



# Will Beauty M&A Continue To Gain Momentum?

E.l.f. Beauty, Ulta and Unilever deals signal an optimistic outlook for the remainder of 2025.

BY KATHRYN HOPKINS AND JAMES MANSO

**Beauty bankers are optimistic** that the recent spate of deals will continue into the second half of this year and into 2026.

After a standstill, a number of deals have been made in recent months, including E.l.f.'s acquisition of Rhode, Ulta snapping up Space NK and Unilever's purchase of Wild and Dr. Squatch, not to mention L'Oréal's rattatât deals with Color Wow and Medik8.

"The recent deal announcements send a really positive signal to the market, to all players involved in the market – from founders and management teams to private equity – that may be looking at deals but were concerned that strategics weren't also going to show up at the table," Ashleigh Barker, a director at Lincoln International's consumer group, said.

"I do think that we will continue to see more deals getting launched through the remainder of the year, as well as heading into Q1 of next year, perhaps not with a flurry of deals that we often talk about once we get to this post-Labor Day period, but there are several opportunities that are contemplating the specific timing of when they want to go to market," she continued.

"Whether it's in the fall or in early 2026, it feels like people are getting ready for processes," said an industry source, who added that potential buyers would favor newer entrants to market over the swath of color brands that launched sale processes in 2024. "Makeup by Mario stopped, Kosas

stopped, and I haven't heard a peep about Merit."

The focus is more on skin care and hair care than makeup, from a category perspective. "Byoma is definitely getting done," the source said, who added that a couple of hair brands, namely Amika, Camille Rose and Jolie, would be anticipated targets.

Dermatological skin care brands are still in demand, highlighted by L'Oréal's acquisition of Medik8.

Other brands ripe for the picking are Westman Atelier, as reported, Salt & Stone, Biologique Recherche and Maesa, said a source. Trinny London is also said to be exploring its options, with sales around \$85 million, and is asking for revenue multiples of 4x or 5x.

As far as what makes a viable asset, "the biggest question for our community in today's world is the distribution question," the source said. "Sephora is not helping brands long term, I think it will hurt some more. Indie beauty brands are going to have to compete with K-beauty brands at a lower price point."

That being said, retail is still one of the most important factors for potential acquirers, the source said. "Retail is where you have sustainable businesses – if you can deliver sustainable business, that's what strategics care about."





Tarang Amin and  
 Hailey Bieber