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BEAUTY & WELLNESS

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Building a business buyers will compete for

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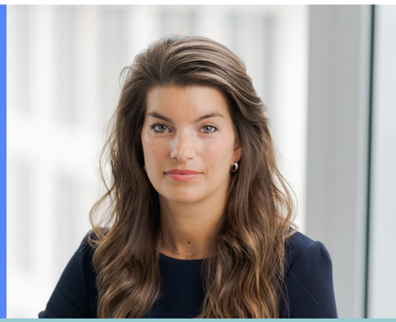
The beauty and wellness sector has seen sustained growth over the past decade, driven by shifting consumer priorities towards self-care, prevention and long-term wellbeing. What was once a largely discretionary category has become increasingly embedded in everyday routines, spanning products, services and experiences that support both physical appearance and overall health.

In recent years, a series of high-profile transactions has further accelerated attention on the space, creating a ripple effect that has drawn both strategic and financial investors more deeply into the category.

This report looks into how the beauty and wellness sector is evolving and explores what is driving value today and how businesses can position themselves for sustainable growth and premium outcomes.



"We continue to see strong demand for high-quality beauty and wellness businesses, but the bar has moved. Growth on its own is no longer enough - buyers are looking for durability, credibility and a clear role within the consumer's routine."

REBECCA MCCREDIE
DIRECTOR, CONSUMER M&A

The opportunity

Why it matters now

Beauty and wellness as a category remains one of the most attractive in the consumer space.

However, despite continued strength in the sector, the bar for what attracts meaningful buyer interest has risen. Buyers are becoming more selective, with greater scrutiny on how businesses are built and how they perform over time.

What has changed is how that opportunity is assessed.

There's been a clear shift over the past 12–24 months. Growth is still important, but it's no longer enough on its own to drive competitive tension or premium outcomes. Buyers are spending more time understanding how that growth is generated, how repeatable it is and whether it can be sustained.

At the same time, the sector itself has evolved. Beauty is no longer just about aesthetics. It increasingly overlaps with wellness and health - spanning skincare, supplements, devices and services, and is becoming more embedded in everyday routines.

A resilient market

With a higher bar for quality

One of the reasons the sector continues to attract capital is its resilience. Much of the spend is habitual - daily skincare routines, regular supplementation, repeat treatments, which makes demand more stable than many other discretionary categories.

That resilience is visible across subsegments. Skincare remains the largest category, but growth has also come through supplements, devices and non-surgical services. All of these point to the same underlying trend: a move towards maintenance, prevention and longer-term outcomes.

However, the market has become more disciplined.

Customer acquisition is more expensive. Competition is more intense. Supply chains and regulatory requirements are more complex. As a result, buyers are looking more closely at what sits behind the headline numbers.

In practice, that means focusing on:

- Whether customers come back - and how often
- Whether the product genuinely works - and can prove it
- Whether the business can scale without costs spiralling
- Whether there is real operational infrastructure behind the brand

Businesses built on short-term trends or heavy paid acquisition are finding it harder to maintain momentum. Those with strong fundamentals - loyal customers, clear positioning and operational depth, are standing out.

For founders, the implication is straightforward: building a valuable business today is as much about quality and consistency as it is about growth.

From aesthetics to outcomes

Why efficacy is now central

Another clear shift we're seeing is in how consumers think about beauty.

Aesthetics still matter, but they're no longer the whole story. Increasingly, people are buying products and services because they deliver a result, whether that's improving skin health, supporting weight management or maintaining energy and wellbeing.

That shift is playing out across categories:

- Skincare is becoming more ingredient-led and clinically positioned
- Supplements are moving towards functional benefits
- Services are increasingly framed around long-term maintenance

Consumers are also more informed. They question claims, compare ingredients and expect consistency over time.

This move towards outcomes is reflected in recent transactions.

In both cases below, the common thread is clear:
Products that deliver, and can demonstrate it, are easier to underwrite.

ACQUISITION OF MEDIK8 BY L'OREAL

The acquisition of Medik8 by L'Oréal is a good example. It's a brand built around science-led skincare, with a strong focus on efficacy and professional credibility. That kind of positioning travels well internationally and gives buyers confidence in long-term relevance

ACQUISITION OF OLAPLEX BY HENKEL

Henkel's acquisition of Olaplex highlights the value placed on science-led capability and proprietary formulation expertise. Olaplex has built a differentiated position in premium haircare through its bond-building technology and strong professional credibility, giving Henkel access not just to a brand, but to innovation capabilities and technical know-how that can be leveraged across its wider portfolio.

The acquisition is subject to customary closing conditions, including regulatory approvals.

The convergence opportunity

Beauty and wellness as one ecosystem

One of the most interesting developments in the sector is the continued convergence between beauty, wellness and health.

Consumers no longer think in categories. They build routines.

All of these work together towards a single goal, whether that's better skin, improved health or overall wellbeing.

For buyers, this opens up a different way of thinking about growth. It's not just about expanding within a category, but about moving into adjacent parts of the consumer's routine.

A typical routine might now include:

- Skincare products
- Supplements or collagen
- At-home devices
- Occasional treatments or services

We've seen this play out in recent transactions

What's attractive across these transactions isn't just growth - it's the ability to extend into adjacent parts of the consumer journey, reinforcing relevance, frequency of use and long-term engagement.

That said, not every business should try to become a platform. The key is coherence. The businesses that attract the most interest are those that can clearly articulate where they sit in the routine, and why they belong there.

L'ORÉAL
GALDERMA

L'ORÉAL'S INVESTMENT IN GALDERMA

L'Oréal's investment in Galderma highlights how strategics are increasingly moving closer to the intersection of beauty and medical aesthetics. L'Oréal initially acquired a 10% stake in August 2024, before increasing this to 20% in December 2025, reflecting growing conviction in clinically grounded, outcome-led categories. The investment provides exposure to a platform spanning dermatology, injectables and skin health, reinforcing a shift towards areas that sit alongside, and increasingly within, traditional beauty routines.

Unilever
Wild

UNILEVER'S ACQUISITION OF PERSONAL CARE BRAND, WILD

Unilever's acquisition of personal care brand, Wild, highlights demand for brands embedded in daily routines, with strong repeat usage and clear alignment to evolving consumer values such as sustainability and ingredient transparency.

CHURCH & DWIGHT CO., INC.
touchland

CHURCH & DWIGHT'S ACQUISITION OF TOUCHLAND

Church & Dwight's acquisition of hand sanitiser brand, Touchland reflects a move into adjacent, high-frequency categories that sit naturally within everyday routines. While rooted in hygiene, the brand's design-led positioning and strong consumer engagement bring it closer to beauty and lifestyle than traditional personal care.

e.l.f. BEAUTY
rhode

E.L.F. BEAUTY'S ACQUISITION OF RHODE

e.l.f. Beauty's acquisition of Hailey Bieber's, Rhode demonstrates the continued appetite for brands that combine strong community, tightly defined product ranges and repeat usage within daily routines, while offering a platform for broader category expansion over time.

Buyer perspective

What buyers prioritise today

Across different buyer groups – strategics, private equity and specialist platforms, the same themes are coming through consistently. While appetite remains strong, buyers are becoming more selective, with greater emphasis on understanding not just how a business has grown, but why that growth is sustainable.

At a high level, buyers are asking a common set of questions:

- What makes this business different?
- Why will customers keep coming back?
- How defensible is the proposition over time?
- Can this scale across markets and channels?
- Is there a team and infrastructure to support continued growth?
- What is the marketing strategy?

Underneath these questions is a clear shift towards quality of earnings and durability of demand. In practice, this translates into a focus on several core characteristics.

Clear and credible differentiation.

Brands that stand out are those with a well-defined proposition, whether through science-led formulation, ingredient transparency, community, or professional endorsement. Increasingly, this is tied to efficacy, products that do what they claim, and can demonstrate it.

Operational depth and scalability.

As businesses grow, operational complexity increases. Buyers are placing more weight on supply chain resilience, regulatory readiness, and whether the infrastructure exists to support international expansion without a disproportionate increase in cost.

Repeatability of revenue.

Buyers place significant value on businesses embedded in the consumer's routine. High levels of repeat purchase, subscription models, or regular service usage all point to more predictable, resilient revenue streams.

Strength beyond the founder.

While founder-led brands remain attractive, there is increasing focus on the depth of the management team and whether the business can scale independently. This is particularly important for buyers looking to integrate or expand the platform over time.

Buyer perspective

Cont.

What is the marketing strategy and approach to customer engagement.

As customer acquisition costs have risen and digital channels have become more competitive, buyers are placing greater emphasis on the efficiency, consistency and scalability of marketing strategies. This includes how well brands balance performance marketing with organic channels, and whether they have built a sustainable approach to customer acquisition over time.

In practice, this means understanding:

– How diversified the marketing mix is across paid, owned and earned channels

– Whether the brand has strong organic engagement and community, particularly across social platforms

– How consistently the brand is presented across digital and traditional channels

– Whether customer acquisition costs are being actively managed and improving over time

There is also a growing expectation around omnichannel execution. Businesses that can deliver a consistent brand experience across e-commerce, retail, social media and in-person touchpoints are better positioned to scale. This is particularly important as brands expand internationally or move into new channels.

Ultimately, buyers are looking for marketing strategies that are not only effective in driving growth, but are also disciplined, repeatable and capable of supporting long-term value creation without disproportionate increases in spend.

There is still significant appetite in the market, and competition remains strong for the right assets. However, the distinction between businesses that attract broad interest and those that do not has become more pronounced. Those with clear positioning, repeatable demand and operational substance are consistently standing out.

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Industry valuation

How acquirers think about M&A today

All of this feeds directly into how buyers think about value.

We're seeing a wider spread of outcomes than in previous years. Two businesses with similar revenue can attract very different levels of interest depending on how that revenue is generated and how sustainable it is.

Valuation today is less about applying a multiple and more about answering a set of questions:

- How repeatable is the revenue?
- How strong are the margins - and will they hold?
- How scalable is the model?
- How well does this fit within the buyer's strategy?

Transactions are increasingly driven by strategic rationale, entering a new category, accessing a new consumer segment or accelerating capability, rather than scale alone.

That's why preparation matters more than ever. How a business presents its data, demonstrates retention, explains its positioning and evidences operational readiness can materially influence both buyer interest and outcome.

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Closing thoughts

Beauty and wellness remain structurally attractive, but the definition of quality has evolved.

The businesses attracting the strongest interest are those that combine:

1. REPEATABLE DEMAND
2. CREDIBLE, OUTCOMES-LED POSITIONING
3. OPERATIONAL DEPTH AND SCALABILITY

"In our experience, these are also the businesses that generate the most competitive processes.

At Cavendish, we work closely with founders to help position their businesses against these criteria ensuring they are prepared, differentiated and able to attract the right buyers at the right time."

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