

An overhead view of a diverse group of business professionals sitting around a large wooden conference table. They are engaged in a meeting, with several individuals using various mobile devices. One person is using a laptop displaying a 'Statistics' chart. Another person's tablet shows a 'MARKET SHARE' chart. The scene is brightly lit, and the participants are dressed in professional attire.

MOVING TO MODERN

*Unlocking new sources of value in
the consumer goods industry by
capitalizing on e-commerce and
direct-to-consumer platforms*

KPMG Corporate Finance LLC
Q1 2018 Leisure & Wellness
M&A Newsletter

Leisure & Wellness (L&W) M&A Overview

KPMG CORPORATE FINANCE LLC

KPMG Corporate Finance LLC (KPMG) is a leading investment bank to the middle market serving domestic and international clients. We offer a broad range of investment banking and advisory services. The global Corporate Finance practices of KPMG International's network of independent member firms operate in 170 countries with more than 2,500 professionals meeting the needs of clients across the globe.

KPMG Corporate Finance* is ranked No. 1 globally for Consumer & Retail M&A transactions among all investment banks based on deal volume with transaction value ≤ \$500 million, completing 124 deals in 2017⁽¹⁾. We have over 75 dedicated senior M&A bankers focused on Consumer & Retail in 32 countries worldwide.

LEISURE & WELLNESS INDUSTRY PRACTICE

KPMG's Leisure & Wellness investment banking team is a leader in providing customized advisory services to public and private companies throughout the Leisure & Wellness industry. Now more than ever, global consumers are embracing lifestyle choices and pursuing branded products that promote physical and mental health and wellness. Our team is well-positioned to leverage our industry experience and KPMG's global platform to offer customized investment banking solutions tailored to meet the specific goals and needs of our clients.

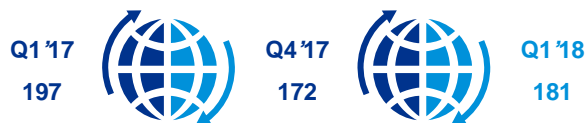
LEISURE & WELLNESS M&A

The global M&A landscape continued to benefit from pro-business reforms in the U.S., revival of economic growth across the Eurozone, and favorable financing conditions in major parts of the globe. This led to 2018 capturing an all-time high in terms of Q1 M&A deal value. According to data compiled from Capital IQ, the disclosed deal value increased by ~25% to \$957.7 billion, while the volume declined slightly by ~5% to 13,125 deals in Q1 2018 as compared to Q1 2017.

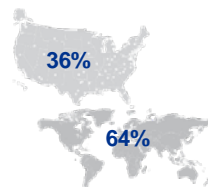
M&A activity for the global L&W industry was strong at the end of 2017 and continues to be robust through the beginning of 2018. Both deal value and deal volume grew by ~5% in Q1 2018, when compared to Q4 2017.

M&A activity in the L&W industry is primarily driven by the entrance of disruptive brands, which allure both strategic and financial investors. Of late, strategic players have made a number of deals to acquire new technologies and capabilities to aid them in transforming their business models, mitigating disruption risk, and sustaining their market position in a competitive environment.

GLOBAL L&W DEAL COUNT



U.S. L&W DEAL COUNT



Deal activity in the U.S. decreased by 22%, with 65 deals in Q1'18, compared to 83 deals in Q1'17. The U.S. contributed 36% to the global deal volume in Q1'18, compared to 42% in Q1'17.

Sources: Capital IQ and other publicly available information.

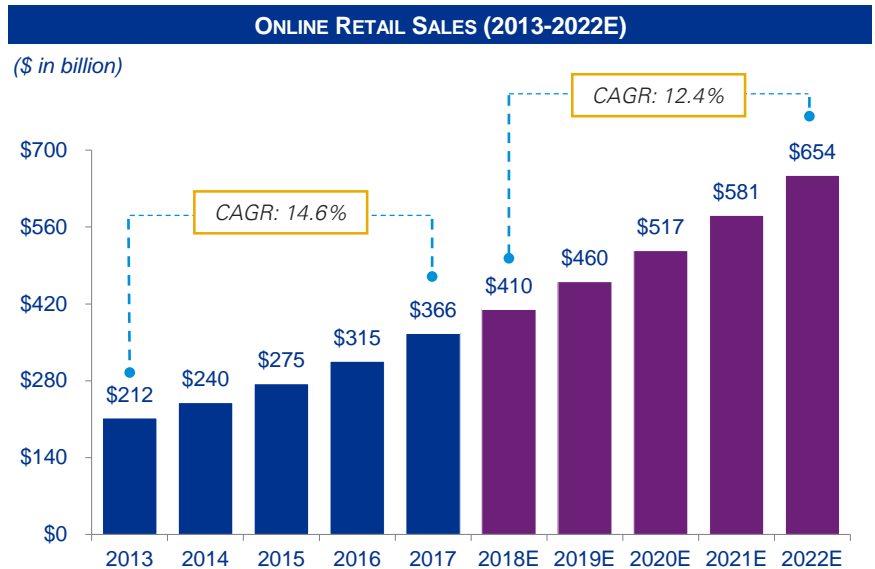
(1) Per Thomson Reuters SDC; middle-market is defined as transactions less than US\$500 million in enterprise value.

* Refers to the global Corporate Finance practices of KPMG International's network of independent member firms



Online Retailing in the U.S.

A new generation of disruptive brands are shaking up retail as direct-to-consumer (“D2C”) companies transform how people shop. The ongoing migration toward e-commerce can be witnessed across industries as an increasing number of companies seek to benefit from this powerful growth engine.

- Online sales posted solid growth, reaching \$366 billion in 2017 and recorded a 14.6% CAGR between 2013-2017
- In addition to the appeal of **convenience**, consumers seek the online segment to satisfy their demand for **personalization, accessibility, and price savings**
- With the growing prominence of online retailing, a transition from store-based retailing to omni-channel retailing has begun to unfold
 - **Increasing internet traffic volume** and smartphone usage are among the major drivers for a shift from brick-and-mortar stores to online shopping sites
 - Companies are focusing on this **omni-channel strategy** in order to offer a blended physical / digital customer experience and thereby gain greater market share



- Retailers are increasingly focused on the online experience their company can offer as direct to consumer companies continue capturing market share and proving the ability to reach more customers while achieving better economics:

- 
Customer reach – There will be an estimated 26 billion connected devices in the world by 2020
- 
Better economics – Controlling the process and cutting out middlemen allows D2C companies to achieve manufacturing and distribution savings, while leveraging the online infrastructure to grow quickly and connect directly to consumers
- 
Flexibility – Online retailers can be more flexible in meeting consumer demands, as they can accurately monitor product performance, draw new insights from shopping trends and test variations of alternate product offerings

ADDITIONAL TRENDS SEEN ACROSS THE ONLINE MARKETPLACE:

- **Programmatic Commerce** – Consumers and businesses allow purchase decisions to be made on their behalf based on pre-programmed parameters and learned preferences
- **Voice Purchases** – Purchases made through voice-enabled devices, such as Google Home and Amazon Echo
- E-commerce vendors are expected to spend more on technology in 2018 – artificial intelligence and location-based marketing are among the most popular tools
- Companies are focusing on add-on services such as delivery and building a set of technological tools that offer ways to easily find and compare products, get discounts, and checkout seamlessly

- In order to sustain and grow in the hyper-competitive retail market, players are focusing on M&A and / or devising internal strategies to enter the online marketplace
 - Many of these consolidations are occurring between traditional brick-and-mortar retailers and online-only retailers
 - For example, Walmart acquired menswear site, Bonobos in June 2017 and Amazon acquired organic supermarket chain, Whole Foods in August 2017

Online Retailing in the U.S. (continued)















The increasing number of D2C online companies continues to disrupt traditional store models. The success of small startups and their ability to compete with established industry players through the use of the online channel and innovative business models is prompting a spate of acquisitions across the consumer industry.

D2C STARTUPS ARE CHALLENGING BRICK-AND-MORTAR LEADERS ACROSS A WIDE RANGE OF TRADITIONAL CATEGORIES

Ollie	A new player disrupting the established \$30MM+ U.S. pet food market by delivering fresh pet food to consumers' doorsteps
Soylent	A food-tech company offering nutrient-rich meal supplements, distributed by a subscription service that puts the product directly into the hands of consumers
Care/of	A D2C e-commerce company aiming to make vitamin consumption a cleaner, more personalized experience by delivering packets of vitamins and minerals to customers' doorsteps for a monthly fee
Harry's Razors	A subscription-based shaving startup disrupting the market by selling no-frills razors at a discount and shipping directly to customers
Everlane	A web based clothing brand that is committed to transparent pricing and offers products without traditional markups
Goby	An oral care startup that offers a premium electric toothbrush and brush head subscription service with an objective to bring electric brushing to the masses
LOLA	An organic tampon startup with a modern approach to feminine care by offering a convenient and customizable subscription service
Glossier	A community-driven, D2C beauty company focused on an inclusive, customer-centric approach to brand-building
Boll & Branch	An e-commerce company that produces and sells luxury high-quality sheets, blankets, and towels at a fraction of competitors' costs and uses only Fair Trade organic cotton

- Apparel & Footwear is the largest online category, constituting ~19.0% of the overall online sales in 2017
 - The category is benefitting from tech-savvy millennials that represent nearly a quarter of the U.S. population and are a key demographic for online sales
- The personal care market is witnessing large growth opportunities from the D2C channel as CPG brands are focusing on new ways to win over customers for multiple and repeat purchases
 - The success of niche, digital subscription services is creating a disturbance in the monolithic personal care industry, along with the promise of greater e-commerce activity spurred by millennials
- Online marketplaces such as Amazon, eBay, Flipkart, and Alibaba are the key channels driving this online retail growth
- While large scale players such as Amazon and eBay are key channels driving online retail growth, D2C brands such as the startups mentioned above have been able to achieve success separate from the online marketplaces

ONLINE SALES MARKET SEGMENTATION BY CATEGORY

Category	2012A share %	2017A share %	2022E share %	'17-'22 CAGR
 Apparel & Footwear	16.4%	19.0%	18.2%	11.3%
 Consumer Electronics	19.2%	11.8%	8.1%	4.2%
 Media Products	13.2%	11.0%	9.6%	9.3%
 Personal Accs. & Eyewear	6.6%	6.4%	5.9%	10.7%
 Homewares and Home Furnishings	5.8%	6.0%	5.5%	10.4%
 Food and Drink	3.2%	3.5%	3.8%	14.1%
 Consumer Appliances	2.9%	2.5%	1.8%	5.9%
 Beauty & Personal Care	2.5%	2.2%	1.7%	6.7%
 Consumer Health	2.7%	2.1%	1.6%	6.8%
 Home Improvement	1.8%	1.5%	1.3%	8.2%
 Traditional Toys & Games	1.4%	1.4%	1.0%	5.8%
 Pet Care	0.6%	0.8%	0.8%	12.2%
 Video Games Hardware	0.4%	0.4%	0.3%	9.8%
 Home Care	0.2%	0.2%	0.2%	11.8%

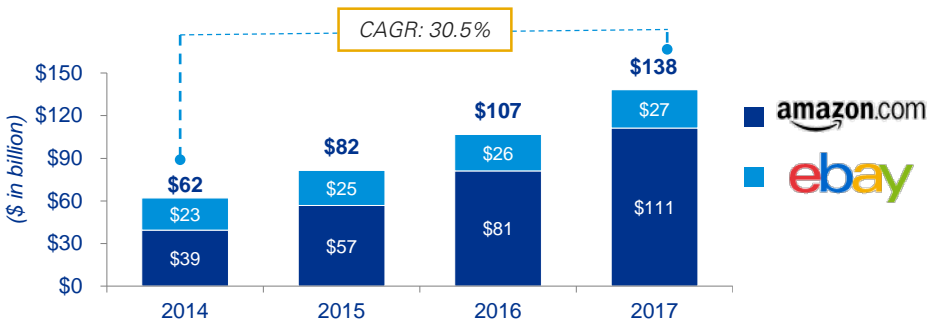
Growing Prevalence of Online Marketplaces

In order to capitalize on the greater trend toward online sales, an increasingly large number of independent sellers are partnering with online marketplaces. These marketplaces offer benefits such as access to marketing tools, delivery platforms, technology infrastructure, and significantly expanded customer reach.

- Amazon continues to dominate the online marketplace, capturing over 45% of all online retail sales in the U.S. in 2017
 - Consumer electronics was Amazon’s biggest product category, bringing in \$8.5 billion in sales, up 4% from 2016
 - 3rd Party merchants listed with Amazon are the major contributor to the overall online sales
 - Amazon reported Q3 revenue increase of 26.7% - for the first time in history 50% of all units were sold by independent vendors on Amazon’s marketplace

REVENUE TRENDS OF 3RD PARTY MERCHANTS SELLING ON ONLINE MARKETPLACES

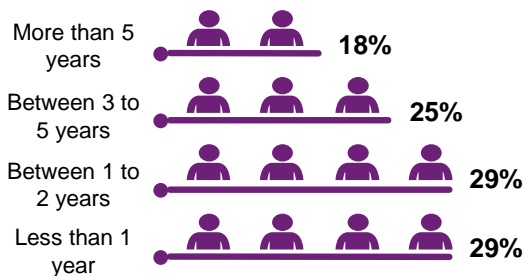
While major new contenders and niche marketplaces emerge, Amazon, with over 100 million Prime members, still receives the lion’s share of attention from consumers, thus attracting independent sellers.



THE STATE OF THE AMAZON MARKETPLACE 2017: AMAZON MERCHANTS’ SELLING HABITS AND FUTURE PLANS

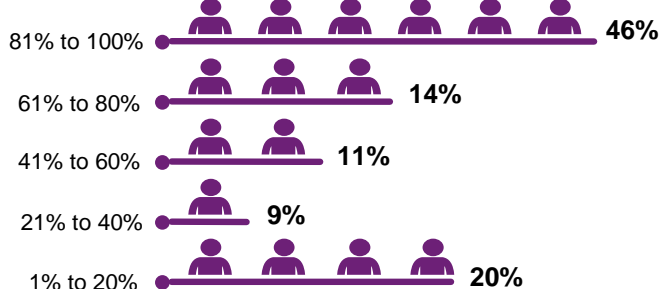
Time Selling on Amazon

Over half of the respondents indicated they have been selling on Amazon for less than two years, reflecting the solid growth and popularity of Amazon in the recent years.



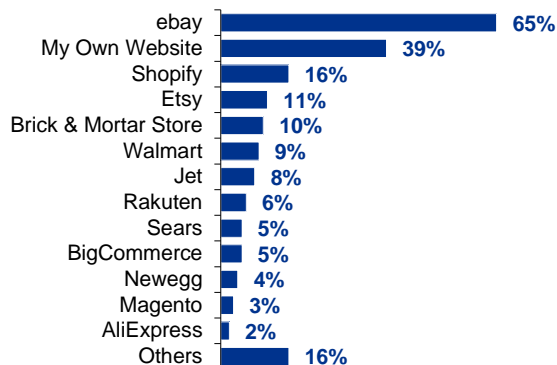
% of E-Commerce Revenue Coming from Amazon Sales

A large portion of respondents indicated that their online sales take place through Amazon, with almost 50% of them selling exclusively with the Amazon marketplace.



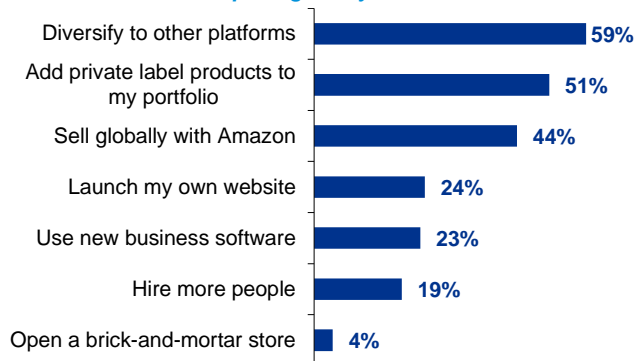
% of Amazon Sellers Also Selling on Other Channels

A vast majority of respondents voted for eBay as their top sales channel outside of Amazon, while nearly 40% of them stated their own websites as their next best preferred channel.



Future Plans of Sellers

Among the various business goals reported by the respondents, further increasing online presence emerged as a key goal. While ~60% of sellers plan to expand to other platforms, 44% of them aim to expand globally with Amazon.



D2C Case Studies

Casper Sleep – A D2C mattress company that built a culture around sleep and is now one of the fastest growing consumer brands.



- This bed-in-a-box startup launched in 2013 with five co-founders aimed to **change shoppers’ idea** that buying a mattress is an unenjoyable experience
- The goal was to build a mattress company that was **different** in every way: *Just **one model** of bed; At an **affordable price**; **Delivered** straight to your house*
- In less than four years Casper transformed the mattress industry, which had remained stagnant for decades
- The company has achieved over \$200 million in sales since first launching and has expanded its product suite to include sheets, pillows, bed frames, and dog beds
- Awards: Time’s Best Inventions of 2015 and named to Fast Company’s Most Innovative Companies in Retail for 2017 (second only to Amazon)
- *June 2017*: Casper closed \$170MM in a Series C investment round led by Target Corporation, high profile entertainers and athletes also joined the round bringing the total funding to date to \$240MM

Dollar Shave Club – A category leader in the D2C space, delivering subscription services for razors and other personal grooming products.



- Launched in 2012 as a mail-to-home razor blade membership, Dollar Shave Club (“DSC”) aimed to **save consumers’ time, money, and effort**
- DSC launched an eccentric **viral marketing** video that put the company into the limelight and drove over 12,000 people to sign up for its services within the first 48 hours
- Focused on leveraging an **easy-to-use web portal** to sell high quality shaving accessories at low prices, the success of the company’s model is proven by its above average 4-year subscription retention numbers
- Over the years, DSC has become an increasingly competitive **threat to the dominant players** of the traditional razor market
- *Nov. 2015*: Raised ~\$91MM in a Series D funding led by TCV, bring the total funding to date to \$165MM
- *Aug. 2016*: **Unilever acquired Dollar Shave Club for \$1BN** to elevate its online-purchasing presence and complement its expansion in the fast growing male grooming segment

Bonobos – Launched with its signature line of better-fitting men’s pants, Bonobos has become one of the leading apparel brands built on the internet.



- The company was founded in 2007, on the premise of making a well-fitting men’s pant to **fulfill this unmet need**
- The focus was on selling and distributing a **single pair of pants entirely online**
- To overcome shopper hesitancy of ordering clothes online, the startup introduced free, no-questions-asked returns
- Bonobos also cultivated a team culture of responsibility to **enhance customer experience**
- Over the years, as Bonobos’ product offering has evolved, so has its business model – Expanded offline in 2011 with the introduction of “Guideshops”, appointment-driven e-commerce stores that deliver personalized services
- The company currently generates ~\$150MM in revenues
- *July 2014*: Raised \$55MM in a Series D funding led by Coppel Capital, bringing the total funding to date to ~\$128MM
- *June 2017*: **Walmart acquired Bonobos for \$310MM** as part of its aggressive efforts to further strengthen its e-commerce presence and thereby better compete with Amazon

Warby Parker– An eyewear retailer that does most of its business online and has been a revolutionary force in the eyewear market.



- Warby Parker was founded in 2010 to offer **on-trend-yet-affordable glasses** through e-commerce
- The company produced fashionable, \$95 glasses that consumers could try on from the comfort of their home – this soon evolved into a virtual try-on feature
- Warby Parker aimed to build an independent, vertically-integrated brand that **avoided unnecessary markups**
- By circumventing traditional channels, designing glasses in-house, and **engaging with customers directly**, the company has been able to **disrupt** the eyewear market and compete with a monopolistic company that once had over 60% market share in the U.S.
- As a **socially conscious** business, for every pair of glasses sold, Warby Parker distributes a pair to someone in need
- *2013*: The company expanded to the brick-and-mortar retail segment to boost visibility and increase sales, and plans to have ~100 stores across the US by 2019
- *Mar. 2018*: Raised \$75MM in a Series E funding led by T. Rowe Price., bringing the total funding to date to \$291MM

D2C Case Studies (continued)

Ollie – A D2C premium pet food brand that uses a subscription-based model to deliver fresh and healthy pet food to consumers' doorsteps.



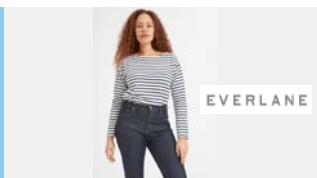
- Launched in 2016, Ollie aims to provide transparency and **defy the stigma** around the quality and manufacturing practices of pet food
- The company produces healthy dog food using human grade ingredients and **smart technology** to design and deliver **custom** diets for pets
- Ollie derives each dog's nutritional needs based off a **proprietary** algorithm and prepares customized meals accordingly. Ollie has proven to help extend the life of a dog by three years
- With Ollie gaining popularity in the U.S., the company has built a nationwide subscriber base and now delivers over 3 million meals per year
- While the company continues to rapidly expand, with a 500% growth rate last year, it remains committed to donating 1% of revenue to pet rescue organizations
- *Aug 2017*: Raised ~\$13MM in a Series A funding led by Canaan Partners, bringing the total funding to date to \$17MM

GOBY – A D2C provider of rechargeable electric toothbrushes through a subscription based oral care model.



- The company was founded in 2015 with an objective to bring **electric brushing to the masses**
- Goby aimed to disrupt the oral care market by offering a rechargeable electric toothbrush that is easy to use and half the price of retail brands
- The company partners with electric toothbrush manufacturers and sells them **directly to the customers** through a subscription-based model
- Goby offers an **affordable** electric brush and a service that sends fresh brush heads at the interval of customer's choice
- The company has circumvented traditional distribution channels by aligning itself with dentists who recommend the company's products
- Awards: Goby electric brush awarded "The Good Design Awards 2017" by The Chicago Athenaeum
- *Jan 2016*: Raised ~\$2MM in a seed round funding from Lerer Hippeau Ventures, Red Sea Ventures, BBG Ventures, Correlation Ventures, Galvanize, and Rosecliff Ventures

Everlane – A designer, manufacturer, and seller of luxury clothing items at a lower price via an e-commerce website.



- Launched in 2011, Everlane set about building a fashion label for today's **digital world**, bypassing traditional middlemen and selling straight to consumers **online**, keeping margins high and **prices low**
 - This D2C model allows for the elimination of traditional costs of retail, passing the **savings** to customers
- Everlane promotes '**Radical Transparency**' as its mission and informs customers about the exact cost breakdown of their clothing offers customers a glimpse into its supply chain by putting pictures of its factories on the website
- Everlane began by creating **high-quality** t-shirts and modern essentials, and has taken an unconventional approach to product category expansion by iterating its line one product at a time with no seasonal collections
- In 2017, the company entered the **brick-and-mortar** retail space to boost sales, improve customer service, and increase brand awareness
- The company is estimated to have generated over \$100MM in 2016 annual sales and has raised ~\$20MM in funding to date

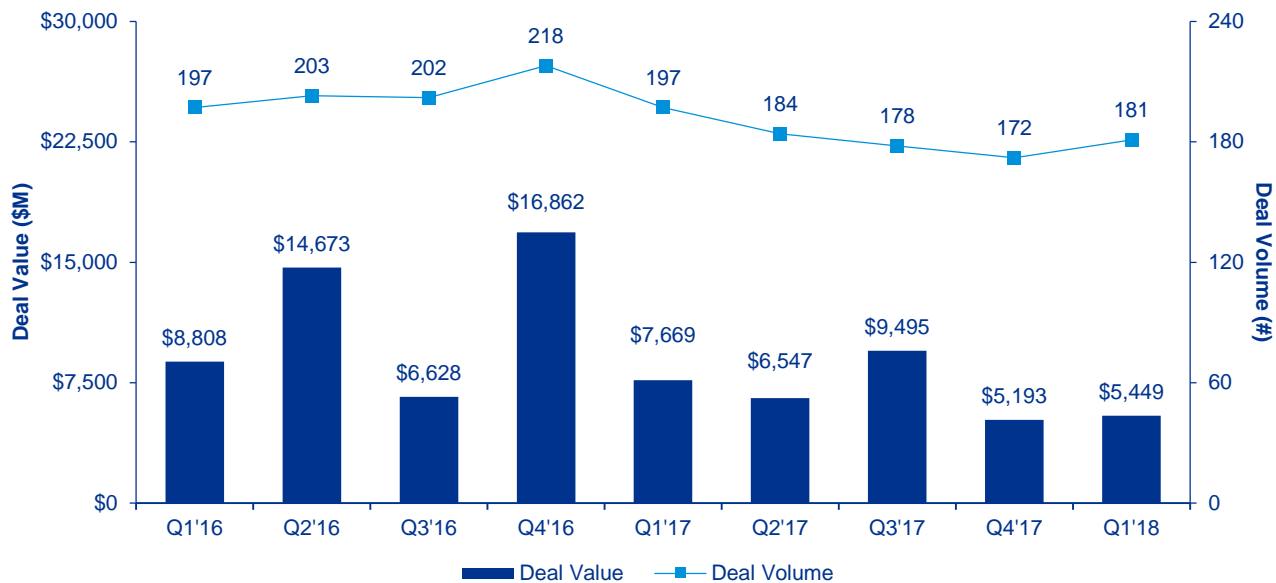
Glossier – A D2C beauty company focused on making products inspired by the people who use them.



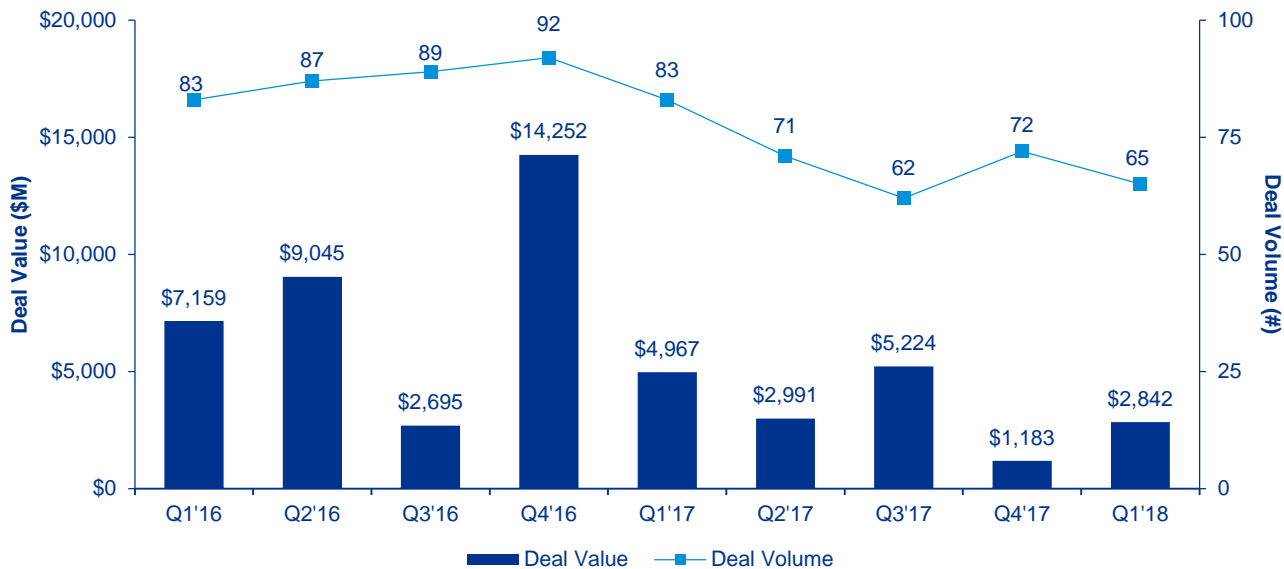
- Glossier was launched in 2014 as a product-based spin-off of the beauty site '*Into the Gloss*' and was founded with a mission to **democratize the beauty industry** by creating a people-powered beauty ecosystem
- In less than three years, with 24 products, the e-commerce startup became one of the industry's biggest disruptors
- Much of Glossier's success can be attributed to its innovative use of social media, both in the form of an R&D lab and a marketing platform
 - With more than 1.5MM readers, the company leveraged its existing blog – '*Into the Gloss*' – for product research, brand building, and to source potential customers
- The company's process of asking and listening to customers, churning new products, and creating a beauty community has led to noteworthy brand loyalty
- Glossier has entered the brick-and-mortar retail space with two store locations, expanded into new countries and new product categories, and opened offices in London and Montreal after acquiring Canadian tech agency, Dynamo
- *Feb 2018*: Raised \$52MM in a Series C funding led by existing investors IVP and Index Ventures, bringing the total funding to date to \$86MM

Global and U.S. M&A deal volume

GLOBAL LEISURE & WELLNESS SECTOR M&A TREND Q1'16 – Q1'18 ⁽¹⁾⁽²⁾



U.S. LEISURE & WELLNESS SECTOR M&A TREND Q1'16 – Q1'18 ⁽¹⁾⁽²⁾



Source: Capital IQ as of March 31, 2018.

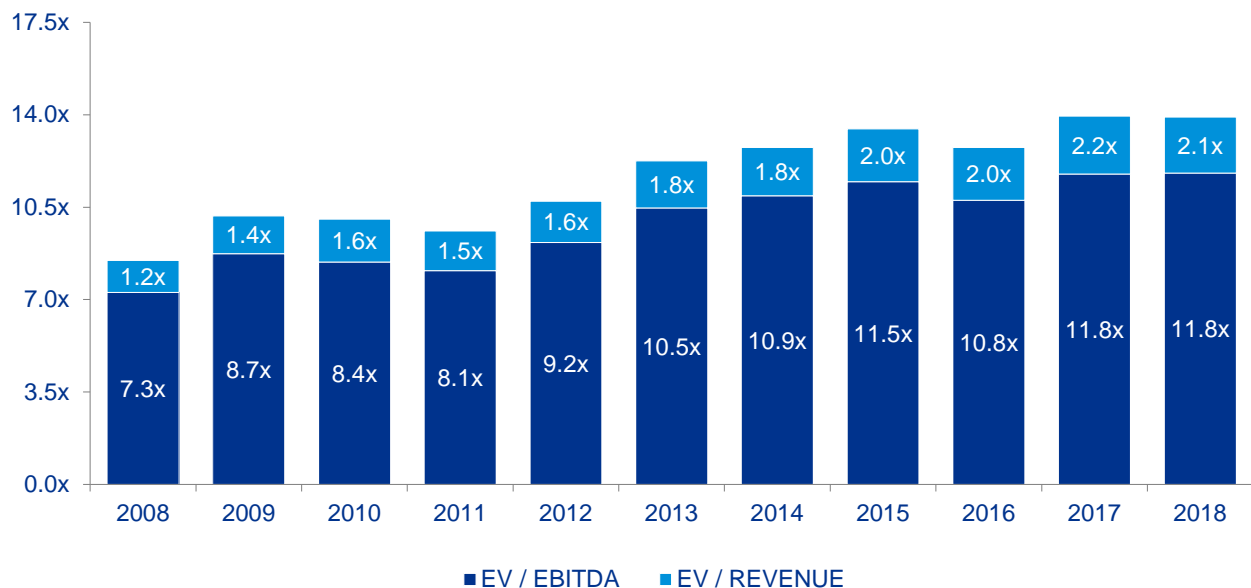
- (1) M&A analysis based on deals announced during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graphs.
- (2) Deal volume and value data based on internally defined sub-sectors.

Stock valuations

LEISURE & WELLNESS SECTOR RELATIVE STOCK PRICE PERFORMANCE TREND ⁽¹⁾



LEISURE & WELLNESS SECTOR TRADING MULTIPLE VALUATION TREND ⁽¹⁾



Source: Capital IQ as of March 31, 2018.

(1) The Leisure & Wellness stock price performance and valuation trend are based on internally originated lists of representative public companies within the sub-sectors. The list of public companies selected in each sub-sector can be found on pages 12-15.

Q1'18 M&A Transactions

Selected recent leisure & wellness M&A transactions (US\$ in millions)						
Announcement Date	Target	Buyer	Sub-sector	Implied Enterprise Value (TEV)	TEV/ Revenue	TEV/ EBITDA
3/27/2018	Parker Naturals, LLC	A Group of Private Investors	Vitamins, Minerals & Supplements	-	-	-
3/14/2018	Snapdolls	Cortex Toys LLC	Toys & Games	-	-	-
3/13/2018	Niner Inc.	UWHK Limited	Recreational Products	-	-	-
3/12/2018	Nutranext LLC	The Clorox Company	Vitamins, Minerals & Supplements	\$700.0	3.5x	-
3/7/2018	KanJam LLC	Wild Sports LLC	Toys & Games	-	-	-
3/5/2018	GUND, Inc.	Spin Master Corp.	Toys & Games	\$79.1	-	-
3/5/2018	Sculpt Fusion Yoga (nka:Yoga Six Carmel Valley)	Yoga Six, LLC	Fitness & Spa Facilities	-	-	-
3/5/2018	Nucery International, Inc.	ARIIX Holdings, LLC	Personal Care	-	-	-
3/5/2018	PF Eastern NC, LLC	Excel Fitness Holdings Group	Fitness & Spa Facilities	-	-	-
3/2/2018	Mario Tricoci Hair Salons & Day Spas, Inc.	Tricoci Family	Beauty Care Services	-	-	-
2/28/2018	Balmex Brand of Moberg Pharma AB	Randob Labs., Ltd.	Baby Products	\$4.3	1.1x	-
2/28/2018	Kino Hawaiian Skincare LLC	Castello Sales, LLC	Personal Care	-	-	-
2/27/2018	TMPL Gym	Town Sports International Holdings, Inc.	Fitness & Spa Facilities	\$5.9	-	-

Source: Capital IQ.

Q1'18 M&A Transactions (continued)

Selected recent leisure & wellness M&A transactions (US\$ in millions)						
Announcement Date	Target	Buyer	Sub-sector	Implied Enterprise Value (TEV)	TEV/ Revenue	TEV/ EBITDA
2/27/2018	Lifeline Products, LLC	Escalade, Incorporated	Exercise Equipment	-	-	-
2/22/2018	All Assets of Total Woman Gym Business	Town Sports International Holdings, Inc.	Fitness & Spa Facilities	\$8.0	-	-
2/16/2018	Zag Toys	Jazwares, Inc.	Toys & Games	-	-	-
2/9/2018	All Assets of K'NEX Brands, L.P.	Basic Fun, Inc.	Toys & Games	\$29.0	-	-
2/2/2018	Natural Products Group, Inc.	Laboratoires de Biologie Végétale Yves Rocher SA	Personal Care	-	-	-
1/19/2018	Links & Kings, LLC	Acushnet Holdings Corp.	Recreational Products	-	-	-
1/18/2018	J.R. Watkins Personal Care & Household brand and assets	Swander Pace Capital	Personal Care and Household Products	-	-	-
1/18/2018	Jack Black L.L.C.	Edgewell Personal Care Company	Personal Care	-	-	-
1/17/2018	Health & Beauty Group Inc.	America Great Health	Vitamins, Minerals & Supplements	\$1.5	-	-
1/5/2018	Boost Fitness	Fitness Holdings, LLC	Fitness & Spa Facilities	-	-	-
1/3/2018	Earth Sports, LLC	Camping World Holdings, Inc.	Recreational Products	-	-	-
1/2/2018	6 Franchise Stores in Long Island	Planet Fitness, Inc.	Fitness & Spa Facilities	-	-	-

Source: Capital IQ.

Q1'18 Public Comps

Leisure & Wellness Performance Summary by Sub-sector (\$M, except per share data)

Selected public leisure & wellness companies

(US\$ in millions, except per share amounts)

Company name	Market cap	Enterprise value ⁽¹⁾	Share price ⁽²⁾	% Of 52-Wk high	Last Twelve Months (LTM)				Enterprise value	
					Revenue	Revenue growth	EBITDA ⁽³⁾	EBITDA margin	NTM revenue	NTM EBITDA
Vitamins, Minerals & Supplements										
Herbalife Nutrition Ltd.	\$8,033	\$9,023	\$97.47	97.0%	\$4,428	(1.4%)	\$717	16.2%	1.9x	12.1x
Glanbia plc	5,087	5,540	17.25	71.4%	2,866	7.0%	394	13.8%	2.0x	13.8x
Nu Skin Enterprises, Inc.	4,001	3,951	73.71	98.3%	2,396	7.2%	359	15.0%	1.6x	10.6x
By-health Co., Ltd.	3,965	3,429	2.70	96.2%	549	44.1%	161	29.4%	5.5x	18.9x
Fanc! Corporation	2,330	2,020	36.67	98.7%	943	12.4%	114	12.1%	1.9x	16.0x
USANA Health Sciences, Inc.	2,067	1,820	85.90	98.2%	1,084	6.2%	162	15.0%	1.6x	10.8x
Blackmores Limited	1,666	1,717	96.71	70.7%	448	3.6%	84	18.8%	3.0x	17.5x
Medifast, Inc.	1,125	1,026	93.45	99.0%	302	9.8%	44	14.5%	2.9x	17.4x
Jamieson Wellness Inc.	675	798	17.84	94.5%	240	21.1%	43	17.8%	3.1x	15.1x
GNC Holdings, Inc.	323	1,556	3.86	35.3%	2,406	(4.4%)	246	10.2%	0.7x	7.6x
Midsona AB (publ)	314	391	6.81	87.4%	271	18.1%	24	9.0%	1.3x	12.7x
Natural Health Trends Corp.	215	80	19.01	62.8%	198	(31.3%)	44	22.1%	NA	NA
Nature's Sunshine Products, Inc.	209	180	11.00	74.6%	342	0.3%	12	3.6%	NA	NA
Nanjing Sinolife United Company Limited	151	121	0.16	70.6%	73	1.3%	6	7.7%	NA	NA
Vitamin Shoppe, Inc.	105	242	4.35	21.0%	1,179	(8.6%)	66	5.6%	0.2x	5.9x
Youngevity International, Inc.	82	102	4.15	59.3%	166	1.9%	(3)	NM	NA	NA
Eagle Health Holdings Limited	77	55	0.25	71.1%	70	6.1%	16	22.5%	NA	NA
Lifevantage Corporation	51	45	3.61	52.8%	194	(8.8%)	7	3.6%	NA	NA
Real Nutriceutical Group Limited	47	(320)	0.03	42.8%	55	(68.7%)	50	91.7%	NA	NA
Mannatech, Incorporated	43	6	15.70	93.2%	177	(2.0%)	4	2.5%	NA	NA
<i>Vitamins, Minerals & Supplements Mean</i>				<i>74.7%</i>		<i>0.7%</i>		<i>17.4%</i>	<i>2.1x</i>	<i>13.2x</i>
<i>Vitamins, Minerals & Supplements Median</i>				<i>73.0%</i>		<i>2.7%</i>		<i>14.5%</i>	<i>1.9x</i>	<i>13.2x</i>
Cosmetics & Beauty Products										
Johnson & Johnson	\$343,780	\$360,074	\$128.15	86.4%	\$78,693	9.0%	\$26,057	33.1%	4.4x	12.7x
The Procter & Gamble Company	199,865	219,804	79.28	83.7%	66,408	2.0%	17,934	27.0%	3.2x	12.2x
The Estée Lauder Companies Inc.	55,064	56,352	149.72	99.5%	12,769	12.2%	2,700	21.1%	4.0x	19.1x
Coty Inc.	13,723	20,769	18.30	84.4%	9,149	69.3%	1,163	12.7%	2.3x	14.0x
Nu Skin Enterprises, Inc.	4,001	3,951	73.71	98.3%	2,396	7.2%	359	15.0%	1.6x	10.6x
Edgewell Personal Care Company	2,636	3,806	48.82	62.6%	2,282	(3.0%)	416	18.2%	1.7x	8.4x
Sally Beauty Holdings, Inc.	2,087	3,880	16.45	77.0%	3,934	(0.5%)	612	15.6%	1.0x	6.4x
Inter Parfums, Inc.	1,474	1,257	47.15	95.6%	591	13.5%	77	13.0%	2.2x	14.4x
Avon Products, Inc.	1,251	2,735	2.84	58.0%	5,716	(0.04%)	418	7.3%	0.5x	5.7x
Revlon, Inc.	1,068	3,817	20.60	73.4%	2,694	15.4%	194	7.2%	1.4x	13.6x
BWX Limited	457	477	3.72	59.1%	80	59.3%	24	29.7%	3.3x	12.5x
<i>Cosmetics & Beauty Products Mean</i>				<i>79.8%</i>		<i>16.8%</i>		<i>18.2%</i>	<i>2.3x</i>	<i>11.8x</i>
<i>Cosmetics & Beauty Products Median</i>				<i>83.7%</i>		<i>9.0%</i>		<i>15.6%</i>	<i>2.2x</i>	<i>12.5x</i>

Q1'18 Public Comps (continued)

Leisure & Wellness Performance Summary by Sub-sector (\$M, except per share data)

Selected public leisure & wellness companies

(US\$ in millions, except per share amounts)

Company name	Market cap	Enterprise value ⁽¹⁾	Share price ⁽²⁾	% Of 52-Wk high	Last Twelve Months (LTM)				Enterprise value	
					Revenue	Revenue growth	EBITDA ⁽³⁾	EBITDA margin	NTM revenue	NTM EBITDA
Spas and Salons										
Ulta Beauty, Inc.	\$12,459	\$12,061	\$204.27	64.9%	\$5,885	21.2%	\$1,038	17.6%	1.8x	10.6x
Regis Corporation	707	664	15.13	88.3%	1,676	10.0%	59	3.5%	0.5x	8.2x
Siam Wellness Group Public Co. Limited	336	340	0.59	82.1%	30	30.2%	9	30.1%	8.3x	27.5x
Perfect Shape Beauty Technology Limited	155	117	0.14	77.8%	102	(0.7%)	31	30.8%	NA	NA
RVH Inc.	92	42	4.79	59.6%	446	20.8%	48	10.7%	NA	NA
Water Oasis Group Limited	78	29	0.10	67.2%	83	2.9%	39	47.6%	NA	NA
ARTE Salon Holdings, Inc.	51	60	5.05	79.1%	67	3.3%	9	13.7%	NA	NA
Modern Beauty Salon Holdings Limited	30	3	0.03	64.2%	83	(12.1%)	9	11.3%	NA	NA
M H Group Ltd.	27	25	2.35	74.2%	18	10.3%	0.2	0.9%	NA	NA
<i>Spas and Salons Mean</i>				73.0%		9.5%		18.5%	3.5x	15.4x
<i>Spas and Salons Median</i>				74.2%		10.0%		13.7%	1.8x	10.6x
Sporting Goods & Equipment										
Brunswick Corporation	\$5,188	\$5,176	\$59.39	92.1%	\$4,583	0.1%	\$595	13.0%	1.1x	7.9x
Amer Sports Corporation	3,559	4,127	30.89	96.5%	3,258	(0.2%)	360	11.0%	1.2x	11.3x
Technogym S.p.A.	2,377	2,428	11.83	97.3%	718	7.7%	139	19.4%	3.1x	15.0x
Callaway Golf Company	1,558	1,572	16.36	98.1%	1,143	26.1%	147	12.9%	1.4x	13.1x
Fox Factory Holding Corp.	1,314	1,377	34.90	74.6%	476	18.0%	79	16.7%	2.5x	13.2x
Vista Outdoor Inc.	936	1,810	16.32	65.1%	2,316	(10.2%)	188	8.1%	0.8x	9.6x
Malibu Boats, Inc.	681	753	33.21	90.2%	370	39.7%	65	17.6%	1.6x	8.8x
Johnson Outdoors Inc.	612	534	62.00	81.4%	513	16.1%	62	12.0%	1.0x	8.2x
Marine Products Corporation	485	475	14.01	81.8%	274	10.1%	33	12.2%	1.7x	13.4x
MCBC Holdings, Inc.	471	559	25.20	88.1%	260	17.1%	47	18.0%	1.6x	9.1x
Impulse (Qingdao) Health Tech Co., Ltd.	467	373	3.89	49.2%	139	13.8%	18	12.7%	NA	NA
Nautilus, Inc.	408	371	13.45	67.9%	406	0.0%	54	13.2%	0.9x	7.3x
Johnson Health Tech. Co., Ltd.	342	494	1.13	73.1%	657	(3.3%)	16	2.4%	NA	NA
Clarus Corporation	203	222	6.75	84.4%	171	15.18%	4.9	2.85%	1.1x	13.5x
Escalade, Incorporated	197	219	13.70	95.3%	178	5.1%	18	10.3%	1.2x	10.8x
<i>Sporting Goods & Equipment Mean</i>				82.3%		10.4%		12.2%	1.5x	10.9x
<i>Sporting Goods & Equipment Median</i>				84.4%		10.1%		12.7%	1.2x	10.8x

Q1'18 Public Comps (continued)

Leisure & Wellness Performance Summary by Sub-sector (\$M, except per share data)

Selected public leisure & wellness companies

(US\$ in millions, except per share amounts)

Company name	Market cap	Enterprise value ⁽¹⁾	Share price ⁽²⁾	% Of 52-Wk high	Last Twelve Months (LTM)				Enterprise value	
					Revenue	Revenue growth	EBITDA ⁽³⁾	EBITDA margin	NTM revenue	NTM EBITDA
Gym & Fitness Facilities										
Planet Fitness, Inc.	\$3,305	\$3,896	\$37.77	94.3%	\$430	13.7%	\$157	36.6%	7.4x	18.3x
Basic-Fit N.V.	1,583	1,931	28.95	94.2%	391	26.0%	116	29.6%	3.9x	12.2x
Tosho Co., Ltd.	1,484	1,573	38.75	99.4%	207	12.2%	69	33.2%	6.3x	18.7x
Central Sports Co., Ltd.	412	453	36.53	78.6%	474	2.1%	52	11.0%	NA	NA
The Gym Group plc	409	461	3.19	85.8%	124	24.3%	36	29.2%	2.8x	8.8x
Town Sports International Holdings, Inc.	207	373	7.60	93.3%	411	4.2%	59	14.3%	0.9x	6.6x
Talwalkars Better Value Fitness Limited	83	142	2.66	48.4%	48	12.4%	28	58.9%	2.5x	4.1x
Grupo Sports World, S.A.B. de C.V.	80	107	1.00	96.0%	85	22.1%	15	17.6%	1.0x	5.8x
Actic Group AB (publ)	76	128	4.75	73.1%	111	10.8%	15	13.2%	1.1x	6.0x
<i>Gym & Fitness Facilities Mean</i>				84.8%		14.2%		27.1%	3.2x	10.1x
<i>Gym & Fitness Facilities Median</i>				93.3%		12.4%		29.2%	2.7x	7.7x
Wearable Technology										
Apple Inc.	\$851,318	\$896,565	\$167.78	91.4%	\$239,176	9.7%	\$74,174	31.0%	3.4x	11.2x
Alphabet Inc.	719,249	621,347	1,037.14	86.6%	117,251	23.7%	36,707	31.3%	4.7x	12.0x
Sony Corporation	61,307	54,654	48.45	89.7%	75,435	12.9%	10,482	13.9%	0.7x	5.8x
Garmin Ltd.	11,090	10,037	58.93	89.3%	3,087	2.3%	755	24.5%	3.1x	13.0x
Under Armour, Inc.	6,791	7,395	16.35	69.7%	4,977	3.1%	331	6.6%	1.4x	22.3x
Fitbit, Inc.	1,221	542	5.10	69.7%	1,616	(25.5%)	(119)	NM	0.4x	NM
GoPro, Inc.	700	583	4.79	40.3%	1,180	(0.5%)	(102)	NM	0.5x	NM
<i>Wearable Technology Mean</i>				76.7%		3.7%		21.5%	2.0x	12.9x
<i>Wearable Technology Median</i>				86.6%		3.1%		24.5%	1.4x	12.0x
Toys & Games										
Hasbro, Inc.	\$10,468	\$10,711	\$84.30	72.5%	\$5,210	0.8%	\$982	18.9%	2.0x	10.2x
BANDAI NAMCO Holdings Inc.	7,230	5,792	32.91	81.4%	5,719	5.7%	694	12.1%	0.9x	6.7x
Mattel, Inc.	4,523	6,566	13.15	50.6%	4,855	(8.8%)	(93)	NM	1.4x	16.3x
Spin Master Corp.	4,182	4,069	41.13	85.9%	1,551	34.4%	253	16.3%	2.4x	12.6x
TOMY Company, Ltd.	968	1,086	10.28	56.7%	1,572	6.2%	184	11.7%	0.6x	NA
China Healthwise Holdings Limited	116	108	0.02	58.7%	59	30.3%	(17)	NM	NA	NA
JAKKS Pacific, Inc.	53	147	2.10	37.8%	612	(13.3%)	(49)	NM	0.2x	5.6x
<i>Toys & Games Mean</i>				63.4%		7.9%		14.7%	1.3x	10.3x
<i>Toys & Games Median</i>				58.7%		5.7%		14.2%	1.1x	10.2x

Q1'18 Public Comps (continued)

Leisure & Wellness Performance Summary by Sub-sector (\$M, except per share data)

Selected public leisure & wellness companies

(US\$ in millions, except per share amounts)

Company name	Market cap	Enterprise value ⁽¹⁾	Share price ⁽²⁾	% Of 52-Wk high	Last Twelve Months (LTM)				Enterprise value	
					Revenue	Revenue growth	EBITDA ⁽³⁾	EBITDA margin	NTM revenue	NTM EBITDA
Baby Products										
Pigeon Corporation	\$5,418	\$5,124	\$45.24	99.1%	\$939	8.4%	\$198	21.1%	5.1x	21.3x
Carter's, Inc.	4,902	5,341	104.10	80.7%	3,423	6.7%	485	14.2%	1.5x	10.1x
Goodbaby International Holdings Limited	1,138	1,337	0.68	98.9%	914	14.5%	68	7.5%	1.1x	9.4x
Dorel Industries Inc.	734	1,192	22.60	79.8%	2,578	(1.0%)	161	6.3%	0.5x	6.6x
Crown Crafts, Inc.	60	62	5.90	70.2%	65	(12.0%)	9	13.8%	0.9x	6.0x
Summer Infant, Inc.	21	70	1.15	51.1%	190	(2.3%)	7	3.5%	0.4x	6.8x
<i>Baby Products Mean</i>				80.0%		2.4%		11.1%	1.6x	10.0x
<i>Baby Products Median</i>				80.2%		2.9%		10.7%	1.0x	8.1x
Household Products										
The Procter & Gamble Company	\$199,865	\$219,804	\$79.28	83.7%	\$66,408	2.0%	\$17,934	27.0%	3.2x	12.2x
Reckitt Benckiser Group plc	59,642	74,713	84.69	74.4%	15,560	21.4%	4,451	28.6%	4.2x	14.7x
Henkel AG & Co. KGaA	55,711	59,577	132.38	82.9%	24,050	7.0%	4,619	19.2%	NA	NA
Kimberly-Clark Corporation	38,553	45,438	110.13	82.0%	18,486	1.4%	3,980	21.5%	2.5x	10.9x
Kao Corporation	37,031	34,973	75.15	97.5%	13,223	2.2%	2,321	17.6%	2.4x	13.3x
The Clorox Company	17,225	19,019	133.11	88.5%	6,040	2.8%	1,247	20.6%	3.1x	14.1x
Newell Brands Inc.	12,363	22,430	25.48	46.3%	14,742	11.1%	2,056	13.9%	1.6x	9.2x
Church & Dwight Co., Inc.	12,294	14,390	50.36	92.9%	3,776	8.1%	897	23.8%	3.5x	15.0x
Spectrum Brands Holdings, Inc.	5,740	9,581	103.70	71.0%	5,052	15.5%	853	16.9%	3.0x	14.2x
Tupperware Brands Corporation	2,473	3,067	48.38	65.1%	2,244	0.1%	402	17.9%	1.3x	6.6x
Tempur Sealy International, Inc.	2,461	4,172	45.29	66.6%	2,754	(12.0%)	391	14.2%	1.5x	8.9x
Helen of Troy Limited	2,346	2,751	87.00	84.6%	1,490	(3.1%)	230	15.4%	1.9x	11.5x
Central Garden & Pet Company	2,102	2,510	43.00	99.4%	2,077	10.0%	204	9.8%	1.2x	11.6x
WD-40 Company	1,840	1,875	131.70	98.0%	394	3.8%	84	21.4%	4.6x	22.3x
Sleep Number Corporation	1,353	1,374	35.15	86.3%	1,439	6.4%	144	10.0%	0.9x	8.4x
<i>Household Products Mean</i>				81.3%		5.1%		18.5%	2.5x	12.3x
<i>Household Products Median</i>				83.7%		3.8%		17.9%	2.4x	11.9x

Source: Capital IQ.


All figures in US\$; where applicable, converted at rates as of March 31, 2018.

(1) As shown, Enterprise Value defined as Market Capitalization plus Preferred Stock and Net Debt.

(2) Closing share prices as of March 31, 2018.


(3) EBITDA reduced to account for minority interest expense.

Leading Middle Market M&A Advisor¹



Tourneau, LLC

acted as financial advisor to Tourneau, LLC on its acquisition of Bucherer AG



DefShop GmbH

acted as financial advisor to DefShop GmbH on its sale to Equistone Partners Europe Limited



The Electrolux Group

acted as financial advisor to The Electrolux Group on its sale of Eureka to Midea Group

TLG BRANDS

Sensa Products, LLC

acted as financial advisor to TLG Brands on its sale to Global Brands Group

BOSTON PROPER

Boston Proper, LLC

acted as financial advisor to Brentwood Associates on its acquisition of Boston Proper



Full Swing Golf, Inc.

acted as financial advisor to Full Swing Golf on its recapitalization by North Castle Partners and Toggolf

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2008-2017			2018 YTD April		
		No. of deals			No. of deals
1	KPMG ¹	4,022	1	KPMG ¹	66
2	PwC	3,841	2	Rothschild & Co.	51
3	Goldman Sachs & Co	3,583	3	Sumitomo Mitsui Finl Grp Inc	50
4	Morgan Stanley	3,325	4	Lazard	44
5	JP Morgan	3,049	5	Mizuho Financial Group	42

Source: Thomson Reuters SDC; Middle market is defined as transactions less than US\$500 million.

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