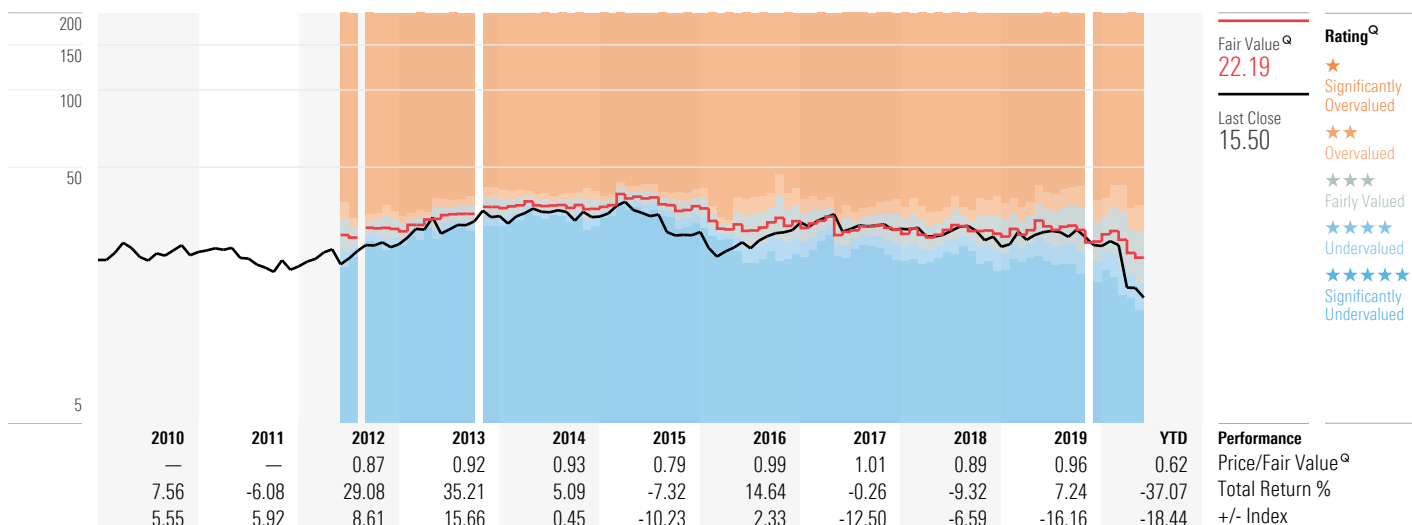


# Australia and New Zealand Banking Group Ltd ANZ ★★★<sup>Q</sup> 12 May 2020, 22:35 UTC

<b>Economic Moat<sup>Q</sup></b> Narrow	<b>Uncertainty<sup>Q</sup></b> Very High	<b>Price/Fair Value<sup>Q</sup></b> 0.7	<b>Trailing Dividend Yield %</b> 10.32	<b>Market Cap</b> 43.9608 Bil	<b>Investment Style</b> Large Value	<b>Sector</b> Financial Services	<b>Industry</b> Banks - Diversified
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Total Return % as of 12 May 2020. Last Close as of 12 May 2020. Fair Value as of 12 May 2020, 22:35 UTC. Index: Morningstar Australia GR AUD.

There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>

## Valuation<sup>Q</sup> as of 12 May 2020



Fair Value<sup>Q</sup>  
**22.19**  
Uncertainty<sup>Q</sup>:  
Very High

Last Close  
**15.50**

ANZ is undervalued at a 30% discount.

**Economic Moat<sup>Q</sup>**  
Narrow

**Financial Health<sup>Q</sup>**  
Strong

**1-Star Price<sup>Q</sup>**  
> 35.50

**5-Star Price<sup>Q</sup>**  
< 13.87

## Financials as of 12 May 2020 (Fiscal Year End 30 Sep 2020)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Fiscal
15	14	19	21	21	20	21	21	18	18	9	Revenue (Bil)
—	—	—	—	—	—	—	—	—	—	—	Operating Income
—	—	—	—	—	—	—	—	—	—	—	Operating Margin (%)
5	5	6	6	7	7	6	6	6	6	2	Net Income (Bil)
1.75	1.99	2.06	2.24	2.57	2.57	1.89	2.11	2.12	2.02	0.48	Diluted Earnings/Share
3	19	6	18	6	21	11	24	11	-5	55	Operating Cash Flow (Bil)
-317	-319	-319	-356	-370	-321	-337	—	—	—	-117	Capital Spending (Mil)
3	18	6	17	5	21	11	24	11	-5	55	Free Cash Flow (Bil)
3	3	3	3	3	3	3	3	3	3	3	Avg Shares Outstand(Bil)
1.26	1.40	1.45	1.64	1.78	1.81	1.60	1.60	1.60	1.60	1.60	Dividend Per Share

## Valuation as of 12 May 2020

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Current	Calendar
—	—	0.87	0.92	0.93	0.79	0.99	1.01	0.89	0.96	0.70	Price/Fair Value <sup>Q</sup>
4.09	3.45	4.11	4.34	4.42	3.99	4.43	4.10	4.06	4.11	2.63	Price/Sales
13.37	10.33	12.18	14.36	12.49	10.86	16.07	13.63	10.40	11.53	9.98	Price/Earnings
19.74	2.93	10.73	5.11	16.08	3.79	8.46	3.64	6.99	—	1.12	Price/Cash Flow
1.82	1.48	1.71	1.98	1.83	1.42	1.54	1.43	1.18	1.15	0.72	Price/Book

## Operating Performance as of 12 May 2020 (Fiscal Year End 30 Sep 2020)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3	Fiscal (%)
0.89	0.95	0.91	0.93	0.99	0.9	0.63	0.71	0.7	0.62	—	Return on Assets
13.91	15.21	14.61	14.75	15.62	14.19	9.92	10.97	10.83	9.92	—	Return on Equity
—	—	—	—	—	—	—	—	—	—	—	Rtn on Invested Capital

## Contact

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## Business Description

ANZ Bank is Australia's third-largest bank by market value and provides retail, business, and institutional banking services to 8 million customers in Australia, New Zealand, and Asia-Pacific. The super-regional Asian strategy is being de-emphasised, with management focusing on the higher-re-

turning businesses in Australia and New Zealand. Fine-tuning strategy and bank-wide restructuring results in a differentiated bank compared with domestic peers. ANZ Bank still retains a tilt to its Asia-centric strategy, but is now more balanced, better capitalised and a simpler bank.