

COMMERCE

Luxury sales at L'Oral lag in Q1

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Dermatological Beauty products led the pack as the group bumped up advertising efforts across the board by a basis point increase of 100. Image credit: L'Oral

By LUXURY DAILY NEWS SERVICE

Beauty group L'Oral's Luxe portfolio is starting the year with a marginal growth stall.

For the period ended March 31, 2024, cross-divisional revenues are up nearly 10 percent like-for-like from Q1 2023. Landing at 11.25 billion euros overall, or \$11.9 billion at current exchange, the company is continuing to navigate a softening in global demand for its prestige products.

"2024 is off to a very good start with like-for-like growth of +9.4%, perfectly illustrating the power of our unique model," said Nicolas Hieronimus, CEO of L'Oral, in a statement.

"Continued double-digit growth in Europe, coupled with ongoing strength in emerging markets more than offset the only gradual recovery in North Asia," Mr. Hieronimus said. "The outstanding performances of dermatology and mass compensated the short-term challenges in luxury.

"In an environment that continues to be marked by economic and geopolitical tensions, we are optimistic about the outlook for the beauty market, and confident in our ability to keep outperforming it and to achieve another year of growth in sales and profit."

SUB

In the first quarter, L'Oral Luxe brought in 3.81 billion euros approximately \$4 billion in sales.

Like-for-like, this represents a year-over-year increase of 1.8 percent. The division grew by 6.5 percent y-o-y during the first three months of 2023.

Executives cite "an unfavorable comparison base in travel retail and sluggish market growth in mainland China" amongst challenges faced in Q1 2024.

PHOTO

For further context, L'Oral's Dermatological Beauty beauty division posted a 21.9 percent increase y-o-y this quarter.

The company's Consumer Products and Professional Products segments jumped 10.7 and 11.1 percent y-o-y respectively during the same term.

Among L'Oral Luxe's strongest performers were

"Our multipolar approach to beauty - from luxury to mass, professional to dermatological, in all channels, all price points, and all geographies - allows us to seize all growth opportunities and offset temporary points of softness," Mr. Hieronimus said, in a statement.

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