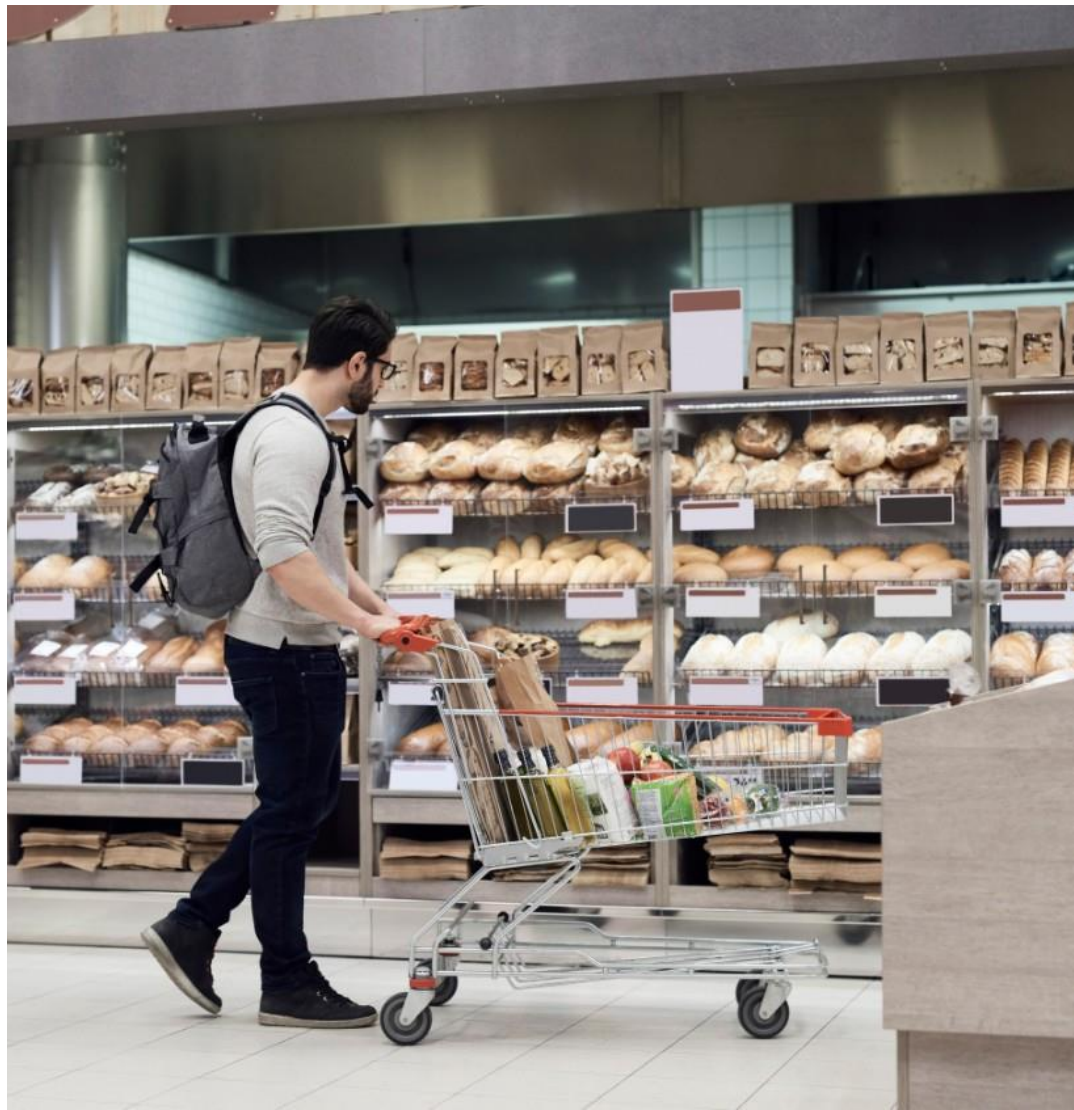


# Retail and Consumer Deals Digest

October 2021



# Retail and Consumer Deals Digest

## Consumer confidence increased for the sixth straight week, up 1.3% in mid-October

Consumer confidence increased 1.3% last week, its sixth straight gain. With the reopening of Greater Sydney and the imminent end of Melbourne's lockdown earlier than anticipated, confidence rose in the major cities of Sydney, Melbourne, Brisbane and Perth.

Consumer confidence increased gradually from 101.8 in the last week of August, to 103.1 in mid-September and further increasing to 103.7 by the end of month. It now sits at 107.0 in mid-October.

Weekly inflation expectations remain unchanged at 4.7%, with four-week moving average was steady at 4.8%.

"Consumer confidence rose 1.3% nationally as greater Sydney reopened last week after more than three months in lockdown. The rise in confidence in the city over the past two weeks has been quite modest at 3.5%. This compares with the 9.2% rise over the first two weeks of reopening last year in May 2020. The difference reflects the level of confidence. Sentiment in Sydney is already above its 2021 average, while in May last year the lockdown ended with sentiment still at very depressed levels. Confidence also rose in Melbourne (5.4%) as its lockdown has been scheduled to end earlier than anticipated and is back to the level it was in mid-July." – **David Plank, ANZ Head of Australian Economics, 19 October 2021**

## Latest Australian ABS trade results

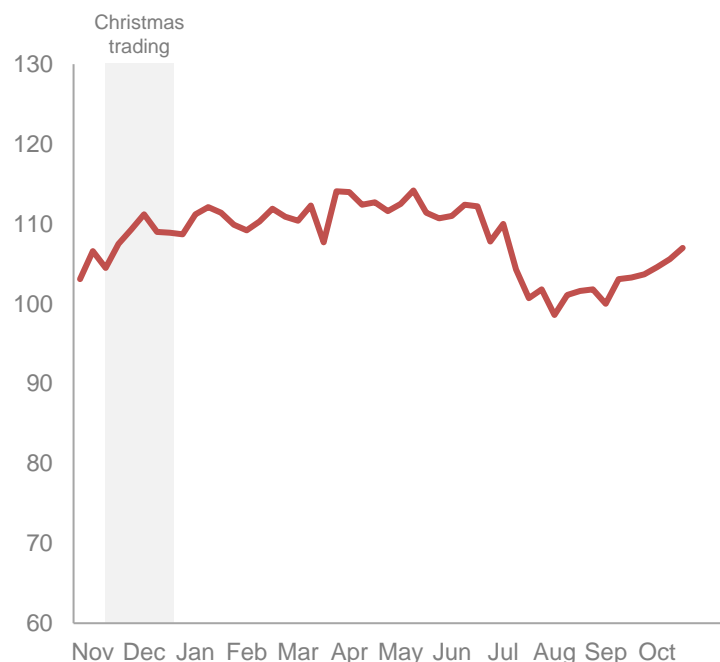
The latest Australian Bureau of Statistics (ABS) Retail Trade figures show that Australian retail turnover declined by 1.7% in August 2021, which follows a decline of 2.7% in July 2021 and 1.8% in June 2021.

The following industries fell in seasonally adjusted terms in August 2021: Cafes, restaurants and takeaway food services (-7.0%), Clothing, footwear and personal accessory retailing (-15.7%), Department stores (-10.2%) and Household goods retailing (-2.3%). Food retailing (2.1%) and other retailing (0.8%) rose in seasonally adjusted terms.

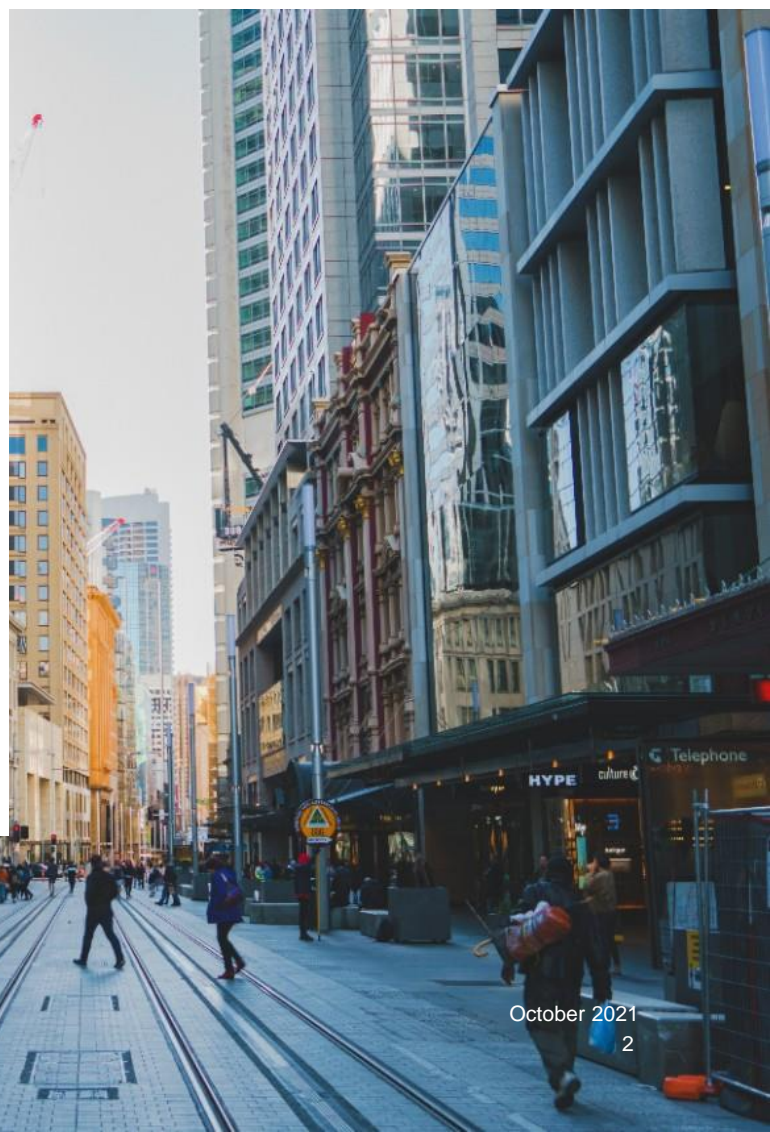
The following states and territories rose in seasonally adjusted terms in August 2021: South Australia (6.6%) and Western Australia (2.8%). Tasmania (-1.1%), Victoria (-3.0%), the Northern Territory (-0.5%), the Australian Capital Territory (-19.9%), New South Wales (-3.5%) and Queensland (-0.9%) fell in seasonally adjusted terms.

Source: ABS data released 28 September 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 FY2022TD<sup>(1)</sup> increased in value compared to the prior comparable period (PCP), with volumes increasing significantly. 31 deals totalling AUD\$2.5bn were announced in the FY22TD period, versus 24 in the PCP, valued at AUD\$2.2bn.

In the last twelve months (LTM), deal value compared to the PCP has increased with deal volume also increasing, from 108 announced deals (AUD\$9.0bn)<sup>(2)</sup> to 144 (AUD\$30.4bn).

### Australia and New Zealand Announced Retail and Consumer deals (FY2022TD<sup>(1)</sup> and LTM vs. PCP)

Deal value (in A\$m)	FY2022TD <sup>(1)</sup>		PCP		LTM <sup>(2)</sup>		PCP	
	# 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	3	27	0	0	9	82	7	64
\$11 to \$20M	3	43	8	130	20	319	21	337
\$21 to \$30M	3	77	2	56	10	242	10	270
\$31 to \$50M	4	153	3	138	20	797	13	543
\$51 to \$100M	4	332	0	0	15	1,111	16	1,047
\$101 to \$300M	1	125	0	0	13	2,290	2	381
\$301 to \$500M	1	400	1	459	3	1,144	4	1,612
>\$500M	2	1,337	2	1,466	7	24,434	6	4,739
<b>Subtotal</b>	<b>21</b>	<b>2,494</b>	<b>16</b>	<b>2,249</b>	<b>97</b>	<b>30,419</b>	<b>79</b>	<b>8,993</b>
<b>Undisclosed</b>	10	n/a	8	n/a	47	n/a	29	n/a
<b>Total Announced</b>	<b>31</b>	<b>2,494</b>	<b>24</b>	<b>2,249</b>	<b>144</b>	<b>30,419</b>	<b>108</b>	<b>8,993</b>
<b>Total Completed</b>	<b>20</b>	<b>759</b>	<b>17</b>	<b>1,642</b>	<b>98</b>	<b>26,413</b>	<b>89</b>	<b>7,055</b>

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

(1) FY2022TD refers to the period 1 July 2021 to 30 September 2021, reflecting the latest available Mergermarket data

(2) The deal value for LTM includes the transaction for Coca-Cola European's acquisition of Coca-Cola Amatil in November 20 (~A\$8.6bn)

## Selected recently completed / announced deals

- **11 October 2021 – Brandbank Group announced its intention to acquire stationery business Kikki.K which collapsed into voluntary administration.** The group is focusing on expanding its online store, re-energising the retail store network and exploring medium-term international opportunities.
- **05 October 2021 – Produce Republic, a Melbourne-based owner of several food processing brands, announced its acquisition of In2food, the Australian fresh produce business which entered administration in August.** Produce Republic is preparing to immediately resume relationships with suppliers and growers.
- **05 October 2021 – US-based private equity group, Story3 Capital Partners, announced its acquisition of Coco Republic in a deal valuing the up-market furniture and homewares company at over A\$100 million.** The sale comes on the back of last year's solid revenue growth in the furniture industry as consumers reallocated spending in categories such as furniture rather than travel amid the pandemic.
- **04 October 2021 – Upmarket furniture retailer Nick Scali announced its acquisition of one of its mid-market rivals, sofa chain Plush for ~A\$103 million. The deal represents a multiple of 3.8x FY2021 EBITDA.** The acquisition is expected to triple the size of its store network over the next few years and boost Nick Scali's revenue by over 40%, assuming Plush's sales are maintained.
- **22 September 2021 – Australian private equity firm, Liverpool Partners, announced its acquisition of a majority stake in Seven Miles Coffee Roasters, an Australia-based specialty coffee group, for an undisclosed consideration.** Liverpool Partners has combined it with the coffee equipment and services provider Australian Beverage Corporation. The acquisition is expected to expand Seven Miles' national footprint further across Sydney, Brisbane, and Canberra.
- **09 September 2021 – Global beverage company, Lion, announced its acquisition of the Fermentum Group, which owns the Byron Bay craft beer brand Stone & Wood and Melbourne's Two Birds Brewing, for over A\$500 million.** Completion of the acquisition still hinges on necessary ACCC approval, considering Lion's already strong market share in Australia's alcoholic beverages industry.
- **07 September 2021 – Supermarket giant, Woolworths, announced the divestment of its 9.9% equity stake in meal-kit provider Marley Spoon for A\$54 million.** Woolworths sold its shares (held by VC arm W23) in a block trade to institutional buyers at A\$1.91 per share, pricing at a 6% discount to the \$2.03 previous day closing price. The move came less than two weeks after W23 converted its last outstanding convertible bonds into shares.

Source: Mergermarket, based on recently announced and completed transactions

## Selected recently completed / announced deals

- **06 September 2021** – Auctus Investment Group is raising up to A\$100 million to acquire a significant minority stake in Lux Group, the owner of LuxuryEscapes.com, an online travel business. The move is the first external equity capital raise by Luxury Escapes since it was established in 2013.
- **02 September 2021** – Peter Walker, an Australian pub owner, announced his acquisition of Adam's Tavern, a gaming pub in Blacktown, NSW for ~A\$25 million. The asset was sold by Bob McGhee, who established the venue 30 years ago. The sale of Adam's Tavern continues a trend of long-term family owners divesting their holdings amid the uncertain trading outlook for venues, while capitalising on strong appetite from owner-operators and institutional investors.

Source: Mergermarket, based on recently announced and completed transactions

## Also recently in the news

- **Rebel Sport has signed a 10-year partnership with global licensed sports merchandiser Fanatics**, in a move that will bring official apparel from the NFL, NBA, NHL and Premier League, among others, to the big-box store chain. The partnership will bring over 25,000 new licensed sporting items to Rebel's website.
- **Australian gelato brand, Messina, has partnered with Hong Kong based restaurant group Black Sheep** to launch Messina's first store in Hong Kong. The launch also marks Black Sheep's first collaboration in over five years.
- **Openway Food Co, an Australia-based, private equity-backed health food roll-up, is seeking bolt-on acquisitions in the health food space** after making three acquisitions in the last six months. The company is primarily focusing on the breakfast, snacking, sports, and nutrition spaces.
- **Fitness brand, Peloton, launched its private-label fashion brand, Peloton Apparel, in Australia.** The brand also recently announced it would be launching interactive stores in key Australian cities later this year.
- **Bondi Sands, an Australia-based self-tan, skincare and suncare business, has called off its sale process.** The company founders, Blair James and Shaun Wilson, could not agree on price with potential suitors and have decided to maintain control of the business. The company reportedly attracted offers worth ~A\$320 million. Founders and management are seeking to refocus efforts on executing the brand's aggressive growth strategy.
- **Luxury fashion house, Dior, announced an addition to its offering in Australia via a dedicated online store**, which will bring the business' women's and menswear together, as well as its jewellery. The company will also bring Dior Maison, the firm's homeware range, to Australia for the first time, and will make selected products available exclusively through the online store.
- **a.k.a. Brands, a California-based online fashion brands company, IPO'ed on the NYSE opening nearly 14% below initial IPO range.** Australian brands within the a.k.a. stable (backed by Summit Partners) include Princess Polly, Petal & Pup and Culture Kings.
- **The US based fashion company, Ralph Lauren, is set to open Western Australia's first standalone Polo Ralph Lauren store in Perth.** The launch is part of the brand's expansion plan in the country to deliver sustainable long-term growth.
- **Candle retailer, dusk, launched a new online only premium décor brand Mihi Home.** The brand will focus on providing exclusive home décor products such as diffusers, essential oils, candles, and incense.
- **ATP Science, an Australian nutritional supplements maker backed by local private equity firm Cortina Capital,** could consider bringing in new investors to expand into new sales channels or new markets. Management is seeking investors with value-add strategic expertise to bolster ATP Science's growth plans.
- **Adore Beauty founder Kate Morris has partnered with Justin Ryan, ex-Quadrant Private Equity deal maker, to launch Glow Capital Partners,** a new investment firm chasing high-growth e-commerce and consumer businesses. Glow Capital plans to make two to three investments a year ranging from \$20 million to \$50 million each, believing there is a gap in Australia's investment market for growth equity.
- **Australian eCommerce underwear retailer Step One is seeking to raise \$81.3 million in an IPO that would value it at a \$287.6 million market capitalisation.** Its expansion into the US will be key to its valuation, likely to generate \$6.1 million in revenue for 2022 in the US.
- **US burger chain, Five Guys, has established its first Australian restaurant in Penrith, NSW.** The next planned expansion beyond the Australian market will be into New Zealand.
- **Coco & Lucas Kitchen, an Australian producer of ready-to-eat meals, is in talks with a potential investor** to take the business global, looking to enter overseas markets via potential JV partnerships. The company is currently in advanced discussions with parties in Korea and Singapore and could enter these markets as soon as January. It is also in the early stages of entering the US and Japan.

Source: Mergermarket, Inside Retail

## Also recently in the news

- **v2food, an Australian plant-based meat manufacturer, could raise more than A\$100 million in a Series C funding round next year prior to a potential IPO.** The company is looking to use the proceeds for further expansion, including R&D and building factories to make ingredients locally.
- **Cale and Daughters, an Australian plant-based foods maker, is seeking to merge with an undisclosed manufacturer** while it continues to receive private equity and venture capital approaches. However, the company is focusing on growing independently in a sustainable way and has rebuffed approaches for the time being.
- **Fonterra, a New Zealand-based dairy business, is considering an IPO for its Australian unit, with an expected valuation north of A\$1 billion** Further, the company is also considering divesting its operations in Chile.
- **Harvest B, an Australian company supplying ingredients for plant-based meats, will seek over A\$5 million in a Series A raise in 1H22 to accelerate its growth.** The company is seeking investment from venture capital investors, local and international strategics, as well as family offices. The company plans to use the proceeds to accelerate R&D and manufacturing, and to fund various commercial activities.
- **All G Foods, a privately held, Australian plant-based food company, is seeking to raise a Series A funding round next year** ahead of a potential IPO or a trade sale. The company plans to use the proceeds to fund further expansion, R&D, and sales growth initiatives.
- **Red Sparrow Pizza launched into the pizza franchise marketplace.** The business has announced plans to expand its fledgling vegan pizza chain further across Sydney, Brisbane and Byron Bay.
- **Trade and power tools retailer Adelaide Tools is being rebranded to Tool Kit Depot,** as its owner, Bunnings, looks to grow its footprint in South Australia.

Source: Mergermarket, Inside Retail

## **A CLOSER LOOK: Looking ahead to Christmas online shopping**

- As the Christmas holiday period is nearly upon us, Australian retailers are already preparing for a busy shopping season to satisfy consumer demand and provide superior customer experience.
- According to research conducted by the Australian Retailers Association (ARA) and Roy Morgan, Australians are expected to spend more than A\$11 billion on Christmas this year, with 79% of survey participants stating that they'll spend the same or more than they did last year.
- Appetite to spend may be enhanced by re-emergence from COVID lockdowns and under-utilised categories throughout 2021 such as travel, resulting in increased share of wallet during the holidays anticipated via gifting to 'make up' for lost connectivity during a challenging year.

### **Online channel purchasing**

- As lockdowns end in the lead up to Christmas, this increased spending has been coined as 'revenge spending'<sup>1</sup> by Australian researchers, and a substantial portion of this is expected to come through online purchases, with 58% of Australians planning to make more online purchases compared to last year.
- Further, with eCommerce adoption rates being bolstered through the latest round of lockdowns in key Australian states, Australian consumers are primed for the Holiday season's line-up of online shopping events, including Black Friday, Cyber Monday and Boxing Day.

### **Customer experience – a key driver of consumer decision making**

- Convenience will be front of mind for Australian consumers at Christmas, with 40% of Australians saying that Christmas delivery times longer than two days will prompt them to look elsewhere, in a study conducted by Arlington Research.
- Brands are anticipated to encourage consumers to shop early to avoid any supply chain or delivery challenges, with many already indicating towards pre-Christmas promotional activity.
- That said, if postal and courier companies have some of the same delays experienced during the recent lockdowns, shoppers may shift their purchasing back to physical stores to ensure that convenience is not an issue and to avoid those last minute Christmas shopping jitters.

1 'Urge to Splurge Post Pandemic Revenge Spending' Study (Shopper Media)

Sources: From Bricks To Clicks: State Of Mobility In Retail, 2021 Report (Arlington Research), Roy Morgan Research, Australian Retailers Associations

Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM	TSR Sep-21	EV / EBITDA			EV / EBIT			PE		
								Actual	Forecasts		Actual	Forecasts		Actual	Forecasts	
								LTM	CY2021	CY2022	LTM	CY2021	CY2022	LTM	CY2021	CY2022
<b>Household Goods Retail</b>																
Harvey Norman Holdings Limited	AUD	4.95	6,168	7,629	19%	7.1%	-9.5%	6.1x	7.1x	7.6x	6.8x	8.8x	9.6x	9.0x	9.8x	12.1x
JB Hi-Fi Limited	AUD	47.65	5,489	5,857	6%	6.0%	-0.6%	6.1x	6.7x	7.4x	7.8x	8.9x	10.9x	12.1x	12.3x	14.7x
The Warehouse Group Limited	NZD	4.09	1,412	2,141	34%	7.5%	8.4%	5.1x	5.7x	5.6x	7.6x	9.6x	10.0x	9.1x	9.5x	10.2x
Adairs Limited	AUD	3.92	663	744	11%	5.9%	5.1%	5.1x	5.2x	5.2x	7.1x	7.9x	7.7x	10.4x	11.8x	10.3x
Beacon Lighting Group Limited	AUD	2.42	540	648	17%	3.6%	3.2%	7.6x	8.1x	8.7x	10.9x	12.3x	14.1x	16.0x	16.3x	19.2x
Nick Scali Limited	AUD	14.67	1,188	1,308	9%	4.4%	-6.0%	8.5x	10.4x	9.9x	10.6x	11.8x	12.6x	16.2x	15.9x	17.5x
Smiths City Group Limited	NZD	0.14	7	-	n/m	0.0%	-	11.3x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
The Reject Shop Limited	AUD	6.15	236	330	29%	0.0%	3.4%	2.6x	2.6x	2.5x	17.7x	50.4x	20.4x	31.0x	27.5x	18.5x
Baby Bunting Group Limited	AUD	5.28	685	810	15%	2.7%	4.9%	15.3x	10.9x	9.5x	31.7x	18.2x	15.7x	52.1x	24.8x	21.4x
Dusk Group Limited	AUD	3.36	209	222	6%	7.4%	8.7%	3.9x	5.7x	5.7x	5.5x	6.4x	6.8x	8.9x	8.4x	8.6x
<b>Mean</b>								<b>7.2x</b>	<b>6.9x</b>	<b>6.9x</b>	<b>11.8x</b>	<b>14.9x</b>	<b>12.0x</b>	<b>18.3x</b>	<b>15.2x</b>	<b>14.7x</b>
<b>Median</b>								<b>6.1x</b>	<b>6.7x</b>	<b>7.4x</b>	<b>7.8x</b>	<b>9.6x</b>	<b>10.9x</b>	<b>12.1x</b>	<b>12.3x</b>	<b>14.7x</b>
<b>Household Goods Wholesale / Distribution</b>																
Breville Group Limited	AUD	28.85	4,021	3,929	-2%	0.9%	-8.3%	26.3x	22.3x	19.5x	28.6x	26.8x	23.4x	50.1x	40.6x	34.9x
GUD Holdings Limited	AUD	11.24	1,066	1,302	18%	5.1%	-1.4%	11.1x	10.6x	9.9x	13.2x	12.6x	11.3x	18.6x	15.8x	14.3x
GWA Group Limited	AUD	2.67	708	879	19%	4.7%	-0.6%	10.8x	9.6x	9.0x	13.9x	12.3x	11.2x	20.3x	15.8x	14.2x
Pental Limited	AUD	0.40	67	56	-21%	6.6%	-5.6%	4.7x	n/m	n/m	6.8x	n/m	n/m	10.7x	n/m	n/m
Shriro Holdings Limited	AUD	1.07	102	97	-5%	11.2%	18.7%	3.9x	n/m	n/m	4.8x	n/m	n/m	8.3x	n/m	n/m
Lynch Group Holdings Limited	AUD	3.44	420	453	7%	23.8%	-3.2%	13.9x	7.6x	7.1x	21.8x	10.2x	10.0x	25.4x	12.6x	12.3x
Bremworth Limited	NZD	0.76	53	52	-2%	0.0%	17.2%	36.1x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
EBOS Group Limited	AUD	34.98	5,743	6,293	8%	2.4%	-0.6%	16.1x	15.9x	14.9x	20.1x	19.5x	17.9x	34.1x	27.6x	25.2x
Australian Pharmaceutical Industries Limited	AUD	1.54	756	1,067	29%	2.3%	11.3%	9.1x	8.0x	7.1x	25.5x	14.9x	13.4x	41.8x	23.6x	16.2x
<b>Mean</b>								<b>14.7x</b>	<b>12.3x</b>	<b>11.2x</b>	<b>16.8x</b>	<b>16.0x</b>	<b>14.5x</b>	<b>26.2x</b>	<b>22.7x</b>	<b>19.5x</b>
<b>Median</b>								<b>11.1x</b>	<b>10.1x</b>	<b>9.4x</b>	<b>17.0x</b>	<b>13.7x</b>	<b>12.3x</b>	<b>22.9x</b>	<b>19.7x</b>	<b>15.3x</b>
<b>Diversified Retail</b>																
Wesfarmers Limited	AUD	55.52	62,951	70,055	10%	3.2%	-6.0%	13.6x	13.7x	13.5x	19.0x	20.1x	19.4x	29.3x	27.4x	27.5x
Vita Group Limited	AUD	0.81	134	148	9%	9.9%	-11.4%	3.4x	3.8x	5.0x	9.4x	8.0x	8.7x	11.5x	11.7x	12.1x
Super Retail Group Limited	AUD	13.01	2,938	3,685	20%	6.8%	1.6%	5.1x	5.2x	5.8x	8.0x	9.6x	11.2x	11.0x	12.8x	14.2x
<b>Mean</b>								<b>7.4x</b>	<b>7.6x</b>	<b>8.1x</b>	<b>12.1x</b>	<b>12.5x</b>	<b>13.1x</b>	<b>17.3x</b>	<b>17.3x</b>	<b>17.9x</b>
<b>Median</b>								<b>5.1x</b>	<b>5.2x</b>	<b>5.8x</b>	<b>9.4x</b>	<b>9.6x</b>	<b>11.2x</b>	<b>11.5x</b>	<b>12.8x</b>	<b>14.2x</b>
<b>Automotive Retail</b>																
Eagers Automotive Limited	AUD	14.88	3,845	5,846	34%	3.0%	-6.2%	10.9x	10.1x	11.1x	15.0x	12.2x	14.2x	20.9x	13.6x	16.1x
ARB Corporation Limited	AUD	49.77	4,058	4,018	-1%	1.4%	-5.2%	23.7x	22.9x	22.5x	26.8x	27.0x	26.6x	42.9x	36.3x	36.1x
Bapcor Limited	AUD	7.68	2,607	2,999	13%	2.6%	3.1%	11.5x	11.1x	9.9x	15.7x	15.7x	14.2x	22.6x	20.0x	19.1x
Peter Warren Automotive Holdings Limited	AUD	3.06	509	795	36%	0.0%	-9.8%	8.0x	7.9x	8.5x	10.6x	10.2x	11.1x	6.8x	9.4x	16.4x
MotorCycle Holdings Limited	AUD	3.14	194	262	26%	6.4%	-1.7%	5.2x	5.7x	5.8x	7.2x	7.3x	8.8x	7.7x	7.8x	9.6x
<b>Mean</b>								<b>11.9x</b>	<b>11.5x</b>	<b>11.6x</b>	<b>15.1x</b>	<b>14.5x</b>	<b>15.0x</b>	<b>20.2x</b>	<b>17.4x</b>	<b>19.5x</b>
<b>Median</b>								<b>10.9x</b>	<b>10.1x</b>	<b>9.9x</b>	<b>15.0x</b>	<b>12.2x</b>	<b>14.2x</b>	<b>20.9x</b>	<b>13.6x</b>	<b>16.4x</b>
<b>Apparel / Accessories Retail</b>																
Premier Investments Limited	AUD	31.01	4,926	4,770	-3%	2.6%	10.6%	8.4x	9.6x	10.3x	12.3x	15.6x	20.9x	21.0x	21.8x	20.4x
Lovisa Holdings Limited	AUD	20.47	2,200	2,363	7%	1.9%	-1.6%	28.1x	19.1x	15.7x	n/m	47.5x	30.6x	n/m	n/m	42.2x
Kathmandu Holdings Limited	NZD	1.59	1,127	1,374	18%	3.1%	19.5%	7.9x	8.7x	6.3x	21.9x	14.0x	10.7x	38.2x	16.0x	13.3x
Mosaic Brands Limited	AUD	0.61	58	155	62%	0.0%	25.5%	1.1x	4.1x	3.7x	3.1x	8.1x	6.9x	2.3x	7.5x	4.7x
Accent Group Limited	AUD	2.45	1,327	1,778	25%	4.6%	3.3%	8.7x	7.5x	6.9x	19.1x	15.5x	14.3x	26.6x	18.9x	17.2x
Hallenstein Glasson Holdings Limited	NZD	7.04	418	455	8%	0.0%	-3.5%	5.5x	n/m	n/m	9.4x	n/m	n/m	14.4x	n/m	n/m
Universal Store Holdings Limited	AUD	8.15	597	633	6%	1.9%	9.2%	8.9x	13.6x	12.1x	13.3x	15.3x	13.5x	23.6x	22.1x	18.6x
Michael Hill International Limited	AUD	1.06	390	452	14%	4.2%	9.7%	4.2x	4.1x	4.1x	7.5x	8.7x	9.1x	12.4x	10.0x	9.8x
City Chic Collective Limited	AUD	6.32	1,521	1,477	-3%	0.0%	6.7%	31.5x	27.4x	21.6x	44.6x	35.3x	25.7x	n/m	51.1x	37.1x
<b>Mean</b>								<b>11.6x</b>	<b>11.8x</b>	<b>10.1x</b>	<b>16.4x</b>	<b>20.0x</b>	<b>16.4x</b>	<b>19.8x</b>	<b>21.1x</b>	<b>20.4x</b>
<b>Median</b>								<b>8.4x</b>	<b>9.2x</b>	<b>8.6x</b>	<b>12.8x</b>	<b>15.4x</b>	<b>13.9x</b>	<b>21.0x</b>	<b>18.9x</b>	<b>17.9x</b>

Source: CapitalIQ, as at 19 October 2021

Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM	TSR Sep-21	EV / EBITDA			EV / EBIT			PE		
								Actual	Forecasts		Actual	Forecasts		Actual	Forecasts	
								LTM	CY2021	CY2022	LTM	CY2021	CY2022	LTM	CY2021	CY2022
<b>Media</b>																
SEEK Limited	AUD	32.44	11,473	12,402	7%	0.6%	-2.2%	39.5x	30.5x	28.2x	53.9x	32.6x	35.4x	n/m	n/m	53.0x
REA Group Limited	AUD	154.51	20,418	20,815	2%	0.8%	5.3%	44.5x	36.2x	31.7x	46.4x	41.7x	34.0x	n/m	n/m	47.6x
carsales.com Ltd	AUD	24.28	6,855	6,680	-3%	2.0%	3.6%	29.6x	25.1x	23.8x	32.6x	28.2x	26.3x	51.9x	39.8x	33.6x
Infomedia Ltd	AUD	1.44	539	481	-12%	3.1%	1.7%	21.7x	8.8x	7.4x	24.9x	21.0x	13.0x	42.1x	24.0x	19.6x
Keypath Education International, Inc.	USD	2.90	604	517	-13%	0.0%	-8.3%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
<b>Mean</b>								<b>33.8x</b>	<b>25.1x</b>	<b>22.7x</b>	<b>39.5x</b>	<b>30.9x</b>	<b>27.2x</b>	<b>47.0x</b>	<b>31.9x</b>	<b>38.4x</b>
<b>Median</b>								<b>34.5x</b>	<b>27.8x</b>	<b>26.0x</b>	<b>39.5x</b>	<b>30.4x</b>	<b>30.2x</b>	<b>47.0x</b>	<b>31.9x</b>	<b>40.6x</b>
<b>E-commerce</b>																
Kogan.com Ltd	AUD	10.93	1,168	1,171	0%	1.5%	-0.5%	35.7x	18.9x	16.1x	48.5x	22.9x	19.7x	n/m	27.1x	28.4x
Webjet Limited	AUD	6.50	2,472	2,475	0%	0.0%	15.3%	n/m	n/m	22.9x	n/m	n/m	54.9x	n/m	n/m	45.2x
Booktopia Group Limited	AUD	2.51	344	344	0%	0.0%	-7.1%	28.8x	17.3x	12.4x	38.0x	29.4x	18.8x	n/m	38.9x	23.9x
Mad Paws Holdings Limited	AUD	0.22	48	36	-35%	0.0%	35.3%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Cettire Limited	AUD	3.19	1,216	1,169	-4%	0.0%	29.2%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Adore Beauty Group Limited	AUD	4.85	457	429	-6%	0.0%	-7.2%	n/m	n/m	52.1x	n/m	n/m	n/m	n/m	n/m	n/m
Temple & Webster Group Ltd	AUD	12.62	1,520	1,429	-6%	0.0%	-12.3%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
<b>Mean</b>								<b>32.3x</b>	<b>18.1x</b>	<b>25.9x</b>	<b>43.3x</b>	<b>26.2x</b>	<b>31.2x</b>	<b>n/a</b>	<b>33.0x</b>	<b>32.5x</b>
<b>Median</b>								<b>32.3x</b>	<b>18.1x</b>	<b>19.5x</b>	<b>43.3x</b>	<b>26.2x</b>	<b>19.7x</b>	<b>n/a</b>	<b>33.0x</b>	<b>28.4x</b>
<b>Department Stores</b>																
Myer Holdings Limited	AUD	0.55	452	2,075	78.2%	0.0%	5.6%	5.8x	5.4x	5.5x	12.3x	13.1x	14.1x	9.7x	9.9x	11.1x
<b>Supermarkets</b>																
Woolworths Group Limited	AUD	40.28	48,613	62,852	22%	2.7%	-3.8%	12.4x	11.1x	12.0x	22.6x	19.1x	20.8x	39.6x	39.8x	27.6x
Coles Group Limited	AUD	17.81	23,757	32,868	28%	3.4%	-4.4%	10.2x	9.4x	9.1x	18.7x	17.5x	17.0x	26.3x	25.2x	22.0x
Metcash Limited	AUD	4.09	3,949	4,867	19%	4.3%	-3.0%	9.5x	8.5x	8.3x	13.1x	12.2x	12.1x	18.6x	15.9x	15.9x
<b>Mean</b>								<b>10.7x</b>	<b>9.7x</b>	<b>9.8x</b>	<b>18.2x</b>	<b>16.2x</b>	<b>16.6x</b>	<b>28.2x</b>	<b>27.0x</b>	<b>21.8x</b>
<b>Median</b>								<b>10.2x</b>	<b>9.4x</b>	<b>9.1x</b>	<b>18.7x</b>	<b>17.5x</b>	<b>17.0x</b>	<b>26.3x</b>	<b>25.2x</b>	<b>22.0x</b>
<b>Restaurants / Fast Food</b>																
Domino's Pizza Enterprises Limited	AUD	133.92	11,589	12,684	9%	1.3%	5.8%	33.8x	27.8x	24.1x	47.5x	39.8x	32.1x	n/m	n/m	47.4x
Retail Food Group Limited	AUD	0.08	172	291	41%	0.0%	-3.7%	10.1x	12.2x	9.0x	16.0x	13.4x	10.1x	19.1x	8.5x	8.9x
Restaurant Brands New Zealand Limited	NZD	15.48	1,931	2,752	30%	0.0%	-1.3%	15.2x	15.2x	13.5x	27.4x	26.1x	21.7x	45.9x	33.3x	27.8x
Collins Foods Limited	AUD	13.09	1,528	2,101	27%	1.8%	0.5%	12.1x	11.1x	10.4x	22.8x	20.0x	18.7x	39.0x	29.4x	26.1x
<b>Mean</b>								<b>17.8x</b>	<b>16.6x</b>	<b>14.3x</b>	<b>28.4x</b>	<b>24.8x</b>	<b>20.7x</b>	<b>34.6x</b>	<b>23.8x</b>	<b>27.6x</b>
<b>Median</b>								<b>13.7x</b>	<b>13.7x</b>	<b>11.9x</b>	<b>25.1x</b>	<b>23.0x</b>	<b>20.2x</b>	<b>39.0x</b>	<b>29.4x</b>	<b>27.0x</b>
<b>Other</b>																
Elders Limited	AUD	11.31	1,770	2,035	13%	2.9%	0.7%	11.2x	10.3x	9.9x	14.5x	13.2x	12.5x	22.5x	12.9x	14.9x
Flight Centre Travel Group Limited	AUD	22.74	4,538	4,584	1%	0.0%	28.9%	n/m	n/m	9.8x	n/m	n/m	n/m	n/m	n/m	21.9x
Airtasker Limited	AUD	0.99	409	363	-13%	0.0%	-2.5%	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Cash Converters International Limited	AUD	0.26	163	-	n/m	0.0%	1.9%	0.0x	n/m	n/m	0.0x	n/m	n/m	14.4x	n/m	n/m
McGrath Limited	AUD	0.56	93	81	-15%	2.7%	3.8%	3.7x	n/m	n/m	5.5x	n/m	n/m	10.8x	n/m	n/m
BlueBet Holdings Ltd	AUD	1.71	341	286	-19%	0.0%	-24.3%	42.2x	n/m	n/m	43.0x	n/m	n/m	n/m	n/m	n/m
<b>Mean</b>								<b>14.3x</b>	<b>10.3x</b>	<b>9.9x</b>	<b>15.8x</b>	<b>13.2x</b>	<b>12.5x</b>	<b>15.9x</b>	<b>12.9x</b>	<b>18.4x</b>
<b>Median</b>								<b>7.4x</b>	<b>10.3x</b>	<b>9.9x</b>	<b>10.0x</b>	<b>13.2x</b>	<b>12.5x</b>	<b>14.4x</b>	<b>12.9x</b>	<b>18.4x</b>

Source: CapitalIQ, as at 19 October 2021

Company	Currency	Share price \$	Mkt cap million	EV million	Net debt / EV	Dividend Yield LTM	TSR Sep-21	EV / EBITDA			EV / EBIT			PE		
								Actual	Forecasts		Actual	Forecasts		Actual	Forecasts	
								LTM	CY2021	CY2022	LTM	CY2021	CY2022	LTM	CY2021	CY2022
<b>FMCG - Beverage</b>																
Treasury Wine Estates Limited	AUD	11.73	8,472	9,556	11%	2.4%	-1.3%	15.4x	13.4x	13.2x	20.2x	19.5x	16.9x	33.1x	26.8x	23.6x
Delegat Group Limited	NZD	13.97	1,413	1,765	20%	1.4%	-0.7%	15.0x	14.6x	14.1x	18.7x	18.2x	17.6x	26.4x	22.6x	22.1x
Australian Vintage Ltd	AUD	0.87	220	316	30%	3.5%	-4.7%	6.9x	6.9x	6.7x	10.3x	9.8x	9.3x	12.4x	10.5x	10.0x
Good Drinks Australia Limited	AUD	0.09	110	128	14%	0.0%	2.3%	13.3x	n/m	n/m	22.5x	n/m	n/m	28.4x	n/m	n/m
<b>Mean</b>								<b>12.7x</b>	<b>11.7x</b>	<b>11.4x</b>	<b>17.9x</b>	<b>15.8x</b>	<b>14.6x</b>	<b>25.1x</b>	<b>20.0x</b>	<b>18.6x</b>
<b>Median</b>								<b>14.2x</b>	<b>13.4x</b>	<b>13.2x</b>	<b>19.4x</b>	<b>18.2x</b>	<b>16.9x</b>	<b>27.4x</b>	<b>22.6x</b>	<b>22.1x</b>
<b>FMCG - Food &amp; Dairy</b>																
Fonterra Co-operative Group Limited	NZD	3.09	4,985	9,098	45%	6.5%	14.6%	6.5x	n/m	n/m	10.5x	n/m	n/m	13.1x	n/m	n/m
Bega Cheese Limited	AUD	5.34	1,618	2,027	20%	1.9%	-2.0%	14.9x	11.1x	8.7x	27.3x	17.1x	15.6x	33.9x	27.5x	19.0x
The a2 Milk Company Limited	NZD	7.23	5,376	4,518	-19%	0.0%	5.2%	36.3x	34.9x	19.0x	38.4x	n/m	24.9x	n/m	51.7x	36.3x
Freedom Foods Group Limited	AUD	0.48	133	564	76%	0.0%	22.2%	49.2x	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Synlait Milk Limited	NZD	3.74	817	1,309	38%	0.0%	11.7%	42.8x	15.5x	8.9x	n/m	45.5x	14.6x	n/m	n/m	16.3x
<b>Mean</b>								<b>29.9x</b>	<b>20.5x</b>	<b>12.2x</b>	<b>25.4x</b>	<b>31.3x</b>	<b>18.4x</b>	<b>23.5x</b>	<b>39.6x</b>	<b>23.9x</b>
<b>Median</b>								<b>36.3x</b>	<b>15.5x</b>	<b>8.9x</b>	<b>27.3x</b>	<b>31.3x</b>	<b>15.6x</b>	<b>23.5x</b>	<b>39.6x</b>	<b>19.0x</b>
<b>FMCG - Food (Production)</b>																
Inghams Group Limited	AUD	3.82	1,421	3,207	56%	4.3%	2.7%	7.2x	7.0x	6.8x	17.9x	17.2x	16.1x	20.0x	15.5x	13.8x
Australian Agricultural Company Limited	AUD	1.45	874	1,264	31%	0.0%	5.0%	n/m	30.7x	37.9x	n/m	n/m	n/m	n/m	n/m	n/m
Costa Group Holdings Limited	AUD	3.06	1,421	1,976	26%	2.9%	5.5%	9.8x	9.0x	7.3x	18.7x	18.6x	13.1x	29.3x	24.0x	15.9x
Select Harvests Limited	AUD	7.96	957	1,326	28%	0.5%	-3.6%	22.2x	24.1x	13.4x	n/m	37.1x	17.3x	n/m	42.5x	17.9x
Tassal Group Limited	AUD	3.48	743	1,270	41%	4.0%	0.3%	8.2x	8.3x	7.4x	16.8x	13.2x	13.9x	19.4x	13.7x	11.6x
East 33 Limited	AUD	0.19	53	68	22%	0.0%	-2.6%	n/m	n/m	6.2x	n/m	n/m	7.3x	n/m	n/m	6.8x
Sanford Limited	NZD	5.00	468	681	31%	0.0%	11.4%	11.4x	11.4x	9.0x	29.4x	25.6x	16.6x	52.8x	39.7x	20.5x
Huon Aquaculture Group Limited	AUD	3.53	388	683	43%	0.0%	-8.4%	n/m	16.5x	9.2x	n/m	n/m	28.4x	n/m	n/m	37.6x
<b>Mean</b>								<b>11.8x</b>	<b>15.3x</b>	<b>12.1x</b>	<b>20.7x</b>	<b>22.3x</b>	<b>16.1x</b>	<b>30.4x</b>	<b>27.1x</b>	<b>17.7x</b>
<b>Median</b>								<b>9.8x</b>	<b>11.4x</b>	<b>8.2x</b>	<b>18.3x</b>	<b>18.6x</b>	<b>16.1x</b>	<b>24.7x</b>	<b>24.0x</b>	<b>15.9x</b>
<b>FMCG - Personal Care</b>																
BWX Limited	AUD	4.78	769	762	-1%	0.9%	-4.7%	24.1x	21.8x	13.5x	31.0x	22.7x	15.9x	44.7x	36.2x	26.9x
Convita Limited	NZD	3.73	261	280	6%	1.1%	0.5%	12.1x	10.3x	9.2x	20.9x	16.9x	14.6x	30.2x	23.4x	18.7x
Blackmores Limited	AUD	98.14	1,902	1,868	-2%	0.7%	-1.8%	26.4x	23.1x	17.9x	40.8x	36.3x	26.9x	n/m	n/m	40.1x
EZZ Life Science Holdings Limited	AUD	0.51	21	13	-69%	0.9%	15.9%	4.5x	n/m	n/m	4.7x	n/m	n/m	10.1x	n/m	n/m
Shaver Shop Group Limited	AUD	1.04	134	153	12%	7.9%	5.0%	3.8x	3.8x	3.7x	5.8x	6.1x	6.0x	8.3x	7.8x	7.5x
McPherson's Limited	AUD	0.98	125	139	10%	5.1%	-3.1%	17.5x	10.4x	7.1x	49.5x	16.3x	9.5x	n/m	16.5x	13.3x
<b>Mean</b>								<b>14.7x</b>	<b>13.9x</b>	<b>10.3x</b>	<b>25.5x</b>	<b>19.7x</b>	<b>14.6x</b>	<b>23.3x</b>	<b>21.0x</b>	<b>21.3x</b>
<b>Median</b>								<b>14.8x</b>	<b>10.4x</b>	<b>9.2x</b>	<b>26.0x</b>	<b>16.9x</b>	<b>14.6x</b>	<b>20.2x</b>	<b>20.0x</b>	<b>18.7x</b>

Source: CapitalIQ, as at 19 October 2021



## Retail sector trends

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

- **Food retailing:** The seasonally adjusted estimate for Food retailing rose 2.1% in August 2021. By industry subgroup, the seasonally adjusted estimate rose for Supermarkets and grocery stores (2.1%), Liquor retailing (5.3%), and fell for Other specialised food retailing (-3.0%).
- **Household goods retailing:** The seasonally adjusted estimate for Household goods retailing fell 2.3% in August 2021. By industry subgroup, the seasonally adjusted estimate fell for Furniture, floor coverings, houseware and textile goods retailing (-8.2%), Electrical and electronic goods retailing (-3.9%) and rose for Hardware, building and garden supplies retailing (3.6%).
- **Clothing, footwear and personal accessory retailing:** The seasonally adjusted estimate for Clothing, footwear and personal accessory retailing fell 15.7% in August 2021. By industry subgroup, the seasonally adjusted estimate fell for Clothing retailing (-12.6%), and Footwear and other personal accessory retailing (-20.5%).
- **Department stores:** The seasonally adjusted estimate for Department stores fell 10.2% in August 2021.
- **Cafes, restaurants and take-away food services:** The seasonally adjusted estimate for Cafes, restaurants and takeaway food services fell 7.0% in August 2021. By industry subgroup, the seasonally adjusted estimate fell for Cafes, restaurants and catering services (-11.1%) and Takeaway food services (-2.0%).
- **Other retailing:** The seasonally adjusted estimate for Other retailing rose 0.8% in August 2021. By industry subgroup, the seasonally adjusted estimate fell for Newspaper and book retailing (-6.3%), Other recreational goods retailing (-2.9%) and rose for Pharmaceutical, cosmetic and toiletry goods retailing (2.1%) and Other retailing n.e.c. (1.2%).

Source: ABS data released 28 September 2021. Data refers to the seasonally adjusted estimates by industry

### **NEW PwC Global Insights report: Doing the Right Deals**



Companies adapting to a COVID-changed world are rushing to reconfigure their business and capabilities, fuelling M&A activity. But history shows that deals don't always create value. How can leaders ensure they are doing the right deals? Our research reveals that acquisitions based on a capabilities-driven strategy will generate the best returns.

To avoid value loss in deal-making, explore the findings in the launch of our latest global report: [PwC Global Insights - Doing the Right Deals](#).

## Our upcoming Virtual Events PwC's The Journey to IPO & Beyond



Thursday, 28 October 2021



9:00am – 10:00am (AEDT)



Live webcast



To register: [kate.van.gilst@pwc.com](mailto:kate.van.gilst@pwc.com)

*In FY21, the ASX IPO market saw its highest level of activity in over a decade, as founders and businesses took advantage of high liquidity and strong investor sentiment to realise investments and raise capital for growth. What does the IPO journey look like and what do you need to know to prepare?*

*PwC are hosting an upcoming IPO session with the ASX and Co-Founder of hipages Group, Roby Sharon-Zipser, to provide insights into the IPO market and listing process.*

*For any enquiries or to register your attendance, please contact Kate van Gilst at [kate.van.gilst@pwc.com](mailto:kate.van.gilst@pwc.com)*

## PwC's Retail & Consumer Series Opportunities & Outlook for 2022



Tuesday, 9 November 2021



8:30am – 9:30am (AEDT)



Live webcast



To register: [Register here](#)

*This Retail & Consumer focused discussion will include renowned American Infectious Diseases Expert Dr. Celine Gounder, who will share her insights on the US experience as Americans emerge from the pandemic.*

*Dr. Gounder will be joined by PwC experts including Chief Economist Jeremy Thorpe to discuss: the economic impacts and trends from the past 20 months - a local perspective; the emerging pandemic landscape and future scenarios; and how businesses can plan to address key challenges to make the most of opportunities.*

## 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:



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