

CONSUMER & RETAIL MONTHLY

JUNE 2019

We work with leading companies and brands across every major consumer product and retail category, including consumer products, gift and home accessories, food & beverage, restaurants, retail and retail services.

Food & Beverage

Gift & Home Decor
















Apparel & Accessories

Recreational Products

Personal Care

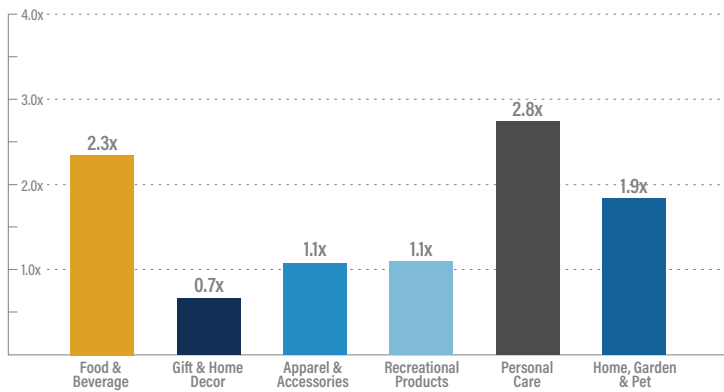
Home, Garden & Pet

HEADLINE TRANSACTIONS

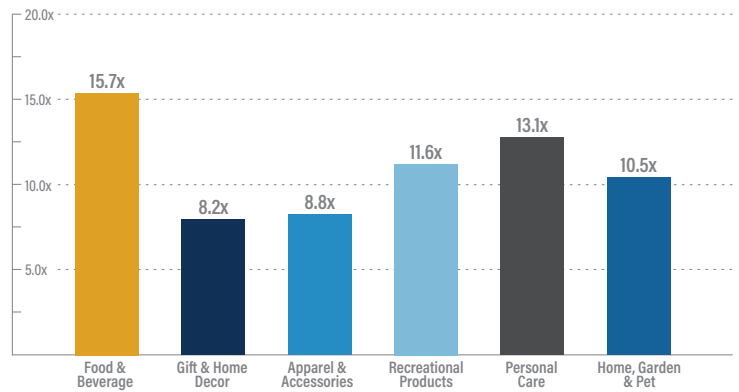
Food/Bev.	 	<ul style="list-style-type: none"> McKee Foods Corporation, producer of Little Debbie baked goods, has acquired Prairie City Bakery, a producer of muffins, donuts, pastries and cookies focused on the convenience store channel This represents the first acquisition completed by McKee Foods since the 2013 acquisition of Drake's
Gift/Home	  	<ul style="list-style-type: none"> Artisan Design Group, a portfolio company of The Sterling Group, has acquired Vintage Design LLC, a provider of design and installation services for flooring products, and Nu Wood Design LLC, a full-service manufacturer and installer of cabinetry These transactions represent the second and third add-ons to the platform since The Sterling Group acquired ADG from Dunes Point Capital in December 2018
Apparel	   	<ul style="list-style-type: none"> Chinese sportswear giant Xtep International Holdings has acquired U.S. footwear brands K-Swiss, Palladium and Supra from South Korean retailer E-Land World, which acquired the brands in 2013, for \$260 million representing an LTM revenue multiple of 1.2x The acquisition follows a recent resurgence of the K-Swiss and Palladium brands, as both experienced 12% and 10% YOY revenue growth, respectively, in 2018
Recreational	 	<ul style="list-style-type: none"> KPS Capital Partners announced the acquisition of Brunswick Corporation's Fitness & Recreation division, comprising Life Fitness exercise equipment as well as Brunswick billiards, for \$490 million With this sale and the 2014 sale of its retail bowling business to Bowlmor AMF, Brunswick is now exclusively focused on its portfolio of marine boat and engine brands including Sea Ray, Boston Whaler and Mercury
Personal	 	<ul style="list-style-type: none"> Brazil's Natura & Co. announced the acquisition of Avon Products (NYSE:AVP), a global producer and marketer of beauty products including brands such as Avon Naturals and Soft-So-Skin, for \$3.9 billion EV; 0.7x LTM revenue; 7.9x LTM EBITDA in an all-stock deal The acquisition creates one of the largest beauty groups in the world and follows Natura's acquisition of The Body Shop in 2017
Home/Gar./Pet	 	<ul style="list-style-type: none"> PetIQ announced the acquisition of Perrigo Company's Animal Health division, a pet medication and wellness products maker, for \$185 million, representing a 2020E Adj. EBITDA multiple of 9.0x, including cost synergies With the acquisition, PetIQ will add Perrigo brands Sergeant's, PetArmor and Sentry, enabling the company to further capitalize on the continued overall growth of the Pet Care Industry

CONSUMER GROWTH & VALUATION TRENDS

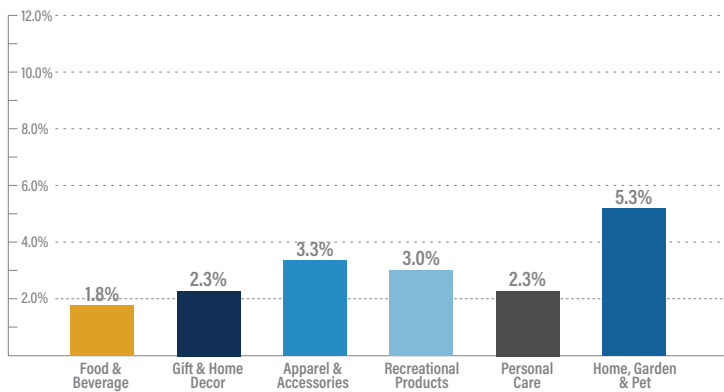
Enterprise Value / LTM Revenue



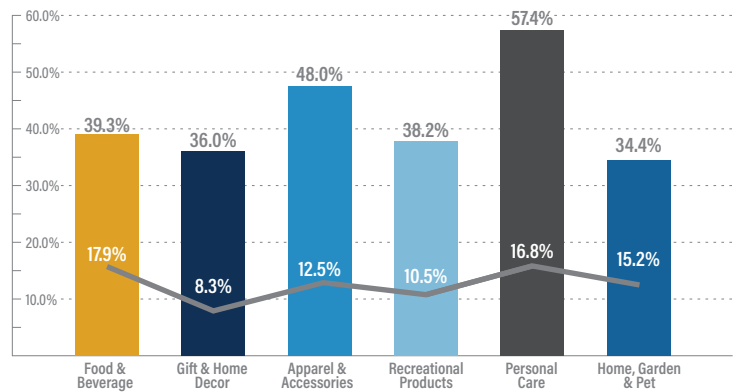
Enterprise Value / LTM EBITDA



LTM Revenue Growth

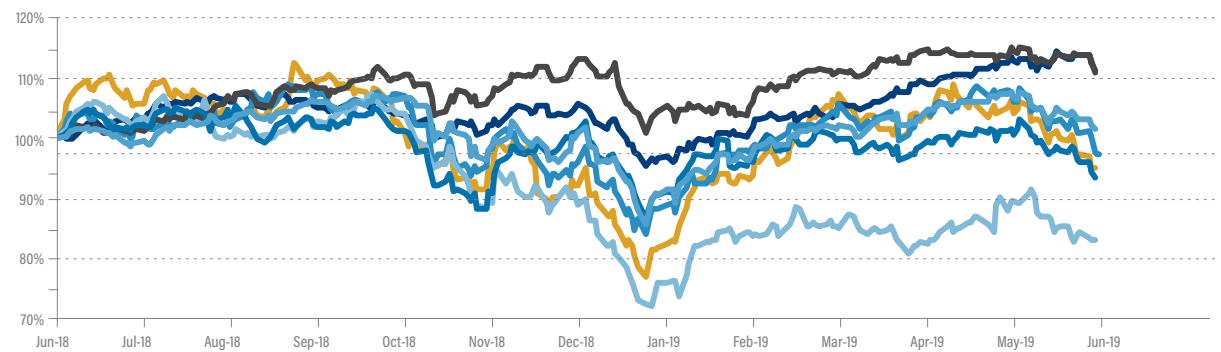


LTM Gross Margin*



*EBITDA Margins shown as the gray line.

LTM Stock Price Index



112% Food & Beverage 95% Gift & Home Decor 97% Apparel & Accessories 82% Recreational Products 112% Personal Care 94% Home, Garden & Pet

SELECTED CONSUMER TRANSACTIONS

Target	Acquiror	Food & Beverage Transactions
Off-Centered Way LLC; d/b/a Dogfish Head Brewing	Boston Beer Company	Sam Adams brewer Boston Beer Company has announced the acquisition of Dogfish Head Brewery in a merger agreement valued at approximately \$300 million; the transaction is expected to close towards the end of the second quarter of 2019
Nelson's Green Brier Distillery, LLC	Constellation Brands	Constellation Brands announced the acquisition of Nelson's Green Brier, a 159-year-old, Tennessee-based whiskey producer; the acquisition follows Constellation's 2016 venture investment in the company

Target	Acquiror	Apparel & Accessories Transactions
Haggar Clothing Co.	Randa Corporation	Randa, a producer of belts, wallets and other accessories for 50+ brands, has announced its acquisition of Haggar, a producer of men's apparel and formal attire, and its subsidiary Tribal, a Montreal-based women's sportswear producer
Alex Apparel Group	Versa Capital Management, Inc.	Alex Apparel, the Atlantic Street Capital portfolio company and branded designer of better priced social dresses and separates under the brand name ALEX EVENINGS, has been acquired by Versa Capital Management

Target	Acquiror	Personal Care Transactions
Coppertone Business of Bayer Aktiengesellschaft	Beiersdorf Aktiengesellschaft (XTRA:BEI)	German-based Beiersdorf has announced plans to purchase iconic sun care brand Coppertone from Bayer for \$550 million (2.6x LTM revenue) pending approval by authorities; Beiersdorf's portfolio of skin care brands includes Nivea, Eucerin and Aquaphor
Harry's, Inc.	Edgewell Personal Care Company (NYSE:EPC)	Edgewell, owner of the Schick and Wilkinson razor brands, has announced the acquisition of shaving start-up Harry's for about \$1.37 billion in stock and cash; after closing, Harry's founders will assume control of Edgewell's U.S. shaving operations

Target	Acquiror	Gift & Home Decor Transactions
Castelle Furniture Co., Inc	Brown Jordan International	Castelle Furniture Co., has been acquired by Brown Jordan International; the transaction combines two providers of outdoor casual furniture to the residential and hospitality markets into a company generating consolidated net sales of nearly \$400 million
Royal Sleep Products	Diamond Mattress Company	Diamond Mattress company has acquired Royal Sleep Products, a 35-year-old Texas-based manufacturer of mattresses and furniture; Diamond will add 60,000sf of manufacturing warehouse and distribution space through the acquisition

Target	Acquiror	Recreational Products Transactions
6 Pack Fitness, Inc.	Zogoworkx LLC	Six Pack Fitness, a fitness company that produces bags, luggage, and meal management travel gear, has been acquired by Zogoworkx, a producer of diversified fitness, nutrition and outdoor products
Bold Cycles	Scott Sports	Scott Sports, Swiss provider of bikes, winter sports equipment, motorsports, and running products; has acquired fellow Swiss bike manufacturer Bold Cycles; Bold will remain an independent brand and continue to operate under founder Vincenz Droux

Target	Acquiror	Home, Garden & Pet Transactions
KinderGard	Metron Bios LLC	Metron Bios LLC, a diversified consumer products holding company, has acquired KinderGard, a producer of child-safety products for the home and garden
Marltons Pets and Products Proprietary Limited	RMB Ventures	South African health and wellness group Ascendis Health has announced the divestiture of 80-year old Marlton's Pet Products brand as part of a recent strategy to improve cash generation and organic growth through the sale of non-core assets

Selected TM Capital Consumer Experience




80 years Walpole Outdoors.

HAS BEEN ACQUIRED BY




ARGOSY PRIVATE EQUITY



WD LAB CROWN DIAMONDS

HAS RECEIVED AN EQUITY INVESTMENT FROM



HURON CAPITAL



WEST SHORE HOME

FINANCED THE ACQUISITION OF



BRYTONS

WITH SENIOR DEBT PROVIDED BY



GARMARK PARTNERS

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