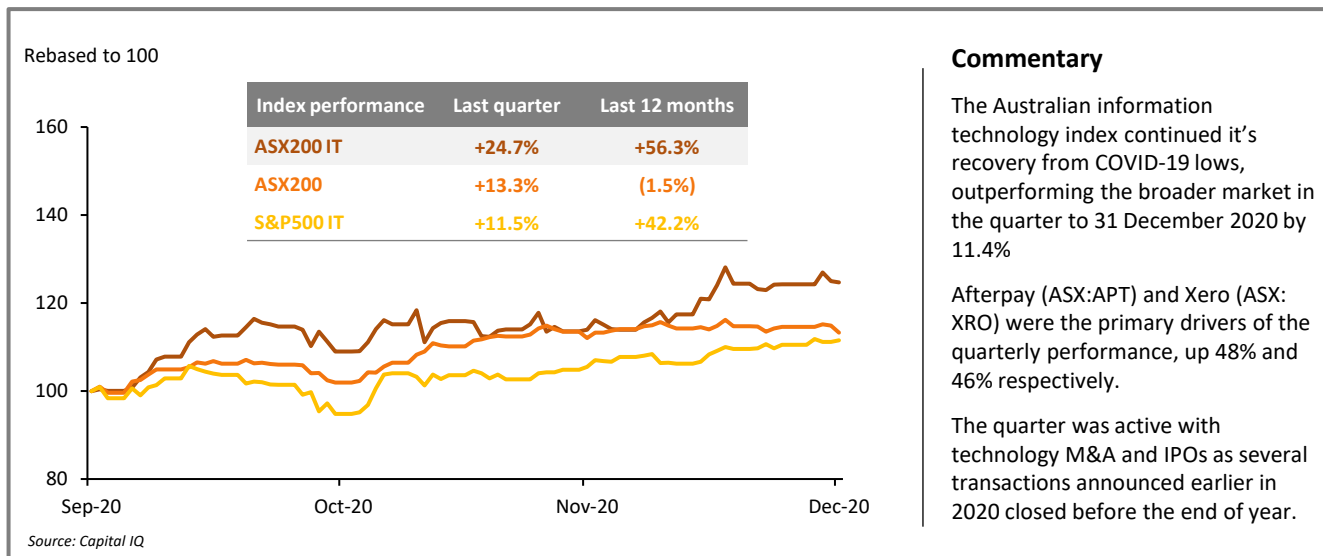


Quarterly performance



Commentary

The Australian information technology index continued its recovery from COVID-19 lows, outperforming the broader market in the quarter to 31 December 2020 by 11.4%

Afterpay (ASX:APT) and Xero (ASX:XRO) were the primary drivers of the quarterly performance, up 48% and 46% respectively.

The quarter was active with technology M&A and IPOs as several transactions announced earlier in 2020 closed before the end of year.

Quarterly M&A & other news

Date	Description
23-Dec-20	The Federal Court of Australia approved the scheme of HCL Technologies (NSE:HCLTECH) to acquire all of the issued ordinary shares in DWS (ASX:DWS), an Australian IT solutions company
14-Dec-20	Australian electronic design software company Altium (ASX:ALU) entered into an agreement with FSN Capital to sell the assets of its TASKING business, a software tool for autonomous driving development, for US\$110m
1-Dec-20	Telstra Purple acquired Australia-based IT service management provider Epicon , for c.A\$24m
24-Nov-20	New Zealand-based accounting platform provider Xero (ASX:XRO) launched an offering of US\$600m senior unsecured convertible notes due 2025
10-Nov-20	Nuix , an Australia-based forensic software business, looks to raise A\$900m to A\$1bn through an IPO
6-Nov-20	ReadyTech (ASX:RDY) entered into an agreement to acquire Open Office and McGirr , two Australian software providers, for up to A\$72m
4-Nov-20	IFM Investors invested A\$50m into Zuuse , a Melbourne-based construction payments software business
28-Oct-20	The Growth Fund launches an official sales process for Planit , an Australia-based software testing business
23-Oct-20	Rokt , an Australian e-commerce marketing software business, raised US\$80m in a Series D funding round and is preparing for an IPO
8-Oct-20	MYOB announced it will take a majority shareholding in Roubler , a workforce management platform
8-Oct-20	Payrix , a Texas-based payment software firm, acquired IntegraPay , an Australian payment service provider
1-Oct-20	Linkly , backed by Potentia Capital, acquired Premier Technologies' fintech business

Sources: Capital IQ, Mergermarket, press reports

Largest 40 ASX-listed technology companies by market capitalisation (31 December 2020)

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)		Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-21)		
			Last quarter	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Afterpay	33,648	118.00	48%	303%	(4%)	1,373%	10%	18%	39%	35.4x	n.m.	n.m.
2 Xero	21,486	146.82	46%	84%	(7%)	168%	2%	13%	24%	25.9x	n.m.	n.m.
3 REA	19,667	148.86	35%	44%	(2%)	140%	2%	11%	22%	22.5x	37.3x	63.1x
4 SEEK	10,036	28.53	34%	27%	(2%)	154%	4%	16%	26%	7.4x	30.4x	n.m.
5 WiseTech	9,910	30.75	19%	32%	(9%)	208%	(1%)	2%	17%	19.4x	n.m.	n.m.
6 Computershare	7,891	14.59	19%	(13%)	(21%)	76%	0%	7%	9%	3.6x	13.5x	21.7x
7 NEXTDC	5,574	12.23	(0%)	86%	(13%)	90%	4%	(1%)	2%	22.4x	43.2x	n.m.
8 Carsales	4,930	20.01	(3%)	20%	(13%)	108%	1%	(4%)	(1%)	12.2x	22.1x	35.1x
9 Altium	4,460	33.99	(5%)	(2%)	(21%)	47%	(4%)	(7%)	(4%)	16.1x	40.2x	62.7x
10 Pro Medicus	3,560	34.16	26%	53%	(3%)	136%	7%	9%	21%	50.5x	n.m.	n.m.
11 Appen	3,021	24.69	(28%)	10%	(43%)	57%	(8%)	(19%)	(25%)	4.3x	22.7x	40.7x
12 Link	2,969	5.55	49%	(5%)	(20%)	110%	0%	9%	21%	3.3x	14.0x	26.1x
13 Technology One	2,634	8.20	3%	(1%)	(20%)	29%	(4%)	(6%)	(3%)	8.1x	22.8x	37.4x
14 Domain	2,623	4.49	21%	21%	(5%)	168%	(1%)	6%	19%	10.0x	29.0x	78.5x
15 Megaport	2,205	14.25	(11%)	33%	(19%)	133%	2%	(1%)	(2%)	24.5x	n.m.	n.m.
16 IRESS	2,024	10.61	11%	(19%)	(26%)	28%	2%	6%	4%	3.7x	16.1x	27.2x
17 Codan	2,018	11.18	1%	50%	(14%)	187%	6%	1%	8%	5.1x	14.2x	23.5x
18 Kogan	2,008	19.00	(6%)	150%	(26%)	451%	6%	(2%)	(2%)	2.4x	20.8x	36.3x
19 Pushpay	1,859	1.78	(13%)	81%	(22%)	196%	6%	(5%)	(6%)	7.6x	24.1x	32.8x
20 Dicker Data	1,799	10.45	36%	51%	(5%)	168%	2%	7%	23%	0.9x	21.0x	33.1x
21 Webjet	1,719	5.07	30%	(61%)	(65%)	125%	(4%)	4%	25%	15.7x	n.m.	n.m.
22 Tyro Payments	1,619	3.19	(10%)	(9%)	(30%)	229%	(5%)	(15%)	(12%)	5.9x	n.m.	n.m.
23 EML	1,512	4.18	47%	(8%)	(27%)	248%	3%	16%	25%	3.4x	11.5x	44.0x
24 Redbubble	1,477	5.52	33%	388%	(16%)	1,280%	(6%)	11%	28%	2.7x	21.2x	28.9x
25 Temple & Webster	1,333	11.07	(10%)	307%	(21%)	628%	11%	3%	13%	4.1x	48.8x	53.9x
26 Sezzle	1,209	6.17	(11%)	195%	(48%)	1,663%	2%	(11%)	(16%)	12.7x	n.m.	n.m.
27 FINEOS	1,116	3.70	(24%)	40%	(36%)	71%	1%	(11%)	(16%)	6.0x	n.m.	n.m.
28 Nearmap	1,093	2.22	(6%)	(13%)	(31%)	167%	(0%)	(6%)	(10%)	9.6x	n.m.	n.m.
29 Data#3	864	5.61	(14%)	51%	(23%)	124%	(0%)	(5%)	(3%)	0.4x	16.1x	36.6x
30 Bravura	796	3.22	(5%)	(38%)	(46%)	13%	(3%)	(2%)	(9%)	2.7x	13.2x	21.4x
31 Hansen	742	3.73	(4%)	(2%)	(16%)	42%	(2%)	(6%)	1%	3.0x	9.1x	13.9x
32 Infomedica	724	1.93	19%	(8%)	(12%)	61%	(1%)	13%	13%	6.1x	12.4x	34.8x
33 BrainChip	695	0.43	34%	815%	(56%)	1,333%	6%	13%	(0%)	n.m.	n.m.	n.m.
34 Marley Spoon	691	2.70	(3%)	980%	(29%)	1,186%	18%	11%	2%	1.7x	n.m.	n.m.
35 4DMedical	643	2.43	43%	n.a.	(18%)	94%	4%	6%	35%	224.9x	n.m.	n.m.
36 Audinate	621	8.15	41%	3%	(10%)	225%	8%	15%	39%	19.5x	n.m.	n.m.
37 Nitro Software	606	3.20	16%	96%	(13%)	338%	6%	2%	20%	9.8x	n.m.	n.m.
38 Splitit	580	1.30	(5%)	96%	(33%)	532%	11%	(7%)	(13%)	40.9x	n.m.	n.m.
39 Elmo	575	6.45	22%	4%	(23%)	76%	1%	5%	6%	6.7x	n.m.	n.m.
40 Life360	570	3.80	(7%)	21%	(15%)	152%	(1%)	(2%)	4%	4.0x	n.m.	n.m.
Average	4,088		12%	99%	(22%)	315%	2%	2%	8%			

Top 10 best performers in the last quarter⁽¹⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)		Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-21)		
			Last quarter	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Weebit	280	2.43	233%	515%	(7%)	1,115%	20%	40%	93%	n.m.	n.m.	n.m.
2 Dubber	425	1.67	60%	44%	(12%)	338%	(2%)	15%	22%	17.0x	n.m.	n.m.
3 Tesserent	334	0.34	52%	661%	(22%)	1,240%	(3%)	(2%)	29%	n.m.	n.m.	n.m.
4 Link	2,969	5.55	49%	(5%)	(20%)	110%	0%	9%	21%	3.3x	14.0x	26.1x
5 Atomos	210	0.96	48%	(30%)	(40%)	300%	1%	16%	36%	3.2x	n.m.	n.m.
6 Afterpay	33,648	118.00	48%	303%	(4%)	1,373%	10%	18%	39%	35.4x	n.m.	n.m.
7 EML	1,512	4.18	47%	(8%)	(27%)	248%	3%	16%	25%	3.4x	11.5x	44.0x
8 Xero	21,486	146.82	46%	84%	(7%)	168%	2%	13%	24%	25.9x	n.m.	n.m.
9 4DMedical	643	2.43	43%	n.a.	(18%)	94%	4%	6%	35%	224.9x	n.m.	n.m.
10 Audinate	621	8.15	41%	3%	(10%)	225%	8%	15%	39%	19.5x	n.m.	n.m.
Average	6,213		67%	174%	(17%)	521%	4%	15%	36%			

Top 10 worst performers in the last quarter⁽¹⁾

Company	Market capitalisation (A\$m)	Share price (A\$)	Share price performance (%)		Premium / (discount) to 52 week (%)		Premium / (discount) to VWAP (%)			Multiples (Jun-21)		
			Last quarter	Last 12 months	High	Low	1 month	3 months	6 months	EV/Revenue	EV/EBITDA	P/E
1 Netlinkz	117	0.05	(30%)	(62%)	(62%)	34%	(21%)	(31%)	(32%)	n.m.	n.m.	n.m.
2 Appen	3,021	24.69	(28%)	10%	(43%)	57%	(8%)	(19%)	(25%)	4.3x	22.7x	40.7x
3 Integrated Research	458	2.66	(25%)	(18%)	(46%)	21%	(14%)	(20%)	(28%)	4.9x	12.7x	27.3x
4 FINEOS	1,116	3.70	(24%)	40%	(36%)	71%	1%	(11%)	(16%)	6.0x	n.m.	n.m.
5 Damstra	291	1.56	(21%)	48%	(36%)	290%	6%	(14%)	(12%)	8.4x	42.9x	n.m.
6 Bigtincan	417	1.10	(18%)	59%	(31%)	315%	(3%)	(13%)	(2%)	8.4x	n.m.	n.m.
7 Data#3	864	5.61	(14%)	51%	(23%)	124%	(0%)	(5%)	(3%)	0.4x	16.1x	36.6x
8 Family Zone	177	0.46	(14%)	188%	(28%)	630%	7%	2%	4%	11.9x	n.m.	n.m.
9 Laybuy	227	1.30	(14%)	n.a.	(43%)	6%	(3%)	(14%)	(25%)	5.3x	n.m.	n.m.
10 Pushpay	1,859	1.78	(13%)	81%	(22%)	196%	6%	(5%)	(6%)	7.6x	24.1x	32.8x
Average	855		(20%)	44%	(37%)	175%	(3%)	(13%)	(15%)			

Source: Capital IQ as at 31 December 2020

Note: (1) 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