

Fourth edition

# Capitalmind Fabulous 40 - Consumer

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## Growers growing bigger

The number of retailers that have shown growth, has increased significantly

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# Growers growing bigger

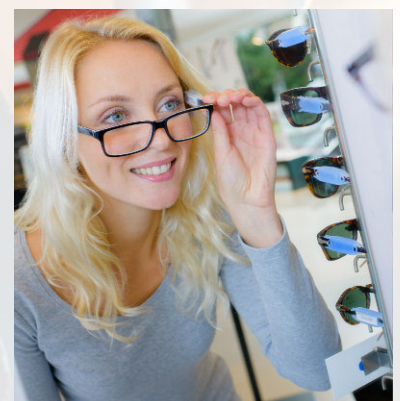
*We should not look at the top of the list for big surprises in this Fabulous 40. CoolBlue ranks number one for the third time in a row. There are more notable things if we look at the list as a whole. What stands out? Growers grow faster, and we see fewer contractions.*



The economic recovery has slowly but surely had an effect on retail sales, as it appears from this edition of the Capitalmind Fabulous 40 - Consumer. The number of retailers that have shown growth, in particular in the last part of the research period, has increased significantly. This edition looks at the average revenue growth over the years 2013 through 2015. Last year, when the period from 2012 through 2014 was reviewed, there was a clear lead group of four players with revenue growth above thirty percent. Number five was the last to show double-digit growth. This year, we see six retailers with an increase of over

thirty percent. The list of growers over ten percent also extends through number sixteen. There we see GrandVision, the group behind Pearle and Eyewish, which has been among the fastest-growing retail groups worldwide over the past five years. Two ranks higher is the shoe chain Nelson, one of the biggest climbers in the list. 'Both in 2014 and 2015, Nelson completed acquisitions', explains senior associate Anne Jansen of Capitalmind Corporate Finance, the firm behind the compilation of the list for the fourth time. 'Those immediately have a substantial impact on revenue.' Nelson was

already on the acquisition path in 2012 when it acquired the webshop Shoemixx. In 2014, this was followed by stores of industry peer Avance.





**Bart Jonkman and Anne Jansen,**  
Capitalmind

A year later, some of the locations of the bankrupt Taft were added. After the bankruptcy of Macintosh, Nelson also acquired twenty stores from Dolcis at the beginning of last year. A significant acquisition, the effects of which are not yet visible in the Fabulous 40 for this year. The acquisitions are not the only explanation for Nelson's climb. According to Commercial Manager Inge van der Voort, the omni-channel strategy and technologies like web columns in the store and mobile cash desks are also an important growth source. In addition, the larger number of stores drives more than just the physical sales. 'We were originally primarily in North and South Holland', says Van der Voort. 'Due to the acquisition of Avance, we also became active in the middle of the country. The greater name recognition there is seen directly in the online sales.'

### Services

New acquisitions are not an end of themselves. 'We are now well-represented, so the necessity is not there.' With the addition of the Dolcis locations, Nelson can certainly look forward to a further climb in the Fabulous 40 next year, says the manager. For the years after that, Nelson is aiming for 'healthy growth', which, in addition to the online channel, has to come from expansion of the more exclusive premium concept, which currently has only a few shops. But sales growth is certainly not pursued above all else,

emphasizes Van der Voort. 'The turnover wheel should not turn at the expense of everything else. We will never take excessively large steps forward because bottom line there has to remain healthy.'

Nelson is not the only player growing in an industry experiencing hard setbacks. Electronics companies may be hardest hit by falling sales and bankruptcies. United Holding, the group behind, among others, Electro World, is a notable name that emerged. 'We saw in the financial statements that their market share has increased', adds Jansen. 'Due to bankruptcies, there are fewer electronics chains where consumers can go. Instead, there is more competition from the web, but United has been able to significantly distinguish itself by offering additional services.' As an example, she mentions home sales in addition to online sales, a positively developing market.

### Jumbo

New entrants, eight in total, can mainly be explained by the fact that no or insufficient revenue data were available last year. This year, these are available for the first time for Suitsupply and Bax-shop, which make their entry directly into the top five. Marqt also comes in high in eighth place. 'The trend in which organic food is becoming increasingly important for consumers contributes to that', says Jansen. 'You can also see that because other supermarkets are responding to it. Marqt seems to be a few steps ahead.' Other chains, such as Coop and Detailresult, with their formulas Dirk and DekaMarkt, have dropped. Jumbo is going through the most noticeable drop. Last year, the Veghelse family business already fell from second to 35th place. Now we do not find the yellow supermarket chain on the list at all. 'Jumbo has sold quite a few shops to other formulas, mainly to Ahold and Coop,' Jansen explains. 'In 2015, the number of stores decreased from 623 to 580.' In addition, the revenues of franchisees are not included in this list, although

we cannot say whether Jumbo would have had a spot in the list if those stores were included.

Whether we will see Jumbo in future editions of the Fabulous 40 is hard to predict. 'That depends, among other things, on the direction the chain chooses', says Jansen. 'Are they going to close down more stores that are less profitable, and thus focus on a higher margin, or will they choose more revenue?' Given the sales figures in 2016, the latter certainly seems not unimportant. After the

*'Organic food is becoming increasingly important for consumers'*



## Influence of investors

Retailers who lean on private equity for their financing have been a well-known phenomenon for a number of years. Last year, these investors were in nine of the mentioned companies in the Fabulous 40. This year, there are ten. 'There is a lot of money available in the market, but that's not so much coming from banks', says Bart Jonkman. 'Banks have recently been investing less in retail. But alternative forms of financing are on the rise.' Next to private equity, he mentions the 'debt funds', financiers who also serve internationally as an alternative to banks. Crowd funding, although still somewhat smaller, is also on the rise. Also, new players get growth financing relatively easily in this way. 'That is why they are rising in the list.' For Marqt, which is financed by the Belgian private equity fund Verlinvest, that is already the case. Jonkman: 'That formula did not even exist ten years ago.'

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Rank 2017	Rank 2016	Company	Formulas	Total turnover 2015 in mln. €	Total turnover 2014 in mln. €	Total turnover 2013 in mln. €	CAGR 2013-2015	M&A activities	Private equity
1	1	Coolblue Holding B.V. ❶	Coolblue	554.690	360.858	251.270	48,58%		
2	-	Suit Supply Holding B.V.	Suitsupply	173.367	125.002	90.353	38,52%		ABN AMRO Participaties
3	3	Rituals Cosmetics Enterprise B.V.	Rituals	283.957	200.841	148.170	38,44%		
4	-	Bax Groep Holding B.V.	Bax-Shop	94.557	76.269	49.882	37,68%		
5	5	Swiss Sense Holding B.V. (Voorheen ZBF Bedding B.V.)	Swiss Sense	91.702	67.586	48.927	36,90%		
6	4	Peer Holding III B.V.	Action	2.034.110	1.506.423	1.155.491	32,68%		3i Group
7	2	U.R. Nieland Beheer B.V.	Fonteyn, Passion Spas	38.395	30.257	23.008	29,18%		
8	-	Marqt Holding B.V.	Marqt	58.734	49.054	35.640	28,37%		Verlinvest
9	9	De Mandemakersgroep Holding B.V. ❷	a.o. Mandemakers Keukens,	645.147	439.284	397.135	27,46%	✓	
10	12	United Holding B.V.	Electro World, Euronics,	58.476	52.062	43.943	15,36%		
11	8	E & M Holding B.V.	Eyes + More	45.889	39.653	34.685	15,02%		Vendis Capital
12	6	Hunkemöller International B.V. ❸	Hunkemöller	353.671	299.823	272.420	13,94%		PAI Partners
13	7	J.O.G. Group B.V.	Jeans Centre	123.035	109.946	96.382	12,98%		
14	24	Nelson Schoenen B.V.	a.o. Nelson, Hobb's, Schoemixx.nl	82.501	72.493	65.655	12,10%	✓	
15	13	Fth Groep Holding B.V.	Babypark, Kids Factory	76.055	69.182	60.755	11,89%	✓	
16	10	Grandvision N.V.	a.o. Pearle, Eye Wish Opticiens, Vision Express	3.204.886	2.816.994	2.620.180	10,60%	✓	Listed
17	32	Foppen Holding B.V. ❹	a.o. Scheer & Foppen, Bobshop.nl, Modern.nl	196.586	164.643	165.052	9,14%		
18	-	Eyes Holdco B.V. ❺	Hans Anders	171.381	158.001	144.662	8,84%	✓	Alpha Group, Alpinvest
19	14	Boon Beheer B.V.	a.o. Mcd, Boon's Markt, De Boerenschuur	251.759	225.197	214.749	8,27%	✓	
20	25	Koninklijke Ahold Delhaize N.V. ❻	a.o. Albert Heijn, Bol.Com, Etos	38.203.000	32.774.000	32.615.000	8,23%	✓	Listed
21	16	Rfs Holland Holding B.V.	a.o. Wehkamp.nl, Create2fit, Fonq.nl	571.590	535.916	498.075	7,13%	✓	Apax Partners
22	21	Auping Groep B.V.	Auping	73.204	64.084	65.693	5,56%		NPM Capital
23	-	De IJsvogel Holding B.V.	a.o. Boerenbond, Jumbopet, Pets Place	139.753	152.890	125.768	5,41%		
24	11	Coop Nederland U.A.	Coop	919.967	859.109	832.481	5,12%	✓	
25	19	Plus Holding B.V.	Plus	1.711.868	1.595.151	1.549.939	5,09%		
26	17	B.V. Beheer Jan Linders Supermarkten	Jan Linders	344.366	323.761	313.534	4,80%		
27	-	Ter Stal Investments B.V.	Terstal	52.885	52.710	48.695	4,21%		
28	-	W. Rozendaal Beheer B.V. ❼	Boekenvoordeel, Euroland, Free Record Shop	51.439	48.204	47.661	3,89%	✓	
29	-	Beter Bed Holding N.V.	a.o. Beter Bed, Beddenreus, Matratzen Concord	385.440	363.953	357.363	3,85%	✓	Listed
30	37	Intergamma B.V.	Gamma, Karwei	1.012.769	989.717	949.974	3,25%		
31	22	Detailresult Groep N.V.	a.o. Dirk, Dekamarkt, Dirck III Slijterijen	1.887.788	1.822.291	1.779.187	3,01%		
32	-	Anna Van Toor Holding B.V.	Anna Van Toor	26.372	25.506	24.912	2,89%		
33	20	Watertoren Hazerswoude B.V.	Hoogvliet	735.301	699.660	694.946	2,86%		
34	-	Dutch Lion Cooperatief U.A.	Hema	1.139.300	1.077.200	1.091.300	2,18%		Lion Capital
35	39	Holding Zias B.V.	Ziengs, Brandstores Van Ecco, Tamaris	82.976	80.552	80.256	1,68%		
36	34	Poiesz Beheer B.V.	Poiesz	322.115	309.447	314.857	1,15%	✓	
37	26	Maxeda Diy B.V.	a.o. Brico, Formido, Praxis	1.337.000	1.314.000	1.320.000	0,64%		Ardian, Goldentree Asset Management
38	30	A-C Holding B.V.	Ranzijn Tuin & Dier, Vomar Voordeelmarkt	535.716	523.962	530.910	0,45%		
39	28	Agile B.V.	Sacha Schoenen, Why Not Shoes	40.676	44.242	41.570	-1,08%		
40	23	Zeeman Groep B.V.	Zeeman	530.116	536.962	542.231	-1,12%		

- ❶ March 2016: HAL Investments acquires a 20% stake in Coolblue
- ❷ The turnover of the whole De Mandemakers Groep is significantly higher
- ❸ February 2016: PAI Partners sells Hunkemöller to The Carlyle Group
- ❹ June 2016: Bankruptcy
- ❺ April 2017: Alpha Group & Alpinvest sell Hans Anders to 3i Group
- ❻ Merger with Delhaize
- ❼ January 2017: Bankruptcy of Euroland (not Boekenvoordeel)

Note: the above mentioned turnovers do not include the turnovers of franchisees

#### 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 1<sup>st</sup> 2017 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](mailto:anne.jansen@capitalmind.com) or dial +31 73 623 87 74. This list is compiled by Capitalmind Corporate Finance Advisory.



*'If there are too few stores in the city center, no one goes there anymore'*

contraction years 2014 and 2015, the retailer again recorded seven percent growth last year. We should not draw too many conclusions from the absence of Jumbo in the Fabulous 40, adds managing partner Bart Jonkman of Capitalmind. 'Jumbo is still doing well. But because this is a revenues list, the influence of acquiring and selling stores is high. If you sell 43 stores in one year, that has a huge impact, while it obscures the margin of the remaining stores, which might be better.'

HEMA fell just outside the list last year, ranking 41. The chain has secured a place in this edition. 'In 2015, HEMA not only booked more sales in the Netherlands, it also expanded in France, the United Kingdom and Spain', says Jansen. 'In total that year, twenty new stores were opened, compared to seven closures.' The international growth strategy has worked well for the retail chain. That also applies to the HEMARKT outlet formula launched in 2015. 'I can imagine that this also contributes positively.'

Zeeman ranks last in this year's Fabulous 40. Next to number 39 Sacha, it is the only party that recorded a revenue decline in the measured period: a logical consequence of the choices made by the textile supermarket chain between 2013 and 2015, a spokesperson responds. 'We chose to drastically optimize our store portfolio', she explains. 'We have invested in big renovations and in

relocations, and we closed stores to keep the store base healthy.' These store closures - temporary or not - pushed sales down somewhat in recent years. But the end of the downward spiral looms, the spokesperson foresees, on the basis of the latest figures. 'Right now, half of our stores have been renovated, and we are now seeing the results of that. 2016 revenues were higher than in 2013, and we also see sharp growth in the results compared to 2015.' This development continues this year, she states. 'Looking back at this period, we are glad we took those steps.'

### **DIY stores**

Although the housing market is accelerating and there are more improvements and furnishing to do, Intergamma and Maxeda are not the biggest growth monsters. Partly, that is because the developments in the DIY industry are not yet significantly reflected in the revenues through 2015, Jansen thinks. But there is more going on. 'In the industry, you see increasing competition, especially from abroad.' In particular, the German DIY giants Hornbach and Bauhaus have been able to find the Dutch consumer better. In addition, house buyers cannot always spend so much on improvements, because they need to invest more of their own savings when buying a house. 'The question is what impact this will have in the coming years.' The accelerating housing market is thus not per se only good news for furniture stores and DIY stores.

Looking at the list as a whole, according to Jansen, this sketches a 'less negative' picture of the retail sector than the previous edition. 'The number forty this year fell less than the number forty of 2016. From this you can conclude that on average, things are going better.' Upcoming editions are likely to show an even more positive picture. 'This list still has 2015 as the last revenue year', says Jonkman. We will not see the end of the crisis until the next year's ranking at the earliest.' In addition, there will be new climbers due to the bankruptcies, he expects. 'At the end of 2015 and start of 2016, a number of rather large players fell, and often restarted under another group (name). Certainly in the shoes industry, I expect to see that reflected. The revenue lost by bankrupt players should show up elsewhere.'

### **Attraction**

Whether all the developments in retail-land have only positive effects on the list is the question. International competition is growing strongly, and foreign players are not eligible for the Fabulous 40. 'That a V&D goes away and a Hudson's Bay takes its place - we are not yet seeing that', says Jonkman. The changing of the guard can have both negative and positive effects on Dutch players. 'A chain like that can have a power of attraction that benefits nearby stores. If there are too few stores in the city center, no one goes there anymore.'

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