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## Este Lauder's luxury brands see double-digit sales growth for Q3 2017

May 3, 2017



*Tom Ford Beauty, summer collection 2017*

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By STAFF REPORTS

Beauty conglomerate Este Lauder Cos. has reported strong sales and earnings in the third quarter of fiscal 2017.

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Estée Lauder, the marketer behind Tom Ford and Michael Kors' beauty and fragrance lines, saw net sales increase by 8 percent for Q3 2017. The 8 percent increase brings Estée Lauder's net sales to \$2.86 billion for the quarter ended March 31, compared to last year's results of \$2.66 billion.

### Beauty bounty

The beauty conglomerate reported a net earnings increase of 12 percent to \$298 million, compared to \$295 million last year.

"We delivered an excellent third quarter performance. Sales accelerated across every geographic region in our three largest product categories, reflecting the range and strength of our brand portfolio and product offerings," said Fabrizio Freda, president/CEO of Estée Lauder Cos., in a statement.

"Our business in global travel retail and in China was exceptionally strong, driven by strong sale gains in virtually every brand," he said. "Our mid-sized and luxury brands, as well as online and speciality-multi retail channels, also led growth.

"Additionally, our recent acquisitions of Too Faced ([see story](#)) and Becca performed above expectations. These elements contributed to stronger-than-expected constant currency sales growth that, combined with disciplined expense management, resulted in sharply higher earnings per share."



*Too Faced's Love Flush blush compact*

By category, cosmetics sales increased with Tom Ford Beauty seeing double-digit increases in every region and double-digit gains from La Mer. The latter brand's sales increase is reflective of the success of its Skin Color Collection, La Mer's entrance into colored cosmetics.

Estée Lauder's fragrance division also saw strong double-digit gains from its luxury brands, which include Jo Malone London, Tom Ford and Le Labo as well as the recent acquisition of By Kilian ([see story](#)).

In its forward looking statement for the remainder of fiscal 2017, Estée Lauder said, "Global prestige beauty remains a vibrant industry estimated to grow approximately 4 to 5 percent. There are risks related to social and political issues, terrorism, currency volatility and economic challenges affecting consumer behavior in certain countries.

"We are also cautious of the decline in retail traffic, primarily related to bricks-and-mortar stores and certain tourist-driven doors in the United States," the brand said. "The company's annual growth has consistently outpaced global prestige beauty and, despite these global issues, is expected to continue to grow at least one percentage point ahead of the industry for the fiscal year, which is our strategic goal."