

COMMERCE

Latest Este Lauder earnings show sales down 17pc, fragrance excels

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Despite an overall drop in net sales, some makeup brands in the conglomerate's portfolio showed double-digit growth. Image credit: Este Lauder Companies

By LUXURY DAILY NEWS SERVICE

U.S. beauty giant Este Lauder Companies is reporting \$4.62 billion in net sales for the quarter ending on Dec. 31, 2022, down from \$5.54 billion in the same period during 2021.

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Contributing factors include damaging impacts from foreign currency fluctuations, well as tourism and shipment restrictions placed on mainland China due to a COVID-19 spike toward the end of the year. Curbed bricks-and-mortar activity in China also factored in.

"We delivered on our expectations for the second quarter of fiscal 2023, despite the incremental pressure of COVID-19 in China in December," said Fabrizio Freda, president and CEO of **Este Lauder Companies**, in a statement.

"Many developed and emerging markets around the world outperformed to realize our organic sales growth outlook and, given disciplined expense management and moderation of the stronger U.S. dollar, we exceeded our adjusted diluted EPS outlook," Mr. Freda said. "Fragrance excelled globally, while Makeup prospered in a great number of markets, as our brands are realizing the promise of the category's renaissance as usage occasions resume."

Wins and losses

Sales are down 17 percent year-over-year for the beauty giant.

Across all geographic regions, net sales showed a decline, with Europe topping the list at a 17 percent net sales loss y-o-y.

Overall net sales of skincare and makeup decreased during the period as well, down 25 percent and 9 percent respectively.



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A post shared by Estee Lauder (@esteelauder)

Still, within each category, there were points of growth.

The Bobbi Brown skincare line produced net sales growth thanks to hero products like the Soothing Cleansing Oil.

Some makeup brands like MAC showed double-digit growth thanks hero products such as Powder Kiss Velvet Blur Slim Stick lipstick, and revenues generated during the 11.11 global shopping event.

Net sales of hair care rose by four percent, thanks to entities such as Aveda. Fragrance grew in every region, bolstered by lines Le Labo, Estee Lauder and the newly acquired Tom Ford Beauty.

In November of last year, Estee Lauder Cos. announced its plan to buy the latter beauty company and its 100 worldwide retail centers for \$2.8 billion ([see story](#)).

Fabrizio Freda, president and CEO of Estee Lauder Cos. remarked on the success of the brand in these categories, seemingly hinting at the fragrance boom currently taking place across the industry.

"Fragrance excelled globally, while makeup prospered in a great number of markets, as our brands are realizing the promise of the category's renaissance as usage occasions resume," Mr. Freda said, in a statement.

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