BRYAN, GARNIER & CO

Q2 2024 MARKET HIGHLIGHTS AND OUTLOOK

JULY 2024 QUARTERLY

Private Placements, ECM and Debt

Market Highlights

MARKET RECOVERY TRENDS

2024 was off to a strong start with the S&P 500 (+15% YTD) and NASDAQ (+18% YTD) hitting all-time highs, both pushed by megacap tech stocks benefiting from the "*AI stock trade*" (Nvidia, Apple and Amazon market caps > USD 3 trillion). European indices also traded near all-time highs before European political turmoil hit the market in June.

INTEREST RATES & INFLATION

Inflation decelerated in both Europe and the US, enabling a first interest rate cut by the ECB in June. In the US, an interest rate cut before summer is no longer on the cards but expected in September by investors.

CAPITAL MARKETS ACTIVITY

H1 2024 experienced a positive shift in global equity capital markets, especially in Western Europe and the United States, both showing improved IPO volumes (approximately +100% in Europe for H1 2024 vs FY 2023). The VIX index remained below 20, fostering a constructive environment for landmark IPOs such as Exosens, CVC, and Galderma. However, a snap French parliamentary election momentarily reversed the trend, causing the cancellation of Golden Goose's IPO and others. Meanwhile, there was some equity-linked activity with six public European convertible bond issuances as well as bilateral private deals.

PRIVATE PLACEMENT ACTIVITY

The first half of 2024 has continued to present a turbulent and demanding landscape for the private placements market. Investors and founders continue to face the complexities of raising capital, closing investment rounds, with lengthier due diligence processes. This does not diminish the vibrancy of the secondary market that has been instrumental in providing liquidity for early-stage investors and employees. The secondary market has seen a surge in activity, with an increasing number of transactions getting larger. This trend is a testament to the maturing startup ecosystem and the increasing sophistication of market participants. In Europe, startups received over USD 32 billion in funding during H1 2024, showing a slight increase from H1 2023.

Outlook

The outlook for the remainder of 2024 is unclear, marked by uncertainty and cautiousness due to ongoing geopolitical turmoil and the US elections in November 2024. Inflation is still expected to continue fading, further enabling the stabilisation of interest rates and potential lowering. Small and mid-cap stocks are likely to attract increased attention due to their significant valuation discounts relative to large-cap stocks, as well as non-technology stocks, which could benefit from an expansion beyond big-tech rallies. Recent movements from hedge funds point to revaluation expectations as technology valuations tart getting stretched and indulge some selling. In the second half of 2024, capital markets activity is expected to resemble 2023, marked by fewer landmark IPOs and mostly occasional subsequent offerings strongly backed by insiders. Regarding convertible bonds, we expect issuers to continue considering issuances specifically to refinance existing convertibles and traditional debt. For the private markets, optimism is on the horizon as the macroeconomic climate and public markets continue to show signs of improvement. Fundraising levels (excluding secondary) are projected to outperform 2023, signalling the onset of recovery, bolstered by some jumbo fundraisings such as Electra, Highview Power, Picnic, Bulk, Monzo, Mistral AI, RSK, Abound, and Wayve. The resilience and adaptability of the startup ecosystem continue to inspire confidence and hope for a brighter future.

Key BG Deals & Current Priorities

HIGH-PROFILE TRANSACTIONS

camurus
Follow-on Offering
Nasdaq
SEK 1 090 000 000

Camurus Follow-On Offering

Acted as Joint Bookrunner for Swedish biopharmaceutical company Camurus on a SEK 1,090 million follow-on offering.

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avantium
Rights Offering & Institutional Upsize ABB
EURONEXT
€70 000 000

Avantium Rights Offering

Acted as Sole Financial Advisor & Joint Global Coordinator for Avantium, a leading Dutch renewable and circular plastics company, on a EUR 70 million rights offering and institutional upsizing.

WAGA ENERGY
Follow-on Offering
EURONEXT
€52 000 000

Waga Energy Follow-On Offering

Served as Equity Advisor, Sole Global Coordinator & Joint Bookrunner on Waga Energy, a leading French cleantech company upgrading landfill gas into renewable natural gas, EUR 52 million follow-on offering.

ONWARD
Follow-On Offering
EURONEXT
€20 000 000

ONWARD Medical Follow-On Offering

Acted as Sole Global Coordinator & Joint Bookrunner on a EUR 20 million follow-on offering for ONWARD Medical, a Swiss Medtech creating therapies to restore mobility and function in people with spinal cord injury.

Cinclus Pharma
Initial Public Offering
Nasdaq
SEK 715 000 000

Cinclus Pharma IPO

Served as Joint Global Coordinator & Joint Bookrunner on Cinclus Pharma's SEK 715 million IPO on Nasdaq Stockholm: the first sizable Swedish biotech IPO in Sweden in six years, following the EUR 71 million IPO of Calliditas Therapeutics in June 2018.

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claranova
Senior Term Loan
Cheyne HEIGHTS
€108 000 000

Claranova

Acted as Sole Debt Advisor to Claranova on EUR 108 million debt refinancing transaction.

Strohm

Private Placement

SENCO HYDROGEN CAPITAL

€30 000 000

Strohm Private Placement

Acted as Sole Financial Advisor to Strohm, the fast-growing manufacturer specialising in Thermoplastic Composite Pipes, and its shareholders in the context of the company's EUR 30 million fundraise led by Senco Hydrogen Capital.

INFINITED FIBER

Private Placement

INDITEX H&M zalando BESTSELLER TTY Management B.V

€40 000 000

Infinited Fiber Company Private Placement

Advised Infinited Fiber Company, a circular fashion and textile technology company, on a EUR 40 million Private Placement led by Tier-1 apparel companies.

OUR PRIORITIES

We continue acting as a one-stop shop to support our clients through a multiproduct approach and a strong capacity to pivot, when necessary, from IPOs to private placements, from equity to debt, and from broad ABBs to PIPEs, rights issues, and structured offerings. We also accelerate our secondary business, allowing for pre-IPO cap table clean-ups and liquidity in private assets with still some time to exit.

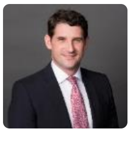
Private Placement, ECM and Debt Team

Julien Polenne

Managing Director
Head of Private Placements

Christophe Alleman

Partner
Co-head of Equity Capital Markets



Pierre Kiecolt-Wahl

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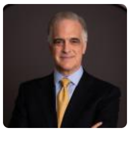
Co-head of Equity Capital Markets

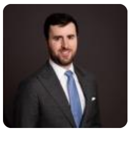


Clifford Siegel

Partner
Chairman, Head of Debt Capital Solutions

Nicolas Bucci

Director
Debt Capital Solutions



Will Jungman

Director
Debt Capital Solutions

Healthcare

Biopharma

MARKET HIGHLIGHTS

- The European Next Biotech Index slightly rebounded at the end of Q2 2024, showing a performance of +5% year-to-date, despite a challenging and volatile environment.
- Biopharma deal activity declined again in the second quarter, with just a handful of M&A transactions and IPOs on both sides of the Atlantic. Notable deals include Novartis' USD 1 billion acquisition of Mariana Oncology, another transaction in the booming radiopharmaceuticals space. Others included the USD 1.1 billion takeover of Calliditas by Asahi Kasei, following the FDA approval of its kidney disease drug Tarpeyo in December 2023, and its EUR 92 million loan financing advised by Bryan Garnier.

OUTLOOK

We expect a gradual recovery of biopharma M&A and financing, on the back of encouraging early signals like IPOs finally returning to the continent after a few dry years, after Bryan Garnier's advised IPO of Aelis in February 2022.

KEY BG DEALS

Cinclus Pharma
Initial Public Offering
Nasdaq
SEK 715 000 000

Cinclus Pharma IPO

Bryan, Garnier & Co acted as Joint Global Coordinator and Joint Bookrunner on Cinclus Pharma's SEK 787 million Nasdaq Stockholm IPO (incl. greenshoe). This marked the return of biotech IPOs in Europe since Aelis Farma in February 2022, which was also advised by Bryan Garnier.

ONWARD
Follow-On Offering
EURONEXT
€20 000 000

ONWARD Medical Follow-On Offering

Bryan Garnier acted as Joint Bookrunner on Onward's EUR 20 million follow-on offering, which was bolstered by its brain-computer interface projects aimed at treating patients with spinal cord injury.

Healthcare

Medtech

MARKET HIGHLIGHTS

- Medtech deal activities declined slightly compared to the first quarter of 2024, dropping from 227 transactions to 193 transactions in the second quarter. On the other side, the reported accumulating deal value increased significantly in Q2, exceeding USD 5 billion across both sides of the Atlantic.
- Roughly 50% of deal activity is generated from the US while Europe represents approximately 30%.
- One of the largest Medtech deals is the acquisition of Dutch Ophthalmic Research Center by Carl Zeiss Meditec, with a deal value of over USD 1 billion in April 2024.
- On the public side, Tempus AI, a generative AI-enabled technology platform for precision medicine, raised USD 410 million in its initial public offering on the Nasdaq stock exchange in June 2024. This is reported as the only sizeable IPO this quarter.
- On the venture financing side, one of the prominent European VC fundings was the USD 47 million raise from implantable medical device company UroMems in June 2024.

OUTLOOK

We are already seeing a strong recovery of MedTech M&A and financing in our pipeline and ongoing deals, with more VC activity trying to deploy capital & signs of IPOs picking-up which should materialise in the coming six to nine months.

Healthcare

Private Care Centres

MARKET HIGHLIGHTS

- Unequal revaluation of prices reimbursed by French social security for private clinics (+0.3% YoY) and public clinics (+4.3% YoY) has raised concerns among major private sector actors. Discussions are currently underway between major private clinic groups and the government to alleviate these measures, as there is concern about the future risk of closure for already financially weak clinics..
- Long-lasting scandals in the retirement homes sector, coupled with high inflation, have led to a decrease in occupancy rates and have negatively impacted several major players. To navigate this turmoil, Clariane, a French operator of nursing homes, recently sold its retirement residences Les Essentielles to Odalys (a subsidiary of Duval Group) with the aim of exiting this business vertical. However, some were able to stand out and benefited from a contrary positive effect.
- Dynamics in the clinical market: Consolidation of veterinary clinics in the UK market has led the Competition and Market Authority (CMA) to put on hold large M&A operations and launch a broad market investigation. However, veterinary clinic-focused deals still occur in continental Europe, such as the ongoing acquisition of a 56% stake in Animalia by Charme Capital Partners for an estimated enterprise value of EUR 180-225 million (announced in July 2024).
- The increase in European mental health services demand has led to a growing number of deals and a higher volume, with a record aggregate volume of EUR 8.5 billion in 2023, including Orpea's debt-to-equity swap and cash injection of EUR 4.7 billion. This year is off to a good start, with EUR 103 million in aggregate deal value since the beginning of the year. Several ongoing acquisitions are expected to be completed, such as the acquisition of Mentalia Salud's mental health division by DomusVi, a French sponsor-backed nursing home attracting PE interest, and Wellbee, a Polish provider of psychotherapy, which aims to consolidate its portfolio over the next 18 months.

OUTLOOK

The private health centre sector continues to expand rapidly, despite increased scrutiny from doctors' associations and regulatory agencies. This follows the entry of investment funds into the capital of certain players to support the development of these groups and finance the generational transitions of shareholding doctors.

We are also seeing the emergence of new models for care centres in verticals that were initially operated in clinics or healthcare institutions. These new models increasingly rely on digital platforms to democratise access to care.

Healthcare

Pharma outsourcing services

MARKET HIGHLIGHTS

- After a more challenging 2023 and tougher biotech funding environment, the pharma outsourcing sector has seen a rebound in valuation since February. Listed large CROs experienced an average increase of 1x in EBITDA multiples, reaching 17.3x, following confidence in order levels and a return to healthy growth. They also benefited from tailwinds from the increasing political pressure on Chinese companies, especially from the Biosecure Act in the US.
- In parallel, M&A activity remained very dynamic in Q2, with H1 ending at around 60 deals closed, a similar level to past years.
- With no transaction above USD1 billion, the activity was concentrated on the small and midcap segment, with strategic buyers and PE-backed platforms increasingly looking for differentiated capabilities.

OUTLOOK

- We expect to see a continuously high level of activity across the board in H2, thanks to a normalisation of CRO market conditions and a return of double-digit growth levels, with numerous indicators turning green.
- With numerous buy-and-build platforms having emerged over the past years and dry powder remaining high, we expect buyers' appetite to remain strong, particularly in the clinical, radiopharma, and Medtech spaces.

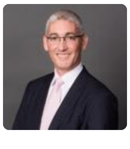
KEY BG DEALS

seleon
Acquired by
aesco SOLUTIONS
Undisclosed

Seleon

Bryan Garnier supported German medical device CRO/CDMO seleon GmbH and its shareholders on its sale to aesco SOLUTIONS, a German CDMO backed by private equity firm Aurelius. The transaction will create one of the leading German CDMO players for Medtech with the ambition to become a European champion.

Senior Healthcare Team



Hervé Ronin

Partner
Head of Healthcare

Paul de Mestier

Partner
Healthcare Services

Pierre Georges Roy

Partner
US Healthcare

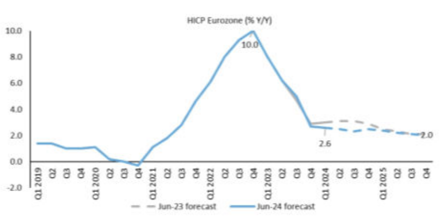
Software & Fintech

An overview of an innovative sector

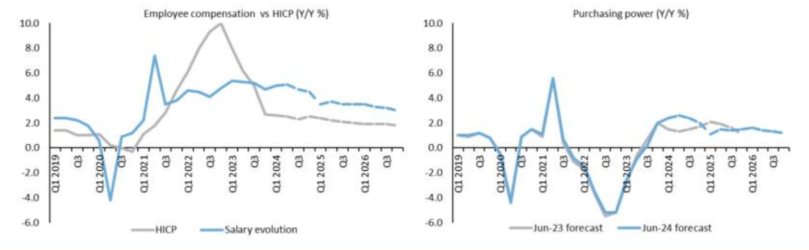
MARKET HIGHLIGHTS

The Fintech market showed no signs of recovery year-to-date (YTD), with most publicly traded names delivering negative returns on the stock market. The poor performance stemmed from muted progression in transaction volumes and a continued decline in valuation multiples. However, there are glimpses of hope for the fintech sector. Household consumption in the Eurozone could rebound in the second half of the year as the inflation rate is projected to ease to 2.5% this year, while salaries are expected to increase by 4.8%, according to the European Central Bank's (ECB) forecasts.

This setup would leave consumers with improved purchasing power, potentially boosting spending in the Eurozone and, therefore, digital transactions. Hence, there are reasons for investors to become more optimistic about the sector's prospects.



Source: ECB; Bryan, Garnier & Co



Source: ECB; Bryan, Garnier & Co

As capital expenditures (capex) chase artificial intelligence (AI) applications, the enterprise software space likely suffers from an eviction effect in digitalisation projects. However, mission-critical software solutions are still in high demand, particularly for Building Information Management (BIM) software editors.

This trend is illustrated by the return of M&A deals (Hexagon – Voyansi, Nemetschek – GoCanvas), which confirm the attractiveness of the sector for strategic investors. The broader enterprise software market will likely only return to faster growth levels once industrial and construction projects recover.

Senior Software & Fintech Team

Thibault De Smedt

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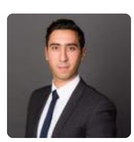
Software & Fintech

Stanislas de Gmeline

Partner
Software & Fintech



Jonathan Bohbot

Partner
Enterprise Software

Tor Berthelius

Partner
Nordics

Energy Transition & Sustainability

Mobility

KEY TRENDS

Over the last few months, the mobility sector has experienced increasing transaction activity in line with the current maturity phase of each sub-segment. Players involved in the battery ecosystem continue to receive a high level of capital injection at every stage of the value chain. Providers of mobility services have accelerated their focus on profitability, and several of them have been successful in becoming EBITDA or cash flow positive. This has resulted in both an increased push towards consolidation and emerging interest from PE firms in the sector. In the EV charging segment, while the largest independent CPOs continue to attract large infrastructure investments to accelerate their deployment of charging stations, smaller players are increasingly becoming M&A acquisition targets if they are unable to raise significant funding rounds.

OUTLOOK

Market consolidation in selected segments (shared mobility, aggregation platforms, and micromobility) has been a key theme in early 2024. We expect this trend to accelerate over the coming months and years, driven in part by the relative scarcity of early-stage and growth-stage funding over the last couple of years.

Agtech & foodtech

KEY TRENDS

In the food and agtech space, alternative protein players, once a favourite investment theme among investors, are facing a more demanding market environment, with closer scrutiny of the startups' commercial pipelines and industrialization roadmaps. Fundraising is focused on companies with a track record of operational and capital efficiency. Reduced round sizes and lower valuations provide attractive opportunities for investors active in the food, feed, and ingredients space.

OUTLOOK

We see strong potential in biologicals, driven by clear macro-trends: a steep increase in abiotic stress related to climate change, increasing regulatory limitations on conventional phytosanitary products, and a growing focus on soil health. We expect fundraising activity in this space to accelerate, driven by companies preparing for commercial expansion. We remain positive on alternative proteins, where unit economics and business model considerations will significantly affect outcomes. We also see early signs that investors might be revisiting their views on some verticals that suffered over the past 18 months, such as indoor farming systems, following a market reset.

Energy Transition & Sustainability

Green & recycled plastics

KEY TRENDS

New recycling techniques are emerging to tackle the limitations of mechanical recycling, which has long been the preferred recycling technique in the plastics industry (with 99% of recycled content) but results in lower-quality material. Chemical recycling is emerging as an attractive alternative, allowing for the creation of high-quality new materials matching the quality of virgin polyester. Fiber-to-fiber recycling is another key trend in the textile industry, with fashion brands striving to reach their sustainable development goals. Chemical recyclers like Carbios and Loop Industries recently announced meaningful milestones in developing fiber-to-fiber recycling to meet the fashion industry's needs.

OUTLOOK

Investment activity in the plastic recycling ecosystem has multiplied globally by four to five times since 2018 and should benefit from regulatory tightening, boosting demand and efforts to scale the sustainable material industry.

Green gas & biofuels

KEY TRENDS

Although the bulk of existing biofuels are derived from sugar and oil crops, focus is shifting towards biogenic waste, residues, non-food crops, and non-biological feedstock. This shift is resulting in widespread competition to secure feedstock access and potential shortages, while driving the need for innovative solutions to enhance production capabilities and attract growth infrastructure capital. In parallel, balancing renewables to avoid grid congestion and address the tremendous power needs from this sector is a pressing issue, as renewables and end-uses are expanding faster than grid infrastructure can support.

OUTLOOK

Investment in biofuels has been dynamic over the past years, with mature players expanding outside Europe where they benefit from less restrictive regulations. While consolidation and asset optimisation can occur, the industry still faces challenges in pricing and scaling alternatives. We expect the industry to focus on addressing feedstock bottlenecks and securing the long-term commitments needed to fund the roll-out of sizeable greenfield projects.

Transactions

KEY BG DEALS

avantium
Rights Offering & Institutional Upsize ABB
EURONEXT
€70 000 000

Avantium Rights Offering

Bryan Garnier acted as Sole Financial Advisor and Joint Global Coordinator for Avantium, a Dutch renewable and circular plastics company developing superior plant-based polymer material, on its EUR 70 million rights issue and institutional placing, with SCG Chemicals as a strategic cornerstone, to finance the completion of a first-of-a-kind industrial FDCA/PEF plant.

CARBIOS
Rights Issue
EURONEXT
€141 000 000

Carbios Rights Issue

Bryan Garnier acted as Joint Global Coordinator and Joint Bookrunner for Carbios, a French chemistry company developing an enzymatic technology and bioprocesses for the bio-recycling and biodegradation of plastic polymers, on its EUR 141 million rights issue.

INFINITED FIBER
Private Placement
INDITEX H&M zalando adidas BESTSELLER YOUNGONE TTY Management B.V
€40 000 000

Infinited Fiber Company Private Placement

Bryan, Garnier & Co advised Infinited Fiber Company, a Finnish circular fashion and textile technology company developing a proprietary recycling technology to transform textile waste and other cellulose-rich waste into new, premium-quality textile fiber, on a EUR 40 million Private Placement led by Tier-1 apparel companies including Inditex, H&M, Adidas, Zalando, Bestseller, and the family office of the Uniqlo founder.

Strohm
Private Placement
SENCO HYDROGEN CAPITAL
€30 000 000

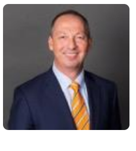
Strohm Private Placement

Bryan, Garnier & Co acted as Sole Financial Advisor to Strohm, the industry leader in Thermoplastic Composite Pipe (TCP) technology, and its shareholders in the context of the company's EUR 30 million fundraise led by Senco Hydrogen Capital with participation from existing investors Shell Ventures, Chevron Ventures, ING, Evonik Ventures, and HydrogenOne.

Senior Energy Transition & Sustainability Team

Olivier Beaudouin

Partner
Head of Energy Transition
& Sustainability



Falk Müller-Veerse

Partner
Head of Energy Transition
& Sustainability

Florent Roulet

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Energy Transition
& Sustainability

Industrial Tech

An overview of a dynamic sector

MARKET HIGHLIGHTS

H1 2024 has seen further acceleration of financing activities and M&A transactions in the sector. Major strategic acquisitions in recent months and the emergence of new domains like AI security have sparked a new wave of market activity in cybersecurity, with the deal count in the first half of the year already exceeding the number in 2023.

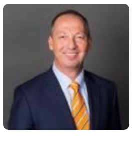
In industrial and simulation software, improvements in market conditions have encouraged companies to return to the market or initiate their first strategic operations, with significantly stronger financial and profitability metrics and improving confidence. We expect the market to continue its recovery and to see a number of landmark deals in the second half of the year.

In the industrial automation sector, we see continuous consolidation around the topics of AI and 3D printing, while more traditional players are also looking for economies of scale.

Senior Industrial Tech Team

Olivier Beaudouin

Partner
Head of Industrial Tech



Falk Müller-Veerse

Partner
Dach

Florent Roulet

Partner
London

Business & Tech-Enabled Services

Digital media sector

3 KEY MARKET TRENDS

- Digital agencies use data strategies and analytics to deliver personalised marketing campaigns. One in two high-growth companies applies data strategies (Deloitte) and they are 23 times more effective in customer acquisition than competitors without such strategies (McKinsey).
- Through chatbots, content creation, and automated email marketing, AI is taking control of digital communications. Already today, more than four in five marketers use AI (Salesforce), and two in three say it is fundamental for business operations (PwC).
- Leveraging creators and influencers is a key strategy for brands, with almost 90% of marketers attesting to comparable or even better ROI performance over other marketing channels (Mediakix). The increased need for effective measurement is further accelerating market growth, with the sector already totaling more than USD 20 billion in annual revenues globally.

OUTLOOK

The industry is closely watching Google and the planned phase-out of third-party cookies in its Chrome browser in the second half of this year. This move will have a significant impact on advertisers, publishers, and tech companies who rely on tracking, ad targeting, and measurement. As market participants explore alternative options to enable personalised advertising, we will see a rise in first-party data strategies and contextual advertising. On the M&A market, we expect activity to remain robust, supported by a continued trend of consolidation, a focus on tech-enabled service providers and specialists in emerging niches (such as social commerce and the creator economy), and continued involvement of private equity in the space.

KEY BG DEALS

HEALTH COMMERCE
Acquired by
Supreme Group
Undisclosed

Health+ Commerce

Bryan Garnier acted as Sole Financial Advisor to Health+Commerce, an integrated healthcare agency providing strategic public relations, marketing, and creative services, on its sale to Supreme Group, backed by Trinity Hunt Partners.

Business & Tech-Enabled Services

Education

3 KEY MARKET TRENDS

- The Edtech market has witnessed a surge in adoption across various educational levels, from primary and secondary schools to higher education and professional development. However, Edtech funding has been declining since 2022, which is considered a saturating point for the industry (down 49% in 2023 vs. 2022, with the decreasing trend expected to continue in 2024).
- The Learning Management Systems (LMS) market segment is surging, supported by mobile learning, advancements in AI, and corporate training needs. The LMS market is set to grow from $4.5 billion in 2021 to $23 billion in 2030.
- In France, education for healthcare professionals plays an important role in addressing market imbalances, such as the lack of healthcare professionals, the shortage of specialised healthcare service professionals, and the more demanding requirements for professionals like pharmacists, who require continuous training to meet current standards.

OUTLOOK

- Multi-specialist groups will continue to drive consolidation given: opportunities for cross-selling and reaching out to new student/client types, operational synergies (shared resources and R&D collaboration), and reinforcement of brand image.

- Financial investors' strong appetite is set to continue given high revenue predictability, high EBITDA margin and cash flow conversion, proven resilience, and ESG interests. However, high double-digit valuation multiples seen in the past will no longer prevail due to maturity in tuition fee growth and a decrease in government subsidies for professional training
- Tech bootcamps that prioritise hands-on practical training with a focus on reskilling and upskilling digital skills are expected to further increase their progression among working professionals and governments.

Senior Business & Tech-Enabled Services Team

Guillaume Nathan

Partner
Business & Tech-Enabled Services

Tor Berthelius

Partner
Nordics

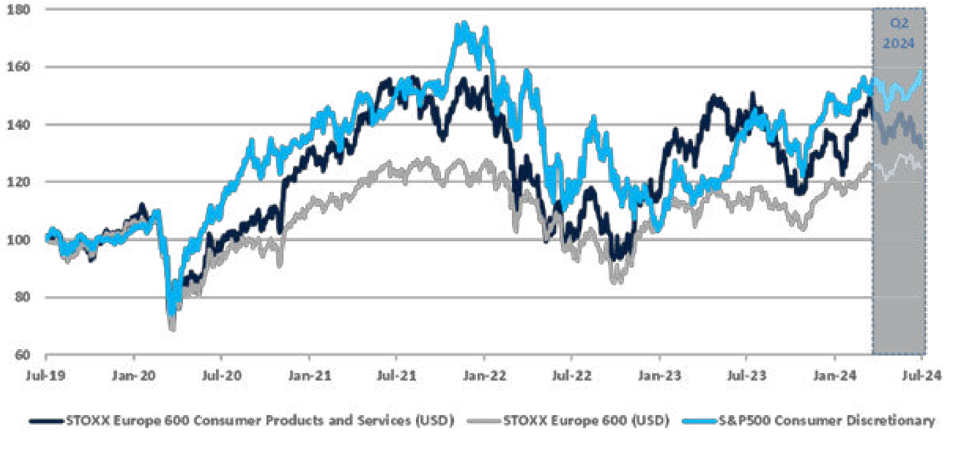
NextGen Consumer

An overview of a fast-paced sector

KEY MARKET HIGHLIGHTS

- Consumer, retail, and leisure M&A deal volume across Europe and North America has not yet shown the anticipated rebound and dipped again in Q2 compared to prior quarters. The majority of transactions continued to be completed with strategic acquirers (approximately 67% of the completed deals) as the hunt for complementary bolt-on acquisitions continued. However, the appetite from financial sponsors is on the rebound, especially in North America, where PE investors accounted for 40% of consumer deals in June.
- Overall, the European consumer, retail, and leisure M&A market remained more active than the North American market in Q2 due to uncertainty around the upcoming US elections, among other factors.
- In Q2 2024, European consumer stocks underperformed both the Stoxx Europe 600 and S&P 500 Consumer Discretionary indexes by 11% and 10%, respectively.
- European consumer stocks rebounded temporarily at the beginning of the quarter due to prospects of an ECB rate cut, but the second half was marked by political uncertainty with the European parliamentary elections, followed by general and snap elections in the UK and France, respectively.
- French luxury and cosmetics stocks, which account for a significant part of Europe's indexes, experienced a significant correction following weakening investor sentiment in the luxury sector caused by a slowdown in China, challenging comparison bases, and margins set to be under pressure in H1 2024.

Comparing European and US Consumer stocks (base 100 = 30th June, 2019)



OUTLOOK

The easing of inflation and stabilisation of interest rates support the expected rebound in deal activity. Corporates are likely to continue their 'shopping spree' to consolidate their market positions and/or complement their offerings with the acquisition of fast-growing niche businesses. Also underpinning the bullish trajectory for the consumer market is the fact that financial sponsors are under increasing pressure to exit investments and deploy capital from their most recently raised funds.

KEY BG DEALS & PRIORITIES

claranova

Senior Term Loan

Cheyne Capital | HEIGHTS Capital Management

€108 000 000

Claranova – an e-commerce leader in personalised objects

Bryan, Garnier & Co advised Claranova on a complex EUR 108 million debt refinancing transaction to address the company's upcoming financial obligations, strengthen its cash position and lenghten its debt maturity profile.

SUSS MicroOptics

Acquired by

FOCUSLIGHT

€75 500 000

Optics – 50% of the world population will require glasses by 2050

The optical retail market continues to be very active with both strategic buyers keen to further consolidate the market and financial sponsors buying into the longer-term tailwinds and searching for platform investments or differentiated niche players to back and fund their growth aspirations.

re/commerce

Private Placement led by

CAPZA

€50 000 000

Recommerce – over 70% of consumers globally plan to spend on pre-owned products in 2024

The circular economy or recommerce market landscape appears to be moving faster again as clear market leaders have emerged by reaching sufficient scale and a sustainable level of profitability. Global blue chips such as eBay have entered the market and are looking to gain market share in the circular economy.

BOIRON

Tender offer by the Boiron Family joined by

EW Healthcare Partners

€875 000 000

Consumer health & beauty – beauty brands receive an average of 1.6 orders from each customer

After a number of large-cap deals by renowned luxury and beauty giants, focus is shifting towards medium-sized targets that address a distinctive need, have proven scalability, and multi-channel presence.

itsu

Acquired by

AMBROSIA

Undisclosed

(Fast) casual dining – over 300 deals with financial sponsors since January 2018

After a prolonged dry spell in M&A activity with a few exceptions, the emergence of new concepts, the disappearance of underperformers, and the expansion of best-in-class operators make for very interesting sector dynamics, resulting in much higher expected deal activity over the near to medium term.

Senior NextGen Consumer Team

Andreas Kulcsar

Managing Director

Brands, F&B, Specialty Retail

The leading European growth investment bank

We're dedicated to advising European growth companies and their investors at every stage of their journey, leveraging our expertise and insights to guide them towards becoming global champions

1 Full-service transactional capacity

As an independent full-service investment bank, Bryan Garnier partners with European growth companies for the long-term. We strive to meet our clients' specific needs and create value through their entire business lifecycle. We provide them with access to public and private capital markets, debt solutions, as well as M&A services including trade buyers and equity sponsors.

2 Deep industry expertise

As a sector-driven investment bank, Bryan Garnier's advice is driven by deep industry knowledge and expertise with a global perspective across high-growth, fast-moving sectors. Our teams are made up of seasoned professionals, often with sector experience, who understand the intricacies of companies' growth sectors, enabling them to offer targeted advice and insights.

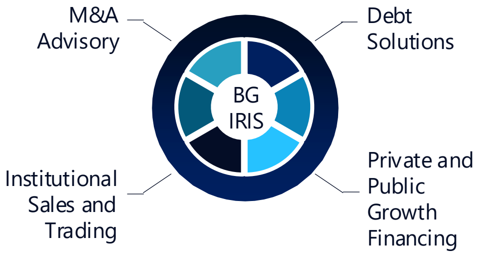
3 Global reach

With Bryan Garnier's global network, we leverage international connections to facilitate cross-border transactions, attract investors, and provide access to the markets that matter. Located in major financial centers including Paris, London, Munich, Oslo, Stockholm and Amsterdam and NYC – Bryan Garnier is fully licensed across Europe, the UK and the US.

4 Entrepreneurial mindset

Bryan Garnier's forward-thinking approach sets us apart. We think and act independently, and truly understand the challenges and opportunities of an entrepreneur, as we are entrepreneurs ourselves. Because of our differentiating culture, we focus on delivering the best outcome for our clients.

FULL-SERVICE INVESTMENT BANKING



SECTOR DRIVEN


Healthcare


NextGen Consumer


Energy Transition & Sustainability


Industrial Tech


Software & Fintech


Business & Tech-Enabled Services

OUR FOOTPRINT

16
Partners

200+
Employees

PROVEN TRACK RECORD

650+
Transactions

10+
Unicorns backed

€40bn+
Accumulated deal value

€200bn+
Value created

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