



Consumer Staples: Tsunami of Competitors

Investment returns from the convenience and supermarket sectors appear to be under a cloud.

What are the factors effecting the supermarnet sector?

Do falling profits mean investors should look elsewhere?



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Disclaimer

GENERAL ADVICE ONLY

The information in this presentation is of a general nature and has been prepared without taking account of individual investment objectives, financial situation or particular investment needs. It is not intended as financial advice to retail clients. Before making an investment decision, you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs. We recommend you consult with your financial adviser, who can help you determine how best to achieve your financial goals and objectives. Past performance does not guarantee future performance.

Where it all started



APPLE

GOOGLE

AMAZON



HARLEY

DISNEY

MATTEL

Great things have small beginnings.



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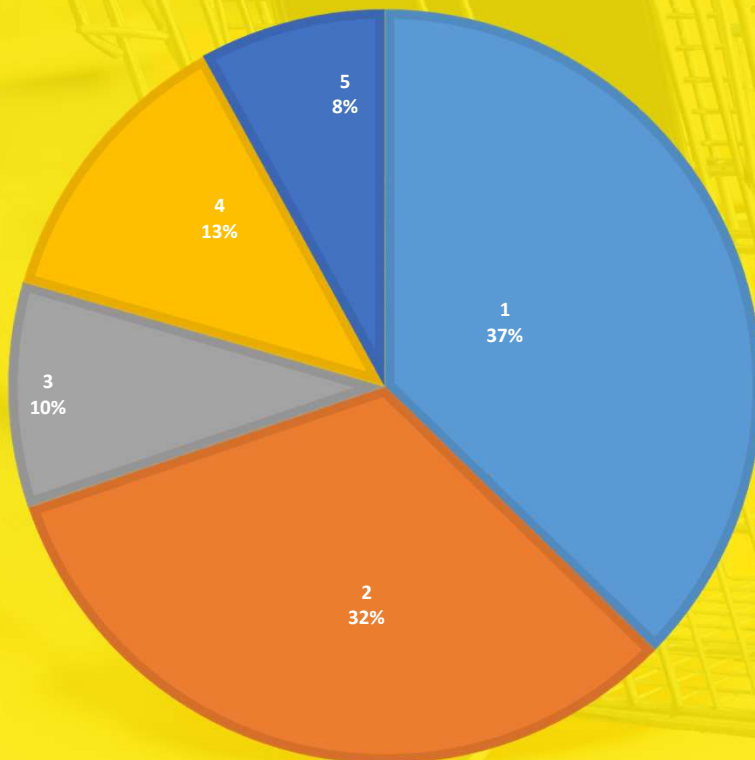


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SUPERMARKET SECTOR

■ 1 ■ 2 ■ 3 ■ 4 ■ 5



Australia and Europe Area size comparison

Darwin to Perth 4396km • Perth to Adelaide 2707km • Adelaide to Melbourne 726km
Melbourne to Sydney 887km • Sydney to Brisbane 972km • Brisbane to Cairns 1748km

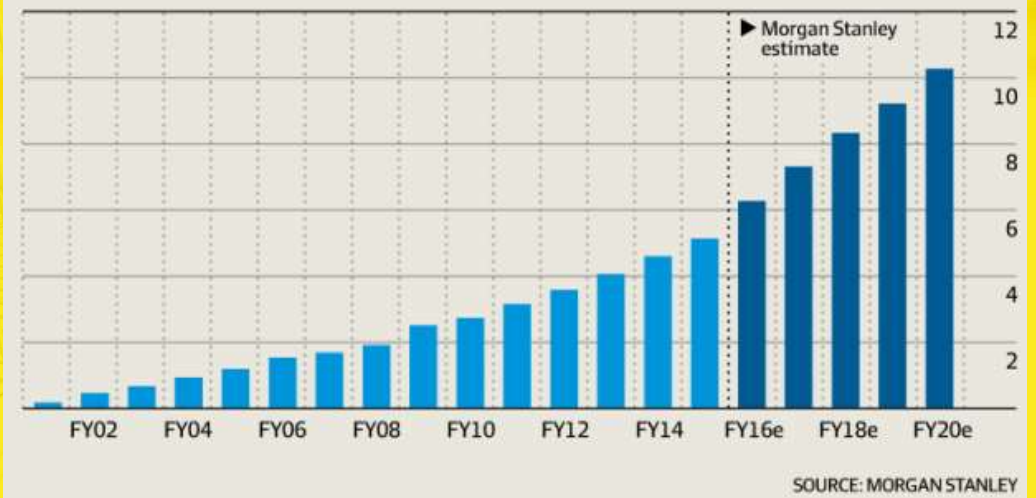




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Aldi market share, FY01 - FY20e (%)





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\$91.76

Average price
excl. specials



Budget
Basket



Woolworths

\$97.31

Average price
excl. specials



Budget
Basket

coles

\$99.40

Average price
excl. specials



Woolworths



\$168.74

Average price
incl. specials



coles

\$170.54

Average price
excl. specials



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Lidl's first run of press (ROP) promotion features a 22" barbecue grill for \$19.99 – a direct challenge to retailers promoting Weber, an American icon.

grand opening weekend!

Thursday, June 15th – Sunday June 18th

- children eating @ 7:00am, get here early for groceries, then complete, and more!
- receive a FREE reusable bag (quantity limited)
- first 100 customers will get a mystery gift with a chance to win up to \$1000!
- exclusive opening effort gift sets while they last (quantity limited)
- join us for fun kids activities and giveaways from 7:00am - 8:00am Saturday
- enter for a chance to win a \$1000 gift card!



exclusive opening offers



rethink grocery.™

grand opening, Thursday, June 15th @ 7:40AM
8081 Warren H Abernathy Hwy, Spartanburg, SC 29301

Walmart
6/11/17



\$68

Weber® Jumbo Joe® 22" Premium Charcoal Grill
Made in the USA, using globally sourced component parts.

Lowe's Supermarket
6/7/17



\$69.99

Fred Meyer
4/9/17



\$79

Weber® 18" Original Kettle® Charcoal Grill

Lowe's
4/13/17

\$99

Original Kettle® 22-in Charcoal Grill
• 363-sq in cooking area #27071



Meijer
5/7/17



\$99

Home Depot
5/25/17



\$99

22" ONE TOUCH® CHARCOAL GRILL
• One-Touch™ cleaning system for easy and efficient ash removal

Kroger
5/31/17



\$99
WITH CARD
Weber® 22" Original Kettle® Charcoal Grill



BUY Weber 22.5" Black Kettle Grill
\$99.97ea.

GET FREE!
with in-store purchase
TexasStyle Jalapeño Grill Rack
THAT'S \$12.97 FREE!

HEB
5/10/17

MarketTrack
The Power of Market Intelligence



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Amazon plan to launching its “AmazonFresh” home delivery service in Australia. No later than 2017 to early 2018. AmazonFresh is a grocery and fresh food home delivery service which allows consumers to shop online and order for same-day delivery.



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THE EXTRAORDINARY SIZE OF AMAZON IN ONE CHART

Amazon is bigger than most brick and mortar retailers put together

Market value as of December 30, 2016

\$355.9B

amazon

\$297.8B

Walmart

TARGET

BEST
BUY

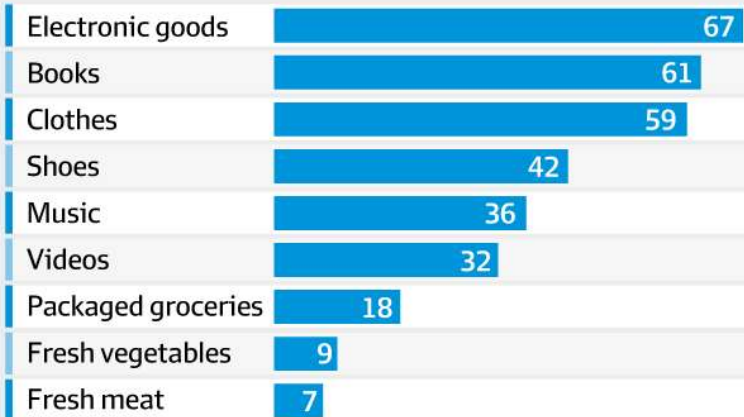
★macy's

KOHL'S

NORDSTROM

JCPenney
sears

Products likely to be bought from Aus Amazon site (% of respondents)

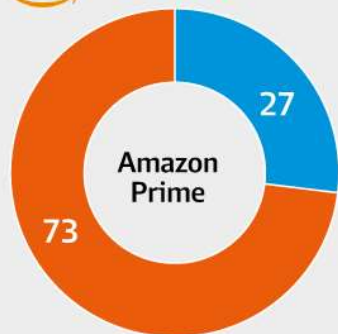


1509 Australians aged 18+ surveyed, Jan 20 - 23, 2017

Awareness of Amazon Prime and Amazon a (% of respondents)

amazon Prime

■ Yes ■ No



a



SOURCE: NIELSEN



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Survey conducted by Nielsen

- 9% likely to buy from Amazon for Fresh Vegetables
- 7% likely to buy from Amazon for Fresh Meat
- What are we worried about?
- Would you buy a rack of lamb or fresh vegetables off a computer tablet?



KEY ACQUISITIONS IN BILLIONS

● CASH ● STOCK U UNDISCLOSED



At \$13.7B in cash, Whole Foods is Amazon's boldest acquisition yet. The move signals Amazon's ambition, which is to become a transcendent brand that touches many aspects of daily life.



Kiva Systems became Amazon Robotics, a subsidiary that manufactures mobile robotic fulfillment systems for Amazon's array of warehouses.

NASH HOLDINGS LLC

KEY ACQUISITIONS IN BILLIONS

Washington Post \$0.25



In 2013, Bezos locked up one of the world's most trusted publishers for \$250 million, and has big plans to redefine the company through the use of technology.



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INTRODUCING
amazon go



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StockOmeter

Not Signed
In

WOW
\$25.95



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FILTER	VALUE	FILTER	VALUE	FILTER	VALUE	FILTER	VALUE
PE FY0	50.31x	Dividend yield	2.57%	52 Week High	\$27.72	Short term trend	35%
PE FY1	22.51x	Gross yield	3.67%	52 Week Low	\$20.30	Long term trend	91%
ROE FY0	16.14%	Franking	100%	Price 1M %	-2.33%	RSI	47
ROE FY1	16.45%	Debt / Equity	51.49%	Price 1Y %	+20.03%	PEG Ratio	9.34
EPS FY0	0.36c	EPS FY1	1.15c	EPS Growth	+221.45%	Market Cap	\$33.71bn



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Thank you

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