

EARLY DATA

2022 / 03

Quarterly report 2021 Health Supplements Year In Review

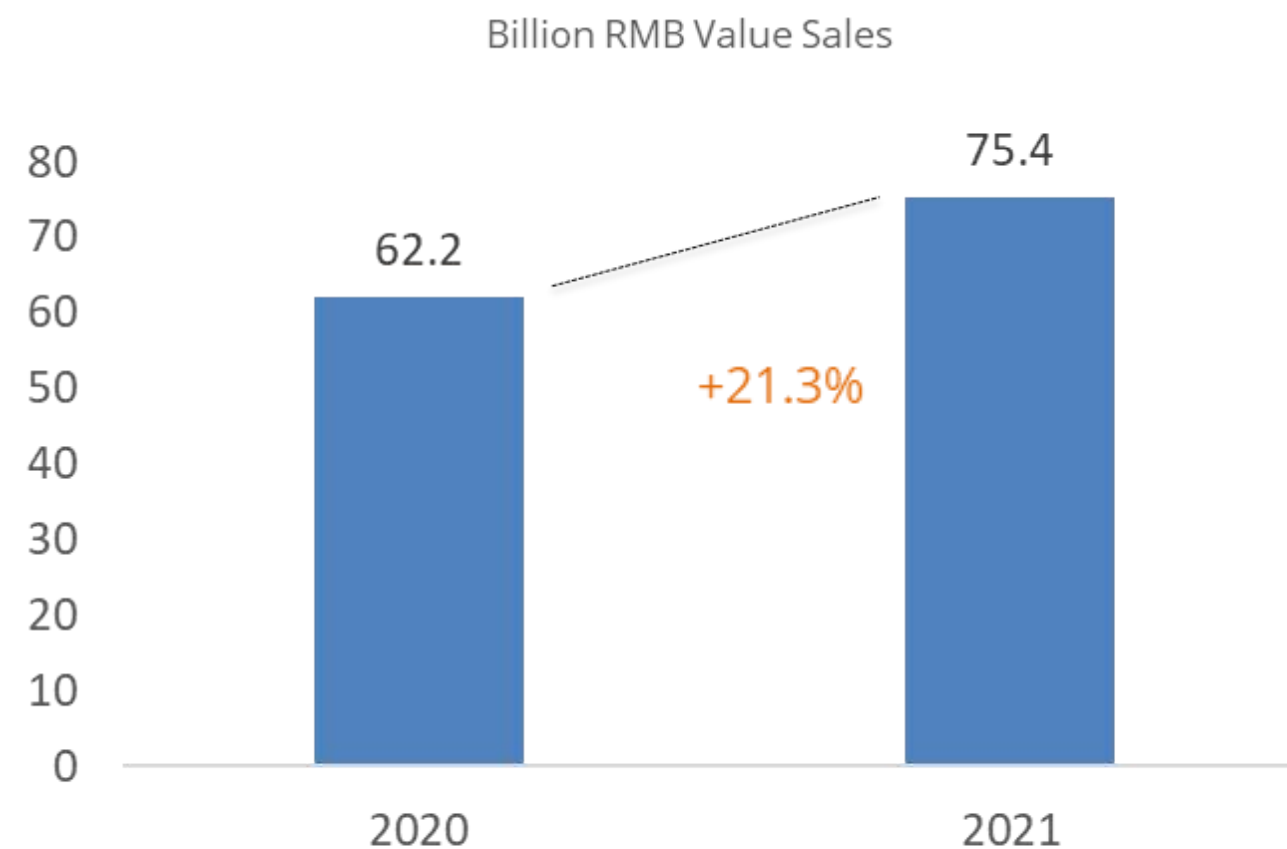


Overview

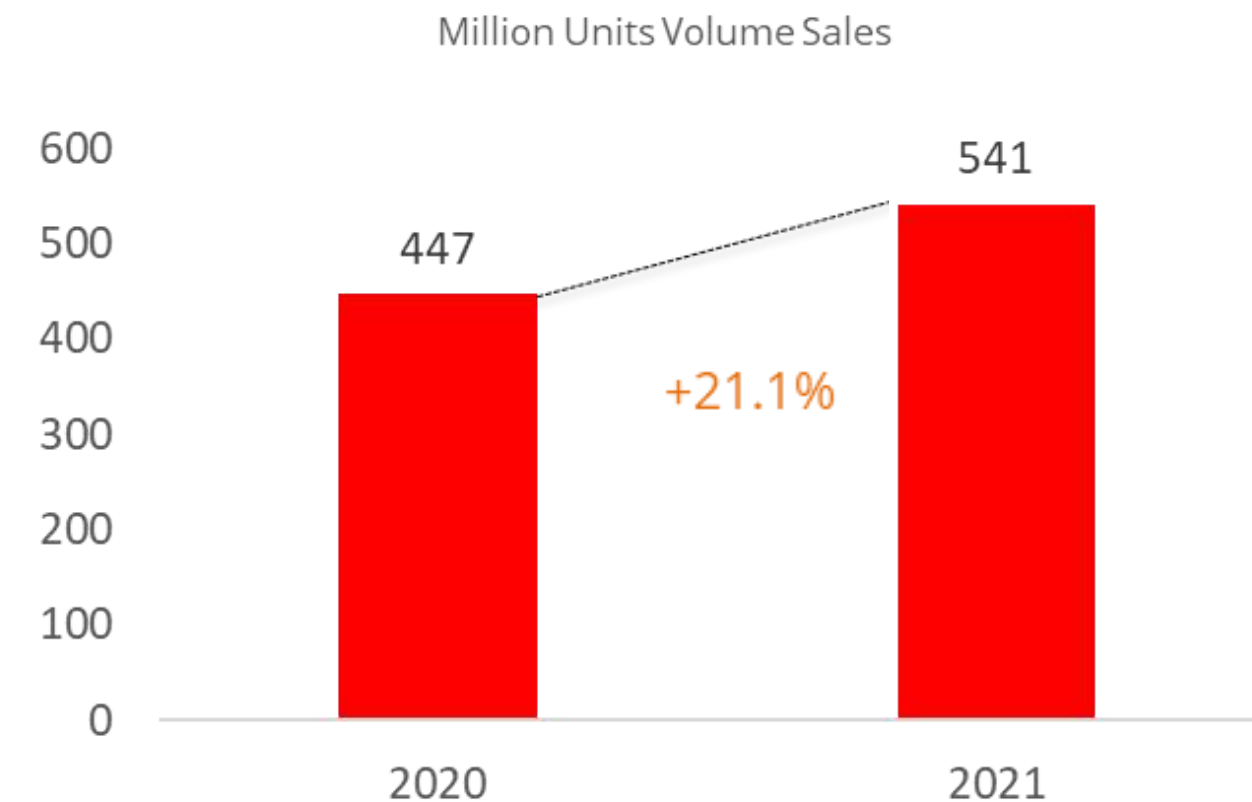
- Health Supplements = Nutritional Health + Mother-Child Nutritional supplements.
- Platform coverage = Taobao, Tmall, Tmall Hong Kong, Jingdong, Jingdong Worldwide, VIP, Pinduoduo, Wangyi Kaola, Suning, Amazon.
- Estimate that Early Data covers approximately 85% of Chinese eCommerce sales.
- Sales reported once/month.
- Sales – Use 30 day rolling sales figures from Alibaba sites. Use statistical model to estimate other sites. Also receive periodic actual sales figures from clients to adjust models.

Health Supplements 2021 turnover was RMB 75.4 billion (USD\$11.4), a 21.3% increase over last year. Volume grew 21.1%.

Health Supplements total category[value sales](#)



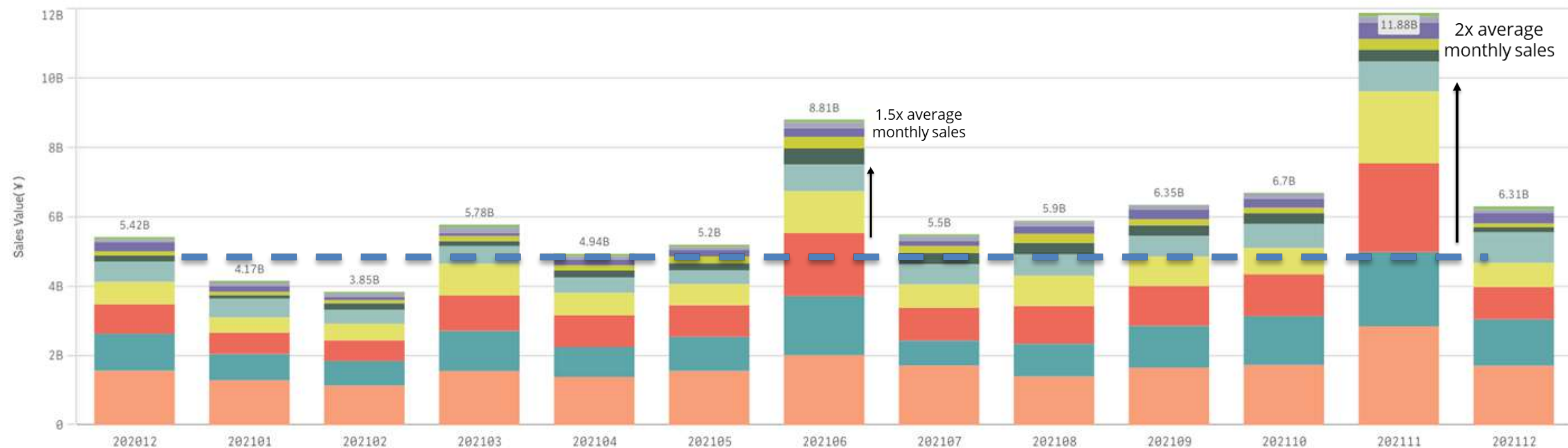
Health Supplements total category[volume sales](#)



The health supplements market had turnover in 2021 of RMB 75.4 billion, or US \$11.4 billion. This was 21.3% higher than 2020. 2021 volume or unit sales were 541 million, a 21.1% increase over 2020.

November (11-11) and June (6-18) peak sales months

Health Supplements 2021 month by month category value sales

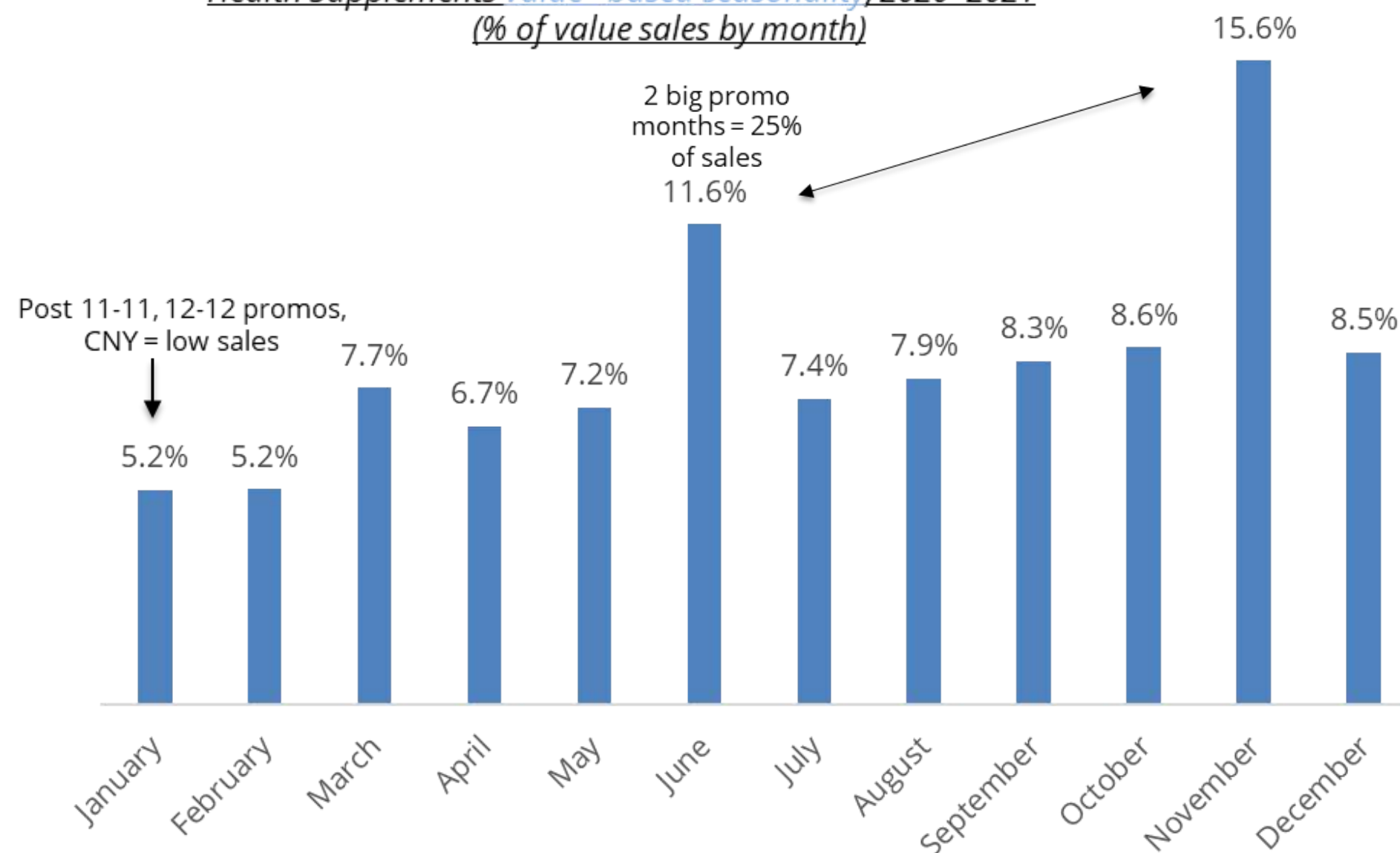


November, with the 11-11 promotion saw sales at RMB 12 Billion (US \$1.8 BN), about 100% more than an average month, while June had sales of RMB 9 Billion (US \$1.4 BN), about 50% more than an average month.

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Looking at seasonality, November + June > 25% of annual sales

Health Supplements Value-based seasonality, 2020+2021
(% of value sales by month)



Health Supplements Seasonality

- June + November = 27% of sales
- Aug – Dec = close to 50% of sales
- Jan, Feb lowest sales (CNY)

← Half of sales in last 5 months of the year

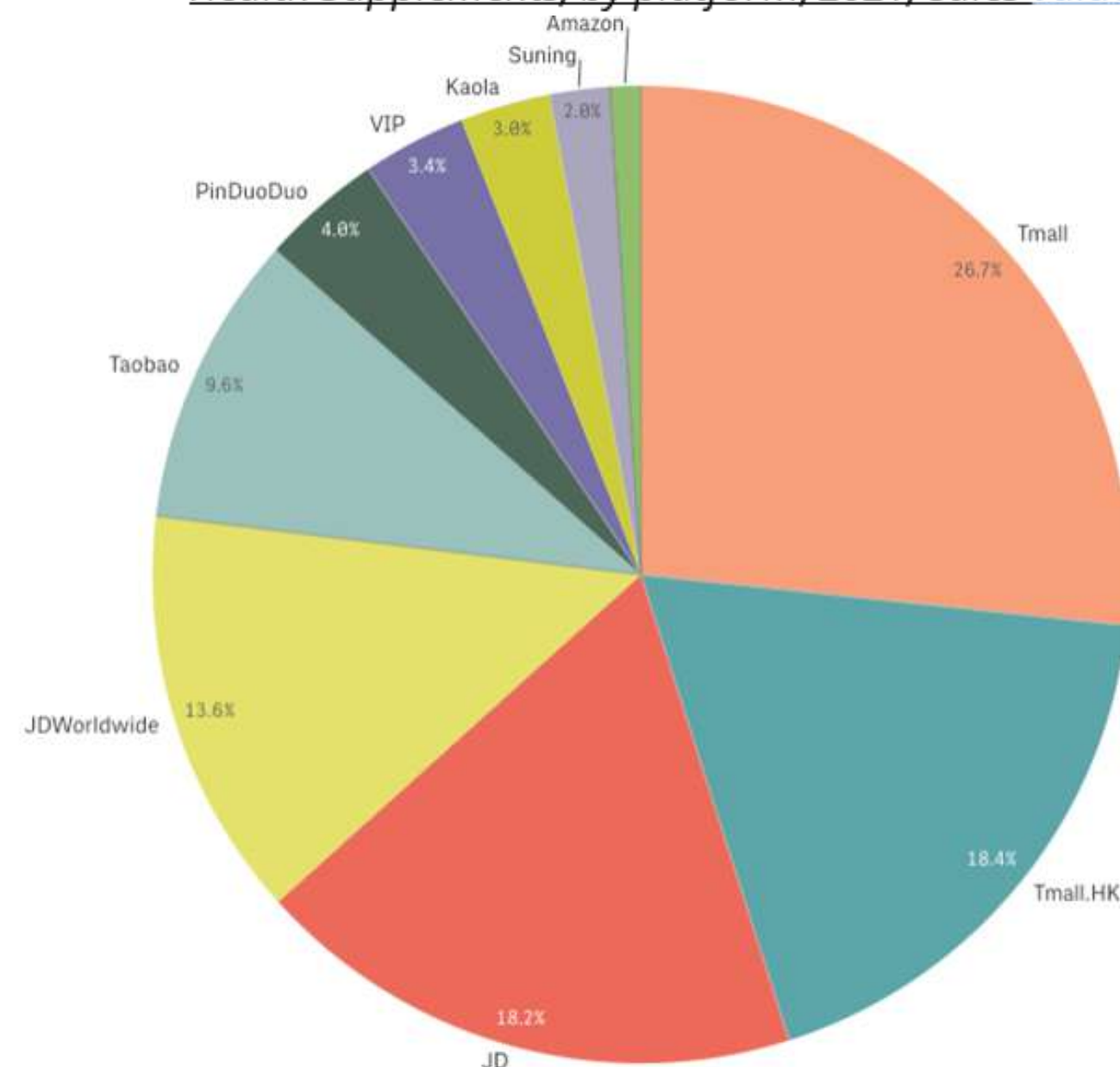
On value sales basis, Tmall platforms dominant,
followed by JD platforms

The leading platforms in the Health Supplements category are Tmall (domestic), with a 26.7% share followed by Tmall Hong Kong at 18.4%.

JD Domestic at 18.2% and JDWorldwide at 13.6% hold the #3 and 4 slots respectively, with the remaining platforms holding single digit shares.

Note that Alibaba platforms (Tmall, Tmall Hong Kong, Taobao, Kaola) control the majority of the market with a 57.7% share.

Health Supplements, by platform, 2021, sales value share

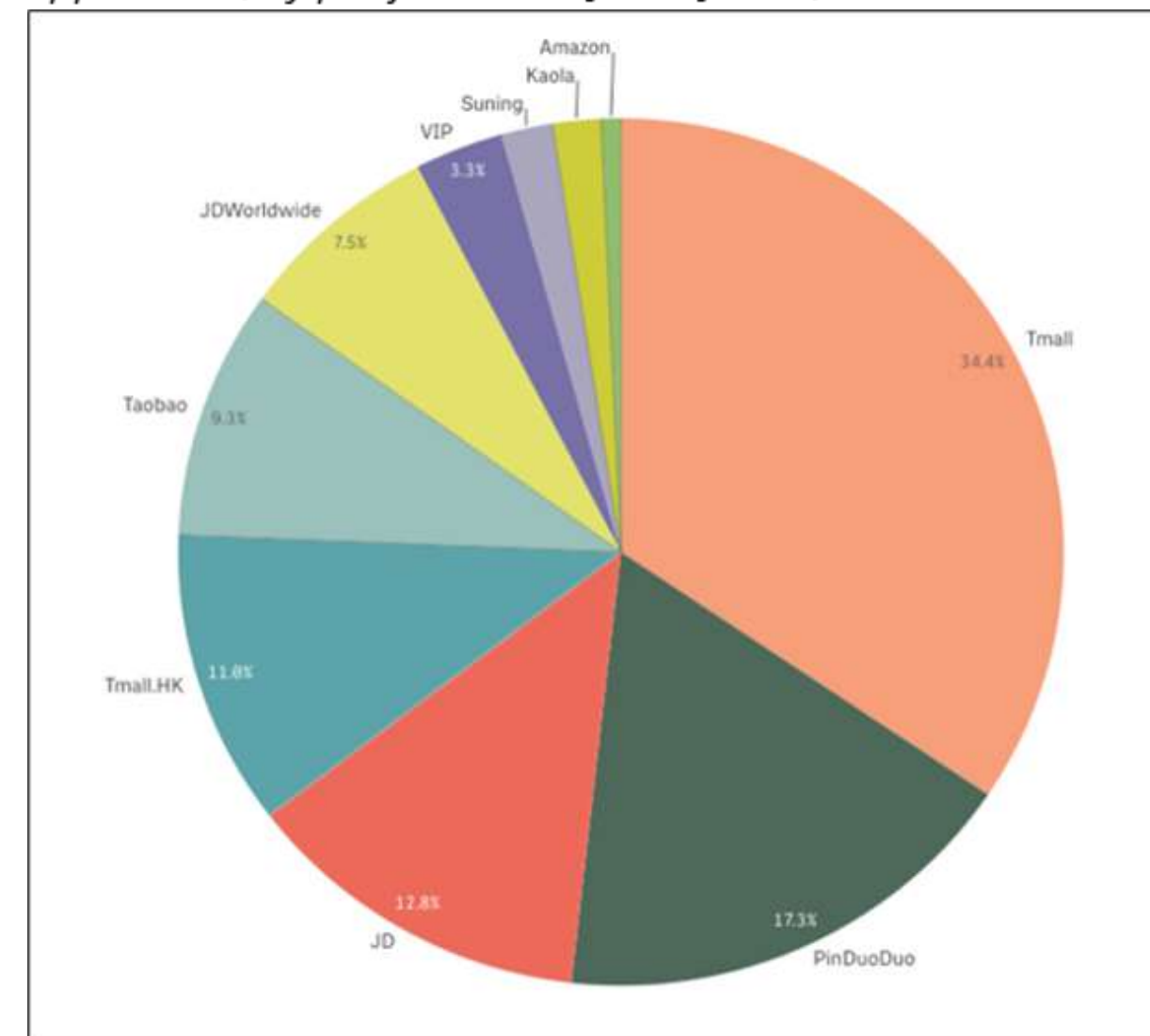


However, on a volume basis Tmall is again #1,
but Pinduoduo #2

Health Supplements, by platform MAT (Jul'20-Jun'21) sales volume share

Looking at by platform volume share of health supplements, Pinduoduo is the second largest platform with 17.3% of volume sales, compared with only 4.0% of value sales. This is due to a high concentration of lower priced items.

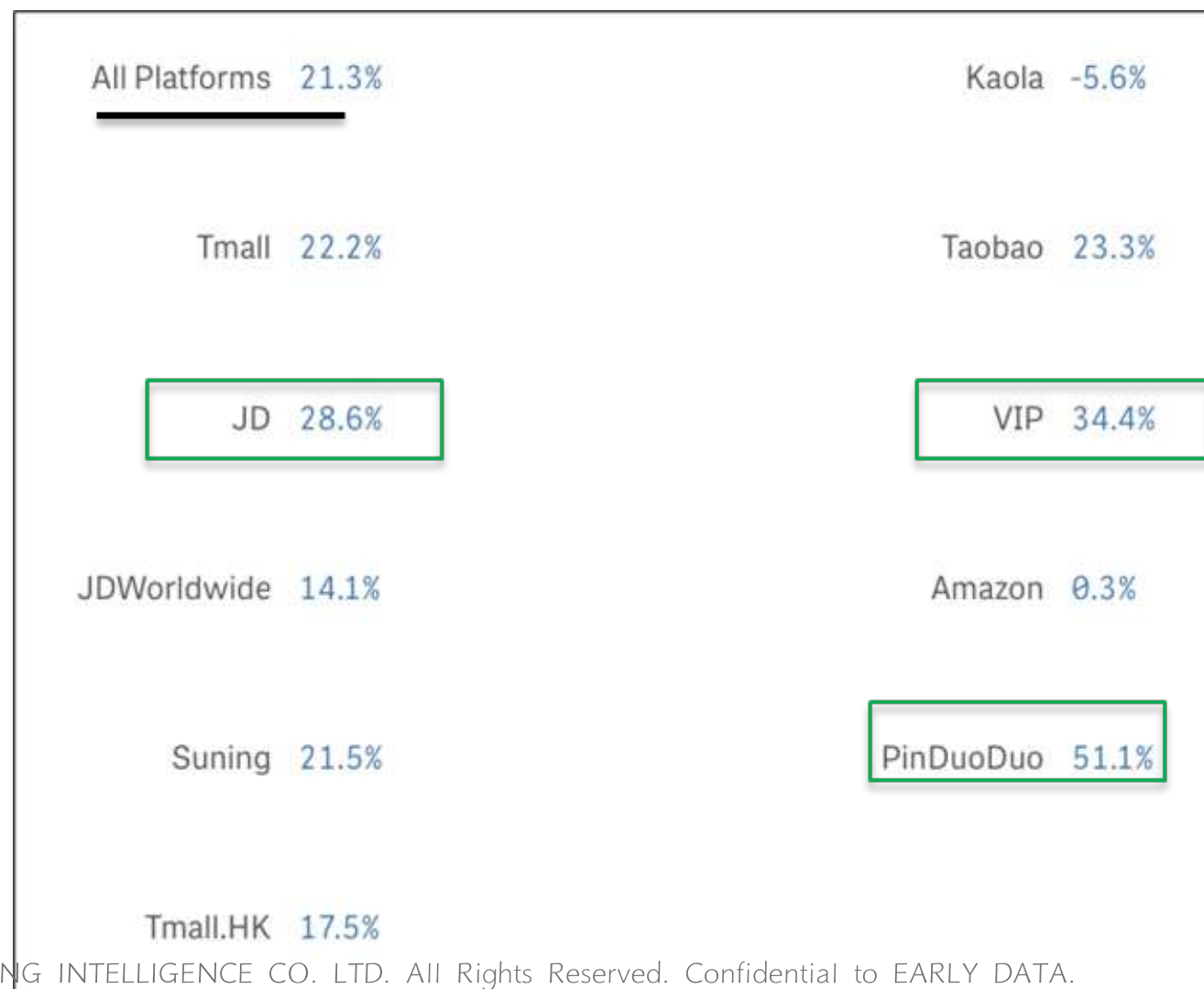
Note also Tmall share of volume (34.4%) higher than it's share of value (26.7%).



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Looking at by platform sales value growth, Pinduoduo and VIP lead

Health Supplements [value growth](#) by platform, 2021



Though relatively small platforms, Pinduoduo led the growth at 51.1%, followed by VIP at 34.4%.

Among the major platforms, Jingdong had the strongest growth at 28.6%, while Taobao (+23.3%) and TMall (+22.2%) both grew slightly above the overall category rate of 21.3%.

Kaola the only platform with negative growth.

Pinduoduo and VIP also lead volume growth;
Tmall Hong Kong and Taobao lag category

Health Supplements volume growth by platform, 2021



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Kaola the only platform with negative growth.

Tongren Tang, AllNature Pharma and Renhe fastest growing top manufacturers

Health Supplements top 10 manufacturers in 2021, ranked by [value sales](#)

Total	75,398,749,525	100.0%	-	541,070,032	100.0%	-
BIOSTIME	5,374,006,928	7.1%	23.4%	30,626,004	5.7%	16.9%
BY – HEALTH	5,113,829,890	6.8%	7.3%	32,288,931	6.0%	4.6%
PFIZER	1,502,256,881	2.0%	21.1%	12,242,580	2.3%	23.3%
TONGREN TANG	1,435,262,668	1.9%	55.4%	16,046,775	3.0%	135.6%
ALLNATURE PHARM	1,334,801,839	1.8%	51.1%	2,599,756	0.5%	47.7%
JBX PTY LTD	1,151,862,036	1.5%	-23.5%	7,439,054	1.4%	-23.7%
RECKITT BENCKISER/SCHIFF	1,070,327,034	1.4%	-7.6%	3,770,548	0.7%	-0.6%
BLACKMORES	1,056,489,309	1.4%	6.5%	5,982,052	1.1%	-5.7%
RENHE	1,023,904,976	1.4%	90.6%	15,723,606	2.9%	76.1%
BAYER	1,000,230,088	1.3%	28.4%	4,150,075	0.8%	23.1%

Market leader Biostime (Swisse brand) outgrew the market on a value basis, though underperformed on a volume basis.

In a category with strong multinationals, local players Tongren Tang and Renhe were among the strongest performances among the top 10, along with Allnature Pharmacy (Edmonds Natural brand).

Tongren Tang, Renhe winning on domestic platforms, By-Health on cross-border

Top 10 Manufacturers, [TMall](#) (2021)

Manufacturer Name	Sales Value(¥)	Value Share	Value YAG
Total	20,101,924,844	100.0%	-
BY – HEALTH	2,450,543,640	12.2%	7.3%
RENHE	708,550,790	3.5%	69.9%
TONGREN TANG	641,240,907	3.2%	31.0%
PFIZER	562,385,619	2.8%	64.1%
ZI MEI TANG	449,539,516	2.2%	-24.5%
XING SHA	433,184,408	2.2%	101.7%
BIOSTIME	403,619,625	2.0%	80.9%
IOVATE	390,931,479	1.9%	-9.2%
PINECAT	360,711,839	1.8%	-27.4%
XIUZHENG	332,929,057	1.7%	-14.1%

Top 10 Manufacturers, [TMall Hong Kong](#) (2021)

Manufacturer Name	Sales Value(¥)	Value Share	Value YAG
Total	13,895,891,808	100.0%	-
BIOSTIME	1,783,719,953	12.8%	13.2%
JBX PTY LTD	731,009,785	5.3%	-18.1%
BLACKMORES	470,182,912	3.4%	16.6%
BY – HEALTH	410,321,665	3.0%	102.3%
NBTY	393,354,486	2.8%	-5.3%
CHILDLIFE	392,192,431	2.8%	-26.1%
RECKITT BENCKISER/SCHIFF	388,465,969	2.8%	4.0%
FANCL	266,839,387	1.9%	2.8%
QUEISSER PARMA	230,357,436	1.7%	-4.0%
BAYER	222,784,299	1.6%	27.8%

Tongren Tang winning on both Tmall and Jingdong, Renhe on Tmall. By-Health strong growth on TMHK and JDW but losing on JD. Market Leader Biostime growing on all platforms, particularly Tmall.

Top 10 Manufacturers, [Jingdong](#) (2021)

Manufacturer Name	Sales Value(¥)	Value Share	Value YAG
Total	13,751,079,703	100.0%	-
BY – HEALTH	1,172,520,554	8.5%	-18.2%
PFIZER	557,894,723	4.1%	4.0%
TONGREN TANG	546,719,320	4.0%	65.3%
BIOSTIME	493,083,768	3.6%	14.5%
ALLNATURE PHARM	462,493,190	3.4%	10.2%
COMVITA	338,751,672	2.5%	558.1%
XIUZHENG	298,852,442	2.2%	-32.2%
IOVATE	276,058,638	2.0%	-12.4%
BAYER	270,736,930	2.0%	24.7%
AOTESHUER	265,798,956	1.9%	58.0%

Top 10 Manufacturers, [Jingdong Worldwide](#) (2021)

Manufacturer Name	Sales Value(¥)	Value Share	Value YAG
Total	10,246,207,768	100.0%	-
BIOSTIME	1,216,935,985	11.9%	31.5%
RECKITT BENCKISER/SCHIFF	388,589,779	3.8%	-18.7%
CHILDLIFE	279,688,543	2.7%	-14.8%
BY – HEALTH	274,884,588	2.7%	85.6%
BLACKMORES	266,860,584	2.6%	36.1%
NBTY	255,107,578	2.5%	1.3%
HERBALIFE	249,875,501	2.4%	31.7%
POLA	247,565,185	2.4%	53.0%
JBX PTY LTD	230,953,843	2.3%	-19.9%
GENEHARBOR	171,853,304	1.7%	-20.8%

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Probiotics followed by multivitamin products grew the category

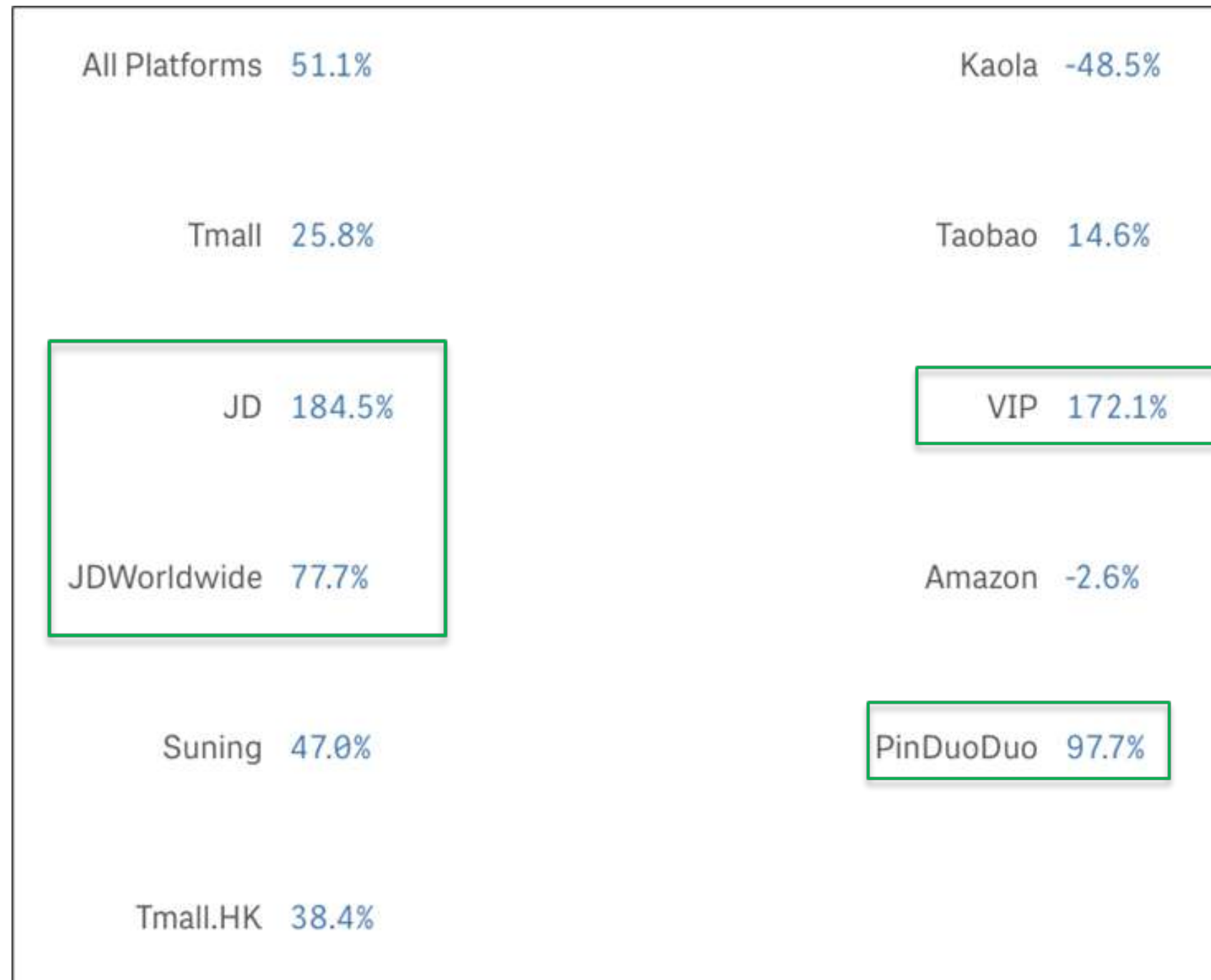
Top 10 Ingredients, 2021 [Value and Volume Share](#) of category, growth vs. 2020

Ingredient Name	Q	Sales Value(¥)	Value Share	Value YAG	Sales Volume	Volume Share	Volume YAG
Total		60,910,142,360	100.0%	-	399,875,633	100.0%	-
protein powder		6,585,945,619	10.8%	-2.7%	30,647,867	7.7%	1.8%
probiotics		6,186,276,347	10.2%	51.1%	49,424,789	12.4%	51.7%
calcium		5,872,811,641	9.6%	3.2%	53,336,446	13.3%	9.1%
collagen protein		3,860,422,653	6.3%	13.4%	18,894,864	4.7%	17.1%
lactalbumin		3,737,384,922	6.1%	4.4%	14,526,292	3.6%	4.8%
enzyme		3,600,118,783	5.9%	6.9%	29,604,862	7.4%	7.5%
multi vitamins		3,504,956,115	5.8%	27.9%	26,591,382	6.6%	38.1%
family protein powder		3,437,960,701	5.6%	-6.1%	16,452,362	4.1%	-2.1%
sports protein powder		3,176,197,067	5.2%	1.0%	14,339,053	3.6%	6.4%
glucosamine		2,477,471,807	4.1%	0.0%	14,519,474	3.6%	12.2%

Probiotic and multivitamin products are the clear drivers of growth in Health Supplements. All of the protein powder related segments underperformed.

Probiotics growing fast on PDD, VIP, JD platforms

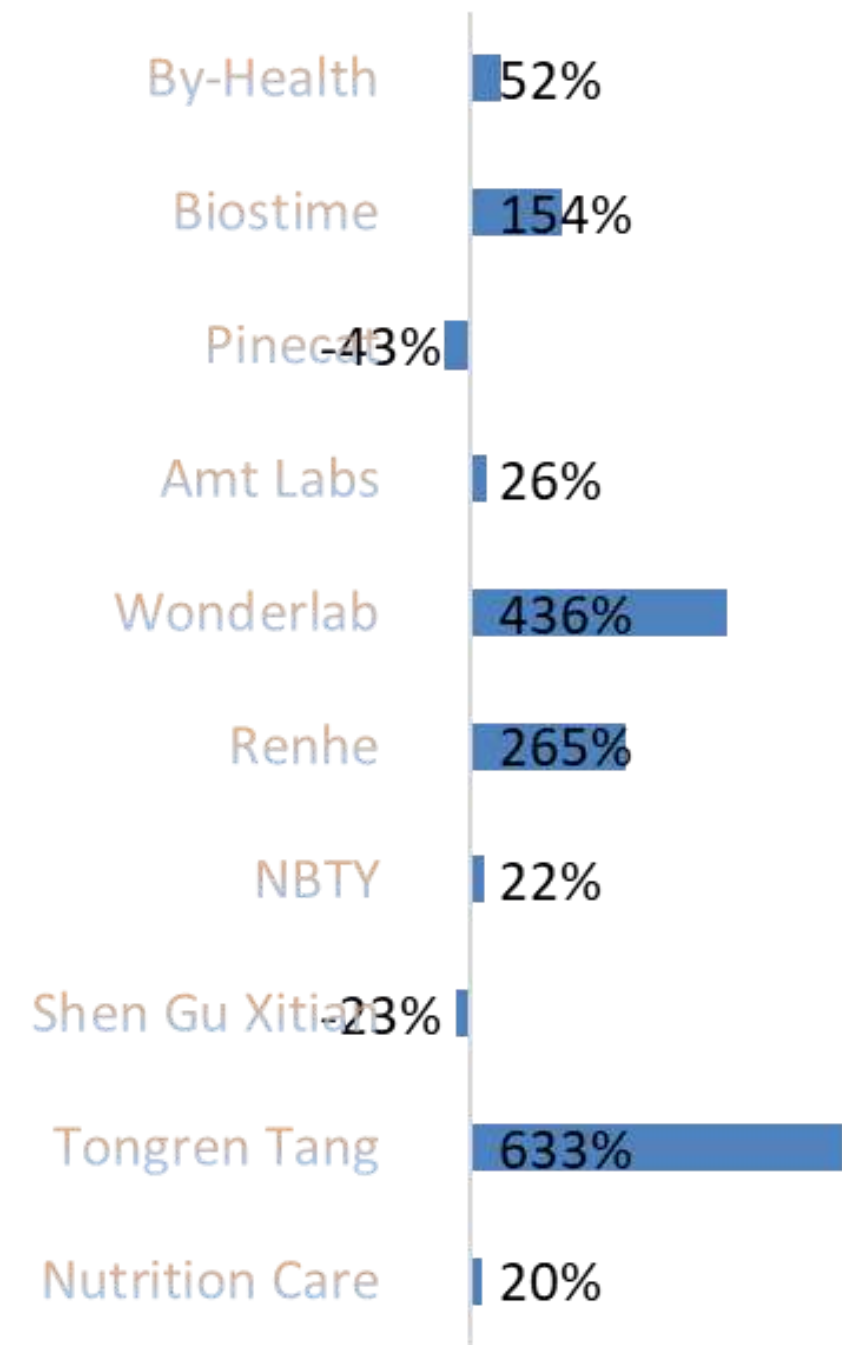
Probiotics value sales growth vs. 2020 by platform



VIP, Pinduoduo and both JD platforms all showed triple digit or close to triple digit growth for probiotics, while Alibaba platforms lagged.

4 of top 10 probiotic leaders grew triple digits vs 2020

Top 10 Probiotics Manufs growth rate, 2021 vs, 2020 in percent

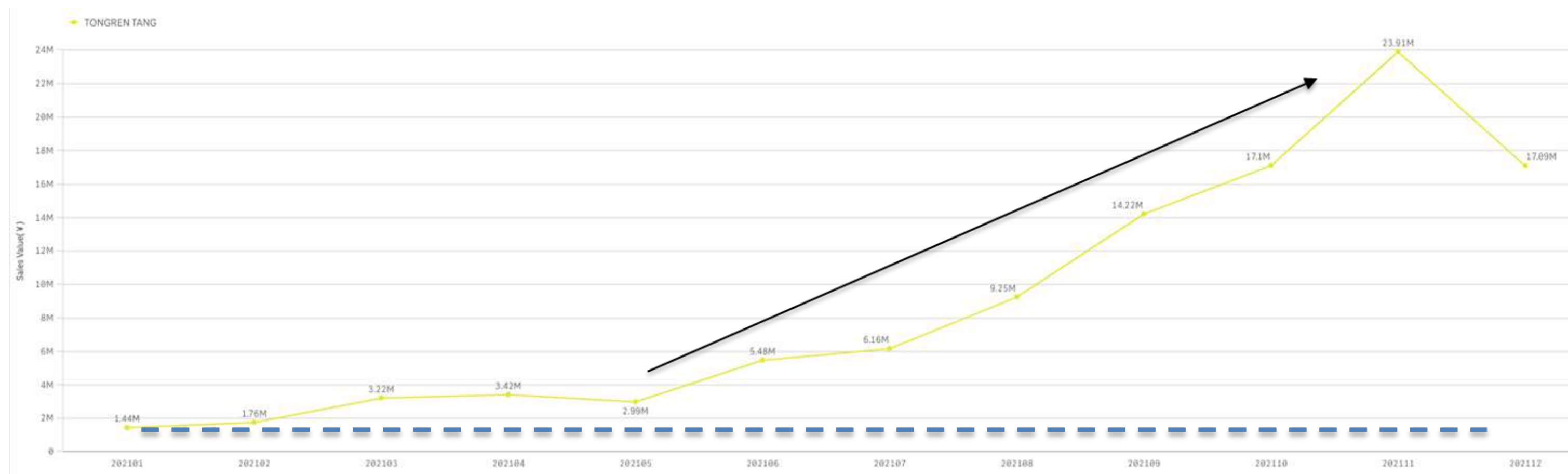


Tongren Tang, Wondelab, Renhe and Biostime all grew well over 100% in the probiotic seggrew triple digits, led by Tongren Tang at 633%.

By-Health market leader in this segment, grew 52%.

Tongren Tang grew probiotic sales 10x throughout 2022

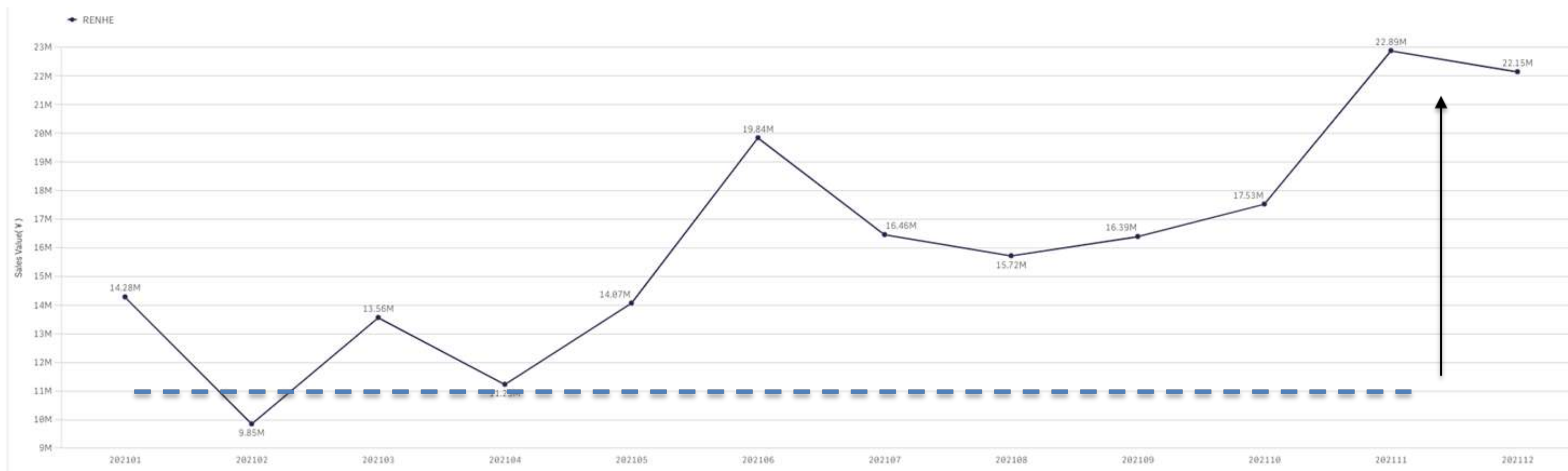
Tongren Tang probiotic sales, 2021



Tongren Tang grew probiotic sales from RMB 1.5M per month to a peak of 24M/month in November (11-11).

Renhe essentially doubled probiotic sales off a higher base

Renhe probiotic sales, 2021



Sales went from 10-14M/month to over 22M/month by end of year

Looking at product prices, higher price point items grew the fastest

Sales by Price Tier for Total Category, All platforms 2021, growth vs. 2020

Price Bands(¥)	Value Share	Value YAG	Volume Share	Volume YAG
0-100	18.3%	19.3%	56.5%	29.3%
100-200	25.6%	3.0%	24.4%	2.6%
200-500	34.5%	22.1%	15.8%	21.1%
500-1000	12.9%	72.8%	2.7%	71.9%
1000+	8.7%	33.7%	0.6%	33.2%

Though only 3%+ of volume sales, RMB 500 and above (US\$75) grew faster than the market. Low priced items saw high volume growth, likely driven by Pinduoduo.

This was especially true in the probiotics segment

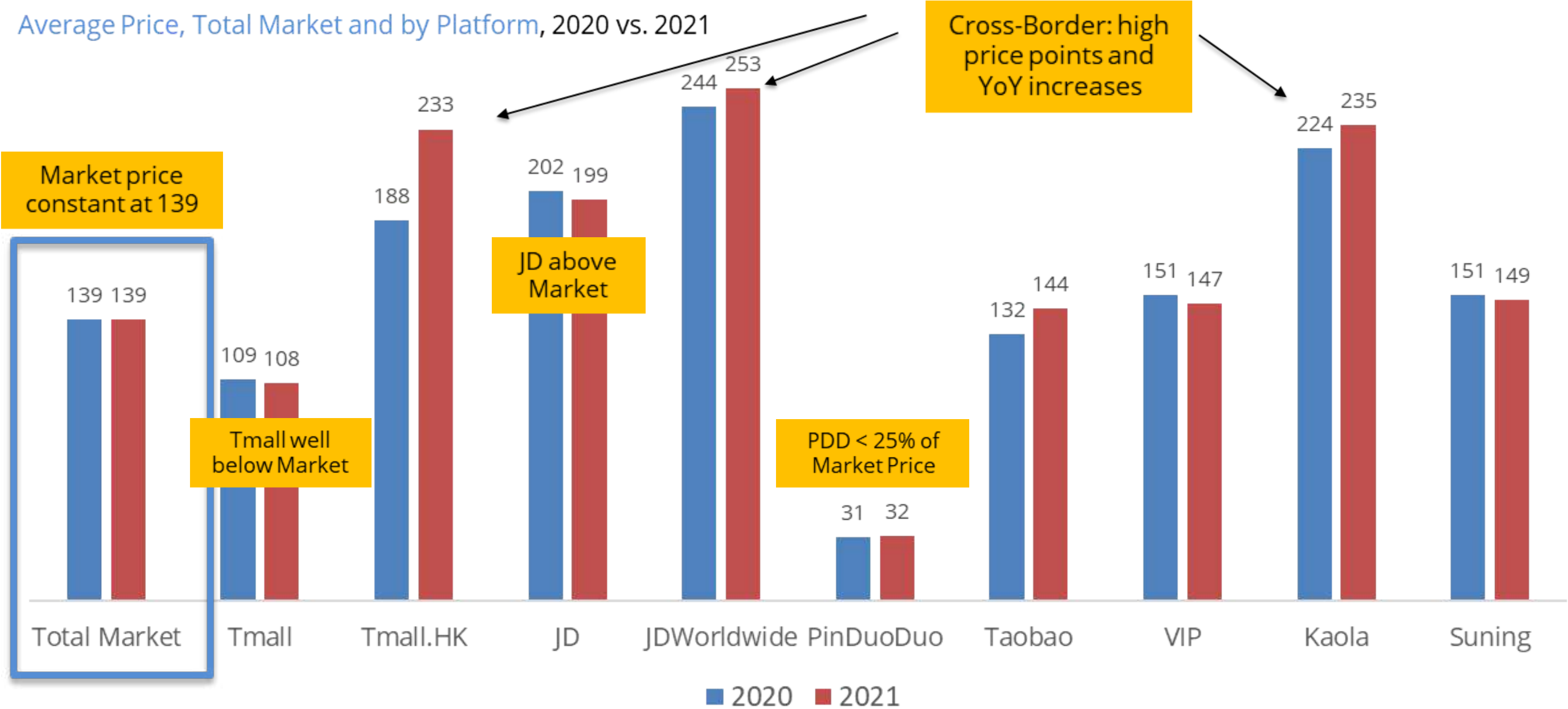
Sales by Price Tier for Probiotic Products, All platforms 2021, growth vs. 2020

Price Bands(¥)	Value Share	Value YAG	Volume Share	Volume YAG
0-100	23.4%	56.6%	62.0%	60.9%
100-200	23.5%	33.8%	18.8%	32.1%
200-500	40.1%	44.0%	17.0%	39.2%
500-1000	10.7%	145.9%	2.0%	147.6%
1000+	2.3%	56.2%	0.2%	63.9%

500-1000 price items big drivers of Probiotics at close to 150% year on year growth, as well as lower end < 100 RMB products.

Show price by platform 2021 vs 2020.

Average Price, Total Market and by Platform, 2020 vs. 2021



Conclusion

- Health Supplements grew at a strong 20%+ rate in 2021, which is relatively strong given the slowdown in overall GDP growth.
- Pinduoduo and VIP, relatively small platforms, outgrew the larger more established ones. While in previous years cross-border business was the main driver of growth, in 2021 Tmall outgrew Tmall Hong Kong and JD outgrew JD Worldwide.
- The two big seasonal months, November (11-11) and June (6-18) account for 27% of sales turnover. Sales are weighted towards the back half of the year, with Aug-Dec accounting for 50% of turnover.
- Market leader Biostime (Swisse brand) grew at slightly better clip than the category, with #2 By-Health losing share. In a category dominated by MNCs, local players Tongren Tang and Renhe far outpaced category growth.
- Probiotic products key category drivers, with segment growing 50%+. VIP, PDD and JD had fastest growth in this segment, led by Tongren Tang, Renhe, Wonderlab and Biostime.
- Despite accounting for less than 3% of sales, products priced between RMB 500 – 1000 grew over 70%, more than 3x overall category growth rate.



Category Monitoring

- An intelligent, interactive cloud-based analytics platform to explore online sales performance & insights
- Gain insights on how your category is performing and the best sellers driving it
- See how you stack up against competitors
- Detailed category segmentation analysis
- Custom insight reports available



Price/Promo Monitoring

- Track online pricing/promotion for internal compliance and to better understand competitive pricing strategies
- Protect your bottom line and ensure online shops are following your pricing rules
- Track inventory to optimize logistics
- Real-time alerts through WeChat, Email
- Explore pricing in an interactive dashboard



New Products & Trends

- Discover new product releases and consumer opportunities
- Identify issues, trends, and threats to your business



Sentiment Analysis

- Identify key customer themes & trends towards your brands, products, & stores
- Natural language processing based on industry expertise and machine learning

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