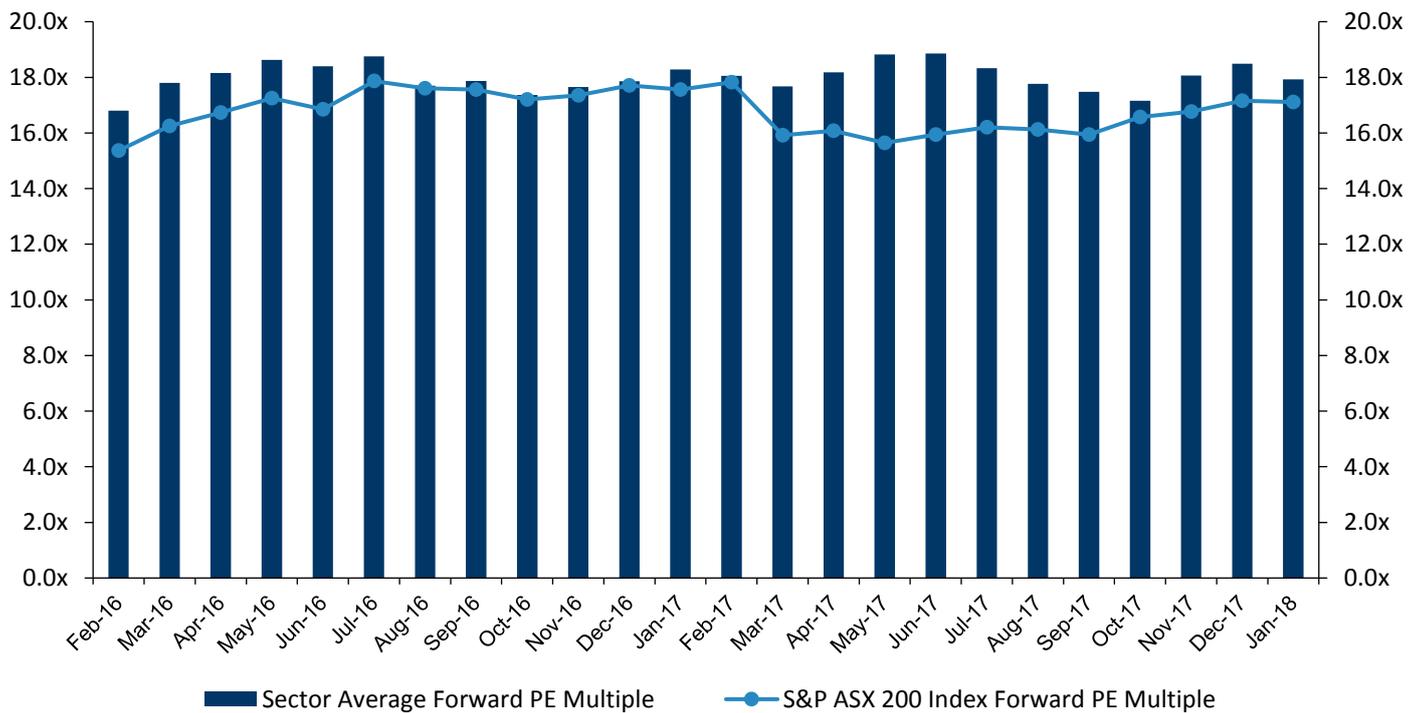


## Food & Agribusiness

### Pricing Multiples

#### Forward Price Earnings Multiples (monthly to 31.01.18)<sup>1</sup> Source: FactSet Research Systems Inc.

Multiples in the Food & Agribusiness (F&A) sector decreased over the period. At the end of January, the F&A sector traded on a forward PE of 17.9x, above the ASX200 on 17.1x.



#### Average Values and Trading Multiples (as at 14.02.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2018	EV/EBIT FY2018	Price / Earnings FY2018
Beverages	21,315	14.9x	19.0x	16.0x
Food Producers	10,135	13.2x	16.0x	20.3x
Agricultural Commodities/Milling	6,629	10.1x	12.6x	16.3x
Chemicals	22,229	9.1x	12.1x	17.2x
Food Retail	87,010	9.5x	13.1x	18.7x
Food Distributors	5,806	7.3x	11.2x	15.1x

Note: Multiples are based on the forward year of the unreported period. This is currently FY2018 for the majority of companies. The constituents have been refreshed this month to ensure the sector groups and companies included are current.

<sup>1</sup> 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.

## Merger & Acquisition News...

---



Value: Unknown

South Africa-based **In2Food Group**, the global supplier of a broad range of produce and ready-to-eat/use food to high-end retailers, has acquired **Yarra Valley Farms** and **T&F All States**. Victorian based **Yarra Valley Farms** is Australia's first independent national fruit and vegetable supplier and retailer, and currently supplies more than 400 commercial and hospitality clients. **T&F All States** is a leading Australian produce supplier and retailer, delivering daily to hospitality and food service businesses in Canberra and NSW. The deal will allow **In2Food** to expand into the high-end produce market in Australia, where it already has a solid foothold servicing **David Jones**.

In2Food has expressed its plans to grow aggressively in Australia in the next five years by acquiring businesses in the fresh produce, prepared produce, and ready-made meal space.

---

## Chewing the Fat...

---

- Bidders interested in **Nature's Care**, the Australia-based vitamins company, are being tentatively asked to submit final offers in late February. A number of Asia-based parties are thought to be among the potential buyers.
- ASX-listed **Treasury Wine Estates** is planning to implement structural changes in the US prior to future M&A activity. Plans involve a series of transformational changes to its route-to-market in the US that are expected to strengthen the company's competitive positioning, increase efficiency and effectiveness, and drive portfolio growth.
- ASX-listed **Inghams** is currently reviewing its feed business **Mitavite**. The company could interest the private equity group **Adamantem**, which recently acquired **Hygain**, the Australian horse feed business.
- **Marley Spoon**, the Berlin-based meal kit delivery business, could list on the ASX this year. The company's owners are considering listing the group on the ASX as part of a larger review of financing options to help expand the business. **Marley Spoon** launched in Australia in 2015 and currently accounts for around 40% of the company's annual turnover of around \$79m.
- **Agersens**, a privately held Australian agri-tech company specialised in "virtual fencing" for livestock, is seeking a strategic partner for the planned commercialisation of its **eShepherd** system. The **eShepherd** system allows cattle growers and dairy farmers to monitor, fence and move livestock automatically from a remote site by using a tablet or a smartphone. It is estimated it will cost about \$10m for the commercialisation of the system. **Gallagher**, a fencing company, is among early investors of **Agersens**, which has also a business partnership with **Dairy Australia**.
- **TPG** and **The Carlyle Group** are in talks to buy **Accolade Wines**, the Australia-based wine business, from **CHAMP Private Equity**. **CHAMP** has been involved in talks recently to sell the business after receiving inbound approaches late last year. **CHAMP** owns 80% of **Accolade** and is keen to sell the asset, after an IPO was cancelled last year. **Accolade** is expected to be valued at over \$1bn.
- **Sushi Sushi**, the Australia-based sushi restaurant chain, is considering options to finance its expansion. Possible options include refinancing or selling a stake to a new partner. **Sushi Sushi** is thought to be worth around \$150m and has more than 120 Australian locations.
- **Ferguson Australia Group**, the Australian exporter of southern rock lobster, is seeking a strategic investor to support the growth of the business as it expands export operations to China. South Australia-based **Ferguson Group** considers itself Australia's largest vertically integrated exporter of southern rock lobster (SRL). The company's wholly-owned subsidiary **Mori Seafoods** has also pioneered the exports of branded Australian tuna to China.

If you are interested in specific information regarding mergers and acquisitions in the Food & Agribusiness sector, please contact David Hassum or Mark Steinhardt.

## Contact Details

Name	Position	Phone	Email
Sharon Doyle	Managing Director	(07) 3218 9122	<a href="mailto:sdoyle@interfinancial.com.au">sdoyle@interfinancial.com.au</a>
Chris Munday	Partner	(07) 3218 9100	<a href="mailto:cmunday@interfinancial.com.au">cmunday@interfinancial.com.au</a>
Mark Steinhardt	Director	(07) 3218 9105	<a href="mailto:msteinhardt@interfinancial.com.au">msteinhardt@interfinancial.com.au</a>
Cathy Montesin	Director	(07) 3218 9100	<a href="mailto:cmontesin@interfinancial.com.au">cmontesin@interfinancial.com.au</a>
David Hassum	Director	(07) 3218 9108	<a href="mailto:dhassum@interfinancial.com.au">dhassum@interfinancial.com.au</a>
Andrew Wheeler	Director	(07) 3218 9107	<a href="mailto:awheeler@interfinancial.com.au">awheeler@interfinancial.com.au</a>
John Crossland	Director	(07) 3218 9100	<a href="mailto:jcrossland@interfinancial.com.au">jcrossland@interfinancial.com.au</a>
Kalan Douglas	Director	(07) 3218 9100	<a href="mailto:kdouglas@interfinancial.com.au">kdouglas@interfinancial.com.au</a>
Simon Douglas	Director	(07) 3218 9100	<a href="mailto:sdouglas@interfinancial.com.au">sdouglas@interfinancial.com.au</a>
Eva Puente	Associate Director	(07) 3218 9113	<a href="mailto:epuente@interfinancial.com.au">epuente@interfinancial.com.au</a>
Craig Turner	Associate Director	(07) 3218 9100	<a href="mailto:cturner@interfinancial.com.au">cturner@interfinancial.com.au</a>
Jake Moyle	Associate	(07) 3218 9113	<a href="mailto:jmoyle@interfinancial.com.au">jmoyle@interfinancial.com.au</a>
Michael Kakanis	Analyst	(07) 3218 9106	<a href="mailto:mkakanis@interfinancial.com.au">mkakanis@interfinancial.com.au</a>

This information has been sourced from the ASX, Mergermarket.com and various other public information sources. Forecasts are consensus forecasts sourced from FactSet Research Systems Inc.

**Important Disclaimer – This may affect your legal rights:** Because this document has been prepared without consideration of any specific persons financial situation, particular needs and investment objectives, a financial services licensee or investment adviser should be consulted before any investment decision is made. While this document is based on information from sources which are considered reliable, InterFinancial, its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does InterFinancial accept any responsibility to inform you of any matter that subsequently comes to notice, which may affect any of the information contained in this document. This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of InterFinancial. This report does not constitute advice to any person.

**Disclosure.** InterFinancial has no interest in any of the securities mentioned in this publication. However, its directors, executives or consultants may have an interest in some of the securities, directly or indirectly, which are mentioned.



**InterFinancial**  
**Corporate Finance Limited**

ABN: 49 136 962 966  
AFSL: 341675

Level 2, 201 Charlotte Street  
GPO Box 975  
Brisbane Queensland 4001

(07) 3218 9100

[admin@interfinancial.com.au](mailto:admin@interfinancial.com.au)

[www.interfinancial.com.au](http://www.interfinancial.com.au)