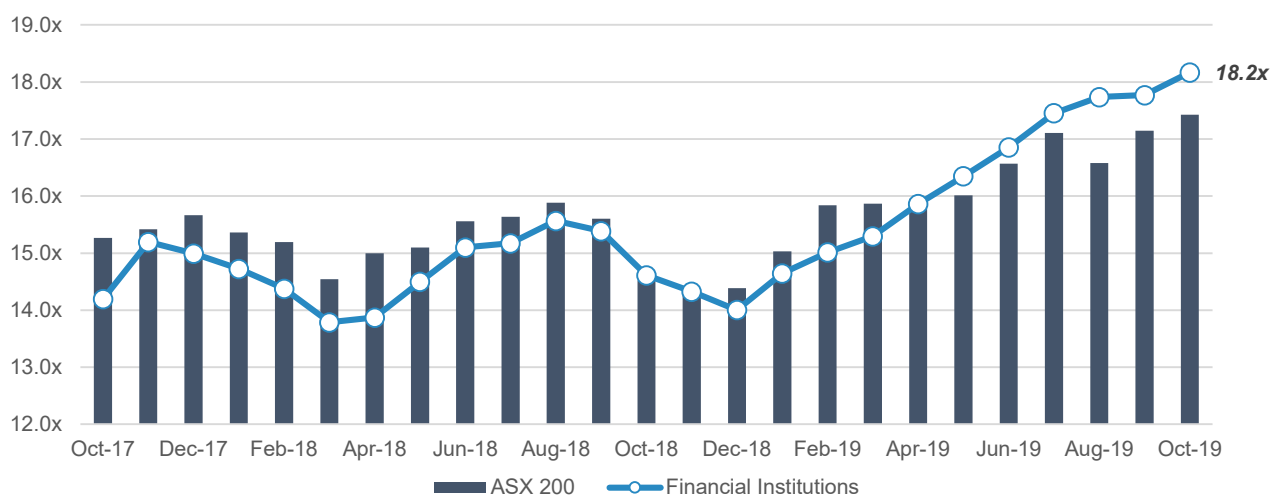


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31/10/2019) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of October, the sector traded on a forward Price / Earnings multiple of 18.2x, compared to the ASX200 on 17.4x.



Average Values and Trading Multiples (values as at 26/11/2019) Source: FactSet Research Systems Inc.

Subsector	Market Capitalization	Price / Book Value	Price / Earnings FY2020	EPS Growth
Consumer Credit Businesses	2,436	2.0x	12.6x	21.7%
Financial Services Providers	84,375	3.4x	19.4x	11.4%
Insurance & Mortgage Brokers	4,521	3.1x	18.4x	15.4%
Lending Institutions	448,286	1.4x	13.7x	2.0%
Property Developers	2,137	0.9x	12.9x	22.3%
REIT	141,875	1.2x	19.2x	2.4%
Financial Institutions	683,630	2.0x	17.9x	8.2%

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...

CML Group



Value: \$11m

CML Group Limited, an Australian-based ASX-listed company engaged in providing financial management and payroll services, has acquired **Classic Funding Group**, an Australia-based non-banking company which provides financial services including equipment finance and debtor finance.



CML Group

Value: \$190m

Consolidated Operations Group Limited, listed Australia-based investment company, has agreed to merge with **CML Group Limited**, listed Australia-based company engaged in providing financial management and payroll services. Offer price is at a premium of 7.3% over CML's closing share price of AUD 0.455.



Value: \$423m

EML Payments, a listed Australia-based ASX-listed provider of pre-paid financial cards, has entered into a binding agreement to acquire **Prepaid Financial Services Limited**, an Ireland-based e-money payments company.

INSTITUTIONAL INTELLIGENCE...

- **Founders First**, an Australian craft brewery investment business, has lodged a prospectus for an IPO to raise up to AUD 17.5m at AUD 0.50 per share. The business expects to list with a market capitalisation of AUD 55.9m to AUD 63.5m.
- **TPG Capital** is believed to be circling **Liberty Financial**, an Australian non-bank lender. Liberty reported an after-tax profit of AUD 39.98m.
- **Afterpay Touch Group** has raised AUD 200m via a private placement from **Coatue Management** at AUD 28.50 per share.
- **Money Me**, an Australia-based personal lender, is seeking to raise AUD 45m in an IPO and has **Renaissance Asset Management**, **Ellerston Capital** and **Perennial Value** as cornerstone investors.
- **Cerberus Capital Management**, **Bank of Queensland**, and **Bain Capital** are believed to be among parties interested in **Westpac's** equipment finance business. The equipment finance unit is believed to have a loan book worth around AUD 600m.
- **Royal Automobile Club of Queensland (RACQ)** and **Suncorp** have been subject to increasing speculation that **RACQ** could merge with **Suncorp's** banking business.
- Private equity players are believed to be monitoring the potential trade sale of **National Australia Bank's** MLC business.
- **Cover Genius**, a privately held Australian insurance fintech company, has raised AUD 14.6m in its Series B funding round, and will consider further future raisings to accelerate growth in the US.
- **QSuper** and **Sunsuper**, Australia-based superannuation funds, confirmed on 4 November that they are involved in merger discussions. The merger would create the largest pension funds in Australia with AUD 182bn in retirement savings covering almost two million people.
- **Westpac**, an Australia-based bank is set to announce an equity raise worth AUD 2bn to enhance its capital position.
- **PIMCO** is said to be considering listing an AUD 1bn-plus credit fund on the ASX.

CONTACT DETAILS

If you are interested in specific information regarding mergers and acquisitions in the Financial Institutions sector, please contact Anna Green or Michael Kakanis.

Name	Position	Phone	Email
Sharon Doyle	Managing Director	(07) 3218 9122	sdoyle@interfinancial.com.au
Paul Keehan	Chairman	(07) 3218 9100	pkeehan@interfinancial.com.au
Mark Steinhardt	Head of M&A	(07) 3218 9105	msteinhardt@interfinancial.com.au
Brad Shaw	Chief Operating Officer	(07) 3218 9100	bshaw@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
Anna Green	Director	(07) 3218 9100	agreen@interfinancial.com.au
Ted Marchant	Director	(07) 3218 9100	tmarchant@interfinancial.com.au
Sally McMillan	Associate Director	(07) 3218 9100	smcmillan@interfinancial.com.au
Brent Wall	Associate Director	(07) 3218 9102	bwall@interfinancial.com.au
Michael Kakanis	Associate	(07) 3218 9106	mkakanis@interfinancial.com.au

DISCLAIMER

This information has been sourced from the ASX, Mergermarket.com and various other public information sources. Forecasts are consensus forecasts sourced from FactSet Research Systems Inc.

Important Disclaimer – This may affect your legal rights: Because this document has been prepared without consideration of any specific person's financial situation, particular needs and investment objectives, a financial services licensee or investment adviser should be consulted before any investment decision is made. While this document is based on information from sources which are considered reliable, InterFinancial, its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does InterFinancial accept any responsibility to inform you of any matter that subsequently comes to notice, which may affect any of the information contained in this document. This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of InterFinancial. This report does not constitute advice to any person.

Disclosure. InterFinancial has no interest in any of the securities mentioned in this publication. However, its directors, executives or consultants may have an interest in some of the securities, directly or indirectly, which are mentioned

InterFinancial is a member of Clairfield International

<p>InterFinancial Corporate Finance Limited ABN: 49 136 962 966 AFSL: 341875 Level 2, 201 Charlotte Street GPO Box 975 Brisbane Queensland 4001 (07) 3218 9100 admin@interfinancial.com.au www.interfinancial.com.au</p>	
---	---