

## THE ISSUE LINE OF SUCCESSION

Last week, Aviva announced that its chief executive Mark Wilson was stepping down with immediate effect.

Sir Adrian Montague, the insurer's non-executive chairman, is to lead a committee of three that will assume executive responsibility until a successor is appointed. Wilson is staying with the company until April, to assist with the transition.

The board cited the completion of the restructuring strategy, which Wilson was appointed to deliver, and the need for new leadership to take the insurer to the next phase of its development. Aviva has failed to deliver meaningful earnings growth in recent years.

## THE (OUTGOING) BOSS MARK WILSON

New Zealand-born Mark Wilson was appointed chief executive in January 2013. A graduate of Waikato University in Hamilton, he was tasked with restructuring what was a debt-laden, capital-intensive business. Before joining Aviva, Wilson led insurance businesses across Asia, including Axa Southeast Asia, Axa Hong Kong and AIA.

Wilson has a strong interest in social issues and has addressed the United Nations general assembly on behalf of the business community, encouraging commitment to the organisation's sustainable development goals.

He sits on the boards of bodies such as the Eat Foundation and the Royal Foundation.

## THE ANALYST PIERCE BYRNE, CANTOR

Under a transformation programme, Aviva divested several capital-intensive businesses, restructured its expensive funding framework, and refocused on eight core markets. The project culminated in the £5.6bn (€6.4bn) acquisition of Friends Life, making Aviva the UK's largest insurer.

Increasing earnings in the developed world's insurance markets has been tough for Aviva — and also a factor in Wilson's ousting. The insurer remains a strong cash generator, yet the lack of earnings growth has weighed heavily on the share price: the stock has underperformed the UK's top 100 companies over the past three years.

Aviva trades at 7.26 times its full-year 2019 earnings and has a dividend yield of 6.39%.

### ◆ Aviva



Source: Yahoo

**Market cap:** £17.12bn (€19.45bn);  
**Share price:** 435.6p; **DPS:** 6.39%;  
**EPS (FY19):** £0.56; **Shareholders:**  
Vanguard, 4.9%; Blackrock, 4.84%;  
Dodge & Cox, 4.39%; Invesco, 3.55%;  
Standard Life Aberdeen, 3.03%