



Retail & Consumer Products Advisory

SUPPORTING RETAILERS TO ADAPT,
INNOVATE AND OPTIMISE VALUE



EXPERTS WITH IMPACT™

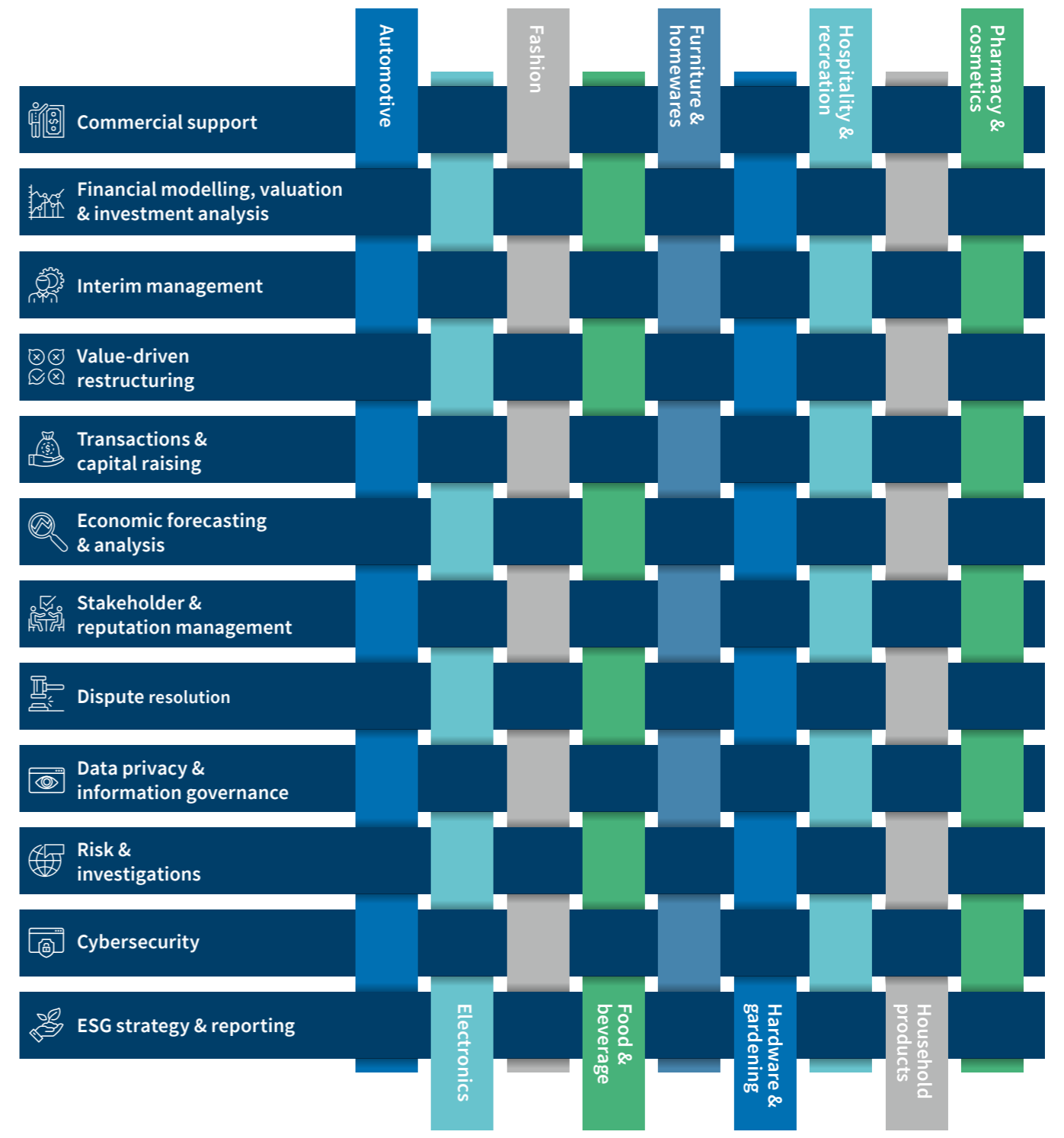


Today's retail environment continues to be challenging. Consumers are increasingly seeking value and personalisation, with demand switching away from discretionary goods to staple items. Combine these challenges with tighter economic conditions, preferences for sustainable innovations and the increasing role of artificial intelligence and we have a rapidly transforming retail industry.

Australian retail is ever evolving

Australian retailers have been adapting to a changing landscape for some time. For many retail leaders, talking about the bigger, more fundamental changes required to evolve and/or revolutionise their business can be a daunting step. We understand. We, too, think about the issues and challenges facing retailers today, how to drive growth, manage expenses, mitigate risks and enhance return on investment in an environment where the accelerating pace of change is the only true constant.

Whatever your need or stage of the business life cycle, we are here to help.



Our focus: transformation and performance improvement

In order to compete successfully in an omni-channel environment and create a competitive edge among a crowded field of capable competitors, companies must be creative in finding ways to blend store-based and online productivity for performance improvement.

Key to managing performance improvement is understanding the economic model of the business, how it makes money and how it loses it. FTI Consulting develops analytics that allows a company to understand the situation it faces — analysis that gives companies a perspective that is actionable. Objectivity is important. The closer we get to the business and the people running it, the deeper the understanding we obtain of challenges and solutions. We see ourselves as assets to management, filling in talent gaps that may exist, providing honesty and objectivity, and facilitating faster and lasting change.

Our solutions broadly focus on the six key functional areas of a retail business:



Adapting to change is the key to unlocking innovation

Operational Risk & Efficiency

We help retailers to assess their risks and vulnerabilities, put plans in place to better manage through disruptions and recover faster, and prepare senior management for its role in incident response crisis communications, media management and governance oversight.

Financial Transformation

We work alongside finance teams to develop and execute strategies that leverage data and new technologies to deliver sustainable transformation, in an accelerated timeframe, always striking a balance between short-term and long-term goals.

Real Estate Optimisation

Our proprietary methodologies ensure retailer's real estate strategies align with and support their business plan. We evaluate store performance by identifying attributes contributing to success and underperformance and assess the liquidity impacts of store openings, relocations, remodels, and closings.

Turnaround & Restructuring

In stressed and distressed situations, our team brings an unprecedented depth of knowledge, experience and technical capabilities, providing tailored advice based on the situation and challenges facing a business. Our primary focus is always to provide the best outcome possible for stakeholders.

Brand & Reputation

Retailers today operate within a multi-faceted political, regulatory and investor landscape where information is difficult to control, perceptions develop quickly, and issues move rapidly. Our experts harness data-driven strategies to help leaders define and promote their narratives, elevate their brand values, and protect those values when threatened by challenges.

Transactions

Our extensive experience across the deal lifecycle gives us a unique perspective on where value exists and how it can be realised. We help retail clients at all stages of a transaction, from quality of earnings and pre-deal assessment to post-deal integration, leveraging FTI Consulting's industry and geographic expertise to guarantee the best possible outcomes.

Solutions with impact

We support our clients to realise opportunities and work through challenging events, applying insights, analysis, strategies and actions, informed by decades of industry experience.



Commercial support

As experienced retail finance professionals, we recognise, prioritise and articulate critical success factors, working to deliver outcomes alongside corporate teams. Our experts bring a range of experience in working capital enhancement, commercial assessment and negotiation, process optimisation and change management; to drive projects with sustainable results, fast.

Our industry experience and networks help us to deliver tangible results and new options for management teams.

- Cash flow optimisation
- Margin improvement and ‘cost out’ programs
- Working capital solutions
- Budgeting and reporting
- Whole of supply chain efficiency reviews
- Systems and process improvement
- Contract commercial analysis
- Investment analysis



Financial modelling, valuation & investment analysis

We offer specialist expertise in operational and financial modelling of retail businesses. Our relationships with financiers and strategic trade investors allow us to understand their requirements of economic and valuation models, so we can work alongside operational teams within businesses to achieve bankability.

- Commercial modelling including strategic operational options analysis and financial forecasts
- Short-term cash flow modelling
- Investment case modelling and presentation
- Valuations for transactions (IERS), taxation, accounting compliance and other purposes
- Valuations of businesses, equity, intangible assets, debt and hybrid financial instruments



Interim management

We work alongside senior management to complement and leverage existing capabilities. Our commercial insight provides efficient execution of value-enhancing initiatives and profit improvement strategies whilst maintaining credibility in the market and preserving value for stakeholders. This strategic financial and operational oversight allows the executive team to focus on the growth and execution of normal business.

- Non-executive directorships
- Interim CFO
- Chief Restructuring Officer (CRO)
- Chief Transformation Officer (CTO)
- Situation / project-specific execution roles
- Merger integration assistance
- Value-focused corporate intervention strategies



Value-driven restructuring

Macroeconomic challenges and changes in consumer sentiment can place retailers under serious pressure. This demands a lateral re-think of how the business is planned and run and its capital structure.

Strategic planning can deliver a major uplift in cash flow and NPV, which can fundamentally improve the business’ restructuring options. Balance Sheet transformation can be driven by such enterprise optimisation.

- Independent business reviews
- Safe harbour advisory
- Turnaround management
- Performance and profitability improvement
- Secured creditor advisory
- Informal restructuring
- Formal insolvency appointments
- Real estate solutions



Transactions & capital raising

We support transactions across the investment cycle, from acquisition to optimised divestiture. Our small, senior project teams have hands-on experience in formulating strategy and conducting value-enhancing transactions. We combine advisory with implementation and collaborate across the key transaction stakeholders to ‘get it done’, driving and delivering results.

- IPO readiness and support
- Buy and sell-side due diligence
- ESG due diligence
- Preparation for business sale
- Valuations of businesses, equity, intangible assets, debt and hybrid financial instruments
- Independent expert report
- Capital markets transaction support
- Merger integration and carve-out support



Economic forecasting & analysis

Economic advisory services are critical through a number of phases of the retail life cycle. Our team have a strong track record in economic forecasting and can assist in a range of matters that require economic and feasibility analysis of retail investment decisions. Our team also can provide regional labour market insights. We forecast key inputs including labour, capital goods and consumables. Our team are also experts in seeing the social benefits of retail investment, flow on impacts to local communities and employment impacts. Our economic advisory services include:

- Economic Advocacy and Analysis
- Economic Impact Assessments
- Economic Forecasting – prices and costs
- Planning disputes
- Labour market insights

Solutions with impact



Stakeholder & reputation management

Our Strategic communications experts help clients build and protect corporate reputations. in a progressively volatile and fragmented media and social media landscape As the industry continues to be challenged by legislative and regulatory initiatives, we help to ensure your voice is heard by all of your key stakeholders. We support clients through the life cycle of a critical business event, including strategy and message development, materials development, announcement execution and post-event positioning, with the primary focus on maintaining the confidence and support of stakeholders.

- Stakeholder management
- Investor relations advisory
- Media and digital communications strategy
- Government and public affairs advisory
- Transaction support
- Reputation audits and advisory
- People and Transformation
- Industrial Relations support



Dispute resolution

We synthesise financial, economic and industry information and analyse vast datasets to provide insights to retail companies through each stage of a dispute: determining if a claim is worth pursuing/defending; identifying the correct methodologies for quantifying damages; estimating ranges of economic loss; and assisting with e-discovery and use of technology-assisted review. Where litigation or arbitration is unavoidable, we provide expert witness services. Our thorough understanding of the links among damages, causation and liability, combined with our attention to detail, results in highly defensible expert reports and testimony.

We have extensive experience in managing the complexities involved with multi-party disputes, including:

- Franchising disputes
- Wage underpayments
- Shareholder disputes
- Supply chain issues



Data privacy, information governance & tech ethics

We help manage data risk by assessing a company's data landscape – what data they collect, and how they use it. We offer solutions that improve compliance and reduce corporate risk, cut storage costs, improve security outcomes, improve findability, searchability and e-discovery processes, increase data value and enable faster and deeper insights.

- Privacy and ethics-by-design
- Privacy and data governance program development and implementation
- Privacy impact assessments
- AI governance
- Compliance advisory
- Chief Privacy Officer as a Service
- Data retention remediation
- Defensible cloud migrations
- Data intelligence and analytics
- M&A due diligence
- Backup remediation



Risk & investigations

We use our diverse skills to help clients assess risk, ensure regulatory compliance, safeguard data and conduct comprehensive investigations when necessary. We adopt an intelligence- and risk-based approach to uncover risks to reputation and operations and apply deep forensic expertise to regulatory, financial or misconduct investigations. Our global teams respond quickly in-country to safeguard assets and reputation, conduct investigations discreetly, sensitively and in a forensically sound manner, with minimum disruption to the business and recommend controls to prevent recurrences.

We conduct risk assessments, compliance reviews and investigations into:

- Anti-bribery and corruption
- Money laundering and proceeds of crime
- Financial statement manipulation
- Modern slavery
- Counter-party and supplier due diligence
- Financial, fraud and whistleblower allegations
- Stock loss



Cybersecurity

Personal data is a goldmine for threat actors, and the retail industry handles endless amounts of this information. This valuable data makes retailers a coveted target and requires a robust security posture in order to mitigate risk from multiple threat types.

To combat cybersecurity threats and help with compliance concerns, our Cybersecurity team takes an intelligence-led, expert-driven, strategic approach to address critical needs and integrate new solutions atop or alongside pre-existing policies and programs through:

- Cybersecurity program assessments
- Threat-hunting operations
- Policies, procedures, staff gap analysis and design
- Cybersecurity incident preparedness and response planning
- Regulatory preparedness, response, and compliance support
- Virtual Chief Information Security Officer managed service
- Complex investigations and litigation



ESG strategy & reporting

Managing ESG risks is complex. Companies are under increasing pressure from stakeholders to demonstrate they are taking a thoughtful, rigorous and defensible approach to ESG. With the right processes and reporting in place, a robust ESG program can generate significant value for a company, its customers, investors, and business partners. Our ESG team helps companies develop and communicate best-practice sustainability program elements rooted in materiality, stakeholder feedback, and meaningful alignment with business priorities.

- ESG strategy development
- Materiality assessments
- Sustainability reporting (ISSB Standards, CSRD, GRI Standards, climate reporting) & communications
- Board advisory
- ESG due diligence
- Greenhouse gas emissions accounting and decarbonisation pathways



Global expertise wherever you need us



AVAILABLE FOR YOU ANYWHERE IN THE WORLD

As a multidisciplinary business advisory firm based in 31 countries, we have the relevant expertise and established resources on the ground where your matter is taking place. We maintain secure data centres in Australia, the US, Canada, UK and China.



TRUSTED LEADERS IN LEGAL AND REGULATORY MATTERS

Our global team can tackle every aspect of your complex data challenges, including technical, legal, regulatory, and investigative expertise, as well as specialised skillsets, such as change management and contract intelligence.



YOUR GUIDE TO LOCAL LAWS, LEGAL AND DATA CUSTOMS AND LANGUAGES

We have expertise in local data privacy laws, blocking statutes and even state secrecy regulations. Our teams speak the languages and know the customs of data custodians in foreign jurisdictions.



REPEATED EXPERIENCE WITH YOUR SPECIFIC CHALLENGES

We have completed hundreds of matters across the globe and have tested workflows, teams and resources ready to deploy.

Our experience

GLOBAL POWER TOOL MANUFACTURER AND RETAILER

Data asset mapping and data governance framework design

A global power tool manufacturer and retailer wanted to improve its data governance and privacy maturity. They required support in understanding their data holdings and identifying a strategy to maturity their existing data governance framework. FTI Consulting worked with the client to gather evidence across ten lines of business to map data holdings and identify key systems and data handling practices. We reviewed the client's existing policy base and developed a gap assessment having regard to APAC regulator expectations and best practices and designed a new Target Operating Model for the client's data governance framework. FTI Consulting continues to be involved with the client and a program of work for uplift.

NATIONAL RETAILER AND SERVICES PROVIDER

Spam Act Independent Consultant

An Australian services company entered into an enforceable undertaking with the Australian Communications and Media Authority in relation to contraventions of the Spam Act 2003 (Cth). An FTI Consulting expert was appointed as the Independent Consultant to assess compliance as required by the undertaking. Our expert conducted a thorough assessment of the client's Spam Act compliance arrangements, including reviewing policy and governance artefacts, interviewing key staff, interrogating critical systems and examining supplier arrangements. We provided a detailed report aligned to the requirements of the enforceable undertaking two months ahead of schedule, allowing the client to satisfy the regulator's requirements and resume normal marketing operations sooner. The report provided clear, practical recommendations to uplift compliance and achieve best practice and was used by the client to develop an implementation plan to improve its compliance posture.

SARA LEE

Formal Insolvency – Voluntary Administration

Since 1971, Sara Lee has created delicious baked goods and desserts, serving families all over Australia and New Zealand from their bakery in Lisarow, NSW. However inflationary pressures, transport industry collapses, flooding and a highly leveraged capital structure damaged performance. FTI Consulting were appointed as voluntary administrators and acted immediately to secure the future of the business. Working with Sara Lee's management team and staff, FTI Consulting continued operations and right sized the businesses' cost base whilst seeking to restructure and sell the business. Having fielded significant interest, Sara Lee was successfully sold and emerged from administration. This preserved the employment and livelihood of more than 200 Sara Lee staff and the continuation of an iconic Australian brand.

Our experience

PROJECT GOLD

Interim CFO

A nationwide retail business had been without a CFO since November 2023. Finding a candidate that met the needs of the finance team, the wider business, the CEO and the private equity owners was proving challenging. As a result, the Company engaged an FTI Consulting expert to provide interim CFO services due to their extensive CFO and interim CFO experience within the retail sector. During the engagement, our expert reported directly to the CEO and managed the finance team and day-to-day responsibilities of the finance functions including initiating the annual audit, led capital budgeting activities, supported the development of the company's growth strategy and business cases, recruitment of critical new finance roles and reporting to the Board.

SIX SENSES FIJI

Receivership and sale

After being closed for more than two years, Vaughan Strawbridge and David McGrath of FTI Consulting were appointed as Receivers and Managers to re-open and sell one of Fiji's premier five-star luxury resorts. The Six Senses Fiji, completed in 2018, is a stunning, luxury 24-villa resort located on the western coastline of Malolo Island, within the Mamanuca Islands. After a turbulent period during COVID-19 and the closure of Fiji's international border, resulting in the closure of the resort, FTI Consulting restructured the business and oversaw a global sale campaign. The business was re-opened during the receivership, which was a significant undertaking given the closure of the resort during COVID-19, honouring all previous bookings and deposits. This also saw the re-employment of over 100 local staff.

NATIONAL RETAILER

Contingency planning

FTI Consulting were engaged to provide contingency planning services as part of a debt refinance process for one of Australia's largest national retailers. Contingency planning is a key part of any financier's due diligence process to understand the underlying value of assets of their customer, in the unlikely event of distress and or an insolvency appointment, to understand the value of their underlying security and how a recovery under their security might be effected. FTI Consulting worked successfully with the financiers and the company to provide a detailed report on the estimated realisable value of the business and assets of the company on a 'worst case scenario' basis. This assisted the financier with their due diligence and successful completion of the refinance and also setting appropriate lending covenants.

HARVEY FRESH

Media, Government and Stakeholder relations advisory

As one of Western Australia's three largest dairy processors, Harvey Fresh plays an important role with both dairy farmers, fruit growers and consumers. FTI Consulting has assisted Harvey Fresh across a range of communications activities related to mergers and acquisitions, dairy farmer liaison, supermarket milk price wars and contractual changes, media relations, the transition from family ownership to being part of a large multinational, the juicing vs drinking fruit debate, and an onsite fatality. Our work has helped Harvey Fresh to manage the narrative and safeguard its reputation, around these issues. This was achieved at a time when there was significant media focus on the milk industry due to rationalisation of dairy farms and issues around milk prices and farmer profitability.

NATIONAL JEWELLER

Business Valuation

Our client, Bevilles is a well-established Australian jewellery retailer with 20+ stores in Victoria, New South Wales and South Australia. Bevilles has been in operation since 1934 with over three generations of family members contributing to the development and success of the brand. After a period of difficult trading in 2014 and 2015, Bevilles Management engaged in a restructuring strategy and subsequently appointed FTI Consulting's valuation expert in mid-2019 to value Tara Jewels Limited's 30% equity interest in Bevilles for the purposes of determining the sale price for a proposed buyback of Tara Jewels' interest in Bevilles. The share buyback was completed successfully and they continued to grow its stores and improve profitability till late 2023, when they were acquired by Michael Hill.

SEAFOLLY

Transaction Advisory

Seafolly, established in 1975, is an iconic Australian women's swimwear label. Having recently overcome a Covid-19 related administration in 2020, owner L Catterton appointed FTI Consulting to manage its sale. Our Sydney team worked with Seafolly's senior leadership to prepare the business, developing investor materials and providing a virtual data room. FTI Consulting utilised our extensive global relationships with financiers and trade buyers to assist Seafolly with its go to market, identifying potential investors, supporting verbal briefings around the opportunity and reviewing offers. FTI Consulting successfully sold Seafolly, maximizing returns for the sponsor. We subsequently raised an inventory backed debt facility to support Seafolly's growth and working capital.

NATIONAL TELECOMMUNICATIONS RETAILER

Crisis management and reputation reset

Optus suffered Australia's largest data breach and in Nov 2023, they experienced a nationwide outage. Both resulted in intense scrutiny and criticism by consumers, media and politicians over their handling of the situation, and the failure to improve their crisis management strategy following the 2022 incident. FTI Consulting was engaged by parent Singtel to provide insights on the Australian media and political landscape to the board and management team in Singapore. Our experts predicted the long-term reputational damage created by the first incident and provided recommendations on structural changes, scenario analysis, response preparation and stakeholder management plan. We are now currently engaged by Optus to work on a reputation reset, rebuild plan and to successfully on board the new CEO.

MERCEDES-BENZ

Expert Witness in 'Class Action'

In 2022, Mercedes-Benz changed the way it sold passenger vehicles from the traditional franchising or 'dealership model' to an agency model where agents for Mercedes-Benz sell the vehicles on their behalf. 38 Mercedes-Benz dealerships brought proceedings against Mercedes-Benz seeking \$650m in damages, claiming unconscionable conduct and breaches of duties under the Franchising Code of Conduct. Dawna Wright of FTI Consulting was engaged by Mercedes-Benz to analyse the profits historically made by each dealership, compared to the hypothetical profits that would have been generated had the agency model been implemented. Ms Wright gave evidence and was cross-examined in the Federal Court of Australia. In 2023, Justice Beach found in favour of Mercedes-Benz, finding that that Mercedes-Benz introduced the agency model in good faith.

Our retail team



KATE WARWICK

Head of Retail & Consumer Products, Australia
+61 414 971 116
kate.warwick@fticonsulting.com



ANTONETTA CARROLL

Corporate Finance & Restructuring
+61 413 401 245
antonetta.carroll@fticonsulting.com



FIONA HANSEN

Head of Valuations Advisory, Australia
+61 403 069 498
fiona.hansen@fticonsulting.com



WYNAND MULLINS

Forensic Accounting & Dispute Advisory
+61 404 211 149
wynand.mullins@fticonsulting.com



ASHA OBEROI

Digital & Insights
+61 450 564 085
asha.oberoi@fticonsulting.com



BEN SHRIMPTON

Corporate Finance & Business Transformation
+61 401 625 011
ben.shrimpton@fticonsulting.com



VAUGHAN STRAWBRIDGE

Corporate Finance & Restructuring
+61 406 534 626
vaughan.strawbridge@fticonsulting.com



WOUTER VEUGELLEN

Head of Cybersecurity, Australia
+61 405 618 566
wouter.veugelen@fticonsulting.com



STUART CARSON

Strategic & Financial Communications
+61 403 527 755
stuart.carson@fticonsulting.com



KATHRYN EVANS

Corporate Finance & Restructuring
+61 409 043 699
kathryn.evans@fticonsulting.com



RENÉE LAW

Corporate Reputation
+61 409 550 389
renee.law@fticonsulting.com



SARAH NOBLE

Corporate Finance & Business Transformation
+61 412 233 565
sarah.noble@fticonsulting.com



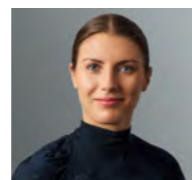
MONISH PAUL

Economics & Transaction Advisory
+61 447 015 728
monish.paul@fticonsulting.com



TIM DE SOUSA

Privacy & Information Governance
+61 413 248 107
tim.desousa@fticonsulting.com



IZABELA SZEWCZUL

ESG & Sustainability
+61 482 464 630
izabela.szevczul@fticonsulting.com



DAWNA WRIGHT

Head of Forensic Accounting & Disputes, Australia
+61 439 107 459
dawna.wright@fticonsulting.com

Local & global recognition



2022 - 2023
Top Ranked Among Best Management Consulting Firms
Forbes



2023
Restructuring Deal of the Year 2023
Basslink Pty Ltd



2021 - 2022
Communications Firm of the Year
The M&A Advisor



2021
Mid-Size Turnaround of the Year 2021
Gascoyne Resources Limited



2016 - 2023
Consulting Firm of the Year
Who's Who Legal Awards



2023
Recognised in Chambers Litigation Support 2023 Guide
Chambers Litigation Support



2015 - 2019, 2021 - 2023
Global Turnaround Consulting Firm of the Year
Global M&A Network's Turnaround Atlas Awards



2007 - 2023
Ranked #1 Restructuring Advisor
The Deal's Bankruptcy League Tables

EXPERTS WITH IMPACT™

The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political and regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

©2024 FTI Consulting, Inc. All rights reserved. fticonsulting.com

