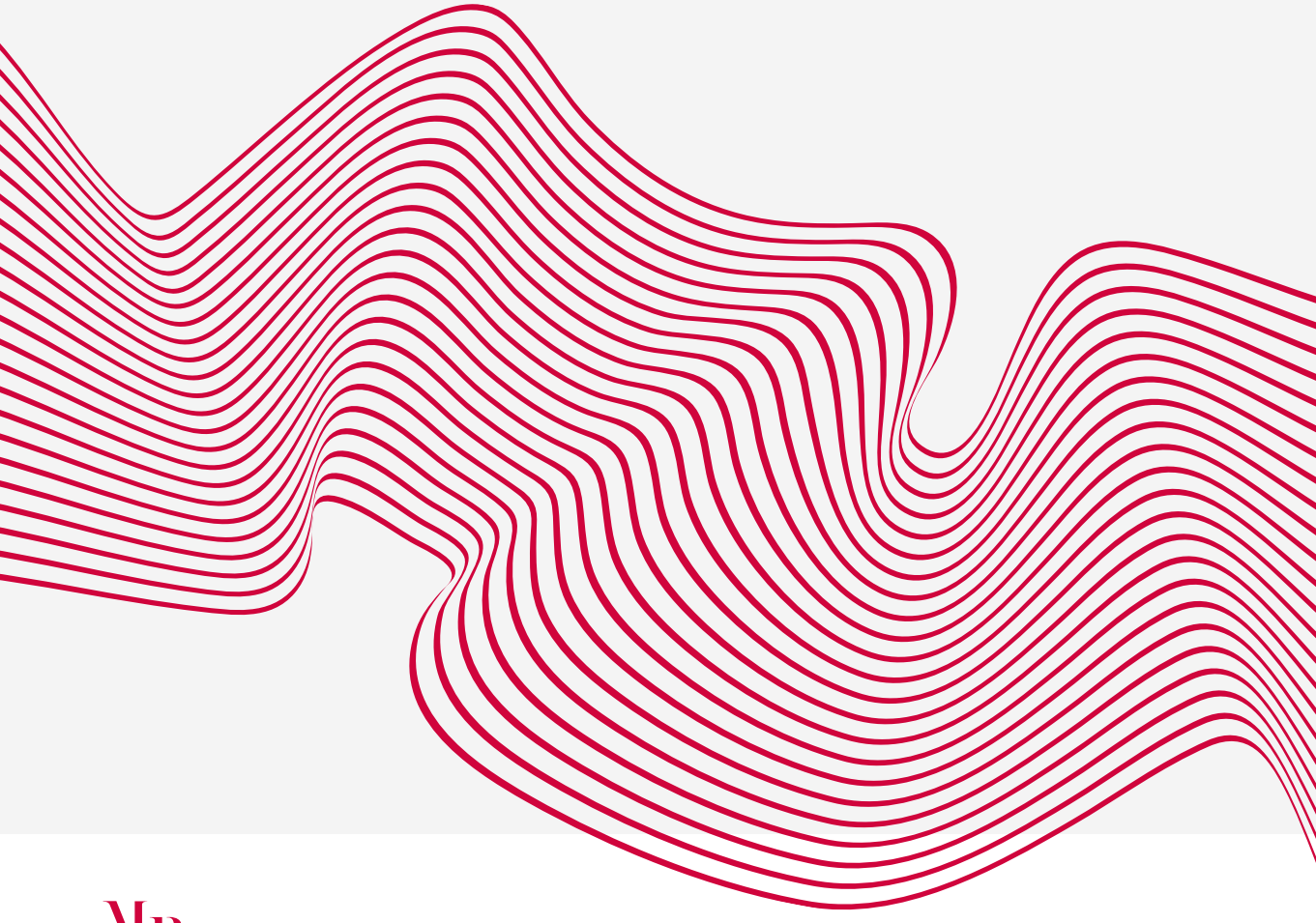
MBS Intelligence

Treading carefully

In-depth research and analysis from The MBS Group charting cautious optimism for consumer assets amongst private equity funds



Foreword

From turnaround to growth and everything in between, private equity plays a significant role in the evolution and progression of the consumer-facing sector. As such, PE activity - whether that's looking at the level of new investments and exits, returns on investment achieved, or the pool of available talent both fund and portfolio-side - is a key indicator of the sector's health.

In the summer of 2020, for a previous report, we spoke to dozens across the PE industry to assess whether or not there was opportunity amidst the disruption of the Covid-19 pandemic. In the toughest of times for our sector, our research showed that there was still an appetite to invest.

Since then, the consumer sector has been navigating not only the consequences that are continuing to hang over from the pandemic, but also a raft of new challenges. So over the course of the last period, we set out to understand what private equity appetite looks like today.

Through conversations with both investors, and portfolio Chairs and CEOs, we have found that while there is an appetite for investment in the sector, it is fragile and under greater scrutiny than ever. Often it's easier to invest elsewhere.

While there certainly are several hurdles to success in the consumer markets in 2025, there is also an argument to be made that consumer resilience, and therefore the robustness of consumer businesses, is undervalued.

As ever, each and every conversation that has led to the publication of this report has been hugely interesting and insightful, and I am extremely grateful to the Partners, Investment Directors, Chairs and CEOs who have so generously given up their time to contribute to it.

I do hope you find this report of interest, and look forward to continuing the conversation through what is set to be another year of surprises.

Elliott Goldstein
Managing Partner
The MBS Group

Key findings at a glance

Through conversations with dozens of private equity leaders, The MBS Group has found:

- Private equity activity in the consumer sectors has been challenged over several years. Momentum in consumer investments has not returned post pandemic
- On balance, there is some appetite to invest in the consumer sectors, but this enthusiasm is fragile and there is often a sense from those investing in generalist PE funds, that there are other sectors they would prioritise
- The resilience of consumer spending, and the ultimate performance of consumer assets, is arguably being underpriced
- Putative deals are being scrutinised by Investment Committees in greater detail than ever, and there are fewer and less experienced "consumer" partners, specialists and teams within generalist PE funds
- Consumer sector trends aren't driving investment decisions; instead, funds are focused on the niches or specific angles that they understand best and can leverage the most
- The intersection of consumer and healthcare is perhaps emerging as one of the few areas of subsector focus that is being looked at more consistently across funds
- Different and new investors are entering into European markets including several US funds who hadn't previously invested in Europe, and PE funds attached to family offices
- Longer holds and slower exit routes are changing the way private equity funds need to think about portfolio leadership in consumer assets

Setting the scene

Background to our research

In the summer of 2020, as we were all grappling with the pandemic, we at The MBS Group produced a report – *Responding to Covid-19: A new talent landscape, and a new role for private equity?* – in which we looked for the opportunity amidst the disruption.

Based on conversations with Partners and Investment Directors across a wide cross-section of private equity firms, we confirmed that – even though almost all consumer businesses were facing into disruption at a never-before-seen scale and severity – a majority of PE funds retained an appetite to invest in the consumer sectors.

Four years on, we have revisited the topic with dozens of funds, as well as a number of seasoned portfolio Chairs and CEOs.

There are two important lenses through which to consider how things have changed.

First, in the heat of that crisis, funds generally didn't predict the scale, longevity or severity of the challenges to come. Some consequences were inevitable and well understood. As supply chains were reassembled with people and parts in the wrong places combined with productivity-limiting social distancing restrictions, long lead times and the global chip shortage – which affected more than 160 industries – became unavoidable. Other major crises – particularly major conflict across multiple regions, rising energy costs and the cost-of-living crisis – simply weren't predicted.

Secondly, the well-worn phrase 'new normal' was front of mind then. During that period, businesses transformed and innovated at an unprecedented speed, and consumer behaviour responded in kind. Predictions abound suggested that the way we all interacted with the consumer industries would change forever. But have things changed as drastically as that, and are we seeing that reflected in the investments being made by private equity?

In this report, we explore the current macro environment for private equity, its appetite for investing in the consumer sectors and what investors are looking for, as well as the evolving picture of leadership both within funds and their portfolio businesses.

Private equity: The big picture

The past 15 years have been economically turbulent for most sectors, and particularly so in the consumer sectors. Investors, business owners and leaders, and consumers have faced into significant headwinds, from the global financial crisis and the Covid-19 pandemic, to the cost-of-living crisis, the energy crisis, and conflicts in Ukraine, the Middle East and elsewhere, as well as more localised shocks including Brexit and the closure of critical shipping lanes.

At the outset of last year, Bain & Company described the private equity market as having 'stalled' after two years of decline in the deal count.

> "The word for this market is stalled. The culprit was the sharp and rapid increase in central bank rates, which caused general partners to hit the pause button."
>
> **Hugh MacArthur – Chairman of Bain's Global Private Equity practice**

Its analysis showed that in 2023, deal value had fallen by 37%, exit value slid by almost half and 38% fewer buyout funds closed. It also found that just 20 funds accounted for more than half of all buyout capital raised.

By the end of Q3 2024, EY reported that deal value globally had increased by 36%, hitting a high that has not been seen since 2022, with volume up 18% compared to the same period in 2023.

And at the end of 2024, Bain & Company concluded that 'dealmaking appears to have turned the corner' but that 'uncertainty continues to keep markets on edge'. A report from PitchBook found similar, anticipating that dealmaking will accelerate 'albeit modestly' in the immediate future after deal activity in consumer retail and services recovered in Q4, signalling a shift in momentum.

A local lens: Private equity in the UK

In the UK last year, analysis by KPMG suggested that deals in the first half of 2024 were down 20% compared with 2023, at 656 deals. 42% of those deals involved international buyers, almost half of which were based in the US. However, the UK landscape became a more stable environment for investors over the second half of the year, with KPMG saying that the foundations for dealmaking had significantly improved and predicting a rise in activity levels for the remainder of 2024.

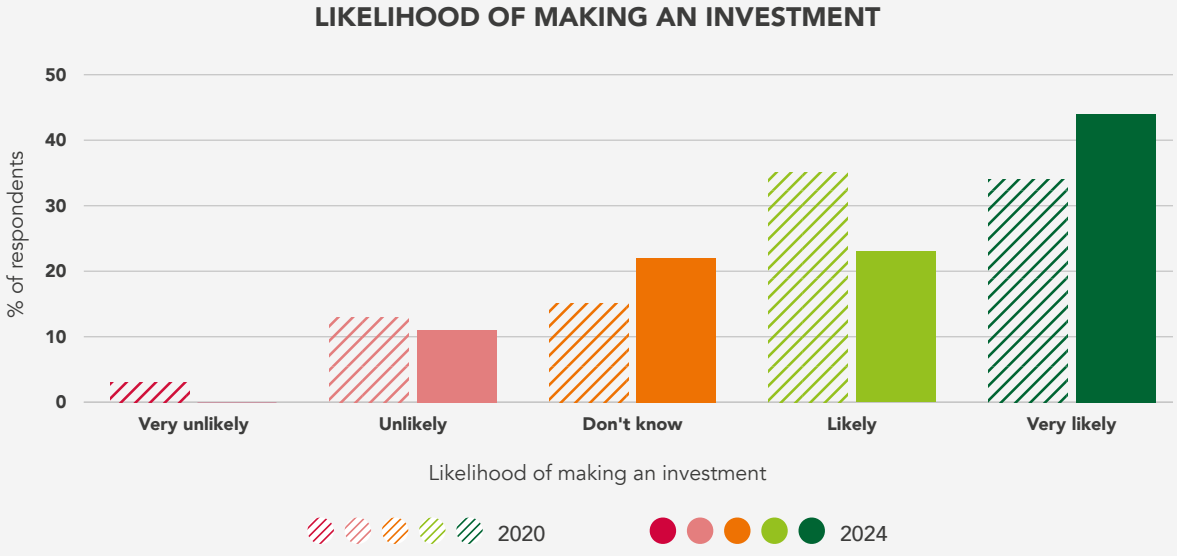
Deutsche Numis' analysis showed that by the latter quarter of the year, the UK was seen as an attractive investment destination with 71% of respondents highlighting private UK deals as the main focus of their pipelines.

Appetite for the consumer sectors

Private equity is cautiously optimistic about investing in the consumer sector

Two-thirds of the firms we spoke to told us that they were 'likely' or 'very likely' to make an investment in a consumer-facing business in the next 12 months. One-in-five funds had a neutral view, while just over 10% said it was 'unlikely' they would make an investment. None of the funds we spoke to took the most pessimistic view, that it is 'very unlikely' they will invest in the industry.

On balance, we found appetite for investment in the sector broadly in line with our research in 2020, with a net positive score of +53 then and +56 now. More respondents were positive overall in 2020 versus today (69% against 66%), but amongst those that were positive in 2024, many more funds were 'very likely' rather than simply 'likely' to invest in the consumer sectors in the next 12 months.



While the headline figures present a reasonably positive picture, qualitative analysis of the transcripts from our conversations then and now suggests that there was stronger appetite for *more* investments in the sector over the next 12 months in 2020 than in 2024.

Meanwhile, there are some funds that have been key investors in the consumer sectors over recent years which have largely moved on.

> "Our sector approach has been redefined; the consumer sector has gone from being a core sector for us, to really being an opportunistic one today."
>
> **Partner, PE fund**

However, funds are wary that the consumer sectors hold less appeal amongst Limited Partners in the current economic environment

A handful of funds reported that the consumer sector is more broadly 'out of favour' amongst their potential and actual investors, which can be felt most acutely during a fundraise.

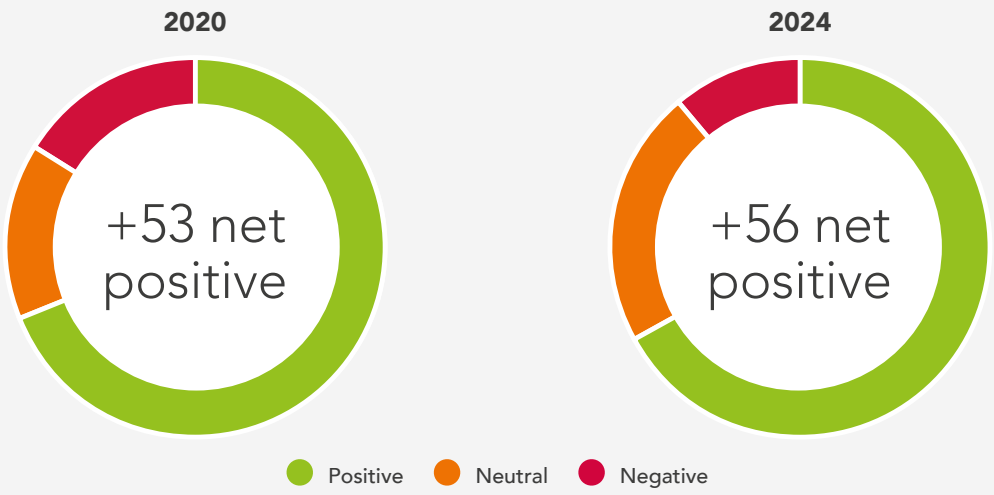
> "We will make any future [consumer] investments with great caution. Our investors balk at the consumer sector at the moment and we're in fundraising mode right now. I think if we were to make a substantial consumer investment right now, we would put off about half the people we're talking to about putting money into the fund."
>
> **Managing Partner, PE fund and former industry CEO/Chair**

> "Lenders don't like consumer, and they're making it more expensive."
>
> **Partner, PE fund**

There is also a sense that this negative perception is more prevalent in the UK consumer sector.

> "UK consumer is a bad territory for a lot of these [institutional investors] at the moment... there is a general downer on consumer-facing businesses and it is very unfashionable."
>
> **Portfolio CEO/Chair**

NPS OF PRIVATE EQUITY FUNDS ON CONSUMER SECTORS



There is a case to be made that consumer resilience is sometimes undervalued

One of the most prominent portfolio executives in the UK consumer sectors pointed to the global financial crisis as the genesis of recent nervousness around the sector.

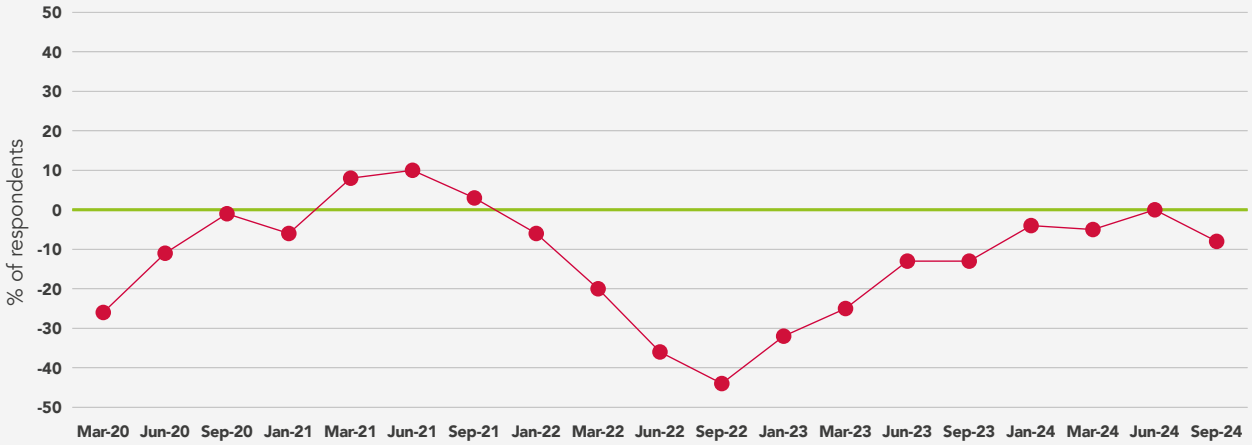
> "There is still a hangover that goes all the way back to 2008/9, where a lot of people turn their back on investing in consumer-facing businesses, and of course in subsequent events such as Covid and what is now called the cost-of-living crisis. Too many assumptions are made about the consumer's ability to spend during these crises. Of course, overall rates of spending might come down, but consumers are still spending their money."
>
> **Portfolio CEO/Chair**

Building on this theme, a fund Partner explained that most consumers – and particularly those in the target market for the companies they would invest in – are not impacted to the same extent.

> "Most of the time, the lowest income consumers will be squeezed the most... what we've been seeing post-Covid and through the massive inflation we've experienced is that most middle and higher income consumers entered into the period with very robust balance sheets – with record levels of savings and excess cash... Typically, across geographies, in mid- to late-2022 when inflation was at its worst and worries around the invasion of Ukraine were at their peak, the savings ratio was between 5 and 12 percentage points higher than it was in 2008."
>
> **Partner, PE fund**

In its latest UK consumer sentiment index, published in the summer, PwC predicted that consumer spending would see a revival throughout the rest of the year, with sentiment reaching the highest levels in three years. 34% of respondents described their financial situation as 'healthy' with money left for luxuries or savings, while another 40% described it as 'OK', with some money left after basics are accounted for.

CONSUMER SENTIMENT: BALANCE OF OPINION



That said, financial pressures have changed consumer habits

The overarching argument from those likely to invest in the consumer sectors seems to be that while overall consumer spending levels may fall during more difficult economic periods, that does not mean there are no opportunities in the sector.

> "The prevailing sentiment amongst some investors, including some PE investors, is frankly too cautious. It's not that there aren't reasons to be cautious, but – as is very often the case with trends – I think people have thrown the baby out with the bathwater".
>
> **Managing Partner, PE fund**

But consumer behaviour does flex accordingly, and even those with higher spending power do change their shopping habits. This creates opportunities and risks for both consumer businesses and their investors.

> "When the macro environment gets tough, when inflation goes up, when people get fired, people adapt. This is most obviously true in food retail, where people might move down from one grocer to another for their main shop. In part this has been facilitated by low-cost retailers like Aldi giving customers reasons for shopping there other than cost: 'I'm going to Aldi to buy British meat and British veg', for example."
>
> **Partner, PE fund**

Several private equity funds have worked with their investments in recent years to understand the spending habits of their customers in detail and pitch their companies accordingly.

> "We've done a lot of work in a couple of my businesses to really get under the skin of what's happening at the moment. It is not a fair depiction to say consumers are not spending money because they are. They are just spending it in a different way, which is fair enough because they've been through a lot, and we're finding that it's underpinned by a lot of very sensible logic and rationale."
>
> **Portfolio Chair**

Meanwhile, though many of the economic shocks of the last period have been felt globally, they haven't necessarily manifested themselves in the same way in each market.

> "Obviously the US economy is doing relatively better than the European economy and that probably slightly impacts US buyer appetite for European assets. But it's largely a theoretical way of thinking about it. It's been quite interesting to see that consumer sentiment has moved at very, very different paces in different countries. In Sweden, for example, it's normal to own your home with a very large mortgage and to be on a variable interest rate. Next door in Finland, people also tend to own their own home, but the norm is to be on a fixed rate. So while both countries are impacted by the rise in interest rates around the world, the effects were felt pretty much immediately in one market and the nervousness about increased costs is really starting now in a neighbouring market."
>
> **Partner, PE fund**

Private equity funds with consumer-facing assets

Non-exhaustive list of private equity funds with UK portfolio companies in the consumer sector (produced by MBS research in January 2025)


KKR
KSL CAPITAL PARTNERS
CATTERTON
LANDON CAPITAL PARTNERS
LDC
LGP LEONARD GREEN & PARTNERS
LIMERSTON CAPITAL
LION CAPITAL
Livingbridge
Lonsdale Capital Partners
MARLWYN
MAVEN
MAYFAIR EQUITY PARTNERS
METRIC CAPITAL PARTNERS
MML
mobeus
montagu
Njord Partners
North Edge.
Oakley Capital
OMERS
ONEX
ONTARIO TEACHERS' PENSION PLAN
OpCapita
PAI PARTNERS
PAINE SCHWARTZ PARTNERS
Palamon
palatine
PEAK ROCK CAPITAL
PERMIRA
PERWYN
PIPER
Platinum Equity
QUILVEST CAPITAL PARTNERS
RAINE
RHÔNE
RISK CAPITAL PARTNERS
ROCKPOOL
SILVER LAKE
Silverfleet
stellex CAPITAL MANAGEMENT
SUN CAPITAL PARTNERS, INC.
TDR Capital
TELEMOS CAPITAL
TEMASEK
terra firma
THREE HILLS
Total Capital Partners
TOWERBROOK
TRISPAN
TRIVE CAPITAL
TSG CONSUMER
VISION RIDGE PARTNERS
VITRUVIAN PARTNERS
Webster Equity Partners
YFM Equity Partners

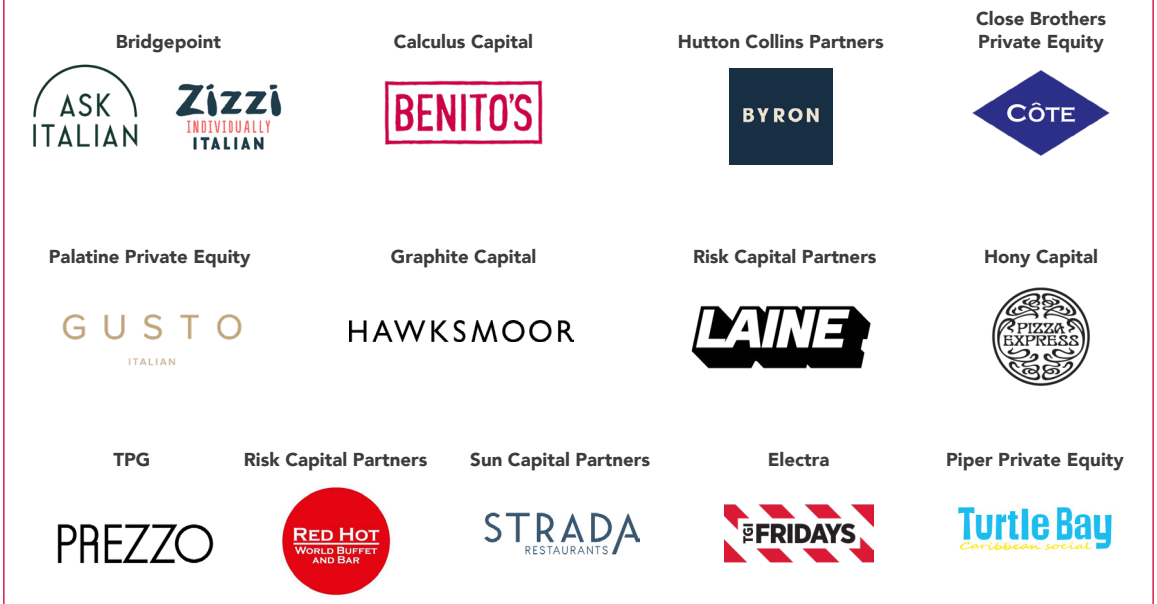
Sub-sector appeal

Our conversations with funds have provided a snapshot of the considerations most pertinent to them when they look at specific sub-sectors of the consumer industry. Perhaps the most striking insight is that funds are generally not looking at their investments in terms of sector verticals, at least not to the same extent as they might have done in previous years.

Sector verticals are potentially less relevant to investment decisions in the current climate

There was a time during the last decade when the words 'private equity' and 'casual dining' were virtually inseparable in the UK market. As the private equity trade publication, *RealDeals* put it in 2019: "Four years ago, private equity firms were eating up any UK restaurant asset they could get hold of." 2014 alone saw a string of PE investments into the sector, including: TGI UK *(Electra)*; Hawksmoor *(Graphite Capital)*; Cote *(Close Brothers Private Equity)*; Byron *(Hutton Collins Partners)*; Pizza Express *(Hony Capital)*; ASK and Zizzi *(Bridgepoint)*; Strada *(Sun Capital Partners)*; Prezzo *(TPG)*; Turtle Bay *(Piper Private Equity)*; Red Hot World Buffet *(Risk Capital Partners)*; Gusto Restaurants *(Palatine Private Equity)*; Laine Pub Company (previously named InnBrighton) *(Risk Capital Partners)*; and Benito's Hat *(Calculus Capital)*.

2014 Private equity deals: Casual dining



Between 2015 and 2017, 40% of all UK private equity transactions in the consumer sectors were in leisure businesses – mostly in casual dining, plus an interest in holiday parks – but in 2018 and 2019 that figure dropped back to a third. Enthusiasm for the sector had already waned significantly by 2020, and the impact of the pandemic on the hospitality sector only accelerated the trend. In our 2020 report, fund partners expected to see the sector recover especially slowly, with restrictions limiting occupancy against fixed costs that remain the same, if not going up.

But it was notable in our 2020 conversations that those we were speaking to were broadly viewing the market in sub-sector verticals as they weighed the impact of Covid on current and future investments. This year, we detected a strong sense of caution against over-indexing on sector opportunity versus the potential of a specific asset.

Now, there is next to no appetite for "casual dining" amongst the mainstream PE community; indeed, several funds still seem very scarred by their experiences with the sector.

A fund's experience, expertise and existing portfolio appears to be a bigger driver today

What we seemed to find during our conversations was that PE partners were more focused than ever on the specific drivers they have to create value in an investment, and limiting their interest to companies that are ripe for those drivers.

In some cases, that's about the specific experience of a fund – for example, being focused on specific market expansion.

> "We prefer businesses that we think we can commercialise across the transatlantic, and that can go in either direction. Many of our companies sell beyond those markets, but our core experience is with companies domiciled in either market, and looking to expand."
>
> **Investment Director, PE fund**

For other funds, it's about leveraging the specific expertise of its people.

> "We have our own group of Operating Partners, and they go into our businesses as Chair. They're involved in the process from the first meeting to the last – including searching for our investment opportunities. So, we only invest where we've got relevant experience, where we're able to sit across the table from the founder or CEO and say, 'we've done what you do, we understand how hard it is to run a business.'"
>
> **Partner, PE fund**

> "When it comes to digital marketing, which of course is most important to our consumer businesses, but is becoming increasingly important to our B2B companies too, we feel particularly strong as we have a very experienced Operating Partner with that skillset. He not only helps our investment teams evaluate companies, but also works closely with our portfolio companies on their digital marketing strategies and investments."
>
> **Partner, PE fund**

Alternatively, funds are looking to leverage assets they already hold, to create unique advantages that rival funds cannot offer. As such, acquiring an adjacent asset in a similar vertical – which creates a broader platform – often now feels more attractive than it did previously.

Of course, none of these elements are brand new concepts but there is a clear sense that these are the most fundamental points being considered when weighing new opportunities, regardless of subsector.

Where there is strong interest in a specific vertical, many funds are looking for a different angle to exploit, rather than joining the herd

Several investment professionals we spoke to did identify very narrow verticals that they felt were really taking off, but generally, Partners and Investment Directors were quick to emphasise a smart way in which they had tapped into that popularity, rather than jumping on the bandwagon.

For example, as one firm saw the rapid rise of interest in a specific sport, it avoided investing in the sport in the most obvious way (through clubs) and instead sought out a company that manufactured a critical element of what those rapidly scaling clubs needed in order to build.

> "We bought the manufacturing company instead. It's a bit like fibre optic: if you've got ten companies competing to roll out fibre optic networks, you could try to back one of the ten and guess who's going to come out on top. Or, you could back the company that makes the fibre optic all those companies need to buy to compete with one another."
>
> **Managing Partner, PE fund**

Another fund explained that it had invested in a tech business with "tiny" revenues that was a critical component that would improve another multibillion-dollar business that had also been acquired by private equity. The larger business is now in talks with the fund about acquiring the tiny one, "at a ridiculous multiple of revenue".

> "We're much more focused on zooming in on sub-niches, which we feel we understand, rather than having a broad lens on consumer."
>
> **Investment Director, PE fund**

Investment committees are scrutinising investments more closely than ever

Several Partners told us that there is still an appetite for consumer investments, but that in a more volatile economic climate, there is a greater degree of healthy scepticism and greater scrutiny from investment committees before capital is committed.

> "My general sense is that there's definitely appetite to invest in assets, but each of those deals are getting – and do need – far more scrutiny from investment committees. Certainly, that's happening here, and from conversations with peers, I think it's fairly widespread across private equity right now."
>
> **Partner, PE fund**

One of the challenges investment committees are facing is knowing how to unpack a business' trading through the last period.

> "The macro environment hasn't affected the types of businesses we've looked at, but it has affected how we've looked at them. The biggest impact on businesses that we've been looking to invest in comes in trying to understand their track record over the last three years. To what extent is it sustainable, how much was it influenced by some of these factors like the pandemic or supply chain issues and so on?"
>
> **Investment Director, PE fund**

Potential dealmakers expressed a mild bias towards health, wellness, beauty and luxury

There is no clear story about which sub-sectors are most attractive in the current climate. Through our research, we got as many different answers as we had conversations. Overall, we did pick up a mild bias towards health, wellness, beauty and luxury, though even in those sub-sectors we did hear opposing views. Gaming is also seen as an area of interest for some, and the wider pet industry has generated a lot of activity even amidst the cost-of-living crisis. Running slightly adjacent to, but also fundamental to, the consumer sectors, third party logistics is also a developing key area of interest.

The intersection of consumer healthcare is proving interesting to a broader audience

Perhaps unsurprisingly, our research in 2020 found many funds had an increased interest in the healthcare space, identifying it as a strategic area for future focus. Several funds have reiterated this interest. In particular, consumer healthcare has broadened its appeal to funds that have expertise and experience in both the consumer and healthcare sectors.

> "Companies that fall under blurred lines between the consumer and healthcare banners are probably more appealing to us at this point in time, where our investors are cautious about pure consumer investments."
>
> **Partner, PE fund**

> "Consumer healthcare is really interesting for us. Most of our investments sit with the healthcare team, but because we have both established consumer and healthcare teams, we can bring our expertise to bear from both angles."
>
> **Investment Director, PE fund**

Some areas of the consumer-facing industry are less appealing at the moment

Still reeling from the impact of Covid-19, the hospitality industry continues to be seen as 'very challenging in the UK' by some, as does retail to a slightly lesser extent.

> "Consumer healthcare is OK. Hospitality, travel, leisure, retail... all a disaster. Beauty is possibly more appealing, especially if tacked onto healthcare, and some aspects of luxury are probably OK too".
>
> **Operating Partner, PE fund**

Here again, where those we spoke to expressed reluctance about specific areas, it tended to be much more about context and individual companies than sub-sectors as a whole.

> "We are less likely to invest in businesses that carry heavy staffing costs as they will get significantly more expensive with enhanced workers' rights coming into play."
>
> **Portfolio Chair**

> "I'm most interested in buying into niche businesses that are not cyclical, those that are highly cash generative and not capital intensive, or those that are a small component in a more dynamic value chain."
>
> **Managing Partner, PE fund**

Tech and digital investments need to be able to deliver meaningful results

The pandemic accelerated digital transformation across a whole range of industries, increasing the appeal of tech and digital businesses. However, the current economic climate has increased scrutiny on these investments. Valuations that were previously made on the basis of multiples of revenue and top line growth rather than profitability are suddenly out of vogue in an era where cash is no longer cheap. Buzz and excitement are not enough in a way that they might have been in a different era, and the fundamentals of tech and digital businesses are under the spotlight in a way they weren't before.

> "There was so much big money in delivery, that just didn't stand up to scrutiny. How can you make money as a business if you're delivering an avocado in ten minutes, but you charge the same price as if the customer walked into the supermarket themselves? When companies – especially tech companies – run out of money, they're going to find the valuation at the next raise is lower than the last."
>
> **Partner, PE fund**

On leadership

Times of crisis are a big test for leadership teams. Our research in 2020 demonstrated high levels of trust between private equity funds and the leaders of their portfolio businesses in both directions. 77% of those we spoke to on the fund-side were either 'confident' or 'very confident' in their executive teams and their ability to guide the businesses through the next phases of Covid-19 and beyond. Portfolio CEOs and Chairs similarly reported that they had found their PE-backers supportive during the crisis, with increased informal engagement and targeted support.

In more volatile times, private equity dealmakers are looking for greater stability in leadership teams

There is a prevailing sense that funds are less interested in making wholesale management team changes than they perhaps might have been in more buoyant times no doubt reflecting the broader caution around new deals.

> "We really do take the team pretty seriously. As a general rule, we avoid investments where a lot of the team have got to be changed because that introduces a huge set of risk factors. Those changes can delay the performance of an investment by two or three years if you need to start changing people."
>
> **Managing Partner, PE fund**

> "When we look at a new investment in founder-led businesses, we're only interested in those founders who are industry experts. We're not looking at businesses led by inexperienced founders, however exciting the business, as the risk is simply too great."
>
> **Partner, PE fund**

Keeping founders in the business and aligning their interests with PE funds forms part of that drive for stability, but it doesn't mean no changes in leadership

> "We back founders but we are clear with them that they might not be the CEO when we exit. We will fit other leaders around what they enjoy and where they bring real value, but we will also augment their expertise by hiring around their weaknesses."
>
> **Investment Director, PE fund**

PE firms are also having to take a more long-term approach to succession planning than they have previously been used to

As the core structure of PE investments has evolved in recent years, where exits are harder and longer-term holds are more common than before, funds are having to get used to thinking about succession-planning mid-cycle.

> "Longer-term holds are becoming more normal, as we know. If you've got to hold it for seven years instead of five, you're going to need to do some succession planning. You can't just hire a team and sell it three years later. Now you have to have the talent pipeline in the business too."
>
> **Portfolio CEO**

On the other hand, a dearth of exits has made the talent pool for portfolio executives smaller, particularly in an area of the economy where investors like to see executives appointed who have prior PE experience. Some we spoke to felt that we are likely to see the influence of Operating Partners increase as a result.

> "I think the big PE houses are going to have to have a head Operating Partner and Partners underneath them. I anticipate they are going to start specialising much more, for example bringing in a customer centricity Operating Partner or someone with specific skills that are relevant to their portfolio."
>
> **Partner, PE fund**

Meanwhile, fewer exits and the consequent longer holds mean that CEOs and CFOs of consumer-facing assets have been in post for much longer than would previously have been typical. Likewise, anecdotally, many Chairs who might previously have expected to retire by now, and in some cases potentially even before the pandemic hit, are still in post.

As a result, both funds and portfolio leaders are questioning whether or not leadership teams need a refresh, new energy and a new direction - especially as they move towards a transaction.

A challenging period for the consumer industries has resulted in some sector-specialist Partners moving their focus elsewhere, or exiting the industry altogether

Of those that remain, they have necessarily had to focus more on the existing portfolio of investments than on new deals.

> "I was actually having this conversation with one of my businesses today. We're in the early stages of gearing up for an exit and we could waste a lot of time thinking that we're having preliminary meetings with all the big PE houses you'd traditionally expect to be interested in a UK consumer business – and then end up meeting with a junior who's been there for two years and is learning on the job. I think some of the firms have denuded their own ability to do the very deals that now need to be done, and that means we might have to look at other options such as family offices, HNWIs and investors in the Middle East and China instead."
>
> **Portfolio Chair**

> "It does feel as if a lot of the big funds have smaller consumer teams now. Some of the specialist funds are still there, but there also isn't a clear next generation coming up to lead them through the next phase".
>
> **Partner, PE fund**

About us

About The MBS Group

The MBS Group is a leading sector-specialist B-Corp executive search firm, advising all consumer-facing industries, with a particular focus on private equity. Working across a spectrum from established businesses to emerging start-ups, clients consider us to be the partner of choice when searching for critical leadership roles due to our comprehensive understanding of private equity firms in a constantly changing environment. We work across Board level and on executive positions across all functions of strategic importance.

For more information, visit
www.thembsgroup.co.uk

The MBS Group's Private Equity expertise

Supporting clients at Board, Executive Committee and leadership levels, we combine extensive experience in and a deep understanding of the wide and varied Private Equity sector, including its relationship with the consumer sector and access to relevant talent pools in adjacent consumer-facing industries.

About the Author

Elliott Goldstein is Managing Partner at The MBS Group. He specialises in NED, CEO, MD and senior functional roles across private and public companies – with a focus on Retail, Travel, Leisure, Hospitality and Consumer Goods businesses. He is passionate about making sure that MBS always exceeds clients' expectations, and that it is the search consultancy of choice for consumer executive searches.

Over the last three years, he has completed assignments in over 20 countries around the world – and is proud to lead MBS's work on diversity across all our practices.

Having started his career with Boston Consulting Group (BCG), Elliott later became CEO of a luxury cosmetics brand and CEO of a respected fashion label. He is also a NED at Time Products (the owner of the Sekonda and Accurist watch brands) and is a founding member of the Advisory Boards of Women in Hospitality, Travel and Leisure (WiHTL) and of Pennies, the UK's leading fintech charity. He holds a first-class degree with honours in Geography from Brasenose College, Oxford, and an MBA from the University of Chicago.

Edited by: Simon Pryde-More and Olivia Perl

Acknowledgements

We'd like to thank the dozens of Partners, Chairs, CEOs and Investment Directors from across the private equity sector who so generously gave up their time to contribute to this report. We'd also like to thank the team at MBS who worked to compile and produce this white paper, in particular Moira Benigson (Chair and Founder), Huw Lewellyn-Waters (Partner), Hatty Cadman (Partner), Elizabeth Shelley (Director) and Aelf Hewitson (Director).

The MBS Group

3 Primrose Mews
Off Sharpleshall Street
London, NW1 8YW

+44 (0) 20 7722 1221
info@thembsgroup.co.uk

www.thembsgroup.co.uk