TULLY & HOLLAND

*Investment Banking for Consumer and Healthcare*

QUARTERLY MARKET REPORT

# Q2 2026

## Consumer & Healthcare Report

# General Market Commentary

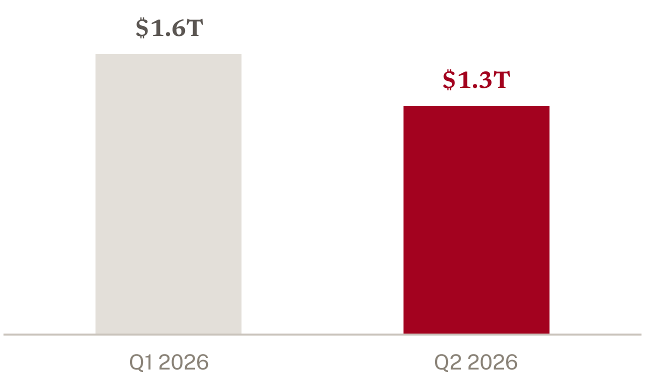
Global M&A slowed down after a historic Q1. Deal value totaled an estimated $1.3 trillion in Q2 2026, up 35.3% YoY but down 18.4% from Q1's $1.6 trillion. Deal count held steady at 11,880 transactions, up 3.4% YoY. Strategic acquirers drove the quarter with $892.7 billion in deal value, funding large deals from balance sheets and stock, while sponsor buyout value fell to $287.3 billion. Macro-economic conditions explain the gap between strategic buyer and sponsor group deal flow: the Federal Reserve held rates steady as many speculate future rate hikes, the ECB hiked rates for the first time since 2023, and an energy-driven inflation shock tied to the conflict in Iran raised the cost of debt.

Q2 rewarded quality deals over volume, and the trend is expected to hold through the second half of the year. Buyers with cash and stock are paying full prices for category leaders. Healthcare multiples reached 20-year highs (Bio-Techne at 9.7x revenue), and quality consumer brands cleared at premiums (Grüns at 4.0x revenue), while average and/or heavily leveraged assets struggle to find buyers. Patent cliffs, corporate portfolio reviews, and aging sponsor inventory will keep supply coming in H2. **For owners of differentiated consumer and healthcare businesses, this is a favorable window to prepare for market.**

**11,880**

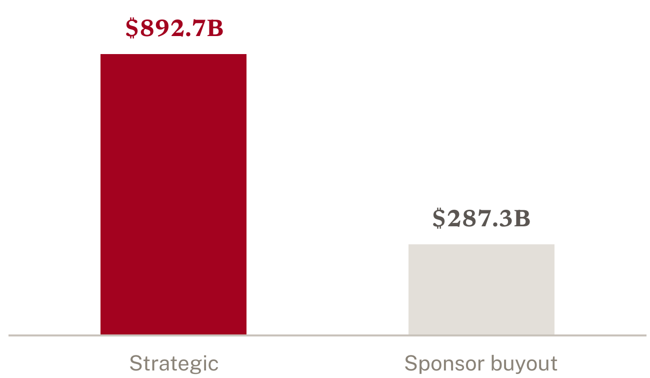
Global deal count, up 3.4% YoY

**GLOBAL M&A VALUE — QOQ**




−18.4% QoQ · +35.3% YoY

**Q2 BUYER MIX**




Strategics funded large deals from cash and stock

# Financial Sponsors

## Private Equity

| | | |
|---|---|---|
| **$177.3B** deal value, 2,384 deals | **12.5x** median 2025 EV/EBITDA at close | **~75%** of buyouts were add-ons |

U.S. Private Equity activity totaled 2,384 announced transactions in Q2 2026, representing $177.3 billion in aggregate deal value. Deal count was up 11.5% YoY, while deal value declined 23.9% YoY. H1 2026 deal value totaled $461.0 billion, down 10.6% from the H1 of 2025.

Activity shifted down-market in Q2. Add-ons made up roughly three-quarters of all buyout transactions, while platform buyout count fell 34%. PE growth/expansion was the lone segment to grow, rising 19.1% YoY. Software was the quarter's sharpest decline, with deal value down 65.7%. Energy, conversely, was strong as YTD deal value was up 80.5% versus H1 2025.

Entry pricing remains high: the median U.S. buyout closed 2025 at 12.5x EV/EBITDA. Premium valuations are reserved for billion-dollar-plus deals as they command an EBITDA multiple of 16x while smaller deals are 10.8x. Equity now funds roughly two-thirds of purchase price likely due to the high cost of debt and aging dry powder.

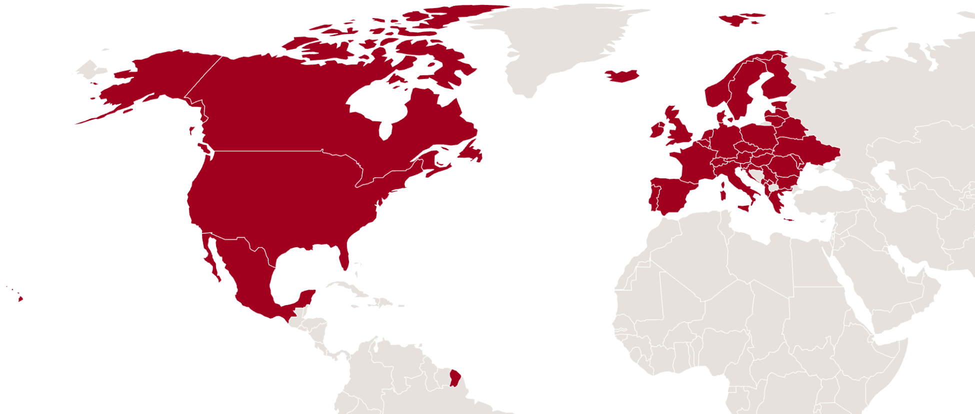
## Venture Capital

| | | |
|---|---|---|
| **$413.8B** H1 2026 deployed — record first half | **86%** of 2026 deal value is AI-related | **$2.19T** H1 exit value, led by SpaceX's IPO |

U.S. venture capital deployed approximately $146.6 billion in Q2 2026, bringing H1 to $413.8 billion which is a record first half. AI-related investments represented 86% of total 2026 deal value, led by Anthropic's $65.0 billion Series H at a $965 billion post-money valuation.

Exit activity was historic. U.S. VC exit value reached $2.19 trillion in H1 2026, dominated by SpaceX's June IPO at an approximately $1.69 trillion valuation, alongside listings from Cerebras ($34.2B) and Quantinuum ($14.0B). Going forward, capital will likely remain concentrated in AI and a limited number of large opportunities.

# Key Regions

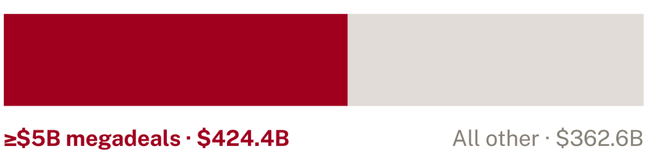


## North America

**$787B** deal value · down 24.3% QoQ

North American M&A value reached $787 billion in Q2 2026, down 24.3% QoQ, with deal count down 7.3%. Deals of $5 billion or more contributed $424.4 billion, led by NextEra Energy's acquisition of Dominion Energy ($118.5B) and SpaceX's acquisition of Cursor ($60B). Both deals were funded largely with stock, and the majority of quarter's deals fell to strategic acquirers. Energy dealmaking was far above its five-year average due to datacenter power demand. Healthcare and IT also ran above their norms, while financial services and materials lagged. Second-half activity will hinge on the trajectory of interest rates and whether a fresh wave of $10 billion-plus strategic transactions could materialize.

DEAL VALUE COMPOSITION ($B)

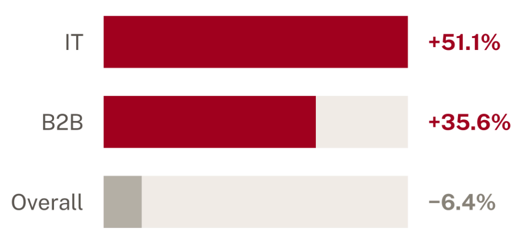



## Europe

**−6.4%** QoQ deal value

European M&A slowed after three consecutive quarters of growth, with deal value down 6.4%. B2B, specifically industrials, posted its strongest quarter on record, up 35.6% QoQ, and IT deal value rose 51.1% QoQ. In June, the ECB became the first G7 central bank to raise rates in response to the energy shock; European M&A remains healthy, but tighter monetary policy and geopolitical uncertainty will determine whether that holds in the second half. The May 2026 US-EU tariff framework, which caps most US duties on EU goods at 15% and eliminates EU tariffs on US industrial goods, removing one source of a key source of geopolitical uncertainty. Expect a stabilizing or slightly regressive deal activity as Europe enters a phase of economic recovery.

QOQ DEAL-VALUE CHANGE BY SEGMENT

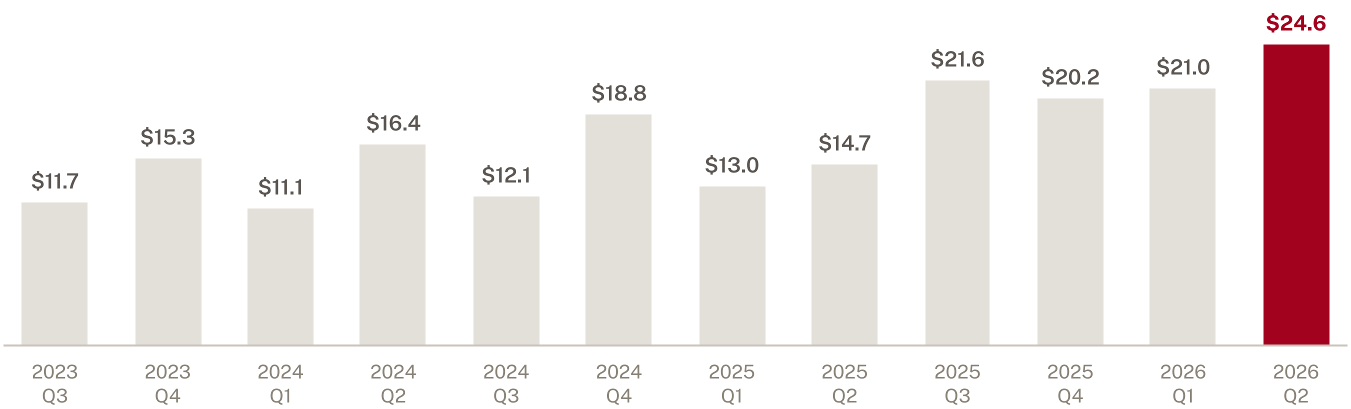


# Tully & Holland Focus: Consumer

Global consumer (B2C) M&A value fell 44.5% QoQ in Q2 2026 but rose 9.2% YoY. Deal count held flat at an estimated 2,386; the decline reflects fewer large deals, similar to Q1. Megadeals now account for 47% of consumer deal value, up from 39% in 2025 and 23% in 2024, while capital invested in completed transactions in Tully & Holland's tracked categories fell to $36.1 billion. The quarterly difference is largerly attributed to the closing of megadeals like Peets/KDP and McCormick/Unilever. Consumer multiples held up, with the median B2C EV/EBITDA multiple at 11.4x; sellers of quality brands continue to retain pricing power. Corporate portfolio reviews, take-privates, succession planning, and PE exit backlogs should give way to fresh deal supply in the second half of 2026.

### Consumer: Median Deal Value

Median disclosed deal size, trailing twelve quarters ($M) — deal count fell from 2,890 to 2,235




#### Food & Beverage — 151 deals

Food & Beverage was the most active consumer category, with 151 completed transactions in Tully & Holland's tracked universe in Q2 2026. After Q1's megadeals, middle market activity picked up: craft beverage and spirits consolidation (Four Roses Distillery, Mumm Napa, 21st Amendment Brewery), functional and better-for-you nutrition (No Cow, Good Karma Foods, YumEarth, HOP WTR), and foodservice distribution roll-ups (Vesta Foodservice, Mayrand, Colabor Group).

#### Retail & E-Commerce — 60 deals

Retail & E-Commerce M&A remained selective in Q2 2026, with 60 completed transactions in the quarter. AI is changing how consumers discover, compare, and buy, raising the value of proprietary data, loyalty programs, and direct customer relationships. Activity concentrated in differentiated brands, like apparel manufacturer Bella+Canvas, equestrian retailer Dover Saddlery, and premium beverage marketplace ReserveBar.

#### Consumer Discretionary — 38 deals

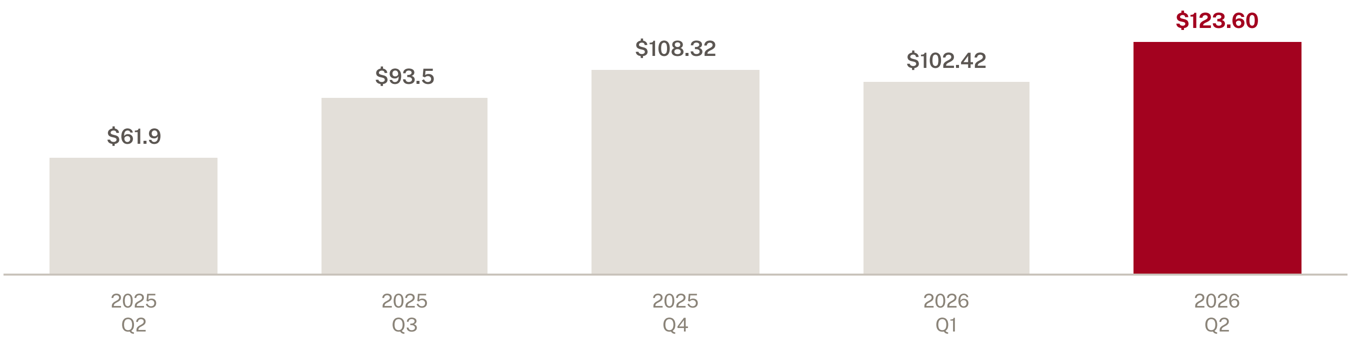
Consumer Discretionary M&A activity stabilized in Q2 2026, with 38 completed transactions. Personal care remained the most active vertical with a steady stream of wellness and beauty deals like Anomaly Haircare, and VKTRY. Home furnishings consolidation continued with Palliser Furniture, American Drew, and Huppé. With luxury valuations still at multi-year lows, expect large strategic transactions in science-backed beauty and clinical skincare to lead activity.

# Tully & Holland Focus: Healthcare

Healthcare was one of the quarter's strongest growth areas in deal value and deal count. Global healthcare M&A reached $165.0 billion in Q2 2026, up 11.7% QoQ, and deal count up 13% YoY. Corporate M&A value more than doubled QoQ to $114.9 billion while buyout value fell 16.2% to $33.8 billion. North American healthcare deal value rose 80.5% QoQ with four $10 billion-plus transactions: Organon, Bio-Techne ($11.7B), Nuvalent ($10.6B), and Apogee Therapeutics ($10.1B). Healthcare now carries one of the highest multiples of any sector, a 12.6x median and 20.4x average EV/EBITDA multiple (TTM), a 20-year high. Capital invested in completed transactions in Tully & Holland's tracked categories rose 20.7% QoQ to $123.6 billion. Buyers are prioritizing IP for patent cliffs, and clear regulatory pathways.

### Healthcare: Capital Invested

Capital invested in completed transactions, Tully & Holland tracked categories ($B)




### Consumer Health & Diagnostics

**79 deals**

79 transactions completed in the quarter, anchored by two large deals in women's health. Blackstone and TPG's take-private of Hologic at up to $18.3 billion showed sponsor appetite. Sun Pharma's $12.3 billion acquisition of Organon brings global scale in women's health and established brands. Women's health is moving into the mainstream (a roughly $430–440 billion market today projected to exceed $600 billion by 2030) and AI-enabled diagnostics is now a core deal thesis (as seen in CareDx's acquisition of Naveris and Waystar's purchase of Iodine Software).

### Wellness & Lifestyle

**20 deals**

Q2 2026 wellness M&A was selective, with 20 completed transactions concentrated in categories that focused on measurable outcomes: sleep (Chorus Sleep, Noctrix Health), maternal and behavioral health (Canopie, Mavida Health, Robyn), longevity (Tally Health), and women's OTC health (FemiClear). Some companies, like Whoop and Aura, operate at the intersection of tech, wellness, and lifestyle supporting this theme. The underlying logic is that buyers want utility, metrics, and recurring engagement, not just a lifestyle brand.

### Petcare & Technology

**13 deals**

Q2 2026 petcare M&A was quiet, with 13 completed transactions, but the mix shifted. Veterinary care, largely absent from Q1 activity, returned to the market with Modern Animal and VIP Petcare both transacting. Recurring-consumption and premium pet nutrition brands continued to attract buyers. Technology-enabled diagnostics and monitoring tools remain a future opportunity, and premiumization underpins buyer interest across pet nutrition and services.

# Notable Q2 2026 Transactions

## CONSUMER

**$1.2B**
4.0x Rev

### Grüns → Unilever

Grüns is a comprehensive daily supplement in gummy form through e-commerce and retail, with approximately $300 million in revenue. Unilever paid $1.2 billion (4.0x revenue) which is consistent with the premium demanded for better-for-you platforms.

**$1.1B**
1.4x Rev | 15.0x EBITDA

### SunOpta → Omnes Capital

SunOpta is a plant/fruit-based food and beverage manufacturer with $817.7 million in revenue and $75.9 million in EBITDA, taken private at $1.1 billion by a group led by Omnes Capital. The 15.0x EBITDA buyout shows sponsor appetite for scaled food manufacturing even in a selective credit market.

**$2.25B**
2.8x Rev

### GOJO Industries → Clorox

GOJO Industries is the family-owned maker of Purell along with a broader hygiene and skin-care portfolio. Clorox paid $2.25 billion, approximately 2.8x revenue on $800 million in sales. A change of control at a business of this profile is noteworthy on brand strength alone, category-leading personal-care assets rarely come to market.

## HEALTHCARE

**$12.3B**
2.0x Rev | 8.8x EBITDA

### Organon → Sun Pharmaceuticals

Organon is a global pharmaceutical company built around women's health; it was the largest of the quarter's healthcare deals at $12.3 billion. The deal reflects the patent-cliff logic: an acquirer gaining immediate, cash-generative scale in a durable therapeutic franchise without the risk of an early-stage platform.

**$11.7B**
9.7x Rev | 46.2x EBITDA

### Bio-Techne → Merck KGaA

Bio-Techne supplies reagents, instruments, and diagnostic tools to the life-sciences and clinical research markets, a picks-and-shovels position that sells into pharma and biotech. At $11.7 billion — 9.7x revenue and 46.2x EBITDA — the deal extends consolidation in life-science tools and gives Merck a platform in diagnostics and bioprocessing with one of the quarter's steepest multiples.

**$10.6B**
Pre-Revenue

### Nuvalent → GSK

Nuvalent is a clinical-stage biotech developing inhibitors in precision oncology, designed to target resistance mutations while limiting toxicity. At $10.6 billion for a pre-revenue company, the acquisition echoes the patent-cliff logic, a large drugmaker backfilling future revenue with a late-stage, de-risked oncology asset.

# TULLY & HOLLAND

*Investment Banking for Consumer and Healthcare*

Tully & Holland is a leading Boston-based investment banking advisory firm offering highly customized M&A and corporate advisory to consumer and healthcare product companies in the US and abroad. Founded in 1992, our seasoned team brings decades of extensive industry and investment banking expertise and the proven ability to successfully complete deals on behalf of our clients. Tully & Holland is a member of FINRA & SIPC.

## OUR TEAM

**Timothy Tully**
President
(617) 320-6816
ttully@tullyandholland.com

**Trip Conant**
Managing Director
(508) 735-2414
tconant@tullyandholland.com

**Griffin Keady**
Managing Director
(508) 212-8347
gkeady@tullyandholland.com

## AREAS OF FOCUS

### Food & Beverage

Food Manufacturing & Distribution
Functional Food & Beverage
Specialty Foods
Frozen Foods
Beverages Manufacturers

### Retail & E-Commerce

E-commerce
Multi-Channel Merchants
Catalogers
Specialty Retailers
Direct Marketers

### Consumer Discretionary

Home Décor
Sports & Leisure
Toys, Gifts & Collectibles
Fitness & Recovery
Arts & Crafts

### Pet Care

Food & Supplements
Preventative Health
Diagnostics & Tech
Vet Clinics & Hospitals
Pet Insurance

### Wellness & Lifestyle

Mental Health & Emotional Wellness Products
Clean Beauty
Personalized Nutrition & Supplements
Sexual Wellness Products
Aging & Longevity Consumer Products

### Consumer Health & Diagnostics

Life Sciences
Clinical Diagnostics
Consumer Diagnostics & At-Home Testing
Medtech & Connected Devices
Healthcare Communications & Consulting

## SERVICE CAPABILITIES

### Sales & Divestitures

Sales
Mergers
Recapitalizations
Divestitures

### Financings

Equity Growth Capital
Senior Debt Financing
Bridge Financing
Mezzanine Financing

### Valuations

Business Valuation
Strategic Consulting
Related to Growth and Capital Planning

### Acquisition Advisory

Strategic Planning
Prospect Search
Valuation
Negotiation

## PAST CLIENTS & BUYERS

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Chiquita
C&S wholesale grocers
Coast of Maine
STONEWALL KITCHEN FAMILY of BRANDS
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VERMONT COFFEE COMPANY
Brigham's ICE CREAM
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INDIE LEE
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CAINS
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