

Deal trends

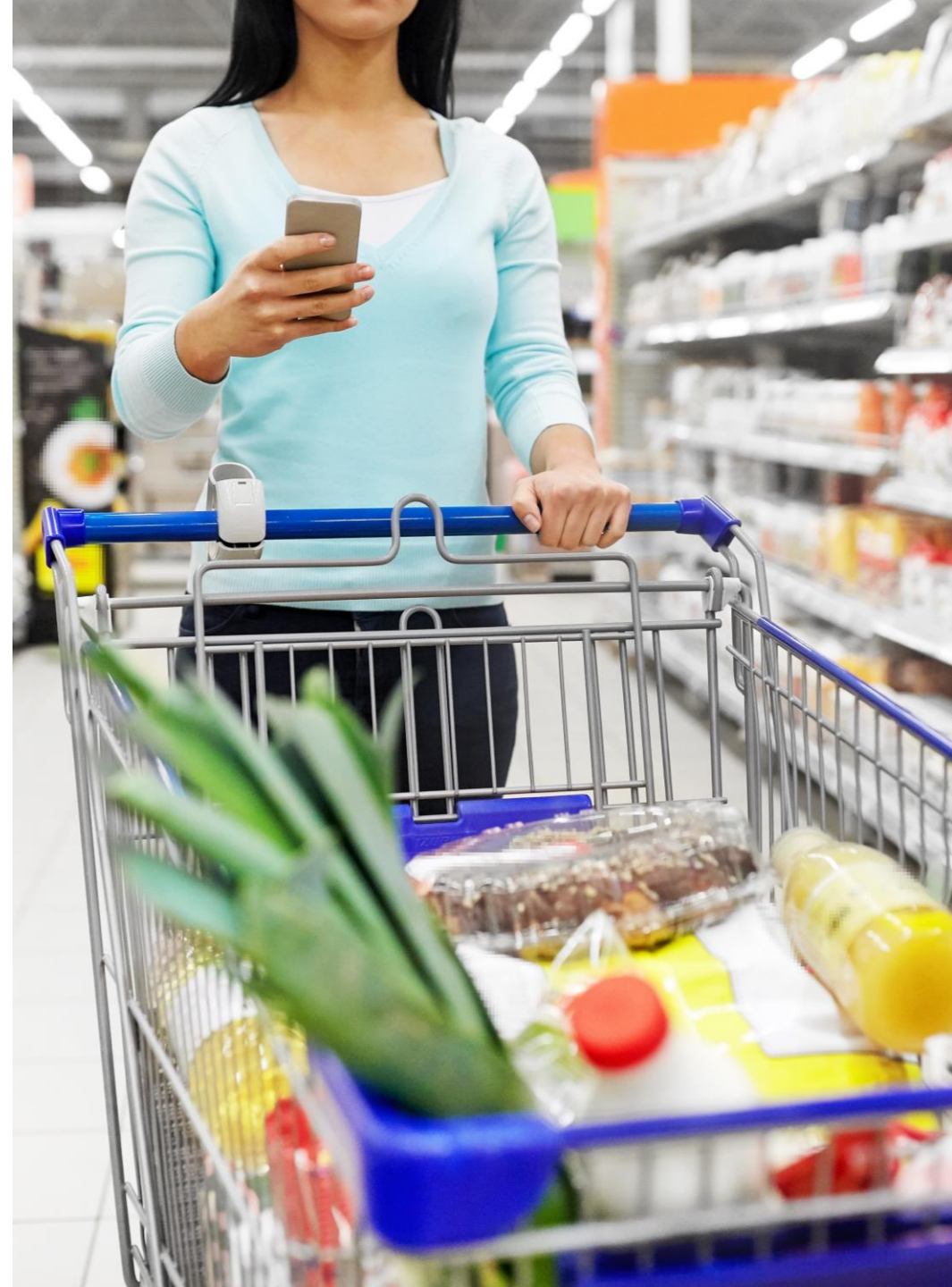
Global Consumer and Retail

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

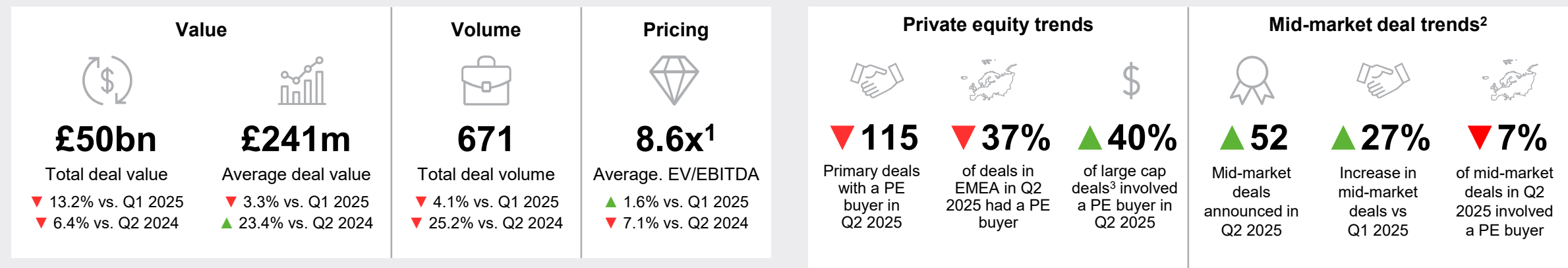
- In Q2 2025 we observed a 13% decrease in total deal value, a 3% decline in average deal value, and a 4% reduction in deal volume (versus Q1 2025). This is a result of a **market slowdown due to Q2 economic uncertainties** such as new U.S. tariff policies and pressures following the Autumn Budget.
- 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

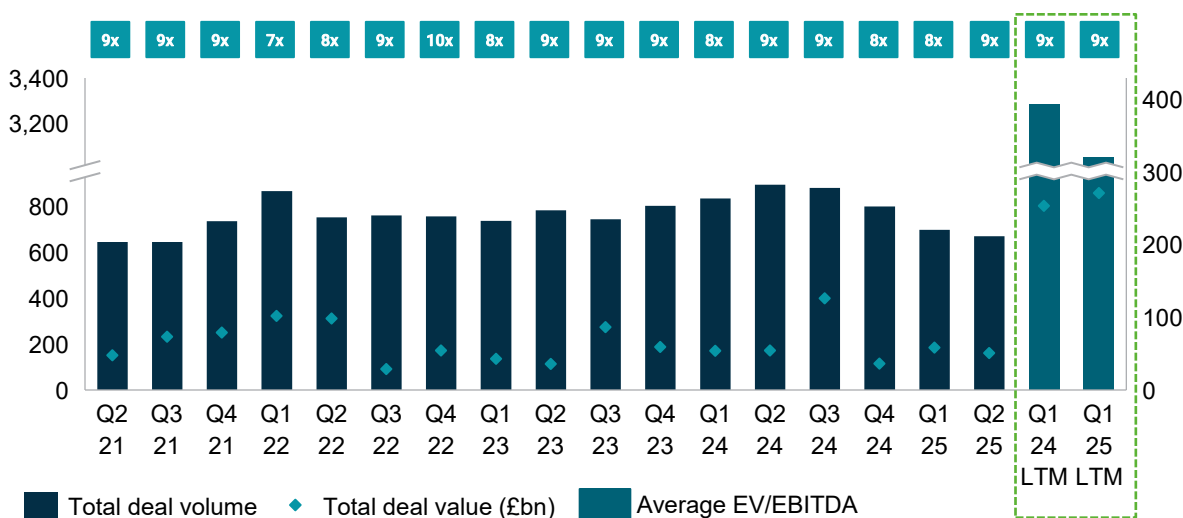
- We can expect **an increase in volume of carve-out deals** in H2 2025, as companies review dilutive and non-core businesses to shift focus to their core activities. Rumoured deals for this period include Nestlé divesting their Water division and Firmenich selling their Animal Nutrition and Health business 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 post-merger 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

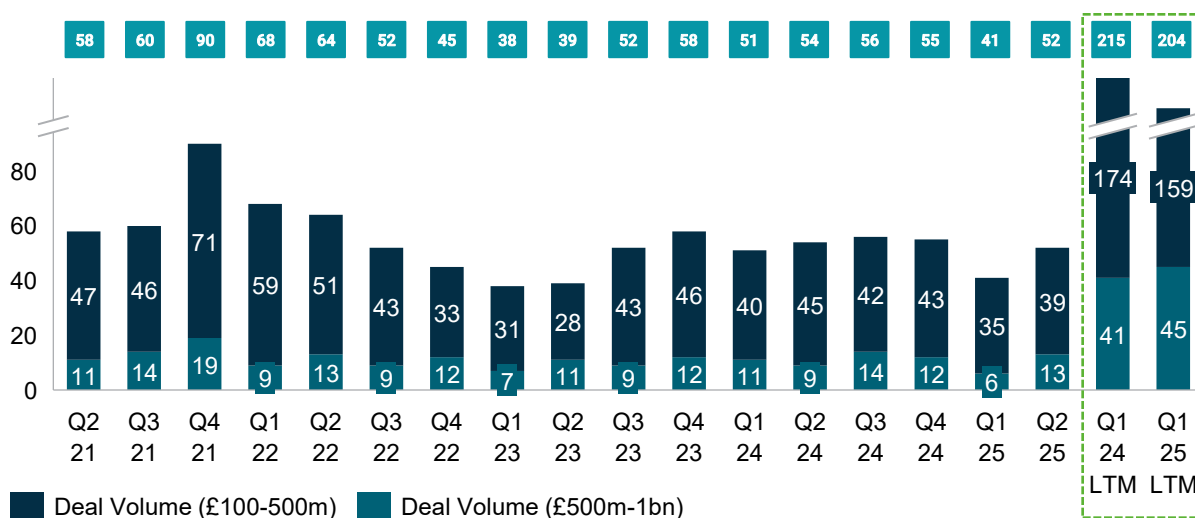
Key quarterly statistics



Quarterly deal volume, value and multiples¹



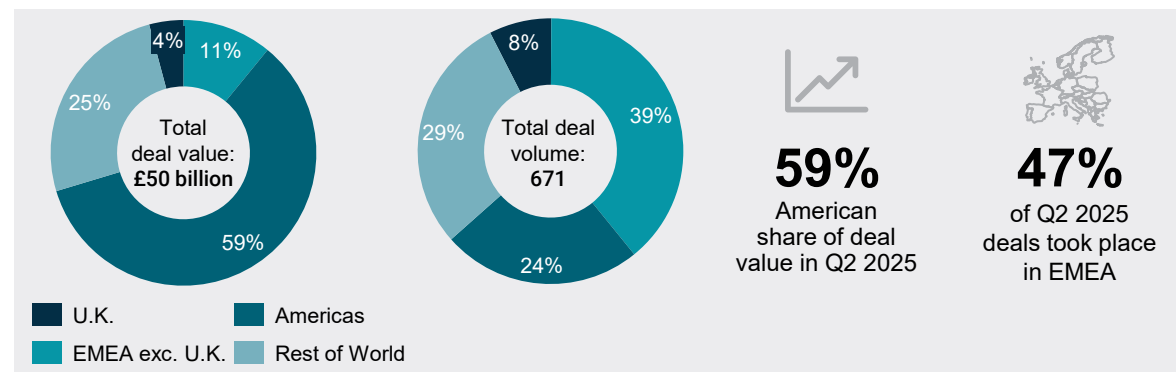
Quarterly mid-market deal volume²



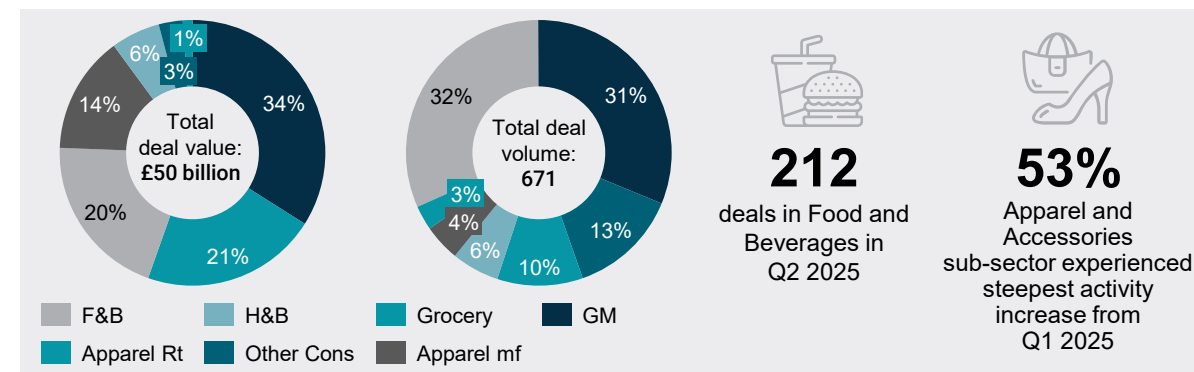
Source: MergerMarket, AlixPartners analysis | Notes: 1. Outliers above 20.0x have been excluded from EV/EBITDA analysis;
2. Mid-market are defined as deals worth between £100mn and £1bn; 3. Large cap deals are defined as deals worth more than £1bn

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

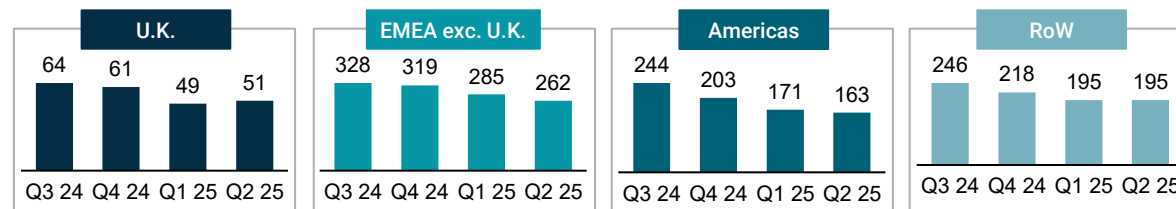
Geographical split



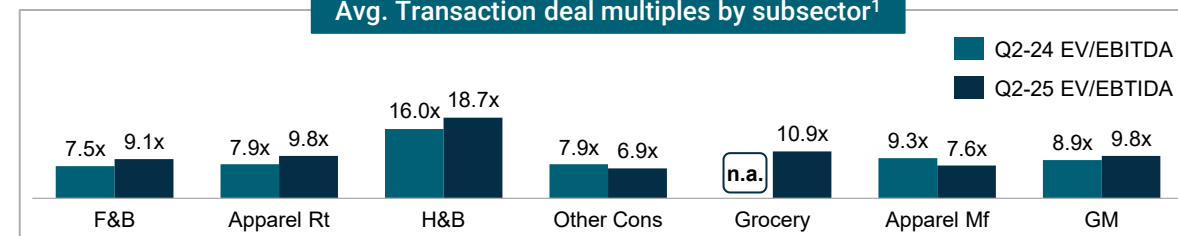
Subsector split



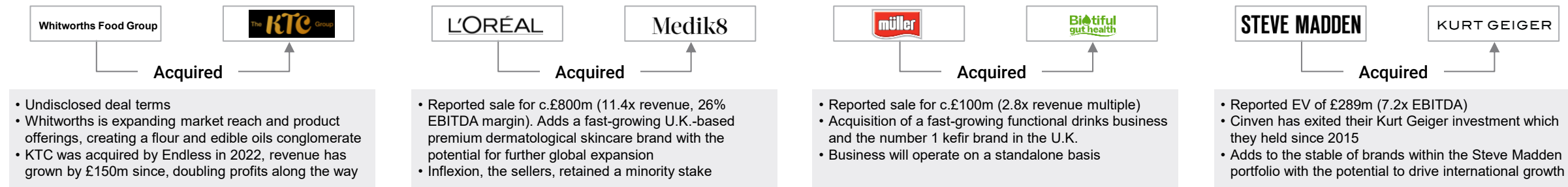
Number of deals



Avg. Transaction deal multiples by subsector¹



Notable deals – Q2 2025

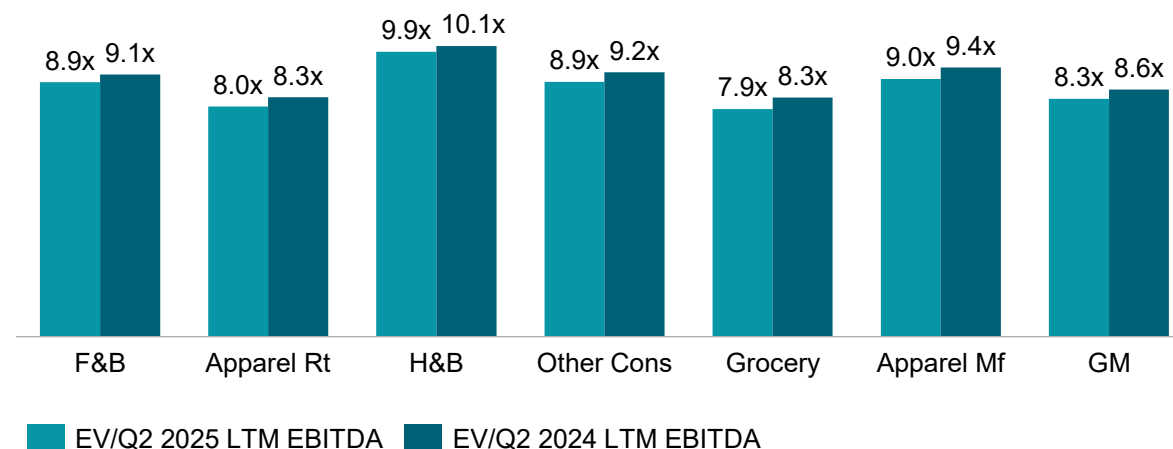


Recovering consumer and retail sectors were hit by tariff announcements in Q1 2025, but recovered growth as companies set up response strategies in Q2

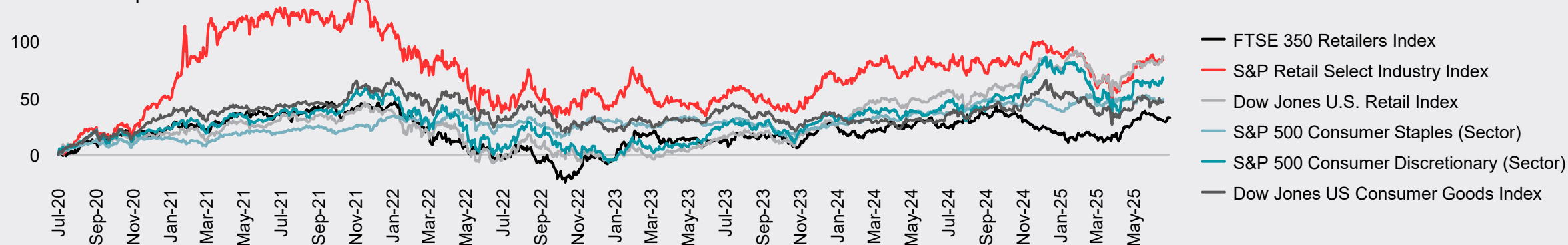
Growth indicators and EV multiples by subsector¹

Sub-sector	Average trading comparisons			
	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

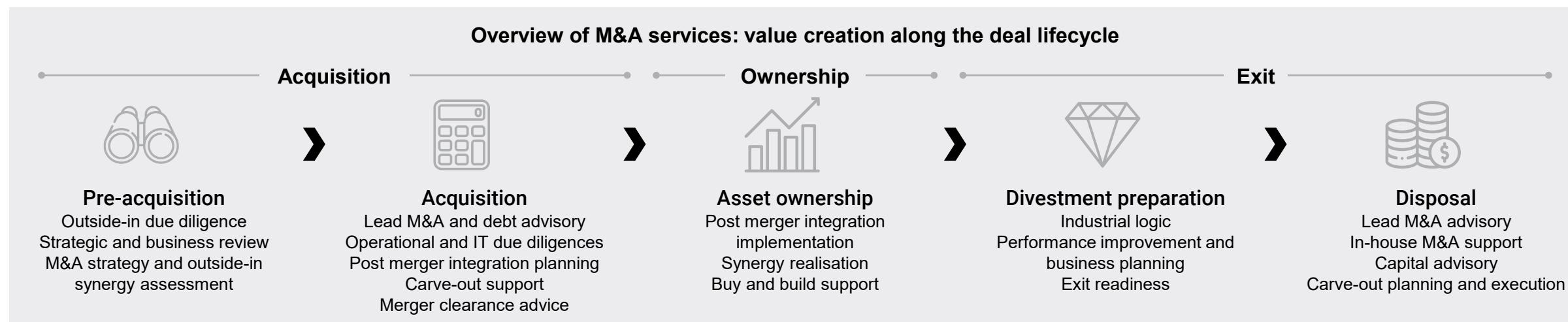
LTM EV/EBITDA multiples by subsector¹



Sector index performance²



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



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

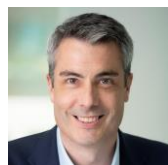


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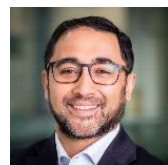


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