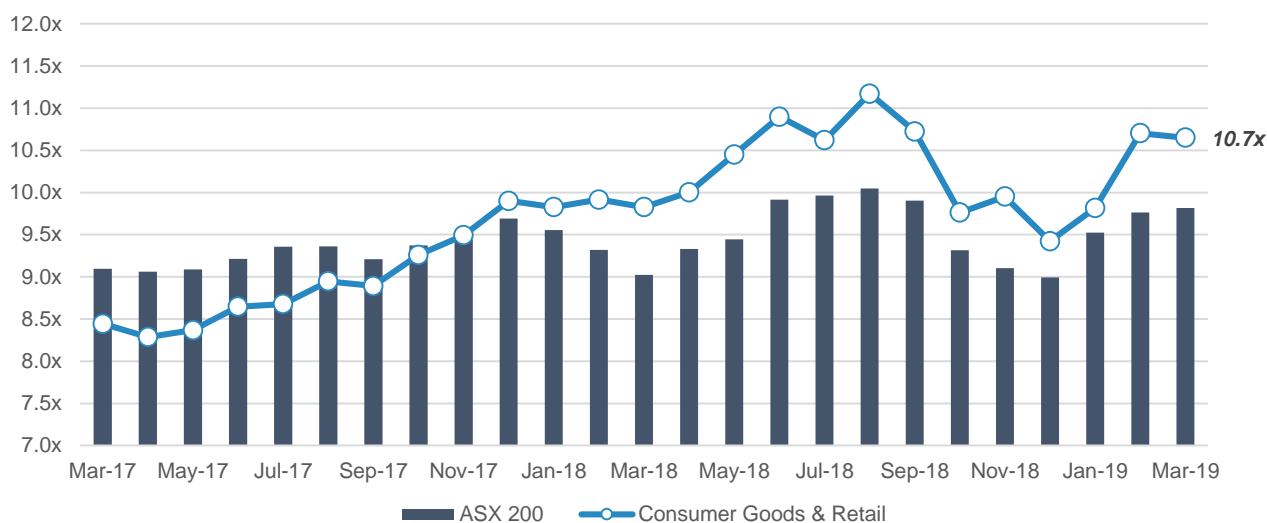


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/03/2019) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have remained constant over the period. At the end of March, the sector traded on a forward EV / EBITDA multiple of 10.7x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (values as at 18/04/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Consumer	13,098	11.2x	13.7x	18.3x
Food & Agribusiness	37,567	12.5x	18.2x	36.9x
Luxury Goods & Services	710	12.9x	15.1x	10.7x
Online Commerce	2,432	15.0x	18.4x	25.3x
Personal and Household Goods	3,509	10.2x	12.3x	16.8x
Retail	109,696	8.6x	10.9x	14.8x
Travel & Leisure	55,580	11.7x	15.6x	21.8x
Consumer Goods & Retail	222,592	10.9x	14.4x	22.7x

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.

MERGER & ACQUISITION NEWS...



Value: Not Disclosed

TH2, a joint venture between **Thor Industries** and **Tourism Holdings Limited**, announced that it has merged its Australasia businesses with Australia's leading outdoor tourism marketplaces, **GoSeeAustralia** and **Outdoria**. The transaction brings together all four businesses into one entity in which **TH2** will become the largest shareholder with a 35% stake. The combined businesses will be Australasia's largest dedicated marketplace for outdoor tourism.

city chic
collective

Value: \$46.5m

City Chic Collective, an Australian clothing retailer, has had a stake of nearly 20% sold by **NAAH Investments**. Fund managers have purchased the 31m shares at \$1.50 each, resulting in a complete exit by **NAAH**.



Value: \$25.0m

Bubs Australia Limited will acquire all the issued shares of infant formula producer **Australia Deloraine Dairy**. The company also entered into an agreement for a private share placement to **C2 Capital Partners** to raise about \$31.44m. Following the placement, **C2 Capital Partners** will also acquire additional shares in **Bubs** via off-market share acquisitions from existing shareholders, the **NuLac Foods Vendors**, to gain an aggregate 15% holding in **Bubs**.



Value: Not Disclosed

S Foods, a Japanese retailer and manufacturer of processed meat products and seasonings, has acquired **Monbeef**, and Australian beef processor. The transaction will enable **Monbeef** to widen its sales channel, establish vertical integration, produce new value added products, and develop high end consumer brands.

RETAIL RUMOURS...

- **Farmbot**, a privately held Australian water monitoring agtech company, will seek some \$8m to \$10m in a Series A round next March to fund its overseas expansion. The Sydney-based company has developed water monitoring solutions specifically for the agricultural industry.
- **Simplot Australia**, a Melbourne-based food manufacturing subsidiary of the US family-based food conglomerate **J.R Simplot**, could be close to buying **SPC Ardmona**, an Australia-based canned foods business. **Coca Cola Amatil** is thought to be seeking around \$150m for the company.
- **Silas Capital**, a growth equity firm, has made an undisclosed investment in **Bellroy**, an Australian wallets and bags maker. No financial terms were disclosed. Proceeds will be used for growth in new markets.
- **Sequoia Capital** may be interested in acquiring **Retail Zoo**, an Australia-based food franchise owner. **Retail Zoo's** current owner, **Bain Capital**, has considered listing the asset which is purchased in 2014 for \$185m.
- **Foodco Group**, an Australian food franchise owner, could be considering sale options. **Foodco** own **Muffin Break** and **Jamaica Blue** and has nearly 600 locations across 7 countries.
- **Gerard Lighting**, is being sold by its owners **Investec** and **Bain Capital**. **Gerard Lighting** has approximately 650 staff.
- **GrainCorp** is planning to demerge its global malting business. Meanwhile, **LTAP** continues to conduct due diligence on **GrainCorp** following its indicative take-over proposal four months ago.

RETAIL RUMOURS...

- **Health & Happiness (H&H) International Holdings** has acquired goat-milk formula factory from **Farmland Dairy** in an attempt to enter into the competitive goat-milk infant formula market.
- **Lion Dairy and Drinks**, an Australia-based dairy and juice business, has not received any takeover offers. Final offers were due one week ago and it seems that no party had bid for the entire business. **Saputo** and **Lactalis' Parmalat** are believed to have offered to buy the group's cheese business and the company must now decide whether it should sell individual assets. **Lion**, which is owned by Japan's **Kirin**, was thought to be seeking over \$1.5bn for the operations. In other news, **Lion** has also purchased a 50% stake in **Four Pillars Gin**, and Australian-based gin maker, for an undisclosed amount.
- **TPG Capital** has sold a 13% stake in **Inghams**, an Australian poultry business. **TPG** sold the stake for \$214m at \$4.28 per share. **TPG** still owns 19% of **Inghams**.
- **Retail Food Group** has failed to reach an agreement for the potential sale of its **Donut King** and **QSR** divisions. Negotiations with the potential buyer have ended after a formal binding agreement could not be reached. This follows the news that **RFG** may be considering a plan to separate and sell off its **Dairy Country** cheese processing business. None of this may matter if discussions of a takeover by Australian food franchise owner **Tom Potter** materializes.
- **Quadrant Private Equity** is considering initiating a sale process for its gym business **Fitness and Lifestyle Group** after **Berkshire Partners** showed interest, with others likely to follow.
- Following the news of 30 store closures, **Big W** owner **Woolworths** is revisiting the idea of a potential sale. This follows from possible interest from private equity funds three years ago which valued the company at over \$1bn at the time. In other news for **Woolworths**, they are expected to retain their pubs and liquor asset **ALH Group**.
- **Funlab**, an Australian-based entertainment business, is being auctioned off by its current owner, **Next Capital**. The business has 30 venues in three countries, including 14 bowling alleys and 10 Holey Moley miniature golf clubs. The group also operates Archie Brothers Cirque, B.Lucky & Sons, and Sky Zone trampoline parks.
- **Fresh Food Services**, an Australian-based coffee label owner, is in talks to buy **Kraft Heinz's** Australian instant coffee unit. The instant coffee unit has revenue of around \$40m, and an EBITDA of \$5m.
- Struggling Australian cosmetics retailer **Napoleon Perdis**, who has recently gone into administration, is conducting talks surrounding a potential proposal to be acquired by **KUBA Investments**.
- **Sincere Watch**, a Hong Kong-based distributor of branded watches, announced that it has signed an MoU for the possible acquisition of 51% equity interest in an unnamed Australian company engaged in international film sales, distribution and production.
- **PAG Asia Capital** is possibly seeking to buy Australian-based fast food business **Craveable Brands**. **Craveable** is likely to be valued at around \$600m.

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