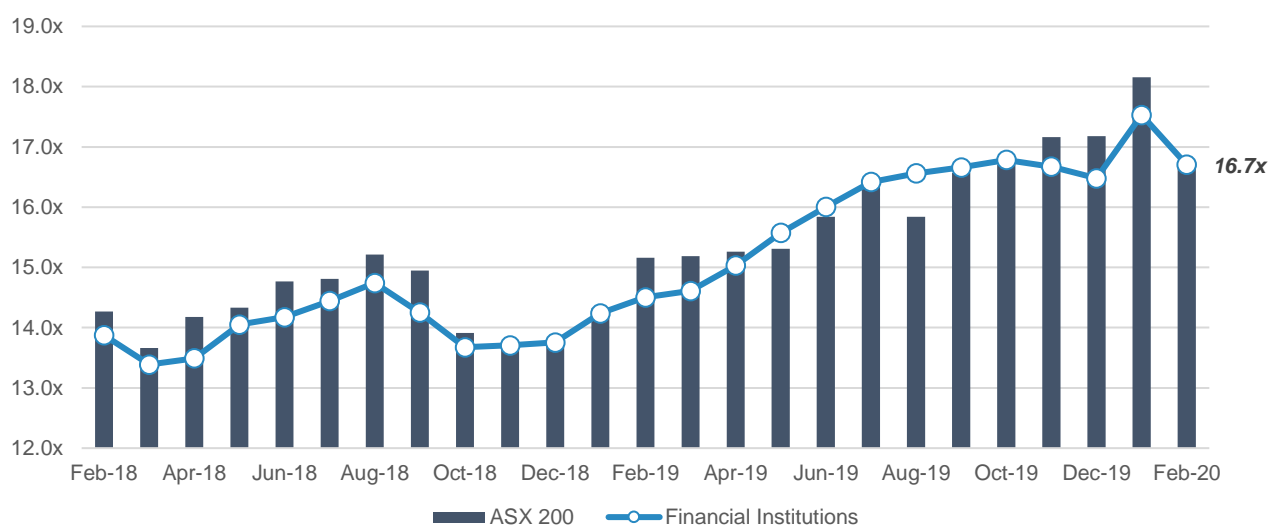


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 29/2/2020) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have decreased 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 16.7x.



Average Values and Trading Multiples (values as at 19/03/2020) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2020	EPS Growth
Consumer Credit Businesses	1,945	1.6x	8.0x	15.1%
Financial Services Providers	59,835	2.5x	12.7x	10.9%
Insurance & Mortgage Brokers	4,444	2.3x	14.6x	9.9%
Lending Institutions	309,406	0.9x	9.7x	1.4%
Property Developers	1,508	0.7x	9.8x	9.3%
REIT	107,900	1.0x	14.0x	3.0%
Financial Institutions	485,039	1.5x	12.4x	7.0%

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. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: February 2020.

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: \$5.2m (47.5% stake)

Moelis Australia announced that it has entered into an agreement to acquire residential mortgage lending business **MKM Capital**. **Moelis** will initially acquire a 47.5% stake for AUD 5.2m, purchasing an additional 25% interest in 2023 and the remaining 27.5% stake in 2025.



Value: \$44.17m

Federation Asset Management and **Squadron Energy** have agreed to acquire 81.57% stake in **Windlab**. **Windlab** is an Australia-based company engaged in development, financing, construction and operation of wind farms, headquartered in Canberra.

**South
Queensland
Lime**

LEMPRIERE
/
CAPITAL

Value: Undisclosed

Lempriere Capital Partners has acquired **South Queensland Lime**, an Australia-based company operating quarries to procure lime, for an undisclosed consideration.



Value: Undisclosed

Anacacia Capital has acquired an undisclosed majority stake in **Sureway Employment and Training**. The transaction will allow **Sureway** to accelerate business growth by offering superior services which meet the specific labour market needs with the help of **Anacacia Capital's** strategic insight, resources and private capital.

INSTITUTIONAL INTELLIGENCE...

- **QSuper** and **Sunsuper** have signed a Memorandum of Understanding to enter a period of exclusive diligence to explore a merger.
- **First State Super** and **WA Super**, the Australian superannuation funds, have started discussions for a potential merger.
- **Netwealth**, the Australian wealth management platform, could play a part in sector consolidation through opportunistic acquisitions, but is focused on organic growth.
- Teddy Wasserman, a US-based financier, is the buyer behind an offer to buy eight **Sargon Capital** companies.
- **WAM Active's** holding of **Keybridge Capital** shares with voting rights stake raises to 50.06% stake.
- **Aurora Dividend Income Trust** has raised the offer price for its off-market takeover bid to acquire **Keybridge Capital** to AUD 0.070 per share from the previously proposed AUD 0.066 per share.
- **McMillan Shakespeare** may have revived its interest in buying **Eclix**.
- **Judo Bank** is raising another AUD 400m equity round, aiming to replicate last year's largest ever Australian private equity raise.
- The growth strategy of **Prospera**, an Australia-based small business lender, includes acquisitions.
- **DomaCom**, an Australian fractional property investment platform, is a clear target for larger investment platforms.
- **Madison Financial Group**, an Australian financial advice company, is seeking expressions of interest.
- **Westpac** could be considering the sale of its wealth management business **BT Financial Group**.
- **Hay Limited**, an Australia-based neobank, is raising AUD 30m in a Series C funding round, implying a pre-money valuation of AUD 115m.
- Australian insurance broker **Coverforce's** largest shareholder is looking to buy back the stake owned by private equity investor **Pemba Capital**.
- **Viva Energy Group** has raised AUD 734.3m via the sale of its entire 35.5% stake in **Viva Energy REIT**.
- **Macquarie Group** is thought to be considering an effort to break-up **AMP**.
- **Medibank**, an Australia-based health insurance business, is open to acquiring distressed rivals.
- **McMillan Shakespeare**, an Australian financial services and investment group, is undergoing a strategic review for its UK business.
- **Aussie Home Loans** and **Mortgage Choice** are likely to be of particular interest to private equity firms.
- **VGI Partners** is believed to be targeting ASX-listed investment companies for acquisition
- **Dough**, an Australia-based neobank, is planning to list on the ASX in the third quarter.
- **GetCapital**, an Australia-based small business loans provider, has closed an AUD 100m (USD 66m) funding round.
- **Genworth Mortgage Insurance**, an Australian mortgage insurance business, could be considering a merger with another financial services business. Could combine with **Link Group**, **Computershare** or **ASX**.
- **Keybridge Capital** is seeking a final order of the Australian Government Takeovers Panel to declare that **WAM Active** has not properly freed its bid to acquire Keybridge Capital from a defeating condition.
- UK-based **Legal & General** has acquired a 20% stake in **Household Capital**, an Australian reverse mortgage business.

CONTACT DETAILS

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