

PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 28/02/2019) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of February, the sector traded on a forward Price / Earnings multiple of 16.7x, compared to the ASX200 on 15.8x.



Average Values and Trading Multiples (values as at 20/03/2019) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2019	EPS Growth
Consumer Credit Businesses	1,823	2.0x	10.3x	12.2%
Financial Services Providers	77,734	4.0x	21.0x	18.6%
Insurance & Mortgage Brokers	3,867	2.3x	14.9x	7.9%
Lending Institutions	433,394	1.4x	12.7x	3.6%
Property Developers	1,851	0.8x	9.6x	0.9%
REIT	129,218	1.2x	18.1x	6.0%
Financial Institutions	647,888	2.2x	17.3x	10.4%

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. Difference in forward PE multiples between Figure and Table are representative of the timing difference between month-end result, and current day result.

MERGER & ACQUISITION NEWS...

Shaw and Partners

EFG Capital

Value: \$61.2m

Australian stock broking firm **Shaw and Partners** has sold a 51% stake to **EFG International AG**, a global private banking group headquartered in Switzerland, for \$61.2m. Management and employees of **Shaw and Partners** will continue to hold 49% of the issued capital. The investment values **Shaw and Partners** at \$120m.

EY **KARRIKINS
GROUP**

Value: Not Disclosed

EY has announced that it has acquired the Australian branch of the community investment consultancy **Karrikins Group**. Around 102 employees from **Karrikins'** Australian business will join EY.

AMP CAPITAL

Value: \$100m (50% Stake)

AMP Capital announced that it has acquired a 50% stake in **Westadium**, an Australia-based stadium asset. The deal is said to be valued between \$50m to \$100m. Optus Stadium is one of Perth's newest attractions and within months of opening received a WA Tourism Award.

INSTITUTIONAL INTELLIGENCE...

- **Commonwealth Bank of Australia** has provided an update on its remediation and demerger plans for its wealth management and mortgage broking businesses. The update follows the release last week of **CBA's** full response to implementing the recommendations from the Royal Commission.
 - **AMP** has stated that it will not be listing its New Zealand wealth management business anytime in the near future.
 - **PayRight**, an Australian consumer lending company, has raised \$30m in equity and debt over the past 12 months. The capital raised will be used to fund international expansion, technology deployment, loan growth and hiring.
 - **Teaminvest Private**, an Australian private equity firm, is seeking to raise up to \$ 2.3m through an initial public offering. The offering will consist of up to 2.3m shares at \$1.00 per share and they are looking to raise a minimum of \$0.5m. The indicative market capitalization upon the completion of the offer, at the maximum possible subscription, will be \$109.4m.
 - **Silver Chef Limited** will seek an equity raising to meet conditions set earlier in the year for waivers for syndicated debt facilities.
 - **Car Next Door**, an Australian peer-to-peer car sharing marketplace, is looking to raise a Series C round of \$10m.
 - **Quantexa**, an UK-based data analytics business, has entered a strategic partnership with **Macquarie Group**.
 - **Perpetual**, an Australia-based fund manager, is seeking overseas buys to boost growth in the near future.
 - ASX-listed companies **Bravura Solutions** and **GBST**, Australia-based fintech rivals, could be logical merger partners. **Bravura** is thought to be considering overseas acquisitions, but it may turn to **GBST** as a local target. The businesses are known to have held talks in the past, but have never been able to agree on terms. **Bravura**, maker of wealth management software, has performed well since its listing in 2016.
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CONTACT DETAILS

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