



# The Future of Health & Wellness

A generational shift is propelling the  
\$6.3 trillion health & wellness market

**MANNATREE**



In the fast-growing \$6.3 trillion global market<sup>1</sup> for health and wellness, young people lead the charge.

Millennials, those born between 1981 and 1996, and Gen Zers, born between 1997 and 2012— are large generations, making up 47% of the global population, and they drive almost 40% of all global spending power.<sup>2</sup> **Gen Z's spending power alone is expected to hit \$12 trillion by 2030, and their per-capita spend will grow 4.02% a year, twice that of previous generations.**<sup>3</sup>

We believe this purchasing power by young consumers is particularly potent in health and wellness. **They care deeply about their own wellbeing, and they spend more in this area than older generations.**<sup>4</sup> Gen Z and Millennials now make up 80% of gym memberships<sup>5</sup>, they spend 23% of their income on healthy nutrition<sup>6</sup>, they care deeply about mental health<sup>7</sup>, and they demand personalized wellness and fitness products and services.<sup>8</sup>

**In our view, they are driving spending in key segments of the market including:**

- Nutrition, vitamins, minerals, supplements
- Personalized nutrition and gut health
- Healthy movement, exercise, fitness
- Sleep & recovery
- Clean beauty & skincare and clean products
- Healthy home, such as air filtration, and water filtration

When coupled with the interest that Boomers and Gen X consumers have in health and wellness, the economic impact of health and wellness is massive in our opinion. We see long-term categories that are ripe for 2.0 or 3.0 reinvention, or recasting traditional products to be more health and wellness centric to appeal to the next generation of consumers.

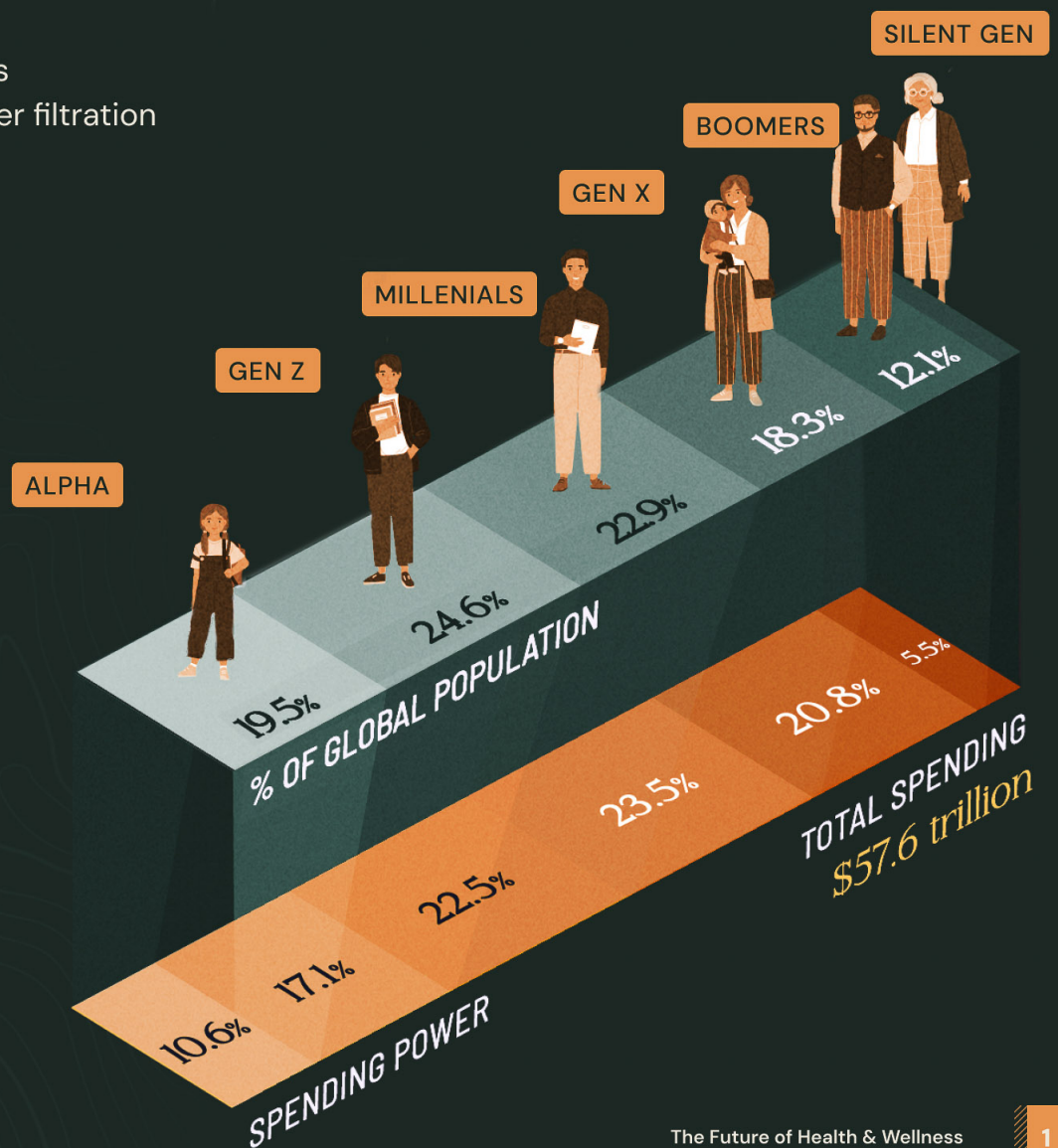
At Manna Tree, we believe this indicates a strong opportunity for investment now as well as in the years to come, as the generations of the future continue to reshape the market for health and wellness with their preferences, their values and their behaviors in mind. We believe these trends will be one of the most durable drivers of the consumer sector—and it is the unifying theme in how we invest, in an effort to maximize returns.

## Spending Power

### By Generation

Gen Z is expected to lead global spending growth, adding \$9 trillion by 2034

Graphic re-imagined from Visual Capitalist, Graphics/Design by Christina Kostandi. This is not the original color story.





# Wellness Market by Segment

The wellness market is experiencing steady growth since the pandemic, as people continue to prioritize their health and personal wellbeing.

	MARKET SIZE		GROWTH	
	2019	2023	2022-2023	2019-2023
Personal Care & Beauty	\$1,071.9 T	\$1,212.7 T	↑ 6.2%	↑ 3.1%
Healthy Eating, Nutrition & Weight Loss	\$912.4 B	\$1,095.7 T	↑ 3.1%	↑ 4.7%
Physical Activity	\$903.9 B	\$1,095.7 T	↑ 5.0%	↑ 4.1%
Wellness Tourism	\$696.6 B	\$830.2 B	↑ 30.3%	↑ 4.5%
Mental Wellness	\$150.0 B	\$232.6 B	↑ 10.9%	↑ 11.6%
Wellness Real Estate	\$225.2 B	\$438.2 B	↑ 13.4%	↑ 18.1%
Spas	\$116.3 B	\$136.8 B	↑ 29.3%	↑ 4.1%
<b>Overall Wellness Economy</b>	<b>\$5,030.0 B</b>	<b>\$6,321.2 T</b>	<b>↑ 9.0%</b>	<b>↑ 5.9%</b>

Source: Global Wellness Institute Global Wellness Economy Monitor 2024

## Overall Wellness Market

The overall wellness economy is expected to hit \$8.9 trillion by 2028, according to a 2024 report by the Global Wellness Institute. This could potentially make the industry larger than spending on pharmaceuticals, sports and tourism. In fact, it currently accounts for more than 6% of GDP worldwide, according to the report.

As many as 82% of Americans consider wellness a top priority, and a similar number feel the same in the UK (73%) and China (87%), according to a 2024 Wellness Trends report by McKinsey.

The Global Wellness Institute projects the overall market for wellness to grow 7.3% by 2028<sup>1</sup> and we believe that the future will undoubtedly be shaped by the views and behaviors of young consumers.



# Younger Generations are Driving Spending

Millennials are the biggest spenders on wellness — more so than any other generation. They care about their appearance, they pay close tabs to their health, they savor their exercise, and they demand personalized approaches to nutrition, gut health, sleep and mindfulness.<sup>9</sup>

We believe Gen Z, the oldest of which are age 28, will come on strong behind Millennials. It's the largest generation to date and will likely be the largest ever. They're also poised to be the wealthiest generation ever<sup>10</sup> with the fastest growth in spending power.<sup>11</sup> Only 10% of Gen Zers are from North America or Europe, making it the first generation to have less than half of its spend from other western nations.<sup>3</sup>

Gen Z is obsessed with fitness, beauty, and mental wellbeing. **In fact, Gen Z and Millennials' zeal for fitness has some dubbing them "Generation Active."** They increasingly view investments in health and wellbeing as "smart spending."<sup>12</sup> At least 43% of Gen Z and 38% of Millennials say they are willing to spend more than they can afford so long as they get healthier.<sup>9</sup>



# Younger Generations Creating a Tidal Wave of Spending

A look at each generation, who we believe they are, what they care about, and how they spend their health and wellness dollars.

## Baby Boomers 1946–1964<sup>13</sup>

### CHRONIC HEALTH SUFFERERS

- Face increased health challenges, including diabetes, arthritis & obesity
- One-quarter of boomers say they are less healthy than they expected at this age<sup>13</sup>

### COMPARISON SHOPPERS

- Tend to buy products based on quality, features & price
- Less influenced by celebrity endorsements, online reviews or aesthetics<sup>14</sup>

### PROACTIVE HEALTH ADVOCATES

- 8 in 10 say they are taking more responsibility for their health than 10 years ago<sup>12</sup>
- Desire to be independent & in good health for a long life<sup>12</sup>

### AFFLUENT CONSUMERS

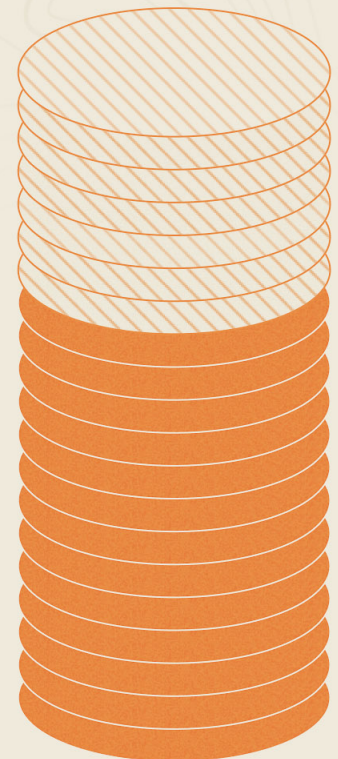
- 55% of Boomers earn more than \$50,000 a year
- Account for 51% of all consumer expenditures<sup>13</sup>
- Tend to spend on luxury goods, travel, health and wellness

### LOYAL BUT ADVENTUROUS

- 30% say they're eager to try new products<sup>12</sup>
- Want brain-training programs, tech health products and wearable devices<sup>12</sup>

### OPTIMISTIC ABOUT THE FUTURE

- 69% believe their best years are still ahead<sup>12</sup>
- Adopt a "forever young" attitude



Control 70% of the nation's wealth, translating to substantial spending power

## Generation X 1965–1980<sup>14</sup>

### FAMILY-ORIENTED WELLNESS CONSUMERS

- Make wellness decisions that cater to family needs
- Prioritize convenience in meal planning and fitness solutions

### FINANCIALLY PRAGMATIC

- Research-driven and value-conscious, seeking practical and cost-effective health solutions.
- Investing in tried-and-true wellness products

### STRESS MANAGEMENT SEEKERS

- Balance careers, children, and aging parents, often relying on relaxation-focused wellness products
- Incorporate yoga, massages, and mindfulness into routines

### LATE TECH ADOPTERS

- Cautiously exploring wearables and health apps, preferring ease of use and reliability

### PREVENTIVE CARE ADVOCATES

- Focused on long-term health & wellness as they age
- Regularly invest in supplements, screenings, and preventive care measures



## Millennials 1981–1996

### HOLISTIC HEALTH PRIORITIZERS

- Approach health as an interconnected experience, integrating physical, mental, & emotional well-being
- Leading adopters of plant-based & functional foods like adaptogens and probiotics

### SUSTAINABILITY ADVOCATES

- Actively support Eco-friendly brands and products with transparent supply chains
- Align spending with values, prioritizing brands that reflect ethical practices.

### EXPERIENCE-ORIENTED CONSUMERS

- Prefer experiential wellness offerings, such as retreats, immersive spa days, or adventure-based fitness.

### TECH-SAVVY WELLNESS ENTHUSIASTS

- Embrace wearable tech & fitness apps
- Interested in telehealth & virtual fitness options

### SOCIAL WELLNESS SEEKERS

- View wellness as social, preferring group workouts and wellness-focused travel
- Value brands that build community and foster meaningful connections

## Generation Z 1997–2012

### DIGITAL WELLNESS NATIVES

- Heavy reliance on apps, wearables, and social media for wellness tips and tracking progress
- Engage with health trends via platforms like TikTok, YouTube, and Instagram influencers

### GAMIFIED WELLNESS ENTHUSIASTS

- Gravitate toward gamification in health, from fitness challenges to competitive wellness apps
- Enjoy digital communities that foster accountability and shared progress

### FINANCIALLY CONSCIOUS BUT TREND-DRIVEN

- Budget-conscious but willing to splurge on trending wellness products and experiences
- Respond well to transparent pricing & value-driven marketing

### ADVOCATES FOR INCLUSIVITY

- Champions of body positivity, mental health awareness, & diversity in wellness campaigns
- Prefer brands that promote inclusivity & authenticity

### HYPER-PERSONALIZATION SEEKERS

- Expect tailored health and wellness solution—from DNA-based diets to customized fitness plans
- Early adopters of subscription services offering curated wellness products



# Nutrition

The global weight management market is poised for significant expansion over the next decade. Valued at approximately \$427.5 billion in 2025, projections indicate the market will reach \$896.50 billion by 2035, reflecting a Compound Annual Growth Rate (CAGR) of 7.7%.<sup>15</sup>

The demand has driven a flurry of M&A activity between 2020 and 2024. During that time, firms invested \$280 billion in 2,621 M&A deals with U.S. healthy snack food companies, according to research by global investment bank Jahani and Associates.<sup>16</sup>

The average transaction hovered around \$110 million, and investment activity peaked at \$47 billion in Q2 2021 and then hit \$37 billion by Q3 2024.<sup>16</sup>

We believe, one significant area of focus in the nutrition market is around functional foods, which are foods enriched with adaptogens, omega-3 fatty acids, vitamins and minerals that strengthen immunity, improve cognitive performance or boost energy.

According to the Functional Foods Market Size, Share & Trends Analysis Report By Ingredient conducted by Grand View Research, the functional foods market is growing at an annual 8.5% clip.<sup>17</sup> Brands are adding specific ingredients to products, including carotenoids, which are known to be important in treating eye disorders, cancer and diabetes, and fiber, for healthy weight, and vitamins such as vitamin B and folic acid. Dairy products make up the biggest share of the functional food market.

**Buying healthy food is a top priority for Gen Z.** On average, this group spends 23% of their income on food,



and they often choose high-quality snacks and beverages.<sup>6</sup> In our view, some are even cutting back on extras like digital streaming services and gadgets to afford better food.

Gen Z and Millennial consumers are also buying more products and services to help with health, sleep, nutrition, appearance, and mindfulness. Lifesum's 2024 State of Healthy Eating and Wellbeing Report found that 73% of Gen Z and Millennials prefer foods that boost energy, 65% prioritize foods for a healthy gut biome and 60% prefer foods that positively affect their mental wellness.<sup>18</sup>

A number of food brands have effectively reinvented older categories by reconfiguring traditional products with health and wellness in mind. Consider Kodiak Cakes, which reinvented the category of pancake mix by adding whole grain and protein that attracted younger nutrition-minded consumers. Legacy brands like Bisquick and Aunt Jemima, may have been viewed by younger consumers as a product filled with empty calories and refined carbs. At Manna Tree, we expect to see a proliferation of new healthy brands and services that reinvent categories with health in mind and as a result, win brand loyalty among younger consumers. As a growth equity investor, we believe it's a great time to put money behind those category reinventions.

**73%** Gen Z and Millennials prefer foods that boost energy



**60%** Gen Z and Millennials prefer prefer foods that positively affect their mental wellness.



**65%** Gen Z and Millennials prioritize foods for a healthy gut biome





# Probiotics

**Demand and investment is also flourishing in the gut health realm**, and probiotic products are flooding supermarkets. Research is rapidly uncovering the importance of the microbiome and the connection between gut health and a variety of conditions, including inflammatory bowel disease, mental health, diabetes, obesity and cancer. Since the pandemic, a flood of products promising to improve gut health have flooded grocery store aisles, lifting sales of yogurt, cottage cheese and cultured products. Euromonitor International's Product Claims and Positioning database reports a 78% increase in the number of products claiming to contain "probiotics" between 2019 and 2022 within beauty and personal care. Usually, non-living ingredients like probiotic lysates or ferments are added to deliver the benefits.<sup>19</sup>

The global digestive health market size is predicted to expand at ~9% CAGR between 2023 and 2033. The market is projected to garner a revenue of \$8 billion by the end of 2033.<sup>20</sup> This includes everything from functional beverages and probiotics to digestive enzymes and supplements and vitamins that promise better gut health.<sup>20</sup>

The market for functional beverages alone is expected to reach a value of \$62 billion by 2027<sup>21</sup> and prebiotic drink brands (which stimulate the growth or activity of beneficial bacteria) like Olipop and Poppi. Poppi has experienced triple-digit growth, topping \$100 million in sales in 2023.<sup>22</sup> In March 2025, Pepsi said it plans to acquire Poppi for \$1.95 billion.<sup>22</sup> Poppi's rival, Olipop is valued at 1.85 billion.<sup>22</sup> In our view, the rise of those two brands has lifted all tides, shifting more sales of healthy drinks from traditional sodas.

The probiotic supplement space has also seen some large M&A deals designed to improve gut health products. In 2023, Merck acquired Prometheus Biosciences, a California-based company with immunology therapies for irritable bowel syndrome, for \$10.8 billion. In 2021, agricultural giant Archer Daniels Midland bought Deerland Probiotics & Enzymes, and New York-based International Flavors & Fragrances merged with DuPont's Nutrition & Biosciences unit for a stronger focus on gut health.

**Gen Z and Millennials are very concerned about gut health** thanks to an influx of information about the topic on social media. About half of them say they experience gut health issues<sup>23</sup> and there's a growing awareness about the gut-brain connection and how better gut health leads to improved mental health.

As a result, brands are targeting marketing to young people. Dairy cooperative Nutiani started #GutTok to promote probiotic content, and yogurt company Activia's A to Z marketing campaign targeted Millennials and Gen Zs on the importance of gut health. Probiotic drink company Poppi's target audience is Gen Z and Millennials, while Celsius, an energy drink, rebranded to focus on functional health benefits and partnered with Gen Z influencers.<sup>22</sup>

**Investors and large CPG companies are increasingly interested in acquiring food and beverage companies with a gut health focus.**



**\$1.95 Billion**

In 2025, PepsiCo announced the acquisition of U.S. better-for-you soda Poppi.



**Lead a \$12 million investment round**

In 2018, General Mills invested in GoodBelly Probiotics.



Acquirer	Company Acquired	\$ Amount	Date
PepsiCo	Sabra	\$244MM	November 2024
PepsiCo	Siete	\$1.2B	October 2024
Congara	Fatty	\$180MM	August 2024
Simply Food Foods	OWYN	\$280MM	April 2024
Chobani	La Colombe	\$900MM	December 2023
Mars	Kevins	\$800MM	September 2023
Campbells	Sovos Brands	\$2.8B	August 2023
Mars	Tru Fru	Not Disclosed	December 2022
Nestle	Orgain	Not Disclosed	February 2022
Catterton	Hungry Root	Not Disclosed	June 2021
JBS	Vivera	\$530MM	April 2021
Mars	Natures Bakery	\$400MM	November 2021
Nestle	Vital Proteins	Not Disclosed	June 2020
Simply Food Foods	Quest	\$1B	August 2019
PepsiCo	Muscle Milk	\$450MM	February 2019

## Health & Wellness

Health and wellness has seen a number of notable M&A deals since 2019.

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# Personalized Wellness

We believe personalization is rapidly changing the health and wellness market. People do not want to follow generic diets anymore. They want customizable nutrition plans for their own body types, lifestyles and habits, and they're willing to share information and data to get it.

People are accustomed to personalization and customization in other areas of their lives, whether it's Amazon serving up recommendations of products we might like or Netflix and Spotify predicting the kinds of movies and music we'll enjoy most. The pandemic also accelerated the rise of digital health tools and remote monitoring and drove a focus on health and prevention.

At Manna Tree, we recognize potential for personalization, especially in the supplement and tech-enabled spaces. We believe it's the end of generically eating better, sleeping better or getting more activity. Using technology, individuals can get customized supplements and get specific advice based on their own personal metrics. This new era of personalized nutrition is expected to balloon to a \$37 billion market by 2030<sup>25</sup>, driven by wearables, apps, artificial intelligence, machine learning, genetic and biomarker testing. The sector may be nascent but we believe it is poised to be transformational in the wellness space.

**Gen Z and Millennials are most interested in personalized services.** At least 49% of Millennials and 37% of Gen Zers prefer products, services and apps that leverage personal data to personalize their experiences.<sup>8</sup> They are far more open to sharing information in exchange for more personalized health insights, nutrition and fitness recommendations.<sup>18</sup>

Companies are already catering to that demand. Large players like Google and Apple are jumping into personalization, and new companies are popping up. Habit, for instance, sells personalized nutrition plans based on your cholesterol activity levels and personal wellness goals via a questionnaire. Segterra InsideTracker platform offers personalized nutrition based on blood tests, and MyMuesli creates custom cereal mixes based on DNA tests.

Vous Vitamin creates a customized pill based on a quiz for your age, body type, lifestyle and more—and it has experienced triple-digit growth over the last two years.<sup>8</sup> HUM Nutrition, meanwhile, lets people take an online quiz to get personalized recommendations from a nutritionist on vitamins. HUM passed \$50 million in revenues in 2021. HUM's key customers are mostly female Millennials and Gen Zers.<sup>8</sup>

**We believe the market for personalized wellness is ripe with opportunity.** We see promise for companies that use data to create customized fitness plans, nutrition plans, or gut health supplements based on an individual's needs.

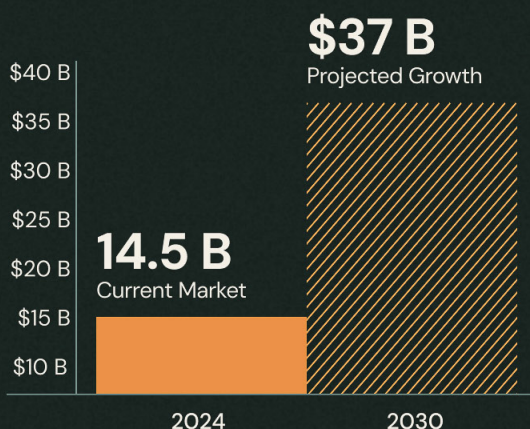
Already, venture capitalists have poured \$1.5 billion into personalized nutrition companies since 2020. That has created a windfall of capital for personalized nutrition platforms like Heali, MedChefs and Lykon, nutritional genomics firms Nutrigenomix and GenoPalate, and microbiome company Viome Life Sciences.<sup>26</sup> Viome recently acquired Naring Health, which provides access to clinical and molecular data to help people manage their health.

## THE RISE OF PERSONALIZED NUTRITION

**By 2030, the projected Personalized Nutrition Market growth 155%<sup>25</sup>**

### DRIVERS

Growing consumer demand, artificial intelligence, wearables, advances in DNA testing, genomics, microbiome analysis



**70%**  
MILLENNIALS

are willing to pay 20% more for personalized health solutions

[pwc.com](https://www.pwc.com)

Another source indicates the market size was \$14.02 billion in 2024, expected to reach \$35.03 billion by 2030, at a CAGR of 14.59%. [grandviewresearch.com](https://www.grandviewresearch.com)

\$37 billion – projected market growth by 2030 – One projection estimates the market will reach \$46.87 billion by 2032. [fortunebusinessinsights.com](https://www.fortunebusinessinsights.com)



# Active Lifestyle

Manna Tree sees significant growth in the active lifestyles sector, both in and outside the gym.

The fitness industry is booming. Pickleball has exploded in the past five years, growing to a \$3 billion industry<sup>27</sup>, and it's expected to grow to \$9 billion globally by 2034.<sup>27</sup> Consumers are also flocking to "rucking," which boosts cardio load of a walk by 50%. People who want to stay active are investing in such products as home saunas, red light therapies, cold plunges for overall health and wellness.

Gym memberships have also bounced back to pre-pandemic levels. In general, pricing ranges from \$10 a


month Planet Fitness memberships to higher priced concierge ultra premium clubs.

Last year alone ushered in a flurry of M&A deals among gym and health clubs.<sup>28</sup> Orangetheory Fitness merged with Self Esteem Brands to create the world's largest fitness, health and wellness franchise operator with 7,000 locations in 50 countries.<sup>29</sup> That same year, UK-based PureGym acquired Blink Fitness for \$121 million, a deal that included 67 gyms in New York, Pennsylvania and New Jersey.<sup>30</sup>

## Flexing the Market

Health clubs experienced a flurry of mergers and acquisition activity between 2019 and 2024.



### NOTABLE M&A DEALS IN WEARABLES & FITNESS APPS BETWEEN 2019 & 2024:

 **Google**  
acquired Fitbit  
2019 **\$2.1 B**

 **Lululemon**  
acquired Mirror  
2020 **\$500 M**

 **Johnson Health Tech**  
acquired BowFlex  
2024 **\$37.5 M**

### MERGER

### ACQUIRER

### ACQUISITION

Genesis Health Clubs ← Atlantic Club

Acac Fitness & Wellness Centers ← Maison Health & Fitness

World Fitness Services ← World Gym International

LA Fitness ← XSport Fitness

Urban Gym Group ← Sparring Partners Holdings

PureGym ← 67 Blink Fitness gyms

Echelon ← ThriveX

Fitnessmith ← Gym Source USA



Fitness apps are also flourishing, offering convenient, exercise-from-anywhere options that often cost less than gym memberships. Devices such as WHOOP, the Oura Ring and the Apple Watch offer real-time feedback on exertion, sleep and recovery. Apps like Future and Freeletics create workout plans based on a person's progress and goals. YouTube Trainers like Joe Wicks and Chloe Ting have amassed millions of followers. Meanwhile, Apple Fitness+, which offers a plethora of fitness content and workouts, is expected to grow to \$3.6 billion by 2025.<sup>31</sup>

**THE NUMBER OF CONSUMERS WILLING TO SPEND MORE ON THEIR HEALTH TO LIVE LONGER**

**84%** **85%**  
MILLENNIALS GENERATION Z

say they'd be willing to invest money in exchange for a longer life. Gen Z would be willing to spend the most. Up to \$7,856 a year<sup>12</sup>

Source: Forbes Health and Talker Research

Younger consumers trade financial health for physical fitness. About 4 in 10 millennial and Gen Z respondents have been in credit card debt due to spending on fitness and nutrition — that's higher than the overall 28% of Americans who said the same.<sup>32</sup>

Young people are driving most of these fitness trends. Gym memberships have nearly doubled pre-pandemic levels, thanks to Gen Z and Millennials. These consumers may spend hundreds or even thousands of dollars per month on such memberships, personal training sessions, or classes.<sup>33</sup>

We believe millennials are the biggest spenders in this arena. In a stable place in their lives, they're often time-starved as they balance careers, young families, and "me time." Exercise is that time, and it is seen to be the perfect stress relief, in our view.

Millennials make up 45% of health app users in the U.S., while Gen Z makes up 30% of users.<sup>34</sup> Collectively, these two generations account for 89% of all users engaging in online and app-based workouts.<sup>35</sup>



**THE MOST COMMON FITNESS EXPENSES FOR YOUNGER GENERATIONS:**

Gym Membership	76%
Workout Attire	32%
Equipment	22%
Mobile Apps	22%
Personal Trainer	13%
Boutique Fitness Class	13%
Class Pass	8% <sup>32</sup>

**Total \$7,856**

Millennials, also dubbed Gen Y, tend to prioritize consistency over convenience. And when they exercise, they tend to go hard. Think: running, basketball, soccer, swimming, hiking and weight training versus walking. Compared to other generations, they are the most likely to use a wearable device, use online fitness programs, own home gym equipment and have a gym membership. Compared to other generations, they are the most likely to use a wearable device, use online fitness programs, own home gym equipment and have a gym membership.<sup>36</sup>

Gen Z, meanwhile, is right behind Millennials when it comes to their enthusiasm for fitness. At least 56% of American Gen Zers consider fitness a "very high priority" compared with 40% of overall consumers.<sup>8</sup> They tend to be loyal followers of podcasters and fitness influencers who are driving many of the new health and fitness trends.





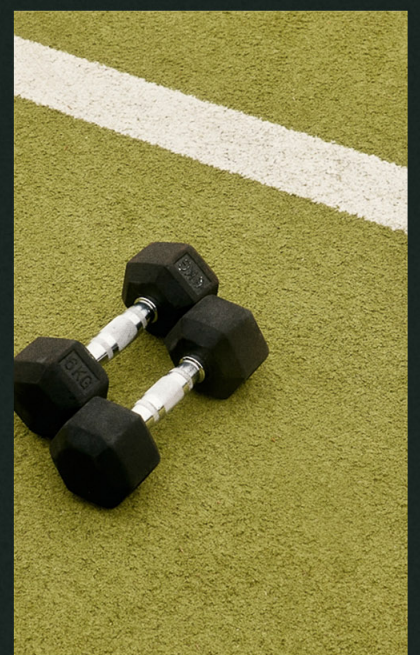
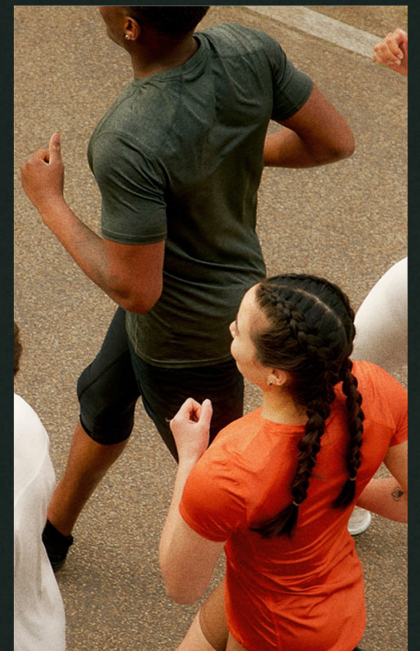
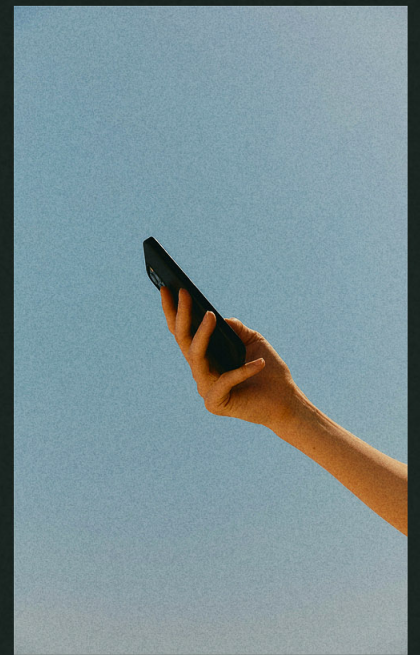
Gen Z has never known a life without access to information with technology. They were raised with information at their fingertips about everything, including information on health and wellness. Their formative years also coincided with the pandemic, which spurred an emphasis on health and wellness, and that has shaped their behavior. Social media intensifies the focus on appearance, and young people are devouring social content related to fitness, nutrition and beauty. Take for instance, FitTok, the realm of TikTok with workouts, food plans and fitness content, which has amassed more than 64 billion views.<sup>4</sup>

Because Gen Z grew up on social media, many in this generation are more likely to grapple with isolation. As a result, they're turning to gyms and fitness classes in search of connection and community.<sup>37</sup>

**In our view, this generational shift in fitness creates new market opportunities,** from online and app-based workouts to 'intelligent coaches' that provide personalized training tailored to an individual's habits, preferences, and lifestyle.

Hotels are broadening their wellness centers and gym offerings to appeal to young clients,<sup>4</sup> travel execs are marketing outdoor experiences to them, and gyms are offering mental health resources to appeal to younger members. Gyms are also rolling out apps that allow members to connect with each other, share tips and pay for their memberships, and they're partnering with social media influencers to reach young people.

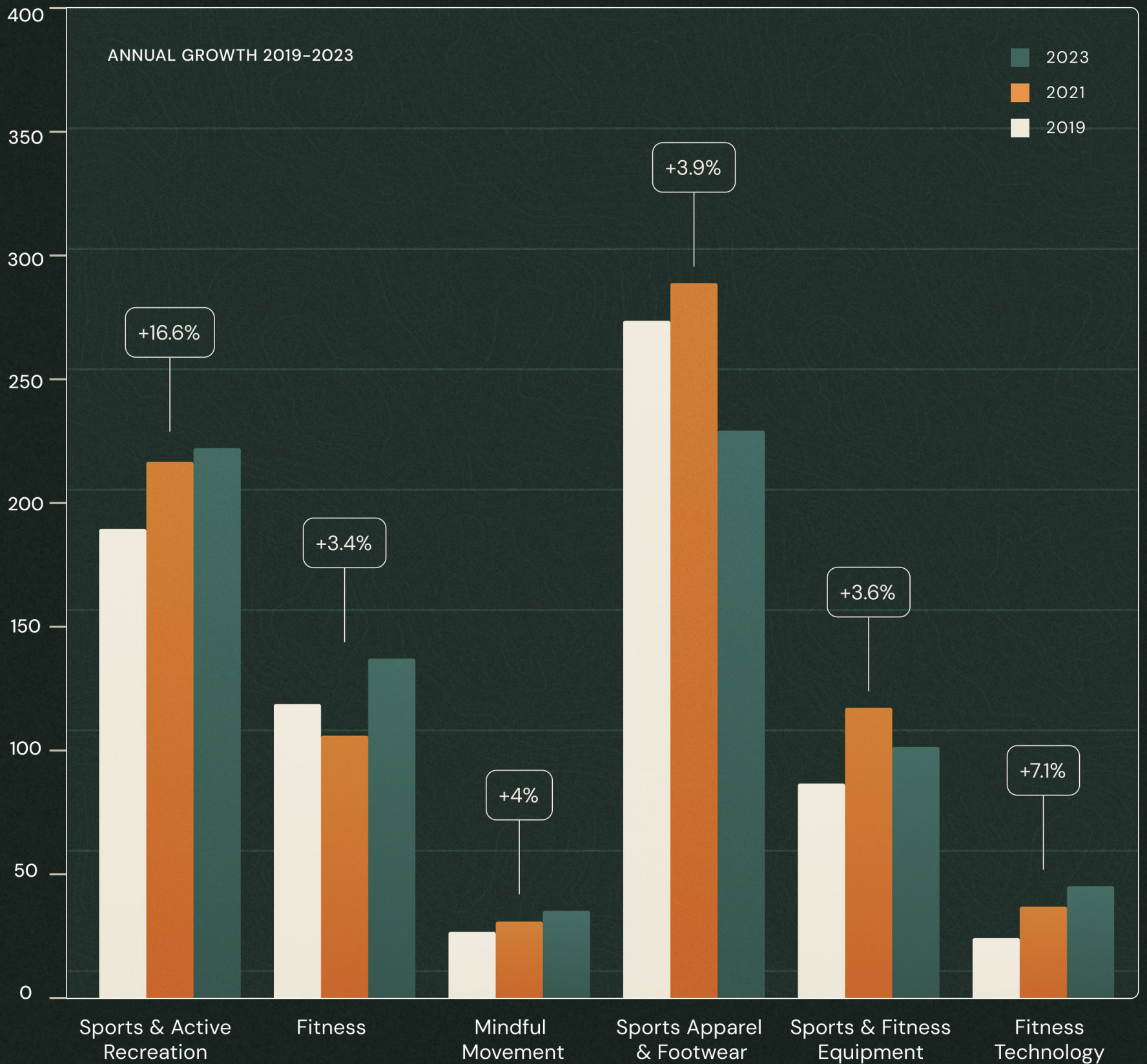
Peloton, recognizing the goldmine in the younger demographic, partnered with TikTok to create a fitness channel to bring fitness content to the app, and the brand created specific marketing campaigns targeting millennial men, who have emerged trendsetters and have the highest engagement and highest spending of any group.





# Explosive Growth in Fitness

The fitness industry spans several sectors that are experiencing rapid growth.



Source: Global Wellness Institute



# Clean Beauty, Clean Home

We believe demand for sustainability and ethics has transformed the market for cosmetics and personal care products.

Growing awareness among consumers about the environmental impact of traditional beauty products has prompted a shift towards sustainability. Consumers want products that are free of harmful ingredients, and they want transparency, ethical practices and eco-friendly choices.

Companies are responding by reformulating products with sustainable, ethical and eco-friendly ingredients. The clean beauty market is expected to grow 14.8% a year through 2030.<sup>38</sup>

Credit is due in part to social media and celebrity influencers. A 2023 CleanHub survey found that clean beauty trends accounted for more than 1.9 billion views on TikTok and 6.1 billion tags on Instagram.

Women aged 35 to 54 accounted for the most awareness about product ingredients, but sustainability and the environment is critical to Gen Z, too. At least 62% of them prefer to buy from companies that made a commitment to sustainability.<sup>39</sup> Brand loyalty is often tied to social and environmental sustainability,<sup>40</sup> and this younger generation tends to walk away from—and even boycott—a company they see as doing wrong.<sup>41</sup>



The opportunity is not lost on big players. L'Oréal, Procter & Gamble, Johnson and Johnson, Estée Lauder are investing in innovation and sustainability, and more premium startups are popping up in the space.<sup>42</sup> In 2023, Walmart launched Clean Beauty on the Walmart platform with more than 900 products—the majority of which cost less than \$10. The clean beauty products exclude more than 1,200 ingredients, including parabens, lead and aluminum. Some of the emerging brands in this arena include Grown Alchemist and RMS Beauty, and a number of celebrities have come out with sustainable beauty brands, including Jessica Alba's The Honest Company and Scarlett Johansson's brand, the Outset.

At Manna Tree, we also see a growing demand for wellness in the home. At least 36% of all households intend to increase the spend on health and wellness products in the home, according to a 2024 report by Euromonitor International.<sup>43</sup>



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# Investment Opportunity

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Manna Tree believes the health and wellness market holds untapped potential for investors, driven by progressive younger consumers who bring new mindsets, behaviors, and values to what it means to be healthy. From the rise of FitTok and booming gym memberships to the growth of fitness trackers and the promise of personalized wellness, this is a market primed for investment. We urge investors to take a forward-thinking approach and capitalize on these emerging trends, which we believe will lead to healthy returns—and as a result, a healthier world and future.

## **ABOUT MANNA TREE**

Manna Tree is a global private equity firm empowering consumers to live better, longer. The firm strategically invests in the consumer sector, particularly within the health and wellness ecosystem, focusing on growth-stage and buyout opportunities. To learn more visit us at [mannatreepartners.com](https://mannatreepartners.com)



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A vibrant, green hillside under a clear blue sky. In the foreground, two hikers are visible: one with a large orange backpack and another with a green backpack, both ascending the slope. The hillside is covered in dense green vegetation and small yellow flowers.

# Empowering consumers to live better, longer.

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