

Retail & Consumer Deals Digest

May 2021



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Consumer confidence remained largely flat despite the end to the Perth lockdown

Consumer confidence rose gradually from 112.3 at the end of March to 114.0 in mid-April, before declining to 112.4 by the end of month. As compared to the previous year, there has been a significant increase in consumer confidence, rising from 85.0 in April 2020. The overall confidence level remains just above the long run average.

The emergence of new infections in Perth and the terrible news out of India has kept the continued threat posed by COVID front of mind. However, consumer confidence failed to show the sort of rebound often seen after other state lockdowns as the Perth lockdown ended.

"Confidence rose by 0.3% across Australia over the past week, with a gain of 1.3% in Perth. The magnitude of the Perth gain is much smaller than the one following Perth's lockdown at the end of January. There was some strength in 'current financial conditions', which rose by 2.2%. This gain could be a result of the announcements made about the Budget such as additional funding for childcare." – **David Plank, ANZ Head of Australian Economics, 04 May 2021**

Latest Australian ABS trade results

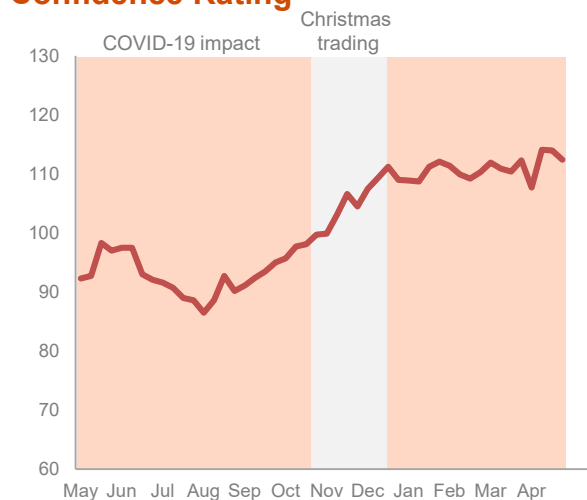
The latest Australian Bureau of Statistics (ABS) Retail Trade figures show that Australian retail turnover rose by 1.3% in March 2021, which follows a fall of 0.8% in February 2021 and a 0.5% rise in January.

The following industries rose in seasonally adjusted terms in March 2021: cafes, restaurants and takeaway food services (4.8%), clothing, footwear and personal accessory retailing (5.4%), department stores (8.5%) and other retailing (1.4%). Food retailing (-0.9%) and household goods retailing (-0.1%) fell in seasonally adjusted terms.

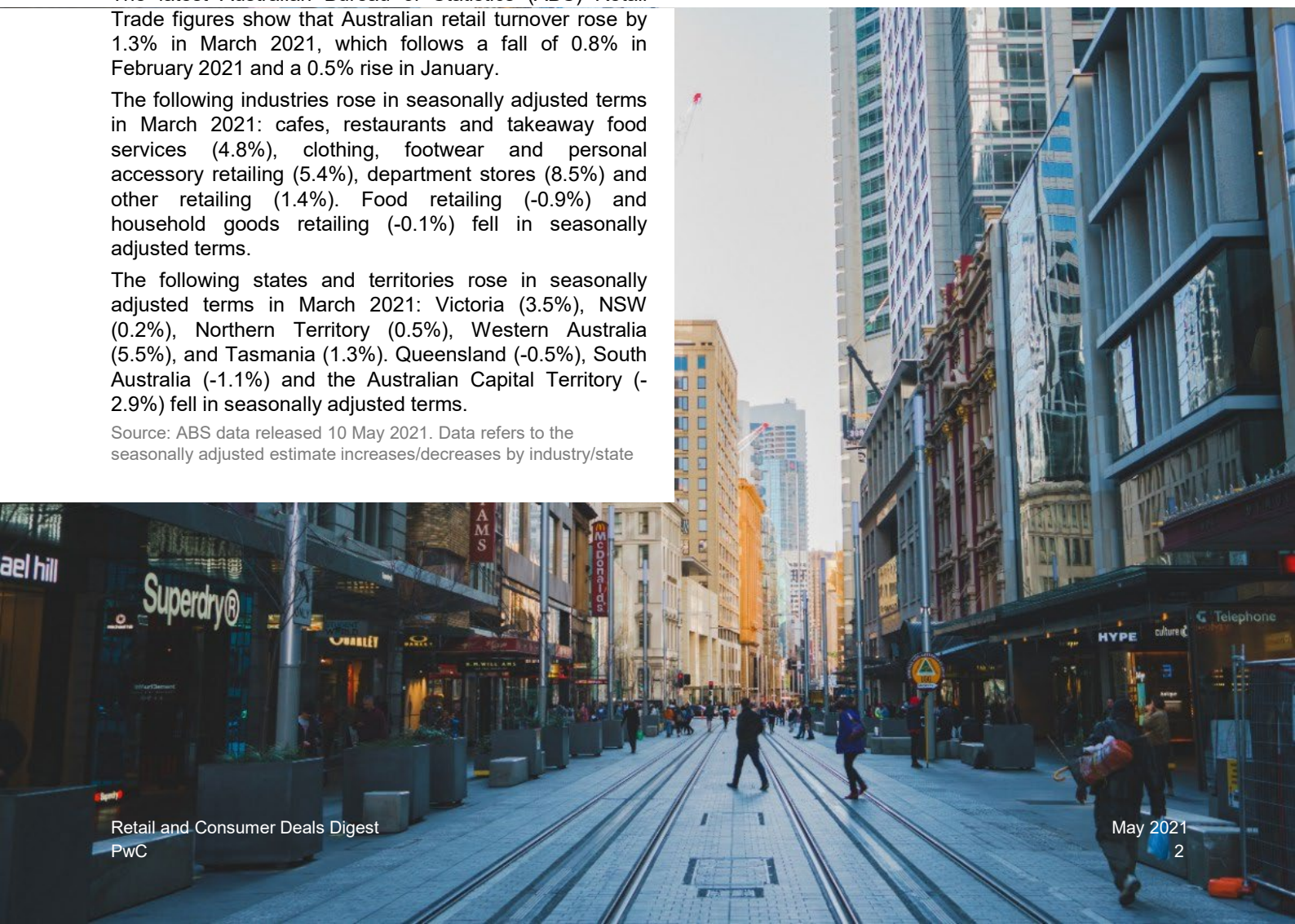
The following states and territories rose in seasonally adjusted terms in March 2021: Victoria (3.5%), NSW (0.2%), Northern Territory (0.5%), Western Australia (5.5%), and Tasmania (1.3%). Queensland (-0.5%), South Australia (-1.1%) and the Australian Capital Territory (-2.9%) fell in seasonally adjusted terms.

Source: ABS data released 10 May 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. 99 deals totalling AUD\$15.8bn were announced in the FY21TD period, versus 119 in the PCP, valued at AUD\$29.2bn.

In the last twelve months (LTM), deal value declined significantly compared to the PCP, whilst deal volume also experienced a fall from 137 announced deals (AUD\$30.5bn)⁽²⁾ to 108 (AUD\$17.0bn).

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

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	4	36	11	104	4	36	13	124
\$11 to \$20M	20	332	20	319	20	332	24	375
\$21 to \$30M	6	155	11	286	6	155	11	286
\$31 to \$50M	14	585	11	455	15	625	15	609
\$51 to \$100M	7	509	18	1,197	9	638	19	1,257
\$101 to \$300M	9	1,425	3	493	9	1,425	4	662
\$301 to \$500M	4	1,547	4	1,653	4	1,547	4	1,653
>\$500M	5	11,204	8	24,644	6	12,258	9	25,524
Subtotal	69	15,793	86	29,151	73	17,016	99	30,490
Undisclosed	30	n/a	33	n/a	35	n/a	38	n/a
Total Announced	99	15,793	119	29,151	108	17,016	137	30,490
Total Completed	61	11,580	104	26,879	66	11,709	122	28,218

Source: Mergermarket, based on announced and completed transactions as at 30 April 2021

(1) FY2021TD refers to the period 1 July 2020 to 30 April 2021, reflecting the latest available Mergermarket data. The deal value includes the transaction for Coca-Cola European Partners acquisition of Coca-Cola Amatil in Nov 20 (~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 19 (~A\$16bn) and Kohlberg Kravis Roberts & Co.'s acquisition of Campbell International from Campbell Soup Company in August 19 (~A\$3bn)

Selected recently completed / announced deals

- **17 May 2021 – BWX, the Australian hair care and skin products firm, has announced its acquisition of Flora & Fauna, a leading Australian curated online retail platform exclusively focused on vegan, ethical and sustainable products for a consideration of A\$30 million.** Flora & Fauna and Nourished Life will form a new direct-to-consumer business unit within the BWX Group.
- **07 May 2021 – KKR-backed Australian biscuit producer Arnott's announced its acquisition of New Zealand based gourmet biscuit maker, 180degrees.** The acquisition will strengthen and diversify its presence in New Zealand and support local business. It also expands its product portfolio with entry into the premium cracker category.
- **02 May 2021 – Quadrant Private Equity announced its acquisition of a majority stake in Prime100, a fast-growing pet food maker** that specialises in premium single protein products. The deal is expected to value the company **between A\$150-200 million.** The company plans to use the proceeds for its expansion plans, targeting offshore markets.
- **30 April 2021 – Japanese beverages giant Asahi, announced its acquisition of Allpress Espresso, a global coffee brand** for an undisclosed amount. Management believes the expansion into coffee will fill a gap in the group's portfolio of non-alcoholic drinks.
- **28 April 2021 – The Wesfarmers-owned hardware chain Bunnings announced its acquisition of Australia's largest tile retailer, Beaumont Tiles.** The group plans to run Beaumont Tiles as a standalone business, separate to its chain of Bunnings stores nationwide. The acquisition expands Bunnings' products & service offerings and provides access to a large, competitive category that has the opportunity for strong growth.
- **26 April 2021 – Australian clean beauty and personal care brand, Frank Body, announced it has raised funds** through an investment round with **Chinese private equity firm, EverYi Capital. The investment round valued the brand at ~A\$100 million** and completed ahead of the US target series B round of funding, slated for 2021.
- **23 April 2021 – Apparel and footwear retailer / wholesaler, Accent Group, announced its acquisition of youth apparel retailer, Glue Store, and the wholesale and distribution brands business of Next Athleisure for a cash consideration of A\$13 million.** The acquisition is part of the company's strategy to grow its position in the lifestyle and youth apparel market in Australia and New Zealand.

Source: Mergermarket, based on recently announced and completed transactions

Retail and Consumer Deals Digest

PwC

May 2021

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Selected recently completed / announced deals

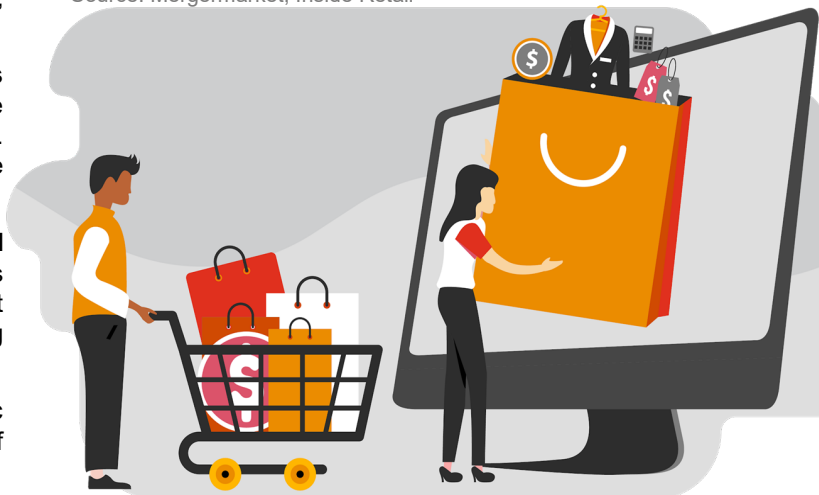
- **20 April 2021 - Woolworths also announced it had increased its stake in data analytics firm, Quantum, from 47% to 75%. The company bought the additional stake for A\$223 million, valuing the firm at A\$796 million.**
- **12 April 2021 – Evolution Gaming announced its acquisition of Big Time Gaming, a leading Australian provider of digital casino games, for a total consideration of up to A\$700 million.** The acquisition strengthens its strategic position as the leading provider of digital casino games globally.
- **12 April 2021 – Procter & Gamble announced its acquisition of Australian business VitaminHaus, along with its consumer brand Voost effervescent vitamins, for an undisclosed consideration.** The acquisition provides access to the growing vitamins, minerals and supplements industry.
- **07 April 2021 - US based private equity firm, Summit Partners, has acquired the remaining 40% of Quay Australia, an Australia based sunglasses and accessories retailer, for an undisclosed consideration** from the group's founders the Hammond family. Summit Partners bought 60% of Quay Australia in 2016 through its San Francisco based Elevate Brandpartners to drive the business' expansion globally.

Source: Mergermarket, based on recently announced and completed transactions

Also recently in the news

- **Supermarket giant, Woolworths, announced its plan to open its online ecosystem** to new retailers and partners with the launch of a marketplace offering, driven by an investment in Australian start-up Marketplacer.
- **Karst, a private Australian sustainable stationery company, is planning a Series A raise** in the second half of this year to accelerate growth, primarily in the US and Europe, its largest markets. The capital raising amount is not yet finalized, but could seek between A\$5-10 million.
- **New and used car retailer Peter Warren Automotive debuted on the ASX and raised A\$260 million** at an issue price of A\$2.90 per share. The stock opened 18.6% above the issue price at \$3.44 and went as high as \$3.53 in early trade. It closed 19.3% higher at \$3.46, up 56¢ for the day.
- **Australian retailer Cotton On has announced plans to launch online only in the UK for the first time as it seeks to benefit from the rise in ecommerce.** The group has a portfolio of brands including Typo, Rubi, Factorie and Cotton On Body.
- **Fashion business Zara, announced the launch of its own cosmetics line “Zara Beauty”** which will be available for purchase online and in selected Zara stores. Zara Beauty will be marketed throughout ANZ, Japan, China, South Korea, Europe, the US, Canada and Mexico.
- **US-based wine marketplace, Vivino, has commercially launched in Australia.** The online marketplace operation will be based in Sydney. Users will be able to buy local wines and share ratings with other users.
- **Discount department store, Kmart, established 52 stores** in the past 8 months, particularly across remote areas of the country. The stores were first conceived as a way to convert underperforming Target sites into profitable Kmart locations.
- **Luxury fashion retailer, Harrolds, shut its Pacific Fair, Gold Coast location** after months of negotiations with landlord AMP Capital fell through.
- **Sydney based gelato brand, Gelatissimo, announced its plans to enter the US market** this year and accelerate its expansion plans in Australia. The company plans to open 20 stores in Australia and overseas this year.
- **Online book retailer, Booktopia, announced a partnership with the student portal Zookal,** extending its exposure to the lucrative and growing educational book market. The deal comes as Booktopia revealed that its academic and corporate book sales for the current financial year to date are tracking 30% higher than the previous corresponding period.
- **Vita-sol, an Australian nutraceutical company, is considering taking on an investor to assist its international growth plans next year.** The company is seeking to launch its products in Canada, the US, and the UK sometime in 2022, or potentially 2023.
- **Australian diversified holding company Mann & Noble, a sales, marketing and distribution organisation, is seeking acquisitions to supplement its growth,** focusing on businesses that can be vertically integrated within its existing business. Further, it's targeting businesses with A\$2-3 million in revenue, as these targets may have an opportunity to be further scaled.

Source: Mergermarket, Inside Retail



Also recently in the news

- **Accolade Wines, Australia's largest wine producer, is considering an IPO**, possibly in Australia or Hong Kong, as it plans to expand in China. The company plans to acquire additional **premium brands that appeal more to the tastes of Chinese consumers**.
- **Rae Morris, an Australian beauty brand, plans to raise U\$10 million in a Series A round of funding later this year** after receiving a minority stake investment from Singapore-based funds management firm The-Wolfpack. The company plans to use the proceeds **to launch a full color makeup range, scale distribution, and grow its education business** through contributions and content collaborations.
- **Aston James, a privately held Australian personal care company**, will be on the lookout later this year for investors to assist with its global expansion plans. **The company plans to raise A\$1 million as part of Series A funding next year**, ahead of a potential Series B round of funding between A\$5-10 million in 2023.
- **Melbourne luxury fashion house Marais, announced the launch of its global eCommerce offering** after 17 years as a pure brick & mortar retailer. Designers housed on the site include Givenchy, Off White, Sacai, Maison Margiela, Alexander McQueen, Doublet, Rick Owens and 1017 ALYX 9SM.
- **Naked Brands Group announced its divestment of Auckland based lingerie chain Bendon** to Chairperson Justin Davis-Rice and CEO Anna Johnson for A\$1. The divestment deal effectively saves the brand from entering liquidation.
- **UK-based retail giant, JD Sports, plans to open its first ever store in New Zealand**. The company plans to establish its store by mid-2021 at Sylvia Park.
- **Australian pharmaceutical company, Arrotex, offered to acquire all the shares of the Australian personal care and household products firm McPherson**, at A\$1.60 per share, which was higher than the A\$1.34 per share offer previously made by Kin Group. **The latest offer values the company at A\$205 million**.

Source: Mergermarket, Inside Retail

2021/22 Federal Budget – A retail perspective

Retail industry bodies, National Retail Association (NRA) and Australian Retail Association (ARA), have backed the Australian Government's 2021/22 Federal Budget for its favourable tax position towards low and middle income earners and ongoing support of small businesses in need, which will boost consumer spending and drive further retail consumption.

The industry bodies have also called for further support for businesses that remain distressed by the uneven recovery, such as flexibility for retailers to access the JobTrainer scheme and further support for those impacted by decreased foot traffic in airports and CBDs.

Source: Shopping Centre News

Transforming retailers through blockchain technology

Blockchain technology has become increasingly relevant and front of mind for retailers due to the benefits that it can bring to customers and stakeholders. This includes:

- Supply chain and inventory management
- Customer identity management
- Cyber security
- Counterfeit prevention
- Person to merchant transactions
- Product contracts
- Sales tax simplification
- ESG compliance and reporting

Many global retailers, including Amazon, Alibaba, Walmart, IKEA, Target and Aldi, have been investing in blockchain technologies with a view to deliver these benefits, a few of which we have highlighted below in more detail.

Digital payments

- Blockchain technology is already transforming the payments landscape, with companies including Square and IBM using blockchain to design and improve digital payments methods. Further, Apple Pay announced it will allow U.S. cardholders to add their Bitpay Prepaid Mastercard to Apple Wallet and retailers such as Amazon and Expedia are now accepting Bitcoin. With cryptocurrencies being accepted for the purchase of everything from cars to vacations, digital coins are clearly entering the mainstream market.
- Notwithstanding the above, there have also been certain challenges and downsides as a result of the increased adoption of cryptocurrencies into the payments system. One such example is the emergence of cryptocurrency as the primary form of payment for ransomware attacks. Cryptocurrencies, such as bitcoin, have been the payment of choice for these attacks and are helping facilitating crimes previously not possible.

Supply Chain

- Despite blockchain's heavy association with cryptocurrency, there are uses beyond payments, with blockchains and decentralized systems being used to help retailers drive efficiencies with supply chain and inventory management. In combination with Internet of Things (IoT) technology and data analytics, blockchains can provide a shared protocol for every actor in the supply chain to log and share data at each stage of an agricultural commodity's journey. Walmart, for example, has worked with IBM on a food safety blockchain solution, bringing transparency to a digitized food supply chain.

Environment, Social & Governance (ESG)

- Blockchain also has the potential to standardize ESG reporting, through a blockchain-enabled reporting framework. This concept could revolutionise the way that companies approach their ESG frameworks and standards and provide increased accountability via a common reporting system.

Source: PwC Analysis; Blockchain Could Transform Retail, From Supply Chain And Inventory Management To Product Provenance (Forbes, 3 May 2021)

Ticker	Company	Currency	Share price \$	Mkt cap million	EV million	Net debt	Net debt / EV	Dividend Yield LTM	TSR Apr-21	EV / EBITDA				EV / EBIT				PE						
										Actual		Forecasts		Growth		Actual		Forecasts		Growth		Actual		Forecasts
										LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022
Household Goods Retail																								
ASX:HVN	Harvey Norman Holdings Limited	AUD	5.22	6,504	7,680	1,145	15%	7.3%	-8.3%	6.5x	7.0x	8.2x	-10.9%	7.3x	9.0x	11.5x	-20.1%	10.2x	11.6x	14.3x				
ASX:JBH	JB Hi-Fi Limited	AUD	47.04	5,404	5,613	209	4%	5.7%	-10.6%	6.3x	6.8x	7.5x	-8.9%	8.2x	9.5x	10.9x	-13.2%	13.2x	13.6x	15.9x				
NZSE:WHS	The Warehouse Group Limited	NZD	3.50	1,209	1,934	727	38%	3.7%	-6.1%	6.1x	5.3x	5.4x	5.4%	10.7x	9.4x	10.9x	-1.0%	13.8x	9.0x	11.0x				
ASX:ADH	Adairs Limited	AUD	4.32	730	825	95	11%	5.6%	19.9%	5.6x	6.0x	6.4x	-5.9%	7.8x	8.2x	8.7x	-5.2%	11.9x	10.8x	11.4x				
ASX:BLX	Beacon Lighting Group Limited	AUD	1.84	411	515	95	18%	3.6%	3.1%	6.7x	7.6x	7.6x	-5.8%	10.0x	11.3x	13.1x	-12.6%	14.3x	13.7x	15.9x				
ASX:NCK	Nick Scali Limited	AUD	10.55	855	991	137	14%	5.9%	15.4%	8.4x	8.2x	9.7x	-7.3%	11.3x	10.0x	11.8x	-2.2%	16.6x	12.4x	14.6x				
NZSE:SCY	Smiths City Group Limited	NZD	0.14	7	112	105	93%	0.0%	-	11.3x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m				
ASX:TRS	The Reject Shop Limited	AUD	5.96	228	310	82	26%	0.0%	-3.7%	2.4x	9.6x	7.5x	-43.7%	15.4x	17.4x	11.9x	13.4%	25.7x	19.5x	13.0x				
ASX:BBN	Baby Bunting Group Limited	AUD	5.82	752	873	121	14%	2.1%	12.5%	15.0x	12.1x	10.8x	17.8%	27.0x	19.3x	16.6x	27.4%	52.0x	27.1x	23.3x				
ASX:DSK	Dusk Group Limited	AUD	3.47	216	218	2	1%	4.3%	28.5%	5.4x	5.2x	5.0x	3.6%	7.1x	5.7x	5.6x	12.6%	11.4x	8.1x	7.8x				
	Mean									7.4x	7.5x	7.6x	-6.2%	11.6x	11.1x	11.2x	-0.1%	18.8x	14.0x	14.1x				
	Median									6.4x	7.0x	7.5x	-5.9%	10.0x	9.5x	11.5x	-2.2%	13.8x	12.4x	14.3x				
Household Goods Wholesale / Distribution																								
ASX:BRG	Breville Group Limited	AUD	25.73	3,575	3,505	(70)	-2%	1.3%	-1.1%	23.5x	20.7x	16.7x	18.4%	26.6x	25.9x	20.6x	13.7%	44.8x	35.2x	30.5x				
ASX:GUD	GUD Holdings Limited	AUD	12.94	1,219	1,428	210	15%	2.9%	15.9%	14.1x	11.9x	10.8x	14.3%	16.6x	13.3x	12.1x	17.1%	25.0x	18.1x	16.4x				
ASX:GWA	GWA Group Limited	AUD	3.10	822	1,020	198	19%	3.1%	3.5%	12.2x	11.5x	10.0x	10.3%	15.2x	15.2x	12.8x	11.2%	23.0x	20.0x	16.3x				
ASX:PTL	Pental Limited	AUD	0.42	57	55	(1)	-3%	6.0%	5.0%	4.0x	n/m	n/m	n/m	5.9x	n/m	n/m	n/m	9.7x	n/m	n/m				
ASX:SHM	Shiro Holdings Limited	AUD	0.96	91	86	(5)	-6%	7.3%	17.5%	3.2x	n/m	n/m	n/m	4.1x	n/m	n/m	n/m	7.6x	n/m	n/m				
ASX:LGL	Lynch Group Holdings Limited	-	3.23	394	468	-	0%	0.0%	-	0.0x	8.5x	7.8x	-100.0%	0.0x	12.3x	11.1x	-100.0%	n/m	13.6x	12.3x				
NZSE:CAV	Cavalier Corporation Limited	NZD	0.42	29	25	(4)	-15%	0.0%	7.1%	6.1x	n/m	n/m	n/m	22.5x	n/m	n/m	n/m	n/m	n/m	n/m				
NZSE:EBO	EBO Group Limited	AUD	31.00	5,071	5,651	545	10%	2.5%	1.9%	15.0x	14.2x	13.4x	5.7%	18.9x	17.0x	15.9x	9.1%	32.1x	23.3x	21.8x				
ASX:API	Australian Pharmaceutical Industries Limited	AUD	1.13	554	865	306	35%	3.1%	-8.8%	7.5x	6.1x	5.8x	13.5%	20.8x	11.2x	10.4x	41.1%	30.6x	12.4x	11.6x				
	Mean									9.5x	12.1x	10.8x	-6.3%	14.6x	15.8x	13.8x	-1.3%	24.7x	20.4x	18.1x				
	Median									7.5x	11.7x	10.4x	11.9%	16.6x	14.3x	12.5x	12.4%	25.0x	19.1x	16.4x				
Diversified Retail																								
ASX:WES	Wesfarmers Limited	AUD	54.85	62,191	68,762	6,571	10%	3.0%	3.6%	13.9x	13.3x	13.1x	3.1%	19.9x	18.5x	18.6x	3.3%	30.6x	27.0x	26.3x				
ASX:VTG	Vita Group Limited	AUD	0.82	135	154	19	12%	9.8%	-4.6%	2.4x	3.0x	2.8x	-7.1%	4.3x	4.0x	3.7x	8.2%	6.0x	5.2x	4.8x				
ASX:SUL	Super Retail Group Limited	AUD	12.10	2,733	3,202	469	15%	4.3%	3.6%	5.2x	4.7x	5.1x	1.0%	8.7x	9.0x	9.8x	-6.0%	12.8x	12.7x	13.9x				
	Mean									7.2x	7.0x	7.0x	-1.0%	11.0x	10.5x	10.7x	1.8%	16.4x	14.9x	15.0x				
	Median									5.2x	4.7x	5.1x	1.0%	8.7x	9.0x	9.8x	3.3%	12.8x	12.7x	13.9x				
Automotive Retail																								
ASX:APE	Eagers Automotive Limited	AUD	14.75	3,790	6,048	2,244	37%	1.7%	12.1%	13.6x	11.9x	12.9x	2.6%	21.8x	15.5x	17.3x	12.3%	34.6x	17.0x	19.6x				
ASX:ARB	ARB Corporation Limited	AUD	37.61	3,066	3,030	(37)	-1%	1.3%	17.1%	23.9x	20.2x	19.8x	9.9%	28.1x	26.8x	23.7x	8.9%	45.4x	32.9x	32.8x				
ASX:BAP	Bapcor Limited	AUD	7.42	2,518	2,818	298	11%	2.5%	5.0%	11.4x	10.2x	9.6x	8.6%	16.4x	14.5x	13.6x	9.9%	24.5x	19.7x	18.3x				
ASX:PWR	Peter Warren Automotive Holdings Limited	AUD	3.42	1,117	1,706	-	0%	0.0%	-	17.4x	n/m	n/m	n/m	23.4x	n/m	n/m	n/m	n/m	n/m	n/m				
ASX:MTO	MotorCycle Holdings Limited	AUD	2.79	172	224	51	23%	3.6%	12.5%	4.5x	5.2x	6.3x	-16.0%	6.1x	6.9x	9.0x	-17.7%	7.0x	7.7x	10.4x				
	Mean									14.2x	11.9x	12.2x	1.3%	19.2x	15.9x	15.9x	3.3%	27.9x	19.3x	20.3x				
	Median									13.6x	11.1x	11.3x	5.6%	21.8x	15.0x	15.4x	9.4%	29.5x	18.3x	18.9x				
Apparel / Accessories Retail																								
ASX:PMV	Premier Investments Limited	AUD	25.90	4,115	4,021	(94)	-2%	2.7%	4.4%	7.4x	8.8x	7.4x	0.0%	12.0x	18.9x	16.0x	-13.6%	19.6x	22.5x	21.2x				
ASX:LOV	Lovisa Holdings Limited	AUD	14.15	1,521	1,646	125	8%	1.4%	4.9%	36.8x	14.2x	10.9x	83.4%	n/m	30.4x	22.0x	n/m	n/m	42.4x	30.1x				
NZSE:KMD	Kathmandu Holdings Limited	NZD	1.57	1,113	1,404	286	20%	1.3%	6.6%	10.2x	6.1x	5.6x	35.5%	52.5x	11.9x	10.3x	125.5%	n/m	14.8x	12.5x				
ASX:MOZ	Mosaic Brands Limited	AUD	0.72	70	163	94	57%	0.0%	4.6%	3.6x	3.4x	3.3x	3.8%	n/m	5.7x	5.7x	n/m	n/m	3.7x	3.7x				
ASX:AX1	Accent Group Limited	AUD	2.71	1,467	1,815	347	19%	4.4%	28.9%	8.0x	7.3x	6.9x	7.9%	15.6x	14.8x	13.6x	7.3%	22.9x	19.1x	17.7x				
NZSE:HLG	Hallenstein Glasson Holdings Limited	NZD	7.35	438	482	44	9%	6.4%	2.0%	6.1x	n/m	n/m	n/m	10.7x	n/m	n/m	n/m	16.6x	n/m	n/m				
ASX:UNI	Universal Store Holdings Limited	AUD	7.65	560	598	38	6%	0.7%	26.7%	7.7x	11.9x	10.5x	-14.4%	16.5x	13.0x	11.5x	19.6%	36.3x	20.9x	15.6x				
NZSE:MHJ	Michael Hill International Limited	AUD	0.89	328	378	50	13%	1.7%	27.1%	4.7x	3.5x	3.6x	14.1%	13.6x	6.0x	7.1x	38.2%	22.5x	7.8x	9.6x				
ASX:CCX	City Chic Collective Limited	AUD	4.45	1,018	958	(60)	-6%	0.0%	17.9%	26.6x	20.4x	16.7x	26.3%	45.6x	25.0x	19.6x	52.6%	n/m	37.1x	29.0x				
	Mean									12.4x	9.4x	8.1x	19.6%	23.8x	15.7x	13.2x	38.3%	23.6x	21.0x	17.4x				
	Median									7.7x	8.1x	7.2x	11.0%	15.6x	13.9x	12.5x	28.9%	22.5x	20.0x	16.6x				

Source: CapitalIQ, as at 10 May 2021

Ticker	Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM	TSR Apr-21	EV / EBITDA				EV / EBIT				PE						
									Actual		Forecasts		Growth		Actual		Forecasts		Growth		Actual		Forecasts
									LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022
Media																							
ASX:SEK	SEEK Limited	AUD	30.25	10,653	12,178	1,196	10%	0.0%	10.8%	44.9x	26.9x	25.8x	31.9%	n/m	39.0x	36.0x	n/m	n/m	n/m	51.3x			
ASX:REA	REA Group Limited	AUD	160.44	21,197	21,423	144	1%	0.7%	13.7%	49.6x	36.4x	29.6x	29.4%	52.5x	40.3x	33.3x	25.6%	n/m	n/m	46.6x			
ASX:CAR	carsales.com Ltd	AUD	19.51	4,812	5,235	421	8%	2.6%	14.9%	26.1x	20.2x	18.4x	19.0%	29.5x	23.5x	21.1x	18.2%	47.3x	31.6x	28.2x			
ASX:IFM	Infomedia Ltd	AUD	1.56	586	494	(92)	-19%	2.8%	3.3%	27.3x	9.3x	8.0x	84.4%	20.4x	17.0x	14.1x	20.6%	36.1x	27.0x	22.6x			
	Mean									37.0x	23.2x	20.5x	41.2%	34.1x	29.9x	26.1x	21.5%	41.7x	29.3x	37.2x			
	Median									36.1x	23.6x	22.1x	30.7%	29.5x	31.2x	27.2x	20.6%	41.7x	29.3x	37.4x			
E-commerce																							
ASX:KGN	Kogan.com Ltd	AUD	10.61	1,129	1,063	(65)	-6%	2.8%	-8.9%	15.2x	13.6x	11.8x	13.4%	16.7x	15.4x	13.0x	13.5%	26.6x	23.2x	19.9x			
ASX:WEB	Webjet Limited	AUD	4.83	2,021	2,101	80	4%	0.0%	-8.4%	n/m	n/m	12.9x	n/m	n/m	n/m	26.8x	n/m	n/m	n/m	32.4x			
ASX:BKG	Booktopia Group Limited	AUD	2.55	350	346	(4)	-1%	0.0%	3.4%	31.7x	20.6x	14.4x	48.5%	36.8x	29.9x	19.3x	38.2%	n/m	n/m	33.2x			
ASX:MPA	Mad Paws Holdings Limited	AUD	0.19	41	44	4	8%	0.0%	-7.7%	0.0x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m			
ASX:CTT	Cettire Limited	AUD	1.60	610	565	(45)	-8%	0.0%	17.5%	n/m	n/m	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	3.40	320	295	(25)	-8%	0.0%	-5.5%	51.5x	n/m	27.9x	35.8%	n/m	n/m	33.7x	n/m	n/m	n/m	52.0x			
ASX:TPW	Temple & Webster Group Ltd	AUD	10.80	1,301	1,217	(84)	-7%	0.0%	14.4%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m			
	Mean									24.6x	17.1x	16.8x	32.6%	26.7x	22.7x	23.2x	25.8%	26.6x	23.2x	34.4x			
	Median									23.4x	17.1x	13.6x	35.8%	26.7x	22.7x	23.0x	25.8%	26.6x	23.2x	32.8x			
Department Stores																							
ASX:MYR	Myer Holdings Limited	AUD	0.30	246	1,788	1,543	86.3%	0.0%	-7.4%	6.6x	5.0x	5.0x	14.8%	25.5x	13.2x	13.9x	35.2%	n/m	14.2x	11.5x			
Supermarkets																							
ASX:WOW	Woolworths Group Limited	AUD	40.50	51,279	67,483	15,877	24%	2.5%	-2.4%	11.7x	10.6x	10.2x	6.9%	19.0x	17.8x	17.1x	5.4%	30.5x	25.9x	24.4x			
ASX:COL	Coles Group Limited	AUD	16.21	21,623	30,753	9,130	30%	3.7%	3.8%	9.6x	8.9x	8.6x	5.9%	17.3x	16.1x	15.5x	5.7%	24.2x	23.3x	20.0x			
ASX:MTS	Metcash Limited	AUD	3.45	3,527	4,225	684	16%	4.2%	-3.0%	8.6x	7.6x	7.5x	6.7%	11.7x	10.8x	10.7x	4.5%	15.9x	14.3x	14.4x			
	Mean									10.0x	9.0x	8.8x	6.5%	16.0x	14.9x	14.5x	5.2%	23.5x	21.2x	19.6x			
	Median									9.6x	8.9x	8.6x	6.7%	17.3x	16.1x	15.5x	5.4%	24.2x	23.3x	20.0x			
Restaurants / Fast Food																							
ASX:DMP	Domino's Pizza Enterprises Limited	AUD	105.05	9,089	10,240	1,151	11%	1.3%	10.5%	28.9x	22.5x	19.9x	20.3%	41.8x	32.2x	27.9x	22.4%	n/m	44.5x	38.3x			
ASX:RFG	Retail Food Group Limited	AUD	0.08	159	283	124	44%	0.0%	5.7%	16.9x	n/m	n/m	n/m	34.7x	n/m	n/m	n/m	n/m	n/m	n/m			
NZSE:RBD	Restaurant Brands New Zealand Limited	NZD	13.89	1,733	2,523	790	31%	0.0%	0.8%	19.5x	13.6x	12.6x	24.3%	42.8x	22.3x	20.0x	46.5%	n/m	28.9x	24.6x			
ASX:CKF	Collins Foods Limited	AUD	10.91	1,272	1,827	555	30%	1.9%	8.6%	11.1x	11.0x	10.5x	3.0%	21.5x	17.7x	16.4x	14.4%	37.8x	23.6x	21.0x			
	Mean									19.1x	15.7x	14.4x	15.9%	35.2x	24.1x	21.4x	27.8%	37.8x	32.3x	28.0x			
	Median									18.2x	13.6x	12.6x	20.3%	38.3x	22.3x	20.0x	22.4%	37.8x	28.9x	24.6x			
Other																							
ASX:ELD	Elders Limited	AUD	11.67	1,825	2,063	237	12%	1.9%	-1.4%	12.7x	11.6x	11.1x	6.9%	17.1x	15.0x	13.8x	11.5%	27.3x	14.1x	13.4x			
ASX:FLT	Flight Centre Travel Group Limited	AUD	15.63	3,115	2,830	(285)	-10%	0.0%	-5.0%	n/m	n/m	9.0x	n/m	n/m	n/m	20.4x	n/m	n/m	n/m	36.9x			
ASX:ART	Airtasker Limited	AUD	1.15	452	438	(14)	-3%	0.0%	-0.8%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m			
ASX:CCV	Cash Converters International Limited	AUD	0.23	141	-	38	n/m	4.4%	2.2%	0.0x	n/m	n/m	n/m	0.0x	n/m	n/m	n/m	8.1x	n/m	n/m			
ASX:MEA	McGrath Limited	AUD	0.65	108	106	(2)	-1%	0.8%	8.9%	7.8x	n/m	n/m	n/m	13.1x	n/m	n/m	n/m	26.9x	n/m	n/m			
	Mean									6.8x	11.6x	10.1x	6.9%	10.1x	15.0x	17.1x	11.5%	20.8x	14.1x	25.2x			
	Median									7.8x	11.6x	10.1x	6.9%	13.1x	15.0x	17.1x	11.5%	26.9x	14.1x	25.2x			

Source: CapitalIQ, as at 10 May 2021

Ticker	Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM	TSR Apr-21	EV / EBITDA				EV / EBIT				PE			
									Actual	Forecasts		Growth	Actual	Forecasts		Growth	Actual	Forecasts		
									LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022	LTM-19	LTM	CY2021	CY2022	
FMCG - Beverage																				
ASX:CCL	Coca-Cola Amatil Limited	AUD	13.30	9,629	11,472	1,524	13%	2.0%	0.3%	13.4x	12.1x	11.2x	9.6%	21.0x	18.3x	16.4x	13.2%	28.4x	24.6x	21.8x
ASX:TWE	Treasury Wine Estates Limited	AUD	10.09	7,279	8,346	1,062	13%	2.3%	-3.0%	14.2x	12.8x	11.7x	10.2%	19.1x	19.3x	15.1x	12.4%	32.6x	23.5x	20.5x
NZSE:DGL	Delegat Group Limited	NZD	14.90	1,507	1,870	363	19%	1.1%	3.2%	14.4x	14.9x	14.3x	0.6%	17.4x	17.7x	16.9x	1.6%	24.7x	21.9x	20.7x
ASX:AVG	Australian Vintage Ltd	AUD	0.74	206	313	107	34%	3.7%	5.0%	7.3x	7.1x	6.8x	3.5%	11.0x	9.8x	9.7x	6.7%	12.9x	10.2x	10.0x
ASX:GDA	Good Drinks Australia Ltd	AUD	0.10	121	138	17	12%	0.0%	-5.1%	21.2x	n/m	n/m	n/m	48.7x	n/m	n/m	n/m	n/m	n/m	n/m
	Mean									14.1x	11.7x	11.0x	6.0%	23.4x	16.3x	14.5x	8.5%	24.7x	20.0x	18.2x
	Median									14.2x	12.4x	11.4x	6.6%	19.1x	18.0x	15.8x	9.5%	26.6x	22.7x	20.6x
FMCG - Food & Dairy																				
NZSE:FCG	Fonterra Co-operative Group Limited	NZD	3.46	5,582	11,476	5,884	51%	2.9%	-7.1%	7.5x	n/m	n/m	n/m	11.5x	n/m	n/m	n/m	13.0x	n/m	n/m
ASX:BGA	Bega Cheese Limited	AUD	6.09	1,843	1,702	(141)	-8%	1.6%	1.4%	16.6x	9.2x	7.0x	54.4%	27.9x	13.6x	10.6x	62.2%	38.2x	27.1x	18.3x
NZSE:ATM	The a2 Milk Company Limited	NZD	6.62	4,921	4,164	(757)	-18%	0.0%	-10.4%	9.0x	12.6x	11.7x	-12.5%	9.1x	15.4x	12.3x	-14.1%	16.9x	22.1x	20.3x
ASX:FNP	Freedom Foods Group Limited	AUD	0.41	112	606	494	81%	0.0%	-18.0%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
NZSE:SML	Synlait Milk Limited	NZD	3.21	702	1,200	499	42%	0.0%	-2.1%	8.1x	10.4x	7.2x	5.9%	12.6x	25.8x	11.3x	5.2%	12.8x	28.8x	11.4x
	Mean									10.3x	10.7x	8.6x	15.9%	15.3x	18.3x	11.4x	17.8%	20.2x	26.0x	16.6x
	Median									8.5x	10.4x	7.2x	5.9%	12.0x	15.4x	11.3x	5.2%	15.0x	27.1x	18.3x
FMCG - Food (Production)																				
ASX:ING	Inghams Group Limited	AUD	3.25	1,208	3,086	1,879	61%	4.4%	-4.1%	10.5x	6.8x	6.6x	26.6%	23.3x	19.5x	15.5x	22.9%	28.1x	13.5x	11.9x
ASX:AAC	Australian Agricultural Company Limited	AUD	1.14	687	1,072	385	36%	0.0%	-3.4%	n/m	35.6x	24.1x	n/m	n/m	n/m	32.8x	n/m	n/m	n/m	n/m
ASX:CGC	Costa Group Holdings Limited	AUD	4.58	1,836	2,326	462	20%	2.0%	-1.5%	11.4x	10.3x	9.5x	9.4%	21.4x	17.1x	15.8x	16.4%	40.6x	22.5x	20.7x
ASX:SHV	Select Harvests Limited	AUD	6.16	741	1,063	322	30%	2.1%	-2.5%	13.2x	20.2x	11.9x	5.2%	27.7x	33.2x	15.8x	32.2%	26.1x	36.2x	16.4x
ASX:TGR	Tassal Group Limited	AUD	3.67	779	1,253	474	38%	4.4%	10.5%	7.5x	8.7x	7.6x	-1.0%	13.8x	12.9x	10.9x	12.3%	15.6x	13.0x	10.9x
NZSE:SAN	Sanford Limited	NZD	4.74	443	669	225	34%	1.1%	1.3%	9.7x	10.9x	8.7x	5.1%	19.5x	20.3x	14.7x	15.2%	27.9x	24.5x	16.0x
ASX:HVO	Huon Aquaculture Group Limited	AUD	2.42	266	557	291	52%	0.0%	-0.8%	11.6x	13.4x	8.0x	20.9%	n/m	n/m	20.8x	n/m	n/m	n/m	19.1x
	Mean									10.7x	15.1x	10.9x	11.0%	21.1x	20.6x	18.0x	19.8%	27.7x	21.9x	15.8x
	Median									11.0x	10.9x	8.7x	7.3%	21.4x	19.5x	15.8x	16.4%	27.9x	22.5x	16.2x
FMCG - Personal Care																				
ASX:AHY	Asaleo Care Limited	AUD	1.41	766	884	118	13%	2.1%	1.1%	10.1x	9.6x	8.9x	6.8%	14.3x	13.7x	12.8x	5.9%	22.9x	18.7x	16.8x
ASX:BWV	BWV Limited	AUD	4.62	649	617	(32)	-5%	0.8%	-1.1%	21.2x	15.0x	12.4x	30.4%	27.8x	19.5x	14.9x	36.6%	45.4x	31.2x	22.9x
NZSE:CVT	Comvita Limited	NZD	3.36	233	261	27	10%	0.0%	10.8%	9.3x	10.1x	9.1x	1.1%	14.4x	16.9x	14.4x	0.2%	22.1x	21.8x	18.0x
ASX:BKL	Blackmores Limited	AUD	67.15	1,300	1,260	(43)	-3%	0.4%	-9.6%	20.2x	14.7x	12.1x	29.3%	34.6x	22.0x	15.8x	48.1%	n/m	33.7x	25.3x
ASX:EZZ	EZZ Life Science Holdings Limited	AUD	0.60	25	22	(4)	-17%	0.0%	-9.6%	6.3x	n/m	n/m	n/m	6.5x	n/m	n/m	n/m	8.7x	n/m	n/m
ASX:SSG	Shaver Shop Group Limited	AUD	1.07	137	126	(11)	-9%	5.5%	-3.4%	3.2x	3.1x	2.7x	9.4%	4.9x	4.8x	3.9x	11.6%	8.6x	7.9x	7.1x
ASX:MCP	McPherson's Limited	AUD	1.43	183	193	10	5%	7.4%	9.3%	9.8x	8.8x	8.2x	9.8%	13.1x	11.3x	10.3x	12.9%	18.5x	16.2x	14.3x
	Mean									11.4x	10.2x	8.9x	14.5%	16.5x	14.7x	12.0x	19.2%	21.0x	21.6x	17.4x
	Median									9.8x	9.9x	9.0x	9.6%	14.3x	15.3x	13.6x	12.2%	20.3x	20.3x	17.4x

Source: CapitalIQ, as at 10 May 2021

Retail sector trends

As reported by the ABS, the seasonally adjusted Australian retail turnover for March 2021 trends are as follows:

- **Food retailing:** The seasonally adjusted estimate for Food retailing fell 0.9% in March 2021. By industry subgroup, the seasonally adjusted estimate fell for Supermarkets and grocery stores (-1.2%), Liquor retailing (-0.6%), and rose for Other specialised food retailing (1.4%).
- **Household goods retailing:** The seasonally adjusted estimate for Household goods retailing fell 0.1% in March 2021. By industry subgroup, the seasonally adjusted estimate rose for Furniture, floor coverings, houseware and textile goods retailing (0.2%), Hardware, building and garden supplies retailing (1.9%) and fell for Electrical and electronic goods retailing (-2.1%).
- **Clothing, footwear and personal accessory retailing:** The seasonally adjusted estimate for Clothing, footwear and personal accessory retailing rose 5.4% in March 2021. By industry subgroup, the seasonally adjusted estimate rose for Clothing retailing (5.6%), and Footwear and other personal accessory retailing (5.0%).
- **Department stores:** The seasonally adjusted estimate for Department stores rose 8.5% in March 2021.
- **Cafes, restaurants and take-away food services:** The seasonally adjusted estimate for Cafes, restaurants and takeaway food services rose 4.8% in March 2021. By industry subgroup, the seasonally adjusted estimate rose for Cafes, restaurants and catering services (5.9%) and Takeaway food services (3.5%).
- **Other retailing:** The seasonally adjusted estimate for Other retailing rose 1.4% in March 2021. By industry subgroup, the seasonally adjusted estimate rose for Pharmaceutical, cosmetic and toiletry goods retailing (1.5%), Newspaper and book retailing (2.7%), Other retailing n.e.c. (2.3%) and fell for Other recreational goods retailing (-3.0%).

Source: ABS data released 10 May 2021. Data refers to the seasonally adjusted estimates by industry



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