

Third edition

Capitalmind Fabulous 40 - Consumer

Translation of survey published in RetailTrends (2016)



Retailers are not the first who profit from the economic recovery

The consumer market is growing, but slowly

 **capitalmind**
CORPORATE FINANCE ADVISORY

BENELUX | FRANCE | GERMANY | NORDICS | INTERNATIONAL

The economy may be recovering, but retailers are not the first who profit from it. That is apparent from the Fabulous 40 Consumer, the top 40 retail organizations ranked by growth in revenues in the years 2012, 2013 and 2014. In this third edition, Coolblue prolongs its first place and stands alone at the top.

The road upwards will take some time



This year's list has 11 new entries, although that does not mean that those have all experienced a sudden growth spurt. For example Action, is for the first time on the list this year, even though the discounter has been working its way toward the top for some time. Action was missing from the top 40 last year because no full year figures were available. Now that they are, the retailer ranks fourth with a growth percentage of more than 31 percent. It is the only name on the list that has completely avoided online sales so far, and with that, Action mocked all assumptions about the necessity for omni-channel presence. 'Action was founded at the right time',

explains associate Anne Jansen of corporate finance advisory firm Capitalmind, which compiled the Consumer list for the third time. With its low prices, the discount formula responds perfectly to a period in which the economy has been doing less well, according to Jansen. 'Action has now become a fixture. Every Dutch person has been there at least once.' The chain also has many young people and certainly also teenagers as customers, adds managing partner Bart Jonkman of Capitalmind. 'They do not have much money, but they do enjoy buying a great deal with a small amount of money.'

Recovery

The effect of the accelerating economy in our country cannot yet be clearly seen in the list. Only the top 25 names have seen their revenues grow



in the measurement period, two less than last year. The list leaders also grew less strongly than in the previous edition. List leader Coolblue is the only retailer with a growth in revenues still over 40%, while last year that applied for all of the top three. 'With a measurement period of 2012 through 2014, we are still looking a bit into the past', Jonkman explains. 'On the one hand, that is unfortunate, and at the same time, the nice thing about this list.'

Capitalmind makes comparable rankings for other sectors, and retail is relatively 'difficult', as Jonkman knows. Other sectors, such as the temporary employment sector, benefit more quickly from the recovery of the economy. 'The first five retailers in the list still have high growth percentages, but below these, the growth is less. In other sectors, there are more parties that are clearly already doing better.'



Besides, the negative extremes have also softened. Last year, there were four retailers in the list with revenue decreases of three percent or more; this year, there are only two. The decrease for number 40 this year is also less than it was for the last-ranked retailer last year.

Even so, there are parties that have already visibly benefitted from the improving times. The Mandemakers Groep is one of those parties, booking growth in revenues every year in the measurement period and coming in at ninth place on the list with their kitchen formulas. 'That is a retailer that pre-eminently benefits from the accelerating construction sector and

housing market', Jonkman says. The same applies for the growth of the do-it-yourself (DIY) sector, which was already projected last year. With Intergamma, the list has a second DIY retailer this year. The company behind Gamma and Karwei still has to cope with decreasing revenues. Maxeda benefits as the second large DIY company from the accelerating housing market, and rises from 32nd to 26th place.

The best-represented subsector in the Fabulous 40 is by far the supermarket sector. With 10 listings, the list consists of exactly one fourth of supermarket formulas. The food sector is less sensitive to economic cycles than non-food, although Jansen sees competitors on the horizon. 'You see meal-box providers like HelloFresh becoming increasingly popular. That could eventually become a serious competitor.'

Jumbo

A notable decliner among the supermarkets is Jumbo. In the first two editions of the list, the company located in Veghel ranked second; now 35th, it almost has to watch out that it doesn't fall out of the rankings. From a net revenue growth of more than 46 percent in the previous measurement period, Jumbo saw a slight decrease this year. Earlier this year, the chain was still among the top 10 fastest-growing retailers worldwide, measured on average annual revenue growth over the period of 2009 through 2014. That appeared from the Global Powers of Retailing report from Deloitte. The contrast with the Fabulous 40 seems large, but it is not illogical. 'Due to the acquisition of C1000, the revenues went from 2.6 billion in 2011 to 5.6 billion in 2012', Jonkman explains. 2011 is not taken into account in the current measurement period, and Jumbo has consolidated its significantly higher revenues in the measurement period. 'It is not strange that after such an acquisition there would be a levelling out, according to Jonkman. Albert Heijn parent company Ahold also falls



Bart Jonkman and Anne Jansen, Capitalmind

'The first five retailers in the list still have high growth percentages, but below these, the growth is less.'

significantly on the list. The effect of the acquisition of bol.com, in early 2012, is no longer an influence in this measurement period.

Notable in the represented subsectors is also the growth of home/DIY, a subsector that has a second position behind the supermarkets with seven listings. Fashion is among the poorest-

Acquisitions less influential

A merger or acquisition can significantly influence the position in the Fabulous 40. For example Jumbo took giant steps in revenue through the acquisition of C1000 and Super de Boer, BAS Group added revenues from Dexcom, and Paradigit has bought a little bit of each small sector competitor over the years. Last year, acquisitions or mergers were an influence on the ranking for 18 of the 40 retailers. This year, that is 12. In addition, the top eight in the list are organic growers only.

Several retailers may be missing from the list, because they had not filed their figures at the time when the list was compiled. That is the case, for example, with Suitsupply, the number four of last year. Conversely, many new entries can be explained by the fact that no figures were known last year. That applies among others for eyes + more and Action.

Capitalmind Fabulous 40 - Consumer

Rank 2016	Rank 2015	Company	Formulas	Total turnover 2014 in mln. €	Total turnover 2013 in mln. €	Total turnover 2012 in mln. €	CAGR 2012- 2014	M&A activities	Private equity
1	1	Coolblue Holding B.V. ①	Coolblue	349.698	243.344	164.795	45,67%		
2	3	U.R. Nieland Beheer B.V.	Fonteyn, Passion Spas	30.257	23.008	16.110	37,05%		
3	5	Rituals Cosmetics Enterprise B.V.	Rituals	200.841	148.170	113.022	33,30%		
4	-	Peer Holding B.V.	Action	1.506.423	1.155.491	873.367	31,33%	3i Group	
5	23	Zbf Bedding B.V.	Swiss Sense	67.585	48.927	51.273	14,81%		
6	9	Lisa Capital B.V. ②	Hunkemöller	299.823	272.420	251.848	9,11%	PAI Partners	
7	20	J.O.G. Group B.V.	Jeans Centre	109.946	96.382	93.352	8,52%	✓	
8	-	E & M Holding B.V.	eyes + more	39.727	34.685	34.435	7,41%	Vendis Capital	
9	-	De Mandemakersgroep Holding B.V. ③	a.o. Mandemakers Keukens, Keuken Kampioen, Piet Klerx	439.284	397.135	383.125	7,08%	✓	
10	12	Grandvision N.V. ④	a.o. Pearle, Eye Wish Opticiens, Vision Express	2.816.994	2.620.180	2.518.410	5,76%	✓	HAL Investements
11	10	Coop Nederland U.A.	Coop	859.109	832.481	778.821	5,03%	✓	
12	28	United Holding B.V.	Electro World, Euronics, Witgoed Specialist	52.062	43.943	47.257	4,57%		
13	14	FTH Groep Holding B.V.	Babypark, Kids Factory	69.182	60.755	63.449	4,42%	✓	
14	11	Boon Beheer B.V.	a.o. MCD, Boon's Markt, De Boerenschuur	225.197	214.749	209.173	3,76%		
15	7	Euretco Holding B.V. ⑤	a.o. Decorette, Intersport, Jambelle	903.556	922.385	841.747	3,61%	✓	Avedon Capital Partners
16	18	RFS Holland Holding B.V. ⑥	a.o. Wehkamp, Create2Fit, Fonq.nl	535.916	498.075	501.493	3,38%	✓	Several Individual Investors
17	17	B.V. Beheer Jan Linders Supermarkt	Jan Linders	323.761	313.534	307.237	2,65%		
18	-	B.V. Envema	Nettorama, Droma	283.439	277.732	269.680	2,52%		
19	24	Ondernemerscoop. De Sperwer U.A.	Plus	1.595.151	1.549.939	1.536.810	1,88%		
20	15	Watertoren Hazerswoude B.V.	Hoogvliet	699.660	694.946	679.987	1,44%		
21	-	Auping Groep B.V.	Auping	64.084	65.693	62.552	1,22%	NPM Capital	
22	29	Detailresult Groep N.V.	a.o. Dirk, Dekamarkt, Dirck III Slijterijen	1.822.291	1.779.187	1.782.776	1,10%		
23	19	Zeeman Groep B.V.	Zeeman	536.962	542.231	527.004	0,94%		
24	16	Nelson Schoenen B.V.	a.o. Nelson, Hobb's, Schoemixx.nl	71.093	65.655	70.378	0,51%	✓	
25	13	Koninklijke Ahold N.V.	a.o. Albert Heijn, Bol.com, Etos	32.774.000	32.615.000	32.682.000	0,14%	✓	Listed
26	32	Maxeda Diy B.V.	a.o. Brico, Formido, Praxis	1.314.000	1.320.000	1.320.000	-0,23%		KKR, Cinven, Permira, Alpinvest Partners
27	-	Brova B.V. ⑦	Duthler, Hout-Brox	62.311	64.229	62.748	-0,35%		
28	-	Agile B.V.	Sacha Schoenen, Why not shoes	44.242	41.570	44.555	-0,35%		
29	34	Schuurman Groep B.V.	Schuurman Schoenen, Intersport Schuurman	56.610	54.337	57.439	-0,72%		
30	22	A-C Holding B.V.	Ranzijn Tuin & Dier, Vomar Voordeelmarkt	523.962	530.910	532.914	-0,84%	✓	
31	30	Paagman Den Haag B.V.	Paagman	10.132	10.312	10.335	-0,99%	✓	
32	27	Foppen Holding B.V.	a.o. Scheer & Foppen, Bobshop.nl, Modern.nl	164.643	165.052	168.334	-1,10%		
33	38	Macintosh Retail Group N.V. ⑧	a.o. Dolcis, Invito, Manfield	870.645	822.082	893.231	-1,27%		Listed
34	25	Poiesz Beheer B.V.	Poiesz	309.447	314.857	317.953	-1,35%	✓	
35	2	Jumbo Groep Holding B.V.	Jumbo	5.468.531	5.720.565	5.681.723	-1,89%	✓	
36	-	Boekenvoordeel Holding B.V.	Boekenvoordeel	38.619	37.446	40.212	-2,00%	✓	
37	-	Intergamma B.V.	Gamma, Karwei	989.717	949.974	1.033.877	-2,16%		
38	-	Bart's Retail Food Groep B.V. (Grand Duet B.V.)	Bakker Bart	43.604	44.067	45.729	-2,35%		Gilde Equity Management
39	37	Holding Zias B.V.	Ziengs, Brandstores van Ecco, Tamaris	80.552	80.256	85.781	-3,10%		
40	-	Newgo B.V.	Goossens Wonen en Slapen	80.738	78.409	86.369	-3,31%		

① March 2016: HAL Investments acquires a 20% stake in Coolblue

② December 2015: PAI Partners sells Hunkemöller to The Carlyle Group

③ The turnover of the whole De Mandemakers Groep is significantly higher

④ February 2015: IPO

⑤ April 2015: acquisition of 75% of the shares of Euretco by EK/servicegroup

⑥ July 2015: Apax Partners acquires RFS Holland Holding

⑦ April 2016: Bankruptcy

⑧ December 2015: Bankruptcy

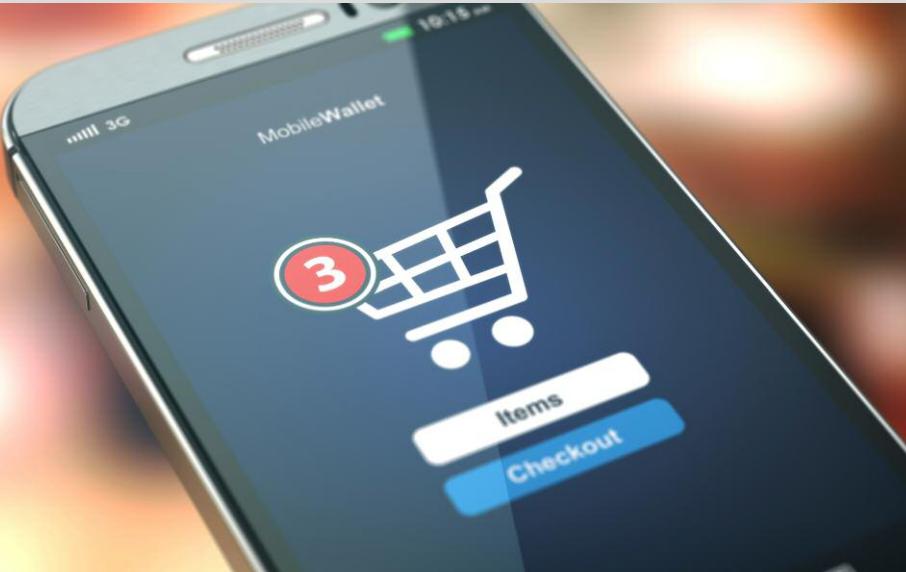
Capitalmind retains the following criteria for the Fabulous 40 Consumer:

- The main activity is retail in food and non-food. Other activities have to be serving to retail, such as wholesale and real estate management.
- Both clicks and bricks
- No automotive, oil & gas
- A minimum of five million euro of revenue in one of the three measured years
- The company must be a Dutch entity
- The company must have Dutch shareholders or an (inter)national investor
- The annual financial statements must be filed before May 1st 2016 at the Chamber of Commerce

Should there be any confusion, discussion as to inclusion in the list or suggestions for improvement, please contact anne.jansen@capitalmind.com or dial +31 73 623 87 74. This list is compiled by Capitalmind Corporate Finance Advisory.

Note:

The above mentioned turnovers do not include the turnovers of potential franchisees



'Coolblue shows that growth within the electronics sector is still quite possible'

Next to the 11 new entries and 16 decliners, there are 13 retailers that rose in the rankings. Those are not the supermarkets, which despite their cycle insensitivity often remain level or dropped, but those retailers that benefit from consumers having a bit more left in their wallets. For example, Fonteyn, seller of garden sheds, verandas and swimming pools, among other things, rose to the second place. Furthermore, Rituals, Hunkemöller and Jeans Centre are also ranked higher than a year ago. The same applies for optical concerns GrandVision and eyes + more, the latter of which came out of nowhere on the eighth place. 'A well-positioned optical chain that does well especially in Germany', according to Jonkman.

Development

Dropping or rising in the list are relative concepts, seen from the perspective of revenue development of retailers. Supermarket chains like Coop and Boon's Markt dropped on the list, but saw their revenues increase annually during the measurement period. On the other hand, there are also companies that rose in the list while their revenues decreased. For example, Praxis parent company Maxeda did not see revenues increase in any of the years examined. Schuurman Schoenen and Macintosh are also listed higher, while their revenues decreased. In addition, six of the 11 new entries saw their revenues drop during the measurement period. In the coming years, the Fabulous 40 Consumer is expected to gradually reflect a rosier picture of the revenue development of retailers. That will not happen in leaps and bounds, according to Jonkman. 'In the retail sector, there are sometimes hard blows. In addition, the conflict with online, which does not play a role in other sectors, is still increasing.'

represented sectors in this edition, with seven percent. That a listing in the Fabulous 40 is no guarantee for success is proven by numbers 27 and 33. Those spots are held by Brova and Macintosh respectively, both faced a bankruptcy. The company behind HoutBrox and Duthler appears on the list for the first time: the now dismantled shoe giant has risen five places. It shows, according to Jansen, yet again that things can be going well in terms of net revenues, but that this is not of much value if the expenses are too high. That was already apparent last year, when even V&D still appeared on the list. Over the measured years that are now the starting point, the revenue decreases were, however, so significant that the warehouse chain has not only finally disappeared from the streets, but also from the Fabulous 40.

Electronics

Also BAS Group knows what it means to fall hard. Two years ago, the elec-

tronics concern was in first place, in the first edition of this ranking, in part thanks to the acquisition of Dexcom in 2011. Today, this concern also no longer exists, and it is no longer found on the list. With top 10 rankings in the prior two Fabulous 40 editions and a bankruptcy at the beginning of this year, Paradigit also proves that temporarily higher revenues due to acquisitions can be worthless in the blink of an eye.

Because Maxwell also falls outside the Fabulous 40 this year, the number of electronics retailers on the list was cut in half. Scheer & Foppen is decreasing steadily and could also drop off the list. Coolblue, however, shows that growth within the electronics sector is still quite possible. Jonkman does not expect that it will end any time soon. 'Whether they will hang onto the first place in the coming years, I do not know, but I expect that we will continue to see Coolblue in the top five in any case.' The e-tailer has established the brand well, he notes. That HAL recently acquired a share of 20% in the webshop is not without reason, Jansen adds. 'Coolblue utilizes Google, for example, very cleverly and owns a lot of domain names. If you search for 'TV', you soon end up at Coolblue.' Jansen also praises the choice of the e-tailer to open physical shops, with which Coolblue, she says, is responding well to the omni-channel future.

The Fabulous 40 in sectors

Supermarket	25%
Home/DIY	18%
Shoes	13%
Diverse	10%
Consumer electronics	7%
Fashion	7%
Garden	5%
Other	15%

Smart advice, by your side, worldwide

Capitalmind advises mid-market companies, corporates, entrepreneurs and (PE) investors on selling and buying businesses, MBO, growth capital and debt finance.

- Established in 1999, with a focus on mid-market deals between € 5 and 250 million
- European team strong of some 50+ experienced professionals
- 6 offices across Europe:
 - Benelux: 's-Hertogenbosch, Amsterdam
 - France: Paris
 - Germany: Frankfurt, Berlin
 - Nordics: Copenhagen
- Award winning: 200+ deals completed over the past 5 years
- Core sectors: Business services, Consumer, Food, Industrials, Healthcare and TMT
- Truly international access to worldwide strategic and financial players with more than 350 professionals worldwide

's-Hertogenbosch, The Netherlands
Europalaan 6
5232 BC 's-Hertogenbosch
The Netherlands
T +31 73 623 87 74

Paris, France
62 rue La Boétie
75008 Paris
France
T +33 1 48 24 63 00

Frankfurt, Germany
Mainzer Straße 19
65185 Wiesbaden
Germany
T +49 611 205 480

Hilversum, The Netherlands
Vreelandseweg 7
1216 CS Hilversum
The Netherlands
T +31 73 623 87 74

Copenhagen, Denmark
Lyngsø Alle 3
2970 Hørsholm
Denmark
T +45 20 433 373

Berlin, Germany
Schumannstraße 17
D-10117 Berlin
Germany
T +49 611 205 480