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INDUSTRY NEWS | NORTH AMERICA , CONSUMER GOODS TOP NEWS

Consumer Industry Executives Form Prelude Growth Partners



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By Jaewon Kang

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Two veterans of the consumer industry are joining forces to launch Prelude Growth Partners.

Former L Catterton partner Neda Daneshzadeh and Alicia Sontag, previously of Johnson & Johnson, founded the growth-equity firm focused on fast-growing consumer brands.

New York-based Prelude will make investments of \$3 million to \$10 million in companies generating revenue of \$3 million to \$20 million, said a person familiar with the matter.

Prelude, which is in the process of raising its debut fund, will specialize across the consumer sector—including the beauty and personal-care, food-and-beverage, baby, pets and health-and-wellness categories.

The firm hopes to capture growth opportunities among brands across the sector that is undergoing a transformative evolution, the person said.

Millennial shoppers largely are shaping consumer demand and preferences, paving the road for the birth and expansion of mission-driven, transparent brands. At the same time, the emergence of new distribution channels is allowing businesses to build scale more quickly.

Hungry for growth, investors and strategic acquirers are actively searching the consumer sector for their next deals.

Financial sponsors have announced \$19.88 billion of consumer transactions in the U.S. so far this year, outpacing \$5.37 billion for 2016, according to research provider Dealogic Ltd. Meanwhile, strategic buyers announced \$10.59 billion of deals so far in 2017, compared with \$11.22 billion last year.

The industry continues to be competitive, as buyout firms and consumer product giants increasingly head to the lower end of the market to capitalize on growth potential of

businesses early on in their life-cycle.

Ms. Daneschzadeh first crossed paths with Ms. Sontag nearly 20 years ago at Harvard Business School before working together at McKinsey & Co.

Prelude has established a group of operating advisers, including Maureen Chiquet and Laura Lang, according to a news release. Ms. Chiquet formerly was the global chief executive of Chanel SA. Ms. Lang previously led Time Inc. and brand agency Digitas.

Corrections & Amplifications

Prelude targets companies with annual revenue of \$3 million to \$20 million. An earlier version of this article incorrectly stated that the revenue range was \$30 million to \$200 million. (Nov. 1, 2017)

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