

NBTY Europe

NBTY Europe was founded in 1970 and is a manufacturer, distributor and retailer of vitamins and minerals, nutritional supplements, diet aids and sports drinks. Following a rapid period of growth after Carlyle's investment in 2010, NBTY Europe is now known for its high street European retail brands: Holland & Barrett, GNC, De Tuinen and Essenza.

In 2010, the Carlyle Group invested in NBTY

- Since Carlyle's investment, NBTY has expanded its portfolio of stores from 600 to 1,034 and has **doubled employment to over 6,200**.
- International expansion has driven growth since 2010, with over 50 Holland & Barrett stores in Ireland, 160 De Tuinen stores in the Netherlands, 15 Essenza stores in Belgium and 91 franchises worldwide, everywhere from China to Spain.

Investing in people:

- Carlyle has taken a close interest in developing the management team, blending an experienced CEO with **new talent to drive new channels** in key areas such as customer insights and online sales.

Investing in infrastructure:

- Carlyle has enabled the business to move to a sourcing and production unit in Burton on Trent, UK.
- Investing £26m in a new EPOS system and Omni-channel capability.

Benefiting a broader community of stakeholders:

- A **focused and responsible environmental, social and corporate strategy**, including the elimination of plastic bags and introduction of paraben-free cosmetics and toiletries.
- Tailoring products to benefit consumers with special dietary needs, including diabetics, coeliacs, vegans, etc.

Interview with Chris Keen, CFO NBTY Europe

Were you a significant exporter before the Carlyle investment?

While we had an existing presence in our European markets, it was seriously underdeveloped. Carlyle's investment provided us with the opportunity to accelerate our European business plans, both in store acquisitions and on the web. Most recently, Carlyle enabled us to invest in opening up a new territory in Belgium, in which we have already started to open new stores and are developing a web capability. The successful international franchise business has also grown from concept to just under 100 stores under Carlyle. It's really the influence of Carlyle that has helped us to spend the money in the right places and make us a much more multi-channel business.

In terms of board composition, has the board or senior management team changed at all since private equity ownership and have you gained any additional skills as a result?

We're quite lucky because we've got a CEO who knows the business backwards and forwards. It's all about getting key people in

the right roles and trying to do everything in a collaborative way. At the end of the day it's about what is best for the team, and Carlyle has been very supportive of that.

In addition to growing the base in Belgium, Ireland and the Netherlands, are you looking at other countries within Europe for store expansion?

We think that in very short order we can grow in all of our markets. It's a case of taking it country by country. When we bought Essenza just over a year ago, we delivered everything that we said we would on the investment plan. So it's about balancing fast pace and making smart, well-assessed decisions when expanding into new countries.

Do you believe private equity ownership has actively accelerated the business?

Absolutely. Carlyle has been insistent on thinking beyond both the UK and the stores across the channel. Web sales have also been one of the fastest expanding areas of our business, and we're increasingly seeing this as a route to export. Since Carlyle ownership, we've doubled employment and the number of sites in the business to over 6,200 employees. Compound annual growth is now in the double digits, with 26 quarters of quarterly growth.



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NBTY Europe