

How Yellow Wood, Sojourner breathe new life into legacy brands like Suave and Aqua Net

Well-known consumer brands bring 'a loyal following that can be bulletproof,' said Houlihan Lokey's Tim Leach.

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“Everything old is new again,” as the saying goes. Some consumer-focused private equity firms are dipping into their treasure chests to acquire older personal care brands whose heyday is long past. And it’s not just nostalgia driving this interest, but rather a desire to capitalize on fading brands whose recognition value still resonates deeply among their core group of consumers.

“There is often a loyal following that can be bulletproof,” said Tim Leach, managing director in Houlihan Lokey’s London-based consumer M&A group. “There’s also the possibility that when they’re reinvigorated, they reignite interest from lapsed consumers,” he explained, referring to older brands that are well known even if sales have slumped.

This fan-like devotion among consumers may be what keeps these brands alive and viable for dealmakers – long after the company’s glory days have receded into the memory archives. For [Yellow Wood Partners](#), which has picked up a slew of oldies-but-goodies over the years, such as [personal care product maker Suave](#), [skincare](#)

[brand Pond's](#) and [lip balm ChapStick](#), it's all about "brand equity," explained partner Dana Schmaltz.

"It's almost more important than the financials of the individual brand," he said. "With today's data, we're able to see who's buying the brands, what else they're buying and if they're coming to the brand. Older brands can be great but new products come along that fulfill a similar objective with a different price point. It's understanding the consumer: do they still want that brand at that price and if not, where have they gone instead?"



Dana Schmaltz, Yellow Wood

Partners

Another factor in determining an older brand's value to a PE portfolio is whether there's room for growth.

Schmaltz cited haircare brand [Suave, which Yellow Wood acquired in 2023](#) from UK-based consumer goods giant Unilever, as an example of an older personal care brand that still had value for consumers, despite being overshadowed by flashier, younger brands.

Suave "had been declining for 12 years," recalled Schmaltz, when discussing the brand's marketplace positioning at the time Yellow Wood first showed interest. "Unilever had so many products in the space. Suave was what they didn't focus on. We felt Suave had a base that consumers would continue to buy these brands. It was just a slow erosion of market share. We felt that we could maintain those

consumers and add to that demographic. We could see the data of frequent purchases.”

After closing the deal, Yellow Wood formed the Suave Brands Company, a standalone business based in Hackensack, New Jersey, to support the brand. The Boston-based buyout shop then tapped Unilever veteran Daniel Alter as chief executive to run the company. Two and a half years later, the company has launched 34 new products across the hair care, body care and men’s care categories.

“Innovation is the life blood of all consumer brands,” said Schmaltz, explaining how technology and expanding consumer demographics successfully rejuvenated Suave. “We felt like we can bring better quality at a great price point at an economic time where consumers are searching for value.”

Like Yellow Wood, [Sojourner Consumer Partners](#) also finds value and opportunity in older personal care brands. But unlike Yellow Wood, which will invest in both founder-owned consumer brands as well as older ones, Sojourner, headquartered in Short Hills, New Jersey, prefers established brands that have existed for decades. They align better with the firm’s investment strategy; plus, members of the team have worked with older brands at previous jobs. An example of a Sojourner portfolio company that fits into this playbook is [Hawaii Coffee Company](#), which was founded in 1979 and has a portfolio of coffee brands, among them Lion Coffee and Royal Kona Coffee.

“The existing brand awareness and established consumer followings with legacy consumer brands are key variables when we assess the opportunity (or not) to scale, improve and modernize a legacy brand and stay profitable (or not),” said Rob DesMarais, a senior partner who co-founded Sojourner in 2023 after serving as a managing director and partner at Swander Pace. “These are not young brands that have jumped from fad to fad. They need additional capabilities

and experiences so they can get back on track and stay connected with consumers who still possess trust in these brands.”



Rob DesMarais, Sojourner

Consumer Partners

A case in point is Sojourner’s [recent acquisition of Lornamead](#), a personal and oral care company based in Tonawanda, New York, whose portfolio includes iconic brands such as Aqua Net, the hair spray brand that teased countless heads into beehives; Finesse, the hair care brand that first shot to prominence in the 1980s when shoulder pads were popular; and Yardley London, a British personal care company founded in 1770.

Sojourner was drawn to the avid following for all three brands, particularly Yardley London, best known for fragrances, soaps and toiletries.

Yardley London “is a globally recognized brand that represents an affordable indulgence, but the business was not competing online,” said DesMarais. “It had allowed third-party resellers to capture this online demand. The organization has supported it in certain classes of trade but not supported it in the full way that is required to win in an omnichannel marketplace.”

Not all legacy brands are equal. Some might be deemed “damaged,” making them persona non grata to private equity. According to DesMarais, this is when consumers have lost trust in the brand or “there is not sufficient differentiation and/or competitive cost structure

that would allow a brand to engender loyalty and an owner to make a profit.”

Or as Houlihan Lokey’s Leach puts it more bluntly, these brands “are true and buried dead.” This damning designation includes products that have an “old-fashioned formulation or purpose, both of which have been superseded.” As such, they only appeal to a niche demographic and are no longer relevant to the mainstream.

“I think sometimes science evolves beyond the incumbent brand,” said Leach, whose background as an investment banker includes more than three decades working on deals and in operational roles in businesses in the household, beauty and personal care sector. “I would say most brands have some life. The issue is whether the owner of the brands feel that the time and money invested in reinvigorating it will get a bigger return on their efforts and whether or not that restage hits the mark and is successful.”



Tim Leach, Houlihan Lokey

Tariffs continue to be a challenge. For Yellow Wood, it’s become a wait-and-see proposition as retailers figure out how to deliver the best value to their customers. Though US brands like Suave have not felt the heat, others like the [Yellow Wood-backed PlusOne](#), a sexual wellness brand, may be affected as most of its products are sourced in China.

“You want to know what your actual costs are going to be before you go to those retailers and talk about price increases,” said Schmaltz.

“That uncertainty is delaying price increases for many products. Businesses want certainty. We just want a road map so we can operate these businesses to the best of our ability for our stakeholders and consumers.”

Without revealing the sum, Sojourner’s DesMarais said the firm paid “a very fair price” for the Lornamead assets. Uncertainty about tariffs played a role in deal pricing.

“Both parties understood that there was likely going to be a modest negative impact on the company’s earnings due to tariffs, absent a selling price increase or alternative source of supply,” DesMarais continued. “Accordingly, the purchase price was lowered to maintain the same multiple of earnings. We also structured a contingent payment tied to future gross profit, such that the seller’s proceeds would be increased if the perceived tariff threat dissipated.”

Regardless of tariffs or economic cycles, well-known consumer brands have some evergreen value.

“Often these assets are not sold for the top dollar,” said Houlihan Lokey’s Leach. “The opportunity is in the potential value arbitrage through buying it at a reasonable price and reinvigorating it. You get a scale benefit as well as arbitrage.”

For more of PE Hub’s recent coverage of consumer deals, see: [TSG Consumer has made four investments](#) this year, despite tariff turmoil