

Case Study

**Identification of Acquisition Opportunities
in the Mortgage Service Providers'
Market**



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Identification of Acquisition Opportunities in the Mortgage Service Providers' Market



About the Client



- A leading European private equity firm with a diverse portfolio of investments across sectors worldwide, including financial services, healthcare and manufacturing

Client Objectives / Goals



- The client wanted RocSearch to analyse the mortgage services market in Western Europe to identify potential acquisition opportunities, with a promising growth outlook and attractive valuation multiples

Approach and Methodology



- RocSearch team assessed few of the major mortgage service markets in Western Europe, including UK, Netherlands, France, Germany and Spain
- The impact of the economic slowdown in each of these geographies was assessed in detail
- Focus was also on understanding the impact of intermediaries on outsourcing of various mortgage services, along with identification of key services being outsourced
- The team identified the key players and presented an overview covering products/services, management structure and recent developments

Sample Output



Servicing amongst the leading activities being contracted to 3rd parties; Product design and Origination also subcontracted

Vendor Name	Distribution (Sales & Advice)	Referring & Valuations	Product Design & Origination	Funding	Servicing
Company X			✓	✓	✓
Company Y (UK)	✓		✓		✓
Company Z (UK)			✓		✓
Company AA (Netherlands)	✓		✓	✓	✓
Company AB (Netherlands)			✓	✓	✓
Company AC (Germany)		✓	✓		✓

* They handle origination themselves, despite the fact that they are contracted to the bank to do so (and are the provider of Company AC)

* Referring and Valuations activity still largely kept in-house by mortgage lenders, amongst the key players

* Product design, origination and servicing - the leading services offered by leading TPA's across Europe, but servicing is the most preferred activity outsourced by mortgage players

Source: RocSearch analysis of the mortgage market in Europe

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Results / Value-add



The insights helped the client form their investment perspective regarding this segment

Basis the outcome of the study, the client became interested in looking at additional sub-markets within Europe

In the next phase, the team prepared deep-dive profiles of potential acquisition targets shortlisted by the client