

# Capital Value Update

## New Zealand and Australia

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**A reference guide for making capital allocation decisions** June 2011



# New Zealand

	Average market cap (NZ\$ millions)	Enterprise value to EBITDA	Enterprise value to EBIT	Market cap to net profit after tax	Asset beta	Debt to enterprise value	Return on assets (5 year avg)	WACC
<b>Consumer Discretionary</b>								
Distributors	83	10.8	16.4	n/a	0.30	17.1%	6.0%	5.6%
Hotels, Restaurants & Leisure	626	6.4	8.7	12.7	0.56	9.4%	7.6%	7.8%
Household Durables	340	11.2	18.7	16.3	0.60	37.1%	9.0%	10.0%
Media	2,164	9.1	15.7	19.2	0.85	17.1%	9.8%	9.7%
Retail	267	7.1	10.6	13.0	0.63	20.2%	15.9%	7.9%
<b>Consumer Staples</b>								
Beverages	195	7.9	10.7	n/a	0.39	39.8%	10.1%	7.2%
Food & Staples Retailing	115	6.1	10.5	n/a	0.32	40.9%	6.2%	6.6%
Food Products	228	13.7	17.7	18.9	0.43	32.2%	0.8%	7.6%
Personal Products	52	n/a	18.2	n/a	0.54	26.7%	7.3%	8.1%
<b>Energy</b>								
Oil, Gas & Consumable Fuels	1,061	7.4	14.3	18.4	0.66	7.4%	14.8%	7.8%
<b>Financials</b>								
Diversified Financial Services	151	12.9	16.7	16.3	0.54	57.7%	14.4%	8.6%
Real Estate Investment Trusts	424	14.3	20.5	19.3	0.35	38.1%	3.8%	6.9%
<b>Health Care</b>								
Health Care Equipment & Supplies	1,437	19.1	26.3	27.4	0.65	6.1%	21.1%	7.8%
Health Care Providers & Services	431	4.9	7.2	10.1	0.49	16.4%	25.4%	7.3%
<b>Industrials</b>								
Air Freight & Logistics	748	11.1	13.4	29.6	0.89	13.9%	13.0%	10.4%
Airlines	1,222	2.2	4.7	9.9	0.93	0.7%	2.6%	10.0%
Building Products	103	10.2	14.4	21.6	0.83	15.7%	17.1%	9.6%
Construction & Engineering	319	8.2	9.7	14.5	1.19	0.0%	13.3%	10.4%
Industrial Conglomerates	175	6.9	9.3	13.0	0.57	11.9%	7.5%	9.7%
Machinery	83	13.2	17.3	19.7	1.05	6.7%	(5.2%)	10.2%
Transportation Infrastructure	905	12.9	17.2	22.6	0.44	12.3%	7.1%	6.6%
<b>Materials</b>								
Chemicals	571	4.9	5.9	9.4	0.97	11.3%	8.4%	12.9%
Construction Materials	5,849	9.8	13.2	20.6	1.03	15.9%	12.3%	11.7%
<b>Telecommunication Services</b>								
Diversified Telecommunication	4,725	4.1	11.2	15.6	0.89	29.3%	13.7%	10.2%
<b>Utilities</b>								
Electric Utilities	1,446	10.0	17.2	19.5	0.71	26.4%	5.0%	8.1%
Multi-Utilities	2,529	8.4	11.7	13.3	0.30	49.2%	7.2%	7.3%

# Australia

	Average market cap (AU\$ millions)	Enterprise value to EBITDA	Enterprise value to EBIT	Market cap to net profit after tax	Asset beta	Debt to enterprise value	Return on assets (5 year avg)	WACC
<b>Consumer Discretionary</b>								
Distributors	417	6.7	7.9	13.5	0.55	17.2%	7.9%	8.8%
Hotels, Restaurants & Leisure	1,827	8.9	11.8	15.9	0.88	15.1%	11.6%	8.8%
Household Durables	424	7.1	7.4	10.9	0.54	13.6%	16.6%	9.0%
Internet & Catalog Retail	571	11.4	12.2	16.9	0.75	0.0%	27.2%	8.8%
Media	1,992	8.8	11.7	12.5	0.55	25.8%	9.0%	9.0%
Retail	800	9.4	11.4	14.5	0.65	10.0%	17.6%	8.8%
<b>Consumer Staples</b>								
Beverages	5,270	11.9	15.1	23.1	0.35	13.5%	13.8%	7.1%
Food & Staples Retailing	22,993	9.4	11.6	15.5	0.50	11.0%	12.1%	8.1%
Food Products	482	9.5	10.4	12.7	0.46	27.2%	5.5%	7.8%
<b>Energy</b>								
Energy Equipment & Services	2,600	14.9	18.5	22.7	1.01	11.4%	16.6%	11.0%
<b>Financials</b>								
Commercial Banks	44,389	n/a	24.8	11.6	0.35	66.1%	n/a	8.4%
Diversified Financial Services	1,911	9.3	11.0	10.0	0.68	16.2%	2.0%	9.5%
Insurance	7,339	8.7	12.5	16.0	0.52	19.3%	n/a	8.0%
Real Estate Investment Trusts	2,644	15.2	20.4	14.3	0.69	41.9%	2.7%	10.2%
<b>Health Care</b>								
Health Care Equipment & Supplies	1,392	14.1	16.3	19.3	0.62	1.3%	(18.2%)	8.4%
Health Care Providers & Services	2,228	8.3	12.7	20.7	0.44	27.6%	7.8%	7.5%
<b>Industrials</b>								
Air Freight & Logistics	1,783	4.9	8.1	8.6	0.56	25.7%	7.3%	8.3%
Airlines	1,629	4.4	12.1	9.2	0.54	35.7%	8.6%	8.3%
Building Products	401	5.5	6.9	14.8	0.82	34.5%	9.7%	9.4%
Commercial Services & Supplies	1,336	9.0	11.9	18.2	0.66	22.4%	10.8%	9.3%
Construction & Engineering	940	8.2	11.2	15.5	1.13	7.6%	14.7%	11.6%
Machinery	663	8.7	11.0	14.9	1.12	14.7%	16.2%	11.6%
Professional Services	1,113	11.8	16.5	21.2	0.73	10.9%	18.5%	9.6%
<b>Information Technology</b>								
IT Services	856	8.6	10.1	14.3	0.99	9.2%	23.5%	10.6%
Software	237	8.4	14.0	12.9	0.48	5.2%	16.4%	7.6%
<b>Materials</b>								
Chemicals	4,570	10.8	14.1	12.5	0.75	17.7%	10.2%	9.6%
Construction Materials	2,311	11.4	12.9	11.0	0.72	12.1%	7.1%	9.6%
<b>Telecommunication Services</b>								
Diversified Telecommunication	10,927	7.7	12.2	14.6	1.35	9.5%	8.1%	9.6%
<b>Utilities</b>								
Electric Utilities	1,553	8.2	11.8	15.9	0.30	53.1%	3.8%	7.8%
Gas Utilities	1,797	11.7	14.7	24.7	0.30	59.3%	7.1%	8.3%
Independent Power Producers	372	14.4	n/a	29.2	1.05	51.0%	(0.2%)	11.2%
Multi-Utilities	2,366	9.4	13.0	16.4	0.41	49.5%	3.0%	8.3%

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