M&A sector expertise: Consumer Goods & Retail Market Update

Q2 2025 (DACH region)

Preface

Dear Consumer Goods & Retail Community,

I am pleased to present the third edition of our KPMG M&A sector expertise publication focused on the Consumer Goods & Retail industry. This edition delivers an in-depth analysis of Q2 2025 transaction activity within the Consumer Goods & Retail (C&R) sector. We have broadened our scope to include transactions involving outbound targets of DACH acquirers, providing a more comprehensive perspective on market dynamics and cross-border investment trends. The publication analyzes M&A deals, investment activities (including PE-backed transactions), and capital market transactions.

In Q2 2025, the C&R sector was operating in a challenging environment shaped by global tariff disputes, a change in government in Germany, and geopolitical tensions. These factors have led investors to adopt a cautious approach, focusing on strategic transactions that promise growth beyond the DACH region. Despite these challenges, there has been a shift toward larger value deals, reflecting a preference for impactful transactions.

The Retail sector recorded lower average deal values, suggesting a shift toward more targeted investments. In contrast, the Consumer Goods sector showed resilience, with higher multiples in the Electronics & Appliances and Food, Beverages & Tobacco subsectors. Investment activity adapted to these conditions, with Firms adjusted their investment strategies accordingly, leveraging private credit and focusing on proprietary deal sourcing as well as corporate carve-outs to navigate competitive pressures.

We look forward to sharing future editions of our newsletter to keep you informed about current developments and insights.

I wish you an interesting read.

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

Composition of 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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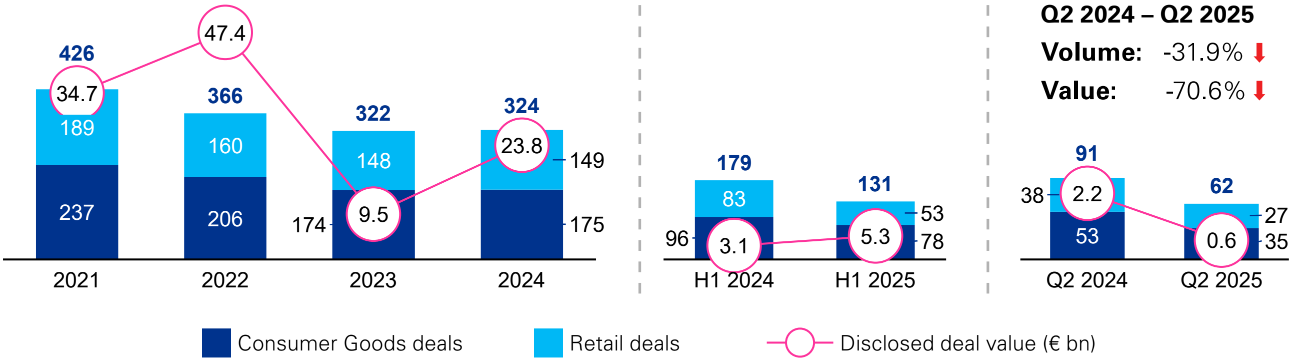
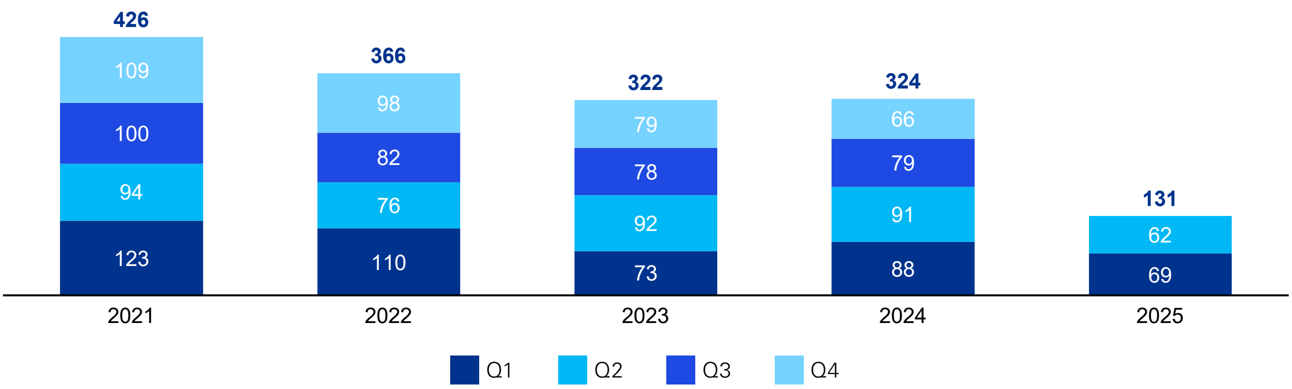
M&A Snapshot (1/4)

Deal count and value[1] (quarterly and half-year)

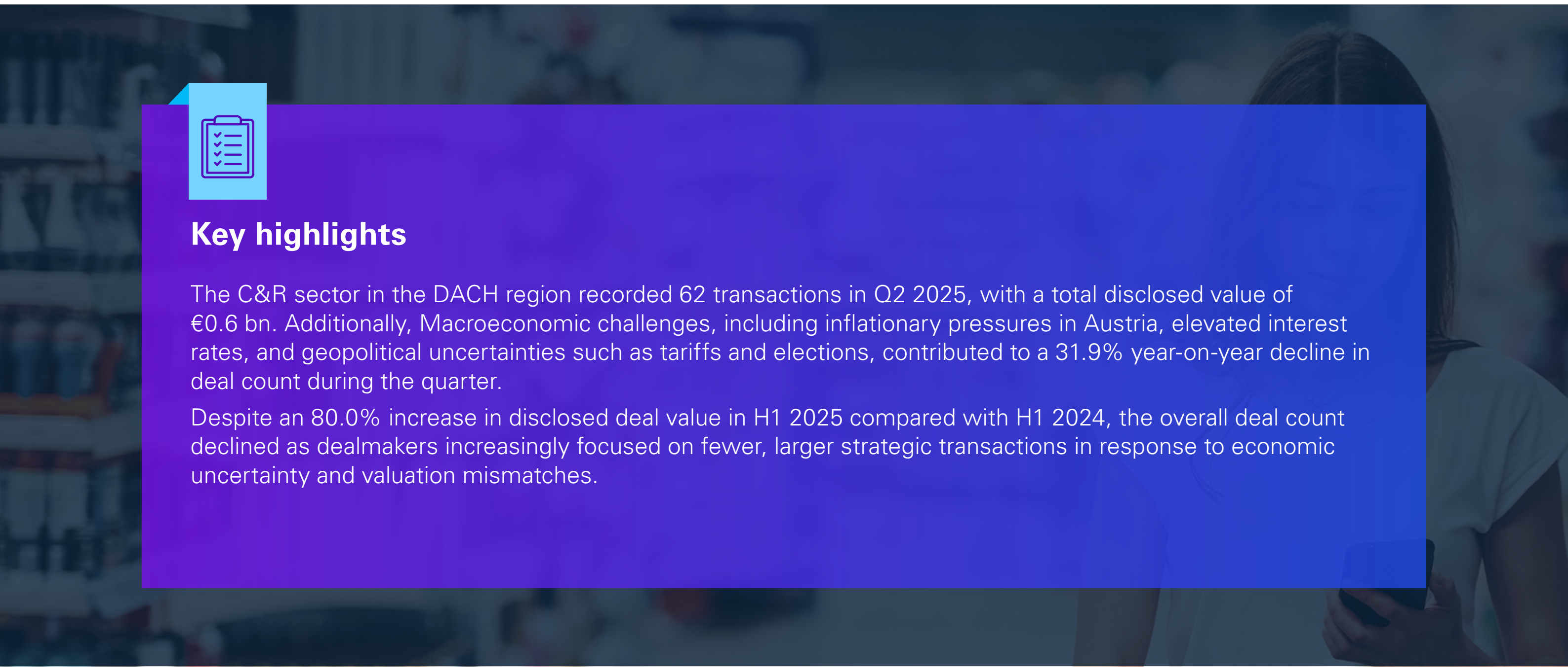


Source(s): S&P Global Market Intelligence; LSEG Data & Analytics; Mergermarket, a service of an ION Analytics service

Deal count (quarterly)



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



Key highlights

The C&R sector in the DACH region recorded 62 transactions in Q2 2025, with a total disclosed value of €0.6 bn. Additionally, Macroeconomic challenges, including inflationary pressures in Austria, elevated interest rates, and geopolitical uncertainties such as tariffs and elections, contributed to a 31.9% year-on-year decline in deal count during the quarter.

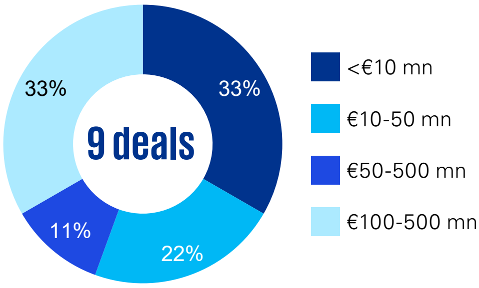
Despite an 80.0% increase in disclosed deal value in H1 2025 compared with H1 2024, the overall deal count declined as dealmakers increasingly focused on fewer, larger strategic transactions in response to economic uncertainty and valuation mismatches.

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

M&A Snapshot (2/4)

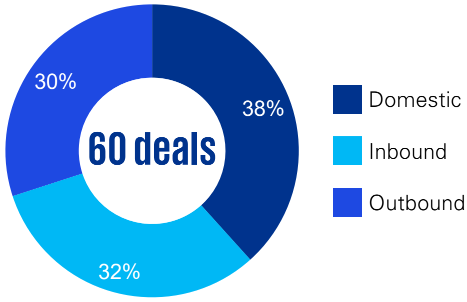
Q2 2025 M&A profile[1]

Distribution of deal count by
value range



Out of the 62 deals in Q2 2025,
9 had disclosed values

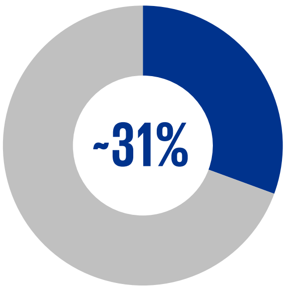
Distribution of deal count by
geographic flow[2]



Out of the 62 deals in Q2 2025, 60 reported
the acquirers' names and their geographic

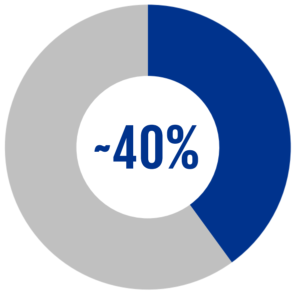
Q2 2025 M&A highlights

Food, Beverage & Tobacco
subsector accounted for the largest share, representing



of the total deal count

Apparel & Accessories subsector
dominated, contributing



of the total disclosed deal value

Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, an ION Analytics service

Key highlights

In Q2 2025, deal activity within the sector declined compared with Q2 2024, both in terms of deal count and overall deal value.

However, the larger-value deals primarily originated from inbound transactions, with three notable deals accounting for 69.6% (€428.9 mn) of the top five deal values. This highlights the strategic interest of foreign investors in DACH-based targets, attracted by their growth potential and expansion opportunities.

The Retail sector represented 43.5% of the total deal count but only 10.0% of total disclosed deal value, suggesting smaller average deal values or undisclosed valuations.

Note(s): (1) The sum of shares may not total 100.0% owing to rounding errors; (2) "Domestic" refers to where both the target's and acquirer's HQ are in the DACH region. "Inbound" — a target's HQ is in DACH and an acquirer's HQ is outside DACH. "Outbound" — a target's HQ is outside DACH and an acquirer's (or multiple acquirers') HQ is in DACH.
Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, an ION Analytics service; press releases; KPMG analyses

M&A Snapshot (3/4)

Top deals announced in Q2 2025

The total deal value of the top 5 **announced** deals in the DACH region was

€616.1 mn

The Apparel & Accessories

subsector accounted for

~42% of the top 5 deal values[1]

Top 5 deals announced in Q2 2025

Acquirer	Target	Date	Subsector	Rationale	Deal value (€ mn)
ANTA Sports Products Limited	Jack Wolfskin	Apr-25	Apparel & Accessories	Strengthen its outdoor sports portfolio with a mass-market brand	259.3
Unternehmensgruppe Theo Mueller GmbH Mueller UK & Ireland Group LLP	Biotiful Dairy Ltd	Apr-25	Food, Beverages & Tobacco	Bolster presence in the UK's health-oriented dairy market and broaden its reach in the expanding functional yogurt sector	132.5
Cosonic Intelligent Technologies Ltd.	Beyerdynamic GmbH & Co KG	Jun-25	Electronics & Appliances	Acquire proprietary audio technology and expand presence in the high-end audio market	122.0
Agrana Beteiligungs AG	AUSTRIA JUICE GmbH	May-25	Food, Beverages & Tobacco	Enhance beverage bases and aroma business	54.7
New Wave Group AB	Cotton Classics Handels GmbH	Jun-25	Apparel & Accessories Retail	Broaden product offerings and geographic reach by integrating into New Wave's brand and distribution network	47.6

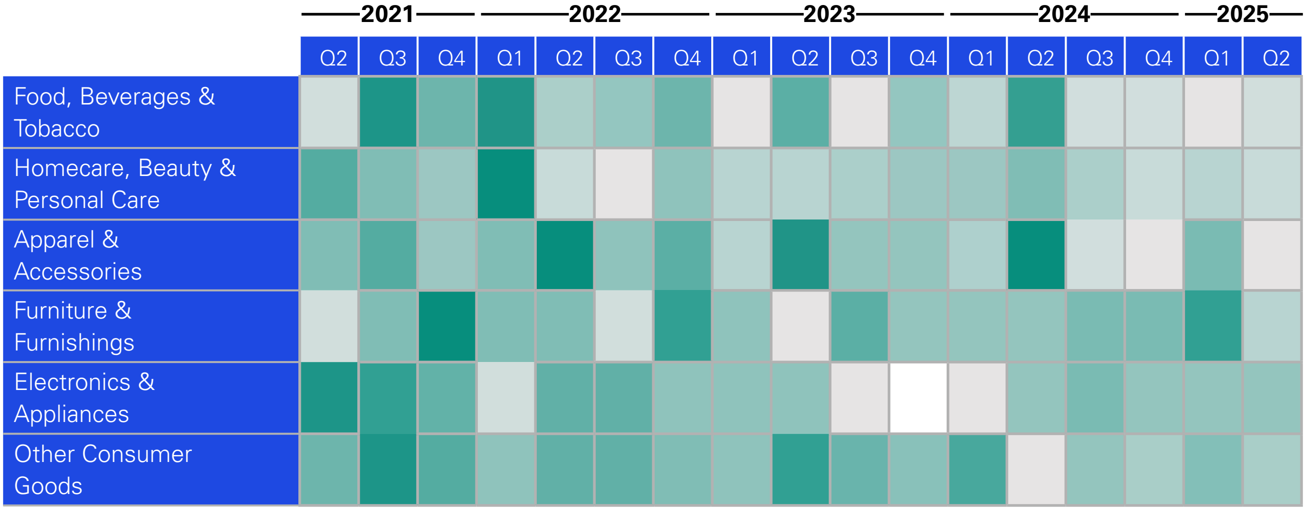
Laura Vogeler
Senior Manager,
Deal Advisory, M&A

"The consumer sector continues to demonstrate strong momentum, underscored by notable transactions across active lifestyle, outdoor, and better-for-you food categories. From performance apparel to premium dairy and functional beverages, brands that blend authenticity, innovation, and wellness appeal are attracting sustained investor confidence and commanding significant market attention. Looking ahead, we expect continued deal activity as strategic buyers and investors seek growth opportunities in health-driven and experience-focused segments.

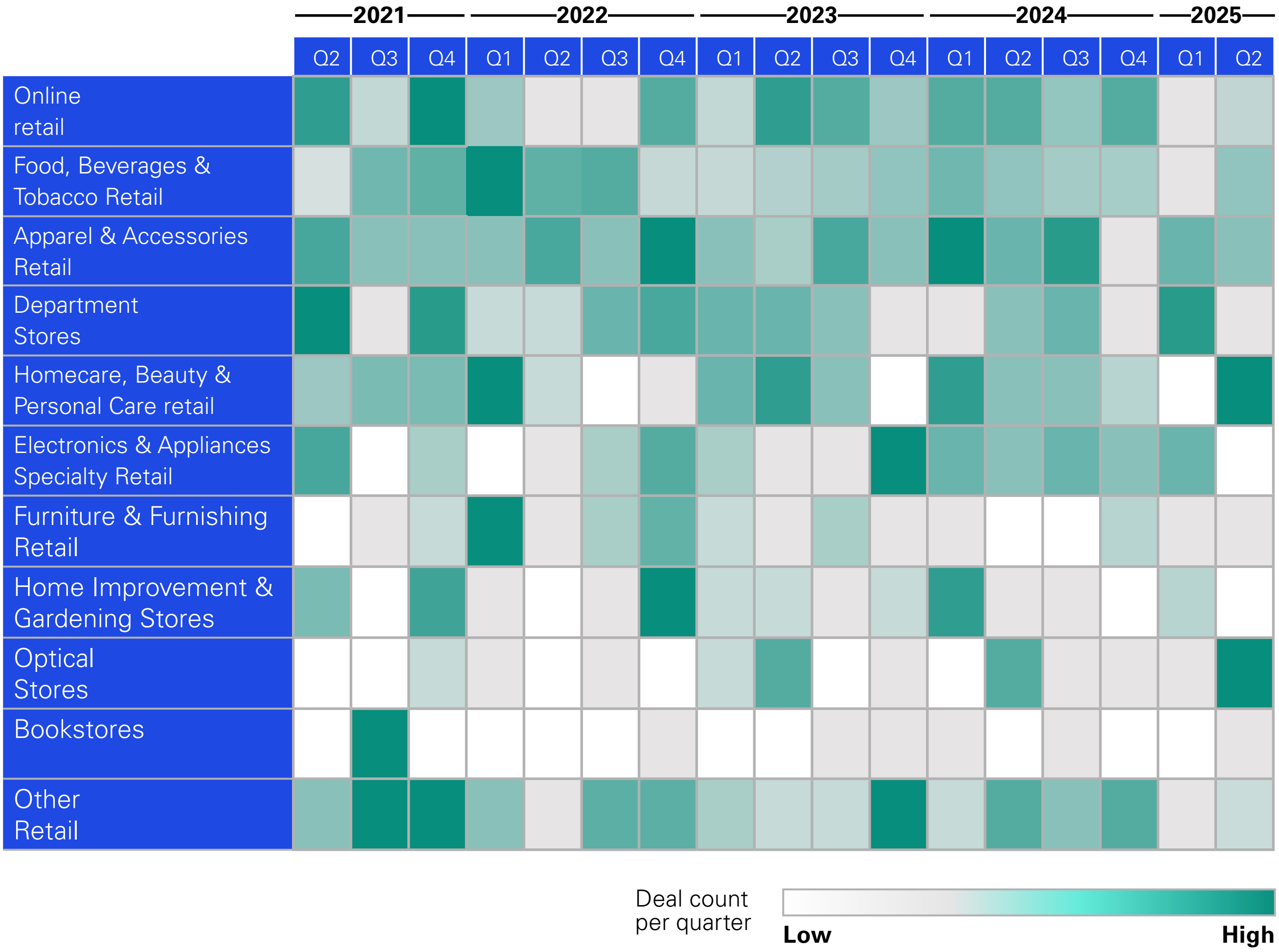
Note(s): (1) Represents the percentage of total deal value for the five disclosed deals
Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, an ION Analytics service; press releases; KPMG analyses

M&A Snapshot (4/4)

Deal count by subsector[1] – Consumer Goods



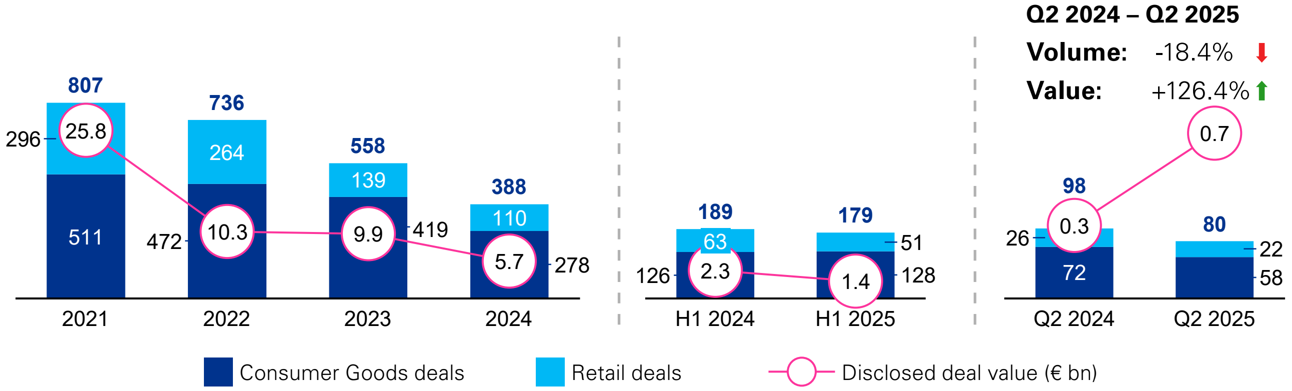
Deal count by subsector[1] – Retail



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

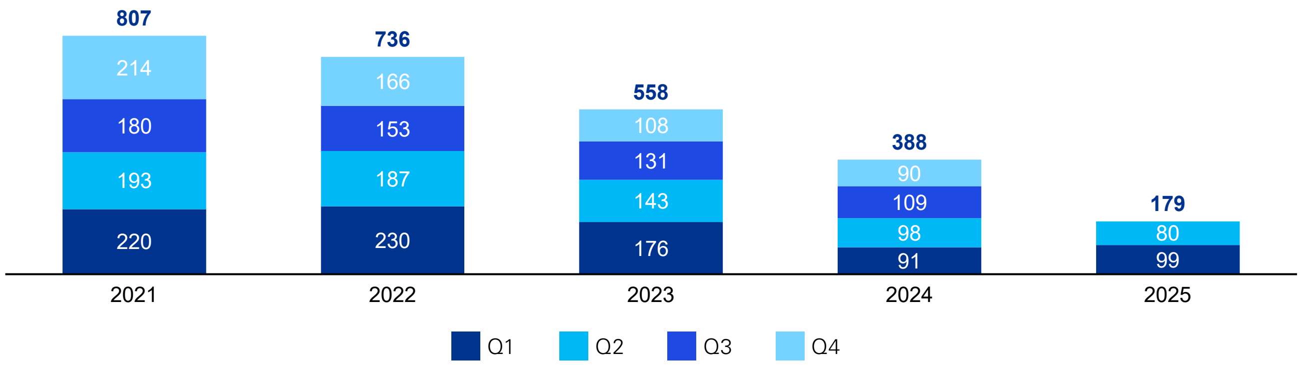
Investments Snapshot (1/3)

Deal count and value[1] (quarterly and half-year)



Source(s): S&P Capital IQ; Mergermarket, an ION Analytics service; PitchBook Data, Inc.; LSEG Data & Analytics

Deal count (quarterly)



Source(s): S&P Capital IQ; Mergermarket, an ION Analytics service; PitchBook Data, Inc.; LSEG Data & Analytics

Key highlights

In Q2 2025, the DACH region recorded 80 transactions, marking a decline in deal count compared to Q2 2024. This decrease was driven by macroeconomic challenges, including interest rate volatility, which impacted financing conditions and investor confidence.

Despite this, the total disclosed transaction value rose sharply by 126.4%, reflecting a strategic shift toward fewer but higher-value deals.

For H1 2025, the sector experienced a 5.3% drop in deal count and a 39.1% decrease in deal value compared to H1 2024. To navigate these challenging economic conditions, investment firms are adapting by leveraging private credit, pursuing co-investments, and focusing on proprietary deal sourcing and corporate carve-outs to mitigate competitive bidding pressures.

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

Investments Snapshot (2/3)

Q2 2025 Investment profile[1]

Distribution of deal count by
value range

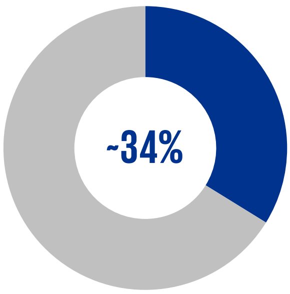
Out of 80 deals in Q2 2025, 29 had disclosed values

Distribution of deal count by
geographic flow[2]

Out of the 80 deals in Q2 2025, 38 reported investors' names and their geographic locations

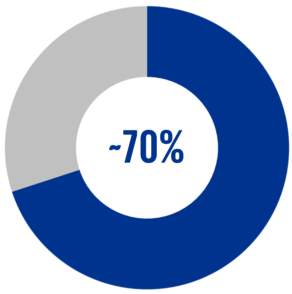
Q2 2025 Investment highlights

Food, Beverage & Tobacco
accounted for the majority of the transactions with



of the total deal count

The other Consumer Goods subsector
(pet food) led in investment value, accounting for



of the total disclosed deal value

Source(s): S&P Capital IQ; LSEG Data & Analytics; Mergermarket, an ION Analytics service;

Key highlights

In Q2 2025, investment activity declined, with deal counts falling notably compared with Q2 2024. The slow-down is likely attributable to macroeconomic and political challenges, such as Germany's general elections and heightened uncertainty regarding global trade policies/tariffs, which dampened investor sentiment toward the end of the quarter.

Investors maintained a cautious approach, favoring smaller and more strategic transactions. This is reflected in the 23 small-cap investments under €10.0 mn, reflecting a focus on manageable risk and targeted growth.

Most reported investment locations were linked with outbound transactions, including those with the highest deal values, such as Partners Group's €474.3 mn investment in MPM Products.

Note(s): (1) The sum of shares may not total 100.0% owing to rounding errors; (2) "Domestic" refers to where both the target's and investor's HQ are in the DACH region. "Inbound" — a target's HQ is in DACH and an investor's HQ is outside DACH. "Outbound" — a target's HQ is outside DACH and an investor's (or multiple investors') HQ is in DACH.
Source(s): S&P Capital IQ; Mergermarket, an ION Analytics service; PitchBook Data, Inc.; LSEG Data & Analytics; press releases; KPMG analyses

Investments Snapshot (3/3)

Top deals announced in Q2 2025

The deal values of the top 5 **announced** deals in the DACH region were

€640.3 mn

The Other Consumer Goods (pet food) subsector accounted for **~74%** of the top 5 deal values

Top 5 deals announced in Q2 2025

Investor	Target	Date	Subsector	Rationale	Deal value (€ mn)
Partners Group	MPM Products	Jun-25	Other Consumer Goods	Maintain a market-leading premium pet food brand benefiting from rising pet ownership	474.3
Lombard Odier and other investors(1)	JOKR	Jun-25	Online Retail	Support a tech-driven grocery platform offering fast, convenient urban delivery with global scalability	87.5
UBS Group AG and other investors(2)	Yunnan Botanee Bio-Technology Group	May-25	Homecare, Beauty & Personal Care	Acquire a minority stake in a resilient consumer brand to gain exposure to China's rapidly growing skincare sector	42.8
UBS Group AG and other investors(3)	Xgimi Technology Co.,Ltd.	Apr-25	Electronics & Appliances	Invest in a leading smart projection tech firm with strong financials and innovation in consumer electronics	23.8
Leaps by Bayer and other investors(4)	NuCicer	Jun-25	Food, Beverages & Tobacco	Scale high-protein chickpea innovation and support plant-based food systems through advanced breeding technology	12.0

Frank Hengelbrock
Partner,
Deal Advisory, Transaction Services

"While the first half of 2025 showed a "fewer but larger" trend across the C&R sector, we expect M&A activity to increase in 2026 despite geopolitical and economic challenges. Deal activity is likely to be driven by private equity exits, carve-outs, and technology transformation. As organic growth becomes increasingly difficult to achieve, M&A is regaining importance.

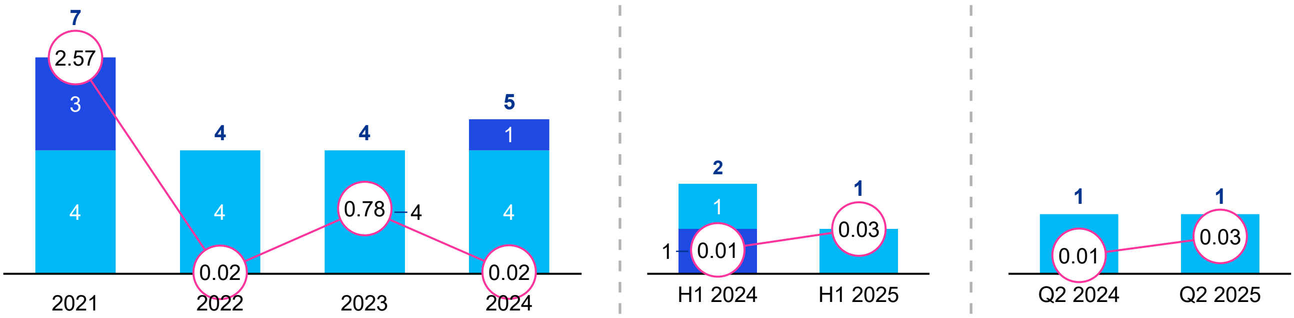
Note(s): (1) Also includes G Squared, Activant Capital, Pernod Ricard, Tiger Global Management; (2) Also includes Guotai Haitong Securities Co., Ltd.; GF Securities Co., Ltd.; Nuode Asset Management Co., Ltd., etc.; (3) Also includes Morgan Stanley & Co. International plc; GF Securities Co., Ltd.; Nuode Asset Management Co., Ltd.; Caitong Fund Management Co., Ltd., etc.; (4) Also includes Kale United, Better Ventures, and Stray Dog Capital

Source(s): S&P Capital IQ; Mergermarket, an ION Analytics service; PitchBook Data, Inc.; LSEG Data & Analytics; press releases; KPMG analyses

Capital Markets Snapshot

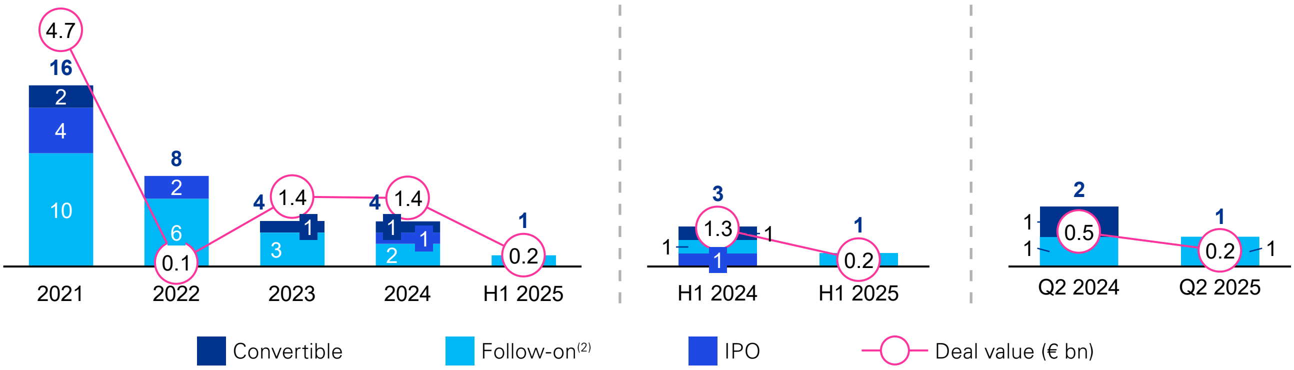
Capital market deal count and value[1] (quarterly and half-year)

Consumer Goods



Source(s): S&P Capital IQ; LSEG Data & Analytics

Retail



Source(s): S&P Capital IQ; LSEG Data & Analytics

Key highlights

In Q2 2025, the C&R sector experienced substantial declines in both deal count and deal value, falling by 33.3% and 50.1%, respectively, compared to Q2 2024.This downturn was driven by ongoing geopolitical tensions, particularly global tariff announcements, which had a detrimental effect on the market.

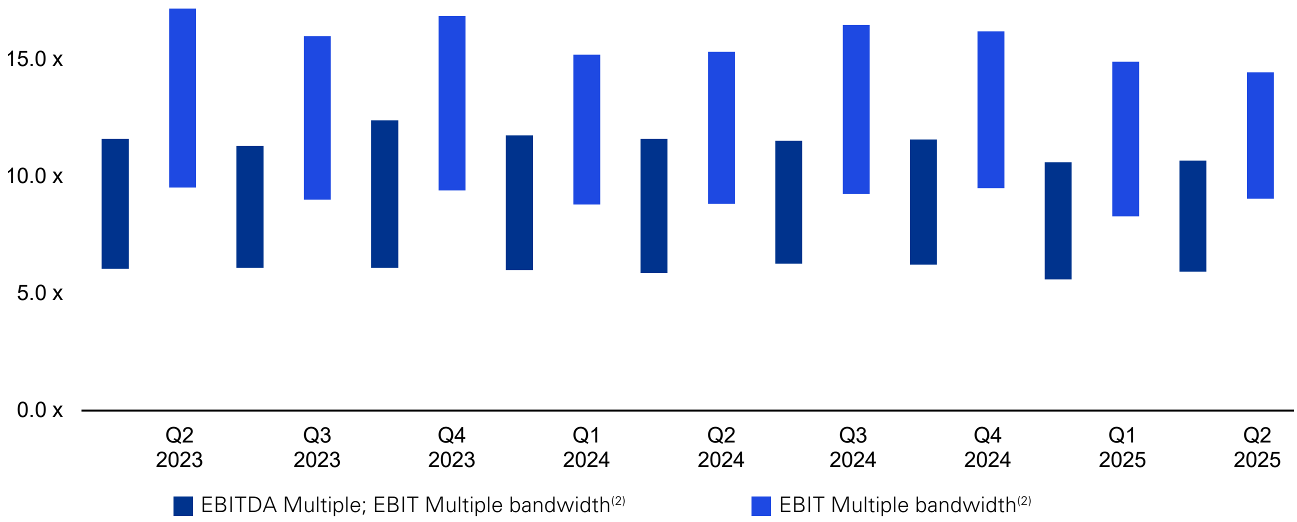
Although two follow-on transactions were completed, raising €222.3 mn through a rights issue, no IPOs or convertible issuances occurred, underscoring a subdued capital market environment.

Furthermore, in H1 2025, both the deal count and deal value saw substantial drops of 60.0% and 80.9%, respectively, compared to H1 2024.

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 analyses

Valuations Overview (1/3)

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



Consumer Goods- Subsector view[1]

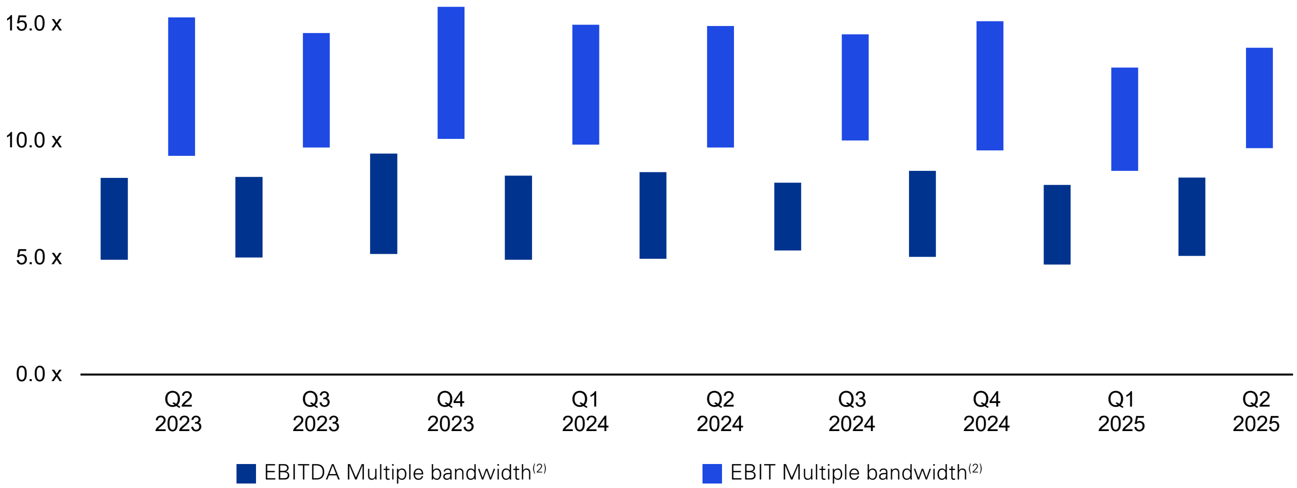
Consumer Goods	Median EV / Sales	Median EV / EBITDA	Median EV / EBIT
Apparel & Accessories	1.3x 1.4x 1.2x	6.6x 8.4x 7.9x	13.1x 15.0x 14.1x
Electronics & Appliances	1.5x 1.6x 1.6x	12.5x 12.0x 15.5x	17.8x 17.0x 19.9x
Food, Beverage & Tobacco	1.3x 1.4x 1.3x	7.9x 8.7x 8.7x	11.5x 13.2x 13.1x
Furniture & Furnishing	0.7x 0.8x 0.8x	5.9x 6.8x 8.8x	8.1x 10.8x 12.8x
Homecare, Beauty & Personal Care	2.1x 2.2x 1.5x	10.1x 10.6x 12.2x	12.8x 13.7x 16.4x

30-Jun-2026 (Est.) | 30-Jun-2025 | 30-Jun-2024

Note(s): (1) If the number of companies within a subsector was sufficient, the multiples were derived based on a DACH peer group; otherwise, a European peer group was used. (2) The bandwidth reflects the 25.0% to 75.0% quantile range.
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 second quarter of 2025, the Consumer Goods sector shows a slightly narrower range of multiples compared to Q1, while the Electronics & Appliances and Food, Beverages & Tobacco subsectors report increases in multiples. Retail multiples have increased slightly.

These developments highlight the dynamic movements within the sector and underscore the need for continued close monitoring. To help you to stay updated and make informed decisions, our Multiples app provides access to the latest, quality-assured data.

Request a demo of the KPMG Multiples app now!

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

Valuations Overview (3/3)

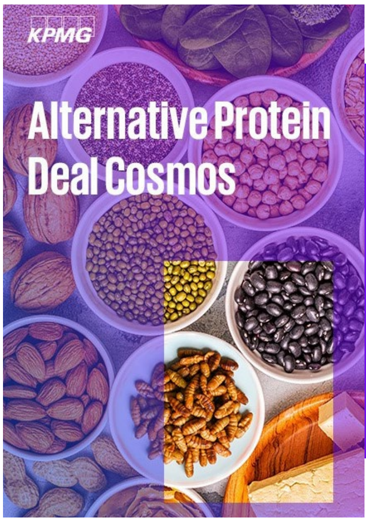
Retail – Subsector view[1]

Retail	Median EV / Sales	Median EV / EBITDA	Median EV / EBIT
Apparel & Accessories Retail	0.8x 0.8x 0.9x	5.7x 7.0x 7.3x	12.0x 14.0x 16.5x
Bookstores	2.1x 2.1x 2.2x	7.3x 7.4x 7.3x	10.1x 10.5x 10.2x
Department Stores	1.1x 1.2x 1.4x	6.1x 6.6x 9.1x	12.7x 14.3x 16.4x
Electronics & Appliances Retail	0.3x 0.3x 0.2x	5.4x 5.7x 5.7x	10.1x 10.7x 12.4x
Food, Beverage & Tobacco Retail	0.4x 0.4x 0.4x	5.6x 6.2x 6.8x	11.5x 12.7x 13.9x
Furniture & Furnishing Retail	1.0x 1.1x 1.2x	7.4x 8.1x 8.5x	11.8x 14.7x 14.5x
Home Improvement & Gardening Stores	0.5x 0.6x 0.7x	5.3x 5.6x 6.1x	10.5x 13.6x 14.4x
Homecare, Beauty & Personal Care Retail	0.7x 0.9x 0.8x	4.3x 4.5x 4.9x	8.4x 8.8x 10.1x
Online Retail	0.6x 0.6x 0.7x	7.8x 8.5x 9.9x	10.9x 12.4x 12.9x
Optical Stores	1.7x 1.8x 2.0x	7.0x 7.6x 9.0x	11.9x 13.8x 16.8x

30-Jun-2026 (Est.) 30-Jun-2025 30-Jun-2024

Note(s): (1) If the number of companies within a subsector 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

- Strategic focus outweighs deal size, as the sector continues to attract investment based on innovation potential rather than large valuations.
- Microorganism-based technologies are emerging as key growth drivers, reflecting a shift toward novel and sustainable protein sources.
- Accelerators and incubators play a pivotal role, fueling early-stage innovation and shaping the deal landscape.
- Global interest is intensifying, with Europe and the Americas currently leading, while Asia is rapidly gaining ground in the race for food tech leadership.

42.7%
of deal counts between Apr.-Jun. '25 were attributed to the microorganism-based segment

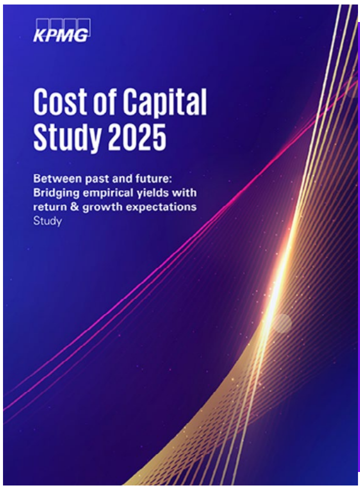
37.3%
of the total deal count in Q2 2025 was driven by accelerator/ incubator funding

€109 mn
from the top five transactions accounted for 47.0% of the total deal value in Q2 2025

48.0%
of the overall Alternative Protein deal count in Q2 2025 was concentrated in Europe

41.5%
surge in total deal count in Q2 2025 (compared with Q2 2024)

KPMG Insights



Takeaways

- The study explores how growth expectations influence implicit market risk premiums, taking into account the return requirements set by the markets.
- Key factors shaping Europe's economic trajectory include central bank autonomy, rising debt levels, and AI innovation.
- Examines whether regional differences in empirical returns are persistent and whether variations in implied returns are driven by risk assessments or growth prospects.
- Industry-specific risk profiles contribute to significant differences in capital costs, with sectors such as automotive, technology, and industrial manufacturing facing higher costs due to volatility and innovation cycles.

5.2% – 10.4%
range of weighted average cost of capital (WACC) used by participating companies

9.2%
was the average expected total return in Germany and Austria

6.7%
average market risk premium in Germany and Austria

2.5%
was the risk-free base interest rate for companies in Germany and Austria

Glossary

Consumer Goods subsector definitions

Apparel & Accessories

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

Furniture & Furnishing

Producers of wooden and metal furniture, upholstery, draperies, mattresses and beds, sanitaryware, kitchenware, and other related home and office items.

Electronics & Appliances

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

Homecare, Beauty & Personal Care

Producers of cosmetics, sanitary products, toiletries, supplements/nutritional supplements and products, soaps, detergents, disinfectants, and other specialty home chemicals.

Food, Beverage & Tobacco

Producers of food, beverages, and tobacco products, as well as companies involved in FBT-related farming and agricultural products.

Other Consumer Goods

Includes companies that do not fall into the categories above, such as producers of non-food agricultural products and 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 the sale of clothing, including sportswear, footwear, jewelry, watches, bags, fashion and luxury items, and related accessories.

Home Improvement & Gardening Stores

Sellers of home furnishings, gardening supplies, electrical fixtures, building materials, DIY and hardware products, sanitaryware, kitchenware, etc.

Bookstores

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

Homecare, Beauty & Personal Care Retail

Sellers of cosmetics, sanitary products, toiletries, supplements/nutritional supplements and products, prescription and over-the-counter drugs, derma-cosmetics, soaps, detergents, disinfectants, and other specialty home chemicals.

Glossary

Department Stores

Includes hypermarkets, department stores and grocery stores offering multiple brands and product categories under one roof.

Online Retail

Pureplay e-commerce companies operating in any retail category.

Electronics & Appliances Retail

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

Optical Stores

Sellers of eyewear.

Food, Beverage & Tobacco Retail

Wholesalers, distributors, and omnichannel stores primarily engaged in selling agricultural and FBT products, both packaged and fresh.

Furniture & Furnishing Retail

Sellers of household and office furniture, as well as related products.

Other Retail

Includes companies that do not fall into the categories above, such as sellers of toys, musical instruments, sporting good, bicycles, packaging products, pet products, etc.
Also includes eating and drinking establishments, caterers, and food and beverage contractors.

Definitions of coverage within each section

Investments

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

M&A

Strategic M&A transactions (including 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 within Consumer Goods & Retail.

Contact

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