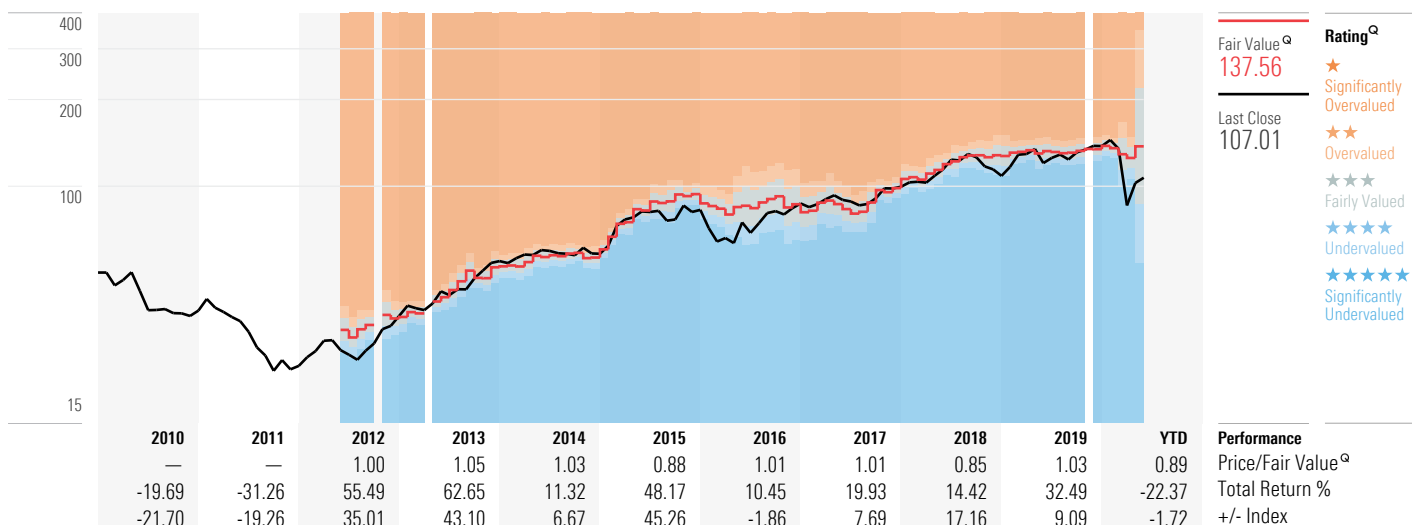


Macquarie Group Ltd MQG ★★★ 12 May 2020, 22:35 UTC

Economic Moat ^Q Narrow	Uncertainty ^Q Extreme	Price/Fair Value ^Q 0.8	Trailing Dividend Yield % 5.70	Market Cap 38.2731 Bil	Investment Style Large Core	Sector Financial Services	Industry Capital Markets
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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^Q as of 12 May 2020



Fair Value^Q
137.56
Uncertainty^Q:
Extreme

Last Close
107.01

MQG is undervalued at a 22% discount.

Economic Moat^Q
Narrow

Financial Health^Q
Moderate

1-Star Price^Q
> 348.51

5-Star Price^Q
< 54.30

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Financials as of 12 May 2020 (Fiscal Year End 31 Mar 2021)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Fiscal
Revenue (Bil)	—	4	3	3	4	5	5	4	5	6	3	Revenue (Bil)
Operating Income (Bil)	—	-3	-3	-2	-2	-2	-4	-3	-4	-5	-2	Operating Income (Bil)
Operating Margin (%)	—	-68.26	-75.8	-54.73	-61.93	-41.95	-73.06	-76.24	-85.85	-90.86	-60.89	Operating Margin (%)
Net Income (Mil)	—	956	730	851	1,265	1,604	2,063	2,217	2,557	2,982	2,731	Net Income (Mil)
Diluted Earnings/Share	—	2.82	2.28	2.53	3.66	4.84	5.83	6.45	7.44	8.68	7.65	Diluted Earnings/Share
Operating Cash Flow (Mil)	—	2,379	4,412	-448	-143	-2,413	12,823	-5,708	4,450	764	12,119	Operating Cash Flow (Mil)
Capital Spending (Mil)	—	-2,130	-502	-553	-691	-416	-183	-329	-255	-633	-1,165	Capital Spending (Mil)
Free Cash Flow (Mil)	—	249	3,910	-1,001	-834	-2,829	12,640	-6,037	4,195	131	10,954	Free Cash Flow (Mil)
Avg Shares Outstand(Mil)	—	339	320	336	346	331	354	344	344	344	357	Avg Shares Outstand(Mil)
Dividend Per Share	1.97	1.75	1.59	2.38	2.90	3.60	4.30	4.85	5.35	6.10	4.30	Dividend Per Share

Valuation as of 12 May 2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Current	Calendar
Price/Fair Value ^Q	—	—	1.00	1.05	1.03	0.88	1.01	1.01	0.85	1.03	0.78	Price/Fair Value ^Q
Price/Sales	—	—	—	—	4.79	5.20	7.22	7.32	7.79	8.32	6.55	Price/Sales
Price/Earnings	12.99	9.89	15.91	18.45	13.88	14.05	15.09	14.23	14.18	15.24	14.00	Price/Earnings
Price/Cash Flow	—	1.64	6.11	—	—	15.67	5.13	—	5.93	95.07	3.15	Price/Cash Flow
Price/Book	1.16	0.74	1.10	1.44	1.62	1.93	1.99	2.21	2.12	2.49	1.82	Price/Book

Operating Performance as of 12 May 2020 (Fiscal Year End 31 Mar 2021)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3	Fiscal (%)
Return on Assets	—	0.63	0.47	0.56	0.83	0.94	1.07	1.17	1.37	1.51	—	Return on Assets
Return on Equity	—	8.45	6.46	7.53	11.09	12.67	14.22	14.45	16.02	17.48	—	Return on Equity
Rtn on Invested Capital	—	-0.04	-0.22	0.0	0.19	0.19	0.34	0.47	0.8	1.17	—	Rtn on Invested Capital

Business Description

Macquarie Group began trading in 1969 as Hill Samuel Australia, obtained its bank licence in 1985, and listed in 1996. It's Australia's only sizable listed investment bank, now internationally diversified, operating in corporate finance, treasury, commodities, equity markets, and funds management.

The firm pioneered the buying of assets and rolling them into funds, providing a captive client for the group. Most of these funds were dissolved during the global financial crisis, but the lucrative income source has been replaced by the growing annuity businesses.