

RICHTER

North American Food Sector

2025 SECTOR STUDY



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Foreword

Richter is pleased to present our 2025 sector study on the North American food sector. Building on last year's efforts, our focus remains on manufacturers, processors, wholesalers, and distributors.

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This year, there has been a more pessimistic outlook because of new disruptions. In contrast to last year's optimism, lingering effects of prior challenges combined with new emerging issues have tempered sentiment across the sector.

This report, based on a quantitative survey of 150+ owners and executives across a variety of privately-held companies in North America, specifically examines some of the key challenges and opportunities facing companies in the food industry. Some of these findings are shared across all markets, while others are unique or more acute in specific product categories, value chain segments and / or regions.

We are happy to share this report summarizing the key market trends and priorities alongside some of the motivators, challenges, and experiences that drive the industry. We hope you will find it informative and useful as you respond to the current market dynamics affecting all food sector companies throughout North America.

INTRODUCTION

Methodology

Richter commissioned a double-blind survey of executives throughout North America to gather insights on the macroeconomic conditions, strategic priorities, and challenges alongside how their organizations were addressing growth, M&A, and operating dynamics.

The owners and executives who participated in the survey represent a cross section of privately-held, predominately owner- / founder-operated, small and medium-sized enterprises (SMEs) in key segments of the food sector.

Demographic details can be found in the [Appendix](#).

Richter asked over 150+ from private companies in the food manufacturing, distribution and wholesaling sectors to collect insights on macroeconomic conditions, growth projections, strategic priorities, deal activities and operating environment expectations in the next 1-3 years.

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Market Conditions

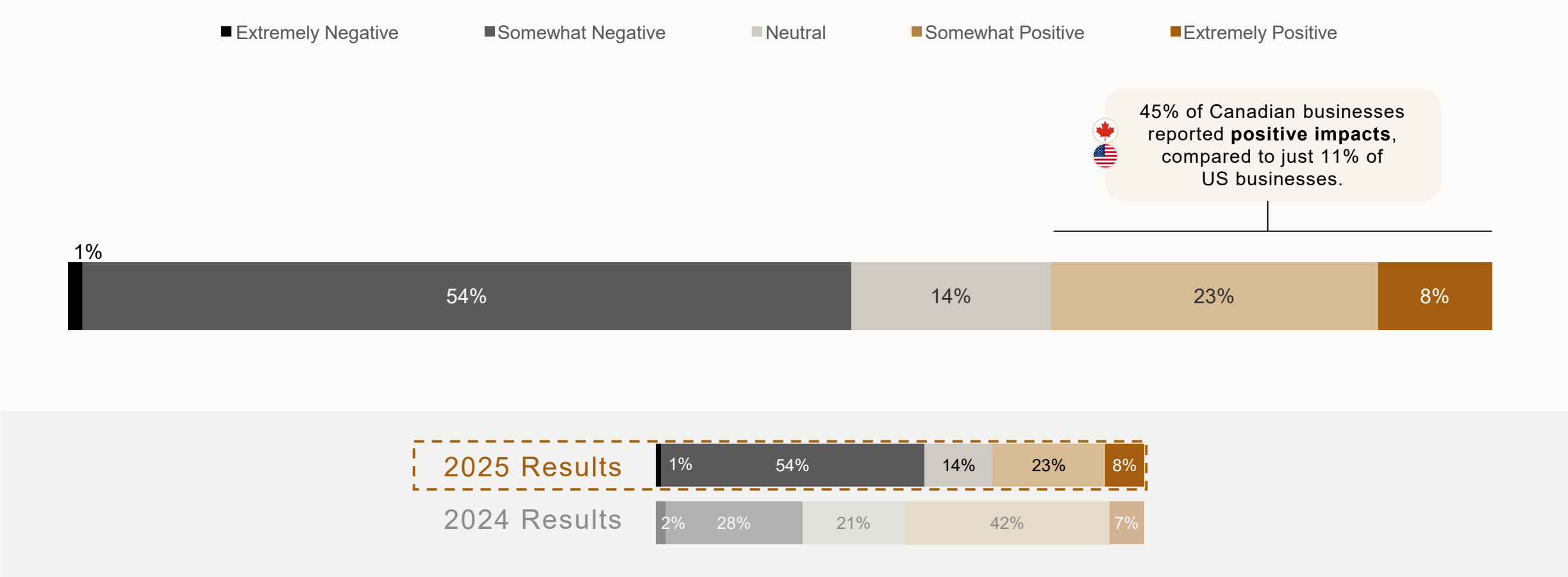
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MARKET CONDITIONS

Economic conditions have become more challenging since last year

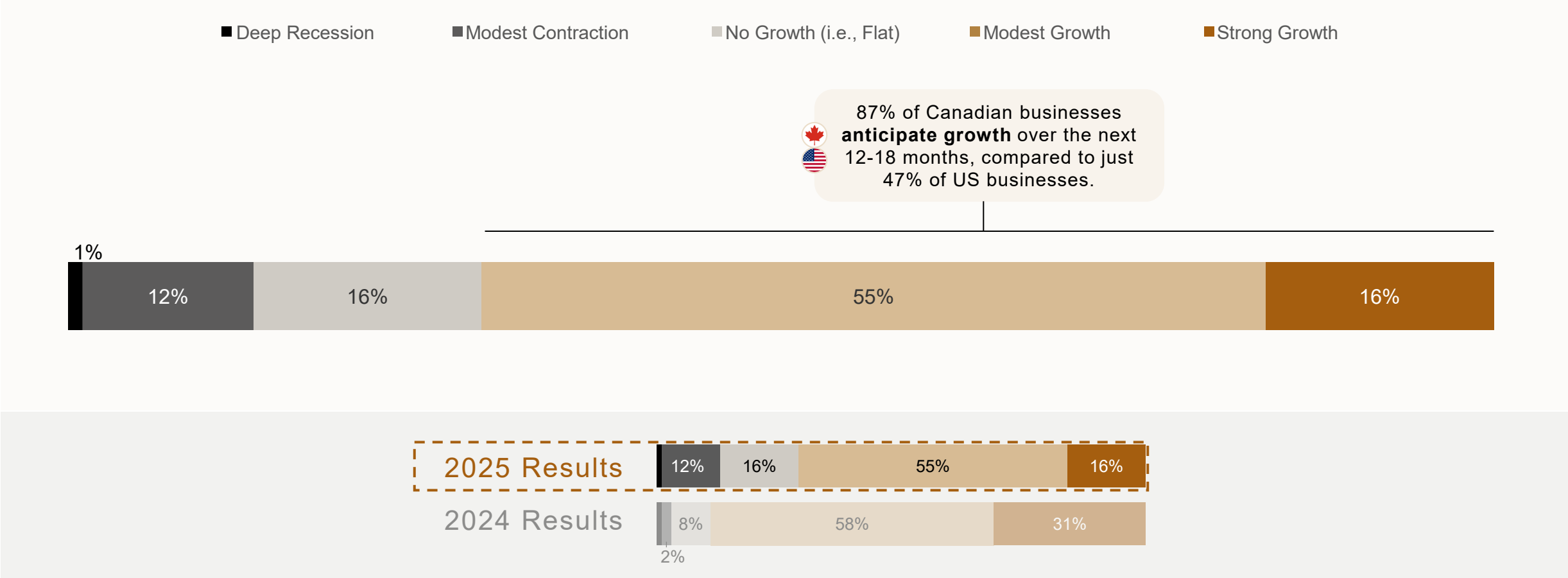
What has been the impact of economic conditions on your company over the past 12-18 months?



MARKET CONDITIONS

Overall economic confidence remains high, but pessimistic share has grown

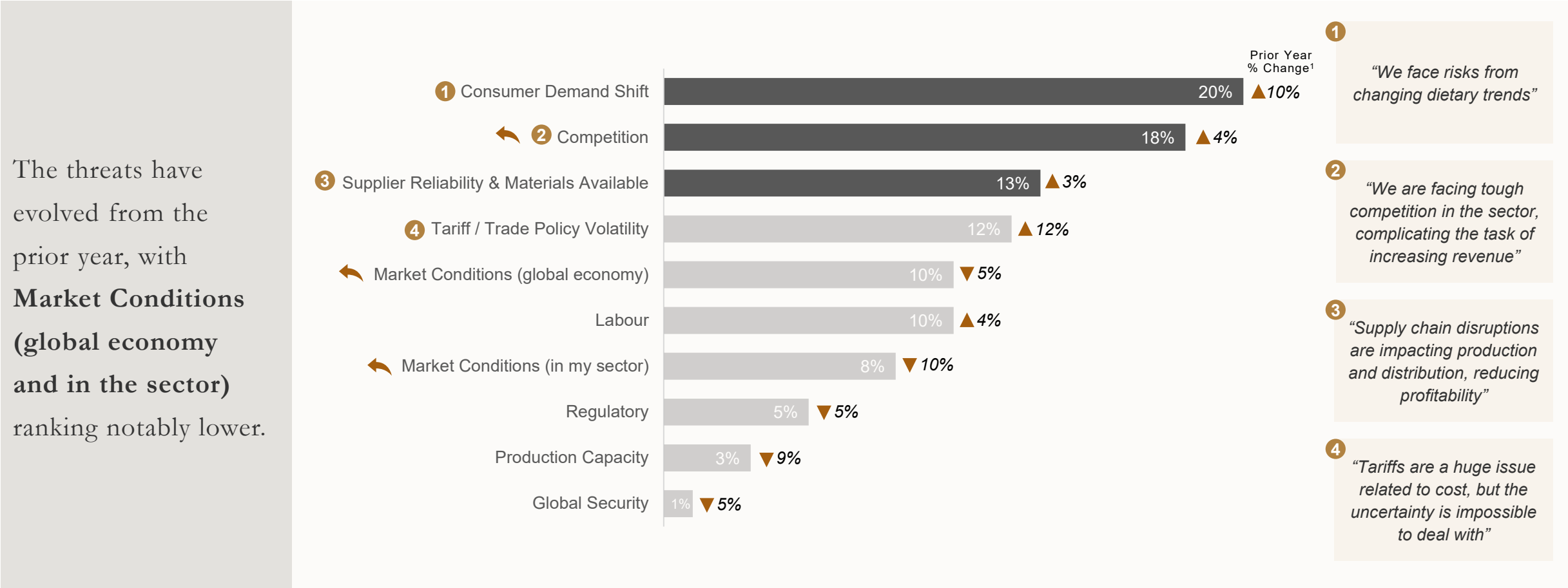
For which economic scenario are you planning over the next 12-18 months?



MARKET CONDITIONS

Consumer demand shifts and competition are the top threats for operators

What do you consider to be the top 3 threats facing your company over the next 12-18 months?



Notes: [1] Grey arrows (►) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change.

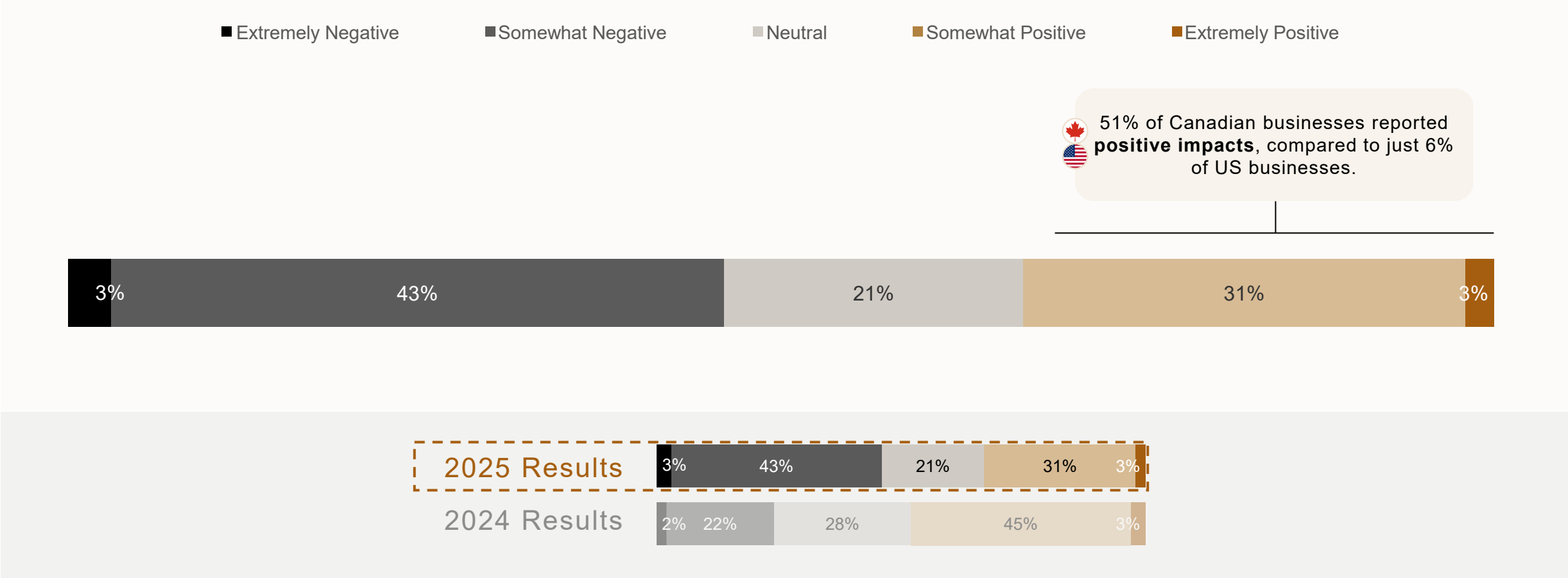
Labour Market

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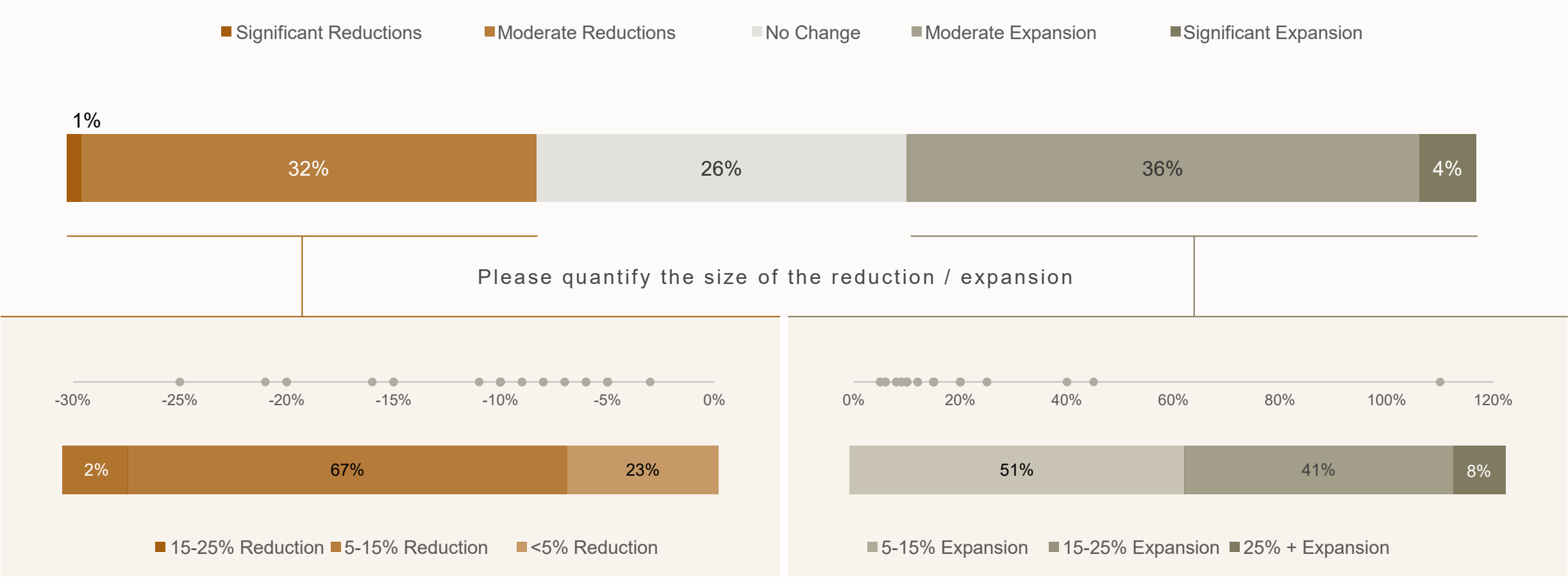
Favorable labour conditions in Canada contrasted with US challenges

How would you describe the current impact of labour market conditions on your business operations?



Sentiment towards workforce changes are highly mixed

Has your organization made any changes to your workforce in the past 12-18 months?

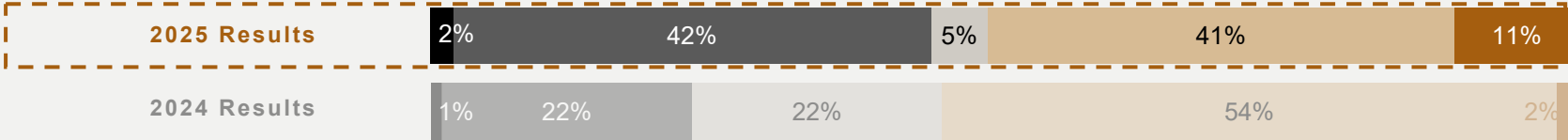


Operators are more challenged to attract, train, and retain talent

How easily can you **attract**, **train**, and **retain** talent to operate your business?

Attracting Talent

Operators showed **less neutrality** this year, but diverged on the ease / difficulty to **attract talent**



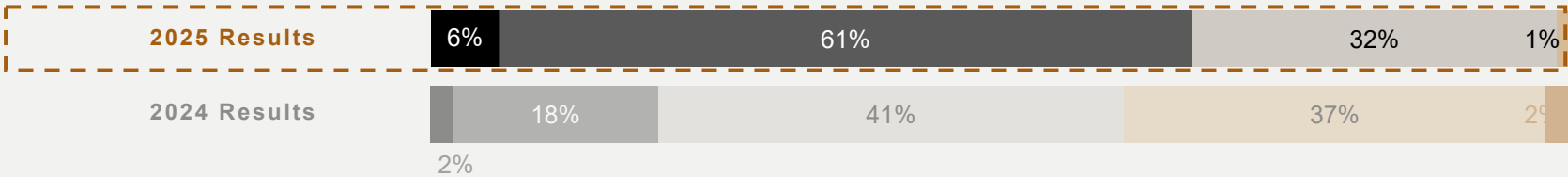
Training Talent

Operators reported **greater difficulty to train talent**, with only 8% indicating it was easier, compared to 68% last year



Retaining Talent

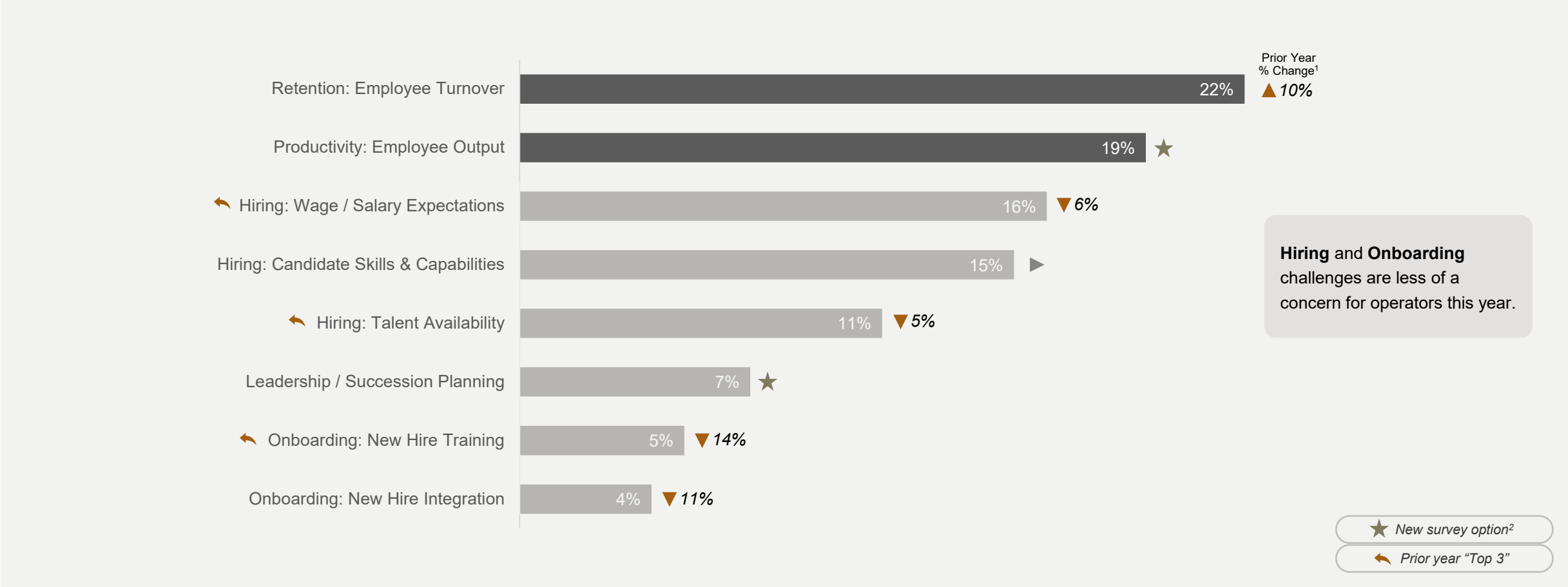
Operators reported **greater difficulty to retain talent**, with only 1% indicating improvement, down from 39% last year



■ Very Difficult ■ Somewhat Difficult ■ N/A – Not Hiring ■ Somewhat Easy ■ Very Easy

Employee turnover and output are top of mind for operators

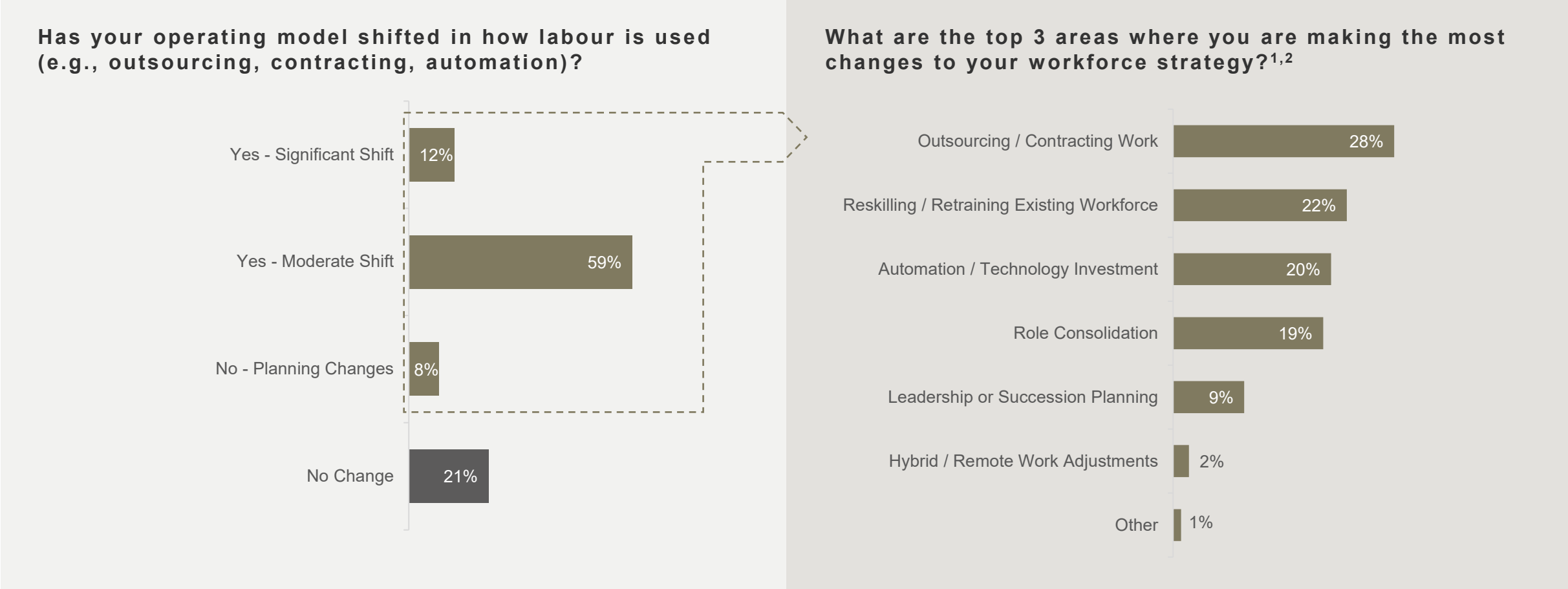
What do you believe will be your top 3 labour challenges in the next 1-3 years?



Notes: [1] Grey arrows (▶) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change. [2] Response option was not featured in the prior year's survey.

Most operators are adapting their operating model

Has your operating model shifted in how labour is used, and if so, what are the top areas where you are making the most changes?



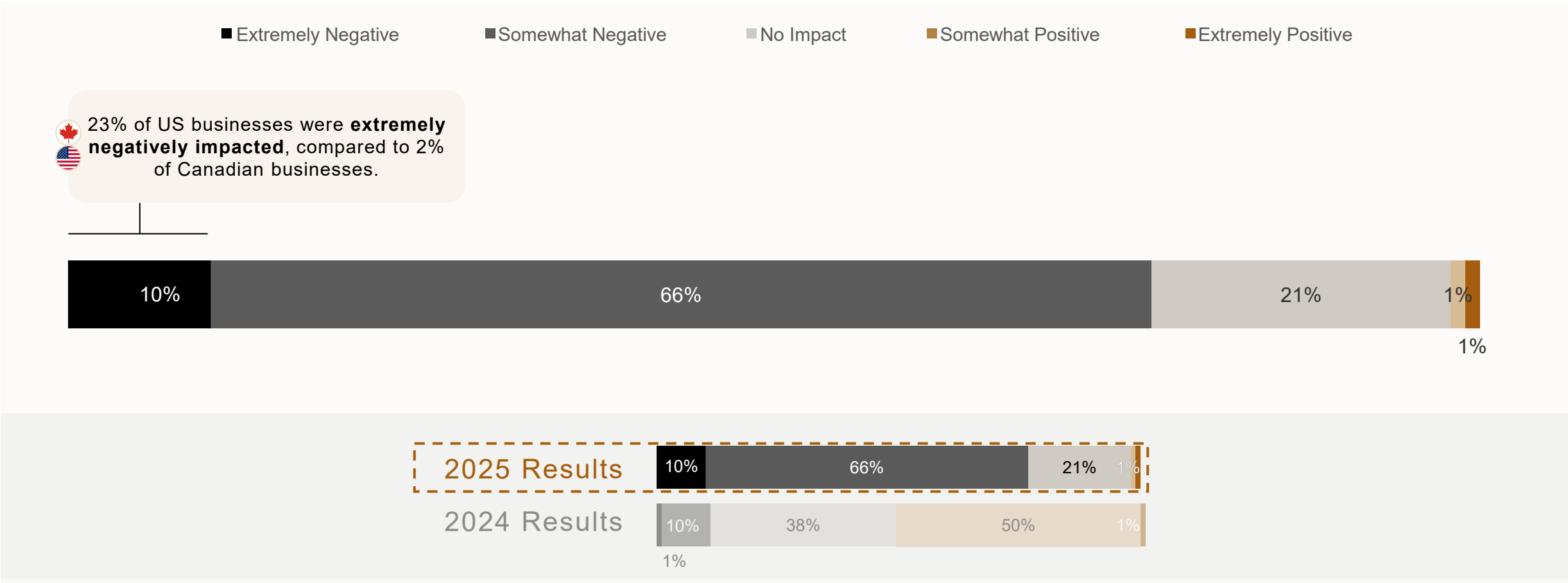
Notes: [1] Survey question only asked to those who have shifted or are planning to shift their labour operating model. (121 responses). [2] Other includes "Reducing outsourcing of labour" and "More incentive-based compensation."

Tariffs and Supply Chain



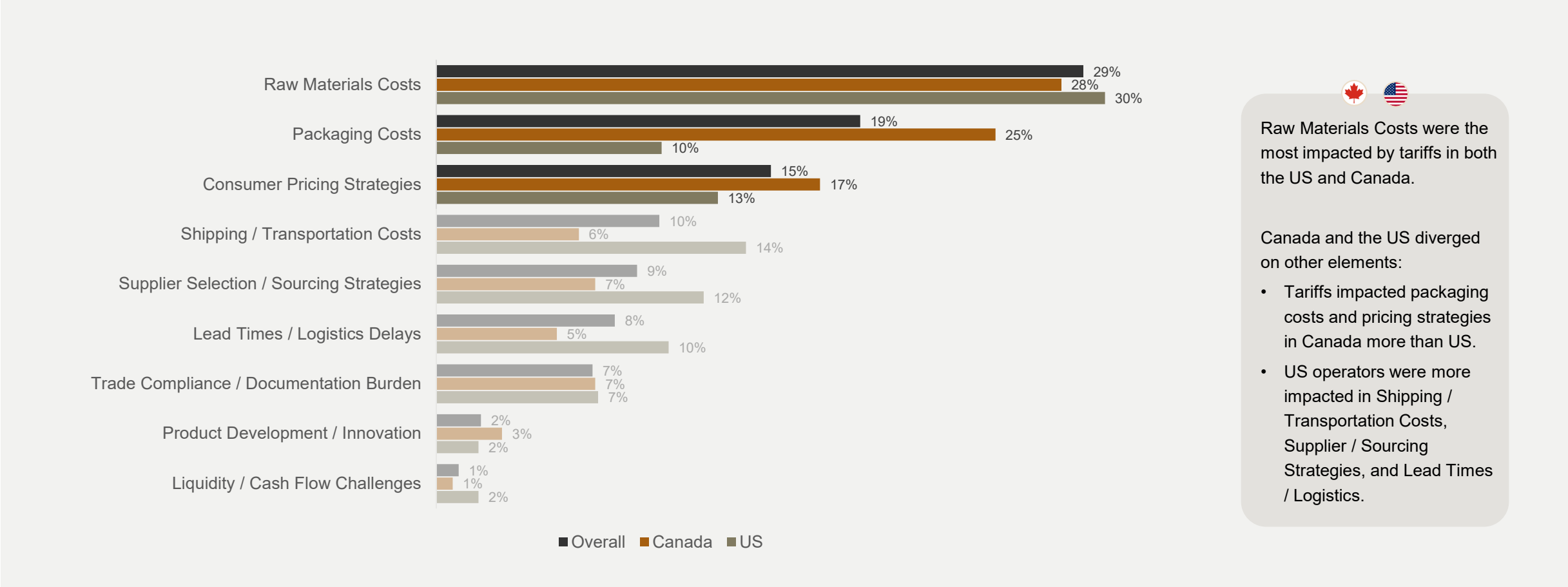
Operators were hit hard by tariffs and supply chain challenges this year

How are tariffs and supply chain challenges impacting your business?



Tariffs significantly impact input costs and pricing strategies

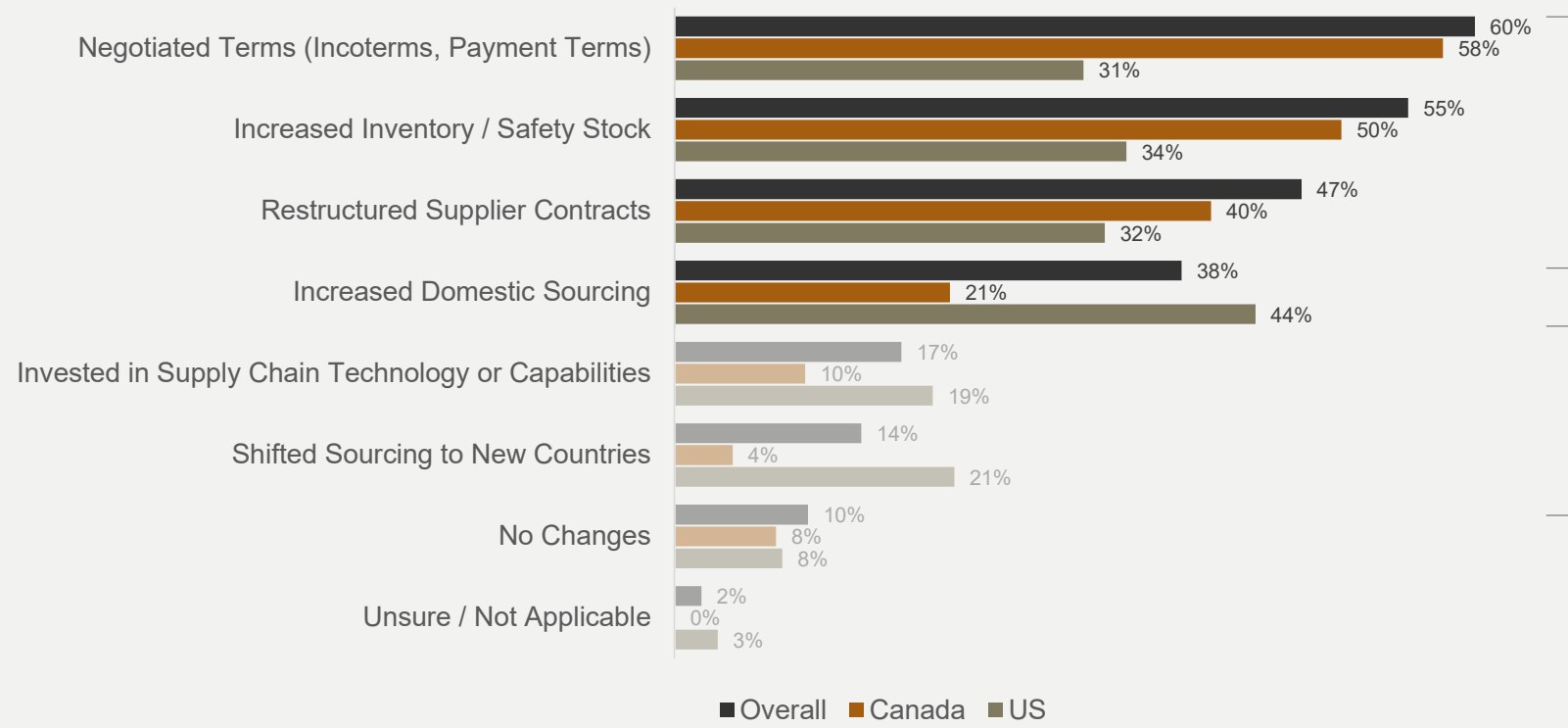
What are the top 3 areas in which tariffs have most impacted your business?¹



Notes: [1] Survey question only asked to respondents who indicated tariff and supply chain challenges impacted their business. (121 responses)

Operators had mixed responses to the recent tariffs

What has been your immediate response to the recent tariffs?¹



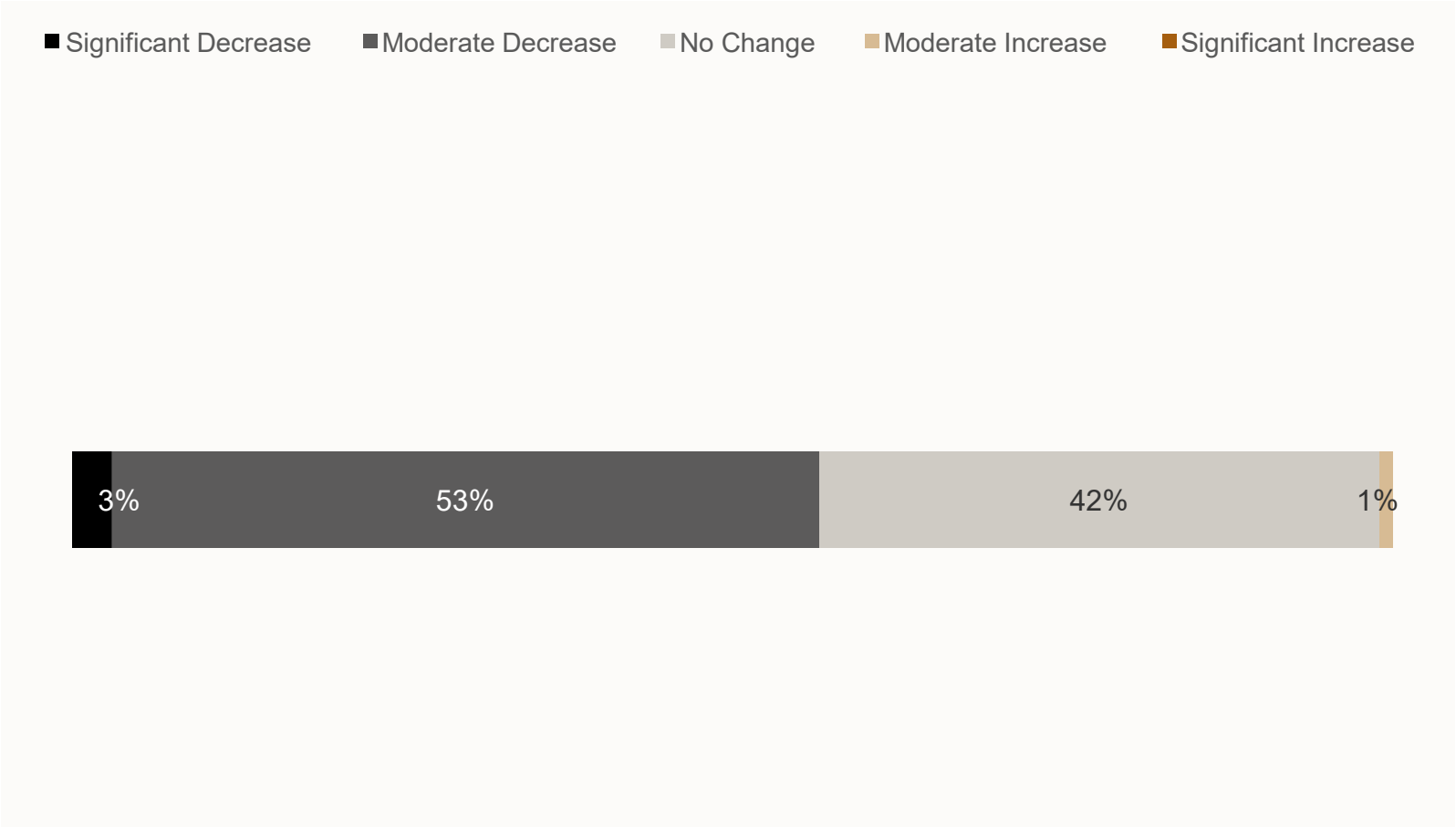
Canadian businesses are making accessible – but temporary – changes to recent tariffs, including **restructuring supplier contracts**, **negotiating terms**, and **increasing inventory**.

US businesses are making more significant structural changes, with 44% **increasing domestic sourcing**, and 21% **shifting sourcing to new countries**.

Notes: [1] Survey question only asked to respondents who indicated tariff and supply chain challenges impacted their business. (121 responses)

Tariffs are generally negative, but vary by category in severity and response

How have tariffs affected your sales volume?

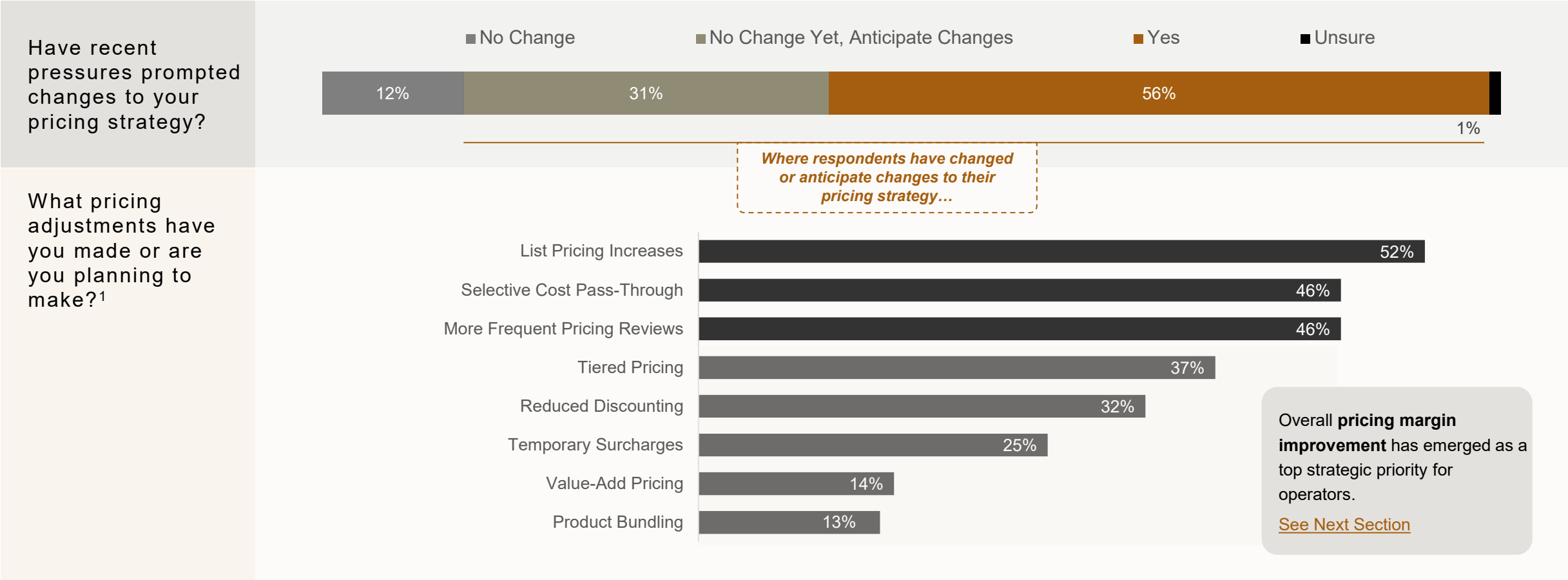


Product Category Findings

- Produce:** Lower tariff impact than other categories with responses focused on price increases, supplier and contract terms restructuring / renegotiation and, inventory increases.
- Meat:** Volume declines and cost increases due to tariffs, with responses focused on supplier and contract terms restructuring / renegotiation, domestic sourcing adjustments, and inventory management.
- Seafood:** Increased shipping and trade compliance costs due to tariffs, with responses focused on supplier and contract terms restructuring / renegotiation, domestic sourcing adjustments, and price increases.
- Bulk Goods & Commodities:** Volume declines and increased raw materials / packaging costs due to tariffs, with responses focused on pricing adjustments, reduced discounting, and moderate supply chain and inventory management strategies.
- Baked Goods & Confectionary:** Higher tariff impact than other categories due to rising raw materials costs, with responses focused on new domestic and international sourcing, pricing adjustments and cost passthrough, and inventory strategies.

Most businesses have or will change their pricing strategies

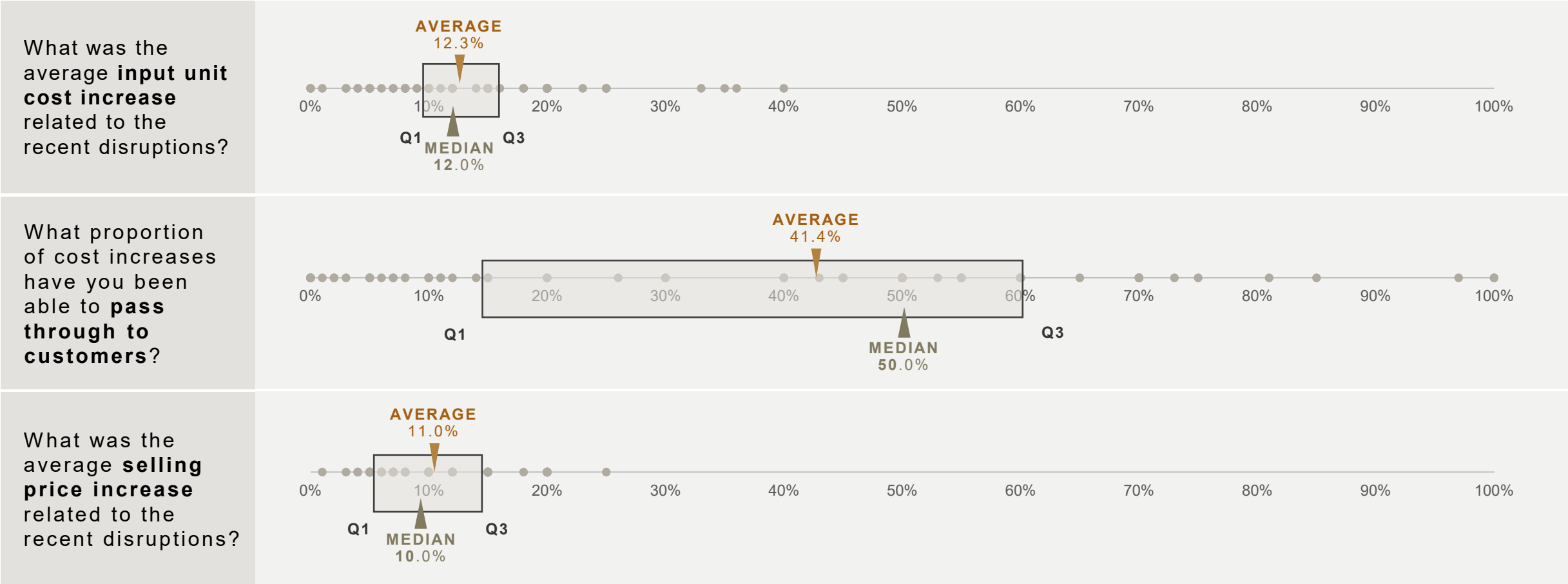
Have recent pressures prompted changes to your pricing strategy, and if so, what pricing adjustments have you made?



Notes: [1] Survey question only asked to those who have made changes or anticipate changes to their pricing strategy (134 responses).

Costs are rising faster than prices, with limited ability to pass to customers

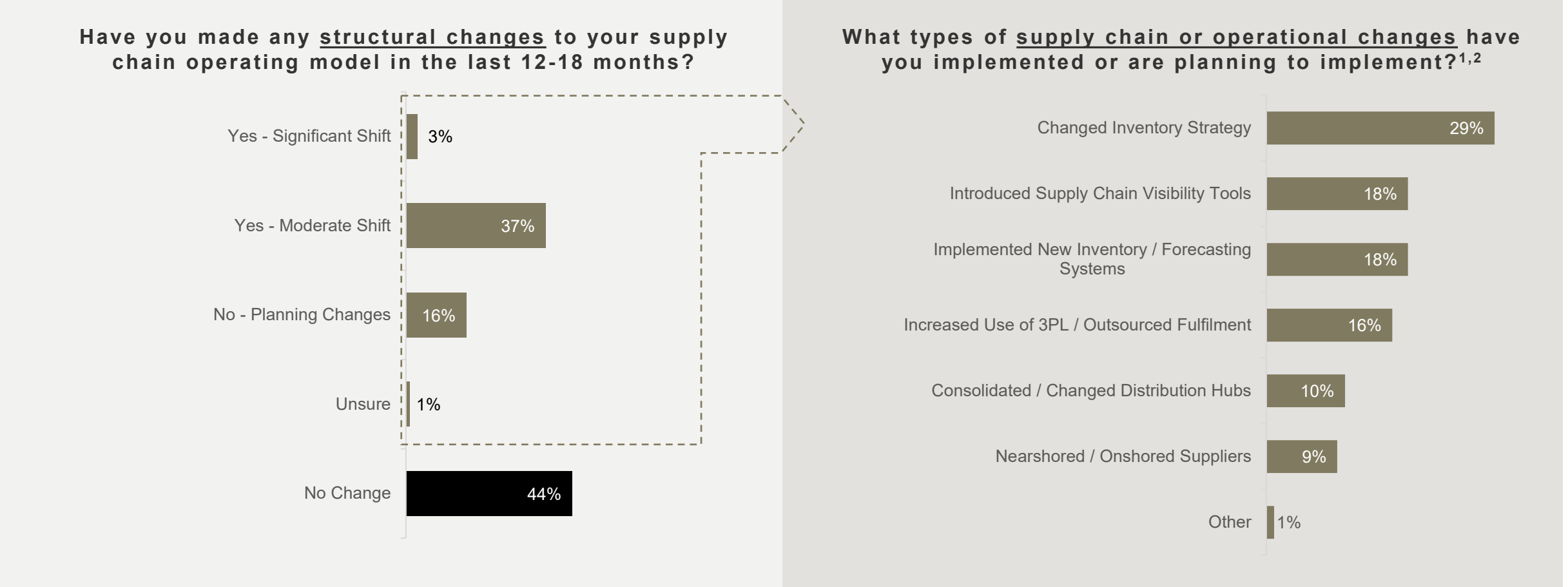
What is the average input cost increase, proportion of cost pass-through, and selling price increase related to recent disruptions?¹



Notes: [1] Survey question only asked to respondents who indicated tariff and supply chain challenges impacted their business. (121 responses)

Operators are adapting their operating model, focusing on inventory mgmt.

Have you made any structural changes to your supply chain operating model, and if so, what types have you implemented or are planning to implement?¹



Notes: [1] Survey question only asked to those who have shifted or are planning to shift their supply chain operating model. (121 responses). [2] Other includes "Org. restructuring & consolidation"

Strategic Priorities

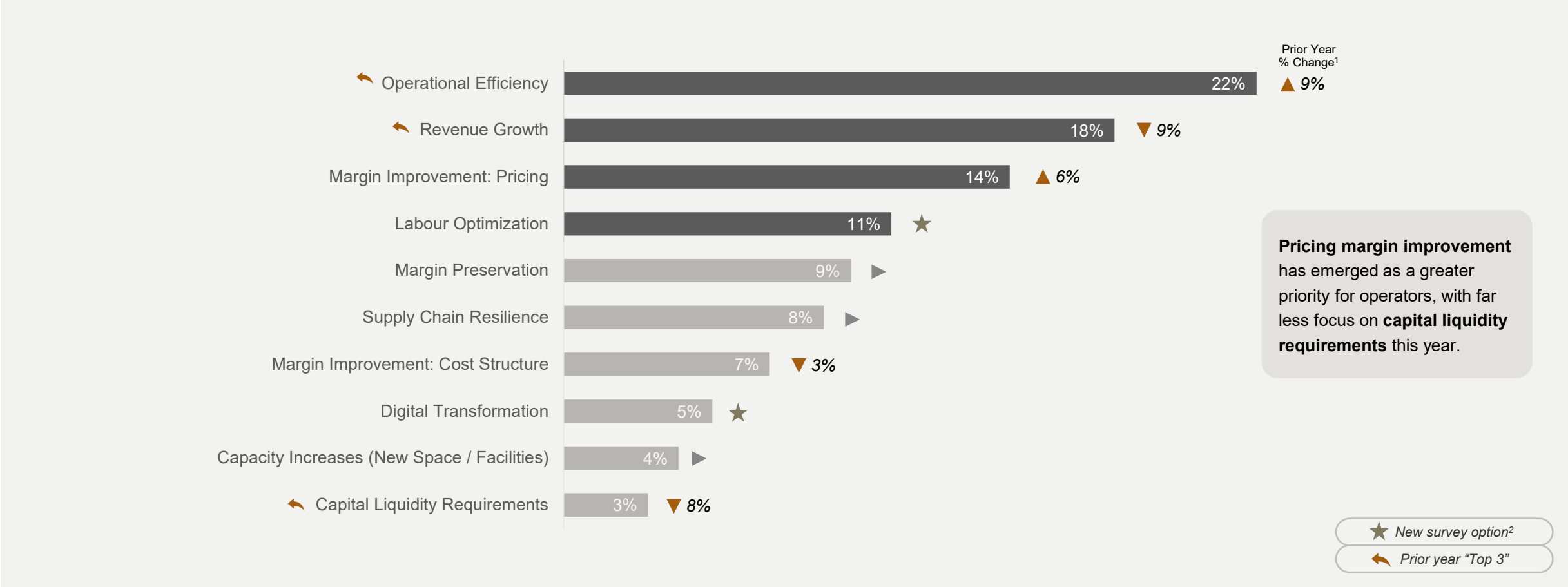
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STRATEGIC PRIORITIES

Operational efficiencies and revenue growth remain top of mind

Are there any other strategic priorities your company is focusing on over the next 12-18 months, aside from those related to tariffs?

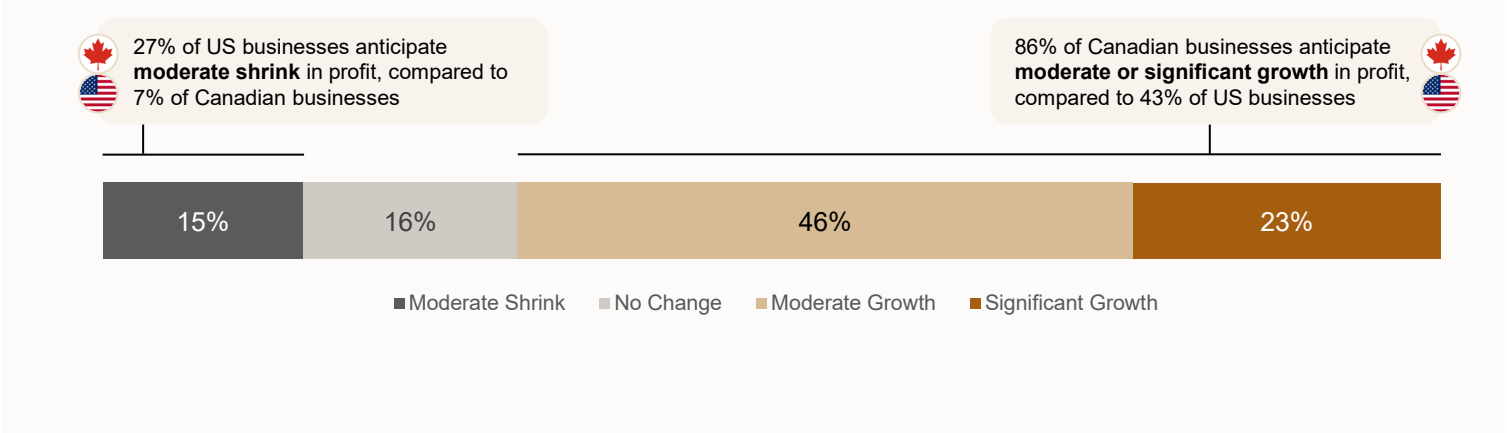
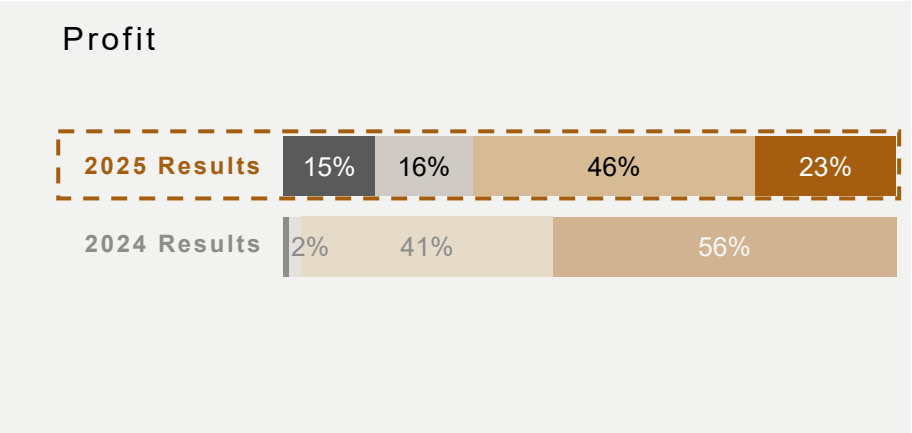
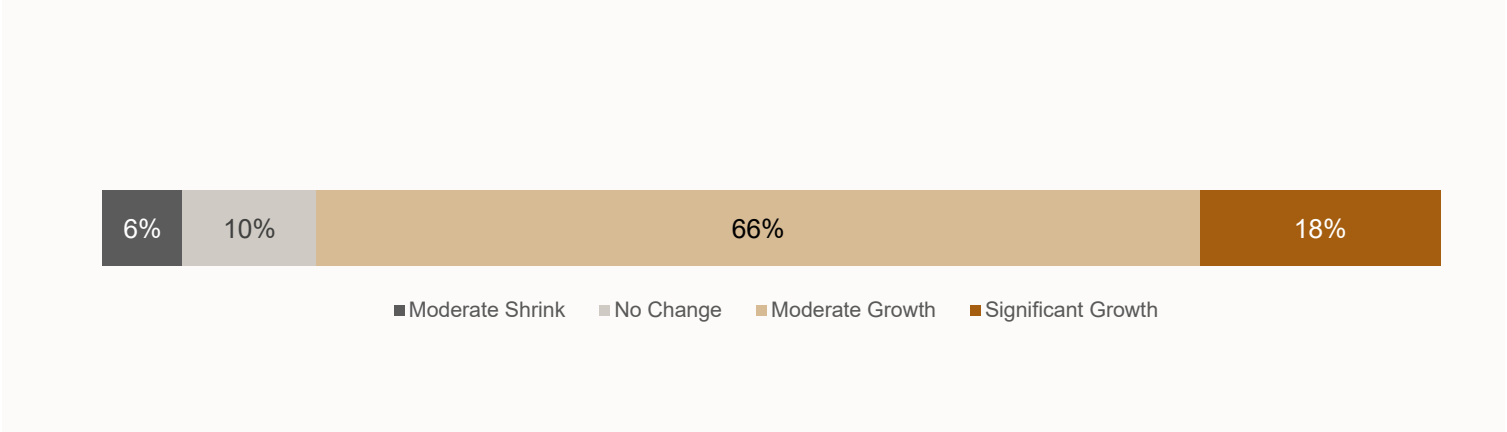
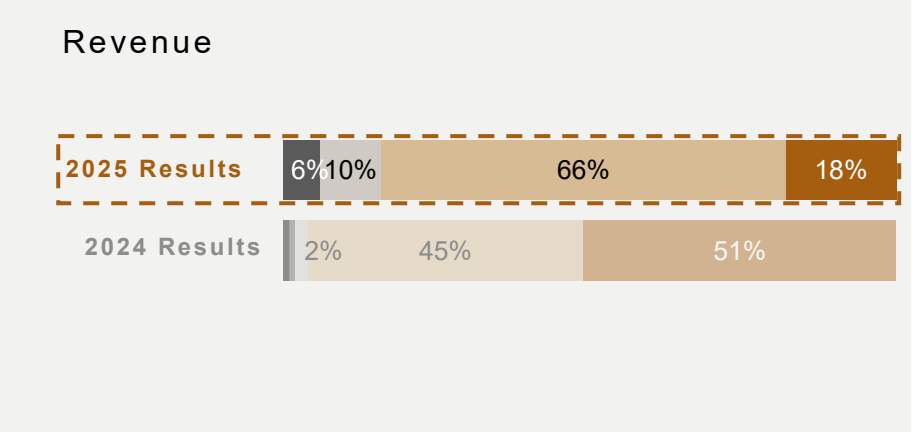


Notes: [1] Grey arrows (►) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change. [2] Response option was not featured in the prior year's survey.

STRATEGIC PRIORITIES

The revenue growth outlook is tempered over the last year, with rising profitability concerns

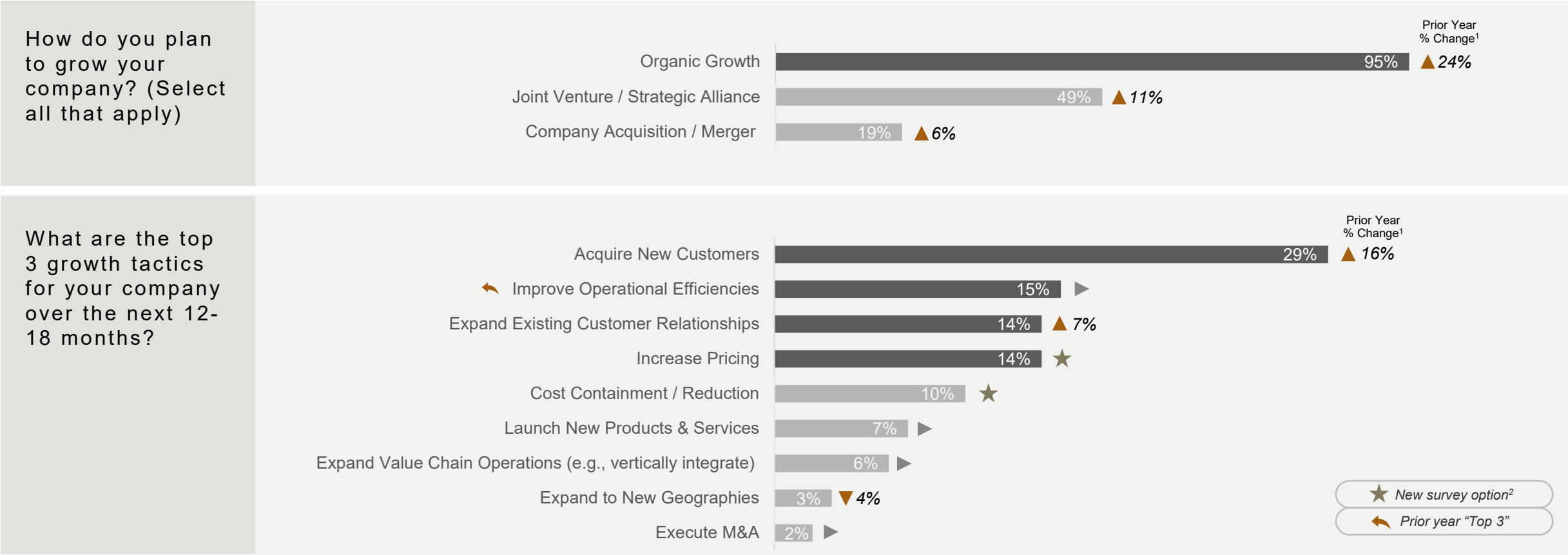
What is your company's outlook over the next 12-18 months?



STRATEGIC PRIORITIES

Organic consumer-focused initiatives and operational efficiencies will drive growth instead of inorganic growth initiatives

What are the top 3 growth tactics for your company over the next 12-18 months, and how do you plan to grow your company?

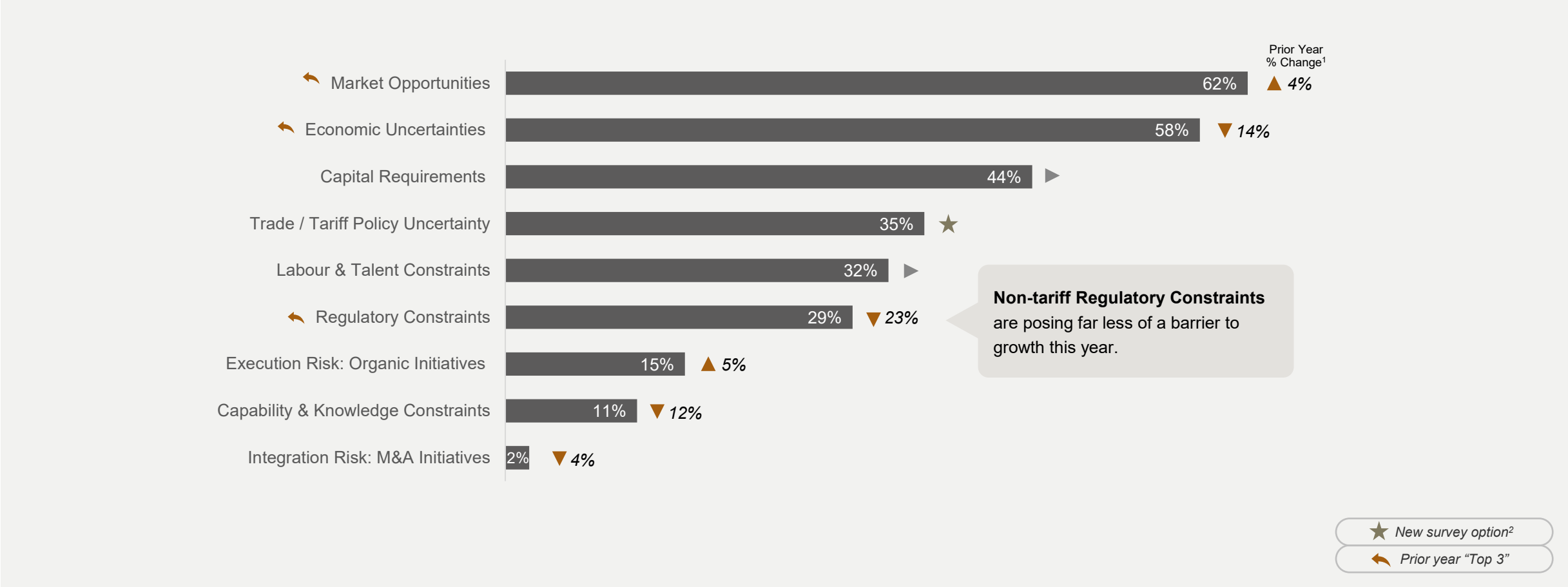


Notes: [1] Grey arrows (▶) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change. [2] Response option was not featured in the prior year's survey.

STRATEGIC PRIORITIES

Limited market opportunities and economic uncertainties hinder growth

What are the biggest barriers / challenges to growth?

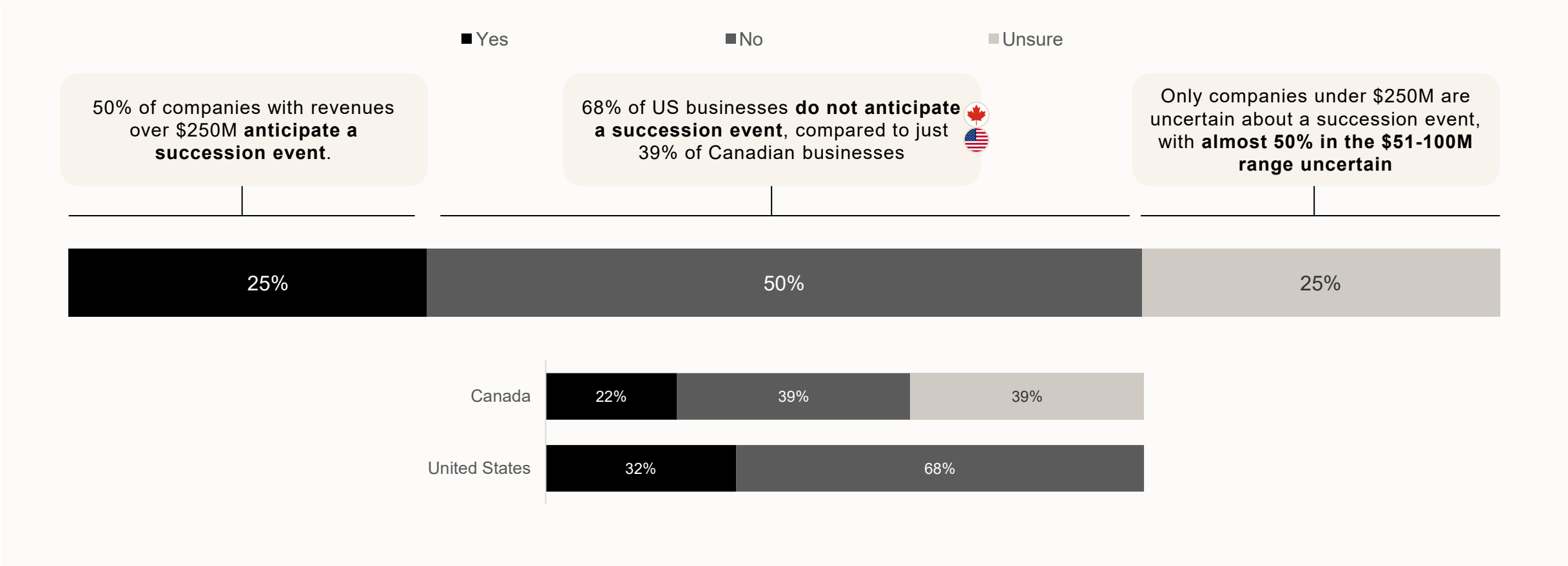


Notes: [1] Grey arrows (▶) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change. [2] Response option was not featured in the prior year's survey.

STRATEGIC PRIORITIES

There are mixed perspectives regarding anticipated succession events, with US respondents being much more decisive in their expectations

Do you anticipate a succession event for company ownership (e.g., family transition, professional management) in the next 5 years?¹

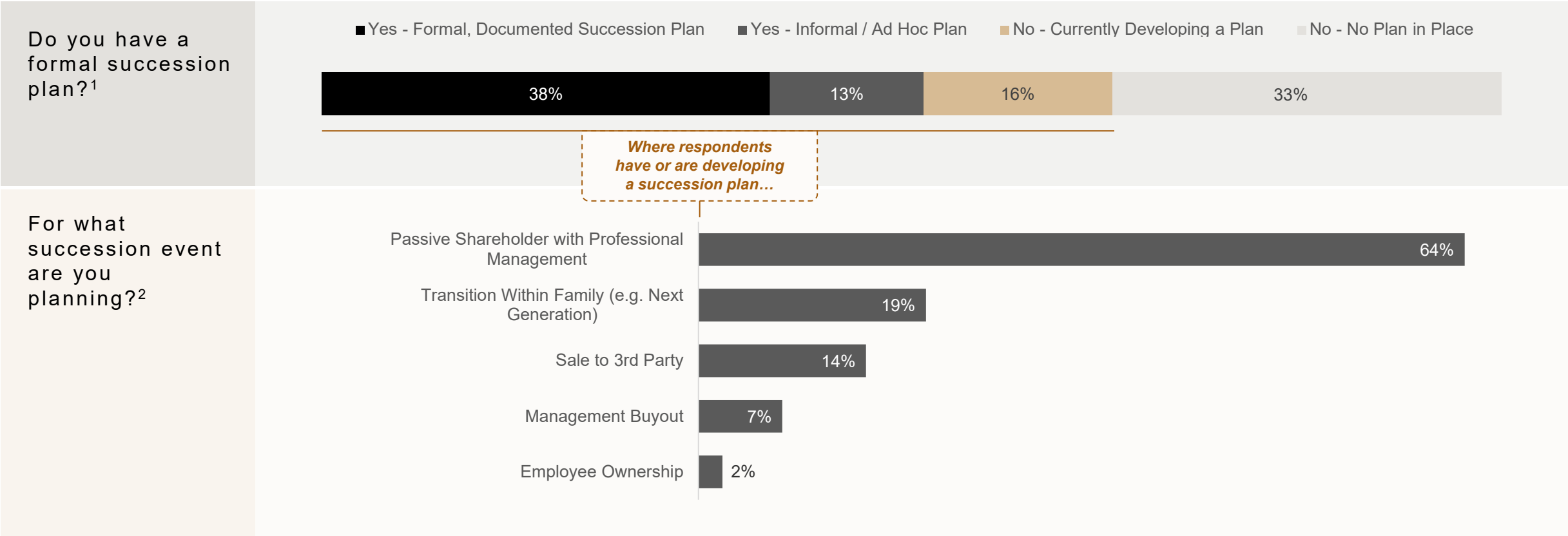


Notes: [1] Survey question only asked to respondents who occupy roles as founder, owner, or c-suite executive. (63 responses)

STRATEGIC PRIORITIES

Passive ownership with professional management is the most expected succession event

For what succession event are you planning?



Notes: [1] Survey question only asked to respondents who occupy roles as founder, owner, or c-suite executive. (63 responses). [2] Survey question only asked to those who have or are developing a succession plan (42 responses).

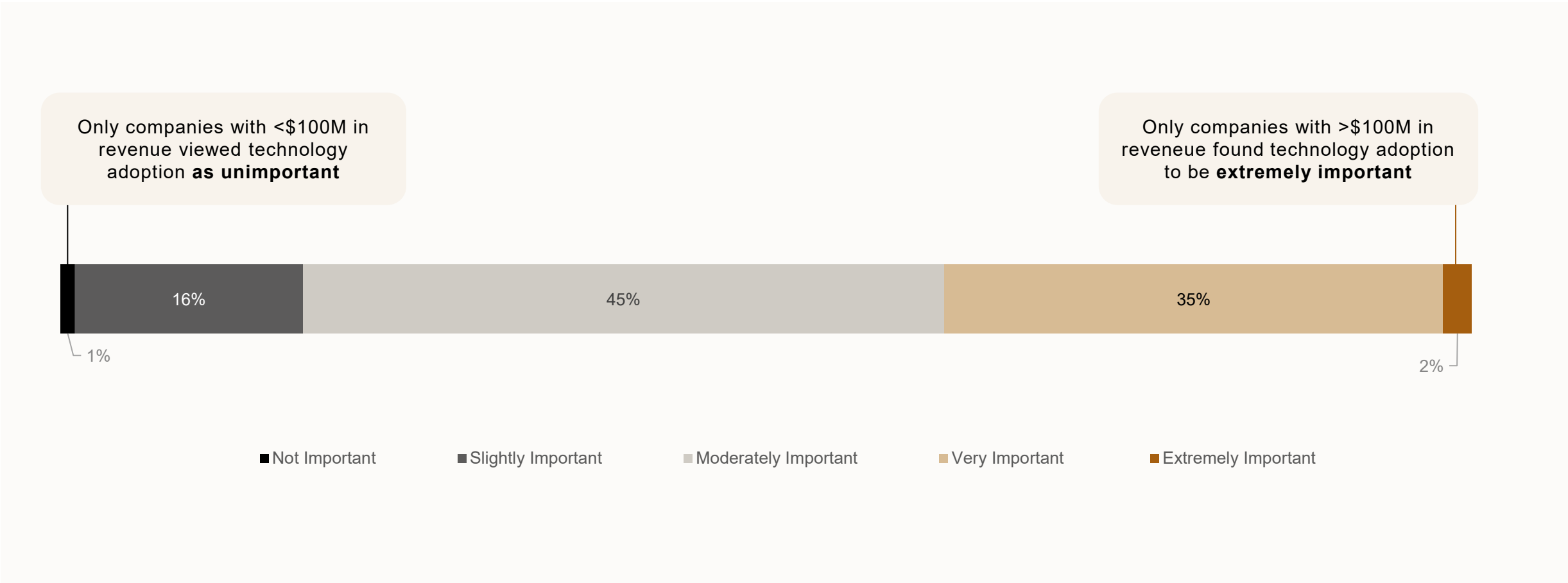
Digital Transformation and Technology

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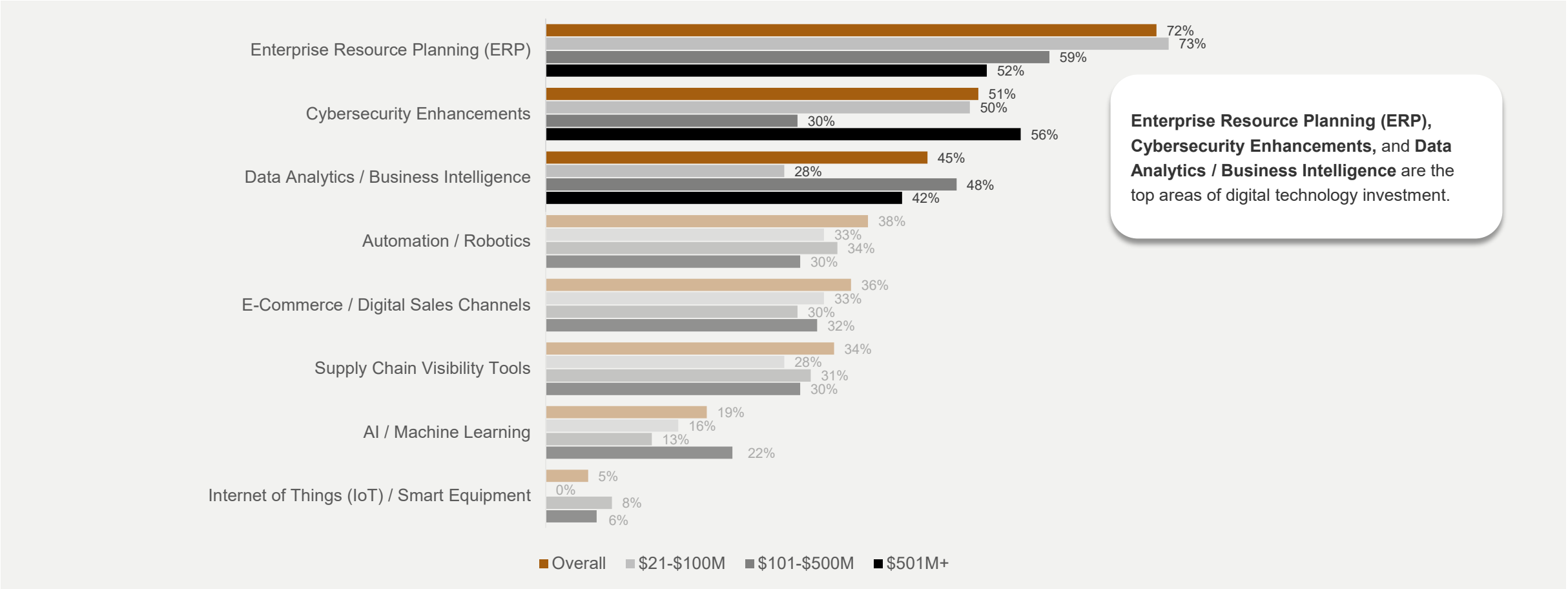
Technology adoption is more important for larger operators than small

How important is increased technology adoption to achieve your growth objectives over the next 12-18 months?



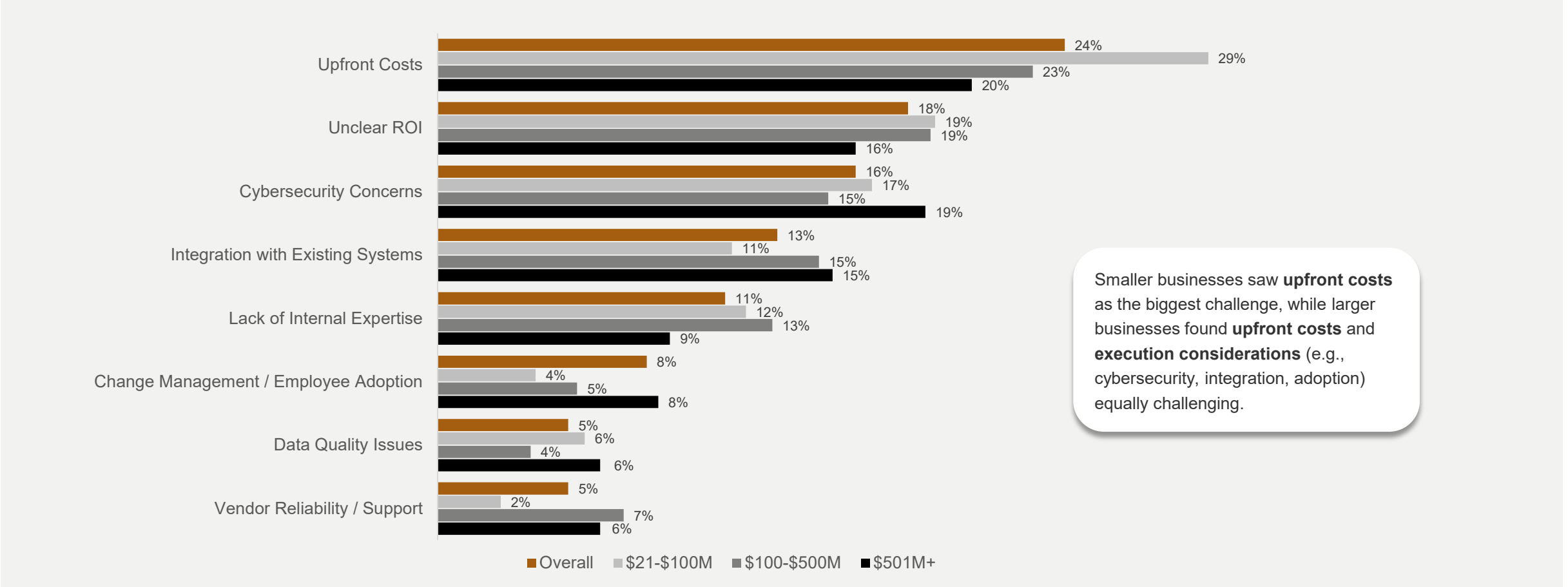
Operators are investing a wide range of digital technologies

In which areas is your company currently investing in digital technologies?



High costs, unclear ROI, and cybersecurity are top tech adoption hurdles

What are your top 3 challenges to adopt new technologies?



Mergers and Acquisitions

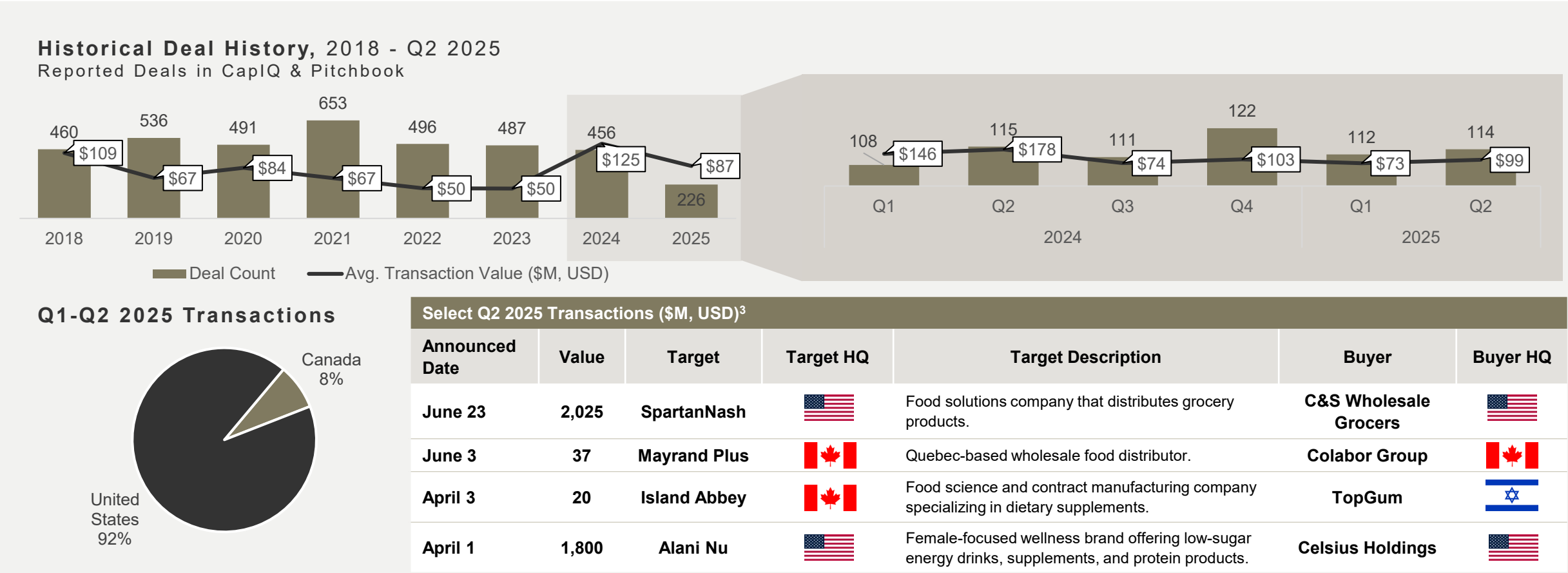
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MERGERS & ACQUISITIONS

2025 M&A activity is on track to align closely with 2024 levels

North American Food Sector M&A Transactions^{1,2}

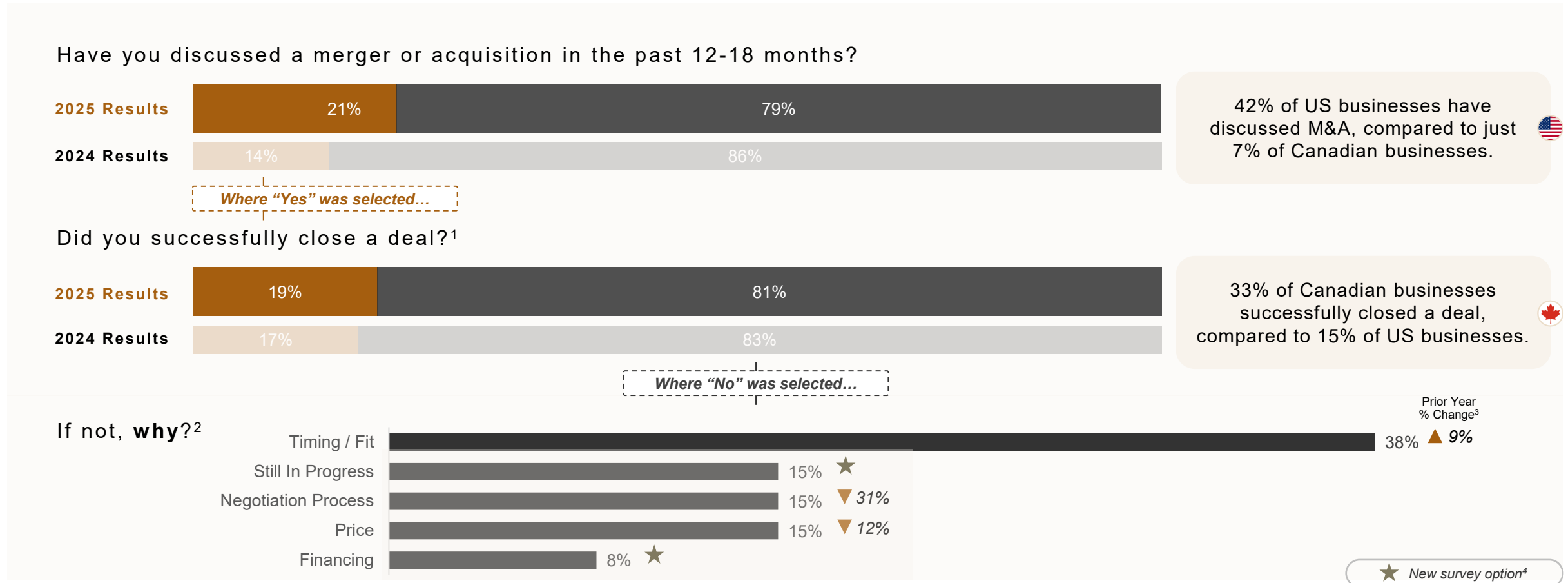


Notes: [1] Food industry defined as Food Products within Pitchbook database and Food Distributors and Food Products (excluding animal feed) within Capital IQ database. [2] Average transaction value excludes deals with no disclosed value (i.e., \$0) and only considers transactions values below \$500M. [3] Selected the two largest transactions from US and Canada with disclosed transaction value.
Sources: Pitchbook, Capital IQ

MERGERS & ACQUISITIONS

Only 4% of operators who discussed a deal closed one in 2025

Have you discussed a merger or acquisition, and if so, did you successfully close a deal? If not, why?

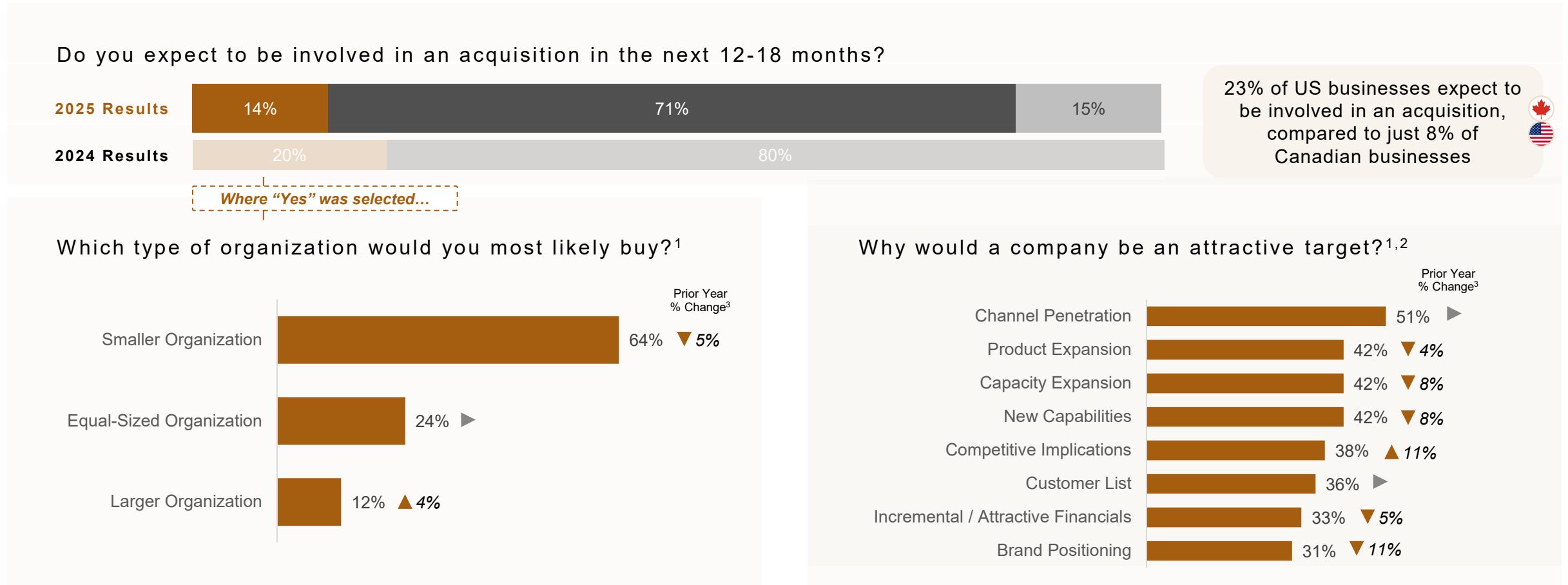


Notes: [1] Survey question only asked to those who discussed M&A (32 responses). [2] Survey question only asked to those who did not successfully close a deal (26 responses). [3] Grey arrows (►) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change. [4] "Still in Progress" and "Financing" were not reasons provided by respondents last year.

MERGERS & ACQUISITIONS

Only 14% expect to be involved in an acquisition in the next 12-18 months

Do you expect to be involved in an acquisition, and if so, what type of organization and features would be attractive?

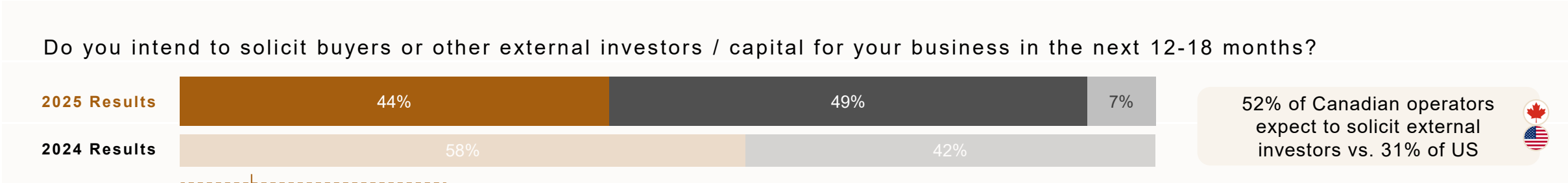


Notes: [1] Survey question only asked to those who plan to be involved in an acquisition (21 responses). [2] "Channel Penetration" and "Customer List" were not reasons provided by respondents last year. [3] Grey arrows (►) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change.

MERGERS & ACQUISITIONS

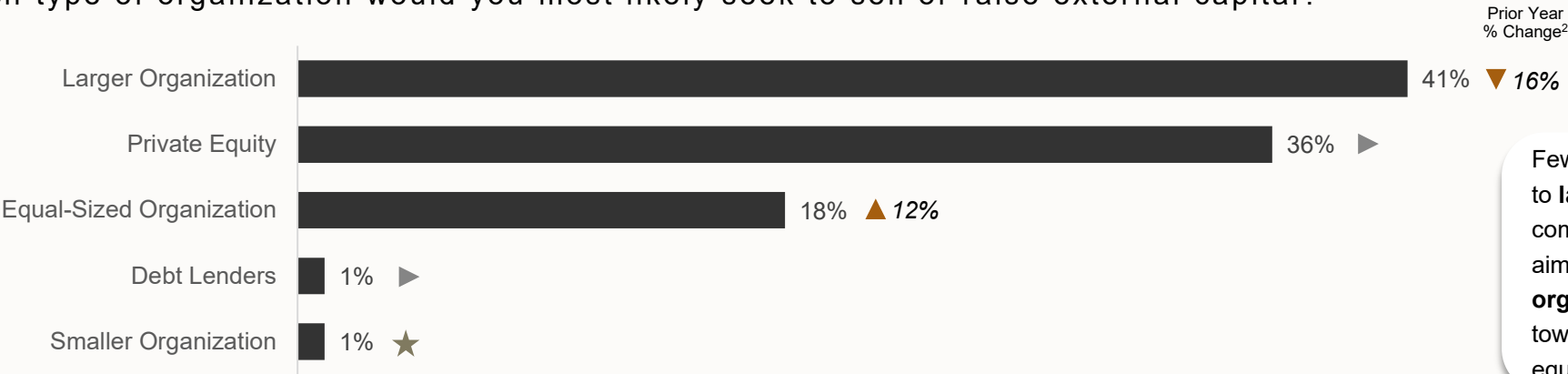
14% fewer operators intend to solicit buyers or other investors this year

Do you intend to solicit buyers or other external investors / capital for business, and if so, what type of organization would you seek?



Where "Yes" was selected...

To which type of organization would you most likely seek to sell or raise external capital?¹



Fewer respondents are looking to sell to **larger organizations** this year compared to last, while more are aiming to sell to **equal-sized organizations**, suggesting a shift toward partnerships and mergers of equals rather than outright takeovers.

★ New survey option³

Notes: [1] Survey question only asked to those who intend to raise capital (67 responses). [2] Grey arrows (►) denote percentage changes (prior year) of less than 2%, whereas orange arrows (▲) denotes notable (2%+) change. [3] "Smaller Organization" was not a response provided by respondents last year.

Appendix

RESPONDENT DEMOGRAPHICS

COMPANY SIZE ANALYSIS

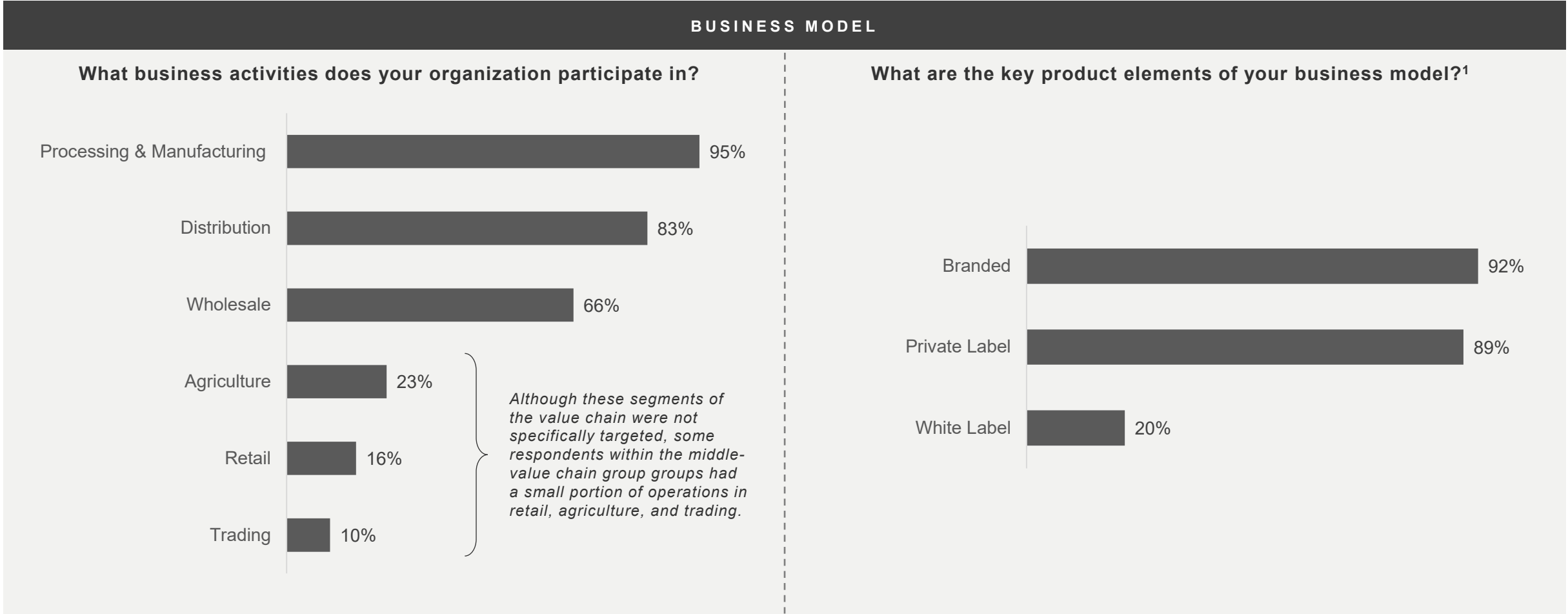
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General Demographics

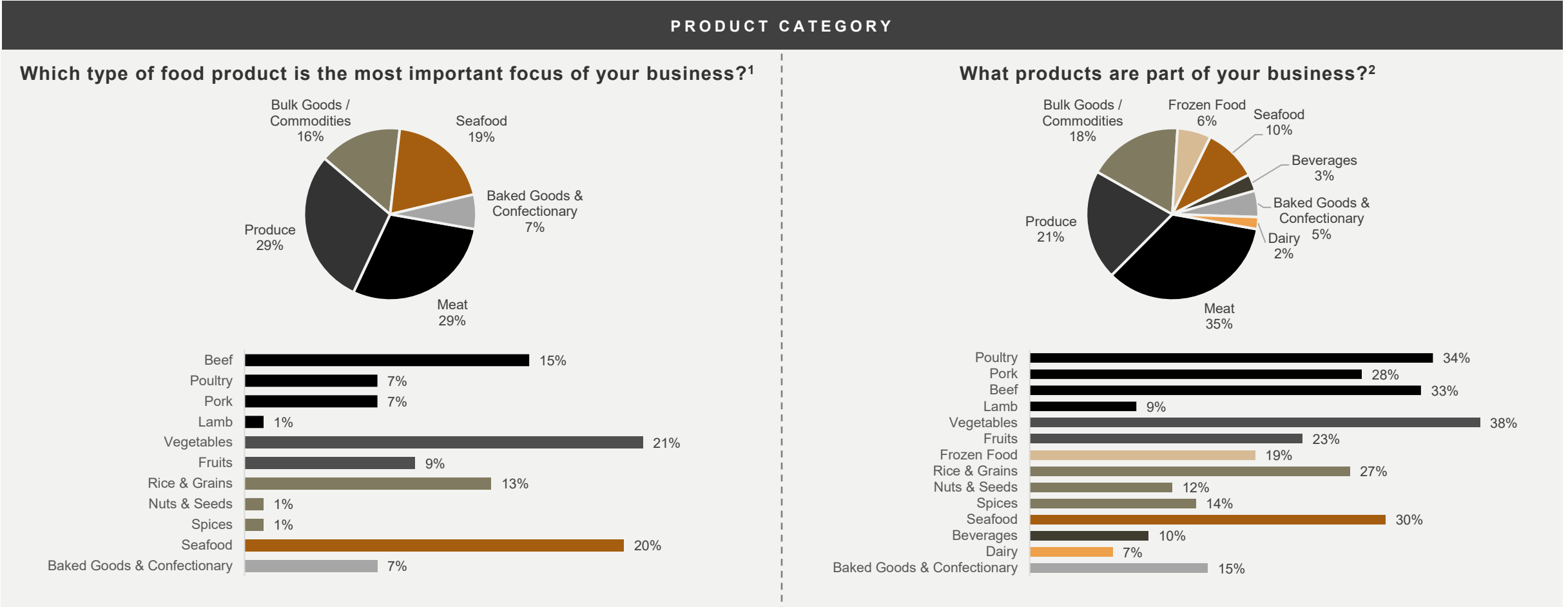
GEOGRAPHIC LOCATION	REVENUE & HEADCOUNT	ROLES & RESPONSIBILITIES
Where is your organization located? 60% Canada 40% United States	What is your company's annual revenue based on the most recent fiscal year? Prefer not to disclose1% \$21M - \$50M19% \$51M - \$100M22% \$101M - \$250M20% \$251M - \$500M12% \$500M+25% What is your company's headcount based on the most recent fiscal year? <508% 51 - 10014% 101 - 25021% 251 - 50017% 501+40%	What best describes your title at your organization? Founder / Owner12% C-Suite29% Senior Level (e.g. EVP, SVP, Director)59%

Business Model Demographics



Notes: [1] Respondents can select multiple options.

Product Portfolio Demographics



Note: [1] 120 respondents answered this question. [2] Includes primary product.

Appendix

RESPONDENT DEMOGRAPHICS

COMPANY SIZE ANALYSIS

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Company Size Cross Analyses | Market Conditions [1/2]

Market Outlook by Size:

Smaller Companies (\$21-100M)
In-line with the total market

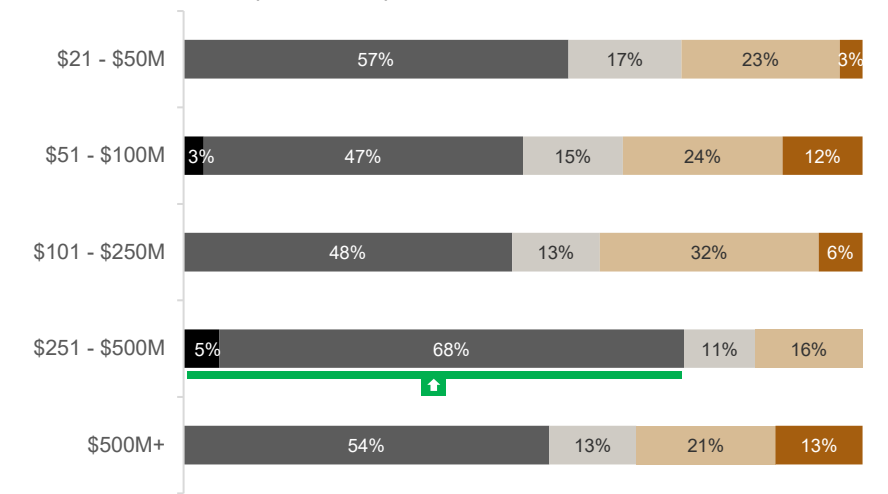
Mid-Market (\$101-500M)
The \$251-500M group has a more pessimistic market outlook than the broader respondent group.

- They report the highest negative sentiment (73%) over past months.
- None of this group anticipates strong growth in coming months.

Large Enterprises (\$500M+)
In-line with the total market

What has been the impact of the economic conditions on your company over the past 12-18 months?

BY COMPANY SIZE (REVENUE)



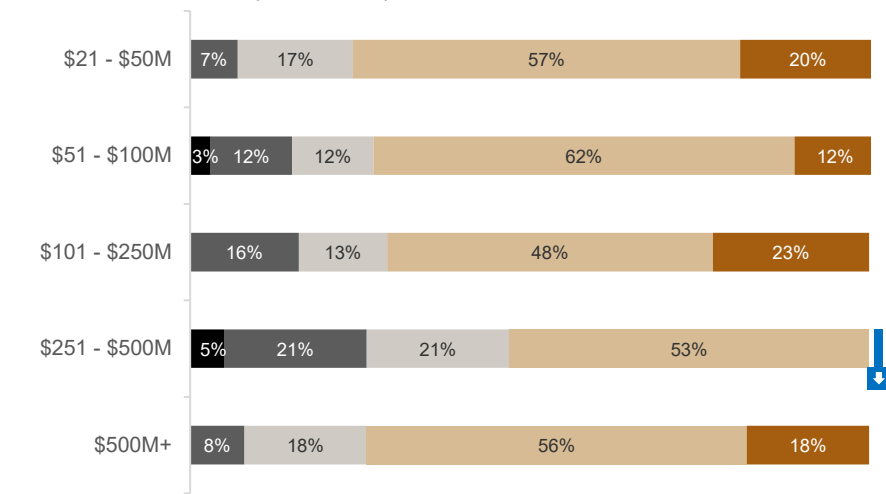
TOTAL RESPONSES



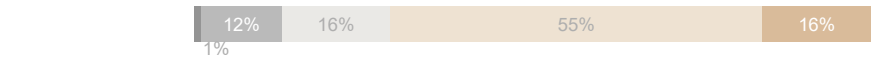
Extremely Negative Somewhat Negative Neutral Somewhat Positive Extremely Positive

For which economic scenario are you planning over the next 12-18 months?

BY COMPANY SIZE (REVENUE)



TOTAL RESPONSES



Deep Recession Modest Contraction No Growth (i.e., Flat) Modest Growth Strong Growth

N Size: 154 total responses (unless otherwise indicated), 1 response of “Prefer not to disclose” excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Market Conditions [2/2]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$21-50M group is the only segment that does not view consumer demand shifts as a top threat.

Mid-Market (\$101-500M)

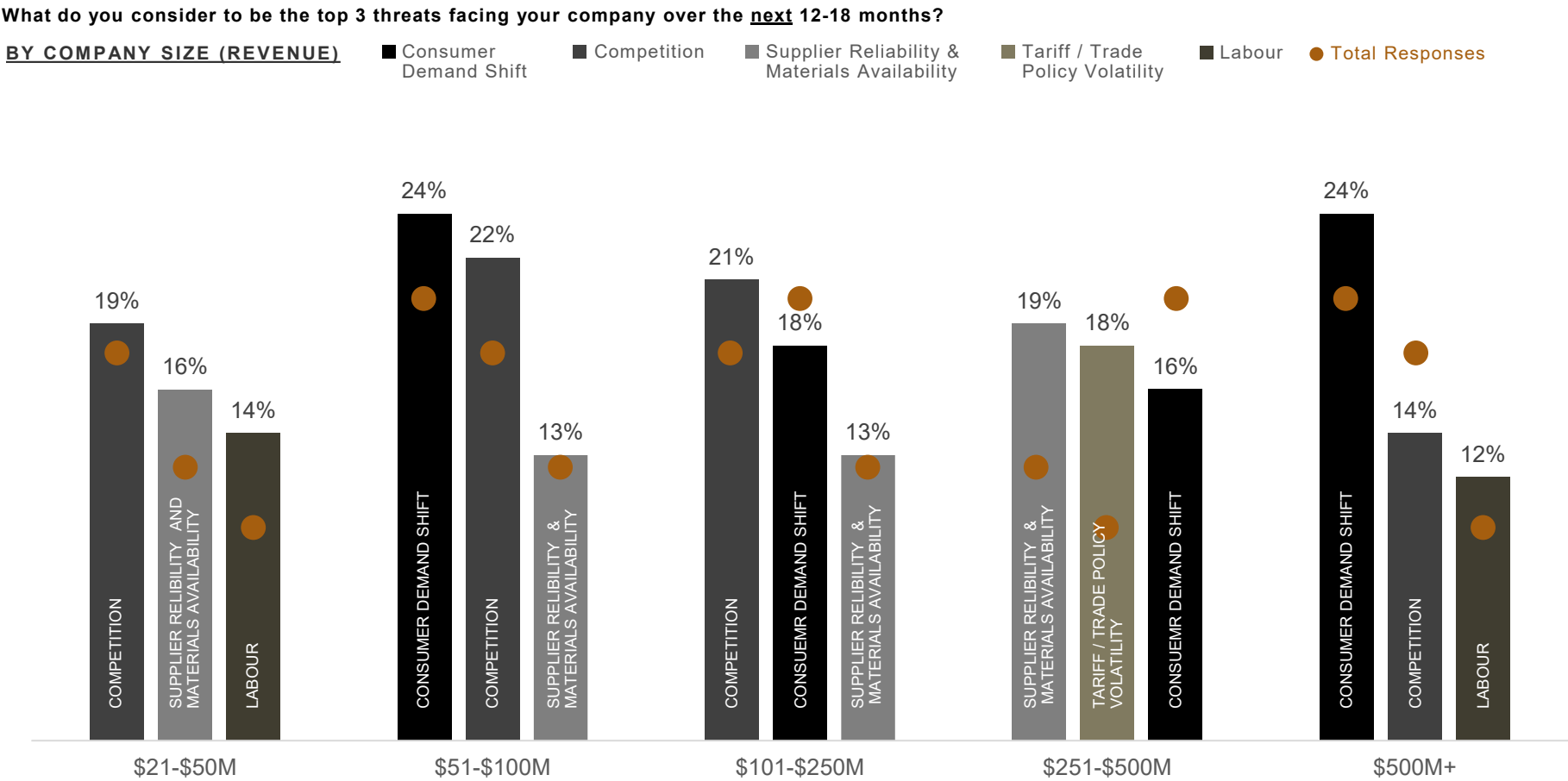
The \$251-500M group includes tariff / trade policy volatility as a top threat.

- This group shows a more balanced mix of threats, with consumer demand, tariffs, and supplier reliability all scoring relatively close.

Large Enterprises (\$500M+)

The \$500M+ group is the most heavily driven by consumer demand shifts, which dominates their risk assessment.

- All other threats are at least 10% lower, highlighting a strong concentration on demand-side pressures.



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Labour Market [1/5]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$51-100M group has a more optimistic labour market outlook than the broader respondent group.

- They report the highest positive sentiment (47%).
- Half of respondents have expanded their workforce.

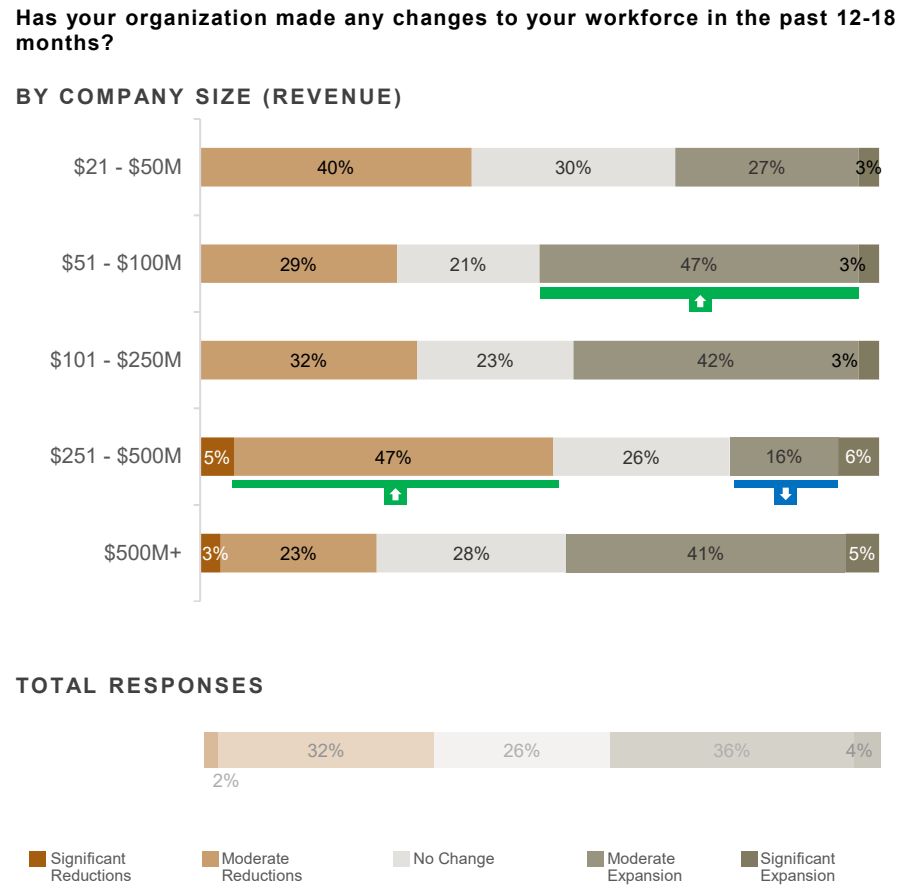
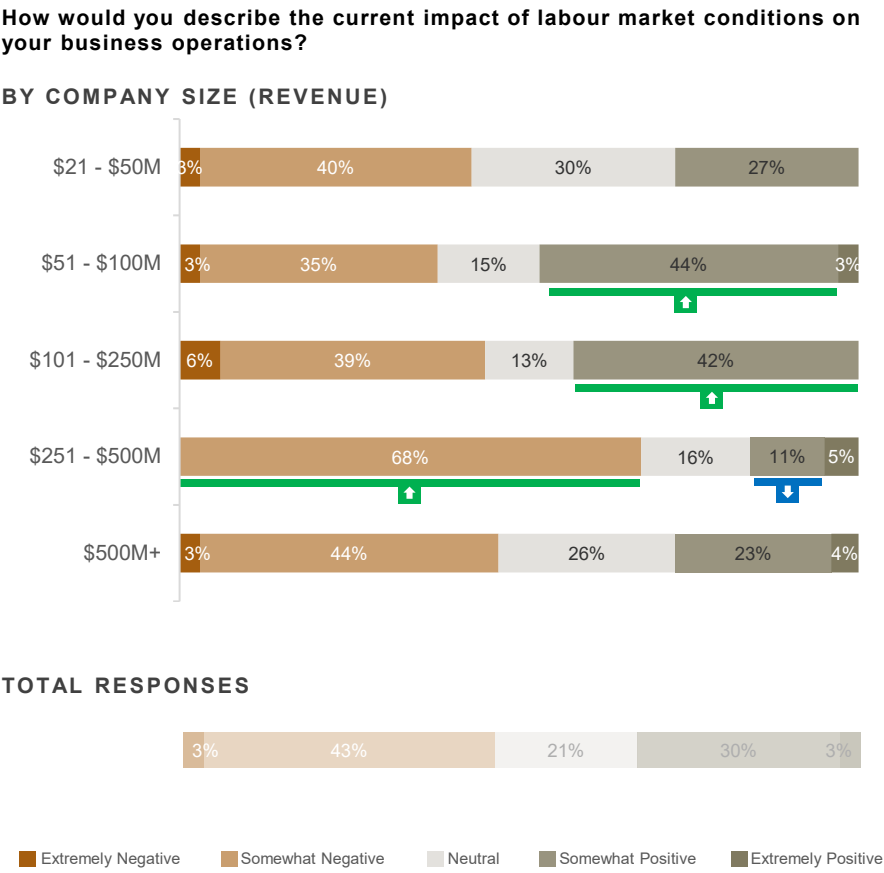
Mid-Market (\$101-500M)

The \$251-500M group has a more pessimistic labour market outlook than the broader respondent group.

- They report the highest negative sentiment (68%), and only 16% found positive impacts.
- Over half of respondents have reduced their workforce.

Large Enterprises (\$500M+)

In-line with the total market



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Labour Market [2/5]

Market Outlook by Size:

Smaller Companies (\$21-100M)

Operators in the \$51-100M range have made the most adjustments to their labour model.

Mid-Market (\$101-500M)

The \$251-500M group has made the fewest significant changes to their labour operating model.

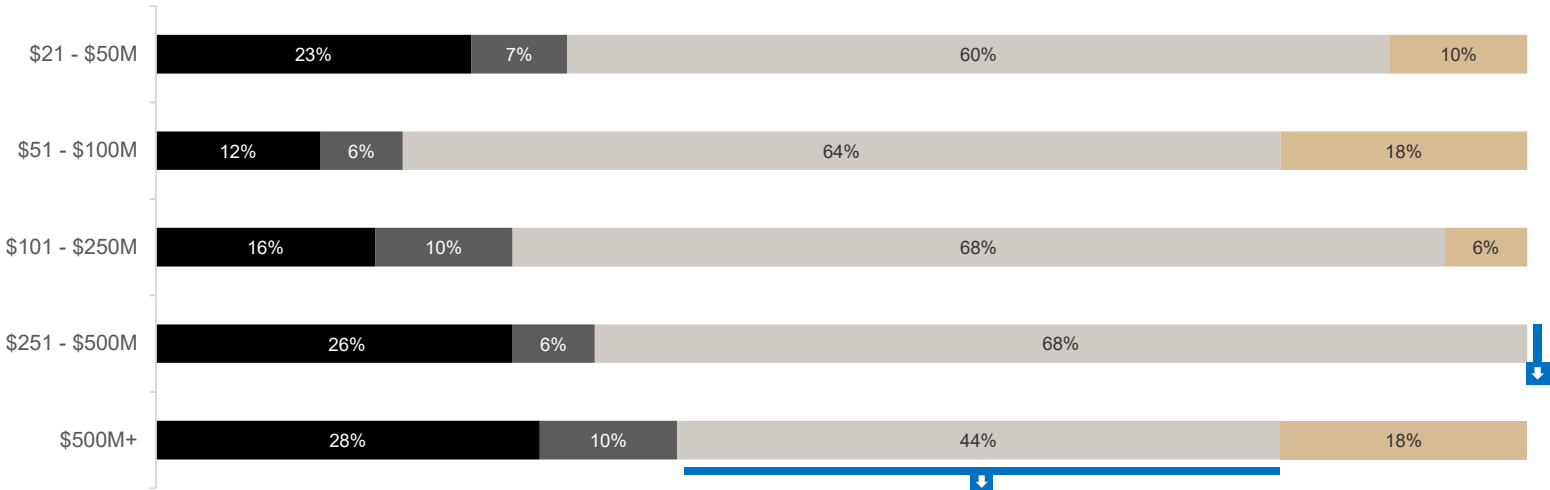
Large Enterprises (\$500M+)

The \$500M+ group has made the least overall changes to the labour operating model.

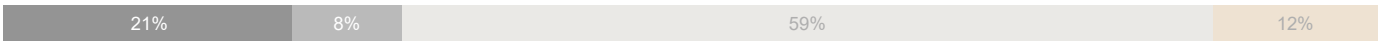
- Only 62% of the group has made shifts in their models.

Has your operating model shifted in how labour is used (e.g., outsourcing, contracting, automation)?

BY COMPANY SIZE (REVENUE)



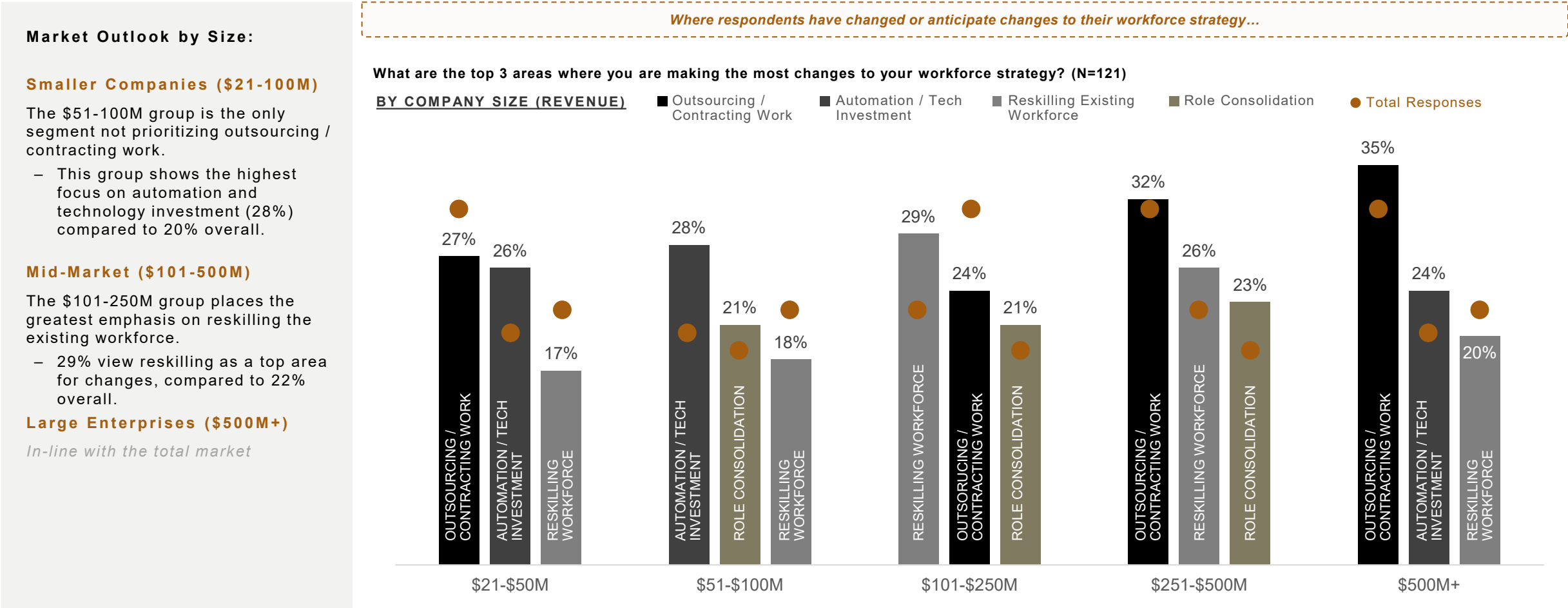
TOTAL RESPONSES



■ No Change ■ No - Planning Changes ■ Yes - Moderate Shift ■ Yes - Significant Shift

N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Labour Market [3/5]



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Labour Market [4/5]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$21-50M+ group is broadly aligned with the overall industry.

- Retention is a greater challenge, with 80% reporting difficulty compared to 67% overall.

Mid-Market (\$101-500M)

The \$251-500M group reported the most difficulty attracting and training talent.

- 58% found it difficult to attract talent, with no respondents indicating it was “very easy”.
- The group found training more difficult (68%) than others (42%).

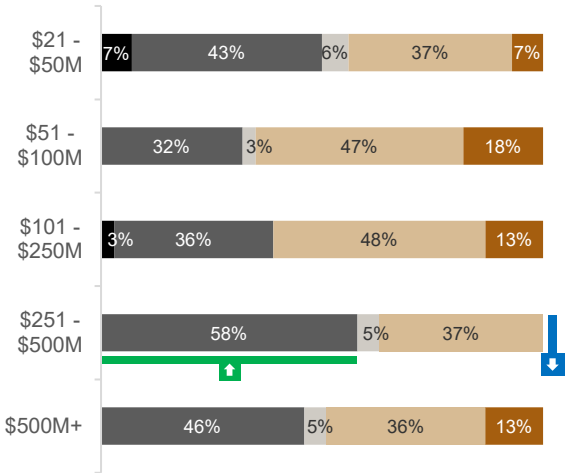
Large Enterprises (\$500M+)

The \$500M+ group is broadly aligned with the overall industry.

- Retention was easier for 41% of respondents, compared to 33% overall.

How easily can you attract talent to operate your business?

BY COMPANY SIZE (REVENUE)

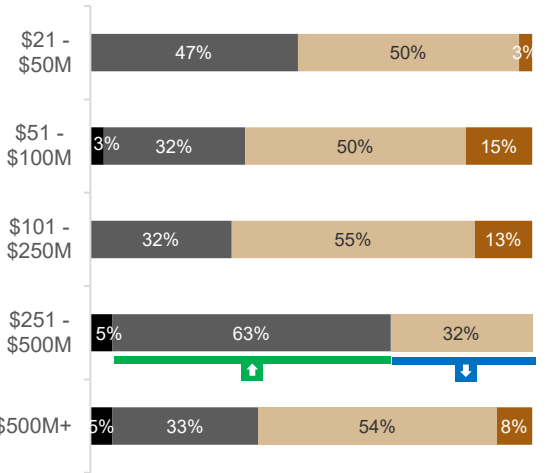


TOTAL RESPONSES

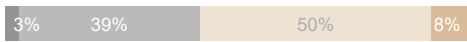


How easily can you train talent to operate your business?

BY COMPANY SIZE (REVENUE)

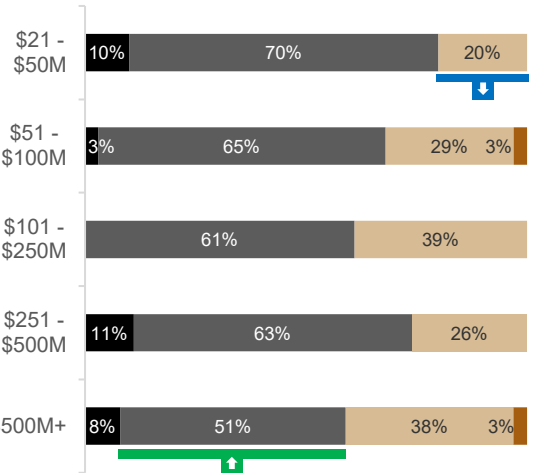


TOTAL RESPONSES



How easily can you retain talent to operate your business?

BY COMPANY SIZE (REVENUE)



TOTAL RESPONSES



Very Difficult Somewhat Difficult N/A Somewhat Easy Very Easy

N Size: 154 total responses (unless otherwise indicated), 1 response of “Prefer not to disclose” excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Labour Market [5/5]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$21-50M group is the only segment that does not view employee output as a top labour challenge.

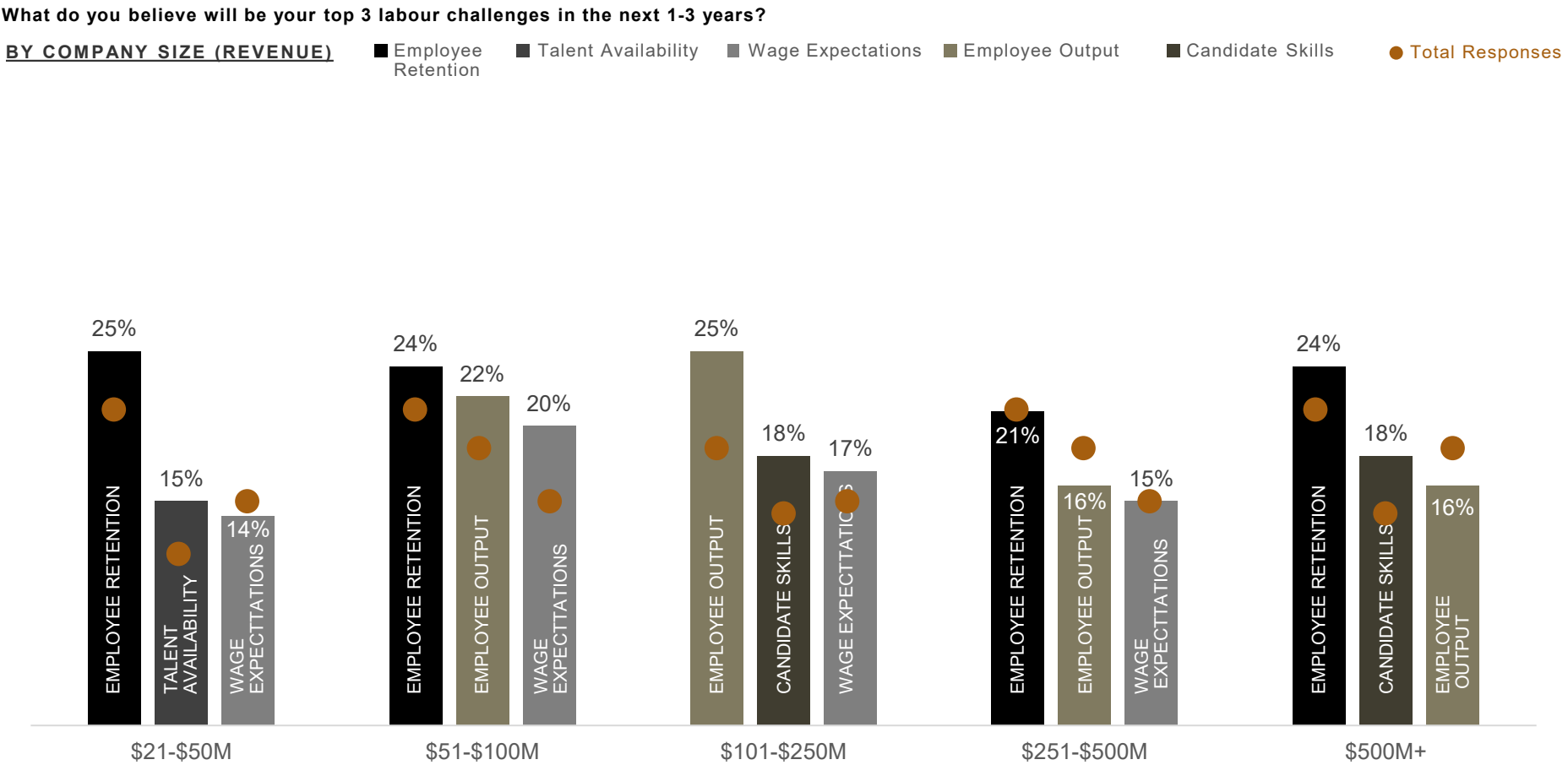
Mid-Market (\$101-500M)

The \$101-250M group is the only segment that does not view employee retention as a top labour challenge.

- 25% report employee output to be the top challenge, compared to 19% overall.

Large Enterprises (\$500M+)

The \$500M+ group is the only segment that does not view wage expectations as a top labour challenge.



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Tariffs & Supply Chain [1 / 7]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$51-100M group was the most negatively impacted by tariffs and supply chain challenges.

- They reported the highest negative sentiments (85%).

Mid-Market (\$101-500M)

The \$251-500M group was the most extremely negatively impacted.

- They report the highest extremely negative effects (21%).

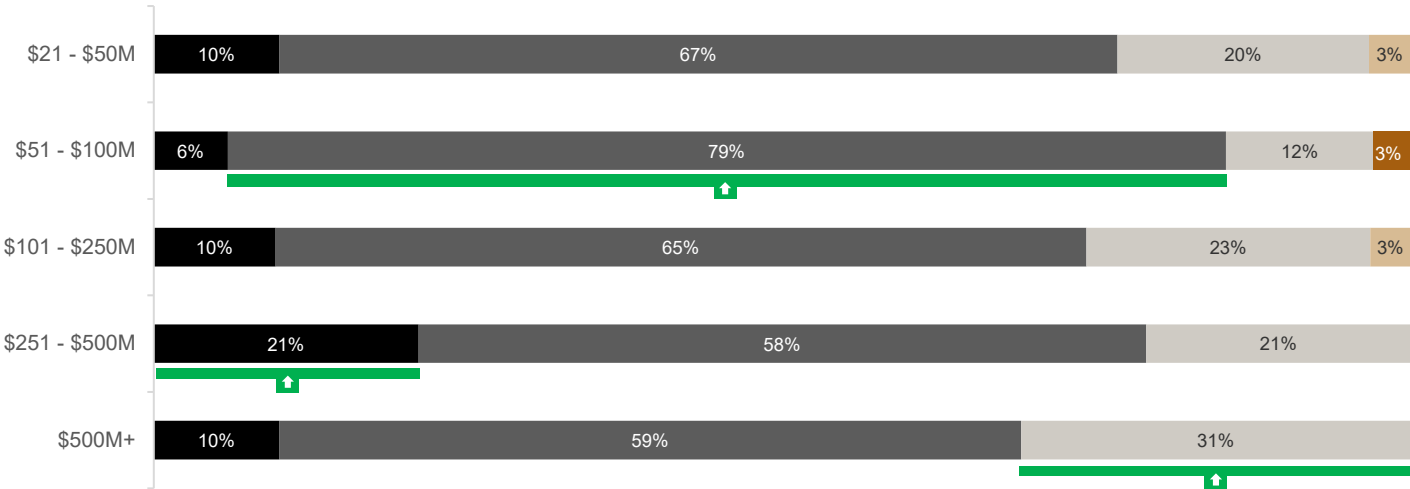
Large Enterprises (\$500M+)

The \$500M+ group was the least impacted by tariffs and supply chain challenges.

- 31% of the group reported no impact.

How are tariffs and supply chain challenges impacting your business?

BY COMPANY SIZE (REVENUE)



TOTAL RESPONSES



Extremely Negative Somewhat Negative Neutral Somewhat Positive Extremely Positive

N Size: 154 total responses (unless otherwise indicated), 1 response of “Prefer not to disclose” excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Tariffs & Supply Chain [2/7]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$21-50M group was the most heavily impacted by raw material costs.

- 36% ranked raw materials as the top area of impact, compared to 29% overall.

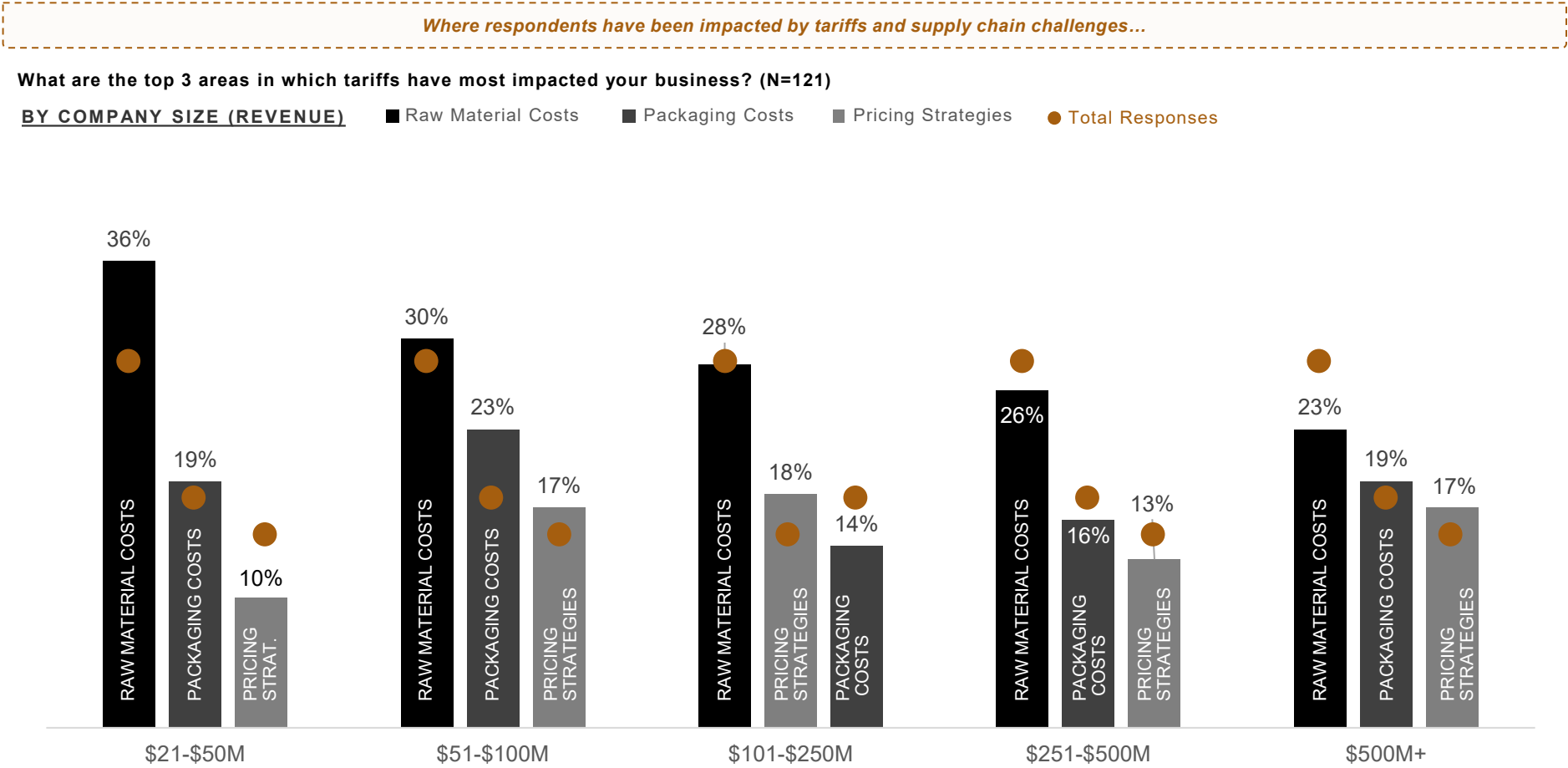
Mid-Market (\$101-500M)

The \$251-500M group reports the lowest overall impacts.

- Raw material costs, packaging costs, and pricing strategies are all below peers.

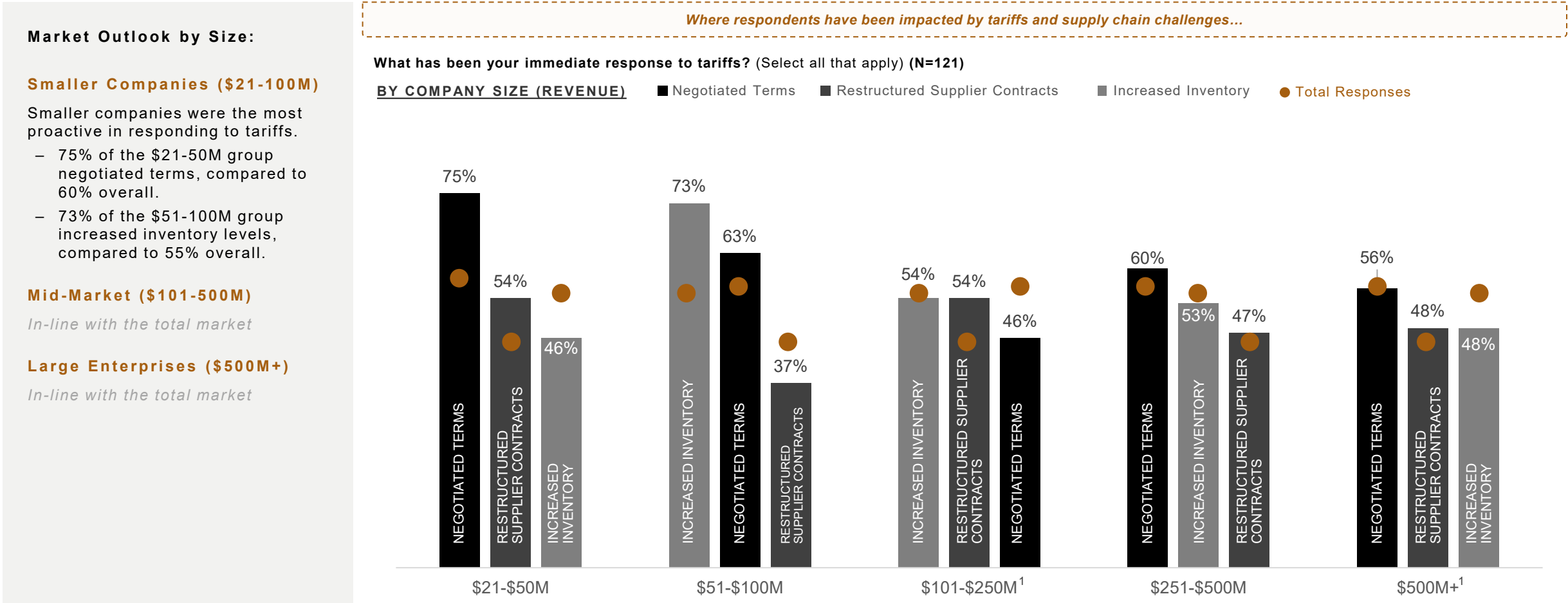
Large Enterprises (\$500M+)

In-line with the total market



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Tariffs & Supply Chain [3/7]



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Increased Domestic Sourcing was tied for third in rank for \$101-\$250M and \$500M+ revenue bands, with 46% and 48% rank, respectively.

Company Size Cross Analyses | Tariffs & Supply Chain [4/7]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$51-100M group reported the largest drop in sales volume and made the most pricing strategy changes.

- 71% reported sales volume was negatively impacted by tariffs.
- 74% made changes to pricing strategies.

Mid-Market (\$101-500M)

The mid-market group saw the least impacts to their sales volumes.

- Over half of respondents saw no change.

Pricing strategy changes were in line with the market.

Large Enterprises (\$500M+)

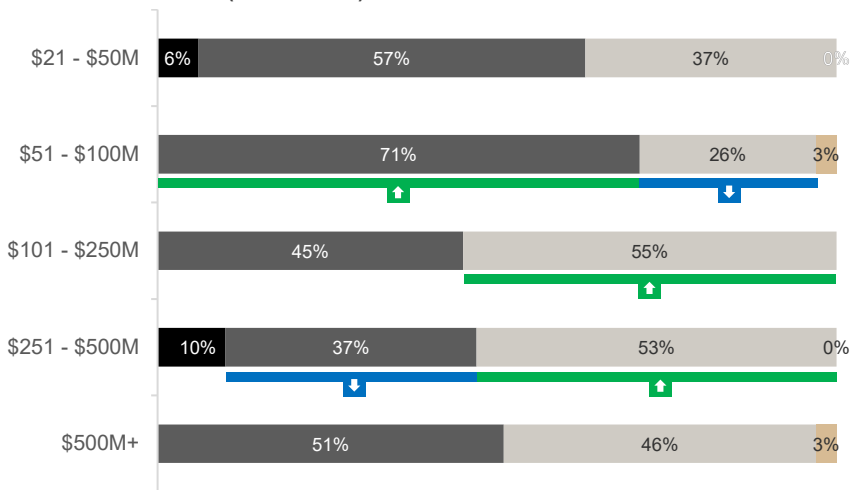
The \$500M+ group made the least changes to their pricing strategy.

- 46% reported changes, compared to 56% overall.

Sales volume impacts were in line with the market.

How have tariffs affected your sales volume?

BY COMPANY SIZE (REVENUE)



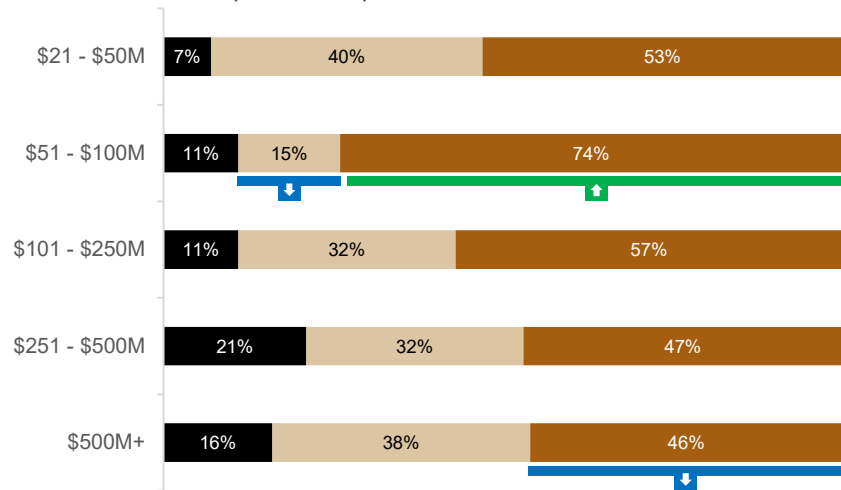
TOTAL RESPONSES



Extremely Negative Somewhat Negative Neutral Somewhat Positive Extremely Positive

How have recent pressures prompted changes to your pricing strategy?

BY COMPANY SIZE (REVENUE)



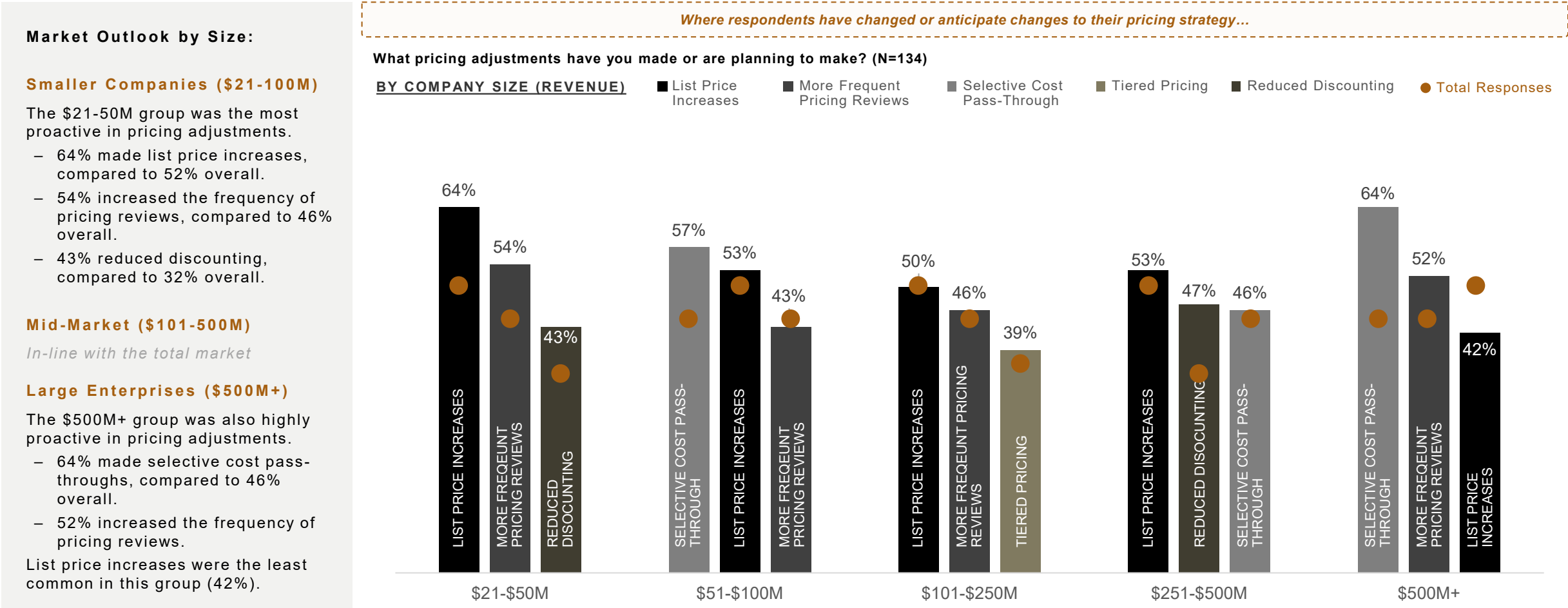
TOTAL RESPONSES



No Change Anticipating Changes Yes Unsure

N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Tariffs & Supply Chain [5/7]



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Tariffs & Supply Chain [6/7]

Market Outlook by Size:

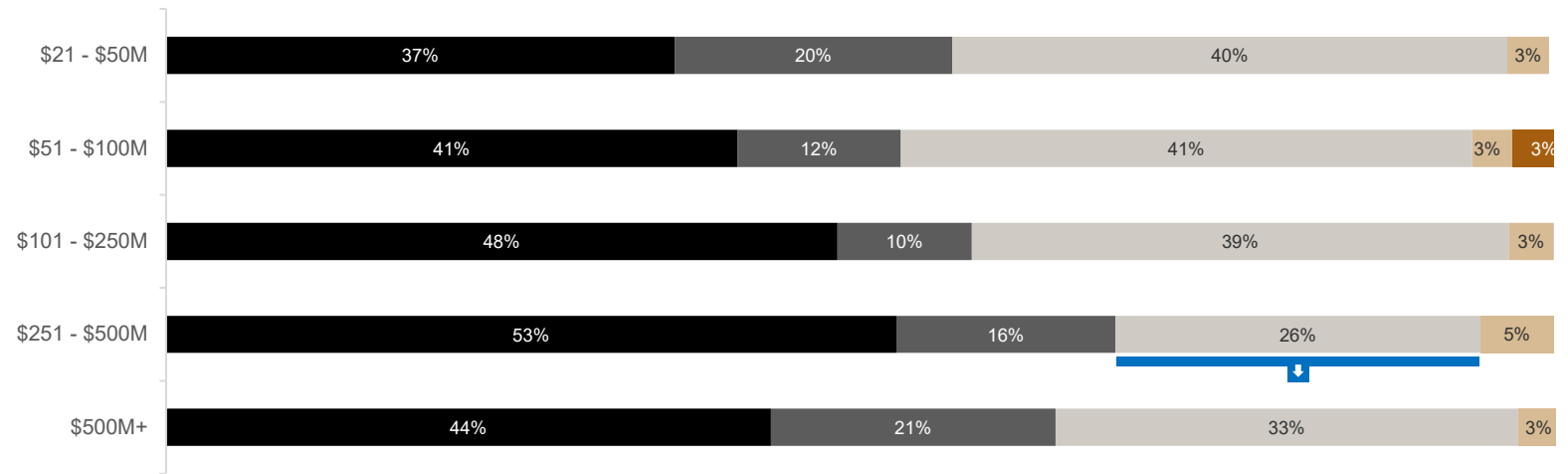
Smaller Companies (\$21-100M)
In-line with the total market

Mid-Market (\$101-500M)
The \$251-500M group made the least structural changes to their supply chain operating model.
– Only 31% made shifts to their model (vs. 40% overall).

Large Enterprises (\$500M+)
In-line with the total market

Have you made any structural changes to your supply chain operating model in the last 12-18 months?

BY COMPANY SIZE (REVENUE)



TOTAL RESPONSES



■ No Changes ■ No - Planning Changes ■ Yes - Moderate Shift ■ Yes - Significant Shift

N Size: 154 total responses (unless otherwise indicated), 1 response of “Prefer not to disclose” excluded from the analysis.

Company Size Cross Analyses | Tariffs & Supply Chain [7/7]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$51-100M group primarily focused on changing their inventory strategy due to recent disruptions.

- 37% changed their inventory strategy (vs. 29% overall).

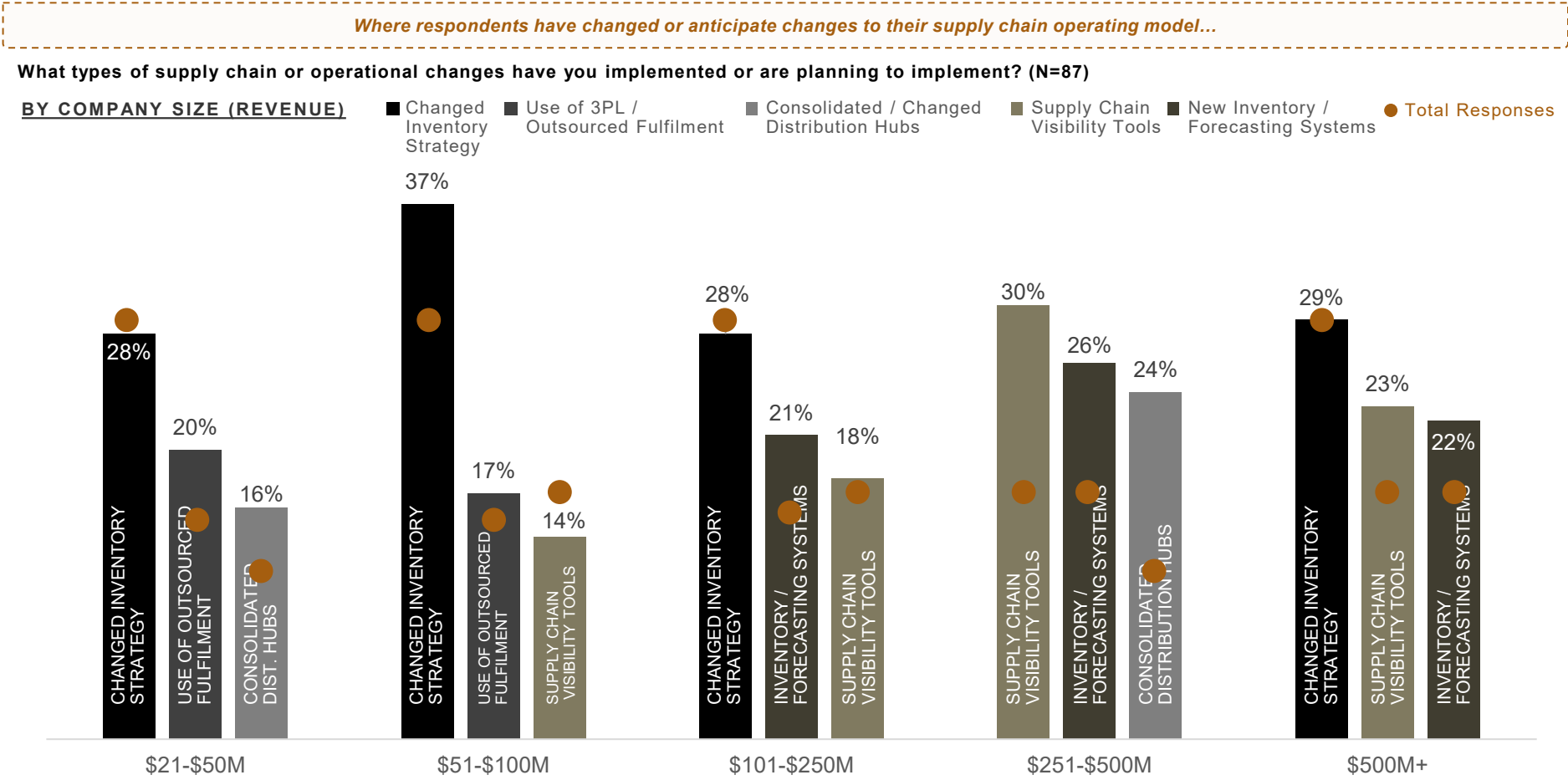
Mid-Market (\$101-500M)

The \$251-500M group made systems and structural changes.

- 30% implemented supply chain visibility tools (vs. 18% overall).
- 26% implemented new inventory forecasting systems (vs. 18% overall).
- 24% consolidated distribution hubs (vs. 10% overall).

Large Enterprises (\$500M+)

In-line with the total market



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

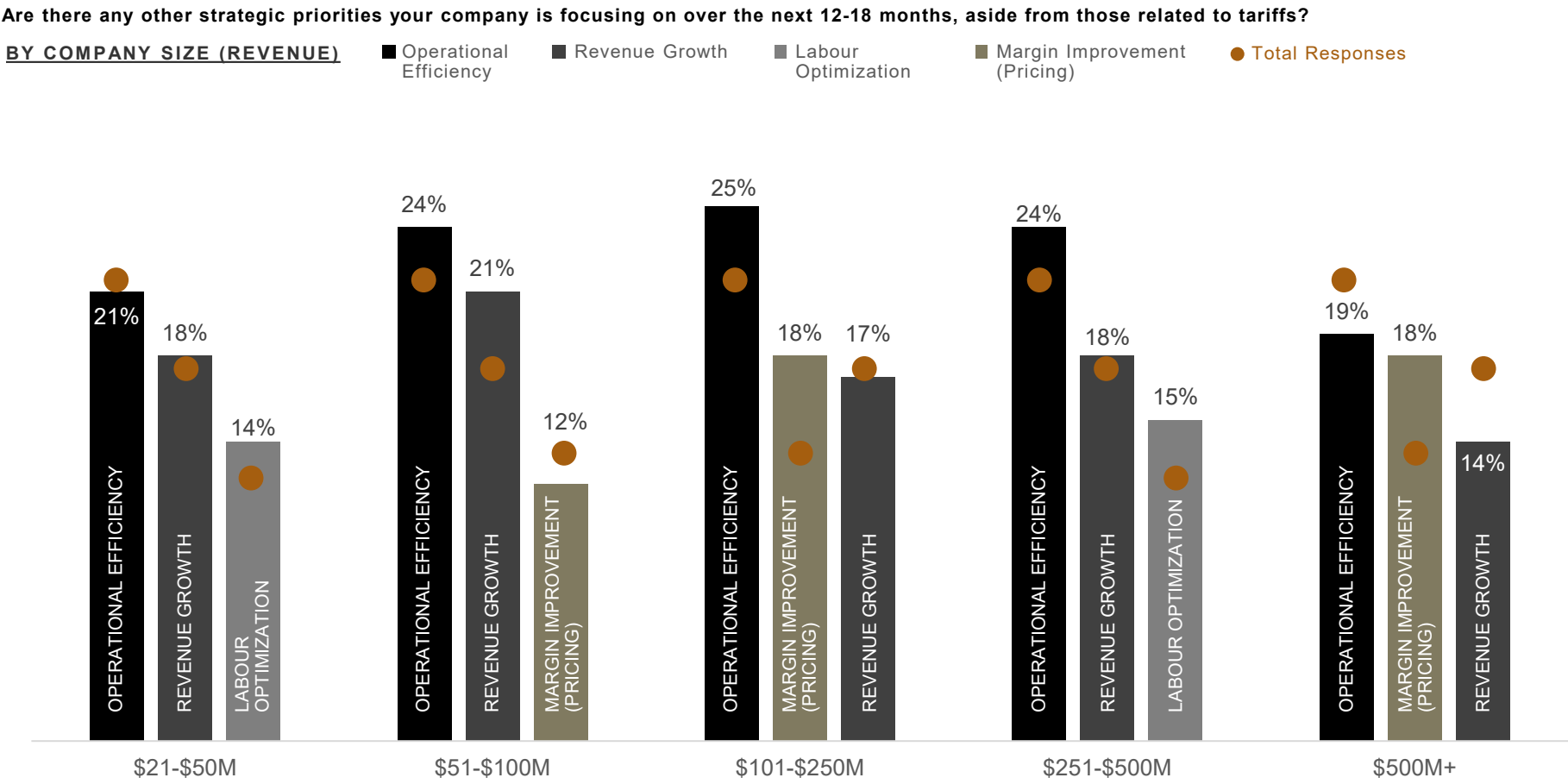
Company Size Cross Analyses | Strategic Priorities [1/5]

Market Outlook by Size:

Smaller Companies (\$21-100M)
In-line with the total market

Mid-Market (\$101-500M)
In-line with the total market

Large Enterprises (\$500M+)
The \$500M+ group places greater priority in productivity and margin enhancement than top-line growth.
– Only 14% ranked revenue growth as a strategic priority, compared to 18% overall.



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Strategic Priorities [2/5]

Market Outlook by Size:

Smaller Companies (\$21-100M)

In-line with the total market

Mid-Market (\$101-500M)

The \$251-500M group has the most negative outlook on revenues and profits in the next 12-18 months.

- Only 68% anticipate revenue growth (vs. 84% overall)
- Only 58% anticipate profit growth (vs. 69% overall)

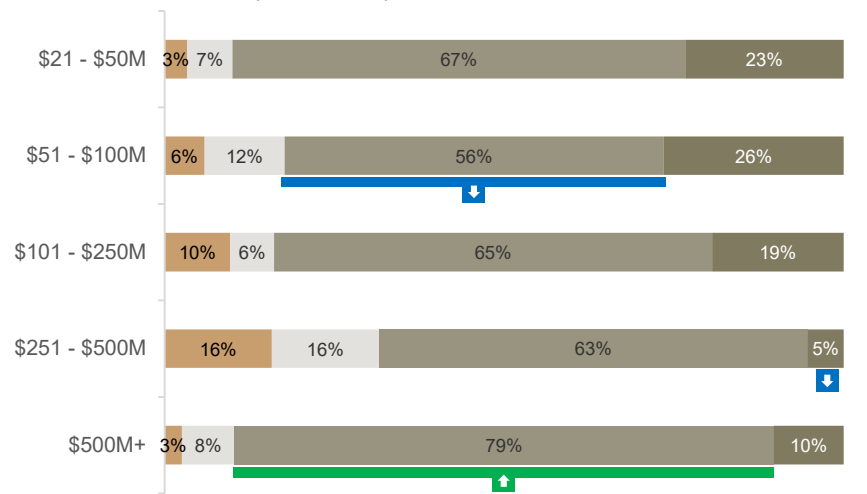
Large Enterprises (\$500M+)

The \$500M+ group expects the least changes to revenues and profits.

- 79% of the group anticipate moderate revenue growth.
- 26% of the group anticipate no change in profits.

What is your company's revenue outlook over the next 12-18 months?

BY COMPANY SIZE (REVENUE)



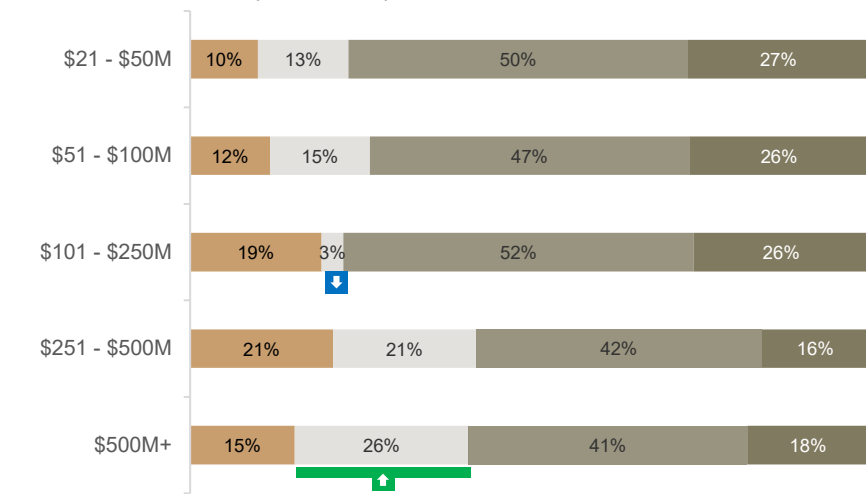
TOTAL RESPONSES



Significant Shrink Moderate Shrink No Change Moderate Growth Significant Growth

What is your company's profit outlook over the next 12-18 months?

BY COMPANY SIZE (REVENUE)



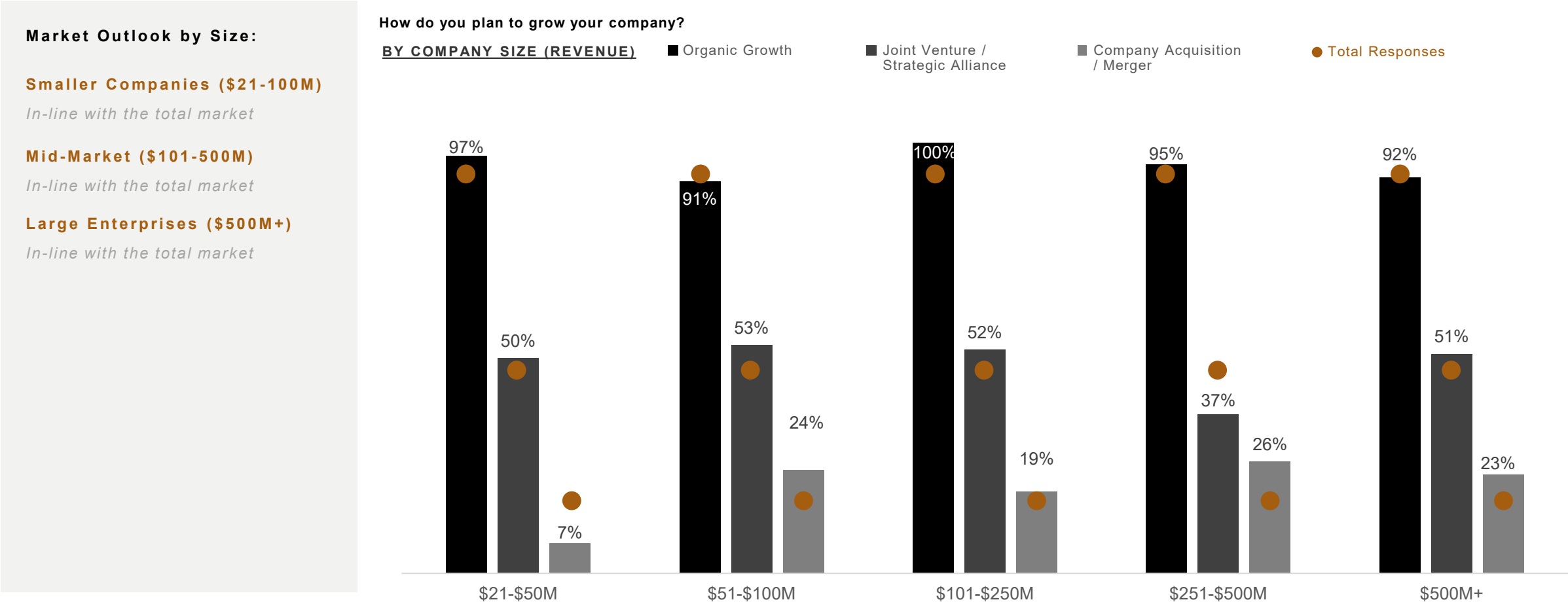
TOTAL RESPONSES



Significant Shrink Moderate Shrink No Change Moderate Growth Significant Growth

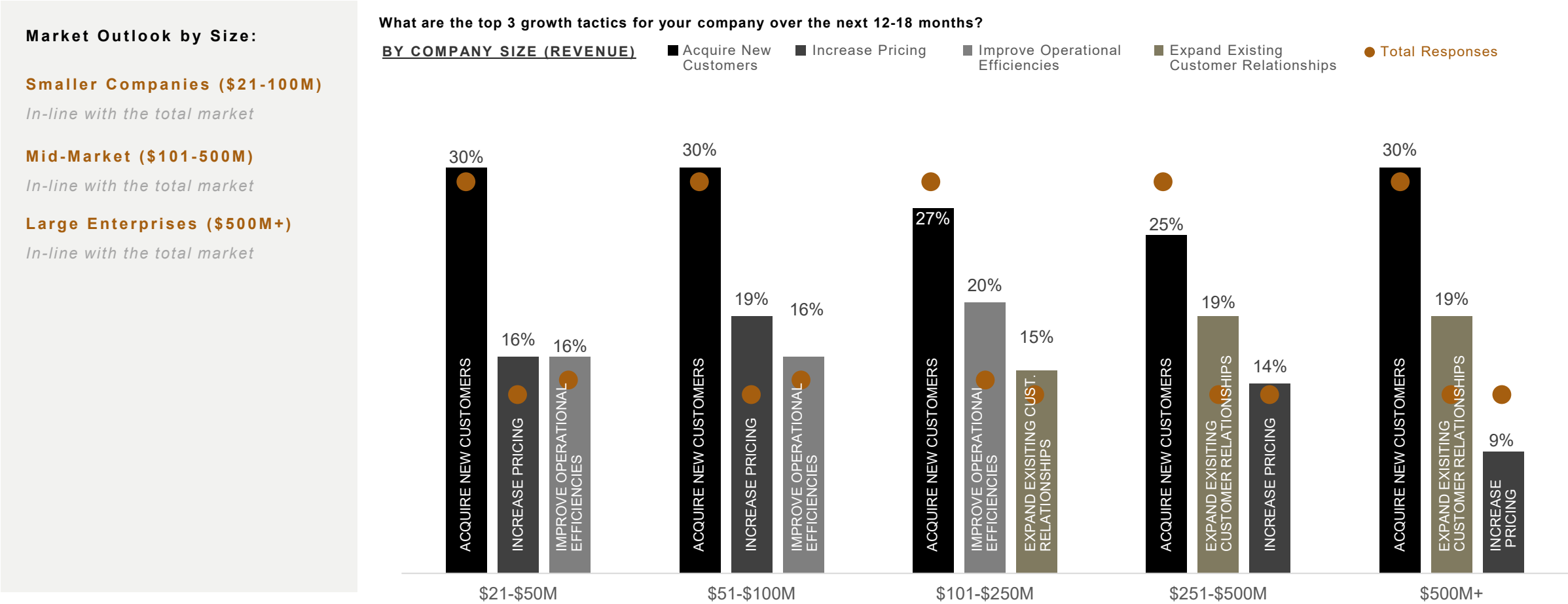
N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Strategic Priorities [3/5]



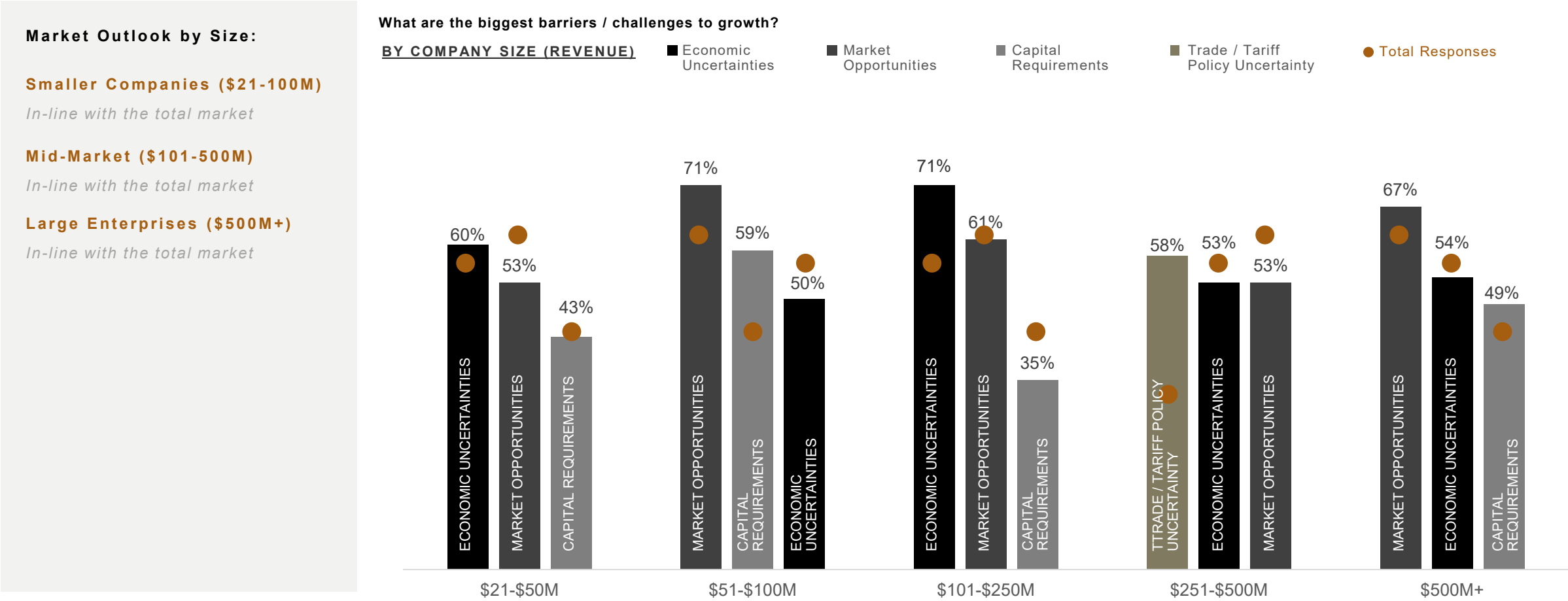
N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Strategic Priorities [4/5]



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Strategic Priorities [5/5]



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Technology [1/3]

Market Outlook by Size:

Smaller Companies (\$21-100M)

Smaller companies found technology adoption to be the least important.

- Only 17-18% rated it as “very important” or “extremely important”, compared to 37% overall.

Mid-Market (\$101-500M)

In-line with the total market

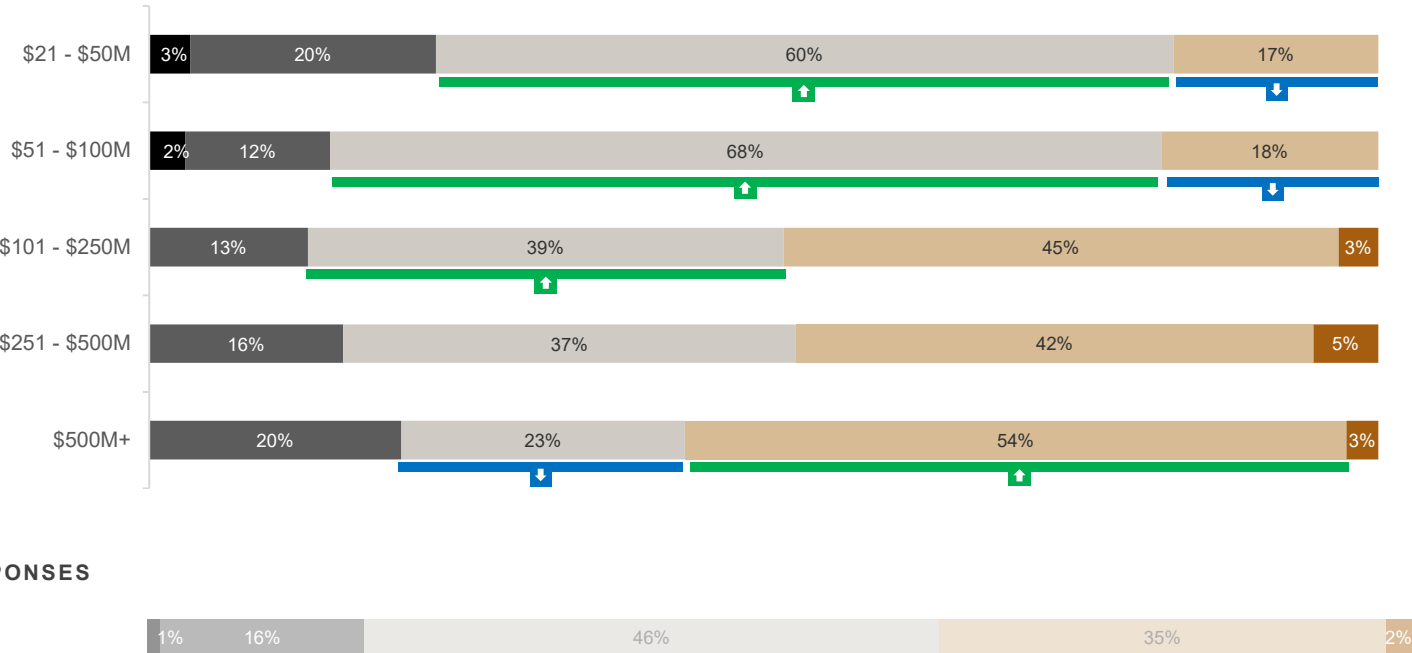
Large Enterprises (\$500M+)

The \$500M+ group found technology adoption to be the most important.

- 57% of the group rated it as “very important” or “extremely important”, compared to 37% overall.

How important is increased technology adoption to achieve your growth objectives over the next 12-18 months?

BY COMPANY SIZE (REVENUE)



Not Important Slightly Important Moderately Important Very Important Extremely Important

N Size: 154 total responses (unless otherwise indicated), 1 response of “Prefer not to disclose” excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Technology [2/3]

Market Outlook by Size:

Smaller Companies (\$21-100M)

In-line with the total market

Mid-Market (\$101-500M)

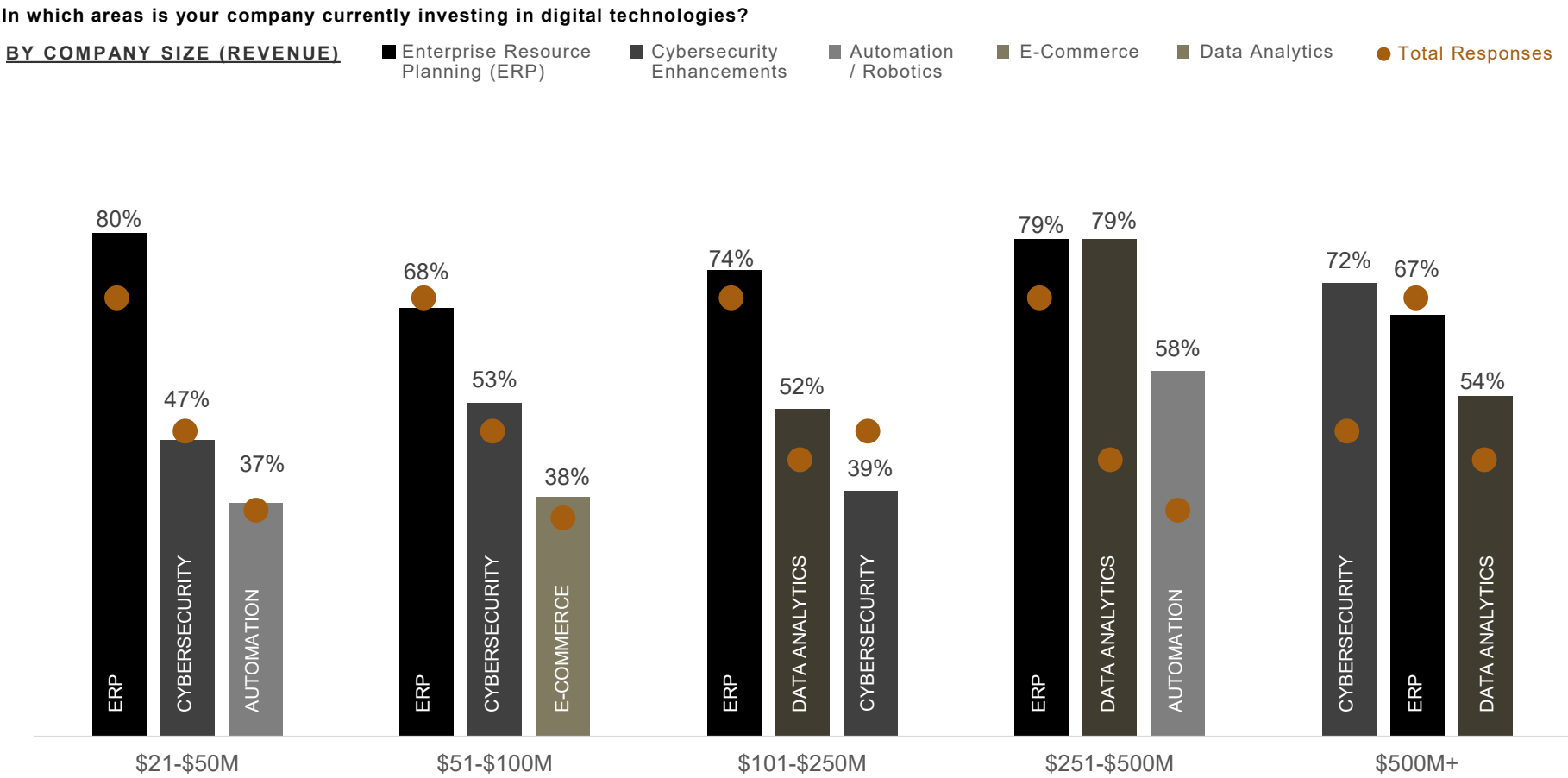
The \$251-500M group has made more investment in analytics and automation than others.

- 79% invested in data analytics (vs. 45% overall).
- 58% invested in automation (vs. 38% overall).

Large Enterprises (\$500M+)

The \$500M+ group has invested significantly more in cybersecurity than other peer groups.

- 72% of the group invested in cybersecurity (vs. 51% overall).



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Technology [3/3]

Market Outlook by Size:

Smaller Companies (\$21-100M)

In-line with the total market

Mid-Market (\$101-500M)

The \$101-250M group did not cite cybersecurity concerns to be a top challenge in adopting new technologies, unlike other peer groups.

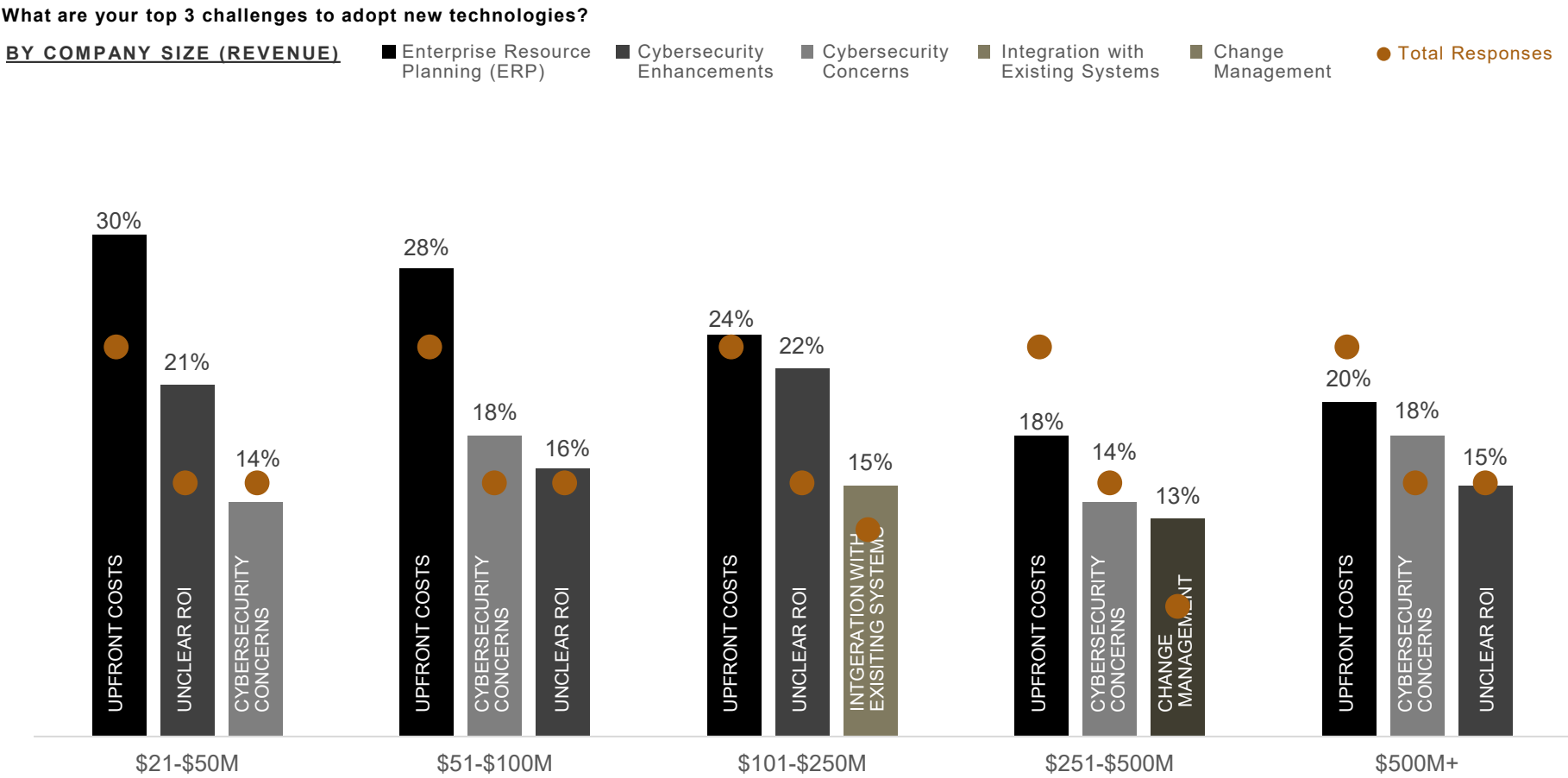
- 15% identified integration with existing systems to be a key barrier.

The \$251-500M group did not report unclear ROI to be a top challenge, distinguishing from peers.

- Instead, 13% found change management to be a challenge.

Large Enterprises (\$500M+)

In-line with the total market



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Succession Planning [1/2]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$51-100M group is the least likely to anticipate a succession event but reports strong preparation.

- Only 6% anticipate an event, compared to 25% overall.
- 53% have a formal plan, compared to 38% overall.

Mid-Market (\$101-500M)

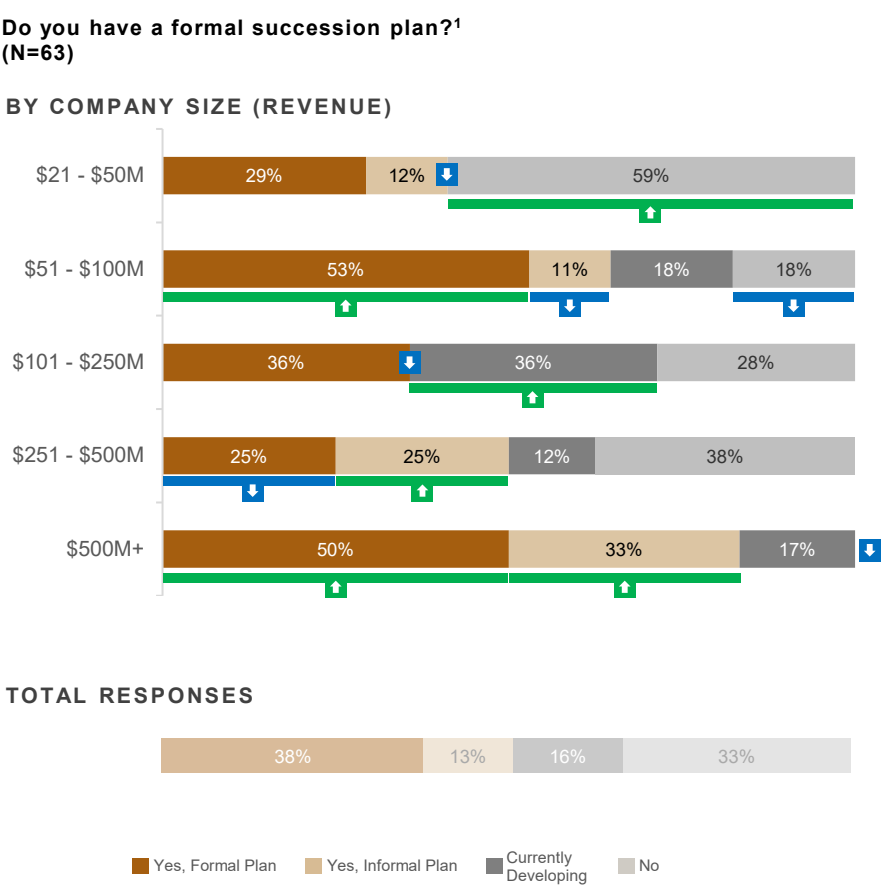
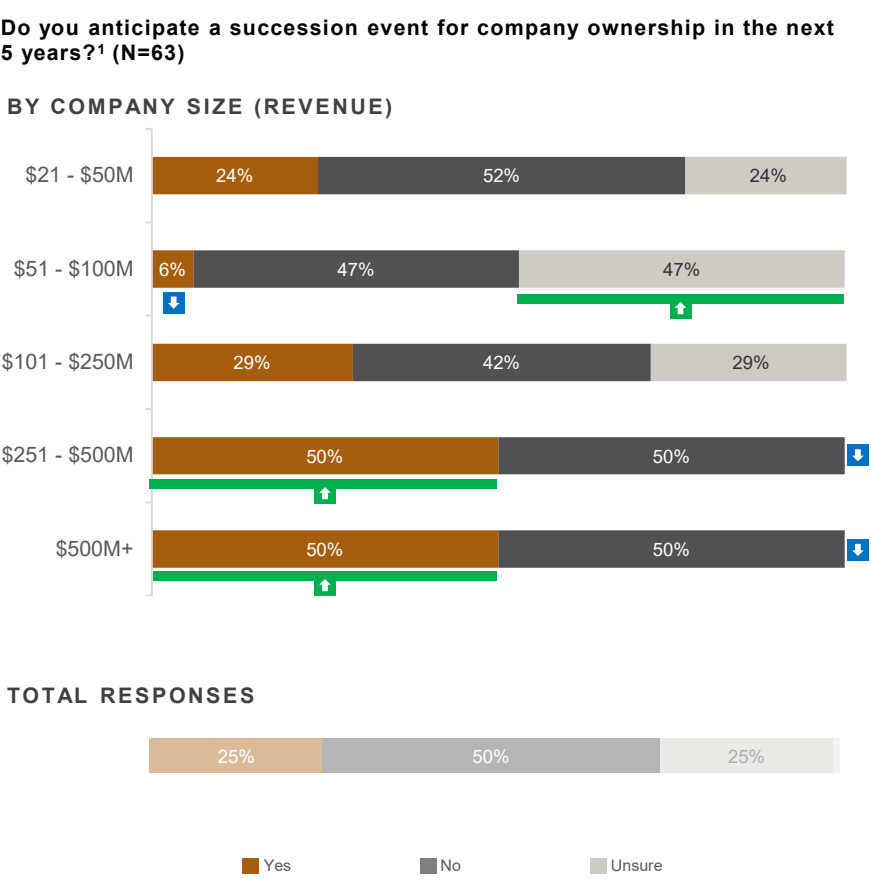
The \$251-500M group is the most likely to anticipate a succession event with the least preparation.

- 50% anticipate an event.
- 25% have a formal plan in place.

Large Enterprises (\$500M+)

The \$500M+ group is the most likely to anticipate a succession event with the most preparation.

- 50% anticipate an event.
- All have a plan in place or are developing a plan.



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Only asked to founder / C-suite level respondents. [2] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Succession Planning [2/2]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$51-100M group demonstrated the greatest preference for passive shareholder arrangements.

- 86% reported this preference (vs. 64% overall).

Mid-Market (\$101-500M)

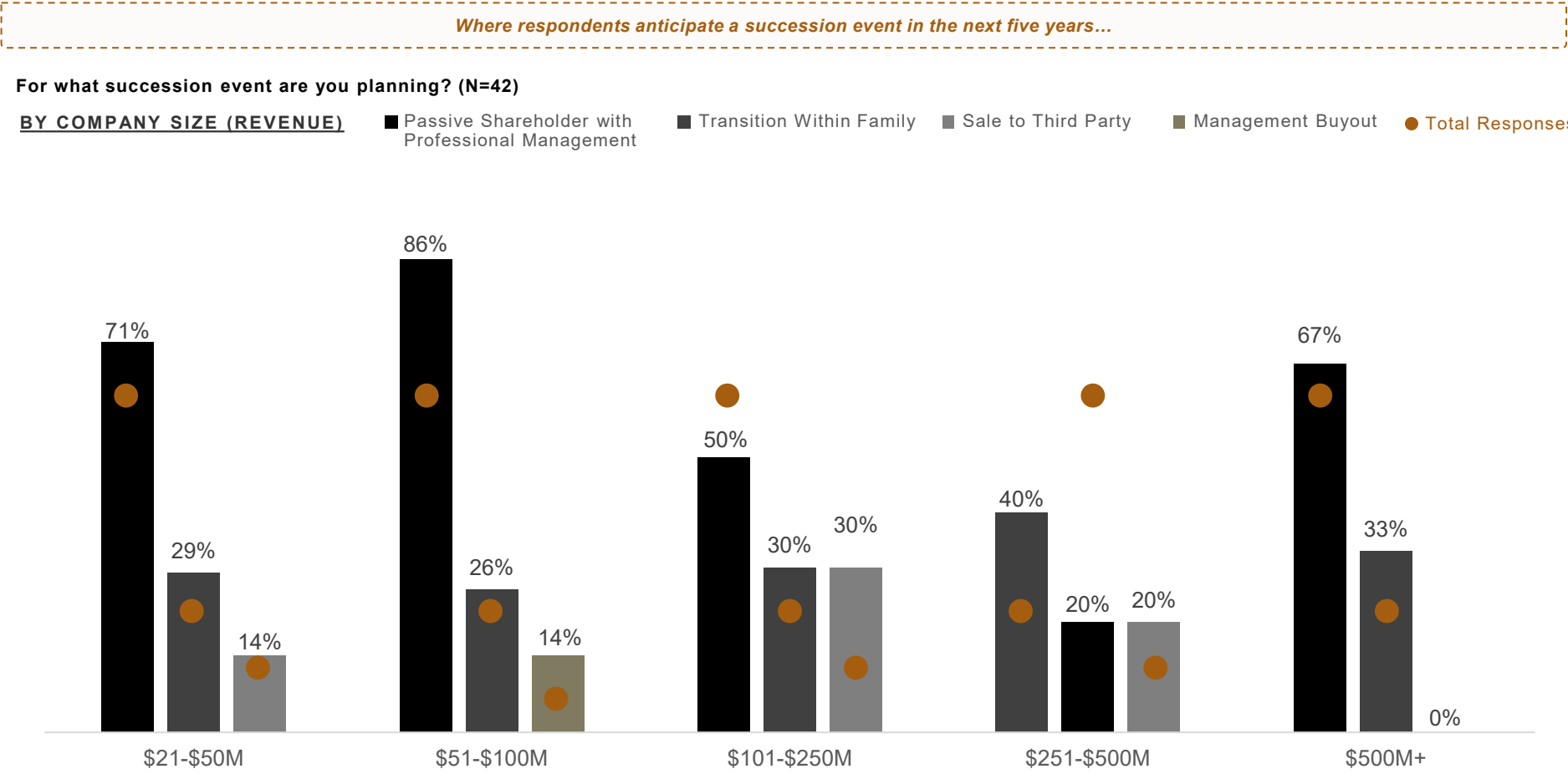
The \$101-250M group leaned towards more active transition strategies.

- 30% would transition within the family (vs. 19% overall).
- 30% would sell to a third party (vs. 14% overall).

The \$251-500M reported the highest preference for family transitions, with 40% selecting this path.

Large Enterprises (\$500M+)

In-line with the total market



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Historical M&A

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$21-50M group had the fewest M&A discussions, but achieved a higher deal closure rate.

- 10% reported discussions, compared to 21% overall.
- 33% closed deals, compared to 19% overall.

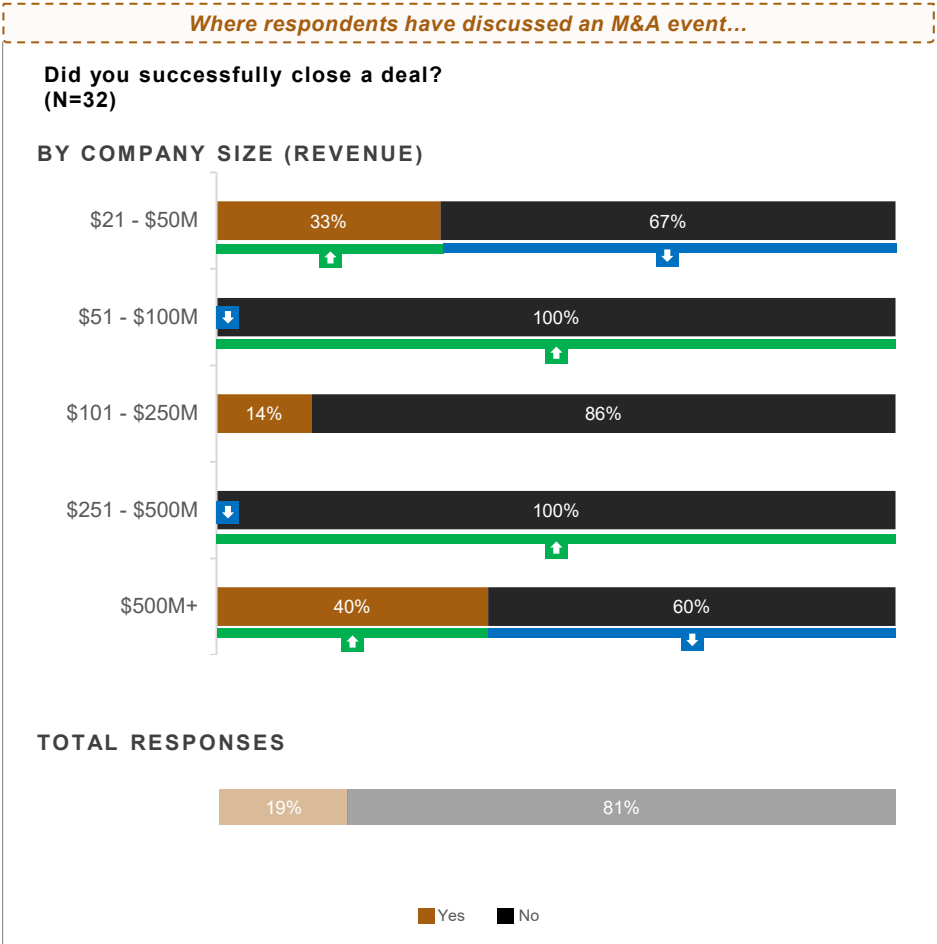
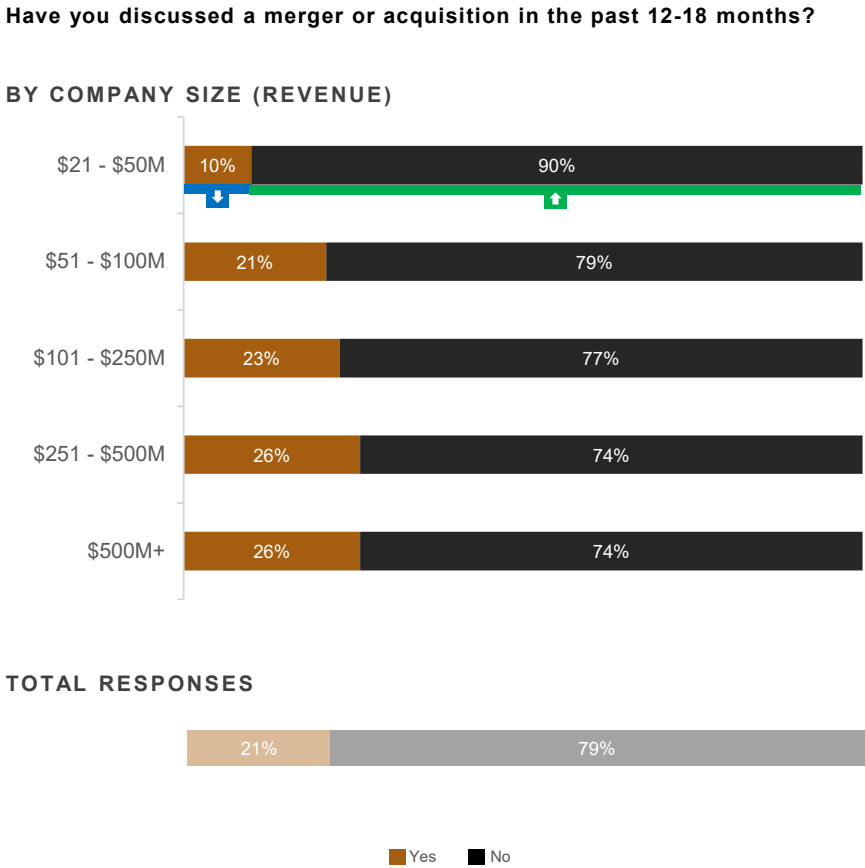
Mid-Market (\$101-500M)

In-line with the total market

Large Enterprises (\$500M+)

The \$500M+ group had the most M&A discussions with the highest closure rate.

- 26% reported discussions.
- 40% closed deals.



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Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Future M&A [1 / 3]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$21-50M group is the least likely to be involved in an acquisition in the next 12-18 months.

- Only 3% expect to be involved, compared to 14% overall.

The \$51-100M group is the most diverse in acquisition targets.

- There is a relatively even split between smaller, equal-sized, and larger organizations.

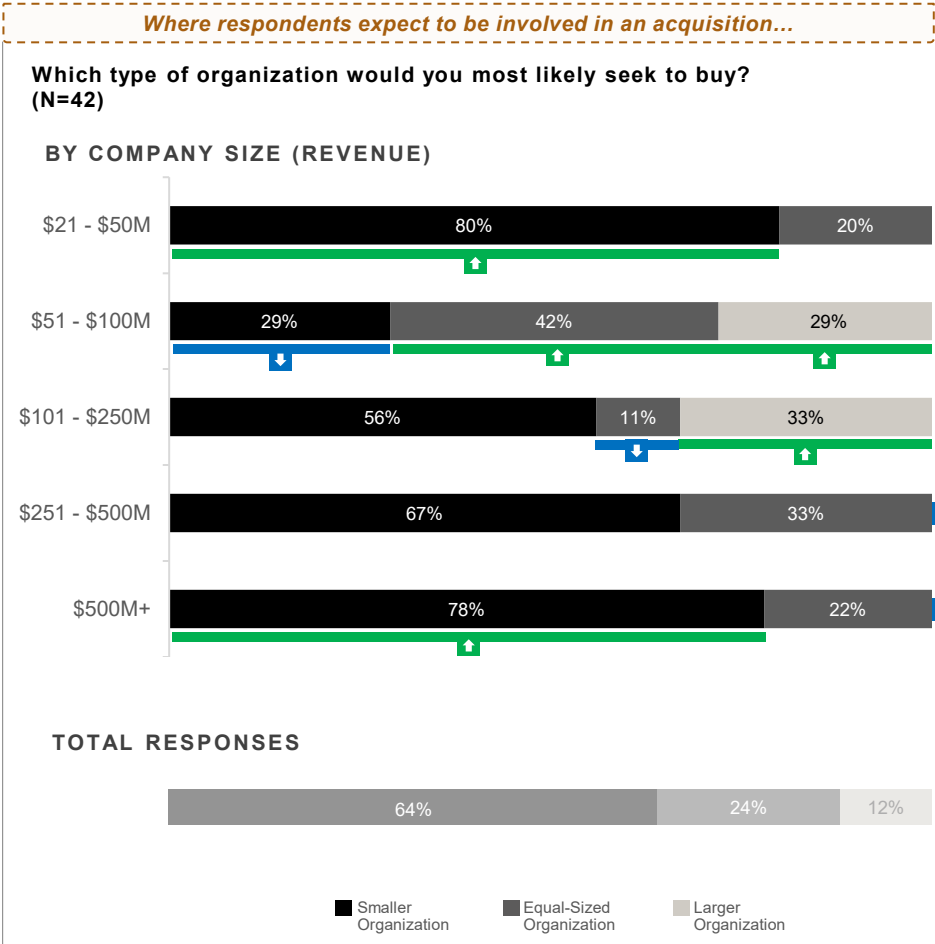
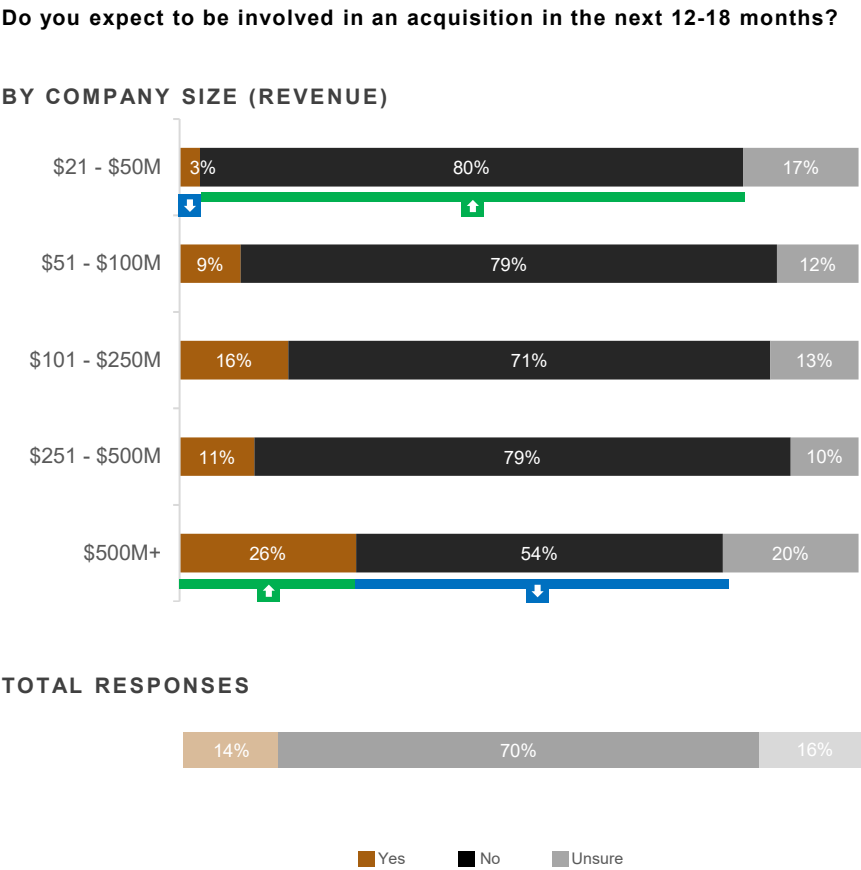
Mid-Market (\$101-500M)

In-line with the total market

Large Enterprises (\$500M+)

The \$500M+ group is the most likely to be in an acquisition.

- 26% expect to participate.
- 78% seek to acquire a smaller organization.



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Company Size Cross Analyses | Future M&A [2/3]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$51-100M group demonstrated strong preference for adjacent growth opportunities.

- 86% prioritized channel penetration (vs. 51% overall).
- 71% valued product expansion n(vs. 42% overall).
- 71% considered customer lists attractive (vs. 36% overall).

Mid-Market (\$101-500M)

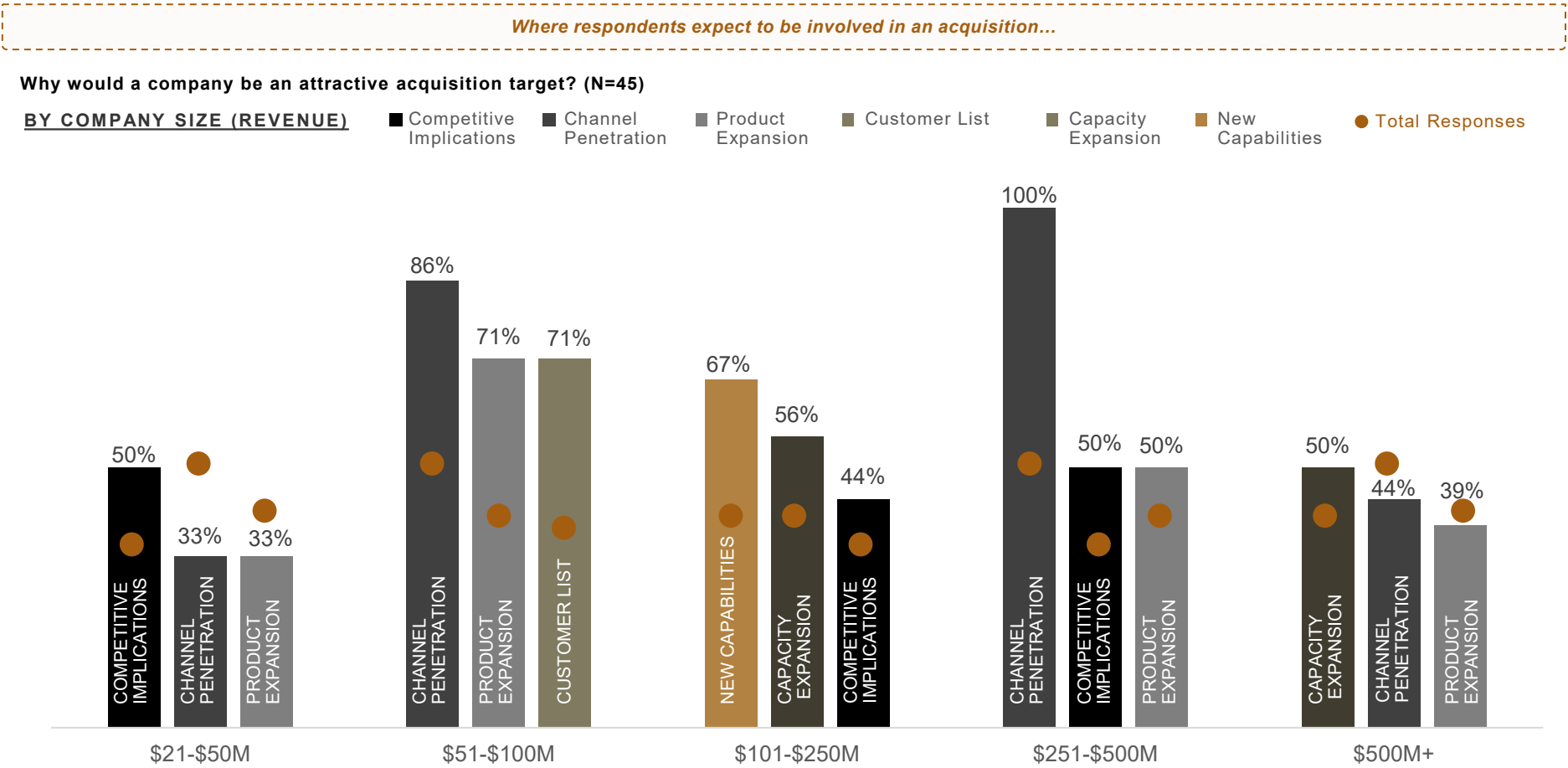
The \$101-250M group emphasized capability and capacity expansion.

- 67% sought new capabilities (vs. 42% overall).
- 56% targeted capacity expansion (vs. 42% overall).

All of the \$251-500M group identified channel penetration as an attractive feature in a target.

Large Enterprises (\$500M+)

In-line with the total market



N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.

Company Size Cross Analyses | Future M&A [3/3]

Market Outlook by Size:

Smaller Companies (\$21-100M)

The \$21-50M group is the most likely to seek private equity when raising capital.

- 64% seek private equity, compared to 43% overall.

Mid-Market (\$101-500M)

The mid-market group is most likely to seek a larger organization to raise capital.

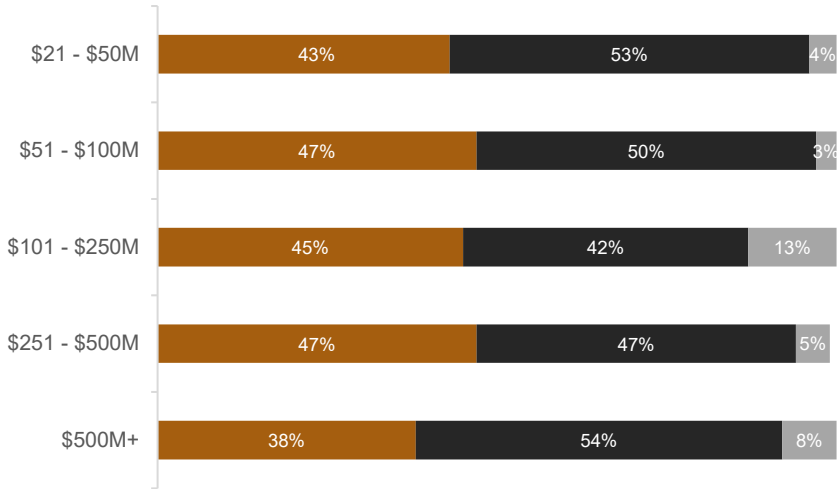
- 47% of the \$101-250M group selected this type of organization.
- 60% of the \$251-500M group selected this type of organization.

Large Enterprises (\$500M+)

In-line with the total market

Do you intend to solicit buyers or other external investors / capital for your business in the next 12-18 months?

BY COMPANY SIZE (REVENUE)



TOTAL RESPONSES

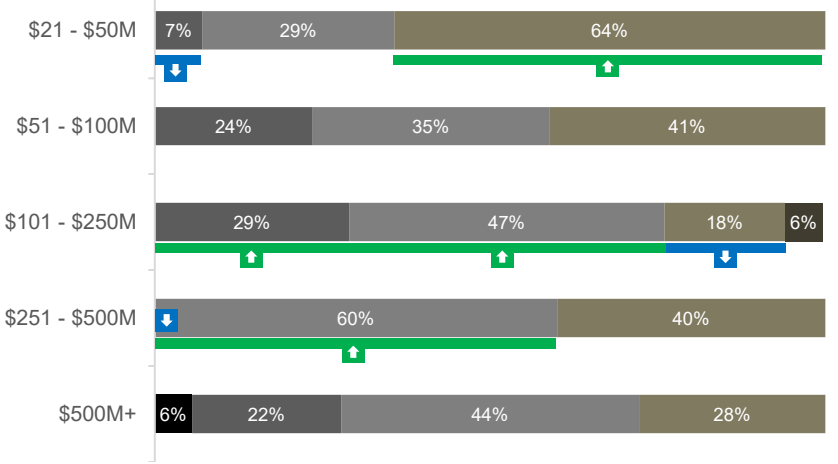


Yes No Unsure

Where respondents intend to solicit external capital...

To which type of organization would you most likely seek to sell or raise external capital? (N=78)

BY COMPANY SIZE (REVENUE)



TOTAL RESPONSES



Smaller Organization Equal-Sized Organization Larger Organization Private Equity Debt Lenders

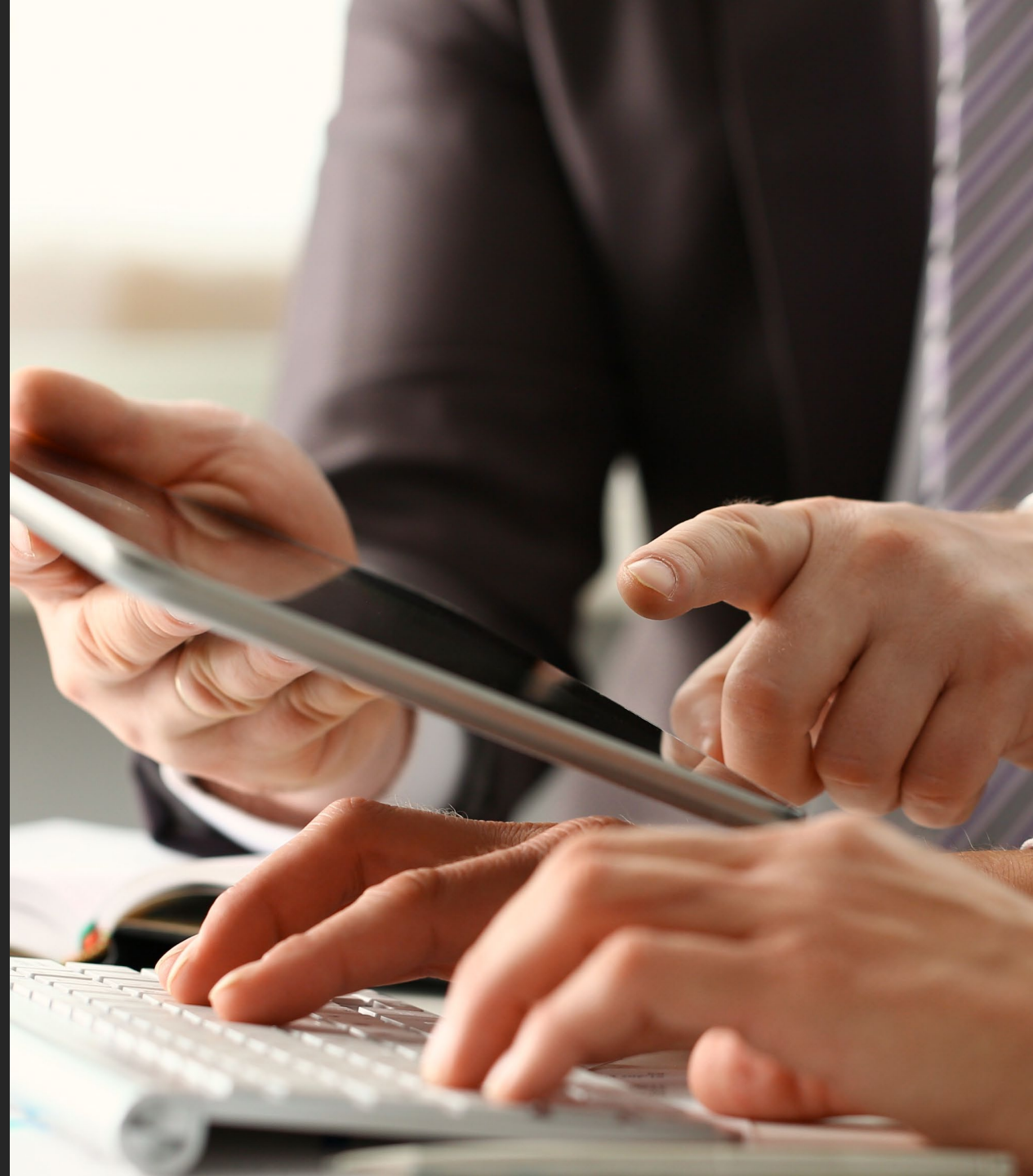
N Size: 154 total responses (unless otherwise indicated), 1 response of "Prefer not to disclose" excluded from the analysis.
Notes: [1] Notable denoted as ± 10 percentage points difference relative to total responses.

Notable Deviation From Total Responses¹

Over-Indexed Under-Indexed

About Richter

RICHTER



Whether business, personal, or both,
we always have the owners' best interests in mind

Richter Consulting

CREATE LONG-TERM VALUE

BUSINESS STRATEGY

- Owner Objectives
- Business Planning
- Growth Strategy and Acquisitions
- Business and Leadership Succession
- Governance

PERFORMANCE IMPROVEMENT

- Capital Structure Optimization
- Organizational Design
- Management Incentive Plans
- Operational Efficiencies
- Restructuring of Underperforming Segments

BUSINESS FOUNDATION

- Financial Reporting - Audit/Assurance
- Internal Controls
- Risk Assessment
- Tax Optimization
- Human Capital Management

Business
Interests

Owners

Family
Interests

Richter Family Office

YOUR BESPOKE FAMILY OFFICE SOLUTION

DESIGN

- Situational Assessment
- Goals and Objectives
- Tailored Solutions

IMPLEMENT

- Governance Framework

SUPPORT

- CIO
- CFO
- COO
- CAO
- Private Investment and Real Estate
- Tax Optimization
- Estate Planning
- Philanthropy
- Risk Management and Cybersecurity
- Financial Literacy
- Insurance Advisory

OUR METHODOLOGY

The Richter Approach

Strategic meetings to ensure family and business priorities are aligned and moving forward.

Entrepreneurial Journey

ENTREPRENEURIAL STAGE

DIVERSIFICATION STAGE

WEALTH CREATION STAGE

WEALTH TRANSITION STAGE

Richter is a **Business | Family Office** providing strategic advice on business matters and on families' financial objectives across generations.

Driven to help business owners build long-lasting legacies, we bridge the gap between family and business interests. Each demands a particular way of thinking, and the way we integrate these two areas ensures entrepreneurial success.

Richter is uniquely positioned to advise some of the most successful entrepreneurs, private clients, business owners and business families, helping them shape their legacy for the future.

RICHTER
BUSINESS | FAMILY OFFICE

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insights by product category



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