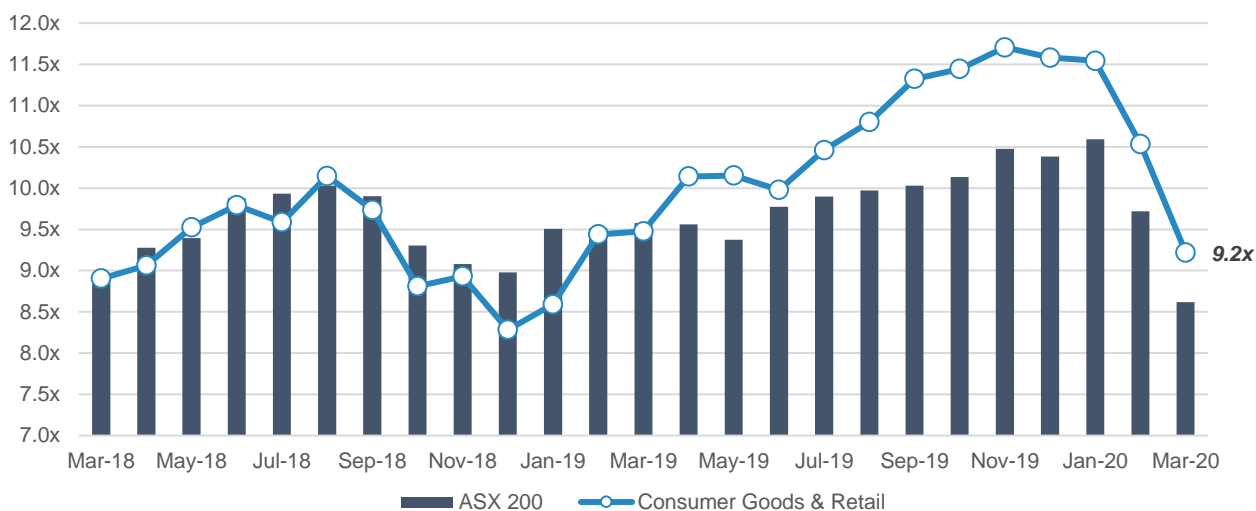


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/3/2020) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have decreased over the period. At the end of March, the sector traded on a forward EV / EBITDA multiple of 9.2x, compared to the ASX200 on 8.6x.



Average Values and Trading Multiples (values as at 22/04/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Consumer	18,044	11.8x	19.8x	18.9x
Food & Agribusiness	31,850	13.8x	20.2x	26.3x
Online Commerce	598	17.1x	21.7x	32.1x
Personal and Household Goods	7,049	13.7x	16.6x	24.8x
Retail	154,409	9.8x	16.3x	15.1x
Travel	15,182	9.0x	11.4x	28.1x
Leisure	27,804	13.4x	17.1x	24.0x
Consumer Goods & Retail	255,016	11.8x	20.7x	30.5x

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. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: February 2020.

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...

Wunder Mobility Value: Undisclosed



Wunder Mobility, a German car sharing company, acquired **KEAZ**, an Australia-based car-sharing and rental technology provider. No financial terms were disclosed. The deal brings **Wunder Mobility** added rental capabilities. **Keaz**, with one location, allows rental agencies, car dealerships and corporates to rent their cars. The firm has reported over AUD 2.4m in revenue. **Wunder Mobility**, which reported EUR 15m-EUR 20m in 2019 sales, is actively looking for targets across the mobility space.



Value: AUD 70m



Lorna Jane Clarkson and Bill Clarkson have paid AUD 28m to buy back a 40% stake in **Lorna Jane**, an Australia-based fashion retailer, owned by **Champ Ventures**. The deal valued Lorna Jane at AUD 70m.

RETAIL RUMOURS...

- **Sunny Queen Farms**, a privately held Australia-based egg producer, is looking to acquire chilled and frozen food businesses as well as other egg producers. The Queensland-based company, with an annual revenue in excess of AUD 350m still sees growing export opportunities despite some temporary disruption due to the COVID-19 pandemic, as many overseas markets see Australian eggs as clean and safe. The company is interested in chilled or/and frozen food acquisition opportunities, especially those that use eggs among other ingredients.
- **Bain Capital** is set to secure a minority equity stake in **Webjet**, an Australian online travel agency, as part of the group's equity raise. Bain had bid into Webjet's bookbuild, and is likely to be accepted by Webjet, since it requires the capital. Webjet had earlier rejected a recapitalisation proposal from Bain in favour of a AUD 300m-plus equity raising.
- **Wesfarmers** is positioned to acquire businesses needing capital. Last week, Wesfarmers sold a 5.2% stake in Coles for AUD 1.06bn and now has AUD 3bn in financing available.
- The **Government of Western Australia** has suspended the sale of the state-owned betting agency **TAB (WATAB)** to deal with issues caused by the coronavirus pandemic. The situation will be re-assessed at the end of May 2020.
- **Hungry Hungry**, a privately held Australian food delivery platform company, plans to raise up to AUD 5m later this year to accelerate growth, including to fund a potential entry into the US pending on how the COVID-19 situation plays out.
- **Big Girls Don't Cry Anymore (BG)**, a privately held Australia-based lingerie retailer, is considering taking an investor on board to open more stores post the COVID-19 pandemic. The Queensland-based company, which offers a range of plus-size products including underwear swimwear, has a projected annual revenue of around AUD 7m for FY20.
- **Blue Illusion**, an Australian clothing and accessories retailer, is seeking a new strategic investor. An information memorandum was recently sent out to potential investors. **Allegro Funds**, **Anchorage Capital Partners** and **Alceon** are believed to have been approached as potential investors. Blue Illusion has around 100 stores and had projected full-year sales of AUD 69m for 2020.
- **Archer Capital** is likely to pull its offer to buy **Funlab**, an Australian bowling alley and mini golf business, from **Next Capital**. Next agreed to sell Funlab to Archer for AUD 250m four months ago. However, with venues closed for the foreseeable future due to COVID-19, the sale is looking unlikely.
- **Woolworths** has decided to defer the separation of **Endeavour Group** until 2021 due to the closure of hotels amid the coronavirus pandemic and the current financial market conditions.
- **Treasury Wine Estates** may be planning on a demerger of its **Penfolds** business and its associated assets into a separate company listed on the ASX by the end of calendar year 2021.

RETAIL RUMOURS...

- **Metcash Ltd** will raise up to AUD 300m via a fully underwritten institutional placement at AUD 2.80 per share, and as much as an additional AUD 30m via a non-underwritten share purchase plan.
- **Anchorage Capital Partners** is said to be proceeding with its AUD 100m purchase of **AP Eagers' refrigerated logistics** business, despite the adverse market conditions. Anchorage is believed to have the option to walk away from the deal, which was agreed last month, but it has decided to proceed. AP Eagers secured the AHG refrigerated logistics business following its AUD 2.4bn merger with **Automotive Holdings Group** last year.
- **Bapcor**, an Australian automotive parts company, is starting to reassess acquisition opportunities after successfully raising AUD 180m through an institutional placement. The Victoria-based company, with a market capitalization AUD 1.37bn), initiated the capital raising after drawing up a worst-case scenario due to the COVID-19 pandemic. Additional funds will allow the company to bring its gearing down as well as to acquire other businesses that are facing liquidity issues. Bapcor is looking at acquisition deals valued between AUD 1m to AUD 20m and usually pays some 4x to 5x EBITDA, unless the target is larger and well-established.
- Australian department store company **Harris Scarfe's** unsecured creditors have approved the sale of the business to **Spotlight Group**. Under the approved deed of company arrangement (DOCA), unsecured creditors owed AUD 146m to AUD 236m will receive between 1.3c and 20.5c on the dollar, while landlords will be lucky to secure 4c on the dollar. Harris Scarfe's only secured creditor, **Allegro**, will be repaid in full.
- **Aussie Disposals**, an Australia-based camping store, has entered voluntary administration. The company will let go of an unspecified number of its 120 employees and close 11 of its 36 outlets. The drought, bushfires, and the coronavirus have taken a substantial toll on the business, which had no alternative but to enter administration.
- **Al Dahra**, a United Arab Emirates-based fodder trading group, is seeking acquisitions in Australia. The company plans to spend AUD 10m upgrading its export facilities in Western Australia and is looking for acquisitions in other states, such as South Australia and Victoria. Al Dahra is looking for hay processing companies and farms as it expands its footprint in Australia.
- **Elders**, an Australian agribusiness and rural services provider, is keeping an eye on potential acquisition opportunities of distressed businesses later this year when the impact of COVID-19 becomes clearer, while it is still working on several bolt-on acquisitions despite uncertainties brought by the pandemic. The Adelaide-headquartered company, with a market capitalization of AUD 1.28bn, has not seen many distressed assets around just yet, but it will continue to assess potential opportunities and talk to potential parties.
- **Two Hands**, an Australian food technology company, is planning an Australian Securities Exchange (ASX) listing, possibly in six months, depending on how the coronavirus pandemic pans out. Before the initial public offering, the Melbourne-based company, which connects Australian-based fish and meat producers directly with China-based buyers via a digital marketplace, will launch in May an AUD 3m pre-IPO round.
- **Murray Goulburn Co-operative** plans to hold an extraordinary shareholders meeting to obtain the approval for liquidating the company to start a winding-up process.
- **United Malt Group** could interest private equity buyers. The company, which was recently demerged from **Graincorp** is thought to have characteristics that attract private equity, including a strong market position, global network, contracted revenue, sales of AUD 1.5bn and earnings of AUD 200m, and a AUD 600m property portfolio. **Affinity Equity Partners**, **Pacific Equity Partners**, and **BGH Capital** could be possible buyers, while **Partners Group**, which was eyeing United Malt prior to its demerger, could also be interested.
- **SunRice**, a listed Australia-based rice business trading under **Ricegrowers Limited**, is mulling acquisitions of food and animal feed businesses. Last week the company announced that COVID-19 would not significantly affect its strategy. The Leeton, New South Wales-based company, with a market capitalization of AUD 241.8m, has been considering acquisitions around its four main business units: International Rice and Rice Foods; Riviana Foods, a specialty food business; and CopRice, an animal nutrition producer.
- **Flight Centre** will raise a total of AUD 700m via a combination of an institutional share placement and an entitlement offer, the Australian travel agency business said in a statement filed to the Australian Securities Exchange. The company will raise as much as AUD 282m via the institutional placement, and up to additional AUD 419m via a 1-for-1.74 accelerated pro rata non-renounceable entitlement offer.

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