

Continued Momentum in the Wealth and Pension Sectors



Recent Deal Activity in the Sector



**Advised Epiris LLP on the
take private of IFG Group plc**



September 2019



**Advised Phoenix Equity
Partners on the majority
acquisition of Mobius Life**



September 2019



**Advised Defaqto on
its sale to SimplyBiz**



March 2019

Case Study | Take Private of IFG Group plc by Epiris

IFG Group Overview

Wealth management group, dual listed on the Irish Stock Exchange and London Stock Exchange



- UK self-invested pension platform “SIPP”
- Allows customers and advisers to make investments into shares, bonds, funds, etc., via tax efficient wrappers (such as SIPPs, ISAs, and GIAs)
- UK wealth manager focused on high-net-worth professional clients (e.g., lawyers, accountants)
- Differentiated by its strong client service approach and pricing model (time and materials rather than percentage of AuM)

£87.6m

FY18 Group Revenue

£16.7m

FY18 Group EBITDA (pre-exceptionals)

£206m

Deal Value

46.2%

Premium to Undisturbed Share Price

12.3x

Multiple on FY18 EBITDA



has acquired through scheme of arrangement



£206,000,000

Buy-side Advisor

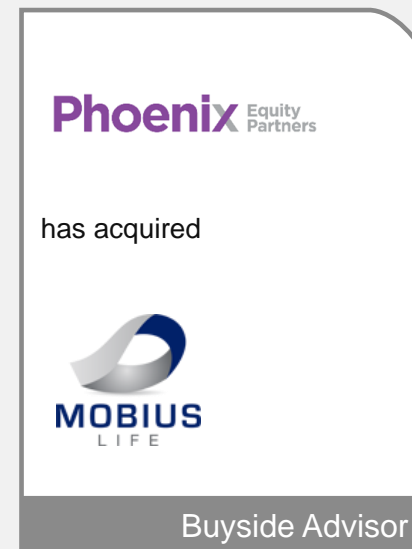
Houlihan Lokey Role

- HL was engaged as exclusive financial advisor to Epiris on this transaction
- HL managed an extensive diligence process over a short period of time in line with the request of the target, and assisted in advising on valuation and inputting into the relevant offer documents
- The transaction continued HL’s market-leading coverage of the UK wealth management sector
- The transaction was completed in September 2019

Case Study | Investment Into Mobius Life by Phoenix Equity

Mobius Life Overview

- Mobius Life provides investment administration services to UK defined benefit and defined contribution pension schemes via a UK life insurance structure
- The company serves the following customers primarily through a technology platform:
 - **Trustees of UK pension schemes** – choose the investment platform to consolidate their assets, and access a broad range of funds in a highly governed structure
 - **Consultants and advisers** – use the investment platform to focus on investment advice rather than implementation issues
 - **Asset managers** – utilize the life company license to create tax-efficient life-wrapped funds, which are attractive to UK pension schemes
 - **Life insurance companies** – employ the investment administration services to reduce their operational and governance overheads
- Mobius Life has seen strong growth since it undertook a management buyout in 2014
 - Assets have grown from approximately £3 billion to approximately £17 billion, establishing Mobius Life as the UK's leading institutional investment platform
- The investment by Phoenix will support Mobius Life's continued expansion and allow for further growth in assets under administration



Houlihan Lokey Role

- HL served as financial advisor to Phoenix Equity
- HL's role included assisting Phoenix in considering the positioning of Mobius within the market, strategic option analysis, and a review of potential future buyers and exit valuation
- The transaction was completed in September 2019

Case Study | Sale of Defaqto to SimplyBiz

Defaqto Overview

- Defaqto is a leading financial services technology business operating a fintech platform for 8,500 advisers and providing independent ratings of 21,000 financial products and funds, licensed by 230 brands
- Proprietary, scalable, and flexible IT platform and infrastructure, supporting the largest database of financial products in Europe, and providing unique information and insights to aid consumer and adviser purchase decisions
- Highly cash-generative business built on a regulatory and capital light model; in 2018, generating revenues of £12.8 million and adjusted EBITDA of £5.3 million. Adjusted EBITDA margin in 2018 was 41%
- The combination of SimplyBiz and Defaqto creates a single fintech and support services group, which will benefit from an increased number and range of distribution channels

£74.3m

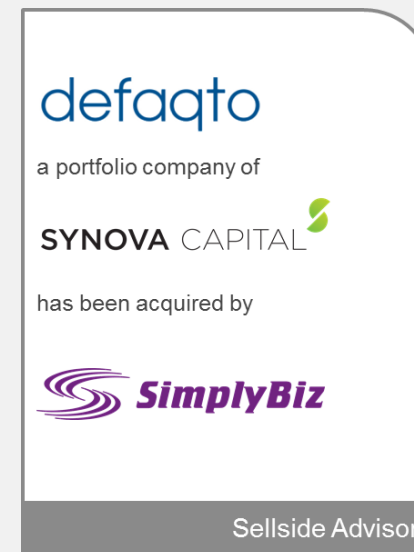
Enterprise Valuation

5.8x

EV/Revenue 2018

14.0x

EV/Adjusted EBITDA 2018



Houlihan Lokey Role

- HL was engaged as financial advisor to Synova Capital and was the company in response to interest expressed by SimplyBiz
- HL supported the company through due diligence, negotiation of the terms of the transaction, and in respect of the equity fundraising associated with the transaction by SimplyBiz, which raised £29m to partly fund the transaction
- The transaction extended Synova Capital's leading track record in growth investing in the financial services, technology, business services, and health and education sectors; the investment generated an overall return to Synova of 3.9x invested capital and an IRR of 46%

Long Track Record of Advising the Wealth and Pensions Industry



Advised Epiris LLP
on the take private
of IFG Group plc



Advised Phoenix
Equity Partners on
the majority
acquisition of
Mobius Life



Sale of Robidus, a
specialist employee
benefits platform,
to Aegon



Advised Oaktree on
the merger of
Bellpenny and Ascot
Lloyd

Bellpenny
Ascot Lloyd



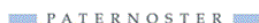
Advised
Succession on
investment from
Inflexion

Inflexion
Private Equity



Advised the
management of
Bestinvest on the
buyout by 3i

3i



Advised on £500m
capital raise for
Paternoster

Deutsche Bank



Advised Dynamo
Software on its
growth investment
from Francisco
Partners

Francisco
Partners



Advised Defaqto on
its sale to
SimplyBiz



Advised Rockall on
its sale to
Broadridge



Contact Us



- An independent, advisory-focused global firm
- Established in 1972, long-tenured partnership culture
- Market capitalization of approximately US\$3 billion, differentiated balanced model
- More than 1,000 clients served annually

Balance Sheets

Distribution

Advice

Banking and
Speciality Credit

Insurance

Asset and Wealth
Management

Payments
and Markets

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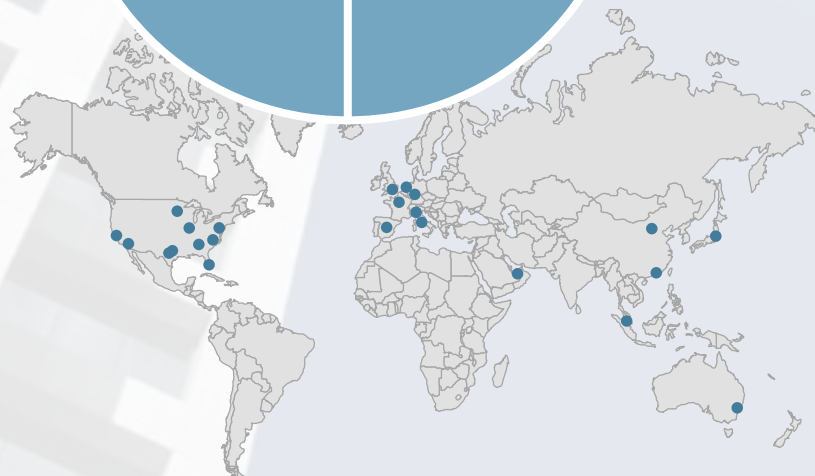
Locations globally

US \$50m–US \$1bn

Deal size range in approximately
the past 18 months

Global

Single specialised FIG
practice across the world



Christian Kent

Managing Director

CKent@HL.com

+44 (0) 20 7907 4272



Paul Tracey

Director

PTracey@HL.com

+44 (0) 20 7907 4225

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