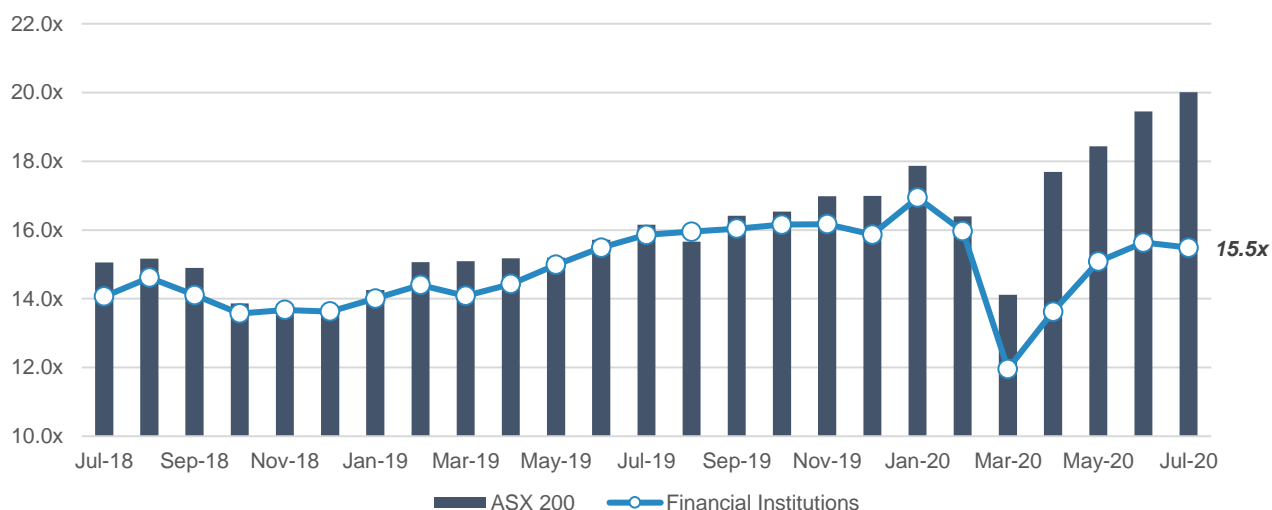


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31/07/2020) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have decreased over the period. At the end of July, the sector traded on a forward Price / Earnings multiple of 15.5x, compared to the ASX200 on 20.0x.



Average Values and Trading Multiples (values as at 19/08/2020) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2020	EPS Growth
Consumer Credit Businesses	2,595	1.4x	12.3x	18.6%
Financial Services Providers	68,904	3.7x	20.0x	1.5%
Insurance & Mortgage Brokers	5,249	2.4x	16.9x	2.6%
Lending Institutions	359,697	1.0x	14.9x	15.3%
Property Developers	1,566	0.8x	16.5x	(3.1%)
REIT	115,758	1.0x	15.4x	1.0%
Financial Institutions	553,770	1.9x	16.7x	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...



Value: AUD 6.5m

CML Group, a financial service enterprise, announced on 28 July that it has agreed to acquire **Skippr Invoice Finance**, an automated online platform that provides finance solutions to SMEs, for up to AUD 6.5m. The acquisition will help CML to service smaller clients profitably and increase the addressable market. The transaction is expected to close mid-August.



Value: AUD 465m

Perpetual Limited, an Australia-based fund manager, has entered into an agreement to acquire a 75% stake **Barrow, Hanley, Mewhinney & Strauss**, a Texas-based investment manager, for AUD 465m. The transformational acquisition will accelerate global growth, diversify investment capabilities and establish a platform to build world class distribution capabilities.

INSTITUTIONAL INTELLIGENCE...

- **Australian Catholic Super** and **NGS Super** are planning to merge, which would form an AUD 21bn fund serving around 200,000 members.
- Australian bank **ANZ** has agreed to sell 1,300 off-site Australian ATMs to **Armaguard Group**.
- **Mitsubishi UFJ Financial Group** has announced that it will sell its entire stake in **AMP Capital Holdings** to **AMP Holdings** for AUD 460m
- **Navigator Global Investments** is to acquire six minority ownership interests in alternative assets from investment funds managed by **Dyal Capital Partners**, a division of **Neuberger Berman**.
- **Credit Clear**, an Australian-based debt collection business is soon planning to list on the ASX, with an investor roadshow scheduled to commence on 24 August.
- **SendGold**, a privately held Australia-based Gold as a Service (GaaS) platform, is resuming a Series A capital raising on the back of a gold sales surge.
- **IOOF**, the Australian financial services company, has sold down an AUD 74.5m stake in **Australian Ethical Investment**.
- **Pontem Solutions**, a privately held Australia-based early stage company accelerator, is seeking to raise AUD 8m to build a platform enabling the commercialization of early stage technologies.
- **Zeller**, a privately held Australian business banking platform, could look to raise more capital to accelerate growth following its first funding round last month.
- Australian financial services business **IOOF** may be interested in **National Australia Bank's** wealth management business **MLC**.
- **Westpac's** general insurance business is expected to be the first major non-core asset to be put on the market by the Australian bank.
- **Grow Finance Group**, a Sydney-based Australian non-bank lender to small and medium-sized businesses, is potentially looking at an ASX IPO in 12 months.
- **Zebit**, a US-based e-commerce business, is preparing to list on the ASX.
- **Equipsuper** and **Catholic Super**, an Australian superannuation group, hopes to announce a merger within months.

CONTACT DETAILS

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

Name	Position	Phone	Email
Sharon Doyle	Executive Chair	(07) 3218 9122	sdoyle@interfinancial.com.au
Paul Keehan	Non-Executive Director	(07) 3218 9100	pkeehan@interfinancial.com.au
Ted Marchant	Non-Executive Director	(07) 3218 9100	tmarchant@interfinancial.com.au
Mark Steinhardt	Head of M&A	(07) 3218 9105	msteinhardt@interfinancial.com.au
Brad Shaw	Director – M&A	(07) 3218 9100	bshaw@interfinancial.com.au
Brent Wall	Director – M&A	(07) 3218 9102	bwall@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
Michael Kakanis	Associate	(07) 3218 9106	mkakanis@interfinancial.com.au
Lachlan O'Rourke	Analyst	(07) 3218 9104	lorourke@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

InterFinancial
Corporate Finance Limited
ABN: 49 138 962 986
AFSL: 341675
Level 2, 201 Charlotte Street
GPO Box 975
Brisbane Queensland 4001
(07) 3218 9100
admin@interfinancial.com.au
www.interfinancial.com.au

