NBJ®

Condition Specific REPORT 2022

New Hope NETWORK

Executive overview

Top thoughts

HEAD GAMES
In 2020, we dubbed Sleep Support and Mood and Mental Health to be top "COVID-adjacent" conditions, and that pandemic boost has outlasted what we saw in other condition markets. In 2021, NBJ charted 17.5% growth for Sleep Support. In the Mood and Mental Health market, the gain was 11.5%.

PERSPECTIVE MATTERS
For 2021, NBJ estimates sales of Cold/Flu/Immunity supplements declined by 4.2%, but even with that drop in sales the market is still a whopping $2.23 billion larger than it was before the pandemic. Projections call for a return to positive growth in 2023 and the market will again approach its pandemic-glory level in total sales in 2024.

GUT CHECKED
For many years, growth in the Gastrointestinal Health supplement market was largely a matter of probiotics, the friendly microbes driving gains into the mid-teens in the early 2010s. By decade's end, however, the appeal of probiotics waned and growth followed. Now, however, with gut health linked to immunity during the pandemic and awareness rising for syn-, pre- and postbiotics, growth in the Gastrointestinal Health market is back, growing at a respectable 8.7% in 2021.

GENERALLY HEALTHY
Closely tied to "immunity" for some consumers, general health could have been a casualty of a post-pandemic drop in sales, as shoppers got their vaccines and shrugged off COVID concerns. But while the drop in sales growth was large—the market swung from 2020's 27.5% growth to 7.9% growth in 2021—it was still growth, and substantially ahead of the pre-pandemic rates.

PANDUMBIC
Working from home has a large number of benefits, but as the "Blursday" experience has proven, mental acuity may not be one of them. We saw that in Brain/Cognitive Health supplements' growth ticking up slightly in 2020 and retreating only modestly in 2021, but the long-term outlook is encouraging. Growth is expected to hit 8.1% in 2022, nearing double digits in 2024.

Drawing lines, bold and dotted

There will be a time, we are sure, when supplement industry sales trends will not need to be viewed through a pandemic-tinted lens, when we won't be drawing bold or dotted lines from headlines about variants and vaccines to sales of supplements marketed by condition.

But that day isn't here yet. The last two-plus years may feel like decades, but 2020 was not all that long ago, and the sales figures we are looking at for 2021 include some of the darkest days of the pandemic. After all, more Americans died of COVID in 2021 than in 2020. And so those lines, dotted and bold, are still there.

We see them most clearly, of course, in Cold/Flu/Immunity, the market most profoundly transformed by the pandemic. In 2020, sales of Cold/Flu/Immunity supplements boomed on 72.3% growth, a jump in sales of nearly $2.5 billion. That was never going to last, of course, and sales growth dropped precipitously in 2021, declining by 4.2%. Still, the market is now $2.23 billion larger than it was pre-pandemic.

But not all lines are so easy to trace. General Health would seem the condition most closely tied to immunity in the minds of consumers who rightly believe that being healthy is the first step to *staying* healthy. A correction was expected here, but it did not come close to matching the Cold/Flu/Immunity plunge, dropping from 27.5% growth to 7.9%, still well ahead of pre-pandemic growth in 2019, and that in a market more than $1 billion larger.

Headlines to trend lines that remain highlighted in bold can be drawn in both Mood and Mental Health and Sleep Support. Supplements for healthy sleep saw sales growth at 17.5% in 2021, down from the 36.6% in 2020, but still a $192 million gain in a market now sized at $1.29 billion. For Mood and Mental Health, the gain was smaller at 11.5%, but that still adds up in a market that ended the year at $1.29 billion.

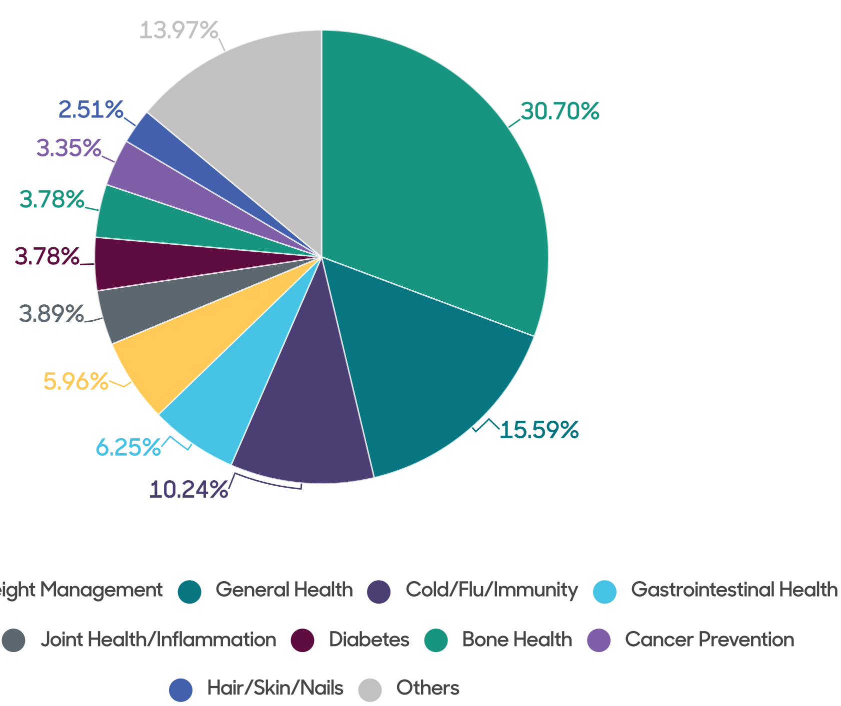
Sports/Energy/Weight Management is another of the more easily traced lines. Growth dropped in the worst of the pandemic, though modestly, from 6.0% in 2019 to 5.3% in 2020, and the rebound appears more robust than projected a year ago. In 2021, growth rose to 9.1%.

Charting the line between Liver Health/Detox supplements and the pandemic's evolution seems as depressing as it is obvious. Whether the drive was to detox from the known spike in alcohol consumption, the virus itself or the vaccines, Liver Health grew, moving from 2.3% growth in 2019 to 5.6% growth in 2020 before retreating to 3.7% in 2021.

After that, the lines are more difficult to draw between supplement sales and a pandemic that's worn through whatever patience Americans ever had for taking precautions. Eye Health, for instance, seems barely impacted by all those endless Zoom calls, despite robust education about how blue light from screens harms our eyes. Sales growth for Eye Health was 14.3% in 2019, notching up just slightly to 14.6% in 2021, before dropping markedly to 8.7% in 2021.

But do the Zoom calls and all those the unforgiving closeups explain a sales growth trajectory for Hair/Skin/Nails that went

Market share of top conditions, 2021



Source: *Nutrition Business Journal*

from 1.5% in 2019 to 4.2% in 2020 to 9.5% in 2021? At some point, drawing a schematic to connect every condition to some perceived pandemic impact becomes something of a board game, but finding patterns in sales data is how companies are built. If anything, the effect of the pandemic on the mix of intersecting sales growth trajectories is a learning exercise that could have value far beyond whatever happens with the next variant. Some of the habits created during the pandemic—not just Zoom calls—will persist, and new habits create new needs.

Smart companies will be looking for those patterns, those connections. The *NBJ Condition Specific Report* does not attempt to trace every line from condition to condition, from headline to virtual shopping cart, but we do supply the data that makes it easier for those connections to be discovered. With 150 charts, 18,000 words of commentary, scores of role-specific "action items," more than 60 market manifestations and 32 company profiles revealing what the smartest brands are doing, this report provides the tools to make sense of what those connections can be.

We don't draw all the lines, but we make them easier to seek and easier to discover.

Supplement sales by condition, 2017-2021

	2017	2018	2019	2020	2021
General Health	2,719	2,861	3,028	3,860	4,164
Women's General Health	1,699	1,774	1,858	2,142	2,327
Men's General Health	1,065	1,097	1,140	1,342	1,465
Children's Health	439	464	488	555	658
Prenatal/Postnatal Health	698	717	719	699	734
Cold/Flu/Immunity	2,953	3,174	3,432	5,911	5,662
Sports/Energy/Weight Management	12,971	12,972	14,763	15,551	16,965
Brain/Cognitive Health	859	911	967	1,028	1,086
Sleep Support	600	688	804	1,098	1,291
Mental Health/Mood and Stress	677	801	893	1,156	1,289
Menopause	858	882	951	904	917
Heart Health	2,641	2,776	2,930	3,115	3,242
Joint Health/Inflammation	1,904	1,989	2,037	2,047	2,149
Sexual Health	779	866	943	964	1,024
Bone Health	1,956	1,984	2,008	2,010	2,090
Gastrointestinal Health	2,688	2,901	2,990	3,184	3,461
Diabetes	1,643	1,644	1,788	1,929	2,087
Eye Health	637	694	793	909	988
Hair/Skin/Nails	1,139	1,195	1,213	1,264	1,385
Cancer Prevention	1,512	1,513	1,594	1,691	1,852
Liver Health/Detox	138	144	147	156	161
Healthy Aging	503	529	551	600	651
Sum of Top 22 Conditions	41,077	42,093	45,660	52,111	55,722

Source: *Nutrition Business Journal* ($mil, consumer sales)

Supplement sales by condition, 2022e-2025e

	2022e	2023e	2024e	2025e
General Health	4,440	4,565	4,665	4,781
Women's General Health	2,444	2,503	2,607	2,705
Men's General Health	1,549	1,608	1,691	1,771
Children's Health	677	691	708	723
Prenatal/Postnatal Health	746	758	772	785
Cold/Flu/Immunity	5,473	5,485	5,876	6,264
Sports/Energy/Weight Management	17,986	19,176	19,740	20,818
Brain/Cognitive Health	1,174	1,268	1,393	1,524
Sleep Support	1,350	1,415	1,503	1,590
Mental Health/Mood and Stress	1,374	1,511	1,642	1,778
Menopause	931	949	979	1,007
Heart Health	3,353	3,454	3,527	3,597
Joint Health/Inflammation	2,215	2,316	2,446	2,577
Sexual Health	1,094	1,162	1,245	1,325
Bone Health	2,118	2,142	2,162	2,182
Gastrointestinal Health	3,629	3,812	3,997	4,172
Diabetes	2,199	2,322	2,425	2,569
Eye Health	1,019	1,065	1,117	1,166
Hair/Skin/Nails	1,430	1,471	1,515	1,558
Cancer Prevention	1,926	1,998	2,070	2,149
Liver Health/Detox	171	183	195	207
Healthy Aging	667	686	702	718
Sum of Top 22 Conditions	58,112	60,635	63,084	66,086

Source: *Nutrition Business Journal* ($mil, consumer sales)