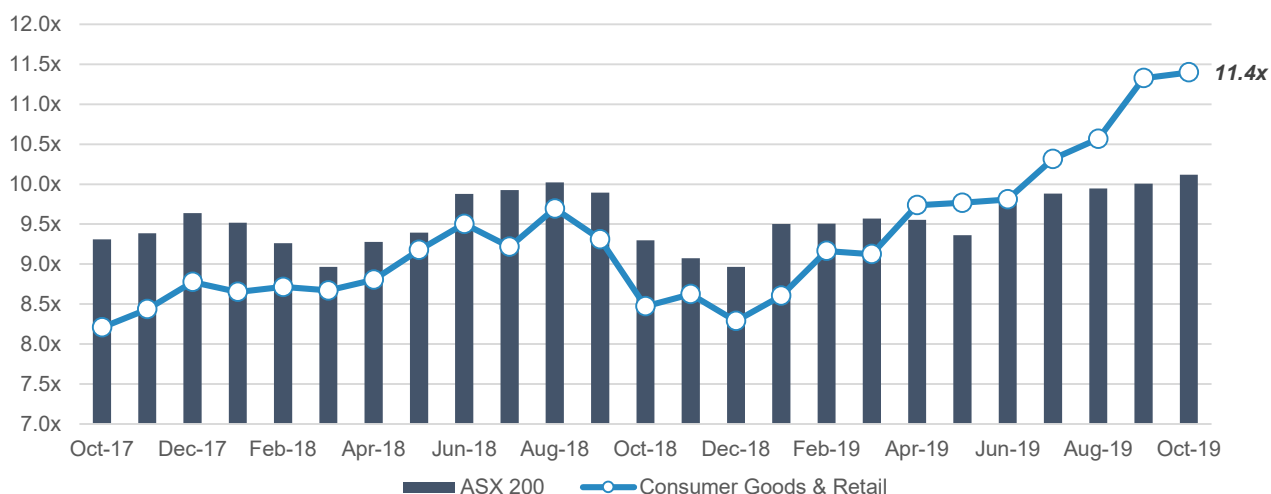


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/10/2019) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have increased over the period. At the end of October, the sector traded on a forward EV / EBITDA multiple of 11.4x, compared to the ASX200 on 10.1x.





Average Values and Trading Multiples (values as at 26/11/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Consumer	12,388	11.6x	14.1x	19.9x
Food & Agribusiness	41,827	13.3x	17.8x	26.0x
Luxury Goods & Services	797	12.9x	15.2x	n.a.
Online Commerce	2,180	12.7x	15.7x	22.2x
Personal and Household Goods	3,887	14.7x	17.2x	25.6x
Retail	132,629	9.2x	12.0x	16.7x
Travel & Leisure	63,189	11.3x	15.3x	21.9x
Consumer Goods & Retail	256,896	11.5x	14.8x	21.2x

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.

MERGER & ACQUISITION NEWS...

Value: \$81m

Wattle Health Australia Limited, the listed Australia-based company engaged in manufacture and marketing infant nutritional health products, has agreed to acquire a 75% stake of **Blend and Pack**, an Australia-based manufacturer of infant formula powder and adult nutritional formula products, from Mason Group Holdings Limited, the listed Hong Kong-based investment holding company. The consideration comprises of AUD 44m in cash and AUD 37m in promissory notes.



Value: \$70m

OBJ Limited, an Australia-based ASX-listed developer of magnetic, micro-array drug and ingredient delivery technologies, has agreed to acquire **Export Corp Australia**, an Australia-based company operating as an importer and distributor of sports nutrition.



Value: \$9m

Autosports Group Limited, an Australia-based listed retail automotive group, has agreed to acquire six automotive dealerships, from **Trivett Automotive Group**, an Australia-based car dealership company, for a cash consideration of AUD 9m.



Value: \$72m

ProTen Limited, an Australia-based company engaged in designing, constructing and operating broiler chicken production farms, has agreed to acquire poultry assets from **Rural Funds Group**, an Australia-based listed specialist agricultural funds management company.

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.
- **Moelis Australia** has entered into an exclusivity agreement to acquire both the real estate freehold and operating business of the **Beach Hotel**, Byron Bay for slightly above AUD 100m.
- **Fourth Wave Wine**, an Australia-based wine business, is seeking a partner to help fuel growth. The business is expected to bring in revenues of AUD 40m and AUD 55m in FY20 and FY21, respectively.
- **Next Capital** is believed to have called off IPO plans for **Funlab**, an Australian entertainment business as private equity firms start showing interest in the AUD 500m business.

RETAIL RUMOURS...

- **Moelis Australia** has entered into an exclusivity agreement to acquire both the real estate freehold and operating business of the **Beach Hotel**, Byron Bay for slightly above AUD 100m.
- Australia dealmakers are believed to be eyeing **My Muscle Chef**, an Australia-based readymade meals business.
- **Quadrant Private Equity** is believed to be pitching its gym business **Fitness and Lifestyle Group** to buyers in Asia, as the asset is a logical target for Asian buyers that would be eager to expand the operation in the region. Early price expectations of the business have been around AUD 1bn.
- Chinese investors such as **CDH** and **Citic** are believed to be among potential buyers for **RM Williams**, an Australian boot and clothing maker, which could sell for AUD 500m.
- **The University Co-Operative Book Shop** is selling **Curious Planet**, an Australian retailer formerly known as Australian Geographic. The business recorded annual sales of AUD 54m and AUD 24m in gross profit for FY19, and operates 62 retail locations across Australia.
- **BePure**, a privately held New Zealand holistic health company, is planning to enter Australia in 2020 through potential in-country partners to assist with its international expansion.
- South-Africa based consumer goods group **AVI** has agreed to sell its 40% stake in its Australian seafood joint venture to its JV partner **Simplot Australia** for an aggregate cash consideration of AUD 62m.
- **OBJ Limited** has entered into a share sale agreement to acquire 100% of **Export Corporation (Australia)**, the owner and operator of **Nutrition Systems**, for a total consideration of AUD 85m.
- Australian wine producer **Randall Wine Group** has purchased additional four vineyards with a total space of 143 hectares in McLaren Vale in the southern Australian region, increasing the groups space owned by the company to 3,500 hectares.
- Health and nutrition company, **Nuhev**, is seeking to raise AUD 40m in an upcoming initial public offering, with an offer price set between AUD 2.50 and AUD 2.95 per share, representing 5.1x-6x of business revenue forecast, giving the company a market capitalization between AUD 114m and AUD 129m.
- **Australia's National Roads and Motorists Association (NRMA)** is believed to be interested in parts of **Journey Beyond**, an Australia-based tourism business with an estimated value of AUD 400m.
- **Stylerunner**, an Australian activewear retailer, has entered receivership.

CONTACT DETAILS

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