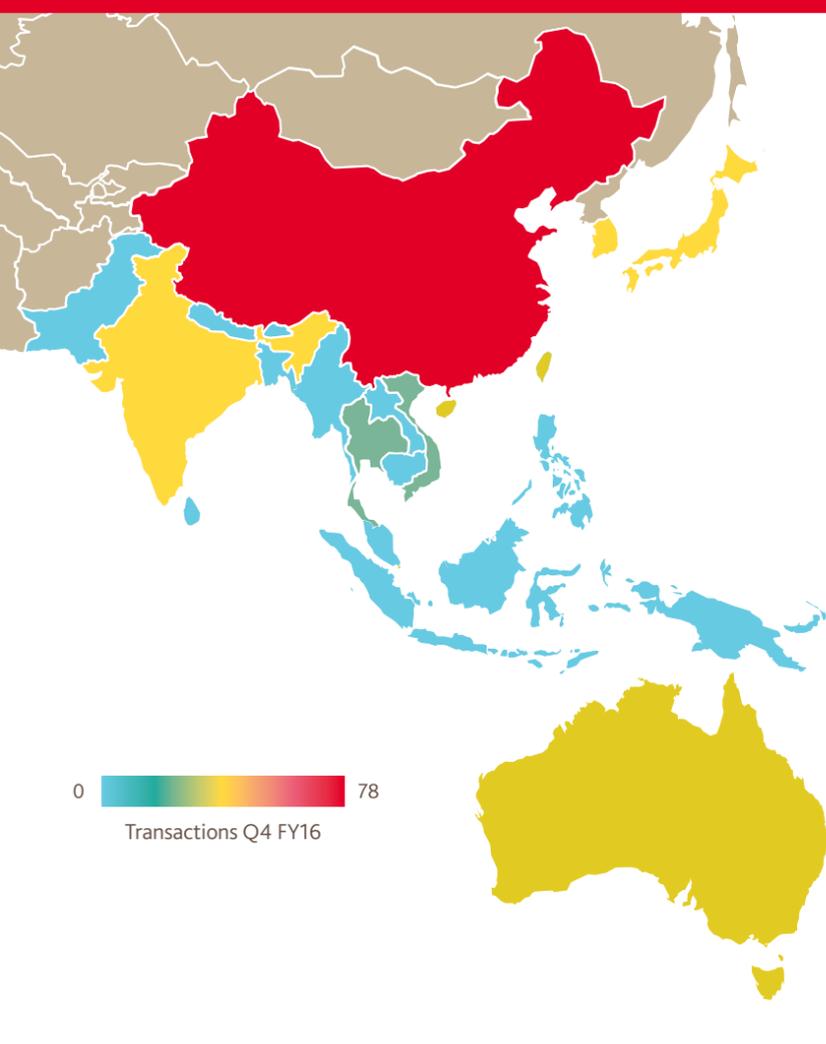


# TECHNOLOGY M&A HIGHLIGHTS

This edition of BDO's quarterly M&A Highlights provides a succinct and targeted snapshot of mergers & acquisitions in the Asia region, with a specific focus on Australia.

Q4 FY16

## ASIA M&A HEAT MAP



During Q4 FY16 there were a total of 139 transactions recorded across Asia totalling \$41.3 billion. M&A transactions were concentrated in China, which recorded a total of 78 announced deals representing over \$29.6 billion in value.

The largest acquisition in the quarter involved Didi Chuxing, China's largest ride hailing service. A consortium of investors including Apple Inc acquired an undisclosed stake for a cash consideration of \$6.1 billion.

With Apple Inc coming under greater pressure from China's regulators and the iPhone business having record profitability and showing signs of maturity globally, the tech giant's new investment gives it a stake in two emerging technologies - 1. the sharing economy and 2. car technology.

During the quarter, Taiwan recorded a transaction value of over \$4.0 billion in M&A activity. The most notable transaction being the acquisition of Hermes Microvision, a Taiwan-based supplier of pattern verification systems used for advanced semiconductor devices, by ASML Holding NV, the Dutch producer of chipmaking equipment for approximately \$3.6 billion.

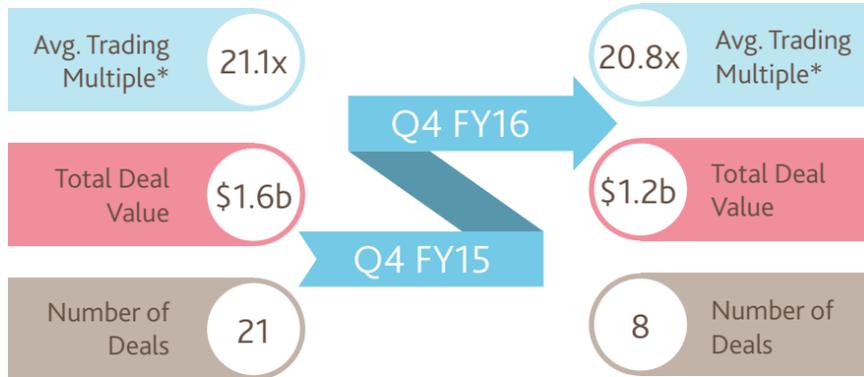
## AUSTRALIA

### TECHNOLOGY M&A ACTIVITY

Global uncertainty surrounding Brexit and the Australian Federal election in July had a detrimental effect on M&A activity in Q4 FY16.

Companies postponed deals, cautious of the impact of exchange rates and government changes, questioning possible future business environments and overall economic health.

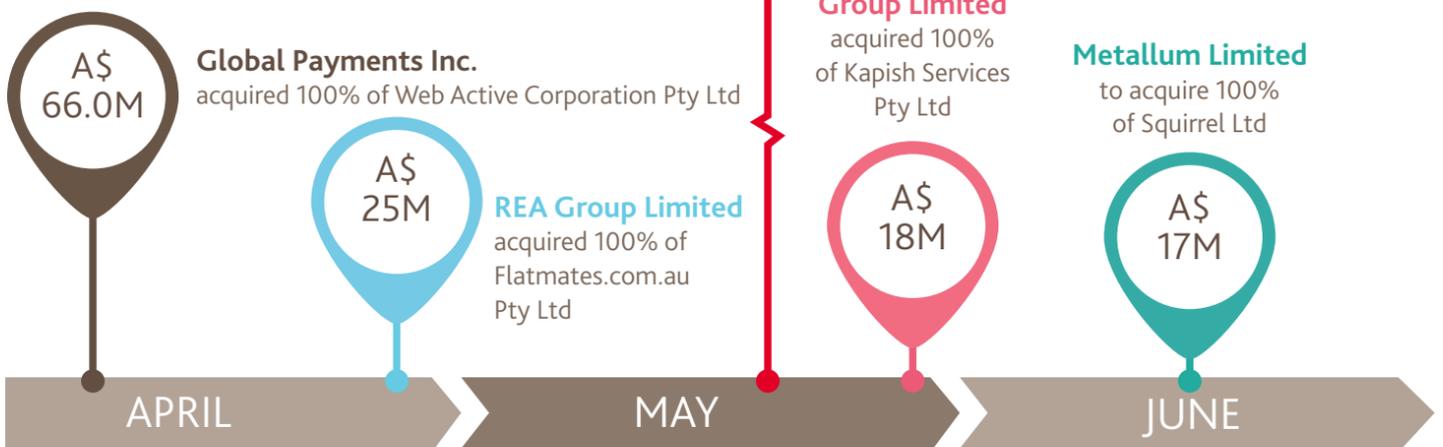
The average trading multiple for the technology sector remained relatively constant at 20.8x EBITDA in Q4 FY16. Technology equity valuations continue to command high multiples on public markets. Investors see value in new innovative products that attempt to redefine the technology sector's constantly changing landscape, searching for the world's next Uber or Airbnb to generate amplified returns.



\*Average EBITDA trading multiple for all ASX listed technology companies with a market capitalisation greater than \$50 million.

### NOTABLE TRANSACTIONS

The largest transaction announced during the quarter was Infratil Limited & Commonwealth Superannuation Corporation's acquisition of a 96% stake in Canberra Data Centres, a provider of data centre solutions and services for corporates. Management of the company, which was previously owned by funds controlled by Quadrant Private Equity, will continue to own 4 per cent. The deal will be completed on an all cash basis and is expected to close in late August 2016 subject to Foreign Investment Review Board approval.



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