

## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples** (monthly to 31/12/2023) Source: FactSet Research Systems Inc.

Multiples in the Consumer Goods & Retail sector have increased over the period. At the end of November, the sector traded on a forward EV / EBITDA multiple of 8.0x, compared to the ASX200's multiple of 8.6x.



**Average Values and Trading Multiples** (values as at 31/12/2023) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2024	EV/EBIT FY2024	Price / Earnings FY2024
Consumer	20,997	9.4x	12.8x	15.7x
Food & Agribusiness	25,275	8.9x	18.6x	30.7x
Leisure	28,210	9.2x	14.3x	22.2x
Online Commerce	1,609	-	-	-
Personal and Household Goods	4,111	9.8x	13.2x	19.2x
Retail	202,046	6.8x	12.1x	15.5x
<b>Consumer Goods &amp; Retail</b>	<b>282,248</b>	<b>10.1x</b>	<b>19.0x</b>	<b>25.5x</b>

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2024. 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.

### MERGER & ACQUISITION NEWS...



**Value:** AUD 5.4 bn

**Sigma Healthcare**, the Australia based pharmaceutical and associated health care products wholesaler and retailer, announced a Merger Implementation Agreement to merge with **CW Group**, the local retail pharmacy and beauty stores franchisor, via scheme of arrangement.



**Value:** AUD 1.7 bn

**Seven & I Holdings Co**, the Japan based holding company for operators of convenience stores, supermarkets and department stores, announced its subsidiary **7-Eleven International**, the United States based convenience store operator, will acquire **Convenience Group**, the Australia based operator of convenience store business and fuel retail business, from **R G Withers Unit Trust**, the Australia based investment holding trust.



**Value:** AUD 88 m

**Louis Dreyfus Holding**, the Netherlands based holding company involved in international trading and merchandising of various agricultural and industrial commodities, is to acquire 83.7579% stake of **Namoi Cotton**, the Australia based provides cotton ginning and marketing services to Australian cotton growers from **Samuel Terry Asset Management**, the Australia based asset manager. Investment management company.



**Value:** Not Disclosed

**Hancock Prospecting**, the Australia based iron ores mining company, has acquired a majority stake in **Bunbury Farmers Market**, the local distributor of fruits, vegetables, salads, and desserts.



**Value:** AUD 21 m

**Hunter Hotel Group**, the Australia based hotel management company has acquired **Seabreeze Beach Hotel** from Short family, the local family.



**Value:** Not Disclosed

Wyllie Group Pty Ltd, the Australia based family-owned boutique investment company investing across all asset classes has acquired an undisclosed stake in **Aventuur**, the local surf park developer.

## RETAIL RUMOURS

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- **Viva Energy** has received **ACCC** approval for its acquisition of **OTR Group**, contingent on divesting **25 Coles Express** sites in South Australia. The ACCC's condition aims to address concerns about reduced competition, with **Chevron** approved as the purchaser for the divested sites, ensuring a viable and independent competitor.
- **Costa Group** has dispatched the scheme booklet to its shareholders regarding the proposed acquisition by a consortium. The scheme, set for a meeting on January 30, 2024, will be facilitated through a **Chilli Buyer** entity controlled by the consortium.
- **Sigma Healthcare** successfully raised AUD 178 million through its institutional entitlement offer, with 92% take-up by existing eligible institutional shareholders, including strong support from **HMC Capital**. The funds will be used, in part, for the merger with **CW Group**, while Sigma's CEO, **Vikesh Ramsunder**, expressed satisfaction with the support from investors and outlined plans for increased working capital, business growth initiatives, and potential use of proceeds for the proposed merger.
- **Chemist Warehouse** and **Sigma Healthcare's** merger faces **ACCC** hurdles, with potential demands to sell pharmacies due to concerns about increased buying power. The **Australian Pharmacy Guild** is apprehensive about the impact on individual pharmacies in the proposed AUD 8.8 billion deal, where Chemist Warehouse shareholders would hold 85.75%, and Sigma shareholders would own 14.25%.
- **Tigerlily**, the Australian swimwear brand owned by **Crescent Capital**, has reportedly attracted interest from up to 11 parties, with first-round bids due next week. While earlier sources mentioned three active buyers, the extent of serious contenders among the 11 remains uncertain.
- Final bids for the acquisition of **Sara Lee**, an Australian desserts company that entered administration on 17 October, are reportedly due on 19 January. The potential acquirers include trade players like **Patties Foods**, owned by **PAG**, **Vesco Foods**, and **The Cheesecake Shop**, with approximately 40 parties initially expressing interest in the sale process.
- **Shiseido Company** has launched **Shiseido Long Term Investments** for the **Future (LIFT) Ventures**, an investment vehicle for early-stage companies in the beauty wellness sector. LIFT Ventures made its inaugural investments in **Phi Therapeutics (Phyla)**, a bacteriophage technology pioneer in San Francisco, and **Patricks**, a Sydney-based men's grooming brand, with the funds set to assist Patricks in its next phase of growth.
- **dusk Group** has denied engaging with **Ord Minnett** for a reported potential sale. dusk clarified that Ord Minnett is acting independently and does not have a mandate or arrangement with the company for any privatization or takeover, adding that it has not been approached by any prospective buyer or advisor regarding such matters.

## CONTACT DETAILS

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

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