KPMG

M&A sector expertise:

Consumer Goods & Retail Market Update

Q1 2025 (DACH region)

Foreword

Dear Consumer Goods & Retail community,

I am pleased to present the second edition of our KPMG M&A sector expertise: Consumer Goods & Retail. This publication provides an in-depth analysis of transactions in the Consumer Goods & Retail (C&R) sector for the DACH region (Germany, Austria and Switzerland). In this context, the publication provides an overview of M&A transactions, investment activities, including PE-backed activities, as well as PE-backed transactions, and capital market transactions with a focus on the first quarter of 2025 (Q1 2025).

In the first quarter of 2025, the M&A environment in the C&R sector showed a restrained recovery after the year 2024. Due to ongoing market uncertainties and economic fluctuations, there has been considerable volatility worldwide, forcing dealmakers to remain vigilant and adaptable in an unpredictable environment.

A slight increase in M&A activity in the sector is expected for the remainder of 2025 mainly due to strategic expansions, innovative technologies and need for digital transformation. Overall, we believe that the M&A market in the C&R sector in DACH is on a cautious recovery path with a positive outlook for the coming months.

We look forward to informing you in the coming issues of our newsletter, which will keep you up to date.

Yours,
Stephan Pastusiak
Director, Deal Advisory
DA Sector Head Consumer Goods & Retail
KPMG in Germany

Composition of the Consumer Goods & Retail (C&R) market

Consumer Goods subsectors

- Apparel & Accessories
- Electronics & Appliances
- Food, Beverage & Tobacco
- Furniture & Furnishing
- Homecare, Beauty & Personal Care
- Other Consumer Goods

Retail subsectors

- Apparel & Accessories Retail
- Bookstores
- Department Stores
- Electronics & Appliances Retail
- Food, Beverage & Tobacco Retail
- Furniture & Furnishing Retail
- Home Improvement & Gardening Stores
- Homecare, Beauty & Personal Care Retail
- Online Retail
- Optical Stores
- Other Retail

Note: Data related to companies, funding, deal volume, values and investors is not exhaustive and may not represent the complete C&R deal landscape.

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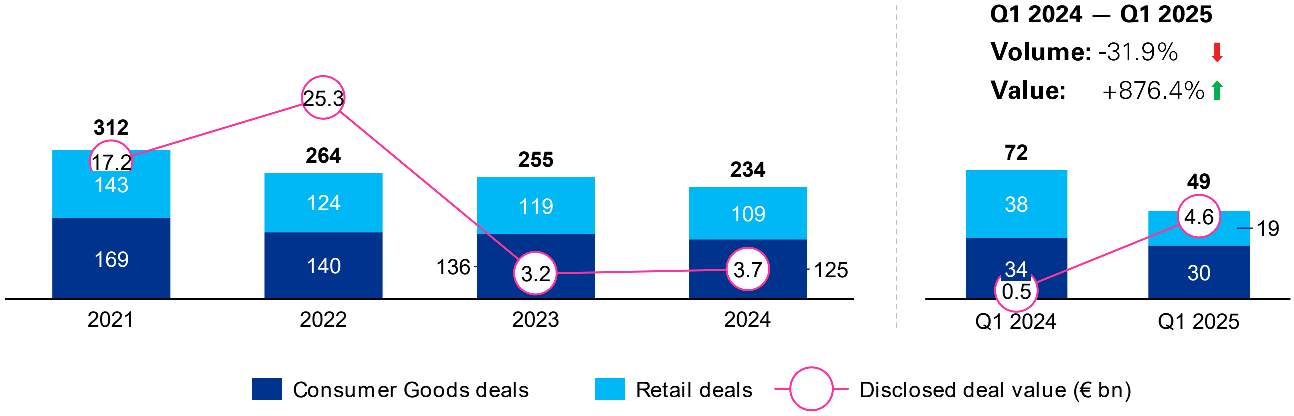
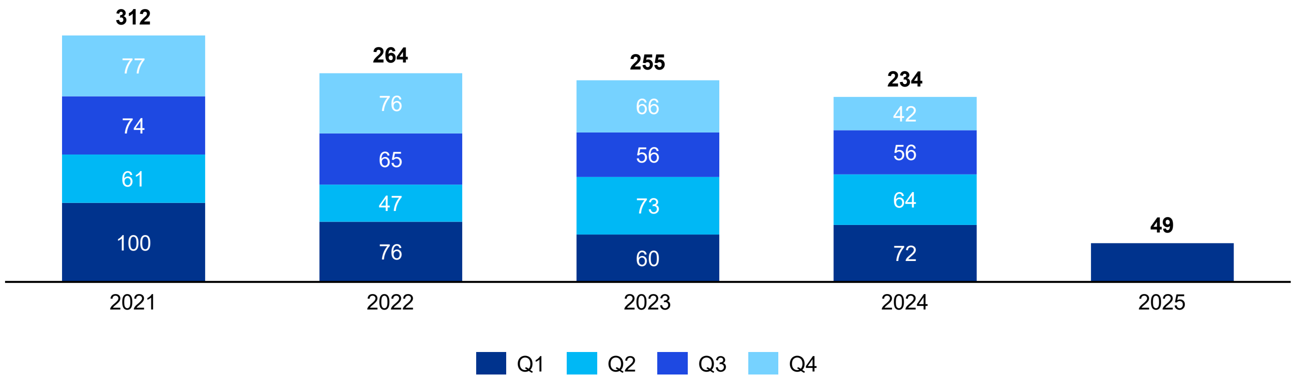
M&A Snapshot (1/4)

Deal count and value[1] (quarterly)



Deal count (quarterly)



Key highlights

The C&R sector in the DACH region registered 49 transactions in Q1 2025, achieving a total disclosed transaction value of €4.6 bn. This surge was primarily driven by EP Global Commerce GmbH’s strategic acquisition through the delisting of METRO AG, aimed at consolidating control and enhancing operational efficiency.

Despite the mega deal, the deal volume declined by 31.9%, suggesting that political and economic uncertainties may have contributed to the decrease.

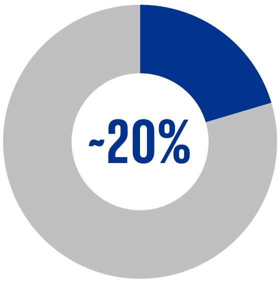
Escalating market uncertainties and economic fluctuations have introduced significant volatility globally, compelling dealmakers to remain vigilant and adaptable in an unpredictable regulatory environment.

Note(s): (1) Represents total deal value for disclosed deals
Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, a service of ION Analytics; KPMG Analysis

M&A Snapshot (2/4)

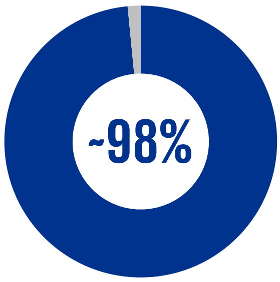
Q1 2025 M&A highlights

Food, Beverage & Tobacco accounted for the highest sector share of the deal volume, with



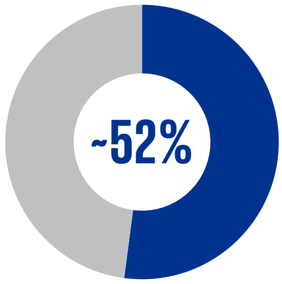
of the total deal count

The Department Stores deal (Metro AG) dominated in terms of value, with



of the total disclosed deals value

Cross-border deals steered the M&A landscape, with



of the total 48 deals[1]

Q1 2025 M&A profile[2]

Out of the 49 deals in Q1 2025, three had disclosed values.

Key highlights

The sector experienced a steady start, highlighted by a notable megadeal.

The Food, Beverage & Tobacco subsector recorded the maximum number of deals (10 deals), despite a 41.2% decline in the number of transactions compared with Q1 2024.

In terms of disclosed deals value, the distribution of deals showed a mixed preference from high-value to mid-size transactions, reflecting a cautious approach on investment strategy.

Within the Retail sector, the Apparel & Accessories Retail subsector recorded the highest number of deals (5 deals).

With the acquisition of Metro AG, the Department Stores subsector observed the most substantial high-value transaction.

Note(s): (1) Of the 49 deals, 48 had acquiror names and their geographic locations; (2) The sum of shares may not add up to 100.0% owing to rounding errors
Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, a service of ION Analytics; Press releases; KPMG Analysis

M&A Snapshot (3/4)

Top deals announced in Q1 2025

Deal value of the three disclosed deals in the DACH region amounted to

€4.6 bn

The Department Stores

subsector, driven by a megadeal, accounted for

~98% of the three disclosed deal values

Top 3 deals announced in Q1 2025

Bidder	Target	Date	Subsector	Rationale	Deal value (€ mn)
EP Global Commerce GmbH	Metro AG	Feb-25	Department Stores	By delisting, support Metro's long-term transformation strategy (14.82%)	4,534.8
Interactive Strength Inc.	Sportstech Brands Holding GmbH	Feb-25	Other Consumer Goods	To enhance market position and growth, combining operations for a stronger international presence	~53.0
Suzhou Alton Electrical & Mechanical Industry Co. Ltd.	Producteers International GmbH	Mar-25	Electronics & Appliances	To gain access to establish customer base in Europe and consolidate business resources	17.5

Laura Vogeler
Senior Manager,
Deal Advisory, M&A

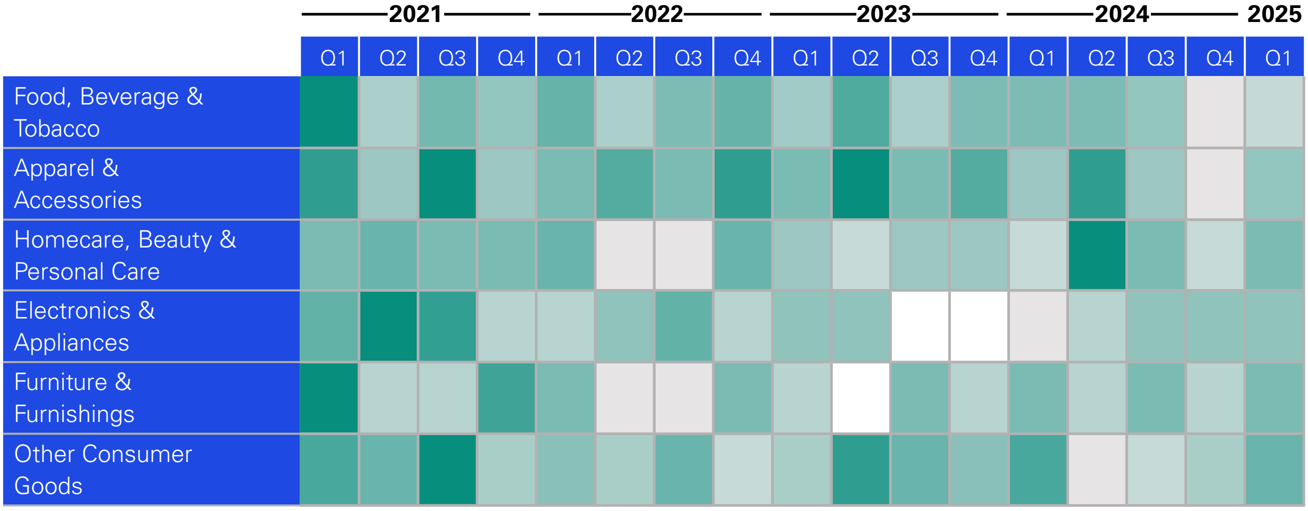
"

Consumer Goods and Retail M&A activity stepped strong into 2025, shaped by investments in the players' core segment for market consolidation or strengthening the brand and tech-enabled innovations. Bolt-on acquisitions show substantial growth paths, especially in the direct-to-consumer segment. Cross-border deals, especially to the US, influenced by tariffs and geopolitical situation.

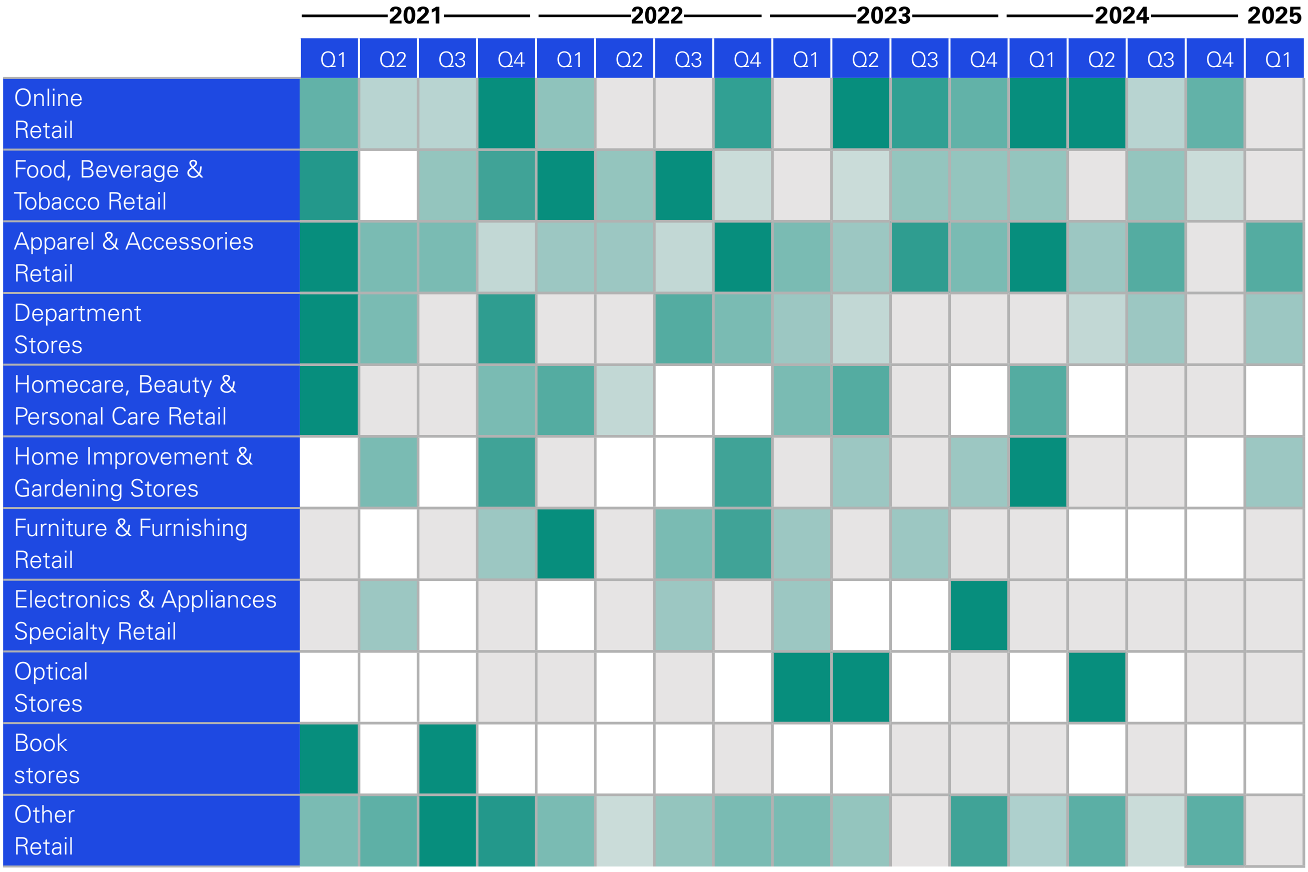
Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, a service of ION Analytics; Press releases; KPMG Analysis

M&A Snapshot (4/4)

Deal count by subsector[1] – Consumer Goods



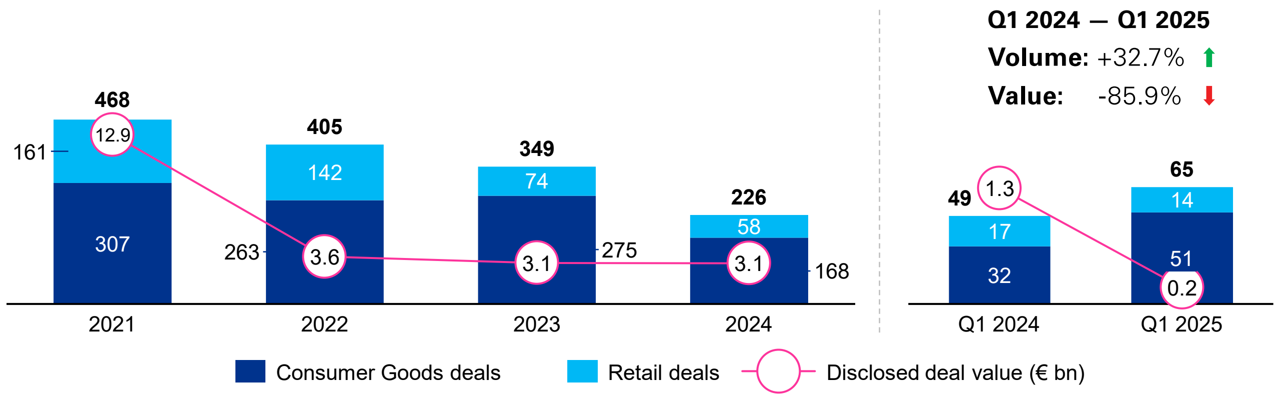
Deal count by subsector[1] – Retail



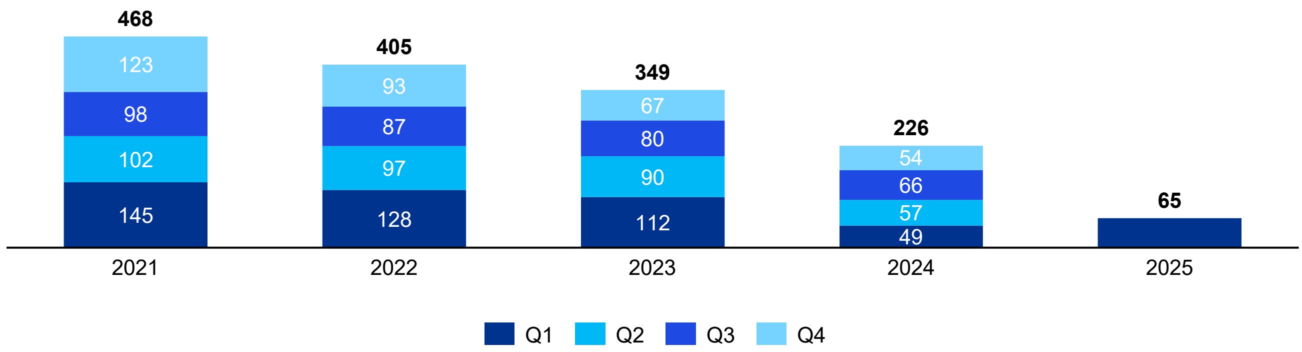
Note(s): (1) Please refer to glossary for the subsector definitions
Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, a service of ION Analytics; KPMG Analysis

Investments Snapshot (1/3)

Deal count and value[1] (quarterly)



Deal count (quarterly)



Key highlights

The DACH region witnessed a notable upswing in investment activity, marked by 65 transactions with an aggregate disclosed value of €0.2 bn. This increase was primarily driven by the European Central Bank's 25 basis point rate cuts, which led to lower borrowing costs and increased the availability of funds.

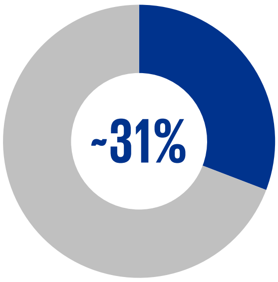
Despite a slight decline in the number of deals in the retail sector, overall investor sentiment remains cautiously optimistic. This sentiment persists even amid varied economic conditions and ongoing adjustments in the interest rate environment.

Note(s): (1) Represents total deal value for disclosed deals
Source(s): S&P Capital IQ; Mergermarket, a service of ION Analytics; PitchBook Data, Inc.; LSEG Data & Analytics; KPMG Analysis

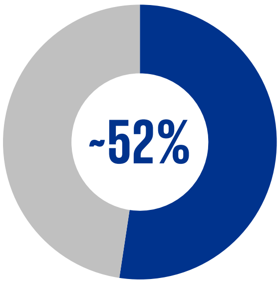
Investments Snapshot (2/3)

Q1 2025 investment highlights

Food, Beverage & Tobacco held the highest share of deal volume and accounted for the majority of the deal value, with

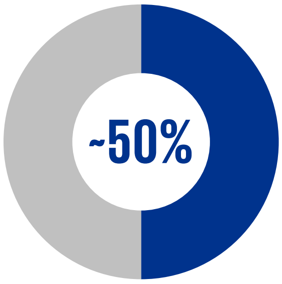


of the total deal count



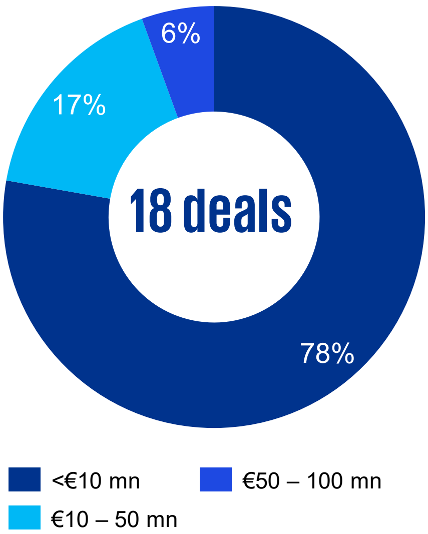
of the total disclosed deals value

Domestic and cross-border deals equally contributed to the investment landscape, accounting for



of the total 14 deals[1]

Q1 2025 investment profile[2]



Out of the 65 deals, 18 had disclosed values.

Key highlights

The investment landscape in the DACH region showed stable growth in deal volume despite a decline in disclosed deal values.

Investors adopted a conservative approach, steering away from high-risk, high-value deals and concentrating on smaller, strategic transactions.

This shift was particularly evident in the increased number of small-cap investments (below €10.0 mn), with a strong emphasis on early-stage funding for innovative start-ups to support their development and market expansion.

Meanwhile, the absence of megadeals (>€500 mn) suggests that capital deployment remains selective, with firms prioritizing risk mitigation over aggressive growth.

Note(s): (1) Out of 65 deals, 14 had information on investor names and their geographic locations; (2) The sum of shares may not add up to 100.0% owing to rounding errors
Source(s): S&P Capital IQ; Mergermarket, a service of ION Analytics; PitchBook Data, Inc.; LSEG Data & Analytics; KPMG Analysis

Investments Snapshot (3/3)

Top deals announced in Q1 2025

The deal value of the top 10 **announced** deals in the DACH region was

€0.2 bn

The Food, Beverage & Tobacco subsector accounted for **~53%** of the top 10 deal values

Top 5 deals announced in Q1 2025

Investor	Target	Date	Subsector	Rationale	Deal value (€ mn)
C.H. Guenther & Son, and other investors[(1)]	AHB Backwaren	Jan-25	Food, Beverage & Tobacco	To strengthen C.H. Guenther & Son's position as a major supplier in Europe, expand its global footprint, and deepen its presence in the quick-service restaurant supply chain	60.0
OrbiMed (Matthew Rizzo)	vVardis	Feb-25	Homecare, Beauty & Personal Care	To support growth initiatives and global commercial expansion of an innovative drill-free treatment for early tooth decay	33.8
Felix Capital, HV Capital	LANCH	Feb-25	Food, Beverage & Tobacco Retail	To expand fast food brands and enter new markets using social media and influencer partnerships	26.0
Happiness Capital and other investors[(2)]	Project Eaden	Jan-25	Food, Beverage & Tobacco	To scale production and launch ultra-realistic plant-based meat using innovative fiber spinning technology	15.0
Sparkalis and other investors[(3)]	Food Brewer	Feb-25	Food, Beverage & Tobacco	To secure future resources for cocoa production at scale via plant cell culture	9.8

Torben Kiemann
Partner,
Deal Advisory, Transaction Services

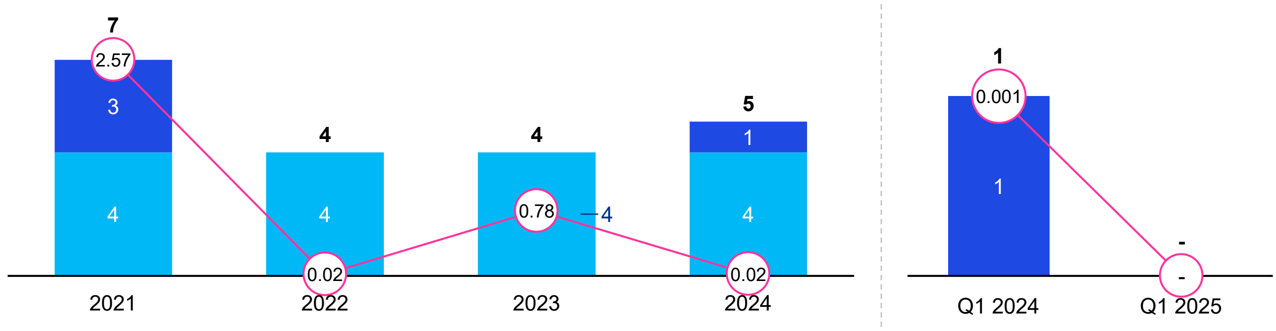
"The investment landscape in the DACH region is poised to sustain stable growth, emphasizing strategic, smaller transactions over large-scale, high-risk deals. The Food, Beverage & Tobacco sector is expected to continue leading in terms of deal volume and investment value, driven by innovative technologies and strategic expansions. Furthermore, both domestic and cross-border transactions will persist in driving the investment landscape, offering diverse opportunities for growth and collaboration.

Note(s): (1) Also included Ares Capital, and Pritzker Private Capital (Michael Nelson); (2) Also included Planet A, DeepTech & Climate Fonds, REWE Group, and AgriFoodTech Venture Alliance, BayWa Venture along with returning investors Foodlabs and Creandum; (3) Also included Lindt & Sprüngli, Aivla Holding AG, Blubeard Investment AG, Felchlin, Zürcher Kantonalbank
Source(s): S&P Capital IQ; Mergermarket, a service of ION Analytics; PitchBook Data, Inc.; LSEG Data & Analytics; Press releases; KPMG Analysis

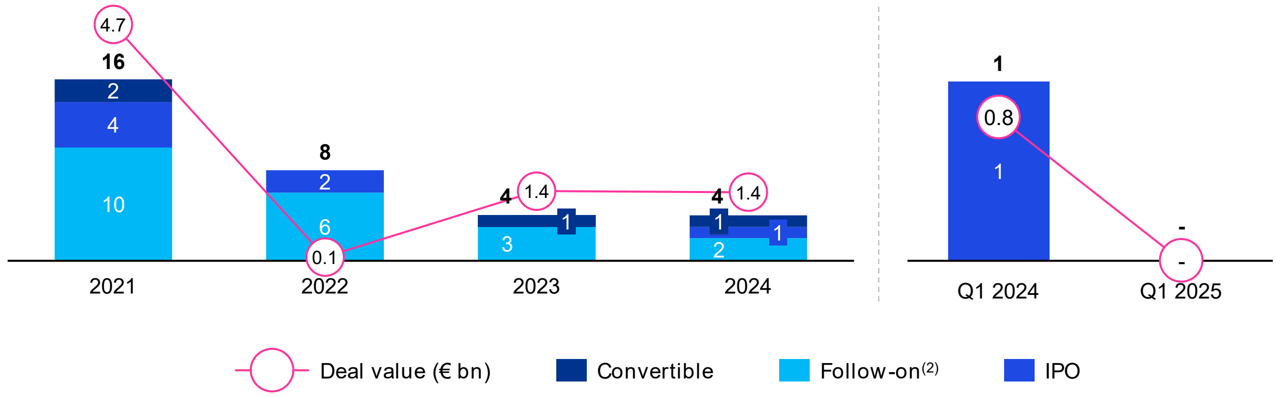
Capital Markets Snapshot

Capital market deal count and value[1] (quarterly)

Consumer Goods



Retail



Key highlights

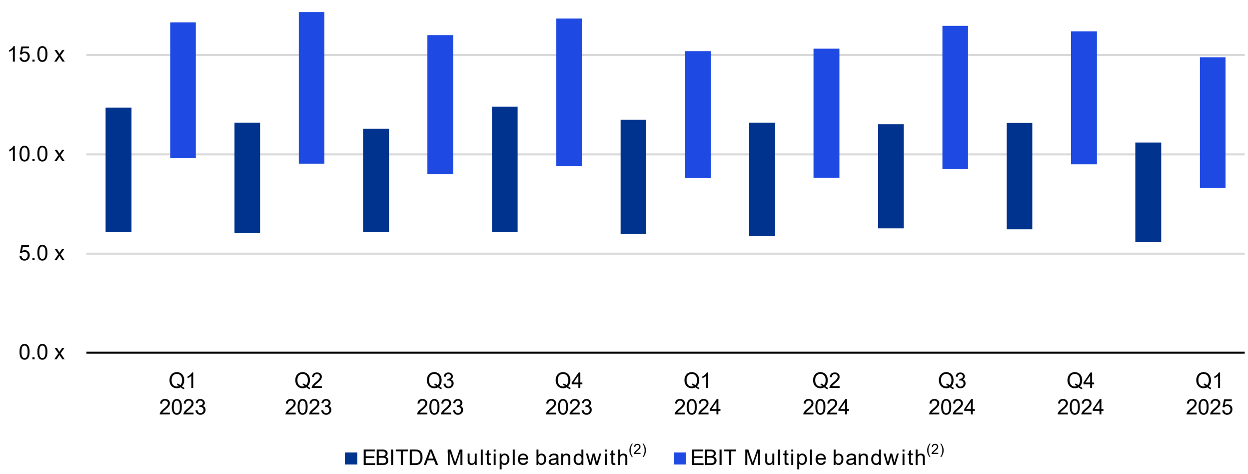
The sector experienced no activity in convertible securities, IPOs, and follow-on deals. The prevailing uncertainties arising from geopolitical tensions, decelerating economic growth, and stock market fluctuations have heightened the need for a cautious approach.

This period of market volatility provides a strategic opportunity for investors to reassess and identify high-potential opportunities. As the macroeconomic environment stabilizes and policy directions become clearer, the foundation is being set for a robust resurgence in IPO activity.

Note(s): (1) Represents total deal value for disclosed deals; (2) A follow-on offering (secondary offering) is any common stock offering subsequent to a company's IPO
Source(s): S&P Capital IQ; LSEG Data & Analytics; Press releases; KPMG Analysis

Valuations Overview (1/3)

Consumer Goods – Development of EBITDA and EBIT Multiples[1]



Consumer Goods – Subsector view[1]

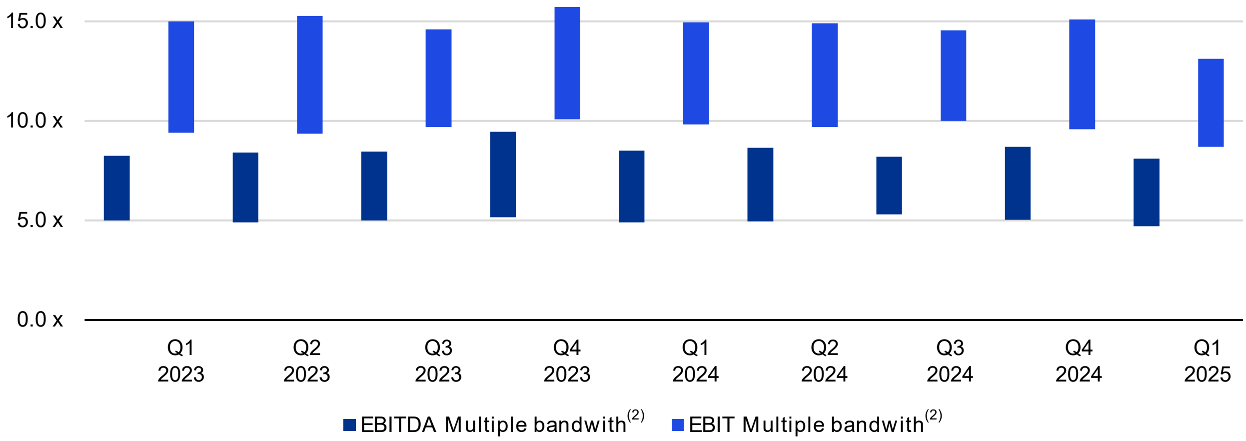
Consumer Goods	Median EV / Sales	Median EV / EBITDA	Median EV / EBIT
Apparel & Accessories	1.4x 1.5x 1.6x	6.2x 7.5x 9.7x	13.0x 15.3x 16.1x
Electronics & Appliances	1.3x 1.3x 1.5x	7.2x 9.6x 12.0x	12.2x 13.0x 18.0x
Food, Beverage & Tobacco	1.3x 1.4x 1.3x	7.4x 8.0x 8.8x	10.1x 10.9x 12.2x
Furniture & Furnishing	0.6x 0.7x 0.7x	5.1x 6.4x 8.6x	7.9x 10.7x 13.4x
Homecare, Beauty & Personal Care	1.8x 1.9x 2.0x	9.6x 10.3x 11.2x	12.1x 13.3x 16.7x

31-Mar-2026 (Est.) 31-Mar-2025 31-Mar-2024

Note(s): (1) If the subsectors number of companies was sufficient, the multiples were derived based on a DACH peer group. Otherwise, a European peer group was used; (2) Ranges from 25.0% to 75.0% quantile
Source(s): Valuation Data Source

Valuations Overview (2/3)

Retail – Development of EBITDA and EBIT Multiples[1]



Dr. Andreas Tschöpel

Partner,
Deal Advisory, Valuation

In the first quarter of 2025, we observe a decline in EBIT(DA) multiples compared to 2024 in the Retail and Consumer Goods sector. The sector must continue to be monitored closely as it is experiencing significant movement, with varying trends across subsectors.
Staying updated on these developments is crucial. Our KPMG Multiples app offers the latest, quality-assured data, helping you to make informed decisions.

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Note(s): (1) If the subsectors number of companies was sufficient, the multiples were derived based on a DACH peer group. Otherwise, a European peer group was used; (2) Ranges from 25.0% to 75.0% quantile
Source(s): Valuation Data Source

Valuations Overview (3/3)

Retail – Subsector view[1]

Retail	Median EV / Sales	Median EV / EBITDA	Median EV / EBIT
Apparel & Accessories Retail	0.7x 0.8x 0.8x	5.3x 6.7x 7.4x	12.7x 14.0x 16.9x
Bookstores	1.7x 1.8x 1.9x	6.4x 6.7x 6.6x	8.5x 9.1x 9.3x
Department Stores	1.1x 1.2x 1.3x	6.2x 6.9x 10.2x	12.6x 13.6x 16.7x
Electronics & Appliances Retail	0.3x 0.3x 0.4x	6.1x 6.7x 7.0x	10.5x 11.6x 11.4x
Food, Beverage & Tobacco Retail	0.4x 0.4x 0.4x	5.0x 5.3x 6.7x	10.0x 11.2x 13.1x
Furniture & Furnishing Retail	0.8x 0.8x 0.9x	6.1x 6.6x 7.0x	10.5x 12.3x 12.6x
Home Improvement & Gardening Stores	0.5x 0.5x 0.6x	4.8x 5.2x 5.8x	9.6x 10.5x 14.2x
Homecare, Beauty & Personal Care Retail	0.8x 0.8x 0.8x	4.7x 5.0x 5.6x	8.7x 9.7x 11.1x
Online Retail	0.6x 0.6x 0.6x	7.4x 8.9x 10.7x	11.0x 13.0x 13.1x
Optical Stores	1.3x 1.4x 1.6x	5.5x 6.0x 6.9x	9.5x 10.7x 13.2x

31-Mar-2026 (Est.) 31-Mar-2025 31-Mar-2024

Note(s): (1) If the subsectors number of companies was sufficient, the multiples were derived based on a DACH peer group. Otherwise, a European peer group was used
Source(s): Valuation Data Source

KPMG Insights

Takeaways

- The German economy exhibited modest growth in Q1 2025, with GDP experiencing the strongest increase since Q3 2022
- Although rising real incomes and declining inflation have supported private consumption, consumer sentiment remained fragile
- Positive retail trends persisted, particularly within mail-order and online segments, which showed robust performance
- Conversely, brick-and-mortar retail, especially in apparel and consumer electronics, remained under pressure
- The grocery retail sector recorded weak performance, with nominal revenue increases overshadowed by real declines due to price rises
- The German Retail Federation (HDE) anticipates ongoing challenges, attributing subdued demand and geopolitical uncertainties as barriers to a sustained recovery in consumer spending

63.5%
of total sales in stationary retail are made through card payments, while cash transactions have declined to 33.8%

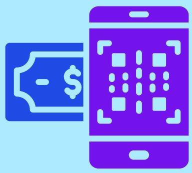
Cashback withdrawals
increased from €12.3 bn to €13.6 bn, representing 9.0% of all cash withdrawals

41.5%
market share of the traditional Girocard, that dominates the Visa and Mastercard debit cards

12.9%
of cashless payments are now made through mobile transactions, reflecting a surge from 7.5% year-over-year

28.5%
PayPal leads the market share among top online stores, followed by purchase on account at 25.8%

Installment options
such as Klarna have doubled their market share over three years



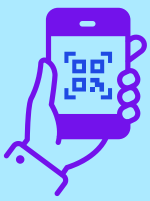
KPMG Insights

Takeaways

- In Germany, majority of consumers follow either an omnivorous or flexitarian diet, indicating traditional eating habits still prevail
- Vegans and vegetarians visit grocery stores more often per week than omnivores, suggesting higher engagement or specific product needs
- Key factors guiding consumers' choice of shopping locations include proximity, value for money, and product range
- The use of app-based discounts and grocery delivery services indicates a growing reliance on digital solutions for shopping preparation and convenience

57.5%
of the population follows an omnivorous diet as part of their dietary habits

89.6%
of consumers prioritize proximity when selecting shopping locations



71.2%
of consumers utilize app-based discounts during shopping preparation

54.9%
of consumers rely on traditional print flyers during shopping preparation

3.37 times/ week
vegans exhibit the highest shopping frequency among dietary groups

Glossary

Consumer Goods subsector definitions

Apparel & Accessories

Includes companies involved in the production of textiles and textile products, sportswear, footwear, eyewear, luggage, jewelry, watches, and related accessories.

Furniture & Furnishing

Producers of wooden and metal furniture, upholstery, draperies, mattresses/bed producers, sanitaryware products, kitchenware, and related items for home, office, etc.

Electronics & Appliances

Producers of household appliances, personal devices, and other electronic items.

Homecare, Beauty & Personal Care

Producers of cosmetics, sanitary products, toiletries, supplements/nutrition products, soaps, detergents, disinfectants, and other specialty chemicals for homes.

Food, Beverage & Tobacco

Producers of Food, Beverage & Tobacco items. Also includes companies involved in FBT-related farming/agriculture products.

Other Consumer Goods

Includes players which do not fit in any of the above categories, e.g., producers of non-food agricultural products & services, toys, musical instruments, bicycles, office equipment, silverware, sporting good, packaging products, pet products, etc.

Retail subsector definitions

Apparel & Accessories Retail

Omnichannel stores primarily engaged in selling of clothing including sporting clothes, footwear, jewelry, watches, bags, fashion products, luxury items, and related accessories.

Home Improvement & Gardening Stores

Sellers of home furnishings, gardening supplies, electric fixtures, building materials, DIY and hardware, sanitary-ware, kitchenware, etc.

Bookstores

Sellers of books, magazines, newspapers, and other literature.

Homecare, Beauty & Personal Care Retail

Sellers of cosmetics, sanitary products, toiletries, supplements/nutrition products, prescription and nonpre-scription drugs, derma cosmetics, soaps, detergents, disinfectants, and other specialty chemicals for homes.

Glossary

Department Stores

Includes hypermarkets/department stores and grocery stores consisting of multiple brands and product types under one roof.

Online Retail

Pureplay e-commerce companies for any retail category.

Electronics & Appliances Retail

Sellers of household appliances, personal devices, and other electronic items.

Optical Stores

Sellers of eyewear.

Food, Beverage & Tobacco Retail

Wholesales, distributors, omnichannel stores with primary business of selling agriculture and FBT items, both packaged and fresh.

Other Retail

Includes players which do not fit in any of the above categories; sellers of toys, musical instruments, sporting good, bicycles, packaging products, pet products, etc. Also includes eating and drinking places, caterers, contractors of food and beverages.

Furniture & Furnishing Retail

Sellers of household/office furniture items, and related products.

Definitions of coverage within each section

Investments

PE-/VC-backed, early-stage, seed, private placements, and grants.

M&A

Strategic M&A transactions (includes spin-offs).

Capital Markets

IPO, follow-on offerings (common stock offering subsequent to a company's IPO), and convertibles.

Valuations

EBITDA and EBIT multiples by subsector for Consumer Goods & Retail.

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