

# TECHNOLOGY M&A HIGHLIGHTS

Q1 FY19

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



**Q1 FY19**  
**172 M&A**  
**TRANSACTIONS**  
**ACROSS ASIA**  
**\$33.7 BILLION**

**Q1 FY18**  
**134 M&A**  
**TRANSACTIONS**  
**ACROSS ASIA**  
**\$38.0 BILLION**

One of the largest transactions announced over the quarter involved the US\$2bn capital raise by Grab from investors such as Toyota, Macquarie Capital and Mirae Asset. Grab is a Singapore-based technology company offering ride-hailing transport services, food delivery and payment solutions.

Grab plans to utilise the funds to expand the range of Online-to-Offline services it provides in Southeast Asia. The company is also looking to reposition itself as an "everyday app" of choice in the region, with a strategic focus on the Indonesian market going forward.

Grab has seen significant growth in 2018, expanding from Jakarta to 28 cities across Indonesia.

## AUSTRALIA

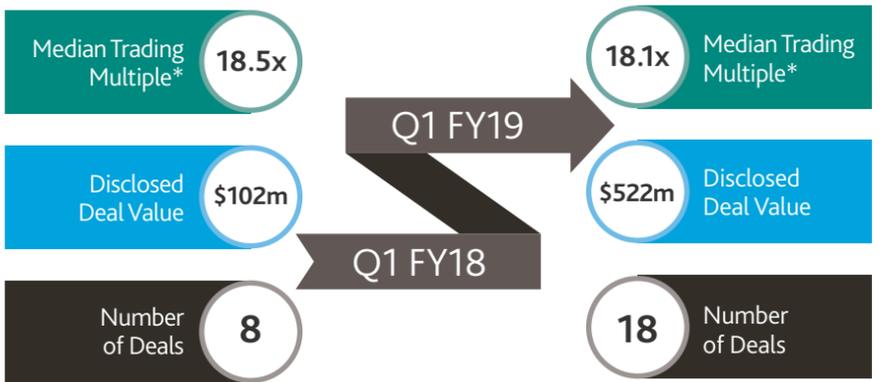
### TECHNOLOGY M&A ACTIVITY

In Australia, M&A activity increased in Q1 FY19.

M&A activity measured by both value and number of deals increased in Q1 FY19 when compared to Q1 FY18. Technology M&A activity is expected to remain robust over the remainder of 2018, driven by the country's strong economic performance.

Additionally, there is an emerging trend of cross-sector convergence and industry consolidations which is expected to drive M&A activity in the technology sector.

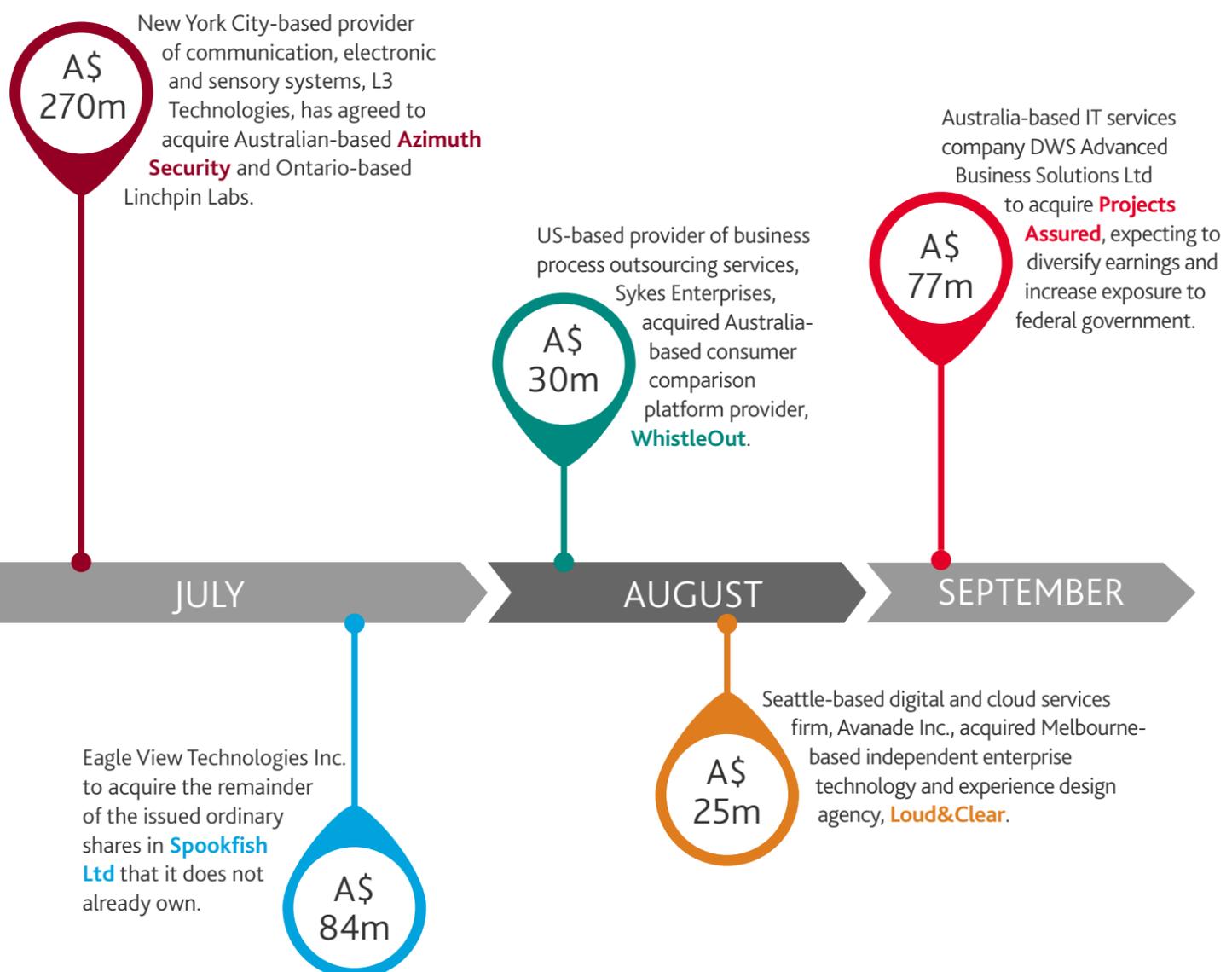
Mid-market companies are also increasingly looking to partner with smaller companies which have built technology expertise in order to improve sales channels.



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

### NOTABLE TRANSACTIONS

An interesting transaction announced during this quarter involved the acquisition of Australian-based Azimuth Security and Ontario-based Linchpin Labs, by L3 Technologies. L3 Technologies will pay approximately US\$200m subject to an increase payable in L3 stock based on post-acquisition sales milestones. The acquisition of the two information security businesses is intended to drive L3's future growth in cyber and international markets.



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