

COMMERCE

# Kering, L'Oral announce 50-year licensing agreement

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*The industry titans are moving forward together following the success of Yves Saint Laurent Beaut. Image credit: L'Oral*

By ZACH JAMES FOR LUXURY DAILY NEWS SERVICE

Beauty group **L'Oral** and French luxury conglomerate Kering are combining their talents at scale.

On Oct. 19, the duo announced a long-term strategic partnership, which will see the fragrance and cosmetics titan gain a 50-year exclusive license to create beauty and wellness products for Kering houses, including Gucci, Bottega Veneta and Balenciaga. Alongside the agreement, L'Oral Groupe has also acquired Anglo-French fragrance company Creed from Kering for 4 billion euros, or \$4.66 billion at current exchange, in cash; the deal is expected to close in the first half of next year.

"This strategic alliance marks a decisive step for Kering," said Luca de Meo, CEO of **Kering**, in a statement.

"Joining forces with the global leader in beauty, we will accelerate the development of fragrance and cosmetics for our major Houses, allowing them to achieve scale in this category and unlock their immense long-term potential, as did Yves Saint Laurent Beaut under L'Oral's stewardship," Mr. de Meo said. "Together, we will also venture into new frontiers of wellness, combining the unrivalled expertise of L'Oral with our unique luxury reach.

"This partnership allows us to focus on what defines us best: the creative power and desirability of our Houses."

## Next chapter

Kering Beaut was built upon Creed's foundations just a few years ago ([see story](#)); now, L'Oral has the option to purchase the entire division as part of the acquisition.

The leading makeup conglomerate is also set to begin development of Gucci cosmetics and fragrances following the end of the label's licensing agreement with U.S. beauty group Coty, which is expected to come to a close in 2028. Creation of Bottega Veneta's and Balenciaga's respective beauty products will kick-start following regulatory approval of the Creed transaction.



*Creed will serve as a key part of the L'Oral Luxe portfolio moving forward. Image credit: Kering*

"I am delighted to forge this long-term strategic alliance with one of the world's most prestigious, creative and visionary luxury groups," said Nicolas Hieronimus, CEO of L'Oral Groupe, in a statement.

"This partnership will further solidify our position as the world's [number one] luxury beauty company and allow us to explore new avenues in wellness together," Mr. Hieronimus said. "The addition of these extraordinary brands perfectly complements our existing portfolio and significantly expands our reach into new, dynamic segments of luxury beauty.

"Through Creed, we will establish ourselves as one of the leading players in the fast-growing niche fragrance market; Gucci, Bottega Veneta and Balenciaga are all exceptional couture brands with enormous potential for growth."

Together, Kering and L'Oral will create a dedicated strategic committee to oversee the partnership. Alongside this, the duo is also exploring business ventures outside of beauty, with plans to introduce "cutting-edge experiences and services" that combine their unique industry expertise.