



hermes consilium



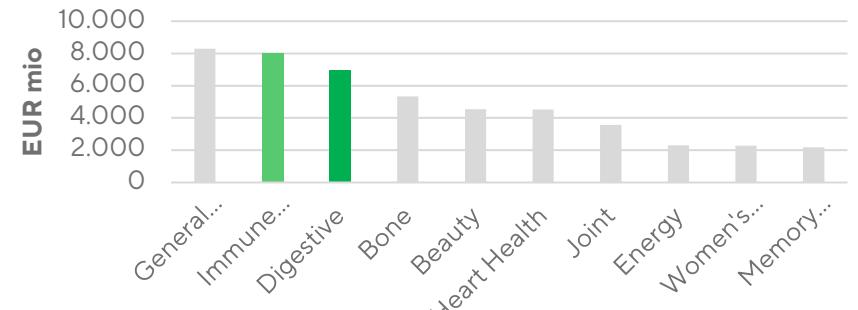
biotics

market data on
a rising trend

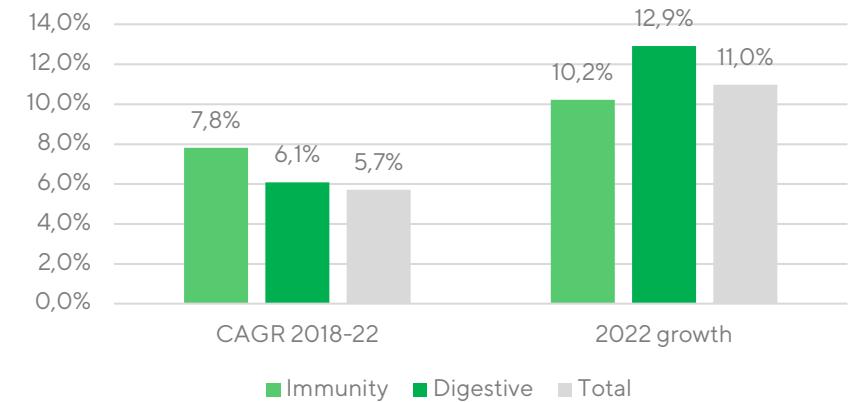
global market growth

- due to an increased amount of research on the **microbiome**, consumer awareness about digestive health and its connection to overall health, including immunity, has increased
- immune health was the **2nd largest** and digestive health the **3rd largest** dietary supplement category globally in 2022
- **global demand for immune health and digestive health supplements** has been growing faster than the total dietary supplement average in the past 5 years

Global dietary supplements by positioning



Global dietary supplements growth

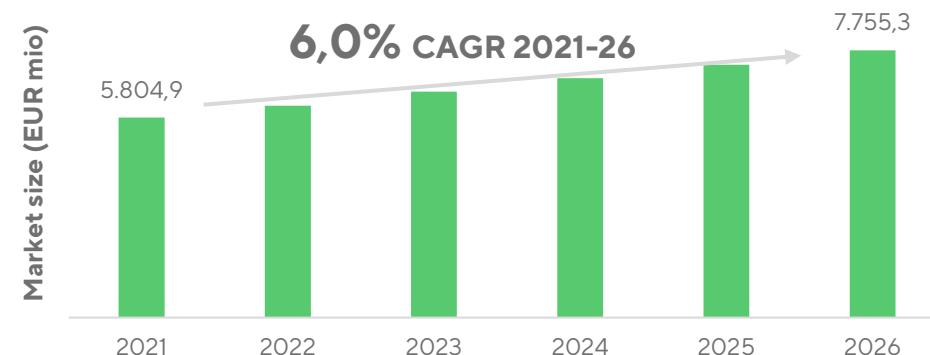


Source: Euromonitor Consumer Health data, February 2023

global biotics trend

- **probiotic and prebiotic products** mostly populate high-volume and high-growth segments: digestive health and immunity
- **the global probiotics market** is forecast to grow at CAGR of 6,0% during 2021-26 and surpass 7,7 billion € in 2026

Global probiotic supplements market forecast



Source: Euromonitor International, August 2022

global segment development

- growth typically brings the development of the premium segment, with products based on branded and clinically studied ingredients



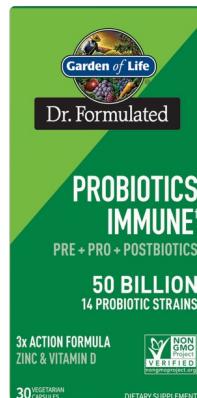
Jarrow Formulas USA

Based on branded probiotics
Launched in 2022



Ritual USA

Based on branded prebiotics,
probiotics, and postbiotics
Launched in 2022



Garden of Life USA

Based on branded prebiotics
and probiotics
Launched in 2022



Holland & Barret UK
Pre+pro+postbiotic complex
Launched in 2022



Menarini FRA

Based on a branded prebiotic
blend
Launched in 2022

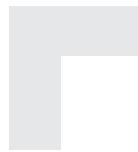


STADA SPA

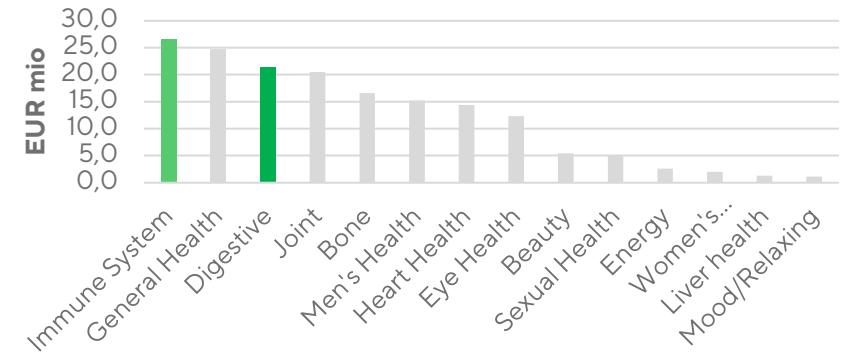
Based on branded probiotics
Launched in 2021

CEE market growth

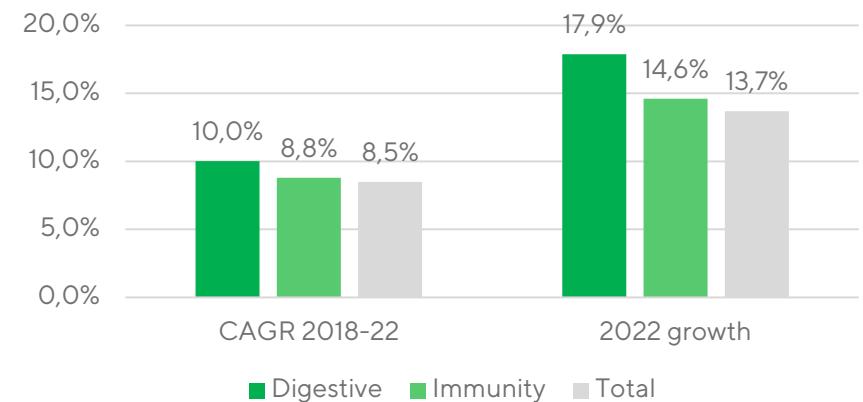
- digestive and immune health are among the largest food supplement categories in countries in the CEE region
- demand for immune health and digestive health supplements has been growing faster than the total dietary supplement average in the past 5 years in the CEE region
- digestive aids were the 2nd fastest-growing consumer healthcare category in the CEE region in 2022 (Nicholas Hall CHC Review, January 2023)



Hungarian dietary supplements by positioning



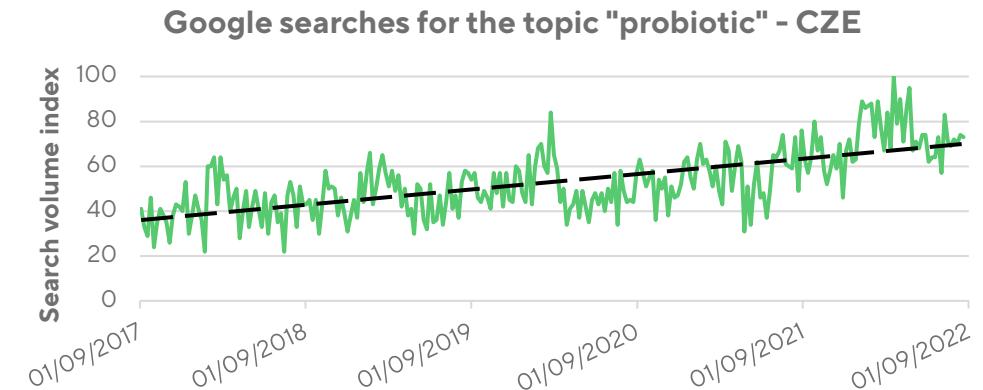
Romanian dietary supplements growth



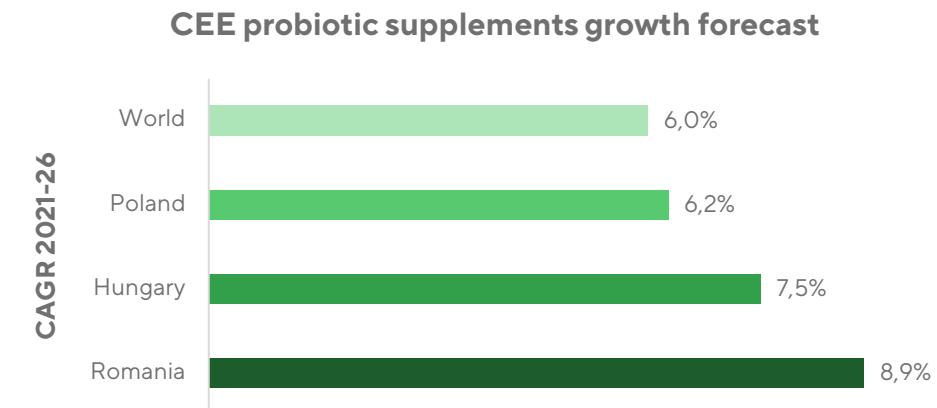
Source: Euromonitor Consumer Health data, February 2023

CEE biotics growth

- **probiotics in the CEE region** are projected to grow faster than the global average of 6,0% during 2021-26
- **probiotics already represent a higher share** of the total vitamins and dietary supplements market than average in some countries (POL, HUN)
- **consumer awareness** of probiotics and prebiotics is being established in the region
 - demand shown in Google searches is growing steadily in the past 5 years
- **given the growing digestive and immunity segments**, the growth in awareness, and projections for probiotics, the CEE region appears to be promising for new biotics launches



Source: Google Trends, August 2022



Source: Euromonitor International, August 2022

CEE market flaws

- **despite the promising growth**, the currently available products in CEE markets often aim at price competition and are based on commodity biotic ingredients that tend to have several flaws:
 - no direct clinical support
 - questionable shelf-life stability
 - undetermined safe dosage or exact effects
 - poor digestive tract survival
 - high dosages
 - side effects (bloating)
 - effect on a narrow spectrum of the microbiome

There is a clear opportunity for added-value products.



CEE segment development

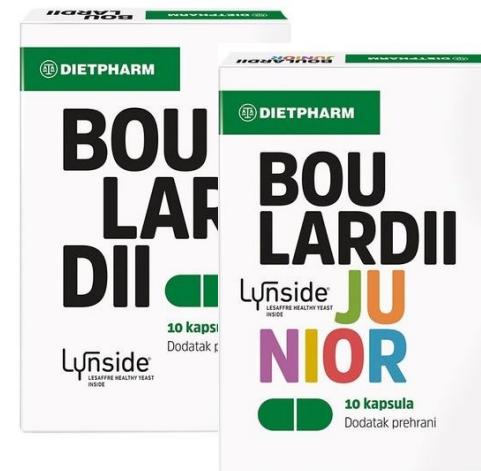
- in recent years, advanced products with branded ingredients or delivery systems are increasingly appearing



Bayer POL
Based on Ibsium®
Launched in 2023



S&D Pharma SVK
Based on branded probiotics
Relaunched in 2022

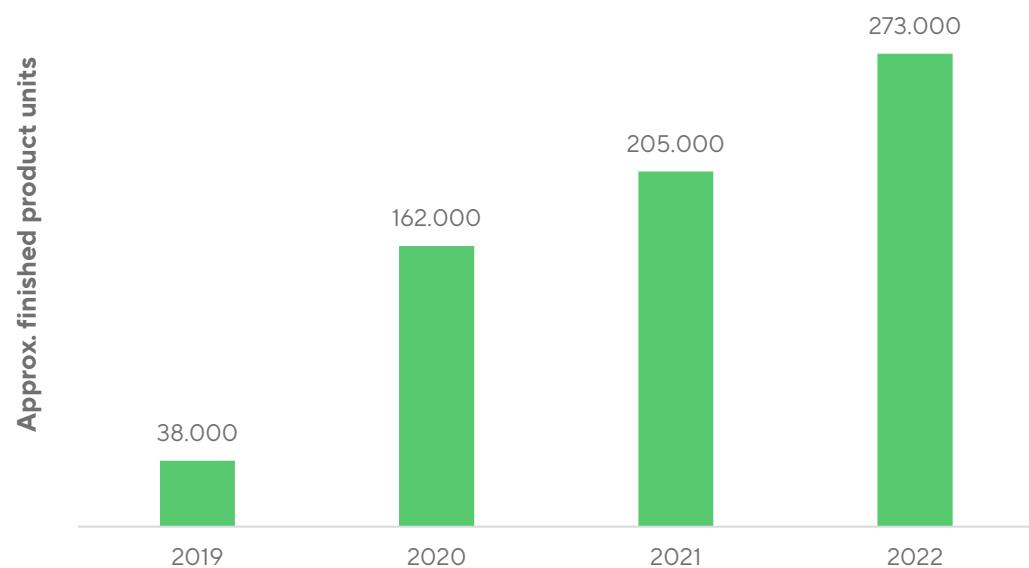


Dietpharm CRO
Based on Lynside®
Launched in 2020

CEE segment development

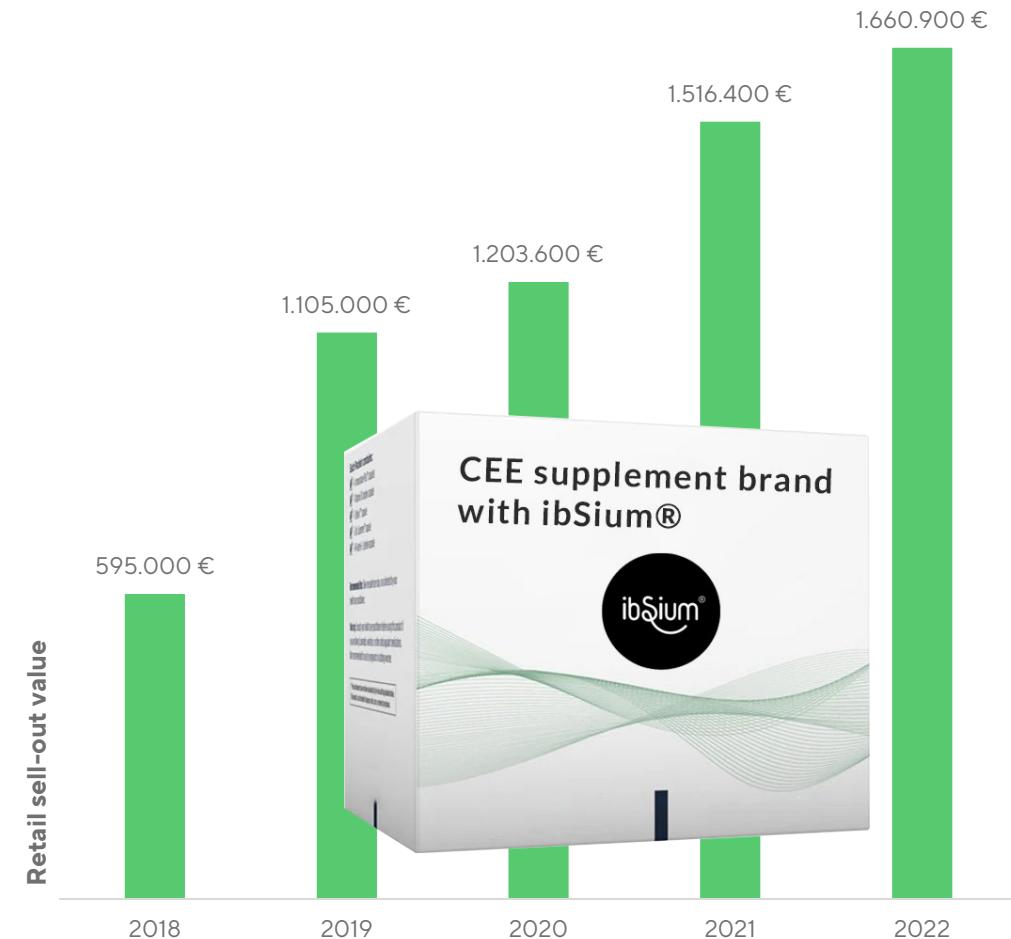
- **continuous substantial growth of sales** of branded prebiotic and probiotic ingredients indicates a good consumer response and commercial success of added-value product launches
- **Gnosis by Lesaffre** brands Lynside® and ibSium® represent the vast majority of these sales and are already present in several main CEE markets

Hermes Consilium sales of branded biotic ingredients in CEE



CEE case study

- our client launched a probiotic supplement brand with ibSium® (1 capsules SKU) in a mid-sized CEE market
- they surpassed 1,5 million € in sell-out just 3 years after launch
- key reasons for success:
 - strong clinical support for an advantage in medical detailing
 - effects that are felt by consumers
 - complete digestive support
 - resistance to GI tract



consumer concern

- **79% of global consumers recognize the link** between digestive health and overall health (FMCG Gurus survey, 2022)
- **76% of global consumers stated they use supplements** to improve their immune health and 64% to improve their digestive health when asked which health areas are they looking to address
- **27% of consumers currently use at least one of the biotic ingredients** to address digestive health, gut microbiome, and immune health (IngredienTracker Consumer Survey, 2022)

What areas of your health do you want to improve/address by using supplements?



Source: FMCG Gurus, September 2022

Why invest in clinically supported branded probiotic and prebiotic ingredients for launches in Central & Eastern Europe?

In digestive health, effects need to be felt by users in order to achieve consumer retention.

Clinically studied ingredients with proven effects and improved stability maximize chances for success.

In a crowded immune health market, standing out is crucial to succeed.

Clinically studied biotic ingredients bring added value to the product.

Promotion to doctors and pharmacists is an effective promotional channel in the region.

Ingredients with gold standard clinical trials provide a crucial advantage.



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