

Market Update

Consumer Health Post-3Q 2024 Update

November 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

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.

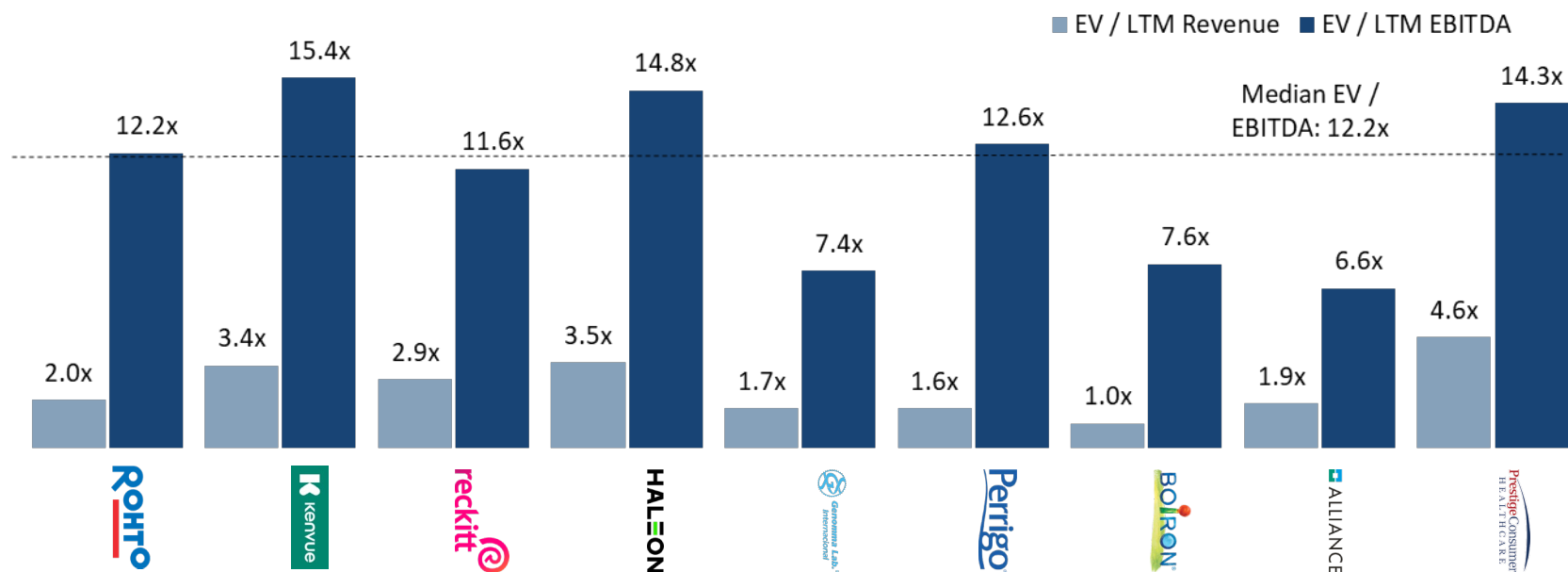
Select Market Players



Select Consumer Health Transactions

Date	Target	Acquirer	Commentary	Tags	Deal Values
Aug-2024	 REVANCE THERAPEUTICS	 CROWN	Aesthetic and therapeutic offerings, including DAXXIFY for injection and the RHA Collection of dermal fillers	Personal Care	\$1,212M
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® Solarcaine® Cortate® Complex 15®	 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	 BAR CLIF	 Mondelēz International	Mondelez aims to gain significant top-line synergies, including deeper distribution and channel expansion	Personal Care	\$2.6B

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

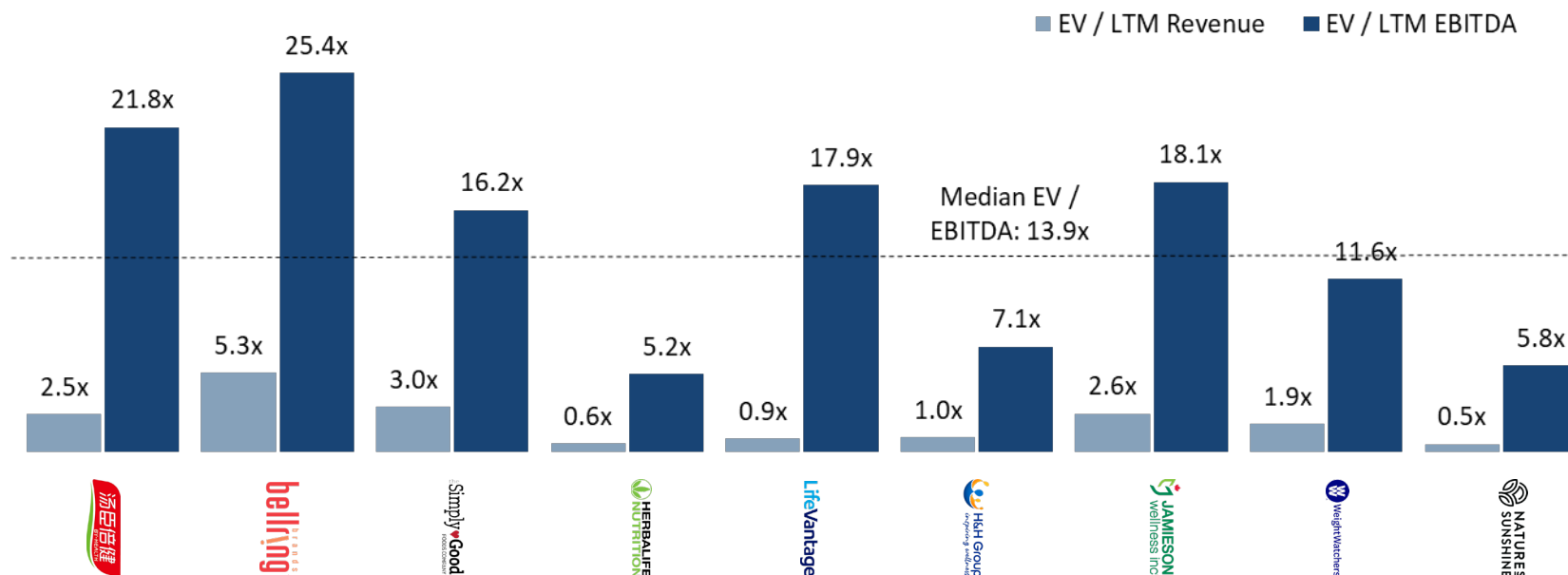


Company Name	Market Cap	Total Debt	Cash & Cash Eqv	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
OTC								
Rohto Pharmaceutical Co.,Ltd.	\$4,044	\$311	\$450	\$3,905	\$1,969	\$2,193	2.0x	12.2x
Kenvue Inc.	45,266	8,827	1,057	53,036	15,459	15,945	3.4x	15.4x
Reckitt Benckiser Group plc	41,524	11,506	1,246	51,783	18,108	18,276	2.9x	11.6x
Haleon plc	41,890	12,131	712	53,309	15,065	14,429	3.5x	14.8x
Genomma Lab Internacional, S.A.B. de C.V.	1,239	336	93	1,482	892	947	1.7x	7.4x
Perrigo Company plc	3,674	4,989	1,462	7,200	4,392	4,599	1.6x	12.6x
Boiron SA	568	16	57	527	516	520	1.0x	7.6x
Alliance Pharma plc	322	134	24	431	231	239	1.9x	6.6x
Prestige Consumer Healthcare Inc.	4,090	1,061	52	5,100	1,111	1,146	4.6x	14.3x
Mean (Equal Weighted)					\$6,416	\$6,477	2.5x	11.4x
Median (Equal Weighted)					\$1,969	\$2,193	2.0x	12.2x

Note: Market values as of the close of business November 15, 2024.

Source: S&P Global Market Intelligence

Bourne Comps - Vitamins, Minerals & Supplements (VMS)

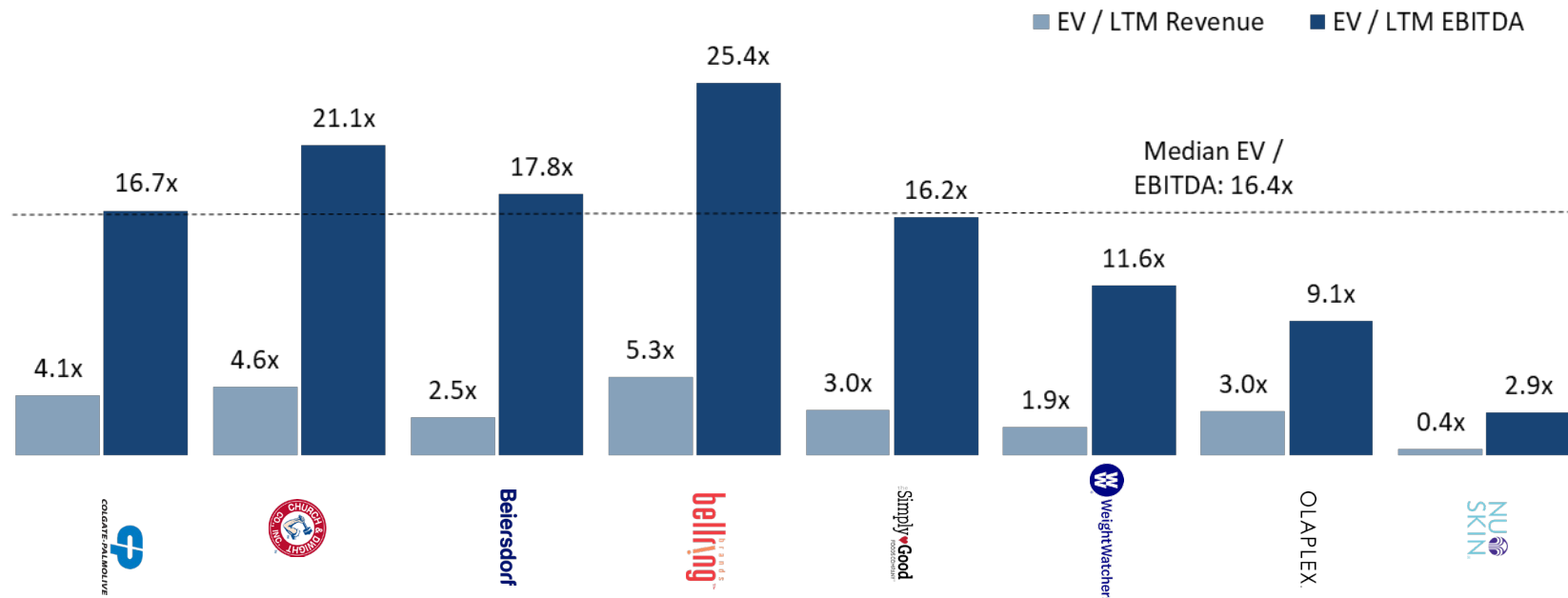


Company Name	Market Cap	Total Debt	Cash & Cash Eqv	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
VMS								
Byhealth Co., Ltd	3,015	102	471	2,645	1,049	1,244	2.5x	21.8x
BellRing Brands, Inc.	9,366	839	73	10,133	1,913	2,160	5.3x	25.4x
The Simply Good Foods Company	3,740	437	133	4,045	1,331	1,460	3.0x	16.2x
Herbalife Ltd.	777	2,471	403	2,845	5,001	5,038	0.6x	5.2x
LifeVantage Corporation	173	13	15	172	196	207	0.9x	17.9x
Health and Happiness (H&H) International Holc	800	1,320	335	1,785	1,877	1,936	1.0x	7.1x
Jamieson Wellness Inc.	1,048	335	31	1,351	525	575	2.6x	18.1x
WW International, Inc.	75	1,485	57	1,504	807	702	1.9x	11.6x
Nature's Sunshine Products, Inc.	296	15	79	232	445	454	0.5x	5.8x
Mean (Equal Weighted)					\$1,460	\$1,531	2.0x	14.3x
Median (Equal Weighted)					\$1,049	\$1,244	1.9x	16.2x

Note: Market values as of the close of business November 15, 2024.

Source: S&P Global Market Intelligence

Bourne Comps - Personal Care & Wellness (PCW)



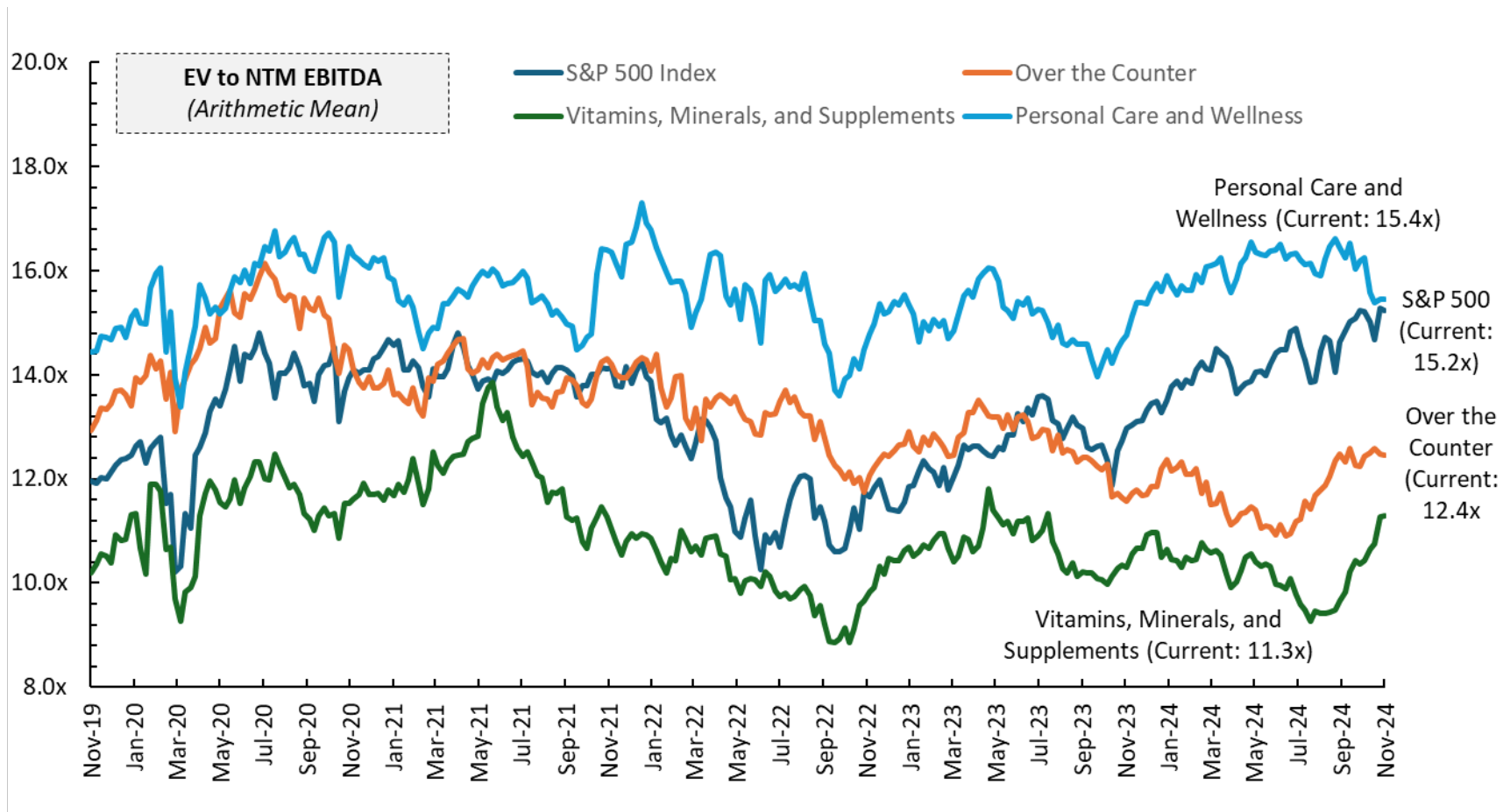
Company Name	Market Cap	Total Debt	Cash & Cash Eqv	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
PC&W								
Colgate-Palmolive Company	74,716	8,436	1,494	81,658	20,106	20,599	4.1x	16.7x
Church & Dwight Co., Inc.	26,430	2,413	752	28,091	6,053	6,264	4.6x	21.1x
Beiersdorf Aktiengesellschaft	29,402	–	3,075	26,327	10,378	10,741	2.5x	17.8x
BellRing Brands, Inc.	9,366	839	73	10,133	1,913	2,160	5.3x	25.4x
The Simply Good Foods Company	3,740	437	133	4,045	1,331	1,460	3.0x	16.2x
WW International, Inc.	75	1,485	57	1,504	807	702	1.9x	11.6x
Olaplex Holdings, Inc.	1,167	652	539	1,280	434	408	3.0x	9.1x
Nu Skin Enterprises, Inc.	357	531	244	644	1,775	1,737	0.4x	2.9x
Mean (Equal Weighted)					\$5,350	\$5,509	3.1x	15.1x
Median (Equal Weighted)					\$1,844	\$1,948	3.0x	16.4x

Note: Market values as of the close of business November 15, 2024.

Source: S&P Global Market Intelligence



Bourne Consumer Health Indices



Note: Market values as of the close of business November 15, 2024.
 Source: S&P Global Market Intelligence

Section Two

A modern conference room with a large wooden table and black chairs, overlooking a city skyline with skyscrapers. The room is brightly lit, and the view outside shows a dense urban environment with various buildings, including one with a prominent 'REGIONS' sign.

Bourne Partners

i. Thought Leadership

ii. Bourne Partners Overview

iii. Investment Bank Overview



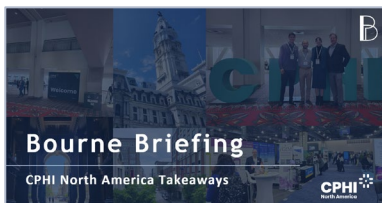
Thought Leadership

Bourne Perspective

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

Conference Commentary



Industry Update Posts



Weekly Newsletter

INSIGHT

Newsletter
Recent Trends & Transactions

In This Issue

- Upcoming Events
- Bourne Insights
- Trading Comps
- Market Research
- Active Deal Contacts
- Select Transactions

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[About](#)

[Research](#)

Global Healthcare Transaction Activity

Week Ending	M&A Transactions	Public Offerings	Private Placements	Aggregate Reported Deal Value
October 26	~180	~10	~10	~190
November 2	~150	~10	~10	~160
November 9	~180	~10	~10	~190
Last Week	~150	~10	~10	~160

Source: Data aggregated from S&P Global Intelligence. Click above for more details.

White Papers

Marketplace Deep Dive Reports



Bourne Brief

Incremental Insights into Clinical Trial Site Networks

Key Take-Aways from the SCRS Global Site Solutions Summit

The Bourne Partners team attended the Society of Clinical Research Sites (SCRS) 2024 Global Site Solutions Summit in Paris this week to get incremental visibility into the trends impacting the clinical trial site space. We continue to expect ongoing consolidation of clinical trial sites into larger site networks (or site management organizations) in the coming years. In our view, the rise of the site networks is bringing much-needed experience of scale to an otherwise fragmented universe of standalone clinical trial sites.

For more discussion, see our recent research report: [Clinical Trial Site Networks: Market Research Update](#) (September 2024).

Take Away 1:

A Challenging Environment for Standalone Clinical Trial Sites

We see the clinical trial site landscape as overly fragmented, mostly consisting of single standalone sites that lack the economics of scale to absorb rising labor costs, the increasing burdens of information technology adoption, and the administrative challenges of supporting more complex clinical trials. Our thesis was reinforced by our attendance at the Summit this year. Data from the SCRS Annual Site Landscape Survey (released at the Summit) confirmed that standalone sites are indeed struggling financially. A third of the sites in the survey reported lower than one-year profit margins, and each revenue. And, half (50%) of clinical trial sites in the survey reported having less than three months of operating capital (cash on hand) in the bank. Refer to Figure 1.

Figure 1: Many Standalone Clinical Trial Sites Are Operating on "Shaky String" Budgets

Clinical Trial Sites: Healthy Observations

- 50% of standalone sites report lower than one-year profit margins
- 50% of standalone sites report lower than one-year profit margins
- 50% of standalone sites report lower than one-year profit margins

Also, almost a third (33%) of standalone sites reported lower operating capital (cash on hand) in the bank.

Less Than One Year Total One Year Two Years Three Years Four Years Five Years

Source: The Society for Clinical Research Sites (SCRS) Annual Site Landscape Survey (September 2024) and Bourne Partners

More specifically, we heard three common challenges at the panel discussions at the Summit that seem to be exacerbating the financial struggles of standalone sites. First, more often than not, sites are not getting fully funded by sponsors for their patient recruitment costs. This has resulted in many sites having to dip into their own cash reserves. We think site networks are better able to pool advertising and marketing resources and extend outreach campaigns across broader geographies. So, we suspect this has been more of a problem for standalone sites. A second area of financial pressure is time-consuming and costly screen fails, e.g., situations when a site goes through the entire screening process for a patient only to find an inconclusive data point that disqualifies the patient. A simple fix here would be to negotiate payments on a "per procedure" basis. Finally, payment schedules continue to be suboptimal. A solid majority of clinical trial sites (72%) prefer monthly payment schedules, but only 38% are able to negotiate them. Adding to this, withholding rates remain high, which is resulting in sites not getting paid for a portion of their work for several years (often after the study is closed). Refer to Figures 2 and 3.

September 30, 2024



Bourne Partners Overview

Bourne Partners is a leading healthcare-focused investment bank headquartered in Charlotte, NC. Since 2001, Bourne has been offering a unique perspective and unmatched expertise while remaining highly focused on fulfilling the needs of established middle market healthcare companies across the globe

Our Passion

*“Working with **great people** and **great companies** to achieve **extraordinary results.**”*

Highly-focused Firm



PHARMA & LIFE SCIENCES



PHARMA SERVICES



PHARMACY SERVICES



HEALTHCARE SERVICES

Comprehensive Healthcare Service Offering

Mergers & Acquisitions		Capital Raising	
Sell-Side Assignments	Buy-Side Assignments	Debt	Equity
Company & Product Focus	\$50M to \$1B+ Enterprise Value	Alternative Options	\$20M to \$1B+ Capital Raises
Business Development Services		Strategic Initiatives & Consulting	
Partnerships in U.S. / Abroad	In and Out-Licensing	Strategy & Management	Sales/Marketing, Operations

Value-add Advisors With A Global Reach

\$15B+ Successful Transactions

6 Continents

20+ Year Track Record





Investment Banking Overview

Bourne Partners Investment Banking provides investment banking services within the healthcare and life sciences sectors 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 through the 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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