

# CASE STUDY



## COMPANY SPOTLIGHT



|                                                           |                                                        |                                                  |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|
| Market capitalisation at time of purchase<br><b>\$13m</b> | Market capitalisation at time of sale<br><b>\$128m</b> | Industry Sector<br><b>Consumer Discretionary</b> |
|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------|

### INTECQ LIMITED (ASX: ITQ)

Intecq Limited (formerly known as eBet) provides integrated gaming technology solutions in Australia. It develops and markets gaming systems and business solutions. The company also provides data analytics, data visualization, and data trend analysis services; markets and operates jackpot systems, and graphical content and displays; and provides licensed monitoring operator services, and rents systems products.

### WHY DID WE INVEST?

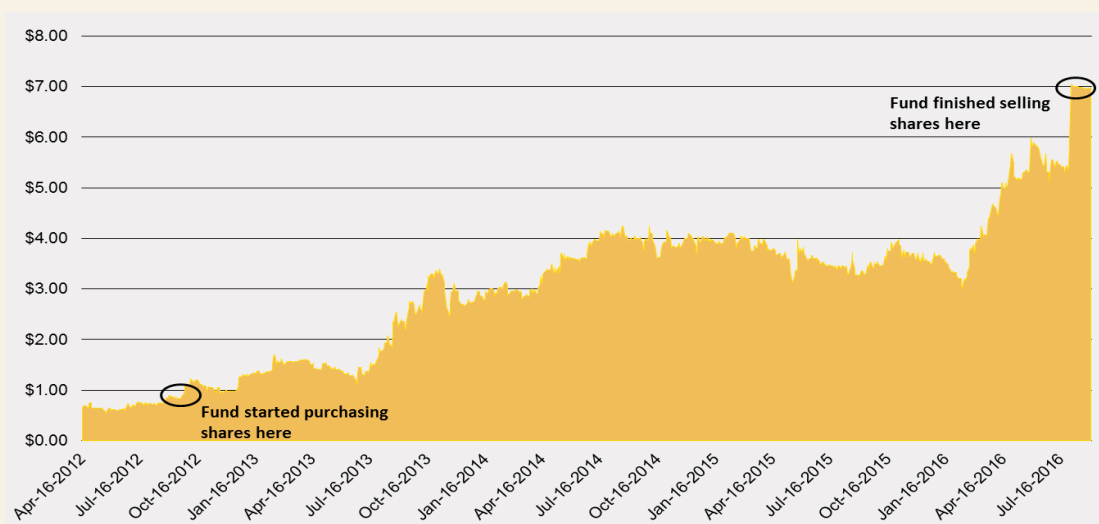
- Intecq was expanding into Victoria and pursuing further growth in the Queensland market, in which it already held a strong competitive position.
- Intecq displayed transparency around key performance indicators and key business metrics (e.g. machines under management).
- Intecq appeared to be at an inflection point in terms of both growth and profitability.
- Industry due diligence and feedback suggested that Intecq was a reputable company, and had a strong commercial product offering.
- Intecq added a new Chairman, Paul Oneile, who was highly credentialed, and had deep industry experience as the previous CEO of a large Australian gaming machine company.

### ENTRY PRICE

- The Fund began purchasing shares in 2012, with an average purchase price of \$2.38.

\*Past performance is not indicative of future performance. This is general information only and should not be construed or relied upon as legal, financial or professional advice. Accordingly, the recipient should seek independent professional advice as to the risk, financial, taxation and other implications of investing.

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Source: S&P Capital IQ

### WHY DID WE SELL? - TAKEOVER OFFER

- On the 1<sup>st</sup> of August 2016, Intecq announced that it had received a takeover offer from Tabcorp, a large Australian provider of wagering, media and gaming services. The all-cash offer of \$7.15 per share was a 31.4% premium to the previous trading day's closing price of \$5.44, and a 32.4% premium to the 3-month volume weighted average price.
- Microequities ultimately owned approximately 4% of the company at the time of the takeover.

### INVESTMENT OUTCOME

- Beginning in 2012, with an average purchase price of \$2.38 per share.
- Average sale price of \$6.66 per share, with the last sale in December 2016.
- Gain (excluding dividends received), of 179.8% over a period of approximately 4 years.

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