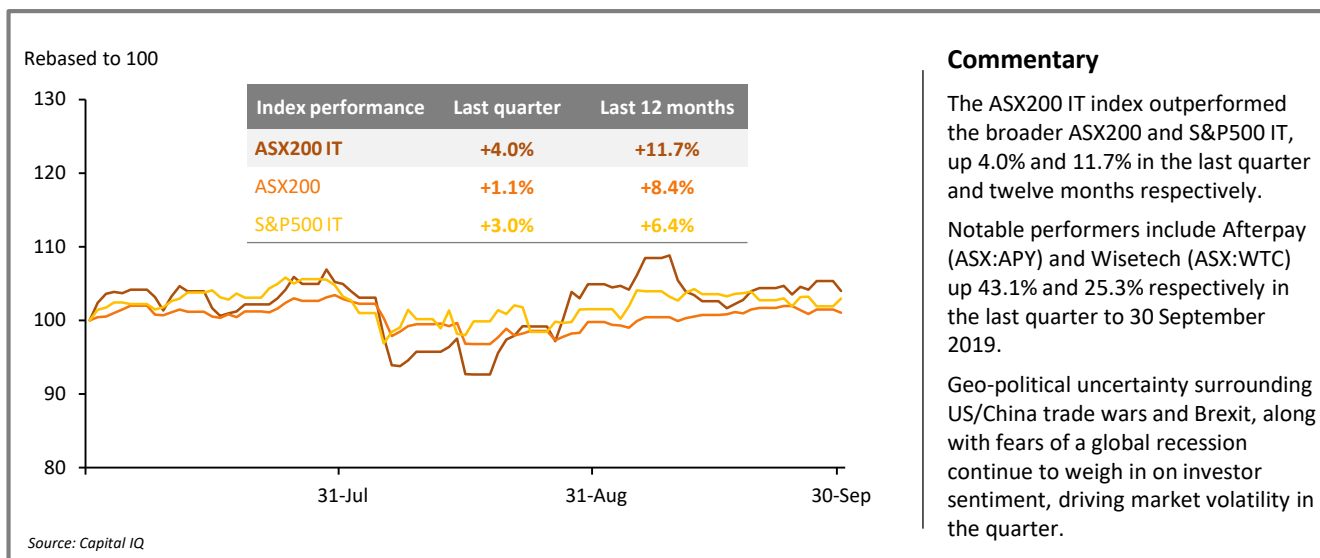


Quarterly performance



Commentary

The ASX200 IT index outperformed the broader ASX200 and S&P500 IT, up 4.0% and 11.7% in the last quarter and twelve months respectively.

Notable performers include Afterpay (ASX:APY) and Wisetech (ASX:WTC) up 43.1% and 25.3% respectively in the last quarter to 30 September 2019.

Geo-political uncertainty surrounding US/China trade wars and Brexit, along with fears of a global recession continue to weigh in on investor sentiment, driving market volatility in the quarter.

Quarterly M&A & other news

Date	Description
30-Sep-19	Pemba Capital Partners sold secure ID and transaction cards company Placard to ASSA ABLOY, a Swedish strategic investor
26-Sep-19	Bigtincan (ASX:BTH) raised c.A\$20 million to help fund its acquisition of Boston-based Xinnovation Inc, a cloud software company operating in the financial services segment.
2-Sep-19	Archer Capital kicked off a sale process for Illion , a data registry conglomerate generating c.A\$90 million EBITDA annually
29-Aug-19	Thoma Bravo-backed Nintex , a US-based workflow automation software company generating over A\$50 million in EBITDA per annum, meets Australian fund managers as it considers a listing on the ASX
28-Aug-19	Potentia Capital has acquired a controlling stake in Australian payments software company PC-EFTPOS
5-Aug-19	Fox Corporation announced its acquisition of Credible Labs Inc. (ASX:CRD), an American online loan origination market place. The offer represented a 67% acquisition of Credible Lab's equity at A\$2.21 per share, representing a 31% premium and fully diluted equity value of c.A\$585 million
29-Jul-19	FNZ enters into a binding agreement to acquire GBST Holdings (ASX:GBT) for \$3.85 per share. This comes after a series of unsuccessful offers from FNZ at higher prices which had strict conditions and short time-frames for acceptances
8-Jul-19	Tyro Payments , a provider of EFTPOS terminals, confirms plans to list on the ASX, expected within the next 18 months
5-Jul-19	The Quadrant Growth Fund acquired Grays Online and AreYouSelling , both online market places, from Eclix for A\$60 million
2-Jul-19	Fineos Group , a global software company for insurers based in Ireland, is seeking to list on the ASX and expected to be valued at over A\$500 million

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed technology companies by market capitalisation (30 September 2019)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)			Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 WiseTech	11,006	34.73	25%	106%	57%	(10%)	133%	(3%)	8%	22%	22.8x	n.m.	n.m.
2 Afterpay	9,064	35.87	43%	189%	100%	(3%)	246%	9%	29%	37%	19.0x	n.m.	n.m.
3 Xero	8,781	62.29	4%	48%	27%	(10%)	73%	(3%)	(1%)	5%	12.2x	n.m.	n.m.
4 Computershare	8,756	16.15	(0%)	(6%)	(19%)	(22%)	14%	2%	3%	(1%)	3.1x	11.0x	16.5x
5 Altium	4,368	33.35	(2%)	54%	22%	(13%)	69%	(5%)	(5%)	(1%)	13.7x	35.4x	48.3x
6 Link	3,043	5.70	14%	(16%)	(27%)	(29%)	27%	2%	10%	(0%)	2.9x	10.9x	18.5x
7 Appen	2,560	21.16	(24%)	65%	51%	(34%)	120%	(9%)	(16%)	(16%)	4.3x	23.2x	37.0x
8 TechnologyOne	2,282	7.18	(9%)	17%	29%	(24%)	42%	(2%)	(5%)	(7%)	6.9x	24.6x	36.6x
9 NEXTDC	2,117	6.16	(5%)	1%	(5%)	(15%)	10%	0%	(4%)	(4%)	12.9x	25.3x	n.m.
10 IRESS	1,998	11.58	(17%)	4%	(9%)	(22%)	10%	(3%)	(9%)	(13%)	4.2x	16.3x	24.7x
11 Dicker Data	1,284	7.95	48%	182%	167%	(2%)	186%	7%	24%	39%	n.m.	n.m.	n.m.
12 Megaport	1,240	9.09	39%	148%	141%	(6%)	200%	2%	14%	n.a.	20.8x	n.m.	n.m.
13 Nearmap	1,161	2.58	(32%)	72%	50%	(40%)	111%	(1%)	(14%)	(20%)	10.8x	n.m.	n.m.
14 EML	1,096	4.29	45%	188%	170%	(3%)	255%	11%	22%	36%	8.8x	26.4x	54.0x
15 iSignthis	1,022	0.94	44%	503%	484%	(47%)	790%	(14%)	(8%)	4%	18.2x	n.m.	55.0x
16 Bravura	1,009	4.14	(15%)	12%	(6%)	(34%)	19%	(6%)	(9%)	(17%)	2.8x	14.1x	25.8x
17 Codan	997	5.54	60%	90%	72%	(1%)	99%	11%	21%	30%	3.4x	11.6x	20.9x
18 Pushpay	856	3.11	(15%)	3%	(17%)	(19%)	18%	(5%)	(10%)	(13%)	4.5x	22.3x	33.5x
19 FINEOS ⁽¹⁾	828	3.13	n.a.	n.a.	n.a.	(7%)	29%	1%	13%	13%	7.1x	n.m.	n.m.
20 Hansen	746	3.78	(4%)	8%	1%	(12%)	33%	12%	2%	4%	2.9x	12.1x	19.2x
21 Infomedica	645	2.03	19%	72%	55%	(13%)	103%	(7%)	2%	8%	6.6x	14.2x	34.4x
22 Vista Group	593	3.56	(38%)	(1%)	0%	(39%)	13%	(10%)	(19%)	(25%)	4.1x	19.5x	41.7x
23 Integrated Research	531	3.09	(6%)	7%	13%	(12%)	109%	(2%)	4%	7%	4.8x	12.2x	22.9x
24 Life360	523	3.60	(7%)	n.a.	n.a.	(35%)	20%	5%	(1%)	(11%)	3.5x	n.m.	n.m.
25 Audinate	509	7.60	(5%)	120%	115%	(12%)	147%	5%	4%	5%	13.0x	n.m.	n.m.
26 Gentrack	480	4.86	(18%)	1%	(26%)	(27%)	16%	(14%)	(15%)	(13%)	4.2x	16.8x	33.0x
27 Dataf3	457	2.97	40%	98%	101%	(2%)	120%	5%	13%	26%	0.2x	10.8x	23.9x
28 Elmo	456	6.30	(14%)	16%	3%	(19%)	42%	4%	2%	1%	8.1x	n.m.	n.m.
29 Objective	389	4.18	49%	61%	49%	(0%)	67%	4%	9%	21%	n.m.	n.m.	n.m.
30 rhipe	367	2.62	(8%)	110%	120%	(16%)	153%	(0%)	(3%)	5%	5.5x	20.9x	36.3x
31 Serko	315	3.90	(4%)	46%	25%	(11%)	68%	(10%)	(7%)	1%	9.5x	n.m.	n.m.
32 Dubber	303	1.60	19%	295%	260%	(4%)	321%	8%	25%	35%	n.m.	n.m.	n.m.
33 LiveTiles	285	0.37	(16%)	16%	(34%)	(39%)	35%	(5%)	(17%)	(20%)	7.2x	n.m.	n.m.
34 Catapult	276	1.46	33%	90%	33%	(7%)	141%	11%	16%	19%	2.4x	20.9x	n.m.
35 Netlinkz	274	0.16	(3%)	400%	433%	(48%)	627%	(12%)	(23%)	7%	n.m.	n.m.	n.m.
36 GBST	260	3.83	29%	154%	103%	(3%)	221%	0%	1%	17%	2.4x	11.0x	20.6x
37 Over the Wire	253	4.90	-	6%	4%	(13%)	31%	8%	12%	7%	2.6x	12.1x	25.5x
38 Praemium	206	0.51	26%	(21%)	(55%)	(56%)	58%	6%	5%	14%	3.9x	14.6x	40.2x
39 Splitit	183	0.60	(6%)	n.a.	n.a.	(70%)	95%	8%	9%	(23%)	n.m.	n.m.	n.m.
40 Citadel	179	3.64	(21%)	(50%)	(55%)	(61%)	0%	(7%)	(16%)	(22%)	1.4x	6.3x	15.1x
Average	1,792		7%	85%	66%	(21%)	122%	0%	2%	4%			

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 (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Change Financial	53	0.54	1002%	815%	370%	(1%)	1829%	58%	88%	177%	n.m.	n.m.	n.m.
2 Kyckr	52	0.23	582%	236%	88%	(39%)	626%	(14%)	(3%)	4%	n.m.	n.m.	n.m.
3 GetSwift	111	0.59	195%	40%	(9%)	(25%)	281%	9%	56%	94%	n.m.	n.m.	n.m.
4 IODM	85	0.16	191%	742%	1043%	(3%)	1233%	59%	83%	125%	n.m.	n.m.	n.m.
5 Envirosuite	107	0.27	125%	297%	218%	(17%)	429%	7%	23%	38%	8.9x	n.m.	n.m.
6 Smart Parking	78	0.22	124%	69%	16%	(4%)	139%	4%	28%	42%	1.8x	14.2x	37.5x
7 Bluechip	90	0.17	118%	215%	166%	(13%)	227%	(2%)	37%	49%	14.1x	n.m.	n.m.
8 Isentia	88	0.44	96%	57%	33%	(4%)	138%	10%	26%	50%	n.m.	n.m.	n.m.
9 Dreamscape	103	0.27	71%	231%	121%	(2%)	249%	0%	7%	42%	1.5x	7.3x	11.1x
10 Codan	997	5.54	60%	90%	72%	(1%)	99%	11%	21%	30%	3.4x	11.6x	20.9x
Average	176		256%	279%	212%	(11%)	525%	14%	36%	65%			

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 (Jun-20)		
			Last quarter	Year-to-date	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Vista Group	593	3.56	(38%)	(1%)	0%	(39%)	13%	(10%)	(19%)	(25%)	4.1x	19.5x	41.7x
2 BrainChip	62	0.05	(33%)	(54%)	(68%)	(69%)	30%	7%	(10%)	(26%)	17.4x	n.m.	n.m.
3 Nearmap	1,161	2.58	(32%)	72%	50%	(40%)	111%	(1%)	(14%)	(20%)	10.8x	n.m.	n.m.
4 Firstwave	65	0.21	(31%)	17%	(11%)	(46%)	46%	(7%)	(19%)	(26%)	n.m.	n.m.	n.m.
5 LiveHire	84	0.29	(29%)	(50%)	(52%)	(59%)	21%	(6%)	(10%)	(23%)	8.4x	n.m.	n.m.
6 Xref	69	0.41	(27%)	(13%)	(36%)	(43%)	14%	3%	(10%)	(23%)	5.6x	n.m.	n.m.
7 Appen	2,560	21.16	(24%)	65%	51%	(34%)	120%	(9%)	(16%)	(16%)	4.3x	23.2x	37.0x
8 Citadel	179	3.64	(21%)	(50%)	(55%)	(61%)	0%	(7%)	(16%)	(22%)	1.4x	6.3x	15.1x
9 Gentrack	480	4.86	(18%)	1%	(26%)	(27%)	16%	(14%)	(15%)	(13%)	4.2x	16.8x	33.0x
10 IRESS	1,998	11.58	(17%)	4%	(9%)	(22%)	10%	(3%)	(9%)	(13%)	4.2x	16.3x	24.7x
Average	725		(27%)	(1%)	(15%)	(44%)	38%	(5%)	(14%)	(21%)			

Source: Capital IQ as at 30 September 2019

Notes: (1) ASX IPO on 16 August 2019. Share price performance between IPO date and 30 September 2019 was 16%

(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