

A photograph of a bathroom vanity set on a white marble surface. The set includes a black soap dispenser with a pump, a black cylindrical holder with two toothbrushes, a white soap dish, and two rolled-up white towels. A small green plant is visible in the top right corner. The entire image has a light blue overlay.

Seale & Associates

PERSONAL CARE INDUSTRY
Q3 2023
VALUATION UPDATE

Introduction

We are pleased to share our Personal Care Industry Multiples Valuation Update for Q3 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Personal Care Industry clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



James A. Seale | President

jseale@sealeassociates.com



Brett M. Carmel | Senior Managing Director

bcarmel@sealeassociates.com



Robert Whitney | Managing Director

rwhitney@sealeassociates.com



Sergio Garcia del Bosque | Managing Director

sgarcia@sealeassociates.com



Carlos Hernández | Managing Director

chernandez@sealeassociates.com



Alejandro Montemayor | Vice President

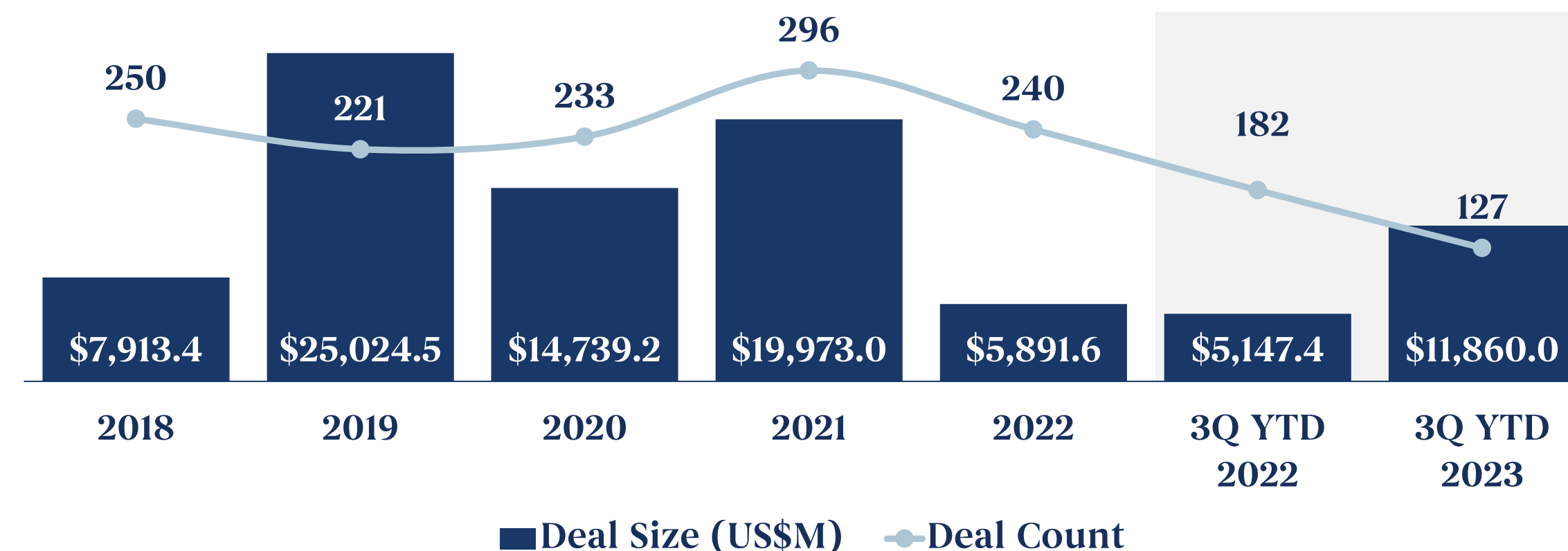
amontemayor@sealeassociates.com

Personal Care Industry Overview, M&A Trends and Market Intelligence

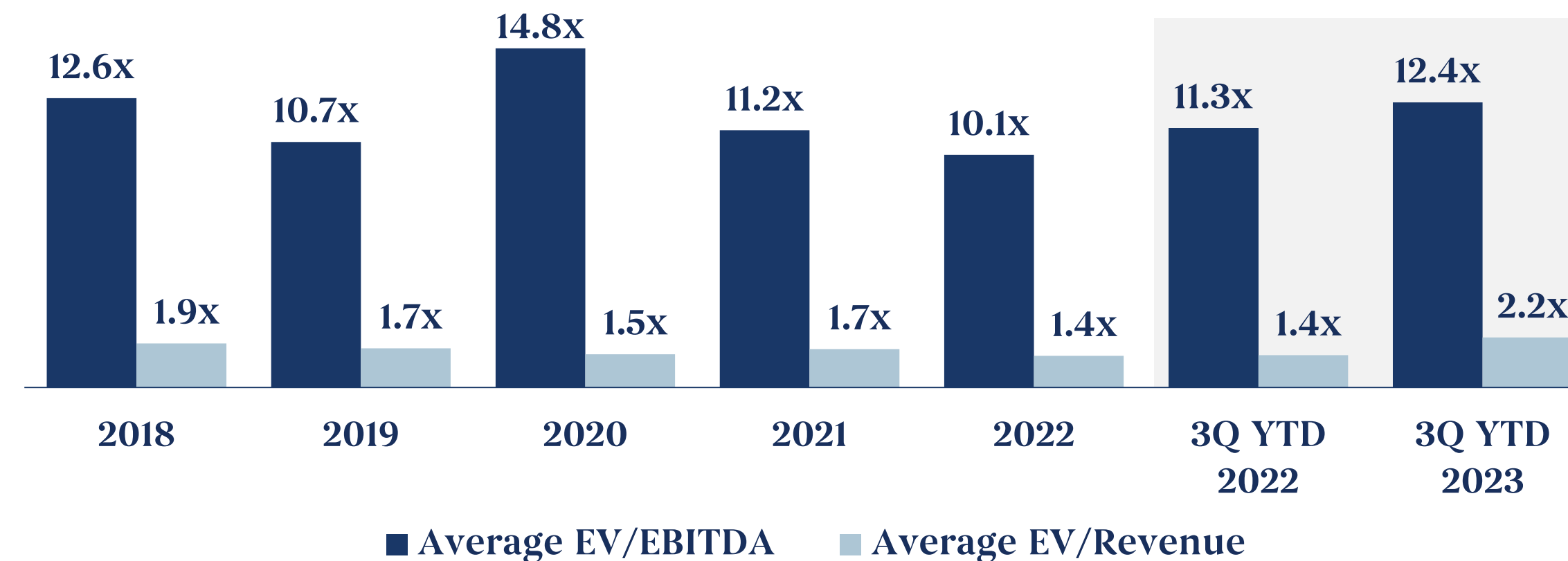
Beauty & Personal Care Industry Overview

- The Global Beauty & Personal Care market is expected to reach US\$736.8 billion in revenue by 2028, growing at a 3.0% CAGR from 2023 to 2028
- Online sales are expected to account for 21.9% of total Beauty & Personal Care revenue globally by 2027
- The market's largest segment is Personal Care, with an expected revenue of US\$319.4 billion in 2028
- Asia is currently the largest beauty and personal care product market, accounting for US\$230.0 billion in revenue in 2022. America ranks second in market size, generating US\$156.8 billion in revenue. Europe comes in third, with beauty and personal care sales totaling US\$56.5 billion
- Looking ahead, Asia is forecasted to maintain its commanding market share, which is expected to reach US\$290.8 billion in revenue by 2028. Europe is predicted to see the fastest growth rate in the coming years at 6.7% annually, reaching US\$83.2 billion in revenue in 2028
- The segment with the highest expected growth rate is Beauty Tech is forecasted to grow at 4.9% per year from 2023 to 2028. This includes personalized cosmetics devices, AR beauty apps, and intelligent skincare devices
- Consumers want personalized products that meet their needs, like natural and organic ingredients, skin- and hair-specific products. They're also more environmentally aware, leading to a demand for sustainably sourced products

Personal Care Industry M&A Deal Size and Volume



Personal Care Industry M&A Average EV/EBITDA and EV/Revenue



Personal Hygiene Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2023	
						2021	2022	EV/EBITDA	EV/Revenue
Colgate-Palmolive Company	USA	\$58,786	\$67,068	\$18,676	22.1%	16.4x	16.3x	16.3x	3.6x
Edgewell Personal Care Company	USA	\$1,878	\$3,061	\$2,254	15.2%	8.9x	9.3x	8.9x	1.4x
Essity AB (publ)	SWE	\$15,207	\$22,424	\$15,673	13.9%	10.8x	12.5x	10.3x	1.4x
Kimberly-Clark Corporation	USA	\$40,870	\$48,786	\$20,425	20.6%	12.0x	13.4x	11.6x	2.4x
Lion Corporation	JPN	\$2,811	\$2,543	\$2,662	9.4%	11.4x	7.4x	10.1x	1.0x
Pigeon Corporation	JPN	\$1,352	\$1,158	\$654	19.1%	19.2x	13.0x	9.3x	1.8x
Reckitt Benckiser Group plc	GBR	\$50,738	\$60,059	\$18,318	25.3%	15.3x	16.0x	12.9x	3.3x
The Procter & Gamble Company	USA	\$343,777	\$372,062	\$83,265	26.5%	16.8x	17.5x	16.9x	4.5x
Unicharm Corporation	JPN	\$20,909	\$19,540	\$6,229	17.9%	17.0x	16.2x	17.5x	3.1x
Unilever PLC	GBR	\$124,363	\$152,708	\$64,435	19.4%	13.0x	12.5x	12.2x	2.4x







■ Excluded from mean and median

Mean 13.5x 13.0x 10.8x 2.1x
Median 14.1x 13.2x 11.9x 2.4x

Beauty & Skin Care Global Comparable Public Companies (1/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Amorepacific Corporation	AMORE PACIFIC	KOR	\$5,580	\$5,051	\$2,849	10.9%	18.7x	13.0x	16.2x	1.8x
Beiersdorf Aktiengesellschaft		DEU	\$29,325	\$27,150	\$9,800	17.9%	16.3x	15.3x	15.5x	2.8x
Cosmax, Inc.		KOR	\$1,085	\$1,270	\$1,294	8.1%	13.3x	7.1x	12.1x	1.0x
Coty Inc.		USA	\$9,774	\$14,520	\$5,806	18.4%	30.1x	11.9x	13.6x	2.5x
e.l.f. Beauty, Inc.		USA	\$5,981	\$5,918	\$766	16.8%	38.6x	30.6x	45.9x	7.7x
Kao Corporation		JPN	\$17,277	\$17,363	\$10,372	11.5%	12.3x	11.2x	14.5x	1.7x
KOSÉ Corporation		JPN	\$4,147	\$3,480	\$2,057	11.7%	32.1x	20.2x	14.5x	1.7x
LG H&H Co., Ltd.		KOR	\$5,134	\$4,896	\$5,234	13.0%	15.1x	8.7x	7.2x	0.9x
L'Occitane International S.A.		LUX	\$4,399	\$5,154	\$2,441	20.9%	12.2x	10.9x	10.1x	2.1x
L'Oréal S.A.		FRA	\$223,065	\$228,176	\$42,833	22.7%	27.9x	24.9x	23.4x	5.3x






Beauty & Skin Care Global Comparable Public Companies (2/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Natura &Co Holding S.A.		BRA	\$4,022	\$6,447	\$6,976	8.4%	22.4x	10.3x	11.0x	0.9x
Noevir Holdings Co., Ltd.		JPN	\$1,210	\$1,035	\$419	19.5%	16.3x	15.1x	12.7x	2.5x
Nu Skin Enterprises, Inc.		USA	\$1,060	\$1,415	\$2,003	11.7%	6.8x	6.2x	6.0x	0.7x
Shiseido Company, Limited		JPN	\$14,047	\$15,349	\$6,876	9.6%	34.0x	21.8x	23.3x	2.2x
The Estée Lauder Companies Inc.		USA	\$51,726	\$58,848	\$15,498	20.8%	28.3x	19.3x	18.3x	3.8x
Ulta Beauty, Inc.		USA	\$19,664	\$21,156	\$10,730	21.4%	15.7x	11.0x	9.2x	2.0x
■ Excluded from mean and median						Mean	17.1x	11.7x	12.4x	1.9x
						Median	17.5x	12.5x	14.0x	2.0x

Personal Care – Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23	 SARBEC COSMETICS	FRA	Designs, manufactures and distributes cosmetic products, perfumes and hygiene products		-	100.0%	-	-	-
Sep-23	Consumer Products Business	AUS	Develops, manufactures, and markets a wide range of household cleaning and personal care products			100.0%	\$38.6	-	-
Sep-23		SWE	Manufactures hair care products		-	ND	-	-	-
Aug-23	NATURIUM	USA	Manufactures clinically-effective, potent and clean skincare formulas		-	100.0%	\$355.0	-	-
Aug-23	Asystem and Asystem Labs	USA	Asystem: Produces and sells natural supplements; Asystem Labs: Enables companies to develop and manufacture natural supplements		ASYSTEM	100.0%	\$2.7	-	-
Aug-23		USA	Develops and manufactures skincare, color cosmetics, and OTC products		-	100.0%	-	-	-
Aug-23	SweetSpot Labs	CAN	Manufactures and sells feminine intimate skincare products		-	100.0%	-	-	-
Aug-23		AUS	Manufactures and sells natural, vegan, and cruelty-free skin and beauty care products specially made for sensitive skin		-	100.0%	-	-	-
Aug-23		AUS	Manufactures suncare products that include self-tanning, suncare, skincare, and body products		-	100.0%	\$284.1	-	-
Aug-23		USA	Provides skincare products and tools			100.0%	-	-	-
Jul-23		USA	Manufactures and distributes salon hair, hair color, and hair styling products			3.6%	\$150.0	-	-

Personal Care - Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jul-23		USA	Manufactures and sells insect repellents	THRASIO	-	100.0%	-	-	-
Jul-23		USA	Manufactures eco-friendly hair, skin, and body care products, as well as specialty bar soaps	GEMSPRING	-	100.0%	-	-	-
Jul-23	Assets of Alpha Skin LLC	USA	Manufactures skincare and personal care products	Neoteric Cosmetics, Inc.		100.0%	\$2.7	-	-
Jul-23		FRA	Manufactures cosmetic products, food supplements and care products for pets	idi		90.0%	-	-	-

ND: Not Disclosed

Selected Transactions Commentary



“As the #1 professional haircare brand in Sweden with a strong consumer following, the growth potential for Maria Nila is significant. We believe there is meaningful whitespace to accelerate global expansion and increase share in underpenetrated categories by leveraging the brand’s successful go-to-market strategy and differentiated brand proposition.”

Luigi Feola, a Managing Partner of L Catterton’s Europe Fund



“We are thrilled to welcome Naturium to the e.l.f. Beauty family, Naturium aligns with e.l.f. Beauty’s vision to create a different kind of beauty company with brands built to disrupt norms, shape culture and connect communities through positivity, inclusivity and accessibility.”

Tarang Amin, CEO and Chairman of e.l.f. Beauty



“Bondi Sands is an incredible brand and a perfect fit for the Kao Consumer Care Business portfolio. Quality, innovation, environmental responsibility, accessibility and community are at the forefront of everything it does, ideally aligning Bondi Sands to our own brand values and corporate philosophy, which we call the ‘Kao Way’.”



Karen Frank, President of Consumer Care Business, Americas and EMEA of Kao



“The market-leading and differentiated capabilities Bradford has built over its long, successful history are impressive. We’re excited to partner with Stu and the entire management team to build on Bradford’s unparalleled product quality to accelerate the Company’s growth.”

Kristin Steen, Managing Director of Gemspring

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Health and Personal Care Stores <i>NAICS 446 – Health and Personal Care Stores</i>	2018 - 2023	\$45.6M	\$34.5M	21.2%	1.5x	25.2%	6.3x	23
 Cosmetics, Beauty Supplies, and Perfume Stores <i>NAICS 44612 – Cosmetics, Beauty Supplies, and Perfume Stores</i>	2018 - 2023	\$63.5M	\$44.9M	19.3%	1.5x	22.6%	7.1x	4

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

ConvaTec

TARGET

Sensi-Care and Aloe Vesta

TRANSACTION TYPE

Sell-side advisory

INDUSTRIES

Skincare and Personal Care

GEOGRAPHY

Reading, GBR

SITUATION

Seale & Associates acted as financial advisor to ConvaTec Group (LON:CTEC) on the divestiture of Sensi-Care and Aloe Vesta to Medline Industries. ConvaTec Group (LON:CTEC), is a global medical products company based in the United Kingdom.

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers for Sensi-Care and Aloe Vesta. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in a successful acquisition of Sensi-Care and Aloe Vesta by Medline Industries, an American healthcare company with almost USD\$14 billion in annual sales. The divestiture is part of ConvaTec's strategy to focus on its core businesses and markets.

“Seale was instrumental in keeping the process moving in a swift, orderly fashion”



has sold

SENSI CARE

and

ALOE VESTA

to



“Seale was instrumental in keeping the process moving in a swift, orderly fashion. Their common sense and ability to find simple, common ground solutions while preserving our interests were invaluable in bringing this project to a successful conclusion.”

George Landau
Vice President of Corporate Development at ConvaTec

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S U S C R I B E

Mandatos Representativos

 <p>INMAGUSA Grupo Galaz, S.A de C.V.</p> <p>has been acquired by</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold its Sanitaryware business units ST. THOMAS CREATIONS and VITROMEX to </p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	  <p>acquired</p> <p>The Zinc Recycling Business of</p> 
 <p>acquired</p>  <p>Automotive dealerships from</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold Kidde de Mexico, S.A. de C.V. Fire Safety Solutions Business to an affiliate of</p> 	 <p>has sold its concrete pumping business to</p> 	<p>CORPORACION</p>  <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	<p>intelectiva®</p> <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>Multiple acquisitions</p> 	 <p>has partnered with</p>  <p>a subsidiary of</p> 	 <p>has been acquired by</p> 	 <p>has merged its Beverage Division with</p> 	 <p>has merged its Beverage Division with</p> 

Advisor to Leading Companies Worldwide



Headquarters

901 N. Glebe Road
5th Floor
Arlington, Virginia



Mexico City Office

Av. Javier Barros Sierra 495
3rd Floor
Park Plaza III
Mexico City, Mexico



Monterrey Office

Av. Lázaro Cárdenas 2225
3rd Floor
San Pedro Garza García, N.L.

Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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\$50B+

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