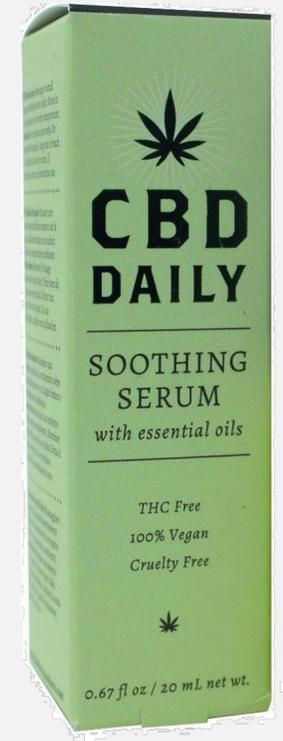


# The rise of CBD

May 2020



# CBD Cosmetics



# Disrupting the beauty industry

## A gamechanger?

- Hemp oils and CBD, the most important cannabinoid in hemp, have recently caused a **real hype worldwide**, in food supplements and also in cosmetics. CBD offers a diverse and very interesting spectrum of effects in the skin (anti-inflammation/soothing, wound healing, anti-oxidant).
- The US CBD industry grew by nearly **40%** in 2017 and is estimated to continue to grow at an astonishing pace (700%) by 2020 according to Forbes → **ongoing trend!**
- The global CBD skin care market has been valued at **\$710 million in 2018**, with sales projected to rise to **\$959 million** by 2024, which would account for an estimated **10%** of global skin care product sales.

## Consumer demand for CBD skin care up 20%

**WORLD** Consumer appetite for CBD skin care is reaching an all-time high, as wholesale demand for the products has risen by 20%. Global Cannabinoids, the US-based manufacturer, producer and distributor of hemp-derived cannabinoids, reported that a growing number of businesses are seeking to add CBD to their roster, as it received 4,275 requests for CBD skin care last month compared with 4,100 this August.

This is fuelled by growing consumer preference for CBD products that are applied topically rather than ingested orally.

“Consumer demand is fuelling explosive growth for companies looking to offer CBD skin care solutions,” said Ryan Lewis, Chief Business Developer at Global Cannabinoids.

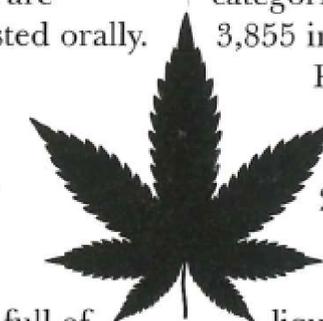
“Cannabidiol (CBD) skin care is full of moisturising antioxidants, minerals and protein that help with anti-ageing, acne-prone skin [and] sensitive skin, and [it] has been shown to be anti-inflammatory for those suffering from dry skin, eczema and psoriasis.”

With the global hemp CBD market expected to be worth more than US\$20bn by 2022, more and more businesses are investing in the category. CBD beauty brand Herb Essentials recently received a \$50m investment from LB Equity, while in August wellness brand Lord Jones was snapped up by CBD specialist Cronos Group for \$300m.

Elsewhere, Global Cannabinoids revealed that CBD tinctures for oral ingestion are still one of its most requested products across all categories, showing a steady increase from 3,855 inquiries to 3,980 month over month.

However, it was CBD products for animals that saw the most dramatic growth, with a surge in inquiries to 2,600 this quarter. Rounding out the top five requested product categories were CBD for vape or e-liquids, with 3,300 inquiries, and CBD gummies or edibles with 3,125.

Global Cannabinoids is the world’s largest bulk and wholesale B2B online distribution platform for hemp derived cannabinoid products, with its customers spanning from the personal care to nutraceutical industries.

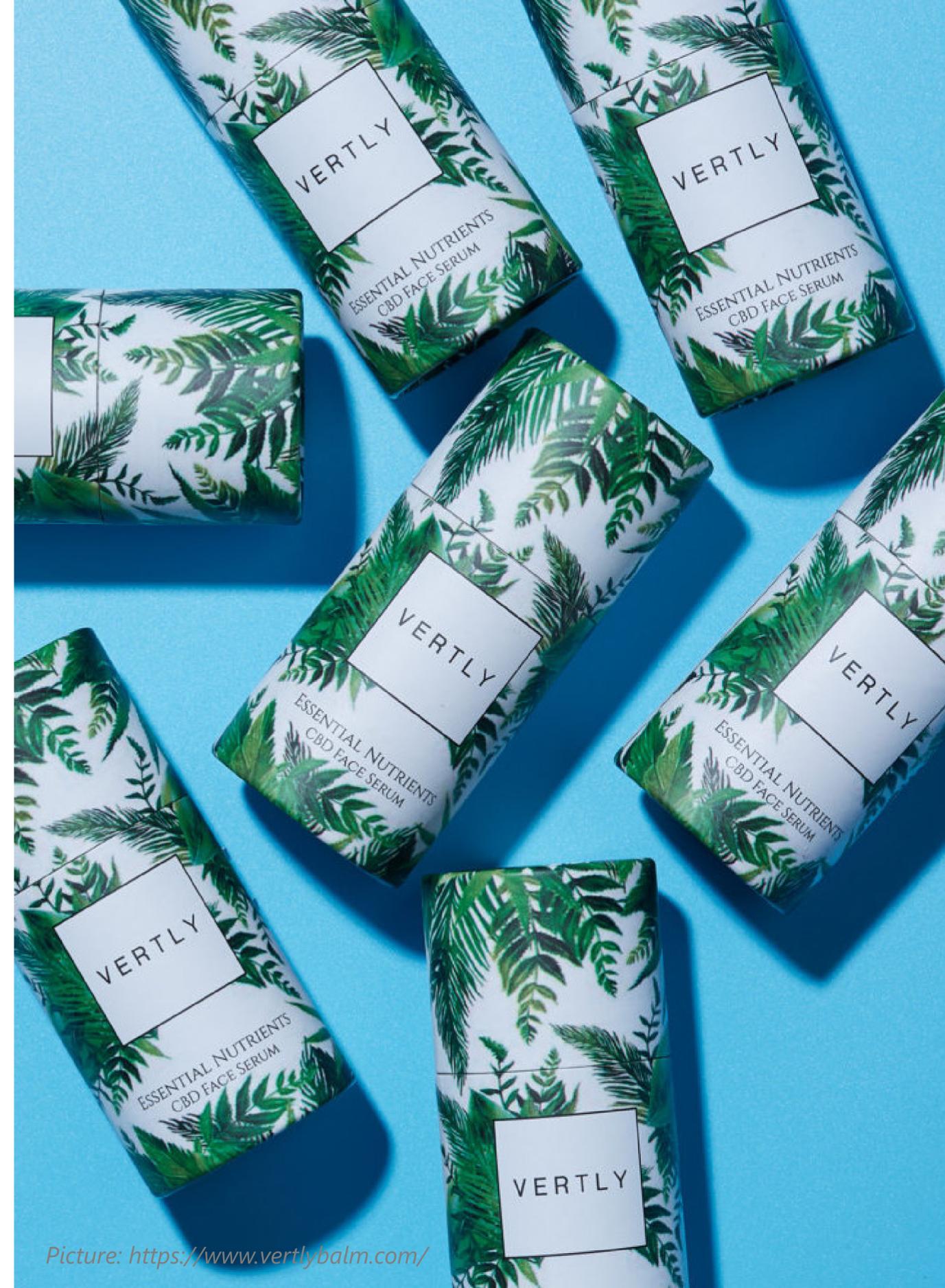


SPC Magazine Oct 2019

# Disrupting the beauty industry

## A gamechanger?

- Smaller indie brands have driven recent developments in the CBD beauty market, as multinational companies remain wary of CBD's complex legal status.
- Select brands have been accused of exploiting the interest surrounding cannabis-derived CBD oils to sell beauty products containing low-CBD hemp seed oil, in a practice known as "weed washing"
- Future changes in regulation and consumer education efforts will be key to ensuring the longevity of the CBD beauty market



# Clear positioning

## Focus on the health and wellness benefits

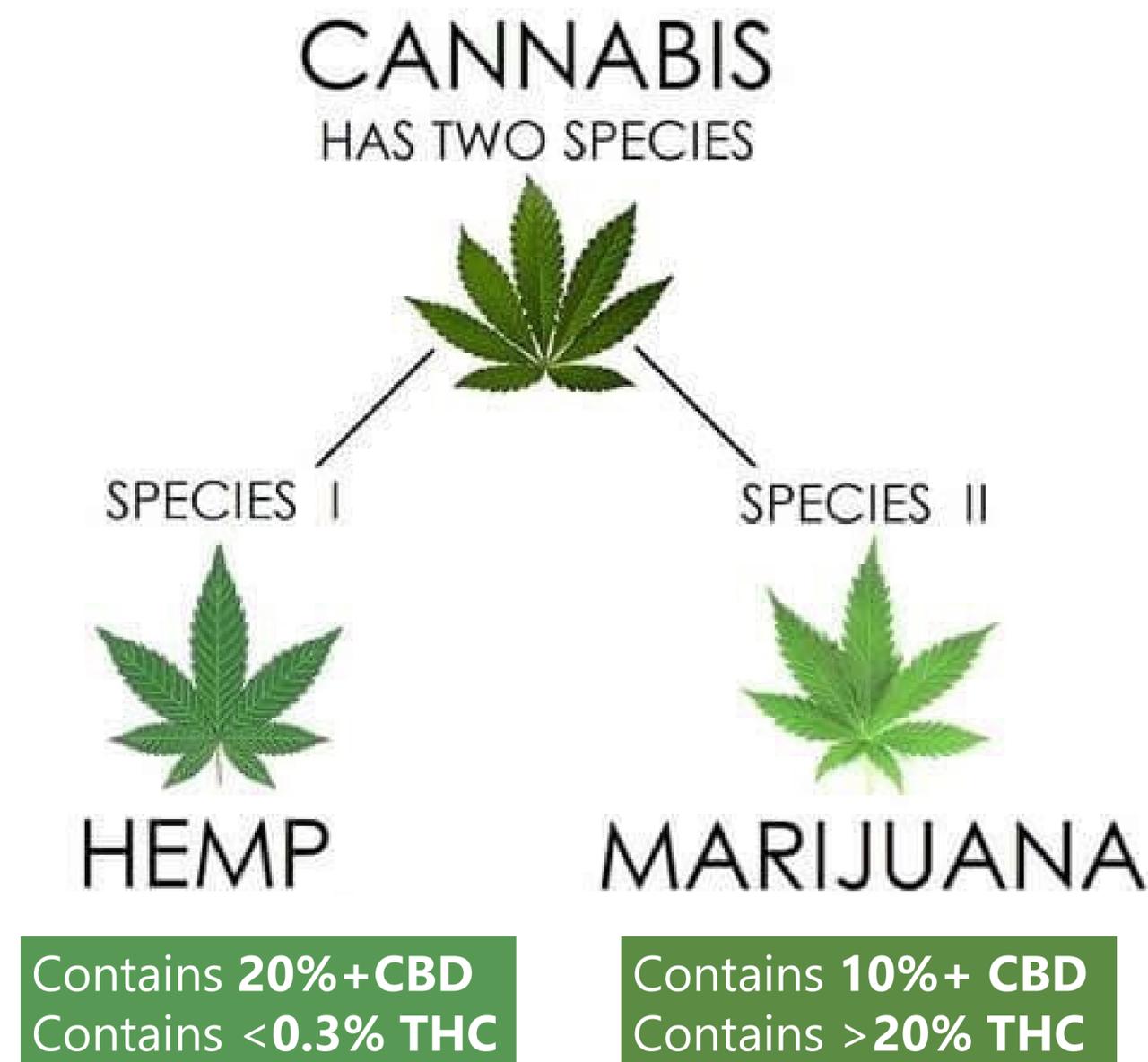
- Research has only touched the surface on the **medicinal benefits** of hemp (includes cannabinoids such as CBD)
  - Brands that steer clear of the stereotype image of getting high (on marijuana) and **focus on hemp's many dermatological benefits** will win
- A clear “wellness positioning” is essential



# Identify the fine line between CBD and other cannabis extracts

## CBD and THC

- CBD is a chemical compound that naturally occurs in the plant Cannabis sativa but does not contain THC.
- Hemp and marijuana are two different varieties of cannabis with varying levels of CBD and THC. Marijuana has higher levels of THC while hemp contains less than 0.3% THC.
- The recent hype around CBD has been fueled by its many claimed **health benefits**, such as improved sleep, reduced anxiety and stress, anti-seizure properties and pain relief. These functional health benefits have prompted CBD to appear as an ingredient in food, drink, cosmetics and supplements.

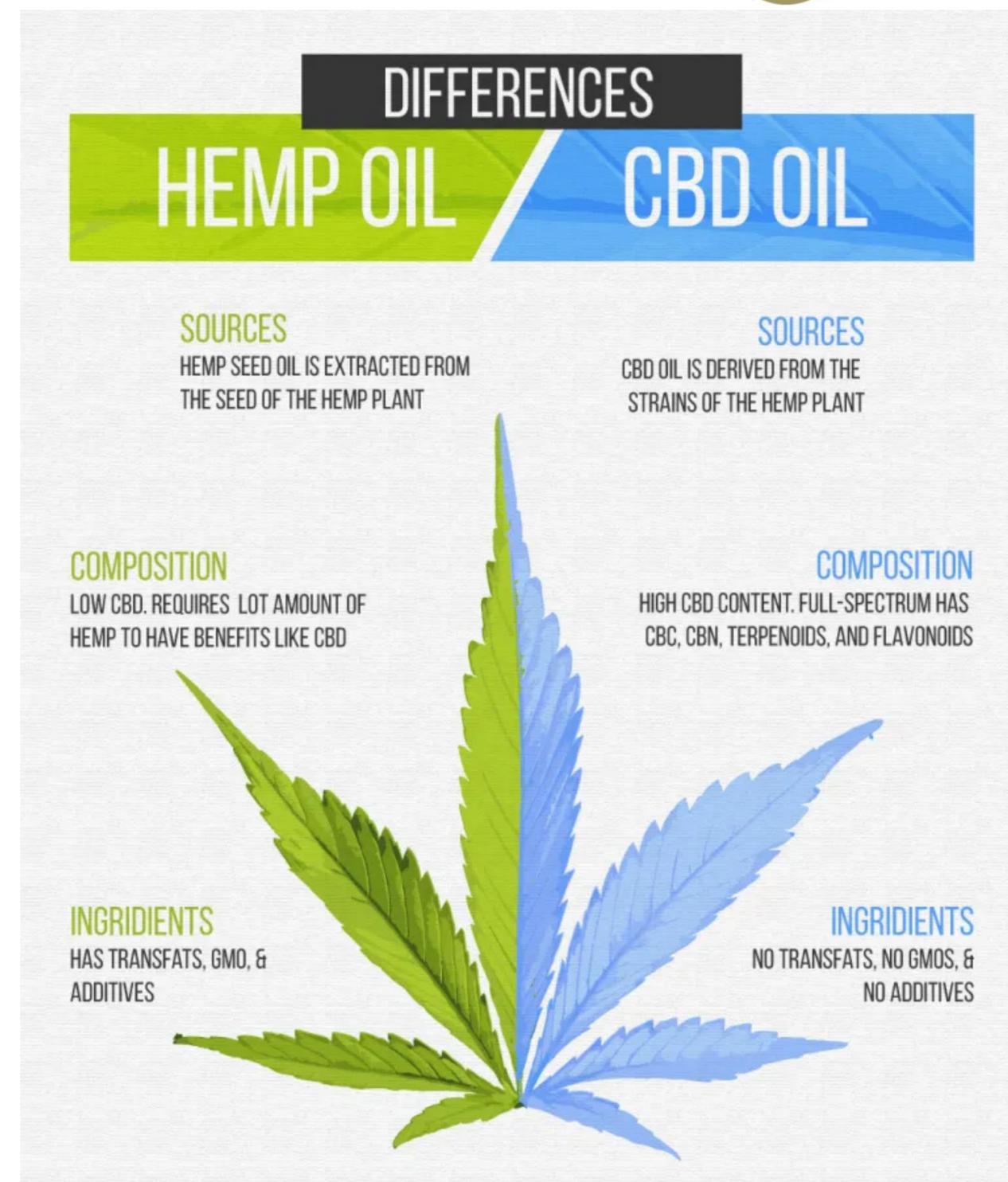


Picture: <http://internationalcannabisassociation.com/>

# Identify the fine line between CBD and other cannabis extracts

## Differences hemp oil – CBD oil

- There are two different hemp-products sources: one are the **seeds**, they are very interesting as they have a lot of omega-3 and omega-6, but contain no CBD. The seeds are pressed and resulting is the **hemp seed oil**.
- CBD-oil is extracted from the strains of the hemp plant, has a high content of CBD and flavonoids.
- However, both do not contain THC.



Picture: <https://www.growthinhealth.org/>

# “Weed washing”

## It's about transparency

- Demand for CBD will skyrocket over the next few years, although ingredient sourcing could be problematic as more brands rush to add it to products. Concern over "weed washing" is already growing.
- Many new cannabis beauty products are being formulated with **hemp seed oil**, an extract that does not contain CBD or cannabidiol.
- With the CBD craze in its infancy, **consumer awareness** about the difference between hemp seed oil and hemp oil is low. Brands with products lacking the substance, but positioning their marketing messaging around it are taking advantage of the lack of consumer comprehension → **clear communication & transparency of ingredients** is an advantage.



# CBD benefits for the skin

## Explore the benefits for skin health

- Non-psychoactive CBD has a skin **moisturizing, anti-ageing and anti-inflammatory effect** when used topically. Also it positively influences the maintenance of skin balance (homeostasis).
- Researchers are also exploring other benefits of CBD; for example, its use as a sunscreen.



# Claims

## Most common claims of CBD products on the market

### Related to CBD:

- Soothing / soothe the skin
- Calming and relaxing
- Helps to restore a healthier skin appearance
- Helps visibly reduce skin redness
- Reducing skin inflammation

### Related to hemp oil:

- Boosting skin moisture
- Lightweight and non-comedogenic
- Calms stressed skin
- Strengthen the skin barrier



# CBD: New trends

## 1. CBD combined with superfood ingredients

- CBD is widely associated with good health. Combinations of hero and superfood ingredients with CBD will increase – serving as a marketing tactic – as more consumers connect clean beauty to healthy eating and a healthy lifestyle
- In response to the continuing consumer demand, the majority of face skincare brands are including more hero superfoods, such as manuka honey, to tap into the growing enthusiasm for a healthy and natural lifestyle.
- CBD and honey is one of the fastest growing combinations in skincare



# CBD: New trends

## 2. CBD and skincare

- CBD is making its way into **sunscreens** and tanning waters
- The ingredient has anti-inflammatory properties that can prevent skin inflammation from the sun
- CBD-infused sunscreens are claimed to be preferable to those that don't contain it. CBD has the ability to stimulate the endocannabinoid system in the skin, helping to regulate a series of events to keep skin in a **healthy balance**. CBD appears to **reduce skin itch and inflammation**, and brands are adding the hemp ingredient to sunscreen formulas to calm skin while in the sun, or after a day at the beach.



# CBD: New trends

## 3. CBD in Men's care

- CBD is a gender-neutral ingredient that appeals to men – creating an opportunity in the market **to target male consumers**, particularly as it can enhance hair growth.
- Beard oils, serums and shaving gels that include the ingredient will be particularly attractive to Millennial men who spend more time grooming and crafting their look.
- Its **anti-inflammatory and anti-itch properties** make it a sought-after addition to male grooming products.



# CBD targeting Men's care



## Apothecary Guys

The male grooming brand has introduced a CBD Beard Balm and CBD Beard Oil into its range, claiming that use of these products will result in a thicker, fuller beard.



## Perricone MD CBx

The new range for men contains phytocannabinoids to combat stressed and oil-prone skin.



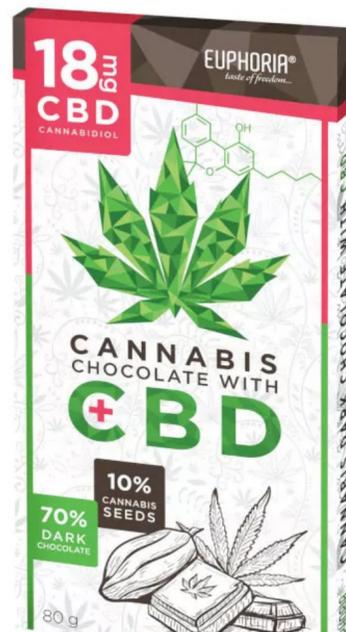
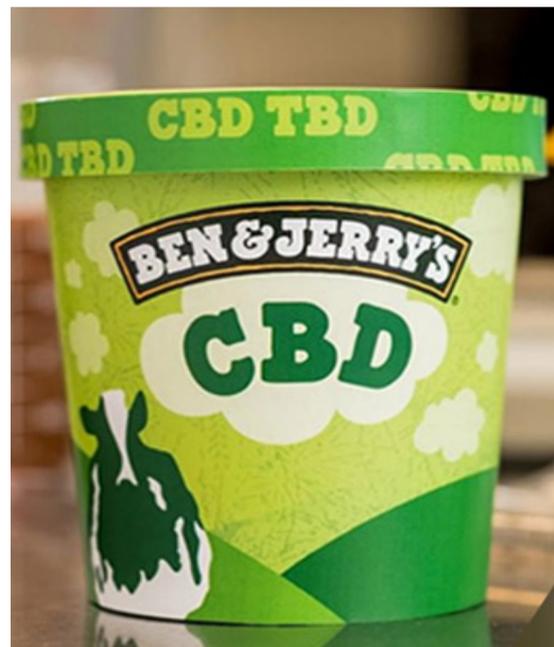
## Scotch Porter

Indie male-grooming brand Scotch Porter has introduced a CBD line made up of beard wash, leave-in beard conditioner, beard balm and beard conditioner. It claims to make the beard grow thicker

# Off-topic: CBD in food & drinks

## From food to face and the other way round

- CBD infused food and drinks are very trending due to functional health benefits
- More and more hemp/CBD product launches in the food & drink sector are expected over the coming years





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