



M&A trends in consumer, retail, and hospitality

Q4 2025 M&A trends report

Fewer deals, higher conviction:
Strategic clarity reshapes M&A

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Big bets and strategic clarity shaped M&A in 2025

Last year began with a marked slowdown as companies recalibrated priorities, reassessed portfolios, and deferred broader dealmaking while navigating negative GDP growth and pre-tariff stockpiling ahead of anticipated policy shifts. By Q2 and Q3, deal values and volume rebounded,^{1,2} supported by a wave of large transactions tied to health, wellness, tech enablement and digital platforms that continued to attract premium valuations.^{3,4} Deal flow accelerated again in the fall as companies redirected capital toward higher-margin categories and shed lower-priority assets. On a full-year basis, total deal value in consumer, retail, and hospitality reached its highest level since the pandemic-era peak in 2021, underscoring how a selective investment environment and higher-value transactions outweighed the year's uneven quarterly cadence.

“2025 showed how quickly the M&A environment can shift. The year began with companies focused on tuck-ins and caution, but it ended with larger, higher-conviction transactions as strategic clarity improved. At the same time, consumer demand has become more uneven, underscoring how portfolio focus, margin improvement, and operational discipline have taken on greater importance.”



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

Major transactions such as Kimberly-Clark's acquisition of Kenvue (structured with Kenvue retaining a significant ownership stake and advancing Kimberly-Clark's shift toward higher-margin consumer-health categories), Keurig Dr Pepper's purchase of JDE Peet's, and 3G Capital's take-private of Skechers further illustrated the market's move toward globally-scaled consumer platforms. These deals underscored how acquirers used M&A to expand into higher-growth consumer-health and beverage categories, strengthen category leadership, and pursue operational and brand-driven synergies.

¹ "MergersandAcquisitions.net Releases Groundbreaking E-Commerce & Retail M&A Trends Report for 2026," FinancialContent, January 9, 2026.

² Mike Graziano, "Consumer products M&A update: Rebound remains out of reach," RSM US, August 15, 2025.

³ Evan Clark, "Fewer, Bigger Deals Seen in Consumer, Retail Dealmaking," WWD, January 5, 2026.

⁴ "Consumer & Retail Q2 2025," PCE Investment Bankers, July 21, 2025.

Consumer demand remained resilient through much of 2025, but the underlying picture became increasingly uneven across households and categories. Spending continued to be disproportionately supported by higher-income consumers, bolstered by accumulated wealth, while many households faced sustained pressure from inflation, elevated interest rates, and uncertainty around tariffs and employment. The personal saving rate in the United States hovered between roughly 4 and 6 percent in both 2024 and 2025, indicating limited aggregate saving even as some households drew down earlier cash buffers. Consumers are seeking value and, at times, trading down in an effort to conserve household finances. For consumer and retail companies, this bifurcation suggests top-line pressures will persist, and reinforces the need to prioritize gross margin improvement, support cost discipline, and margin mix over volume-driven growth. The leisure and hospitality sector led the value surge in 2025, with deals clustered around luxury and eco-luxury hotels and resorts. These transactions were anchored in average daily rate (ADR) resilience, loyalty monetization, and repositioning capex. Consistent with asset-light economics, operators leaned into fee-based models and selective portfolio recycling.

“Consumer and retail companies are sharpening their focus on profitable growth across their portfolios. We’re seeing a marked increase in carve-outs of underperforming businesses as organizations prepare assets for market, while simultaneously exploring adjacencies and new categories to align with shifting demand and growth opportunities.”

— Andrew Lindsay
Principal, KPMG Advisory, KPMG LLPUS



Q4 2025 highlights

Q3'25 versus Q4'25

550

deals

↓ **-23.9%**

decrease in number
of deals QoQ

\$71.4

deal value

(in \$US billions)

↑ **3.2%**

increase in deal
value QoQ

2025 highlights

2,559

deals

↓ **-6.9%**

decrease in number
of deals YoY

\$229.8

deal value

(in \$US billions)

↑ **51.7%**

increase in deal
value YoY

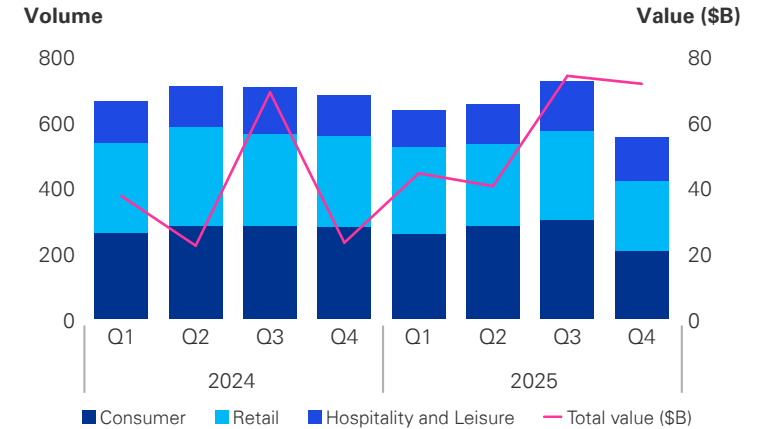
Fewer deals, bigger bets

In Q4 2025, deal volume in C&R dropped sharply—down 23.9 percent quarter over quarter (550 deals in Q4 versus 723 in Q3) and 6.9 percent YoY (2,559 in 2025 versus 2,750 in 2024). Deal value, also, fell 3.2 percent quarter over quarter (\$71.4 billion in Q4 versus \$73.8 billion in Q3) but witnessed a steep rise of 51.7 percent YoY (\$229.8 billion in 2025 versus \$151.5 billion in 2024), helped by several large deals late in the year. Strategic buyers drove most of this value, with strategic deal value rising 18.4 percent quarter over quarter (\$60.7 billion in Q4 versus \$51.2 billion in Q3) even as deal counts declined. PE deal value moved in the opposite direction, falling 52.2 percent quarter over quarter (\$10.8 billion in Q4 versus \$22.6 billion in Q3) as mid-market and smaller deals slowed.

Overall, Q4 showed a market centered on fewer but larger transactions, with companies focusing on portfolio resets, operational strength, and the ability to act quickly when high-quality assets became available. A generally more favorable antitrust environment supported progress on select large transactions, even as overall total domestic deal completions remained weak and the market continued shifting toward a higher share of smaller deals.

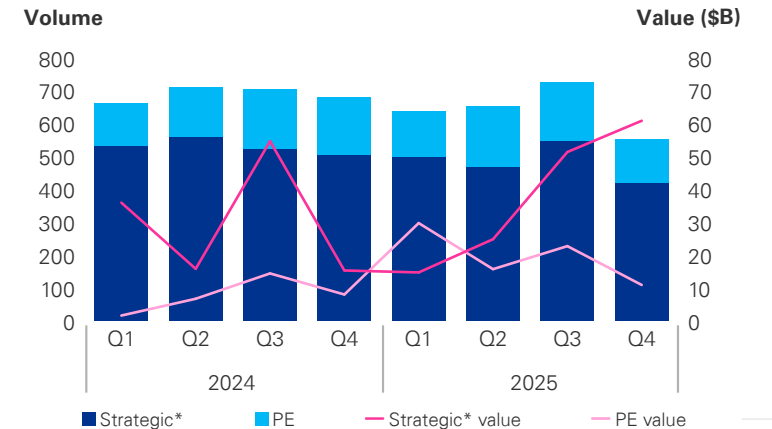


Consumer, retail & hospitality deal volume and value



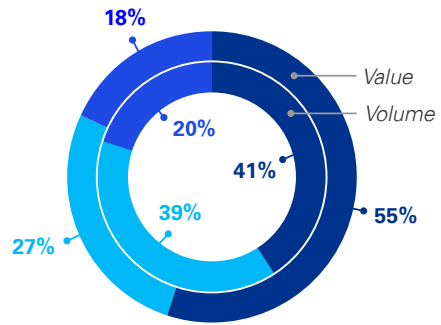
*Data also contains figures for SPAC deals.

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



*Data also contains figures from SPAC deals.

Consumer, retail & hospitality sector mix – 2025

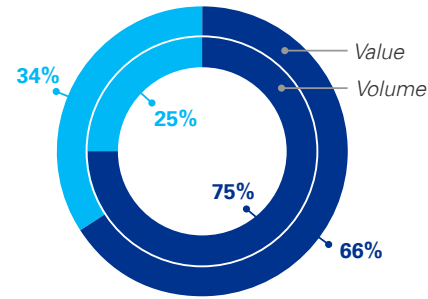


Consumer Retail Hospitality and Leisure

Values may not add to 100% due to rounding.

*Data also contains figures for SPAC deals

Consumer, retail & hospitality strategic/PE mix – 2025

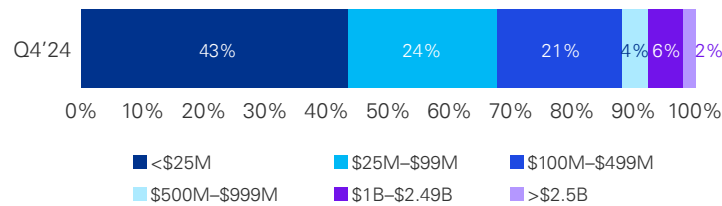


Strategic* PE

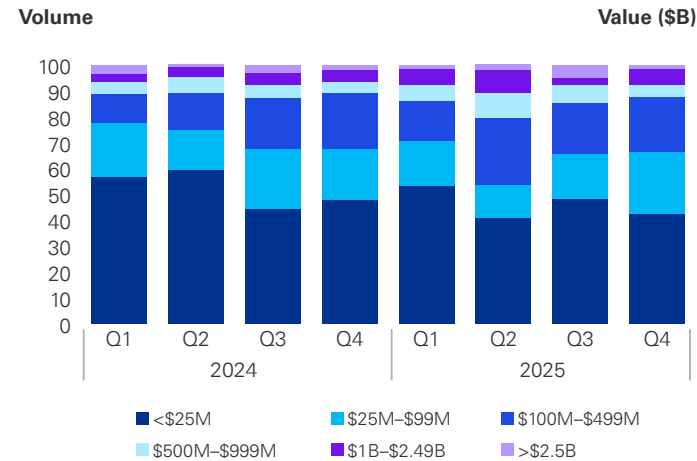
Values may not add to 100% due to rounding.

*Data also contains figures for SPAC deals

Consumer, retail & hospitality deal size mix - 2025



Consumer, retail & hospitality deal size mix



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



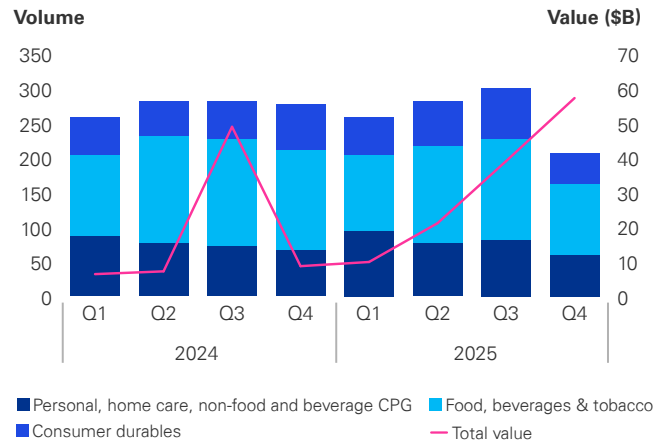
Sector data

Consumer subsector: Value concentrates in premium assets

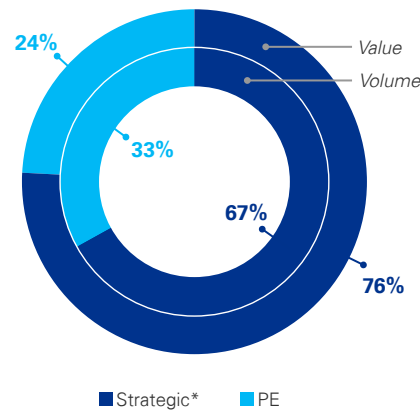
Consumer M&A volume fell sharply in Q4, down 31.3 percent quarter over quarter (206 deals in Q4 versus 300 in Q3) and 4.8 percent YoY (1,046 deals in 2025 versus 1,099 in 2024). But deal value moved in the opposite direction, rising 46.8 percent quarter over quarter (\$57.2 billion in Q4 versus \$39.0 billion in Q3) and 78.7 percent YoY (\$127.1 billion in 2025 versus \$71.2 billion in 2024). Buyers focused on areas such as wellness, functional beverages, and clean-label brands,

along with selective spins (e.g., Keurig Dr. Pepper’s acquisition of JDE Peet’s with the intent to subsequently separate it into two independent companies) and carve-outs to concentrate resources in core categories. The quarter’s surge in value was driven by several mega deals, including Kimberly-Clark’s \$48.7 billion acquisition of Kenvue and Keurig Dr Pepper’s \$18.0 billion acquisition of JDE Peet’s.^{5,6}

Consumer deals by subsector



Consumer strategic/PE mix 2025



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



⁵ “Kimberly-Clark to Acquire Kenvue, Creating a \$32 Billion Global Health and Wellness Leader,” Kenvue, November 3, 2025.

⁶ Ruxandra Iordache and Amelia Lucas, “Keurig Dr Pepper to buy Dutch coffee company JDE Peet’s in \$18 billion deal,” CNBC, August 25, 2025.

Sector data

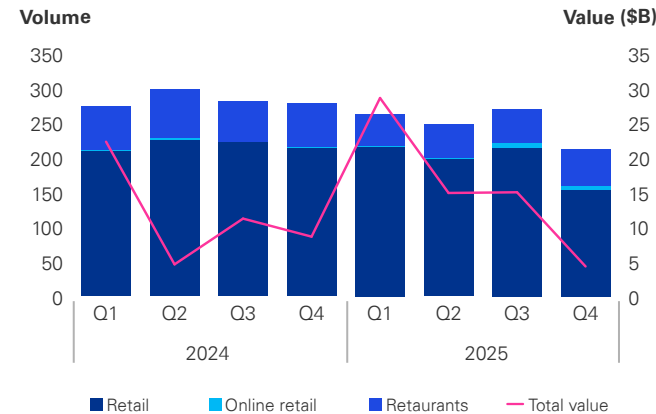
Retail: Deal value contracts as activity slows

Retail M&A volume fell in Q4, down 21.2 percent quarter over quarter (212 deals in Q4 versus 269 in Q3) and 12.4 percent YoY (992 in 2025 versus 1,132 in 2024). Deal value also declined sharply, dropping 71.1 percent quarter over quarter (\$4.3 billion in Q4 versus \$15.0 billion in Q3), although YoY results witnessed a surge of 34.6 percent (\$62.8 billion in 2025 versus \$46.7 billion in 2024). This reflected a cautious market and the lack of large deals closing during the quarter.

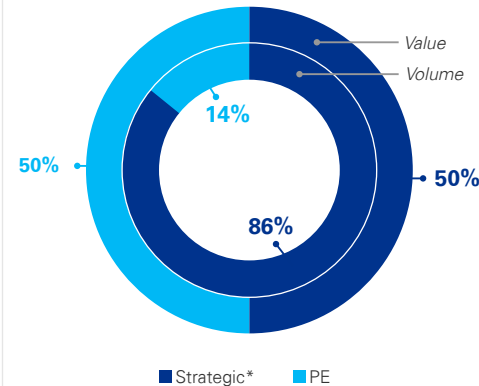
The pattern fits the broader trends of 2025, where retail dealmaking was shaped by distress-driven consolidation and a focus on operational priorities. Buyers focused on areas such

as home improvement, convenience formats, selective take-privates, and restructuring plays—situations where scale and resilience mattered more than overall deal count. Earlier in the year, transactions such as DICK’S Sporting Goods’ \$2.4 billion acquisition of Foot Locker along with DoorDash’s \$3.9 billion acquisition of Deliveroo showed how scale, omnichannel reach, and efficiency-focused combinations continued to define retail M&A.^{7,8} Late-year signs of financial strain—including high-profile bankruptcies and mounting vendor pressures in parts of apparel and luxury retail—underscored the challenges shaping buyer caution and selective dealmaking.

Retail deals by subsector



Retail strategic/PE mix 2025



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

“With demand volatility and sustained margin pressure reshaping retail, cost transformation has shifted from a defensive response to a strategic imperative. Winning retailers are moving quickly, using savings to fund the digital, operational, and experiential investments needed to stay competitive.”

— Sunder Ramakrishnan
Principal, KPMG Advisory, KPMG LLP



⁷ “DICK’S Sporting Goods to Acquire Foot Locker to Create a Global Leader in the Sports Retail Industry,” Foot Locker, Inc., May 15, 2025.
⁸ Ryan Browne, “DoorDash to buy British food delivery firm Deliveroo for \$3.9 billion in overseas push,” CNBC, May 6, 2025.

Sector data

Leisure and hospitality: Hybrid engagement, scaled platforms, and opportunistic plays

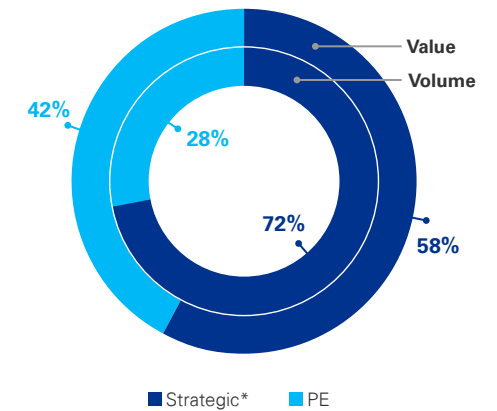
In 2025, hospitality and leisure dominated the sector with 774 deals and \$49.2 billion of value (value up 78.5 percent in 2025 compared to 2024). Deals clustered around luxury and ecoluxury hotels and resorts, illustrated by Blackstone’s \$1.2 billion purchase of Hamilton Island⁹, KSL Capital and Tortuga Resorts’ \$2.0 billion purchase of the Playa Resorts real estate portfolio from Hyatt Hotels Corporation (following Hyatt’s \$2.6 billion acquisition of Playa Hotels & Resorts N.V.),¹⁰ and CMR Hotel’s acquisition of Soho House and Co. for \$2.7 billion.¹¹ These transactions were anchored in average daily rate (ADR) resilience, loyalty monetization, and repositioning capex. Consistent with asset-light economics, operators leaned into feebased models and selective portfolio recycling, while sponsors rotated real estate.¹² Furthermore, the subsector focused on opportunistic plays in leisure. Intralot’s \$3.2 billion acquisition of Bally’s Corporation’s International Interactive business fused lottery infrastructure with gaming and data technology, Flutter’s \$1.8 billion acquisition of Boyd Gaming’s 5% stake in FanDuel consolidated its US online sports and iGaming, and Apollo’s \$6.3 billion acquisition of IGT’s Global Gaming & PlayDigital Business and Everi combined gaming content, digital platforms, and casinofintech capabilities into a single scaled IGT-branded enterprise.^{13 14 15} luxury hotels based models and selective portfolio recycling, while sponsors rotated real estate fintech capabilities into a single scaled IGT-branded enterprise.



Hospitality and Leisure deals by subsector



Hospitality and Leisure strategic/PE mix 2025



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

⁹ "Hamilton island sold to Blackstone for \$1.2B," Markets Group, December 23, 2025.

¹⁰ "Hyatt Completes \$2.0 Billion Sale of Playa’s Owned Real Estate Portfolio to Tortuga," Hyatt, December 30, 2025.

¹¹ Eloise Hanson, "Soho House to go private in \$2.7 billion deal," Boutique Hotel News, August 19, 2025.

¹² Valerija I., "Hotel Transactions Shift in 2025 US Market," CRE Daily, December 30, 2025.

¹³ "Flutter secures 100% ownership of FanDuel through new agreement with Boyd," Flutter, July 10, 2025.

¹⁴ Kirk Geller, "Intralot acquires Bally’s International Interactive business for \$3.18bn," Gaming America, July 1, 2025.

¹⁵ "Apollo Funds Complete Acquisitions of International Game Technology’s Gaming & Digital Business and Everi; Combined Enterpriseto Operate as IGT," Apollo, July 1, 2025.



Top deals for 2025

Acquirer:
Kimberly-Clark Corporation
Target:
Kenvue Inc.

Value (billions)
\$48.7

Acquirer:
Sycamore Partners Management
Target:
Walgreens Boots Alliance

Value (billions)
\$23.7

Acquirer:
Keurig Dr Pepper Inc.
Target:
JDE Peet's N.V.

Value (billions)
\$18.0

Acquirer:
3G Capital
Target:
Skechers

Value (billions)
\$9.4

Acquirer:
Lowe's Companies, Inc.
Target:
Foundation Building Materials, Inc.

Value (billions)
\$8.8

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 timeframe, including both majority and minority stakes. Deal values are based on publicly available data and are not exhaustive. Previously published statistics may be revised to incorporate new data or changes.

Selective by design: clarity, conviction, and execution in 2026

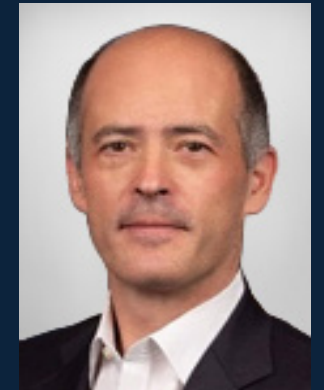
The C&R sector enters 2026 with a clear bifurcation, as well-positioned and premium assets are likely to attract strong interest while underperforming or noncore assets continue to face muted demand and heightened execution risk. Dealmaking is expected to remain selective and strategic, yet buyer confidence has improved, with both strategic and financial sponsors increasingly willing to pursue high-conviction opportunities that offer resilience and clear paths to value creation.

Although policy and tariff conditions became clearer late in 2025, early 2026 has brought renewed uncertainty as firms reassess shifting trade requirements and broader geopolitical risks. Macro headwinds, tariff-linked inflation, and uneven demand conditions will favor disciplined execution over volume, but readiness and longer-term strategic clarity will continue to be rewarded.

Private equity sponsors are leaning into scenario-based underwriting, stress-testing demand, recession sensitivity, and exit timing, and prioritizing categories with proven rebound profiles.³ For strategic buyers, AI is no longer viewed as a differentiator. AI-driven forecasting, speed-to-market capabilities, and cyber resilience have become competitive requirements, shaping diligence, integration speed,¹⁶ and post-close execution standards.

The rationale for transactions will remain largely defensive. Companies continue to sharpen their focus on core categories, generate cash through divestitures, and use carve-outs to concentrate resources where competitive advantage is strongest.³ Take-private transactions and selective brand acquisitions are expected to remain key strategies, giving firms greater flexibility to reset away from public-market pressures while capturing promising assets.

“Persistent inflation has fundamentally changed how consumers shop. Rather than simply trading down, they are continuously evaluating value, forcing consumer packaged goods leaders to move beyond broad pricing actions. Winning brands are using AI-driven insights to better understand purchase drivers and dynamically recalibrate pricing, promotions, and value propositions.”



— Bernardo Mas
Director, Advisory, KPMG LLP

³ Evan Clark, “Fewer, Bigger Deals Seen in Consumer, Retail Dealmaking,” WWD, January 5, 2026.

¹⁶ Vaibhav Tandon and Ryan Musser, “2026 Consumer Industry Outlook,” BPM, December 9, 2025.



Consumer: clean label, core growth, carve-outs

Expect continued divestitures and spins, with growth agendas balancing organic innovation and inorganic moves to add functional, clean-label, and everyday consumption platforms. This includes the continued separation of lower-margin OTC portfolios from large life-sciences companies, as firms rebalance toward higher-growth consumer-health categories. Home-care and household essentials will remain a focus area as companies rebalance portfolios toward everyday-consumption categories with steadier demand. Companies with strong private-label^{17 18} businesses and carve-outs will be used to offset margin pressure and concentrate resources.^{2 4}



Retail: strategic consolidation for stability

Home improvement and convenience formats will drive strategic combinations for scale and resilience. Selective take-privates in lifestyle and specialty retail will provide operational resets and debt relief. Portfolio optimization and private-label manufacturing will remain priorities, alongside digital enablement.²



Strategic: portfolio reshaping and execution discipline

Strategic buyers are expected to use M&A more deliberately to sharpen portfolio focus, accelerate integration, and capture synergies, reinforcing core categories and execution capabilities rather than pursuing scale-driven expansion.

² Mike Graziano, "Consumer products M&A update: Rebound remains out of reach," RSM US, August 15, 2025.

⁴ "Consumer & Retail Q2 2025," PCE Investment Bankers, July 21, 2025.

¹⁷ "Five themes reshaping consumer markets in 2026," RBC Capital Markets, January 6, 2026.

¹⁸ "GCG Q3 2025 Consumer and Retail Industry Update," Greenwich Capital Group, December 18, 2025.

¹⁹ "Consumer & Retail Q4 2025," PCE Investment Bankers, January 14, 2026.



Leisure: K-shaped market emerges

Digital-first wagering will keep expanding through mobile, fantasy, and lottery adjacent plays, while land-based casinos pivot to hybrid models that integrate compliance, payments, and data driven personalization. Supplier stack consolidation across gaming content, account management, and payments/fintech will accelerate, reducing vendor complexity and deepening recurring revenues in regulated markets.



PE: selective deployment and value-creation resets

PE firms are expected to be disciplined and selective, with sponsors continuing to target assets that offer stable cash-flow profiles and clear operational improvement opportunities. Financial buyers are expected to stay focused on valuation sensitivity and demand variability.¹⁹



Hospitality: Asset-light models evolve

Asset-light operating models, loyalty monetization, and sustainability cred will remain the valuation fulcrum, as selective recycling and urban repositioning continue. Technology-enabled service and disciplined capex will differentiate operators that grow fee streams without over-owning real estate.

Key considerations as we look ahead

C&R industry dealmakers should consider the following factors:

01

Shape the portfolio

Use carve-outs and divestitures to concentrate resources where competitive advantage is strongest, and pressure-test recession scenarios to protect exit multiple.

03

Stay transaction ready

Maintain robust pipelines, clear approval pathways, and integration or separation playbooks to execute quickly when opportunities arise, avoiding market-timing traps.

05

Watch inflation expectations

Tariff sequencing and elevated producer-price trends may continue to pressure input costs, making pricing power and margin mix key diligence priorities.

02

Build cases around executable levers

Use AI-driven forecasting, cost takeout, supply chain efficiencies, and margin mix improvements to ground deal rationale and value-creation assumptions.

04

Double down on diligence

Expand diligence scope beyond financials to include cyber resilience and a thorough assessment of a target's AI strategy, governance, and integration readiness.

06

Plan for uneven labor-market pressure

The current “low hire, low fire” environment—marked by limited workforce churn and tight labor availability in service-oriented segments—reinforces the need to evaluate automation opportunities, workforce efficiency, and labor-linked cost risks as part of diligence and integration planning.

07

Track shifts in US regulatory environment

A more favorable regulatory environment coupled with continued interest rate reductions could support M&A acceleration in the sector.

09

Integrate and coordinate

In hybrid platforms (gaming, experiential leisure), integration is an operating model exercise—data, payments, compliance, and content. Align tech-stack consolidation (RGS/PAM/fintech) with regulatory milestones to protect uptime and consumer trust. Ensure that you have a robust value creation plan (revenue growth and cost takeout). This is especially applicable to PE deals, which help businesses effect meaningful transformations that they can't complete on their own, as opposed to the past approach of financial reengineering to achieve value.

08

Rev up the engine

Prioritize deals with clear revenue engines—loyalty monetization, premium ADR, mobile DAU growth—and where data rights are explicit; underwrite LTV/CAC and cross-sell synergies early in diligence to derisk the thesis.

10

Buy where experience compounds

Trophy lodging, urban repositioning, and event-adjacent assets will command premium multiples if backed by eco-luxury credentials and brand-level engagement. Align leadership bandwidth and capex to accelerate repositioning post-close of the deal.





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.

With a consumer, retail, and hospitality specialization, our teams bring both transactional and operational experience, delivering rapid results and 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



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



Julia Wilson
Principal, Advisory Strategy, KPMG LLP



Bernardo Mas
Director, Consumer & Retail, KPMG US

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