

# The state of CBD in health and beauty

*CBD and hemp seed extracts have become more mainstream in health and beauty products as legalization efforts have been largely successful in recent years*

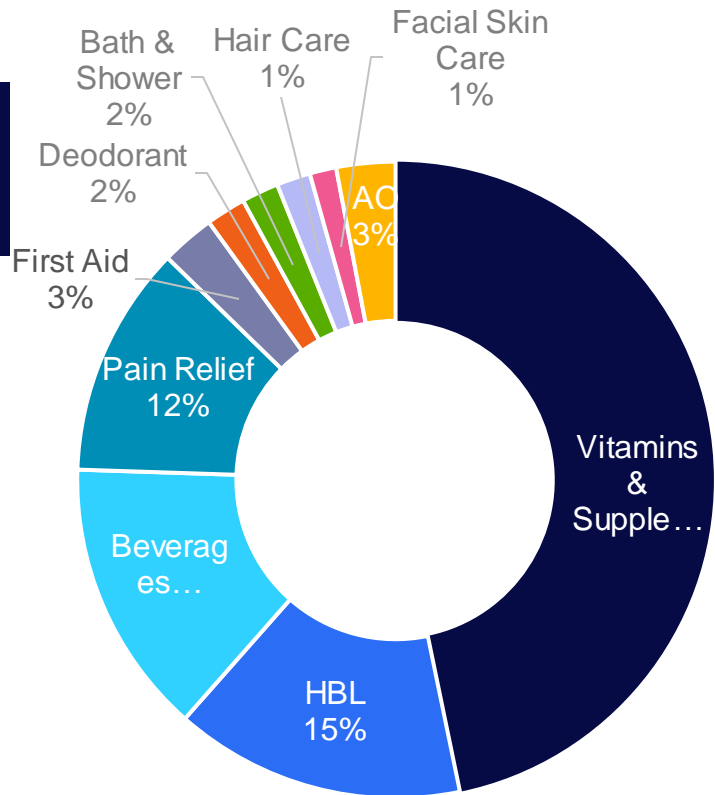
## What is CBD?

Cannabidiol, also known as CBD, is the second most prevalent active compound found in a cannabis plant, next to THC. Unlike THC, CBD does not produce a psychoactive effect or provide a high sensation, making it a popular ingredient in health and beauty care products. CBD has been found to interact with the endocannabinoid system in the body, as well as neurotransmitters that impact inflammation, pain, mood regulation, and stress response.

Its potential therapeutic benefits have led to the rapid growth of CBD-infused products in the health and beauty industry, making it a \$52 million yearly subset. From skincare to supplements, the use of CBD in various products is quickly gaining popularity, with many claiming its effectiveness in promoting relaxation and overall well-being.

## Hemp CBD- Stated Share across Super Categories

*83% of all instore CBD product sales come from health and beauty super categories.\**



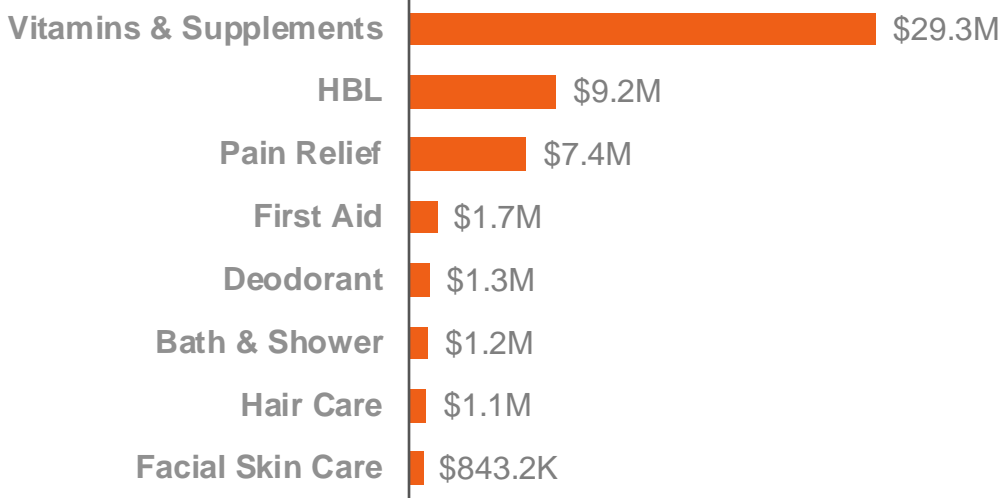
Source: NielsenIQ Total Store Product Insight, Total US xAOC, L52W ending 3/11/2023; Hemp CBD is defined products with CBD stated on their packaging

\*Health and beauty is defined by the following Super categories: Bath & Shower, Cosmetics and Nail Grooming, Deodorant, Facial Skin Care, First Aid, Fragrances, Hair Care, Hair Removal, HBL, Pain Relief, Sun Care, Vitamins & Supplements

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*Vitamin & supplements are the most popular super category for CBD innovation*

**L52 sales  
across  
super  
categories**



Source: NielsenIQ Total Store Product Insight, Total US xAOC, L52W ending 3/11/2023

## Brand spotlight:

*Charlotte's Web*

**Charlotte's Web made up 10.5 million or 20.3% of all in-store sales\* of CBD health and beauty products last year.**

Despite their beauty and health products facing a dip of -8.6% in sales over the last year, Charlotte's Web had an impressive two-year growth of 29.7% and three-year growth of 33.4%, indicating its strong position in the market.

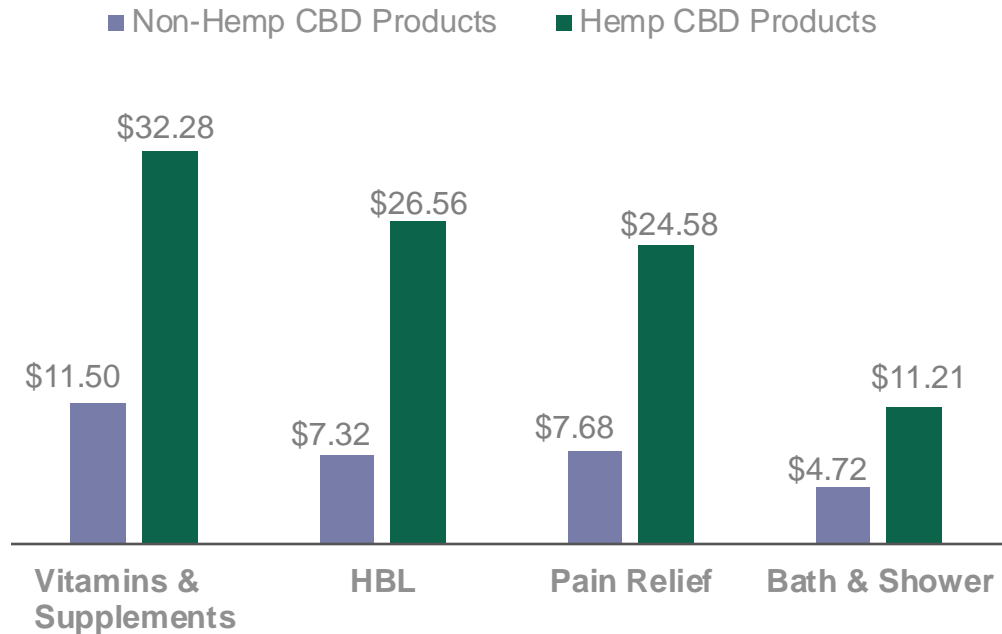


\*In-store refers to Total US xAOC and does not include sales from in-store dispensaries  
Source: NielsenIQ Total Store, Total US xAOC, L52W ending 3/18/2023

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*Products containing Hemp CBD can go for over double the price of non-Hemp CBD items*

## Average unit price – with/without Hemp CBD



Source: NielsenIQ Total Store Product Insight, Total US xAOC, L52W ending 03/11/2023

## The big picture

*Interest in CBD health & beauty has stabilized following a surge of growth from 2019 to 2021. Opportunities for innovation are still available, especially online in vitamins, supplements, and hand & body lotion.*

*The CBD industry is still in its mainstream infancy. There is room for a large brand to be a disrupter in the health and beauty vertical.*

