

CONSUMER & RETAIL MONTHLY

DECEMBER 2020

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.

Gift & Home Decor

Food & Beverage













Apparel & Accessories

Recreational Products

Personal Care

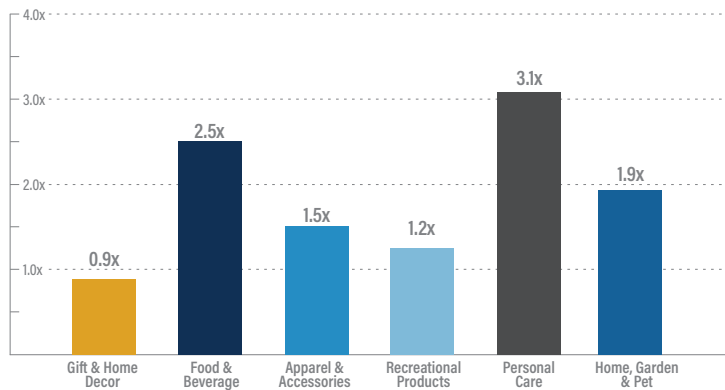
Home, Garden & Pet

HEADLINE TRANSACTIONS

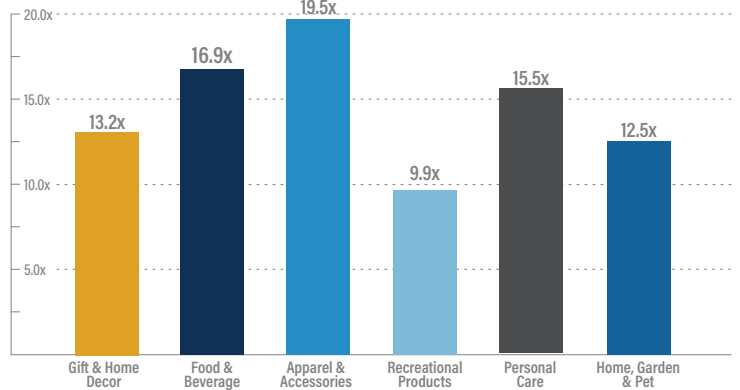
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Gift/Home			<ul style="list-style-type: none"> Sears Outlet, a national home retailer of appliances and appliance-related products, has agreed to be acquired by American Freight, an Ohio-based home furnishings retailer of goods including furniture, appliances and mattresses The nearly 300 stores in the combined portfolio will be rebranded as American Freight, Appliance, Mattress; this acquisition will expand the offering of the former Sears Outlet stores from solely appliances into a wide variety of home goods
Food/Beverage			<ul style="list-style-type: none"> McCormick & Company (NYSE:MKC), a multinational manufacturer of branded spices, seasonings and condiments for the consumer and food service markets, has agreed to acquire The Cholula Food Company, a Mexican manufacturer of hot sauces, from L Catterton for \$800 million or 8.3x LTM Revenue McCormick, which acquired the popular Frank's RedHot brand in 2017 from Reckitt Benckiser, plans to capitalize on record global demand for hot sauces
Apparel			<ul style="list-style-type: none"> V.F. Corp (NYSE:VFC), a consumer apparel brands company that owns names including Vans, Dickies, Timberland and The North Face, has agreed to acquire Supreme, a popular streetwear brand, from a group of investors including The Carlyle Group and Goode Partners for \$2.4 billion or 4.8x LTM Revenue Supreme has routinely collaborated with many of V.F.'s brands and the company will benefit from V.F.'s global supply chain and distribution expertise
Recreational			<ul style="list-style-type: none"> Dorel Industries, Inc. (TSX:DII.B), a manufacturer of branded cycling, juvenile and home furnishings products, has agreed to be acquired in a take-private transaction for \$862 million or 4.4x LTM EBITDA by Cerberus Capital Management, a private equity firm specializing in distressed investments Dorel, which owns cycling brands such as Mongoose, Schwinn and Cannondale, had experienced share price decline due to volatile margins, COVID-19 concerns and negative tariff impacts and determined that Cerberus' offer was the best option for its shareholders
Personal			<ul style="list-style-type: none"> Unilever PLC (LSE:ULVR), a multinational manufacturer of branded personal care, home care and food products including Dove, Vaseline, Breyers and Lipton, has agreed to acquire through its U.S. subsidiary SmartyPants Vitamins, a Los Angeles-based manufacturer of branded vitamin supplements for adults and children Unilever believes that SmartyPants' portfolio of non-GMO, sustainably manufactured vitamin and functional nutrition products complements its sustainability and health-oriented brands including OLLY, Horlicks, Equilibra and Liquid IV.
Home/Gar./Pet			<ul style="list-style-type: none"> Eurazeo SE (ENXTPA:RF), a publicly traded European private equity firm, has agreed to acquire Altair Group, a manufacturer of branded home care products including the Oro, Starwax, Sinto and Kapo brands, for \$136 million or 1.1x LTM Revenue Eurazeo plans to leverage its capital resources, international network and expertise in digital growth to expand Altair's presence across geographies and distribution channels

CONSUMER GROWTH & VALUATION TRENDS

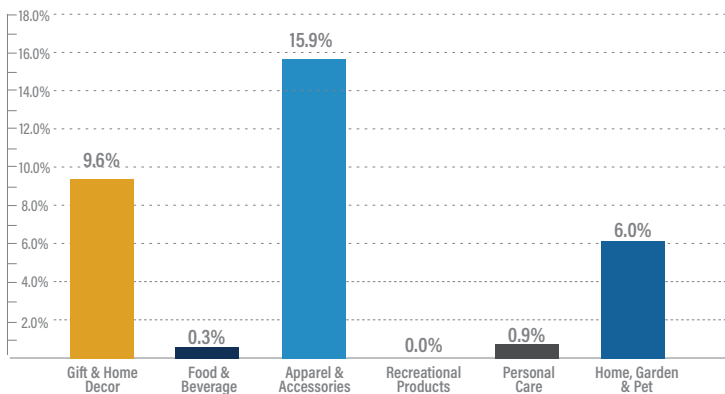
Enterprise Value / LTM Revenue



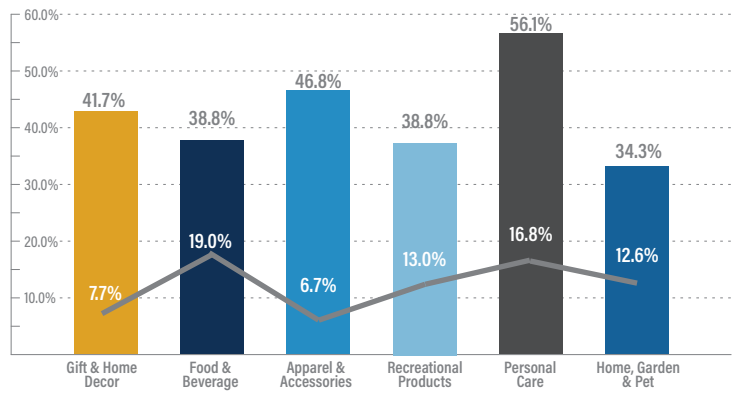
Enterprise Value / LTM EBITDA



LTM Revenue Growth

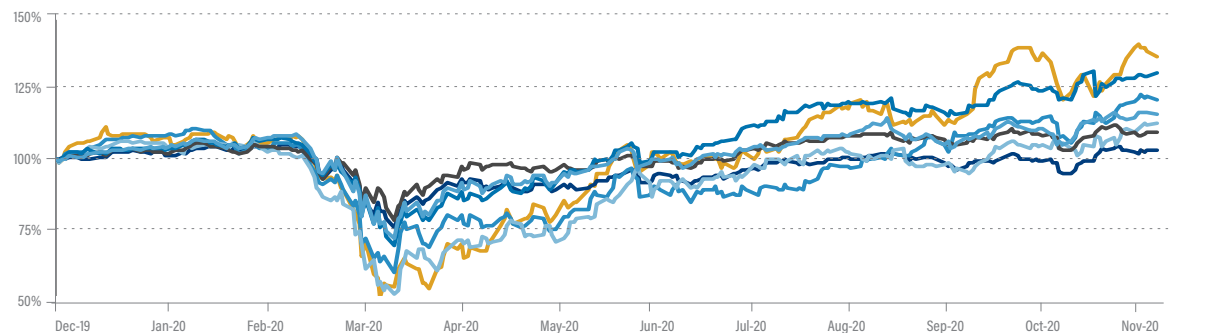


LTM Gross and EBITDA Margin*



*EBITDA Margins shown as the gray line.

LTM Stock Price Index



137% Gift & Home Decor 103% Food & Beverage 120% Apparel & Accessories 114% Recreational Products 110% Personal Care 130% Home, Garden & Pet 116% S&P 500

SELECTED CONSUMER TRANSACTIONS

Target Acquiror Gift & Home Decor Transactions

The John Richard Collection, Inc.

A Group of Investors

The John Richard collection, a manufacturer of furniture, accessories, lighting and mirrors and sideline business of Malouf furniture, has been acquired by a group of investors led by the company's CEO, Alan Galbraith; after its founding by Alex Malouf in 1980, John-Richard grew steadily and expanded internationally to include offices and manufacturing operations in Vietnam, India and China with a global distribution network

Borek Parasols B.V.

KeBek Management NV

KeBek Management, a Belgian middle market private equity firm, has acquired Borek Parasols, a Dutch manufacturer of branded outdoor furniture including chairs, couches, tables and umbrellas; following the acquisition KeBek plans to invest in Borek's growing international presence throughout the European market

Target Acquiror Apparel & Accessories Transactions

Timex Group USA, Inc.

The Baupost Group, LLC

The Baupost Group, a Boston-based hedge fund and investment firm, has agreed to complete a majority recapitalization of Timex Group, a Swiss manufacturer of timepieces; beyond its own household brand name, Timex Group designs, manufactures and markets timepieces under license for brands such as Guess, Versace, Salvatore Ferragamo and Ted Baker

GCDS SRL

Made in Italy Fund

GCDS, a Milan-based streetwear brand known as God Can't Destroy Streetwear, has been acquired by a group of investors led by the Made in Italy Fund; the Made in Italy Fund is a private equity investment vehicle focused on making investments in Italian consumer products brands

Target Acquiror Personal Care Transactions

Prime Fifty Limited

Cambridge Nutraceuticals Ltd.

Cambridge Nutraceuticals, a UK-based manufacturer of nutritional supplements, has acquired Prime Fifty, a producer of branded supplements targeted at senior citizens; Dr. Max Gowland, founder of Prime Fifty, brings a reputation for product innovation and marketing prowess, having led multiple successful QVC campaigns

Caliva, Inc.

Subversive Capital Acquisition Corp.

Subversive Capital Acquisition Corp., a special purpose acquisition corporation formed to invest in cannabis companies, has agreed to acquire Caliva, a CA-based retailer of cannabis and cannabis accessories, for \$283 million; Subversive Capital Acquisition Corp. also recently acquired another of California's most prominent cannabis retailers, Left Coast Ventures, for \$142 million

Target Acquiror Food & Beverage Transactions

Truco Enterprises, LP

Utz Brands, Inc. (NYSE:UTZ)

Utz Brands (NYSE:UTZ), a manufacturer of salty snacks including potato chips, pretzels and cheeses, has acquired Truco Enterprises, the manufacturer of On The Border-branded tortilla chips and dips, for \$480 million through its subsidiary Heron Holding Corporation; Utz acquired Truco from Insignia Capital Group, a middle market private equity firm that acquired the company in 2014 and invested in distribution and product development

SweetWater Brewing Company, Inc.

Aphria Inc.

SweetWater Brewing Company, one of the largest craft brewers in the U.S. with a portfolio of brands aligned with the cannabis lifestyle, has agreed to be acquired by Aphria (TSX:APHA), a global cannabis company, for \$366 million from TSG Consumer Partners in a cash and stock deal valuing the company at 16.3x LTM EBITDA; TSG, a leading global private equity firm, had previously invested in SweetWater Brewing in 2014

Target Acquiror Recreational Products Transactions

Simpson Performance Products, Inc.

Holley Performance Products, Inc. (backed by Sentinel Capital Partners)

Holley Performance Products, a manufacturer and DTC online retailer of performance-oriented products for auto enthusiasts and portfolio company of Sentinel Capital Partners through its parent company Driven Performance Brands, has acquired Simpson Performance Products, a manufacturer of branded safety equipment for car and motorcycle racing; since acquiring Driven Performance Brands in 2015 Sentinel Capital Partners has completed two add-on acquisitions, APR in 2017 and Holley in 2018

The Music People! Inc.

JAM Industries Ltd.

The Music People!, a CT-based manufacturer of branded musical equipment including mixers, microphones, drumsticks, lighting and amps, has been acquired by JAM Industries, a Canadian distributor of consumer electronics products; following the acquisition JAM plans to continue The Music People!'s product innovation and expand its brand presence through its distribution network

Target Acquiror Home, Garden & Pet Transactions

Leicester Tissue Company Ltd

Accrol Group Holdings plc

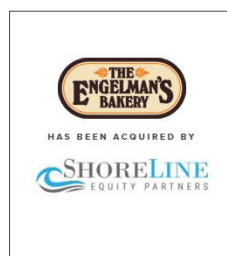
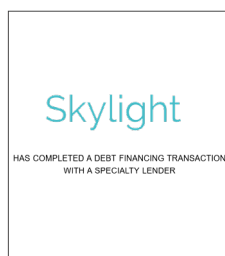
Accrol Group Holdings, a UK-based soft tissue converter, has acquired Leicester Tissue Company, a manufacturer of branded toilet paper and paper towels, for \$54 million or 9.3x LTM EBITDA; following its acquisition of the fast-growing Leicester Tissue Company, Accrol will have increased its share of the UK retail tissue market to nearly one fifth

The Wellness Pet Food Holdings Company, Inc.

Clearlake Capital Group, L.P.

The Wellness Pet Food Holdings Company (dba: WellPet), a manufacturer of health-focused pet food products, has been acquired by Clearlake Capital, a Santa Monica-based private equity firm; WellPet is considered a pioneer and leader in the natural pet food market, with more than 100 years of history and 1.2 million distribution points across the globe

Selected TM Capital Consumer Experience



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