

TECHNOLOGY M&A HIGHLIGHTS

Q4 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



Q4 FY17
142 M&A
TRANSACTIONS
ACROSS ASIA
\$37.6 BILLION

Q4 FY18
155 M&A
TRANSACTIONS
ACROSS ASIA
\$50.9 BILLION

One of the largest transactions announced over the quarter involved Walmart's US\$16b acquisition of a 77% stake in Flipkart. Flipkart is an Indian based eCommerce company that operates an online shopping website and offers a suite of products including consumer electronics, fashion and lifestyle products.

With this acquisition, Walmart will become the largest shareholder in the Flipkart Group and will help accelerate Flipkart's mission to transform eCommerce in India.

The eCommerce industry in India is expected to grow exponentially given its population and growing internet usage.

AUSTRALIA

TECHNOLOGY M&A ACTIVITY

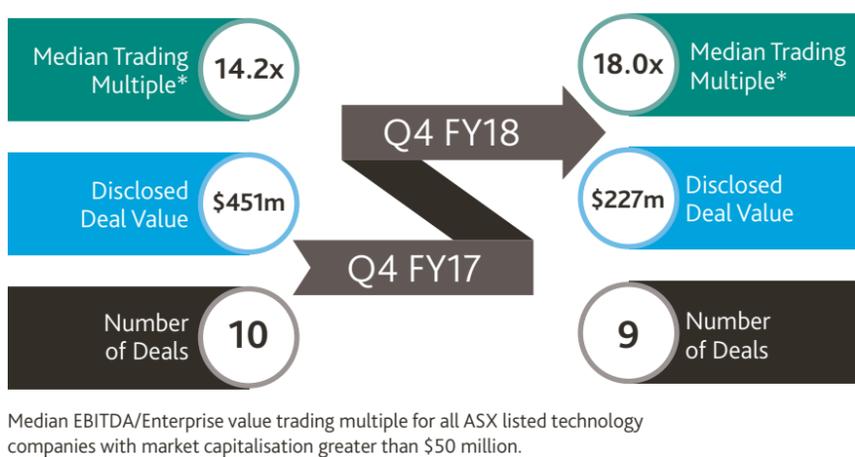
In Australia, M&A activity decreased in Q4 FY18

M&A activity measured by both value and number of deals dropped in Q4 FY18 when compared to Q4 FY17. However, technology acquisitions are expected to surge in Australia due to increased business confidence, high ASX capital raising activity and greater investment from off-shore private equity investors.

Higher valuation multiples have been attributed to a low-interest rate environment, overseas investment and an increasing number of strategic acquisitions across the industry. Capital remains readily available and as a strategy to grow their businesses, many companies are resorting to acquisitions of smaller disruptor competitors.

NOTABLE TRANSACTIONS

An interesting transaction during this quarter involved the acquisition of Agentbox by Reapit Group which is backed by Accel-KKR. Agentbox is the No.1 real estate CRM solution provider in Australia. BDO completed the financial due diligence report for Accel-KKR outlining the key drivers and risks of the transaction. The two businesses, while remaining operationally independent, will form a strategic partnership to provide enhanced software solutions and functionality to Australian real estate agencies.



Australia-based health informatics company, Alcidion Group Limited to acquire Australia-based MKM Health and UK-based Patientrack to expand its geographical reach, technology capabilities and product offerings.



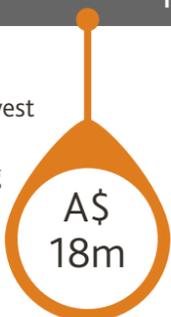
Australia-based real estate advertising and online offerings company REA Group to acquire Hometrack Australia, realising cost synergies and delivering greater property data and insights.



UK-based CRM and Property Management provider Reapit Group (backed by Accel-KKR) acquires Australia-based No.1 real estate CRM solution Agentbox to enhance their software solution and deliver greater functionality to customers.

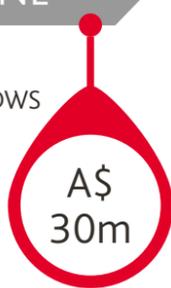
APRIL

Formerly known as Acorn Australia, Raiz Invest Ltd acquired an additional 37.6% stake in parent Raiz Invest Australia Ltd, coinciding with its June listing on the Australian Stock Exchange (ASX:RZI).



MAY

Australia-based IT services company DWS Advanced Business Solutions Ltd to acquire Projects Assured, expecting to diversify earnings and increase exposure to federal government.



JUNE



“BDO was engaged to provide a financial due diligence on Agentbox by Accel-KKR, setting out the critical issues associated with the transaction and assisting in negotiations of a suitable deal for all parties.”

SEBASTIAN STEVENS
BDO Partner, Corporate Finance



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