

FRAGRANCE AND PERSONAL CARE

Luxury fragrance sales push Coty past quarterly expectations

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Gucci and Burberry fueled strong growth within the luxury fragrance sector. Image credit: Gucci

By LUXURY DAILY NEWS SERVICE

Beauty group Coty has reported strong growth with a 22 percent increase in revenue during the first quarter of its 2022 fiscal year, ending September 30, 2021.

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Reporting a net revenue of \$1.3 billion, Coty saw a combination of strong brick-and-mortar growth and 23 percent growth in ecommerce, as well as continued growth within its luxury sector. Luxury fragrance sales increased strongly across nearly all brands, with particularly strong performance from Gucci, Burberry, Hugo Boss, Marc Jacobs and Chloe.

"Q1 marks the fifth consecutive quarter of Coty delivering results inline to ahead of expectations," said Sue Y. Nabi, CEO of **Coty**, in a statement.

"Importantly, our Q1 results exemplify the virtuous cycle that we have been working to create, where our strong topline performance coupled with sustained gross margin expansion and cost initiatives, fuel both profit expansion and targeted reinvestments to support future growth."

Luxury numbers

In Q1 2022, the company's luxury net revenue reached \$870 million, 63 percent of the group's sales and an increase of 35.1 percent compared to the same period last year.

During the quarter, U.S. luxury fragrance sell-out continued to generate robust growth, up by double-digits compared to 2020, with particularly strong performance from Burberry, Marc Jacobs, Gucci and Chlo.



American actor Adam Driver was the face of the Burberry Hero campaign. Image credit: Burberry

Recent releases such as Gucci Flora Gorgeous Gardenia and Burberry Hero are delivering strong early results.

In the EMEA region, luxury fragrance continues to improve as markets remain in reopening phases. Similar to the U.S., the EMEA region also benefited from very strong results of the recent fragrance launches.

In July, Coty announced a hands-free fragrance testing device, offering consumers a hygienic and innovative option for fragrance testing. Making the fragrance testing process less wasteful and overwhelming, the device will distribute a single droplet of liquid onto a consumer's arm or blotter ([see story](#)).

Despite a resurgence of COVID-19 during the quarter, China continued to deliver solid results, with revenue increasing almost 50 percent.

Coty continued to execute on its newest growth pillars: expanding its presence in luxury and premium skincare and cosmetics. Within cosmetics, Gucci generated triple-digit growth across many key markets including in the U.S. and China.

Luxury ecommerce sales increased by 21 percent, with growth across regions.

During the first quarter, Coty hired Constantin Sklaventis as its new chief prestige officer, who now oversees all of Coty's luxury brands ([see story](#)).