# AUSTRALIAN CONSUMER & RETAIL SECTOR UPDATE

Edison Partners

FY2025 M&A Wrap-Up & Perspectives for FY2026

# CONTENTS

# INTRODUCTION & OVERVIEW

# EDISON AT A GLANCE

## COMPANY OVERVIEW

- Founded in 2006, headquartered in Melbourne, Australia with representative offices in Sydney and Brisbane, Edison Partners is a boutique advisory firm providing a range of corporate finance and corporate advisory services to private and listed businesses in Australia, New Zealand and the Asia Pacific region. Edison's capability in cross-border M&A has enabled it to be recognised as one of Australia's leading mid-market cross-border transaction advisers with extensive networks, experience and capability across the Asia Pacific region
- Through our industry specialisation, we quickly develop a clear understanding of our clients' business and objectives alongside the current market situation. Whether buying, selling, merging, raising capital or formulating strategy, we always deliver actionable, clear and objective strategic advice that facilitates informed and relevant business decisions that deliver objective results

## CORE SERVICE LINES

- SELL-SIDE TRANSACTION ADVISORY
- GROWTH CAPITAL RAISING
- BUY-SIDE TRANSACTION ADVISORY
- VALUATIONS
- STRATEGY & TRANSFORMATION CONSULTING
- DEBT CAPITAL ADVISORY

## PERFORMANCE

**100+**
Transactions completed

**46**
Cross-border transactions

**$2.0+ Billion**
Total transaction value

# EXECUTIVE SUMMARY

The Australian Consumer & Retail sector experienced significant fluctuations throughout FY2025, reflecting subdued consumer confidence and global uncertainty.

## KEY HIGHLIGHTS

1. The Consumer and Retail sectors in Australia demonstrated overall positive performance over the past 12 months, achieving an average return on the index of 8.1%

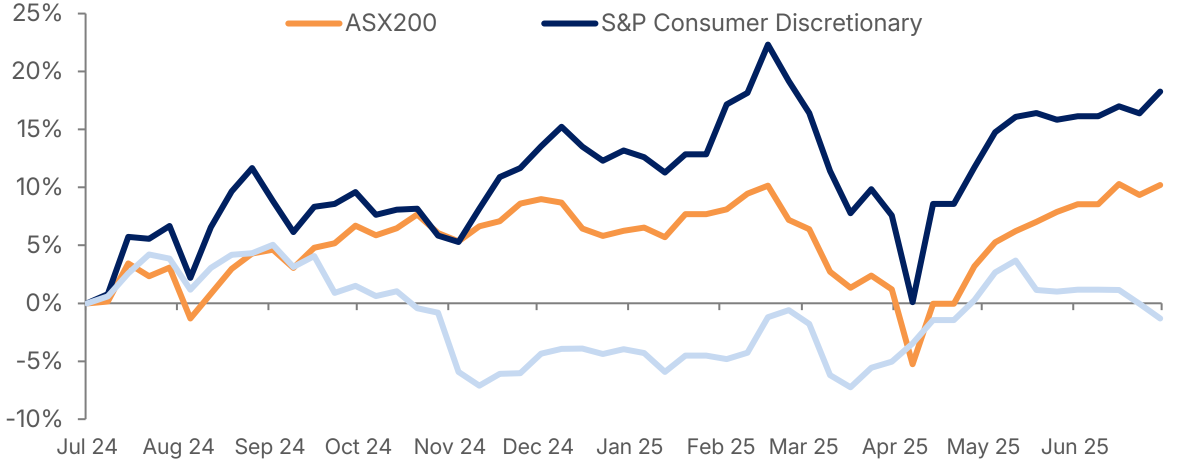
2. The consumer staples segment suffered a downturn at the end of 2024 driven by macroeconomic headwinds, slowing earnings expectations, valuation recalibrations and relatively poor results from major players such as Woolworths Group. Despite a recovery at the beginning of Q4 FY2024, the US-China tariff ceasefire saw a rally in growth-stocks, and a subsequent transition away from defensive consumer staple assets.

3. Initial Public Offering (IPO) activity remained subdued, as prevailing consumer confidence and higher interest rates have made listings challenging. Nonetheless, current capital constraints are anticipated to ease as the US Federal Reserve begins its highly anticipated easing cycle

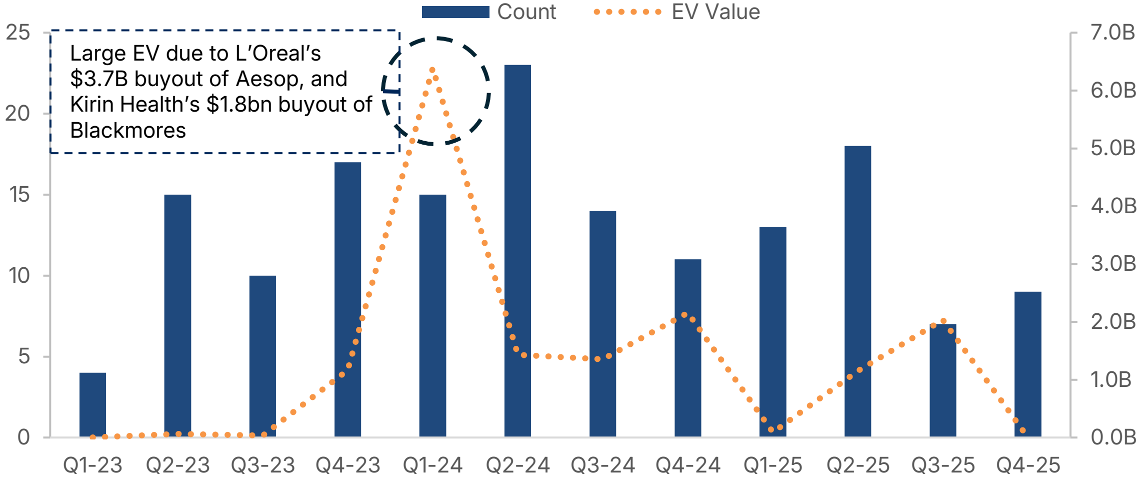
4. Mergers and acquisitions (M&A) and capital-raising activities have remained subdued due to low consumer confidence. However, recent trends in consumer sentiment may indicate a potential shift in investment dynamics in the near future

5. Amid challenging economic conditions, professional investors are becoming increasingly selective, favouring firms demonstrating growth and profitability. Current investor trends indicate a particular interest in thriving e-commerce niches, such as home and lifestyle products where operating models have been validated by profit delivery

## INDEX PERFORMANCE




## M&A DEAL COUNT & VALUE[1]




Source: S&P Capital IQ, Company data, Edison Partners research
(1) – EV is often undisclosed in reported deals.

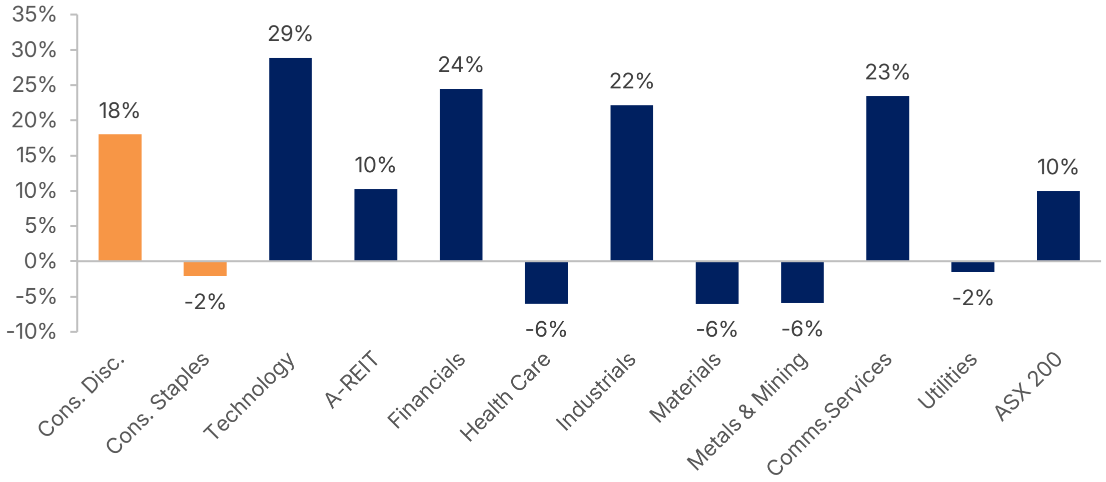
# PUBLIC MARKETS

# PUBLIC MARKETS - Overview

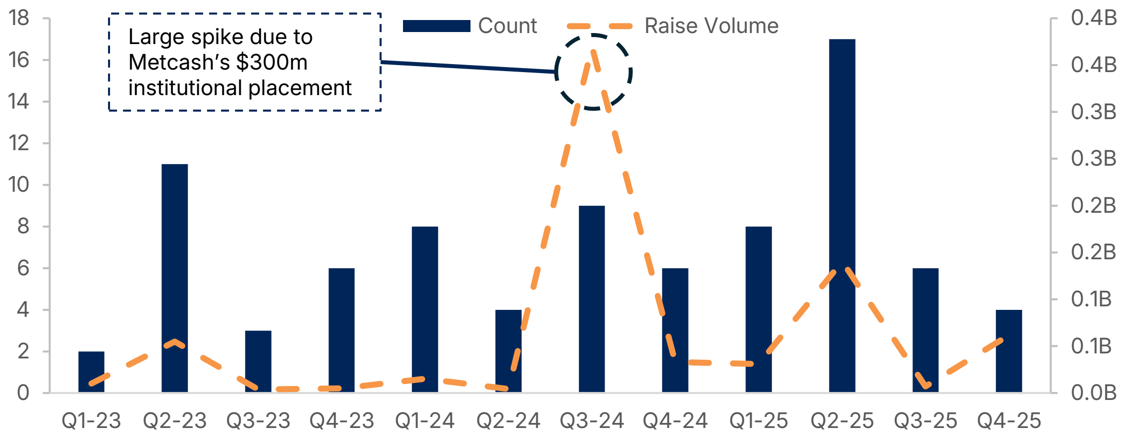
## The Consumer and Retail sector demonstrates resilience in a challenging environment, with premium brands driving positive returns

- The past 12 months have generally shown positive performance across the Consumer and Retail sectors. However, the performance of the consumer staples sector suffered due to weak earnings growth and margin pressure, stubborn inflation and large cap players like the Woolworths Group, who experienced a YoY decline of 7.9%
- In contrast, well-known eCommerce giant Temple & Webster continued its rise across the index, and support from entrenched brands such as Nick Scali and Beacon Lighting saw positive returns in the Home & Decor, as consumers continue to invest in home improvement
- The Automotive and Transport sectors were strongly bolstered as Motorcycle Holdings cemented itself as Australia's biggest motorcycle group, announcing a 59% increase in online sales as a springboard for the next stage of the company's growth. The largest automotive retailer, Eagers Automotive also saw exceptional share price growth underpinned by record revenue and profit expansion, a major boost from its leading role in the booming Australian EV market.
- Capital raising had a modest boost in FY2025, but remains subdued, as low consumer confidence continues to impact trading and financial prospects. However, with consumer confidence trending upwards in recent months, there is potential for this momentum to shift over the coming months

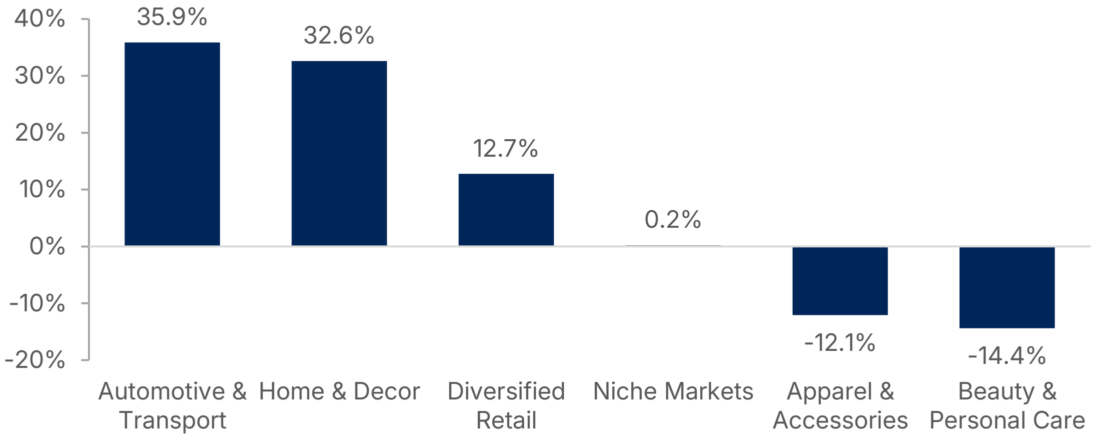
### 12 MONTH AUSTRALIAN SECTOR PERFORMANCE




### AUSTRALIAN CONSUMER & RETAIL CAPITAL RAISING




### 12 MONTH AUSTRALIAN CONSUMER & RETAIL PERFORMANCE



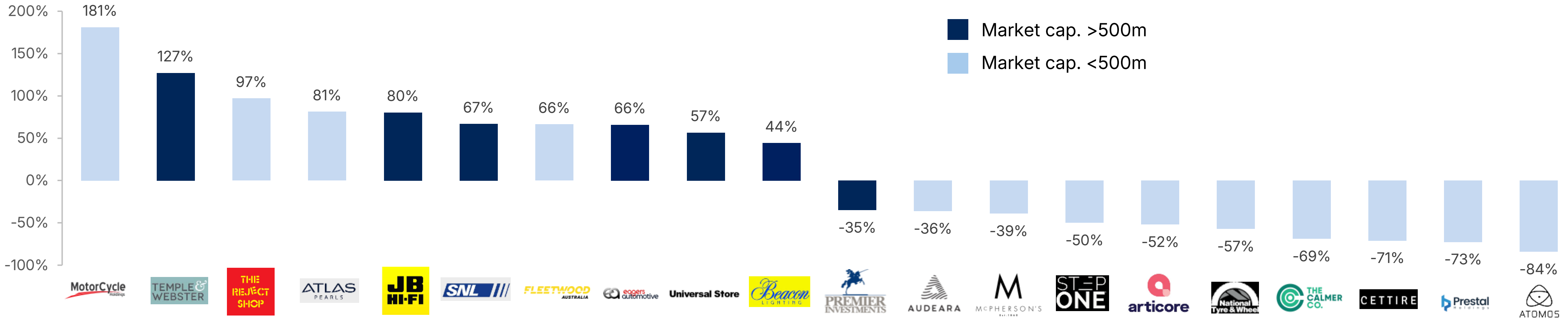

Source: S&P Capital IQ, Company data, Edison Partners research

# PUBLIC MARKETS – Largest Movers

Strong D2C models remained critical across the retail landscape, as weak consumer sentiment, challenging economic conditions and stubborn inflation pressured margins

- Companies that saw significant gains over the past 12 months were as follows:
  - **MotorCycle Holdings Ltd (ASX: MTO):** Australia's largest network of motorcycle dealerships had record revenue growth of 11.6% to $650m, significant improvement in profitability (EPS to 24.4 cents up from 19.2 cents), and strong online sales growth of 59%
  - **Temple & Webster Group (ASX: TPW)**: Pure-play online retailer for furniture and homewares, Temple & Webster's, stock rose significantly after another year of outstanding financial performance reporting a 21% revenue increase to $601m, a 533% increase in NPAT ($11.3m from $1.8m), and growth in all key metrics such as market share, conversion rates, and active customers
  - **JB Hi-Fi Ltd (ASX: JBH):** Australia's largest retailer of consumer electronics, JB Hi-Fi posted exceptional financial results, including 10% sales growth, an increase in underlying EBIT of 9.4% to $694m and strong final and special dividends announced. Combined with strong operational execution saw the stock price surge another 80% during FY25
- While companies that saw poor performance over the past 12 months were as follows:
  - **Step One Clothing Ltd (ASX: STP):** D2C online underwear retailer, Step One failed to replicate its incredible growth in FY24. Gross margins slipped on the back of heavy discounting contributed to reduced EBITDA, and in combination with flat revenue growth saw bearish revisions among analysts, which saw the stock fall 50% throughout FY25
  - **Premier Investments Ltd (ASX: PMV):** Declining sales, profit margins, and overall earnings – pressured by challenging discretionary retail conditions and weak consumer sentiment saw the Australian retail group perform poorly throughout FY25. Smiggle, one of the main growth brands saw declining sales, and its struggling apparel portfolio (sold to Myer) added one-off costs
  - **Cettire Ltd (ASX: CTT)**: Despite flat revenue for the online retailer of personal luxury goods, CTT's adjusted EBITDA evaporated by 99% to just $300K, compared to $32.5m in FY24. This was reflected in weakening margins, while macro factors such as US reciprocal tariffs further dented performance at the end of FY25, as around 41% of CTT's gross sales involve European-made goods sold in the US market

## LARGEST 12 MONTH STOCK PRICE MOVEMENTS





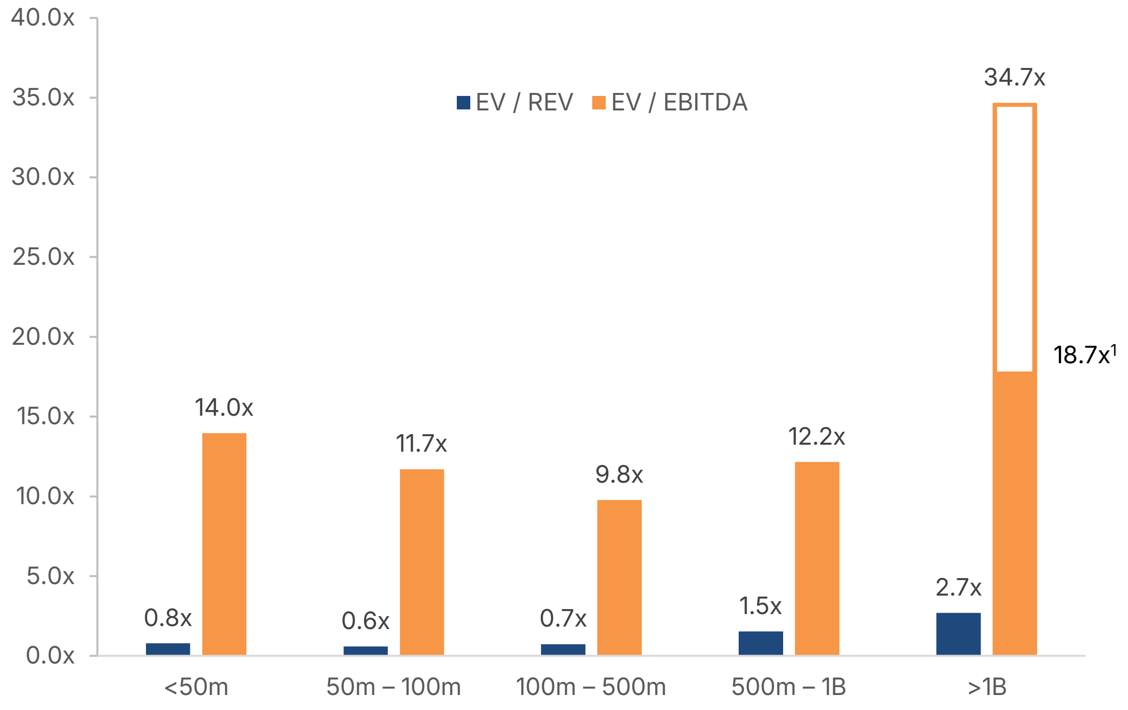

Source: S&P Capital IQ, Company data, Edison Partners research

# PUBLIC MARKETS – Valuations

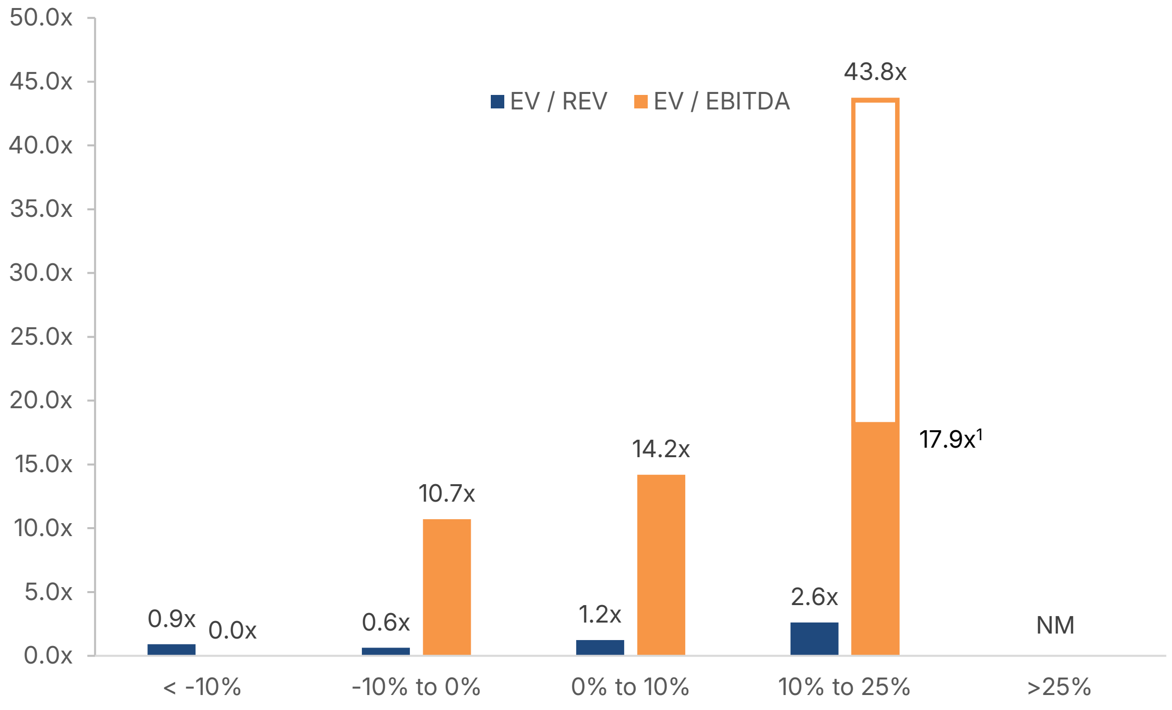
Investors place a valuation premium on larger companies with consistent revenue growth

- **Size Premium in Valuation**: The below analysis reveals a positive correlation between EV/Revenue and EV/EBITDA multiples and company size, indicating that investors favor larger firms. This trend suggests that scale is perceived as a competitive advantage, likely due to enhanced market presence and operational efficiencies, which can lead to sustained profitability
- **Emphasis on Revenue Growth**: The analysis also highlights a positive relationship between EV/Revenue and EV/EBITDA multiples and year-over-year revenue growth. This underscores that investors are increasingly valuing firms with robust growth trajectories, as consistent revenue expansion is often indicative of a strong market position and future earnings potential

## MARKET CAP. by EV VALUATION MULTIPLES




## REVENUE GROWTH by EV VALUATION MULTIPLES




(1) When Temple & Webster EV/EBITDA normalised
Source: S&P Capital IQ, Company data, Edison Partners research

# PUBLIC MARKETS – IPO Tracker

Recently listed Australian Consumer & Retail companies have generally struggled in the current low consumer confidence environment, with the exception of premium online fashion retailers

- Consumer & Retail companies that listed on the ASX over the past four years have overall experienced poor stock market returns, with an average CAGR since IPO of -1.5%
- During the same period, consumer confidence in Australia has shifted from above-average levels in the 2021 calendar year to below-average levels throughout 2022 – 2025 (see Consumer Confidence Index vs. IPO Performance on the following slide)

| Company | Status | Ticker | Market Cap. | IPO Price | Current / Last Price | List Date | Years Since Listing | YoY Revenue Growth | 12m Stock Movement | Total Stock Movement Since IPO | Stock CAGR since IPO |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Adrad Holdings Limited | Operating | AHL | 57m | 1.50 | 0.64 | Sep-22 | 2.9 | 9% | -12% | -58% | -27% |
| Step One Clothing Limited | Operating | STP | 95m | 1.53 | 0.69 | Oct-21 | 3.9 | 3% | -50% | -55% | -19% |
| Best & Less Group Holdings Ltd | Delisted | BST | 235m | 2.16 | 1.89 | Jul-21 | 2.0 | -2% | NA | -13% | -3% |
| Peter Warren Automotive Holdings Limited | Operating | PWR | 325m | 2.90 | 1.43 | Apr-21 | 4.4 | 0% | -16% | -51% | -16% |
| Audeara Limited | Operating | AUA | 4m | 0.20 | 0.02 | May-21 | 4.3 | 19% | -36% | -89% | -41% |
| Cettire Limited | Operating | CTT | 112m | 0.50 | 0.34 | Dec-20 | 4.7 | 0% | -71% | -32% | -8% |
| BikeExchange Limited | Delisted | BEX | 9m | 0.26 | 0.08 | Feb-21 | 2.7 | 24% | NA | -69% | -24% |
| Booktopia Group Limited | Delisted | BKG | 10m | 2.30 | 0.05 | Dec-20 | 3.5 | NA | NA | -98% | -57% |
| Merino & Co. Limited | Operating | MNC | 11m | 0.20 | 0.15 | Oct-24 | 3.5 | -25% | NA | -28% | -38% |
| Universal Store Holdings Limited | Operating | UNI | 659m | 3.80 | 7.78 | Nov-20 | 4.8 | 16% | 57% | 105% | 17% |
| Dusk Group Limited | Operating | DSK | 56m | 2.00 | 0.82 | Oct-20 | 4.9 | 8% | 41% | -59% | -17% |
| Adore Beauty Group Limited | Operating | ABY | 97m | 6.75 | 0.67 | Oct-20 | 4.9 | 2% | -25% | -90% | -39% |
| Webjet Group Limited | Operating | WJL | 357m | 0.80 | 0.90 | Sep-24 | 1.0 | -7% | 13% | 13% | 17% |

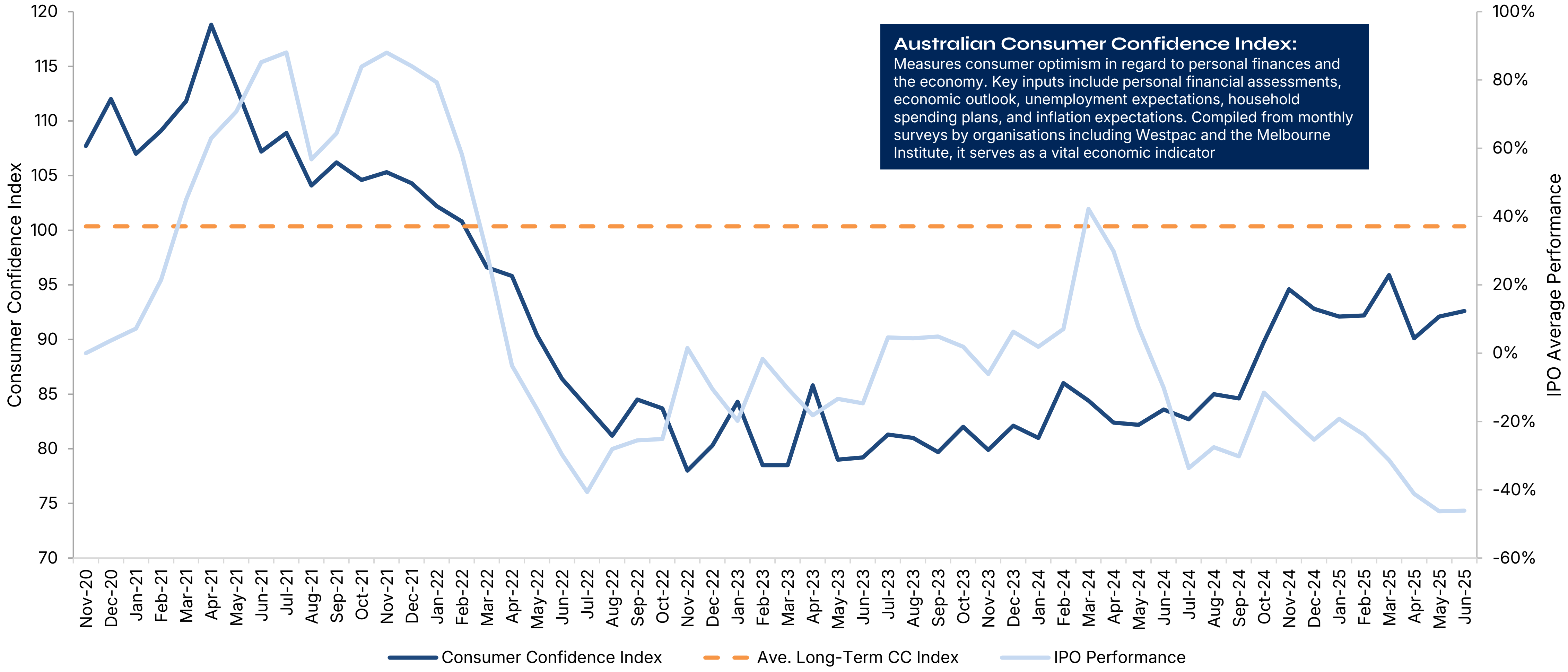
**Growth Key**

NEGATIVE | NIL | HIGH

Return figures exclude any dividends, Webjet Group listing was as a result if a demerger
Source: S&P Capital IQ, Company data, Edison Partners research

# PUBLIC MARKETS – IPO Tracker

Falling consumer confidence has exerted downward pressure on recently listed Australian Consumer & Retail companies. There is an anticipation that returns will improve as confidence indicators, such as inflation and interest rates, improve into 2026




**Australian Consumer Confidence Index:** Measures consumer optimism in regard to personal finances and the economy. Key inputs include personal financial assessments, economic outlook, unemployment expectations, household spending plans, and inflation expectations. Compiled from monthly surveys by organisations including Westpac and the Melbourne Institute, it serves as a vital economic indicator

Return figures exclude any dividends
Source: S&P Capital IQ, Company data, Tradingeconomics, Edison Partners research

# M&A and CAPITAL RAISING ACTIVITY

# M&A and CAPITAL RAISE ACTIVITY – Overview

The Australian retail and consumer market in FY2025 balanced traditional consolidation drivers with innovation-led capital allocation, underpinning a dynamic environment focused on lifestyle investments, technology adoption, and modern consumer engagement strategies.

- Consumer & Retail experienced moderate M&A deal volumes in FY2025, reflecting cautious investor sentiment amid economic uncertainties.
- Capital raises were also subdued, but showed some activity in digital transformation, sustainable products, and direct-to-consumer (DTC) brands.
- Larger strategic deals focused on category expansions and supply chain integration.

## INVESTMENT TRENDS

### 1 Strong Investor Focus on Home & Lifestyle Products

- ✓ The home and lifestyle segment attracted increasing M&A and capital raise activity, driven by sustained consumer demand for home improvement, decor, and wellness-related household products.
- ✓ Retailers and brands in this category are investing in digital tools to enhance customer experiences and support omnichannel sales.
- ✓ The acquisition of E. & S. Trading Co. by JB Hi-Fi highlights the growing demand for home improvement offerings and the strategic move to enhance JB Hi-Fi's offerings in this expanding market, further catering to consumer preferences for quality home solutions

### 2 Continued Digital Transformation and Omnichannel Integration

- ✓ Fundraising and M&A focused heavily on retailers and consumer brands adopting advanced technologies such as AI-driven customer analytics, personalised marketing, and seamless e-commerce platforms.
- ✓ Businesses enhancing omnichannel retail experiences—integrating physical stores with robust online channels—commanded premium valuations due to improved customer engagement and sales diversification.

### 3 Emergence of Direct-to-Consumer (DTC) Brands transitioning into multi channel

- ✓ DTC brands sustained strong appeal to investors because of their direct customer relationships, data rich customer insights, and higher margins compared to traditional physical retail models.
- ✓ Many mid-market capital raises and M&A deals supported DTC brands in expanding product lines, expanding into new channels, improving supply chains, and scaling internationally, positioning them for accelerated growth and accompanying EV expansion

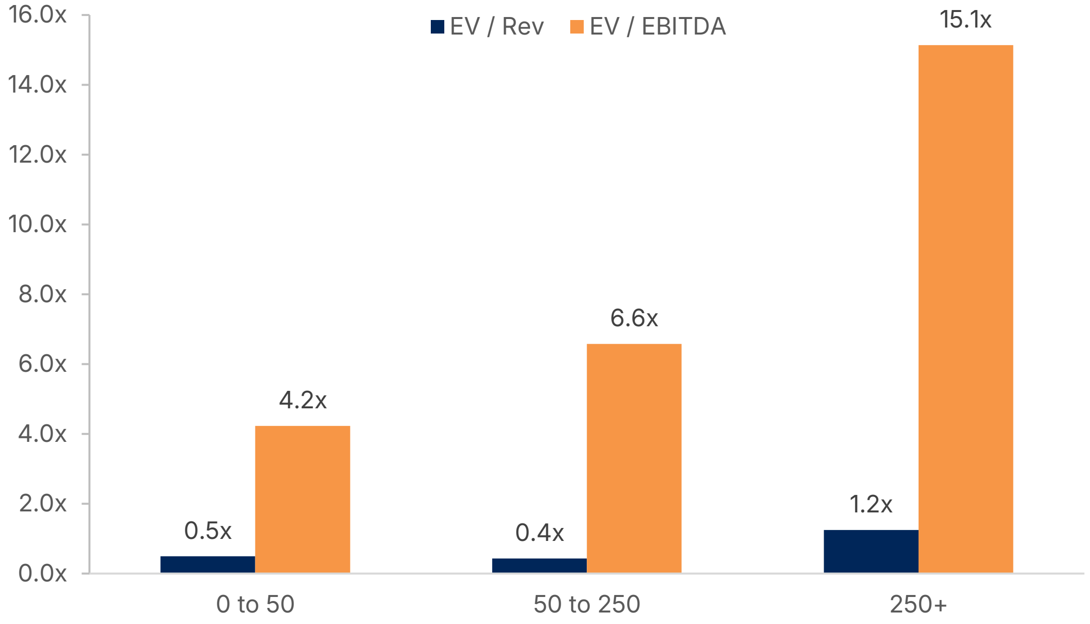
Source: Source: Australian Retailers Association, Grand View Research, Mckinsey, Statista

# M&A and CAPITAL RAISE ACTIVITY – Valuations

M&A transactions in the Consumer & Retail space demonstrate a clear correlation between valuation multiples and deal size, underscoring the size premium that larger firms command in the market

- Among the disclosed Australian Consumer & Retail M&A transactions over the past three years, a clear size premium trend is evident: companies acquired for larger Enterprise Values typically commanded higher EV/Revenue and EV/EBITDA multiples
- Key reasons why larger companies attract premium valuation multiples are as follows:
  - **Market power**: larger companies often have greater market influence, enabling them to negotiate better pricing, enhance brand recognition, and leverage economies of scale
  - **Revenue stability**: larger firms typically enjoy more stable revenue streams, which reduce risk for acquirers and lead to higher valuation multiples
  - **Access to resources**: larger companies often possess more resources, including financial, technological, and human capital, which can drive growth and profitability post-acquisition, justifying higher valuations

| Deal Value (AUD $m) | Count (#) | Count Weight (%) | Total Deal Value ($Am) | Ave. Deal Value ($Am) | EV / Rev | EV / EBITDA |
|---|---|---|---|---|---|---|
| Undisclosed | 133 | 72% | n/a | n/a | n/a | n/a |
| 0 to 50 | 27 | 15% | 388 | 14 | 0.5x | 4.2x |
| 50 to 250 | 8 | 4% | 878 | 110 | 0.4x | 6.6x |
| 250+ | 16 | 9% | 19,081 | 1,193 | 1.2x | 15.1x |
| **Total / Average** | **184** | **100%** | **20,347** | **399** | **0.8x** | **10.2x** |




Source: S&P Capital IQ, Company data, Edison Partners research

# M&A ACTIVITY – Highlighted transaction: The Reject Shop / Dollarama

## TRANSACTION SUMMARY

- Dollarama Inc. (TSE: DOL) agreed to acquire all ordinary shares of The Reject Shop Ltd (ASX: TRS) for an all-cash consideration of $6.68 per share, representing approximately $259m in equity value with an enterprise value of $189m (pre-AASB 16)
- The acquisition was implemented through a scheme of arrangement, with Reject Shop shareholders receiving $5.91 cash per share on 15 July 2025, plus a fully franked special dividend of $0.77 per share paid on 14 July 2025
- The Reject Shop, Australia's largest discount variety retailer with over 390 stores nationwide, offers Dollarama a strategic foothold to expand into the Australian market, with plans to grow the store network to approximately 700 stores by 2034
- Dollarama intends to leverage its retail expertise and operational excellence, working with The Reject Shop's local management to optimise growth, simplify pricing, phase in Dollarama products, and eventually rebrand stores under the Dollarama banner

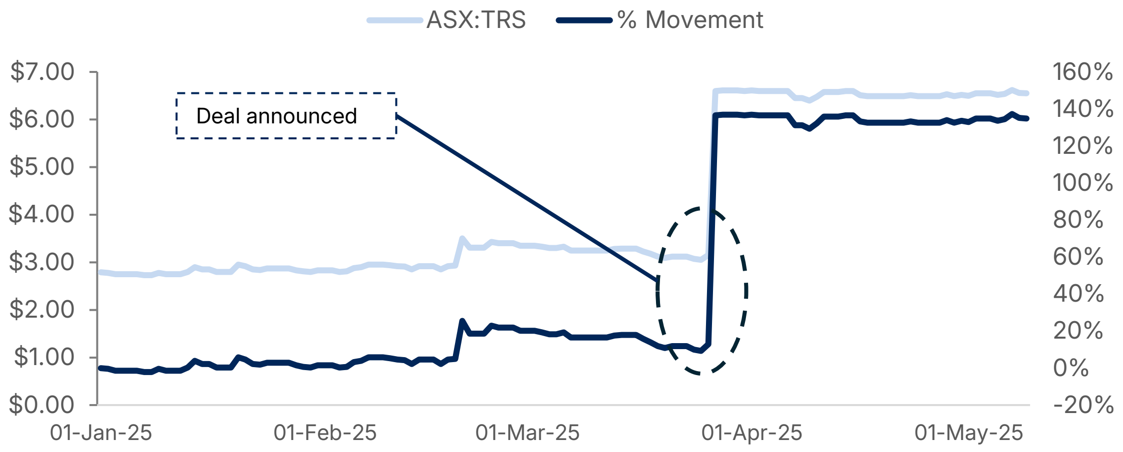
## KEY TRANSACTION DETAILS

| | | | |
|---|---|---|---|
| **c. $189m**<br>Reported EV[1] | **1.5x**<br>EV / EBITDA | **Cash**<br>Consideration | **c. $259m**<br>Equity Value |
| **Completed**<br>Deal Status | **117%**<br>Premium[2] | **Broadline Retail**<br>Sub-sector | **100%**<br>Portion |

## TRANSACTION RATIONALE

1. **Strategic Market Entry and Expansion**: The acquisition gives Dollarama immediate access to the Australian discount retail market, leveraging The Reject Shop's extensive store network and brand recognition to accelerate growth and geographic penetration with plans to nearly double store count by 2034
2. **Operational and Synergy Opportunities**: Dollarama can apply its proven retail and supply chain expertise to optimise The Reject Shop's operations, streamline pricing strategies, and introduce its private-label products, generating significant cost efficiencies and margin improvement potential
3. **Attractive Valuation for Shareholders**: The all-cash offer at A$6.68 per share, coupled with a fully franked special dividend, provided Reject Shop shareholders with immediate, risk-free value realisation amid challenging retail conditions, while Dollarama potentially benefits from a conglomerate discount that could unlock material long-term value through integration and growth

## STOCK PRICE MOVEMENT




Notes: (1) Reported EV based off TRS's Scheme Meeting 23 June 2025. (2) Premium to the 6-month VWAP to 26 March 2025 of $3.08 per TRS share.
Source: S&P Capital IQ, Company data, Edison Partners research, Morgan Stanley, J.P.Morgan

# M&A ACTIVITY – Highlighted transactions

## M&A HIGHLIGHT #1 (Doors Plus acquired by Colinton Capital)

| $75.0m | NA | Home | 80% | Completed |
|---|---|---|---|---|
| Ent. Value | EV / EBITDA | Sub-sector | Portion | Deal Status |

### Details

- Colinton Capital Partners acquired an 80% majority stake in Doors Plus, a well-known Australian home improvement and door retailer, in a transaction valued at approximately $60 million, marking the first change of ownership in the company's 35-year history. The founding Tavner family retains a 20% stake and remains involved in the business.
- Doors Plus operates 22 showrooms and 5 distribution centers across Australia, with forecasted FY25 revenue above $80 million and earnings around $12 million, up from $64 million sales and $8.3 million profit the previous year. The acquisition positions Doors Plus for expansion plans, including opening additional stores and refurbishing existing locations.

https://www.doorsplus.com.au/

https://colintoncapital.com/

## M&A HIGHLIGHT #2 (Stillwell Motor acquired by Autosports Group)

| $50m | 4.1x | Auto | 100% | Completed |
|---|---|---|---|---|
| Ent. Value | EV / EBITDA | Sub-sector | Portion | Deal Status |

### Details

- Autosports Group Limited (ASX: ASG) acquired 100% of shares in Stillwell Motor Group for approximately in October 2024.
- Stillwell Motor Group is a family-owned business operating BMW, BMW Motorrad, MINI, Volvo, MG, and Ducati dealerships across four locations in Victoria, Australia, generating over $345 million in annualised revenue.
- The acquisition is expected to add approximately 13% to Autosports Group's annualised revenues, strengthening its luxury brand and metropolitan market presence in Victoria.

https://autosportsgroup.com.au/

## M&A HIGHLIGHT #3 (E&S majority stake acquired by JB HI-FI)

| $63.7m | 9.1x | Home appliance | 75% | Completed |
|---|---|---|---|---|
| Ent. Value | EV / EBITDA | Sub-sector | Portion | Deal Status |

### Details

- JB Hi-Fi Limited (ASX:JBH) acquired 75% stake in E. & S. for AUD 47.8 million on August 9, 2024. Initial acquisition of 75% for cash consideration of AUD 47.8 million on a cash-free / debt-free basis. Put and call option arrangement in place for the acquisition of the remaining 25% in September 2029
- E&S is a leading Australian retailer specialising in premium kitchen, bathroom, and laundry appliances, offering a wide range of brands and expert advice for residential and commercial needs

https://www.eands.com.au

https://www.jbhifi.com.au/

## M&A HIGHLIGHT #4 (PFD acquired by Woolworths Group)

| $1.1bn | 7.8x | SOMETHING | 35% | Completed |
|---|---|---|---|---|
| Ent. Value | EV / EBITDA | Sub-sector | Portion | Deal Status |

### Details

- Woolworths Group Limited acquired the remaining 35% stake in PFD Food Services Pty Ltd from the Smith family for approximately AUD 380 million in cash, completing its full ownership of PFD after initially acquiring 65% in 2020.
- The total transaction valued PFD at over AUD 1 billion enterprise value, with Woolworths also owning PFD's 26 freehold distribution centres, which it leases back to PFD, enabling logistical and operational synergies.
- PFD is Australia's largest privately owned foodservice distribution business, supplying fresh, frozen, and dry goods to various sectors including quick service restaurants, hospitality, aged care, and institutional customers.

https://www.pfdfoods.com.au/

https://www.woolworths.com.au/

Source: S&P Capital IQ, Company data, Edison Partners research

# M&A ACTIVITY – Recent transactions

| Target | Acquirer | Date | Status | Target Detail | Enterprise Value (EV) | Equity Acquired |
|---|---|---|---|---|---|---|
| The Reject Shop | Dollarama | Jul-25 | Completed | The Reject Shop is a leading Australian discount variety retailer with over 390 stores nationwide. Founded in 1981, it offers a wide range of everyday essentials, including groceries, household goods, health and beauty products, toys, and seasonal items. Known for providing great value, it serves millions of customers aiming to help Australians save money daily. | 189m | 100% |
| Forch Australia | Maxiparts Limited | Jun-25 | Announced | Forch Australia Ptd is a leading supplier of workshop, installation, and fastening products to trade and industrial sectors. It offers a comprehensive range of high-quality automotive tools and consumables tailored to mining, engineering, and vehicle maintenance needs. | 11m | NA |
| Doors Plus | Colinton Capital Partners | Jun-25 | Announced | Doors Plus is a family-owned Australian company specialising in quality doors and services since 1989. They offer a wide range of internal and external doors with personalised fitting, painting, staining, and delivery nationwide. | 75m | NA |
| Freedom | Amart | Jun-25 | Announced | Freedom is an Australian furniture and homewares retailer established in 1981, known for stylish, quality products. It operates nationally through physical and online stores, offering furniture, décor, and interior design services to suit diverse lifestyles. | NA | NA |
| Cue | Hilco Capital | Apr-25 | Completed | Cue & Co is an Australian fashion retailer founded in 1968, known for premium women's ready-to-wear clothing. It operates the Cue and Veronika Maine brands, focusing on quality, tailored designs, and Australian manufacturing. | NA | 100% |
| The Just Group | Myer | Jan-25 | Completed | The apparel division from Premier Investments (ASX: PMV) including brands such as Just Jeans, Jay Jays, Portmans, Dotti, Jacqui E to combine with Myer into a leading retail platform across ANZ. | 2,032m | 100% |
| CD Motor Group | Autopact | Nov-24 | Announced | CD Motor Group is a family-owned Australian automotive dealer operating across Victoria. It represents leading brands Hyundai, Kia, Mitsubishi, and New Age Caravans, offering vehicle sales, servicing, parts, and fleet solutions with award-winning customer service. | 28m | NA |

Source: S&P Capital IQ, Company data, Edison Partners research

# M&A ACTIVITY – Recent transactions (cont.)

| Target | Acquirer | Date | Status | Target Detail | Enterprise Value (EV) | Equity Acquired |
|---|---|---|---|---|---|---|
| | Scalare Partners | Nov-24 | Completed | Candy Club Holdings was a confectionary business which completed an RTO with Scalare Partners, successfully transitioning to a technology startup accelerator and investor. | NA | 100% |
| MTQ | Undisclosed | Nov-24 | Completed | MTQ Engine Systems specialises in aftermarket automotive components and services, including engine reconditioning and performance parts, catering to both individual and commercial customers in the automotive industry. | NA | 100% |
| Insight Systems | Hibino | Oct-24 | Announced | InSight Systems is an Australian provider of workplace audio-visual and IT technology solutions. They specialise in AV integration, consultation, and managed services, delivering tailored, reliable solutions for diverse industries since 2003. | 14m | NA |
| PFD Foodservices | Woolworths | Oct-24 | Completed | PFD Food Services is Australia's largest family-owned foodservice distributor, supplying a wide range of dry goods, fresh and frozen meat, seafood, and cleaning products to restaurants, hotels, aged care, and more since 1943. | 1,094m | 35% |
| SMG stillwell motor group | autosports group | Oct-24 | Completed | B S Stillwell Motor Group is a prominent automotive dealership group in Australia, offering a wide range of new and used vehicles, exceptional service, and competitive financing options. | 55m | 100% |
| e&s | JB Hi-Fi | Sep-24 | Completed | E. & S. Trading Co. offers a wide range of discounted home appliances and products, focusing on exceptional customer service and value, making quality appliances accessible to Australian consumers. | 64m | 100% |
| iKOU | Adore Beauty Group | Jul-24 | Completed | Ikou is known for its focus on natural and sustainable home and body products. They offer a range of items, including essential oils, candles, and skincare products, often emphasising eco-friendly practices and ingredients | 25m | 75% |

Source: S&P Capital IQ, Company data, Edison Partners research

# CAPITAL RAISING ACTIVITY – Highlighted investments

## HIGHLIGHT #1 (York Street Brands)

| $7.0m | Series C | Skincare | NA |
|---|---|---|---|
| Raised | Current Stage | Sub-sector | Last Valuation |

### Details

- York Street Brands is an Australian beauty group focused on innovative skincare brands like Breakout Hack and Bouf, prioritising effective, science-backed products tailored to diverse skin needs.
- The company aims to solve skincare accessibility and efficacy issues by combining bold, transparent branding with affordable, high-performance products, targeting unmet consumer demands in the beauty market.
- With a strong leadership team and plans for international expansion, York Street Brands uses digital marketing to connect authentically with consumers and scale rapidly in competitive global markets.


https://yorkstbrands.com/

### Investment Rounds

| Date | Round | Amount Raised | Pre-Money | Dilution |
|---|---|---|---|---|
| Apr-23 | Series B | $5.0m | NA | NA |
| May-25 | Series C | $2.0m | NA | NA |

### Notable Investor/s

- Alium Capital led the Apr-23 funding round in 2023 for York Street, which was formed by merging Boost Lab and TBH Skincare.
- Alium Capital is a Sydney-based investment firm focusing on technology and innovation companies across Australia and New Zealand, providing growth and liquidity capital with a strong track record since 2016.
- iPartners led the May-25 investment round to support expansion and the launch of an additional brand.
- iPartners is an Australian alternative investment manager, specialising in early to growth-stage company investments.

https://aliumcap.com/

https://www.ipartners.com.au/

## HIGHLIGHT #1 (IDA Sports)

| $2.0m | Seed | Footwear | NA |
|---|---|---|---|
| Raised | Current Stage | Sub-sector | Last Valuation |

### Details

- IDA Sports focuses on designing high-performance and comfortable athletic footwear specifically for female athletes, addressing the issue of women traditionally being an afterthought in sports gear development.
- The company was born from co-founder Laura Youngson's experience playing a record-setting soccer game wearing boots made for men, which caused pain and increased injury risk.
- IDA Sports operates on a direct-to-consumer model and partners with professional athletes for testing, aiming to empower female athletes with gear designed for their unique needs, advancing gender equality in sports equipment.

https://www.idasports.com/

### Investment Rounds

| Date | Round | Amount Raised | Pre-Money | Dilution |
|---|---|---|---|---|
| Oct-24 | Seed | $2.0m | NA | NA |

### Notable Investor/s

- Kynisca Sports International, Ltd. is a pioneering global organisation dedicated to women's sports, headquartered in London, United Kingdom.
- Kynisca's mission is to transform women's football through unprecedented investment, proving its commercial viability and cultural impact around the world.
- The organisation supports female athletes with state-of-the-art facilities, world-class technical staff, and innovative sports science through the Kynisca Innovation Hub.

https://www.kynisca.com/

Source: S&P Capital IQ, Company data, Edison Partners research

# CAPITAL RAISING ACTIVITY – Recent Investments

| Target | Recent Investor | Date | Status | Aggregate Amount Raised | Most Recent Stage | Target Detail |
|---|---|---|---|---|---|---|
| MTS | SAILUN TIRE | Jun-25 | Completed | 5.7m | Mature | Mobile Tyre Shop is Australia's largest mobile tyre service, fitting and replacing car tyres at customers' locations, offering convenience, competitive pricing, and professional service. |
| YORK ST BRANDS | iPartners | May-25 | Completed | 7.0m | Series C | York Street Brands is a rapidly growing Australian beauty group, combining innovative skincare (Breakout Hack, Bouf) with bold branding, strong leadership, and international expansion ambitions. |
| Alt. | INDIA + AUSTRALIA RISE ACCELERATOR | Apr-25 | Completed | 1.1m | Accelerator | Alt.Leather is an Australian startup making 100% plant-based, plastic-free leather alternatives from agricultural waste, providing sustainable, circular materials for fashion, furniture, and automotive industries |
| PrepApp | VENTURES M8 | Nov-24 | Completed | 0.3m | Seed | PrepApp operates as B2B food distribution model with a tech-first logistics service. They offer an all-in-one platform for order capturing, pre-payment processing and selling products via an app or web. |
| Flashback | Undisclosed | Nov-24 | Completed | 1.3m | Venture | Flashback offers a nostalgic film-camera experience that mimics the feel of an analog camera but is fully digital and syncs with a mobile app, enabling customers to combine film photography with digital sharing capabilities. |
| IDA SPORTS | kynisca | Oct-24 | Completed | 2.0m | Seed | Ida Sports designs high-performance sports footwear specifically for women, offering anatomically correct, comfortable cleats that promote gender equality and empower female athletes globally. |
| Yeyro | ANTLER | Aug-24 | Completed | 0.2m | Pre-Seed | Yeyro is an Australian startup offering a plug-and-play enterprise wearables platform and smart rings for health, fitness, and sleep monitoring, enabling seamless integration with leading wearable devices. |
| ATEC | Life Is On Schneider Electric | Jul-24 | Completed | 5.6m | Series A | ATEC Global is an Australian social enterprise providing sustainable, affordable modern cooking solutions using patented smart electric stoves and biogas technology. It connects households in the Global South to carbon markets, reducing emissions and health risks while generating income. |
| Affinda | LITTLE GROUP | Jun-24 | Completed | US 23.0m | Venture | Affinda is an Australian AI company specialising in automated document processing using advanced AI. Founded by the Toner brothers, it serves global clients in finance, insurance, legal, and recruitment sectors, driving automation growth. |

Source: S&P Capital IQ, Company data, Edison Partners research

# FY2026 PERSPECTIVES

# EXECUTIVE SUMMARY – FY2026 OUTLOOK

FY2026 has revealed cautious optimism amid stabilising valuations, selective deal flow and impending regulatory changes, with mid-market deal activity in Australia's consumer and retail sectors expected to gradually pick up throughout the remainder of the fiscal year.

## Key thematics for Mid-Market Consumer & Retail M&A Outlook

### 1 Deal Flow

✓ After a lumpy FY25, we expect a gradual pickup in mid-market dealmaking in FY26, led by private capital bolt-ons, carve-outs from multinationals (portfolio rationalisation), and selective distressed/recap transactions. Sentiment improved into August 2025 before dipping in September, signaling cautious optimism rather than a full-throated rebound.

### 2 Pricing

✓ Valuations are stabilising but still bifurcated—staples, pet, pharmacy and value retail command firmer multiples; discretionary categories with weak like-for-likes or 'ho-hum' store productivity trade at a discount. Global C&R outlooks point to tighter diligence, PE style deal structures and PMI discipline—themes increasingly visible locally.

### 3 Capital & financing

✓ The cost of debt eased in early 2025, however access remains challending, and markets are positioning for modest further rates relief, but lenders remain selective on inventory turns, cash conversion and lease liabilities. Australian private capital performance has been resilient relative to global peers, keeping PE dry-powder deployment firmly in play for mid-market C&R into the remainder of FY26.

### 4 Regulatory step-change

✓ Australia's new mandatory, suspensory merger regime starts 1 January 2026 (voluntary notifications from 1 July 2025). Expect longer critical paths, more front-loaded analysis and structured remedies featuring particularly in concentrated sub-sectors (grocery, pharmacy, pet specialty). Buyers and sellers need to proactively consider new regularpory impacts into their transaction strategies and document negotiation – expect additional costs and longer time periods between singing and completion, tension around MAC negotiations and break fees

Source: S&P Capital IQ, Company data, Edison Partners research

# ILLUSTRATIVE FY2025 – FY2026 DEAL SIGNALS

Significant activity across the pet sector signalling both local and global continued strategic appetite in the fast-growing space.

| Target | Acquirer | Date | Status | Detail | Enterprise Value (EV) | Equity Acquired |
|---|---|---|---|---|---|---|
| Chemist Warehouse | Sigma Healthcare | Feb-25 | Completed | Sigma Healthcare merged with Chemist Warehouse in February 2025 via a reverse takeover, creating an A$8.8 billion entity. Sigma paid A$700 million in cash plus shares, with Chemist Warehouse shareholders owning 85.8% of the new ASX-listed group | 189m | 100% |
| Mad Paws | Rover | Jul-25 | Announced | Mad Paws will be acquired by US-based Rover Group for approximately $62 million, with shareholders receiving $0.14 per share—an 87% premium. The deal excludes Pet Chemist and e-commerce units, focusing on Mad Paws' pet services marketplace | 62m | 100% |
| Petstock | PetO | Jul-24 | Completed | PetO acquired 41 retail stores and 25 vet clinics divested from Petstock as part of regulatory-required divestments linked to Woolworths' Petstock stake. This expanded PetO's footprint nationwide, tripling revenue to about A$200 million and growing staff to 1,000. The acquired vet clinics operate under the Our Vet brand, continuing specialised in-house services in QLD, VIC, and NSW | NA | 100% |
| MCo. | DBG Health | Feb-25 | Completed | DBG Group acquired the remaining 50% stake in Australian beauty brand MCoBeauty in February 2025, valuing the company at approximately $1 billion AUD. The acquisition solidifies DBG's position in the beauty sector, with plans to expand MCoBeauty globally. Founder Shelley Sullivan stepped down after rapidly growing the brand into a $300 million revenue business with over $100 million EBITDA | NA | 50% |
| Big Dog Pet Foods | Woolworths | Sep-25 | Completed | Woolworths acquired a 50% stake in Queensland-based Big Dog Pet Foods in 2025 through its Petspiration division. Big Dog specialises in raw, natural pet food and will benefit from Woolworths' expanded distribution and retail capabilities in the growing premium pet segment | NA | 50% |
| Prime100 | Colgate-Palmolive | May-25 | Completed | Colgate-Palmolive acquired Prime100 for approximately A$500 million, strengthening its Hill's Pet Nutrition division. Prime100, a Melbourne-based fresh pet food brand, offers premium veterinarian-endorsed products, expanding Colgate's footprint in the rapidly growing fresh pet food market in Australia. | c.500m | 100% |

Source: S&P Capital IQ, Company data, Edison Partners research

# FY2026: SUB-SECTORS & THEMES TO WATCH

## Pharmacy & Health-Adjacent retail

- The landmark merger between Sigma Healthcare and Chemist Warehouse was completed in February 2025, but only after accepting significant regulatory undertakings, signaling that while scale deals are feasible, they come with considerable antitrust scrutiny and remedies.
- This development marks a pivotal shift in the pharmacy retail landscape, where consolidation is likely to continue but will be closely monitored by regulators to protect competition.
- Looking ahead to FY26, there is strong potential for portfolio optimisation within this ecosystem as companies focus on divesting non-core assets and realigning their business models to adapt to evolving market and regulatory conditions, creating opportunities for strategic acquisitions and carve-outs.

## Pet Economy

- The pet sector continues to gain momentum as a key growth area merging consumer staples fundamentals with strong brand loyalty and emotional consumer connections.
- Colgate-Palmolive's acquisition of Prime100, a veterinary-led pet nutrition specialist in February 2025 highlights the heightened strategic interest among major players in specialty pet segments.
- This deal reflects ongoing trends toward 'premiumisation', health-focused pet products, and functional foods recommended by veterinarians, suggesting that FY26 will see more bolt-on acquisitions targeting treats, vet-approved foods, and premium pet accessories. Such deals are likely to be favored for their strong consumer engagement and higher value-add potential in a resilient market segment.

## Grocery & value retail

- The ACCC's recent supermarket inquiry advocates for pro-competition measures to maintain market balance amid the dominance of major players who remain highly profitable and benefit from deeply entrenched loyalty ecosystems.
- For FY26, this environment is expected to drive measured M&A activity focused on vertical integration and adjacent market plays, enabling incumbents to streamline their core business through focused disposals.
- Concurrently, value and discount grocery formats will continue to expand market share, as consumer price sensitivity grows amid economic pressures. Increased competition from international entrants and partnerships will intensify, prompting innovation and strategic repositioning within this segment.

## Distress & Special Situations

- The retail sector experienced a significant increase in insolvencies throughout FY25, leading to a wave of distressed asset sales, deeds of company arrangement (DOCA) transactions, inventory liquidations, and brand rescues by opportunistic acquirers.
- Despite a challenging backdrop, FY26 will continue to present selective distressed acquisition opportunities where careful buyers can reset unit economics by renegotiating leases and restructuring cost bases.
- These special situation deals often require robust operational intervention post-acquisition but can unlock substantial value and provide a strategic foothold in sectors facing structural challenges. Acquirers with strong operational capabilities are expected to remain patient and selective in pursuing these unique opportunities.

Source: S&P Capital IQ, Company data, Edison Partners research

# NEW AUSTRALIAN MERGER REGIME

- The Australian government has announced an overhaul of its merger control regime, transitioning from the existing voluntary notification process to a mandatory notification framework. The regime will commence on 1 January 2026 (voluntary from 1 July 2025).
- The bill introduces a new mandatory and suspensory merger regime for transactions that exceed specified monetary thresholds, with the ACCC as the decision maker. Traditionally, businesses are not legally obligated to notify the Australian Competition and Consumer Commission (ACCC) about proposed mergers or acquisitions. Now they are.
- Under the revised monetary thresholds, mergers and acquisitions will trigger mandatory notification requirements to the ACCC ***if they reach any of the three monetary limbs*** (as presented) ***AND*** if there is a material connection to Australia.
- Noting, a target has a material connection to Australia if they are **"carrying on a business in Australia"** ***OR*** **have plans to carry on a business in Australia.**
- The proposed legislation will apply to the acquisition of shares in a body corporate or corporation, the acquisition of assets of a person or corporation, the acquisition of units in a unit trust, partnerships, as well as the acquisition of an interest in a managed investment scheme.
- Any notifiable mergers and acquisitions will go through a public and mandatory ACCC approval process

## AN ACQUISITION WILL BE NOTIFIABLE IF AT LEAST ONE OF THE MONETARY THRESHOLD LIMBS IS MET AND THERE IS A MATERIAL CONNECTION TO AUSTRALIA

| | |
|---|---|
| **Limb 1: Economy-wide monetary threshold** | An acquisition is notifiable if:<br>1. The combined Australian turnover of the merger parties (including the acquirer group) is at least **A$200m**; and<br>2. Either the Australian turnover is at least **A$50m** for each of at least two of the merger parties **OR** the global transaction value is at least **A$250m**. |
| **Limb 2: Very large acquirer threshold** | An acquisition is notifiable if:<br>1. The acquirer group's Australian turnover is at least **A$500m**; and<br>2. The Australian turnover is at least **A$10m** for each of at least two of the merger parties. |
| **Limb 3: Cumulative serial acquisition threshold** | For **medium to large-sized** mergers an acquisition is notifiable if:<br>1. The combined Australian turnover of the merger parties (including the acquirer group) is more than **A$200m**; and<br>2. The cumulative Australian turnover from acquisitions in the same or substitutable goods or services over a 3-year period is at least **A$50m**<br>For **very large acquirers** an acquisition is notifiable if:<br>1. The acquirer group's Australian turnover is at least **A$500m**; and<br>2. The cumulative Australian turnover from acquisitions in the same or substitutable goods or services over a 3-year period is at least **A$10m** |

# DEAL MECHANICS & PROCESS "UPGRADES" FOR FY2026

## Macro & Market Context to Underwrite Deals

### 1 Consumers

- ✓ Confidence jumped to a 3½-year high in August 2025 but eased in September—volatility persists, and big-ticket discretionary remains soft. Sales mixes favour essentials, wellness/pet, and value.

### 2 Rates

- ✓ Cost of capital is off the peak; boardrooms are re-opening M&A playbooks, but hurdle rates remain higher than 2020–22. Sponsors will continue to lean on structure (earn-outs, vendor finance)

### 3 Global Playbook

- ✓ International C&R buyers emphasise volume preservation over pure price-led growth, rigorous diligence (supply chain, shrink, labour), and PMI execution—directly relevant to Australian targets

## Mechanics & Process

**REGULATORY**
ACCC mandatory notification requires early engagement, risk management and remedy planning

**DILIGENCE**
Deeper SKU/store analytics, FP/MD sales mix analysis, supply-chain resilience, and IFRS-16 lease economics

**VALUATION & STRUCTURE**
MAC's, Break fees, Earn-outs, vendor finance, and W&I insurance with tighter exclusions

## Stakeholder Implications

**BUYERS ( STRATEGIC & SPONSORS)**
Prioritise defensible sub-sectors, pre-clear ACCC path, focus on unit economics, prepare for distressed deals

**FINANCIAL INVESTORS**
Bolt-ons preferred, focus on pet, pharmacy, value retail, and specialty food; expect longer exits

**SELLERS**
Run ACCC-ready processes, prove cash conversion, consider earn-outs and W&I insurance

Source: S&P Capital IQ, Company data, Edison Partners research

# PRACTICAL NEXT STEPS – HOW TO TRANSACT IN FY2026

Four key pillars to consider regarding transactions in the Retail & Consumer sector in FY2026. This approach anticipates regulatory shifts, aligns financial underwriting with market realities, and targets resilient categories to drive successful mid-market consumer and retail M&A

## PRE-FLIGHT REGULATORY REQUIREMENTS

Start early with voluntary ACCC notifications in Q2–Q3 FY26 for transactions expected to complete after January 1, 2026, when the new mandatory, suspensory merger control regime commences. Develop detailed remedy playbooks in advance to ensure swift response to regulatory concerns and avoid deal delays

## BANKABLE KPIs FOR DEAL STRUCTURING

Focus term sheets on sustainable performance metrics such as gross margin percentage, inventory turnover, shrinkage rates, and same-store sales (like-for-like) rather than revenue alone. This aligns deal earn-outs with operational realities and current market valuation trends, enhancing transaction certainty

## ROBUST BALANCE SHEET PACKAGING

Sellers should proactively package key balance sheet elements including net working capital normalisation, lease commitment disclosures, and data portability around loyalty programs and intellectual property. This transparency accelerates purchaser credit approvals and supports warranty and indemnity (W&I) insurance underwriting.

## CATEGORY-LED ORIGINATION FOCUS

Prioritise deals in sub-sectors with CAGR's superior to overall CPI and macro sector growth rates, sticky consumer demand and manageable regulatory pathways, notably pet care, pharmacy and health/wellbeing-adjacent retail, value formats, and specialty staples. These categories are expected to offer resilient growth and smoother transaction execution in FY26

# EDISON LUXURY MONITOR

# GLOBAL LUXURY BRAND SCORECARD

The index rose steadily in the last 12 months, with stable/strong profitability, channel & inventory discipline, brand heat & execution over scale rewarded in the public markets amid challenging global conditions and demand normalisation

| Company | Ticker | Market Cap. | 17/09/2025 Price | YoY Revenue Growth | YoY EBITDA Growth | 12m Stock Movement | Snapshot |
|---|---|---|---|---|---|---|---|
| S&P Luxury Index | ^SPGLGUP | 2,241,046m | 4,614.80 | NA | NA | 18% | |
| Tapestry, Inc. | TPR | 23,580m | 113.30 | 5% | 6% | 163% | Strong financial performance, successful brand revitalisation, margin expansion |
| Burberry Group plc | BRBY | 4,075m | 11.40 | -3% | -30% | 87% | Turnaround strategy "Burberry Forward", improving sales trends, strong cash flow |
| Compagnie Financière Richemont SA | CFR | 88,367m | 150.30 | 3% | 1% | 27% | Robust financials, strong growth in jewellery, gegraphic diversification |
| Kering SA | KER | 32,949m | 268.75 | -6% | -16% | 18% | Resilience amid market challenges, improved profitability and cash flow |
| Hugo Boss AG | BOSS | 2,890m | 41.88 | 2% | 3% | 14% | EBIT exceeded market expectations, stable revenue in key regions, dividend maintained |
| Hermès International Société en commandite par actions | RMS | 224,876m | 2,145.00 | 6% | 6% | 12% | Strong revenue growth, margin stability, net profit expansion |
| Moncler S.p.A. | BKG | 13,781m | 50.74 | 2% | -10% | 2% | Stable revenue, strong brand and pricing power, mixed regional performance |
| The Swatch Group AG | UHR | 7,789m | 149.00 | -2% | -16% | -3% | Sales and profit decline, particularly in China, weak demand in luxury watches globally |
| Prada S.p.A. | 1913 | 121,544m | 47.50 | 6% | 6% | -5% | Mixed earnings performance, tourism-dependent market weakness, competitive luxury market |
| Christian Dior SE | CDI | 89,339m | 495.20 | 0% | -6% | -12% | Revenue and profit decline, falling EPS, struggles in Japan and parts of Asia |
| LVMH Moët Hennessy - Louis Vuitton, Société Européenne | MC | 257,260m | 517.60 | 0% | -6% | -13% | Weakening luxury consumption in China and Japan, decline in revenue and net profit |
| Capri Holdings Limited | CPRI | 2,562m | 21.52 | 1% | -23% | -45% | Deal with Tapestry blocked by U.S. Court, weakened financial performance and profitability |

Source: S&P Capital IQ, Company data, Edison Partners research

# GLOBAL LUXURY BRANDS – M&A ACTIVITY

Notable transactions show sponsors leaning into (i) category leaders with DTC and pricing power, (ii) ecosystem infrastructure, and (iii) high full-price sell through.

## ZIMMERMAN x ADVENT INTERNATIONAL SUMMARY

- Advent International acquired a majority stake in Australian luxury fashion brand Zimmermann in a deal valued at ~AUD 1.5bn. The transaction supports Zimmermann's global growth ambitions, with the founding family and former private equity owner retaining significant minority stakes and management roles to accelerate global expansion.

## KEY ATTRACTIONS

- **Brand heat with global whitespace**: established US/EU traction at premium price points with runway in Middle East & Asia
- **DTC first, wholesale curated**: high full-price sell-through giving strong margins
- **Category extension optionality**: swimwear and RTW collection into accessories/occasional wear
- **Operational levers**: supply-chain professionalisation, store roll-out ROI discipline, geographic wedge and digital CAC efficiency

## KEY TRANSACTION DETAILS

| | | |
|---|---|---|
| **c. $1.5bn**<br>Estimated EV | **c.14x**<br>EV / EBITDA | **Cash**<br>Consideration |
| **Completed**<br>Deal Status | **Luxury Fashion**<br>Category | **Majority**<br>Portion |

Advent

ZIMMERMANN

## Other Transactions

| Target | Investor | Date | Type | Category | EV | Snapshot |
|---|---|---|---|---|---|---|
| Golden Goose | Blue Pool Capital | 28/01/2025 | Minority (12%) | Luxury sneakers/apparel | ~€3.1bn | Adds a strategic co-investor after the postponed 2024 IPO |
| Value Retail (Bicester Village et al.) | L Catterton | 22/07/2024 | Minority (40%) | Luxury outlet (retail real estate) | ~£1.5bn | Underscores sponsor appetite for luxury outlet destinations |
| KIKO Milano | L Catterton | 26/04/2024 | Majority | Beauty | ~€1.4bn | Retail productivity, U.S. growth runway for an "accessible luxury" cosmetics platform |

Source: S&P Capital IQ, Company data, Edison Partners research

# GLOBAL LUXURY BRANDS THEMATICS – AUS/NZ IMPLICATIONS

Implications for Australian luxury/advanced contemporary brands seeking offshore PE or trade buyers

## GLOBAL DEMAND

Offshore investors will place a valuation premium if there is repeatable, multi-region sell-through at full price – demonstrating brand power as a 'price maker' rather than a promotionally dependent 'price-taker'.

## SUPPLY-CHAIN

Auditable supply-chain maps and compliance are critical, with dual-sourcing for resilience looked upon favourably – highlighted by recent volatility arising from US tariff policy changes.

## VALUATION

Expect transactions reflecting wider multiples, high single digit to mid-teens (EV/EBITDA) for average performers/wholesale-heavy vs 15-20x for high performing/scarcity assets with global multi-channel growth/momentum demonstrable pricing power via high full price sales mix.

## ROUTE TO LIQUIDITY

Previous transactions have shown that partial liquidity +strategic support with a view to revisiting public markets later is a viable path. PE sponsors are placing increased scrutiny on timing of investment vs the growth lifecycle alongside confidence in multiple routes to liquidity.

## DEAL STRUCTURES

More alignment mechanisms including founder rollover, earn-outs, deferred payments and carve-ins/outs are featuring in both PE and trade transactions.

## HERITAGE/BRAND LEGACY

Investors are prioritising heritage-rich brands with strong legacies, unique intellectual property, and manufacturing synergies. Expect M&A activity to target iconic names with proven track record of performance.

# RESEARCH DATA

# LISTED COMPANY DATA

| Company Details | | | | Financials | | | | | | | | Metrics | | | | Price Movements | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Market | Enterprise | Historical Revenue | | | | Historical EBITDA | | | | Valuation Multiples | | Growth | Margin | 12 Month | | | 3 Month | | |
| Company Name | Tick | Cap | Value | FY202 | FY202 | FY202 | FY202 | FY20 | FY20 | FY20 | FY20 | EV/RE | EV/EBITD | YoY Re | EBITD | 30/06/20 | 30/06/20 | Grow | 30/03/20 | 30/06/20 | Growt |
| Accent Group Limited | AX1 | 808.6 | 1,304.7 | 1,129.8 | 1,420.7 | 1,454.4 | 1,476.3 | 104.5 | 181.7 | 172.6 | 151.3 | 0.9x | 8.6x | 2% | 10% | 1.94 | 1.40 | -28% | 1.83 | 1.40 | -24% |
| Adairs Limited | ADH | 461.3 | 764.4 | 564.5 | 621.3 | 594.4 | 618.1 | 78.7 | 73.2 | 68.9 | 64.1 | 1.2x | 11.9x | 4% | 10% | 1.84 | 2.09 | 14% | 2.18 | 2.09 | -4% |
| Adore Beauty Group Limited | ABY | 97.7 | 95.5 | 199.7 | 182.2 | 195.7 | 198.8 | 4.2 | (1.3) | 2.5 | 4.6 | 0.5x | 20.7x | 2% | 2% | 0.89 | 0.67 | -25% | 0.73 | 0.67 | -9% |
| Anagenics Limited | AN1 | 2.5 | 2.9 | 6.9 | 9.1 | 10.8 | 5.1 | (2.6) | (1.4) | (3.4) | (0.7) | 0.6x | NM | -53% | -15% | 0.01 | 0.01 | -38% | 0.01 | 0.01 | -38% |
| Articore Group Limited | ATG | 76.4 | 54.6 | 573.4 | 555.1 | 493.0 | 438.6 | (20.1) | (46.8) | (5.9) | (6.6) | 0.1x | NM | -11% | -2% | 0.42 | 0.20 | -52% | 0.21 | 0.20 | -5% |
| Atlas Pearls Limited | ATP | 80.7 | 60.8 | 21.5 | 27.2 | 41.7 | 44.3 | 4.1 | 9.7 | 24.3 | 19.2 | 1.4x | 3.2x | 6% | 43% | 0.09 | 0.17 | 81% | 0.14 | 0.17 | 22% |
| Atomos Limited | AMS | 15.8 | 30.2 | 73.3 | 42.8 | 35.7 | 32.7 | (6.2) | (27.6) | (18.5) | (10.6) | 0.9x | NM | -9% | -33% | 0.02 | 0.00 | -84% | 0.01 | 0.00 | -40% |
| Audeara Limited | AUA | 4.5 | 4.2 | 2.1 | 2.9 | 3.2 | 3.8 | (3.2) | (3.9) | (2.8) | (2.9) | 1.1x | NM | 19% | -77% | 0.04 | 0.02 | -36% | 0.04 | 0.02 | -34% |
| AuMake Limited | AUK | 9.1 | 8.6 | 6.6 | 2.8 | 25.9 | 39.9 | (3.2) | (2.1) | (2.0) | (3.3) | 0.2x | NM | 54% | -8% | 0.00 | 0.00 | 0% | 0.00 | 0.00 | -50% |
| Autosports Group Limited | ASG | 696.4 | 1,749.2 | 1,876.0 | 2,371.3 | 2,646.8 | 2,864.5 | 113.4 | 162.3 | 166.6 | 128.7 | 0.6x | 13.6x | 8% | 4% | 2.17 | 2.45 | 13% | 1.78 | 2.45 | 38% |
| Baby Bunting Group Limited | BBN | 400.7 | 554.7 | 507.3 | 521.0 | 498.4 | 521.9 | 40.9 | 33.8 | 19.4 | 29.2 | 1.1x | 19.0x | 5% | 6% | 1.55 | 1.84 | 19% | 1.76 | 1.84 | 5% |
| Bapcor Limited | BAP | 1,187.9 | 1,773.3 | 1,841.9 | 2,021.1 | 2,036.9 | 1,975.8 | 221.3 | 202.4 | 165.4 | 116.7 | 0.9x | 15.2x | -3% | 6% | 5.14 | 5.00 | -3% | 4.64 | 5.00 | 8% |
| Beacon Lighting Group Limited | BLX | 702.0 | 811.1 | 305.1 | 313.1 | 323.5 | 329.4 | 68.8 | 60.2 | 57.1 | 55.8 | 2.5x | 14.5x | 2% | 17% | 2.50 | 3.61 | 44% | 3.30 | 3.61 | 9% |
| Breville Group Limited | BRG | 4,467.7 | 4,480.4 | 1,418.4 | 1,478.6 | 1,530.0 | 1,696.6 | 166.1 | 181.9 | 198.8 | 224.4 | 2.6x | 20.0x | 11% | 13% | 27.14 | 29.49 | 9% | 31.59 | 29.49 | -7% |
| Cettire Limited | CTT | 179.2 | 142.1 | 209.9 | 416.2 | 742.3 | 742.1 | (27.7) | 19.9 | 15.1 | (8.1) | 0.2x | NM | 0% | -1% | 1.17 | 0.34 | -71% | 0.87 | 0.34 | -61% |
| City Chic Collective Limited | CCX | 37.1 | 66.2 | 324.6 | 183.9 | 132.0 | 135.0 | 43.2 | (1.6) | 13.5 | 1.5 | 0.5x | 43.3x | 2% | 1% | 0.13 | 0.08 | -34% | 0.12 | 0.08 | -32% |
| Coles Group Limited | COL | 31,864.7 | 41,486.7 | 38,341.0 | 40,591.0 | 43,684.0 | 44,487.0 | 2,305.0 | 2,277.0 | 2,566.0 | 2,627.0 | 0.9x | 15.8x | 2% | 6% | 17.03 | 20.84 | 22% | 19.70 | 20.84 | 6% |
| Cycliq Group Limited | CYQ | 2.8 | 2.3 | 4.7 | 5.2 | 4.6 | 4.8 | (0.8) | (0.6) | (1.1) | (0.7) | 0.5x | NM | 4% | -15% | 0.00 | 0.00 | 0% | 0.00 | 0.00 | 0% |
| Dusk Group Limited | DSK | 52.3 | 70.0 | 138.4 | 137.6 | 127.4 | 137.4 | 30.6 | 21.0 | 12.2 | 11.7 | 0.5x | 6.0x | 8% | 9% | 0.58 | 0.82 | 41% | 1.13 | 0.82 | -27% |
| Eagers Automotive Limited | APE | 6,895.7 | 10,026.5 | 8,552.9 | 9,860.1 | 11,197.2 | NA | 511.8 | 581.9 | 583.2 | NA | NA | NA | 14% | NM | 10.52 | 17.45 | 66% | 15.44 | 17.45 | 13% |
| Endeavour Group Limited | EDV | 6,518.7 | 12,009.7 | 11,597.0 | 11,884.0 | 12,309.0 | 12,058.0 | 1,134.0 | 1,251.0 | 1,305.0 | 1,173.0 | 1.0x | 10.2x | -2% | 10% | 5.05 | 4.01 | -21% | 3.94 | 4.01 | 2% |
| Fleetwood Limited | FWD | 281.6 | 247.9 | 446.1 | 410.6 | 419.9 | 505.2 | 9.6 | 12.8 | 15.2 | 43.2 | 0.5x | 5.7x | 20% | 9% | 1.55 | 2.58 | 66% | 2.55 | 2.58 | 1% |
| Gale Pacific Limited | GAP | 25.6 | 63.3 | 205.5 | 187.6 | 174.0 | 172.0 | 17.6 | 14.1 | 7.4 | 4.0 | 0.4x | 15.9x | -1% | 2% | 0.13 | 0.09 | -26% | 0.13 | 0.09 | -29% |
| Globe International Limited | GLB | 110.3 | 110.9 | 274.6 | 234.7 | 223.7 | 206.8 | 28.4 | 5.7 | 18.3 | 15.9 | 0.5x | 7.0x | -8% | 8% | 2.70 | 3.01 | 11% | 3.37 | 3.01 | -11% |
| Harris Technology Group Limited | HT8 | 3.6 | 5.0 | 50.3 | 24.2 | 16.7 | 13.8 | 3.2 | 0.9 | 1.8 | 1.6 | 0.4x | 3.1x | -17% | 12% | 0.01 | 0.01 | 10% | 0.01 | 0.01 | -21% |
| Harvey Norman Holdings Limited | HVN | 9,133.2 | 11,190.9 | 2,807.3 | 2,776.1 | 2,803.4 | 2,919.2 | 1,100.0 | 865.4 | 739.4 | 810.7 | 3.8x | 13.8x | 4% | 28% | 4.17 | 5.27 | 26% | 5.08 | 5.27 | 4% |
| Heritage Brands Ltd | HBA | 28.0 | 39.8 | 47.3 | 45.5 | 40.6 | NA | (0.7) | (0.2) | (0.7) | NA | NA | NA | -11% | NM | 0.50 | 0.50 | 0% | 0.50 | 0.50 | 0% |
| JB Hi-Fi Limited | JBH | 12,704.6 | 13,140.1 | 9,232.0 | 9,626.4 | 9,592.4 | 10,554.8 | 848.0 | 819.1 | 699.1 | 751.2 | 1.2x | 17.5x | 10% | 7% | 61.21 | 110.35 | 80% | 94.67 | 110.35 | 17% |
| Joyce Corporation Ltd | JYC | 156.7 | 151.6 | 129.0 | 145.2 | 145.5 | 148.2 | 21.7 | 25.9 | 26.2 | 25.0 | 1.0x | 6.1x | 2% | 17% | 3.90 | 4.77 | 22% | 4.48 | 4.77 | 6% |
| Kogan.com Ltd | KGN | 389.5 | 363.9 | 718.5 | 489.5 | 459.7 | 488.1 | (21.5) | (31.2) | 36.6 | 31.7 | 0.7x | 11.5x | 6% | 6% | 4.17 | 3.76 | -10% | 4.74 | 3.76 | -21% |
| Lovisa Holdings Limited | LOV | 4,629.0 | 5,086.0 | 458.7 | 596.5 | 698.7 | 798.1 | 97.5 | 129.3 | 162.1 | 176.6 | 6.4x | 28.8x | 14% | 22% | 32.87 | 31.68 | -4% | 24.72 | 31.68 | 28% |
| McPherson's Limited | MCP | 38.9 | 36.7 | 214.2 | 155.2 | 144.7 | 139.0 | 3.4 | 7.8 | (5.7) | (7.0) | 0.3x | NM | -4% | -5% | 0.41 | 0.25 | -39% | 0.25 | 0.25 | 0% |
| Merino & Co. Limited | MNC | 11.8 | 12.9 | 5.1 | 7.5 | 5.7 | 3.6 | 0.5 | 1.1 | 0.6 | (1.8) | 3.6x | NM | -37% | -51% | NA | 0.15 | NM | 0.15 | 0.15 | -3% |
| Michael Hill International Limited | MHJ | 138.5 | 321.8 | 595.2 | 631.0 | 646.6 | 645.3 | 79.3 | 69.4 | 27.8 | 43.0 | 0.5x | 7.5x | 0% | 7% | 0.45 | 0.41 | -9% | 0.43 | 0.41 | -4% |
| MotorCycle Holdings Limited | MTO | 250.2 | 351.1 | 457.3 | 577.4 | 582.9 | 650.4 | 36.5 | 43.3 | 36.4 | 41.6 | 0.5x | 8.4x | 12% | 6% | 1.00 | 2.81 | 181% | 2.19 | 2.81 | 28% |
| My Foodie Box Limited | MBX | 0.7 | 1.5 | 5.3 | NA | NA | NA | (3.2) | (0.3) | (0.6) | NA | NA | NA | NA | NM | 0.00 | 0.00 | 0% | 0.00 | 0.00 | 0% |
| Myer Holdings Limited | MYR | 1,140.4 | 2,414.6 | 2,502.0 | 2,760.5 | 2,644.4 | NA | 223.5 | 246.0 | 212.3 | NA | NA | NA | -4% | NM | NA | 0.61 | NM | 0.68 | 0.61 | -10% |
| Nick Scali Limited | NCK | 2,102.3 | 2,317.5 | 441.0 | 507.7 | 468.2 | 495.3 | 125.1 | 157.3 | 133.4 | 108.6 | 4.7x | 21.3x | 6% | 22% | 13.81 | 18.21 | 32% | 16.11 | 18.21 | 13% |
| NTAW Holdings Limited | NTD | 55.3 | 188.3 | 555.5 | 582.3 | 533.6 | 538.2 | 25.7 | 18.7 | 20.7 | 7.5 | 0.3x | 25.0x | 1% | 1% | 0.42 | 0.18 | -57% | 0.22 | 0.18 | -18% |
| Peter Warren Automotive Holdings Limi | PWR | 313.1 | 1,048.4 | 1,696.6 | 2,061.2 | 2,473.7 | 2,481.6 | 98.1 | 108.1 | 107.7 | 81.5 | 0.4x | 12.9x | 0% | 3% | 1.69 | 1.43 | -16% | 1.37 | 1.43 | 4% |
| Premier Investments Limited | PMV | 3,536.5 | 3,445.4 | 1,516.9 | 1,662.7 | 1,619.0 | NA | 385.0 | 387.6 | 361.0 | NA | NA | NA | -3% | NM | 31.15 | 20.23 | -35% | 20.50 | 20.23 | -1% |
| Prestal Holdings Limited | PTL | 8.9 | 4.0 | 117.6 | 23.7 | 19.6 | 14.7 | 13.7 | 2.4 | 1.1 | (0.9) | 0.3x | NM | -25% | -6% | 0.18 | 0.05 | -73% | 0.07 | 0.05 | -31% |
| The Reject Shop Limited | TRS | 259.2 | 416.5 | 788.2 | 819.3 | 852.7 | NA | 30.0 | 28.7 | 26.0 | NA | NA | NA | 4% | NM | 3.39 | 6.68 | 97% | 6.61 | 6.68 | 1% |
| Shaver Shop Group Limited | SSG | 188.7 | 214.6 | 222.7 | 224.5 | 219.4 | 218.6 | 27.8 | 27.6 | 23.8 | 25.2 | 1.0x | 8.5x | 0% | 12% | 1.17 | 1.34 | 14% | 1.29 | 1.34 | 4% |
| Shriro Holdings Limited | SHM | 49.9 | 48.8 | 137.2 | 123.9 | 119.3 | 103.3 | 17.4 | 15.7 | 10.8 | 9.3 | 0.5x | 5.3x | -13% | 9% | 0.74 | 0.68 | -8% | 0.70 | 0.68 | -3% |
| Star Combo Pharma Limited | S66 | 29.0 | 15.0 | 23.0 | 24.7 | 26.0 | 27.8 | 0.4 | 1.6 | 1.7 | 6.6 | 0.5x | 2.3x | 7% | 24% | 0.11 | 0.14 | 23% | 0.16 | 0.14 | -16% |
| Step One Clothing Limited | STP | 93.9 | 60.8 | 72.2 | 65.2 | 84.5 | 86.9 | 3.9 | 11.1 | 18.8 | 16.7 | 0.7x | 3.6x | 3% | 19% | 1.37 | 0.69 | -50% | 0.85 | 0.69 | -19% |
| Super Retail Group Limited | SUL | 4,116.8 | 5,289.3 | 3,550.9 | 3,802.6 | 3,893.7 | 4,070.1 | 458.7 | 496.8 | 470.7 | 462.6 | 1.3x | 11.4x | 5% | 11% | 13.95 | 14.24 | 2% | 13.07 | 14.24 | 9% |
| Supply Network Limited | SNL | 1,538.0 | 1,566.3 | 198.5 | 252.3 | 302.7 | 349.5 | 31.5 | 42.6 | 51.8 | 61.2 | 4.5x | 25.6x | 15% | 18% | 22.40 | 37.39 | 67% | 36.50 | 37.39 | 2% |
| Temple & Webster Group Ltd | TPW | 2,757.9 | 2,637.3 | 426.3 | 395.5 | 497.8 | 600.7 | 13.8 | 11.2 | 9.1 | 11.4 | 4.4x | 232.1x | 21% | 2% | 9.39 | 21.32 | 127% | 16.70 | 21.32 | 28% |
| The Calmer Co International Limited | CCO | 9.0 | 9.9 | 2.1 | 1.8 | 4.3 | 8.0 | (5.6) | (4.5) | (3.2) | (3.4) | 1.2x | NM | 88% | -43% | 0.01 | 0.00 | -69% | 0.00 | 0.00 | -50% |
| Toys"R"Us ANZ Limited | TOY | NA | NA | 37.9 | 21.6 | 7.7 | NA | (9.4) | (11.0) | (7.8) | NA | NA | NA | -65% | NM | NA | NA | NM | NA | NA | NA |
| Universal Store Holdings Limited | UNI | 649.1 | 720.3 | 208.0 | 263.1 | 288.5 | 333.3 | 37.1 | 44.9 | 51.9 | 60.6 | 2.2x | 11.9x | 16% | 18% | 4.97 | 7.78 | 57% | 8.12 | 7.78 | -4% |
| Waterco Limited | WAT | 224.3 | 282.5 | 128.1 | 134.0 | 244.8 | 254.9 | 16.5 | 16.5 | 25.6 | 31.8 | 1.1x | 8.9x | 4% | 12% | 5.36 | 7.00 | 31% | 6.69 | 7.00 | 5% |
| Wesfarmers Limited | WES | 104,750.5 | 115,280.5 | 36,838.0 | 43,550.0 | 44,189.0 | 45,700.0 | 3,795.0 | 4,208.0 | 4,412.0 | 4,536.0 | 2.5x | 25.4x | 3% | 10% | 65.18 | 84.75 | 30% | 72.89 | 84.75 | 16% |
| Woolworths Group Limited | WOW | 33,707.3 | 49,919.3 | 60,849.0 | 64,294.0 | 67,922.0 | 69,077.0 | 3,595.0 | 3,791.0 | 4,200.0 | 3,748.0 | 0.7x | 13.3x | 2% | 5% | 33.79 | 31.11 | -8% | 29.78 | 31.11 | 4% |

Source: S&P Capital IQ, Company data, Edison Partners research

# M&A ACTIVITY DATA

| CIQ Code | Target | Acquirer | Announcement Date | Completion date | Status | Transaction type | Equity acquired (%) | Enterprise Value (EV) | Revenue | EBITDA | EV/Revenue | EV/EBITDA | EBITDA Margin |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SPTRD2138727 | The Reject Shop Limited | Dollarama International Inc. | 26/03/2025 | 21/07/2025 | Completed | M&A - Whole | 100% | 189.0 | 866 | 127 | 0.2x | 1.5x | 15% |
| SPTRD2155658 | Forch Australia Pty Ltd | MaxiPARTS Limited | 30/06/2025 | | Announced | M&A - Minority | NA | 10.5 | NA | NA | NA | NA | NA |
| SPTRD2157534 | Doors Plus Holdings Pty. Limited | Colinton Capital Partners Pty Ltd | 30/06/2025 | | Announced | M&A - Whole | NA | 75.0 | 64 | NA | 1.2x | NA | NA |
| SPTRD2153488 | Freedom Furniture Australia Pty Limited | Amart Furniture Pty Limited | 16/06/2025 | | Announced | M&A - Whole | NA | NA | NA | NA | NA | NA | NA |
| SPTRD2144304 | Cue & Co Pty Ltd | Hilco Capital Limited | 6/04/2025 | 6/04/2025 | Completed | M&A - Whole | 100% | NA | 108 | 6 | NA | NA | 6% |
| SPTRD2088207 | Myer Holdings Limited | Just Group Limited | 24/06/2024 | 26/01/2025 | Completed | M&A - Whole | 100% | 2,032.1 | 2,644 | 342 | 0.8x | 6.0x | 13% |
| SPTRD2117233 | CD Motor Group | Autopact Pty Ltd | 28/11/2024 | | Announced | M&A - Whole | NA | 27.5 | 170 | NA | 0.2x | NA | NA |
| SPTRD2115064 | Wattle Court Homes Pty Ltd | Teaminvest Private Group Limited | 15/11/2024 | 15/11/2024 | Completed | M&A - Minority | 33% | 1.2 | NA | NA | NA | NA | NA |
| SPTRD2111597 | InSight Systems Unit Trust | Hibino Corporation | 30/10/2024 | | Announced | M&A - Whole | NA | 13.8 | NA | NA | NA | NA | NA |
| SPTRD2100902 | PFD Food Services Pty Ltd. | Woolworths Group Limited | 28/08/2024 | 20/10/2024 | Completed | M&A - Minority | 35% | 1,094.3 | 2,990 | 140 | 0.4x | 7.8x | 5% |
| SPTRD2106741 | Face Medigroup Retail Pty Ltd | Undisclosed Buyer | 2/10/2024 | 16/10/2024 | Completed | M&A - Whole | 100% | 0.7 | NA | NA | NA | NA | NA |
| SPTRD2097734 | B S Stillwell Motor Group Pty. Ltd. | Autosports Group Limited | 19/08/2024 | 1/10/2024 | Completed | M&A - Whole | 100% | 55.0 | 356 | 14 | 0.2x | 4.1x | 4% |
| SPTRD2096479 | E. & S. Trading Co. (Discounts) Pty. Ltd. | JB Hi-Fi Limited | 12/08/2024 | 2/09/2024 | Completed | M&A - Whole | 75% | 63.7 | 230 | 7 | 0.3x | 9.1x | 3% |
| SPTRD2088954 | iKOU Australia Pty Ltd | Adore Beauty Group Limited | 28/06/2024 | 31/07/2024 | Completed | M&A - Whole | 100% | 25.0 | NA | NA | NA | NA | NA |
| SPTRD2080216 | Candy Club Holdings Limited | Scalare Partners Holdings Limited | 6/05/2024 | 8/11/2024 | Completed | M&A - Whole | 100% | NA | NA | NA | NA | NA | NA |
| SPTRD2104527 | MTQ Engine Systems (Aust) Pty Ltd. | Undisclosed Buyer | 20/09/2024 | 28/11/2024 | Completed | M&A - Whole | 100% | NA | NA | NA | NA | NA | NA |

Source: S&P Capital IQ, Company data, Edison Partners research

© Edison Partners Pty Ltd | Commercial In Confidence
Level 3, 350 Collins Street, Melbourne, Victoria 3000, Australia
E: info@edisonpartners.com.au | W: www.edisonpartners.com.au
Australian Financial Services License (AFSL) | 506302

# CONTACT


## SHAF DEWANI

MANAGING PARTNER

shaf.dewani@edisonpartners.com.au
+ 61 412 589 649

## OLIVER MATLOCK

ASSOCIATE

oliver.matlock@edisonpartners.com.au
+ 61 430 617 781

## LACHLAN SANFORD

ANALYST

lachlan.sanford@edisonpartners.com.au
+ 61 458 199 909