



# Private Equity News Australia

## Key Highlights

- The sale process for Champ Ventures-part owned Lorna Jane to be launched
- Remagen Capital pursuing Watpac's mining service unit
- Advent Partners set to take a stake in Compass Education
- US-based Roark Capital Group interested in Bain Capital's Retail Zoo
- Transport company CF Asia Pacific considering a sale/fundraising process

▪ **Lorna Jane.** The sale process for active-wear maker Lorna Jane is expected to be launched. It is understood that Champ Ventures acquired 40% of the business in 2010 and is a keen seller, and majority shareholders Lorna Clarkson and her husband Bill are also open to selling a controlling stake. The media also reported that a sale process of the business which was run more than 4 years ago, with a price expectation of \$400 million, did not proceed because the owners were unhappy with the offers.

▪ **Watpac's mining services unit.** Remagen Capital, a special situations firm that was involved in the recapitalisation of trucking business McAleese, is believed to be in talks to acquire Watpac Ltd's mining services unit. The business unit is said to have reported \$81.4 million in revenue, \$8.9 million loss before tax, and has assets worth \$55.3 million as at 30 June 2018.

▪ **Compass Education.** It is understood that Advent Partners is set to take a stake in education software company Compass Education. Compass Education was founded in 2010 and is a leading provider of student information systems in Australia.

▪ **CF Asia Pacific.** Privately owned transportation business CF Asia Pacific has appointed an advisor to consider a sale or fundraising process. It is understood that the business makes \$40 million to \$50 million in EBITDA. Marubeni Corporation is said to own a 15% stake in the business.

▪ **Tip Top.** Fonterra has confirmed that it is considering a sale of its Tip Top ice cream brand. It was reported in the media that Pacific Equity Partners may be planning a tilt for the New Zealand-based business.

▪ **Retail Zoo.** Roark Capital Group, a private equity firm based in the US, is understood to be pursuing Bain Capital's Retail Zoo.

▪ **Trade Me.** Trade Me announced that it has received an alternative takeover proposal from Hellman & Friedman (NZ\$6.45 per share), and the Board has decided to engage with both Hellman & Friedman and Apax Partners (who had made an offer of NZ\$6.40 a share).

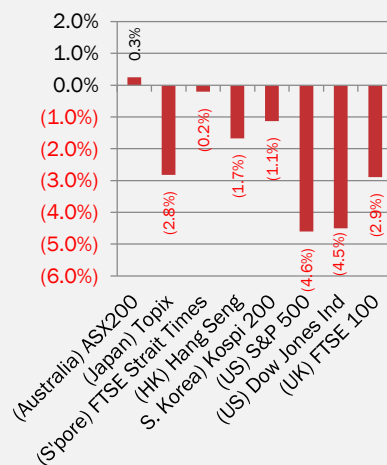
▪ **Perth Radiological Clinic.** It is reported that the buyer interest for the \$40 million EBITDA-a-year Perth Radiological Clinic may not be as high as some first anticipated. The understanding is that PwC is seeking a 9 or 10 times EBITDA multiple for a 40% interest in the business, which is considered by some on the high side.

▪ **Cardno.** Cardno, part-owned by Crescent Capital, has announced a bolt-on acquisition of environmental services firm TGM Group Pty Ltd for \$21.6 million.

## ASX200 INDEX



## EQUITY INDICES (WEEKLY % CHANGE)



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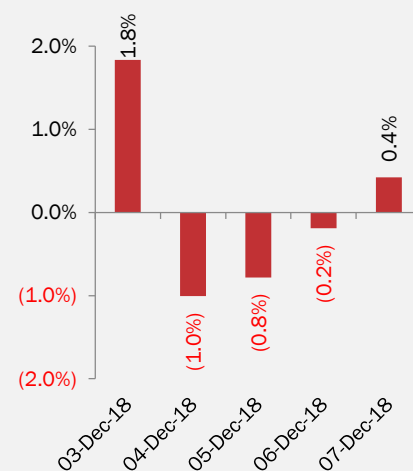
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- **GrainCorp.** A group called Long-Term Asset Partners, backed by Lance Hockridge and Tony Shepherd, had offered to acquire the shares of GrainCorp at \$10.42 per share, valuing the entire business at \$3.2 billion on an enterprise value basis. It is speculated that other parties, including CBH Group, Bunge, Cargill, Louis Dreyfus, Glencore and Archer Daniels Midland, may also be interested to pursue the company given that it is now in play. The takeover bid is said to contain a complex funding structure, including a pure debt funding and insurance derivatives.
- **Arnott's Biscuits.** It is understood that Pacific Equity Partners has appointed an investment bank on its quest to acquire Campbell Soup's Arnott's Biscuits, which may be valued at circa \$3 billion.
- **MYOB.** It is understood that KKR is seeking a \$1 billion-plus debt deal for its proposed acquisition of MYOB. A loan of \$1 billion to \$1.2 billion would represent 5 times MYOB's FY19 expected EBITDA.
- **BGC Group.** It is understood that building materials and construction company BGC Group has appointed an investment bank to run a sale process, with a speculated deal value of more than \$2 billion.
- **Reject Shop.** The directors of Reject Shop have recommended that shareholders reject the \$78 million takeover bid by Allensford, the bidding vehicle of Raphael Geminder's Kin Group, labelling the offer as "opportunistic" and "undervaluing the company".
- **Restaurant Brands (NZ).** Mexican-based investor Finaccess Capital SA de CV has confirmed its partial takeover offer for Restaurant Brands, the New Zealand franchise operator for Pizza Hut, KFC and Carl's Jr. Finaccess, is offering \$9.45 cash a share for 75% of the company (\$881 million bid), which is a 24.3% premium to Restaurant Brand's share price before the bid was revealed.
- **Unleash Live.** Sydney start-up Unleash Live, which is building an app store for artificial intelligence, raised \$3 million in a Series A round after having raised \$4.75 million previously. Investors include venture capital fund Smarter Capital, NY-based venture capital firm Revel Partners, and the co-founders of Amaysim (Peter O'Connell and Rolf Hansen).
- **Revasum.** The Firsthand Ventures-based Revasum, which makes processing equipment for the semiconductor industry, reaffirmed its forecast ahead of its IPO. The company is raising \$30.7 million, with an implied market capitalisation of \$153 million. Its shares slipped 7% in the first day of trading.
- **Inflazome.** Inflazome, a biotech startup, has raised \$63 million to test and commercialise its molecules for slowing the process of inflammatory diseases such as Alzheimer's and Parkinson's. The startup was founded in 2016 with funding from Novartis. The latest funding round was backed by Forbion, Longtude Capital, Novartis and Healthcare Partners.
- **Data Republic.** Data Republic, a data sharing platform that is creating a secure infrastructure to facilitate the bilateral market for trade in data between Australia and Singapore, has raised a \$22 million Series B that is backed by Singtel Innov8 (corporate VC fund of Singtel), Singapore Airlines, NAB Ventures, Qantas Loyalty, Qualgro, Reinventure, ANZ and Ryder Innovation Fund.
- **Skalata Ventures.** Billionaire Paul Little is among a group of business figures forming a new start-up funding and development program, Skalata Ventures, to provide 60 start-ups with funding of up to \$250,000.
- **Tank Stream Labs.** Co-working space provider Tank Stream Labs is seeking investors as it looks to double its capacity in 12 months.

### DAILY PERFORMANCE OF ASX200



The ASX200 closed 0.3% higher for the week – despite a global stock market rout.

During the week, a global sell-off was triggered as the initial optimism for a resolution of a US-China trade tension (following the G20 summit) turned into a potential escalation – and markets continue to be worried of the global economic outlook amid an inversion of the bond yield curve.

## Rolling Table of Recent Activities & Rumours

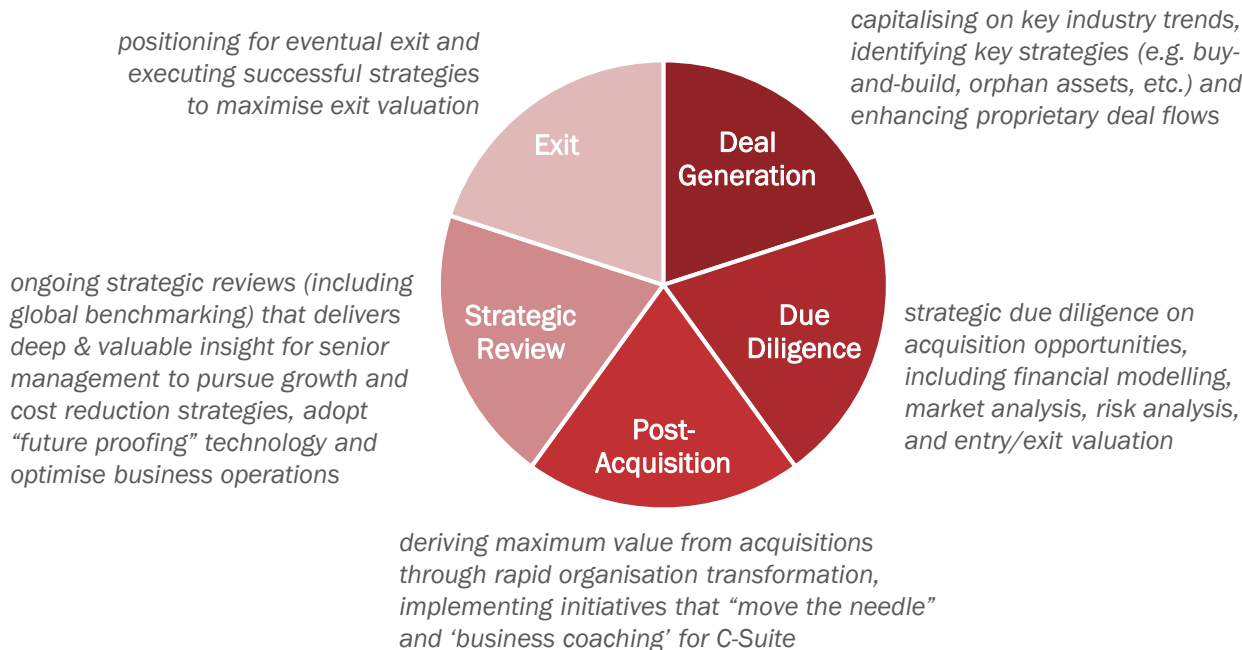
DATE	INVESTOR(S)	TARGET	SECTOR	TRANSACTION TYPE
Dec-18		Perth Radiological Clinic	Radiology	For sale
Dec-18		CF Asia Pacific	Transport	Seeking sale
Dec-18		Tank Stream Labs	Co-working space	Seeking funding
Dec-18	Pacific Equity Partners	Tip Top (Fonterra's ice cream)	Ice cream	For sale
Dec-18	Skala Ventures			New VC
Dec-18	Singtel Innov8	Data Republic	Data sharing	Series B
Dec-18	Crescent Capital	TGM Group	Engineering services	Bolt-on
Dec-18	Hellman & Friedman	Trade Me (ASX-listed)	Online marketplace	Pursuing
Dec-18	KKR	MYOB	Accounting software	Pursuing
Dec-18	Advent Partners	Compass Education	Education software	Stake acquisition
Dec-18	Forbian (Netherlands)	Inflazome	Biotech	Fundraising
Dec-18	Pacific Equity Partners	Arnott's	Biscuit maker	For sale
Dec-18	Firsthand Ventures	Revasum	Processing equipment	Seeking IPO
Dec-18	Smarter Capital	Unleash Live	AI app store	Series A
Dec-18	Finaccess Capital (Mexico)	Restaurant Brands (NZ)	QSR	Pursuing
Dec-18	Geminder family	Reject Shop	Discount retailer	Pursuing
Dec-18		Buckeridge group of companies	Diversified industrials	Seeking sale
Dec-18	Long-Term Asset Partners	Grain Corp	Grains handling	Pursuing
Dec-18	Champ Ventures	Lorna Jane	Gym wear	Seeking sale
Dec-18	Roark Capital Group (US)	Retail Zoo (Boost Juice)	QSR	Pursuing
Dec-18	Remagen Capital	Watpac mining services unit	Mining services	Pursuing
Nov-18	Moelis	Redcape Hotel Group	Pub	IPO
Nov-18	Square Peg Capital	Athena	Home loan platform	Series B
Nov-18	Blackbird Ventures	Sunfed	Food ingredients	Fundraising
Nov-18	Our Innovation Fund	Enboarder	HR platform	Fundraising
Nov-18	MDI Ventures	InstaReM	Crossborder payment	Series C
Nov-18	Energy Innovation Capital (US)	RedEye	SaaS	Series B
Nov-18	AirTree Ventures	Huddle	Insurance	Series A
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These items have been sourced from various media outlet reports, company reports and other sources such as trade publications. LCC Asia Pacific does not in any way represent they are accurate. Source of data is available on request.

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LCC also works closely with family- and privately-owned businesses that are either considering exit options or are seeking to raise external capital to accelerate their growth strategies.

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