

Q3
25

Consumer Sector

Mirus

Leisure, Enthusiast & Recreation

REPORT

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Leisure, Enthusiast & Recreation

Hotel Profits Fall as Cost Increases Outpace Revenue

Hotel News [Full Article](#)

Driven by persistent cost inflation and a cooling economic outlook, the U.S. hotel industry is grappling with declining profitability. The CBRE U.S. Hotels State of the Union September edition reports that operating profits contracted by 2.7%, a trend that is being fueled by rising costs that surpassed total revenue growth in the face of below-average GDP growth. This pressure on margins reflects a slowdown in the sector's recovery momentum, an environment projected to continue through 2026.

Key factors fueling this downturn include a soft top-line performance and intense competition. Hotel RevPAR (revenue per available room) has fallen 0.6%, primarily due to a significant 1.0% drop in occupancy. Simultaneously, competition from alternative lodging options is significant with short-term rentals seeing their RevPAR increase by 6.0% year-over-year. Furthermore, a meaningful headwind is created by shifting travel patterns, characterized by a notable 3.1% decline in inbound international travel. Against this backdrop, the luxury chain scale stands out as the primary outperformer, suggesting a highly segmented market resilience.

EA Sports Nears Largest-Ever Buyout, Backed by PIF and Silver Lake

Axios [Full Article](#)

Video game publisher Electronic Arts (EA) is nearing a deal to be taken private by a consortium of powerful investors, potentially resulting in the largest leveraged buyout (LBO) of all time. The proposed deal, valued in the range of \$50-\$55 billion, reflects a major consolidation within the tech and entertainment sectors and a significant strategic push by Middle Eastern sovereign wealth funds to diversify their global holdings. The privatization would take the company, known for franchises like *Madden NFL* and *EA Sports FC*, off the public market for the first time since 1990.

The investment consortium is spearheaded by private equity firm Silver Lake and the Saudi Public Investment Fund (PIF), a current 10% shareholder in EA. This full acquisition is a key move in the PIF's strategy to expand its massive global video game and e-sports portfolio, aiming to diversify the Saudi economy beyond oil. The group also includes Affinity Partners, which is heavily funded by the PIF. Following the news, EA shares jumped 15%.

Revealed: How Much Money The 2025 Ryder Cup Made...And Where It Goes

Golf365 [Full Article](#)

The 45th Ryder Cup, golf's premier team competition, was estimated to deliver an economic impact of over \$200 million for New York State, according to New York Governor Kathy Hochul. When the event was last held in the U.S.—in Wisconsin in 2021—PGA of America said it helped generated \$192 million in total revenue. Ticket revenue alone was expected to raise \$125 million, with tickets priced as high as \$750, and the Long Island Rail Road reportedly earned \$20 million in additional revenue during the 2025 Cup.

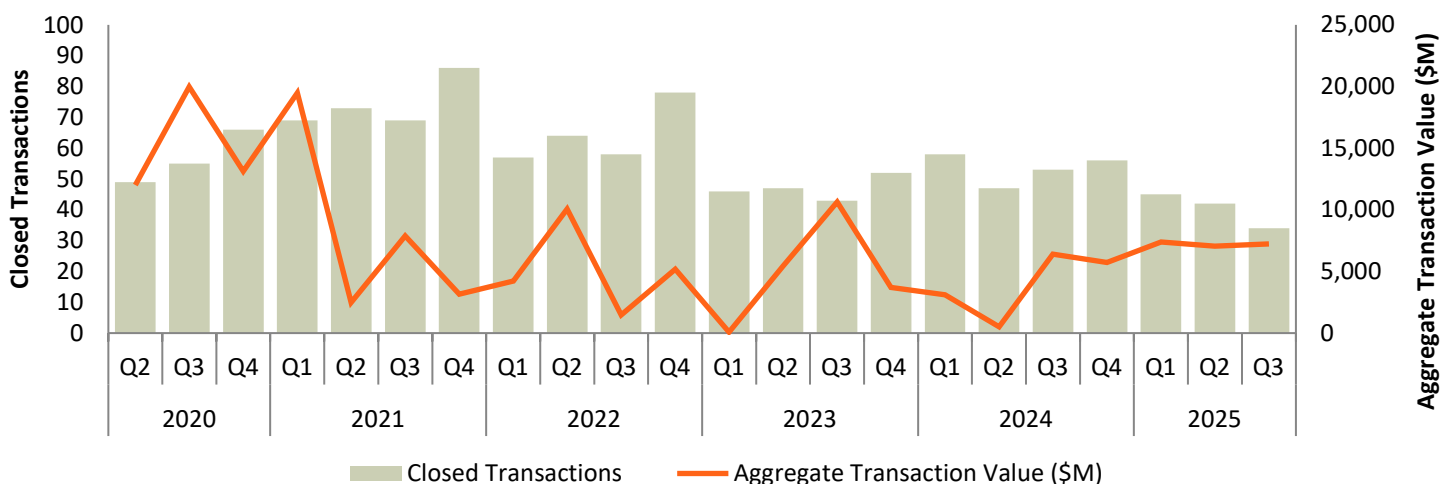
Sector Update: Leisure, Enthusiast, and Recreation (LER)

The core of the Leisure, Enthusiast, and Recreation sector continues to show that consumers are prioritizing experiences over material goods as we continue through Q3 2025. This sector, which includes everything from travel and live events to gear and apparel, continued to show a significant division in performance. Long-term consumer trends, particularly among Millennials and Gen Z, sustained strong demand for localized, in-person activities, providing resilience for the experience-based LER companies. This advantage was heightened by geopolitical factors, as the physical production of goods in low-cost countries like China and Vietnam suffered a severe setback due to rising U.S. tariffs.

The most dramatic shift in Q3 occurred on the financial side. Where Q2 2025 saw product-based multiples increase slightly, the third quarter brought sharp reversal: product-based multiples declined significantly as investors reset valuation expectations due to severe profit warnings and mounting tariff costs for major players. Conversely, experience-based multiples demonstrated stability and growth potential, supported by evidence of strong operational demand, job growth in the hospitality sector, and successful, high-revenue generating events. This confirms the market's belief that the future of the LER sector lies in high-margin experience assets that demonstrate consistent earnings resilience against macro and geopolitical volatility.

Closed LER M&A Transactions

Closed Transactions



“We’re in the part of the year where all four major professional (male) sports compete against each other for viewers. Sports remains a key draw to TV viewers as live, unscripted outcomes combine with regional loyalties.”



Stuart Rose
Partner

Selected Q3 2025 LER M&A Transactions



Bass Pro Shops and White River Marine Group acquire Hobie

Hobie, the venerated Southern California-based watersports brand, has been acquired by Bass Pro Shops and White River Marine Group. The acquisition will unite two of the world's most well-respected watercraft manufacturers, and includes the plan to move Hobie's manufacturing operations from Mexico to Lebanon, Missouri, bringing production back to the USA. Hobie joins a strong set of brands under White River Marine Group, including Tracker, Ranger, Nitro, Triton, Mako, and Ascend, among others.



Flutter Entertainment Seals Full Ownership of FanDuel

Flutter Entertainment secured full 100% ownership of FanDuel by acquiring the remaining 5% stake from Boyd Gaming Corp. for \$1.6 billion this July, not including \$200 million attributable to the revision of various existing commercial loans. This revision included extending the strategic market access partnership between FanDuel and Boyd through 2038, which is expected to yield substantial annual cost savings for Flutter. Flutter is funding the transaction through additional debt financing, a move which secures full control over the leading U.S. sports betting operator.



Backcountry.com LLC Acquires Level Nine Sports Inc.

Outdoor gear retailer Backcountry.com LLC acquired Utah-based value retailer Level Nine Sports Inc. (L9 Sports) in a strategic move completed in July of this year. The acquisition aimed to broaden Backcountry's product portfolio by integrating L9 Sports' specialized, cost-conscious selection of ski, snowboard, and mountain biking gear. L9 Sports' physical stores in Utah will remain open and its employees joined Backcountry's expert "Gearhead" team. This partnership leverages Backcountry's superior e-commerce capabilities while allowing L9 Sports to continue serving value-minded outdoor enthusiasts.



Rogers Communications Acquires an Additional 37.5% Stake in MLSE

Rogers Communications Inc. agreed to acquire an additional 37.5% stake in Maple Leaf Sports & Entertainment Ltd. (MLSE) from BCE Inc. for CAD \$4.7 billion. This transaction, which closed in July after receiving all necessary regulatory and league approvals, gives Rogers a 75% controlling interest in MLSE. The acquisition significantly enhances Rogers' sports content portfolio by including content rights for 50% of the Toronto Maple Leafs and Toronto Raptors regional games. The deal was primarily funded by debt financing, with BCE intending to use the proceeds to reduce debt and focus on its core business.

Select Leisure, Enthusiast & Recreation Public Companies

Specialty Retail

9/30/2025

Company Name	Ticker	LTM Financials			Valuation Metrics		LTM Margins	
		Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
1-800-FLOWERS.COM, Inc.	NasdaqGS:FLWS	\$517	\$1,686	-\$2	0.3x	NM	38.7%	-0.1%
Altria Group, Inc.	NYSE:MO	\$134,457	\$20,259	\$12,573	6.6x	10.7x	71.7%	62.1%
Barnes & Noble Education, Inc.	NYSE:BNED	\$694	\$1,568	\$73	0.4x	9.6x	22.4%	4.6%
Build-A-Bear Workshop, Inc.	NYSE:BBW	\$908	\$523	\$90	1.7x	10.1x	56.3%	17.2%
Five Below, Inc.	NasdaqGS:FIVE	\$9,879	\$4,232	\$532	2.3x	18.6x	35.1%	12.6%
Funko, Inc.	NasdaqGS:FNKO	\$518	\$971	\$21	0.5x	24.6x	39.5%	2.2%
Hasbro, Inc.	NasdaqGS:HAS	\$13,467	\$4,251	\$1,014	3.2x	13.3x	64.6%	23.9%
JAKKS Pacific, Inc.	NasdaqGS:JAKK	\$227	\$685	\$57	0.3x	4.0x	33.9%	8.3%
Latham Group, Inc.	NasdaqGS:SWIM	\$1,172	\$522	\$69	2.2x	17.1x	32.0%	13.2%
MarineMax, Inc.	NYSE:HZO	\$1,677	\$2,320	\$133	0.7x	12.6x	32.4%	5.7%
Mattel, Inc.	NasdaqGS:MAT	\$7,234	\$5,336	\$895	1.4x	8.1x	51.5%	16.8%
SRM Entertainment, Inc.	NasdaqCM:TRON	\$59	\$4	-\$3	14.0x	NA	21.9%	NM
Tractor Supply Company	NasdaqGS:TSCO	\$35,470	\$15,148	\$1,946	2.3x	18.2x	36.4%	12.8%
Turning Point Brands, Inc.	NYSE:TPB	\$1,977	\$407	\$103	4.9x	19.2x	56.2%	25.3%
YETI Holdings, Inc.	NYSE:YETI	\$2,602	\$1,822	\$285	1.4x	9.1x	58.4%	15.6%
Median					2.0x	13.0x	37.6%	12.8%
Mean					2.9x	13.8x	42.3%	15.7%

Sporting Apparel and Equipment

9/30/2025

Company Name	Ticker	LTM Financials			Valuation Metrics		LTM Margins	
		Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Academy Sports and Outdoors, Inc.	NasdaqGS:ASO	\$4,873	\$5,971	\$602	0.8x	8.1x	34.0%	10.1%
Acushnet Holdings Corp.	NYSE:GOLF	\$5,558	\$2,490	\$344	2.2x	16.2x	48.3%	13.8%
American Outdoor Brands, Inc.	NasdaqGS:AOUT	\$125	\$210	\$9	0.6x	14.6x	44.8%	4.1%
Big 5 Sporting Goods Corporation	NasdaqGS:BGFV	\$376	\$763	-\$53	0.5x	NA	29.1%	NA
Clarus Corporation	NasdaqGS:CLAR	\$122	\$254	-\$8	0.5x	NA	34.6%	NA
DICK'S Sporting Goods, Inc.	NYSE:DKS	\$21,177	\$13,772	\$1,914	1.5x	11.1x	36.1%	13.9%
Escalade, Incorporated	NasdaqGM:ESCA	\$187	\$241	\$21	0.8x	9.0x	25.2%	8.5%
Gildan Activewear Inc.	TSX:GIL	\$10,384	\$3,343	\$839	3.1x	12.4x	31.2%	25.1%
Interactive Strength Inc.	NasdaqCM:TRNR	\$61	\$7	-\$21	8.7x	NA	NA	NA
Leslie's, Inc.	NasdaqGS:LESL	\$1,043	\$1,251	\$53	0.8x	19.7x	34.6%	4.2%
lululemon athletica inc.	NasdaqGS:LULU	\$21,707	\$10,904	\$2,977	2.0x	7.3x	59.1%	27.3%
Newton Golf Company, Inc.	NasdaqCM:NWTG	\$4	\$6	-\$6	0.7x	NA	68.9%	NA
Outdoor Holding Company	NasdaqCM:POWW	\$133	\$44	-\$42	3.0x	NA	97.9%	NA
Peloton Interactive, Inc.	NasdaqGS:PTON	\$4,607	\$2,491	\$141	1.8x	NM	50.9%	NA
Smith & Wesson Brands, Inc.	NasdaqGS:SWBI	\$544	\$471	\$53	1.2x	10.2x	26.8%	11.3%
Sportsman's Warehouse Holdings, Inc.	NasdaqGS:SPWH	\$678	\$1,208	\$27	0.6x	25.1x	31.2%	2.2%
Sturm, Ruger & Company, Inc.	NYSE:RGR	\$603	\$536	\$27	1.1x	22.7x	17.0%	4.9%
Topgolf Callaway Brands Corp.	NYSE:MODG	\$5,519	\$4,140	\$508	1.3x	10.9x	31.5%	12.3%
Under Armour, Inc.	NYSE:UAA	\$2,872	\$5,115	\$350	0.6x	8.2x	48.1%	6.9%
Winmark Corporation	NasdaqGM:WINA	\$1,801	\$83	\$55	21.6x	32.7x	96.2%	66.1%
Median					1.1x	11.7x	34.6%	10.7%
Mean					2.7x	14.9x	44.5%	15.1%

Leisure Facilities

9/30/2025

Company Name	Ticker	LTM Financials			Valuation Metrics		LTM Margins	
		Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Allied Gaming & Entertainment Inc.	NasdaqCM:AGAE	\$20	\$8	-\$15	2.5x	NA	49.9%	NA
Aureus Greenway Holdings Inc.	NasdaqCM:AGH	\$41	\$3	\$0	13.4x	NA	19.6%	NA
Dave & Buster's Entertainment, Inc.	NasdaqGS:PLAY	\$4,162	\$2,113	\$432	2.0x	9.6x	40.5%	20.4%
Life Time Group Holdings, Inc.	NYSE:LTH	\$9,982	\$2,824	\$707	3.5x	14.1x	47.2%	25.1%
Lucky Strike Entertainment Corporation	NYSE:LUCK	\$4,587	\$1,201	\$287	3.8x	16.0x	37.2%	23.9%
Planet Fitness, Inc.	NYSE:PLNT	\$10,819	\$1,166	\$513	9.3x	21.1x	59.7%	44.0%
Six Flags Entertainment Corporation	NYSE:FUN	\$7,958	\$3,168	\$778	2.5x	10.2x	36.2%	24.6%
United Parks & Resorts Inc.	NYSE:PRKS	\$5,007	\$1,707	\$622	2.9x	8.1x	49.3%	36.4%
Vail Resorts, Inc.	NYSE:MTN	\$8,701	\$2,964	\$834	2.9x	10.4x	44.4%	28.1%
Xponential Fitness, Inc.	NYSE:XPOF	\$669	\$317	\$96	2.1x	7.0x	67.5%	30.2%
Median					2.9x	10.3x	45.8%	26.6%
Mean					4.5x	12.1x	45.2%	29.1%

Select Leisure, Enthusiast & Recreation Public Companies

Recreational Vehicles and Equipment

9/30/2025		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
BRP Inc.	TSX:DOO	\$6,433	\$5,603	\$609	1.1x	10.6x	21.2%	10.9%
Brunswick Corporation	NYSE:BC	\$6,231	\$5,097	\$605	1.2x	10.3x	25.7%	11.9%
Johnson Outdoors Inc.	NasdaqGS:JOUT	\$299	\$563	-\$23	0.5x	NA	32.7%	NA
Malibu Boats, Inc.	NasdaqGM:MBUU	\$617	\$808	\$69	0.8x	9.0x	17.8%	8.5%
Marine Products Corporation	NYSE:MPX	\$260	\$224	\$18	1.2x	14.8x	18.8%	7.8%
MasterCraft Boat Holdings, Inc.	NasdaqGM:MCFT	\$271	\$284	\$21	1.0x	13.0x	20.0%	7.3%
Polaris Inc.	NYSE:PII	\$4,901	\$6,961	\$436	0.7x	11.2x	20.3%	6.3%
THOR Industries, Inc.	NYSE:THO	\$5,839	\$9,579	\$577	0.6x	10.1x	14.0%	6.0%
Winnebago Industries, Inc.	NYSE:WGO	\$1,508	\$2,742	\$112	0.5x	13.4x	13.1%	4.1%
Median					0.8x	10.9x	20.0%	7.6%
Mean					0.8x	11.6x	20.4%	7.8%

Casinos and Gambling

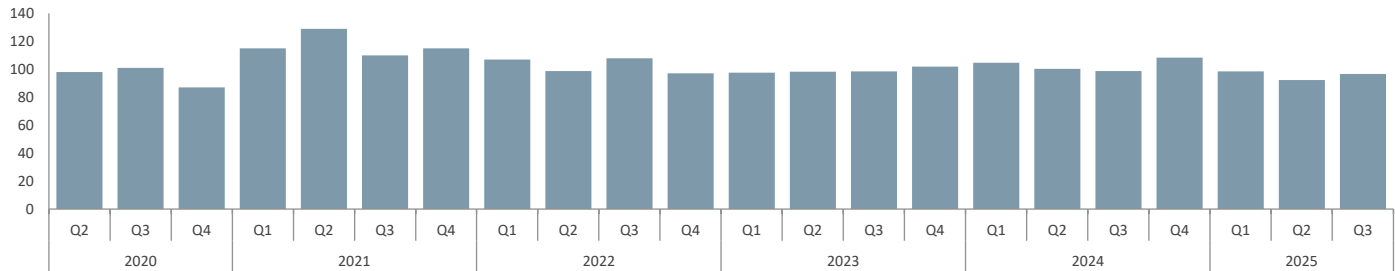
9/30/2025		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Bally's Corporation	NYSE:BALY	\$6,120	\$2,457	\$300	2.5x	20.4x	54.8%	12.2%
Boyd Gaming Corporation	NYSE:BYD	\$10,872	\$4,028	\$1,240	2.7x	8.8x	61.3%	30.8%
Caesars Entertainment, Inc.	NasdaqGS:CZR	\$30,902	\$11,374	\$3,589	2.7x	8.6x	51.2%	31.6%
Churchill Downs Incorporated	NasdaqGS:CHDN	\$11,737	\$2,830	\$913	4.1x	12.9x	33.5%	32.3%
DraftKings Inc.	NasdaqGS:DKNG	\$19,216	\$5,410	-\$31	3.6x	NA	43.2%	NA
Full House Resorts, Inc.	NasdaqCM:FLL	\$609	\$298	\$42	2.0x	14.4x	50.8%	14.2%
Golden Entertainment, Inc.	NasdaqGM:GDEN	\$1,081	\$650	\$134	1.7x	8.1x	54.2%	20.6%
High Roller Technologies, Inc.	NYSEAM:ROLR	\$22	\$29	-\$6	0.8x	NA	58.7%	NA
Las Vegas Sands Corp.	NYSE:LVS	\$49,584	\$11,615	\$3,928	4.3x	12.6x	79.4%	33.8%
Light & Wonder, Inc.	NasdaqGS:LNW	\$11,761	\$3,195	\$1,087	3.7x	10.8x	71.7%	34.0%
Lottery.com Inc.	NasdaqGM:SEGG	\$23	\$1	-\$11	24.1x	NA	46.5%	NA
MGM Resorts International	NYSE:MGM	\$39,630	\$17,212	\$2,399	2.3x	16.5x	45.0%	13.9%
PENN Entertainment, Inc.	NasdaqGS:PENN	\$13,124	\$6,746	\$679	1.9x	19.3x	40.3%	10.1%
Wynn Resorts, Limited	NasdaqGS:WYNN	\$22,625	\$6,970	\$1,705	3.2x	13.3x	68.3%	24.5%
Median					2.7x	12.9x	52.7%	24.5%
Mean					4.3x	13.2x	54.2%	23.4%

Blended Median					2.0x	11.7x	37.6%	12.8%
Blended Mean					3.0x	13.1x	41.3%	18.2%

Sector Update: Consumer

State of the Industry

Consumer Confidence Index



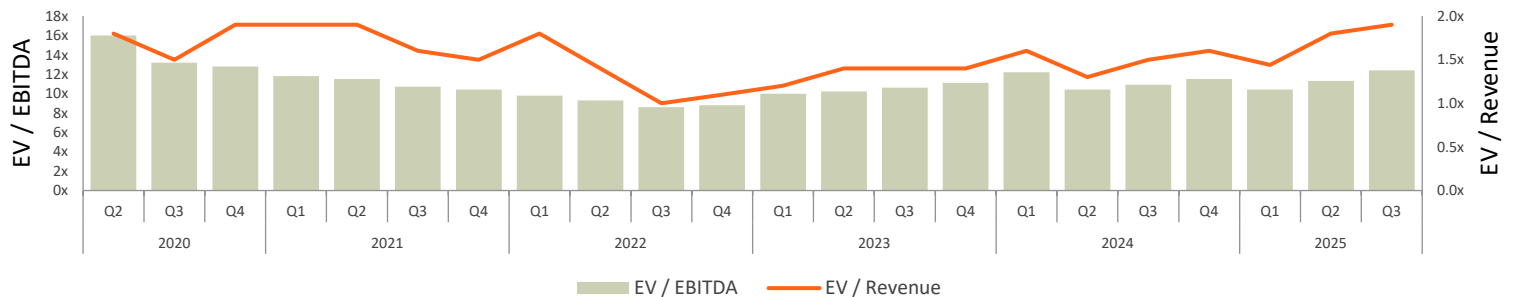
Source: Capital IQ

Consumer Price Index Quarter over Quarter Change (%)



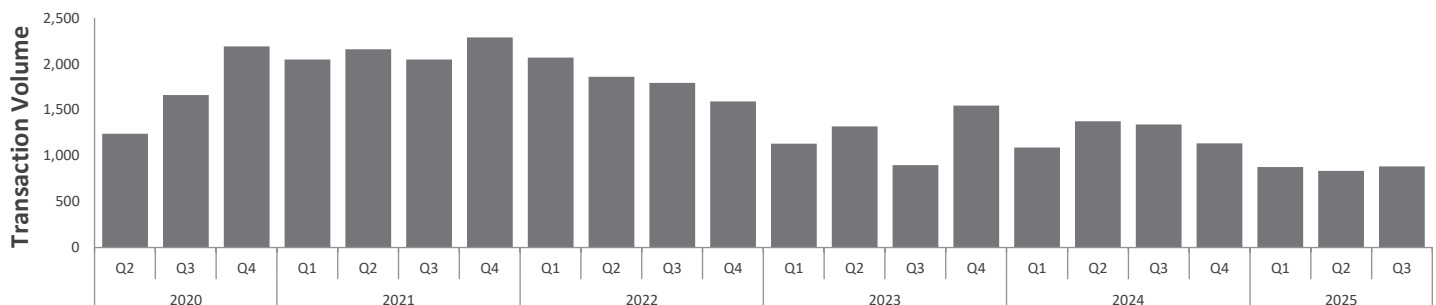
Source: Bureau of Labor Statistics

LER Public Comp Valuations



Source: Capital IQ

Consumer Transaction Volume



Source: Capital IQ



35 Years. 350 Deals.

The Value of Accomplishment

About Mirus

The consumer industry is likely to see a mix of continued economic challenges and growth opportunities in 2025. Well-capitalized consumer companies are turning to M&A as a key business strategy to gain access to high growth emerging markets, cover the multichannel landscape, acquire scale, and ensure access to resources. Our Consumer Group understands these trends and can help you best position your company for growth or a successful exit in the midst of ongoing consolidation. Mirus provides direct access to sector-specific expertise, as well as global buyers and sellers.

35 Years. 350 Deals.

The highest level of expertise and hard work is what accomplishment requires.

It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- Celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."

Then and only then, will we know that we've accomplished something meaningful, too.

Partner Spotlight



Stuart Rose

An investment banker since 2005, Stuart has 20 years experience as a senior executive of national retail chains, and e-Commerce and direct marketing companies, including shoe, home furnishing, continuing education and food catalogs and companies. He has additional experience in apparel and beauty. Stuart's transaction experience centers on e-Commerce and catalog companies, food and beverage, and home and gift. Stuart, a frequent speaker and writer, has an MBA from Harvard University and has taught direct marketing and advertising at Bentley College.

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Trusted advisors to businesses just like yours

Notable Mirus consumer transactions

The MAVA Group

has acquired



The MAVA Group, a newly formed entity, is a manufacturer of accounting and bookkeeping products, therapeutic compression wraps for people and pets, and support gloves for work or sports. The Dome Companies, founded in 1947, manufactures therapeutic compression wraps for people and pets under its “Healit” brand, as well as support gloves for work or sports. Through the acquisition, the MAVA Group intends to leverage the combined strengths of both companies to drive innovation and expand market presence, positioning itself as a leader in the health, fitness, and specialty printing industries.



America's Yarn Store®

has been acquired by



Valley Fibers Corporation, dba WEBS America's Yarn Store and yarn.com, has been acquired by LoveCrafts Group Limited. This acquisition brought together two leading companies in the market of yarns, weaving, and spinning supplies. It also allowed for the UK-based LoveCrafts to further expand into the North American crafting- focused e-commerce business. Following the transaction, LoveCrafts planned to keep the Valley Fibers retail store, product development, and marketing staff in Northampton, MA and its shipping operations in Easthampton, MA.



has been acquired by



a portfolio company of



Mirus advised Berroco, Inc. in its sale to Premier Needle Arts (PNA), a Blue Point Capital Partners portfolio company. Located in RI, Berroco is a leading brand, designer, importer and wholesaler of yarns, patterns, and knitting supplies in the U.S. and Canada. The Berroco brand is widely known for its high quality, and the company holds numerous trademarks for its unique yarns. Berroco was founded in 1989 by Warren and Caroline Wheelock.



VERNE Q. POWELL® FLUTES

has been acquired by



Mirus advised Verne Q. Powell Flutes, Inc., a world-renowned manufacturer of professional and conservatory flutes and piccolos since 1927, on its acquisition by Buffet Crampon, a European manufacturer of woodwind and brass instruments and a portfolio company of Fondations Capital. Since its founding in 1927, Powell has set the standard for flutes and piccolos that uniquely combine expertise in jewelry craftsmanship with professional flute performance experience. Today, Powell instruments are played by leading classical, jazz and rock musicians worldwide.

Note: Transactions include some completed by Mirus partners at prior firms

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