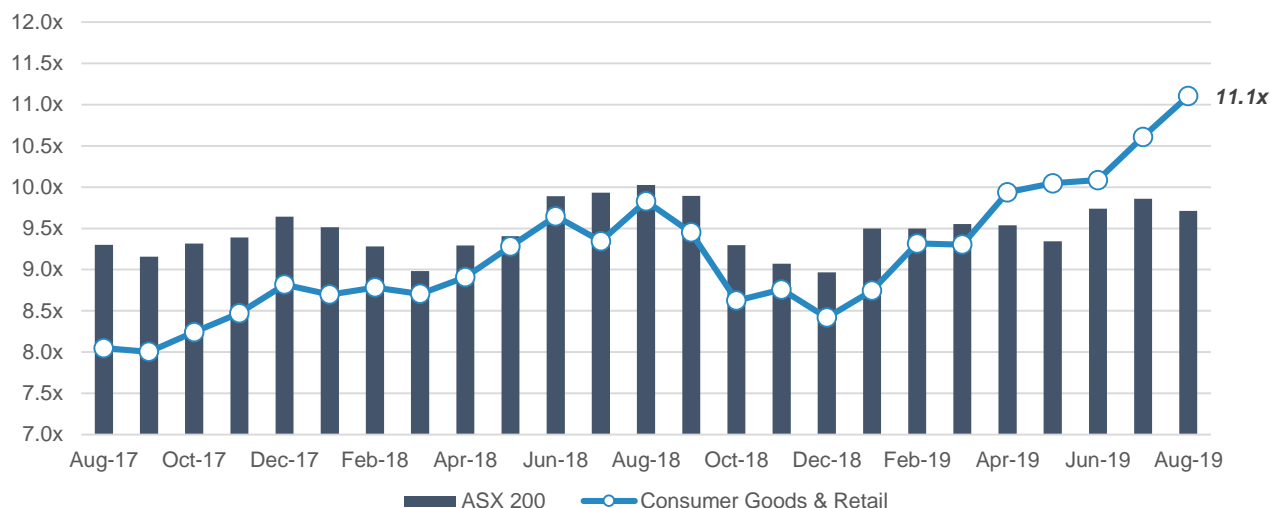


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/08/2019) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have increased over the period. At the end of August, the sector traded on a forward EV / EBITDA multiple of 11.1x, compared to the ASX200 on 9.7x.



Average Values and Trading Multiples (values as at 25/09/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Consumer	14,524	11.8x	14.6x	19.6x
Food & Agribusiness	42,248	14.3x	16.0x	21.9x
Luxury Goods & Services	796	13.2x	15.4x	12.4x
Online Commerce	2,126	12.3x	15.3x	21.2x
Personal and Household Goods	3,659	13.3x	15.7x	22.5x
Retail	125,729	9.3x	11.9x	16.0x
Travel & Leisure	60,789	11.6x	15.0x	20.9x
Consumer Goods & Retail	249,870	11.7x	14.3x	19.4x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2020. 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...

 	<p>Value: Undisclosed</p> <p>Accolade Wines, an Australian wine business, has sold the Knappstein winery and five associated vineyards in the Clare Valley to Australian Yinmore Wines, a subsidiary of China's Yunnan Yinmore Group.</p>
 	<p>Value: Undisclosed</p> <p>Asahi Holdings (Australia) has acquired Green Beacon Brewing Co, a Brisbane-based craft brewer. Green Beacon Brewing Co was founded in 2013 by two school friends. The transaction will allow Green Beacon to continue to grow.</p>
 	<p>Value: undisclosed</p> <p>Endeavour Drinks, an Australian liquor retailer owned by Woolworths, has purchased the Chapel Hill Winery in McLaren Vale from the Schmidheiny family. Endeavour has formed a new wine division called Paragon Wine Estates to hold its portfolio of wine assets.</p>
 	<p>Value: \$30m</p> <p>Quadrant Private Equity has acquired a majority stake in Love to Dream, an Australian-based baby swaddles and sleepwear business.</p>
 	<p>Value: \$22m (minority stake)</p> <p>China-based clothing maker and distributor Aussco Hong Kong Limited has purchased a minority stake in Templa Project, an Australian-based fashion brand.</p>
 	<p>Value: \$6.75m</p> <p>Probiotic Limited has sold Celebrity Slim, an Australia-based weight loss business to Global Brands Australia. The purchase is part of Global Brands' plan to list on the ASX in September.</p>
 	<p>Value: \$469m</p> <p>Canadian fertilizer group, Nutrien, has acquired Ruralco, an Australian diversified agricultural company. The transaction attracted concerns from the ACCC, however, it has since been cleared subject to Nutrien divesting three retail stores.</p>
 	<p>Value: \$5.5m (shares) + \$9m (private placement)</p> <p>Elixir, a Montreal-based investor, has increased its stake to 40% in Little Green Pharma (LGP) by making a new investment in LGP shares. Elixir has also participated in a private placement of convertible debentures, making Elixir the largest single shareholder of LGP.</p>
 	<p>Value: Undisclosed</p> <p>Horizontal Fall Seaplane Adventures, an Australian tourism operator, has been acquired by peer, Journey Beyond.</p>
 	<p>Value: \$112m</p> <p>Sime Darby, a Malaysian conglomerate, has acquired three luxury car dealerships in Sydney from Trivett, the automotive retail unit of Inchcape Australia. The three dealerships represent the BMW, MINI, Volkswagen, Jaguar and Land Rover marques. The Proposed Acquisitions is aligned to SD Motors' strategy of expanding in the Australian retail luxury segment and will strengthen SD Motors' presence and brand visibility in Parramatta, one of Sydney's most recognised automotive retail locations.</p>

RETAIL RUMOURS...

- **Unilever** is seeking buyers for its Australian soup business, **Continental Soup**. **KKR**, **Pacific Equity Partners**, **Adamantem Capital**, and **Mercury Capital** have been named as prospective buyers.
- **Allegro Funds** is believed to be in talks to acquire **Greenlit Brands'** general merchandise division, which includes the homewares chain **Harris Scarfe**, the clothing chain **Best & Less**, and **Postie**, a women's fashion retailer.
- **KKR** is preparing to sell the property portfolio of its recently acquired snacks business **Arnott's**.
- Women's fashion chain **Karen Millen Australia** has entered administration.
- **LuxGroup**, an Australian-based e-commerce business, is up for sale. Their advisers are testing buyer interest, whilst also mulling listing on the ASX.
- **Inghams**, an Australian-based poultry business, may be attracting takeover interest from international food companies.
- **Custom Innovation Co**, a privately held Australian-based retail and technology business, has commenced talks with potential advisors and brokers as it looks to kick off an AUD 5m Series A that may be followed by an initial public offering.
- **Palla Pharma**, the Australian poppy processing business, is planning to explore market consolidation and downstream value-add acquisition opportunities.
- The **New South Wales** state government is considering a sale of its commercial softwood forestry plantation business for up to AUD 1bn.
- Australian grocery business **Woolworths** is increasingly anticipated to exit the discount department store business, **Big W**.
- **Kimberley Quest**, a Broome, Western Australia-based cruise operator is exploring a potential sale.
- **MotorCycle Holdings** has proposed to acquire **Northside Harley-Davidson**. The transaction is subject to satisfactory due diligence, lease assignment and manufacturer approval. It is expected to settle in October 2019.
- **Accolade Wines**, an Australian wine producer, is believed to be eyeing a number of major wine assets. They are believed to be looking at **Brancott Estate** in New Zealand, which is owned by **Pernod Ricard**.
- **Coca Cola Amatil** has confirmed that it is not interested in buying **Lion Dairy and Drinks**. The **Lion** business has been on the market since last year – **Asahi** was thought to be close to buying the company but walked away after it agreed to buy **Carlton United Breweries (CUB)** for AUD 16bn.
- **Flight Centre Travel Group** has announced that it continues to pursue merger and acquisition opportunities.
- **PAS Group** is believed to have revived talks to buy **Sussan**, an Australian fashion retailer. **PAS** is believed to have earlier been in talks to partially acquire **Sussan** in a deal that would have valued the group at AUD 200m.
- **Gary Perlstein**, the former chief executive of **Specialty Fashion Group** could pursue the acquisition of distressed fashion labels in Australia.
- **Webjet** announced that it has a strong pipeline of acquisition opportunities.
- **Coca Cola Amatil** is eyeing bolt-on acquisitions in order to deliver growth.
- **Unichi**, an Australian health supplements and skincare maker, could consider options after receiving investor approaches although its focus is still on expanding in China and potential other Asian countries.
- **Strandbags**, an Australian-based fashion accessories business, is currently in negotiations to make an acquisition. The group, owned by Michael Lewis, is expected to announce a deal later this month.
- The Australian Competition and Consumer Commission (ACCC) has decided to oppose the proposed acquisition of **Jewel Fine Foods** by **B&J City Kitchen**. **B&J City Kitchen** and **Jewel** are the two largest manufacturers of chilled ready meals in Australia.
- **Qponics**, a public Queensland-based Australian agribusiness, will begin hearing advisory pitches for an initial public offering (IPO) to scale algae cultivation. The company is looking to list in the second quarter next year. The funds raised from the proposed IPO will be used to upgrade its Pinjarra Hills algae farm and to further expand capacity on a separate site in Ballina.

CONTACT DETAILS

If you are interested in specific information regarding mergers and acquisitions in the Consumer Goods & Retail Industry, please contact David Hassum or Sally McMillan.

Name	Position	Phone	Email
Sharon Doyle	Managing Director	(07) 3218 9122	sdoyle@interfinancial.com.au
Paul Keehan	Chairman	(07) 3218 9100	pkeehan@interfinancial.com.au
Mark Steinhardt	Head of M&A	(07) 3218 9105	msteinhardt@interfinancial.com.au
Brad Shaw	Chief Operating Officer	(07) 3218 9100	bshaw@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
Anna Green	Director	(07) 3218 9100	agreen@interfinancial.com.au
Ted Marchant	Director	(07) 3218 9100	tmarchant@interfinancial.com.au
Sally McMillan	Associate Director	(07) 3218 9100	smcmillan@interfinancial.com.au
Brent Wall	Associate Director	(07) 3218 9102	bwall@interfinancial.com.au
Michael Kakanis	Associate	(07) 3218 9106	mkakanis@interfinancial.com.au

DISCLAIMER

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 person's 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 is a member of Clairfield International

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
www.interfinancial.com.au

