

FRAGRANCE AND PERSONAL CARE

## Este Lauder sees 14pc growth in Q4 thanks to strong multichannel sales

August 21, 2018



*Este Lauder's earnings show that skincare has become the dominant beauty category. Image credit: Este Lauder*

By STAFF REPORTS

Beauty group Este Lauder Companies' fiscal year 2018 results are showing a marked improvement in sales driven by strong online and travel retail growth.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

The company saw an overall 14 percent increase in net sales over the fourth quarter of the 2018 fiscal year. Este Lauder's large share of the beauty market means that its earnings are a good barometer of the health of the beauty business as a whole.

"Fiscal 2018 was an outstanding year for our company," said Fabrizio Freda, CEO of Este Lauder, in a statement. "We generated higher sales in every region and product category and gained global share.

"By investing in our hero franchises, fast-growing channels and digital and social media, we delivered double-digit sales and adjusted earnings per share growth," he said. "We achieved record net sales in fiscal 2018 and one of our best performances in the last decade.

"Sales climbed in virtually all our brands and we hit milestones along the way. Among the top four brands, our flagship Este Lauder brand achieved record global sales and grew 22 percent in constant currency, demonstrating the amazing equity of the brand. La Mer became the fourth brand in our portfolio to contribute well over \$1 billion in net sales, and we increased sales at MAC and Clinique globally."

### Beauty sales

For the three months ended on June 30, 2018, Este Lauder reported net sales of \$3.30 billion.

These sales are up 14 percent from last year's equivalent of \$2.89 billion.

Este Lauder attributes this growth to strong showings in the areas of travel retail, online sales and multichannel.

Last year, makeup was the top performing sector with skincare close behind. But in 2018, skincare came out on top, surging past makeup with \$1.3 billion in sales.

Skincare has become a major focus in the beauty world. Consumers today are placing a greater importance on

taking care of their skin, turning to makeup that offers more than just cosmetic benefits.



*Sales were up thanks to online and travel retail growth. Image credit: Este Lauder*

NPD Group's "2018 Makeup In-Depth Consumer Report" found that nine in 10 U.S. women that use makeup have applied cosmetics infused with skincare. Consumers are taking a more proactive approach to beauty, looking for products that will help them achieve healthier skin instead of using makeup as a means to conceal issues ([see story](#)).

"Product innovation and creativity were strong across brands and Leading Beauty Forward provided us the flexibility to invest more in digital advertising behind our initiatives, which is accelerating our sales growth," Mr. Freda said. "In fiscal 2019, we will continue to create products that appeal to a more diverse and growing middle class around the world, and we are confident that we can continue to achieve industry-leading sales and double-digit earnings per share growth.

"With a successful strategy that focuses on multiple engines of growth across products, geographies, channels and demographics, we expect to once again gain share globally in fiscal 2019," he said.

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.