

# Market Update

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Consumer Health

Q2 2024

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# Bourne's Consumer Health Expertise

## Consumer Health Sector Expertise



### Transaction Experience

Sell-Side & Buy-Side M&A  
Product & Portfolio Transactions



Capital Raising  
Global In / Out-Licensing



### Subsector Expertise

Over-the-Counter Medicine  
Vitamins, Minerals & Supplements



Personal Care & Wellness



Functional Ingredients  
Manufacturing (CDMO/CMO)  
Packaging / Distribution / Logistics  
Commercialization Services

## Consumer Health Strategic Advisors



**Scott Emerson**, *Strategic Advisor*  
Founder & CEO of The Emerson group  
30+ years of industry experience  
Relationships with all major retailers and brands



**Bruce Montgomery**, *Strategic Advisor*  
Former Head of Commercial at Fleet Laboratories  
30+ years of consumer & retail experience  
Strong history of developing and growing brands



Pharma



Pharma  
Services




Healthcare  
Services




Consumer  
Healthcare

## Representative Consumer Health Transactions



has been acquired by



Sell-Side M&A



has been acquired by



Sell-Side M&A



has sold its consumer CDMO operations to



Sell-Side M&A



has been acquired by



Buy-Side M&A



has been acquired by



Buy-Side M&A



has been acquired by



Sell-Side M&A

# Section One

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## Consumer Health Update

i. Market Update & Outlook

ii. Relevant Transactions

iii. Bourne Public Comps

iv. Bourne Biopharmaceutical Indices



# Consumer Health Market Update

## Sector Thesis

Growth of the Consumer Health market (valued at \$350B) is being driven an aging population, an elevated focus on preventive healthcare, and an expanding middle class. However, growth trends have been obfuscated by volatility caused by the COVID-19 pandemic. In our view, many larger consumer companies have not focused on innovation, creating an opportunity for middle-market brand aggregators. These middle-market brand aggregators, in turn, have successfully embraced social media, influencer marketing, and AI-driven sales strategies.

### Over-the-Counter (OTC) Medicine

- The OTC market has experienced significant volatility due to the impact of the COVID-19 pandemic on demand for cough, cold, and flu products. Demand trends are starting to normalize in 2024.
- Rx-to-OTC switches have been a focus in the OTC market. The FDA has been actively encouraging Rx-to-OTC switches, and brands scheduled to come off-patent could be profitable targets.
- Women’s health products are growing faster than the overall OTC market, and the recent Rx-to-OTC switch of Perrigo’s contraceptive, Opill, has created a new category in this space.

### Vitamins, Minerals & Supplements (VMS)

- VMS demand has normalized to a historical growth rate in the mid-single digits. Post-COVID, general awareness of preventive health has continued to be an underlying driver of demand.
- Nutritional support programs and active lifestyle supplements, including proteins and multivitamins, are emerging as a new driver among a growing number of patients using GLP-1 medications.

### Personal Care & Wellness (PCW)

- The PCW market exceeds \$5B+ annually, with an expected annual growth of ~6%. The market consists of a very broad spectrum of products ranging from health, appearance, fitness, nutrition, mindfulness, and sleep -- beyond the traditional categories of OTC and VMS.
- We have been monitoring the ongoing trend towards “clean” personal care -- consisting of shampoos, deodorants, beauty supplies, and other products being made with natural ingredients. This a largely unregulated term created in response to the otherwise limited regulation in many of these industries.

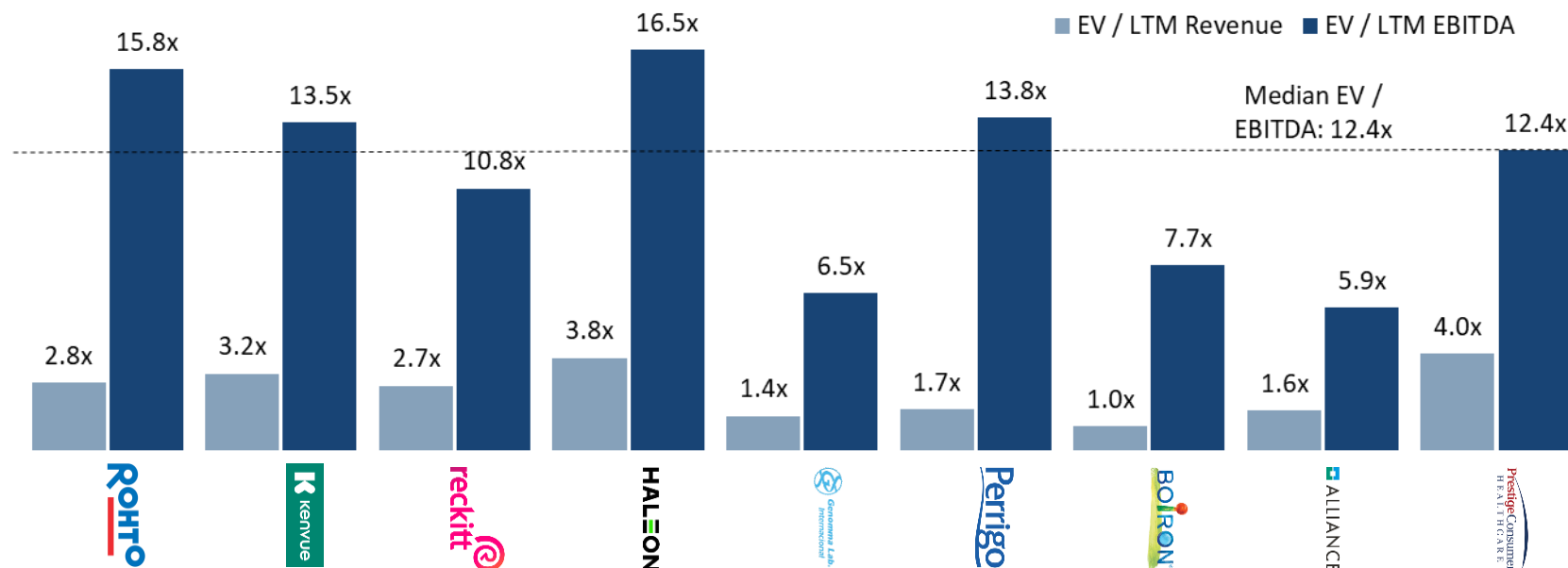
### Select Market Players



# Select Consumer Health Transactions

Date	Target	Acquirer	Commentary	Tags	Deal Values
May-2024	PURA COLLAGEN	VC vector consumer	The acquisition aligns with Vector Consumer's goal to become a leading authority in the collagen industry	VMS	Undisclosed
May-2024	LUCASMEYER COSMETICS	CLARIANT	Enhancing Clariant's presence in the cosmetic market, supporting its growth strategy and innovation	Personal Care	\$810M
Jan-2024	ChapStick	Suave PROFESSIONALS	Expanding Suave's market presence in the lip care segment by leveraging ChapSticks's brand recognition	Personal Care	\$510M
Jan-2024	Viactiv	Doctor's BEST Science-Based Nutrition	Expanding the Doctor's Best's retail distribution and providing more convenient, tasty supplement options	VMS	\$17M
Oct-2023	FOCUS consumer healthcare	KOBAYASHI	The acquisition represents Kobayashi's strategy to expand its international presence	OTC	\$75M
Jun-2023	ARIO health	ARCADIA CONSUMER HEALTHCARE	The acquisition will enhance Arcadia's portfolio of high-quality products and solutions	OTC	\$397M
Apr-2023	A+D <sup>®</sup> Solarcaine <sup>®</sup> Cortate <sup>®</sup> Complex 15 <sup>®</sup>	WellSpring CONSUMER HEALTHCARE	WellSpring's strategy to expand product offerings by adding established OTC brands to its portfolio	OTC	Undisclosed
Jan-2023	soylent	STARCO brands	Starco Brands continues to invent and acquire behavior-changing technologies and brands	VMS	\$67M
Aug-2022	CLIF BAR	Mondelēz International	Mondelez aims to gain significant top-line synergies, including deeper distribution and channel expansion	Personal Care	\$2.6B
Dec-2021	TheraBreath PROFESSIONAL FORMULA	CHURCH & DWIGHT CO., INC.	TheraBreath <sup>®</sup> represents a powerful addition to Church & Dwight's existing oral care portfolio	OTC	\$556M

## Bourne Comps - Over-the-Counter (OTC) Medicine

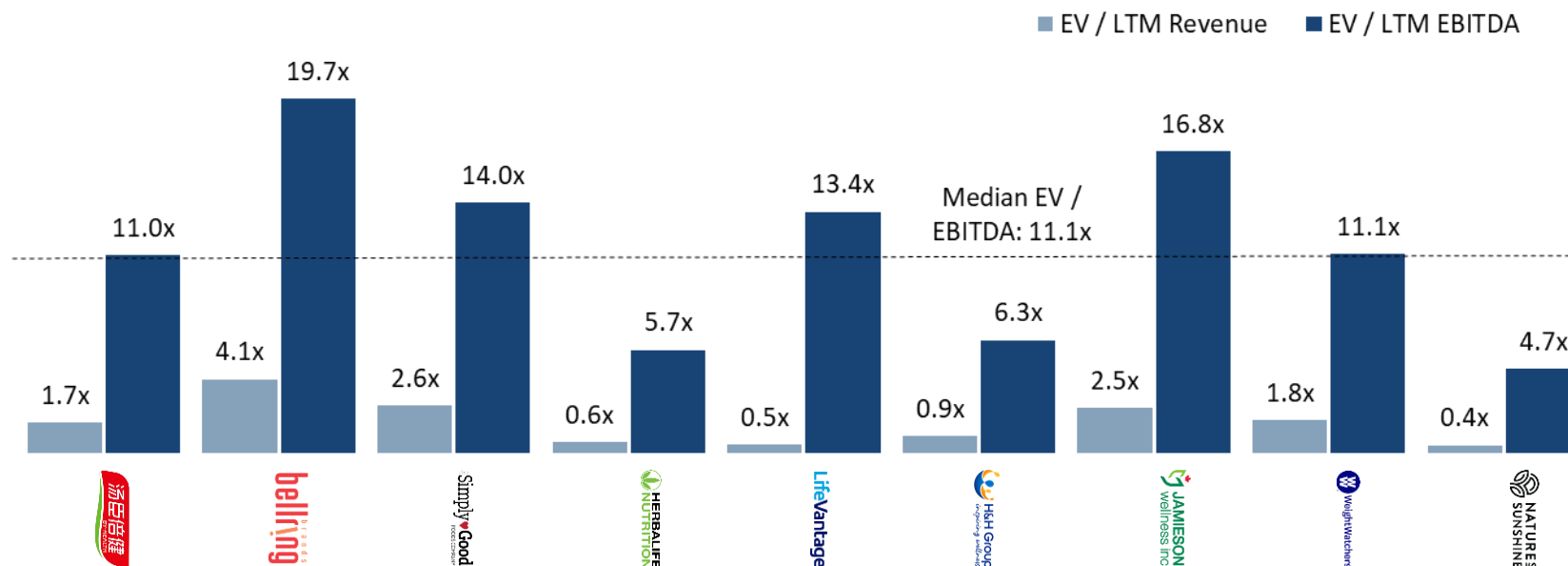


Company Name	Market Cap	Total Debt	Cash & Cash Eqv	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
<b>OTC</b>								
Rohto Pharmaceutical Co.,Ltd.	\$4,988	\$285	\$458	\$4,816	\$1,728	\$2,135	2.8x	15.8x
Kenvue Inc.	41,502	8,606	1,014	49,094	15,475	15,994	3.2x	13.5x
Reckitt Benckiser Group plc	38,389	11,243	1,246	48,386	18,108	18,730	2.7x	10.8x
Haleon plc	43,589	11,439	671	54,356	14,228	14,918	3.8x	16.5x
Genomma Lab Internacional, S.A.B. de C.V.	1,008	353	57	1,303	918	973	1.4x	6.5x
Perrigo Company plc	3,776	4,262	543	7,495	4,428	4,584	1.7x	13.8x
Boiron SA	620	15	82	554	545	560	1.0x	7.7x
Alliance Pharma plc	257	150	29	378	230	245	1.6x	5.9x
Prestige Consumer Healthcare Inc.	3,397	1,103	34	4,466	1,113	1,147	4.0x	12.4x
<b>Mean (Equal Weighted)</b>					<b>\$6,308</b>	<b>\$6,587</b>	<b>2.5x</b>	<b>11.4x</b>
<b>Median (Equal Weighted)</b>					<b>\$1,728</b>	<b>\$2,135</b>	<b>2.7x</b>	<b>12.4x</b>

Note: Market values as of the close of business August 16, 2024.

Source: S&P Global Market Intelligence

# Bourne Comps - Vitamins, Minerals & Supplements (VMS)



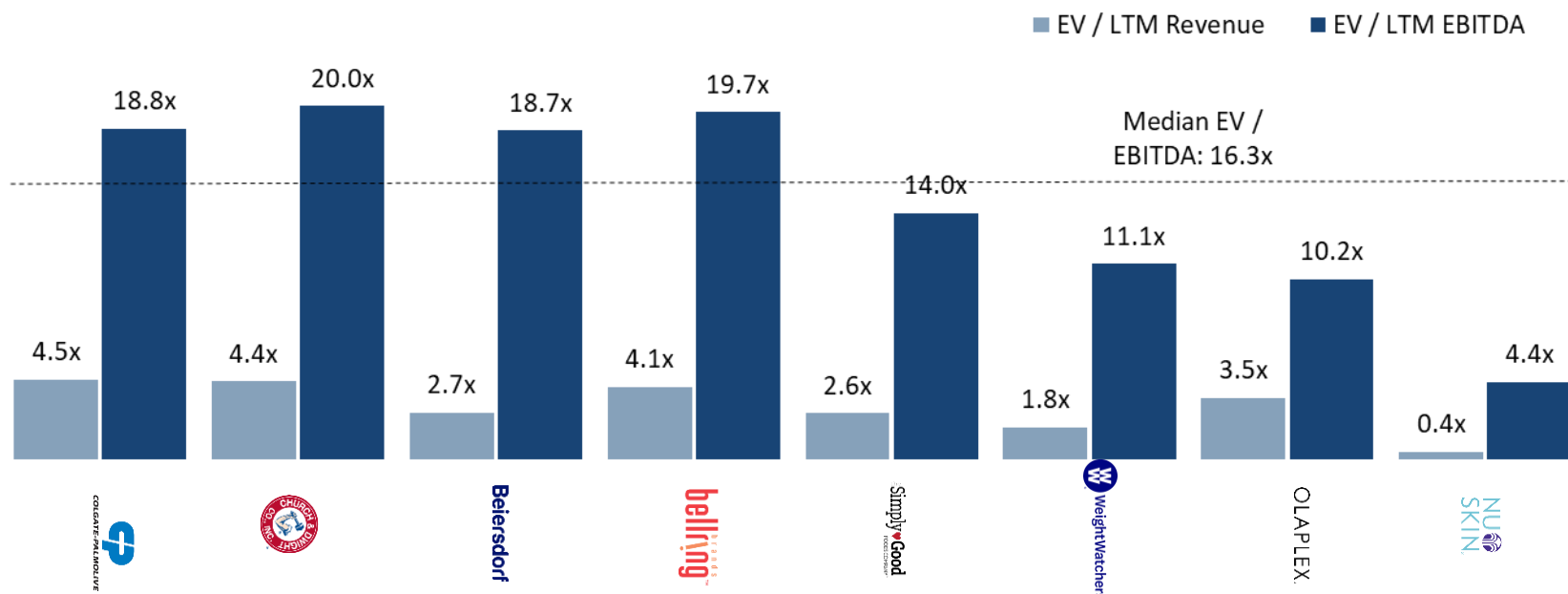
Company Name	Market Cap	Total Debt	Cash & Cash Eqv	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
<b>VMS</b>								
Byhealth Co., Ltd	2,638	23	714	1,946	1,159	1,541	1.7x	11.0x
BellRing Brands, Inc.	7,097	839	73	7,863	1,913	2,149	4.1x	19.7x
The Simply Good Foods Company	3,300	277	209	3,369	1,276	1,471	2.6x	14.0x
Herbalife Ltd.	837	2,553	374	3,016	5,042	5,097	0.6x	5.7x
LifeVantage Corporation	102	14	17	98	205	203	0.5x	13.4x
Health and Happiness (H&H) International Holc	720	1,301	204	1,817	1,964	2,054	0.9x	6.3x
Jamieson Wellness Inc.	947	328	17	1,258	500	572	2.5x	16.8x
WW International, Inc.	73	1,487	43	1,517	829	722	1.8x	11.1x
Nature's Sunshine Products, Inc.	243	15	69	189	442	452	0.4x	4.7x
<b>Mean (Equal Weighted)</b>					<b>\$1,481</b>	<b>\$1,585</b>	<b>1.7x</b>	<b>11.4x</b>
<b>Median (Equal Weighted)</b>					<b>\$1,159</b>	<b>\$1,471</b>	<b>1.7x</b>	<b>11.1x</b>

Note: Market values as of the close of business August 16, 2024.

Source: S&P Global Market Intelligence



## Bourne Comps - Personal Care & Wellness (PCW)



Company Name	Market Cap	Total Debt	Cash & Cash Eqv	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
<b>PC&amp;W</b>								
Colgate-Palmolive Company	83,335	8,676	1,335	90,676	19,989	20,516	4.5x	18.8x
Church & Dwight Co., Inc.	24,484	2,420	492	26,412	5,998	6,191	4.4x	20.0x
Beiersdorf Aktiengesellschaft	30,621	–	3,075	27,546	10,378	11,224	2.7x	18.7x
BellRing Brands, Inc.	7,097	839	73	7,863	1,913	2,149	4.1x	19.7x
The Simply Good Foods Company	3,300	277	209	3,369	1,276	1,471	2.6x	14.0x
WW International, Inc.	73	1,487	43	1,517	829	722	1.8x	11.1x
Olaplex Holdings, Inc.	1,377	653	508	1,522	438	459	3.5x	10.2x
Nu Skin Enterprises, Inc.	487	529	242	773	1,844	1,775	0.4x	4.4x

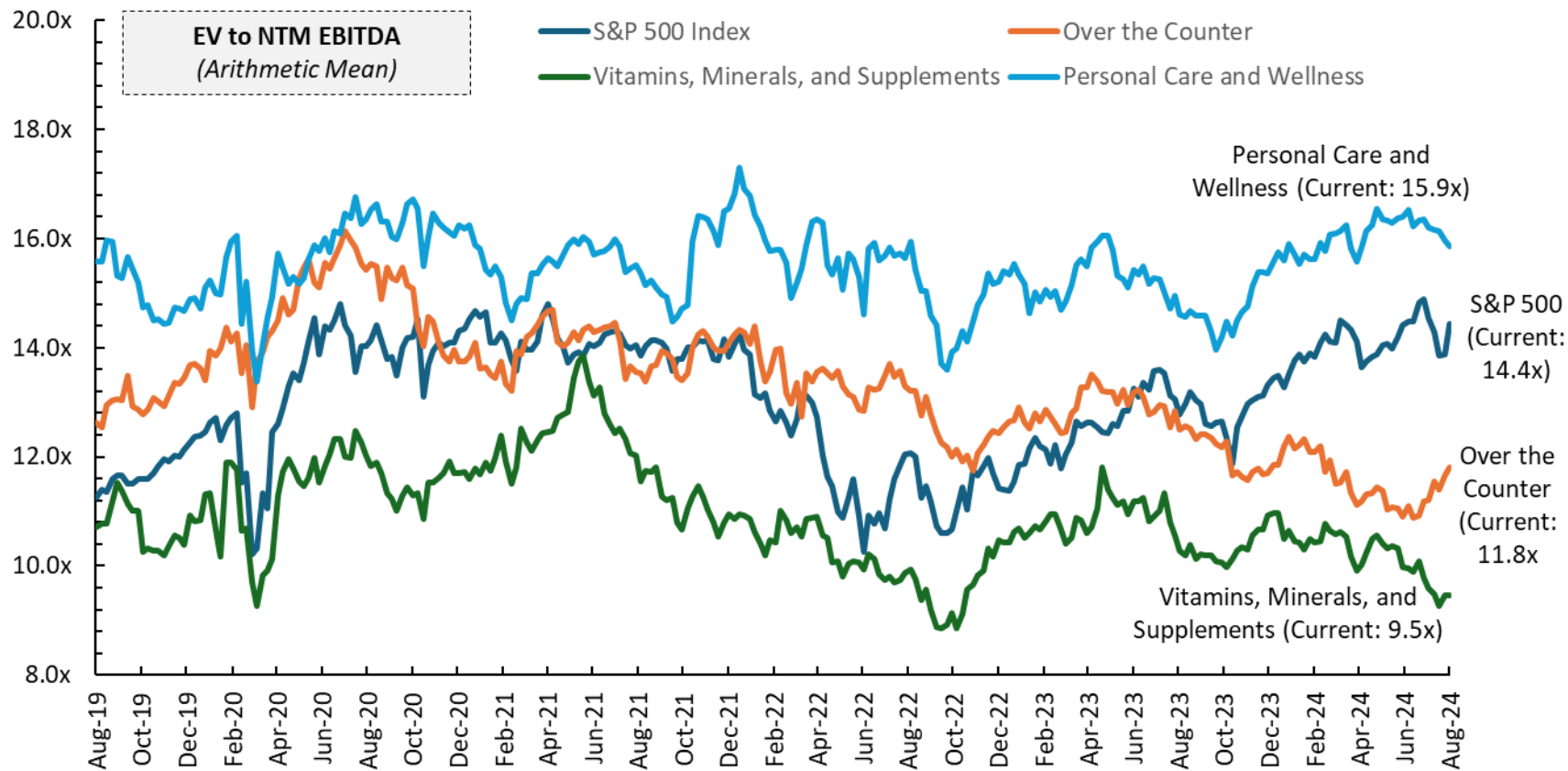
<b>Mean (Equal Weighted)</b>	<b>\$5,333</b>	<b>\$5,563</b>	<b>3.0x</b>	<b>14.6x</b>
<b>Median (Equal Weighted)</b>	<b>\$1,878</b>	<b>\$1,962</b>	<b>3.1x</b>	<b>16.3x</b>

Note: Market values as of the close of business August 16, 2024.

Source: S&P Global Market Intelligence



# Bourne Consumer Health Indices



Note: Market values as of the close of business August 16, 2024.  
Source: S&P Global Market Intelligence

# Section Two

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## Bourne Partners

i. Thought Leadership

ii. Bourne Partners Overview

iii. Investment Bank Overview



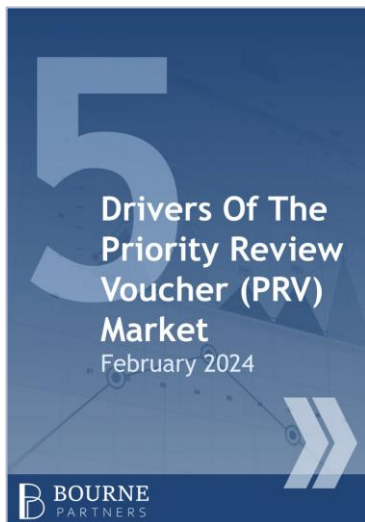
# Thought Leadership

## Bourne Perspective

After 20+ years of exclusive industry and capital markets coverage, we know the space and we are committed to providing actionable insights to our clients. We provide cutting-edge thought leadership on all things Pharma, Pharma Services, and Consumer Health.

Through leveraging resources and insights of both Bourne Partners Strategic Capital and Investment Banking divisions, **we provide differentiated perspectives to our clients from our unique vantage point.** Our goal is to deliver heavy-hitting, timely reports in an easy-to-read format tailored specifically for executives within our industry coverage.

### Market Updates



### Conference Commentary



### Industry Update Posts



### Weekly Newsletter

Week of May 28, 2024 | Vol. 13, Issue 22

## INSIGHT

Newsletter  
Recent Trends & Transactions

**In This Issue**

- Upcoming Events
- Industry Activity
- Market Research
- M&A Pipeline
- Featured Headlines
- Recent Transactions

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*Senior Managing Director, Head of Investment Banking*

About

Research

#### Industry Snapshot

Week Ending	Total Transactions	Aggregate Reported Deal Value (USD in \$mm)
May 4	~140	~\$100
May 11	~160	~\$110
May 18	~110	~\$80
Last Week	~100	~\$70

■ Total Transactions  
■ M&A Transactions  
■ Public Offerings  
— Aggregate Reported Deal Value

### Market Reports



### Sector Updates





# Bourne Partners Overview

## Our Service Offering

For over twenty years, Bourne Partners has focused exclusively on providing investment banking advisory services and making direct investments in the Pharmaceutical, Pharma Services, Pharmacy Services, and Consumer Health and Wellness industries. Since 2015, we have successfully executed on **over \$10B** in transactions, having worked with many leading companies and private equity investors in these core focus areas.

## Investment Banking

### Mergers and Acquisitions

Sell-side and buy-side assignments  
Transaction Experience: \$10M - \$3.5B

### Capital Sourcing

Debt / Equity / Hybrid  
\$10 - \$500 million raises

### Business Development Support

Development stage and approved products  
Local and international

## Strategic Capital

### Investment Focus

Direct investments in private companies  
Selective approach in vital focus areas

### Other Criteria

Cash flow positive opportunities  
Complex situations with creative structures  
Actionable growth stage or middle market business  
Flexible investment targets with established private equity relationships

## Geographic Coverage



## Sector Expertise



# Investment Banking Overview

Bourne Partners Investment Banking provides investment banking services within the healthcare and life sciences sector for external clients as well as our portfolio companies.

## Value Beyond the Deal

### Total Perspective

Experience advising, investing in, building, operating, buying, and selling companies  
Unmatched 360° perspective for every project

### Uncompromised Service

Direct involvement of senior management throughout process  
High level of attention regardless of transaction value

### Global Reach

Experience working with companies around the globe  
Extensive network of potential international buyers

## Focus Areas



## Select Recent Tombstones

 has been acquired by 	 has sold its consumer CDMO operations to 	 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been recapitalized by 
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## Partners, Sponsors, and Lenders



## Recent Clients & Counterparties





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