

FRAGRANCE AND PERSONAL CARE

## Este Lauder sales boosted by Tom Ford lip, fragrance lines

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*Este Lauder products*

By STAFF REPORTS

Beauty conglomerate Este Lauder Cos. has reported net sales of \$2.87 billion for its first quarter of fiscal 2017 ending Sept. 30.

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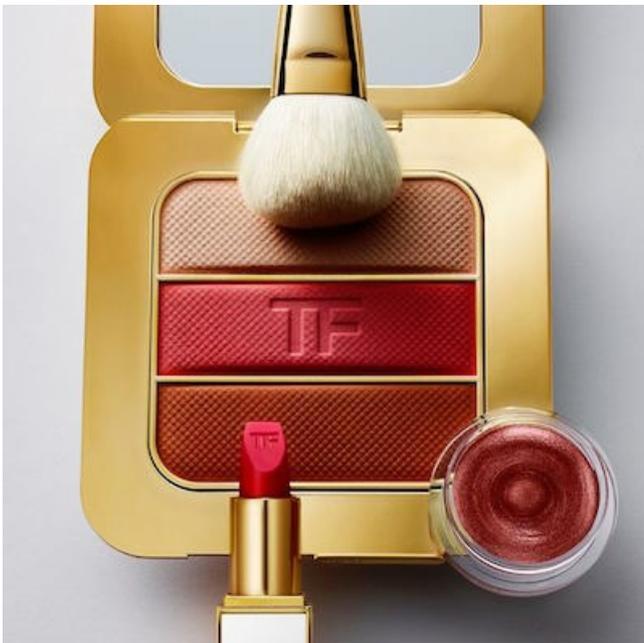
Esté Lauder saw a 1 percent increase compared with \$2.83 billion in year-ago quarter. The beauty marketer's net earnings were \$294 million, compared with \$309 million last year.

### Beauty sales

For the fiscal year, Esté Lauder's net sales increased by 2 percent when the impact of currency values were not applied. Negative foreign currency, as with many sectors, diluted Esté Lauder's net earnings.

"Our first quarter sales grew in line with our expectations, while disciplined expense management delivered earnings per share that exceeded our guidance," said Fabrizio Freda, president and CEO of Esté Lauder Cos., in a statement. "Our small to mid-sized brands were strong contributors to sales as were the travel retail channel and many developed and emerging brands.

"As expected, this growth was partially offset by continued macro challenges, a decline in retail traffic in the United States mid-tier department stores, the results of the slowdown in the Middle East, continued softness in Hong Kong and difficult comparisons with the prior year in the U.S. and France," he said.



### *Tom Ford Soleil color collection 2016*

By beauty category, Estée Lauder skincare saw net sales decline due to unfavorable currency rates. Skincare brand La Mer contributed double-digit gains to Estée Lauder's sales.

Estée Lauder reported a slight increase in makeup, driven in part by Tom Ford and Smashbox. The Tom Ford brand saw sales increase due to high sales of its lip color products.

Tom Ford also performed well in the fragrance category, as did Estée Lauder's By Killian, Le Labo and Jo Malone London. Tom Ford fragrances saw sales increase due to the success of the Soleil and Neroli Portofino lines, new launches and newly developed flankers.

Estée Lauder has invested in the internal structure of Tom Ford as its beauty division began accelerating.

In July, Estée Lauder named Guillaume Jesel as Tom Ford Beauty's global brand president.

Mr. Jesel was promoted from within the Estée Lauder organization, and will continue to report to executive group president John Demsey and be a member of the company's Executive Leadership Team. For the past two years, Mr. Jesel worked as Tom Ford Beauty's senior vice president global brand general manager ([see story](#)).

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