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# US CBD Market Industry Update

Q1 2022

 BRIGHTFIELD GROUP



### US CBD Consumer Insights:

Survey fielded quarterly. Responses are collected online from a census-balanced sample of 5,000 unique CBD users are 21+ in the United States.

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# Introduction & Overview

- **Overall growth in the CBD industry slowed in 2021**, due largely to price compression and the shift to lower price point products, such as gummies. **With continued delays in regulation from the FDA, retail expansion remained relatively modest**, with concentrated growth seen in emerging channels like convenience and grocery.
- **Brightfield increased the total number of brands included in our calculations by 87 (over 50%)** as compared to Q1. (Not all of these brands are seen in the portal due to some having relatively small market values.)
- **Looking at H2, the top companies remain relatively unchanged compared to H1** with the big firms continuing to hold their ground as consolidation across the industry increased.
- **Gummies have been one of the biggest up-and-coming formats of 2021.** Many companies entering this growing and competitive space differentiate products through an array of functional ingredients.
- **The second half of 2021 saw consumer demographics shift slightly** and continued to see **greater usage frequency among existing CBD consumers.**

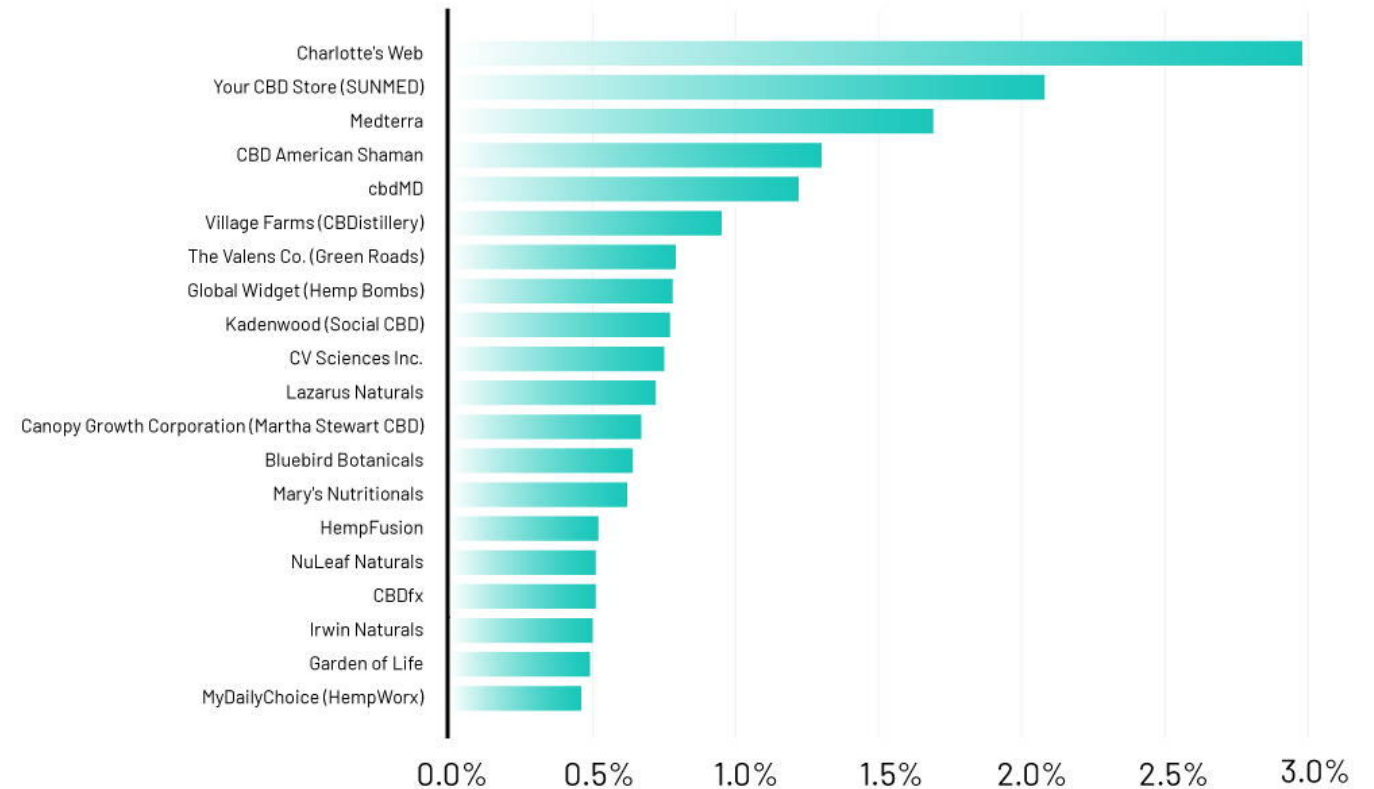


## Company Shares

- The top 5 CBD companies remain unchanged as compared to both Q2 and Q3, with Charlotte's Web and Your CBD Store (SunMed) continuing to hold the top two spots.
- Recent entrants to the top 20 include NuLeaf Naturals and MyDailyChoice (HempWorx), with the former having been recently acquired by retail-focused cannabis company High Tide.
- Quarter-over-quarter, the top 20 CBD companies saw their share grow faster than the overall market, despite challenges in Q4 emerging from a resurgence of COVID-19 cases.

### TOP 20 COMPANIES BY REVENUE

Q4 2021



## Company Shares (Cont.)

- **Charlotte's Web maintains its dominant hold in online CBD sales**, with a nearly 60% higher share than the next highest competitor, Medterra.
- **When it comes to brick-and-mortar sales, retail-oriented chains Your CBD Store (SunMed) and CBD American Shaman hold the top two spots** with Charlotte's Web in third place.

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### Top 10 Companies

	Q4 2021 Online Shares Ranking	Q4 2021 Online Shares
Charlotte's Web	1	4.9%
Medterra	2	3.1%
cbdMD	3	2.3%
Village Farms (CBDistillery)	4	2.0%
Kadenwood (Social CBD)	5	1.4%

### Top 10 Companies

	Q4 2021 B&M Shares Ranking	Q4 2021 B&M Shares
Your CBD Store (SUNMED)	1	3.3%
CBD American Shaman	2	2.0%
Charlotte's Web	3	1.8%
Global Widget (Hemp Bombs)	4	1.2%
Meterra	5	0.8%

## Competitive Landscape

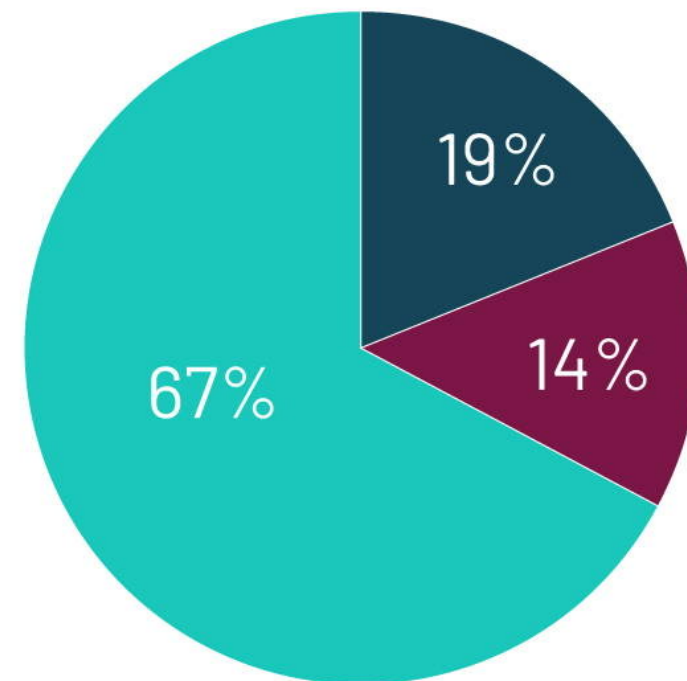
Though the top 20 companies grew their shares in Q4, this change **was not significant enough to significantly consolidate their share of the market.**

Techniques companies were utilizing in Q4 2021 and early 2022 to increase their overall shares include:

- **Launching products that contain minor cannabinoids**, such as CBDA and CBGA, **to stand out from the crowd.**
- **Advertising that their products contain THC** in order to capitalize on cannabis curious consumers who live in states without regulated adult-use programs **while remaining under the 0.3% legal limit permitted for hemp-derived product sales.**
- **Continuing to expand retail partnerships** with independent storefronts.
- **Preparation for increasing their presence in states that recently passed their own legislation to regulate CBD**, such as California.

### US CBD COMPANIES Q4 2021 MARKET SHARE

■ Top 20 Companies ■ Epidiolex (Jazz Pharmaceuticals) ■ Others



## Product Category Spotlight: Gummies

- **Much of the recent innovations in gummies has come from companies combining their CBD candies with functional ingredients to bolster efficacy and make use cases clear.**
  - One recent example is Lazarus Naturals CBD Energy Gummies, which combine cannabidiol with caffeine sourced from green coffee beans, L-theanine, and Vitamin B12 to boost energy and focus.
  - Healist Advanced Naturals Calm Chews also included Ashwagandha and L-Theanine alongside CBD and a portion of each purchase was donated to the National Alliance on Mental Illness.

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### Recent Innovations:



Lazarus Naturals CBD  
Energy Gummies



Healist Advanced Naturals  
Limited-Edition Calm Chews



## Product Category Spotlight: Gummies (Cont.)

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- **Gummy CBD products are the fourth fastest growing product type over the forecast period** (25% CAGR compared to the market average of 20%) despite starting from one of the largest overall bases of sales in 2021.
- **Gummies are expected to benefit significantly in the medium-term from a national regulatory framework for CBD**, allowing them to be sold alongside mainstream vitamins and supplements.



## Consumer Insights: Changing Personas

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## Consumer Insights: Higher Usage

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- **Consumption of CBD among product purchasers has increased steadily over the course of 2021.**
  - More than 45% of those surveyed reporting daily use of CBD products during Q4.
- **Slightly fewer survey participants noted using CBD 5+ days per week in Q4 compared to prior quarters but has remained above 2020 levels.**
  - Meanwhile, more occasional usage categories saw a slight resurgence in Q4 but remained below 2020 levels.
- **Throughout 2021, this increase in heavy usage was one of the largest drivers for the market overall** since they purchase the largest overall value of products.
  - Though capturing new consumers will be key to growth following increased CBD regulation, capitalizing on existing consumers with quality products is key to boosting revenue in the near-term.

# See what's next in CBD and Cannabis with user-friendly data on:



Brand  
Health



Consumer  
Insights



Market  
Landscape

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