Revival beyond the precipice

Consumer & retail
M&A outlook 2021

February 2021

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There is light at the end of the tunnel, as demonstrated by the market’s response and rapid recovery following the recent COVID-19 vaccine announcement. The pandemic has stayed longer than many expected, but we expect the markets to come to a new normal in 2021.
2020 saw several trends accelerate steeply during the pandemic. The move to online shopping increased dramatically with online retailers seeing five years’ worth of growth in just three months. Companies were able to resist the temptation to offer product-price promotion despite shrinking consumer wallets and increased price sensitivity, and thereby protecting falling margins. By the end of September, only 26 percent of U.S. grocery items featured a price promotion¹, compared with the average of 31 percent.

The Consumer & Retail M&A market also felt the pandemic’s disruption, as deal volume fell five percent year-over-year (YoY). The impact was particularly acute in Q2 where deal volume contracted 21 percent compared with 2019. However, the deals market started to turnaround in Q3 as deal volume was up 26 percent (vs Q2) and only off three percent YoY² and Q4 was increased 6 percent YoY. Another bright spot was total deal value in 2020: up 17 percent to US$ 287 billion. The second half of 2020 also accounted for eight out of the 10 largest deals of the year.

Interestingly, the mega deals primarily took place in the grocery or food retail sector, mostly led by financial buyers looking to increase exposure in the sector. The top three deals of 2020 were all in this category: Seven Eleven’s acquisition of Speedway (US$ 21 billion), Inspire Group’s acquisition of Dunkin Donuts (US$ 11 billion) and Tesco’s sale of its Thailand business (US$ 9.9 billion). Retail also accounted for about 40 percent of the total C&R deal volume in 2020. The most prominent deal drivers in the overall C&R sector were consolidation, non-core asset disposal, direct to consumer (DTC)-led acquisitions, and health & wellness portfolio expansion.

Capability expansion will likely be a continued focus in 2021 as companies enhance logistics, fintech and DTC capabilities through M&A, and expand product offerings and geographical reach. Accelerated by the pandemic, players are expected to align M&A ambitions with their sustainability goals while keeping an eye on the long-term vision. Consumer and retail majors have announced product sustainability as part of their business strategy, moving ESG from the fringes to the core. Additionally, we expect deal activity in 2021 to spike as deals delayed by government-led COVID restrictions have also restarted.

With Private Equity (PE) holding dry powder worth trillions of dollars, we expect to see a major play by PE seeking value-creation opportunities in carve-outs. They are well-positioned to acquire increased exposure to the sector. It may also be well-timed, as several companies are undergoing portfolio reviews and looking to exit assets that are non-core or underperforming.

As the sector shows resilience in the market, we expect 2021 M&A activity to recover from the COVID-led slowdown and players to keep investing, with a vision to emerge stronger, not only from the economic uncertainty of 2020 but also over the longer term.
2020 in review

Global M&A in consumer & retail

2020 sector highlights

- 5,487 deals (5% YoY change 2019-2020)
- $287 billion deal value (17% YoY change 2019-2020)
- Mega deals push deal value despite M&A slowdown
- ASPAC rebounds sooner than other regions

Global consumer & retail M&A 2018–2020 — Announced deal volume & value

Regional deal volume trends

Regional deal value trends

Year over year change (2019-2020), (where disclosed)

- ASPAC registered a 56% increase YoY at US$120 billion
- Europe registered a 30% decline YoY at US$54 billion
- United States registered a 44% increase YoY at US$99 billion
### Largest announced deals 2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Target</th>
<th>Sector</th>
<th>Country</th>
<th>Acquiror</th>
<th>Country</th>
<th>*Value US$ bn</th>
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<tr>
<td>Aug-20</td>
<td>Speedway LLC</td>
<td>Retail</td>
<td>US</td>
<td>7-Eleven Inc</td>
<td>US</td>
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<td>Oct-20</td>
<td>Dunkin Brands Group Inc</td>
<td>Retail</td>
<td>US</td>
<td>Inspire Brands Inc</td>
<td>US</td>
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<td>Mar-20</td>
<td>Tesco Stores (Thailand) Ltd</td>
<td>Retail</td>
<td>Thailand</td>
<td>Investor Group</td>
<td>Thailand</td>
<td>9.9</td>
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<tr>
<td>Jul-20</td>
<td>eBay Classifieds Holding BV</td>
<td>Retail</td>
<td>Netherlands</td>
<td>Adevinta ASA</td>
<td>Norway</td>
<td>8.8</td>
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<tr>
<td>Oct-20</td>
<td>ASDA Group Ltd</td>
<td>Retail</td>
<td>UK</td>
<td>Investor Group</td>
<td>UK</td>
<td>8.8</td>
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<tr>
<td>Jun-20</td>
<td>58.com Inc.</td>
<td>Retail</td>
<td>China</td>
<td>Consortium for 58.com</td>
<td>US</td>
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<td>Sep-20</td>
<td>METRO AG</td>
<td>Retail</td>
<td>Germany</td>
<td>EP Global Commerce GmbH</td>
<td>Germany</td>
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<td>Oct-20</td>
<td>Coca-Cola Amatil Ltd</td>
<td>Food and Beverage</td>
<td>Australia</td>
<td>Coca-Cola Eurpn Partners PLC</td>
<td>UK</td>
<td>6.3</td>
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<tr>
<td>Oct-20</td>
<td>Sun Art Retail Group Limited (73.98% Stake)</td>
<td>Retail</td>
<td>China</td>
<td>Alibaba Group Holding Co., Ltd.</td>
<td>China</td>
<td>6.2</td>
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<tr>
<td>Jul-20</td>
<td>FamilyMart Co Ltd</td>
<td>Retail</td>
<td>Japan</td>
<td>Retail Investment Company LLC</td>
<td>Japan</td>
<td>5.4</td>
</tr>
</tbody>
</table>

*Announced Deal Value includes net debt

### Deal value distribution by sectors (2018—2020)

- Retail: 35% (2018), 30% (2019), 25% (2020)
- Consumer Products: 30% (2018), 25% (2019), 20% (2020)
- Food & Beverage: 25% (2018), 30% (2019), 35% (2020)

### Steep recovery in Q4 2020 over Q4 2019 — YoY % change

- Global: 6%
- United States: 2%
- United Kingdom: 63%
- China: 15%
- Europe: 9%
- ASPAC: -1%

Source: KPMG analysis, Thomson Deals, accessed on 5 Jan 2021

### Did KPMG 2020 predictions come to pass?

A review of KPMG’s 2020 C&R M&A predictions and how the market fared.

#### Portfolio optimization

#### US: Sustained market activity

#### Europe: Solid M&A activity

#### Sustainable investments

#### ASPAC: Activity to remain stable

- Partially Realized
- Realized and going strong
Macroeconomic outlook

First and foremost, 2021 will see a big uplift in growth, even if only compared to the lows of 2020. In the advanced western economies, the roll out of a COVID vaccine should take place over the course of the year. This should allow the gradual conclusion of social distancing and a return to some form of normality. Loose monetary policy is set to continue as central banks remain focused on supporting growth. Meanwhile, public-sector borrowing is set to fall back from recent highs but is likely to remain elevated across many countries.
In the Eurozone, GDP growth could reach 4.2 percent according to forecasts by the European Commission. However, there are significant risks that the differing pace of recovery could lead to a growing divergence between members of the Euro Area. While export-oriented economies such as Germany and the Netherlands could benefit from increased external demand, countries dependent on tourism and hospitality could see a slower recovery. Moreover, structural factors, such as the high rate of unemployment in Spain and Greece, could hamper the recovery in these economies.

Likewise, for the US, 2021 could bring a more robust recovery as the rollout of the vaccine should help contain the ongoing COVID outbreak and restore consumer confidence. The potential for greater government spending could see a steeper yield curve. In the medium to long term, we could see a program of public investment aimed at greening the economy.

The UK may see a boost from an early vaccine roll-out, which could see a lifting of social distancing restrictions by the end of June. However, the impact of Brexit will hold back recovery in 2021, with growth potentially reaching 6 percent and GDP not reaching its pre-Covid level before Q3 2022.

In countries across East Asia, efforts to contain the pandemic have been largely successful and, as a result, GDP contraction over the course of 2020 has been more limited. After shrinking by a record 6.8 percent year-on-year in the first quarter of 2020, China’s GDP rebounded strongly in the second and third quarters and this consistent pattern of growth should continue into 2021.

The year 2020 could well be a watershed moment for the world economy. The unprecedented scale of the pandemic’s economic shock may lead to deep and widespread shifts to how we work and buy. Adapting to these changes will be key to securing sustainable improvements to productivity and living standards.

Yael Selfin
Chief Economist
KPMG in the UK
Key C&R M&A themes 2021

In 2021, we expect Consumer & Retail players to keep adjusting to changing consumer behavior while keeping an eye on long-term growth. Analyzing consumer players’ strategies for 2021 and beyond, we expect continued long-term investment in Health and Wellness, digital transformation and channel expansion.
In that light, we expect Consumer & Retail M&A deal making to be driven primarily by three major factors: Portfolio Optimization, Capability Expansion and Sustainability.

**2021 Trend #1: In pursuit of the right owner — Portfolio optimization**

In 2020, large players undertook strategic reviews and disposed of assets that were not core to the business or a poor portfolio fit, for example: Kraft Heinz’s Cheese business, Coty’s Professional and Retail Hair business and Imperial Brands’ premium cigar business. We expect to see several such announcements in the new year, with players either adding value in their portfolios or deleveraging balance sheets for profitability.

This is not limited to product categories, as players are also exiting geographies where they do not have a strategic intent to grow, in turn redeploying capital in markets considered strategic in the long term. Assets coming out of such strategic reviews are expected to lead to mega deals in 2021. Private Equity (PE) firms with ample ‘dry powder’ to invest and increase exposure in the sector (US$1.5 trillion\(^4\) in unspent capital was reported at the start of 2020) are well positioned to be preferred buyers.

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**Walmart in 2020\(^3\)**

**What’s out of their portfolio?**

**Argentina**
Sold domestic retailer to Grupo de Narváez

**Japan**
Sold Seiyu to KKR and Rakuten
US$1 billion

**United Kingdom**
Sold majority stake in ASDA’s grocery business to Issa Brothers
US$8.8 billion

**What grew in their portfolio?**

**India**
Increased stake in Flipkart
US$1.2 billion

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\(^3\) Thomson Deals, accessed on 5 Jan 2021

\(^4\) [https://www.cnbc.com](https://www.cnbc.com)
2021 Trend #2: 2021 Wishlist ‘In speed to door’ — Capability expansion

Key learnings from the pandemic include the importance of agility, the advantages of a strong-and-short supply chain and the need for direct customer engagement. The use of digital channels has accelerated rapidly and is expected to continue.

From our survey report, of

43% of consumers using in-person channels to contact brands for support,

33% have now switched to digital.

Most sector players who lacked an online presence faced supply and distribution challenges. Companies pursued two solutions amid several government-imposed restrictions: Inorganic — partnerships with players such as food-delivery operators offering last-mile connectivity and distribution; Organic — through innovation, such as PepsiCo launching Pantrystock.com and Snacks.com, direct-to-consumer websites for personalized orders at home.

Most large, fast-moving consumer goods (FMCG) players seem determined to strengthen their D2C channels and exert more control over their digital presence, while investing in capabilities to converge supply chains for online and offline channels, along with the consumer buying journey and product return journey. This is expected to reduce costs while better meeting consumers’ online preferences and enhancing consumer-data use amid evolving consumer behavior. Nestlé made two such investments in its DTC capabilities in Q4 2020, fresh-meal delivery service Freshly in the US, and UK meal-kit service Mindful Chef.

Another trend worth watching in 2021 is fintech expansion, as online and non-store purchases are projected to grow from 14.4% to 19.2% by 2024 in the US alone. Meanwhile, the digital-payments market is projected to grow at a CAGR of 13.5% over 2020–25.

5 www.emarketer.com
6 www.mordorintelligence.com
This is expected to propel M&A deal making among consumer players looking to strengthen financial technology capabilities. In another example, Walmart is turning four of its stores into laboratories that will test ways to turn the company’s huge physical footprint into a more-powerful force for e-commerce.

Global US food giants Mondelez International\(^8\)
Intends to increase investments in social media, data-driven engagement and online shopping innovations to strengthen direct-to-consumer capabilities.

General Mills\(^9\)
Intends to invest in similar capabilities, particularly data and analytics.

We expect consumer players to keep investing in assets inorganically, especially looking for assets that enhance capabilities across both the back-end and front-end (supply chain, and marketing and distribution respectively).

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The new reality is pushing consumer companies to fully digitalize, to have agile supply chains, to leverage consumer data and to use technology and social media to keep the consumer engaged at all times. We expect the consumer companies who keep up with these aspects to come out stronger from the uncertainty.

Mark Harrison
Partner,
Transaction Services

\(^7\) [www.cnbc.com](http://www.cnbc.com)

\(^8\) Mondelez Inc, Investor call notes, Thomson Investext

\(^9\) General Mills, Investor call notes, Thomson Investext
2021 Trend #3: Sustainability

In our report last year, we touched upon sustainability as a key pillar of business growth. Increasing consumer demand for sustainable products and business solutions, and corporates’ intent to comply with UN Sustainable Development Goals, have driven this trend. We see this continuing trend reflected in KPMG’s latest analysis, where 76 percent of the world’s 250 largest companies10 surveyed are now including sustainability data in their annual reports.

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10 By revenue, based on the Fortune 500 ranking of 2016.
Consumer players continue to ambitiously innovate and ramp up every layer of their operations to achieve sustainability goals. This ranges from the straight-forward, digitalising paper invoices, to the industry-specific innovations such as alternative plant-based foods and the shift to resource-friendly ‘circular-economy’ initiatives that minimize waste. Unorthodox partnerships are also driving progress — witness footwear-giant Timberland partnering with tire manufacturer Omni United to produce footwear using recycled tires. Such actions are resonating with consumers: Dollar sales of plant-based meat, for example, grew 38 percent from 2017 to 2019, according to the Good Food Institute (GFI). And the eco-trend appears strong enough to be long lasting: in the US alone, sustainability-marketed products represented 54.7 percent of total 2015–19 CPG market growth, even though they make up only 16.1 percent of CPGs.

Large companies such as Nestlé, Mars, Danone, Coca-Cola and PepsiCo have set ambitious targets to use recycled plastic in product packaging. These changes directly address concerns among consumers and lawmakers regarding the harmful environmental impact of single-use plastic.

**No time to wait**

The pandemic has placed new pressures on businesses to hasten the pace of change. The latest KPMG Global CEO Outlook survey reveals that CEOs in the C&R sector believe the pandemic has greatly accelerated the race toward digitalization and next-generation operating models. Over half believe the timetable for change has advanced by months, while more than one third feel it has advanced by years.

It has become clear any time lost to the pandemic needs to be quickly recouped and compensated for. While internal process improvements can help companies meet sustainability goals, strategic M&A may help bring about a crucial step change. M&A offers a suitable and agile bridge to achieving sustainability targets, enabling companies to bring new capabilities and products quickly to market.

But how easy is it to include or assess the sustainability of an asset being acquired or sold? Most companies struggle to measure sustainability in the deal-making process and risk drifting away from their long-term goals. However, appropriate due diligence for ESG-related insights in the pre-deal, in-deal and post-deal phases can position buyers and sellers for a successful M&A journey.

**COVID-19’s impact on sustainability**

The pandemic has given consumers new insights into just how closely the environment and human health are interconnected. Prior to COVID, ‘sustainability’ typically focused on environmental issues such as plastic waste and carbon emissions. But the pandemic has broadened the public’s perspective to include people, workforces, suppliers and supply chains. As more people replace daily commuting with work-from-home arrangements, and as business travel gives way to conference calls, the reduction in workforce mobility could be a silver lining for a greener future and more-sustainable economies.

The pandemic has certainly propelled an eco-friendly shift in consumer buying behaviors and preferences. Direct-to-consumer (DTC) channels have proliferated, enabling companies to stay closely connected to consumers, identify and respond to their needs, and strengthen customer relationships and brand loyalty. Several companies, including Kraft Heinz (Heinz to Home) and PepsiCo (Snacks.com and PantryShop.com) have pivoted into DTC channels via organic and inorganic means.

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11 IRI and the NYU Stern Center for Sustainable Business
While transforming distribution channels unlocks revolutionary new advantages for services and customer-centricity, it can also help meet key corporate sustainability goals. DTC channels may also improve last-mile distribution efficiency, as transportation is no longer needed from distribution channels to stores and from stores to consumers. Increased DTC reliance — online grocery sales are expected to form 21.5 percent of total sales — will eventually help to achieve economies of scale and solve the major challenge many of today’s sustainable products face: that they are typically expensive to buy and produce.

According to a Euromonitor survey, 30.8 percent of management leadership believed, prior to COVID, that the high cost of sustainability was the biggest barrier — and that number has increased to 35.3 percent since the pandemic hit.

The pandemic has dented some sustainability efforts in the short term, unfortunately, as players take steps to expand margins and control costs amid expectations that consumer spending will weaken as recession fears grow. Meanwhile, reliance on single-use plastic is expected to increase for the time being amid public-health concerns and high demand for items such as disposable masks, gloves and protective goggles.

For the long term, however, companies are expected to continue investing in sustainability across procurement, production, processing and packaging.

Consumer players will build on their commitment to sustainability in the following ways:

**Announcing ambitious plans and investments.**

For example, L’Oreal announced that by 2030, 100% of plastics used in packaging will be from recycled or bio-based sources.

**Enhancing supply-chain transparency.**

Mars, to slash palm oil suppliers by 94% to help root out deforestation.

**Pursuing M&A deals,** such as P&G’s acquisition of environment-friendly feminine brand, This Is L.

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12 [www.supermarketnews.com](http://www.supermarketnews.com)
13 [www.euromonitor.com](http://www.euromonitor.com)
14 [www.loreal.com](http://www.loreal.com)
15a [www.supplychaindiverse.com](http://www.supplychaindiverse.com)
15b [www.nontwovens-industry.com](http://www.nontwovens-industry.com)
Keeping sustainability in focus

As consumers consider sustainability a key purchasing driver, companies and investors are expected to increasingly tie their ESG goals to growth — both organic and inorganic. Players are expected to keep pursuing ESG insights and impact analysis as an essential part of M&A due diligence.

While some companies are measuring asset sustainability when buying and selling, others struggle to recognize sustainability for its potential to enhance competitive advantage and financial performance.

Such buyers/sellers can primarily be divided into three categories:

1. **Fence-sitters** — those who remain neutral or uncommitted to sustainability in general and forgo sustainability measurements during deal making.

2. **Dabblers** — those who are “ticking a box” on ESG-related diligence by just focusing on process compliance and governance.

3. **Advocates** — the growing category of businesses seeking recognizable sustainability patterns in their transactions and treating sustainability as a significant factor in their decision-making — in some cases above and beyond financials.

Whether they are pursuing portfolio enhancements through ESG-driven acquisitions, or value creation through ESG integration during the divestment process, Advocates wisely consider sustainability an integral part of corporate growth strategies throughout the M&A lifecycle phases — pre-deal, in-deal and post-deal.
How Advocates are integrating sustainability throughout the M&A lifecycle

Pre-deal phase
Advocates re-focus portfolios toward sustainability via more-robust and strategic M&A decisions, while Fence-sitters and Dabblers struggle, unable to assess or capitalize on the value of ESG along with selected KPIs of potential targets for screening purposes, or owned assets for portfolio evaluation.

In-deal phase
Advocates tend to adapt their M&A strategy based on their holistic understanding of an asset, conducting ESG due diligence to gain insights, mitigate potential sustainability-related risks and capture hidden opportunities.

Post-deal phases
Advocates translate ESG learnings into actions for the newly acquired asset and current portfolio by: implementing measures developed during ESG due diligence; leveraging best practices across the portfolio; and preparing assets that are to be divested.

Analytics firm SustainAnalytics analyzed 231 M&As completed between 2011 and 2016 to measure financial success of M&A deals. They looked at the link between the ESG scores of companies involved in mergers and acquisitions (the targets and the acquirers), and the companies’ financial success. ESG scores served as a proxy for firm culture. When the merging firms’ ESG scores are highly compatible, the integrated firm was more likely to experience financial success post-deal deal versus deals where the ESG scores showed less compatibility16.

Cumulative Total Returns of Acquiring Companies in M&A Deals
(Percentage over Years)

Source: SustainAnalytics, Bloomberg

16 www.sustainalytics.com
Buyer’s guide for sustainability

ESG appears to have a direct impact on EBITDA. We analyzed several M&A transactions in consumer sub-sectors to understand ESG deals’ financial metrics and value drivers and observed 14.4 percent higher average EBIT multiple of 23.3x for sustainability-driven acquisitions between 2017 and 2019 compared to others.

With increasing socio-economic pressures due to COVID-19, companies need to demonstrate that they value their workforce, customers and the environment equally in order to foster long-term success. Businesses can get ahead of the game by redeploying capital and actively looking for sustainable brand acquisitions, while reorganizing portfolios and disposing of assets not deemed sustainable. This can be transformational and may not involve mega deals alone but also deals for small innovative brands featuring transformative business models.

Total number of transactions and share of sustainability-driven deals (2015–2019)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of transactions</th>
<th>Share of sustainability-driven deals</th>
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<tr>
<td>2015</td>
<td>371</td>
<td>11%</td>
</tr>
<tr>
<td>2016</td>
<td>385</td>
<td>16%</td>
</tr>
<tr>
<td>2017</td>
<td>372</td>
<td>18%</td>
</tr>
<tr>
<td>2018</td>
<td>361</td>
<td>18%</td>
</tr>
<tr>
<td>2019</td>
<td>346</td>
<td>18%</td>
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</tbody>
</table>

Source: Mergemarket, Capital IQ

Subsectors analysed: agri-processing/cereals, baby food, dairy products, soft beverages, sugar and confectionery; classification of deals as “sustainability-driven” based on keywords, e.g. environmental-friendly, sustainable, healthy, plant-based, organic, fair trade, recyclable, social etc.;
For instance, Danone VC invested in 12 firms that are focused on shaping a sustainable future. Such acquisitions not only help to achieve sustainability goals among products and processes, they are also seen as a key to entering new markets. In 2017, Nestlé entered the plant-based segment by acquiring Sweet Earth and has since multiplied its presence with several more brands.

It is worth noting that the MSCI Social Responsibility Index and the MSCI World Climate Change Index have outperformed the broader MSCI World Market Index by 4 percent, indicating higher value creation in shareholder returns through sustainable assets:

Relative performance of MSCI indices
From Dec 2019 to Dec 2020, baseline: Dec 2019 at 0%

Players are treading carefully while screening investment targets, making sure that each target fits well with their ESG metrics and will create value in the long term.

Time for Fence-sitters and Dabblers to catch up

A 2017 survey report from Capital Dynamics showed that at least 76 percent of private-equity managers perceived ESG as a value driver, and private funds are now willing to pay a premium for ESG or claim deal-price reductions. It is considered as value driver with direct impact on EBITDA.


19 Capital Dynamics study based on survey of general partners 2017, Principles for Responsible Investments (PRI)
Take note, however, that some challenges remain — even for Advocates. This is far from hard science with guaranteed outcomes. ESG addresses many intangibles, non-quantifiable risk, and defies historical forms of analysis. The scope and scale of environmental disruption have a broad set of possible outcomes. However, the direction is becoming clearer.

Most industry players remain Fence-sitters and Dabblers — sustainability is not a core driver for most M&A transactions currently. Going forward however, the industry is expected to follow the Advocates, with an eye on the long-term to include sustainability as core for M&A in order to enhance value in the portfolio and an attractive return when the owner decides to exit.

According to Nielsen, the US sustainability market alone is projected to reach US$150 billion in sales by 2021.

Sustainability impacts perceived value on several levels: brand, product and company.

76% general partners (PE) will increasingly use ESG factors for value creation

54% will often or occasionally reduce bid price based on ESG analysis

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Author biographies

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Sectors outlook

Revival beyond the precipice
2020 Themes

— Consumers sharpened their focus on health and wellness, especially plant-based alternatives that registered 27 percent YoY20.

— Frozen food sales recovered in 2020 as at-home consumption increased: sales jumped by 80 percent and 94 percent YoY, respectively, during the last two weeks of March21.

— Demand for low- or no-alcohol drinks pushed companies to innovate. Coca-Cola announced its entry into seltzers with Topo Chico22.

— Increased at-home consumption and wallet pressure adversely impacted the beverage category, such as functional drinks, which are expected to contract by 2.5 percent in 202023.

M&A Tailwinds

— Large players are expected to increase exposure in Direct-To-Consumer (DTC) offerings (Nestlé acquired Freshly and Mindful Chef)24.

— Corporates, undergoing portfolio reviews, may exit categories and brands that are not core to their strategy, such as Molson Coors selling its CEE businesses25.

— Health and wellness is expected to stay at the top of agendas, for instance, Unilever acquiring innovative Oral Rehydration Solution company Liquid IV in the US26.

— Consumer preference for low-/no-alcohol drinks may push beverage players to enter the category inorganically to make inroads faster. Hard Seltzer is expected to grow at 16 percent to reach US$14 billion over 2021–2727.

M&A Headwinds

— Some players are expected to be cautious, due to the uncertain macro environment, before making any M&A decisions.

2021 Outlook

— Evolving consumer preferences may elevate at-home consumption, and big trusted brands could remain strong going forward, venturing into high-growth markets such as ASPAC and Brazil.

— Carve-outs of assets are expected, either distressed or not core in portfolios. For example, the recently announced strategic review, including possible disposal of parts of Nestlé’s North American Waters business28.

— Alcohol players may invest in Hard Seltzers that are expected to grow at 12.7 percent CAGR over 2020–2529, and expand into channels inorganically and organically.

— Soft-drink players may sell distressed brands or reduce portfolios to bring innovative offerings: Coca-Cola invested in Endian, famous for its relaxation drink Chill Out30.

Sustainability driven M&A

— Players pursuing aggressive sustainability targets, outperforming most large players in the MSCI index, are sitting in the top 5 percent, for example, Danone31. The company is doing a strategic review and could carve out assets that do not comply with its long-term ESG vision.
2020 Themes

— COVID-19 has elevated demand in the home-hygiene sector: Reckitt reported a 19.5 percent hike in like-for-like sales in the hygiene business in 3Q 2020 as compared to 4 percent in 4Q 2019.32

— Personal-care segment showed resilience, with some stability due to over stocking.

— Pet care grew significantly as pet adoption rose during the pandemic. The pet-care sector is expected to grow by 4 percent annually to US$120 billion by 2024.33

M&A Tailwinds

— Consumers taking a more proactive approach to nourishing body and mind may push companies to expand into premium-health focused categories through M&A.

— Home-care companies have plenty of cash and financial flexibility to pursue growth organically and inorganically. For instance, Clorox Q1 2021 sales increased 27.2 percent to US$1.92 billion, its highest quarterly growth in decades.34

— Companies could continue to move into adjacencies, and premium products within existing categories, to increase exposure in the whole spectrum of products, especially high-growth sub-sectors. For instance, Protex launched the premium anti-acne segment — a high-growth adjacency.35

2021 Outlook

— Portfolio optimization may lead to large players disposing of non-core assets, such as Unilever CFO announcing the possible sale of small personal-care brands.36

— Consumer players/PEs may look at assets that offer premium pet products, to leverage the high-growth trend (Alvarez & Marsal acquired premium pet-care company BrightPet Nutrition Group).37

— Inorganic and organic expansions into digital capabilities are expected among companies pursuing higher customer engagement. For instance, Boots No7 in the UK launched free beauty services via phone.38

Sustainability driven M&A

— Players may increase exposure in assets that have strong ESG standards. In 2020, Beiersdorf acquired natural cosmetics brand Stop The Water While Using Me.39

M&A Headwinds

— Players to tread carefully in the beauty and personal-care segment due to a decline in wallet size and fewer occasions for consumers to socialize.
2020 Themes

— E-commerce experienced rapid growth as consumers were forced to stay at home due to lockdown. About 16 percent of retail sales in 2Q were online, a 44.5 percent increase YoY40.

— Grocery retail remains unaffected from COVID as consumers prioritized essentials; on the contrary, non-food retail suffered in 2Q amid extended lockdowns in several countries.

— Luxury fell off in 2Q but recovered due to rapid growth in the largest luxury market of China, contributing 20 percent to the sector41.

— Casual dining declined due to movement restrictions and lockdowns in major geographies. TGI Friday’s is to permanently close up to 20 percent of its US restaurants42.

M&A Tailwinds

— Assets that have survived thanks to government support may come to the market as support ends. In the US, retail sales declined 0.9 percent MoM in July after the government’s stimulus withdrawal43.

— Fashion retailers with online presence may see investment by large retailers expanding channels.

— Companies may look at JVs and non-traditional arrangements with technology players to converge online and offline supply chains, including customer buying and return journeys.

— Players may off-load physical assets, moving away from asset-heavy models to save cash and increase profitability.

M&A Headwinds

— Due to COVID distress, players are expected to focus on improving profitability organically.

2021 Outlook

— Government support in countries such as China may bring temporary relief in the sector. We expect more activity in grocery and food retail, especially with multi-channel presence.

— The sector is not expected to witness big deals as players focus on cash over extensive growth.

— Casual dining players may look at entering the off trade through acquisitions or innovations. For instance, Pret A Manger launched retail coffee through Waitrose and online channels44.

— PE may continue increasing exposure in online retailers through minority stake increases or bolt-on acquisitions. KKR invested US$75045 million in Indian retail conglomerate Reliance.

Sustainability driven M&A

— Players may look at investing in capabilities for sustainable solutions. For instance, IKEA launched its first second-hand furniture store in Sweden, aiming to become a circular business by 203046.

40  www.emarketer.com
41  www.tradersinsight.news
42  www.bloombergquint.com
43  www.ft.com
44  www.cateryst.com
45  www.financialexpress.com
46  www.thenewsmarket.com
Geographic outlook

Themes in 2020

— M&A slowed down over April–August, owing to a surge in COVID cases to record levels, but deal activity picked up rapidly from September, driven by domestic players and consolidation in retail.

— The capital markets saw a surge in IPOs, with retailers looking at offering shares at modest valuations. As many as 13 companies executed IPOs in Q3 alone.

M&A 2021 outlook

— PE will continue to exit the market through capital markets. Warburg Pincus exited two of its assets, including pet retailer Pet Center Comercio e Participacoes\(^{47}\), and Advent sold building-material retailer Lojas Quero-Quero for US$400 million in August 2020\(^{48}\).

— Low interest rates (from 6.5 percent to 2 percent within 16 months to October 2020)\(^{49}\) are expected to help firms expand inorganically.

— Retailers are expected to pursue an asset light model, to enhance liquidity to grow and expand capabilities into e-commerce and digital solutions, fintech and logistics.

— Stable inbound deal activity is expected in the market in 2021 due to high exchange rates and rapid recovery that the country has seen lately. However, in 2020, inbound deals contracted 17 percent YoY.

Retailers in the country are well positioned with solid capital structure and equity story to have a run for the capital markets and get funds needed for investments in expanding capabilities.

Alan Riddell
C&R Lead, DA KPMG in Brazil

COVID impact (2019–2020) announced deal volume*

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*deals worth US$3 bn (↑ 38% YoY)

104 (+ 30% YoY)

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\(^{47}\) www.bloomberg.com

\(^{48}\) www.lavca.org

\(^{49}\) www.tradingeconomics.com
Americas | Canada

Themes in 2020
— M&A activity was impacted by pandemic uncertainty, primarily in retail and consumer goods, particularly in the first three months. This was compounded by uncertainty in the US elections. Larger players, especially in personal care and beauty such as KIK cosmetics, delayed M&A as per Mergermarket.
— Activity in COVID-resilient segments such as food distribution and healthcare remained stable through the latter half of 2020.

M&A 2021 outlook
— Canadian players may look to the US for growth in category and channels. For instance, Pharma player Thoughtful Brands, a Vancouver-based pharmaceutical company, acquired US online natural-health products firms Golden Path and Wild Mariposa.
— PE, however, did cut back on investments in the region [18 percent fewer deals over 2019–2020] but investment in food and beverage stayed stable, especially in health and wellness products.
— There is a desire to strengthen balance sheets and refocus on core operations, and significant PE dry powder is likely to be an exit solution for many of these corporate initiatives.

“Non-core carve-outs by larger market participants, COVID resilient sub-sectors, and cross-border private equity activity are anticipated to be primary drivers of M&A activity in 2021.”

Derek Melo
C&R Lead, DA KPMG in Canada

COVID impact (2019–2020) announced deal volume*

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157 deals worth US$3.6 bn (17% YoY)
Themes in 2020

— M&A activity slowed over 2Q but normalized as management realized that the COVID situation is here to stay.

— Market turmoil continued to drive corporate portfolio reshaping, and a significant acceleration in e-commerce pushed PE/financial investors to increase exposure (43 percent more deals than 2019).

— Inbound activity increased 6 percent, driven by EMEA-led investors.

M&A 2021 outlook

— E-commerce players are expected to shore up assets around the world by increasing digital capabilities and scope of technological enhancements (2020 witnessed 80 percent higher deal activity, 72 deals, in eRetail YoY).

— PEs/Corporates will continue to monitor portfolios to screen assets, focusing on core products and redeploying capital in core as well as ESG assets. HCAP Partners invested in subscription-based bamboo diaper player Dyper and Earth Baby, a US-based diaper-composting service51.

— Distressed assets may come to the market in casual dining and non-food retail, as the government has withdrawn its stimulus. TGI Fridays Restaurant & Bar closed 20 percent of its restaurant outlets in 202052.

— Inbound is expected to be stable from Asian countries looking to expand internationally through value assets. For instance, Harbin Pharmaceutical Group acquired GNC Holdings post-filing for Chapter 1153.

— Outbound is expected to slow down due to economic uncertainty; it declined 16 percent in 2020. However, ASPAC still remains an area of interest, with Walmart Inc. expanding its stake in Flipkart 81.3 percent (US$1.2 bn)54.

Kevin Martin
C&R Lead, DA KPMG in the US

COVID impact (2019–2020) announced deal volume*

There is continued appetite to use M&A as a growth lever in both the US and globally, but players are expected to move with caution to ensure the outcome is aligned with the strategic vision of a new normal.

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Europe | France

Themes in 2020
— Both volume and value were impacted by the pandemic and stayed subdued over Q2–Q3 2020, driven by 37 percent decline in domestic activity.
— Cross-border transactions were more resilient: while inbound deal activity suffered and declined 31 percent, outbound increased 3 percent, demonstrating the continuing drive for French businesses of all sizes to expand geographically.
— Since the announcements of the successful vaccine test results, we can see confidence bounding back into investment appetite and we now see that deal activity, while having been delayed, is now clearly turned back on.

M&A 2021 outlook
— For 2021, the key themes will accelerate, such as eRetail, environment, organic, plant-based, convenience, personalization, etc.
— The majors are seeking innovative products and route to market. Such transactions will be highly fought over and transaction pricing high.
— In times of uncertainty and low inflation, high-quality food staples are being sought after by private equity funds, such as PAI’s recent acquisition of 60 percent of Euro Ethnic Foods (Grand Frais)\(^5\)\(^5\)
— In addition, we see some majors rationalizing their portfolio to refocus on market leadership and growth, such as Danone\(^5\), which is undergoing a strategic review and, as per press reports, the company may sell some of its assets that are not core to its strategy, as have Unilever and Nestlé in the past.

We are seeing the M&A market and transaction prices rapidly bounce back near to pre-pandemic levels and we expect this to continue in 2021, particularly for mid and large deals which have come through the pandemic in good health.

Julian Parsons
C&R Lead, KPMG in France

COVID impact (2019–2020) announced deal volume*  

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\(^5\) Press Release: PAI acquires majority stake in Euro Ethnic Foods  
\(^6\) www.globenewswire.com

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Themes in 2020

— M&A activity witnessed a slowdown but total deal value increased multifold in 2020, largely driven by EP Global Commerce GmbH stake increase into Metro AG57.

— The sector witnessed 38 percent of deals having financial buyers, a 13 percent increase from 2019. The rise was driven by retail investments online, DTC and offline.

M&A 2021 outlook

— The consumer players are expected to scout for assets that either have niche product proposition to expand or have exposure in digital channels.

— As per recent press reports, the optical retail sector may see consolidation in Europe, with EssilorLuxottica possibly looking to target German eyewear retailer Fielmann, as per Mergermarket intelligence reports.

— Retail players will continue to trim portfolios to manage balance sheets and dispose underperforming assets. For instance, recent news reports suggest adidas is looking to sell Reebok58.

The market is seeing a different trend in PE activity where the PEs are not looking at buying an asset, turning it around and selling it, but turning around and growing it.

Rodriguez Gonzalez
C&R Partner, KPMG in Germany

COVID impact (2019–2020)
announced deal volume*

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57 www.epglobalcommerce.com
58 www.bloombergquint.com
Themes in 2020

— M&A activity was significantly impacted by the pandemic and contracted in both value and volume.
— Retailers suffered due to store closures and were cautious, with a 46 percent decline in deals; however, investment in eRetail (11 versus 5 for 2019–2020) doubled.

M&A 2021 outlook

— PEs are well positioned to scout for quality assets in the market. Financial investors across Europe stayed invested in food and beverage assets, with 26 deals in 2020 (24 percent increase over 2019).
— Digital transformation deals are expected in the market, especially for DTC assets, owing to consumer trends.
— Players are expected to look at 2019 and 2018 financials while assessing target valuations.

The players are adjusting to the new normal and are expected to stay cautious for 2021. The M&A strategy will focus on sustaining cash position and yet meeting long-term goals.

Lorenzo Brusa
DA C&R Lead, KPMG in Italy
Europe | Netherlands

Themes in 2020

— M&A remained subdued in the sector, with recovery beginning only in the last quarter.

— High street retail and apparel retail, in particular, lost a lot of appeal to investors, for example the sale of HEMA to Parcom after bond holders took control. But investment in Gymshark by General Atlantic, US$1.3 billion (four times last year’s revenues), proved premium valuations are possible for successful apparel businesses.

M&A 2021 outlook

— High-growth categories emerging in health and wellness assets may see a spike in M&A activity. Since there is a scarcity of quality assets in the sector, we expect a lot of competition, for example Peak Rock acquiring healthy snacks company Halo Foods in a competitive bid.

“M&A valuations are aggressive for quality assets, especially those assets with COVID resilience, fueled by low interest rates, record level private-equity dry powder and high leveraged finance liquidity.”

Onno Groeneveld
DA C&R Lead, KPMG in the Netherlands

COVID impact (2019–2020)

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Deal trends

2019–2020

79 deals worth US$11 bn

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69 www.spglobal.com
60 www.retailgazette.co.uk
61 www.pennews.com
Themes in 2020

— Deal volumes started to recover post-August as all deals delayed due to pandemic restrictions started coming back into the market.

— There was a 40 percent increase in investments by financial investors, driven by investments in retail. Thailand’s Central Group bought retailer Globus and other real estate assets in a joint venture with Austria’s Signa worth US$1.03 billion62.

M&A 2021 outlook

— The market is expected to be resilient in 2021, with deals expected to recover to pre-pandemic levels, given the need to actively manage portfolios as players focus on strategic long-term plans.

— There was an increase in eRetail deals (six in 2020 versus two in 2019). This trend is expected to continue, with COVID accelerating the consumer shift to online and retail’s focus on direct customer relationships.

“We would normally expect investors to hunker down, given macroeconomic indicators, but today corporates and even financial investors continue investing to sustain business growth and acquire capabilities that are becoming even more essential in a post-COVID world.”

Joshua Martin
DA C&R Lead, KPMG in Switzerland

62 www.reuters.com
Europe | UK

Themes in 2020

— M&A slowed down in 2020 after a good start in 1Q. Activity from Q2-Q3 was subdued due to the impact of COVID-19 and uncertainty over the macro-economic environment. There was a marked increase in activity towards the end of Q3, reflecting improved confidence, and delayed M&A processes recommencing for businesses that had traded well through COVID-19.

— Channel shift accelerated and E-commerce penetration increased from 22 percent to 35 percent of retail sales63, driving a 16 percent YoY increase in 2020 Internet and catalogue retailing deal volume (29). PEs were key investors in the sub-sector as firms sought capital to drive growth.

M&A 2021 outlook

— Health and wellness to remain a key M&A theme, with companies looking at assets that can meet consumer health and wellness needs.

— Private Equity and Corporates are expected to keep pursuing digital transformation through inorganic growth, especially to improve e-commerce. In 2020, 61 percent of C&R transactions, up from 47 percent in 2019, had financial investors.

— Given COVID-19’s impact on accelerating channel shift, many businesses are looking at inorganic growth (acquisitions and partnerships) to drive DTC and e-commerce exposures. Nestlé acquired DTC player Mindful Chef64 and it is expected that DTC/e-commerce will drive a significant volume of transaction volume in 2021.

— Global businesses such as Unilever are undergoing portfolio reviews and we expect non-core assets to be candidates for disposal65. PE houses hold significant undeployed capital and are attracted to complex carve-outs to create value.

— Companies are increasingly focused on ESG and this is expected to gain importance in investment decisions.

Despite the macro-economic trends, there are pockets of high growth in the sector and businesses are looking to raise capital. The investment environment in the sector is positive and we expect the rebound in activity to continue into 2021, with the long trends of health and wellness, e-commerce and sustainability being key attributes of the most-attractive businesses.

Nick Wansbury
C&R Lead, KPMG in the UK

COVID impact (2019–2020) announced deal volume*

63 www.emarketer.com
64 www.just-food.com
65 www.thedrum.com
Themes in 2020

— M&A activity was impacted temporarily by a decline in both domestic and inbound transactions in consumer and retail sector. Post-July, strong activity in e-commerce and retail IPOs was observed.

— Many transactions that went on hold in March came back to market in 3Q and 4Q. For instance, Kirin’s divestment of the Lion Dairy & Drinks business66.

M&A 2021 outlook

— In 2021, the M&A market could see some distressed assets in mid-markets as government subsidies end after March.

— Domestic PE funds are active in retail, with 25 transactions in 2020, and are expected to keep scouting food and beverage and eRetail for assets.

C&R M&A is resilient and is expected to see carve-outs from large multinationals that may look at exiting the market.

James Hindle
DA C&R Partner, KPMG Australia

66 www.just-drinks.com
Asia Pacific | China

Themes in 2020

— China’s economic activity recovered strongly following a drastic slowdown in Jan.-March 2020 and reached pre-COVID levels as pandemic controls eased starting in March.

— Chinese M&A was dominated by PE-sponsored deals (54 percent of total volume) and favored technology and ecommerce.

— The country registered some large deals, inflating the total deal value to a phenomenal US$55 billion, owing to four deals greater than US$4 billion in 2020.

M&A 2021 outlook

— Global companies remain positive about China’s growth, as foreign direct investment into China rose 4.5 percent YoY to US$144.37 billion in 2020 YoY.

— Large global corporates are expanding their presence in China, especially leveraging digital and omnichannel to reach consumers in tier 3 and below cities. NZ’s Geoskincare announced it will replicate its rapid growth in China inorganically via digital channels.

— Health and Wellness is expected to remain a priority and a growing trend among consumers. Soft drink and alcoholic drink makers are expected to enter healthy drinks such as functional water. In 3Q 2020, Tsingtao bought Nestlé’s Chinese water assets.

— Companies with online presence are expected to pursue M&A or agreements to shift their heavy reliance on large platforms and outsourced services, to bring consumer data and core digital competencies under their control.

— Digital capability expansion: convergence of online and offline processes with respect to distribution, supply chains, product journey and return journey.

Strategic buyers are looking for assets that are trying to build niche product categories, to reach consumers with well-defined personas. Such assets resonate well with the market, as consumers invest more and more on health and wellness.

Wei Lin
Strategy Lead, KPMG China

COVID impact (2019–2020) announced deal volume

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Themes in 2020

— M&A activity started a recovery post-July, as the country witnessed a steep rise in COVID cases that disrupted the market. However, deal values multiplied amid large transactions in retail, most related to either retail conglomerate Reliance selling its stake, or Future Group’s reorganization.

— Sector players shelved acquisition plans and focused on conserving cash.

M&A 2021 outlook

— 2021 is expected to witness healthy M&A activity in the consumer sector, with high interest from global financial investors seeking higher exposure in high-growth sectors such as ethnic snacks [estimated to grow 34 percent vs 2015–2070⁷], DTC personal-care brands [estimated to grow US$100 billion by 2025⁷¹] and home-improvement retail [expected to grow 13 percent during 2020–24⁷²].

— Large retail players are expected to use the current macro-economic environment to buy assets that offer portfolio expansion to fill white space. Aditya Birla Fashion & Retail, backed by a large conglomerate, will selectively evaluate value accretive assets to strengthen its portfolio.

— Niche personal-care players offering organic and natural products are expected to integrate vertically and strengthen capabilities organically and inorganically in manufacturing, supply chain, back end and logistics. Mamaearth⁷³, a 100 percent natural skincare brand, secured funding from several investors, including Sequoia Capital, to accelerate growth and expansion in Southeast Asia.

— Food players are also expected to stay bullish and expand capabilities in marketing and distribution through backward integration in supply chain. A large, prepared-snacks conglomerate is looking at strengthening its supply chain in southern India, especially in tier 2 and 3 cities.

The C&R sector is expected to stay active over 12–24 months, owing to solid interest from PE and international investors looking to expand their exposure in the market.

Amit Bhandari
DA C&R Partner, KPMG in India

COVID impact (2019–2020) announced deal volume*
Themes in 2020

— Aggressive M&A activity declined in 2020 due to the pandemic but Japanese M&A activity fared better than other markets, driven by an increase of 26 percent in domestic deals.

— As per the Japan Times, a drop in sales and bankruptcy drove consolidation with major players, which expanded their product portfolio.

M&A 2021 outlook

— Aggressive M&A activity has slowed as companies conservatively enter 2021 with COVID concerns.

— Outbound investment into regions contracted 36 percent in 2020 but could show momentum as mature players in Japan look across borders for growth, especially in Europe and ASPAC (India, Indonesia and South-East Asian markets).

— Several companies went private through buy backs in Japan, to better control strategic direction and diversify into FinTech and technology. Some examples are Hitachi, Sony and NTT privatizing certain subsidiaries. This trend is expected to continue in the consumer sector.

— Financial investors, including PE, are expected to stay active in the consumer sector. In 2020, they accounted for 36 percent of deals (up 28 percent over 2019) with high interest in food and beverages.

Japanese businesses are conservative in approach and may look at M&A with caution when it comes to large deals. However, there are still disposals and carve-outs expected in the market.

Chiaki Tani
DA C&R Partner, KPMG in Japan

COVID impact (2019–2020) announced deal volume*
Asia Pacific | South East Asia

Themes in 2020

— M&A started recovering post May, with inbound interest from Japan, USA, China and Private Equity targeting destinations of Indonesia, Vietnam, Singapore and Philippines.

— Singapore continues to be a hub for many global C&R companies across SE Asia and ASPAC.

— SE Asia’s largest deal — US$10.6 bn Thailand hypermart/supermarket sale – demonstrates long-term confidence in retail is continuing, despite COVID.

M&A 2021 outlook

— ASEAN as a whole is accelerating, albeit now at different rates given some strong Covid responses in Vietnam, Thailand and Singapore.

— Recently, in a first, Singapore approved lab-grown meat for consumer sale. As a hub for ecofriendly meat solutions, we expect continued interest in these early-stage ventures in Singapore, as well as broader packaged-food suppliers regionally.

— Retailers are expected to consolidate/grow their position in the online ecosystem by entering adjacent markets and building end-to-end capabilities such as finance, distribution, logistics and supply chain. With rumors of regional super app mergers and e-marketplace firms in consortia winning digital banking licenses, end-to-end consolidation will take place.

— Private Equity, US and JP investors continue to see opportunities from demographic plays in consumer foods and retail. Large companies, as they undergo strategic reviews, may also look for a better owner in SE Asia for their assets.

SE Asia is getting more and more attention from the global players and Singapore remains the entry point to this market.

Michael Habboush
DA Director C&R, KPMG in Singapore

“COVID impact (2019–2020) announced deal volume”

Jan-19 15
Feb-19 16
Mar-19 8
Apr-19 16
May-19 26
Jun-19 20
Jul-19 18
Aug-19 20
Sep-19 37
Oct-19 27
Nov-19 18
Dec-19 22
Jan-20 25
Feb-20 32
Mar-20 21
Apr-20 9
May-20 12
Jun-20 27
Jul-20 25
Aug-20 13
Sep-20 22
Oct-20 22
Nov-20 17
Dec-20 9

75 www.nytimes.com
Methodology

The information presented in the report is an analysis of announced deals in the Consumer & Retail sector over a period of 2018–20, accessed on 5 Jan 2021. The data has been sourced from Thomson Deals, where the Target company belongs to any of the following sectors: mid-industry groups: Agriculture & Livestock, Apparel Retailing, Computer & Electronic Retailing, Discount and Department Store Retailing, F&B Retailing, F&B, Home Furnishings, Home Improvement Retailing, Household & Personal Products, Internet and Catalog Retailing, Other Consumer Products, Other Consumer Staples, Other Retailing, Textiles & Apparel, and Tobacco.

There are certain adjustments made to the data to select only relevant data from the mentioned sub-sectors and exclude transactions where the target does not fall in the Consumer & Retail sector (example, professional services such as environmental consulting). The data also minimizes repurchases. The analysis is conducted on M&A transactions including mergers, acquisitions and divestitures for disclosed or undisclosed values, leveraged buyouts, privatizations, minority stake purchases, and acquisitions of remaining interest announced between January 1, 2018 and December 31, 2020, including deal status of completed, partially completed, pending, pending regulatory, unconditional (i.e., initial conditions set forth by the buyer have been met but deal has not been withdrawn and excludes all rumors and seeking buyers).

Additionally, data is continuously updated and is therefore subject to change. It may not exactly replicate the last year numbers as there are continuous additions that have been made in the back end from database.
How you grow matters. KPMG is with you, shoulder-to-shoulder, all the way to strong performance, lasting value and responsible growth. We think like an investor, looking at how opportunities to buy, sell, partner, fund or fix a company can add and preserve value. Our teams of specialists combine a global mindset and local experience with deep sector knowledge and superior analytic tools to help you navigate a complex, fragmented process. Together, we can help make your business fit for tomorrow — a future that is sustainable and secure.

_Anticipate tomorrow. Deliver today._
Author biographies

Nicola is KPMG’s Global Deal Advisory C&R Lead and she also leads Transactions Services for KPMG in the UK. She has 20+ years of experience with KPMG as a Deal Advisory specialist, advising corporate and private equity clients on sell-side, buy-side, IPO and refinancing projects. Nicola has a deep knowledge of the C&R sector and understanding of the global economic landscape, having worked on numerous cross-border transactions across the globe.

Nicola Longfield
Global Deal Advisory Head
for Consumer and Retail