

Tech Insights #317

Cloud Index as at 31 December 2023

Mergers & acquisitions
Corporate finance advisory
Capital raising
12 February 2024



Overview

This report looks at valuation multiples for cloud companies publicly listed in the United States, Australia and New Zealand. Indices are calculated using a simple average (equal weighting), with the ANZ index comprising companies that have a minimum NZD \$250m market capitalisation versus a NZD \$500m for US constituents. As at 31 December 2023, the US Cloud Index is up 14% from the previous quarter to 6.8x EV / NTM revenue but still well below the five-year average of 11.5x. The ANZ Cloud Index has also increased but to a lesser extent, up 3% to 6.0x EV / NTM revenue and below the five-year average of 8.0x.

NTM revenue multiple for cloud companies listed in the US and ANZ (EV / NTM revenue)



US Cloud Index

	Average	12MMA
Dec 23	6.8x	6.0x
Sep 23	5.9x	5.9x
Change	14%	2%
Dec 22	5.3x	8.1x
Change	28%	(25%)

ANZ Cloud Index

	Average	12MMA
Dec 23	6.0x	5.6x
Sep 23	5.8x	5.6x
Change	3%	1%
Dec 22	5.4x	6.2x
Change	12%	(9%)

Key:
US ANZ

Average	—	—
12MMA	- - -	- - -
5yr avg	- . - .	- . - .

Note: Avg = Average, NTM = Next 12 months, 12MMA = 12 month moving average

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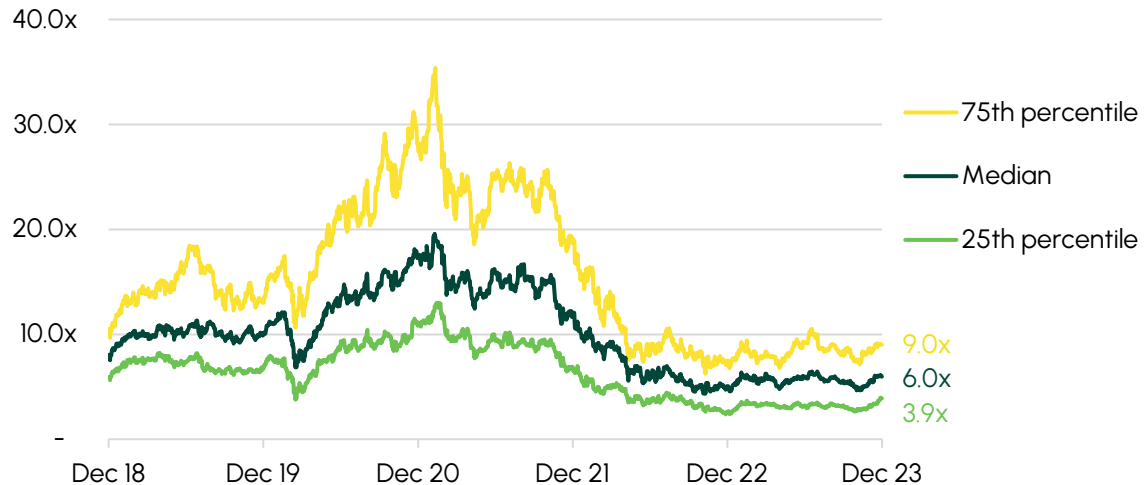
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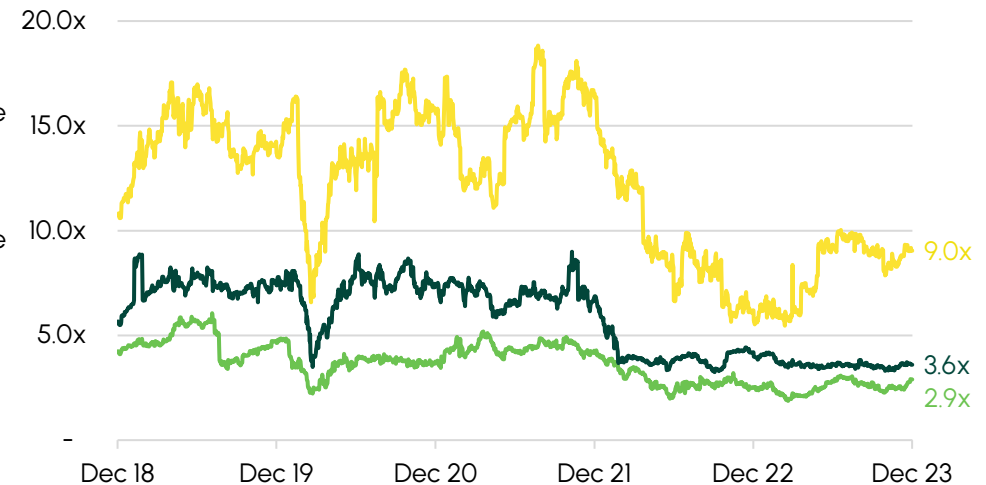


US cloud companies NTM revenue multiple



US cloud companies		25th		75th
31 Dec 2023	Average	percentile	Median	percentile
EV (NZD \$m)	32,397	3,844	9,476	24,440
EV / NTM rev	6.8x	3.9x	6.0x	9.0x
Revenue growth (NTM)	16%	10%	17%	22%
EV / LTM rev	8.0x	4.1x	6.6x	11.0x
Revenue growth (LTM)	20%	11%	19%	28%
Gross margin	72%	69%	75%	80%
Operating margin	(11%)	(22%)	(7%)	3%
FCF margin	18%	9%	18%	26%

ANZ cloud companies NTM revenue multiple



ANZ cloud companies		25th		75th
31 Dec 2023	Average	percentile	Median	percentile
EV (NZD \$m)	3,519	424	894	1,955
EV / NTM Rev	6.0x	2.9x	3.6x	9.0x
Revenue growth (NTM)	16%	5%	12%	27%
EV / LTM rev	7.1x	3.1x	3.9x	10.1x
Revenue growth (LTM)	28%	6%	21%	34%
Gross margin	55%	28%	60%	81%
Operating margin	4%	(10%)	12%	22%
FCF margin	5%	(5%)	6%	15%

Note: The percentiles for each metric are calculated individually. Companies added or removed from each index take effect from the 1st day of the reported quarter. EV = Enterprise Value, LTM = Last 12 months, NTM = Next 12 months, FCF = Unlevered free cash flow

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