


# INSIGHT



## CONSUMER HEALTH SECTOR SNAPSHOT

April 2019

BOURNE PARTNERS

# Consumer Health – Transaction Comps

## Consumer Health - Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic			EV / LTM Revenue	EV / LTM EBITDA	
				Location	Enterprise Value	LTM Revenue			LTM EBITDA
Feb-19	OTC-Business of Moberg Pharma AB	Divestment of OTC portfolio including Kerasal, New Skin, Dermoplast, Domeboro, Emtrix, and Zanamira	RoundTable Healthcare Management & Signet Healthcare Partners	Sweden	\$155.0	\$48.8	\$11.0	3.2x	14.1x
Apr-18	Consumer Health Business of Merck	Procter & Gamble Overseas India purchased 51.8% of Merck's consumer health business	Procter & Gamble Overseas India	Germany	8,048.7	NA	NA	NA	NA
Apr-18	Humco Holding Group	OTC arthritis pain relief lotions and home remedy products. It offers household and farm, first aid, laxative/antacid, and health and beauty products	Fagron Group	USA	70.0	32.0	NA	2.2x	NA
Mar-18	Novartis AG	GSK takes full control of Sensodyne, Panadol, Voltaren, and Nicotinell, among others from Novartis	GlaxoSmithKline	United Kingdom	35,665.9	9,909.3	NA	3.6x	NA
Sep-17	Teva Pharmaceutical	Women's Health OTC Brands including Plan B	Foundation Consumer Healthcare	USA	675.0	140.0	NA	4.8x	NA
Feb-17	Anusol and Rectinol (J&J Brands)	OTC hemorrhoid care ointments of Johnson & Johnson	Church & Dwight	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	Nutraaceutix	Specialty pharma company that develops and commercializes Rx, OTC, and nutritional products	Probi USA	USA	107.5	35.7	8.6	3.0x	12.5x
May-16	ReNew Life Formulas	Basket of OTC brands representing a variety of indications	The Clorox Company	USA	290.0	115.0	NA	2.5x	NA

Notes:

NA - Not Available

NM - Not Meaningful

Median	\$155.0	\$42.3	\$9.8	3.1x	13.3x
Mean	5,021.4	1,290.5	9.8	3.4x	13.3x
Min	50.0	19.1	8.6	2.2x	12.5x
Max	35,665.9	9,909.3	11.0	5.4x	14.1x

- Additionally of note, in December 2019, GSK and Pfizer agreed to combine their Consumer Health businesses, with combined sales of ~\$12.7 billion
  - GSK holds a majority controlling interest of 68% while Pfizer will have a 32% equity interest

# Consumer Health – Trading Comps

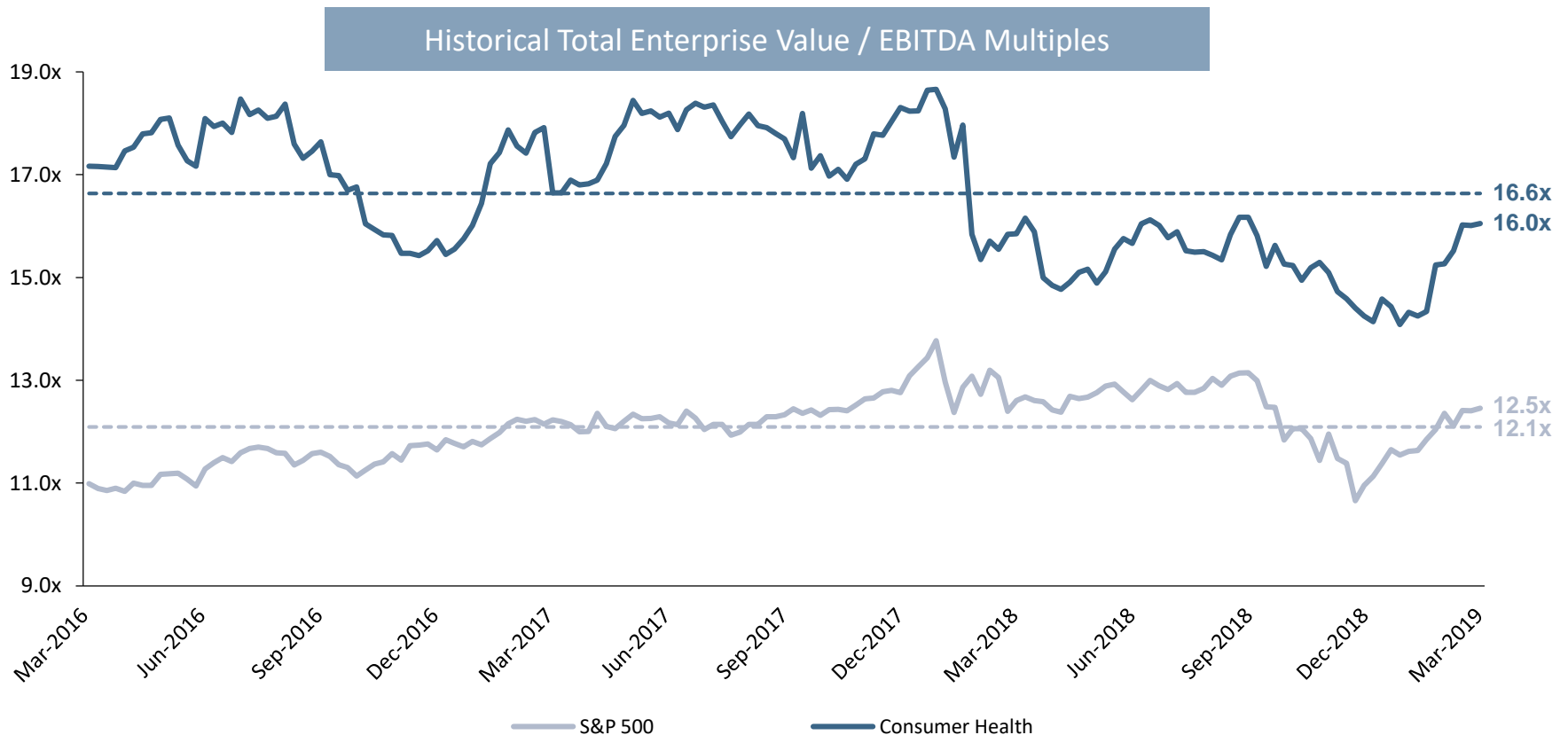
## Consumer Health - Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM			Margin Analysis			Enterprise Value/			Debt/		
			Sales	EBITDA	EBIT	Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Enterprise Value	Equity Value	EBITDA
Blackmores Limited	ASXBKL	\$1,202.8	\$447.0	\$82.5	\$75.5	59.8%	18.5%	16.9%	2.7x	14.6x	15.9x	6.4%	6.7%	0.9x
Boiron SA	ENXTPA:BOI	851.0	715.7	165.3	141.2	56.9%	23.1%	19.7%	1.2x	5.1x	6.0x	1.4%	1.1%	0.1x
Church & Dwight Co., Inc.	NYSE:CHD	19,539.0	4,145.9	932.8	791.7	44.4%	22.5%	19.1%	4.7x	20.9x	24.7x	10.8%	11.9%	2.3x
Medifast, Inc.	NYSE:MED	1,410.0	501.0	73.5	69.1	75.8%	14.7%	13.8%	2.8x	19.2x	20.4x	0.0%	0.0%	0.0x
Nature's Sunshine Products, Inc.	NasdaqCM:NATR	138.2	364.8	17.6	7.8	73.8%	4.8%	2.1%	0.4x	7.9x	17.8x	1.1%	0.8%	0.1x
Nu Skin Enterprises, Inc.	NYSE:NUS	2,735.7	2,679.0	401.7	318.7	76.6%	15.0%	11.9%	1.0x	6.8x	8.6x	15.7%	15.9%	1.1x
Prestige Consumer Healthcare Inc.	NYSE:PBH	3,278.3	990.7	336.1	303.8	57.2%	33.9%	30.7%	3.3x	9.8x	10.8x	56.2%	126.1%	5.5x
Reckitt Benckiser Group plc	LSE:RB.	72,676.9	16,055.1	4,667.3	4,277.3	60.6%	29.1%	26.6%	4.5x	15.6x	17.0x	20.9%	25.5%	3.3x
<b>Median</b>						60.2%	20.5%	18.0%	<b>2.8x</b>	<b>12.2x</b>	<b>16.5x</b>	8.6%	9.3%	1.1x
<b>Mean</b>						63.2%	20.2%	17.6%	2.6x	12.5x	15.2x	14.1%	23.5%	1.9x
<b>Min</b>						44.4%	4.8%	2.1%	0.4x	5.1x	6.0x	0.0%	0.0%	0.0x
<b>Max</b>						76.6%	33.9%	30.7%	4.7x	20.9x	24.7x	56.2%	126.1%	5.5x

- In the Consumer Health space, the median EV / Sales and EV / EBITDA are 2.8x and 12.2x respectively

# Valuation Trends – Last 3 Years

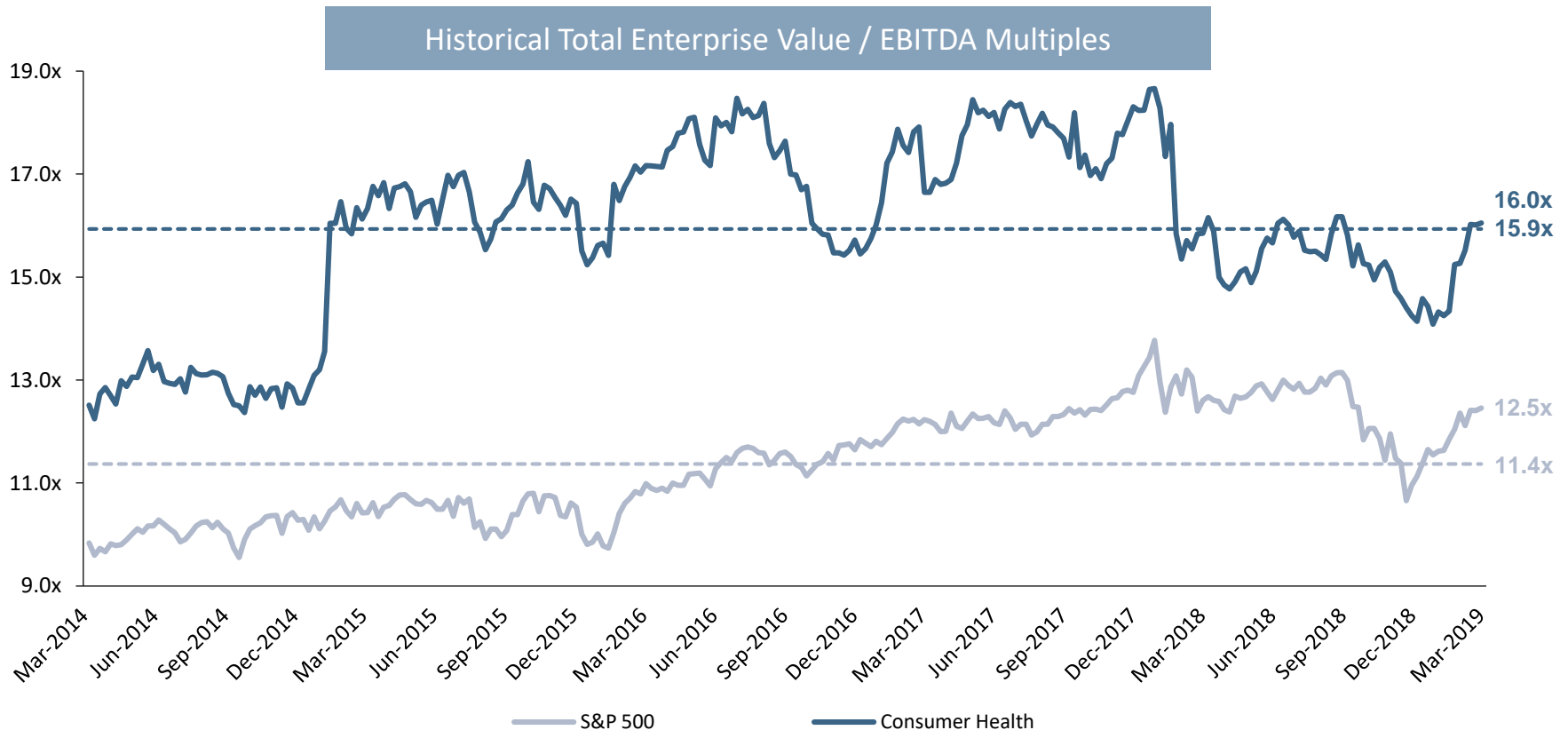


- The current Consumer Health EV / EBITDA multiple sits at 16.0x – a slight decline over the 3 year period, just below the 3 year average
- The current sector EV / EBITDA multiple still remains above the S&P 500 EV / EBITDA multiple

Consumer Health basket consists of: Blackmores Limited (ASX:BKL), Boiron SA (ENXTPA:BOI), Church & Dwight Co., Inc. (NYSE:CHD), Medifast, Inc. (NYSE:MED), Nature's Sunshine Products, Inc. (NasdaqCM:NATR), Nu Skin Enterprises, Inc. (NYSE:NUS), Prestige Consumer Healthcare Inc. (NYSE:PBH), Reckitt Benckiser Group plc (LSE:RB.)

1) Source: S&P Capital IQ, as of end Q1 2019

# Valuation Trends – Last 5 Years



- The 5 year view of the Consumer Health EV / EBITDA sector shows a slightly different view than the decline shown in the last 3 years
- The current Consumer Health EV / EBITDA multiple sits just above the 5 year average

Consumer Health basket consists of: Blackmores Limited (ASX:BKL), Boiron SA (ENXTPA:BOI), Church & Dwight Co., Inc. (NYSE:CHD), Medifast, Inc. (NYSE:MED), Nature's Sunshine Products, Inc. (NasdaqCM:NATR), Nu Skin Enterprises, Inc. (NYSE:NUS), Prestige Consumer Healthcare Inc. (NYSE:PBH), Reckitt Benckiser Group plc (LSE:RB.)

1) Source: S&P Capital IQ, as of end Q1 2019

# Valuation Trends (Current, 3 – 5 Year, & LTM Comparisons)

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- Below are the current EV / EBITDA multiples for each sector:
  - Consumer Health: 16.0x (28.8% above current S&P 500 multiples)
  - S&P 500: 12.5x
- Below are the average EV / EBITDA multiples for each sector over the last 3-5 years:
  - Consumer Health: the current multiple is -3.5% below its 3 year average, +0.7% above its 5 year average
  - S&P 500: 11.4x (5 year average), 12.1x (3 year average)
- Below are the % change in EV / EBITDA multiples for each sector over the last 3-5 years (and LTM):
  - Consumer Health: +28.3% in the last 5 years, -6.5% in the last 3 years (+1.3% LTM)
  - S&P 500: +27.6% in the last 5 years, +15.7% in the last 3 years (+1.7% LTM)