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Firstfolio acquisitions pay off

Following its latest acquisitions, listed mortgage and financial services company Firstfolio revealed that “growing economies of scale” helped it achieve a profit of \$1m for the half-year ended 31 December 2008.

Firstfolio said its positive results, which included only two months’ earnings from its latest eChoice and Domain Financial Services acquisitions, were realised due to its expanded portfolio, reduced operating costs and improved yield management across the mortgage-managed loan portfolio.

As a result, the company anticipates a full-year 2009 earnings (before interest, taxes, depreciation and amortisation) in the range of \$4.5–5.5m.

Firstfolio’s chief executive, Mark Forsyth, said that, on an annualised basis, the increased earnings from the two acquisitions were tracking in the range of \$6–8m.

He said this was a positive result that reflected the group’s growth.

“The integration of the eChoice and Domain Financial Services acquisitions has progressed well and enabled us to realise expected cost synergies as well as two months’ earnings in the half-year ending 31 December 2008.”

Forsyth also flagged further expansion plans by stating that “market conditions continued to create a number of attractive opportunities to diversify and expand the Group’s earnings base.”

At the time of the eChoice and Domain acquisitions, Forsyth expressed the intention of achieving a loan book “somewhere in the order” of \$15bn by the end of 2009.

The group’s loan book now stands at \$11.6bn. ■



Firstfolio timeline



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- September 2006** acquires major shareholding in Lawfund Australia
- March 2007** acquires a further 39.27% holding in Lawfund Australia
- September 2007** acquires Capital First \$620m prime mortgage management portfolio from GMAC-RFC
- October 2007** acquires remaining interest in Lawfund and Gold Coast-based mortgage broker Blue Coast Finance
- March 2008** signs distribution agreement with Tasmanian-based mortgage group Apple Loans
- May 2008** signs distribution agreement with Brisbane-based mortgage group MyLender
- June 2008** signs distribution agreement with Melbourne-based mortgage company Moniworx
- October 2008** acquires online mortgage platform eChoice, and Domain Financial Services