

CONSUMER
M&A UPDATE

Q1 2023



CONSUMER M&A UPDATE

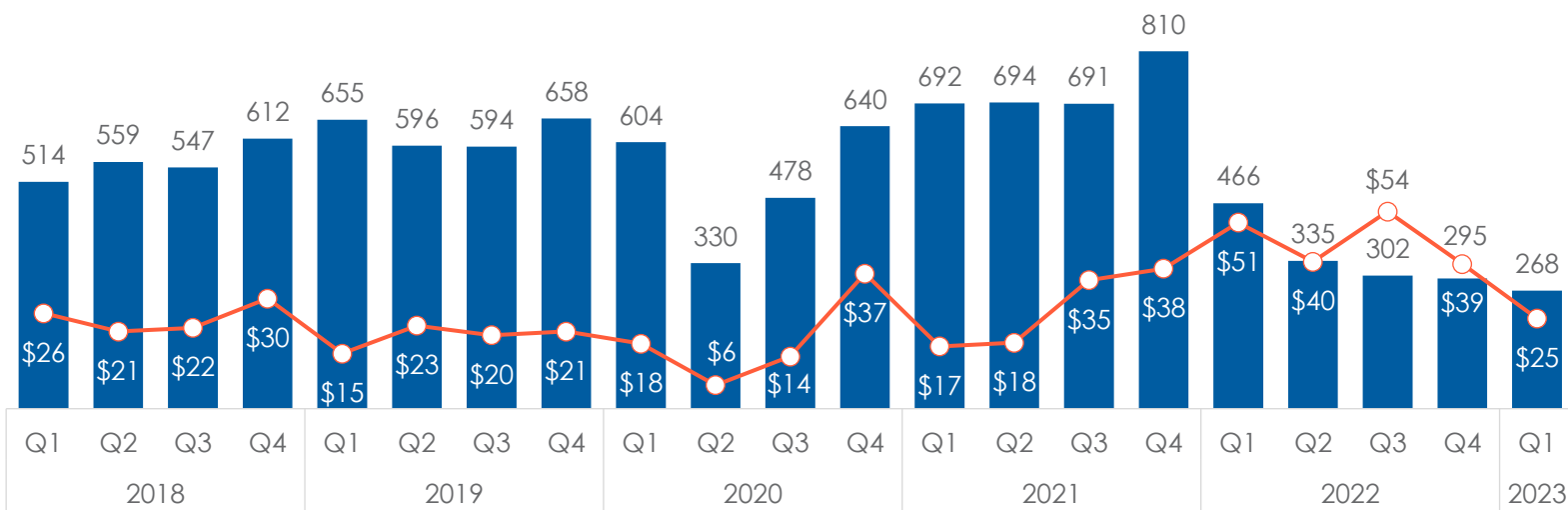
Deal Flow and Valuation Multiples

Q1
2023

Approximately 270 Consumer transactions closed in Q1 '23, the lowest quarterly volume over the last 5 years. Q1 '23 median transaction value for Consumer transactions remained elevated from pandemic lows mainly attributed to transactions involving larger, more stable sellers that are successfully navigating negative consumer sentiment and supply chain challenges. Consumer EV/EBITDA multiples remain below pre-COVID levels.

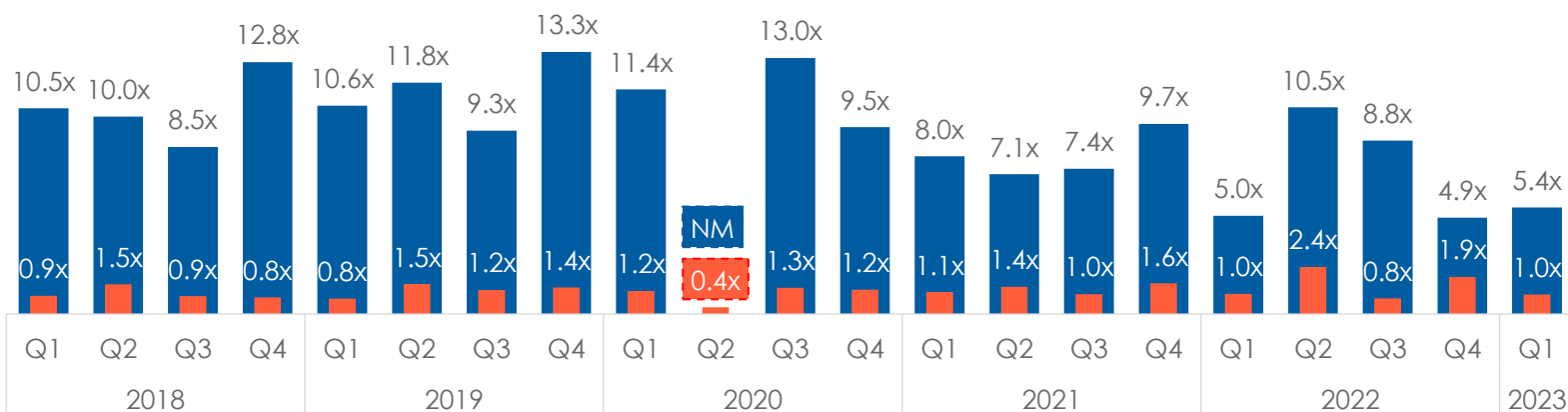
Consumer Transactions & Total Transaction Value

■ Number of Transactions ○ Median Enterprise Value (\$M)



Median Consumer Valuation Multiples ⁽¹⁾

■ Median EBITDA Multiple ■ Median Revenue Multiple

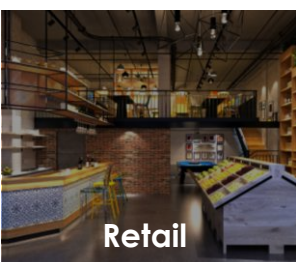


Source: Capital IQ
Note: Data as of 3/31/2023
(1) Excludes EBITDA multiples <2.0x and >20.0x

Subsectors in Focus

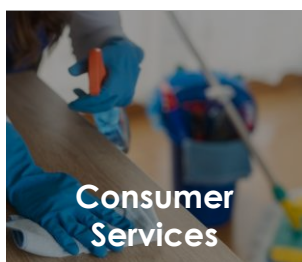
In Q1'23, all Consumer subsectors experienced decreased transaction activity year-over-year. With economic stimulus running out, rising rates, and the continuation of corporate layoffs, it is anticipated consumers will continue to pull back spending for the foreseeable future.

Consumer Subsector Detail and Deep Dive



Retail

- Catalog Retail
- Department Stores
- Direct Mailing & Marketing Retail
- General Merchandise Stores
- Online Retail
- Specialty Retail Stores



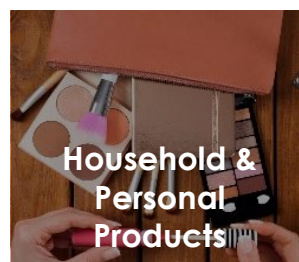
Consumer Services

- Beauty & Self-care Services
- Consumer Rental Services
- Household Services
- Personal Cleaning, Maintenance, and Repair
- Residential Security Services



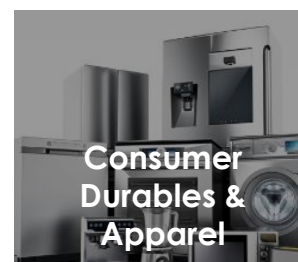
Food & Beverage

- Alcoholic and Nonalcoholic Beverages
- Agricultural Products
- Fresh Foods
- Packaged Foods & Meats
- Organic Food Products
- Seasoning & Preservatives



Household & Personal Products

- Animal Care Products
- Baby Care
- Beauty Products
- Cleaning Products, Supplies, and Accessories
- Household Products
- Vitamins & Supplements



Consumer Durables & Apparel

- Apparel & Accessories
- Consumer Electronics
- Footwear
- Home Furnishings
- Household Appliances
- Housewares
- Leisure & Recreational Products

Q1 2023 Subsector M&A Tracking

# of Transactions				
94	84	47	12	31
YoY M&A Trend				
↓	↓	↓	↓	↓
Average EV (\$M)				
\$734	\$76	\$431	\$9	\$10
Median EV (\$M)				
\$41	\$33	\$35	\$4	\$12

Source: Capital IQ

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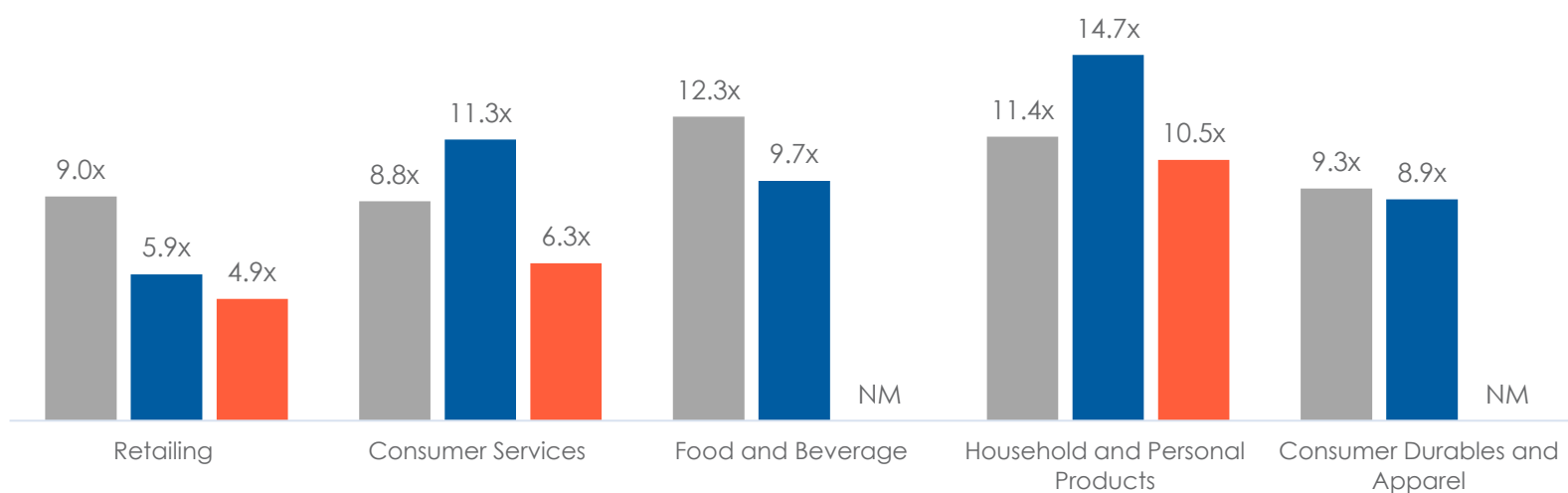
Valuation Multiples by Subsector

Q1
2023

Nearly every Consumer subsector is reporting EV/EBITDA multiples in excess of 6.0x and EV/Revenue multiples in excess of 0.8x (excluding the Retailing subsector). The majority of Consumer subsectors are experiencing year-over-year declines in trailing EV/EBITDA multiples – approximately 13% on average.

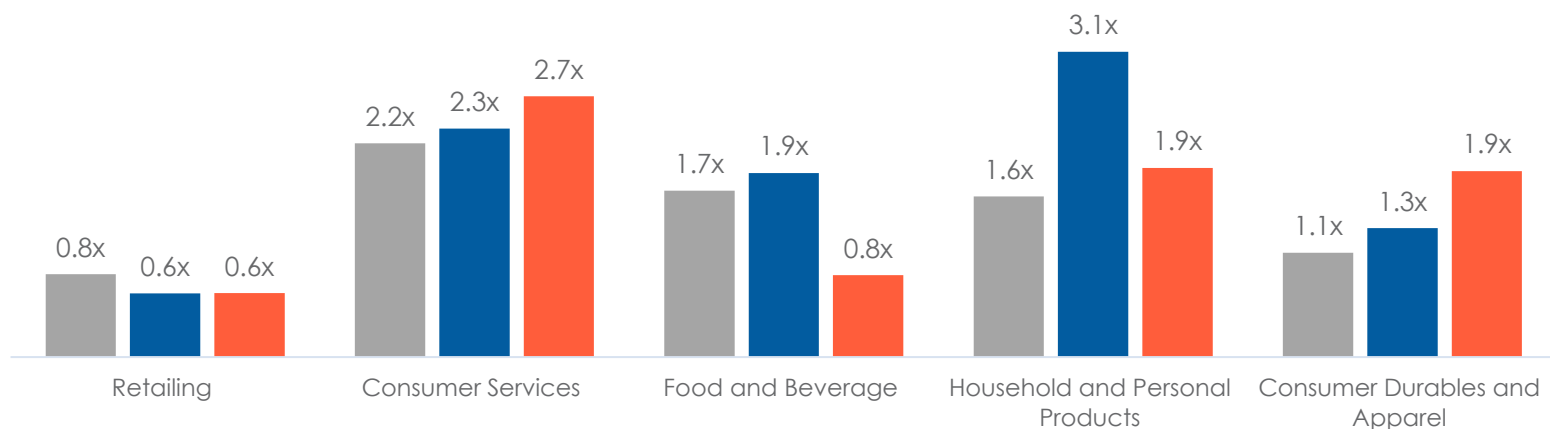
TTM EV/EBITDA Multiples by Consumer Subsector ⁽¹⁾

■ Q1 2021 ■ Q1 2022 ■ Q1 2023



TTM EV/Revenue Multiples by Consumer Subsector

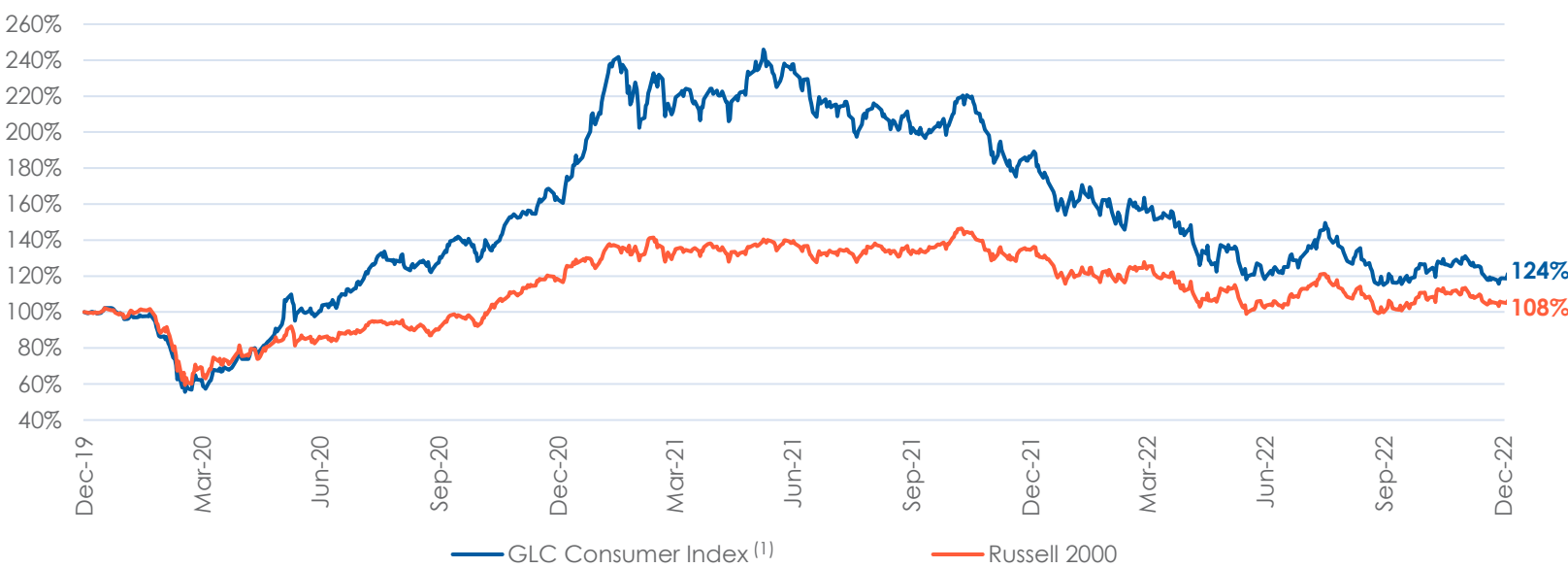
■ Q1 2021 ■ Q1 2022 ■ Q1 2023



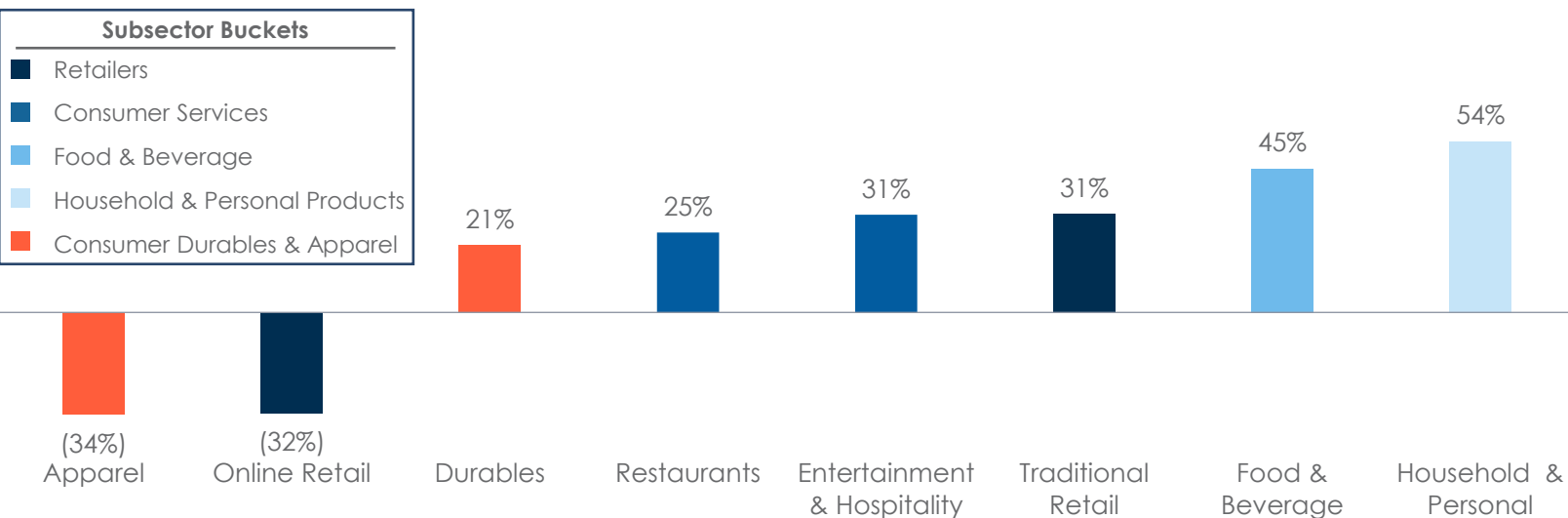
Index Performance

In Q1'23, Consumer public company valuations increased. The Russell Index ("Russell") rose during Q1'23 finishing up 2% and the GLC Consumer Index also finished up 5%. The GLC Consumer Index continues to outperform the Russell over the past 3 years with a 24% return – mainly driven by the Household & Personal Items, Food & Beverage, and Traditional Retail subsectors. The return of the Consumer Index is down from highs of 145%+ achieved in summer 2021 when consumer sentiment was at its highest due to a strong labor market, continued stimulus, and low-interest rates.

Consumer Index Performance (since 2019)



Subsector Performance (since 2019)

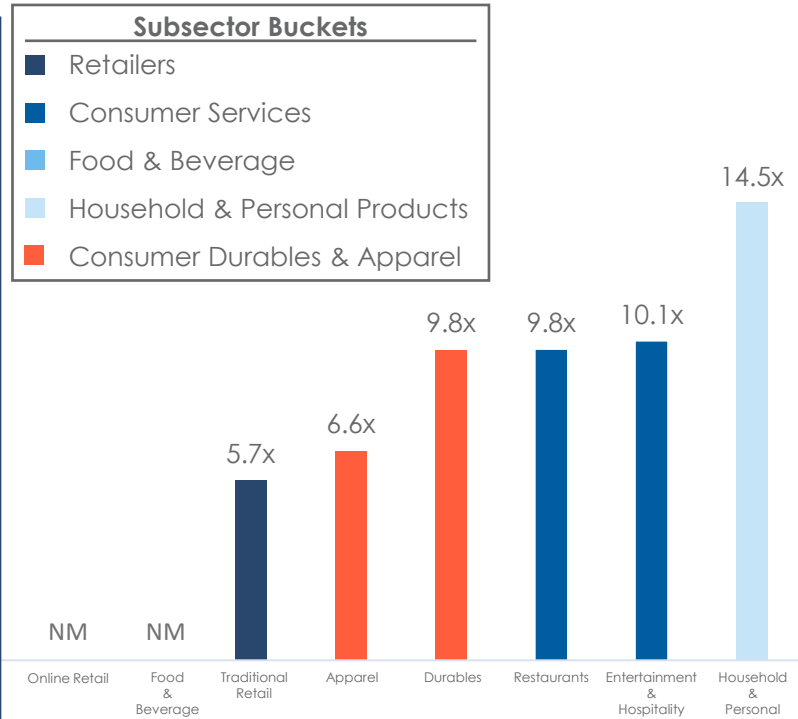


Valuation Trends

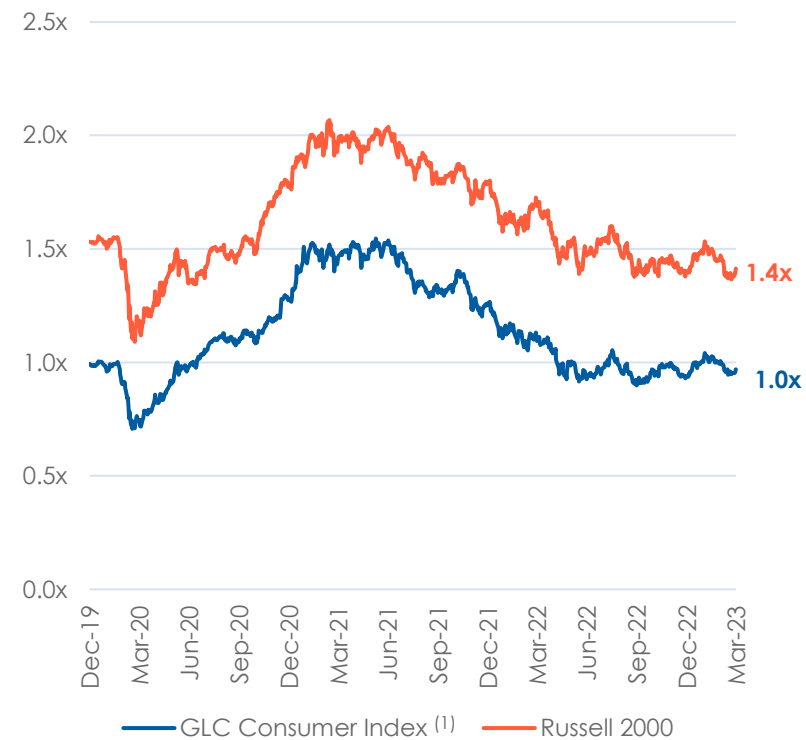
Consumer Index EV/EBITDA Performance



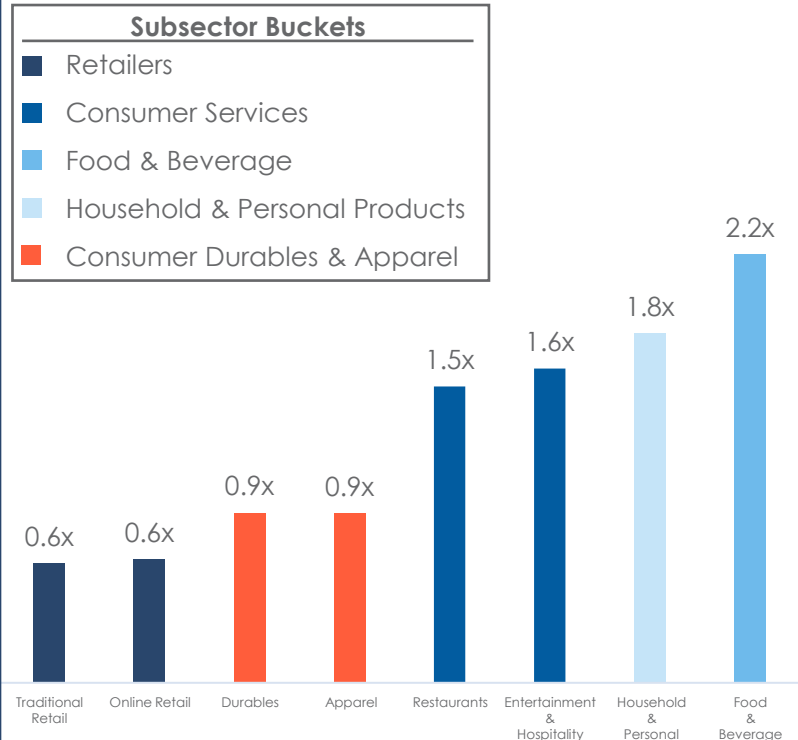
EoQ Subsector EV/EBITDA Multiples (2)



Consumer Index EV/Revenue Performance



EoQ Subsector EV/Revenue Multiples



FIRM OVERVIEW

A Leading, Full-Service Investment Bank

GLC Advisors & Co. is a leading independent investment banking advisory firm, delivering objective, senior-level expertise to successfully execute financial advisory assignments for our clients. We advise Shareholders, Board of Directors, Entrepreneurs, Management Teams, and Capital Providers on material financial transactions regarding strategic alternatives, capital structure, and transactions.

We excel working with founder and owner operators and are passionate about the businesses and people we work with.

900+
CLOSED
TRANSACTIONS

\$730B+
TRANSACTION
VALUE

50+
PROFESSIONALS

15+
MANAGING
DIRECTORS

Key Capabilities

M&A Advisory

- 100% Sale
- Valuations
- Fairness Opinions

Capital Raising

- Growth Equity
- Debt Capital
- Minority Recap

Restructuring

- Debt Advisory
- Distressed M&A
- 363 Transactions

Business Services & Diversified Industries Team

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