MARCH 2026

Beyond the Label:

Balancing Ingredient Integrity with Product Performance

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45 YEARS Natural Products EXPO WEST®

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A collective of the most trusted retail, marketing and foodservice agencies reimagining the way people connect with your brand at every point in the consumer journey.

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ActionLink

CORE

CROSSMARK

mosaic

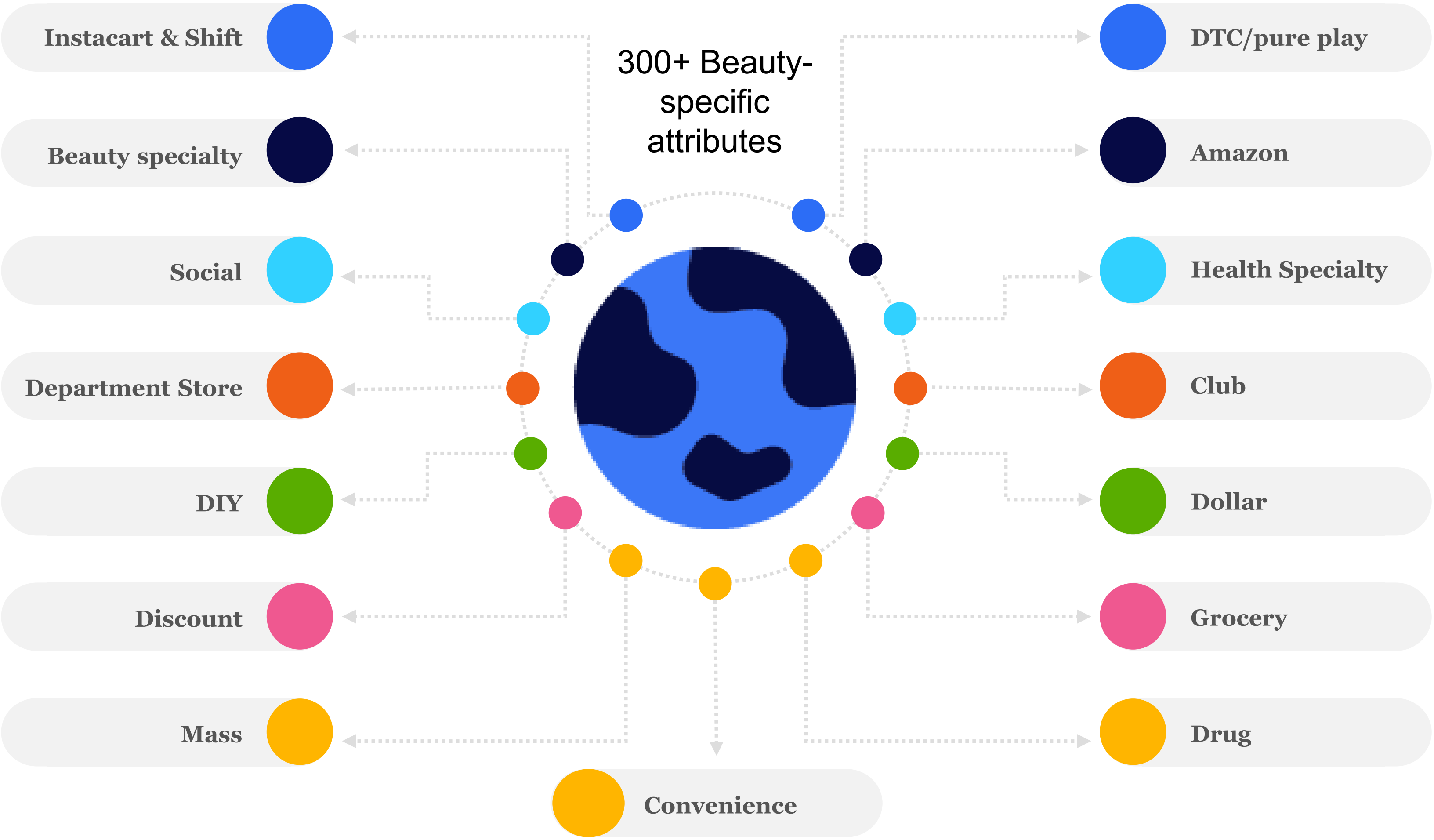
Premium.

PRODUCT CONNECTIONS

NIQ is the industry leader in Health & Beauty market reach & granularity

NIQ delivers the Full View of beauty buying behavior

- The industry's most trusted consumer data—more channels, sources, consumers, and regions
- Validated with point of sales data directly from retailers



Today's Goal

To help you understand the importance of balancing both ingredient integrity and efficacy in beauty care, providing helpful insights to help you grow your business by meeting consumer needs at any stage, whether you are innovating, formulating, communicating, or selling at the shelf in the last moment of truth.

Industry Trends

- Health & beauty U.S. landscape
- Clean beauty
- Product claims + ingredient performance

Deep Dive into Research

- Wellness choices
- Heightened ingredient awareness + demand for standards
- Natural ingredients vs clinical proof
- Label reading and scrutiny of artificial ingredients
- Allergy sufferers

Future Thoughts

- How AI and social media inform & influence the shopper journey
- What's next for cosmetic chemistry & performance
- Final thoughts
- Q&A

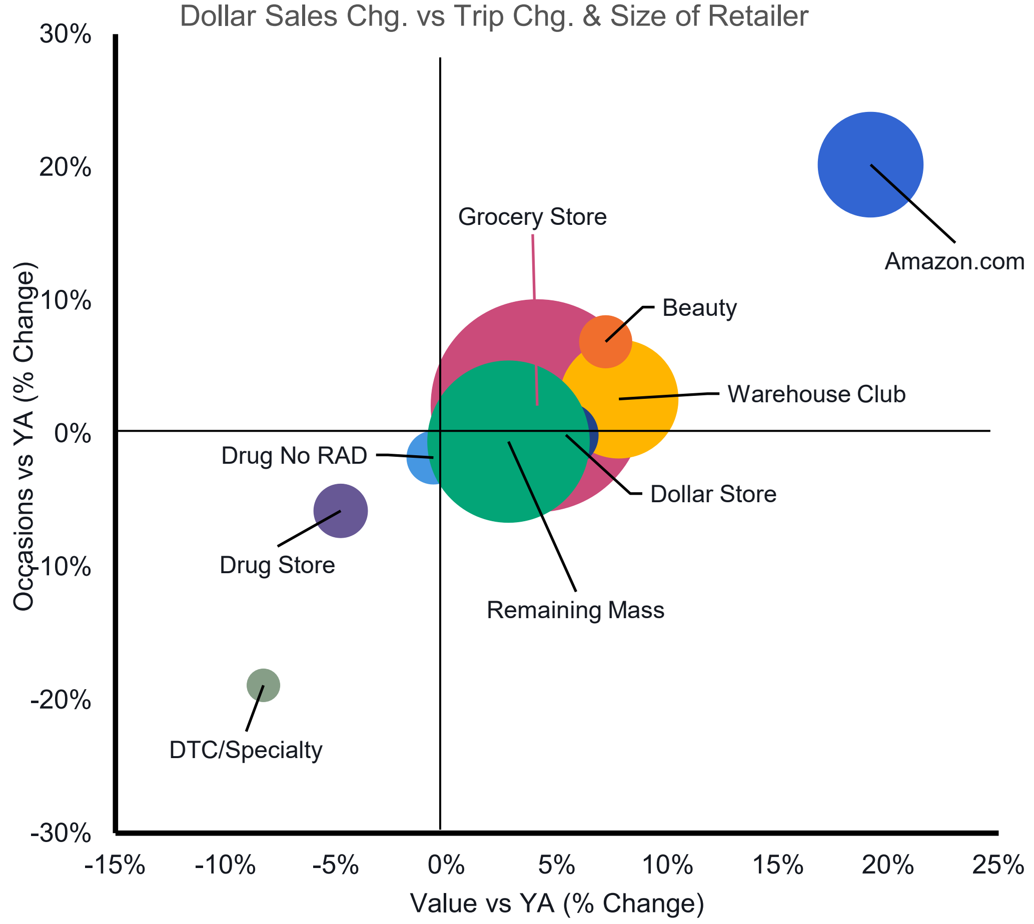
Health & Beauty US Performance

In this section we will review US market performance, trends, and headwinds & tailwinds.

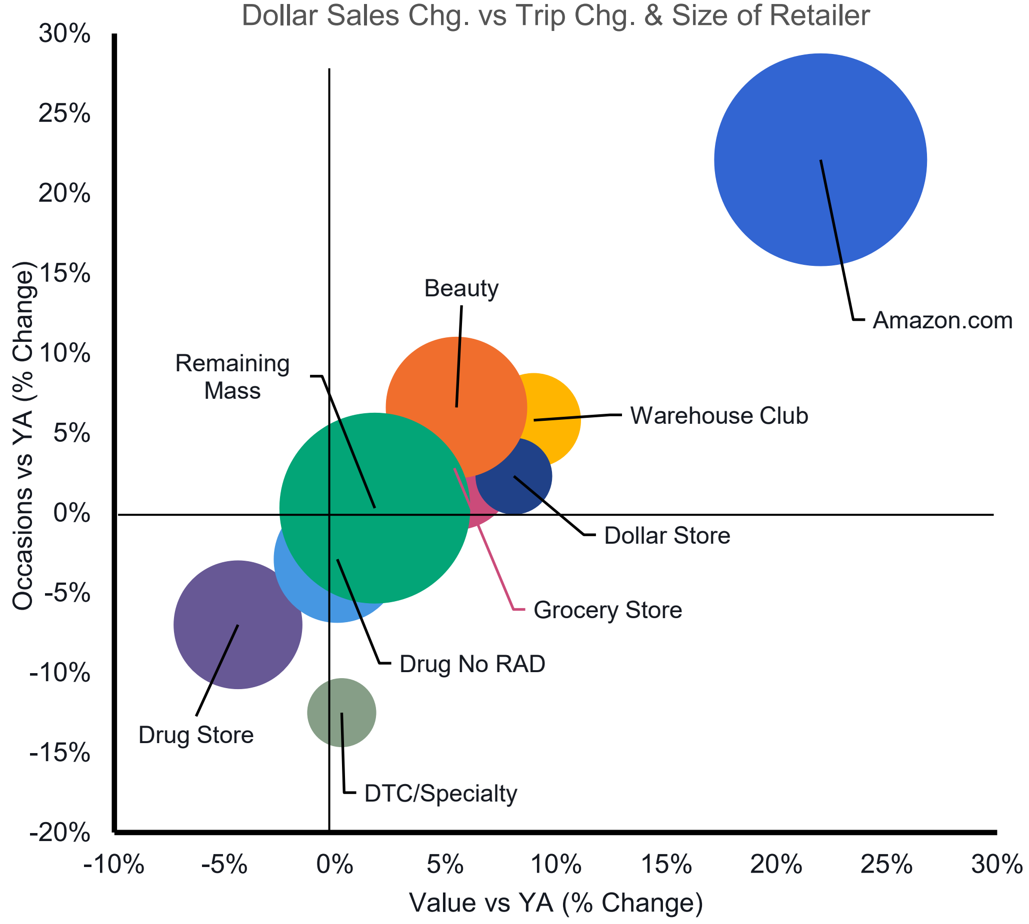
Amazon.com, Club and Beauty lead in overall US Total Store growth

Amazon.com is the largest Health & Beauty retailer with notable year over year growth in dollar and trip change

Total Store



Health & Beauty Care



Source: NIQ Expanded Omnishopper; Total US All Outlets by Channel; Total Store vs Health & Beauty Care; Dollar vs Occasions/Trips % change vs year ago; 52 weeks ending Dec. 27, 2025

US Online market drives double digit growth for beauty & personal care

In-Store	*Online*	*Total Beauty and Personal Care*
$64.6B	$58.0B	$122.6B
+1.7%	+20.0%	+9.6%

47% online

53% in-store

Source: NielsenIQ POD Omnishopper Panel Total US L52W WE 09/06/25 vs YA, $ % Chg YA

Online is meaningfully taking share from store-based retail

eCom growing across almost all departments

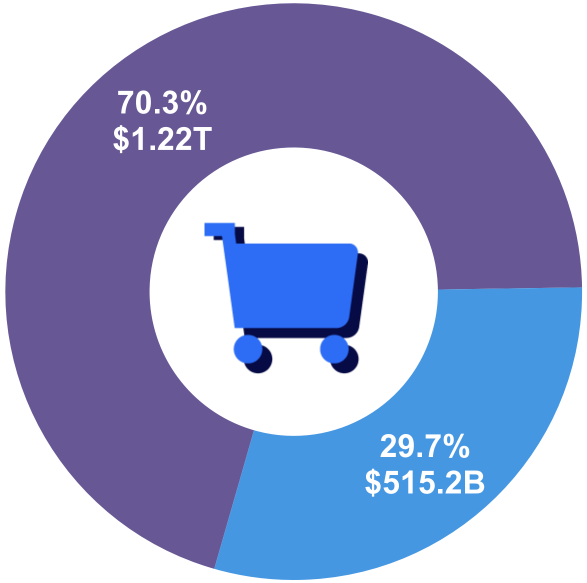
Total Online and In Store Share

$ Share and $ Change vs YA

Total Sales

$1.73T

+4.0% vs YA



In Store

(-2.2pp vs YA)

$ %Chg vs YA: +0.9%

Online

(+2.2pp vs YA)

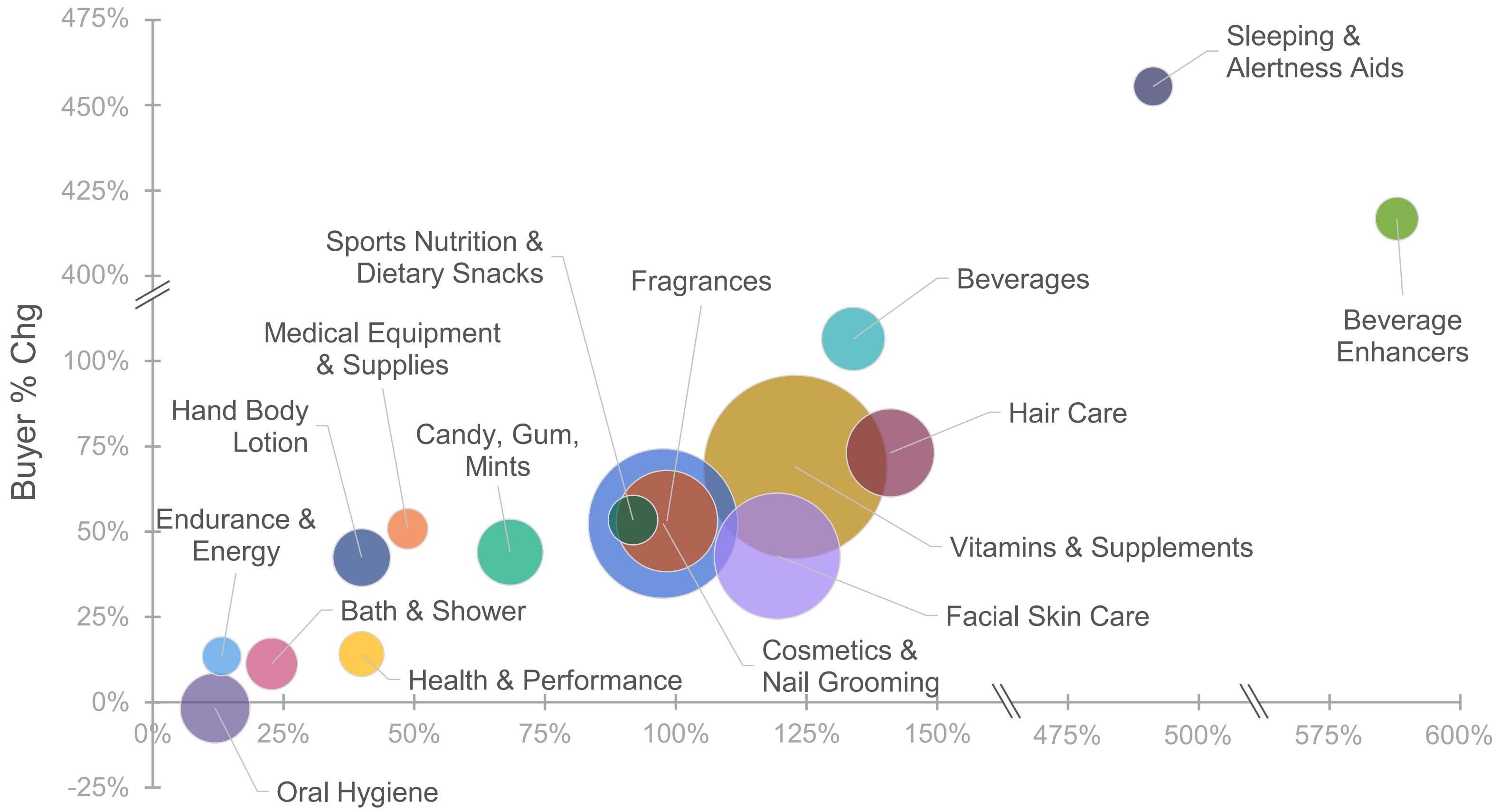
$ %Chg vs YA: +12.2%

Department Online and In Store $ Performance

Department	Online $ Share of Total Department Sales	$ % Chg vs YA: Online	$ % Chg vs YA: In Store
Health & Beauty	48.9%	+16.5%	-1.3%
Baby Care	48.3%	+5.3%	-0.8%
Pet Care	45.1%	+11.8%	-3.1%
Household Care	32.3%	+15.7%	-1.1%
Food	12.1%	+19.5%	+1.9%
Alcohol	5.5%	+7.9%	+3.7%

Source: NielsenIQ Omnisales, $, $ %Chg YA and $ Share for All Departments in Total US | Latest 52 wks w/e 8/23/25

Health and Beauty accounts for 81% of TikTok Shop sales



Bubble Size = Dollar Volume

Top 10 Selling H&B Categories on TikTok	
Vitamins & Supplements	$990.4
Cosmetics And Nail Grooming	$765.5
Facial Skin Care	$679.8
Fragrances	$372.6
Hair Care	$333.7
Oral Hygiene	$154.1
Hand Body Lotion	$117.0
Bath & Shower	$109.3
Endurance & Energy	$46.4
Sleeping & Alertness Aids	$45.6

Source: NielsenIQ e-commerce Retailer View, TikTok Health & Beauty Categories, 12 months ending 9/30/25, Top-selling categories 12 months ending 1/31/2026

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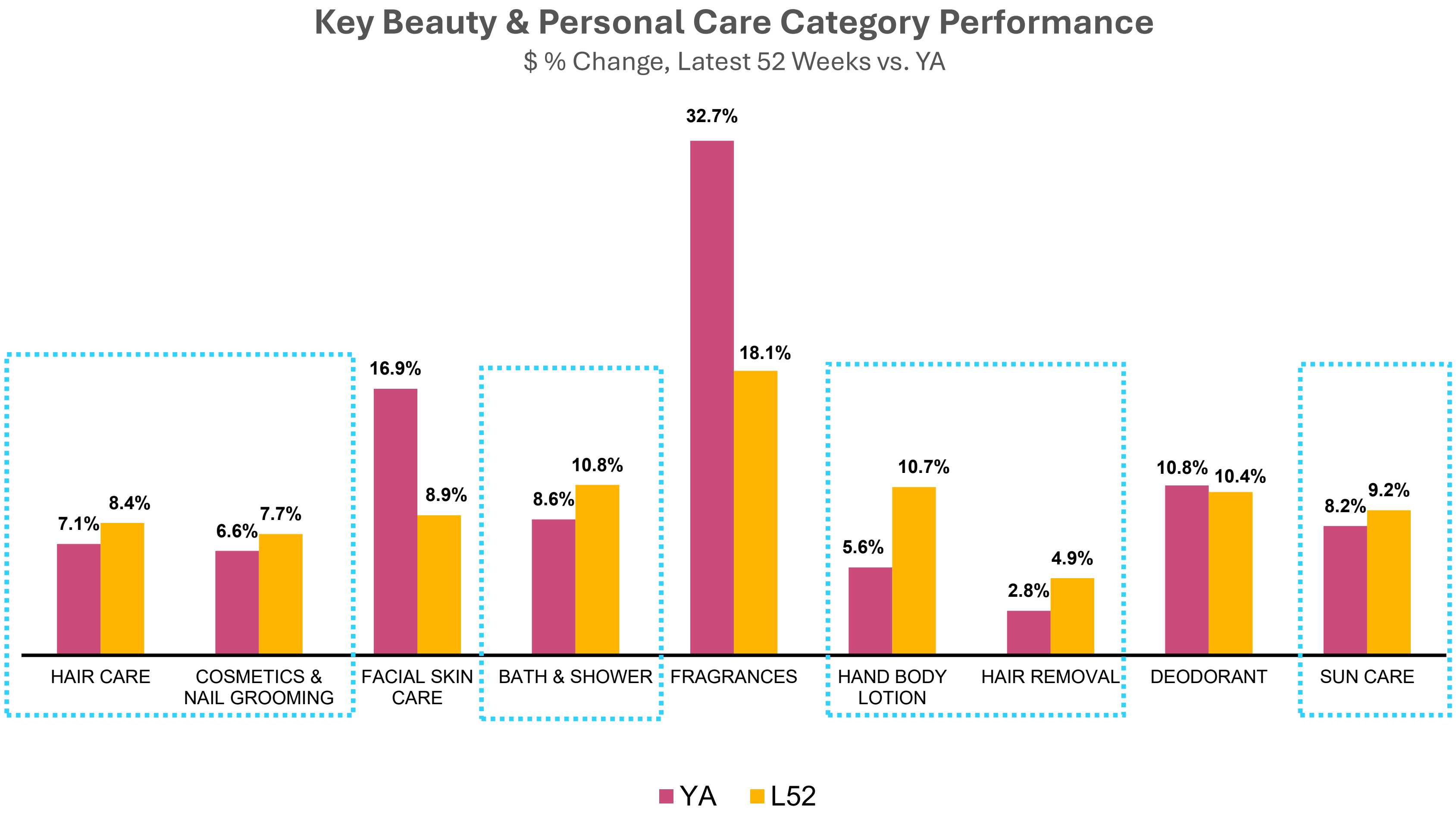
US Beauty & Personal Care Category Performance

Majority of Beauty & Personal Care categories are outpacing year ago growth

Facial Skin Care & Fragrances categories are experiencing declines vs. YA, but Fragrances continue to drive the highest growth among all Beauty categories



Source: Source: NielsenIQ POD Omnishopper Panel Total US L52W WE 09/06/25 vs YA, $ % Chg YA
Category order based on descending dollar sales within L52W

Key beauty categories are driving growth by expanding & bringing new consumers

Household Penetration point change vs YA

Body Care

Bath & Shower Wipes +4.7pts
Body Wash +2.3pts
Body Lotions & Treatments +3.3pts

Scent

Body Spray +2.5pts
Cologne & Perfume +5.9pts

Skin First

Eye Skin Care +2.8pts
Facial Moisturizer +3.7pts
Facial Treatment +2.3pts
Lip Balm +3.3pts

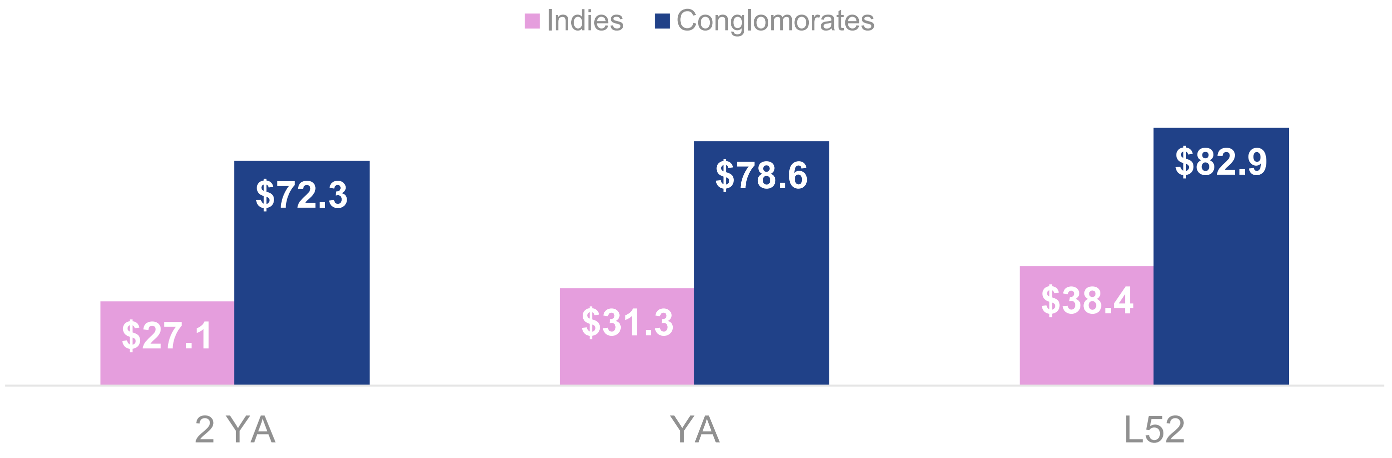
Glam

Eye Liner +2.2pts
Lip Gloss +3.9pts
Hair Tools +2.3pts
Hair Styling +2.1pts

Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 12/27/2025. Household Penetration Abs change vs YA

Shoppers are attracted to Indie brands that bring innovation and new trends

Indie Brand Dollar Sales (Billions) Performance Comparison



$ % Chg vs YAG	YA	L52 weeks
Total Beauty & Personal Care	10.5%	10.4%
Indies	15.5%	22.6%
Conglomerates	8.7%	5.5%

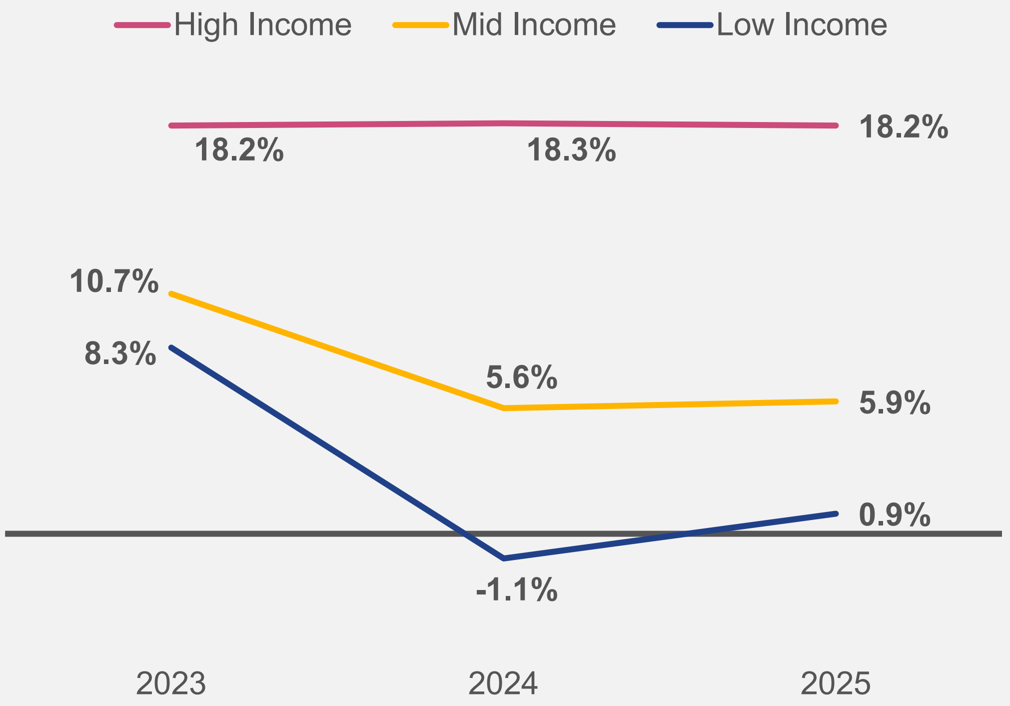
Top Indie Brands by Growth

medicube	+2,145%
Biodance	+824%
gopure®	+547%
OARS + ALPS	+498%
BACCARA	+404%

Source: NielsenIQ Omnishopper Total US Panel;; L52 WE 07/12/2025

K-Shaped Economy has an uneven impact on beauty growth

$ Growth of Total BPC by Income Tier



% of Beauty & Personal Care Sales by Income

High
48%

Mid
28%

Low
24%

Opportunity: Most Momentum with High Income HHs	
Category:	**Channel:**
Fragrance	Amazon Club Department Store Dollar

At Risk: Low Income HHs Contraction	
Category:	**Channel:**
Cosmetics Hair Care	Drug Mass

Source: NielsenIQ Omnishopper Panel Total US Latest 52 weeks ending 11/1/2025. Low Income: less than $50K, Mid Income: $50K-$99,999 High Income: $100K+

Beauty Care Shoppers in 2026 and Beyond

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Proprietary Shopper Community

- 40K+ Panel
- Quality Controls
- Diverse Targeting

Retailer + Brand Expertise

- Retailer Confidential
- CPG Confidential
- Preferred Partnerships

PREDICTIONS ROOTED IN INSIGHT

Cut through the noise. Capture the signal.

Cross-Category Depth

- Consumer Packaged Goods
- Foodservice
- Consumer Electronics

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The Year Ahead

Acosta Group’s 2026 Predictions

Shoppers Rely More on AI Companions, But Trust and Fragmentation Slow Full Automation 1	Informed and Transparent Wellness Choices Define 2026 2
Innovation for All: Shoppers Embrace What’s Relevant, Not Who’s Behind It 3	Consumers Demand Holistic Value – From Stores to Dining 4

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2

PREDICTION

Informed and Transparent Wellness Choices Define 2026

In 2026 shoppers will design diets around function, not fads – seeking foods that support weight management, digestion, and allergen-free living with clear labels, ingredients, and credible claims.

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In 2026, Shoppers Will Be More Intentional About Their Health and Wellness Choices

Functional benefits, transparency, and personalization reset expectations across every aisle.

Key Drivers:

- **Personalized Health**
  Weight management, gut health, allergen-free living
- **Transparency and Trust**
  Clean labels, credible claims, **ingredient** disclosure

  MAHA movement
- **Function-First**
  Protein ubiquity, fiber rise, approved and proven ingredients

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Source: Nielsen IQ, The New Hope Group

From Artificial to Authentic: Insights on Ingredients

October 2025

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Study Objectives

- To understand **consumer perceptions of ingredients** commonly found in **food, beverages, and beauty products**, focusing on what is considered "**good**" (e.g., natural sweeteners, plant-based) and "**bad**" (e.g., artificial additives, synthetic dyes, etc.)

- To understand consumer awareness and interest for ingredient safety regulations

Shopper research conducted through Acosta Group's proprietary Shopper Community

September 9 - 14, 2025
N = 1,083 U.S. Shoppers

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Concerns over artificial ingredients in food and beauty care products is not a fringe issue

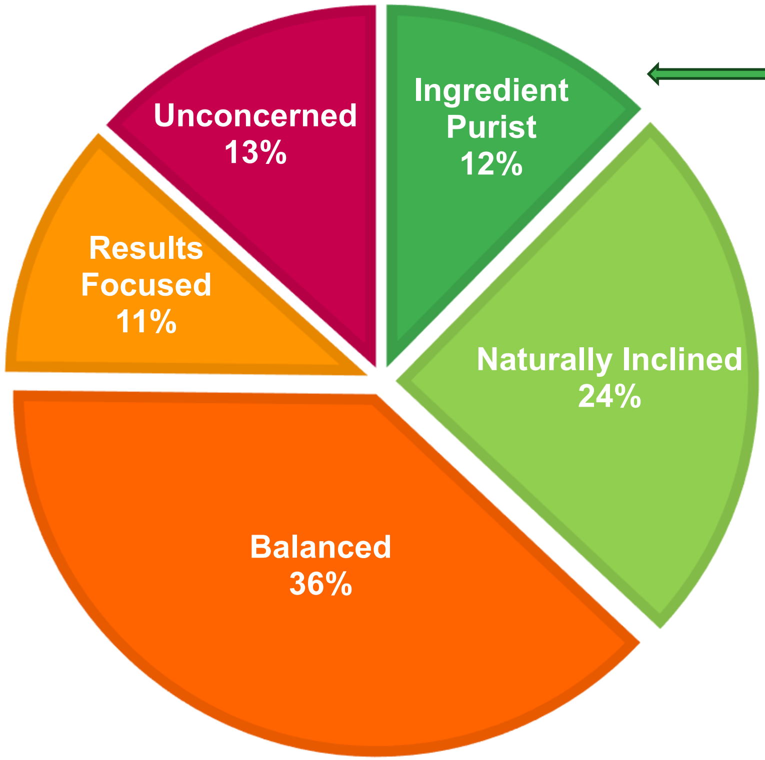
What did we learn?

- **Consumers are increasingly scrutinizing** what goes into their food, drinks, and beauty products, with a strong preference for natural ingredients over artificial additives and synthetic dyes
- **Label reading** is now a routine part of shopping, especially for those with **allergies or sensitivities**
- When it comes to beauty and personal care, **product performance** can outweigh ingredients

In HBC, very few consumers are *solely* focused on natural or clean ingredients in beauty or personal care products

Approach to Beauty and Personal Care Products

(% of Total U.S. Shoppers)



71% Care about performance, recommendation, proven effectiveness

Segment Definitions

	Ingredient Purist Actively seeks out products with natural ingredients and avoids synthetic chemicals, fragrances, and additives
	Naturally Inclined Prefers natural ingredients but will use ones with synthetic chemicals if well-reviewed or recommended
	Balanced Chooses products based on performance, price, and availability, not ingredient type
	Results Focused Prioritizes proven effectiveness, even if products contain chemical ingredients or additives
	Unconcerned Chooses based on price, brand, packaging, or convenience, rarely considering ingredients

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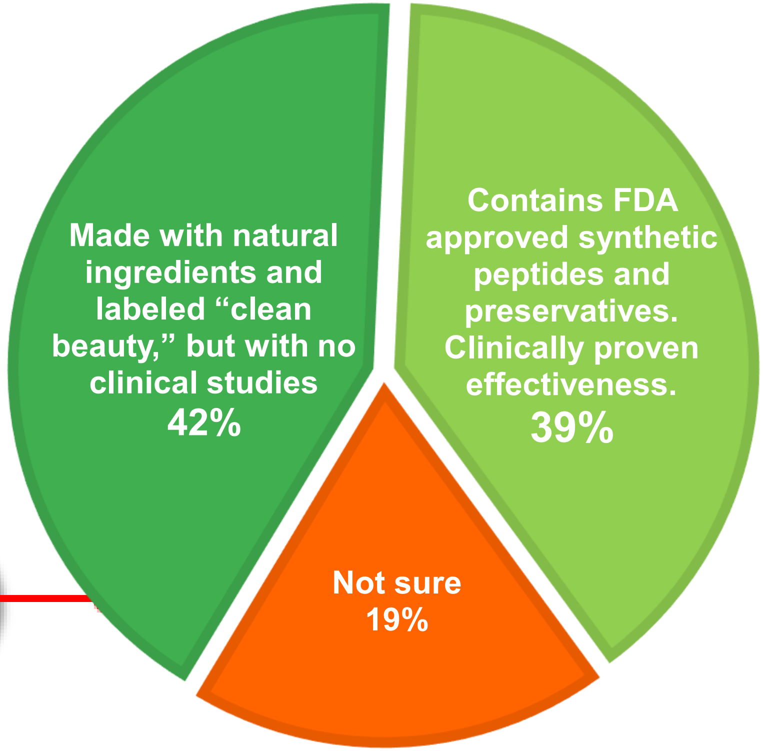
Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025

For Skincare, Shoppers Are Equally Drawn to Natural Ingredients and Clinical Proof



59% among “Ingredient Purists”

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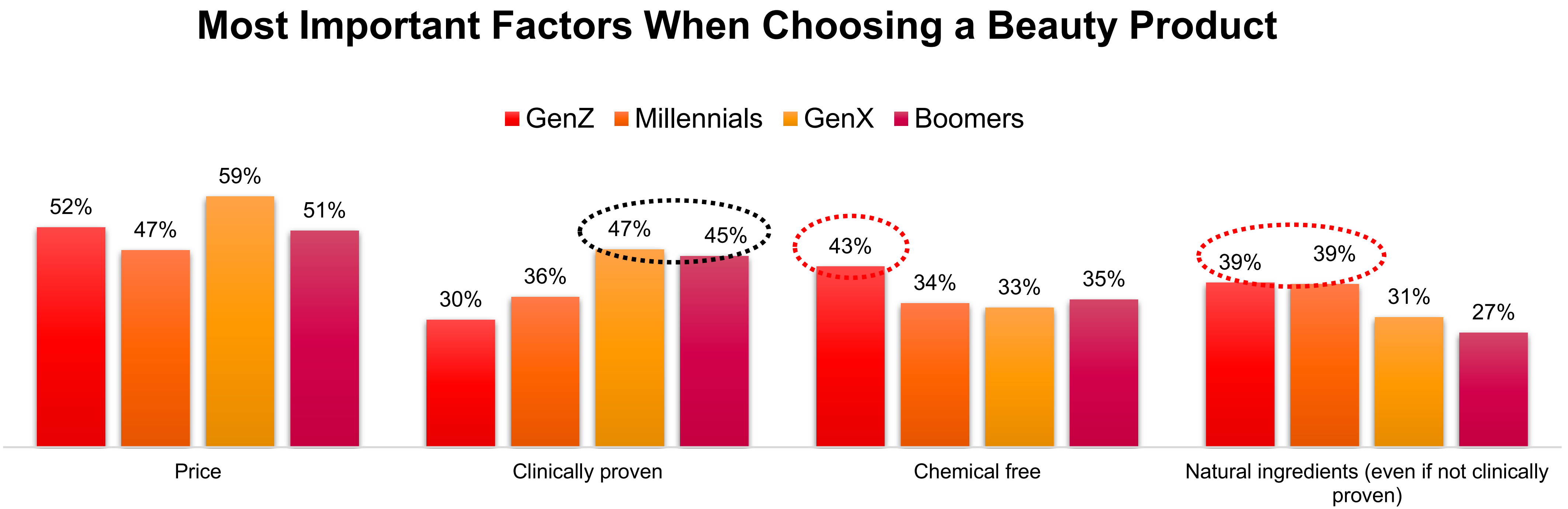
Source: Acosta Group Shopper Community Good vs Bad Ingredients Study, Fall 2025

Price is a universal concern, older shoppers seek clinical proof, while younger ones favor natural beauty products



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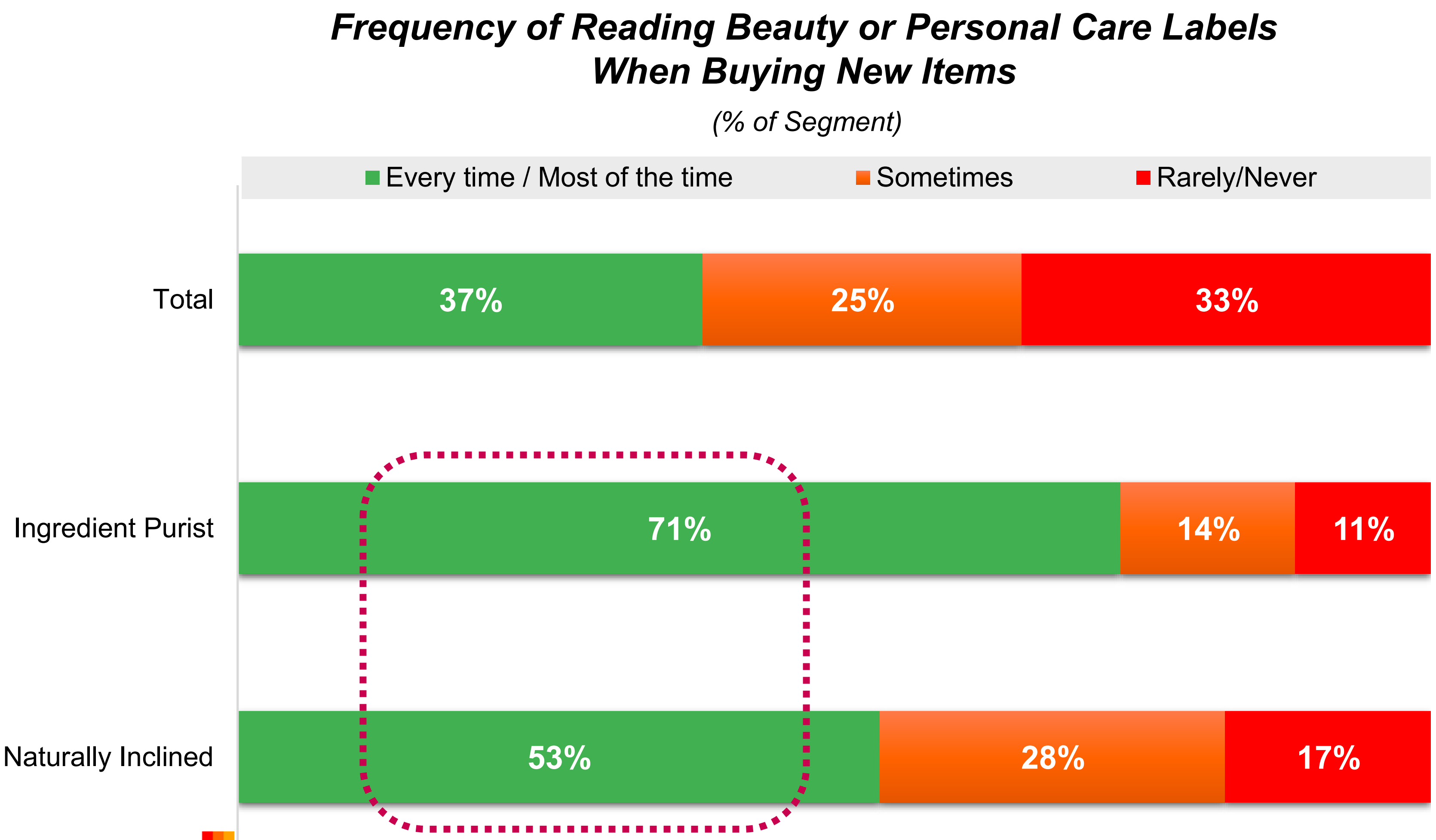
Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025

37% of shoppers typically read beauty or personal care labels when buying new items



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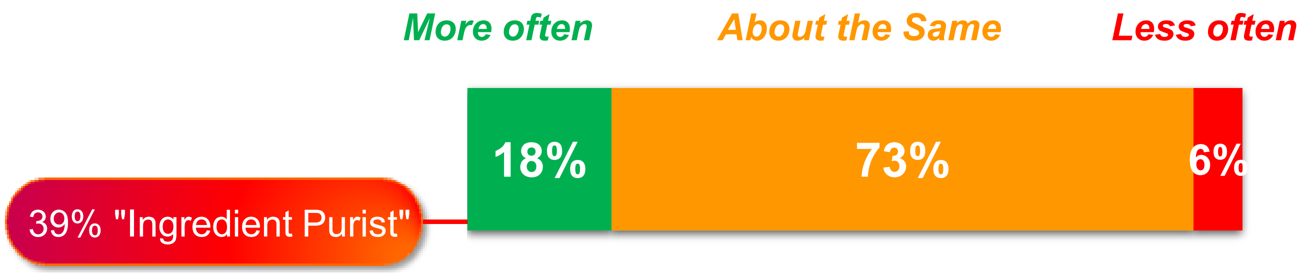
Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025

Almost 2-in-10 beauty/personal care shoppers are increasingly reading labels for artificial ingredients before trying new products

Frequency of Reading Beauty/Personal Care Labels for Artificial Ingredients vs. 6 Months Ago



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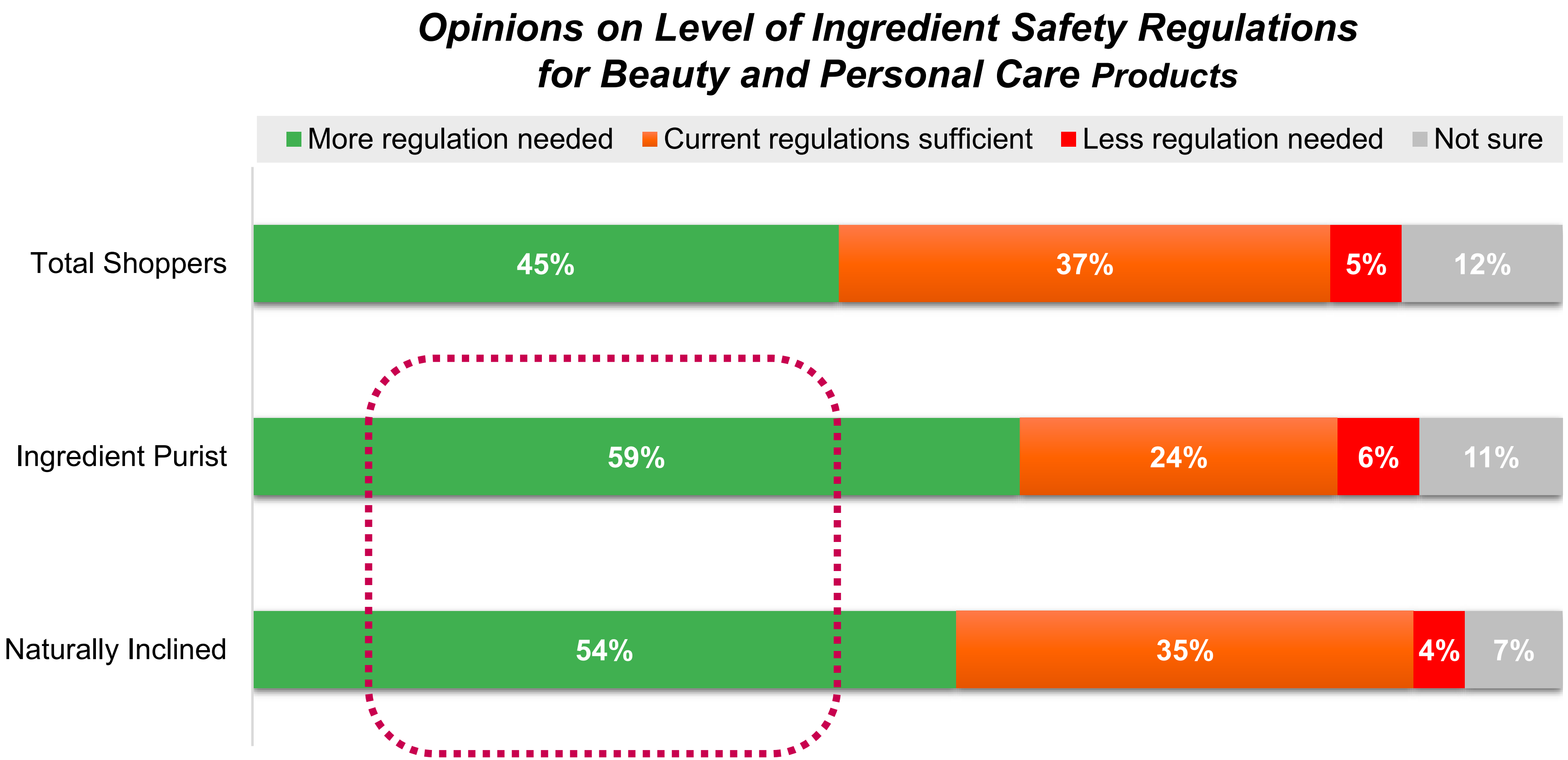
Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025

Almost half of shoppers want more beauty product safety regulation (less extreme than for food)



In the EU, over 2,500 toxic chemicals are banned in beauty products vs. only 11 in the US

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Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025, FDA, ECHA

Categories with Most Artificial Ingredients

38%
COSMETICS

20%
DEODORANT

14%
SUNSCREEN

Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025

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Allergy Sufferers

Over one-quarter of U.S. shoppers have someone in their household with an allergy or sensitivity to ingredients in consumables or beauty/personal care products

Incidence of Ingredient Allergies or Sensitivities

(% of Total U.S. Shoppers' Households)

26% Total

13%
BOTH

8%
FOOD / DRINK ONLY

4%
BEAUTY / PERSONAL CARE ONLY

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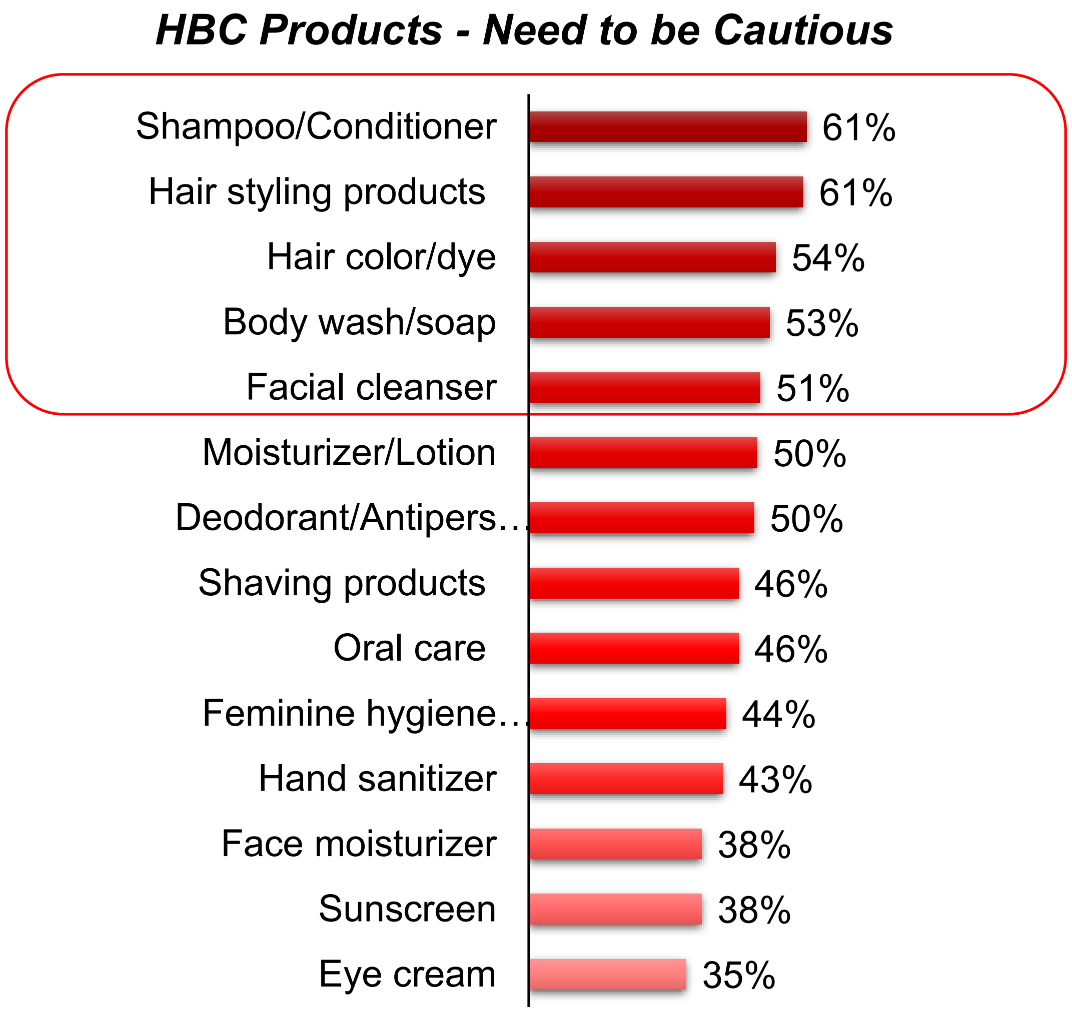
Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025

Households checking HBC categories for allergies focus especially on hair and skin care products.



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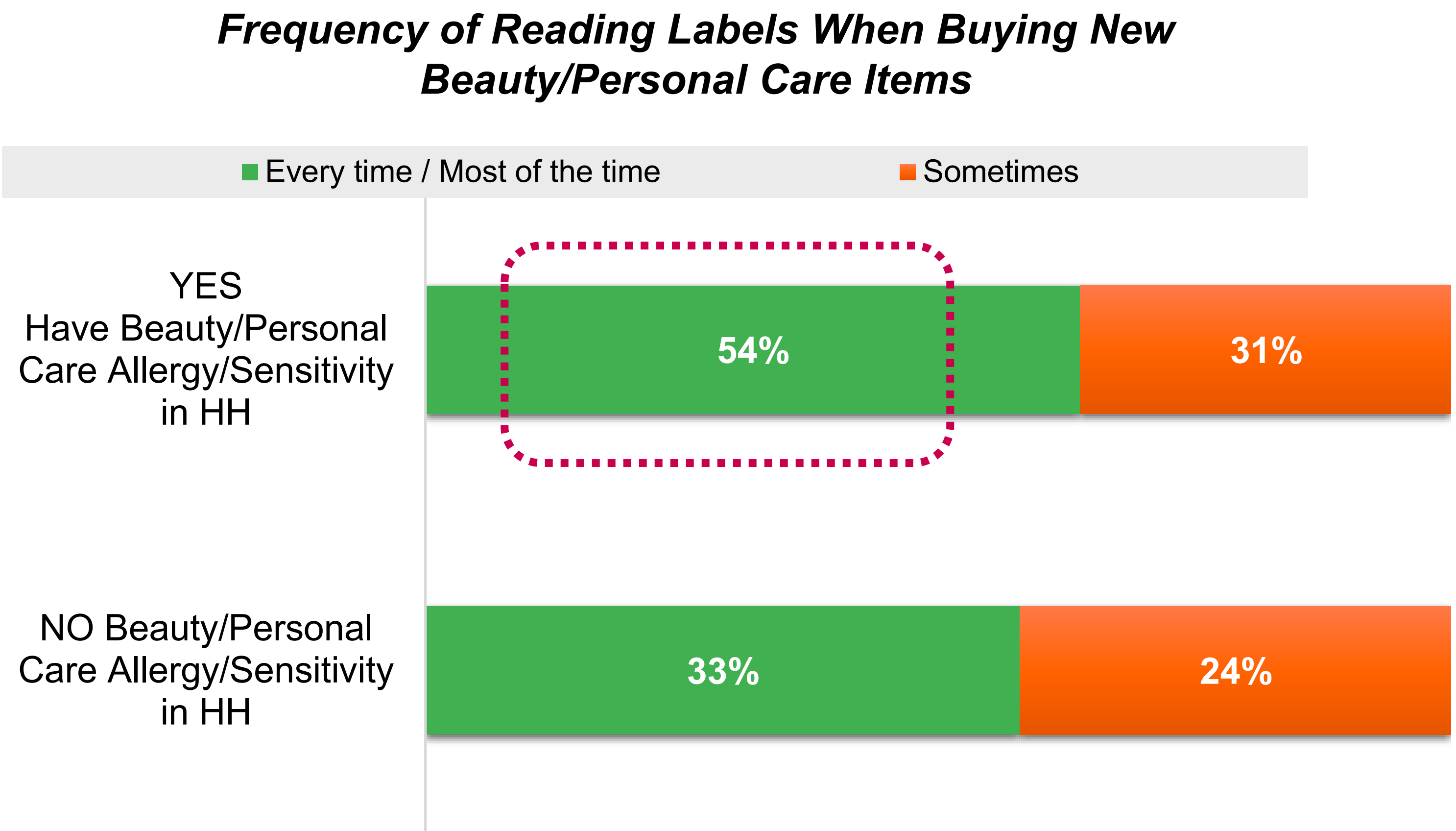
1 in 4

monitor HBC Category due to household food allergies or sensitivities

Understandably, those with beauty or personal care allergy sufferers in their household often read labels



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Source: *Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025*

Those with allergies or sensitivities need better label clarity, affordability, and availability of allergen-free health and beauty care products in HBC.

Challenges they face when shopping:

“Lots of **beauty products don't consider food allergies**.”
– **Millennial**, *Wheat Allergy, Gluten Intolerance*

“Lip gloss, toothpaste, toilet paper... **Lots of products you wouldn't think have gluten** in them do.”
– **Millennial**

“**Fragrance blends often hide dozens of ingredients**, some which can be allergenic, sometimes also **lack of allergen-free certifications** makes it hard to choose the right product.” – **Gen X**

“Products **not properly labeled for dangerous allergens like sulfites** are always a fear for me.”
– **Boomer**

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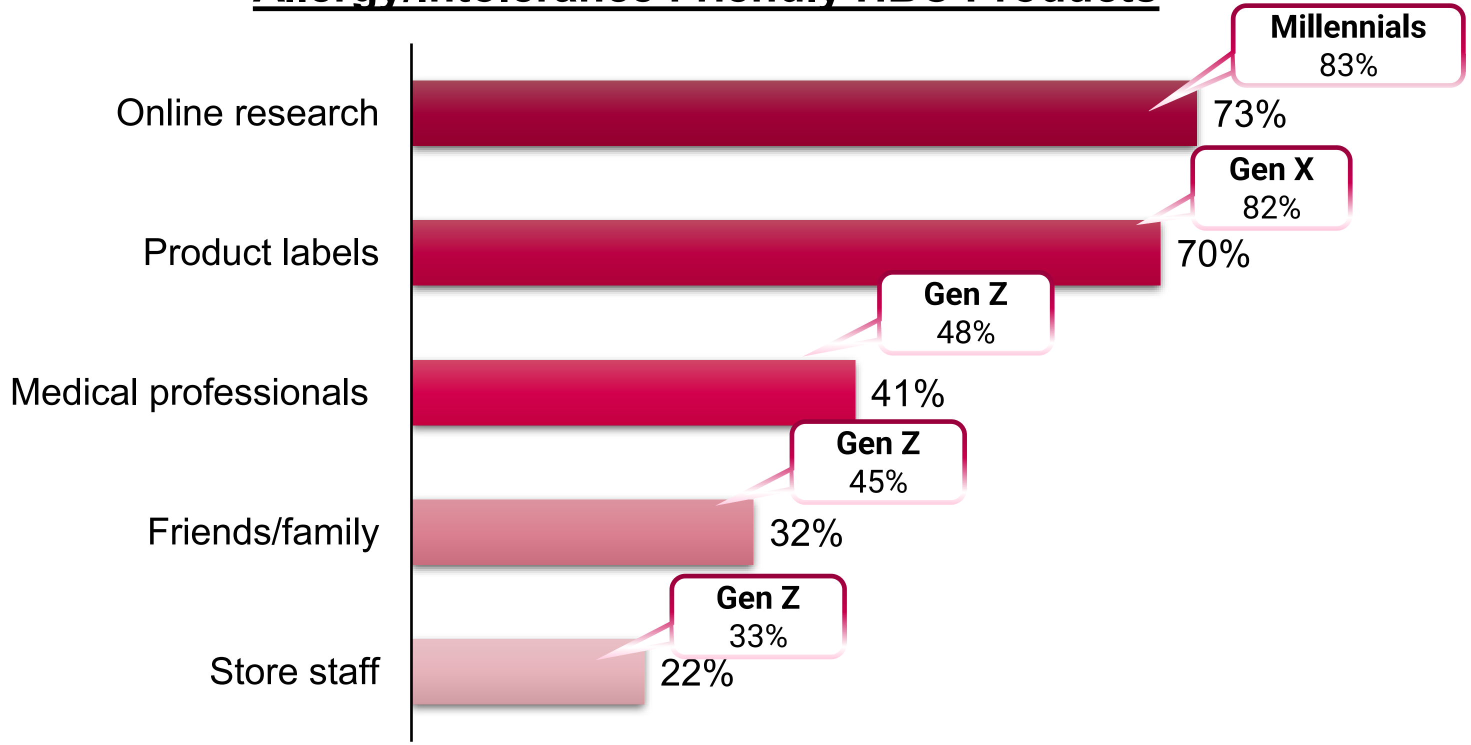
Source: Acosta Group Shopper Community Survey April 2025

Beyond the Label Product Research

Most discover allergen-friendly HBC products through online research or labels, while 2-in-5 consult medical professionals

Informational Sources for
Allergy/Intolerance Friendly HBC Products



Source: Acosta Group Shopper Community Survey April 2025

A lack of item ingredient details can redirect their purchase elsewhere

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Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025

Clean Beauty

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While it's been around for decades, there have been new attempts to define what is clean in recent years

clean label PROJECT®
Clean. Pure. Science.

clean label PROJECT®
PURITY AWARD

The Credo Clean Standard™

We care. We care deeply. And because we care deeply, we ask questions.
Given our decade of experience, we know that it's worth poking at an industry so colossal and under-regulated. Because we are truly committed to caring about beauty, and caring about the impact of our industry, we ask questions and take what we learn to drive change.

What do we mean by clean beauty?

Credo clean means that we ask about the source of the ingredients, as well as potential safety, sustainability and ethical concerns.

We are pushing for greater transparency and more available information in a supply chain that is often murky and full of marketing claims.

Product
We strive to understand the safety of ingredients on the market to help ensure safer, better consumer products.

Packaging
Our Sustainable Packaging Guidelines require our brand partners to eliminate the use of single-use items and reduce the use of virgin plastic and non-recyclable materials.

People
The just treatment of people all along the supply chain is essential to clean beauty.

Planet
Sustainable sourcing means doing as little harm as possible to the environment to meet current needs, without compromising the needs of the future.

AMERICAN COSMETIC ASSOCIATION
CERTIFIED

Clean Certified Cosmetics Certification

CERTIFIED C.L.E.A.N.

CERTIFIED R.A.W.

Beauty Care Legislation

Modernization of Cosmetics Regulation Act of 2022 (MoCRA)
(to be implemented Dec 2023)

Most significant expansion of FDA's authority to regulate cosmetics since 1938

- Companies will have to substantiate why certain ingredients are safe
- FDA will establish Good Manufacturing Practices for cosmetics, and study the safety of PFAS "forever chemicals" included in several common products including personal care
- Banning or restricting of ingredients was not included in the law

> "This legislation is giving the FDA authority over things responsible brands and manufacturers were already doing
>
> **Kelly Dobos,** Cosmetic Chemist andformer President of the Society of Cosmetic Chemists

Safer Beauty Bill Package proposed:
The four bills cover almost every aspect of personal care product safety.

- ***The Toxic-Free Beauty Act*** Bans 18 of the most toxic chemicals and two whole classes of chemicals (phthalates and formaldehyde releasing preservatives)
- ***Cosmetic Supply Chain Transparency Act*** Requires suppliers of raw materials, ingredients, and private label products to provide full ingredient disclosure and safety data to cosmetic companies so they can make safer products.
- ***Cosmetic Hazardous Ingredient Right to Know Act*** Requires product label and website disclosure of secret, unlabeled, and often toxic chemicals in our personal care products.
- ***Cosmetic Safety Protections for Communities of Color and Salon Workers*** Funds research, resource materials, education and outreach, and the development of safer chemicals to protect the health of women of color and salon workers

The bill has been endorsed by a coalition of over 150 organizations and safe cosmetics companies.

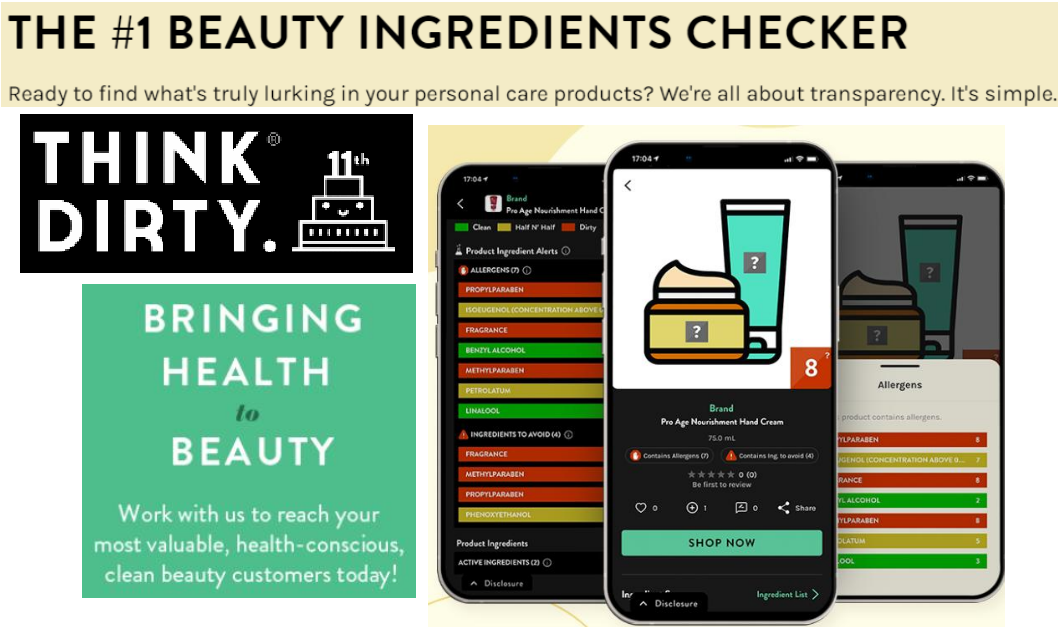
Source: NPR, LA Times, Covington & Burling LLP, Food Navigator

Social media and digital tools continue to drive clean beauty momentum

With no industry standard for clean beauty products, customers are doing their own research

As of early 2026, the **#cleanbeauty hashtag continues to gain momentum, up 45% vs last year:**

- **8.2M posts on Instagram**
- **609K posts on TikTok**



Source: Circana, Instagram, Retail Dive

In their own words, shoppers across all consumer demographics define “clean label” products similarly… the absence of negatives

How would you define “clean label” products?*

“Generally, **if you can't pronounce it, it isn't clean**.”

“**Free of chemicals** or any un-natural products.”

“**No additives or chemically processed ingredients**.”

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Source: Acosta Group Shopper Community Clean Label Survey – January 2024

Clean label buyers consider the absence of negatives as most important when purchasing – an emphasis on what's NOT in the product

Top Attributes When Choosing Which Clean Label to Buy

OLDER CONSUMERS
place even more importance on the absence of negatives

Top 10 Most Important to Buyers

No artificial ingredients in general
No chemical ingredients
Simple, uncomplicated ingredients list
No artificial dyes and/or flavors
Natural
No pesticides
Minimally processed
No GMOs
Certified Organic
Cruelty free

"Natural" is #1
most important attribute for Gen Z and Millennials!

Source: Acosta Group Shopper Community Clean Label Survey – January 2024

Health and beauty brands will continue formulating ingredients to meet demand for clean products

Wonderbelly, founded in 2022, is a clean alternative to traditional antacids. **Acquired by P&G in 2026.**

In the EU, over 2,492 toxic chemicals are banned in beauty products vs. **only 11 in the US**

Naturally-derived, plant-based ingredients
Vegan & Cruelty-Free

“Cleaner" haircare - vegan & free from sulfates, parabens, & dyes. Some items have synthetic ingredients, so not strictly clean.

Minu 2024 launch

Dermatologist designed mineral sunscreen
+
moisturizer + illuminating primer in one

Within the **first two weeks** of launch, the brand **sold out at Credo Beauty** and the creator video went viral on TikTok with **500,000+ views**

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Source: Wonderbelly, Lolavie, L’Oreal, Business Insider, TechCrunch, Inc

The meaning or story behind it matters, in addition to certified organic ingredients

CLEAN HAIR CARE WITH A SPOTLIGHT ON THE EARTH

Innersense Organic Beauty started formulating clean hair care over 15 years ago. We're proud to place the spotlight on earth and share that we use its gifts in a mindful, conscious way.

Since the beginning, we have been dedicated to raising clean hair care to a higher standard—our own. By creating the safest and most effective products, that not only leave out harmful and toxic ingredients to prioritize health, but also include those ingredients that are nourishing, supportive, and a benefit to both you and your hair.

We hope to change the way you think about hair, to inspire you to live in harmony with it, and most importantly, when it comes to caring for both your hair and the world around you, empower you to trust your inner sense.

Love,

Greg & Joanne Starkman, Founders

Greg + Joanne

Founded for daughter Morgan Starkman (has Williams Syndrome, a rare genetic disability)

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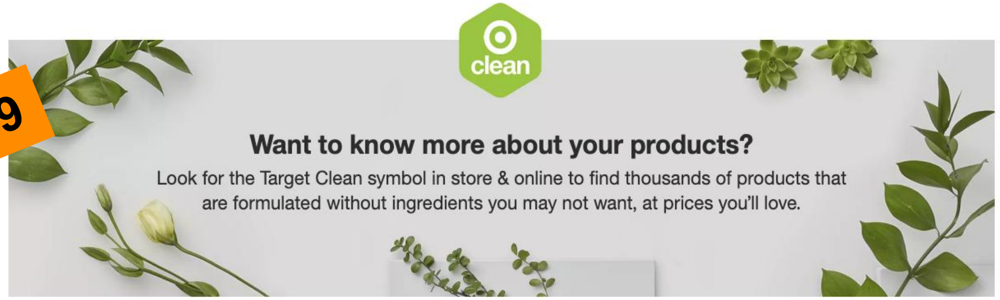
For years, major retailers have established clean label standards for beauty products

SEPHORA

2018

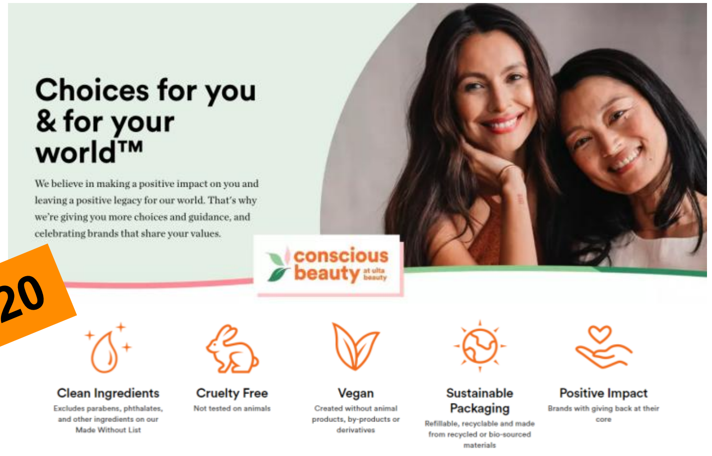
TARGET

2019



ULTA BEAUTY

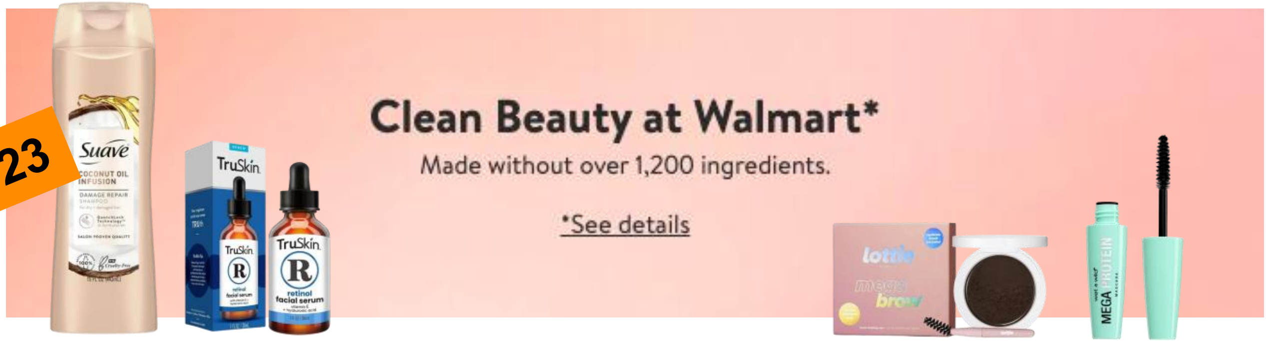
2020



Walmart

Staying true to Save money. Live better Walmart offers more than 900 clean beauty products with 80% under $10

2023



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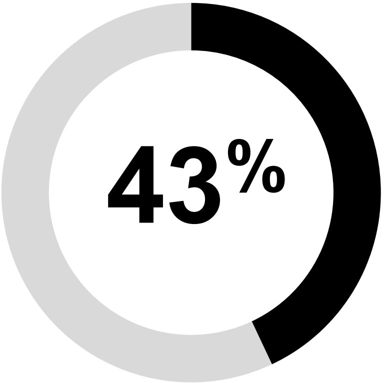
Source: Sephora, Ulta, Walmart

Yet there remains a gap in shopper trust

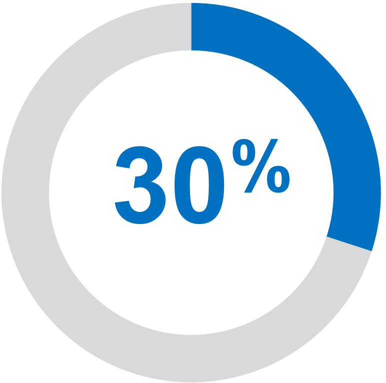
Trustworthy Rating for Retailer Beauty Product Clean Label Certification

SEPHORA



ULTA BEAUTY

Walmart



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Source: Acosta Group Shopper Community Good vs. Bad Ingredients survey - September 2025, Sephora, Ulta, Walmart

Clean beauty continues to evolve

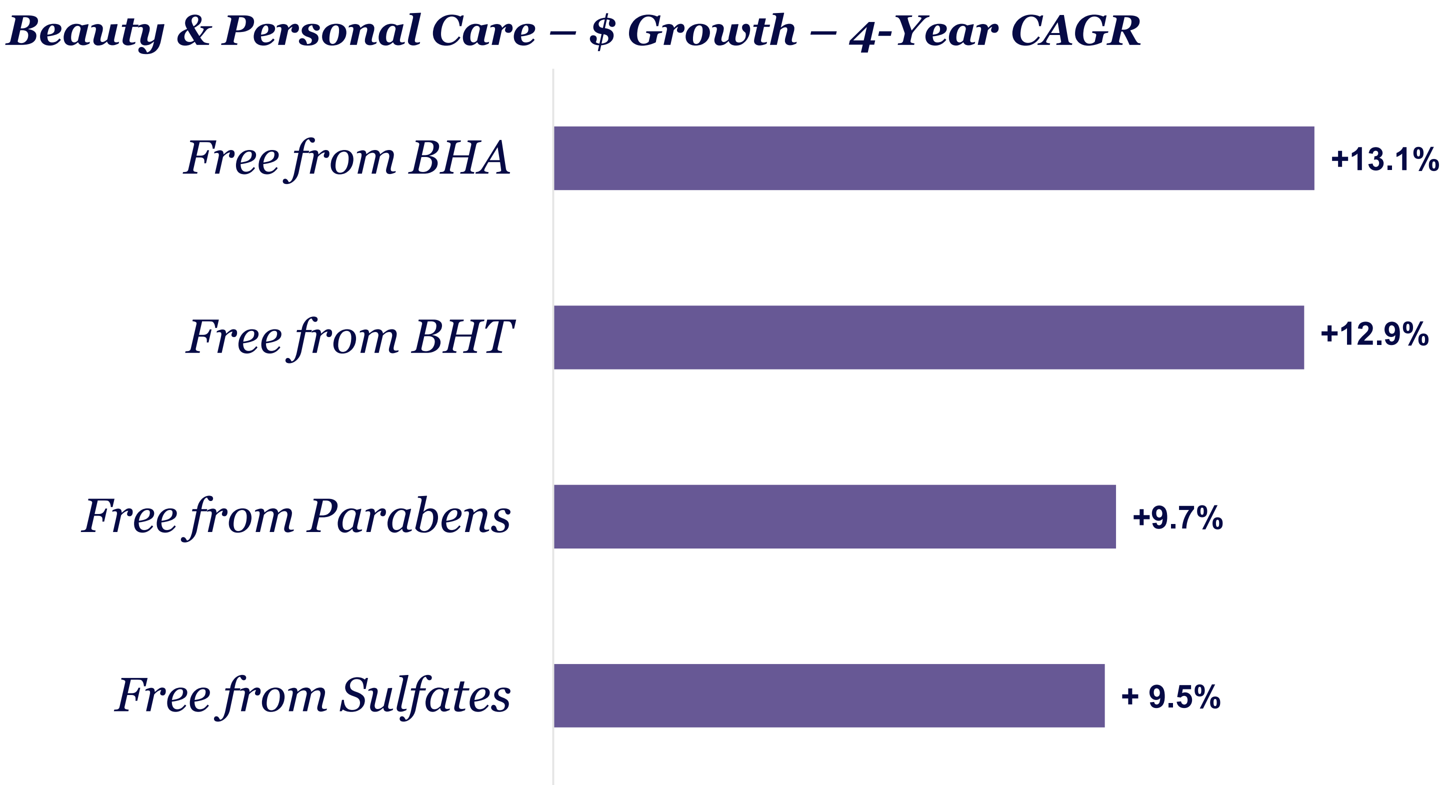
NPI Beauty *On-Pack Claims*	$ % Chg vs. YA
Total Beauty & Personal Care *$66.5B*	+5.4%
Free From Parabens *$19.0B*	+6.4%
Free From Parabens + Sulfates *$5.4B*	+3.1%
Free From Parabens + Sulfates + Phthalates *$1.9B*	-5.9%
Clean Beauty* *$8.7K*	+64.3%

NPI Beauty *Ingredient Analysis*	$ % Chg vs. YA
Total Beauty & Personal Care *$66.5B*	+5.4%
Free From Parabens *$44.6B*	+5.4%
Free From Parabens + Sulfates *$31.6B*	+5.5%
Free From Parabens + Sulfates + Phthalates *$13.8B*	+5.9%
Clean Beauty* *$12.4B*	+6.7%

Source: NIQ Retail Measurement; Total US Full View + Costco; Total Beauty & Personal Care = H&B without OTC/VMS Super Categories; NPI Clean Beauty Attributes; $ % change vs year ago; 52 weeks ending Dec. 27, 2025
CLEAN BEAUTY = free from parabens, phthalates, sulfates, formaldehyde, triclosan, triclocarban, hydroquinone, BHA, BHT, and nonylphenol ethoxylate

Clean Label Products

As consumers become more conscious of the impact synthetic ingredients and materials have on their health and the planet, the demand for clean products is rising fast



Read as:
*Beauty & Personal Care items with **Free From BHA** claims on-pack are growing **13.1%** annually in sales over the last 4 years.*

*Claimed on pack

Source: Source: NielsenIQ Product Insights, Total US xAOC, Latest 52 Wks - w/e 09/06/25, NielsenIQ Consumer Outlook 2025

Increased focus on specific ingredients may require reformulations

Additives Potential Bans Impact

Titanium Dioxide - $7.9B in sales

Seed Oil – $7.0B in sales

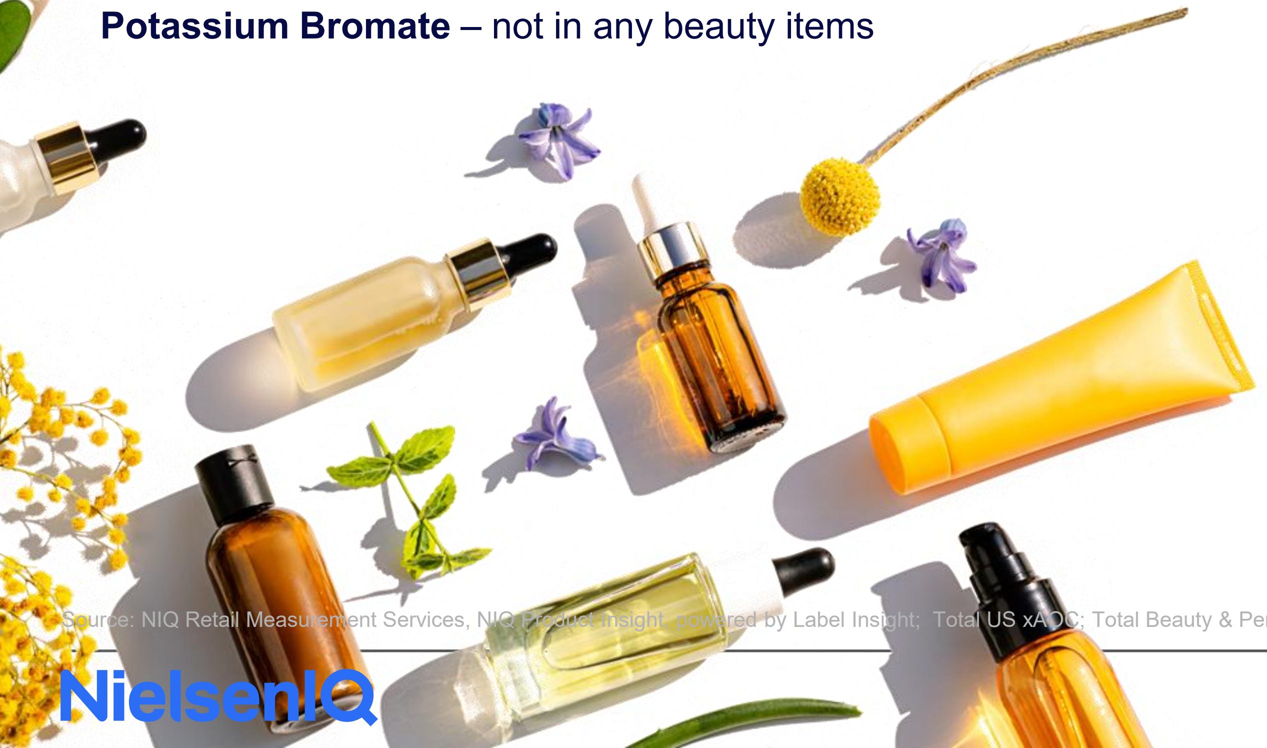
Propyl Paraben - $1.5B in sales

Red Dye #3 – $2.9M in sales

High Fructose Corn Syrup – not in any beauty items

Brominated Vegetable Oil – not in any beauty items

Potassium Bromate – not in any beauty items



Top categories in sales that contains…

Titanium Dioxide - $7.9B

1. Cosmetics & Nail (43% share)
2. Bath & Shower (25%)
3. Hair Care (15%)

Seed Oil - $7.0B

1. Bath & Shower (24% share)
2. Hair Care (23%)
3. Deodorant (18%)

Propyl Paraben - $1.5B

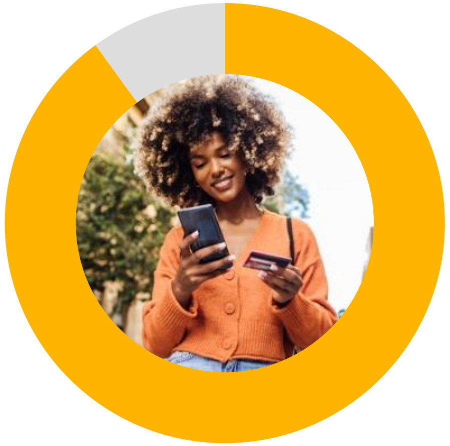
1. Cosmetics & Nail (34% share)
2. Hand and Body Lotion (28%)
3. Facial Skin Care (23%)

Red Dye 3 -$2.9M

1. Bath & Shower (64% share)
2. Hair Care (36%)

Source: NIQ Retail Measurement Services, NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Beauty & Personal Care; $ Sales, 52 weeks ending December 27, 2025

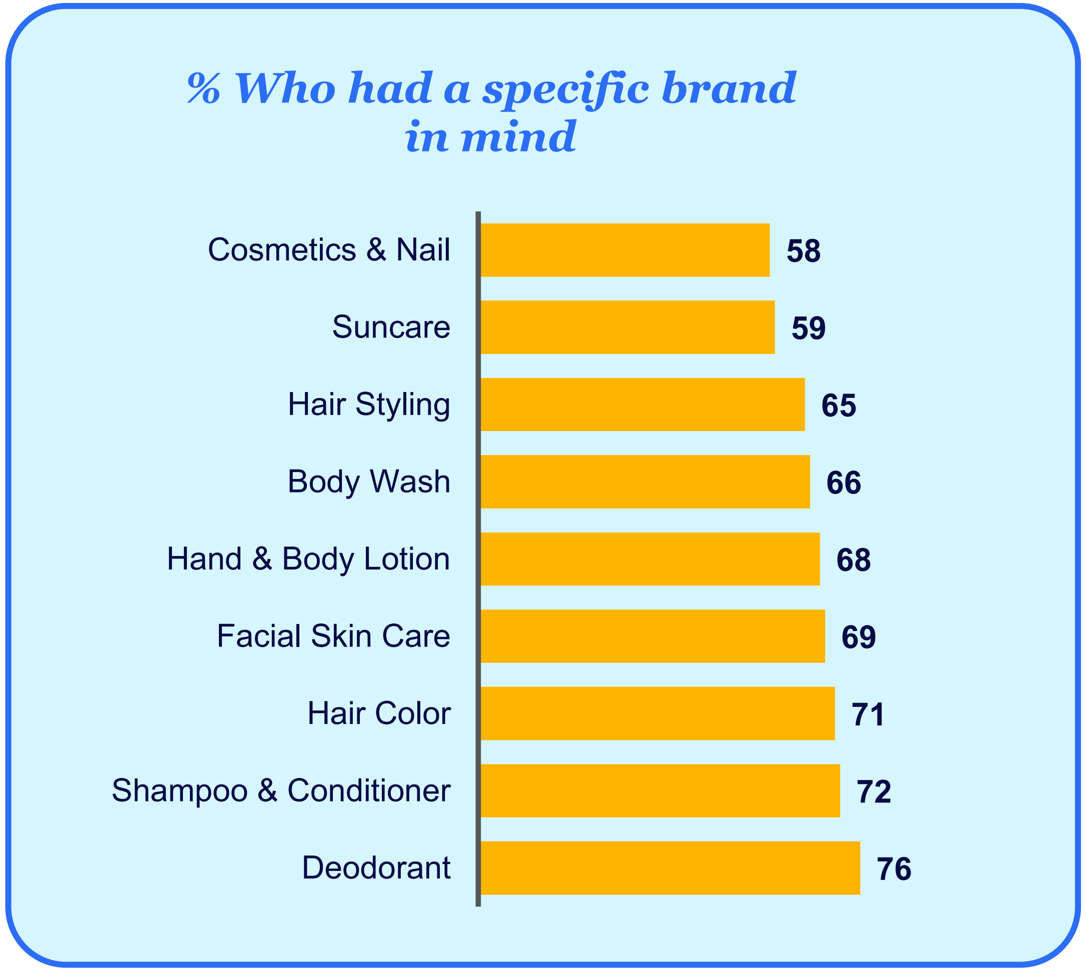
When brand importance is in decline, ingredients and benefits become a way to stand out



90% **of CPG**

searches on amazon are unbranded

In the last two years, average beauty brand loyalty has reduced 20%.



Source: NielsenIQ US Omnishopper Fundamentals, Fall 2024, Q: Please Describe how you decided what brand of this product to purchase
Source: NielsenIQ Omnishopper, Trip Projected, Syndicated Database POD 444, L52 WE 05/18/2024 chg vs 2 YA, Total Outlets (Omni), Beauty & Personal Care Categories

Millennials index highest for many clean attributes

Across the store, understanding where attributes resonate across generations

	Gen Z	Millennials	Gen X	Boomers+
Non-Toxic	90	138	94	76
Cruelty free	116	128	112	64
Antibiotics Free	83	127	109	73
Paraben Free	114	136	102	65
Sulfates Free	114	129	112	63
Phthalate Free	111	135	104	65
Biodegradable packaging	88	112	113	82
Fair Trade	91	116	109	81
Vegan	100	126	109	70

Source: NIQ Omnishopper Panel; Total US; Generational cohort demographics; NIQ Product Insight powered by Label Insight; $ share index; 52 weeks ending December 27, 2025

Life stages, more than generations, shift consumer behavior

*Clean Beauty (-10)**

Better For™ Food and Beverage

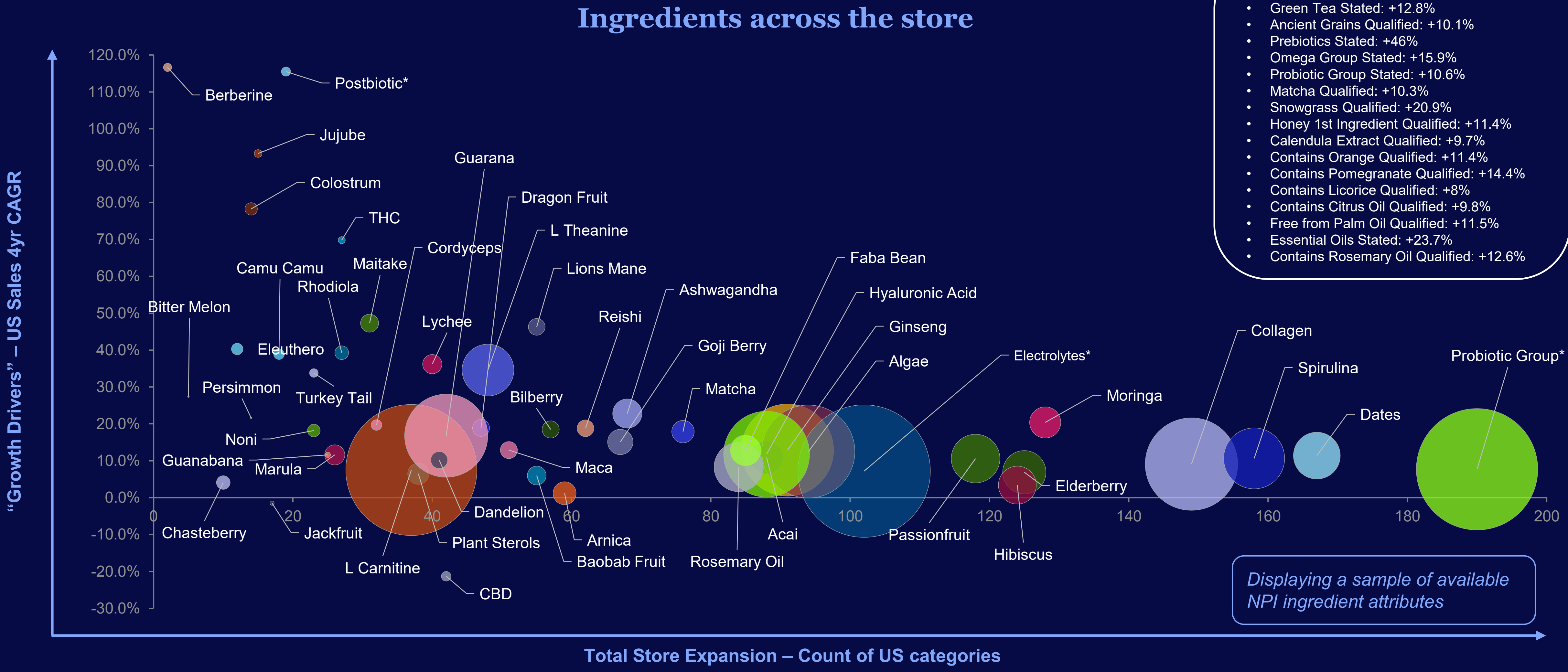
* *Heavy CLEAN BEAUTY = free from 10 select ingredients (parabens, phthalates, sulfates, formaldehyde, triclosan, triclocarban, hydroquinone, BHA, BHT, nonylphenol ethoxylate*

Source: NIQ Homescan Panel; NIQ Product Insight, powered by Label Insight; All Outlets; NIQ Life Moments survey 2025; Total Food & Beverage,

Trending Product Claims & Ingredient Performance

In this section, we will look at three emerging trends in Health & Beauty that are changing the way manufacturers approach innovation.

Ingredient growth across the store indicates blurring of lines of function and botanicals



In beauty…

- Green Tea Stated: +12.8%
- Ancient Grains Qualified: +10.1%
- Prebiotics Stated: +46%
- Omega Group Stated: +15.9%
- Probiotic Group Stated: +10.6%
- Matcha Qualified: +10.3%
- Snowgrass Qualified: +20.9%
- Honey 1st Ingredient Qualified: +11.4%
- Calendula Extract Qualified: +9.7%
- Contains Orange Qualified: +11.4%
- Contains Pomegranate Qualified: +14.4%
- Contains Licorice Qualified: +8%
- Contains Citrus Oil Qualified: +9.8%
- Free from Palm Oil Qualified: +11.5%
- Essential Oils Stated: +23.7%
- Contains Rosemary Oil Qualified: +12.6%

Displaying a sample of available NPI ingredient attributes

Bubble size denotes total sales in L52 week All attributes represent QUALIFIED ingredients on package—those indicated by an * symbol represent STATED claims on package
Source: NIQ, Retail Measurement Services, NIQ Product Insight, powered by Label Insight, Total US xAOC; Total Store; # of Categories selling, 4-yr CAGR ($); 52 weeks ending October 4, 2025

NIQ

Many hydrating ingredients are also seeing long-term growth across categories

Ingredient Sales Growth within Beauty & Personal Care by Category (4-Year CAGR)

	Beauty & Personal Care	Bath & Shower	Cosmetics & Nail Grooming	Deodorant	Facial Skin Care	Fragrance	Hair Removal	Hand & Body Lotion	Hair Care	Sun Care
Niacinamide	18.3%	19.0%	21.1%	58.4%	16.7%	52.4%	69.9%	27.7%	1.3%	33.2%
Shea Nut Oil	13.9%	15.8%	9.2%	34.9%	7.5%	9.7%	33.2%	19.2%	3.2%	21.0%
Shea Butter	12.9%	14.8%	9.9%	35.4%	7.6%	12.2%	25.3%	14.6%	4.3%	13.4%
Caprylic Triglyceride	12.8%	3.5%	16.0%	26.8%	9.7%	12.7%	3.3%	10.9%	6.0%	7.0%
Hyaluronic Acid	12.2%	26.4%	14.4%	411.8%	9.5%	144.3%	14.7%	9.6%	24.3%	30.2%
Ceramides	12.1%	30.3%	0.4%	13.9%	20.4%	-	124.5%	7.7%	6.3%	20.7%
Amino Acid Group	7.6%	46.8%	(4.5)%	(76.0)%	7.8%	-	1,000.6%	9.8%	6.8%	3.9%
Salt/Sodium Chloride	7.6%	6.1%	5.6%	14.9%	18.2%	50.1%	29.8%	3.9%	4.9%	(6.0)%
Alpha Hydroxy Acid AHA	7.0%	6.5%	(0.2)%	158.7%	10.2%	45.5%	8.2%	14.5%	3.8%	3.5%
Ancient Grains	6.8%	13.7%	(2.7)%	2.1%	7.2%	46.6%	25.0%	1.1%	8.2%	(14.6)%

Source: Source: NielsenIQ Product Insights, Total US xAOC, Latest 52 Wks - w/e 09/06/25

Trends expand by traveling across categories

$ % Change vs. YA

Fragrance Broadens

Fragrance Mists
+23.2%

Scented Body Lotion
+23.5%

Hair Scents
+998.0%

Skin Care Ingredient Explosion

Body Wash + Peptides
+128.5%

Sunscreen + Collagen
+173.6%

Hair Care + Hyaluronic Acid
+48.7%

Food Inspiration

Body Lotion + Acai
+358.1%

Facial Moisturizer + Cranberry
+267.1%

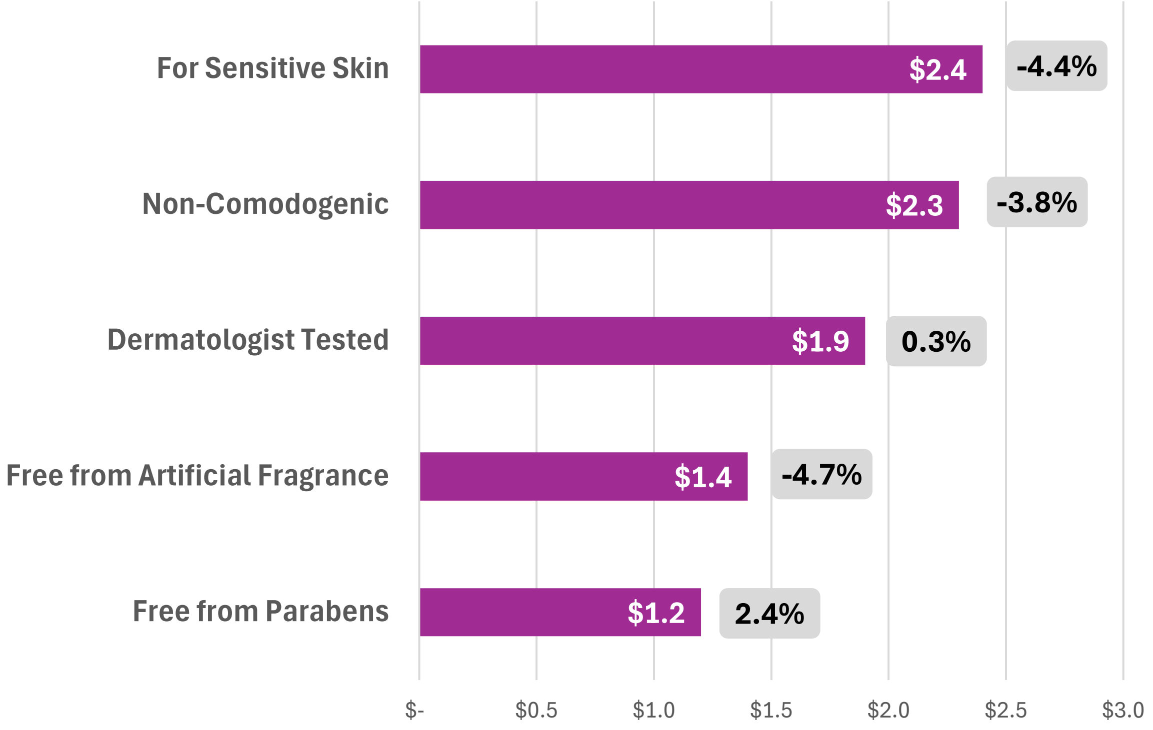
Hair Care + Chia
+27.3%

Source: NielsenIQ Panel On Demand Omnishopper | Total US YTD we 7/12/25 vs YA.. NielsenIQ RMS Total US xAOC YTD we 7/12/2025 Label Insights

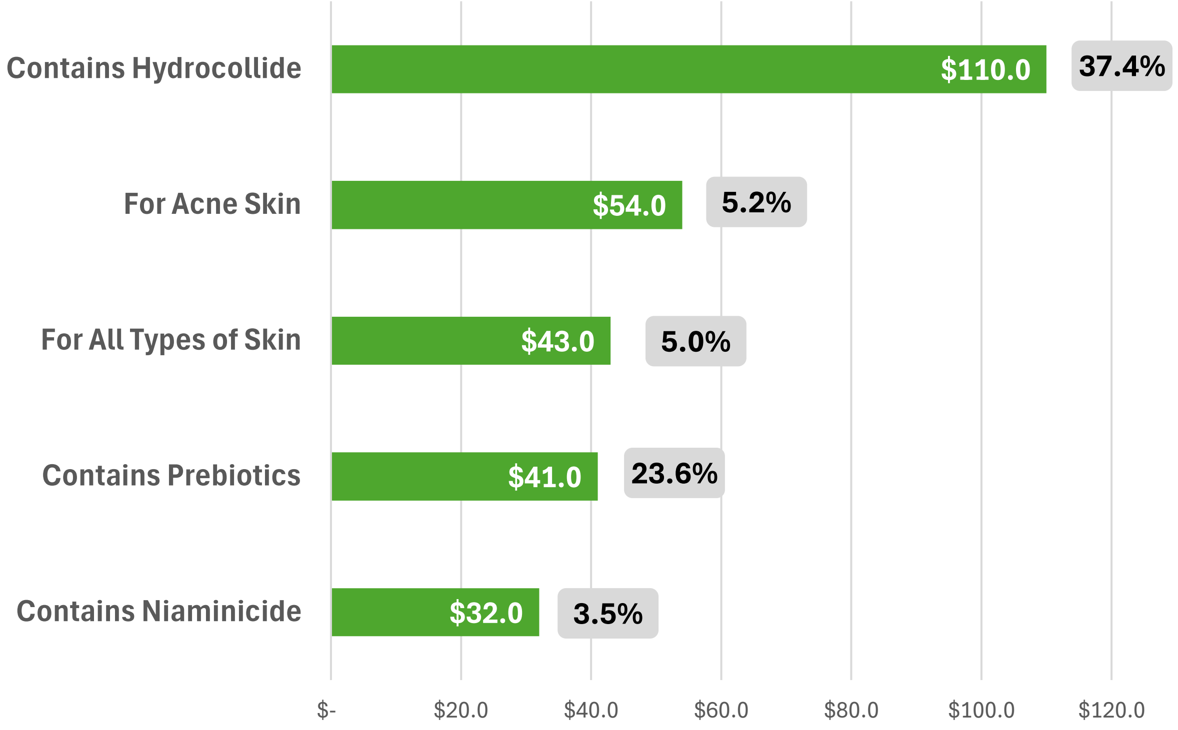
Tell me what's in there and if it's for me!

Consumers now expect skin care to be free from the "bad stuff" and to not irritate their skin.

Top Selling Facial Skin Care Label Claims $ (Billions)

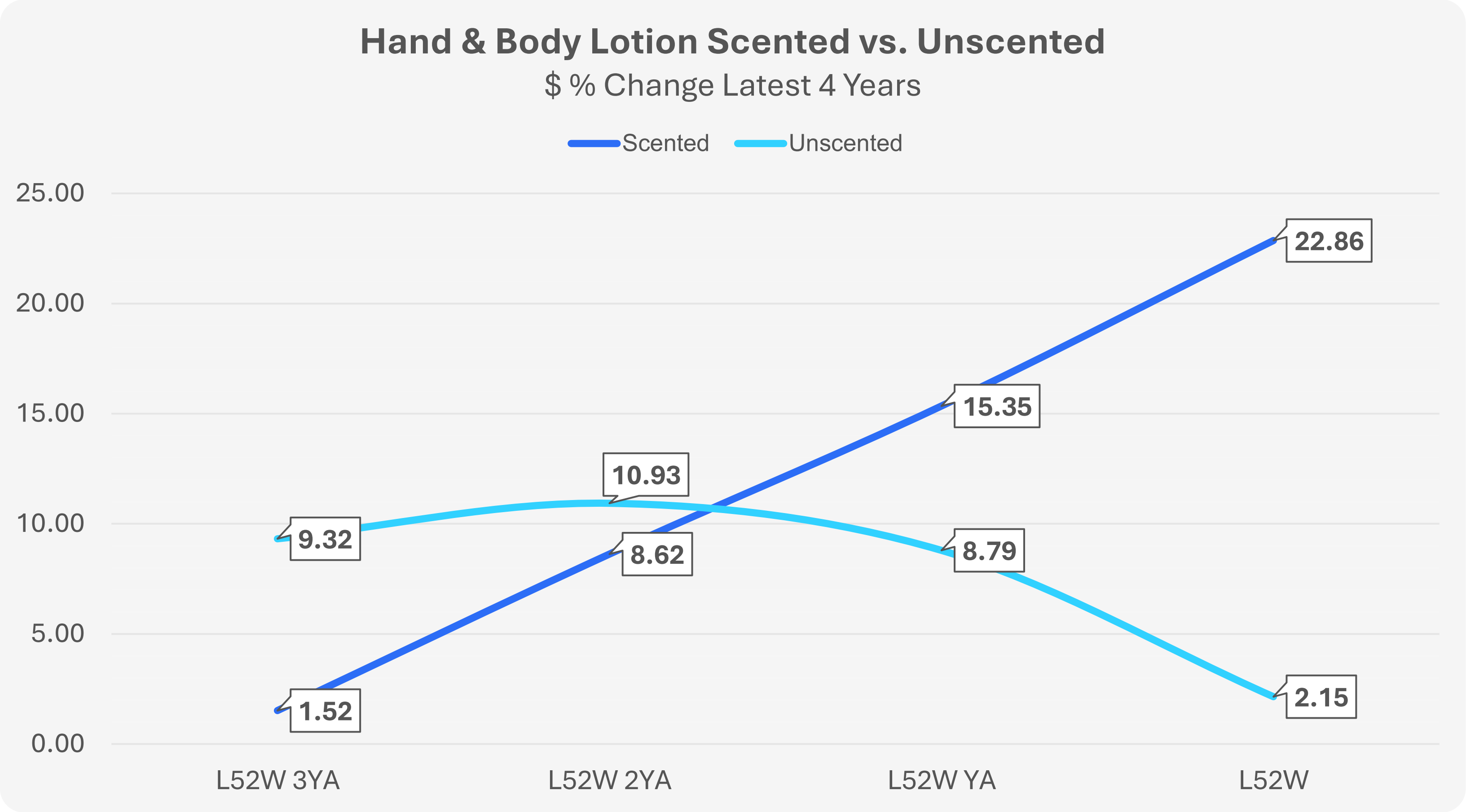


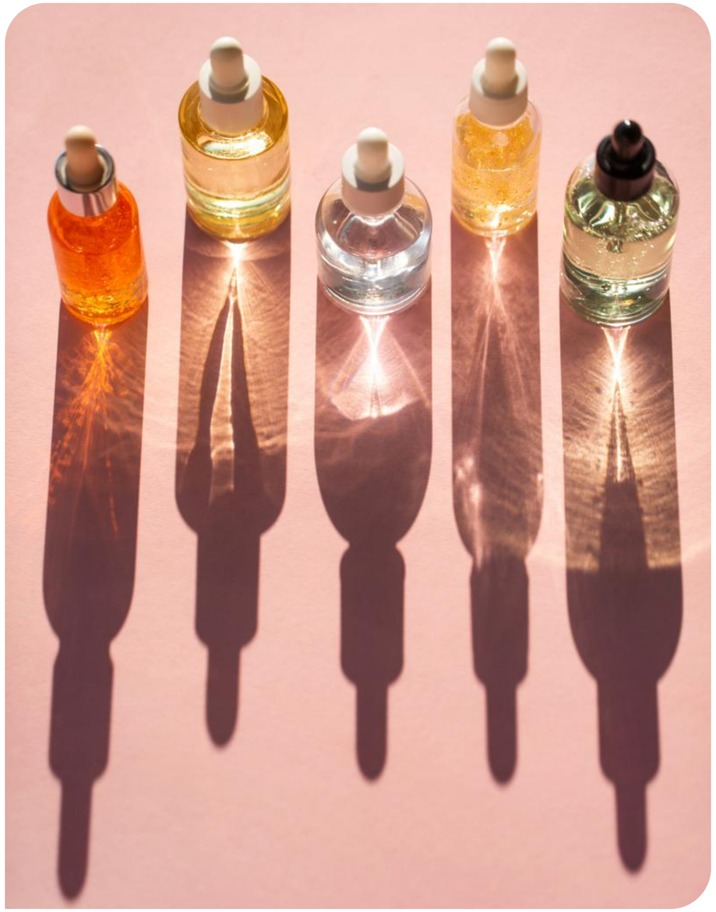
Top Growing Facial Skin Care Label Claims $ (Millions) Chg vs. YA



Source: US Formulated for Impact Ingredient Led Facial Skin Care 2025

Scented Hand and Body Lotion seeing intense growth consistently over time



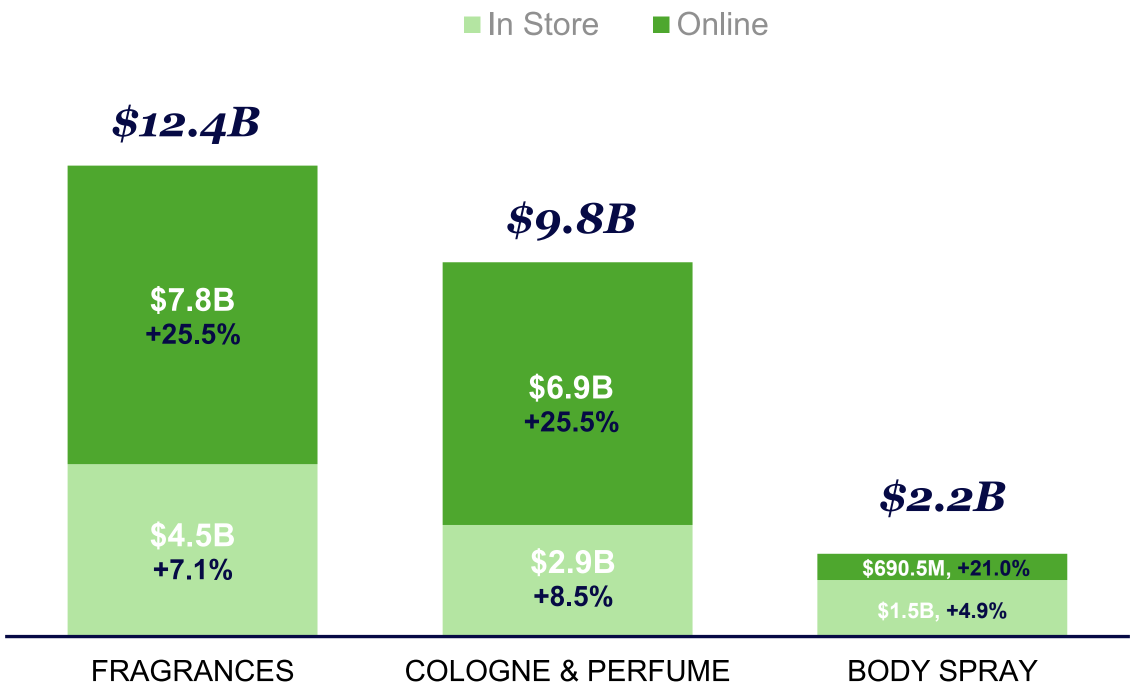


Source: NielsenIQ Retail Measurement Services Latest 52 weeks ending 2/22/2025.

Fragrances, Cologne & Perfume, and Body Spray sold online see double-digit growth

Fragrances, Cologne & Perfume, Body Spray –
In Store vs. Online

$ Sales | $ % Chg YA



Citrus, Vitamin E, and Coconut Oil are making waves in Fragrances innovation, emerging as fast-growing ingredients that blend freshness, nourishment, and tropical appeal. Their rise reflects a shift toward sensorial experiences that feel both vibrant and skin-loving.

4-Year CAGR

Citrus +128.9%

Vitamin E +34.7%

Coconut Oil +23.9%

Source: NielsenIQ POD Omnishopper Panel Total US L52W WE 09/06/25 vs YA, $ % Chg YA

Hydration Claims in Beauty

Although smaller in certain categories, Hydration Health claims are being made on-pack across all 9 Beauty & Personal Care categories

Hydration Health Stated Claims

$ Sales | $ Share of Category | 4-YR CAGR

Category	$ Sales	$ Share of Category	4-YR CAGR
Total Beauty & Personal Care	$4.0B	7.7%	+6.0%
Facial Skin Care	$1.3B	22.4%	+7.7%
Hand Body Lotion	$1.2B	30.4%	+10.9%
Hair Care	$784.1M	6.0%	+1.0%
Bath & Shower	$474.2M	5.3%	+1.3%
Sun Care	$108.3M	6.3%	+11.7%
Cosmetics & Nail Grooming	$97.9M	1.1%	-1.2%
Hair Removal	$29.3M	0.7%	+13.3%
Deodorant	$8.3M	0.2%	-7.9%
Fragrances	$4.4M	0.4%	+10.4%

Hydration Claims Key Findings

- **Hand Body Lotion** generated **$1.2B** for products with Hydration Health claims on-pack.
- **30.4%** of **Hand Body Lotion** sales are sourced from items with Hydration Health claims on-pack.
- **Hand Body Lotion** items with Hydration Health claims on-pack are growing **10.9%** annually in sales over the last 4 years.

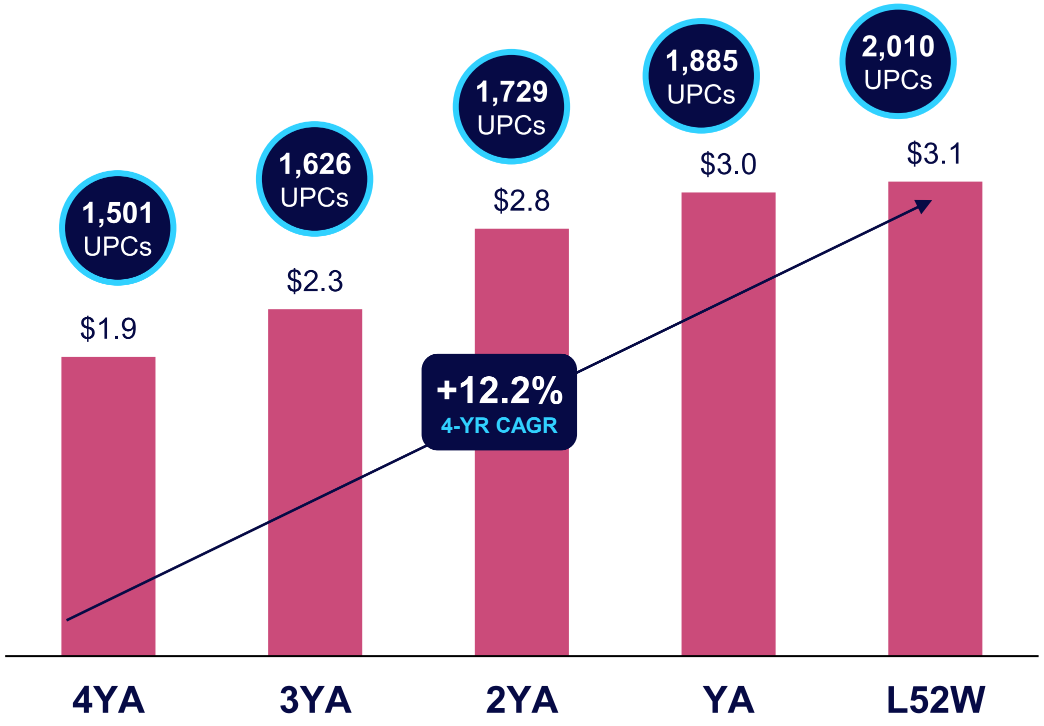
Source: Source: NielsenIQ Product Insights, Total US xAOC, Latest 52 Wks - w/e 09/06/25

Ingredient Spotlight: Ceramides

Ceramides currently have the greatest presence within Facial Skin Care & HBL, but products with Ceramides have also gained nearly 1 share point within Deodorants versus last year.

Beauty & Personal Care Products Containing Ceramides

5-Year $ Sales (in Billions) & # UPCs Selling



Beauty & Personal Care Category	Ceramides $ Share of Category	Ceramides $ Share CYA	# UPCs Selling	# UPCs Selling CYA
FACIAL SKIN CARE	20.4%	**0.4**	602	56
HAND BODY LOTION	20.2%	(1.2)	459	14
DEODORANT	7.6%	**0.9**	47	7
SUN CARE	4.2%	**0.3**	49	6
HAIR CARE	4.0%	**0.1**	473	(13)
COSMETICS AND NAIL GROOMING	2.0%	(0.1)	310	36
BATH & SHOWER	0.5%	(0.0)	95	18
HAIR REMOVAL	0.1%	(0.0)	12	2

Read as:

- *20.4% of **Facial Skin Care** sales are sourced from items with **Ceramides.***
- *There are 602 items selling within Facial Skin Care that have Ceramides (+56 items vs. YA).*

Source: NielsenIQ Product Insights, Total US xAOC, Latest 52 Wks - w/e 09/06/25

Future of Shopping

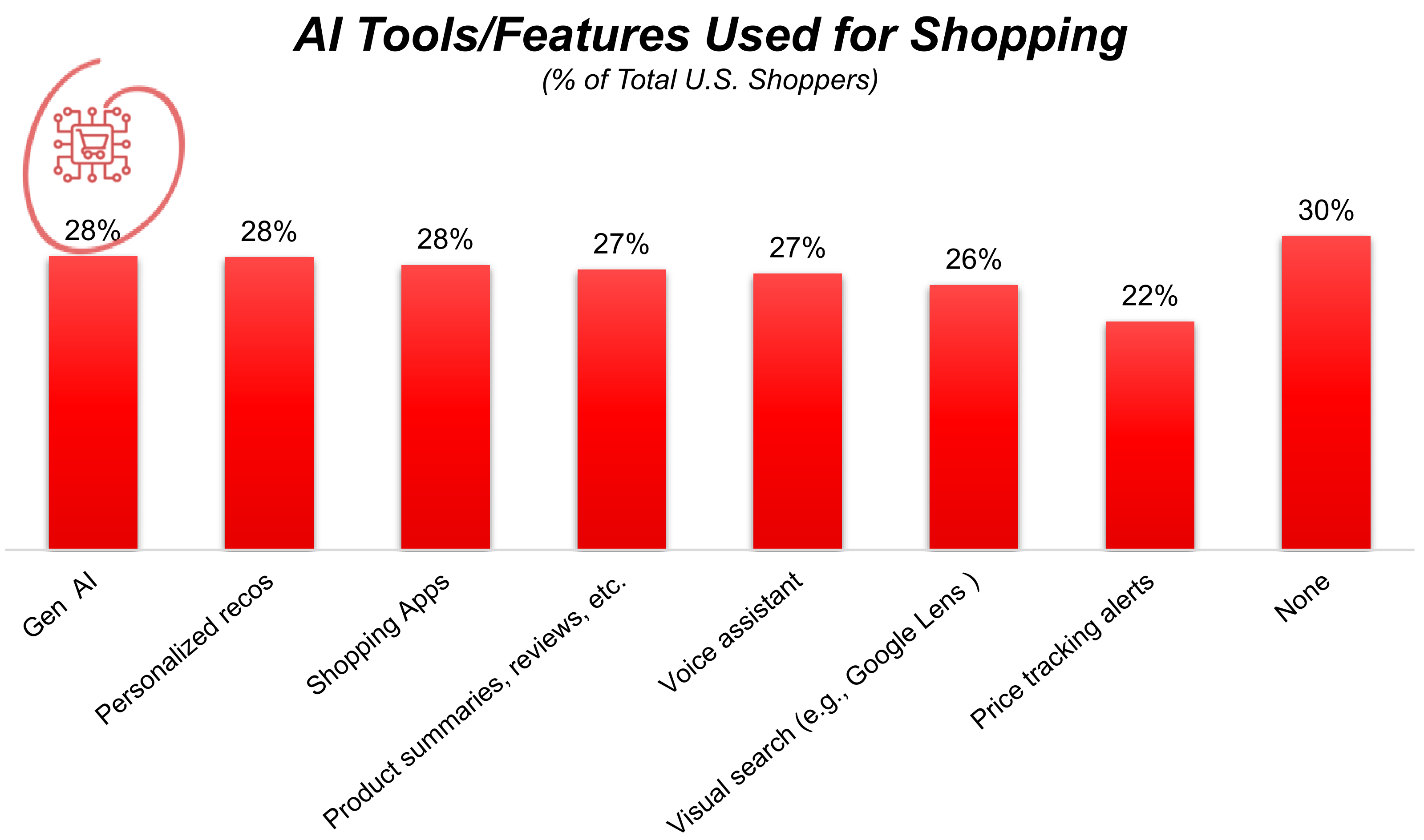
Used Gen AI for Shopping

54%
Gen Z

46%
Hispanics

43%
Households with Kids

7-in-10 shoppers have used one or more AI tools/features to help them shop (separate from traditional search)



Source: Acosta Group Shopper Community AI Enabled Shopping survey - June 2025

acosta group

Shoppers look to AI-based tools to save money, time, and to help select the best products to fit their needs

Top Benefits from AI Tools for Shopping

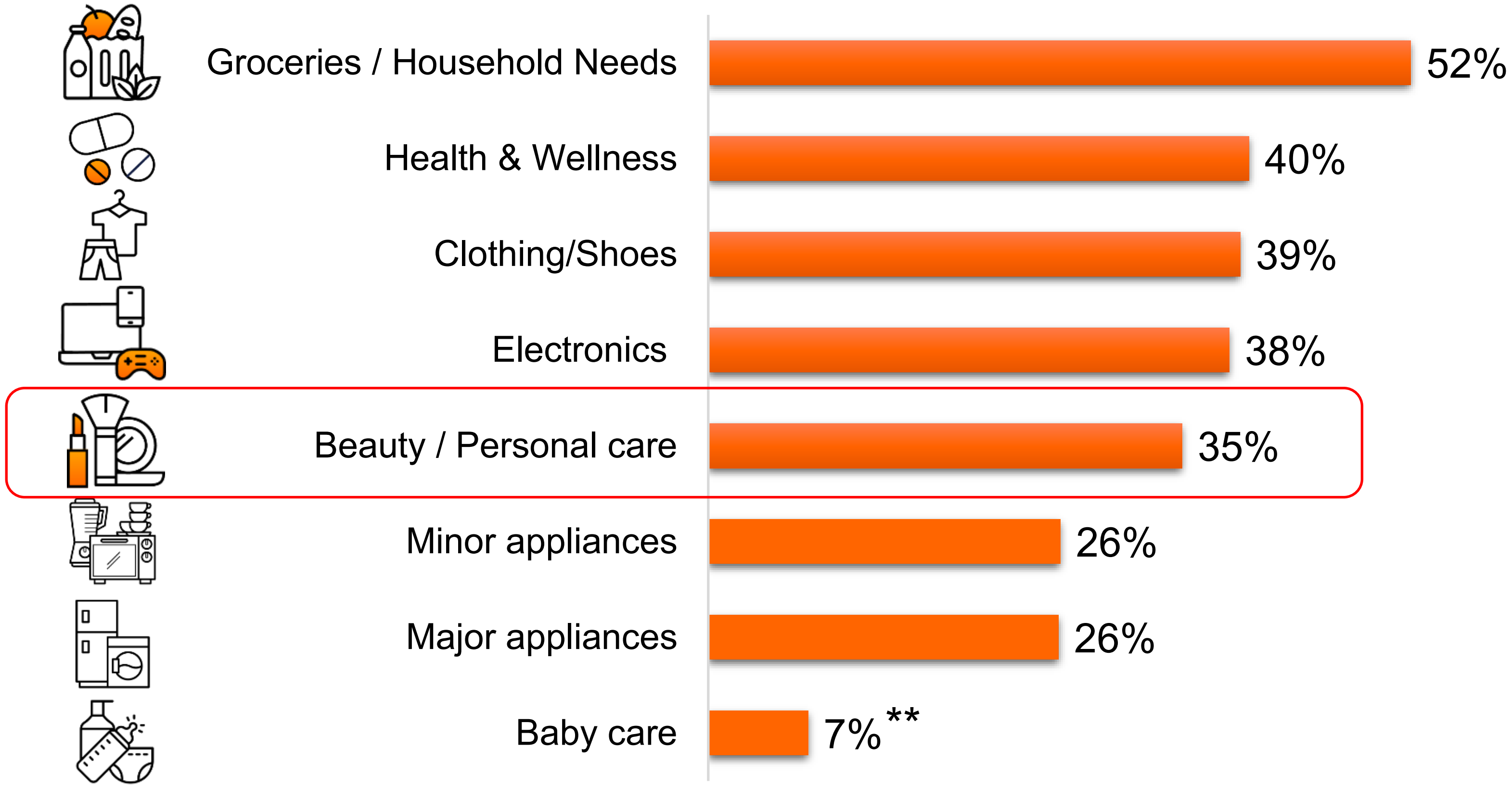
acosta group

Source: Acosta Group Shopper Community AI Enabled Shopping survey - June 2025

AI tool usage is highest for frequently purchased categories

Categories where AI Tools Used for Any Aspect of Shopping*

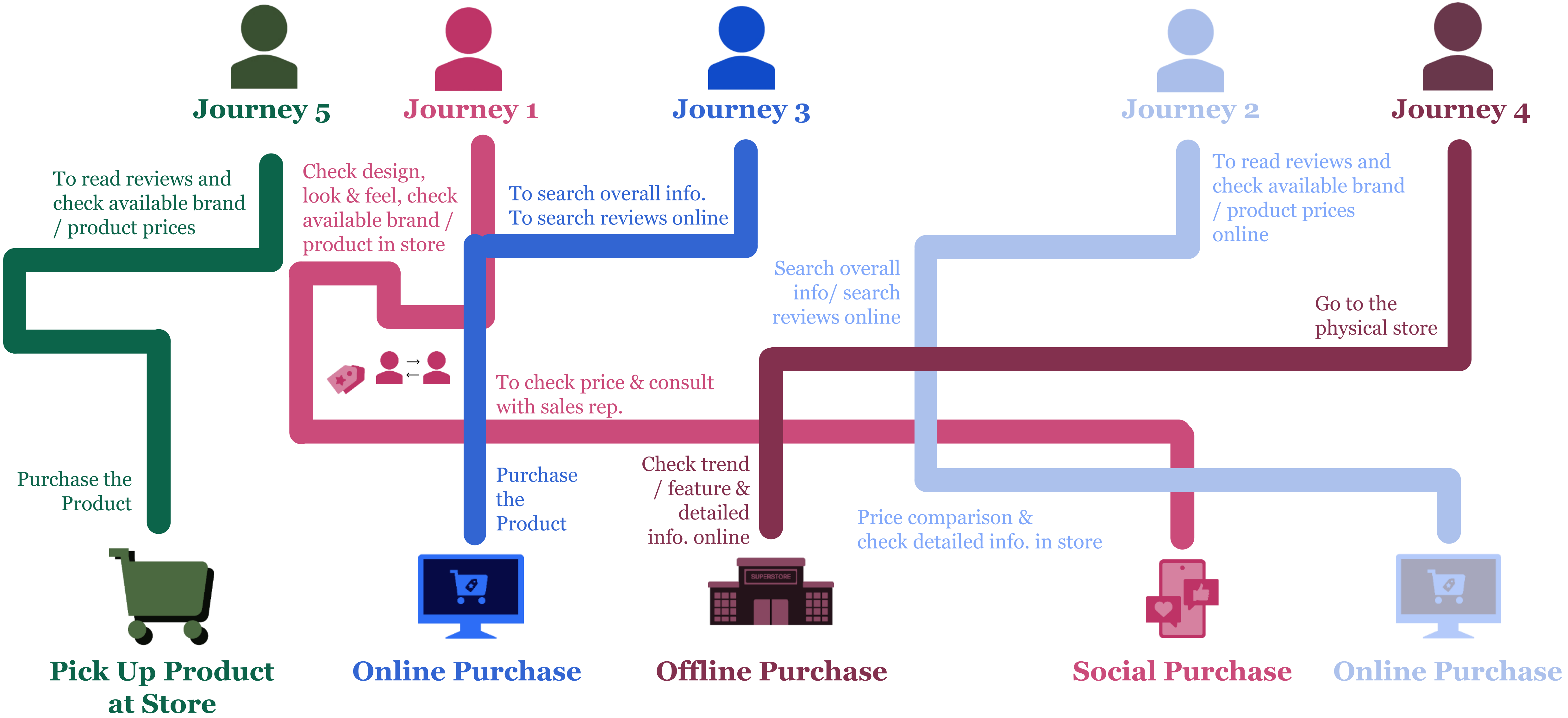
(% Shoppers who use Any AI Tool for Shopping)



Source: Acosta Group Shopper Community AI Enabled Shopping survey - June 2025

The Shopper Journey Takes the Consumer Across the Omnichannel Landscape

Not one shopper journey is the same... even for the same individual



Headwinds and Tailwinds on the Horizon

Beauty retail will be reshaped in the next decade as technology continues to evolve and global forces shape new directions

AI & Tech

Smart Stores | *Tech Transformations*

New Frontiers

Untapped Markets | *Category White Space*

Market Uncertainty

Tariffs | *Disrupted Travel*

In-Store Experience Concerns

Theft Prevention | *Accessibility*

AI and Tech Will Shape the Beauty Store of Tomorrow

Retail innovation is in evolving at pace, reshaping how beauty is discovered, sampled, and sold

- Personalization experiences
- ESL Tags
- Retail Media
- AI Agents
- Personalized recommendations *(AI Skin Diagnostics)*
- Inventory Tracking
- Demand Forecasting
- Virtual Try Ons
- Loss Prevention *(Smart Cameras)*
- Supply Chain Optimization
- Heat Mapping
- Automated Returns
- Predictive Refilling
- Smart Shelves
- AR / Proximity Navigation
- Scent / Texture Simulation
- Virtual Storefronts

Digital Led

Next Gen Stores

Omnichannel

Key Takeaways

- **Ingredient Transparency is now a mandatory value driver**
  - Consumers are no longer satisfied with "free from" claims alone. They want proof, clarity and visibility.

- **Retailers are becoming the standard in Clean Beauty**
  - While clean is overwhelmingly defined by the absence of negatives (no chemicals, additives, dyes, GMOs, pesticides), consumers want and trust retailers to navigate clean label
  - Ensure products meet (and proactively exceed) retailer clean standards to maintain shelf access
  - Retailers will increasingly curate around function + ingredient, enabling discovery through filters, storytelling and education

- **Clean + Clinical + Functional is the new winning formula**
  - Winning brands will pair clean formulations with science-backed efficacy, clear benefits on pack and targeted problem-solving solutions

Let's Connect!

Acosta Group questions please contact us at:
acosta.group/contact

NIQ questions please contact us at:
productinsight.support@nielseniq.com

Q&A