

JUNE 2020 – TECHNOLOGY & DIGITAL MEDIA

Executive Summary

The **Digital Media Sector** closed this month, up 1.6%. **Webcentral Group Limited** recorded the largest loss of 29.6%

The **Digital Media Sector** average **LTM EV/EBITDA** multiple was 14.7x, whilst the average **NTM EV/EBITDA** multiple is projected to be 22.3x

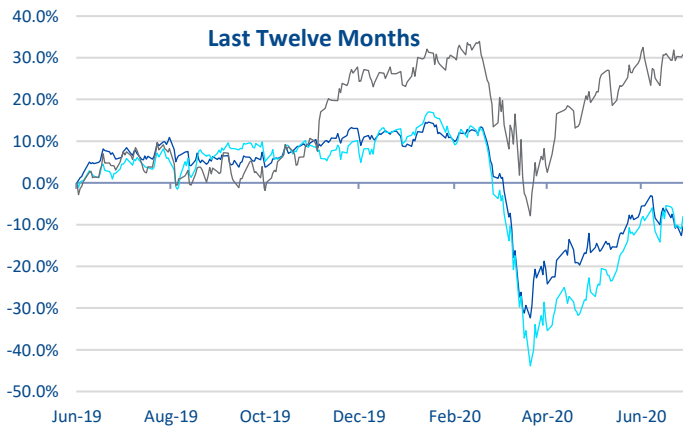
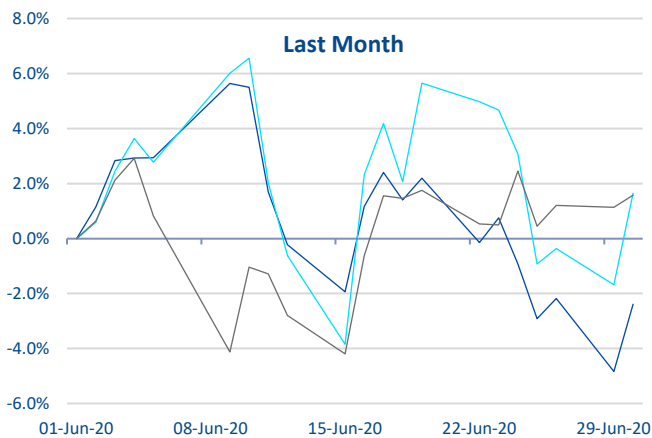
The **Technology Services Sector** closed this month, up 1.6%. **Hansen Technologies Limited** recorded the largest movement, down 8.2%

The **Technology Services Sector** average **LTM EV/EBITDA** multiple was 16.3x, whilst the average **NTM EV/EBITDA** multiple is projected to be 21.9x

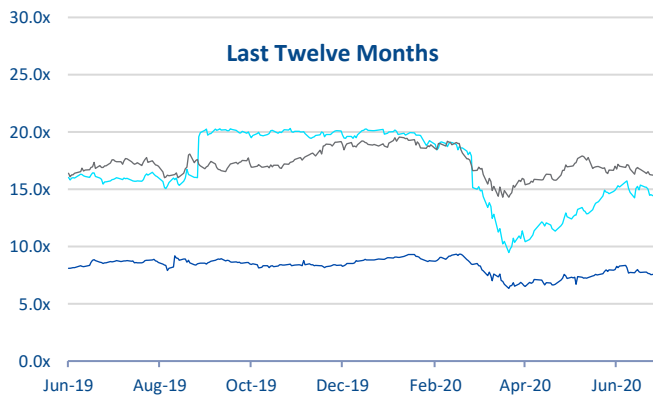
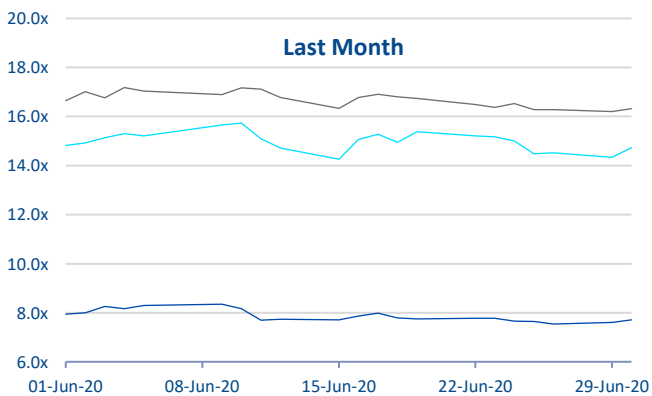
Key Developments

- **Flight Centre Travel Group Limited** announced it would be temporarily standing down or making redundancy 6,000 sales and support staff across the world

INDEXED SHARE PRICE PERFORMANCE



VALUATION PERSPECTIVES (LTM EV/EBITDA)



EAC Partners has constructed a market capitalisation weighted index for the Digital Media and Technology coverage groups: The charts shown are the indexed share price performance for the constituent companies of the EAC coverage group and the ASX200 Media (Industry Group) Index.

ASX 200 Media (Industry Group) Technology Services
Digital Media Sector

CONSTITUENTS

Digital Media Sector	Ticker	Closing Price	Monthly Movement	Market Cap (AUD)	EV (AUD)	EV / EBITDA (LTM)	EV / EBITDA (NTM)	P / E (Trailing)	P / E (Forward)	ND / EBITDA (Trailing)	Div Yield (Trailing)
Beyond International Limited	BYI	0.60	(14.3%) ▼	36.8	40.8	NM	NM	NM	NM	11.4x	NM
carsales.com Ltd	CAR	17.74	9.0% ▲	4,357.2	4,810.7	24.0x	21.7x	30.0x	33.3x	2.1x	2.7%
Corporate Travel Management Ltd	CTD	9.69	(20.0%) ▼	1,056.2	1,071.9	7.6x	16.7x	13.1x	36.9x	NM	4.3%
Flight Centre Travel Group Limited	FLT	11.12	(18.5%) ▼	2,212.5	2,763.6	6.4x	16.6x	5.6x	NM	NM	NM
Webcentral Group Limited	WCG	0.07	(29.6%) ▼	8.4	81.2	7.9x	12.5x	NM	NM	7.1x	NM
REA Group Limited	REA	107.88	4.9% ▲	14,209.4	14,451.0	34.2x	28.6x	57.4x	47.8x	0.4x	1.1%
SEEK Limited	SEK	21.89	8.2% ▲	7,719.0	9,406.9	26.3x	22.5x	50.5x	69.9x	3.2x	2.2%
WPP AUNZ Limited	WPP	0.28	-	238.4	474.7	3.2x	NM	NM	NM	1.6x	NM
Webjet Limited	WEB	3.32	(22.8%) ▼	1,125.5	1,160.0	8.2x	37.3x	10.2x	NM	0.1x	7.0%
Average - adjusted to exclude outliers			1.6%			14.7x	22.3x	27.8x	47.0x	3.7x	3.5%
Technology Services											
Hansen Technologies Limited	HSN	2.91	(8.2%) ▼	576.9	752.1	19.6x	9.1x	36.0x	14.6x	4.3x	2.1%
IRESS Limited	IRE	10.95	(2.3%) ▼	2,063.1	2,313.9	18.3x	17.6x	29.1x	27.9x	2.0x	4.3%
Isentia Group Limited	ISD	0.15	(6.5%) ▼	29.0	71.1	4.0x	3.4x	NM	4.9x	1.9x	NM
Reckon Limited	RKN	0.67	5.1% ▲	75.6	120.4	8.4x	3.7x	9.4x	8.6x	3.1x	6.0%
Technology One Limited	TNE	8.79	(4.0%) ▼	2,801.2	2,747.6	31.2x	25.3x	47.3x	41.3x	NM	1.4%
Xero Limited	XRO	90.11	4.0% ▲	12,770.1	12,732.5	NM	72.3x	NM	NM	NM	NM
Average			1.6%			16.3x	21.9x	30.4x	19.4x	2.8x	3.4%
Coverage Group Average						15.3x	22.1x	28.9x	31.7x	3.4x	3.5%

KEY DEVELOPMENTS


















Activity

- **Flight Centre Travel Group Limited (ASX:FLT)** announced that with the closure of international borders and coronavirus restrictions affecting the domestic tourism market, travel agent Flight Centre announced it would be temporarily standing down or making redundant 6,000 sales and support staff around the world, including 3,800 in Australia

EAC PARTNERS

EAC Partners is an independent corporate advisory firm focussed on mid-market mergers & acquisitions, divestments and corporate finance advisory services

Transaction Experience

	Sibelco: Advised on the divestment of their sand mining operations to Holcim Australia		mpower: Advised on the sale of the Australian and New Zealand products distribution businesses
	Zentree: Advised on takeover panel application regarding equity rights issue by ERA, underwritten by Rio Tinto		Safe Direction: Completed a strategic and capital structure review
	Batchfire: Advised in relation to a AUD25M equity rights issue		Running Bare: Completed a strategic review
	Matt Brown's Greens: Advised on its sale to MorCo Fresh		Yello: Advised in relation to its series A capital raising
	ATL: Advised on its USD500M investment grade bond offer Advised on their finance plan, which included rating advice		Smollen Group: Advised Australia's largest real estate franchise on its AUD70M sale to McGrath Limited
	Enviropacific Services: Advised on the divestment of 44% of the shares to Adexum Capital		Holcim: Strategic review of two non-core assets
	Moko: Advised in relation to an acquisition and capital raise		Freemantle Media: Advised on the takeover of a listed media business
	APSEZ: Advised on acquisition of Abbot Point Bulkcoal from Glencore Advised on its inaugural USD650M investment grade bond offer		Sibelco: Advised on the acquisition of an industrial minerals producer
	Adani: Advised on the AUD1.25B refinance of Adani Abbot Point Terminal		

Awards

	EAC Partners received the 2018 award for "Best M&A Advisory Firm – Australia"		EAC Partners received the 2018 award for "Most Client-Focused Corporate Advisory Firm – NSW"
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