

2022

Industry Update Vitamins & Supplements



Vitamin & Supplement Industry Update

Executive Summary

Over the past decade, and even more so over the past 3 years, consumers are increasingly evaluating the products used to fuel their bodies and the impact this consumption has on overall health and wellbeing. Correspondingly, scientific research has allowed us to better understand the effect of key nutrients on human physiology, and technology has allowed businesses to provide customized solutions specifically tailored to individual needs. This backdrop provides a tailwind for nutritional vitamin and supplement demand at the consumer level.

As it stands, the industry is relatively fragmented. This fragmentation, combined with a highly competitive operating profile, provides an environment ripe for consolidation, and therefore supports future M&A activity.

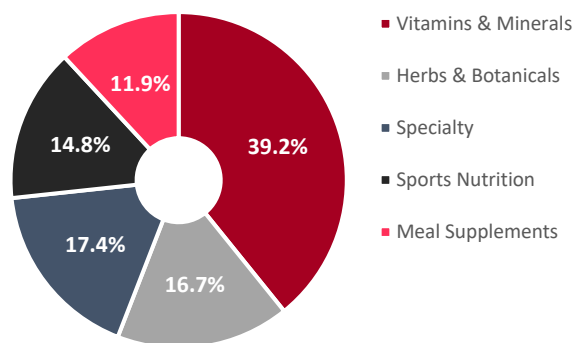
Industry Overview

The U.S. Vitamin, Mineral, and Supplement industry (“VMS”) consists of companies which develop, manufacture, and sell consumable over-the-counter products containing ingredients intended to enhance the human diet and overall health. Specific segments of this industry include traditional vitamin and mineral manufacturers, as well as sports nutrition and athletically focused supplements. As defined, the industry explicitly excludes businesses producing pharmaceuticals, over-the-counter medications, and pet health products. The total VMS industry can be divided into 5 further sub-segments: Vitamins & Minerals, Herbs & Supplements, Sports Nutrition, Meal Supplements, and Specialty. Of these 5, the largest portion consists of vitamins and minerals, comprising roughly 40% of total sales.

The total U.S. VMS industry is estimated to generate ~\$37B of revenue in 2022. Over the past 5 years, the industry has grown at an annualized rate of 2.2%, notably with a 3.6% year over year jump in 2020 induced by Covid. Expected growth for the next 5 years is marginally more modest, at an annualized rate of 0.9% through 2027. (Source: IBIS World)

This slowing growth is primarily a return to normalcy following the Covid-induced expansion. We identify a number of socioeconomic factors discussed later in this update which support reasonable top-line growth projections.

VMS Market Segmentation



Source: IBIS World

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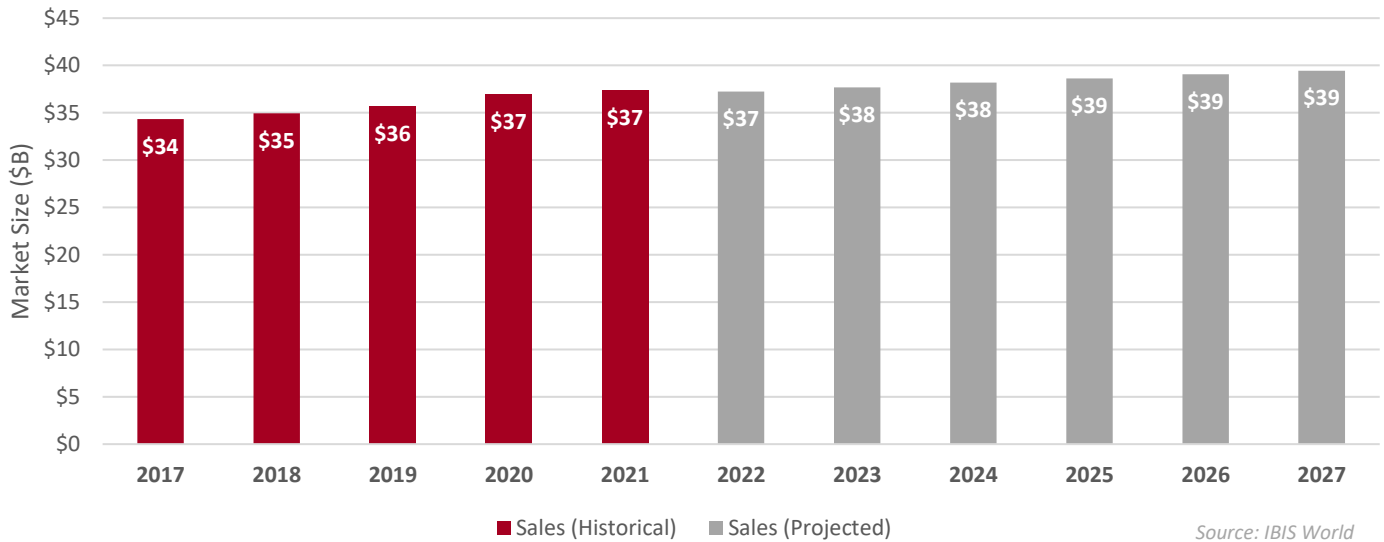
Tully & Holland Experience

About Tully & Holland

Tully & Holland is a leading Boston-based investment banking advisory firm offering highly customized M&A and corporate advisory to consumer product companies in the US and abroad. Founded in 1992, our seasoned team brings decades of extensive industry and investment banking expertise and the proven ability to successfully complete deals on behalf of our clients.

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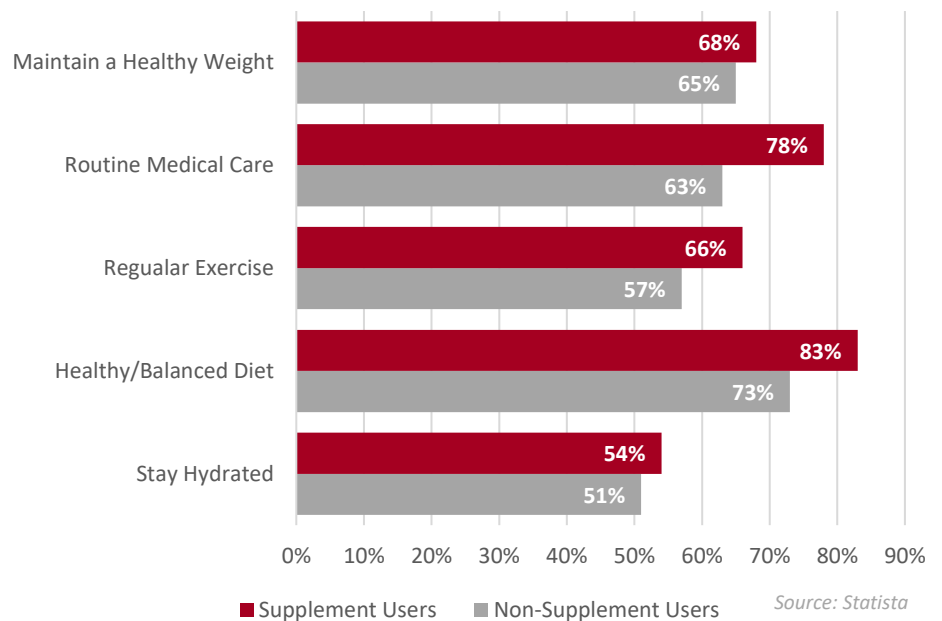
US Vitamins & Supplements: Total Industry Sales



Industry Drivers & Themes

With regard to the end consumer, perhaps the broadest driver of VMS demand is the general health consciousness of the US population. Survey data indicates that supplement users are more likely to target a balanced diet, exercise regularly, maintain a healthy weight, keep up with routine medical checkups, and stay hydrated when compared to non-supplement users (Source: Statista). Increased focus on healthy living has been a trend for decades—one which was further accelerated during the Covid-19 pandemic. Supplement users across the age spectrum are increasingly focused on the products used to fuel their bodies in order to maintain a greater quality of life longer into the future.

Supplement users tend to exhibit healthier lifestyle characteristics



With regards to the M&A market, we see a number of factors which indicate an industry ripe for consolidation. As it exists today, the VMS manufacturing industry is exceptionally fragmented. Cost pressures and the likelihood of increased regulatory scrutiny should provide impetus encouraging consolidation, which would support higher deal volume.

Demand Drivers & Consumer Themes

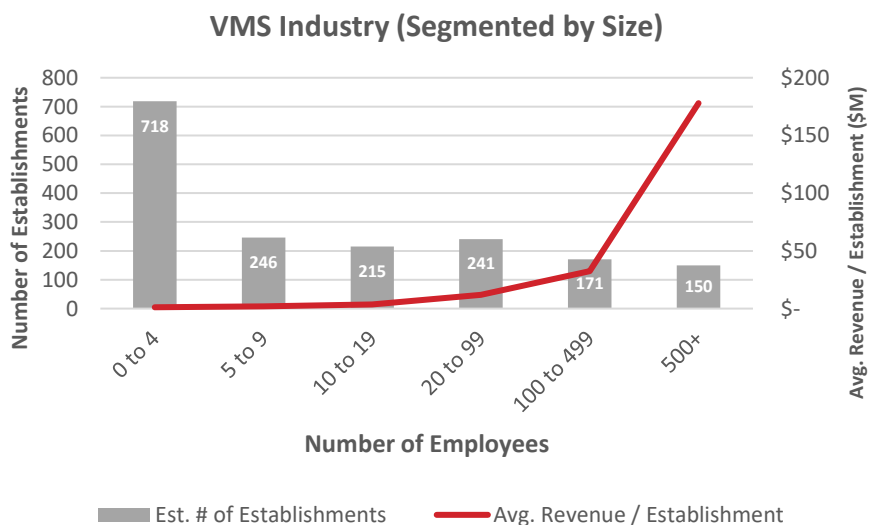
- Aging Population:** Broadly, the US population is aging. For the 5-year period ending 2022, the number of Americans over 65 has increased at an annualized rate of 3.0%. This demographic shift is expected to persist, providing demand momentum for end-user

consumption of supplements. Nutritional supplement consumption tends to increase with age. Nearly 75% of people over the age of 55 consume supplements daily, compared with a national average of 68% (Source: Council for Responsible Nutrition). Producers can respond by introducing new products targeting this age group and capitalizing on the demographic trend.

- Consumers Prefer Personalized Products:** Technological innovation has enabled manufacturers to produce personalized products based upon an individual’s health and lifestyle characteristics and deliver these personalized products at a reasonable cost. Naturally, this dynamic shifts the method of product delivery primarily to a direct-to-consumer model, as opposed to traditional brick and mortar or wholesale distribution. Delivery of customized products via these legacy channels is simply not practical. These products become somewhat “sticky”, meaning consumption becomes habitual and recurring. This is supported by a subscription model, in which the consumer’s customized supplement supply is replenished automatically at regular intervals. This customized space has taken off in the past 3 years and includes companies such as Routine, geno palate, and Care/of.
- Rise of Sports Nutrition:** While the entire VMS market has grown over the past 5 years, no segment has grown as rapidly as sports nutrition. The overarching theme of increased health consciousness is closely related to another trend: athletic participation. For various reasons, Americans have increased their participation in athletic activities in recent years (Source: Statista). This was accelerated during the pandemic, when outdoor athletic activities were considered to be a more appropriate substitute for social indoor gatherings. Participants increasingly view supplements as a nutritional compliment to their athletic lifestyle –particularly those partaking in cardiovascular endurance activities such as running, cycling, and hiking. Performance-focused individuals tend to be willing to pay a premium for products that they believe will enhance their athletic results.

M&A Drivers

- Industry Fragmentation Provides a Catalyst for M&A Activity:** Currently, it is estimated that there are nearly 1,800 VMS manufacturers in the United States. These market participants tend to be regional players, specialized in one specific product segment. Production concentration is low, with the largest 4 players making up less than 15% of total industry revenues and no one company owning greater than 10% of market share. Roughly half of this total consists of businesses generating revenues of less than \$5M per year. The business model itself is generally fixed-cost intensive, with a moderately high degree of operating leverage. This dynamic generally favors larger compnaies, with the ability to achieve economies of scale through greater production volumes. This can be exemplified by comparing the operating margins of different sized businesses: the trailing 5-year operating margin of the aggregated industry players in the \$1M to \$5M revenue bucket is 7.6%. This same metric for the largest companies in the >\$500M revenue bucket is 23.8%. This backdrop presents an industry landscape which is well-positioned for M&A deal activity – the high potential for cost synergies and operational efficiencies should provide attractive consolidation opportunities for industry players. (Source: IBIS World, Statista)



Source: IBIS World

There are several key pillars to success that relate almost directly to scale:

marketing, distribution network, and access to the best input ingredients are all cited as crucial competitive advantages. Larger

firms are able to command greater negotiating leverage from their position in the supply chain, incentivizing smaller firms to consolidate.

- **Increase in Regulatory Enforcement:** The VMS industry is regulated by the FDA at the manufacturing level, and products are currently treated as food, not drugs. There is a general expectation amongst industry analysts that regulatory pressures will increase over the next 5-year period—primarily in the form of increased enforcement of existing regulation and greater scrutiny of new product categories. This shift naturally creates a greater number of hurdles for all industry players, but is likely to have outsized impact on smaller scale firms. Ensuring compliance and working with regulators takes internal resources. Smaller companies are less likely to have the available resources specifically dedicated to this task, and therefore proportionally will likely incur greater costs to do so. In contrast, larger companies with greater scale are able to spread this cost across greater volume, and as a result should see a lesser degree of marginal impact.

Separately, there is likely to be increased scrutiny of international product imports. The FDA has expressed concern regarding the sourcing of foreign ingredients and health and safety policies around international manufacturing. This should prove to be another positive factor for domestic producers, who are considered to be more trustworthy with regard to their input components and manufacturing processes.









- **The Rise of CBD:** One exceptionally strong catalyst for the space is the rise of CBD as a supplement/treatment for various ailments. While still a complicated matter to some extent given its interconnection to the various marijuana legislative debates, CBD on its own is now approved for use in all 50 States. And, while the jury remains out on the efficacy of CBD treatments at the medical level (and the FDA may eventually opine upon this), there is no questioning its rising popularity across all manner of compounds and infused products within the consumer space. This fact certainly has not been lost on venture capital, private equity, investment, and strategic constituencies where the M&A space has seen a drastic increase over the past few years.

In the prior 2-to-3-years, there has been an uptick in CBD-related deals, many of which are detailed in the appendix of this report. We expect research and consumer demand to continue into the near future, likely creating opportunities for players in the space. The key risk lies within a change to the regulatory environment – while there is little evidence to suggest an overall tightening of CBD regulation, there will likely be some matter of change in which products, producers, and distributors are more consistently and uniformly controlled.

M&A Landscape & Deal Market Activity

Vitamins, Minerals, & Supplements Transaction Highlights

Deal activity has occurred throughout the entire industry supply chain, from ingredient producers and contract manufacturers to retailers and direct to consumer sales platforms. The select transactions noted below highlight strategic initiatives by larger firms to enter new regional markets and diversified product lines.

Date	Target	Buyer	Transaction Details
Feb-10-2022			<ul style="list-style-type: none"> The company, a subsidiary of Aurobindo Pharma, was acquired by Jarrow Formulas, via its financial sponsor New Mountain Capital, through a \$550 million LBO. Proceeds from the company's divestiture will be used by Aurobindo Pharma to reduce debt and launch new strategic initiatives.
Jan-1-2022			<ul style="list-style-type: none"> The company was acquired by Humble Group (STO: HUMBLE) for SEK 22 million on January 1, 2022. Through the acquisition, Humble Group is now expanding into the Norwegian market.
Oct-15-2021			<ul style="list-style-type: none"> The company was acquired by Humble Group (STO: HUMBLE) for SEK 17.7 million on October 15, 2021. Of the Purchase Price, approximately SEK 8.9 million will be paid in cash and the remaining approximately SEK 8.9 million in the form of 334,767 newly issued shares in Humble, which will be issued at a price of SEK 26,445. With the acquisition, Humble will gain access to several attractive brands in health products and strengthen the group's offering in contract manufacturing and broaden the range of products that can be sold B2B.
Oct-1-2021			<ul style="list-style-type: none"> The company was acquired by Catalent (NYS: CTLT) for approximately \$1 billion on October 1, 2021. The acquisition will enable Catalent to expand its current consumer health technology platform with a wider range of technologies and ready-to-market product libraries as well as a variety of packaging options to meet customers' branding needs.

Source(s): Pitchbook and Tully & Holland Research

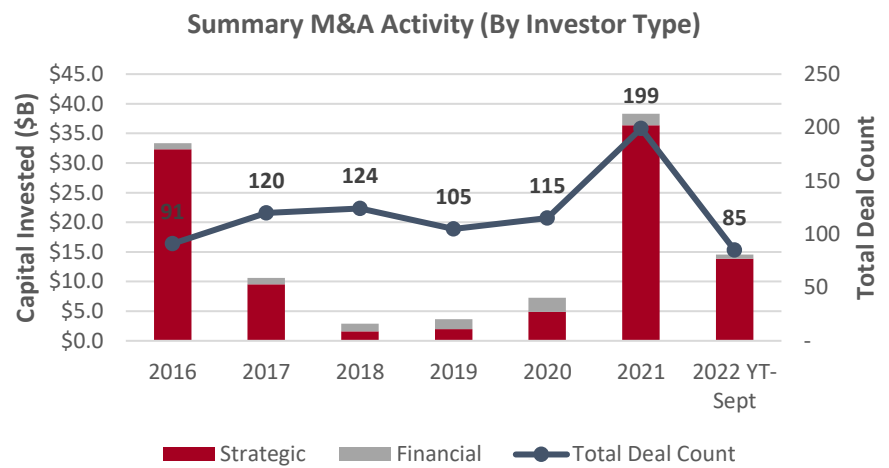
In the section below we discuss M&A through 3 lenses:

- **Deal Volume** refers to the absolute number of deals, regardless of size.
- **Capital Deployment** refers to the total amount of currency (in this case US Dollars) invested into the space, and
- **Valuation** refers to the acquisition price paid, relative to the operating fundamentals of the business.

M&A Transaction Activity: Deal Volume

2021 saw a sharp increase in deal volume, with the number of transactions jumping to 199 in the US – a 73% increase compared to the trailing 3-year average. This figure is aligned with the broad market, which realized a similar jump in 2021, propelled by low interest rates and a rebound from 2020's Covid-depressed activity. When smoothing out the data over the 5 years ending 2021, industry deal volume has increased at an annualized rate of 17%.

To date, 2022 has seen a steep decline in deal volume on a year over year basis. Through September, the VMS industry is on pace to complete 113 deals, which would indicate a 43% decline from 2021 and a 15% decline compared to the 5-year average. We see this as primarily driven by the macroeconomic environment, as rising interest rates and an uncertain economic outlook have caused investors to evaluate opportunities with greater scrutiny and therefore slow deal volume.



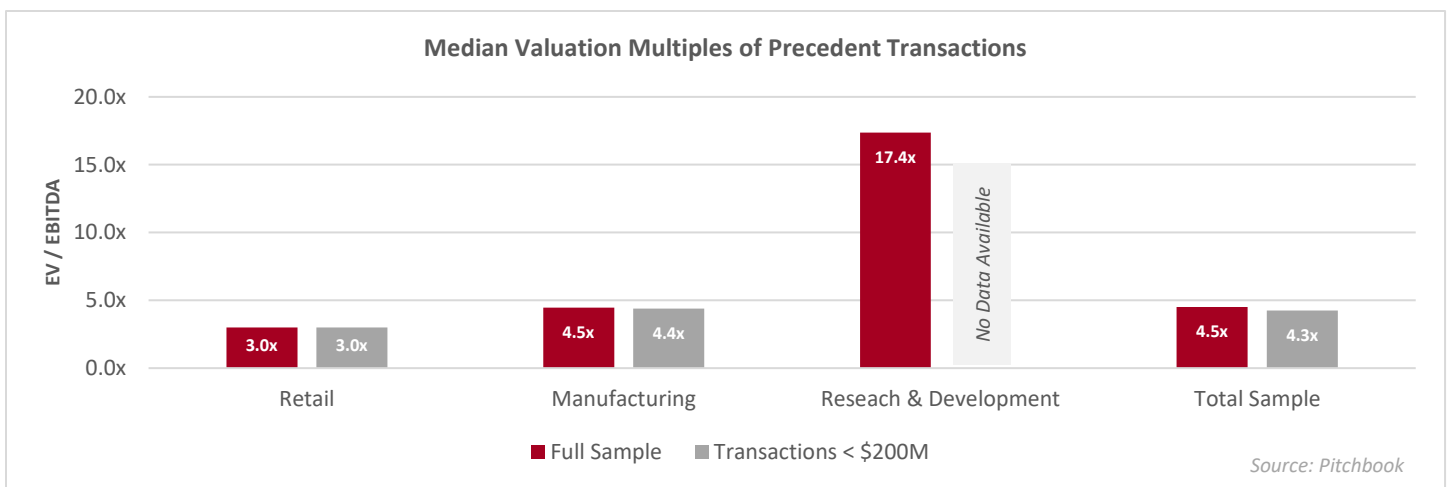
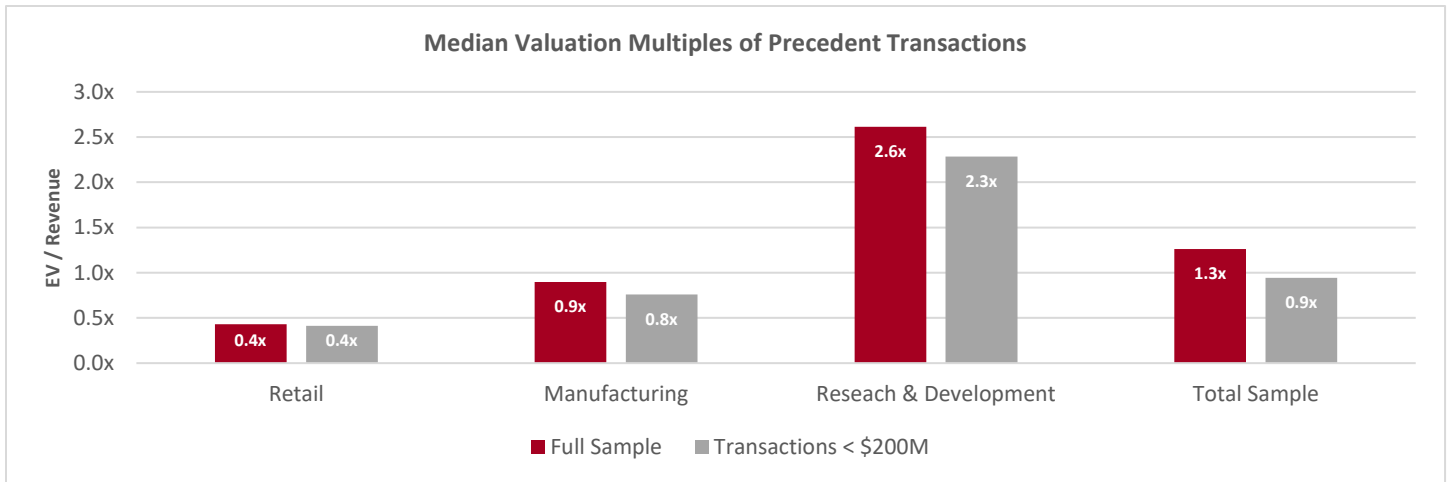
M&A Transaction Activity: Capital Deployment

While deal volume is on pace to be down 43%, capital deployment is expected to be down roughly 50%, driven by overall smaller average transaction sizes. The median deal size in 2022 is down roughly 25% compared to 2021, and down 30% relative to the 5-year average. Notably, the median size of strategic deals oscillates in a fairly consistent range, with transaction values concentrated around \$20M. The median deal size of financial buyers fluctuates materially, ranging from a low of \$1.2M in 2020, to a high of \$328M in 2021 – however this is primarily explained due to a small sample size of available data and is therefore not a high-quality indicator.

Valuation Overview

At the highest level, there is a wide amount of dispersion between recent transaction multiples. Overall, we have observed an Enterprise Value (“EV”) EV/Revenue multiple range of 0.2x to 6.2x, with a median of 0.8x. EV/EBITDA multiples have a similar amount of dispersion, ranging from 2.6x to 27.1x and a median of 4.5x. It appears that the primary driver of the valuation multiple is the sub-sector in which a specific business participates. While the data can be sliced in many ways, we have chosen to segment and extract 3 different sub-sectors: retail, manufacturing (including contract manufacturing), and research and development (including contract research). The charts on the following page highlight the valuation discrepancies between these sectors: while retail and manufacturing businesses have traded between 3.0x and 4.5x on an EV/EBITDA basis, R&D companies have traded nearly 4 times this amount, up to roughly 17.5x.

Public market multiples exhibit a similar level of dispersion. EV/Revenue multiples range from 0.2x to 32.5x, and EV/EBITDA multiples range from 3.7x to 32.9x. The median valuations are 0.8x and 6.4x for each category, respectively. The same sub-sector trends can be observed as in the private market transaction data, with the R&D focused businesses commanding relatively higher multiples than their retail and manufacturing-oriented counterparts.



Source: Pitchbook

Conclusions

A long-running socioeconomic shift toward increased health consciousness was further accelerated during the pandemic. Consumers realize that there is simply no substitute for good health, and are increasingly focused on treating their bodies with greater care and respect. Whether through diet, exercise, or a combination of both, supplement consumption is a core tenant of this perception. Technology has provided us with the ability to precisely identify areas of deficiency based upon each individual’s unique body chemistry. This has opened a market for producers to specialize products at the individual consumer level and created a new wave of innovation.

As it stands, the VMS industry, particularly on the production and manufacturing side, is fragmented. The potential for economies of scale driven by operational efficiencies should provide incentive for consolidation and support strategic deal volume into the near future. We believe that companies interested in pursuing this consolidation strategy have the potential to unlock significant value via cost savings and product-market diversification. At Tully & Holland, we have had the privilege of working with several companies in the space over the last few years, ushering them through the corporate advisory process. We would welcome the opportunity to share with you what we’ve learned and to discuss any strategic alternatives or avenues of further growth that you are currently considering.

Appendix: Public Vitamin, Mineral, and Supplement Companies

(\$ in Millions, except share-specific data)

Company Name	Ticker	Last Share Price	Market Cap	Enterprise Value	Revenue	Revenue Growth %	EBITDA	EBITDA Margin %	EV/Revenue	EV/EBITDA
Ashland Global Holdings	ASH	94.2	5,095.1	5,886.1	2,350.0	29.2%	488.0	20.8%	2.5x	12.1x
BioAdaptives	BDPT	0.0	0.2	0.6	0.0	1.6%	(0.4)	(2078.3%)	32.5x	-
BioTE Medical	BTMD	4.4	33.0	(7.0)	151.6	NM	67.3	44.4%	-	-
Catalent	NYS: CTLT	73.2	13,164.8	16,842.8	4,828.0	20.8%	1,106.0	22.9%	3.5x	15.2x
Cyanotech	CYAN	2.1	13.1	20.7	33.7	(0.7%)	3.5	10.3%	0.6x	5.9x
FitLife Brands	FTLF	16.2	72.7	63.0	26.9	38.1%	6.7	25.0%	2.3x	9.3x
Herbalife International of America	HLF	21.0	2,017.9	4,482.7	5,477.4	(8.5%)	695.3	12.7%	0.8x	6.4x
Integrated BioPharma	INBP	0.5	14.0	15.8	56.2	(11.5%)	3.5	6.3%	0.3x	4.5x
Jowell Global	JWEL	1.4	44.7	44.4	203.2	47.3%	(12.7)	(6.2%)	0.2x	-
Lifevantage	LFVN	3.8	46.7	42.3	206.4	(6.3%)	9.7	4.7%	0.2x	4.3x
Mannatech	MTEX	24.2	42.3	28.5	146.3	(7.4%)	6.4	4.4%	0.2x	4.4x
Medifast (Maryland)	MED	120.9	1,299.5	1,294.7	1,662.2	30.8%	215.7	13.0%	0.8x	6.0x
Merion	EWLU	0.1	5.6	6.6	0.5	(66.8%)	(0.7)	(146.0%)	12.9x	-
Musclepharm	MSLP	0.2	5.0	27.1	50.0	(18.4%)	(16.2)	(32.4%)	0.5x	-
Natural Alternatives International	NAII	9.3	57.0	67.0	171.0	(4.2%)	17.9	10.5%	0.4x	3.7x
Natural Grocers	NGVC	10.7	242.8	624.0	1,088.1	3.9%	64.2	5.9%	0.6x	9.7x
Nature's Sunshine Products	NATR	8.2	156.5	126.1	447.3	8.2%	33.5	7.5%	0.3x	3.8x

Company Name	Ticker	Last Share Price	Market Cap	Enterprise Value	Revenue	Revenue Growth %	EBITDA	EBITDA Margin %	EV/Revenue	EV/EBITDA
Nu Skin Enterprises	NUS	35.7	1,819.2	1,954.8	2,480.1	(12.4%)	254.3	10.3%	0.8x	7.7x
NutraLife BioSciences	NLBS	0.1	11.5	14.5	0.6	(6.6%)	(1.9)	(315.4%)	24.7x	-
Smart for Life	SMFL	0.3	11.6	26.3	16.3	NM	(8.4)	(51.4%)	1.6x	-
Stemtech	STEK	0.4	23.1	23.8	4.7	7.4%	(22.0)	(473.7%)	5.1x	-
Syneos Health	NAS: SYNH	46.5	4,793.9	7,795.3	5,418.6	14.5%	684.8	12.6%	1.4x	11.4x
Thorne Research	THRN	4.6	247.9	252.7	208.6	28.5%	7.7	3.7%	1.2x	32.9x
United Natural Foods	UNFI	36.4	2,122.0	5,461.0	28,928.0	7.3%	743.0	2.6%	0.2x	7.3x
USANA Health Sciences	USNA	58.0	1,108.1	877.8	1,079.0	(13.9%)	154.1	14.3%	0.8x	5.7x
Mean									3.9x	8.9x
Median									0.8x	6.4x

Source(s): Pitchbook and Tully & Holland Research

Appendix: Select Vitamin, Mineral, and Supplement Transactions

(Valuation data provided, where available)

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
7/29/2022	Ceautamed Worldwide, LLC	Smart for Life	Producer and distributor of nutritional wellness products based in Florida, United States. The company offers nutritional products and supplements including dream protein plant-based, healthy living kit, deacidify kit, alkalize now capsule kit, fat blocker, women's health probiotic, protein 5 plus and ultimate CBD relief targeted gel roller-300mg intended to improve health and lifestyle of its customers.	\$8.6	-	-
6/6/2022	Nutriumph	GPO Plus	Manufacturer of innovative supplements intended to offer premium nutraceuticals to assist consumers to reach their health and wellness goals with natural ingredients. The company offers herbal, inositol, collagen, vitamin c and keto burn, thereby serving clients a natural, non-addictive and yet effective, alternative to those prescription drugs.	\$0.1	-	-
5/11/2022	Naturevan Nutrition Ltd.	ScreenPro Security	Manufacturer of natural health supplements intended to focus on the health and wellness. The company's offers a variety of supplements including fat burnings, multi vitamins, collagen, calcium, probiotics, enabling consumers to avail safe and healthy food products for families, friends and children.	\$1.7	-	-
4/1/2022	Flavor Solutions Inc.	Sensient Technologies	Producer of flavors and custom products catering to the food, beverage and nutraceutical markets. The company specializes in developing flavors and flavor technologies, custom formulation, product integration with anti-microbial properties and offers salt replacement products, SweetTech for fruit and sugar alcohols and naturally derived flavor from plant material, thereby helping companies in improving the taste in existing reduced-sodium products and stabilize the costs.	\$14.9	-	-
2/10/2022	Natrol, LLC	Jarrow Formulas, New Mountain Capital	Manufacturer of vitamins and nutritional supplements intended to improve human wellness worldwide. The company engages in the production of vitamins, minerals, herbs, enzymes, amino acids, special dietary co-factors and other nutritional products that are focused on vital human health areas including sleep, mood and stress, brain health, beauty and immunity.	\$550.0	-	-
2/1/2022	Sera Labs, Inc.	Cure Pharmaceutical	Provider of wellness and beauty products in the medical CBD sector. The company offers a wide range of cannabis-infused oils, edibles, pain-relief capsules, creams and also oils intended for pet animals that are created using intelligent science for the growing international markets with affordable prices and easy accessibility.	\$14.2	1.3x	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
1/4/2022	Golden Path LLC	Thoughtful Brands	Retailer of an e-commerce business based in the United States. The company used to offer natural health products, including nutraceutical and hemp-based CBD products, allowing clients to buy products directly from manufacturer.	\$2.4	-	-
1/1/2022	CBIO Brand Distribution International Inc.	Canadian Nexus Team Ventures	Producer and supplier of supplement products based in Carson City, United States. The company's products are incorporated with hemp oil in combination with a blend of organic, plant-based nutraceuticals rich in CBD and other non -psychoactive phytocannabinoids, terpenes and flavonoids, thereby maximizing the physical and mental performance of athletes, fitness professionals and everyday health-conscious consumers.	\$0.8	-	-
1/1/2022	Fitnessgrossisten	Humble Group	Seller of health supplements based out of Kristiansand, Norway. The company is an importer and wholesaler of dietary supplements, clothing and exercise equipment, enabling gyms, health food stores, sports stores and online stores to get various fitness products.	\$2.4	0.3x	2.6x
12/8/2021	Pharmaceutical Product Development, Inc.	Thermo Fisher Scientific	PPD is a global contract research organization that provides clinical trial and laboratory services to pharmaceutical, device, and diagnostic firms. The clinical development services segment offers outsourced trial services, spanning early- and late-stage trials, as well as peri- and post-approval trials, and the laboratory services segment includes both advanced lab testing and central lab services. The company was taken private in 2011 and went public again in 2020.	\$15,990.0	2.7x	17.4x
11/23/2021	WellPath	Boosted	Producer of customized nutritional supplements intended to provide relief from stress-related problems. The company's produced nutritional supplements include organic apple cider vinegar for detoxification and balancing metabolism, along with the products being gluten-free and formulated with vitamins and other protein supplements, enabling consumers to remain healthy and achieve physical wellbeing.	\$4.1	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
10/15/2021	Carls-Bergh Pharma	Humble Group	Manufacturer of pharma self-care products serving retailers in health and nutrition. The company offers dietary supplements for multivitamins, calcium, vitamin B12, zinc, tablets for hair, skin and nails, and heartburn and acid reflux.	\$2.0	0.7x	3.9x
10/14/2021	Bayshore Pharmaceuticals, LLC	Ipca Laboratories	Provider of contract manufacturing services for pharmaceutical and nutraceutical market. The company specializes in the manufacturing of liquid dietary and vitamin supplements and offers various services including product inception, formulation, development, testing, distribution, packaging, portfolio commercialization, niche customer identification, and project management services, allowing clients to focus on what they do best.	\$10.3	-	-
10/1/2021	Bettera Wellness, LLC	Catalent	Provider of contract manufacturing services focused on gummy vitamins, soft chews, lozenges and traditional confectionery products. The company develops and produces organic, gluten-free, sugar-free hard candies and chews for private label brands that are sold directly and through distributors to grocery and drugstore chains, mass merchandisers, club stores, gourmet retailers, gift companies and other channels, providing a robust line of pre-formulated products to meet specific client requirements.	\$1,000.0	-	-
10/1/2021	NutraGenesis, LLC	Innophos Holdings	Developer of innovative nutritional supplements for general fitness and specific medical conditions. Fitness and lifestyle product are marketed under the "SURGE" brand and the "Nutrasupp" brand caters to food for special medical purposes.	\$27.4	2.3x	-
9/8/2021	Zen Hero, Inc.	MJ Biotech	Manufacturer and retailer of nutraceuticals intended to serve as an alternative remedy to health medicine. The company's nutraceuticals involve the selling of organic tea leaf and includes a wide variety of tea flavors including green tea, botanical blends, black teas, oolong teas, spices and blends, enabling customers to enjoy a wide range of tea varieties.	\$0.8	-	-
8/9/2021	The Bountiful Company	Nestlé Health Science	Manufacturer and distributor of nutritional supplements. The company specializes in offering a range of products including vitamins, minerals, herbs, sport, active nutrition and supplement products.	\$5,750.0	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
8/9/2021	TNTGamble, Inc.	Probi	Manufacturer of probiotics and nutritional supplements. The company produces probiotic powders, probiotics and nutraceuticals in capsules and tablets.	\$105.0	-	-
8/3/2021	InterHealth Nutraceuticals, Inc.	Lonza Group	Developer and manufacturer of nutritional ingredients. The company develops and distributes its nutritional ingredients to manufacturers of dietary supplements and functional foods, beverages and cosmetic products. Its ingredients brands include Super CitriMax, UC-II, ChromeMate and L-OptiZinc.	\$246.9	-	-
8/1/2021	Legacy for Life LLC	Youngevity International	Developer and seller of nutraceutical products. The company is a multilevel marketing organization that distributes health and wellness products based on patented hyperimmune egg ingredient (i26). It is a direct selling company and operates in United States, Canada, Taiwan, Hong Kong, Macau and China.	\$1.0	-	-
7/28/2021	Paulaur	Berwind, Colorcon	Manufacturer of sugar spheres. The business unit offers pharmaceutical and nutraceutical spheres products.	\$18.8	-	-
7/1/2021	PRA Health Sciences, Inc.	Icon	Operator of a contract research organization (CRO) intended to support the pharmaceutical, biotechnology and medical device industries in the form of research services outsourced on a contract basis. The company provides drug development and clinical trial services to pharmaceutical and biotechnology firms, and its services range from early- to late-stage clinical trial outsourcing with varying levels of support, including one-off specialized staffing services to strategic partnerships, providing research and end-to-end drug development services to pharmaceutical, biotechnology and medical device industries.	\$12,042.0	3.6x	27.1x

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
6/1/2021	Viactiv Holdings, LLC	Guardion Health Sciences	Developer and manufacturer of chewable health supplements intended for bone health, immune health and other applications. The company provides calcium, vitamin and digestive supplements in different flavors including chocolate and caramel, offering consumers a delicious alternative for a healthy lifestyle.	\$26.0	-	-
5/24/2021	Pro-Dip, LLC	Novo Integrated Sciences	Manufacturer of nutritive supplement based in Suffern, New York. The company produces dietary supplement pouches that deliver natural B vitamins, caffeine, beta-alanine, taurine, and vitamin C, thereby presenting consumers with energizing oral supplemental products.	\$0.4	-	-
5/20/2021	Wellness Creations Inc.	Boosted	Producer of customized nutritional supplements intended to provide relief from stress-related problems. The company's produced nutritional supplements include organic apple cider vinegar for detoxification and balancing metabolism, along with the products being gluten-free and formulated with vitamins and other protein supplements, enabling consumers to remain healthy and achieve physical wellbeing.	\$4.1	-	-
4/16/2021	Private Label Nutrition (Blackpool)	The Hut Group	Manufacturers of health and wellness supplements based in Blackpool, United Kingdom. The company specializes in the production and supply of white or private label sports supplements, nutrition, pharmaceutical-grade vitamins, minerals, and powders to companies in the UK and across Europe.	\$3.7	1.0x	4.3x
3/10/2021	Edge Nutrition	Emergence Global Enterprises	Retailer of all-natural foods, sports and nutrition specialty supplements intended to serve the keto, paleo, vegan and fasting conscious consumers. The company offers products such as protein powders, vitamins, supplements, herbal remedies and similar other products thereby enabling its clients to improve their health using organic natural foods and nutritional supplements.	\$0.4	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
2/1/2021	Care/of	Bayer	Developer of wellness products intended to provide personalized vitamins and supplements. The company lets people get custom vitamin suggestions based on their diet and health goals through their platform, which is delivered in convenient daily packs, enabling consumers to get different kinds of vitamins at an affordable price.	\$157.5	-	-
1/28/2021	Natural Life Nutrition, Inc.	Eone-Diagnomics Genome Center	Provider of contract manufacturing and packaging services catering to the nutraceuticals market. The company manufactures a wide range of natural health products and nutritional supplements in the form of powders, soft gels, tablets, gelatin capsules, and liquid supplements and also provides research & development, custom formulation, raw material sourcing and packaging graphics support services, enabling clients to get tested and certified products customized for their specific needs.	\$43.2	-	-
1/28/2021	Prime Labs (Dorado)	NR Instant Produce	Producer and distributor of dietary supplements based in Dorado, Puerto Rico. The company offers a range of supplements made with food extracts including weight loss supplements, testosterone support aids, muscle building products and wellness formulas, thereby providing its clients high-quality supplements at affordable prices.	\$7.5	-	-
12/30/2020	Acenzia Inc.	Novo Integrated Sciences	Manufacturer and provider of research services to the nutraceutical industry. The company offers advanced proprietary manufacturing, bioscience R&D lab, individual diagnostics, preclinical trials, and more, providing evidenced-based products to their clients.	\$9.2	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
11/30/2020	Natrol	Jarrow Formulas, New Mountain Capital	Manufacturer of vitamins and nutritional supplements intended to improve human wellness worldwide. The company engages in the production of vitamins, minerals, herbs, enzymes, amino acids, special dietary co-factors and other nutritional products that are focused on vital human health areas including sleep, mood and stress, brain health, beauty and immunity.	\$550.0	-	-
8/7/2020	General Nutrition Centers	Harbin Pharmaceutical Group	GNC Holdings Inc is a specialty retailer of health, wellness and performance products that include protein, performance supplements, weight management supplements, vitamins, herbs and greens, wellness supplements, health and beauty, food and drink and other general merchandise. It operates through company-owned retail stores, domestic and international franchise activities, third-party contract manufacturing, e-commerce, and wholesale partnerships. The company generates revenues from three segments: the United States which is the key revenue driver and Canada segment; International segment; and Manufacturing or Wholesale segment.	\$770.0	0.4x	-
2/1/2020	Innophos Holdings	One Rock Capital Partners and Farol Asset Management	<p>Producer of phosphate and non-phosphate ingredients intended for the food, health, nutrition and industrial end markets. The company specializes in blending and formulating phosphate, mineral, enzyme and botanical-based ingredients, helping clients to offer products that are tasty, healthy, nutritious and economical.</p> <p>Note: Comparables processes, but serves different end markets.</p>	\$932.0	1.2x	9.4x
12/16/2019	Vitamin Shoppe Inc.	Franchise Group	Vitamin Shoppe Inc is a United States-based specialty retailer and contract manufacturer of nutritional products. The company operates business throughout the United States, Puerto Rico, and Canada, with a multichannel retail format, including a retail network of physical stores and digital platform. The company offers a broad range of products, including vitamins, minerals, specialty supplements, herbs, sports nutrition, homeopathic remedies, green living products, and beauty aids. Aside from national brand products, the company exclusively offers products under brands such as The Vitamin Shoppe, BodyTech, True Athlete, MyTriton, plnt, ProBioCare, and Next Step. The company also trains health enthusiasts to provide services for consumers.	\$161.8	0.2x	4.5x

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
8/30/2019	Nutrology LLC	FitLife Brands	Provider of all-natural and plant-based nutritional supplements intended to serve the sports nutrition industry in West Berlin, New Jersey. The company specializes in manufacturing vegan sports nutrition supplements, rBGH-free grass-fed whey protein shakes, all-natural pre-workout powders and vegan amino-acid drinks, thereby offering clients healthier natural products they can use as part of their daily lives.	\$0.5	-	-
7/10/2019	Kirkman Group	Hemptown USA	Manufacturer and distributor of nutritional supplements, based in Lake Oswego, Oregon. The company's products include antioxidant activity support, balanced nutrition, cardiovascular health, detox, immune support system, prenatal care, sulfation, bone health, personal care and cleaning products, catering to children, adults, and people with special needs and special requirements, enabling its customers to maintain a healthy lifestyle.	\$5.0	0.8x	-
3/12/2021	PlantFuel, Inc.	PlantFuel Life	Producer of nutritional supplements intended to serve the athletes. The company offers plant-based nutrition, protein shakes and packaging made from plants that are compostable, enabling its customers to receive nutrients without damaging the environment.	\$9.8	-	-
3/7/2019	Nutra Manufacturing	International Vitamin Corporation	Manufacturer of dietary supplements based in Greenville, South Carolina. The company provides complete turnkey products from a tablet, two-piece hardshell, soft gelatin dosage forms, bottling, cartooning, multi-pill sachets and blister packaging options, providing customers supplements produced in a safe, compliant, and efficient manner.	\$101.0	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
9/12/2018	Eprix	iApotek Int	Retailer of pharmaceutical products. The company provides health supplements like vitamins, minerals, self test products, beauty and hygiene products and other medical products.	\$1.2	0.5x	3.4x
4/2/2018	Nutranext	The Clorox Company	Manufacturer of nutritional supplements and healthcare products. The company offers dietary supplements in the form of solid dose, softgels, gummies and powders under various brand names including Rainbow Light, Iceland Health, Champion Performance, Blessed Herbs, Vitamin Research Products, Natural Vitality, NeoCell, Stop Aging Now, Nutri-Health Supplements, Tru Health and Health Resources.	\$700.0	3.5x	-
11/17/2017	TRx Pharmaceuticals	Avalo Therapeutics	Provider of pediatric healthcare products and services. The company's Provider of pediatric healthcare products and services include vitamin and fluoride supplements, enabling infants and children to treat or prevent deficiency of essential vitamins and fluoride, often caused by poor diet or low levels of fluoride in drinking water and other sources.	\$34.0	2.6x	-
11/6/2017	Noho Health Inc.	Bayer	Developer of wellness products intended to provide personalized vitamins and supplements. The company lets people get custom vitamin suggestions based on their diet and health goals through their platform, which is delivered in convenient daily packs, enabling consumers to get different kinds of vitamins at an affordable price.	\$157.5	-	-
8/28/2017	Fiber Choice	Caret Pharma	Producer of fiber-based food supplement products intended to help support immune systems. The company's products include flavored liquid fiber supplements, chewable tablets, calcium supplements, vitamin supplements, and other related products, enabling customers to help balance the digestive system, support the immune system and help avoid digestive problems while maintaining the overall health of digestive system.	\$6.7	0.9x	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/ Revenue	EV/ EBITDA
8/23/2017	Nutraceutical Corporation	HGGC	Manufacturer and distributor of nutritional supplements, personal care and other related natural products based in Salt Lake City, Utah. The company specializes in health supplements, beauty and body care, immunity care and nutrition products, sold primarily through domestic health and natural food stores, as well as specialty stores and online.	\$446.0	1.9x	11.4x
2/24/2016	Mitim Srl	Recipharm	Operator of a pharmaceutical contract manufacturing company. The company's product portfolio includes beta lactams in dry sterile powder for injectable solutions, tablets, oral suspensions and injectable sterile solutions.	\$75.3	1.4x	7.5x
1/7/2016	Biodroga	Neptune Wellness Solutions	Manufacturer of food supplements and capsules. The company is engaged in the production and distribution of nutraceuticals, liquid fish oil, vitamins and capsules.	\$10.6	0.6x	4.4x

Source(s): Pitchbook and Tully & Holland Research

About Tully & Holland

Our Experience

Tully & Holland is a leading Boston-based investment banking advisory firm offering highly customized M&A and corporate finance advisory services to consumer product companies in the US and abroad. Founded in 1992, our seasoned team brings decades of extensive industry and investment banking expertise and the proven ability to successfully complete deals on behalf of our clients.

We primarily focus on transactions or businesses with enterprise values ranging from \$10 million to \$250 million operating within the below sectors:



- Food Manufacturers & Distributors
- Beverages (Alcoholic & Non-Alcoholic)
- Specialty Foods
- E-Commerce, Specialty Retail, & Multi-Channel Merchants
- Nutrition, Health, & Beauty
- Other Consumer Discretionary

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Recent Transactions

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Long Trail Brewing Company
 has been acquired by
Mass. Bay Brewing Co.

Financial Advisor to Seller


This announcement appears as a matter of record only



Mariner Seafood LLC
 has been acquired by
True North Seafood, Inc a part of
Cooke Inc.

Financial Advisor to Seller


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Vermont Coffee Company
 has been acquired by
Stonewall Kitchen

Financial Advisor to Seller


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David Del Curto
 has been acquired by
Hancock Natural Resource Group

Financial Advisor to Acquirer

Service Capabilities



Sales & Divestitures

- Sales
- Mergers
- Recapitalizations
- Divestitures



Acquisition Advisory

- Strategic Planning
- Prospect Search
- Valuation
- Negotiation



Financings

- Growth Capital Sourced From Private Equity & Family Offices
- Senior Debt Financings
- Bridge Financings
- Mezzanine Financings



Valuations

- Business Valuation of Privately-Held Consumer Companies



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