



Household Products Sector Trends & Sentiment

PE Survey Results





Sponsor Key Insights and Trends

- 1 HOUSEHOLD PRODUCT BUSINESSES OFFER INVESTORS ATTRACTIVE INVESTMENT CRITERIA
 - Investors place emphasis on Household Products businesses with opportunity for M&A / consolidation, large addressable markets and consumable products
 - Stable, more mature businesses and recession resilient business models are also valued characteristics

Vast majority of investors responded that they would consider an investment in Household Products at this time

- 2 DIVERSE INTEREST ACROSS HOUSEHOLD PRODUCTS CATEGORIES
 - Investors expressed high interest in the Pet Products (non-food) and Lawn & Garden sectors
 - Retail Cleaning Solutions and Commercial Cleaning Solutions both were ranked highly as areas of interest
 - Additionally, Outdoor Equipment, Craft & Hobby and Baby / Juvenile were attractive categories

81%

of investors said 'Natural' or 'Clean' labeling of cleaning products (eco-friendly) is somewhat or very important to their investment decision



Sponsor Key Insights and Trends (Cont.)

3 INVESTORS OPEN TO AMAZON CONCENTRATION AND VALUE BRANDS WITH DIRECT-TO-CONSUMER PRESENCE

of respondents said they would entertain an investment in a Household Products business with 30%+ Amazon customer concentration

of respondents said it is somewhat or very important for branded Household Products to have a direct-to-consumer presence

- BROAD INTEREST FOR BRANDS, PRIVATE LABEL AND LICENSED PRODUCTS
 - of respondents said brands are somewhat or very important to their investment thesis
 - of respondents said they may or are very likely to look at a portfolio of Household Products that have a significant percentage of private label
 - of respondents said they may or are very likely to look at a portfolio of Household Products that are largely licensed

Sponsor Key Insights and Trends (Cont.)

5 INFLATION AND INVENTORY LEVELS STILL MAJOR CONCERN FOR INVESTORS

of investors are still concerned about the impact of inflation on consumer demand in 2023 and beyond

of investors responded that they are concerned about major retailers (e.g., Walmart, Target, Amazon) changing their ordering patterns and holding less inventory in 2023

- AREAS OF INTEREST TO LEARN MORE FROM RESPONDENTS
- Chinese sourcing, re-shoring/nearshoring
- Movement to private labeling from WMT, TGT, AMZN and others
- Trends of POS data versus 2022
- Return to work and work-from-home trends



Lender Key Insights and Trends

- Lenders indicated a greater interest in stabile, recession resilient businesses than their peers in private equity
- Broad Household Product sector interest from lenders, with interest in Commercial Cleaning and Pet Product sectors ranking highest
- **3** Lenders open to investments with significant portion of revenue derived from private label or licensed products
- Concern still exists among lenders around the impact of inflation on consumer demand and major retailers changing their ordering patterns and holding less inventory in 2023 and beyond
- Significant Amazon concentration not a major concern for lenders, however, most respondents consider having a DTC presence as somewhat or very important
- Nearly all lenders indicated that 'natural' or 'clean' labeling of cleaning products is somewhat or very important to their investment decision

Lenders open to Household Product investments across a broad range of business, channel and brand strategies





What characteristics do you like most about Household Products businesses?

: Average response

#	Field	1 - Lowest	2	3	4	5 - Highest
1	Stable, more mature businesses	•		•	3.5	•
2	Recession resilient	•		•	3.4	•
3	Consumable	•			♦ 3.7	•
4	Brand everyone knows	•		2.9		•
5	Generally large addressable market (not niche)	•			♦ 3.7	•
6	Aligns with own sustainability initiatives	•	◆ 2. 3	3		•
7	Consolidation / M&A opportunity	0			♦ 3.8	•
8	Broad, omni-channel distribution	•			3.6	•
9	Asset-light businesses	•		♦ 3.1		•



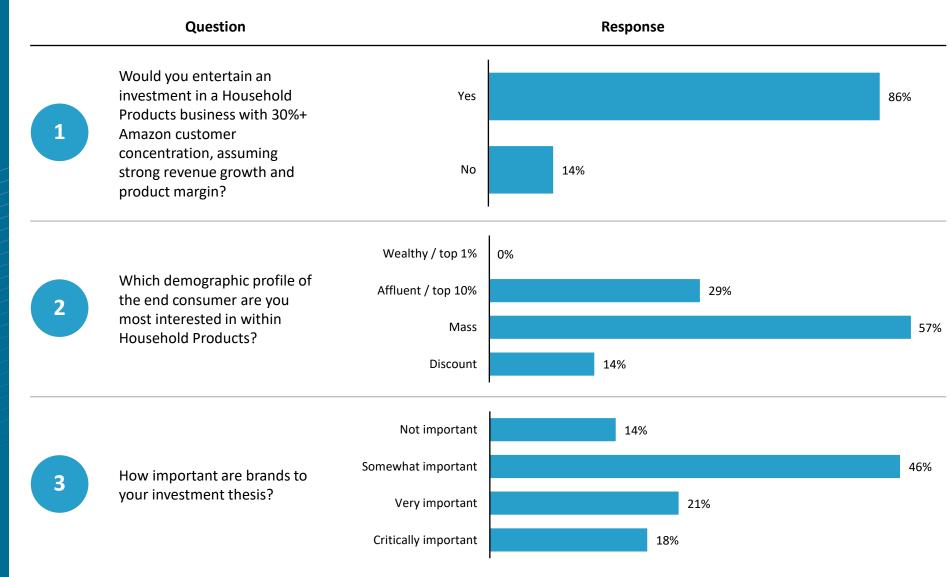
What sectors within Household Products are most attractive to you?

: Average response

#	Field	1 - Lowest	2	3	4	5 - Highest
1	Retail cleaning solutions (detergents, liquids, powders, etc.)	0		♦ 3.0		•
2	Retail cleaning tools (mops, brooms, etc.)	•	*	2.4		•
3	Commercial cleaning / hygiene solutions	•		♦ 3.1		•
4	Kitchenware (bakeware, cookware, kitchen gadgets, etc.)	•				•
5	Organization	•		2.5		•
6	Food and beverage storage (bottles, containers, etc.)	•				•
7	Pet products (non-food)	•			→ 3.8	•
8	Home furnishings / décor (lighting, furniture, accessories, etc.)	•		- ♦-2.7		•
9	Kitchen appliances (blenders, knife sharpeners, air fryers, etc.)	•		♦- 2.6		•
10	Foodservice appliances	•		♦ 2.6		•
11	Technology-enabled products / connected home	•		◆ 2.8		•
12	Home environment (fans, air purifiers, humidifiers, etc.)	•		◆-2.9		•
13	Sleep (pillows, mattresses, bedding, etc.)	0		2.7		•
14	Outdoor equipment (grills, furniture, outdoor kitchen accessories, etc.)	•		♦-3.1		•
15	Lawn and garden	•		•	3.5	•
16	Craft and hobby	•		♦- 3.2		•
17	Baby / Juvenile (strollers, highchairs, swings, hygiene, etc.)	•		♦ 3.1		•
18	Infant and toddler toys	•		◆- 2.9		•
19	Toys and games	•		♦ 2.9		•

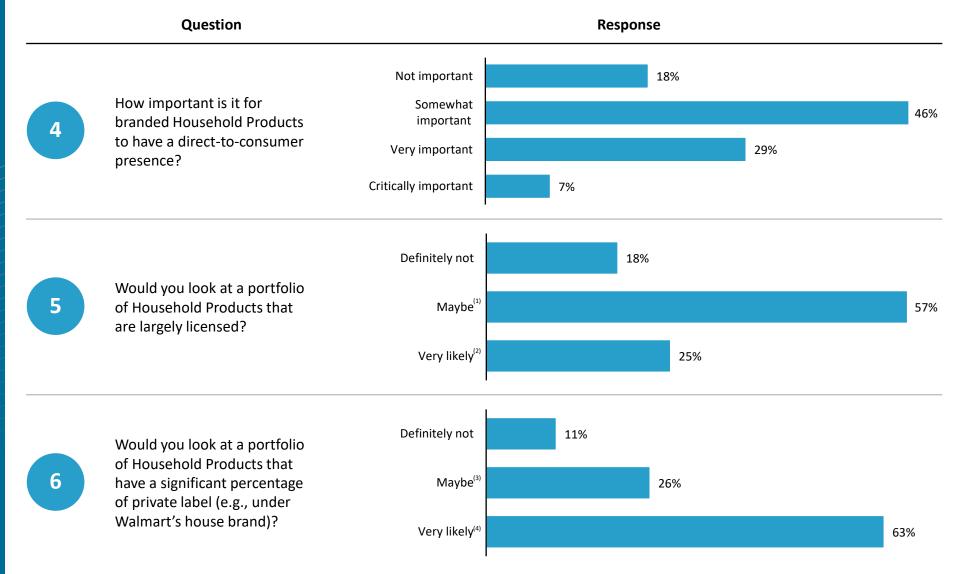


Survey Results (Cont.)





Survey Results (Cont.)



Maybe, but it depends if there were any relevant competitive brands in the category / distribution channels.

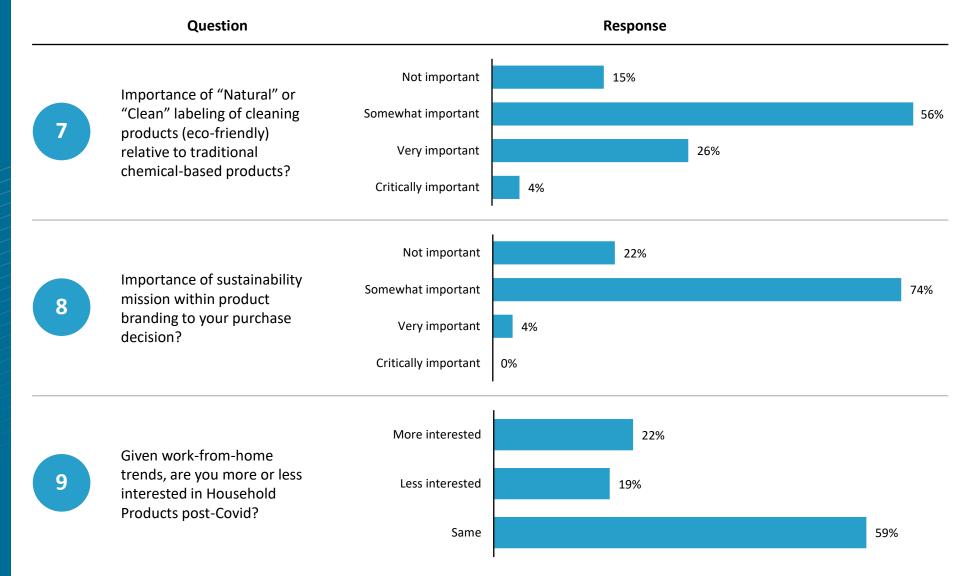
Very likely, as long as it partnered with well-known brands (and was relevant for the category).

Maybe, as long as it was not the primary go-to-market strategy (and was more to gain greater shelf space / importance to retailer).

⁴⁾ Very likely, as long as it was part of a more comprehensive strategy.



Survey Results (Cont.)



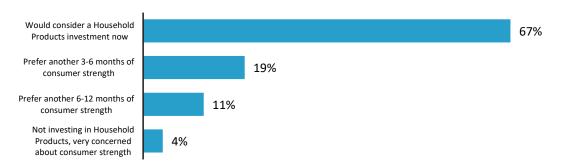


Survey Results (Cont.)

Question Response

the American consumer, would you consider a 10 **Household Products** investment now, or would you prefer more time to affirm consumer resilience?

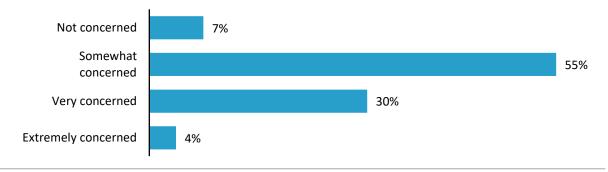
Given the uncertain state of



How concerned are you about the impact of inflation on consumer demand for Household Products in 2023 and beyond?

Are you concerned about the

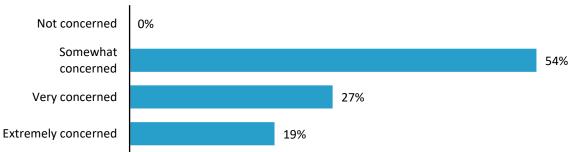
major retailers (e.g., Walmart,



Target, Amazon) changing their ordering patterns and holding less inventory in 2023, and the ultimate impact on

businesses?

Household Products





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