

# MAKING THE CLIMB

## *Outdoor Recreation Continues to Grow Across Activities*

KPMG Corporate Finance LLC  
Q4 2018 Leisure & Wellness  
M&A Newsletter



# Leisure & Wellness (L&W) M&A Overview

## KPMG Corporate Finance LLC

KPMG Corporate Finance LLC ("KPMG CF") is a leading investment bank to the middle market serving domestic and international clients. We offer a broad range of investment banking and advisory services. The Corporate Finance practices of KPMG International's network of independent member firms operate in 170 countries with more than 2,500 professionals meeting the needs of clients across the globe. In 2018, KPMG<sup>(1)</sup> was the leading Global M&A Advisor in the Middle Market with 446 closed deals.

We have over 75 dedicated senior M&A bankers focused on Consumer & Retail in 32 countries worldwide, each with significant transaction experience, deep sector knowledge, and local market relationships with key decision makers.

## Leisure & Wellness Industry Practice

KPMG's Leisure & Wellness investment banking team is a leader in providing customized advisory services to public and private companies throughout the global Leisure & Wellness industry. Now more than ever, consumers are embracing lifestyle choices and pursuing branded products that promote physical and mental health and wellness. Our team is well-positioned to leverage our industry experience and the global platform of KPMG<sup>(1)</sup> to offer customized investment banking solutions tailored to meet the specific goals and needs of our clients.

## LEISURE & WELLNESS M&A

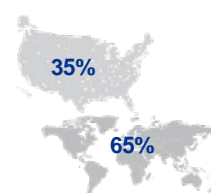
2018 was a good year for global M&A activity. According to data from Capital IQ, deal activity increased 10% year-over-year in 2018 to reach \$3.6 trillion. Deal volume fell 1% over the same period. However, a closer look at the numbers shows different trends in two halves of the year. The year started with strong deal activity driven by a growing economy, effects of the U.S. tax reform, ample liquidity, and a surging equity market. However, driven by a range of factors including interest rate hikes by the Federal Reserve, trade tensions, volatile equity markets, and uncertainty over a resolution to the Brexit situation, M&A deal activity declined. Overall global deal value dropped ~20% in 2H'18 to \$1.6 trillion, as compared to almost \$2.0 trillion in 1H'18.

M&A activity in the U.S. was robust, both in terms of volume and value. Deal volume slightly increased 2% year-over-year in 2018 to reach 16,788 deals while disclosed deal value was \$1.6 trillion in 2018, an uptick of ~12% over the same period.

Deal activity in the global L&W space remained strong, with deal value in 2018 increasing 13%, to reach \$48.8 billion, as compared to \$43.0 billion 2017. Deal volume in the sector also grew by 4% over the same period.

The theme of our Q4 2018 L&W Newsletter is the ongoing growth in the outdoor recreation sector in the U.S., which outpaces the growth of the overall economy. Americans cherish outdoor activities and experiences, and the sector is gaining more recognition as a stable, significant, and growing contributor to the U.S. economy.

### GLOBAL L&W DEAL COUNT



L&W deal activity in the U.S. increased by ~9%, with 84 deals in Q4'18, compared to 77 deals in Q4'17. The U.S. contributed 35% to the global deal volume in Q4'18, compared to 40% in Q4'17.

Sources: Capital IQ and other publicly available information.

(1) Represents the global Corporate Finance practices of KPMG International's network of independent member firms.



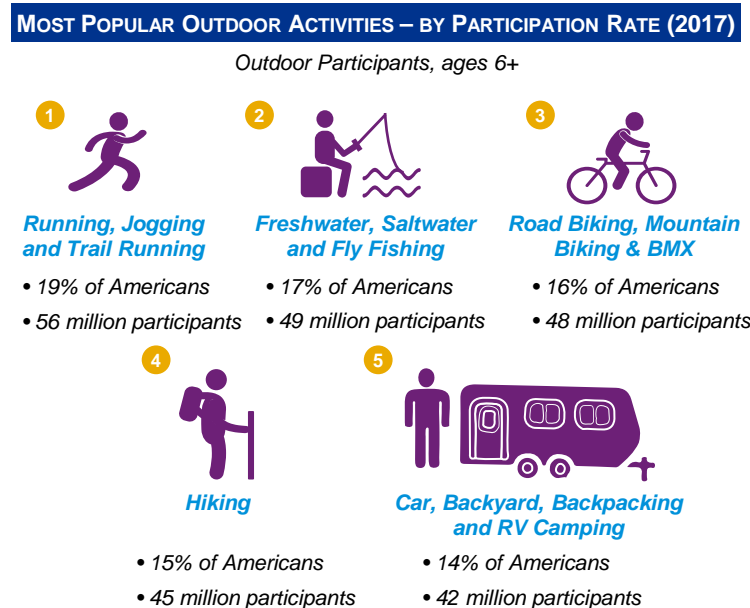
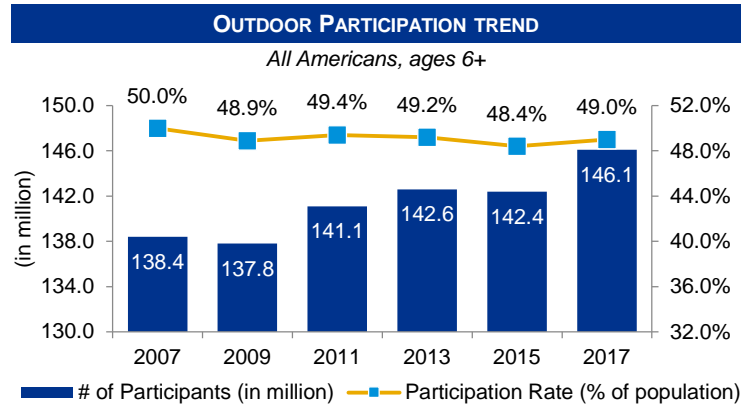
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# Outdoor Recreation in the U.S. continues to grow in popularity

Outdoor Recreation continues to be an important component in American lives. Rising outdoor participation is driven by an increase in the pursuit of physical activity, the desire to reconnect with nature, and the importance of meaningful experiences, particularly among a younger generation of adults

- Over the past few years, outdoor activity in the U.S. has seen sustained level of participation
  - In 2017, almost half of the Americans ages 6 and over participated at least once in an outdoor activity
  - Compared to 2016, number of participants increased by 1.7 million to reach a total of 146.1 million in 2017
- The gender distribution of outdoor activity participants is skewed slightly towards males; They constituted 54% to the total while the females contributed 46%
- Accounting for \$887 billion in consumer spending annually, Outdoor Recreation is a major economic force
  - Each year, Americans spend more on outdoor recreation than they do on pharmaceuticals and fuel, combined
- Outdoor Recreation products, such as gear, apparel, equipment, and vehicles, account for \$185 billion of the \$887 billion in total spending
- Americans spent \$31 billion in camping gear, \$29 billion in water sports, and \$25 billion in trail sports (hiking, backpacking, etc.) in 2017
- The Bureau of Economic Analysis, which measures sales or receipts associated with the outdoor recreation economy, calculated that the industry accounted for 2.2% of U.S. GDP, greater than the impact from agriculture and from mining
- Trends such as an aging population, an overall focus on healthy lifestyles, and Millennials prioritizing experiences above material goods are expected to further boost outdoor recreation
  - Additionally, there is an increase in the number of less price sensitive outdoor participants, driving demand for higher-quality premium products



## OUTDOOR RECREATION – AN ‘ASPIRATIONAL’ ACTIVITY FOR THE INACTIVE POPULATION

According to the 2018 Physical Activity Council Participation report, current non-participants of physical activity identified Outdoor Recreation activities as some of the most preferred pursuits. Camping, Biking, and Fishing rank highly for each age cohort.

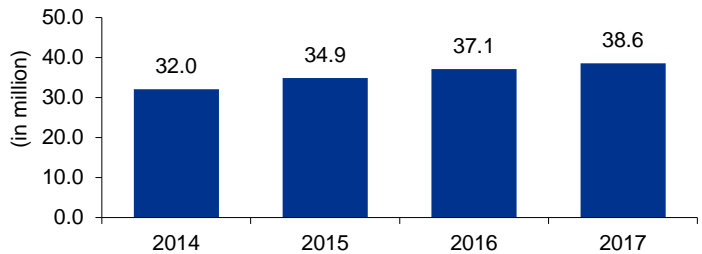
Interest Level	Ages 18-24	Ages 25-34	Ages 35-44	Ages 45-54
1	Camping	Camping	Camping	Camping
2	Bicycling	Swimming For Fitness	Swimming For Fitness	Fishing
3	Martial Arts	Bicycling	Bicycling	Bicycling
4	Backpacking	Fishing	Fishing	Swimming For Fitness
5	Fishing	Canoeing	Working out - weights	Hiking
6	Working out - weights	Hiking	Hiking	Working out - weights
7	Working out - machines	Backpacking	Working out - machines	Canoeing
8	Canoeing	Working out - weights	Running / Jogging	Working out - machines
9	Kayaking	Running / Jogging	Canoeing	Birdwatching / Wildlife Viewing
10	Swimming For Fitness	Working out - machines	Basketball	Backpacking

# Outdoor Recreation - Key Activities (1/3)

## Camping (North America)

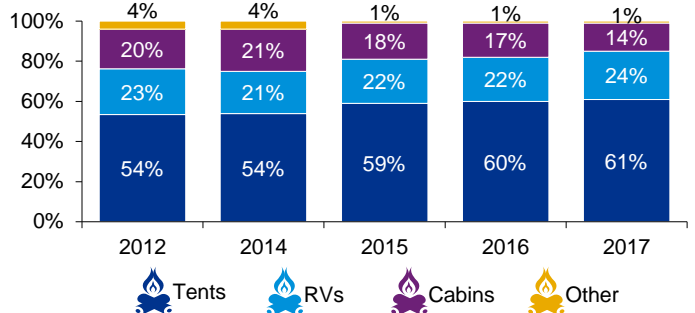
- Camping is on the rise in the North America as more and more travelers want to get outdoors and explore
- Campers view the activity as a time to relax, escape stress, socialize, and clear their minds
  - More than 6 million new households have taken up the camping lifestyle since 2014
  - Number of people who camp three times or more each year increased by 64% from 2014 to 2017
- Advances in technology have resulted in greater access to information, alleviating safety and ease of use concerns for novice campers
- Primarily led by older generations, use of RVs continues to remain sturdy while camping; desire to experience RVing among non-RV owners also remains healthy
- In the coming years, the activity is expected to benefit from the fast paced growth in the number of younger campers and the ones from diverse ethnicities

### NUMBER OF ANNUAL CAMPERS (IN MILLION)

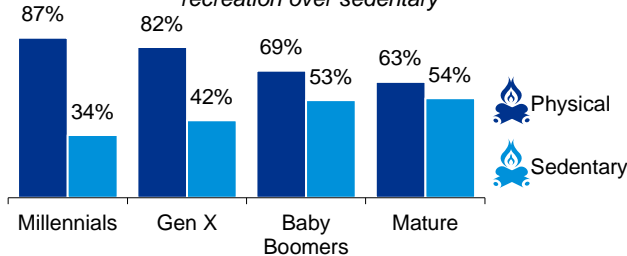


### PRIMARY ACCOMMODATIONS

Trends suggest a desire of camping participants to spend overnights in tents and RVs as opposed to cabins.

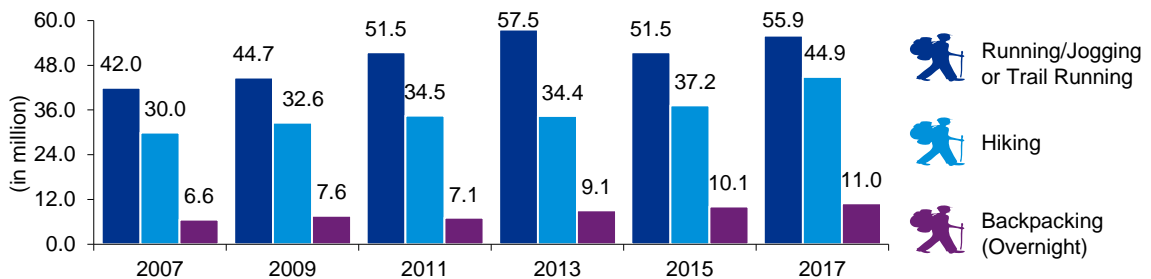


### Campers across age groups prefer physical outdoor recreation over sedentary



## Running, Hiking, and Backpacking (Trail Sports)

### TRAIL SPORTS PARTICIPATION TREND

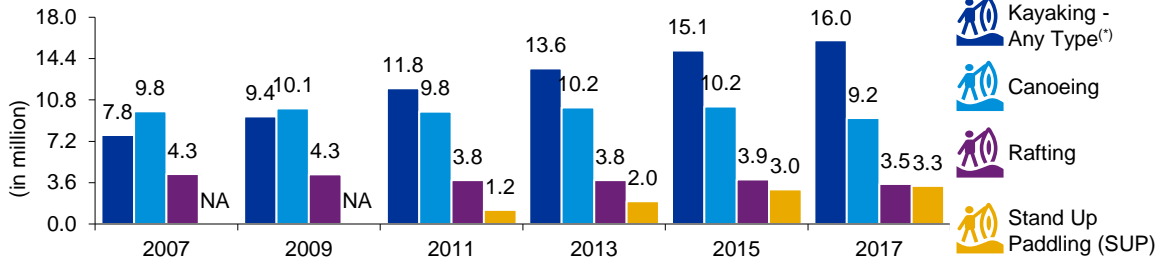


- Participation in Running and Hiking has been on an upward trend over the past 10 years
  - These are natural exercises that promote physical fitness, help participants explore the outdoors, are economical and convenient, and require no / limited special equipment
  - Americans spend more on Trail Sports Gear (\$20 billion) than on home entertainment (\$18 billion)
- In 2017, Running, including jogging and trail running, was the most popular activity in terms of number of participants (55.9 million) and total outings (4.2 billion)
  - Runners tired of taking the same routes and surfaces of road running are now trying trails for a new experience
- Backpacking, an adventure activity that blends hiking with backcountry camping, is also attracting a high number of participants as it offers a rich, immersive outdoor experience
- With Trail Sports gaining ground in popularity among both endurance and amateur athletes, large athletic brands are increasingly focusing on this sport
  - They are building communities, organizing events, and expanding product range to offer multi functional models
- The sport is attracting a significant interest from investors who aim to partner with entrepreneurs looking to make the outdoors and trails more comfortable and accessible
  - In Oct'18, Spectrum Equity made a substantial new investment in AllTrails, an outdoors guide provider app offering reviews of trails and detailed trail maps
  - In Feb'18, a consortium of equity firms led by Summit Partners made a growth equity investment in onXmaps, that delivers information including topography, trails, permitted lands, and more

# Outdoor Recreation - Key Activities (2/3)

## Water Sports

### PADDLE SPORTS PARTICIPATION TREND



(\*) includes participants taking part in more than one type of Kayaking including Recreational, Sea/Touring, and Whitewater.

- Water sports activities such as Kayaking, Canoeing, Rafting, and SUP have gradually become a part of the mainstream outdoor recreational activities in the U.S.
  - SUP has witnessed a CAGR of ~17% in the number of participants between 2012-17, the highest among all the other paddle sports activities
  - Overall Kayaking (including recreational, sea/touring, and whitewater) also saw ~5% growth during that time
- The rising popularity of these water sports has given way to a number of tournaments and meets, bringing in more revenue to the market
- Paddle sports is a human powered, environment-friendly activity that is best suited for outdoor enthusiasts who desire natural experiences
- Paddle boards are transitioning from their traditional designs to the inflatable form due to changing expectations from enthusiasts
  - This innovation in designs is making the sport more convenient and hassle-free, thereby appealing to a wider set of individuals
- Factors such as development of multi-functional paddle boards, increasing number of rental centers with experienced and licensed instructors, and greater product availability are likely to boost the market's growth

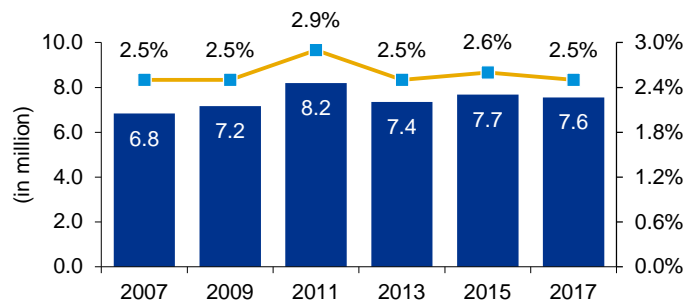
### POWER BOATS

- According to NMMA<sup>(1)</sup>, unit sales of new powerboats reached 280,000 in 2018 – highest levels the U.S. recreational boating industry has witnessed since 2007
- With industry players now offering a high performing vessel at a more affordable price, personal watercraft now appeal to a larger customer base

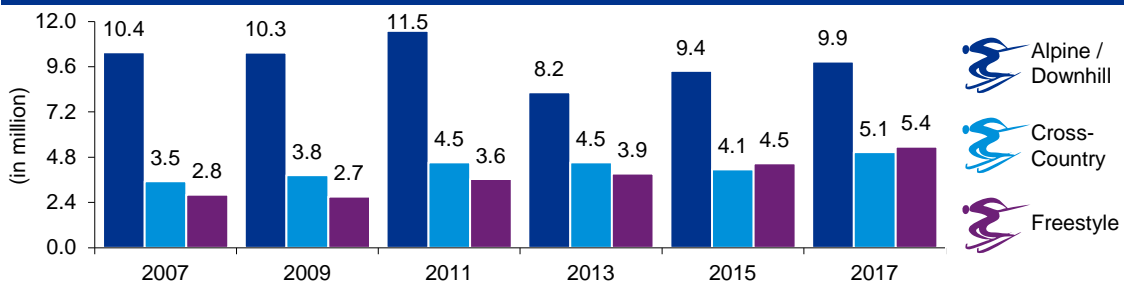
## Snow Sports

- Despite being impacted by a shorter and more unpredictable snow seasons, the snow sports industry has maintained sustained participation levels
- With snowboarders now taking up skiing or preferring to do both, the space is witnessing a cultural shift from the "us-versus-them" mentality of skiers and snowboarders seen in the early days
- Ski operators are trying to come up with fresh ideas in order to attract new participants and keep people coming back, especially the millennials – the biggest group of customers
  - In addition to artificial snow production, ski resorts are working to create a welcoming & experience-driven ski environment to boost participation

### SNOWBOARDING PARTICIPATION TREND



### SKIING PARTICIPATION TREND



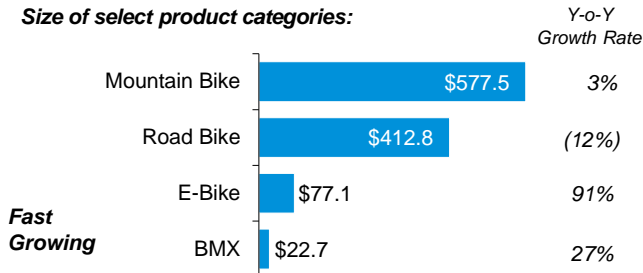
# Outdoor Recreation - Key Activities (3/3)

## Biking

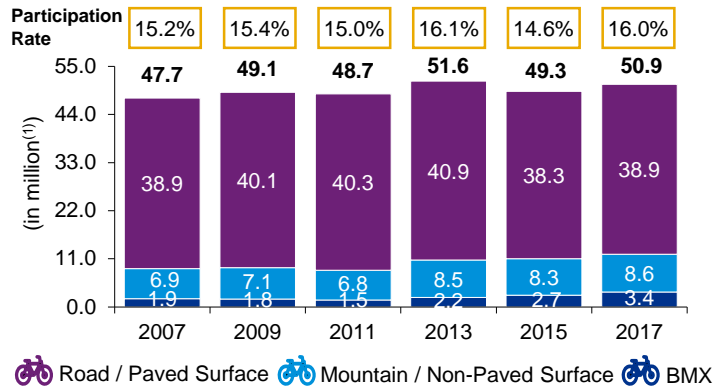
- The bicycle market is benefiting from the emergence of cycling as a preferred recreational activity, increasing health and environmental concerns, growing traffic congestion, and government efforts to promote cycling
  - Biking has seen sustained level of participation levels with ~16% of Americans engaging in the activity in 2017
- Over the years, bicycling has evolved from leisurely pedaling around the neighborhood into an active sport for participants desiring health, fitness, and adventure
  - Events and competitions are a major part of this activity with an increasing number of people attending them each year
- Furthermore, increased technological innovation and the introduction of specialized premium products are expected to boost the demand in the coming years
  - International and domestic manufacturers are devising strategies to replicate Europe's success in the fast growing U.S. E-bike market

### PERFORMANCE OF SELECT BICYCLE CATEGORIES (IN \$MM)

#### Size of select product categories:



### BIKING PARTICIPATION TREND



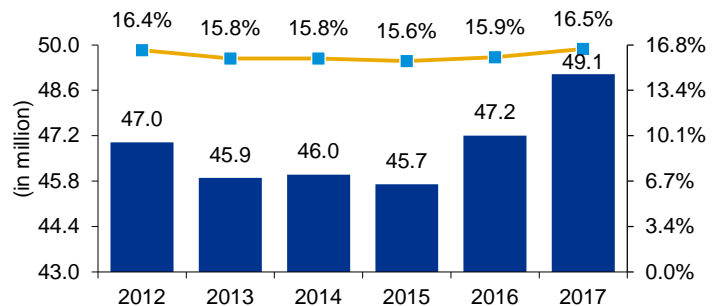
### BIKING PARTICIPATION GROWTH RATE - BY CATEGORY

Activity	CAGR 2012-2017
BMX	9.4%
Mountain / Non-Paved Surface	2.2%
Road / Paved Surface	(0.5%)

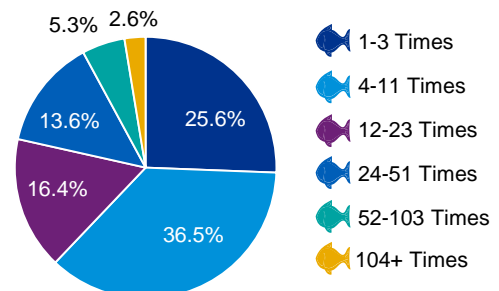
## Recreational Fishing

- Fishing remains a popular recreational activity among outdoor enthusiasts in the U.S.
- Recreational Fishing represents one of the oldest and most cherished outdoor pastimes
  - Perceived to be a family friendly activity that forges a deep connection with nature
- In 2017, the overall participation reached 49.1 million people who fished at least once during the calendar year
  - Highest participation rate since 2009
- Freshwater fishing continued to be the most popular form of fishing, engaging 12.9% of Americans (38.3 million people) followed by Saltwater fishing with a participation rate of 4.4% of Americans (13.1 million)
  - While Fly fishing was the least popular of the three fishing types, with a participation rate of 2.3% (6.8 million participants), it gained new participants at the fastest rate
- Besides the increase in the participation by older adults and males, the industry is seeing greater enthusiasm from youth and females
  - In 2017, Youth (ages 6-17) participation saw an uptick of 5.4% to reach 11.6 million in number; Female participation increased by 3.1% to reach 17.1 million
- Among every age group, Fishing is in the top five of most appealing activities for non-participants of physical activity
  - Significant opportunity for the industry to propel growth by engaging the aspirational non-participants

### FISHING PARTICIPATION (IN MILLION) AND PARTICIPATION RATE



### LEVEL OF COMMITMENT TO FISHING - 2017 (ALL TYPES OF FISHING)



## Recent Transactions

## Selected Q4'18 Transaction Summaries

<b>Hyper-Pet LLC</b> <i>Acquired</i> <b>OurPet's Company (OTCPK:OPCO)</b>	<b>December 19, 2018:</b> Hyper Pet, a pet hard goods and treats company, signed a definitive merger agreement to acquire OurPet's Company, a producer and marketer of a broad line of innovative accessory and consumable pet products. The deal is valued at ~\$20 million, based on a purchase price of \$1 per share and a current stock float of about 20 million shares. "Adding the strength of OurPet's in the cat category to the historic strength of Hyper Pet in the dog category will now enable us to provide a comprehensive range of products to all pet owners.", said Tim Blurton, CEO of Hyper Pet.
<b>Thule Group AB (OM:THULE)</b> <i>Acquired</i> <b>Tepui Outdoors Inc.</b>	<b>December 17, 2018:</b> Thule Group, a Swedish company known for roof racks, roof boxes, all types of carriers, RV products, and luggage, announced the acquisition of Tepui Outdoors, one of the leading manufacturers of roof top tents in North America. The total purchase price is \$9.5 million, with a potential maximum earn-out payment of \$1.75 million based on revenue performance during the period 2019-2020. Tepui has ~20 employees and net sales for 2018 is expected to be around \$6.5 million. The acquisition is expected to further enhance the Thule Group's expanding portfolio of products focused on an active lifestyle.
<b>Scales Corporation Limited (NZSE:SCL)</b> <i>Acquired</i> <b>Shelby JV LLC</b>	<b>December 14, 2018:</b> Scales Corp., a New Zealand-based agribusiness company, announced an agreement to acquire 60% interest in Shelby, an independent buyer and processor of ingredients for the pet food industry in the U.S. The acquisition, for a consideration of \$23.2 million, is from Brett Frankel, the founder and President of Shelby. He will retain the remaining 40% shareholding post transaction. "...the Shelby partnership has a strong strategic alignment with the operations of our existing pet food ingredients business, Meateor. Shelby extends the range of proteins that Meateor presently offers whilst also offering an in-market point of contact for customers that are shared between the two businesses.", said Andy Borland, Managing Director of Scales.
<b>Lippert Components Manufacturing, Inc.</b> <i>Acquired</i> <b>Furniture business of Smoker Craft, Inc.</b>	<b>November 30, 2018:</b> LCI Industries (NYSE: LCII) announced that its wholly-owned subsidiary, Lippert Components Manufacturing, a recreational vehicle parts maker, acquired the business and certain assets of the furniture manufacturing operation of Smoker Craft. The purchase price was \$28 million. Smoker Craft is a pontoon, aluminum fishing, and fiberglass boat manufacturer. This acquisition is Lippert's fourth marine furniture acquisition in the last four years. "...In the future this move will free up manufacturing space, giving us the ability to concentrate on building boats...", said Doug Smoker, President and CEO of Smoker Craft.
<b>Sycamore Partners</b> <i>Acquired</i> <b>Pure Fishing, Inc.</b>	<b>November 7, 2018:</b> As a part of its Accelerated Transformation Plan, Newell Brands sold Pure Fishing to Sycamore Partners, a New York-based private equity group, in a deal worth \$1.3 billion. Pure Fishing is a global provider of fishing tackle, lures, rods and reels with an extensive portfolio of brands. "Pure Fishing and its portfolio of global brands represent an exciting opportunity to continue our strategy of investing in and supporting great retail and consumer brands with significant potential...We are also pleased to have been able to work constructively on this carve-out for Newell Brands to further its strategic transformation.", said Peter Morrow, Managing Director at Sycamore Partners.
<b>Maurice Sporting Goods, Inc.</b> <i>Acquired</i> <b>O2COOL, LLC</b>	<b>November 6, 2018:</b> Maurice Sporting Goods, a Middleton Partners owned distributor of outdoor sporting goods, has acquired O2COOL, one of the innovative players in the hydration and portable cooling market. The terms of the transaction were undisclosed. With this acquisition, Middleton plans to leverage the synergies of O2COOL and Maurice Sporting Goods, to establish Maurice Outdoors, a collection of powerful industry brands with best-in-class distribution. Maurice Outdoors would focus on the outdoor consumer through product lines like fishing, marine, hydration, portable cooling, camping, hunting, and outdoor themed gifts. In the coming years, Middleton plans to continue to acquire influential brands in the marketplace to enhance the growth of Maurice Outdoors.
<b>Glanbia plc (ISE:GL9)</b> <i>Acquired</i> <b>SlimFast</b>	<b>October 11, 2018:</b> Glanbia, an Ireland-based global nutrition group, agreed to acquire SlimFast a weight management and health & wellness brand, for ~\$350 million. The group signed an agreement with the owners of KSF Holdings, an affiliate of Kainos Capital, and HNS Intermediate Corp., which collectively own SlimFast and other brands. In 2017, SlimFast achieved \$212 million net sales and adjusted EBITDA of \$24 million. "SlimFast is an established and enduring brand and, along with nutritional supplements brands "Healthy Delights" and "Nu-Therapy", complements our existing portfolio targeting lifestyle consumers. It plays to global consumer trends focused on convenient formats and snacking." said Siobhán Talbot, Group Managing Director of Glanbia.

Sources: Capital IQ and other publicly available information.



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## Recent M&amp;A Transactions (1/2)

Selected Recent Leisure & Wellness M&A Transactions (US\$ in millions)						
Announcement Date	Target	Buyer	Sub-sector	Implied Enterprise Value (TEV)	TEV/ Revenue	TEV/ EBITDA
1/5/2019	KIALOA Canoe Paddles, Inc.	Werner Paddles, Inc.	Recreational Products	-	-	-
12/28/2018	Macs and Buddy Pet Products LLC	For The Earth Corp.	Pet Products & Services	-	-	-
12/28/2018	TruPet LLC	Sport Endurance, Inc.	Pet Products & Services	-	-	-
12/27/2018	EDGE Fitness Inc.	Northgate Health Club L.L.C.	Fitness & Spa Facilities	-	-	-
12/19/2018	OurPet's Company	Hyper-Pet LLC	Pet Products & Services	\$22.3	0.8x	10.6x
12/17/2018	Tepui Outdoors, Inc.	Thule Group AB (publ)	Recreational Products	\$9.5	1.5x	-
12/17/2018	Targeted Pet Treats, LLC	Pestell Pet Products Inc.	Pet Products & Services	-	-	-
12/14/2018	Shelby JV LLC	Scales Corporation Limited	Pet Products & Services	\$38.7	-	6.5x
12/12/2018	Lax Shop, LLC	A Group of Private Investors	Recreational Products	-	-	-
12/3/2018	Ambi Brand of L'Oreal USA, Inc.	AMBI Enterprises LLC	Personal Care	-	-	-
11/30/2018	The Business and Certain Assets of The Furniture Manufacturing Operation of Smoker Craft Inc.	Lippert Components Manufacturing, Inc.	Recreational Products	\$28.0	-	-
11/30/2018	Body Symphony, LLC	Cambridge Golf LLC	Vitamins, Minerals & Supplements	-	-	-
11/29/2018	Nutritional Medicinals, LLC	Swander Pace Capital	Vitamins, Minerals & Supplements	-	-	-
11/28/2018	Tranquilo, Inc.	Baby Boom Consumer Products, Inc.	Baby Products	-	-	-
11/20/2018	Stretchlab	TPG Capital, L.P.	Fitness & Spa Facilities	-	-	-

Source: Capital IQ.



## Recent M&amp;A Transactions (2/2)

Selected Recent Leisure & Wellness M&A Transactions (US\$ in millions)						
Announcement Date	Target	Buyer	Sub-sector	Implied Enterprise Value (TEV)	TEV/ Revenue	TEV/ EBITDA
11/19/2018	PlayMonster LLC	Audax Group, Inc.	Toys & Games	-	-	-
11/14/2018	The Higgins Group Corp.	Versele-Laga NV	Pet Products & Services	-	-	-
11/14/2018	Cosmetic Essence, LLC	Vee Pak Inc.	Personal Care	-	-	-
11/9/2018	Victory Tailgate, LLC	Indian Industries, Inc.	Recreational Products	-	-	-
11/7/2018	Pure Fishing, Inc.	Sycamore Partners	Recreational Products	\$1,300.0	2.3x	13.0x
11/6/2018	O2COOL, LLC	Maurice Sporting Goods, Inc.	Recreational Products	-	-	-
10/31/2018	Basecamp Fitness	Self Esteem Brands, LLC	Fitness & Spa Facilities	-	-	-
10/30/2018	Cloud B, Inc.	Edison Nation, Inc.	Baby Products	\$4.1	-	-
10/26/2018	Pure Barre, LLC	Xponential Fitness, LLC	Fitness & Spa Facilities	-	-	-
10/24/2018	Reynolds Cycling, L.L.C	HB Performance Systems, Inc.	Recreational Products	-	-	-
10/17/2018	HBH Enterprises LLC, doing business as Ballard Manufacturing	Petiq, LLC	Pet Products & Services	\$14.8	-	-
10/16/2018	Planet Dog, Inc.	Outward Hound	Pet Products & Services	-	-	-
10/11/2018	SlimFast/Health and Nutrition Systems	Glanbia plc	Vitamins, Minerals & Supplements	\$350.0	1.7x	14.6x
10/2/2018	Orthopedic Physical Therapy Products (OPTP)	Gen Cap America, Inc.	Fitness Equipment	-	-	-
10/1/2018	Substantially All Assets of Playhut, Inc.	Basic Fun, Inc.	Toys & Games	\$1.2	-	-

Source: Capital IQ.

## Q4'18 Public Comps (1/4)

## Leisure &amp; Wellness Performance Summary by Sub-sector (\$M, except per share data)

## Selected Public Leisure &amp; Wellness Companies

(US\$ in millions, except per share amounts)

Last Twelve Months (LTM)					Enterprise value					
Company name	Market cap	Enterprise value <sup>(1)</sup>	Share price <sup>(2)</sup>	% Of 52-Wk high	Revenue	Revenue growth	EBITDA <sup>(3)</sup>	EBITDA margin	NTM revenue	NTM EBITDA
Baby Products										
Pigeon Corporation	\$5,130	\$4,878	\$42.84	70.7%	\$944	6.4%	\$208	22.0%	4.7x	19.0x
Carter's, Inc.	3,742	4,416	81.62	63.3%	3,404	2.9%	465	13.7%	1.3x	9.0x
Goodbaby International Holdings Limited	524	753	0.31	44.1%	1,054	30.9%	79	7.5%	0.6x	6.2x
Dorel Industries Inc.	413	845	12.93	53.3%	2,613	2.5%	130	5.0%	NM	5.2x
Crown Crafts, Inc.	55	59	5.40	71.6%	76	17.7%	9	12.3%	0.8x	6.3x
Summer Infant, Inc.	20	66	1.05	53.0%	180	(4.3%)	5	2.9%	NM	6.9x
Baby Products Mean				59.3%		9.4%		10.6%	1.8x	8.8x
Baby Products Median				58.3%		4.7%		9.9%	1.0x	6.6x
Cosmetics & Beauty Products										
L'Oréal S.A.	\$128,908	\$128,492	\$230.36	93.6%	\$30,338	0.7%	\$6,724	22.2%	4.0x	17.6x
The Estée Lauder Companies Inc.	47,207	48,758	130.10	81.9%	13,933	13.9%	2,842	20.4%	3.4x	15.9x
Shiseido Company, Limited	25,085	24,555	62.82	74.5%	9,513	12.6%	1,366	14.4%	2.3x	14.6x
Ulta Beauty, Inc.	14,522	14,225	244.84	75.9%	6,529	18.1%	1,100	16.8%	2.0x	11.4x
Coty Inc.	4,927	12,498	6.56	30.3%	9,191	4.3%	1,292	14.1%	1.5x	9.2x
Inter Parfums, Inc.	2,055	1,896	65.57	97.1%	648	12.4%	86	13.2%	2.9x	18.1x
Sally Beauty Holdings, Inc.	2,052	3,749	17.05	72.2%	3,933	(0.1%)	567	14.4%	1.0x	6.7x
Edgewell Personal Care Company	2,021	3,052	37.35	59.6%	2,234	(2.8%)	414	18.5%	1.4x	7.7x
Revlon, Inc.	1,331	4,442	25.19	85.0%	2,610	(3.6%)	103	3.9%	1.7x	14.7x
Avon Products, Inc.	672	2,353	1.52	50.8%	5,738	0.41%	577	10.1%	NM	6.4x
e.l.f. Beauty, Inc.	418	535	8.66	37.5%	270	2.2%	45	16.6%	1.9x	8.8x
BWX Limited	138	160	1.11	19.3%	110	104.6%	29	26.0%	1.4x	8.9x
Cosmetic and Beauty Products Mean				64.8%		13.5%		15.9%	2.1x	11.7x
Cosmetic and Beauty Products Median				73.4%		3.3%		15.5%	1.9x	10.3x
Gym & Fitness Facilities										
Planet Fitness, Inc.	\$4,728	\$5,329	\$53.62	91.7%	\$500	21.2%	\$193	38.7%	NM	21.4x
Basic-Fit N.V.	1,624	1,970	29.71	78.3%	419	23.6%	127	30.2%	3.9x	12.0x
Tosho Co., Ltd.	1,196	1,309	31.22	70.3%	227	14.2%	75	33.0%	4.9x	13.5x
The Gym Group plc	479	506	3.48	79.2%	141	33.1%	39	27.4%	2.9x	8.8x
Central Sports Co., Ltd.	359	401	31.90	78.1%	476	1.7%	53	11.2%	NA	NA
Town Sports International Holdings, Inc.	174	327	6.40	43.1%	435	10.4%	60	13.9%	0.7x	5.7x
Grupo Sports World, S.A.B. de C.V.	84	115	1.05	98.3%	102	21.4%	17	17.0%	1.1x	5.6x
Actic Group AB (publ)	64	110	4.04	79.4%	107	7.6%	16	14.8%	1.0x	6.0x
Talwalkars Better Value Fitness Limited	19	40	0.61	11.9%	9	(79.3%)	6	66.6%	NA	NA
Gym & Fitness Facilities Mean				70.0%		6.0%		28.1%	2.4x	10.4x
Gym & Fitness Facilities Median				78.3%		14.2%		27.4%	2.0x	8.8x

## Q4'18 Public Comps (2/4)

## Leisure &amp; Wellness Performance Summary by Sub-sector (\$M, except per share data)

## Selected Public Leisure &amp; Wellness Companies

(US\$ in millions, except per share amounts)

Last Twelve Months (LTM)					Enterprise value					
Company name	Market cap	Enterprise value <sup>(1)</sup>	Share price <sup>(2)</sup>	% Of 52-Wk high	Revenue	Revenue growth	EBITDA <sup>(3)</sup>	EBITDA margin	NTM revenue	NTM EBITDA
Household Products										
The Procter & Gamble Company	\$229,010	\$249,995	\$91.92	94.9%	\$66,869	2.6%	\$17,502	26.2%	3.7x	14.4x
Reckitt Benckiser Group plc	54,221	67,944	76.64	83.8%	16,713	25.7%	4,729	28.3%	4.1x	14.1x
Henkel AG & Co. KGaA	44,565	47,333	109.85	82.9%	23,122	(0.5%)	4,463	19.3%	NA	NA
Kimberly-Clark Corporation	39,458	46,550	113.94	92.3%	18,431	0.8%	3,924	21.3%	2.6x	11.7x
Kao Corporation	36,167	35,346	74.32	86.9%	13,279	1.6%	2,377	17.9%	2.5x	13.6x
The Clorox Company	19,676	22,079	154.14	91.9%	6,187	2.6%	1,280	20.7%	3.5x	16.3x
Church & Dwight Co., Inc.	16,192	18,109	65.76	94.6%	4,105	12.8%	952	23.2%	4.3x	18.4x
Newell Brands Inc.	8,678	16,847	18.59	57.1%	13,970	24.7%	2,030	14.5%	1.9x	14.3x
Helen of Troy Limited	3,463	3,744	131.18	90.2%	1,578	15.2%	233	14.8%	2.4x	15.1x
WD-40 Company	2,536	2,574	183.26	97.7%	412	6.0%	84	20.4%	NM	28.2x
Spectrum Brands Holdings, Inc.	2,257	6,375	42.25	45.6%	3,146	4.5%	350	11.1%	1.7x	11.5x
Tempur Sealy International, Inc.	2,256	3,913	41.40	63.0%	2,712	(4.5%)	358	13.2%	1.4x	8.5x
Central Garden & Pet Company	1,851	2,061	34.45	76.5%	2,215	7.8%	214	9.7%	0.9x	9.0x
Tupperware Brands Corporation	1,534	2,352	31.57	47.6%	2,152	(5.1%)	390	18.1%	1.1x	6.0x
Sleep Number Corporation	1,054	1,189	31.73	77.3%	1,483	6.3%	135	9.1%	0.7x	7.0x
Household Products Mean				78.8%		6.7%		17.9%	2.4x	13.4x
Household Products Median				83.8%		4.5%		18.1%	2.4x	13.8x
Pet Products & Services										
Zoetis Inc.	\$41,098	\$46,145	\$85.54	88.6%	\$5,721	11.7%	\$2,236	39.1%	NM	18.9x
IDEXX Laboratories, Inc.	16,041	16,911	186.02	72.6%	2,170	13.9%	558	25.7%	NM	26.6x
Henry Schein, Inc.	11,969	14,007	78.52	86.0%	13,145	7.2%	1,069	8.1%	1.1x	12.8x
The J. M. Smucker Company	10,635	16,739	93.49	70.1%	7,609	3.7%	1,649	21.7%	2.1x	10.1x
Central Garden & Pet Company	1,851	2,061	34.45	76.5%	2,215	7.8%	214	9.7%	0.9x	9.0x
Freshpet, Inc.	1,143	1,142	32.16	79.3%	185	26.5%	9	4.9%	5.0x	NM
PetIQ, Inc.	500	607	23.47	53.4%	470	80.8%	26	5.5%	1.1x	12.9x
PetMed Express, Inc.	476	389	23.26	40.2%	286	9.1%	57	19.8%	1.3x	6.6x
Pet Products & Services Mean				70.8%		20.1%		16.8%	1.9x	13.8x
Pet Products & Services Median				74.6%		10.4%		14.7%	1.2x	12.8x
Spas & Salons										
Ulta Beauty, Inc.	\$14,522	\$14,225	\$244.84	75.9%	\$6,529	18.1%	\$1,100	16.8%	2.0x	11.4x
Regis Corporation	751	726	16.95	75.7%	1,186	(6.2%)	79	6.6%	0.6x	6.8x
Perfect Shape Medical Limited	299	246	0.27	79.7%	139	36.8%	53	38.1%	NA	NA
Siam Wellness Group Public Co. Limited	197	201	0.35	50.0%	34	22.9%	10	30.5%	4.7x	15.5x
Water Oasis Group Limited	87	41	0.13	71.4%	91	9.9%	45	49.9%	NA	NA
ARTE Salon Holdings, Inc.	41	54	4.09	66.2%	70	5.1%	8	11.9%	NA	NA
RVH Inc.	27	19	1.39	23.0%	500	20.1%	24	4.8%	NA	NA
M H Group Ltd.	23	21	2.06	72.9%	18	5.0%	1	5.8%	NA	NA
Modern Beauty Salon Holdings Limited	23	0.7	0.03	59.7%	73	(11.7%)	0.1	0.1%	NA	NA
Spas & Salons Mean				63.8%		11.1%		18.3%	2.4x	11.3x
Spas & Salons Median				71.4%		9.9%		11.9%	2.0x	11.4x

## Q4'18 Public Comps (3/4)

## Leisure &amp; Wellness Performance Summary by Sub-sector (\$M, except per share data)

## Selected Public Leisure &amp; Wellness Companies

(US\$ in millions, except per share amounts)

					Last Twelve Months (LTM)				Enterprise value	
Company name	Market cap	Enterprise value <sup>(1)</sup>	Share price <sup>(2)</sup>	% Of 52-Wk high	Revenue	Revenue growth	EBITDA <sup>(3)</sup>	EBITDA margin	NTM revenue	NTM EBITDA
Sporting Goods & Equipment										
Amer Sports Corporation	\$5,062	\$6,147	\$44	\$1	\$3,138	\$0	\$352	\$0	\$2	\$16
Polaris Industries Inc.	4,737	6,417	76.68	55.7%	5,965	12.7%	700	11.7%	1.0x	7.4x
Brunswick Corporation	4,029	4,960	46.45	66.5%	4,767	8.3%	602	12.6%	0.9x	6.3x
Fox Factory Holding Corp.	2,236	2,263	58.87	76.7%	584	25.2%	104	17.9%	3.4x	16.6x
Technogym S.p.A.	2,154	2,225	10.72	83.9%	708	6.8%	128	18.1%	3.0x	14.0x
Acushnet Holdings Corp.	1,575	1,925	21.07	75.6%	1,642	6.7%	208	12.7%	1.2x	8.0x
Callaway Golf Company	1,446	1,390	15.30	62.0%	1,254	22.8%	169	13.5%	1.1x	8.3x
YETI Holdings, Inc.	1,249	1,585	14.84	69.2%	740	0.0%	113	15.3%	1.9x	10.3x
Malibu Boats, Inc.	725	761	34.80	58.4%	517	59.8%	92	17.9%	1.1x	6.3x
Vista Outdoor Inc.	654	1,346	11.35	56.6%	2,228	(6.7%)	98	4.4%	0.6x	8.0x
Marine Products Corporation	583	573	16.91	68.1%	302	16.7%	39	12.8%	1.8x	13.3x
Johnson Outdoors Inc.	581	430	58.74	54.7%	544	10.9%	72	13.3%	0.8x	6.2x
MasterCraft Boat Holdings, Inc.	350	417	18.70	47.3%	361	55.1%	65	18.0%	0.8x	5.0x
Nautilus, Inc.	325	289	10.90	63.4%	409	1.2%	42	10.3%	0.6x	5.3x
Johnson Health Tech. Co., Ltd.	321	482	1.06	76.6%	681	6.6%	18	2.6%	0.6x	14.5x
Clarus Corporation	302	322	10.12	84.3%	208	30.18%	17	8.28%	1.5x	14.2x
Impulse (Qingdao) Health Tech Co.,Ltd.	252	230	2.10	29.2%	129	9.1%	12	9.5%	NA	NA
Escalade, Incorporated	165	154	11.45	75.1%	173	(2.8%)	18	10.2%	0.9x	7.7x
Sporting Goods & Equipment Mean				66.8%		14.9%		12.2%	1.4x	9.9x
Sporting Goods & Equipment Median				67.3%		8.7%		12.7%	1.1x	8.0x
Toys & Games										
Hasbro, Inc.	\$10,279	\$11,062	\$81.25	74.1%	\$4,787	(8.7%)	\$775	16.2%	2.2x	10.9x
BANDAI NAMCO Holdings Inc.	9,866	8,322	44.89	99.5%	6,205	11.0%	937	15.1%	1.3x	8.4x
Mattel, Inc.	3,448	6,364	9.99	52.9%	4,597	(10.0%)	(106)	NM	1.4x	13.8x
Spin Master Corp.	2,864	2,773	28.13	62.2%	1,658	14.4%	254	15.3%	1.6x	9.1x
TOMY Company, Ltd.	954	961	10.03	58.2%	1,573	(0.2%)	198	12.6%	0.6x	NA
China Healthwise Holdings Limited	66	56	0.01	28.0%	85	44.9%	(2)	NM	NA	NA
JAKKS Pacific, Inc.	34	146	1.47	44.2%	572	(11.1%)	(38)	NM	NM	12.3x
Toys & Games Mean				59.9%		5.8%		14.8%	1.4x	10.9x
Toys & Games Median				58.2%		(0.2%)		15.2%	1.4x	10.9x



## Q4'18 Public Comps (4/4)

## Leisure &amp; Wellness Performance Summary by Sub-sector (\$M, except per share data)

## Selected Public Leisure &amp; Wellness Companies

(US\$ in millions, except per share amounts)

					Last Twelve Months (LTM)				Enterprise value	
Company name	Market cap	Enterprise value <sup>(1)</sup>	Share price <sup>(2)</sup>	% Of 52-Wk high	Revenue	Revenue growth	EBITDA <sup>(3)</sup>	EBITDA margin	NTM revenue	NTM EBITDA
Vitamins, Minerals & Supplements										
Herbalife Nutrition Ltd.	\$8,613	\$9,949	\$58.95	97.6%	\$4,799	9.6%	\$786	16.4%	2.0x	12.3x
Glanbia plc	5,538	5,998	18.78	95.3%	2,699	(1.1%)	351	13.0%	2.0x	15.0x
By-health Co., Ltd.	3,628	3,593	2.47	77.3%	609	52.3%	200	32.9%	6.0x	15.8x
Nu Skin Enterprises, Inc.	3,407	3,454	61.33	69.2%	2,662	24.1%	403	15.2%	1.3x	8.3x
Fanc! Corporation	3,259	2,923	25.58	88.1%	1,035	15.1%	129	12.5%	2.5x	17.2x
USANA Health Sciences, Inc.	2,823	2,501	117.73	85.3%	1,163	13.3%	195	16.8%	1.9x	10.9x
Medifast, Inc.	1,496	1,393	125.02	47.9%	433	51.4%	63	14.6%	2.2x	14.8x
Blackmores Limited	1,487	1,523	85.99	71.0%	450	11.0%	87	19.3%	2.9x	17.0x
Jamieson Wellness Inc.	596	719	15.63	76.5%	243	11.6%	45	18.6%	2.8x	13.1x
Midsona AB (publ)	319	449	6.93	78.1%	303	28.6%	27	9.1%	1.3x	13.0x
Natural Health Trends Corp.	209	77	18.49	67.9%	196	(8.1%)	37	18.9%	NA	NA
GNC Holdings, Inc.	199	1,411	2.37	41.5%	2,341	(5.9%)	220	9.4%	0.6x	6.3x
LifeVantage Corporation	186	174	13.19	85.1%	210	8.2%	12	5.6%	NA	NA
Nature's Sunshine Products, Inc.	157	112	8.15	67.1%	356	5.3%	17	4.9%	NA	NA
Youngevity International, Inc.	147	164	5.72	35.2%	167	2.6%	0.7	0.4%	0.7x	10.0x
Vitamin Shoppe, Inc.	111	172	4.74	34.0%	1,160	(2.5%)	56	4.8%	NM	NM
Nanjing Sinolife United Company Limited	47	24	0.05	28.1%	68	(14.5%)	(3)	NM	NA	NA
Mannatech, Incorporated	45	21	18.80	83.9%	176	1.7%	5	2.7%	NA	NA
Eagle Health Holdings Limited	36	14	0.11	38.6%	70	9.3%	15	21.3%	NA	NA
Vitamins, Minerals & Supplements Mean				66.7%		11.2%		13.1%	2.2x	12.8x
Vitamins, Minerals & Supplements Median				71.0%		9.3%		13.8%	2.0x	13.1x
Wearable Technology										
Apple Inc.	\$748,539	\$796,721	\$157.74	67.6%	\$265,595	15.9%	\$81,801	30.8%	2.9x	9.5x
Alphabet Inc.	723,465	621,035	1,044.96	80.9%	129,866	24.2%	39,334	30.3%	4.0x	10.9x
Sony Corporation	61,616	51,737	48.54	76.4%	77,106	6.4%	9,319	12.1%	0.7x	4.7x
Garmin Ltd.	11,955	10,725	63.32	89.5%	3,278	6.3%	818	25.0%	3.2x	12.3x
Under Armour, Inc.	7,583	8,218	17.67	70.8%	5,160	4.8%	324	6.3%	1.5x	21.7x
Fitbit, Inc.	1,235	612	4.97	63.8%	1,512	(6.6%)	(128)	NM	NM	NM
GoPro, Inc.	596	584	4.24	54.4%	1,106	(20.2%)	(115)	NM	NM	6.0x
Wearable Technology Mean				71.9%		4.4%		20.9%	2.5x	10.8x
Wearable Technology Median				70.8%		6.3%		25.0%	2.9x	10.2x

Source: Capital IQ.





All figures in US\$; where applicable, converted at rates as of December 31, 2018.

(1) As shown, Enterprise Value defined as Market Capitalization plus Preferred Stock and Net Debt.

(2) Closing share prices as of December 31, 2018.

(3) EBITDA reduced to account for minority interest expense.

# Leading Middle Market M&A Advisor<sup>(1)</sup>

 <p><b>Outdoor Sporting Goods Project Powder</b></p> <p><i>Advisor</i> Active Engagement</p>	 <p><b>Premium Pet Food Supplier Project Acorn</b></p> <p><i>Advisor to Seller</i></p>	 <p><b>eCommerce VMS Retailer Project Daily</b></p> <p><i>Advisor to Buyer</i> In Market</p>	 <p><b>Champ Ventures</b></p> <p>has divested</p>  <p>to</p>  <p><i>Advisor to Seller</i></p>	 <p><b>OZtrail</b></p> <p>has been acquired by</p>  <p><i>Advisor to Seller</i></p>	 <p><b>BUCHERER 1888</b></p> <p><b>Bucherer AG</b></p> <p>has acquired</p>  <p><i>Advisor to Buyer</i></p>
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**KPMG Corporate Finance is a leading global M&A advisor in the Middle Market**

2018			2009-2018		
		No. of deals			No. of deals
1	KPMG <sup>(1)</sup>	448	1	KPMG <sup>(1)</sup>	3,985
2	PwC	381	2	PwC	3,785
3	Deloitte	339	3	Ernst & Young	2,516
4	Rothschild & Co	316	4	Deloitte	2,471
5	Houlihan Lokey	261	5	Rothschild & Co	2,419

Source: Thomson Reuters SDC; Middle market is defined as transactions less than US\$500 million.

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