

Mature sectors The challenge for equity stories

2025



Mature sectors, The challenge for equity stories.

In mature sectors like consumer staples, equity stories too often recycle tired narratives, while what really drives valuations is how you frame growth momentum in a changing landscape.

The real risk for companies isn't maturity – it's narrative inertia. The most common equity stories in consumer staples are reinforcing preconceived ideas of stability without providing support for valuations.

Many consumer staples businesses seem destined for flat top-lines and shrinking multiples. Penetration is often perceived as maxed-out and profitability capped by private labels and nimble insurgents.

But history proves otherwise. Some once-dominant players have disappeared; others are thriving. The real question is not whether consumer staples players can grow, but how executive leaders can break free from narrative inertia when presenting their business to investors.

Most equity stories in consumer staples fall back on reassuring but tired characteristics like product innovation, promotion, packaging and media spend. These lure both management and shareholders into a false sense of comfort.



To help leaders unlock the full value potential of their companies in capital transactions, we have identified three structural shifts embraced by some of the world's most successful staples companies:

1. Escaping the squeezed middle
2. Community multiples: turning the soft power of brand loyalty into hard metrics
3. Innovation in monetisation

The chances are that you have already adopted these practices. If so, it is critical to integrate them into your equity story, as they are both familiar and compelling to investors.

Shift 1 **Escaping the squeezed middle**

For decades, the mid-market was the comfort zone: safe, broad, stable. That middle has collapsed. Private labels now capture over a third of grocery sales in Europe, while Aldi, Lidl, and other discounters rewrite the bottom end of the market. At the top, brands like Lindt

or Nespresso command margins that look more like luxury than mass retail.

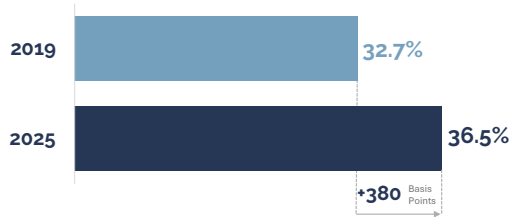
The investor takeaway is stark: scale no longer protects you, but distinctiveness does.

Equity stories that resonate show how a business can escape the squeeze middle — either by trading up into premium universes or embracing radical efficiency at the value end.

Buyers for “average” are steadily fading away, whether it’s on consumer shelves or in investor portfolios.

Exhibit 1: Increasing market share of private labels

Private labels market share in consumer goods has grown from 32.7% in 2019 to 36.5% in 2025 in France, in value.



Source: Circana, Le Monde

Shift 2
Community multiples, turning the soft power of brand loyalty into hard metrics

Gymshark’s journey from £0 to £400 million in a decade wasn’t about distribution muscle or discount mechanics. It was about identity. The brand built a tribe before it built a P&L. That shift — from unidirectional consumer relationships to communities with emotional gravity — is what markets increasingly pay up for.

Investors have learned to value these community multiples. A loyal customer base

that generates advocacy, content and resilience against price wars is a protective layer which doesn’t show up in cost-per-unit analysis.

For equity stories, the challenge is to frame this soft power in hard terms: lower churn, superior customer lifetime value and self-sustaining growth engines.

Community is not a marketing buzzword. It is the architecture of resilience in an era when loyalty is the scarcest commodity.

Exhibit 2: What CEOs say

“As long as you stand for something, your customers and your tribe will follow you.

Rose Marcario, as CEO of Patagonia

“If you win their hearts and minds, I mean, this is the future growth of the business.

Mark Schneider, as CEO of Nestlé

“The strength of our community is at the core of where we invest and that relationship of human connection is probably one of our most important assets.

Calvin McDonald, as CEO of Lululemon

Shift 3
Innovation in monetization

Innovation used to mean new SKUs. Today, it means new monetisation models.

Apple now derives 25% of its revenues from services, decoupling growth from iPhone cycles. LEGO turned from a plastic toy company into a cultural franchise with films, experiences and partnerships. Nike reframed sneakers into an ecosystem of digital memberships and fitness services.

For investors, the message is clear: what you sell is less valuable than how you monetise it.

Staples companies which present themselves

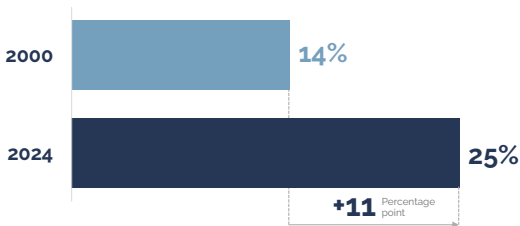
as mere category players miss the point.

Equity stories must articulate pathways into adjacent revenue models, recurring income and platform dynamics.

The real multiple expansion lies not in incremental product extensions but in reinventing the business model canvas itself.

Exhibit 3: Apple revenue streams

Apple's services revenues have risen from 14% of total revenues in 2000 to 25% in 2024.



Source: Accellency, Apple annual reports

Conclusion

The real risk isn't maturity – it's narrative inertia.

Mature sectors are not condemned to stagnation. In fact, they enjoy enviable advantages like lower volatility, stable demand and clear consumer signals. But these same strengths breed complacency. Equity stories built on resilience will comfort investors only long enough to justify a discount.

The true handicap isn't market maturity. It's the refusal to reframe. The equity stories that win don't just sell products and brands; they sell a trajectory. They show a universe of possibilities, credible paths to value creation and a narrative that stretches beyond the business plan.

Accellency is a strategic consultancy dedicated to **Investor Relations** and **Capital Markets**.

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