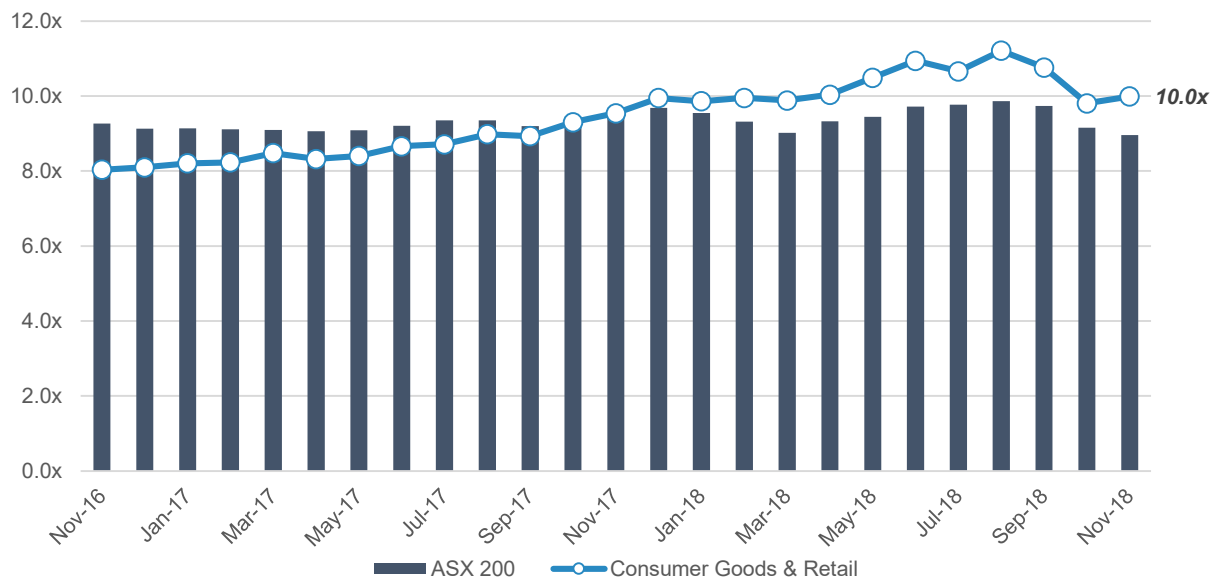


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/11/2018) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have increased over the period. At the end of November, the sector traded on a forward EV / EBITDA multiple of 10.0x, compared to the ASX200 on 9.0x.



Average Values and Trading Multiples (values as at 17/12/2018) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Consumer	11,488	10.0x	12.6x	15.8x
Food & Agribusiness	36,262	10.6x	14.7x	22.9x
Luxury Goods & Services	674	11.0x	12.0x	7.2x
Online Commerce	1,707	10.7x	13.0x	18.9x
Personal and Household Goods	2,720	8.4x	10.2x	14.1x
Retail	100,201	7.9x	10.1x	13.8x
Travel & Leisure	50,478	10.2x	13.3x	18.7x
Consumer Goods & Retail	203,530	9.5x	12.4x	17.5x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. Difference in forward EV/EBITDA multiples between Figure and Table are representative of the timing difference between month-end result and current day result.

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

MERGER & ACQUISITION NEWS...



Value: \$73m

Santa Fe Group, the Denmark-based provider of food products, industrial ingredients and moving and relocation services in Asia, Europe, and South America announced an agreement to sell its **Santa Fe** and **Wridgways** activities in Australia in an all-share deal. The activities being sold were expected to generate a full-year revenue of around EUR 47m and an EBITDA before special items loss of around EUR 6m in 2018.



Value: \$13m, EV / EBITDA: 9.5x

Viscofan, the listed Spanish manufacturer of casings for the meat industry, announced the acquisition of **Globus Group** in Australia and New Zealand for \$13.3m. **Globus Group** has a long track record as distributors of casings, films and bags, among other flexible packaging products, and of packaging equipment for the food industry. In the current fiscal year (Jul'18-Jun-19) **Globus** expects to achieve revenue of \$55m and EBITDA of \$1.4m.



Value: Not disclosed

Australian toy business **Moose Toys** announced its acquisition of UK counterpart **Worlds Apart**. The purchase is part of a concerted effort on the part of Moose to strengthen its position in the UK and expand across Europe. **Worlds Apart** is recognized for its work on popular properties such as Ready Beds, Kid Active and Scruff-a-Luvs. According to its annual accounts, **Worlds Apart** recorded sales of GBP 24.6m in 2017.



Value: Not disclosed

Freelancer Limited, an Australian freelancing and crowdsourcing marketplace, has acquired **Channel 40**, an Australian enterprise marketplace connecting freight owners with transport operators.



Value: \$50m

CK Life Sciences, the Hong Kong-based biotechnology firm, announced that it has signed contracts to acquire the business of the **Nangiloc Colignan Farms** in Australia for \$50m. **Nangiloc** has agreed to sell and **CK Life Sciences** has agreed to purchase the property, which includes the land, water rights, and all improvements, but excludes the unpicked crops.



Value: \$25m

Naked Brand Group Limited, an Australia-based maker of intimate apparel and swimwear, has closed its acquisition of the California-based **FOH Online Corp (Bendon Lingerie)**. The acquisition of **FOH** will secure the revenue **Naked** currently books under a sublicense with **FOH**. As a result of the acquisition, **Naked** will control **FOH's** exclusive license with the brand owner, **Authentic Brands Group**, which runs through 2020 and may be extended at **FOH's** option through 2070.

RETAIL RUMOURS...

- **Mayo Hardware**, a family-owned Australia-based hardware supplier, is considering strategic options, including looking at a new investor or selling the company. **Mayo Hardware** could be valued at around \$200m.
- Singapore-based **Wilmar International** is expected to buy **First Pacific's** 50% stake in Australian food company **Goodman Fielder**. **Wilmar** co-owns **Goodman Fielder** with **First Pacific**, which was looking to sell its stake over the last few months. Outside interest in **Goodman Fielder** was limited and **Wilmar** is believed to be committed to the business. **Wilmar** and **First Pacific** bought **Goodman Fielder** almost four years ago for \$1.3bn.
- **ABC Tissue Products**, an Australia-based privately-owned consumer tissue company, is considering its options and may be looking for a buyer. **ABC** did not necessarily initiate the process, but is reviewing its strategic options. **ABC** is expected to be valued around \$1bn.
- The sale of **Fonterra's Tip Top** ice cream brand is likely attracting international and local trade buyers. Possible buyers include New Zealand-based **Talley's Group** as well as **Peter's Ice Cream**, an Australian group owned by **R&R**. **Tip Top** has EBIT per year of NZD 18m to NZD 22m. Based on this the company is expected to be valued around NZD 180m.
- **Bega Cheese** and **Asahi** are expected to have entered into a partnership to bid for **Kirin Holdings'** Australian dairy and juice business **Lion Dairy & Drinks**. Note that **Freedom Foods** is thought to be considering a joint offer for **Lion Dairy & Drinks** with **Coca-Cola Amatil**.
- **Arnott's Biscuits** is receiving interest from the Italian company **Ferrero**. **Ferrero** has signed a confidentiality agreement and is currently reviewing the data room. Other interested parties include **Kraft Heinz**, **Mondelez**, **BGH Capital** and **Pacific Equity Partners**.
- **Conroy's Smallgoods**, a privately held South Australian smallgoods company, has pulled the trade sale of the business despite receiving several offers of interest. The company decided to hold off executing a deal after it felt some offers undervalued the business. The company generated annual revenue of \$31m in 2017.
- **Graincorp** is believed to intend to either divest or restructure its liquid terminal assets. The assets are valued at around \$350m and are of interest to infrastructure investors. **Graincorp's** plans will depend on the outcome of **Long-Term Asset Partners'** share takeover offer for the company.
- **Beingmate Baby & Child Food**, a China-based listed dairy products company, is looking to sell 51% of the equity of a Victoria, Australia-based plant mutually owned by **Fonterra Australia Pty Ltd**. **Beingmate** is looking to sell its share to **Fonterra**.
- **The Reject Shop Ltd.** has issued a target's statement for the unconditional on-market offer made by **Allensford Unit Trust** to acquire all the ordinary shares of the company for \$2.70 cash per share. **The Reject Shop** decided to reject the offer as it considered the offer opportunistic and on the low end. The company has a market cap of around \$84m.
- The owners of **Lorna Jane**, an Australia-based sportswear retailer, may be willing to sell a controlling stake in the business. **Lorna Jane's** has been assessing buyer interest in the business over the last couple of weeks and if there is a positive response, sale documents could be sent out this week.
- **Coca Cola Amatil** has decided to divest its packaged foods business **SPC**. The company's strategic review has concluded that the best way to unlock **SPC's** opportunities is through divestment, as it enables **SPC** to maximize its potential with the benefit of the recent \$100m co-investment while **Amatil** sharpens its focus on the beverages segment.
- Hong Kong's **PAG** is thought to be among buyers interested in **Allied-Pinnacle**, an Australia-based baking products business. **Pacific Equity Partners**-owned **Allied-Pinnacle** could be valued at around \$1bn. Other bidders include **Nisshin Foods** and **Kemen Noodle Manufacturing**.
- **Suncorp** will take full ownership of the Australian smash repairs business **Capital SMART** before moving forward with a sale of the business. The founder and chairman of **Capital SMART** has agreed to sell his minority stake in the company to **Suncorp** and leave the business. The parties are hoping that the transaction will make it easier to sell **Capital SMART**.
- **Greencross'** second largest 7.7% shareholder **Lazard Asset Management** is comfortable with the \$5.55 per share agreed scheme with **TPG**. **Lazard** is believed to have paid in the mid \$4s for its stake and is satisfied with the value offered by **TPG** in light of current market conditions.

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