



hermes consilium



# biotics

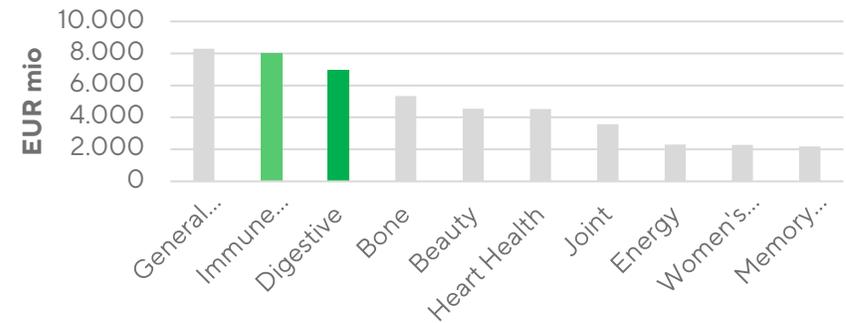
market data on  
a rising trend



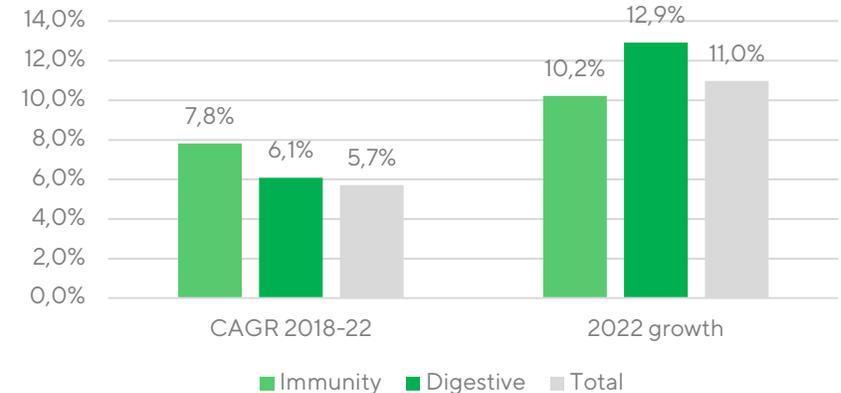
# global market growth

- 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 2<sup>nd</sup> largest and digestive health the 3<sup>rd</sup> 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

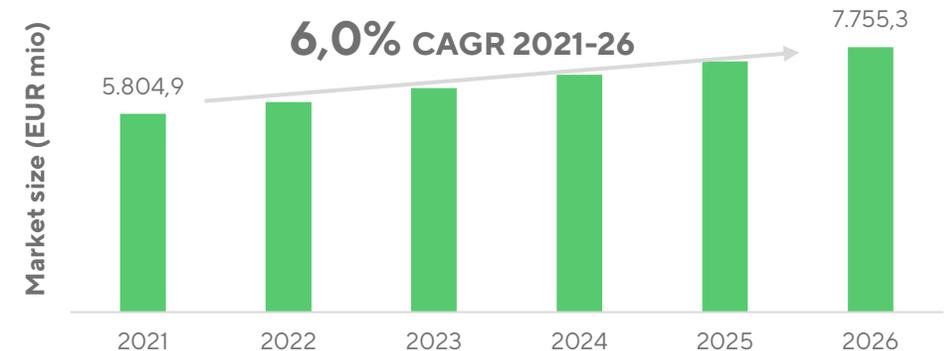


Source: Euromonitor Consumer Health data, February 2023

# 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

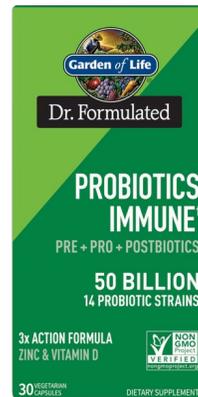
- growth typically brings the development of the premium segment, with products based on branded and clinically studied ingredients



**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



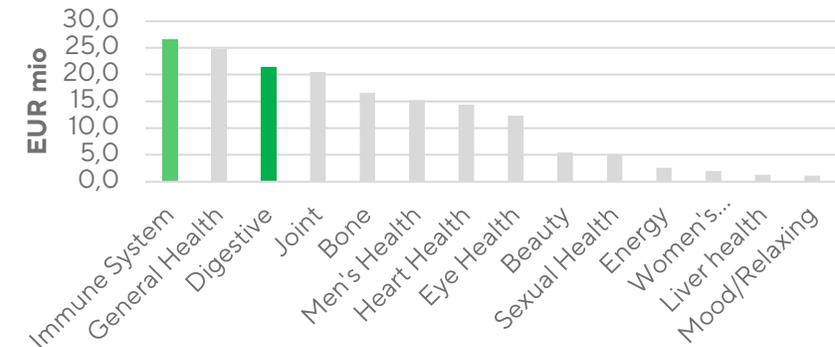
**STADA SPA**  
Based on branded probiotics  
Launched in 2021

# CEE market growth

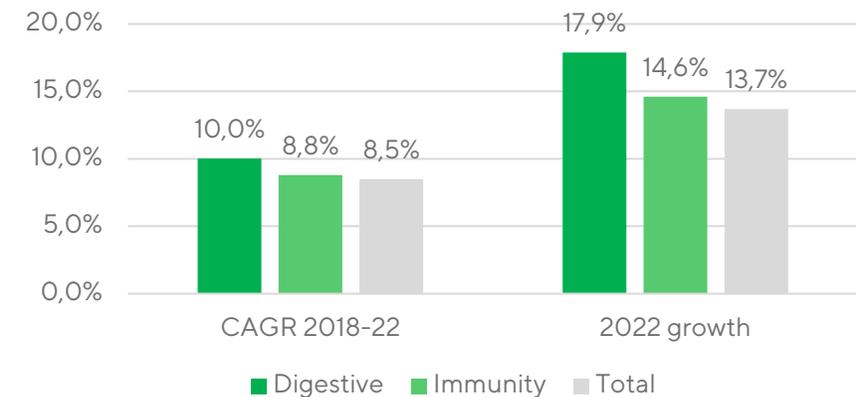
- **digestive and immune health are among the largest** food supplement categories in countries in the CEE region
- **demand for immune health and digestive health supplements** has been growing faster than the total dietary supplement average in the past 5 years in the CEE region
- **digestive aids were the 2<sup>nd</sup> 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

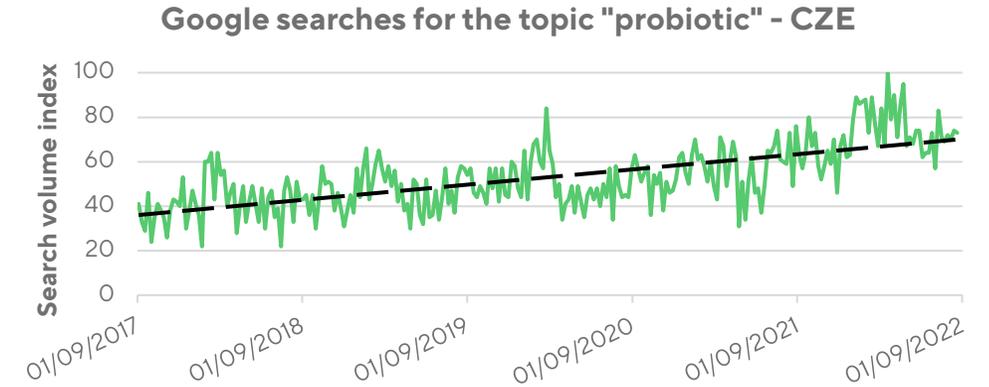


Source: Euromonitor Consumer Health data, February 2023

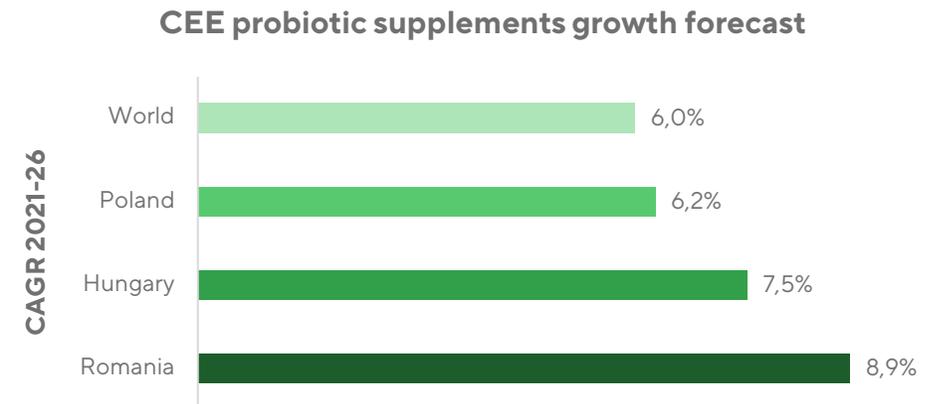


# CEE biotics growth

- **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

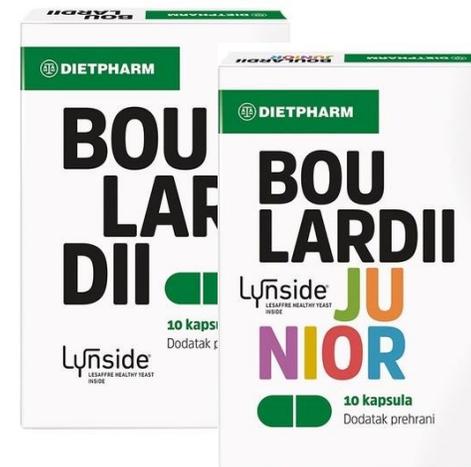
- in recent years, advanced products with branded ingredients or delivery systems are increasingly appearing



**Bayer POL**  
Based on Ibsium®  
Launched in 2023



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

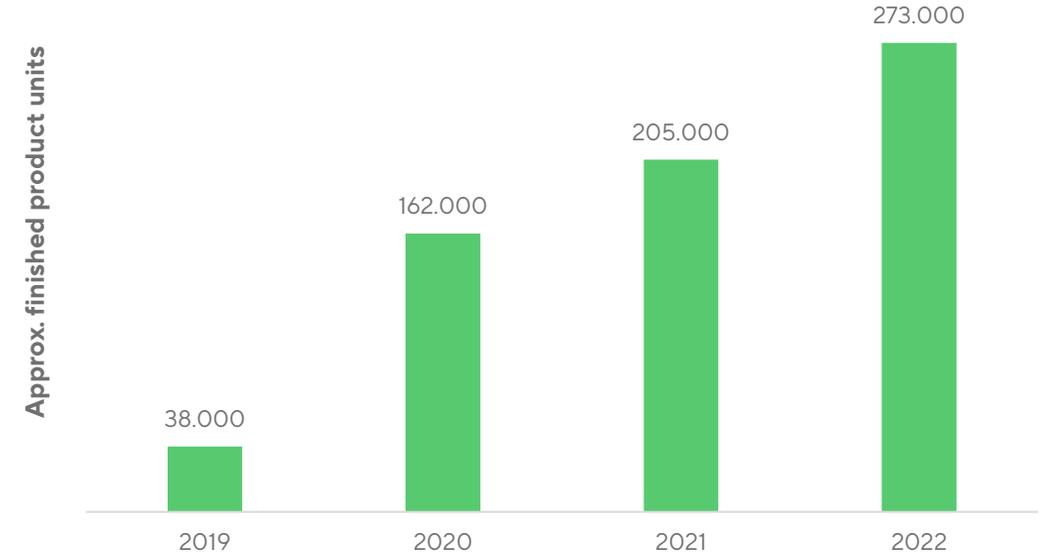


**Dietpharm CRO**  
Based on Lynside®  
Launched in 2020

# CEE segment development

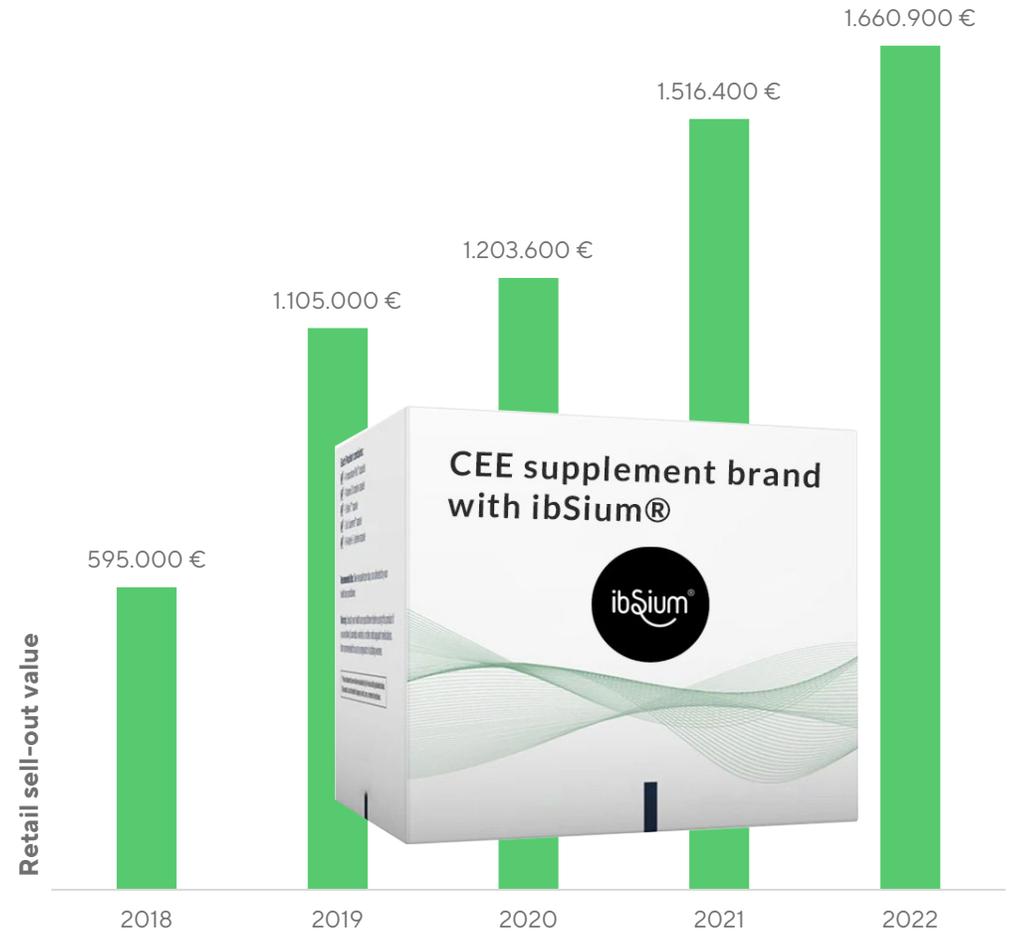
- **continuous substantial growth of sales** of branded prebiotic and probiotic ingredients indicates a good consumer response and commercial success of added-value product launches
- **Gnosis by Lesaffre** brands Lynside® and ibSium® represent the vast majority of these sales and are already present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

Hermes Consilium sales of branded biotic ingredients in CEE



# CEE case study

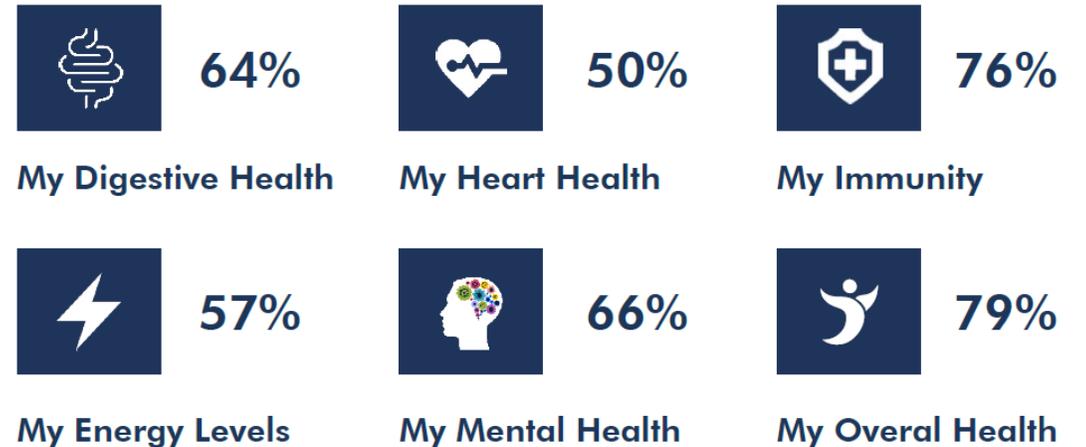
- our client launched a probiotic supplement brand with ibSium® (1 capsules SKU) in a mid-sized CEE market
- they surpassed 1,5 million € in sell-out just 3 years after launch
- key reasons for success:
  - strong clinical support for an advantage in medical detailing
  - effects that are felt by consumers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

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**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.

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**In a crowded immune health market, standing out is crucial to succeed.**  
Clinically studied biotic ingredients bring added value to the product.

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**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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