

whipstitch

CAPITAL

BEAUTY CONNECT

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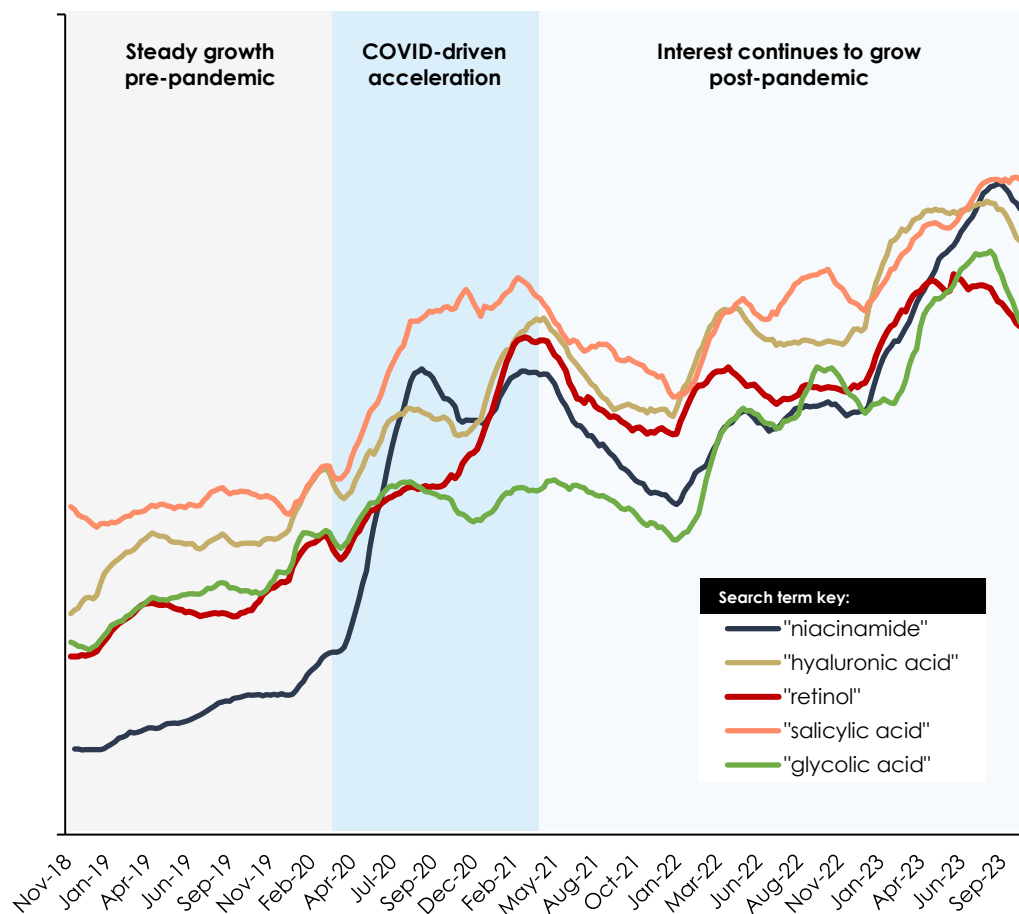
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Informed skincare consumers prioritizing clinically-proven ingredients more than ever

Consumers in search of functional ingredient-centric brands for their skincare routines

Search trends for active ingredients in skincare products show rapid increase in consumer education ¹



(1) Google Trends Analytics

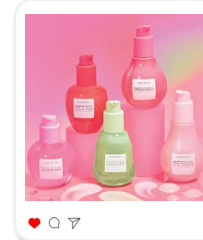
Functional skincare brands to watch

Brands that incorporate ingredients that consumers seek are poised to win, and those that double down on ingredient education have the upper hand



THE INKEY LIST

- ✓ **Brand:** Affordable, accessible **ingredient-focused** skincare
- ✓ **Education:** Personalized skin and hair care quizzes for individual skin type and goals



GLOW RECIPE

- ✓ **Brand:** K-beauty inspired, **ingredient-focused** skincare marketing vegan, fruit-forward skincare products
- ✓ **Education:** Quiz to help consumers determine their Glow Recipe regimen



OGEE LUXURY ORGANICS

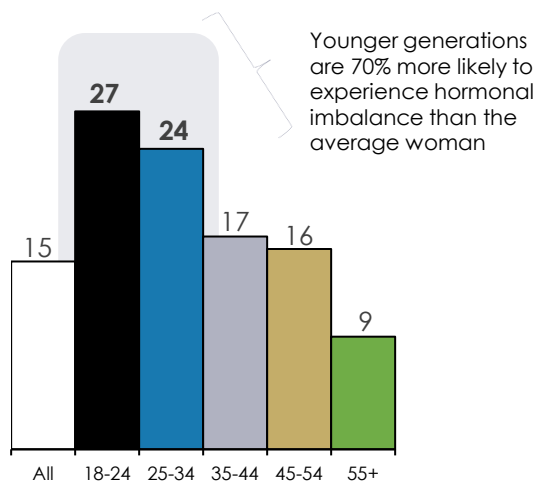
- ✓ **Brand:** Organic, **ingredient-focused** multi-functional skincare products
- ✓ **Education:** Ingredient information and step-by-step guide on which order to apply products to achieve results

Growing focus on root cause of skin issues leading to consumer demand for hormonal health-related skincare solutions

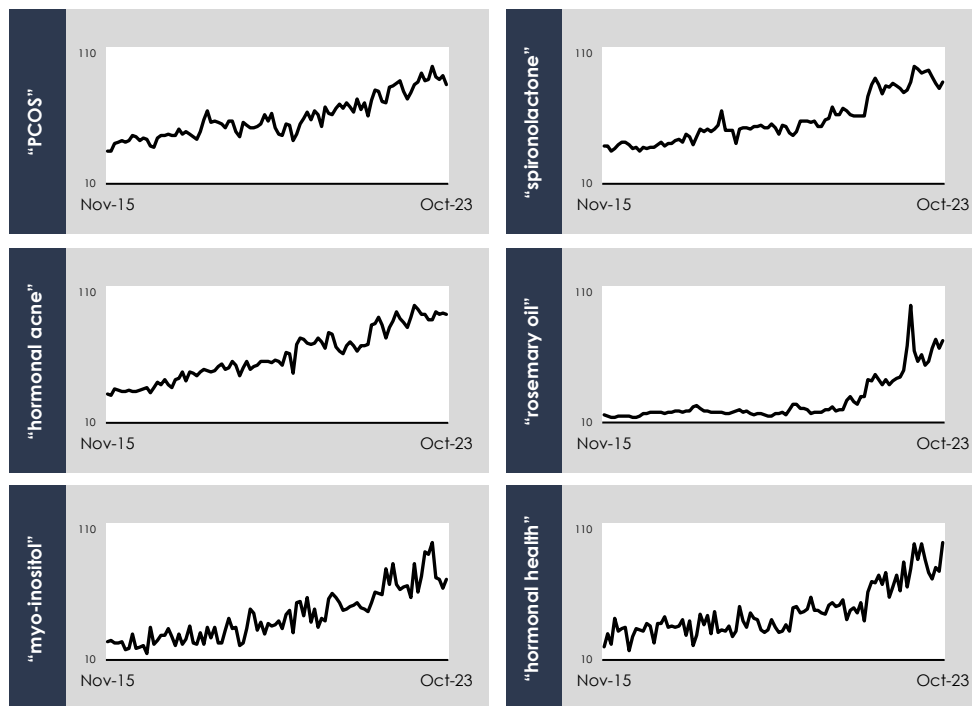
Consumers on the lookout for hormonal health-oriented skincare solutions as awareness grows

- ✓ Uptick in search trends related to women's hormonal issues leading to **demand for innovation** given many heritage brands only provide "band-aid" solutions to acne and other skin issues
- ✓ Hormone imbalance is an issue seeing outsized need among young adult women, suggesting that **brands with hormone specific-skincare outcomes** will resonate with next-generation consumers

Women that have experienced hormonal imbalance in the past 12 months (%)
n = 1,081



Women's health-related search trends show growing consumer demand for disruptive, effective women's health products¹



Disruptive brands to watch by women's health vertical

CLEAR
STEM

DERMALA®



FLO



BLUME

(1) Google Trends Analytics
(2) Mintel, Women's Wellness, 2022

Digitally-native personal care brands with strong online engagement poised for success in store through key tactics

Online beauty brands with strong engagement can win in-store following a proven blueprint

Key retail considerations for digitally-native brands



Develop strong brand identity

Create compelling brand story and messaging that resonates with consumers – relay through appealing and distinctive packaging that **stands out on shelf**



Ensure product quality and differentiation

Develop unique features or ingredients that **set products apart** from competitors



Build strong relationships with retailers

Build relationships with **retailers that best align with the brand's target audience** and present a compelling case for retail placement (e.g. leverage Amazon competitor ratings data to show outperformance)



Create robust marketing strategy

Build awareness and demand for products through in-store materials to **educate customers about products/ingredients** and encourage trial



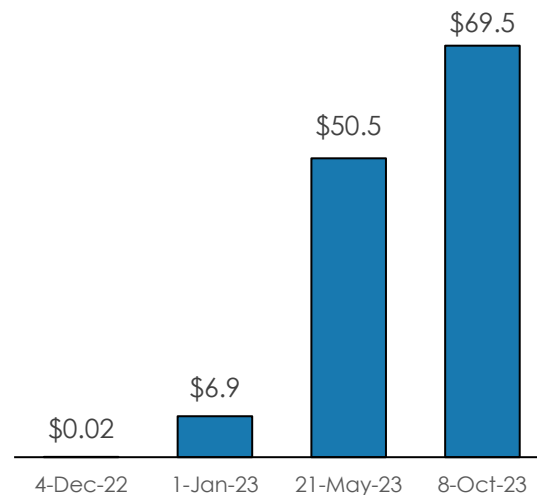
Comply with regulations

Ensure that products and claims **meet all regulatory and compliance requirements** on online ads and in-store packaging and address potential issues prior to entering retail

Digitally-native brand, Lume's retail case study

Lume built a strong online brand presence by creating educational videos debunking women's health myths and normalizing conversations around odor below the belt – unique combo of social appeal and differentiated safe for the full-body products built strong brand connection to customers on- and offline

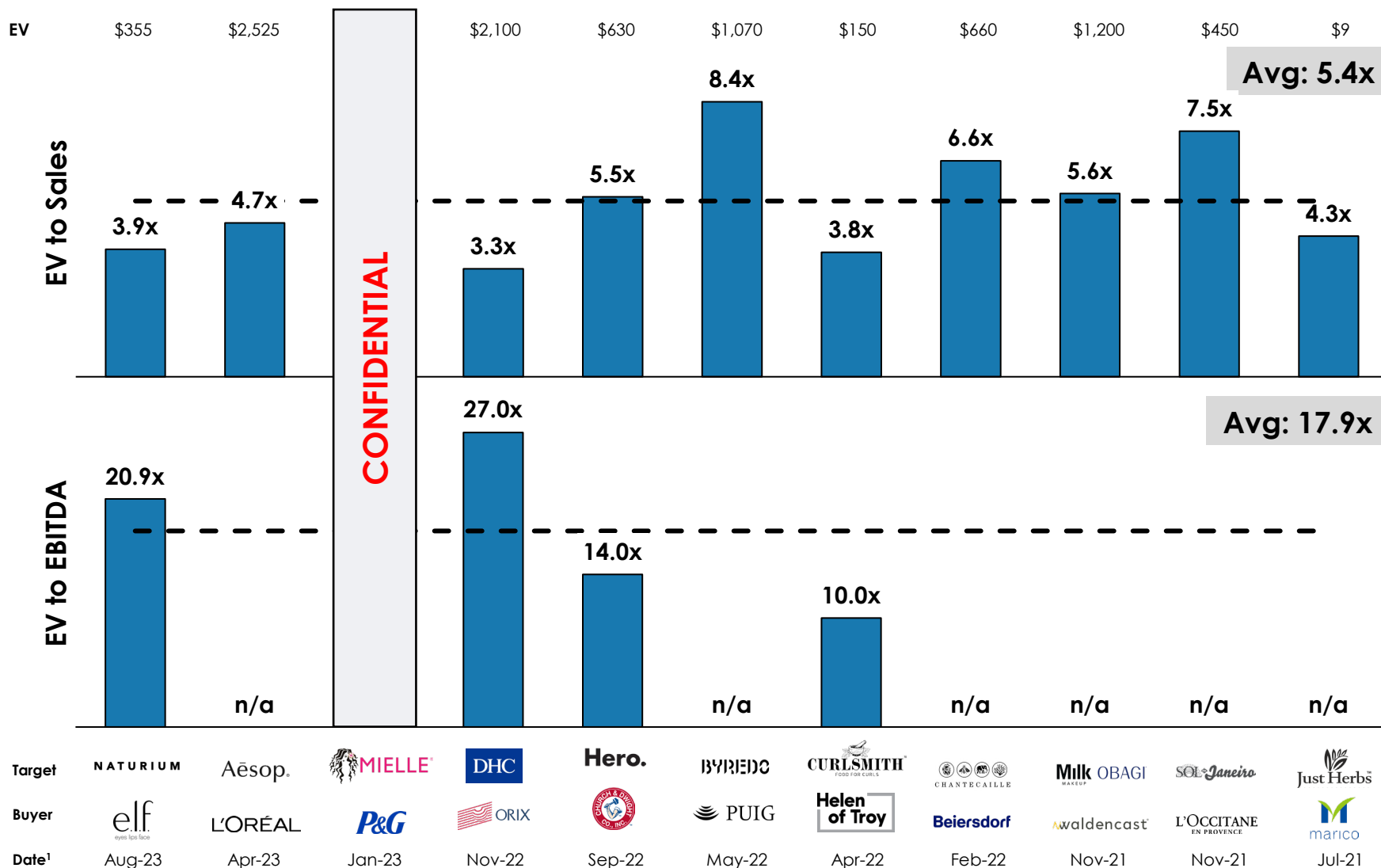
Lume sales, annualized TTM, \$MM



~\$70MM

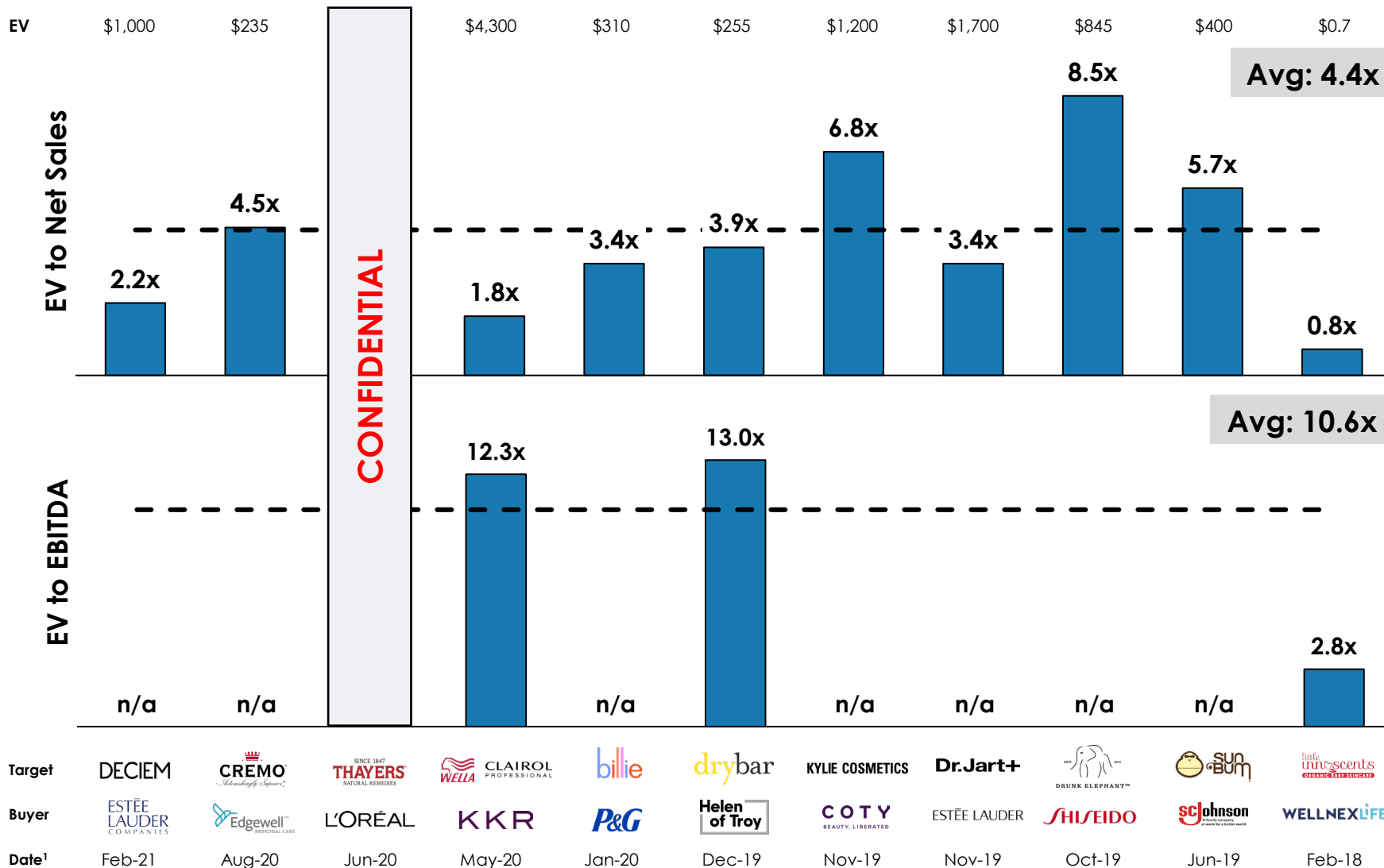
Lume grew to a ~\$70MM brand in MULO within first year of launch – online brand presence influenced consumers to purchase in-store

Recent Personal care transactions



(1) Announced date
Source: Pitchbook, public & private sources

Personal care transactions (cont.)



(1) Announced date
Source: Pitchbook, public & private sources



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