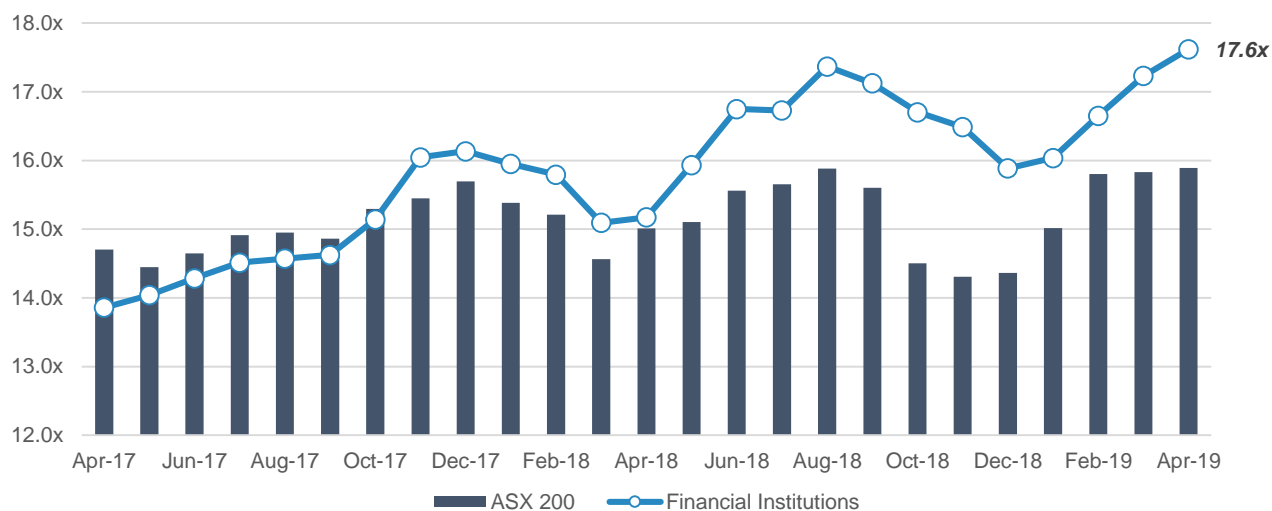


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 30/04/2019) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of April, the sector traded on a forward Price / Earnings multiple of 17.6x, compared to the ASX200 on 15.9x.



Average Values and Trading Multiples (values as at 16/05/2019) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2019	EPS Growth
Consumer Credit Businesses	1,975	1.7x	10.2x	11.5%
Financial Services Providers	79,465	3.9x	20.6x	18.4%
Insurance & Mortgage Brokers	3,883	2.3x	14.4x	7.4%
Lending Institutions	447,322	1.4x	13.2x	4.2%
Property Developers	1,867	0.8x	9.8x	(2.4%)
REIT	127,612	1.2x	18.5x	4.6%
Financial Institutions	662,124	2.1x	17.3x	9.6%

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...



AgriRisk



Arthur J. Gallagher & Co.

Value: Not Disclosed

Arthur J. Gallagher & Co., an Illinois-based insurance brokerage, risk management, and consulting services firm, has announced the acquisition of Australia-based insurance broker **AgriRisk Services**. **AgriRisk** is a strong cultural fit for **Ghallagher** and will allow them to expand their farm and agribusiness capabilities across Australia.

INSTITUTIONAL INTELLIGENCE...

- **Axesstoday**, an Australian equipment finance solutions business, is still seeking registrations of interest for the sale and/or recapitalisation of the business following being placed into administration.
- **John Bridgeman**, an investment company, announced its intention to make an off-market takeover offer to acquire all of the issued shares and options in **Benjamin Hornigold**, another investment company. **JBL** proposes to offer 1 Share for each BHD share and 0.5 options for each BHD option.
- **Latitude Financial**, an Australia-based consumer finance business, has said that it is not interested in **Zip Co**, an Australian buy-now-pay-later business. This follows reports of **Latitude** supposedly eyeing **Zip** and having undertaken an early stage due diligence on the business.
- **Liberty Financial**, an Australian non-bank lender, is believed to be eyeing **Connective**, an Australia-based mortgage aggregator. **Crescent Capital** and other buyout funds are also eyeing **Connective**. The company could be valued between \$80m to \$100m.
- **Cromwell Property Group**, an Australia-based real estate business, is increasingly anticipated to receive a takeover offer from its Singapore-based stakeholder **ARA Asset Management**. **ARA** recently increased its stake in **Cromwell** from 19.5% to 20.09%, and subsequently requested the shareholder register. **Cromwell** has a market capitalisation of \$2.52bn.
- Following speculation last month, **Perpetual** has not ruled out a potential merger with **Platinum Asset Management**, as **Perpetual** continues to look for acquisitions of all sizes.
- **Investec Property** has lodged a product disclosure statement (PDS) with ASIC for the ASX listing of **Investec Australia Property Fund (IAPF)**. The offer price for the approximately 76.9m new fully paid ordinary units is expected to fall within the Indicative Price Range of \$1.30 to \$1.35. At the lower end of the Indicative Price Range, the Offer will raise \$100m, the proceeds of which will be used to repay debt and pay transaction costs associated with the Offer.
- **Suncorp** is considering a spin-off of its banking operations. It is important to note that the idea is currently only informal and hypothetical, but is supported by **Suncorp's** Chief Executive.
- **Telstra** is seeking buyers for a 49% stake in a new property trust. The proposed trust would be comprised of **Telstra's** telecommunication exchange properties and could net Telstra up to \$1.5bn. The trust would hold 37 strategic sites around Australia.
- **Sterling First**, an Australian property management and investment group, has entered administration. The company's rental management unit, **Rental Management Australia (RMA)**, manages 3500 rental properties worth \$900m in WA, Queensland, and Victoria.
- Australian online auction company **Grays Online's** former owners are believed to be positioning as favourites to buy the company. Other potential buyers for **Grays** could include **Bauer Media**, **Catch Group**, and an unnamed Canada-based business.
- Potential buyers may be working on an offer for **Vicinity Centres**, an Australia-based property business. While speculative, **SCA**, **Blackstone**, and **Charter Hall** are all thought to be involved. **Vicinity** has a market capitalization of \$9.45bn.
- **KKR** is considering exit options for Australian non-bank lender **Pepper Group**. **KKR's** credit unit purchased **Pepper** in 2017 for \$650m.

CONTACT DETAILS

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