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Personal Care Market Monitor

Spring 2024

Personal Care Transaction Activity

U.S. Personal Care M&A & Private Placement Commentary

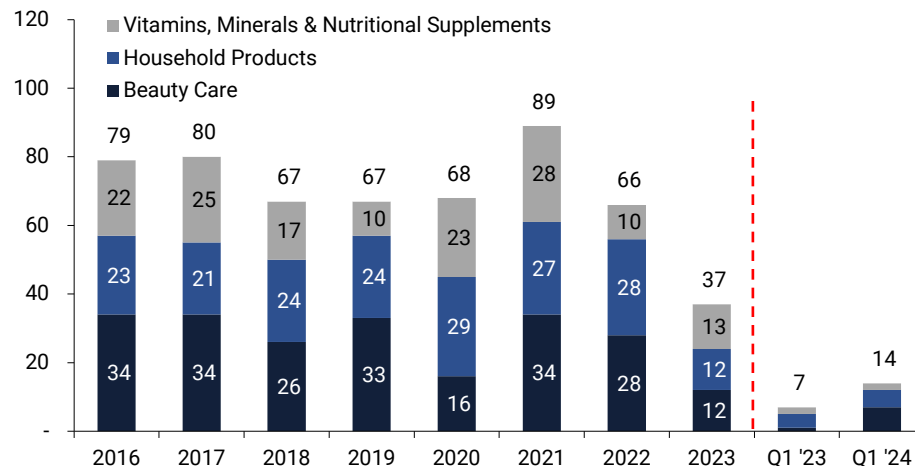
After a sluggish M&A environment persisted throughout 2023, M&A volume in the Personal Care industry has accelerated in early 2024, with 14 transactions closed during Q1 2024 compared to just 7 in Q1 2023.

Early 2024 saw several strategic acquirers within the Beauty sector utilize M&A as a strategy to diversify brand portfolios and expand product categories. Examples include Unilever’s acquisition of haircare brand K18, Shiseido’s acquisition of skincare brand Dr. Dennis Gross Skincare, and Puig’s acquisition of skincare brand Dr. Barbara Sturm.

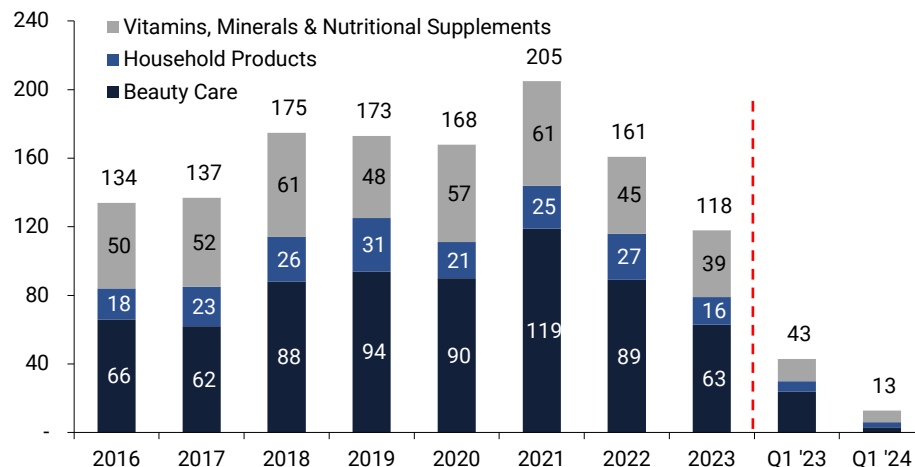
With the global Vitamins, Minerals & Nutritional Supplements sector forecast to grow at a CAGR of 9.1% from 2024 to 2030, private equity groups continue to make add-on acquisitions of contract manufacturers to increase production capacity and expand manufacturing capabilities across various product formats. One recent example is Heartwood Partners’ portfolio company Somafina’s acquisition UST Corporation.

Contract manufacturers and packaging companies continue to cite optimism in Personal Care end-markets, as volumes have generally remained flat to modestly up. New product innovations and campaigns are spurring additional designs, artwork, and packaging formats which bode well for both contract manufacturers and packaging materials companies.

U.S. Personal Care M&A Transaction Volume by Category



U.S. Personal Care Private Placement Transaction Volume by Category



Personal Care Public Markets Overview

Personal Care vs. S&P 500 Enterprise Value / EBITDA Multiples (as of March 31, 2024)



MARKET DATA

Personal Care Public Company Valuations

\$ in millions, except per share data		3/31/24			TTM Data					TTM Growth		EV Multiple	
Category	Company Name	Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	EBITDA	EBITDA Margin	Sales	TTM Sales	TTM EBITDA	
Vitamins, Minerals & Supplements	BellRing Brands, Inc.	\$59.03	\$7,732	\$8,486	\$1,735	\$556	32.1%	\$331	19.1%	21.5%	4.89x	25.6x	
	Glanbia plc	19.72	5,162	5,511	5,425	1,124	20.7%	442	8.1%	(8.7%)	1.02x	12.5x	
	The Simply Good Foods Company	34.03	3,397	3,590	1,266	472	37.3%	234	18.5%	6.6%	2.84x	15.3x	
	Herbalife Ltd.	10.05	1,003	3,197	5,062	2,212	43.7%	524	10.3%	(2.7%)	0.63x	6.1x	
	USANA Health Sciences, Inc.	48.50	933	616	921	744	80.8%	106	11.5%	(7.8%)	0.67x	5.8x	
	Jamieson Wellness Inc.	19.69	816	1,143	512	183	35.8%	91	17.7%	23.5%	2.23x	12.6x	
	Medifast, Inc.	38.32	413	285	1,072	776	72.4%	140	13.0%	(32.9%)	0.27x	2.0x	
	Nature's Sunshine Products, Inc.	20.77	391	329	445	321	72.1%	36	8.1%	5.5%	0.74x	9.1x	
	WW International, Inc.	1.85	147	1,523	890	551	61.9%	141	15.8%	(14.5%)	1.71x	10.8x	
	LifeVantage Corporation	6.05	78	74	211	168	79.6%	8	3.7%	2.2%	0.35x	9.6x	
	Median		\$874	\$1,333	\$997	\$553	52.8%	\$140	12.2%	(0.3%)	0.88x	10.2x	
	Average		\$2,007	\$2,475	\$1,754	\$711	53.6%	\$205	12.6%	(0.7%)	1.53x	10.9x	
Beauty Care	L'Oréal S.A.	\$473.24	\$253,056	\$257,779	\$45,521	\$33,619	73.9%	\$9,959	21.9%	7.6%	5.66x	25.9x	
	The Estée Lauder Companies Inc.	154.15	55,259	62,502	15,157	10,616	70.0%	1,818	12.0%	(7.3%)	4.12x	34.4x	
	Beiersdorf Aktiengesellschaft	145.59	33,023	30,434	10,442	5,987	57.3%	1,722	16.5%	7.4%	2.91x	17.7x	
	e.l.f. Beauty, Inc.	196.03	10,881	11,102	890	626	70.3%	169	18.9%	79.2%	NM	NM	
	Shiseido Company, Limited	27.06	10,815	11,978	6,903	5,061	73.3%	663	9.6%	(8.8%)	1.74x	18.1x	
	Coty Inc.	11.96	10,706	14,694	6,010	3,826	63.7%	1,070	17.8%	14.1%	2.45x	13.7x	
	Amorepacific Corporation	90.33	5,557	4,996	2,833	1,942	68.6%	278	9.8%	(11.1%)	1.76x	18.0x	
	KOSÉ Corporation	52.69	3,006	2,307	2,131	1,498	70.3%	188	8.8%	3.9%	1.08x	12.3x	
	Olaplex Holdings, Inc.	1.92	1,269	1,458	458	327	71.3%	166	36.3%	(34.9%)	3.18x	8.8x	
	Nu Skin Enterprises, Inc.	13.83	683	1,015	1,969	1,423	72.3%	203	10.3%	(11.5%)	0.52x	5.0x	
	Median		\$10,761	\$11,540	\$4,421	\$2,884	70.3%	\$470	14.2%	(1.7%)	2.45x	17.7x	
	Average		\$38,426	\$39,826	\$9,231	\$6,493	69.1%	\$1,623	16.2%	3.8%	2.60x	17.1x	
Household Products	The Procter & Gamble Company	\$162.25	\$381,778	\$408,703	\$84,060	\$43,261	51.5%	\$24,218	28.8%	3.8%	4.86x	16.9x	
	Johnson & Johnson	158.19	381,204	388,709	85,648	59,380	69.3%	30,673	35.8%	(11.0%)	4.54x	12.7x	
	Unilever PLC	50.21	125,648	154,616	65,883	27,827	42.2%	12,223	18.6%	(0.8%)	2.35x	12.6x	
	Colgate- Palmolive Company	90.05	74,020	82,287	19,457	11,327	58.2%	4,509	23.2%	8.3%	4.23x	18.2x	
	Kimberly- Clark Corporation	129.35	43,580	51,126	20,385	7,217	35.4%	3,758	18.4%	0.5%	2.51x	13.6x	
	Church & Dwight Co., Inc.	104.31	25,442	27,703	5,868	2,589	44.1%	1,258	21.4%	9.2%	4.72x	22.0x	
		Median		\$99,834	\$118,451	\$43,134	\$19,577	47.8%	\$8,366	22.3%	2.2%	4.38x	15.2x
	Average		\$171,945	\$185,524	\$46,883	\$25,267	50.1%	\$12,773	24.4%	1.7%	3.87x	16.0x	

Source: S&P Capital IQ

Note: Sales Multiple listed as NM if it exceeds 10.0x; EBITDA Multiple listed as NM if it exceeds 40.0x

TRANSACTION DATA

Select M&A Activity

\$ in millions

Close Date	Target	Acquirer/Investor	Short Description	Category	Implied EV Revenue	EV/ EBITDA	EV/ EBITDA
Announced	Activ Nutritional, LLC.	Doctor's Best, Inc.	Manufactures and sells calcium plus D and digestive chews	Vitamins and Nutritional Supplements	\$17.2	-	-
Apr-24	Tru Fragrance & Beauty LLC	Monogram Capital Partners	Manufactures fragrance and beauty brands	Beauty Care Products	-	-	-
Jan-24	Dr. Barbara Sturm	Puig Brands, S.A.	Manufactures premium skincare products	Beauty Care Products	-	-	-
Mar-24	DERMAdoctor, Inc.	New Age Investments LLC	Manufactures skin care products	Beauty Care Products	\$1.1	0.30x	-
Feb-24	RoC Opco LLC	Bridgepoint Group plc	Manufactures skin care products	Beauty Care Products	-	-	-
Feb-24	Cleaner Culture LLC	Society Brands, Inc.	Manufactures sustainable household cleaning products	Household Products	-	-	-
Feb-24	UST CORP.	Somafina	Manufactures over-the-counter vitamin and dietary supplements	Vitamins and Nutritional Supplements	-	-	-
Feb-24	Dr. Dennis Gross Skincare LLC	Shiseido Americas Corporation	Manufactures skin care products	Beauty Care Products	\$450.0	5.63x	-
Feb-24	K18	Unilever PLC	Manufactures haircare products	Beauty Care Products	-	-	-
Jan-24	Mad House Innovations LLC	NxGen Brands Inc.	Manufactures nutrition supplement products	Vitamins and Nutritional Supplements	-	-	-
Jan-24	Primal Life Organics, LLC	Society Brands, LLC	Manufactures organic cosmetic, skin care, and dental care products	Beauty Care Products	-	-	-
Dec-23	Oxigenesis, Inc.	Veroni Brands Corp.	Manufactures health and wellness products	Beauty Care Products	\$10.0	-	-
Dec-23	JVN Hair LLC	Windsong Global LLC	Manufactures haircare products	Beauty Care Products	\$1.3	-	-
Nov-23	Arizona Nutritional Supplements, LLC	Private Investor	Manufactures nutritional supplements	Vitamins and Nutritional Supplements	-	-	-
Nov-23	Dollar Shave Club, Inc.	Nexus Capital Management LP	Manufactures men's shaving products	Beauty Care Products	-	-	-
Oct-23	Thorne HealthTech, Inc.	L Catterton Partners	Provides solutions and personalized approaches to health and wellness	Vitamins and Nutritional Supplements	\$729.5	2.83x	30.3x
Oct-23	The Center Brands LLC	e.l.f. Cosmetics, Inc.	Manufactures dermatologist tested and natural botanicals skin care products	Beauty Care Products	\$332.2	-	-
Sep-23	Quten Research Institute LLC	Sanofi	Produces edible health and wellness supplements	Vitamins and Nutritional Supplements	\$1,400.0	-	-
Sep-23	Somafina	Heartwood Partners	Manufactures dietary supplements	Vitamins and Nutritional Supplements	-	-	-
Sep-23	MacroCap Labs Inc	Peninsula Capital Partners, L.L.C.; A111 Capital	Manufactures health supplements, sport beverages, and wellness food	Vitamins and Nutritional Supplements	-	-	-
Aug-23	Aesop Retail Pty Ltd	L'Oréal S.A.	Produces and sells skin, hair, hand, fragrance, and body care products	Beauty Care Products	\$2,525.0	4.70x	-
Aug-23	Asystem, Inc.	Veritas Farms, Inc.	Produces skincare, supplements, and pain relief products	Vitamins and Nutritional Supplements	\$2.7	-	-
Aug-23	Country Life, LLC	Lion Equity Partners, LLC	Manufactures vitamins, supplements, and sports nutrition products	Vitamins and Nutritional Supplements	-	-	-
Jul-23	Allergy Research Group LLC	WM Partners, LP	Manufactures nutritional supplements	Vitamins and Nutritional Supplements	-	-	-
Jun-23	Bradford Soap International, Inc.	Gemspring Capital LLC	Manufactures beauty and personal care products	Beauty Care Products	-	-	-
Jun-23	Beauty Biosciences LLC	Rhyz Inc.	Manufactures skin care products	Beauty Care Products	-	-	-
Jun-23	Applechem, Inc.	Société La Biochimie Appliquée SA	Manufactures personal care products	Beauty Care Products	-	-	-
May-23	Suave Brands Company LLC	Yellow Wood Partners, LLC	Mnufactures beauty and grooming solutions	Beauty Care Products	-	-	-
Mar-23	Mielle Organics, LLC.	The Procter & Gamble Company	Manufactures organic skin and hair care products	Beauty Care Products	-	-	-
Jan-23	Rocco & Roxie Supply Co, LLC	PetIQ, Inc.	Manufactures pet products	Household Products	\$26.5	0.91x	-
Jan-23	PreCon Health, Inc.	Thorne HealthTech, Inc.	Manufactures dietary supplements that support pre- and post-impact brain health	Vitamins and Nutritional Supplements	\$5.0	-	-

TRANSACTION DATA

Select Private Placement Activity

\$ in millions

Close Date	Target	Acquirer/Investor	Short Description	Category	Transaction Value
Mar-24	Murphy's Naturals, Inc.	Emil Capital Partners, LLC; Point King Capital Pty Ltd	Manufactures repellent products from plant-based ingredients	Household Products	\$8.0
Feb-24	Momentous	Humble Growth	Manufactures nutritional supplements	Vitamins and Nutritional Supplements	-
Feb-24	D.S. & Durga, LLC	Manzanita Capital UK LLP; Monogram Capital Partners	Manufactures fragrances, candles, body lotions, and personal care products	Beauty Care Products	-
Feb-24	Perelél Inc.	Unilever Ventures Limited; Selva Ventures LLC	Offers subscription-based vitamin products	Vitamins and Nutritional Supplements	\$6.0
Jan-24	M2 Ingredients, Inc.	Investeco Capital Corp.; Clif White Road Investments, LLC	Produces organic mushroom powders	Vitamins and Nutritional Supplements	-
Jan-24	Om Mushroom Superfood	Investeco Capital Corp.; Clif White Road Investments, LLC	Produces mushroom supplements	Vitamins and Nutritional Supplements	-
Dec-23	Ljulja Beauty Inc.	Northwood Ventures, L.L.C.	Manufactures cosmetics	Beauty Care Products	-
Dec-23	Iris+Romeo, Inc.	True Beauty Capital LLC	Manufactures skin care beauty products	Beauty Care Products	\$5.1
Dec-23	Subtl Beauty, Inc.	Innovation Works Inc.; Grouse Ridge Capital, LLC; Cult Capital	Produces stackable makeup products	Beauty Care Products	\$5.5
Dec-23	Phi Therapeutics, Inc.	Shiseido Long Term Investments for the Future (LIFT) Venture	Develops acne treatments	Beauty Care Products	-
Nov-23	Gamma Labs	First Beverage Ventures; Kingswood Capital Management, L.P.	Produces natural powdered drink mixes and other energy supplements	Vitamins and Nutritional Supplements	-
Nov-23	Nicole Bryl Skincare Inc.	DRA Family Office	Manufactures skincare products	Beauty Care Products	-
Nov-23	Sahajan	Ridgeline Ventures, LLC; Wonderment Ventures	Manufactures beauty care products	Beauty Care Products	-
Oct-23	Ellis Brooklyn LLC	Redo Ventures	Manufactures personal-care products	Beauty Care Products	\$9.0
Sep-23	Eighth Day Labs, Inc.	L Catterton Partners	Manufactures skincare products	Beauty Care Products	-
Sep-23	Needed PBC	CRP Ventures; The Craftory Limited; Seae Ventures, LLC	Produces nutrition supplements for women	Vitamins and Nutritional Supplements	\$14.6
Sep-23	Waldencast plc	Beauty Ventures LLC	Develops cosmetics and beauty product brands	Beauty Care Products	\$68.0
Sep-23	Proven Skincare	NewH2 Limited	Manufactures skincare products	Beauty Care Products	\$12.2
Jul-23	The Healing Company Inc.	Burman Family Office	Produces mushroom based joint, memory, and digestive complexes supplements	Vitamins and Nutritional Supplements	\$7.0
Jun-23	Listener Brands Inc.	BrainTrust Founders Studio, LLC	Manufactures haircare products for curly hair	Beauty Care Products	\$1.0
Jun-23	MEND Nutrition Inc.	S2G Ventures	Manufactures clinical nutrition products	Vitamins and Nutritional Supplements	\$15.0
May-23	Thesis	Unilever Ventures Limited; Break Trail Ventures	Manufactures brain supplements	Vitamins and Nutritional Supplements	\$8.4
Apr-23	Ceremonia	Sandbridge Capital, LLC; Silas Capital, LLC	Manufactures hair care products	Beauty Care Products	\$10.0
Mar-23	Baek Clinical, Inc.	HVL Ventures Limited; Cowboy Ventures LLC	Manufactures clinical skincare and beauty products	Beauty Care Products	\$6.0
Mar-23	Fount	Allen & Company Inc., Investment Arm; Elysian Park Ventures	Produces supplements for mental and physical performance	Vitamins and Nutritional Supplements	\$12.0
Feb-23	Live Tinted, Inc.	Unilever Ventures Limited; Devonshire Partners, LLC	Manufactures beauty and makeup products	Beauty Care Products	\$10.0
Feb-23	TRU, Inc.	Btomorrow Ventures Limited	Produces energy shots infused with vitamins, electrolytes, and antioxidants for athletes	Vitamins and Nutritional Supplements	\$6.5
Feb-23	Ogee, Inc.	Trinity Capital Investment, LLC	Manufactures skin care products	Beauty Care Products	\$2.5
Jan-23	Ljulja Beauty Inc.	Silas Capital, LLC; Provenance Management Co., LP	Manufactures cosmetics	Beauty Care Products	\$40.0

EXPERIENCE

Proven Track Record of Successful Outcomes

- Deep expertise and strong relationships with relevant market participants
- Battle-tested process that drives maximum valuation and enhanced terms
- Exclusive focus on private, middle market companies
- A life-cycle approach to client service



EXPERIENCE

Transaction Announcement



acquired by **DUNES POINT** CAPITAL

Hexagon Capital Alliance LLC (“HCA”) advises K-1 Packaging Group (“K-1”) and Everest Packaging Corp. dba Everest Formulations (“Everest”) on its simultaneous sale to funds managed by Dunes Point Capital, LP (“Dunes Point”).

Headquartered in City of Industry, California, K-1 Packaging Group is a full-service designer and provider of custom packaging solutions primarily to the wellness and personal care end markets. Everest Packaging Corp. dba Everest Formulations is a turnkey contract manufacturer and packager of vitamins and nutritional supplements.

K-1 and Everest operate three manufacturing facilities in California, one procurement and quality control office in Shenzhen, China, and employs approximately 220 people. With the acquisition, K-1 and Everest partner for growth alongside an experienced and successful team at Dunes Point.

Eric Tsai, President, Everest stated, “We were impressed with HCA’s strategic advice and tactical skills in negotiating and managing the complex diligence process. With their guidance, we were able to achieve our goals for both the business and shareholders. We look forward to working together with our new colleagues as we continue to build industry leading capabilities to expand the range of products, services and solutions we can offer to new and existing customers.



“ It was a pleasure working with the Hexagon Capital Alliance team on this transaction. HCA’s industry knowledge and expertise was critical in identifying, negotiating, and managing a transaction process that resulted in achieving the optimal outcome for shareholders. ”

- Mike Tsai, President

EXPERIENCE

Transaction Announcement



Penetrex, a leading joint & muscle relief and recovery brand, has been acquired by Wellbeam Consumer Health LLC, formerly Yukon Wellness Holdings LLC, and a portfolio company of American Pacific Group.

Penetrex was founded by Robert Farb after watching his wife suffer from Carpal Tunnel Syndrome. Farb was inspired to develop a product to address the needs of those experiencing joint and muscle discomfort. Since its founding in 2008, Penetrex relief and recovery cream has grown to be used by over two million consumers in over 65 countries and has become the #1 five-star rated product on Amazon, as well as an 'Amazon's Choice' best-seller since 2009.

"I'm proud to have built Penetrex into an industry-leading relief and recovery brand and am confident that it will be elevated even further within the Wellbeam portfolio," said Farb. "Hexagon Capital Alliance's expertise in the consumer wellness and e-commerce categories were instrumental in the transaction process. Their deep domain experience resulted in finding thoughtful partners in both American Pacific Group and Wellbeam. I'm looking forward to seeing them apply their expertise, focus, and investment to extend and grow the Penetrex brand."



Penetrex

“ Hexagon Capital Alliance's expertise in the consumer wellness and e-commerce categories were instrumental in the transaction process. ”

- Robert Farb, Founder

EXPERIENCE

Transaction Announcement



acquired by



Archer-Daniels-Midland Company (“ADM”), a global leader in nutrition and agricultural origination and processing, has acquired 100% of the equity of Flavor Infusion International, S.A. (“FISA”), a full-range provider of flavor and specialty ingredient solutions for customers across Latin America and the Caribbean. With the acquisition, ADM adds an experienced and successful team of 60 colleagues who serve a growing list of food and beverage customers across the region with a wide range of flavor ingredients and solutions from two state-of-the-art manufacturing facilities in Panama and Colombia.

“I’m pleased to welcome the FISA team to ADM,” said Vince Macciocchi, President of ADM’s Nutrition business. “They’ve built a great business, and we’re planning a seamless transition as we add our global capabilities to expand the range of products, services and solutions we can offer to existing and new customers in growing segments across Latin America and the Caribbean. We look forward to working together with our new colleagues as we continue to build the world’s leading Nutrition company.”

“Having founded and owned numerous flavor operations for more than 50 years, I can confidently say that ADM is the ideal partner to carry on FISA’s legacy as a premier provider of flavor and specialty ingredient solutions to the beverage industry in Latin America and the Caribbean,” said Daniel DeClark, Chairman and CEO of FISA. “FISA’s customers, as well as its employees, will benefit from ADM’s global presence, significant R&D capabilities and robust sales and marketing resources. Strategically, this transaction is a perfect fit for both parties.”



“ We were impressed with the Hexagon team’s strategic advice and skills in negotiating and managing the diligence process. With their guidance, we were able to achieve a strong valuation and successful outcome for our team and shareholders. ”

- Bart DeClark, President

What We Are About

Results Driven

Meticulously craft a transaction blueprint with steadfast commitment to achieve our clients' goals

Experienced Investment Banking Professionals

A 20-year firm with professionals with 120 years of combined experience in middle market mergers & acquisitions and corporate finance advisory services

Objective Advice

We provide frank advice, backed with analysis and perspective, to map out and execute a process to reach our clients' transaction objectives

Industry Expertise

Real-time pulse of sector activity, corporate, family office & private equity participants and enterprise valuation metrics

The Right Capital

Capital is a commodity ... the investor behind the capital is targeted based on our clients' objectives

Senior Banker Immersion

From engagement inception through post-closing transaction functions, our senior bankers are front and center

SERVICES

Services & Industries

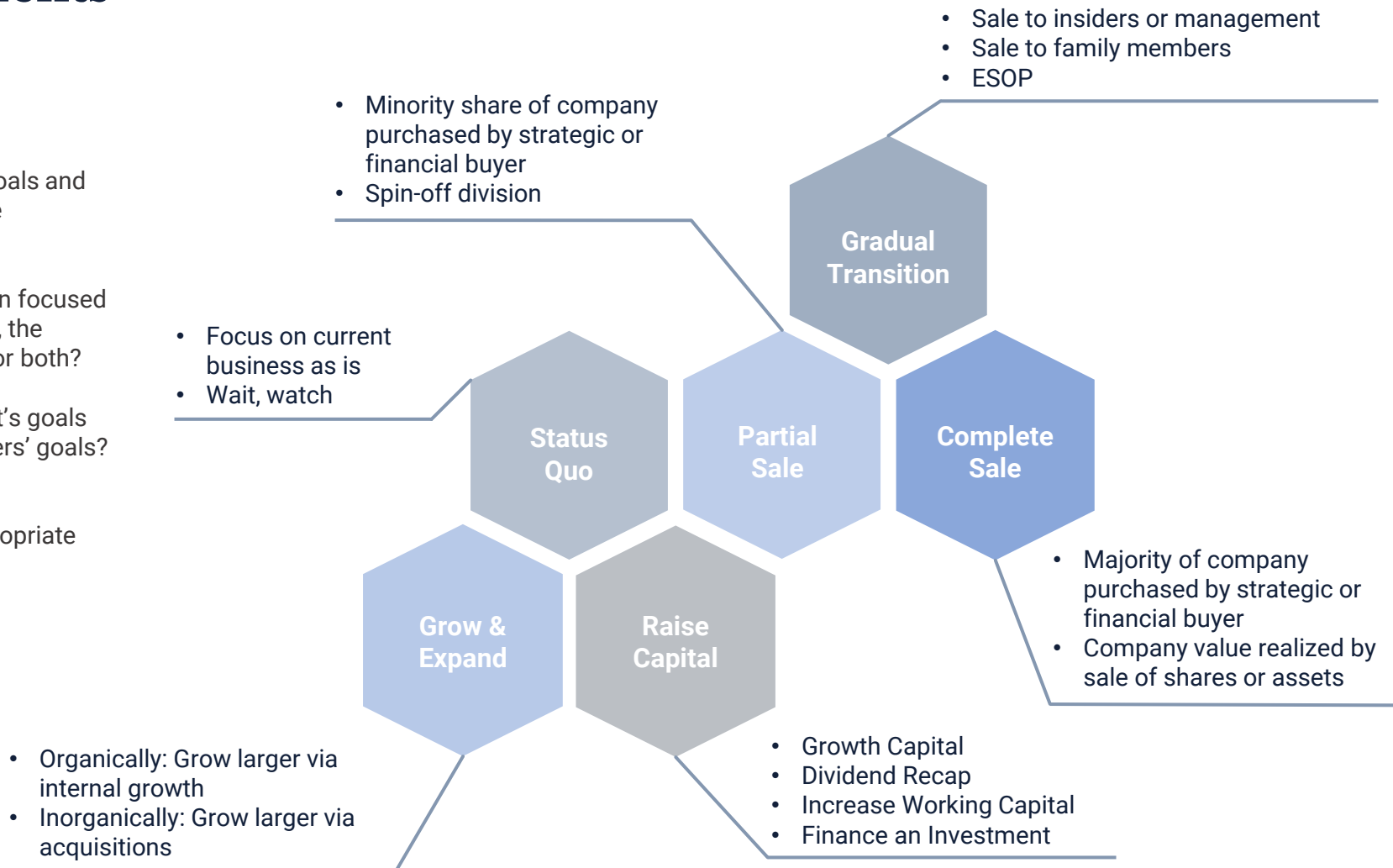
With more than 300 completed transactions, HCA's investment bankers maintain relationships with key decision-makers among strategic buyers and investors and comprehensive coverage of relevant private equity groups and family offices

- Merger and Acquisition Advisory
- Equity and Debt Capital Placement
- Strategic Alternatives Assessment
- Exclusive Sales and Divestitures
- Strategic Planning
- Management Buy-outs
- Recapitalizations



Our Clients

- What are your goals and objectives of the transaction?
- Is the transaction focused on the company, the shareholder(s), or both?
- Do management's goals differ from owners' goals? How so?
- What is the appropriate timing?



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