

What buyers value in the changing consumer sector

Valuation drivers and M&A trends in the global consumer sector – insights from Baird's 150 mid-market consumer deals



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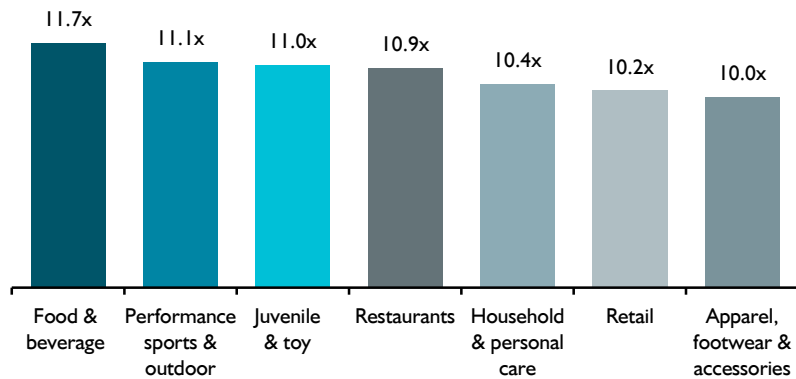
Executive Summary

- The consumer sector is arguably the fastest changing sector in our world today
- It is facing disruption from innovation, penetration of technology and rapidly evolving consumer preferences
- Companies taking advantage of these changes are breathing new life into mature categories, giving today's consumer more options
- Large, mature conglomerates are losing share to newer, more innovative consumer companies with differentiated business models
- We identified six of the most important **business model attributes** that **create value** when potential buyers evaluate M&A targets:

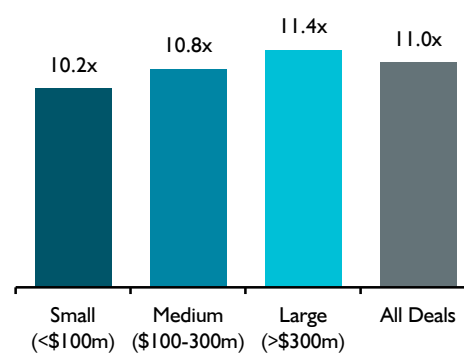


- Strategic buyers, struggling with slower organic growth, are using M&A to acquire more nimble, faster growing mid-market companies
- Private equity firms providing operational expertise and supporting growth initiatives are well placed to generate attractive returns
- Our analysis of 480 mid-market consumer transactions since 2013, including those by Baird, yielded an average valuation of 11x EBITDA

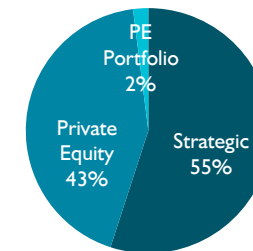
Average EV / EBITDA by Subsector ⁽¹⁾



EV / EBITDA by Deal Size



M&A by Buyer Type



(1) Average valuations for Baird's M&A analysis shown. Note that valuations vary significantly depending on the specific category and business model within each subsector.





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Introduction

Attractive Business Model Characteristics

Mid-Market Consumer M&A Trends

Investment Themes by Subsector

Baird's Consumer Practice

1.1. The changing consumer world

The consumer sector is arguably the fastest changing sector in our world today. It is facing disruption from innovation, penetration of technology and rapidly evolving consumer preferences. Large, mature conglomerates are losing share to newer, more innovative companies.

A substantial number of large consumer and retail companies have suffered from a lack of innovation, not adapting to online shopping or simply being “stuck in the middle” as hourglass consumers gravitate towards premium or value segments of the market. Many longstanding retail high street brands have already been lost, and those that remain will have to adapt.

Companies, taking advantage of these changes with differentiated business models, are therefore in demand from strategic and private equity (PE) buyers. Such companies usually benefit from secular growth themes as well as the continued penetration of Amazon as the world’s largest e-commerce retailer.

Customer experience and service are increasingly areas of differentiation. Companies are able to leverage customer data, online customer reviews and social media platforms to constantly improve their products, experience and service.

To ensure quality, personalisation and ownership of the customer journey, some companies are selling their products direct-to-consumer rather than via traditional third party brick-and-mortar retailers.

All of this change in the consumer world provides a stream of M&A opportunities to:

- Invest in newer high growth companies to build scale and sustainable profitability
- Refocus and revitalise older companies to adapt to the changing environment
- Invest in complementary companies, penetrating new markets and regions

Consumer M&A processes have also changed. Potential buyers are able to dig deeper during due diligence with readily available sell-through data and consumer feedback. During a deal, buyers are looking at yesterday’s sales data from the target.

In this report, we analyse over 480 mid-market consumer transactions in North America and Europe since the end of 2013, including those by Baird’s Global Consumer Investment Banking team, to discuss:

- Attractive business model characteristics
- Mid-market consumer M&A trends
- Investment themes by subsector

Examples of Recent Consumer Growth Stories



Example Secular Growth Themes

Hourglass spending habits	Convenience / e-commerce	Better-for-you / free-from
Rise of millennials (generation Y)	Asian demand for luxury products	Participation in outdoor lifestyle
Increasing demand for personalisation	Social media engagement	Spending on experiences

1.2. Valuation drivers in the middle-market

Strategic acquirers and private equity firms have paid premium prices for high quality consumer companies, averaging 1x EBITDA in our mid-market M&A analysis. Through our deal experience, we discuss what drives value, what is value neutral and what detracts from value when evaluating consumer acquisition targets.

Selected valuation drivers are summarised on the right hand page. It shows there are common attributes, driving revenue and profitability, across the different subsectors that potential buyers focus on. In addition, valuation is also driven by the:

- Scarcity value of the target
- Potential synergies from the buyer
- Competitiveness of the sale process

The addressable market and secular growth themes are critical considerations for buyers. We discuss these on a subsector basis in section 4. The competitive landscape for a company depends on its barriers to entry and barriers to scale. Barriers to entry vary significantly across categories – some are high, some are low. Barriers to scale can be company driven e.g. companies that have built scale through infrastructure, distribution and technology (e.g. mobile access) can lead their markets.

The most common attributes that detract from value or lower buyer interest in a potential target include:

- Lack of product differentiation
- High customer concentration
- Small / low growth addressable market

Mid-market companies (e.g. \$50 – \$500m in revenue) with scale typically operate at a higher level of internal professionalism relative to smaller businesses in:

- Strategic planning and industry research
- Innovation / new product development
- Sales and marketing processes
- Robust financial controls / systems
- Sourcing processes and expertise

Furthermore, mid-market companies can benefit relative to large corporates, who are often tied to and focused on maintaining existing revenue streams, with:

- Nimble structures to execute strategies
- New products and brand excitement
- Entrepreneurial management teams



Brian McDonagh

“Highly valued and desired consumer companies have a lot of similar characteristics, regardless of subsector. Buyers want to hear a unique story, understand why that story speaks to the consumer, and believe that the company and its leadership have control over the plan that they have set out.”

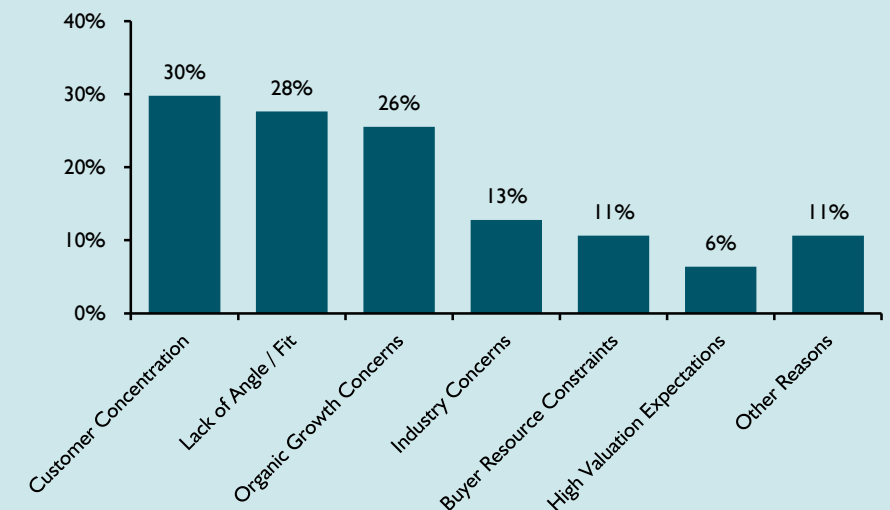


Terry Huffine

“The upheaval of channel dynamics and the impact of long living product reviews have driven considerable change, as companies scramble to reclaim their direct dialogue with the consumer, and buyers churn mountains of immediately available data to determine whether companies are going to be winners or losers in the ‘new world’.”

Select Baird Processes – Buyers Passing on the Opportunity

(% of potential buyers citing a specific reason for passing)



1.3. What business model characteristics are attractive?

What made companies great 10 years ago is not necessarily the same as what will enable companies to succeed in today's rapidly evolving consumer sector. Companies have to offer relevant products, create an emotional connection and sell through the right channels in order to own their dialogue with the consumer.

Potential buyers evaluate a target's commercial and financial profile, its business model for attractive characteristics and its exposure to secular growth themes. In this report, we focus on six of the most important business model characteristics evaluated in our consumer M&A processes:

- Brand authenticity
- Innovation
- Digitalisation
- Omni-channel
- Amazon resilient
- White space strategy

For many companies, its brand is its most valuable asset. Consumers, especially millennials, are increasingly looking for a brand that is authentic, not necessarily one that is just well known. Authenticity goes beyond an "original" product – it encapsulates a lifestyle and culture that consumers want to be part of.

Companies often have good products, but struggle to differentiate. Innovative companies that develop new products by "speaking to the consumer as an individual" can maintain an edge over the competition.

Digitalisation allows companies to leverage immediately available internal and external data to make informed decisions that better serve both its customer and supply chain constituents. Mid-market companies today can get more direct consumer feedback over a week than some conglomerates could over years in the not too distant past.

Omni-channel addresses the whole customer journey. Consumers expect to see the same messages from a brand across different channels. Consumers shop in non-linear ways; his or her journey may start in one channel and finish in another.

It has never been as important as it is today for companies to have an "Amazon resilient" business model. Potential buyers need to understand a target's past, present and future relationship with Amazon.

Growth opportunities should be mapped out and quantified in any white space strategy. A track record of execution is recommended to build trust with buyers evaluating the future return on investment.



Kevin McGee

"High quality businesses can adapt to change – innovation, digitalisation and omni-channel strategies are critical in today's consumer environment – wherever you are in the world."



Tahs Siddique

"Consumers like to see what stands behind a brand – a value system, a story or a local identity – this is where mid-market companies often have an edge over some of the world's largest corporates."

Let us tell your story...

"Every business has a story to tell. To tell that story well, you need someone who understands your perspective, appreciates your culture and shares your passion. We identify why a particular brand story can generate sustainable and profitable growth. We know the global strategic buyers and private equity buyer universe to match sellers and buyers, achieving exceptional outcomes. Let us tell your story..."

BAIRD

Example Baird Deals

Attractive Business Model Characteristics



Brand Authenticity

- ✓ “Shares my values, and shares my passion”
- ✓ Engage the customer in a journey with the brand
- ✓ Established brand with sustainable premium pricing



Innovation

- ✓ Differentiated product, disrupting the category
- ✓ Solves a problem or improves customer wellbeing
- ✓ Continuous innovation, creating addressable markets



Digitalisation

- ✓ At the forefront of technology internally and externally
- ✓ Control over dialogue with the consumer – “know your customer”
- ✓ Capture customer and supplier data to improve operations



Omni-channel

- ✓ The right mix – diversification of channels and customers
- ✓ Control over pricing, channels and customer interaction
- ✓ Reach customers regardless of their preferences, whether in-store or online



Amazon Resilient

- ✓ Retain brand and pricing power with / despite Amazon
- ✓ Leverage Amazon to grow online sales profitably
- ✓ Quality product or experience that Amazon cannot offer



White Space Strategy

- ✓ Proven brand resonance beyond core category or geography
- ✓ Replicable model / track record for geographic expansion
- ✓ Brand permission from consumers to develop adjacencies



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Baird's Consumer Practice

3.1. Baird's M&A analysis

Mid-market consumer M&A

The consumer sector accounts for almost half of global GDP. There are thousands of mid-market companies throughout the supply chain, from upstream primary processing companies to consumer facing retail. Recent M&A activity in the sector has been strong, driven by:

- Rapidly changing retail environment, creating investment opportunities
- Strategic buyers acquiring growth in a low growth economic environment
- Private equity injecting capital and providing operational expertise to drive businesses forward

We analysed over 480 mid-market M&A transactions since the end of 2013 where the enterprise value was typically between \$50m and \$1bn. This report discusses the M&A trends and investment themes across seven consumer subsectors:

- Household & personal care
- Performance sports & outdoor
- Juvenile & toy
- Food & beverage
- Apparel, footwear & accessories
- Retail
- Restaurants

We have selected transactions across these subsectors, primarily in North America and Europe. Food & beverage is the largest subsector and juvenile & toy the smallest subsector. We focus on fragmented categories where mid-market companies and M&A are commonplace.

Consumer M&A valuation levels vary depending on the subsector, business model and addressable market growth trends. The average multiple in our mid-market M&A analysis is 11x EBITDA.

Many M&A auction processes have been extremely competitive, as demand has exceeded supply for high quality consumer targets. Both strategic and PE buyers have been willing to pay premium valuations (mid-teen EBITDA multiples) in auction processes as well as pre-process to avoid the uncertainty of an auction.

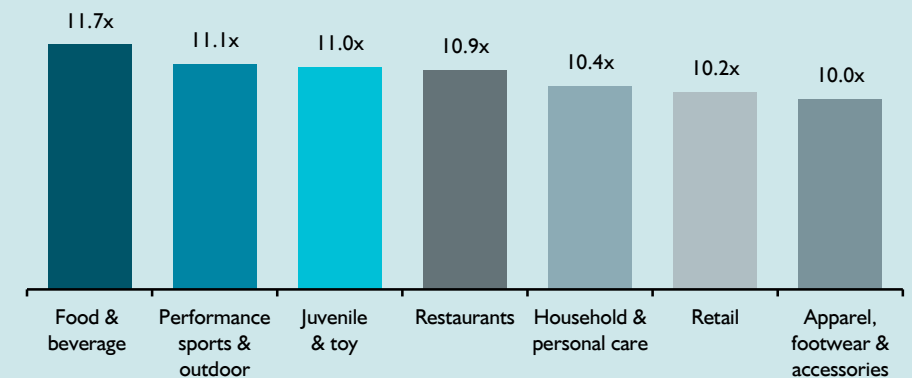
In the medium term, global economic growth is not expected to return to levels prior to the economic downturn. This will help to ensure that high quality mid-market consumer companies with a proven track record of growth will be in high demand.

Consumer mid-market M&A analysis

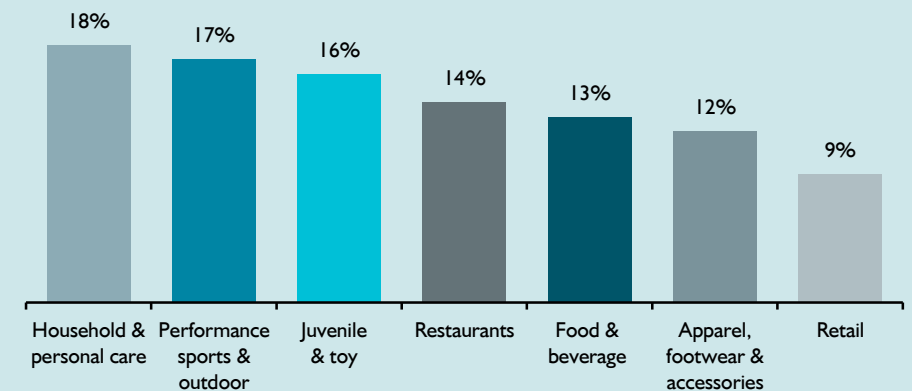
Average valuation: 11.0x EBITDA

Average profitability: 14% EBITDA margin

Average EV / EBITDA by Subsector ⁽¹⁾



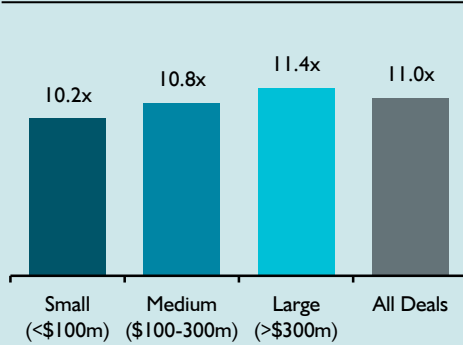
Average EBITDA Margin by Subsector ⁽¹⁾



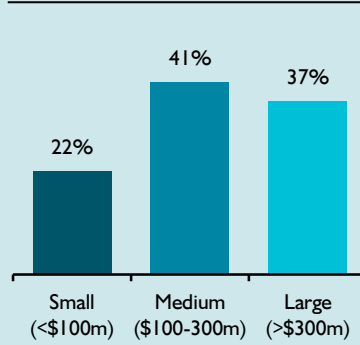
⁽¹⁾ Average valuations and margins for Baird's M&A analysis shown. Note that valuations and margins vary significantly depending on the specific category and business model within each subsector.

Consumer mid-market M&A analysis

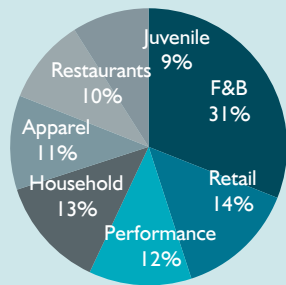
EV / EBITDA by Deal Size



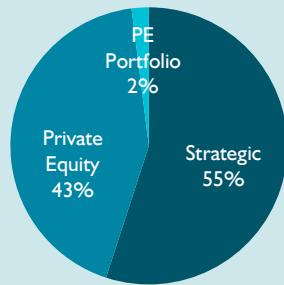
Deal Count by Deal Size



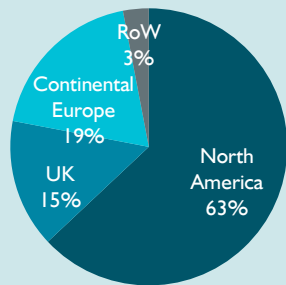
Deals by Subsector



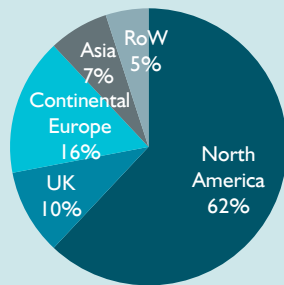
Deals by Buyer Type



Deals by Target Region



Deals by Buyer Region



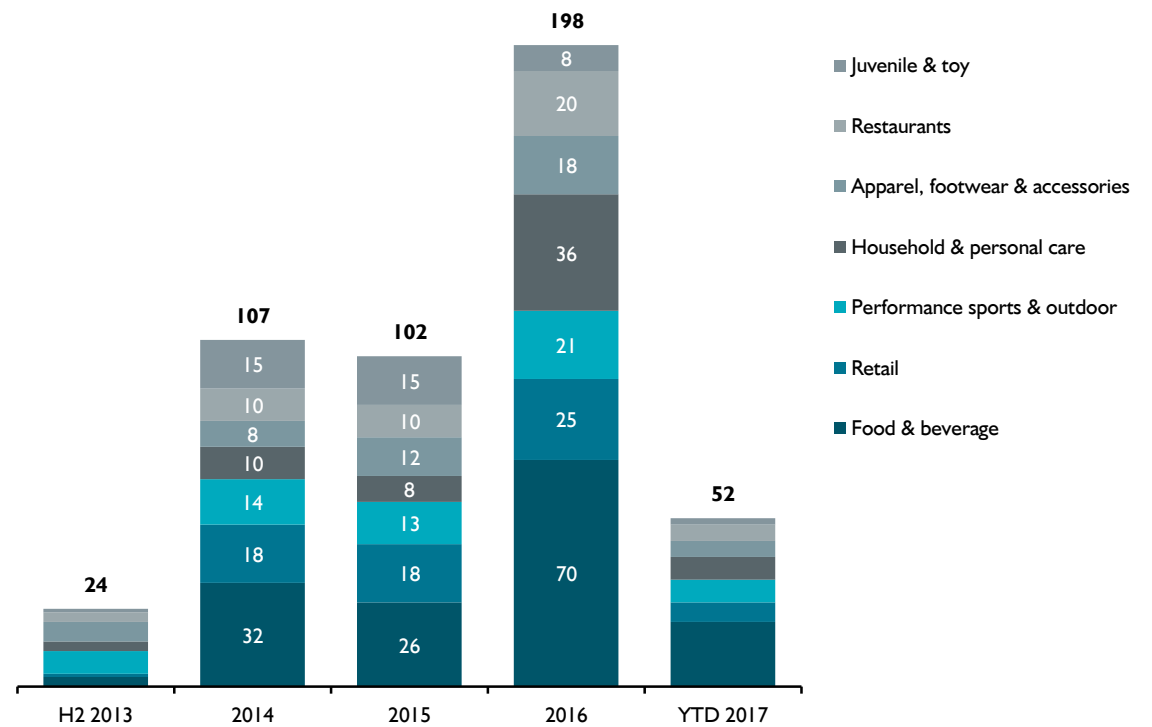
Cross-border: 35%



“Consumer M&A activity is reflecting rapid changes in the underlying market, shifting towards less cyclical or high growth companies. Potential buyers are more focused on differentiating between the winners and the losers, regardless of subsector. Targets with strong medium term growth and sustainable margins are in demand.”

Tahs Siddique, M&A Research

Deals by Subsector by Year in Baird's M&A Analysis





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Investment Themes by Subsector

Baird's Consumer Practice

5.1. Global consumer investment banking team

What makes us unique

- Deep sector expertise with dedicated senior level coverage of subsector verticals
- 275 investment bankers in the US, Europe and Asia working together on one global P&L
- Fully integrated department, leveraging our M&A advisory, equity financing and debt advisory capabilities
- Leading independent, employee-owned mid-market investment bank headquartered in the US since 1919
- Award-winning equity research platform with over 40 sector teams covering 725 companies ⁽¹⁾
- Recognised as one of the FORTUNE 100 Best Companies to Work For® (2004–2017)

Let us tell your story

“Every business has a story to tell. To tell that story well, you need someone who understands your perspective, appreciates your culture and shares your passion. We identify why a particular brand story can generate sustainable and profitable growth. We know the global strategic buyers and private equity buyer universe to match sellers and buyers, achieving exceptional outcomes.”

Senior Consumer Team



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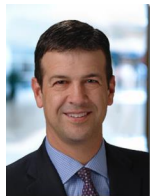
Nick Pavlidis
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Juvenile Products



Chris Sciortino
Managing Director
Retail & Restaurants



Mark Karns
Director
Consumer



Kevin McGee
Director
Consumer



Katie Melzer
Director
Consumer



Matt Tingler
Director
Sports, Fitness
& Outdoor



Maria Watts
Director
Retail & Apparel



Brian McDonagh
Managing Director
Co-Head of Global
Investment Banking



Lydia Xu
Managing Director
Head of Greater China
Investment Banking



Satoshi Matsumoto
Managing Director
Director of Japan M&A



David Silver
Managing Director
Head of European
Investment Banking



Thomas Fetzter
Managing Director
Head of DACH
Investment Banking



Tahs Siddique
Director
M&A Research

(1) Greenwich Associates US Equity Investors – Small- / Mid-Cap Equities and US Sales & Research, May 2017. Surveys conducted with 101 small- / mid-cap fund managers.

5.2. Selected consumer transactions

Mergers and acquisitions (M&A)

<p>\$110,000,000</p>  <p>a subsidiary of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Sale to</p> <p>ESOP Holders</p>	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>\$152,000,000</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Majority Sale to</p> 	<p>Undisclosed Value</p>  <p>Acquisition of</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 
<p>Undisclosed Value</p>  <p>A Product Line of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Sale to</p> 	<p>\$400,000,000</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Sale to</p>  <p>A Portfolio Company of</p> 	<p>\$312,068,000</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Sale of Minority Interest to</p> 	<p>\$50,000,000</p>  <p>Sale to</p> 
<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Division of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> <p>Shanghai Jahwa (Group) Co., Ltd A Wholly Owned Subsidiary of 中国平安 PINGAN</p>	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>\$75,500,000</p>  <p>Sale to</p> 	<p>\$95,000,000</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>\$270,000,000</p>  <p>Sale of</p>  <p>Sale to</p> 	<p>\$210,000,000</p>  <p>Sale to</p> 	<p>\$210,000,000</p>  <p>Acquisition of</p>  <p>A Portfolio Company of</p> 
<p>\$150,000,000</p>  <p>Pat Catan's Crafts + Floral</p> <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Minority Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>\$85,000,000</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Sale to</p>  <p>A Portfolio Company of</p> 	<p>Undisclosed Value</p>  <p>Sale to</p>  <p>A Portfolio Company of</p> 	<p>Undisclosed Value</p>  <p>Recapitalization with</p>  <p>And acquisition of</p> 
<p>Undisclosed Value</p>  <p>Sale of 30% stake to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>\$65,000,000</p>  <p>Sale of Equity Interest in</p>  <p>Sale to</p> 	<p>\$600,000,000</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<p>Undisclosed Value</p>  <p>Acquisition of</p>  <p>A Portfolio Company of</p> 	<p>Undisclosed Value</p>  <p>Sale to</p> 	<p>\$190,000,000</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 




























5.2. Selected consumer transactions

Mergers and acquisitions (M&A)

<p>Undisclosed Value</p> <p>HOLLANDER SLEEP PRODUCTS A Portfolio Company of</p> <p>HGGC</p> <p>Sale to</p> <p>Sentinel CAPITAL PARTNERS</p>	<p>\$308,000,000</p> <p>NewellRubbermaid</p> <p>Acquisition of</p> <p>Ignite Holdings, LLC</p> <p>A Portfolio Company of</p> <p>NORTH CASTLE PARTNERS</p>	<p>Undisclosed Value</p> <p>FeraDyne OUTDOORS LLC A Portfolio Company of</p> <p>KAMYLON</p> <p>Sale to</p> <p>SNOW PHIPPS</p>	<p>Undisclosed Value</p> <p>IQLOO</p> <p>A Portfolio Company of</p> <p>J.H. WHITNEY & CO. J.H. WHITNEY CAPITAL CORPORATION</p> <p>Sale to</p> <p>ACON</p>	<p>Undisclosed Value</p> <p>GOJO</p> <p>Investment in</p> <p>Prodene Klint</p>	<p>Undisclosed Value</p> <p>Allen Edmonds AN AMERICAN ORIGINAL A Portfolio Company of</p> <p>GHJ&M</p> <p>Sale to</p> <p>BRENTWOOD ASSOCIATES PRIVATE EQUITY PARTNERS</p>	<p>Undisclosed Value</p> <p>ROCKY BRANDS</p> <p>Acquisition of</p> <p>CREATIVE RECREATION</p>	<p>Undisclosed Value</p> <p>FITNESS CONNECTION A Portfolio Company of</p> <p>WestView CAPITAL PARTNERS</p> <p>Sale to</p> <p>LNK PARTNERS</p>	<p>\$130,500,000</p> <p>Battenfeld Technologies, Inc.</p> <p>Sale to</p> <p>Smith & Wesson</p>
<p>Undisclosed Value</p> <p>INTEGRATED</p> <p>A Portfolio Company of</p> <p>RETAIL CORE</p> <p>Sale to</p> <p>OAKLEY Capital Limited</p>	<p>\$985,000,000</p> <p>Bushnell OUTDOOR PRODUCTS A Portfolio Company of</p> <p>MID OCEAN PARTNERS</p> <p>Sale to</p> <p>ATK</p>	<p>Undisclosed Value</p> <p>IMPLUS</p> <p>Acquisition of</p> <p>PENGUIN</p>	<p>Undisclosed Value</p> <p>CATTERTON PARTNERS</p> <p>Investment in</p> <p>corepower YOGA</p>	<p>Undisclosed Value</p> <p>WISCONSIN Specialty Group</p> <p>Sale to</p> <p>OMEGA PROTEIN Healthy Products for a Healthy World</p>	<p>Undisclosed Value</p> <p>LNK PARTNERS</p> <p>Minority Growth Capital Investment</p> <p>BEACHBODY</p>	<p>Undisclosed Value</p> <p>TEACHERS' PENSION PLAN</p> <p>Acquisition of</p> <p>FLANO</p> <p>A Portfolio Company of</p> <p>TINICUM CAPITAL PARTNERS</p>	<p>Undisclosed Value</p> <p>PerformanceHealth</p> <p>A Portfolio Company of</p> <p>CORTEC Group</p> <p>Sale to</p> <p>GRIDIRON CAPITAL</p>	<p>Undisclosed Value</p> <p>ONE</p> <p>A Portfolio Company of</p> <p>BREITMAN CAPITAL</p> <p>Sale to</p> <p>KSWISS An Operating Subsidiary of</p>
<p>Undisclosed Value</p> <p>PLAYCORE dividing communities through play A Portfolio Company of</p> <p>IRVING PLACE CAPITAL</p> <p>Sale to</p> <p>Sentinel CAPITAL PARTNERS</p>	<p>Undisclosed Value</p> <p>PerformanceHealth</p> <p>A Portfolio Company of</p> <p>GRIDIRON CAPITAL</p> <p>Acquisition of</p> <p>Framer</p>	<p>Undisclosed Value</p> <p>PETER MILLAR A Portfolio Company of</p> <p>WORTHINGTON INDUSTRIES</p> <p>Sale to</p> <p>RICHEMONT</p>	<p>\$74,000,000</p> <p>evolution robotics</p> <p>Sale to</p> <p>iRobot</p>	<p>\$115,000,000</p> <p>EMERSON</p> <p>Sale of</p> <p>KNAACK</p> <p>to</p> <p>WERNER</p>	<p>Undisclosed Value</p> <p>FOCUS PRODUCT GROUP</p> <p>Sale to</p> <p>CENTRE LANE PARTNERS</p>	<p>Undisclosed Value</p> <p>HH HALL HANSEN A Portfolio Company of</p> <p>ALTRON EQUITY PARTNERS</p> <p>Sale to</p> <p>TEACHERS' PENSION PLAN</p>	<p>Undisclosed Value</p> <p>FILSON Since 1897 A Portfolio Company of</p> <p>BRENTWOOD ASSOCIATES PRIVATE EQUITY PARTNERS</p> <p>Sale to</p> <p>RED ROCK</p>	<p>Undisclosed Value</p> <p>HOUSWELL SUGGER</p> <p>Sale to</p> <p>Wilson A Division of</p> <p>AMER SPORTS</p>
<p>Undisclosed Value</p> <p>ALTAMONT CAPITAL PARTNERS</p> <p>Sale to</p> <p>ALTAMONT CAPITAL PARTNERS</p>	<p>Undisclosed Value</p> <p>Hoffmaster Group, Inc.</p> <p>A Portfolio Company of</p> <p>KOHLBERG & COMPANY</p> <p>Sale to</p> <p>Metalmark Capital</p>	<p>Undisclosed Value</p> <p>ORIGINAL SPACE BAG A Division of</p> <p>ITW</p> <p>Sale to</p> <p>Johnson A FAMILY COMPANY</p>	<p>\$1,240,000,000</p> <p>WOLVERINE W worldwide</p> <p>Acquisition of</p> <p>performance + lifestyle group</p> <p>Keds sonoma stride rite</p> <p>Subsidiary of</p> <p>COLLECTIVE</p>	<p>Undisclosed Value</p> <p>AUGUSTA</p> <p>A Portfolio Company of</p> <p>QUAD-C</p> <p>Sale to</p> <p>KEISO EQUIPMENT</p>	<p>Undisclosed Value</p> <p>SAN JAMAR Smart • Safe • Sanitary</p> <p>Sale to</p> <p>DISPENSING DYNAMICS</p> <p>A Portfolio Company of</p> <p>Kinderhook INDUSTRIES</p>	<p>Undisclosed Value</p> <p>MANNINGTON</p> <p>Acquisition of</p> <p>amtico INTERNATIONAL</p> <p>A Portfolio Company of</p> <p>AAC Capital PARTNERS</p>	<p>Undisclosed Value</p> <p>adidas</p> <p>Acquisition of</p> <p>FIVE TEN</p> <p>Buy-side Advisor</p>	<p>Undisclosed Value</p> <p>Crosman</p> <p>A Portfolio Company of</p> <p>PAMLCO CAPITAL</p> <p>Sale to</p> <p>WELLSPRING CAPITAL MANAGEMENT LLC</p>
<p>Undisclosed Value</p> <p>SOUTHERN TIDE</p> <p>Sale to</p> <p>BRAZOS BRAZOS PRIVATE EQUITY PARTNERS, L.L.C.</p>	<p>Undisclosed Value</p> <p>IMPLUS</p> <p>A Portfolio Company of</p> <p>AEA</p> <p>Sale to</p> <p>TRILANTIC CAPITAL PARTNERS</p>	<p>\$257,500,000</p> <p>CAMELBAK</p> <p>A Portfolio Company of</p> <p>IRVING PLACE CAPITAL</p> <p>Sale to</p> <p>COMPASS DIVERSIFIED HOLDINGS</p>	<p>Undisclosed Value</p> <p>BERNZONMATIC</p> <p>A Division of</p> <p>NewellRubbermaid</p> <p>Sale to</p> <p>WORTHINGTON INDUSTRIES</p>	<p>\$87,000,000</p> <p>IDAHO SPORTS</p> <p>A Subsidiary of</p> <p>OTTER TAIL CORPORATION</p> <p>Sale to</p> <p>novacap</p>	<p>Undisclosed Value</p> <p>AHP Associated Hygienic Products</p> <p>Acquisition of</p> <p>ARQUEST It's Your Diaper</p>	<p>\$644,000,000</p> <p>RC2</p> <p>Sale to</p> <p>TOMY</p>	<p>Undisclosed Value</p> <p>Savage Arms</p> <p>A Portfolio Company of</p> <p>LONG POINT CAPITAL</p> <p>Sale to</p> <p>NIEP Norwest Equity Partners</p>	<p>Undisclosed Value</p> <p>URNEX</p> <p>Sale to</p> <p>CORTEC Group</p>

5.2. Selected consumer transactions

Initial public offerings (IPOs)

 <p>CAD \$391,000,000 Common Stock</p> <p>Initial Public Offering</p>	 <p>CAD \$144,152,500 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$249,999,992 Common Stock</p> <p>Initial Public Offering</p>	 <p>CAD \$460,000,000 Common Stock</p> <p>Initial Public Offering</p>	 <p>\$92,000,004 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$248,400,000 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$104,732,145 Common Stock</p> <p>Lead-Bookrunner Initial Public Offering</p>
 <p>\$126,730,000 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$103,500,000 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$179,687,505 Common Stock</p> <p>Initial Public Offering</p>	 <p>\$92,000,000 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$123,214,290 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$491,280,000 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$64,166,663 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>
 <p>\$132,050,000 Common Stock</p> <p>Initial Public Offering</p>	 <p>\$100,624,980 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$230,000,000 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$120,750,000 Common Stock</p> <p>Initial Public Offering</p>	 <p>\$147,857,145 Common Stock</p> <p>Lead-Bookrunner Initial Public Offering</p>	 <p>\$110,892,852 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>C\$301,645,000 Common Stock</p> <p>Initial Public Offering</p>
 <p>\$142,535,568 Common Stock</p> <p>Initial Public Offering</p>	 <p>\$87,208,316 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$92,884,610 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$187,502,274 Common Stock</p> <p>Joint-Bookrunner Initial Public Offering</p>	 <p>\$1,085,600,000 Common Stock</p> <p>Initial Public Offering</p>	 <p>\$486,162,500 Common Stock</p> <p>Initial Public Offering</p>	 <p>\$202,400,000 Common Stock</p> <p>Lead-Bookrunner Initial Public Offering</p>

5.3. Consumer equity research coverage



Mark Altschwager
Retail – Softlines / Beauty



Peter Benedict
Retail – Hardlines / Specialty



Jonathan Komp
Retail, Footwear & Apparel



David Tarantino
Restaurants



Colin Sebastian
Internet / Interactive Entertainment



Craig Kennison
Powersports, Auto Parts Retail / Services

Abercrombie & Fitch

Critzia

COACH

GAP

JCPenney

KOHL'S
expect great things

Limitedbrands

lululemon athletica

MICHAEL KORS

NORDSTROM

SALLYBEAUTY
HOLDINGS, INC.

ULTA
BEAUTY

Urban Outfitters

Vera Bradley

BED BATH &
BEYOND



COSTCO
WHOLESALE

EVERY SEASON STARTS AT
DICK'S
SPORTING GOODS

FLOOR
DECOR

Freshpet

GNC

HIBBETT
SPORTS

THE
HOME
DEPARTMENT

LOWE'S

RH
RESTAURANT & HOMEWARE

SPORTS
MANSION

TARGET

THE Life Shop

TRACTOR
SUPPLY CO.

the Vitamin
Shoppe

Walmart

WILLIAMS-SONOMA

adidas
GROUP

BOOT BARN



Columbia
Sportswear Company



crosx

deckers
OUTDOOR CORPORATION

DULUTH
TRADING
CO.

Finish Line



Foot Locker

GENESCO



ROCKY



vt We fit your life.

WOLVERINE
WORLD WIDE

zumiez



ACTIVISION | BLIZZARD

Alibaba Group

Alphabet

amazon.com

channeladvisor

CARVANA

EA
ELECTRONIC ARTS

ebay

facebook

GameStop

Liquidity
Services Inc.

PayPal

shopify

shutterfly

T2

twitter

wayfair.com

yelp

zynga

Advance
Auto Parts
The Best Part In The Shop



BRUNSWICK
GLOBAL MOBILITY



CARmax



FOX



HARLEY-DAVIDSON
COMPANY

KAR
AUCTION
SERVICES



MarineMax

MasterCraft

O'Reilly AUTO PARTS

PATRICK
INDUSTRIES, INC.

POLARIS
INDUSTRIES, INC.

rb RITCHIE BRCS, Auctioneers

TEOR
INDUSTRIES, INC.

WINNERADO

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Baird's Consumer bankers have advised on transactions involving the following companies and brands...



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