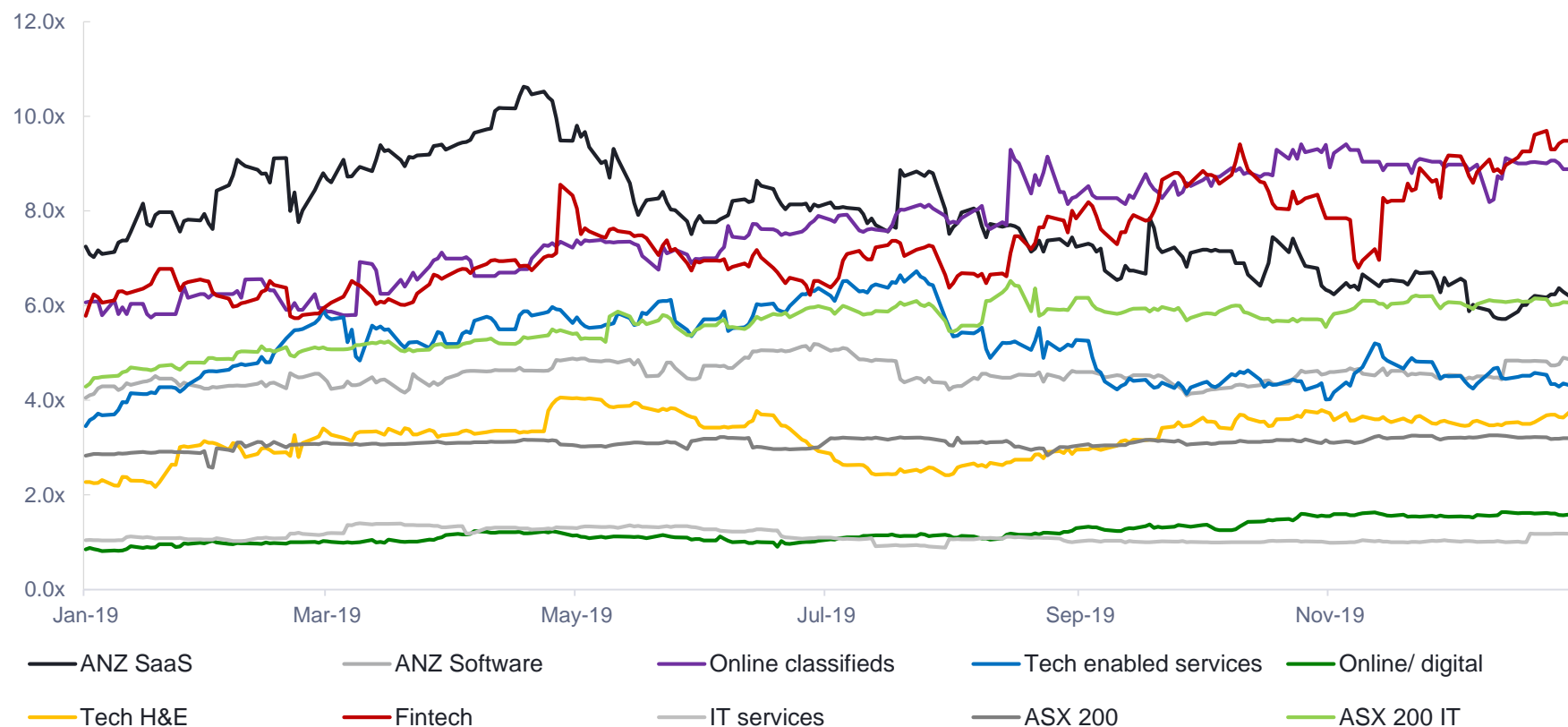
ANZ technology index performance¹



	SaaS	Software	Online classifieds	Tech enabled services	Online digital	Tech H&E	Fintech	IT services	ASX 200	ASX 200 IT
6 months	2.7%	1.2%	12.8%	(13.7%)	22.0%	25.4%	13.4%	9.1%	1.0%	3.5%
12 months	38.6%	29.3%	48.3%	45.5%	33.2%	54.9%	88.1%	12.6%	18.5%	33.3%

Majority of ASX tech indices have comfortably outperformed the ASX 200 index

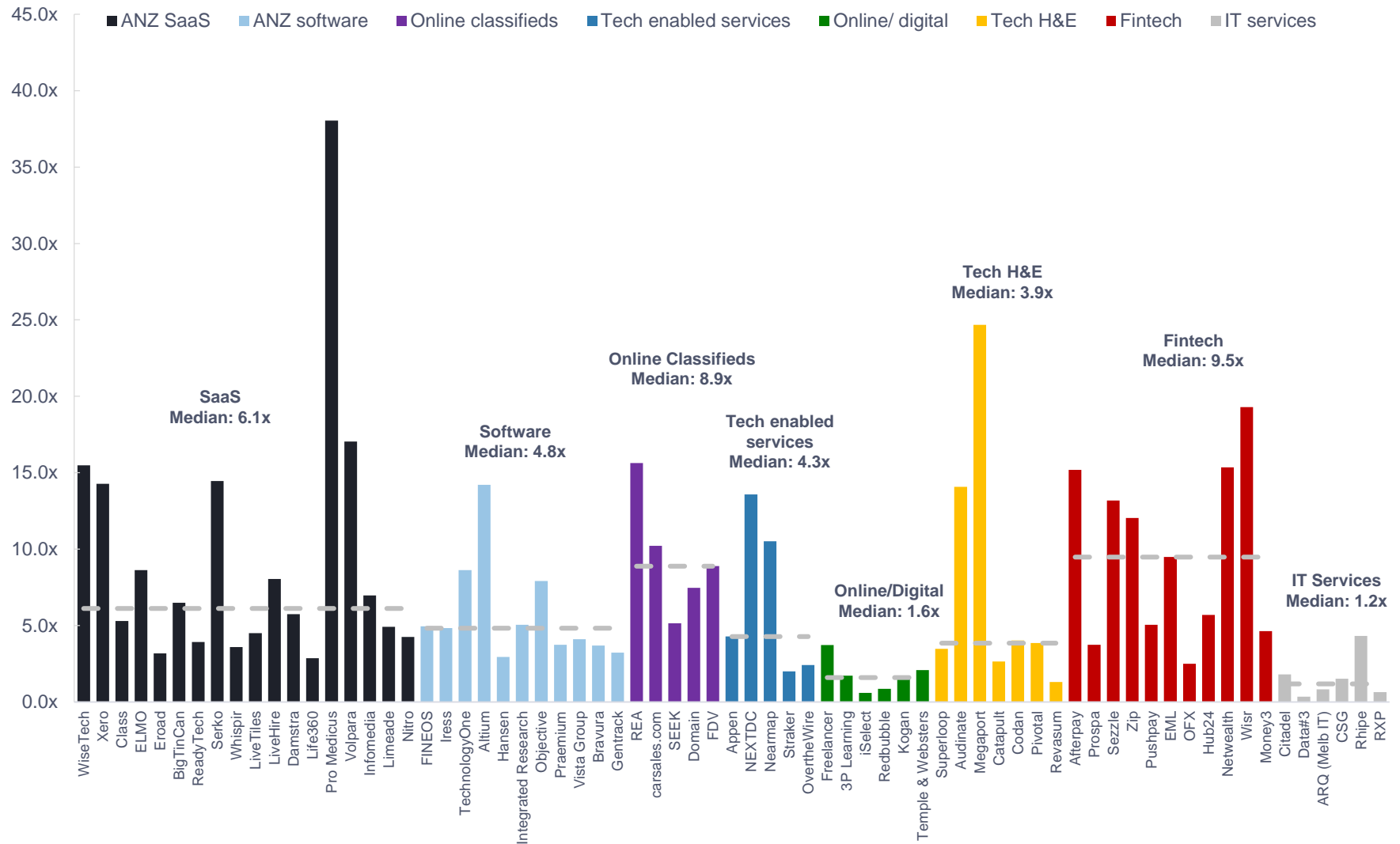
ANZ technology EV/ NTM revenue



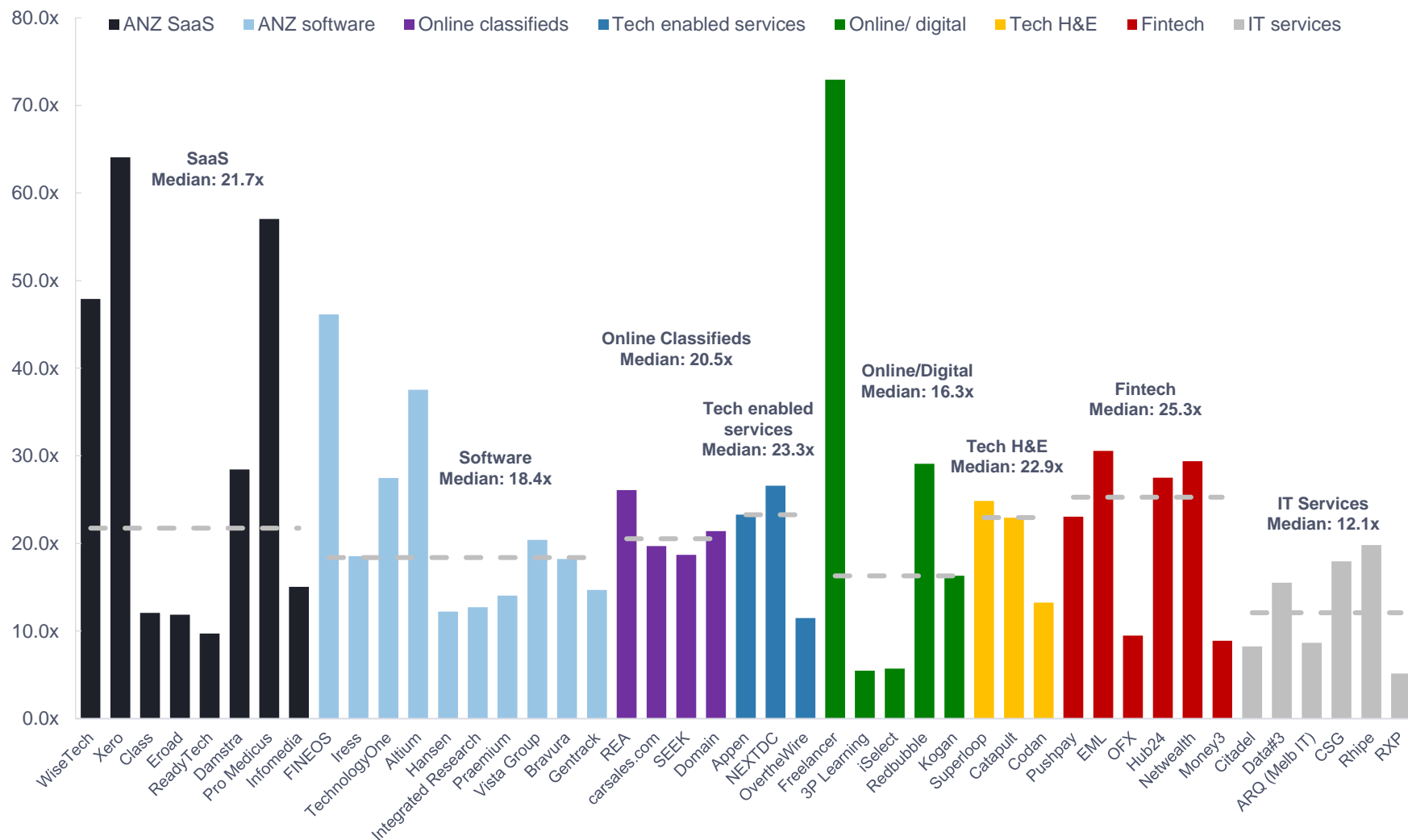
	SaaS	Software	Online classifieds	Tech enabled services	Online digital	Tech H&E	Fintech	IT services	ASX 200	ASX 200 IT
12 months ago	7.2x	4.1x	6.1x	3.5x	0.8x	2.3x	5.8x	1.0x	2.8x	4.3x
Current	6.1x	4.8x	8.9x	4.3x	1.6x	3.9x	9.5x	1.2x	3.2x	6.1x

ANZ revenue multiples have rebounded after multiple contraction in 2H CY18

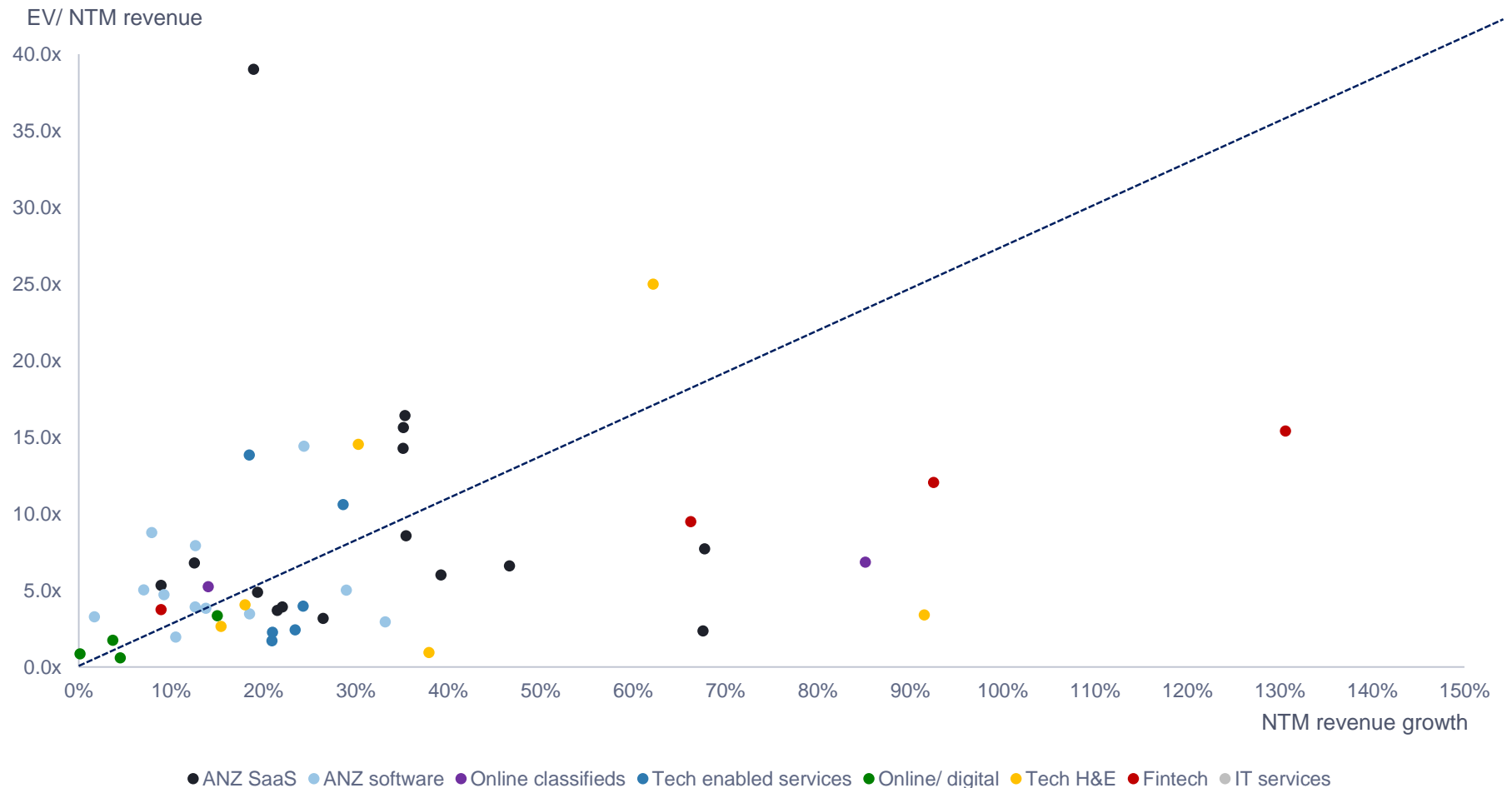
ANZ technology EV/ NTM revenue



ANZ technology EV/ NTM EBITDA¹

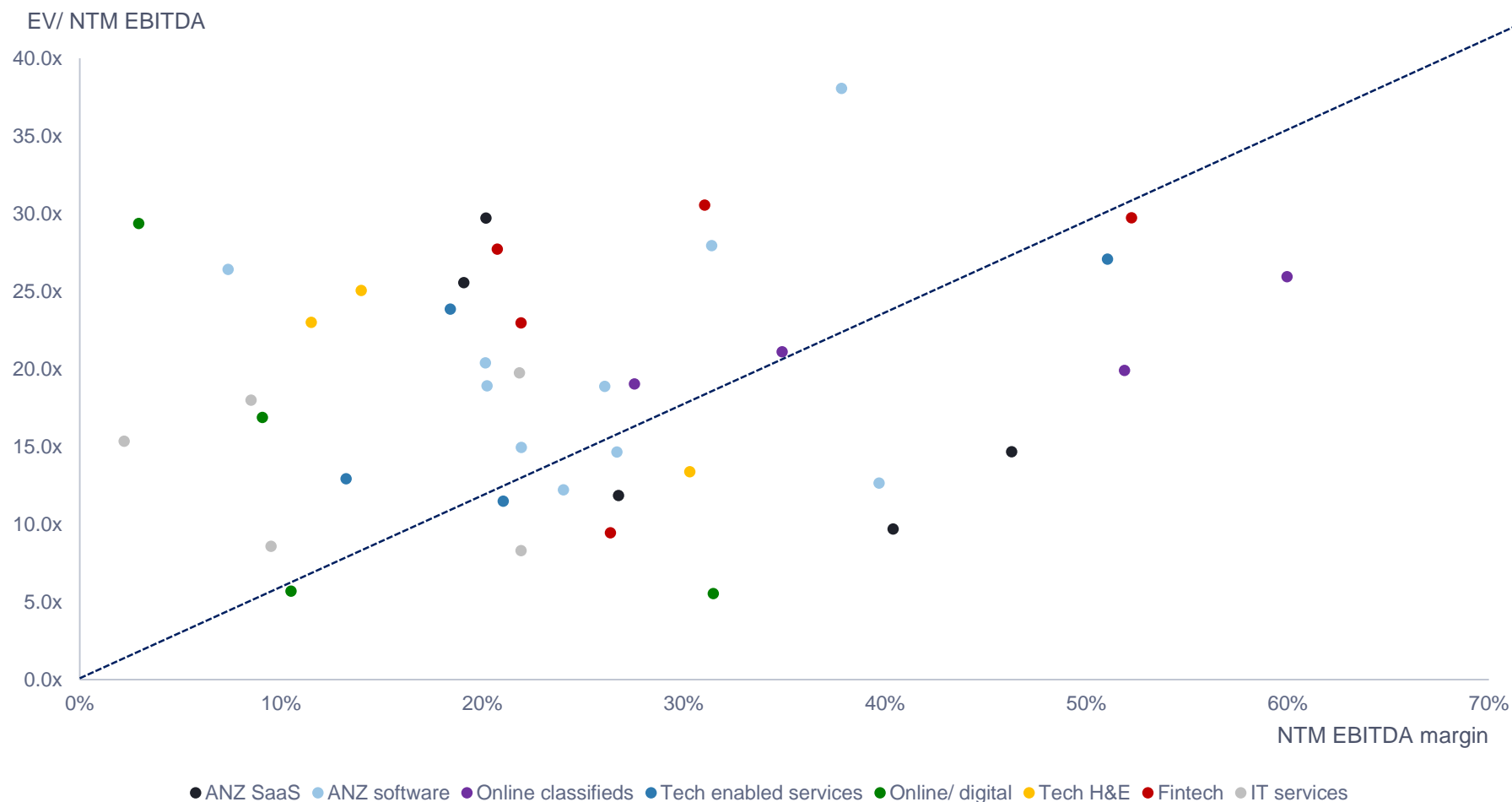


ANZ technology EV/ NTM revenue vs NTM revenue growth rate %



Investors are typically willing to pay higher multiples for growth

ANZ technology EV/ NTM EBITDA vs NTM EBITDA margin %



ASX investors typically pay higher multiples for high margin businesses



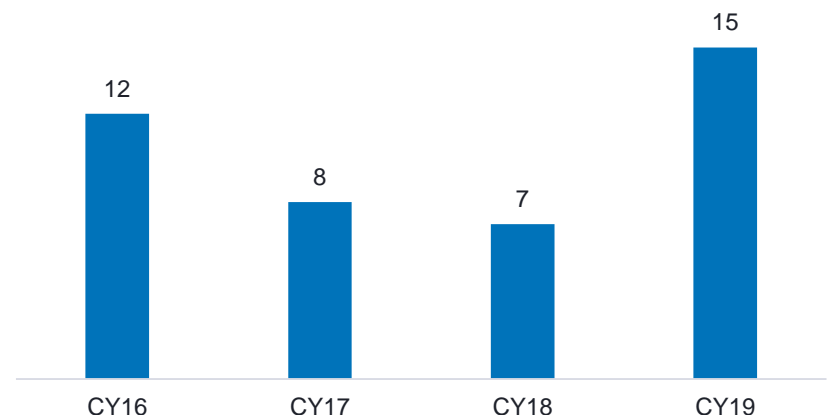
ANZ tech: Public equity capital raisings



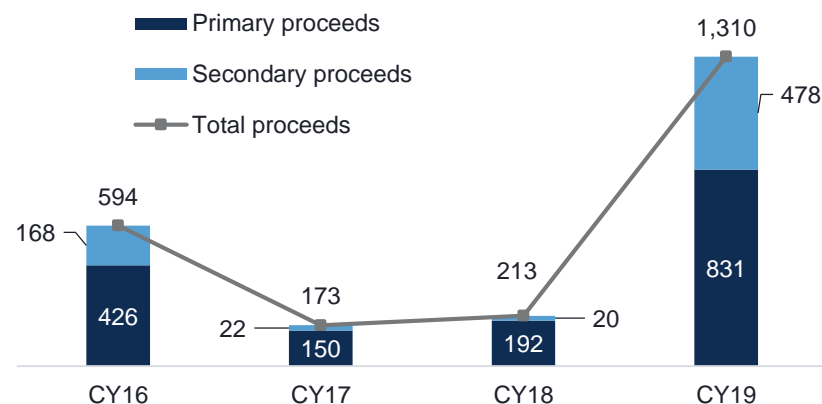
ANZ tech: ASX tech IPO tracker (> A\$10m raised)¹

- Technology IPOs by number in 2019 were the highest on record assisted by a number of foreign company listings reflecting an active campaign to make the ASX a technology hub in the APAC region
- Total capital raised in 2019 IPOs was a significant multiple on recent years led by the December listing of Australian fintech Tyro, with the 3 next largest raisings being by foreign companies. Notably there were 6 raisings in excess of \$100m compared to a total of 2 in the previous 3 years.
- Performance was mixed for the 2019 IPOs with no clear themes in terms of size, sector or geography. Buy now pay later company Splitit led the 2019 pack at +237.5% whilst Prospra shed 48.5% to be the biggest loser after a November update advising that revenue and earnings would miss prospectus forecasts. Tyro deserves a special mention as the largest tech IPO of the year delivering a 26.5% return to investors (and significantly higher for pre-IPO investors)
- The strong momentum in tech IPOs is expected to continue into 2020 with the recent announcement of a new technology index on the ASX expected to drive additional funds into ASX-listed tech companies

No. ANZ tech IPO's

















Total ANZ tech IPO capital raised (A\$m)²































Significant rise in both volume and value of tech IPO's in CY19















ANZ tech: ASX tech IPO tracker (> A\$10m raised)¹

Overview				EV/ Revenue		EV/ EBITDA		IPO metrics				
Company	IPO date	Category	Raising size (A\$m)	IPO year	Forecast year	IPO year	Forecast year	Revenue growth ²	Recurring revenue ²	EBITDA margin ²	Market cap at IPO (A\$m) ³	Return since IPO
 Oneview	Mar-16	Software	62.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	194.4	(96.6%)
 WiseTech GLOBAL	Apr-16	SaaS	167.6	8.7x	6.6x	29.7x	18.5x	28.1%	98.0%	29.4%	973.6	608.4%
 afterpay	May-16	Fintech	25.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	165.0	2899.0%
 REDBUBBLE	May-16	Online/ digital	39.8	1.8x	1.2x	n.a.	n.a.	61.2%	n.a.	(9.2%)	267.7	(15.4%)
 livehire	Jun-16	Online/ digital	10.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40.0	15.0%
 9SPOKES	Jun-16	Online/ digital	25.0	n.a.	n.a.	n.a.	n.a.	632.0%	n.a.	n.a.	80.6	(92.0%)
 ChimpChange	Jun-16	Fintech	15.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39.1	(80.6%)
 FRONTIER DIGITAL VENTURES	Aug-16	Online classifieds	30.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	108.1	60.0%
 HotCopper	Sep-16	Online/ digital	12.2	n.a.	n.a.	n.a.	n.a.	4.3%	n.a.	(12.8%)	22.0	(30.0%)
 bravura solutions	Nov-16	Software	148.1	1.6x	n.a.	9.5x	n.a.	1.6%	57.0%	17.2%	310.6	262.1%
 dreamscape NETWORKS	Dec-16	Technology enabled services	25.0	1.4x	n.a.	6.3x	n.a.	6.8%	n.a.	9.0%	86.0	n.a.
 Sensera	Dec-16	Technology H&E	10.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	24.4	(72.0%)
 bigtincan	Mar-17	SaaS	12.0	3.2x	n.a.	n.a.	n.a.	38.0%	92.0%	n.a.	45.8	169.2%
 MSL SOLUTIONS M-POWER	May-17	SaaS	15.0	1.7x	1.4x	12.4x	7.7x	(1.1%)	47.6%	13.6%	62.3	(66.4%)

ANZ tech: ASX tech IPO tracker (> A\$10m raised)¹

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	 ELMO	Jun-17	SaaS	25.0	5.3x	3.8x	97.7x	31.3x	24.8%	96.0%	5.5%	108.3	223.0%
	 Audinate	Jun-17	Technology H&E	21.0	4.0x	3.1x	n.a.	n.a.	27.1%	n.a.	(4.6%)	72.6	563.9%
	 RIGHTCROWD <small>EVERYONE ON SITE IS RIGHT</small>	Sep-17	Software	10.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40.0	(13.3%)
	 ixup	Nov-17	Software	12.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	31.7	(65.5%)
	 credible	Dec-17	Fintech	67.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	306.2	81.8%
	 ENGAGE <small>BDR</small>	Dec-17	Online/ digital	10.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	49.9	(88.5%)
	 TRIMANTIUM	Mar-18	Technology enabled services	70.0	n.a.	n.a.	n.a.	n.a.	15.7%	n.a.	23.3%	94.9	(91.0%)
	 DXN	Apr-18	Software	16.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.4	(75.5%)
	 PIVOTAL <small>SYSTEMS</small>	Jul-18	Technology H&E	53.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	206.5	(20.2%)
	 identitii	Oct-18	Fintech	11.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40.9	(57.3%)
	 straker <small>TRANSLATIONS</small>	Oct-18	Technology enabled services	21.2	2.7x	n.a.	n.a.	n.a.	6.3%	n.a.	(0.0%)	79.4	(5.3%)
	 SHEKEL <small>brainweigh</small>	Nov-18	Technology H&E	10.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	48.7	(68.6%)
	 Revasum	Dec-18	Technology H&E	30.7	2.9x	n.a.	34.0x	n.a.	35.8%	n.a.	8.4%	153.0	(65.0%)
	 Splitit	Jan-19	Fintech	12.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	53.9	237.5%

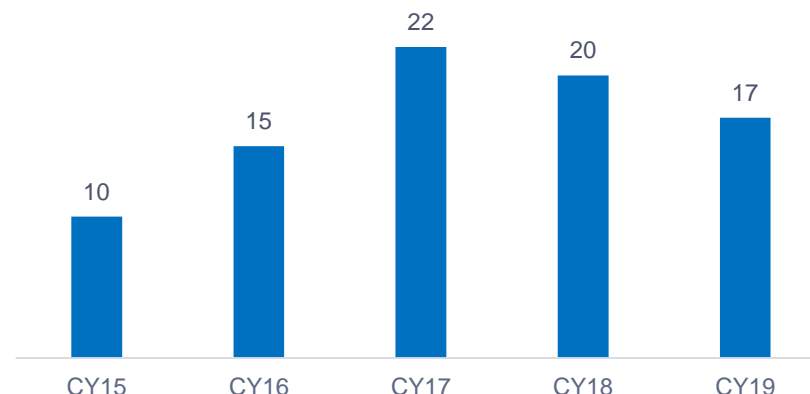
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Overview				EV/ Revenue		EV/ EBITDA		IPO metrics				
Company	IPO date	Category	Raising size (A\$m)	IPO year	Forecast year	IPO year	Forecast year	Revenue growth ¹	Recurring revenue ²	EBITDA margin ²	Market cap at IPO (A\$m) ³	Return since IPO
 ReadyTech	Apr-19	SaaS	50.0	4.2x	3.9x	10.9x	9.5x	6.2%	89.6%	39.0%	120.8	15.2%
 Life360	May-19	SaaS	145.4	15.2x	8.3x	n.a.	n.a.	82.6%	n.a.	(51.5%)	689.2	(37.4%)
 prospa	Jun-19	Fintech	109.6	3.8x	n.a.	n.a.	n.a.	29.9%	n.a.	(2.4%)	610.1	(48.4%)
 whispir	Jun-19	SaaS	47.0	4.4x	3.5x	n.a.	n.a.	11.6%	76.7%	(39.1%)	163.0	(3.8%)
 QuickFee.	Jul-19	Fintech	13.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	28.1	80.0%
 sezzle	Jul-19	Fintech	43.6	98.5x	n.a.	n.a.	n.a.	5,795.8%	n.a.	(243.6%)	217.0	11.5%
 FINEOS	Aug-19	Software	211.0	5.6x	n.a.	75.2x	n.a.	30.9%	n.a.	11.8%	661.0	6.4%
 DAMSTRA	Oct-19	SaaS	49.3	5.1x	n.a.	25.1x	n.a.	39.4%	69.5%	20.3%	123.7	11.1%
 tyro	Dec-19	Fintech	287.1	4.8x	n.a.	n.a.	n.a.	26.8%	n.a.	(0.3%)	1,376.6	26.5%
 aerometrex	Dec-19	Technology enabled services	25.0	6.3x	n.a.	19.4x	n.a.	n.a.	n.a.	n.a.	94.4	93.5%
 nitro	Dec-19	SaaS	110.2	7.4x	4.5x	n.a.	n.a.	14.4%	49.9%	(13.1%)	325.0	(4.7%)
 moneyme	Dec-19	Fintech	45.0	3.8x	n.a.	60.4x	n.a.	43.6%	n.a.	6.3%	211.8	12.0%
 openpay	Dec-19	Fintech	50.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	150.0	(25.6%)
 limeade	Dec-19	SaaS	100.1	6.6x	5.5x	n.a.	n.a.	19.4%	96.2%	(19.1%)	452.9	(0.5%)

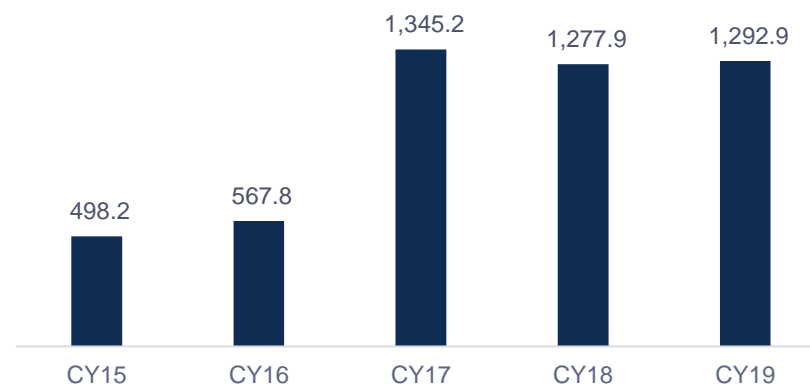
ANZ tech: Secondary capital raisings (> A\$10m raised)¹

- Secondary raisings in 2019 were at similar levels to the previous 2 years but with a higher average raising size.
- Afterpay raised almost \$550m across 2 placements, whilst WiseTech (\$335m), Appen (\$300m) and EML Payments (\$181m) also raised significant amounts to support growth initiatives including acquisitions.
- Investors were rewarded for participating in the capital raisings noted above with all finishing the year comfortably ahead of the issue price, and despite WiseTech being hit with a short selling campaign that saw its price lose a third of its value from its 2019 high.
- The use of funds from the capital raisings in 2019 were largely to do with additional working capital and accelerating stated growth strategies. This shows that investors are willing to back a fund raising without a specific use of funds if the management team has established a strong track record executing the business strategy.
- Also of note in 2019 was that the largest capital raisings all achieved relatively tight discounts inside 10%, with Afterpay's raisings scoring the tightest discounts of 2.4% and 4.8%

No. ANZ tech secondary capital raisings














Total ANZ tech secondary capital raised (A\$m)²





Investors enthusiastically backed large cap capital raisings enjoying strong returns









ANZ tech: ASX secondary capital raisings (> A\$10m raised)¹

Overview				Purposes	Details		
Company	Raising date	Category	Ticker	Use of proceeds	Market cap at issue (A\$m) ²	Raising size (A\$m)	Premium (Discount) to last close ³
 LIMBUS	Feb-18	SaaS	ASX:LNU	Product development, R&D	73.0	10.0	0.0%
 Megaport	Mar-18	Technology H&E	ASX:MP1	Working capital	454.4	60.0	(7.4%)
 CATAPULT	Mar-18	Technology H&E	ASX:CAT	Working capital, product development, R&D	202.8	25.0	(6.8%)
 ELMO	Mar-18	SaaS	ASX:ELO	Acquisition strategy	325.4	45.0	(10.1%)
 NEXT DC	Apr-18	Technology enabled services	ASX:NXT	Working capital, acquisition strategy	2,329.6	377.4	(5.6%)
 LINK GROUP	Apr-18	Technology enabled services	ASX:LNK	Balance sheet flexibility	4,286.1	300.0	(1.6%)
 WiseTech GLOBAL	May-18	SaaS	ASX:WTC	Acquisition strategy, strengthening balance sheet	4,288.7	100.6	(3.8%)
 bigtincan [®]	Jun-18	SaaS	ASX:BTH	Acquisition strategy	75.6	15.0	(6.7%)
 WiseTech GLOBAL	Jul-18	SaaS	ASX:WTC	Acquisition strategy	4,837.2	11.2	(0.6%)
 Gentrack	Jul-18	Software	NZSE:GTK	Acquisition strategy, balance sheet flexibility	587.2	83.1	(3.3%)
 serko	Aug-18	SaaS	NZSE:SKO	Acquisition strategy, working capital, product development, R&D	198.1	13.6	6.3%

ANZ tech: ASX secondary capital raisings (> A\$10m raised)¹

Overview				Purposes	Details		
Company	Raising date	Category	Ticker	Use of proceeds	Market cap at issue (A\$m) ²	Raising size (A\$m)	Premium (Discount) to last close ³
	Aug-18	IT services	ASX:CSV	Acquisition strategy, working capital, balance sheet flexibility	87.2	18.0	(24.5%)
afterpay A7	Aug-18	Fintech	ASX:APT	Working capital	4,302.8	142.0	(8.1%)
wameja	Sep-18	Fintech	ASX:WJA	Acquisition strategy, working capital	131.0	35.6	4.8%
iSign this [®]	Oct-18	Fintech	ASX:ISX	Working capital	145.2	10.0	(9.4%)
 OvertheWire	Oct-18	Technology enabled services	ASX:OTW	Acquisition strategy	240.3	21.5	(1.1%)
 appen [®]	Mar-19	Technology enabled services	ASX:APX	Acquisition strategy, balance sheet flexibility	2,712.4	300.0	(11.8%)
 Megaport	Mar-19	Technology H&E	ASX:MP1	Working capital, product development, R&D	526.1	60.0	(4.8%)
WiseTech GLOBAL	Mar-19	SaaS	ASX:WTC	Working capital	6,900.9	335.7	(9.8%)
live hire	Mar-19	SaaS	ASX:LVH	Accelerate international expansion, balance sheet flexibility	155.7	15.0	(10.4%)
 dubber [™]	Apr-19	Technology enabled services	ASX:DUB	Working capital, global growth	164.0	22.0	(21.1%)

ANZ tech: ASX secondary capital raisings (> A\$10m raised)¹

Overview				Purposes	Details		
Company	Raising date	Category	Ticker	Use of proceeds	Market cap at issue (A\$m) ²	Raising size (A\$m)	Premium (Discount) to last close ³
 bigtincan [™]	Apr-19	SaaS	ASX:BTH	Working Capital, product development/ R&D, acquisitions strategy	138.8	15.6	(21.5%)
 bravura solutions	May-19	Software	ASX:BVS	Working capital, acquisition strategy	1,381.3	165.0	(7.9%)
 audinate [®]	Jun-19	Technology H&E	ASX:AD8	Accelerate growth	456.8	20.0	(5.9%)
afterpay ^{AP7}	Jun-19	Fintech	ASX:APT	Working capital	6,477.8	347.4	(4.8%)
brainchip [*]	Jun-19	Technology H&E	ASX:BRN	Working capital, product development/ R&D	71.6	10.7	(36.2%)
 ELMO	Sep-19	SaaS	ASX:ELO	Working capital, product development/ R&D, acquisition strategy	390.1	70.0	(9.2%)
 bigtincan [™]	Sep-19	SaaS	ASX:BTH	Acquisition strategy	163.7	20.0	(10.0%)
 envirosuite	Oct-19	SaaS	ASX:EVS	Accelerate international expansion, balance sheet flexibility	126.1	10.0	(13.8%)
 EML	Nov-19	Fintech	ASX:EML	Working Capital, balance sheet flexibility	1,415.8	181.4	(6.2%)
afterpay ^{AP7}	Nov-19	Fintech	ASX:APT	Accelerate international expansion	8,208.3	200.0	(2.4%)
 envirosuite	Jan-20 ³	SaaS	ASX:EVS	Acquisition strategy	120.8	85.0	(23.1%)



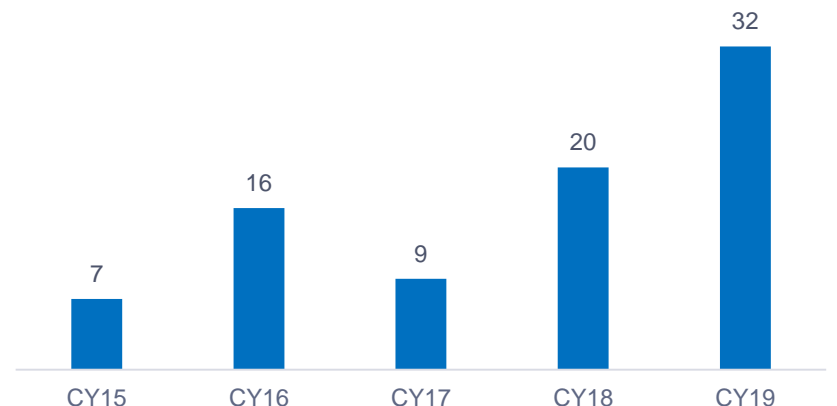
ANZ tech: Private equity capital raisings



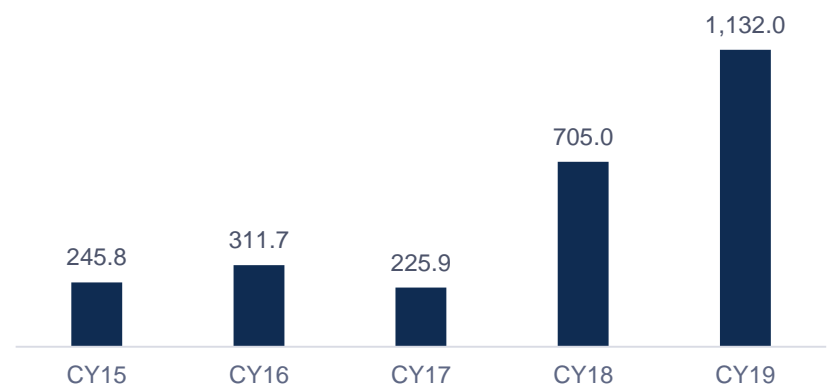
ANZ tech: Private capital raisings (> A\$10m raised)¹

- 2019 continued the strong momentum established in 2018 with raisings by number and dollar value both up ~60%.
- Domestic and international venture capital providers were active, with dedicated pre-IPO investors such as Regal, Acorn and Perennial also amongst the deal flow. Blackbird was the most active amongst local VC's with 7 investments including follow-ons.
- Canva secured 2 funding rounds of \$101m and \$126m propelling its valuation from 2018's A\$1bn to A\$3.6bn and A\$4.75bn respectively. Airwallex joined the USD unicorn club whilst Culture Amp did the same in A\$.
- The significant increase in local VC fund raisings, including another \$1bn+ in 2019, suggests that the significant growth in private tech raisings in recent years is poised to continue into 2020
- Other sources of early stage capital including from angel networks, family offices and high net worth investors will also provide funding opportunities for local entrepreneurs

No. ANZ tech private capital raisings¹



Total ANZ tech private capital raised (A\$m)²



Deeper pool of private capital available domestically coupled with surging international interest

ANZ tech: Private capital raisings (> A\$10m raised)¹

Overview		Details		
Company	Raising date	Investor(s)	Post-money valuation (A\$m)	Raising size (A\$m)
	Jan-18	Felicis Ventures; Sequoia Capital China; Blackbird Ventures	1,000.0	40.0
	Feb-18	Uniseed; ACT		10.5
NYRIAD [®]	Feb-18	New Zealand Venture Investment Fund; East Ventures; Data Collective; Prelude Ventures; IDATEN Ventures		10.8
whispir	Mar-18	Telstra Ventures; NSI Ventures; MDI Ventures		10.0
	Mar-18	Ellerston Capital; Tempus Partners; Belay Capital ATF Belay Capital Virtuous Portfolio Fund		23.4
	Mar-18	SingTel Ventures; Blue Sky Private Equity; SingTel Innov8; Right Click Capital; Boeing HorizonX Ventures; CSIRO Financial Services; SA Venture Capital Fund		20.2
	Apr-18	General Catalyst Partners; GGV Capital; Tenaya Capital; Goldman Sachs Private Capital Investing group		84.6
	May-18	Index Ventures; Tiger Global Management; Blackbird Ventures; Morpheus Ventures	440.0	60.0
	Jun-18	Horizons Ventures; Hillhouse Capital Management; Sequoia Capital China; Tencent Investment Arm; Square Peg Capital; Central Capital Ventura		108.0
	Jul-18	Sapphire Ventures; Index Ventures; Felicis Ventures; Blackbird Ventures; HOSTPLUS Superannuation Fund; Grok Ventures; Skip Capital		54.3
	Aug-18	SEEK; Our Innovation Fund		13.7

ANZ tech: Private capital raisings (> A\$10m raised)¹

Overview		Details		
Company	Raising date	Investor(s)	Post-money valuation (A\$m)	Raising size (A\$m)
 AgriWebb	Aug-18	Wheatsheaf Investments		14.0
 flare	Aug-18	Acorn Capital; Bridge Lane; Tank Stream Ventures; Reinventure Group; Point72 Ventures		21.0
 simple.	Aug-18	Perle Ventures; BBRC Private Equity; Alium Capital Management		17.0
 soul machines	Oct-18	Daimler Mobility; Auckland UniServices; University of Auckland Inventors Fund		21.0
 VERSENT	Oct-18	Kin Group; Soul Pattinson; HNW's	> 150.0	25.0
 PredictHQ	Nov-18	Lightspeed Venture Partners; Rampersand; Aspect Ventures		13.9
 REDEYE	Nov-18	Energy Innovation Capital; Queensland Business Development Fund		10.4
FaceMe	Nov-18	New Zealand Venture Investment Fund; ICE Angels; Alium Capital Management	70.1	14.2
 DEPUTY	Nov-18	Institutional Venture Partners; OpenView Advisors; Square Peg Capital; Equity Venture Partners		111.0
 DATA REPUBLIC	Dec-18	ANZ Group; Singapore Airlines; Singtel Innov8; Ryder Investment Management; Reinventure Group; Ryder Capital; Qualgro Partners		22.0
 BARAJA	Jan-19	Blackbird Ventures; Sequoia Capital China; CSIRO Financial Services; CSIRO Innovation Fund 1		45.7













ANZ tech: Private capital raisings (> A\$10m raised)¹

Overview		Details		
Company	Raising date	Investor(s)	Post-money valuation (A\$m)	Raising size (A\$m)
 LIQUID INSTRUMENTS	Jan-19	ANU Connect Ventures; Anzu Partners		11.4
 9 seconds	Feb-19	Sequoia Capital India Advisors; Right Click Capital; AirTree Ventures; Qualgro Partners; Atami Capital		27.9
 go	Mar-19	SEEK; Y Combinator Management; M12; Larsen Ventures		30.0
 skedulo	Mar-19	Blackbird Ventures; Costanoa Venture Capital; M12		39.5
 Airwallex	Mar-19	Gobi Partners; Tencent Holdings; Horizons Ventures; Hillhouse Capital Management.; Sequoia Capital China; DST Global; Square Peg Capital	1,406.9	140.7
 HAMMERTECH	Apr-19	Arrowroot Capital Management		14.0
 GreenSync	Apr-19	Australian Renewable Energy Agency		10.0
 ELENIUM AUTOMATION	Apr-19	Herbert Smith Freehills; Cibus Group; Acorn Capital		15.0
 Ask Nicely	Apr-19	Nexus Venture Partners; Blackbird Ventures; K1W1		14.1
 INVERT ROBOTICS	May-19	New Zealand Venture Investment Fund; Finistere Ventures; Yamaha Motor Ventures & Laboratory Silicon Valley; Inception Asset Management		12.6
 Canva	May-19	General Catalyst Partners; Felicis Ventures; Blackbird Ventures; Bond	3,600.0	101.0

ANZ tech: Private capital raisings (> A\$10m raised)¹

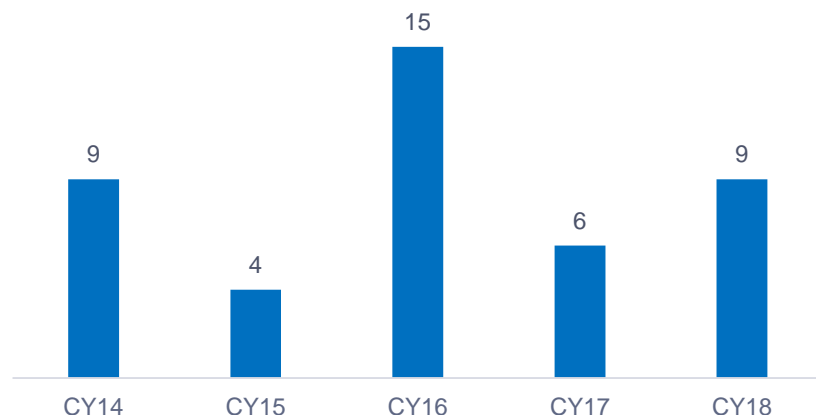
Overview		Details		
Company	Raising date	Investor(s)	Post-money valuation (A\$m)	Raising size (A\$m)
 Morse Micro	May-19	Uniseed; Blackbird Ventures; Clean Energy Finance Corporation; Right Click Capital; Clean Energy Innovation Fund; CSIRO Financial Services; CSIRO Innovation Fund 1; Skip Capital		24.0
	Jun-19	Gallagher Australia		14.8
 Verrency™	Jun-19	n.a.		10.0
	Jun-19	Greycroft Partners; Next Coast Ventures; Stage 2 Capital		11.6
	Jun-19	Insurance Australia Group		16.8
MONTOUX	Jul-19	New Zealand Venture Investment Fund; K1W1; Zino Ventures		15.0
	Jul-19	SEEK; OneVentures; AirTree Ventures	100.0	22.0
	Aug-19	Arrowroot Capital Management		33.0
EQUIEM	Aug-19	Perennial Value Management; Regal Funds Management; Grollo Group.; Salta Capital		12.4
	Sep-19	Sapphire Ventures; Index Ventures; Global Founders Capital; Felicis Ventures; Sequoia Capital China; TDM Growth Partners; Blackbird Ventures; HOSTPLUS; Grok Ventures; Skip Capital	1,036.6	121.4
	Sep-19	Sierra Ventures; Horizons Ventures; Sequoia Capital China; Square Peg Capital; CSIRO Financial Services		22.0

ANZ tech: Private capital raisings (> A\$10m raised)¹

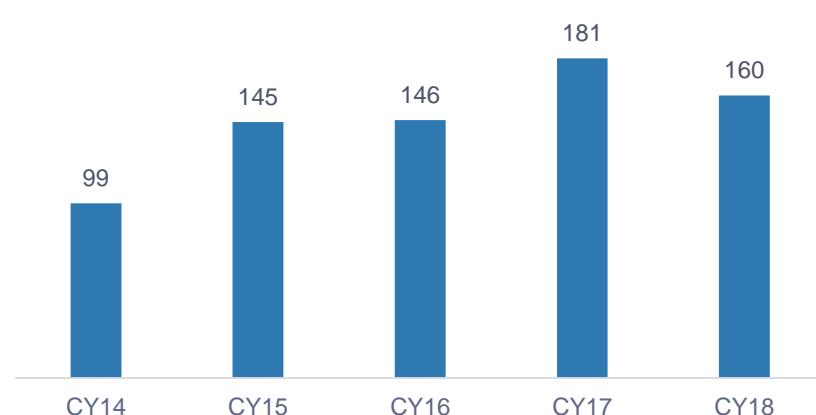
Overview		Details		
Company	Raising date	Investor(s)	Post-money valuation (A\$m)	Raising size (A\$m)
 PRACTICE Ignition	Sep-19	Tiger Global Management; Right Click Capital		26.0
 REDSHIELD	Sep-19	Pencarrow Private Equity Management; Sage Technologies		13.0
 IMMUTABLE	Sep-19	Apex Capital Partners; Prosus Ventures; Galaxy Digital Ventures; Galaxy EOS VC Fund		22.1
 Canva	Oct-19	Bessemer Venture Partners; General Catalyst Partners; Sequoia Capital China; Blackbird Ventures; Bond	4,750.0	125.9
 Compass	Nov-19	Advent Partners		60.0
 ADVANCED NAVIGATION	Nov-19	In-Q-Tel; Brick & Mortar Ventures; CSIRO Financial Services; CSIRO Innovation Fund 1		20.0
 kasada	Nov-19	In-Q-Tel		10.3
 MARKETPLACER	Dec-19	Mirrabooka Investments; SG Hiscock & Company; Acorn Capital; Bombora Group		20.0
 SECURE CODE WARRIOR	Dec-19	Goldman Sachs Group, Merchant Banking Division; Paladin Capital Group; Cisco Investments; AirTree Ventures; ForgePoint Capital		69.8
 Practifi	Jan-20	Udata Partners; Equity Venture Partners		23.8
 Pegasus [™] <small>Powered by Oracle</small>	Jan-20	Accel-KKR		28.0
 SiteMinder	Jan-20	BlackRock; Ellerstons Capital; Pandal; AustralianSuper	> 1,100	> 100.0

ANZ tech: Australia venture capital fund activities

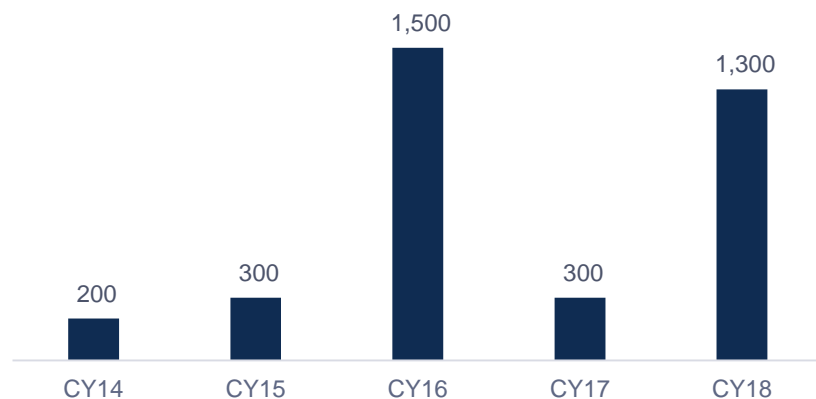
No. Australia venture capital fund raisings



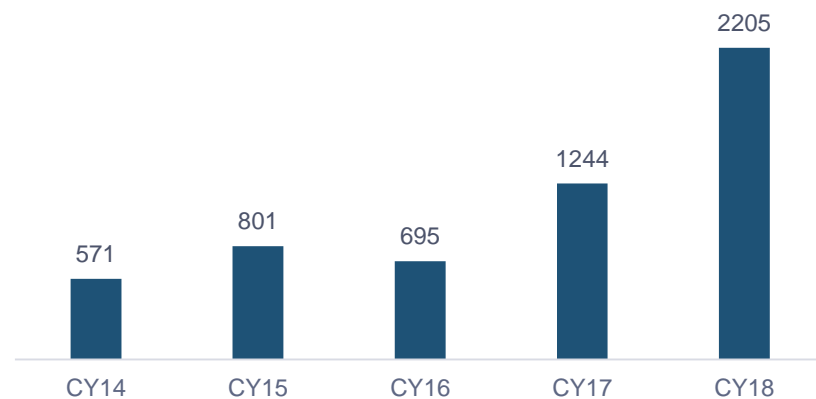
No. Australia venture capital deals



Total venture capital raising (A\$m)




Total value of venture capital deals (A\$m)



Significant increase in Australian VC fund raisings allows more capital to be deployed locally

ANZ tech: Selected ANZ venture capital fund raisings¹

Overview		Details
Venture capital fund	Raising date	Raising size (A\$m)
 BLACKBIRD	Sep-15	200.0
 uniseed	Dec-15	50.0
 reinventure.	Aug-16	50.0
 AirTree	Sep-16	250.0
 FIREMARK	Dec-16	75.0
 1/ONE VENTURES	Dec-16	170.0
 ALIUM CAPITAL MANAGEMENT	Dec-16	200.0
 Right Click CAPITAL	Jan-17	> 50.0
 artesian	Feb-17	50.0
 uniseed	Mar-17	20.0
 Square Peg	Mar-17	234.0
 CARTHONA CAPITAL	Jul-17	100.0
 BlueSky Alternative Thinking	Jul-17	50.0
 main sequence ventures 	Jun-17	200.0
 ALIUM CAPITAL MANAGEMENT	Aug-17	100.0
 Tempus Partners	Sep-17	40.0
 BLACKBIRD	Apr-18	261.0

Overview		Details
Venture capital fund	Raising date	Raising size (A\$m)
 investible	May-18	> 10.0
 reinventure.	May-18	50.0
 Coca-Cola	May-18	10.0
 Square Peg	Jun-18	> 150.0
 1/ONE VENTURES	Aug-18	100.0
 nabventures	Sep-18	100.0
 ACORN CAPITAL	Oct-18	55.0
 evp	Feb-19	35.0
 artesian	Feb-19	50.0
 salesforce ventures	Mar-19	50.0
 1/ONE VENTURES	Apr-19	45.0
 BRANDON CAPITAL PARTNERS	May-19	250.0
 Square Peg	Jun-19	340.0
 BLACKBIRD	Jul-19	29.0 ²
 investible	Oct-19	22.0
 T VENTURES	Oct-19	50.0
 AirTree	Oct-19	275.0



ANZ tech: Mergers and acquisitions



ANZ tech: Mergers and acquisitions (> A\$10m)¹



Trade and regulatory tensions



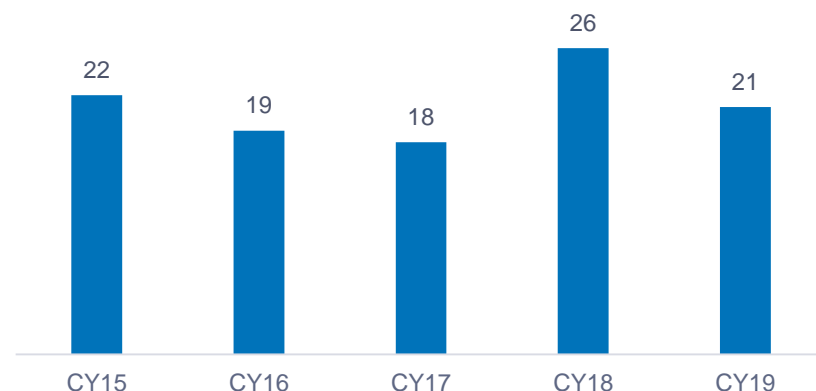
Growing presence of financial sponsors



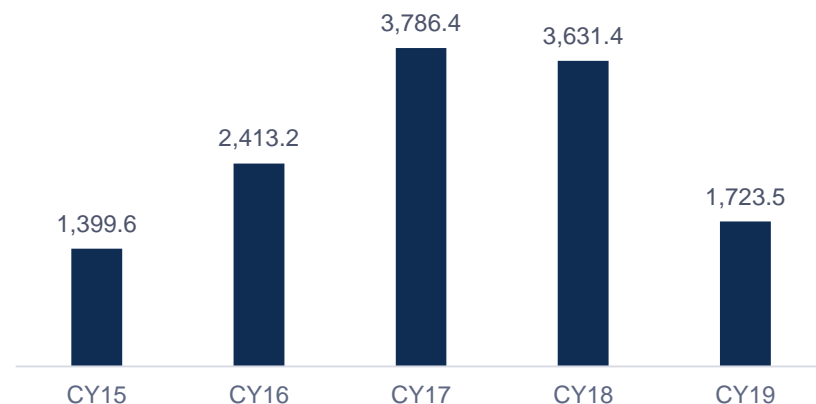
Notable ANZ tech deals

- M&A activity in the broader APAC region is also well down from CY18 due to trade disputes and technology tensions surrounding China
- Decreasing proportion of cross-border transactions
- Growing interest from local and offshore financial sponsors in the ANZ tech sector
- PE dry powder at record high, a core stimulus for M&A activity in 2020
- Increasing focus towards mid-market due to inflated valuations among larger targets
- Equinix-Metronode (\$1.0bn)
- Oracle-Aconex (\$1.6bn)
- KKR-MYOB (\$2.1bn)
- Advent-TSG (estimated ~\$1.0bn)
- Appen-Figure Eight (\$300m)

No. ANZ tech M&A transactions¹








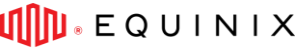



























Total value of ANZ tech M&A transactions (A\$m)²










































Increasing interest in the ANZ tech sector from global acquirers, M&A expected to rebound in 2020

































ANZ tech: Mergers and acquisitions (> A\$10m)¹

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 Quinnessential Mining	Nov-17	 ELMO	12.1	2.9x	6.0x
 ELMACOM	Dec-17	 CollinStar	131.0	n.a.	n.a.
 Microlistics	Dec-17	 WiseTech GLOBAL	40.0	5.9x	23.5x
 metronode DATA CENTRES	Dec-17	 EQUINIX	1,035.0	17.3x	n.a.
 aconex	Dec-17	 ORACLE	1,641.2	9.7x	457.9x
 GroundProbe	Dec-17	 ORICA	205.0	n.a.	n.a.
 CELEMETRIX	Dec-17	 LEGEND CORPORATION	13.5	0.5x	n.a.
 COMMSFORCE	Dec-17				
 Paymark	Jan-18	 ingenico GROUP	173.5	2.3x	5.2x
 BULLETPROOF MISSION CRITICAL CLOUD	Jan-18	 AC3	28.5	0.6x	9.1x
 Pivot	Feb-18	 ELMO	11.2	2.5x	n.a.
 incoming MEDIA	Mar-18	 OVO	13.0	n.a.	n.a.
 CDRU Costs Down Revenue Up	Mar-18	 BlueSky Alternative Thinking	10.0	n.a.	n.a.
 SEISMA	Apr-18	 PS+C	12.6	0.7x	n.a.
Forward/ Softcargo/ Easylog	Apr-18	 WiseTech GLOBAL	25.0	3.7x	31.3x
 WZ BX	Apr-18	n.a.	11.7	n.a.	n.a.
 hometrack	May-18	 REA Group	130.0	n.a.	n.a.
 ZUNOS	Jun-18	 Bigtincan™	11.0	n.a.	n.a.






























ANZ tech: Mergers and acquisitions (> A\$10m)¹

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 THINK OFFICE TECHNOLOGY	Jun-18	 efex	13.8	n.a.	n.a.
 azimuth  LinchpinLabs	Jul-18	 L3 Technologies	313.0	n.a.	n.a.
 spookfish	Jul-18	 EAGLEVIEW	124.6	9.8x	17.4x
 whistleOut	Aug-18	 clearlink  SYKES	44.2	3.1x	n.a.
 Filing Analytics  Citation Eagle	Aug-18	 CPA GLOBAL	10.0	n.a.	n.a.
 seek Data Centres - Cloud - Connectivity	Sep-18	 nextcapital	60.0	n.a.	n.a.
 System Partners	Sep-18	 DXC technology	22.0	n.a.	n.a.
 myob	Oct-18	 KKR	2,071.7	5.6x	18.5x
 Hivint	Oct-18	 OPTUS	23.3	n.a.	n.a.
 swipedon	Oct-18	 SMARTSPACE SOFTWARE	10.2	11.0x	n.a.
 SmartFreight Original Shipping Software	Oct-18	 WiseTech GLOBAL	55.0	7.0x	55.0x
 Comlinx	Oct-18	 OvertheWire	19.8	1.3x	n.a.
 VIX VERIFY	Oct-18	 GBG	38.3	1.7x	n.a.
 SLISYSTEMS	Oct-18	 ESW CAPITAL	38.8	1.0x	7.2x
 PrimeQ	Dec-18	 accenture	31.0	1.1x	n.a.
 AVOKA	Dec-18	 TEMENOS	339.2	n.a.	n.a.
 hronboard	Dec-18	 ELMO	15.0	5.8x	n.a.
 DCI Data Centers	Jan-19	 Brookfield Infrastructure Partners	373.5	n.a.	n.a.


ANZ tech: Mergers and acquisitions (> A\$10m)¹

Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
Asia Pacific Data Center Business	Feb-19	Brookfield Infrastructure Partners	252.7	n.a.	n.a.
 NetCommWireless	Feb-19	 casa systems	163.4	0.8x	11.5x
 CORE	May-19	DESCARTES	43.2	n.a.	n.a.
 TPP Wholesale	May-19	 CentralNic	21.3	1.3x	5.5x
 SONET	Jun-19	 RM Education	13.4	2.4x	n.a.
 AMPAC	Jun-19	 Halma	135.0	2.4x	n.a.
 BCT Solutions	Jun-19	 accenture	20.0	n.a.	n.a.
 GBST	Jul-19	 FNZ	243.8	2.4x	14.1x
 PartPay	Aug-19	 zip	68.7	n.a.	n.a.
 Education Horizons	Aug-19	 potentia	n.a.	n.a.	n.a.
 astute payroll	Aug-19	 PayGroup	12.5	2.3x	n.a.
 RITEQ	Sep-19	 CERIDIAN	n.a.	n.a.	n.a.
 EM SOLUTIONS	Oct-19	 EOS	34.6	n.a.	n.a.
PS&C Security Division	Oct-19	 TESSERENT	13.8	0.8x	6.0x
 zambion The Complete HRIS Cloud Based Solution	Oct-19	 ReadyTech	10.5	n.a.	n.a.
 Cloud Conformity	Oct-19	 TREND MICRO	102.0	4.4x	n.a.
KOUNTA	Oct-19	 lightspeed	63.0	6.8x	n.a.
BIDTRACKER	Nov-19	 Domain	35.0	n.a.	n.a.
 SMART SPARROW	Jan-20	 Pearson	36.3	n.a.	n.a.

ANZ tech: Selected private equity acquisitions¹

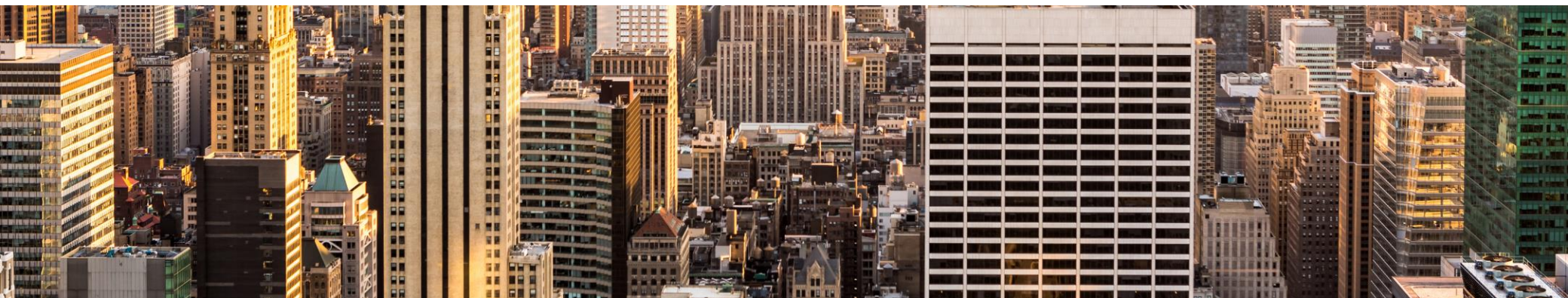
Transaction overview				Multiples	
Target	Date	Acquirer	Transaction value (A\$m) ²	EV/ LTM revenue	EV/ LTM EBITDA
 CONTAINERCHAIN	Aug-16	 CPE CAPITAL	130.0	n.a.	n.a.
 JobReady.	Jun-17	 Pemba Capital Partners	n.a.	n.a.	n.a.
 i seek Data Centres • Cloud • Connectivity	Sep-18	 nextcapital	60.0	n.a.	n.a.
 servian	Sep-18	 ADAMANTEM CAPITAL	> 80.0	n.a.	n.a.
 myob	Oct-18	 KKR	2,071.7	5.6x	18.5x
 PLAN.B	Oct-18	 THE Growth FUND	n.a.	n.a.	n.a.
 MICROMINE Innovative Mining Solutions	Dec-18	 potentia	n.a.	n.a.	n.a.
 PROVOKE	Mar-19	 BRIDGEWEST	n.a.	n.a.	n.a.
 INX	Apr-19	 TANARRA	n.a.	n.a.	n.a.
 TISG	Jun-19	 Advent International GLOBAL PRIVATE EQUITY	n.a.	n.a.	n.a.
 NEXON	Jul-19	 IEQT	n.a.	n.a.	n.a.
 EDUCATION HORIZONS GROUP	Aug-19	 potentia	n.a.	n.a.	n.a.
 H&L	Oct-19	 VALSOFT	n.a.	n.a.	n.a.
 AGILITYCIS	Nov-19	 PIONEER CAPITAL  SilverTree	n.a.	n.a.	n.a.

ANZ tech: Most active acquirers of ANZ tech companies¹

Most active acquirers			
Company	No. acquisitions ¹	Median acquisition value ²	Mean acquisition value ²
Deloitte.	7	n.a.	n.a.
 Telstra	6	22.3	22.3
 dreamscape networks	5	2.9	4.6
 ELMO	5	11.2	8.3
 PS&C	5	3.1	5.9
 WiseTech GLOBAL	5	9.0	22.6
 DXC technology	4	444.7	444.7
 accenture	4	25.5	25.5
 CIRRUS	4	2.0	2.3
 KPMG	4	n.a.	n.a.
 5G networks	3	3.5	3.7
 CentralNic	3	21.3	20.2
 illion	3	n.a.	n.a.
 JDM Technology Group	3	n.a.	n.a.
 myob	3	27.1	28.0
 OvertheWire	3	7.6	10.3
 potentia	3	n.a.	n.a.
 RPM GLOBAL	3	10.9	10.9
 TISG	3	n.a.	n.a.
 ventraip	3	n.a.	n.a.



US tech: M&A and equity capital raisings



US tech: Market themes



Uncertain
global outlook



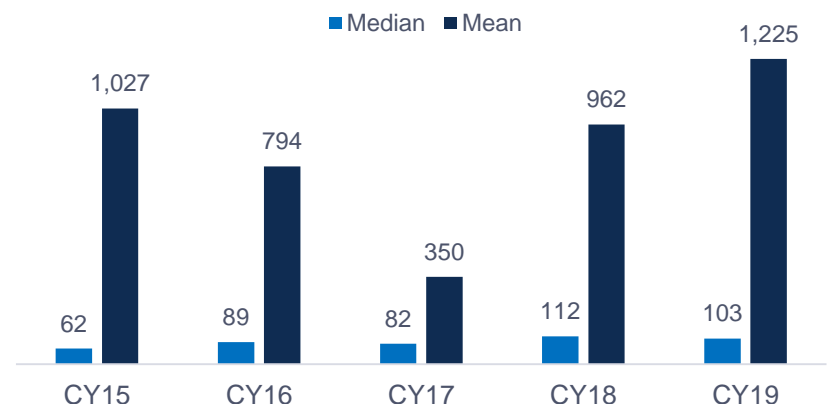
Economies of
scope



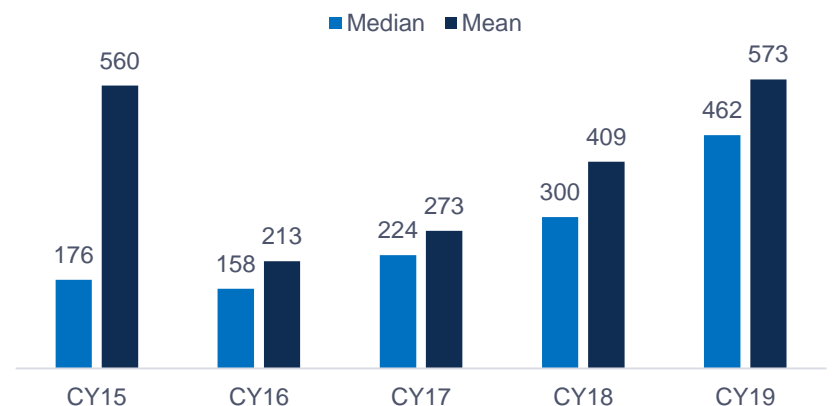
Notable tech
mega deals

- Despite worldwide economic uncertainty driven largely by trade and regulatory tensions, deal-making in tech continues to be robust
- Strategic acquirers and private equity interest in technology to take centre stage in fuelling growth in transaction volume in 2020
- Larger tech players moving down the value chain to streamline operations and maintain competitive advantage
- Tech acquirers seeking expansion of capabilities and achieving cross-selling and other revenue synergies
- Global Payments-TSYS (\$38.5bn)
- Salesforce-Tableau (\$24.9bn)
- Broadcom-Symantec Enterprise Security Division (\$15.7bn)
- VMware-Pivotal (\$5.0bn)
- VMware-Carbon Black (\$3.3bn)
- Prudential-Assurance IQ (\$5.1bn)

Mean and median tech M&A transaction values (A\$m)¹



Mean and median tech IPO's raising size (A\$m)¹



Steady rise in value of IPO's and M&A transactions are expected to continue in the coming years

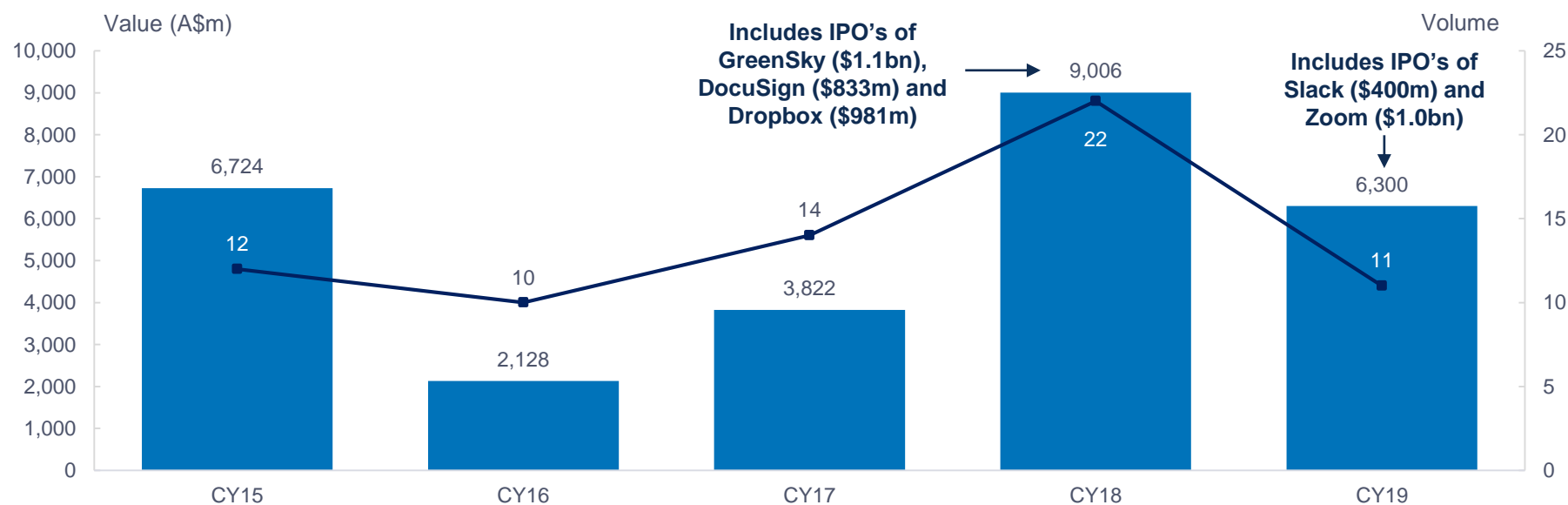
US tech: IPO's (> A\$100m raised)¹

Context for US tech IPO's



- Loss of confidence after seeing the lacklustre performance of recent IPO's such as Uber, Lyft, Pinterest, Slack, Medallia and the WeWork IPO fallout
- Investors shying away from high cash burn tech IPO's
- Slowdown in IPO activity in part influenced by trade and regulatory tensions across the globe

No. US tech IPO's and total capital raised at IPO's (A\$m)



Confidence in North America tech IPO's may recover in 2020

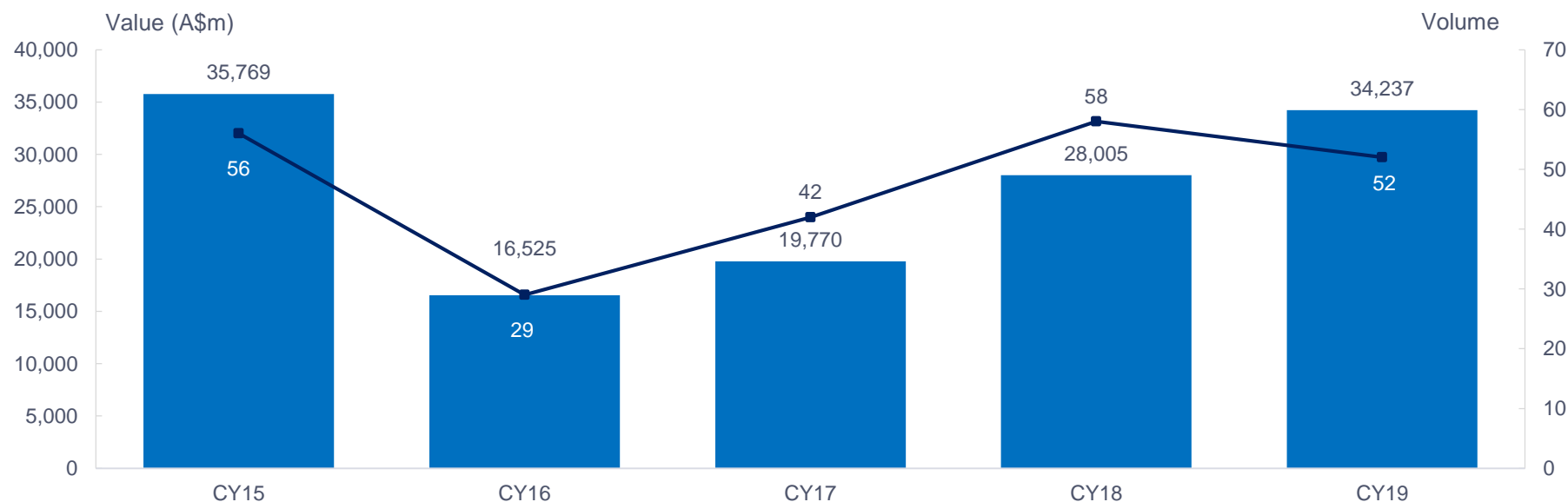
US tech: Secondary capital raisings (> A\$100m raised)¹

Context for US tech secondary capital raisings



- Rising public market valuations prompting capital-hungry tech players to take advantage of lower cost of capital in accelerating expansion, development and inorganic growth
- Tech secondary capital raisings steadily increasing by aggregate and mean value
- Increasing investor focus on listed tech players with product maturity and clear expansion strategy

No. US tech secondary capital raisings and total secondary capital raised (A\$m)



Larger tech companies will continue to utilise public capital as an avenue for further growth

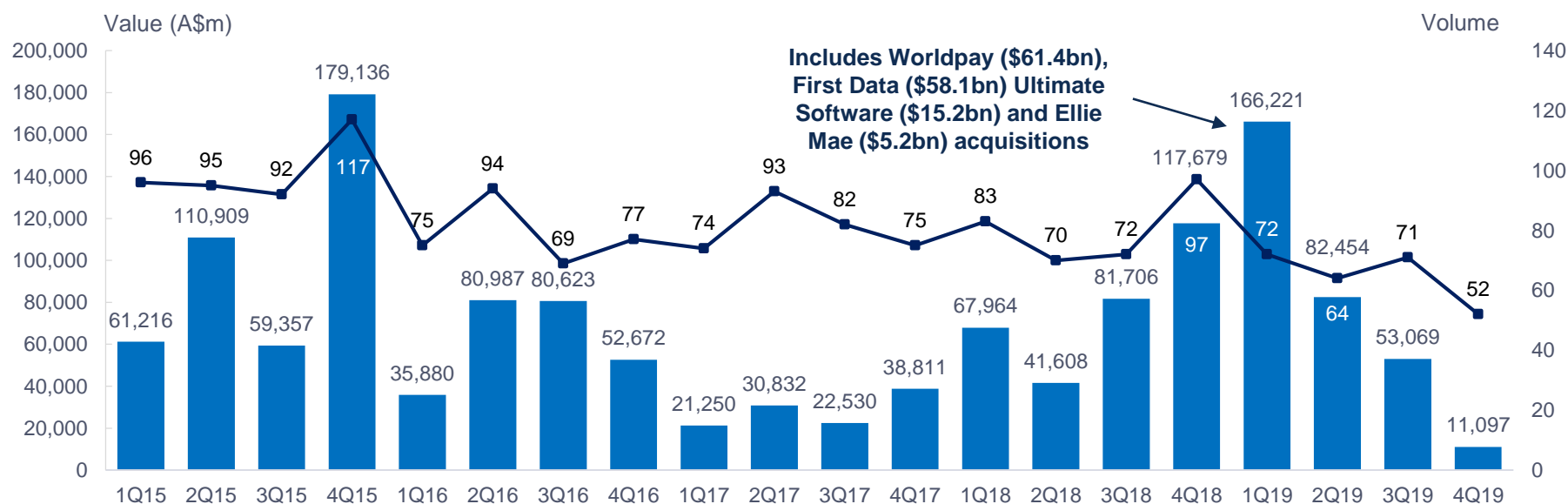
US tech: Mergers and acquisitions (> A\$10m)¹

Context for US tech mergers and acquisitions



- Large corporate tech players with an acquisitive appetite are expected to contribute to a resurgence of tech M&A activities due to the significant availability of capital
- Deal valuations in tech have risen over the past few years and may continue to do so in 2020
- Increasingly, tech companies are employing a strategy involving M&A to expand into new markets, build a strong customer base and refocus on enhancing core offerings

No. US tech M&A transactions and total value of transactions (A\$m)



M&A activity in North America is expected to recover in 2020



Appendix: Index constituents



Blackpeak ANZ tech indices constituents

Company	Capitalisation		Multiples					Operating metrics								
			EV/ Revenue		EV/ EBITDA		FCF margin	Margins (LTM)		Revenue growth		Expenses		SaaS	Recurring revenue	Attrition
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY2019	NTM	LTM	NTM	NTM	Gross	EBITDA	FY19	FY20E	S&M/ revenue	R&D/ revenue	SaaS magic number	Last reported	Last reported
ANZ SaaS																
WiseTech	7,550.7	7,290.7	20.9x	15.5x	67.4x	47.9x	20.7%	80.9%	31.0%	57.2%	35.2%	13.7%	37.6%	7.1x	88.0%	0.2%
Xero	11,390.6	11,371.9	22.0x	14.3x	128.8x	64.1x	4.4%	84.8%	8.9%	35.3%	35.3%	45.1%	37.3%	1.2x	97.4%	13.2%
Class	238.2	220.8	5.8x	5.3x	12.3x	12.1x	12.6%	96.7%	46.9%	12.7%	8.9%	4.7%	27.5%	0.8x	95.5%	0.8%
ELMO	484.1	468.3	11.7x	8.6x	n.a.	n.a.	(26.4%)	86.5%	(2.2%)	51.0%	35.4%	44.4%	28.8%	2.4x	95.4%	7.9%
Eroad	204.1	237.0	4.0x	3.2x	15.8x	11.9x	23.6%	n.a.	21.9%	40.2%	26.5%	n.a.	25.7%	n.a.	93.6%	2.0%
BigTinCan	214.3	189.2	9.5x	6.5x	n.a.	n.a.	(20.2%)	87.8%	(18.0%)	51.3%	46.6%	61.1%	41.2%	0.7x	94.2%	13.0%
ReadyTech	139.2	156.6	4.8x	3.9x	12.2x	9.7x	n.a.	94.0%	39.8%	27.6%	22.0%	1.4%	n.a.	n.a.	89.5%	5.0%
Serko	446.4	439.1	19.5x	14.5x	176.2x	n.a.	3.2%	93.1%	2.7%	27.8%	35.1%	7.3%	40.8%	14.5x	88.5%	n.a.
Whispir	159.5	135.9	4.4x	3.6x	n.a.	n.a.	(49.8%)	65.6%	(35.3%)	11.9%	21.5%	42.6%	33.0%	0.6x	94.4%	6.0%
LiveTiles	231.8	216.9	12.0x	4.5x	n.a.	n.a.	8.7%	95.1%	(181.3%)	218.3%	166.0%	19.3%	23.1%	14.0x	73.4%	n.a.
LiveHire	69.4	35.4	13.5x	8.0x	n.a.	n.a.	(363.6%)	n.a.	(549.3%)	58.9%	67.8%	18.1%	74.6%	n.a.	73.7%	n.a.
Damstra	137.4	122.3	8.0x	5.7x	81.6x	28.4x	7.5%	88.7%	9.8%	44.7%	39.2%	n.a.	15.7%	n.a.	90.4%	3.0%
Life360	436.8	323.7	3.8x	2.9x	n.a.	n.a.	(23.9%)	81.4%	(60.1%)	82.8%	67.6%	63.0%	73.9%	8.0x	77.4%	n.a.
Pro Medicus	2,299.3	2,267.0	45.2x	38.0x	70.9x	57.0x	38.7%	97.2%	63.8%	47.9%	18.9%	3.1%	26.1%	(2.2x)	93.8%	n.a.
Volpara	402.8	367.6	n.a.	17.0x	n.a.	n.a.	(21.6%)	88.7%	(159.2%)	77.8%	261.3%	110.5%	26.6%	3.3x	80.8%	n.a.
Infomedia	678.1	662.6	7.8x	7.0x	17.4x	15.0x	18.2%	n.a.	45.0%	16.0%	12.5%	30.0%	44.0%	1.2x	97.2%	n.a.
Limeade	450.4	397.2	5.9x	4.9x	57.4x	n.a.	(21.9%)	75.5%	10.2%	17.2%	19.4%	35.5%	38.3%	1.0x	96.2%	3.0%
Nitro	309.8	248.7	4.9x	4.3x	n.a.	n.a.	(8.4%)	88.7%	(10.7%)	9.3%	14.4%	52.3%	20.9%	n.a.	52.2%	n.a.
Median			8.0x	6.1x	62.4x	21.7x	3.2%	88.7%	5.8%	42.4%	35.1%	32.8%	33.0%	1.2x	92.0%	4.0%
Max			45.2x	38.0x	176.2x	64.1x	38.7%	97.2%	63.8%	218.3%	261.3%	110.5%	74.6%	14.5x	97.4%	13.2%
Min			3.8x	2.9x	12.2x	9.7x	(363.6%)	65.6%	(549.3%)	9.3%	8.9%	1.4%	15.7%	(2.2x)	52.2%	0.2%

Blackpeak ANZ tech indices constituents

Company	Capitalisation		Multiples					Operating metrics					
			EV/ Revenue		EV/ EBITDA		FCF margin	Margins (LTM)		Revenue growth		Expenses	
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY2019	NTM	LTM	NTM	NTM	Gross	EBITDA	FY19	FY20E	S&M/ revenue	R&D/ revenue
ANZ software													
FINEOS	703.3	647.7	6.4x	5.0x	56.5x	46.1x	(8.4%)	66.4%	11.3%	16.8%	29.0%	5.3%	36.4%
Iress	2,301.9	2,556.4	5.1x	4.8x	21.9x	18.5x	19.5%	n.a.	24.4%	8.9%	9.2%	n.a.	n.a.
TechnologyOne	2,755.2	2,650.2	9.3x	8.6x	32.4x	27.5x	13.6%	n.a.	28.7%	12.7%	7.9%	2.2%	20.9%
Altium	4,494.7	4,378.6	17.7x	14.2x	48.4x	37.5x	35.6%	97.1%	36.5%	22.6%	24.4%	2.9%	10.8%
Hansen	756.3	904.5	3.9x	2.9x	16.2x	12.2x	14.5%	n.a.	24.1%	0.2%	33.2%	n.a.	7.7%
Integrated Research	553.4	544.1	5.4x	5.0x	13.5x	12.7x	27.0%	n.a.	39.9%	10.6%	7.0%	49.4%	28.9%
Objective	575.5	552.9	8.9x	7.9x	39.1x	n.a.	18.3%	96.1%	22.8%	(1.7%)	12.6%	43.3%	21.3%
Praemium	200.1	186.4	4.2x	3.7x	16.4x	14.0x	12.5%	n.a.	21.4%	4.7%	12.6%	n.a.	11.1%
Vista Group	576.2	569.0	4.1x	4.1x	20.4x	20.4x	3.5%	n.a.	17.3%	10.1%	18.5%	6.8%	21.9%
Bravura	1,279.0	1,082.7	4.2x	3.7x	22.1x	18.2x	10.8%	n.a.	19.0%	16.6%	13.8%	n.a.	12.3%
Gentrack	355.8	351.8	3.3x	3.2x	14.7x	14.7x	15.8%	n.a.	17.0%	6.9%	1.7%	1.4%	12.1%
Median			5.1x	4.8x	21.9x	18.4x	14.5%	96.1%	22.8%	10.1%	12.6%	5.3%	16.6%
Max			17.7x	14.2x	56.5x	46.1x	35.6%	97.1%	39.9%	22.6%	33.2%	49.4%	36.4%
Min			3.3x	2.9x	13.5x	12.2x	(8.4%)	66.4%	11.3%	(1.7%)	1.7%	1.4%	7.7%
ANZ online classifieds													
REA	14,133.0	14,305.2	15.2x	15.6x	28.5x	26.1x	39.5%	96.5%	53.2%	8.5%	(2.8%)	8.0%	n.a.
carsales.com	4,174.2	4,571.8	11.0x	10.2x	21.8x	19.7x	38.2%	84.0%	50.3%	10.8%	7.1%	19.5%	n.a.
SEEK	7,910.2	9,147.7	5.9x	5.2x	20.1x	18.7x	12.9%	85.3%	29.2%	18.4%	14.0%	9.6%	n.a.
Domain	2,221.5	2,334.8	7.0x	7.5x	23.8x	21.4x	14.3%	n.a.	23.0%	16.9%	(6.2%)	12.1%	n.a.
FDV	213.3	198.5	12.7x	8.9x	n.a.	n.a.	(20.6%)	n.a.	(40.9%)	22.7%	85.1%	33.6%	n.a.
Median			11.0x	8.9x	22.8x	20.5x	14.3%	85.3%	29.2%	16.9%	7.1%	12.1%	n.a.
Max			15.2x	15.6x	28.5x	26.1x	39.5%	96.5%	53.2%	22.7%	85.1%	33.6%	–
Min			5.9x	5.2x	20.1x	18.7x	(20.6%)	84.0%	(40.9%)	8.5%	(6.2%)	8.0%	–

Blackpeak ANZ tech indices constituents

Company	Capitalisation		Multiples					Operating metrics			
			EV/ Revenue		EV/ EBITDA		FCF margin	Margins (LTM)		Revenue growth	
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY2019	NTM	LTM	NTM	NTM	Gross	EBITDA	FY19	FY20E
ANZ technology enabled services											
Appen	2,683.7	2,647.0	4.8x	4.3x	n.a.	23.3x	10.8%	26.5%	19.2%	51.3%	24.3%
NEXTDC	2,260.1	2,728.3	16.1x	13.6x	32.1x	26.6x	(113.9%)	62.5%	45.3%	11.2%	18.5%
Nearmap	1,126.6	1,050.7	13.5x	10.5x	67.9x	122.6x	(22.3%)	52.5%	(9.9%)	45.0%	28.6%
Dubber	223.8	204.1	36.8x	n.a.	n.a.	n.a.	n.a.	n.a.	(143.5%)	269.2%	n.a.
Straker	75.8	63.5	2.7x	2.0x	n.a.	n.a.	(3.8%)	54.2%	(1.8%)	44.4%	21.0%
Netlinkz	212.4	216.3	n.a.	n.a.	n.a.	n.a.	n.a.	100.0%	(1,877.2%)	476.5%	n.a.
OvertheWire	237.5	237.2	3.0x	2.4x	11.8x	11.5x	13%	24.2%	24.8%	48.6%	23.4%
Aerometrex	182.7	189.2	11.7x	n.a.	36.5x	n.a.	n.a.	43.4%	31.3%	22.7%	n.a.
Median			11.7x	4.3x	34.3x	24.9x	(3.8%)	52.5%	8.7%	46.8%	23.4%
Max			36.8x	13.6x	67.9x	122.6x	13.0%	100.0%	45.3%	476.5%	28.6%
Min			2.7x	2.0x	11.8x	11.5x	(113.9%)	24.2%	(1,877.2%)	11.2%	18.5%
ANZ online/ digital											
Freelancer	262.0	229.7	4.0x	3.7x	n.a.	72.9x	6.7%	84.8%	2.9%	10.5%	15.0%
3P Learning	122.7	96.9	1.8x	1.7x	5.5x	5.5x	n.a.	45.7%	17.9%	(1.7%)	3.7%
iSelect	108.9	96.3	0.6x	0.6x	4.2x	5.7x	n.a.	34.4%	9.1%	(12.9%)	4.5%
Redbubble	290.9	261.5	0.9x	0.9x	68.8x	29.1x	0.6%	15.3%	(3.1%)	40.3%	0.1%
Kogan	689.7	663.4	1.5x	1.5x	22.0x	16.3x	3.2%	20.7%	6.6%	6.4%	2.3%
Temple & Websters	304.0	290.4	2.9x	2.1x	264.0x	122.7x	2.9%	44.6%	1.1%	40.0%	36.9%
Median			1.6x	1.6x	22.0x	22.7x	3.1%	39.5%	4.8%	8.5%	4.1%
Max			4.0x	3.7x	264.0x	122.7x	6.7%	84.8%	17.9%	40.3%	36.9%
Min			0.6x	0.6x	4.2x	5.5x	0.6%	15.3%	(3.1%)	(12.9%)	0.1%

Blackpeak ANZ tech indices constituents

Company	Capitalisation		Multiples					Operating metrics			
			EV/ Revenue		EV/ EBITDA		FCF margin	Margins (LTM)		Revenue growth	
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY2019	NTM	LTM	NTM	NTM	Gross	EBITDA	FY19	FY20E
ANZ technology hardware and equipment											
Superloop	336.6	406.8	3.5x	3.5x	47.9x	24.8x	(25.2%)	48.4%	2.9%	1.6%	(0.2%)
Audinate	549.2	518.9	18.3x	14.1x	187.7x	109.4x	11.0%	74.4%	2.8%	44.1%	30.3%
Megaport	1,476.2	1,403.6	40.0x	24.7x	n.a.	n.a.	(70.2%)	34.1%	(88.1%)	77.5%	62.2%
Catapult	301.8	290.4	3.0x	2.6x	53.2x	22.9x	(1.2%)	26.5%	(6.2%)	24.2%	15.4%
Codan	1,321.1	1,283.6	4.7x	4.0x	16.3x	13.3x	14.7%	56.6%	24.8%	17.8%	18.0%
Pivotal	168.2	156.1	6.5x	3.9x	n.a.	n.a.	(26.7%)	12.6%	(42.9%)	(18.1%)	91.5%
SM Systems	111.6	110.1	6.7x	n.a.	n.a.	n.a.	n.a.	39.0%	(17.2%)	120.3%	n.a.
Revasum	54.6	41.5	1.3x	1.3x	n.a.	n.a.	(89.8%)	34.0%	(3.8%)	(19.6%)	37.9%
Median			5.6x	3.9x	50.5x	23.9x	(25.2%)	36.5%	(5.0%)	21.0%	30.3%
Max			40.0x	24.7x	187.7x	109.4x	14.7%	74.4%	24.8%	120.3%	91.5%
Min			1.3x	1.3x	16.3x	13.3x	(89.8%)	12.6%	(88.1%)	(19.6%)	(0.2%)
ANZ IT services											
Citadel	237.7	235.6	2.4x	1.8x	10.1x	8.2x	7.0%	44.6%	17.2%	(6.8%)	32.8%
Data#3	635.9	514.8	0.4x	0.3x	17.6x	15.5x	1.2%	3.4%	2.1%	19.8%	6.8%
DWS	142.4	175.5	1.1x	n.a.	7.9x	n.a.	n.a.	17.4%	13.6%	29.7%	n.a.
ARQ (Melb IT)	45.2	140.2	0.8x	0.8x	n.a.	8.7x	4.5%	54.4%	10.3%	(18.9%)	(2.6%)
CSG	137.0	347.2	1.8x	1.5x	20.3x	18.0x	n.a.	30.1%	12.3%	(1.0%)	18.0%
Rhipe	283.0	257.5	5.3x	4.3x	20.1x	19.8x	16.1%	94.9%	17.6%	35.7%	23.1%
Trimantium	12.5	30.3	0.4x	n.a.	n.a.	n.a.	n.a.	6.1%	(51.9%)	224.2%	n.a.
RXP	83.8	94.1	0.7x	0.6x	5.6x	5.1x	n.a.	17.7%	11.8%	0.1%	3.7%
Median			0.9x	1.2x	13.9x	12.1x	5.7%	23.9%	12.0%	9.9%	12.4%
Max			5.3x	4.3x	20.3x	19.8x	16.1%	94.9%	17.6%	224.2%	32.8%
Min			0.4x	0.3x	5.6x	5.1x	1.2%	3.4%	(51.9%)	(18.9%)	(2.6%)

Blackpeak ANZ tech indices constituents

Company	Capitalisation		Multiples					Operating metrics			
			EV/ Revenue		EV/ EBITDA		FCF margin	Margins (LTM)		Revenue growth	
	Equity Value (A\$m)	Enterprise Value (A\$m)	FY2019	NTM	LTM	NTM	NTM	Gross	EBITDA	FY19	FY20E
ANZ fintech											
Afterpay	7,817.3	7,635.1	35.0x	15.2x	215.1x	117.4x	(66.5%)	72.7%	(9.5%)	91.4%	130.6%
Splitit	210.3	177.7	n.a.	n.a.	n.a.	n.a.	n.a.	74.8%	(454.8%)	n.a.	n.a.
Prospera	313.0	554.7	4.1x	3.7x	81.6x	158.8x	n.a.	100.0%	n.a.	n.a.	8.9%
Sezzle	270.5	277.6	13.2x	13.2x	n.a.	n.a.	(178.8%)	44.7%	(114.4%)	931.7%	82.9%
Zip	1,346.8	1,920.5	23.2x	12.0x	n.a.	200.3x	20.6%	37.9%	(13.3%)	111.0%	92.5%
Pushpay	1,087.1	1,059.2	7.5x	5.1x	454.3x	23.0x	18.6%	64.9%	10.6%	40.1%	30.8%
EML	1,506.7	1,488.6	15.8x	9.5x	51.1x	30.6x	n.a.	75.1%	19.1%	38.2%	66.3%
OFX	348.2	312.8	2.4x	2.5x	9.7x	9.5x	14.2%	90.8%	18.2%	8.2%	(2.7%)
Hub24	681.4	662.9	12.2x	5.7x	44.8x	27.5x	11.7%	59.1%	n.a.	36.2%	114.8%
Netwealth	1,915.8	1,854.1	19.2x	15.3x	35.7x	29.4x	34.9%	67.3%	53.9%	18.3%	25.3%
Wizr	161.2	151.2	n.a.	19.3x	n.a.	n.a.	(68.9%)	56.3%	n.a.	n.a.	170.1%
Tyro	1,728.3	1,559.6	8.5x	n.a.	n.a.	n.a.	n.a.	43.6%	(3.3%)	28.4%	n.a.
MoneyMe	237.2	273.9	8.6x	n.a.	n.a.	n.a.	n.a.	100.0%	n.a.	32.4%	43.6%
Money3	441.2	540.9	5.9x	4.6x	8.5x	8.9x	54.3%	100.0%	54.9%	24.6%	27.4%
Median			10.4x	9.5x	47.9x	29.4x	14.2%	70.0%	3.6%	36.2%	54.9%
Max			35.0x	19.3x	454.3x	200.3x	54.3%	100.0%	54.9%	931.7%	170.1%
Min			2.4x	2.5x	8.5x	8.9x	(178.8%)	37.9%	(455%)	8.2%	(2.7%)



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