Analysis Mergers Acquisitions and Trends Medical Aesthetics 2023-2024 - Abstract

November 2024

WINDOME BANKING PARTNERS SAS

Disclaimer

This document has been prepared by WINDOME BANKING PARTNERS SAS solely for use at this presentation. This document is confidential and is not to be reproduced by any person nor to be distributed. Certain information contained in this presentation includes forward-looking statements and estimations of potential synergies.

Forward-looking statements and such evaluations are not guarantees of future performance of the Potential Partners and its actual financial condition, actual results of operations and cash flows and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Potential Partners' financial condition, results of operations and cash flows and the development of the industry in which the Potential Partners operates are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods.

WINDOME BANKING PARTNERS SAS does not undertake, nor does it have any obligation, to provide updates or to revise any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation. The Potential Partners takes no responsibility for the use of this information by any person. The information contained in this presentation has not been subject to independent verification. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information set out herein is subject to updating, completion, revision, verification and amendment and such information may change materially.

WINDOME BANKING PARTNERS SAS is under no obligation to keep current the information contained in this presentation and any opinion expressed in them is subject to change without notice.

WINDOME BANKING PARTNERS SAS shall have no liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document. It is not the purpose of this presentation to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Potential Partners' financial or commercial position or prospects.

WINDOME BANKING PARTNERS

Table of Contents (1/2)

I. Overview Of Major 2023 M&A And Partnership Activities In The Broad Sector Of Aesthetics 5

A. Medical Aesthetics 6

i. M&A 7

ii. Partnerships 20

B. Dermocosmetics 22

i. M&A 23

ii. Partnerships 26

II. Overview Of Current Megatrends 28

A. Tissular Inductors 30

i. Exosomes 31

ii. Skin boosters 34

iii. KP1/Threads 38

B. Previsualization/Digitalization 42

WINDOME BANKING PARTNERS

Table of Contents (2/2)

III. Prospect 2024 : Momentum Is Now Picking Up Expecting A Strong Year 51

A. Medical Aesthetics 55

i. M&A 56

ii. Partnerships 58

B. Dermocosmetics 60

i. M&A 61

ii. Partnerships 64

C. IPOs 66

IV. Upcoming Megatrends 2024-2025 70

A. GLP1 Influence On Facial Volumization Dermal Fillers 72

B. Minimally Invasive Body Contouring, Breast Boosted By GLP1 78

I. Sebbin/Symatese And Their Matrix Cellular 79

II. New HIFU 83

V. Appendix

A. Medical Aesthetics Trading and Transaction Multiples 86

WINDOME BANKING PARTNERS

Section I

Overview Of Major 2023 M&A And Partnership Activities In The Broad Sector Of Aesthetics

WINDOME BANKING PARTNERS

Section I
A. Medical Aesthetics

WINDOME BANKING PARTNERS

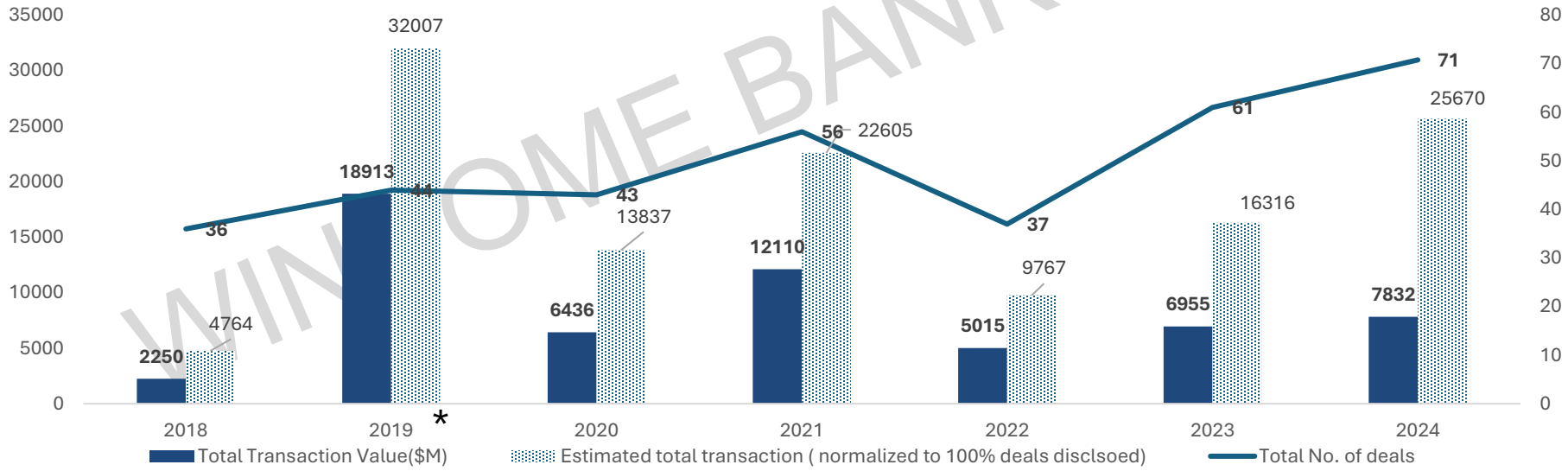
Section I
A.1. M&A

WINDOME BANKING PARTNERS

Recent M&A Track Record Momentum - 2018 to 2024 YTD

Includes Medical Aesthetics, Dermal Fillers, Toxins, Tissular Inductors, EBD, Dermocosmetics OTC, RX skincare, Regenerative Medicine, and Aesthetic Clinics

- 2021's **skyrocketing economic rebound led to an exceptional** increase in M&A volume catalyzed by a conjunction of favorable macro-fundamental factors including the "zoom-boom" consumption splurge following COVID lockdown as well as build up of holistic medical aesthetics players integrating all segments in a one-stop-shop, increasing attraction of the Sector for Big Pharma and FMCGs, democratization and shift of the paradigm towards an ever-younger patient-base. Medical Aesthetics shifts from a vanity play to a mainstream healthy wellbeing and lifestyle treatment.
- **This upsurge slowed down in 2022** due to the **massive** destruction of value induced by soaring raw materials and energy prices, accelerating inflation and dislocation of supply chains, geopolitical shocks hitting the world economy: the Conflicts in Ukraine and Israel have triggered a new crisis that has disrupted food and energy markets, continued interest rate hikes in several major economies. This was aggravated by a synchronized end to the prior quantitative easing measures instituted by Central Banks and the institutional financing debacle following Credit Suisse's bail-out and Silicon Valley Bank's bankruptcy.
- **Despite the reduction in discretionary disposable income in the developed economies, the diversity and versatility of the Medical Aesthetics secured its sustainability in 2023 with many less risky smaller transactions, along with a shift in M&A Transactions from Facial to Body Aesthetics so that by the End of October consolidation already matched 2022** full year statistics – **2024 is starting very strong with 32 deals as of end of February which extrapolate to a possible record-breaking year.**



Total cumulated value

125Bn

Average 18-24 No. Transactions per year

50

Sources: Mergermarket, Capital IQ as of December 2023; Windome Banking Partners SAS's Annual Update IMCAS M&A Transaction Analysis, 2019 total does not include the transaction Allergan/Abbvie ($86bn) that is too generalist*

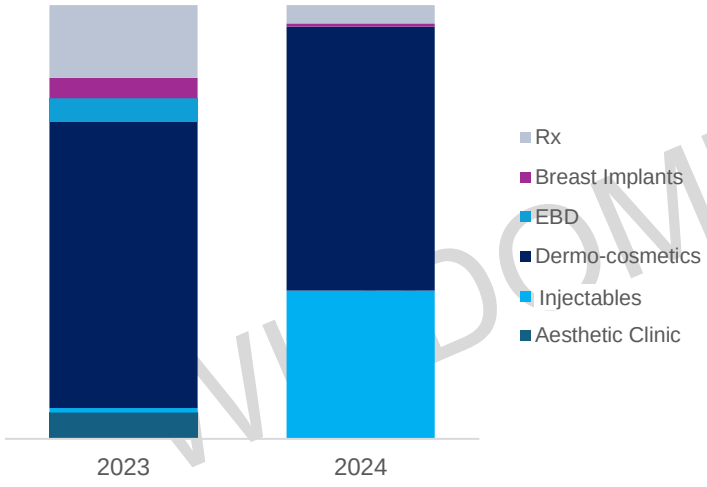
WINDOME BANKING PARTNERS

2023-2024 Breakdown Of Transactions in all Dermatology related sectors (RX and Aesthetics) By Segment And Geography

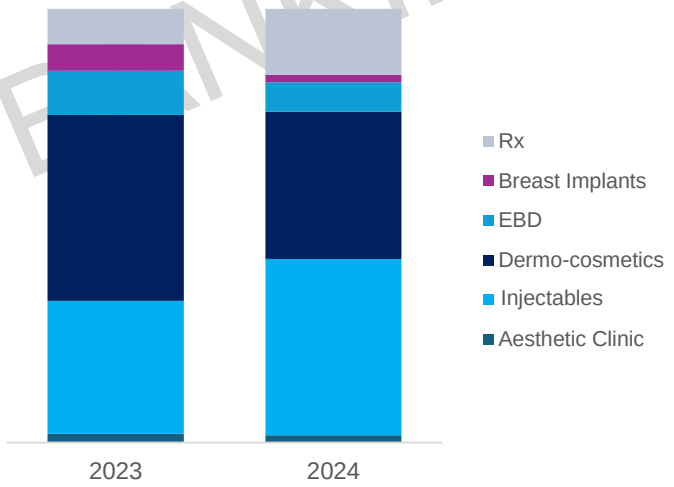
Dermocosmetics and North America Leads the M&A Transactions in 2023

- **Reaffirmed Leadership of dermocosmetics-driven acquisitions in M&A in terms of number of deals (58%) and values (75%, $3.3bn), fueled by mega deals like acquisition of Aēsop by L'Oreal for transaction amount of $2.5bn**
- **Reduction of deal volumes and value in Injectables (Toxin, dermal filler) that has decreased by % in volume compared to 2022 and % in total value**
- Resurgence of the US market: Naturium acquired by e.l.f Beauty for $355m, and a reverse M&A (Allurion's reverse merger, acquisition by Evolus of Symatese's HA-based dermal filler, acquisition of the US Growth Factor Company Benev Therapeutics by Korea exosome champion Exocobio)
- **EBD acquisitions to support the construction of holistic medical aesthetics "empires"; Korean EBD Champion Lutronic acquired by PE Fund Hahn &Company for $ 442m**
- For Aesthetic clinics, Blackstone acquired 49.9% stake of LAZEO for $424M, with EV/Sales of 4.0x

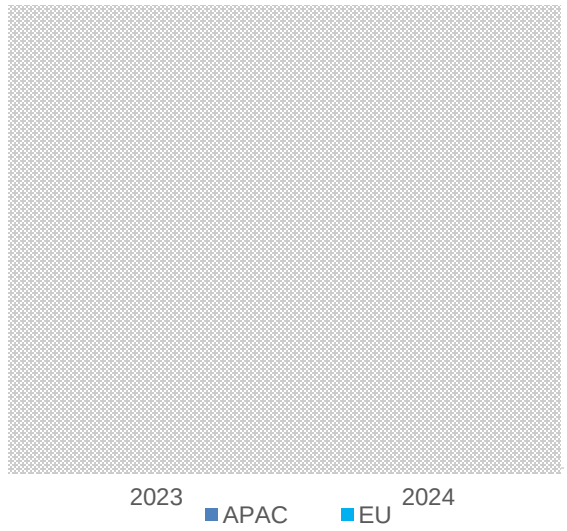
SPLIT BY INDICATIONS
M&A VALUE (in $mln)



SPLIT BY INDICATIONS
M&A VOLUME



SPLIT BY REGION
M&A VOLUME



Source: Mergermarket, Capital IQ as of December 2023, Company publications, Windome Banking Partners SAS's Annual Update IMCAS M&A Transaction Analysis

WINDOME BANKING PARTNERS

Evolution of EV/Sales and EV/ EBITDA Multiples in Medical Aesthetics

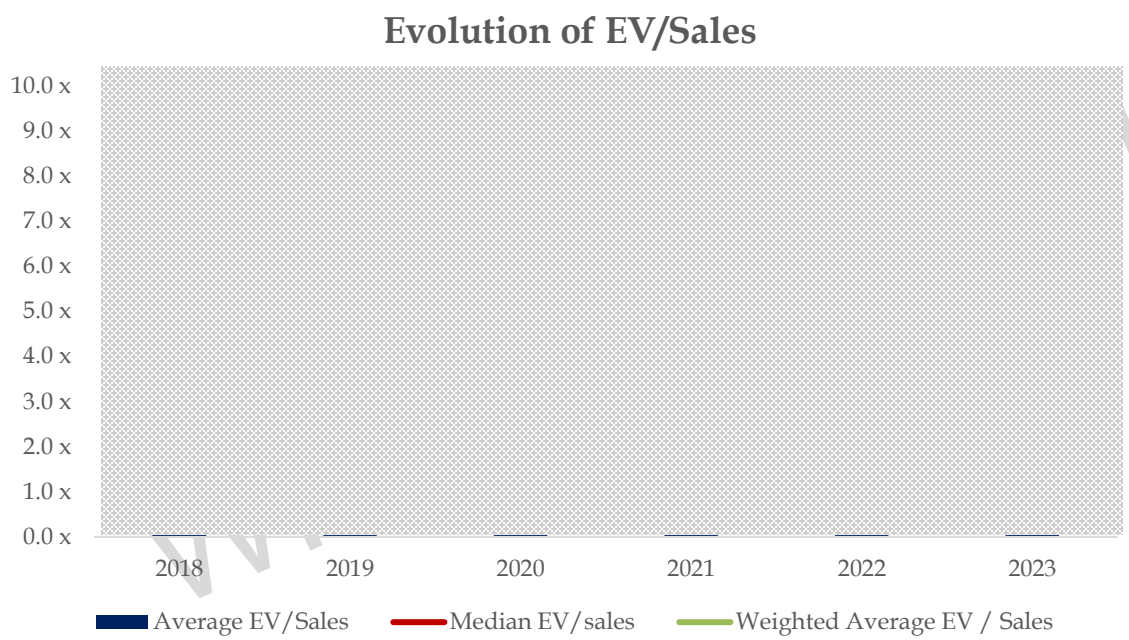
Includes Injectables, EBD, Dermocosmetics and other devices

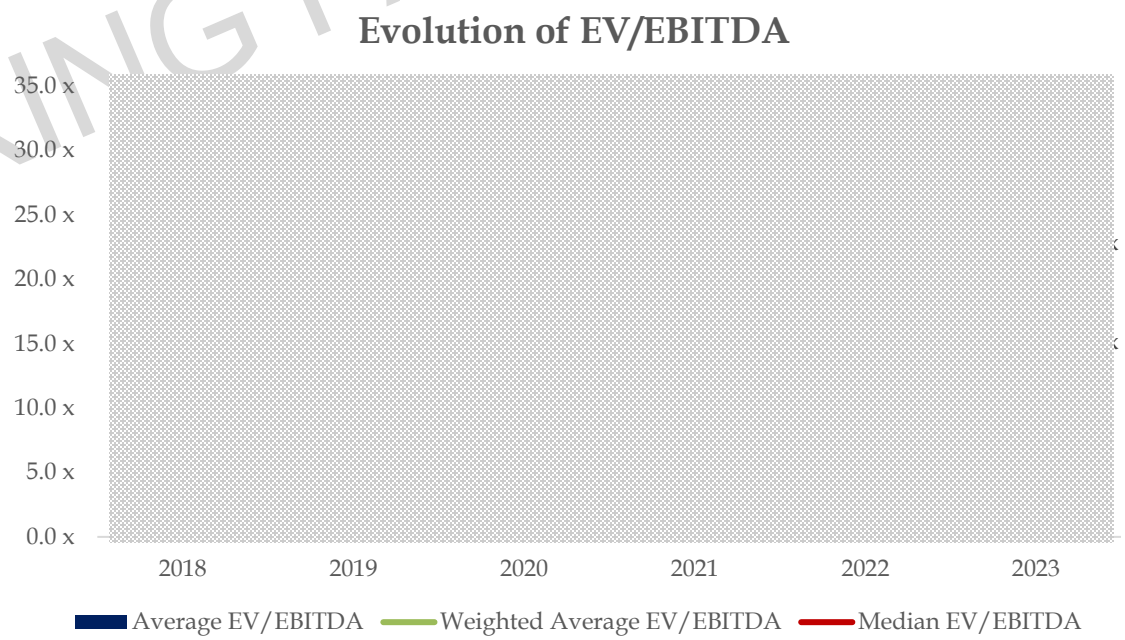
EV/Sales and EV/EBITDA Slowed Down In 2023

- **EV/Sales Multiples Peaked in 2022 reaching an average of 7.8x and slowed down in 2023 decreasing to an average of 4.6x.**
- **Weighted average is higher than average revealing higher multiples paid for bigger targets**

- **EV/EBITDA Multiples had higher averages in the period 2020-2022 in the 20x range and slowed down in 2023 (18.5x)**
- **Weighted average is higher than average revealing higher multiples paid for bigger targets**

WBP KING PARTNERS





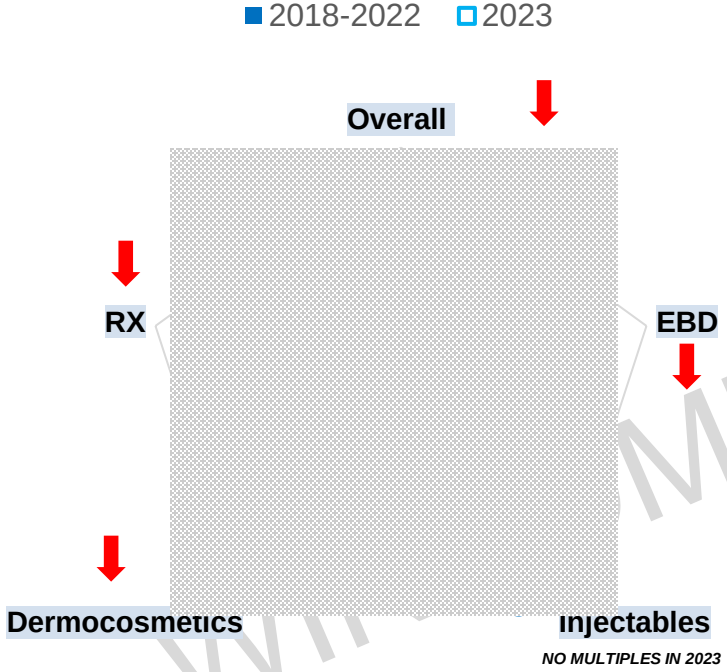
Sources: WBP Analysis, CIQ, Merger Market

EV/Sales and EV/ EBITDA Multiples Per sector in Medical Aesthetics and RX Dermatology

Multiples Of Medical Aesthetics Witnesses A Setback In 2023 Compared To The Last 5 Years (Except Of Fillers)

EV/Sales

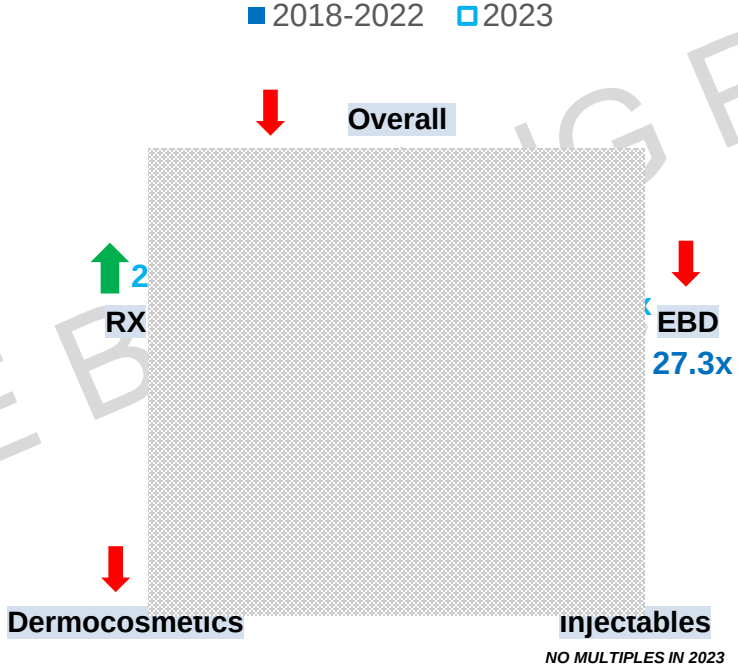
Average 2018-2022 vs 2023 Transaction Multiples



Note:
(1) Injectables: There were no disclosed EV/Sales data for 2023
(2) Rx: removed EV/Sales outliers to normalize multiples

EV/EBITDA

Average 2018-2022 vs 2023 Transaction Multiples



Note:
(1) Injectables: There were no disclosed EV/EBITDA data for 2023
(2) Rx: it was based on one EV/EBITDA transaction

Conclusion

- xx

Sources: WBP Analysis, CIQ, Merger Market

Strictly Private and Confidential

Geographical Split of M&A activity based on Targets' location (1/2)

APAC Had The Highest Increase In M&A Targets Value In The Recent Years But The North America Still Attracts Most Of The Investments

The North American Market remains stable, while **Europe had witnessed a sharp decline** (in terms of Value) in M&A target transactions in 2023 compared to the last 5 years due to rising interest rates, persistent inflation, geopolitical uncertainty and revealing a **consolidation cycle in a transition phase** from traditional medical aesthetics to early-stage disruptive fields in regenerative medicine in series A and seed rounds with lower valuations

We observe growing M&A investments in APAC targets in value due to the **ever-growing sophistication and maturation of Asian players** technologies especially in EBD and toxins

WINDSOR BANKING PARTNERS

Sources: *WBP Analysis, Note: Figures represents disclosed transactions*

Selected Recent Transactions Medical Aesthetics (2023) (1/2)

High Medical Aesthetics M&A Transactions Activity in 2023

Segment: Body Reshaping
July 2023

computehealth

Allurion

Type of Transaction: SPAC

Segment: Body Reshaping-EBD
June 2023

LUTRONIC

Hahn & Company

Type of Transaction: Minority

Segment: Clinics
July 2023

LAZEO

Blackstone

Type of Transaction: Minority

Regenerative Medicine
July 2023

BENEV
Global partner in medical aesthetics™

ExoCoBio
Exosomes for Your Health & Future

Type of Transaction: Majority

Breast Implants
October 2023

Sebbin
PARIS

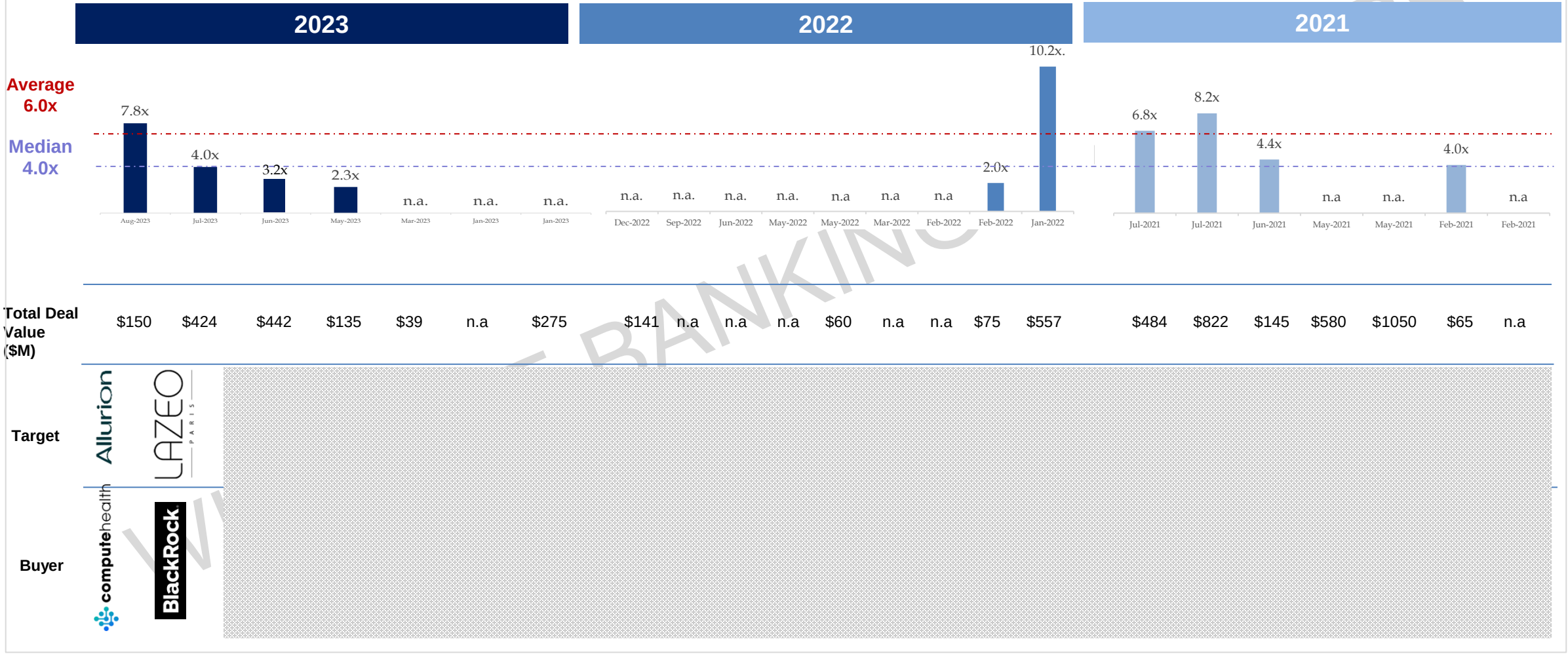
SYMATESE

Type of Transaction: Distressed M&A

Sources: CIQ.

Other Medical Aesthetics Segments Overview Of Deal Flow 2021-2023

Rx & Aesthetic Clinics & EBD & Breast Implants Multiple Evolution



Sources: WBP Analysis

Strictly Private and Confidential

Overview Of Key Mega Trends In Medical Aesthetics

Tissular Inductors And Previsualisation/Digitalisation Sectors' Growth Have Reached An Inflection Point And Steady Cruising Speed

TISSULAR INDUCTORS

PREVISUALIZATION / DIGITALIZATION

Sources: Company publications

The Surging Market of Exosomes

A Spectacular Double Digit 34.2% CAGR Is Expected In The Exosomes Market Between 2023-2032

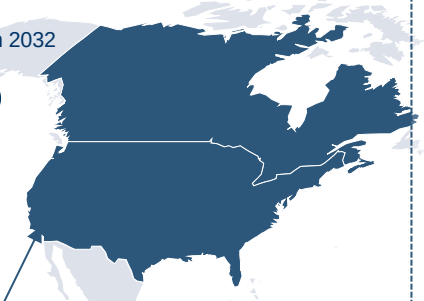
Global market of Exosomes

$0.15bn in 2022

$2.7bn in 2032

+34.2%

CAGR 2023-2032



55.5%

North America

Largest market share

$80M

- The market of Exosomes is expected to **grow from $0.15Bln in 2022 to $2.7Bln in 2032.**
- By product, **the Kits & Reagents segment generated the largest revenue share of 44.82% in 2022.**
- By application, **the cancer segment was dominant in the market, with the largest market revenue share of 31.88% in 2022.**
- By end-user, **the pharmaceutical & biotechnology companies segment was dominant in the market, with the largest market revenue share of 49.42% in 2022.**
- **Europe region is expected to grow at a significant CAGR** from 2023 to 2032

23,000+ Articles pertaining to exosomes research in PubMed

50+ Numbers of companies in exosomes

2/3 Exosomes Drugs

1/3 Exosomes Diagnostics

Sources: https://www.globenewswire.com; Exosomes research Market https://www.iyiou.com/analysis/202206301032895

Overview Of Exosomes Players

An Increasing Number Of Players Are Joining The Exosomes Race

Exosomes-based Diagnostics

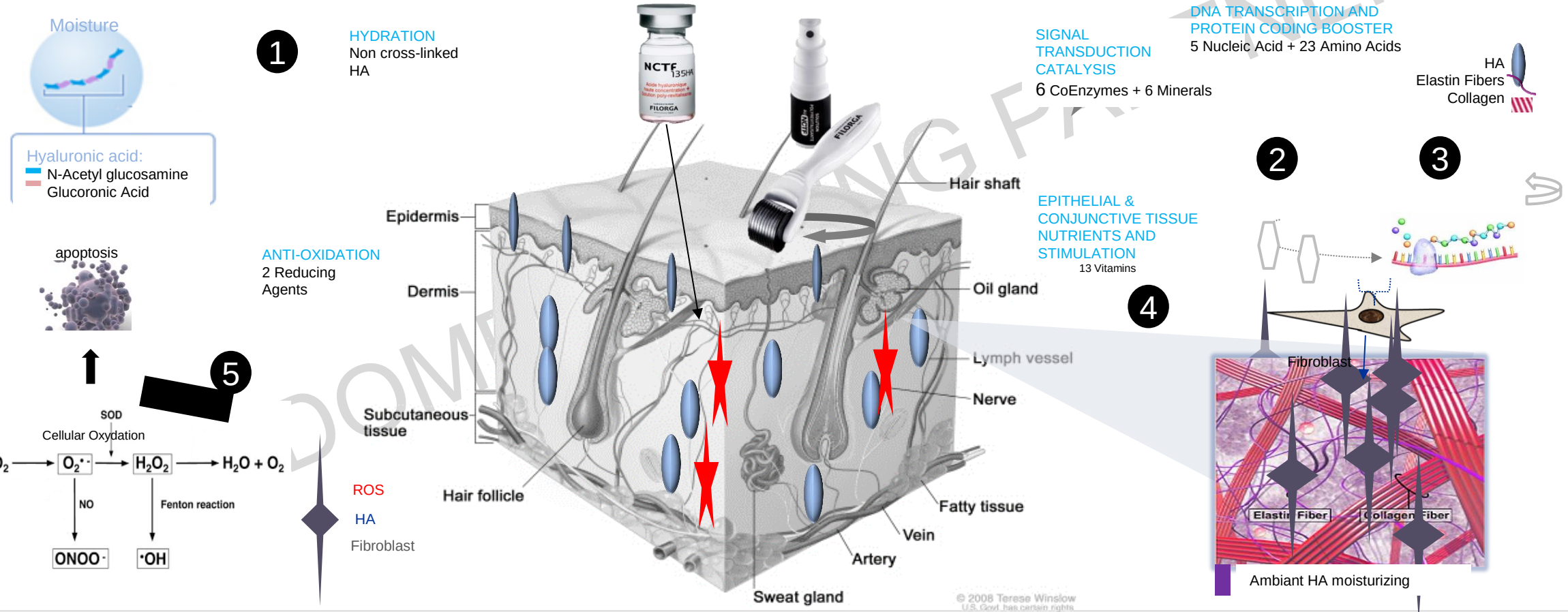
Exosomes-based Therapeutics and Dermocosmetics

Sources: Grandview research, VBDATA

Mesotherapy Market Summary: Former Block Buster in ANTI-AGING MESOTHERAPY - NCTF® 135HA

NCTF® 135HA: 40 Years Of Development For A Gold-standard Mesotherapy Treatment With A Unique Formulation

NCTF® 135HA: 40 years of development for a Gold-Standard mesotherapy treatment with a unique formulation containing 54 synergistic ingredients acting on different crucial factors of the skin regeneration to achieve ultimate rejuvenation and skin revitalization goals



Sources: Publications – January 2024. Note: Revenue figures refer to estimated mesotherapy sales

Tele-aesthetics Medicine: Teleconsultation, Telediagnostic And Telemonitoring To Democratize Preventive care via IOMT

IOT Healthcare Market was $128bn in 2023

IOT HEALTHCARE MARKET will reach $127.7 BILLION worldwide by 2023 WITH A ESTIMATED CAGR22-29 OF +11.9%

ACTIVITY/HEALTH TRACKERS

$63 bn 2023

33% OF THE POPULATION USED THEM IN 2016 (3)

41% FOR THE MILLENIALS

- The installed beauty machine satisfies a narcissistic quest of Millennials and GenZ for self-fulfillment, the highest point in the Maslow pyramid, enabling to be selfie-ready for an Instagramable beauty
- The ultimative narrative is to marry skin fitness and body fitness in an holistic continuum of health and wellbeing

IMPLANTABLE DEVICES

BIOSENSORS

PACEMAKER…

STATIONARY DEVICES

X-ray and mammography devices, CT and MRI scanners, ultrasound

HOMECARE CONNECTED DEVICES

DIRECT ACCESS TO CUSTOMERS

COCOONING

AI + DATA MINING

MILLENIALS, ZILLENIALS & CONSUMER EXPERIENCE

PERSONALIZATION

EMPOWERMENT

MONETIZATION OF CUSTOMER DATA

WINDOME BANKING PARTNERS

Sources: WBP Analysis

Leveraging Multilayered User Interface To Foster A Totally Immersive And Gamified Experiential Journey (2/2)

Metaverse Market Leaders

AR Smart Glasses	AR Headsets	VR Headsets

Leadership

Alphabet, third eye, Rokid, VUZIX, SEIKO EPSON, Snap Inc., Microsoft, ByteDance, htc, Meta, SONY, DPVR, xiaomi

Challengers

ESSILORLUXOTTICA, EVERYSIGHT, iristick, XLOONG 泉龙, Lenovo, TOSHIBA, JORJIN, LLVISION, nreal, REALMAX, Lenovo, realwear, MagicLeap, VARJO, hp, HUAWEI, Pimax, Lenovo, VALVE, VARJO

- **According to IDC, 8.8 million** AR/VR headsets will be shipped globally in 2022; a year-on-year decline of **20.9%**. Among them, Meta has a market share of nearly **80%**, followed by ByteDance, DPVR, HTC and iQIYI.
- **In 2021**, market growth was strongly driven by the launch of Meta's Quest 2 and entertainment spending by consumers who were homebound due to the outbreak; as Quest 2 nears its two-year anniversary and the global economy opens up, there is a shift in consumer and enterprise spending, leading to a decline in AR/VR headset shipments in 2022

Sources: Global data, The Metaverse in Healthcare, AI in healthcare, IDC AR/VR report

WINDOME BANKING PARTNERS

Investment Activities Hitting on All Cylinders In 2024

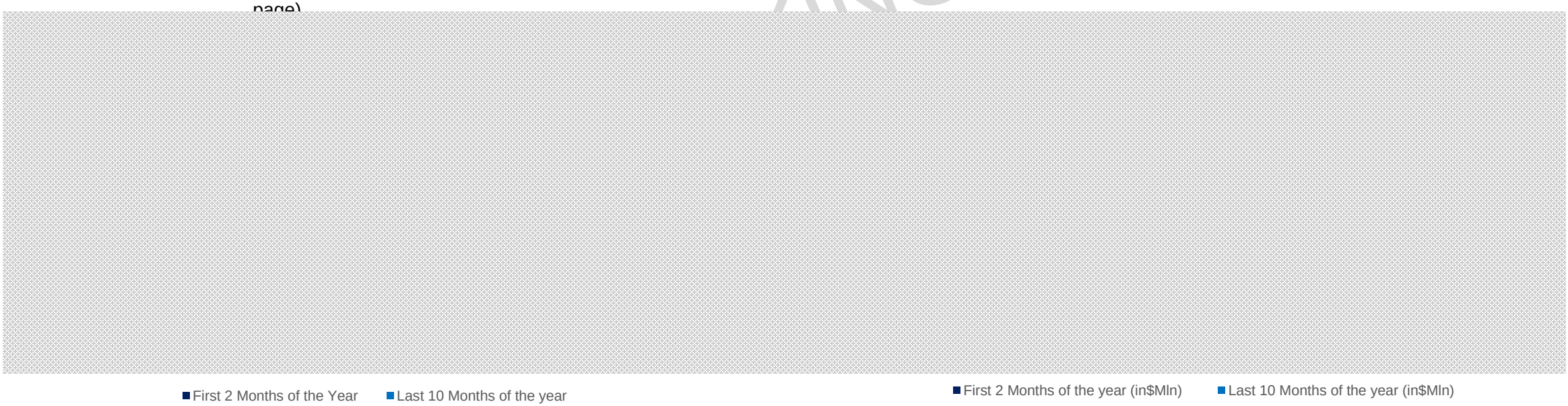
The First 2 Months In 2024 Witnessed A Hype In Both M&A Number of Deals Number And Value

Deal Number 2023 vs 2024

5x

Deals in the first 2 months of the year in 2024 vs 2023

- The Beginning of 2024 had registered **32+ transactions in the Medical Aesthetics sector,** compared to **6+ transactions** for the same period **in 2023.**
- **19** Transactions were recorded **in January, and 13 in February** as per WBP market intelligence.
- **This trend is expected to continue during 2024** due to several macroeconomic and financial factors (see next page)



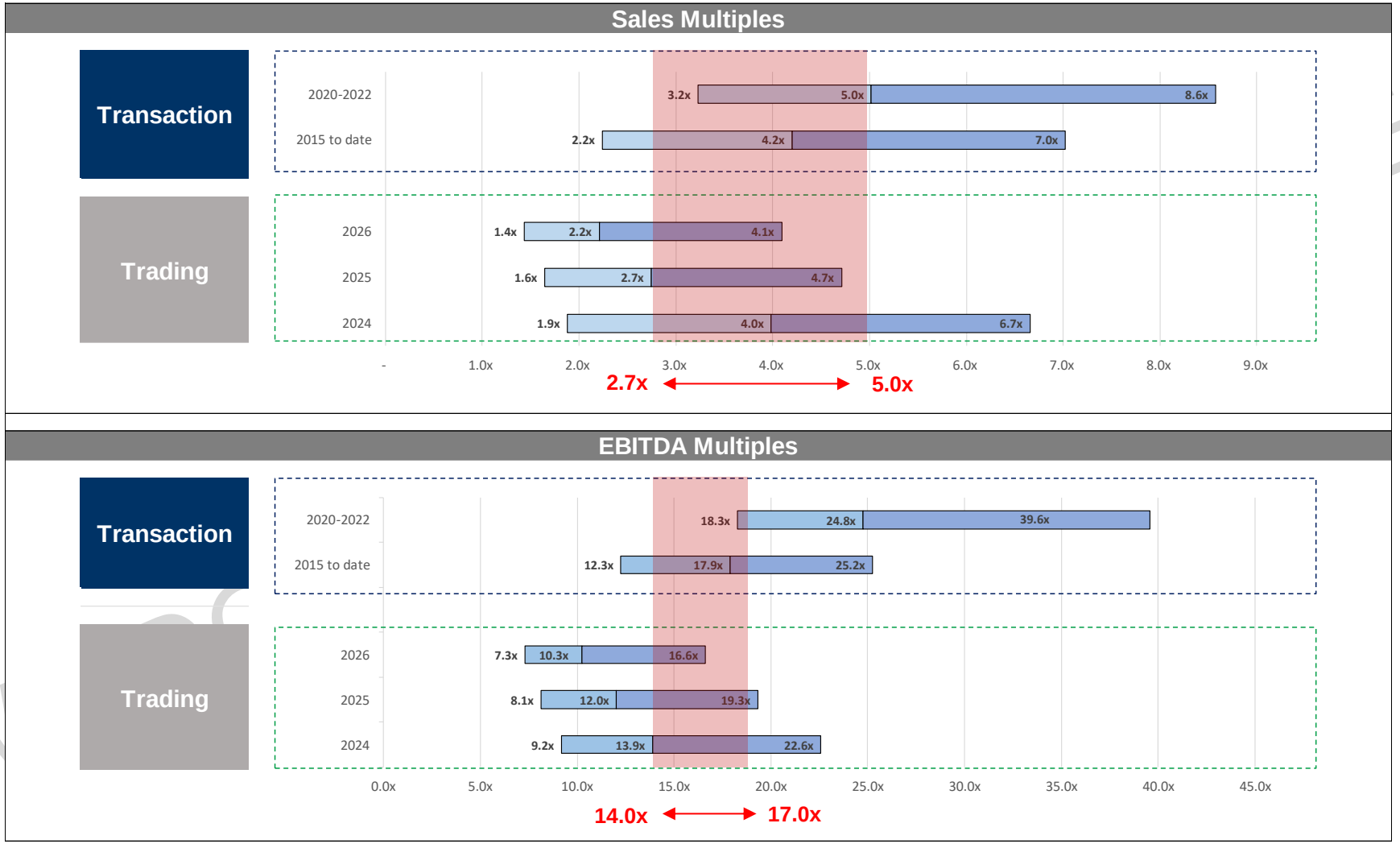
Deal Value 2023 vs 2024

- The Beginning of 2024 has already registered **+$5.5bn deal value in the Medical Aesthetics sector,** compared to **$678m** for the same period **in 2023.**
- If the trend continued in the same pace**, the deal value in 2024 will reach out $32bn up from $4bn in 2023,** as per WINDOME BANKING PARTNERS's market intelligence.

Sources: WBP Analysis, CIQ, Merger Market

Strictly Private and Confidential

Medical Aesthetics Multiples Overview



Sources: CIQ, Merger Markets as per 18/11/24

Medical Aesthetics Trading Multiples Overview

Company	Country	EV (m) Loc. curr.	EV (EURm)	Mkt cap (m) Loc. curr.	Mkt cap (EURm)	EBITDA margin[1]	Sales growth[2]	5 year-Beta	EV/Sales			EV/EBITDA		
									2024E	2025E	2026E	2024E	2025E	2026E
Advanced Medical Solutions Group plc	United Kingdom	403	482	449	536	16%	17%	74%	2.3x	1.8x	1.6x	10.3x	8.0x	7.3x
Galderma Group AG	Switzerland	21,958	23,293	19,656	20,851	19%	13%	n.a.	5.7x	5.1x	4.5x	24.9x	22.0x	17.8x
Align Technology, Inc.	United States	17,375	15,850	18,028	16,445	21%	10%	165%	4.3x	3.9x	3.6x	17.3x	15.8x	13.9x
Apyx Medical Corporation	United States	50	46	44	40	n.m	10%	120%	1.0x	0.9x	0.8x	n.m.	n.m.	n.m.
Bloomage BioTechnology Corporation Limited	China	33,301	4,257	33,744	4,313	12%	17%	84%	5.4x	4.6x	4.0x	30.7x	24.3x	20.5x
CLASSYS Inc.	South Korea	3,467,945	2,345	3,539,173	2,393	53%	23%	57%	14.7x	11.8x	9.7x	27.7x	21.7x	17.9x

Sources: CIQ, Merger Markets as per 18/11/24

Medical Aesthetics Transactions Multiples Overview (1/5)

Announcement Date	Completion Date	Enterprise Value (in m)	Deal Value (in millions)	Target	Country	Acquirer	Country	EV/Sales	EV/EBITDA
Nov-24	Nov-24	n.a.	n.a.	Revelle Aesthetics	US	Tiger Aesthetics Medical	US	n.a.	n.a.
Oct-24	Oct-24	n.a.	n.a.	Fastox	Switzerland	Abbvie	US	n.a.	n.a.
Sep-24	pending	US$ 742	US$ 742	Jeisys Medical Inc.	South Korea	Archimed	France	5.9x	23.2x
Aug-24	pending	US$ 980	US$ 721	Revance Therapeutics, Inc. (NasdaqGM:RVNC)	US	Crown Laboratories	US	3.9x	n.a.
Aug-24	pending	n.a.	US$ 1,850	Galderma Group AG (10%)	Switzerland	L'Oréal S.A.	France	n.a.	n.a.

Sources: CIQ, Merger Markets as per 18/11/24

WINDOME

BANKING PARTNERS

PARIS, SAN FRANCISCO

JEAN-YVES COSTE
FOUNDER, CHAIRMAN AND PARTNER

JYCOSTE@WINDOME-BANKING.COM
+33 6 21 82 95 48

FLORIAN PUCHLY
FOUNDER, CEO AND PARTNER

FPUCHLY@WINDOME-BANKING.COM
+33 6 99 39 20 10

NADIM RAAD
SENIOR ANALYST

NRAAD@WINDOME-BANKING.COM
+33749277873