

12 June 2019

Acquisition of Catch Group Holdings Limited

Wesfarmers Limited today announced that it has entered into an agreement to acquire Australian online retailer Catch Group Holdings Limited (“Catch Group”) for cash consideration of \$230 million.

Catch Group is an established, profitable and cash-generative business that operates an online business model offering branded products on a first-party basis and a third-party online marketplace. Its online operations are supported by two fulfilment centres located in Victoria.

Wesfarmers Managing Director Rob Scott said the acquisition is consistent with Wesfarmers’ disciplined approach to capital allocation, including investment in opportunities adjacent to its existing businesses. It is also consistent with the Group’s focus on investing in and building its data and digital capabilities.

Subject to completion of the transaction, Catch Group will operate as an independent business unit, under the oversight of Ian Bailey, the Managing Director of Kmart Group.

“Catch Group has a high calibre management team and a leading e-commerce platform with quality fulfilment assets,” Mr Scott said.

“This acquisition represents an opportunity to accelerate Wesfarmers and Kmart Group’s digital and e-commerce capabilities whilst continuing to invest in the unique customer and supplier proposition provided by Catch Group.”

Kmart Group Managing Director Ian Bailey said Catch had built a successful first-party and fast-growing marketplace business underpinned by a leading technology platform and data capabilities.

“We are excited to work with the Catch team and look forward to leveraging our capabilities to grow the business and accelerate the customer-driven, omni-channel initiatives across Kmart and Target,” Mr Bailey said.

“This will further drive best practice in supply chain, fulfilment and online execution across our brands, including opportunities for Target to secure online fulfilment capacity and productivity benefits. Catch will also benefit from the support of Kmart Group’s scale and capabilities to drive its continued growth in its existing marketplace business.”

Catch Group Managing Director and CEO Nati Harpaz said the Catch team was looking forward to becoming a part of the Wesfarmers Group and working with the Kmart Group for the benefit of Catch’s business partners and customers.

“Catch will continue to deliver innovation in the online market in Australia, with the focus of delivering great value and savings to our customers.”

Completion of the acquisition is subject to a number of conditions precedent including approval by the Australian Competition and Consumer Commission merger clearance, which is expected in the coming months. The acquisition will be funded from existing debt facilities and is not expected to affect Wesfarmers’ existing credit ratings.

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