

INSIGHT

CONSUMER HEALTH SECTOR SNAPSHOT

MAY 2017

BOURNE PARTNERS

Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Feb-17	Anusol & Rectinol (J&J Brands)	OTC hemorrhoid care ointments	Church & Dwight Co., Inc.	Canada	\$130.0	\$24.0	NA	5.4x	NA
Jan-17	Cold-Eeze®	OTC cough, cold, and allergy brand	Mylan (Meda Consumer Healthcare)	USA	\$50.0	\$19.1	NA	2.6x	NA
Jun-16	New Skin®, Fiber Choice® and PediaCare® (Prestige Brands)	Basket of OTC brands representing a variety of indications	Moberg Pharma AB (publ)	USA	\$40.0	\$24.4	NA	1.6x	NA
Jun-16	Nutraceutix Inc.	SCOLR Pharma, Inc., specialty pharmaceutical company, develops and commercializes prescription, over-the-counter, and nutritional products.	Probi USA, Inc	USA	\$107.5	\$35.7	\$8.6	3.0x	12.5x
May-16	ReNew Life Formulas, Inc.	ReNew Life Formulas, Inc. produces and sells digestive health products and functional foods.	The Clorox Company	USA	\$290.0	\$115.0	NA	2.5x	NA
Jun-15	Sequel Natural Ltd.	Sequel Natural Ltd. (Vega) provides plant-based natural health and performance nutrition products in Canada and the United States.	The WhiteWave Foods Company	Canada	\$550.0	\$100.0	NA	5.5x	NA
Apr-15	Chattem, Inc., Balmex	OTC diaper rash cream	Moberg Pharma AB (publ)	USA	\$3.9	\$4.0	NA	1.0x	NA
Feb-15	Macuvision Europe Ltd.	Macuvision Europe Ltd. manufactures eye care supplements containing vital carotenoid meso-zeaxanthin.	Alliance Pharmaceuticals Ltd	United Kingdom	\$17.3	\$4.1	\$1.4	4.3x	12.8x
Nov-14	Omega Pharma Invest NV	Omega Pharma Invest NV, together with its subsidiaries, develops and markets prescription-free health and personal care products.	Perrigo Company plc	Belgium	\$4,564.8	\$1,600.0	NA	2.9x	NA
Sep-14	Portfolio of Brands from Lil' Drug Store Products, Inc.	Includes the RepHresh, Replens, Pre-Seed, Wellgate, and Legatrin PM brands	Church & Dwight Co., Inc.	USA	\$216.1	\$46.0	\$17.0	4.7x	12.7x
Jul-14	Rottapharm S.p.A.	Rottapharm S.p.A. researches, develops, manufactures, markets, and distributes consumer healthcare products, reimbursed prescription products, and natural extracts	Meda AB	Italy	\$3,011.8	\$738.0	\$195.8	4.1x	15.4x
Jun-14	Weifa AS	Weifa AS engages in the research, development, production, distribution, and sale of medicines and lifestyle products.	Aqualis ASA (nka:Weifa ASA)	Norway	\$186.7	\$91.0	\$14.6	2.1x	12.8x
May-14	Naturamed-Pharma AB and NaturalMed Pharma AS	Markets natural products including nutritional supplements	Volati AB	Sweden	\$46.5	\$29.0	\$7.6	1.6x	6.2x
Nov-13	Atrium Innovations Inc.	Atrium Innovations Inc. develops, manufactures, and commercializes science-based and professionally endorsed products for the health and nutrition industry	Permira Advisors	Canada	\$966.0	\$471.8	\$92.4	2.0x	10.4x

Median	\$158.3	\$40.9	\$14.6	2.7x	12.7x
Mean	727.2	235.9	48.2	3.1x	11.8x
High	4,564.8	1,600.0	195.8	5.5x	15.4x
Low	3.9	4.0	1.4	1.0x	6.2x

NM - Not Meaningful

NA - Not Available

All values via CapIQ

Trading Comps

Consumer Health Trading Comps

USD in millions, except for per-share amounts

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Total Debt	Enterprise Value	LTM			NTM Forecast		NTM YoY Growth	
								Sales	EBITDA	Interest Expense	Sales	EBITDA	Sales	EBITDA
Blackmores Limited	ASXBKL	\$83.62	17.2	\$1,440.5	\$59.8	\$89.7	\$1,500.3	\$416.7	\$91.8	\$2.6	\$520.2	\$82.9	24.8%	(9.7%)
Boiron SA	ENXTPA:BOI	92.67	18.4	1,705.7	(248.1)	9.8	1,457.6	648.7	175.4	1.2	682.9	181.6	5.3%	3.6%
Church & Dwight Co., Inc.	NYSE:CHD	49.89	254.0	12,673.9	932.4	1,120.2	13,606.3	3,493.1	836.7	27.7	3,621.4	875.5	3.7%	4.6%
Medifast, Inc.	NYSE:MED	43.89	11.9	522.6	(76.8)	0.0	445.7	274.5	39.5	0.0	291.9	43.3	6.3%	9.6%
Nature's Sunshine Products, Inc.	NasdaqCM:NATR	9.80	18.9	184.9	(24.1)	9.9	160.7	341.2	14.8	0.0	NA	NA	NA	NA
Nu Skin Enterprises, Inc.	NYSE:NUS	54.93	52.8	2,901.5	47.7	416.9	2,949.2	2,207.8	334.9	15.6	2,267.9	351.2	2.7%	4.9%
Nutraceutical International Corporation	NasdaqGS:NUTR	31.45	9.2	290.8	33.2	39.5	324.0	233.6	43.4	1.3	NA	NA	NA	NA
Prestige Brands Holdings, Inc.	NYSE:PBH	56.00	52.9	2,964.4	1,352.3	1,415.6	4,316.7	849.2	299.5	83.9	1,025.3	359.1	20.7%	19.9%
Reckitt Benckiser Group plc	LSE:RB.	90.49	700.6	63,393.7	1,857.0	2,949.7	65,250.7	12,212.3	3,630.0	63.0	13,787.4	4,128.5	12.9%	13.7%

Company	Ticker	FYE	Margin Analysis		Enterprise Value/				Debt/		
			Gross Profit	EBITDA	Sales	EBITDA	NTM Sales	NTM EBITDA	Enterprise Value	Equity Value	EBITDA
Blackmores Limited	ASXBKL	30-Jun	61.1%	22.0%	3.6 x	16.3 x	2.9 x	18.1 x	6.0%	6.2%	1.0 x
Boiron SA	ENXTPA:BOI	31-Dec	57.8%	27.0%	2.2 x	8.3 x	2.1 x	8.0 x	0.7%	0.6%	0.1 x
Church & Dwight Co., Inc.	NYSE:CHD	31-Dec	45.7%	24.0%	3.9 x	16.3 x	3.8 x	15.5 x	8.2%	8.8%	1.3 x
Medifast, Inc.	NYSE:MED	31-Dec	74.9%	14.4%	1.6 x	11.3 x	1.5 x	10.3 x	0.0%	0.0%	0.0 x
Nature's Sunshine Products, Inc.	NasdaqCM:NATR	31-Dec	73.3%	4.4%	0.5 x	10.8 x	NA	NA	6.2%	5.4%	0.7 x
Nu Skin Enterprises, Inc.	NYSE:NUS	31-Dec	78.8%	15.2%	1.3 x	8.8 x	1.3 x	8.4 x	14.1%	14.4%	1.2 x
Nutraceutical International Corporation	NasdaqGS:NUTR	30-Sep	50.9%	18.6%	1.4 x	7.5 x	NA	NA	12.2%	13.6%	0.9 x
Prestige Brands Holdings, Inc.	NYSE:PBH	31-Mar	57.7%	35.3%	5.1 x	14.4 x	4.2 x	12.0 x	32.8%	47.8%	4.7 x
Reckitt Benckiser Group plc	LSE:RB.	31-Dec	60.9%	29.7%	5.3 x	18.0 x	4.7 x	15.8 x	4.5%	4.7%	0.8 x

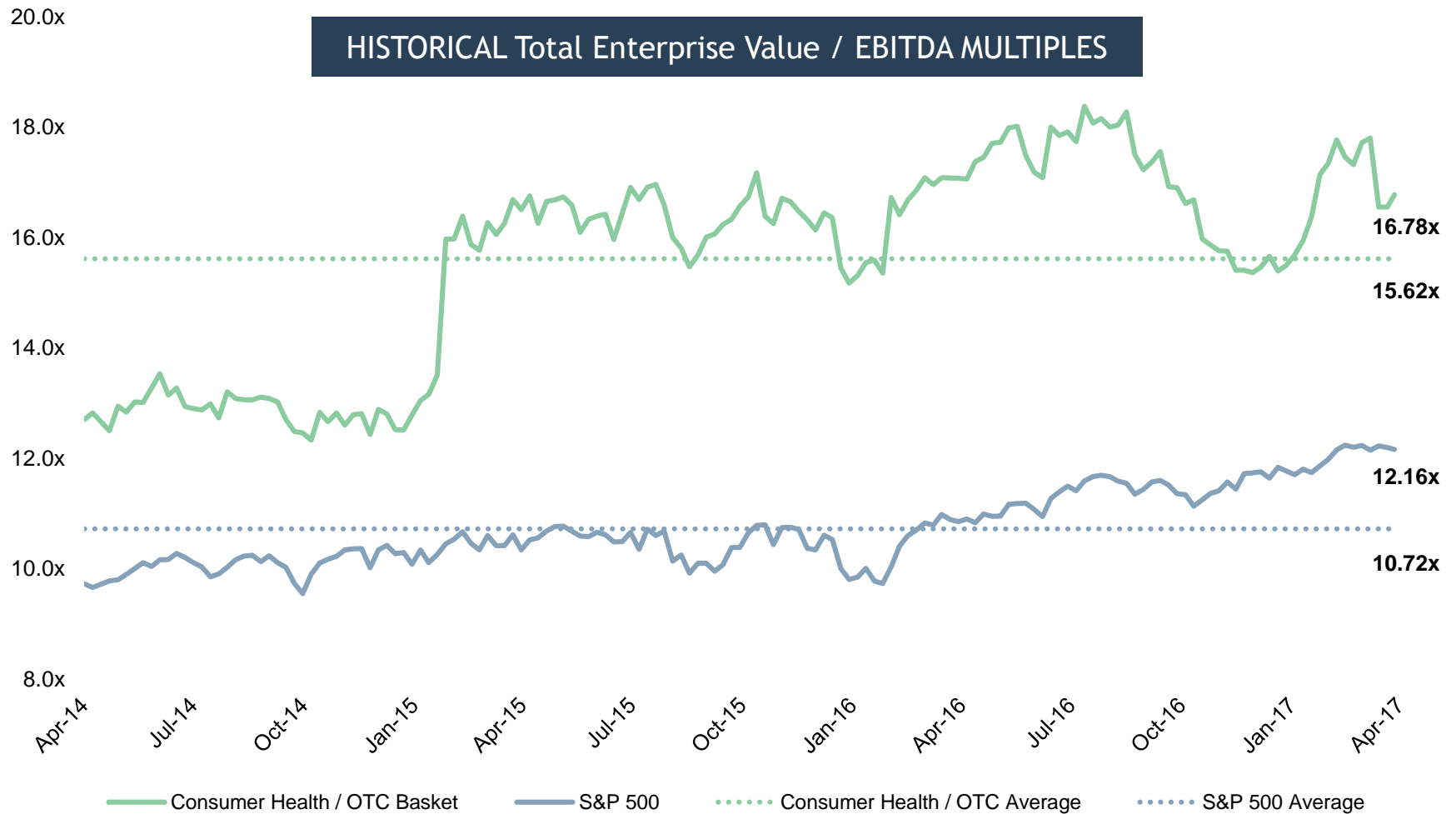
Median	60.9%	22.0%	2.2 x	11.3 x	2.9 x	12.0 x	6.2%	6.2%	0.9 x
Mean	62.3%	21.2%	2.8 x	12.4 x	2.9 x	12.6 x	9.4%	11.3%	1.2 x
Min	45.7%	4.4%	0.5 x	7.5 x	1.3 x	8.0 x	0.0%	0.0%	0.0 x
Max	78.8%	35.3%	5.3 x	18.0 x	4.7 x	18.1 x	32.8%	47.8%	4.7 x

* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

Valuation Trends



Consumer Health / OTC Basket consist of the following: Reckitt Benckiser Group plc (LSE: RB.), Nu Skin Enterprises, Inc. (NYSE: NUS), Boiron SA, Blackmores Limited, Inc. (ENXTPA: BOI), Medifast, Inc. (NYSE: MED), Nutraceutical International Corporation (NasdaqGS: NUTR), Nature's Sunshine Products, Inc. (NasdaqCM: NATR), Church & Dwight Co., Inc. (NYSE: CHD), Prestige Brands Holdings, Inc. (NYSE: PBH)

- While we saw all-time highs in Consumer Health / OTC valuations throughout 2015 and 2016, valuations remain high for the sector today
 - Current TEV / EBITDA multiple of nearly 17x for the sector basket
 - The sector has seen a three year average EBITDA multiple of nearly 16x
- Consumer Health / OTC EBITDA multiples are currently trading 38% higher than the S&P 500
 - Over the last three years, average sector EBITDA multiples are 46% higher than the S&P 500
- Sector EBITDA multiples are up 32% over the last 3 years
 - S&P valuations are up 25% over the same period
- Multiples in the Consumer Health / OTC space are currently 7% higher than the three year average
 - S&P valuations are currently 13% higher than the three year average
- In addition to healthy trading multiples among public companies, we are seeing high M&A valuations (transaction comps) in the space where the median EBITDA multiple over the last three years is nearly 13x