



Fall 2022

CONSUMER MARKET MONITOR

PERSONAL CARE & WELLNESS SPOTLIGHT





PERSONAL CARE & WELLNESS MARKET INSIGHTS

Sector Trends in Personal Care & Wellness

Over the last several years, the personal care sector has seen an increase in focus on ingredient transparency and sustainability, production domicile and capacity (due to global supply chain disruptions), cost control, and brand inclusivity.

Increasing Demand for Sustainability and Transparency

Consumers are more aware than ever of where source ingredients come from – Increased access to information via social media and other mediums has accelerated demand for products free of parabens, sulfates, artificial colors, fragrances and other researched inputs. A recent NPD study¹ indicated 68% of consumers seek brands that use clean ingredients. Industry participants are cognizant of this transition and are active in their efforts to keep up with demand. In search of high growth, global strategic investors are turning to emerging brands with loyal customer bases to capitalize on these trends and behavioral shifts as highlighted by P&G's April 2022 acquisition of Tula, a personal care products company founded on clean, transparent ingredients and sustainable practices.

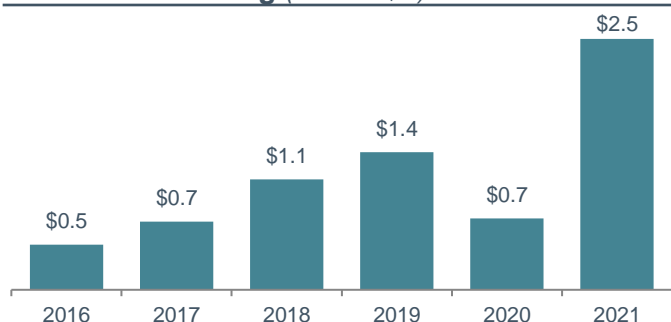
Consumers are more willing to spend on sustainable packaging options – A recent survey² indicated 25% of consumers only buy beauty products that are eco-friendly, even at an increased price. Pressure from multiple sources is motivating global brands to commit to major initiatives to reduce negative environmental and carbon footprints. Estée Lauder recently announced an effort to make 75%-100% of packaging to be recyclable, refillable, reusable, or recoverable by 2025.

FemTech Continues to Gain Momentum and Draw Investor Interest...\$7B+ Since 2016

FemTech, defined as tech-enabled, consumer-centric companies focused exclusively on women's health, has grown rapidly since the term was coined in 2016, with annual funding growing over 5x through 2021.

While the original focus was on services and improving healthcare for women, now more than 50% of FemTech start-ups are focused on products and devices, broadening the category and creating new opportunity.

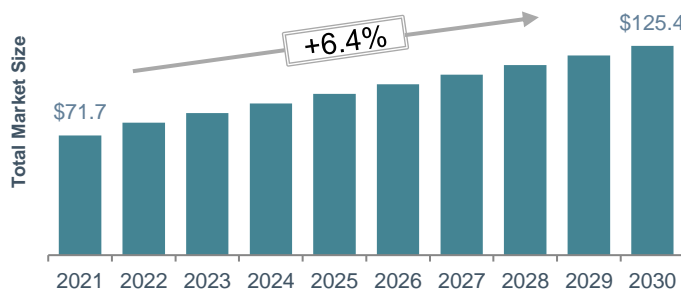
FemTech Funding (in USD \$B)



Outlook Remains Positive for U.S. Personal Care Expenditures

Overall category spending exceeded \$70B in 2021 and is expected to continue to grow to \$125B+ by 2030. Consumer behavior (and circumstances) have largely driven a channel shift from brick-and-mortar to Ecommerce and online retail. Personal care brands have been required to navigate challenging supply chain environments against rising demand in new channels. Companies that have been quick to implement price changes and normalize margins will be well positioned to capitalized on stabilized demand in future years.

U.S. Beauty & Personal Care Products Market (in USD \$B)



¹ NPD, 'The Evolving Skincare Consumer';

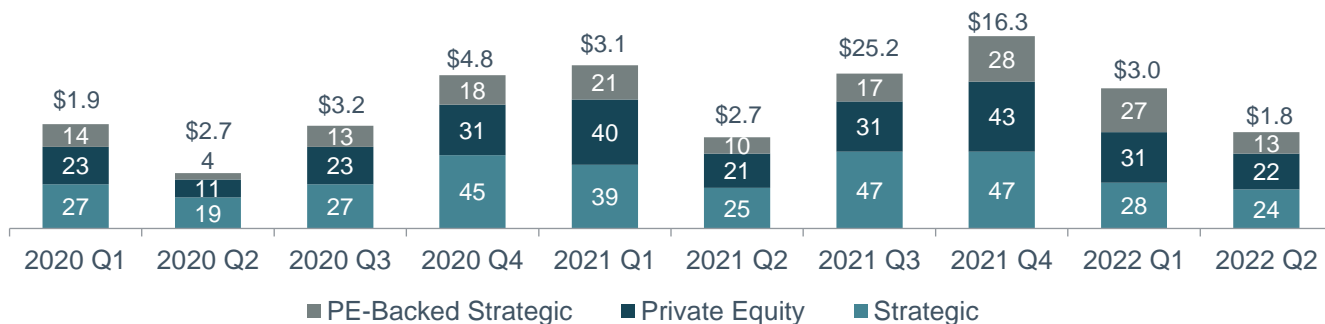
² Clarkston Consulting, '2022 Beauty + Personal Care Trends

Other sources: McKinsey Insights & Pitchbook, Nielsen, Apteian, Cohn Reznick, We Are Social



PERSONAL CARE MIDDLE MARKET M&A ACTIVITY & TRENDS

Recent Transaction Activity (USD \$B)



Recent Transaction Spotlights

Target

JAFRA
freedom to be you

Buyer

Betterware®
Hogar en armonía

April 2022

Description: JAFRA is a vertically integrated manufacturer and distributor of beauty and personal care products with more than 1,200 SKUs.

Rationale: The acquisition will enable BetterWare de México to broaden its beauty and personal care products portfolio and extend its geographic reach.

mondi

Personal Care

Nitto

June 2022

Description: Mondy's Personal Care business unit manufactures a range of components for everyday life including diapers, feminine care, adult incontinence, wipes and femcare products.

Rationale: The acquisition allows Nitto to speed up efforts in innovation within its 'human life domain' and more actively take the lead in environmental initiatives and infrastructure in Europe.

the CRÈME shop

LG Household & Health Care

April 2022

Description: Crème Shop offers cruelty-free skincare, makeup and personal protective equipment items such as face wash, liners, headbands, razors, facemasks and sanitizers.

Rationale: The acquisition helps LG Household & Health Care further expand its beauty and personal care division and solidify its presence in the North American market.

Good
Clean Love.

HAS RECEIVED GROWTH CAPITAL
FROM

CORBEL
CAPITAL PARTNERS

Good Clean Love Receives Growth Capital from Corbel Capital Partners

Based in Eugene, Oregon, Good Clean Love is the #1 best-selling natural sexual wellness and vaginal health brand providing a revolutionary line of science-backed, non-toxic feminine hygiene and sexual wellness products for women of all ages and stages of life. GCL pioneers the industry as a woman-owned B corporation alongside its biotech research and IP company, Vaginal Biome Science. The Company's organic personal care products are sold internationally and endorsed by over 10,000 physicians nationwide for their safe and nontoxic ingredients.



MERIDIAN CAPITAL
INVESTMENT BANKERS

Exclusive Advisors
to
Good Clean Love





SELECT ACTIVE INVESTORS & PLATFORMS

Proctor & Gamble Acquires Three Personal Care & Beauty Brands in Two Months

In January 2022, Proctor & Gamble (P&G) announced the acquisition of Tula Skincare, which reportedly generated \$150M in revenue in 2021. The acquisition of Tula is P&G's third in just two months.

In late 2021, P&G acquired Ouai, a hair care company, and Farmacy Beauty, a skincare solutions provider.

The three acquisitions expand P&G's portfolio of premium and prestige brands, which already includes SK-II and First Aid Beauty.



Yellow Wood Partners Creates Sexual Wellness Platform

In March 2022, Yellow Wood Partners announced the formation of sexual wellness platform, Beacon Wellness Brands, following the acquisition of multiple brands from Clio, including PlusOne. Beacon Wellness Brands sells sexual wellness products under the PlusOne and Deia brands to large retailers including Target, Walmart, CVS, and Walgreens.

The platform also has a personal care division and manufactures facial skincare and grooming products sold under the Plum Beauty™, palmperfect, beautytrim, mowbie, and protrim brands.



Unilever Continues M&A Momentum with Acquisition of Nutrafol

In June 2022, Unilever announced a majority investment in Nutrafol. Nutrafol sells hair growth products for men and women with thinning hair. Its patented Synergen Complex® contains a blend of medical-grade nutraceutical ingredients that accelerate hair growth and improve hair health.

In June 2021, TA Associates, announced the signing of a definitive agreement to sell Paula's Choice, a leading digital-led skin care brand, to Unilever.

In October 2021, Unilever announced that it will provide a majority stake investment in Welly Health PBC ("Welly"). Welly provides bandages, ointments, and first aid essentials.



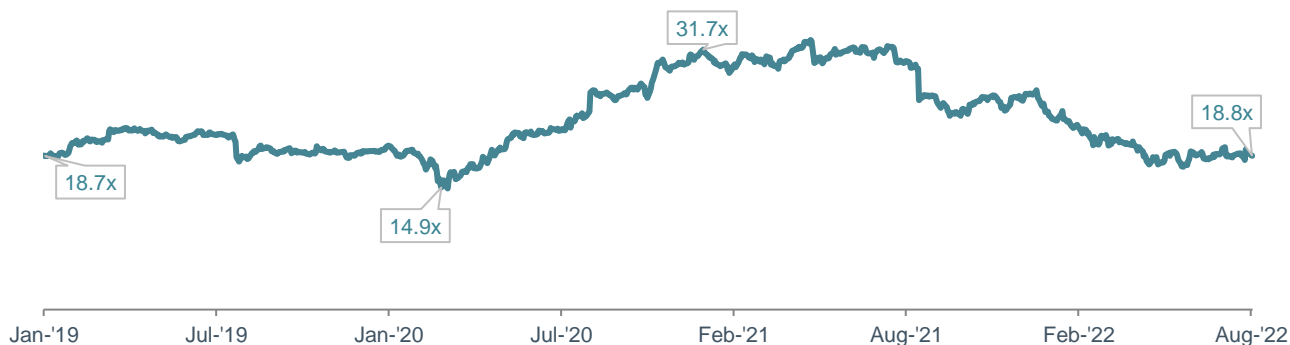


PUBLIC COMPANY VALUATIONS

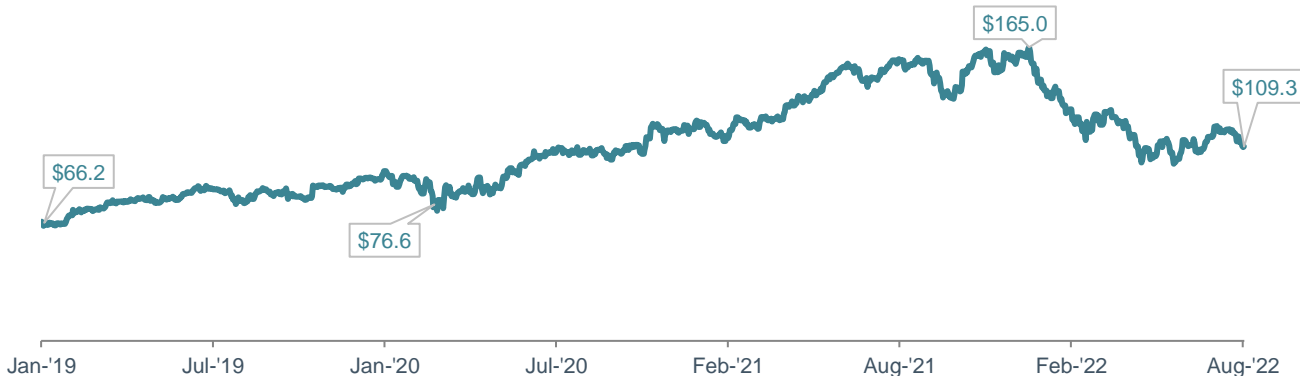
Updated as of Aug 31, 2022

(\$ in millions)	Equity	Enterprise	3 Yr Rev	FY 2022E	FY 2022E	EV /	EV /
Company Name	Market Cap	Value	Growth CAGR	Revenue	EBITDA	FY 2022E Rev	FY2022E EBITDA
Johnson & Johnson	\$431,036	\$431,065	5.5%	\$94,449	\$32,536	4.6x	13.2x
L'Oreal	\$188,437	\$193,669	7.7%	\$36,616	\$8,983	5.3x	21.6x
The Estée Lauder Companies	\$92,823	\$96,511	6.1%	\$17,638	\$4,212	5.5x	22.9x
Colgate-Palmolive	\$65,998	\$73,126	4.7%	\$17,443	\$4,426	4.2x	16.5x
ULTA Beauty	\$22,322	\$23,744	9.7%	\$8,593	\$1,534	2.8x	15.5x
Church & Dwight Company	\$20,752	\$22,919	7.8%	\$5,168	\$1,200	4.4x	19.1x
Kao	\$20,667	\$20,518	(0.5%)	\$12,321	\$2,012	1.7x	10.2x
Shiseido Company	\$15,262	\$16,775	(2.9%)	\$9,055	\$968	1.9x	17.3x
Olaplex Holdings	\$9,252	\$9,718	nd	\$589	\$396	16.5x	24.5x
Coty	\$6,264	\$10,826	(5.5%)	\$5,280	\$900	2.1x	12.0x
KOSE	\$5,444	\$4,693	nd	\$1,926	nd	2.4x	nd
Inter Parfums	\$2,507	\$2,474	11.5%	\$880	\$103	2.8x	24.0x
Edgewell Personal Care	\$2,121	\$3,367	0.4%	\$2,066	\$363	1.6x	9.3x
Nu Skin Enterprises	\$2,087	\$2,223	(1.6%)	\$2,679	\$365	0.8x	6.1x
E.L.F. Cosmetics	\$2,050	\$2,092	15.9%	\$378	\$72	5.5x	28.9x
Amorepacific Group	\$1,970	\$975	(6.7%)	\$4,101	\$546	0.2x	1.8x
Revlon	\$378	\$664	(6.5%)	\$2,109	\$301	0.3x	2.2x
Marc Anthony Cosmetics	\$19	\$139	(2.8%)	\$106	\$17	1.3x	8.2x
Mean	\$49,411	\$50,861	2.7%	\$12,300	\$3,467	2.8x	16.0x
Median	\$7,758	\$10,272	2.6%	\$4,634	\$900	2.6x	15.5x

Public Market Valuations (EV/EBITDA)



U.S. Personal Care & Wellness Market Capitalization (in \$USD B)





SELECT PERSONAL CARE & WELLNESS M&A TRANSACTIONS

(\$ in millions)		Acquirer	Target Description	Enterprise Value	Enterprise Value /	
Date	Target				Revenue	EBITDA
Pending	Evonik Industries	Kensing	Provider of specialty additives, smart materials, nutrition and care, and performance materials	nd	nd	nd
Pending	Ouai	Procter & Gamble	Manufacturer of haircare products	nd	nd	nd
Pending	The Crème Shop	LG H&H	Manufactures and markets cosmetics, skincare, and beauty products	\$184.6	nd	nd
Sep-22	Hero	Church & Dwight	Manufacturer of cosmetic products intended for acne-prone skin	\$630.0	5.5x	14.0x
Sep-22	Tata Harper Skincare	Amorepacific Group	Luxury skincare brand	nd	nd	nd
Sep-22	Wellington Fragrance	IBTM	Provider bath supplies and scented accessories	nd	nd	nd
Aug-22	Bergstrom Nutrition	Balchem	Manufacturer and supplier of dietary and healthcare supplements	nd	nd	nd
Aug-22	Contract Filling	Arizona Natural Resources	Contract manufacturer of alcohol-based personal care products	nd	nd	nd
Aug-22	Barefoot Scientist	Topsin Consumer Partners	Producer of body and foot care products designed to prevent and treat conditions related to the feet	nd	nd	nd
Aug-22	Fraîcheur Ice Globes	Orbio World	Manufacturer of facial rollers intended for the upkeep of skin health	nd	nd	nd
Jul-22	Youtheory	Jamieson Vitamins	Manufacturer of health and wellness products intended to inspire wellness	\$210.0	1.8x	10.0x
Jul-22	Best Formulations	Sirio Pharma	Operator of a diversified nutraceutical and pharmaceutical firm intended to develop nutritional supplements	nd	nd	nd
Jul-22	Nutrafol	Unilever	Manufacturer of hair growth products	\$1,000.0	nd	nd
Jun-22	Good Clean Love	Corbel Capital Partners	Manufacturer of natural or organic intimacy products intended to provide sustainable sexual solutions for healthy relationships	Confidential	Confidential	Confidential
Jun-22	Mondi	Nitto	Manufacturer of diapers, feminine care, adult incontinence, wipes and femcare products	\$660.2	nd	14.6x
Apr-22	Briogeo	Wella	Provides clean and natural hair care products	nd	nd	nd
Apr-22	Blush Wellness	Wellness Brands	Offers personal and beauty care products for women	nd	nd	nd
Apr-22	Innovative Fragrances	Phoenix Aromas and Essential Oils	Offers fragrances for personal care, candles, soaps and detergents, fabric softeners and air fresheners	nd	nd	nd
Apr-22	Jafra	BetterWare	Manufacturer of skin and body care products	\$255.0	nd	5.5x
Mar-22	Mitchell-Vance Laboratories	Alliance Pharma	Manufacturer of over-the-counter scar treatment products	\$19.4	nd	nd
Mar-22	PlusOne	Yellow Wood Partners	Comprises a sexual device manufacturing business	nd	nd	nd
Mar-22	Joanna Vargas	SuperOrdinary	Provides skincare products for wellness and overall health	nd	nd	nd
Feb-22	Alechmee	Taro	Offers non-prescription acne treatment products	nd	nd	nd
Feb-22	Sterling Technology	Glanbia	Manufacturers solutions serving the nutritional needs of the food, natural product, and animal health industries	\$60.0	nd	nd
Feb-22	Nicole + Brizee	Channel Op	Manufactures and distributes personal care products including shampoo and body wash	nd	nd	nd
Feb-22	COVER FX Skin Care	AS Beauty Group	Provides foundation makeup, cover up cosmetics, and skincare products	nd	nd	nd
Feb-22	Orgain	Netsle Health Sciences	Provider of protein powders, shakes, bars, and plant-based supplements	\$2,000.0	5.0x	nd
Jan-22	Chantecaille Beaute	Beiersdorf AG	Provider of skin care and cosmetics products	\$615.0	nd	nd
Jan-22	Violet Grey	Farfetch	Provides beauty care products through physical stores and online	\$44.4	nd	nd
Jan-22	Anacapa	Argentum Medical	Provides antimicrobial skin and wound care products	nd	nd	nd
Jan-22	TULA Life	Procter & Gamble	Manufactures skincare products for hydrating, cleaning, and exfoliating	nd	nd	nd
Jan-22	Apollo Healthcare Corp.	Anjac Health and Beauty	Canada-based manufacturer of personal care products	\$262.7	1.0x	nd
Jan-22	Fresh Heritage	BRANDED Group	Offers grooming products for men	nd	nd	nd



CONSUMER PRACTICE OVERVIEW

Meridian Capital Sector Coverage

- Apparel & Footwear
- Branded Food & Beverage
- Consumer services
- Distribution
- Ecommerce
- Home and Garden
- Housewares
- Juvenile
- Outdoor and Active
- Personal Care and Wellness
- Retail

Meridian Capital Transaction Experience

<p>Good Clean Love</p>  <p>- Received Growth Capital From -</p> 	<p>Pioneer Square Brands</p> <p>PSB</p> <p>- Has Been Recapitalized By -</p> 	<p>Performance Tool</p>  <p>- Acquired By -</p> 	<p>Rainier Industries</p>  <p>- Acquired by -</p> 	<p>Tedder Industries</p>  <p>- Acquired by -</p> 
<p>Jacob Ash</p>  <p>JACOB ASH / EMANUEL GERALDO</p> <p>- Recapitalized by -</p> 	<p>La Marzocco</p>  <p>- Minority Recap -</p> <p>Private Investor</p>	<p>Classic Accessories</p>  <p>- Acquired by -</p> 	<p>Emanuel Geraldo</p> <p>emanuel geraldo</p> <p>- Acquired by -</p> 	<p>Exposed Skincare</p>  <p>- MBO and growth financing by -</p> 
<p>C3 Worldwide</p>  <p>- Strategic Advisory -</p> 	<p>Old World Christmas</p>  <p>- Acquired by -</p> 	<p>Green Toys</p>  <p>- Acquired by -</p> 	<p>Handiquilter</p>  <p>Designed by a Quilter, for Quilters!</p> <p>- Acquired by -</p> 	<p>Etonic</p>  <p>- Acquired by -</p> 
<p>Chef'n Corporation</p>  <p>- Acquired by -</p> 	<p>Pacific Market International</p>  <p>- Acquired by -</p> 	<p>Artco-Bell</p>  <p>- Acquired by -</p> 	<p>Stanley</p>  <p>- Acquired by -</p> 	<p>The Madison Park Group</p>  <p>- Acquired by -</p> 



Includes transactions completed by Meridian bankers while at previous firms

Helping **middle market business** owners with their
M&A and corporate finance goals **since 1995.**

Meridian Capital's Consumer Team



BRIAN MURPHY

President, Managing Director
bmurphy@meridianllc.com



BENTON STURT

Vice President
bsturt@meridianllc.com



CHUCK WILKE

Founder & Managing Director
cwilke@meridianllc.com

Team Leadership



ZACH ABBRUZZA

Associate
zabbruzzo@meridianllc.com



MATEO ZAPATA

Analyst
mzapata@meridianllc.com



RYAN JOBLON

Analyst
rjoblon@meridianllc.com



Transaction Expertise

Mergers & Acquisitions
Growth Capital
Strategic Advisory



Tailored Processes

High-Touch Approach
Multidisciplinary Deal Team
End-to-End Services

**Meridian Capital has been helping middle market business owners their
M&A and corporate finance goals since 1995.**

A Western-U.S. M&A advisory firm, which has served as a trusted advisor to business owners on complex corporate finance, M&A, and strategic challenges for over 25 years. The firm differentiates itself through its deep industry insights, highly customized service approach, and end-to-end commitment to execution.

Contact Us

Seattle, WA

1809 Seventh
Avenue
Suite 1330
Seattle, WA 98101

t: (206) 623-4000
e: info@meridianllc.com
meridianllc.com

Salt Lake City, UT

10 W Broadway
Floor 7
Salt Lake City, UT 84101

t: (206) 224-6159
e: info@meridianllc.com
meridianllc.com