

FRAGRANCE AND PERSONAL CARE

## Coty's luxury brands see double-digit growth in emerging markets

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*Burberry Her fragrance. Image credit: Burberry*

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By STAFF REPORTS

Beauty group Coty's Luxury division grew 2.6 percent year-over-year during the 2019 fiscal year.

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Coty Luxury saw strong growth in Europe, Asia, Latin America, the Middle East and Africa, as well as in travel retail, during the year ended June 30. Despite growth among its luxury brands, Coty ended the year down 8 percent due to a 17 percent decline in its consumer beauty division.

### Luxury leads

Coty Luxury's sales totaled \$3.3 billion for the year, representing 38 percent of Coty's total revenues.

The Luxury division's sales rose 2.6 percent as reported, or 4.7 percent organically.

Burberry, Calvin Klein and Gucci were the top three brand growth drivers, with new launches Burberry Her, Gucci Guilty Revolution and Gucci's Alchemist Garden seeing success. Gucci Beauty's lipstick launch in May also helped drive up year-over-year sales comparisons.



*Gucci's lipstick launch was received well. Image courtesy of Gucci*

By channel, ecommerce has taken off, and now represents about 10 percent of total revenues. Online sales for the Luxury division were up 30 percent year-over-year.

Another bright spot was travel retail, which rose even though its supply chain was disrupted.

Across Coty, European and American sales fell by 10 percent as the company's mass consumer brands faced a challenging market. ALMEA sales were also down by 5 percent.

Coty is launching a turnaround plan aimed at establishing a path towards growth, which includes a new leadership structure.

Amid the changes that will be rolling out at Coty is the introduction of marketing leadership for each division. Simona Cattaneo, current chief marketing officer of Coty Luxury, will become president of luxury brands in January 2020 ([see story](#)).

"Our turnaround plan focuses on reshaping and simplifying our beauty business to generate fuel for growth and leverage the potential of our Consumer Beauty brands, while continuing to improve growth and margins in our Luxury and Professional Beauty divisions," said Pierre Laubies, CEO of Coty, in a statement. "Our plan will deliver gradually, but we expect dynamics to start changing as soon as this upcoming year, as reflected in our targets for FY20."

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