



# HEALTH & WELLNESS REPORT

Explore M&A Activity, Capital Market  
Conditions and Current Trends for the  
Health & Wellness Industry



2H 2019

**SDR***Ventures*

**720.221.9220 | [SDRVENTURES.COM](https://www.sdrventures.com)**

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# HEALTH & WELLNESS REPORT

## HEALTH & WELLNESS 2H19: WHAT TO KNOW

- ❑ Rising generations are dramatically shifting consumers' emphasis on Health & Wellness.
- ❑ The sale of Kylie Cosmetics headlines the continued makeover of the personal care landscape.
- ❑ Is the U.S. going vegan? Not quite, but there are some surprisingly strong tailwinds.

### Juggernaut Generations Take the Helm

Perhaps more than in any other industry, M&A activity in the Health & Wellness industry is driven by the whims of consumer preferences. As younger generations embrace healthy living, preventive care and environmentally ethical lifestyles, expect the sector to continue to cater to those demands. SDR tracked 129 transactions across the industry in 2H 2019, and it is clear that the space has been active and a slowdown does not appear imminent.

As capital flows into the sector, two of the most active segments continue to be vitamins, minerals, and supplements manufacturers (think nutraceuticals, herbs, and powder supplements) and personal care products such as beauty and wellness products.

While there are examples of competitors using mergers as a platform to scale, much of the capital streams come from private equity and unrelated mega players (both public and private) looking to grow established brands. Both private equity and the mega players remain eager to tap into evolving consumer demand for products seen as more "natural," organic, and environmentally responsible. Personal care company Burt's Bees was an early example in both cases. No, it isn't run by that bearded gentleman on the label, he was out of the business by 1999 and died in 2015. His cofounder sold 80% of the company to private equity in 2004 while expanding product lines, and in 2007 Burt's Bees was acquired by publicly-traded Clorox for \$925 million.

The demand is here. The money is here. The Global Wellness Institute pegs the global "wellness economy" at \$4.5 trillion annually. Of that, the nonprofit Research and Education Institute reports physical activity accounts for about \$828 billion and personal care/beauty tops \$1 trillion.

### Consumers: The Young and the Many

A tsunami of new consumers is demanding something new, there are a lot of them, and their voices will be heard. Consumer data researcher Statista reports there are more than 72 million Millennials (ages 24-39). And the next generation, Generation Z is even larger, representing 90.5 million born 1997 and after. The oldest are just turning 23.

This surge of new consumers wants something different. Insurance giant Sanford Health calls Millennials "The Fitness Generation." By the mid-2020s, Millennials will make up 75% of the workforce. For them, wellness is

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## ABOUT SDR

Established in 2002, SDR Ventures has developed deep M&A and capital transaction knowledge and expertise. SDR offers transaction advisory, private capital formation and business consulting services across a wide range of industries. We serve business owners and operators of privately held companies and provide them with a professional-class experience.

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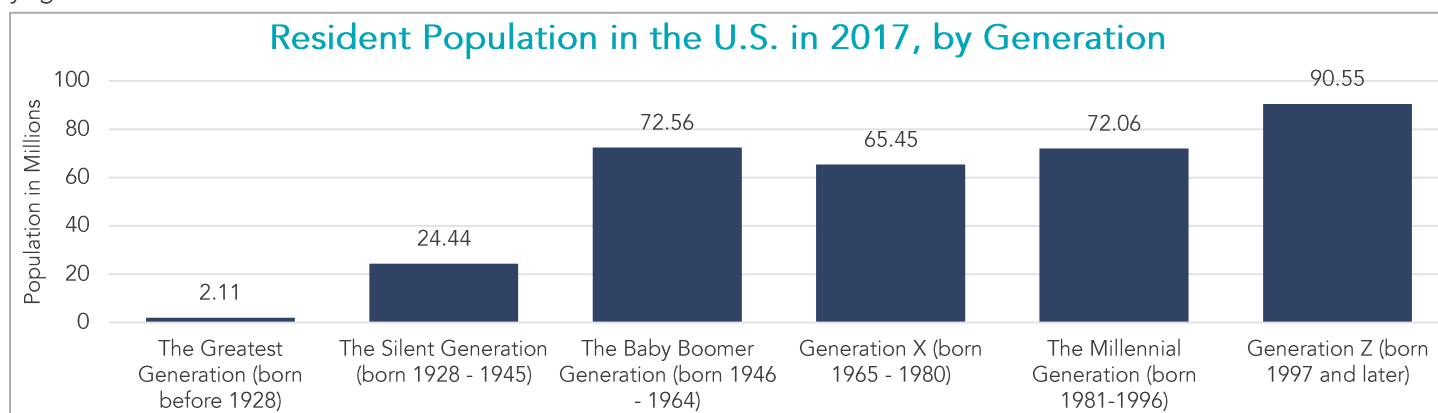
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a daily routine. They eat healthier, smoke less, and exercise more than their predecessors. They make less than the generations before them, but they spend more on health and fitness. As for Gen Z, that even larger wave just cresting in the workforce, an AdAge survey of more than 12,000 college-age students around the world found they prioritize health and wellness as a central part of their lives. About 68% say a well-balanced diet is critical, and 61% say exercise is vital. Even before hitting their higher earning years, Gen Z already commands some \$143 billion in U.S. spending power.

For these emerging generations, “self-care” is a thing. Tufts University found searching “#selfcare” on the social network Instagram turned up over 23 million posts, including lifestyle bloggers doing yoga poses and eating gluten-free frozen yogurt.



## PERSONAL CARE SEGMENT CONTINUES TO LEAD M&A ACTIVITY IN THE SECTOR

Activity in beauty and personal care products remained strong in 2H 2019, with SDR recording 31 transactions in the space, including several mega mergers. Once again, a new generation of consumers with a new list of expectations – both for product and delivery – are challenging established brands and distribution channels. Whether they are seeking to present a “greener,” more organic product or seeking new ways of reaching consumers where they shop, private equity and established players will be looking to emerging brands that curry favor with new consumers.

- ❑ In July of 2019, General Atlantic announced its acquisition of Morphe, an innovative and popular manufacturer of beauty care products, for a reported deal value of \$2 billion.
- ❑ In November of 2019, Kylie Jenner’s brand of beauty products Kylie Cosmetics reached a definitive agreement to sell a majority stake to Coty for \$600 million. The acquisition will leverage Coty’s core strengths around fragrances, cosmetics and skincare, allowing Kylie’s brands to reach their full potential.
- ❑ Also in November, manufacturer of clinically-effective and clean skincare products Drunk Elephant was acquired by Shiseido Americas for \$845 million. The acquisition will strengthen Shiseido’s leadership in the global prestige skincare market.

Just as younger consumers have fueled M&A activity in the broader Health & Wellness industry, they are challenging established players such as Sephora or Ulta by how they shop. Up and coming brands are focusing on ecommerce – online shopping – as traditional mall-based retail outlets struggle. Coresight Research reports a record 9,300 retail store closures in the U.S. in 2019, noting “as more sales move online, we expect retail to see a steady, ongoing reconfiguring of physical space.” Translation: People shop online. They don’t go to stores.

Emerging operators in the personal care and beauty space are tapping into these changes. Ecommerce player Glossier sells beauty products direct to consumer, appealing to Millennial values by celebrating the individual, providing a sense of community, and reacting to consumer preferences with moves including switching to biodegradable glitter and phasing out excessive packaging. In 2019, the five-year-old, privately held startup reached a \$1.2 billion valuation, achieving “unicorn” status alongside perhaps better-known names such as Impossible Foods and Casper.



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Think the big players haven't noticed? In its annual report, cosmetics giant L'Oreal Maybelline credits the success of its New York brand to "diversity, inclusion and open-mindedness." Coresight reports it's the most listed brand on Amazon.<sup>9</sup> Give them what they want, where they want it.

## SPECIALTY FOODS, HEALTH-FOCUSED RESTAURANTS, AND EMERGING SUBSECTORS

While there's been a focus on nutraceutical brands and personal care/beauty products, expect activity also to continue in a variety of subsectors such as natural & organic foods, health-focused restaurants, and smaller sectors such as health & fitness, medical cannabis, functional beverages (drinks that offer health and wellness benefits), and personalized nutrition.

Specialty foods marked about \$148 billion in sales in 2018, continuing a trend of strong growth, according to the Specialty Food Association. And the plant-based food segment is gaining mainstream attention, including a new plant-based burger featured in televised advertisements for a popular fast food outlet.

In restaurants, look for a tilt toward healthier eating. The space is getting real attention, again not coincidentally as the twin juggernaut generations express an interest in healthier living. In 2018, Oprah Winfrey made a private equity investment in the Phoenix-based healthy eating chain True Food Kitchen.<sup>10</sup> Yes, the fried chicken sandwich wars got plenty of attention in 2019, but watch for healthier choices such as the West Coast's Veggie Grill, Toronto-based Freshii, and New York-based Pokeworks, which has grown since launching in 2015 to 50 restaurants nationwide with announced plans for 26 more. (Ask yourself, when did Poke become a thing?)

## CERTAINTY? NEVER.

In a wide-ranging sector driven by ever-changing consumer preferences, there will never be a full measure of certainty. But it's always possible the next big thing becomes the next everlasting thing. McDonald's was once a startup, and Wendy's was a challenger facing impossible odds. Both are here today. Then again, Pizza Hut – the stalwart of post-game Little League parties – announced in 2019 plans to slash dine-in locations in favor of take-out only.

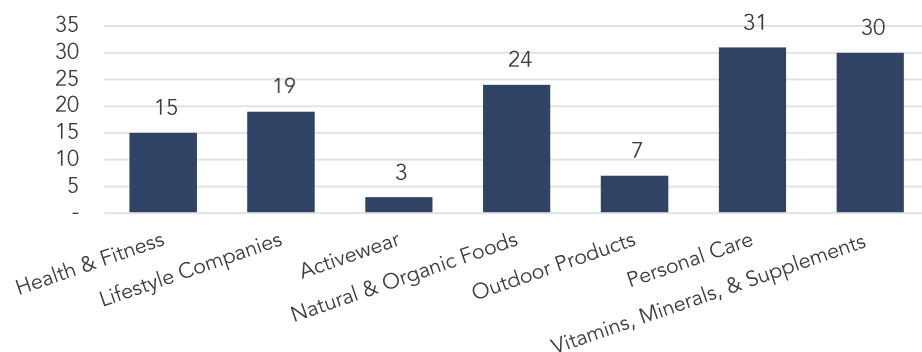
Millennials and Gen Z appear to want different things than their parents with an eye to healthy living, mindful consumption, and convenient ecommerce distribution. Will those tastes change? Hard to say, but the current trends are worth watching.

Sources: Business Insider; Global Wellness Institute; Statista; Stanford Health News; AdAge; Tufts Observer, Tufts University; Coresight Research; Harper's Bazaar; L'Oreal; CNBC; Restaurant Business

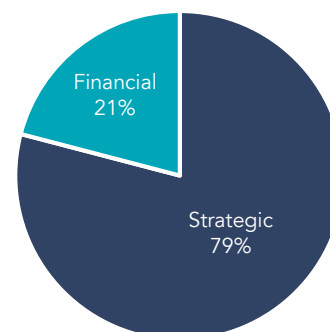


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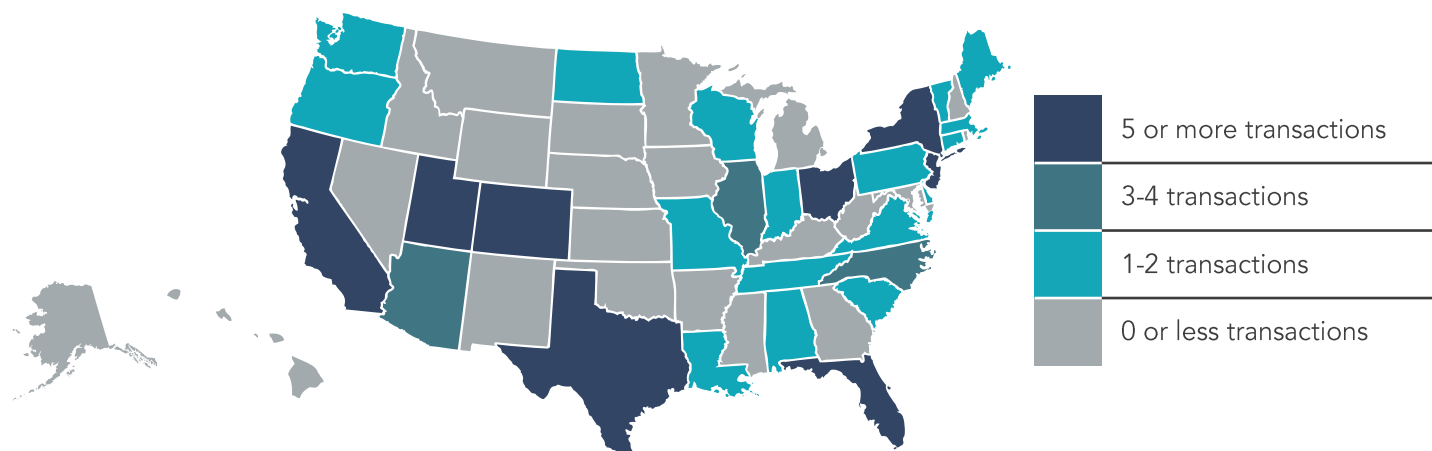
## TRANSACTIONS BY SEGMENT



## TRANSACTIONS BY TYPE



## TRANSACTIONS BY LOCATION



## TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
12/19/2019	Drybar	Helen Of Troy	Personal Care	255.00	3.9x	-
12/16/2019	The Vitamin Shoppe	Liberty Tax	Vitamins, Minerals, &	208.00	0.2x	5.8x
11/18/2019	Kylie Cosmetics	Coty	Personal Care	1,176.47	5.9x	-
11/7/2019	Quest Nutrition	Atkins Nutritionals	Natural & Organic Foods	1,000.00	-	-
11/7/2019	Drunk Elephant	Shiseido Americas	Personal Care	845.00	-	-
11/4/2019	Scholl's Wellness Company	Yellow Wood Partners	Activewear	585.00	-	-
11/1/2019	Fitbit (US)	Alphabet	Lifestyle Companies	1,597.75	1.1x	-
10/7/2019	PopSugar	Group Nine Media	Lifestyle Companies	300.00	3.0x	-
10/1/2019	Refinery29	TPG Capital; VICE Media	Lifestyle Companies	400.00	4.0x	-
9/23/2019	ONE Brands	Hershey	Vitamins, Minerals, &	397.00	-	-
7/26/2019	Morphe	General Atlantic	Personal Care	2,000.00	-	-
7/26/2019	Tatcha	Unilever	Personal Care	500.00	5.0x	-

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Sources: PitchBook & FactSet Financial Data and Analytics

Note: These data represent recorded transactions only and are not all-inclusive. Nevertheless, they are typically representative of the industry.



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## ACTIVE BUYERS

### MOST ACTIVE STRATEGIC BUYERS

Strategic Buyer	Inv. Date	Select Corporate Acquisitions
HeavenlyRx	12/27/2019	■ PureKana
	7/24/2019	■ Tru Brands
	7/11/2019	■ Jones Soda Co.
	7/9/2019	■ Airganics
SC Johnson	10/31/2019	■ COOLA
	9/12/2019	■ Oars + Alps
Unilever	7/26/2019	■ Tatcha LLC
	4/18/2019	■ OLLY Public Benefit Corp.
	12/14/2017	■ Schmidt's Deodorant Co. LLC
	11/27/2017	■ Sundial Brands LLC
	6/19/2017	■ Kingdom Animalia LLC (d.b.a. Hourglass Cosmetics)
Glanbia Plc	2/20/2019	■ Watson, Inc. (Connecticut)
	10/11/2018	■ Slim-Fast Foods Co.
Procter & Gamble Co.	2/5/2019	■ This Is L. Inc.
	12/12/2018	■ Walker & Company Brands, Inc.

### SELECT SPONSORS WITH ACTIVE PORTFOLIO HOLDINGS

Financial Buyer	Inv. Date	Select Corporate Investments
BDT Capital Partners	10/14/2019	■ Creative Snacks Co.
	7/9/2019	■ Lew's Fishing
	6/5/2019	■ Do Outdoors LLC
Brynwood Partners	10/8/2019	■ Arrowhead Mills
	10/8/2019	■ SunSpire
TPG Capital	10/1/2019	■ Refinery29
	7/1/2019	■ Crunch
	10/26/2018	■ Pure Barre LLC
Trilantic Capital Management	9/12/2019	■ Southfit Holdings
	9/12/2019	■ Southfit
	7/10/2019	■ MJ Fitness Management
Swander Pace Capital	6/25/2019	■ Bragg Live Food Products, Inc.
	11/29/2018	■ Nutritional Medicinals LLC
	1/18/2018	■ J R Watkins LLC
	12/12/2016	■ Halo Innovations
	1/22/2016	■ Swanson Health Products, Inc.
TSG Consumer Partners LLC	4/9/2019	■ Anchor Fitness LLC
	3/12/2019	■ CorePower Yoga LLC
	10/5/2017	■ S&G Properties LLC

Sources: PitchBook & FactSet Financial Data and Analytics

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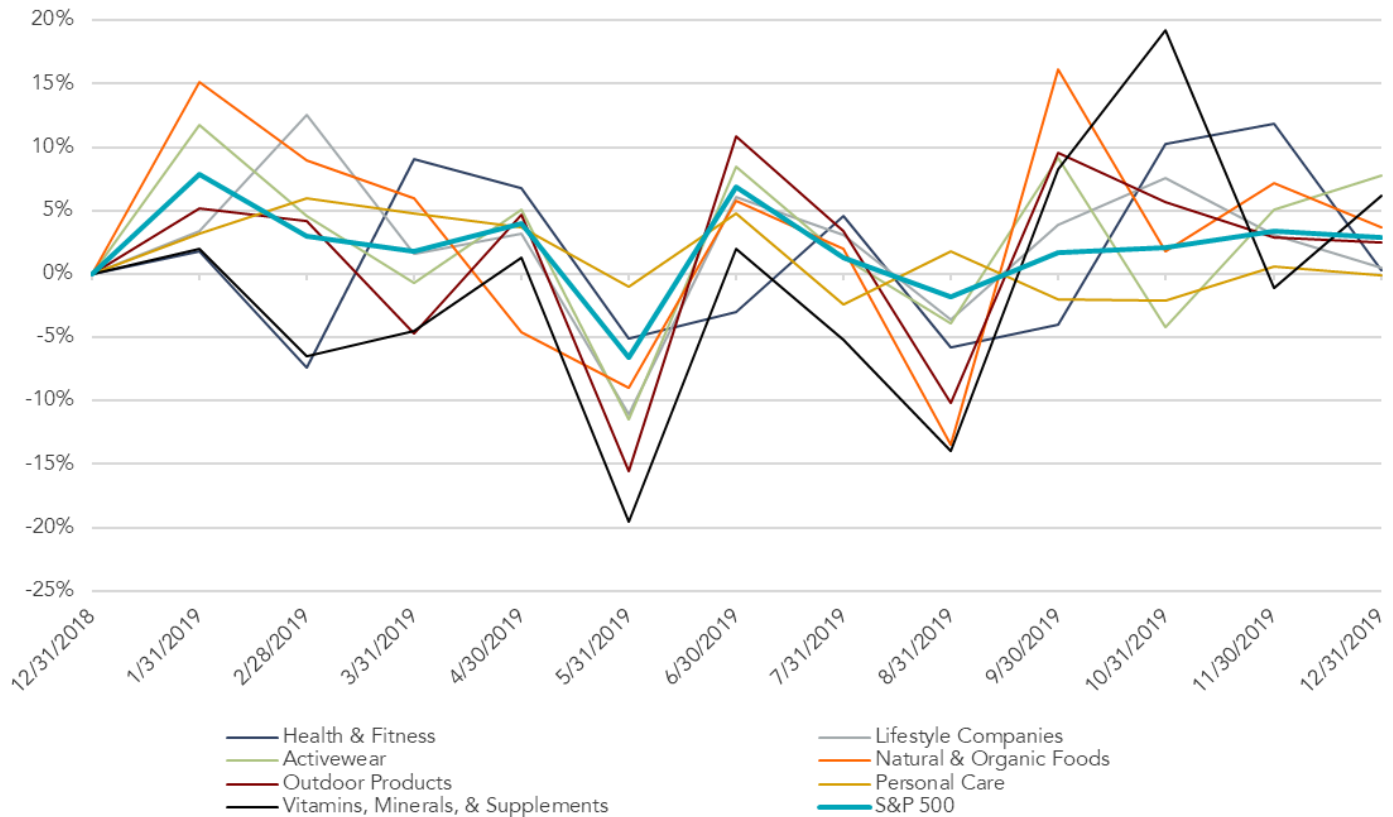


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## PUBLIC BASKET

### HEALTH & WELLNESS SEGMENTS VS. S&P 500

Running 12 Months



## HEALTH & FITNESS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	Quarter Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/Rev	TEV/EBITDA	Price/EPS	TEV/NTM Revenue	TEV/NTM EBITDA
Planet Fitness	PLNT	\$ 6,748	\$ 74.68	27.4%	39.3%	912%	16.3%	38.0%	11.6x	30.6x	56.6x	10.0x	24.1x
WW	WTW	\$ 2,749	\$ 37.59	15%	(15.4%)	84.6%	5.6%	24.4%	3.1x	12.5x	19.6x	2.9x	10.7x
Fitbit (US)	FIT	\$ 1,741	\$ 6.57	75.2%	32.2%	90.5%	-0.4%	-8.1%	0.9x	NM	NM	0.9x	NM
Medifast	MED	\$ 1,273	\$ 109.58	6.1%	(12.4%)	68.7%	18.8%	14.0%	1.7x	12.3x	18.0x	15x	8.6x
Nautilus	NLS	\$ 52	\$ 1.75	30.6%	(83.9%)	14.8%	-6.4%	-28.4%	0.2x	NM	NM	0.2x	NM
Segment Average				28.1%	(8.0%)	70.0%	6.8%	8.0%	3.5x	18.5x	31.4x	3.1x	14.5x
Segment Median				27.4%	(12.4%)	84.6%	5.6%	14.0%	1.7x	12.5x	19.6x	1.5x	10.7x

Sources: PitchBook & FactSet Financial Data and Analytics



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## PUBLIC BASKET (CONTINUED)

### LIFESTYLE COMPANIES

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	Quarter Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Garmin	GRMN	\$ 18,546	\$ 97.56	15.5%	54.1%	98.3%	6.8%	27.3%	4.8x	17.7x	23.8x	4.5x	16.0x
Vail Resorts	MTN	\$ 9,668	\$ 239.83	5.0%	13.8%	95.2%	112%	30.1%	5.2x	17.3x	32.7x	4.7x	15.2x
Polaris Industries	PII	\$ 6,221	\$ 101.70	16.3%	32.6%	97.4%	5.3%	10.7%	12x	11.2x	20.0x	1.1x	9.2x
Brunswick (US)	BC	\$ 4,893	\$ 59.98	16.5%	29.1%	96.4%	-15.5%	6.9%	13x	17.9x	NM	1.3x	7.7x
GoPro	GPRO	\$ 676	\$ 4.34	(17.8%)	2.4%	56.8%	12.0%	-3.0%	0.8x	NM	NM	0.7x	7.9x
Vista Outdoor	VSTO	\$ 433	\$ 7.48	22.2%	(34.1%)	60.9%	-4.2%	-25.7%	0.6x	NM	NM	0.6x	9.3x
Clarus Corporation	CLAR	\$ 404	\$ 13.56	18.0%	34.0%	89.8%	9.8%	8.2%	19x	23.1x	41.1x	1.7x	15.3x
<b>Segment Average</b>				<b>10.8%</b>	<b>18.8%</b>	<b>85.0%</b>	<b>3.6%</b>	<b>7.8%</b>	<b>2.2x</b>	<b>17.4x</b>	<b>29.4x</b>	<b>2.1x</b>	<b>11.5x</b>
<b>Segment Median</b>				<b>16.3%</b>	<b>29.1%</b>	<b>95.2%</b>	<b>6.8%</b>	<b>8.2%</b>	<b>1.3x</b>	<b>17.7x</b>	<b>28.2x</b>	<b>1.3x</b>	<b>9.3x</b>

### ACTIVEWEAR

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	Quarter Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Nike	NKE	\$ 158,150	\$ 101.31	9.8%	36.6%	99.5%	10.9%	14.7%	4.0x	29.9x	35.4x	3.7x	24.2x
VF Corporation	VFC	\$ 39,802	\$ 99.66	12.0%	49.2%	99.4%	-4.4%	15.4%	3.3x	21.8x	29.8x	3.5x	20.6x
Lululemon Athletica	LULU	\$ 30,185	\$ 231.67	20.2%	90.5%	98.4%	17.1%	25.7%	8.1x	31.5x	54.0x	6.9x	NM
Under Armour	UA	\$ 9,200	\$ 19.18	6.5%	18.6%	78.1%	-1.6%	6.5%	19x	29.9x	76.7x	2.0x	24.7x
Gildan Activewear	GIL	\$ 5,986	\$ 29.39	(14.4%)	0.7%	72.5%	-0.1%	17.1%	2.4x	13.9x	21.0x	2.4x	11.4x
Deckers Brands	DECK	\$ 4,724	\$ 168.86	15.3%	32.0%	93.4%	9.2%	18.4%	2.3x	12.6x	17.7x	2.1x	NM
Foot Locker	FL	\$ 4,077	\$ 38.99	(7.0%)	(26.7%)	57.3%	1.3%	10.9%	0.8x	7.6x	8.5x	0.8x	7.5x
Wolverine World Wide	WWW	\$ 2,729	\$ 33.74	20.6%	5.8%	84.9%	5.5%	11.5%	1.7x	14.5x	18.3x	1.6x	10.0x
Sequential Brands Group	SQBG	\$ 22	\$ 0.34	51.3%	(57.2%)	15.0%	-28.7%	26.6%	4.5x	19.2x	NM	5.2x	6.9x
Iconix Brand Group	ICON	\$ 16	\$ 1.35	(22.9%)	61.7%	25.0%	-10.4%	-5.8%	4.5x	NM	NM	5.1x	9.6x
Cherokee Global Brands	APEX	\$ 4	\$ 0.78	(40.0%)	(48.5%)	27.7%	19.2%	7.7%	2.9x	37.2x	NM	2.4x	NM
<b>Segment Average</b>				<b>4.7%</b>	<b>14.8%</b>	<b>68.3%</b>	<b>1.6%</b>	<b>13.5%</b>	<b>3.3x</b>	<b>21.8x</b>	<b>32.7x</b>	<b>3.2x</b>	<b>14.4x</b>
<b>Segment Median</b>				<b>9.8%</b>	<b>18.6%</b>	<b>78.1%</b>	<b>1.3%</b>	<b>14.7%</b>	<b>2.9x</b>	<b>20.5x</b>	<b>25.4x</b>	<b>2.4x</b>	<b>10.7x</b>

### NATURAL & ORGANIC FOODS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	Quarter Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
The Hain Celestial Group	HAIN	\$ 2,708	\$ 25.96	23.8%	63.7%	98.0%	-7.3%	2.9%	14x	NM	NM	15x	16.6x
Unilever Natural Foods	UNFI	\$ 469	\$ 8.76	(20.9%)	(17.3%)	56.0%	-1.1%	-1.6%	0.2x	NM	NM	0.2x	8.4x
Seneca Foods	SENEA	\$ 379	\$ 40.79	29.9%	44.5%	97.4%	NM	10%	0.6x	NM	NM	NM	NM
Del Monte Pacific	D03	\$ 197	\$ 0.10	9.3%	11.9%	86.4%	NM	10.6%	1.1x	10.8x	NM	NM	NM
<b>Segment Average</b>				<b>10.5%</b>	<b>25.7%</b>	<b>84.5%</b>	<b>-4.2%</b>	<b>3.2%</b>	<b>0.8x</b>	<b>10.8x</b>	<b>N/A</b>	<b>0.9x</b>	<b>12.0x</b>
<b>Segment Median</b>				<b>16.6%</b>	<b>28.2%</b>	<b>91.9%</b>	<b>-4.2%</b>	<b>1.9%</b>	<b>0.9x</b>	<b>10.8x</b>	<b>N/A</b>	<b>0.9x</b>	<b>12.0x</b>

Sources: PitchBook & FactSet Financial Data and Analytics



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## PUBLIC BASKET (CONTINUED)

### OUTDOOR PRODUCTS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	Quarter Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Brunswick (US)	BC	\$ 4,893	\$ 59.98	16.5%	29.1%	96.4%	-15.5%	6.9%	13x	17.9x	NM	13x	7.7x
Callaway Golf Company	ELY	\$ 1,995	\$ 21.20	12.0%	38.6%	97.6%	12.9%	9.6%	17x	17.5x	25.2x	15x	12.8x
Sturm, Ruger & Company	RGR	\$ 822	\$ 47.03	14.0%	(116%)	78.4%	20.4%	18.2%	16x	8.8x	22.8x	13x	NM
Johnson Outdoors	JOUT	\$ 773	\$ 76.70	30.7%	30.6%	83.5%	4.4%	14.0%	11x	7.6x	15.0x	10x	7.7x
Vista Outdoor	VSTO	\$ 433	\$ 7.48	22.2%	(34.1%)	60.9%	-4.2%	-25.7%	0.6x	NM	NM	0.6x	9.3x
Escalade	ESCA	\$ 140	\$ 9.83	(10.2%)	(14.1%)	75.6%	14%	8.1%	0.8x	9.5x	17.5x	0.8x	6.9x
<b>Segment Average</b>				<b>14.2%</b>	<b>6.4%</b>	<b>82.0%</b>	<b>3.2%</b>	<b>5.2%</b>	<b>1.2x</b>	<b>12.3x</b>	<b>20.1x</b>	<b>1.1x</b>	<b>8.9x</b>
<b>Segment Median</b>				<b>15.2%</b>	<b>8.7%</b>	<b>80.9%</b>	<b>2.9%</b>	<b>8.8%</b>	<b>1.2x</b>	<b>9.5x</b>	<b>20.1x</b>	<b>1.2x</b>	<b>7.7x</b>

### PERSONAL CARE

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	Quarter Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Unilever	ULVR	\$ 149,921	\$ 57.04	12%	13.1%	87.5%	19%	28.4%	3.1x	10.6x	14.2x	3.0x	13.0x
The Estée Lauder Companies	EL	\$ 74,316	\$ 206.54	4.7%	58.8%	99.1%	10.1%	20.2%	5.1x	25.4x	40.5x	4.7x	21.7x
ULTA Beauty	ULTA	\$ 14,470	\$ 253.14	(4.8%)	3.4%	68.6%	8.2%	16.4%	2.2x	13.7x	213x	2.1x	13.2x
Coty	COTY	\$ 8,526	\$ 11.25	6.1%	71.5%	79.6%	-3.0%	-30.4%	1.9x	NM	NM	2.0x	11.5x
Inter Parfums	IPAR	\$ 2,288	\$ 72.71	2.7%	10.9%	89.3%	4.1%	15.5%	3.2x	20.7x	38.3x	3.1x	18.8x
Nu Skin Enterprises	NUS	\$ 2,276	\$ 40.98	(3.3%)	(33.2%)	58.7%	-12.6%	117%	1.0x	8.2x	19.8x	1.1x	9.2x
Sally Beauty Holdings	SBH	\$ 2,130	\$ 18.25	18.8%	7.0%	83.0%	0.9%	14.6%	0.9x	6.5x	8.1x	0.9x	6.4x
USANA Health Sciences	USNA	\$ 1,700	\$ 78.55	14.6%	(33.3%)	65.8%	-0.6%	15.7%	1.4x	9.0x	18.1x	1.4x	9.8x
Revlon	REV	\$ 1,136	\$ 21.42	(7.2%)	(15.0%)	74.9%	1.3%	6.6%	1.8x	26.9x	NM	1.7x	16.1x
Lifefantage	LFVN	\$ 218	\$ 15.61	15.0%	18.3%	91.4%	8.9%	5.9%	0.9x	15.7x	27.9x	0.8x	9.2x
United-Guardian	UG	\$ 90	\$ 19.65	2.9%	7.1%	94.1%	NM	39.8%	6.4x	15.7x	22.8x	NM	NM
Natural Health Trends	NHTC	\$ 62	\$ 5.38	(24.1%)	(70.9%)	27.1%	NM	3.7%	NM	NM	22.4x	NM	NM
CCA Industries	CAWW	\$ 22	\$ 2.96	0.3%	34.5%	95.5%	NM	3.6%	NM	NM	NM	NM	NM
<b>Segment Average</b>				<b>1.9%</b>	<b>0.0%</b>	<b>75.3%</b>	<b>0.9%</b>	<b>9.4%</b>	<b>2.2x</b>	<b>14.5x</b>	<b>22.3x</b>	<b>1.6x</b>	<b>11.8x</b>
<b>Segment Median</b>				<b>2.7%</b>	<b>7.0%</b>	<b>79.6%</b>	<b>1.1%</b>	<b>11.7%</b>	<b>1.8x</b>	<b>14.7x</b>	<b>21.9x</b>	<b>1.6x</b>	<b>10.6x</b>

### VITAMINS, MINERALS & SUPPLEMENTS

Company Name	Symbol	Market Stats					Operating Stats		LTM Multiples			NTM Multiples	
		Market Cap (\$ in Mil)	Price (\$)	Quarter Change	YTD Change	% of 52 Week High	Est. Revenue Growth	EBITDA Margin	TEV/ Rev	TEV/ EBITDA	Price/ EPS	TEV/ NTM Revenue	TEV/ NTM EBITDA
Herbalife International of America	HLF	\$ 7,021	\$ 47.67	26.4%	(19.1%)	77.2%	5.9%	15.0%	1.7x	11.5x	22.4x	1.6x	10.5x
Medifast	MED	\$ 1,273	\$ 109.58	6.1%	(12.4%)	68.7%	18.8%	14.0%	1.7x	12.3x	18.0x	1.5x	8.6x
General Nutrition Centers	GNC	\$ 228	\$ 2.70	29.2%	13.9%	77.1%	-9.5%	10.3%	0.8x	7.4x	5.4x	0.8x	8.6x
Lifefantage	LFVN	\$ 218	\$ 15.61	15.0%	18.3%	91.4%	8.9%	5.9%	0.9x	15.7x	27.9x	0.8x	9.2x
Nature's Sunshine Products	NATR	\$ 173	\$ 8.93	5.4%	9.6%	83.2%	NM	5.2%	0.4x	7.8x	63.8x	NM	NM
Mannatech	MTEX	\$ 38	\$ 16.09	(8.1%)	(14.4%)	80.9%	NM	3.4%	0.1x	2.6x	NM	NM	NM
<b>Segment Average</b>				<b>12.4%</b>	<b>(0.7%)</b>	<b>79.8%</b>	<b>6.0%</b>	<b>9.0%</b>	<b>0.9x</b>	<b>9.5x</b>	<b>27.5x</b>	<b>1.2x</b>	<b>9.2x</b>
<b>Segment Median</b>				<b>10.6%</b>	<b>(1.4%)</b>	<b>79.0%</b>	<b>7.4%</b>	<b>8.1%</b>	<b>0.8x</b>	<b>9.6x</b>	<b>22.4x</b>	<b>1.2x</b>	<b>8.9x</b>

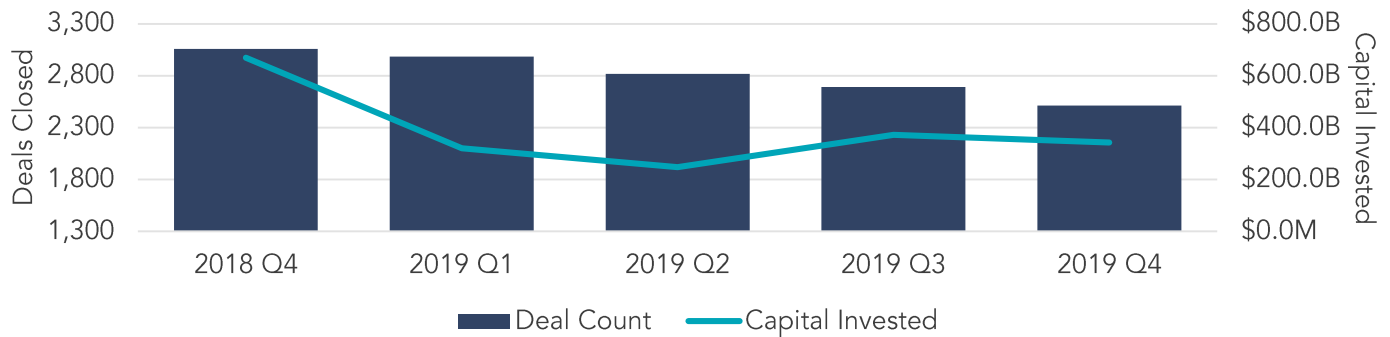
Sources: PitchBook & FactSet Financial Data and Analytics



# HEALTH & WELLNESS REPORT

## U.S. M&A ACTIVITY SNAPSHOT

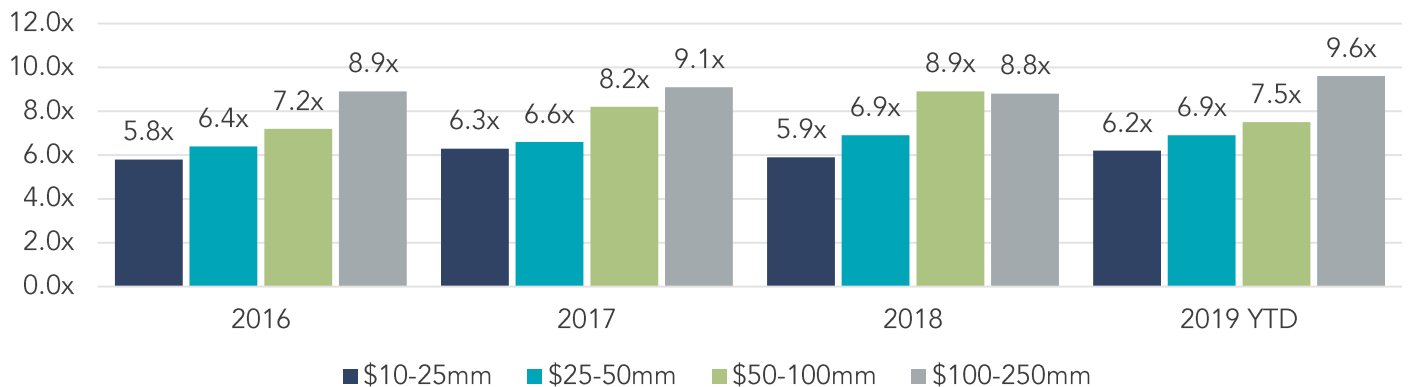
### OVERALL U.S. M&A ACTIVITY



Source: PitchBook Financial Data and Analytics

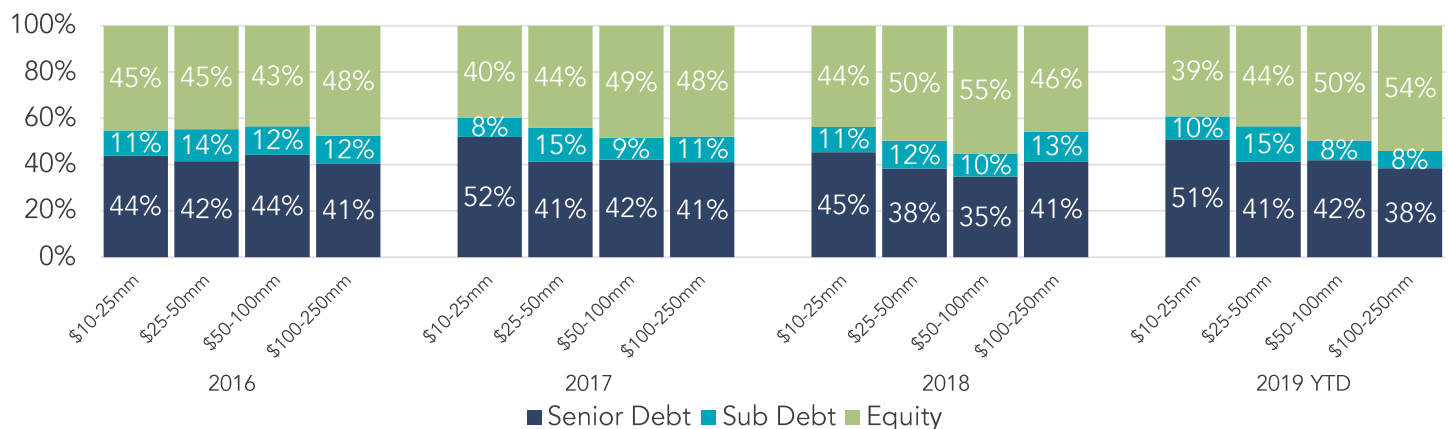
### LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTION MULTIPLES

EBITDA Multiples By Transaction Size



Source: GF Data®

### CAPITAL BREAKDOWN – LOWER MIDDLE MARKET PRIVATE EQUITY TRANSACTIONS



Note: The most current source of GF Data is as of November 2019.

Source: GF Data®



# HEALTH & WELLNESS REPORT

## HEALTH & WELLNESS EXPERTISE

Health & Wellness has become a very active industry of late, but we have been involved in the space for several years. Our experience and drive have put us at the leading edge of information in the market, giving you an advantage when the time comes to buy, sell or seek investments to grow your business.

Our Health & Wellness investment banking expertise includes the following industry segments:

- ☐ Health & Fitness
- ☐ Lifestyle Companies
- ☐ Activewear
- ☐ Natural & Organic Foods
- ☐ Outdoor Products
- ☐ Personal Care
- ☐ Vitamins, Minerals & Supplements

## CONTACT US



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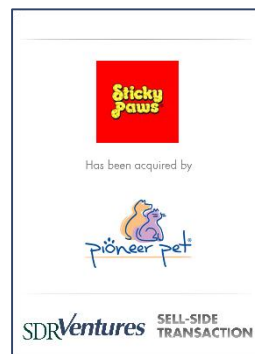
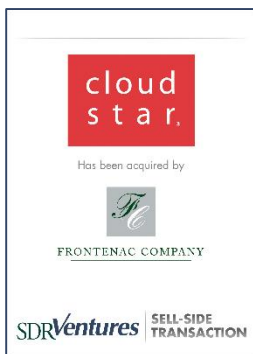
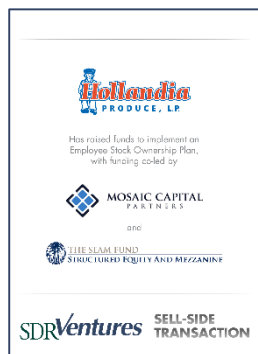
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## SELECT CONSUMER EXPERIENCE

SDR has completed numerous transactions types throughout various industries, including:



## SDR SERVICE OFFERINGS



**SELL-SIDE ADVISORY**



**PRIVATE CAPITAL FORMATION**



**BUY-SIDE ADVISORY**



**STRATEGIC CONSULTING**



# HEALTH & WELLNESS REPORT

## 2H 2019 TRANSACTION ACTIVITY

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/ Rev	TEV/ EBITDA
12/31/2019	Pamela's Products	Ancient Harvest; Encore Consumer Capital	Natural & Organic Foods	-	-	-
12/30/2019	Denver Outfitters	Thule Group	Outdoor Products	-	-	-
12/28/2019	Newell Brands	Undisclosed Investor	Lifestyle Companies	6.98	0.0x	-
12/27/2019	PureKana	Heavenly Rx	Vitamins, Minerals, & Supplements	-	-	-
12/24/2019	Country Pure Foods	Blue Point Capital Partners	Natural & Organic Foods	-	-	-
12/20/2019	The Perfumery	KSV Global Innovations	Vitamins, Minerals, & Supplements	-	-	-
12/19/2019	Drybar	Helen Of Troy	Personal Care	255.00	3.9x	-
12/19/2019	Mafco Worldwide	Act II Global Acquisition	Natural & Organic Foods	-	-	-
12/19/2019	Anytime Fitness (20 Fitness Centers)	Bandon Holdings; Fireman Capital Partners	Health & Fitness	-	-	-
12/17/2019	Liquid Technologies	PLZ Aerospace; Pritzker Private Capital	Personal Care	-	-	-
12/16/2019	Resonate Blends	Textmunication Holdings	Vitamins, Minerals, & Supplements	-	-	-
12/16/2019	The Vitamin Shoppe	Liberty Tax	Vitamins, Minerals, & Supplements	208.00	0.2x	5.8x
12/12/2019	JMH Premium	Southeastern Mills	Natural & Organic Foods	-	-	-
12/10/2019	Focused Fork	Dohmen	Natural & Organic Foods	-	-	-
12/5/2019	BMC Mgmt	Centre Partners; One World Fitness	Health & Fitness	-	-	-
12/5/2019	Scott's Liquid Gold (Denver Manufacturing)	Clearview Capital; Northwest Cosmetic Laboratories	Personal Care	-	-	-
12/1/2019	United PF Partners	American Securities	Health & Fitness	-	-	-
11/27/2019	CBD Exclusively	CBD Emporium	Vitamins, Minerals, & Supplements	-	-	-
11/25/2019	Cannabidiol Hemp	Cannabinoid Biosciences	Lifestyle Companies	-	-	-
11/25/2019	Orgain	Butterfly Equity; Ontario Teachers' Pension Plan	Natural & Organic Foods	-	-	-
11/21/2019	Kase Farma	HTC Purenergy	Vitamins, Minerals, & Supplements	-	-	-
11/21/2019	Social Sunday	12 Retech	Lifestyle Companies	-	-	-
11/19/2019	AVA (Social/Platform Software)	Koninklijke DSM	Lifestyle Companies	-	-	-
11/19/2019	Olaplex	Advent International	Personal Care	-	-	-
11/18/2019	Kylie Cosmetics	Coty	Personal Care	1,176.47	5.9x	-
11/14/2019	Blue Cross Laboratories	The StarCo Group	Personal Care	-	-	-
11/13/2019	The Mane Choice	Marc Anthony Cosmetics	Personal Care	38.00	16x	5.9x
11/11/2019	DevaCurl	Henkel	Personal Care	-	-	-
11/9/2019	Ungerer & Company	Givaudan	Lifestyle Companies	-	-	-
11/7/2019	Drunk Elephant	Shiseido Americas	Personal Care	845.00	-	-
11/7/2019	Quest Nutrition	Atkins Nutritionals	Natural & Organic Foods	1,000.00	-	-
11/5/2019	Bow & Drape	WIN Brands Group	Lifestyle Companies	-	-	-
11/4/2019	Due North (North Dakota)	SureWex; The Riverside Company	Outdoor Products	-	-	-
11/4/2019	Scholl's Wellness Company	Yellow Wood Partners	Activewear	585.00	-	-
11/3/2019	Parker Lifestyle	Vince	Lifestyle Companies	-	-	-
11/1/2019	Fitbit (US)	Alphabet	Lifestyle Companies	1,597.75	1.1x	-
10/31/2019	COOLA	SC Johnson	Personal Care	-	-	-
10/29/2019	Hurley International	Bluestar Alliance	Lifestyle Companies	-	-	-
10/29/2019	Great River Organic Milling	AMERRA Capital Management; Pipeline Foods	Natural & Organic Foods	-	-	-
10/29/2019	Stop, Breathe & Think	Meredith	Lifestyle Companies	-	-	-
10/23/2019	Movement Climbing + Fitness	Earth Treks; Tengram Capital Partners	Health & Fitness	-	-	-
10/22/2019	Cosmetic Solutions	Lee Equity Partners	Personal Care	-	-	-

Sources: PitchBook & FactSet Financial Data and Analytics

Note: These data represent recorded transactions only and are not all-inclusive. Nevertheless, they are typically representative of the industry.



# HEALTH & WELLNESS REPORT

## 2H 2019 TRANSACTION ACTIVITY (CONTINUED)

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/Rev	TEV/EBITDA
10/22/2019	Worldwide Produce	Sole Source Capital	Natural & Organic Foods	-	-	-
10/18/2019	Hollywood Beauty Products	MavenHill Capital	Personal Care	-	-	-
10/16/2019	Aspen Ice Arena	Blackstreet Capital	Health & Fitness	-	-	-
10/15/2019	Levor Collection	Exactus	Personal Care	-	-	-
10/15/2019	California Chef	Fitness Kitchen	Natural & Organic Foods	-	-	-
10/14/2019	Creative Snacks Co.	BDT Capital Partners; KIND Snacks; SWaN & Legend Venture Partners	Natural & Organic Foods	-	-	-
10/11/2019	BR Brands	B. Riley Financial	Vitamins, Minerals, & Supplements	116.50	-	-
10/11/2019	LVL Technologies	Gideon Health	Health & Fitness	-	-	-
10/10/2019	BeneYOU	Youngevity International	Personal Care	-	-	-
10/10/2019	Teewinot Consumer Products Group	Canavation Product Group	Vitamins, Minerals, & Supplements	-	-	-
10/8/2019	Olympia Sports Center	The Running Specialty Group; CriticalPoint Capital	Activewear	-	-	-
10/8/2019	Arrowhead Mills	Brynwood Partners; Hometown Food Company	Natural & Organic Foods	-	-	-
10/8/2019	SunSpire	Brynwood Partners; Hometown Food Company	Natural & Organic Foods	-	-	-
10/7/2019	PopSugar	Group Nine Media	Lifestyle Companies	300.00	3.0x	-
10/4/2019	Splash Beverage Group	Canfield Medical Supply	Natural & Organic Foods	-	-	-
10/2/2019	2RIse Naturals	Gabriella's Kitchen	Vitamins, Minerals, & Supplements	100	-	-
10/2/2019	The Loot Company	Money Chest	Lifestyle Companies	-	-	-
10/1/2019	Cosmetics by Design	Walker Lane Exploration	Personal Care	-	-	-
10/1/2019	Crunch LLC (Crunch Paramus)	Synergy Capital Investments; Fitness Holdings Northeast	Health & Fitness	-	-	-
10/1/2019	Refinery29	TPG Capital; VICE Media	Lifestyle Companies	400.00	4.0x	-
9/25/2019	Robert Rothschild Farm	RKCA Capital Advisors	Natural & Organic Foods	-	-	-
9/25/2019	NEO Superwater	Undisclosed Investor	Vitamins, Minerals, & Supplements	-	-	-
9/24/2019	Black Opal	Shareholders	Personal Care	-	-	-
9/23/2019	Japonesque	Topspin Partners	Personal Care	-	-	-
9/23/2019	ONE Brands	Hershey	Vitamins, Minerals, & Supplements	397.00	-	-
9/18/2019	GNT Holdings (12 Planet Fitness Clubs)	Argonne Capital Group; National Fitness Partners	Health & Fitness	-	-	-
9/16/2019	GB Sciences Louisiana	K2 Logic	Vitamins, Minerals, & Supplements	32.00	-	-
9/16/2019	SPY, Inc.	Bolle; A&M Capital Advisors	Lifestyle Companies	-	-	-
9/16/2019	Custom LeatherCraft Manufacturing	Hultafors Group; Latour	Outdoor Products	-	-	-
9/12/2019	Southfit Holdings	Trilantic Capital Management; Taymax Fitness Holdings	Health & Fitness	-	-	-
9/12/2019	Meridian Enterprises (9 Planet Fitness Clubs)	ECP-PF Holdings Group; Exaltare Capital Partners	Health & Fitness	-	-	-
9/12/2019	Oars + Alps	SC Johnson	Personal Care	20.00	-	-
9/12/2019	The Bar Method	Anytime Fitness; First Eagle Alternative Credit; Partnership Capital Growth; Roark Capital Group	Health & Fitness	-	-	-
9/11/2019	Freed Foods	Grays Peak Capital	Natural & Organic Foods	-	-	-
9/11/2019	Halo Top	Wells Enterprises	Natural & Organic Foods	-	-	-
9/10/2019	ProseccoSource	ACH Food Cos.; The Garfield Weston Foundation	Natural & Organic Foods	-	-	-
9/10/2019	Anthony's Goods	ACH Food Companies	Natural & Organic Foods	-	-	-

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# HEALTH & WELLNESS REPORT

## 2H 2019 TRANSACTION ACTIVITY (CONTINUED)

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/ Rev	TEV/ EBITDA
9/10/2019	Vivis	Neutra	Vitamins, Minerals, & Supplements	-	-	-
9/9/2019	Red Ace	Bhang Corp.	Vitamins, Minerals, & Supplements	0.00	-	-
9/9/2019	AQUAhydrate	The Alkaline Water Co.	Vitamins, Minerals, & Supplements	50.83	-	-
9/5/2019	CBD Organic Solutions	MC Endeavors	Vitamins, Minerals, & Supplements	-	-	-
9/3/2019	CornerStone Research & Development	Brightstar Capital Partners; Shareholders	Vitamins, Minerals, & Supplements	-	-	-
9/3/2019	Cosmetix West	Anjac Health & Beauty Services Sasu	Personal Care	-	-	-
9/3/2019	SuperNutrition	NOW Foods	Vitamins, Minerals, & Supplements	-	-	-
9/2/2019	Skin QRI	Lutronic Corp.	Personal Care	4.75	-	-
8/28/2019	Yo unique	Shareholders	Personal Care	-	-	-
8/28/2019	Garden Bar	Evergreens	Natural & Organic Foods	-	-	-
8/26/2019	Vermont Village	Audax Private Equity; Stonewall Kitchen	Natural & Organic Foods	-	-	-
8/21/2019	Vitana-X	GH Capital	Vitamins, Minerals, & Supplements	-	-	-
8/21/2019	Mary's Nutritionals	Rose Capital; BR Brands	Vitamins, Minerals, & Supplements	-	-	-
8/21/2019	Persona (Vitamin Supplements)	Atrium Innovations	Vitamins, Minerals, & Supplements	-	-	-
8/19/2019	CollegeFashionista	Her Campus Media	Lifestyle Companies	-	-	-
8/19/2019	Palmetto Synergistic Research	RE Botanicals	Vitamins, Minerals, & Supplements	-	-	-
8/19/2019	The Coveteur	Great Bowery	Lifestyle Companies	15.00	-	-
8/19/2019	Coveteur	Great Bowery	Lifestyle Companies	15.00	-	-
8/16/2019	Uncle Dan's Ltd.	Gearhead Outfitters	Outdoor Products	-	-	-
8/16/2019	New Avon	LG Household & Health Care	Personal Care	125.00	-	-
8/14/2019	Bright International Corp.	Aterian Investment Management	Personal Care	-	-	-
8/14/2019	Platinum Performance	Zoetis	Vitamins, Minerals, & Supplements	-	-	-
8/13/2019	Sunless, Inc.	Castle Harlan; Branford Castle; Shareholders	Personal Care	-	-	-
8/6/2019	MadSportsStuff	Huron Capital Partners; IQ Brands; NewSpring Capital	Activewear	-	-	-
7/29/2019	Stretch Island Fruit	Ferrero International	Natural & Organic Foods	-	-	-
7/26/2019	Morphe	General Atlantic	Personal Care	2,000.00	-	-
7/26/2019	eSalon	Henkel	Personal Care	-	-	-
7/26/2019	Tatcha	Unilever	Personal Care	500.00	5.0x	-
7/25/2019	Infinite CBD	Wealthcraft Capital	Vitamins, Minerals, & Supplements	17.00	-	-
7/24/2019	Liberty Outdoors	Xtreme Outdoors	Outdoor Products	-	-	-
7/24/2019	Tru Brands	HeavenlyRx	Vitamins, Minerals, & Supplements	11.90	-	-
7/22/2019	Gixo	Beachbody; The Raine Group	Health & Fitness	20.00	-	-
7/18/2019	Trails.Com	Spectrum Equity Management; AllTrails	Lifestyle Companies	-	-	-
7/18/2019	Nature's Ultra	Young Living Essential Oils	Vitamins, Minerals, & Supplements	-	-	-
7/18/2019	Legends Boxing	Look Good Brands	Health & Fitness	-	-	-
7/17/2019	Nutraceutical International Corp.	Snapdragon Capital Partners; Shareholders; The Maze Group	Vitamins, Minerals, & Supplements	-	-	-
7/15/2019	Tikkun Pharma, Inc.	Capricorn Business Acquisitions	Personal Care	-	-	-
7/11/2019	C A SPECIALITIES	Charkit Chemical Co.; LeBaronBrown Industries	Personal Care	-	-	-

Sources: PitchBook & FactSet Financial Data and Analytics

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# HEALTH & WELLNESS REPORT

## 2H 2019 TRANSACTION ACTIVITY (CONTINUED)

Date	Target	Buyer(s)	Segment	Amount (\$ in Mil)	TEV/ Rev	TEV/ EBITDA
7/11/2019	Jones Soda Co.	Heavenly Rx	Lifestyle Companies	38.93	3.1x	-
7/11/2019	Maty's Healthy Products	Bayer AG	Vitamins, Minerals, & Supplements	-	-	-
7/10/2019	Kirkman Group	Hemptown Organics Corp.	Vitamins, Minerals, & Supplements	-	-	-
7/10/2019	MJ Fitness Management	Trilantic Capital Management; Taymax Fitness Holdings	Health & Fitness	-	-	-
7/9/2019	Airganics	Heavenly Rx	Personal Care	10.00	-	-
7/9/2019	Mxy Holdings	Green Growth Brands	Vitamins, Minerals, & Supplements	310.00	-	-
7/9/2019	Beauty Quest Group	Transom Capital Group	Personal Care	-	-	-
7/9/2019	Freshpack Produce	Creation Gardens	Natural & Organic Foods	-	-	-
7/9/2019	Lew's Fishing	BDT Capital Partners	Outdoor Products	-	-	-
7/9/2019	Sky Valley Foods	Litehouse Foods	Natural & Organic Foods	46.00	-	-
7/9/2019	THLETE Outdoors	ARES Outdoors	Outdoor Products	-	-	-
7/11/2019	Crunch	TPG Capital; Shareholders	Health & Fitness	-	-	-

Sources: PitchBook & FactSet Financial Data and Analytics

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