CONSUMER PRODUCTS M&A CONTINUES TO FALL

M&A activity appears poised to post a fourth consecutive annual decline in completed transactions since peaking in 2015. With 338 deals representing nearly $50 billion in combined value, North American deal flow improved compared to Europe’s performance.

Overall deal value fell roughly 50% YOY last quarter to just under $80 billion in total.

MEDIAN DEAL SIZE PUNCHES THROUGH TO RECORD HIGH

Cutting fewer but larger deals in consumer products pushed the median deal size over $85 million. Weak completion rates in retail also led aggregate deal value to decline by 50% YOY.

Completed transactions in both retail and durable goods fell by at least 50% YOY.

PLATFORMS EXPANDING VIA ADD-ONS AT HISTORICALLY ELEVATED LEVELS

Despite the cautious stance from financial sponsors, add-on deals again constituted more than 50% of PE-backed acquisitions. For a seventh consecutive quarter, financial sponsor activity constituted more than a third of all M&A deals.

PE firms targeting the consumer space have completed some 930 deals in total, representing $126 billion in aggregate value through Q3.