Many healthy returns

Why Health and Wellness will continue to drive growth and inorganic activity in global Food and Beverages

February 2020

KPMG LLP
kpmg.com/uk
2019 was a year in which conversations about Health and Wellness in the Food and Beverage industry centred around Plant Based diets and No or Low alcohol beverages. But these are just two examples of the successful outperformance of the $700bn Health and Wellness category. Since 2013, Health and Wellness products have outgrown overall Food and Beverages in 9 out of the top 10 countries by market size. Globally this translates to 100bps of outperformance for Health and Wellness. Driven by superior pricing power, Health and Wellness assets also generate gross margins that are on average 750-950bps higher than their peers. With consumer interest in Health and Wellness growing globally, the segment is expected to continue to outperform and capture share from other categories.

These dynamics have made Health and Wellness assets attractive strategic targets. Our analysis shows that Health and Wellness focussed assets have doubled their penetration of deal volumes since 2012. Health and Wellness assets also command premium valuations – approximately 30% higher than those of the sector overall.

We expect Health and Wellness trends to increasingly influence portfolio decisions. This will result in continued high levels of competition to acquire quality Health and Wellness assets, but also disposals of assets that are not aligned to strategic objectives, or are ‘caught in the middle’ between Health and Wellness and Indulgence. Non-core disposal activity will create exciting opportunities for acquirers who want to drive consolidation and synergies in their category, or acquirers who are experienced in driving value from complex carve-outs and lower growth businesses.

In a competitive M&A environment, buyers and sellers of assets need to be more proactive and disciplined than ever.

**Buyers**

- Ensure you understand consumer preferences in your relevant categories and countries in order to identify the assets that are well positioned for growth.
- Proactively identify suitable assets that will help achieve your strategy. Build relationships with those businesses and show a willingness to consider alternative deal structures.
- Be disciplined when valuing assets. Evaluate how you can accelerate growth under your ownership, but be mindful that whilst higher growth will support a valuation premium, you should not sacrifice your returns indefinitely.

**Sellers**

- Evaluate your ownership structure. Consider whether partnering with a larger company would help further accelerate your growth.
- Clearly communicate the key attributes of your business, your competitive advantage and how you will continue to deliver above-market growth.
- Ensure you are fully prepared for a disposal. Intensive sale processes put significant pressure on high-growth businesses.
What the Health and Wellness?

Health and Wellness is a becoming an increasingly important driver of Consumer Deal activity

Why Health and Wellness matters

Growing health issues (e.g., overweight)

Exhibit 3

Greater access to information

Exhibit 4-5

A growing interest in Health and Wellness issues

Exhibit 6-10

Growth for Health and Wellness focussed categories

Exhibit 2, 11-12

R&D driven product differentiation

Exhibit 13-16

Strong Health and Wellness pricing power

Exhibit 17-20

Increased Health & Wellness M&A activity

Exhibit 21, 25-26

Premium valuations for Health and Wellness assets

Exhibit 22-24

Divestment of non-strategic assets

Exhibit 27
Health and wellness is a large and growing market

With $725bn of global sales in 2018, Health and Wellness is a large and significant component of the global Food and Beverage market – accounting for up to 20% of total packaged food in some developed markets. The segment has consistently captured value share from other Food and Beverage categories (+150bps 2008-18) with growth underpinned by two key structural drivers.

Firstly, the world faces a growing challenge from populations becoming increasingly overweight and obese driven at least partly by diet and lifestyle choices. Secondly, there has been a significant increase in the availability of information to drive consumer preferences and purchases.

Together these factors, combined with growing availability of Health and Wellness focussed products, has driven the category to grow 100bps faster than overall Food and Beverages and to exceed category growth in 9 out of the top 10 F&B markets worldwide during 2013-18. With the structural drivers of this growth likely to persist, we expect the category’s outperformance to continue. The US is the only major market where Health and Wellness has underperformed, which has been driven almost entirely by declines for ‘Better for You’ products which is a disproportionately large component of US Health and Wellness (23% vs global 15%).
The world is becoming increasingly overweight

In 1975, only 20% of the world’s population was overweight (Body Mass Index > 25). By 2016, this figure had almost doubled, reaching 38%. The issue is most prevalent in the US (where 88% are overweight) and Europe (57%) but there is evidence that emerging market consumers are facing similar challenges. For example, the numbers of consumers who are overweight increased 54% in India over the last decade and 37% in China, albeit in both instances from a relatively low base.

Information access is driving consumer preference

As internet access becomes globally ubiquitous and increasingly mobile, today’s consumers have access to considerably more information than their predecessors with which to make F&B choices. Google search trends show that consumers interest in certain aspects of Health and Wellness has rapidly increased in recent years with searches for ‘vegan’ growing fivefold over 2009-19 and searches for ‘plant based’ growing 22x over the same period.

The proportion of consumers who are overweight increased in all ten of the top 10 F&B markets by value globally during 2011-16 although there was divergence in the pace of that change. In the US, the proportion of consumers who are overweight continues to increase but the rate of increase has been slowing since the mid-1990s.

On the other hand, the rate of increase has consistently expanded in China and by 2011-16 the increase in the proportion of consumers who are overweight was higher than any other top 10 F&B market. With evidence linking high bodyweight to a number of life threatening conditions there is clear impetus for the global food industry to take steps to help consumers make healthier choices.
Geographical and generation variation creates a need for nuance

Consumer preference for Health & Wellness is increasing...

Food attribute preferences vary by geography, but globally the most commonly preferred attributed in 2017 was ‘is all natural’ which was preferred by 49% of consumers globally. Other attributes that are globally important include lack of artificial sweeteners (47%), limited or no added sugar (47%), no trans-fat (45%) and no GMO (44%). By contrast, only 12% of consumers globally prefer foods that do not contain animal products although this may be about to change, given the rapid increase in searches for ‘vegan’ and ‘plant based’. Global meat consumption continues to grow but growth has been slowing since 2012. There are divergent underlying trends with per capita meat consumption increasing in 76% of Emerging Markets and decreasing in 59% of Developed Markets (2016-2019).

It is also notable that with 47% of consumers preferring products without artificial sweeteners and a similar proportion preferring products with low or no added sugar there may be an opportunity for more products that use natural sweeteners (e.g. Stevia), are naturally sweet or do not rely on sweetness to be appealing.

Consumer interest in Health & Wellness attributes is clearly growing with consumer preference increasing for all Health & Wellness attributes for which we have data over 2015-17. The largest increases in consumer preference was for lack of artificial sweeteners which rose from 35% to 47%. Conversely, the smallest increase was for limited or no added salt which increased from 35% of consumers in 2015 to 38% in 2017.

**Exhibit 6**  ‘All natural’ and ‘no artificial sweeteners’ are the most popular food attributes

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Preference 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>All natural</td>
<td>49%</td>
</tr>
<tr>
<td>No artificial sweeteners</td>
<td>47%</td>
</tr>
<tr>
<td>Low/no added sugar</td>
<td>47%</td>
</tr>
<tr>
<td>No trans-fat</td>
<td>45%</td>
</tr>
<tr>
<td>No GMO</td>
<td>44%</td>
</tr>
<tr>
<td>No artificial ingredients</td>
<td>43%</td>
</tr>
<tr>
<td>No added fat</td>
<td>41%</td>
</tr>
<tr>
<td>Added vitamins and fiber</td>
<td>41%</td>
</tr>
<tr>
<td>Reduced or low calorie</td>
<td>39%</td>
</tr>
<tr>
<td>Good for heart health</td>
<td>38%</td>
</tr>
</tbody>
</table>

Note: Percentage of global consumers who prefer each attribute; 2017
Source: Euromonitor International

**Exhibit 7**  ‘No artificial sweeteners’ has experienced the largest increase in preference

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Preference Change 2015-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>No artificial sweeteners</td>
<td>+12%</td>
</tr>
<tr>
<td>Health organisation support</td>
<td>+9%</td>
</tr>
<tr>
<td>No MSG</td>
<td>+8%</td>
</tr>
<tr>
<td>No trans-fat</td>
<td>+8%</td>
</tr>
<tr>
<td>No GMO</td>
<td>+7%</td>
</tr>
<tr>
<td>Added vitamins and fiber</td>
<td>+6%</td>
</tr>
<tr>
<td>Low/no added sugar</td>
<td>+5%</td>
</tr>
<tr>
<td>No fat</td>
<td></td>
</tr>
<tr>
<td>Contains protein</td>
<td></td>
</tr>
</tbody>
</table>

Note: Top 10 Food attributes by change in global consumer preference; 2015-17
Source: Euromonitor International

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...but varies significantly by country

Comparing data for the ten largest countries by value for packaged food reveals that there is significant variation in consumer preferences. For example, US consumers are more likely to prefer foods with high protein content than their global peers (40% of US consumers prefer high protein foods vs global average 34%) and are less likely to prefer foods with no GMO products (36% vs global 45%).

In contrast to the US, consumers surveyed in China demonstrate a much higher level of preference for several attributes than the global average. No artificial sweeteners (preferred by 72% of consumers vs global 47%), added vitamins or fibre (70% vs 41%) or GMO free (67% vs 44%) exhibited the highest consumer preference. Notably, the percentage of consumers expressing a preference for the most popular attributes is significantly higher in the BRICs (63% on average), than Europe (43%), the US (42%) or Japan (29%). While consumer preferences vary significantly by geography there are some clear commonalities. For example, “does not contain artificial sweeteners”, “no GMO” and “is all natural” are almost universally popular attributes and we believe these commonalities need to be reflected in a company’s approach to product development, brand marketing and portfolio management.

Exhibit 8 | Consumer preferences vary by country

<table>
<thead>
<tr>
<th>Brazil</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>No trans-fat</td>
<td>62%</td>
</tr>
<tr>
<td>Added vitamins and fiber</td>
<td>62%</td>
</tr>
<tr>
<td>No added fat</td>
<td>60%</td>
</tr>
<tr>
<td>Low/no added salt</td>
<td>59%</td>
</tr>
<tr>
<td>Low/no added sugar</td>
<td>57%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>China</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>No artificial sweeteners</td>
<td>72%</td>
</tr>
<tr>
<td>Added vitamins and fiber</td>
<td>70%</td>
</tr>
<tr>
<td>No GMO</td>
<td>67%</td>
</tr>
<tr>
<td>All natural</td>
<td>67%</td>
</tr>
<tr>
<td>Organic</td>
<td>62%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>France</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>No GMO</td>
<td>49%</td>
</tr>
<tr>
<td>Low/no added sugar</td>
<td>49%</td>
</tr>
<tr>
<td>All natural</td>
<td>45%</td>
</tr>
<tr>
<td>No artificial ingredients</td>
<td>44%</td>
</tr>
<tr>
<td>No added fat</td>
<td>43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Germany</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>No artificial ingredients</td>
<td>45%</td>
</tr>
<tr>
<td>Low/no added sugar</td>
<td>45%</td>
</tr>
<tr>
<td>No GMO</td>
<td>38%</td>
</tr>
<tr>
<td>No artificial sweeteners</td>
<td>35%</td>
</tr>
<tr>
<td>No added fat</td>
<td>34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>India</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>All natural</td>
<td>71%</td>
</tr>
<tr>
<td>Good for heart health</td>
<td>70%</td>
</tr>
<tr>
<td>No artificial sweeteners</td>
<td>60%</td>
</tr>
<tr>
<td>No trans-fat</td>
<td>60%</td>
</tr>
<tr>
<td>Contains protein</td>
<td>59%</td>
</tr>
</tbody>
</table>

Note: Top 10 Food attributes consumer preference by regions; 2017
Source: Euromonitor International

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Similarly, the way preferences are changing varies by geography. While consumer preference increased in 2017 vs 2015 for all attributes in France and Japan, only seven out of ten attributes increased in the US over the same period. We note the US is also the only major market where Health and Wellness has underperformed overall Food and Beverages growth.

The biggest increases were experienced in China where preference for no artificial sweeteners increased 19% (to 72%), preference for no trans-fats increased 17% (to 61%) and preference for no GMO increased 15% (to 67%). India also experienced a rapid increase in consumer preference with no artificial sweeteners +15% (to 60%) and no trans-fats +13% (to 60%).

The most notable declines in preference include limited or no added salt in the US and India (decreased 5% in both), is all natural in China (-5%) and has limited or no added fat which declined in the US (-4%), India (-4%) and the UK (-3%).

The most rapid increases in Health and Wellness awareness appear to be in some of the highest growth markets for Food and Beverages (e.g. China and India) meaning FMCG businesses must be keenly aware of Health and Wellness trends when considering strategic moves in these markets.

Exhibit 9 | China experienced the highest average increase, the US the lowest

As important as the geographical variability in preference, is the change in preference across different consumer generations. Globally, Baby Boomers (born 1946-64) and Generation X (1965-1979) see no added sugar and no artificial ingredients as among their most preferred food attributes whereas they are far less important to Millennials (1980-1994) and Generation Z (1995-2012). Conversely, protein content and fibre content are among the top preferences for Generation Z and Millennials but are far less important to Generation X and Baby Boomers. It is therefore critically important to understand the preferences of a brand’s consumers when considering potential NPD or strategic moves.

Exhibit 10 | Millennials care more about protein and fibre

Note: Ranking of food preferences by generation; 2017
Source: Euromonitor International
From emergence to divergence

While Health and Wellness growth has consistently exceeded overall Food and Beverages growth, the growth rates for each subcategory within Health and Wellness have exhibited notable divergence. Globally, ‘Free From’ and organic have been the stand out performers, with ‘Better for You’ and Fortified/Functional relative laggards. To some extent, we suspect the relative underperformance of ‘Better for You’ is likely a function of the category’s breadth as well as its products being caught between consumers desire to purchase healthier products or genuine indulgence.

Exhibit 11 | Organic and free from have grown the fastest

![Graph showing growth rates for different subcategories of Health and Wellness](image)

Exhibit 12 | ‘Free from’ in France has achieved rapid growth

<table>
<thead>
<tr>
<th></th>
<th>Better for you</th>
<th>Fortified/functional</th>
<th>Free from</th>
<th>Naturally healthy</th>
<th>Organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>4%</td>
<td>1%</td>
<td>6%</td>
<td>(1)%</td>
<td>5%</td>
</tr>
<tr>
<td>China</td>
<td>3%</td>
<td>(2)%</td>
<td>3%</td>
<td>(3)%</td>
<td>2%</td>
</tr>
<tr>
<td>Japan</td>
<td>(1)%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Germany</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2%</td>
<td>(2)%</td>
<td>3%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>France</td>
<td>(4)%</td>
<td>(3)%</td>
<td>18%</td>
<td>1%</td>
<td>12%</td>
</tr>
<tr>
<td>Russia</td>
<td>1%</td>
<td>6%</td>
<td>2%</td>
<td>0%</td>
<td>(4)%</td>
</tr>
<tr>
<td>India</td>
<td>9%</td>
<td>(3)%</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>UK</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Italy</td>
<td>(2)%</td>
<td>(2)%</td>
<td>9%</td>
<td>0%</td>
<td>7%</td>
</tr>
</tbody>
</table>

By country, ‘Free From’ has achieved strong growth in France the UK, Italy and the US and organic has been achieving strong growth in both France and China. Growth for ‘Better for You’ and ‘Fortified/Functional’ has been more unpredictable with the subsegment underperforming overall Food and Bev growth in several geographies.
Health and wellness offers superior pricing power

New product launches respond to consumer demand

With consumer preference for Health & Wellness attributes increasing, packaged food and drinks companies are understandably taking steps to develop products to meet these consumer needs. This provides an opportunity to invest in new products that match consumer preferences while also creating entry barriers that may create sustainable pricing power advantages.

Patent application data shows that the number of patents for products with reduced gluten and also vegan or vegetarian attributes was materially higher in 2009-18 vs 1999-2008 (+486% and +60%). Over the same period, the volume of patent applications for low calorie products materially reduced (-33%) – however the absolute number of patents for low calorie products remained higher than both gluten free and vegan/vegetarian products combined. The increase in gluten free applications is consistent with the increase in the percentage of consumers preferring gluten free products (+6% 2015-17, see exhibit 7). We note that while the number of low calorie patents has decreased, it remains a popular food attribute with 39% of consumers preferring reduced or low calorie food products.

The patent application data is consistent with data for new product launches which shows that there has been a material increase in vegan product launches. During 2015-19, the number of vegan products launched increased 139% globally, with a 78% increase in the US a 192% increase in the UK and a 152% increase in China. Notably, in 2019 the number of vegan products launched in the UK exceeded the number launched in the US and China combined.

Exhibit 13 Patent applications have increased for reduced gluten and vegan and vegetarian inventions

Exhibit 14 Vegan product launches have rapidly grown in the US and the UK

Note: Global patents excluding Republic of China, based on word searches within patent titles
Source: KPMG analysis using Quid tool

Source: Mintel
Data for the UK food market shows that there is a shift in the focus of the health claims made on new products. During 2014-18 the percentage of new products claiming to be high in protein has increased 3pp and the percentage of new products claiming to have low / no / reduced sugar has also increased 3pp. Over the same period, the percentage of new products claiming to have low / no / reduced fat reduced by 3pp and the percentage of products claiming to have low / no / reduced trans-fat reduced 2pp. Despite this reduction, low fat and low trans-fat remain the highest proportion of launches alongside low sugar and high protein.

Exhibit 15 | High protein and fibre launches have been increasing

Exhibit 16 | …but low fat and low trans-fat remain a high proportion of launches

Note: Change in percentage of UK food product launches making health claim
Source: Mintel

Note: % of UK product launches making a specific health claim
Source: Mintel
Consumers are willing to pay more for Health and Wellness benefits

Globally, over 25% of consumers are willing to pay a premium for Health and Wellness benefits from their food – higher than any other Food attribute. Notably, the percentage of consumers who are willing to pay for these benefits also increased more than any other attribute during 2015-17, increasing by 5ppts. At the same time, the percentage of consumers who were willing to pay for superior taste decreased 4ppts.

Exhibit 17 | More consumers are willing to pay more for Health and Wellness than any other attribute

Note: Change in % of consumers willing to pay more 2015-17, vs willingness to pay more; 2017
Source: Euromonitor International
A similar trend is apparent at an individual country level with Health and Wellness benefits the number one attribute to drive consumers to pay more in Brazil, China and Japan. Of the top 10 food markets globally, only German consumers didn’t see Health and Wellness as a top 5 attribute for paying more with German consumers continuing to prefer superior taste.

The percentage of consumers who are willing to pay more for Health and Wellness benefits has increased over 2015-17 in eight out of the top ten food markets (more than any other attribute) with only Brazil experiencing a decrease (no data for Italy). By contrast, the percentage of consumers willing to pay more for superior taste decreased in all nine markets where we have data while the percentage willing to pay more for a well-known brand decreased in seven out of nine markets with only Germany and Japan bucking the overall trend.

Exhibit 18 The percentage of consumers willing to pay more for Health & Wellness is increasing almost everywhere

Exhibit 19 Health and Wellness assets generate higher gross margins

Exhibit 20 ... and higher EBITDA margins

Note: Gross margin; last reported. Based on a sample of 44 H&W companies and 202 other food and drink companies, using both public and KPMG proprietary data
Source: KPMG Benchmarking Plus database

Note: EBITDA margin; last reported. Based on a sample of 45 H&W companies and 187 other food and drink companies, using both public and KPMG proprietary data
Source: KPMG Benchmarking Plus database
Health and Wellness is a growing driver of inorganic activity

**H&W assets are becoming a larger component of deal activity**

Offering an appealing combination of growth potential and pricing power, we believe Health and Wellness focussed assets will continue to be attractive strategic targets. It is therefore unsurprising that a growing proportion of Consumer M&A transactions have involved a target that is focussed on Health and Wellness. Since 2012, the proportion of Consumer M&A transactions that involve a Health and Wellness asset (on a three year rolling average basis) has broadly doubled – reaching a peak of 5.2% in 2019.

**Exhibit 21** Health and Wellness assets represent a growing proportion of deal activity

**Exhibit 22** Health and Wellness assets command a 32% EV/EBITDA premium to other consumer assets

**Exhibit 23** Health and Wellness assets command a 47% EV/Revenue premium to other consumer assets

...and command premium valuations

At the same time, the valuation paid for Health and Wellness assets has typically been higher than the broader consumer space. During 2010-19 the weighted average EV/EBITDA multiple paid for Health & Wellness transactions has been 32% higher than for the overall consumer sector. Similarly, the weighted average EV/Revenue multiple has been 47% higher for Health & Wellness transactions. The higher EV/Revenue premium (vs EV/EBITDA) reflects Health & Wellness assets typically generating EBITDA margins that are above the overall Consumer sector.
Comparing annual data suggests that this valuation premium has been expanding over time, perhaps as the weight of evidence for the structural attractions of health and wellness businesses has grown.
Similarly, a growing number of Health and Wellness assets have received private investment. Since 2015 significant private investment growth has been seen across several Health and Wellness categories, namely vegetarian (63% CAGR 2015-19), plant-based (32%), probiotic (26%) and vegan (25%). Investments in organic focussed businesses experienced slower growth in the number of private investments (7% CAGR 2015-2019) yet continued to represent a higher volume of investments than the other areas combined. We believe, companies interested in future growth through M&A will benefit from monitoring the pipeline of high-growth smaller businesses currently receiving private investment as these may present attractive opportunities for future inorganic investment.

Exhibit 25 | Private investment has been increasing in Health and Wellness assets…

Exhibit 26 | …vegetarian and plant-based experienced the fastest growth

A strong rationale for Health and Wellness driven portfolio optimisation

Globally, the Health and Wellness category offers a strong long term growth opportunity for existing Food and Beverage players with the potential for superior pricing to drive attractive margins and returns. Divergent regional and category trends suggests that harnessing this growth requires a nuanced approach to portfolio optimisation while rising transaction multiples suggest there is impetus to act sooner rather than later. We also believe there is scope to divest of assets that do not offer similar long term growth characteristics to buyers who are attracted to low growth assets with attractive and defendable cash margins, or to buyers who want to drive consolidation and synergies in their category.

Exhibit 27 | There have been a number of divestments of assets that do not benefit from Health and Wellness growth

Example divestments of non Health and Wellness focused assets

- **Nestlé sells US confectionary to Ferrero for $2.8bn**
  - January 2018, FT

- **Kellogg sells cookie and fruit snack brands to Ferrero for $1.3bn**
  - April 2019, Bloomberg

- **KKR To Buy Arnott’s Biscuits From Campbell Soup In $2.2 Billion Deal**
  - July 2019, Forbes

Source: FT, Bloomberg, Forbes
Conclusion

The attractive performance of the $700bn health and wellness category is hard for Food and Beverage companies to ignore. We expect outperformance at a revenue and margin level to continue as the two underlying structural drivers of historical growth persist.

We believe the key actions for Food and Beverage companies seeking to capitalise on this trend are:

— Assess whether your portfolio is balanced to address the continued increase in preference for Health & Wellness.
— Ensure you understand your target consumer and their relevant preferences in each of your key markets. Do not expect uniform needs and desires.
— Recognise the rapidly increasing preference for Healthy Food and Beverages in high-growth markets and proactively respond.
— Analyse the performance of your Health & Wellness offering – consider whether your growth rate and margin profile indicates an opportunity to improve performance.
— Evaluate whether acquisitions can help you achieve your strategy. Proactively identify potential targets and be disciplined when valuing assets.

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