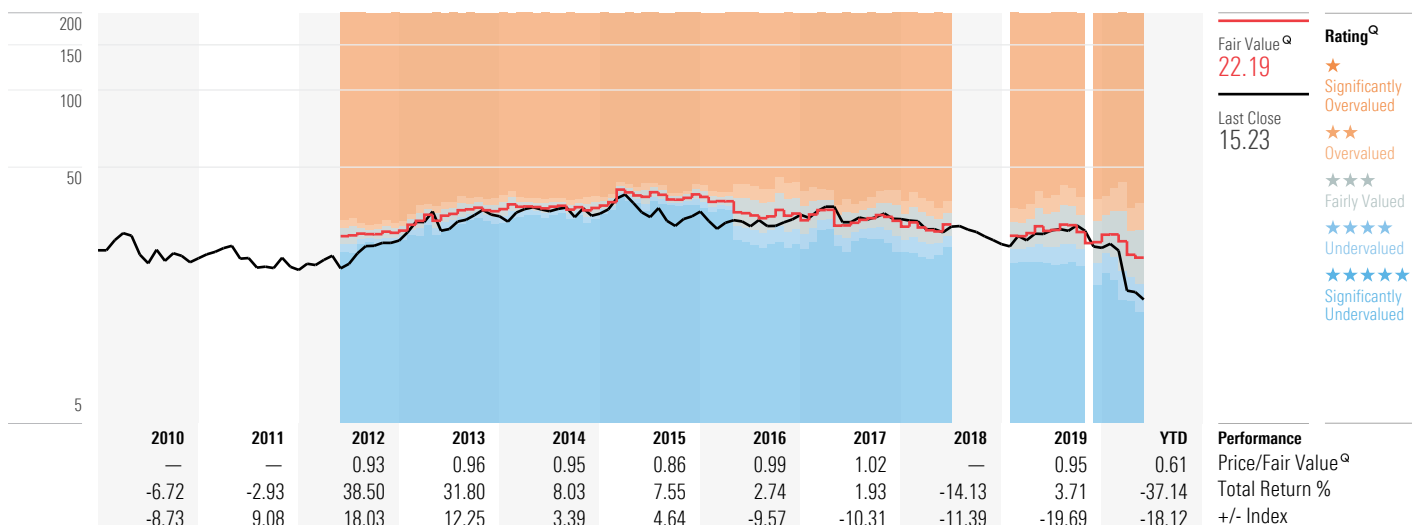


Westpac Banking Corp WBC ★★★^Q 12 May 2020, 22:35 UTC

| | | | | | | | |
|--|---|--|---|----------------------------------|--|-------------------------------------|--|
| Economic Moat^Q Narrow | Uncertainty^Q Very High | Price/Fair Value^Q 0.7 | Trailing Dividend Yield % 11.42 | Market Cap 54.9684 Bil | Investment Style Large Value | Sector Financial Services | Industry Banks - Diversified |
|--|---|--|---|----------------------------------|--|-------------------------------------|--|



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^Q as of 12 May 2020



Fair Value^Q
22.19

Uncertainty^Q:
Very High

Last Close
15.23

WBC is undervalued at a 31% discount.

Economic Moat^Q
Narrow

Financial Health^Q
Strong

1-Star Price^Q
> 36.05

5-Star Price^Q
< 13.66

Contact

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

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | YTD | Fiscal |
|------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------|
| 17 | 17 | 18 | 19 | 20 | 21 | 21 | 21 | 22 | 21 | 21 | Revenue (Bil) |
| — | — | — | — | — | — | — | — | — | — | — | Operating Income |
| — | — | — | — | — | — | — | — | — | — | — | Operating Margin (%) |
| 6 | 7 | 6 | 7 | 8 | 8 | 7 | 8 | 8 | 7 | 7 | Net Income (Bil) |
| 2.06 | 2.22 | 1.88 | 2.12 | 2.38 | 2.48 | 2.18 | 2.29 | 2.30 | 1.90 | 1.90 | Diluted Earnings/Share |
| 468 | -12,014 | 15,545 | 25,580 | 28,371 | -541 | 32,941 | 2,837 | 19,770 | 7,104 | 7,104 | Operating Cash Flow (Mil) |
| -874 | -1,144 | -855 | -1,042 | -1,179 | -1,307 | — | -1,030 | -1,192 | -1,186 | -1,186 | Capital Spending (Mil) |
| -406 | -13,158 | 14,690 | 24,538 | 27,192 | -1,848 | 32,941 | 1,807 | 18,578 | 5,918 | 5,918 | Free Cash Flow (Mil) |
| 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 3 | 3 | Avg Shares Outstand(Bil) |
| 1.38 | 1.55 | 1.65 | 1.93 | 1.81 | 1.86 | 1.88 | 1.88 | 1.88 | 1.74 | 1.60 | Dividend Per Share |

Valuation as of 12 May 2020

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Current | Calendar |
|--------|------|-------|-------|-------|-------|-------|-------|-------|-------|---------|-------------------------------|
| — | — | 0.93 | 0.96 | 0.95 | 0.86 | 0.99 | 1.02 | — | 0.95 | 0.69 | Price/Fair Value ^Q |
| 4.10 | 3.76 | 4.64 | 5.63 | 5.38 | 5.39 | 5.48 | 5.24 | 4.12 | 4.05 | 2.52 | Price/Sales |
| 10.72 | 8.94 | 13.67 | 15.03 | 13.89 | 13.55 | 14.97 | 13.67 | 10.88 | 12.79 | 11.43 | Price/Earnings |
| 148.07 | — | 4.52 | 4.10 | 3.78 | — | 20.88 | 39.97 | 4.60 | 11.77 | 0.92 | Price/Cash Flow |
| 1.73 | 1.45 | 1.80 | 2.15 | 2.12 | 2.02 | 1.87 | 1.73 | 1.33 | 1.29 | 0.81 | 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 (%) |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------------------------|
| 1.05 | 1.09 | 0.89 | 0.99 | 1.03 | 1.01 | 0.9 | 0.94 | 0.93 | 0.76 | 0.2 | Return on Assets |
| 17.43 | 17.47 | 13.87 | 14.98 | 15.88 | 15.77 | 13.39 | 13.37 | 12.86 | 10.43 | 4.92 | Return on Equity |
| — | — | — | — | — | — | — | — | — | — | — | Rtn on Invested Capital |

Business Description

Westpac is Australia's oldest bank and financial services group, with a significant franchise in Australia and New Zealand in the consumer, small business, corporate, and institutional sectors, in addition to its major presence in wealth management. Westpac is among a handful of banks

around the globe currently retaining very high credit ratings, and ranks third in assets across the four major Australian banks. The bank benefits from a large national branch network and significant market share, particularly in home loans and retail deposits.