

Oaklins

# Iconic Australian brand White King finds new home

DEAL FLASH | CONSUMER & RETAIL | DECEMBER 2023

## DEAL SNAPSHOT

**Pental Limited (ASX:PTL) has divested its consumer products business to Selleys, a division of DuluxGroup Australia.**

Pental is a branded home, hygiene and e-commerce product developer and supplier. Its consumer products business, led by the iconic Australian brand White King, has been proudly supporting Aussie homes for over 100 years. A market leader, White King is one of Australia's most trusted brands, with over 40 products across household cleaners, toilet and laundry items. Other trusted brands owned by Pental include Lux, Country Life and Jiffy firelighters.

DuluxGroup is a leading marketer and manufacturer of premium branded products that protect, maintain and enhance the spaces and places in which we live and work. DuluxGroup employs approximately 8,000 people in Australia, New Zealand, Papua New Guinea, China, the UK and throughout Europe. In late 2019, DuluxGroup became part of Nippon Paint Holdings, the world's fourth largest paint company and the largest in the Asia Pacific.

The transaction represented significant value for shareholders, with the total sale price of approximately US\$39.2 million (plus expected agreed and customary adjustments, the unwinding of the Duracell distributorship, and debtors and creditors) representing approximately 118% of Pental's market capitalization, at time of signing, of US\$35.4 million.

"The Oaklins team provided us with valuable support and advice throughout the transaction. Our shareholders voted overwhelmingly in favor of the deal, and we are grateful to our advisors for guiding us to such a good result."

**MARK HARDGRAVE**  
CHAIRMAN  
PENTAL LIMITED  
AUSTRALIA

## OAKLINS PLAYED A KEY ROLE IN THIS TRANSACTION

Oaklins' team in Australia acted as the sell-side advisor to Pental in the M&A transaction, providing comprehensive support to the board and senior management at every stage of the sale process. Our involvement included collaborating with the board to evaluate strategic options, actively engaging with potential buyers, and facilitating an introduction to Dulux, ultimately leading to the successful execution of the transaction.



## MARKET TRENDS & DEAL DRIVERS

The Australian consumer discretionary industry experienced a difficult 12 months across FY23, as consumers felt the effects of 10 cash rate increases by the Reserve Bank of Australia in response to high inflation levels.

The reduced spending on consumer discretionary items highlighted Pental's market strength among its competitors, as it actually achieved 18.3% EBIT growth in FY23 and maintained two of the top three rankings for the best-selling SKUs in the manual toilet segment across the grocery market (White King).

## M&A VALUATION ASPECTS

The valuation of the consumer products business was in line with vendor expectations. Based on FY23, the purchase implies an EV/ underlying EBIT multiple of approximately 11.9x.

The strategic combination of Pental's consumer products business with Selleys, a division of DuluxGroup, strengthens Selleys' position as a market-leading brand of household do-it-yourself and cleaning products.

## TALK TO OUR ADVISORS



### ✉ **STEPHEN MACAW**

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### ✉ **NICK ANDREW**

Director  
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Stephen has over 30 years' professional experience across financial services, providing advisory and execution services in equity capital markets, debt markets, M&A, and capital management on both listed and unlisted markets. Thanks to Stephen's extensive experience within investment banking, he has developed strong transactional know-how from a breadth of industries and holds particular expertise in the origination and execution of ECM transactions. Recent notable transactions he has been involved in include advising Bigtincan Holdings (ASX:BTH) on several capital raises; advising Hansen Technologies (ASX:HSN) on their placement and subsequent SPP; and providing QMS Media (ASX:QMS) with investor relations support.

Nick has over nine years' M&A experience, advising corporate, private equity and HNW clients on a range of complex buy-side, sell-side and capital-raising engagements. Nick's international experience is focused on the technology, media and consumer goods & retail sectors. He has advised on a number of travel and tourism transactions, including the divestment of travel technology platform Website Travel Group to private equity interests, and the divestment of KKR-owned Travelopia's ANZ travel and tourism brands. He also advised Agent Select on their series C capital raise led by RACV.



## OAKLINS HAS CLOSED 695 DEALS IN CONSUMER & RETAIL

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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