

Irish Life Group acquires strategic holding in Ireland's largest independent financial consultancy, Invesco

Deal Highlights

- IMAP Ireland represented Invesco, Ireland's largest independent pensions consultancy and wealth advisor, on the sell-side for the transaction.
- Invesco shareholders' were looking to de-risk part of their shareholding while maintaining a material stake in the business. The transaction provided a private equity transaction structure to the shareholders, allowing them to remain equity shareholders of the business and participate in the future up-side of the business under trade ownership.
- Irish Life Group is one of Ireland's leading financial services organizations with over 1.3 million customers.
- The outcome was very successful; shareholders de-risked at a competitive price, remained owners with a guaranteed future exit and achieved a number of ancillary wins as well.



Market Outlook

- Financial consultancy and advisory remains attractive for both trade players with strategic rationale and private equity.
- For product providers, acquiring financial intermediaries is an opportunity to consolidate their supply chain and create a fully integrated business model with revenue and cost synergies.
- PE are attracted to the highly stable recurring revenue models of financial advisors, the opportunity to enhance efficiencies through technology and scale through M&A at the lower end of the market.
- There are many opportunities in Ireland for foreign trade and PE in the areas of financial services, outsourced financial services, fintech and insuretech.

Valuation Summary

Financial details of the transaction were not disclosed, however financial advisors and consultants usually trade between 8.0x - 12.0x EBITDA depending on a number of factors such as:

- Percentage of recurring revenue
- Level of cash conversion
- Assets under advice/administration/management
- Stability and visibility of inflows of AUM
- Quality and persistency of client base

- EBITDA margin
- Technology capabilities
- Growth profile history and trajectory
- Potential for synergies
- Strength of management and relationships



IMAP Approach

- IMAP Ireland advised Invesco throughout the entire transaction.
- Due to IMAP's global reach, IMAP Ireland had access to a wealth of UK private equity houses, one of which was involved in submitting final round bids.
- The creation of competitive tension between trade and PE lead to incremental price increases at each stage of the process in an effort to win exclusivity.
- Critical to the successful outcome was the involvement of both private equity (5 mid-market Irish and UK PE firms) and trade (3 global life assurance companies).

Client Comment

Des McGarry, Managing Director, Invesco:

"In Irish Life we will have a shareholder that understands the value of our independence and that will support our growth through access to resources, technology and expertise on a global scale. This will support us in meeting the evolving needs of our clients, as well as expanding the range of services we offer them."

IMAP Transaction Advisors



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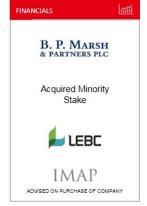


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IMAP has closed 35 transactions in the Financial Services sector since 2015











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