



Feel Better, Live Better.

Q4 2017

KPMG Corporate Finance LLC

Leisure & Wellness
M&A Newsletter

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

KPMG Corporate Finance LLC

KPMG Corporate Finance LLC (KPMG Corporate Finance) 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 (KPMG) 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 125 deals in 2017⁽¹⁾. We have over 75 dedicated senior M&A bankers focused on Consumer & Retail in 32 countries worldwide - among the largest and most experienced global coverage teams on Wall Street - each with significant transaction experience and local market relationships with key decision makers.

Leisure & Wellness Industry Practice

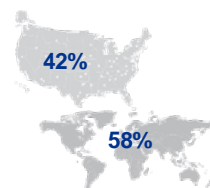
KPMG's Leisure & Wellness investment banking team is a leader in providing customized advisory services to public and private companies throughout the Leisure & Wellness industry. Now more than ever, global consumers are embracing lifestyle choices and pursuing branded products that promote physical 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 deal making environment remains robust, with 2017 accounting for the fourth consecutive year of aggregate deal value exceeding \$3 trillion. According to the data compiled by Capital IQ, deal count, in comparison to 2016, dipped by ~11% to 53,143 deals, while deal volume dropped by ~6% to \$3,388 billion. Deal activity witnessed the same trend during Q4 2017, when compared to Q4 2016. While deal volume slipped by ~17% to 12,953 in Q4 2017, disclosed deal value fell by only ~8% to \$1,078 billion during the same period.

The global L&W sector, on the other hand, experienced a softening in Q4 2017, as deal volume dropped by ~21% to 172 deals, and disclosed deal value fell by ~69% to \$5.2 billion, when compared to the same period of the prior year. Deal value during the quarter declined primarily due to the lack of mega deals (\$1 billion+). Nestle's \$2.3 billion acquisition of Canada-based Atrium was the largest deal in the sector in Q4 2017. The L&W market remains strong, with the Vitamins, Minerals, and Supplements (VMS) space continuing to experience growth, driven by strong demographics, expanded distribution, and product innovations. The continuing growth, along with fragmented nature of the market is generating significant interest from both strategic as well as financial buyers.

Global L&W Deal Count



Deal activity in the U.S. decreased by 22%, with 72 deals in Q4'17, compared to 92 deals in Q4'16. The U.S. contributed 42% to the global deal volume in Q4'17, equivalent to that of Q4'16.

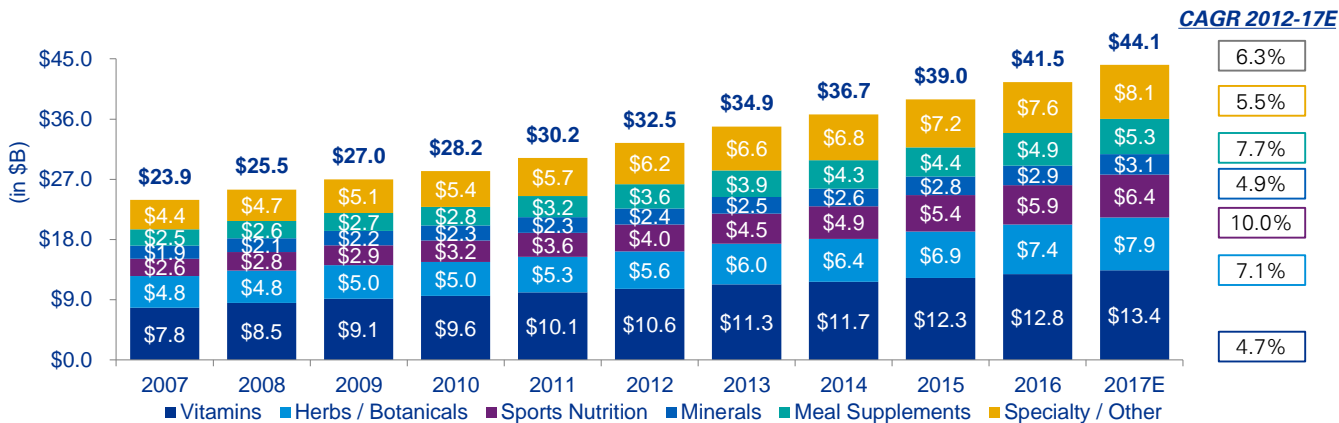
Sources: Capital IQ and other publicly available information.

(1) Per Thomson Reuters SDC; Middle market is defined as transactions less than US\$500 million.

U.S. Vitamins, Minerals, and Supplements (VMS) Industry

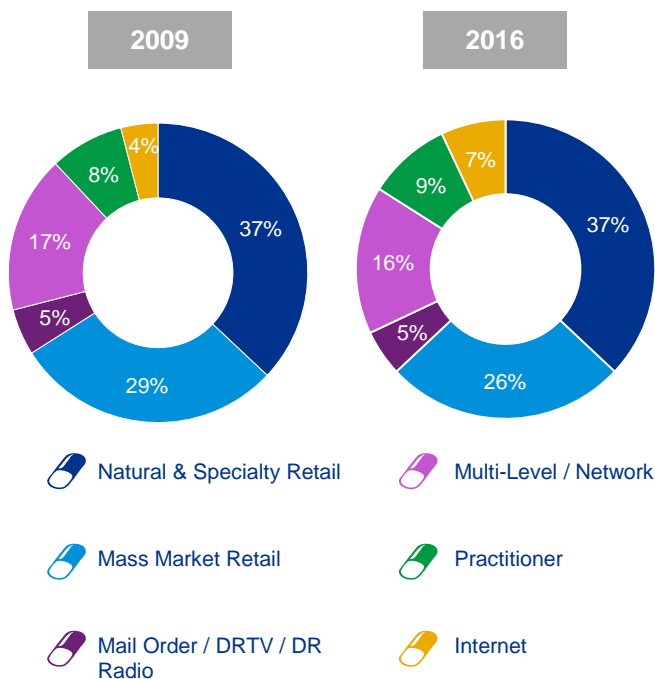
Despite various challenges and increased scrutiny around purity, health benefits, and efficacy of ingredients, demand for VMS products in the U.S. remains strong. According to Nutrition Business Journal, the industry generated sales of \$41.5 billion in 2016, a 6.6% growth on a Y-o-Y basis.

An Overview (2007-2017E)



- Heightened consumer focus on healthy living and preventive care has resulted in an increased willingness to spend on VMS products in order to supplement daily diet needs
- Additionally, factors such as an aging population, new product launches, and the improved accessibility of products through various distribution channels, are supporting industry growth
- Among the available distribution channels, the Internet has gained the most market share over the years and is poised to remain the biggest growth channel in the coming years
 - Amazon continues to drive the channel’s growth and is now focusing on its own private label
- While consumers continue to believe in the significant benefits of these products, trust remains a key challenge across the industry
 - As a result, the industry is witnessing a growing prominence of ‘clean labels’, a trend led by the increased demand for products containing only a few, more recognizable, ingredients and no added preservatives
- In addition to the strong macro economic tailwinds, the industry is expected to experience continued growth, driven by the following factors:
 - Expanding customer base
 - Increased innovation
 - Alternative delivery formats
 - Targeted solutions in the form of demographic and condition specific products

Channel Breakdown



Active M&A Landscape

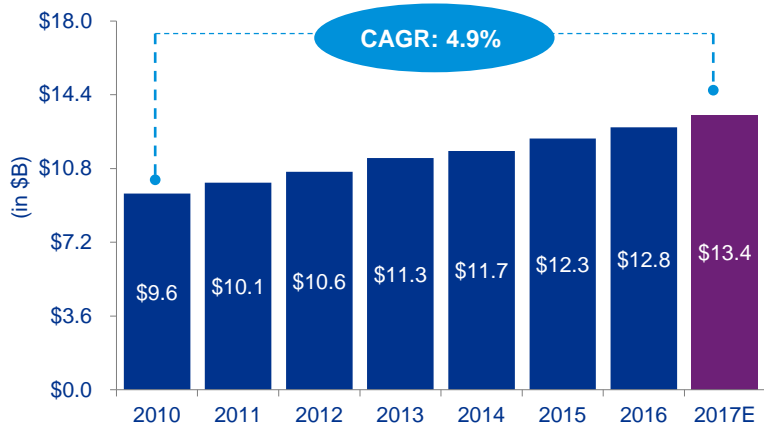
- The industry is seeing major M&A activity across all channels driven by both established players looking to expand geographic reach and / or their product offerings; and multinational FMCG and Pharma companies looking to enter high growth niche categories such as dietary supplements
- Additionally, the high level of fragmentation within the industry is attracting significant interest from Private Equity firms such as KKR, HGGC, North Castle Partners, WM Partners, and Swander Pace Partners

U.S. Vitamins Industry

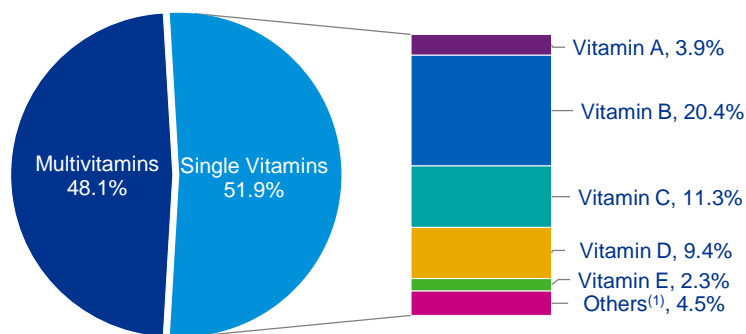
Vitamins, which represent the largest sub-sector of the VMS market, have witnessed strong growth in the last few years primarily as a result of sustained purchases led by products offering widely known and well-established health benefits.

- In 2016, the U.S. Vitamin industry generated \$12.8 billion in revenue, up 4.4% on a Y-o-Y basis, and is expected to reach \$13.4 billion in 2017
- Single vitamins, which are designed for those who are in need of a particular supplement, account for ~52% of total vitamin sales
 - Vitamin B continues to witness strong growth due to increased consumer interest in its overall vitality and energy associated benefits
 - Growth of Vitamin D outperformed others, supported by numerous studies linking vitamin D to a variety of health benefits, including stronger bones and protection from cardiovascular disease and cancer
- Multivitamins, which constitute the remaining 48% of the market, have experienced a slight slowdown in the past few years, driven by recent studies claiming these products provide few benefits for otherwise healthy individuals
 - A growing number of consumers have abandoned general, all-purpose multivitamins for condition and/or demographic-specific products
- While vitamins have historically been the largest contributor to the overall VMS market, the category has witnessed a slight slowdown due to the declining birth rate, market saturation, and increased competition from other categories
- In response to these market challenges, industry players are focused on introducing innovative vitamin products with better formulations, clean labels, new formats, and custom designed packaging

An Overview (2010-2017E)



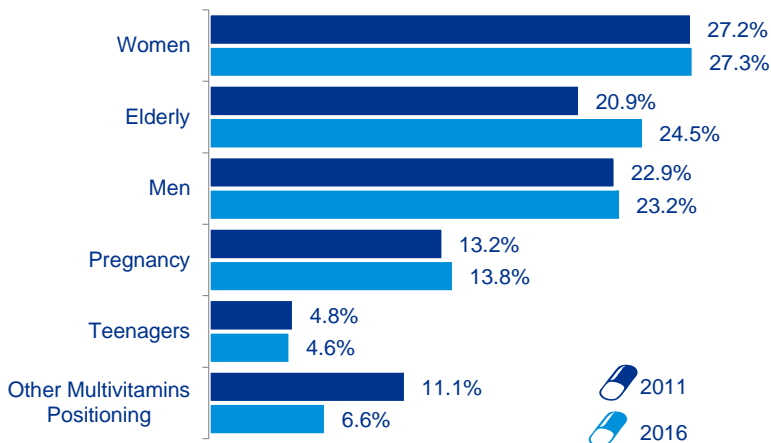
Market Segmentation – By Category (2016)



Innovative Vitamin Launches

- Vitamin Vape:** Launched a disposable vaporizer that claims to more effectively transmit Vitamin B12 than pill formats
- Nature's Truth:** Offers Vitamin B12 in a berry flavored liquid, to be administered sublingually (under the tongue)
- Vitafusion:** Sells Power C Gummy Vitamins for adults, which promise "great tasting gummies" aimed to overcome pill fatigue
- Energems:** Branded chocolate-based energy supplements fortified with Vitamins B and D
- Centrum:** Offers VitaMints, a tablet multivitamin which "you can enjoy like a mint!", as a means to combat pill fatigue

Sales of Multivitamins – By End User (% of Total Value)



Sources: Nutrition Business Journal, Euromonitor, and other publicly available information.

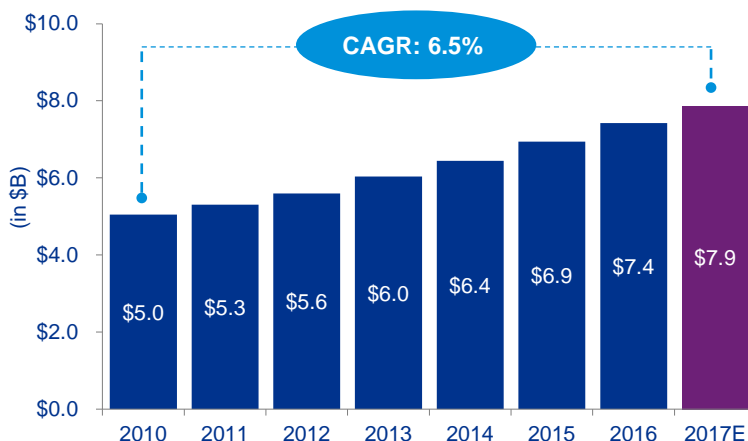
(1) Vitamin K is included in "Others".

U.S. Herb / Botanical Supplements Industry

In spite of a challenging 2015, which was characterized by high profile investigations and negative media coverage, the sub-sector registered sustained growth, primarily driven by the increasing consumer demand for wellness products with natural ingredients.

- The Herb / Botanical Supplements industry witnessed the 13th consecutive year of growth, reaching \$7.4 billion in 2016, up ~7.0% from 2015
- The sub-sector is benefiting from the following factors:
 - Consumers seeking more natural ways of supporting their health
 - Shifting preferences toward supplements that support overall wellness
 - Increasing consumer familiarity with Ayurvedic herbs, from India's ancient, sophisticated and powerful mind-body health system - Ayurveda
 - Rise of adaptogenic herbs, which help mitigate stress while boosting energy levels
 - Growth of herbal products with bitter properties and digestive health benefits
- Additionally, 2016 marked the eighth year of increased sales in each of the three market channels
 - This indicates that consumers, ranging from casual shoppers in mainstream mass market channel to core consumers of natural products, are continuing to turn to plant based options for their health and self-care needs
- By product type, Single-Herb supplements contributed ~61% to the total sales in 2016, and Combination-Herb Supplements represented the remainder of the market
 - However, since 2011, sales growth of Combination-Herb supplements has outpaced that of Single-Herb supplements
- With an increasing number of consumers taking a more holistic approach to wellness and the growing awareness around benefits of herbs, sub-sector sales are expected to continue growing in the years to come

An Overview (2010-2017E)



Market Segmentation – By Channel

(\$ in billions)

	Mass Market Channel	Natural & Health Food Channel	Direct Sales*
2014	\$1.116	\$2.186	\$3.139
2015	\$1.204	\$2.356	\$3.363
2016	\$1.336	\$2.506	\$3.609
% Change from 2015	+11.0%	+6.4%	+7.3%

* Includes internet, mail order (including catalogs), direct mail, and direct-response TV and radio, practitioners, and multilevel marketing (MLM) and network marketing firms

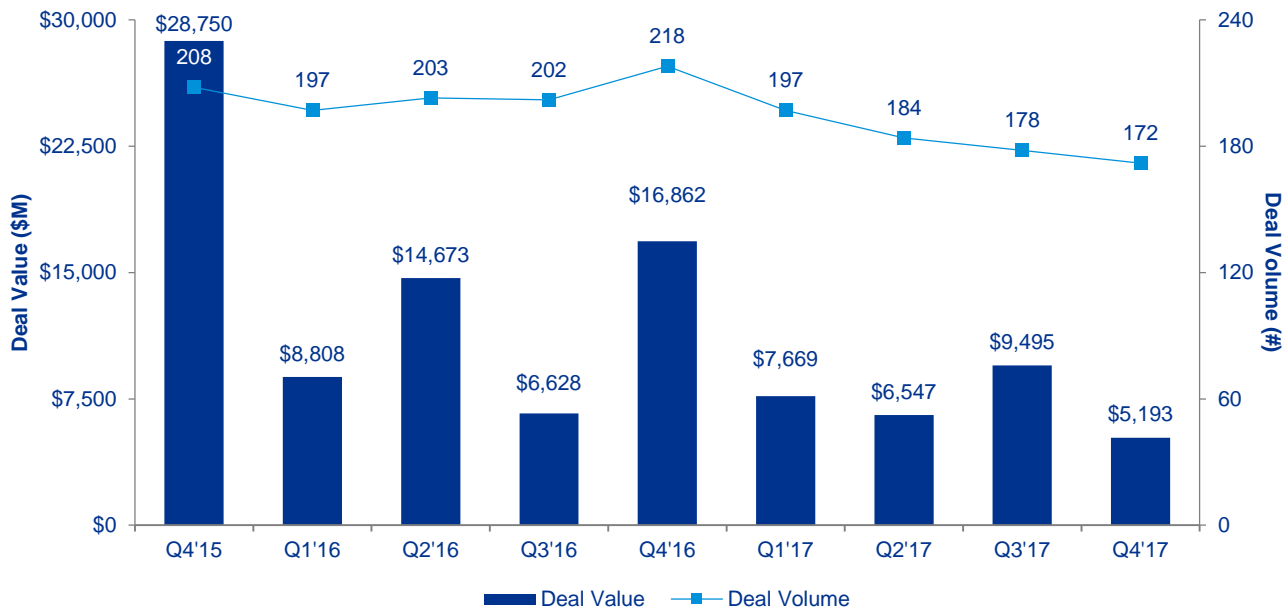
The 10 Top Selling Herbal Supplements in 2016 – By Channel

(\$ in millions)

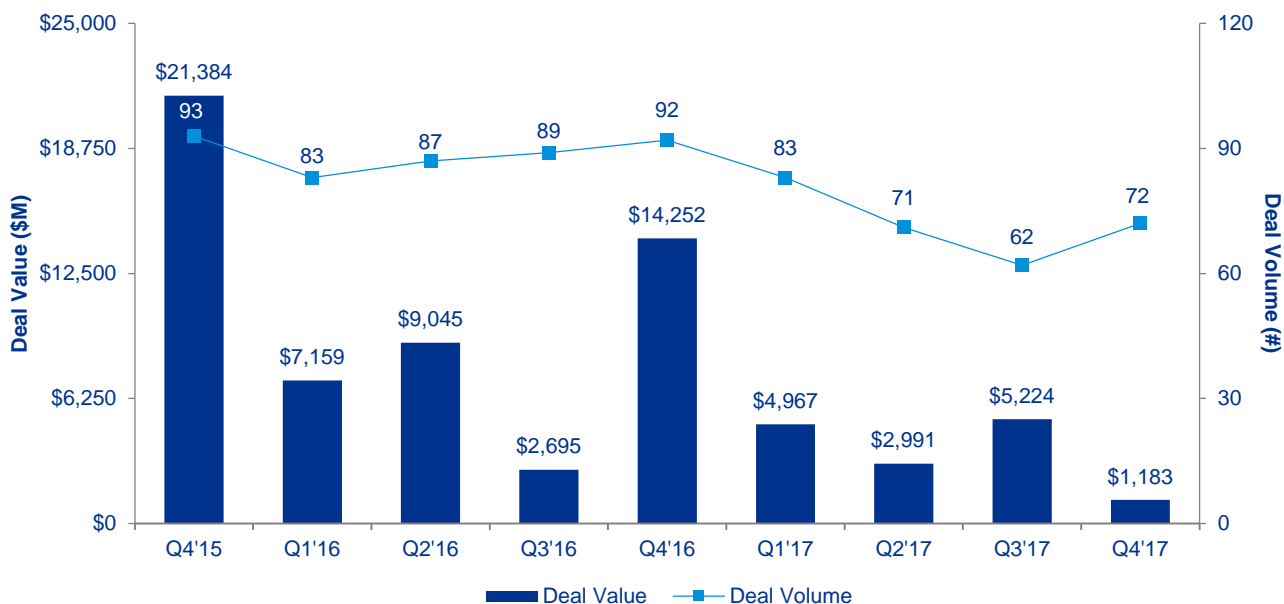
Mass Market Channel			Natural & Health Food Channel		
Product	Sales (\$M)	% Change from 2015	Product	Sales (\$M)	% Change from 2015
Horehound	\$125.5	9.3%	Turmeric	\$47.7	32.0%
Cranberry	\$74.0	11.9%	Wheatgrass / Barley	\$21.3	(5.3%)
Echinacea	\$69.0	15.1%	Flax Seed / Oil	\$16.7	(3.0%)
Green Tea	\$44.6	(8.6%)	Aloe	\$15.3	6.6%
Black Cohosh	\$36.5	(15.5%)	Elderberry	\$10.7	2.4%
Garcinia	\$35.1	(29.6%)	Milk Thistle	\$10.0	2.1%
Flax Seed / Oil	\$31.9	(12.1%)	Maca	\$9.3	8.1%
Ginger	\$25.4	(4.0%)	Ashwagandha	\$8.7	55.2%
Ivy Leaf	\$25.3	35.2%	Echinacea	\$8.4	6.3%
Turmeric	\$22.1	85.5%	Saw Palmetto	\$7.6	4.9%

Global and U.S. M&A deal volume

Global Leisure & Wellness Sector M&A Trend Q4'15 – Q4'17 ⁽¹⁾⁽²⁾



U.S. Leisure & Wellness Sector M&A Trend Q4'15 – Q4'17 ⁽¹⁾⁽²⁾



Source: Capital IQ as of December 31, 2017.

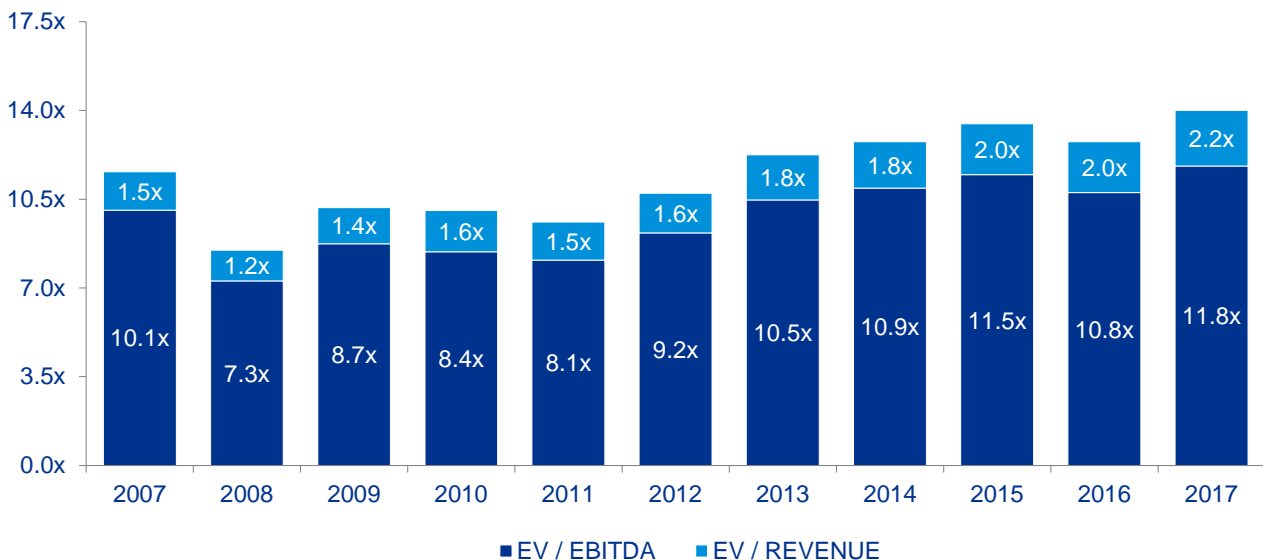
- (1) M&A analysis based on deals announced during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graphs.
- (2) Deal volume and value data based on internally defined sub-sectors.

Stock valuations

Leisure & Wellness Sector Relative Stock Price Performance Trend ⁽¹⁾



Leisure & Wellness Sector Trading Multiple Valuation Trend ⁽¹⁾



Source: Capital IQ as of December 31, 2017.

(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 11-14.

Recent Transactions

Selected Q4'17 Transaction Summaries

Nestlé	December 5, 2017: Nestlé agreed to acquire Canada based Atrium Innovations, a provider of vitamins, probiotics, and meal replacements, from a group of investors led by Permira Funds, for \$2.3 billion in cash. With this transaction, Nestlé plans to support its pursuit of growth opportunities in consumer healthcare to complement the company's focus on high-growth food and beverage categories. Upon closing, Atrium will become part of Nestlé's Health Science business and will continue to be managed by its existing management team. Atrium, best known for its Garden of Life natural supplements, employs 1,400 people and derives ~80% of its sales from the U.S.
<i>Acquired</i>	
Atrium Innovations	
Spin Master	December 01, 2017: Spin Master, a Canadian global toy and entertainment company, announced the acquisition of Perplexus, a designer and provider of 3-D ball-in-a-maze puzzles for ~\$9.0 million plus annual performance-based payouts over the next five years. Spin Master, which has distributed Perplexus since 2013, now owns the global rights to the Perplexus brand. The acquisition of Perplexus, which is known for its imaginative sculptural designs, wide appeal, and various levels of challenge, supports Spin Master's efforts to increase its presence in Games and Puzzles, one of the highest growing toys and games categories globally in 2016.
<i>Acquired</i>	
Perplexus	
Procter & Gamble	November 15, 2017: Procter & Gamble acquired Zenlen, a manufacturer and distributor of aluminum and paraben free deodorants. The company, which operates under the Native Deodorant brand, was acquired from Azure Capital Partners for \$100.0 million. The acquisition helps P&G broaden its existing portfolio of personal care brands and capitalize on the direct-to-consumer and better-for-you positioning of the Native brand. With this acquisition, P&G, which has largely focused on divesting rather than acquiring in recent years, has now joined the bandwagon of consumer goods companies who have tapped smaller companies for innovation.
<i>Acquired</i>	
Zenlen	
Henkel	October 26, 2017: Henkel acquired Zotos International, the North American Hair Professional business of Japan based Shiseido Company, for \$485.0 million. Zotos' portfolio of brands includes Joico, AGEbeautiful, Biotera, Bain de Terre and Senscience. The transaction aims to broaden Henkel's product portfolio, strengthen its Hair Professional business, and significantly expand its position in the key region of North America. The transaction is Henkel's third acquisition in the U.S. hair professional business since 2014.
<i>Acquired</i>	
Zotos International	
Relevium Technologies	October 25, 2017: Relevium Technologies, a Canada based consolidator of e-commerce assets in health and wellness, announced that it has signed a non-binding letter of intent to acquire a U.S. based nutraceutical brand that sells vitamins and dietary supplements direct to consumers, primarily through the Amazon. The transaction value is currently estimated at ~\$1.4 million. Upon closing, the acquired assets will be transferred to Relevium and the operations will be integrated into the company's current operations.
<i>Acquired</i>	
A Nutraceutical Brand⁽¹⁾	
BWX Limited	October 19, 2017: BWX, a vertically integrated personal care company based in Australia, acquired Andalou Naturals, a natural skin, body, and hair care brand based in the U.S., for \$80 million plus potential earn out payments of up to \$11.2 million over the next 5 years. Andalou Naturals will join forces with Mineral Fusion and Australia's natural skincare brand Sukin to become BWX Brands USA. The acquisition aims to broaden and diversify BWX's distribution footprint across geographies and channels.
<i>Acquired</i>	
Andalou Naturals	
MCBC Holdings	October 02, 2017: MCBC Holdings, the parent entity of MasterCraft Boat Company, acquired NauticStar, a manufacturer and distributor of 18-28 foot, bay boats, deck boats, and offshore center console boats, for \$79.8 million. The acquisition provides MasterCraft with additional product diversity, as well as a presence in salt water fishing and outboard propulsion, two of the fastest growing segments in the boating industry. NauticStar, which currently sells its boats in the U.S. through an established network of approximately 70 dealers, generated ~\$63.7 million in 2016 net sales.
<i>Acquired</i>	
NauticStar	

Source: Capital IQ and other publicly available information.

(1) Target name undisclosed.

Q4'17 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
12/18/2017	Sassy®-branded Developmental Toy, Feeding and Baby Care Product Line of Sassy 14, LLC	Hamco, Inc.	Baby Products	\$6.5	-	-
12/14/2017	Sunshine Fitness Management LLC	TSG Consumer Partners	Fitness & Spa Facilities	-	-	-
12/14/2017	Schmidt's Deodorant Company, LLC	Unilever United States, Inc.	Personal Care	-	-	-
12/5/2017	Atrium Innovations Inc.	Nestlé Health Science S.A.	Personal Care	\$2,300.0	-	-
12/4/2017	MyChelle Dermaceuticals, LLC	French Transit Ltd.	Personal Care	-	-	-
12/4/2017	VMI Nutrition Inc.	Nelson Nutraceutical, LLC	Personal Care	-	-	-
12/1/2017	Perplexus, LLC	Spin Master Corp.	Toys & Games	\$9.0	-	-
11/29/2017	Great American Recreation Equipment, Inc.	The Beck Companies	Recreational Products	-	-	-
11/27/2017	Sundial Brands LLC	Unilever United States, Inc.	Personal Care	-	-	-
11/20/2017	Maurice Sporting Goods, Inc.	Middleton Partners LLC	Recreational Products	\$39.0	-	-
11/15/2017	Zenlen, Inc.	The Procter & Gamble Company	Personal Care	\$100.0	-	-

Source: Capital IQ.

Q4'17 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
11/14/2017	Infinity Yoga, LLC	YogaWorks, Inc.	Fitness & Spa Facilities	-	-	-
11/8/2017	Planet Granite Belmont LLC	Earth Treks, Inc.	Fitness & Spa Facilities	-	-	-
10/26/2017	Zotos International, Inc.	Henkel Corporation	Personal Care	\$485.0	2.1x	-
10/25/2017	A Nutraceutical Brand	Relevium Technologies Inc.	Personal Care	\$1.4	-	-
10/23/2017	Planet Fitness Franchisees in Phoenix and New Orleans	United PF Partners LLC	Fitness & Spa Facilities	-	-	-
10/19/2017	Andalou Naturals Inc.	BWX Limited	Personal Care	\$91.2	-	-
10/19/2017	YogaOne Studios, LLC	YogaWorks, Inc.	Fitness & Spa Facilities	-	-	-
10/18/2017	City Bicycle Works Inc.	Trek Bicycle Corporation	Recreational Products	-	-	-
10/13/2017	Pure Om Studios, Two Studios in Fairfax and Bethesda	YogaWorks, Inc.	Fitness & Spa Facilities	-	-	-
10/2/2017	Nautic Star, Llc	MCBC Holdings, Inc.	Recreational Products	\$79.8	1.3x	-
10/2/2017	PlayCore, Inc.	Court Square Capital Partners L.P.	Toys & Games	-	-	-

Source: Capital IQ.

Q4'17 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 Ltd.	\$5,593	\$6,238	\$67.72	85.0%	\$4,379	(3.6%)	\$696	15.9%	1.4x	8.7x
Glanbia plc	5,280	6,209	17.89	76.0%	3,372	22.1%	399	11.8%	2.1x	15.3x
Nu Skin Enterprises, Inc.	3,592	3,639	68.23	97.1%	2,144	(4.6%)	308	14.3%	1.5x	9.9x
By-health Co., Ltd.	3,394	2,947	2.31	97.2%	413	14.5%	128	31.1%	6.2x	21.5x
Blackmores Limited	2,276	2,312	132.14	95.0%	440	(4.2%)	80	18.1%	3.9x	24.5x
Fancl Corporation	1,876	1,584	29.56	96.9%	943	12.4%	114	12.1%	1.6x	15.2x
USANA Health Sciences, Inc.	1,777	1,585	74.05	97.2%	1,047	4.1%	148	14.2%	1.5x	9.9x
Medifast, Inc.	833	737	69.81	93.4%	286	4.6%	41	14.4%	2.3x	14.0x
Jamieson Wellness Inc.	672	808	17.81	98.2%	226	0.0%	38	16.8%	3.1x	15.2x
Midsona AB (publ)	329	415	7.15	100.0%	259	34.3%	20	7.8%	1.4x	14.4x
GNC Holdings, Inc.	309	1,698	3.69	31.3%	2,465	(5.2%)	247	10.0%	0.7x	6.3x
Nature's Sunshine Products, Inc.	218	190	11.55	75.5%	338	0.1%	11	3.4%	NA	NA
Natural Health Trends Corp.	171	44	15.19	50.2%	214	(28.5%)	55	25.7%	NA	NA
Nanjing Sinolife United Company Limited	143	78	0.15	63.8%	77	20.7%	17	21.7%	NA	NA
Vitamin Shoppe, Inc.	105	241	4.40	17.7%	1,215	(4.9%)	77	6.3%	0.2x	4.5x
Eagle Health Holdings Limited	84	63	0.27	76.7%	67	0.0%	0	0.0%	NA	NA
Youngevity International, Inc.	81	100	4.13	59.0%	163	(0.6%)	(3)	NM	NA	NA
Lifevantage Corporation	68	62	4.76	57.1%	194	(8.8%)	7	3.6%	NA	NA
Real Nutriceutical Group Limited	57	(186)	0.04	38.4%	138	(41.7%)	20	14.1%	NA	NA
Mannatech, Incorporated	41	7	15.00	72.3%	173	(5.5%)	3	2.0%	NA	NA
<i>Vitamins, Minerals & Supplements Mean</i>				73.9%		0.3%		12.8%	2.2x	13.3x
<i>Vitamins, Minerals & Supplements Median</i>				76.4%		(0.3%)		14.1%	1.6x	14.2x
Cosmetic & Beauty Products										
Johnson & Johnson	\$375,361	\$394,454	\$139.72	96.8%	\$76,450	6.3%	\$24,241	31.7%	4.9x	14.0x
The Procter & Gamble Company	234,120	253,306	91.88	97.1%	65,732	0.8%	17,737	27.0%	3.8x	14.1x
The Estée Lauder Companies Inc.	46,854	48,960	127.24	97.6%	12,769	12.2%	2,700	21.1%	3.7x	17.6x
Coty Inc.	14,907	21,757	19.89	95.3%	8,808	104.0%	1,096	12.4%	2.4x	15.5x
Nu Skin Enterprises, Inc.	3,592	3,639	68.23	97.1%	2,144	(4.6%)	308	14.3%	1.5x	9.9x
Edgewell Personal Care Company	3,271	4,313	59.39	72.4%	2,298	(2.7%)	444	19.3%	1.9x	9.7x
Sally Beauty Holdings, Inc.	2,381	4,180	18.76	69.5%	3,938	(0.4%)	614	15.6%	1.1x	7.0x
Inter Parfums, Inc.	1,355	1,190	43.45	92.8%	576	14.2%	77	13.4%	2.2x	14.6x
Revlon, Inc.	1,147	3,992	21.80	59.2%	2,708	31.8%	236	8.7%	1.5x	13.0x
Avon Products, Inc.	946	2,633	2.15	35.7%	5,715	(0.7%)	377	6.6%	0.5x	5.7x
BWX Limited	716	756	5.91	96.9%	56	34.0%	20	36.2%	5.1x	18.8x
<i>Cosmetic & Beauty Products Mean</i>				82.8%		17.7%		18.8%	2.6x	12.7x
<i>Cosmetic & Beauty Products Median</i>				95.3%		6.3%		15.6%	2.2x	14.0x

Q4'17 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.	\$13,642	\$13,535	\$223.66	71.0%	\$5,527	21.7%	\$1,005	18.2%	2.1x	11.4x
Regis Corporation	715	660	15.36	92.1%	1,676	10.0%	59	3.5%	0.5x	7.5x
Siam Wellness Group Public Co. Limited	357	361	0.63	99.0%	27	27.8%	8	29.6%	9.7x	NM
Perfect Shape Beauty Technology Limited	175	137	0.16	87.5%	102	(0.7%)	31	30.8%	NA	NA
Water Oasis Group Limited	95	46	0.12	81.5%	83	2.9%	39	47.6%	NA	NA
RVH Inc.	95	47	5.65	62.0%	420	39.0%	36	8.7%	NA	NA
ARTE Salon Holdings, Inc.	41	53	8.12	86.4%	67	4.1%	10	14.5%	NA	NA
Modern Beauty Salon Holdings Limited	31	4	0.03	64.3%	83	(12.1%)	9	11.3%	NA	NA
M H Group Ltd.	26	25	2.33	78.0%	17	8.7%	(0)	NM	NA	NA
<i>Spas and Salons Mean</i>				80.2%		11.3%		20.5%	4.1x	17.0x
<i>Spas and Salons Median</i>				81.5%		8.7%		16.4%	2.1x	11.4x
Sporting Goods & Equipment										
Brunswick Corporation	\$4,842	\$4,892	\$55.22	86.5%	\$4,510	0.5%	\$586	13.0%	1.0x	7.3x
Amer Sports Corporation	3,195	3,925	27.73	87.6%	3,137	0.8%	321	10.2%	1.2x	11.3x
Technogym S.p.A.	1,949	2,081	9.70	95.2%	652	6.8%	115	17.7%	2.8x	14.5x
Fox Factory Holding Corp	1,459	1,486	38.85	83.0%	466	20.4%	80	17.3%	2.8x	14.6x
Callaway Golf Company	1,317	1,305	13.93	89.1%	1,049	20.4%	96	9.1%	1.2x	12.4x
Vista Outdoor Inc.	835	1,829	14.57	36.9%	2,388	(5.2%)	242	10.1%	0.8x	9.8x
Johnson Outdoors Inc.	611	500	62.09	81.5%	513	16.1%	62	12.0%	1.0x	8.3x
Malibu Boats, Inc.	606	696	29.73	89.1%	323	25.5%	56	17.5%	1.5x	8.4x
Impulse (Qingdao) Health Tech Co., Ltd.	523	433	4.36	57.3%	122	0.0%	19	15.7%	NA	NA
Marine Products Corporation	443	436	12.74	74.4%	267	10.8%	31	11.7%	1.6x	13.3x
MCBC Holdings, Inc.	415	436	22.22	92.6%	233	3.0%	41	17.7%	1.3x	7.4x
Nautilus, Inc.	410	384	13.35	67.4%	404	3.8%	57	14.1%	0.9x	7.0x
Johnson Health Tech. Co., Ltd.	366	532	1.21	76.1%	642	(0.9%)	18	2.9%	NA	NA
Clarus Corporation	236	262	7.85	98.1%	159	5.66%	0.5	0.30%	1.3x	15.0x
Escalade, Incorporated	177	201	12.30	85.6%	171	3.2%	17	10.0%	1.1x	9.5x
<i>Sporting Goods & Equipment Mean</i>				80.0%		7.4%		12.0%	1.4x	10.7x
<i>Sporting Goods & Equipment Median</i>				85.6%		3.8%		12.0%	1.2x	9.8x

Q4'17 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.	\$2,971	\$3,582	\$34.63	98.9%	\$412	12.1%	\$143	34.7%	7.6x	17.4x
Basic-Fit N.V.	1,320	1,619	24.15	92.2%	332	26.5%	94	28.2%	3.6x	11.6x
Tosho Co., Ltd.	1,238	1,318	32.32	97.1%	207	12.2%	69	33.2%	5.8x	17.6x
Central Sports Co., Ltd.	439	473	38.93	88.9%	472	1.9%	52	11.1%	NA	NA
The Gym Group plc	381	386	2.97	93.5%	104	19.5%	31	30.1%	2.7x	8.8x
Talwalkars Better Value Fitness Limited	155	215	5.01	94.0%	46	13.3%	28	59.8%	3.9x	6.4x
Town Sports International Holdings, Inc.	148	286	5.55	77.6%	394	(2.0%)	48	12.1%	0.7x	5.8x
Grupo Sports World, S.A.B. de C.V.	74	102	0.93	96.1%	86	17.7%	14	16.6%	1.1x	6.2x
Actic Group AB (publ)	73	123	4.62	69.7%	109	0.0%	15	14.2%	1.0x	5.7x
<i>Gym & Fitness Facilities Mean</i>				89.8%		11.2%		26.7%	3.3x	9.9x
<i>Gym & Fitness Facilities Median</i>				93.5%		12.2%		28.2%	3.2x	7.6x
Wearable Technology										
Apple Inc.	\$860,882	\$902,163	\$169.23	95.5%	\$239,176	9.7%	\$74,174	31.0%	3.3x	10.4x
Alphabet Inc.	729,458	633,279	1,053.40	97.0%	110,855	22.8%	35,781	32.3%	5.1x	12.7x
Sony Corporation	57,049	62,952	45.13	92.7%	75,435	12.9%	10,499	13.9%	0.9x	7.3x
Garmin Ltd.	11,169	10,024	59.57	94.3%	3,059	4.1%	737	24.1%	3.2x	12.9x
Under Armour, Inc.	6,127	6,938	14.43	46.5%	4,916	4.8%	488	9.9%	1.4x	23.6x
Fitbit, Inc.	1,352	693	5.71	68.0%	1,619	(29.9%)	(318)	NM	0.4x	NM
GoPro, Inc.	1,035	967	7.57	63.7%	1,180	(0.5%)	(102)	NM	0.7x	7.8x
<i>Wearable Technology Mean</i>				79.7%		3.4%		22.2%	2.1x	12.4x
<i>Wearable Technology Median</i>				92.7%		4.8%		24.1%	1.4x	11.5x
Toys & Games										
Hasbro, Inc.	\$11,321	\$11,934	\$90.89	78.2%	\$5,210	3.8%	\$982	18.9%	2.2x	10.8x
BANDAI NAMCO Holdings Inc.	7,188	5,889	32.72	85.8%	5,633	6.2%	726	12.9%	1.0x	7.1x
Mattel, Inc.	5,287	7,974	15.38	48.7%	4,882	(10.5%)	65	1.3%	1.6x	17.0x
Spin Master Corp.	4,380	4,374	43.08	99.0%	1,449	34.8%	229	15.8%	2.7x	14.7x
TOMY Company, Ltd.	1,279	1,421	13.60	79.5%	1,589	10.5%	186	11.7%	0.8x	NA
China Healthwise Holdings Limited	65	57	0.01	28.2%	59	30.3%	(17)	NM	NA	NA
JAKKS Pacific, Inc.	54	163	2.35	40.2%	644	(8.5%)	(2)	NM	0.3x	5.1x
<i>Toys & Games Mean</i>				65.7%		9.5%		12.1%	1.4x	10.9x
<i>Toys & Games Median</i>				78.2%		6.2%		12.9%	1.3x	10.8x

Q4'17 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										
Carter's, Inc.	\$5,560	\$6,142	\$117.49	98.8%	\$3,307	5.6%	\$496	15.0%	1.7x	11.4x
Pigeon Corporation	4,561	4,334	38.09	92.4%	881	6.9%	184	20.8%	4.6x	19.8x
Goodbaby International Holdings Limited	915	1,003	0.55	91.5%	809	(2.5%)	46	5.7%	1.0x	10.0x
Dorel Industries Inc.	805	1,256	24.80	79.1%	2,549	(2.8%)	137	5.4%	0.5x	6.8x
Crown Crafts, Inc.	65	62	6.45	74.1%	65	(16.2%)	10	14.9%	0.9x	5.7x
Summer Infant, Inc.	28	78	1.50	66.7%	189	(5.5%)	2	1.3%	0.4x	6.5x
<i>Baby Products Mean</i>				83.8%		(2.4%)		10.5%	1.5x	10.0x
<i>Baby Products Median</i>				85.3%		(2.7%)		10.3%	0.9x	8.4x
Household Products										
The Procter & Gamble Company	\$234,120	\$253,306	\$91.88	97.1%	\$65,732	0.8%	\$17,737	27.0%	3.8x	14.1x
Reckitt Benckiser Group plc	65,806	85,763	93.52	85.3%	13,665	18.2%	4,375	32.0%	5.0x	17.1x
Henkel AG & Co. KGaA	54,315	57,298	132.32	85.0%	23,637	9.7%	4,581	19.4%	NA	NA
Kimberly-Clark Corporation	42,443	49,478	120.66	88.6%	18,259	0.3%	3,982	21.8%	2.7x	11.9x
Kao Corporation	33,332	31,798	67.64	97.3%	13,223	2.2%	2,288	17.3%	2.3x	13.3x
The Clorox Company	19,178	20,910	148.74	98.9%	6,040	2.8%	1,247	20.6%	3.4x	15.5x
Newell Brands Inc.	15,144	25,827	30.90	56.1%	15,135	41.6%	2,517	16.6%	1.8x	9.7x
Church & Dwight Co., Inc.	12,539	14,724	50.17	92.6%	3,776	8.1%	858	22.7%	3.7x	15.1x
Spectrum Brands Holdings, Inc.	6,477	10,150	112.40	76.9%	5,007	(0.6%)	859	17.1%	1.9x	10.1x
Tempur Sealy International, Inc.	3,397	5,108	62.69	89.0%	2,876	(8.0%)	421	14.6%	1.8x	11.5x
Tupperware Brands Corporation	3,191	3,870	62.70	84.3%	2,256	1.9%	409	18.1%	1.7x	8.7x
Helen of Troy Limited	2,627	3,058	96.35	93.6%	1,568	1.4%	228	14.5%	1.9x	12.8x
Central Garden & Pet Company	1,971	2,336	38.92	92.0%	2,077	10.0%	201	9.7%	1.1x	11.1x
WD-40 Company	1,648	1,685	118.00	96.2%	389	3.0%	84	21.5%	4.3x	20.1x
Sleep Number Corporation	1,497	1,467	37.59	96.8%	1,395	15.0%	148	10.6%	1.0x	9.4x
<i>Household Products Mean</i>				88.6%		7.1%		18.9%	2.6x	12.9x
<i>Household Products Median</i>				92.0%		2.8%		18.1%	2.1x	12.4x

Source: Capital IQ.

All figures in US\$; where applicable, converted at rates as of December 31, 2017.

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

(2) Closing share prices as of December 31, 2017.

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

Leading Middle Market M&A Advisor¹



Rhema Health Products Ltd.

acted as financial advisor with respect to Rhema Health Products Ltd's debt financing



Australian NaturalCare Products

acted as financial advisor to Australian NaturalCare Products on its sale to Equity Partners



Reignwood Group

acted as financial advisor to the Reignwood Group on its acquisition of a minority stake in Vita Coco



Nutricia

acted as financial advisor to Nutricia in connection with its acquisition of a natural supplements manufacturer



Life Science Nutritionals

acted as financial advisor to Life Science Nutritionals on its sale to Santa Cruz Nutritionals



Naturex

acted as financial advisor to Naturex on its acquisition of Natraceutical

KPMG Corporate Finance is a leading global M&A advisor in the Middle Market

2008-2017		No. of deals	2017		No. of deals
1	KPMG ¹	4,022	1	KPMG ¹	402
2	PwC	3,841	2	Rothschild & Co	390
3	Goldman Sachs & Co	3,583	3	Goldman Sachs & Co	343
4	Morgan Stanley	3,325	4	PwC	322
5	JP Morgan	3,049	5	JP Morgan	302

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

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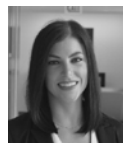
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