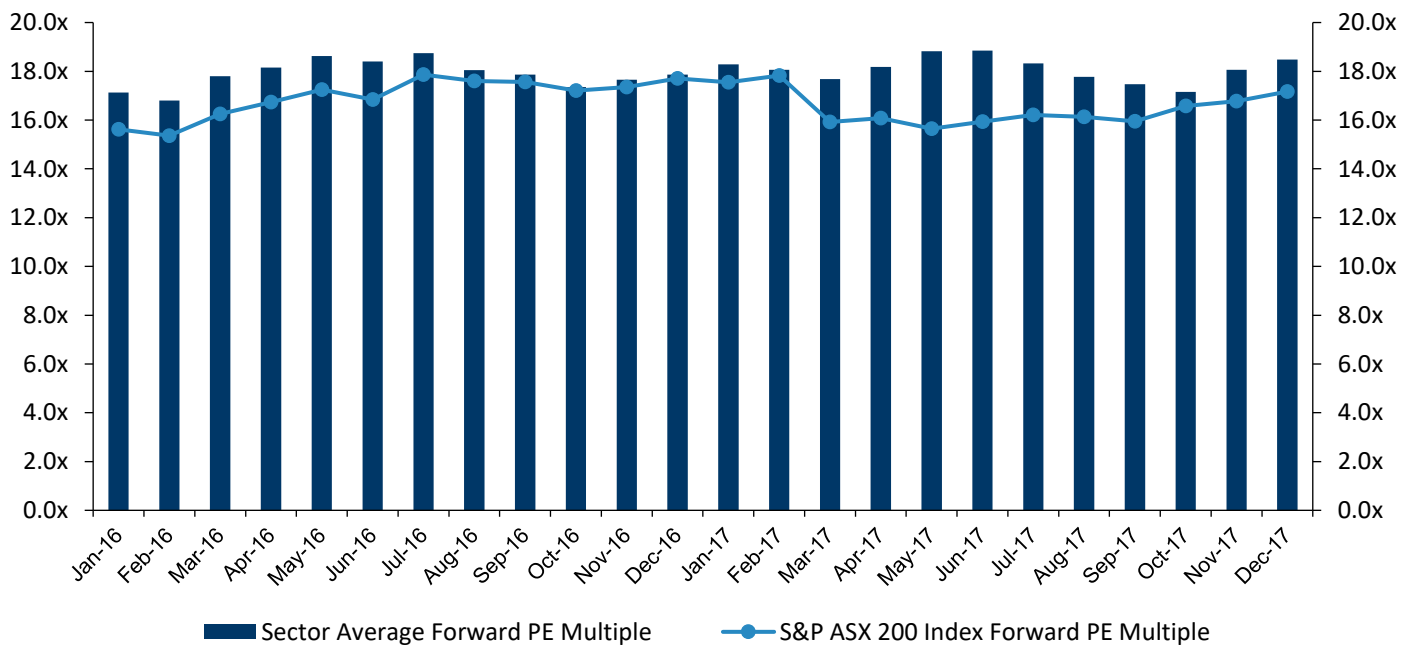


Food & Agribusiness

Pricing Multiples

Forward Price Earnings Multiples (monthly to 31.12.17)¹ Source: FactSet Research Systems Inc.

Multiples in the Food & Agribusiness (F&A) sector increased over the period. At the end of December, the F&A sector traded on a forward PE of 18.5x, above the ASX200 on 17.2x.



Average Values and Trading Multiples (as at 18.01.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2018	EV/EBIT FY2018	Price / Earnings FY2018
Beverages	19,316	13.3x	17.1x	15.6x
Food Producers	9,571	13.2x	16.1x	21.3x
Agricultural Commodities/Milling	7,126	10.7x	13.5x	17.4x
Chemicals	22,833	9.3x	12.4x	17.6x
Food Retail	90,749	9.8x	13.4x	19.2x
Food Distributors	6,010	7.4x	11.0x	14.6x

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.

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.

Merger & Acquisition News...



Value: \$3.5m

ASX-listed **JATenergy** has entered into a share purchase agreement to acquire a 51% stake in **Golden Koala Group** from its current owner, **Rongjun Zhao**, in a combination of cash and **Jatenergy** shares. The initial offer price will total \$3.5m. **GK** is an Australian milk powder brand, its primary product being **Golden Koala Infant Formula**. Products include adult full cream and skim milk powder.



Value: Unknown

ADM Capital Europe LLP's Cibus Fund has purchased an almond orchard for an undisclosed price. The almond orchard is a high quality, fully mature orchard in Victoria, Australia. This orchard acquisition has a planted area in excess of 1,000 acres and is located in the prime horticultural district of Sunraysia. The orchard is expected to generate target production of approximately 1,400 metric tonnes of almonds per annum.



Value: Unknown

Nestle, the Swiss-based food company, has agreed to the sale of its **Violet Crumble** brand to the family-owned Australian confectionery company **Robern Menz**. The sale price was not disclosed. The deal includes the Violet Crumble brand, its intellectual property and production assets. **Violet Crumble** is an Australian brand, with the first bar created in Melbourne in 1913.



Value: ~\$200m

Darrell Lea, an Australian confectionary business, has been acquired by **Quadrant Private Equity** for a little less than \$200m. The management of the company, including CEO Tim York, will remain after the acquisition, along with existing significant shareholders. Darrell Lea was acquired in 2012 by **the Quinn family** out of administration.

Chewing the Fat...

- **Dimbulah Coffee**, an Australia-style coffee chain based in Singapore, is on the lookout for a new investor to facilitate its growth. The coffee chain has been in the market since early 2017. **Dimbulah Coffee** has an EBITDA of around \$1m, and the vendor has a price expectation of 10x-12x EBITDA.
- **Murray Goulburn (MG)**, an Australian dairy co-operative, may see another bid emerge to compete against Canada's **Saputo**. It is rumoured there are two syndicates that may come forward with counter offers to beat **Saputo's** \$1.3bn bid.

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

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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.

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