M&A trends in consumer, retail, and hospitality

Q2 2026

Buyers pursue operating advantage

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Large platform deals supported value despite softer deal volume

The second quarter of 2026 (Q2’26) was characterized by selective dealmaking. While overall activity declined, buyers continued to pursue transactions that offered clear strategic rationale and identifiable value-creation opportunities.

Hospitality and leisure emerged as the primary driver of value, supported by a small number of large platform transactions across gaming, travel, restaurants, and experiential assets. The sector’s strength is consistent with broader consumer trends: The KPMG Summer 2026 Consumer Pulse Survey found that consumers continue to prioritize spending on travel and experiences despite ongoing economic pressures.[1] Fertitta Entertainment’s acquisition of Caesars Entertainment accounted for a sizable portion of total sector value, while Long Lake Management’s acquisition of American Express Global Business Travel underscored sustained investor interest in scaled travel and leisure platforms with strong customer relationships and technology-enabled capabilities. [2 3 4]

Consumer sector mergers and acquisitions (M&A) concentrated around specialty ingredients, functional nutrition, protein snacking, and manufacturing scale. Platform transactions such as Ingredion’s acquisition of Tate & Lyle and CVC’s acquisition of IFF’s food ingredients business reflected a focus on formulation depth and margin resilience, while Unilever’s acquisition of Grüns and Bel Group’s acquisition of Brainiac reflected sustained demand for functional, better-for-you categories. [5 6 7 8]

Retail activity, by contrast, was less about acquiring banners and more about building capability. Transactions such as Walmart’s acquisition of Vibe.co underscore the shift toward advertising, fulfillment, and customer engagement infrastructure over footprint expansion. [9]

Across sectors, the common thread was selectivity. Capital remained available for differentiated assets, but buyers showed limited willingness to stretch on valuation. As a result, assets with a clear strategic role or credible value-creation story continued to attract interest, while others faced a narrower buyer universe and longer paths to completion.

> “Capital remains available, but buyers are reserving it for assets with a clear strategic role and a credible path to value creation.”

— Frank Petraglia
Global and US Head of Deal Advisory & Strategy, Consumer, Retail & Hospitality, KPMG LLP

[1] “Consumer Pulse Survey | Summer 2026,” KPMG LLP, 2026.
[2] “Caesars Entertainment enters Into agreement to be acquired by Fertitta Entertainment,” Caesars Entertainment, Inc., May 28, 2026.
[3] “Hospitality baron Fertitta expands leisure push with $18 billion Caesars buyout,” CNBC, May 28, 2026.
[4] “Long Lake agrees to acquire American Express Global Business Travel, the world’s largest corporate travel platform, for $6.3 billion, with support from General Catalyst and Alpha Wave,” American Express Global Business Travel, May 4, 2026.
[5] “Ingredion announces recommended all-cash acquisition of Tate & Lyle,” “Ingredion Incorporated, June 8, 2026.
[6] “IFF enters Into agreement to sell Its food ingredients business to CVC,” International Flavors & Fragrances Inc., May 29, 2026.
[7] Leila Sheridan, “Unilever just acquired Grüns, a supplement brand built on one simple idea, for $1.2 Billion,” Inc.com, April 9, 2026.
[8] “Bel Group acquires Ingenuity Foods’ Brainiac brands to expand its better-for-you snacking portfolio,” Bel Group, May 6, 2026.
[9] “Walmart to acquire Vibe.co to expand access to connected TV advertising,” Walmart Inc., June 23, 2026”.

Q2 2026 highlights

555
deals

-14.1%
decrease in number of deals QoQ

$51.3
deal value (in $US billions)

-49.5%
decrease in number of deals QoQ

Q2 2026 vs Q2 2025

555
deals

-20.9%
decrease in number of deals YoY

$51.3
deal value (in $US billions)

32.9%
increase in deal value YoY

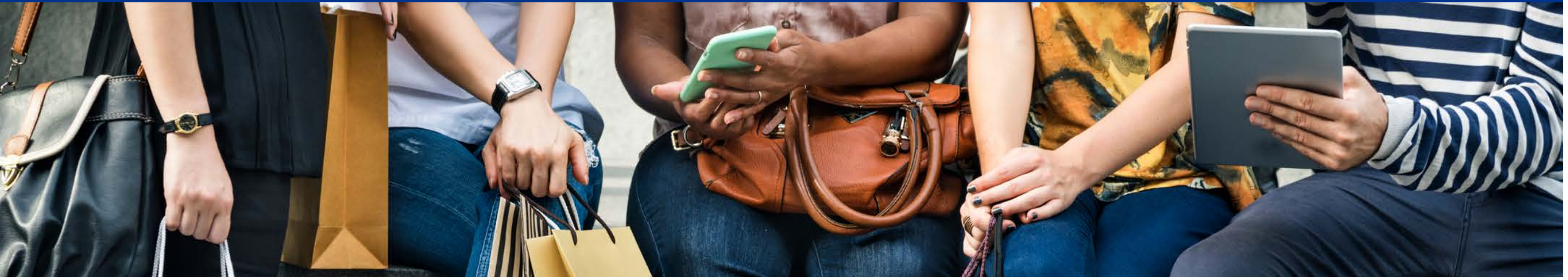
Buyers wrote fewer checks—and made them count

The quarter reflects a continuation of recent trends rather than a marked shift in market conditions. Deal volume in Q2'26 reached its lowest level in the past 3.5 years, reinforcing the trend toward fewer, more selective transactions. Overall deal value continued to be influenced by a relatively small number of large transactions. The decline from the first quarter of 2026 (Q1'26) primarily reflects the absence of the outsized deals that boosted prior-quarter results, rather than a fundamental change in buyer appetite for strategic assets.

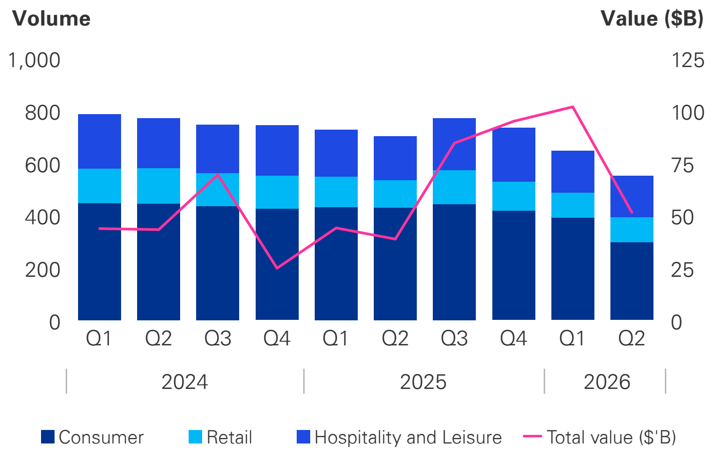
Conviction narrows, capital concentrates

The quarter highlighted a widening gap between deal volume and deal value. While transaction counts declined, capital remained available for assets offering scale, exposure to on-trend products, differentiated capabilities, or attractive operating leverage.

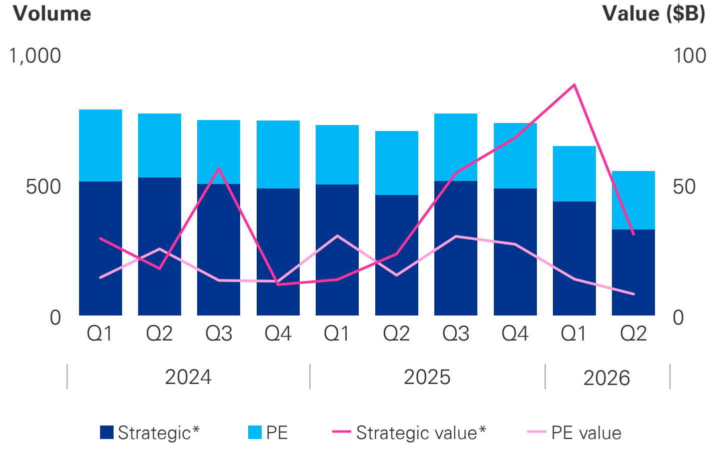
Beneath the headline numbers, buyers pursued different priorities across sectors. In consumer, activity centered on ingredients, nutrition, and manufacturing capabilities. In retail, buyers targeted advertising, fulfillment, and customer-engagement platforms. In hospitality and leisure, large platform transactions accounted for much of the quarter's value.



Consumer, retail & hospitality deal volume and value

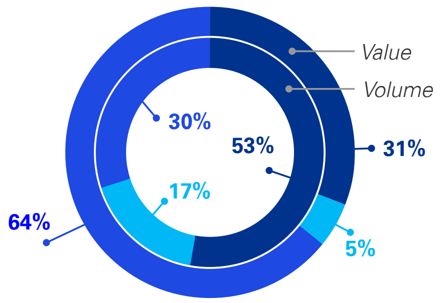


Consumer, retail & hospitality strategic/PE deal volume and value



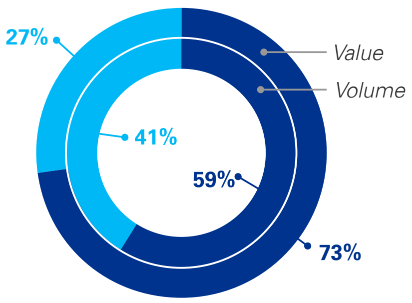
*Data also contains figures from SPAC deals

Consumer, retail & hospitality sector mix - Q2’26



Values may not add to 100% due to rounding.

Consumer, retail & hospitality strategic/PE mix - Q2’26



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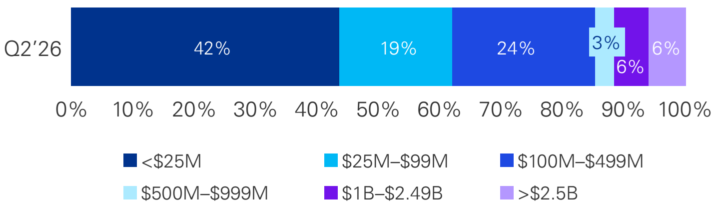
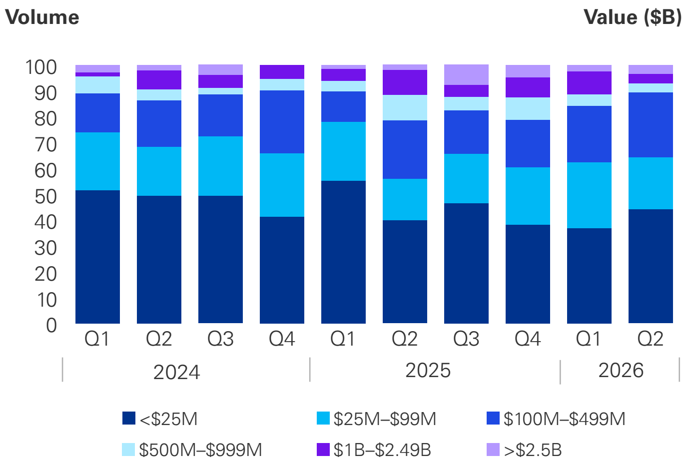
*Data also contains figures for SPAC deals

Consumer, retail & hospitality deal size mix - Q2’26



Note: Deals with disclosed values only. Values may not add to 100% due to rounding.

Consumer, retail & hospitality total deal mix



Note: Values may not add to 100% due to rounding.

Sector Data

Consumer: Ingredients, health, and capacity

Consumer buyers remained active, but concentrated their attention on assets with clear technical, formulation, and manufacturing advantages.

The quarter's largest consumer deals were about building capabilities rather than adding brands. Ingredion's acquisition of Tate & Lyle expanded its position in specialty ingredients and broadened its reach with food and beverage manufacturers globally. CVC's acquisition of IFF's Food Ingredients business created a standalone specialty ingredients platform while allowing IFF to focus on higher-growth, higher-margin businesses.[5 6]

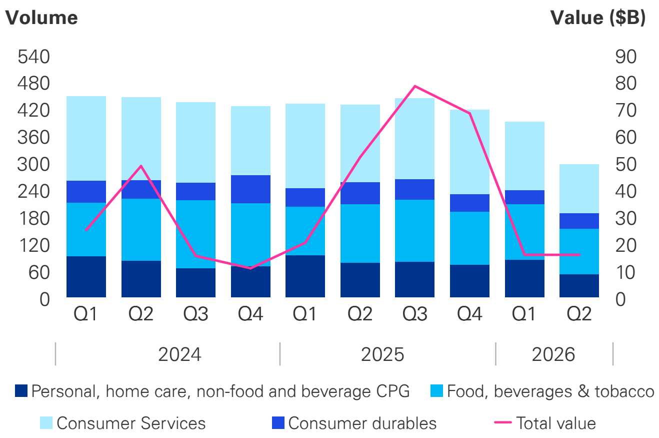
Functional nutrition and better-for-you categories continued to command attention despite broader market selectivity. Transactions involving Tillamook Country Smoker, Brainiac, and Little Brainiac suggest buyers remain willing to pay for differentiated brands positioned at the intersection of health, convenience, and category growth, particularly when those businesses can scale through established distribution and manufacturing platforms.[8 10]

Implication: Consumer buyers are placing value on technical capability, customer codevelopment, and category relevance, not only brand equity.

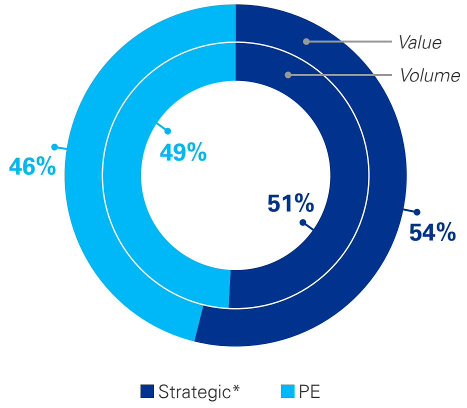
Decision lens for dealmakers:

- **Next 90–180 days:** Prioritize assets that strengthen product formulation, ingredient capabilities, manufacturing capacity,
  or access to customers and distribution channels.
- **Recurring execution risk:** Buyers can overestimate the benefits of combining brands while underestimating the risk of channel conflict and brand dilution.
- **Practical move:** Test customer overlap, product pipelines, and manufacturing fit as rigorously as projected revenue synergies.

Consumer deals by subsector



Consumer strategic/PE mix - Q2'26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

[5] "Ingredion announces recommended all-cash acquisition of Tate & Lyle," "Ingredion Incorporated, June 8, 2026.
[6] "IFF enters Into agreement to sell Its food ingredients business to CVC," International Flavors & Fragrances Inc., May 29, 2026.
[8] "Bel Group acquires Ingenuity Foods' Brainiac brands to expand its better-for-you snacking portfolio," Bel Group, May 6, 2026.
[10] Second Nature Brands, "Second Nature Brands agrees to acquire Tillamook Country Smoker," Second Nature Brands, June 8, 2026".

Retail: Building capabilities, not expanding footprints

Several of the quarter's notable retail transactions focused on retail media, advertising, fulfillment, and customer engagement capabilities. Walmart's acquisition of Vibe.co and Instacart's acquisition of Instaleap illustrate the continued importance of these capabilities to large retail platforms.[9][11]

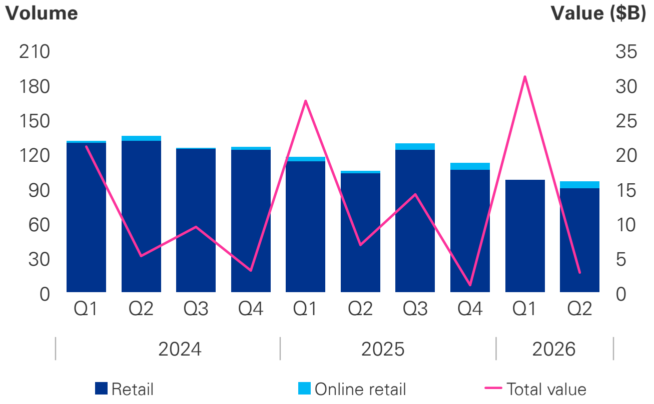
These investments reflect where retailers see the greatest opportunity for value creation. Rather than pursuing large-scale consolidation, buyers focused on capabilities that can improve customer acquisition, increase monetization, and strengthen fulfillment performance.

Implication: Retail dealmaking is increasingly focused on capabilities that can improve growth, monetization, and operating performance, rather than traditional footprint expansion.

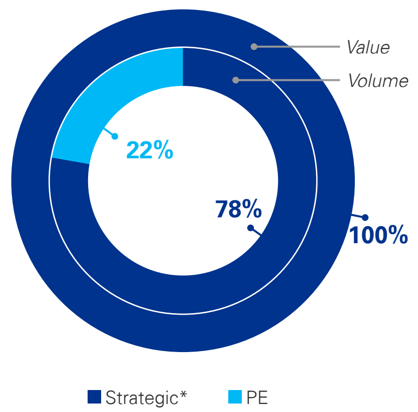
Decision lens for dealmakers:

- **KPMG lens, next 90–180 days:** Expect consistent deal counts to continue with muted value; partnerships and minority stakes will dominate.
- **Recurring execution risk:** Revenue synergies often fall short of expectations when customer data, measurement systems, privacy requirements, and fulfillment operations are difficult to integrate.
- **Practical move:** Before signing, verify that customer data, advertising platforms, and fulfillment operations will work together as expected after the deal closes.

Retail deals by subsector



Retail strategic/PE mix - Q2'26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

[9] "Walmart to acquire Vibe.co to expand access to connected TV advertising," Walmart Inc., June 23, 2026."
[11] "Instacart Acquires Instaleap to accelerate global expansion of its enterprise platform," Instacart, April 14, 2026.

Hospitality and leisure: Large platforms lead the quarter

Hospitality and leisure was the clear value leader in Q2’26. Although deal volume remained relatively stable, value surged by 1,253.0 percent quarter over quarter (QoQ) and 180.8 percent year over year (YoY), as buyers pursued large, diversified platforms capable of generating revenue across multiple channels and customer touchpoints.

Fertitta Entertainment’s agreement to acquire Caesars Entertainment for approximately $17.6 billion was the defining transaction of Q2’26.[2] The deal combined gaming, digital, restaurant, hospitality, sports betting, and entertainment assets under a diversified leisure platform.

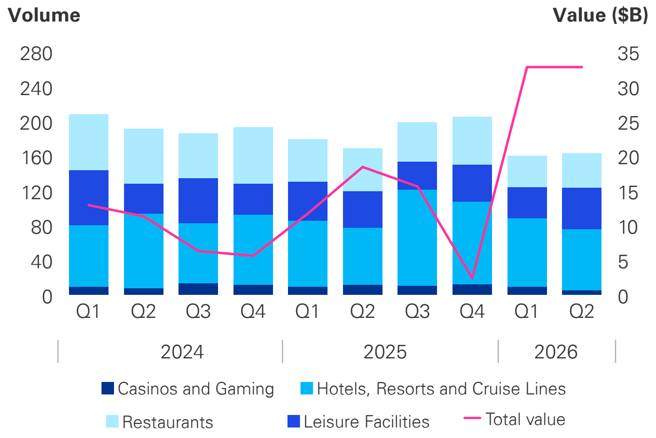
Beyond Caesars, notable transactions such as Long Lake Management’s acquisition of American Express Global Business Travel and KSL Capital Partners’ acquisition of Invited Clubs reinforced buyer appetite for scaled travel and leisure platforms. In the case of Amex GBT, the transaction also highlighted continued interest in technology-enabled travel businesses with established customer networks.[4 12]

Implication: With consumers prioritizing spending on experiences like travel, capital is following. As a result, buyers are showing the strongest interest in scaled hospitality and leisure platforms that combine multiple businesses, brands, and revenue streams.

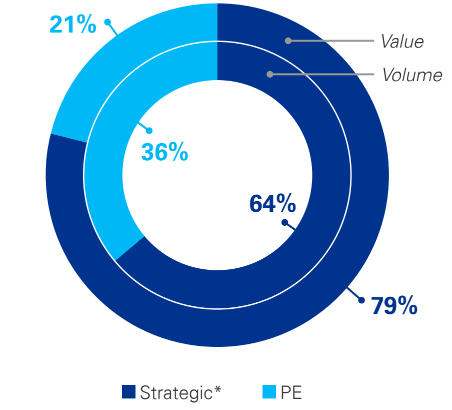
Decision lens for dealmakers:

- **KPMG lens, next 90–180 days:** Separate platform expansion from asset ownership. They require different diligence, financing, and integration playbooks.
- **Recurring execution risk:** Buyers often underestimate the complexity of integrating labor models, maintaining service quality, and managing local regulatory requirements.
- **Practical move:** Define postclose decision rights for pricing, loyalty, capital expenditure, procurement, technology, and asset-level governance before signing.

Hospitality and Leisure deals by subsector



Hospitality and Leisure strategic/PE mix - Q2’26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

[2] “Caesars Entertainment enters Into agreement to be acquired by Fertitta Entertainment,” Caesars Entertainment, Inc., May 28, 2026.
[4] “Long Lake agrees to acquire American Express Global Business Travel, the world’s largest corporate travel platform, for $6.3 billion, with support from General Catalyst and Alpha Wave,” American Express Global Business Travel, May 4, 2026.
[12] Abigail Summerville, “KSL Capital Partners to Buy Membership Club Operator Invited Clubs for Second Time,” sources say,” Reuters, April 22, 2026.

> "Buyers are still willing to pay for growth, but they want to understand exactly what is driving it and whether it can scale."
>
> — Julia Wilson
> *Principal, Advisory Strategy, KPMG LLP*

Top deals

	Value (billions)
Acquirer: **Fertitta Entertainment, Inc.** Target: **Caesars Entertainment, Inc.**	$17.6
Acquirer: **Long Lake Management** Target: **American Express Global Business Travel**	$6.3
Acquirer: **Ingredion Incorporated** Target: **Tate & Lyle plc**	$5.0
Acquirer: **CVC Capital Partners** Target: **International Flavors & Fragrances' food ingredients business**	$4.3
Acquirer: **KSL Capital Partners** Target: **Invited Clubs**	$3.0

Q2'26 data has been updated as of June 30, 2026. Deal data has been sourced from Capital IQ and Pitchbook, and then further refined and analyzed by KPMG LLP. The cited values and volumes cover inbound, domestic, and outbound US deals announced during the timeframe, including both majority and minority stakes. Deal values are based on publicly available data and are not exhaustive.

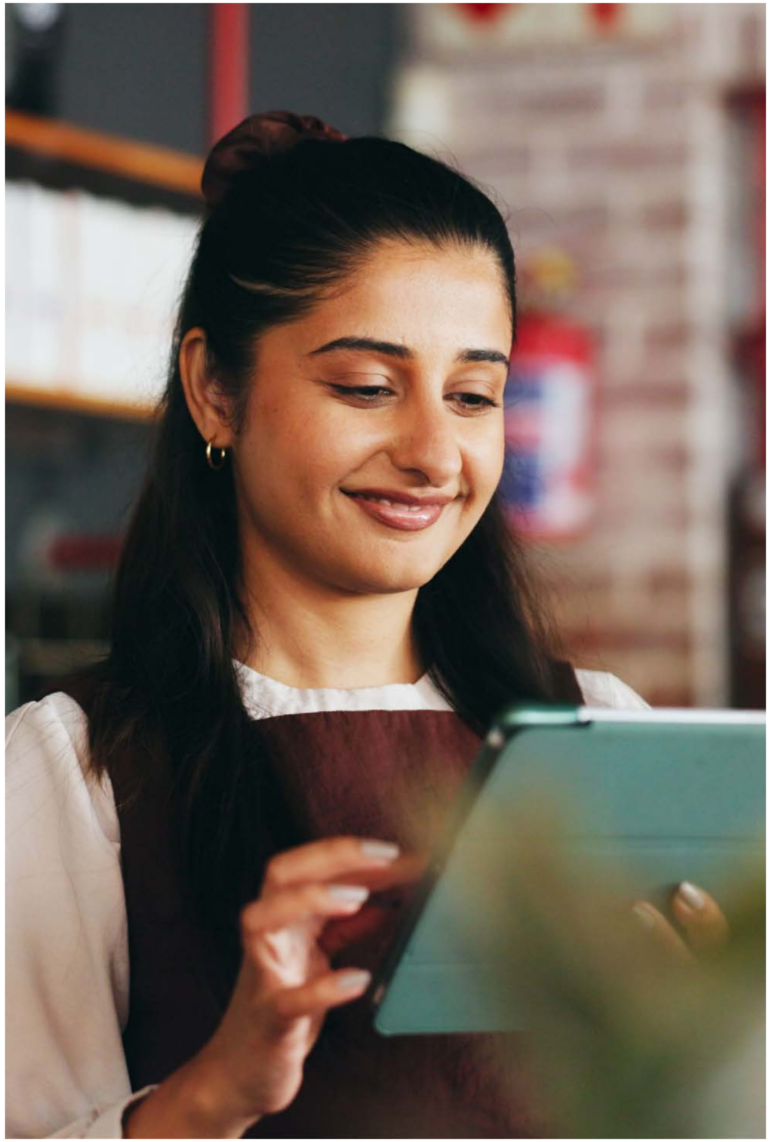
Selective capital, disciplined execution

The outlook for Q3'26 remains constructive but highly selective. Buyers continue to demonstrate willingness to deploy capital for assets with differentiated capabilities, attractive operating economics, or clear synergy opportunities. While valuation discipline remains high and transaction activity uneven, the market continues to support strategic deals where buyers have conviction in the value-creation opportunity.

In consumer, activity is likely to remain focused on ingredients, nutrition, and manufacturing assets that can help companies respond to shifting consumer preferences and support product innovation. In retail, buyers are expected to continue targeting capabilities that improve customer acquisition, advertising effectiveness, fulfillment, and operating efficiency. In hospitality and leisure, interest should remain strongest in scaled platforms and businesses with multiple revenue streams, particularly where buyers see opportunities to improve performance or expand customer reach.

More broadly, buyers appear willing to invest despite a slower market, but they are showing little appetite for assets without a clear path to value creation. As a result, transactions supported by a compelling strategic rationale, credible synergy opportunities, and a well-defined integration plan are likely to attract the greatest interest in the quarters ahead.

Activity is also becoming increasingly uneven across subsectors. Buyers continue to show strong interest in assets with differentiated growth profiles, attractive operating characteristics, or strategic relevance, while other categories face a more limited buyer universe and greater valuation pressure. In this environment, sector selection may matter as much as capital availability.



Consumer: “The formula wins”

Consumer buyers will continue to favor assets that help large food and beverage platforms respond to health, affordability, taste, texture, and convenience demands from the customer.[13] The next quarter’s highest-quality consumer opportunities are likely to sit where brand relevance and technical capability overlap. The risk is paying for growth narratives without validating formulation ownership, customer qualification, and plant-level execution.

Retail: “The customer is the asset”

Retail M&A is expected to remain focused on capabilities. Retail media, connected TV advertising, omnichannel fulfillment, cross-border commerce, and artificial-intelligence-enabled customer engagement are likely to remain areas of interest. Success will depend on whether buyers can translate those acquisitions into measurable improvements in growth, customer engagement, or operating performance.

Hospitality and leisure: “Experience needs infrastructure”

We expect hospitality and leisure deal activity to remain focused on scaled platforms and businesses with multiple revenue streams. The quarter’s largest transaction showed that buyers remain willing to pursue large acquisitions when they can expand customer reach, add complementary businesses, or create a broader platform. Areas such as restaurants and quick-service dining may also warrant attention, as companies continue to evaluate portfolio optimization, ownership transitions, and strategic alternatives in pursuit of growth and operating efficiency.

The challenge comes after the deal closes. In hospitality and leisure, value creation depends as much on execution as strategy. Buyers must integrate operations without disrupting guest experience while managing labor models, capital investment requirements, regulatory obligations, and increasingly complex loyalty and technology ecosystems.

[13] “From cravings to consciousness,” KPMG LLP, accessed July 29, 2026.

Key considerations as we look ahead

01

Test the thesis early

Do not wait for confirmatory diligence to find out whether the deal is really about growth, capability, cost, or control. Q2'26 rewarded buyers that knew exactly why an asset mattered.

02

Separate value from volume

Large transactions supported aggregate value, but the broader market remained thinner. Boards should avoid using headline deal value as proof that every process will clear.

03

Make integration a signing issue

Retail media, food ingredients, travel technology, and hospitality platforms all carry integration complexity. Data, systems, people, quality, compliance, and customer experience must be diligence workstreams before signing.

04

Use structure deliberately

Minority stakes, carve-outs, earn-outs, retained interests, and transitional arrangements can help bridge valuation gaps and keep transactions moving when buyers and sellers struggle to align on price. They can also create governance friction if decision rights are vague.

05

Put capital expenditures and regulation in the model

In hospitality and leisure, particularly gaming, lodging, and restaurant platforms, regulatory approvals, renovation budgets, labor models, and loyalty integration can determine whether the deal creates value.

How KPMG can help

KPMG helps clients overcome deal obstacles by taking a truly integrated approach to value delivery, combining deep industry experience across consumer, retail, and hospitality with data-supported, tools-led insights and full M&A capabilities across the deal lifecycle. Our teams bring both transactional and operational experience, helping organizations navigate diligence, integration, and execution challenges to deliver rapid, sustainable value creation.

Our team

Experience wins the deal.

Each member of our deal team brings extensive industry experience and functional depth, working together to help you win the right deals, divest successfully and create long-term value.

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