

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

FINANCIALS	FINANCIALS	FINANCIALS	FINANCIALS	FINANCIALS
 Acquired 100% of Business Operations   <small>ADVISED ON SALE OF COMPANY</small>	 Acquired Majority Control of Business Operations   <small>ADVISED ON SALE OF COMPANY</small>	 Acquired Minority Stake   <small>ADVISED ON PURCHASE OF COMPANY</small>	 Acquired Majority Control of Business Operations   <small>ADVISED ON SALE OF COMPANY</small>	 Acquired 100% of Business Operations   <small>ADVISED ON PURCHASE OF COMPANY</small>

IMAP is an International Mergers and Acquisitions Partnership with more than 350 M&A advisors and a presence in 39 countries. IMAP has closed over 2,100 transactions valued at \$90 billion in the last 10 years and is consistently ranked among the world’s top ten M&A advisors for mid-market transactions (Thomson Reuters). IMAP advises primarily mid-sized companies and their shareholders on sales and acquisitions on a global scale, providing clients with entrepreneurial, unbiased advice and successfully helping them achieve their objectives.