



Q1
2025

CONSUMER HEALTH

Quarterly Perspective

Recent Lincoln International Consumer Health Transactions

 **wellbeam**
CONSUMER HEALTH

has sold

 **Penetrex**

to

 **CARLIN**
CONSUMER HEALTH

Sell-Side



 **SPC**
SWANDER PACE CAPITAL

has sold

 **Reliance**
EXCELLENCE IS IN OUR NATURE


to

 **IMPETUS**
WELLNESS BRANDS


 **AEA**

Sell-Side




 **Tengram Capital Partners**



has sold

 **IRB**
BRANDS

to


 **SODALIS**
GROUP

Sell-Side





 **UPSA**

has acquired

 **Sérélys Pharma**

Buy-Side




 **NAVÄGE**
NASAL CARE

has been sold to


 **French Transit, Ltd.**
Products you love. Safety you can trust.

a portfolio company of


 **JUGGERNAUT**
CAPITAL PARTNERS

Sell-Side





 **Victus**

has been sold to

 **Megalabs**

Sell-Side

 **LAKEVIEW EQUITY**
PARTNERS LLC

has sold

 **UAS Labs**
The Probiotic Company

to

 **CHR HANSEN**

Sell-Side




 **Alva**

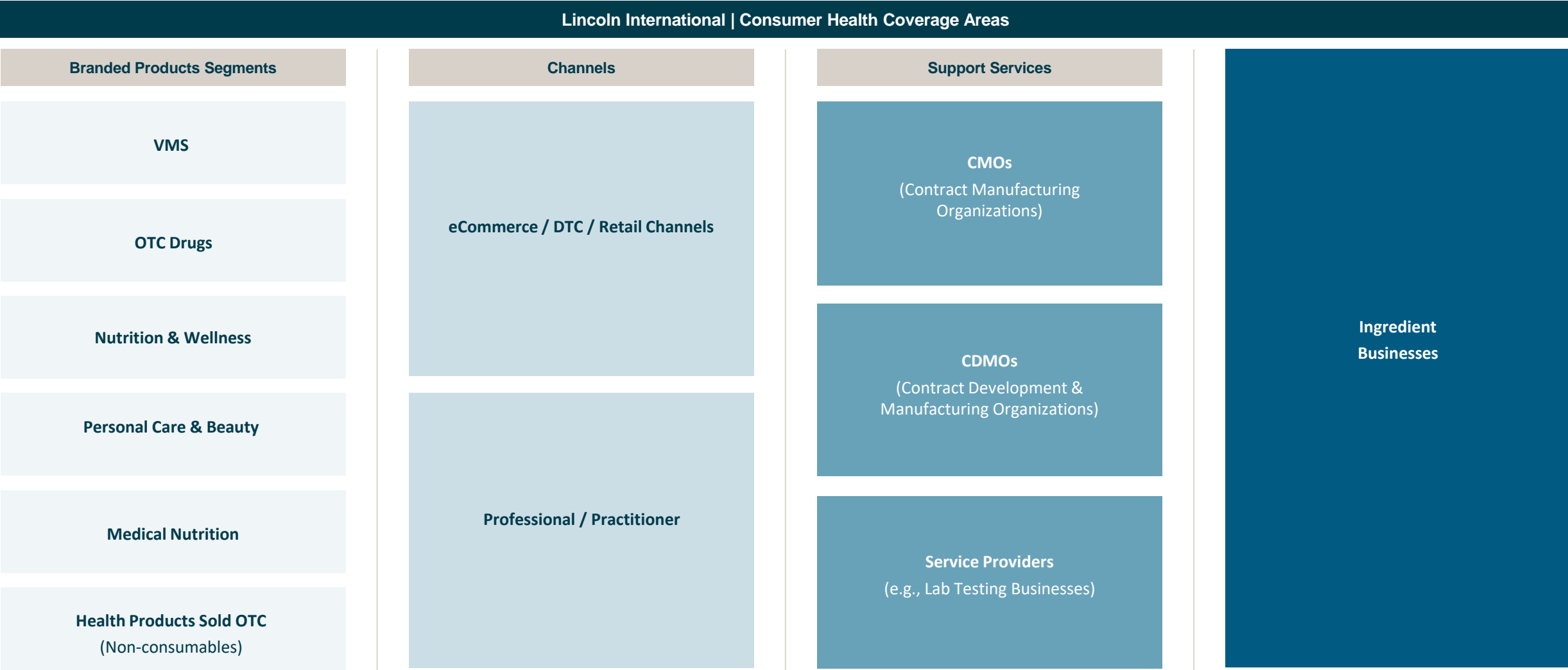
has been sold to

 **KOBAYASHI**

Sell-Side




Broad Coverage and Expertise Across Consumer Health Industry Segments and Channels



2025: Q1 in Review and a Yearly Outlook

In 2025, mergers and acquisitions (M&A) activity in the consumer health sector is poised to navigate a shifting landscape as businesses adapt to U.S. President Donald Trump's reciprocal tariffs, announced on April 2, 2025. Proposed tariff rate increases, particularly those imposed on China and India—the two largest importers of consumer health ingredients into the U.S.—could create opportunities for domestic manufacturers to capitalize on reshoring trends, shifting production back to domestic facilities to bolster their competitive positioning. These opportunities, however, are time- and capital-intensive and require significant investment from manufacturers.

Additionally, it remains to be seen how pending cost increases will play out between suppliers, product manufacturers and brands themselves. While consumers expect increased prices following tariff rate hikes, the non-discretionary and "need-based" nature of vitamins, minerals and nutrients (VMS) and over-the-counter (OTC) products make price increases unlikely to significantly impact the industry. Overall, the evolving political and economic landscape is expected to drive strategic realignments, creating both challenges and opportunities that will shape the consumer health M&A market in 2025.

2024 was a relatively slow year for consumer health deal-making. Transactions were typically of significant scale or smaller add-on opportunities, largely from private company sellers. Sentiment improved relative to 2023, but most transactions focused on unique opportunities involving divestitures from public companies, large transactions by public companies or mega-cap private equity investment in large consumer health assets. With ongoing macroeconomic uncertainty driven by recent tariff announcements, as well as continued industry tailwinds, the groundwork has been laid for 2025 to bring new opportunities driven by evolving economic conditions.

The evolving political and economic landscape is expected to drive strategic realignments, creating both challenges and opportunities that will shape the consumer health M&A market in 2025.

Public Market Insights

Jan-25: Church & Dwight (NYSE: CHD) announced they will narrow their focus from 14 power brands to the seven which account for 70% of revenue and profit, namely Arm & Hammer, Oxyclean, Therabreath, Vitafusion, Hero, Waterpik and Batiste.

Jan-25: USANA Health Sciences (NYSE: USNA) announced the acquisition of **HIYA Health Products**, a fast-growing children's DTC nutritional supplements company in a \$260 million transaction.

Feb-25: Glanbia plc (LON: GLB) have announced plans to sell its underperforming U.S. weight management brand **SlimFast**.

Feb-25: Prestige Consumer Healthcare (NYSE: PBH) announced record revenues in Q3 2025, driven by outperformance in strong international territories. The company continues to see positive trends in **Women's Health** and **Clear Eyes®**.

Feb-25: Haleon (NYSE: HLN) announced the increased investment in their Chinese manufacturer. Haleon now owns 88% of the manufacturer, with the option to acquire the remaining 12% in April 2025.

Feb-25: Kenvue (NYSE: KVUE) remains focused on continued gross margin expansion through productivity enhancements, increased and impactful brand investment and execution of the "Our Vue" savings initiative.

Mar-25: Reckitt Benckiser Group (LSE: RKT) continues to evaluate all strategic options for **Mead Johnson Nutrition** which continues to be a drag on Reckitt's adjusted operating margin profit.



Recent Consumer Health Transactions

M&A activity remains stable despite continued geopolitical headwinds and newly issued reciprocal tariffs

BRIDGES CONSUMER HEALTHCARE (CHARLESBANK) ACQUIRES KT TAPE FROM PALLADIN CONSUMER RETAIL PARTNERS (BRANDED OTC PRODUCTS)

January 2025

Bridges Consumer Healthcare (Bridges), backed by Charlesbank, announced the acquisition of KT Tape, the leading kinesiology tape brand designed to provide pain relief and support. The strategic acquisition broadens and enhances Bridges's portfolio of specialty OTC brands, boosting the company's scale and positioning it for accelerated organic growth and additional add-on opportunities.



KT TAPE

TOPGUM INDUSTRIES ACQUIRES ISLAND ABBEY NUTRITIONALS (VMS CDMO)

January 2025

TopGum Industries (TopGum), announced the acquisition of Island Abbey Nutritionals, a leading CDMO specializing in supplement gummies and lozenges. The strategic acquisition enhances TopGum's manufacturing and technological capabilities, reinforcing its position as a global leader in innovative gummy supplements. It also bolsters the company's presence in the U.S. market by establishing an integrated supply chain with production, bottling and warehousing operations spanning two continents.



WELLFUL (KAINOS) ACQUIRES ANCIENT NUTRITION (BRANDED VMS)

January 2025

Wellful, backed by Kainos Capital, announced the acquisition of Ancient Nutrition, a producer of various nutritional products previously owned by VMG Partners, Hillhouse Investment and other shareholders. The strategic acquisition will enhance Wellful's omnichannel presence across various VMS categories while expanding its distribution footprint into the natural retail channel, further solidifying the Company position as one of the largest independent VMS platforms in North America.



QUEST PRODUCTS (PROMUS EQUITY) ACQUIRES DOCTOR BUTLER'S (BRANDED OTC DRUGS)

February 2025

Quest Products (Quest), backed by Promus Equity Partners, announced the acquisition of Beyond Health, the owner of Doctor Butler's. This strategic acquisition enhances Quest's portfolio by expanding the company's Digestive Health platform while reinforcing its leadership position in OTC products. By adding this trusted brand, Quest will be able to serve an even wider consumer base and is well-positioned to increase its presence within the self-care industry, providing consumers a comprehensive range of products that support health, comfort and overall well-being.



CELSIUS HOLDINGS ACQUIRES ALANI NUTRITION (BRANDED ACTIVE NUTRITION)

February 2025

Celsius Holdings (Celsius), announced the acquisition of Alani Nutrition, a leading functional beverage and wellness products company. The strategic acquisition establishes a leading better-for-you, functional lifestyle platform with strong category tailwinds and complementary positioning, enabling continued distribution growth, access to consumers in growing adjacencies, increased innovation and brand awareness and accelerated global expansion.



PEPSICO ACQUIRES POPPI (BRANDED ACTIVE NUTRITION)

March 2025

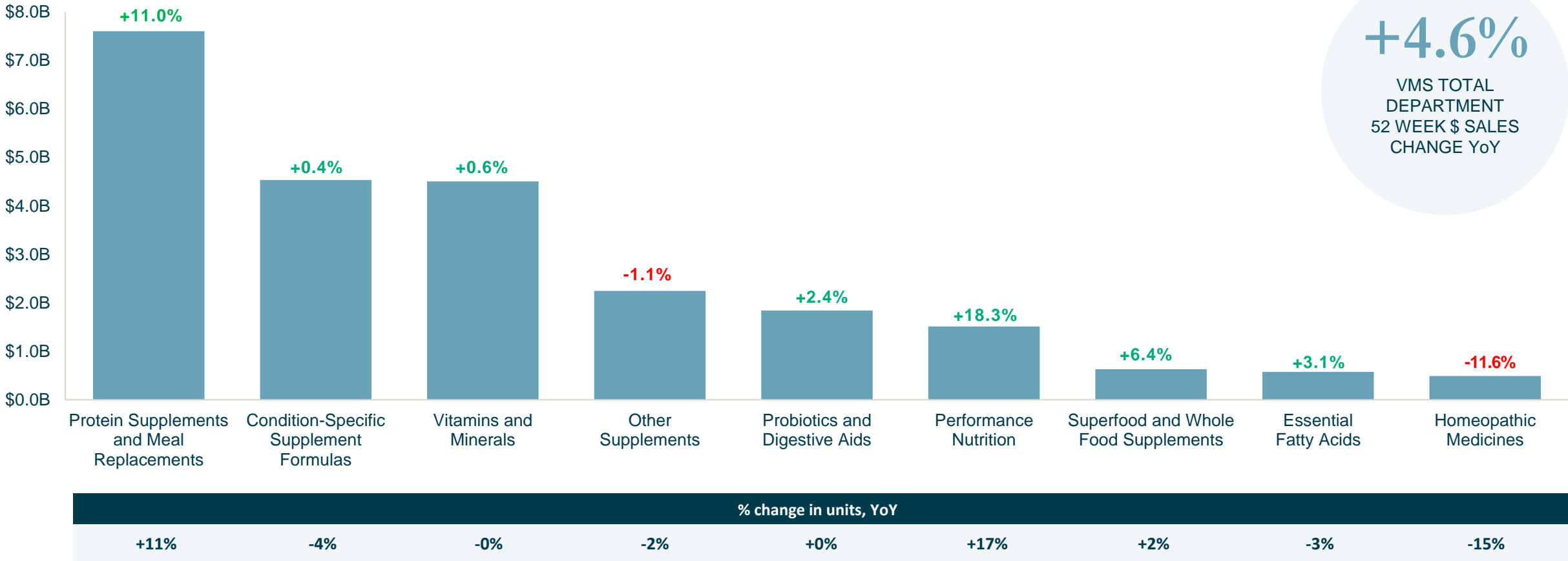
PepsiCo, Inc. (PepsiCo), announced the acquisition of poppi, a high-growth functional soda brand that combines prebiotics, fruit juice and apple cider vinegar. The strategic acquisition enables PepsiCo to expand into the functional beverage market, diversify its portfolio offerings to address whitespace consumer needs and offer a broad range of choices for customers.



Leading VMS Categories

Shoppers are prioritizing holistic and fitness-oriented supplements that enhance physical performance, provide natural and nutrient-dense options and support muscle development

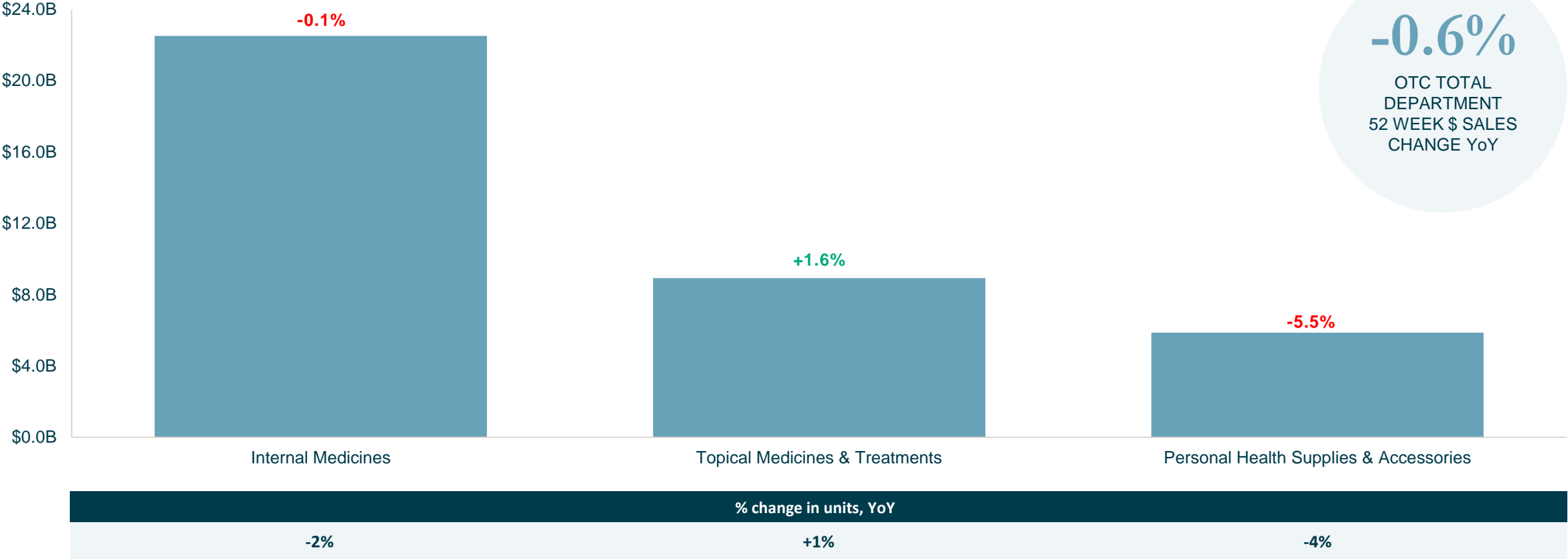
VITAMINS & SUPPLEMENTS BY CATEGORY: DOLLAR SALES, DOLLAR % CHANGE YoY



Leading OTC Categories

Largely flat YoY performance in the largest OTC categories, internal medicines and topicals medicines & treatments

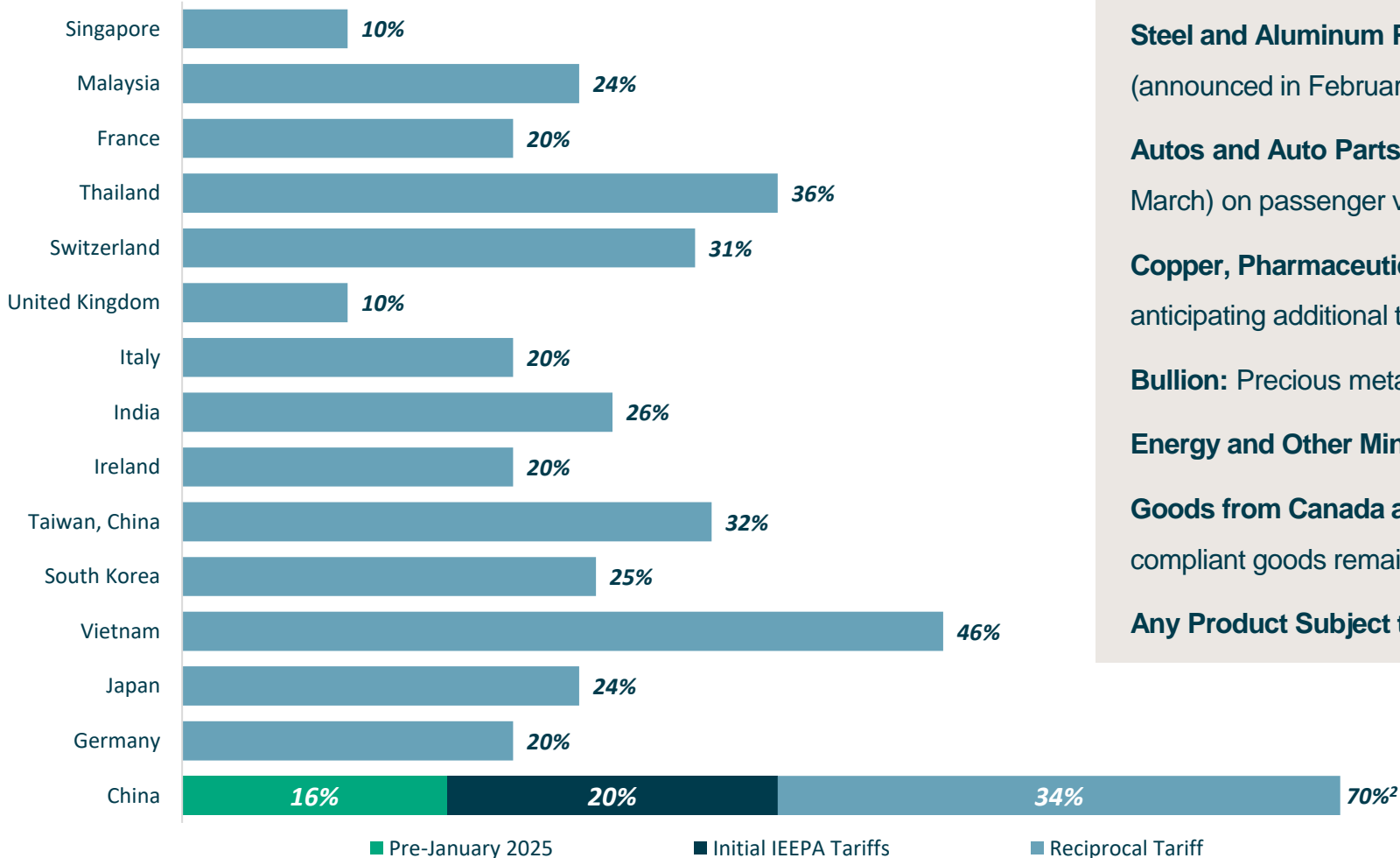
OTC BY CATEGORY: DOLLAR SALES, DOLLAR % CHANGE YoY



Reciprocal Tariffs

U.S. tariff rates increased from 2% to an average 22-27%, representing up to a 10x hike and the highest levels since 1910

Tariffs Above MFN Rates¹



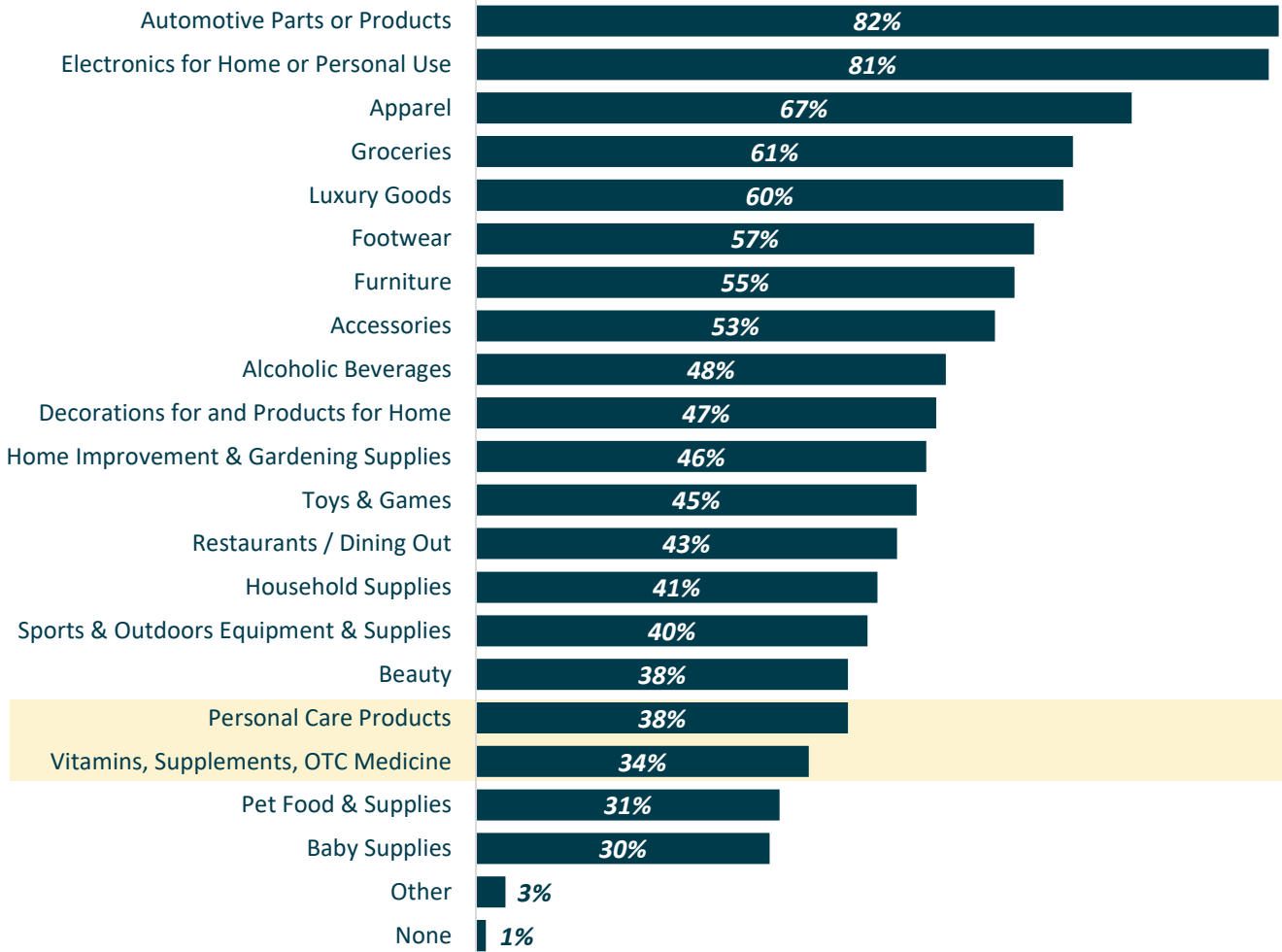
Tariff Exemptions for Specific Goods

- Steel and Aluminum Products:** Those already subject to the 25% tariff (announced in February) on imported steel, aluminum and derivative products
- Autos and Auto Parts:** Those already subject to the 25% tariff (announced in March) on passenger vehicles, light trucks and certain automobile parts
- Copper, Pharmaceuticals, Semiconductors and Lumber:** All goods currently anticipating additional tariffs under Section 232 probes
- Bullion:** Precious metals (e.g., gold, silver, platinum group and palladium)
- Energy and Other Minerals:** Goods not available in the U.S.
- Goods from Canada and Mexico:** USMCA-compliant goods; non-USMCA compliant goods remain subject to 25% tariffs
- Any Product Subject to a Future Section 232 Tariff**

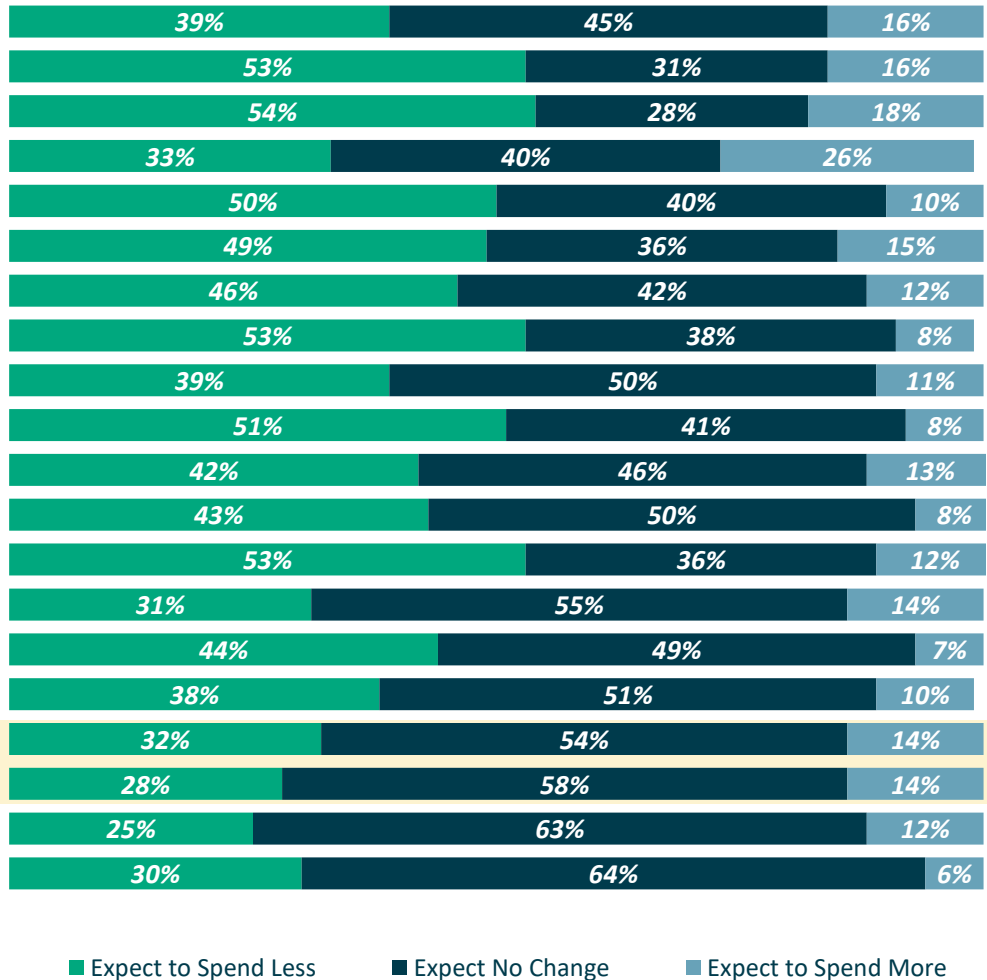
1. Reuters, JP Morgan Research as of April 2nd, 2025.
 2. Per Peterson Economic Institute, The US MFN tariff rate on China is ~3.1%. The trade-weighted average tariff on China ended at ~19% following the first Trump administration, resulting in a pre-existing tariff of ~16% above MFN rates. No other countries besides China had tariffs above MFN rates.

Consumer Perceptions Around Tariff Impacts

Percent of Consumers Expecting Price Increases by Category



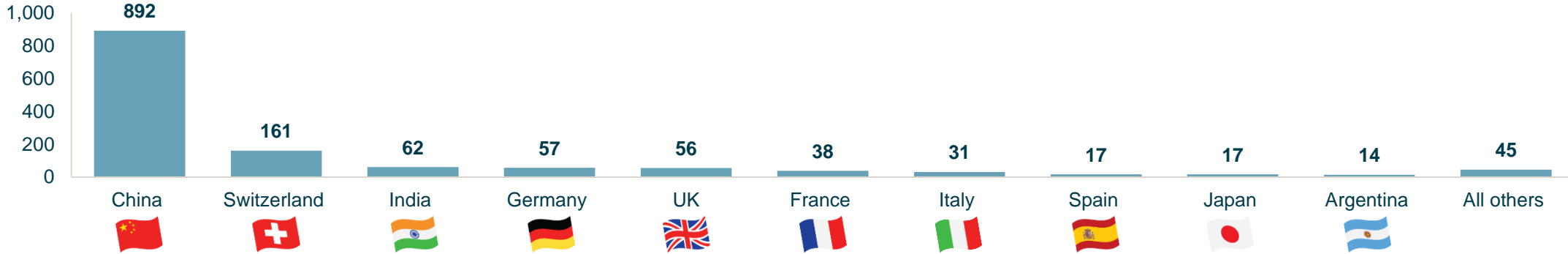
Expected Impact on Consumer Spending



Strategic Playbook for Nutritional Supplement Companies to Navigate Tariff Exposure

Customs Value of Imported Nutritional Supplement Products, by Country of Origin¹ (2024)

Millions of USD



	China	Switzerland	India	Germany	UK	France	Italy	Spain	Japan	Argentina
Tariff (04/02/25)	34%	31%	26%	20%	10%	20%	20%	20%	24%	10%
Tariff (90 Day Pause)	145%	10%	10%	10%	10%	10%	10%	10%	10%	10%

Strategic Playbook: Preparing for a Volatile Trade Future

1 Assess business impact & risk

Assess the **country-specific exposures of key imports / ingredients** and finished products to understand **degree of exposure** to announced tariffs

2 Scenario planning for supply flexibility

Consider diversifying supply sources depending on country-specific exposure and mitigate volatility through strategies (including forward contracts, dual sourcing and flexible logistics) to **respond with speed and intention as guidance becomes clearer**

3 Strategic revenue management

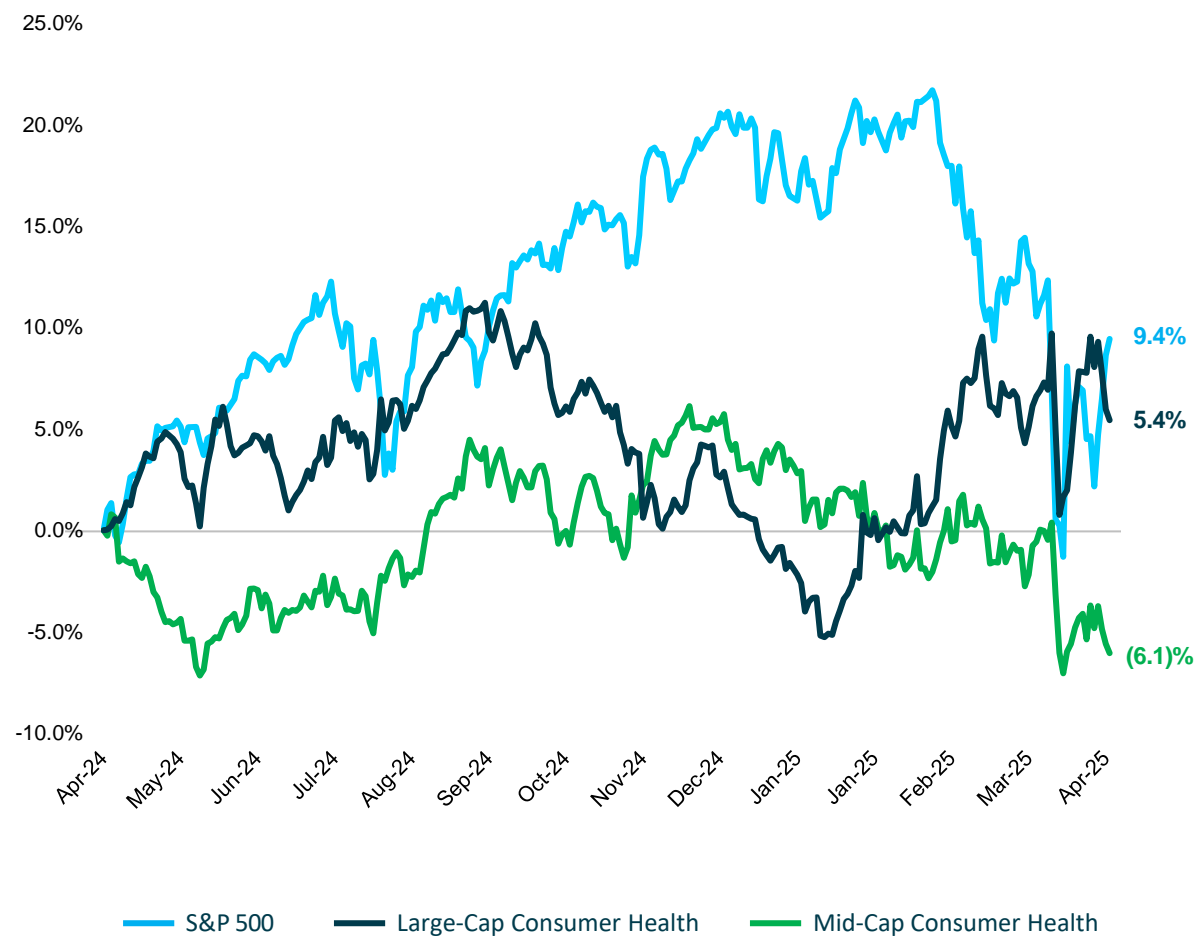
Leverage **revenue growth management tactics** (e.g., pricing, PPA, mix management and trade) to adapt product formats / optimize price points to **protect margins and mitigate tariff impact**

4 Optimization & simplification

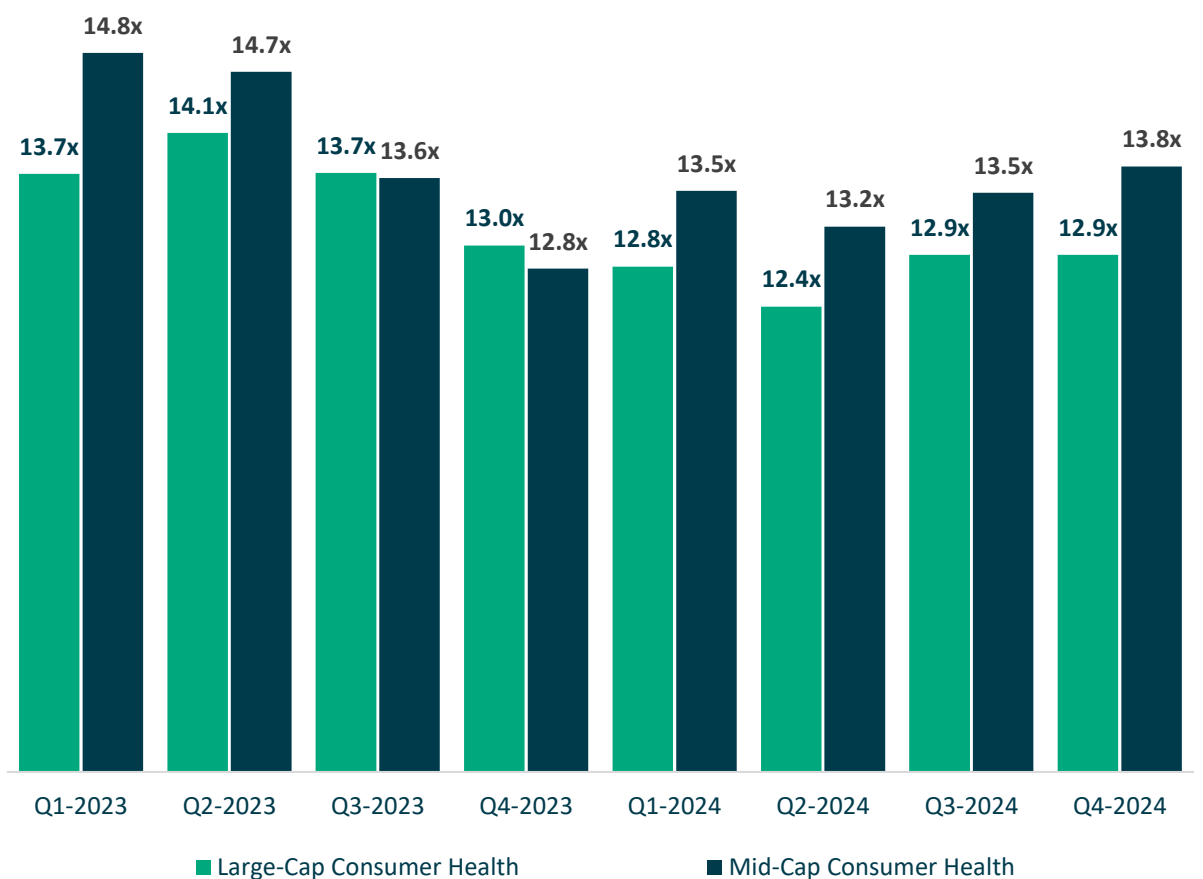
Streamline SKUs to prioritize tariff-exempt ingredients (e.g., vitamins / mineral / supplement ingredients covered under Annex II), enhance **procurement agility** and refresh efficiency programs / automation to **limit tariff impact**

Consumer Health Valuations

LAST 12 MONTH RELATIVE STOCK PRICE PERFORMANCE¹



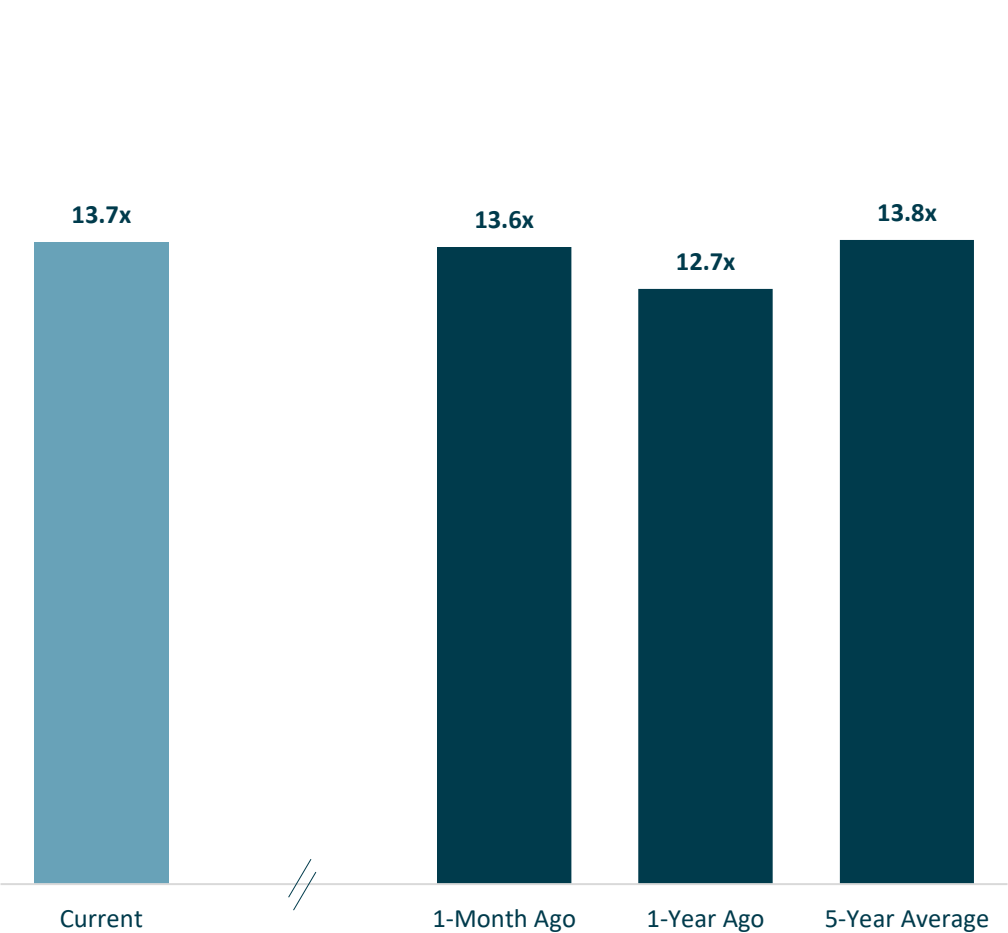
HISTORICAL ENTERPRISE VALUE / EBITDA VALUATION PERFORMANCE¹



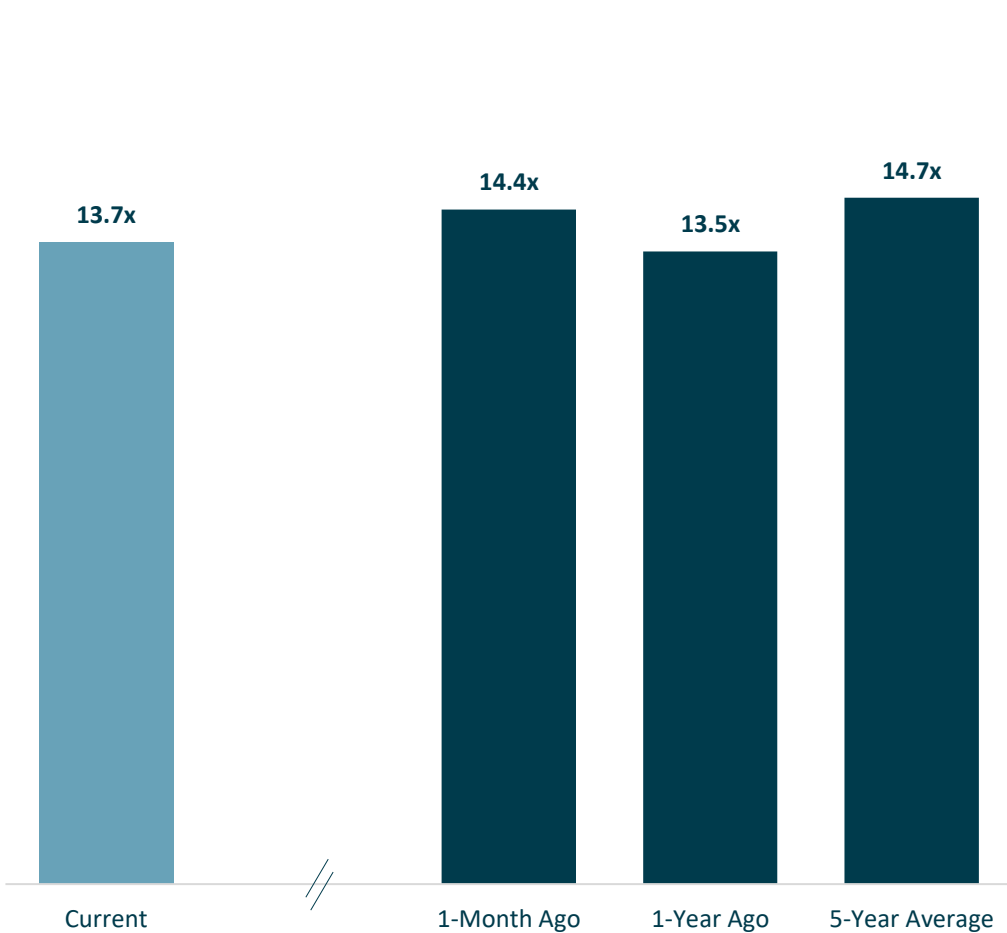
Sources: Lincoln Proprietary Data, Capital IQ as of April 25th, 2025.
 1. Large-Cap and Mid-Cap Consumer Health include the publicly traded companies listed on page 13.

Trended Consumer Health Valuations

LARGE-CAP CONSUMER HEALTH¹



MID-CAP CONSUMER HEALTH¹



Source: Capital IQ as of April 25th, 2025.
1. Large-Cap and Mid-Cap Consumer Health include the publicly traded companies listed on page 13.

Consumer Health Market & Operating Statistics

\$ in Millions, Except for Stock Price

Company	Enterprise		Market		EV / Revenue		EV / EBITDA		Revenue CAGR		EBITDA Margin		Net Debt
	Value		Cap ¹		CY2025	CY2026	CY2025	CY2026	1-Year	3-Years	CY2025	CY2026	EBITDA
Large-Cap Consumer Healthcare													
Bayer	\$	59,687	\$	25,666	1.13x	1.12x	5.6x	5.3x	(8.4%)	(1.3%)	20.2%	20.9%	3.6x
Haleon		55,377		45,340	3.64x	3.48x	14.6x	13.8x	(2.3%)	2.9%	24.9%	25.2%	3.0x
Kenvue		51,686		44,149	3.35x	3.22x	13.9x	13.1x	0.1%	0.9%	24.1%	24.6%	2.1x
Nestlé		328,258		265,947	2.95x	2.86x	14.8x	14.0x	(8.7%)	1.8%	19.9%	20.4%	3.1x
Procter & Gamble		403,597		377,518	4.75x	4.59x	17.1x	16.4x	0.5%	2.5%	27.8%	27.9%	1.1x
Reckitt Benckiser Group		52,023		42,043	2.74x	2.65x	9.9x	9.4x	(4.7%)	(0.3%)	27.7%	28.1%	2.1x
Unilever		183,879		155,615	2.65x	2.59x	12.5x	12.0x	(4.5%)	1.8%	21.3%	21.6%	2.2x
Large-Cap Consumer Healthcare Mean					3.03x	2.93x	12.6x	12.0x	(4.0%)	1.2%	23.7%	24.1%	2.5x
Large-Cap Consumer Healthcare Median					2.95x	2.86x	13.9x	13.1x	(4.5%)	1.8%	24.1%	24.6%	2.2x
Mid-Cap Consumer Healthcare													
Alliance Pharma	\$	545	\$	465	2.04x	1.94x	8.8x	8.2x	(2.7%)	0.4%	23.1%	23.7%	1.8x
Church & Dwight Co.		25,682		24,441	4.09x	3.94x	17.4x	16.5x	4.1%	5.6%	23.5%	23.8%	0.9x
The Clorox Company		19,577		17,033	2.76x	2.70x	13.6x	13.0x	(2.0%)	0.4%	20.3%	20.8%	2.0x
Dr. Reddy's Laboratories		11,395		11,453	2.71x	2.77x	10.5x	11.7x	11.6%	9.3%	25.8%	23.7%	NM
Jamieson Wellness		1,260		965	2.12x	1.94x	10.9x	9.6x	(0.4%)	12.7%	19.4%	20.2%	4.0x
Perrigo Company		6,523		3,441	1.47x	1.44x	8.5x	7.9x	(6.1%)	1.9%	17.2%	18.2%	4.1x
Prestige Consumer Healthcare		4,936		3,990	4.29x	4.19x	12.8x	12.7x	(1.4%)	1.9%	33.4%	33.1%	2.6x
Mid-Cap Consumer Healthcare Mean					2.53x	2.46x	11.6x	11.2x	0.8%	5.0%	21.5%	21.7%	2.6x
Mid-Cap Consumer Healthcare Median					2.42x	2.32x	10.7x	10.7x	(1.2%)	3.7%	21.7%	22.2%	2.0x
Overall Adjusted Mean ²					2.78x	2.68x	12.3x	11.7x	(2.4%)	2.5%	22.7%	23.0%	2.5x
Overall Mean					2.80x	2.71x	12.2x	11.6x	(1.8%)	3.0%	22.7%	23.0%	2.5x
Overall Median					2.74x	2.70x	12.5x	12.0x	(2.3%)	1.8%	23.1%	23.7%	2.2x

Source: Capital IQ.

1. Market data as of April 25th, 2025.

2. Adjusted mean excludes the highest and lowest values.

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory and valuations and fairness opinions. As one tightly integrated team of more than 1,000 professionals across 25+ offices in 15 countries, we offer an unobstructed perspective on the global private capital markets, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at www.lincolninternational.com.



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