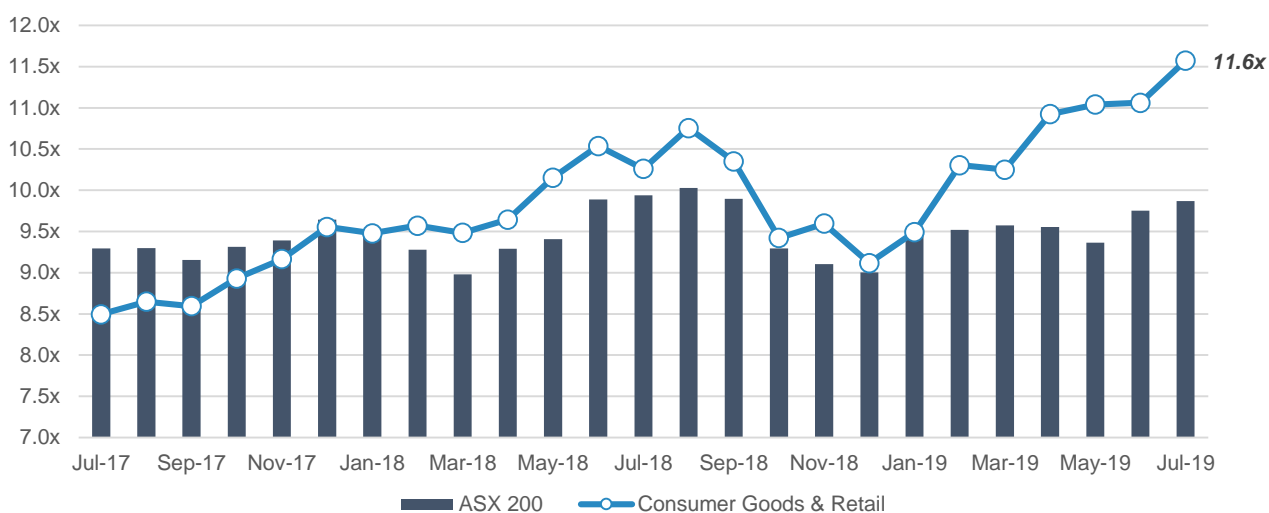


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/07/2019) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have increased over the period. At the end of July, the sector traded on a forward EV / EBITDA multiple of 11.6x, compared to the ASX200 on 9.9x.



Average Values and Trading Multiples (values as at 21/08/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Consumer	13,924	12.2x	15.1x	20.7x
Food & Agribusiness	39,329	13.3x	15.9x	23.8x
Luxury Goods & Services	724	13.5x	15.8x	11.2x
Online Commerce	2,024	14.0x	17.1x	24.3x
Personal and Household Goods	3,511	12.7x	14.8x	20.9x
Retail	116,898	9.1x	10.4x	15.8x
Travel & Leisure	55,987	10.5x	14.8x	21.6x
Consumer Goods & Retail	232,397	11.3x	13.9x	20.2x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. The constituents have been refreshed this month to ensure the sector groups and companies included are current. 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: USD 10.2m

Shanghai Milkground Food Tech, a China-based dairy product producer will purchase 100% of **Changchun Lianxin Investment Consulting**, the holding company of **Brownes Foods Operation**. **Brownes Foods Operations** is an Australia-based company that is engaged in dairy production, processing and sales.



Value: \$3.14bn



KKR has agreed to acquire certain international operations from **Campbell Soup Company**, including **Arnott's biscuits** and simple meals and snacking brands, for an enterprise value of about \$3.14bn. The investment will transition certain Campbell International operations to a standalone company with access to significant capital and operational resources to support long-term growth and innovation.



Value: \$232m (49% stake)

An agricultural investment fund managed by **Macquarie Infrastructure and Real Assets (MIRA)** has agreed to acquire a 49% stake in **Cubbie Station**, the largest cotton irrigator in Australia.



Value: Not disclosed

Duxton Vineyards Group has purchased the **Stanley Winery** from **Accolade Wines**. **Accolade** would not comment on the price.



Value: \$14m (70% stake)

Jatenergy Limited has agreed to acquire a 70% stake in **Australian Natural Milk Association (ANMA)**, a Melbourne-based dairy product manufacturer. Consideration of \$12m in cash and \$2m in JAT shares is staged in six tranches between signing of the agreement and 30 June 2020, and will be funded from existing cash reserves, anticipated operational and financing cash flows and debt funding.



Value: Not disclosed

HBF, the Australian health insurer, has sold the group's Australia-based **Friendlies** pharmacy network to **Pharmacy 777**. **Pharmacy 777** will be doubling its number of pharmacies with the addition of 31 **Friendlies** pharmacies.

RETAIL RUMOURS...

- **Mantle Group Hospitality**, an Australian-based pub business, may be closer to its 2019 IPO.
- **Ettitude**, a privately held Australian-based bamboo bedding producer and retailer, is seeking up to USD 5m to fund its growth in the US.
- The **ACCC** is seeking views on Canadian fertilizer group, **Nutrien's**, offer to divest assets in relation to its proposed acquisition of diversified agricultural company **Ruralco**.
- **Seeka** is considering the potential for a sale and leaseback on some or all of its orchard portfolio in Australia.
- **Yowie**, an Australian-based chocolate maker, announced on 26 July that **Aurora Funds Management** will not be proceeding with its takeover offer.
- **Australian Nutrition & Sports**, a manufacturer of Australian made dairy, health and wellness food products, has withdrawn its proposed listing on the ASX.
- **Rip Curl**, an Australian-based surfwear retailer, has ruled out an IPO or trade sale.
- **Asahi** is said to have walked away from its effort to buy Australia's **Lion Drinks and Dairy** followings its \$16bn offer for **Carlton United Breweries**.
- **Prolife Foods**, a New Zealand-based snack foods business, is available for sale. The group has been pitched to private equity groups operating in Australia. Prolife has been presented as a business with revenue of NZD 300m and earnings of around NZD 15m.
- **Auscott Limited**, an Australian-based cotton producer, has confirmed that it is selling **Midkin Aggregation**, one of Australia's largest vertically integrated cropping businesses. The aggregation comprises 17,307 hectares across six properties, including 12,367 hectares of arable land with 7,647 hectares fully developed irrigation land.
- **Shaw River Buffalo**, a privately held Victorian, Australia-based buffalo milk products maker, is seeking expressions of interest for the business. The family owned business is looking to sell its intellectual property including product recipes, trademarks and brands with various products. The company generates under \$2m in annual revenue.
- **MotorCycle Holdings** has made a proposal to acquire **Canberra Motorcycle Centre**. **Motorcycle Holdings** is Australia's leading motorcycle dealership and accessories group. The acquisition will allow the company to expand its operations in Canberra.
- **Sierna Tuna**, a family-owned Australian-based canned tuna business, is available for sale. **Sirena** brings in earnings of around \$20m per year, and its owners are seeking around 15x earnings for the company. First round bids are due in mid-August.
- **Pas Group**, the Australian fashion retailer, has backed out from acquiring rival **Sussan**.
- **Hawke's Brewing Co.**, a privately held Australian beer company, is looking to raise \$5m. The Sydney-based company, which sells Hawke's Lager and Patio Pale on tap and in cans, is seeking capital to build a production facility with hospitality and museum elements, as well as to grow its sales team.

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