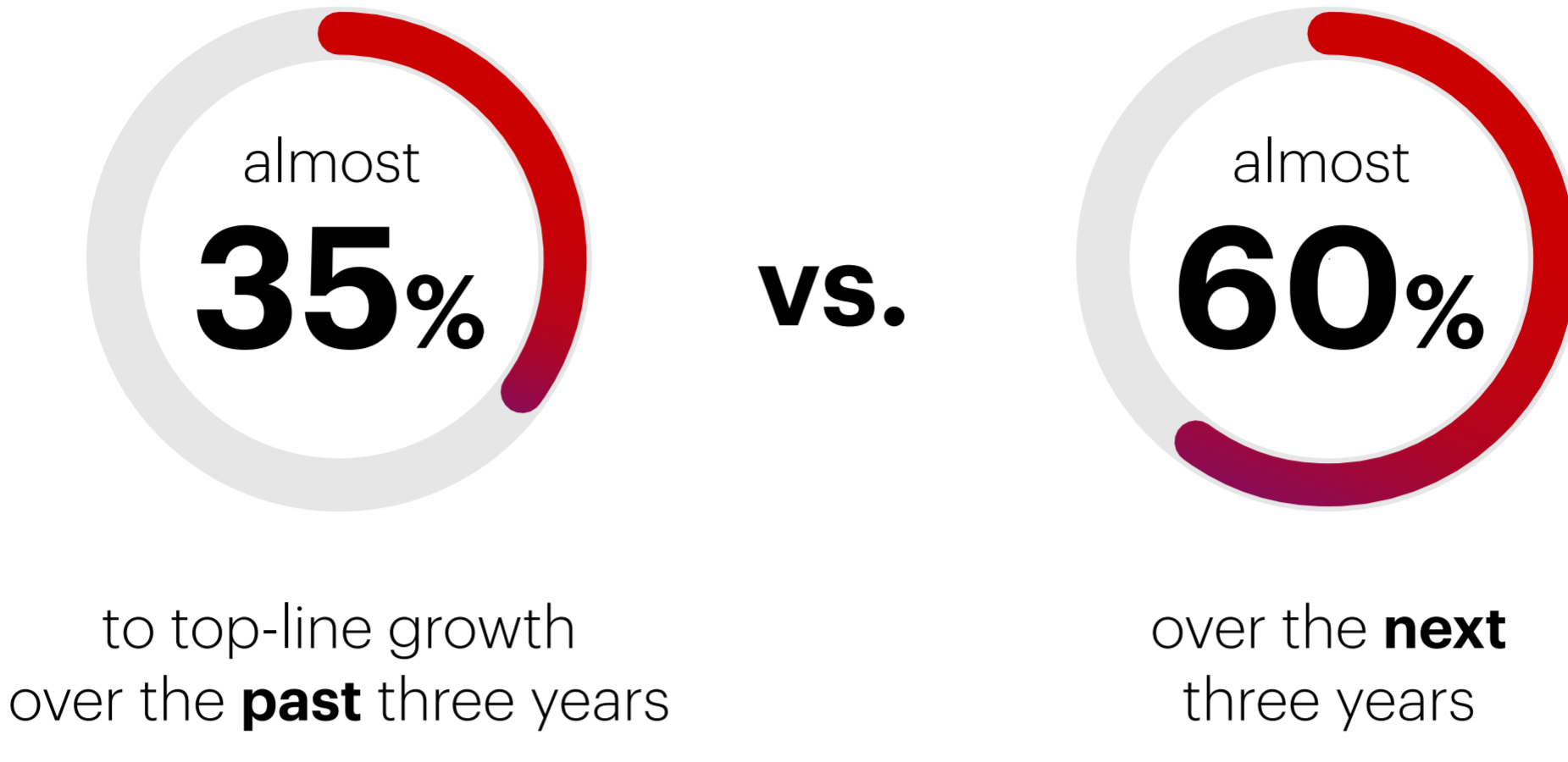


How Covid-19 Has Reshaped Retail M&A

In an industry that has undergone multiple years of digitization at warp speed, it will take more than scale to succeed.

Covid-19 is raising the stakes for retail M&A

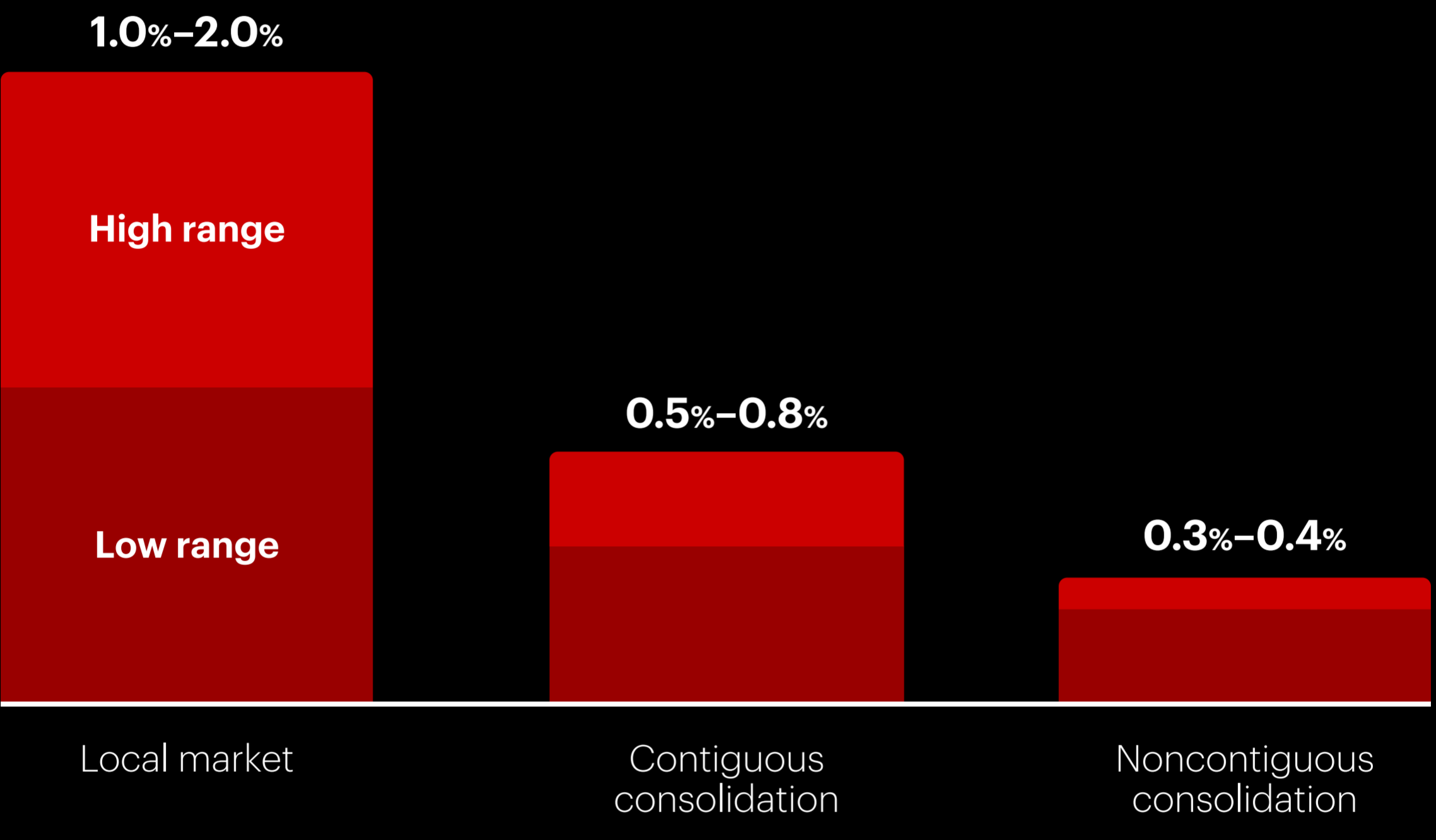
In the face of accelerated digitization, retail M&A practitioners expect M&A to contribute



Scale deals will be critical ...

In grocery, regional and absolute scale can boost margins and profits

Synergies as a percentage of combined revenue

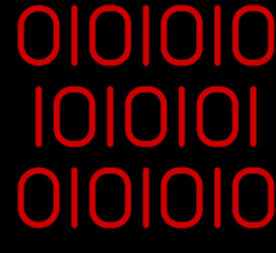


... but scale is not enough

Scope deals can equip retailers with capabilities for a quickly evolving digital battlefield



E-commerce platforms and rapid innovation in fast-growing segments



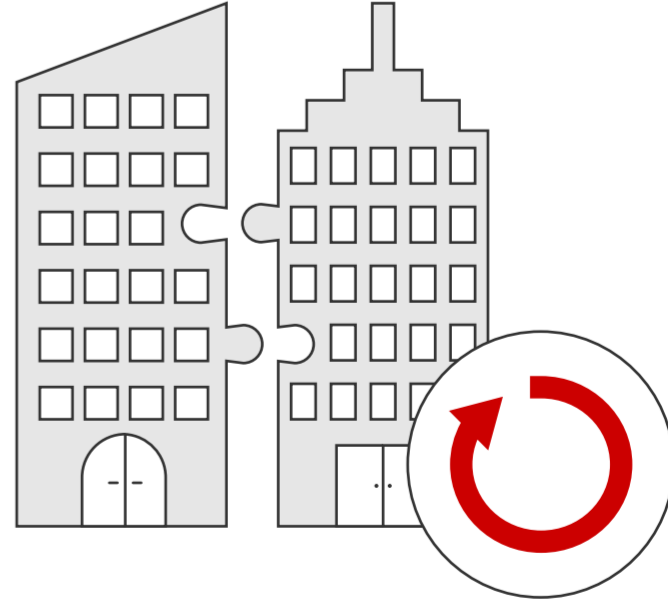
Data and advanced analytics to resegment and more deeply understand customers

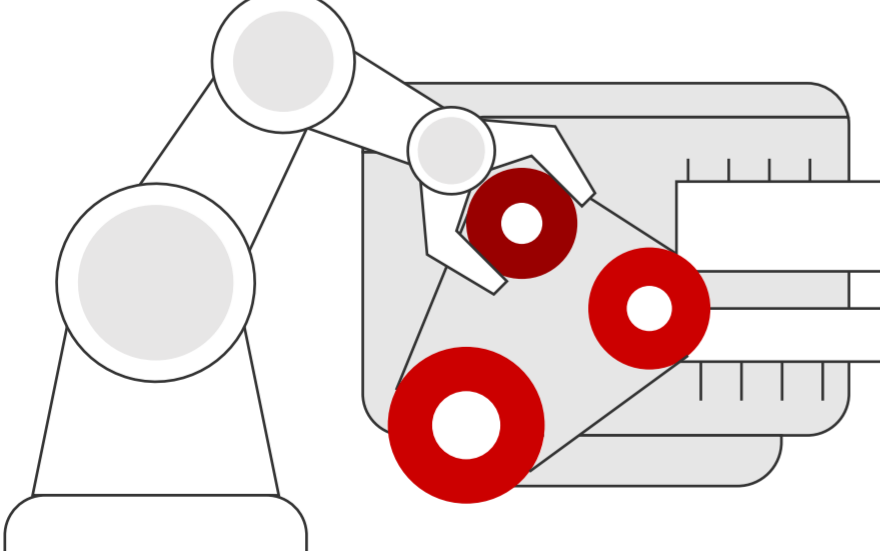


Ecosystem participation to make the most of assets, add new capabilities, and enter new profit pools

Three requirements for M&A in a new landscape

- 1 Repeat M&A** as serial buyers reap stronger total shareholder returns, top-line growth, and higher profitability


- 2 Build a strong M&A engine** with a culture and community to support and foster it


- 3 Tailor capabilities to the M&A agenda** by finding the right approach for each deal and choosing the right mix

