

**Baird Global Consumer Investment Banking**

# **2021 Year End Recap & Look Ahead to 2022**



# We Had an Epic 2021!

We **crushed deal volume records** and advised **market-leading brands** across our core subsectors of Beauty & Wellness, Enthusiast Brands, Food & Beverage, Household Products and Retail, Restaurants & Franchising. Best of all...**we helped our clients achieve outstanding outcomes.**

**We charge toward 2022** with sustained momentum. With a **proven track record of success**, we are **battle tested** in the current market and ready to **lead clients to incredible outcomes in 2022.**

**60+**

**Consumer Advisory and Equity Transactions**

**~\$25B**

**Total Deal Volume**

**~\$750M**

**Average M&A Transaction Size**

**7**

**Consumer Advisory Deals Over \$1B+**

**\$10B+**

**Capital Raised in Consumer Equity Transactions**

**>50%**

**Bookrunner on the Majority of Our Equity Transactions**

# 2021 Baird Global Consumer Deals

BAIRD

Across M&A, Equity and Capital Advisory transactions we worked with incredible brands



# 8 Trends That Will Impact the Consumer Landscape in 2022

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01

**DEMAND FOR  
AUTHENTIC DIVERSITY  
AND INCLUSION  
HEATS UP**

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02

**PRIORITIZATION OF  
ETHICAL AND  
SUSTAINABLE  
PRODUCTS**

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03

**THE HOME BECOMES  
THE HUB FOR WORK,  
LIFE AND PLAY**

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04

**WANTING SPACE  
PROMOTES OUTDOOR  
EXPLORATION**

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05

**THE WELLNESS MARKET  
CONTINUES TO  
EXPLODE**

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**DIGITAL STORYTELLING  
DRIVES ENGAGEMENT  
AND LOYALTY**

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**HEIGHTENED  
EXPECTATIONS FOR  
HYGIENE AND  
CLEANLINESS**

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08

**THE WORLD IS  
SHRINKING AND  
OPPORTUNITY IS  
GROWING**

# Demand for Authentic Diversity and Inclusion Heats Up

Consumers are seeking authentic diversity and publicly **disapproving of “woke-washing”** with no action. **Truly inclusive brands showcase core values** across culture, leadership and consumer engagement.

Nearly **2/3 of consumers** say seeing **diversity represented in advertising is a significant purchase motivator**. Further, approximately **1/3** of consumers will not support a brand that fails to represent them.

2021 saw increased investment in **companies promoting real diversity and inclusion**, a trend we expect to accelerate in 2022.

## Company Spotlight



“**WSS** has excelled as a specialty retailer of athletic and lifestyle footwear by integrating itself into the **\$2.3 trillion Hispanic consumer market**. With a core strategy focused on being **neighborhood-focused** and recognizing the **importance of authenticity**, WSS has proved itself to be more than just a retailer, it has become a cultural icon.” - *Chris Sciortino*



“**Knix** was founded on **performance and innovation** and was the **first women’s intimates brand to focus on inclusivity and body positivity** creating **a foundation of authenticity** that many other competitors have followed but failed to replicate.” - *Matt Tingler and Lauren Leibrandt*



# Prioritization of **Ethical** and **Sustainable** Products

The larger trends of **sustainability, ethical sourcing and offsetting of manufacturing footprints** continue to gain momentum with the mainstream consumer.

Brands lacking a robust sustainability strategy risk being left behind as **7 in 10 consumers are actively trying to reduce their carbon footprint** and are aligning their discretionary spending with products and services that help them achieve this goal.

These trends are accelerating the **shift to more sustainable business models** and **creating compelling investment opportunities** across industry sectors.

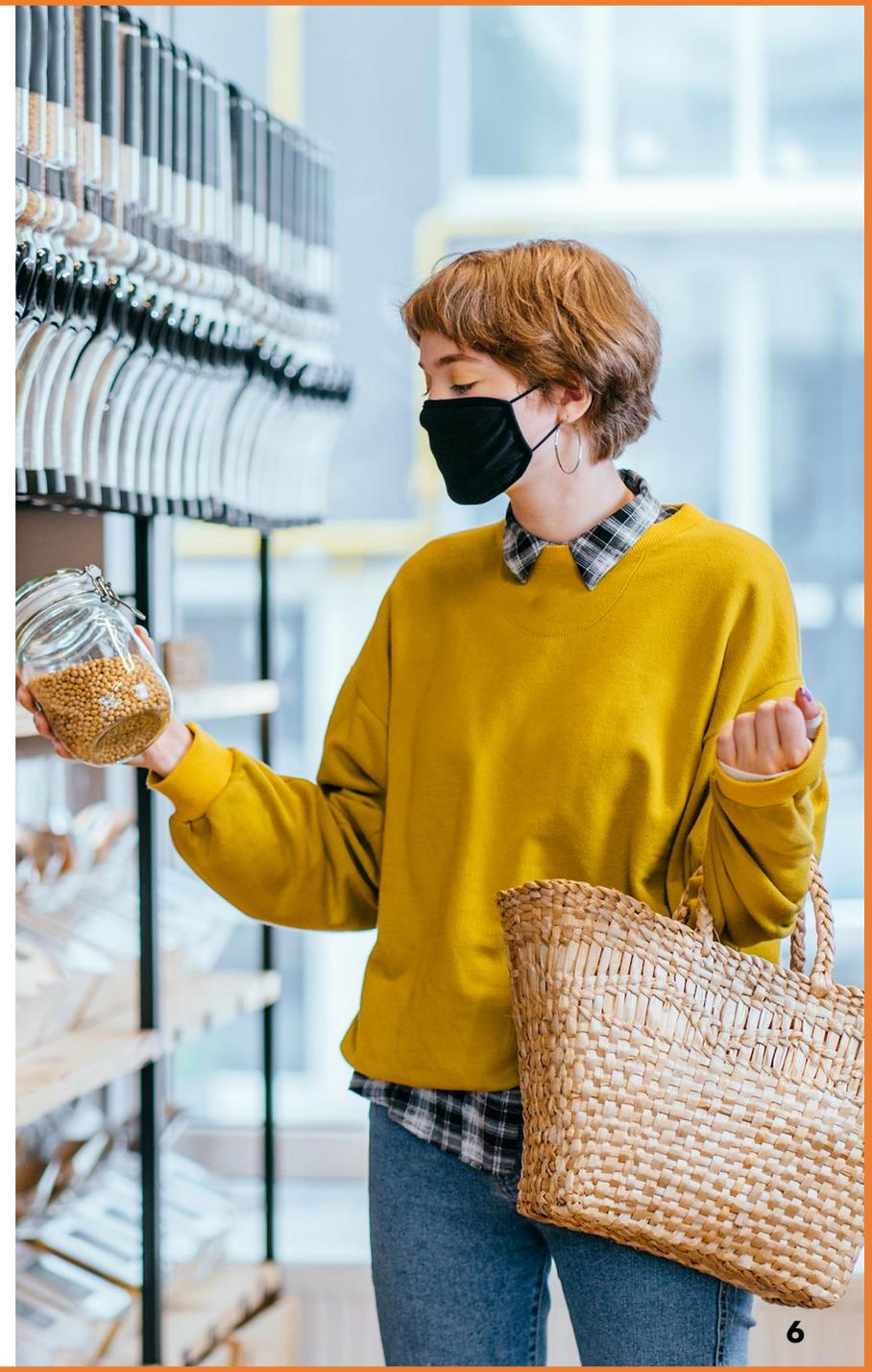
## Company Spotlight



**"Allbirds** has shown that **a focus on sustainability and social consciousness** can be powerful corporate guidelines that not only **support the environment** but **generate attractive economic returns.**" - *Matt Tingler and Sandy Walter*



**"West Marine's** BlueFuture initiative was borne out of **a desire to keep our planet's waterways clean and ready for recreation for generations.** Through reducing fuel usage, increasing recycling, investing in pollution reduction and promoting green products, **West Marine** is proving **a dedication to the environment that consumers resonate with.**" - *Chris Sciortino*



# The Home Becomes the Hub for Work, Life and Play

From cookware to carpets, **consumers are spending more on the home**. The idea of the home as a sanctuary has emerged, with ~80% of consumers viewing their home as such.

The home has become more than just the place where we live - it's now also the office, school and gym, too. Home is where we eat, entertain ourselves and spend time with friends and family. **Our personal, professional and family lives have converged**.

Companies that provide **products and services** that allow consumers to make their home lives more comfortable and **reduce the friction from life's everyday pain points** will continue to thrive.

## Company Spotlight



"One of the major trends benefiting **Bradshaw Home** and other Household Products companies is that with more time spent in the home, **consumers are adopting new cooking and cleaning habits** that we believe will be sustainable well beyond the pandemic." - *Rob Rosenfeld*



"With **consumers spending more time in their homes**, **Stanton's** premium products provide an **immediate high aesthetic impact**, allowing homeowners to admire their space. We expect household spending to remain robust for the foreseeable future." - *Nick Pavlidis*



# Wanting Space Promotes Outdoor Exploration

Outdoor recreation participation rates have reached an **all-time high**, as more consumers express the desire to be **outside and immersed in nature**.

Millennials and Gen Z value **authentic experiences** over expensive possessions, meals or hotels; **they want to get out and experience the world**.

Brands that promote **discovery, exploration and engagement** with the outdoors are well suited to serve this shift in consumer behavior.

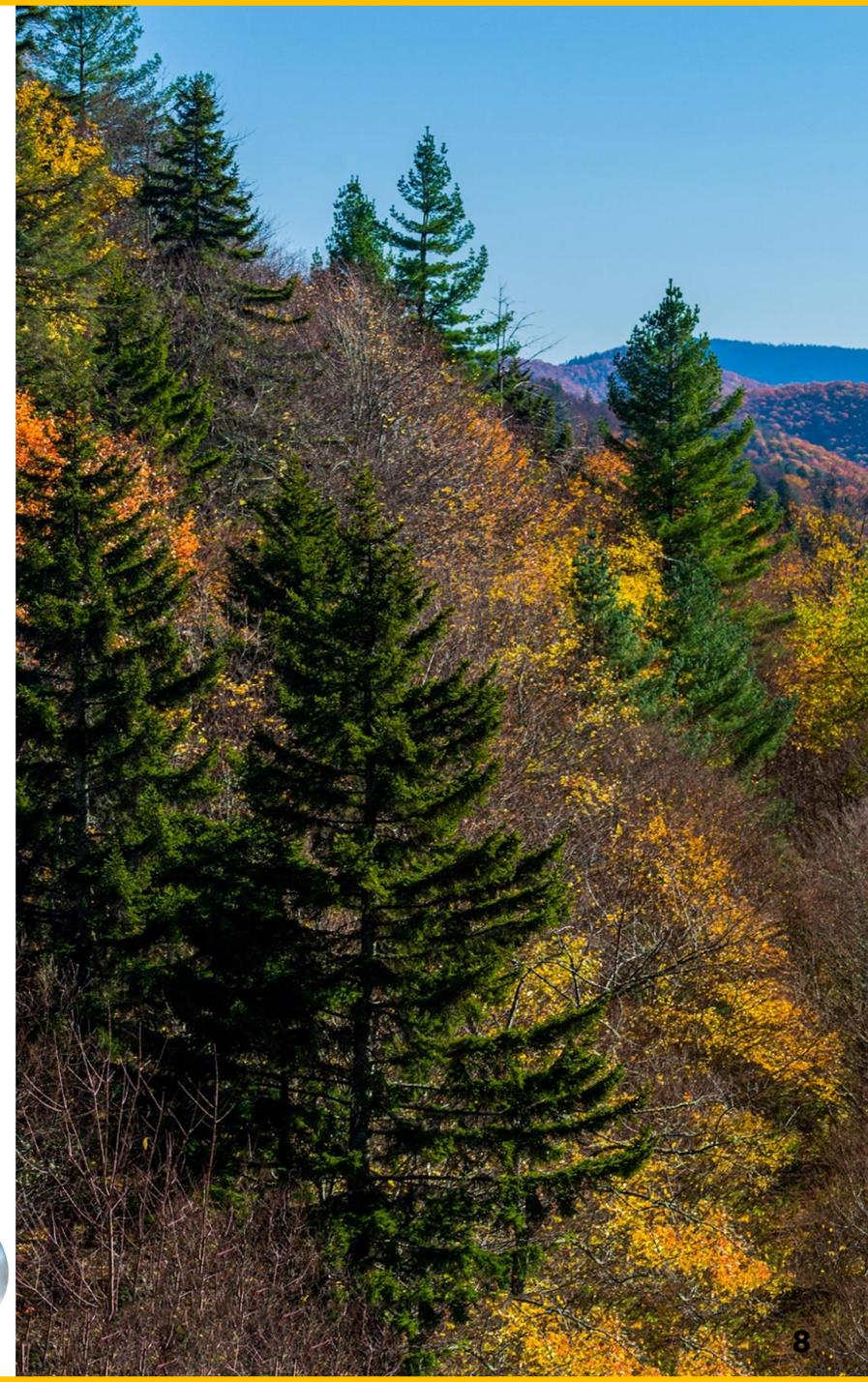
## Company Spotlight



"The outdoor industry thrives off the **consumers' excitement and passion for being outside**. Rough Country saw that consumers wanted **personalized experiences** and created the products to give them a perfect adventure."  
- Andy Martin



"Consumers want to experience the outdoors on a bike, but such a task can be daunting. The mission of **Dorel Sports** is to **make cycling a part of everyone's lives**. The company leverages a portfolio of seven brands to provide **kids bikes to Tour de France-winning competition bikes (including e-bikes)** to promote discovery across all skill levels." - Joe Pellegrini and John Bastian



# The **Wellness** Market Continues to Explode

Wellness is one of the **most dominant sociocultural obsessions** in today's world - 80%+ of consumers now believe wellness is important, driving the global wellness market to **exceed \$4.5T in annual spending**.

Consumer perspectives have **irrevocably shifted** over the past few years, leading many to adopt a **holistic approach to wellness**, one that encompasses physical health, nutrition, mindfulness, appearance, sleep and fitness.

Wellness companies will be increasingly forced to demonstrate the **science and efficacy behind their products and services** as consumers are becoming more skeptical of evidence-free "wellness fads" that are more about consumption and less about health.

## Company Spotlight

**CURiO™**

capri BLUE THYMES



**"Self-care rituals and routines are now pervasive**, a dynamic we expect to continue for many years to come. **CURiO Brands** leverages the power of **fragrance in making beauty & wellness** products that are both beautiful to look at and beautiful to use, creating little moments of **pause, pleasure and wellbeing in everyday life.**" - *Lauren Leibrandt*



"Holistic wellness will always include **physical health and wellbeing**. **Fontaine Santé** enables this **one ingredient at a time** by providing **on-trend, better-for-you and convenient snacking products** that don't sacrifice taste." - *Glen Clarke and Spencer DePree*



# Digital Storytelling Drives Engagement and Loyalty

Consumers want an **emotional connection** with the brands they support and **the ability to engage with a community** of like-minded individuals.

Authentic founder stories are particularly resonating with consumers right now. **Reinforcing the brand's mission through digital content and storytelling helps companies differentiate themselves in a sea of sameness.**

As the **influencer marketing industry swells to \$13.8B in 2022**, influence has become the new currency. **However, consumers are highly adept at identifying any inkling of inauthenticity**, so brands must have a sophisticated strategy in harnessing their networks.

## Company Spotlight

**SWEAT** 

"Kayla Itsines has built one of the world's **largest digital fitness training platforms for women**, with content made by women. **Sweat** has a **global community** of more than 50 million women across its social channels offering **support and inspiration** to help women reach their fitness goals."

- John Bastian



"With **over 100,000 members** of its rapidly expanding good2collect community, **good2grow** has created **an online gathering space for its loyal fanbase to stay engaged and up-to-date** on the latest collectible toppers for its growing variety of nutritional beverages."- Glen Clarke and Spencer DePree



# Heightened Expectations for Hygiene and Cleanliness

Satisfying elevated expectations of hygiene and cleanliness is becoming **table stakes for brands and service providers**. From hand sanitizing stations to disinfectant wipes and beyond, these products **allow consumers to feel safe**.

**Guests spend twice as much at a clean restaurant**, and **9 in 10** say a clean store environment increases their **likelihood of making a purchase**.

COVID only accelerated **existing pre-pandemic trends** toward **greater global hygiene and cleanliness**.

## Company Spotlight



**"Awareness of and the need for cleanliness** have never been higher whether in the office, at school, or in other areas away from home – **Coverall** provides a trusted brand and the **gold standard in commercial cleaning** to get the job done." - *Ryan Bruner*



**"During the pandemic, consumers increased their focus on the efficacy of household cleaning**. We expect to see continued growth in companies like **Rejuvenate**, which provides specialized cleaning solutions to discerning consumers." - *Nick Pavlidis*



# The World is Shrinking and Opportunity is Growing

Globalization has gone from a buzzword to a dominant force in the markets, and consumer tastes have followed. With a torrent of international trends only a mouse click away, 2021 was a year where the world's most popular musician was Canadian, the most popular show was South Korean and the most popular phone app was Chinese.

Market leaders now view international markets with a focus on creating value, identifying new trends and meeting new demand.

Brands must find inroads to reach international consumers to remain competitive. Whether through new launches or acquisitions, the lesson remains the same - if you're not global, you're nowhere.

## Company Spotlight

CANYON

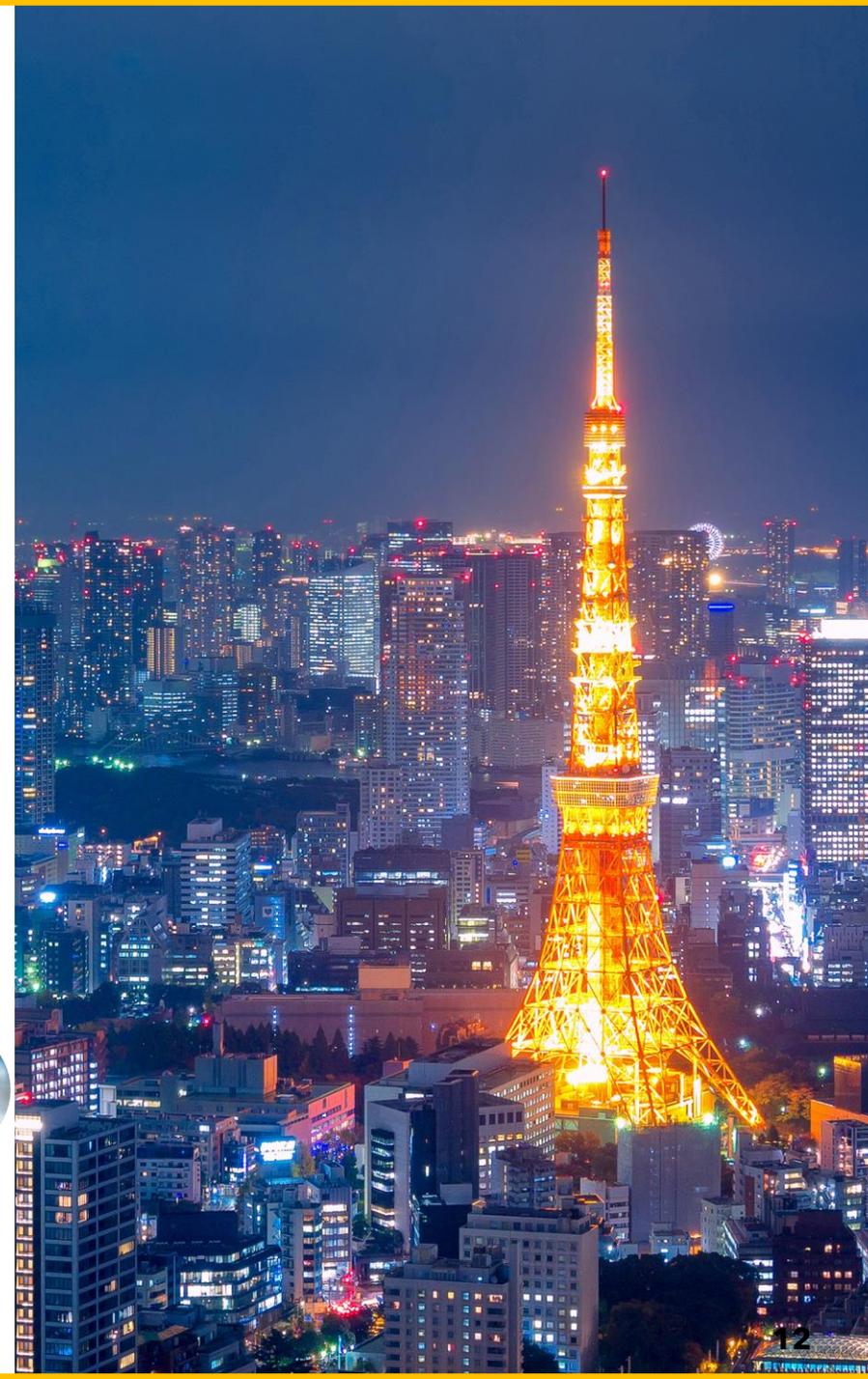
"Consumers all over the world have really embraced cycling over the past several years and will continue to do so. Canyon, based in Germany, is the leading disruptor in cycling, finding success engaging with its global, growing and loyal base in a direct-to-consumer format."

- Robert Foster and Boris Partin



DTLR | VILLA

"Global strategic buyers continue to look for ways to expand their footprint worldwide. DTLR is a great example of an asset that has delivered the ability for an international buyer to rapidly expand and further penetrate an attractive consumer demographic in the U.S. market." - Ryan Brunker



# Baird has the Track Record, Experience & Sector Expertise to Help You Find Success in 2022!



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