

J&A Capital Markets Report:

International Investments in Health and Wellness

June 2022

Capital market activity within the health and wellness market has expanded by 633% from 2020 Q1 to 2022 Q1. The health and wellness industry includes all activities that promote physical and mental wellbeing, from yoga to healthy eating, personal care and beauty, nutrition and weight loss, meditation, spa retreats, workplace wellness, and wellness tourism. The market has experienced rapid growth since the global COVID-19 pandemic in 2020, highlighting the importance of mental, spiritual, and physical well-being.

AUTHORS



CAROLINE ARAS

Caroline Aras is a member of the investment banking and global trade team at J&A. She is based in the Middle East and originally from Istanbul, Turkey. She has degrees in chemical engineering and business, as well as an MBA. She supports the firm's global wellness, fashion, and retail practices.



GARETH WALDECK

Gareth Waldeck is a member of the investment banking and global trade team at J&A. He is based in Abu Dhabi. He is originally from South Africa and studied in Economics at Fordham University. He has served as panelist for multiple forums such as the Diversity Dividend: Why Equality Benefits Us All and regularly publishes in the space of cross border capital markets.

The pandemic also highlighted the significance of good living behaviors like improved nutrition, going to the gym, practicing yoga, and stress reduction. The healthy eating, nutrition, and weight reduction market is the second largest, accounting for almost 20% of total revenue. Furthermore, the health and wellness industry have the greatest worldwide

expansion potential. Given these considerations, the health and wellness industry appear to be the most promising investment opportunity throughout the forecasted period.

In this report, J&A analyzes the international capital market activity conducted within the health and wellness market between 2011 and 2022.

Overview of the Health and Wellness Market



MEDICAL
TECHNOLOGY



CARE
SERVICES



SOFTWARE &
DEVELOPMENT



COMMUNICATION
SERVICES

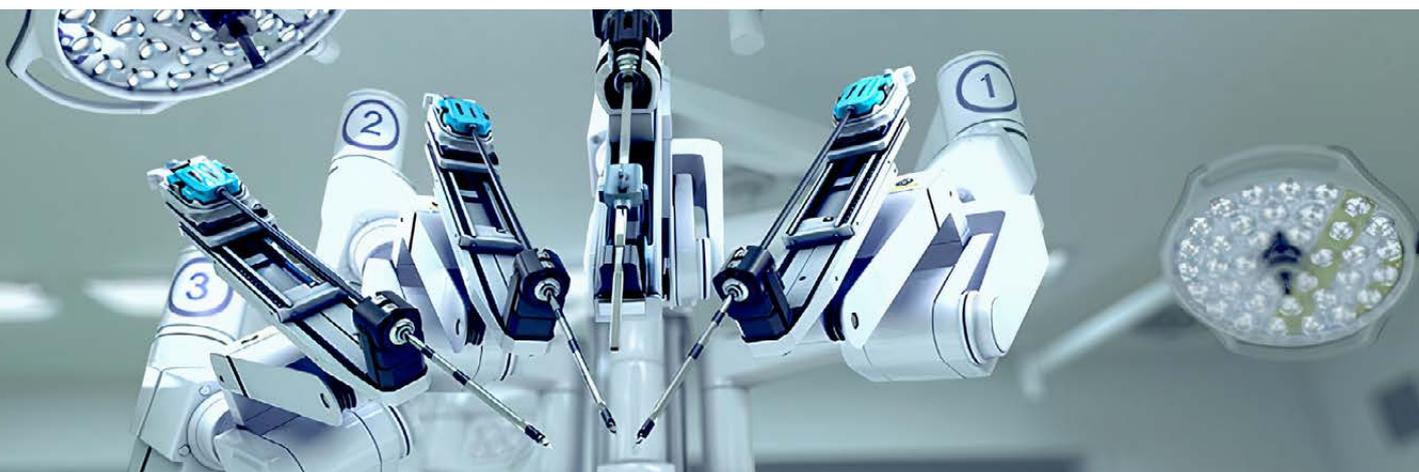


ELECTRONICS



INSURANCE
SERVICES

- The medical technology sector experienced the greatest capital deployment within the health and wellness sector of over \$13 billion in the period. This shows the importance of the industry and raises the demand for tailored industries in the health sector.
- The applications software development sector received the second-largest capital deployment, with \$9 billion.
- Care services had a significant percentage of capital raised during this period, with \$7 billion. This indicates the constant growth of the mental health sector in the forecasted time.



Health and Wellness Industry Market Trends

1 - CLEAN AND HEALTHY EATING

Consumers are more concerned with living longer and better lives. Consumer preferences have evolved toward eating more natural, organic food that is free of additives and preservatives. Today, eating clean is directly related to a gluten-free, dairy-free, non-refined carbohydrate, and sugar-free diet. The global gluten-free retail sector is expected to increase at a 9% annual rate from 2017 to \$12 billion by 2024.

2 - INCREASING DEMAND FOR WELLNESS TOURISM

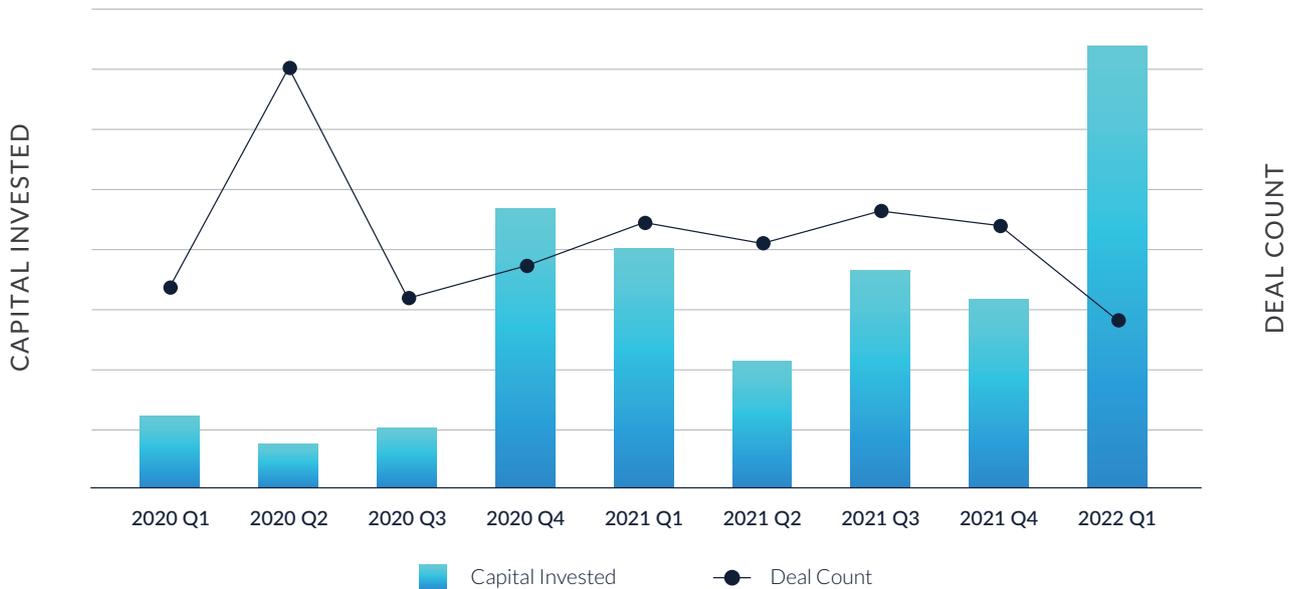
Wellness vacations account for 17% of total tourism spending. Increasingly travelers are visiting the Asia-Pacific region, Latin America and the Caribbean, the Middle East, and Africa to get in shape and return home calm and collected. The wellness tourism market is worth \$639 billion and growing at a 7% annual rate from 2015 to 2017. Wellness travel is expanding twice as fast as the total tourism growth rate of 3%.

3 - PERSONALIZED TECHNOLOGY OF HEALTH AND WELLNESS

Smart watches, health and fitness trackers, heart rate monitors, apps that help users' emotional and mental health, and virtual assistants have all seen an increase in popularity. Wearable technologies are expected to help people live 70% longer, maintain a 63% more healthy life, and pay 62% less in insurance premiums. By 2022, the wearables market is estimated to reach \$27 billion.



Announced Health and Wellness Investments Since 2020



Source: PitchBook Data, Inc.

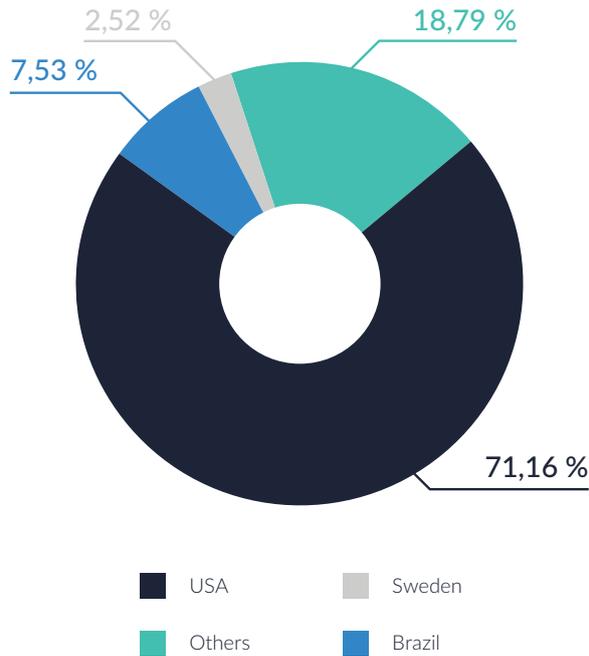
- Between 2020 and 2022, 3,000 investors deployed capital into the health and wellness market. In that time frame, 4,000 deals were deployed by 4,206 investors in the health and wellness sector.
- In 2020, a focus on health and wellness (due to the global COVID-19 pandemic) led to a

spike in deal flow in the sector. The largest deal was calculated at \$17 billion, with a total of \$146 billion in capital invested.

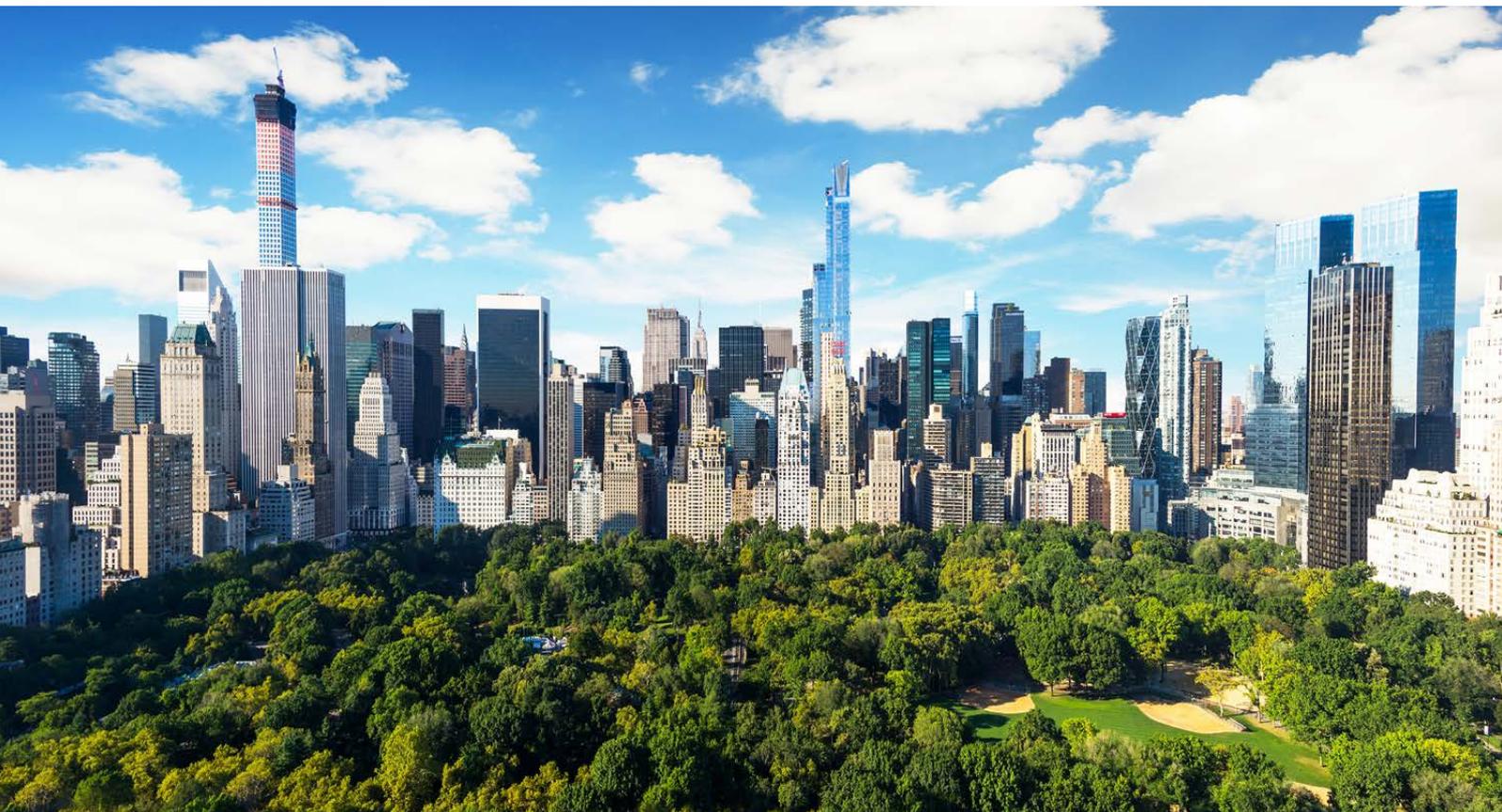
- Jahani and Associates (J&A) anticipate that trend will continue to grow with notable increases in 2022 and forward.

Announced Health and Wellness Capital Markets Deals

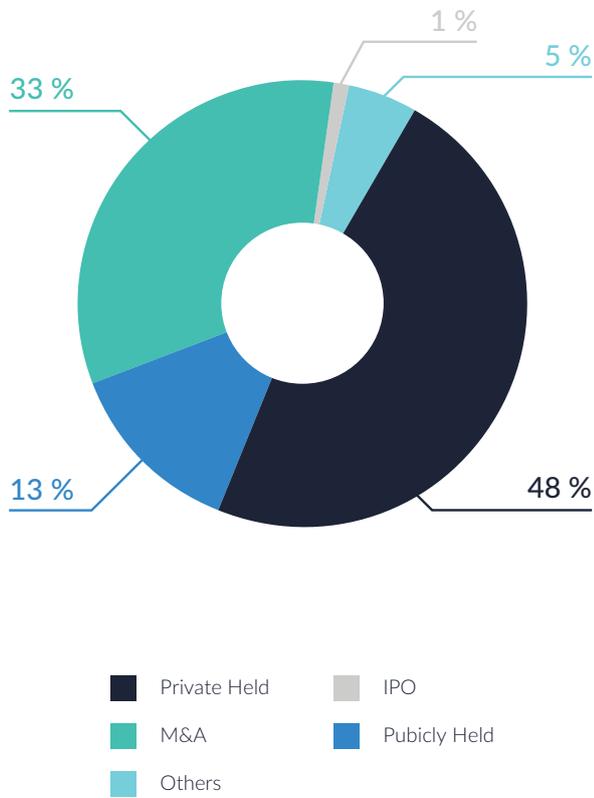
Capital Raised By Region



- The USA is leading the capital raising with 72% of the total raise. Additionally, the USA has the largest market size in the health and wellness industry at \$53 billion in value.
- Brazil has the second-largest capital raise share, with 8% and Sweden holds the third-largest capital raise share, with 3%. In general, Southeast Asia, the Middle East, Europe, the Gulf Cooperation Council, and Australia are experiencing increasing volume in their capital markets.



Capital Raised By Deal Type



- 48% of capital raised within the sector was deployed into privately held entities, which shows the growth potential of the market and the emergence of new competitors in the sector.
- An additional 13% of deals done within the health and wellness industry were PIPE, private placements into publicly enterprises, and transactions.
- In the health and wellness sector, 33% of capital deployed was put into mergers and acquisitions. This indicates that there are large firms that are interested in market consolidation.
- Less than 1% of capital deployed in the sector was done through IPOs, which shows a lack of maturity within the sector.



INVESTOR SPOTLIGHT: SHORE CAPITAL PARTNERS



TOTAL CAPITAL RAISED TO DATE	INVESTOR TYPE	PRIVATE EQUITY	YEAR FOUNDED	2009
\$4 M	LEAD INVESTOR	SHORE CAPITAL PARTNERS, LLC	DEAL DATE	MARCH 13, 2022
TOTAL INVESTMENTS	683	HEALTH AND WELLNESS DEALS	57	

THE COMPANY

Shore Capital Partners is a private equity firm based in Chicago, Illinois, founded in 2009. The firm prefers to invest in growth-stage companies through buyouts and seeks to invest in business products, business services, consumer products, consumer services, materials, resources, healthcare, life sciences, oncology, manufacturing, and technology-based sectors in North America.

Website: www.shorecp.com

The health and wellness industry globally has moved its portfolio towards mindfulness and personal care health and well-being. Health and fitness companies in North America dominate capital markets and have raised significantly more capital than the Middle East, Southeast Asian, and European competitors. J&A predicts a continued increase in capital market activity within the sportswear sector as economies become more interconnected and companies expand into new international markets.