

US Consumer Sector M&A & Valuation TLDR - 2025-11-02

US Consumer Sector

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1. 30-Second TL;DR

- AIG announced a \$2 billion acquisition of Everest Group's retail insurance portfolio, enhancing its offerings without assuming past liabilities.
- The Consumer & Retail sector shows cautious optimism, with trading multiples like EV/EBITDA at 15.2x for staples and 18.9x for e-commerce.
- Key trends include the artisan economy and companion animal health, indicating growth opportunities amid economic uncertainties.

2. 1-Minute TL;DR

- AIG's \$2 billion acquisition of Everest Group's retail insurance portfolio aims to expand its market presence while avoiding past liabilities, aligning with its strategic focus on operational efficiency.
- The Consumer & Retail sector is characterized by cautious optimism, with average EV/EBITDA multiples of 15.2x for consumer staples and 18.9x for e-commerce, reflecting varied growth prospects.
- Emerging trends like the artisan economy and companion animal health are gaining traction, driven by consumer preferences for local products and increased spending on pet wellness.
- Investors should focus on resilient sectors and monitor economic factors like tariffs and inflation that could impact consumer spending.

3. 2-Minute TL;DR

- AIG's acquisition of Everest Group's retail insurance portfolio for \$2 billion is a strategic move to enhance its general insurance offerings without taking on past liabilities. This aligns with CEO Peter Zaffino's focus on disciplined underwriting and operational efficiency. The deal's financial specifics are undisclosed, but it positions AIG for sustainable growth amid a recovering market.
- The Consumer & Retail sector is navigating a landscape of cautious optimism, with trading multiples reflecting varied performance: EV/EBITDA of 15.2x for consumer staples, 11.8x for durables, and 18.9x for e-commerce. Analysts predict continued consolidation driven by economic uncertainties and

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evolving consumer behaviors.

- Key trends include the artisan economy, which emphasizes local and unique products, and the companion animal health market, projected to reach \$61.74 billion by 2034. Companies like Zoetis and Mars Petcare are well-positioned to capitalize on these trends.
- Investors should prioritize resilient sectors, monitor tariff impacts on pricing, and leverage technological advancements to enhance competitiveness. Upcoming earnings reports from major players will provide insights into consumer sentiment and spending patterns, guiding future investment decisions.