

DEAL PROFILE

NESTLÉ | EQT PARTNERS

VALUES

\$10.1bn

3.6x

21.0x

TRANSACTION VALUE

2018 REVENUE MULTIPLE

2018 EBITDA MULTIPLE

**EQT PARTNERS AB**

EQT Partners AB (“EQT Partners”) is a private equity group that specializes in industrials, consumer goods, technology, media and telecommunications, healthcare, and services. EQT Partners is comprised of three segments: Private Capital, Real Assets, and Credit. The firm has roughly \$44.8bn AUM, and has raised 29 funds. The company was founded in 1994 in Stockholm, Sweden.

AUM: \$44.8bn**Funds Raised:** 29**Inv. Size:** \$100mm-\$1bn**NESTLÉ, SA. (SIX: NSRGY)**

Nestlé, SA. (“Nestlé”) is a nutrition, health, and wellness company. Nestlé Skin Health, a subsidiary of Nestlé, offers a range of medical and consumer skin health brands through three business segments: Prescription, Aesthetics, and Consumer Care. Nestlé Skin Health focuses on acne, rosacea, psoriasis, atopic dermatitis, skin aging, sun protection and skin cancer. Nestlé is headquartered in Vevey, Switzerland and was founded in 1866.

TEV: \$326.2bn**LTM EBITDA:** \$18.2bn**LTM Revenue:** \$91.0bn**BOURNE PARTNERS MARKET RESEARCH**

Bourne Partners provides strategic and financial advisory services to clients throughout the business evolution life cycle. In order to provide the highest level of service, we routinely analyze relevant industry trends and transactions. These materials are available to our clients and partners and provide detailed insight into the pharma, pharma services, OTC, consumer health, and biotechnology sectors.

OVERVIEW

On May 16, 2019, Nestlé began exclusive negotiations with a consortium led by EQT partners and a subsidiary of the Abu Dhabi Investment Authority over the sale of its skin health unit that was put up for sale last September. The discussed transaction is at an approximate value of \$10.1bn with the deal expecting to close in the second half of 2019. Nestlé’s skin health division, which includes face-care products Cetaphil and Proactiv, generated Net Revenue of \$2.8bn francs in 2018. Nestlé’s stock price rose 1.8% upon the announcement.

HIGHLIGHTS

The skin health unit was put up for sale as Nestlé tries to dispose of underperforming business segments – an attempt to fend off disapproval from activist investors and focus on growth segments such as coffee, pet care, and consumer health. The transaction value has topped most analyst estimates as the deal values the business unit at ~3.6x Revenue and ~21.0x EBITDA. These multiples are well above the ~17.0x EBITDA earned in similar dermatology and personal-care deals.