

FRAGRANCE AND PERSONAL CARE

## Estee Lauder's Q1 net sales up 14pc

November 1, 2017



*Estee Lauder's sales were up in the first quarter. Image credit: Estee Lauder*

By STAFF REPORTS

Beauty group Estee Lauder Cos. has raised its financial forecast for the fiscal year following a strong first quarter.

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During the first quarter of 2018, which ended Sept. 30, Estee Lauder's net sales were \$3.27 billion, up from \$2.87 billion during the same period of 2017. The company's recent millennial-centric acquisitions including Too Faced and Becca continue to be a driving force in its financial success, contributing 4 percent points toward the group's total 14 percent sales growth ([see story](#)).

### Booming beauty

Along with its newly added brands, Estee Lauder's growth drivers also include the Hong Kong and China markets and its online retail channel. Travel retail likewise helped its sales grow this past quarter.

"Our online and travel retail channels and most luxury and mid-sized brands posted double-digit sales gains," said Fabrizio Freda, president and CEO of Estee Lauder Cos., in a statement. "In addition, we saw encouraging signs of improvement in some U.S. prestige department stores, and our targeted expansion into more specialty-multi doors to reach new consumers continued to help us gain share.

"Sales growth in the Estee Lauder brand continued to accelerate, generating double-digit gains in the quarter," he said. "Our earnings per share reflected the strong sales gains combined with our success in leveraging those sales through cost saving initiatives, efficiencies and continued financial discipline.

"For the full fiscal year, our forecast reflects strong programs supported by focused advertising and marketing spending and sustained investments to further build capabilities for the long-term."



*Too Faced collaboration with vlogger Laura Lee. Image credit: Too Faced*

Beauty group Este Lauder Cos. is responding to consumers' changing buying habits as a result of social media, bolstering its brands' social media presences and increasing its affiliations with influencers.

As it becomes easier for competitors to enter the space due to social media and ecommerce, the company is leaning on a mix of investing its best-sellers, developing new products and services and adopting a strategy led by digital to remain a leader in the beauty market ([see story](#)).

The company's net earnings for the quarter grew 45 percent year-over-year to \$427 million.

Due to the quarter's strong performance, Este Lauder now expects its constant currency sales growth for the fiscal year to be between 8 and 9 percent.

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