SPINS®

Future of the Microbiome

Consumer Purchase Trends for Prebiotics and Probiotics in Today's Grocery Landscape

FUTURE OF THE MICROBIOME

Meet Your **Presenter**

Brandon Casteel

Vice President of Partnerships
SPINS, bcasteel@spins.com

Full Market Visibility with SPINS Retail Measurement

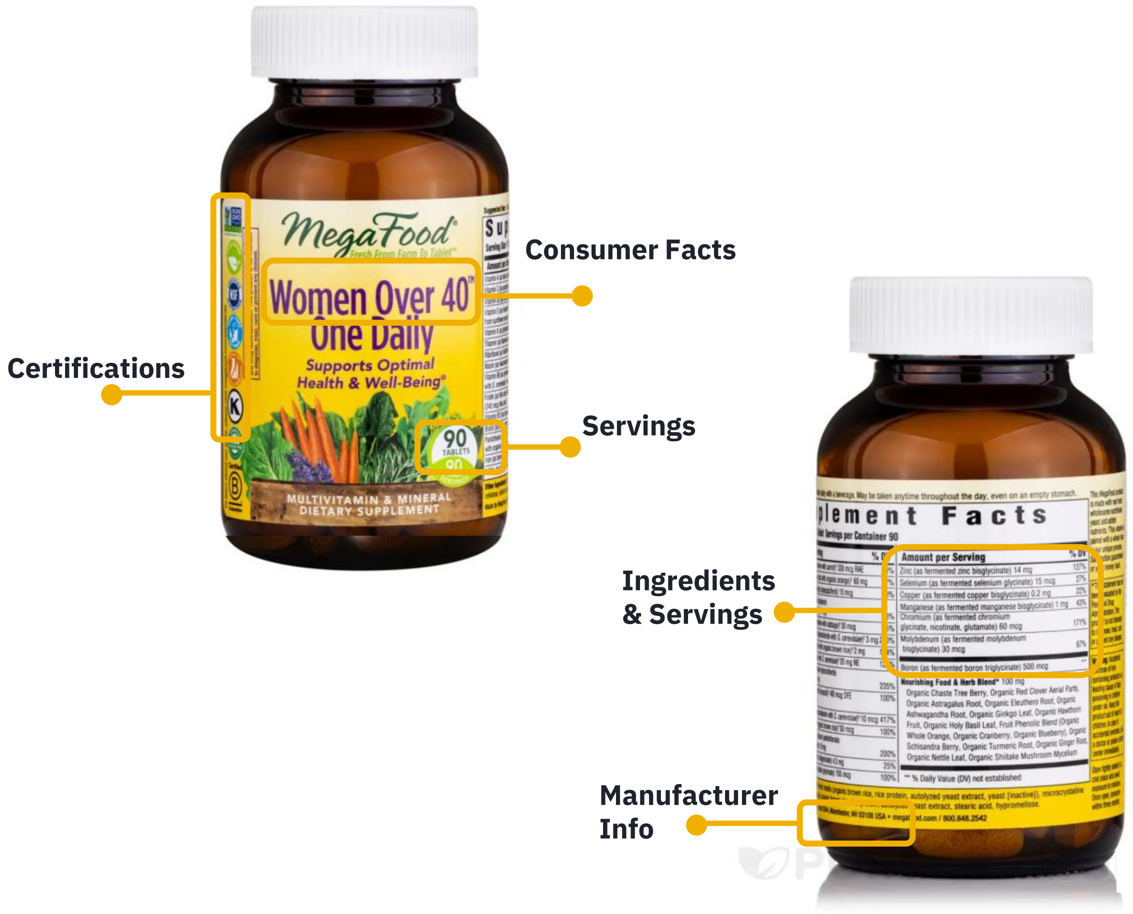
A Quick Primer for Today's Discussion...

NATURAL EXPANDED	REGIONAL GROCERY	MULO(CONVENTIONAL)	VMS & AMAZON
• Focus on shopper discovery • Retailers desire to differentiate • More unique / exclusive items • Lower barriers to entry for new brands	• Focus on local market needs (shoppers & brands) • Bridge to mass – mix of unique and mainstream items • Lower cost of entry	• Focus on convenience and shopper efficiency • Traditionally "best seller" items • High cost-of-entry / size-of prize	• Focus on access to everything • Endless aisle opportunity • Lowest barriers to entry • Cutting edge innovation and niche product needs
$11.9B, +3.7%	$175.6B, -1.9%	$579.2B, +1.6%	$15.9B, +16.8%

Identify Attributes **Driving Performance**

SPINS product library is the common language for the Natural Products Industry

COLLECT



GENERATE

Product Facts

e.g. Category, Size, Brand, Company, Packaging, Form, Brand Positioning, Product Type

Allergens & Sensitivities

e.g. Major 8 Allergen Free, Labeled Gluten Free, Labeled Grain Free, Tree Nuts, Lactose, Shellfish, Soy, Peanuts, Dairy, Thickeners and Stabilizers

Sustainability

e.g. Non-GMO Project Verified, Labeled Grass Fed, Organic, Fair Trade, Certified B-Corp, Certified Glyphosate Residue Free

Health & Wellness

e.g. Labeled Sprouted, Probiotics, Functional Ingredient, Sugar Ingredients, Monk Fruit, Certified Whole Grains Council

Lifestyle, Diets & Tribes

e.g. Paleo, Vegan, Fodmap, Keto, Vegetarian

Clean Label

e.g. Yellow No. 5, Nitrates, Artificial Sweeteners, High Fructose Corn Syrup, MSG, Paraben Free, Aluminum Free

SPINS WORKS WITH

233 Ingredient Supplier, Broker, and Association Partners

SPINS codes for 617 different Functional Ingredients **617**

1500+ Brands

SPINS codes every UPC scanned at our retail partners for 583 different types of attributes **583**

**per Whipstitch top 60 deals*

SPINS HAS

76+

Exclusive Retail Partnerships

REPRESENTING

>$200B

In Sales

SPINS clients launched over 100,000+ items in the last 3 years

380+

Ecosystem Partners

(excluding brands & retailers)

Natural and Wellness products are driving growth across all Channels

Natural products growth is outpacing conventional product growth in every channel. The Natural Channel has the highest overall growth rate and the highest NPI growth -- a consistent recent month after month trend.

	Natural Expanded Channel +3.7% Total Growth	Regional & Independent Grocery Channel -1.9% Total Growth	Conventional MultiOutlet +1.6% Total Growth	Convenience Channel +1.0% Total Growth
NATURAL PRODUCTS	+6.6%	+1.1%	+4.4%	+5.0%
SPECIALTY & WELLNESS PRODUCTS	+2.3%	+1.2%	+3.0%	+4.2%
CONVENTIONAL PRODUCTS	-1.1%	-3.1%	+1.1%	-1.3%

Source: SPINS Total store US Natural Enhanced Channel, Regional Grocery, Conventional Multioutlet + Convenience Channels (powered by Circana), 52 Weeks ending 10.06.24

Wellness Benefit

Wellness Benefit Ingredients

Attributes that identify ingredients that consumers often actively seek due to their wellness, nutritional, or beneficial properties

INGREDIENT - ACAI
INGREDIENT - ACEROLA CHERRY
INGREDIENT - ADAPTOGENS
INGREDIENT – ADDED BEAN PROTEIN
INGREDIENT – ADDED HEMP PROTEIN
INGREDIENT – ADDED PEA PROTEIN
INGREDIENT – ADDED RICE PROTEIN
INGREDIENT – ADDED SOY PROTEIN
INGREDIENT - ANCIENT GRAINS
INGREDIENT – APPLE CIDER VINEGAR
INGREDIENT - ASHWAGANDHA
INGREDIENT - ASTRAGALUS
INGREDIENT – BAKUCHIOL
INGREDIENT – BEE POLLEN
INGREDIENT – BEE PROPOLIS
INGREDIENT - CAFFEINE ENERGY
INGREDIENT - CAMU CAMU
INGREDIENT - CHARCOAL
INGREDIENT - CHIA SEED
INGREDIENT – CHLORELLA
INGREDIENT - CHONDROITIN
INGREDIENT - COFFEE FRUIT
INGREDIENT - COLLAGEN
INGREDIENT – COLLOIDAL OATMEAL
INGREDIENT - ECHINACEA
INGREDIENT - ELDERBERRY
INGREDIENT - FLAX SEED
INGREDIENT - GINSENG
INGREDIENT - GLUCOSAMINE
INGREDIENT - GOJI BERRY
INGREDIENT - GREEN COFFEE BEAN
INGREDIENT – GREEN LIPPED MUSSELS
INGREDIENT - GREEN TEA
INGREDIENT - GUARANA

INGREDIENT - HEMP SEED
INGREDIENT – HYALURONIC ACID
INGREDIENT - KERATIN
INGREDIENT - KRILL OIL
INGREDIENT - MACA
INGREDIENT - MANUKA HONEY
INGREDIENT – MATCHA
INGREDIENT - MELATONIN
INGREDIENT - MINERAL SUNSCREEN
INGREDIENT - MSM
INGREDIENT - MUSHROOM CHAGA
INGREDIENT - MUSHROOM CORDYCEPS
INGREDIENT - MUSHROOM LIONS MANDE
INGREDIENT - MUSHROOM MAITAKE
INGREDIENT - MUSHROOM REISHI
INGREDIENT - MUSHROOM SHIITAKE
INGREDIENT - MUSHROOM TURKEY TAIL
INGREDIENT - NERVINES
INGREDIENT - NON ANIMAL DAIRY PROTEIN
INGREDIENT – NOOTROPICS
INGREDIENT – PREBIOTICS
INGREDIENT – PROBIOTICS
INGREDIENT – RETINOL
INGREDIENT – ROSEHIPS
INGREDIENT – ROYAL JELLY
INGREDIENT – SEAWEED AND ALGAE
INGREDIENT – SPIRULINA
INGREDIENT – SALICYLIC ACID
INGREDIENT - SALMON OIL
INGREDIENT – SUPER FRUITS
INGREDIENT – SUPER GREENS
INGREDIENT – SUPER MUSHROOMS
INGREDIENT - SUPERFOODS
INGREDIENT - TAURINE

INGREDIENT – TEA TREE OIL
INGREDIENT - TITANIUM DIOXIDE
INGREDIENT - TRYPTOPHAN
INGREDIENT - TURMERIC
INGREDIENT - ULTRAFILTERED MILK
INGREDIENT - VALERIAN
INGREDIENT - WHOLE GRAINS 1ST
INGREDIENT – WHOLE PUMPKIN
INGREDIENT – WILLOW BARK
INGREDIENT - ZINC OXIDE
INGREDIENT – INSECT PROTEIN
PET - WHOLE BEEF
PET - WHOLE BUFFALO
PET - WHOLE CHICKEN
PET - WHOLE DUCK
PET - WHOLE LAMB
PET - WHOLE MEAT 1ST
PET - WHOLE MEAT ONLY
PET - WHOLE SALMON
PET - WHOLE TURKEY
INGREDIENT - WHOLE APPLE
INGREDIENT - WHOLE AVOCADO
INGREDIENT - WHOLE BANANA
INGREDIENT - WHOLE BEAN
INGREDIENT - WHOLE BEET
INGREDIENT - WHOLE BLUEBERRY
INGREDIENT - WHOLE CAULIFLOWER
INGREDIENT - WHOLE KALE
INGREDIENT - WHOLE LENTIL
INGREDIENT - WHOLE PEA
INGREDIENT - WHOLE PEAR
INGREDIENT - WHOLE SPINACH
INGREDIENT - WHOLE STRAWBERRY
INGREDIENT - WHOLE SWEET POTATO

We empower the community to interact and transact with **efficiency, transparency, and trust.**

BRANDS

+ MORE

INVESTMENT & VC

INGREDIENT SUPPLIERS

RETAILERS

+ MORE

THE LANGUAGE OF CPG INTELLIGENCE

MISSION-ALIGNED PARTNERS

MEDIA & TECHNOLOGY

+ MORE

BROKERS & DISTRIBUTORS

Top Line **Prebiotics & Probiotics Supplements**

$ % Change L52 Weeks

NATURAL GROCERY		CONVENTIONAL MULTI OUTLET (MULO)		REGIONAL & INDEPENDENT GROCERY		AMAZON	
-6.2%	Total Channel Sales	-3.5%	Total Channel Sales	-3.6%	Total Channel Sales	+9%	Total Channel Sales
-6.1%	Total Units	-6.1%	Total Units	-5.3%	Total Units	+10%	Total Units
-.2%	ARP	+2.8%	ARP	+1.8%	ARP	-1%	ARP

Source: Category: Prebiotics & Probiotics
52 Weeks End 11.03.2024. SPINS Natural Channel, RIG, and MULO (Powered by Circana); 52 Weeks End 10.06.2024 Amazon Market Measurement

Top **Growth Departments**

Where Non-GMO Project verification drove the greatest differentiation in terms of $ sales vs 2 YAGO.

VITAMINS & SUPPLEMENTS

NON GMO Project VERIFIED nongmoproject.org

+21.0%

+14.8%

PACKAGED PRODUCE

NON GMO Project VERIFIED nongmoproject.org

+11.0%

+6.1%

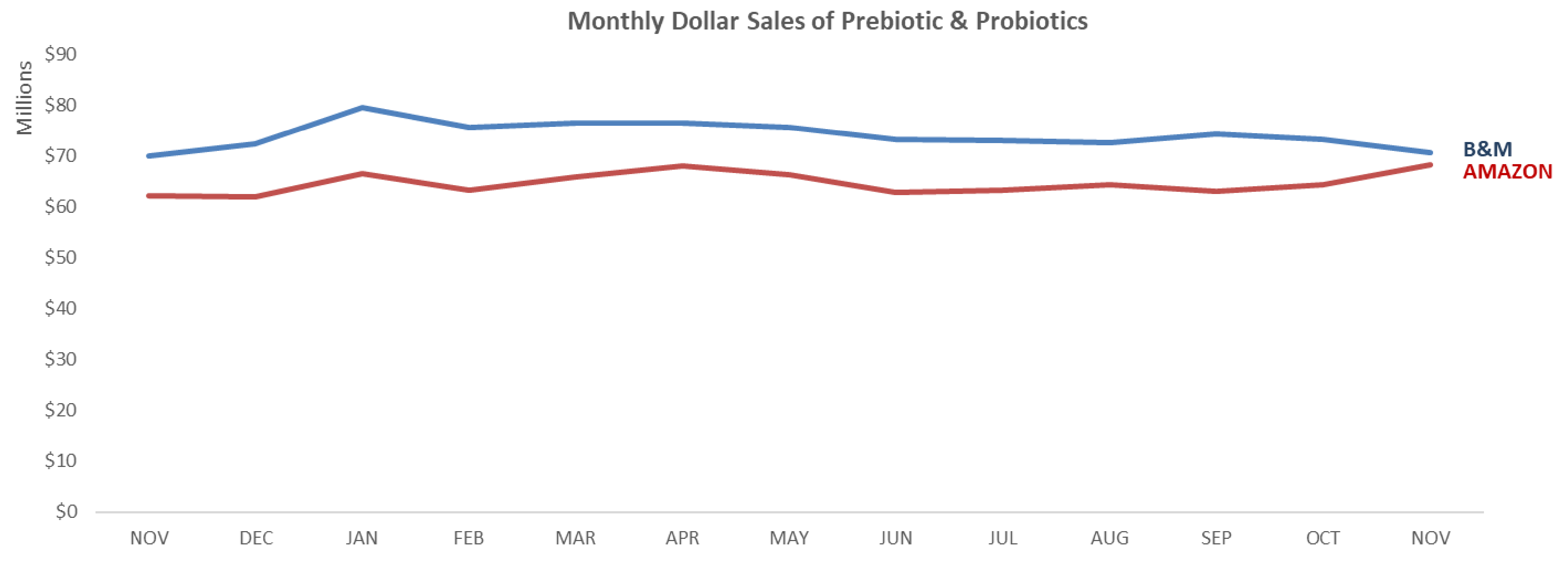
Non-GMO Project Verified

Self-Made Label Claims

Source: 104 weeks ending 12.31.23 SPINS SNE, MULO, powered by Circana

Sales of Prebiotics & Probiotics in B&M Declining?

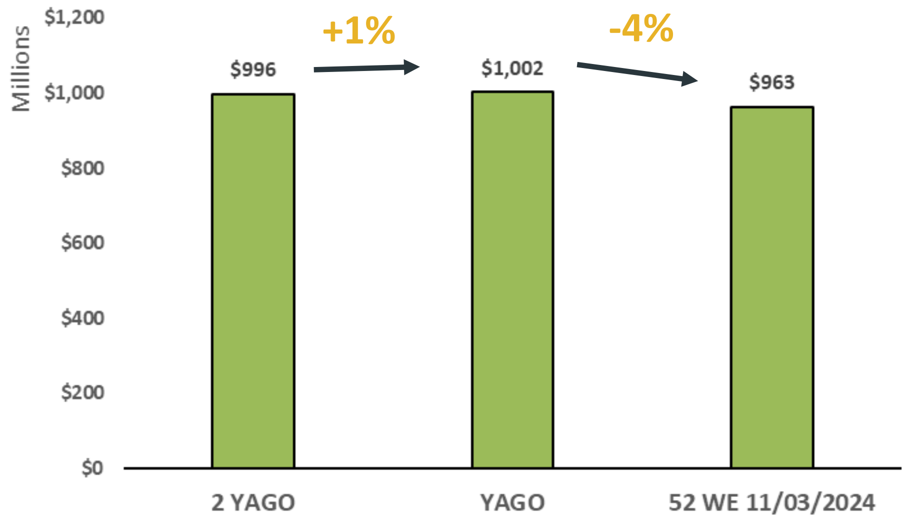
Toward the end of this year B&M sales are decreasing while Amazon sales are increasing.



Source: Category: Prebiotics & Probiotics
4 Weeks End 12.03.2023 to 4 Weeks End 11.03.2024. SPINS Natural Channel and MULO (Powered by Circana) combined and Amazon (note: Nov 2024 estimated)

Sales of Prebiotics & Probiotics in B&M Declining?

Sales in Brick & Mortar



Units % Chg, YAGO: -2% -6%

Sales on Amazon

$839M

52 WE 10/06/2024

VS

+9%

$770M

YAGO

Source: Category: Prebiotics & Probiotics
52 Weeks End 11.03.2024. SPINS Natural Channel and MULO (Powered by Circana); 52 Weeks End 10.06.2024 Amazon Market Measurement

Prebiotics & Probiotics Performance in VMS

Brick & Mortar

Subcategory	Sales Rank	YoY Growth
Protein & Meal Rep. (Liquid)	1	+10%
Multivitamins	2	+1%
Protein & Meal Rep. (Powder)	3	+4%
Prebiotics & Probiotics	4	-4%
Hydration & Electrolyte	5	+28%

Amazon

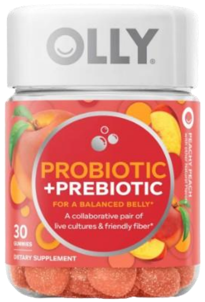
Subcategory	Sales Rank	YoY Growth
Protein & Meal Rep. (Powder)	1	+9%
Minerals	2	+37%
Multivitamins	3	+25%
Hydration & Electrolyte	4	+42%
Prebiotics & Probiotics	5	+9%

Source: Department: Vitamins & Supplements
52 Weeks End 11.03.2024. SPINS Natural Channel and MULO (Powered by Circana); 52 Weeks End 10.06.2024 Amazon Market Measurement

Delivery Forms

Different consumers have different preferences when it comes to delivery forms. **Gummies are down -5% in Brick & Mortar, but up 9% on Amazon.** Tablets are the only form down on Amazon (-4%), while down -12% in B&M. **Powder is down the most in B&M (-27%) but up 9% on Amazon.** Capsules are also down in B&M (-6%) while up on Amazon (4%).

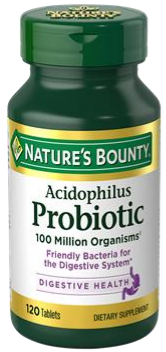
GUMMIES



CAPSULES

POWDER

TABLETS



Source: Category: Prebiotics & Probiotics
52 Weeks End 11.03.2024. SPINS Natural Channel and MULO (Powered by Circana); 52 Weeks End 10.06.2024 Amazon Market Measurement

DELIVERY FORMAT

Prebiotics & Probiotics – Top Delivery Forms

Brick & Mortar

Delivery Form	Market Share	YoY Growth
Capsule	36%	**-6%**
Veg. Capsule	24%	**-4%**
Gummy	16%	**-5%**
Liquid	1%	**+7%**

ARP: +2.4% YoY, to $20.45

Amazon

Delivery Form	Market Share	YoY Growth
Veg. Capsule	46%	**+13%**
Capsule	38%	**+4%**
Gummy	5%	**+9%**
Powder	3.5%	**+9%**
Tablet	2%	**-4%**

ARP: -1% YoY, to $29.42

Source: Category: Prebiotics & Probiotics
52 Weeks End 11.03.2024. SPINS Natural Channel and MULO (Powered by Circana); 52 Weeks End 10.06.2024 Amazon Market Measurement

What Attributes & Brands Lead Probiotics & Prebiotics

Market Share by Pill Count on Amazon

Pill Count	Market Share	YoY Growth
60	37%	7% ▲
30	35%	12% ▲
90	5%	8% ▲
100	4%	31% ▲
120	3%	-4% ▼

Top Products

100 Pill Count products are seeing significant growth in year-over-year sales

Source: Category: Prebiotics & Probiotics
52 Weeks End 10.06.2024 Amazon Market Measurement

GutTok – Gut Health Remains Popular on Social Media

Gut Health on Social Media

PROBIOTICS

Google Search: 2.2M avg monthly searches

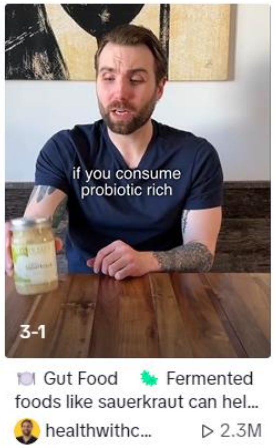
TikTok: 22.4M avg weekly views, +510.6% increase

Topics Driving Growth in YoY Avg Search Vol.

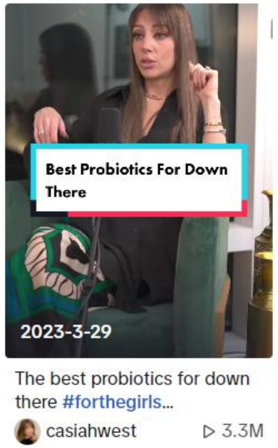
"Signs": +258.5% YoY Growth in Searches
Yeast Infections: +7.1%, +356.4% 6 mos ago
Gut Health: -8.9%, down from +12.2% 6 mos ago
Diarrhea: +3.2%, down from +9.1% 6 mos ago

Popular Topics

Supplement Recommendations



Food For Good Gut Health



Probiotics & Feminine Health

Source: Spate https://www.spate.nyc/food-beverage

Soda

Regular Soda Category **+5%**

Diet & Alt Sweetened Soda **+11%**

Naturally Sweetened Soda **+5%**

Digestive Health Sodas **+174%**

+ Natural

Sparkling Water

+ Biotics

Kombucha

From high sugar to digestive health, we have now seen the reinvention of soda for the modern age.

Protein Chips

Potato Chips **+4%**

Chips*, Protein 15g to <25g **+27%**

+ Protein

+ Simple Ingredients

High protein consumption continues to be a growing trend, and consumers are looking for more ways to incorporate it into their diet

SPINS: Natural, MULO (powered by Circana); 52 Weeks Ending 04.21.2024 Soda | Sweeteners – Ingredient, Digestive Health – Health Focus

Pantry Staples

EARLY → MATURE

Pasta

Other Pantry Staple

Example: Pickles

Pickles

+3%

+ Probiotics

While some subcategories, such as pasta, are far along in the disruption journey, other pantry staples are just beginning. Ingredients and sustainability are key. The "snackification" of pickles and highlighting its digestive health benefits could bring the category to new heights.

Fermentation – Fermented Veg. Gaining Attention

FERMENTED GARLIC IN HONEY

How to make fermented garlic in honey #fermentedgarlic...
herbalishap... ▷ 1.9M

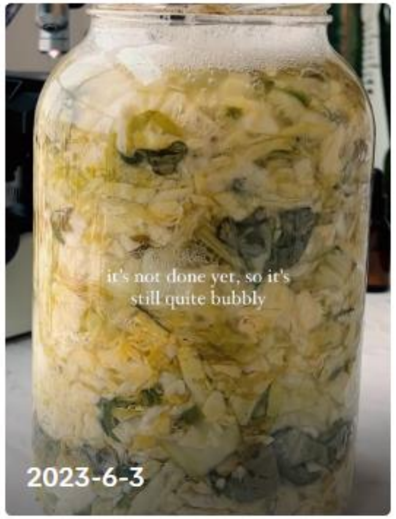
FERMENTED PEPPER SAUCE

Fermentation takes pepper sauce to whole new level an...
plantedinth... ▷ 1.8M

KIMCHI

SHORTCUT KIMCHI INGREDIENTS 3-4 lbs napa...
gaming_foo... ▷ 50.5M

SAUERKRAUT



Sauerkraut microbes are my daily probiotic. I love taking ...
cultured.guru ▷ 3M

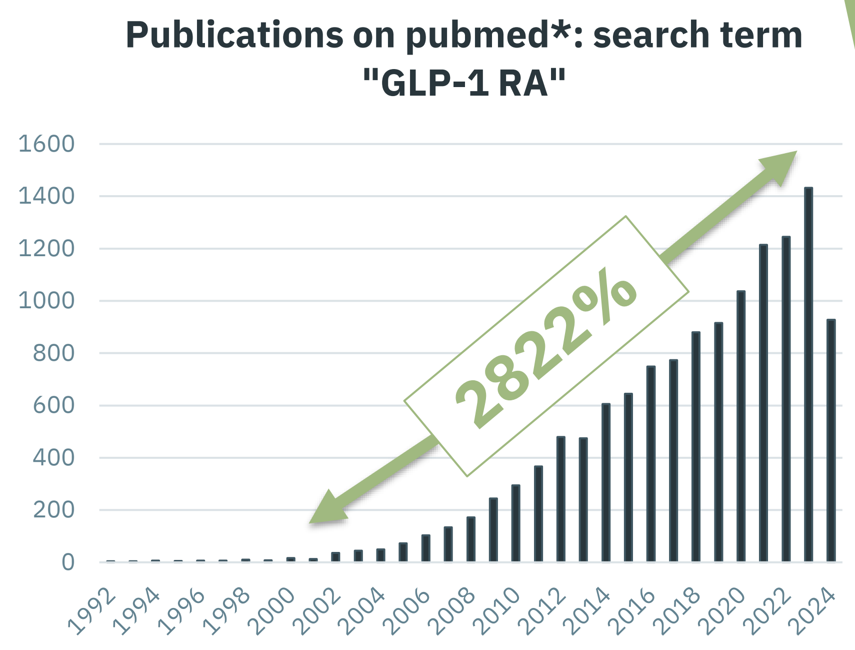
FUFU

DISCLAIMER: I didn't make cassava fufu (also known as...
eatwithafia ▷ 4.2M

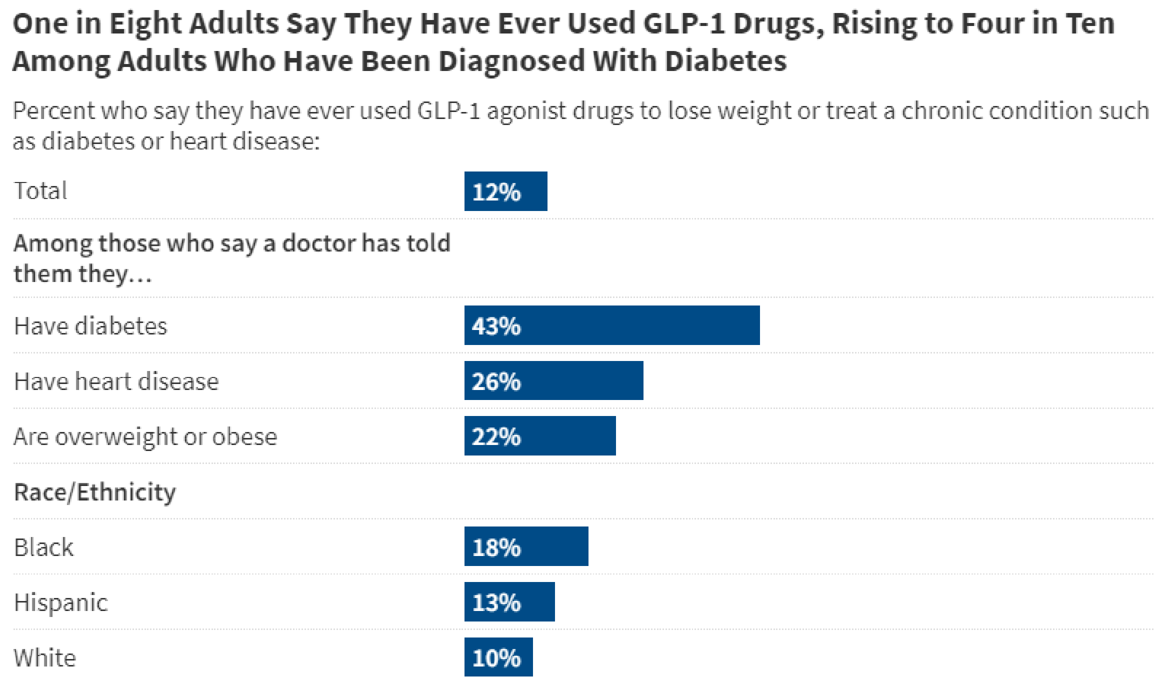
Source: TikTok

Biotics – What other subcategories can it be found in?

We cannot underestimate the **likely impact of GLP-1s,** particularly with the likely approval of oral versions



*all types of publications, not indicative of results or quality



For educational purposes only.

Source: KFF Health Tracking Poll May 2024: The Public's Use and Views of GLP-1 Drugs
https://www.kff.org/health-costs/poll-finding/kff-health-tracking-poll-may-2024-the-publics-use-and-views-of-glp-1-drugs/

SPINS®

Thank you!

For more information, contact

bcasteel@spins.com

FUTURE OF THE MICROBIOME