

BEAUTY

Makeup by Mario Secures Minority Investment at \$200 Million Valuation

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By **PRIYA RAO**

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Makeup artist Mario Dedivanovic's beauty line Makeup by Mario has received a \$40 million minority investment from private equity firms Provenance and Silas Capital, valuing the brand at over \$200 million. Threadstone Capital advised on the investment.

Dedivanovic, a former Sephora cast member known for his sell-out masterclasses, launched his namesake makeup brand as a North American Sephora exclusive in October 2020, the most challenging time for colour cosmetics in recent history. Despite the environment, since then, Makeup by Mario has doubled sales each year and is expected to do \$100 million in revenue in 2023, people familiar with the matter told BoF. It has not signed on additional retail partners, but will be expanding to 13 more countries across continental Europe and Asia via Sephora International in the coming months.

“That we have been self-funded until this point is miraculous,” said Dedivanovic. “We didn’t have the resources before, but now we can realise my fullest vision of this brand.”

Dedivanovic has strong name recognition and proximity to celebrity — he has been creating Kim Kardashian’s signature makeup looks since 2008 and has 719,000 followers on TikTok and 121,000 followers on Instagram (the brand has 12 million). But he has been intentional about framing the brand not as a celebrity or influencer line, but as an artistry brand like Nars or Bobbi Brown.

“Education, product innovation and technique are the pillars of this brand,” he said.

He has also worked to ensure the brand isn’t solely focused on beauty’s rapid trend cycle and leaned into core products. The line’s December 2022 product, SurrealSkin™ Foundation, is its latest bet. According to internal data, Makeup by Mario has sold a foundation every 10 seconds since its launch.

At a time when other **indie brands are having difficulty raising capital**, Brian Thorne, partner at Silas Capital, said Mario stands apart. “A+ assets with a strong identity and profitability will always find investment,” he said.

“Usually you see great unit economics or great performance at retail or some sort of combination of those things, but it is dependent on one or two hero products. Mario has seen broad success across the line, you could argue he has 10 heroes,” said Anthony Choe, founder and managing partner at Provenance.

Supporting both the Sephora and MakeupbyMario.com businesses will be critical to the brand’s future growth. Dedivanovic plans to hire 20 new employees with the funding, including a head of sales and expanded field team (team members who support in-store sales and operations). Until now, the brand has been operating with just two retail representatives.

Because the brand was capital efficient, Makeup by Mario has continued to beat financial targets, said Choe, but one of its biggest challenges is that the line has been sold out of inventory, both at Sephora and online.

DTC e-commerce, which accounts for 15 percent of sales, is an area that is yet to be optimised,