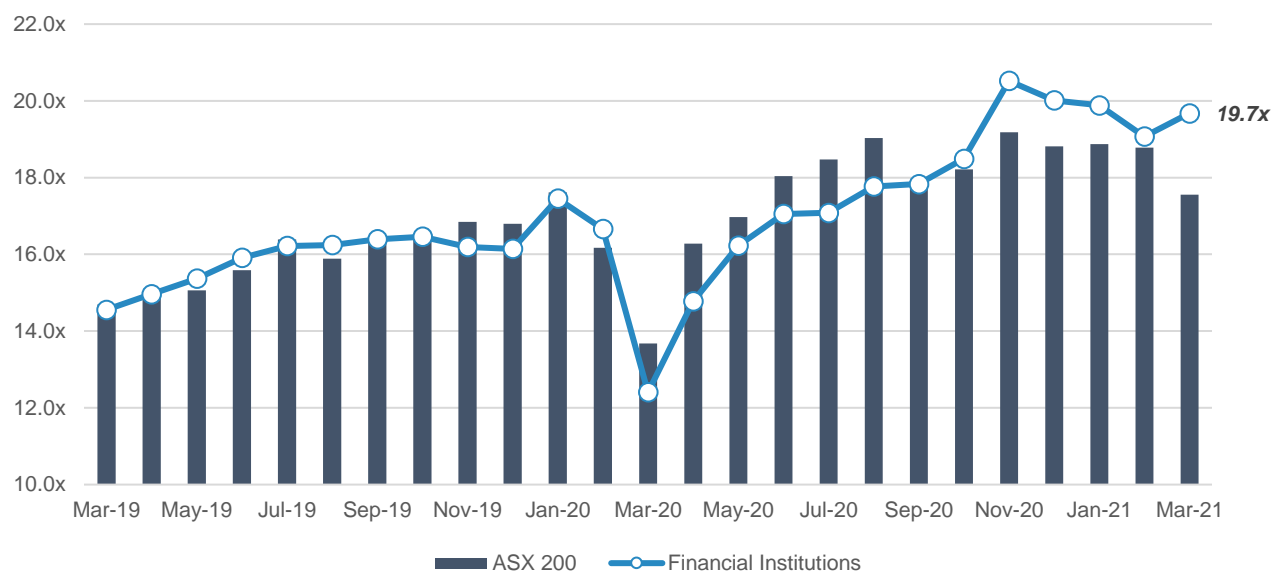


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31/03/2021) Source: FactSet Research Systems Inc.

Multiples in the Financial Institutions sector have increased over the period. At the end of March, the sector traded on a forward Price / Earnings multiple of 19.7x, compared to the ASX200 on 17.6x.



Average Values and Trading Multiples (values as at 16/04/2021) Source: FactSet Research Systems Inc.

Subsector	Market Cap (\$ m)	Price / Book Value	Price / Earnings FY2021	EPS Growth
Consumer Credit Businesses	4,282	2.4x	17.3x	203.9%
Financial Services Providers	74,435	6.2x	31.6x	43.0%
Insurance & Mortgage Brokers	3,496	3.2x	22.0x	37.4%
Lending Institutions	498,742	1.3x	14.4x	75.0%
Property Developers	2,932	1.5x	23.9x	(7.1%)
REIT	122,147	4.8x	17.8x	11.4%
Financial Institutions	706,033	4.4x	21.7x	44.1%

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2021. Difference in forward PE 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: October 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 387.4 m

SG Fleet Group Limited has agreed to acquire **LeasePlan Australia Limited**, an Australia-based company engaged in providing vehicle leasing and fleet management services and **LeasePlan New Zealand Limited**, a New Zealand-based company engaged in providing vehicle leasing and fleet management services from LeasePlan Corporation N.V. SG Fleet expects to generate about AUD 20m in pre-tax run-rate synergies per annum after migration of LeasePlan's operations and systems, which is expected to occur in Year 3. Prior to that, the Company will see cost synergies in a number of areas.



Value: AUD 244m

REA Group Ltd has entered into an agreement to acquire 100% of the outstanding shares in **Mortgage Choice Ltd** for an enterprise value of about AUD 244m, or AUD 1.95 cash per share. This is a 66% premium to the previous day closing price and 1 month VWAP. The acquisition will enable REA to create a broking business.



Value: Not disclosed

Arch Capital Group Ltd has agreed to acquire **Westpac Lenders Mortgage Insurance Limited**, an Australia-based lenders mortgage insurance provider, from **Westpac Banking Corporation**. The consideration includes fixed annual installments payable to Westpac over a period of 10 years. The acquisition will add 7bps to Westpac's Common Equity Tier 1 capital ratio. The transaction is expected to be completed by August 2021 and is subject to antitrust and regulatory approvals from **APRA** and the **ACCC**. **Westpac Lender** had AUD 285.7m of equity valuation as of 30 September 2020.



Value: AUD 270.55 m

SS&C Technologies Holdings, Inc. ("SS&C"), the listed US-based company engaged in providing software products and software enabled services to the financial service providers has agreed to acquire **Mainstream Group Holdings Limited** ("Mainstream") [ASX:MAI], the Australia-based and listed specialist third party administrator for the financial services industry. Mainstream Group's fund and superannuation services complement SS&C's extensive administration offerings in Australia and throughout the world, and demonstrate great revenue growth potential.

INSTITUTIONAL INTELLIGENCE...

- **Mubadala Investment Company**, Abu Dhabi's sovereign wealth fund, is setting up an AUD 200m (USD 155m) venture with Australian logistics property group **LOGOS** and investment firm **KKR & Co** to develop logistics facilities across Australia.
- **Citi**, the New York City-based investment banking company, has stated in its 1Q21 earnings update that it will exit consumer franchises in 13 markets across Asia and EMEA including Australia.
- **EML Payments** [ASX:EML], an Australian payment solutions provider, intends to make further buys in the open banking space after its recently announced acquisition of Ireland-based **Sentiental**.
- **Milestone Logistics Group** owner **Blackstone** is believed to have received final bids from four entities, with the bid prices ranging from AUD 3.1bn to AUD 3.6bn (USD 2.43bn to USD 2.83bn). The four bidders are Warburg Pincus-backed **ESR**, **Dexus Property**, **Logos**, and **Mapletree**.
- Germany-based insurance group **Allianz** is considering the acquisition of **Commonwealth Bank of Australia's** general insurance business. Allianz would significantly increase its scale and distribution capacity in Australia, should it succeed in buying CBA's general insurance operations.

INSTITUTIONAL INTELLIGENCE...

- **Link Administration** [ASX:LNK] is anticipating indicative bids for its 44.2% stake in **Property Exchange Australia** (PEXA) to be submitted around the end of April.
- **Reventon**, a privately held Australian investment and financial services company, could consider raising up to AUD 5m (USD 3.8m) to assist with its domestic growth plans. Additionally, the company is presently exploring an acquisition of an accounting practice, probably in Melbourne, as part of its local growth plans.
- **KKR** is said to be seeking co-managers to list **Pepper Money**, an Australia-based lender, on the ASX. Pepper Money's IPO is believed to be slated for May, valued at over AUD 700m.
- **360 Capital Group** is believed to be considering a takeover offer for **Irongate Group** with news of it increases its stake in Irongate from 9.18% to 15.18%.
- **Grow Finance**, an Australia-based non-bank lender, has received approval from its shareholders to list on the ASX.
- **Spirit Super**, an Australian superannuation fund formed by the merger of MTAA and Tasplan, is looking for additional merger opportunities.
- **The Australian Competition and Consumer Commission** (ACCC) has approved **National Australia Bank's** proposal to acquire 100% of the shares in **86 400 Holdings Ltd**.
- **AMP** confirms exclusivity period in HoA with **Ares Management** has concluded. Ares interested in acquiring private markets businesses.
- **Australian Unity Healthcare Property Trust's** responsible entity, **Australian Unity Funds Management Limited**, advised in a letter to investors on 26 March that it has rejected **NorthWest Healthcare Properties Real Estate Investment Trust's** revised offer of AUD 2.35 per unit.
- An undisclosed bidder has acquired 30% stake in **Attvest Finance Pty Ltd**, for an estimated AUD 22m, valuing the company at AUD 73m.
- A listing of the New Zealand unit of **Westpac Banking Corp** could be seen as a logical option, following **Westpac** commencing a review of a demerger of its NZ unit.
- **Wagestream**, the UK-based income streaming app solution provider, has purchased **Earnd**, an Australian FinTech start-up from insolvent **Greensill**.
- **Volt Bank**, the Australian neobank, may wait till 2022-end to launch an IPO, in order to achieve a much higher valuation at its listing.
- **Kelly Partners Group Holdings'** is said to have purchased a minority stake in **iPartners**, an Australia-based online investment platform, through its second special opportunities fund.

CONTACT DETAILS

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