

Baby Care Market Opportunity

Innovation
through
formulation

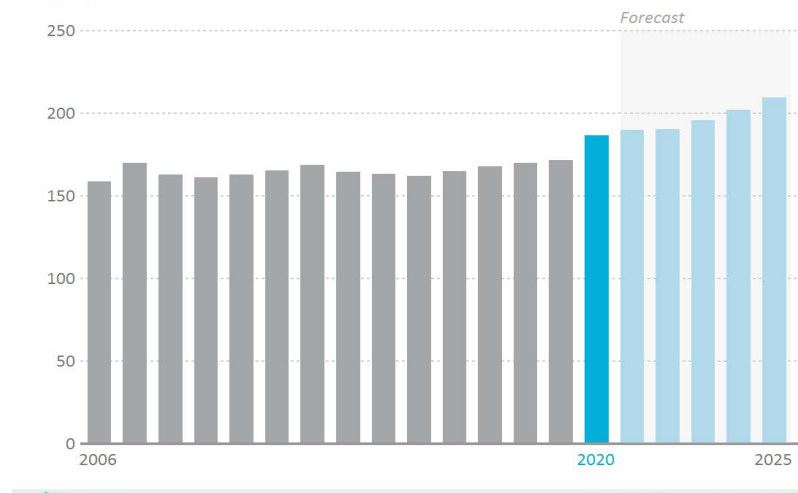
US Market Size and Forecast



Sales of Baby and Child-specific Hair Care in USA

Retail Value RSP - USD million - Current - 2006-2025

186



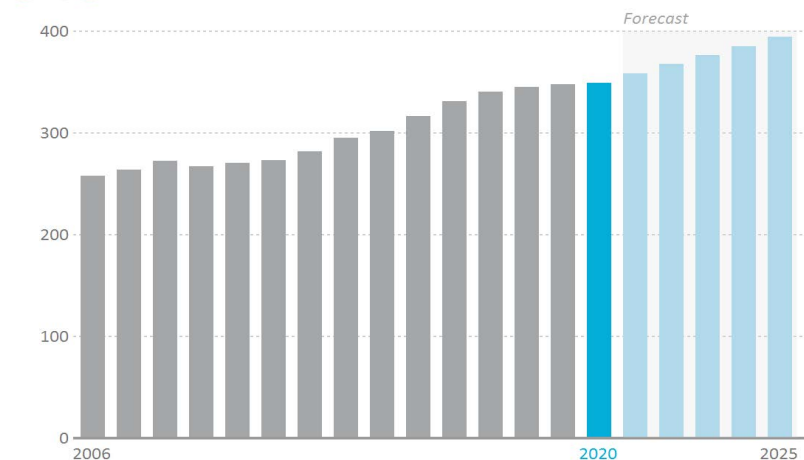
Expected to reach \$208 million by 2025

8.9% CAGR
2019-2025

Sales of Baby and Child-specific Skin Care in USA

Retail Value RSP - USD million - Current - 2006-2025

348



Expected to reach \$393 Million by 2025

1% CAGR
2019-2025



Be more transparent about products' natural merits



The naturalness of baby personal care products remains important to parents, with natural formulas perceived as gentler and safer on babies' delicate skin. NPD in this area is broadly established, driven by claims such as botanical/herbal. Indeed, 57% of baby personal care launches in North America in 2021 featured botanical/herbal claims, an increase on previous years.

Brands can be more transparent about their products' natural formulations to reach more discerning consumers.

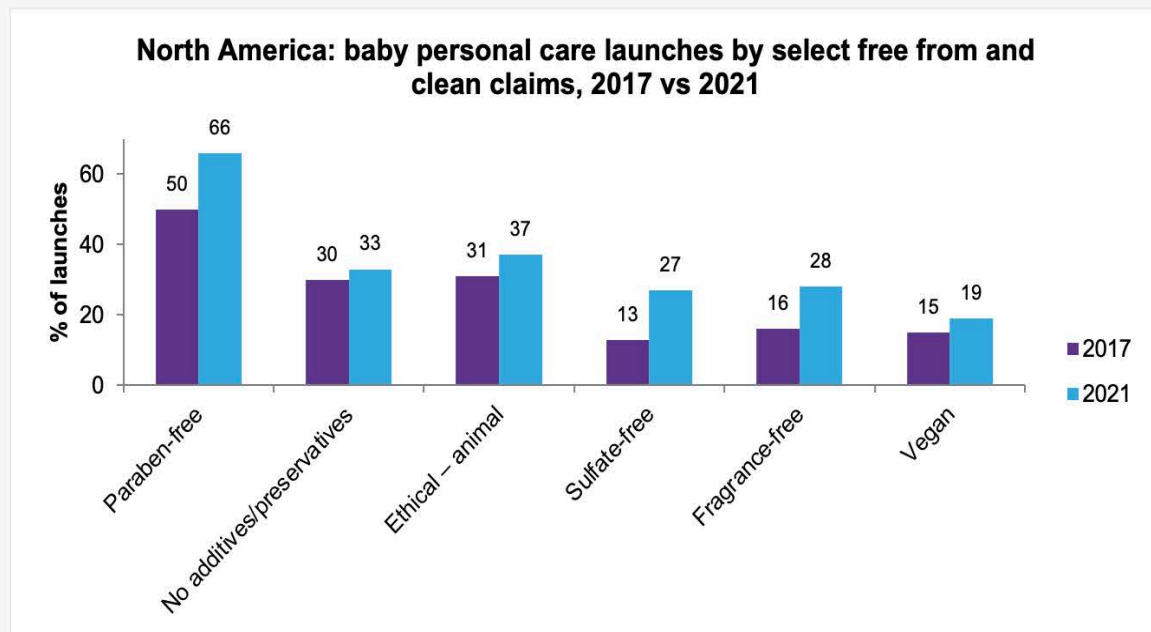
In the US, 43% of parents of kids 5 and under and buyers of baby care lines agree natural ingredients are the most important issue sother than price.



Free from and clean innovations gain traction

Claims that are associated with the clean beauty movement (eg free from, vegan, cruelty-free) and align with natural trends and demands continue to gain traction in the North American baby personal care market.

As more enter this space, brands need to become more competitive. They can **focus on the specific skin health merits** of free from and clean formulas and **align with wellness trends** to stand out from the competition.



Add value to the natural/free from segment by tapping into diversity trends

Brands can bring more value to the natural/free from baby personal care segment by meeting the consumer demand for more diversity-focused innovation.

Diversity-focused innovation is only slowly starting to emerge in baby personal care.

