



FRAGRANCES

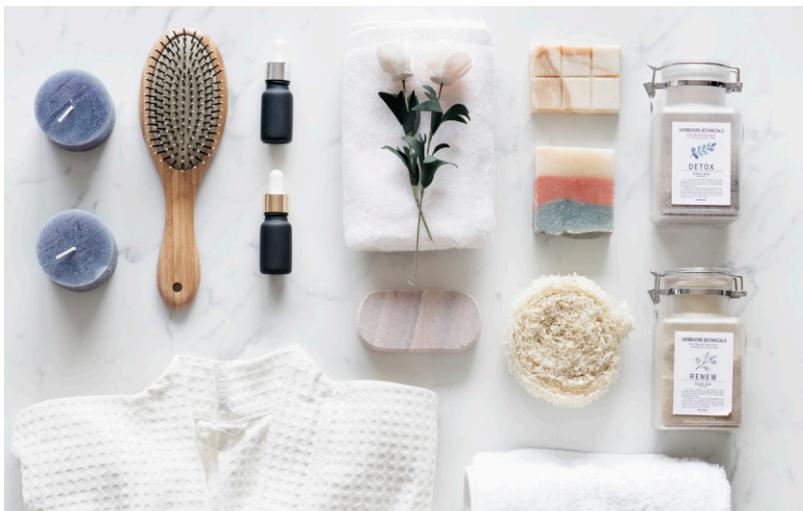
HEALTH AND WELLNESS REPORT

AIR CARE + BEAUTY + HOME CLEANING + CBD/HEMP + AROMATHERAPY





HEALTH AND WELLNESS IS A BROAD SUBJECT, which continues to evolve and is now mainstream. Often on-the-go, consumers are leading busy lifestyles with demanding schedules and higher stress levels. In response, consumers' search for healthy lifestyles and their demand for healthier products and services are escalating. According to the Global Wellness Institute, the global wellness economy was worth **\$4.2 trillion** in 2017, up from **\$3.7 trillion**, and grew **6.4%** annually from 2015–2017.¹ Furthermore, searches for "self care" increased by 140%, according to Pinterest top 100 trends in 2019.²



Health and wellness touches many aspects of an individual's life and intersects with food and beverages, beauty and personal care, and household and air care product choices and usage.

For example, skincare research from The Benchmarking Company revealed that 53% of respondents say they use "**organic**" and "**natural**" beauty/personal care products.³ Shoppers use natural and organic skin care for a variety of reasons⁴:



USE BECAUSE THEY CONTAIN NO HARMFUL INGREDIENTS



BELIEVE NATURAL/ORGANIC "IS BETTER FOR MY SKIN'S HEALTH"



THINK THESE PRODUCTS ARE MORE ENVIRONMENTALLY RESPONSIBLE

"**Natural**" is the #1 Most Appealing Skincare Trend by age for Gen Z (72%) and Millennials (63%) and #2 Most Appealing Skincare Trend by age for Gen X (61%) and Baby Boomers



(58%).⁵ Furthermore, according to Google's Flynn Matthews, in 2018 the U.S. natural beauty searches totaled 45 million, with 20 million dedicated to "organic."⁶

A focus on naturals with a return to aromatherapy, plant-based ingredients and CBD-infused consumer packaged goods are three areas of interest consumers seek to meet their ever-changing health and wellness mind-set and behavioral shift towards better-for-you products and services.

NATURALS/AROMATHERAPY

According to Research and Markets, the global aromatherapy market is projected to reach **\$8.21 billion by 2024** from **\$4.35 billion in 2016**, growing at a CAGR of 8.4% in the forecast period 2017 to 2024.⁷ Cult Beauty, the online beauty retailer, reports a 240% rise in the number of searches for "aromatherapy" over the last 18 months.

The Global Natural Fragrance Ingredients market was **\$3.69 billion in 2017** and is estimated to reach **\$5.48 billion by 2023** with a CAGR of 6.81% during the period, according to Research and Markets.⁸ In 2017, natural fragrances grew their sales by 32%, according to the NPD Group.⁹ The U.S. natural personal care market is anticipated to reach **\$3.17 billion by 2025**, growing at a CAGR of 9.6% during the forecast period, according to Grand View Research, Inc.¹⁰

"The resurgence of aromatherapy is in line with the shifting consumer mindset. Aromatherapy checks both the beauty and wellness boxes, which is in line with the continued merging of the categories," states Kelly Kovack of Beauty Matters. According to Mintel's research, in the U.S. there has been an 8 percentage point increase in the proportion of



adults who have used essential/scented oils between 2016 (14%) and 2018 (22%).¹¹ Furthermore, 41% of U.S. air care users have not used but would be interested in trying essential oils with specific health benefits.

NATURAL BEAUTY EXAMPLES:



Functional Fragrance by Nue. Co is a unisex scent that “offers transdermal anti-stress benefits.” The fragrance is formulated with a blend of natural ingredients including green cardamom, iris, Palo Santo, violet, and cedarwood “meant to lower cortisol levels that contribute to stress and ease the body’s nervous system.”

Michelle Pfeiffer introduced **Henry Rose**, a genderless, clean fragrance line in five scents: **Dark is Night, Fog, Jake's House, Last Light, and Torn**. The fragrances are verified by Environmental Working Group (EWG) and received a gold Level verification by Cradle to Cradle, with a platinum level verification in the Material Health category. In addition, each full-size bottle is made from 90% recycled Neo-Infinite glass and is 100% recyclable with caps made from soy and



secondary packaging made from a bio-based, biodegradable, and compostable paper alternative.

Herbal Essences launched **Honey & Vitamin B Sulfate-Free Shampoo and Birch Bark Extract Sulfate-Free Shampoo**, which are two new sulfate-free botanical shampoos, which have received the EWG’s stamp of approval for verification.



Fashion designer and Wellness Café owner, Norma Kamali, launched **NormaLife The Skinline**, a collection of four “clean, unisex face and body products designed for all skin types, colors, and ages.” The products are built around natural ingredients such as olive oil, charcoal, cacao, jojoba, aloe, sugar beet and shea butter.





To broaden its reach as an integrative health and wellness company, **DoTerra** launched **Prime Meridian Health Clinic**, its first wellness clinic, in Utah in October 2018. By the end of 2019, the company plans to roll-out 20 more in the U.S.

NATURAL AIR CARE & HOUSEHOLD EXAMPLES:



Young Living Royal Hawaiian Sandalwood™ Hydrosol is “a refreshing, aromatic multipurpose spray that hydrates skin and hair and adds a welcoming aroma to linens and the air in your home.”

Air Wick Essential Mist diffuser is a new line that “transforms natural essential oils into a gentle, fragrant

mist that surrounds your home with the fragrances you love.” The refills are available in six premium fragrances inspired by Nature: **Cinnamon & Apple Crisp, Fresh Cucumber, Fresh Water Breeze, Lavender & Almond Blossom, Mandarin & Sweet Orange, and Peony & Jasmine.**



Art of Green by AIEn USA is a new line of “affordable and high-performing” natural multipurpose cleaners. The three-product line-up includes a Multipurpose Cleaning Spray, Multipurpose Wipes and a Concentrated Refill in two scents **Lavender**, **Eucalyptus** and **Citrus & White Flowers**. The products are formulated with natural essential oils and a USDA-certified Bio-base and are packaged in a bottle made with 100% post-consumer recycled materials.



PLANT-BASED

The plant-based food sales as grown 20% to reach **\$3.3 billion** in revenue in 2018, according to data Plant Based Foods Association commissioned from Nielsen.¹² The lifestyles of vegan, vegetarian, raw and flexitarian continue to affect more than just food and beverage industries, the



claims have trickled into beauty and personal care products. According to Grand View Research, Inc., the U.S. vegan cosmetics market is expected to exceed **\$3.16 billion by 2025.**¹³ Ingredion conducted proprietary consumer research to explore the perception of “**clean beauty**” and “**natural**” within global skin care and found that more than 68% of consumers are likely to purchase products in the next six months with the claims “**non-GMO**,” “**organic**,” “**green**” or “**vegan**” because they expect that these claims will improve performance.¹⁴

BEAUTY EXAMPLES:

Digital native brand **Skylar** is a clean fragrance brand that uses an organic sugar cane alcohol base, distilled water and ingredients sourced from sustainable farms all over the world. The fragrances are made in the United States and contain no parabens or phthalates and are cruelty-free, vegan and hypoallergenic. **Capri** is one of the newest scents with notes of bergamot, neroli, grapefruit, blood



orange, teakwood, sheer vetiver, crystal musk, dewy rose and muguet.

Own Beauty is a new line and sister brand to Every Man Jack. The products do not contain added fragrances, aluminum, phthalates, dyes or parabens and are vegan and cruelty-free. The body wash contains jojoba, glycerin and coconut oil and are available in four varieties:

Citrus + Sage, Coconut + Mango, Green Tea + Cucumber and Lavender + Vanilla.

The deodorant is coconut-based and aluminum-free with arrowroot powder and shea butter and is offered in the same four scents. The bottles are made with at least 50% post-consumer recycled plastics and are made with aromatic ingredients that are derived from plants.





Essential Oils | Fragrances | Flavors

In May 2019, **Kylie Jenner** debuted a six SKU **Kylie Skin** range, which is cruelty-free, paraben-free and certified vegan.

PLANT-BASED AIR CARE & HOUSEHOLD EXAMPLES:

Everspring is a new **Target**

Clean household brand that offers laundry detergent, paper towels, hand and face wipes, and multi-purpose cleaners. The brand was developed by Target's internal design team and is made without phthalates, propyl-paraben, butyl-paraben and sodium laureth sulfates and contains ingredients and components that are derived from plants, other renewable materials and post-consumer recycled paper.



Unilever unveiled **Love Home and Planet**, a new plant-based home care line, which was inspired by the success of the brand's Love Beauty and Planet beauty and personal care brand. The range includes 38 fabric, dish and surface care products in five scent stories: **Citrus Yuzu & Vanilla, Coconut Water & Mimosa Flower, Lavender & Argan Oil, Rose Petal & Murumuru, and Vetiver & Tea Tree Oil**.





CBD & HEMP-INFUSED

Cannabis is currently a cultural phenomenon. According to Arcview Market Research and BDS Analytics, cannabis sales accounted for **\$9.5 billion** in consumer spending. The total size of the global cannabis market is estimated to reach **\$32 billion** by 2022 and **\$57 billion** by 2027.¹⁵ While hemp oil, *Cannabis sativa* oil, is nothing new in consumer good products, the CBD infused craze has increased its awareness and usage in additional consumer goods. Both ingredients are extracted from the cannabis plant, however neither contain THC, the psychoactive part of the plant. These ingredients claim to help with things such as inflammation, pain relief, better sleep, reduction in anxiety, and more which is why they are thought to be beneficial in the personal care industry.

Sales of recreational cannabis in legal states were estimated to reach **\$6.7 billion** in 2018, a 158% increase since 2017. The market is forecast to reach **\$15.7 billion** by 2022. The growth is due largely to new recreational use markets gaining legalization. According to Mintel research, U.S. consumers are interested in consumer-packaged goods that are cannabis-infused.¹⁶





OF CANNABIS PRODUCTS INTRODUCED
IN NORTH AMERICA IN 2018 WERE
SKINCARE PRODUCTS¹⁷



OF NORTH AMERICAN CONSUMERS WOULD BE
LIKELY TO TRY A LEGAL THERAPEUTIC PRODUCT
INFUSED WITH CANNABIS¹⁸



OF NORTH AMERICAN CONSUMERS AGREED, OR
STRONGLY AGREED THAT CANNABIS PRODUCTS
OFFER WELLNESS OR THERAPEUTIC BENEFITS¹⁸



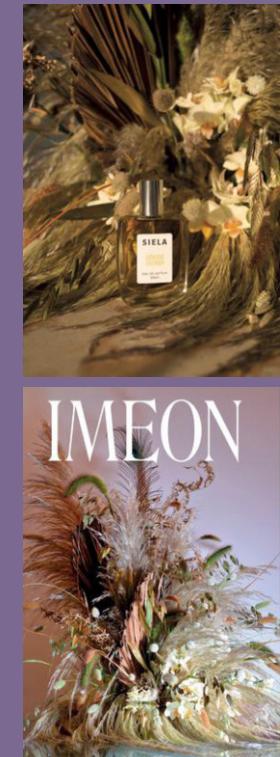
OF NORTH AMERICAN CONSUMERS ARE MOST
LIKELY TO TRY CANNABIS INFUSED COSMETICS &
SKINCARE¹⁸



OF NORTH AMERICAN CONSUMERS BELIEVE
BRAND IS IMPORTANT WHEN CHOOSING
PRODUCTS INFUSED WITH CANNABIS¹⁸



Sephora rolls out **Lord Jones CBD skin care** in 171 stores. Less than a year after first dabbling in selling CBD products online, Sephora is finally ready to bring its offering to stores. “One thing they saw in us is that we were leaders in the CBD space because we ran a medical marijuana collective. There was a lot of trust, and we were able to navigate how to bring CBD to market on a national level to their customers” said Robert Rosenheck, Lord Jones founder and CEO.



Olo Fragrance and vape pen company **Quill** collaborated on **Siela Studio** **IMEON** fragrance, a cannabis infused scent, which launched in Oregon in December 2018. The scent is formulated with the Purple Hindu Kush strain of marijuana with lemon, neroli, cannabis essential oil, blond tobacco, frankincense, hinoki, vetiver and tree moss.



Dirty Grass by **Heretic Fragrances** is described as a “functional fragrance” and contains 150 mg of hemp-derived CBD oil in each 15 ml bottle that is absorbed in a user’s skin. The CBD-infused scent features top notes of pink pepper and lemon, heart notes of violet leaf and galbanum and base notes of Haitian vetiver.

Crave Skincare, a CBD pioneer in the indie beauty segment, changed the company’s name to **Code of Harmony**. In November 2018, Code of Harmony opened an 850-square foot spa and brick and mortar shop in Long Beach, California where they perform spa services, sell branded CBD-infused products and supply ingredients for DIY skincare.

Emera Nourishing CBD Shampoo and Conditioner are formulated with oils of CBD, hemp and avocado, as well as chamomile, peppermint,



green tea, and lemon grass.

Kush Queen, recognized as providing hemp and CBD-based wellness, skincare, beauty and lifestyle products, creates

CBD bath bombs featuring essential oil blends designed for wellness with varieties including:

Relieve, Relax, Sleep, and Awaken.



AIR CARE EXAMPLES:

Kushed Queen Green - Fresh Cut Cannabis Candle is

infused with cannabis essential oil and has notes of ylang ylang, rosewood and mandarin. The aromatherapy scent is designed to be relaxing.

Pendy.Co CBD Infused Candle offers 25 hours of relaxation, it includes high resin hemp





extracted cannabinol & coconut oil with claims to reduce stress, restlessness & anxiety.



Massage candles are hitting the market, with 2-in-1 benefits of scenting the air for relaxation, then using the melted concentrate oil of essential oils + CBD oil to nourish the skin. **Kannai**

CBD Massage Candle Relax & CBD Daily's 3-in-1 Massage Candle is an example.

CBD PET EXAMPLE:

ZenPup has created a line of broad-spectrum CBD-infused pet products meant to treat dogs with pain and anxiety. The collection includes **Clean Pup Rinse-Free Shampoo**, **Goodies Peanut Butter Flavored CBD Dog Treats**, and **Happy Bacon Flavored Calming Spray**.





THINK LEBERMUTH FOR YOUR NEXT PROJECT

Consumers' growing demand and interest for wellbeing is rapidly evolving in many industries. Lebermuth has been a trail blazer of high-quality ingredients, essential oils, terpenes, isolates, hemp seed oil, carrier oils, and custom fragrances.

Combined with our technical knowledge for formulary and applications, let us help create fragrances for your consumer packaged goods that resonates with a sense of wellbeing.

LEBERMUTH IS:



Endnotes

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