


INSIGHT



CONSUMER HEALTH SECTOR SNAPSHOT

October 2019

BOURNE PARTNERS

Consumer Health – Transaction Comps

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USD in millions

Announced Date	Target	Target Description	Buyer	Geographic			EV / LTM Revenue	EV / LTM EBITDA	
				Location	Enterprise Value	LTM Revenue			LTM EBITDA
Jul-19	Laboratoires FILORGA Cosmétiques SAS	Laboratoires FILORGA Cosmétiques SAS develops anti-aging skin care products	Colgate-Palmolive Company	France	\$1,707.0	NA	NA	NA	
Jun-19	Trimb Healthcare	Karo Pharma will Trimb Healthcare from Avista Capital Holdings. Karo will take ownership of all Trimb brands	Karo Pharma	Sweden	360.6	\$98.6	\$15.9	3.7x	22.7x
Jun-19	Nestlé Skin Health	Nestlé Skin Health S.A. offers a range of medical and consumer skin health products.	EQT Partners	Switzerland	10,501.1	2,882.6	500.1	3.6x	21.0x
Feb-19	OTC-Business of Moberg Pharma AB	Divestment of OTC portfolio including Kerasal, New Skin, Dermoplast, Domeboro, Emtrix, and Zanmira	RoundTable Healthcare & Signet Healthcare Partners	Sweden	155.0	48.8	11.0	3.2x	14.1x
Dec-18	Nutrisystem	Nutrisystem, provides weight management products and services for women and men in the United States	Tivity Health	USA	1,340.7	692.7	88.4	1.9x	15.2x
Oct-18	SlimFast/Health and Nutrition Systems	SlimFast/Health and Nutrition Systems offers weight management, and health and wellness products.	Glanbia	USA	350.0	NA	NA	NA	NA
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	Nutraceutix	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	\$355.3	\$98.6	\$15.9	3.2x	15.2x
Mean	4,246.5	1,272.5	124.8	3.3x	17.1x
Min	50.0	19.1	8.6	1.9x	12.5x
Max	35,665.9	9,909.3	500.1	5.4x	22.7x

Consumer Health – Trading Comps

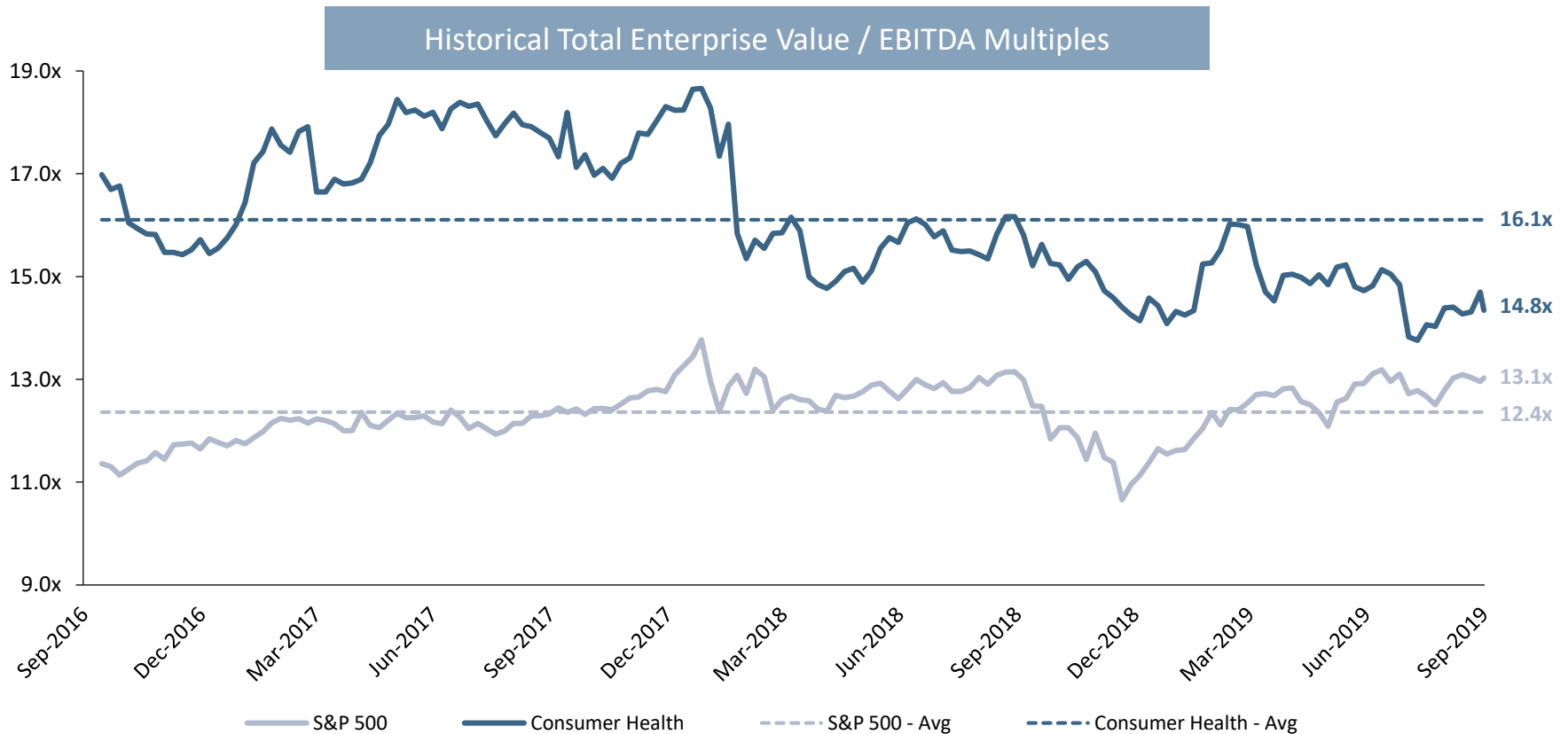
Consumer Health - Trading Comps

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	\$1,041.6	\$430.7	\$64.9	\$57.2	58.4%	15.1%	13.3%	2.4x	16.1x	18.2x	8.0%	8.6%	1.3x
Boiron SA	ENXTPA:BOI	424.3	660.4	131.1	102.6	55.5%	19.8%	15.5%	0.6x	3.2x	4.1x	4.0%	2.8%	0.1x
Church & Dwight Co., Inc.	NYSE:CHD	20,956.0	4,236.1	969.0	823.5	44.5%	22.9%	19.4%	4.9x	21.6x	25.4x	11.4%	12.8%	2.5x
Medifast, Inc.	NYSE:MED	1,102.9	638.1	93.2	89.3	75.6%	14.6%	14.0%	1.7x	11.8x	12.3x	1.2%	1.1%	0.0x
Nature's Sunshine Products, Inc.	NasdaqCM:NATR	147.3	368.2	22.0	12.2	73.9%	6.0%	3.3%	0.4x	6.7x	12.1x	19.9%	17.8%	1.3x
Nu Skin Enterprises, Inc.	NYSE:NUS	2,449.9	2,605.7	401.4	319.8	76.5%	15.4%	12.3%	0.9x	6.1x	7.7x	21.6%	23.1%	1.3x
Prestige Consumer Healthcare Inc.	NYSE:PBH	3,450.3	954.0	329.6	299.2	58.0%	34.6%	31.4%	3.6x	10.5x	11.5x	52.1%	106.8%	5.5x
Reckitt Benckiser Group plc	LSE:RB.	66,718.3	16,137.4	4,822.5	4,410.8	60.5%	29.9%	27.3%	4.1x	13.8x	15.1x	23.5%	29.4%	3.2x
Median						59.4%	17.6%	14.8%	2.1x	11.1x	12.2x	15.6%	15.3%	1.3x
Mean						62.9%	19.8%	17.1%	2.4x	11.2x	13.3x	17.7%	25.3%	2.2x
Min						44.5%	6.0%	3.3%	0.4x	3.2x	4.1x	1.2%	1.1%	0.0x
Max						76.5%	34.6%	31.4%	4.9x	21.6x	25.4x	52.1%	106.8%	5.5x

- In the Consumer Health space, the median EV / Sales and EV / EBITDA are 2.1x and 11.1x respectively

Valuation Trends – Last 3 Years

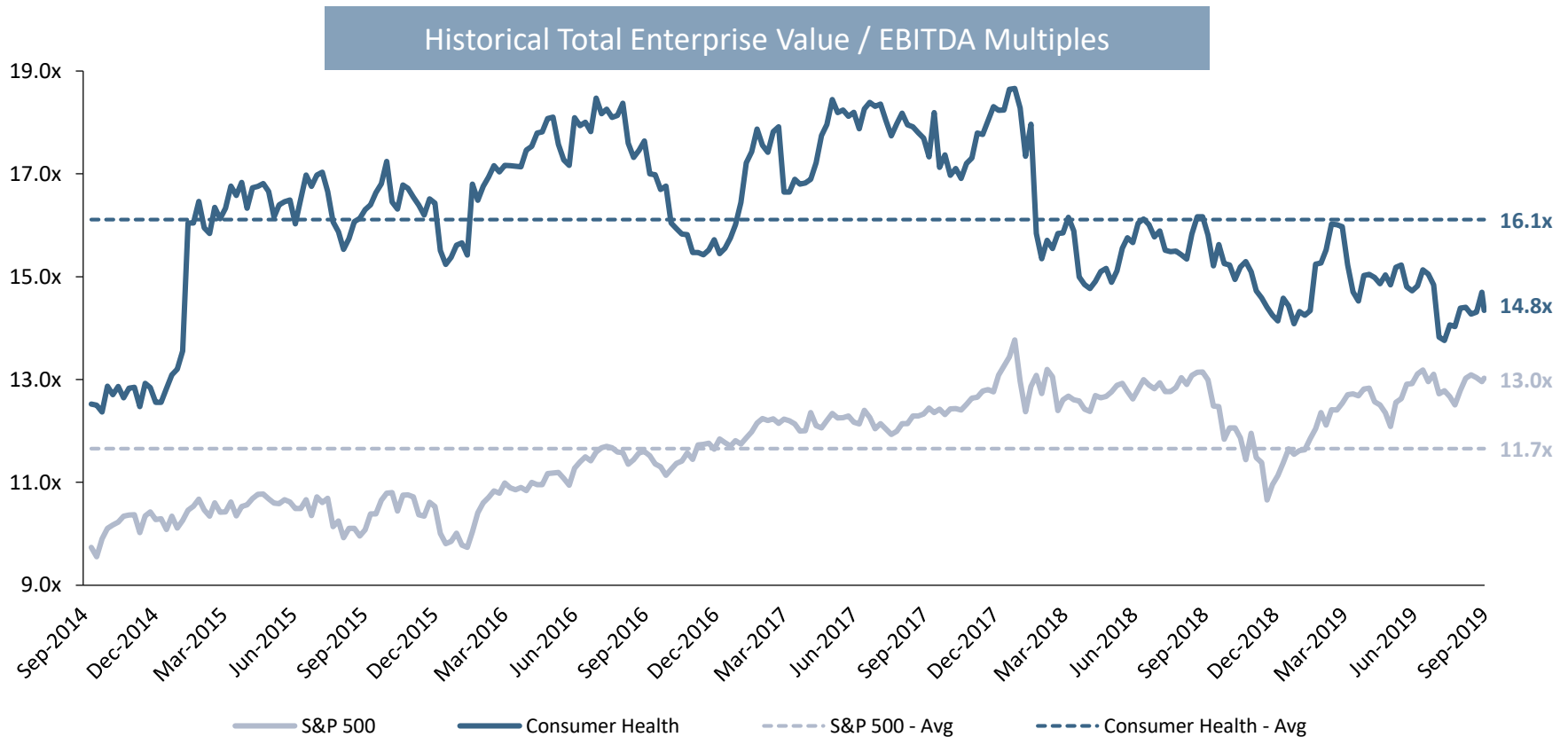


- The current Consumer Health EV / EBITDA multiple sits at 14.8x – a decline over the 3 year period
- The current sector EV / EBITDA multiple still remains above the S&P 500 EV / EBITDA multiple

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 Q3 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 below 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.)

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

- Below are the current EV / EBITDA multiples for each sector:
 - Consumer Health: 14.8x (10.1% above current S&P 500 multiples)
 - S&P 500: 13.0x
- Below are the average EV / EBITDA multiples for each sector over the last 3-5 years:
 - Consumer Health: the current multiple is -10.9% below its 3 year average, -11.0% below its 5 year average
 - S&P 500: 11.7x (5 year average), 12.4x (3 year average)
- Below are the % change in EV / EBITDA multiples for each sector over the last 3-5 years (and LTM):
 - Consumer Health: +14.5% in the last 5 years, -15.6% in the last 3 years (-11.3% LTM)
 - S&P 500: +33.8% in the last 5 years, +14.7% in the last 3 years (-0.49% LTM)