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consulting

# BEAUTY & PERSONAL CARE INDUSTRY

REVIEW OF CORPORATE ACTIVITY

## 2024 Mergers & Acquisitions

Merger & acquisition activity in the beauty and personal care industry in 2024 was impacted by persistent high interest rates with an adverse impact on consumer confidence and consumer spending.

Eleven transactions were announced in 2024 compared to twenty-three transactions in 2023.

A high-profile transaction was the acquisition of Sukin for an estimated \$70 million which was acquired by PNB Consolidated from ASX-listed group BWX.

The acquisition of New Zealand-based skincare group, Essano by Vitality Brands was also a material transaction. Essano is one of the largest natural skincare brands in New Zealand and retails in over 6,000 stores and online in countries around the world.

The 12-month outlook for corporate activity in the beauty and personal care industry is positive with the prospect of interest rate cuts in 2025. Comet Line anticipates trade players and financial investors will be attracted to businesses which are positioned for growth as consumer behaviour and purchasing habits continue to evolve.

Comet Line Consulting's review of transactions in the beauty and personal care industry in 2024 is summarised below.

We hope that you get value from reflecting on these transactions and if you have any specific questions, please don't hesitate to contact us at [www.cometlineconsulting.com.au](http://www.cometlineconsulting.com.au)

## Acquisitions announced

Date	Target Name	Acquirer
12 Jan 2024	Sukin	PNB Consolidated
16 Jan 2024	Nude by Nature	Arrotex Pharmaceuticals
16 Jan 2024	MakeUp Cartel	Arrotex Pharmaceuticals
28 Feb 2024	Hiro Brands – selected brands	Tempo Group
26 March 2024	Essano	Vitality Brands
2 April 2024	Grown Alchemist	Lavender Investments
4 June 2024	Thompson’s Herbals & Thursday Plantation	Homart Pharmaceuticals
28 June 2024	iKOU	Adore Beauty
17 July 2024	Coco & Eve	Gauge Capital
4 October 2024	The Healthy Chef	Elexinol Wellness
10 October 2024	Atelier (\$10 million capital raise)	Macquarie Capital

PNB Consolidated acquired Sukin for an estimated \$70 million from ASX-listed group BWX, which was placed into administration in April 2023 due to debts owed to the Commonwealth Bank. Sukin was acquired by BWX in 2015 and is a leading brand in the natural skin care and hair care industry within the supermarket and pharmacy channels. PNB Consolidated, led by former BWX CEO John Humble also acquired a controlling stake in Natural Beauty Care in 2020.

Arrotex Pharmaceuticals, a generic pharmaceutical and private label over-the-counter product supplier controlled by Dennis Bastas acquired Nude by Nature and Makeup Cartel for a combined value of approximately \$55 million. Founded in 2008, Nude by Nature is Australia’s No 1 mineral makeup brand with distribution in Chemist Warehouse, Priceline, Big W, Target, Myer and more than 1,200 independent pharmacies. Nude by Nature was owned by Sydney-based private equity firm, Crescent Capital Partners for 10 years.

The Makeup Cartel was established in 2013 and consists of four brands, PONi Cosmetics, esmi Skin Minerals, Lip Heroes and Sun Skills. Point King Capital invested in The Makeup Cartel in 2020.

Hiro Brands, a manufacturer and distributor of cosmetics, personal care and household care consumer products entered voluntary administration in January 2024. Hiro Brands was created from the merger of The Heat Group and Aware Environmental in 2022. Tempo Group acquired the Orange Power, Organic Choice, Trix, Aware Sensitive, Billie Goat, Stain Magic, Ulta3, MUD and Medi Manager brands from the administrators.

New Zealand-based skincare group Essano was acquired by Vitality Brands. Founded in 2000, Essano is one of the largest natural skincare brands in New Zealand and retails in over 6,000 stores and online in countries around the world. The acquisition is expected to position Vitality Brands as a major independent natural beauty and wellness market player in Australia and New Zealand. Essano will join Vitality Brands’ current portfolio of brands including Epzen, Cancer Council sunscreen and Tribe Skincare.

L’Occitane Group sold its stake in Australian skincare brand Grown Alchemist for an estimated \$46 million. Grown Alchemist was acquired by Lavender Investments which is owned by Andre Hoffmann, former vice chairman and CEO of L’Occitane International. The transaction comes two years after L’Occitane Group acquired a majority stake in Grown Alchemist. L’Occitane Group noted that the sale will allow the business to focus on its core brand *L’Occitane en Provence* as well as other international brands including *Melvita*, *Erborian* and *Sol de Janeiro*.

ASX-listed Adore Beauty acquired iKOU, an Australian beauty and wellness brand. iKou has a product range of more than 300 products across organic skincare, bath and body, home fragrance and lifestyle accessories. The iKOU product range is distributed through three retail boutiques located in the Blue Mountains, Sydney and Byron Bay, a direct-to-consumer website and via wholesale distribution arrangements with retail stockists and luxury spas. Adore Beauty paid \$25 million comprising of an upfront payment consideration of \$20 million plus an additional \$5 million to be paid 18 months post completion. The total consideration represents a multiple of 12.5x of FY24 EBITDA.

Homart Pharmaceuticals, a Sydney-based complementary health and beauty products business acquired the Thompson's Herbals and Thursday Plantation brands from New Zealand-owned Integria Healthcare. Thompson's Herbals is a range of herbal formulations and supplements in capsule, liquid, spray and tablet format. The Thursday Plantation product range includes acne, face and body care, hair and scalp care, foot care and mouth care products made from tea tree oil. The two brands will provide additional scale for the Homart business as Homart works towards an IPO in 2025.

Gauge Capital, a US-based private equity firm, acquired a majority stake in Coco & Eve. Established in 2018, Coco & Eve has a range of sunless tanning, haircare, SPF and skincare products. Coco & Eve has a strong presence on social media platforms with 1 million followers on Instagram and 309k followers on TikTok. Gauge Capital has experience in the Australian beauty industry having acquired BondiBoost in December 2021 and Loving Tan in July 2023.

ASX-listed Elixinol Wellness acquired The Healthy Chef, a premium lifestyle and supplement brand designed to support women's health including beauty, gut health and menopause. The Healthy Chef product range includes wild and sustainable marine collagen for healthy skin, meal replacement and protein shakes for weight management, probiotics, green powders and magnesium for gut health. The total consideration paid by Elixinol Wellness will range between \$3.1 million and \$5.5 million, with the final amount determined on 1 March 2028.

Atelier, a cloud manufacturing marketplace for the beauty, health and wellness industries raised \$10 million from a Series A funding round led by Macquarie Capital's venture capital division. Atelier leverages a proprietary network of thousands of personal care manufacturers to enable consumer brands to create any beauty, health or wellness product at-scale, on demand.

Comet Line Consulting is a strategic advisory business that specialises in acquisitions and divestments within the Australian and New Zealand consumer goods industry. Deep industry knowledge and strong relationships with business owners, trade investors and financial investors are defining features of the Comet Line Consulting business.



**David Baveystock** has worked in the Australian FMCG industry for over 28 years and is recognised as a leading executive in the sector. Prior to establishing Comet Line Consulting, he held an executive role at Manassen Foods and senior leadership roles during a 16-year career at Nestlé Australia



**Ben van der Westhuizen** has 30 years corporate advisory experience. Ben advised on acquisitions, disposals and capital raisings with collective value in excess of \$2 billion. Ben has held senior corporate advisory roles with KPMG Corporate Finance, Challenger and PWC.

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