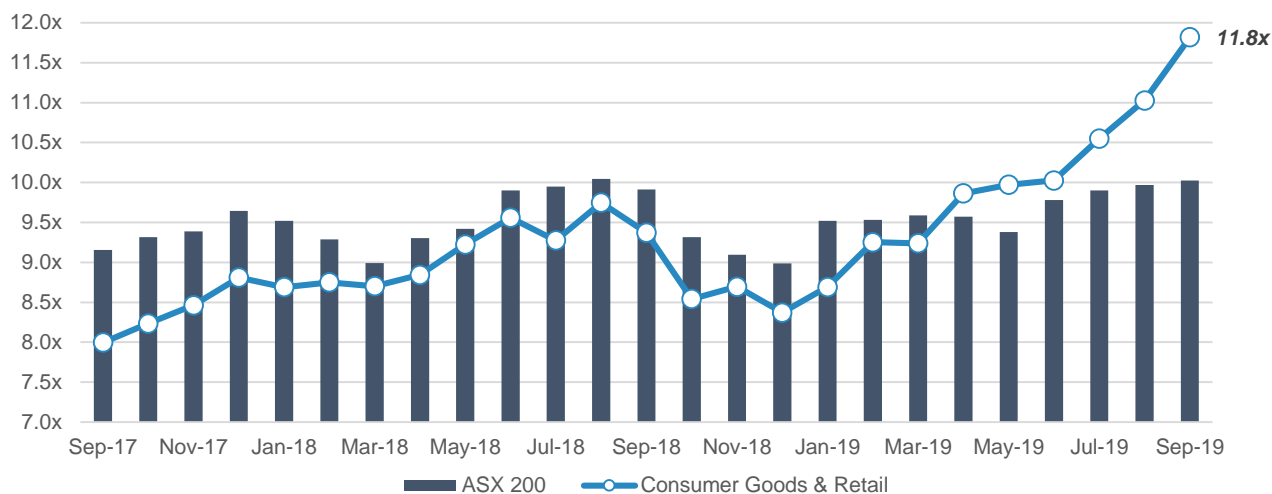


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/09/2019) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have increased over the period. At the end of September, the sector traded on a forward EV / EBITDA multiple of 11.8x, compared to the ASX200 on 10.0x.



Average Values and Trading Multiples (values as at 23/10/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Consumer	14,504	11.8x	14.6x	20.1x
Food & Agribusiness	42,106	15.2x	17.0x	23.4x
Luxury Goods & Services	811	13.5x	15.7x	n/a
Online Commerce	1,886	11.3x	14.1x	19.9x
Personal and Household Goods	3,602	13.4x	15.8x	22.7x
Retail	127,757	9.3x	11.9x	16.3x
Travel & Leisure	60,960	11.6x	15.1x	21.5x
Consumer Goods & Retail	251,626	11.9x	14.5x	20.0x

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...



Value: \$440m

Suncorp Group has signed a binding agreement with **AMA Group** to sell **Capital S.M.A.R.T Group**, **Suncorp's** smash repair business in Australia and New Zealand. The sale consideration will be in the form of upfront cash proceeds and the retention of a 10% interest in the business.



Value: \$350m

Kathmandu Holdings the New Zealand-based retailer, has entered into a binding agreement to acquire 100% of **Rip Curl Group**, the Australian surfing equipment and apparel retailer, for AUD 350m and will launch an AUD 138m entitlement offer to fund the acquisition.



Value: ~ \$1bn (estimated)

Private equity firm **Silver Lake** will acquire **TEG**, an Australian ticketing, live entertainment and data analytics company, from private equity firm **Affinity Equity Partner**. The transaction is expected to close later this year.



Value: \$635m

SeaLink Travel Group has entered into binding agreements to acquire 100% of **Transit Systems Group**, an Australia-based family owned operator of metropolitan public bus services. The transaction has an enterprise value of AUD 635m, plus a earn-out component of up to AUD 63m.



Value: \$60m

Belgium's Finasucre has acquired **The Winfield Road** aggregation, Australia's largest portfolio of macadamia orchards. According to the report, the asset includes 644 hectares of macadamia orchards and 1838 megaliters of water rights.

RETAIL RUMOURS...

- **Blackmores**, an Australian vitamins business, could eventually receive a takeover offer from a Chinese suitor. **Blackmores** has a market capitalisation of AUD 1.46bn.
- **KKR** submitted an indicative offer for **Unilever's Continental Soup** business last week. **Continental Soup** brings in gross revenues of AUD 214m.
- **The Interiors Group**, a home furnishing retailer in New Zealand, backed by Australian private equity firm **Allegro Funds**, could make acquisitions of smaller local players to expand its product and service offerings ahead of a potential sale.
- **Addco Fibre Group's** liquidators are seeking urgent expressions of interest from parties interested in acquiring the timber harvesting and haulage business.
- The administrators of **Tempo Holidays**, an Australian travel business, are seeking urgent expressions of interest for the company.
- **Retail Food Group** has confirmed that it is currently meeting with investors in relation to a potential equity raising as an option to reduce its debt.
- Private equity players could come together to buy **Woolworths' Endeavour Group**.
- **Treasury Wine Estates** will demerge its cheaper commercial wine assets from its higher-end wine operations if it succeeds in finding a suitable target.

RETAIL RUMOURS...

- **Ziera**, a shoe retailer with operations in Australia and New Zealand, has entered voluntary administration.
- **Quadrant Private Equity** is looking to sell **Journey Beyond**, an Australia-based tourism business.
- The sale of **Nufarm's** South American business to **Sumitomo** could put an end to potential private equity interest in the business. **Nufarm** announced that it would sell its South American business to **Sumitomo** for AUD 1.18bn and use the funds to pay down debt.
- **The Beauty Chef**, an Australia-based health and wellness business, has received an AUD 10m investment from **Point King Capital**.
- **Tabcorp**, **Ladbrokes Coral**, **Flutter Entertainment**, and **BetEasy** are anticipated to bid for the government of Western Australia's wagering operation **WATAB**.
- **Rabobank** is believed to have asked **CBRE** to value the **Van Diemen's Land Company**, an Australia dairy farm business.
- **Webster**, the listed Walnut farmer has entered into a binding Scheme Implementation Agreement to be acquired by **Public Sector Pension Investment Board**.
- **PZ Cussons**, a UK-based consumer goods maker, is seeking buyers for its Australian yoghurt business **five:am**.
- New Zealand retailer **Briscoe** Group is seeking acquisitions in Australia to expand its geographical presence. It is cited that **Briscoe** Managing Director Rod Duke as saying that the business has around AUD 300m available to spend and is looking for targets in a large range of categories.
- **Lynch Group** owner **Next Capital** is sounding out potential buyers' interest in the Australian flower exporter, ahead of an official auction process expected to be commenced next year.
- **Hengan International Group** is thought to be preparing to buy **ABC Tissue**, an Australian tissue manufacturing business. The deal could be worth up to AUD 1bn.
- **RM Williams**, an Australia-based retail business, has launched its sale process by sending a sale flyer to potential trade and private equity buyers.
- **Flexigroup**, an Australian finance business, is believed to have opened a data room for the sale of its Australian and New Zealand commercial leasing operations.
- The administrators of **Jewel Fine Foods**, an Australian chilled food manufacturer, are seeking urgent expressions of interest for the group.
- UK businessman Guy Hands has purchased a cornerstone stake in **Consolidated Pastoral Company** as part of a management buyout of the business.

CONTACT DETAILS

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