

MID-SIZED, STRATEGIC TRANSACTIONS DRIVE BEAUTY MARKET M&A IN FIRST HALF OF 2025

BEAUTY SECTOR UPDATE | JULY 2025



**CAPSTONE
PARTNERS**

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Beauty

Mid-Sized, Strategic Transactions Drive Beauty Market M&A in First Half of 2025

KEY SECTOR TAKEAWAYS

Capstone Partners' [Consumer Investment Banking Group](#) is pleased to share its Beauty market report. Merger and acquisition (M&A) activity in the sector has held steady year to date (YTD) despite a turbulent start to 2025 characterized by economic volatility. General market uncertainty and recessionary concerns have stalled large-scale, headline deals in the Beauty space to date. However, middle market operators have continued to transact, propped up by corporate divestitures, product expansions, and manufacturing consolidation. Beauty sector participants are expected to continue to sell non-core operations and outsource product manufacturing as supply chains realign under the new U.S. administration. This has underpinned expectations for a vibrant M&A market for contract manufacturers. Several key takeaways are outlined below.

1. Deal volume in YTD 2025 has paced the prior year period, with 28 transactions announced or closed. Apart from the billion-dollar sale of rhode to e.l.f. Beauty (NYSE:ELF) in May, M&A activity to date has largely been confined to the lower middle market (\$10 million to \$100 million in enterprise value).
2. Strategic buyers have driven 89.3% of sector M&A YTD, a historically high percentage. Capstone expects private equity (PE) buyers to resume investing in the Beauty sector through the latter half of 2025 as they adjust to the new administration and find more certainty around the direction of consumers' financial health.
3. Contract manufacturing operations will likely see elevated interest from financial and strategic buyers as brands increasingly outsource production—driving cash flows for these players—and limited brand risk offers sponsors a safe entry point to the Beauty sector.
4. Sales volumes in the sector have continued to normalize following the double-digit growth experienced in the aftermath of the pandemic. Despite moderating growth rates, the sector has continued to capture consumer spending and opportunities remain for differentiated beauty brands.

Capstone Partners has developed a full suite of corporate finance solutions to help privately-owned businesses and PE firms navigate through each stage of a company's lifecycle. These solutions include financial advisory services, merger and acquisition advisory, debt advisory, equity capital financing and employee stock ownership plan (ESOP) advisory.

To learn more about Capstone's wide range of advisory services and Beauty sector knowledge, please [contact us](#).

BEAUTY SALES CONTINUE TO NORMALIZE, GROWTH PROSPECTS REMAIN

Consumer health and the new administration have continued to headline the Consumer industry narrative in 2025, particularly as tariff policy announcements and subsequent roll backs have clouded the operating environment outlook. Consumer confidence fell 31.7% between the end of 2024 and April 2025—recording the lowest index reading since the height of the COVID-19 pandemic in April 2020—according to The Confidence Board.¹ The low index reading in April 2025 coincided with sweeping tariff announcements from the U.S. administration that impacted nearly all U.S. trade partners. However, subsequent delays, rollbacks, and legal pushback have alleviated the initial market shock, and consumer confidence rebounded 14.4% in May.

Despite moderating sales growth, the Beauty sector has continued to display resiliency amid these macroeconomic headwinds. In Q1 2025, prestige beauty sales were flat year-over-year (YOY) while mass market sales increased 3% concurrently, according to Circana.² This marks a significant deceleration in prestige sales growth, which increased 9% YOY in Q1 2024, according to Circana.³ In contrast, mass market sales continued to inch higher, up to 3% YOY growth in Q1 2025 compared to 2% YOY growth in Q1 2024. Mass market's sales growth in Q1 2025 represents the first time in several years that the category has outperformed prestige, primarily attributable to a pullback in consumer spending in January. Of note, all prestige beauty product categories expanded in March, signaling growth opportunities remain available in 2025 despite broad economic headwinds and uncertainty.

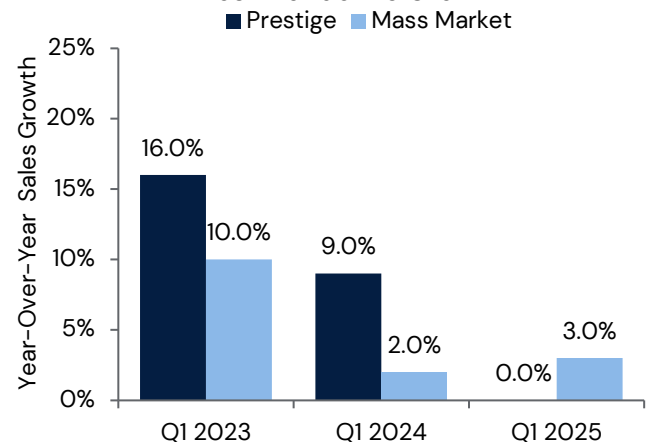
Consumers have increasingly considered beauty as a health and wellness purchase, integrating Beauty sector products into self-care routines. Beauty products with clinical support for therapeutic or dermatological benefits have continued to gain momentum. Skincare, haircare, and other products with condition-specific applications—such as anti-aging, eczema, or acne—and proven efficacy are expecting to see relatively inelastic demand and less price sensitivity. This has been an increasingly important as tariffs potentially induce heightened margin pressure and brands are pushed to pass costs onto consumers. L'Oréal's (ENXTPA:OR) successful acquisition of the CeraVe, AcneFree, and Ambi brands from Bausch Health (NYSE:BHC) signified the onset of science-backed beauty product demand (2017, \$1.3 billion, 7.7x EV/Revenue). The dermatologist-tested skincare brand CeraVe grew sales from ~\$160 million at the time of acquisition to more than \$2 billion under L'Oréal's ownership, L'Oréal executives noted at a June investor conference.⁴ Local, cultural brands have also seen positive tailwinds from the consumer preference shift toward effective, targeted beauty products. Products catering to specific cultural niches have continued to capture consumer spending, loyal consumer bases, and acquisition interest. Targets with an ethnic end market focus have comprised 14.3% of deal volume in the Beauty sector YTD. Capstone expects these businesses to garner increasing demand and premium valuations moving through 2025 and into 2026, particularly as personalization trends grow increasingly prevalent in the Consumer industry.



Ken Wasik
Managing Director
Co-Head of Investment Banking

"M&A in the Beauty space continues forward. The majority of transactions are privately-owned companies buying smaller private companies. Valuations are holding up. What we are not seeing are headline deals spurred by aggressive international buyers. As market certainty returns, we should see an unleashing of significant pent-up acquisition demand."

Beauty Sales Moderate Following Robust Post-Pandemic Growth



Source: Circana and Capstone Partners

DATA ANALYTICS ENHANCE CONTRACT MANUFACTURING OPERATIONS

Contract manufacturing in the Beauty sector is expected to see strong demand in the near- to mid-term as vertically integrated businesses increasingly divest and outsource manufacturing operations to manage costs, clean up balance sheets, and refocus on brand development and marketing amid the uneasy macroeconomic backdrop. Beauty products' manufacturing complexity has grown directionally with increasing quality, personalization, and customization demands from consumers. Proposed tariffs have made it imperative for contract manufacturers—and beauty companies with in-house manufacturing capabilities—to streamline production methods and protect margins. Operational efficiency, scale, and cost synergies will likely serve as key deal rational for contract manufacturing M&A in the current economic landscape.

Data analytics has proven to be a powerful tool helping beauty companies improve operational efficiency, identify opportunities for cost savings, and optimize business value. This can be a critical competitive advantage for companies that provide contract manufacturing services, especially in the Health and Wellness Products sectors, which have been characterized by fast-changing consumer preferences, regulatory complexity, and high product quality expectations. Accelerating consolidation of beauty contract manufacturers and PE interest in beauty roll-up opportunities has further incentivized data analytics performance improvement initiatives which can support valuations and exit readiness.

Key Data-Enabled Performance Improvement Value Adds For Sector Participants

- **Operational Efficiency & Process Optimization**
 - Use real-time data from manufacturing systems to monitor uptime, downtime, and throughput
 - Track input-output ratios to identify inefficiencies and provide yield analysis data
 - Use machine learning (ML) to predict equipment failure and engage in proactive maintenance
- **Quality Control & Compliance Measures**
 - Analyze quality metrics to detect variations and prevent defects
 - Use analytics to quickly trace and isolate product defects in specific batches
 - Automate and monitor compliance with regulatory requirements and industry standards
- **Demand Forecasting & Inventory Management**
 - Analyze customer order history, market trends, and seasonality to predict future demand and help adjust production accordingly
 - Optimize raw material purchasing and finished goods inventory to reduce holding costs
- **Supplier & Raw Material Analysis**
 - Evaluate delivery times, quality of materials, and cost fluctuations
 - Analyze raw material usage and identify cheaper or higher-quality alternatives

Capstone Case Study: Data Analytics Results in \$1.7 Million of Recurring Revenue Savings

Capstone recently helped a manufacturing client address the paradoxical issue of falling output despite an increase in staff hours and a build-up in inventories. Using data analytics, along with other performance improvement tools, Capstone's team was able to identify and address multiple operational and process inefficiencies that resulted in \$1.7 million of confirmed annual recurring savings for the business. Through the data-driven approach, the client transformed its manufacturing operations, eliminated inefficiencies, reduced costs, and positioned the company for sustainable growth. The newly implemented tools and processes ensured that management had full visibility of performance, enabling data-driven decision-making for continued success.

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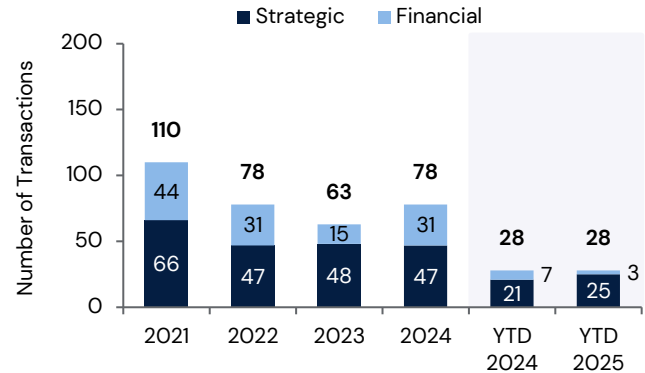
PRIVATE BUSINESSES, LOWER MIDDLE MARKET DRIVE SECTOR M&A

M&A activity in the Beauty sector has held steady YOY despite a turbulent start to 2025 characterized by a new administration and tariff policy uncertainty. Deal volume in YTD 2025 has paced YTD 2024, with 28 announced or closed transactions. A lack of headline deals to date has underscored the tepid M&A backdrop for consumer products. However, e.l.f. Beauty announced its acquisition of Hailey Bieber-backed rhode at the end of May, the first U.S.-based large-scale headline beauty deal of the year (more details on page eight). Apart from this deal, M&A activity to date has largely settled in the lower middle market.

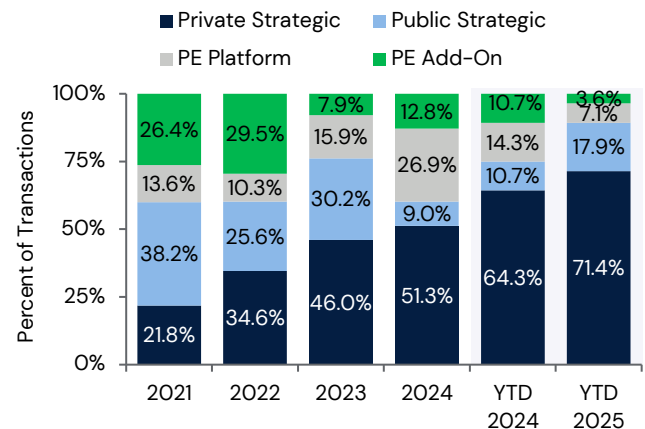
Strategic buyers have driven 89.3% of sector M&A volume YTD, a historically high percentage. Private strategics have accounted for the majority (71.4%) of total sector deals, a trend that has gained momentum since 2021. Publics have accounted for five deals to date, an uptick of two deals YOY. Business owners have continued to leverage M&A to diversify end markets and product categories and gain capabilities as consumer, regulatory, and retailer expectations increase. Additionally, corporate divestitures of non-core or underperforming brands have propped up deal flow. PE buyers have taken a backseat to date amid the unpredictability of tariff policy outcomes, contributing two platforms and one add-on to sector deal volume YTD. Capstone expects PE buyers to resume investing in the Beauty sector through the latter half of 2025 as they adjust to the new administration and find more certainty around the direction of consumers' financial health. Contract manufacturing targets have comprised a growing proportion of sector deal flow—rising from 9% in 2022 to 17.9% in YTD. Contract manufacturing operations will likely see elevated acquirer interest from sponsors and strategics as business owners continue to sell non-core operations and increasingly outsource manufacturing. These companies also provide some insulation from brand risk, potentially reducing earnings volatility in the near-term.

The Beauty sector has continued to see premium valuations compared to the wider Consumer industry. M&A multiples in the sector have averaged a robust 3.6x EV/Revenue and 13.5x EV/EBITDA from 2022 through YTD, outpacing the Consumer industry average of 1.9x EV/Revenue and 11.2x EV/EBITDA during the same period.

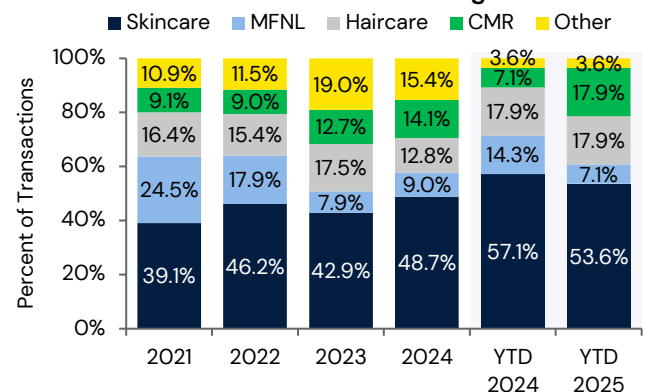
Sector M&A Volume Holds Steady Amid Heightened Political Uncertainty



Private Strategic Buyers Continue to Increasingly Drive Beauty M&A Activity



Skincare Segment Continues to Comprise Lion's Share of M&A Targets



MFNL = Makeup, Fragrances, Nail, & Lipcare;

CMR = Contract Manufacturing/Research

Year to date (YTD) ended June 8

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners



NOTABLE BEAUTY BRANDED AND MANUFACTURING TRANSACTIONS

Branded



LG Household & Health Care (KOSDAQ:A051900), a Korean cosmetics, household goods, and beverage company, acquired the remaining 35% stake in The Crème Shop for an enterprise value of \$190.3 million (May 2025). The Crème Shop is a U.S.-based color cosmetics brand with multi-channel distribution focused on Korean beauty culture. LG Household & Health Care originally acquired a 65% stake in the brand to reduce its concentration in China and develop a stronger presence in North America (April 2022, \$184.6 million).



e.l.f. Beauty (NYSE:ELF) announced its acquisition of rhode, a multi-category beauty brand founded by celebrity Hailey Bieber, for an enterprise value of \$1 billion, equivalent to 4.7x EV/Revenue (May 2025). Launched in 2022, skincare-focused rhode recorded \$212 million in net sales for the trailing twelve-months ending March 31, 2025, according to a press release.⁵ Notably, the company only operates direct-to-consumer but e.l.f. plans on launching rhode's products in-store with Sephora in North America and the U.K. before year-end.



In March 2025, L'Oréal announced its divestment of Carol's Daughter to its founder (Lisa Price) and an independent beauty entrepreneur (Joe Wong) for an undisclosed sum. Carol's Daughter retails natural haircare, body, and skincare products for women of color and those with textured hair. L'Oréal originally acquired the brand in October 2024 for \$27 million. The deal is expected to revive the company's founder-led identity and community-driven following, which came under scrutiny during L'Oréal's ownership.

Contract Manufacturing



In February 2025, middle market PE firm, Gemspring Capital, acquired the third-generation family-owned manufacturing business Creative Labs (undisclosed). Creative Labs offers haircare and skincare research and development (R&D), design, branding, contract manufacturing, and other services. Creative Labs' subsidiary, United Hair Care, offers branded products. Gemspring noted Creative Labs' vertically integrated product testing, large-scale manufacturing capabilities, and in-house R&D as key to the deal rationale.



Cosmetics contract manufacturer Cosmecca Korea (KOSDAQ:A241710) acquired an additional stake in Englewood Lab (KOSDAQ:A950140) in February 2025 (\$131.6 million, 1.0x EV/Revenue, 8.0x EV/EBITDA). U.S.-based Englewood Lab is a contract manufacturer of cosmetics with robust R&D capabilities. Cosmecca Korea originally acquired a 34.7% stake in the company in 2018 to tap into the U.S. market (\$173.2 million, 2.1x EV/Revenue). The acquirer has gained majority control of Englewood with the deal.



Canadian pharmaceutical company LSL Pharma Group (TSXV:LSL) acquired cosmetic contract manufacturer Dermolab in December 2024 for an enterprise value of \$2.8 million, equivalent to 7.9x EV/EBITDA. The deal highlights large strategics' appetite for smaller contract manufacturers that can diversify service offerings and act as a viable entry point into the Cosmetics market. Moreover, the acquisition exemplifies the blurring lines between pharmaceutical, therapeutic products and beauty products.



SELECT BEAUTY TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM	
					Revenue	EBITDA
05/30/25	The Crème Shop	LG H&H (KOSE:AO51900)	Sells Korean beauty-inspired color cosmetics.	\$190.3	-	-
05/28/25	rhode	e.l.f. Beauty (NYSE:ELF)	Operates as a multi-category direct-to-consumer beauty brand.	\$1,000.0	4.7x	-
05/23/25	Modere	Shaklee	Produces personal care products including skincare, haircare, and nailcare.	-	-	-
05/12/25	Touchland	Church & Dwight (NYSE:CHD)	Manufactures and retails hand sanitizer.	\$880.0	6.8x	16.0x
05/01/25	Garrett Hewitt International	Novvia Group	Supplies packaging and formulation solutions to the Cosmetic and Perfume industries.	-	-	-
04/14/25	Longevity Health (Nasdaq: XAGE)	20/20 GeneSystems	Operates as a bio-aesthetics company.	\$50.0	-	-
04/03/25	Bread Beauty Supply	CODB Holdings	Sells haircare products for women with naturally curly and oily hair.	-	-	-
04/02/25	All Assets of Concept Jp	SalonCentric Canada	Distributes beauty products for hairdresser, spa, and beauty salon professionals.	-	-	-
03/25/25	Nu Bloom Botanicals	HUMORA	Operates a laboratory for herbal formulations and manufactures plant-based wellness products.	-	-	-
03/25/25	Geologie	Megalabs USA	Sells tailored skincare products for men.	-	-	-
03/21/25	SKNN by Kim	Skims Body	Produces and retails cosmetics and skincare products.	\$370.0	-	-
03/17/25	Look Beauty	Upper Canada Soap & Candle Makers	Offers animal-print face sheet masks.	-	-	-
03/09/25	BIA Skin	Luxury Brands	Produces and sells body care and skincare products.	-	-	-
03/03/25	Carol's Daughter	Lisa Price; Joe Wong	Retails natural haircare, body care, and skincare products catered to women of color.	-	-	-
02/25/25	SIO Beauty	Rhodium	Sells a line of medical-grade silicone patches for the face, neck, and décolleté.	-	-	-
02/24/25	Prai Beauty	Luxury Brands	Retails skincare solutions for women over 45 years old.	-	-	-
02/12/25	Prima	Sky Marketing	Operates as a science-backed whole body wellness brand selling skincare, body care, and supplements.	-	-	-
02/10/25	Creative Laboratories	Gemspring Capital	Manufactures and supplies personal care products.	-	-	-
02/07/25	Rich Hair Care Americas	Catalyst Consult	Produces and distributes premium haircare products.	-	-	-
02/06/25	Englewood Lab (KOSDAQ:A950140)	Cosmecca Korea (KOSDAQ:A241710)	Provides contract manufacturing services to cosmetic products companies.	\$131.6	1.0x	8.0x
02/04/25	Cosme Hunt	Trenders (TSE:6069)	Owns and operates an online platform selling skincare, body care, and haircare products.	-	-	-

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



BEAUTY SECTOR PUBLIC COMPANY DATA

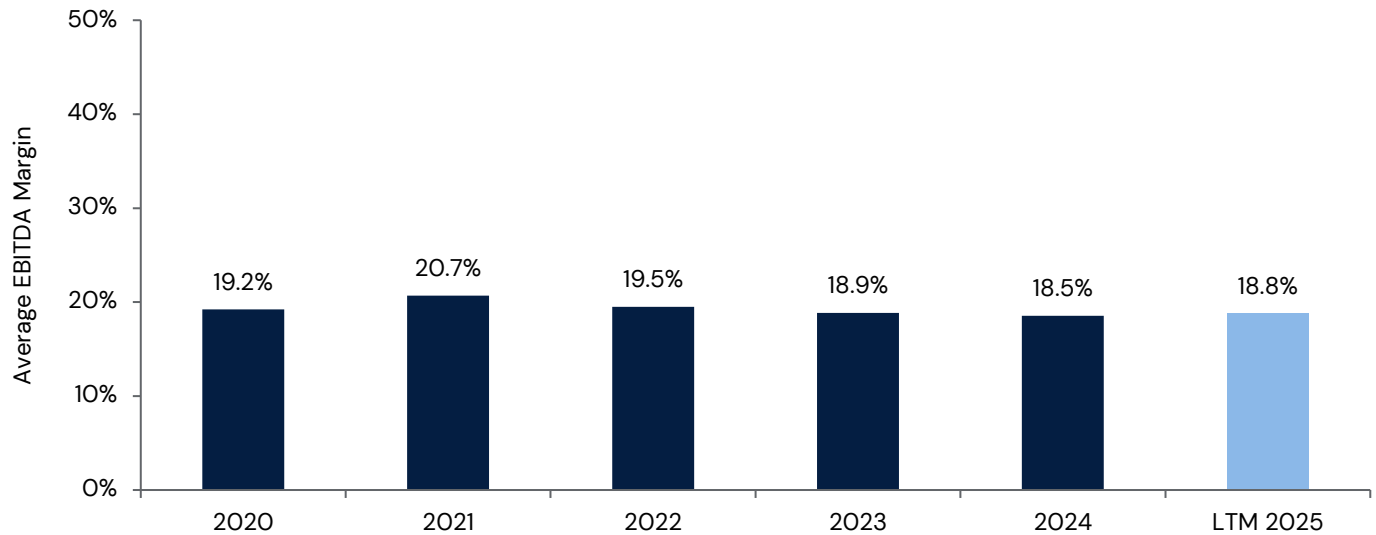
Company	Price	% 52 Wk	Market	Enterprise	LTM			EV/LTM	
	06/04/25	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Amorepacific Corporation	\$97.36	69.1%	\$6,033.4	\$5,715.5	\$2,744.1	\$606.4	22.1%	2.1x	9.4x
Church & Dwight Co., Inc.	\$99.54	85.5%	\$24,514.4	\$25,844.5	\$6,070.9	\$1,415.8	23.3%	4.3x	18.3x
Colgate-Palmolive Company	\$90.62	82.9%	\$73,440.3	\$80,768.3	\$19,947.0	\$5,047.0	25.3%	4.0x	16.0x
Coty Inc.	\$4.97	47.2%	\$4,335.3	\$8,605.2	\$6,003.9	\$1,094.9	18.2%	1.4x	7.9x
e.l.f. Beauty, Inc.	\$114.78	52.2%	\$6,465.4	\$6,629.7	\$1,313.5	\$193.0	14.7%	NM	NM
Edgewell Personal Care Company	\$26.52	63.9%	\$1,247.2	\$2,554.1	\$2,224.5	\$339.7	15.3%	1.1x	7.5x
Interparfums, Inc.	\$136.76	92.3%	\$4,393.3	\$4,623.9	\$1,467.2	\$317.1	21.6%	3.2x	14.6x
Johnson & Johnson	\$154.42	90.8%	\$371,545.8	\$385,016.8	\$89,331.0	\$30,225.0	33.8%	4.3x	12.7x
Kao Corporation	\$47.06	93.1%	\$21,859.7	\$21,836.3	\$11,035.3	\$1,649.7	14.9%	2.0x	13.2x
L'Oréal S.A.	\$426.33	81.1%	\$227,598.1	\$232,625.0	\$45,022.1	\$10,472.3	23.3%	NM	22.2x
Newell Brands Inc.	\$5.37	45.6%	\$2,242.9	\$7,592.9	\$7,495.0	\$1,009.8	13.5%	1.0x	7.5x
Nu Skin Enterprises, Inc.	\$8.01	58.5%	\$395.8	\$510.1	\$1,679.3	\$183.3	10.9%	0.3x	2.8x
Shiseido Company, Limited	\$16.97	46.3%	\$6,778.2	\$8,888.6	\$6,473.4	\$650.2	10.0%	1.4x	13.7x
The Estée Lauder Companies Inc.	\$68.93	55.2%	\$24,797.7	\$31,548.7	\$14,786.0	\$2,905.0	19.6%	2.1x	10.9x
The Honest Company, Inc.	\$5.05	56.3%	\$556.7	\$503.5	\$389.4	\$5.5	1.4%	1.3x	NM
The Procter & Gamble Company	\$166.85	92.5%	\$391,186.8	\$417,265.8	\$83,927.0	\$24,530.0	29.2%	5.0x	17.0x
Ulta Beauty, Inc.	\$473.11	96.2%	\$21,264.2	\$22,784.8	\$11,418.2	\$2,290.3	20.1%	2.0x	9.9x
Unilever PLC	\$62.62	92.0%	\$156,004.5	\$186,524.5	\$62,906.1	\$13,368.9	21.3%	3.0x	14.0x
Mean							18.8%	2.4x	12.3x
Median							19.9%	2.0x	13.0x
Harmonic Mean							10.9%	1.5x	9.8x

EV = enterprise value; LTM = last twelve months
 \$ in millions, except per share data
 NM = Not Meaningful

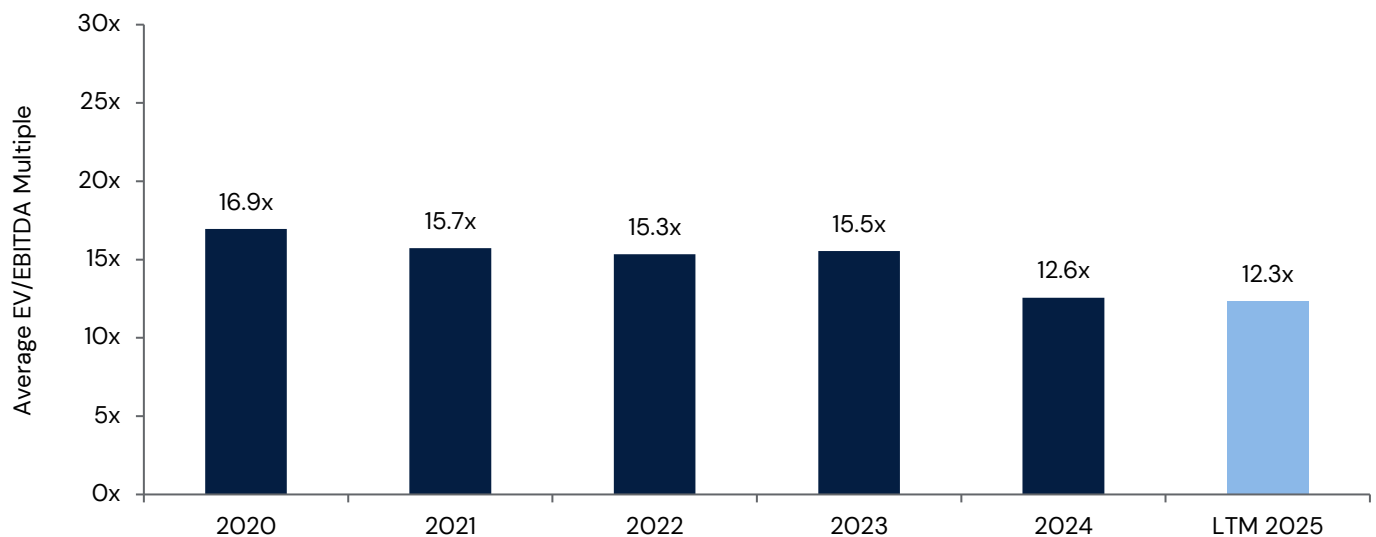
Source: Capital IQ and Capstone Partners as of June 4, 2025

PUBLIC COMPANY EBITDA MARGINS HOLD STEADY, VALUATIONS DIP

Beauty Public Company Index EBITDA Margin Hold Steady Despite Tariff Headwinds



Beauty Public Company Index Average EBITDA Multiple Dips Following Period of Tremendous Sales Growth



LTM = last twelve-months
 Beauty Index includes: 4452, 4911, A090430, CHD, CL, COTY, EL, ELF, EPC, HNST, IPAR, JNJ, NUS, NWL, OR, PG, ULTA, ULVR
 Source: Capital IQ and Capstone Partners as of June 4, 2025

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Ken serves as Capstone's Co-Head of Investment Banking and leads the Consumer Investment Banking Group. He brings nearly 25 years of investment banking experience including domestic and international mergers & acquisitions, initial and secondary offerings of public companies, debt raises and private placements for his clients. He has helped raise over \$10 billion in capital for clients during his career. Ken regularly presents at consumer industry conferences and has testified twice as an expert witness on consumer brands. He joins Capstone Partners from Stephens Investment Bank, where he started and led the Consumer Products Group. Ken holds an MBA in Finance from Columbia University and a BS in Accounting from St. Joseph's University.



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Andrew serves as a Market Intelligence Associate at Capstone Partners covering the Consumer industry. Prior to joining the Market Intelligence Team at Capstone, Andrew was a Senior Research Associate at Corporate Insight, where he provided digital banking competitive intelligence, user experience research, and consulting services to leading financial institutions. Andrew graduated with a Bachelor of Arts degree in Economics from Union College.

FIRM AWARDS & ACCOLADES

Capstone Partners is consistently recognized as an elite middle market firm by multiple leading industry organizations. This has afforded our clients with immediate market credibility in the acquirer and investor communities. From 2016 to 2024, Capstone has received 22 "investment banking firm of the year" awards from organizations such as The M&A Atlas Awards, The M&A Advisor, M&A Today, and ACQ5. A sampling of Capstone's recent awards is shown below.



FIRM TRACK RECORD

Capstone's Consumer Investment Banking Group maintains an active presence in the Beauty sector with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our frequent conversations with industry participants provide us with increased transparency into market trends and buyer preferences. A sampling of Capstone's closed and active deals is outlined below.

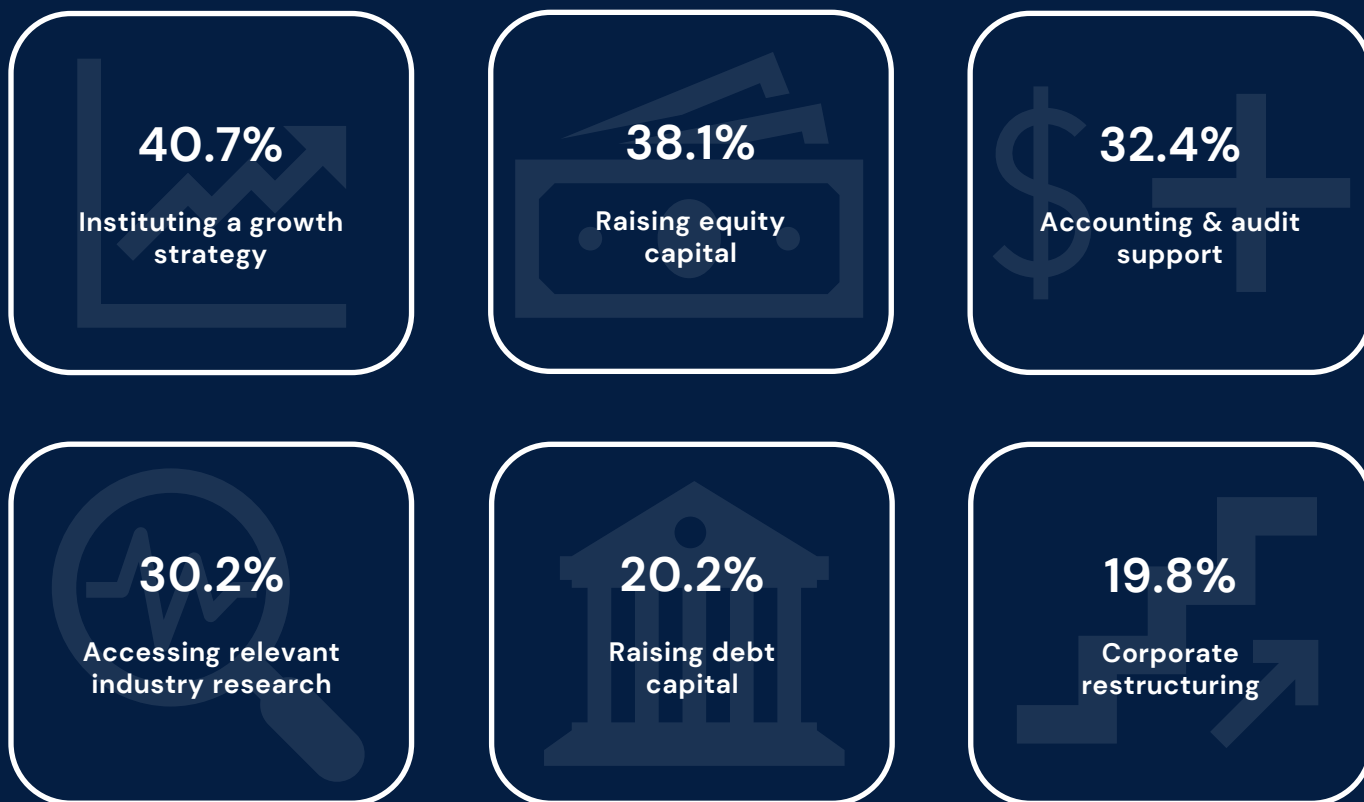
<p>CONFIDENTIAL</p> <p>CORPORATE SALE (IN MARKET)</p> <p>VALUE-ADDED FRAGRANCE AND PERSONAL CARE PRODUCT DISTRIBUTOR</p>	<p>MENOLABS</p> <p>HAS BEEN ACQUIRED BY</p> <p>amyris</p>	<p> GYMLAUNCH</p> <p> PRESTIGE LABS</p> <p>HAS RECAPITALIZED WITH</p> <p> AMERICAN PACIFIC GROUP</p>	<p><i>Natures Craft</i></p> <p>HAS BEEN ACQUIRED BY</p> <p>AN UNDISCLOSED STRATEGIC BUYER</p>
<p></p> <p>HAS BEEN ACQUIRED BY</p> <p>WLC WEST LANE CAPITAL PARTNERS</p> <p>IN PARTNERSHIP WITH J.P.Morgan Asset Management</p>	<p></p> <p>HAS ACQUIRED</p> <p>Clinere™</p>	<p></p> <p>HAS PARTNERED WITH</p> <p>PROMUS EQUITY PARTNERS</p>	<p>purple</p> <p>HAS BEEN ACQUIRED BY</p> <p> GLOBAL PARTNER ACQUISITION CORP</p>
<p> eSMILE™ the smile beauty company a portfolio company of JHPartners</p> <p>HAS BEEN ACQUIRED BY</p> <p>UNDISCLOSED FAMILY OFFICE</p>	<p> discovery toys teach.play.inspire.</p> <p>HAS BEEN ACQUIRED BY</p> <p>A V O N</p>	<p>Westone®</p> <p>HAS BEEN ACQUIRED BY</p> <p>HealthEdge INVESTMENT PARTNERS</p>	<p>CRYSTAL™ BODY DEODORANT</p> <p>HAS BEEN ACQUIRED BY</p> <p>JUGGERNAUT CAPITAL PARTNERS</p>

CAPSTONE'S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone's 2024 Middle Market Business Owners Survey indicated growth strategies are a priority for 2025, the lion's share (40.7%) of owners anticipate a need for growth strategy support services. Similarly, 38.1% of CEOs require equity capital advisory services to support operational initiatives and business expansion. Nearly one-third of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, 30.2% of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2025



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
Source: Capstone Partners' Middle Market Business Owner Survey, Rebased Sample Size (N): 278

ENDNOTES

1. The Conference Board, "US Consumer Confidence," <https://www.conference-board.org/topics/consumer-confidence>, accessed June 12, 2025.
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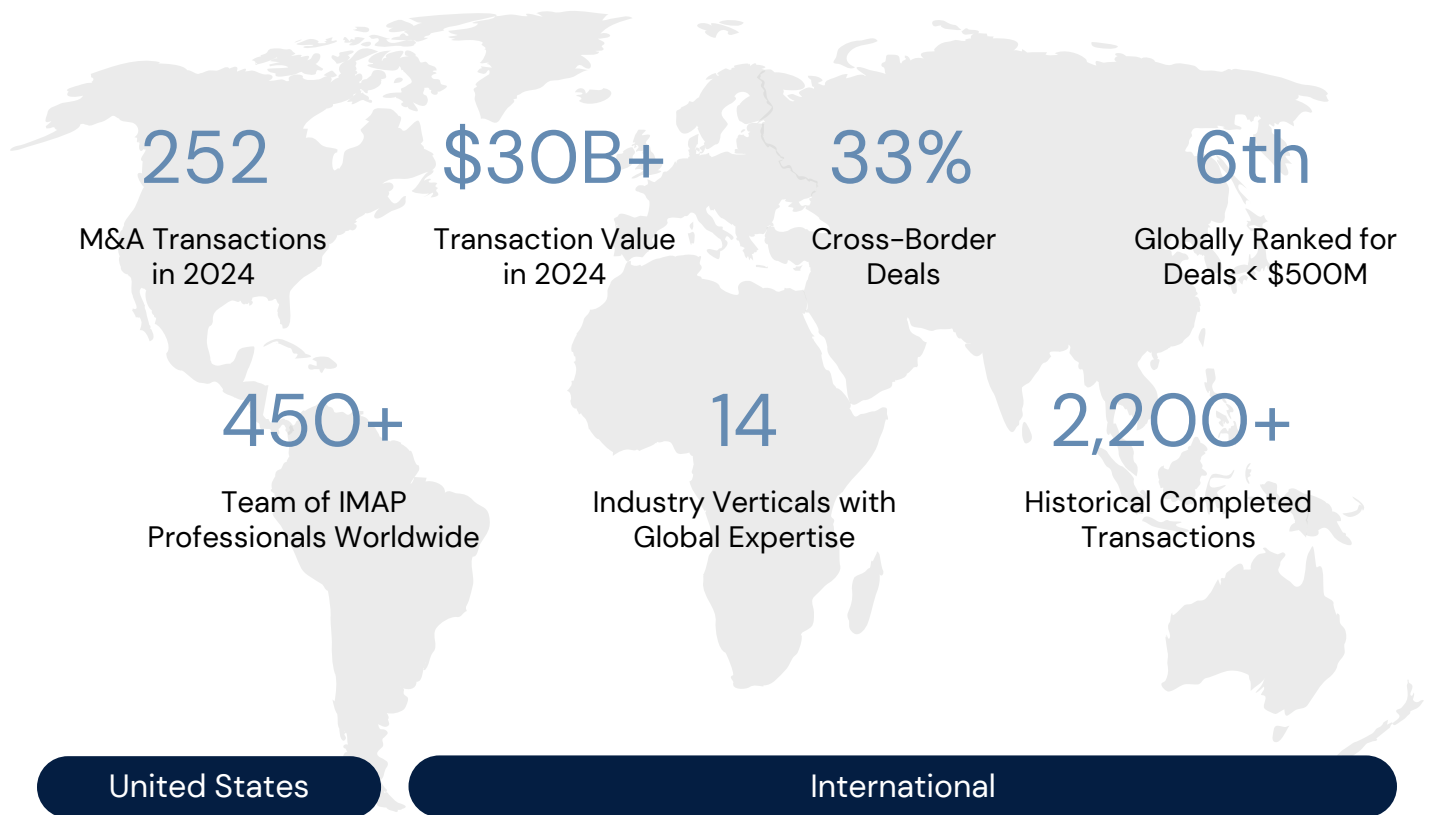
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With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 49 countries.



~200 professionals
8 offices

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Detroit • Irvine • New York • Tampa

450+ professionals
60+ offices in 51 countries

Asia: China • India • Japan • Thailand

Africa: Congo • Cameroon • Ghana • Mauritius • Morocco • Senegal • South Africa •
Uganda • Zimbabwe

Americas: USA • Canada • Argentina • Brazil • Chile • Colombia • Mexico • Panama & Central
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