

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

US Consumer Sector

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1. 30-Second TL;DR

- Starbucks sold a majority stake of its China retail arm to Boyu Capital for \$4 billion, valuing the business at approximately \$13 billion, with a multiple of 3.25x.
- Lendlease REIT is acquiring 70% of PLQ Mall for S\$885 million, reflecting a competitive NPI yield of 4.5%.
- The Consumer & Retail sector shows mixed sentiment, with trading multiples for consumer staples at 15.2x and e-commerce at 18.9x, driven by digital transformation and regulatory scrutiny.

2. 1-Minute TL;DR

- Starbucks announced a \$4 billion deal to transfer control of its China retail operations to Boyu Capital, valuing the business at over \$13 billion, which implies a 3.25x multiple. This move aims to leverage local expertise while maintaining a 40% stake.
- Lendlease REIT is set to acquire a 70% stake in PLQ Mall for S\$885 million, with an NPI yield of 4.5%, enhancing its suburban retail portfolio in Singapore.
- The Consumer & Retail sector is characterized by mixed sentiment, with consumer staples trading at an EV/EBITDA of 15.2x and e-commerce at 18.9x. Key drivers include digital transformation and strong consumer demand, while headwinds consist of regulatory scrutiny and economic uncertainties.

3. 2-Minute TL;DR

- Starbucks' recent \$4 billion sale of a majority stake in its China retail arm to Boyu Capital values the business at over \$13 billion, translating to a valuation multiple of 3.25x. This strategic joint venture allows Starbucks to leverage Boyu's local market expertise while retaining a 40% stake, mitigating operational risks and capital exposure.
- Lendlease REIT's acquisition of 70% of PLQ Mall for S\$885 million aims to strengthen its suburban retail portfolio in Singapore, with a competitive NPI yield of 4.5%. This acquisition aligns with consumer demand trends for essential services, enhancing income stability.

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- The Consumer & Retail sector is navigating a landscape of mixed sentiment. Trading multiples indicate consumer staples at 15.2x and e-commerce at 18.9x, reflecting strong growth potential. Key market drivers include digital transformation and robust consumer demand, particularly in the automotive sector, while headwinds involve regulatory scrutiny and economic uncertainties affecting discretionary spending.
- Analysts express cautious optimism, emphasizing the importance of digital capabilities and adaptation to consumer trends. Investors are advised to focus on high-growth segments and stay informed about regulatory developments to capitalize on emerging opportunities in this evolving market landscape.