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Quadrant counts down to Super A-Mart IPO PRIVATE **equity firm** Quadrant is believed to have held recent talks with investment banks UBS and Goldman Sachs about plans for an initial public offering of Barbeques Galore and its discount furniture business Super A-Mart.

The Super A-Mart business, founded by Brisbane **billionaire** John Van Lieshout, could be worth around \$600 **million** should it float on the Australian Securities Exchange, according to estimates.

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Sources close to Quadrant hosed down the rumours last night, saying an exit was not being planned for almost a year.

However, others say that attempts had been made to explore a listing, with discussions held with various potential advisers.

Super A-Mart has 45 stores throughout Australia and has a major presence in Queensland.

The business was started in 1970 by Mr Van Lieshout as a single store in Brisbane, before he sold out to Ironbridge Capital for \$500m in 2006.

Quadrant then snapped up the **company** from Ironbridge six years later for the same price.

It is understood that Super A-Mart hopes to grow earnings through the rollout of its "Bed" brand, which sells imported beds from **China**, in what is thought to be an increasingly lucrative part of the business. The **company** faces strong competition from Ikea and Fantastic Furniture in the affordable furniture market.

Quadrant has recently locked in large profits for business exits, recently pricing its billboard **company** APN Outdoor at \$425m after outlaying just \$269m for the **company** in the past two years and last year secured a major windfall through the highly successful float of its fertility business Virtus.

Other companies recently floated by Quadrant include iSentia and Burson Auto Parts.

Big W options on table WOOLWORTHS is rumoured to be mulling options for its Big W discount department store chain, with the \$44 **billion** supermarket giant tipped to be engaged with investment banks.

Despite strong denials from the supermarket chain last night that any plans were under way, sources yesterday confirmed that Woolworths had been speaking to at least two corporate advisory firms about the business.

One of the firms is understood to be Credit Suisse, while advisers Goldman Sachs, UBS and Greenhill have worked for the **company** in the past.

Discussion in the market centres on whether Woolworths could sell Big W via an initial public offering, spin off the business or sell to one of the various private **equity** firms.

Other options could be that Woolworths is exploring **acquisition** possibilities to boost the business, which analysts estimate could be worth at least \$2bn.

But sceptics say that such a move by Woolworths could see it repeating mistakes it made with the **sale** of Dick Smith, which Anchorage Capital Partners bought for \$94m in 2012 then listed on the Australian Securities Exchange two years later for \$520m.

Nevertheless, sponsors such as Pacific **Equity** Partners and Kohlberg Kravis Roberts are cashed up and hungry for an **acquisition** after selling investments for lucrative prices amid buoyant conditions in the **equity** markets.

Big W has over 180 Australian stores and competes in the highly competitive discount department store market with star performer Kmart and Target, both owned by rival Wesfarmers.

However, the space is becoming increasingly competitive, as global clothing chains such as Top Shop and Zara enter the market.

Big W has been an underperformer within the Woolworths business for some time, weighing on overall earnings.

However, should a split from the **company** happen, it would leave Woolworths almost solely as a supermarket operator, not accounting for the loss-making Masters Home Improvement business or its Dan Murphy's liquor outlets.

Other advisers that could have been engaged include Greenhill, adviser to Woolworths on its recent spin-off of electronics chain Dick Smith.

Goldman Sachs and UBS ran the process for the recent \$603m **sale** of its pub portfolio.

The business, currently at the centre of a turnaround program under the leadership of Alistair McGeorge, is the leading Australian department store chain in revenue.

In 2013, Woolworths bought New Zealand-based online retailer EziBuy for \$306m. Last financial year, earnings from "general merchandise", comprising Big W and EziBuy, were down 19 per cent to \$153m.

Investors boost Aconex CONSTRUCTION software **company** Aconex has boosted the size of its raising for its upcoming initial public offering on the back of strong investor demand.

Aconex previously said its plans were to raise between \$120m and \$150m. But it will now raise between \$232m and \$264m, in a deal for which Macquarie Capital and UBS are joint **lead** managers.

The **company** is expected to have a market value of \$356m to \$412m, with shares offered at a price ranging from \$2.20 to \$2.60 per share.

Sources said the decision was likely to be due to strong demand from investors for the business.

Aconex will sell 101.9 **million**- 105.4 **million** shares when its bookbuild starts on October 27.

The deal equates to an enterprise value for the **company** of \$322.6m to \$379.5m. Aconex will lodge its prospectus by October 28 before trading on November 18.

Talga's taste of Sugar GRAPHITE hopeful Talga Resources has become the latest Perth-based junior to seek out the magic touch of New York money man Eddie Sugar.

Talga — which is aiming to develop what it says is the world's highest-grade graphite resources — has signed up Mr Sugar's EAS Advisors to help put it on the radar of North American investors.

Mr Sugar first came to prominence in Australia for his efforts in generating early North American interest in Andrew Forrest's Fortescue Metals Group, paving the way for the big raisings that would ultimately fund the construction of Fortescue's multi-**billion**-dollar **iron ore** infrastructure network.

EAS has also been working behind the scenes at LNG Limited, where it has helped drum up the American institutional investor interest that has propelled the **company** from nowhere into a \$1.4bn play.

West Perth-based, South American-focused Crusader Resources also signed up EAS earlier this year, but is yet to see any LNG-like share price gains at this stage.

Talga's most advanced deposit, Vittangi, is forecast to cost just \$29m to develop. But the group had just \$3.5m in cash at the end of last month, so will need to raise money to get into production.

Mark Creasy's Yandal Investments is among Talga's major backers. carterb@theaustralian.com.au

CO irncpt : Ironbridge Capital Pty Ltd | gldmns : The Goldman Sachs Group Incorporated

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