

COMMERCE

Global ecommerce growth up 20pc at Coty

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Luxury beauty is paving the company's path to success. Image credit: Coty

By LUXURY DAILY NEWS SERVICE

Sales at U.S. beauty group Coty are up worldwide.

The company reports earning net revenues of \$3.37 billion in the first six months of its FY24, up 14 percent year-over-year (y-o-y) on a like-for-like basis. Growth from its prestige beauty brands was largely responsible for the better-than-expected performance.

"The strength of our Q2 and first half results reinforce several of our convictions, including the attractiveness of the beauty market, the continuing momentum of the fragrance index, the power of our brands, Coty's transformed and industry-leading capabilities, our new ability to create blockbuster fragrance launches, and our disciplined financial execution," said Sue Nabi, CEO of Coty, in a statement.

"The momentum of the global beauty market in the midst of geopolitical and macroeconomic disruptions confirms that consumers continue to gravitate to and prioritize beauty as a fundamental pillar of their well-being," Ms. Nabi said. "Worldwide, consumers continue to purchase fragrances, cosmetics, skin and body care both as affordable luxuries and forms of self-expression.

"This is particularly true for mid to higher-income consumers, resulting in the continued outperformance of luxury beauty."

Beauty boost

Coty's performance continues a trend of outpaced analyst predictions ([see story](#)), with luxury beauty paving the path to success.

During the company's Q2 2024 quarter, which ended Dec. 31, 2023, it brought in \$1.73 billion across its prestige and consumer segments, up 11 percent y-o-y. Overall, EMEA was its strongest regional link, rising 16 percent y-o-y, a mark that represents nearly half of the quarterly draw.

Executives at Coty additionally shared that ecommerce was a standout growth driver in first half FY24, citing social media activations and close collaboration with digital vendors which worked to deliver to a more than 20 percent growth rate across its divisions.

Comprising 65 percent of all sales during this period, prestige specifically raked in \$1.12 billion during these three months, up 15 percent y-o-y. Coty says it has lasting momentum, especially in the Americas and Asia Pacific, as well as success on the travel retail front, to thank for this.

Prestige fragrance revenue grew 15 percent y-o-y, while global travel retail was “robust across all regions,” jumping more than 20 percent. Leaders state that the category’s retail partners exited the holidays with healthy inventory levels after experiencing solid consumer demand.

Its ultra-premium fragrance players such as Chlo’s Atelier des Fleurs fragrance collection also garnered increased sales interest, according to the quarterly report from Coty. Other leading prestige portfolio members include Hugo Boss, Calvin Klein, Gucci, Chlo, Marc Jacobs and Davidoff.

Prestige makeup was propelled to double-digit growth heights by Burberry and Gucci. The group’s skincare business, led by Lancaster and philosophy, received an honorable mention.

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