



# Consumer

## CONTRACT MANUFACTURING MARKET UPDATE WINTER 2025





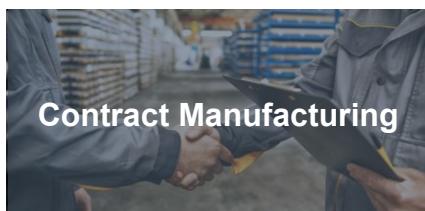
# Meridian's Consumer Practice

## Overview

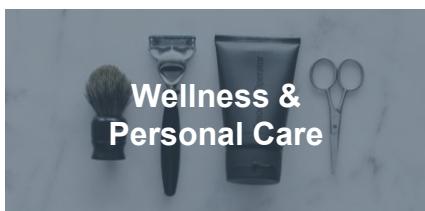
Meridian Capital's Consumer practice has been a core focus area of the firm since its founding in 1995. Several of Meridian's founding partners have built household-name brands and run large consumer product companies as entrepreneurs and operators. Their knowledge and appreciation for the sector is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



**Contract Manufacturing**



**Wellness & Personal Care**



**Branded Food & Beverage**



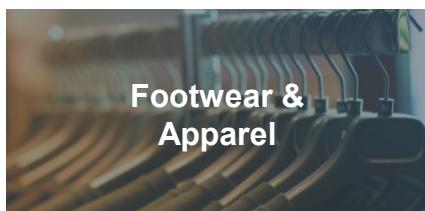
**Ecommerce & Online-native**



**Outdoor & Active**



**Consumer Services**



**Footwear & Apparel**



**Retail**



**Home Products**

## Meet the Team

### Team Leadership



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**Chuck Wilke**  
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### Execution Team



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# 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

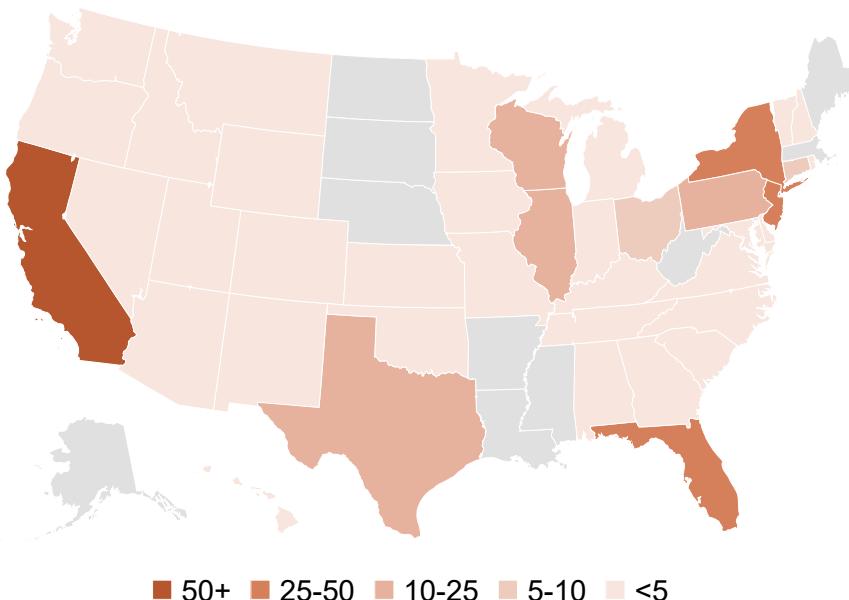


# Personal Care & Beauty Contract Manufacturing Trends

## Sector Trends

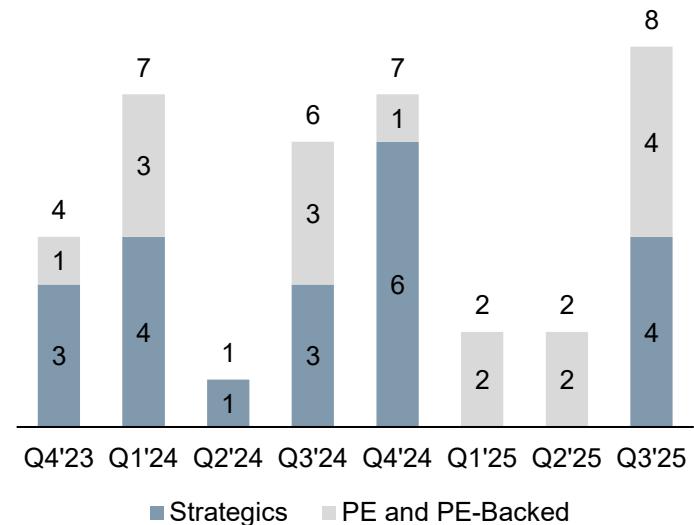
- There is an increased demand in the market for natural and organic products as consumers increasingly seek “clean label” products, driving contract manufacturers to source high-quality, sustainable raw materials
- Contract manufacturers are increasingly becoming a key stakeholder in the formulation, 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

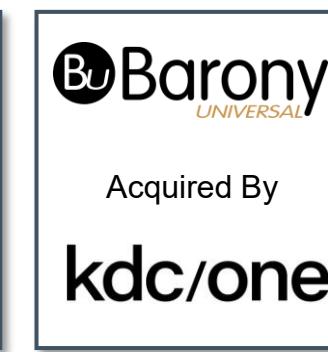


## M&A Activity Overview

### Breakdown of M&A Deals by Quarter



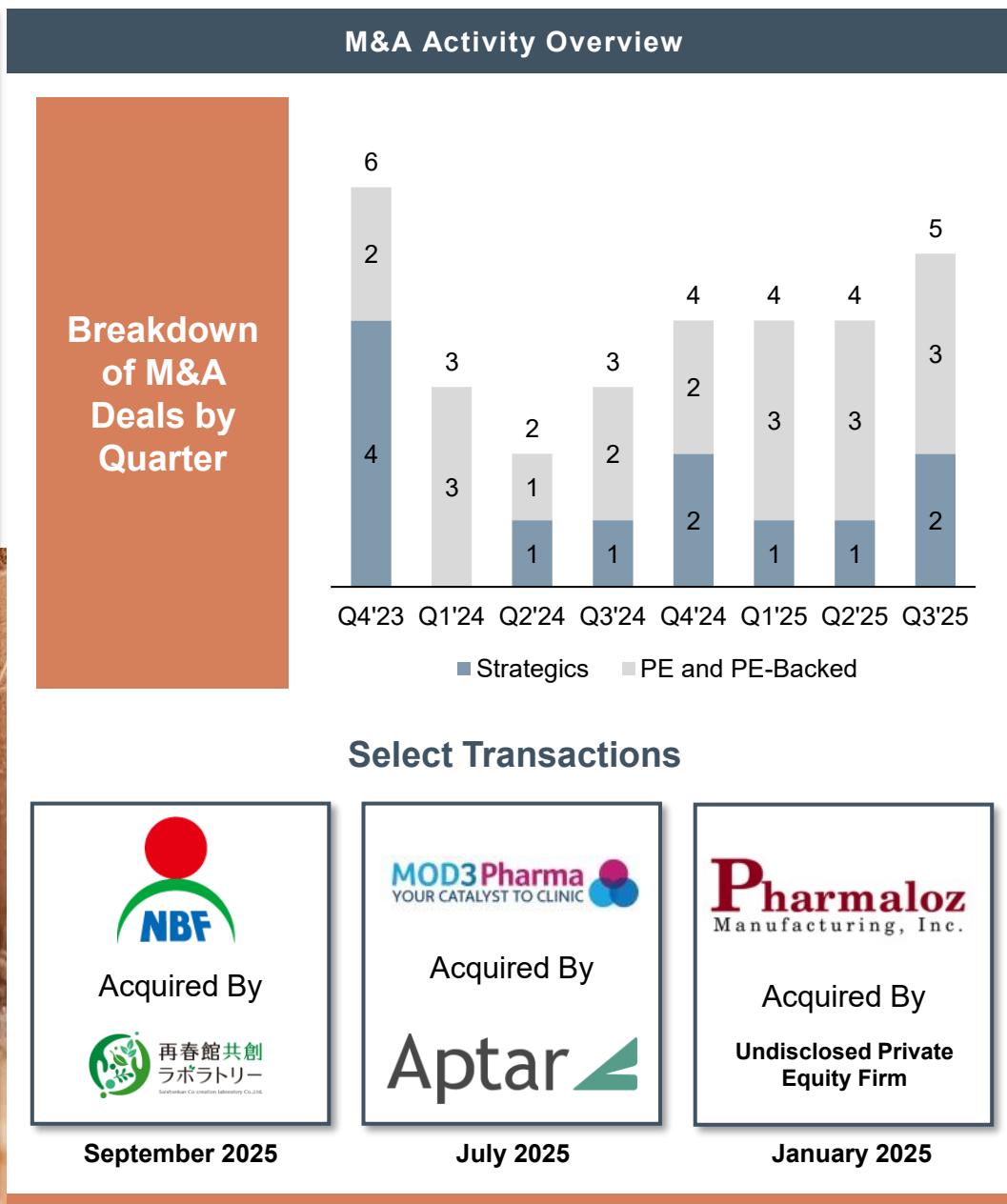
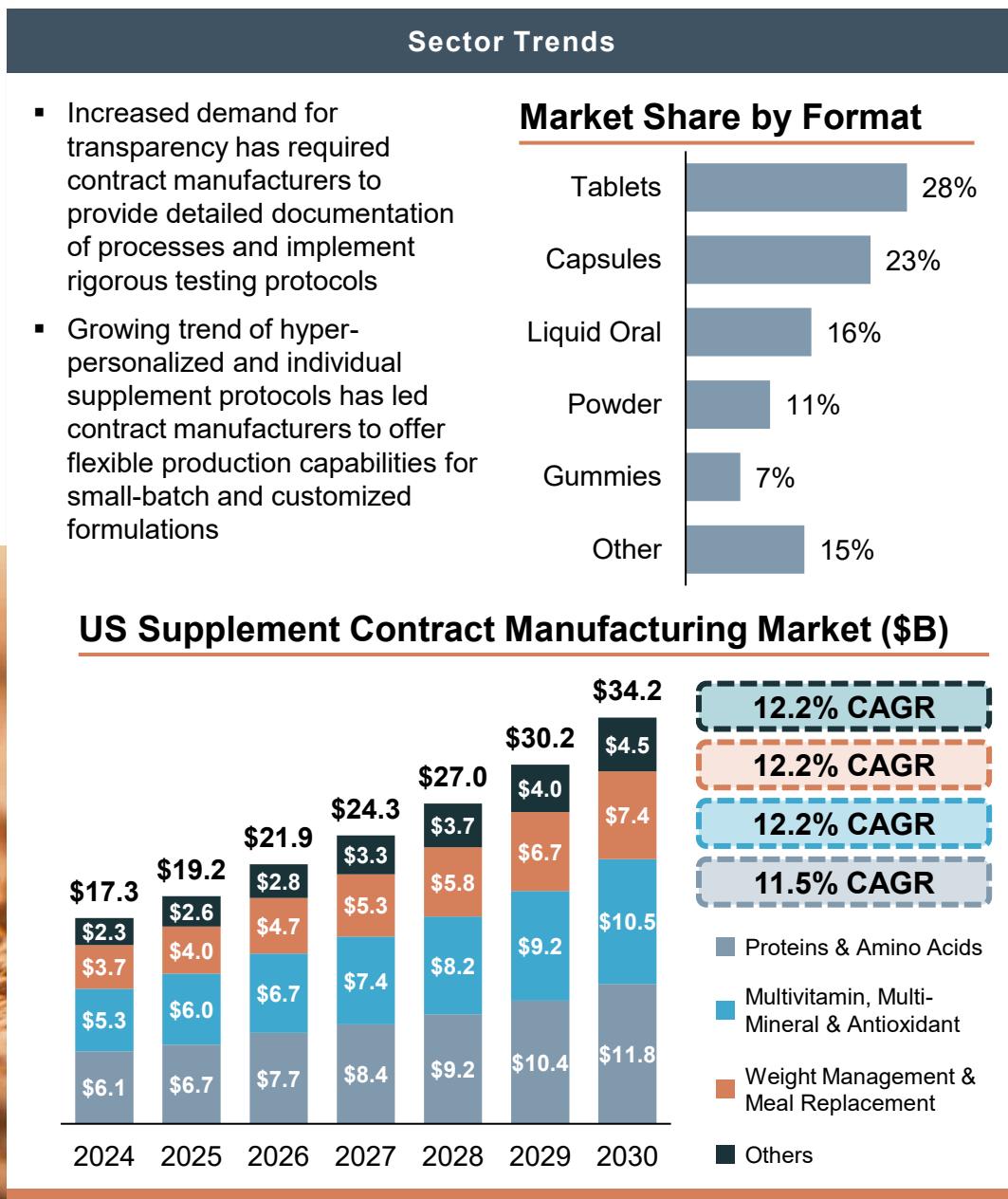
## Select Transactions



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



# Supplements & Nutrition Contract Manufacturing Trends



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

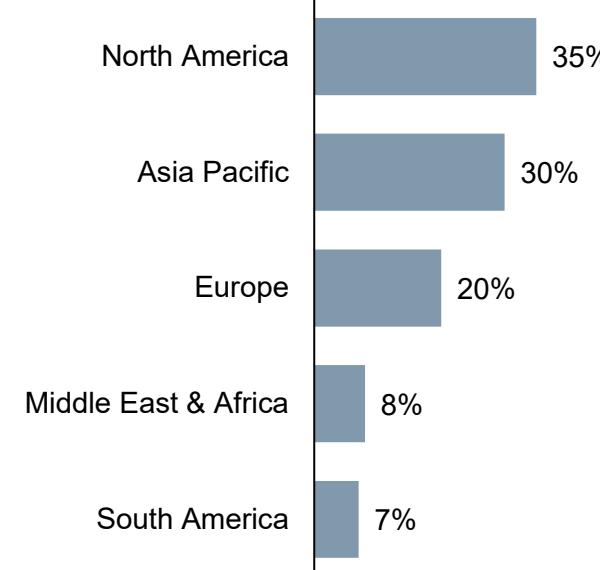


# Pet Products Contract Manufacturing Trends

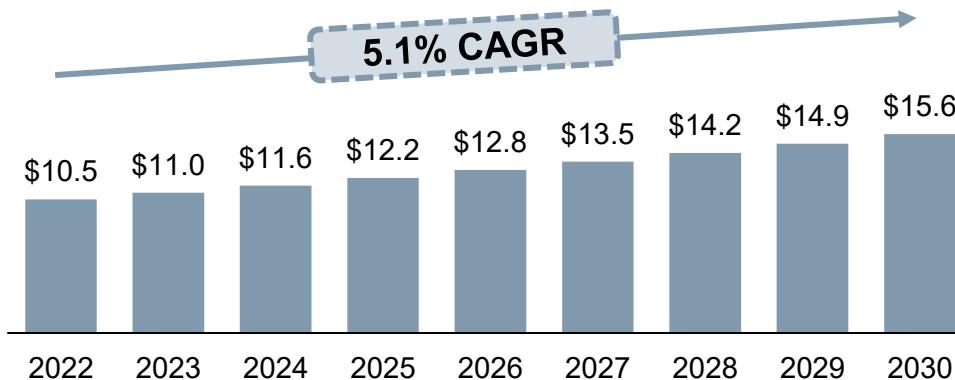
- Eco-friendly products continue to gain popularity with pet owners, driving raw material innovation among manufacturers
- Growing demand for products offering specific health benefits creating opportunity for unique and more precise mixing and handling capabilities

## Sector Trends

### Revenue by Geography

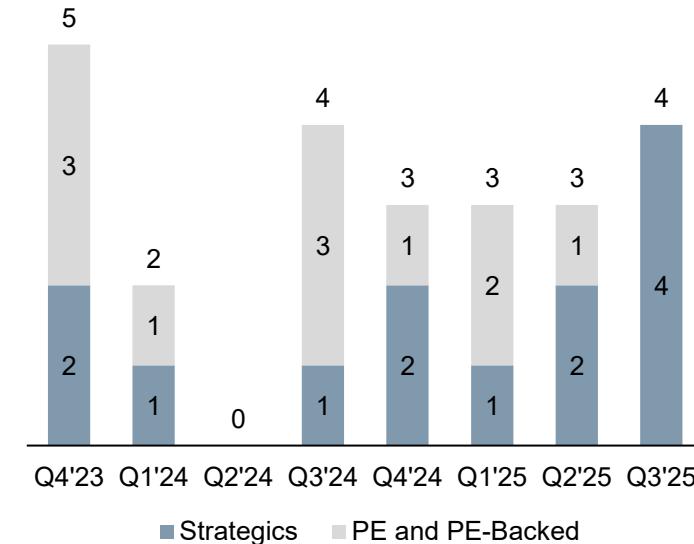


### Pet Care Contract Manufacturing Market (\$B)



## M&A Activity Overview

### Breakdown of M&A Deals by Quarter



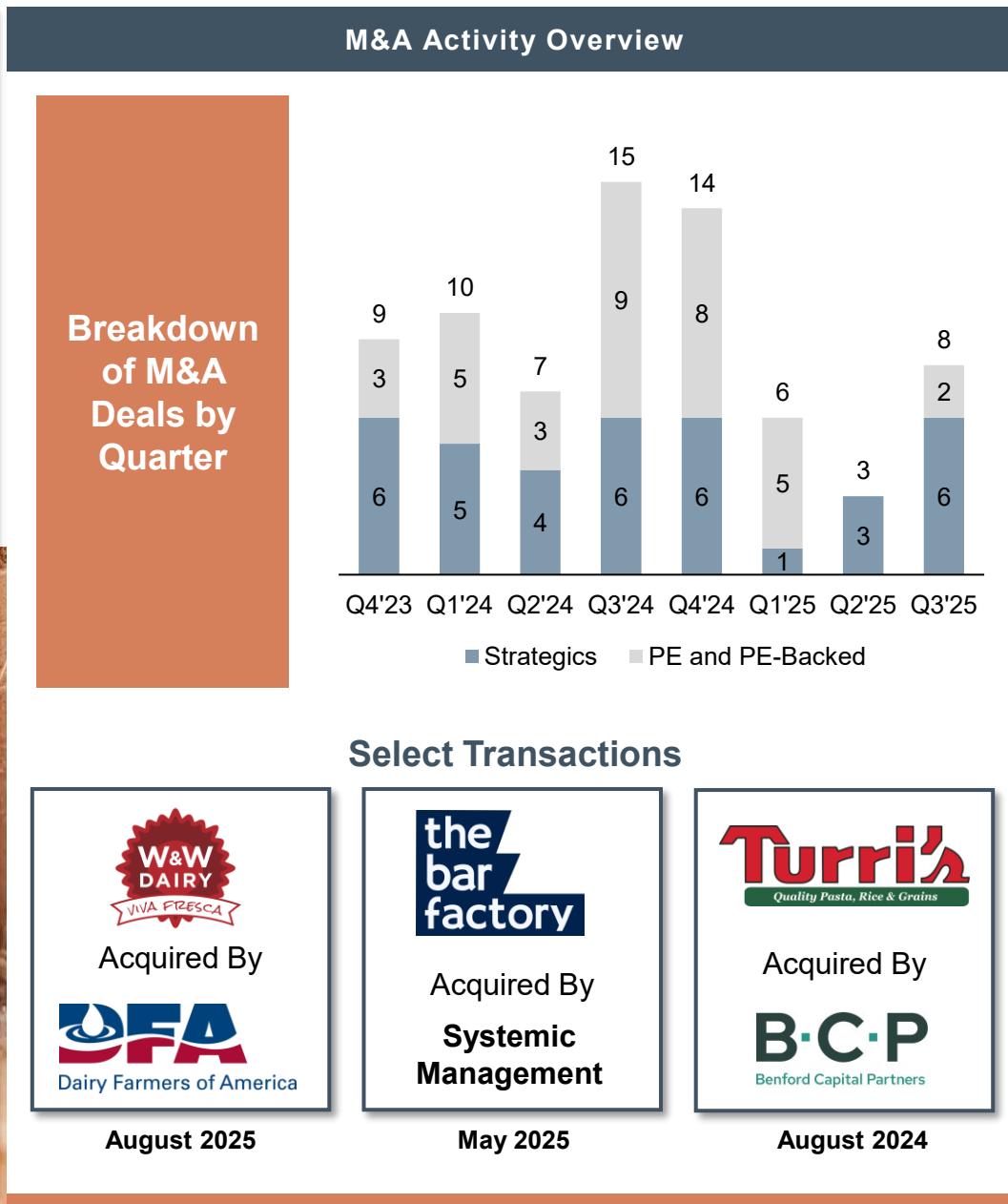
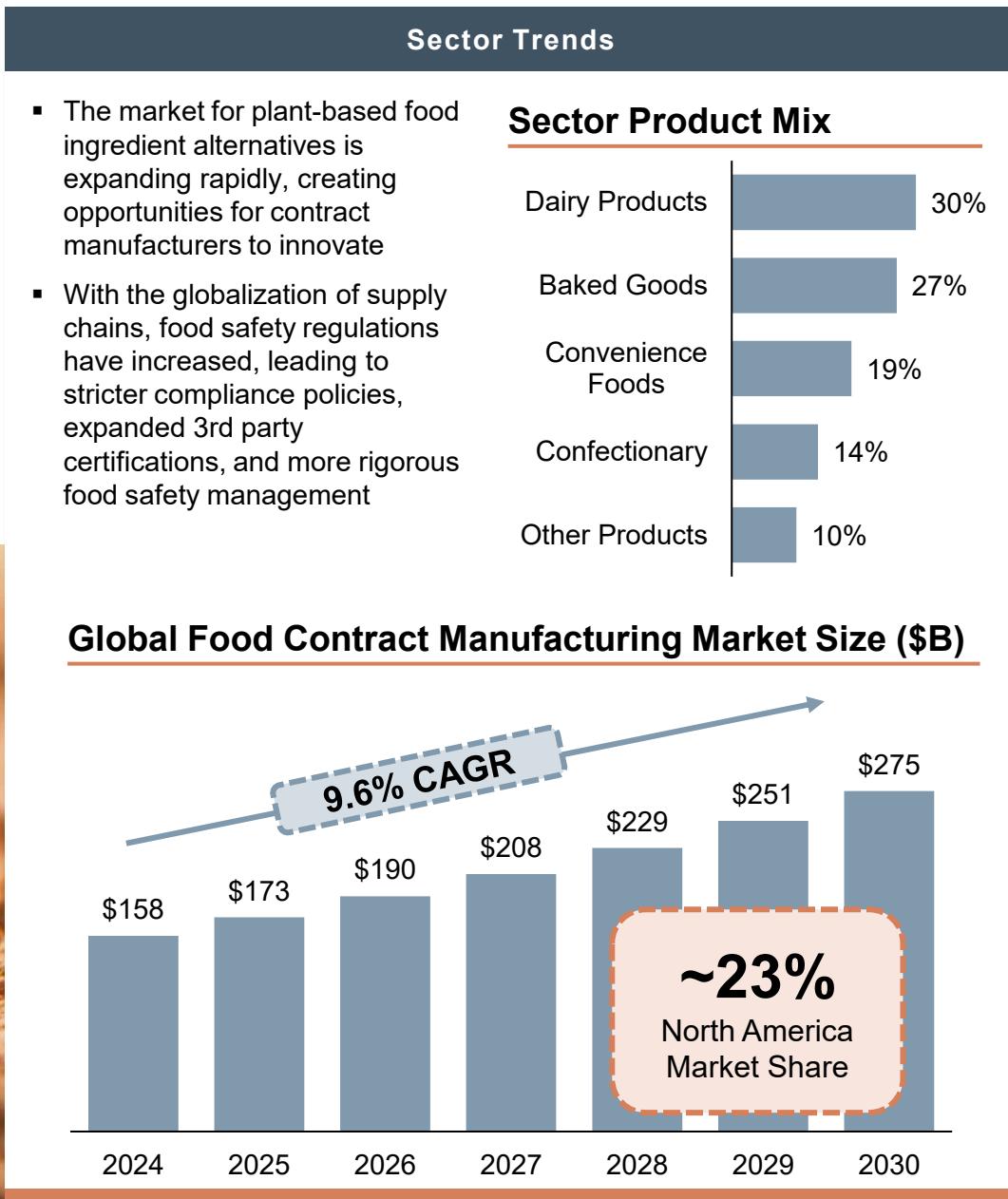
### Select Transactions



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



# Food Contract Manufacturing Trends



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

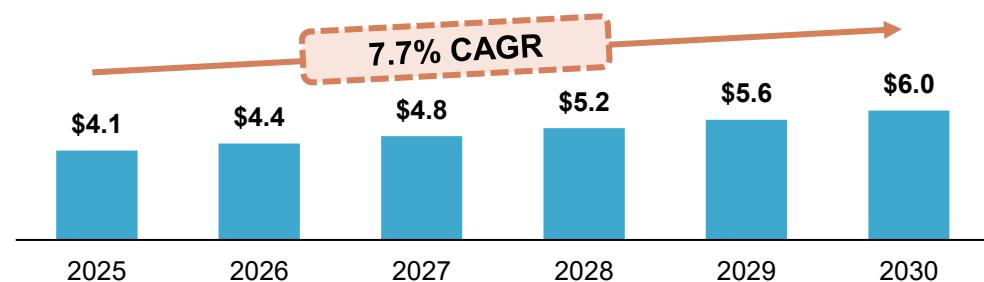


# Beverage Contract Manufacturing Trends

## 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

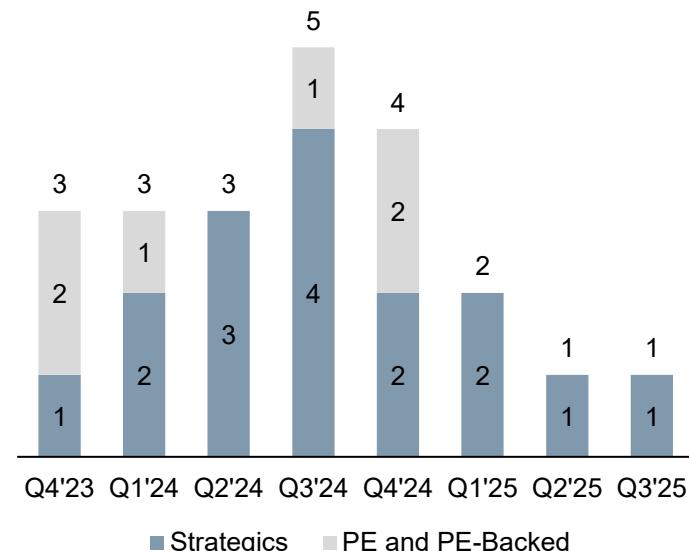
## U.S. Beverage Contract Manufacturing Market Size (\$B)



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
<b>Total</b>	<b>7.7%</b>	

## M&A Activity Overview

### Breakdown of M&A Deals by Quarter



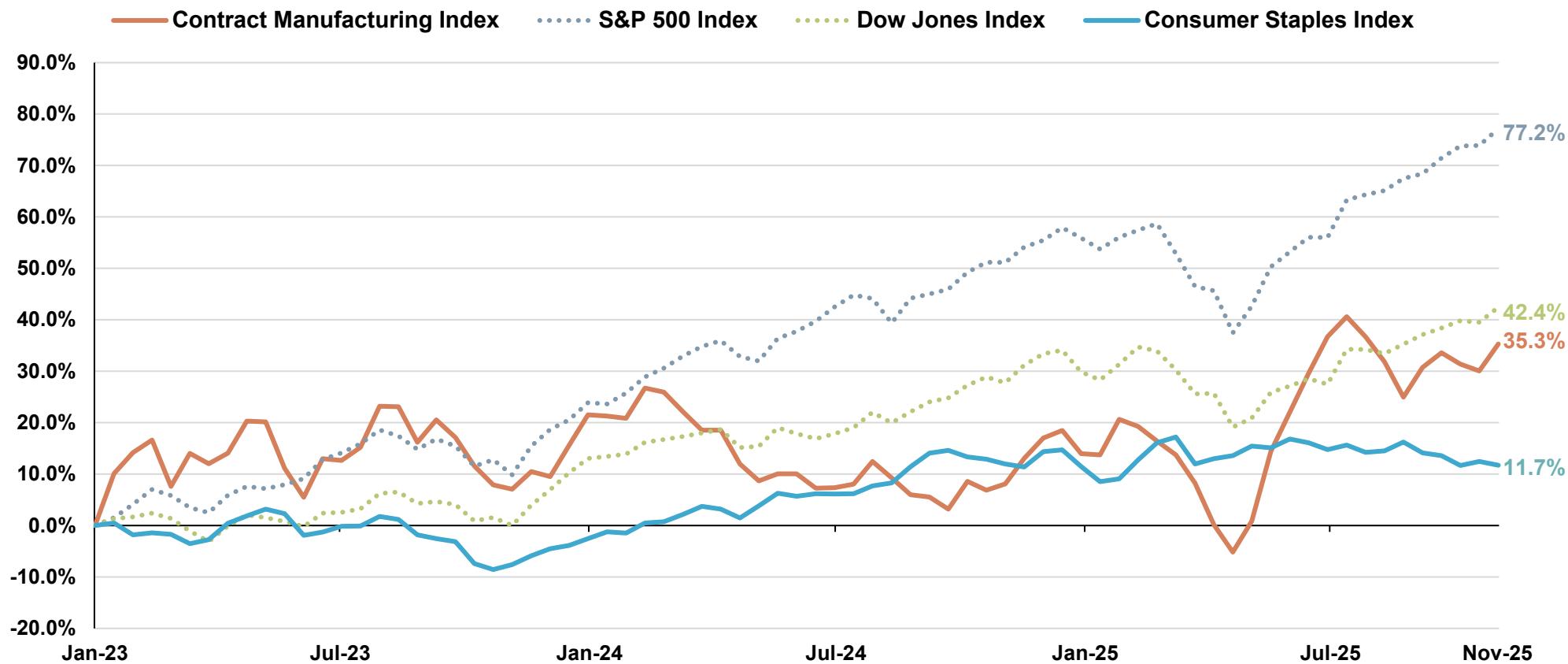
## Select Transactions



Source: Mordor Intelligence



# Public Performance: Stock Performance



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 EBITDA	LTM Revenue Growth	52-Week Price Change
			Rev	EBITDA	Rev	EBITDA			
<b>Contract Manufacturing</b>									
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%
<b>Median</b>	<b>\$1,275</b>	<b>\$1,888</b>	<b>\$1,661</b>	<b>\$171</b>	<b>1.0x</b>	<b>10.4x</b>	<b>8.9%</b>	<b>2.6%</b>	<b>19.3%</b>
<b>Mean</b>	<b>\$4,332</b>	<b>\$5,423</b>	<b>\$8,618</b>	<b>\$665</b>	<b>1.1x</b>	<b>8.9x</b>	<b>11.9%</b>	<b>3.6%</b>	<b>13.7%</b>

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

# 02.

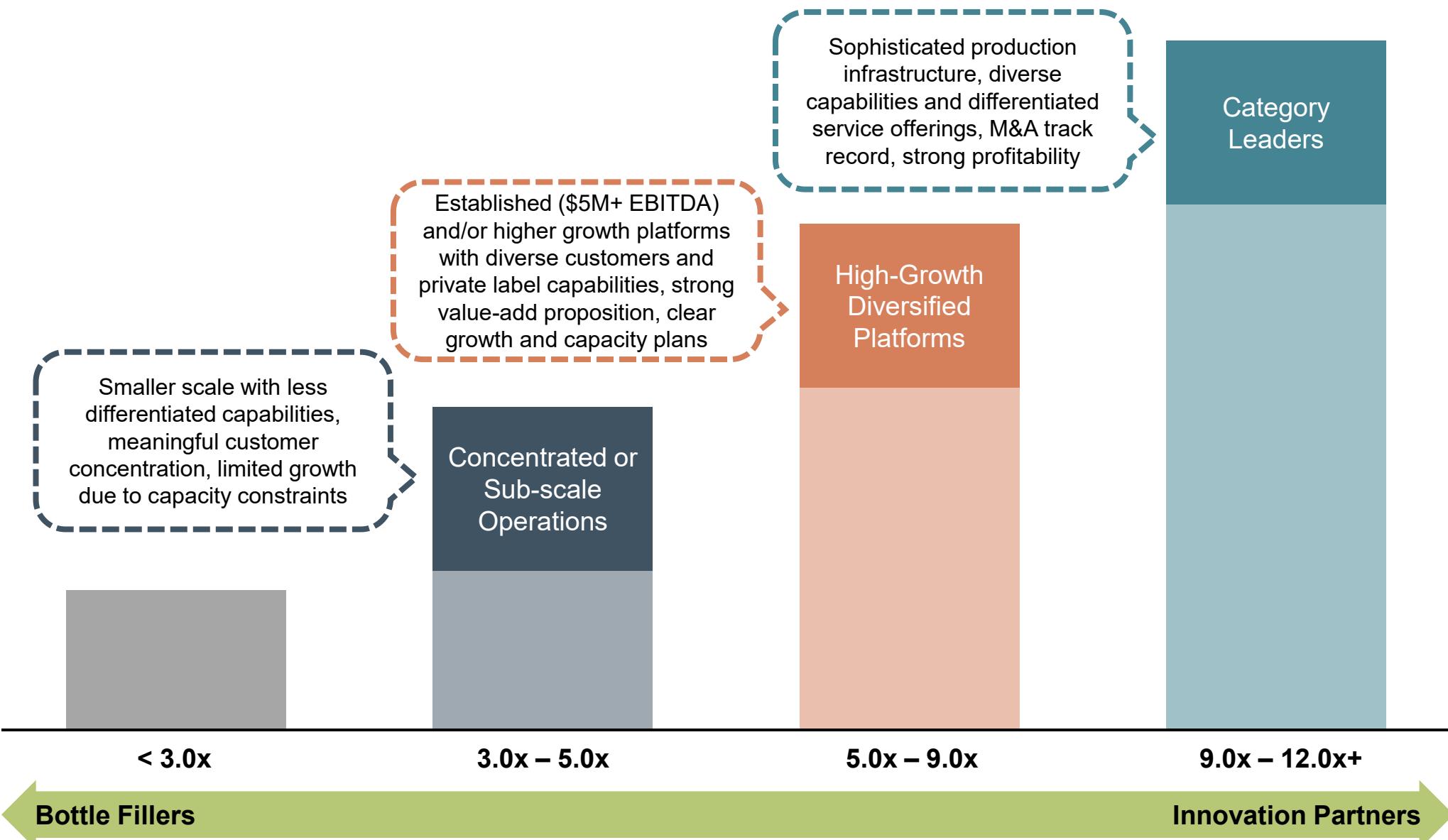
## CONTRACT MANUFACTURING M&A ACTIVITY AND VALUATION TRENDS





# Contract Manufacturing Valuation Insights

## Illustrative Valuation Ranges – EV/EBITDA Multiples





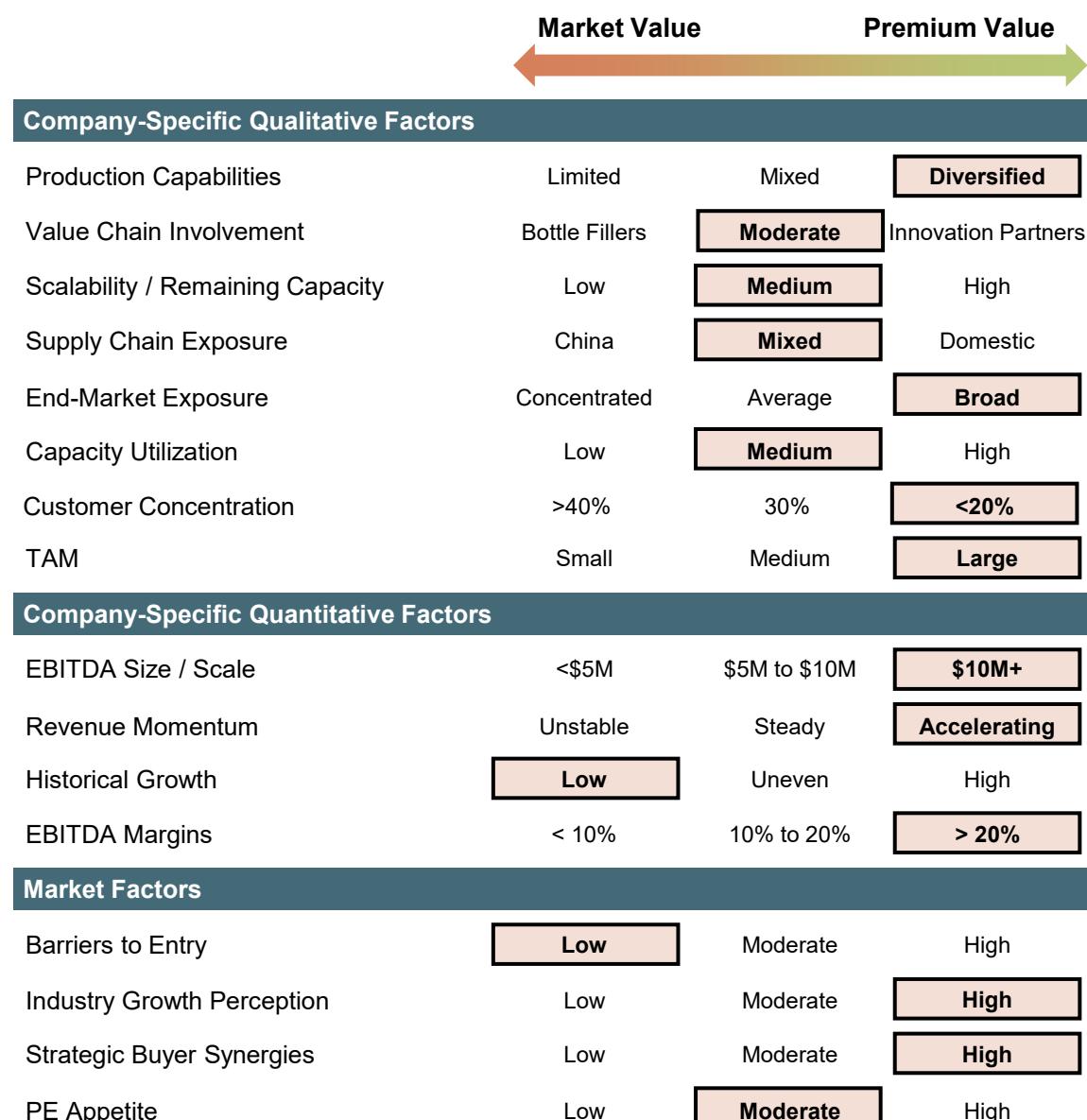
# Trends Driving Premium Value

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



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	Alphia	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

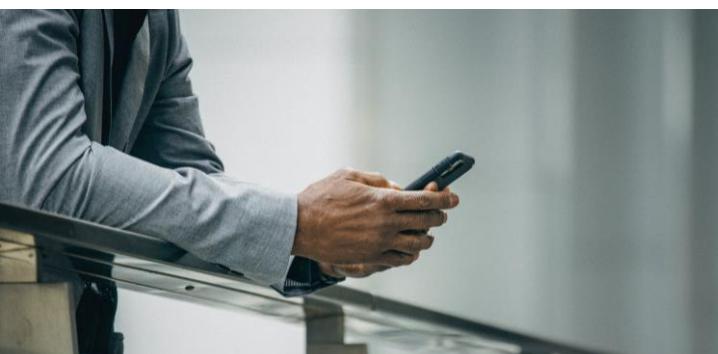
Senior-led engagement teams





# 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

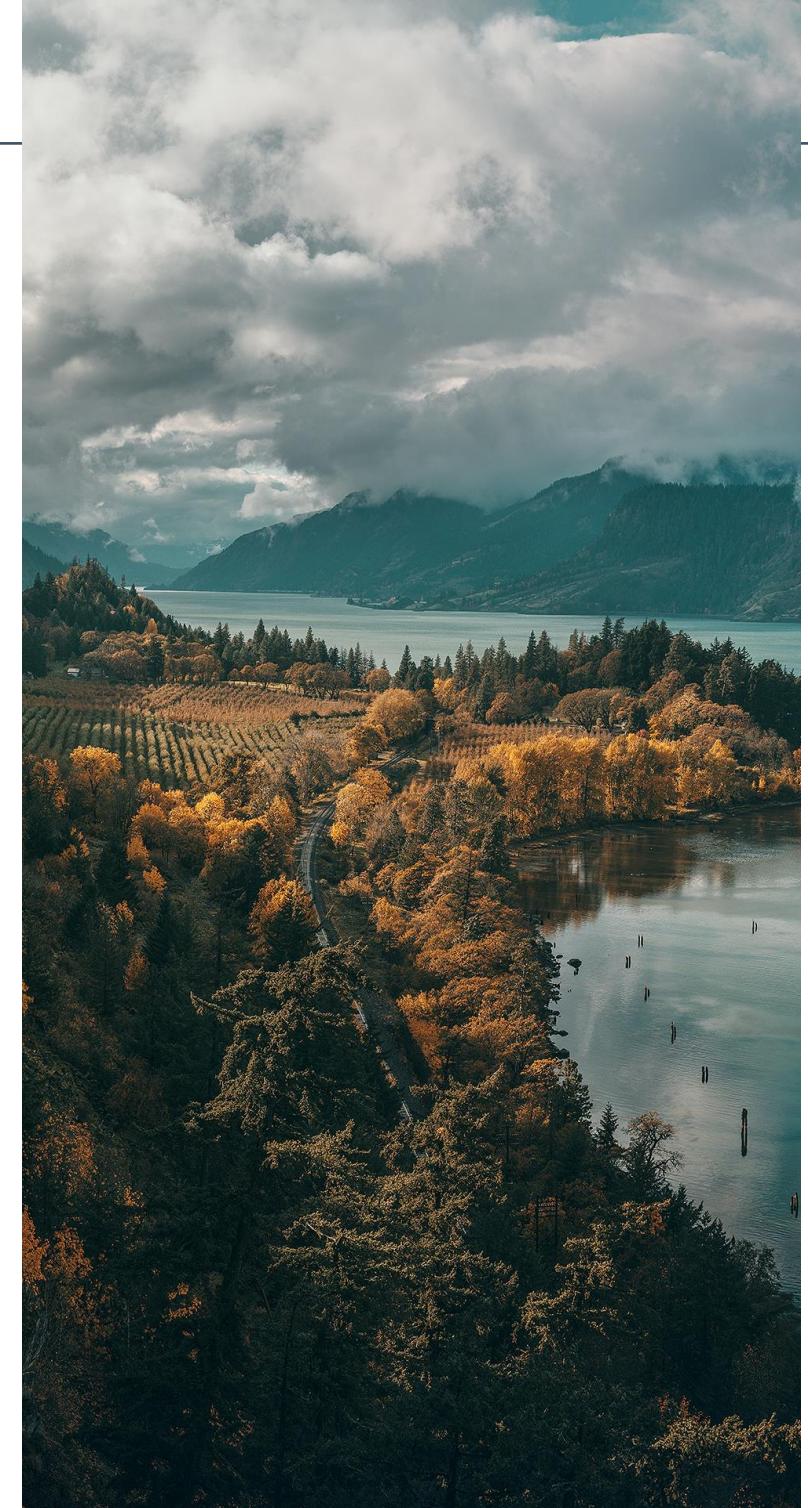
Mergers  
Growth Equity  
Shareholder Liquidity  
Management Buyouts

## 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><b>BIOFILM, INC.</b></p> <p>- Acquired by -</p> <p><b>COMBE</b></p>	<p>Good Clean Love</p> <p><b>Good Clean Love</b></p> <p>- Growth equity -</p> <p><b>CORBEL CAPITAL PARTNERS</b></p>	<p>Warne</p> <p><b>WARNE</b></p> <p>- Acquired by -</p> <p><b>MHC</b></p>	<p>Stanley</p> <p><b>STANLEY</b></p> <p>- Acquired by -</p> <p><b>pmi worldwide</b></p>	<p>nutpods</p> <p><b>nutpods</b></p> <p>- Growth equity financing -</p> <p><b>VMG PARTNERS</b></p>	<p>Dexas</p> <p><b>dexas</b></p> <p>- Strategic Advisory -</p> <p><b>MERIDIAN CAPITAL</b></p>
<p>30 Seconds Cleaner</p> <p><b>30 SECONDS' Cleaners</b></p> <p>- Acquired by -</p> <p><b>PurposeBuilt BRANDS</b></p>	<p>AlienGear (Tedder)</p> <p><b>ALIEN GEAR HOLSTERS</b></p> <p>- Acquired by -</p> <p><b>MAINST CAPITAL CORPORATION</b></p>	<p>Classic Accessories</p> <p><b>CLASSIC ACCESSORIES</b></p> <p>- Acquired by -</p> <p><b>CID CAPITAL</b></p>	<p>Artco-Bell</p> <p><b>artcobell</b></p> <p>- Acquired by -</p> <p><b>COUNTERPOINT CAPITAL FUNDING</b></p>	<p>Emanuel Geraldo</p> <p><b>emanuel geraldo</b></p> <p>- Acquired by -</p> <p><b>JA</b></p>	<p>Cocalo</p> <p><b>COCALO Baby</b></p> <p>- Acquired by -</p> <p><b>RUSS someone happy</b></p>
<p>Etonic</p> <p><b>Etonic</b></p> <p>- Acquired by -</p> <p><b>ALS ANTENNA FAB</b></p>	<p>HandiQuilter</p> <p><b>Handi Quilter</b></p> <p>Designed by a Quilter, for Quilters*</p> <p>- Acquired by -</p> <p><b>HANOVER PARTNERS, INC.</b> A Private Investment Company SAN FRANCISCO • PORTLAND</p>	<p>Ellenos Greek Yogurt</p> <p><b>ELLENOS</b></p> <p>- Strategic advisory and growth financing by -</p> <p><b>Monogram Capital</b></p>	<p>Trumpette</p> <p><b>TRUMPETTE</b></p> <p>- Strategic Advisory -</p> <p><b>MERIDIAN CAPITAL</b></p>	<p>Chef'n Corporation</p> <p><b>chef'n</b></p> <p>- Acquired by -</p> <p><b>CID CAPITAL</b></p>	<p>C3 Worldwide</p> <p><b>C3</b></p> <p>- Strategic Advisory -</p> <p><b>MERIDIAN CAPITAL</b></p>
<p>BabyLegs LLC</p> <p><b>BL BabyLegs</b></p> <p>- Acquired by -</p> <p><b>UNITED LEGWEAR &amp; UNDERWEAR CO</b></p>	<p>Slam Brands</p> <p><b>slam brands</b></p> <p>- Acquired by -</p> <p><b>W WHALEN</b></p>	<p>See Kai Run</p> <p><b>see kai run</b></p> <p>- Acquired by -</p> <p><b>FUNDAMENTAL CAPITAL</b></p>	<p>Pacific Market International</p> <p><b>pmi worldwide</b></p> <p>- Acquired by -</p> <p><b>JGC   FUNDAMENTAL CAPITAL</b></p>	<p>Jacob Ash</p> <p><b>JA/EG</b></p> <p>JACOB ASH/EMANUEL GERALDO</p> <p>- Recapitalized by -</p> <p><b>TRI-W RGA</b></p> <p><b>HCAP PARTNERS</b></p>	<p>Pioneer Square Brands</p> <p><b>PSB</b></p> <p>- Acquired -</p> <p><b>VAULT</b></p>



# Contact Our Team

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