



## Q2 2023 Consumer & Retail Update

Summer 2023

# LAKESIDE'S CONSUMER & RETAIL PRACTICE

## Differentiated transaction experience across consumer & retail models and industries

### MEET OUR CONSUMER & RETAIL TEAM



**Tom Newell**  
Managing Director



**Taylor Hanson**  
Partner



**Matt Holcomb**  
Associate

- Our experience advising consumer & retail businesses is unmatched by firms of our size who serve the lower middle market
- We have executed dozens of transactions across all end markets with a combined transaction value of over \$4 billion
- We maintain regular dialogue with acquirers of consumer & retail businesses, including corporate buyers, private equity firms, and family offices

### CONSUMER & RETAIL SUBSECTOR EXPERIENCE

- Agribusiness
- Branded Products
- Foodservice
- Health & Wellbeing
- Licensed Products
- Packaged Food
- Private Labeled Products
- Promotional Products
- Restaurants

### CONSUMER & RETAIL MODEL EXPERIENCE

- Distribution
- Manufacturing
- Multi-unit
- Retail (Brick & Mortar, E-Commerce)
- Service

### REPRESENTATIVE CONSUMER & RETAIL TRANSACTIONS

<p><b>Marrinan Holdings</b> The Parent Company of:</p> <p><i>Jardine</i> ASSOCIATES <b>J&amp;A</b> MARKETING</p> <p>has been acquired by</p> <p><b>KESWICK</b> PARTNERS</p>	<p><b>VitalChoice</b> WILD SEAFOOD &amp; ORGANICS</p> <p>has been acquired by</p> <p><b>1-800 flowers.com</b></p>	<p><b>WELER</b> Recreation</p> <p>has been recapitalized by affiliates of</p> <p>White Brush Capital</p>	<p><b>WINCRAFT</b></p> <p>has been acquired by</p> <p><b>Fanatics</b></p>
<p><b>STICKY FINGERS</b> BAKERIES</p> <p>has been acquired by</p> <p><b>CUSTOM FOODS</b> INCORPORATED</p>	<p><b>Cabela's</b></p> <p>has been acquired by</p> <p><b>Bass Pro Shops</b></p> <p>and</p> <p>Goldman Sachs</p>	<p><b>TDBBS</b> DOG TREATS &amp; CHEWS</p> <p>has been acquired by</p> <p>BregalPartners</p>	<p><b>QUIZINA</b> DOG TREATS &amp; CHEWS</p> <p>has been acquired by</p> <p>JGC   Joshua Green Capital</p>
<p><b>CORPORATE IMAGING CONCEPTS</b></p> <p>has been acquired by</p> <p>Berkley Capital, LLC</p>	<p><b>clearlink.</b></p> <p>portfolio company of</p> <p><b>PAMLICO</b> CAPITAL</p> <p>has been acquired by</p> <p><b>SYKES</b></p>	<p><b>Bodek+Rhodes</b></p> <p>has been acquired by</p> <p>cb alphabroder</p> <p>portfolio company of</p> <p><b>LITTLEJOHN &amp; CO.</b></p>	<p><b>Klement's</b></p> <p>has been acquired by</p> <p>Tall Tree Foods</p> <p>portfolio company of</p> <p>Altamont</p>
<p><b>AD</b> ANDERSON DAYMON WORLDWIDE</p> <p>has been acquired by</p> <p><b>ACOSTA</b> SALES &amp; MARKETING</p>	<p><b>QK Inc.</b></p> <p><b>Denny's DELTACO</b></p> <p>has been recapitalized by</p> <p>CC CM CAVE CREEK CAPITAL MANAGEMENT</p> <p>Stewart Capital</p> <p>SEACOAST CAPITAL</p>	<p><b>corepower</b> YOGA</p> <p>has been recapitalized by</p> <p>CATTERTON   partners</p>	<p><b>FUNKO</b></p> <p>has been recapitalized by</p> <p>FUNDAMENTAL CAPITAL</p>

Note: Select transactions completed by Lakeside principals while at prior firms

## INDUSTRY NEWS

### Lakeside is committed to keeping our finger on the pulse of the consumer & retail market

#### WORTHWHILE READS

The articles below are taken from various industry periodicals, websites, and blogs from around the web that highlight key themes in consumer & retail.

##### Retailers' Problems Get Real

WSJ

*"Americans bumped up their spending at retailers last month, but at a slower pace. The Commerce Department on Tuesday reported that retail sales in June rose by a seasonally adjusted 0.2% from a month earlier, less than the 0.5% economists polled by The Wall Street Journal expected to see and less than the 0.5% logged in May."*

Read the article [here](#)

##### How Brands Are Making Margins and Loyalty Grow with Digital Goods

Retail Wire

*"According to OSF Digital's 2023 Omnichannel Retail Index (ORI), retailers have increased their investment in content and loyalty program capabilities during the past year. Compelling content can help retailers engage, educate, and entertain customers."*

Read the article [here](#)

##### Is Buy Now, Pay Later Financing Right for Your Retail Business?

Retail Dive

*"Buy now, pay later (BNPL) financing gives merchants a powerful boost to their bottom lines. It helps them drive new customer acquisition, higher average order values (AOV), and repeat purchases."*

Read the article [here](#)

##### Retail Reset: A New Playbook for Retail Leaders

McKinsey

*"In light of unprecedented industry disruption, a retailer's actions today could determine whether it spends the next 20 years as a leader or a laggard. Here are four must-dos for retail executives."*

Read the article [here](#)

##### How to Use Real-time Data to Mine Better Insight

E&Y

*"It's standard practice for management teams to use key performance indicators (KPIs) to address business objectives. However, it can be difficult to analyze just how effective business processes are being executed in relation to company objectives."*

Read the article [here](#)

#### RECENT TRANSACTIONS

The transactions highlighted below were high profile transactions completed in the most recent quarter.

flutterhabit

has been acquired by



Flutterhabit, a leading direct-to-consumer eCommerce provider of premium beauty products, has been acquired by Gauge Capital.

Gauge Capital is a Dallas, TX based private equity firm with a strong focus on business services and technology, food and consumer, government, industrial, and transportation / logistics, and healthcare.

FEX  
PRO

has been acquired by



Fexpro, a leading wholesaler of licensed sports and branded apparel serving Latin America, was acquired by Fanatics.

Fanatics is a global digital sports platform and leading provider of licensed sports merchandise.

Fanatics will integrate Fexpro with a continued emphasis on growing the wholesale business in the Latin America.

MATTRESSFIRM

has been acquired by

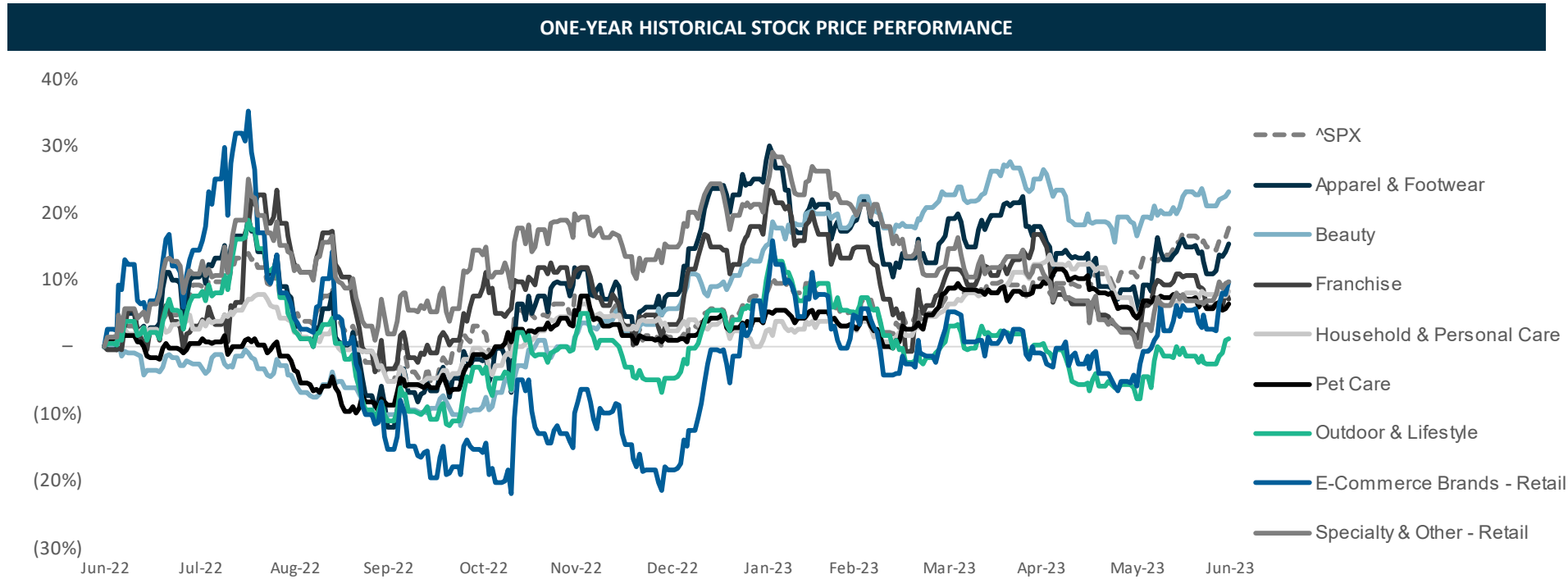
TEMPUR+SEALY

Mattress Firm, a multi-brand mattress retailer offering a broad selection of both traditional and specialty mattresses, bedding accessories, and other related products, has been acquired by Tempur Sealy.

Tempur Sealy is a bedding provider that develops, manufactures, and markets mattresses, foundations, pillows, and other products.

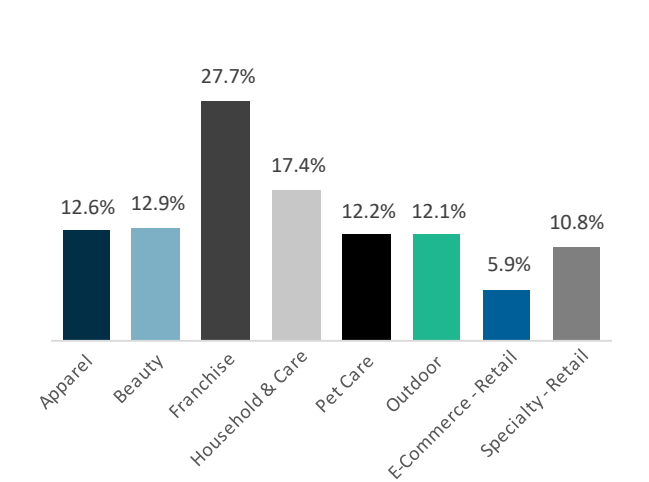
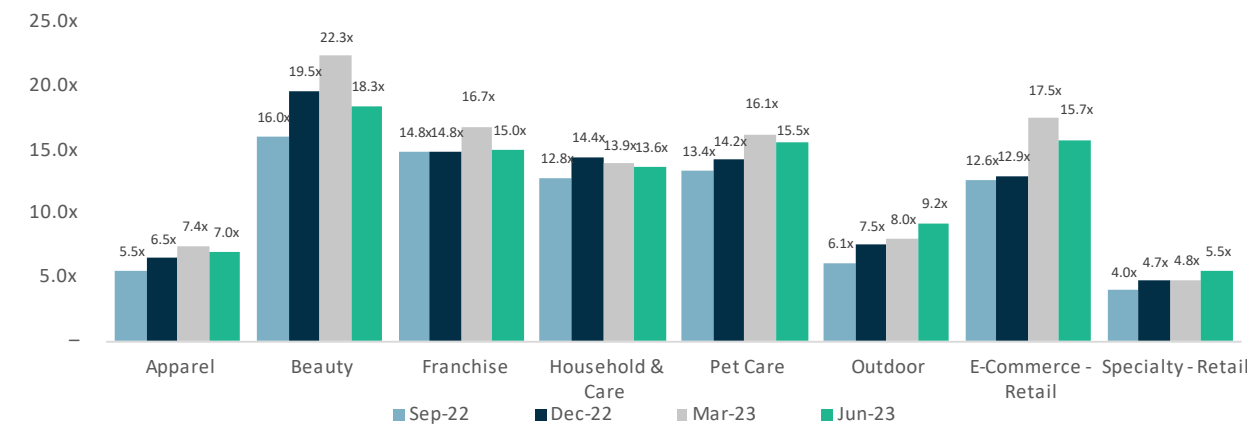
# CONSUMER & RETAIL PUBLIC COMPANY PERFORMANCE

Below is a look at how publicly traded consumer & retail companies performed by sector



### EBITDA TRADING MULTIPLES BY QUARTER

### EBITDA MARGIN BY SECTOR



Source: Capital IQ

# SELECT CONSUMER & RETAIL PUBLIC COMPANY BENCHMARKING BY SECTOR



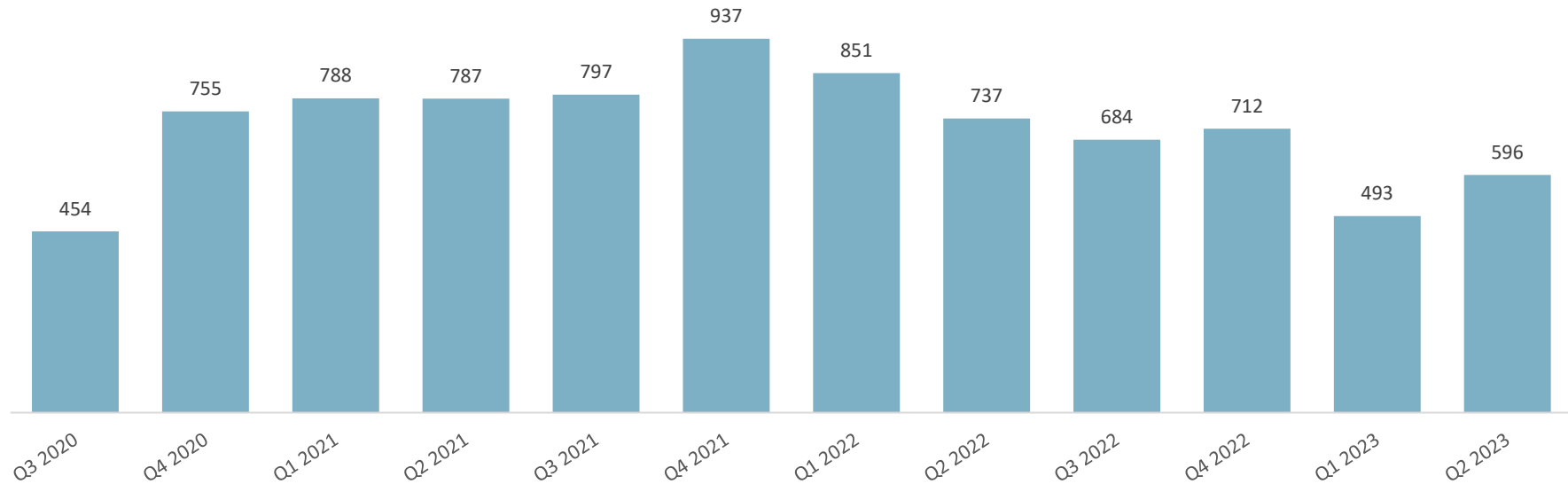
# SELECT CONSUMER & RETAIL PUBLIC COMPANY BENCHMARKING BY SECTOR (CONT'D)



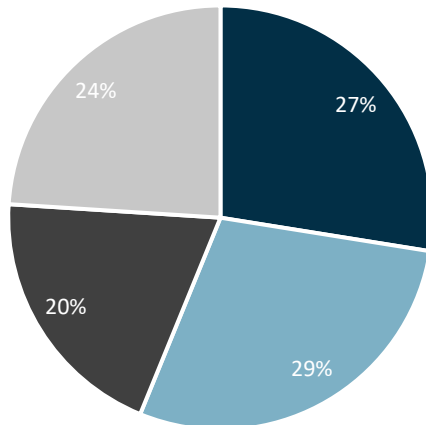
## CONSUMER & RETAIL TRANSACTION DATA

Below is an overview of M&A volume by quarter for consumer & retail

NUMBER OF CONSUMER & RETAIL TRANSACTIONS BY QUARTER

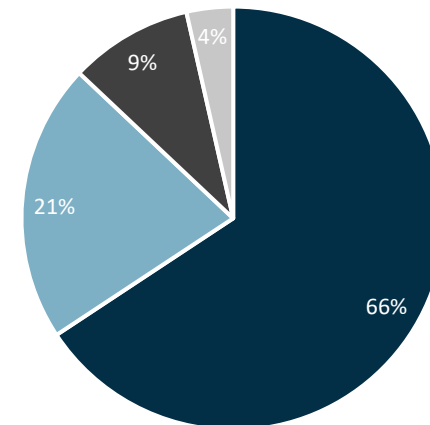


PERCENT OF TRANSACTION VOLUME COMPLETED BY QUARTER



■ Q3 2022 ■ Q4 2022 ■ Q1 2023 ■ Q2 2023

DISTRIBUTION OF TRANSACTIONS BY EV<sup>1</sup>



■ \$0-\$50M ■ \$51-\$250M ■ \$251-\$1,000M ■ 1,000+M

## SELECT RECENT CONSUMER & RETAIL TRANSACTIONS

Closed Date	Target Name	Business Description	Acquirer
06/29/2023	Flutterhabit	Flutterhabit provides lash and brow products and beauty products. The company sells its products through retail stores as well as online.	Gauge Capital
06/29/2023	Chef Inspirational Foods	Chef Inspirational Foods offers prepared salad, prepared entree, and olives. It sells its products through retailers and supermarkets.	MamaMancini's Holdings
06/29/2023	Yaz and Tuck	Yaz and Tuck manufactures and retails outdoor products for working animals. The company also retails its products online.	Weaver Leather
06/28/2023	El Rancho	El Rancho operates a chain of Hispanic grocery stores across the State of Texas.	Heritage Grocers Group
06/28/2023	Theo Chocolate	Theo Chocolate produces and retails organic chocolate products. It offers chocolate bars and specialty chocolate products.	American Licorice Company
06/27/2023	Hempaid	Hempaid, doing business as Blue Ridge Wellness, owns and operates a medical dispensary.	TerrAscend
06/26/2023	Bix Produce Company	Bix Produce Company is engaged in the distribution of bulk and pre-cut fruits and vegetables, dairy, and related food items.	FreshPoint
06/26/2023	Black Bird Cider Works	Black Bird Cider Works produces hard ciders made from apples.	Resurgence Brewing Company
06/14/2023	Yasso	Yasso produces and sells frozen Greek yoghurt bars through retail stores and online.	Unilever
06/13/2023	FexPro	FexPro is a leading wholesaler of licensed sports and branded apparel serving Latin America.	Fanatics
06/12/2023	Ace Beverage Group	Ace Beverage Group manufactures and markets alcoholic beverages. The company offers products, such as beer, vodka soda, and radlers.	Corby Spirit and Wine Limited
06/07/2023	Eyevious Style	Eyevious Style owns and operates an online shopping portal for men's and women's eyewear in Canada.	Fielmann Aktiengesellschaft
06/01/2023	Penelope Bourbon	Penelope Bourbon produces and sells whiskey in the United States.	Luxco
05/30/2023	Emerald Nuts	Emerald Nuts manufactures and markets food and beverage products.	Flagstone Foods
05/29/2023	Purebread Bakery	Purebread Bakery operates an independent bakery and cafe business in Canada.	Coho Acquisition Corp.
05/25/2023	Dynamic Attractions	Dynamic Attractions designs and constructs theme park rides and attraction centers.	Promising Expert
05/22/2023	The Williamsburg Hotel	The Williamsburg Hotel owns and operates as a hotel in New York.	Quadrup Global
05/14/2023	PointsBet USA	PointsBet USA develops a cloud based cloud-based wagering that offers its clients sports and racing wagering products.	FBG Enterprises Opco
05/09/2023	Mattress Firm Group	Mattress Firm Group, through its subsidiaries, operates as a mattress specialty retailer in the United States.	Tempur Sealy International
05/04/2023	Chargeguard	Chargeguard engages in online retail, offering merchandising, eCommerce, and shopper marketing to optimize growth and profitably on the Amazon marketplace and other eRetailers.	Carbon6 Technologies
05/03/2023	Ruth's Hospitality Group	Ruth's Hospitality Group, together with its subsidiaries, develops, operates, and franchises fine dining restaurants under the Ruth's Chris Steak House name.	Darden Restaurants
04/28/2023	MAPCO Express	MAPCO Express operates a chain of convenience stores in the Southeast United States. It offers products in food and beverages, snacks and pastries, cigarettes and OTP, general merchandize and energy, and other categories.	Circle K; Majors Management
04/27/2023	Revela	Revela manufactures a hair revival serum to control hair loss and hair thinning. It sells its products online.	Oddity Tech
04/25/2023	IMG Academy	IMG Academy operates a sports academy. It offers on-campus and online sports education programs.	BPEA EQT; Nord Anglia Education
04/13/2023	Bonobos	Bonobos designs and retails men's clothing and accessories.	Express; WHP Global
04/12/2023	Cygnnet Online	Cygnnet Online operates as a secondary market e-commerce seller on Amazon. The company owns licenses to sell branded OTC products on Amazon.	Upexi



## ABOUT LAKESIDE PARTNERS



Lakeside Partners is a boutique investment bank specializing in M&A advisory services. We serve founder & family-owned businesses in the lower middle market by advising their owners through transactions. We leverage decades of experience and relationships to execute processes that unlock exceptional value.

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### OUR INDUSTRY EXPERIENCE

