Advanced Cosmetics Market Report

Teaser

Q2 2021

AGING ANALYTICS AGENCY

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Advanced Cosmetics Market Overview at a Glance

The Advanced Cosmetics Market Report aims to provide in-depth analyses of the current state and the nearest future development of the industry.

Based on the assembled and processed information, we are defining the term "advanced cosmetics", the market of advanced cosmetics and its components. In this report, we are exploring key trends and industry innovations, technologies incorporated, market size, and potential.

Here we have collected information about 400 companies operating in the Advanced Cosmetics market, 160 investors, 180 Labs and R&D centres analysed by allocation, product categories, financial state, set framework. Depicted investment landscape covers the leading investors' overview, major investment deals during the last year, M&A activities.

Particular attention is paid to the most high-profile trend in recent years – anti-ageing products and appliances. Furthermore, we outline the connection between Advanced Cosmetics and Longevity.

According to recent research, an extremely promising area is the skin microbiome. In the report, we are uncovering some aspects of the microbiome and the negative impact of ”classic” skincare products. In addition, some examples of companies using high technology to develop new products or gaining new audiences are provided.

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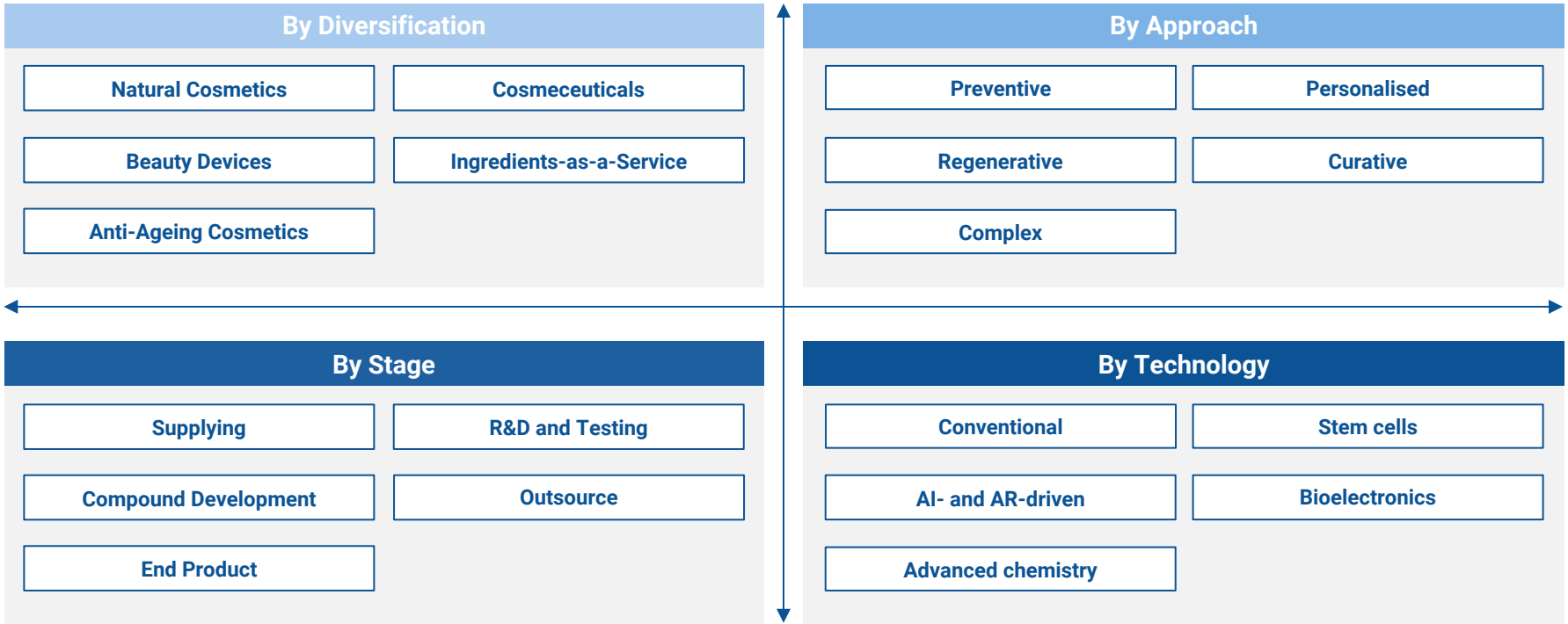
Advanced Cosmetics Market Framework



Source: Aging Analytics Agency analysis

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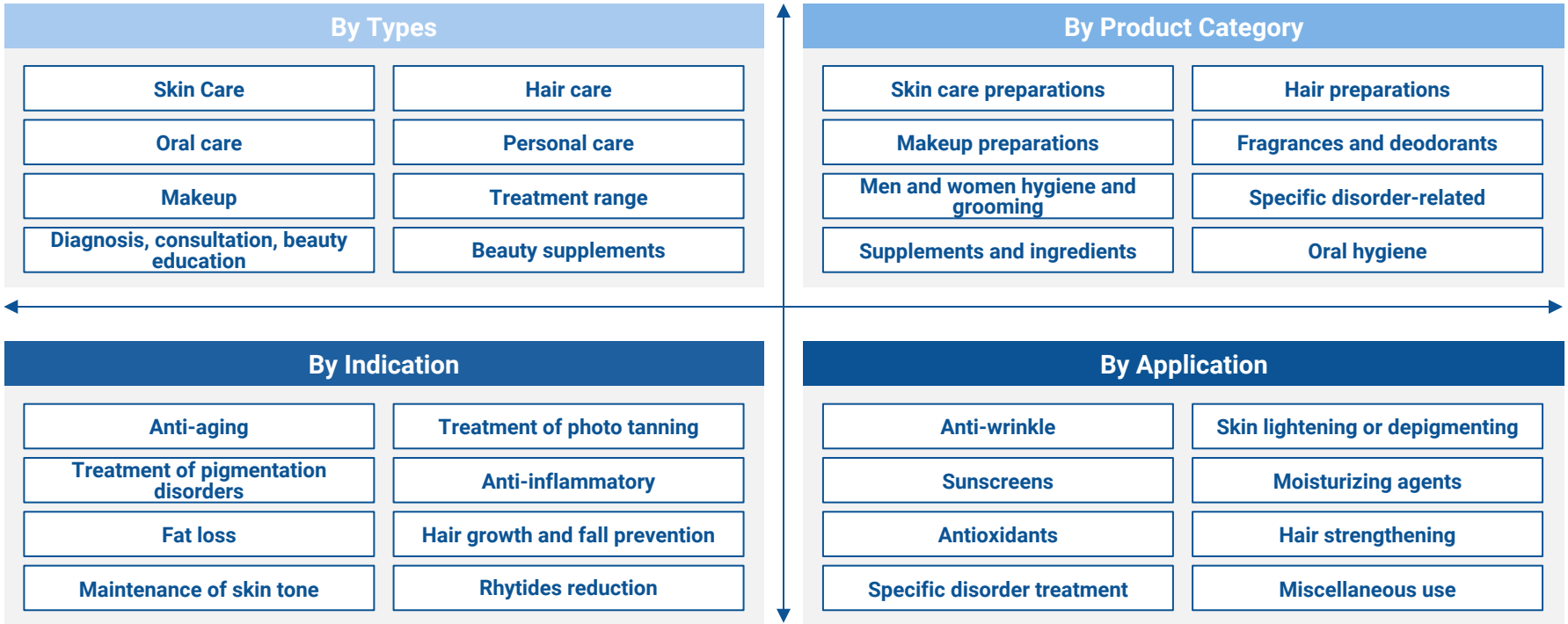
Advanced Cosmetics Landscape Framework on the Consumer Side



Source: Aging Analytics Agency analysis

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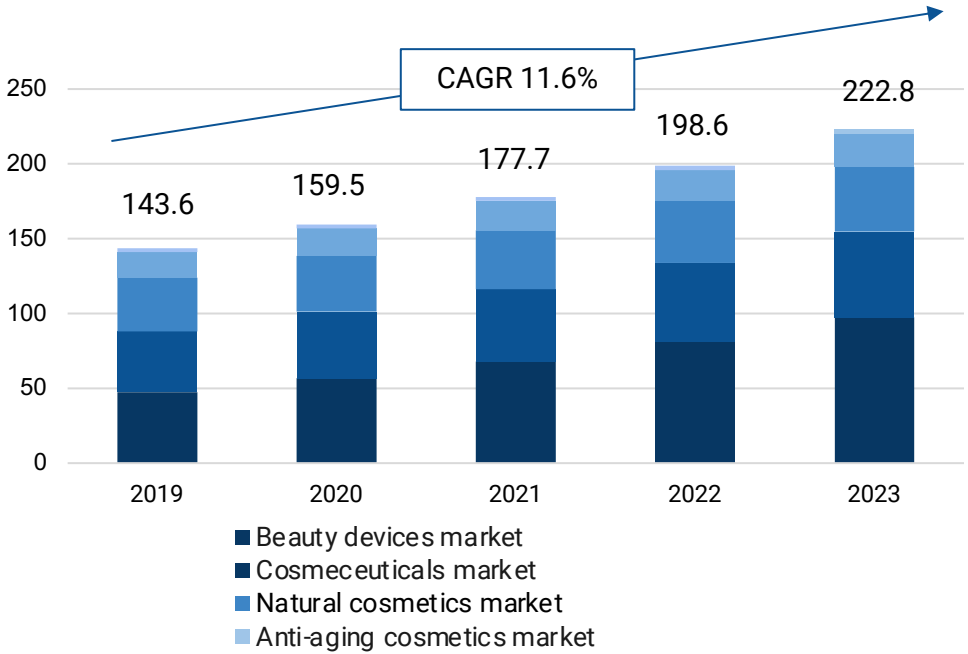
Global Advanced Cosmetics Market Size

Global Advanced Cosmetics Market Size, $B



Source: Aging Analytics Agency analysis; Fortune Business Insights; Media overview

The global Advanced Cosmetics market size was calculated as the **total value of the five markets**, which accounted for **$159.5B in 2020** and is projected to grow at a CAGR of 11.6% from 2019 till 2023 to reach **$222.8B by 2023**.

Such factors as increasing consumer perception regarding appearance, growing preference towards natural and organic products, rising disposable income in emerging economies, as well as the availability of scientifically advanced products are forecasted to drive the growth of the Advanced Cosmetics market.

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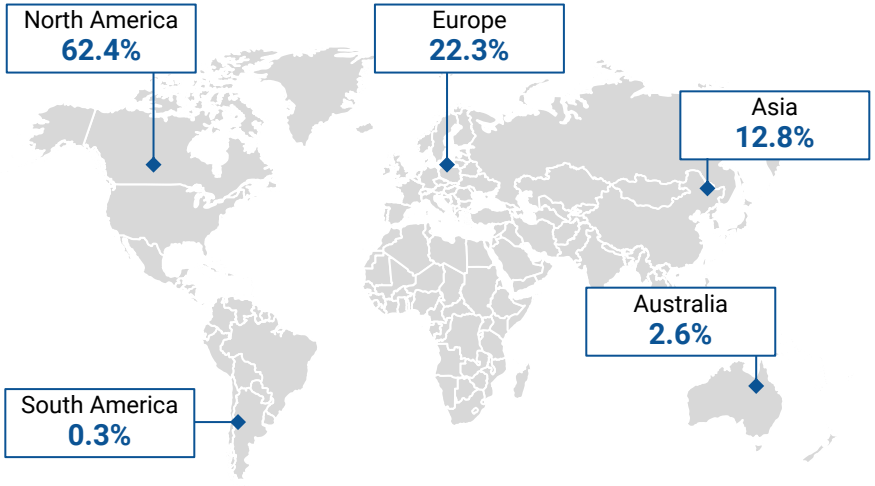
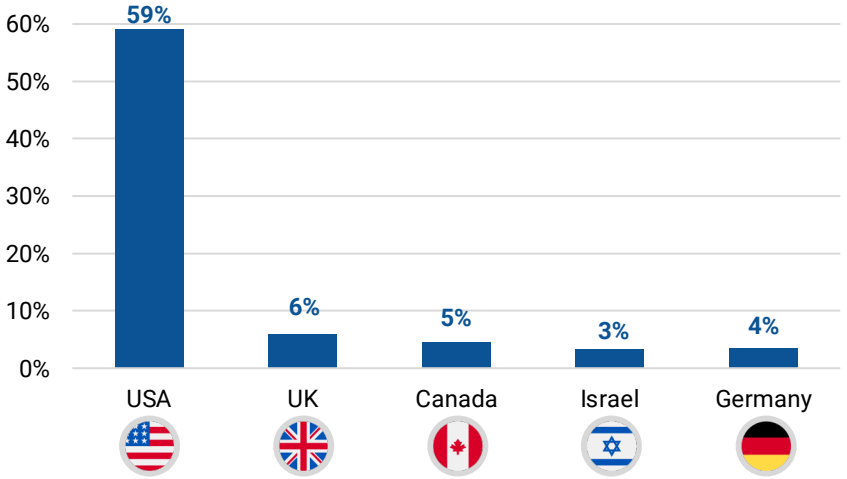
Distribution of Companies by Regions

Distribution of Advanced Cosmetics' Companies by Regions, %



Countries with the Largest Number of Companies, %



The North America region, mainly the USA, is still firmly in the lead in terms of the number of Advanced Cosmetics' companies. The amount of companies located in the USA is significantly more compared to the other countries and accounted for 62.4% of the whole range of analysed companies. Nevertheless, the European region looks also relatively promising, as the number of companies located there amounted to 22.3% of the total, with the UK being the leading country in the region — 6.1% of all analysed companies.

Source: Aging Analytics Agency analysis

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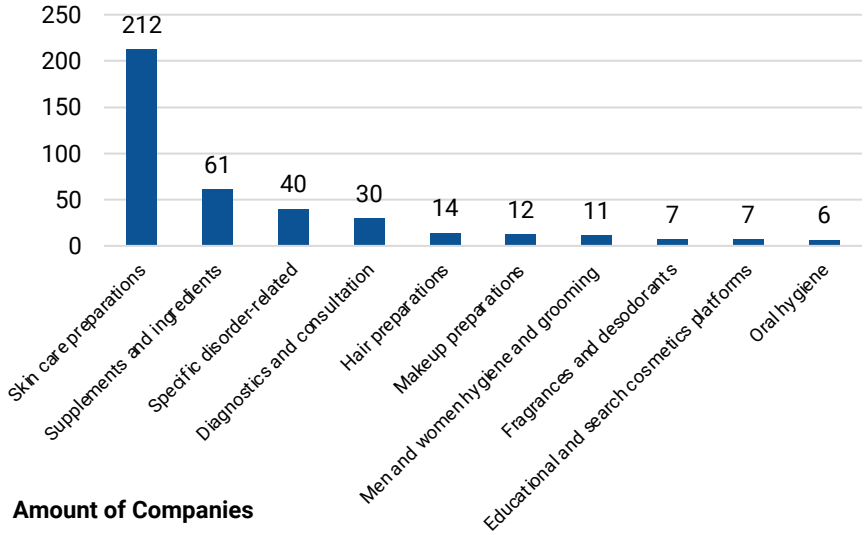
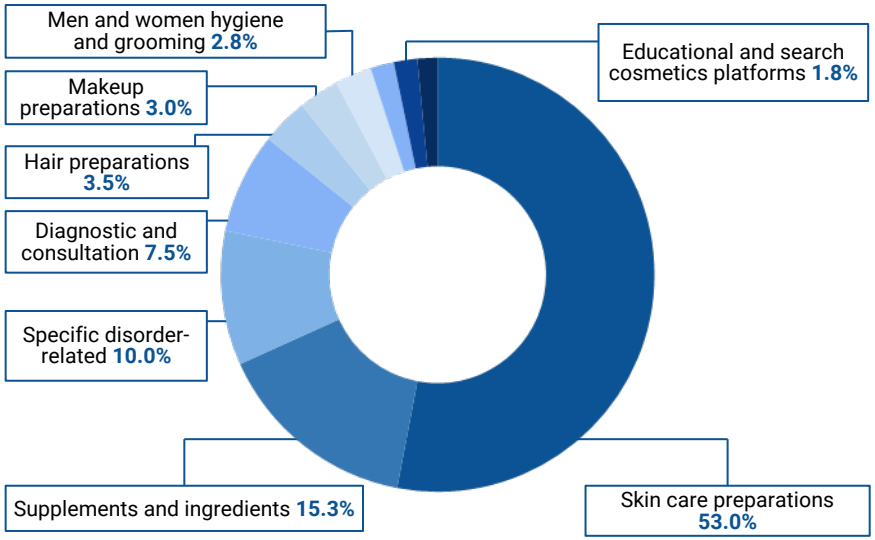
Companies' Distribution by Categories

Distribution of Advanced Cosmetics' Companies by Categories



Amount of Companies



Percentage of Companies

Skin care preparations is the key category of the Advanced Cosmetics market which amounted to 53% of the total market. Top-5 categories in the market are skin care preparations, supplements and ingredients, specific disorder-related products, diagnostics and consultation, and hair preparations, the share of which amounted to more than 89% of the total Advanced Cosmetics market.

Source: Aging Analytics Agency analysis

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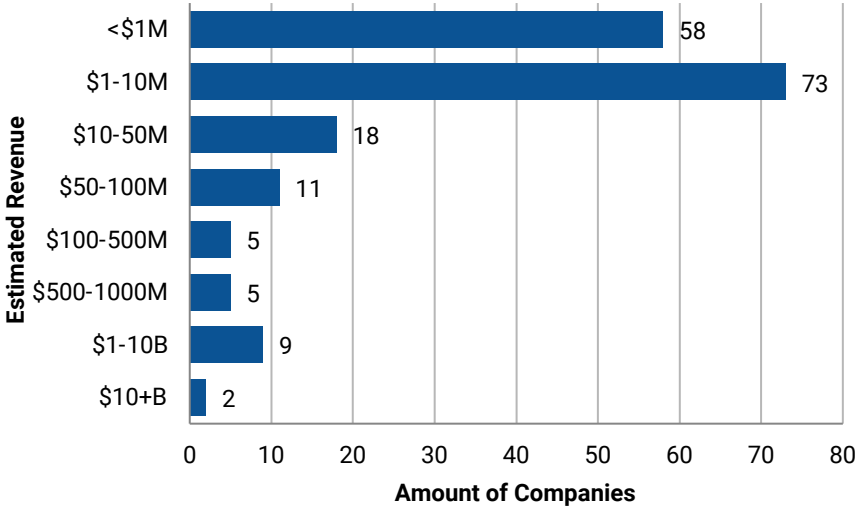
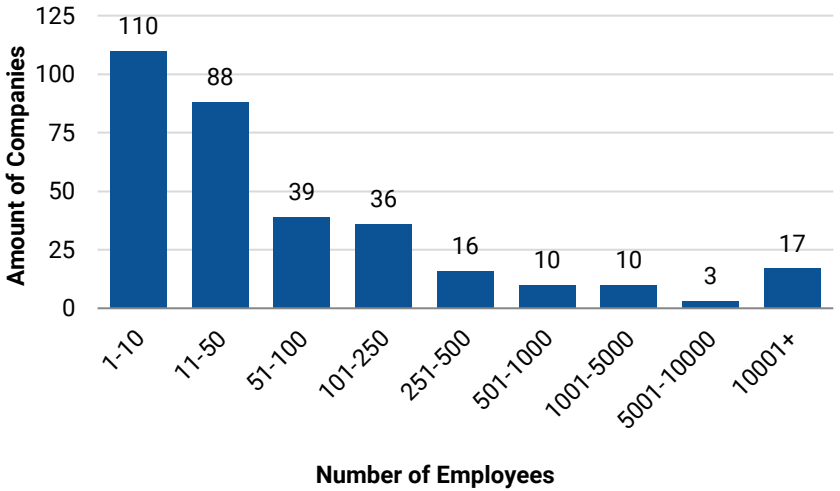
Diversification of Companies

Distribution of Advanced Cosmetics' Companies by Estimated Revenue in 2020



Distribution of Advanced Cosmetics' Companies by Number of Employees in 2020



The majority of Advanced Cosmetics companies generated revenue up to $10M in 2020. 14.5% of all companies showed revenue in the amount of < $1M and 18.3% - in the range of $1-10M while only 2.7% of Advanced Cosmetics companies achieved revenue more than $1B. The half of companies had up to 50 employees in their staff in 2020.

Source: Aging Analytics Agency analysis

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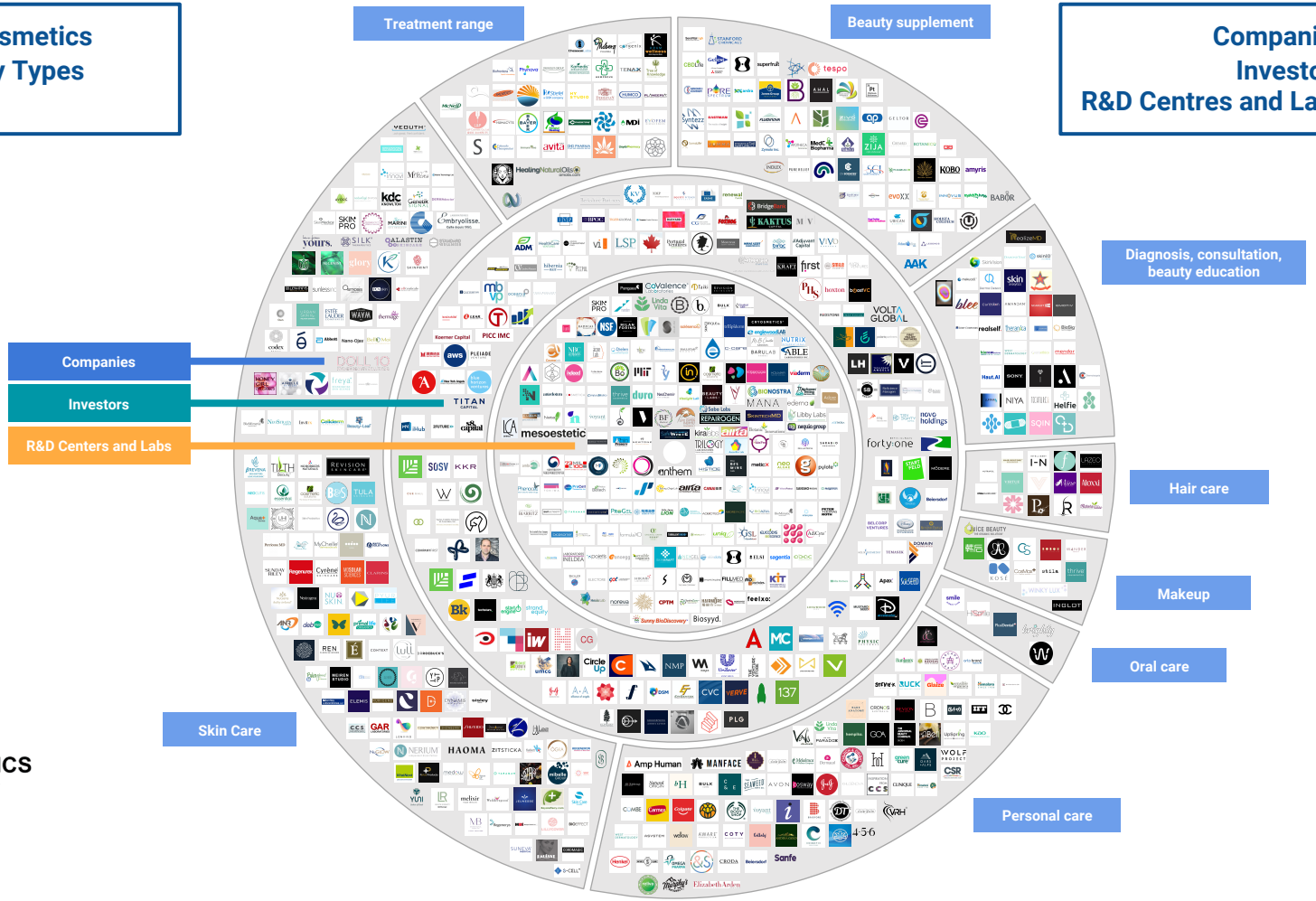
Advanced Cosmetics Landscape by Types Q2 2021

Companies - 400
Investors - 160
R&D Centres and Labs - 180



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Top Advanced Cosmetics Companies

Skin Care

Personal Care

Hair Care

Makeup

Source: Aging Analytics Agency analysis

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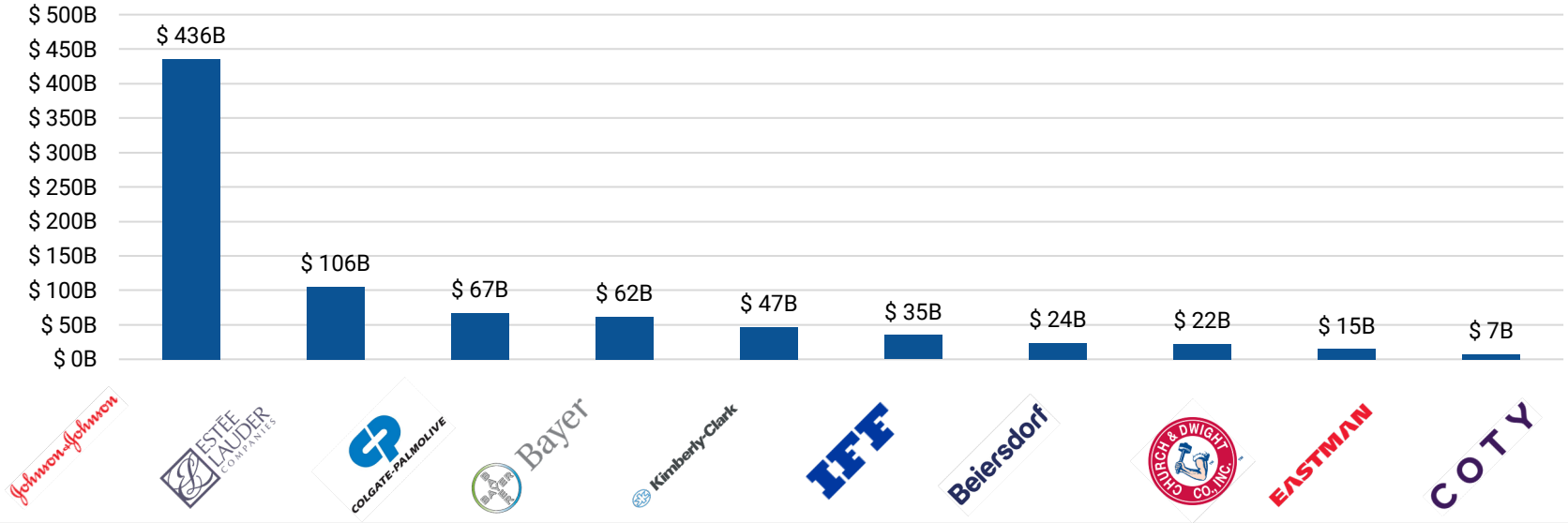
Top-10 Publicly Traded Advanced Cosmetics' Companies by Market Capitalisation

Top-10 Advanced Cosmetics Companies by Market Capitalisation as of March 2021



Johnson & Johnson is the leader of the ranking by market capitalisation which amounted to $436B in March 2021. The company has subsidiaries operating in the Advanced Cosmetics industry, one of which is Neutrogena and Clean & Clear. The second and third largest publicly traded companies are Estee Lauder Companies and Colgate Palmolive with total capitalisation amount of $106B and $67B respectively.

Source: Aging Analytics Agency analysis

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Top-20 Publicly Traded Advanced Cosmetics' Companies by Stock Exchanges' Distribution

NASDAQ

US-Based

- Amyris (AMRS)
  Market Cap: $5.1B
- SmileDirectClub (SDC)
  Market Cap: $3.9B
- Evofem Biosciences (EVFM)
  Market Cap: $144M
- BioSig Technologies Inc.(BSGM)
  Market Cap: $131M

Germany-Based

- Biofrontera (BFRA)
  Market Cap: $174M

China-Based

- Evonik Industries (EVK)
  Market Cap: $42M

Pink market (OTCQB)

US-Based

- Zivo Bioscience (ZIVO)
  Market Cap: $62M
- Charlotte's Web (CWBHF)
  Market Cap: $652M

Germany-Based

- Beiersdorf (BDRFF)
  Market Cap: $24B

Canada-Based

- Sirona Biochem (SRBCF)
  Market Cap: $69M

NYSE

- Estee Lauder Companies (EL)
  Market Cap: $105.6B
- Johnson & Johnson(JNJ)
  Market Cap: $436B
- Colgate Palmolive (CL)
  Market Cap: $67.3B
- Kimberly-Clark Corporation (KMB)
  Market Cap: $46.8B
- International Flavors & Fragrances (IFF)
  Market Cap: $35.1B
- Church & Dwight Co (CHD)
  Market Cap: $21.8B
- Coty (COTY)
  Market Cap: $6.8B
- Nu Skin Enterprises (NUS)
  Market Cap: $2.7B

Canada-Based

- Eastman Chemical Company(EMN)
  Market Cap: $15.2B

Germany (Xetra)

Germany-Based

- Bayer (BAYN)
  Market Cap: $61.6B

Source: Aging Analytics Agency analysis

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AI in Advanced Cosmetics Companies

Source: Aging Analytics Agency analysis; Companies' websites; Media overview

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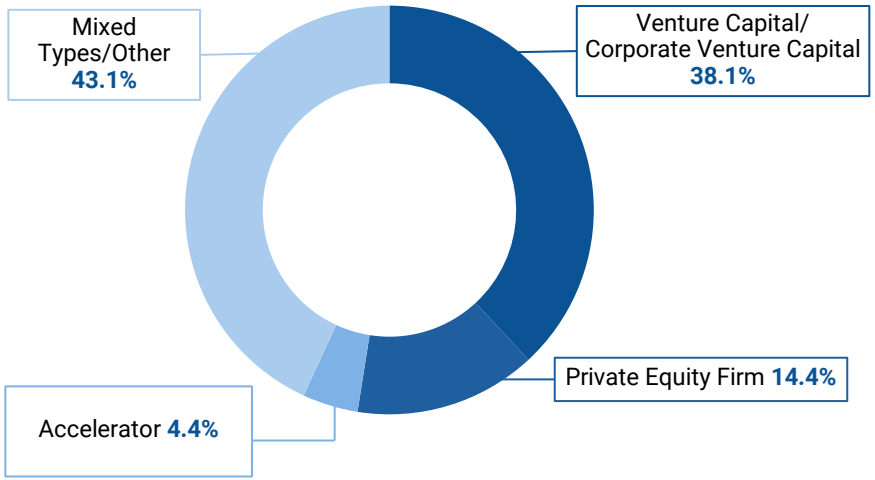
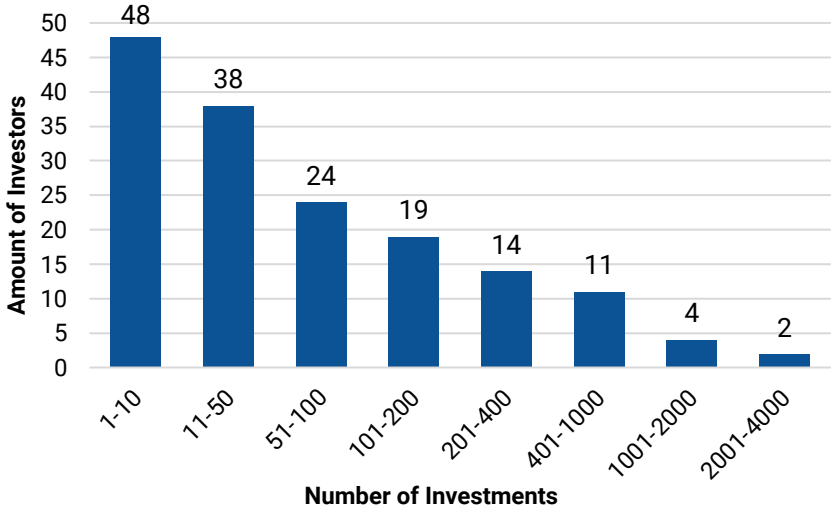
Distribution of Investors

Investors Distribution by Types



Distribution of Investors by the Number of Investments



Venture capital (VC) firms account for 38.1% of all investors. Before technology disrupted the Advanced Cosmetics market, VC investors were not fully interested in the market as the promotion of new brands and products' benefits was pretty stagnant. With the rise of AI and AR technologies in the beauty industry, VC investors are expected to pay special attention to Advanced Cosmetics market potential.

Source: Aging Analytics Agency analysis; Nivea Accelerator website

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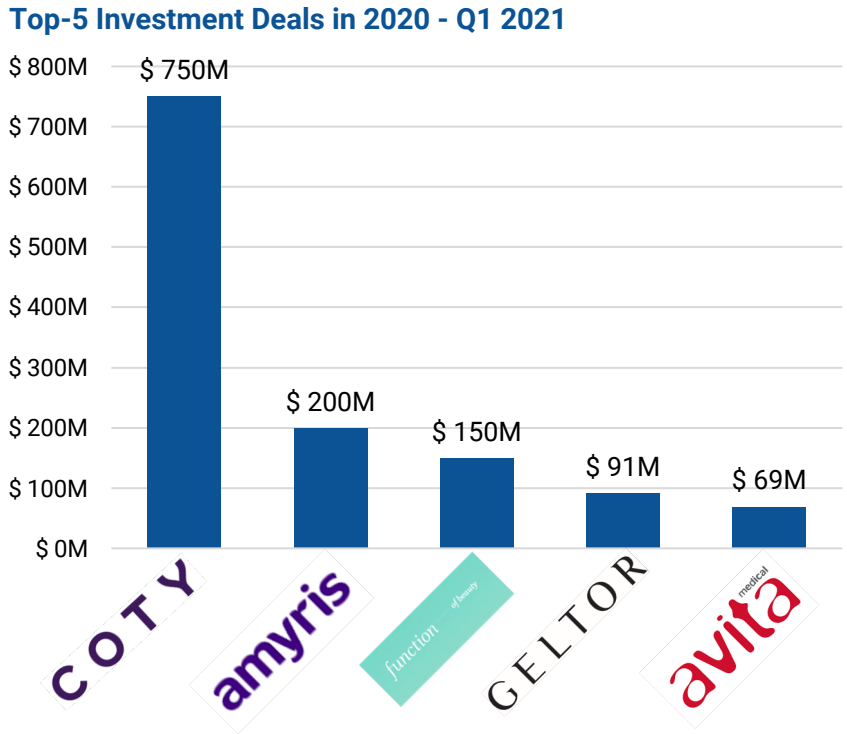
Top-5 Investment Deals in 2020-Q1 2021

In 2020 - Q1 2021, total investments into Advanced Cosmetics companies had crossed $12,943M, $1,242M of which rose during the last year.

Selected significant deals:

- **Coty** - $750M from Kohlberg Kravis Roberts
- **Amyris** - $200M for general corporate purposes and to repay certain outstanding indebtedness
- **Function of Beauty** - $150M in Series B to continue scaling personalised beauty operation
- **Geltor** - $91M for the global expansion of its Ingredients-as-a-Service platform and accelerate demand from global CPG[1] companies for sustainable, functional, and 100% animal-free ingredients (Lead investor is CPT Capital)
- **Avita Medical** - $69M for product development pipeline, to pursue approvals of its products for additional indications and for general corporate purposes



Notes: (1) Consumer Packaged Goods
Source: Aging Analytics Agency analysis

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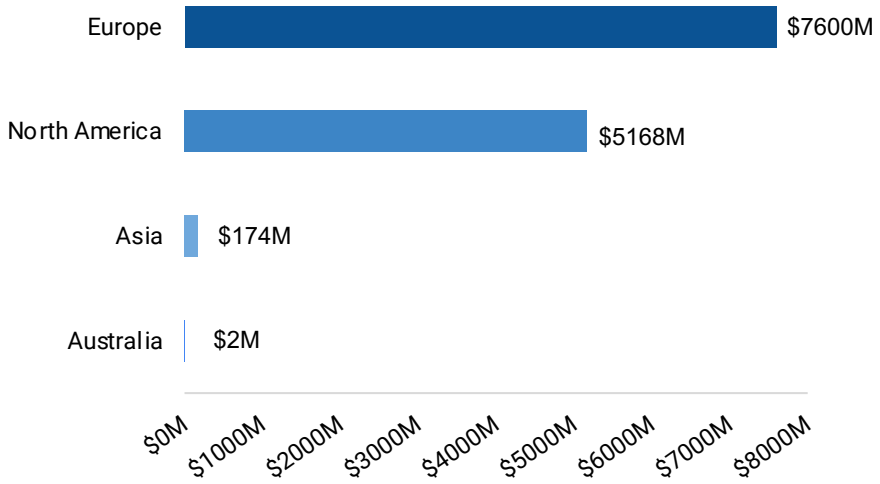
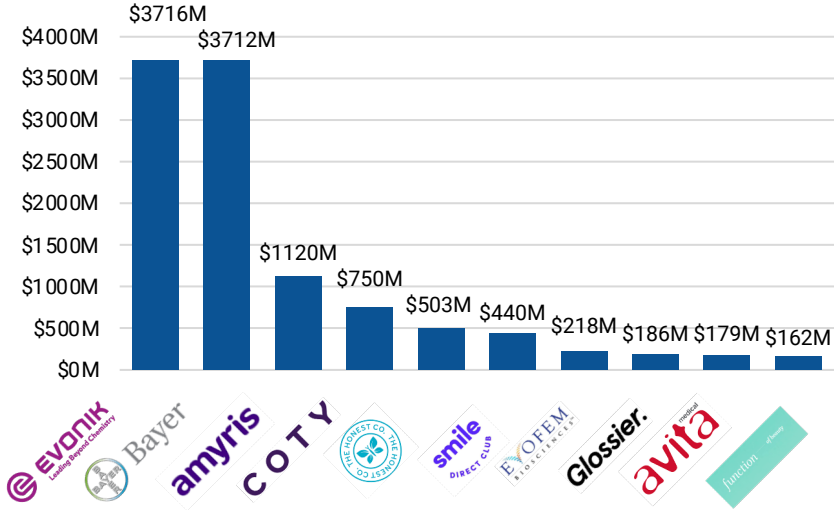
Funding by Regions and Leading Advanced Cosmetics' Companies

Funding be Regions



Top-10 Advanced Cosmetics' Companies by Funding



The largest region by funding is Europe with $7.6B or 58.7% of the market in terms of the total funding. The leading company by funding is Evonik Industries with more than $3.7B and almost the same amount has Bayer. Both companies are based in Germany . Amyris, the US based company, takes the third place with $1.1B funding.

Source: Aging Analytics Agency analysis

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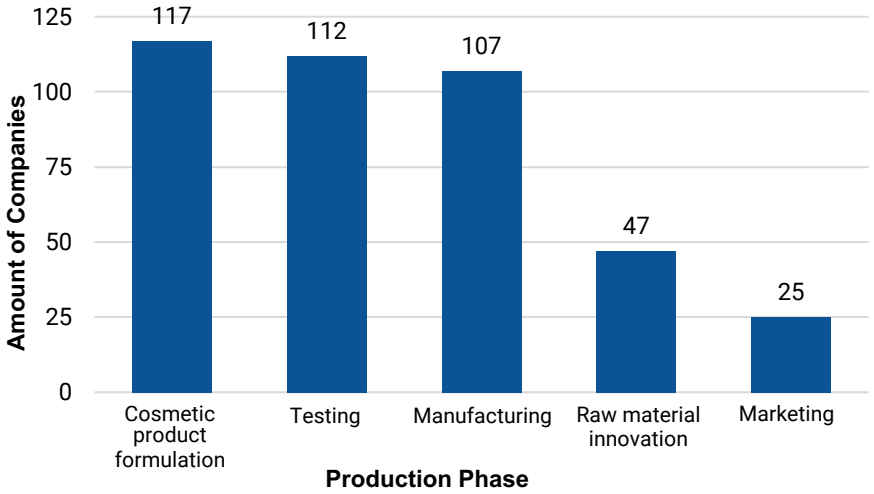
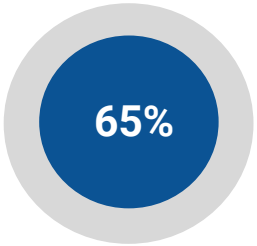
Distribution of R&D and Laboratories by Production Phases

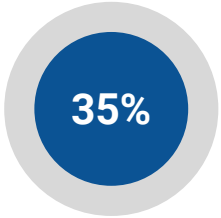
Laboratories and R&D Participation at Production Phases 1



Share of Laboratories and R&D Centres Involved in Either One or Multiple Production Phase



Full chain/ Multiple phases



Only one production phase

With the growth of the industry, companies began to offer an increasing range of services to their customers. Laboratories or R&D centres could provide not only new product development, testing and support when obtaining the appropriate certifications, but also services for the manufacture of cosmetics, as well as advice on further distribution. In general, more than 65% of companies provide a full range of services.

Notes: (1) Laboratories and R&D centres can belong to multiple production phases
Source: Aging Analytics Agency analysis

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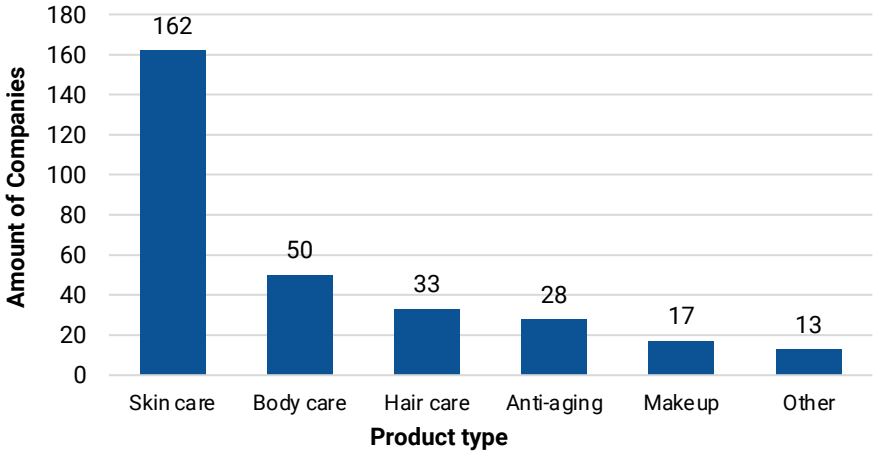
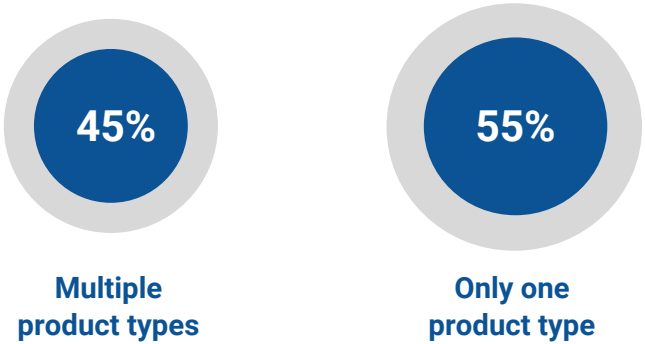
Distribution of R&D and Laboratories by Major Product Types

Distribution of Laboratories and R&D Centres by Major Product Types[1]



Share of Laboratories and R&D Working Over Either One or Multiple Product Types



As for the product types specialisation, laboratories or R&D centres are demonstrating almost equal distribution among multiple product types and the only one product type focus, nearly 45% and 55% respectively. Among other, the skin care products development services are provided by 162 companies.

Notes: (1) Laboratories and R&D centres can belong to multiple product types
Source: Aging Analytics Agency analysis

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Negative Impact of ‘Classic’ Skin Care Products

Skin microbiome is the collection of microbes (bacteria, fungi, viruses, etc.) that live on human cells.

Source: Access Medicine website; Aura Herbal website; FDA website

Human skin microbiome is exposed to more than 100 different chemicals on average in the form of makeup and skincare products.

Dangerous chemicals like **sodium sulphates**, **phthalates**, **parabens**, **triclosan** and **various reactive acids** present in the majority of ‘classic’ cosmetic products are absorbed by the skin into the bloodstream and cause numerous long-term side effects, some of which have serious consequences for the user's overall health.

Main Negative Effects of Using ‘Classic’ Skin Care Products:

- **Cancer Risk**. A majority of chemical cosmetics available in the market today contain toxic ingredients that can cause breast, skin or blood cancers.
- **Breathing Disorders.** Chemical cosmetics can affect the physical appearance, cause painful allergies, causing serious breathing disorders.
- **Damage of Reproductive Systems.** The allergy-causing parabens present in cosmetics are toxic to the reproductive cells.
- **Disruption of Thyroid Systems**. Damaging chemicals in cosmetics over a long period of time, can wreak havoc with the endocrine system, particularly the thyroid gland.
- **Allergic Reactions**. A large percentage of health problems from cosmetics involve allergies.
- **Itching and Skin Disorders.** A number of oil-based skin foundations clog pores on the facial skin, leading to acne outbreaks and skin disorders.
- **Skin Discoloration.** A number of cosmetics can have bleaching or darkening effects on the skin, especially if the products are of inferior quality.

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Microbiome as a Key Trend of the Market

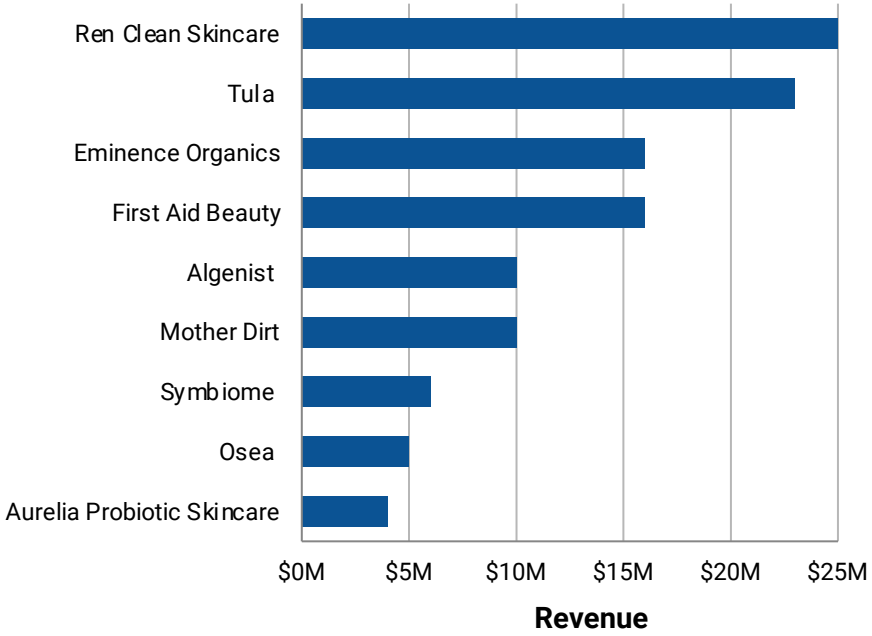
Microbiome as a top trigger for Advanced Cosmetics industry

The microbiome is defined as the collective of the microbes that live inside and on the human body. Ethnic races affect the human microbiome. It is expressed through immune status, genetic characters, skin properties, foods and lifestyles. Besides them, various factors, including the use of antibiotics, cosmetics, soaps, personal care products can have an influence on the skin microbiome.

Researchers demonstrated that synthetic chemical ingredients in modern cosmetics cause damage to the skin microbiome.

Cosmetic products are not required to be sterile, but they must comply with a level of microbiological quality. These **studies about the microbiome caused a significant boost in the Advanced Cosmetics market in recent years.**

Top microbiome-related cosmetics companies in 2020



Source: MDPI website

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Key Market Trends

ANTIAGE

Women aged 65 and older will be the fastest-growing female age segment through 2025. Anti-Ageing cosmetics aims to prevent signs of skin ageing and prolong youth appearance.

MICROBIOME

Aggressive chemical elements in soap, water, and the environment can damage a healthy skin ecosystem. Studying the skin microbiome and using the "right" bacteria and probiotics in skin care is another wide trend.

ANTIPOLLUTION

Pollution is one of major factors of premature ageing of the skin. With this view more skincare labels are developing solutions to resist these agents.

CBD USAGE

Cannabinoids have shown great anti-inflammatory and antioxidant effects on the skin. In this regard, the demand for CBD cosmetics is augmenting. Google Trends shows an increase of +295% in search interest for “CBD skincare” at the beginning of 2020.

SUSTAINABILITY

The implementation of environmentally friendly technologies in the production of cosmetics, cruelty free products testing, usage of packaging from organic, biodegradable materials.

AI FOR SKINCARE

The application of Artificial Intelligence for skin analysis, existing issues identification and the selection of personalised skincare routine.

ORGANIC

The trend towards the use of organic ingredients in cosmetics has persisted in recent years, heating the top. Manufacturers offer products using herbs, essences, organic oils.

SUN CARE

Consumers become more educated about sun damage – indicating potential for growth within the subcategories of sun protection.

Source: Common Thread Collective website, Media overview

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Cases of Key Market Trends Usage

ANTIAGE

The **Lubrizol Life Science Beauty** introduced their new development – Argireline® Amplified peptide. New Argireline® Amplified peptide is a multi-functional ingredient product with an intense anti-aging power that visibly transforms tired, dull, aging skin into a more healthy, glowing and youthful complexion.

MICROBIOME

In 2015, MIT scientists discovered a groundbreaking bacteria – AOB, with the ability to balance a diverse set of ecosystems, including the skin ecosystem. The **Mother Dirt** startup developed a product that preserves AOB in its live state and actively delivers them to the skin to restore the skin microbiome.

ANTIPOLLUTION

Unilever has filed a patent on the use of resin-based film formers to prevent pollution-triggered skin damage. The air pollution, a heterogeneous of chemicals and solid particles is a major concern for skin structure and health. Unilever outlined a method involving fluorescence-based assays.

CBD USAGE

Jinjoo Labs, Inc. has announced its new skin care line that combines Korean skin care ingredients and cosmetics technology with cannabidiol. In addition to internal testing at Korea Particle Technology and Jinjoo Labs, the new products were tested at the Miami Skin Institute in Florida.

Source: Companies websites, Media overview

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Cases of Key Market Trends Usage

SUSTAINABILITY

Liz Earle Beauty Co. actively incorporates the sustainability trend. The company only uses responsibly sourced ingredients, with a focus on “naturally active” ingredients that have been naturally derived from plant, marine or mineral sources; using recyclable packaging; supporting the local community.

AI FOR SKINCARE

Haut.AI provides skincare brands with a B2B SaaS tool for AI analysis of their customers’ skin. The tool automates the collection of high-quality skin data and helps skincare brands build interactive product recommendations on e-commerce platforms. In addition, the specific clinical software developed for R&D use.

ORGANIC

True Botanicals has won a number of awards for its sustainable and safe skincare. The company uses organic botanical extracts in products development, and the partnership with Carnegie Mellon and Cornell universities ensures its effectiveness. Each formula is MADE SAFE® certified.

SUN CARE

The latest launch from **Kylie Skin** is a Broad Spectrum SPF 40 Face Sunscreen – a unique product, due to its crystal-clear formula with Shea Butter, Vitamins A, C, and E. A broad-spectrum sunscreen blocks both UVA rays, which cause aging, and UVB rays, which cause burning.

Source: Companies websites, Media overview

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Latest Advanced Cosmetics Brands' Collaborations

Collaboration and partnership is an outstanding opportunity for beauty brands to develop new products, incorporate new technologies, enhance cooperation within the industry and scale up eCommerce capabilities.

L'ORÉAL PARIS + STATION F

The aim of cooperation is to accelerate 20 high potential early stage startups in the beauty sphere.

DECORTÉ + PERFECT

Decorté, a leader in Japanese beauty and a pioneer in cutting edge dermatological research and skincare technology, is launching Perfect Corp.'s new AI skincare diagnostic technology.

COTY BEAUTY, LIBERATED + LanzaTech

The goal of the collaboration is to introduce sustainable ethanol made from captured carbon emissions into its fragrance products.

Source: L'Oreal website, Decorte website, Media overview

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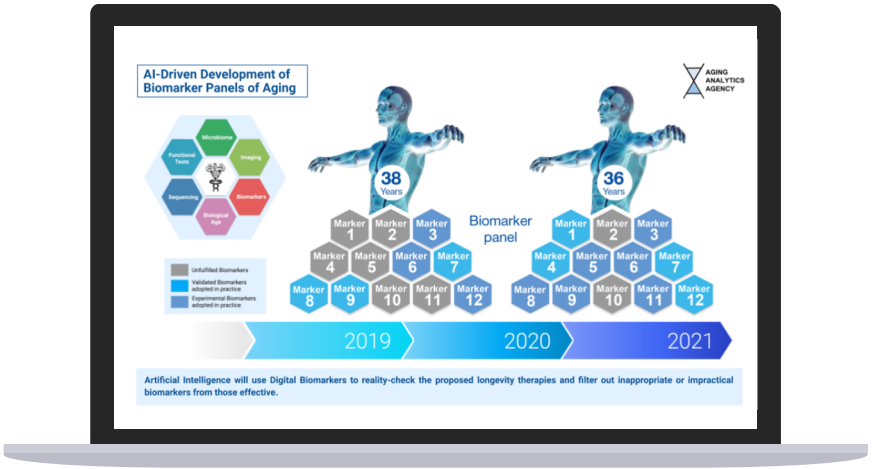
Connection between Advanced Cosmetics and Longevity

Many ingredients in beauty products help develop **sophisticated formulations that improve quality of life in terms of disease prevention, health maintenance, beauty enhancement, and self-esteem, as well as anti-ageing effects**. The beneficial effects resulting from the use of biomolecule-rich substances in the formulations of various topical products are considered beneficial ingredients for cosmetic and therapeutic applications.

> Ageing is considered to be a disease to some extent, so, it is the incredibly pressing need not just for biomarkers of ageing, but the need for actionable biomarkers that could be put into practice to measure the effectiveness of health span-extending interventions. It is biomarkers of ageing and longevity, which can serve as a proxy measure of the effectiveness of longevity-focused therapies, that will pave the way to getting approval for drugs not on the basis of single, narrowly-classified diseases, but on their effects on ageing itself, and will lay the necessary regulatory infrastructure needed for the rapid industrialization of longevity to scale, as well as to allow governments to measure the effectiveness of their efforts to increase national Healthy Longevity, a goal that a number of longevity-progressive governments are now keenly moving forward towards. More information:
> https://www.dkv.global/biomarkers-of-longevity



Source: Aging Analytics Agency analysis; DKV Global website

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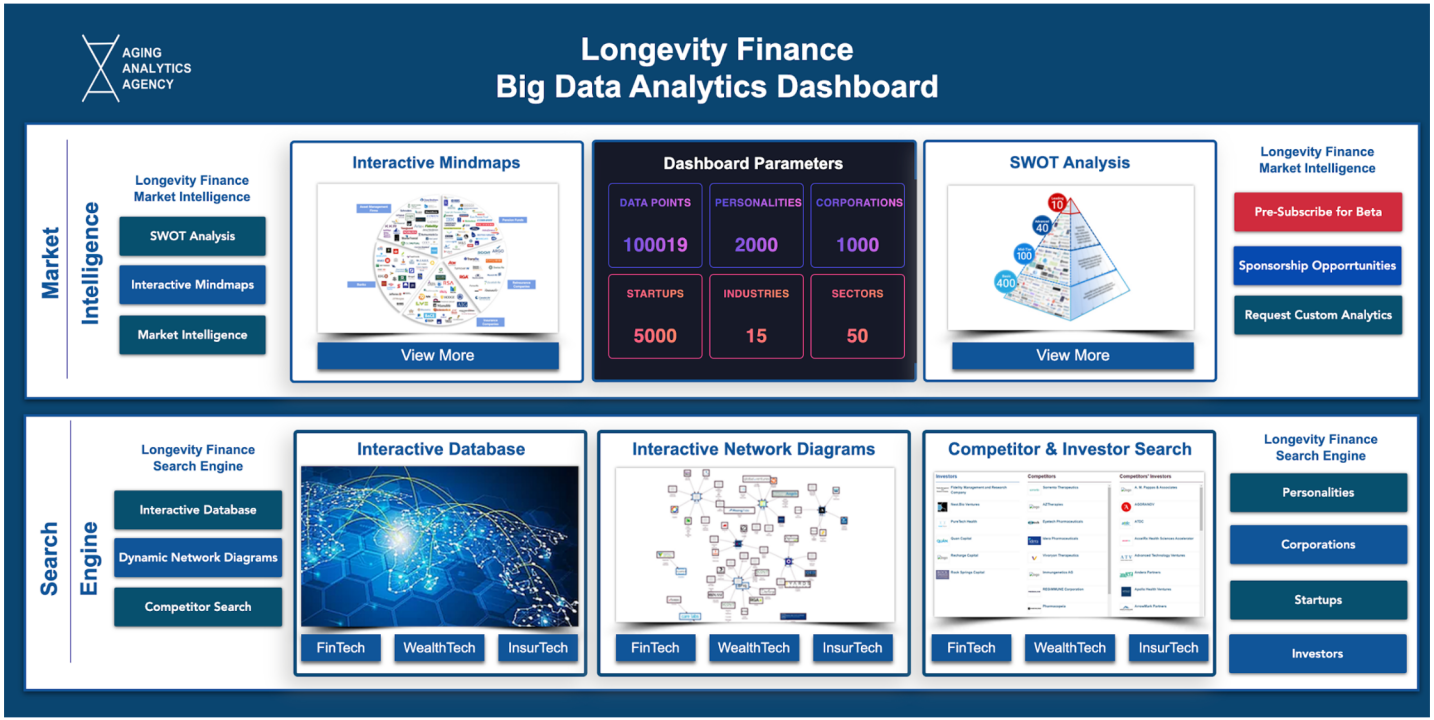
Longevity Finance Big Data Analytics Dashboard



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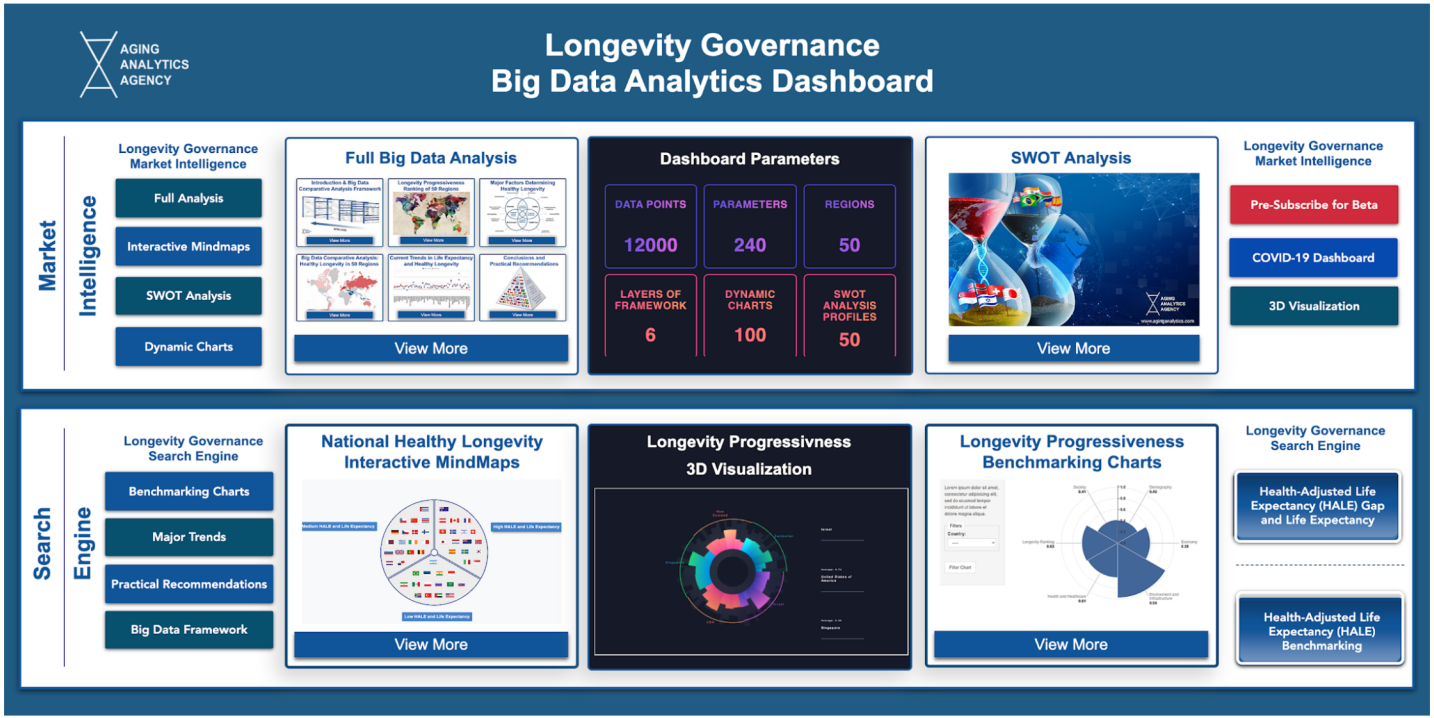
Longevity Governance Big Data Analytics Dashboard



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Artificial Intelligence in Pharma Big Data Analytics Dashboard

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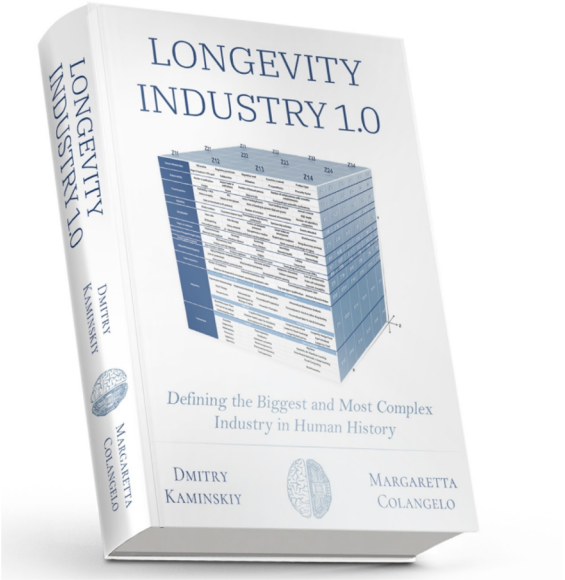
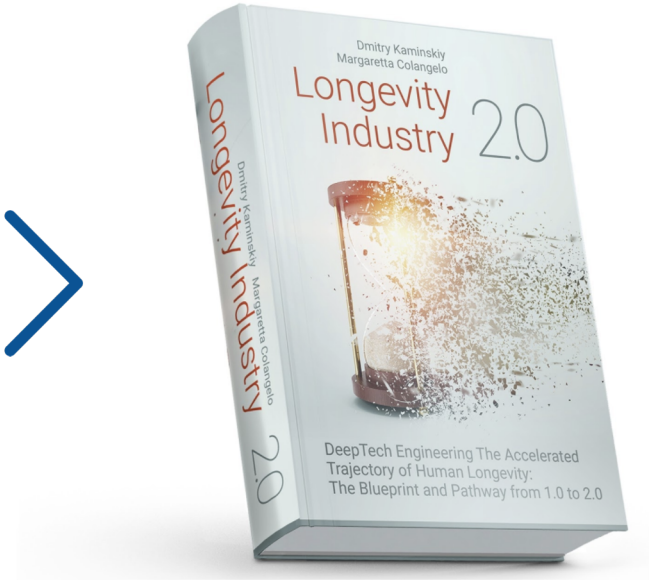


Longevity Industry 1.0
Defining the Biggest and Most Complex Industry in Human History



Longevity Industry 2.0
DeepTech Engineering The Accelerated Trajectory of Human Longevity
The Blueprint and Pathway from 1.0 to 2.0

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