

Behind the Label, Ahead of the Curve: Korea's Beauty Manufacturers

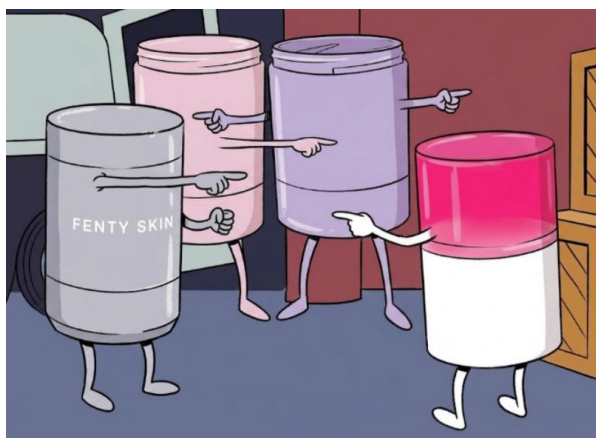
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In September 2026, Fenty Skin, Glow Recipe, and Huda Beauty attracted attention for hydrogel eye patches in strikingly similar twist-and-slice packaging. Korean brand Wonder Bath had introduced a comparable format earlier that summer. Each offered consumers a fresh slice of skincare—and prompted the same question: who was copying whom?

The formulas differed, and similar packaging did not establish a common product manufacturer. But the episode exposed something more interesting than a packaging dispute: [the distance between the name on a beauty product and the businesses responsible for bringing it to life.](#)



(Fenty Skin joined the conversation with a recreation of the Spider-Man pointing meme)

Consumers know the founder, follow the campaign, and recognize the logo. Far fewer know the companies developing the textures, engineering the dispensers, or turning a promising formulation into millions of consistent, shelf-ready products. Those businesses rarely get a celebrity launch party. [Increasingly, they deserve investors' attention.](#)

[Korea's beauty OEMs and ODMs sit at the center of this story.](#) Their capabilities allow a brand to arrive with an audience and an idea, then build a product range without owning a laboratory or factory. As Korean indie brands expand internationally and overseas brands tap the same development ecosystem, [manufacturers can participate in growth across multiple labels.](#)

For investors, that creates an intriguing proposition: [a beauty business whose next growth opportunity could carry any number of names.](#)

Is Your Favorite Beauty Brand Made in Korea?

Long before “K-beauty” became a global selling point, major Western beauty groups were already sourcing Korean expertise behind the scenes. L’Oréal began working with Cosmax in 2004, while Lancôme and YSL were customers by the mid-2010s. Publicly documented customers of Korean ODMs also include Chanel, Estée Lauder, Dior Beauty, and Tarte. The attraction was commercial as well as technical: formulation expertise, responsive development, and efficient production helped brands introduce new textures and formats, including cushion foundations. Consumers recognized the Western label; the Korean capabilities behind selected products attracted considerably less attention.

What has broadened in recent years is the customer base. Alongside established beauty groups, celebrity and creator-founded brands are turning to Korea for development and manufacturing. Selena Gomez’s Rare Beauty approached C&C International ahead of its 2020 launch. Olivia Jade worked with a Korean manufacturer to develop o.piccola’s Bronze & Glow Balm. Teni Panosian’s Monday Born produces in Korea, while Allie Glines’s Ravie Beauty selected a Korean laboratory for its Dream Barrier Cream. Joanne Molinaro’s Korean Vegan Beauty and Shay Mitchell’s co-founded Rini also manufacture in Korea.

These founders bring audiences, consumer insight, and product ambitions. Korean partners contribute the development expertise and production infrastructure to turn those ambitions into finished products, from refining textures and formulations to delivering consistent quality at commercial scale.

The widening customer base reflects K-beauty’s growing reputation and the proliferation of independent beauty businesses. Consumer recognition of Korean skincare strengthens the appeal of its development ecosystem, while digital distribution and creator audiences open more routes to market. For investors in Korean OEMs and ODMs, the opportunity draws on two complementary sources of demand: Korean brands expanding internationally and overseas brands seeking Korean expertise.

How Korea Built a Global Beauty Engine

Korea's beauty manufacturers have spent years perfecting a business model that lets someone else take the credit.

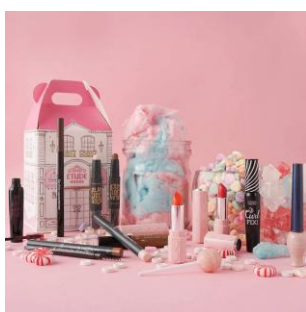
Their contribution extends well beyond filling bottles. An original equipment manufacturer, or OEM, produces to a customer's specifications. An original development manufacturer, or ODM, also contributes formulation and product development. [For a young beauty business, an ODM can provide access to capabilities that would otherwise require substantial investment in laboratories, technical staff, and production facilities.](#) The brand brings its understanding of the customer; the manufacturer helps turn that insight into a product that can be made consistently and at scale.

That division of labor became increasingly valuable as K-beauty's international expansion changed shape.

[The first, roughly 2012–2017, centered on China. Major Korean beauty groups such as Amorepacific and LG H&H benefited from growing consumer interest, Korean cultural influence, and expanding distribution through branded stores, department stores, and duty-free counters.](#)



(During 2012–2017, affordable brands such as Innisfree and Etude House brought Korean skincare and playful makeup to younger shoppers)



(Sulwhasoo and Whoo attracted consumers with premium skincare and traditional Korean heritage)



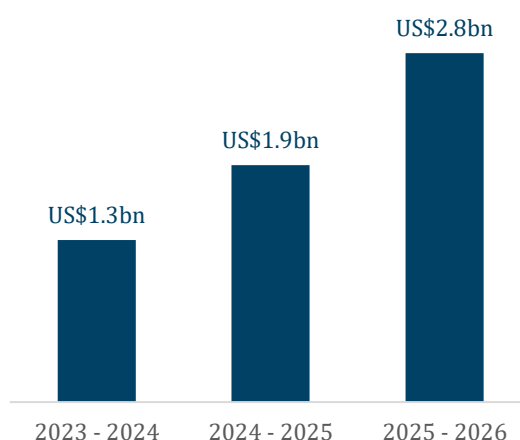
Chinese shoppers also purchased while traveling, giving Korean beauty companies a lucrative route to consumers beyond their mainland store networks. [Duty-free accounted for around 20% of Amorepacific's consolidated revenue in 2015–2016 and 32% of LG H&H's cosmetics revenue in 2016.](#) Those figures illustrate how closely the industry's fortunes had become tied to tourism and a concentrated set of sales channels.

[Behind that commercial expansion, manufacturers were broadening their technical capabilities.](#) C&C International expanded from its roots in cosmetic pencils into lip products in 2013, developing lipsticks and lip tints for a wider customer base. Cushion foundations created another development opportunity: formulas needed to work with sponge-and-compact delivery systems while maintaining texture, coverage, and stability. Cosmax's manufacturing of Lancôme's cushion product, commissioned ahead of its 2015 launch, demonstrated how Korean expertise could serve international brands.

As Korean brands demonstrated their commercial potential, international investors sought a stake in their growth. Estée Lauder invested in Dr.Jart+ owner Have & Be in 2015. Bain Capital and Goldman Sachs acquired control of AHC owner Carver Korea in 2016, followed by Unilever’s EUR2.27bn acquisition in 2017. The manufacturing ecosystem attracted strategic interest too. In 2015, Italy’s Intercos and Shinsegae International established a Korean ODM joint venture, combining development and manufacturing expertise with a local commercial partner. The investment highlighted another source of value: Korea’s ability to develop and produce products for an expanding beauty market.

The second phase, roughly 2020–2025, built on K-beauty’s established popularity in the US and opened international growth to a wider range of competitors. American consumers had already embraced Korean skincare in the mid-2010s. During the 2020s, younger consumers in the US and Japan increasingly sought products focused on skin health, effective ingredients, and accessible prices. Amazon, social media, and direct-to-consumer channels gave Korean indie brands more ways to reach them. International expansion no longer had to begin with a department-store buyer agreeing to provide counter space.

K-beauty Sales in the US



Korea’s ODMs supplied the infrastructure behind that expansion. Brands such as COSRX, Beauty of Joseon, and Medicube focused on product concepts and consumer engagement, while manufacturers provided development expertise and production capacity. This division allowed entrepreneurs to build brands without owning laboratories or factories and manufacturers to grow across multiple customers.

Investment in proprietary technology continued. In 2023, Cosmax announced “Capsule Sun,” a sunscreen formulation using encapsulation technology without conventional emulsifiers. In 2024, it established a dedicated OTC sunscreen laboratory in Korea, strengthening its development capabilities for the US market.

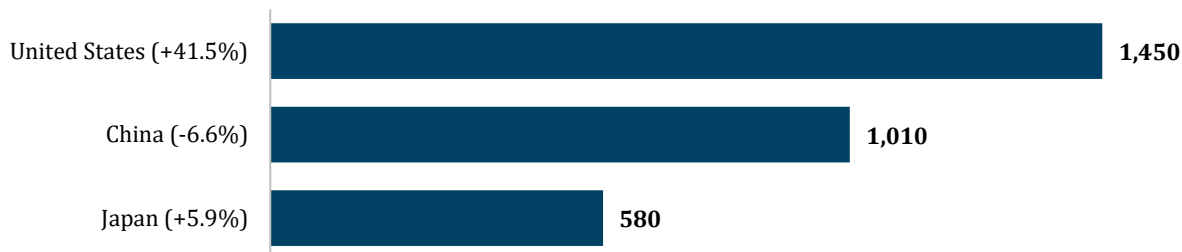
During the same period, Intercos took full ownership of its Korean joint venture in 2020 to develop an Asian innovation hub. Affirma’s 2022 acquisition of Nowcos added skincare capabilities alongside color-cosmetics specialist Hwasung, while Kolmar Korea’s acquisition of Yonwoo extended its offering into packaging.

The View from Seoul: Where Growth Is Heading

Seen from Seoul, three shifts stand out in 2026. Each changes where Korean beauty is sold, how it reaches consumers, and what customers need from their manufacturing partners.

The center of gravity has moved from China to the US and beyond. In 2017, China's restrictions on group tours to Korea following the THAAD missile-defense deployment showed how exposed an industry built around one market and one channel could be. Nearly a decade later, the mix looks very different. The US overtook China as the largest destination for Korean cosmetics in 2025. In H1 2026, exports to the US rose 41.5% to US\$1.45bn while shipments to China fell 6.6%, cutting China's share of exports to 14.4% from 19.6% a year earlier. Europe is growing from a smaller base but faster, with exports to the UK up 150.6% and to the Netherlands up 220.4%.

Korean cosmetics exports by destination, H1 2026 (US\$m; % YoY in brackets)



Tariffs are pulling capacity onshore. Korean goods entering the US have faced a 15% tariff since August 2025, and the end of the US de minimis exemption for low-value parcels on August 29, 2025 removed a cost advantage for small direct-to-consumer sellers. Larger manufacturers have responded with local production. Kolmar Korea's second US plant in Pennsylvania, fully operational since July 2025, lifted its US capacity to around 300 million units a year, while Cosmax's US subsidiary recorded its first quarterly profit in Q2 2026 on revenue growth of 79%. For brands, a manufacturer with production on both sides of the Pacific is becoming a hedge as well as a supplier.

Regulation is becoming a competitive advantage. Sunscreen, one of K-beauty's strongest categories in the US, is regulated there as an over-the-counter drug. The FDA's June 2026 approval of bemotrizinol was the first new UV filter in more than two decades, bringing the US list to 17 active ingredients against more than 30 in the EU, and many Korean sunscreens rely on filters not approved in the US. Those products must be reformulated and made in OTC-registered facilities before they reach US shelves. In Europe, the Packaging and Packaging Waste Regulation, applicable from August 12, 2026, adds requirements on packaging materials and supplier documentation. Manufacturers that can carry a formula through these regimes save their customers time and become harder to replace.

Korea's Formula for Beauty Returns

Korea's beauty OEMs and ODMs give investors [exposure to the growth of multiple brands through a single manufacturing platform](#). As customers expand internationally, enter mainstream retail channels, and broaden their product ranges, manufacturers can capture both higher production volumes and additional demand for formulation and product development. The investment case rests on [how much of that growth converts into sustainable earnings and cash flow](#).

The public-company comparables show an overall median valuation of 8.7x LTM EBITDA, with Korean peers trading at a median of 10.9x versus 7.6x for international peers. This difference provides a starting point for assessing market expectations, but the table alone does not explain the premium. Buyers need to assess whether each company's customer relationships, technical capabilities, and capacity to scale support its valuation. Acquisition pricing must also reflect control, achievable synergies, and the investment required after closing.

Trading comparable analysis – beauty ODMs

Trading comparable analysis - Beauty ODMs			EV (US\$m)	Mkt. Cap. (US\$m)	EV/Rev. LTM	EV/EBITDA LTM	LTM margins	
Company		Business description					GP	EBITDA
Korea								
 COSMAX	Cosmax	Cosmetics ODM	2,883	2,320	1.4x	10.9x	16.9%	13.3%
 COSMECCA	Cosmecca Korea	Cosmetics ODM	1,126	1,021	1.9x	11.7x	23.7%	16.6%
 C&C INTERNATIONAL	C&C International	Color cosmetics ODM	135	220	0.6x	11.3x	11.9%	5.4%
 Hankook Cosmetics Manufacturing Co., Ltd. (주)한국화장품제조	Hankook Cosmetics Manufacturing	Skincare-focused ODM	172	216	1.1x	5.2x	26.4%	20.5%
 GENIC	Genic	Mask and skincare ODM	143	142	1.7x	8.7x	24.4%	19.2%
 BONE BEAUTY EXPLORER	Bonne	Cosmetics ODM	35	29	1.1x	nm	40.8%	-34.8%
Median					1.3x	10.9x	24.0%	15.0%
Mean					1.3x	9.5x	24.0%	6.7%
40 th percentile					1.1x	10.0x	23.7%	13.3%
60 th percentile					1.4x	11.0x	24.4%	16.6%
Global								
 intercos GROUP	Intercos	Color cosmetics & skincare ODM	1,530	1,395	1.3x	9.7x	20.9%	13.3%
 S&J INTERNATIONAL	S & J International	Cosmetics ODM	119	130	0.6x	6.9x	29.4%	8.7%
 SHOBIDO	SHOBIDO	Cosmetics & beauty product ODM / distributor	85	78	0.6x	6.0x	33.8%	9.8%
 SNIPS	Specialty Natural Products	Natural and herbal cosmetics ODM	40	52	2.5x	8.4x	40.5%	29.5%
Median					0.9x	7.6x	31.6%	11.6%
Mean					1.2x	7.7x	31.1%	15.3%
40 th percentile					0.7x	7.2x	30.3%	10.5%
60 th percentile					1.2x	8.1x	32.9%	12.6%
Total median					1.2x	8.7x	25.4%	13.3%
Total mean					1.3x	8.7x	26.9%	10.2%
Total 40 th percentile					1.1x	8.5x	24.1%	11.9%
Total 60 th percentile					1.3x	9.5x	27.6%	14.6%

The next opportunity is to help Korean manufacturers build on what made them valuable in the first place. A specialist in lip products may have room to develop a broader color-cosmetics offering. A skincare manufacturer may need sun-care expertise to follow its customers into their next category. A supplier with strong Korean brand relationships may have the technical capabilities to serve international customers, but lack the commercial network to reach them.

Recent transactions illustrate these opportunities. Affirma's investment in Nowcos complemented the color-cosmetics capabilities of its existing Hwasung business with skincare development and manufacturing. Kolmar Korea's acquisition of Yonwoo brought packaging expertise alongside formulation and production. Intercos's full ownership of its Korean operation connected local development capabilities more closely with an international customer network. The common thread is acquiring expertise and finding more ways to put it to work.

These combinations respond to how beauty brands are growing. A customer that starts with a successful serum may next want sunscreen, a scalp treatment, or a product developed for a new market. Manufacturers that can support those ambitions have more opportunities to remain involved as the business expands. Offering formulation, packaging, and production together can also simplify development for founders managing several launches with small teams.

Expansion must preserve the qualities that won the customer in the first place. Adding categories requires credible technical capabilities; winning overseas business requires local customer knowledge and service. Acquisitions can accelerate both, but integrating laboratories, production teams, and customer relationships takes care. A broader offering has value when it makes a manufacturer more useful to its customers.

Korean beauty manufacturing offers investors several distinct opportunities: backing a specialist, building a broader development and manufacturing business, or connecting Korean expertise with international demand. The strongest investment cases will be specific about which capabilities matter, who needs them, and how the business can serve those customers better.

Questions we ask when assessing a Korean ODM

1. Who owns the formulas? Formulation know-how often stays with the manufacturer. Confirm IP and transfer terms in customer contracts.

3. Is capacity in the right formats? Utilization and lead times on scarce lines, such as hydrogel or OTC sunscreen, matter more than headline capacity.

5. How is working capital managed? Fast-growing small brands can stretch receivables and leave inventory risk with the supplier.

2. How durable is the customer book? Indie brands rise and fade quickly. Test retention by customer cohort and the share of the top five.

4. Is it ready for export regulation? FDA facility registration and MoCRA listings, OTC licensing, and EU and China product filings.

6. What is the owner's horizon? Many founders are planning succession, and Korea's 50% top inheritance tax rate often shapes deal timing and structure.

BDA is Here to Help

Beauty brands command consumer attention. The manufacturers behind them deserve a closer look from investors. As this report explores, Korean OEMs and ODMs serve both internationally expanding Korean brands and overseas businesses seeking Korean expertise. [Investing in this ecosystem requires an understanding of both beauty's changing consumer landscape and the development and manufacturing capabilities supporting it.](#)

[BDA brings consumer-sector and industrials expertise to that intersection.](#) Understanding a manufacturer's opportunity means looking beyond its customer list to the capabilities those customers rely on, its position within the supply chain, and the commercial opportunities a new partner could help unlock. That perspective helps connect a company's technical strengths with a clear acquisition or investment rationale.

With a presence in Korea and teams across Asia, Europe, and North America, [BDA combines local market knowledge with international buyer and investor access.](#) We advise business owners considering a sale or capital raise and support investors and strategic buyers in identifying targets, approaching potential partners, and executing transactions across borders.

[BDA has advised in this space before.](#) In 2019, BDA acted as exclusive financial adviser to the founder of Hwasung Cosmetics, a color cosmetics ODM and one of the world's leading eyebrow-product manufacturers, on the sale of a controlling stake to Affirma Capital. Seven years later, having rolled up into skincare ODM under Affirma's ownership, the business is changing hands again, with Macquarie PE agreeing in September 2026 to acquire the combined platform. Founder sale, sponsor-led buy-and-build expansion, secondary sale: the sequence shows how a specialist's capabilities can be built into a broader platform, and how much the choice of partner at each stage shapes the value created.

For those looking to invest in the businesses behind global beauty or find the right partner for their next chapter, [BDA is here to help turn that ambition into a transaction.](#)

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