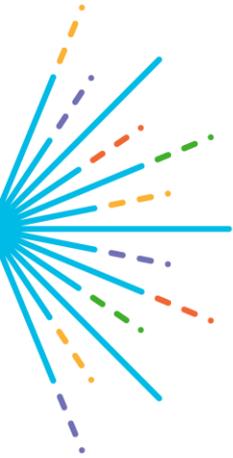


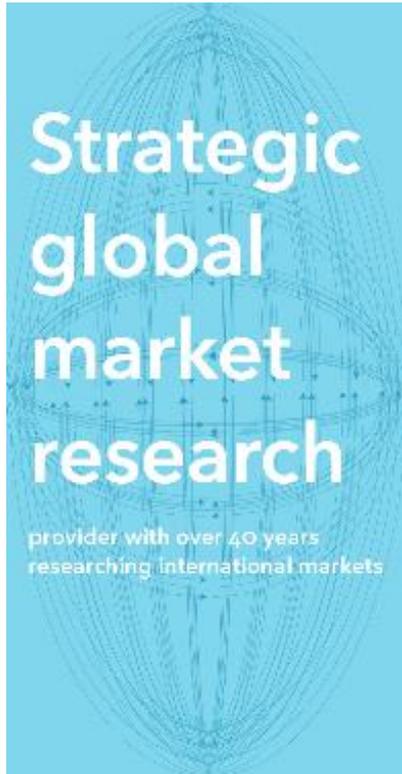
HOW RODAN + FIELDS IS POISED FOR GROWTH AT HOME AND ABROAD

David Margulies



SPARK RODAN + FIELDS®
CONVENTION 2015

WHO IS EUROMONITOR INTERNATIONAL



Our Services

Syndicated Market Research
Custom Research and Consulting

Expansive Network

On the Ground Researchers in 80 Countries
Complete View of the Global Marketplace
Cross-comparable Data Across Every Market

Our Expertise

Consumer Trends & Lifestyles
Companies & Brands
Product Categories & Distribution Channels
Production & Supply Chains
Economics & Forecasting
Comparable Data Across Markets

Looking back at the last five years of the beauty and personal care market

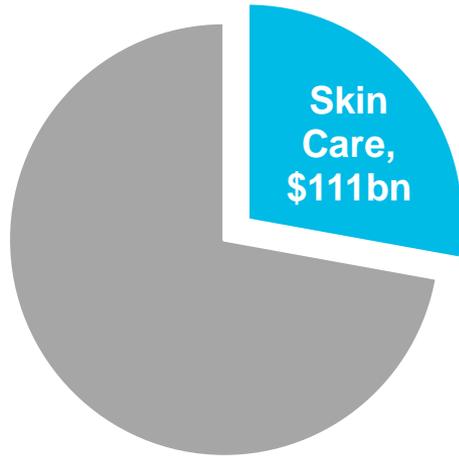
Identifying and exploring areas of future growth

Taking a closer look at the demographic trends driving that growth

**LOOKING BACK AT
FIVE YEARS OF STRONG
GLOBAL PERFORMANCE**



BEAUTY & PERSONAL CARE IS A \$400BN INDUSTRY GLOBALLY



Global Skin Care alone is a \$111bn market, making up 28% of BPC sales

■ Skin Care ■ Remaining Beauty and Personal Care

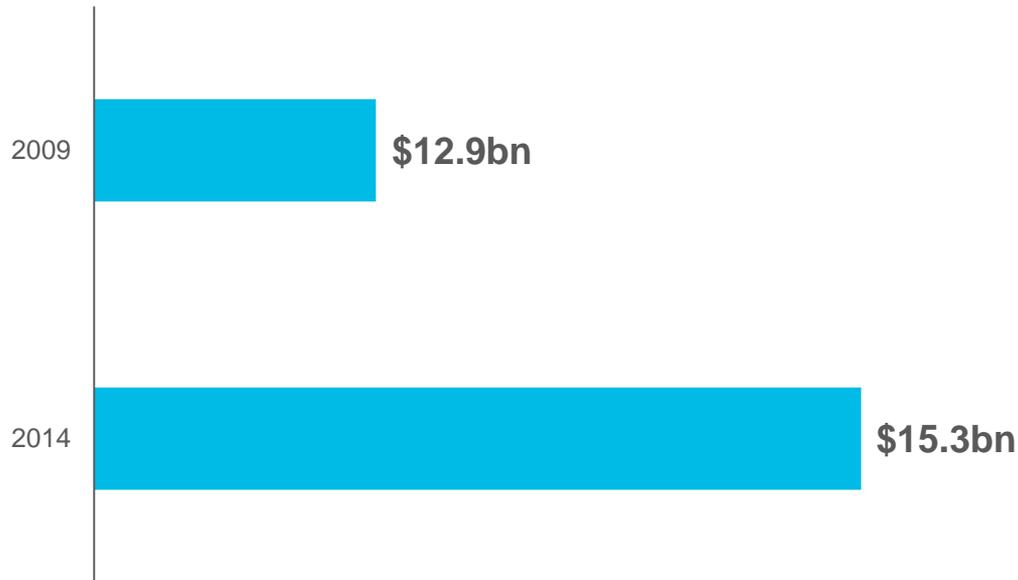


North America makes up 14% of sales

\$15.3 billion

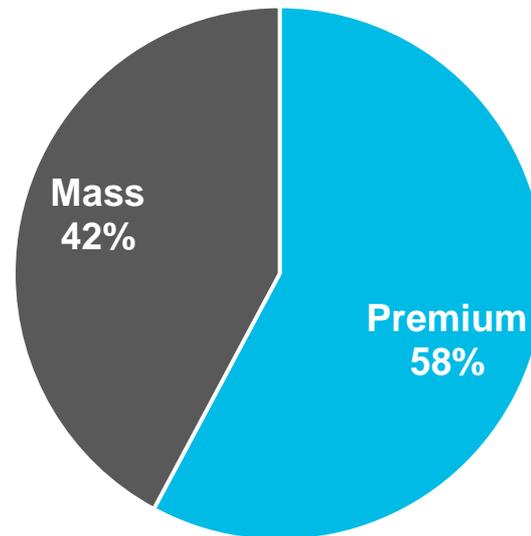
THE NORTH AMERICAN MARKET HAS REACHED NEW HEIGHTS

North America Skin Care Sales



Total Growth: \$2.4bn

Share of Growth by Price Tier
(2009 – 2014)



Total Premium Growth: \$1.4bn

Source: Euromonitor Passport

PUTTING THAT GROWTH INTO CONTEXT

Category

Average Yearly Growth

Hair Care

1.6%

Full Service Restaurants

2.0%

Color Cosmetics

4.1%

Wine

4.8%

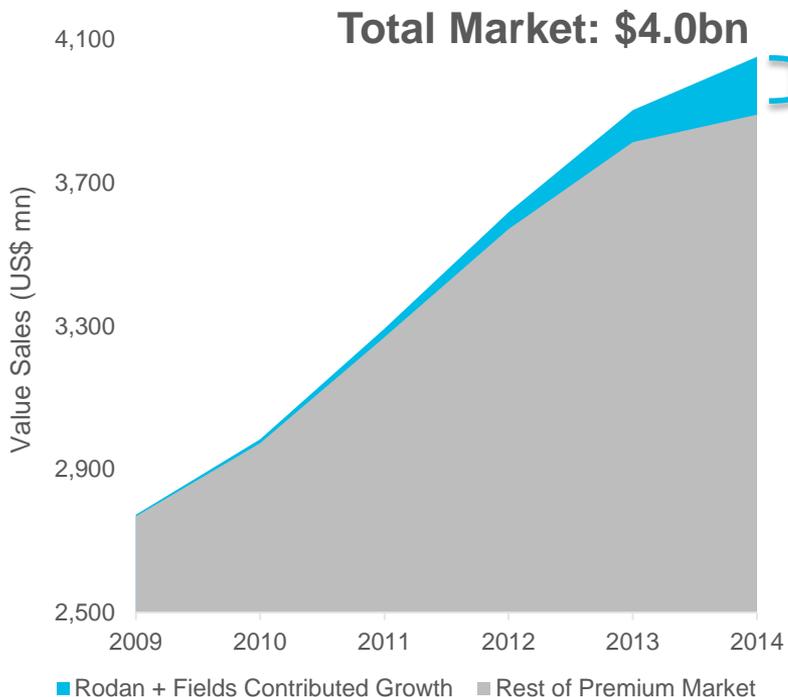
Premium Skin Care

7.2%

North America, Historic Value Compound Annual Growth Rate (2009 – 2014)

R+F MADE UP 12% OF PREMIUM SKIN CARE GAINS AND GREW THE MARKET BY NEARLY 1%

USA Premium Skin Care Performance



Rodan + Fields Contributed Growth

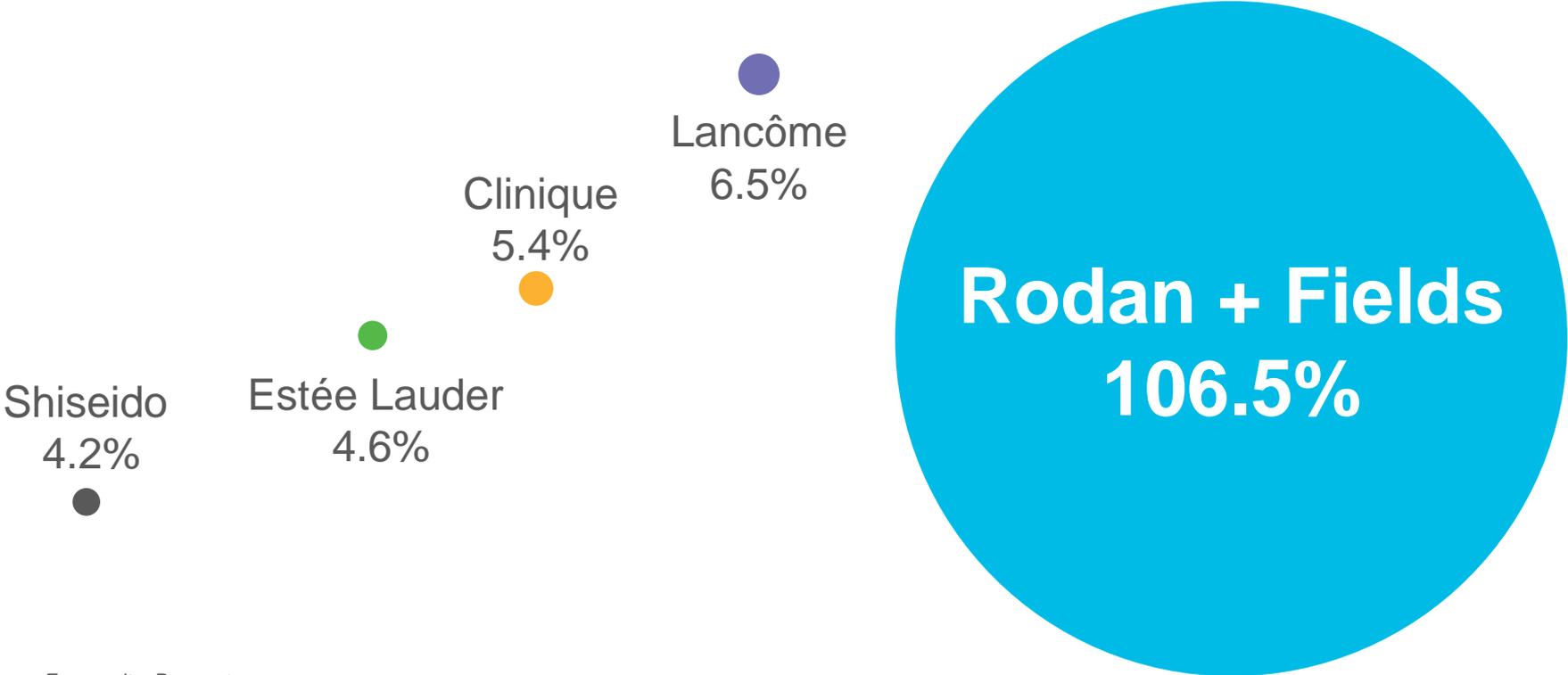
- 12.3% of Total Premium Skin Care growth
- Led all premium brands in share of total category growth
- Within the top 10 Premium Skin Care brands, R+F was the fastest growing brand every year from 2009 to 2014

RODAN + FIELDS PRODUCTS SPEAK TO CONSUMER DEMAND

- Science behind the skin care
- Skin care as a social experience
- Harness innovation and launch quickly
- Active in the fastest growing categories



PERFORMANCE GREATLY OUTPACES RIVAL BRANDS



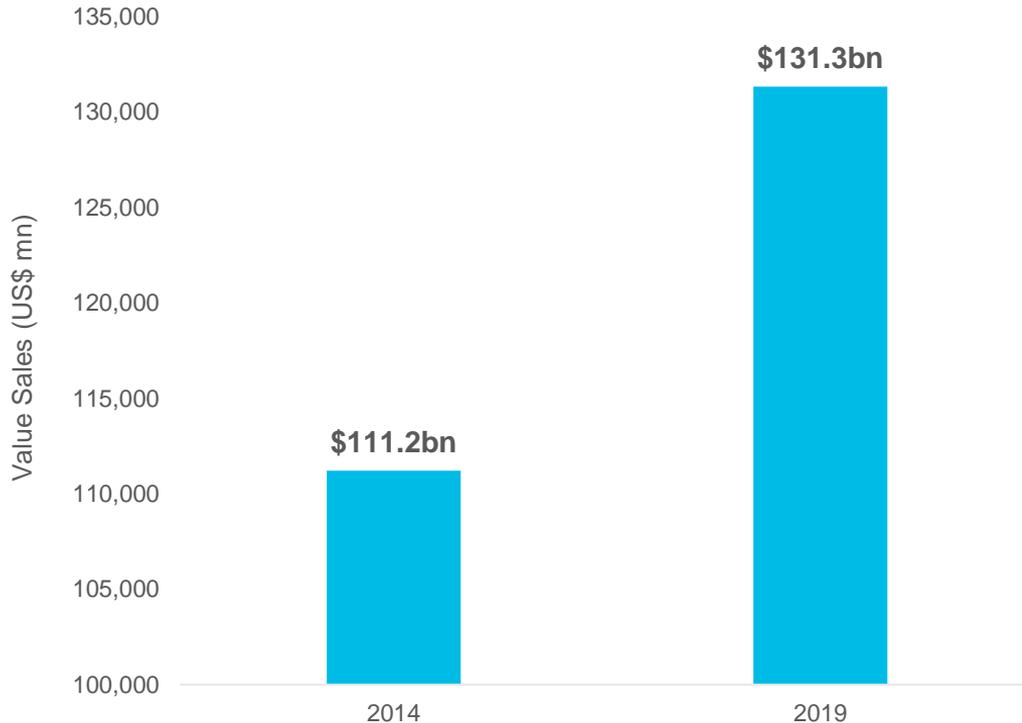
Source: Euromonitor Passport
Data refers to brand average yearly growth (2009 – 2014) in the US

**HOW MUCH ROOM IS THERE
FOR FUTURE GROWTH?**



GLOBAL SKIN CARE WILL BE A \$131BN MARKET IN 2019

Global Skin Care - 2014 & 2019

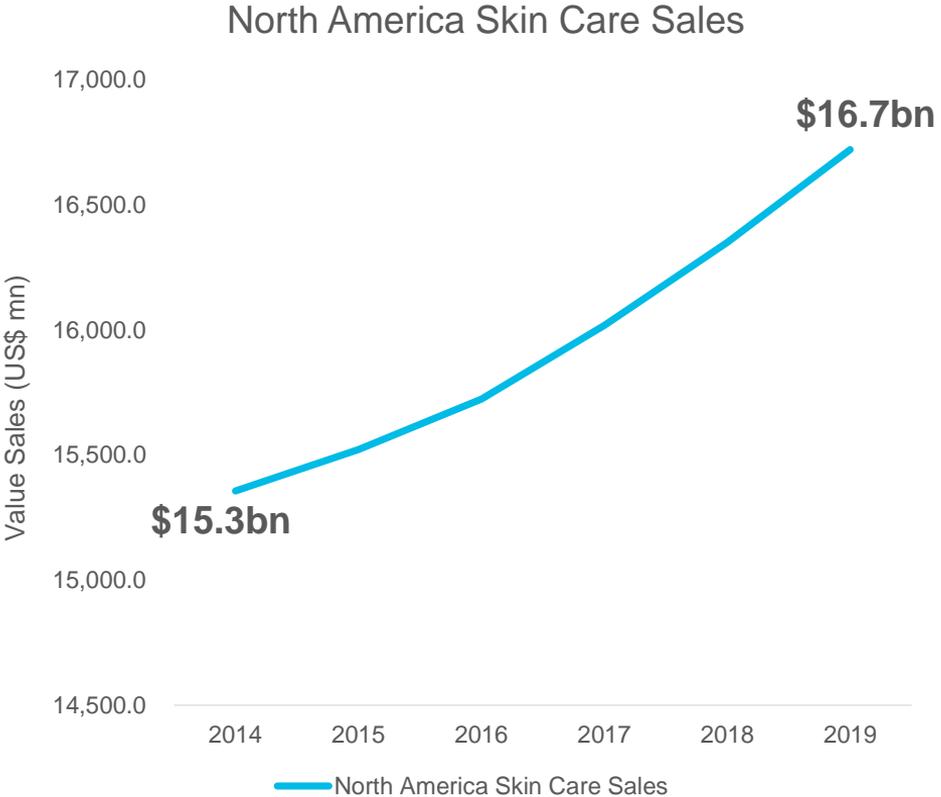


Premium market will be \$42bn globally in '19

\$20bn in total Skin Care growth

Premium global Skin Care will grow by \$6bn

NORTH AMERICAN SKIN CARE MARKET SET TO GROW BY \$1.3BN



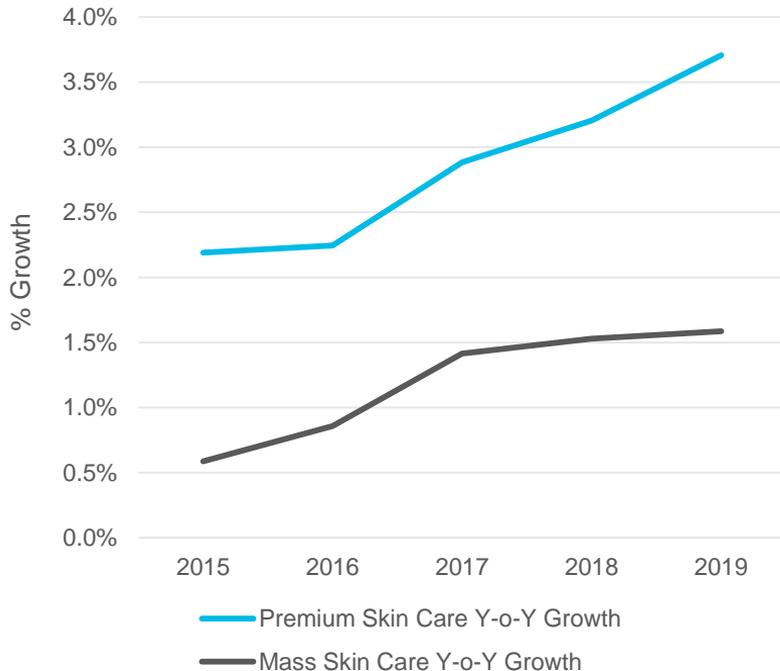
Total Growth
(2014 – 2019)

\$1.3bn

Source: Euromonitor Passport
Growth is in constant terms, excluding inflation

PREMIUM SKIN CARE WILL GROW BY \$718MN

Future Year on Year Growth -
Mass and Premium



- Not just percentage growth: \$718mn in real growth
- Premium Skin Care will make up 53% of total Skin Care gains
- Total growth in Premium Skin Care will be more than DOUBLE growth in Mass
- Premium Skin Care sales in North America will reach **\$5.5bn** by 2019

PREMIUM ANTI-AGERS ARE A WINNING CATEGORY

- The best way for beauty products to justify a price premium is through proven effectiveness
- This is especially true for anti-aging products, where results are a must – if the results are there, consumers will pay a premium

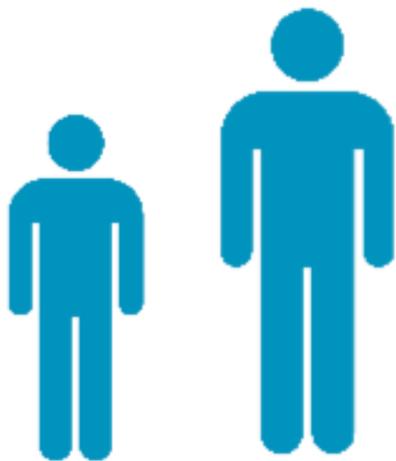


**WHO WILL BE DRIVING
THAT GROWTH?**



HIGHEST TOTAL SPEND COMES FROM MIXED HOUSEHOLDS

Millennial + Gen-X Household



Ages:
15-29

Ages:
30-59

\$798mn

MILLENNIALS ARE THE “SPARK”

- Early adopters
- Interested in new trends and products
- Excited to share new discoveries with others, strive to be the first to discover and the first to share



GEN-XERS ARE THE “FIRE”

- Entrepreneurial Spirit
- Well-Educated
- Skeptical

amazon

Google



ANTI-AGERS ARE NOT JUST FOR BABY BOOMERS

Millennials



Consumers aged 15-29 used anti-aging products daily



Consumers aged 15-29 used anti-aging products at least weekly

Generation X



Consumers aged 30-59 are using anti-aging products daily

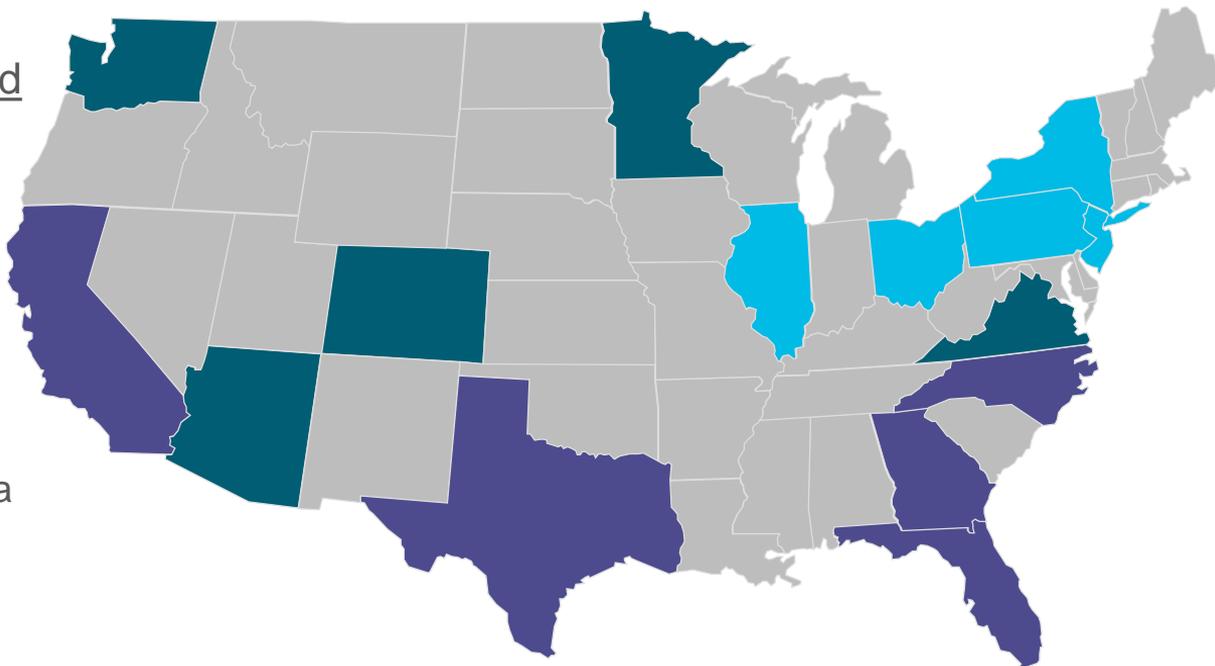


Consumers aged 30-59 are using anti-aging products at least weekly

WHERE IS THAT SPENDING TAKING PLACE IN THE US?

Top 10 in Total Skin Care Spend

1. California
2. Texas
3. New York
4. Florida
5. Illinois
6. Pennsylvania
7. Ohio
8. New Jersey
9. North Carolina
10. Georgia



Top 10 Fastest Growing

1. Arizona
2. Texas
3. Georgia
4. Washington
5. Florida
6. Colorado
7. North Carolina
8. California
9. Virginia
10. Minnesota

 Top 10 in Spend

 Top 10 in Growth

 Top 10 in Growth + Spend

Source: Euromonitor Passport

WHAT ABOUT DERMATOLOGISTS?

- Spend on dermatologists in the US in 2013: **\$10.1bn**
 - 18% of clients are aged 20 – 39
 - 26% are aged 40 – 59
 - 20% is “Cosmetic Dermatology”

- Opportunity to bridge the gap and provide some of the same services at home at a fraction of the cost

FINAL THOUGHTS



- Skincare is a large, expanding market
- Anti-Aging at premium prices is driving that growth
- Efficacy and results is what sets brands apart
- **The Rodan + Fields opportunity is tremendous –
GO GET IT!**

THANK YOU

Questions?

