

Wellness Industry

November, 2020



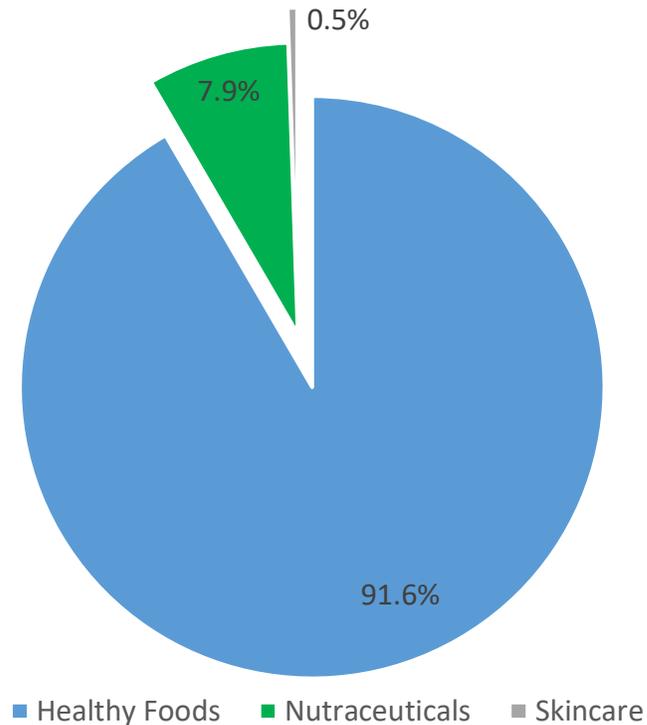
TABLE OF CONTENTS

- Sector Overview – Healthy Consumption
- Healthy Foods Consumption on a Rise
- Nutraceuticals: Increased Focus on Supplements & Functional Foods
- Organic Skincare: Increased Awareness about Skincare across Age Groups
- How the new age start-ups are disrupting the well established companies?
- Investment Landscape
- Emerging Tech - Investment Landscape
- Impact of COVID-19 on Wellness Sector
- Concluding Remarks

SECTOR OVERVIEW – HEALTHY CONSUMPTION

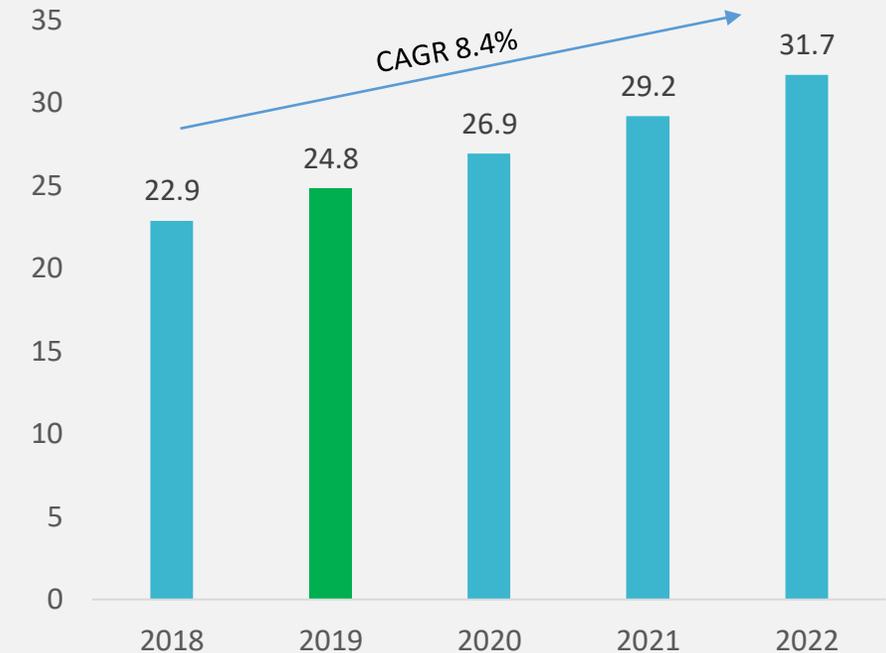
National Family Health Survey reveals that approximately 21% of women and 19% of men are now obese, an alarming increase when compared to the previous survey (12.6%). The challenge is no longer focused on food availability but on accessibility to safe and healthy food that makes up for 91.6% of the market in India

Healthy Consumption Market, 2018



The healthy consumption market comprises of healthy foods, nutraceuticals, and organic skin care and was measured at USD 22.9 Bn in 2018

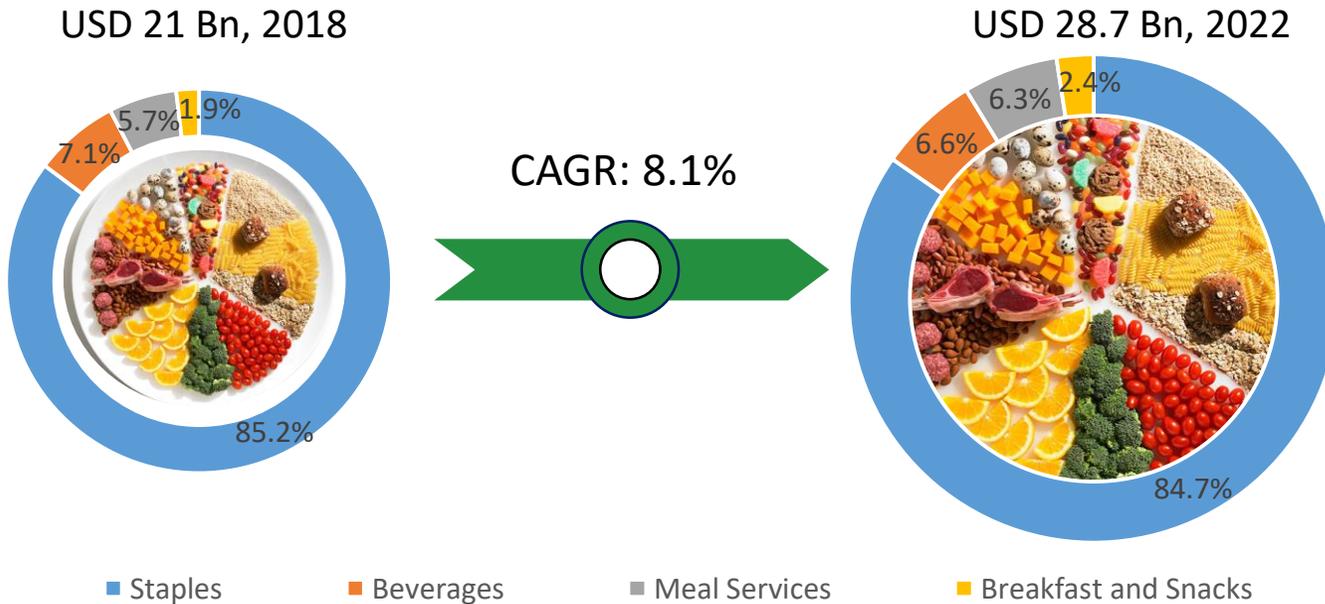
Healthy Consumption Market Size 2018-2022 in USD Bn



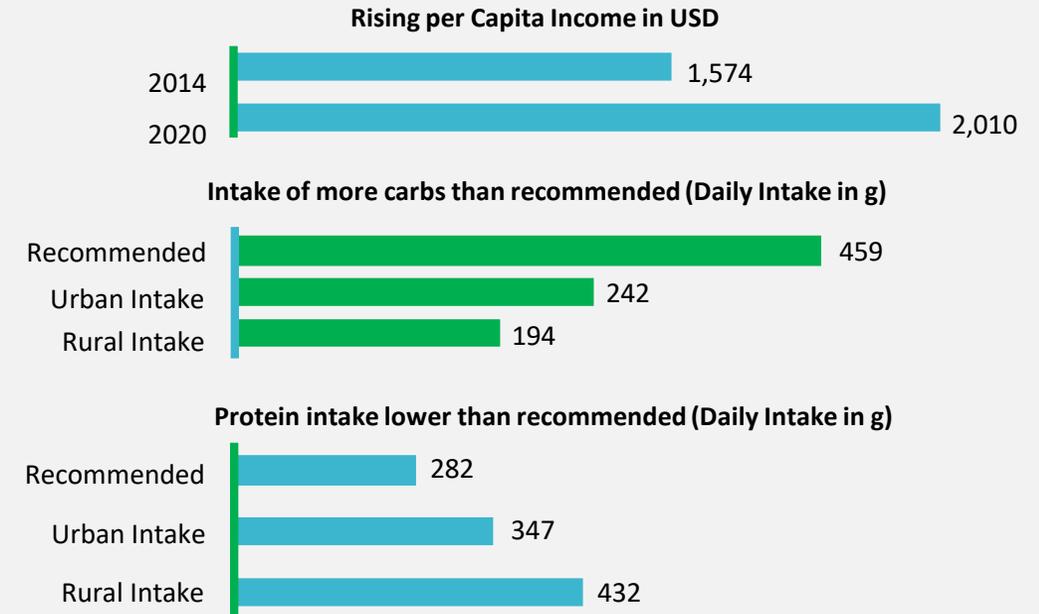
HEALTHY FOODS CONSUMPTION ON A RISE

A global study at the University of Oxford concluded that packaged foods and drinks available in India are the least healthy, with high levels of saturated fat, sugar and salt. This scenario of unhealthy food in India created a need for healthy food.

Healthy Foods Market Size



Healthy Foods Market Growth Drivers



Staples Growing at a CAGR of 8%	Beverages Growing at a CAGR of 7%	Meal Services Growing at a CAGR of 11%	Breakfast and Snacks Growing at a CAGR of 15%
			
Organic Food, Atta, Healthy Oil	Green Tea, Healthy Flavoured Drinks	Dine in or Delivery of Healthy Cooked Food	Oats, Muesli, Wheat Flakes, Biscuits

NUTRACEUTICALS: INCREASED FOCUS ON SUPPLEMENTS & FUNCTIONAL FOODS

Consumer demand for nutraceuticals is growing rapidly because of an increase in co-prescriptions by doctors and other specialists like dietitians. Moreover, India's population now has a higher spending power because of a rise in disposable incomes

Nutraceuticals Market Size

USD 1.8 Bn, 2018



CAGR 6%



USD 2.3 Bn, 2022



Nutraceuticals Market Growth Drivers



Increasing per capita income



Increased awareness about chemicals in medication that cause unwanted side-effects



Busy lifestyle leads to unhealthy diet plan
nutraceuticals helps to meet the nutritional needs

Nutraceuticals: A pharmaceutical grade and standardized nutrient



Sports Drink



Probiotic Yoghurt



Multi-vitamin Pills



Protein Pills/Capsules

ORGANIC SKINCARE: INCREASED AWARENESS ABOUT SKINCARE ACROSS AGE GROUPS

The growth of the global natural and organic personal care product market is driven by factors such as the expansion of distribution channels, increasing online customer reach, and modern retailers' shift towards offering premium personal care products on shelves.

Skincare Market Size

USD 119 Mn, 2018



CAGR 26%



USD 300 Mn, 2022



Skincare Market Growth Drivers



Increasing per capita income



Increased awareness about harmful chemicals in traditional skincare products



Increase in internet penetration and distribution through e-commerce

Organic skincare products that are certified by regulating bodies like ECOCERT, USDA



Hair Oil



Shampoo



Soap



Lotion

FUNDED STARTUPS IN FOOD AND BEVERAGE SEGMENT

Seed or Angel Round



Low carb snack company **Lo! Foods** has raised a total of ~**USD 800 K** from Venture Catalysts and HNIs



The Green Snack Company that provides healthy snacking options has raised ~**USD 500 K** from HNIs



Roasted Snack company **Keeros** has raised a total of ~**USD 440 K** from Venture Catalysts

Pre-Series A / Series A



GO DESI provides snacks that are **100% natural**. The company has raised ~**USD 6.4 Mn** from Rukam Capital, Upaya Social Ventures



Soulfull manufactures ready to eat healthy cereals. Soulfull has raised ~**USD 5.4 Mn** from Aavishkar Venture Capital



Coolberg is a non-alcoholic beer company and has raised ~**USD 3.5 Mn** from RB investments, India Quotient, Artha Ventures

Series B+



Epigamia produces dairy products and has raised a total of ~**USD 56.3 Mn** from KA Enterprises, DSG Consumer Partners, Verlinvest, and InnoVen Capital



Raw Pressery provides cold pressed juices and has raised ~**USD 41.3 Mn** from Saama Capital, DSG Consumer Partners, Alteria Capital, Sequoia



Milk Mantra provides natural milk products and has raised ~**USD 39.5 Mn** from Saama Capital, DSG Consumer Partners, Alteria Capital, Sequoia

FUNDED STARTUPS IN NUTRACEUTICAL AND SKINCARE SEGMENT

Seed



Just Herbs is an e-store for herbal and ayurvedic beauty products and has raised ~**USD 1.5 Mn** from **Roots Ventures**



Sacred Salts provide 100% organic skincare products and has raised ~**USD 700 K**



Arata provide 100% natural plant based products and has raised ~**USD 500 K** from **DSG Capital Partners**

Series A / Series B



Misters is a sexual wellness start up for men and has raised ~**USD 8.5 Mn** from **Sauce VC and Rainforest Venture Network**



Mcaffiene is a caffeinated skincare brand and has raised ~**USD 5.8 Mn** from **RP-SG Ventures**



THE MAN COMPANY

The Man Company provides skincare products catering to men and has raised ~**USD 3.5 Mn** from **Redcliffe Capital**

Series B+



HealthKart sells a wide range of nutraceuticals through its omni-channel approach and has raised ~**USD 61 Mn** from **Sequoia, Sofina Omidyar**



Innovcare Life Sciences produces a wide range of nutraceuticals and has raised ~**USD 7.5 Mn** from **JM Financials**



Konverge produces nutraceuticals and has raised ~**USD 3 Mn** from **Tata Capital**

HOW THE NEW AGE START-UPS ARE DISRUPTING THE WELL ESTABLISHED COMPANIES?



Innovation



Given a **niche customer** segment, a startup can make a **great product** that their **customers love over a slightly better than average** product that a lot of people will be fine using



Enabling the **startups to focus** on a product that is **targeted to a consumer segment**



Production



A startup can now **start small** and launch **few niche products** with reasonable manufacturing setup and **invest in production** as they grow



This **decreases the fixed cost requirements** and helps them maintain their other costs **not increasing the price of the product**



Distribution



Instead of building a comprehensive retail supply chain across the state/country to store and deliver goods



A startup with **minimal inventory** can deliver products **directly to consumer (D2C)** through their **website/3rd party marketplaces** and scale distribution spends as their traction grows



Marketing



A startup can **start marketing** with ads on **Google, Facebook, Instagram** with a much smaller budget



Most niche **CPG startups** are able to build **solid brand proposition** due to their innovative offering. **Decreasing their variable costs** and helping them to compete in the market

EMERGING TECHNOLOGIES IN HEALTH & WELLNESS



Discovery Platforms



An online discovery platform that allows consumers to explore different gym and fitness studios



Fit pass provides its users with a pass that allows them to workout at multiple studios across the city



Playnlive is a discovery platform for Sports, Fitness, Dance and Music activities across various cities



Wearables



GOQii offers wearable fitness bands with a mobile-app and also personalised remote coaching



Avantari has created a medical grade smart watch that is designed to monitor ECG, blood pressure, heart rate, oxygen saturation, steps, and more



Shellios has created a smart helmet purifies air, bluetooth connectivity for communication and a fan for cooling



App based



App enabled fitness start up providing fitness classes, healthy meals, meditation sessions & therapy sessions



HealthifyMe is a nutrition based app that provides diet plans, tracks calorie intake, water intake for its users to achieve their desired fitness level



Daalchini provides affordable home cooked food through smart vending machines and app



Omni Channel Retailing



HealthKart retails nutraceuticals and proteins through its omni-channel approach



Neulife retails edible wellness products by employing an omni-channel strategy



Nirogam offers range of wellness, organic and ayurvedic products

INVESTMENT LANDSCAPE – EMERGING TECHNOLOGIES

Seed / Pre Series A



Fitpass gives access to multiple gym studios through its app ~**USD 2 Mn** from **Mumbai Angels**



Growfitter is a discovery platform for various fitness centers and has raised ~**USD 600 K** from **Sque Capital**



Daalchini provides quality and affordable food from smart vending machines and has raised ~**USD 1.2 Mn** from **Aartha India Ventures**

Series A / Series B



HealthifyMe is an app that helps people achieve their fitness goals. Raised ~**USD 25 Mn** from **Blume, Chiratae, NB Ventures, Samsung NEXT**



Sarva has ventured into app-based live yoga classes has raised ~**USD 8 Mn** from **Fireside Ventures, Mantra Capital & Angel Investors**



Fittr is an app based on diet and exercise regiments to grow fitter. **Raised USD 2 Mn** from **Surge (Sequoia's accelerator programme)**

Series C+



Cure.Fit provides a complete suite of fitness services through its app and has raised ~**USD 404.6 Mn** from **Accel, Kalaari, Oaktree, Piramal Trust**



HealthKart sells a wide range of nutraceuticals through its omni-channel approach and has raised ~**USD 61 Mn** from **Sequoia, Sofina Omidyar**



GOQii produces smart wearables and has raised ~**USD 52.6 Mn** from **Bennett Coleman, Mitsui and Co, Trifecta and New Enterprise Associates**

IMPACT OF COVID-19 ON WELLNESS SECTOR



Online Live Classes



Due to COVID19, most of the brick and mortar gyms had **shut down** in the lockdown period that gave a **rise to the live/pre-recorded classes**



Tech based startups like **Cure.fit, Fittr, Sarva** came up with **live classes** on their platforms, where as traditional chains such as **Gold's Gym** started live classes on **social media platforms**



Focus on Immunity



Higher immunity and healthier lifestyle has been perceived to improve a person's **chances of battling COVID**



Government's campaign towards **AYUSH** has **increased the consumer demand** for multivitamins, natural immunity boosters, dietary supplements and more



Gyms and Studios



Gym Studios suffered the most in the wellness industry as COVID spread and the **nationwide lockdown disrupted** gyms throughout the nation



After lockdown eased, **people are wary about visiting a gym**. To maintain their revenue, single-outlet gyms **must maintain high safety protocols** and reach out to their **customers via digital media**

CONCLUDING REMARKS

1

With rising disposable income & as people become aware about their diet and nutrition requirements, healthy consumption market to grow over the coming years. Even though the pandemic COVID19 has affected supply chains and consumption levels across the globe, we expect the market to get back on track and even grow at a higher rate due to the change in preferences of the consumers to maintain a healthy immune system

2

The brick and mortar studios would not be able to revive until the pandemic subsides while the audience for online live classes grows by the day. This makes it difficult for single outlet fitness studios that do not have the digital infrastructure to reach out to their customers

3

There is high demand for personalization, be it the skincare products that are being personalized according to the hair and skin type, the nutraceuticals that are being personalized according to the nutritional need of an individual, or the healthy foods that are being cooked and prepared according to the diet plan of an individual

4

90% of the overall demand stems from tier 1 cities but going forward we expect to see an increase in demand from tier 2 and tier 3 cities attributable to rising awareness among the consumers

5

Healthy cooked food to grow exponentially as we see that much of the population in tier 1 and tier 2 cities prefer to eat healthy food when they are dining out. Synthetic meat is also expected to grow in the coming years to eliminate the risk of bacterial infection and to decrease reliance on natural resources for meat

ABOUT TRANSJOVAN CAPITAL

TRANSJOVAN CAPITAL is a premier new-age Board Advisory firm, focused on providing advice to clients pertaining to Corporate Strategy, Mergers & Acquisitions (M&A), Joint Ventures (JV), Capital-raising (Equity & Debt) and Organization Development.

With offices in New Delhi and Mumbai, the Firm is a preferred Board-advisor to emerging as well as established corporates. The Firm's team has advised clients spread across SMEs, large Indian Conglomerates, Institutional Investors, Fortune 500 Corporations, Government Authorities and New Ventures.

The Firm has received top industry recognition, some of them being:

'Fastest growing BFSI Companies in India' - 2016

'Most Promising M&A Advisory Companies in India' - 2015

'Most Promising Financial Consulting Companies in India' - 2014

Select Team Credentials:

- ✓ Advised on 100+ assignments for clients in the areas of corporate strategy and finance.
- ✓ Collective deal experience of USD 1+ Bn in the transaction advisory space.
- ✓ Access to 200+ PE/VC/Corporate investors
- ✓ Advised 4 of the top 10 largest Indian conglomerates in the areas of M&A advisory and business strategy.
- ✓ Advised across various geographies in India (i.e., Metros, Tier-II & Tier-III locations, etc.).
- ✓ Advised on India entry strategy and JV advisory to various MNCs.
- ✓ Extensive relationships with major Financial Institutions, Private Equity funds and various Institutional Investors - in India and globally.

For more info about the company, you may refer to: <http://www.transjovancap.com>

For any business inquiries, you may email at: info@transjovancap.com

Contact Us

TRANSJOVAN CAPITAL ADVISORS LLP

Level-2, Elegance Tower

Mathura Road

Jasola

New Delhi – 110 025

India

Website: www.transjovancap.com

Transaction Team:

Should you require any clarifications, do feel free to get in touch with:

Gaurav Asthana	Managing Partner	gaurava@transjovancap.com
Rachit Kapoor	Associate	rachitk@transjovancap.com
Ananya Ranka	Analyst	ananyar@transjovancap.com