

FRAGRANCE AND PERSONAL CARE

Prestige portfolio propels Coty's Q3 sales

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Laura Harrier and Jacob Elordi star as the faces of Boss: The Scent in a new spot. Image credit: Hugo Boss

By LUXURY DAILY NEWS SERVICE

U.S. beauty group Coty saw double-digit sales growth in the third quarter of its 2022 fiscal year, with its prestige portfolio seeing acceleration.

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For the quarter ended March 31, net revenue exceeded expectations with increases of 15 percent on a reported basis and 19 percent on an organic like-for-like (LFL) basis. Coty's prestige segment saw year-over-year growth of 21 and 25 percent on a reported and LFL basis, respectively.

"Our market-leading Q3 LFL sales growth in both prestige and consumer beauty confirm that our decision to step up media investment during Q2 has proven to be the right one," said Sue Y. Nabi, CEO of **Coty**, in a statement.

"We maintained outstanding trends within our prestige fragrance business, even as we further reduced low-quality sales, as consumers globally continue to gravitate towards the fragrance category and our recent innovations continued to resonate with consumers," she said. "Meanwhile, we are as confident as ever regarding our expansion into prestige cosmetics, as Gucci Beauty, Burberry and Kylie continue to deliver great results with plenty of room ahead to further build out both distribution and the product portfolios.

Prestige push

Coty has reported \$1.186 billion in net revenues for Q3 2022 and \$4.136 billion in net revenues for the first nine months of fiscal year 2022. Prestige net revenues of \$726.4 million accounted for 61 percent of Coty's Q3 sales, up from 21 percent in Q3 2021.

Prestige fragrance sales jumped 20 percent y-o-y, with strong growth from Gucci Beauty, Chloe, Burberry and Hugo Boss. The latter two saw successful fragrance launches during Q3 with Burberry Her EDT and Hugo Boss The Scent Le Parfum, while Gucci Flora Gorgeous Gardenia and Burberry Hero continue to perform well.



Gucci Flora Gorgeous Gardenia remains a strong performer for Coty's prestige fragrance portfolio. Image credit: Gucci

Meanwhile, Gucci Beauty, along with Burberry and Kylie Cosmetics, propelled Coty's prestige cosmetics sales, which have nearly doubled in both Q3 and fiscal year y-o-y.

Regionally, the U.S. and Italy are the primary drivers of prestige fragrance growth. A strong performance in China stalled once COVID restrictions and lockdowns went into effect in March, but the group remains optimistic.

"Importantly, Coty's prestige business was once again the fastest-growing amongst the leading prestige beauty companies in China, with double-digit sell-out growth in a flat market backdrop," Ms. Nabi said.

Coty is continuing the premiumization of its prestige portfolio, including price increases. Its luxury category includes Burberry, Chloe, Gucci, Hugo Boss and Marc Jacobs.

Gucci Beauty recently launched a new video series in collaboration with *Vogue*.

"The Awakening" serves as a celebration of the Gucci Bloom fragrances as well as empowerment and creativity. The first installment starred brand ambassador and recording artist Florence Welch ([see story](#)).

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