



# M&A trends in consumer, retail, and hospitality

Q1 2026

Discipline reshapes the deal market  
in Q1 2026

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# Conviction over volume defined M&A in Q1 2026

First quarter of 2026 (Q1'26) dealmaking in consumer, retail, and hospitality reflected a disciplined market. Fewer deals cleared, but value concentrated around large, high-conviction transactions backed by scale, demand stability, and execution clarity. Capital remained available, though increasingly selective, driving sharply different outcomes across consumer, retail, and hospitality.

Two dynamics further defined Q1'26. Buyers raised the bar on operating model quality and integration readiness, treating execution credibility as a gating factor rather than a postclose issue. At the ICR Conference, Goldman Sachs' consumer retail leaders pointed to a stronger pipeline of higher-quality initial public offering (IPO) candidates and linked renewed exits to increased private equity (PE) activity—an early signal of deal formation building beneath the surface.<sup>1</sup>

“In Q1'26, capital didn't disappear—it concentrated. Fewer deals cleared, but conviction and execution discipline determined which ones did.”

— Frank Petraglia

Global and US Head of Deal Advisory & Strategy,  
Consumer, Retail & Hospitality, KPMG US, KPMG LLP



## Q1 2026 highlights

554

deals

↓ -24.4%

decrease in number  
of deals QoQ

\$101.4

deal value  
(in \$US billions)

↑ 7.0%

increase in deal  
value QoQ

## Q1 2026 vs Q1 2025

554

deals

↓ -23.7%

decrease in number  
of deals YoY

\$101.4

deal value  
(in \$US billions)

↑ 130.8%

increase in deal  
value YoY

<sup>1</sup> Abigail Summerville, “Dealmakers See More Retail Mergers and IPOs in 2026 After Tariffs Sidelined M&A Last Year”, U.S. News, January 16, 2026.

# One quarter, two very different stories

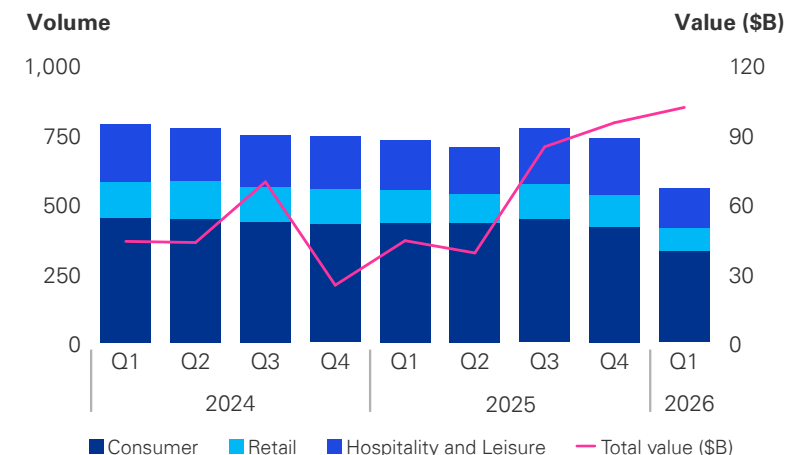
The Q1 '26 snapshot for consumer, retail, and hospitality is clear: Deal count dropped sharply, but deal value rose. Two large strategic deals—McCormick buying Unilever’s foods business and Sysco acquiring Jetro Restaurant Depot—drove up total deal value, even as overall volume hit a three-year low. Both transactions filled long-standing strategic gaps and reshaped the buyers’ portfolios. Most of the value landed in consumer and retail, while hospitality saw a pullback.

These headline deals may have kept the market engaged, with principals staying active in discussions and due diligence, even when smaller deals didn’t close. For large strategic buyers, this environment favored decisive moves that could reposition portfolios, rather than incremental or opportunistic deals.

Smaller and bolt-on transactions faced higher hurdles—timing, valuation, and macro uncertainty mattered more and left less room for error. Some deals shifted to direct negotiations between buyers and sellers, especially in high-conviction cases. PE stayed active but was less visible in public deal counts, with sponsors focusing more on diligence, exit readiness, and platform preparation than on large, announced acquisitions.

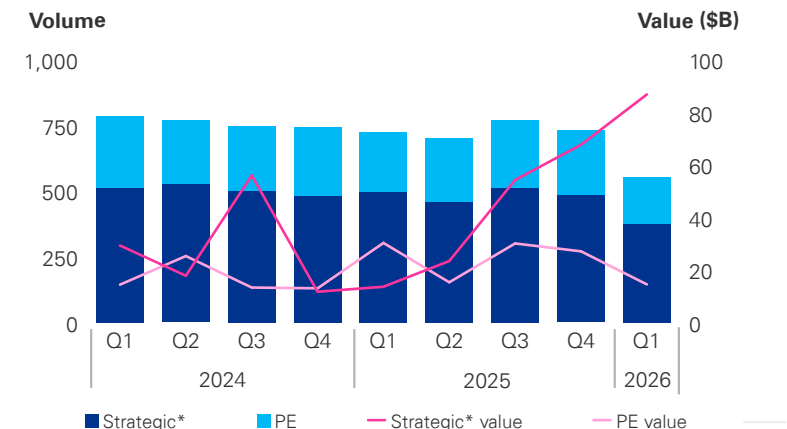


Consumer, retail & hospitality deal volume and value



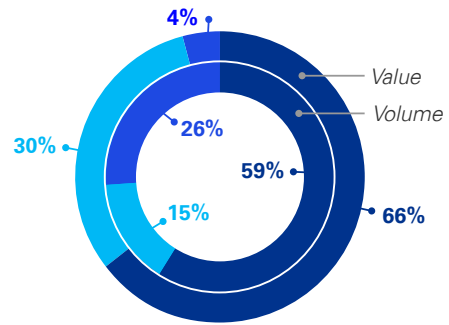
\*Data also contains figures for SPAC deals.

Consumer, retail & hospitality strategic/PE deal volume and value



\*Data also contains figures from SPAC deals.

Consumer, retail & hospitality sector mix – Q1'26

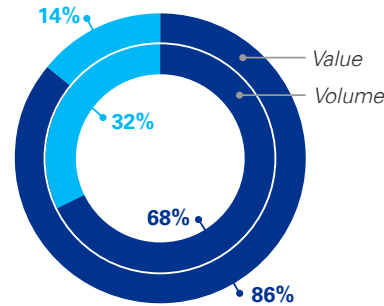


Consumer Retail Hospitality and Leisure

Values may not add to 100% due to rounding.

\*Data also contains figures for SPAC deals

Consumer, retail & hospitality strategic/PE mix – Q1'26

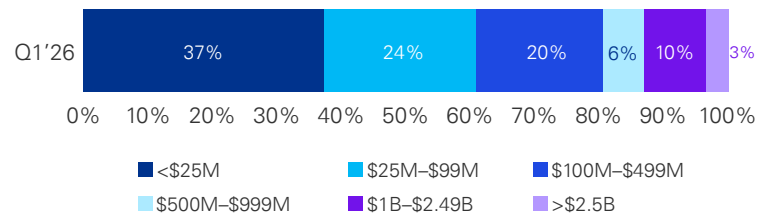


Strategic\* PE

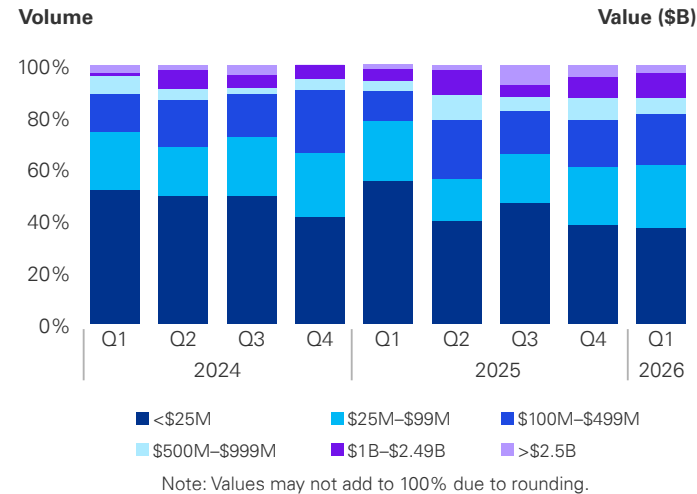
Values may not add to 100% due to rounding.

\*Data also contains figures for SPAC deals

Consumer, retail & hospitality deal size mix – Q1'26



Consumer, retail & hospitality deal size mix



Note: Values may not add to 100% due to rounding.



# Subsector data

## Consumer: A brand-and-margin market behaving rationally

The consumer sector drove deal value in Q1'26. Value rose quarter-over-quarter (QoQ) and climbed sharply year over year (YoY), despite lower deal volume. Buyers focused on assets with trusted brands, strong shelf presence, and repeat purchases, where scale, procurement, and operating discipline can expand margins.

Deal activity concentrated in daily-use categories such as food staples, condiments, health, hygiene, and personal care, where repeat purchase and brand trust support consolidation.<sup>2,3,4</sup> In several cases, acquirers moved on assets they had tracked for years, moving when strategic fit and execution readiness aligned rather than responding to short-term market conditions. McCormick & Company's acquisition of Unilever's global food business illustrates this approach.<sup>5,6</sup>

**Implication:** Acquirers are targeting trusted, repeat-purchase brands where scale can unlock procurement and margin efficiencies.

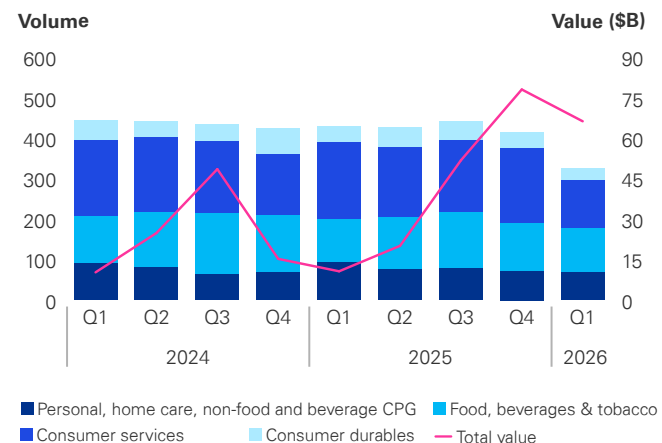
### Decision lens for dealmakers:

**KPMG decision lens (90–180 days):** Expect fewer processes to clear and front-load diligence on pricing power, trade-down risk, and distribution control.

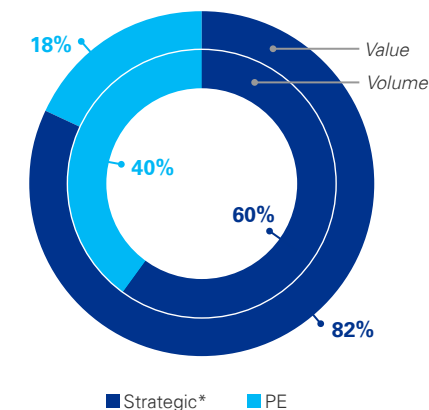
**Recurring execution risk:** Brand dilution during integration, particularly when roll-ups push too hard on SKU rationalization, channel shifts, or shared services at the expense of brand voice and innovation.

**Practical move:** Deploy a two-speed integration plan: Centralize procurement, manufacturing, and working capital early, while protecting brand, marketing, and innovation governance until operations stabilize.

### Consumer deals by subsector



### Consumer strategic/PE mix – Q1'26



Values may not add to 100% due to rounding.  
\*Data also contains figures for SPAC deals

<sup>2</sup> Abigail Summerville, "Sauce, Spice Makers Attract Deal Interest as GLP-1s Send Americans Looking for Hot Stuff," Reuters, March 10, 2026.

<sup>3</sup> Sophea Chau, "Beauty and Personal Care M&A – Q1 2026," Griffin Financial Group, January 2026.

<sup>4</sup> Michelle S. Chan, Daniel Tavakoli, Oluwaremilekun O. Mehner, and Amaru Sanchez, "2026 Perspectives in Private Equity: Food & Agriculture," Akin Gump Strauss Hauer & Feld LLP, March 31, 2026.

<sup>5</sup> "McCormick Acquires Unilever Food Arm in \$44.8 Billion Merger," MSN, 2026.

<sup>6</sup> Michelle S. Chan, Daniel Tavakoli, Oluwaremilekun O. Mehner, and Amaru Sanchez, "2026 Perspectives in Private Equity: Food & Agriculture," Akin Gump Strauss Hauer & Feld LLP, March 31, 2026.

## Retail: Structurally bifurcated, and the data confirms it

Retail deal value rose modestly YoY and surged QoQ in Q1'26, even as deal volume declined. The increase reflected selective, capability-led expansion rather than a broad rebound in traditional retail mergers and acquisitions (M&A). Capital flowed to platform expansion, while everyday deal activity remained constrained. Buyers focused on scaling platforms through adjacent formats, channels, and network build-outs rather than distress-driven consolidation.

Activity clustered around capability-led moves—adding wholesale, cash-and-carry, resale, or digital reach—allowing acquirers to extend operating leverage and customer access without taking on turnaround risk.<sup>7,8,9</sup> Sysco's acquisition of Jetro Restaurant Depot illustrates this approach, using M&A to expand distribution and channel optionality rather than consolidate traditional retail footprints.<sup>10</sup>

**Implication:** Expect capability logic to outweigh turnaround logic in most processes.

### Decision lens for dealmakers:

**KPMG lens (90–180 days):** Expect capability logic to outweigh turnaround logic in most processes.

**Recurring execution risk:** Overstating last-mile and fulfillment synergies; unit economics are fragile, and integration often adds complexity before removing cost.

**Practical move:** Run a presign unit economics stress test by channel (store, delivery, wholesale, marketplace) under conservative assumptions, and sequence integration to protect service levels and customer trust.

<sup>7</sup> "Trends Impacting Consumer and Retail M&A: 2026 Annual Outlook," Solomon Partners, January 22, 2026.

<sup>8</sup> "Solomon Partners Consumer & Retail Outlook 2026," Solomon Partners, January 2026.

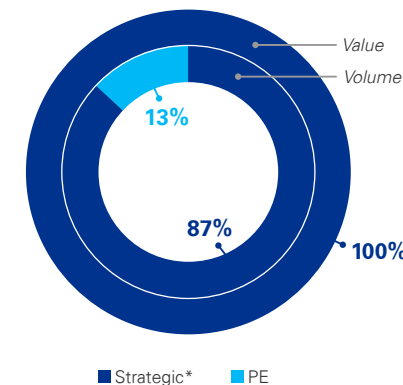
<sup>9</sup> Ryan Schwab, "MergersandAcquisitions.net Releases Groundbreaking E-Commerce and Retail M&A Trends Report for 2026," MergersAndAcquisitions.net, January 9, 2026.

<sup>10</sup> "Sysco Announces Agreement to Acquire Jetro Restaurant Depot," Sysco Investor Relations, March 30, 2026.

### Retail deals by subsector



### Retail strategic/PE mix – Q1'26



Values may not add to 100% due to rounding.  
\*Data also contains figures for SPAC deals



## Hospitality and leisure: The cycle reminded everyone who's in charge

Hospitality deal value and volume both fell in Q1 '26, with value down sharply QoQ, although part of that decline reflects comparisons to fourth quarter 2025 (Q4 '25) megadeals.

Even where deal activity continued, fewer large transactions cleared, reflecting sustained investor discipline. Capital favored franchise-led and existing-asset strategies—capital-efficient scaling, multilocation rollouts, and targeted repositioning—over new-build supply and asset-heavy expansion.<sup>11 12</sup>

Across these strategies, capex discipline became the primary clearing factor, separating scalable growth from projects where execution risk outweighed returns.

Recent transactions reinforce this trend. Flynn Group's acquisition of Grand Fitness Partners added a scaled Planet Fitness franchisee to an established platform, reflecting investor preference for predictable cash flows, lower capital intensity, and repeatable expansion economics.<sup>13</sup>

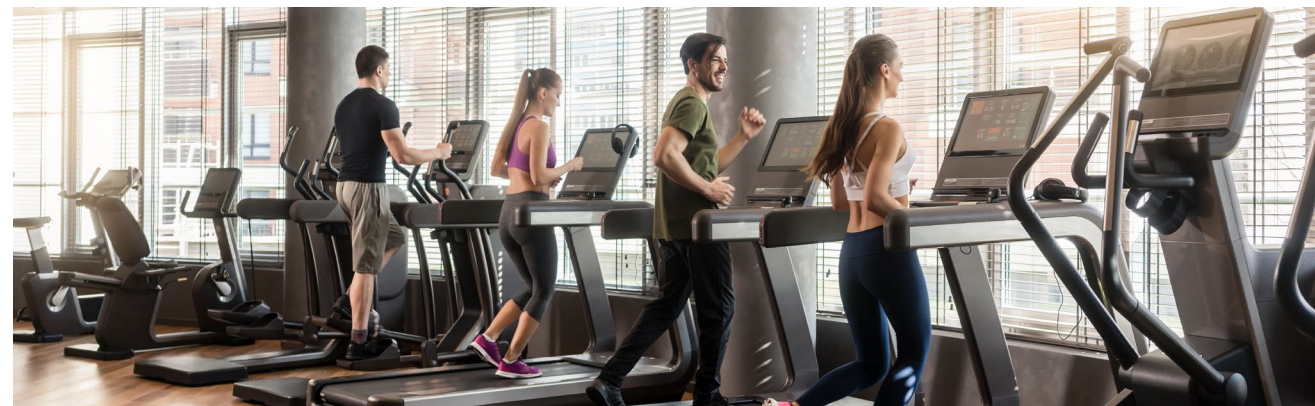
**Implication:** Investors continue to favor franchise-led, asset-light platforms while new-build models are seeing limited capital support.

### Decision lens for dealmakers:

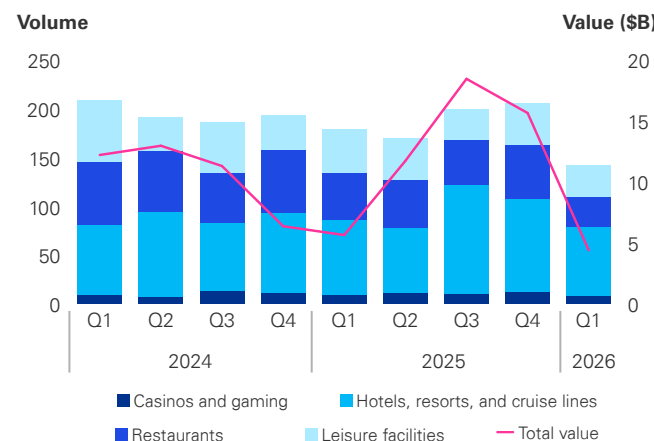
**KPMG lens (90–180 days):** Expect conservative underwriting, with emphasis on cash-flow durability and realistic capex assumptions.

**Recurring execution risk:** Capex creep during renovations and repositioning, which erodes returns and extends payback periods.

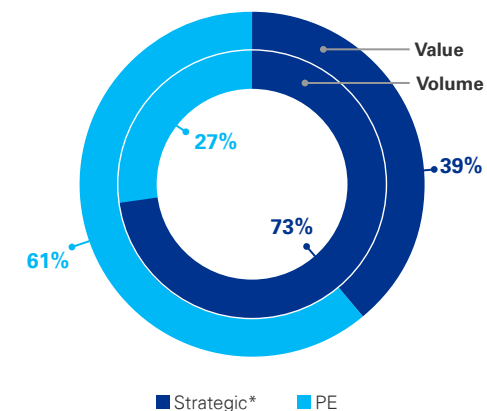
**Practical move:** Treat capex governance as a core deal thesis workstream—define owner-operator decision rights, enforce procurement discipline, and tie renovation budgets to clear milestones before signing.



Hospitality and Leisure deals by subsector



Hospitality and Leisure strategic/PE mix Q1 '26



Values may not add to 100% due to rounding.  
\*Data also contains figures for SPAC deals.

<sup>11</sup> Chris Irby, "Franchise M&A Trends Heading Into 2026 and Beyond: Platform Deals and PE," StacheCow, January 27, 2026.  
<sup>12</sup> "AI in retail: Global lessons from strategy to storefront," 2026; KPMG LLP, "AI for modern retail: A playbook for smarter operations," 2026.  
<sup>13</sup> "HGGC Completes Sale of Grand Fitness Partners to Flynn Group," Business Wire, March 30, 2026.



## Top deals

Acquirer:  
**McCormick & Company, Incorporated**  
Target:  
**Foods Business of Unilever PLC**

Value (billions)  
**\$44.8**

Acquirer:  
**Sysco Corporation**  
Target:  
**Jetro Restaurant Depot**

Value (billions)  
**\$29.1**

Acquirer:  
**AB InBev (Anheuser-Busch InBev SA/NV)**  
Target:  
**US metal container plants of AB InBev (previously owned by a group of institutional investors led by Apollo Global Management)**

Value (billions)  
**\$2.9**

Acquirer:  
**The Clorox Company**  
Target:  
**GOJO Industries, Inc.**

Value (billions)  
**\$2.3**

Acquirer:  
**Kohlberg Kravis Roberts**  
Target:  
**Nothing Bundt Cakes**

Value (billions)  
**\$2.0**

Q1'26 data has been updated as of March 31, 2026. Deal data has been sourced from Capital IQ and Pitchbook, and then further refined and analyzed by KPMG LLP. The cited values and volumes cover inbound, domestic, and outbound US deals announced during the time period, including both majority and minority stakes. Deal values are based on publicly available data and are not exhaustive. Previously published statistics may not be directly comparable to this version, as historical data has been restated to reflect updated industry reclassifications.

# Pipelines are building, but clearing is harder

Pipelines are building, but clearing remains difficult. Deal activity today is more about preparation than acceleration, with buyers focused on execution certainty, integration readiness, and delivery capability.

Credit conditions remain a key gating factor. Tighter private credit markets have reduced leverage and raised financing hurdles, even for high-quality assets. As a result, many deals progress through diligence but fail to clear without more equity, self-financing, or tighter terms.

That focus on execution was echoed at the CAGNY Conference. Executives talked about AI mainly as operating muscle—supporting pricing discipline, revenue management, demand forecasting, and supply-chain execution. Firms that have built these capabilities into daily decision-making are better able to handle deeper diligence, tighter terms, and faster integration when deals come together.<sup>12</sup>

Overlaying this execution lens, geopolitical uncertainty including the war in the Middle East is already affecting energy costs and execution risk, and could further tighten financing conditions and risk appetite, reinforcing buyers' focus on certainty and delivery readiness.

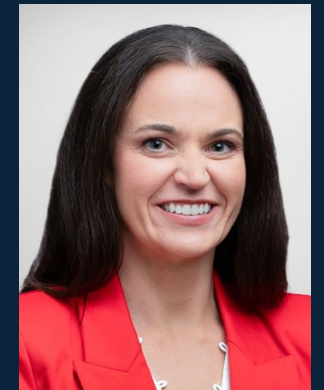
Outside-in signals point to a constructive pipeline. At the ICR Conference 2026 in the US, participants cited the strongest pipeline of higher-quality IPO candidates since 2021 and linked healthier exits to renewed private equity activity—an important driver of near-term process formation. That momentum is showing up in IPO readiness and exit preparation work, with sponsors and corporates positioning ahead of clearer windows even as transaction announcements lag.

For PE, activity is increasingly concentrated upstream of announcement. Diligence, readiness, and exit preparation are accelerating, even as fewer sponsor-led transactions clear publicly. This helps explain the gap between high engagement levels and lower visibility in completed deal counts.

In Q2'26, deal value is likely to be driven by a small number of large, high-conviction transactions, while volume improves only modestly absent greater financing certainty and seller alignment. Whether sellers accept tighter terms and deeper diligence will determine what clears. Winners will be those with execution infrastructure—clean data rooms, credible integration playbooks, disciplined synergy governance, and controls readiness—enabling them to bid with confidence and close cleanly. The strategic-led value surge in Q1'26 sent a clear signal: Large strategics now set the execution bar for the market.

**“Consumer M&A rewarded certainty over optimism—brands with predictable demand and controllable margins were treated as safe havens for capital.”**

— Julia Wilson  
Principal, Advisory Strategy, KPMG LLP



<sup>12</sup> “AI in retail: Global lessons from strategy to storefront,” 2026; KPMG LLP, “AI for modern retail: A playbook for smarter operations,” 2026.



## Consumer: Scale is becoming a strategic mandate for pantry and personal care brands

Consumer value already rose sharply YoY in Q1'26 despite lower deal counts. Expect continued clustering in categories with repeat purchase, trusted brands, and clear margin levers—especially where distribution scale and procurement can be monetized quickly.<sup>2</sup>



## Retail: Capability buys, not rescue missions

Retail activity will remain bifurcated. Platform and adjacency moves will continue, especially where acquirers can add channels and networks instead of fixing distressed assets.<sup>7</sup>



## Hospitality: Franchise logic wins, capex discipline decides

Even with weaker Q1'26 value, the direction of investor preference is clear: capital-efficient scaling through franchise and multilocation systems, and repositioning of existing assets rather than new supply.<sup>11 12 14</sup>



## Leisure: Loyalty compounds, scalable models draw competition

Buyers will continue to look for leisure businesses with durable brands and efficient operations. Companies with strong customer loyalty, repeat visitation, and diverse booking channels will attract competitive interest from acquirers.<sup>15</sup>



## Strategic: Platform strength matters, misaligned brands rotate out

Strategic buyers will continue to refine their portfolios through a two-pronged approach: exiting brands and businesses that lack scale or strategic fit and doubling down on strong brands and scalable platforms with clear competitive advantages.<sup>16</sup>



## PE: Quality assets endure, weak models fade

PE will see fewer deals, with continued appetite for high-quality assets and platform or take-private opportunities where returns can be driven through operational improvement and pricing flexibility.<sup>17</sup>

<sup>2</sup> Abigail Summerville, "Sauce, Spice Makers Attract Deal Interest as GLP-1s Send Americans Looking for Hot Stuff," Reuters, March 10, 2026.

<sup>7</sup> "Trends Impacting Consumer and Retail M&A: 2026 Annual Outlook," Solomon Partners, January 22, 2026.

<sup>11</sup> Chris Irby, "Franchise M&A Trends Heading Into 2026 and Beyond: Platform Deals and PE," StacheCow, January 27, 2026.

<sup>12</sup> "AI in retail: Global lessons from strategy to storefront," 2026; KPMG LLP, "AI for modern retail: A playbook for smarter operations," 2026.

<sup>14</sup> Taylor Gabhart, "Fitness Franchising Roundup: Acquisitions, Market Entries and New Growth Models," Club Solutions Magazine, April 2026.

<sup>15</sup> "M&A Advisory Platform Releases Travel, Hospitality and Leisure M&A Report Highlighting Strong Deal Activity as Global Travel Demand Surges," FinancialContent, March 16, 2026.

<sup>16</sup> J. Steven Patterson, Steven M. Haas, James A. Kennedy II, and Chloe Dupre, "Retail M&A Outlook for 2026: Trends Shaping the Year Ahead," Hunton Andrews Kurth – Hunton Retail Law Resource, February 26, 2026.

<sup>17</sup> Jeo Anto, "Consumer & Retail M&A Update," PCE Companies, April 15, 2026.

# Key considerations as we look ahead

## 01

### Act like scarcity is real

Fewer processes are clearing, but high-quality assets still attract capital. Focus leadership time on the deals you can realistically win and integrate, rather than spreading effort across marginal opportunities. The widest clearing gap remains in incremental and bolt-on deals, where valuation precision and near-term certainty matter more than long-term strategic logic.

## 04

### Treat retail adjacency as an operating model choice

Channel expansion and network build-outs only work if the operating model can support them. Pressure-test systems, last-mile economics, category management, and service levels to ensure adjacency adds leverage instead of complexity.

## 02

### Underwrite integration, not just valuation

In a strategic-led market, investors assume synergies will be delivered. Make integration real before signing by stress-testing sequencing, data migration, procurement governance, and controls readiness, and treating execution risk as a core part of the deal economics.

## 05

### Put capex governance at the center in hospitality

Where the thesis is repositioning, capex is the deal. Lock decision rights, procurement discipline, and milestone-based budget release early, or returns will erode as scope expands and timelines slip.

## 03

### Build structures that clear faster

If sponsor value remains pressured, then the issue is often certainty, not interest. Reduce friction with cleaner carve-out perimeters, tighter working-capital mechanics, and milestone-based integration plans that increase confidence and speed execution.





# How KPMG can help

KPMG helps clients overcome deal obstacles by taking a truly integrated approach to value delivery, combining deep industry experience across consumer, retail, and hospitality with data-supported, tools-led insights and full M&A capabilities across the deal lifecycle. Our teams bring both transactional and operational experience, helping organizations navigate diligence, integration, and execution challenges to deliver rapid, sustainable value creation.

## Our team

Experience wins the deal.

Each member of our deal team brings extensive industry experience and functional depth, working together to help you win the right deals, divest successfully and create long-term value.

**Frank Petraglia**

*Global and US Head of Deal Advisory & Strategy, Consumer, Retail & Hospitality, KPMG US*

**Julia Wilson**

*Principal, Advisory Strategy KPMG US*

**Jack Ingram**

*Partner, Accounting Advisory Services KPMG US*

**Andrew Lindsay**

*Principal, Deal Advisory & Strategy, KPMG US*

**Braden Mark**

*Partner, Advisory Financial Due Diligence KPMG US*

**Daniel Fischer**

*Principal, U.S. Travel, Leisure, & Hospitality Advisory Lead, KPMG US*

**Will Powell**

*Advisory Managing Director, Transaction Strategy KPMG US*

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