



Consumer

CONTRACT MANUFACTURING MARKET UPDATE WINTER 2025





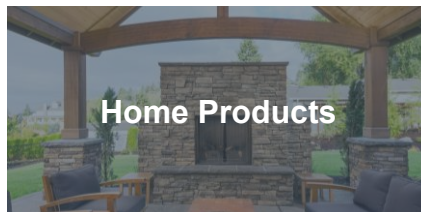
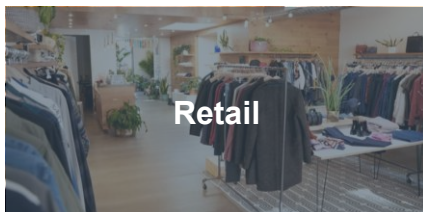
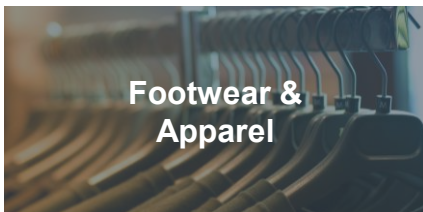
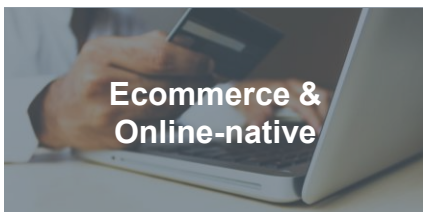
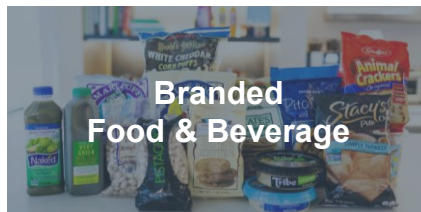
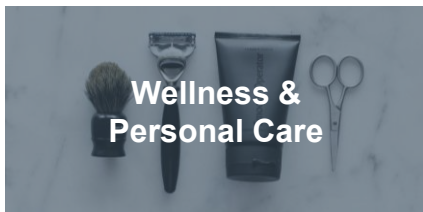
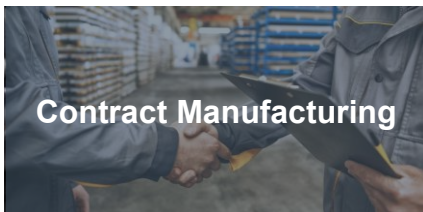
Meridian's Consumer Practice

Overview

Meridian Capital's Consumer practice has been a core focus area of the firm since its founding in 1995. Several of Meridian's founding partners have built household-name brands and run large consumer product companies as entrepreneurs and operators. Their knowledge and appreciation for the sector is a key pillar of the practice and continues to benefit our clients today.

The Consumer team possesses deep industry relationships with leading investors and acquirers across the sector and stays in front of the latest trends and considerations.

Sub-Sector Coverage



Meet the Team

Team Leadership



Brian Murphy
CEO & Managing Director
bmurphy@meridianib.com



Randy Moe
Managing Director
rmoe@meridianib.com



Benton Sturt
Director
bsturt@meridianib.com



Chuck Wilke
Founder & Advisor

Execution Team



Winnie Lee
Senior Associate
wlee@meridianib.com



Gavin Prentice
Senior Analyst
gprentice@meridianib.com



Drew Jackson
Analyst
djackson@meridianib.com

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Practice Overview

01.

**INDUSTRY TRENDS &
BENCHMARKING**





Contract Manufacturing Trends



Adapting to Evolving U.S. Trade Positions

Tariffs on goods from Canada, Mexico, and China have encouraged full supply chain audits for manufacturers and brands. This activity has accelerated shifts in manufacturing volumes to other regions (e.g., Turkey) and sparked a renewed focus on U.S.-based providers



Refocusing on Core vs. Non-Core Capabilities

Companies are pivoting focus to profitability and value-proposition differentiation, underpinned by competitive pricing pressures and other macro headwinds – leading them to fortify positions of strength through both divestitures and acquisitions



Changing Consumer Preferences

Consumers are increasingly prioritizing products with transparent supply chains, eco-friendly materials, and reduced environmental impact. This pressure drives brands to partner with contract manufacturers who can meet these stringent requirements



Advanced Automation and Digitalization

The integration of AI, machine learning, and robotics is transforming production lines, leading to increased efficiency, precision, and real-time data analysis. Digitalization is streamlining processes, improving communication, and enabling better supply chain management



M&A Activity Expecting Rebound

In 2025, consumer-product focused contract manufacturing deal activity decreased ~32% compared to 2024 and ~14% compared to the previous 5-year average. Deal activity is expected to return in 2026 as consolidators continue to look to M&A to add capabilities, geographies, and end markets

Source: Meridian Research, McKinsey, 8451, Deloitte

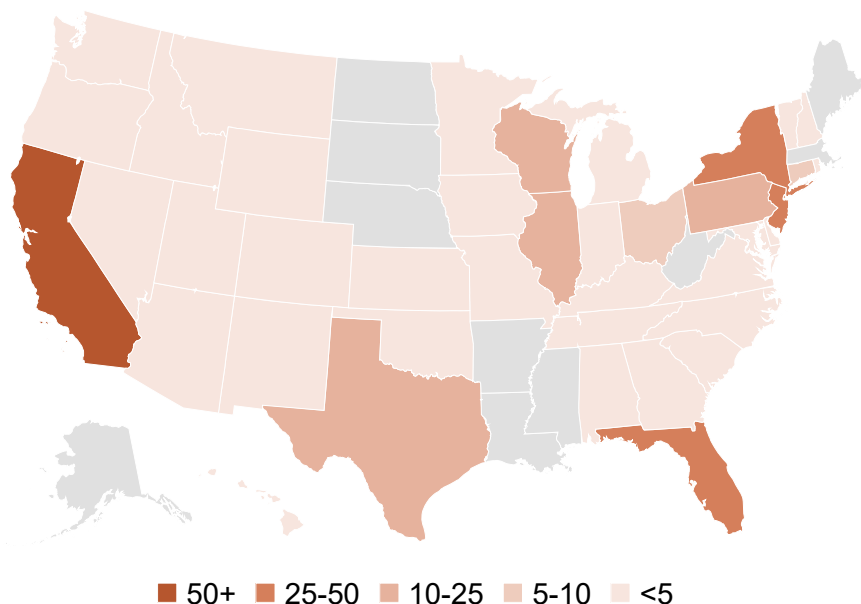


Personal Care & Beauty Contract Manufacturing Trends

Sector Trends

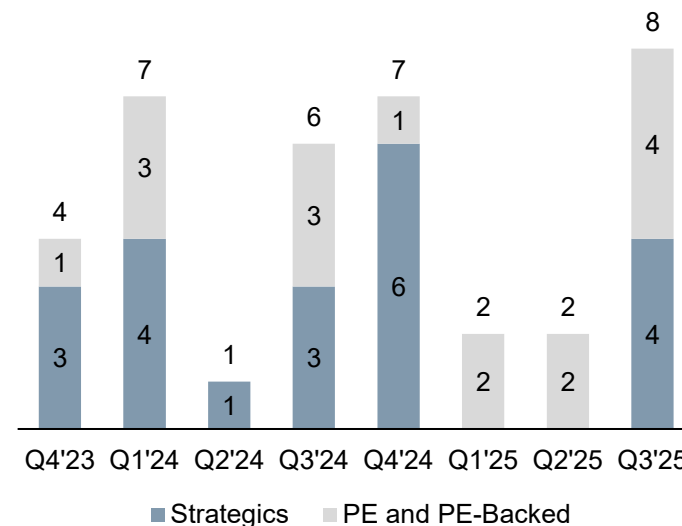
- There is an increased demand in the market for natural and organic products as consumers increasingly seek “clean label” products, driving contract manufacturers to source high-quality, sustainable raw materials
- Contract manufacturers are increasingly becoming a key stakeholder in the formulation, ideation, and front-end development of products. Co-manufacturers with strong R&D capabilities are driving stickier relationships and increased profitability through more added value.
- Growth in DTC and influencer personal care brands has led contract manufacturers to adapt to the fast-paced needs of their clientele

Geographic Dispersion of Personal Care Contract Manufacturers



M&A Activity Overview

Breakdown of M&A Deals by Quarter



Select Transactions

Acquired By
ARCHIMED

October 2025

Acquired By
kdc/one

October 2025

Acquired By
LFMcapital

April 2025

Source: Statista, Precedence Research, KBV Research, Meridian Research

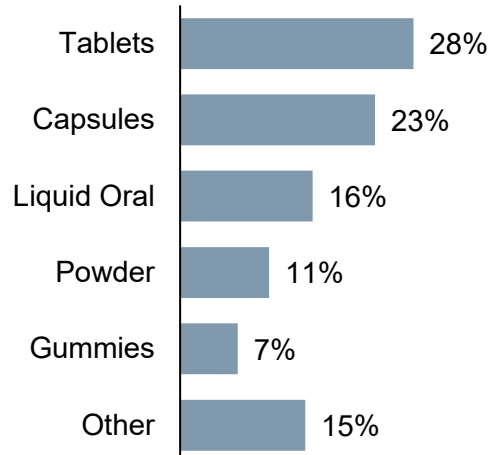


Supplements & Nutrition Contract Manufacturing Trends

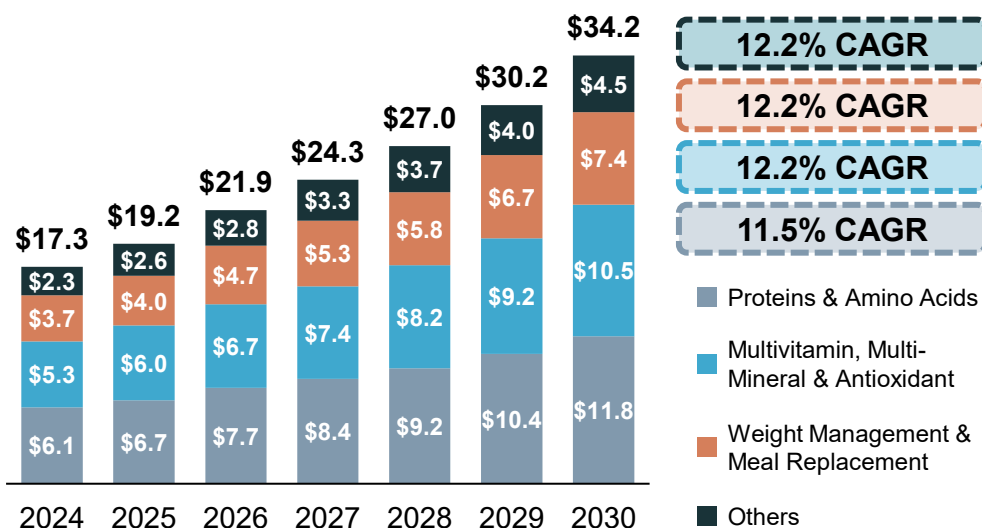
Sector Trends

- Increased demand for transparency has required contract manufacturers to provide detailed documentation of processes and implement rigorous testing protocols
- Growing trend of hyper-personalized and individual supplement protocols has led contract manufacturers to offer flexible production capabilities for small-batch and customized formulations

Market Share by Format

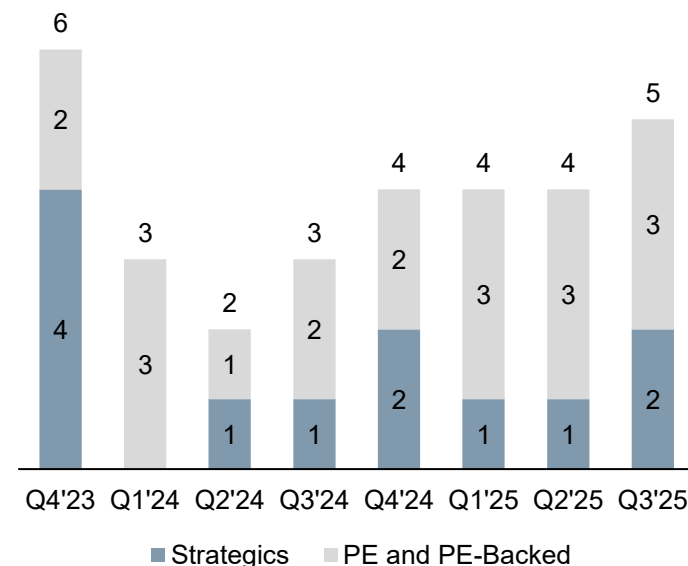


US Supplement Contract Manufacturing Market (\$B)



M&A Activity Overview

Breakdown of M&A Deals by Quarter



Select Transactions



September 2025



July 2025



January 2025

Source: Grand View Research, Verified Market Reports, Meridian Research

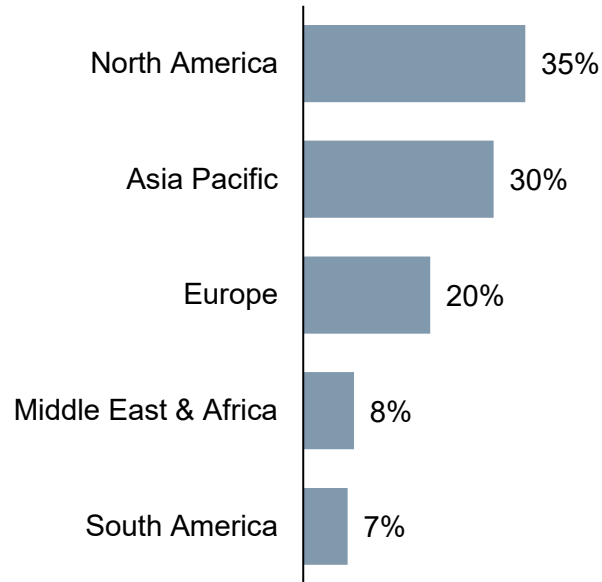


Pet Products Contract Manufacturing Trends

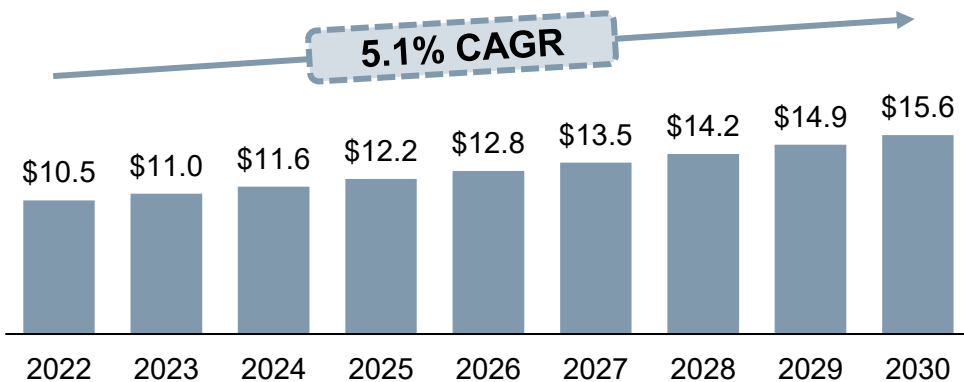
Sector Trends

- Eco-friendly products continue to gain popularity with pet owners, driving raw material innovation among manufacturers
- Growing demand for products offering specific health benefits creating opportunity for unique and more precise mixing and handling capabilities

Revenue by Geography

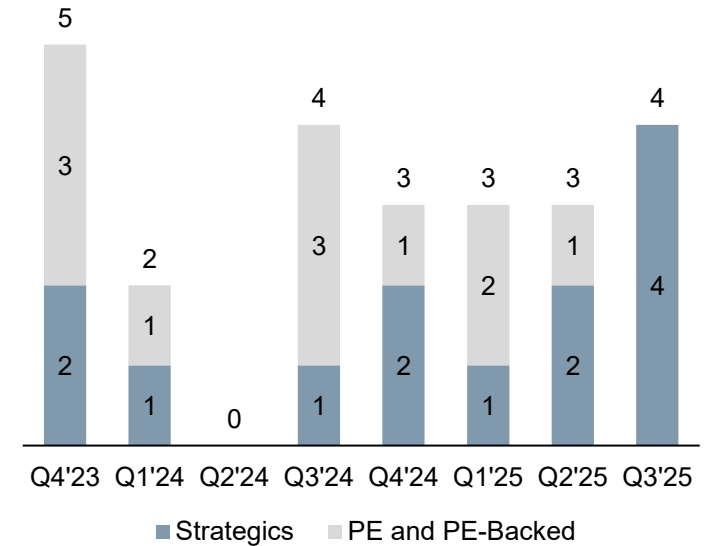


Pet Care Contract Manufacturing Market (\$B)



M&A Activity Overview

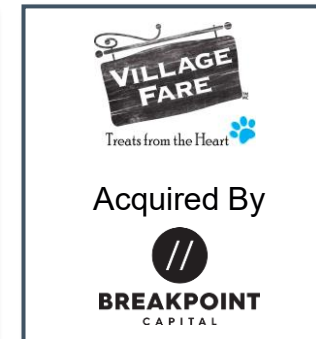
Breakdown of M&A Deals by Quarter



Select Transactions



August 2025



March 2025



March 2025

Source: Grand View Research, Verified Market Reports, Meridian Research

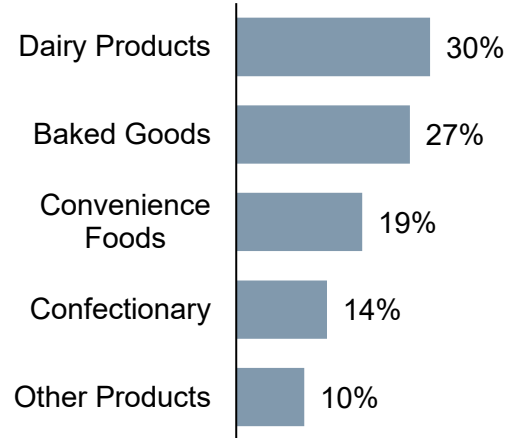


Food Contract Manufacturing Trends

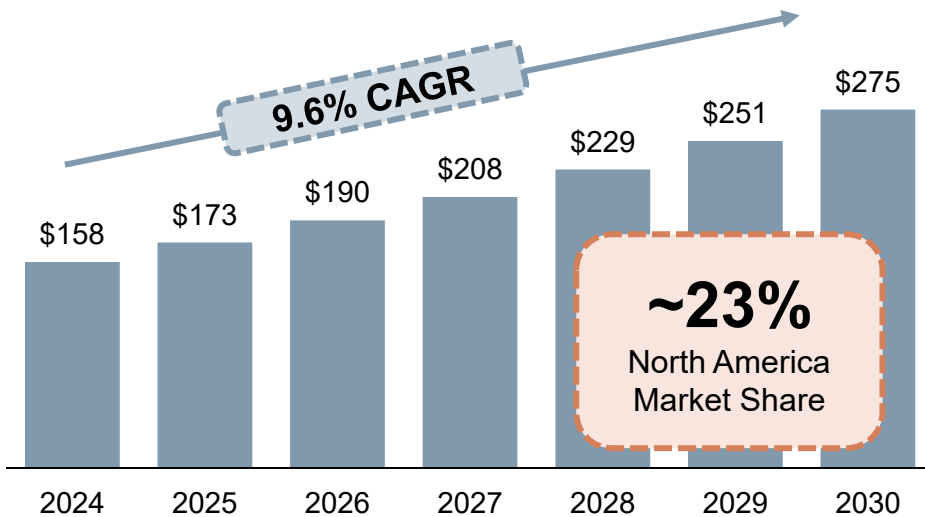
Sector Trends

- The market for plant-based food ingredient alternatives is expanding rapidly, creating opportunities for contract manufacturers to innovate
- With the globalization of supply chains, food safety regulations have increased, leading to stricter compliance policies, expanded 3rd party certifications, and more rigorous food safety management

Sector Product Mix

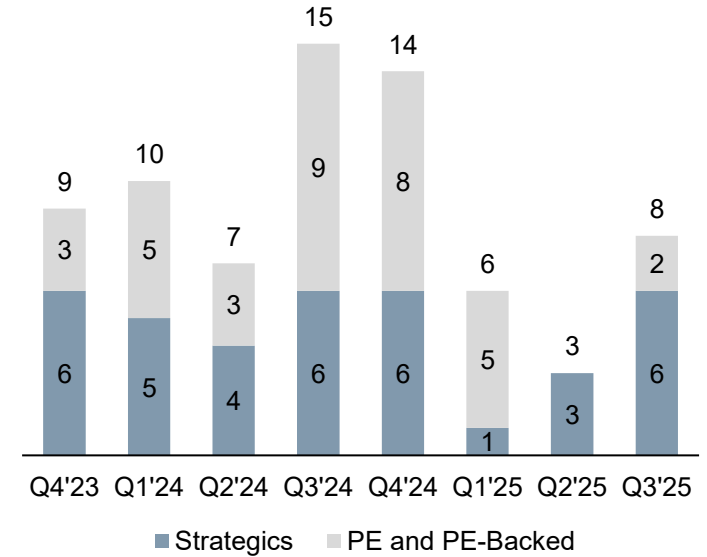


Global Food Contract Manufacturing Market Size (\$B)



M&A Activity Overview

Breakdown of M&A Deals by Quarter



Select Transactions

Acquired By

August 2025

Acquired By

Systemic Management

May 2025

Acquired By

August 2024

Source: Statista, Precedence Research, KBV Research, Meridian Research

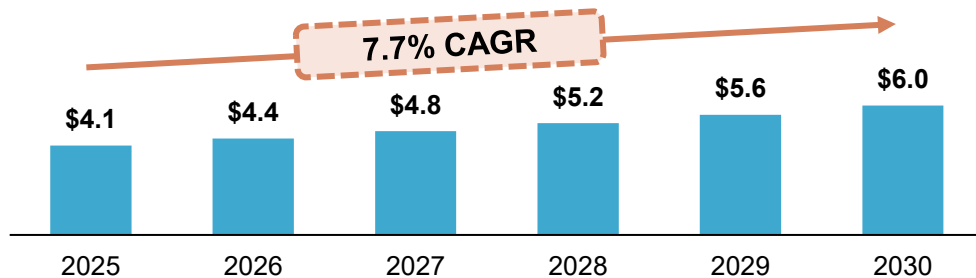


Beverage Contract Manufacturing Trends

Sector Trends

- Brands are demanding more sustainable packaging options, including recycled PET plastic, aluminum cans, paper-based bottles, and compostable films
- To manage complexity, labor shortages, and rising costs, co-packers are heavily investing in new automation, robotics, and technology integration
- Co-packers need flexible product lines that can rapidly switch between different product types, package formats, and small batch variety packs to keep up with consumer choice preferences

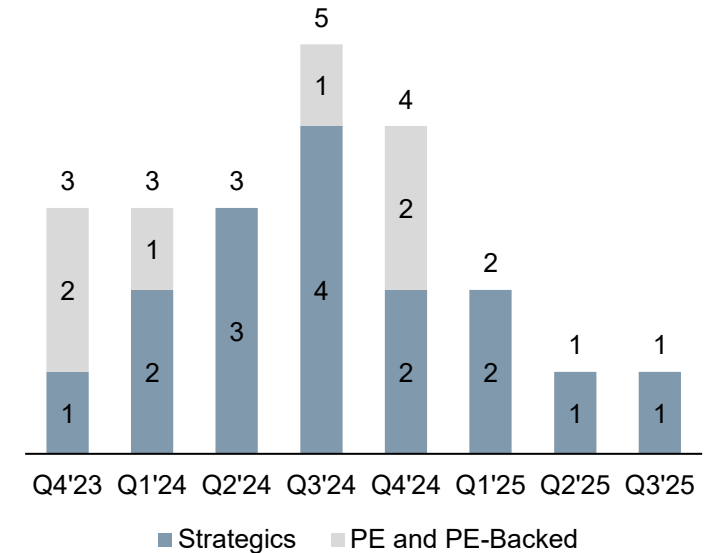
U.S. Beverage Contract Manufacturing Market Size (\$B)



Driver	% Impact on CAGR Forecast	Impact Timeline
Rising brand proliferation and SKU complexity	+1.2%	2-4 Years
Cost-efficiency vs. green-field CAPEX	+1.8%	<2 Years
Growth in health-oriented RTD beverages	+1.5%	2-4 Years
Sustainability-driven lightweighting and recycling	+1.3%	>4 Years
Rapid adoption of HPP-capable co-packing lines	+0.9%	2-4 Years
Digital-twin/OEE analytics differentiation	+0.8%	>4 Years
Total	7.7%	

M&A Activity Overview

Breakdown of M&A Deals by Quarter



Select Transactions

zumbbev

Acquired By



March 2025



HARRIS TEA

Acquired By



January 2025

EMPIRE
COFFEE ROASTERS

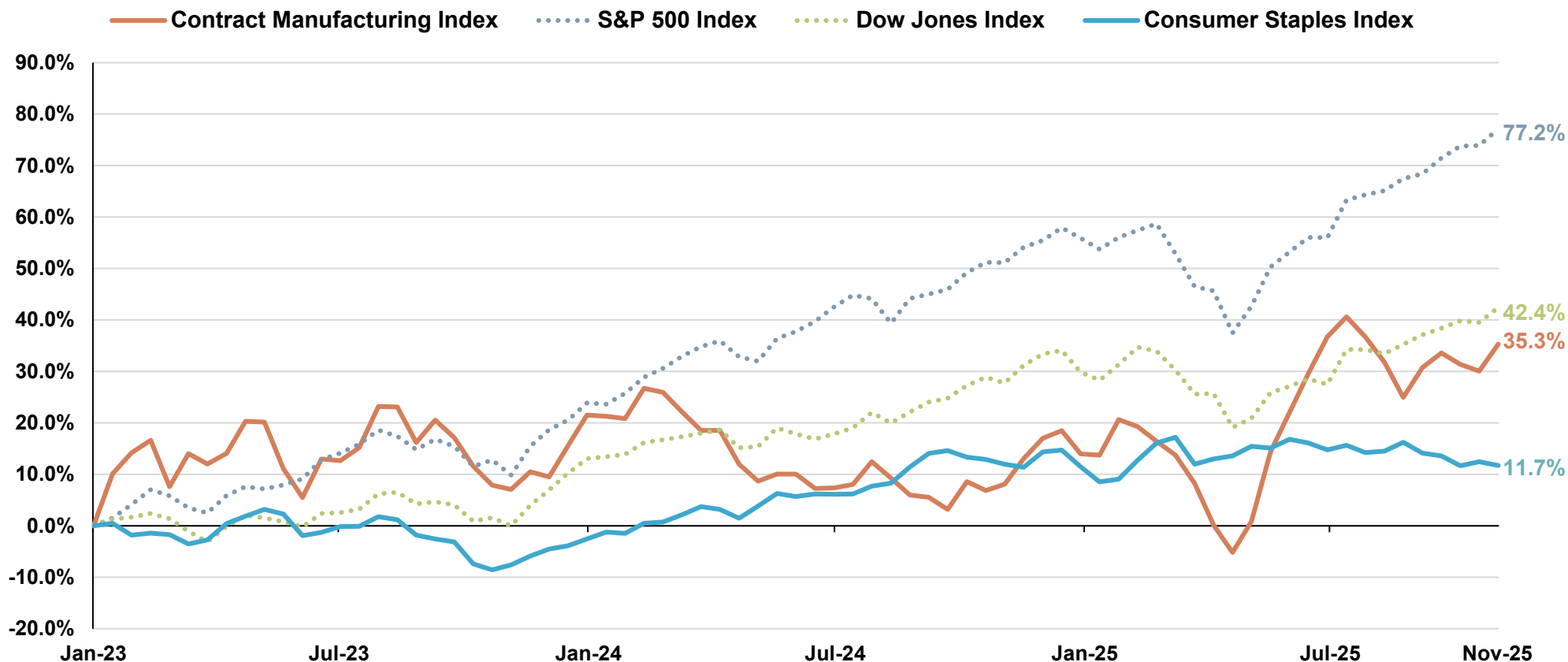
Acquired By



November 2024



Public Performance: Stock Performance



Contract Manufacturing

INTERPARFUMS, INC. flex
SHYFT GROUP vtech HK Kolmar
McBride COSMAX
Englewood LAB MAGNA
intercos GROUP

Consumer Staples Index

Tracks 100 prominent consumer companies in the U.S.

COSTCO WHOLESALE Walmart
pepsi TARGET Mondelez International
P&G Colgate PHILIP MORRIS INTERNATIONAL
Altria Coca-Cola

S&P Index

Tracks the 500 largest public companies in the U.S.

Dow Jones Index

Tracks 30 prominent companies listed on US stock exchanges

Source: PitchBook as of 12/1/2025, Vanguard



Public Company Valuation Metrics

(\$US in millions) As of 12/1/2025	Market Cap	EV	LTM		EV/LTM		LTM Margin	LTM Revenue	52-Week
			Rev	EBITDA	Rev	EBITDA	EBITDA	Growth	Price Change
Contract Manufacturing									
Flex (BPO/Outsource Services)	\$20,912	\$22,956	\$26,333	\$1,815	0.9x	12.6x	6.9%	3.5%	44.2%
Magna International	\$13,932	\$20,419	\$41,790	\$3,732	0.5x	5.5x	8.9%	-2.0%	8.9%
InterParfums	\$2,384	\$2,487	\$983	\$231	2.5x	10.8x	23.5%	10.1%	-25.0%
VTech Holdings	\$2,036	\$2,022	\$2,079	\$177	1.0x	11.4x	8.5%	-0.8%	19.6%
Edgewell Personal Care	\$813	\$2,000	\$2,224	\$186	0.9x	10.8x	8.3%	-1.3%	-53.7%
Cosmax	\$1,261	\$1,777	\$1,661	\$165	1.1x	10.7x	10.0%	9.6%	19.7%
Intercos (Personal Products)	\$1,289	\$1,441	\$1,152	\$143	1.3x	10.1x	12.4%	7.8%	-6.4%
Kolmar Holdings	\$238	\$539	ND	\$72	ND	7.5x	ND	ND	38.8%
McBride (UK)	\$289	\$433	\$1,198	\$104	0.4x	4.2x	8.7%	1.8%	19.0%
Inglewood Lab	\$168	\$158	\$142	\$29	1.1x	5.5x	20.3%	ND	71.9%
Median	\$1,275	\$1,888	\$1,661	\$171	1.0x	10.4x	8.9%	2.6%	19.3%
Mean	\$4,332	\$5,423	\$8,618	\$665	1.1x	8.9x	11.9%	3.6%	13.7%

Source: Pitchbook as of 12/1/2025; Meridian Research

02.

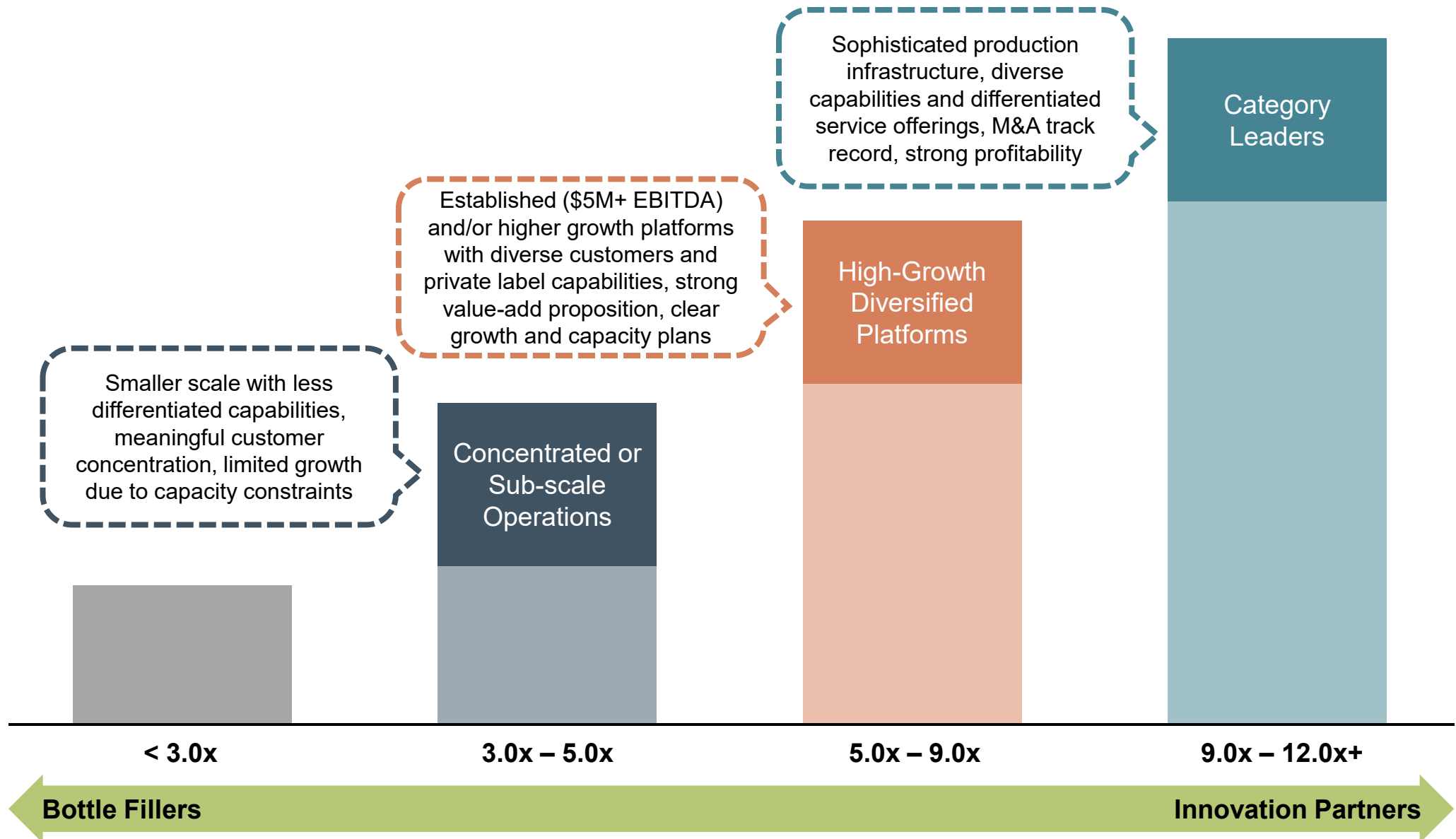
CONTRACT MANUFACTURING M&A ACTIVITY AND VALUATION TRENDS





Contract Manufacturing Valuation Insights

Illustrative Valuation Ranges – EV/EBITDA Multiples





Trends Driving Premium Value

Contract Manufacturers can achieve higher valuation multiples through a variety of factors including extensive portfolio of service offerings, industry-leading profitability metrics, capacity for growth, and by having an experienced management team in place to support ongoing operations, among others.

Characteristics that Stand Out to Investors

- 01 Premium production capabilities to differentiate from other manufacturers; NSF, Organic, etc.
- 02 Larger platforms are constantly looking for niche operations to bolt-on to their platforms
- 03 Fast-growing producers with diverse and established customer bases driving dependable demand
- 04 Broad service offering, diversifying revenue streams and attracting a broader range of customers
- 05 Proven track record and commitment to innovation and ability to expand into tangential product categories
- 06 Scaled infrastructure base with sufficient capacity for future growth

Illustrative Valuation Framework – Contract Manufacturer A

	Market Value		Premium Value
Company-Specific Qualitative Factors			
Production Capabilities	Limited	Mixed	Diversified
Value Chain Involvement	Bottle Fillers	Moderate	Innovation Partners
Scalability / Remaining Capacity	Low	Medium	High
Supply Chain Exposure	China	Mixed	Domestic
End-Market Exposure	Concentrated	Average	Broad
Capacity Utilization	Low	Medium	High
Customer Concentration	>40%	30%	<20%
TAM	Small	Medium	Large
Company-Specific Quantitative Factors			
EBITDA Size / Scale	<\$5M	\$5M to \$10M	\$10M+
Revenue Momentum	Unstable	Steady	Accelerating
Historical Growth	Low	Uneven	High
EBITDA Margins	< 10%	10% to 20%	> 20%
Market Factors			
Barriers to Entry	Low	Moderate	High
Industry Growth Perception	Low	Moderate	High
Strategic Buyer Synergies	Low	Moderate	High
PE Appetite	Low	Moderate	High

Source: Meridian Research, Investor Conversations



Select M&A Transactions

Date	Target	Acquirer	Target Description	EV	EV / Rev	EV / EBITDA
Oct-25	DermaPharm	ARCHIMED	Provider of contract manufacturing for skin care and other personal products	-	-	-
Oct-25	Barony Universal Products	Knowlton Development Corporation (Constitution Capital Partners)	Provider of contract manufacturing for personal care and household products	-	-	-
Sep-25	Sanpack	Bay Cosmetics	Provider of contract manufacturing for cosmetics and other personal products	-	-	-
Sep-25	Nihon Biofoods Manufacturing	Saishunkan Co-Creation Laboratory	Provider of contract manufacturing for supplements and health foods	-	-	-
Aug-25	Foodynamics	Glacial Freeze Dry	Provider of contract manufacturing for freeze-dried pet food products	-	-	-
Aug-25	W&W Dairy	Dairy Farmers of America	Provider of contract manufacturing for cheese and other food products	-	-	-
Jul-25	MOD3 Pharma	AptarGroup (NYS: ATR)	Provider of contract manufacturing for oral dosage formulations	-	-	-
Jun-25	Delafaille	Maestrani	Provider of contract manufacturing for confectionary and seasonal products	-	-	-
May-25	The Bar Factory	Systematic Management	Provider of contract manufacturing for food bar products	-	-	-
Apr-25	Marcy Laboratories	LFM Capital	Provider of contract manufacturing for fragrances and personal products	-	-	-
Apr-25	Whitt Family Interests	Lewis and Clark Capital	Provider of contract manufacturing for lotions and other personal products	-	-	-
Mar-25	ZumBev	Zumbiel	Provider of contract manufacturing for beverage brands	-	-	-
Mar-25	Village Fare Foods	Breakpoint Capital	Provider of contract manufacturing for pet treats and other pet products	-	-	-
Mar-25	MSI Express	Nonantum Capital Partners	Provider of contract manufacturing for human and pet foods	-	-	-
Mar-25	Dr. Reddy's Laboratories Louisiana	Jaguar Labs Holdings	Provider of contract manufacturing for pharmaceutical companies	-	-	-
Feb-25	Creative Laboratories	Gemspring Capital	Provider of contract manufacturing for health and beauty products	-	-	-
Jan-25	Pharmaloz Manufacturing	Undisclosed Private Equity Firm	Provider of contract manufacturing for supplements brands	\$24	-	-
Jan-25	Harris Tea	Treehouse Foods (NYS: THS)	Provider of contract manufacturing for tea and beverages	\$205	-	-
Dec-24	Chapter One Sportswear	Undisclosed	Provider of contract manufacturing for apparel	-	-	-
Nov-24	FoodScience	Morgan Stanley Investments	Provider of contract manufacturing for pet products	-	-	-
Nov-24	Empire Coffee Roasters	Second Empire (Coffee Holding)	Provider of contract manufacturing for coffee products	-	-	-
Oct-24	Renu Laboratories	Investview (PINX: INVU)	Provider of contract manufacturing for personal care products	-	-	-
Oct-24	Sigan Industries	SV Labs (GarMark Partners)	Provider of contract manufacturing for personal care products	-	-	-
Oct-24	PreMark Health Science	2B Associates	Provider of contract manufacturing for personal & nutritional products	-	-	-

Source: Pitchbook and MergerMarket as of 12/1/2025; Meridian Research



Select M&A Transactions

Date	Target	Acquirer	Target Description	EV	EV / Rev	EV / EBITDA
Aug-24	Proven Partners Group	Coregistics (Red Arts Capital)	Provider of contract manufacturing for food products	-	-	-
Aug-24	Turri's Italian Foods	Benford Capital Partners	Provider of contract manufacturing for food products	-	-	-
Jul-24	Spencer Group	Undisclosed	Provider of contract manufacturing for apparel products	-	-	-
May-24	Bar Bakers	TruFood Manufacturing (Mubadala)	Provider of contract manufacturing for food and nutritional products	-	-	-
Apr-24	VBC Bottling Co	Refresco Group (KKR)	Provider of contract manufacturing for beverage products	-	-	-
Feb-24	UST	Somafina (Heartwood Partners)	Provider of contract manufacturing for nutritional supplement products	-	-	8.0x
Feb-24	Boomerang Laboratories	Elevation Labs (Knox Lane)	Provider of contract manufacturing for personal & household products	-	-	-
Jan-24	Rejuvenation Labs	Undisclosed	Provider of contract manufacturing for personal care products	-	-	-
Dec-24	Bio Essence Pharmaceutical	Newways	Provider of contract manufacturing for nutritional supplement products	-	-	-
Dec-23	Diamond Animal Health	Veterinary Pharmaceutical (GC)	Provider of contract manufacturing for pet health products	-	-	-
Dec-23	Perfection Pet Foods	Post Holdings (NYS: POST)	Provider of contract manufacturing for pet food products	\$235	-	-
Nov-23	Arizona Nutritional Supplements	Mr. Aaron Blunck	Provider of contract manufacturing for nutritional supplement products	\$8	-	-
Nov-23	PCI	Lewis and Clark Capital	Provider of contract manufacturing for pet, personal, and household products	-	-	-
Oct-23	Dietary Pros	Lallemand	Provider of contract manufacturing for nutritional supplement products	-	-	-
Oct-23	Global Trim	OpSec Security (Investcorp)	Provider of contract manufacturing for apparel products	-	-	-
Oct-23	Alpha	PAI Partners	Provider of contract manufacturing for pet food products	\$1,360	-	-
Sep-23	Somafina	Heartwood Partners	Provider of contract manufacturing for personal care products	-	-	-
Sep-23	Leading Edge Innovations	Laboratory Services MSO	Provider of contract manufacturing for personal care products	-	-	-
Sep-23	Evora Worldwide	Undisclosed	Provider of contract manufacturing for personal care products	-	-	-
Aug-23	Dermaceutical Laboratories	Mitsui & Company (TKS: 8031)	Provider of contract manufacturing for personal care products	-	-	-
May-23	US Pharma Lab	Biofarma Group (Ardian)	Provider of contract manufacturing for nutritional supplement products	-	-	-
May-23	MacroCap Labs	A111 Capital	Provider of contract manufacturing for nutritional supplement products	-	-	-
May-23	Personal Care Performance	Westwood Laboratories (SSC)	Provider of contract manufacturing for personal care products	-	-	-
May-23	Harvest Food Group	Industrial Opportunity Partners	Provider of contract manufacturing for frozen food products	-	-	-

Source: Pitchbook and MergerMarket as of 12/1/2025; Meridian Research

03.

MERIDIAN CONSUMER PRACTICE OVERVIEW





Meridian Capital

Snapshot

Meridian Capital has assisted businesses to achieve their M&A and corporate finance goals since 1995.

30+ investment banking professionals

225+ transactions completed

Focus on transaction values between \$25M - \$600M+

Dedicated industry coverage teams

Worldwide coverage via REACH

Leading independent U.S. middle market investment bank with multiple office locations

Customized transaction processes

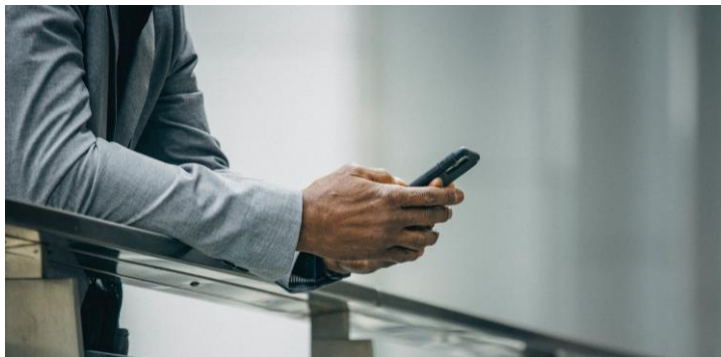
Senior-led engagement teams





Industry Expertise

Meridian Capital has an industry-focused approach, which gives us a deeper understanding of our clients' businesses and the ability to drive investor interest.





Our Services

We focus exclusively on middle market investment banking services including acquisitions, divestitures, recapitalizations, and strategic advisory for firms in the \$25M - \$600M enterprise value range.

SELL-SIDE PROCESS

Strategic Sales
Minority Sales
Subsidiary Divestitures

RECAPITALIZATION

Mergers
Growth Equity
Shareholder Liquidity
Management Buyouts

BUY-SIDE PROCESS

Targeted Buy-side
Execution
Add-on Acquisitions
Vertical and Horizontal
Acquisitions

STRATEGIC ADVISORY

Exit Strategy Assessment
Exit Planning and
Preparations
Corporate Finance Consulting





A Deep Heritage Focused on Niche Consumer

Ongoing correspondence with financial and strategic investors



A trusted advisor to leading companies



Ongoing Research and Industry Coverage

TRADE SHOWS AND INDUSTRY COVERAGE



RESEARCH AND THOUGHT LEADERSHIP





















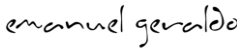





























2025

20+ sector research pieces annually



Select Consumer Transaction Experience

<p>BioFilm</p>  <p>- Acquired by -</p> 	<p>Good Clean Love</p>  <p>- Growth equity -</p> 	<p>Warne</p>  <p>- Acquired by -</p> 	<p>Stanley</p>  <p>- Acquired by -</p> 	<p>nutpods</p>  <p>- Growth equity financing -</p> 	<p>Dexas</p>  <p>- Strategic Advisory -</p> 
<p>30 Seconds Cleaner</p>  <p>- Acquired by -</p> 	<p>AlienGear (Tedder)</p>  <p>- Acquired by -</p> 	<p>Classic Accessories</p>  <p>- Acquired by -</p> 	<p>Artco-Bell</p>  <p>- Acquired by -</p> 	<p>Emanuel Geraldo</p>  <p>- Acquired by -</p> 	<p>Cocalo</p>  <p>- Acquired by -</p> 
<p>Etonic</p>  <p>- Acquired by -</p> 	<p>HandiQuilter</p>  <p>- Acquired by -</p> 	<p>Ellenos Greek Yogurt</p>  <p>- Strategic advisory and growth financing by -</p> 	<p>Trumpette</p>  <p>- Strategic Advisory -</p> 	<p>Chef'n Corporation</p>  <p>- Acquired by -</p> 	<p>C3 Worldwide</p>  <p>- Strategic Advisory -</p> 
<p>Baby Legs LLC</p>  <p>- Acquired by -</p> 	<p>Slam Brands</p>  <p>- Acquired by -</p> 	<p>See Kai Run</p>  <p>- Acquired by -</p> 	<p>Pacific Market International</p>  <p>- Acquired by -</p> 	<p>Jacob Ash</p>  <p>- Recapitalized by -</p> 	<p>Pioneer Square Brands</p>  <p>- Acquired -</p> 



Contact Our Team

CONTACT INFORMATION

Brian Murphy

CEO & Managing Director
Direct: (206) 224-6156
bmurphy@meridianib.com

Randy Moe

Managing Director
Direct: (206) 278-8555
rmoe@meridianib.com

Benton Sturt

Director
Direct: (206) 224-6159
bsturt@meridianib.com

Winnie Lee

Sr. Associate
Direct: (909) 538-9917
wlee@meridianib.com

Gavin Prentice

Sr. Analyst
Direct: (206) 485-8807
gprentice@meridianib.com

Drew Jackson

Analyst
Direct: (385) 225-5676
djackson@meridianib.com



400 Union St, Suite 200, Seattle, WA, 98101



@Meridian Capital LLC



10 West Broadway, Suite 700, Salt Lake City, UT, 84101



<https://meridianib.com>



9755 SW Barnes Road, Suite 680, Portland OR 97225



San Francisco, CA



Raleigh / Durham, NC

