Edison

AUSTRALIAN CONSUMER & RETAIL SECTOR UPDATE

Edison Partners

Q3 2024

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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

OVERVIEW

The Australian Consumer & Retail sector has performed well, despite subdued consumer confidence, generating +9.4% average index returns

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 9.4%

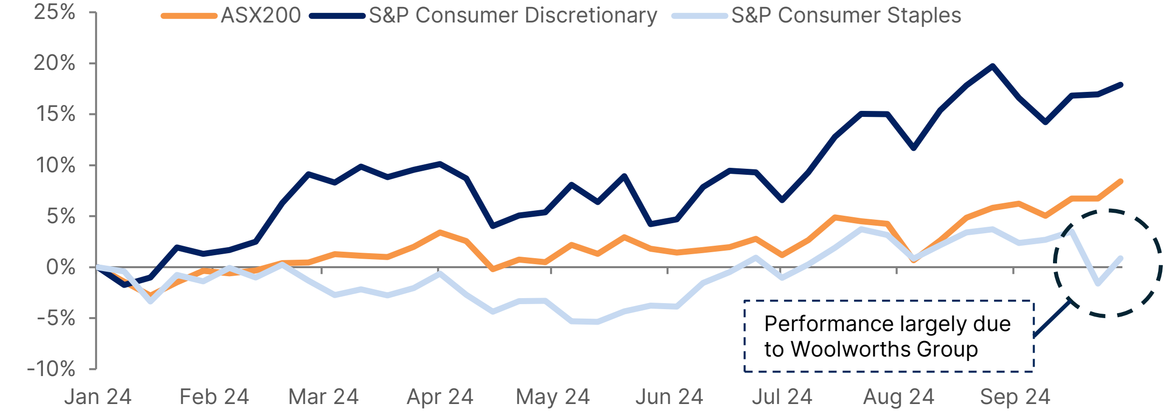
2. The consumer staples segment lagged, primarily due to declines from major players such as Woolworths Group, which experienced a 10.8% year-over-year drop. In contrast, premium retailers with strong online direct-to-consumer (D2C) business models, like Temple & Webster and Universal Store, reported impressive year-over-year returns of 121% and 117%, respectively

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

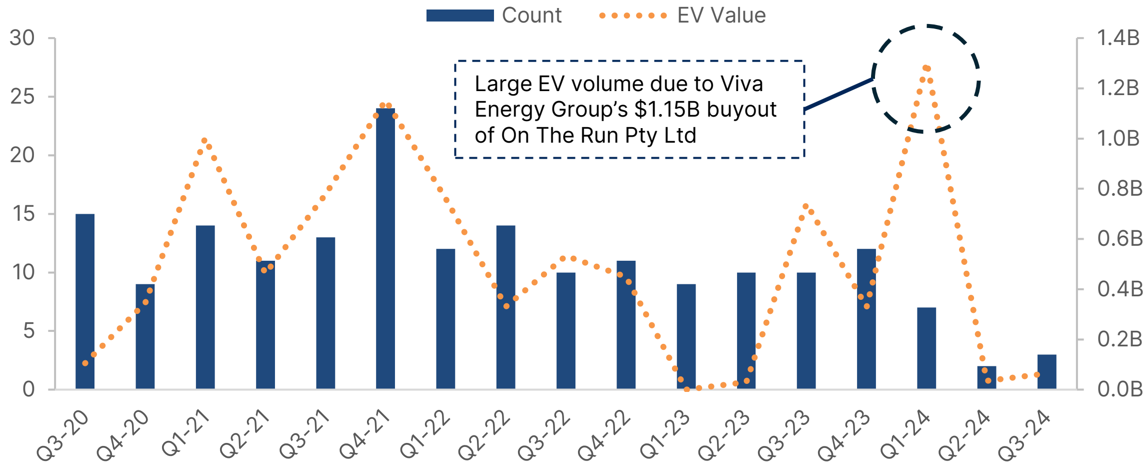
4. Mergers and acquisitions (M&A) and capital-raising activities have remained stagnant due to low consumer confidence. However, recent trends in consumer sentiment may indicate a potential shift in investment dynamics in the near future

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



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

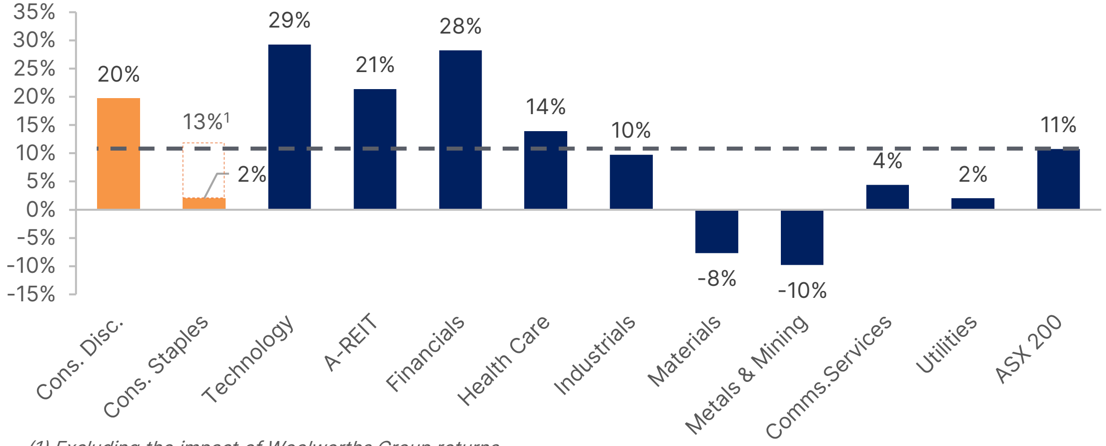
PUBLIC MARKETS

PUBLIC MARKETS - Overview

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

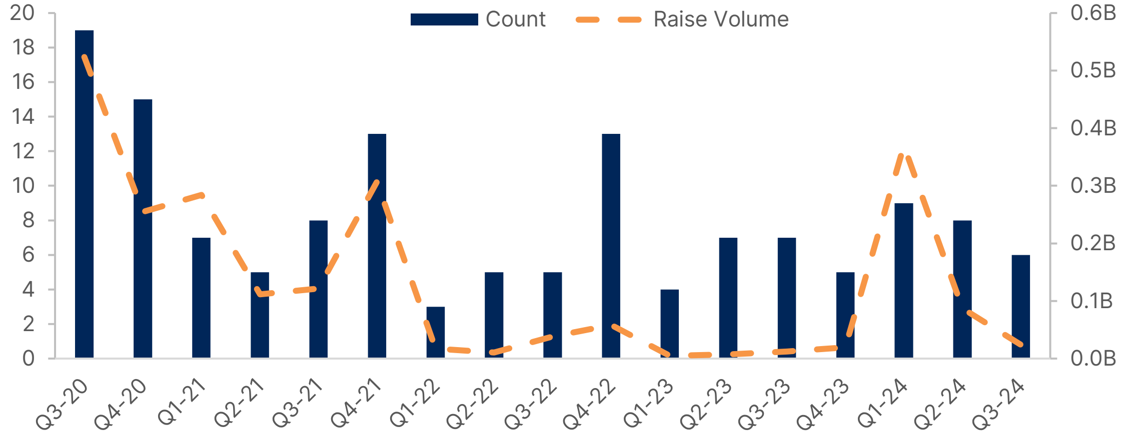
- The past 12 months have generally shown positive performance across the Consumer and Retail sectors. However, the performance of the consumer staples sector was subdued due to large cap players like the Woolworths Group, who experienced a YoY decline of 10.8%
- In contrast, well-known premium brands with strong e-commerce platforms, such as Nick Scali and Adairs, have driven positive returns in the Home & Decor and Diversified Retail subsectors, as consumers continue to invest in home improvement
- The Automotive and Transport sectors have struggled due to reduced demand for new automobiles. This decline is largely attributed to the acceleration of future sales during and post-COVID, coupled with the reduction of business instant asset write-off tax incentives that were increased during these periods
- Capital raising has remained flat, 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

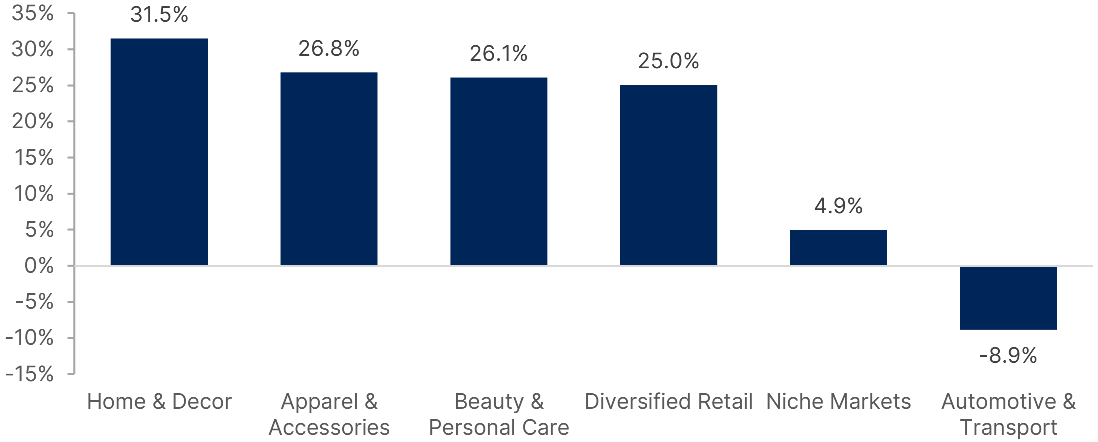


(1) Excluding the impact of Woolworths Group returns

AUSTRALIAN CONSUMER & RETAIL CAPITAL RAISING



12 MONTH AUSTRALIAN CONSUMER & RETAIL PERFORMANCE



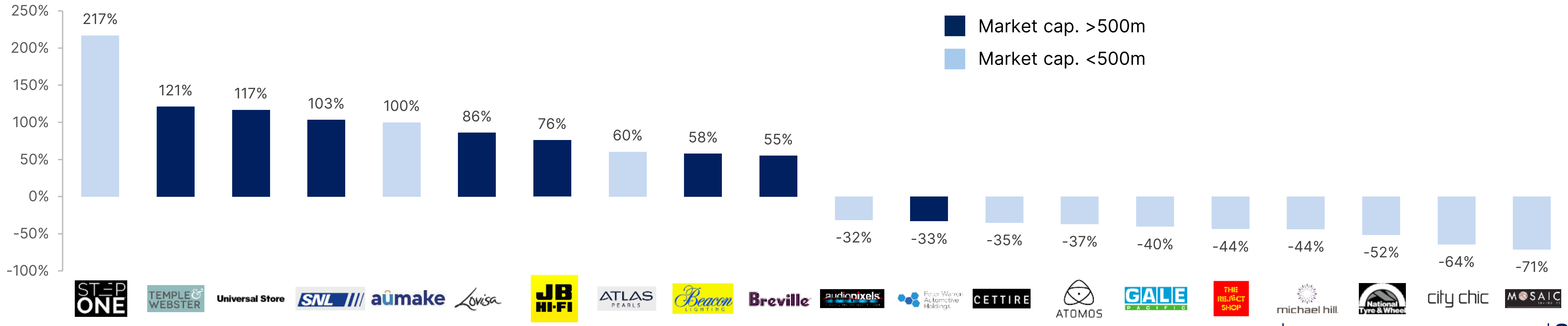
Source: S&P Capital IQ, Company data, Edison Partners research

PUBLIC MARKETS – Largest Movers

After a challenging 12 months for the economy, companies with strong online D2C models maintain robust returns, while those reliant on brick-and-mortar models slipped

- Companies that saw significant gains over the past 12 months were as follows:
  - **Step One Clothing Ltd (ASX: STP):** D2C online underwear retailer, Step One's, stock surged due to a 29.7% revenue increase to $84.5m, a 50.8% rise in EBITDA, and a growing customer base of 1.67 million, reflecting strong market demand
  - **Temple & Webster Group (ASX: TPW)**: Pure-play online retailer for furniture and homewares, Temple & Webster's, stock rose significantly after reporting a 23% revenue increase to $254m, strong customer growth exceeding 1 million, and successful AI-driven initiatives boosting conversion rates
  - **Universal Store Holdings Ltd (ASX: UNI):** Premium youth fashion brands retailer, Universal Store, stock price surged over the past year due to strong results, with 9.7% sales growth and 16.6% underlying EBIT growth. Improved gross margins, disciplined cost control, and successful product range refinement fueled momentum, alongside a robust balance sheet and increased dividends
- While companies that saw poor performance over the past 12 months were as follows:
  - **Mosaic Brands Ltd (ASX: MOZ):** Specialty fashion retailer, Mosaic Brands, stock price dropped due to second-half challenges, including unexpected logistical disruptions and decreased consumer spending, leading to lower revenue and an anticipated loss for FY25
  - **City Chic Collective (ASX: CCX):** After a decline in top-line performance and a loss of approximately $90 million, City Chic Collective, a plus-size women's fashion retailer, has seen its stock drop around 60% over the past year. However, the company anticipates improved sales and a move toward profitability through FY25
  - **Cettire Ltd (ASX: CTT)**: Online retailer of personal luxury goods, CTT's, share price dropped after H1 24 results despite profitable growth. Concerns about high marketing costs, ongoing supply chain issues, and uncertainties surrounding their China market entry may have overshadowed positive developments, albeit the company has seen recent price recovery following full year financial results

LARGEST 12 MONTH STOCK PRICE MOVEMENTS



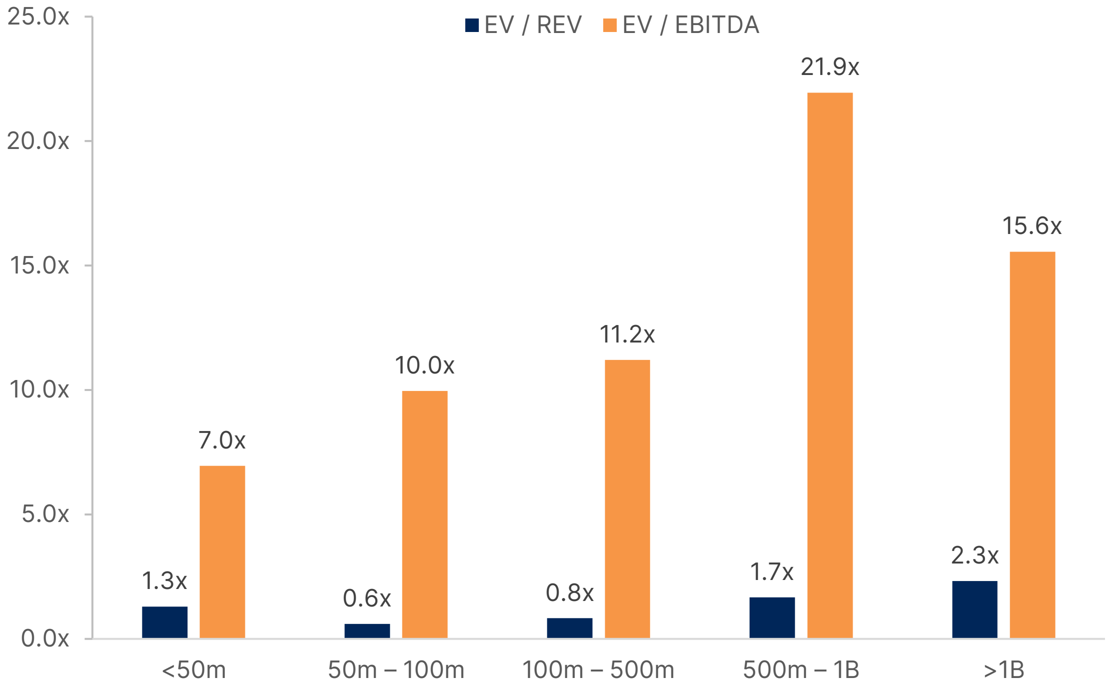
Source: S&P Capital IQ, Company data, Edison Partners research

PUBLIC MARKETS – Valuations

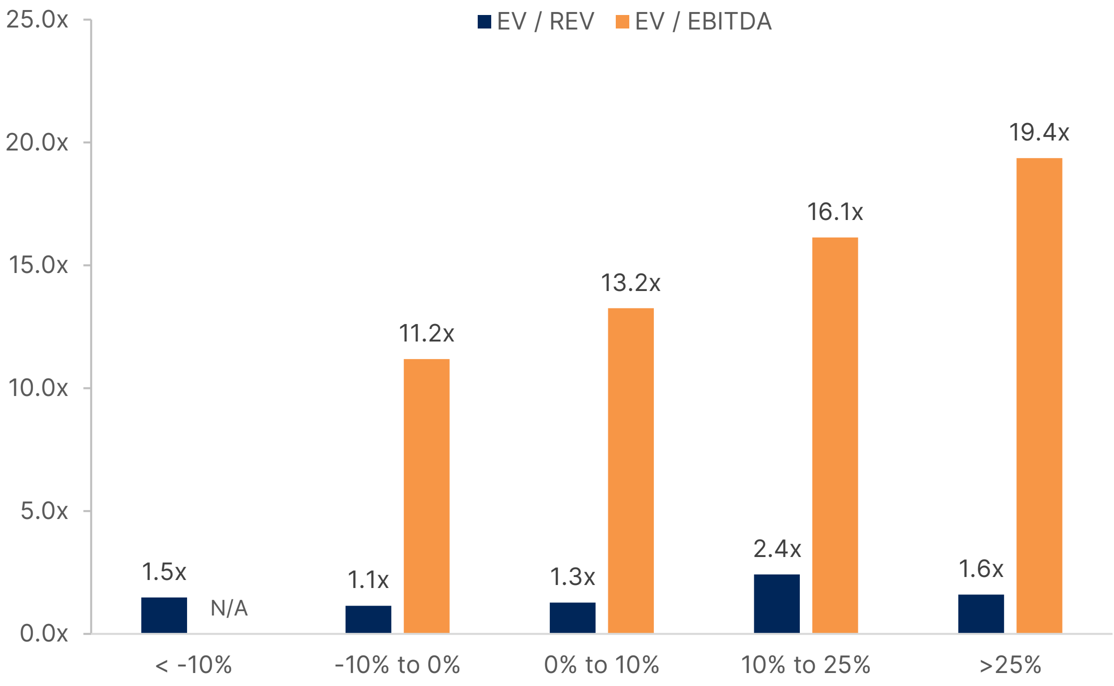
Investors place a valuation premium on larger companies with consistent revenue growth

- **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



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 -15.5%
- 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 – 2024 (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	59m	1.50	0.73	Sep-22	2.0	1%	-23%	-51%	-30%
Step One Clothing Limited	Operating	STP	313m	1.53	1.79	Oct-21	3.0	30%	217%	17%	6%
Best & Less Group Holdings Ltd^	Delisted	BST	235m	2.16	1.89	Jul-21	2.0	NA	NA	-13%	-6%
Peter Warren Automotive Holdings Limited	Operating	PWR	272m	2.90	1.67	Apr-21	3.5	20%	-33%	-42%	-15%
Audeara Limited	Operating	AUA	7m	0.20	0.06	May-21	3.4	10%	47%	-72%	-31%
Cettire Limited	Operating	CTT	682m	0.50	1.87	Dec-20	3.8	78%	-35%	273%	42%
BikeExchange Limited^	Delisted	BEX	9m	0.26	0.08	Feb-21	2.7	NA	NA	-69%	-36%
Booktopia Group Limited^	Delisted	BKG	9m	2.30	0.05	Dec-20	3.5	NA	NA	-98%	-67%
Universal Store Holdings Limited	Operating	UNI	583m	3.80	7.50	Nov-20	3.9	10%	117%	97%	19%
Dusk Group Limited	Operating	DSK	70m	2.00	1.16	Oct-20	3.9	-8%	16%	-42%	-13%
Adore Beauty Group Limited	Operating	ABY	99m	6.75	1.02	Oct-20	4.0	7%	39%	-85%	-38%
Webjet Group Limited	Operating	WJL	338m	0.80	1.00	Sep-24	0.0	12%	25%	25%	

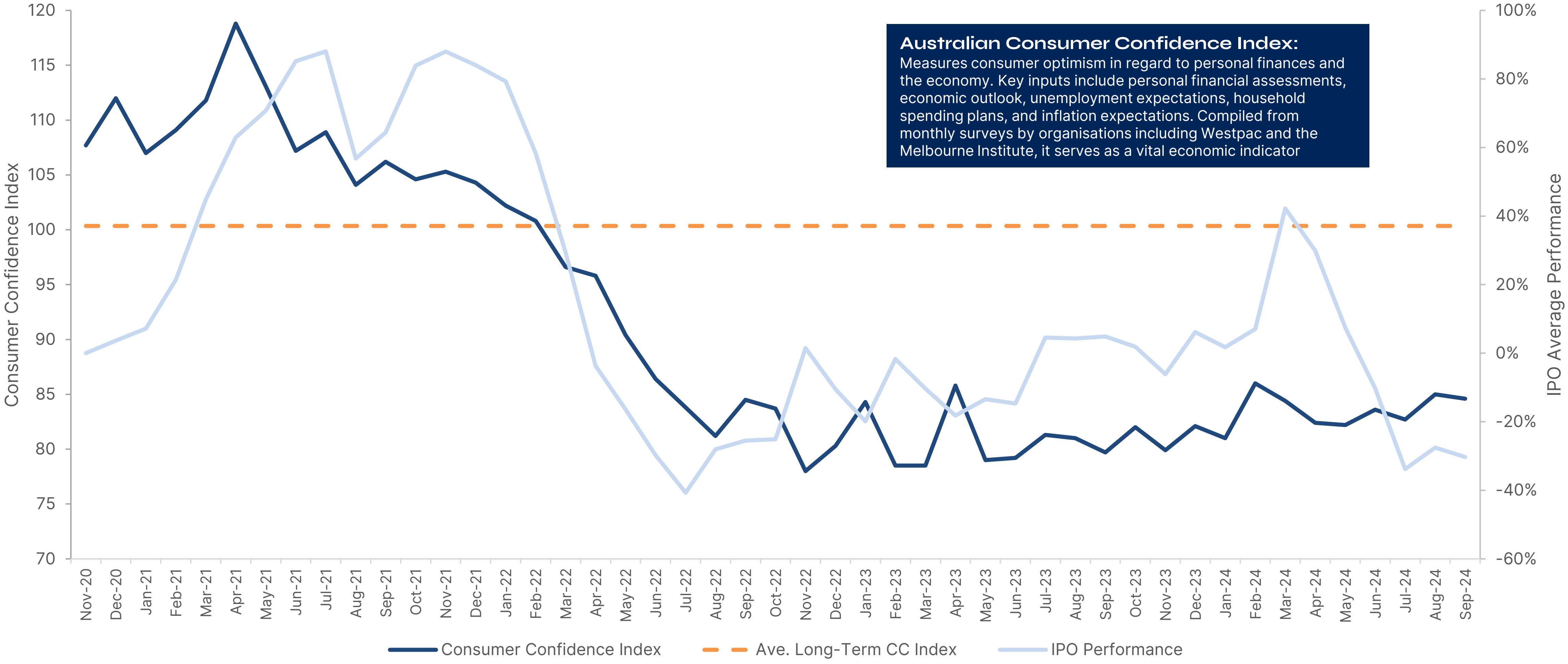
Growth Key

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 2025



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

Consumer & Retail investment activity has been elevated by the rise of e-commerce platforms and high-growth sub-sectors including home & lifestyle and other niche & targeted products

- Amid low consumer confidence and rising capital costs, professional investors are increasingly selective with their consumer & retail investments
- Professional investors have focused on companies that showcase both growth and profitability, with particular attention on companies that have a strong e-commerce presence and operate in demand sub-sectors such as home & lifestyle and niche & targeted products

INVESTMENT TRENDS

1 Rise of e-commerce digital platforms

- ✓ Investors are increasingly focusing on businesses with robust e-commerce platforms, capitalising on consumer preferences for convenient online purchasing. This trend has accelerated during the COVID-19 pandemic, prompting many brands to enhance their digital presence
- ✓ The acquisition of Ikou by Adore Beauty exemplifies this shift, as it allows Adore to expand its product offerings and leverage Ikou's established online presence, further solidifying its position in the competitive beauty market

2 Focus on home & lifestyle products

- ✓ There has been a surge in consumer interest in home improvement and new builds, driven by investments in living environments. Retailers are responding by offering comprehensive services and resources for DIY projects
- ✓ 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

3 Expansion of Niche & Targeted products

- ✓ Investor interest in niche and targeted markets is growing, as investors are attracted to companies that offer tailored products and cultivate strong brand loyalty among dedicated customer segments
- ✓ The recent successful capital raise for Solbari underscores this trend, demonstrating increasing investor confidence in brands that provide specialised solutions aligned with specific consumer needs

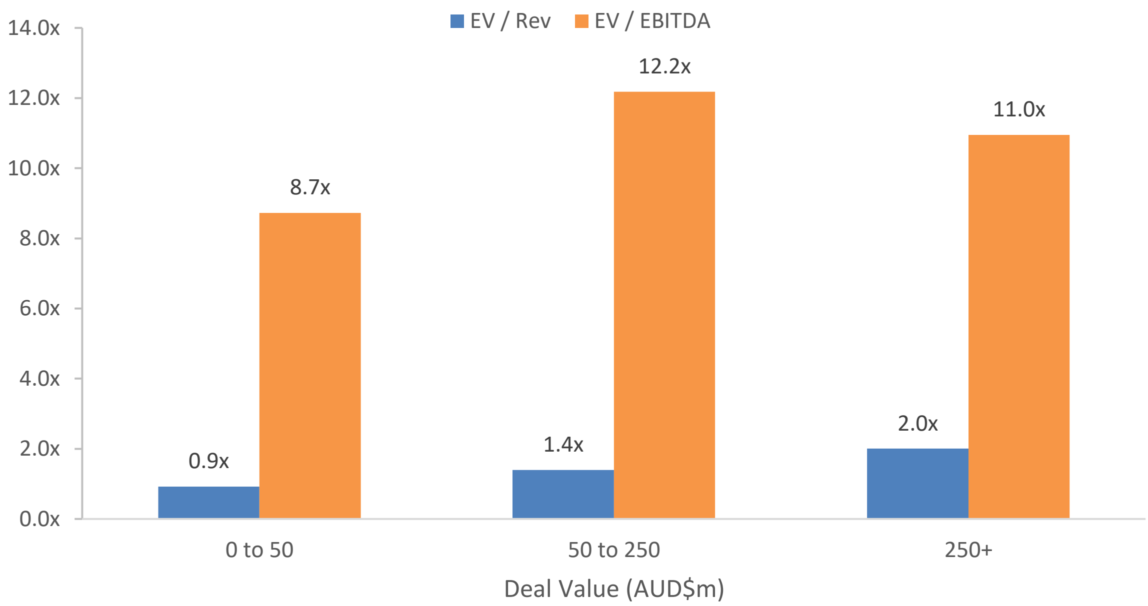
Source: Source: Verdantix, Grand View Research, AgriFutures, Statista

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 five 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	127	59%	n/a	n/a	n/a	n/a
0 to 50	60	28%	776	13	0.9x	8.7x
50 to 250	16	7%	2,184	136	1.4x	12.2x
250+	14	6%	8,969	641	2.0x	11.0x
Total / Average	**217**	**100%**	**11,929**	**133**	**1.3x**	**10.3x**



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

M&A ACTIVITY – Highlighted transaction: Myer / Premier Investments

TRANSACTION SUMMARY

- Myer Holdings Ltd (ASX: MYR) and Premier Investments Ltd (ASX:PMV) announced a binding agreement to combine Myer and Apparel Brands (Just Jeans, Jay Jays, Portmans, Dotti, Jacqui E) into a leading retail platform across ANZ
- The transaction will create a larger, more capable Myer Group, expected to deliver A$30m in synergies and enhance operating scale, with completion anticipated in early 2025
- Myer will issue 890.5m new shares to Premier, with Premier receiving 51.5% of Myer's share capital while existing Myer shareholders retain 48.5% and receive a 2.5 cent dividend
- The transaction is subject to customary conditions including Myer and Premier shareholders voting in favour of the transaction, Myer and Premier each obtaining the requisite ASIC and ASX confirmations and executed ancillary agreements. The transaction is expected to complete by early CY2025

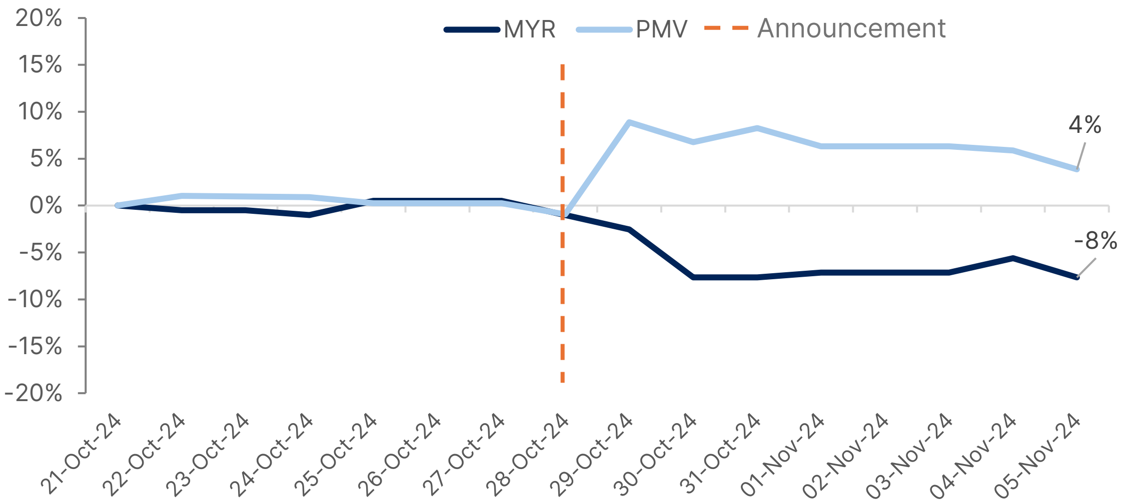
KEY TRANSACTION DETAILS

c. $1.7bn	10.2x	Script	51.5%
Implied EV[1]	EV / EBIT	Consideration	MYR capital
Announced	NA	Diversified Apparel	100%
Deal Status	EV / EBITDA	Sub-sector	Portion

TRANSACTION RATIONALE

1. **Superior outcome for PMV**: Valuations for departing PMV brands are superior in light of their mature and low growth profiles. The valuation dynamic favours PMV who have realised a significant premium to an open market sale and purchase outcome. After the transaction, PMV will focus on its high-growth businesses, including Smiggle and Peter Alexander. These businesses are positioned for global expansion, innovation, and strong profitability, making PMV more attractive to growth-focused investors
2. **Synergies for PMV Shareholders**: PMV shareholders will benefit from ownership in Myer (MYR), with substantial synergies expected from vertical product integration, store rationalisation, and cost efficiencies. These synergies are projected to deliver over A$30m in savings
3. **Valuation Upside and Reduced Conglomerate Discount**: The transaction removes some of the conglomerate discount currently applied to the combined entity by simplifying the structure. Selling the Apparel business to Myer offers shareholders upside, with analysts forecasting a 16% upside to Myer's stock price.

STOCK PRICE MOVEMENT



Notes: (1) Implied EV based off Myer's share price as of 29/10/24 and adjusted for cash considerations
Source: S&P Capital IQ, Company data, Edison Partners research, Morgan Stanley, J.P.Morgan

M&A ACTIVITY – Highlighted transactions

M&A HIGHLIGHT #1 (2XU acquired by TriVantage Holdings)

Ent. Value	EV / EBITDA	Sub-sector	Portion	Deal Status
$34.2m	NA	Sportswear	100%	Completed

Details

- TriVantage Holdings has acquired the Australian sportswear brand 2XU, marking its entry into the sports apparel sector. This acquisition aims to enhance 2XU's presence in North America, Europe, and the Asia Pacific
- 2XU is an Australian sportswear brand known for high-performance athletic apparel, specialising in compression garments and innovative activewear technology
- TriVantage Holdings is a Singaporean investment firm focused on acquiring and managing companies in the consumer, retail, and sports sectors

https://2xu.com/

M&A HIGHLIGHT #2 (iKou Australia acquired by Adore Beauty Group)

Ent. Value	EV / EBITDA	Sub-sector	Portion	Deal Status
$25m	12.5x	Skincare	100%	Completed

Details

- Adore Beauty Group Limited (ASX:ABY) agreed to acquire iKOU Australia Pty Ltd for AUD 25 million on June 28, 2024
- Ikou is an Australian company 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 emphasizing eco-friendly practices and ingredients. Their products are designed to promote wellness and create a calming atmosphere in homes

https://ikou.com.au/

https://www.adorebeauty.com.au/

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

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

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 (Seafolly acquired by Bondi Brands Group)

Ent. Value	EV / EBITDA	Sub-sector	Portion	Deal Status
$70m	NA	Swimwear	100%	Completed

Details

- Bondi Brands Group Limited agreed to acquire Seafolly Pty. Limited from L Catterton Management Limited for AUD 70 million on July 28, 2023. Andrew Clyne, Brae Aslanidis and Sam Hannah of Herbert Smith Freehills acted as a legal advisor to Bondi Brands Group Limited
- Seafolly designs swimwear and beach lifestyle wear. It offers an array of bikinis, one-piece swimsuits, cover ups, and lifestyle apparel, as well as accessories for women, girls, and boys. The company offers its products through fashion department stores and swimwear boutiques, as well as online retailers in Australia, the UK, US and continental Europe

Bondi Brands Group

https://au.seafolly.com/

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
B.S. Stillwell	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.	65m	100%
FACE MEDISKIN	Undisclosed	Oct-24	Announced	Face Medigroup Retail specialises in advanced skincare and cosmetic treatments, providing clients with personalised solutions using innovative technologies, high-quality products, and expert staff to enhance beauty and confidence.	1m	NA
iKOU	ADOREBEAUTY GROUP	Aug-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	100%
MTQ	Undisclosed	Sep-24	Announced	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	NA
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	75%
Silver Fleece	Undisclosed	Aug-24	Completed	The Silver Fleece is an Australian wool supplier and retailer, dedicated to providing high-quality wool products and services, promoting sustainable practices and supporting local farmers in the wool industry.	NA	100%
NEW AGE CARAVANS	JB Caravans	Aug-24	Announced	New Age Caravans designs and manufactures stylish, innovative caravans, focusing on quality and comfort for Australian travelers. They offer a range of models to suit diverse travel needs and preferences.	NA	NA
Phil Gilbert MOTOR GROUP	4K AUTOMOTIVE	Jul-24	Completed	Phil Gilbert Motor Group is a leading automotive dealership in Australia, representing multiple brands. They provide a wide selection of new and used vehicles, alongside exceptional customer service and support.	NA	100%
2XU	TRIVANTAGE HOLDINGS	Jun-24	Completed	2XU is a premium sports apparel brand specializing in high-performance compression garments and activewear, designed for athletes and fitness enthusiasts to enhance performance and recovery across various sports.	34m	100%
Bapcor	BainCapital	Jul-24	Terminated / Withdrawn	Bapcor Limited is a leading automotive aftermarket parts supplier in Australia and New Zealand, providing a comprehensive range of products and services to both trade and retail customers in the automotive sector.	2,456m	NA

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

M&A ACTIVITY – Recent transactions continued

Target	Acquirer	Date	Status	Target Detail	Enterprise Value (EV)	Equity Acquired
Australian Vaporizers	Flora Growth	Jun-24	Completed	Australian Vaporizers specializes in high-quality vaporizers and accessories for both medical and recreational use. They prioritize customer education and satisfaction, offering a diverse range of products for a healthier lifestyle.	1m	100%
DISSH	BBRC Worldwide	Mar-24	Completed	Dissh is a contemporary Australian fashion retailer offering a curated selection of women's clothing and accessories. They focus on stylish, affordable pieces to empower customers' personal style and confidence.	$338m	40%
Toyota Alice Springs Toyota	eagers automotive	Feb-24	Completed	Alice Springs Toyota is a trusted automotive dealership in the Northern Territory, offering a range of new and used Toyota vehicles, exceptional service, and local expertise to meet customer needs.	32m	100%
Forcite	GoPro	Feb-24	Completed	Forcite Helmet Systems designs innovative smart helmets for motorcyclists, integrating advanced technology for enhanced safety and communication, aiming to revolutionize the riding experience with cutting-edge features and design	21m	100%
PORTIA&SCARLETT	Allure Bridals	Dec-23	Completed	Portia & Scarlett is a fashion label known for its glamorous evening wear and bridal collections, focusing on luxurious fabrics, contemporary designs, and empowering styles for special occasions and celebrations.	NA	100%
big balloon	Jazwares	Dec-23	Completed	Big Ballon is a full service toy distributor. Launched in December 2010, their expertise are in developing toy ranges in multiple categories including preschool toys, plush toys, girls toys, boy action toys, licensed toys, branded toys and outdoor toys	NA	NA
	Hancock & Gore	Mar-24	Completed	Established in 1835, Mountcastle Pty Ltd provides Australians with the best quality in headwear and shirting. It has remained Australian owned and operated making them one of Australia's oldest operating manufacturers and registered companies	89m	100%
Total Tools	Metcash	Nov-23	Announced	Total Tools Importing is a leading Australian supplier of tools and equipment, catering to tradespeople and DIY enthusiasts with a wide range of high-quality products and expert advice.	677m	10%
iZone	Rinnai	Oct-23	Completed	iZone Pty Ltd specialises in smart home technology, offering innovative solutions that enhance convenience, energy efficiency, and security for residential and commercial properties through advanced automation systems.	NA	NA
NOBODY DENIM	OUTLAND DENIM	Oct-23	Completed	Nobody Denim is an Australian fashion brand renowned for its premium denim clothing, emphasizing quality craftsmanship, sustainable practices, and timeless designs that celebrate individuality and fit for diverse body types.	NA	100%

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

CAPITAL RAISING ACTIVITY – Highlighted investments

HIGHLIGHT #1 (Solbari)

$14.7m	Mature	SunSmart Apparel	NA
Raised	Current Stage	Sub-sector	Last Valuation

Details

- Australia has the highest rate of skin cancer in the world. 2 in 3 Autralians will be diagnosed with skin cancer by the age of 70, and skin cancer accounts for 80% of all newly diagnosed cancers in Australia.
- Solbari manufactures sun-protective products that helps people to lead a sun-smart life. Its products includes arm and hand protection, face and neck protection, head covers, sunglasses, sun umbrellas, gloves, sunscreen, and other related products to protect their skin

SOLBARI

https://www.solbari.com.au/

Investment Rounds

Date	Round	Amount Raised	Pre-Money	Dilution
Dec-23	Mature	$14.69m	NA	NA

Notable Investor/s

- Australian Business Growth Fund (ABGF) is a venture capital firm specialising in growth capital investments.
- ABGF invests $5 million - $15 million in Australian SMEs with turnover between $10 million and $100 million, typically aiming for an equity position of between 10-40%

AUSTRALIAN BUSINESS GROWTH FUND

https://abgf.com.au/

HIGHLIGHT #1 (KOALA ECO)

$4.5m	Series A	Home Cleaning	NA
Raised	Current Stage	Sub-sector	Last Valuation

Details

- KOALA ECO develops, manufactures, and distributes cleaning products. They offers cleaning products for kitchen, laundry, bathroom, fruit/vegetable wash, floors, and hand & body, and offers refills, gifts, and accessories
- Distribution is conducted via online D2C platform, as well as through stockiest in Australia and internationally

KOALA ECO

https://koala.eco/

Investment Rounds

Date	Round	Amount Raised	Pre-Money	Dilution
Dec-23	Series A	$4.5m	NA	NA

Notable Investor/s

- Point King Capital Pty Ltd is a venture capital firm specialising in growth capital. The firm seeks to invest in the consumer and financial services sectors
- Point King Capital Pty Ltd is headquartered in Sydney, Australia, with additional office in San Francisco, California

POINT KING CAPITAL

https://pointkingcapital.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
The Leaf Protein Co.	TANARRA	Jun-24	Completed	0.7m	Pre-Seed	The Leaf Protein Pty Ltd produces plant-based food supplements and ingredients. Its products include pereskia protein, pereskia powder, and pereskia emulsifier. The company was incorporated in 2020 and is based in Camberwell, Australia.
SOLBARI	Australian Business Growth Fund	Dec-23	Completed	14.7m	Mature	Solbari manufactures sun-protective products that helps people to lead a sun-smart life. Its products includes arm and hand protection, face and neck protection, head covers, sunglasses, sun umbrellas, gloves, sunscreen, and other related products to protect their skin.
KOALA ECO	POINT KING CAPITAL	Dec-23	Completed	4.5m	Series A	KOALA ECO develops, manufactures, and distributes cleaning products. They offers cleaning products for kitchen, laundry, bathroom, fruit/vegetable wash, floors, and hand & body, and offers refills, gifts, and accessories. It sells its products online, as well as through stockiest in Australia and internationally.
STRAAND™	Unilever	Dec-23	Completed	4.6m	Seed	Straand Pty Ltd. produces and retails scalp care products. The company manufactures cleaners, serums, shampoos, scrubs, and conditioners. Straand Pty Ltd. was incorporated in 2021 and is based in Melbourne, Australia.
SNÜX	ANTLER	Aug-23	Completed	0.3m	Pre-Seed	Snux Pty Limited operates as outdoor and sporting goods company. It manufactures ski boot covers and thermal boots that helps in the mountain climbing process. The company was founded in 2019 and is based in Rose Bay, Australia.
ULTRA VIOLETTE™	Aria Growth Partners	Jan-24	Completed	9.9m	Venture	Grace & Fire Pty Ltd, trading as Ultra Violette, manufactures and sells sunscreens for skin protection. The company offers SPF 30, SPF 50+, face sunscreen, physical sunscreen, tinted sunscreen, fragrance free sunscreen, sunscreen spray, and mini sunscreen. It also sells its products online.
mercha	utiliti ventures	Jan-24	Completed	NA	Venture	Mercha Operating Group Pty Ltd engages in the retail of apparel and accessories. The company offers products, such as clothing for men and women, accessories, gears, and workwaer and Hi vis. The company was incorporated in 2021 and is headquartered in North Sydney, Australia.
YSB	ALIUM CAPITAL MANAGEMENT	Apr-23	Completed	7.5m	Series B	York Street Brands focuses on producing and distributing skincare products. The company is based in New South Wales, Australia.
pet culture	Woolworths Group	Feb-23	Completed	3.4m	Venture	Pet Culture Group Pty Limited operates an online specialty pet retail shop. It offers food, treats, toys, litter, and accessories for dogs and cats. Additionally, it offers VetChat, a free service offered by PetCulture when allows to have an Auto-Delivery after sign-up.

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

RESEARCH DATA

LISTED COMPANY DATA

Company Details				Financials								Metrics				Price Movements					
		Market	Enterprise	Historical Revenue (m)				Historical EBITDA (m)				Valuation Multiples		Growth	Margin	12 Month			3 Month		
Company Name	Ticker	Cap	Value	FY2022	FY2023	FY2024	LTM	FY2022	FY2023	FY2024	LTM	EV/REV	EV/EBITDA	YoY Rev	EBITDA	1/10/2023	30/09/2024	Growth	30/06/2024	30/09/2024	Growth
Wesfarmers Limited	WES	79,503	89,946	36,838	43,550	44,189	44,189	3,795	4,208	4,412	4,412	2.0x	20.4x	1%	10%	52.86	70.43	33%	65.18	70.43	8%
Woolworths Group Limited	WOW	39,668	55,254	60,849	64,294	67,922	67,922	3,595	4,012	4,280	4,280	0.8x	12.9x	6%	6%	37.32	33.30	-10.8%	33.79	33.30	-1%
Coles Group Limited	COL	23,949	33,343	38,341	40,591	43,684	43,684	2,305	2,277	2,566	3,512	0.8x	9.5x	8%	8%	15.56	18.06	16%	17.03	18.06	6%
JB Hi-Fi Limited	JBH	8,844	9,184	9,232	9,626	9,592	9,592	848	819	699	699	1.0x	13.1x	0%	7%	45.42	79.94	76%	61.21	79.94	31%
Harvey Norman Holdings Limited	HVN	6,068	8,110	2,807	2,776	2,803	2,803	1,100	865	739	739	2.9x	11.0x	1%	26%	3.87	4.95	28%	4.17	4.95	19%
Premier Investments Limited	PMV	5,112	5,165	1,517	1,663	1,619	1,619	385	388	361	361	3.2x	14.3x	-3%	22%	25.00	30.80	23%	31.15	30.80	-1%
Breville Group Limited	BRG	5,016	5,034	1,418	1,479	1,530	1,530	166	182	199	199	3.3x	25.3x	3%	13%	22.00	34.14	55%	27.14	34.14	26%
Lovisa Holdings Limited	LOV	3,972	4,297	459	596	699	699	98	129	162	162	6.1x	26.5x	17%	23%	19.34	36.00	86%	32.87	36.00	10%
Super Retail Group Limited	SUL	3,929	4,815	3,551	3,803	3,883	3,883	459	497	471	471	1.2x	10.2x	2%	12%	11.99	18.17	52%	13.95	18.17	30%
Eagers Automotive Limited	APE	2,823	5,759	8,553	9,860	NA	10,503	512	584	NA	593	0.5x	9.7x	15%	6%	13.93	10.92	-22%	10.52	10.92	4%
Bapcor Limited	BAP	1,724	2,348	1,842	2,021	2,037	2,037	221	202	142	142	1.2x	16.6x	1%	7%	6.80	5.31	-22%	5.14	5.31	3%
Temple & Webster Group Ltd	TPW	1,528	1,434	426	396	498	498	14	11	9	9	2.9x	NM	26%	2%	6.00	13.27	121%	9.39	13.27	41%
Accent Group Limited	AX1	1,375	1,890	1,130	1,421	1,454	1,454	104	182	173	173	1.3x	10.9x	2%	12%	1.96	2.38	21%	1.94	2.38	23%
Nick Scali Limited	NCK	1,302	1,511	441	508	468	468	125	157	133	133	3.2x	11.3x	-8%	28%	11.08	16.60	50%	13.81	16.60	20%
Supply Network Limited	SNL	1,301	1,346	198	252	303	303	31	43	52	52	4.4x	26.0x	20%	17%	15.00	30.50	103%	22.40	30.50	36%
Cettire Limited	CTT	850	771	210	416	742	742	(28)	20	15	15	1.0x	51.1x	78%	2%	2.88	1.87	-35%	1.17	1.87	59%
Myer Holdings Limited	MYR	795	2,249	2,502	2,761	2,644	2,644	229	252	221	221	0.9x	10.2x	-4%	8%	0.57	0.83	46%	0.83	0.83	1%
Beacon Lighting Group Limited	BLX	683	794	305	313	325	325	69	60	58	58	2.4x	13.6x	4%	18%	1.85	2.92	58%	2.50	2.92	17%
Universal Store Holdings Limited	UNI	623	670	208	263	289	289	37	45	52	52	2.3x	12.9x	10%	18%	3.46	7.50	117%	4.97	7.50	51%
Autosports Group Limited	ASG	482	1,424	1,876	2,371	2,647	2,647	113	162	167	167	0.5x	8.5x	12%	6%	2.48	2.07	-17%	2.17	2.07	-5%
Kogan.com Ltd	KGN	479	461	719	489	460	460	(21)	(31)	25	25	1.0x	18.7x	-6%	5%	5.26	5.14	-2%	4.17	5.14	23%
Adairs Limited	ADH	422	684	564	621	594	594	79	73	70	70	1.2x	9.8x	-4%	12%	1.41	2.07	47%	1.84	2.07	13%
Step One Clothing Limited	STP	314	275	72	65	85	85	4	11	19	19	3.3x	14.8x	30%	22%	0.57	1.79	217%	1.37	1.79	31%
Peter Warren Automotive Holdings Lin	PWR	303	1,066	1,697	2,061	2,474	2,474	98	108	108	108	0.4x	9.9x	20%	4%	2.50	1.67	-33%	1.69	1.67	-1%
Baby Bunting Group Limited	BBN	259	425	507	521	491	491	41	34	23	23	0.9x	18.2x	-6%	5%	2.12	1.81	-15%	1.55	1.81	16%
Fleetwood Limited	FWD	198	177	446	411	420	420	10	13	15	15	0.4x	11.4x	2%	4%	1.89	1.85	-2%	1.55	1.85	19%
Michael Hill International Limited	MHJ	196	390	595	631	647	647	79	69	28	28	0.6x	14.0x	2%	4%	0.89	0.50	-44%	0.45	0.50	11%
Waterco Limited	WAT	187	251	128	134	245	245	17	16	26	26	1.0x	9.8x	83%	10%	4.18	5.32	27%	5.36	5.32	-1%
Shaver Shop Group Limited	SSG	162	167	223	225	NA	NA	28	28	NA	NA	NA	NA	1%	NM	1.05	1.24	18%	1.17	1.24	6%
Globe International Limited	GLB	136	133	275	235	224	224	28	6	18	18	0.6x	7.2x	-5%	8%	3.05	3.75	23%	2.70	3.75	39%
The Reject Shop Limited	TRS	120	306	788	819	853	853	30	29	26	26	0.4x	11.8x	4%	3%	5.70	3.21	-44%	3.39	3.21	-5%
MotorCycle Holdings Limited	MTO	120	252	457	577	582	582	36	43	34	34	0.4x	7.4x	1%	6%	2.10	1.68	-20%	1.00	1.68	68%
Joyce Corporation Ltd	JYC	116	109	129	145	146	146	22	26	26	26	0.7x	4.2x	0%	18%	3.01	4.01	33%	3.90	4.01	3%
Articore Group Limited	ATG	110	82	573	555	493	493	(20)	(47)	(6)	(6)	0.2x	NM	-11%	-1%	0.47	0.40	-15%	0.42	0.40	-5%
Adore Beauty Group Limited	ABY	99	68	200	182	196	196	4	(1)	2	2	0.3x	27.4x	7%	1%	0.74	1.02	39%	0.89	1.02	15%
Shriro Holdings Limited	SHM	72	63	137	124	119	119	17	16	11	11	0.5x	5.8x	-4%	9%	0.82	0.72	-12%	0.74	0.72	-3%
Dusk Group Limited	DSK	72	88	138	138	127	127	31	21	11	11	0.7x	7.7x	-8%	9%	1.00	1.16	16%	0.58	1.16	99%
City Chic Collective Limited	CCX	62	99	325	184	132	132	43	(2)	13	13	0.8x	7.4x	-28%	10%	0.38	0.14	-64%	0.13	0.14	8%
NTAW Holdings Limited	NTD	58	199	556	582	533	533	26	19	20	20	0.4x	9.8x	-8%	4%	0.80	0.39	-52%	0.42	0.39	-8%
Atlas Pearls Limited	ATP	57	39	22	27	42	42	4	10	22	22	0.9x	1.8x	53%	54%	0.08	0.13	60%	0.09	0.13	37%
Atomos Limited	AMS	39	41	73	43	36	36	(6)	(28)	(18)	(18)	1.2x	NM	-16%	-52%	0.07	0.04	-37%	0.02	0.04	116%
Gale Pacific Limited	GAP	34	61	206	188	174	174	18	14	7	7	0.4x	8.2x	-7%	4%	0.21	0.13	-40%	0.13	0.13	0%
Heritage Brands Ltd	HBA	23	35	47	45	41	41	(1)	(0)	(1)	(1)	0.9x	NM	-11%	-2%	0.01	0.01	0%	0.01	0.01	0%
AuMake Limited	AUK	13	13	7	3	26	26	(3)	(2)	(2)	(2)	0.5x	NM	816%	-8%	0.00	0.01	100%	0.00	0.01	300%
Toys"R"Us ANZ Limited	TOY	11	34	38	22	8	8	(9)	(11)	(8)	(8)	4.5x	NM	-65%	-102%	0.09	0.07	-21%	0.09	0.07	-24%
Mosaic Brands Limited	MOZ	6	116	467	495	NA	466	12	27	NA	20	0.2x	5.7x	6%	4%	0.13	0.04	-71%	0.08	0.04	-52%
Audeara Limited	AUA	6	5	2	3	3	3	(3)	(4)	(3)	(3)	1.5x	NM	10%	-89%	0.04	0.06	47%	0.04	0.06	56%

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

M&A ACTIVITY DATA

Target	Acquirer	Announcement Date	Termination Date	Completion date	Transaction type	Enterprise Value (EV)	Revenue	EBITDA	EV / Revenue	EV / EBITDA
B S Stillwell Motor Group Pty. Ltd.	Autosports Group Limited	19/08/2024		2/10/2024	M&A - Whole	64.7	NA	NA	NA	NA
Face Medigroup Retail Pty Ltd	Undisclosed Buyer	2/10/2024			M&A - Whole	0.7	NA	NA	NA	NA
Metricon Homes Pty Ltd.	Sumitomo Forestry Australia Pty. Ltd.	30/09/2024			M&A - Whole	225.5	2,019	NA	0	NA
MTQ Engine Systems (Aust) Pty Ltd.	Undisclosed Buyer	20/09/2024			M&A - Whole	NA	NA	NA	NA	NA
E. & S. Trading Co. (Discounts) Pty. Ltd.	JB Hi-Fi Limited	12/08/2024		2/09/2024	M&A - Whole	63.7	230	7	0	9.1x
The Silver Fleece	Undisclosed Buyer	12/08/2024		12/08/2024	M&A - Whole	NA	NA	NA	NA	NA
New Age Caravans Pty Ltd	JB Caravans Pty Ltd.	2/08/2024			M&A - Minority	NA	NA	NA	NA	NA
Phil Gilbert Motor Group	4k Automotive Group Pty Ltd	18/06/2024		1/07/2024	M&A - Whole	NA	NA	NA	NA	NA
2XU Pty Ltd	Private Investor	11/06/2024		11/06/2024	M&A - Whole	34.2	NA	NA	NA	NA
Bapcor Limited	Bain Capital Private Equity, LP	11/06/2024	9/07/2024		M&A - Whole	2,456.2	NA	NA	NA	NA
Australian Vaporizers Pty Ltd.	Flora Growth Corp.	4/06/2024		4/06/2024	M&A - Whole	1.0	NA	NA	NA	NA
Andrash Management Pty Ltd	BP p.l.c.	22/05/2024			M&A - Whole	NA	NA	NA	NA	NA
Dissh Pty. Ltd.	BBRC Private Equity Pty Ltd.	9/03/2024		9/03/2024	M&A - Minority	NA	NA	NA	NA	NA
Alice Springs Toyota	Eagers Automotive Limited	29/02/2024		29/02/2024	M&A - Whole	32.1	NA	NA	NA	NA
Eurocold Holdings Pty Ltd	Groupe Petit Forestier	31/01/2024		31/01/2024	M&A - Whole	NA	NA	NA	NA	NA
Prestige 4WD & Sports Car Sales Pty Ltd	Tourism Holdings Limited	23/01/2024		31/01/2024	M&A - Whole	11.9	NA	NA	NA	NA
Forcite Helmet Systems Pty Ltd	GoPro, Inc.	16/01/2024		27/02/2024	M&A - Whole	21.0	NA	NA	NA	NA
Portia & Scarlett	Allure Bridals, Inc.	19/12/2023		19/12/2023	M&A - Whole	NA	NA	NA	NA	NA
EVSE Australia Pty Ltd.	Pacific Equity Partners	18/12/2023			M&A - Whole	NA	NA	NA	NA	NA
Big Balloon Unit Trust	Jazwares, LLC	4/12/2023		4/12/2023	M&A - Whole	NA	NA	NA	NA	NA
GeoniX Pty Ltd	Guideline Geo Australia Pty Ltd	4/12/2023			M&A - Whole	1.2	2	NA	1	NA
Berwick Motor Group Pty Ltd	Autoleague	29/11/2023		29/11/2023	M&A - Whole	NA	158	7	NA	NA
Adore Beauty Group Limited	THG Plc	27/11/2023	27/11/2023		M&A - Whole	NA	NA	NA	NA	NA
Akubra Hats Pty Ltd	Tattarang Pty Ltd	19/11/2023		19/11/2023	M&A - Whole	NA	NA	NA	NA	NA
Mountcastle Pty Ltd	Hancock & Gore Ltd	16/11/2023		1/03/2024	M&A - Minority	89.0	NA	NA	NA	NA
Total Tools Importing Pty Ltd	Metcash Limited	13/11/2023			M&A - Minority	676.7	NA	NA	NA	NA
iZone Pty Ltd	Rinnai Australia Pty. Ltd.	19/10/2023		19/10/2023	M&A - Whole	NA	NA	NA	NA	NA
Nobody Pty Ltd	Outland Denim Pty Ltd	17/10/2023		17/10/2023	M&A - Whole	NA	6	NA	NA	NA
Tred Outdoors Pty Ltd	Simpson Aluminium Pty Ltd	9/10/2023		9/10/2023	M&A - Whole	NA	NA	NA	NA	NA
Autopact Pty Ltd	Optimus Group Company Limited	25/09/2023		24/11/2023	M&A - Whole	295.1	NA	NA	NA	NA
Australian Vaporizers Pty Ltd.	Flora Growth Corp.	18/09/2023	20/10/2023		M&A - Whole	2.6	NA	NA	NA	NA
Seafolly Pty. Limited	Bondi Brands Group Limited	13/09/2023			M&A - Whole	70.0	NA	NA	NA	NA
Mountcastle Pty Ltd	Hancock & Gore Ltd	4/09/2023		3/11/2023	M&A - Minority	29.3	53	11	1	2.8x

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

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