LEVERAGE STRATEGIC
ACQUISITION & STRATEGIC FINANCE ADVISORY

EXECUTIVE SUMMARY

Premium D2C Skincare

Acquisition & Growth Capital Overview

Prepared exclusively for prospective acquirers and capital partners.

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Company Overview

Solene Skincare Co. is a founder-led, direct-to-consumer skincare brand built around clean formulations, a disciplined product line, and a loyal, repeat-driven customer base. Since launch, the Company has scaled from a single-channel DTC business to a 24-person organization spanning marketing, creative, customer experience, supply chain, and finance — while preserving the founder's original product philosophy and brand voice.

The Company is now evaluating a transaction — an acquisition, a growth-equity investment, or a credit facility — to fund the channel and geographic expansion outlined in its five-year plan. Three transaction paths are available to the right buyer; all are supported by the companion data room, which includes the Integrated Financial Model, QoE Bridge, 5-Year Value Creation Plan, and 100-Day Post-Close Operating Plan.

Investment Highlights

Highlight	Detail
Strong, Profitable Growth	Net revenue grows from $7.8M to $26.6M over five years (~35% CAGR); EBITDA margin expands from near breakeven to 31.2%.
Expanding Gross Margins	Gross margin improves from 61.7% to 69.9% as scale, sourcing efficiencies, and channel mix shift compound over the plan period.
Exceptional Unit Economics	Blended LTV:CAC of 4.7x in Year 1 — already top-quartile for the category — improving to 7.8x by Year 5.
Lean, Scalable Infrastructure	24 FTEs operate the business today, growing only to 38 by Year 5 while revenue per FTE nearly doubles ($327K → $700K).
Self-Funding Capital Structure	A $1.2M term loan and $600K revolver finance the entire plan. Revolver fully repaid by Year 3; $9.5M cash, zero debt at exit.
Three Transaction Paths	Full/majority acquisition, growth equity, or a standalone credit facility — tailored materials available upon NDA execution.

Financial Summary

($mm unless noted)	Year 1	Year 2	Year 3	Year 4	Year 5
Net Revenue	7.8	9.7	14.5	20.0	26.6
Gross Margin (%)	61.7%	63.7%	65.8%	67.9%	69.9%
EBITDA	(0.0)	0.4	2.3	4.9	8.3
EBITDA Margin (%)	(0.6%)	4.1%	15.8%	24.4%	31.2%
Net Income	(0.3)	0.1	1.5	3.4	6.0

($mm unless noted)	Year 1	Year 2	Year 3	Year 4	Year 5
LTV:CAC (x)	4.7x	5.3x	6.1x	6.9x	7.8x
Ending Cash	0.3	0.0	1.0	4.0	9.5
Total Debt	1.25	0.98	0.62	0.30	0.0

Full monthly (Year 1) and annual (Year 1–5) detail — including the revenue build, headcount plan, debt schedule, QoE bridge, and cash flow — is available in the companion Integrated Financial Model.

Growth Strategy

The five-year plan is sequenced in three phases, each unlocking only after the prior phase proves its economics.

Years	Phase	Priority
Years 1–2	Foundation	Strengthen retention programs (email/SMS/loyalty), prove Amazon 1P/3P economics, and operationalize weekly KPI discipline. EBITDA inflects positive in Year 2.
Year 3	Expansion	Launch wholesale partnerships (Sephora/Ulta target) and the Company's first international market (Canada, Q2 Year 3). EBITDA margin inflects to 15.8%. Revolver fully repaid.
Years 4–5	Scale	Extend into adjacent SKU categories (body care, SPF) and deepen CRM/AI-driven retention from a profitable, debt-free base. UK market entry in Q1 Year 5.

Full initiative detail — including ownership, success metrics, and phase-gate governance — is set out in the companion 5-Year Value Creation Plan.

Capital Structure & Transaction Overview

The plan is financed by a $1.2 million, five-year term loan and a $600,000 revolving credit facility, both structured to be self-amortizing from operating cash flow. Under the base case, the revolving credit facility is fully repaid by Year 3; the term loan is amortized by Year 5. The Company exits Year 5 with $9.5 million of cash and no outstanding debt.

Three transaction paths are available:

Path	Overview
Full / Majority Acquisition	Strategic or financial buyer acquires a full or majority interest. Illustrative entry range: $6–12M at Year 1 scale; $21–43M at Year 3 EBITDA inflection. Founder transition structured via phased exit or earn-out.
Growth Equity	Minority or majority growth capital to back the founding team. Use of proceeds: Amazon, wholesale, and international expansion. All management remains in place.
Credit Facility (Standalone)	Debt-only structure: $1.2M term loan + $600K revolver. Self-amortizing from operating cash flow. No equity required; revolver fully repaid by Year 3 under the base case.

Quality of Earnings — Key Indicators

Indicator	Assessment
Revenue Recognition	Point of dispatch; no deferred revenue, no bill-and-hold, no subscription contracts. Chargeback rate <1.2%.
Customer Concentration	No single customer >5% of revenue. No channel >72%. No reseller concentration risk.
Repeat Revenue Quality	~30% of orders from repeat customers in Year 1; growing to ~54% by Year 5. Behavioral, but structurally recurring.
Key Normalizations	Founder salary add-back (~$60K); one-time brand photoshoot ($85K); transaction fees (~$45K). Total Y1 normalization: ~$190K.
Working Capital	Inventory turns 4.1x in Year 1, improving to 4.9x by Y5. No unusual A/R or A/P positions.
Accounting Basis	GAAP. Clean audit trail. No aggressive revenue recognition. Deferred tax assets exist but not assumed in base case.

Next Steps

#	Step	Detail
01	Execute NDA	Execute a mutual non-disclosure agreement to receive the full data room, Integrated Financial Model, and QoE package.
02	Management Meeting	60-minute call with the founder and Leverage Strategic to walk through the business, the plan, and transaction structure preferences.
03	Full Data Room	Access: Integrated Financial Model (5-year + monthly), QoE Bridge, 100-Day Plan, 5-Year Value Creation Plan, and Annual Operating Budget.
04	Indication of Interest	Non-binding IOI with headline valuation, proposed structure, and key conditions to advancing to exclusivity.
05	Exclusivity & Diligence	30–45-day exclusivity for full legal, financial, and commercial due diligence. Leverage Strategic coordinates all access.
06	LOI & Close	Execute LOI, finalize transaction documentation, and close. Target timeline: Q3 2026.

For more information, please contact

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This document is prepared by Leverage Strategic on behalf of Solene Skincare Co. is illustrative and for discussion purposes only. All figures are subject to audit and actual performance data.