

Trends driving sector M&A

Personal care & beauty



M&A ACTIVITY HITS RECORD HIGHS

Demand for natural products continues to attract acquirers

The Organic Pharmacy

GANASSINI
CORPORATE

Acquisitions of brands with a natural proposition have continued apace, including the acquisition of The Organic Pharmacy by the pharmacy-focused dermatologist company Istituto Ganassini and Unilever's acquisition of the Italian natural brand Equilibra. The latter is a good example of natural brands increasing in prominence in mass/masstige channels, a trend we expect to continue.

The global rise of K-Beauty

L'ORÉAL
PARIS

STYLE
NANDA

K-Beauty is a beauty movement influenced by South Korean skin care products and routines which promote health, hydration and a youthful appearance. L'Oreal made its first acquisition of a K-Beauty brand in the quarter, taking the millennial-focused Style Nanda. This follows K-Beauty acquisitions to date by Unilever (Carver), LVMH (Clio) and Estee Lauder (Dr Jart). K-Beauty products are now an established global phenomenon which have now moved beyond a trend, largely due to their high quality, commitment to innovation and rigorous standards.

Colour cosmetics brands continue to grow, however global corporate portfolios may be full for now

ANASTASIA
BEVERLY HILLS

TPG

There was no shortage of colour cosmetics investments during the quarter, including in high profile brands like Anastasia Beverly Hills (TPG Capital), Milani Cosmetics (Gryphon Investors) and Lime Crime (Tengram Capital Partners). It is interesting to note that no global corporates were tempted by Anastasia Beverly Hills despite its obvious attraction, and it may be that, for now at least, their portfolios are complete.



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M&A levels and company valuations have increased as trade corporates look to brands that are growing quickly in modern channels or evolving product categories; and private equity recognises the potential returns available through supporting brands with a genuine point of difference.

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