

2023
Industry Update
Beauty



TULLY & HOLLAND
INCORPORATED

Beauty Industry Update

Executive Summary

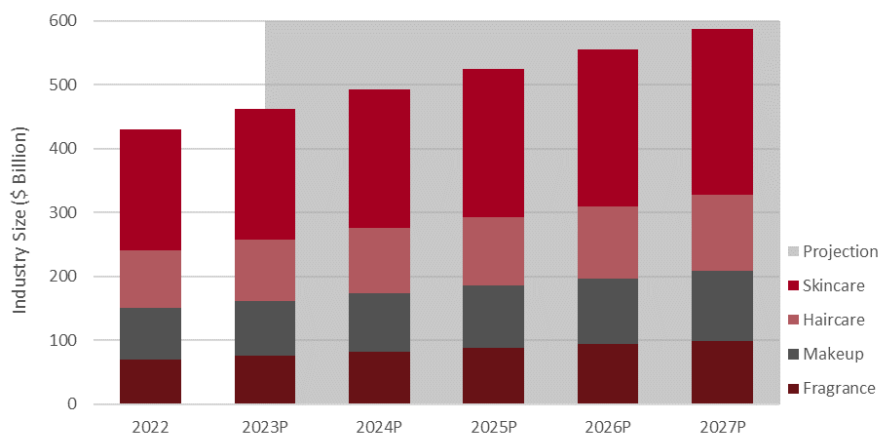
The Beauty industry – broadly defined through its four main segments: skincare, haircare, makeup, and fragrance – has proven its resilience in challenging economic conditions over the past three years. Despite being a mature and competitive industry, Beauty offers compelling opportunities for innovation and growth to companies that can anticipate and play into emerging trends. Such trends include the broad consumer demand for clean, natural, sustainably sourced ingredients and packaging, as well as more industry-specific phenomena, like the development of premium and personalized formulas.

From an M&A perspective, recent dealmaking activity clearly demonstrates that strategic buyers – predominantly large Beauty conglomerates like L’Oréal, The Estée Lauder Companies, and Coty – are heavily relying on acquisitions to augment their product portfolios and remain relevant to consumers. Interest from non-Beauty players like fashion brands, private equity firms, and celebrities, underscores the attractiveness and profit generation potential of the industry. As the Beauty landscape evolves, we at Tully & Holland believe transactions in the space will continue to create value for sellers, acquirers, and consumers alike.

Industry Overview

Like most consumer industries, Beauty was hit by a multibillion-dollar, pandemic-driven decline in retail sales back in 2020, shrinking to \$355 billion globally, down from \$382 billion in 2019. But by the end of 2021, sales had recovered to pre-pandemic levels and by the end of 2022 had increased another 10%. Looking ahead, analysts are optimistic on Beauty’s growth prospects, forecasting a CAGR of 6% between 2022 and 2027, which is expected to boost industry size to \$583 billion by the end of the period.¹

Global Beauty Industry Projected Growth, 2023 - 2027 (\$ Billion)



Source: McKinsey & Company, 2023

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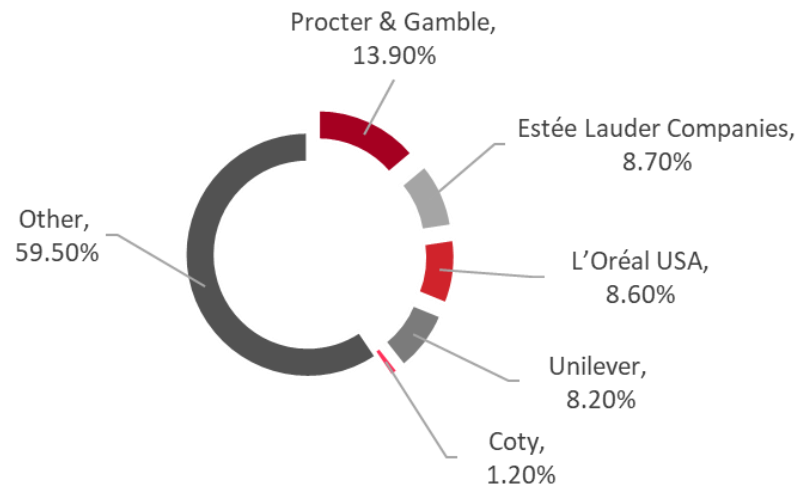
Tully & Holland is a leading Boston-based investment banking advisory firm offering highly customized M&A and corporate advisory to consumer product companies in the US and abroad. Founded in 1992, our seasoned team brings decades of extensive industry and investment banking expertise and the proven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

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While Beauty has long been viewed as an attractive industry thanks to its ability to deliver strong EBITDA margins of 15% to 25% on average¹, the recent performance outlined above suggests an even more desirable characteristic – resilience in an inflationary economy. Indeed, in a tough macroeconomic environment, discretionary spending is one of the first categories where consumers look to make budget cuts. However, the Beauty industry’s healthy rebound and impressive growth over the past two years imply that looking and feeling good is more of a “necessity” than many previously thought.²

Part of the reason why Beauty products stay top of mind for consumers, even in recessionary environments, is the fast pace of innovation. Beauty is a well-established and considerably competitive industry, where market concentration is low, and elbows are sharp. Within the US alone, there are more than 4,000 Beauty and cosmetics products manufacturers, and the number is growing. The Top 5 players hold a combined market share of 40%³, leaving sufficient room for smaller companies to distinguish themselves, grow, and compete.

US Beauty Industry - Top 5 Players by Market Share



Source: IBISWorld, 2023

Owing to relatively moderate barriers to entry, many new companies go into business each year and drive multiple emerging trends that are currently reshaping the marketplace. In line with this observation, market research firm IBISWorld identifies two factors of high disruptive potential for the future of Beauty: (1) innovation concentration (as measured by the mix of patent classes assigned to the industry) and (2) rate of entry (as measured by the annualized growth in the number of companies in the industry).²

Drivers and Themes

What are some of the trends redefining Beauty in 2023 and the brands behind them? Beauty’s hottest trends could be broadly grouped into two categories: product trends and business model trends. Business model trends are observed more widely across industry players, while many product trends are specific to a given sub-category such as skincare or makeup.

Business Model Trends

Geographic Expansion

- While the US and China will continue to be the two most important markets for Beauty, emerging geographies like the Middle East and India are poised to become significant growth drivers for industry revenues over the next five years.

Omnichannel Sales

- Even though the pandemic accelerated the adoption of D2C e-commerce channels, retail and brick-and-mortar presence remain important. Successful Beauty brands employ a diversified sales channel mix to reach as many consumers as possible via their preferred medium. In addition, the customer journey

increasingly includes multiple sales channels when, for example, consumers test a product in-store and then go on to buy it online.

Omnichannel Marketing

- Across the board, Beauty companies employ a wide range of marketing channels to reach their target audience, including social media and influencer marketing, traditional advertising, and pop-up store concepts. Increasingly in the industry, the term “influencer” is expanding to include experts, such as doctors and dermatologists, in addition to celebrities.

Diversity, Equity & Inclusion (DEI)

- To align with the values of Gen Z, Beauty companies need a comprehensive DEI strategy not only for their hiring practices, but also their products and the communities they build around them. Prime examples here are two of the most successful Beauty brands currently, Rihanna’s Fenty Beauty, which offers an impressively inclusive foundation range of 50 shades, and Selena Gomez’s Rare Beauty, which resonates with Gen-Z based on the singer’s openness to dialogue on mental health topics.

Source(s): McKinsey & Company, Tully & Holland Research

Product Trends

Convergence with Wellness

- The pandemic shifted some of the focus of the Beauty industry towards Wellness, a \$1.5 trillion global industry projected to grow at a CAGR of up to 10% through 2027. The importance of mindfulness and self-care is here to stay post-pandemic, and many companies are entering the marketplace to offer wellness-inspired products from supplements to cosmetics inspired by ancient healing systems.
- Notable brands include Rituals, Soma Ayurvedic, Ranavat, Viori, Liquid I.V., and Patchology.

Premiumization

- Premiumization refers to the increased share of more expensive products of higher perceived quality within companies’ product mixes. Taking this one step further, McKinsey & Co. have identified a significant opportunity within the Luxury Beauty space. Enhancing variety through the introduction of novel, high-end products and extravagant, exclusive, or limited-edition concepts could double the \$20 billion Luxury and Ultra Luxury Beauty market to \$40 billion globally by 2027.
- Examples of brands playing into this trend are OUAL (acquired by P&G in January 2022), Olaplex (backed by Advent International), and Byredo (acquired by Puig in May 2022).

Personalization

- Personalization refers to the capability to offer custom, personalized formulas designed for each client’s individual needs and is mostly seen within the skincare and haircare sub-categories of Beauty. Companies that offer personalized cosmetics usually have a standard questionnaire on their website for customers to

fill out. This in turn enables the company to tailor the formula to the customer's profile.

- Brands at the forefront of this trend include Curology (skincare), PROVEN Skincare (skincare), Function of Beauty (skincare & haircare), Prose (haircare), and Formulate (skincare & haircare).

Skinification

- Skinification refers to applying the principles of multi-step skincare routines to other personal care products, notably haircare.
- Companies driving this trend include Mielle Organics (acquired by P&G in January 2023), K18 Hair, Divi, Nutrafol (acquired by Unilever in June 2022) and Susteau (fmr. OWA Haircare).

Clean Ingredients & Sustainability

- Consumer preference for natural, organic products, free from ingredients with questionable health effects such as sulfates, parabens, and aluminum, is one of the most dominant trends shaping the future of the industry.
- Many major brands have integrated such formulations in their product lines, and new companies entering the space are virtually expected to incorporate a clean label element into their strategy.

Source(s): McKinsey & Company, *Global Cosmetic Industry Magazine*⁴, Tully & Holland Research

Indie Brands: If David Partnered with Goliath

Due to the moderate barriers to entry, much of the innovation within the Beauty industry is driven by emerging "indie" brands. Examples would be brands such as: (1) K18, a science-backed haircare company that plays into the skinification trend; (2) Tower 28 Beauty, an up-and-coming clean label, inclusive makeup brand; and (3) Mad Rabbit, a niche player whose products are specifically crafted for tattooed skin. Owing to innovative product offerings, small but loyal customer base, and a clear path to profitability, many indie brands have enjoyed considerable interest from venture capital investors over the past decade. The true challenge facing these emerging companies is therefore not securing a growth investment, but using that capital to execute an effective growth strategy while preserving product quality and brand image alike.

Research done by McKinsey shows that scaling is a major hurdle Beauty brands need to overcome, even if they enjoy strong momentum in their early days. In one study, out of 46 brands launched after 2005 and with sales between \$50 million and \$200 million in 2017, only four had surpassed \$400 million by the end of 2022. Only one company, the Chinese skincare brand Winona, had generated more than \$1 billion in revenues. In another study, out of 78 recently established Beauty brands that each received more than \$2 million in venture capital, private equity, or other types of outside investment, 56% have not yet reached the \$100 million sales mark as of May 2023. Another 31% of the companies in this study have gone out of business.¹

While it is by no means a guarantee of success, acquisition by a strategic buyer can be a promising avenue for sustainable growth, provided that both target and acquirer agree on a sound, well-thought-out integration plan. Below we list several examples of recently completed deals that give us a glimpse into how a strategic acquisition can unlock value for both independent brands as the target and Beauty conglomerates as the acquirer:

Unilever's Acquisitions of Paula's Choice and Liquid I.V.:

- Unilever acquired the premium skincare brand Paula's Choice from TA Associates for \$2.0 billion in August 2021 to increase its presence in the high-growth Prestige Skincare segment. The company focuses on science-backed formulations, high-performing ingredients, and cruelty-free products. Initially a DTC e-commerce pure play, Paula's Choice successfully launched into Sephora in 2021.
- Unilever acquired the powdered hydration company Liquid I.V. for an undisclosed amount in September 2020 to augment its Health & Wellness portfolio of brands. Liquid I.V. has been a significant growth center within the portfolio and has seen revenues increase four-fold over the last two years on the back of strong retail partnerships and improved marketing.

Source(s): Unilever 2022 Annual Report

L'Oréal's Acquisitions of Takami and Youth to the People:

- L'Oréal acquired the premium Japanese skincare brand Takami in February 2021 to strengthen the presence of its L'Oréal Luxe segment in North Asia. Developed by board-dermatologist Hiroshi Takami, M.D., the company's flagship product, the Takami SkinPeel Keratin Treatment Essence, has won multiple product awards and ranks as Japan's No.1 skincare product. A successful launch in China has helped boost L'Oréal's second quarter results, offsetting sluggish growth in the United States.
- In another addition to the L'Oréal Luxe portfolio, L'Oréal acquired Youth to the People, a California-based premium skincare brand focusing on vegan, high-performance active ingredients, in December 2021. Since the transaction was completed, the brand has introduced several innovative products, including the Superfood Face Wash, which has been a major success with US consumers.

Source(s): L'Oréal 2022 Annual Report, L'Oréal 2023 Half-Year Financial Report

M&A Landscape and Valuation Overview

We expect to see continued activity in the Beauty M&A space, driven by the industry's attractive profile and the compelling rationale for strategic acquisitions. While major Beauty conglomerates will likely be the primary growth engine behind much of the M&A activity, the high level of innovation and the dynamic profile of the industry create room for financial buyers to invest early and realize favorable exit opportunities later on. We believe private equity firms like TSG Consumer Partners, Advent International, TA Associates, Alliance Consumer Growth, and Topspin Consumer Partners will continue to invest in Beauty and personal care and will be laser focused on innovation and emerging trends to identify companies that are well-poised to become the next highly sought-after target for strategic acquirers. In an article for Cosmoprof North America, the leading B2B Beauty exhibition in the Americas, Beauty journalist Faye Brookman identifies three key factors driving deal activity in the industry: (1) Beauty conglomerates entering the Clean Beauty market; (2) Beauty conglomerates building their Prestige Beauty portfolio of brands; and (3) indie founders looking to partner with larger companies to achieve scale. All three are elements of corporate strategy, illustrating the prevalence of strategically motivated acquisitions.⁵

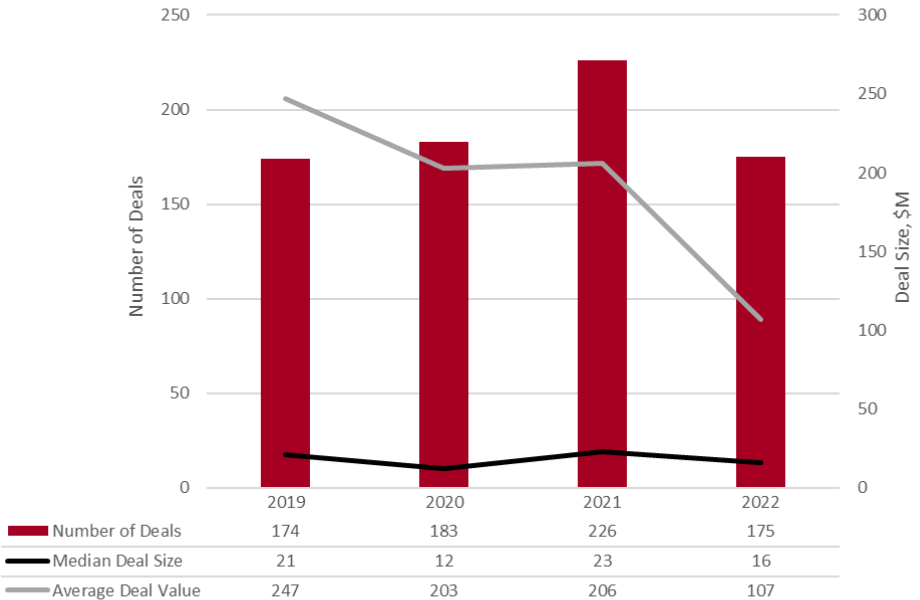
Looking at M&A activity statistics over the past four years shows that deal numbers are holding up to the pre-pandemic baseline, but median deal size and average deal value are down. Notably, despite similar activity levels in terms of number of completed transactions, average deal value in 2022 was less than half of what we saw in 2019. This is true even with the inclusion of Estée Lauder's \$2.8 billion acquisition of Tom Ford International, which will allow the New York-based conglomerate to capitalize on the growth of the Tom Ford Beauty brand. (Note: The transaction was technically completed in January 2023 but is included in 2022 in this analysis). The

market will likely continue to see fewer megadeals in the coming years, keeping average deal value at the lower end of the historical range. One megadeal recently finalized in 2023 is L'Oréal's \$2.5 billion acquisition of Aesop, from Brazilian personal care group Natura & Co, though such transactions will be rare in a challenging macroeconomic environment defined by hawkish monetary policy in most major markets worldwide. Corporate acquirers will need to be disciplined in their cash spending decisions, which will increase competition for high quality targets.

Valuation Overview




Recent transaction multiples realized in the market are characterized by a wide dispersion: EV/Revenue multiples for transactions completed over the last five years range from 0.4x to 54.9x with a median of 2.2x, while EV/EBITDA multiples range from 5.9x to 269.2x with a median of 51.6x. This dispersion is driven primarily by large deals with outsized multiples paid for companies that bring premium and cutting-edge products to market. The most notable example is designer perfume company Byredo, which was acquired by Puig at an EV/Revenue multiple of 54.9x and a corresponding EV/EBITDA multiple of 269.2x. Transactions under \$250 million exhibit more consistency: EV/Revenue multiples range from 0.4x to 3.7x with a median of 1.5x, and EV/EBITDA multiples fall within the 5.9x to 11.6x range with a median of 8.8x. Public market multiples show a relatively moderate, but still meaningful, dispersion. Companies included in the analysis trade at EV/Revenue multiples in the 0.9x to 8.2x range with a median of 2.8x and EV/EBITDA multiples between 6.2x and 43.5x with a median of 15.3x.

Beauty M&A: Deal Number and Deal Size, 2019-2022



Source: McKinsey & Company, 2023

Notable Transactions Completed in 2022 and 2023

Target	Acquirer	Acquisition Summary
TOM FORD	ESTÉE LAUDER	<ul style="list-style-type: none"> Manufacturer of Beauty and fashion accessories based in New York, United States. The company offers Beauty products as well as shoes, bags, clothes, eyewear, and watches. The company was acquired by Estée Lauder, a subsidiary of The Estée Lauder Companies (NYS: EL) for \$2.8 billion on March 2, 2023. The acquisition enables ELC to benefit from owning the fast-growing TOM FORD BEAUTY brand, as well as new licensing revenue streams and other anticipated synergies.
 MIELLE		<ul style="list-style-type: none"> Manufacturer of skin and hair care products intended to use organic ingredients to foster healthier hair and skin and enable access to a diverse range of clean products at compelling prices. The company was acquired by Procter & Gamble (NYS: PG) for \$640 million on January 11, 2023. Procter & Gamble aims to help the company scale while also assisting future Black-owned businesses with growing, scaling and expanding their companies.
CHANTECAILLE	Beiersdorf	<ul style="list-style-type: none"> Manufacturer of luxury skincare products committed to offering cosmetics while spreading awareness on global issues. The company was acquired by Beiersdorf (ETR: BEI) for \$590 million on February 1, 2022. The acquisition complements Beiersdorf's premium skin care offerings and accelerates growth in North American and Asian markets.
	ANJAC HEALTH & BEAUTY	<ul style="list-style-type: none"> Manufacturer and supplier of Beauty and personal care products based in Toronto, Canada. The company develops private label and control label products such as liquid and bar soaps, body washes, hair care, baby products, specialty bath and nutraceuticals, offering men, women, and children with personal care products. The company, a subsidiary of Acasta Enterprises, was acquired by ANJAC Health & Beauty for CAD 327 million on January 7, 2022. With this acquisition, the company's established leadership and commitment to strategic, client-centric engagement, as well as

to building retail brands for its cherished family of clients will be further enhanced in its association with Anjac.



AMOREPACIFIC

- Manufacturer of natural and anti-aging skin care products based in Whiting, Vermont. The company offers clean Beauty products such as cleansers, cosmetics, essences, eye treatments and face oils.
- The company was acquired by Amorepacific Group (KRX: 002790) for KRW 168.1 billion (~\$128 million) on December 26, 2022.
- The transaction will enable Amorepacific Group (KRX: 002790) to broaden its presence in the North American markets.



- Manufacturer and retailer of perfumes, fragrances and accessories committed to translating memories and emotions into products and experiences.
- The company was acquired by Puig for an estimated EUR 1 billion on May 31, 2022.
- The acquisition reinforces Puig's positioning with a brand that has redefined luxury. Puig will support the continued development of the brand, boosting and nurturing its current positioning.

Source(s): PitchBook

Conclusion

In such a challenging but equally promising market, acquirers and targets alike stand to benefit from strategic partnerships not only within their industry, but also with key service providers and representatives. We, at Tully & Holland, have spent the last 30 years working almost exclusively with consumer companies, building trusted relationships and deep knowledge of the sector. We would welcome the opportunity to discuss your potential interest in any of our current engagements or explore options for future transactions.

¹ McKinsey & Company, The Business of Fashion. (May 2023). *The State of Fashion: Beauty*.

² Terlep, S. (2022). *The Beauty Industry Is Defying Inflation*. The Wall Street Journal.

³ Perdomo, C. (January 2023). *Cosmetic & Beauty Products Manufacturing in the US*. IBISWorld.

⁴ Herich, D. (2022). *What Consumers Want from Beauty in 2023*. Global Cosmetic Industry Magazine.

⁵ Brookman, F. (2022). *What's behind the Flurry of Beauty Merger and Acquisitions*. Cosmoprof North America/USA Beauty LLC.

Appendix: Public Beauty Companies

(Data as of October 12, 2023)

Company Name	Ticker	Market Data			LTM			Valuation Metrics		
		Last Share Price	Market Cap	Enterprise Value	Revenue	Revenue Growth %	EBITDA	EBITDA Margin %	EV/Revenue	EV/EBITDA
Johnson & Johnson	NYS: JNJ	156.2	381,333.1	399,690.1	97,773.0	2.3%	23,100.0	23.6%	4.1x	17.3x
LVMH Moët Hennessy Louis Vuitton	PAR: MC	769.5	375,082.5	407,165.4	88,621.8	17.2%	30,978.7	35.0%	4.6x	13.1x
Procter & Gamble	NYS: PG	143.0	341,231.1	369,516.1	82,006.0	2.3%	21,516.0	26.2%	4.5x	17.2x
L'Oreal	PAR: OR	415.7	219,240.0	224,487.4	42,344.7	14.1%	9,665.0	22.8%	5.3x	23.2x
Kering	PAR: KER	448.6	54,233.5	63,918.5	21,509.1	5.3%	7,150.9	33.2%	3.0x	8.9x
Estée Lauder	NYS: EL	140.4	50,337.1	57,309.1	15,910.0	(10.3%)	2,265.0	14.2%	3.6x	25.3x
Beiersdorf	ETR: BEI	129.2	29,256.5	27,498.2	9,688.3	12.5%	1,588.4	16.4%	2.8x	17.3x
Henkel	ETR: HEN3	72.4	28,188.8	29,663.6	23,449.0	6.4%	2,725.8	11.6%	1.3x	10.9x
ULTA Beauty	NAS: ULTA	391.3	19,347.8	20,839.6	10,729.6	14.5%	1,880.7	17.5%	1.9x	11.1x
Kao	TKS: 4452	36.8	17,087.4	17,176.4	11,331.1	5.3%	1,273.7	11.2%	1.5x	13.5x
Shiseido Company	TKS: 4911	34.4	13,749.5	15,093.3	7,780.0	6.0%	876.1	11.3%	1.9x	17.2x
Coty	NYS: COTY	9.9	9,257.4	13,981.9	5,554.1	4.7%	1,377.2	24.8%	2.5x	10.2x
E.L.F. Cosmetics	NYS: ELF	105.1	5,603.7	5,540.8	672.6	61.0%	127.4	18.9%	8.2x	43.5x
Proya Cosmetics	SHG: 603605	13.7	5,443.6	5,034.9	1,062.0	38.3%	193.0	18.2%	4.7x	26.1x

Company Name	Ticker	Market Data			LTM			Valuation Metrics		
		Last Share Price	Market Cap	Enterprise Value	Revenue	Revenue Growth %	EBITDA	EBITDA Margin %	EV/Revenue	EV/EBITDA
LG H&H	KRX: 051900	313.8	4,859.6	4,617.9	5,419.0	(4.9%)	459.2	8.5%	0.9x	10.1x
Inter Parfums	NAS: IPAR	132.2	4,239.7	4,434.0	1,212.2	25.1%	252.2	20.8%	3.7x	17.6x
L'Occitane International	HKG: 00973	2.8	4,140.2	4,898.4	2,221.2	19.8%	369.5	16.6%	2.2x	13.3x
KOSE	TKS: 4922	71.6	4,085.0	3,397.1	2,205.7	11.3%	263.8	12.0%	1.5x	12.9x
Natura &Co Holding	BVMF: NTCO3	2.9	4,019.7	6,509.4	6,675.6	(6.6%)	234.1	3.5%	1.0x	27.8x
Oddity Tech	NAS: ODD	32.6	1,815.6	1,774.5	453.4	NM	71.3	15.7%	3.9x	24.9x
Amorepacific Group	KRX: 002790	20.0	1,620.0	2,943.8	3,209.1	(13.8%)	428.7	13.4%	0.9x	6.9x
Olaplex Holdings	NAS: OLPX	1.8	1,211.2	1,491.2	530.2	(26.9%)	241.2	45.5%	2.8x	6.2x
Mean									3.0x	17.0x
Median									2.8x	15.3x

Source(s): Pitchbook and Tully & Holland Research

Appendix: Select Beauty Transactions

(Valuation data provided, where available)

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
10/5/2023	Focus Consumer Healthcare	Kobayashi Pharmaceutical	Manufacturer of healthcare products designed for common health and Beauty needs. The company's services include making healthcare products from natural resources and can be availed in any retail stores or online markets, enabling users to treat skin problem, cold sores, headaches and muscular pain.	\$75	-	-
9/26/2023	Hince	LG H&H	Operator of a makeup and accessories brand intended to offer a wide variety of personal products. The company develops mood narrative makeup products including lipstick, compact, eye shadow, lip gloss, and other makeup products, enabling consumers to have natural and vegan cosmetic products.	\$32	-	-
8/31/2023	Kicks	Matas	Retailer of cosmetic products based in Stockholm, Sweden. The company offers a comprehensive concept in makeup, fragrance, skin care and hair care and provides Beauty experts as well as trained make-up artists and skin therapists to the customer for personal services, guidance and inspiration.	\$102	-	-
6/25/2023	Creed Fragrances	Kering	Manufacturer of luxury perfumes intended to serve the fragrance and Beauty industry. The company's products include essences, scents and fragrances using a traditional infusion technique and also offers leather wallets, candles and bags.	\$3,830	15.3x	-
1/11/2023	Mielle Organics	Procter & Gamble	Manufacturer of skin and hair care products intended to use organic ingredients to foster healthier hair and skin. The company offers hair oils, shampoos and conditioners, hair vitamins, face serums as well as face masks with a blend of herbs, amino acids and minerals, enabling access to a diverse range of chemical-free and natural products at compelling prices.	\$640	-	-
12/27/2022	Clarel	C2 Private	Retailer of Beauty, personal care and everyday sustainable products intended to facilitate and promote the protection of the planet. The company offers cosmetics, makeup, hair accessories, perfume, hygiene products and pharma medicines, thereby providing a wide range of home, pet and personal care products.	\$63	-	-
12/26/2022	Tata Harper Skincare	Amorepacific Group	Manufacturer of natural and anti-aging skin care products based in Whiting, Vermont. The company offers Beauty products such as cleansers, cosmetics, essences, eye treatments and face oils that are free from toxins, fillers, artificial colors, fragrances and synthetic chemicals.	\$128	-	-
7/27/2022	Milk Makeup	Obagi	Developer of natural on-the-go cosmetics. The company's cosmetics, Beauty, skincare and makeup products are cruelty-free, paraben-free and 100% vegan, enabling customers to consume vitamins, minerals and antioxidants in vegan ingredients to repair and hydrate the skin.	\$1,200	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
7/17/2022	Evidens De Beaute	Syong	Operator of a cosmetic and skin care brand intended to develop daily skin care products. The company offers a wide variety of body care, skin care, anti-aging skincare products especially for sensitive skin and also provides spa and Beauty salon services, enabling the customers to avail benefit.	\$46	-	-
7/1/2022	Unilever Life	RS	Operator of an online shopping platform intended to offer personal care products. The company offers health and Beauty supplements, oral care products and other related accessories, enabling customers to avail products to maintain their health.	\$25	-	-
6/30/2022	Manuka (Personal Products)	Artemis Therapeutics	Manuka Inc is a Beauty company that develops and distributes premium-quality skincare products, that are based on Mānuka honey and bee venom. Its skincare products are manufactured in Israel by its vendor, Chic with Mānuka honey ingredients. The company imports Manuka honey from its supplier in New Zealand, Waitemata Honey pursuant to the Supply Agreement. Currently, it operates only in Israel through the online platform. Its website and mobile applications currently offer six cosmetic skincare products: Face Serum with Manuka Honey and Bee Venom; Face Serum with enhanced Vitamin C; Day Cream; Night nourishing Cream; Eye Cream; and Face Cleanser Gel.	\$92	-	-
5/31/2022	InnovaDerma	Brand Architekts Group	InnovaDerma PLC is a holding company. The company develops and sells various anti-ageing, body contouring, hair loss treatment and wellbeing products. It operates mainly through Haircare Products, Life Science devices, and Skin & Beauty Products. Its product portfolio includes Leimov Personal Hair Laser Starter Kit, Leimov Thickening Conditioner, Leimov Deep Cleansing Scalp and Body, Leimov BioPlex Scalp Serum, Leimo Instant Hair Regular Pack, and Tan and Glow. It operates its business across Australia, New Zealand, the United Kingdom, the United States, and the Philippines.	\$11	0.8x	-
5/31/2022	Byredo	Puig	Manufacturer and retailer of perfumes, fragrances and accessories committed to translating memories and emotions into products and experiences. The company creates and develops hand and body care items, make-up kits, home fragrances, scented candles and leather bags in collaboration with artists, music producers and jewelry designers, enabling clients to receive a wide range of personalized cosmetic products and accessories.	\$1,057	54.9x	269.2x
5/1/2022	Scandinavian Cosmetics	Storskogen	Operator of a brand management company within makeup, skincare, fragrance, hair care and Beauty tools. The company provides brand recognition for luxury and semi-selective brand owners, offering go-to-market strategies, brand building, marketing services, category management and distribution services to a sales network consisting of retailers, fashion houses, concept stores, pharmacies and e-commerce.	\$943	12.1x	128.5x
4/20/2022	The Crème Shop	LG H&H	Manufacturer of Beauty products based in Los Angeles, California. The company offers cruelty-free skincare, makeup and personal protective	\$121	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
			equipment items such as face wash, liners, headbands, razors, facemasks and sanitizers.			
2/1/2022	Chantecaille Beaute	Beiersdorf	Manufacturer of luxury skincare products committed to offering cosmetics while spreading awareness on global issues. The company specializes in the development, production and marketing of natural skincare products that include lipsticks, eye kajal, lip gloss, foundations, concealers, eye makeups, cleansers and mascaras made using pure botanicals, flowers, essential oils and vitamins, thereby offering women products that are free from synthetic colors and chemicals to nourish, replenish and protect themselves.	\$590	5.9x	-
1/28/2022	Violet Grey	Farfetch	Operator of an online e-commerce portal and offline retail chain created to sell branded Beauty care and wellness products. The company offers makeup products that include cleansers, toners, eye care products, body treatment products, sun care products, and makeup removers, enabling consumers to purchase Beauty care products through both a physical store and an online.	\$44	-	-
1/7/2022	ApolloCorp	ANJAC Health & Beauty	Manufacturer and supplier of Beauty and personal care products based in Toronto, Canada. The company develops private label and control label products such as liquid and bar soaps, body washes, hair care, baby products, specialty bath and nutraceuticals, offering men, women and children with personal care products.	\$256	2.1x	-
1/1/2022	Ouai Haircare	Procter & Gamble	Manufacturer of hair and lifestyle products that are designed to nourish, restore and enhance natural Beauty. The company offers sulfate-free and keratin-rich shampoos, conditioners, fragrances, candles and nutritional supplements for women, enabling access to simple, affordable and harmless products for personal use.	\$300	6.0x	-
12/4/2021	Organic Harvest	The Good Glamm Group	Manufacturer of Beauty products intended to offer an organic and healthy lifestyle. The company's offerings include products made from plants that are cultivated without the involvement of hazardous chemical fertilizers, herbicides or pesticides, enabling consumers to get a variety of products that have no traces of harsh chemicals, parabens, phthalates, mineral oils, PABA, petrolatum, paraffin or any animal ingredients.	\$17	-	-
11/15/2021	Sol de Janeiro	L'Occitane International	Operator of a Beauty care brand intended to manufacture and market anti-tan cosmetics. The company's product portfolio includes anti-tan body mist, fruit cremes, glow oils, shower gels, lip balms and hand cremes that are formulated without phthalates, parabens, propylene glycol as well as petrolatum and are effective in trapping Vitamin D and protecting skin while exposed in the sun, providing customers with a variety of gluten-free and vegan sun protection cosmetics and summer Beauty care products via the online store.	\$374	-	-
11/8/2021	DERMAdoctor	Novabay Pharmaceuticals	Manufacturer and distributor of skin care products. The company offers a range of different products such as cleansers, serums, moisturizers and exfoliators that are designed to target common and unmet skin concerns, ranging from aging and blemishes to dry skin, providing	\$15	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
			customers with clean, clinical and cruelty-free products.			
11/1/2021	Mira Beauty	Femtec Health	Developer of an AI-based Beauty platform designed to search for Beauty and makeup products. The company's platform compares multiple Beauty products, assesses their ingredients, customer reviews and helps to purchase them from a selection of retailers, with price comparisons, enabling users and fashion enthusiasts to run custom and personalized searches and get curated products that address their needs.	\$28	-	-
10/28/2021	Birchbox	Femtec Health	Provider of a monthly subscription of personalized Beauty and grooming samples intended to redefine the way people shop. The company's platform offers an easy way to discover and shop for Beauty and grooming products online, enabling the customers to have the products as per their preferences without stepping outside.	\$45	-	-
10/27/2021	Medichem Manufacturing	Revolution Beauty	Manufacturer and supplier of hair and Beauty products based in Queenborough, United Kingdom. The company specializes in product development, bulk manufacturing, warehousing and distribution of items such as hair color removers, energy shots and styling products.	\$31	-	-
9/29/2021	Feelunique	Sephora	Retailer of Beauty, grooming and health products based in the United Kingdom. The company offers a range of products across Beauty, makeup, skincare, haircare, fragrance, accessories and the electrical sector to customers.	\$182	1.7x	-
9/28/2021	Dot & Key Wellness	Nykaa	Producer of Beauty products intended to transform the idea of skincare into a fun, easy, and acceptable notion. The company's product catalog includes paraben-free cosmetics such as body lotions, face serums, hand cream, toner, face masks, and cleansers, thereby providing customers with cruelty-free products that address their lifestyle needs.	\$13	3.7x	-
8/1/2021	Fancystage Unipessoal	Humble Group	Manufacturer of FMCG products specializing in cosmetics, Beauty and wellness. The company's offering includes personal care products such as face wash, cleansers, exfoliators, creams, face masks, shampoo, conditioner, body wash, shower gel, wet wipes, liquid nutraceuticals, toothpaste and mouthwashes.	\$63	-	-
7/1/2021	Flora & Fauna (Australia)	BWX	Retailer of sustainable personal care products based in North Rocks, Australia. The company offers an online shopping facility and retails a wide range of vegan, ethical and sustainable products including makeup, skincare, body and hair care, food, health, baby, pet, and fashion products, enabling customers to get access to ethically sourced and cruelty-free brands with plastic-free and minimal packaging in a single platform.	\$21	2.6x	-
6/15/2021	Bentley Laboratories	The Hut Group	Provider of outsourced cosmetic products manufacturing services. The company specializes in formulating, producing and packaging skincare and haircare products and serves as a certified	\$255	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
			manufacturer for major brands and niche brand marketers.			
5/18/2021	Deciem	Estée Lauder	Operator of Beauty brands designed to provide personalized skin and hair care to both men and women. The company's Beauty brands include dermatologically tested skin and hair care products, men's grooming products, color cosmetics and health supplements made from organic and chemically proven ingredients, enabling customers to find and buy health and wellness products as per individual skin texture and sensitivity.	\$1,000	-	-
5/7/2021	Costa Brazil	Amyris	Producer of sustainable Beauty products intended to create products that are beneficial to the body, the spirit, as well as the earth. The company's products include Beauty trinity containing mineral-rich body cream, body oil, antioxidant-packed cacaoy oil, and the soothing properties of breu resin, enabling consumers to get organic products that are less harmful to the skin at affordable prices.	\$12	-	-
5/4/2021	The Beauty Health Company	Vesper Healthcare Acquisition	The Beauty Health Co is a category-creating Beauty health company focused on bringing innovative products to market. The company's flagship brand HydraFacial is a non-invasive, and approachable Beauty health platform and ecosystem with a powerful community of estheticians, consumers and partners, bridging medical and consumer retail to democratize and personalize skin care solutions for the masses. Geographically, it derives a majority of revenue from the Americas.	\$625	4.7x	89.4x
2/12/2021	Tricot	POLA Orbis Holdings	Operator of personalized Beauty and healthcare brands intended to provide a better lifestyle. The company manufactures and provides Beauty products, facemasks, protein and health supplements and allows users to order them online after analyzing the products, thereby enabling customers to get suitable products that they need.	\$36	-	-
2/1/2021	Luqa Pharmaceuticals	China Medical System	Developer of dermatology products in the medical aesthetic industry. The company aims to provide patients with skincare products prescribed by physicians and dermatologists to achieve clear, radiant skin.	\$104	-	-
1/19/2021	Hims & Hers Health	7GC & Co, Oaktree Acquisition	Hims & Hers Health Inc is a multi-specialty telehealth platform that connects consumers to licensed healthcare professionals, enabling them to access high-quality medical care for numerous conditions related to mental health, sexual health, dermatology, primary care, and more.	\$330	2.2x	-
11/16/2020	ARIIX	NewAge	Manufacturer of branded products intended for good health. The company develops toxin-free products providing supplements to the body and enhancing the Beauty of the skin, enabling its customers to take care of themselves.	\$10	-	-
10/30/2020	BoxyCharm	IPSY	Provider of monthly Beauty-box subscription service based in Pembroke Pines, Florida. The company operates an online subscription platform that provides makeup and skincare products from established as well as up-and-coming Beauty brands to customers.	\$500	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
10/2/2020	Sera Labs	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	1.3x	-
7/22/2020	ADS Formation Et Produits	IEVA	Provider of beautification products dedicated to eye-care in Paris, France. The company's products and services include eyebrow care, The Masculine workshop and semi-permanent makeup that includes implanting pigments under the surface layers of the skin to create natural shading in the eyebrow.	\$20	-	-
6/4/2020	Charlotte Tilbury Beauty	BDT & Company (Private Equity), Puig	Operator of a makeup brand intended to manufacture Beauty and personal care products. The company's makeup and Beauty collection are offered through an array of department store counters and online websites, enabling customers to get a range of branded cosmetics, perfume, and gifts items at a reasonable price.	\$1,230	6.2x	152.8x
3/4/2020	Walmark	STADA Arzneimittel	Manufacturer and seller of dietary supplements. The company offers products related to joint nutrition, multivitamins and multi-minerals for adults, preparations for children, health and Beauty products.	\$107	1.8x	-
3/3/2020	Kuron	Do Day Dream	Provide of Beauty care products and services based in Bangkok, Thailand. The company provides a range of quality skin care, hair care and body care products, enabling customers to avail a variety of personal hygiene and skincare products.	\$19	-	-
2/24/2020	Well People	E.L.F. Cosmetics	Manufacturer and retailer of organic makeup and Beauty products. The company's premium non-toxic makeup and Beauty cosmetics include foundation sticks, concealers, eye shadow powders, mascara and liquid eyeliners are made from all natural and organic ingredients which are retailed through supermarkets as well as its online store, providing consumers with natural products that give flawless coverage and soothing protection.	\$26	-	-
1/6/2020	Kylie Cosmetics	Coty	Provider of cosmetic products based in Oxnard, California. The company offers eyeshadow palettes, concealers, highlighters, blushes and accessories.	\$600	3.4x	-
1/3/2020	Avon Products	Natura Cosmetics	Manufacturer and distributor of Beauty products worldwide. The company's products include cosmetics, fragrances, fashion accessories, apparel as well as home products and gifts.	\$2,812	0.6x	8.0x
12/17/2019	Dr. Jart+	Estée Lauder	Manufacturer and supplier of skin care products based in Seoul, South Korea. The company offers skin-cleaning creams, lotions, moisturizers, eye creams, glowing skincare travel kits and redness rescue kits.	\$1,133	2.3x	-
11/12/2019	The Mane Choice	Marc Anthony Cosmetics	Provider of hair growth products intended to enhance confidence by giving people the ability to wear their hair with pride and self-assurance. The company's products contains vitamins and essential nutrients such as biotin and vitamin A, B, C, D and E, enabling users to to achieve beautiful healthy hair.	\$38	1.6x	5.9x

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
10/18/2019	Love Hemp	Love Hemp Group	Manufacturer and supplier of CBD and hemp products based in Croydon, England. The company offers various products including cannabis-infused edibles including oil spray, liquid, jelly domes, water and chocolate bites as well as Beauty products such as face masks and body salves through its online site.	\$12	-	-
8/16/2019	The Avon Company	LG H&H	Manufacturer of skincare, color cosmetics, fragrance and personal care products intended for women. The company's personal care products are produced by using environmentally friendly raw materials and are sold through its team of sales representatives located all across the United States, Puerto Rico and Canada as well as through its website.	\$125	-	-
7/26/2019	Tatcha	Unilever	Manufacturer of Beauty products and cosmetic products. The company offers products including serums, moisturizers, mists, exfoliants and cleansers through its e-commerce website and other domestic and international wholesale and specialty retail stores.	\$500	5.0x	-
7/26/2019	eSalon	Henkel	Developer of an e-salon platform designed to help women to customize hair color. The company's platform is focused on crafting home hair color from scratch, never premixed or premade, each custom color is made by a personal colorist, with every facet of clients' experience designed specifically for them, enabling clients to choose their desired hair colors in a hassle-free and convenient manner.	\$101	-	-
6/27/2019	CBD For Life	iAnthus Capital Holdings	Producer of cannabidiol (CBD) infused products for self-care, Beauty and wellness. The company's products include CBD-infused topicals, tinctures and sprays for targeted pain relief ranging from muscle soreness to headaches and lotions, creams, and hair products designed to improve rejuvenation and restore moisture.	\$11	-	-
6/26/2019	Oriflame Cosmetics	AF Jochnick Family	Manufacturers of cosmetics and personal care products based in Stockholm, Sweden. The company offers a wide range of Beauty products such as moisturizers, serum, make-up kits, fragrances for men and women and body care as well as shampoo, conditioner and baby cosmetics.	\$950	0.6x	-
5/21/2019	This Works Products	Canopy Growth	Manufacturer of skincare products based in London, United Kingdom. The company offers products such as cleansers, daily moisturizers, body moisturizers, body oils, bath oils, bath and shower gels, bath soaks and candles.	\$53	3.2x	-
2/22/2019	Avon Products (Manufacturing Business in China)	LG H&H	Manufacturer of Beauty products in Guangzhou, China. The company offers skin care, hair care, make-up, personal care, fragrance, accessories and cosmetics products.	\$47	-	-
1/30/2019	Glansaol	AS Beauty	Provider of Beauty and personal care products. The company offers a portfolio of Beauty products from premium, complementary brands including Laura Geller, Julep and Clark's Botanicals.	\$18	0.8x	-
1/23/2019	Cellapy	Able C&C	Operator of an online cosmetic brand intended to revitalize skin on a cellular level with the help of stem cell cultures, growth factors and Nano liposome DDS . The company's services mainly focus on offering skincare products, anti-ageing creams, moisturizers, lotions and other skincare	\$36	-	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
			products, thereby enabling customers to purchase quality Beauty products in an easy manner.			
1/17/2019	Cl:Z Holdings	Johnson & Johnson	Ciz Holdings Co Ltd is a Japan-based company that is principally engaged in developing and selling cosmetics. The company operates through two business segments. The cosmetics segment provides a broad range of cosmetics suitable for various skin problems, including gentle cosmetics and functional cosmetics. This segment owns the Dr.Ci:Labo, Labo Labo, and Genomer brands, and it contributes the majority of the company's total revenue. The health food segment offers nutritional supplements, food products, and other items that pursue good health and Beauty from within the body. The company generates most of its revenue from the domestic market, with the rest from overseas, especially from Asian markets, such as Taiwan, Hong Kong, and Singapore.	\$2,100	4.5x	-
1/1/2019	Arenal Perfumerías	Sonae	Operator of a fragrance retailer designed to offer a wide selection of premium scents and Beauty products. The company's extensive collection, personalized recommendations and convenient online shopping experience enable fragrance enthusiasts and Beauty seekers to explore and indulge in luxurious aromas and Beauty essentials.	\$51	0.4x	-
12/26/2018	JINJIA	Lafang China Company	Developer and operator of an online platform designed for cosmetics branding. Focusing on Beauty and personal care products, the company brands small niche brands, providing enterprise users with exposure to larger audience group while enabling consumers with more cosmetics choices.	\$117	1.5x	-
12/12/2018	Walker and Company Brands	Procter & Gamble	Manufacturer of health and Beauty products designed for both men and women. The company's products include shaving kits and hair care collections for coarse and curly hair, enabling people of color to get hair and skin products designed specifically for them.	\$30	-	-
11/13/2018	Firtal Group	Matas	Operator of e-commerce portal based in Lystrup, Denmark. The company offers health products and Beauty products for both men and women.	\$22	-	11.6x
11/12/2018	Mefactory	Able C&C	Manufacturer of cosmetic products intended for personal care based in South Korea. The company offers cleansing foam, waterproof makeup, makeup remover, and peel-off packs, providing customers with a range of personal care products.	\$29	-	-
10/30/2018	FragranceNet.com	B&S Group	Retailer of perfumes and personal products based in Deer Park, New York. The company's product includes fragrances, skincare, makeup, haircare, scented candles and aromatherapy products.	\$99	-	-
7/17/2018	First Aid Beauty	Procter & Gamble	Manufacturer of skin care products intended to provide everyday essentials and targeted skincare solutions in luxurious textures. The company's skin products are free of harsh chemicals as well as known allergens and address skin concerns such as aging, dryness, redness, eczema, acne, and sun protection.	\$250	-	-
6/1/2018	Avon Products (Avon Japan Business)	Ginza Stefany Cosmetics Company	Manufacturer of Beauty and other cosmetic products based in Tokyo, Japan. The company	\$97	1.0x	-

Date Closed	Target/Issuer	Buyers/Investors	Target Description	Total Transaction Value (\$M)	EV/Revenue	EV/EBITDA
			manufactures and markets cosmetics, fragrances, toiletries, jewelry, apparel, and home furnishings.			
3/19/2018	Siyani Industrial	GuangDong CHJ Industry Company	Operator of Beauty spa centers and Beauty clinics based in Shanghai, China. The company specializes in spa and medical Beauty services offering various professional skin and body management, health care and spa treatment services, enabling the customers to meet their skincare needs.	\$205	-	-
3/1/2018	Jack Black	Edgewell Personal Care	Retailer of grooming products for men. The company's platform offers skin care products including shaving, body care, fragrance and hair products, thereby enabling men to look and feel clean and revitalized.	\$90	-	-
2/13/2018	Dis-Chem Pharmacies	Ivlyn No 4 Proprietary	Dis-Chem Pharmacies Ltd is a pharmaceutical company based in South Africa. Its product portfolio includes personal care products, Beauty products, healthcare and nutrition products, and dispensary and baby care products. The operating segments of the group are Retail and Wholesale. It derives maximum revenue from the Retail segment, which includes company stores, retailers of pharmaceutical and a variety of health and Beauty products, as well as pharma-logistic services and oncology and retailers of pharmaceutical products. The Wholesale segment consists of the CJ wholesale and company distribution businesses, wholesalers of pharmaceuticals, and a variety of health and Beauty products. Geographically, the group carries its business operations principally in South Africa.	\$1,368	0.9x	13.8x

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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Financial Advisor to Acquirer


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Vermont Coffee Company
 has been acquired by
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