CATEGORY TRENDS: VITAMINS, MINERALS AND SUPPLEMENTS

Understanding what is driving trends in the category

July 2019
OVER 70% OF CONSUMERS ARE TAKING THEIR VITAMINS

% of respondents that use

- **Vitamins/Minerals**: 85%
- **Pain Relief Medications**: 83%
- **Herbal Supplements**: 67%

Source: Nielsen two week online survey (April 2017) of 1113 respondents - US
HEALTH IN A BOTTLE
% who use supplements or vitamins for specified reason

57% as a way to prevent health concerns

55% to complement their diet

46% to treat an ailment

Source: Nielsen two week online survey (April 2017) of 1113 respondents - US
‘NATURAL’ TREND IS TRANSLATING TO SUPPLEMENTS AS WELL

PREFER TO USE NATURAL HEALTH SUPPLEMENTS

46% Rather than prescription drugs

46% Rather than over-the-counter medications

Source: Nielsen two week online survey (April 2017) of 1113 respondents - US
OVER 60% OF CONSUMERS MAKE THEIR OWN DECISIONS ON SUPPLEMENTS

- 63% Prefer to make their own decisions regarding health supplements
- 42% Only take over-the-counter medications when recommended by healthcare provider
- 41% Prefer to use home remedies over products purchased at the store
- 40% Check with healthcare provider before using herbal supplements

Source: Nielsen two week online survey (April 2017) of 1113 respondents - US
So what does that mean for the Vitamins/Minerals/Supplements category?
WHAT MAKES UP THIS CATEGORY?

VITAMINS
These are items that a vitamin is the main component of the product (i.e. Vitamin C, Vitamin D etc.).

MINERALS
These are items that a mineral is the main component of the product (i.e. calcium, magnesium etc.).

SUPPLEMENTS
Items included are from a number of commodity groups including diuretics, tranquilizers, appetite suppressants, and nutritional health supplements. These are items that typically have multiple ingredients that are targeted for specific health benefits.
VITAMINS/MINERALS/SUPPLEMENTS CONTINUE TO SHOW STRONG GROWTH

VITAMINS/MINERALS/SUPPLEMENTS 5 YEAR TREND

<table>
<thead>
<tr>
<th></th>
<th>$ Sales</th>
<th>$ % Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>52 Wks 4YA</td>
<td>$7.4B</td>
<td>3.8</td>
</tr>
<tr>
<td>52 Wks 3YA</td>
<td>$7.6B</td>
<td>2.4</td>
</tr>
<tr>
<td>52 Wks 2YA</td>
<td>$7.8B</td>
<td>3.9</td>
</tr>
<tr>
<td>52 Wks YA</td>
<td>$8.1B</td>
<td>4.2</td>
</tr>
<tr>
<td>Latest 52 Wks</td>
<td>$8.5B</td>
<td></td>
</tr>
</tbody>
</table>

AVERAGE RETAIL PRICE

Recent 52 Weeks: $9.96
52 Weeks 4YA: $9.12
4 Year Change: +$0.84

AVERAGE NUMBER OF ITEMS

Recent 52 Weeks: 271
52 Weeks 4YA: 243
4 Year Change: +28

Source: Nielsen Retail Measurement Data, Total U.S. xAOC, 5 Years Ending 06/29/19
GROWTH AND CONSUMER INTEREST IS FOUND ACROSS THE UNITED STATES

Source: Nielsen Retail Measurement Services Data & Homescan Panel Data, Total U.S. xAOC, Calendar Year 2018 vs. Calendar Year 2017

Top Sales Ratio to Total Store

- SLC/BOISE: +7.4% Growth
- PHOENIX: +6.1% Growth
- NEW YORK: 1.3% of Sales, 120 Index
- HOUSTON: 1.2% of Sales, 113 Index
- ATLANTA: +7.7% Growth
- MIAMI: +6.7% Growth
- NASHVILLE: +7.4% Growth
- DALLAS: +5.8% Growth
- SLC/BOISE: +7.4% Growth
- PHOENIX: +6.1% Growth
- NEW YORK: 1.3% of Sales, 120 Index
- HOUSTON: 1.2% of Sales, 113 Index
- ATLANTA: +7.7% Growth
- MIAMI: +6.7% Growth
- NASHVILLE: +7.4% Growth
- DALLAS: +5.8% Growth

Category Sales by Channel:

- Grocery: 22%
- Mass + Supers: 27%
- Warehouse Club: 21%
- Drug Stores: 16%
- Health Food: 3%
- Online: 7%
- All Other: 4%
SHOPPERS ARE ACCLIMATING TO THE EASE OF ONLINE PURCHASING

1 in 4 Americans said that they are more likely to purchase Medicine & Health Care products online than in-store.

Source: Nielsen Consumer Confidence Survey Q2 2017
E-COMMERCE DRIVES NEARLY 1 IN EVERY 4 DOLLARS SPENT ON VITAMINS

Source: Nielsen Retail Measurement Services, Core syndicated hierarchy xAOC+C, and Nielsen E-commerce measurement, Total US, 52 weeks ended Nov. 4, 2017
CONSUMERS LOOK TO AMAZON FOR VITAMIN PURCHASES ACROSS CATEGORY

AMAZON TOP MOVERS IN THE VITAMINS CATEGORY

1. PreserVision AREDS2 Supplement, 120 ct
2. NatureWise Vitamin D3 5,000 IU, 360 ct
3. Sports Research Biotin 5,000 mcg and 10,000 mcg, 120 ct
4. SmartyPants Kids Complete Daily Gummy Vitamins, 120 ct
5. Vitafusion Women’s Gummy Vitamins, 150 ct

6. Jarrow Formulas Methylcobalamin (Methyl B12), 60 ct
7. SugarBearHair Vitamins, 60 ct
8. Vitafusion MultiVites Gummy Vitamins, 150 ct
9. Nature Made Vitamin D3 5,000 IU, 180 ct
10. SmartyPants Prenatal Complete Daily Gummy Vitamins, 180 ct

Source: Nielsen Amazon Top Movers Report, June 2019
THE MULTIVITAMIN/SUPPLEMENT “PACK” PERFECT FOR EACH INDIVIDUAL

A personalized vitamin regimen allows you to specify what kinds of nutrients you need based on age, lifestyle, and medical history.

So instead of purchasing a generic, one-size-fits-all vitamin you only get the nutrients your body actually needs.
TRANSPARENCY WAVE EXPANDS PAST FOOD AND BEVERAGE

% OF SALES AND DOLLAR GROWTH FOR PRODUCTS WITH THESE CRITERIA COMPARED TO YAGO

- **No Artificial Colors or Flavors**: 24% of Sales, +6.1%
- **Probiotic**: 11% of Sales, +0.7%
- **GMO Free**: 8% of Sales, +31.7%
- **Organic**: 3% of Sales, +29.2%
- **Natural**: 10% of Sales, +17.5%
- **Antioxidants**: 1% of Sales, +9.3%

Source: Nielsen Retail Measurement Services, Health and Wellness Characteristics, Total U.S. xAOC, Calendar Year 2018 vs. 2017
TRADITIONAL MEDICINAL INGREDIENTS GROWING IN VITAMINS/SUPPLEMENTS

DOLLAR GROWTH FOR INGREDIENTS IN VITAMINS AND SUPPLEMENTS

VITAMINS & SUPPLEMENTS

TOTAL VMS: +5.3%
COLLAGEN: +5.5%
GINGER: +12.5%
TUMERIC: +16.9%
GINKGO: +23.7%

Source: Nielsen Product Insider, powered by Label Insight, Total US xAOC, 52 weeks ending 12/30/2017
VITAMINS
# VITAMIN GROWTH AMONGST AMERICANS

## Vitamin Category

<table>
<thead>
<tr>
<th>Category</th>
<th>$ % Chg Vs YAG</th>
<th>Unit % Chg vs YAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vitamins</td>
<td>+2.4</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

## Share of Top Sub-Categories

- **65.6**
- **MULTIVITAMIN**: 12.2
- **VITAMIN B**: 9.9
- **VITAMIN D**: 9.0
- **VITAMIN C**: 3.3

Sub-Category $ % Chg vs. YAG

- **MULTIVITAMIN**: +1.1%
- **VITAMIN B**: +4.1%
- **VITAMIN C**: +5.3%
- **VITAMIN D**: +8.5%

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
VITAMIN D3 GROWTH OUTPACES OTHER TOP VITAMIN TYPES IN THE TOTAL US XAOC

Vitamin D3 has seen a 10.9% dollar growth within the latest 52 weeks

- Vitamin C provides $242 million in $ sales, while growing at a pace of 5.5% vs YAG
- Traditional Vitamins, including C, D3 and B12 are all outperforming its counterparts

### Top 10 Vitamin Types

<table>
<thead>
<tr>
<th>Vitamin Type</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MULTIPLE</td>
<td>1.0</td>
</tr>
<tr>
<td>VITAMIN C</td>
<td>5.5</td>
</tr>
<tr>
<td>VITAMIN D3</td>
<td>10.9</td>
</tr>
<tr>
<td>VITAMIN B12</td>
<td>6.3</td>
</tr>
<tr>
<td>VITAMIN D (8.9)</td>
<td></td>
</tr>
<tr>
<td>BIOTIN</td>
<td>(4.7)</td>
</tr>
<tr>
<td>MULTIPLE VITAMIN D</td>
<td>1.3</td>
</tr>
<tr>
<td>MULTIPLE VITAMIN TYPE</td>
<td>2.3</td>
</tr>
<tr>
<td>VITAMIN E (2.5)</td>
<td></td>
</tr>
<tr>
<td>B VITAMINS MULTIPLE A</td>
<td>0.6</td>
</tr>
<tr>
<td>C D E</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
PRIVATE LABEL DOMINATES VITAMIN SALES WITHIN TOTAL U.S. XAOC

Top 5 Brands Average Unit Price

<table>
<thead>
<tr>
<th>Brand</th>
<th>Average Unit Price</th>
<th>Sold TY</th>
<th>Chg vs YAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Label</td>
<td>$7.35</td>
<td>$789,016,351</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Nature Made</td>
<td>$10.17</td>
<td>$457,274,443</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Centrum</td>
<td>$10.82</td>
<td>$254,812,747</td>
<td>(2.0%)</td>
</tr>
<tr>
<td>One A Day</td>
<td>$11.07</td>
<td>$254,812,747</td>
<td>(2.0%)</td>
</tr>
<tr>
<td>Nature's Bounty</td>
<td>$8.21</td>
<td>$202,326,776</td>
<td>(0.9%)</td>
</tr>
</tbody>
</table>

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
SUPERCENTERS HAVE LARGEST VITAMINS SHARE OF WALLET

Supercenters, online and club stealing vitamins share from grocery and drug

Vitamins Share of Wallet by Channel

- Supercenters
- Grocery
- Warehouse Club
- Drug Store
- Online
- Health Food Store

Vitamins Leakage by Channel vs YAG

- Supercenters: 0.8
- Grocery: 0.4
- Warehouse Club: 0.6
- Drug Store: 0.7
- Online: 0.9
- Health Food Store

Source: Nielsen Homescan Panel Data CY 2018, Nielsen Syndicated Hierarchy
VITAMINS REACH LARGE PORTION OF HH

Vitamin buying households are more likely to be high-earning, empty nest, and senior couples who reside in the suburbs.

6 out of 10 American Households Bought Vitamins in 2018

Vitamin Buyers spent $11.46 per trip on Vitamins in 2018, up 1.8% from 2017.

Demographic | $ / Index
--- | ---
Senior Couples | 155
Empty Nest Couples | 126
Household Size Two Members | 119
HH Income $100,000+ | 117
Affluent Suburb Spreads | 112

Source: Nielsen Homescan Panel Data CY 2018, Nielsen Syndicated Hierarchy
VITAMINS BUYERS MEDIA PREFERENCES

Vitamin buyers are more likely than the average consumer to consume the following:

<table>
<thead>
<tr>
<th>Lifestyle</th>
<th>Leisure, Travel, and Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>Channels &amp; Programming</td>
</tr>
<tr>
<td>Internet</td>
<td>Frequently Visited Websites</td>
</tr>
<tr>
<td>Magazine</td>
<td>Subscriptions</td>
</tr>
</tbody>
</table>

- Fidelity
- Google
- AARP
- Royal Caribbean International
- BBC
- MSNBC
- Hallmark Channel
- Bloomberg
- Smithsonian
- The Atlantic
- Golf Digest
- Tiger

Spectra Data, June 2019 Targeting National Behaviors Report
MINERALS
MINERALS REMAIN A STABLE CATEGORY

### Minerals Category

<table>
<thead>
<tr>
<th>Category</th>
<th>$ % Chg Vs YAG</th>
<th>Unit % Chg vs YAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals</td>
<td>(0.2)</td>
<td>+0.4</td>
</tr>
</tbody>
</table>

#### Share of Top Sub-Categories

- **CALCIUM**: 47.8
- **MAGNESIUM**: 19.3
- **IRON**: 14.0
- **MIXED MINERALS**: 8.3
- **ALL OTHER**: 10.6

**Sub-Category $ % Chg vs. YAG**

- **CALCIUM**: (+4.6%) +13.9%
- **MAGNESIUM**: (-4.8%) +13.9%
- **IRON**: +1.0%
- **MIXED MINERALS**: (+4.8%) +13.9%

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
MAGNESIUM HEAVILY CONTRIBUTES TO MINERAL CATEGORY GROWTH IN 2018

Magnesium sold $86.1 million in sales while growing 11.7% versus year ago

- Magnesium Citrate is on the rise in popularity among U.S. consumers
  - Magnesium citrate has grown 31.7% in the last year and sold $11.7 million in sales

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
PRIVATE LABEL OUTPERFORMS IN $SALES WITHIN THE MINERAL CATEGORY

Top 5 Brands Average Unit Price

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</tr>
</thead>
<tbody>
<tr>
<td>Private Label</td>
<td>$7.02</td>
<td>$197,715,049</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Nature Made</td>
<td>$6.70</td>
<td>$94,094,755</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Caltrate</td>
<td>$13.11</td>
<td>$42,957,007</td>
<td>(16.3%)</td>
</tr>
<tr>
<td>Citracal</td>
<td>$10.62</td>
<td>$41,650,685</td>
<td>(2.3%)</td>
</tr>
<tr>
<td>Nature’s Bounty</td>
<td>$5.69</td>
<td>$40,827,692</td>
<td>+6.1%</td>
</tr>
</tbody>
</table>

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
SUPERCENTERS, GROCERY, AND DRUG HAVE HIGHEST MINERAL SHARE

Grocery, club, and online gaining share from supercenters, drug, and health

Source: Nielsen Homescan Panel Data CY 2018, Nielsen Syndicated Hierarchy
MINERALS REACH LESS HH, HAVE LESS SPEND PER TRIP

Senior, empty nest couples with no children are more likely to purchase minerals than the average consumer.

2 out of 10 American Households Bought Minerals in 2018

Minerals Buyers spent $9.40 per trip on Vitamins in 2018, down .05% from 2017

Demographic    | $ / Index
---             | ---
Senior Couples | 229
Empty Nest Couples | 138
Household Size Two Members | 137
No Children | 122
Comfortable Country Living | 112

Source: Nielsen Homescan Panel Data CY 2018, Nielsen Syndicated Hierarchy
MINERAL BUYERS MEDIA PREFERENCES

Minerals Buyers are more likely than the average consumer to consume the following:

**Lifestyle**
Leisure, Travel, and Organizations

<table>
<thead>
<tr>
<th>3</th>
<th>6</th>
<th>7</th>
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<tr>
<td>8</td>
<td>9</td>
<td>5</td>
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<td>8</td>
<td>3</td>
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<tr>
<td>7</td>
<td>2</td>
<td>6</td>
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</table>

<table>
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<tr>
<th>4</th>
<th>1</th>
<th>9</th>
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<tbody>
<tr>
<td>8</td>
<td>7</td>
<td>9</td>
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</tbody>
</table>

**Cable TV**
Channels & Programming

Google
Aol.

Google
Aol.

npr

**Internet**
Frequently Visited Websites

**Magazine**
Subscriptions

Spectra Data, June 2019 Targeting National Behaviors Report
SUPPLEMENT GROWTH OUTPACES MINERAL AND VITAMIN CATEGORIES

**Supplement Category**

<table>
<thead>
<tr>
<th>Category</th>
<th>$ % Chg Vs YAG</th>
<th>Unit % Chg vs YAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplement</td>
<td>+6.3%</td>
<td>+5.1%</td>
</tr>
</tbody>
</table>

**Share of Top Sub-Categories**

- **DIGESTIVE**: 18.5
- **GENERAL HEALTH**: 17.4
- **HEART HEALTH**: 12.8
- **SLEEP AID**: 8.4
- **ALL OTHER**: 42.9

**Sub-Category $ % Chg vs. YAG**

- **DIGESTIVE**: +2.5%
- **GENERAL HEALTH**: +7.5%
- **HEART HEALTH**: (4.8%)
- **SLEEP AID**: +29.6%

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
Probiotics leads in comparison to its mineral type counterparts with $370.2 million in sales in 2018

• Melatonin continues to grow at a fast pace (+29.4% vs YAG)
• Vitamin Mineral Combo packs, Nutrition Drink Mix and Glucosamine Chonroitin all contribute to the categories growth

Top 10 Vitamin Types

<table>
<thead>
<tr>
<th>Vitamin Type</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROBIOTIC</td>
<td>1.1</td>
</tr>
<tr>
<td>MELATONIN</td>
<td>29.4</td>
</tr>
<tr>
<td>CO Q10</td>
<td>(9.5)</td>
</tr>
<tr>
<td>VITA MIN COMBO</td>
<td>11.8</td>
</tr>
<tr>
<td>NUTRI DRINK MIX</td>
<td>8.2</td>
</tr>
<tr>
<td>GLUCO CHOND</td>
<td>8.0</td>
</tr>
<tr>
<td>IMMUNE SUPPORT</td>
<td>1.8</td>
</tr>
<tr>
<td>CHOND GLUCOS</td>
<td>(17.4)</td>
</tr>
<tr>
<td>MULTI SUP TYPE</td>
<td>(10.4)</td>
</tr>
<tr>
<td>HERB VITAMIN COMBINATION</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
EMER’GEN-C IS A LOW PRICED SUPPLEMENT BRAND SHOWING CONTINUED GROWTH

$330,562,760 Sold TY
+0.0% Chg vs YAG

$290,565,108 Sold TY
+1.2% Chg vs YAG

$232,474,033 Sold TY
+15.8% Chg vs YAG

$227,152,598 Sold TY
+10.8% Chg vs YAG

$186,783,150 Sold TY
+12.4% Chg vs YAG

Source: Nielsen Retail Measurement Data, Total US xAOC Incl Conv, Calendar Year 2018 vs 2017
CLUB HAS LARGEST SUPPLEMENTS SHARE

Grocery, supercenters, and online gaining from club, drug, and health stores

Source: Nielsen Homescan Panel Data CY 2018, Nielsen Syndicated Hierarchy
SUPPLEMENTS HAVE HIGH REACH AND SPEND PER TRIP

Supplement buying households are more likely to contain two members, senior couples or singles, and high earners.

6 out of 10 American Households Bought Supplements in 2018

Supplement Buyers spent $18.13 per trip on Vitamins in 2018, down .02% from 2017

<table>
<thead>
<tr>
<th>Demographic</th>
<th>$ / Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Couples</td>
<td>187</td>
</tr>
<tr>
<td>Household Size Two Members</td>
<td>129</td>
</tr>
<tr>
<td>HH Income $100,000+</td>
<td>123</td>
</tr>
<tr>
<td>Senior Singles</td>
<td>121</td>
</tr>
<tr>
<td>Cosmopolitan Centers</td>
<td>113</td>
</tr>
</tbody>
</table>

Source: Nielsen Homescan Panel Data CY 2018, Nielsen Syndicated Hierarchy
SUPPLEMENT BUYERS MEDIA PREFERENCE

Supplement buyers are more likely than the average consumer to consume the following:

Lifestyle
Leisure, Travel, and Organizations

Cable TV
Channels & Programming

Internet
Frequently Visited Websites

Magazine
Subscriptions

Spectra Data, June 2019 Targeting National Behaviors Report
IN SUMMARY

- Vitamins, Minerals and Supplements continue to grow across the U.S. Retail landscape with over 70% of Americans taking them

- Wellness Claims and Transparency may have started in Health Care and moved into the rest of the store but it is now table stakes across all products in the Health Care space consumers

- While the Vitamins category continues to over-index with older generations, companies are already working to find ways to attract younger generations into the category
QUESTIONS?