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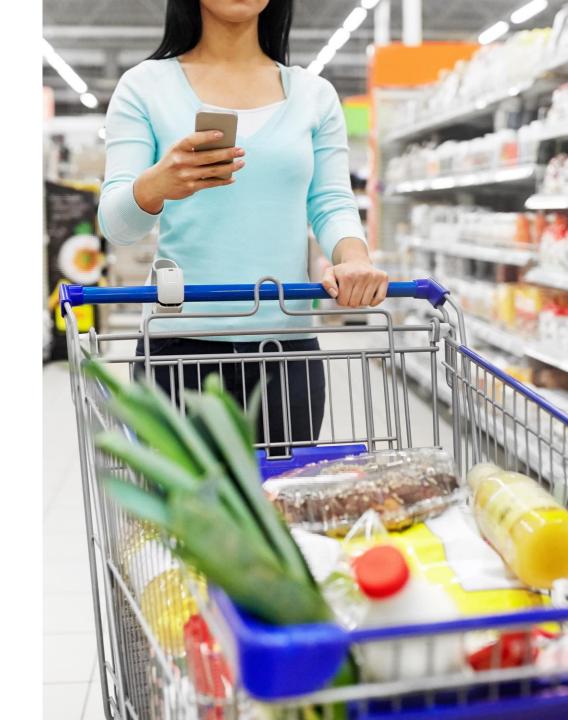
# **Deal trends Global Consumer and Retail**

Dashboard

Summer 2025

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# Large cap Private Equity deals and the health and beauty sector buck the overall trend in a relatively subdued global consumer and retail sector



#### **Executive summary**

- In Q2 2025 we observed a 13% decrease in total deal value, a 3% decline in average deal value, and a 4% reduction in deal volume (versus Q1 2025). This is a result of a market slowdown due to Q2 economic uncertainties such as new U.S. tariff policies and pressures following the Autumn Budget.
- Our data indicates that Health and Beauty is the most buoyant consumer and retail subsector by value; the number of deals represent approximately a third of deals overall. In addition, observed multiples are the highest in the Health and Beauty segment across public markets and private transactions – amongst all consumer and retail subsectors.
- In addition, health and wellness trends are pervasive across the global consumer and retail sector. The acquisition by Müller of Biotiful for c.£100m demonstrates the underlying consumer demand for consumer businesses with health angles.
- In Q2 2025 there were **115 Private Equity-backed deals**, falling for the fifth quarter in a row since it reached 179 deals in Q1 2024. While the slowdown in PE activity reflects global economic uncertainty, **PE-backed large cap deals² have grown to 40%**, reflecting a shift in PE appetite to deploying significant pools of capital in businesses that demonstrate organic growth and resilience.

#### Future outlook

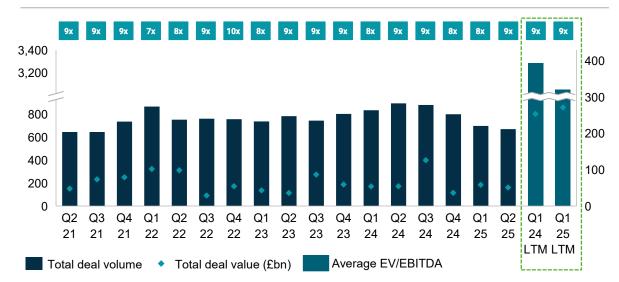
- We can expect an increase in volume of carve-out deals in H2 2025, as companies review dilutive and non-core businesses to shift focus to their core activities. Rumoured deals for this period include Nestlé divesting their Water division and Firmenich selling their Animal Nutrition and Health business segment.
- Geopolitical tensions and evolving regulatory landscapes pose risks to M&A transactions. Companies must navigate these uncertainties carefully, as they can impact deal structures, valuations, and postmerger integration strategies. Our outlook suggests that companies will prioritise flexible deal structures and cross-border deals that reduce geopolitical exposure.
- As mid-market deals¹ grow (26.8% in Q2 2025) in this cautious environment, PE firms are under pressure to deploy significant capital reserves that have been underutilised in H1 2025 (currently estimated at \$2T). This "dry powder" is expected to fuel M&A activity, particularly in consumer and online retail.
- ESG factors are increasingly integral to M&A decision-making. Companies are conducting thorough ESG due diligence, with strong ESG performance potentially enhancing deal valuations.



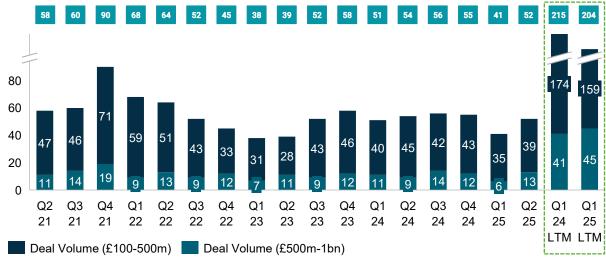
# Private equity firms are increasingly deploying capital in deals valued over £1bn. Strategic acquirors are dominating mid-market deal activity

#### **Key quarterly statistics** Private equity trends Mid-market deal trends<sup>2</sup> **Value Pricing** Volume 40% £241m $8.6x^{1}$ £50bn Primary deals of deals in of large cap Mid-market of mid-market Total deal value Average deal value Total deal volume Average. EV/EBITDA Increase in with a PE EMEA in Q2 deals<sup>3</sup> involved deals mid-market deals in Q2 ▼ 13.2% vs. Q1 2025 ▼ 3.3% vs. Q1 2025 ▼ 4.1% vs. Q1 2025 ▲ 1.6% vs. Q1 2025 a PE buyer in buyer in 2025 had a PE 2025 involved announced in deals vs ▼ 25.2% vs. Q2 2024 ▼ 6.4% vs. Q2 2024 ▲ 23.4% vs. Q2 2024 ▼ 7.1% vs. Q2 2024 Q2 2025 buyer Q2 2025 Q2 2025 Q1 2025 a PE buyer

#### Quarterly deal volume, value and multiples<sup>1</sup>

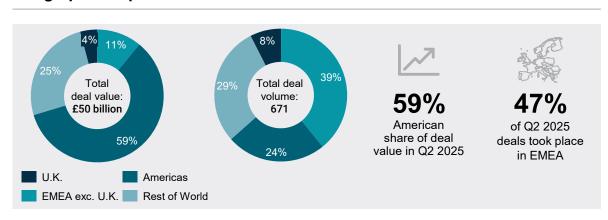


### Quarterly mid-market deal volume<sup>2</sup>

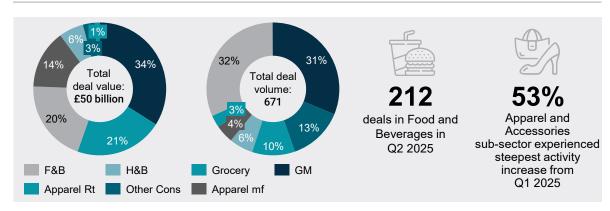


# In EMEA and the Americas, deal volume is down for a fifth consecutive quarter as differences in value expectations causes sellers to hold rather than sell

#### Geographical split

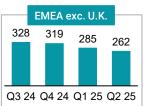


#### **Subsector split**

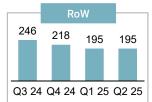


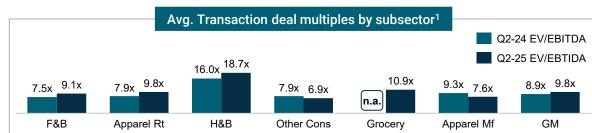
#### Number of deals







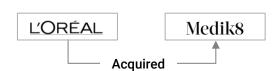




#### Notable deals - Q2 2025



- Undisclosed deal terms
- Whitworths is expanding market reach and product offerings, creating a flour and edible oils conglomerate
- KTC was acquired by Endless in 2022, revenue has grown by £150m since, doubling profits along the way



- Reported sale for c.£800m (11.4x revenue, 26% EBITDA margin). Adds a fast-growing U.K.-based premium dermatological skincare brand with the potential for further global expansion
- Inflexion, the sellers, retained a minority stake



- Reported sale for c.£100m (2.8x revenue multiple)
- Acquisition of a fast-growing functional drinks business and the number 1 kefir brand in the U.K.
- · Business will operate on a standalone basis



- Reported EV of £289m (7.2x EBITDA)
- Cinven has exited their Kurt Geiger investment which they held since 2015
- Adds to the stable of brands within the Steve Madden portfolio with the potential to drive international growth

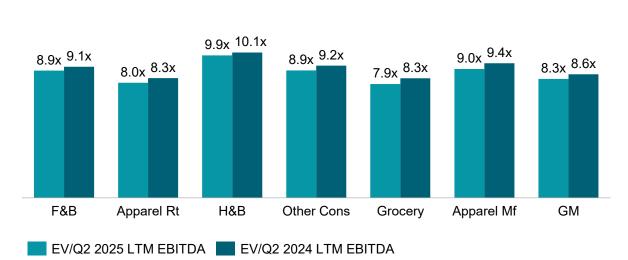
Source: MergerMarkets, AlixPartners analysis; Sectors: GM: General Merchandise retail; F&B: Food and Beverage; Other Cons: includes household products and appliances, tobacco, toys, packaging and consumer electronics; Apparel Mf: Apparel Manufacturing; Apparel Rt: Apparel Retail; Grocery: Grocery retail; H&B: Health and Beauty manufacturing. | Notes: 1. Multiples above 20.0x excluded as outliers

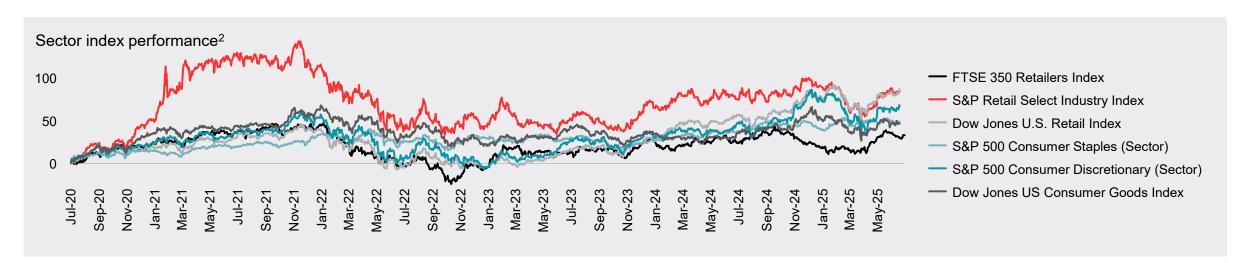
# Recovering consumer and retail sectors were hit by tariff announcements in Q1 2025, but recovered growth as companies set up response strategies in Q2

#### Growth indicators and EV multiples by subsector<sup>1</sup>

	Average trading comparisons			
Sub-sector	Rev. CAGR (2022-2024)	EBITDA % (FY 2024)	EV/Q2 2025 LTM REV.	EV/Q2 2025 LTM ebitda
Food and Beverage	0.3%	8.7%	1.6x	8.9x
Apparel Retail	-1.5%	8.8%	1.6x	8.0x
Health and Beauty	1.3%	12.1%	2.3x	9.9x
Other Consumer Sectors	-2.4%	10.5%	1.9x	8.9x
Grocery	0.8%	4.5%	1.0x	7.9x
Apparel Manufacturing	-6.2%	9.3%	1.6x	9.0x
General Merchandise	-2.5%	7.2%	1.5x	8.3x

#### LTM EV/EBITDA multiples by subsector<sup>1</sup>





### AlixPartners' integrated offering delivers value to clients throughout the entire M&A deal lifecycle

### Overview of M&A services: value creation along the deal lifecycle

#### Acquisition



### **Pre-acquisition**

Outside-in due diligence Strategic and business review M&A strategy and outside-in synergy assessment



### Acquisition

Lead M&A and debt advisory Operational and IT due diligences Post merger integration planning Carve-out support Merger clearance advice

#### **Ownership**

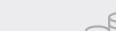


#### Asset ownership

Post merger integration implementation Synergy realisation Buy and build support

#### **Divestment preparation**

Industrial logic Performance improvement and business planning Exit readiness



### Disposal

Lead M&A advisory In-house M&A support Capital advisory Carve-out planning and execution

#### AlixPartners brings sector, operational, corporate finance and capital advisory execution expertise to clients



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