

Hi!Papa Completes Series A+ Fundraise Led by L Catterton

*Poised for further growth in China's fast-expanding personal care for kids market
as it continues to scale on the back of secular tailwinds*

Guangzhou, December 20, 2023 – Hi!Papa, a rapidly-growing personal care company focused on 3- to 12-year-old children in China, today announced that it has completed a Series A+ fundraise led by L Catterton, a leading global consumer-focused investment firm. The transaction positions Hi!Papa to further scale in the country's fast-expanding personal care for kids market.

Propelled by secular tailwinds such as young mums' increasing application of their personal care habits to their children, the market has been growing approximately 12% annually over the past four years and is expected to reach RMB 52 billion in 2026. Expanding at around 38% annually over the same period, the masstige segment in which Hi!Papa operates is driving most of this growth.

Consumers are also increasingly purchasing domestic brands instead of international ones as the market further evolves, with local players gaining a larger share of the pie, in line with the way the industry has matured in other geographies such as Japan, South Korea, and the US.

Having a customer-centric iterative research and development process, Hi!Papa has built a portfolio of highly-acclaimed products including sunscreens, as well as face cleansers and creams. These are progressively developed based on insights and feedback the company gathers from a group of around 200,000 consumers before official launches. Bearing testament to the quality of its products, customers rank the brand ahead of others when evaluating them based on key purchase considerations such as ingredient safety, product efficacy, and texture.

Coupled with having an omnichannel presence and well-targeted marketing campaigns, Hi!Papa's portfolio of stellar products has enabled it to grow swiftly. Its products have best-in-class conversion and repurchase rates, and its customers are avid advocates of the brand. Accordingly, its products are consistently top sellers on online platforms such as Douyin and Tmall, and are gaining traction offline across the country as well. Attesting to the robust fundamentals that underpin the rising demand for its products which persists through macroeconomic cycles, its revenue and profit have not only both increased several fold over the past few years, but also doubled over the past 12 months.

"Hi!Papa is committed to providing school-age kids in China with safe, gentle, and effective skincare solutions that meet their unique needs," commented Hi!Papa founder and CEO Jiangsheng Xuyu. "There are many water-centric skincare products for babies and toddlers, as well as many anti-acne ones targeted at adolescents, but almost none specially formulated for children aged 3 to 12. We have made significant headway since our establishment just four years ago and are excited about the road ahead as we leverage L Catterton's operating capabilities to continue building our brand, broadening our product suite, and augmenting our distribution network."

Scott Chen, a managing partner in the RMB fund of L Catterton, added, “Having made more than 30 investments in the global personal care space, we have seen demand for products which specially meet children’s skincare needs arise in other markets as they mature, and are not surprised that this arc is now unfolding in China too. Hi!Papa has likewise identified this market opportunity and methodically developed products that resonate with its target consumers, enabling it to not only capture white space, but also engender strong brand equity and win long-term customer loyalty. Its many achievements since its founding have been remarkable and we believe that it is poised for further success.”

L Catterton has extensive experience building personal care and children-focused brands across the world. Current and past investments in these sectors include Elemis, ETVOS, Function of Beauty, The Honest Company, Irene Forte Skincare, Oddity (the parent company of Il Makiage), TULA, Hanna Andersson, Plum Organics, and Zarbee’s Naturals.

About L Catterton

L Catterton is a market-leading consumer-focused investment firm, managing approximately \$34 billion of equity capital across three multi-product platforms: private equity, credit, and real estate. Leveraging deep category insight, operational excellence, and a broad network of strategic relationships, L Catterton’s team of more than 200 investment and operating professionals across 17 offices partners with management teams to drive differentiated value creation across its portfolio. Founded in 1989, the firm has made around 275 investments in some of the world’s most iconic consumer brands. For more information about L Catterton, please visit www.lcatterton.com.

About Hi!Papa

Hi!Papa is a personal care company founded in China in 2019 with a focus on meeting the skincare needs of school-age children in the country. Committed to providing these children with safe, gentle, and efficacious personal care solutions, it develops its products via an iterative process involving not only its in-house team of researchers, but also partner universities and laboratories, taking consumers’ input and feedback into account. The company’s portfolio of highly-acclaimed products which have won multiple industry awards includes its flagship sunscreen, hydrating mists, as well as face cleansers, lotions, creams, balms, and masks. For more information about Hi!Papa, please visit www.haiguibaba.com.

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