

Market Update

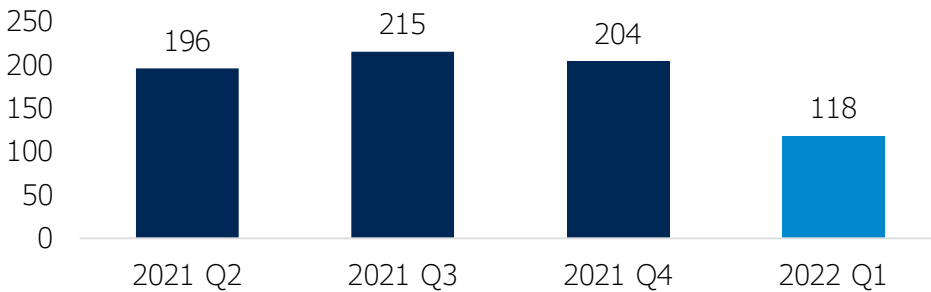
Consumer Goods & Contract Manufacturing

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Consumer Goods Overview

The consumer goods industry heavily relies on the economy and consumers' willingness to purchase goods. The Market update combines consumer goods into two categories: durables (longer lifespan) vs. non-durables (shorter lifespan). Over the past two years, large amounts of capital were poured into the economy to fuel consumer demand, the demand, in conjunction with covid implications, created instability within the supply chain. The net-net is that this proved very difficult to understand consumer businesses. The underlying variables are that investors could not get comfortable with the macro variables within the consumer industry. According to a survey done by Grant Thornton, 57% of respondents indicated that supply chain constraints have delayed or halted M&A plans.

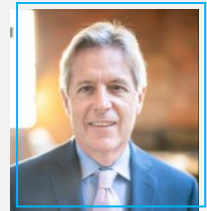
of M&A Deals - Consumer Goods



Contract Manufacturing Overview

COVID-19 continues to expedite the push for contract manufacturers as companies look to maximize the increased need for consumer products, medical devices, and pharmaceutical drugs. Two main industry headwinds are supply chain shortages leading to unreliable logistics and cybersecurity attacks. Supply chain shortages and unreliable logistics force contract manufacturers to deviate from their manufacturing plans, causing a shift in production to match available materials. Many contract manufacturers have initiated policies refusing to schedule production until the necessary materials are on-site, thus causing months of backlogged orders. In addition to supply chain bottlenecks, Cyberattacks on critical infrastructure such as financial services, governments, and utilities have increased following the Russian invasion of Ukraine, with the risk of spillover cyber attacks within the manufacturing industry becoming much more widespread. A prime example of increased manufacturing cyber attacks is Kojima Industries. In early March 2022, Kohima Industries, Toyota's main plastic auto parts supplier, faced a ransomware attack that forced Toyota Motors to halt operations at all 14 of its Japanese plants. As large organizations continue to make a push toward digital transformation, the high level of interconnectivity within these fortune 500 companies and the overall global economy makes it imperative that these companies recognize their blind spots in cyberspace and take measures to address them. To read more about 7MA cybersecurity research, click [here](#).

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Q1 2022 Notable Consumer Goods Transactions

Hunter Fan acquired by Ames Companies

Date: January 2022

Deal Type: M&A

Target HQ: U.S.



- Hunter Fan, a manufacturer and designer of ceiling fans based in Memphis, Tennessee. The company's product line includes air purifiers, bath exhaust fans, humidifiers, angled ceiling mounts, portable fans, thermostats as well as decorative lamps and fixtures. Hunter complements Giffon's portfolio of leading consumer products, and diversifies channels to market, particularly with Hunter's success in growing its e-commerce and direct to customer business.

Tristar Products acquired by Spectrum Brands

Date: February 2022

Deal Type: M&A

Target HQ: U.S.

Spectrum Brands



- Tristar Products, Provider of marketing and branding services for retail products intended to take provided ideas and turn them into branded and global distributed products. The acquisition of Tristar products will create a leading higher-margin and faster-growing company in the global appliances market.

7MA Consumer Goods Transaction

Green Global Holdings, LLC acquired by \$3b Market Cap Multinational Company



The Company focuses on the development of a new concept for household and industrial cleaning products based upon sustainable and "Green" chemistry formulations within the Household Cleaning, Personal Care, Pet, and Institutional markets.

Green Global Holdings features four innovative technology platforms: Hydrogen Peroxide, Probiotics, Degreasers, and Personal Care - all of which have been successfully formulated, patented, and designed to achieve EPA registrations and/or comply with FDA guidelines. Importantly, the Company's Hydrogen Peroxide products meet the EPA's criteria for use against SARS-COV-2, the virus that causes COVID-19.

Q1 2022 Contract Manufacturing Transactions

Brand Castles acquired by Signature Brands



- Brand Castle manufactures and distributes branded and private label baking & decorating kits, dessert decorating products, premium baking mixes and seasonal beverages, and designs and bakes their own gingerbread house line. The acquisition of Brand Castle will help Signature Brands strengthen their market position and enhance their operating leverage.

Date: January 2022

Deal Type: M&A

Target HQ: U.S.

ApolloCorp acquired by Anjac Health & Beauty



ApolloCorp, a manufacturer and supplier of beauty and personal care products based in Toronto, Canada. The company develops private label and control label products such as liquid and bar soaps, body washes, hair care, baby products, specialty bath and nutraceuticals. The acquisition strengthens Anjac's North American presence.

Date: January 2022

Deal Type: M&A

Target HQ: NA

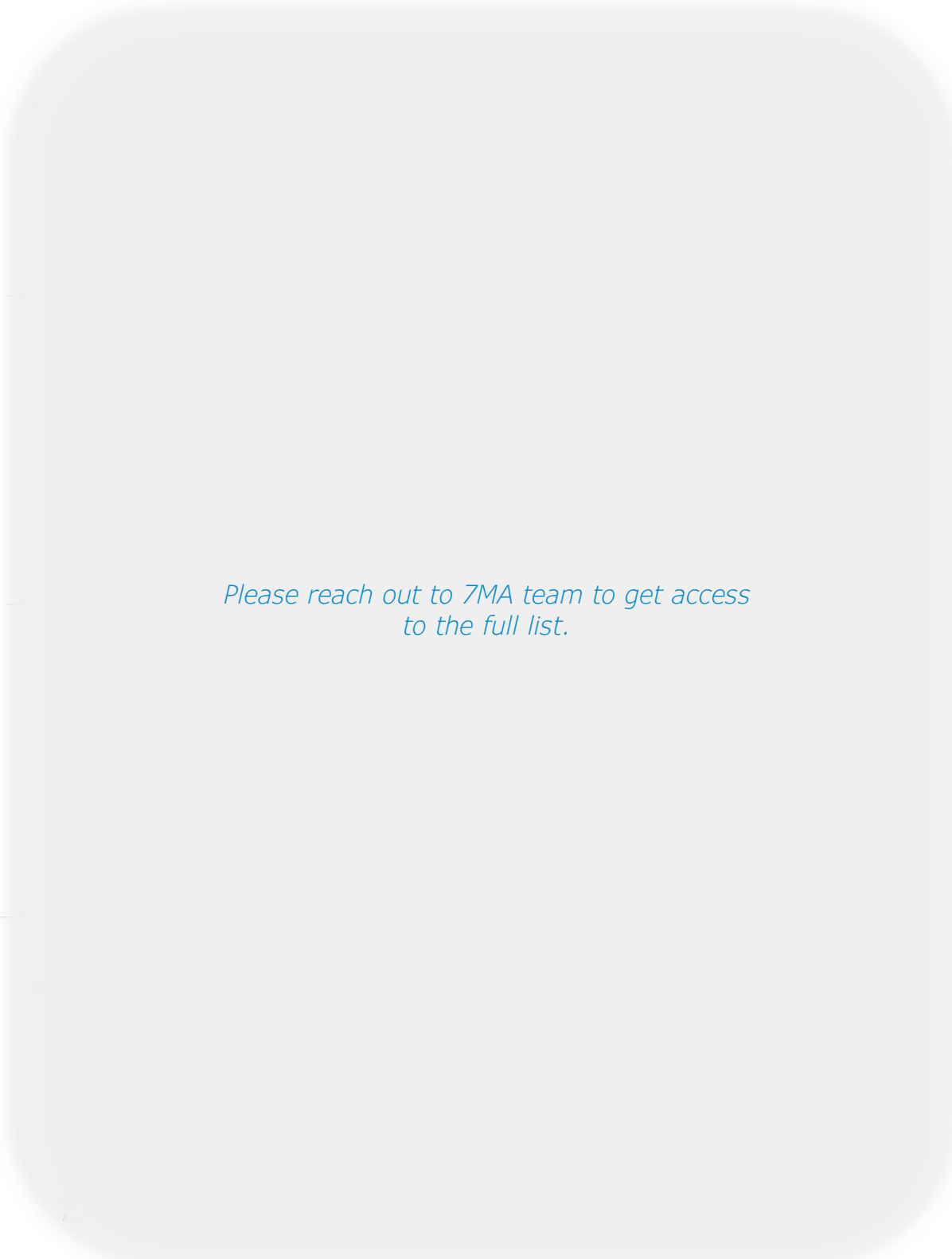
7MA Contract Manufacturing Transaction

S&D Coffee acquired by Cott Corporation



7 Mile Advisors (7MA) acted as financial advisor to Concord, North Carolina-based S&D Coffee, Inc. (S&D) on its sale to Cott Corporation (Cott). A leading manufacturer and distributor of coffees, teas, specialty beverages, extracts and ingredients to the foodservice industry, S&D engaged 7MA to explore a strategic sale of the company. The deal closed on Aug. 11, 2016.

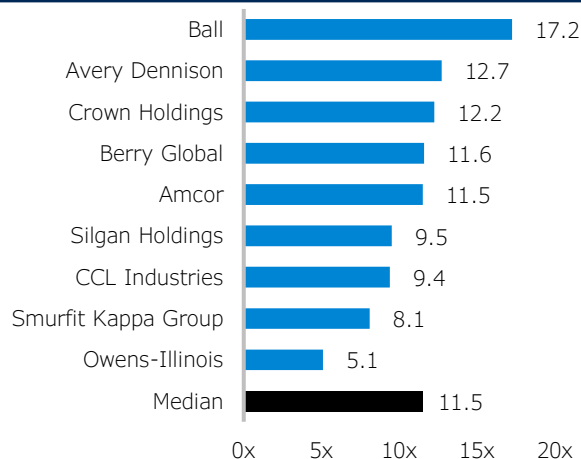
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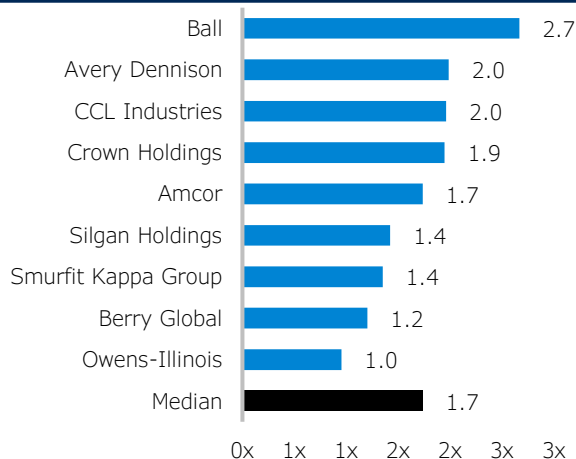
Publicly-traded Manufacturing Companies – Q1 2022

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Ball	36,828	2,137	13,811	17.2%	19.7%	15.5%	2.7x	17.2x	24,300	568
Amcor	23,581	2,052	13,588	8.8%	20.0%	15.1%	1.7x	11.5x	46,000	295
Crown Holdings	22,180	1,811	11,394	21.3%	20.8%	15.9%	1.9x	12.2x	26,000	438
Berry Global	17,199	1,486	14,287	18.8%	16.9%	10.4%	1.2x	11.6x	47,000	304
Avery Dennison	16,706	1,315	8,408	20.6%	27.5%	15.6%	2.0x	12.7x	36,000	234
Smurfit Kappa Group	14,498	1,794	10,736	4.4%	32.4%	16.7%	1.4x	8.1x	48,000	224
CCL Industries	8,968	956	4,571	9.4%	27.8%	20.9%	2.0x	9.4x	15,900	287
Silgan Holdings	8,078	849	5,677	15.3%	16.2%	15.0%	1.4x	9.5x	15,600	364
Owens-Illinois	6,060	1,189	6,357	4.4%	17.2%	18.7%	1.0x	5.1x	24,000	265
Average	17,122	1,510	9,870	13.4%	22.0%	16.0%	1.7x	10.8x	31,422	331
Median	16,706	1,486	10,736	15.3%	20.0%	15.6%	1.7x	11.5x	26,000	295

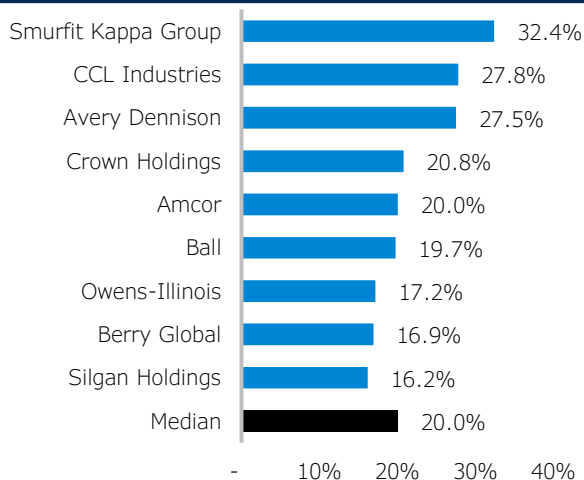
TEV / EBITDA X



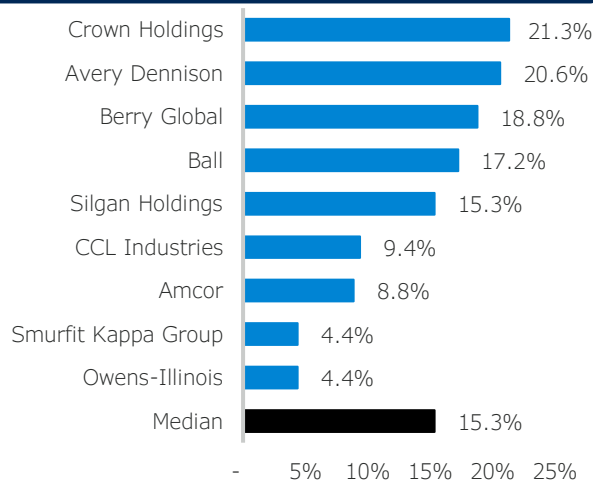
TEV / Rev X



Gross Margin %



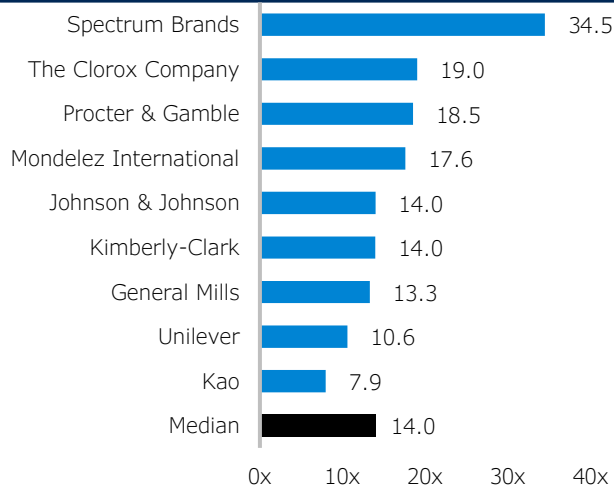
Rev Growth YoY



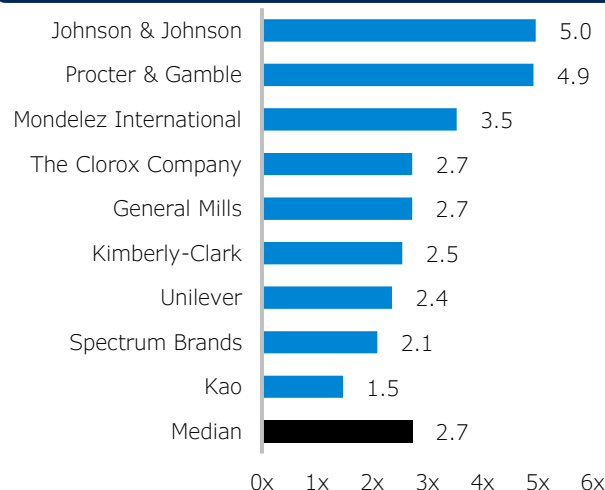
Publicly-traded Consumer Product Goods Companies – Q1 2022

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Johnson & Johnson	465,262	33,287	93,775	13.6%	68.2%	35.5%	5.0x	14.0x	144,300	650
Procter & Gamble	385,447	20,812	78,346	5.9%	49.3%	26.6%	4.9x	18.5x	101,000	776
Unilever	146,121	13,788	62,004	3.4%	42.3%	22.2%	2.4x	10.6x	1,500	41,336
Mondelez International	101,403	5,765	28,720	8.0%	39.2%	20.1%	3.5x	17.6x	79,000	364
General Mills	50,664	3,813	18,608	1.8%	34.2%	20.5%	2.7x	13.3x	35,000	532
Kimberly-Clark	49,468	3,545	19,440	1.6%	30.8%	18.2%	2.5x	14.0x	45,000	432
The Clorox Company	19,289	1,014	7,080	-5.9%	37.7%	14.3%	2.7x	19.0x	9,000	787
Kao	19,083	2,403	13,002	0.0%	41.6%	18.5%	1.5x	7.9x	45,378	287
Spectrum Brands	6,423	186	3,070	15.5%	27.1%	6.1%	2.1x	34.5x	12,100	254
Average	138,129	9,401	36,005	4.9%	41.1%	20.2%	3.0x	16.6x	52,475	5,046
Median	50,664	3,813	19,440	3.4%	39.2%	20.1%	2.7x	14.0x	45,000	532

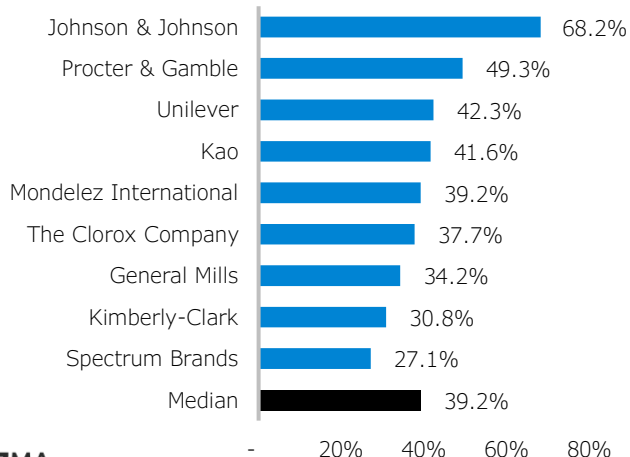
TEV / EBITDA X



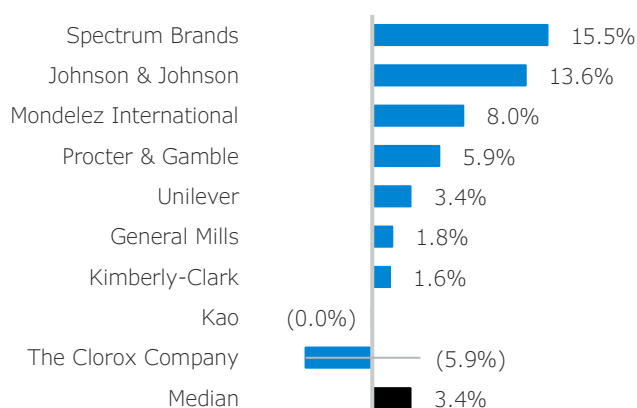
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q1 2022 M&A Transactions – Contract Manufacturing

Date	Target	Buyer / Investor	Target Description
January			<ul style="list-style-type: none"> Manufacturer of sleep mattresses for private label and commercial/contract program.
January			<ul style="list-style-type: none"> Brand Castle manufactures and distributes branded and private label baking & decorating kits, dessert decorating products, premium baking mixes and seasonal beverages, and designs and bakes their own gingerbread house line.
January			<ul style="list-style-type: none"> A Manufacturer and supplier of beauty and personal care products based in Toronto, Canada. The company develops private label and control label products such as liquid and bar soaps, body washes, hair care, baby products, specialty bath and nutraceuticals.

Q1 2022 M&A Transactions – Consumer Products

February			<ul style="list-style-type: none"> Tristar Products, Provider of marketing and branding services for retail products intended to take provided ideas and turn them into branded and global distributed products.
January			<ul style="list-style-type: none"> Manufacturer and designer of ceiling fans based in Memphis, Tennessee. The company's product line includes air purifiers, bath exhaust fans, humidifiers, angled ceiling mounts, portable fans, thermostats as well as decorative lamps and fixtures.
January			<ul style="list-style-type: none"> Operator of beverage and grains business. The company provides natural and organic beverages.

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. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit www.7mileadvisors.com.



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Notable 7 Mile Transactions

