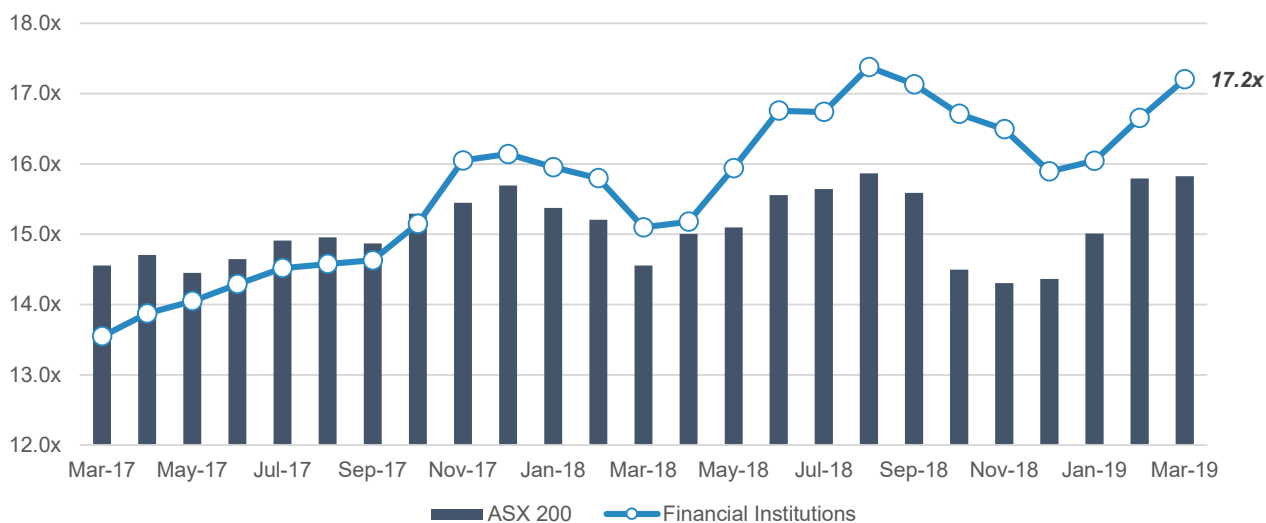


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31/03/2019) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of March, the sector traded on a forward Price / Earnings multiple of 17.2x, compared to the ASX200 on 15.8x.



Average Values and Trading Multiples (values as at 18/04/2019) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2019	EPS Growth
Consumer Credit Businesses	1,953	1.9x	9.9x	11.7%
Financial Services Providers	76,985	3.8x	20.4x	19.1%
Insurance & Mortgage Brokers	3,860	2.3x	14.5x	7.9%
Lending Institutions	432,721	1.4x	12.7x	4.0%
Property Developers	1,886	0.8x	9.8x	(2.0%)
REIT	128,966	1.2x	18.0x	5.9%
Financial Institutions	646,371	2.1x	17.0x	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.

¹ The InterFinancial Financial Institutions Index set is an unweighted index comprising Financial Institutions sector related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

MERGER & ACQUISITION NEWS...



THE BOND & CREDIT CO.

Value: Not Disclosed

Tokio Marine Management (Australasia), a subsidiary of Japan-based **Tokio Marine**, has acquired the **Bond and Credit Company (BCC)**, a Sydney and Melbourne-based specialist product insurance underwriting agency. **BCC** produced gross written premium of \$36 million in the financial year ending June 30, 2018. The acquisition of **BCC** reflects the efforts of the **Tokio Marine Group** to continue their expansion of operations in the Oceania region.



Value: \$0.75/Share

Aurora Funds Management, as the responsible entity of the **Aurora Dividend Income Trust**, announced an intention to make an off-market scrip takeover bid for all of the shares in **8IP Emerging Companies**. Each **8IP** shareholder who accepts the bid will receive **Aurora Dividend Income Trust** units equal to the value of \$0.75, an 11.9% premium to **8IP**'s most recent closing price.



Value: \$3.0m

IOOF Holdings is set to acquire **Bendigo and Adelaide Bank's** financial planning division via subsidiary **Bridges Financial Services Group**. The company will pay \$3 million in cash for **Bendigo's** "book" of financial planning customers and servicing rights. This continues the trend of Australian banks leaving the financial planning arena due to higher compliance costs following the Royal Commission.



Value: \$162.0m

Infratil, a New Zealand based infrastructure fund, has announced a conditional sale of its 50% stake in the ANU Student Accommodation portfolio to **AMP Capital**. This conditional sale agreement enables ANU to continue to grow its purpose built student accommodation offering under new ownership.



INSTITUTIONAL INTELLIGENCE...

- **Charter Hall Social Infrastructure Limited**, as the responsible entity of **Charter Hall Education Trust**, will raise \$100m via a fully underwritten institutional placement of fully paid units to finance a \$75.5m acquisition of 13 early learning centers. The Placement will be issued at a fixed price of \$3.35 per Unit.
- **Latitude Financial**, an Australia-based personal loans and credit card company, has believed to have been eyeing **Zip Co**, an Australian payments business. **Latitude** is thought to have undertaken some preliminary due diligence on **Zip**, but there was no engagement or approach, either formal or informal.
- Melbourne fintech **Nauticus Blockchain** has targeted a \$25 million equity raise to fulfill its vision for low cost, borderless financial transactions. The funds raised will enable **Nauticus** to onboard 2.9 million users by 2022.
- **Perpetual**, an Australia-based fund manager, is believed to be working on a major acquisition. The company may be eyeing **Platinum Asset Management**, which has a market value of \$2.76bn. The acquisition of **Platinum** would help **Perpetual** grow into international equities and increase earnings. To fund this, **Perpetual** is looking to sell its corporate trust business.
- Private equity players and other suitors are believed to be eyeing **Axesstoday**, an Australian equipment finance business. **Axesstoday**, which was recently placed into voluntary administration, is believed to be an attractive buy for a business operating the financing space and looking for an inexpensive target.

INSTITUTIONAL INTELLIGENCE...

- **Silver Chef**, the Australia-based restaurant equipment rental and financing business, has received a confidential, non-binding, indicative and conditional offer from **Next Capital** to acquire all of the company's shares for \$1.00 each. The **Next** Proposal is conditional on the completion of due diligence, and **Silver Chef's** financiers providing the necessary approvals.
- **Credi**, a private Australian relationship lending platform, is gearing for a \$5m-\$10m capital raise next year to fund its global expansion.
- **ThinkMarkets**, an Australia-based online trading business, is undertaking an \$15m pre-IPO raising. **ThinkMarkets** is expected to list within the next 12 months.
- **First State Super**, an Australian pension fund manager, announced that it is exploring merger opportunities with peer **VicSuper**. The current discussions are exploratory only, and neither fund has made any decision. Combined, they would become one of Australia's largest super funds, managing more than \$110 billion in retirement savings for more than 1.1 million members.
- **Eclixp Group** and **McMillan Shakespeare** have agreed to terminate the scheme implementation agreement for the planned merger decided in 2018. This was on the back of the news that **Eclixp** was looking to sell **Grays**, an Australian-based online auction business, and **Right2Drive**, an Australian vehicle-loan business.
- **Westpac Banking Corp** is considering revising a deal to sell a large part of its financial planning operations to **Viridian Financial Group**. The parties are looking to recut the transaction after it was rejected by most of **Westpac's** senior advisers.
- **Charter Hall Retail REIT** has raised \$150m via an institutional placement to partially fund the \$142m planned acquisition of a 100% interest in Rockdale Plaza.
- **AMP Capital**, an investment manager subsidiary of **AMP Limited**, has attracted acquisition interest from **Blackrock**. While speculation is increasing that **Blackrock** is interested in acquiring the company, **AMP** is supposedly not interested in selling it.
- **Powerwrap**, an Australia-based investment platform business, is seeking to raise \$15m from an initial public offering on the ASX.
- Japan's **MS&AD Insurance Group** has increased its stake in **Challenger**, an Australia-based financial services business, to over 15% as part of an enhanced strategic relationship.
- **Airwallex**, an Australia-based financial technology startup, has been valued at over USD 1bn following the closing of a USD 100m series C funding round.
- **Suncorp** is set to sell the insurance broker **Resilium** to its management led by its CEO Adrian Kitchin. The management buyout is expected to be worth around \$25m.
- **CC Capital** is believed to be eyeing **National Australia Bank's** wealth management business **MLC**. **CC Capital** may look to assemble a consortium of financial investors to buy **MLC**, which is anticipated to be valued between \$3bn and \$4bn

CONTACT DETAILS

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