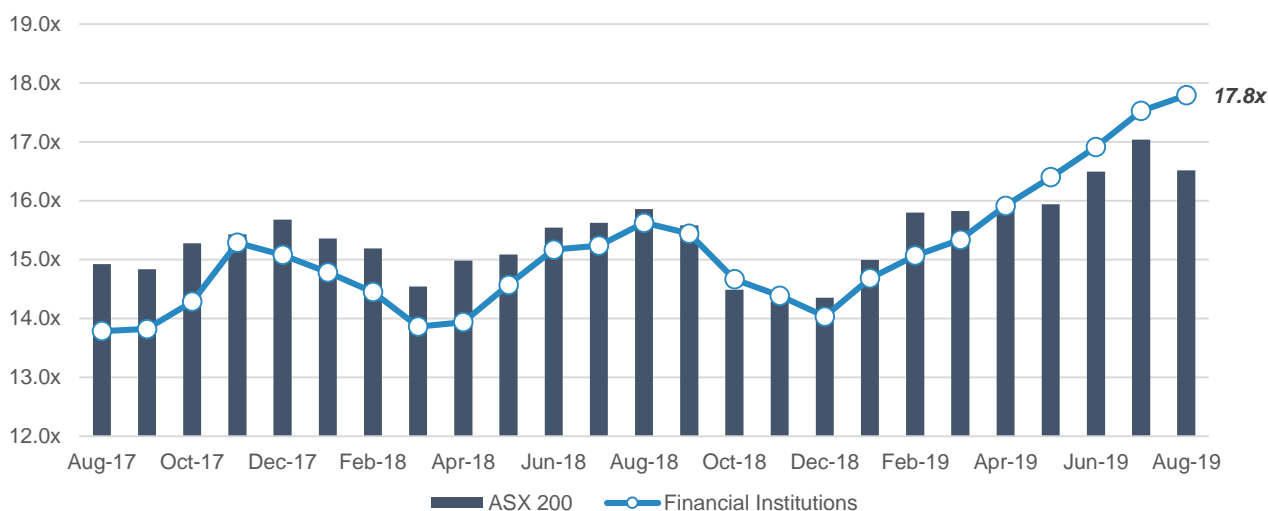


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31/08/2019) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of August, the sector traded on a forward Price / Earnings multiple of 17.8x, compared to the ASX200 on 16.5x.



Average Values and Trading Multiples (values as at 25/09/2019) Source: FactSet Research Systems Inc.

Subsector	Market Capitalization	Price / Book Value	Price / Earnings FY2020	EPS Growth
Consumer Credit Businesses	2,448	1.9x	11.0x	22.7%
Financial Services Providers	83,757	3.6x	18.8x	11.2%
Insurance & Mortgage Brokers	4,423	2.9x	17.3x	15.2%
Lending Institutions	485,020	1.5x	14.2x	2.8%
Property Developers	2,052	0.9x	11.2x	19.8%
REIT	139,103	1.2x	19.4x	2.4%
Financial Institutions	716,803	2.1x	17.5x	8.3%

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2020. Difference in forward EV/EBITDA 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...



Value: \$3,2375m

Commonwealth Bank has revised down the sale price of **Commlnsure Life** and will enter into a joint co-operation agreement with **AIA Group Limited**. The aggregate proceeds for **CBA** from the transaction are expected to be AUD 2,375m, a reduction of AUD 150m from the original sale price.



Value: Undisclosed

Cerberus Capital Management, a private equity firm, will purchase **Axesstoday Limited**, an Australian provider of equipment finance to small and medium businesses. This deal will represent **Cerberus'** second acquisition in Australia. The transaction is expected to close by the end of September. **Axesstoday**, with over 50 employees at one location, has been in business since 2012.



Value: \$11m

CML Group Limited has entered into an agreement to purchase **Classic Funding Group**, an Australian owned financial services company, for AUD 11m. The acquisition will accelerate **CML's** strategy to gain market share in the expanded service offerings that **CML** has developed in-house and launched over the last 2 years.



Value: \$14.6m

Eclix Group has announced the sale of its non-core **Commercial Equipment Finance Australia** business to **Grow Asset Finance** for AUD 14.6m. **Eclix Commercial Equipment Finance Australia** provides finance solutions for businesses of all sizes to enable them to lease or finance IT, office and manufacturing equipment.

INSTITUTIONAL INTELLIGENCE...

- Several parties are believed to be looking at making an investment in **BrickX**, an Australian fractional property ownership platform.
- **Thorn Group** is increasingly expected to sell its **Radio Rentals** consumer loan book following its strategic review. **Consolidated Operations Group**, **Gordon Brothers** and **First American** are considered possible buyers. The commercial loan book could be valued at around AUD 100m.
- **Potentia Capital** is believed to have purchased a controlling stake in **PC-EFTPOS**, an Australian payments business.
- The takeover offer for **Mercantil Investment Company** by **Sandon Capital Investments** has been declared unconditional.
- **IOOF** could renegotiate its offer for **Australia and New Zealand Banking Group's OnePath Pensions and Investments** business to secure the division for a discount of up to 30%.
- **Zuper**, an Australian online superannuation investment platform, has started discussions with corporate advisors for a Series A round of up to AUD 10m.
- **WAM Active** has decided to withdraw its off-market takeover bid for all the issued fully paid ordinary shares in **Keybridge Capital**.
- **Pepper Group**, an Australian lending business, is thought to be delaying its plans to list on the ASX until next year.
- **Latitude Financial**, an Australian non-bank lender, could launch plans to list on the ASX as early as next month.
- **Onsite Rental Group**, an Australia-based equipment hire business, has invited fund managers for a site tour in Sydney as it proceeds with its plans to list on the ASX. **Onsite** could be valued at AUD 700m when it lists.
- **Silver Chef Limited** received a conditional proposal from **Next Capital** to acquire **Silver Chef's** hospitality business. The Next Proposal would be subject to Silver Chef shareholder approval.
- **Westpac** is said to be selling its AUD 600m equipment finance book. **Westpac** had been expected to divest its auto and equipment loan book and its car loans last year through an IPO. However, the bank is now planning to sell the equipment finance book separately and retain the car and auto loans operations.
- Australia-based **Auswide Bank** has been rejected in most of its attempts to acquire mutual banks and credit unions and has branched out to look at non-bank lender targets. **Auswide** currently operates in Queensland and sees acquisitions of mutual banks as key to its growth and plans for expansion to New South Wales and Victoria.
- **VGI Partners Limited** has lodged a prospectus with ASIC for the IPO of investment fund **VGI Partners Asian Investments Limited (VG8)**. The offer is seeking to raise a minimum of AUD 250m and a maximum of AUD 800m with the ability to accept a further AUD 200m in oversubscriptions. The offer price is AUD 2.50 per new ordinary share in **VG8**.
- **BitBorrow**, a Queensland-based digital asset lending platform, will undertake an AUD 3m Series A raise for a 20% stake in the company on a pre-money valuation of AUD 15m next year. The funds will support initial marketing initiatives to pre-launch the platform and to secure private investment for initial capital funds to support lending.

CONTACT DETAILS

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