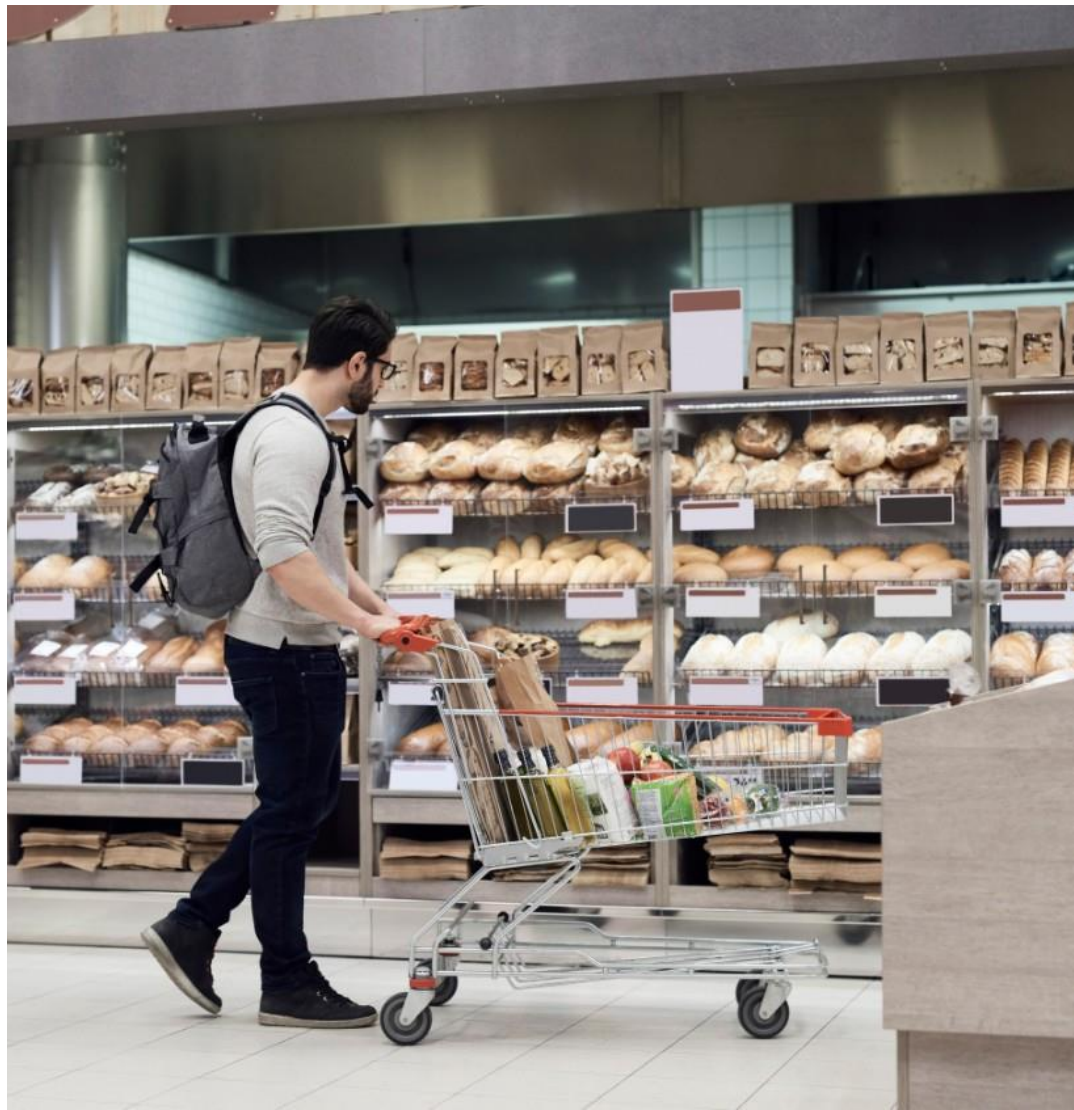


Retail and Consumer Deals Digest

February 2021



Retail and Consumer Deals Digest

Consumer confidence close to its long-run average

Consumer confidence rose from 109.0 in December to 112.1 by the end of January, bringing the headline confidence level close to its long-term average for the first time since late 2019.

The gains resulted on the back of an improved assessment of 'financial conditions', whilst 'economic conditions' pulled back following its strong surge in mid January. Current financial conditions gained 3.9% whilst current economic conditions weakened 2.6%. Further, the timing of the lockdowns in Perth and southwest Western Australia did not impact the survey.

"The second week of gains in consumer confidence reflects the improved assessment of personal financial conditions, consistent with the improving labour market. The pullback in 'economic conditions' is somewhat of a rebalancing following its sharp surge the previous week." – **David Plank, ANZ Head of Australian Economics, 02 February 2021**

Note the above commentary does not take into account any change to sentiment following Victoria's recently announced snap lockdown in mid-February.

Latest Australian ABS trade results

The latest Australian Bureau of Statistics (ABS) Retail Trade figures show that Australian retail turnover fell by 4.1% in December 2020 (seasonally adjusted), which follows a rise of 7.1% in November and 1.4% in October.

The following industries rose in seasonally adjusted terms in December 2020: Cafes, restaurants and takeaway food services (3.2%). Food retailing (-1.7%), Household goods retailing (-8.3%), clothing, footwear and personal accessory retailing (-9.4%), Department stores (-12.5%), other retailing (-4.4%) fell in seasonally adjusted terms.

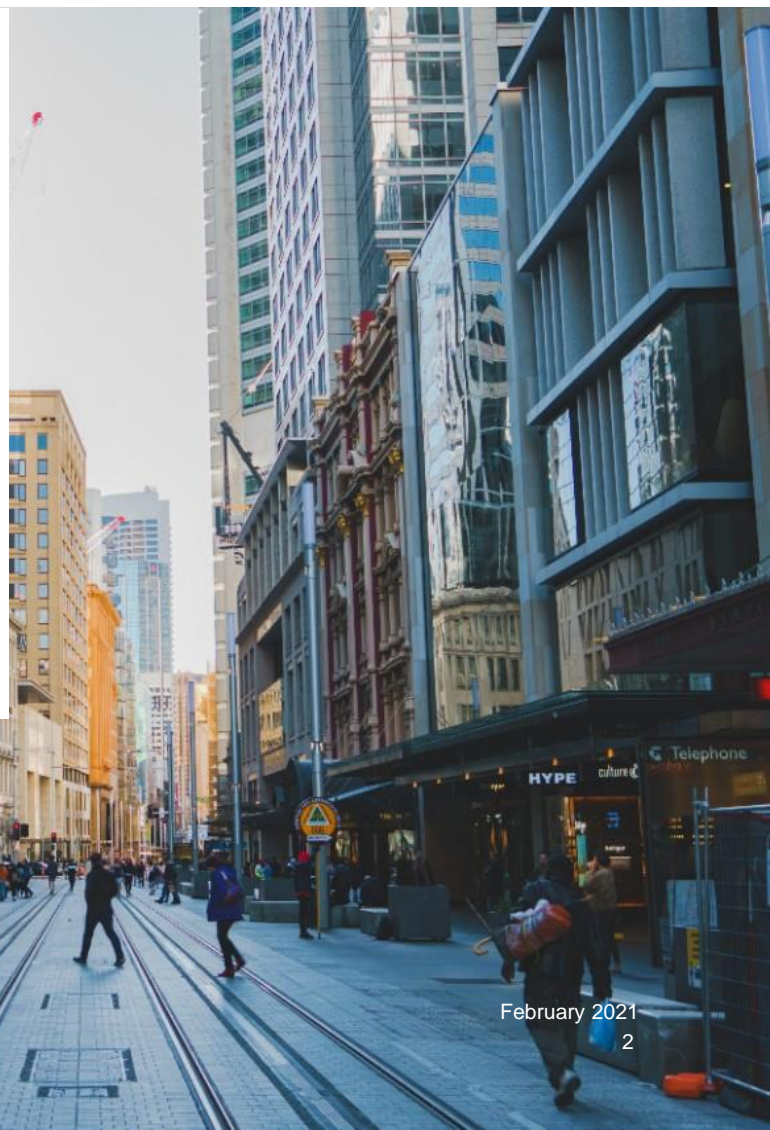
The following states and territories fell in seasonally adjusted terms in December 2020: South Australia (-0.7%), NSW (-4.9%), Victoria (-6.8%), Queensland (-1.8%), Western Australia (-2.0%) Tasmania (-4.6%), Australian Capital Territory (-1.6%). The Northern Territory (1.1%) rose in seasonally adjusted terms.

Sources: ABS data released 05 February 2021. Data refers to the seasonally adjusted estimate increases/decreases by industry/state

ANZ-Roy Morgan Weekly Consumer Confidence Rating



Source: ANZ-Roy Morgan Weekly Consumer Confidence Index



Announced deals

According to Mergermarket, announced retail deal activity for FY2021TD⁽¹⁾ decreased in value compared to the prior comparable period (PCP), with volumes declining significantly. 64 deals totalling AUD\$13.0bn were announced in the FY21TD period, versus 93 in the PCP, valued at AUD\$28.0bn.

In the last twelve months (LTM), deal value compared to the PCP has declined significantly with deal volume also witnessing a fall, from 150 announced deals (AUD\$39.6bn)⁽²⁾ to 99 (AUD\$15.3bn).

Australia and New Zealand Announced Retail and Consumer deals (FY2021TD⁽¹⁾ and LTM vs. PCP⁽²⁾)

Deal value (in A\$m)	FY2021TD ⁽¹⁾		PCP ⁽²⁾		LTM		PCP ⁽²⁾	
	# of deals	Deal value	# of deals	Deal value	# of deals	Deal value	# of deals	Deal value
\$0 to \$5M	0	0	0	0	0	0	0	0
\$6 to \$10M	2	18	9	85	4	37	13	123
\$11 to \$20M	13	205	14	222	19	302	21	320
\$21 to \$30M	6	155	6	158	11	283	9	234
\$31 to \$50M	13	545	7	299	18	741	14	591
\$51 to \$100M	4	316	15	986	9	656	20	1,418
\$101 to \$300M	4	728	3	493	4	728	9	1,761
\$301 to \$500M	2	803	4	1,653	2	803	5	2,114
>\$500M	4	10,181	7	24,092	6	11,787	12	33,005
Subtotal	48	12,951	65	27,988	73	15,337	103	39,566
Undisclosed	16	n/a	28	n/a	26	n/a	47	n/a
Total Announced	64	12,951	93	27,988	99	15,337	150	39,566
Total Completed	32	2,228	82	25,875	59	3,361	139	37,453

Source: Mergermarket, based on announced and completed transactions as at 31 January 2021

(1) FY2021TD refers to the period 1 July 2020 to 31 January 2021, reflecting the latest available Mergermarket data. The deal value includes the transaction for Coca-Cola European Partners acquisition of Coca-Cola Amatil in November 2020 (~A\$9bn)

(2) The deal value for PCP includes the transaction for Asahi Groups acquisition of CUB Pty Ltd from Anheuser-Busch InBev NV in July 2019 (~A\$16bn) and Kohlberg Kravis Roberts & Co.'s acquisition of Campbell International from Campbell Soup Company in August 2019 (~A\$3bn)

Selected recently completed / announced deals

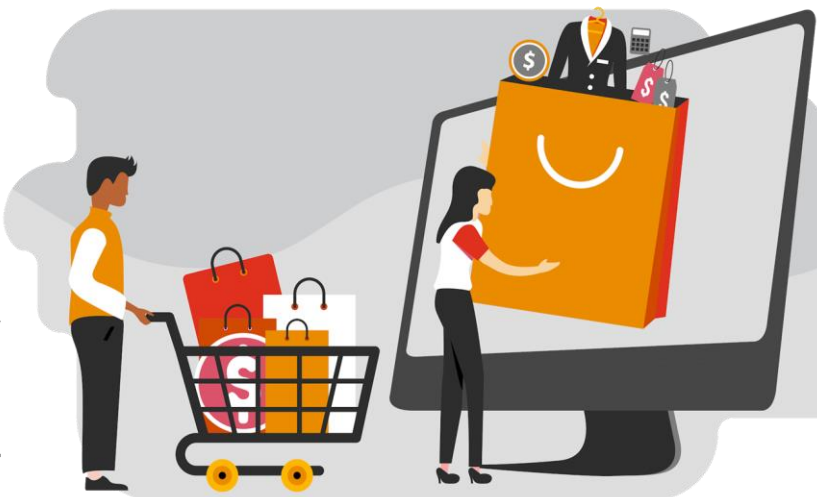
- 29 January 2021 – Australian food and beverage company, Freedom Foods,** announced an in-principle agreement with its majority shareholder, **Arrovest**, for the recapitalisation of the business via an issue of secured convertible notes. Arrovest will invest up to A\$200 million with the company having the capacity to raise further capital. The recapitalisation will enable Freedom Foods to repay its senior and revolving secured debt facilities as well as provide sufficient working capital and stability to execute its financial and operational turnaround strategy.
- 25 January 2021 – Australian diversified food company, Bega Cheese, has completed its acquisition of Lion Dairy & Drinks for a consideration of A\$534 million.** The acquisition doubles the size of the company with revenue totalling c.A\$3 billion. With the addition of iconic brands such as Farmers Union and Dairy Farmers to its portfolio, Bega's product range will now include fresh milk, flavoured milk, yoghurt, juice, cream and custard alongside its existing dairy business. The acquisition will also enable Bega Cheese to expand its domestic network and brand portfolio by developing a complementary consumer packaged goods supply chain.
- 23 January 2021 – Australian marketer and distributor of homewares, toys, confectionery and health food brands, Funtastic, announced the divestment of its confectionery arm to Sweet Season for A\$1.05 million.** The sale includes all inventory, brand names including Fizzers and Xtreme Sour Straps, and intellectual property acquired by Sweet Season. The sale is part of an ongoing strategic review of Funtastic's product range, customer segments and operations with a focus on expanding its e-commerce presence and exploring inorganic growth opportunities in emerging growth sectors.
- 20 January 2021 – Listed pub owner and operator, Redcape Hotel Group, announced its acquisition of O'Donoghues Pub from FAL Group for A\$31 million.** Redcape Hotel Group has made multiple acquisitions since November 2020 with a focus on hotels that maintain strong cashflows and a dominant trading footprint in fast growing geographical locations. The acquisitions are part of the Group's expansion strategy in a post-pandemic environment.

Source: Mergermarket, based on announced and completed transactions within the last month, Inside Retail

Also recently in the news

- **Bootmaker, RM Williams, is seeking to manufacture all of its products in Australia**, with a view of expanding the capacity of its Adelaide-based factory in order to facilitate the move. Currently 2% of the company's products are made offshore and the owners of the company plan to ensure that all its products are made in Australia.
- **Online wine retailer, Vinomofu, floats plans for an IPO and has mandated investment bank, Jarden Australia, to help prepare it for an ASX-listing in the first half of this year.** The company is expected to raise between A\$100 million and A\$150 million for the IPO, which would imply a c.A\$250 million market capitalisation.
- **French luxury group, LVMH, plans to overhaul Tiffany & Co's vast merchandise lineup** to focus more on gold and precious gems, revamp the appearance of its stores and boost its presence in Europe and Asia. The group plans to **focus on high-end jewellery and is also considering building out Tiffany's watch watches offering.**
- **Cult American burger chain, Chain Five Guys, announced it would be opening stores in Australia. The company plans to establish its first store in Sydney in mid-2021**, with more stores planned nationwide. Sydney-based hospitality group, Seagrass Boutique Hospitality, is the Australian franchisee of the brand. It initially intended to open the first store in Sydney's CBD, but the strategy shifted to include suburban hubs and as such, Penrith was chosen.
- **NSM Foods, retailer of nuts and dried fruits, has rebuffed approaches from private equity firms and brokers to focus on growth**, potentially through joint venture partnerships. Currently management focuses on growth as an independent company without giving equity to the external parties.
- **Gourmet Food Holdings, an Australia-based cracker and smoked salmon business, has shortlisted a few potential buyers including KKR, Pacific Equity Partners (PEP) and Mondelez.** Gourmet Food's owner, CPE Capital, and its adviser, Miles Advisory, have invited several parties into the sale's second round and are seeking binding offers by late February. **The transaction is expected to value the company at A\$250 million.**
- **ASOS, the UK online fashion and cosmetic retailer, has acquired British fashion brands Topshop, Topman, Miss Selfridge and HIIT** from Arcadia, the London-based fashion retailer, for GBP 265m. The transaction facilitates global growth and accelerates ASOS' strategy.
- **Clothing and stationery retailer, Cotton On, announced the expansion of its operations in Australia** via further investing in its distribution facility in Avalon, Sydney. The expansion will be built in partnership with **Avalon Airport owners LinFox.**
- **Affordable retail store chain, Kmart, announced the launch of its private label, Anko, on online market place Catch,** launching a number of appliances, home décor, furniture and organisational products on the site.
- **Fashion label, Tory Burch, announced the launch of its first boutique in Melbourne,** with its total store count reaching three across Australia. Furthermore, the company also revealed its plan to launch Tory Sport in Australia in future.
- **Luxury fashion house, GUCCI, partnered with American outdoor recreation product company, North Face,** to launch an outdoor fashion collection. The collaboration also promotes the joint sustainability efforts of each brand, having used ECONYL, a nylon fabric made of regenerated materials, for their luggage product offering.
- **Fitness fashion brand, Ryderwear, announced the launch of its first brick-and-mortar store in Adelaide** in February. The store will double as a gym and allow the brand, which was traditionally sold via distributors and online platforms, to sell direct to its customer base.
- **VidaXL, a Netherlands-based online retailer, announced it is ramping up its operations in Australia, committing to build a 81,000sqm national distribution centre in Melbourne.** The online retailer operates in the outdoor, home and garden sector and initially expanded into Australia in 2014.

Source: Mergermarket / Inside Retail



Also recently in the news

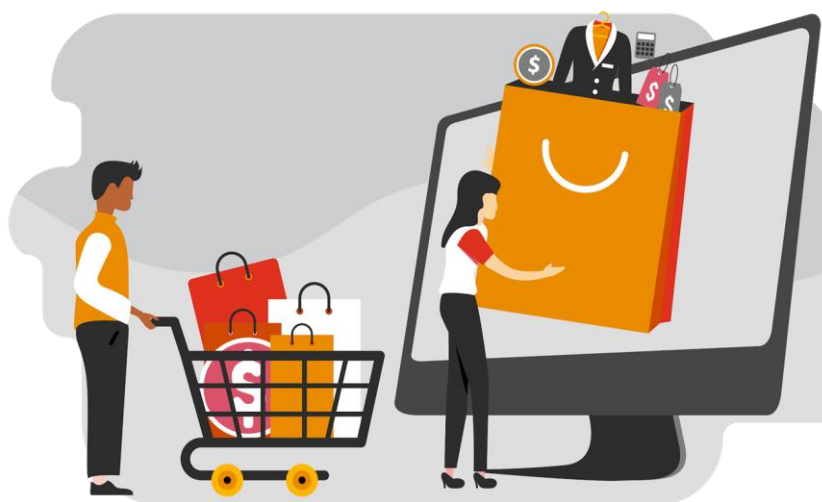
- **Australia's largest almond grower and processor, Select Harvest, continues to pursue potential acquisition opportunities**, including new nut categories in order to improve its brands portfolio. As part of its strategy, management may also acquire macadamia and pistachio growers.
- **Privately held Australian-based nuts product maker, Patons Macadamia, may consider partnering with an investor to accelerate its growth** after being bought out from its previous owner, Dymocks Group, last year. Management believes the business could scale quicker with an external capital injection and would also discuss the stake on offer with the venture capital firm or strategic buyer.
- **Getter, a privately held Australian digital retailer of construction tools, could seek to raise A\$7m in a Series A round** in 24 months for its next leg of growth. The company seeks to use the proceeds to organise warehousing facilities, focus on cost reduction and invest in working with suppliers to improve the availability of data on supply stock.
- **Australian Fashion Labels has entered into an exclusivity arrangement with an undisclosed buyer** for the business' assets, however it has terminated all 45 staff.
- **Summit Partners' fashion brands investment group, a.k.a Brands, is rumoured to be interested in acquiring a 50% stake in Culture Kings, an Australian-based clothing retailer, valued at over A\$600m.** Based on the current valuation, the transaction would be the largest private sale in Australia's retail and apparel sector. Leveraging the private equity firm's connections, the capital will be used to grow the company's presence in the United States.

Source: Mergermarket / Inside Retail

Mapping the Retail Portfolio of the Future

- Whilst brick-and-mortar retail has steadily declined in recent years, this trend is forecast to accelerate in a post-pandemic era as retailers seek to "future proof" their business and mitigate further financial distress in CY2021
- With online and omnichannel sales continuing to account for a greater proportion of revenue, underpinned by the COVID-driven surge in e-commerce, the traditional measure of store-level ROI will need to be reconsidered once assessing stores profile in the context of the total portfolio
- Accordingly, **the role of physical retail in a post-pandemic era is forecast to shift from a means of pure product distribution to a customer acquisition vehicle**, serving as a hub of discovery, entertainment and gathering in order to foster community in a physical space
- This is consistent with what we're seeing in shopping malls both in Australia and across the globe in recent years, with a shift in sqm focus to lifestyle / services, entertainment, food and beverage, and experiential / discovery of brands over product, with COVID further accelerating this trend
- Moreover, retailers are increasingly **repurposing underperforming stores into mini distribution hubs in order to shorten last mile delivery and enhance the customer experience.** This strategy has been implemented by large-scale US retailers such as Walmart, Kohl's and Target, and is increasingly utilised by various retailers in Australia under 'dark store' and shared site models
- Leveraging a tailored store network in selective locations, retailers will need to reconsider how they serve their consumers going forward

Source: Business of Fashion, The State of Fashion Report 2021



Ticker	Company	Currency	Share price \$	Mkt cap million	EV million	Net debt/ EV	Dividend Yield LTM	TSR Jan-21	EV / EBITDA			EV / EBIT			PE		
									Actual	Forecasts		Actual	Forecasts		Actual	Forecasts	
									LTM	CY2021	CY2022	LTM	CY2021	CY2022	LTM	CY2021	CY2022
Household Goods Retail																	
ASX:HVN	Harvey Norman Holdings Limited	AUD	5.63	7,015	8,173	14%	3.2%	13.9%	9.6x	8.1x	9.3x	11.3x	10.6x	12.8x	15.9x	13.9x	16.2x
ASX:JBH	JB Hi-Fi Limited	AUD	51.92	5,965	6,455	8%	3.6%	6.5%	9.3x	7.9x	8.8x	13.4x	11.0x	12.9x	21.2x	15.4x	18.0x
NZSE:WHS	The Warehouse Group Limited	NZD	3.26	1,126	1,919	41%	0.0%	12.7%	8.1x	5.6x	5.5x	20.3x	11.7x	12.0x	36.8x	11.0x	11.5x
ASX:ADH	Adairs Limited	AUD	4.14	700	814	14%	2.7%	10.0%	8.0x	6.0x	6.2x	13.0x	8.8x	9.4x	19.7x	11.6x	12.0x
ASX:BLX	Beacon Lighting Group Limited	AUD	1.80	402	501	20%	2.8%	1.2%	9.2x	7.2x	7.4x	16.6x	11.1x	11.9x	26.3x	14.5x	15.4x
ASX:NCK	Nick Scali Limited	AUD	11.40	923	1,060	13%	5.5%	6.7%	8.9x	10.6x	12.7x	12.1x	11.2x	13.5x	17.9x	14.1x	16.8x
NZSE:SCY	Smiths City Group Limited	NZD	0.14	7	112	93%	0.0%	-	11.3x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
ASX:TRS	The Reject Shop Limited	AUD	7.52	288	389	26%	0.0%	-2.3%	3.2x	11.7x	9.3x	38.7x	26.4x	16.9x	n/m	27.7x	17.7x
ASX:BBN	Baby Bunting Group Limited	AUD	5.59	723	815	11%	1.9%	10.0%	14.7x	11.6x	10.6x	26.6x	18.6x	16.5x	54.4x	27.2x	23.6x
ASX:DSK	Dusk Group Limited	AUD	2.61	163	193	16%	0.0%	9.4%	15.4x	4.1x	4.4x	20.1x	5.7x	5.7x	27.7x	6.9x	6.9x
	Mean								9.8x	8.1x	8.2x	19.1x	12.8x	12.4x	27.5x	15.8x	15.4x
	Median								9.2x	7.9x	8.8x	16.6x	11.1x	12.8x	23.7x	14.1x	16.2x
Household Goods Wholesale / Distribution																	
ASX:BRG	Breville Group Limited	AUD	30.49	4,236	4,132	-3%	1.3%	13.5%	33.8x	24.3x	21.5x	37.6x	29.5x	25.8x	n/m	43.9x	38.4x
ASX:GUD	GUD Holdings Limited	AUD	12.78	1,197	1,420	16%	2.9%	1.6%	14.8x	12.4x	11.6x	17.6x	14.2x	13.2x	25.3x	18.7x	17.2x
ASX:GWA	GWA Group Limited	AUD	3.71	980	1,201	18%	3.1%	-1.1%	13.4x	17.1x	12.4x	17.1x	25.4x	15.9x	25.0x	36.7x	20.8x
ASX:PTL	Pental Limited	AUD	0.42	57	55	-4%	5.2%	-8.9%	4.6x	4.0x	3.5x	7.4x	5.8x	4.8x	12.7x	8.7x	7.1x
ASX:SHM	Shiro Holdings Limited	AUD	1.00	95	98	3%	6.0%	11.8%	4.7x	n/m	n/m	6.7x	n/m	n/m	12.3x	n/m	n/m
NZSE:CAV	Cavalier Corporation Limited	NZD	0.38	26	44	42%	0.0%	-6.3%	19.0x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
NZSE:EBO	EBOS Group Limited	AUD	29.50	4,825	5,437	11%	2.5%	-0.3%	15.1x	13.8x	13.2x	19.3x	17.1x	16.1x	32.6x	23.5x	22.1x
ASX:API	Australian Pharmaceutical Industries Limited	AUD	1.25	613	817	24%	1.6%	3.3%	6.4x	6.0x	5.6x	15.6x	11.5x	10.4x	24.7x	15.8x	13.7x
	Mean								14.0x	13.0x	11.3x	17.3x	17.3x	14.4x	22.1x	24.6x	19.9x
	Median								14.1x	13.1x	12.0x	17.1x	15.7x	14.5x	24.9x	21.1x	19.0x
Diversified Retail																	
ASX:WES	Wesfarmers Limited	AUD	55.20	62,588	69,573	10%	2.8%	8.4%	15.5x	14.3x	13.9x	23.2x	21.0x	20.3x	36.0x	29.3x	28.2x
ASX:VTG	Vita Group Limited	AUD	1.13	185	208	11%	2.1%	-1.4%	4.4x	3.1x	2.9x	10.5x	5.2x	5.0x	12.7x	6.8x	6.4x
ASX:SUL	Super Retail Group Limited	AUD	11.57	2,613	3,515	26%	1.7%	6.9%	7.9x	5.1x	5.9x	16.7x	8.9x	11.3x	23.5x	12.0x	14.0x
	Mean								9.3x	7.5x	7.6x	16.8x	11.7x	12.2x	24.1x	16.0x	16.2x
	Median								7.9x	5.1x	5.9x	16.7x	8.9x	11.3x	23.5x	12.0x	14.0x
Automotive Retail																	
ASX:APE	Eagers Automotive Limited	AUD	14.65	3,764	6,093	38%	0.8%	0.2%	14.5x	13.4x	12.6x	24.3x	18.9x	17.3x	37.2x	23.5x	21.5x
ASX:ARB	ARB Corporation Limited	AUD	38.63	3,123	3,126	0%	1.0%	14.1%	32.0x	23.8x	23.4x	39.2x	28.2x	27.7x	n/m	39.0x	37.9x
ASX:BAP	Bapcor Limited	AUD	8.10	2,749	3,036	9%	2.2%	-3.3%	14.4x	11.4x	10.9x	21.8x	15.9x	14.8x	31.7x	21.9x	20.2x
ASX:MTO	MotorCycle Holdings Limited	AUD	2.50	154	221	30%	0.0%	-3.4%	6.7x	5.8x	7.1x	11.2x	7.5x	9.8x	11.3x	8.7x	10.5x
	Mean								16.9x	13.6x	13.5x	24.1x	17.6x	17.4x	26.7x	23.3x	22.5x
	Median								14.4x	12.4x	11.7x	23.1x	17.4x	16.1x	31.7x	22.7x	20.8x
Apparel / Accessories Retail																	
ASX:PMV	Premier Investments Limited	AUD	22.34	3,549	3,543	0%	3.1%	-3.1%	7.9x	7.6x	6.6x	15.2x	13.7x	15.1x	24.7x	18.0x	19.4x
ASX:LOV	Lovisa Holdings Limited	AUD	11.66	1,253	1,399	10%	1.3%	-6.2%	17.1x	12.5x	9.3x	44.5x	30.8x	20.9x	n/m	42.3x	28.3x
NZSE:KMD	Kathmandu Holdings Limited	NZD	1.34	950	1,261	24%	0.0%	0.8%	9.7x	5.4x	4.8x	41.5x	12.0x	9.8x	n/m	14.0x	11.1x
ASX:MOZ	Mosaic Brands Limited	AUD	1.05	105	303	65%	0.0%	29.2%	9.6x	7.7x	8.5x	n/m	16.5x	19.9x	n/m	8.1x	11.9x
ASX:AX1	Accent Group Limited	AUD	2.30	1,244	1,590	22%	4.0%	0.4%	8.1x	6.6x	6.2x	17.7x	13.3x	12.6x	26.3x	16.9x	15.6x
NZSE:HLG	Hallenstein Glasson Holdings Limited	NZD	7.76	462	498	7%	5.0%	6.3%	7.2x	n/m	n/m	13.1x	n/m	n/m	20.9x	n/m	n/m
ASX:UNI	Universal Store Holdings Limited	AUD	5.86	429	503	15%	0.0%	4.7%	11.1x	10.6x	9.6x	21.7x	11.6x	10.5x	40.4x	16.9x	13.0x
NZSE:MHJ	Michael Hill International Limited	AUD	0.74	272	429	37%	2.0%	-	5.8x	4.0x	4.2x	21.2x	7.2x	8.5x	35.2x	7.1x	8.8x
ASX:CCX	City Chic Collective Limited	AUD	4.12	978	1,001	2%	0.0%	-5.6%	28.9x	22.3x	18.0x	n/m	27.1x	21.2x	n/m	36.9x	28.7x
ASX:PGR	The PAS Group Limited	AUD	0.05	7	28	75%	0.0%	-	1.7x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
	Mean								10.7x	9.6x	8.4x	25.0x	16.5x	14.8x	29.5x	20.0x	17.1x
	Median								8.9x	7.7x	7.5x	21.2x	13.5x	13.8x	26.3x	16.9x	14.3x

Source: CapitalIQ, as at 10 February 2021

Ticker	Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM	TSR Jan-21	EV / EBITDA			EV / EBIT			PE		
									Actual	Forecasts		Actual	Forecasts		Actual	Forecasts	
									LTM	CY2021	CY2022	LTM	CY2021	CY2022	LTM	CY2021	CY2022
Media																	
ASX:SEK	SEEK Limited	AUD	30.82	10,842	12,559	11%	0.4%	-1.7%	44.7x	27.5x	21.7x	54.8x	42.8x	30.8x	n/m	n/m	n/m
ASX:REA	REA Group Limited	AUD	157.33	20,786	21,012	1%	0.7%	-1.5%	48.7x	35.5x	29.8x	51.5x	41.0x	34.1x	n/m	n/m	47.7x
ASX:CAR	carsales.com Ltd	AUD	21.64	5,332	5,772	8%	2.2%	-1.9%	30.2x	22.5x	20.2x	34.0x	26.0x	23.1x	53.3x	35.0x	30.8x
ASX:IFM	Infomedia Ltd	AUD	1.84	690	592	-17%	2.3%	-6.0%	21.9x	10.5x	9.3x	24.4x	18.9x	15.6x	39.3x	28.0x	24.5x
	Mean								36.4x	24.0x	20.2x	41.2x	32.2x	25.9x	46.3x	31.5x	34.4x
	Median								37.5x	25.0x	20.9x	42.7x	33.5x	26.9x	46.3x	31.5x	30.8x
E-commerce																	
ASX:KGN	Kogan.com Ltd	AUD	17.26	1,825	1,680	-9%	1.2%	-5.3%	35.4x	50.6x	15.1x	40.9x	19.6x	16.9x	n/m	30.4x	26.0x
ASX:WEB	Webjet Limited	AUD	4.98	1,688	1,689	0%	1.8%	-5.7%	n/m	n/m	10.3x	n/m	n/m	19.1x	n/m	n/m	21.6x
ASX:BKG	Booktopia Group Limited	AUD	2.71	372	391	3%	0.0%	8.5%	n/m	29.0x	15.0x	n/m	39.8x	22.7x	n/m	n/m	32.7x
ASX:CTT	Cettire Limited	AUD	0.78	295	296	-1%	0.0%	27.7%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
ASX:ABY	Adore Beauty Group Limited	AUD	5.87	553	553	-2%	0.0%	6.9%	n/m	45.7x	34.5x	n/m	50.2x	39.1x	n/m	n/m	n/m
ASX:TPW	Temple & Webster Group Ltd	AUD	10.87	1,309	1,272	-3%	0.0%	3.3%	n/m	43.3x	32.8x	n/m	44.2x	33.5x	n/m	49.9x	42.1x
	Mean								35.4x	42.2x	21.5x	40.9x	38.5x	26.2x	n/a	40.1x	30.6x
	Median								35.4x	44.5x	15.1x	40.9x	42.0x	22.7x	n/a	40.1x	29.3x
Department Stores																	
ASX:MYR	Myer Holdings Limited	AUD	0.32	258	2,045	87.4%	0.0%	6.9%	7.6x	5.8x	5.9x	29.9x	16.6x	16.9x	n/m	27.8x	14.9x
Supermarkets																	
ASX:WOW	Woolworths Group Limited	AUD	41.53	52,339	69,220	24%	2.3%	3.9%	12.9x	11.1x	10.5x	21.5x	18.8x	17.7x	36.3x	27.4x	25.3x
ASX:COL	Coles Group Limited	AUD	18.29	24,398	33,843	28%	3.1%	0.4%	11.1x	9.7x	9.4x	20.5x	17.6x	16.7x	29.6x	23.6x	22.2x
ASX:MTS	Metcash Limited	AUD	3.54	3,619	4,317	16%	4.1%	1.2%	8.8x	8.0x	7.9x	12.0x	11.3x	11.3x	16.3x	15.1x	15.0x
	Mean								10.9x	9.6x	9.3x	18.0x	15.9x	15.2x	27.4x	22.0x	20.9x
	Median								11.1x	9.7x	9.4x	20.5x	17.6x	16.7x	29.6x	23.6x	22.2x
Restaurants / Fast Food																	
ASX:DMP	Domino's Pizza Enterprises Limited	AUD	96.28	8,330	9,562	13%	1.2%	6.2%	30.4x	21.0x	20.1x	45.7x	32.3x	28.5x	n/m	43.8x	38.3x
ASX:RFG	Retail Food Group Limited	AUD	0.08	170	309	45%	0.0%	-7.4%	19.4x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
NZSE:RBD	Restaurant Brands New Zealand Limited	NZD	11.77	1,468	2,018	27%	0.0%	1.7%	14.3x	11.6x	n/m	24.9x	19.0x	n/m	42.5x	23.5x	n/m
ASX:CKF	Collins Foods Limited	AUD	9.73	1,134	1,689	33%	2.2%	0.1%	10.3x	10.5x	10.2x	19.9x	16.4x	15.2x	33.7x	20.5x	18.1x
	Mean								18.6x	14.4x	15.1x	30.2x	22.6x	21.8x	38.1x	29.3x	28.2x
	Median								16.8x	11.6x	15.1x	24.9x	19.0x	21.8x	38.1x	23.5x	28.2x
Other																	
ASX:ELD	Elders Limited	AUD	11.53	1,803	2,042	12%	1.9%	7.9%	12.6x	11.3x	10.7x	16.9x	14.7x	13.8x	27.0x	14.5x	13.3x
ASX:FLT	Flight Centre Travel Group Limited	AUD	14.88	2,964	2,167	-37%	0.0%	-11.2%	n/m	19.8x	5.8x	n/m	n/m	11.1x	n/m	n/m	24.0x
ASX:CCV	Cash Converters International Limited	AUD	0.27	166	-	n/m	0.0%	6.5%	0.0x	n/m	n/m	0.0x	n/m	n/m	8.4x	13.5x	n/m
ASX:MEA	McGrath Limited	AUD	0.53	88	94	7%	0.0%	5.3%	10.1x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
	Mean								7.6x	15.6x	8.3x	8.5x	14.7x	12.4x	17.7x	14.0x	18.6x
	Median								10.1x	15.6x	8.3x	8.5x	14.7x	12.4x	17.7x	14.0x	18.6x

Source: CapitalIQ, as at 10 February 2021

Ticker	Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM	TSR Jan-21	EV / EBITDA			EV / EBIT			PE			
									Actual	Forecasts		Actual	Forecasts		Actual	Forecasts		
									LTM	CY2021	CY2022	LTM	CY2021	CY2022	LTM	CY2021	CY2022	
FMCG - Beverage																		
ASX:CCL	Coca-Cola Amatil Limited	AUD	13.13	9,506	11,715	16%	2.7%	1.2%	13.6x	12.2x	11.3x	21.9x	18.7x	16.8x	28.9x	24.5x	21.8x	
ASX:TWE	Treasury Wine Estates Limited	AUD	10.34	7,459	8,939	17%	2.7%	6.9%	13.5x	13.9x	12.6x	17.3x	19.8x	16.3x	27.6x	26.2x	22.5x	
NZSE:DGL	Delegat Group Limited	NZD	14.40	1,456	1,790	19%	1.2%	-4.6%	15.2x	14.6x	13.6x	18.7x	17.4x	16.1x	27.4x	21.8x	19.9x	
ASX:AVG	Australian Vintage Ltd	AUD	0.59	164	290	43%	4.6%	-0.9%	8.6x	6.6x	6.2x	15.1x	9.1x	8.9x	15.7x	8.1x	7.8x	
ASX:GDA	Good Drinks Australia Ltd	AUD	0.08	100	118	15%	0.0%	5.2%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	
	Mean								12.7x	11.8x	10.9x	18.3x	16.2x	14.5x	24.9x	20.1x	18.0x	
	Median								13.5x	13.0x	12.0x	18.0x	18.0x	16.2x	27.5x	23.1x	20.8x	
FMCG - Food & Dairy																		
NZSE:FCG	Fonterra Co-operative Group Limited	NZD	4.62	7,454	12,592	41%	1.1%	2.7%	9.0x	n/m	n/m	14.6x	n/m	n/m	20.0x	n/m	n/m	
ASX:BGA	Bega Cheese Limited	AUD	5.89	1,781	2,016	12%	1.7%	9.6%	26.4x	14.8x	13.2x	52.5x	23.1x	19.3x	n/m	32.4x	26.1x	
NZSE:ATM	The a2 Milk Company Limited	NZD	10.91	8,102	7,265	-12%	0.0%	-4.4%	13.2x	16.4x	13.5x	13.3x	16.6x	13.7x	23.2x	28.5x	21.3x	
ASX:FNP	Freedom Foods Group Limited	AUD	3.01	834	1,152	41%	0.0%	-	n/m	9.6x	7.8x	n/m	n/m	n/m	n/m	21.9x	14.9x	
NZSE:SML	Synlait Milk Limited	NZD	4.30	940	1,483	37%	0.0%	-9.2%	8.7x	9.9x	8.1x	11.9x	15.9x	11.9x	11.7x	18.0x	12.3x	
	Mean								14.3x	12.7x	10.6x	23.1x	18.5x	15.0x	18.3x	25.2x	18.6x	
	Median								11.1x	12.4x	10.6x	13.9x	16.6x	13.7x	20.0x	25.2x	18.1x	
FMCG - Food (Production)																		
ASX:ING	Inghams Group Limited	AUD	3.61	1,342	3,258	59%	3.9%	5.4%	8.4x	7.4x	7.1x	26.3x	18.0x	16.7x	38.5x	15.6x	13.7x	
ASX:AAC	Australian Agricultural Company Limited	AUD	1.14	687	1,072	36%	0.0%	0.5%	n/m	35.6x	24.1x	n/m	n/m	32.8x	n/m	n/m	n/m	
ASX:CGC	Costa Group Holdings Limited	AUD	4.37	1,752	2,293	22%	1.4%	-3.9%	16.0x	11.1x	10.2x	50.8x	19.0x	17.4x	n/m	24.9x	22.6x	
ASX:SHV	Select Harvests Limited	AUD	5.52	664	986	33%	2.4%	-0.2%	12.3x	15.1x	9.8x	25.6x	22.7x	12.7x	23.3x	23.8x	12.7x	
ASX:TGR	Tassal Group Limited	AUD	3.41	721	1,136	37%	5.3%	3.6%	6.6x	7.9x	6.9x	10.4x	11.3x	9.6x	11.2x	11.7x	9.7x	
NZSE:SAN	Sanford Limited	NZD	4.65	435	660	34%	1.1%	-9.2%	9.5x	9.0x	7.4x	19.2x	14.4x	11.2x	27.4x	15.9x	11.7x	
ASX:HUO	Huon Aquaculture Group Limited	AUD	2.65	291	631	54%	0.0%	12.8%	10.2x	14.0x	9.4x	n/m	n/m	30.0x	n/m	n/m	14.7x	
	Mean								10.5x	14.3x	10.7x	26.5x	17.1x	18.6x	25.1x	18.4x	14.2x	
	Median								9.9x	11.1x	9.4x	25.6x	18.0x	16.7x	25.4x	15.9x	13.2x	
FMCG - Personal Care																		
ASX:AHY	Asaleo Care Limited	AUD	1.32	717	862	17%	1.5%	-3.7%	9.8x	9.4x	8.9x	13.9x	13.0x	12.4x	21.4x	17.4x	16.0x	
ASX:BWV	BWV Limited	AUD	4.05	565	612	8%	1.0%	-0.5%	20.8x	15.6x	12.4x	26.5x	19.4x	15.0x	39.2x	27.1x	20.4x	
NZSE:CVT	Comvita Limited	NZD	3.33	232	260	10%	0.0%	1.6%	20.8x	11.1x	9.8x	n/m	19.3x	15.8x	n/m	24.9x	20.1x	
ASX:BKL	Blackmores Limited	AUD	76.00	1,470	1,537	4%	0.0%	-2.8%	31.3x	18.6x	15.0x	n/m	24.8x	18.8x	n/m	36.1x	26.7x	
ASX:SSG	Shaver Shop Group Limited	AUD	1.14	147	171	14%	2.4%	7.5%	5.6x	7.0x	6.3x	10.0x	8.0x	7.1x	14.7x	9.4x	8.7x	
ASX:MCP	McPherson's Limited	AUD	1.38	177	194	9%	8.0%	1.1%	7.0x	7.5x	6.7x	8.5x	9.1x	8.0x	10.8x	12.1x	10.5x	
	Mean								15.9x	11.5x	9.9x	14.7x	15.6x	12.9x	21.5x	21.2x	17.1x	
	Median								15.3x	10.2x	9.4x	11.9x	16.1x	13.7x	18.1x	21.1x	18.1x	

Source: CapitalIQ, as at 10 February 2021

Retail sector trends

As reported by the ABS, the seasonally adjusted Australian retail turnover for December 2020 trends are as follows:

- **Food retailing:** The seasonally adjusted estimate for Food retailing fell 1.7% in December 2020. By industry subgroup, the seasonally adjusted estimate fell for Supermarkets and grocery stores (-1.8%), Liquor retailing (-0.3%), and for Other specialised food retailing (-1.9%).
- **Household goods retailing:** The seasonally adjusted estimate for Household goods retailing fell 8.3% in December 2020. By industry subgroup, the seasonally adjusted estimate fell for Hardware, building and garden supplies retailing (-2.0%), Electrical and electronic goods retailing (-15.5%), and for Furniture, floor coverings, houseware and textile goods retailing (-5.0%).
- **Clothing, footwear and personal accessory retailing:** The seasonally adjusted estimate for Clothing, footwear and personal accessory retailing fell 9.4% in December 2020. By industry subgroup, the seasonally adjusted estimate fell for Clothing retailing (-9.3%), and Footwear and other personal accessory retailing (-9.7%).
- **Department stores:** The seasonally adjusted estimate for Department stores fell 12.5% in December 2020.
- **Cafes, restaurants and take-away food services:** The seasonally adjusted estimate for Cafes, restaurants and takeaway food services rose 3.2% in December 2020. By industry subgroup, the seasonally adjusted estimate rose for Cafes, restaurants and catering services (4.0%), and Takeaway food services (2.2%).
- **Other retailing:** The seasonally adjusted estimate for Other retailing fell 4.4% in December 2020. By industry subgroup, the seasonally adjusted estimate rose for Pharmaceutical, cosmetic and toiletry goods retailing (2.4%) and fell for Newspaper and book retailing (-1.2%), Other retailing n.e.c. (-5.8%) and Other recreational goods retailing (-19.2%).

Source: ABS data released 05 February 2021. Data refers to the seasonally adjusted estimates by industry



Your #1 deal advisors

PwC has been ranked **Global #1 M&A Advisor by Volume for 2020** by Dealogic, as well as #1 by Thompson Reuters, Bloomberg and Mergermarket in their latest live rankings for 2020.

Our Australian team has also been ranked **#1 by MergerMarket in Australasia**.



Contact us

If you would like to discuss any of the information in this newsletter or be added to the distribution list for this newsletter, please contact one of our Deals Retail and Consumer specialists:



Donna Watt

National R&C Lead
Partner, Melbourne
Tel: +61 421 141 350
Email: donna.watt@pwc.com



Julia Richards

Deals Strategy
Director, Sydney
Tel: +61 421 486 418
Email: julia.clair.richards@pwc.com



Glen Hadlow

Deals Driver
Partner, Sydney
Tel: +61 418 202 046
Email: glen.hadlow@pwc.com



Mick Calder

Operational Turnaround
Partner, Melbourne
Tel: +61 449 953 825
Email: mick.calder@pwc.com



Elizabeth Fritts

M&A
Managing Director, Sydney
Tel: +61 (2) 8266 2643
Email: elizabeth.fritts@pwc.com



Daniel Walley

Restructuring
Partner, Sydney
Tel: +61 432 322 988
Email: daniel.walley@pwc.com



Chelsie Harris

Private Clients
Partner, Melbourne
Tel: +61 477 281 345
Email: chelsie.harris@pwc.com



Adam Colley

Restructuring
Partner, Sydney
Tel: +61 427 957 205
Email: adam.colley@pwc.com

www.pwc.com.au

© 2021 PricewaterhouseCoopers. All rights reserved. PwC refers to the Australia member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details. Liability limited by a scheme approved under Professional Standards Legislation.