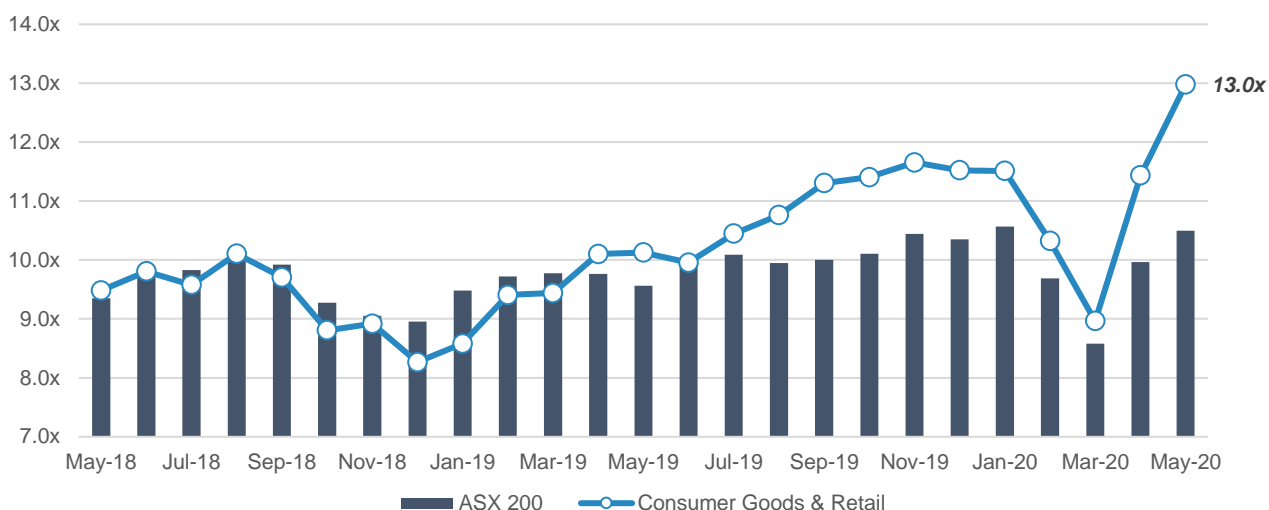


### VALUATION MULTIPLES

#### Forward EV / EBITDA Multiples (monthly to 31/05/2020) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have increased over the period. At the end of May, the sector traded on a forward EV / EBITDA multiple of 13.0x, compared to the ASX200 on 10.5x.



#### Average Values and Trading Multiples (values as at 1/07/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Consumer	20,653	14.3x	23.3x	29.0x
Food & Agribusiness	31,089	13.5x	21.0x	28.0x
Online Commerce	1,299	27.7x	33.1x	50.4x
Personal and Household Goods	7,001	14.2x	17.2x	26.7x
Retail	166,437	10.0x	15.8x	22.1x
Travel	16,798	11.4x	21.4x	34.8x
Leisure	29,551	14.3x	20.6x	28.3x
<b>Consumer Goods &amp; Retail</b>	<b>272,828</b>	<b>12.5x</b>	<b>19.6x</b>	<b>26.9x</b>

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.

<sup>1</sup> 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 6m

**MGC Pharmaceuticals Ltd.** [ASX:MXC] has agreed to sell 100% of its **MGC Nutraceuticals** subsidiary to **Onassis Holdings Corp** for USD 6m. Onassis is completing the acquisition of US-focused CBD and Hemp businesses with direct product focus to the US retail and consumer market.



Value: AUD 40.4m

**Beston Global Food Company Ltd** [ASX:BFC] has signed an agreement with **Aurora Dairies** for the sale of **Beston's dairy farms** in Mount Gambier to Aurora for AUD 40.4m. The transaction secures 100% of milk supply from these dairy farms for 10 years, with option to extend. The sale proceeds to reduce debt (to around 10% gearing) and fund Mozzarella and Lactoferrin production expansion.



Value: Undisclosed

**Eneco Refresh Limited** [ASX: ERG] has acquired **JB's Purified Drinking Water**, an Australian container water deliverer. The purchase is paid out of our cash resources.



Value: Undisclosed

**Thomas Foods International (TFI)**, an Australia-based meat processor, has acquired a 50% stake in **Frew Group**, an Australian meat producer. The two family-owned companies will combine under a new corporate structure from 1 July to expand their national and international markets. Frew will be renamed **Frew International** as part of the deal but the companies will continue to operate independently. Frew's Stawell lamb processing plant currently employs around 420 people with the capacity to employ 500 at full production.



Value: Undisclosed

**Mitolo Family Farms**, an Australian food producer, has agreed to acquire **Thomas Foods International's (TFI) potato business**. TFI reportedly sold the potato business to focus on its core national and global operations, potential future acquisitions, and other opportunities.

### GLOBAL RETAIL BRANDS



Value: Undisclosed

**Global Retail Brands** has agreed to buy **MyHouse**, an Australian bathroom and homewares business, out of administration. MyHouse has 38 stores and an online presence.



Value: Undisclosed

Chocolate and cocoa product maker **Barry Callebaut Group** [SWX:BARN], has agreed to acquire **GKC Foods (Australia) Pty Ltd**, a producer of chocolate, coatings and fillings. The acquisition establishes Barry Callebaut's direct presence and manufacturing capacity in Australia to cater for the Australian and New Zealand markets. The investment involves upgrading the factory and installing a new chocolate production line. GKC Foods is a privately-owned B2B chocolate manufacturer, serving many consumer chocolate brands in Australia and New Zealand.

## RETAIL RUMOURS...

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- **Seafolly** has appointed KordaMentha as the voluntary administrator of the Australian swimwear and women's beachwear fashion brand, with its financial conditions hit by the novel coronavirus pandemic. Seafolly has a retail network of 44 stores throughout Australia and 12 stores overseas.
- **Songtradr**, a California, US-based music licensing platform, is preparing for a potential ASX listing in the second quarter of 2021.
- **Freedom Foods** [ASX:FNP], an Australia-based foods business, is expected to raise equity. **Freedom Foods** informed the market last week that it had made inventory related writedowns worth AUD 60m, and was reviewing its business. The group also announced that its managing director Rory Macleod was on leave pending an additional announcement.
- Neil Perry and his private equity backers have abandoned a plan to split up the **Rockpool Dining Group**. Perry had been planning to take over a group of restaurants as part of a plan to split Rockpool into two separate entities. However, COVID-19 restrictions have made it impossible to determine what restaurants are worth.
- **Gumboots Australia's** administrators are seeking buyers for the business, which owns the teen fashion brand **Pavement**.
- **Nick Scali** [ASX:NCK], a New South Wales-based furniture retailer, could look to acquire furniture targets six months from now as there should be many distressed opportunities at that point. The company, which has a market capitalization of about AUD 543.5m, has been targeting higher-income customers and would look at acquiring businesses to enter a new more affordable furniture segment where it could leverage its distribution channels.
- **Trees Adventure**, an Australian treetop and zipline eco-adventure company, has received a minority stake equity investment from **PGA Group** to support its expansion strategy.
- **Viva Leisure** [ASX:VVA], an Australia-based health and fitness clubs operator, could acquire up to 15 distressed gyms by the end of the year. The Canberra-based gym operator, with a market capitalization of AUD 164.35m, is actively seeking acquisition opportunities after completing a AUD 25m capital raise earlier this month.
- **Metcash** (ASX: MTS) has entered the final stage of negotiations to acquire 70% of **Total Tools Holdings Pty**, a leading participant in the professional tool segment in Australia, for AUD 57m.
- **Nexba**, an Australia-based sugar free soft drinks business, is seeking an equity partner to help fund its growth ambitions. Nexba is seeking AUD 50m to fund its expansion into Europe and for working capital in exchange for a minority stake in the company.
- **Alceon** is believed to be among buyers interested in parts of the Australian retailer **The PAS Group** [ASX:PAS]. Alceon, which owns 36% of **Mosaic Brands** [ASX:MOZ], is eyeing some of the retail labels within the PAS portfolio. Alceon would likely add the labels to the online department store it is creating or to Mosaic.
- **Mad Mex Fresh Mexican Grill**, an Australia-based fast food restaurant group 50% owned by Singaporean food chain **4Fingers**, could consider a new external investor to accelerate its growth.
- **Buderim Group Limited** [ASX:BUG] announced on 15 June that it has received a non-binding offer from **Global Foods** for its combined ginger and tourism business assets for AUD 8.3m.
- **Ardent Leisure Group Ltd.** [ASX: ALG] has announced that U.S.-based private investment firm **RedBird Capital Partners** will invest USD 80m into Ardent Leisure's U.S.-based subsidiary, which holds a 100% interest in **Main Event Entertainment**, in exchange for a 24.2% preferred equity interest, valuing Main Event at an implied enterprise value of USD 424m.
- **Advent Capital** and **Coca-Cola Amatil** (CCA)[ASX:CCL] are expected to bid for **Asahi's** [TYO:2502] Australian cider and beer brands.
- **Kogan.com** [ASX:KGN], an Australian online retailer, is looking at distressed assets for potential acquisition opportunities after successfully completing an AUD 100m placement. The Melbourne-based company, with a market capitalization of AUD 1.25bn, is eyeing both going concern and distressed assets, especially iconic Australian brands that Kogan can revive or propel by leveraging its own systems and processes.
- **Kohlberg Kravis Roberts (KKR)** is considering an investment worth hundreds of millions of dollars in **Rugby Australia**.
- **Next Capital** is thought to be considering reviving the sale process for **Lynch Group**, an Australia-based flower company. The sale could depend on how quickly travel restrictions are lifted since interest in the company is likely to come from buyers in Asia, as well as Australian groups.
- Bankers are said to be pitching a tourism roll-up including Australia's **Apollo Tourism and Leisure** [ASX:ATL] and New Zealand's **Tourism Holdings** [NZX:THL].

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