



THE MONEY EXCHANGE

An insider's guide to beauty's biggest investors.

By ALLISON COLLINS

THE M&A BEAUTY SCENE has been a feeding frenzy of activity for the last three years, with multiples reaching historic highs. But before a hot Indie sells to a strategic, there is often a step in between—a cash infusion and strategic advice from an investment group. Here, *WWD Beauty Inc* has compiled a guide to the key private investors in the beauty space, from seed and venture capital-focused funds to firms whose check sizes run into the billions. The companies are listed in alphabetical order; the number of beauty investments includes current and prior beauty investments.

ALLIANCE CONSUMER GROWTH

NEW YORK AND LOS ANGELES

NUMBER OF BEAUTY INVESTMENTS: 4

CURRENT BRANDS: Tata Harper, Nudestix, Pacifica

BIG WIN: Baby-care brand Babyganics, ACG's first-ever investment, was acquired by SC Johnson in 2015.

THE DEAL: ACG generally invests between \$5 million and \$30 million per deal in companies that have between \$5 million to \$50 million in revenues. The firm has about \$500 million in assets under management.

KEY PLAYER: Julian Steinberg, Managing Partner

BEECHWOOD CAPITAL

WELLESLEY, MASS.

NUMBER OF BEAUTY INVESTMENTS: 3

CURRENT BRANDS: Tatcha, MiniLux, Violet Grey

BIG WIN: N/A

THE DEAL: Beechwood Capital invests in companies that have between \$5 million and \$50 million in revenue. The firm usually invests between \$1 million and \$5 million per deal, generally in Series A or B VC rounds.

KEY PLAYER: Larry Kahn, Partner, Managing Director

BERTRAM CAPITAL PARTNERS

SAN MATEO, CALIF.

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: Paula's Choice

BIG WIN: Bertram Capital Partners sold a majority stake in Paula's Choice to TA Associates in 2016 for an estimated \$275 million.

THE DEAL: Bertram Capital Partners invests in companies with revenue between \$30 million and \$250 million and earnings before interest, taxes, depreciation and amortization of between \$5 million and \$30 million. The firm generally makes

majority investments of between \$25 million and \$100 million per deal. The firm is investing from a \$1.1 billion fund.

KEY PLAYER: Jeff Drazan, Managing Partner

THE CARLYLE GROUP

WASHINGTON, D.C.

NUMBER OF BEAUTY INVESTMENTS: 6

CURRENT BRANDS: Array

BIG WIN: Bought a 50 percent stake in Vogue International (the parent company of hair-care brand OGI) for \$400 million in 2014, sold the company in 2016 to Johnson & Johnson for \$3.3 billion.

THE DEAL: The Carlyle Group generally invests in companies that range from about \$100 million in revenues up to billions, writing checks for approximately \$50 million into the billions. The firm makes majority and minority investments and has about \$158 billion in capital under management.

KEY PLAYER: Jay Sammons, Managing Director, Global Consumer and Retail

CASTANEA PARTNERS

NEWTON, MASS.

NUMBER OF BEAUTY INVESTMENTS: 4

CURRENT BRANDS: First Aid Beauty, Drybar, Thymes

BIG WIN: Castanea sold Urban Decay to L'Oréal in 2013 for an estimated \$365 million.

THE DEAL: Castanea makes minority and majority investments in companies with revenues between \$25 million and \$150 million. The firm generally invests \$25 million to \$85 million per deal. Castanea is investing from a \$600 million fund.

KEY PLAYER: Janet Gurwitch, Operating Partner

CENTRE LANE PARTNERS

NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: Luminex Home Decor & Fragrance

BIG WIN: N/A

THE DEAL: Centre Lane Partners makes majority and minority investments in companies with \$20 million to \$500 million in revenues. The firm invests \$5 million to \$250 million per deal. Centre Lane is investing from a \$1.1 billion fund.

KEY PLAYER: Pierre Champion, Vice President, Business Development

CLAYTON, DUBILIER & RICE

NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 3

CURRENT BRANDS: High Ridge Brands (Zest, Coast, White Rain, VOS, Rave, LA Looks, Thicker Fuller Hair, Zero Frizz).

BIG WIN: CD&R exited its stake in Sally Beauty with \$1.9 billion in proceeds in 2012, after buying a 47.5 percent stake for \$571 million in 2006.

THE DEAL: CD&R generally invests between \$200 million to \$600 million per transaction, and doesn't have a specific revenue range for companies it invests in. Generally, CD&R takes majority positions, but it does look at minority deals as well.

KEY PLAYER: Ken Gluriceo, Partner

CVC CAPITAL PARTNERS

LUXEMBOURG CITY

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: Douglas

BIG WIN: N/A

THE DEAL: CVC targets investments of \$150 million and up from its European funds, and investments of

CVC CAPITAL PARTNERS
(Cont.)

\$50 million and up from its Asian funds.

KEY PLAYER: Seren Vestergaard Poulsen, Managing Partner

DGNL
VENTURES

NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 4

CURRENT BRANDS: Bastide, Ipsy, Wander Beauty

BIG WIN: DGNL founder Desiree Gruber was an early investor in Living Proof, which recently sold to Unilever for a sum said to be north of \$150 million.

THE DEAL: DGNL is an early-stage investor that looks to make early to growth stage investments in companies with between \$500,000 and \$20 million in revenues. The firm, co-founded by Nir Liberboim, an early investor in Ipsy, and Gruber, invests between \$500,000 to \$3 million per deal.

KEY PLAYER: Nir Liberboim, Managing Partner

ENCORE
CONSUMER
CAPITAL

SAN FRANCISCO

NUMBER OF BEAUTY INVESTMENTS: 4

CURRENT BRANDS: Butter London, Lorac, MyChelle

BIG WIN: The firm invested in makeup brand Tarte in 2010 and sold it to Kosé Corp. in 2014 for a reported \$135 million.

THE DEAL: Encore Consumer Capital invests in beauty companies with revenues between \$10 million and \$100 million. The firm makes majority and minority investments, generally investing between \$5 million and \$30 million per deal. Encore has about \$600 million in assets under management.

KEY PLAYER: Kevin

FINN CAPITAL
PARTNERS

SAN FRANCISCO

NUMBER OF BEAUTY INVESTMENTS: 5

CURRENT BRANDS: S.W. Basics, Tatcha, Kjaer Weis, Urša Major, BeautyKind

BIG WIN: N/A

THE DEAL: Finn Capital Partners makes minority investments in early-stage beauty companies that typically have between \$1 million and \$10 million in revenue. The firm generally invests \$250,000 to \$1 million per deal.

KEY PLAYER: Patrick Finn, Founder & Managing Partner

GENERAL
ATLANTIC

NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: N/A

BIG WIN: General Atlantic bought Too Faced for about \$500 million in 2015 and sold it to Estée Lauder for \$1.45 billion in 2016.

THE DEAL: General Atlantic invests between \$25 million and \$500 million per deal and makes both majority and minority investments. The firm has about \$19.6 billion in assets under management.

KEY PLAYER: Andrew Ferrer, Principal, Retail & Consumer

GRACE BEAUTY
CAPITAL

NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 5

CURRENT BRANDS: Birchbox, GlamSquad, Harry's, Supergoop, Pinrose

BIG WIN: N/A

THE DEAL: Grace Beauty Capital makes minority investments in beauty companies as seed or Series A rounds, but will invest in later rounds. The firm invests from \$100,000 to \$500,000 in companies that generally have less than \$10 million in revenue.

INVUS
NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: N/A

BIG WIN: Invus invested in Blumercure in 2006, partnering with the chain through a store expansion and the debut of its M-61 skin-care line, and sold the company to Macy's in 2015 in an all-cash \$210 million deal.

THE DEAL: Invus invests between \$10 million and \$800 million in companies from early-stage growth to turnarounds. The firm looks at companies with at least \$5 million in revenue, and will consider investments in companies that aren't profitable yet. Invus has about \$5 billion in assets under management.

KEY PLAYER: Benjamin Felt, Director

JMK
CONSUMER
GROWTH
PARTNERS

NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 2

CURRENT BRANDS: Babo Botanicals, Supergoop!

BIG WIN: N/A

THE DEAL: JMK Consumer invests between \$1 million and \$10 million in consumer businesses with revenue of at least \$2 million. The firm is investing from a \$75 million fund.

KEY PLAYER: Sarah Woelfel, Cofounder

KARP REILLY
GREENWICH, CONN.

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: Boxycharm

BIG WIN: N/A

THE DEAL: KarpReilly makes investments as small as \$3 million to \$5 million, or as large as \$75 million. The firm invests in companies with between \$2 million and \$50 million in revenue. KarpReilly is investing from a

KEY PLAYER: Allan Karp, Cofounder

L CATTERTON
NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 11

CURRENT BRANDS: Steiner Leisure (Elemis, La Therapie, Bliss, Laboratoire Remede, Jou), Intercoo, StriVectin, NIA24, Cover FX, Kopari, Clio Cosmetics, Marubi, Dr. Wu, Tula, Espaço Laser.

BIG WIN: N/A

THE DEAL: L Catterton invests in companies with as little as \$5 million in revenues to over \$1.5 billion, and generally invests between \$10 million to \$400 million per deal. The firm brought in LVMH, owner of Sephora, as a minority partner in 2016. L Catterton has about \$14 billion in capital under management.

KEY PLAYER: Jonathan Owsley, Managing Partner

MAIN POST
PARTNERS
SAN FRANCISCO

NUMBER OF BEAUTY INVESTMENTS: 4

CURRENT BRANDS: Milk Makeup

BIG WIN: Exited Too Faced to General Atlantic for an estimated \$500 million (which in turn sold it to The Estée Lauder Cos. for \$1.45 billion in 2016.)

THE DEAL: Main Post generally invests in companies with at least \$15 million in revenue, writing checks between \$25 million and \$75 million per deal. Main Post is investing from a \$400 million fund.

KEY PLAYER: Jeff Mills, Managing Partner

MANZANITA
CAPITAL
LONDON

NUMBER OF BEAUTY INVESTMENTS: 10

CURRENT BRANDS: Space NK, Diptyque, Byredo, Kevyn Aucoin, Eve Lom, Lipstick Queen, 10/10 Apothecary, Malin + Goetz, Glossier, Cultbeauty.com

BIG WIN: N/A

THE DEAL: Manzanita is a family office with a venture arm that makes small investments, but generally outright buys brands for the long haul. In cases where the firm makes small investments, it does so looking for a path to a control stake.

KEY PLAYER: William Fisher, CEO and Founder

MIDOCLEAN
PARTNERS

NEW YORK

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: Image Skin Care

BIG WIN: N/A

THE DEAL: MidOcean targets majority investments in U.S. companies valued between \$100 million and \$500 million. The firm aims to invest \$25 million to \$100 million per deal and has about \$4 billion in assets under management.

KEY PLAYER: Ted Virtue, CEO

NORTH CASTLE
PARTNERS

GREENWICH, CONN.

NUMBER OF BEAUTY INVESTMENTS: 6

CURRENT BRANDS: Mineral Fusion, The Red Door Spa, Mario Tricoci, Palladio Beauty

BIG WIN: North Castle acquired Avalon Natural Products, the owner of Avalon Organics and Alba Botanica, in 2002 and sold the company in 2006 to Hain Celestial for \$120 million.

THE DEAL: North Castle makes both minority and majority investments in companies with at least

The firm invests between \$10 million and \$50 million per deal.

KEY PLAYER: Jon Canrick, Managing Director

NORWEST
VENTURE
PARTNERS

PALO ALTO, CALIF.

NUMBER OF BEAUTY INVESTMENTS: 3

CURRENT BRANDS: Madison Reed, PCA Skin, Kendra Scott

BIG WIN: Norwest Venture Partners was a backer of Jet.com, which was recently acquired by Wal-Mart for \$3.3 billion.

THE DEAL: Norwest Venture Partners makes seed, venture, minority and control growth investments. For its venture investments, the firm invests between \$10 million and \$15 million; for growth equity, checks come between \$20 million and \$100 million.

KEY PLAYER: Sonya Brown, General Partner

ONCAP
TORONTO

NUMBER OF BEAUTY INVESTMENTS: 1

CURRENT BRANDS: Chatters Canada

BIG WIN: N/A

THE DEAL: Oncap focuses on investing in North American businesses valued between \$50 million and \$500 million. The firm makes minority and majority investments, generally between \$50 million and \$200 million. Oncap is investing from a \$1.1 billion fund.

KEY PLAYER: Mark MacTavish, Managing Director

SAN
FRANCISCO
EQUITY
PARTNERS

NUMBER OF BEAUTY INVESTMENTS: 3

CURRENT BRANDS: Yes To, Japonique

BIG WIN: San Francisco Equity Partners backed