

Unilever To Acquire Dollar Shave Club For \$1B: Reports

By **Y. Peter Kang**

Law360, Los Angeles (July 20, 2016, 4:19 PM ET) -- Global consumer goods giant Unilever PLC announced late Tuesday that it will purchase privately held men's grooming products maker Dollar Shave Club in a deal worth \$1 billion, according to multiple news reports.

Although terms of the deal were not discussed, unnamed sources cited in numerous reports including an article by the Wall Street Journal said Unilever was buying California-based Dollar Shave Club for \$1 billion in cash.

A Unilever spokesman declined to comment on the deal. A Dollar Shave Club spokeswoman did not immediately respond to a request for comment Wednesday.

Dollar Shave Club, which sells modestly priced razors and other male grooming accessories through a mail-order service boasting 3.2 million members, reported revenue of \$152 million in 2015 and is on pace to exceed \$200 million in sales this year, the companies said in a release.

Kees Kruythoff, the president of Unilever North America, lauded the deal.

"Dollar Shave Club is an innovative and disruptive male grooming brand with incredibly deep connections to its diverse and highly engaged consumers," Kruythoff said in a statement. "In addition to its unique consumer and data insights, Dollar Shave Club is the category leader in its direct-to-consumer space. We plan to leverage the global strength of Unilever to support Dollar Shave Club in achieving its full potential in terms of offering and reach."

Michael Dubin, the founder and CEO of Dollar Shave Club, will stay on as CEO, the companies said.

"DSC couldn't be happier to have the world's most innovative and progressive consumer-product company in our corner," Dubin said in the statement. "We have long admired Unilever's purpose-driven business leadership, and its category expertise is unmatched."

The deal is subject to customary regulatory approval and is expected to be consummated in the third quarter, according to the companies.

The consumer goods space has seen a number of transactions in recent months, including Johnson & Johnson's \$3.3 billion acquisition of shampoo maker Vogue International LLC from private equity giant Carlyle Group LP. Henkell & Co. Sektkellerei KG and L'Oreal SA were also considering buying Vogue,

according to news reports.

Also in June, Coca-Cola Co. announced a \$575 million deal to buy Unilever's soy-based beverage business AdeS, boosting the beverage company's presence in the soy-based beverage market in Latin America. The deal will see Coca-Cola and Mexico's Coca-Cola FEMSA join forces to snap up AdeS, the company that helped foster the development of the world's second-largest soy-based beverage market.

Dollar Shave Club was advised by a Cooley LLP team led by partners David Young and Steve Tonsfeldt, including partners Mark Windfeld-Hansen (tax), Barbara Mirza (compensation and benefits), Jacqueline Grise (antitrust), and Scott Dailard and special counsel Charles Haley (intellectual property). Associates Matt Hallinan, Joe Kaczorowski, Paige Smith and Jon Rivinus were also involved in the transaction.

DLA Piper advised Dollar Shave Club on intellectual property related matters, led by partner Jeff Aronson. Separately, the company's executive management team was advised by partner Randy Socol.

Unilever was advised by Morrison & Foerster LLP's Eric T. McCrath and Patrick D. Huard.

--Additional reporting by Benjamin Horney and Chelsea Naso. Editing by Philip Shea.

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