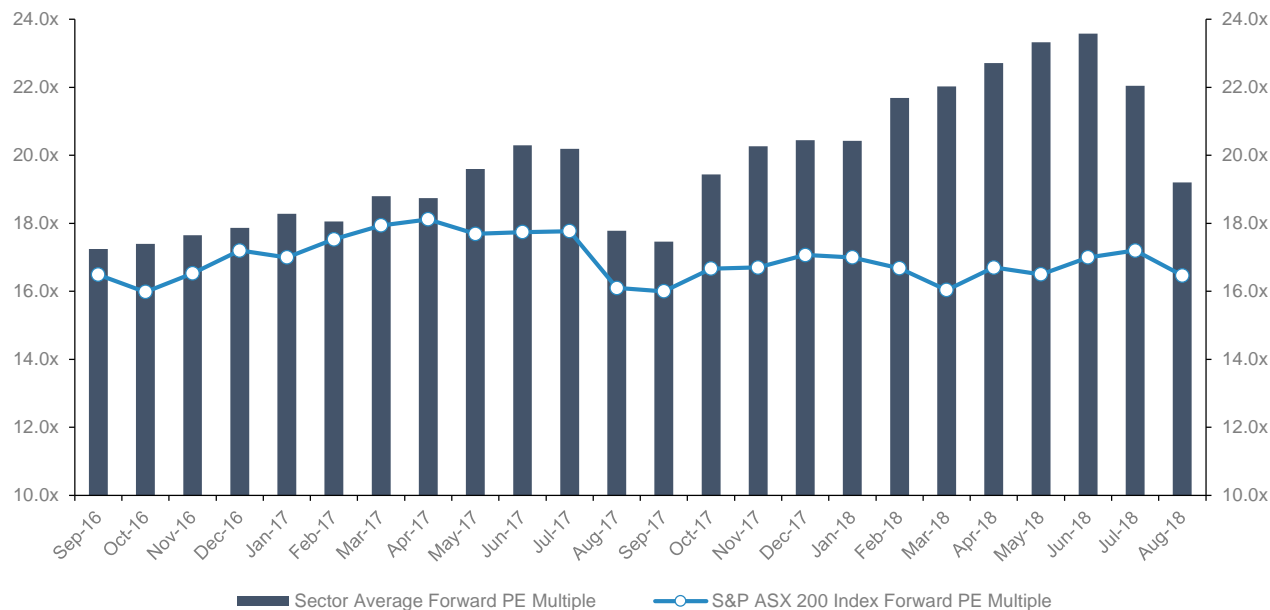


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31.08.18) Source: FactSet Research Systems Inc.

Multiples in the Food & Agribusiness (F&A) sector decreased over the period. At the end of August, the F&A sector traded on a forward PE of 19.2x, above the ASX200 on 16.5x.



Average Values and Trading Multiples (as at 19.09.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Agricultural Commodities/Milling	7,827	13.3x	14.6x	16.1x
Beverages	22,506	13.4x	16.8x	22.8x
Chemicals	23,222	9.0x	12.0x	16.5x
Food Distributors	6,389	9.2x	9.7x	13.3x
Food Retail	98,667	10.1x	13.6x	19.5x
Food Producers	13,832	12.5x	15.1x	19.6x

* Note: Multiples are based on the forward year of the unreported period. This is currently FY2019 for the majority of companies. The constituents have been refreshed this month to ensure the sector groups and companies included are current.

¹ The InterFinancial F&A Index set is an unweighted index comprising F&A related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

PEER GROUP OVERVIEW

Company Name	LTM Sales (\$m)	LTM -1Y Sales (\$m)	% Change	LTM EBITDA (\$m)	LTM-1Y EBITDA (\$m)	% Change
Agricultural Commodities/Milling						
Ridley Corporation Limited	917.7	852.9	7.6%	49.2	55.0	(10.5%)
Elders Limited	1,579.6	1,526.1	3.5%	69.2	59.0	17.3%
Costa Group Holdings Ltd.	985.6	909.1	8.4%	127.8	98.5	29.7%
Clover Corporation Limited	59.4	42.7	39.4%	6.1	3.3	n.m.
Inghams Group Ltd.	2,372.9	2,425.6	(2.2%)	191.5	182.0	5.2%
Tassal Group Limited	498.9	444.7	12.2%	91.9	85.6	7.3%
Capilano Honey Ltd.	138.3	133.1	3.9%	15.9	19.2	(17.3%)
New Zealand King Salmon Investments Ltd.	147.6	128.8	14.7%	(21.7)	(17.7)	22.5%
Average			10.9%			7.7%
Beverages						
Treasury Wine Estates Limited	2,429.0	2,401.7	1.1%	566.1	542.5	4.4%
Coca-Cola Amatil Limited	4,912.7	4,962.6	(1.0%)	889.4	777.4	14.4%
Average			0.1%			9.4%
Chemicals						
Incitec Pivot Limited	3,620.9	3,365.4	7.6%	642.7	403.3	59.4%
Orica Limited	5,133.8	4,975.9	3.2%	808.0	890.6	(9.3%)
Duluxgroup Limited	1,821.4	1,746.3	4.3%	240.3	229.4	4.7%
Nufarm Limited	3,211.2	2,963.7	8.4%	377.8	230.0	64.3%
Average			5.9%			29.8%
Food Distributors						
Graincorp Limited Class A	4,106.5	4,544.8	(9.6%)	291.6	215.3	35.4%
Metcash Limited	14,463.7	14,121.9	2.4%	293.7	313.3	(6.3%)
Tegel Group Holdings Ltd.	569.4	579.5	(1.7%)	56.1	69.4	(19.2%)
Average			(3.0%)			3.3%
Food Retail						
Woolworths Group Ltd	56,965.0	55,034.0	3.5%	3,429.0	3,372.0	1.7%
Wesfarmers Limited	66,594.0	68,015.0	(2.1%)	5,011.0	5,521.0	(9.2%)
Average			0.7%			(3.8%)
Food Producers						
Huon Aquaculture Group Ltd.	317.9	259.5	22.5%	61.3	82.8	(25.9%)
Bega Cheese Limited	1,438.3	1,226.7	17.3%	97.3	225.1	(56.8%)
a2 Milk Company Ltd.	850.5	518.7	64.0%	270.4	134.2	n.m.
Select Harvests Limited	206.5	242.1	(14.7%)	37.5	31.9	17.8%
Farm Pride Foods Limited	85.6	97.6	(12.3%)	4.9	15.7	(69.1%)
Bellamy's Australia Ltd.	328.7	240.2	36.9%	64.0	1.5	n.m.
Yowie Group Ltd.	22.6	26.2	(13.6%)	(4.8)	(9.9)	(52.1%)
Average			14.3%			(37.2%)

LTM – Last 12 months, LTM - 1Y – Last 12 months, preceding year

Note: Some historical figures have been restated due to changes in accounting standards.

MERGER & ACQUISITION NEWS...



VERITA
HEALTHCARE

Value: Not disclosed



Verita Healthcare Group has acquired a 70% shareholding in **Australia Vitamin and Sports Nutrition (AVS Nutrition)**. **AVS** provides a range of services relating to Health Foods, Supplements, Vitamins and Complementary Medicines; from sourcing, supplying, packaging and contract manufacturing to development of customised products and innovative formulations. Headquartered in Singapore, **VERITA** specialises in next-generation customised, preventative healthcare – from advanced diagnostics, disease prevention and longevity medicine to integrative oncology – all designed to help clients extend healthy lifespans and optimise performance.

InterFinancial assumed the lead advisory role, and managed the transaction to completion.



Value: \$371m

ProTen, Australia's largest independent chicken farm operator, has entered into a binding Scheme Implementation Deed (SID) with **First State Super** via subsidiary **FSS Agriculture 2** to be acquired for \$371m. Under the SID it is proposed that **FSS Agriculture** will acquire 100% of the shares in **ProTen** by way of a Scheme of Arrangement, for \$1.65 per share in cash.



Value: \$60m

Adamantem Capital, an Australia-based private equity firm has agreed to acquire **Mitavite**, an Australia-based animal feed business, from **Inghams Group Limited** for a consideration of \$60m. **Adamantem Capital** intends to merge **Mitavite** with its portfolio company, **Hygain**, an Australia-based horse feed producer. The transaction is expected to close in the fourth quarter of 2018.



Value: ~\$100m

M&J Chickens, the Australia-based poultry business, is set to be acquired by **The Growth Fund**. **M&J** and **The Growth Fund** have agreed to a deal structure and price and are in the final stages of discussions. The transaction is expected to be valued at around \$100m.



Value: \$30.3m

De Costi Seafoods Pty Ltd., a wholly-owned subsidiary of **Tassal Group Ltd.**, has agreed to acquire the land, assets and inventory of the **Fortune Group** prawn aquaculture business for \$30.3m.

CHEWING THE FAT...

- **Simpson Farms**, the Australia-based avocado producer and family-owned business is expected to be formally put up for sale this week, with an estimated transaction value of \$200m. **Simpson Farms** is estimated to generate revenue of around \$75m and EBITDA of nearly \$25m. The sale process could interest **Ontario Teachers Pension Plan** and **Costa Group** as they have been acquiring assets recently and are looking to grow the portfolio.
- **Covino Farms**, an Australia-based vertically integrated leafy salad and soft vegetable farming business is reviewing its strategic options as they are looking for help to fund further growth. As such, **Covino Farms** is actively looking for a strategic partner that can help them achieve the envisioned growth.

CHEWING THE FAT...

- **Life3 Biotech**, a Singapore-headquartered food biotechnology company and manufacturer of plant-based protein products, is planning to raise around USD 20m in a Series A fundraising round in 18 months to fuel the company's expansion plans into new markets like Australia, New Zealand and China.
- **Nufarm**, an agricultural chemical company headquartered in Melbourne, can confirm that a Brazilian court has now overturned an earlier ruling that had suspended the sale of products containing glyphosate in Brazil. The suspension had been due to come into effect this week.
- **Kirin Holdings Company** announced the commencement of a strategic review for **Lion-Dairy and Drinks**, producer and distributor of dairy products and beverages in Oceania.
- **Tasman Market Fresh Meats** (Tasman Butchers), the Australia-based butchery business, has entered voluntary administration and is seeking urgent expressions of interest.
- **China's Kamen Noodle Manufacturing Co** is among potential buyers interested in **Allied Pinnacle**, the Australia-based baking products business (estimated worth of \$1bn)
- **Arnott's**, the Australia-based snacks business, is expected to interest a long list of potential suitors. Potentially interested parties include private equity firms such as **Pacific Equity Partners**, which owns **Griffins Foods**, **KKR**, **Blackstone**, **TPG**, and **Carlyle**, but also rival global food giants such as **Kraft Heinz**, **Mondelez**, **Bright Foods**, and **Cofco**.
- **Coca-Cola Amatil's** packaged fruit and vegetable business **SPC** is more likely to receive trade interest from overseas parties than local ones. The \$6.8bn-market capitalisation company announced it began a strategic review of growth options for the Melbourne-based **SPC**, which would potentially lead to a change of ownership, alliance, or merger.
- **Bega Cheese** is believed to have acquired at least a 2% stake in **Capilano Honey**, fueling speculation that the Australian cheese producer could make a counter offer after **Capilano Honey** received a \$190m takeover offer from **Wattle Hill** and **Roc Partners**.
- **Retail Food Group** is believed to have attracted at least one private equity suitor. **RFG** has recently undertaken a process to seek a buyer for some of its brands in order to reduce debt.
- **First Pacific**, the Hong Kong-based investment group, is considering selling its 50% stake in **Goodman Fielder**, the Australia-based food group. **First Pacific** is in the preliminary stages of looking for a buyer for its stake following inbound interest from trade buyers and private equity players. The report noted **Wilmar International**, **Goodman Fielder's** other owner, is keen to retain its holding.

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