



Sectorwatch: Consumer - Product Goods

December 2019

Consumer - Product Goods

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Overview

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

Dashboard

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.



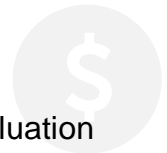
Public Basket Performance

- Summary valuation and operating metrics for a basket of comparable public companies



Valuation Comparison

- Graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

- The most recently announced deals in the sector



Dashboard



Revenue Growth

↓ -0.9%

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining

Pricing / Gross Margin

↓ -0.1%

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin is less than the average of the last 3 years gross profit margins, indicating customer pricing power

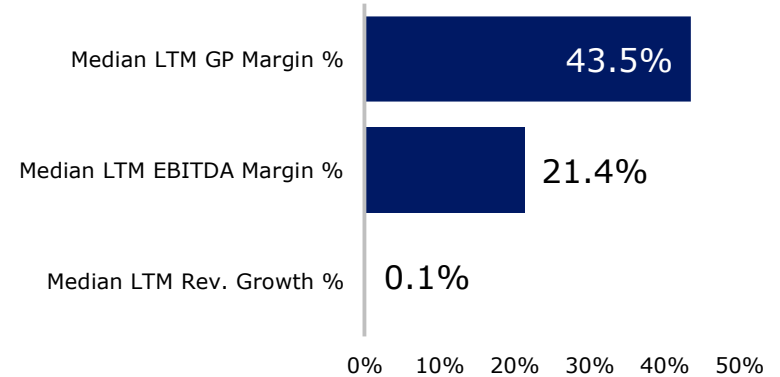
Profitability Momentum

↑ 0.03%

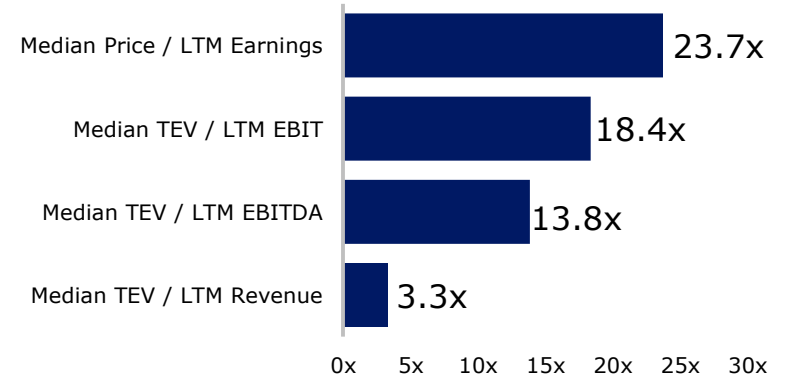
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin exceeds the average of the last 3 years EBITDA margin by this amount, a condition that may attract new entrants

Operating Metrics



Valuation



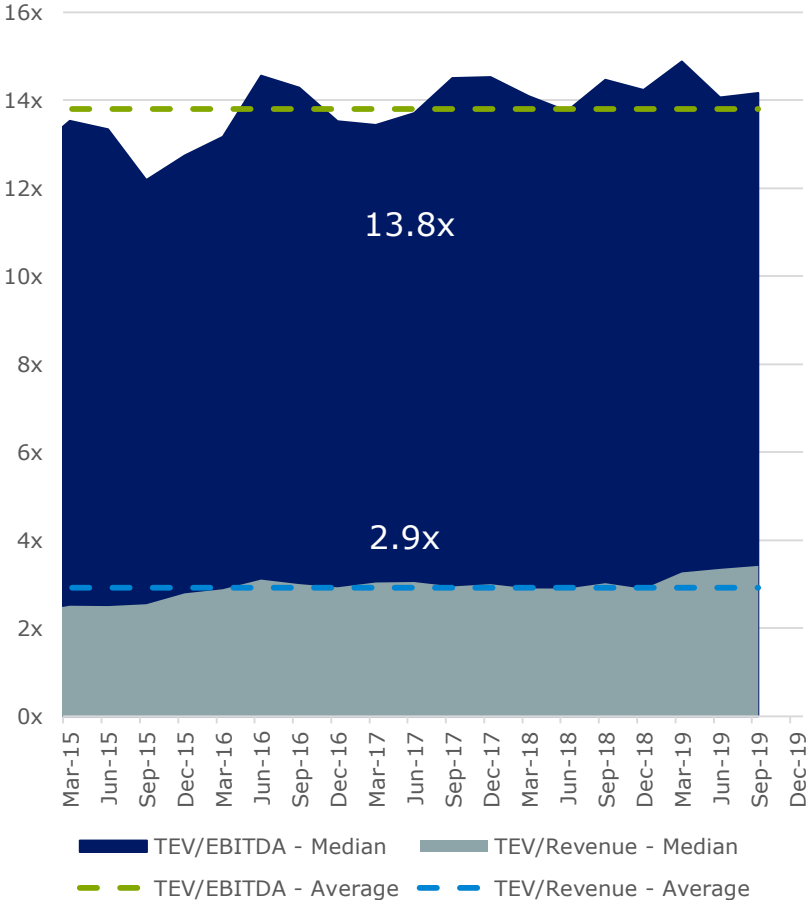
Public Basket



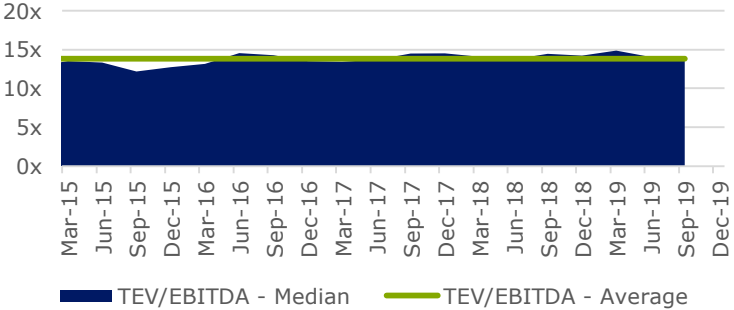
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Spectrum Brands Holdings, Inc.	4,805	3,802	0%	34%	13%	1.3	9.8	13,000	292
Church & Dwight Co., Inc.	19,443	4,288	4%	45%	23%	4.5	19.3	4,700	912
The Clorox Company	21,811	6,157	0%	44%	21%	3.5	16.9	8,800	700
Kao Corporation	38,938	14,058	1%	44%	20%	2.8	13.9	33,664	418
General Mills, Inc.	47,299	16,774	4%	35%	22%	2.8	12.7	40,000	419
Kimberly-Clark Corporation	55,144	18,436	0%	34%	21%	3.0	13.8	41,000	450
Mondelez International, Inc.	95,637	25,728	-2%	39%	20%	3.7	17.4	80,000	322
The Unilever Group	167,397	57,756	-3%	43%	28%	3.0	10.6	154,848	373
The Procter & Gamble Company	332,977	68,792	3%	50%	26%	4.8	18.5	97,000	709
Johnson & Johnson	381,982	81,706	0%	67%	35%	4.7	13.5	135,100	605
Average	116,543	29,750	1%	44%	23%	3.4	14.6	60,811	520
Median	51,222	17,605	0%	43%	21%	3.3	13.8	40,500	435

share price as of 05Dec19

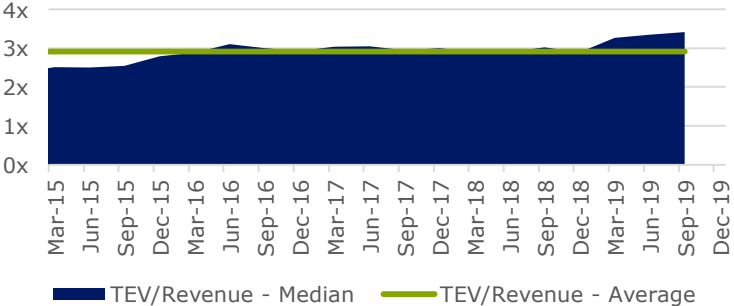
Public Basket Valuation Trends



Public EBITDA Multiples over Time



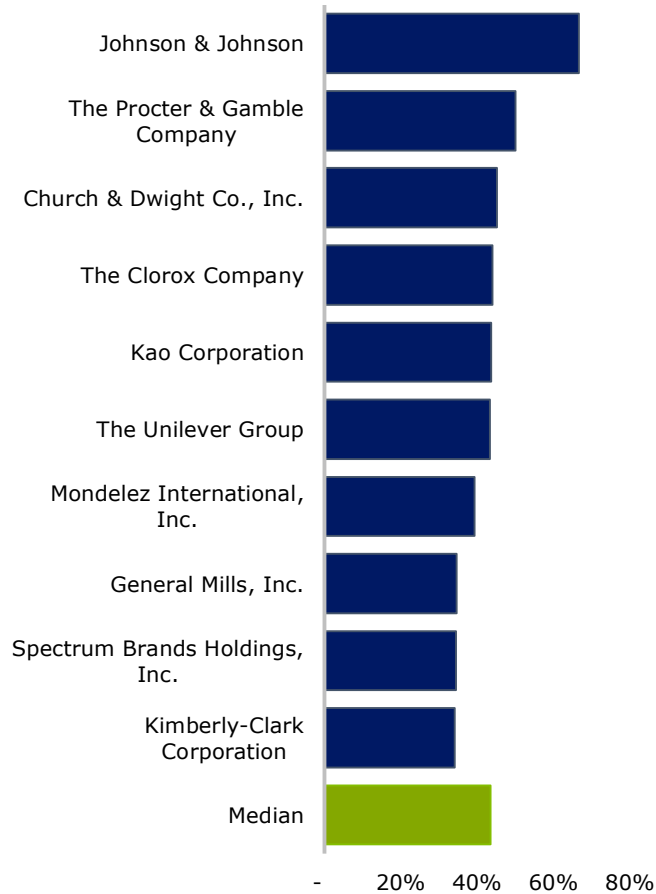
Public Revenue Multiples over Time



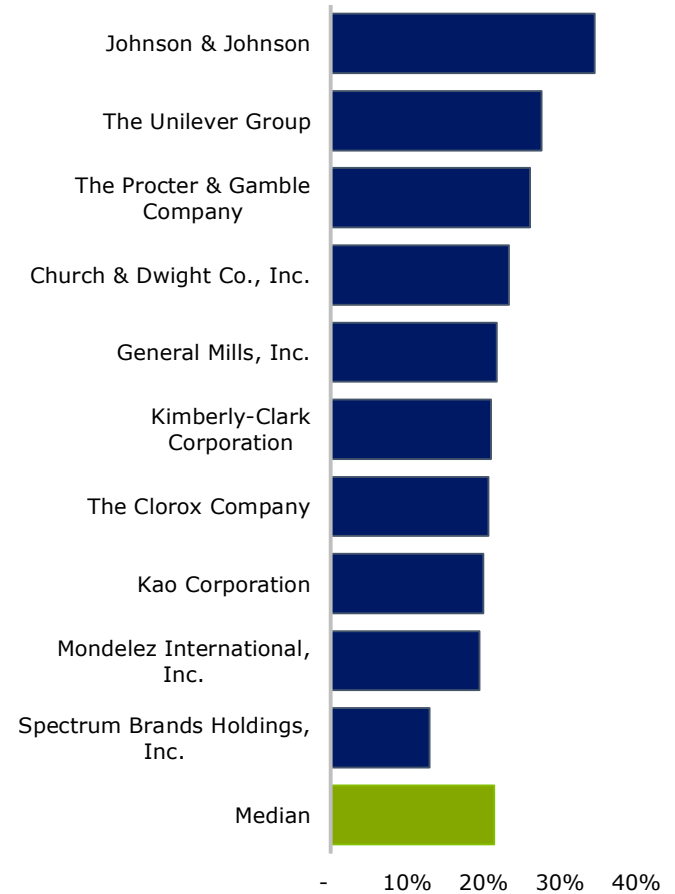
Operational Metrics



LTM Gross Profit Margin %



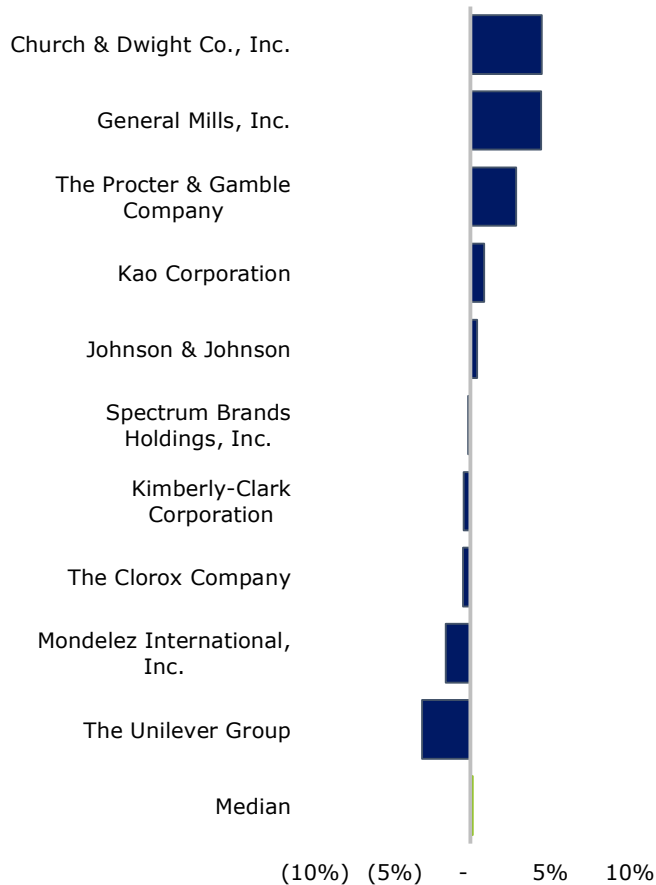
LTM EBITDA %



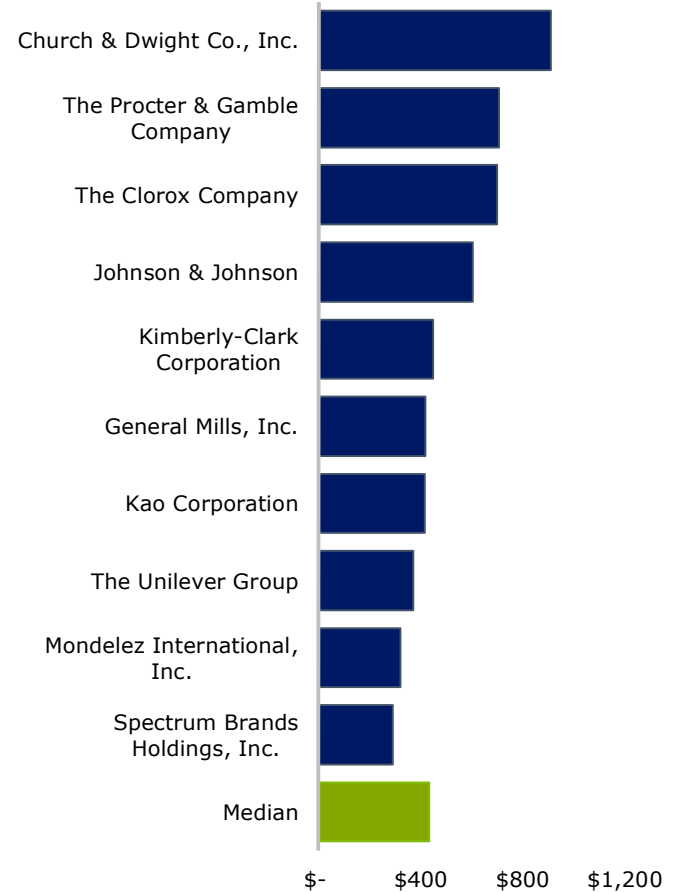
Operational Metrics



LTM Revenue Growth %



LTM Revenue per Full Time Employee x 000's



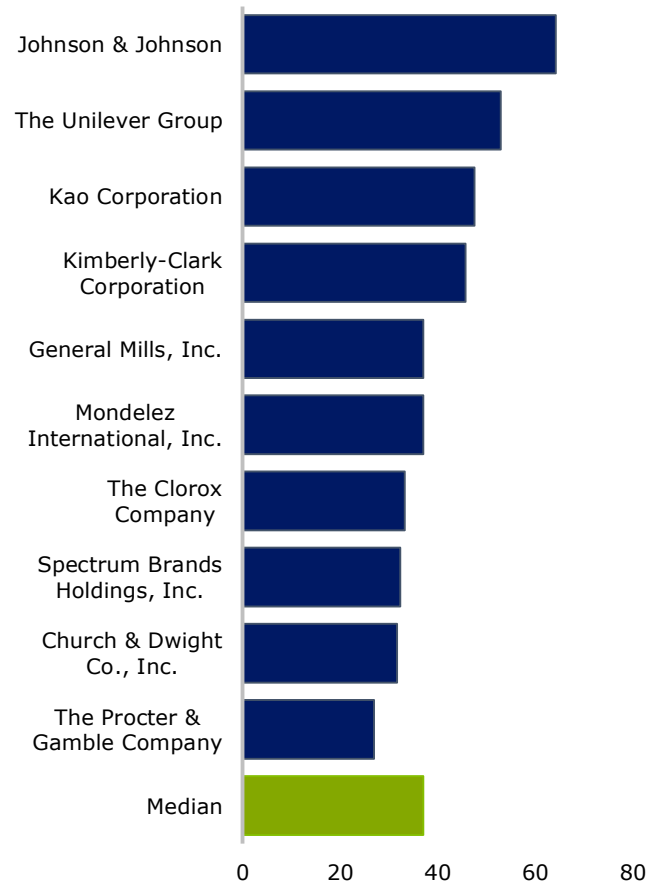
Operational Metrics



Accounts Receivable Turnover



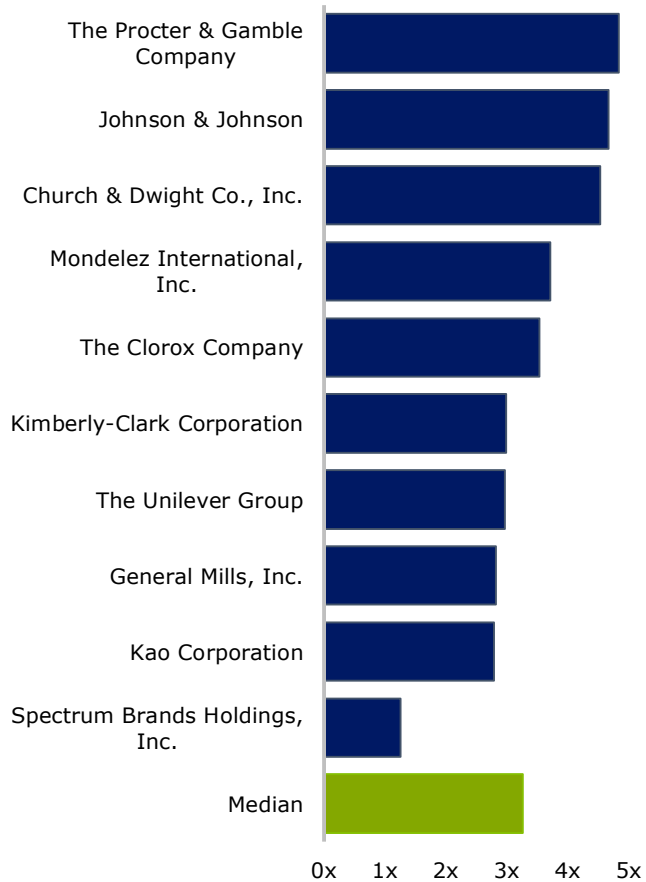
Average Days Sales Outstanding



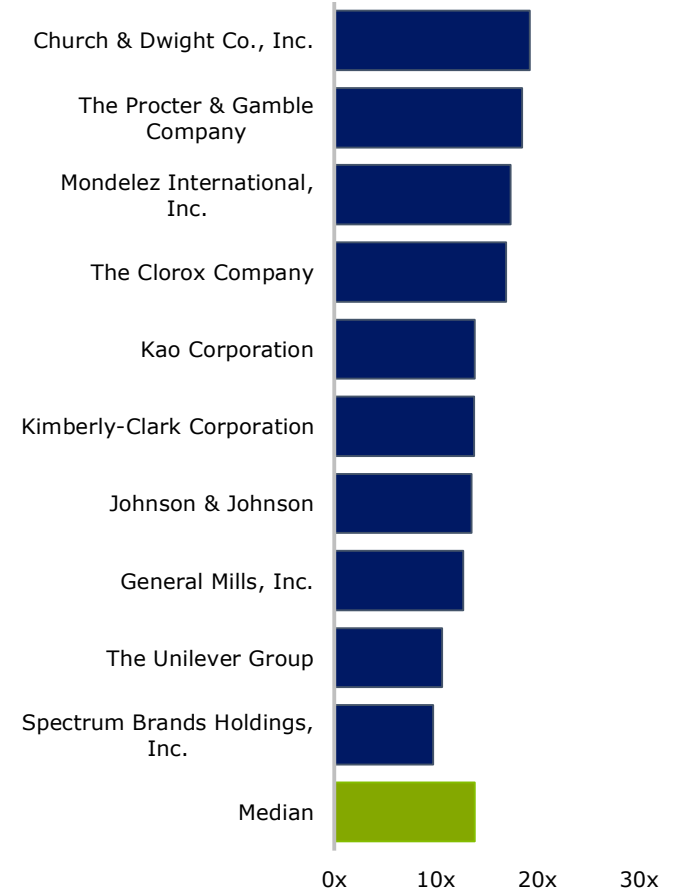
Valuation



TEV / LTM Revenue



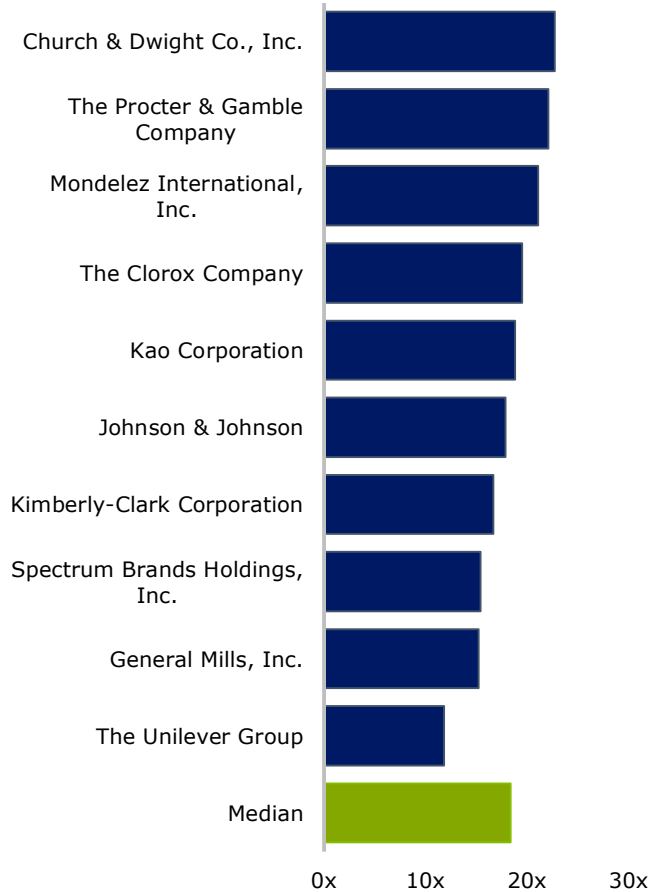
TEV / LTM EBITDA



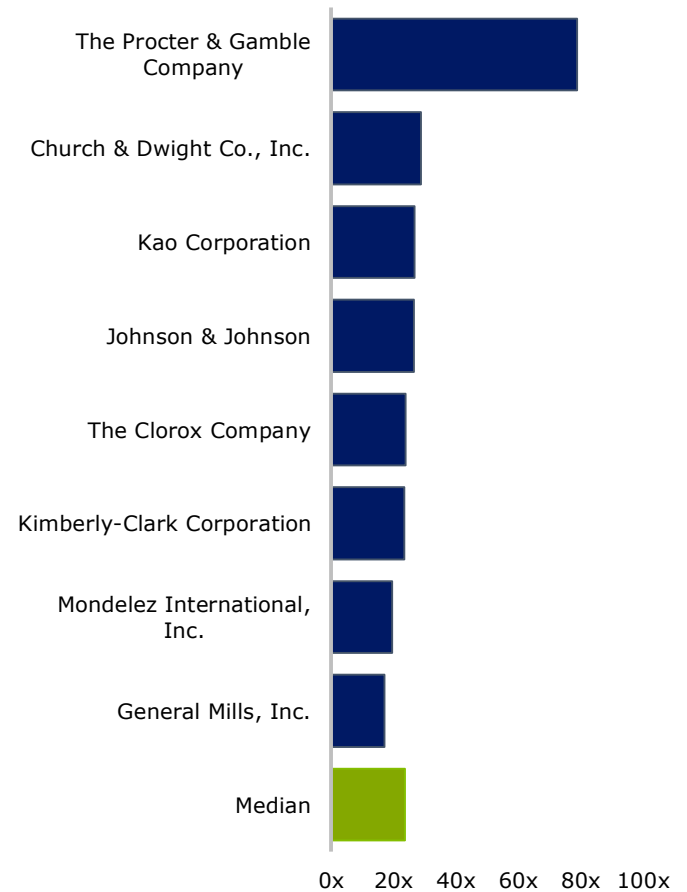
Valuation



TEV / LTM EBIT



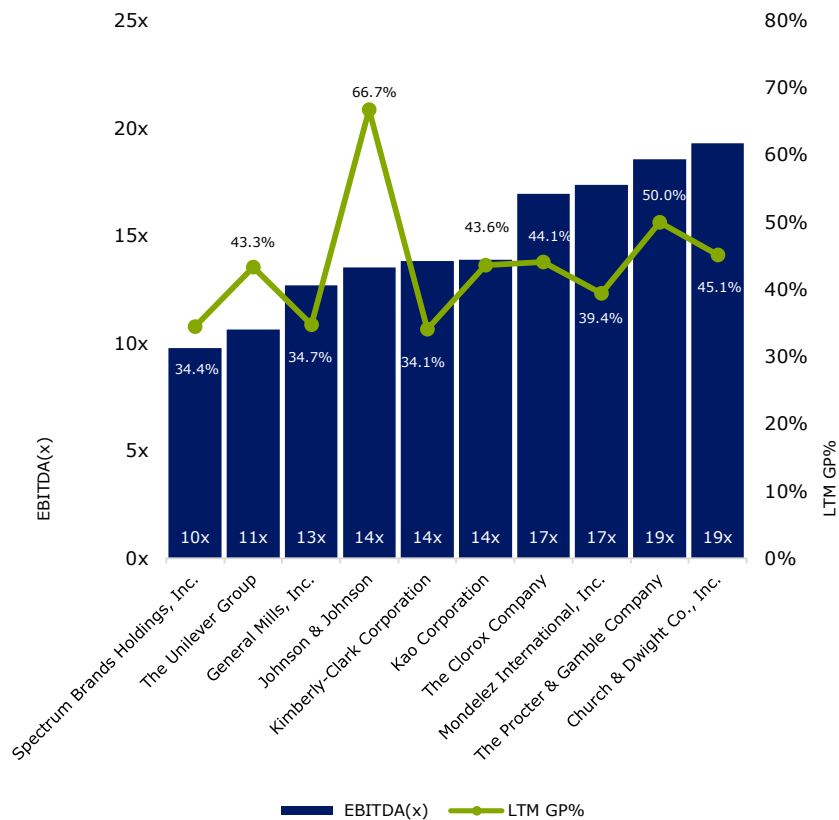
Price / LTM Earnings



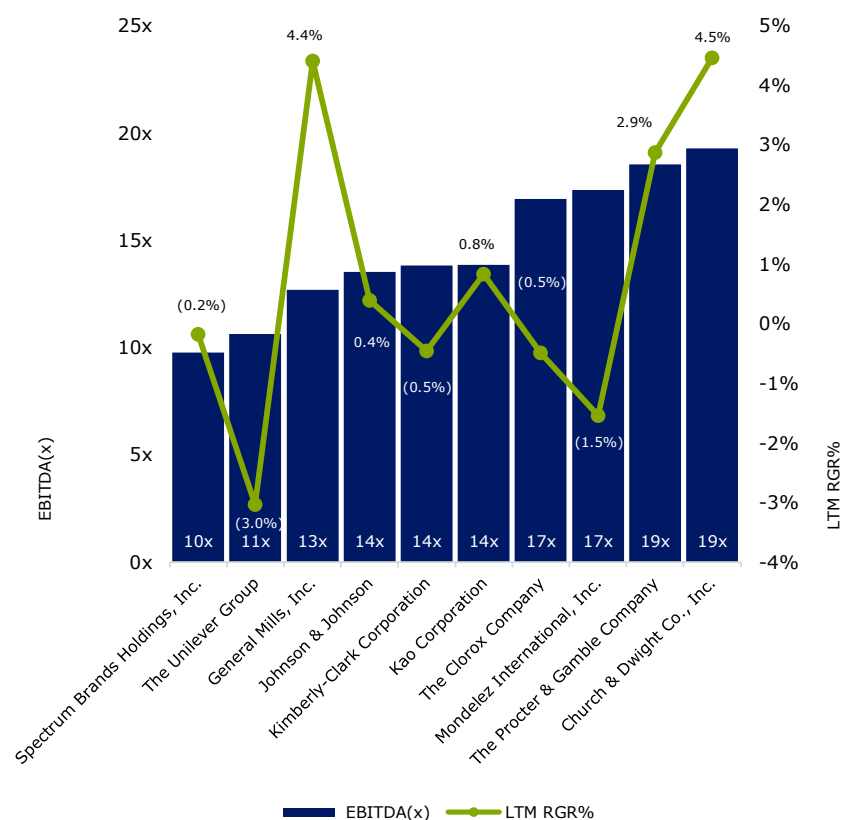
Valuation



Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
3Dec19	Canway (Pty) Ltd	Wipro Consumer Care Private Limited	-	21.00	-	-
3Dec19	The SPAR Group Ltd	JPMorgan Chase & Co, Private Banking and Investment Banking Investments	-	7,468.05	-	-
3Dec19	Wholesale and retail business of JM Bakery Ltd.	-	-	-	-	-
28Nov19	Grateks d.o.o.	-	-	-	-	-
25Nov19	Christy Sports, LLC	TZP Group; TZP Capital Partners III, L.P.	-	-	-	-
2Dec19	Elixinol Japan Co., Ltd.	-	0.01	-	-	-
1Dec19	Century Ginwa Retail Holdings Limited	Qujiang Cultural Financial International Investment Limited; Xi'an Qujiang Cultural Financial Holdings (Group) Co., Ltd.	9.12	122.72	2.8x	23.1x
10Oct19	Thomas Tucker Ltd	SY Foods Retail Limited	-	-	-	-
29Nov19	10 Japanese Clothing Retail Stores of Kanoko Co., Ltd.	Yamano Holdings Corporation	0.27	-	-	-
28Nov19	Hudson Pacific Corporation	Hudson Food Group Pty Ltd	-	-	-	-
28Nov19	All Assets of Bonmarché Limited	Peacocks Stores Ltd	-	-	-	-
28Nov19	Caring Pharmacy Group Berhad	Convenience Shopping (Sabah) Sdn. Bhd.	34.41	146.86	0.8x	14.4x
28Nov19	Sercosur	Morpho Travel Retail	4.40	-	-	-
26Nov19	Public Joint Stock Company Detsky Mir	-	-	1,936.96	-	-
27Nov19	Hudson's Bay Company	The Catalyst Capital Group Inc.; Catalyst Fund Limited Partnership V	6,767.59	7,062.21	1.0x	NM
27Nov19	Assets of CBD Exclusively	CBD Emporium	-	-	-	-
19Nov19	Path to Prosperity, Inc.	Clearview Capital, L.P.	-	-	-	-
22Nov19	Advanced Lighting Concepts, Inc.	Pfingsten Partners, L.L.C.; Pfingsten Partners Fund V, L.P.	-	-	-	-
26Nov19	Woolworths Holdings Limited	-	-	4,935.72	-	-
26Nov19	Portfolio of Seven Giant Supermarket in Pennsylvania	Vastgood Properties, LLC; RW Partners, Inc.	127.00	-	-	-
24Nov19	Lion-Dairy & Drinks Pty Ltd	China Mengniu Dairy Company Limited	406.34	1,189.22	0.3x	-
25Nov19	Intropia	Tendam Retail, S.A.	-	-	-	-
25Nov19	Retail operations of A.C. Moore	The Michaels Companies, Inc.	58.00	-	-	-
30Oct19	Operating rights and activities of 4 supermarkets	Super Cofix	5.19	-	-	-
20Nov19	Consumption Products of Masan Consumer Corporation	Vietnam Technological and Commercial Joint Stock Bank	-	-	-	-

Consumer - Product Goods

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APPENDIX:
Public Basket
Constituents

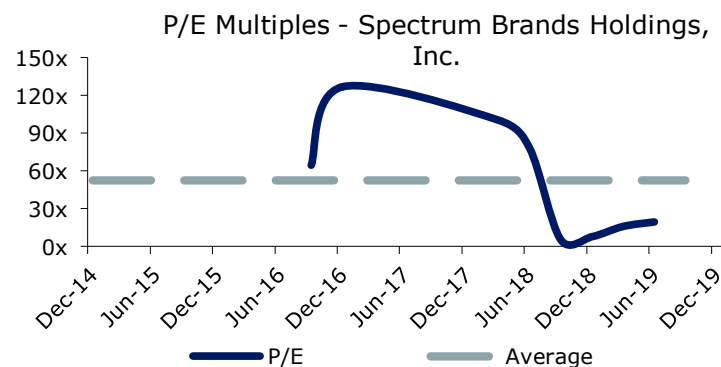
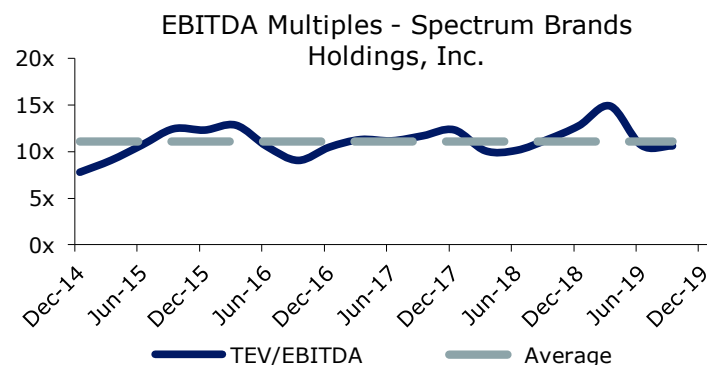
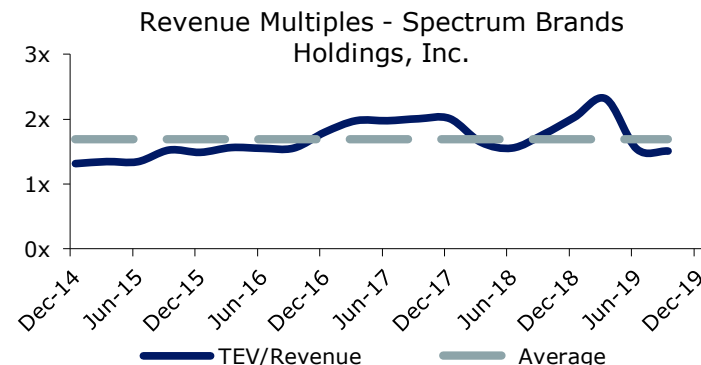
Public Basket



Spectrum Brands Holdings, Inc.

Spectrum Brands Holdings, Inc. operates as a branded consumer products company worldwide. The company's Hardware & Home Improvement segment offers hardware products under the National Hardware, Stanley, and FANAL brands; locksets and door hardware under the Kwikset, Weiser, Baldwin, EZSET, and Tell brands; and plumbing products under the Pfister brand. Its Global Pet Supplies segment provides dog, cat, and small animal food and treats; clean-up and training aid products and accessories; and pet health and grooming products under the 8IN1 (8-in-1), Dingo, Nature's Miracle, Wild Harvest, Littermaid, Jungle, Excel, FURminator, IAMS, Eukanuba, Healthy-Hide, DreamBone, SmartBones, GloFish, ProSense, Perfect Coat, eCOTRITION, Birdola, and Digest-eeze brands. It also offers aquariums and aquatic health supplies under the Tetra, Marineland, Whisper, and Instant Ocean brand names. The company is headquartered in Middleton, Wisconsin.

Date	Key Development Headline
9/5/19	Spectrum Brands To Seek Acquisitions
1/27/19	Energizer Holdings, Inc. (NYSE:ENR) completed the acquisition of global auto care business from Spectrum Brands Holdings, Inc. (NYSE:SPB).
11/14/18	Energizer Holdings, Inc. (NYSE:ENR) entered into a definitive acquisition agreement to acquire global auto care business from Spectrum Brands Holdings, Inc. (NYSE:SPB) for \$1.2 billion.



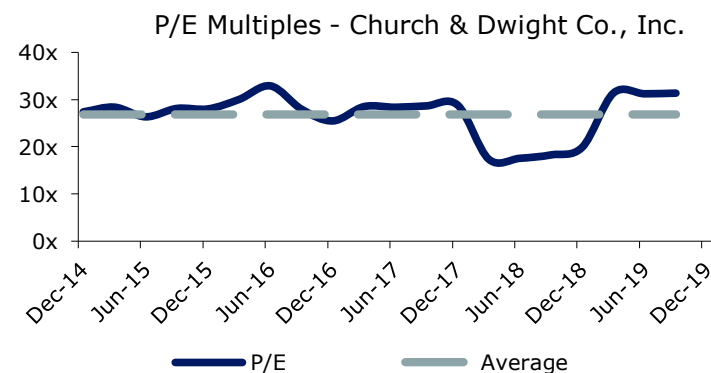
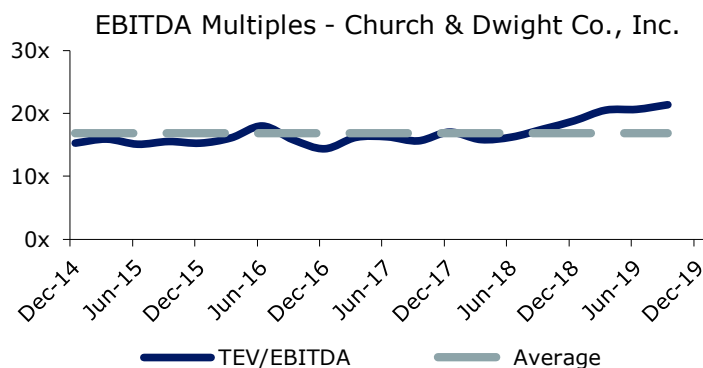
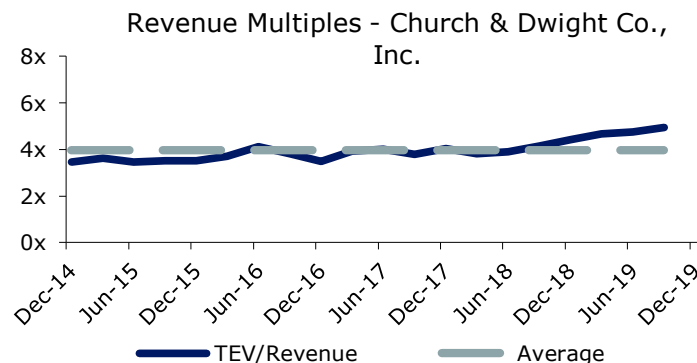
Public Basket



Church & Dwight Co., Inc.

Church & Dwight Co., Inc. develops, manufactures, and markets household, personal care, and specialty products. The company operates through three segments: Consumer Domestic, Consumer International, and the Specialty Products Division. It offers baking soda, cat litter, carpet deodorization, and laundry detergent products under the ARM & HAMMER brand; condoms, lubricants, and vibrators TROJAN brand; stain removers, cleaning solutions, laundry detergents, dishwashing detergents, and bleach alternatives under the OXICLEAN brand; battery-operated and manual toothbrushes under the SPINBRUSH brand; home pregnancy and ovulation test kits under the FIRST RESPONSE brand; depilatories under the NAIR brand; oral analgesic products under the ORAJEL brand; laundry detergents under the XTRA brand. The company was founded in 1846 and is headquartered in Ewing, New Jersey.

Date	Key Development Headline
5/2/19	Church & Dwight Seeks Acquisitions
4/30/19	Church & Dwight Co., Inc. (NYSE:CHD) completed the acquisition acquisition of FLAWLESS and FINISHING TOUCH Brands from IdeaVillage Products Corp.
3/28/19	Church & Dwight Co., Inc., IdeaVillage Products Corp. - M&A Call Call
3/27/19	Church & Dwight Co., Inc. (NYSE:CHD) signed a definitive agreement to acquire FLAWLESS and FINISHING TOUCH of IdeaVillage Products Corp. for approximately \$900 million.



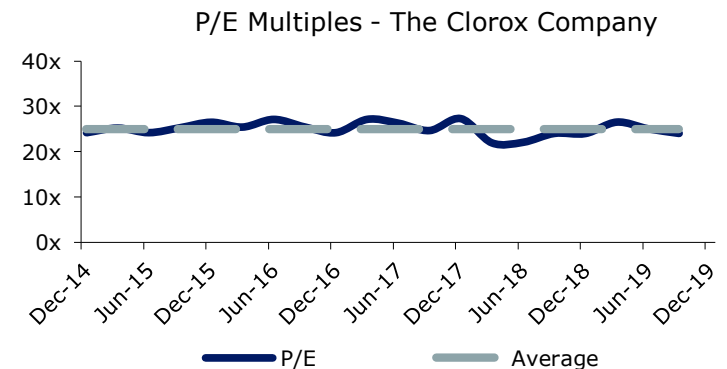
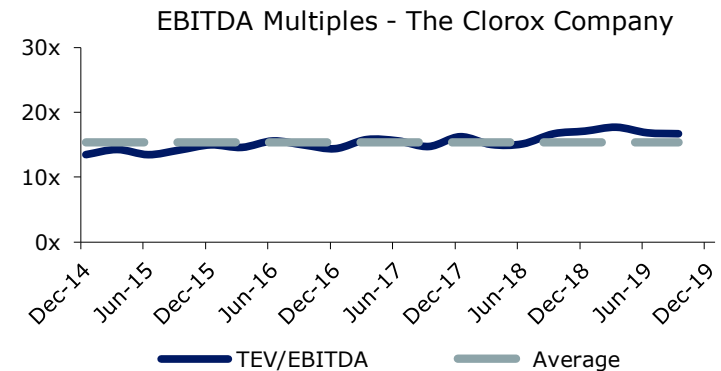
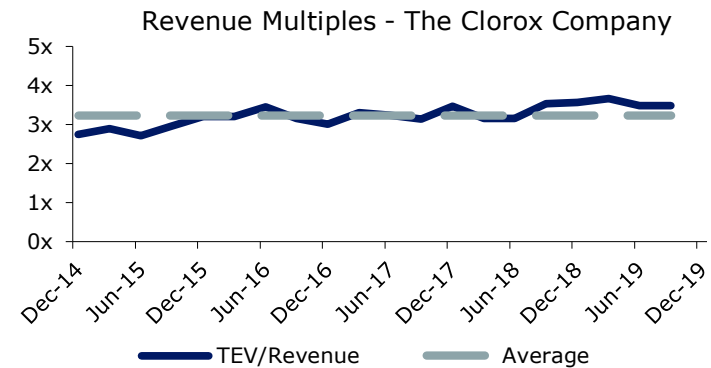
Public Basket



The Clorox Company

The Clorox Company manufactures and markets consumer and professional products worldwide. It operates through four segments: Cleaning, Household, Lifestyle, and International. The company offers laundry additives, including bleach products under the Clorox brand, as well as Clorox 2 stain fighter and color booster; home care products primarily under the Clorox, Formula 409, Liquid-Plumr, Pine-Sol, S.O.S, and Tilex brands; naturally derived products under the Green Works brand; and professional cleaning, disinfecting, and food service products under the Clorox, Dispatch, HealthLink, Clorox Healthcare, Hidden Valley, KC Masterpiece, and Soy Vay brands. It also provides charcoal products under the Kingsford and Match Light brands; bags, wraps, and containers under the Glad brand; cat litter products under the Fresh Step, Scoop Away, and Ever Clean brands; and digestive health products under the RenewLife brand. The Clorox Company was founded in 1913 and is headquartered in Oakland, California.

Date	Key Development Headline
5/1/19	Clorox Intends To Seek Acquisitions
2/21/19	Clorox Will Look For Acquisitions

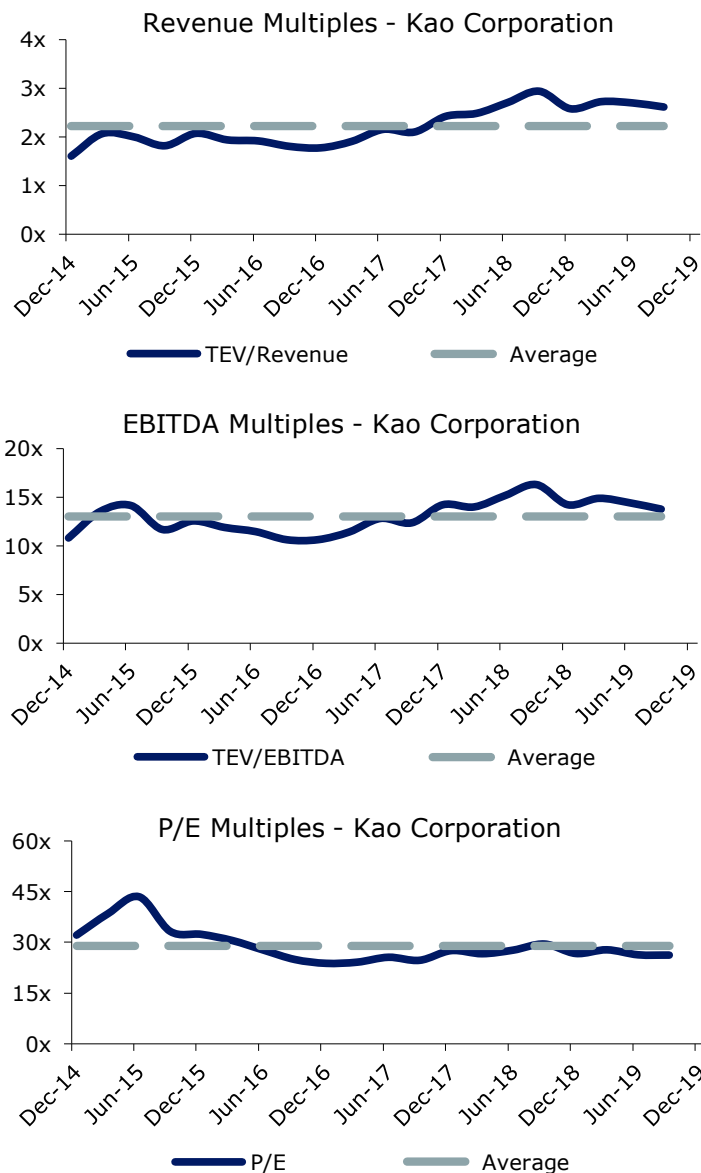


Public Basket



Kao Corporation

Kao Corporation develops and sells consumer and chemical products in Japan and internationally. The company operates through Cosmetics Business, Skin and Hair Care Business, Human Health Care Business, Fabric and Home Care Business, and Chemical Business segments. It offers face care products, such as face washes, makeup removers, face sheets, lotions, emulsions, creams, essences, sunscreen, packs, and lip care products; makeup products, including face powders and eye makeup products; body care products comprising body soaps, hand care products, body sheets, and antiperspirant deodorants; and oral care products, such as toothpastes and toothbrushes. The company also provides hair care products, including shampoos and rinses, scalp care products, and hair growth tonics; hair styling products; hairsprays; hair color products; shaving products; men's grooming products; in-bath health care products comprising bath additives and shower care products; and warming products consisting of steam thermo patches, good-night steam sheets, and steam eye masks. Kao Corporation was founded in 1887 and is headquartered in Tokyo, Japan.



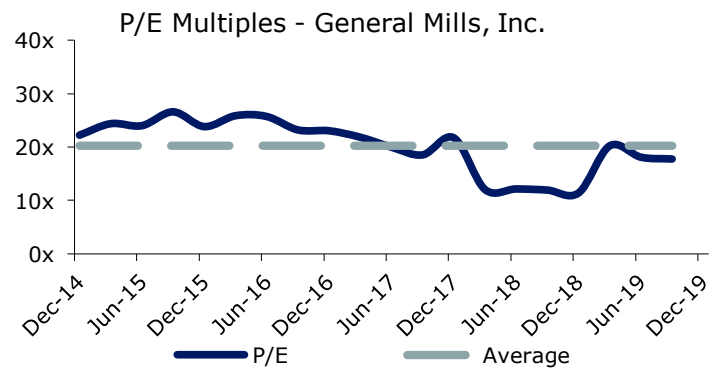
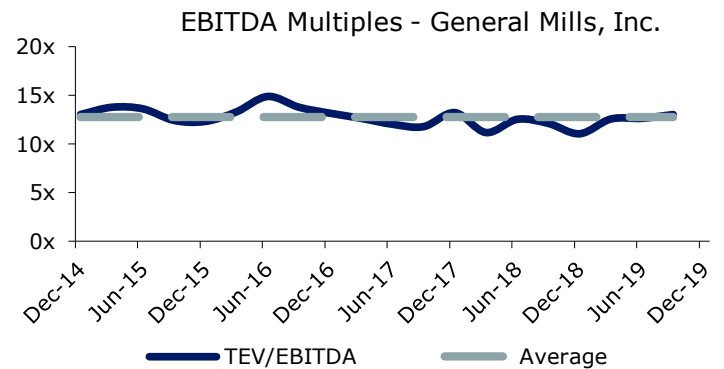
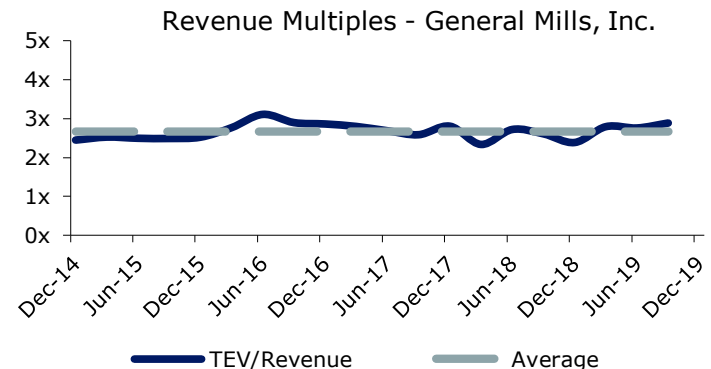
Public Basket



General Mills, Inc.

General Mills, Inc. manufactures and markets branded consumer foods worldwide. The company operates in five segments: North America Retail; Convenience Stores & Foodservice; Europe & Australia; Asia & Latin America; and Pet. It offers ready-to-eat cereals, refrigerated yogurt, soup, meal kits, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza and pizza snacks, grain, fruit, and savory snacks, as well as organic products, including refrigerated yogurt, nutrition bars, meal kits, salty snacks, ready-to-eat cereal, and grain snacks. It also supplies branded and unbranded food products to the North American foodservice and commercial baking industries; and manufactures and markets pet food products, including dog and cat food. The company was founded in 1866 and is based in Minneapolis, Minnesota.

Date	Key Development Headline
9/29/19	Gay Lea Foods Co-operative Ltd. acquired Western Creamery Inc. from General Mills, Inc. (NYSE:GIS).
5/31/19	General Mills Intends To Seek Investments
4/22/19	Nestlé Hungária Kft. agreed to acquire 50% stake in Cereal Partners Hungária Kft. from General Mills, Inc. (NYSE:GIS).
4/7/19	Equus Holdings, Inc. acquired Basset Creek Innovation Center from General Mills, Inc. (NYSE:GIS) for \$13 million.
3/20/19	General Mills Intends To Seek Acquisitions



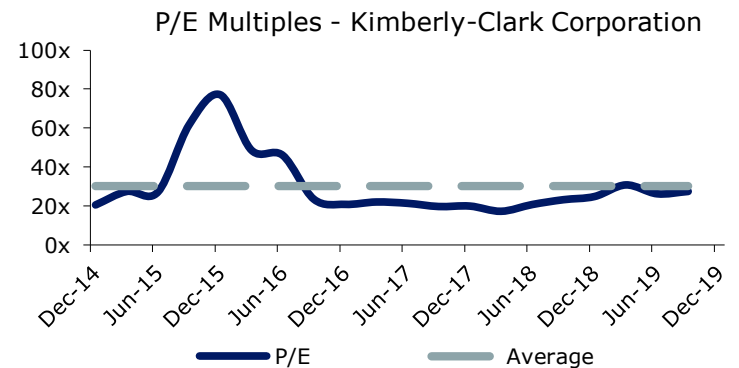
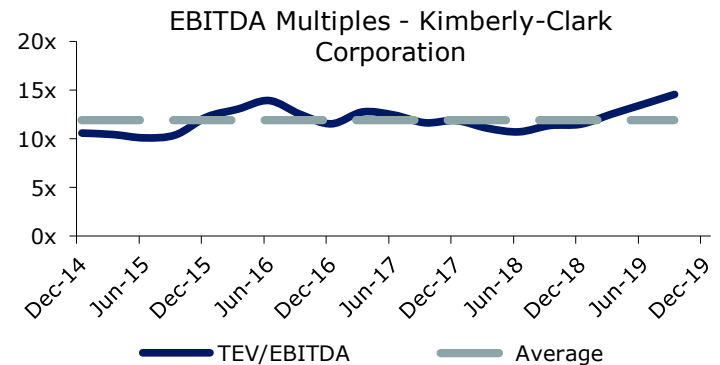
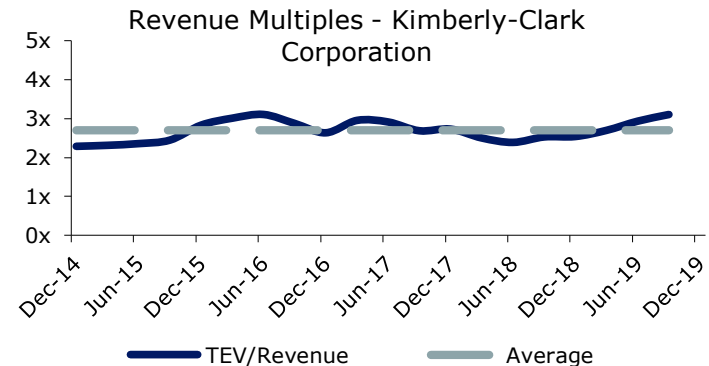
Public Basket



Kimberly-Clark Corporation

Kimberly-Clark Corporation, together with its subsidiaries, manufactures and markets personal care, consumer tissue, and professional products worldwide. It operates through three segments: Personal Care, Consumer Tissue, and K-C Professional. The Personal Care segment offers disposable diapers, training and youth pants, swimpants, baby wipes, feminine and incontinence care products, and other related products under the Huggies, Pull-Ups, Little Swimmers, GoodNites, DryNites, Kotex, U by Kotex, Intimus, Depend, Plenitud, Poise, and other brand names. The Consumer Tissue segment provides facial and bathroom tissues, paper towels, napkins, and related products under the Kleenex, Scott, Cottonelle, Viva, Andrex, Scottex, Neve, and other brand names. The company sells household use products directly to supermarkets, mass merchandisers, drugstores, warehouse clubs, variety and department stores, and other retail outlets, as well as through other distributors and e-commerce; and away-from-home use products directly to manufacturing, lodging, office building, food service, and public facilities, as well as through distributors. Kimberly-Clark Corporation was founded in 1872 and is headquartered in Dallas, Texas.

Date	Key Development Headline
2/7/19	Kimberly-Clark To Seek Acquisitions



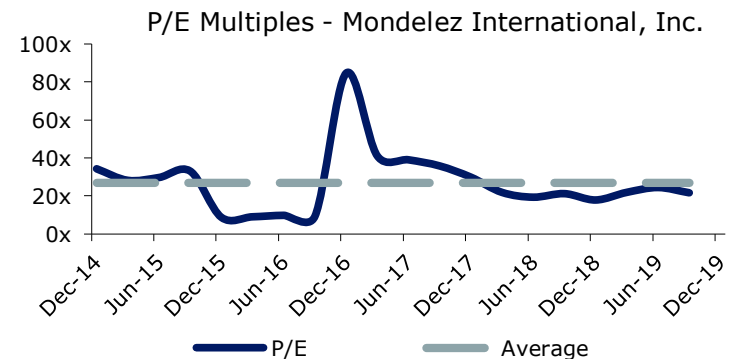
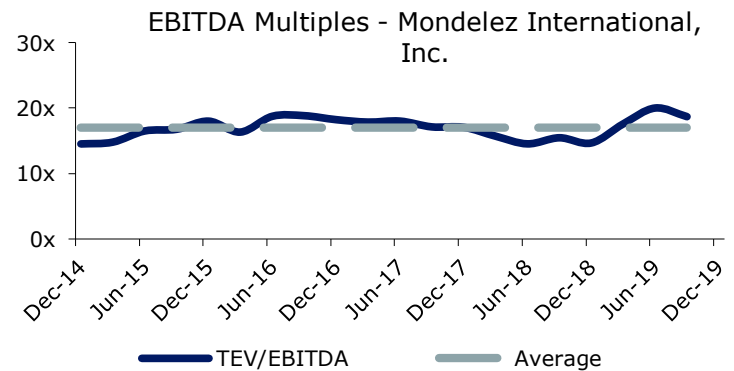
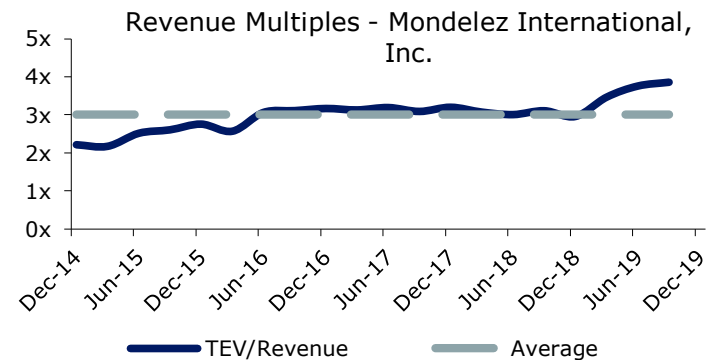
Public Basket



Mondelez International, Inc.

Mondelez International, Inc., through its subsidiaries, manufactures and markets snack food and beverage products worldwide. It offers biscuits, including cookies, crackers, and salted snacks; chocolates; gums and candies; coffee and powdered beverages; and cheese and grocery products. The company's primary snack brand portfolio includes Nabisco, Oreo, LU, and belVita biscuits; Cadbury, Milka, Cadbury Dairy Milk, and Toblerone chocolates; Trident gums; Halls candies; and Tang powdered beverages. Mondelez International, Inc. was founded in 2000 and is based in Deerfield, Illinois.

Date	Key Development Headline
7/15/19	Mondelez International, Inc. (NasdaqGS:MDLZ) completed the acquisition of unknown majority stake in Perfect Bar & Company.
6/18/19	Mondelez International, Inc. (NasdaqGS:MDLZ) agreed to acquire unknown majority stake in Perfect Bar & Company.
6/11/19	Mondelez To Seek Acquisitions
5/27/19	Arla Foods amba completed the acquisition of Kraft-Branded cheese business in Middle East and Africa from Mondelez International, Inc. (NasdaqGS:MDLZ).
4/25/19	Mondelez International Announces Collaboration Agreement with The Kitchen



Public Basket

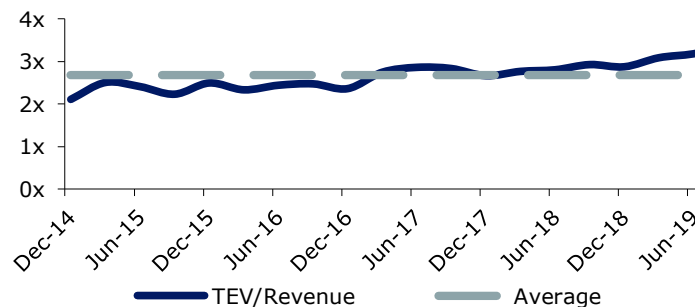


The Unilever Group

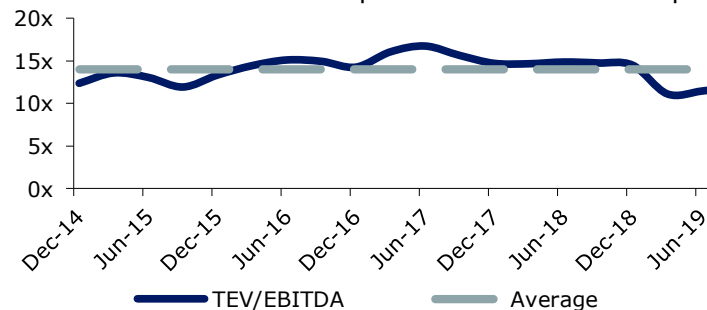
The Unilever Group, together with its subsidiaries, operates in the fast-moving consumer goods industry worldwide. It operates through three segments: Beauty & Personal Care, Foods & Refreshment, and Home Care. The Beauty & Personal Care segment offers skin care and hair care products, deodorants, and oral care products under the Axe, Dove, Lux, Rexona, and Sunsilk brands, as well as others, such as TRESemmé, Signal, Lifebuoy, and Vaseline brands. The Foods & Refreshment segment offers soups, bouillons, sauces, snacks, mayonnaise, salad dressings, margarines and spreads, ice cream, and tea-based beverages. The company was founded in 1930 and is headquartered in Rotterdam, the Netherlands.

Date	Key Development Headline
9/30/19	The Unilever Group (ENXTAM:UNA) acquired Lenor Japan Co., Ltd.
8/29/19	The Unilever Group (ENXTAM:UNA) acquired Personal and Home Care Business from Astrix S.A.
7/25/19	Unilever PLC (LSE:ULVR) completed the acquisition of Tatcha LLC.
7/3/19	Unilever PLC (LSE:ULVR) signed a contract to acquire 75% stake in Good People SA from Sergiu Negut, Philip Hausmaninger, Johann Heubach, Maria Brujan and Marius Gavril.
6/9/19	Unilever PLC (LSE:ULVR) signed an agreement to acquire LLC.

Revenue Multiples - The Unilever Group



EBITDA Multiples - The Unilever Group



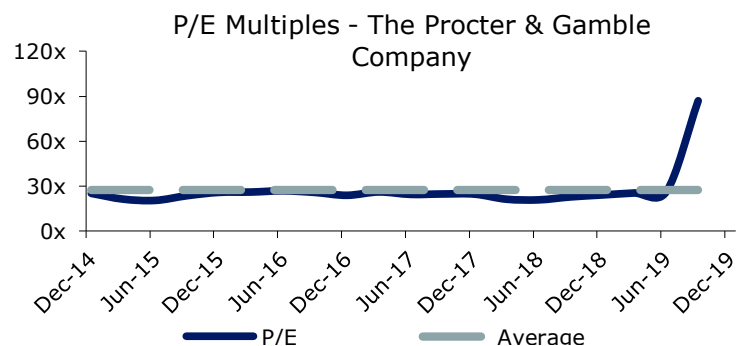
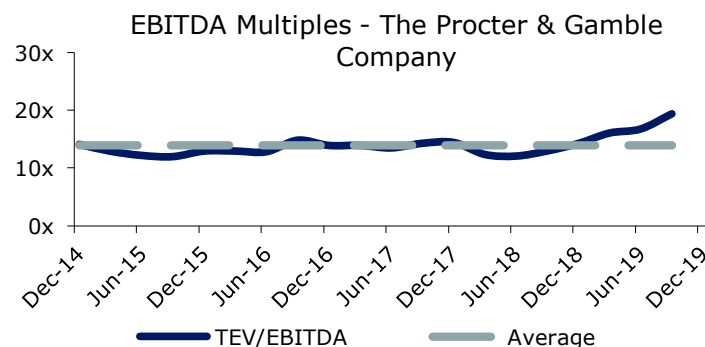
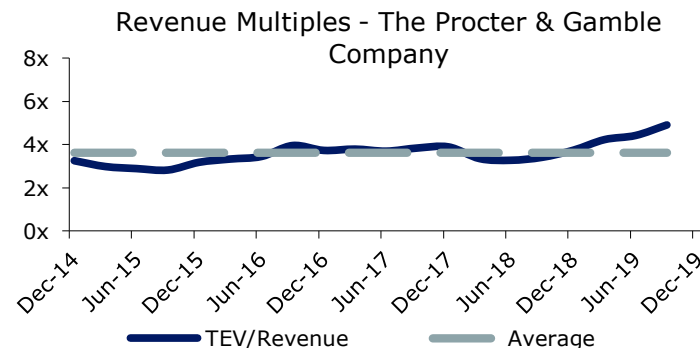
Public Basket



The Procter & Gamble Company

The Procter & Gamble Company provides branded consumer packaged goods to consumers in North America, Europe, the Asia Pacific, Greater China, Latin America, India, the Middle East, and Africa. The company operates in five segments: Beauty; Grooming; health Care; fabric & Home Care; and Baby, Feminine & Family Care. The Beauty segment offers conditioners, shampoos, styling aids, and treatments; and skin and personal care products, such as antiperspirants and deodorants, and personal cleansing and skin care products under the Head & Shoulders, Pantene, Rejoice, Olay, Old Spice, Safeguard, and SK-II brands. The Procter & Gamble Company was founded in 1837 and is headquartered in Cincinnati, Ohio.

Date	Key Development Headline
5/28/19	An unknown buyer acquired certain assets pertaining to the Joy and Cream Suds business from The Procter & Gamble Company (NYSE:PG) for \$30 million.
4/11/19	Unilever PLC (LSE:ULVR) signed an agreement to acquire the Fluocaril and Parogencyl Brands of The Procter & Gamble Company.
2/21/19	M13 and P&G Ventures to Partner on Consumer Innovation Incubator
2/19/19	Aether and Procter & Gamble Begin 3D Printing and AI Development Project
2/4/19	The Procter & Gamble Company (NYSE:PG) acquired This Is L. Inc.



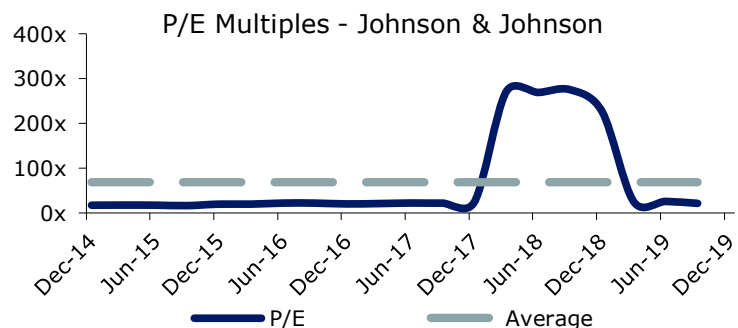
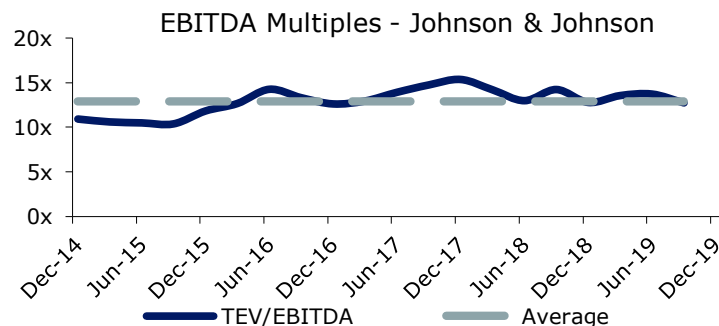
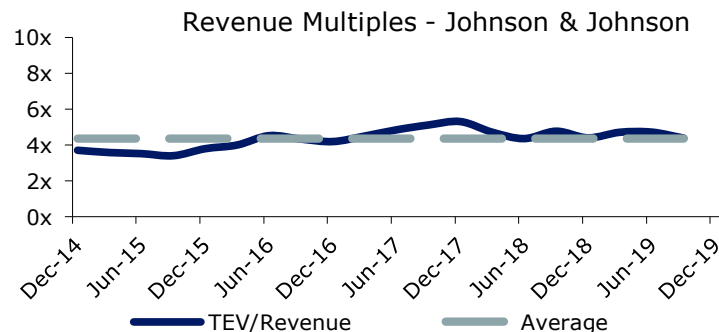
Public Basket



Johnson & Johnson

Johnson & Johnson, together with its subsidiaries, researches and develops, manufactures, and sells various products in the health care field worldwide. Its Consumer segment offers baby care products under the JOHNSON'S brand; oral care products under the LISTERINE brand; beauty products under the AVEENO, CLEAN & CLEAR, DABAO, JOHNSON'S Adult, LE PETITE MARSEILLAIS, NEUTROGENA, RoC, and OGX brands; over-the-counter medicines, including acetaminophen products under the TYLENOL brand; cold, flu, and allergy products under the SUDAFED brand; allergy products under the BENADRYL and ZYRTEC brands; ibuprofen products under the MOTRIN IB brand; and acid reflux products under the PEPCID brand. Johnson & Johnson was founded in 1885 and is based in New Brunswick, New Jersey.

Date	Key Development Headline
8/26/19	Everyday Health Media LLC acquired BabyCenter, L.L.C. from Johnson & Johnson (NYSE:JNJ).
5/15/19	Johnson & Johnson To Seek Acquisitions
2/22/19	Morphic Therapeutic and Janssen Collaborate to Develop Integrin Therapies
2/17/19	Johnson & Johnson (NYSE:JNJ) acquired Innovalens.
1/16/19	Johnson & Johnson (NYSE:JNJ) completed the acquisition of an additional 27.9% stake in Ci:z Holdings Co.,Ltd. (TSE:4924) from CIC Corporation.



CONTACT INFO

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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