



Consumer-Driven Wellness

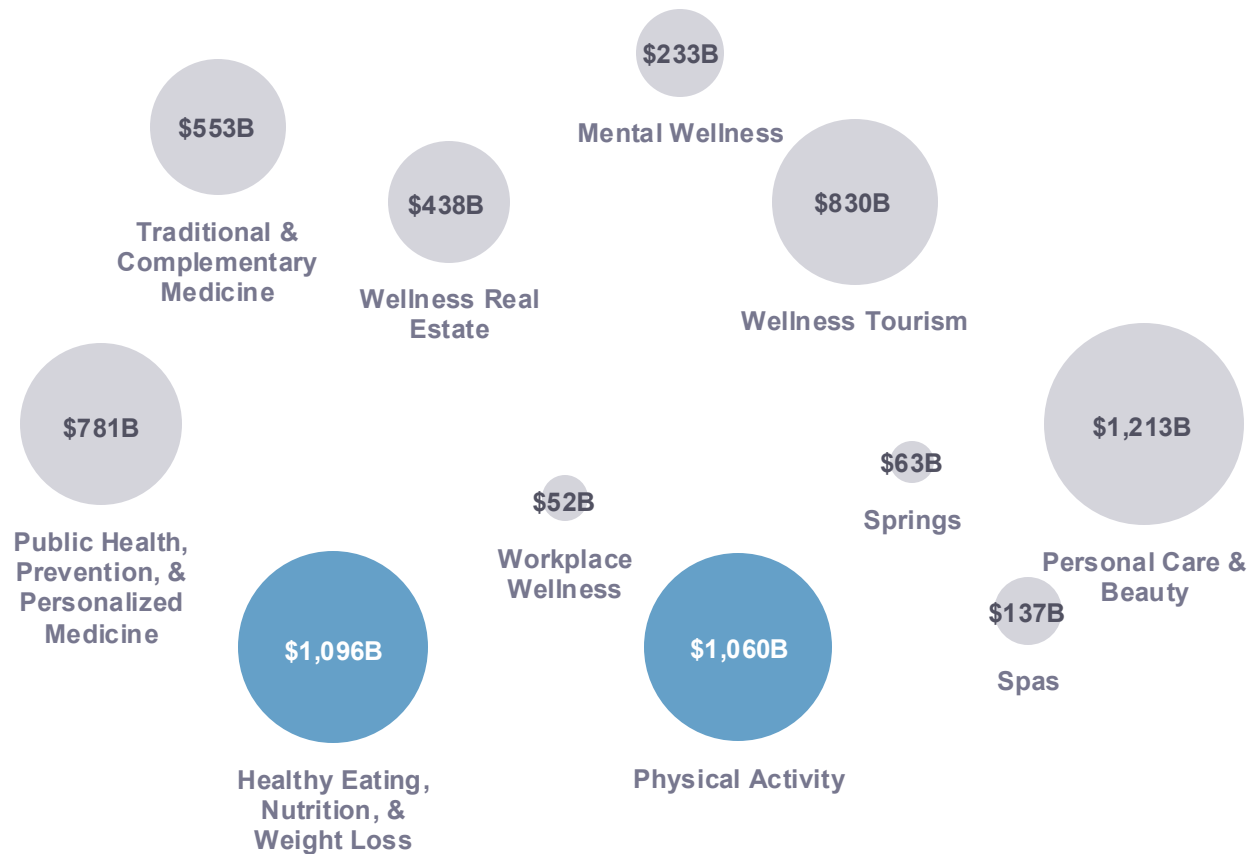
James Lane, Managing Director

Spring 2026

Overview: Strong Secular Tailwinds Are Driving Growth in Wellness

Consumers are prioritizing health & wellness and expanding spend across nutrition, mindfulness, fitness, and appearance

\$6.3 Trillion Global Wellness Economy ⁽¹⁾



Commentary

McKinsey's Wellness Concerns ⁽²⁾

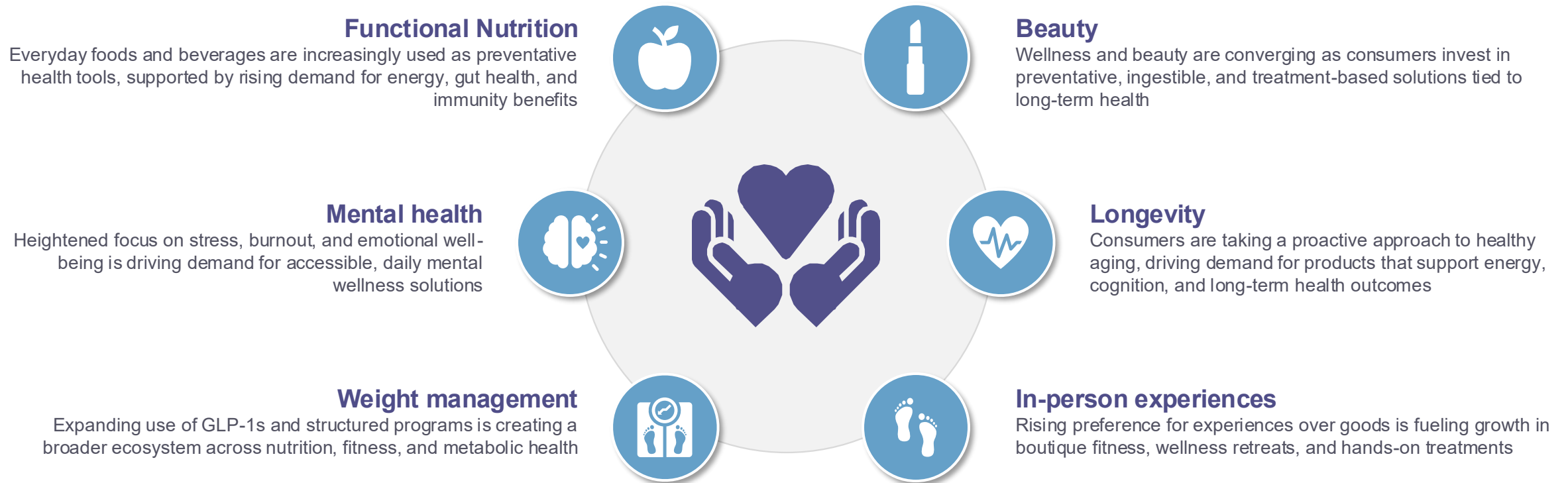
- The wellness category benefits from strong secular tailwinds as consumers increasingly prioritize health, sleep, and overall well-being
- Health and sleep remain the most consistently prioritized attributes across all age groups, supporting durable and recurring demand
- Incremental emphasis on nutrition, mindfulness, fitness, and appearance is expanding wellness beyond core health, driving category breadth and spend
- The convergence of physical, mental, and lifestyle wellness is creating sustained growth opportunities across products, services, and experiences
- Wellness demand has proven resilient through economic cycles, with consumers less willing to cut spend versus other discretionary categories

Nielsen's 3 Factors ⁽³⁾

- Factor 1: More aware and informed than ever
- Factor 2: Overwhelmed by competing messaging and "overclaims"
- Factor 3: Living longer and planning to "age well"

Overview: McKinsey's Six Categories of Growth Vectors in Wellness

Secular consumer demand and innovation are accelerating growth across six high-priority wellness segments



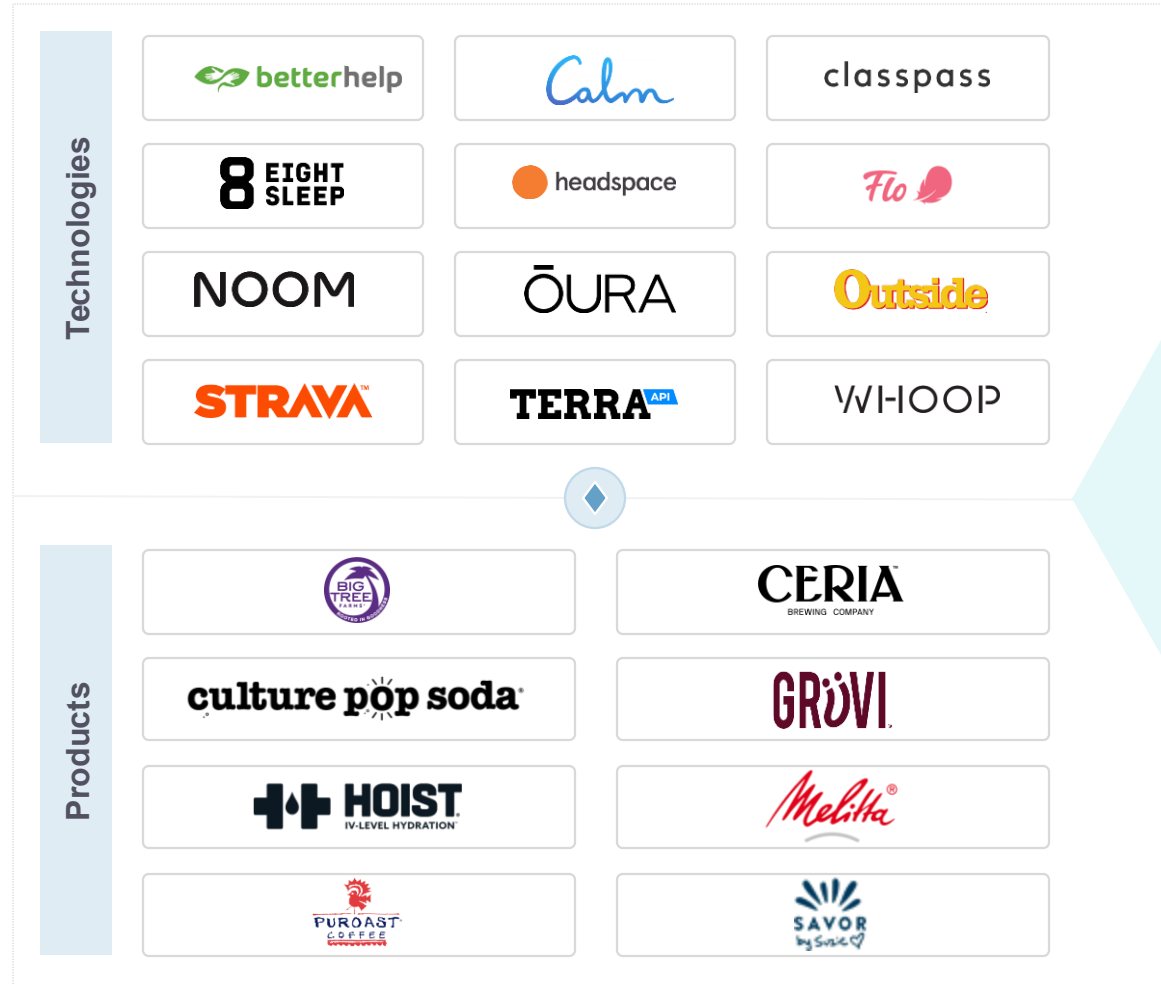
Overview: Our Thesis In Consumer-Driven Wellness - The 4 E's

We work with B2B and B2C companies that solve for, from the lens of the consumer, as many of the 4E's as possible



Overview: Partnering with Consumer-Empowered Products/Technologies

Engaging consumers through daily habits, access, and agency

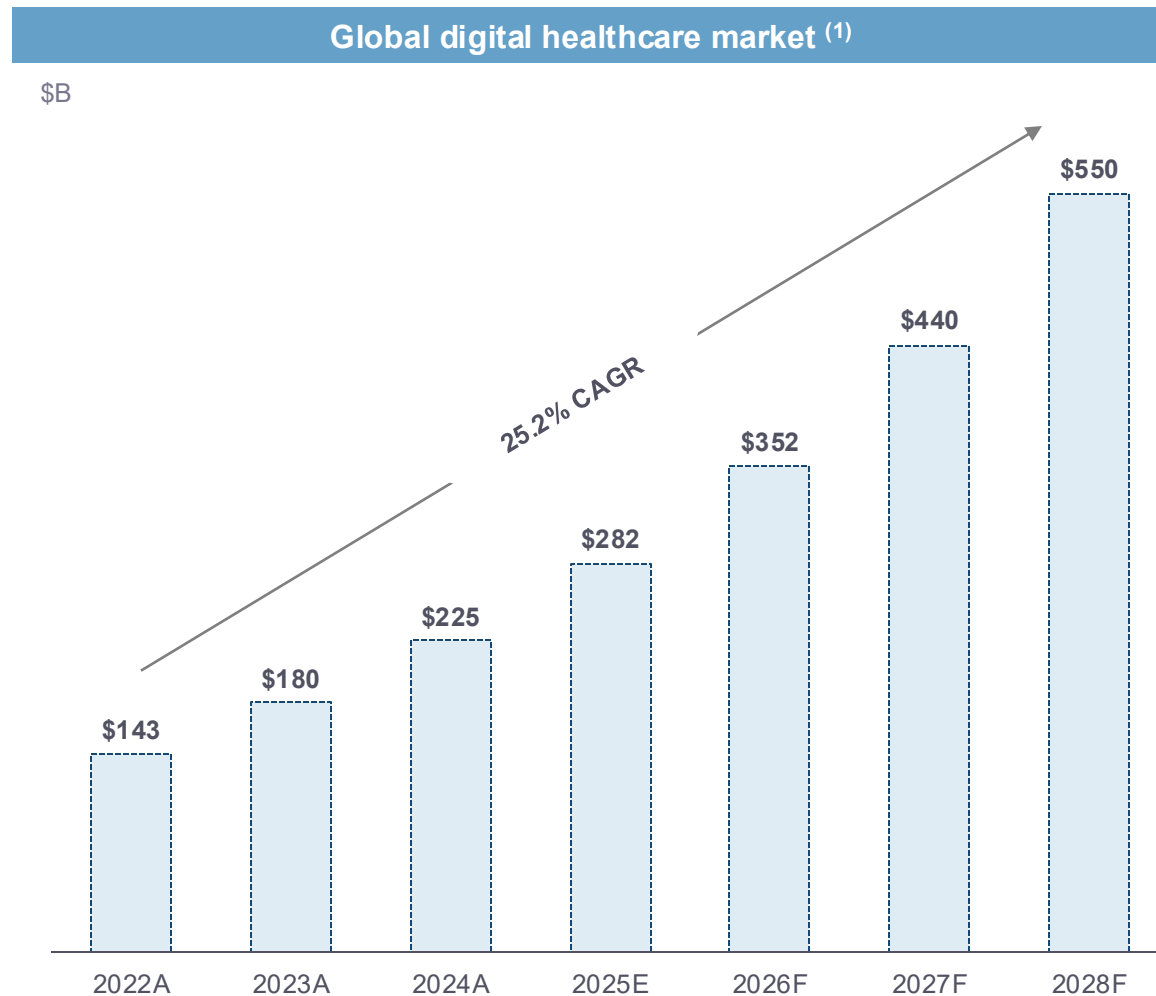


Better Consumer-Driven Wellness Outcomes



Digital Health: A Rapidly Growing Global Market

Large and expanding digital healthcare and data market, benefiting from powerful tailwinds including increasingly robust infrastructure, broad customer awareness, and advances in AI



Key drivers of market growth



Robust Infrastructure
Individual solutions capable of reliable and continuous information capture across a variety of data points



Consumer Awareness
Health-conscious public is increasingly focused on well-rounded, innovation-driven approaches to health and wellness



Artificial Intelligence
Advances in AI rapidly driving real-time, actionable, and intelligent insights from previously opaque data

Virtuous cycle of product innovation driving increased market size



Consumers

- Adopt innovations that enhance health and wellness
- Engagement fuels demand for more solutions



Innovators

- Respond to consumer needs by refining product offerings
- Real-time feedback to deepen user engagement

Digital Health: Limitations of Traditional Healthcare



A Siloed System

Hospitals, doctors, and insurers have traditionally operated in silos, making it difficult to coordinate care. This disconnect led to inefficiencies, ineffectiveness, and even fraudulent activity within the healthcare sector.



Unsustainable Cost Structure

90% of U.S. healthcare spending goes toward chronic and mental health conditions that could have been prevented rather than treated. \$4.9T spent on healthcare in U.S. in 2023, \$8.6T projected by 2033



Missed Opportunities

6 in 10 U.S. adults have at least 1 chronic disease, 4 in 10 have two or more, with traditional care failing to identify risk factors early on, often waiting until the disease progresses



Lack of Data-Driven Care

Medicare spends 2x as much per patient in some U.S. regions versus others with no improvement on outcomes, signaling a lack of data-driven care that AI could help mitigate



Inflated Costs without Insight

93% of physicians dealing with high-risk patients admit to practicing defensive medicine, ordering redundant tests that add \$210B in waste annually, AI diagnostics have the potential to reduce uncertainty and guide physicians to more proactive, evidence-based care



Inconsistent Data Delivery Limits Outcomes

Despite massive spending, only 55% of recommended care is delivered to patients across conditions like diabetes, cancer, etc. With AI-enhanced wearables, personalized data could be turned into content, offering tailored recommendations to each patient

Digital Health: Industry-Wide Shift from Information to Content

Transformational shift from metrics to meaning – health data transitioning from opaque data sets to digestible, democratized, and insight driven displays

Inaccessible and cumbersome health systems → Increasing consumer literacy and engagement → Opening a white space for interconnected data

<p>Low Literacy</p>		<p>Unfamiliar Health Data (1)</p> <p>Pre-2020 population was ill-equipped to interpret unformatted health data</p>	<p>Engaged Population</p> <p>% of consumers with health as a top priority (3)</p>	<p>Increasing Engagement</p> <p>Global prioritization of Health & Wellness by the increasingly informed consumer</p>	<p>Increasing Demand for Health Apps and AI Agents</p>		
<p>Illegible Data</p>		<p>Opaque Data and Systems</p> <p>Incomprehensible patient portals filled with detailed and technical raw data</p>	<p>Desire for Content</p> <p>Apple App Store rating</p> <p><i>Traditional patient portals (4)</i></p> <p><i>Health apps (5)</i></p>	<p>Desire for Content</p> <p>Digestible, actionable health apps turn data into interactive digital display for daily use</p>			
<p>Intermediaries</p>		<p>Requiring Intermediaries</p> <p>Medical experts and doctors were required to interpret dense and lagging data</p>	<p>Real-Time Preference</p> <p>Actively tracked metrics (3)</p> <ul style="list-style-type: none"> 60% daily steps 53% pulse / heart rate 40% burned calories 	<p>Premium on Real-Time</p> <p>Vital signs and activity tracking require timely delivery for integration into daily regiments</p>	<p>150M Users</p> <p>AI Offering</p> <p>Athlete Intelligence</p>	<p>300M Users</p> <p>AI Offering</p> <p>Apple Intelligence</p>	<p>180M Users</p> <p>AI Offering</p> <p>Garmin Connect+</p>

Digital Health: Innovation Driven Healthcare - The Tail Wags The Dog

Increasing transparency and customer control has created a new class of informed users seeking comprehensive and digestible data, driving product development and adoption

Consumer-centric development

- Consumers increasingly expect control and transparency in collection, visualization, and use of their health data
- 60%+ of adults track at least one health metric such as sleep, activity, heart rate, or nutrition; nearly 9 in 10 consumers say personalized health insights improve their ability to manage well-being and make informed decisions⁽¹⁾⁽²⁾
- Gen Z and Millennials are twice as likely to use digital health tools daily as compared to older generations, with mindfulness and performance tracking apps leading adoption⁽²⁾
- Consumers now expect real-time feedback driving demand for tools that turn raw biometric data into accessible, actionable guidance
- Each development enables broader health data insights, driving awareness with new consumers and increasing demand for next-gen features creating a virtuous circle of product development in which each generation of technology grows the market and increases demand for the next

Technological advancements across healthcare quickly adapt to consumer preferences^{(3) (4) (5)}



Functional Nutrition: A Durable Growth Theme

Better-For-You food & beverage on track to reach ~\$584B by 2034, supported by resilient consumer demand

Global Functional Food and Beverage Market (1)

\$ billions



Functional Food Trends

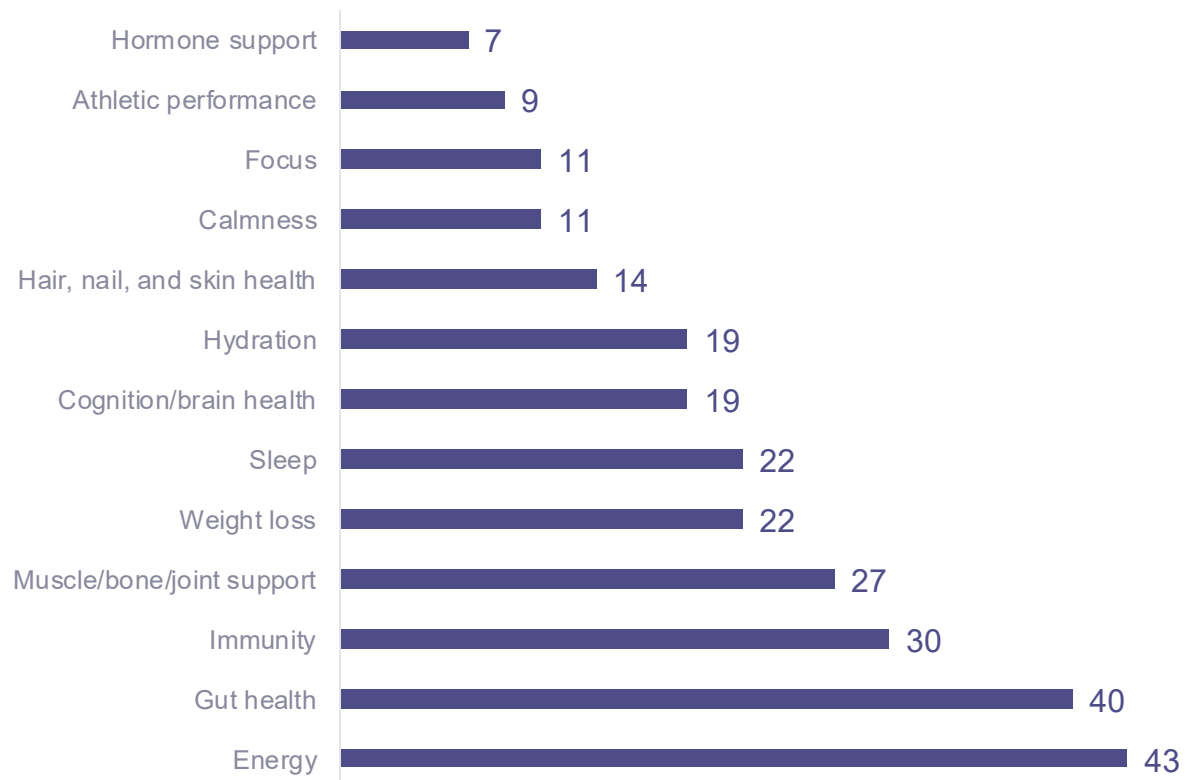
- **Active Living:** Foods and drinks that support everyday energy, performance, and mobility
- **Weighing In:** Products aimed at weight management through satiety, protein, and nutrient density
- **Functional Hydration:** Beverages that deliver added benefits like immunity, digestion, or energy support
- **Metabolic Monitoring:** Foods targeting blood sugar balance, metabolism, and healthy aging
- **Feeling Good:** Nutrition focused on mood, stress reduction, and cognitive health
- **Natural Goodness:** Clean-label, minimally processed options with recognizable ingredients
- **Supplemental Leanings:** Everyday foods incorporating supplement-style ingredients (vitamins, botanicals, probiotics)
- **New Avenues for Growth:** Functional products expanding into foodservice, convenience, and new formats
- **Gourmet Nutrition:** Premium, great-tasting foods that also deliver health benefits
- **One-Size Doesn't Fit All:** Personalized nutrition tailored to specific consumer needs and lifestyles

Functional Nutrition: Demand Is Broad and Benefit-Led

Consumers, especially younger cohorts, are prioritizing functional benefits

Top Benefits Sought Out by Functional-Nutrition Purchasers (1)

% of functional-nutrition purchasers, 2024



Commentary

Functional nutrition (foods and beverages positioned around specific health benefits) is growing rapidly, with broad consumer adoption across key markets and especially strong traction among younger cohorts.



Roughly half of consumers in the US, UK, and Germany report buying functional-nutrition products in the past year; penetration is even higher in China



Gen Z and millennials are leading adoption, with about two-thirds saying they've purchased in the category



The trend is supported by “food as preventative medicine,” as consumers link everyday choices to long-term health outcomes



Shoppers are moving beyond “free-from” claims (e.g., low sugar/gluten-free) toward products featuring high-value functional ingredients (e.g., protein, nootropics, turmeric)

Functional Nutrition: Nielsen's Growth Vectors for Food and Beverage⁽¹⁾

Key consumer-driven categories shaping innovation and shelf expansion in Better-For-You food and beverage



High-fiber Foods

Primarily plant-based foods with proven health benefits such as improved digestion, weight management, and heart health



Super Foods

Nutrient-rich foods that deliver maximum health benefits



Probiotic Foods

Individual solutions capable of reliable and continuous information capture across a variety of data points



Functional Beverages

Prebiotic, probiotic, low-calorie, non-alcoholic, electrolyte, global flavors, rehydration, energy



High-protein Foods

Animal- or plant-based foods that are rich in protein that promote satiety and muscle health

Summary: Key Highlights

High-growth wellness sector at the intersection of consumer behavior, data, and preventative health

Technologies / Digital Health & Data



Market is compounding fast. Global digital healthcare market projected from \$143B (2022A) to \$550B (2028F), supported by infrastructure, awareness, and AI



Traditional healthcare is structurally inefficient. \$210B annual waste from redundant testing, chronic disease spend dominates, and siloed systems limit outcomes



Wearables and sensors are proliferating. Next-gen devices enable continuous, real-time data capture across vitals, sleep, and biomarkers



Shift from raw data to actionable content. Consumers demand digestible insights, driving adoption of health apps and AI agents at massive scale

Functional Nutrition / Food & Beverage



Functional nutrition is mainstream. Everyday foods and beverages are increasingly used as preventative health tools (energy, gut health, immunity)



Clear growth vectors are emerging. High-fiber, superfoods, probiotics, and high-protein formats are driving category innovation and shelf expansion



Structural demand tailwinds persist. Consumers increasing access to, and demand for, transparency is driving a virtuous cycle of innovation and growth.



Better for you food & beverage is scaling. Market expected to grow from \$261B (2024) to \$408B (2030), driven by increased efficiency, efficacy, economics, and empowerment.

Summary: Key Sub-Sector Categories in Consumer-Driven Wellness

Category	Description
 Addiction Treatment / Recovery	Services and platforms supporting substance-use treatment and long-term recovery
 Adventure / Eco Travel	Wellness-oriented travel built around nature, activity, and sustainable experiences
 Better For You Food & Beverage	Better-formulated foods and drinks with cleaner ingredients and improved nutrition
 Clean Beauty	Beauty and personal care brands focused on ingredient transparency and “clean” claims
 Fitness	In-person and digital offerings that enable exercise, training, and ongoing engagement
 Food & Bev Manufacturing / Distribution	Scaled production and distribution infrastructure serving wellness-focused F&B brands
 Functional Nutrition	Products delivering targeted health benefits like energy, gut health, or sleep support
 MedSpa	Clinics providing aesthetic treatments often paired with broader wellness services
 Mindfulness	Tools and content for stress reduction, meditation, and mental well-being
 SleepTech	Solutions that track, improve, or treat sleep and recovery
 SportsTech	Tech that improves training, performance measurement, and injury prevention
 Supplements	Vitamin and specialty formulations supporting specific health goals
 TeleHealth	Virtual care models delivering clinicians, coaching, and ongoing health support
 Wearables	Connected devices tracking biometrics and activity to guide health behaviors
 Weight Loss	Programs and products supporting weight management through lifestyle and/or medical approaches

Progress Overview



- Founded in 2002
- Full-service technology investment bank
- Managing Directors based in Boston, New York, and Washington, DC
- Services include sell-side/buy-side M&A and capital raising
- Over 100 transactions and \$10B in value



- \$35M Fund IV (2020)
- \$1-1.5M initial check with 2-3x reserved for follow-ons
- Areas of focus include data management, AI/ML, measurement/analytics, and media automation

Notable LPs

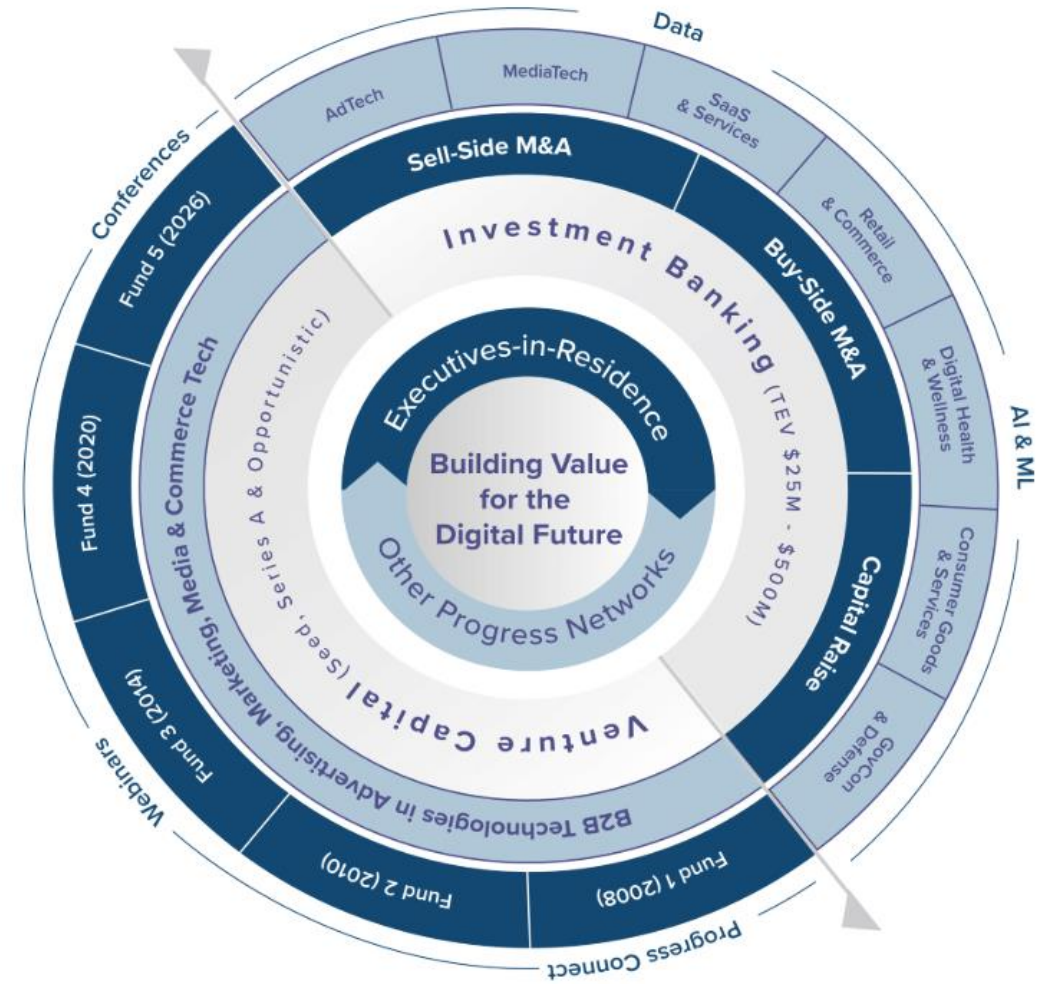


Notable Exits



150+

Executives
in Residence



Consumer Driven Wellness Group

Jamie Lane

Managing Director

Sector Lead

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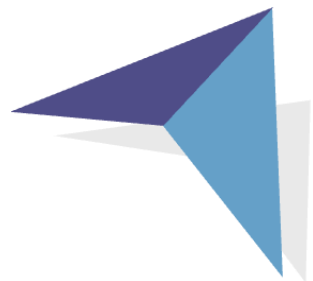


As a Managing Director, Jamie draws on his diverse background to advise on strategic transactions that unlock value and promote sustainable growth. His consultative and comprehensive approach covers mergers and acquisitions, divestitures, growth capital, and corporate structuring, allowing him to adeptly navigate the intricate challenges of M&A and capital markets, helping businesses achieve their financial and operational goals.

Before joining Progress Partners, Jamie led the Functional Nutrition & Wellness Group at Tully & Holland. Prior to that, he spent over a decade at William Blair & Company, where he was instrumental in establishing the Boston office and played a key role in the equity capital markets group. With a J.D. from Northwestern University Pritzker School of Law and a B.A. from Colgate University, Jamie's legal foundation adds further depth to his strategic capabilities, making him a well-rounded and trusted advisor across multiple disciplines.

Annual Conferences of Note:





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