

FRAGRANCE AND PERSONAL CARE

Estee Lauder sees 13pc sales increase

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Sales in skin care grew across every region, led by Estee Lauder, La Mer and Clinique. Image credit: QVC

By LUXURY DAILY NEWS SERVICE

Beauty group Estee Lauder Companies has reported net sales of \$16.22 billion for its fiscal year ending June 30, 2021, up from \$14.29 billion in the prior-year period.

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The group saw sales growth across every region and in most product categories, reflecting the gradual reopening and recovery in physical retail stores in certain markets compared to the 2020 fiscal year when retail locations closed due to the COVID-19 pandemic. However, the group not only recovered from last year's losses, but exceeded its FY 2019 performance as well.

"We delivered outstanding results in fiscal 2021, capped by an exceptional fourth quarter and powered by our multiple engines of growth strategy as well as the timeless desirability of prestige beauty," said Fabrizio Freda, president and CEO of Estee Lauder Companies, in a statement. "Both sales and profitability meaningfully exceeded fiscal 2019 performance.

"Amid the challenges of the pandemic, we invested in near- and long-term growth opportunities and managed costs elsewhere with discipline, while making important progress on our social impact commitments and sustainability goals."

Growth in beauty

Skincare net sales grew across every region, led by Estee Lauder, La Mer and Clinique.

Estee Lauder delivered double-digit growth, reflecting growth in all regions, with significant strength in mainland China. It delivered double-digit growth in travel retail and online, driven by consumer demand for high-loyalty franchises, including Advanced Night Repair, Nutritious, Micro Essence, Revitalizing Supreme+ and Re-Nutriv.

Strong double-digit growth from La Mer was driven by significant strength among Chinese consumers in both mainland China and travel retail. Online also grew double digits globally.



Estée Lauder Futurist Hydra Rescue Moisturizing Makeup. Image credit: Estée Lauder

Interestingly, makeup net sales declined among nearly all brands, led by MAC and Clinique. These declines were partially offset by growth at Too Faced and La Mer.

The effects of COVID-19 disproportionately impacted makeup usage, particularly foundation and lip, in most markets. Makeup sales rose in the second half of the fiscal year in every region, reflecting the more advanced recovery in China and the easier comparisons to the second half of the prior year as COVID-19 spread globally.

According to Kyra Media's Gen Z State of Beauty Report, skincare has become a widely accepted signifier of personal wellbeing for the younger cohort, and is considered an essential method of self-care.

It ranked as the leading segment in the beauty category for Gen Z, with Dove as the top skincare brand, followed by CeraVe, Nivea and Olay.

Three-quarters of respondents claimed to have purchased a skincare product in the last three months, and a third of respondents claim to not wear makeup, focusing solely on skincare with an average of 3 products as part of their regular skincare regimen ([see story](#)).

Fragrance sales grew, largely due to increases from Jo Malone London, Tom Ford Beauty, Le Labo, Kilian Paris, certain designer fragrances and Editions de Parfums Frédéric Malle. Fragrance growth accelerated during the year driven by continued resilience in luxury fragrance during the pandemic as well as easier comparisons in the second half of the fiscal year.

Hair care net sales rose, primarily reflecting successful innovation at Aveda, including Botanical Repair and growth from existing product franchises, including Nutriplenish and Invati.

Aveda's online sales grew strong double digits, reflecting the brand's expanded online services which drove sales to the channel while many salons and freestanding stores were closed.