



INSIGHT

Beauty and Personal Care



CLEARWATER

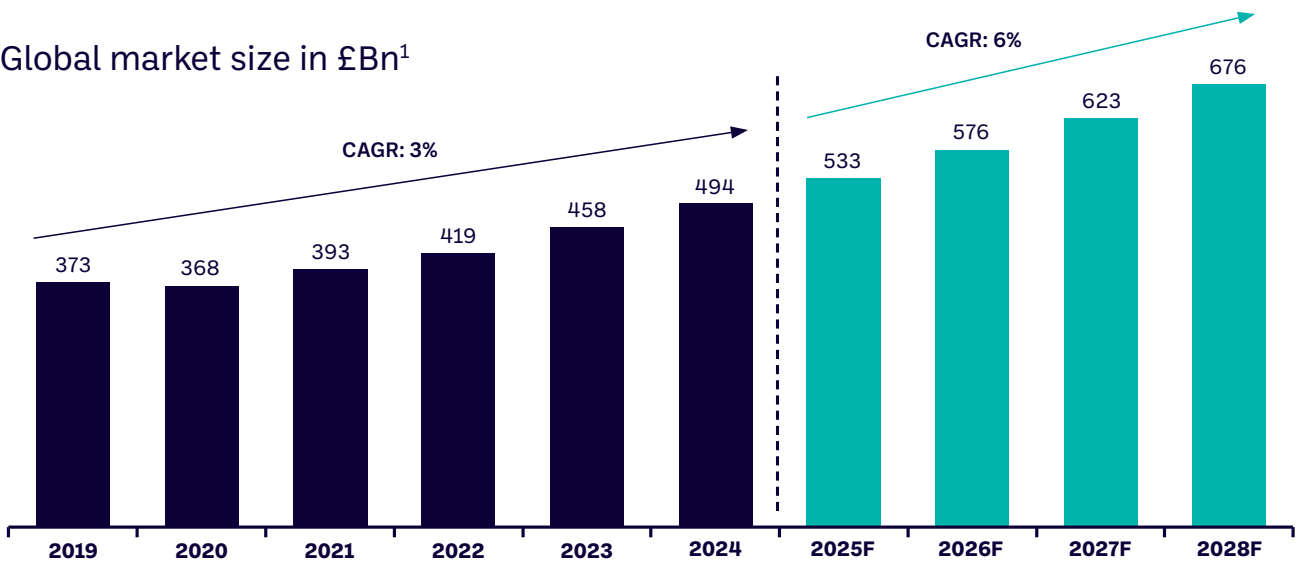
2025

Market overview

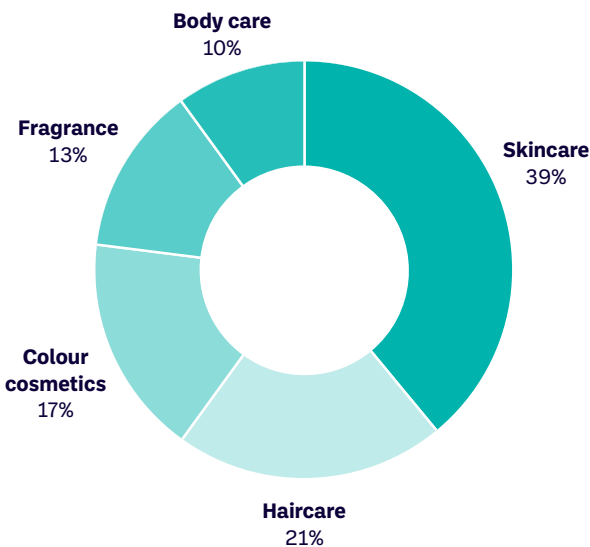
In recent years, the beauty and personal care (B&PC) sector has benefitted from strong market tailwinds, with both emerging players and established brands garnering interest from trade and PE players.

Global B&PC market snapshot

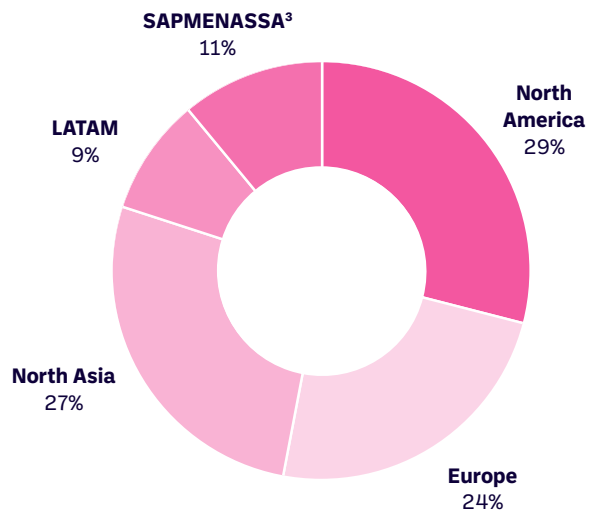
Global market size in £Bn¹



Category breakdown²



Geographic breakdown²

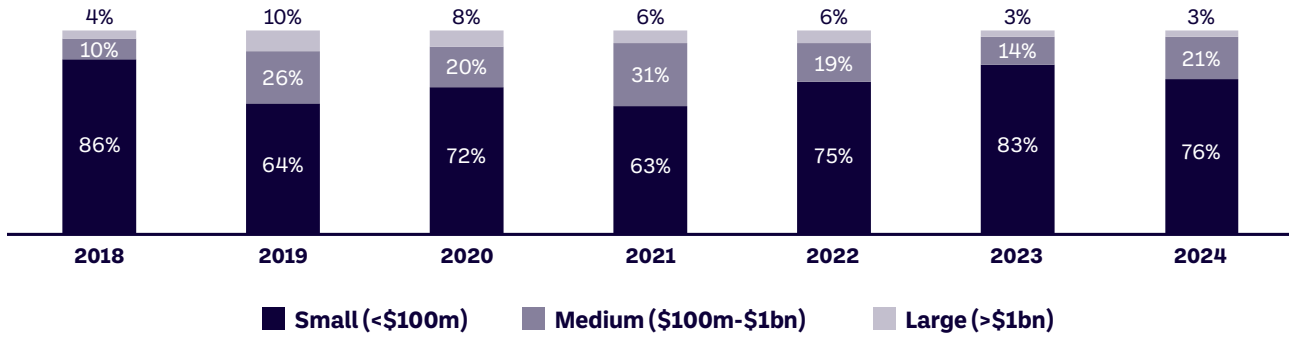


¹Euromonitor, ²L'Oreal: Annual Report, 2024 - Beauty market

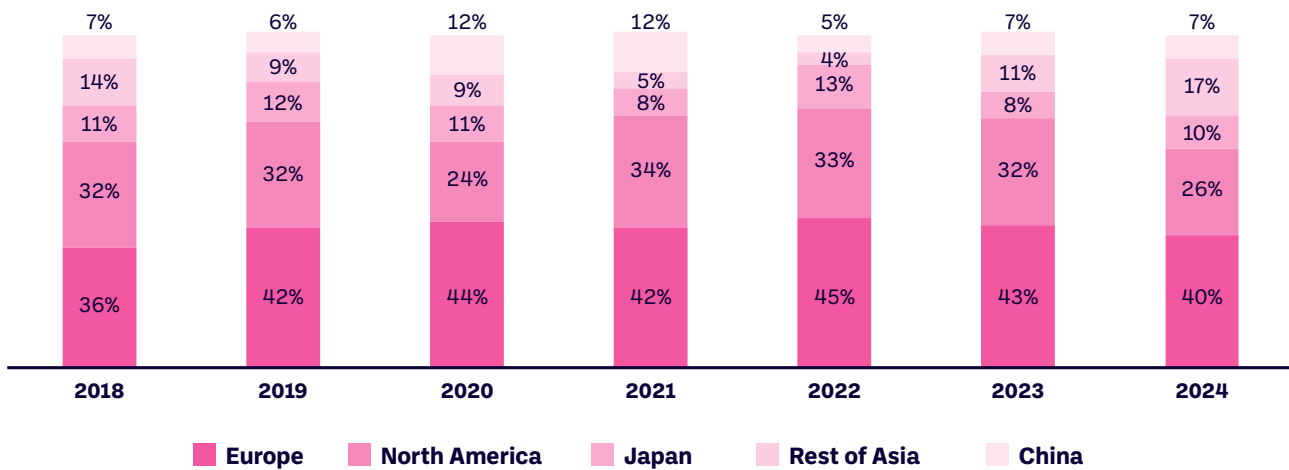
³South Asia Pacific, Middle East, North Africa - Sub-Saharan Africa

Global B&PC M&A trends

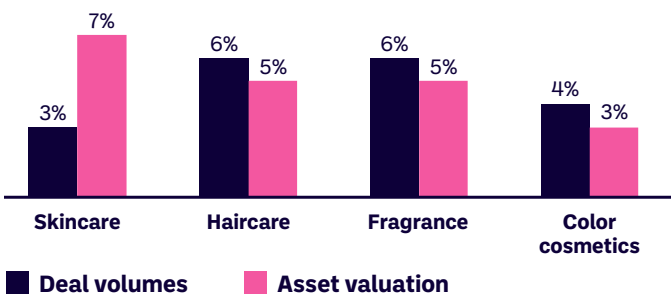
B&PC M&A transactions by size⁴



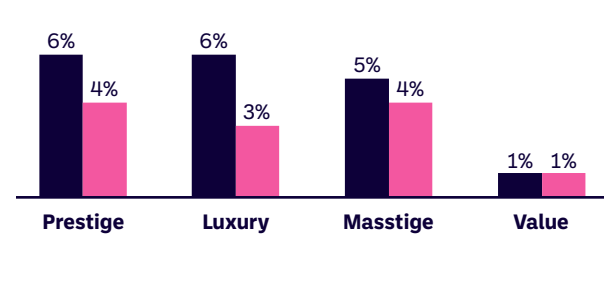
B&PC M&A transactions by target geography⁴



2025 expected deal volume and asset valuations change by category (vs. 2024)⁴



2025 expected deal volume and asset valuations change by pricing tier (vs. 2024)⁴



⁴ Kearney: 2025 M&A in beauty and personal care: a practitioner's view on a unique window of opportunity

Key trends to watch

As consumers demand more of brands and the lines between beauty and wellness continue to blur further, a range of key themes are emerging across the market.



Value-seeking, not just low price

Consumers want to keep beauty in their lives, but many now define value as smart, purposeful spending rather than the deepest possible discount.



Science and efficacy first

Clinically proven, ingredient-transparent formulas now trump hype. Shoppers are gravitating to dermo-cosmetic and 'skin-intellectual' brands that demonstrate tangible results and have expert backing.



Wellness, longevity, and self-care

The overlap of health, wellness, and beauty continues to expand—consumers see beauty and personal care products as wellness rituals that are a means to achieve longer-lasting vitality.



Eco-evaluation and transparency

Eco-minded beauty shoppers now want proof: full ingredient provenance and reported environmental metrics (such as carbon/water saved and packaging weight/materials) are no longer brand differentiators, but are now largely expected.



Social commerce

TikTok drove a 22% jump in beauty sales through social in 2024¹, illustrating the newly entrenched power of social media and the importance of customer engagement across multiple channels to drive customer loyalty and capture a wide audience.



Beauty-tech and hyper-personalisation

AI-powered shade-finders, selfie skin or hair diagnostics tools and data-led custom blends are turning beauty from one-size-fits-most into algorithm-tailored regimens that feel unique and build consumer loyalty.



Inclusivity as a growth engine

Expanding shade, texture, age, and gender representation converts overlooked shoppers into loyalists, creating an opportunity for inclusive beauty lines to outpace the market: brands certified as inclusive by the SeeMe Index grew 1.5x faster than peers².



Male beauty and 'Bro-tox'

UK clinics reported a 70% rise in male aesthetic procedures in the two years to April 2024³, while the broader men's grooming market was valued at \$55bn in 2024, outpacing the general beauty market at a CAGR of 8.0%⁴.



Channel remix: Stores are back, but omnichannel still rules

The shine of DTC hasn't worn off, highlighted by e.l.f.'s €850m (\$1bn) acquisition of Rhode. However, brands that can demonstrate a proven proof of concept across multiple sales channels are now viewed as a more holistic customer offering and thus more likely to drive loyalty.

¹ Euromonitor: TikTok sparks 22% rise in beauty product sales over social media in 2024.
² Cosmetics Design: Inclusive brands outperform in the beauty market, SeeMe Index reveals
³ The Times: Rise of Brotox: Men turn to cosmetic treatments to stay youthful
⁴ Vogue Business: Is men's grooming going alpha male again?, Grand View Research: Men's Grooming Products Market



Selective M&A

Investor appetite is still high for assets with demonstrable customer loyalty, science-backed positioning or clear white-space advantage, however, tighter monetary conditions mean tougher valuation maths. The average deal size has more than halved —**€400m** in 2022 to **€160m** in 2023-24—as purchasers refuse to pay 2021-style multiples and shift toward earn-outs and milestone pricing.



Smaller, strategic deals

The decrease in average transaction value between 2022 and 2024 demonstrates investors' reduced appetite for lofty, capital-intensive scale buyouts. In contrast, acquisitions of fast-growing, capital-light brands climbed four percentage points in 2024, reflecting investors' preference for digital-first startups with profitable unit economics, strong TikTok/Amazon traction, and the ability to plug geographic or category gaps.

Source: [Kearney: 2025 M&A in beauty and personal care: a practitioner's view on a unique window of opportunity](#)

Key takeaway

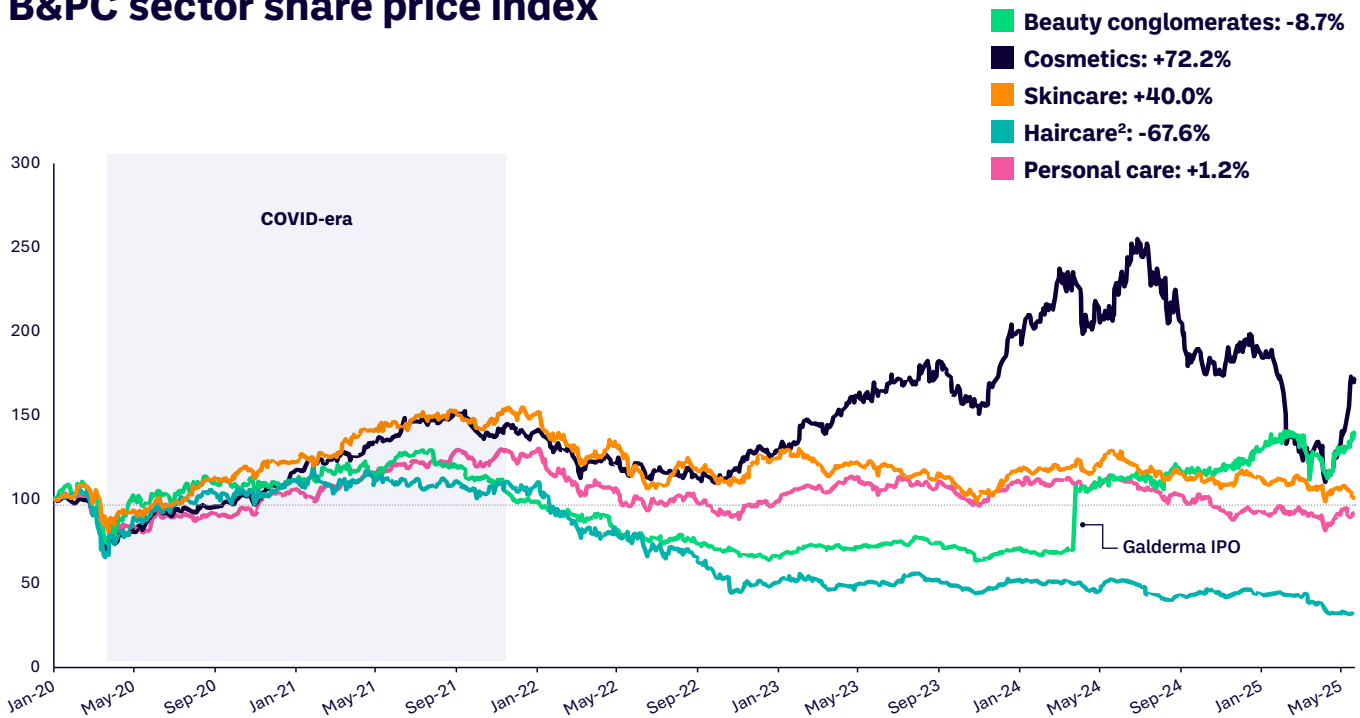
Even in times of global uncertainty, the B&PC sector has consistently weathered such downturns and rebounded with solid post-crisis growth.

Beauty products in particular have traditionally been labelled 'recession-proof' due to the 'lipstick index', since shoppers see them as low-cost indulgences. But with shelves now overflowing with new product launches, not every brand will win. In today's climate, dealmakers are focusing on agile capital-light brands—digital natives with healthy EBITDA margins and engaged communities—that can still thrive when consumers tighten their belts.

Share prices over time

The B&PC sector is resilient, and the majority of categories have rebounded since COVID, with particular strength in cosmetics and skincare.

B&PC sector share price index



Beauty conglomerates ¹	Cosmetics	Skincare	Haircare ²	Personal care
<ul style="list-style-type: none"> REVOLUTION BEAUTY LONDON SHISEIDO KAO COTY SINCE 1934 L'ORÉAL GROUPE PUIG MATAS GROUP ESTÉE LAUDER 	<ul style="list-style-type: none"> KOSÉ ADOREBEAUTY AMOREPACIFIC NU SKIN SALLY BEAUTY ULTA BEAUTY waldencast elf MÁDARA organic skincare WARPAINT 	<ul style="list-style-type: none"> GALDERMA EST. 1981 natura USANA HEALTH SCIENCES 	<ul style="list-style-type: none"> OLAPLEX Henkel Helen of Troy 	<ul style="list-style-type: none"> Bath & Body Works COLGATE-PALMOLIVE kenvue Edgewell PERSONAL CARE Beiersdorf LG H&H Unilever P&G PZ Cussons

Source: Pitchbook (June 2025)

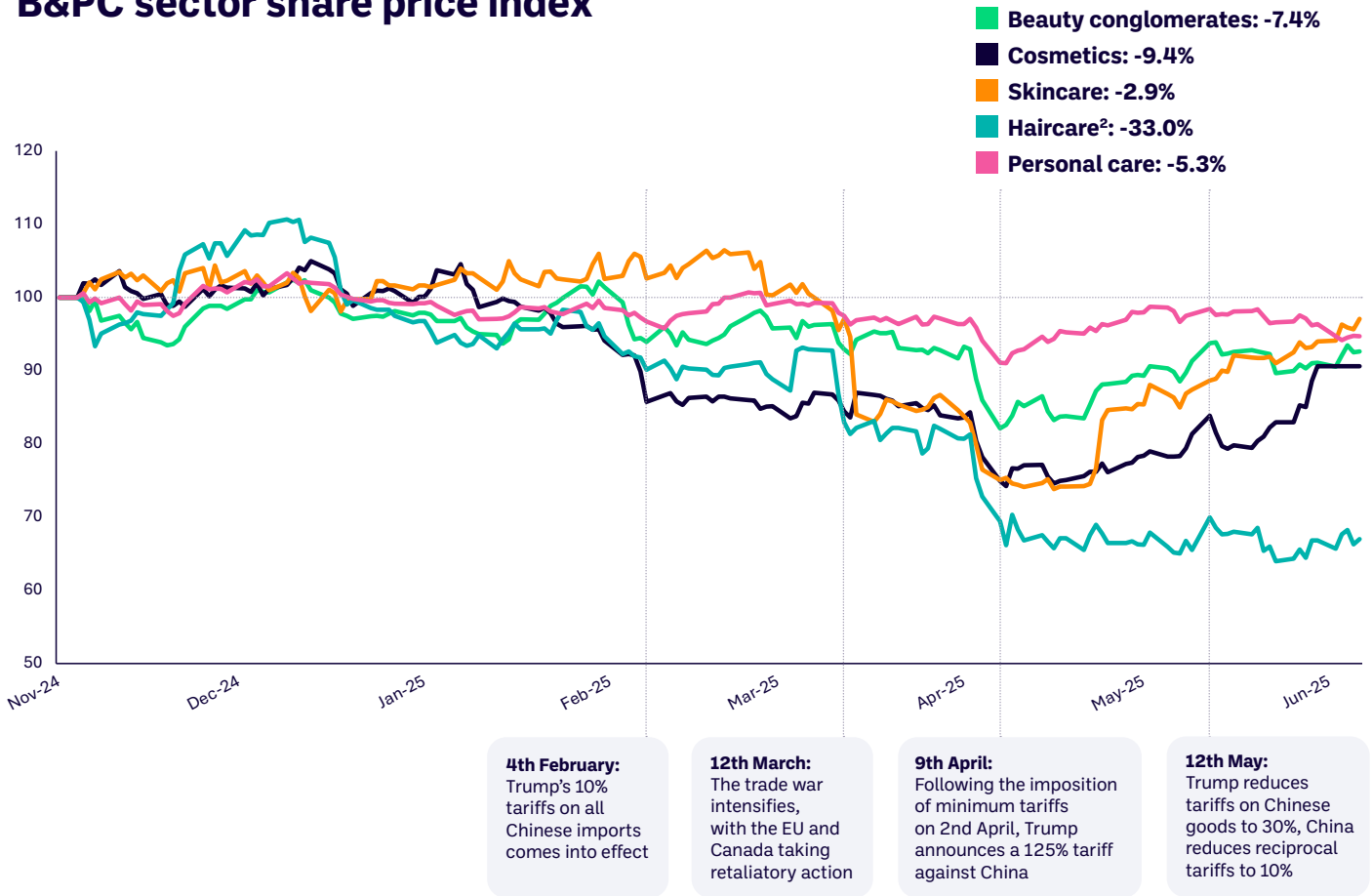
¹ Publicly listed luxury excluded as not a pure-play beauty

² Haircare index is heavily impacted by Olaplex's depressed share price (see p15). Whilst Helen of Troy and Henkel have several haircare products, they are also not pure-play haircare groups and also have other consumer product brands.

Tariff impact on share prices

The B&PC market, like the wider market, has been impacted by Trump's far-reaching tariffs. Whilst uncertainty remains, the market has rallied since the post 'Liberation Day' slump.

B&PC sector share price index



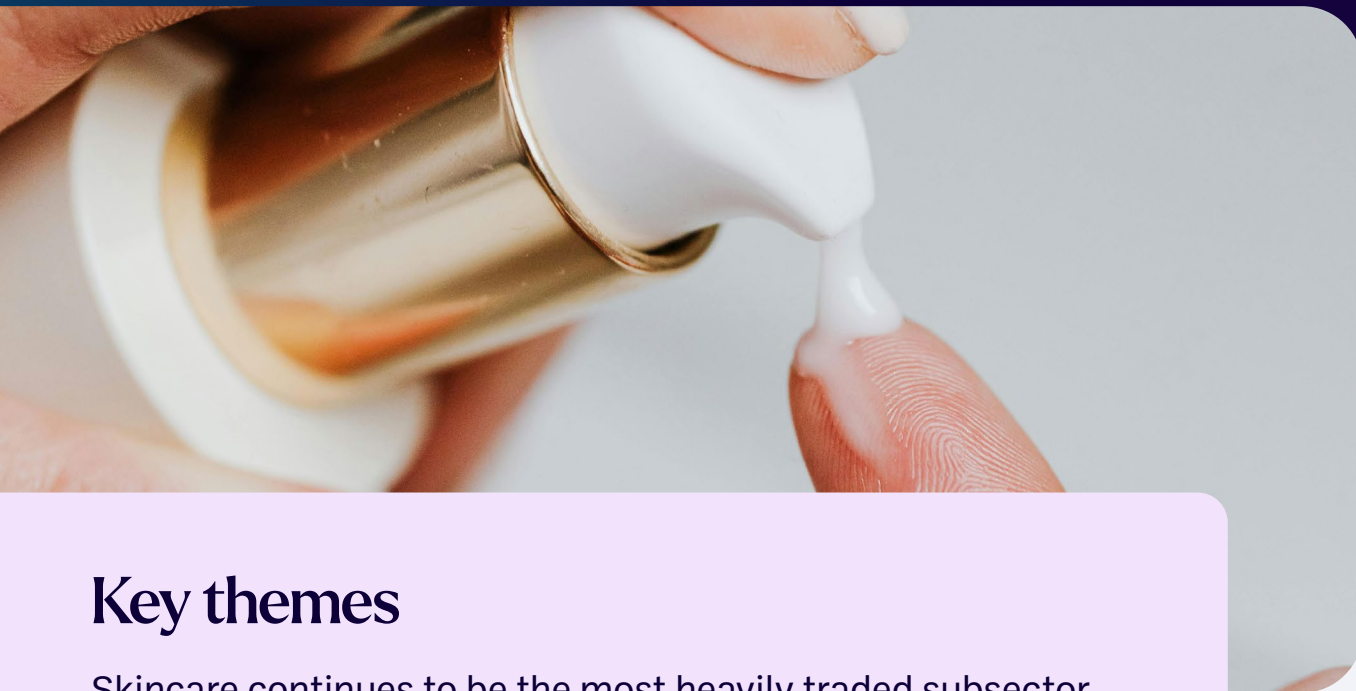
Beauty conglomerates ¹	Cosmetics	Skincare	Haircare ²	Personal care
<ul style="list-style-type: none"> REVOLUTION BEAUTY LABS SHISEIDO KAO COTY L'ORÉAL GROUPE PUIG MATAS GROUP ESTÉE LAUDER 	<ul style="list-style-type: none"> KOSÉ ADOREBEAUTY AMOREPACIFIC NU SKIN SALLY BEAUTY ULTA BEAUTY waldencast elf MÁDARA organic skincare WARPAINT 	<ul style="list-style-type: none"> GALDERMA EST. 1941 natura USANA HEALTH SCIENCES 	<ul style="list-style-type: none"> OLAPLEX Henkel Helen of Troy 	<ul style="list-style-type: none"> Bath & Body Works[®] COLGATE-PALMOLIVE kenvue Edgewell PERSONAL CARE Beiersdorf LGH&H Unilever P&G PZ Cussons

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² Haircare index is heavily impacted by Olaplex's depressed share price (see p15). Whilst Helen of Troy and Henkel have several haircare products, they are also not pure-play haircare groups and also have other consumer product brands.

03 Sub-category deep dive: Skincare



Key themes

Skincare continues to be the most heavily traded subsector within the B&PC market, as the congruence of health, wellness, and beauty drives both innovation and demand.

Key product trends

- > **Skin barrier first**
Repairing damaged skin barriers and promoting skin health has emerged as a key theme in recent years, as the concepts of beauty and wellness become more intertwined. The growing popularity of K-Beauty and its 'retinol alternatives' is reinforcing the skin health movement.
- > **'Skinimalism' and multitaskers**
After years of burnout, shoppers want beauty rituals that regulate stress —soothing routines suited to busy lifestyles. 'Lazy' routines dominate, with 75% of households buying three or fewer skincare product types².
- > **Clinical-grade trust**
As consumers become more discerning, brands with proven scientific efficacy and tangible results will capture a greater share of the skincare market, which is currently growing at a 7% CAGR to \$180bn in 2028¹.
- > **Suncare equals skincare**
As the lines between beauty, health, and wellness blur, the demand for suncare products has increased as consumers realise the importance of suncare as a means of skincare. Demand for tinted SPF is up 87% YoY, with 78% of millennials buying beauty products containing SPF³.

¹ Euromonitor

² Neilsen IQ - US Myth or Fact? Simplifying Skin Routines

³ Cosmetics Business - How tinted sunscreens became one of the fastest growing SPF categories,

Circana - Glow and protect: SPF goes year-round as UK consumers wise up



Notable M&A in the last 24 months

Date	Target	Acquirer	Target HQ
Jun-25	Medik8	L'ORÉAL GROUPE	UK
 Jun-25	SkinClinic	NEXXUS IBERIA	Spain
May-25	rhode	elf	US
Jan-25	111SKIN HARLEY ST. LONDON	SKKY PARTNERS	UK
 Dec-24	DECLÉOR PARIS LES THERMES SAINT-GERVAIS MONTBLANC DEPUIS 1866	COSPAL GROUPE	France
Dec-24	Dr.G	L'ORÉAL GROUPE	South Korea
 Sep-24	GLōWiD	NEA PARTNERS	Sweden
Aug-24	hello sunday	kaO	UK
May-24*	DECIEM	ESTÉE LAUDER	Canada
Apr-24	GROWN ALCHEMIST BOTANICAL BEAUTY	ANDRÉ HOFFMANN	UK
Jan-24	RoC	Bridgepoint	US
Jan-24	DR. BARBARA STURM	PUIG	Germany
Dec-23	Dr Dennis Gross SKINCARE	SHISEIDO	US
Oct-23	COSRX	AMOREPACIFIC	South Korea
Oct-23	NATURIUM	elf	US
Aug-23	BEAUTYBIO	NU SKIN	US
 Jun-23	DIADERMINE LABORATOIRES	— LABORI INTERNATIONAL B.V. —	France

*In May 2024, Estee Lauder completed its acquisition of Deciem. Estee Lauder first invested in 2017, increased its stake to majority ownership in 2021, and finalised the purchase of the remaining shares on 31 May 2024 for a total investment of approximately c.€1.5bn (\$1.7bn) over the three tranches.

Case study: Rhode vs Medik8

Two landmark skincare deals announced in recent months both had impressive headline valuations, but speak to two different acquisition strategies and long-term views of value creation.

Factor	rhode e.l.f	Medik8 L'ORÉAL GROUPE
 <p>Valuation</p>	<p>Up to €867m (\$1bn) if the earn-out is achieved, 4.7x sales (3.7x upfront)</p> <p>The premium price illustrates that viral traction can drive value, albeit the lower multiple than Medik8 indicates a discount for pure-play celebrity hype.</p>	<p>€1bn (\$1.1bn), estimated at c.9x FY25 project sales¹</p> <p>Medik8's valuation reflects the value attributed to scientifically proven, IP-heavy dermatological brands.</p>
 <p>Strategic rationale</p>	<p>e.l.f. leap-frogs from mass to prestige, betting Rhode can replicate Naturium's high-margin story, but with stronger cultural buzz.</p>	<p>L'Oréal is filling an 'attainable derm' gap between SkinCeuticals and mass lines like CeraVe. Medik8's clinical heritage slots neatly there and is supported by the value in its loyal customer base.</p>
 <p>Risk profile</p>	<p>Rhode must show longevity beyond Hailey Bieber's social reach and execute a retail rollout—an unfamiliar channel for a DTC-native team.</p>	<p>Medik8's challenge is scaling its lab-first formulas without losing efficacy and, in turn, product quality and credibility.</p>
 <p>Market signals</p>	<p>Rhode suggests that celebrity brands still transact—but only if they deliver real revenue velocity, and there is sensitivity to this in the market (especially in light of the post-acquisition performance of other celebrity-led brands, e.g. Kylie Cosmetics).</p>	<p>Investors read the Medik8 acquisition as evidence that science drives demand. Medik8's market-leading 75%+ gross margin also illustrates the power of a vertically integrated beauty brand, which owns all its manufacturing.</p>
 <p>Market perception</p>	<p>e.l.f.'s share price increased 23.6% in the trading day following the announcement, illustrating the strong market sentiment for the deal.</p>	<p>L'Oreal's share price only increased 0.9% on the trading day following the announcement. However, this is likely impacted by the size of Medik8 compared to L'Oreal (c.€200bn EV and €43bn revenue), rather than the market sentiment of the deal.</p>

¹ FY25 y/e September sales, 12.5x FY24 actual sales

Case study: Why REN failed

REN was a much-loved brand, but critically, an early mover that plateaued, illustrating the pace at which the B&PC market innovates and the necessity for brands to continually evolve. A mix of internal missteps and external headwinds left REN too small and costly to fix.

REN
CLEAN SKINCARE

Clean-beauty commoditisation

- > In 2023, REN discontinued 29 products as part of a portfolio simplification, but despite this, retailers complained of duplicative product profiles and minimal scientific differentiation
- > By 2024, virtually every mass and prestige skincare line offered 'no parabens/sulfates' products, eroding REN's point of difference

Lost storytelling and purpose

- > REN originally built a loyal community by linking every product to a clear environmental mission. When it stopped 'disrupting' and communicating that purpose, the brand's voice, and therefore its community, faded

Conglomerate disconnect

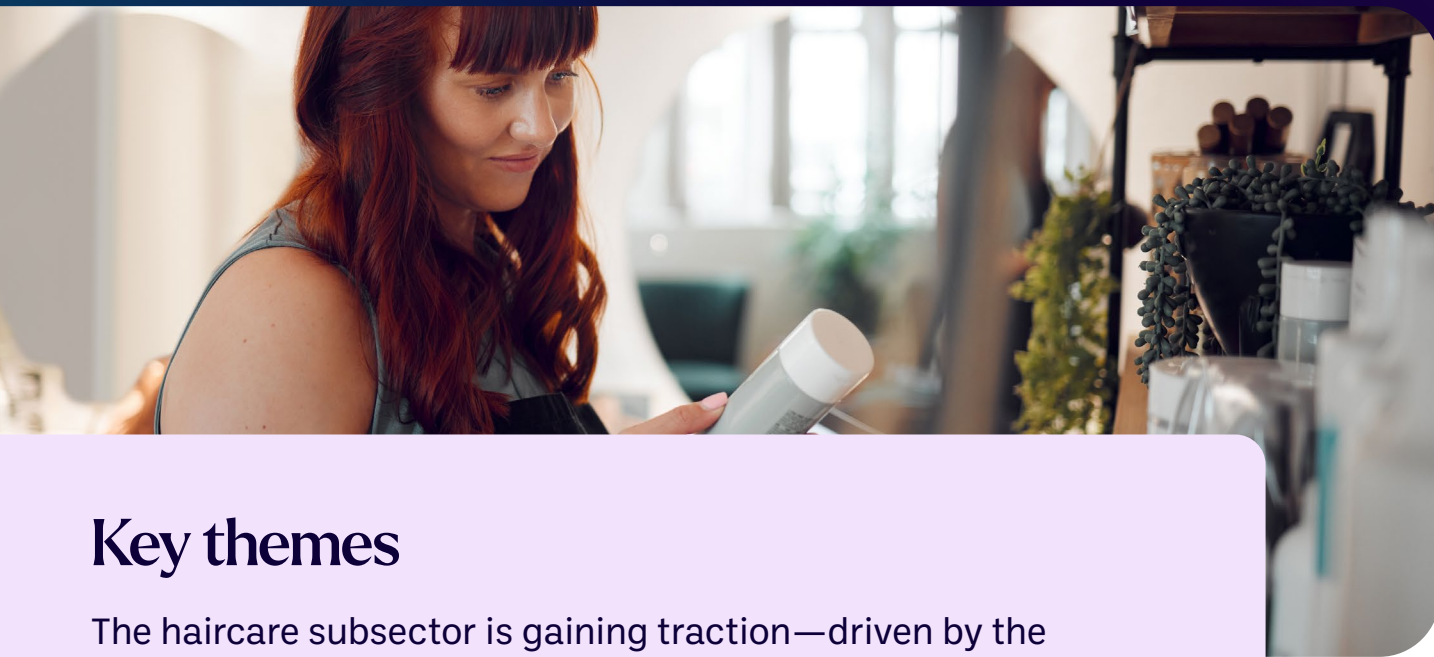
- > After its acquisition by Unilever, REN's sustainability ethos clashed with the group's broader priorities. More recently, with Unilever's rollback of certain ESG pledges, REN's commitments were rendered less authentic to consumers
- > New EU regulations will require third-party verification of environmental claims. Brands built on broad 'clean' promises will face higher compliance costs and litigation risk, which can erode already thin margins

Mid-tier squeeze

- > REN sat in the c.€32-€57 (£28-£49) price tier—caught between cheaper science-led disruptors, such as The Ordinary and Beauty Pie, and ultra-premium dermo-cosmetics. Recent inflationary pressures have made mid-priced discretionary beauty the hardest-hit segment



04 Sub-category deep dive: Haircare



Key themes

The haircare subsector is gaining traction—driven by the ‘skinification’ of haircare and broader hair health, alongside rapid product innovation increasing the prevalence of more inclusive and ‘at-home’ treatments.

Key product trends

- > **Scalp health and 'skinification' of hair**
In the past year, hair products have continued to infuse skincare ingredients, as scalp care gains popularity. Searches for 'Scalp Spa' have increased 148% YoY to May 2025¹, while the broader haircare market is valued at \$80bn, and is forecast to grow at over 8% annually².
- > **Texture, curl, and cultural inclusivity**
The curly hair opportunity in haircare is substantial and growing quickly—65%⁴ of the world's consumer population does not have straight hair, driving innovation and tailored repair solutions for wavy, curly, coily, and kinky hair types.
- > **Repair and hair loss prevention**
One in three product launches in the haircare space focuses on bond-building and biotech-driven activities, although as the market becomes more fragmented, differentiation and efficacy are key. Hair loss is also a major focus for consumers—2024 saw a 67% increase in Google searches for hair loss³.
- > **Salon-grade premiumisation at home**
The shift to ‘at-home’ luxuries, fuelled by inflationary pressures, is being seen across the haircare market. Product sales in the prestige haircare market increased by 10% in the first half of 2024, with hair products priced above \$30 growing at three times the rate of lower-priced items³.

¹ Spate: [Emerging Themes in Beauty: Early Trend Signals with Big Potential](#)

² Euromonitor

³ [Beauty Matters: 2025 Trends: What's Next for Haircare?](#)

⁴ THG Labs

Notable M&A in the last 24 months

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Jun-25			US
Apr-25			US
Mar-25			US
Dec-24			UK
Dec-24			US
Apr-24			US
Mar-24			Italy
Feb-24*			China
Dec-23			US
Jun-23			US

*Henkel acquired Vidal Sassoon's Chinese business from Procter & Gamble



Case study: Olaplex

Olaplex's once c.€17bn (\$20bn) valuation has been severely impacted by heightened competition and increased costs, resulting in margin erosion.

OLAPLEX

2021-Q2 2022

- > Olaplex floated at a **c.€15bn (\$17bn) valuation and peaked at c.€17bn (\$20bn)**, supported by its **market-leading 58% EBIT margin**. Revenues and net income peaked in Q2 2022, driven by strong growth across professional and speciality retail channels.

H2 2022

- > YoY sales swung from **+58% in Q1 2022 to -21% for Q4 2022**, as market challenges arose and competition increased. Olaplex raised prices in 2022 to offset inflationary COGS, ultimately accelerating revenue shrinkage as consumers traded away from the brand.

2023

- > FY23 revenue declined 25% and CEO Jue Wong departed. Competitors, notably Redken and K18, seized market share, intensifying the downturn. Operating costs kept climbing while sales fell—**EBIT margin contracted from c.60% to 24%**.

Once a multi-billion-dollar beauty juggernaut, Olaplex now trades at

95%

below its peak

a stark reminder that a sustainable business model and continued innovation are crucial to stay in the spotlight.



Our beauty and personal care transactions

SkinClinic

sold to

NEXXUS
IBERIA

 bMEDcare 
Dermolin 

sold to

Healthcare Brands Group
house of health

COSPAL
GROUPE

acquired

 **DECLÉOR**
PARIS

GL*OW*iD

sold a minority stake to

NEA PARTNERS

COSPAL
GROUPE

acquired


LES THERMES
SAINT-GERVAIS
MONTBLANC
DEPUIS 1806

NORDIC BEAUTY
COMPANY

sold to

dayes

EX NIHILO

PARIS

sold a minority stake to

EURAZEO

N'AGE

Est. 2003

sold to

**MAJ
INVEST**


NATHURA
Nutrizione Scientifica

sold to

GIULIANI

dayes®

backed by



acquired



sold to



CAIA

sold a majority stake to

verdane

ISADORA

sold to



ITALMOBILIARE
INVESTMENT HOLDING

invested in



Parfym.se

sold to



THALGO
LA BEAUTE MARINE

sold to

Pharmed



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With over 20 years of experience, we've been helping great businesses achieve more by providing expert, tailored advice to unlock opportunities and create lasting success.

We know the hard work that goes into building a business, and we work tirelessly to make sure your efforts are rewarded. As an independent adviser, we prioritise transparency and trust, so you can be confident we'll always look after your business.

Specialising in the mid-market sector, where specialist guidance is often overlooked, we have a proven track record of unleashing potential and unlocking the future for ambitious businesses. Whether working locally or leveraging our global reach, we deliver bespoke, high-quality services to meet the unique needs of our clients.





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