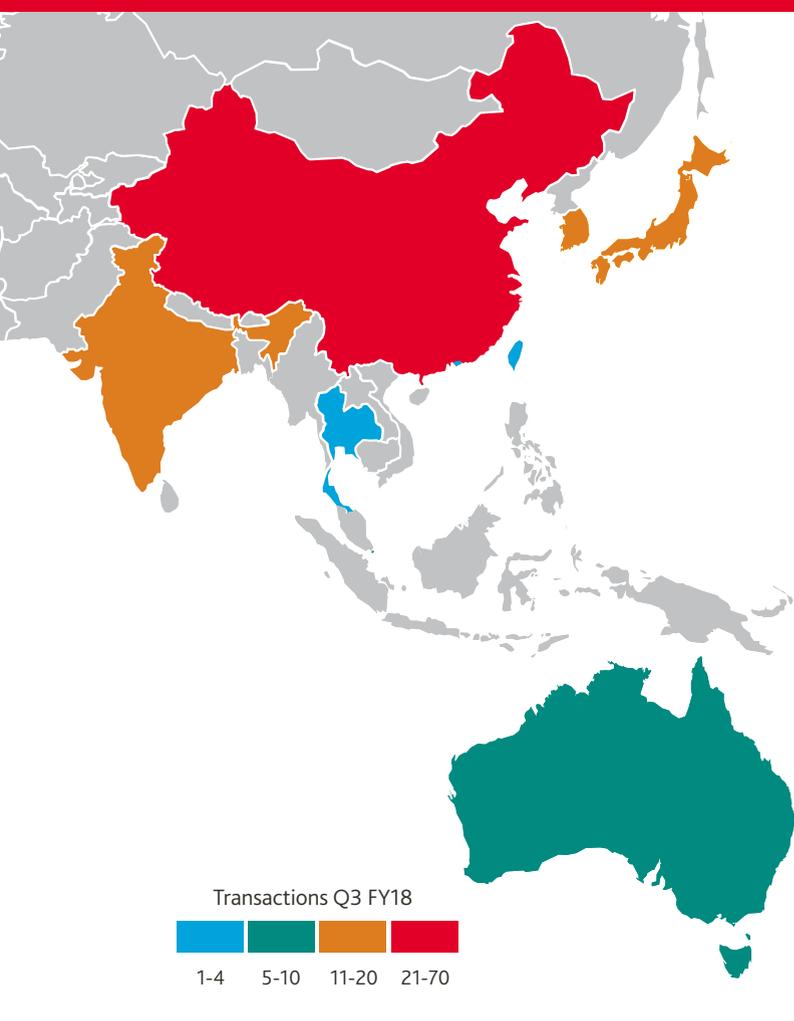


# TECHNOLOGY M&A HIGHLIGHTS

Q3 FY18

BDO's quarterly Technology M&A Highlights provides a targeted snapshot of M&A activity in the Asia region, with a detailed focus on Australia.

## ASIA M&A HEAT MAP



**Q3 FY17**  
112 M&A  
TRANSACTIONS  
ACROSS ASIA  
\$18.6 BILLION

**Q3 FY18**  
134 M&A  
TRANSACTIONS  
ACROSS ASIA  
\$23.1 BILLION

One of the largest transactions announced in the quarter involved two ride sharing titans, Uber and Grab. Grab is a Singapore-based technology company that offers ride-hailing, ride sharing and logistics services through its app in Singapore and neighbouring Southeast Asian nations such as Malaysia, Indonesia, Philippines, Vietnam, Thailand, Myanmar, and Cambodia.

Competition within the ride sharing industry is intense with many operators seeking to gain market share. In a bid to consolidate strength in the Asian market, Grab announced an acquisition of Uber's Southeast Asia operations for \$2.1 million, in a cash and shares denominated deal.

## AUSTRALIA

### TECHNOLOGY M&A ACTIVITY

#### M&A activity decreased in Q3 FY18

M&A activity measured by both value and number of deals dropped in Q3 FY18 when compared to Q3 FY17.

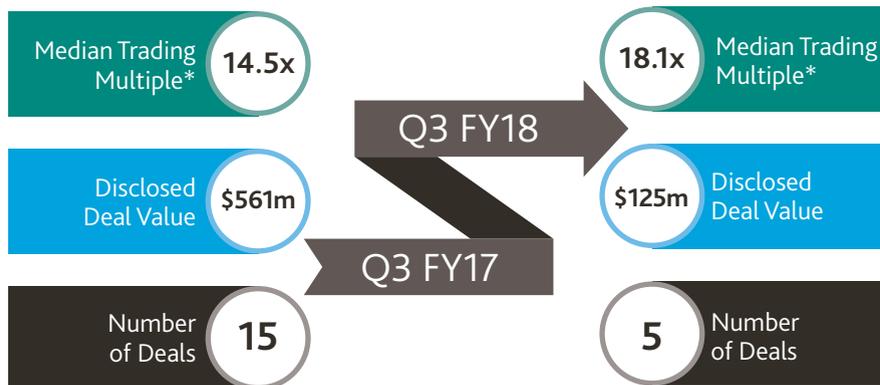
However, technology M&A activity in the mid-market is expected to remain robust over the coming year due to greater confidence in the domestic market, which is being driven by increased participation of foreign investors in Australian deal activity.

Equity valuations increased in Q3 FY18. Investors are willing to pay high prices for technology companies with scalable business models, high growth prospects and quality management.

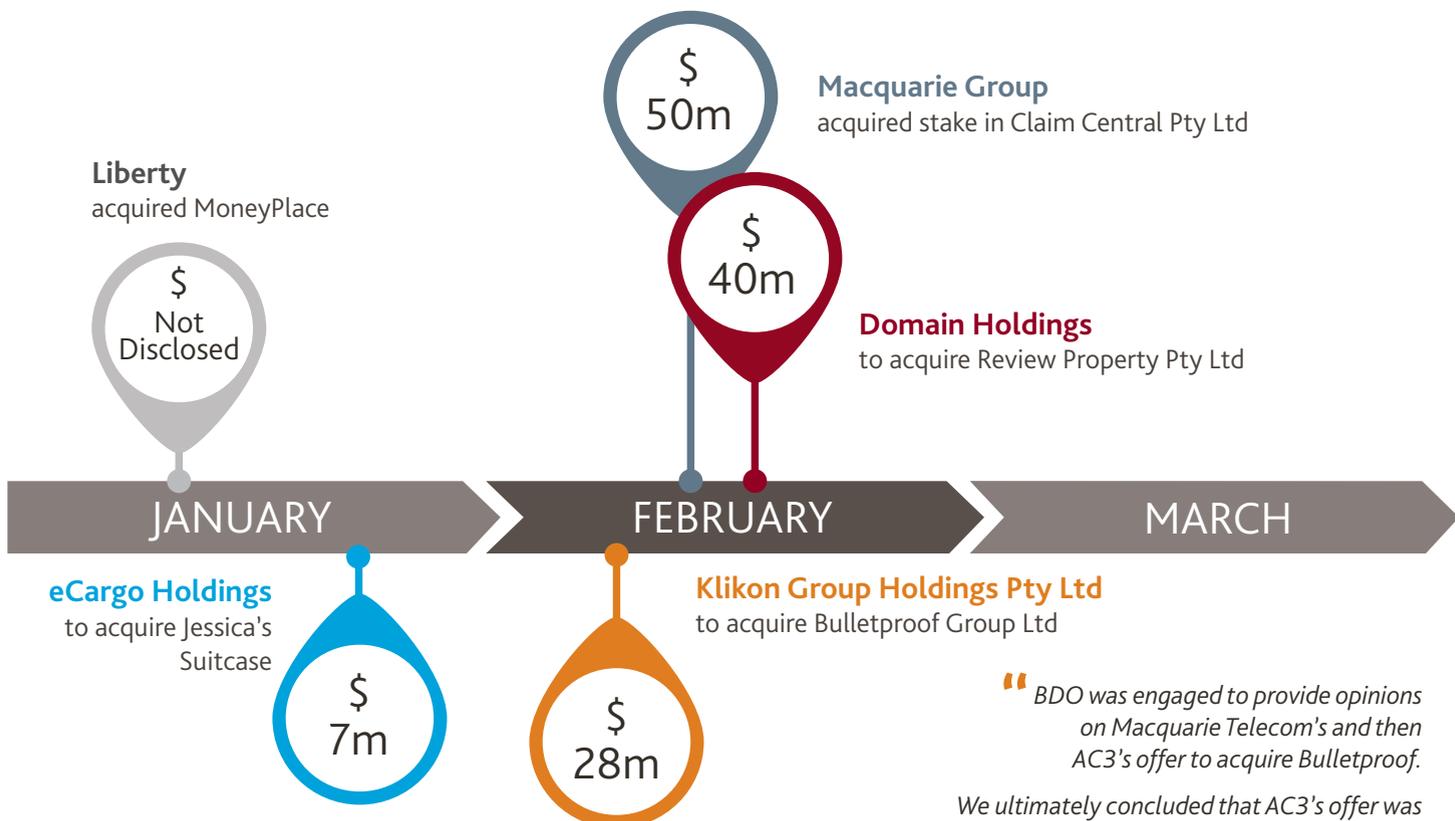
### NOTABLE TRANSACTIONS

An interesting transaction announced during the quarter involved the acquisition of Bulletproof Group Ltd, a leading cloud services provider in Australia and New Zealand, for \$28m by Klikon Group Holdings, trading as the Australian Centre for Advanced Computing and Communication (AC3). BDO prepared an independent expert report for Bulletproof shareholder outlining the merits of the transactions which was ultimately recommended by the Bulletproof board and accepted by shareholders.

Cloud computing will continue to drive technology M&A activity in Australia, as businesses increasingly shift to cloud computing as part of a long-term strategy.



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



*"BDO was engaged to provide opinions on Macquarie Telecom's and then AC3's offer to acquire Bulletproof. We ultimately concluded that AC3's offer was in the best interests of shareholders."*

**DANIEL COOTE**  
BDO Corporate Finance Partner & Independent  
Expert for the acquisition of Bulletproof Group



For global perspectives on technology and media, explore the BDO International Tech and Media Watch Blog

For more information about how our Corporate Finance and Technology teams can assist, please contact your local BDO office.