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PRIVATE EQUITY PROFESSIONALS

Advent's Glynn: luxury wellness is the next frontier in consumer

Glynn will be a featured speaker at PEI Group's NEXUS 2025 summit in Orlando, 10-12 March.

As the days count down to PEI Group's NEXUS 2025 summit in Orlando, 10-12 March, we're sharing details on the programme. Among the featured speakers is Tricia Glynn, a managing partner at Advent, where she advises on buyouts and growth equity investments in the consumer sector.

Glynn joined Advent in 2016 and is based at the firm's Boston headquarters. Prior to joining Advent, Glynn worked at Bain Capital Private Equity, where she was a principal in the consumer, retail and dining sector team. Our affiliate titles PE Hub and Buyouts named Glynn in its Women in PE list in 2024.

Advent has been active in the consumer sector. In February, the firm closed its acquisition of condiments and seasoning maker Sauer Brands from Falfurrias Capital Partners. Glynn led the deal.

In 2024, the firm sold Sovos Brands to Campbell Soup Company for $2.7 billion. Also in 2024, Advent completed the sale of CRM Group, owner of Kopenhagen and Brasil Cacau, to Nestlé Brasil.

On the acquisition side in 2024, Advent invested in Brazilian hair care brand Skala Cosméticos and in Seek Pet Food.

At NEXUS, Glynn will take the stage with PE Hub editor-in-chief Mary Kathleen (MK) Flynn to discuss investing in the consumer sector. The two spoke recently to get a preview of their talk at NEXUS. Here's an excerpt from their conversation.

Advent's Glynn: there's still great luxury growth around the world

Q What's Advent's approach to investing in the consumer sector?

Consumer is a sector we've been investing in almost as long as we've been around, and the firm turned 40 years old last year. It's been a productive sector for a long time, and really well aligned to our investment mandate.

We are looking to buy businesses where we can drive growth, whether that's through transforming businesses that maybe are held by conglomerates right now and should be carved out and refocused, or it's by backing growth companies that perhaps are owned by a founder and are still earlier in their trajectory, where we can help provide scaffolding around a high-growth company to help them look around corners.

And we see those deal types around the globe in the sector. It's a particularly fun business to be in when you're working with a founder who feels so deeply about the product that they created and our diligence shows that consumers believe there's a great product market fit. It's still difficult to build a big global brand, but that is always our goal – to build brands that are going to last decades.

Q Which consumer subsectors are ripe for dealmaking these days?

Food and beverage is one of our core investment areas. We just completed the Sauer Brands deal. It's an investment in the condiments and spices market in the US, which is one of the highest growth scaled segments of food. And it's a great example of an Advent deal.

We had invested in Sovos Brands in 2016. That was a platform investment under the CEO Todd Lachman that invested most notably in Rao's premium pasta sauce. It made other acquisitions and ultimately became a public company, and then the public company was sold to Campbell's in March 2024.

Sauer Brands is one of many food brands we looked at last year in partnership with Todd. And Todd is now the chair of the board of directors of Sauer Brands.

It's a great platform of assets already, and we'll look to both do more M&A over time, but also it's a great profitable core business where the brands have tremendous growth ahead of them. In some cases, they're more regional in nature today, and they have potential to be national. And in other cases, there's just good go-to-market sales and marketing investment that these brands will benefit from.

Q What's driving growth in condiments?

For one, it's the evolving American palate towards flavour and differences of flavour. You've seen that evolution over quite a long period of time – this ability to both customise your food through spreads and sauces, but also there are changing spice profiles. You see that on both sides of this business, the condiments business and the spice business itself.

Q What other consumer subsectors are attractive now?

The beauty market has been a really active sourcing sector for us for a long time. Olaplex, Orveon, Parfums de Marly, Initio, Skala Cosméticos – those are all current investments we have, and we're actively looking to make new beauty investments.

And then there's the luxury space. The last 12 to 18 months has been a hard time for the luxury market. And we've actually made new investments in luxury. We invested in Zimmermann a little over a year ago, and our belief is that, while there is pain being felt by some large, highly reputable, incredible companies in the luxury space, the luxury consumer still has very significant disposable income to spend, and they're looking for new ways to do that. And so whether that's brands like Zimmermann that are still in growth mode or, frankly, other avenues for the luxury consumer to invest back in themselves, we believe that's a pretty healthy consumer with money to spend.

Q What's driving deals in the beauty sector?

I think beauty both at the premium end and at the mass end can be really interesting.

Beauty's driven by innovation more than anything, even more than price point or channel.

Now in the luxury segment, I think there are two major trends going on. One is the continued growth and wealth at the highest socioeconomic classes. That is a long-dated trend, and, as a global citizen, we can all have our own views about that. But it is a trend, and these highest socioeconomic consumers have growing pools of disposable income to spend. And so that's the underlying tailwind behind luxury.

Over the last few years, we've seen some companies in the luxury space struggle. And I don't think that's because the luxury consumer is struggling as much as it is those particular places to invest are not where they want to put their dollars.

I think the luxury players had significant exposure to the Chinese consumer. The Chinese consumer has pulled back from spending overall, given macroeconomic realities in China. But more than that, they've been spending more on Chinese brands as a proportion of their wallet. And so the global brand, the European-headquartered brands, have struggled more in the Chinese market and in markets around the world where Chinese consumers were travelling and spending.

For brands that do not have significant exposure to China, there's still great luxury growth around the world. We have this belief that the luxury consumer will find other pockets to invest, or to spend this money on themselves. It just may be a different place than they did two or three years ago. So does that mean that there's an opening for new players? We think so – potentially even different categories.

One thing we've always loved to invest behind is a trend towards premiumisation. So if you go back to our Lululemon investment in 2005, which is the first time we invested in Lululemon, that thesis was around the premiumisation of the athletic brand market. Consumers didn't used to spend $110 on leggings, but they're great leggings, and now that's a large market.

In the Rao's investment, we underwrote the premiumisation of the pasta sauce category. It used to cost three to four (maybe five at the high end) dollars for a jar of pasta sauce. You know, we're looking at many, many jars of pasta sauce now that are in the $10 to $12 range and are bought at really high velocities.

Our view is that luxury handbags, shoes, ready-to-wear work categories have been premiumised a long time ago. It was probably 15 years ago that the outerwear category jackets like Canada Goose really premiumised. You've seen growth in super high-end jewelry and art.

The question is: what's the next frontier? If I was betting my own capital, I would say it's luxury wellness. It's luxury wellness that we're going to find businesses growing to fulfil what that wealthy consumer wants today. Those businesses are a lot smaller than we invest in today, but we're keeping a close eye on it.

Q What are some examples of luxury wellness companies today?

Right now these businesses are quite small – they're spa and beauty services, medical concierge services, really high-end medical support.

You're seeing trends towards birthing centres in some parts of Asia that are really beautiful stays for a postpartum mother – that take care of a mother and child's needs in a high-end setting for a number of days post-birth.

All of these ideas are still small in absolute dollars of total enterprise value today, but it feels like the intersection of both this socioeconomic trend we've been talking about, but also a huge focus on wellness and ageing that you're seeing across the world.

Q How do you expect the new administration's tariff strategy, which has started to emerge, to affect

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deals in the consumer sector?

Despite the volume of attention that tariffs have been receiving over the last several weeks, it's still very much up in the air in terms of where will we ultimately net out. That being said, as investors and partners, it's our responsibility to plan for a variety of market and geopolitical issues to ensure our global portfolio is positioned to weather potential disruptions.

The situation is quite fluid and will likely continue to evolve in the near term, but if tariffs are increased at any level close to what is being contemplated, prices will in fact go up. Depending on the sector and product, it's safe to assume that consumers are going to pull back on spending, some more than others. For companies with notable supply chain impacts and exposures related to these tariff regimes, dealmaking will almost certainly need to pause, or at the very least, be re-evaluated when we know more.

Q You serve on Advent's Diversity Equity and Inclusion Committee. How is Advent viewing DE&I now, when some companies are retreating from it?

When we began our efforts in this area, they were for multiple reasons. But the two most important were that, first, we felt being a talent magnet in the field, a place where people want to come build their careers, was the way we actually drove the best returns. And the second reason we did it is because it is clear looking across the industry that the entry level of our firms has a different make-up of people than at the top of the firms.

And so in our firm and industry more broadly, there historically hasn't been the most thoughtful systems in place to figure out where talent is, who should be driving that next leadership decision or investment. We felt like there was a huge opportunity to do things better in how we staff people and how we promote people and how we attract people to the firm.

Our work is about making our firm better at developing and retaining and attracting talent. And that's critical to what we do everyday. And that's what we're trying to do. It's be the best we can at human capital.

Fundamentally, at the end of the day, our people have always been an absolute foundation of what we care about, what we do and what we think drives the firm's success. And so going backwards on how we support those people is not in our plans. ■

Glynn will be a featured speaker at PEI Group's upcoming NEXUS 2025 conference in Orlando, 10-12 March. NEXUS will feature an extensive line-up of GPs, LPs and content.