

Axios Pro Exclusive Content

Healthy spending signals a strong 2024 M&A market

Kimberly Chin, author of [Axios Pro: Retail Deals](#)
31 mins ago



Illustration: Natalie Peebles/Axios

The consumer and retail sector is on good post-holiday footing after tempering inflation and strong income growth buoyed consumer spending.

Why it matters: The healthy spending numbers indicate a sunny M&A market in 2024.

Catch up fast: Retail sales between Nov. 1 and Dec. 24 increased 3.1% over 2022, according to a Mastercard [Spending Pulse report](#), which takes into account online and in-store sales. The numbers aren't adjusted for inflation.

- Spending increased across the apparel, electronics and grocery categories, but the highest jump was in restaurants, with a 7.8% increase.

The big picture: Consumer and retail M&A activity fell from the previous year, per the [London Stock Exchange Group](#).

- Deal volume and values in the consumer staples and retail sectors declined. Consumer products and services volume fell as well, down 10.7%, but values were up 2.7%.

Between the lines: Around two-thirds of dealmakers say that they're expecting M&A activity to grow beyond what was seen in 2023, according to a [KPMG M&A survey](#).

- About 7 in 10 say they're in the process of closing a deal right now.
- Around 76% of dealmakers say they're expecting to ink at least one deal this year.

State of play: Dealmakers say activity is concentrated [in selective areas](#) with high-quality assets. The beauty space in particular has seen [several deals](#) led by large strategics.


- In the last few weeks of 2023, Unilever [agreed to acquire](#) premium hair care brand K18 and Japanese cosmetics giant Shiseido [agreed to acquire](#) Dr. Dennis Gross Skincare.

Meanwhile, the oversaturated e-commerce sector is seeing once high-flying unicorns struggle or shutter.

- Last week, online retailer Zulily, which was at one point valued at \$9 billion, said it was [shutting down](#).
- Delivery Hero, a Berlin, Germany-based online food delivery company, is planning to shut down its global tech hubs in Turkey and Taiwan and has reduced some of its corporate workforce.

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- "In the consumer [sector], we're seeing a lot of people getting dinged on performance," says Michael Mufson, managing partner at Philadelphia-based investment bank Mufson Howe Hunter.
- "You looked at the e-commerce side of things...you're smart enough to sell 18 months ago in the midst of COVID. Today, it's a very difficult one," he says.

Yes but: "There's so much capital that people are rationalizing, and deals are happening," Mufson says.

- Food and beverage deals have been [especially hot](#) and activity is primed to continue as major CPGs [continue to prune portfolios](#).

Of note: Online luxury players [have not been immune](#) to post-pandemic consumer spending shifts.

- Farfetch inked a [take-private rescue deal](#) with Coupang, while Apax Partners-backed Matchesfashion agreed to be acquired for about £52 million by U.K.-based Frasers Group.



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Barak Ravid
3 mins ago - World

Drone strike kills senior Hamas official in Beirut



Lebanese emergency responders gather at the site of a blast in southern Beirut, Lebanon. Photo: Anwar Amro/AFP via Getty Images

Saleh al-Aroui, the deputy chairman of [Hamas'](#) political bureau and the commander of the group's military in the occupied West Bank, was killed in a drone attack in Beirut on Tuesday, Hamas has [confirmed](#).

The big picture: The killing of al-Aroui is a serious blow to Hamas. He is the most senior Hamas leader killed since the Oct. 7 terrorist attack against Israel. The strike, which took place near Hezbollah's headquarters in Beirut, could push the [Lebanese group to escalate its attacks](#) against Israel.

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Russell Contreras, author of [Axios Latino](#)
36 mins ago - Politics & Policy

Trump's "poisoning the blood" remark could see Latino evangelical backlash

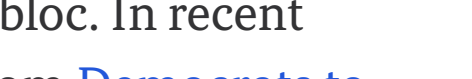


Former president Donald Trump responds to cheering supporters at the Republican Party of Florida Freedom Summit at the Gaylord Palms Resort and Convention Center in Kissimmee, Fla. Photo: Joe Burbank/Orlando Sentinel via Getty Images.

[Former President Trump's](#) claim that undocumented immigrants are "poisoning the blood of our country" — language echoing the rhetoric of [Adolf Hitler](#) — could turn reliably conservative Latino evangelicals against him, a top leader in the faith tells Axios.

Why it matters: [Latino evangelicals](#) are one of the fastest-growing segments among an increasingly influential voting bloc. In recent elections, they have [helped shift](#) some close races from [Democrats to Republicans](#).

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Natalie Daher
Updated 56 mins ago - Politics & Policy

Gender-neutral toy aisles, blackout license plates, anti-book bans: New laws for 2024



A new year brings new laws in several U.S. states, as [2024](#) gets underway.

Why it matters: From an anti-book ban law in Illinois to wider access to birth control, states legislatures across the country will reconvene for another year of policy-making on the nation's most contentious, often cultural, issues.

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