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The CEO Magazine

Share Tips

Three top tips for you this month—two newbies making their debut on our share tips page, and Slater & Gordon comes back to remind us of its solid potential.

1. FlexiGroup (FXL). FlexiGroup is a diversified financial services group that reported half-year numbers in February, confirming full-year 2015 profit guidance between \$90 million and \$91 million. On a price–earnings multiple of almost 11 times, we believe it is still an attractive buy at current levels. Share prices have performed very well since the start of 2015, and we believe there is much more upside to come this year.

2. Emerchants (EML). Emerchants has caused a bit of a stir in *The CEO Magazine* offices, and rightly so. The company is a non-bank card issuer and processor of prepaid financial card programs in Australia that cover government, corporate, consumer loan, welfare, gaming, store, expense, reward, gift, and community cards. The platform used by EML is highly scalable, and, more importantly, it's proven over a decade. The company strategically raised capital to acquire Store Financial Services to open up markets in the UK and Europe. One to watch out for.

3. Slater & Gordon (SGH). We've mentioned SGH on a couple of occasions over the past 18 months, and it's time to underscore our belief in the company again. The company is a leader in personal injury law in Australia, and made a move into the UK in April 2012. Slater & Gordon made larger acquisitions in May 2013 and beyond, so much so that its UK employee numbers now equal Australia's 1,300. Interestingly, this is a market four to five times larger than these shores, so we expect good results due to this move; in 2015, the UK will contribute more than 45 per cent of income and we expect far more will follow. The share price has accumulated some 50 per cent since we first tipped SCH, but we have no hesitation in including the company again on our share tips page.

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