

IJW

North American Consumer Monthly Market Report October-2024



*All dollar values in this report are USD, except where noted CAD.



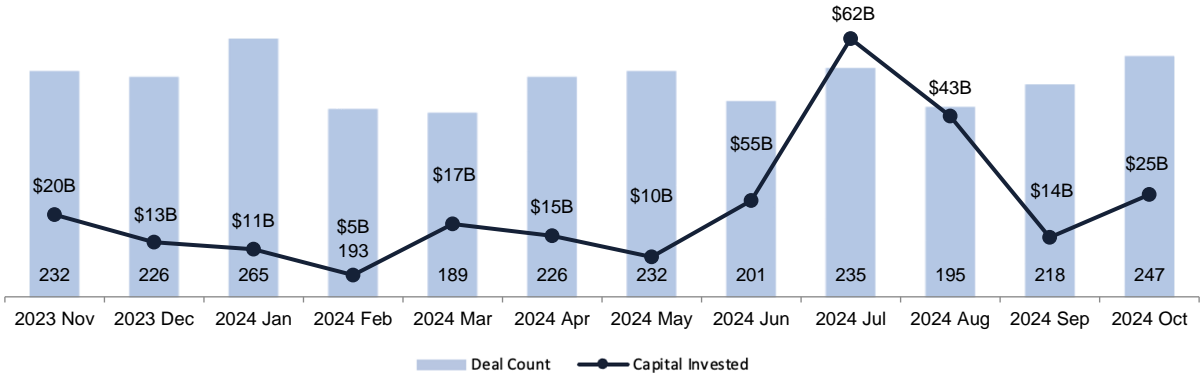
Top Consumer Transactions in October 2024

Date	Target	Acquirer	EV	EV/EBITDA	Sector
Announced Oct-24			\$3.3B	N/A	Sports & Entertainment
Announced Oct-24	VECTOR GROUP LTD.		\$2.4B	6.7x	Tobacco Products
Announced Oct-24			\$2.1B	N/A	Food & Beverage
Announced Oct-24	DUCKHORN PORTFOLIO		\$2.0B	14.8x	Alcoholic Beverages
Approved Oct-24			\$1.0B	N/A	Sports & Entertainment

 is getting acquired by 	<ul style="list-style-type: none"> • Transaction Value: \$3.3B • EV/EBITDA: N/A • Professional Bull Riders, a subsidiary of Endeavor, is an operator of professional bull riding competitions. The Company offers regular season events, mainstream, and extreme sports streams. • The acquisition of PBR by TKO Group Holdings, parent company of WWE and UFC, will add significant value to the Companies portfolio. PBR's recognized brand will help TKO diversify its offering with over 200 events annually attracting over 1 million people worldwide.
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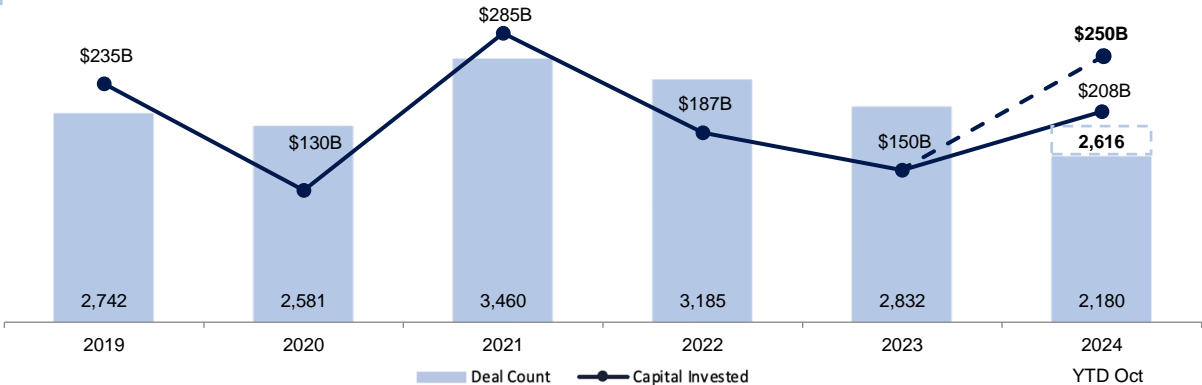
Capital Invested in October	Transactions in October	Median EV/EBITDA
\$25.0B	247	7.5x

North American Monthly Deal Volume & Capital Invested



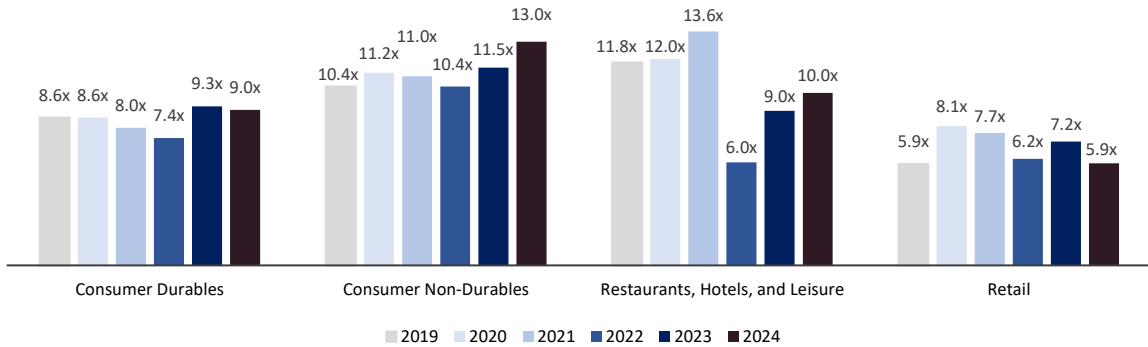
- Capital invested in the sector in October was strong, the month outperformed September by 79% and is up 25% compared to November last year. Deal count in October was also up, recording 247 deals, a 13% increase MoM. This reflects the continued optimism from the market driven by improving macroeconomic signals.
- The number of large transactions (over \$1B) recorded in October were significant, with the sector seeing 10 transactions above \$1B, on track to hit 30 in the quarter, a large increase from the 17 in Q3.
- After the recent results of the presidential election in the US, analysts expect the Republican's pro-business-related agenda to benefit mergers and acquisitions and cause an increase in deal activity starting in FY2025.

North American Yearly M&A Deal Volume & Capital Invested



- Capital investment has gradually increased across 2024, and we expect November and December will follow this trend and contribute an aggregate ~\$100 billion over the final two months. Overall, following a strong 2H, we expect 2024 to surpass 2023 in capital invested and mark the highest year since 2021.
- Companies within the sports and entertainment industry remain of high interest thus far in 2024, providing reliable revenue streams and generating high return, receiving strong interest from financial buyers (i.e., Blue Owls acquisition of the Tampa Bay Lightning for \$972M).
- Strategic acquirers continue to account for the majority of consumer transactions, totaling 70% of all transactions in October. Strategic buyers continue to execute add-ons for greater product portfolio diversification (i.e., PepsiCo's \$1.2B acquisition of Mexican-American brand Siete Family Foods in October 2024).

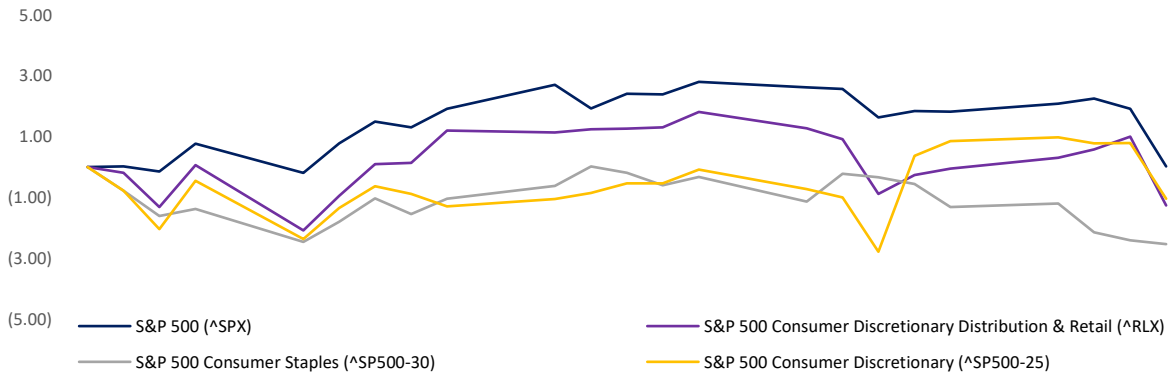
Median EBITDA Multiples by Subsector



- With the addition of October, multiples across the Consumer Non-Durables have continued to increase in comparison to Q3-2024 EBITDA multiples (from 12.0x to 13.0x), driven by continued activity in the food, beverage, and personal care space (i.e., PepsiCo's to acquire Siete Foods for \$1.2B)
- Other sectors that have seen multiples increase in 2024 include Restaurants, Hotels, and Leisure industries, driven by high demand and consolidation. As consumer preferences have increasingly leaned towards experiences over material goods, the Restaurants, Hotels, and Leisure subsector experienced strong demand through October.
- While cost pressures on consumers have begun to subside, the valuations seen across the Retail and Consumer Durables subsectors have remained subdued – demonstrating a lag in the private markets.

Public Market Indexes: S&P 500 vs. Market Indexes

*October 2024 relative performance



- The Consumer Staples, Consumer Discretionary Distribution & Retail, and Consumer Discretionary, indices ended October -2.6%, -1.3%, and -1.1% compared to the S&P 500, respectively.
- In the past 10 years, October has produced an average gain for the S&P500 of 1.6%, while in the past 5 years it has returned 2.4%. The gain for October tends to be lower during election years.
- The underperformance of the consumer indices reflects the investor uncertainty witnessed prior to the U.S. presidential elections.
- Since the elections held on November 5th, 2024, the Consumer Staples and Consumer Discretionary Distribution & Retail, and Consumer Discretionary indices have all rebounded from their pre-election October-end figures, landing at ~\$870 (+1%), ~\$8,300 (+4%), and ~\$1,736 (+10%) as of November 18th.



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