



**HOULIHAN  
CAPITAL**

*Value. Added.*

Valuation & Financial Advisory | Investment Banking

---

**INDUSTRY UPDATE  
CONSUMER PRODUCTS  
Q1 2026**

200 W. Madison Street, Suite 2150 | Chicago, IL 60606 | [www.houlihancapital.com](http://www.houlihancapital.com) | 312.450.8600

Member of FINRA | Member of SIPC

### Key Trends

- **Shoppers Stayed Cautious:** Households kept a tight grip on spending, trading down on discretionary purchases and steering wallets toward essentials and clear-value categories.
- **Value Won the Basket:** Discounts, private label, and promotions drove brand choice. Retailers and brands that led with a sharp value message held traffic and kept customers coming back.
- **Digital Pulled Its Weight:** Consumer companies leaned harder on personalization, data, and connected store-and-online experiences to lift engagement, sharpen pricing, and take cost out of operations.

### Market Overview

- Both consumer discretionary and consumer staples stocks **trailed the broader market** in Q1 2026, with choppy trading conditions weighing on the sector.
- The M&A market entered 2026 on its back foot, with consumer deal volume **falling ~10%** quarter-over-quarter into Q1 2026. Sponsors and strategics are sitting tighter, waiting for clearer demand signals and a friendlier rate path before re-engaging at scale.

### External Drivers

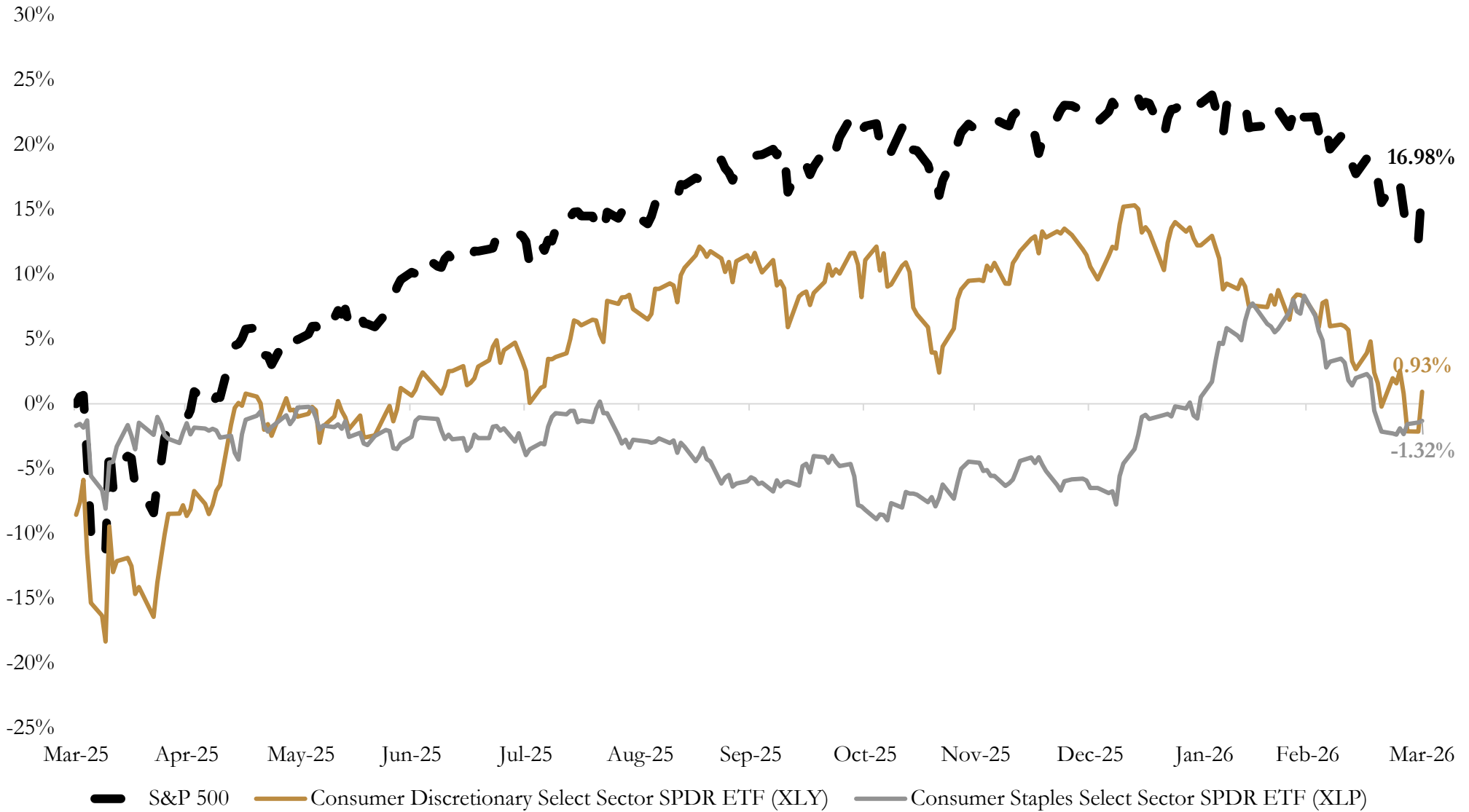
- Wage growth cooled in Q1 2026, easing the labor squeeze, but rising benefits costs and tighter regulation kept a lid on margin recovery across the consumer sector.
- Softer freight demand made shipping costs and delivery timelines harder to predict in Q1 2026, putting pressure on inventory planning and raising the cost of missteps across consumer supply chains.

# 2

## Public Market Performance

*Sector ETF vs. S&P 500*

### Consumer Discretionary – Consumer Staples & S&P 500



Source: Capital IQ

# 2 Public Market Performance

## Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

Company Name	Ticker	Valuation Metrics					Financial Metrics			
		TEV	Price at 03/31/26	% of 52 Week High	TEV / LTM Revenue	TEV / LTM EBITDA	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin
<b>Consumer Goods &amp; Health</b>										
The Procter & Gamble Company	PG	\$365,820	\$144.44	82.6%	4.2x	14.6x	\$86,717	\$25,042	3.3%	28.9%
Philip Morris International Inc.	PM	\$315,176	\$165.34	86.4%	7.6x	17.0x	\$41,493	\$18,594	8.1%	44.8%
Altria Group, Inc.	MO	\$136,410	\$65.99	93.6%	6.7x	8.6x	\$20,378	\$15,788	0.7%	77.5%
Colgate-Palmolive Company	CL	\$76,800	\$85.23	85.8%	3.7x	15.6x	\$20,795	\$4,921	4.3%	23.7%
Archer-Daniels-Midland Company	ADM	\$47,698	\$72.69	98.0%	7.6x	17.0x	\$80,584	\$2,539	-3.9%	3.2%
Kenvue Inc.	KVUE	\$41,635	\$17.24	68.5%	2.7x	12.1x	\$15,292	\$3,442	-0.1%	22.5%
Kimberly-Clark Corporation	KMB	\$39,730	\$96.47	65.6%	0.6x	18.8x	\$16,556	\$3,351	0.1%	20.2%
Church & Dwight Co., Inc.	CHD	\$24,118	\$93.32	81.9%	3.9x	17.4x	\$6,205	\$1,388	2.2%	22.4%
<b>Food, Beverage &amp; Restaurants</b>										
The Coca-Cola Company	KO	\$370,372	\$76.05	92.7%	7.5x	22.2x	\$47,941	\$16,078	5.1%	33.9%
McDonald's Corporation	MCD	\$255,718	\$310.79	90.9%	9.3x	17.1x	\$27,446	\$14,929	6.8%	54.4%
PepsiCo, Inc.	PEP	\$255,665	\$155.29	90.6%	2.7x	13.7x	\$95,449	\$18,696	4.3%	19.6%
Starbucks Corporation	SBUX	\$141,541	\$89.59	85.5%	3.7x	26.2x	\$38,472	\$5,395	5.8%	14.0%
Mondelez International, Inc.	MDLZ	\$98,853	\$57.64	81.0%	4.9x	53.6x	\$39,304	\$5,216	7.8%	13.3%
Keurig Dr Pepper Inc.	KDP	\$75,135	\$26.33	72.9%	2.7x	13.7x	\$16,944	\$4,442	9.2%	26.2%
DoorDash, Inc.	DASH	\$72,426	\$150.15	52.6%	2.5x	19.0x	\$14,721	\$1,350	31.0%	9.2%
Monster Beverage Corporation	MNST	\$71,307	\$72.46	82.9%	8.1x	25.3x	\$8,793	\$2,822	18.1%	32.1%
The Kroger Co.	KR	\$62,051	\$72.36	94.5%	0.4x	7.7x	\$147,642	\$8,091	0.4%	5.5%
Sysco Corporation	SY	\$48,348	\$71.33	77.7%	8.1x	25.3x	\$83,567	\$4,565	3.4%	5.5%
Chipotle Mexican Grill, Inc.	CMG	\$47,051	\$32.01	54.8%	4.4x	16.9x	\$12,139	\$2,304	5.7%	19.0%
The Kraft Heinz Company	KHC	\$45,200	\$22.49	72.2%	1.8x	7.8x	\$24,990	\$5,762	-1.7%	23.1%
Constellation Brands, Inc.	STZ	\$37,274	\$150.00	76.2%	4.1x	11.0x	\$9,139	\$3,384	-10.5%	37.0%

Source: Capital IQ

# 2 Public Market Performance

## Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

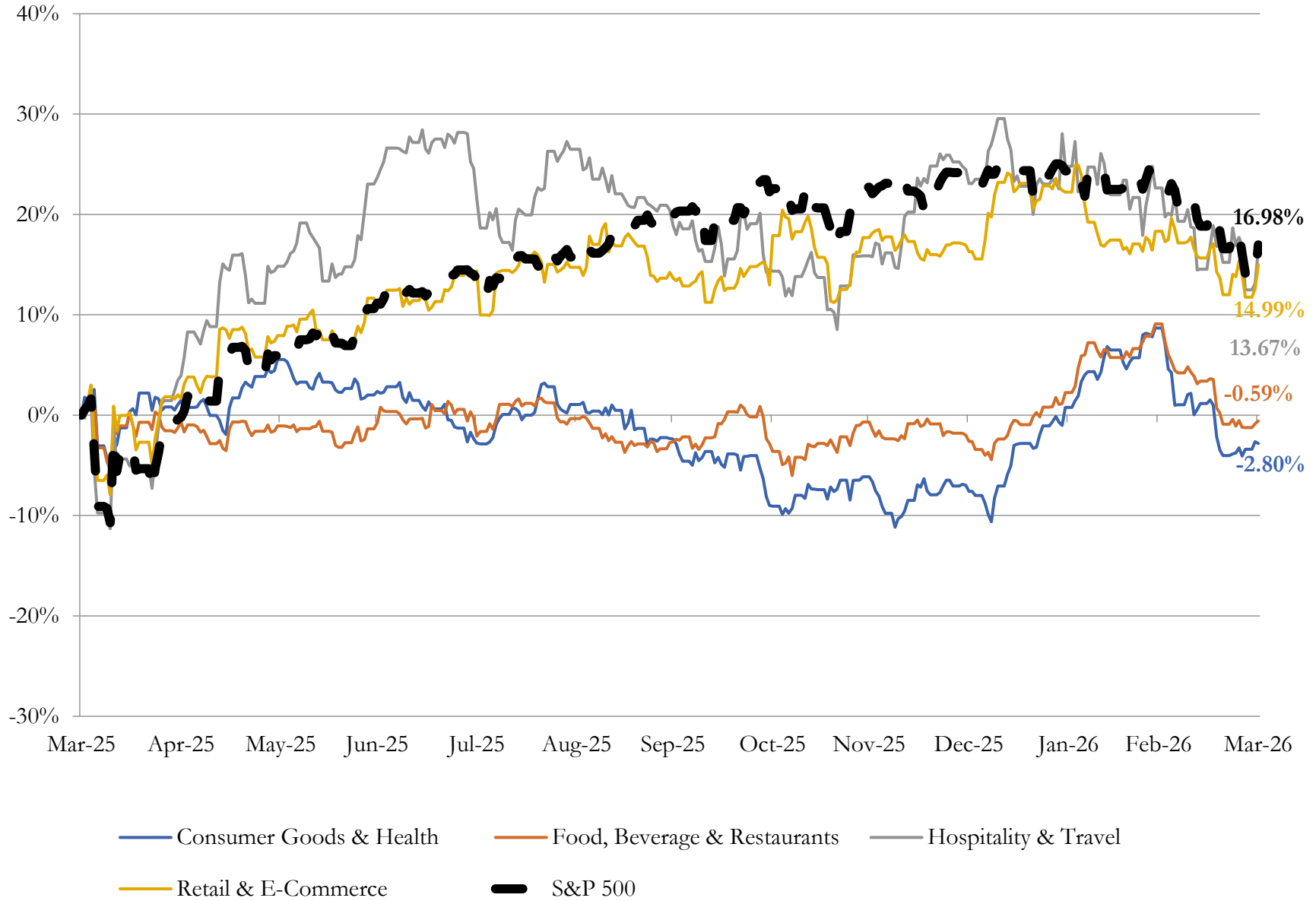
Company Name	Ticker	Valuation Metrics					Financial Metrics			
		TEV	Price at 03/31/26	% of 52 Week High	TEV / LTM Revenue	TEV / LTM EBITDA	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin
<b>Hospitality &amp; Travel</b>										
Booking Holdings Inc.	BKNG	\$135,552	\$168.41	72.1%	4.9x	13.1x	\$27,687	\$10,378	15.0%	37.5%
Marriott International, Inc.	MAR	\$109,784	\$327.07	88.4%	5.3x	14.0x	\$7,184	\$4,735	7.5%	65.9%
Royal Caribbean Cruises Ltd.	RCL	\$96,826	\$275.18	75.1%	15.3x	23.2x	\$18,388	\$6,902	9.7%	37.5%
Hilton Worldwide Holdings Inc.	HLT	\$85,448	\$304.08	91.1%	16.9x	28.5x	\$5,071	\$3,003	6.6%	59.2%
Airbnb, Inc.	ABNB	\$73,977	\$126.28	87.8%	5.8x	28.4x	\$12,647	\$2,605	12.6%	20.6%
<b>Retail &amp; E-Commerce</b>										
Amazon.com, Inc.	AMZN	\$3,009,456	\$208.27	80.5%	4.1x	19.3x	\$742,776	\$155,861	14.2%	21.0%
The Home Depot, Inc.	HD	\$385,878	\$328.89	77.1%	N/A	N/A	\$164,683	\$25,011	3.2%	15.2%
Costco Wholesale Corporation	COST	\$439,098	\$996.43	93.4%	1.5x	32.6x	\$286,265	\$13,460	8.4%	4.7%
The TJX Companies, Inc.	TJX	\$178,085	\$159.70	98.2%	1.5x	32.6x	\$60,372	\$8,425	7.1%	14.0%
Lowe's Companies, Inc.	LOW	\$173,002	\$236.28	80.6%	2.0x	14.0x	\$86,286	\$12,400	3.1%	14.4%
O'Reilly Automotive, Inc.	ORLY	\$87,197	\$92.31	84.9%	2.9x	21.1x	\$18,206	\$4,085	7.9%	22.4%
Target Corporation	TGT	\$71,974	\$121.20	96.2%	2.9x	21.1x	\$104,780	\$8,072	-1.7%	7.7%
AutoZone, Inc.	AZO	\$70,992	\$3,377.78	77.0%	1.5x	17.8x	\$19,610	\$4,191	5.0%	21.4%
NIKE, Inc.	NKE	\$68,887	\$52.82	65.9%	1.5x	17.8x	\$46,523	\$3,864	-2.7%	8.3%
lululemon athletica inc.	LULU	\$15,364	\$153.10	45.0%	1.4x	5.7x	\$11,103	\$2,707	4.9%	24.4%

Source: Capital IQ

# 2

## Public Market Performance

*Sub-Industry Performance vs. S&P 500*



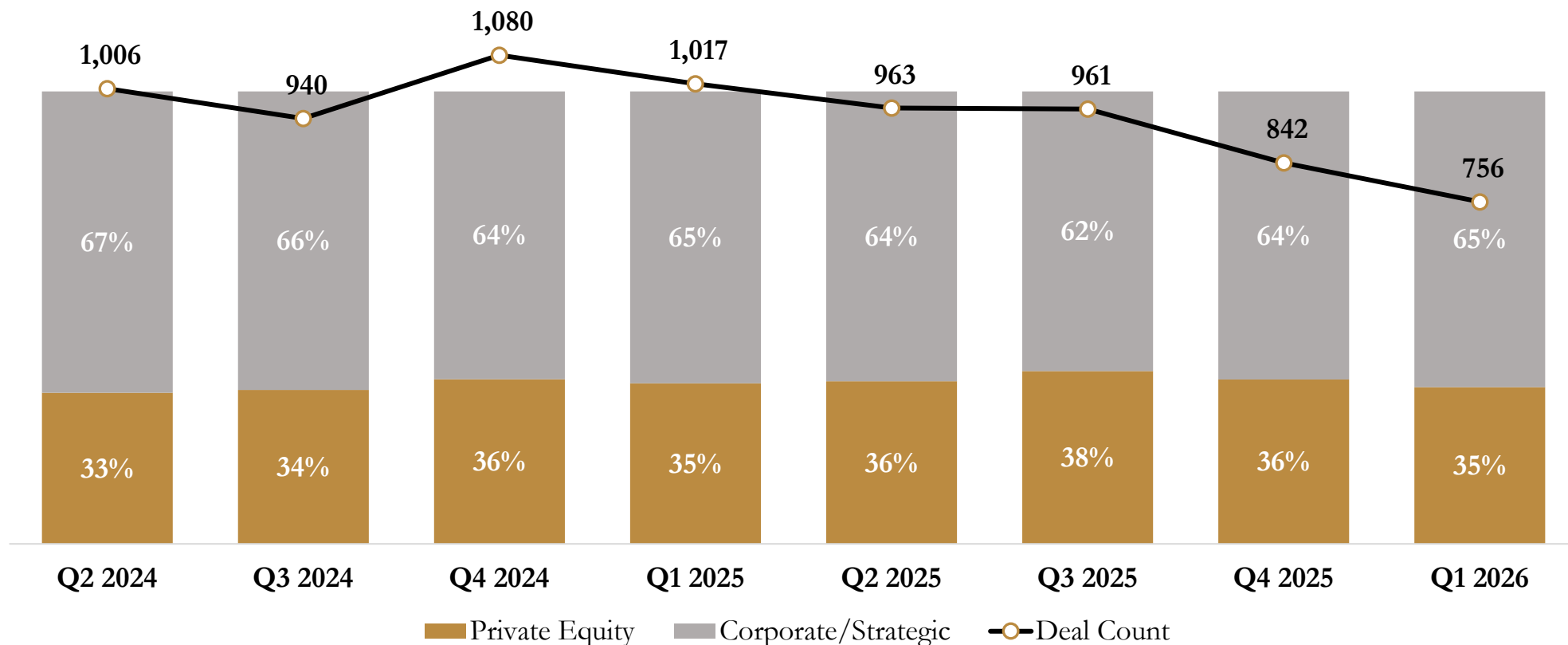
Source: Capital IQ; Data derived from M&A activity over the past three years. Q1 2026 consisted of 22 megadeals valued at over \$10 billion each

# 3

## M&A Trends

### Quarterly M&A Volume (Strategic vs. Private Equity)

The Consumer M&A market continued to soften in Q1 2026, with total deal volume falling to 756 transactions – the lowest level in the past two years and a 10% decline from Q4 2025. Strategic buyers continued to lead activity, accounting for ~65% of deals, while financial sponsors represented ~35%. The slowdown reflects sustained macroeconomic pressures, shifting consumer spending patterns, and tighter regulatory oversight. Buyers have remained active but increasingly selective, targeting high-growth categories such as wellness, sustainability, and digital-native brands that offer stronger resilience and long-term demand visibility.



Source: PitchBook

Note: Transaction data reflects completed U.S. transactions involving Strategic M&A, PE-backed Companies, and Buyout/LBO platform transactions

## 3

## M&amp;A Trends

## Recent M&amp;A Transactions

(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Jul-25	io Products, Inc.	OpenAI, L.L.C.	\$6,494
Dec-25	HanesBrands Inc.	Gildan Activewear Inc.	\$4,525
Jun-25	Landsea Homes Corporation	The New Home Company Inc. (nka:Risewell Homes Inc.)	\$1,156
Feb-26	Residential Kitchen Business of Middleby Worldwide, Inc.	26North Partners LP	\$885
Oct-25	O2 Partners, LLC	Coats North America Consolidated, Inc.	\$770
Nov-25	Williamson-Dickie Manufacturing Company, LLC	Bluestar Alliance, LLC	\$600
Sep-25	American Homestar Corporation	Cavco Industries, Inc.	\$190
Jan-26	TYR Tactical, LLC	Safariland, LLC	\$170
Apr-25	VOXX International Corporation	Gentex Corporation	\$160
Aug-25	Stuart Weitzman, LLC	Caleres, Inc.	\$120
May-25	Outlook Table Mesa	FJ Management Inc.	\$97
Jan-26	Resibuilt Homes, LLC	Invitation Homes Inc.	\$97
Sep-25	DC Rental Portfolio LLC	Kenilworth Systems Corporation (nka:Global Asset Management Group, Inc.)	\$93
Oct-25	DJO, LLC	Promus Equity Partners, LLC	\$60
Dec-25	Gainline Recline Intermediate Corp.	Man Wah USA Manufacturing Limited	\$32
Jan-26	New Classic Home Furnishing, Inc.	GigaCloud Technology Inc.	\$18
Mar-26	Ergatta, Inc.	Interactive Strength Inc.	\$13
Mar-26	Rad Power Bikes Inc.	Life Electric Vehicles, Inc.	\$13
Mar-25	Creative Genius, LLC	CriticalPoint Capital, LLC	\$1
Aug-25	Freebird Stores, Inc.	N/A	\$1
Mar-26	The KL Companies, Inc.	Pelican Intl Inc.	NA
Mar-26	JK Monarch, LLC.	Trumark Homes LLC	NA
Mar-26	Royer Labs	Sounds Great Holdings, LLC	NA
Mar-26	RS Boes, LLC	RF Investment Partners, LLC; Burlington Capital Partners LLC	NA
Mar-26	Pacific Standard Service	Commercial Foodservice Repair Company, Inc.	NA
Mar-26	OTEX Protective, Inc.	Mechanix Wear LLC	NA
Mar-26	Style-Line Furn., Inc.	Jonathan Louis International Ltd.	NA
Mar-26	Lionel LLC	Round 2, LLC	NA
Feb-26	Panda Cult Games LLC	Aethon Books, LLC	NA
Feb-26	M Love Vintage Holdings Inc.	TransGlobal Assets Inc.	NA

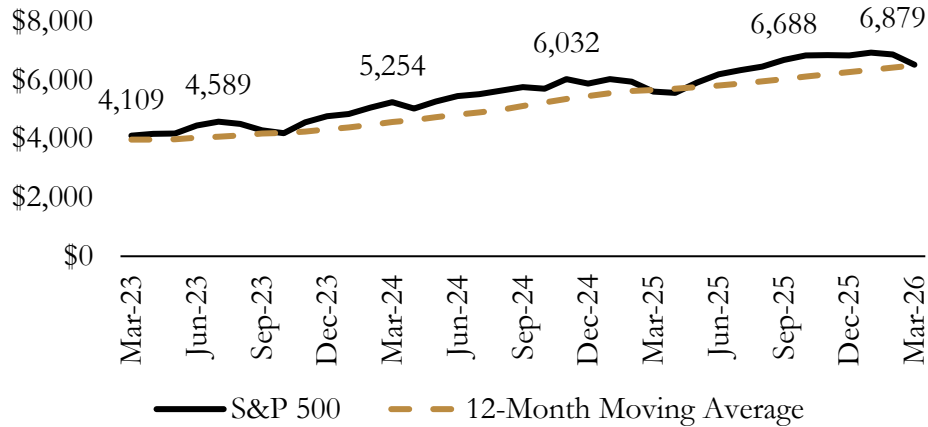
Source: Capital IQ

# 4

## Macroeconomic Environment

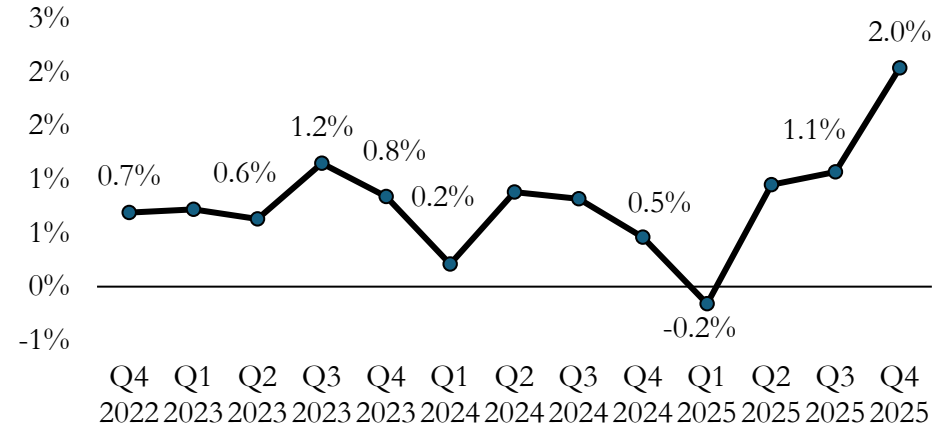
### Macroeconomic Indicators

#### S&P 500



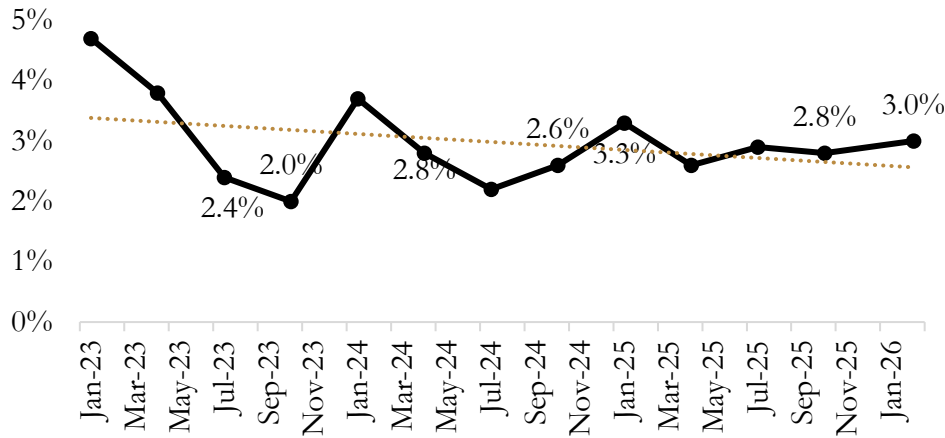
A leading equity index tracking the performance of 500 large U.S. companies.

#### Real GDP Growth



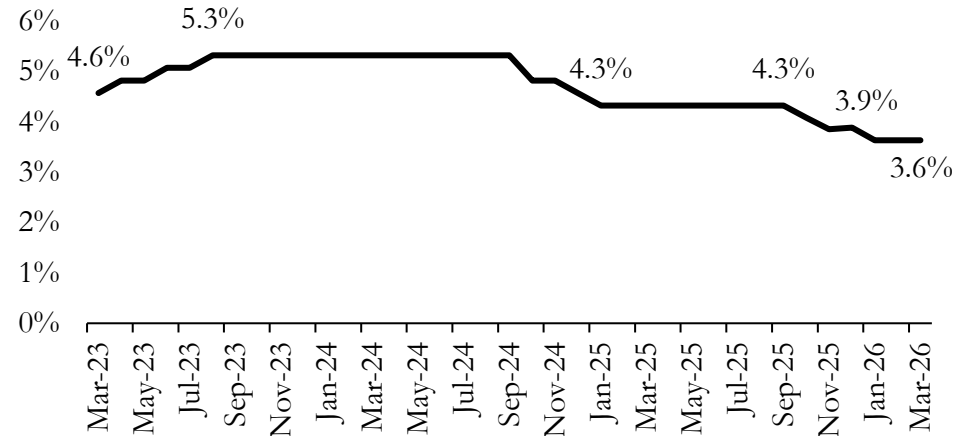
Tracks inflation-adjusted economic output, typically reported quarterly.

#### Core PCE



A key inflation gauge that tracks consumer spending, excluding volatile food and energy prices.

#### Federal Funds Rate



The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

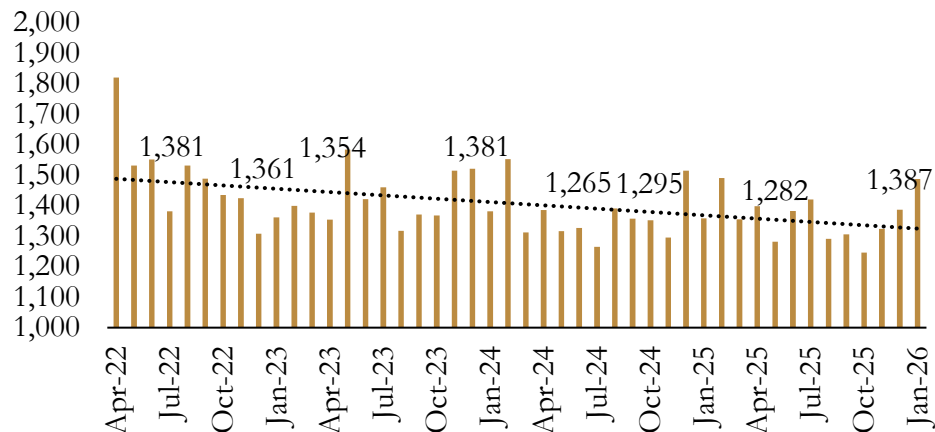
Source: Capital IQ, St. Louis Fed – FRED Economic Data

# 4

## Macroeconomic Environment

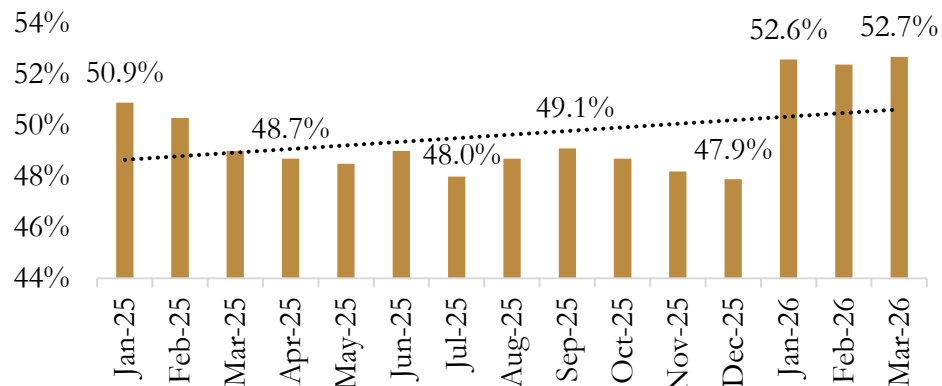
### Macroeconomic Indicators (Cont.)

#### New Privately-Owned Housing Units Started<sup>1</sup>



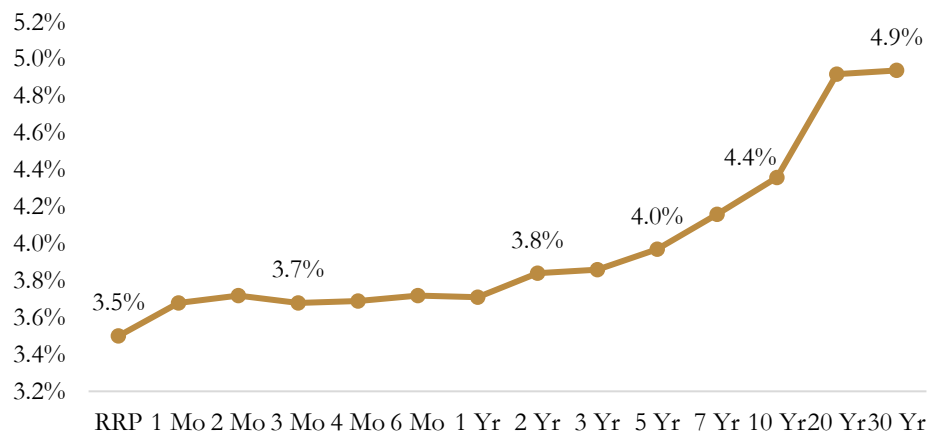
Measures the number of new residential construction projects begun each month.

#### Manufacturing PMI *Purchasing Manager's Index*



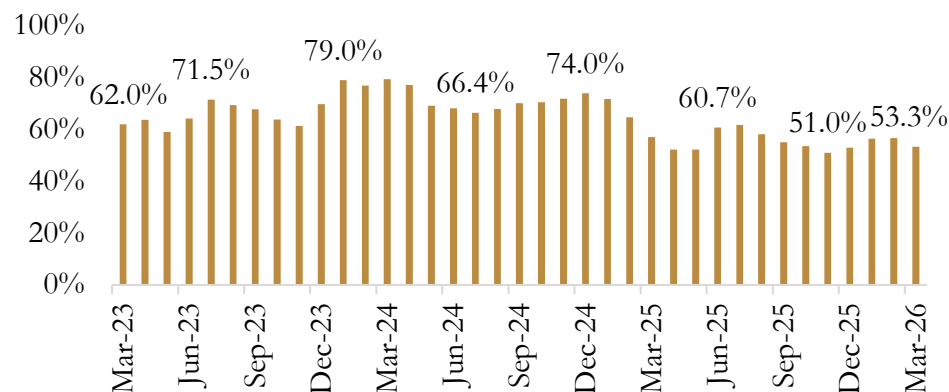
A monthly survey signaling manufacturing sector activity; readings above 50 indicate expansion.

#### Treasury Par Yield Curve Rates



Displays yields across Treasury maturities, reflecting market expectations for future interest rates.

#### Consumer Sentiment *From the University of Michigan*



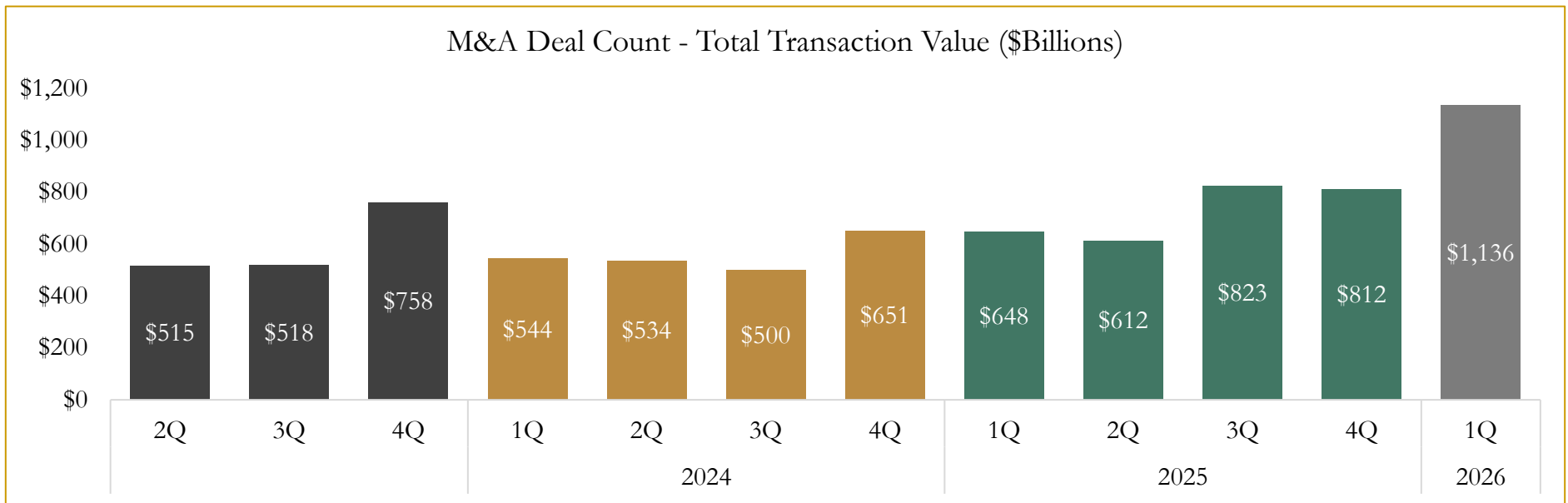
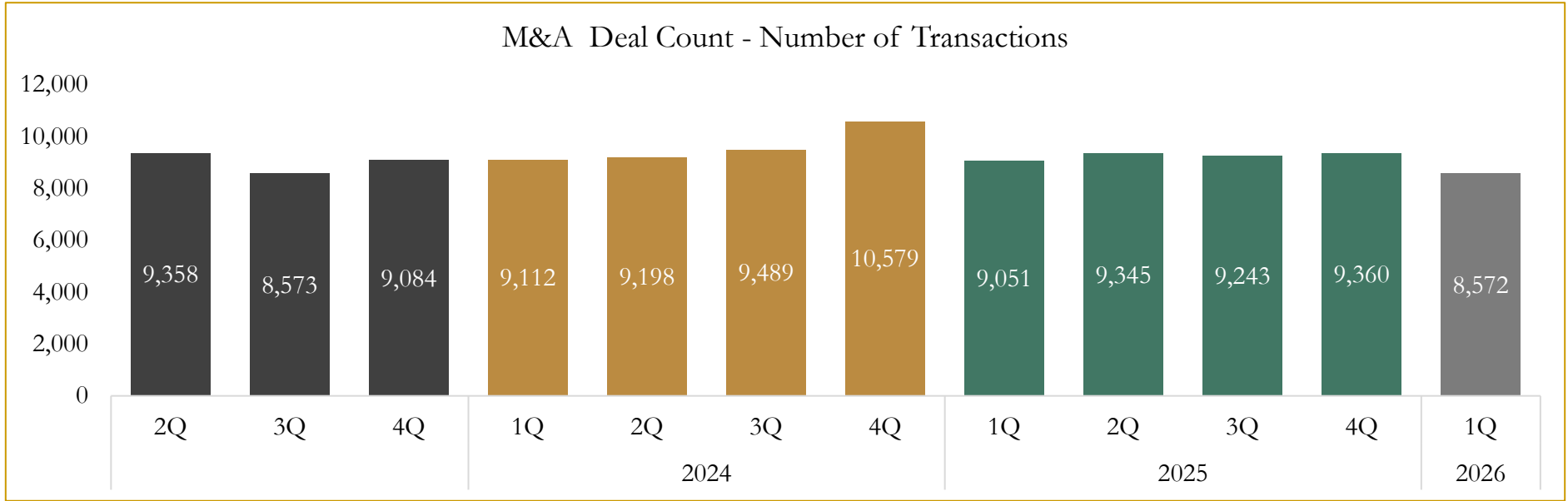
Measures consumer confidence in the economy based on monthly survey data.

Source: St. Louis Fed – FRED Economic Data, Institute for Supply Management, <sup>1</sup>Figures in Thousands

# 4

## Macroeconomic Environment

Total M&A Volume (Past Three (3) Years)

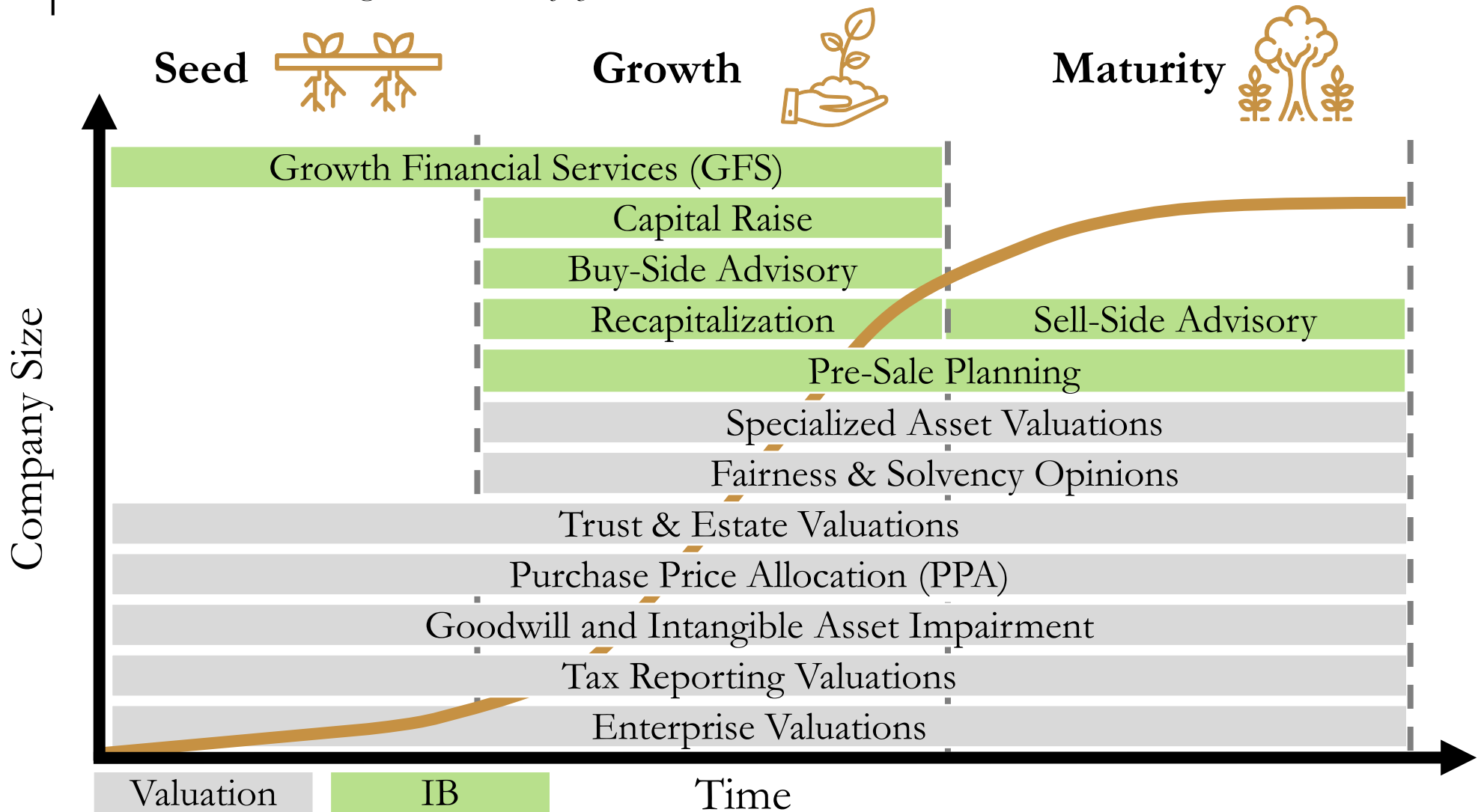


Source: Capital IQ; Data derived from M&A activity over the past three years.

# 5

## Houlihan Capital

*Houlihan's Services Along the Business Lifecycle*



For questions or inquiries regarding our services, please contact:

[info@houlihancapital.com](mailto:info@houlihancapital.com)

# 6

## Houlihan Capital

*About Us (Cont.)*

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

### Valuation & Financial Advisory

- **Portfolio Valuation (ASC 820)**
- **Complex & Illiquid Securities (Level 3)**
- **Cryptoasset /Blockchain Valuations**
  - Locked Token Valuations
- **Enterprise Valuations**
- **Fairness & Solvency Opinions**
  - SPAC Fairness
- **Estate & Gift Valuations**
- **Purchase Price Allocation (ASC 805)**
- **Goodwill Impairment Testing (ASC 350)**
- **Stock-based Compensation (ASC 718, IRC 409A)**

### Investment Banking

- **Mergers & Acquisitions**
  - Sell-Side Advisory
  - Sale of Minority Ownership Positions
  - Leveraged Buyouts
  - Majority Recapitalizations
  - Corporate Divestitures
- **Corporate Financial Services**
  - Financial Modeling
  - Investor Presentation
  - Valuation Analysis
  - Strategic Advisory

**For questions or inquiries regarding our services, please contact:**

**[info@houlihancapital.com](mailto:info@houlihancapital.com)**