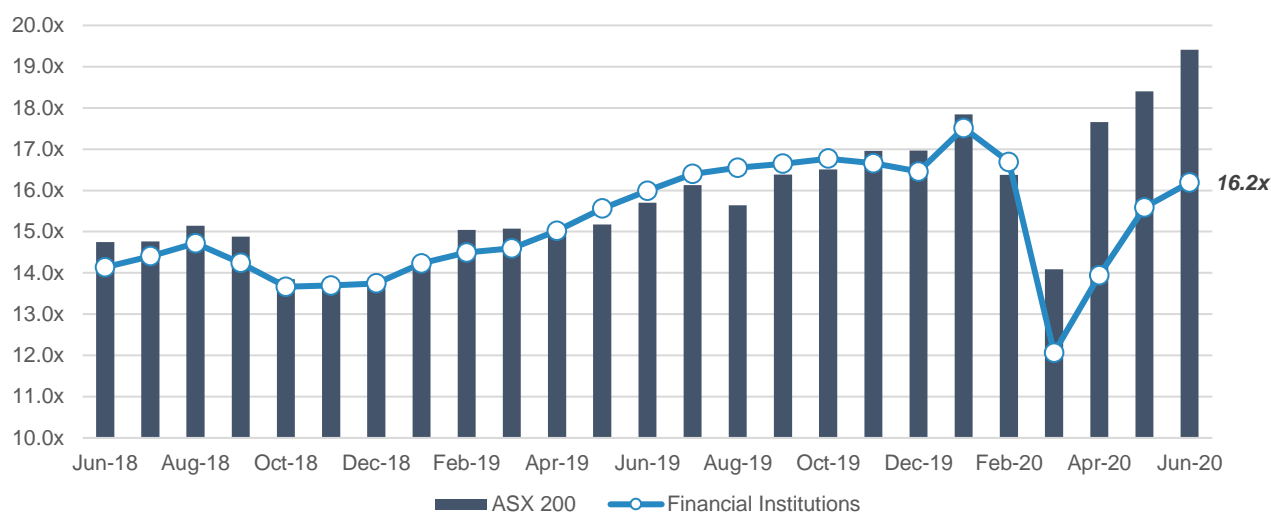


## PRICING MULTIPLES

### Forward Price Earnings Multiples (monthly to 30/06/2020) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of June, the sector traded on a forward Price / Earnings multiple of 16.2x, compared to the ASX200 on 19.4x.



### Average Values and Trading Multiples (values as at 28/07/2020) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2020	EPS Growth
Consumer Credit Businesses	2,359	1.3x	10.4x	0.1%
Financial Services Providers	70,996	3.4x	18.8x	(11.7%)
Insurance & Mortgage Brokers	5,178	2.4x	16.9x	2.0%
Lending Institutions	368,950	1.1x	15.0x	10.9%
Property Developers	1,436	0.7x	14.9x	(6.4%)
REIT	111,787	1.0x	14.9x	(3.7%)
<b>Financial Institutions</b>	<b>560,705</b>	<b>1.8x</b>	<b>16.0x</b>	<b>(3.9%)</b>

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.

<sup>1</sup> 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...



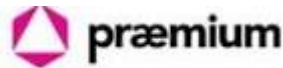
Value: \$40m (49% stake)

**Medibank Private**, an Australia-based health insurance provider, is believed to have paid AUD 40m to acquire a 49% stake in **East Sydney Private Hospital**. The deal represents a return to hospital ownership by an Australian health insurer, with Medibank Private commenting that it could pursue other acquisitions as COVID-19 strains private hospitals. Insurers are thought to be looking to buy hospitals in order to lower medical insurance costs for clients.



Value: \$1,922m (29%)

**ARA Asset Management Ltd**, a Singapore-based real estate fund management company has proposed to acquire a 29% stake in **Cromwell Group**, an Australia-based property trust. The transaction will be conducted via a voluntary cash partial offer for a 29% stake under Australian takeover laws. It represents a discount of 0.38% to the closing price of AUD 0.89 on 20 July 2020 and a premium of 0.6% over the initial offer price of AUD 0.8814 offered on 23 June 2020.



Value: \$32.7m (85.3%)

**Praemium Limited** has agreed to acquire 85.3% stake in **Powerwrap Limited**, an Australia-based company that provides wealth management services and offers licensing, administration, reporting tools, compliance, finance, and investment strategies solutions. The Powerwrap Board has unanimously recommended that its shareholders accept the offer. The acquisition must receive a minimum 90% acceptance by shareholders.



Value: \$99.17

**Iress Limited** [ASX:IRE] has agreed to acquire **OneVue Holdings Limited** [ASX:OVH]. OneVue are engaged in providing of investment management and administration solutions for the financial advice, self-managed super fund, self-directed and unit registry sectors, headquartered in Sydney. The offer price is at a premium of 66.7% over OneVue's closing price of AUD 0.24 (USD 0.15) per share on 28 May 2020.

### INSTITUTIONAL INTELLIGENCE...

- Private equity interest in **National Australia Bank's** wealth management unit **MLC** is believed to be fading.
- **Bendigo and Adelaide Bank** and **Bank of Queensland** could revive merger talks as the banking industry faces increased loan losses and slow credit growth. There is also discussion of **Suncorp Group's** banking arm being part of a three-party merger.
- **Credit Clear**, an Australia-based debt collection business, is well progressed on its plans to list on the ASX.
- **Wilson Asset Management** is set to reach a deal to acquire the management rights to **Blue Sky Alternatives Access Fund**.
- **Wirecard Australia's** administrators are planning to quickly activate a process to sell the business' payments and technology operations.
- **Payright**, an Australian buy now, pay later payments provider, is considering an initial public offering as part of its continued fundraising.
- **Absolute Equity Performance Fund** has received a non-binding proposal for a consolidation with **Bennelong Market Neutral Fund**.
- **Resolution Life** plans to use the recently acquired **AMP Life** insurance business to drive additional consolidation in the Australian life insurance segment.

## INSTITUTIONAL INTELLIGENCE...

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- **Sezzle** looks likely to price its AUD 79m placement at AUD 5.30 per share.
- **Westpac Banking Group**, an Australian bank, could consider raising equity to rebuild its balance sheet.
- **BNK Banking Corporation**, the Australian banking group, will consider M&A deals with other banks, aggregators and wholesale lenders.
- **Westpac** is said to be in renewed talks to sell its equipment finance business to **Cerberus Capital**.
- Australian superannuation funds, **Media Super** and **Cbus Super**, have signed an MoU and will begin due diligence on a joint arrangement that is to be operational next year.
- **Praemium** has made a recommended off-market takeover offer for **Powerwrap**.
- **86 400**, an Australian digital bank, is preparing to raise over AUD 34m.
- A formal sale process for **Wirecard**'s Australian and New Zealand entities is expected to begin next week.
- The Australian consumer lending company, **PayRight**, has raised AUD 12m in its latest Series D funding led by **Escala Partners**, bringing the company's total capital raised to over AUD 60m over the last 18 months.
- **Seven West Media**'s venture capital assets are most likely to be acquired by a global secondary fund with an interest in Australia.

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