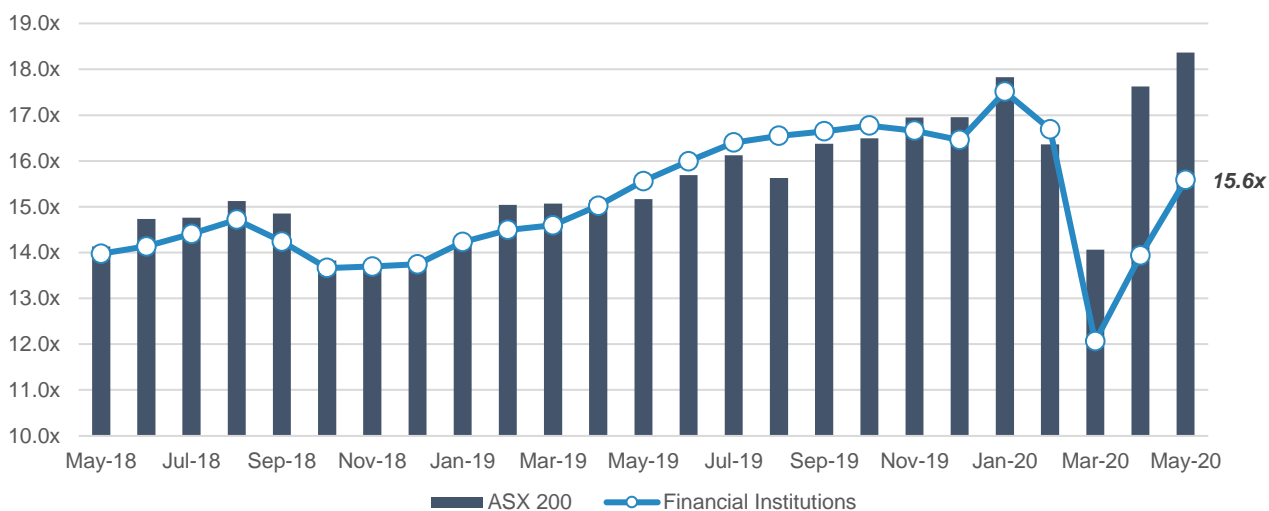


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31/05/2020) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of May, the sector traded on a forward Price / Earnings multiple of 15.6x, compared to the ASX200 on 18.4x.



Average Values and Trading Multiples (values as at 1/07/2020) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2020	EPS Growth
Consumer Credit Businesses	2,206	1.2x	10.8x	(2.1%)
Financial Services Providers	71,440	3.4x	19.9x	(11.7%)
Insurance & Mortgage Brokers	5,244	2.6x	17.1x	2.6%
Lending Institutions	364,376	1.1x	15.0x	13.8%
Property Developers	1,504	0.8x	14.8x	(12.5%)
REIT	111,345	1.0x	14.9x	(3.5%)
Financial Institutions	556,115	1.7x	16.3x	(3.8%)

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...




Bringing your plan to life

Value: AUD 8m (25% stake)

McMillan Shakespeare [ASX:MMS], an Australian financial services and investment group, has reached an agreement to acquire its joint venture partner's 25% interest in **Plan Partners** for AUD 8m. The transaction will be funded from existing cash reserves and is expected to complete on or around 30 June 2020. Once completed, the Company will wholly own Plan Partners. Plan Partners is a nationally registered provider of plan management and support coordination services to its customers who are participants in the National Disability Insurance Scheme.




Value: Undisclosed

Neo Financial Solutions, an Australian fintech business, has been acquired by **PictureWealth**. PictureWealth recently completed a AUD 12m equity and debt raising and deployed an undisclosed portion of the funds to buy Neo Financial Solutions. The merged group reportedly will be one of the first to combine a digital automation platform with a large network of licensed human financial advisers. The combined group will have over AUD 2bn in funds under management.



Group Limited



Value: AUD 25m

Stream Group Ltd. [ASX: SGO] has entered into a conditional share purchase agreement to acquire 100% of **Mayfield Group Investments Pty Ltd** and its subsidiaries for AUD 25m. The acquisition price is AUD 25m which represents a multiple of 6.2 times Mayfield's net profit after tax for the year ended 30 June 2019. The acquisition will be fully funded through the issue of new Stream shares. For the purposes of the Transaction, Stream will be valued at AUD 5.65m.




Value: AUD 30.2m

Euroz Ltd [ASX:EZL] has entered into a non-binding term sheet with **Hartleys Ltd** to acquire all the issued shares of the Western Australia's stockbroking firm by issuing as many as 33 million shares at AUD 0.915 per share as consideration, with Hartleys shareholders owning up to approximately 17% of the combined group.




Value: Undisclosed

Republic Capital Group, the Houston, Texas-based provider of investment banking services, has invested in Australia-based **Creativemass**, the Wealth management software company whose flagship product WealthConnect is based solely on Salesforce and offers financial planning, wealth management, and broking capabilities.

INSTITUTIONAL INTELLIGENCE...

- **National Australia Bank's** [ASX:NAB] wealth management unit **MLC** suitor **KKR** [NYSE:KKR] is forming a bid for the business. **Blackstone** [NYSE:BX] and **The Carlyle Group** [NASDAQ: CG] have not submitted indicative offers for MLC, although they have already conducted early-stage due diligence. KKR recently agreed to acquire 55% of **Commonwealth Bank of Australia's** [ASX:CBA] **Colonial First State**.
- **LeasePlan Australia**, an Australian fleet leasing business, is increasingly speculated to be reviving sale efforts. **McMillan Shakespeare** [ASX:MMS] and **SG Fleet** [ASX:SGF] are considered the most obvious buyers for the company. LeasePlan's owners considered listing the company in 2017, but decided to retain the business, which was estimated to be worth around AUD 350m.
- **Tradeplus24 Australia**, the wholly-owned subsidiary of Zurich, Switzerland-based alternative lender **Tradeplus24**, is closing in on an AUD 5m capital raise to expand domestically. Tradeplus24 Australia was set up in January 2019 as Tradeplus24's first international destination.
- **Blackstone** is thought to be interested in **AMP Limited** [ASX:AMP]. AMP has been named as potential target for **KKR**, but Blackstone is also said to be among private equity players eyeing the business.
- **Catholic Super**, an Australian superannuation fund, is thought to be making early preparations to sell its banking operations. The assets could be worth around AUD 150m.
- **QBE Insurance Group** [ASX:QBE] is believed to be interested in general insurance operations of both **Commonwealth Bank of Australia (CBA)** [ASX:CBA] and **Westpac Banking Corp** [ASX:WBC]. The combined deal value could reach AUD 1.7bn, as Commonwealth Bank of Australia's general insurance business is estimated to be valued at about AUD 1bn, while the other could be worth about AUD 700m.
- **Australian Finance Group (AFG)** [ASX:AFG], a mortgage broking and lending solutions provider, is currently focusing on its merger with mortgage aggregation business **Connective Group** while keeping an eye on other potential opportunities likely to arise in the current environment.
- **ME Bank**, an Australia-based bank, is considering sale options.
- **Robocash Group**, a Singapore-headquartered fintech business, is preparing to list on the ASX in December to raise AUD 100m. A raising of that size would imply a post-IPO market capitalisation of around AUD 500m.

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