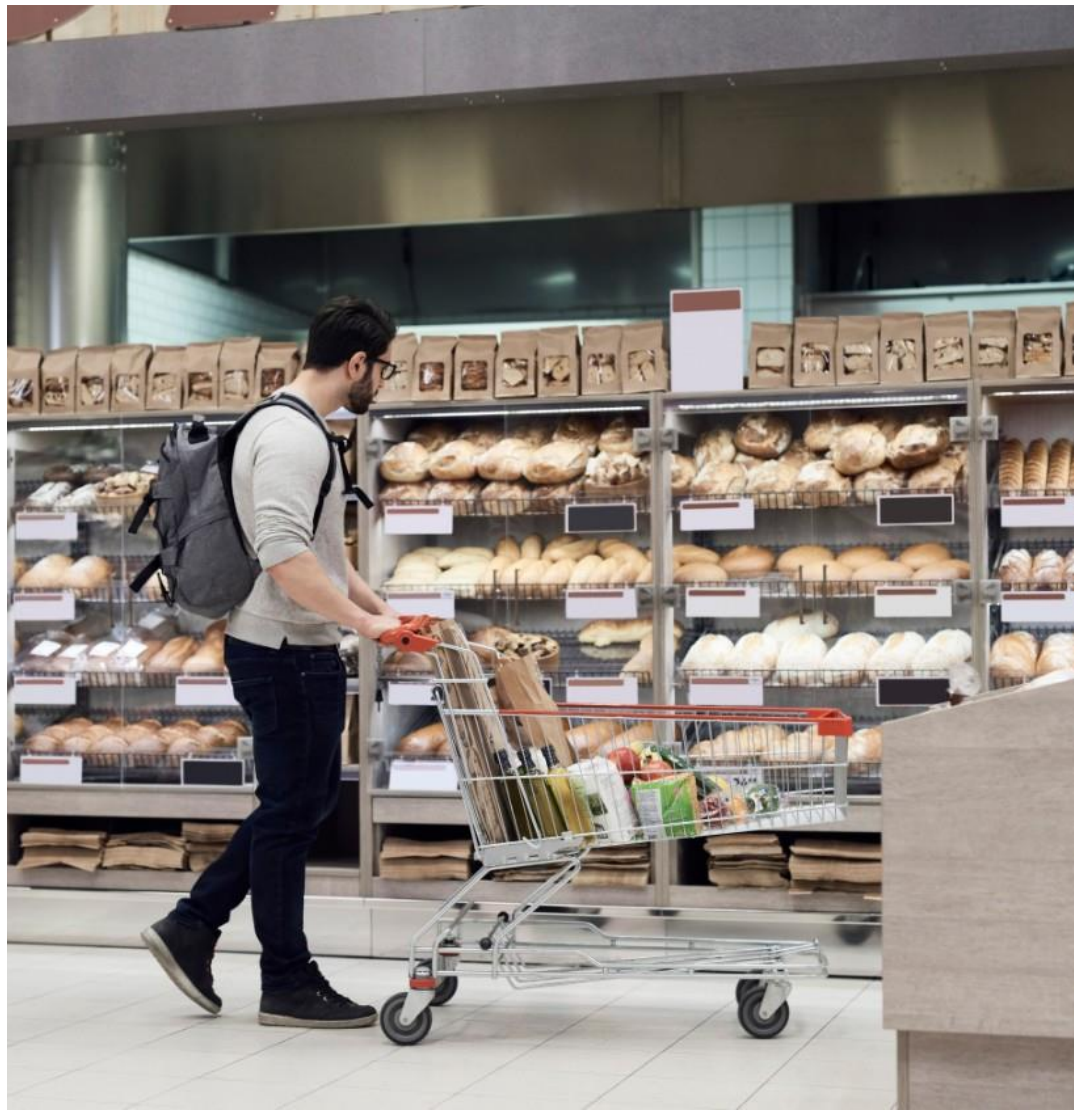


# Retail and Consumer Deals Digest

September 2020



# Retail and Consumer Deals Digest

## Consumer confidence drops as new outbreaks of COVID-19 continue in NSW and QLD

August witnessed a drop in consumer sentiment reaching a low of 90.2 (compared to 114.4 at the same time last year). Confidence declined 2.5pts in last week of August, and is now 24.2pts lower than a year ago.

Compared with July figures, economic conditions improved slightly. In August, consumer sentiment reached a high of 92.7, before dropping to 90.2 towards the end of August.

“Confidence declined last week, after two successive gains. The weakness was predominantly due to declines outside of New South Wales and the continued Victoria lockdown. Confidence is now below the neutral level of 100 in all the major cities”. – **David Plank, ANZ Head of Australian Economics, 1 September 2020**

## Latest Australian ABS trade results

The latest Australian Bureau of Statistics (ABS) Retail Trade figures show that Australian retail turnover rose by 3.2% in July 2020 (seasonally adjusted), which follows a rise of 2.7% in June 2020, and a rise of 16.9% in May 2020.

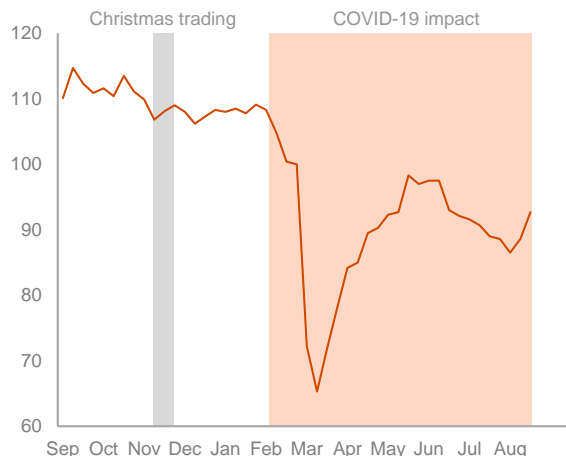
The following industries rose in seasonally adjusted terms in July 2020: Household goods retailing (4.0%), Other retailing (4.4%), Cafes, restaurants and takeaway food services (4.9%), Food retailing (1.2%), Clothing, footwear and personal accessory retailing (7.1%), and Department stores (4.0%).

The following states and territories rose in seasonally adjusted terms in July 2020: New South Wales (5.9%), Queensland (5.0%), Western Australia (3.8%), South Australia (2.9%), the Australian Capital Territory (5.8%), Tasmania (4.2%), and the Northern Territory (3.1%). Victoria (-2.1%) fell in seasonally adjusted terms.

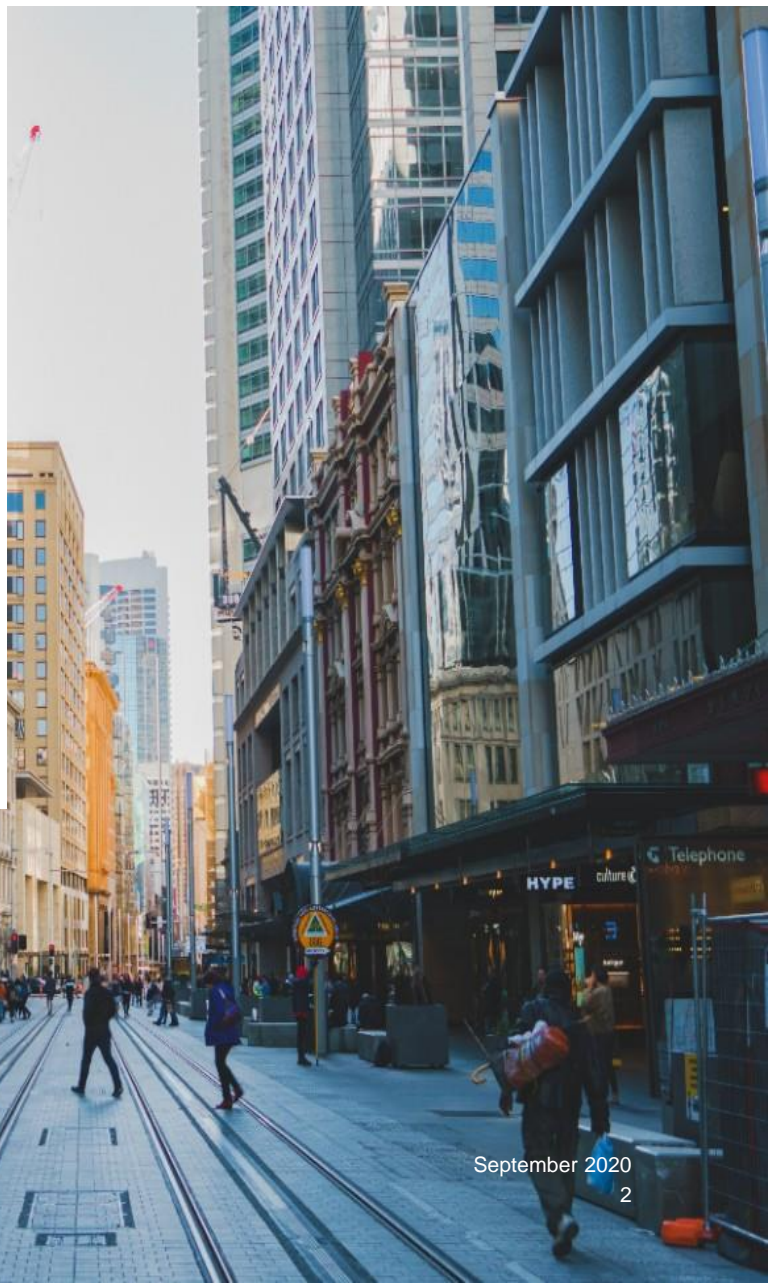
Trading and consumer behaviour remains bolstered by some consumer re-emergence from lockdown in most states, coupled with the continuation of JobKeeper, superannuation withdrawals and mortgage / tax bill holidays, as Australian consumers reallocate discretionary spend away from travel into categories such as food, electronics homewares and eCommerce.

Sources: Australian Bureau of Statistics data released 4 September 2020. 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<sup>(1)</sup> decreased in value compared to the prior comparable period (PCP), with volumes declining significantly. 11 deals totalling AUD\$1.4bn were announced in the FY21TD period, versus 31 in the PCP, valued at AUD\$20.9bn.

In the last twelve months (LTM), deal value compared to the PCP has declined significantly with deal volume also witnessing a fall, from 167 announced deals (AUD\$54.9bn)<sup>(2)</sup> to 119 (AUD\$11.2bn).

### Australia and New Zealand Announced Retail and Consumer deals (FY2021TD<sup>(1)</sup> and LTM vs. PCP)

Deal value (in A\$m)	FY2021TD <sup>(1)</sup>		PCP <sup>(2)</sup>		LTM		PCP <sup>(2)</sup>	
	# 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	0	0	3	30	8	74	14	127
\$11 to \$20M	4	64	5	79	20	323	24	359
\$21 to \$30M	1	26	1	22	12	319	11	283
\$31 to \$50M	3	138	2	90	13	543	12	515
\$51 to \$100M	0	0	3	225	17	1,102	12	973
\$101 to \$300M	0	0	0	0	5	787	11	2,105
\$301 to \$500M	1	459	1	500	4	1,612	4	1,689
>\$500M	1	758	3	20,024	7	6,432	12	48,845
<b>Subtotal</b>	<b>10</b>	<b>1,445</b>	<b>18</b>	<b>20,970</b>	<b>86</b>	<b>11,192</b>	<b>100</b>	<b>54,896</b>
Undisclosed	1	n/a	13	n/a	33	n/a	67	n/a
<b>Total Announced</b>	<b>11</b>	<b>1,445</b>	<b>31</b>	<b>20,970</b>	<b>119</b>	<b>11,192</b>	<b>167</b>	<b>54,896</b>
<b>Total Completed</b>	<b>3</b>	<b>74</b>	<b>24</b>	<b>19,989</b>	<b>95</b>	<b>7,411</b>	<b>155</b>	<b>53,711</b>

Source: Mergermarket, based on announced and completed transactions as at 31 August 2020

(1) FY2021TD refers to the period 1 July 2020 to 31 August 2020, reflecting the latest available Mergermarket data (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

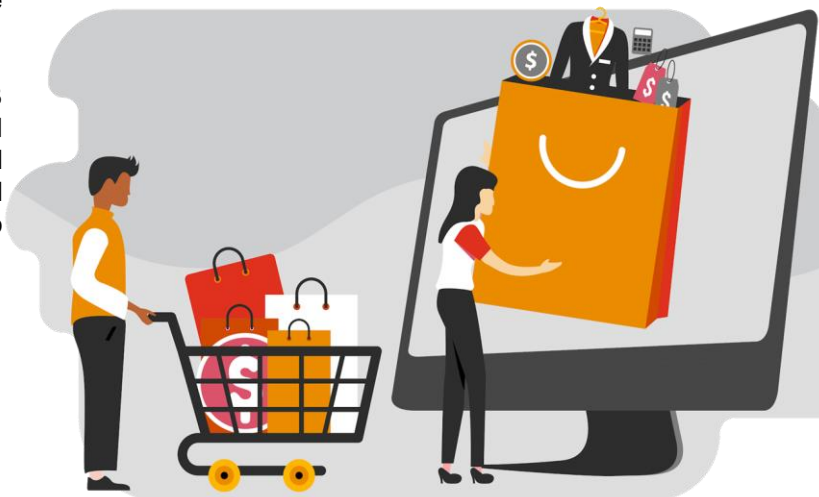
- 10 September 2020 - Former Myer chief executive Bernie Brookes acquired a 90% stake in the designer-inspired private label handbags, jewellery and accessories business Colette by Colette Hayman, which went into administration in February 2020.** Brookes cited the business' strong brand, private label margins and customer base as strategic rationale for the acquisition. Brookes plans to close c. 75% of Colette by Colette Hayman's 138 stores and retain only one-third of the group's permanent 300 staff. Colette's focus was to now become a true omnichannel business, with just 35 bricks and mortar outlets and a substantial online presence, which would position itself for an upturn once the COVID-19 pandemic had passed. Brookes will become the Executive Chairman of the business alongside John Skellern, a former Myer and Woolworths executive, as CEO.
- 1 September 2020 - Metcash (ASX: MTS) completed the A\$57m acquisition of 70% in Total Tools Holdings Pty Ltd (Total Tools), franchisor and specialist tools retailer, through its Independent Hardware Group (IHG) division.** The acquisition structure includes a clear pathway for Metcash to acquire the remaining 30% stake in Total Tools by early 2024 by way of put and call arrangements. On review of the proposed transaction, the ACCC considered that IHG stores compete more closely with Bunnings and other multi-category hardware stores, whilst Total Tools competes more closely with tool specialists, such as Sydney Tools. Through provision of a debt facility, Metcash will support the business' growth plans and future acquisition of an ownership interest in a select number of stores. The acquisition is reported to be in line with Metcash's strategy to be the leading supplier to independents in all three areas in which it operates - food, liquor and hardware – and supports Total Tools' vision to remain a leading professional tool retail network.
- 19 August 2020 - Supermarket giant Woolworths (ASX:WOW) announced the acquisition of a 65% stake in the Australian food service distributor PFD Food Services for over A\$552 million,** which includes the acquisition of PFD's freehold distribution centre properties that will be leased back to PFD. The founding Smith family will retain the remaining 35% stake in PFD, which Woolworths will have the option to acquire in coming years. The acquisition supports Woolworths' strategic objective to bolster its food offering for business customers, enhance store range localisation and provide fleet synergies through better route and capacity optimisation across the combined network. The transaction is subject to ACCC approval and customary closing conditions. Completion is expected by the end of this calendar year.
- 11 August 2020 - Quadrant Private Equity's growth fund acquired a majority stake in smartphone mounting system manufacturer Quad Lock.** The direct-to-consumer model owned by Annex Products, was founded in 2011 in Melbourne by Rob Ward and Chris Peters, who will remain invested in the company. Quad Lock manufactures mounts that secure smartphones to bikes, motor bikes, cars and sports arm bands and ships its products to 100+ countries globally. The company seeks to use the funds to accelerate product range expansion and continue international growth. Quadrant's investment in Quad Lock will be the sixth investment from the A\$400 million Quadrant Growth Fund which was raised in April 2019.
- 6 August 2020 - Burderim Group (ASX:BUG), announced the divestment of its ginger and tourism business assets (The Ginger Division) for a total consideration of A\$13 million to the Queensland based Himstedt family.** The Ginger Division assets include the ginger factory in Yandina, Queensland, the brands Burderim Ginger and The Ginger Factory along with subsidiaries Frespac Ginger and Ginger Head Quarters. The Burderim Group reportedly sold its Ginger Division in order to focus on expanding its macadamia business. The company also intends to explore other adjacent opportunities in health and protein food products. Proceeds from the transaction will go towards these efforts, as well as debt reduction and working capital.

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

## Also recently in the news

- **Heritage jewellery brand Swarovski plans to establish its new store**, interactive Crystal Studio concept, in Sydney next month, following Milan, Shanghai, London, Beijing and Paris.
- **Online rug retailer Miss Amara has relaunched YP Threads, a Brisbane-based party shirt business** that went into liquidation in June, after acquiring it for an undisclosed sum.
- **Wholesale distributor of hardware brands Metcash acquired a 70% stake in franchisor Total Tools Holdings for A\$57 million.** It also seeks to acquire the remaining 30% stake by early 2024 through put and call arrangements.
- **Jewellery retailer Michael Hill officially launched pureplay digital brand Medley**, which aims to serve as an on-trend offering. The brand would be available to consumers online and will offer products across a mix of metals including silver, yellow 18k gold plated, solid 10k gold and rose gold plated.
- **Mosaic Brands, a specialty fashion retailer group which has been witnessing significant losses, plans to close 300-500 stores over next two years.** The move is primarily to distance itself from long-term leases, with around 87% of its leases ending in the next two years.
- **Rebel, a sports brand retailer, focuses to grow through strategic partnerships and has recently formed alliance with Armour** to be exclusive retail partner in Australia until 2025. It also partnered with Fanatics, to offer its merchandise in the Rebel stores and website.
- **Australian beauty retailer Mecca announced expansion into the Chinese market** and launched its luxury flagship store at online marketplace Tmall.
- **Australian mountain biking business MTB Direct announced expansion to New Zealand** with the recent launch of a local website and shipping offer. The retailer has already connected with a range of wholesalers in New Zealand, to offer the products across the country.
- **Dutch denim brand G-Star Raw, announced the closure of all 57 of its brick-and-mortar stores in Australia** after voluntary administrators failed to find a buyer, post its collapse in May. A half dozen potential buyers reportedly showed interest in the business over the past three months, but declined to proceed.
- **Longtail UX, an Australian based online shopping technology company, announced to raise A\$2.25 million from W23, Woolworths Group's venture capital arm, and Global Retail Brands.** The company plans to utilise the funds for international expansion and the launch of a new digital advertising solution.
- **Swimwear and women's beachwear fashion brand, Seafolly, which is still in a state of administration, has announced acquisition of already collapsed swimwear brand, Rival Jets.** The acquisition is anticipated as a strategic move to help lift both companies out of voluntary administration.
- **David Jones and BP unveiled plans to open another 21 gourmet convenience stores in Melbourne and Sydney** by the end of the year. The expansion is part of a joint venture, which will bring the total number of dual-branded sites to 31 in the country.

Source: Inside Retail



## Also recently in the news

- **Freedom Foods**, an Australia-based food producer, hired **Moelis Australia** as a capital and strategic adviser and asked **Moelis** to consider all options for the recapitalization of the business. The Perich family, which owns 53% of Freedom, also seeks to invest in the company for the long term
- **Fashion retailer, PAS Group**, administrators recommended the creditors to execute a **DOCA** for each of the PAS Group companies and administrators are currently assessing the offers. The company also divested the **JETS** swimwear business to **Seafolly**, for ~A\$1 million
- The Australian reported **Wesfarmers**, an Australian conglomerate, could consider selling **Officeworks**, an Australia-based office products retailer, following a strategic review of its retail operations. Officeworks' future is thought to be under consideration as part of the review, with the company undecided about whether the segment should remain in its portfolio
- **Pental Group**, an Australian owner of household cleaning, laundry and personal care brands, has hired **Lempriere Capital** to look for potential targets, as reported by the Australian Financial Review. The company seeks to invest in niche, eco-friendly brands that would enhance its existing portfolio focuses on companies with revenue ~A\$20 million and earnings ~A3 million
- **China-based Mengniu Dairy** announced that it has terminated the agreement to acquire Australia-based dairy business **Lion Dairy & Drinks** from **Kirin Foods Australia Holdings** for **A\$600m**. The deal was announced in November 2019
- As reported by the AFR, the **ASX listed Bega Cheese**, has hired **Kidder Williams and Addisons** to help it consider a bid for **Lion Dairy and Drink**, and seeks to undertake an equity raising to help fund the acquisition
- As reported by The Australian, **Coles Group** is expected to consider a bid for **Superior Food Services**, an Australia-based food services distribution business. **Quadrant Private Equity** hired **Stanton Road Partners** to sell the business earlier this year, which is estimated to be valued around **A\$700 million**
- **McPherson's**, an Australia-based personal care, health, and household products manufacturer, is seeking to make strategic acquisitions or joint ventures to accelerate growth. The management sees growth opportunities in North America and Europe, starting with the UK and would look for potential targets both in Australia and offshore markets
- As reported by the Australian, **Quadrant Private Equity**, plans to list its portfolio company, **Adore Beauty**, an Australia-based online cosmetics retailer, but may also look for some potential buyer for the cosmetic retailer, which could be valued between **A\$400 million** and **A\$600 million**
- **Koala**, an Australia-based online mattress and furniture retailer, seeks to raise funds to finance its product expansion and growth plans, as reported by AFR. The company has hired **JPMorgan** and **Ord Minnetto** to raise **A\$60 million** from HNI's or institutional investors. **The business is anticipated to be valued ~A\$500 million**
- As reported by the Australian, **Quadrant Private Equity**, has hired **Jefferies** to divest its Australian furniture business, **Amart Furniture**, which has **~69 stores across Australia** and annual **EBITDA of ~A\$60 million**. **Jefferies** has also been working with **Quadrant** on the sale of its tourism business **Journey Beyond**

Source: MergerMarket



Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM %	TSR % Aug-20	EV / EBITDA				EV / EBIT				PE				
								Actual		Forecasts		Growth	Actual		Forecasts		Growth	Actual		Forecasts
								LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020	LTM	CY2019
<b>Restaurants / Fast Food</b>																				
Domino's Pizza Enterprises Limited	AUD	81.22	7,027	8,258	15%	1.5	10%	32.1x	28.0x	21.0x	23.8%	39.5x	36.3x	33.0x	9.4%	n/m	47.5x	43.8x		
Retail Food Group Limited	AUD	0.06	136	275	51%	-	6%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m		
Restaurant Brands New Zealand Limited	NZD	12.06	1,505	2,057	27%	-	2%	17.9x	21.0x	19.8x	-4.7%	25.4x	42.0x	32.6x	-11.8%	43.6x	38.0x	31.1x		
Collins Foods Limited	AUD	10.05	1,172	1,767	34%	2.0	9%	14.6x	14.7x	14.4x	0.7%	21.3x	22.3x	22.2x	-2.0%	36.5x	24.9x	25.6x		
<b>Mean</b>								<b>21.6x</b>	<b>21.2x</b>	<b>18.4x</b>	<b>6.6%</b>	<b>28.7x</b>	<b>33.5x</b>	<b>29.2x</b>	<b>-1.4%</b>	<b>40.0x</b>	<b>36.8x</b>	<b>33.5x</b>		
<b>Median</b>								<b>17.9x</b>	<b>21.0x</b>	<b>19.8x</b>	<b>0.7%</b>	<b>25.4x</b>	<b>36.3x</b>	<b>32.6x</b>	<b>-2.0%</b>	<b>40.0x</b>	<b>38.0x</b>	<b>31.1x</b>		
<b>FMCG - Beverage</b>																				
Coca-Cola Amatil Limited	AUD	9.10	6,588	8,797	21%	3.8	12%	11.1x	9.3x	10.5x	2.6%	16.5x	14.2x	17.7x	-3.4%	20.1x	17.4x	21.4x		
Treasury Wine Estates Limited	AUD	9.07	6,538	8,018	18%	3.1	-14%	13.5x	11.1x	11.2x	9.6%	15.5x	11.2x	16.5x	-3.1%	24.3x	14.2x	22.7x		
Delegat Group Limited	NZD	14.20	1,436	1,770	19%	1.2	9%	15.7x	16.8x	15.0x	2.2%	18.5x	19.8x	18.2x	0.9%	27.0x	25.8x	23.0x		
Australian Vintage Ltd	AUD	0.48	135	261	48%	5.6	7%	9.6x	9.3x	7.6x	12.5%	13.6x	16.9x	12.2x	5.4%	12.9x	12.0x	11.2x		
Gage Roads Brewing Co. Limited	AUD	0.05	63	81	22%	-	13%	n/m	30.2x	32.6x	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m		
<b>Mean</b>								<b>12.5x</b>	<b>15.3x</b>	<b>15.4x</b>	<b>6.7%</b>	<b>16.0x</b>	<b>15.5x</b>	<b>16.1x</b>	<b>-0.1%</b>	<b>21.1x</b>	<b>17.3x</b>	<b>19.6x</b>		
<b>Median</b>								<b>12.3x</b>	<b>11.1x</b>	<b>11.2x</b>	<b>6.1%</b>	<b>16.0x</b>	<b>15.5x</b>	<b>17.1x</b>	<b>-1.1%</b>	<b>22.2x</b>	<b>15.8x</b>	<b>22.0x</b>		
<b>FMCG - Food &amp; Dairy</b>																				
Fonterra Co-operative Group Limited	NZD	3.95	6,368	12,647	49%	-	5%	8.4x	n/m	n/m	n/a	12.6x	n/m	n/m	n/a	14.4x	n/m	n/m		
Blackmores Limited	AUD	62.36	1,207	1,273	5%	-	-11%	30.1x	17.2x	21.1x	19.4%	45.9x	20.5x	31.5x	20.7%	n/m	28.1x	n/m		
Bega Cheese Limited	AUD	5.54	1,188	1,424	17%	1.8	18%	19.3x	13.3x	12.6x	23.6%	37.1x	22.1x	21.7x	30.7%	n/m	32.6x	29.3x		
The a2 Milk Company Limited	NZD	18.30	13,585	12,748	-7%	-	-11%	23.2x	28.6x	21.3x	4.3%	23.3x	28.7x	21.5x	4.0%	39.0x	43.7x	32.3x		
Freedom Foods Group Limited	AUD	3.01	834	1,152	28%	1.1	-	28.8x	17.7x	13.4x	46.8%	42.7x	28.7x	27.9x	23.7%	53.2x	25.5x	38.2x		
Synlait Milk Limited	NZD	6.18	1,108	1,564	29%	-	-8%	10.7x	9.5x	8.1x	14.7%	13.6x	12.2x	10.8x	12.4%	17.2x	15.4x	11.9x		
Comvita Limited	NZD	3.20	223	250	11%	-	14%	28.3x	26.0x	11.7x	55.1%	n/m	54.0x	29.5x	n/a	n/m	n/m	n/m		
<b>Mean</b>								<b>21.3x</b>	<b>18.7x</b>	<b>14.7x</b>	<b>27.3%</b>	<b>29.2x</b>	<b>27.7x</b>	<b>23.8x</b>	<b>18.3%</b>	<b>30.9x</b>	<b>29.1x</b>	<b>27.9x</b>		
<b>Median</b>								<b>23.2x</b>	<b>17.5x</b>	<b>13.0x</b>	<b>21.5%</b>	<b>30.2x</b>	<b>25.4x</b>	<b>24.8x</b>	<b>20.7%</b>	<b>28.1x</b>	<b>28.1x</b>	<b>30.8x</b>		
<b>FMCG - Food (Production)</b>																				
Inghams Group Limited	AUD	3.28	1,219	3,135	61%	4.3	-3%	17.6x	16.4x	7.6x	52.5%	25.3x	19.5x	21.4x	8.8%	35.0x	14.1x	18.3x		
Australian Agricultural Company Limited	AUD	1.04	627	1,033	39%	-	2%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m		
Costa Group Holdings Limited	AUD	3.54	1,419	1,960	26%	1.7	16%	20.0x	14.0x	11.4x	32.5%	48.1x	36.9x	22.7x	45.7%	n/m	43.0x	29.8x		
Select Harvests Limited	AUD	5.60	541	880	38%	5.2	-9%	9.2x	9.8x	15.1x	-22.0%	11.9x	12.8x	22.0x	-26.6%	12.0x	11.3x	20.7x		
Tassal Group Limited	AUD	3.59	751	1,166	36%	5.0	1%	8.0x	9.3x	8.0x	0.2%	10.8x	12.3x	11.0x	-1.3%	11.8x	12.9x	11.6x		
Sanford Limited	NZD	5.82	544	742	27%	3.3	-11%	9.9x	9.2x	10.8x	-3.9%	14.7x	12.5x	16.5x	-5.6%	20.3x	14.0x	19.6x		
Huon Aquaculture Group Limited	AUD	2.94	321	661	51%	-	-9%	14.3x	15.2x	11.3x	12.2%	n/m	47.5x	26.1x	n/a	n/m	9.2x	22.1x		
<b>Mean</b>								<b>12.3x</b>	<b>11.5x</b>	<b>11.3x</b>	<b>3.8%</b>	<b>21.4x</b>	<b>24.4x</b>	<b>19.7x</b>	<b>3.0%</b>	<b>14.7x</b>	<b>18.1x</b>	<b>20.7x</b>		
<b>Median</b>								<b>9.9x</b>	<b>9.8x</b>	<b>11.3x</b>	<b>0.2%</b>	<b>13.3x</b>	<b>12.8x</b>	<b>22.0x</b>	<b>-3.4%</b>	<b>12.0x</b>	<b>12.9x</b>	<b>20.7x</b>		
<b>FMCG - Other</b>																				
Asaleo Care Limited	AUD	1.11	603	747	19%	1.8	15%	9.7x	9.3x	8.4x	7.4%	12.0x	13.6x	11.9x	0.7%	18.0x	20.0x	15.8x		
BWX Limited	AUD	4.74	661	708	7%	0.8	29%	26.8x	26.3x	22.5x	9.3%	30.6x	32.7x	26.7x	7.1%	45.9x	45.5x	37.1x		
Shaver Shop Group Limited	AUD	0.84	106	131	19%	3.2	18%	6.7x	8.7x	7.2x	-3.2%	7.6x	10.5x	8.5x	-5.1%	10.9x	12.7x	10.0x		
Pental Limited	AUD	0.45	61	59	-4%	4.9	21%	5.2x	n/m	5.0x	1.7%	8.0x	n/m	7.6x	2.4%	13.6x	n/m	11.1x		
<b>Mean</b>								<b>12.1x</b>	<b>14.8x</b>	<b>10.8x</b>	<b>3.8%</b>	<b>14.6x</b>	<b>18.9x</b>	<b>13.7x</b>	<b>1.3%</b>	<b>22.1x</b>	<b>26.1x</b>	<b>18.5x</b>		
<b>Median</b>								<b>8.2x</b>	<b>9.3x</b>	<b>7.8x</b>	<b>4.6%</b>	<b>10.0x</b>	<b>13.6x</b>	<b>10.2x</b>	<b>1.5%</b>	<b>15.8x</b>	<b>20.0x</b>	<b>13.5x</b>		
<b>E-commerce</b>																				
SEEK Limited	AUD	19.77	6,955	8,672	16%	0.7	-5%	27.0x	18.6x	25.6x	2.8%	32.2x	25.3x	37.7x	-7.5%	n/m	38.0x	n/m		
REA Group Limited	AUD	112.81	14,859	14,963	1%	1.0	6%	36.1x	30.6x	33.4x	3.9%	37.1x	35.8x	35.6x	2.1%	n/m	53.4x	n/m		
carsales.com Ltd	AUD	20.35	5,008	5,448	8%	2.3	13%	30.4x	25.0x	23.0x	15.0%	32.9x	27.7x	26.6x	11.3%	50.1x	37.2x	35.4x		
Webjet Limited	AUD	3.77	1,278	1,278	0%	2.4	31%	n/m	8.6x	n/m	n/a	n/m	10.2x	n/m	n/a	n/m	11.1x	n/m		
Infomedia Ltd	AUD	1.62	607	509	-19%	2.7	-8%	20.3x	12.5x	10.7x	37.5%	21.0x	26.5x	19.6x	3.5%	34.6x	28.6x	27.4x		
<b>Mean</b>								<b>28.4x</b>	<b>19.1x</b>	<b>23.2x</b>	<b>14.8%</b>	<b>30.8x</b>	<b>25.1x</b>	<b>29.8x</b>	<b>2.4%</b>	<b>42.4x</b>	<b>33.6x</b>	<b>31.4x</b>		
<b>Median</b>								<b>28.7x</b>	<b>18.6x</b>	<b>24.3x</b>	<b>9.5%</b>	<b>32.6x</b>	<b>26.5x</b>	<b>31.1x</b>	<b>2.8%</b>	<b>42.4x</b>	<b>37.2x</b>	<b>31.4x</b>		

Source: CapitalIQ, as at 7 September 2020

Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM %	TSR % Aug-20	EV / EBITDA				EV / EBIT				PE						
								Actual		Forecasts		Growth		Actual		Forecasts		Growth		Actual		Forecasts
								LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020	LTM-19	LTM	CY2019	CY2020	LTM	CY2019	CY2020	
<b>Household Goods</b>																						
Harvey Norman Holdings Limited	AUD	4.28	5,333	6,491	17%	4.2	19%	8.3x	8.6x	7.8x	2.8%	9.0x	12.0x	9.7x	-3.4%	12.1x	14.4x	11.8x				
JB Hi-Fi Limited	AUD	48.68	5,593	6,083	8%	3.9	12%	11.3x	13.9x	8.4x	16.0%	12.6x	15.9x	12.6x	0.1%	19.9x	21.6x	15.9x				
The Warehouse Group Limited	NZD	2.04	704	1,749	60%	3.9	-1%	9.2x	10.2x	10.5x	-6.1%	12.4x	15.6x	16.5x	-13.2%	9.9x	10.0x	11.1x				
Breville Group Limited	AUD	27.57	3,776	3,672	-3%	1.5	5%	31.7x	29.1x	25.1x	12.4%	33.4x	34.6x	30.8x	4.2%	n/m	49.0x	45.4x				
GUD Holdings Limited	AUD	11.15	969	1,192	19%	3.3	3%	14.0x	13.0x	12.2x	7.0%	14.8x	14.0x	14.2x	1.9%	22.1x	16.2x	20.6x				
GWA Group Limited	AUD	2.52	665	886	25%	4.6	-11%	11.6x	10.6x	10.7x	4.2%	12.6x	11.5x	14.4x	-6.6%	17.0x	13.4x	15.8x				
Adairs Limited	AUD	3.36	568	682	17%	3.3	40%	9.8x	n/m	8.5x	7.1%	10.9x	n/m	9.2x	8.8%	16.0x	18.7x	12.7x				
Michael Hill International Limited	AUD	0.40	-	158	100%	n/a	16%	8.3x	5.4x	3.9x	46.0%	14.7x	8.2x	9.6x	23.8%	18.8x	6.5x	15.7x				
Beacon Lighting Group Limited	AUD	1.19	263	362	27%	4.2	14%	10.4x	13.8x	7.4x	18.6%	12.0x	16.7x	11.5x	1.8%	17.3x	14.6x	12.3x				
Nick Scali Limited	AUD	8.38	679	831	18%	5.7	20%	12.3x	13.3x	11.3x	4.7%	13.2x	14.3x	12.1x	4.6%	19.0x	16.7x	15.3x				
Thorn Group Limited	AUD	0.20	64	338	81%	-	58%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m				
Vita Group Limited	AUD	1.12	183	206	11%	2.2	11%	6.5x	4.7x	4.2x	23.6%	10.4x	6.4x	4.9x	45.9%	12.6x	8.1x	7.9x				
Kogan.com Ltd	AUD	19.88	2,245	2,101	-7%	1.1	-26%	n/m	53.5x	29.7x	n/a	51.2x	n/m	33.7x	23.2%	n/m	n/m	43.7x				
Shriro Holdings Limited	AUD	0.62	58	62	5%	9.8	27%	3.5x	n/m	6.2x	-24.3%	4.2x	n/m	16.6x	-49.6%	7.6x	n/m	38.4x				
McPherson's Limited	AUD	3.06	328	346	5%	3.6	14%	11.9x	14.2x	10.7x	5.6%	12.9x	16.4x	16.5x	-11.6%	23.9x	22.9x	19.0x				
Cavalier Corporation Limited	NZD	0.35	24	49	51%	-	-23%	13.6x	n/m	n/m	n/a	n/m	n/m	n/a	n/m	n/m	n/m	n/m				
Smiths City Group Limited	NZD	0.14	7	112	93%	-	-	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m				
<b>Mean</b>								<b>11.6x</b>	<b>15.9x</b>	<b>11.2x</b>	<b>9.0%</b>	<b>16.0x</b>	<b>15.1x</b>	<b>15.2x</b>	<b>2.1%</b>	<b>16.4x</b>	<b>17.7x</b>	<b>20.4x</b>				
<b>Median</b>								<b>10.9x</b>	<b>13.2x</b>	<b>9.5x</b>	<b>7.0%</b>	<b>12.6x</b>	<b>14.3x</b>	<b>13.4x</b>	<b>1.8%</b>	<b>17.2x</b>	<b>15.4x</b>	<b>15.8x</b>				
<b>Diversified Retail</b>																						
Super Retail Group Limited	AUD	10.64	2,403	3,305	27%	1.8	20%	12.4x	7.9x	7.4x	29.5%	15.6x	13.7x	12.7x	10.8%	21.6x	14.5x	12.9x				
EBOS Group Limited	AUD	23.95	3,872	4,444	13%	3.1	6%	15.2x	16.0x	12.9x	8.4%	17.2x	18.1x	15.1x	6.7%	26.4x	23.4x	20.8x				
Australian Pharmaceutical Industries Limited	AUD	1.07	525	809	35%	3.8	-2%	8.1x	6.9x	7.5x	3.5%	9.8x	8.6x	9.9x	-0.3%	12.5x	10.6x	15.0x				
The Reject Shop Limited	AUD	6.77	259	360	28%	-	12%	12.6x	17.6x	13.7x	-4.0%	35.9x	n/m	45.8x	-11.5%	n/m	n/m	41.9x				
Baby Bunting Group Limited	AUD	4.19	534	627	15%	2.5	30%	17.7x	19.8x	15.3x	7.4%	20.5x	23.8x	21.4x	-2.2%	40.8x	29.3x	25.9x				
Cash Converters International Limited	AUD	0.18	111	145	24%	-	11%	n/m	n/m	n/m	n/a	n/m	n/m	n/m	n/a	5.6x	n/m	40.0x				
<b>Mean</b>								<b>13.2x</b>	<b>13.6x</b>	<b>11.4x</b>	<b>9.0%</b>	<b>19.8x</b>	<b>16.0x</b>	<b>21.0x</b>	<b>0.7%</b>	<b>21.4x</b>	<b>19.4x</b>	<b>26.1x</b>				
<b>Median</b>								<b>12.6x</b>	<b>16.0x</b>	<b>12.9x</b>	<b>7.4%</b>	<b>17.2x</b>	<b>15.9x</b>	<b>15.1x</b>	<b>-0.3%</b>	<b>21.6x</b>	<b>18.9x</b>	<b>23.4x</b>				
<b>Automotive Retail</b>																						
Eagers Automotive Limited	AUD	8.85	2,274	4,603	50%	1.3	10%	14.8x	21.0x	17.2x	-7.3%	18.0x	25.6x	27.0x	-18.2%	22.5x	20.7x	31.0x				
ARB Corporation Limited	AUD	26.98	2,154	2,157	0%	1.5	37%	23.4x	23.8x	20.9x	5.8%	27.0x	29.4x	26.0x	2.0%	44.1x	38.8x	35.7x				
Bapcor Limited	AUD	6.90	2,342	2,628	11%	2.5	13%	16.7x	15.5x	14.1x	8.8%	18.9x	18.4x	17.9x	2.7%	27.0x	20.3x	22.5x				
MotorCycle Holdings Limited	AUD	1.91	118	185	36%	-	10%	7.8x	10.5x	6.2x	12.3%	9.3x	13.5x	7.4x	11.5%	8.6x	11.2x	7.3x				
<b>Mean</b>								<b>18.3x</b>	<b>20.1x</b>	<b>17.4x</b>	<b>2.4%</b>	<b>21.3x</b>	<b>24.5x</b>	<b>23.6x</b>	<b>-4.5%</b>	<b>31.2x</b>	<b>26.6x</b>	<b>29.7x</b>				
<b>Median</b>								<b>16.7x</b>	<b>21.0x</b>	<b>17.2x</b>	<b>5.8%</b>	<b>18.9x</b>	<b>25.6x</b>	<b>26.0x</b>	<b>2.0%</b>	<b>27.0x</b>	<b>20.7x</b>	<b>31.0x</b>				
<b>Other</b>																						
Elders Limited	AUD	10.17	1,584	1,905	17%	1.8	-2%	21.3x	25.0x	13.8x	24.2%	22.2x	26.4x	16.6x	15.7%	28.8x	18.5x	15.2x				
McGrath Limited	AUD	0.27	44	51	14%	-	50%	10.6x	n/m	n/m	n/a	36.5x	n/m	n/m	n/a	n/m	n/m	n/m				
<b>Mean</b>								<b>15.9x</b>	<b>25.0x</b>	<b>13.8x</b>	<b>24.2%</b>	<b>29.3x</b>	<b>26.4x</b>	<b>16.6x</b>	<b>15.7%</b>	<b>28.8x</b>	<b>18.5x</b>	<b>15.2x</b>				
<b>Median</b>								<b>15.9x</b>	<b>25.0x</b>	<b>13.8x</b>	<b>24.2%</b>	<b>29.3x</b>	<b>26.4x</b>	<b>16.6x</b>	<b>15.7%</b>	<b>28.8x</b>	<b>18.5x</b>	<b>15.2x</b>				
<b>Apparel / Accessories</b>																						
Premier Investments Limited	AUD	18.67	2,959	3,227	8%	3.8	13%	14.7x	12.4x	9.8x	22.7%	17.2x	19.0x	18.8x	-4.3%	24.4x	22.0x	36.6x				
Lovisa Holdings Limited	AUD	7.70	827	973	15%	1.9	18%	21.9x	14.4x	14.5x	23.0%	30.9x	17.4x	n/m	n/a	49.0x	21.2x	30.3x				
Kathmandu Holdings Limited	NZD	1.22	865	1,487	42%	9.8	9%	13.2x	17.4x	14.9x	-5.7%	15.4x	22.3x	21.6x	-15.5%	5.6x	8.1x	20.7x				
Hallenstein Glasson Holdings Limited	NZD	4.48	267	334	20%	5.4	37%	7.2x	n/m	n/m	n/a	8.9x	n/m	n/m	n/a	11.7x	n/m	n/m				
The PAS Group Limited	AUD	0.05	7	28	75%	-	-	10.3x	n/m	n/m	n/a	n/m	n/m	n/m	n/a	n/m	n/m	n/m				
<b>Mean</b>								<b>13.5x</b>	<b>14.7x</b>	<b>13.0x</b>	<b>13.3%</b>	<b>18.1x</b>	<b>19.5x</b>	<b>20.2x</b>	<b>-9.9%</b>	<b>22.7x</b>	<b>17.1x</b>	<b>29.2x</b>				
<b>Median</b>								<b>13.2x</b>	<b>14.4x</b>	<b>14.5x</b>	<b>22.7%</b>	<b>16.3x</b>	<b>19.0x</b>	<b>20.2x</b>	<b>-9.9%</b>	<b>18.1x</b>	<b>21.2x</b>	<b>30.3x</b>				
<b>Department Stores</b>																						
Myer Holdings Limited	AUD	0.26	213	2,000	89.3%	-	12%	14.4x	7.8x	6.0x	55.2%	28.4x	23.6x	20.1x	19.0%	n/m	6.2x	36.1x				
<b>Supermarkets</b>																						
Wesfarmers Limited	AUD	46.01	52,168	59,153	12%	3.3	4%	17.9x	14.7x	13.3x	15.9%	21.2x	20.1x	20.6x	1.5%	30.0x	26.6x	25.6x				
Woolworths Group Limited	AUD	37.51	47,187	64,068	26%	2.5	3%	15.2x	13.3x	11.0x	17.4%	19.9x	21.5x	19.2x	1.8%	32.7x	26.2x	29.6x				
Metcash Limited	AUD	2.94	3,006	3,819	21%	4.3	8%	11.6x	10.1x	7.6x	23.5%	12.9x	11.9x	11.1x	7.5%	15.2x	13.2x	13.2x				
<b>Mean</b>								<b>14.9x</b>	<b>12.7x</b>	<b>10.7x</b>	<b>18.9%</b>	<b>18.0x</b>	<b>17.8x</b>	<b>17.0x</b>	<b>3.6%</b>	<b>26.0x</b>	<b>22.0x</b>	<b>22.8x</b>				
<b>Median</b>								<b>15.2x</b>	<b>13.3x</b>	<b>11.0x</b>	<b>17.4%</b>	<b>19.9x</b>	<b>20.1x</b>	<b>19.2x</b>	<b>1.8%</b>	<b>30.0x</b>	<b>26.2x</b>	<b>25.6x</b>				

Source: CapitalIQ, as at 7 September 2020



## Retail sector trends

As reported by the ABS, the seasonally adjusted Australian retail turnover for July 2020 (compared to July 2019) rose by 12%:

- **Food retailing:** The seasonally adjusted estimate for Food retailing rose 1.2% in July 2020. By industry subgroup, the seasonally adjusted estimate rose for Supermarkets and grocery stores (1.6%), and Other specialised food retailing (2.3%), and fell for Liquor retailing (-2.4%).
- **Household goods retailing:** The seasonally adjusted estimate for Household goods retailing rose 4.0% in July 2020. By industry subgroup, the seasonally adjusted estimate fell for Hardware, building and garden supplies retailing (-1.6%), and rose for Electrical and electronic goods retailing (9.6%), and for Furniture, floor coverings, houseware and textile goods retailing (3.7%).
- **Clothing, footwear and personal accessory retailing:** The seasonally adjusted estimate for Clothing, footwear and personal accessory retailing rose 7.1% in July 2020. By industry subgroup, the seasonally adjusted estimate rose for Clothing retailing (6.7%), and Footwear and other personal accessory retailing (8.1%).
- **Department stores:** The seasonally adjusted estimate for Department stores rose 4.0% in July 2020.
- **Cafes, restaurants and take-away food services:** The seasonally adjusted estimate for Cafes, restaurants and takeaway food services rose 4.9% in July 2020. By industry subgroup, the seasonally adjusted estimate rose for Cafes, restaurants and catering services (7.9%), and Takeaway food services (1.8%).
- **Other retailing:** The seasonally adjusted estimate for Other retailing rose 4.4% in July 2020. By industry subgroup, the seasonally adjusted estimate rose for Pharmaceutical, cosmetic and toiletry goods retailing (7.7%), and Other recreational goods retailing (9.6%), Other retailing n.e.c. (1.2%), and fell for Newspaper and book retailing (-3.7%).

Source: ABS data released 4 September 2020. Data refers to the seasonally adjusted estimates by industry.





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