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TOP 100

Ranking the World's Leading Companies



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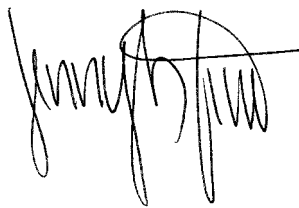
WHAT A DIFFERENCE a year makes. Just take a look at the 2021 WWD Beauty Top 100, our annual ranking of the world's largest beauty manufacturers by sales. After posting the first decline in Top 100 history in 2020, the industry roared back last year. Total sales for all 100 companies reached \$235.35 billion, an increase of 10.7 percent year-over-year, and a 3.4 percent uptick versus pre-pandemic 2019 levels. More than half of the companies that made the list exceeded their 2019 volume, including top-ranked L'Oréal, which accounted for 16.2 percent of total sales. In all, the ranking paints a picture of an industry that is rapidly changing and expanding, with a slew of new companies from China making their debut on the Top 100, and others that went public during the year. The full list starts on page 10.

While Coty didn't surpass its 2019 turnover, when the company still owned the Wella/Professional hair business, its performance was nevertheless superb, as it rose from number 14 to number 10 in the rank under the leadership of chief executive officer Sue Nabi.

For Coty, it doesn't mark a comeback as much as it does a reinvention. Nabi, a beauty industry veteran who was a senior executive at L'Oréal before leaving to start the skin care brand Orveda, has brought consistency, focus and a very clear vision for the future to a business that had been floundering for years. "The world of beauty is about being different," she told WWD's European beauty editor, Jennifer Weil. "If you look different, do different things — language, product, presentation — then you can command the price you want, because you are unique. Uniqueness has no price."

A brand strategist at heart who is said to be an equally adept operator and well-respected leader, Nabi has quickly reoriented the enterprise, focusing on building out high-growth categories like skin care and doubling down on the company's business in China. So far, Wall Street likes what it sees. Coty's stock price has almost doubled in the year since Nabi took the reins — and she's just getting started. To discover what Coty's future holds, turn to "A Clear Path Forward" on page 30.

No doubt, the journey will be difficult and there will be hurdles along the way. But as triathlete Marie-Pierre Stark-Flora, another industry veteran-turned-entrepreneur, knows, there is opportunity in challenge, whether you're building a business or competing in a five-day extreme race in the Sahara. "You have to be ready for absolutely anything," she told me in "Going the Distance" on page 34, "and believe in yourself and trust in others."



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PROJECT INSPIRE

For Olay's Stephanie Headley, the secret to winning in skin care lies in empowering consumers to put their best face forward.

BY TARA DONALDSON

OLAY HAS A new leader at its helm and she's on a mission to see the skin care brand inside everyone's medicine cabinet.

Stephanie Headley, P&G's senior vice president and brand franchise leader of Olay and North America Skincare (which puts DermaGeek and Native under her purview, too), may be newly titled but she's a veteran at the organization. She's spent more than 20 years driving a more inclusive definition of beauty for both the business and the industry at large. Now, she takes the helm as the first Black woman and first woman of color in the role.

Having seen her grandmother apply Olay Pink Beauty Fluid as a child, Headley is channeling both her near and distant past to drive one of skin care's largest global brands forward into a fresh future. Here, Beauty Inc sits with the leader to learn what makes her tick, how inclusive beauty manifests under her watch and her thoughts on the state of skin care.

How are things looking from your current perch in this new role within P&G?

Well, I think of it as being able to do things on a much larger scale. When I think about the purpose of Olay, we want to inspire each and every woman to have the confidence to be fearless to face anything. I really take that to heart. I believe in that purpose and I try to bring it to life in everything we do as she selects her skin care, so that she's more confident to face her day, and really confident to face her life.

We've done a lot of work already to make sure that every jar in the jar bar, like vitamin C, which is our latest, has the best ingredients. We know that women are searching for what ingredients are right for them and we want to bring them the best ingredients with great quality, perfect craftsmanship and at a great value, so I'm really looking forward to continuing to do that.

We also know it's super important for consumers to see themselves in the brand and the brand reflects their values, so I'm excited to continue to tell stories that reflect the consumers we want to serve, the women in front of and behind the camera. We partner with the



Stephanie Headley

Queen Collective [a short film mentoring and development program], Free the Bid [a nonprofit initiative advocating on behalf of women directors for equal opportunities] and other organizations to make sure that we're inclusive of women directors, that we're putting women of color in front of and behind the camera, so I'm really excited about those opportunities.

We [also] want to double the number of women of color who are pursuing STEM [science, technology, engineering and math] fields. Science matters and there's a lot of science in every one of these jars. We want to continue to give more women the opportunity to pursue careers in STEM and close that STEM gap by 2030. [The gap is that women hold only 24 percent of these roles, according to Olay.] So, from this position and from this role, I'm just over the moon excited about the opportunity to make a lot of progress in all of those areas.

What's your assessment of the skin care category overall and Olay's place in that universe?

It's always an exciting time in skin care and what a unique opportunity we're facing right now. We're reemerging from the pandemic. We have actually picked up some new habits of skin care being self care. We've changed the way that we're shopping for skin care. We know that Gen Z consumers have an insatiable appetite for how products work, what's right for their skin and science. All of that is setting Olay up to be the perfect brand of choice.

You still refer to your consumer with she/her pronouns — how is Olay embracing inclusivity in that area?

What we've found is about 10 percent of our consumers are men and not women, or nonbinary. So we want all people to feel that they can ►



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be fearless to face anything, but the legacy of this brand has been to serve women and we want to continue to advance that narrative, to be inclusive.

We've also done inclusion in other ways, for example, with our new, easy-to-open lid for people with disabilities that includes braille. Our brands are continuing to evolve to reflect the values and the consumers we want to serve.

Black women have been left out of skin care conversations and product targeting for so long — how do you ensure this doesn't continue to happen?

For me, and for this organization, inclusion and belonging is a core value, it's core to who we are and it's how we do our work. In part of the innovation program, I talk about vitamin C a lot because this was actually designed for women of color and was designed by Dr. Markaisa Black, who is a woman of color who's a scientist.

This is where not only do we have our commitments externally, which are great, but it's also important to underscore that we live this way, we walk the talk when we have women like Dr. Black formulate products for women of color. We know that women of color, women who didn't fit the prototypical standard of beauty, have been excluded from the beauty industry and I do take it personal that Olay has a role to lead that positive change in the industry to be more inclusive, to represent women of color as creators, as scientists, as innovators, as leaders, as brand builders. Olay has done a tremendous amount of work — we know there's plenty more to go, but it's an important role that we play for the beauty industry.

In September, we did a program with Dr. Joy Buolamwini called "Decode the Bias" because we found that while women of color are 40 percent of the female population, they're only 20 percent of the images we see because algorithms have coded in the bias that perpetuates a very narrow standard of beauty. So with her, we partnered to send 1,200 girls to code camp so that we can code in inclusion.

Where does Olay have the most opportunity to grow?

We have tremendous opportunity to grow. We have high-quality formulas perfectly crafted to work with women's skin and we want to serve all consumers where and how they want to buy. This is perfectly positioning Olay to continue to serve more people and give them confidence to face anything. We saw in the pandemic consumers shifted online and so now we're better able to serve consumers with the perfect regimen just for them at Olay.com when they take the Skin Advisor quiz. So, there is tremendous growth ahead by responding to how consumers are telling us they want to shop and what's right for them.

Olay has taken an ingredients-first approach to formulas.



What are your top three strategic priorities for the year ahead, and what would make you feel most accomplished in your new role?

The work and the strategic choices led by Chris Heiert [who's now heading P&G's new specialty beauty division] over the last five years have really been proven to grow Olay and have created a perfect foundation for me.

My plan is to continue to serve more consumers, building on that fantastic foundation and I want to inspire more women to be fearless to face anything, I want to tell more compelling stories, create more powerful products with ingredients that women can trust really work for their skin.

I think to feel most accomplished is that every young woman is selecting Olay as their go-to brand as they're building their skin care routine so that their confidence is really emanating.... That's the change that I want to make. Whether that's a young woman choosing to be a scientist or an engineer or a woman taking on her first job, I want to make sure that our products are giving women the confidence that they can show up as their full selves.

Among other accolades, you've been recognized as one of Ebony's Power 100, which only goes to those who are really leading in their field. What did that feel like?

Oh, that was an amazing recognition. I grew up with Ebony magazines in my home and I would read those stories and it really broadened my world on what was possible for me. I have continued to have this passion to go see the world, explore the world and continue to stretch myself on what is possible for me. So, to be recognized by the institution of Ebony is just amazing and this is work that I am passionate about, it's the work that I'm excited and proud to do and I take seriously as my responsibility to continue to advance the cause, so those who come behind me can go further and faster than I have.

Speaking of seeing the world, you're a traveler at heart — where's your favorite place?

And where's next on the list?

Rome is the favorite place. So I'm super eager to get back into Italy and back to Rome. I would love to also spend some time in Greece — that's next on the list — and maybe Portugal, too.

What's something most people don't know about you?

Most people don't know that I actually started my professional career as a math teacher. I was a math major, secondary ed, got certified to teach, went to University of Richmond undergrad and I had — and I still actually have — an insatiable passion for helping people to learn. I didn't recognize it at the time or just didn't take much notice that I was a woman of color pursuing STEM and very few of my professors were women — I can think of only one — and there were no women of color professors at the time in the university.

[It has]...even more meaning as Olay now pursues STEM and the importance of representation, that young women can see women who look like them pursuing STEM careers. What we find is that as girls get to middle and high school ages, they have less confidence about STEM as a career because they just get positive reinforcement in other areas. We want to debunk that and give more representation for these young girls. We've spent about \$2 million in scholarships and mentoring programs to advance our STEM ambition and it's come full circle for me.

I understand you have a podcast in the works. When can we expect it and what can we expect from it?

It is under development and it's really about leading from a woman of color's perspective. The shorthand I've given it is kind of my "Dilbert" [an American comic strip known for its satirical office humor] experience. I think it's because, in a lot of cases, my ability to be here at P&G at this time and to lead North America Skin, is just a representation of the many people I've met, the many mentors, the sponsors and just the fun office tales, so I just wanted to find a fun way to share what I've learned with others.

What's one dream you have yet to accomplish?

One dream I would love to have is actually to be able to interview an amazing panel of women who've been transformative and who've had these unique stories, because as I've gotten older I have more appreciation for the women who've been the first. I would love to have either a dinner or a podcast or a book that collects the stories of the women who were the first, because now I recognize more than ever how courageous, how brave, how impactful and destined they actually were, and I would just love to soak that in and learn and be able to share that with others. ■

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A NEW WORLD FOR BEAUTY BOLOGNA, HONG KONG, LAS VEGAS, MUMBAI, BANGKOK

SOLID FOUNDATIONS

A new crop of concealing and perfecting products are coming to market as makeup reignites.

BY JAMES MANSO

Makeup brands are putting on a new face for the category's comeback, with foundations and concealers seeing a surge of launch activity. "Brands are looking at shades," said Jennifer Stansbury, cofounder of the Benchmarking Co. "That, in some part, has been driven by more discussion about diversity and consumers of every type." Here, the freshest launches.

1. ZARA BEAUTY SKIN LOVE, \$19.90.

The fashion giant's first foundation has 51 shades with three undertones, and a kabuki foundation brush to buff out.

2. BENEFIT COSMETICS BOI-ING BRIGHT ON CONCEALER, \$24.

Combining vitamin C, red algae extract and pearl pigments, this delivers hydration and coverage for eight hours.

3. THREAD BEAUTY FACE IT COMPLEXION STICK, \$8.

The latest line from Lip Bar mastermind Melissa Butler, Thread Beauty is designed for peak play, including these face sticks available in 24 shades.

4. DIOR FOREVER SKIN GLOW FOUNDATION, \$52.

Forty-two shades, 86 percent skin care ingredients. Dior's new foundation uses extracts of iris, hibiscus and wild pansy to boost hydration and prevent oxidation.

5. DANESSA MYRICKS BEAUTY YUMMY SKIN SERUM FOUNDATION, \$34.

This good-for-you hybrid has refillable packaging, a slew of antioxidants and a 26-strong shade range.

6. JILLIAN DEMPSEY SPOT STICK CONCEALER, \$32.

In her first venture into complexion, makeup artist Jillian Dempsey formulated with sunflower seed oil and vitamin E to nurture skin.

7. AMI COLÉ SKIN MELT LOOSE POWDER, \$22.

For Ami Colé's first powder, founder Diarra N'Diaye used baobab seed extract and hyaluronic acid for a glowy finish.

8. KOSAS REVEALER SKIN-IMPROVING FOUNDATION, \$42.

Capitalizing on the popularity of its concealer, Kosas created 36 shades of a full-face alternative with a formula that includes arnica, squalane, niacinamide and caffeine.

9. CLÉ DE PEAU RADIANT CREAM FOUNDATION, \$130.

Available in 31 shades and four different undertones, this contains light enhancers for a lit-from-within look.





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BEAUTY IS BACK.

THE 2021 WWD BEAUTY INC TOP 100 TELLS A

story of an industry that has rebounded from the coronavirus pandemic, with overall sales surpassing 2019 pre-COVID-19 levels.

Total sales for all 100 companies reached \$235.35 billion, an increase of 10.7% year-over-year and up 3.4% on a two-year stack. L'Oréal accounted for 16.2% of total sales — an increase of 1.2 percentage points compared with 2020 and 1.5 percentage points since 2019. The top 10 companies overall generated sales of \$137.96 billion, or 58.6% of total Top 100 revenues, an increase of 1 percentage point compared with both 2020 and 2019.

Of the companies in this year's ranking, 54% saw their sales increase both year-over-year and compared with pre-pandemic levels. Another 25% registered year-over-year gains, but still had sales that were down on 2019. Some 13 companies saw declines over both years.

Looking back 20 years — to the second year the Top 100 was published — sales for the world's 100 leading beauty companies have grown by an aggregate rate of 153%, while L'Oréal — the world's number one then as now — has nearly tripled its revenues. In 2001, it registered sales of \$11.99 billion. While there have been minimal fluctuations at the top of the ranking, only around 40 players that featured in 2001 are still in this year's issue. Others have been snapped up, often by their larger rivals, overtaken by faster-growing players or disappeared from the list of beauty majors altogether.

To present a snapshot of what's been going on in beauty over the past year, we took a closer look at some of the trends that stood out among the top 100 beauty players for 2021:

THE SPECTACULAR RISE OF FRAGRANCE, which took many in the industry by surprise, more than reversing the trend of the prior year, when fragrance was the hardest-hit category by the pandemic. Growth was led by increased uptake in China and explosive sales in the U.S.

MORE BROADLY, LUXURY PLAYERS PERFORMED WELL. Companies including Chanel, Puig, Sisley and Hermès all exceeded their 2019 sales.

MAKEUP CONTINUED TO SUFFER, but is beginning to show signs of a turnaround, notably in mass, and certain companies are bucking the down trend with TikTok-savvy strategies tapping into young consumer mind-sets. E.l.f. Beauty continued to do well, and U.K.-based fast-beauty player Revolution Beauty made its entry into the Top 100 for the first time thanks to a major increase in sales. Among larger firms, Coty, which had been struggling for years due to the weight of its mass makeup business, made significant inroads in turning the business around under CEO Sue Nabi.

HIGH-END HAIR CARE GAINED GROUND, with players like Olaplex and Luxury Brand Partners reporting significant gains. The Estée Lauder Cos.' hair care sales were up by an estimated 20%, and Wella's salon hair business gained 25%. Professional hair care was a bright spot in Henkel's portfolio for the year, and Kao saw substantial gains in the salon channel and a strong performance from luxury brand Orbe online.

2021 WAS THE YEAR OF THE BEAUTY SPIN-OFF. Beauty companies took stock during the pandemic, and are rightsizing or honing their portfolios. Shiseido sold off both its U.S. makeup business and its personal care activity in Asia, creating two major new players that took places in the Top 100 in their own right.

IT WAS ANOTHER STRONG YEAR FOR BEAUTY IPOs. Olaplex floated in September in one of beauty's biggest IPOs, valuing the company at more than \$15 billion. Another fast-growing player, the U.K.'s Revolution Beauty, was listed in London.

WHILE THERE ARE SIGNS SUGGESTING the boom in China is slowing for beauty, the country's crop of fast-moving beauty players continue to shake things up. New Top 100 entrants this year include Chicmax, which operates the Kans and One Leaf brands and is reportedly plotting an IPO for this year, and Bloomage Biotechnology Corp., a specialist in hyaluronic acid production that saw its branded beauty sales soar over the past year. The stakes are high, however — while Yatsen, which floated in 2020, continues to grow its topline, it has struggled with profitability, and its share price has tanked over the past year, from a high of \$24.55 in February 2021 to just 69 cents on March 31, 2022.

AMONG THE BIGGEST DECLINERS, Japanese companies have suffered multiple setbacks due to the lack of international travelers to the country, who had provided a significant boost to beauty sales in recent years, an ongoing morose economic climate and consumers staying home due to lockdown measures. Shiseido is not the only Japanese player streamlining its portfolio as a result. Domestic rival Kao is also shedding non-core assets.

WHILE SOCIAL SELLING CONTINUED TO BE A BUZZWORD, many direct sellers struggled. Oriflame said not being able to hold training sessions for its representatives hampered sales, and Groupe Rocher also suffered. Tupperware Brands, a long-standing Top 100 player, exited the ranking. The company is scaling down its beauty activity, planning to sell off all but its NaturCare brand. In a similar move early this year, Germany's Vorwerk sold off the majority of its Jafra operations to Betterware. Natura&Co. is in the midst of a turnaround plan for Avon's operations. Even among more digitally minded labels, all is not rosy. Alcora Corp., for example, which posted a major sales increase in 2020, saw its revenues drop significantly last year.

NEWER PLAYERS CONTINUED TO GAIN TRACTION. This year's Top 100 features eight new companies. These range from carveouts like Victoria's Secret, Fine Today Shiseido and Orveon, fast-growing newbies including Oddity, best known for its Il Makiage label, and Revolution Beauty, and contract manufacturers or formulators that have been flexing their muscles in the branded beauty space, like Bloomage and Maesa.

OUR METHODOLOGY

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CHARTS COMPILED
BY **ALEX WYNNE**

THE WWD BEAUTY INC TOP 100 ranks the world's largest beauty manufacturers. Firms are arranged by their beauty sales for the 2021 calendar year. For those companies whose fiscal year did not run from Jan. 1 to Dec. 31, 2021, estimates were calculated. All sales figures were either obtained from the companies or generated with the help of industry sources, indicated by (EST.) in the ranking.

For this list, "beauty" includes fragrance, makeup, skin care, body care, sun care, hair care, deodorant, plus cellulite and shaving products. It does not take into account bar soaps, razors, toothpastes, food and diet foods, medicines, vitamins, detergents or appliances. The revenues only include sales of beauty products each firm manufactures and do not include business from private-label lines or products distributed for other companies. Information in the main brands section reflects each company's holdings in 2021.

Year-over-year percentage changes are in reported terms, not on a like-for-like or constant-currency basis. Due to the exceptional situation generated by the COVID-19 pandemic in 2020, percentage changes on a two-year stack were also included in this year's ranking. Non-U.S.-based firms' sales are converted into dollars, according to the 2021 average yearly exchange rate.*

*CURRENCY CONVERSIONS: Sales figures in non-U.S. currencies were converted to the dollar using the following 2021 average exchange rates from Oanda.com:

€1=\$1.182948; ¥1=\$0.009112; £1=\$1.375399; 1 KRW=\$0.000873;
1 Ruble=\$0.013569; R\$1=\$0.185509; 1 CNY=\$0.15496; 1
Rupee=\$0.013516; 1 SFr=\$1.093948; 1 HK\$=\$0.128649.

BY THE NUMBERS

THE TOP 100 AT A GLANCE

TOP 10 SALES GAINS VS. 2020*

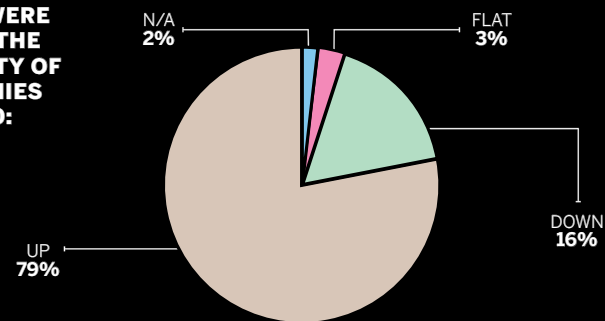
#65. Bloomage Bio-technology Corporation Ltd.	+146.6% (EST.)
#57. Olaplex	+112% (EST.)
#92. Oddity	+95.6% (EST.)
#99. Maesa	+78% (EST.)
#19. Puig	+72.4% (EST.)
#40. Inter Parfums Inc.	+63.2%
#68. Hermès International	+46.4%
#54. Euroitalia	+45% (EST.)
#93 Revolution Beauty Group	+40% (EST.)
#98. Alfaparf	+37%

TOP 10 SALES DECLINES VS. 2020*

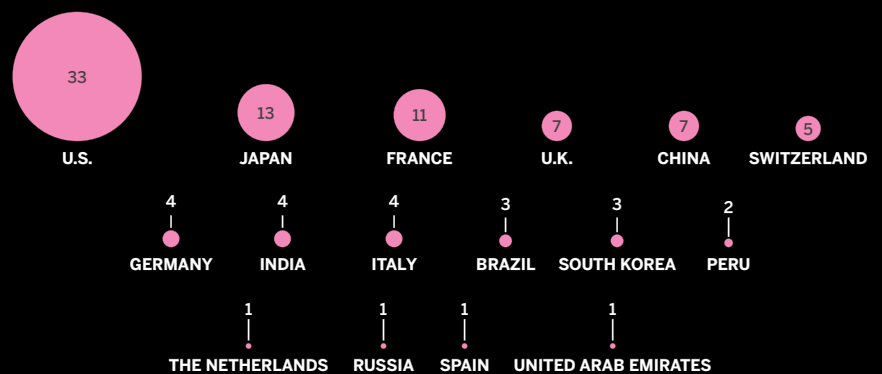
-21.5% (EST.)	#84. Lion Corp.
-17.6% (EST.)	#70. Markwins Beauty Brands
-17.3% (EST.)	#79. Guthy-Renker
-16.6% (EST.)	#86. Jafra Cosmetics International
-15.5% (EST.)	#55. Alcora Corp.
-13.6% (EST.)	#100. Able C&C
-13.2% (EST.)	#73. Nippon Menard Cosmetic Co.
-13% (EST.)	#37. Oriflame Holding
-12.5% (EST.)	#80. Forma Brands
-10% (EST.)	#64. Mandom Corp.

*Including the impact of structural changes in scope, e.g. M&A activity.

SALES WERE UP FOR THE MAJORITY OF COMPANIES VS. 2020:



BY COUNTRY



COVERGIRL®

EASY BREEZY BEAUTIFUL

NEW CLEAN FRESH SKINCARE

up to **72 HOURS**
of *GLOWING*
HYDRATION
with **HYALURONIC ACID**



THE PLAYERS

NEARLY HALF (48) of the companies in the WWD Beauty Inc Top 100 are public companies, and 2021 was an exceptionally busy year for beauty on the world's stock markets. It saw fast-growing brand Olaplex — majority owned by Advent International — float on the New York Stock Exchange in September in one of beauty's biggest IPOs, valuing the company at more than \$15 billion. Fast-beauty firm Revolution Beauty was listed in London, and L Brands was split into two publicly listed firms, Bath & Body Works and Victoria's Secret. For the charts in this section, we analyzed publicly available financial data to see which companies performed best in a variety of areas.

- Able C&C
- Amorepacific Group/Corp.
- Bath & Body Works
- Beiersdorf
- Bloomage Biotechnology Corporation Ltd.
- Clorox Co.
- Colgate-Palmolive Co.
- Compagnie Financière Richemont
- Coty Inc.
- Dabur India
- E.l.f. Beauty
- Edgewell Personal Care
- Emami Ltd.
- The Estée Lauder Cos.
- Fancl Corp.
- Guangdong Marubi Bio-technology Co.
- Godrej Consumer Products Ltd.
- Henkel
- Hermès International
- Inter Parfums Inc.
- Johnson & Johnson
- Kao Corp.
- Kosé Corp.
- LG Household & Healthcare
- Lion Corp.
- LVMH Moët Hennessy Louis Vuitton
- L'Occitane International
- L'Oréal
- Mandom Corp.
- Marico Ltd.
- Milbon Co. Ltd.
- Natura & Co.
- Noevir Holdings
- Nu Skin Enterprises Inc.
- Olaplex
- Pola Orbis Holdings
- Procter & Gamble Co.
- Proya Cosmetics Co. Ltd.
- PZ Cossons
- Reckitt Benckiser
- Revlon
- Revolution Beauty
- Shanghai Jahwa United Co. Ltd.
- Shiseido Co.
- Unilever
- Victoria's Secret
- Walgreens Boots Alliance
- Yatsen Holding Ltd.

1

**L'ORÉAL
CLICHY, FRANCE**

2021 BEAUTY SALES:
\$38.19 BILLION
€32.28 BILLION
+15.3% VS. 2020
+8.1% VS. 2019

MAIN BRANDS:

CONSUMER PRODUCTS: **L'Oréal Paris, Garnier, Maybelline New York, NYX Professional Makeup, StyleNanda, Essie, Mixa, Dark & Lovely.**

L'ORÉAL LUXE: **Lancôme, Yves Saint Laurent, Giorgio Armani, Kiehl's, Helena Rubinstein, Biotherm, Shu Uemura, It Cosmetics, Ralph Lauren, Urban Decay, Mugler, Valentino, Viktor & Rolf, Azzaro, Prada, Diesel, Atelier Cologne.**

PROFESSIONAL PRODUCTS: **L'Oréal Professionnel, Redken, Kérastase, Matrix, Pureology, Pulp Riot.** ACTIVE COSMETICS: **La Roche-Posay, Vichy, SkinCeuticals, CeraVe.**

KEY FINANCIALS:

LIKE-FOR-LIKE SALES: **+16.1% vs. 2020**
OPERATING PROFIT: **€6.16 billion, +18.3%**
NET PROFIT: **€4.6 billion, +29%**

SALES BY DIVISION:

PROFESSIONAL PRODUCTS: **€3.78 billion, +22.2% (+24.8% like-for-like)**
CONSUMER PRODUCTS: **€12.23 billion, +4.5% (+5.6% like-for-like)**
L'ORÉAL LUXE: **€12.35 billion, +21.3% (+20.9% like-for-like)**
ACTIVE COSMETICS: **€3.92 billion, +30.3% (+31.8% like-for-like)**

SALES BY GEOGRAPHIC ZONE:

EUROPE: **€10.18 billion, +10.7% (+10.1% like-for-like)**
NORTH AMERICA: **€8.16 billion, +18.1% (+22.2% like-for-like)**
NORTH ASIA: **€9.86 billion, +18.6% (+17.6% like-for-like)**
SAPMENA [SOUTH ASIA PACIFIC, MIDDLE EAST, NORTH AFRICA]: **€2.19 billion, +9.4% (+13.8% like-for-like)**
SSA [SUB-SAHARAN AFRICA]: **€119.5 million, +23.2% (+17.2% like-for-like)**
LATIN AMERICA: **€1.77 billion, +20.6% (+20.6% like-for-like).**

BIGGEST MARKETS: The U.S., China and France.

• **IN WHAT CHIEF** executive officer Nicolas Hieronimus — in his first year as leader of the world's largest beauty company — described as a “grand slam,” L'Oréal claims to have grown twice as fast as the overall beauty market, with gains in all zones, divisions and product categories. The strength of the U.S. market and North Asia, especially China, coupled with the growth of luxury, were major sales drivers. In Europe, L'Oréal gained significant market share and saw its sales return to pre-pandemic levels.

For the L'Oréal Luxe division — which became the company's largest in 2021 — fragrance was particularly strong, and the company gained market share in North Asia and performed well in Europe. In North America, following the restructuring of distribution, sales began to accelerate once more, L'Oréal said. It gained market share in all of its categories, and consolidated its leadership in fragrance, driven by established lines like Libre by Yves Saint Laurent and launches including Alien Goddess by Mugler and Luna Rossa Ocean from Prada. Skin care was driven by ultra-premium lines Lancôme Absolué and Helena Rubinstein, and antiaging innovations including Kiehl's Retinol Skin-Renewing Daily Micro-Dose Serum. In makeup, which remained less dynamic, Lancôme and Shu Uemura performed well.

Consumer Products performed well in makeup. Momentum was strong in the U.S. and markets including India, Brazil, Mexico and Indonesia. Growth in all zones, and especially in emerging markets, was driven by e-commerce development. Sky High mascara was reportedly Maybelline's most successful launch, and premium innovations in hair care also did well. L'Oréal Paris surpassed 6 billion euros in annual sales and strengthened its position as the world's number-one beauty brand.

Active Cosmetics continued to outperform, and has doubled its size over the past four years. With growth in all zones, the division performed especially well in North America and North Asia.

Professional Products ramped up its omnichannel activity. Its strongest gains came from the U.S. and mainland China. Kérastase was boosted by new line Curl Manifesto, and L'Oréal Professionnel and Redken also did well. Matrix rebranded, aiming to broaden its appeal with a more diverse consumer base. Omar Hajeri was named president of the division in March 2021.

In mainland China, the company recorded overall like-for-like growth of more than 50% in the fourth quarter on a two-year stink, breaking records during the Singles' Day festival on Tmall, it said. While L'Oréal remains optimistic about the long-term potential of the Chinese market, it admitted that growth had slowed in the second half of the year.

In June, the company said it would merge its reporting entities to create a new Europe zone, grouping together its Eastern and Western European operations that were previously run separately. The new zone is headed by Vianney Derville, formerly head of the Western Europe activity, and follows the retirement of Eastern Europe head Alexandre Popoff. The company said the move was the final step in its restructuring of its regional organization initiated in late 2020 to offer greater coherence to each zone in terms of consumer behavior and market maturity.

E-commerce represented 28.9% of sales for the year, and grew 25.7% on a like-for-like basis.

Key executive news included the appointment of David Greenberg as CEO of L'Oréal USA, following the abrupt departure of Stéphane Rinderknech in March of this year. Asmita Dubey was named chief digital officer in April last year, following the departure of Lubomira Rochet.

Tech-wise, the company partnered with Israel-based Breezometer on a multiyear partnership to develop a beauty-driven exposome platform, and with Clue, an app that tracks menstrual cycles, to better understand the links between skin health and hormonal changes. Armani Beauty launched Face Maestro, an AI-powered digital service designed to give personalized product recommendations like a makeup artist would. Digitalizing the point-of-sale is also an area of focus, and in January, L'Oréal signed a partnership with health tech player Verily to help better understand and characterize skin and hair aging mechanisms.

In December, L'Oréal acquired Youth to the People, a California-based skin care brand with products built around superfood ingredients, for an undisclosed sum. The brand was expected to do \$50 million in sales in 2021. L'Oréal also took a minority stake in Swiss company Gjosa, which offers water-savings solutions and has been partnering with L'Oréal since 2015, notably on the L'Oréal Water Saver shower head.

On the sustainability front, L'Oréal announced that by ramping up green chemistry, 95% of the ingredients it uses will come from renewable plant sources, minerals or circular processes, and all formulas will be conceived to respect aquatic environments by 2030.

L'Oréal USA announced that all of its manufacturing, distribution, administrative and research and innovation facilities are now carbon neutral for scope one and scope two emissions. The achievement is a major step on the road to all of its sites worldwide reaching carbon neutrality by 2025, a key goal announced in its 2020 plans.

The company was a founding member of the Eco Beauty Score Consortium, a new coalition of beauty conglomerates aiming to rank the sustainability of their beauty products. Henkel, Natura & Co., L'Oréal, LVMH Moët Hennessy Louis Vuitton and Unilever all joined forces to create a scorecard for beauty manufacturers to rank the environmental impacts of their products.

Nestlé, L'Oréal's second-largest shareholder after the Bettencourt Meyers family, announced it was reducing its stake to 20.1%, from 23.2% previously. L'Oréal is buying back the shares, which represent 4% of its capital, before cancelling them by Aug. 29, 2022. The news was met positively on financial markets, and is expected to help optimize L'Oréal's balance sheet.

2

**UNILEVER
LONDON**

2021 BEAUTY SALES:
\$23.82 BILLION (EST.)
€20.14 BILLION (EST.)
+ 3.7% VS. 2020 (EST.)
+0.2% VS. 2019 (EST.)

MAIN BRANDS:

AHC, Axe/ Lynx, Clear, Dollar Shave Club, Dove, Men+Care, Lifebuoy, Love Beauty and Planet, Lux, Nexxus, Pond's, Rexona/Sure/Degree, Schmidt's Naturals, Shea Moisture, Simple, Skinsei, St. Ives, Suave, Sunsilks/Seda/Sedal, Tigi, TRESemmé, Vaseline, The Right to Shower, Unilever Prestige: Dermologica, Garancia, Hourglass, Kate Somerville, Living Proof, Murad, Paula's Choice, Ren Clean Skincare, Tatcha.

KEY FINANCIALS:

BEAUTY & PERSONAL CARE DIVISION REVENUES: **€21.9 billion, +3.7% vs. 2020, +0.1% vs. 2019**
(underlying sales growth vs. 2020: **3.8%**, underlying volume growth: **0.8%**)

DIVISION OPERATING PROFIT: **€4.47 billion, +3.7% vs. 2020**

TOTAL COMPANY REVENUES: **€52.44 billion, +3.4% vs. 2020**

OPERATING PROFIT: **€8.7 billion, +4.8% vs. 2020**

NET PROFIT: **€6.6 billion, +9% vs. 2020**

• **THE RECENT PAST** has been tumultuous for Unilever.

The consumer-goods giant started 2022 with a failed bid to take over GlaxoSmithKline's consumer health care arm, triggering a share-price collapse, and subsequently said it would shake up its corporate structure, dividing the business into five category-focused divisions, which among other changes will see its Beauty & Personal Care activity split into two entities, Beauty & Wellbeing, and Personal Care, respectively. The new organization is intended to help Unilever move away from a “matrix structure” and become simpler and more category focused. Each business group will be responsible for its strategy, growth and profit delivery globally.

Sunny Jain, who took on the top beauty job at Unilever in 2019 and helped it to navigate the pandemic, is leaving to set up an investment fund. His position is being eliminated, and was announced alongside the broad swathe of organizational shifts this January. Senior management roles will be reduced by 15% and more junior management roles by around 5%, resulting in a headcount reduction of around 1,500 globally.

With the shake-up — which Unilever says was a year in the making — Fernando Fernandez, executive vice president of Unilever Latin America, will become president of Beauty & Wellbeing, including Unilever Prestige. Fabian Garcia, president of the firm's North American arm, becomes president of Personal Care, responsible for skin cleansing, deodorants and oral care. The changes were effective from April 1.

The Elida group of personal care brands, including Q-Tips, Caress, Tigi, Timotei, Impulse and Monsavon, will report into the new Personal Care arm. Unilever had originally planned to sell the cluster of brands, which had combined revenues of around €600 million in 2020, but has now said it can create more value if it manages Elida as an independent unit within the overall business.

Operations-wise in 2021, prestige beauty saw double-digit growth. Deodorants grew well, and skin care saw high single-digit gains while hair care was up in the mid-single digits.

Dove became Unilever's first brand to reach €5 billion in sales. The brand continued to advocate in the U.S. against race-based hair discrimination with the CROWN Coalition.

Within prestige beauty, all brands benefited from e-commerce growth and a recovery in brick-and-mortar. The prestige brands did more than half of their sales online last year, according to Unilever — well above the market average. Unilever is now targeting €3 billion in revenues for its prestige business in the next few years, it said, without giving a specific time frame. Last year, it expanded the division with the acquisition of skin care brand Paula's Choice, founded in 1995 by Paula Begoun. The brand had estimated sales of \$220 million in 2020.

The Degree deodorant brand (also known as Rexona and Sure) ramped up inclusivity initiatives, launching the #TrainersForHire campaign calling for greater representation of people with disabilities in the fitness industry. It also debuted Degree Inclusive, a product concept intended to be easier to use for people with upper limb disabilities and visual impairment.

The company unveiled the Unilever Compass, a strategy focused on sustainable growth with five pillars — developing Unilever's portfolio in high-growth spaces; winning with brands as a force for good powered by purpose and innovation; accelerating in the U.S., India, China and other key growth markets; leading in the channels of the future, and creating a purpose-led, future-fit organization and growth culture.

For the beauty business specifically, March 2021 saw the introduction of the Positive Beauty for People and Planet strategy, aiming to be the “most positive beauty business in the world” and use its scale to do more good.

Key initiatives included TRESemmé and Lakme joining Unilever's roster of

MICHEL DYENS

Mergers and acquisitions in beauty and luxury brands

BlackRock

CREED

BlackRock has acquired Creed
Creed was advised by Michel Dyens & Co.

**ESTÉE
LAUDER**

Dr.Jart+
South Korea

Estée Lauder has acquired Dr.Jart (South Korea)
Dr.Jart was advised by Michel Dyens & Co.

KERING

BOUCHERON
PARIS

Kering has acquired Boucheron
Boucheron was advised by Michel Dyens & Co.

LVMH

HUBLOT

LVMH has acquired Hublot
LVMH was advised by Michel Dyens & Co.

L'ORÉAL

essie

L'Oréal has acquired Essie
Essie was advised by Michel Dyens & Co.

BACARDI

GREY GOOSE

Bacardi has acquired Grey Goose
Grey Goose was advised by Michel Dyens & Co.

Unilever

TIGI

Unilever has acquired Tigi
Tigi was advised by Michel Dyens & Co.

**ESTÉE
LAUDER**

Kilian
PERFUME AS AN ART

Estée Lauder has acquired By Kilian
By Kilian was advised by Michel Dyens & Co.

REVLON

**THE
COLOMER
GROUP**

Revlon has acquired The Colomer Group
CVC Capital Partners was advised by Michel Dyens & Co.

LVMH

**OFFICINE
UNIVERSELLE
BULY**

LVMH has acquired Buly
Buly was advised by Michel Dyens & Co.

PETA-approved brands, which now totals 27. Dove introduced its first refillable deodorant, while REN, in partnership with supplier Tubex, created the first 100% recycled aluminum sample tube. The company was a founding member of the Eco Beauty Score Consortium.

3

THE ESTÉE LAUDER COS. NEW YORK

2021 BEAUTY SALES: \$17.7 BILLION (EST.) +24.6% VS. 2020 (EST.) +11.3% VS. 2019 (EST.)

MAIN BRANDS: Estée Lauder, Aramis, Clinique, Lab Series, Origins, Tommy Hilfmer, MAC, La Mer, Bobbi Brown, Donna Karan New York, DKNY, Aveda, Jo Malone London, Bumble and bumble, Michael Kors, Darphin Paris, Tom Ford Beauty, Smashbox, Ermenegildo Zegna, Aerin, Le Labo, Editions de Parfums Frédéric Malle, Glamglow, Kilian Paris, Too Faced, Dr.Jart+. Deciem, The Ordinary, Niod.

KEY FINANCIALS: SKIN CARE: \$10.2 billion, +25% vs. 2020/58% of total sales
MAKEUP: \$4.5 billion, +15.9% vs. 2020/26% of total sales
FRAGRANCE: \$2.3 billion, +49.6% vs. 2020/13% of total sales
HAIR: \$609 million, +20.1% vs. 2020/3% of total sales

THE AMERICAS: \$4.4 billion, +31.3% vs. 2020/25% of total sales
EMEA: \$7.6 billion, +24.9% vs. 2020/43% of total sales
ASIA PACIFIC: \$5.8 billion, +21% vs. 2020/33% of total sales

• **THE ESTÉE LAUDER COS.** had a major comeback year in 2021, which culminated with the company's largest sales quarter — \$5.5 billion over the holiday period. In total for the calendar year, Lauder had nearly \$18 billion in sales.

The company grew sales broadly across categories and geographies, leveraging its signature multiple engines of growth strategy. Skin care and fragrance sales soared, as did those in the Asia Pacific region, which were up more than 75%.

Part of the success is due to the company's post-COVID-19 recovery plan, a strategy put in place in 2020 that redirected company resources to growing areas of the business — especially skin care, fragrance and the Asia Pacific region.

The results speak for themselves. Skin care sales were up nearly 25%, to more than \$10 billion, on top of 11% growth in 2020. The category was led by Estée Lauder, Clinique and La Mer, which saw major increases during the year due to

their respective hero franchises. Clinique became one of the first beauty businesses to launch an NFT, or non-fungible token, that the brand used as a loyalty play. Dr.Jart+, which Lauder acquired fully in 2019, also contributed to sales gains.

Lauder's fragrance segment also grew rapidly, to \$2.3 billion in sales, thanks to a renewed interest in fragrance and its connection to self care from consumers. Several of the company's luxury and artisanal brands, including Tom Ford Beauty, Jo Malone London, Frédéric Malle, Le Labo and Kilian Paris, contributed to growth.

Makeup improved over 2020 levels, with nearly 15% growth from the prior year to \$4.5 billion, although it is the one category that did not rise above pre-COVID-19 levels for Lauder during 2021.

Geographically, the firm saw gains across regions — even in the U.S., which had struggled well before COVID-19. By the end of calendar 2021, U.S. sales had rebounded, and sales in the Americas for the year totaled \$4.4 billion.

Lauder continued sales gains in the Asia Pacific region, where it generated \$8.4 billion in revenues, as well as in Europe, the Middle East and Africa, which posted \$7.6 billion in sales. China remained a particularly important market; Joy Fan was promoted to president and CEO for China, effective 2022. The company's top three markets for the year were China, the U.S. and the U.K.

Wins in 2021 did not come without challenges, however. Lauder shuttered operations at Prescriptives, Rodin Olio Lusso and Becca. It also decided to wind down the Aramis and Designer Fragrances division, letting licensing agreements expire. The segment is expected to fully shutter by 2023, and several brands, including Michael Kors and DKNY, have already signed new licenses.

In executive news, John Demsey, who had a career spanning more than 30 years with Lauder, was asked to leave the company this February after posting a meme on Instagram that contained a racial slur and a joke about COVID-19. Before his departure, Demsey's purview at the company had been focused on makeup since 2020.

Chris Good, Cedric Prouvé, Alexandra Trower and Greg Polcer retired. Matthew Growdon was promoted to general manager for Asia Pacific; Mark Loomis was appointed to president, North America, and Peter Jueptner was named president, International, among other executive moves.

Lauder also inked several deals, including its largest — a majority position in Deciem that valued the company at \$2.2 billion. Deciem, the parent company of The Ordinary and other skin care, hair care and personal care lines, is growing quickly. Under the terms of the agreement, Lauder will buy the rest of the company in about two years. Lauder also made a minority investment in grooming brand Faculty.

4

PROCTER & GAMBLE CINCINNATI

2021 BEAUTY SALES: \$14.6 BILLION (EST.) +7.5% VS. 2020 (EST.) +9.8% VS. 2019 (EST.)

MAIN BRANDS: Aussie, Hair Food, Head & Shoulders, Herbal Essences, Pantene, Rejoice, VS (hair care). First Aid Beauty, SK-II, Snowberry (skin care). Olay (skin and body care). Native, Old Spice, Walker & Co. (hair and body care, deodorant). Gillette (body care, deodorant). The Art of Shaving, Ivory, Safeguard (body care). Secret (deodorant).

KEY FINANCIALS: ORGANIC GROWTH 2021: +5%

• **PROCTER & GAMBLE'S** beauty division continued to grow during 2021, in line with the broader P&G business, which has expanded significantly during the COVID-19 pandemic. For beauty, sales came from a mix of categories and geographies. P&G continued to lean into its strategy of premium innovation, and ramped up e-commerce transactions. In total, the company had \$14.6 billion in beauty sales during the year, an 8% increase from 2020.

P&G continued to build its prestige beauty division during the year, acquiring Jen Atkin's brand Ouai, its first foray into prestige hair care and lifestyle, and farm-to-face skin care brand Farmacy. In early 2022, P&G also bought Tula, a probiotic-focused skin care business, from L Catterton. P&G Beauty CEO Alex Keith has said P&G's more modern acquisition strategy — "letting the founder and/or CEO really continue to run the business in the way that made it successful and attractive to us in the first place" — is working.

Recently acquired brands saw disproportionate growth during the year. Native, acquired in 2017, as well as First Aid Beauty, Walker & Co. and Snowberry, all acquired in 2018, collectively grew about 30% during the year. Native expanded with more retail stores during 2021, and First Aid Beauty entered Asia.

In skin care, SK-II returned to pre-pandemic sales levels (in 2019, the brand's sales approached \$3 billion) due to duty-free sales in China's Hainan. Olay launched several ingredient-focused lines, including Regenerist Vitamin C Collection and Regenerist Collagen Peptide Collection. Three-fourths of the brands in P&G's hair portfolio saw growth versus the prior year, including Pantene, Head & Shoulders, Aussie, Rejoice and Vidal Sassoon. China, where hair care sales expanded more in 2021 than in nearly a decade, was a big part of that growth. P&G focused on textured hair

and saw double-digit growth from Bevel, My Black Is Beautiful, Pantene Gold Series and Head & Shoulders Royal Oils.

In personal care, two P&G brands reached \$1 billion status: Safeguard and Old Spice. Both grew sales from premium innovation as well as cleansers. P&G's personal care division has grown by more than 20% since the beginning of the pandemic.

The company debuted a systems-thinking framework for its Responsible Beauty platform, which considers quality and performance, safety, sustainability, transparency and equity and inclusion as it looks to help progress the beauty industry. The goal for the program is to openly share technologies, programs and processes that could help the beauty industry have a more positive impact on the world. In line with that goal, P&G Beauty launched reusable, refillable hair care systems at scale in Europe. Four brands — Pantene, Head & Shoulders, Herbal Essences and Aussie — have refillable options. In personal care, Old Spice and Secret also offer refillable packaging.

5

SHISEIDO TOKYO

2021 BEAUTY SALES: \$9.20 BILLION (EST.) ¥1.01 TRILLION (EST.) +15.2% VS. 2020 (EST.) -7.9% VS. 2019 (EST.)

MAIN BRANDS: Shiseido, Clé de Peau Beauté, Nars, Benefique, Ipsa, Shiseido Professional, Elixir, Maquillage, Anessa, Aupres, Urara, Pure & Mild, Senka, Ettusais, Drunk Elephant. Fragrance: Issey Miyake, Narciso Rodriguez, Elie Saab, Zadig & Voltaire, Serge Lutens, Tory Burch.

KEY FINANCIALS: TOTAL SALES: ¥1.04 trillion, +12.4% vs. 2020 (+7.8% at constant currency, +11.9% like-for-like)

OPERATING PROFIT: ¥41.59 billion, +177.9%

NET PROFIT: ¥42.44 billion, compared with a net loss of ¥11.66 billion

SALES BY REGION: JAPAN: ¥276.17 billion, -8.9% vs. 2020 (-1.4% like-for-like)
CHINA: ¥274.72 billion, +16.5% (+19.1%)
THE AMERICAS: ¥121.4 billion, +32.8% (+29.9%)
EMEA: ¥117.04 billion, +24.1% (+16.5%)

TRAVEL RETAIL: ¥120.46 billion, +22.3% (+18.4%)

PROFESSIONAL SALES: ¥15.87 billion, +24.4% (+19.6%)

SALES INCREASES BY BRAND: **Shiseido: +15%**
Clé de Peau Beauté: +21%
Ipsa: +4%
Drunk Elephant: +11%
Anessa: +10%

• **SHISEIDO** is in the midst of transforming its business to focus on its core premium skin care activity — it hopes to become the global market leader in the "skin beauty" category by 2030. Last year was the "groundwork" phase for its new three-year strategic road map, WIN 2023 and Beyond, and involved significant structural changes to its portfolio. Shiseido transferred its personal care business to CVC Capital, now operating as Fine Today Shiseido, in which the Japanese company retains a 35% stake through a joint venture, KK Asian Personal Care Holding. It also sold off three of its U.S.-based prestige makeup brands, BareMinerals, Buxom and Laura Mercier (now operating as Orveon) to Advent International, and partially terminated its licensing agreement with Dolce & Gabbana — the contract was ended in late 2021 in all markets except France, with production and global distribution intended to continue for another year. In early 2022, it announced a further divestment — it is selling its professional business in Asia to Henkel, although it will retain a 20% stake.

As part of its drive to accelerate in digital last year, Shiseido established the Shiseido Interactive Beauty Co. Ltd. as a joint venture with Accenture, and entered a strategic partnership with Tencent to strengthen its digital marketing globally. In March 2022, it said it was acquiring a minority stake in beauty tech firm Perfect Corp.

It also ramped up production and logistics with a new factory in Osaka and a distribution center in West Japan starting up full-scale operations during the year. A new research facility in Shanghai's Oriental Beauty Valley also began full-scale operations.

As well as divesting non-core activities, the shift includes less of a focus on topline growth to improve profitability and cashflow management to strengthen its foundations. Shiseido's performance in 2021 was mixed, but overall — when stripping out its divestments — like-for-like sales gained 11.9% year-over-year, but failed to rebound to pre-pandemic levels.

On the domestic front, consumer traffic was impacted by shortened opening hours at retail and consumers staying home due to the country's State of Emergency implemented to counter the pandemic. The lack of international visitors also hampered sales. Shiseido nevertheless registered market share gains, mainly in base makeup and sun care. Live commerce events and online video counseling helped boost domestic e-commerce sales, which grew in the double digits. Excluding the impact of the divestment of its personal care

activity, Japanese sales dropped by 1.4%, the company said.

In the rest of the world, sales picked up again, particularly in Europe and the U.S.. In China, partial retail closures and bad weather hampered growth, but e-commerce remained strong, accounting for 40% of annual sales. Investment in prestige brands drove market-share gains, especially for Clé de Peau Beauté and Nars, although overall, profitability for the Chinese business declined significantly.

In the rest of Asia Pacific, business was slowed by continued lockdowns in certain markets, although e-commerce grew and prestige brands including Shiseido and Nars performed well.

Business in the Americas was strong. Drunk Elephant expanded its retail footprint and Nars grew its market share. Shiseido, Clé de Peau Beauté and the company's fragrance brands also did well.

For Europe, the Middle East and Africa, the company said it captured the turnaround, notably in skin care and fragrance, to increase its market share, and rolled out Clé de Peau Beauté and Drunk Elephant.

Travel Retail continued to suffer from the lack of international travel. Hainan Island in China was also affected by curbs on travel, but nevertheless saw significant sales acceleration, mainly through e-commerce. Drunk Elephant continued to roll out in travel-retail distribution and the company expanded the number of counters for its major brands in Hainan.

Shiseido made progress in improving its profitability — operating profit jumped 177.9% year-over-year — due to better margins, stronger sales, a more favorable product mix and effective cost management, it said. Net profit gains were attributed to extraordinary gains on the transfer of the personal care business and stronger operating profit, tempered by impairment losses on trademark rights for Dolce & Gabbana and goodwill on the transfer of the U.S. makeup business.

6

LVMH MOËT HENNESSY LOUIS VUITTON PARIS

2021 BEAUTY SALES: \$7.82 BILLION (EST.) €6.61 BILLION (EST.) +25.9% VS. 2020 (EST.) -3.3% VS. 2019 (EST.)

MAIN BRANDS: Parfums Christian Dior, Guerlain, Parfums Givenchy, Parfums Kenzo, Fendi, Pucci, Acqua di Parma, Parfums Loewe, Benefit Cosmetics, Make Up For Ever, Fresh, Maison Francis Kurkdjian (majority stake), Officine Universelle

the 10-day window ahead of Christmas, saw “very strong results.” Meslow said on a recent earnings call.

15

JOHNSON & JOHNSON
NEW BRUNSWICK, N.J.

2021 BEAUTY SALES:
\$4.5 BILLION (EST.)
+2% VS. 2020 (EST.)
-1.1% VS. 2019 (EST.)

MAIN BRANDS: Aveeno, Bebe, Biafine, Clean & Clear, Dabao, Dr. Ci: Labo, Exuviance, Le Petit Marseillais, Lubriderm, NeoStrata, Neutrogena, Piz Buin, Sundown (skin and body care, including sunscreen). Aveeno, Maui Moisture, Neutrogena, OGX, Rogaine (hair care).

KEY FINANCIALS:

JOHNSON & JOHNSON CONSUMER HEALTH SALES: \$14.6 billion, +4.1% vs. 2020 U.S.: 53% of beauty sales (EST.) TOP INTERNATIONAL MARKETS: China and Japan

• JOHNSON & JOHNSON

announced plans late last year to spin off its Consumer Health division, under which beauty sits, into a second, publicly traded company, separate from its much larger pharmaceutical and medical devices businesses. The carve-out is expected to take 18 to 24 months, and allow J&J to focus on its core business while allowing the consumer health arm the agility and flexibility to innovate and grow.

Analysts have questioned whether the carve-out is not also driven by J&J's desire to distance itself from ongoing lawsuits surrounding its talcum powder products.

During the year, Neutrogena and Aveeno both performed well, according to J&J, as the market began to recover from the pandemic, although growth was partially offset by external supply constraints for the skin health and beauty activity. In the U.S., sales for the Skin Health/Beauty segment gained 2.1% for the year, while international revenues grew 1.9%.

According to the company, Neutrogena is still the largest skin care brand in the U.S. In 2021, the brand launched compostable plant-based cleansing wipes. The company aims to use the technology across Neutrogena's product offerings in 2022.

This is also part of Neutrogena's overarching commitment, along with Aveeno, Johnson's, OGX and Le Petit Marseillais, to use either fully recyclable, compostable or reusable packaging by 2025.

Among the other top-performing brands are Aveeno, which is said to be the leading dermatologist-recommended brand for OTC eczema

moisturizers in the U.S. Dr. Ci: Labo is also the top dermo-cosmetic brand in Japan.

The company aimed to tap into purpose in a different way, including its first film with Kerry Washington, called “In the Sun.” Aveeno partnered with media company Essence on its Skin Health StartUp Accelerator, which gives \$100,000 to two Black female entrepreneurs.

16

HENKEL
DÜSSELDORF, GERMANY

2021 BEAUTY SALES:
\$4.13 BILLION (EST.)
€3.49 BILLION (EST.)
-1.9% VS. 2020 (EST.)
-5.2% VS. 2019 (EST.)

MAIN BRANDS: RETAIL: Schwarzkopf, Syoss, Dial, Fa, Diadermine, N.A.E. (skin, hair and body care). Nature Box (hair and body care). **PROFESSIONAL:** Igora, BC Bonacure, Osis, Silhouette, Indola, BlondMe, Essensity, Fibre Plex, Scalp Clinix, SexyHair, Alterna, Kenra Professional, Joico, Zotos Professional, Oil Ultime, Mad About, Chroma ID, TBH — True Beautiful Honest, Authentic Beauty Concept (hair care and color), Statement (grooming).

KEY FINANCIALS:

BEAUTY CARE DIVISION PRELIMINARY SALES: €3.68 billion, -2% vs. 2020 (+1.4% on an organic basis). BEAUTY CARE DIVISION ADJUSTED OPERATING PROFIT: €351 million, -6.9% CONSUMER BUSINESS: 71% of Beauty Care sales PROFESSIONAL BUSINESS: 29% of Beauty Care sales

PRELIMINARY GROUP SALES: €20.07 billion, +4.2% vs. 2020

• **HENKEL CONTINUES** to reassess its business model. In early 2022, the firm said it would streamline its operations, creating a Consumer Brands division merging its Beauty Care and Laundry & Home Care business units, to be headed by Wolfgang König, a former Kellogg executive who was named executive vice president of Henkel's beauty care business. He succeeded Jens-Martin Schwärzler, who had steered the beauty business since 2017.

Henkel also said it would continue to divest or discontinue non-core brands and activities and make acquisitions in the consumer-goods space. In February, the company announced plans to acquire 80% of Shiseido's hair care business in Asia Pacific. Last June, it sold the Right Guard and Dry Idea deodorant brands to Thriving Brands LLC.

It has previously said it had identified brands and categories with a sales volume of more than €1 billion, mainly in its consumer business, around half of which it plans to divest or discontinue.

Business-wise in 2021, the recovery of hair salons drove a double-digit increase in organic sales for that activity — but Henkel's mass-market business was impacted by normalization in body care and home hair color, which had seen a strong 2020. Consequently, overall beauty sales fell by around 2%. On an organic basis, they grew slightly.

North America, where Henkel had seen strong growth the year before, experienced a significant decline, and Western Europe was also down. Emerging markets performed well, however, Henkel said.

Several of the firm's beauty brands were successfully relaunched during the year, it said, including Taft hairstyling products and Igora Royal in professional hair color.

In October, Henkel opened its first direct-to-consumer concept store, the House of Schwarzkopf, in Berlin.

The company is a founding member of the Eco Beauty Score Consortium.

17

MARY KAY
ADDISON, TEXAS

2021 BEAUTY SALES:
\$3.9 BILLION (EST.)
+5.4% VS. 2020 (EST.)
+11.4% VS. 2019 (EST.)

MAIN BRANDS: Mary Kay (skin care, makeup, bath and body care, fragrance), Mary Kay Naturally, TimeWise, TimeWise Repair, Botanical Effects, Satin Hands, Satin Body, Satin Lips, Clear Proof, Mary Kay Clinical Solutions (skin care), MKMen (men's skin care, fragrance), Mary Kay Chromafusion (makeup).

• **MARY KAY** joined the TikTok revolution as it seeks to attract a broader audience. The brand created a fashion reality competition in conjunction with Glamhive that was hosted on the platform.

The direct seller also kept new products flowing into the market including the Mary Kay Clinical Solutions dermatological-inspired skin care range.

The company launched sustainability goals it aims to achieve by 2030 including reducing the use of plastics and water and empowering 5 million women worldwide through entrepreneurship skills development.

18

COLGATE-PALMOLIVE
NEW YORK

2021 BEAUTY SALES:
\$3.48 BILLION (EST.)
+0.6% VS. 2020 (EST.)

+10.8% VS. 2019 (EST.)

MAIN BRANDS: Palmolive, Speed Stick, Sanex, Protex, Caprice, Lady Speed Stick, Softsoap, Irish Spring, Tom's of Maine, (deodorant, skin care, lip care), PCA Skin, EltaMD, (professional skin care), Laboratoires Filorga Cosmétiques.

KEY FINANCIALS:

TOTAL COMPANY SALES: \$17.42 billion, +5.8% ORAL, PERSONAL AND HOME CARE SALES: \$14.11 billion, +3.8%

ORAL, PERSONAL AND HOME CARE SALES BY REGION: North America: \$3.69 billion, -1.3% Latin America: \$3.66 billion, +7.2% Europe: \$2.84 billion, +3.4% Asia Pacific: \$2.86 billion, +6% Africa Eurasia: \$1.05 billion, +6.5%

• COLGATE-PALMOLIVE

saw a significant increase in demand across many categories during 2020 as a result of COVID-19, driven by consumer pantry-loading and increased consumption. While consumer purchasing of most of these categories declined year-over-year in 2021, many remained above historical levels, and estimates are that some of this increase is sustainable. In 2021, on a two-year stack, the company's dollar sales of oral, personal care and home products rose by 15%.

Colgate is focusing on building its digital presence, reaching sustainability goals and moving to more product premiumization — a sector where its beauty portfolio with high gross margins can play a role. It has announced plans to have all packaging reusable and/or compostable by 2025.

Filorga, which Colgate purchased just prior to the beginning of COVID-19, was impacted by the closure of key channels such as travel retail and duty free in China. Although the company said it has not been able to offset the continued weakness in those channels versus projections when the purchase was announced, it is forecasting double-digit growth for the brand going forward. Plans call to build out its distribution and accelerate innovation.

PCA Skin and EltaMD are performing well and should continue to deliver strong growth, said John Faucher, chief investor relations officer. PCA Skin is going into space. The company announced plans to send the first private sector skin health experiment to the International Space Station. It intends to explore the effects of microgravity on skin-related genes as biomarkers used to evaluate overall skin health to guide future product launches.

EltaMD continues to build upon its reputation as a dermatologist recommended sun care brand. Last year, the brand kicked off a Destination Healthy Skin tour where

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volunteer dermatologists provided free full body cancer screenings.

In January 2022, Colgate's board approved the 2022 Global Productivity Initiative. The program is intended to reallocate resources toward strategic priorities and faster growth businesses, drive efficiencies in operations and streamline the supply chain to reduce structural costs. Implementation is expected to be substantially completed by December 2022.

19

PUIG
BARCELONA, SPAIN

2021 BEAUTY SALES:
\$2.83 BILLION (EST.)
€2.39 BILLION (EST.)
+72.4% VS. 2020 (EST.)
+31.9% VS. 2019 (EST.)

MAIN BRANDS: Paco Rabanne, Carolina Herrera, Jean Paul Gaultier, Nina Ricci, Charlotte Tilbury, Uriage, Apivita, Penhaligon's, L'Artisan Parfumeur, Christian Louboutin, Comme des Garçons Parfums, Antonio Banderas, Shakira, United Colors of Benetton, Adolfo Dominguez.

KEY FINANCIALS:
MAIN MARKETS: **The U.S., U.K. and Spain combined accounted for 37% of estimated sales.**

• **PUIG SAW** spectacular sales gains both year-over-year and compared with pre-pandemic levels, according to estimates, putting the Spanish firm on track to potentially meet its ambitious €3 billion sales target for 2023. All beauty categories and geographies, especially North America, contributed to growth. Results included a full year of sales from Charlotte Tilbury, added to the portfolio in 2020. The rebound of the fragrance category also drove the company's business.

Mariano Puig Planas, a member of the second generation of the Puig family who led the company as president for more than three decades, spearheading its international expansion, passed away at 93.

The company took out a sustainability linked loan, with Banco Sabadell, for €200 million. On the acquisition front, Puig bought a minority stake in Chinese fragrance brand Scent Library.

20

KOSÉ CORP.
TOKYO

2021 BEAUTY SALES:
\$2.74 BILLION (EST.)

¥300.24 BILLION (EST.)
+6.2% VS. 2020 (EST.)
-10.1% VS. 2019 (EST.)

MAIN BRANDS: Decorté, Sekkisei, Jill Stuart, Addiction, Clear Turn, One by Kosé, Infinity, Crie, Esprique, Visée, Fasio, Elsia, Nail Holic, Softymo, Je l'aime, Kokutousei, Grace One, Suncut, Prédia, Paul Stuart, Awake, Imprea, Albion, Tarte, Phil Naturnt, Formule, Maihaka, Stephen Knoll New York, Cell Radiance, Spawake, Carté HD.

KEY FINANCIALS: (Nine months ended Dec. 30, 2021)
COMPANY NET SALES: ¥224.98 billion, +4.8% vs. April-December 2020
OPERATING PROFIT: ¥18.85 billion, +14.1%
COSMETICS SALES: ¥189.08 billion, +7.2%
COSMETARIES SALES: ¥34.35 billion, +5.8%
JAPAN: ¥114.08 billion, +0.2%
REST OF ASIA: ¥74.36 billion, +4.5%
NORTH AMERICA: ¥32.72 billion, +23.9%
OTHER: ¥3.82 billion, +14.8%

• **AS THE GLOBAL** economy and cosmetics market made a gradual recovery following the start of the pandemic in 2020, Kosé saw its sales increase in each of the geographic regions in which it operates. In Japan and China, sales at department stores and via e-commerce channels were strong, despite challenges in distribution and other mass distribution in Japan, due to intensifying competition. The company said cosmetics sales in China were negatively affected by restrictions on travel and outings due to the pandemic, but that the e-commerce and travel retail channels remained strong. Kosé shifted its financial reporting during the year, with its fiscal year now ending in December, instead of March. On a like-for-like basis, Decorté, which is in the midst of a revamp, performed well, with sales recovering in Japan and strong in Europe and the U.S. Albion and Cosmeport saw declines, although they improved profitability. Sekkisei's sales continued to fall.

In North America, Tarte increased its sales both in stores and online, strengthening its lineup of concealers, mascaras and other key products. The brand also continued its rapid growth in Europe, particularly in the makeup category, and launched on e-commerce platform Zalando.

For the Cosmetaries business, revenues fell, notably due to lower demand for makeup.

During the year, Kosé said it would partner with its competitor Kao on sustainability initiatives, with plans to work together on areas including environmentally friendly materials for packaging, jointly promoting resource circulation and upcycling, and sourcing materials with a lower environmental impact.

21

GROUPE ROCHER
ISSY-LES-MOULINEAUX,
FRANCE

2021 BEAUTY SALES:
\$2.22 BILLION (EST.)
€1.88 BILLION (EST.)
-9.8% VS. 2020 (EST.)
-14.5% VS. 2019 (EST.)

MAIN BRANDS: Yves Rocher (makeup, fragrance, skin and body care). Arbonne (skin care, cosmetics). Stanhome (beauty and personal care) Kiotis (skin and body care, fragrance), Dr Pierre Ricaud (skin and body care, makeup). Sabon (skin and body care). Flormar (makeup). ID Parfums (fragrance).

KEY FINANCIALS (EST.):
GROUP SALES: €2.39 billion, -7.1% vs. 2020

YVES ROCHER: 48.2% of sales (vs. 45.2% in 2020)
ARBONNE: 19.2% (vs. 26.4%)
STANHOME: 9.8% (vs. 9.2%)
SABON: 5.9% (vs. 4.5%)
DR PIERRE RICAUD AND ID PARFUMS: 3% (vs. 3.1%)
FLORMAR: 2.1% (vs. 1.6%)

• **GROUPE ROCHER'S** beauty business continued to struggle last year, weighed down by a sharp sales decline from U.S.-based Arbonne, according to estimates. Arbonne, acquired in 2018, had seen a significant sales gain in 2020, and is reportedly in the midst of a reset. Last April, Tyler Whitehead was named as its CEO.

Core brand Yves Rocher saw its sales drop by an estimated 1.7%. Sabon, meanwhile, saw an estimated gain of 21.5% thanks to its rapid development in Asia. In South Korea, Hong Kong and Taiwan, the brand did particularly well, growing faster than most of its competitors and in certain markets, entering the top 10, according to the company. The Daniel Jouvance brand was shuttered during 2021.

Sustainability was a major focus. The first French brand to be certified by the Union for Ethical BioTrade in late 2020, Yves Rocher integrated four blowing machines so it could produce its own packaging, and introduced products including solid shampoos with cardboard packs made from its own waste.

In June, the French Ministry of the Economy and Finance entrusted CEO Bris Rocher with a mission on responsible corporate governance. He turned in a report with guidelines for companies two years after the introduction of a new French law allowing companies to legally be identified as "mission-driven." Groupe Rocher was the first major company to obtain that status in 2019.

22

REVLON INC.
NEW YORK

2021 BEAUTY SALES:
\$2.08 BILLION
+9.5% VS. 2020
-14% VS. 2019

MAIN BRANDS: Revlon: Revlon, Revlon Professional, Revlon ColorSilk. Elizabeth Arden: Elizabeth Arden, Ceramide, Prevage, Eight Hour. Portfolio: Almay, American Crew, CND, Mitchum, Cutex, Crème of Nature, Natural Honey, SinfulColors, D:Fi, Orofluido. Fragrances: Juicy Couture, John Varvatos, AllSaints, Britney Spears, Curve, Giorgio Beverly Hills, Ed Hardy, Christina Aguilera, Jennifer Aniston, Lucky Brand, Halston, Geoffrey Beene, Alfred Sung, Mariah Carey, Elizabeth Taylor, P.S.

KEY FINANCIALS:
REVLON NET SALES: \$727.9 million, +5.7% vs. 2020
ELIZABETH ARDEN NET SALES: \$532.3 million, +14.8%
PORTFOLIO NET SALES: \$419.1 million, +4.4%
FRAGRANCES NET SALES: \$399.4 million, +13.8%

OPERATING INCOME: \$103.2 million compared with an operating loss of \$226.3 million

NET LOSS: \$206.9 million, vs. \$619 million

• **AFTER NARROWLY** avoiding bankruptcy in 2020, Revlon's sales increased last year for the first time since 2017, although numbers were still significantly down on pre-pandemic times. The company implemented a new round of restructuring, intended to help it reinvest in its brands to drive sales and profit, with a focus on the Revlon and Elizabeth Arden brands in key markets and channels. Profitability improved significantly during the year. Demand for several of its segments was strong. Color cosmetics grew 30% year-over-year in the fourth quarter. Fragrance, however, was hampered by decreased sales of Curve and John Varvatos, according to an SEC filing. Revlon divested Gatineau, which was purchased by the U.K.-based Skincare Sanctuary — the brand's U.K. distributor — for an undisclosed sum. Revlon reported supply chain challenges in the second half of the year that prevented it from fully keeping up with demand.

22

THE WELLA CO.
GENEVA

2021 BEAUTY SALES:
\$2.08 BILLION (EST.)

+17.5% VS. 2020 (EST.)
N/A VS. 2019 (EST.)

MAIN BRANDS: Wella Professionals, Wella Retail, Nioxin, Clairol Professional, Clairol Retail, Sebastian Professional, weDo, System Professional, Londa/Kadus Professional, Sassoon Professional (hair). OPI (nail).

KEY FINANCIALS (EST.):
WELLA CO. TOTAL SALES: \$2.49 billion, +18.1% vs. 2020 (includes GHD tools)

PROFESSIONAL HAIR: \$1.81 billion, +25% vs. 2020
NAIL: \$202.5 million, +16% vs. 2020
RETAIL HAIR: \$473.3 million, -3% vs. 2020

• **THE WELLA CO.** saw a major increase in sales for 2021, driven by growth in the professional hair and nail divisions. The company and CEO Annie Young-Scriver spent time during the year setting itself up as a stand-alone business after separating from Coty. The split was completed in December 2020, and moved the Wella business under private equity firm KKR. During 2021, KKR upped its stake in Wella further, and now owns nearly 75% of the company.

Wella set up 14 different business functions in 2021, and began building out the team. It hired more than 1,100 people globally, including executives for key leadership roles. Despite becoming a stand-alone, salon-focused business during the height of the global COVID-19 pandemic, Wella was able to post growth. For the year, its sales were up 18%. Professional hair was driven by the launch of True Grey, a product meant for consumers embracing their gray hair, as well as Koleston Perfect and Wella Professional hair care. Nail sales increased, and OPI launched its first vegan nail color, called OPI Nature Strong.

Retail hair sales, a division that houses Clairol, declined slightly, though Wella has said the brand has started gaining share again. Nioxin's sales grew double-digits as consumers worried about hair loss and scalp care. Overall, sales were the strongest in North America, Germany, Austria and Switzerland, and the U.K. and Ireland.

24

L'OCCITANE INTERNATIONAL
PLAN-LES-OUATES,
SWITZERLAND

2021 BEAUTY SALES:
\$2.06 BILLION (EST.)
€1.74 BILLION (EST.)
+13.8% VS. 2020 (EST.)
+5.5% VS. 2019 (EST.)

MAIN BRANDS: L'Occitane en Provence (skin, hair, body and men's care; fragrance; makeup). Elemis. Melvita. L'Occitane au Brésil.

Erborian. LimeLife, Sol de Janeiro (majority stake).

KEY FINANCIALS:
CONSTANT CURRENCY SALES GROWTH VS. 2020: +10.7% (EST.)

NINE MONTHS TO DEC. 31, 2021:
NET SALES: €1.38 billion, +15.6%
CONSTANT CURRENCY SALES PROGRESSION: +14.2%
ONLINE SALES: 33.5% of total

SALES BY BRAND:
L'OCCITANE EN PROVENCE
€1.08 billion, +16.1% (+14.8% at constant currency)
ELEMIS: €163.2 million, +40% (+35.9%)
LIMELIFE: €55.2 million, -30.2% (-29.7%)
OTHERS: €73.8 million, +21% (+21.7%)

LARGEST MARKETS:
CHINA: €248.7 million, +25.2% (+18.5% at constant currency)
U.S.: €207.5 million, +4.4% (+5.2% at constant currency)
JAPAN: €154.9 million, -2.5% (+3.3% at constant currency)

• **SALES PROGRESSIVELY** accelerated for L'Occitane throughout the year, growing 14.6% like-for-like in the last three months of 2021 versus the same period in 2019, compared with growth of 7% and 3.1% in the prior two quarters. All key markets reported encouraging trends, and constant-currency growth was particularly strong in Brazil, Russia, Hong Kong and China. Despite the recovery of offline channels, the company's investments in omnichannel continued to bear fruit, with e-commerce representing around a third of its total sales — roughly 10 percentage points more than before the pandemic. The company also significantly improved its profitability.

L'Occitane bounced back strongly, and invested significantly in China, its largest market, outperforming the market and remaining a top brand in premium body and hair care. In the U.S., L'Occitane exited Chapter 11 and introduced the MyL'Occitane social selling platform.

Elemis was boosted by the rebound of its spa and wholesale business, the acceleration of online in the U.S. and U.K., and international expansion through a digital-first model. LimeLife's decline was mainly due to a high prior-year base and sluggish recruitment of sales representatives.

André J. Hoffmann, who has been with L'Occitane in various roles since 1995, was named CEO, effective Sept. 16, replacing Reinold Geiger. Geiger, who led the company for more than 25 years, continues as chairman and an executive director.

In line with its ambition to become a major multibrand player, the company acquired an 82.9% stake in Brazilian-inspired skin care brand Sol de Janeiro in December. In March, L'Occitane said it would acquire Australian skin care label Grown Alchemist.

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MARGINALLY SPEAKING

AFTER TAKING A HIT due to the coronavirus pandemic in 2020, most of beauty's listed players renewed with healthier operating margins last year. Here's how the companies' profit margins — for those that break out operating income specifically from beauty — stacked up in 2021.

A GLIMPSE INTO THE OPERATING MARGINS OF BEAUTY FIRMS IN 2021

COMPANY	BEAUTY SALES	BEAUTY OPERATING PROFIT (LOSS)	OPERATING MARGIN (PROFIT AS % OF SALES)
NOEVIR HOLDINGS ¹	\$349.3 MILLION ¥38.33 BILLION	\$87.5 MILLION ¥9.6 BILLION	25%
PROCTER & GAMBLE ²	\$14.42 BILLION	\$3.21 BILLION	22.3%
UNILEVER ³	\$25.91 BILLION €21.9 BILLION	\$5.29 BILLION €4.47 BILLION	22.3%
LG HOUSEHOLD & HEALTH CARE	\$3.84 BILLION KRW 4.4 TRILLION	\$764.7 MILLION KRW 876 BILLION	19.9%
L'ORÉAL	\$38.19 BILLION €32.28 BILLION	\$7.01 BILLION €6.16 BILLION	19.1%
MILBON CO. LTD.	\$378.9 MILLION ¥41.58 BILLION	\$71.3 MILLION ¥7.82 BILLION	18.8%
INTER PARFUMS INC.	\$879.5 MILLION	\$148.1 MILLION	17%
THE ESTÉE LAUDER COS. ²	\$16.22 BILLION	\$2.62 BILLION	16.2%
FANCL ⁴	\$406.5 MILLION ¥44.61 BILLION	\$55.4 MILLION ¥6.08 BILLION	13.6%
BEIERSDORF ⁵	\$7.22 BILLION €6.1 BILLION	\$875.4 MILLION €740 MILLION	12.1%
L'OCCITANE INTERNATIONAL ⁶	\$823.8 MILLION €696.4 MILLION	\$93.3 MILLION €78.9 MILLION	11.3%
LVMH	\$7.82 BILLION €6.61 BILLION	\$809.1 MILLION €684 MILLION	10.3%
POLA ORBIS HOLDINGS	\$1.59 BILLION ¥174.15 BILLION	\$155.5 MILLION ¥17.06 BILLION	9.8%
KOSÉ CORP. ⁴	\$2.04 BILLION ¥223.6 BILLION	\$200.5 MILLION ¥22 BILLION	9.8%
KAO CORP. ⁷	\$5.41 BILLION ¥593.8 BILLION	\$521.2 MILLION ¥57.2 BILLION	9.6%
E.L.F. BEAUTY ⁴	\$287 MILLION	\$27.6 MILLION	9.6%
HENKEL ⁸	\$4.35 BILLION €3.68 BILLION	\$415.2 MILLION €351 MILLION	9.5%
ABLE C&C	\$232 MILLION KRW 265.75 BILLION	\$19.5 MILLION KRW 22.28 BILLION	8.4%
AMOREPACIFIC GROUP	\$4.65 BILLION KRW 5.33 TRILLION	\$311 MILLION KRW 356.2 BILLION	6.7%
REVLON INC.	\$2.08 BILLION	\$103.2 MILLION	5%
SHISEIDO	\$9.48 BILLION ¥1.04 TRILLION	\$379 MILLION ¥41.59 BILLION	4%
NATURA & CO.	\$7.45 BILLION R\$40.16 BILLION	\$207.8 MILLION R\$1.12 BILLION	2.8%
COTY INC. ²	\$4.63 BILLION	(\$48.6 MILLION)	-1%
MANDOM CORP. ⁴	\$388.2 MILLION ¥42.6 BILLION	(\$9.3 MILLION) ¥1.02 BILLION	-2.4%
YATSEN HOLDING LTD.	\$905 MILLION CNY 5.84 BILLION	(\$282 MILLION) (CNY 1.82 BILLION)	-31.2%

SOURCE AND METHODOLOGY: Figures presented were gathered using publicly available corporate financial statements and based on reported numbers. Only companies whose principal business is beauty or that report operating income figures for beauty were included in this chart.

1. FY ended Sept. 30, 2021.

2. FY ended June 30, 2021.

3. Beauty and Personal Care division, including oral care

4. Nine months ended Dec. 31, 2021.

5. Consumer division, including bandages.

6. Six months to September 2021.

7. Combined numbers for Kao's Health and Beauty Care and Cosmetics divisions.

8. Beauty care division, including oral care.

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GROUPE CLARINS
NEUILLY-SUR-SEINE,
FRANCE

2021 BEAUTY SALES:
\$1.99 BILLION (EST.)
€1.68 BILLION (EST.)
+12% VS. 2020 (EST.)
-16.4% VS. 2019 (EST.)

MAIN BRANDS: Clarins (skin care, makeup), Clarins Men (men's skin care), My Blend by Dr. Olivier Courtin.

KEY FINANCIALS (EST.):

LIKE-FOR-LIKE SALES AND CONSTANT CURRENCY GROWTH: +15% vs. 2020 (+3% vs. 2019 before selling the fragrance business to L'Oréal.)

SKIN CARE: 92% of sales
MAKEUP: 8%

GROWTH BY CATEGORY:
SKIN CARE: +16% (+7%)
MAKEUP: +4% (-24%)

GROWTH BY REGION:
EUROPE +11% (-3%)
ASIA PACIFIC +26% (+37%)
AMERICAS +25% (+1%)
MIDDLE EAST & AFRICA +27% (+8%)
TRAVEL RETAIL -3% (-25%)

GROWTH IN LARGEST MARKETS:
MAINLAND CHINA: +30% (+68%)
U.K. +4% (-17%, +6% excluding Debenhams)
FRANCE +13% (-3%)
E-COMMERCE +29% (x2.4 vs. 2019)

• THE FAMILY-OWNED

company saw its business recover strongly in all geographies, although travel retail remained weak. It earned market share in Europe, North America and Asia Pacific in its core category, skin care.

Clarins initiated a new institutional campaign early last year, highlighting diversity and naturalness and aiming to represent the brand's roots. Lionel Uzan was named president of Clarins North America and general manager of Clarins USA. The Courtin-Clarins family, via its Famille C Venture private investment vehicle, bought Pai Skincare in 2021. Early this year, the fund acquired clean makeup brand Ili Beauty. In February, Groupe Clarins announced that the third generation of the founding family would take on elevated management roles. Virginie Courtin-Clarins, who has been deputy CEO since 2018, was named managing director. Prisca Courtin-Clarins became chairman of the supervisory board, replacing her uncle Christian Courtin-Clarins.

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RODAN + FIELDS
SAN FRANCISCO

2021 BEAUTY SALES:
\$1.6 BILLION (EST.)
FLAT VS. 2020 (EST.)
-8.6% VS. 2019 (EST.)

MAIN BRANDS: Recharge, Redefine, Reverse, Unblemish, Soothe, Enhancements, Essentials, Spotless, Dermacosmetics, Total RF Serum (skin care).

KEY FINANCIALS:

LARGEST MARKETS: The U.S., Canada, Australia

• **RODAN + FIELDS** made major management changes in 2021. Dimitri Haloulos, formerly chief growth officer, was named president and CEO. Seeking to reestablish its role as an innovator, Rodan + Fields introduced Total RF Serum, with a patent-pending complex.

27

POLA ORBIS HOLDINGS
TOKYO

2021 BEAUTY SALES:
\$1.59 BILLION
¥174.15 BILLION
+1.5% VS. 2020
-18.9% VS. 2019

MAIN BRANDS: Pola (skin care, makeup), Orbis (skin care, makeup), Jurlique, H2O Plus, Three, Decencia, Amplitude, Itrim, Fiveism x Three, Fujimi.

KEY FINANCIALS:

TOTAL NET SALES: ¥178.64 billion, +1.3% vs. 2020

BEAUTY CARE OPERATING INCOME: ¥17.06 billion, +31.6% vs. 2020

• **LACKLUSTER** consumption as people stayed home and a lack of international tourists in Japan hampered growth for Pola Orbis. It continued to seek to navigate the shift to digital, but noted that intensifying competition on the e-commerce landscape in Japan is leading to soaring marketing costs and needs for further innovation. Overseas, where China is its priority market, consumption returned to pre-pandemic levels, it said, although the situation remained unpredictable.

Domestically, the Pola brand has been working to enhance e-commerce, and integrate online and offline activity and improve loyalty. The brand grew well in China, where it saw gains in sales and operating income.

For Orbis, the focus is on improving profitability through differentiation. China was an

area of focus, especially via e-commerce. Growth overseas did not offset declines in sales and operating income.

Jurlique's sales declined in directly managed stores and major department stores, severely impacted by lockdowns in Australia, its home market. In China, however, it focused on e-commerce and saw double-digit gains, and overall, sales were up year-over-year. U.S. brand H2O Plus focused on advertising and promotional activity, and on its direct-to-consumer e-commerce, and its sales grew. Net sales for the company's developing brands grew, although Three declined.

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GRUPE PIERRE FABRE PARIS

2021 BEAUTY SALES:
\$1.47 BILLION
€1.24 BILLION
+10% VS. 2020
-4% VS. 2019

MAIN BRANDS: Pierre Fabre Dermo-Cosmétique: Eau Thermale Avène, A-Derma, Darrow, Glytone (skin and body care). Ducray, Klorane (skin, hair and body care). René Furterer (hair care).

KEY FINANCIALS:
INTERNATIONAL BEAUTY CARE SALES: **72% of beauty revenues (up from 71%)**

BIGGEST INTERNATIONAL MARKETS: China, Italy, Spain and Germany

GROUP SALES: €2.5 billion, +8% vs. 2020

• **FIVE OF PIERRE FABRE'S** seven beauty brands saw double-digit sales gains in 2021, including flagship brand Eau Thermale Avène. The strongest growth was seen in the Americas and Eastern Europe. Online sales increased to 20% of revenues, compared with 16% in 2020. The company launched the Green Impact Index, a sustainability rating tool for cosmetics and healthcare products to help consumers make informed choices, endorsed by French certification body AFNOR. Key innovations included a new patented organic sun filter, Triasorb, that protects from blue light and is friendly to marine biodiversity, in a launch from Eau Thermale Avène.

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AMWAY ADA, MICH.

2021 BEAUTY SALES:
\$1.46 BILLION (EST.)
-7% VS. 2020 (EST.)
-12.6% VS. 2019 (EST.)

MAIN BRANDS: Amway: Artistry, Artistry Studio, Artistry Men (skin care), Body Series/G&H (body care), Satinique, Ertia (hair care).

KEY FINANCIALS:
TOTAL SALES: \$8.9 billion, +4.7% vs. 2020

TOP BEAUTY MARKETS: Mainland China, the U.S., Japan

• **AMWAY'S** beauty sales decline was due to a focus on growing Nutrilite, its supplements business. The company has yet to see consumer interest shift back from immunity and personal health to beauty. Beauty also was encumbered by supply chain issues. The company named Asha Gupta regional president of Asia, while still serving as chief strategy and corporate development officer. François Renard joined as chief marketing officer. Amway restaged Artistry in 2021.

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GALDERMA ZUG, SWITZERLAND

2021 BEAUTY SALES:
\$1.35 BILLION (EST.)
SFR 1.23 BILLION (EST.)
+10% VS. 2020 (EST.)
+10% VS. 2019 (EST.)

MAIN BRANDS: Cetaphil (skin care). Proactiv (majority stake).

• **GALDERMA** is restructuring its portfolio and has reportedly begun prepping for an IPO. In November, the company announced it would acquire Alastin, which it claims was the fastest-growing brand in the U.S. professional skin care market in 2020, with the closure announced in January this year. The brand competes with L'Oréal's SkinCeuticals in the physician-prescribed skin care category. ProActiv, which has been declining for several years, was renamed Alchemee late last year. In February, Galderma announced it was selling off the activity to Taro Pharmaceutical Industries.

Sales-wise, it was another good year for Cetaphil, according to estimates. The brand got the biggest update in its 70-year history, with new, cleaner formulas and more sustainable packaging.

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VICTORIA'S SECRET COLUMBUS, OHIO

2021 BEAUTY SALES:
\$1.2 BILLION (EST.)
+25% VS. 2020 (EST.)
-14.3% VS. 2019 (EST.)

MAIN BRANDS: Victoria's Secret: Bombshell, Tease,

Heavenly, Very Sexy, Love, The Mist Collection, VS Him, Natural Beauty Body Care. Pink Beauty (fragrance mists and lotion).

KEY FINANCIALS:
NORTH AMERICA: approx. 70% of sales

• **VICTORIA'S SECRET** became a stand-alone company in 2021 after separating from Bath & Body Works and becoming independent from former parent company L Brands. Victoria's Secret is traded on the New York Stock Exchange. The business launched several new products, including a body care collection. It also saw growth from line extensions for the Bombshell and Tease fragrance collections, its first and second largest fragrance franchises, respectively. The broader Victoria's Secret business worked to modernize in 2021 and distance itself from its ultra-sexualized history. In total, Victoria's Secret posted nearly \$6.8 billion in sales for the year ended Jan. 29, a 25% year-over-year increase.

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GRUPO Boticário CURITIBA, BRAZIL

2021 BEAUTY SALES:
\$1.18 BILLION (EST.)
R\$6.36 BILLION (EST.)
+1.3% VS. 2020 (EST.)
+8.5% VS. 2019 (EST.)

MAIN BRANDS: O Boticário (skin, body and hair care, makeup, fragrance). The Beauty Box (hair, bath and body care). Eume (hair care). Eudora, Quem Disse, Berenice?, Vult. O.U.I.

• **GRUPO Boticário** is in transformation mode, aiming to increase its efficiency, remove silos and improve synergies within its portfolio. In the past year, it has significantly ramped up its digital capabilities through acquisition, buying retail solutions provider Casa Magalhães, and GAVB, a consulting firm specialized in artificial intelligence. In early 2022, it bought Equilibrium, a digital logistics start-up, to enhance the digitalization of its supply chain. It also partnered with Dassault Systèmes to digitally transform its manufacturing at its two factories in Brazil.

33

NU SKIN ENTERPRISES PROVO, UTAH

2021 BEAUTY SALES:
\$1.1 BILLION (EST.)
-3.3% VS. 2020 (EST.)
+0.9% VS. 2019 (EST.)

MAIN BRANDS: Nu Skin, AgeLOC, Nutricentials, Epoch, Tru Face, Nu Colour.

KEY FINANCIALS:
PERSONAL CARE SALES INCLUDING DEVICES: \$1.44 billion, -3.3% vs. 2020, +1.3% vs. 2019.

TOP THREE REGIONS IN TOTAL REVENUE:
MAINLAND CHINA: \$568.8 million, -9%
U.S.: \$540.3 million, +27%
SOUTH KOREA: \$354.3 million, +9%

• **FOLLOWING THE RETIREMENT** of former CEO Ritch Wood, Nu Skin Enterprises president Ryan Napierski was appointed president and CEO. The company acquired Mavely, an e-commerce platform that allows users to earn affiliate commission off purchases. The company is focused on its social commerce business model, which saw double-digit growth in the U.S., Europe, the Middle East and Africa last year.

33

LUSH POOLE, U.K.

2021 BEAUTY SALES:
\$1.1 BILLION (EST.)
£797.4 MILLION (EST.)
+10.6% VS. 2020 (EST.)
-14.2% VS. 2019 (EST.)

MAIN BRANDS: Lush Fresh Handmade Cosmetics (bath, body, hair and skin care, makeup, fragrance).

KEY FINANCIALS (EST.):
CONSTANT CURRENCY SALES GROWTH: +13.6% vs. 2020

TOP MARKETS:
U.S.: £245.7 million, +21.7% vs. 2020
U.K.: £133.5 million, +11.3%
SOUTH KOREA: £77.6 million, +32.7%

• **LUSH RETURNED** to growth last year, although sales did not rebound to pre-pandemic levels. It was a busy year for marketing — and making statements: In April 2021, Lush retooled its 9,500-square-foot flagship on London's Oxford Street, adding a coffee shop, a spa and concepts from its global stores, like a fresh flower stall from Paris.

In November 2021, Lush stopped using social media with the exception of Twitter, where cofounder and investor Mark Constantine posts a different type of birdsong every day. The company made its decision in the wake of Facebook whistleblower Frances Haugen's testimony that the site harms children and foments political violence and online hate.

On the M&A front, Lush completed the purchase of the remaining shares in its U.S. and Canada businesses,

which are now wholly owned subsidiaries of Lush Ltd.

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SISLEY PARIS

2021 BEAUTY SALES:
\$1.05 BILLION
€887 MILLION
+10.2% VS. 2020
+3.1% VS. 2019

MAIN BRANDS: Sisley (fragrance, skin care, makeup). Hair Rituel by Sisley (hair care).

• **FAMILY-OWNED SISLEY** said it saw growth across regions and product categories. Its top-three markets — China, France and the U.S. — all posted double-digit gains, as did digital. While skin care and makeup continued to grow, by category, fragrance gained the strongest. Hair Rituel by Sisley has nearly doubled its sales over the past two years.

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BELCORP LIMA, PERU

2021 BEAUTY SALES:
\$1 BILLION (EST.)
+13.6% VS. 2020 (EST.)
-14.5% VS. 2019 (EST.)

MAIN BRANDS: L'Bel, Ésika, Cyzone (fragrance, makeup, skin, body and hair care).

KEY FINANCIALS:
MAIN MARKETS: Peru, Colombia and Mexico: 51% of sales

BY BRAND: ÉSIKA: 47%
CYZONE: 30% L'BEL: 23%

• **HIGHER PENETRATION** and usage of online tools among the Peruvian direct seller's representatives helped to boost revenues in 2021, although they were still well below pre-pandemic levels. Belcorp continued to expand in body and personal care categories and to focus on operating efficiencies, as well as working on the development of digital tools.

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ORIFLAME HOLDING AG SCHAFFHAUSEN, SWITZERLAND

2021 BEAUTY SALES:
\$940.9 MILLION (EST.)
€795.4 MILLION (EST.)
-13% VS. 2020 (EST.)
-22.8% VS. 2019 (EST.)

MAIN BRANDS: Oriflame

(makeup, skin, body, hair and personal care, fragrance).

KEY FINANCIALS:
TOTAL COMPANY SALES (INCLUDING WELLNESS AND ACCESSORIES): €1.02 billion, -12.1% vs. 2020

CONSTANT-CURRENCY SALES: -9%

Local currency sales progression by region:

LATIN AMERICA: -4%
CIS: -10%
EUROPE: -5%
TURKEY AND AFRICA: -25%
ASIA: -21% vs. 2020

ADJUSTED EBITDA: €188.9 million, +6%

• **IT WAS ANOTHER DIFFICULT** year for Oriflame, its second in a row of double-digit declines. Local currency sales decreased in every region, although at single-digit rates in all but Africa and Asia. The company said the pandemic continued to challenge its social business model, impacting activity levels and recruitment of sales representatives. Globally, Oriflame's representative numbers dropped to 2.5 million, from 2.8 million. In the final quarter of the year, 98% of orders were placed online. Manufacturing challenges led to a drop in volumes in the second half.

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JOHN PAUL MITCHELL SYSTEMS LOS ANGELES

2021 BEAUTY SALES:
\$925 MILLION (EST.)
+5.7% VS. 2020 (EST.)
+8.8% VS. 2019 (EST.)

MAIN BRANDS: Paul Mitchell, Paul Mitchell Clean Beauty, Awapuhi Wild Ginger, Neuro, Tea Tree (hair and body care), Mitch, MVRCK (men's grooming), Paul Mitchell Professional Hair Color.

• **MICHAELINE DEJORIA**, daughter of company cofounder John Paul DeJoria, took over as CEO in March 2021. The company rode the boom in high-end hair care, and added wellness-driven products. A new partnership with Amazon allowed salons and stylists to receive commission on sales made through the site.

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YATSEN HOLDING LTD. GUANGZHOU, CHINA

2021 BEAUTY SALES:
\$905 MILLION (EST.)
CNY 5.84 BILLION (EST.)

market share in beauty as a result. It opened 27 new beauty halls in regional locations in the quarter ended Nov. 30.

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PROYA COSMETICS CO. LTD. HANGZHOU, CHINA

2021 BEAUTY SALES:
\$728.3 MILLION (EST.)
CNY 4.7 BILLION (EST.)
+25.3% VS. 2020 (EST.)
+50.6% VS. 2019 (EST.)

MAIN BRANDS: Proya, Uzero, Anya, Yoya, Cats & Roses, Timage, Ins Baha.

KEY FINANCIALS:

(Nine months ended Sept. 30, 2021)

NET SALES: CNY 3.01 billion, +31.5% vs. 2020
NET PROFIT: CNY 356 million, +23.6%

• **THE CHINESE COSMETICS** player continued to see considerable growth, with its sales up a 31.5% in the first nine months of the year after an already strong 2020. Online gains contributed most to the growth, accounting for 80% of total revenues and increasing 74% year-over-year. Tmall accounts for 40% of online business, while Douyin — the Chinese version of TikTok — is gaining fast, accounting for 10% and now weighting equally with JD.com. The Proya brand represented 81% of total sales. Makeup brand Timage gained 185% in the nine-month period thanks to palette and primer products.

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EDGEWELL PERSONAL CARE SHELTON, CONN.

2021 BEAUTY SALES:
\$716 MILLION (EST.)
+13.6% VS. 2020 (EST.)
+17.3% VS. 2019 (EST.)

MAIN BRANDS: Banana Boat, Hawaiian Tropic (sun and skin care), Jack Black, Bulldog, Cremo (grooming) Skintimate, Edge, Shick (shave preparations).

KEY FINANCIALS:

(FY ended Sept. 30, 2021)
COMPANY SALES: \$2.09 billion, +7.1% vs. 2020

SUN CARE: \$333.6 million, +17.8%
SKIN CARE: \$251.7 million, +40.9%
SHAVING GELS AND CREAMS: \$131.3 million, -5.5%

• **THE ADDITION** of the Cremo

men's grooming brand in late 2019 was a major sales driver, contributing 2.9 percentage points to Edgewell's overall 7.1% revenue gain in the year ended Sept. 30. Sun care saw double-digit growth after pandemic-induced declines in 2020, while grooming sales grew 14.8%, with increased consumer interest in Jack Black and Bulldog. In the wet shave category, gains were driven by women's shaving.

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JALA GROUP CO. SHANGHAI

2021 BEAUTY SALES:
\$697.3 MILLION (EST.)
CNY 4.5 BILLION (EST.)
+7.7% VS. 2020 (EST.)
-2.2% VS. 2019 (EST.)

MAIN BRANDS: Chando (skin care, makeup), Maysu, Botanical Wisdom, Spring Summer, Biorrier (skin care), Como (makeup), Assassina (fragrance).

• **THE CHINESE BEAUTY** company continued to ramp up the digital presence of core brand Chando in 2021; digital revenue accounted for 89% of its sales. It was the leading domestic brand on TikTok and JD.com, according to the company. Jala grew its international operations, with Chando now available in Indonesia, Malaysia and Canada. The brand also introduced a new men's line. Maysu's sales on Tmall grew 240% during the Singles' Day shopping festival in November.

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THE CARLYLE GROUP WASHINGTON, D.C.

2021 BEAUTY SALES:
\$684.3 MILLION (EST.)
N/A VS. 2020/2019

MAIN BRANDS: Beautycounter, Every Man Jack.

• **THE CARLYLE GROUP** has significantly ramped up its presence in the beauty space over the past year, notably through the acquisition of a majority stake in Beautycounter last April, a deal that valued the clean beauty pioneer at \$1 billion. This followed the purchase of a majority share in men's grooming brand Every Man Jack in December 2020. Beautycounter reportedly saw a "meaningful" increase in sales last year as clean skin care continued to grow. According to estimates, the category gained 24% in the U.S. Former Shiseido executive Marc Rey was appointed CEO of Beautycounter

on Feb. 1, 2022; founder Gregg Renfrew now serves as executive chair. Every Man Jack's estimated sales gained 30%. Its annual revenues prior to the acquisition were around \$60 million, according to sources. Gerry Chesser joined as the brand's CEO, effective June 2021.

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PDC WELLNESS & PERSONAL CARE STAMFORD, CONN.

2021 BEAUTY SALES:
\$675 MILLION (EST.)
+11% VS. 2020 (EST.)
+28% VS. 2019 (EST.)

MAIN BRANDS: Dr Teal's, Bodycology (wellness), Cantu, Eylure (personal care), Body Fantasies, BOD Man (fragrance).

KEY FINANCIALS:

INTERNATIONAL: 22% of sales
LARGEST MARKETS: U.S., U.K., Canada

WELLNESS: \$335 million, +13%
PERSONAL CARE: \$251 million, +15%
FRAGRANCE: \$89 million, -4%

• **PDC'S BODY FANTASIES** remains one of the only pure mass fragrance brands posting sales gains in an overall down market in the U.S. Body Fantasies was up 14% in 2021, per IRI, while category sales sank more than 17%. The focus on self care helped Dr. Teal's increase sales by 15%. Cantu hair care benefited from retailer efforts to build out selections for a broader audience.

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EUROITALIA CAVENAGO DI BRIANZA, ITALY

2021 BEAUTY SALES:
\$640 BILLION (EST.)
€541 MILLION (EST.)
+45% VS. 2020 (EST.)
+20.7% VS. 2019 (EST.)

MAIN BRANDS: Versace, Moschino, Missoni, Dsquared2, Reporter, Atkinsons 1799 (fragrance), Naj Oleari Beauty (makeup), I Coloniali (body and skin care).

KEY FINANCIALS:

EXPORTS: 95% of sales

• **EUROITALIA'S GROWTH** was sustained by the restoration of sales in its key markets — both offline and online — which balanced losses in travel retail. Launch activity across its licensed portfolio provided a further boost. The launch of Moschino Toy 2 Bubble

Gum enhanced the brand's performance in Asia. Versace Dylan Turquoise for women did well in the U.S., the U.K. and the Middle East. The U.S., the U.K., Germany and China were Euroitalia's best-performing markets. Naj Oleari Beauty launched in Mexico and Argentina and expanded in Germany and Switzerland. In a deal with fashion company Capri Holdings, the company extended its licensing agreement for the Versace brand for an additional 15 years, and added the license for Michael Kors, previously held by The Estée Lauder Cos.

55

ALCORA CORP. MIAMI

2021 BEAUTY SALES:
\$632.5 MILLION (EST.)
-15.5% VS. 2020 (EST.)
+95.4% VS. 2019 (EST.)

MAIN BRANDS: Monat (hair care, skin care), Hairgurt (hair care), L'Eudine (hair and body care, fragrance), Pardon My Pretty (body care).

• **ALCORA'S SALES** dropped in 2021, compared to the prior year, when the brand saw explosive growth as retailers closed and consumers shopped more directly with brands.

Most of the company's sales continue to come from Monat, which expanded into body care, and launched in Spain and Australia. The company's largest markets are the U.S., Canada and Poland.

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FANCL CORP. YOKOHAMA, JAPAN

2021 BEAUTY SALES:
\$599.4 MILLION (EST.)
¥65.78 BILLION (EST.)
+0.6% VS. 2020 (EST.)
-13.6% VS. 2019 (EST.)

MAIN BRANDS: Fancl Cosmetics, Attenir Cosmetics (skin care, makeup), Boscia (skin care).

KEY FINANCIALS:

(Nine months ended Dec. 31, 2021*)

COSMETICS SALES: ¥44.61 billion, +1.4% vs. 2020
FANCL COSMETICS: ¥32.44 billion, -0.8%
ATTENIR COSMETICS: ¥10.58 billion, +15.9%
BOSCIA: ¥794 million, -51.2%

DOMESTIC ONLINE AND CATALOGUE SALES: ¥23 billion, -2.8%
DOMESTIC RETAIL STORE SALES: ¥10.12 billion, +6.7%
DOMESTIC WHOLESALE AND OTHERS: ¥6.39 billion, +11.3%
OVERSEAS SALES: ¥5.05 billion, +0.1%

COSMETICS DIVISION
OPERATING PROFIT: ¥6.08 billion, +11.1%

*Fancl changed its accounting methods in 2021, and restated its numbers for the previous year. All numbers in the Key Financials section are based on restated figures. The percentage changes at the top of the entry are based on historical comparisons.

• **THE JAPANESE** cosmetics-maker said core brand Fancl was driven by strong demand for its Mild Cleansing Oil, although demand for makeup was lower. Attenir saw strong gains, thanks to new basic skin care line Dress Snow as well as cross-border e-commerce in China. Boscia was impacted by low demand in brick-and-mortar retail.

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OLAPLEX NEW YORK

2021 BEAUTY SALES:
\$598.4 MILLION (EST.)
+112% VS. 2020 (EST.)
+190.5% VS. 2019 (EST.)

MAIN BRANDS: Olaplex (hair care).

KEY FINANCIALS:

U.S.: 58% of sales
INTERNATIONAL: 42%

• **OLAPLEX WENT PUBLIC** in September in one of the largest IPOs for a beauty company, ever. It valued the firm at more than \$15 billion. The business remains majority owned by private equity firm Advent International, and is also traded on the Nasdaq. Olaplex had the biggest launch in prestige hair in 2021, with No. 8 Bond Intense Moisture Mask, which did \$10 million in sales during the year. Olaplex made a minority investment in biotech business Arcaea, with plans to develop products to strengthen the hair and scalp.

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SHANGHAI CHICMAX COSMETIC CO. LTD. SHANGHAI

2021 BEAUTY SALES:
\$573.4 MILLION (EST.)
CNY 3.7 BILLION (EST.)
+11.7% VS. 2020 (EST.)
+31.2% VS. 2019 (EST.)

MAIN BRANDS: Kans, One Leaf (skin care), Baby Elephant (infant care).

KEY FINANCIALS:

(January-September 2021)
TOTAL SALES: CNY 2.6 billion, +12.7% vs. 2020
GROSS PROFIT: CNY 1.69 billion, +13.7%

ADJUSTED PROFIT: CNY 284.5 million, +45.3%

• **FOUNDED IN 2002**, the parent company of C-beauty brand Kans is looking to list on the Hong Kong Stock Exchange this year. It claims to be the number-three domestic skin care player in China's highly fragmented beauty market and number one for face masks and mother-and-baby products. Its three biggest brands, Kans, One Leaf and Baby Elephant, account for around 90% of sales; online channels accounted for 73% of its total revenues in the nine months to September, and 43% were direct-to-consumer. For the nine-month period, according to its IPO prospectus, Kans saw sales increase 27% year-over-year, while revenues for One Leaf declined 8.5% and Baby Elephant's sales increased 15.6%.

59

ORVEON NEW YORK

2021 BEAUTY SALES:
\$571 MILLION (EST.)
+12.6% VS. 2020 (EST.)
-26% VS. 2019 (EST.)

MAIN BRANDS: Bare Minerals, Laura Mercier, Buxom (makeup).

KEY FINANCIALS:

U.S. SALES: \$370 million
U.K.: \$60 million
JAPAN: \$35 million

• **ORVEON WAS FORMED** as a business during 2021, after Shiseido sold Bare Minerals, Laura Mercier and Buxom to private equity firm Advent International for \$700 million. During the year, Laura Mercier launched in the domestic Chinese market. Bare Minerals, Laura Mercier and Buxom landed with Sephora at Kohl's and Ulta Beauty at Target. Pascal Houdayer was named CEO of Orveon.

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RECKITT BENCKISER BERKSHIRE, ENGLAND

2021 BEAUTY SALES:
\$563.4 MILLION (EST.)
£409.6 MILLION (EST.)
+5% VS. 2020 (EST.)
+6.3% VS. 2019 (EST.)

MAIN BRANDS: E45, Clearasil (skin care), Veet (depilatories).

KEY FINANCIALS:

TOTAL REVENUES: £13.23 billion, -5.4% vs. 2020 (+3.5% like-for-like)

• **THE COMPANY** said overall performance was driven by

strong growth in hygiene, particularly in North America. At group level, net revenue declines reflected M&A impact and foreign exchange headwinds. The company said its personal care portfolio, following the sale of Scholl in the first half of 2021, grew "mid-single digits," led by Veet. In fiscal 2021, the company flagged "high-single-digit growth" in its e-commerce platforms, the expansion of Veet for Men and its entry into new spaces such as Veet Minima/Pure. Reckitt sold Scholl for an enterprise value of £275 million, and in December 2021 announced the proposed sale of E45, and related sub-brands, to Sweden's Karo Pharma for £200 million. E45 and its subbrands did sales of £43 million in 2020.

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KIKO SPA
BERGAMO, ITALY

2021 BEAUTY SALES:
\$560.6 MILLION (EST.)
€473.9 MILLION (EST.)
+28.7% VS. 2020 (EST.)
-19.3% VS. 2019 (EST.)

MAIN BRANDS: Kiko Milano (makeup).

KEY FINANCIALS:
BIGGEST MARKETS: Italy, France and Spain: 59%
Domestic Sales: 29%

• **KIKO OPENED** 55 new stores globally, including 45 via franchising agreements. Its e-commerce sales grew 60% compared with 2019, boosted by sustained digital and social media content and targeted digital advertising. In early March, Simone Dominici, formerly at Coty, Bottega Veneta and Unilever, was named CEO.

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YANBAL INTERNATIONAL
LIMA, PERU

2021 BEAUTY SALES:
\$556 MILLION (EST.)
+30% VS. 2020 (EST.)
-2.5% VS. 2019 (EST.)

MAIN BRANDS: Yanbal, Unique (makeup, skin, body, sun and hair care, fragrance).

• **DIRECT SELLER** Yanbal honed its positioning last year, launching a new identity under the "Alma Latina" tag line celebrating its Latin roots and initiating a campaign for women's empowerment.

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COSNOVA
SULZBACH, GERMANY

2021 BEAUTY SALES:
\$552.4 MILLION (EST.)
€467 MILLION (EST.)
+15% VS. 2020 (EST.)
+5% VS. 2019 (EST.)

MAIN BRANDS: Essence, Catrice (makeup).

KEY FINANCIALS:
E-COMMERCE: 10% of sales,
+ 50% vs. 2020 and 130% vs. 2019

U.S.: +40%
CHINA: +22%
WESTERN EUROPE: +25%
MIDDLE EAST AND NORTH AFRICA: +50%

• **COSNOVA'S** shift online continued in 2021, and the company was particularly successful in the U.S. and China. It ramped up its sustainability initiatives, removing microplastics from a large proportion of its products and committing to eliminate them completely by 2023, and joined the Science-Based Targets Initiative.

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MANDOM CORP.
OSAKA, JAPAN

2021 BEAUTY SALES:
\$528.2 MILLION (EST.)
¥57.97 BILLION (EST.)
-10% VS. 2020 (EST.)
-28% VS. 2019 (EST.)

MAIN BRANDS: Men's Grooming: Gatsby (skin, body and hair care; hair color, fragrance, deodorant), Lúcido (skin, body, hair and scalp care; deodorant), Mandom (skin, body and hair care; fragrance), Tancho (hair care and color), Spalding (deodorant, fragrance, body care). Women's Cosmetics: Pixy (skin care, makeup), Bifesta, Barrier Repair (skin care), Lúcido L (hair care and color), Baby Veil (hair care), Lovillea (fragrance), Miratone (hair color), Mandom (hair and skin care), Johnny Andean, Style Up (hair care), Simplity (deodorant), Pucelle (fragrance, body care).

KEY FINANCIALS: (Nine months to Dec. 21)
NET SALES: ¥42.6 billion,
-11.1% vs. 2020

OPERATING LOSS: ¥1.02 billion, vs. an operating income of ¥813 million in 2020

SALES IN JAPAN: ¥25.13 billion,
-15.7%
SALES IN INDONESIA: ¥8.08

billion, -8.3%
SALES IN OTHER MARKETS:
¥9.39 billion, +0.8%

• **FACED WITH** ongoing coronavirus restrictions, weak consumer spending at home and abroad, and poor weather conditions that impacted demand for its summer products, Mandom's sales continued to decline. The group launched a three-year plan to improve its brand value, restructured in Indonesia and ramped up digital.

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BLOOMAGE BIO-TECHNOLOGY CORPORATION LTD.
SHANGHAI

2021 BEAUTY SALES:
\$517.6 MILLION (EST.)
CNY 3.34 BILLION (EST.)
+146.6% VS. 2020 (EST.)
+426.5% VS. 2019 (EST.)

MAIN BRANDS: Biohyalux, Quadhai, Medrepair, Biomedes, Plumoon, Laboratoire Revitacare, Bloomcare, BioBurgeon, HA Paws, Tianduo, Green, DMKO.

KEY FINANCIALS:
TOTAL REVENUE: CNY 4.94 billion, +87.93% vs. 2020
NET PROFIT: CNY 890 million, +17.3% vs. 2020

• **CHINA'S BLOOMAGE** has seen its branded beauty sales literally explode over the past two years. The company is a leading player in hyaluronic acid production, widely used in the pharmaceutical, medical device, cosmetics and functional foods industries and has a dozen or so beauty brands in which it has been investing to fuel growth. Functional skin care products increased from just over a third of its revenues in 2019 to half in 2020 and a massive 68% last year. Last July, the company announced that it is building the China headquarters of Laboratoire Revitacare, which it acquired in 2017, in Hainan Island's free trade zone.

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FINE TODAY SHISEIDO CO. LTD.
TOKYO

2021 BEAUTY SALES:
\$492 MILLION (EST.)
¥54 BILLION (EST.)
N/A VS. 2020/2019

MAIN BRANDS: Tsubaki, Senka, Uno, Sea Breeze, Super Mild, Ag Deo24, Fino.

• **FINE TODAY SHISEIDO** was

formed in July 2021 after Shiseido decided to spin off its personal care activity in order to focus on its prestige skin care business. In a deal valued at \$1.5 billion, CVC purchased the business, and Shiseido maintains a 35% stake through an entity named Oriental Beauty Holding Company. The spin-off is intended to allow the activity to accelerate innovation, strengthen brand development and expand internationally. Its brands mainly operate in the mass market, primarily in Asia, and registered sales of ¥106 billion in 2019, according to Shiseido (2020 data was not available). Estimated sales for 2021 on an annualized basis, including six months under Shiseido and six under the new entity, were ¥105.4 billion. Fine Today is headed by representative director, president and CEO Tetsuo Komori.

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HOYU CO. LTD.
NAGOYA, JAPAN

2021 BEAUTY SALES:
\$478.4 MILLION (EST.)
¥52.5 BILLION (EST.)
+1% VS. 2020 (EST.)
-6.3% VS. 2019 (EST.)

MAIN BRANDS: Bigen, Cielo, Beautylabo, Beauteen, Naturain, Promaster, Men's Bigen (hair color and care).

KEY FINANCIALS:
(FY ended Oct. 30, 2021)
CONSOLIDATED NET SALES:
¥52.5 billion, +1%

CONSOLIDATED OPERATING INCOME: ¥3.4 billion, -12.8%

• **THE JAPANESE** hair color specialist saw a slight uptick in sales in the year ended September, although its profitability declined. In January 2022, Yoshihiro Sasaki was named president; former president Makio Mizuno became chairman.

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HERMÈS INTERNATIONAL
PARIS

2021 BEAUTY SALES:
\$455.7 MILLION
€385.2 MILLION
+46.4% VS. 2020
+18.2% VS. 2019

MAIN BRANDS: Hermès Parfums: Terre d'Hermès, Eau des Merveilles, Twilly d'Hermès, Collection Parfums-Jardins, Collection Colognes, Collection Hermessence, Voyage d'Hermès, 24 Faubourg,

Galop d'Hermès, Calèche (fragrance), Le Bain (toilettries), Rouge Hermès, Rose Hermès (makeup) Les Mains Hermès (nail polish and hand care).

KEY FINANCIALS:
CONSTANT-CURRENCY SALES
GROWTH FOR BEAUTY: +46.5% vs. 2020

TOTAL COMPANY SALES: €8.98 billion, +40.6%

• **BEAUTY REBOUNDED** for Hermès last year, strongly surpassing 2019 sales levels, with growth in all regions except travel retail. New men's fragrance H24 was its first since Terre d'Hermès 15 years ago. The company added to its makeup offer, with Rose Hermès blush and Les Mains d'Hermès, a nail polish and hand care range.

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MANZANITA CAPITAL
LONDON

2021 BEAUTY SALES:
\$448 MILLION (EST.)
+21% VS. 2020 (EST.)
+38% VS. 2019 (EST.)

MAIN BRANDS: Byredo, Diptyque (fragrance); Malin + Goetz (skin, body and hair care, fragrance); Susanne Kaufmann (skin, body and hair care).

KEY FINANCIALS:
LIKE-FOR-LIKE SALES GROWTH:
+43% (EST.) vs. 2020, +74% (EST.) vs. 2019

LIKE-FOR-LIKE SALES CAGR:
2019-21: +32%

• **WITH HIGH-END** fragrance booming, it was a year of strong sales for Manzanita Capital's beauty activity. It was also a period of consolidation — Manzanita sold Eve Lom to Yatsen Holding, and Keven Aucoin to Harmay. According to industry sources, Byredo is also looking at deal options. The brand expanded its makeup offering, initially launched in 2020. Diptyque, which celebrated its 60th anniversary, also performed well, according to sources. China is now its biggest market, alongside the U.S.

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MARKWINS BEAUTY BRANDS
CITY OF INDUSTRY, CALIF.

2021 BEAUTY SALES:
\$420 MILLION (EST.)
-17.6% VS. 2020 (EST.)
-30.6% VS. 2019 (EST.)

MAIN BRANDS: Wet

'n' Wild, Lip Smacker, Physicians Formula, Lorac, Black Radiance, The Color Workshop, The Color Institute, Bonne Bell, Pop.

• **IT WAS A CHALLENGING** year for mass market makeup in North America and a challenging year for Markwins. Company founder Eric Sung-Tsei Chen died unexpectedly at age 63 in August. His wife, Lina Chen, was named chairman and CEO.

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WELEDA
ARLESHEIM,
SWITZERLAND

2021 BEAUTY SALES:
\$405.6 MILLION (EST.)
€342.9 MILLION (EST.)
+3% VS. 2020 (EST.)
+4.9% VS. 2019 (EST.)

MAIN BRANDS: Weleda (natural and organic skin and body care, men's care, hair care, mother and baby care, lip balms, personal care).

KEY FINANCIALS:
BIGGEST MARKETS: Germany, France, Switzerland

• **IN ITS 100TH** anniversary year, the organic beauty player received B Corp certification and joined the newly formed B Corp Beauty Coalition, an association of 30 industry players who have grouped together to promote sustainability practices. Weleda strengthened its position in mother and baby care and introduced new products under Weleda Skin Food.

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COMBE INC.
WHITE PLAINS, N.Y.

2021 BEAUTY SALES:
\$405 MILLION (EST.)
+6.6% VS. 2020 (EST.)
+8% VS. 2019 (EST.)

MAIN BRANDS: Just for Men, Control GX, Virtue Labs (hair care and color), Aqua Velva, Williams Lectric Shave, Brylcreem (men's grooming, in North America), Vagisil (intimate skin care).

• **SEVERAL OF COMBE'S** key product classifications experienced healthy growth during 2021, according to IRI data. Just for Men continued to dominate men's hair color with sales up 12% in the drugstore channel, per IRI. Just for Men introduced the first virtual AI-powered try-on tool for men. Virtue Labs, in which Combe acquired a majority stake in 2020, benefited from the boom in prestige hair care sales.

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**NIPPON
MENARD
COSMETIC CO.**
NAGOYA, JAPAN

2021 BEAUTY SALES:
\$401.8 MILLION (EST.)
¥44.1 BILLION (EST.)
-13.2% VS. 2020 (EST.)
-11.1% VS. 2019 (EST.)

MAIN BRANDS: Authentic (skin care, fragrance, body care), Embellir, Fairlucent (skin care, makeup), Illuneige, Lisciare, Colax, Herb Mask (skin care), Beauness (skin and body care), Jupier, TK (makeup, skin care), Crowa (hair care), Divum (skin care, makeup, in China), Reliever (skin care, in China).

• **THE PANDEMIC** was the main reason for the company's decline in sales in the first half of 2021, due to lockdowns and prolonged closures in facial salons, its main sales channel. In the second half of the year, Menard began to see a recovery in the majority of its sales worldwide, especially in Europe and East Asia.

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**EMBELLEZE
GROUP**
RIO DE JANEIRO

2021 BEAUTY SALES:
\$387.7 MILLION (EST.)
R\$2.09 BILLION (EST.)
+8.3% VS. 2020 (EST.)
+53.7% VS. 2019 (EST.)

MAIN BRANDS: Novex, Amacihair, Hairlife, Lisahair, SempreBella, Vitay (hair care and treatment), Natucor, Maxton (hair color), Nutrisalon (professional hair care), BioSalut (personal care).

KEY FINANCIALS:
INTERNATIONAL SALES: 11% of revenues
DOMESTIC SALES: +24%

• **THE HAIR CARE** specialist continued to grow last year, albeit at a slower rate than in 2020, when the devaluation of the Brazilian real had a major impact on its numbers. Embelleze's focus for 2021 was on growing its e-commerce footprint and new international markets, including the Balkan countries, South Africa, Morocco, Congo, Canada, Mexico and Chile.

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BURT'S BEES
DURHAM, N.C.

2021 BEAUTY SALES:

\$380 MILLION (EST.)
+10% VS. 2020 (EST.)
+0.8% VS. 2019 (EST.)

MAIN BRANDS: Burt's Bees (beauty, skin, lip, hair, men's and baby care)

KEY FINANCIALS:
DOMESTIC RETAIL SALES: \$361 million (based on IRI POS data)

BIGGEST MARKETS: U.S., Canada, the U.K.

• **U.S. SALES** returned to growth in 2021 as Burt's Bees revved up omnichannel acceleration. Parent company Clorox Co. leaned into digital marketing and commerce, nearly doubling its e-commerce business. Burt's Bees received a boost with sales up double digits for the quarter ended June 30. The momentum continued in the second half of calendar 2021 with lip care, towelettes and holiday assortments doing well. The brand is a founding member of a coalition committed to creating resources to recycle small format packaging. It unveiled plans to reach net-zero plastic by 2025.

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E.L.F. BEAUTY
OAKLAND, CALIF.

2021 BEAUTY SALES:
\$380 MILLION (EST.)
+26.5% VS. 2020 (EST.)
+38.4% VS. 2019 (EST.)

MAIN BRANDS: E.l.f. Cosmetics (makeup, skin care, brushes, tools and devices), Well People, (makeup, skin care), Keys Soulcare (skin care, home fragrance).

KEY FINANCIALS:
U.S.: 89% of sales
DIGITAL: 14% of sales (vs. 16% in 2020 and 10% in 2019)

• **E.L.F. BEAUTY'S** digital-first strategy ran the gamut from buzzy partnerships, such as limited-edition products with fast-food chain Chipotle to a brand channel on the video game streaming platform Twitch. A video on TikTok called "Big Mood: Big E.l.f.ing City" garnered 400 million impressions and 32 million views. The company rebranded Well People with new formulations, products and packaging, including the launch of skin care. E.l.f. Beauty expanded its presence at CVS, with expansion to come to Walmart in 2022. Keys Soulcare entered 10 countries, including the U.S., the U.K. and other markets in Western Europe. The quarter ended Dec. 31 was the 12th consecutive quarter of growth for the firm.

BY THE NUMBERS

HIGHS AND LOWS

THE RESILIENCE OF premium products was the biggest standout on the stock markets for beauty last year, when the major luxury conglomerates — Hermès International, Richemont and LVMH Moët Hennessy Louis Vuitton — were all among the best performers, with beauty specialist players with a strong high-end portfolio including Inter Parfums, The Estée Lauder Cos. and L'Oréal also among the biggest share gainers. At the opposite end of the spectrum, Asian beauty holdings took a beating — eight of the 10 worst-performing stocks hailed from China, Japan or South Korea.

TOP 10 PERFORMING BEAUTY STOCKS IN 2021

COMPANY STOCK SYMBOL	YR-END 2020* YR-END 2021*	% CHANGE
INTER PARFUMS INC. NYSE: IPAR	\$60.49 \$106.90	+76.7%
HERMÈS INTERNATIONAL EPA: RMS	€879.60 (\$1,040) €1,536.00 (\$1,817)	+74.6%
COMPAGNIE FINANCIÈRE RICHEMONT CFR	SFR 80.08 (\$87.60) SFR 136.95 (\$149.82)	+71%
L'OCCITANE INTERNATIONAL HK: 0973	HK\$19.32 (\$2.49) HK\$31.55 (\$4.06)	+63.3%
COTY INC. NYSE: COTY	\$7.02 \$10.50	+49.6%
BATH & BODY WORKS NYSE: BBWI	\$48.75** \$69.79	+43.2%
LVMH MOËT HENNESSY LOUIS VUITTON EPA: MC	€510.90 (\$604.37) €727.00 (\$860)	+42.3%
THE ESTÉE LAUDER COS. NYSE: EL	\$266.19 \$370.20	+39.1%
L'ORÉAL EPA: OR	€310.80 (\$367.66) €416.95 (\$493.23)	+34.2%
EDGEWELL PERSONAL CARE NYSE: EPC	\$34.58 \$45.71	+32.2%

*Data used was closing price on the last day of the year the stock was traded.

**When still trading as L Brands.

The 10 WORST-PERFORMING BEAUTY STOCKS IN 2021

% CHANGE	YR-END 2020* YR-END 2021*	COMPANY STOCK SYMBOL
-87.4%	\$17 \$2.15	YATSEN HOLDING LTD. NYSE: YHG
-51.6%	R\$52.50 (\$9.74) R\$25.43 (\$4.72)	NATURA & CO. BVMF: NTCO3
-39%	CNY 52.21 (\$8.09) CNY 31.87 (\$4.94)	GUANGDONG MARUBI BIO-TECHNOLOGY CO. SHA: 603983
-38.5%	¥2,498 (\$22.76) ¥1,537 (\$14.01)	LION CORP. JP: 4912
-32.3%	KRW 1,620,000 (\$1,414.26) KRW 1,097,000 (\$957.68)	LG HOUSEHOLD & HEALTHCARE KRX: 051900
-25.9%	¥17,600 (\$160.37) ¥13,050 (\$118.91)	KOSÉ CORP. JP: 4922
-24.5%	¥7,970 (\$72.62) ¥6,019 (\$54.85)	KAO CORP. JP: 4452
-19.2%	KRW 54,900 (\$47.93) KRW 44,350 (\$38.72)	AMOREPACIFIC GROUP KRX: 002790
-18.9%	KRW 167,000 (\$145.79) KRW 206,000 (\$179.85)	AMOREPACIFIC CORP. KRX: 090430
-18.3%	£1.50** (\$2.06) £1.23 (\$1.69)	REVOLUTION BEAUTY LON: REVB

*Data used was closing price on the last day of the year the stock was traded.

**Revolution Beauty was listed on July 19, 2021, at £1.50.

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MILBON
CO. LTD.
TOKYO

2021 BEAUTY SALES:
\$378.9 MILLION
¥41.58 BILLION
+16.4% VS. 2020
+14.7% VS. 2019

MAIN BRANDS: Milbon, Aujua, Villa Lodola, Ordeve, Sophistone, NeoLiscio (hair care, color, styling and perming), Imprea (skin care, makeup).

KEY FINANCIALS:
DOMESTIC SALES: ¥33.64 billion, +12.6% vs. 2020

INTERNATIONAL SALES: ¥7.9 billion, +35.8% vs. 2020

TOP INTERNATIONAL MARKETS:
SOUTH KOREA: ¥3.4 billion, +34% (+25% in local currency)
CHINA: ¥2.15 billion, +42% (+27% in local currency)
U.S.: ¥905 million, +95% (+89% in local currency).

• **DOMESTICALLY**, the professional hair care manufacturer continued to benefit from its e-commerce activity accessible exclusively through salons. Milbon: iD, and the premium brands Aujua and Global Milbon did well. Internationally, China and South Korea grew, and U.S. revenues increased significantly. Sales of Imprea gained 61%, although that was below target, according to the company.

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PZ CUSSENS
LONDON

2021 BEAUTY SALES:
\$374.1 MILLION (EST.)
£272 MILLION (EST.)
+4.3% VS. 2020 (EST.)
+5.5% VS. 2019 (EST.)

MAIN BRANDS: St. Tropez (skin and body care), The Sanctuary Spa, Imperial Leather (bath, body and skin care), Carex (hygiene, hand care).

KEY FINANCIALS:
(Six Months To Nov. 30):
TOTAL COMPANY SALES FROM CONTINUING OPERATIONS: 283.7 million pounds, -9.3%

LARGEST MARKETS: The U.K., U.S., Nigeria

• **PZ CUSSENS** has been focusing on moving from a trading business to a "brand-building" one with hygiene, baby and beauty at its core.

It has also put an emphasis on sustainability and is working toward B Corp certification. The company said its beauty business saw a very strong second quarter in the run up to Christmas. Sanctuary Spa increased its market share, while St. Tropez's retail sales tracked up by more than a third. Charles Worthington reached record levels of distribution in the U.K.

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GUTHY-RENKER
EL SEGUNDO, CALIF.

2021 BEAUTY SALES:
\$369 MILLION (EST.)
-17.3% VS. 2020 (EST.)
-19% VS. 2019 (EST.)

MAIN BRANDS: Crêpe Erase, Meaningful Beauty, Westmore, Specific Beauty, Dermaflesh, It Cosmetics (repeat sales to existing customers), Sea Calm Skin, JLo Beauty.

• **INDUSTRY-WIDE** supply chain issues negatively and significantly impacted Guthy-Renker's results during 2021, according to the company. As the issues are resolved, Guthy-Renker expects that business will return to growth mode during 2022. Despite a glut of celebrity launches, JLo Beauty struck a chord, the company said. Sales are estimated to have hit \$150 million in 2021. JLo Beauty was developed by Ascendant Beauty LLC, a joint venture between Guthy-Renker and BRZ GR LLC. Rumors are that Meghan Markle and Prince Harry have held meetings with a cofounder of Guthy-Renker to launch a cosmetics line.

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FORMA BRANDS
SAN FRANCISCO

2021 BEAUTY SALES:
\$350 MILLION (EST.)
-12.5% VS. 2020 (EST.)
-20.5% VS. 2019 (EST.)

MAIN BRANDS: Bad Habit (skin care), Lipstick Queen, Morphe, Morphe 2, R.E.M. Beauty (makeup), Playa (hair care).

• **FORMA BRANDS** saw sales decline in 2021 due to the company's exposure to mall-based retail with Morphe stores, which did poorly during the pandemic. The business cut ties with two former influencer partners, Jeffrey Star and James Charles, both of whom were

closely aligned with Morphe and helped propel its sales. In early 2022, longtime CEO Myles McCormick left and was succeeded by former Too Faced president Eric Hohl. Forma partnered with Ariana Grande to launch her beauty brand, R.E.M. Beauty.

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NOEVIR
HOLDINGS
KOBE AND TOKYO

2021 BEAUTY SALES:
\$349.5 MILLION (EST.)
¥38.35 BILLION (EST.)
+2.5% VS. 2020 (EST.)
-14.3% VS. 2019 (EST.)

MAIN BRANDS: Noevir Co.: Speciale, 505, 99Plus (skin care, makeup), Tokiwa Pharmaceutical Co.: Nameraka Honpo (skin care), Excel (makeup), Nov (skin care, makeup).

KEY FINANCIALS:
(FY ended Sept. 30, 2021)
COSMETICS SALES: ¥38.33 billion, -1.1% vs. 2020
COSMETICS OPERATING INCOME: ¥9.6 billion, +1%

BIGGEST INTERNATIONAL MARKETS: China, Taiwan

• **IN ITS FISCAL YEAR** ended September, the company said its cosmetics sales dropped, but profits increased. In what it calls face-to-face channels — mainly its own retail stores and Noevir Beauty Studios — makeup sales declined and high-end skin care sales were flat. In the mass market, Nameraka Honpo and acne care from Nov did well, while makeup line Excel's sales declined. International revenues grew. In the final three months of the calendar year, cosmetics sales increased by 16.7% according to a filing, broadly related to a change in accounting methods, rather than an uptick in business.

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NUXE GROUPE
BOULOGNE-
BILLANCOURT, FRANCE

2021 BEAUTY SALES:
\$343.1 MILLION (EST.)
€290 MILLION (EST.)
+7.5% VS. 2020 (EST.)
+1% VS. 2019 (EST.)

MAIN BRANDS: Nuxe, Resultime (skin and body care, fragrance).

KEY FINANCIALS:
FRANCE: 47% of sales (EST.)

BIGGEST INTERNATIONAL MARKETS: Italy, Spain
ONLINE SALES: +15% vs. 2020

• **GROWTH IN INTERNATIONAL** markets, especially Asia and Europe, allowed Nuxe to grow its sales to above pre-pandemic levels in its core brand's 30th anniversary year. It expanded to Thailand and Vietnam. Domestic sell-out in pharmacies surpassed 2019 levels, and the brand remained the number one in French pharmacies in the oil and antiaging categories.

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CAUDALIE
PARIS

2021 BEAUTY SALES:
\$337.1 MILLION (EST.)
€285 MILLION (EST.)
+10% VS. 2020 (EST.)
+10% VS. 2019 (EST.)

MAIN BRANDS: Vinoperfect, Resveratrol-Lift, Premier Cru, Vinosource, Beauty Elixir, Vinergetic, Vinothérapeut, Vinosculpt, Vinoclean (skin care), Eaux Fraîches (fragrance).

KEY FINANCIALS:
BIGGEST MARKETS: France, the U.S., China, Italy, Germany

• **AFTER REGISTERING** flat sales in 2020, Caudalie renewed with growth last year. In European pharmacies in the 10 months to October, the brand significantly outperformed the overall market, registering 18% sell-out growth, compared with a 1% decline for the market overall, according to data from IQVIA. Retail sell-out at Sephora in the U.S. grew 27%.

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LION CORP.
TOKYO

2021 BEAUTY SALES:
\$334.6 MILLION (EST.)
¥36.72 BILLION (EST.)
-21.5% VS. 2020 (EST.)
+5.1% VS. 2019 (EST.)

MAIN BRANDS: Kirei Kirei (hand soap), Ban (deodorant), Pro Tec (men's hair and body care), Hadakara, Shokubutsu-Monogatari (body care), Soft in 1 (hair care).

KEY FINANCIALS:
TOTAL COMPANY NET SALES: ¥366.23 billion, +3.1% vs. 2020

TOTAL OPERATING PROFIT:

¥31.18 billion, -29.3%
BEAUTY CARE SALES IN JAPAN:
¥24.73 billion, -21.5%

• **LION CORP.'S BEAUTY** sales shrank in 2021, which followed a year of strong growth for its personal care business. Domestic sales of body washes increased, but revenues from antiperspirants and deodorants declined. Overall, personal care sales remained above pre-pandemic levels. Its total overseas business increased 7.5%. Profitability was negatively impacted by increases in raw-material costs.

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SODALIS GROUP
LODI VECCHIO, ITALY

2021 BEAUTY SALES:
\$317.4 MILLION (EST.)
€268.3 MILLION (EST.)
+2.5% VS. 2020 (EST.)
-3.6% VS. 2019 (EST.)

MAIN BRANDS: BioNike (skin care, body care, makeup), Bioetec (skin care), Licia (skin care, deodorants), Arbre Vert (skin care, hair care, deodorants), Leocrema, Dermolab (skin care, sun care), Vitesse (face care), Tesori D'Oriente, Denim (body care, fragrances), Natural Honey (body wash and lotion), Noxzema, Depilzero, Strep (shaving/depilation), Biopoint (hair care, skin care and sun care), Brelil, Wash&Go (hair care), Deborah (makeup).

KEY FINANCIALS:
SALES IN ITALY: €198.9 million (+4% vs. 2020, -4% vs. 2019)
INTERNATIONAL SALES: €69.4 million (-1% vs. 2020, -4% vs. 2019)

• **THE REPRIS** of social occasions propelled the makeup, perfumery and professional hair products businesses. While BioNike, one of the company's key brands, continued to grow, Wash&Go struggled abroad, especially in Kazakhstan, due to uncompetitive pricing. At the end of 2021, the company acquired the Lornamead GmbH business in Germany and the U.K. brands Brisk, Rapid White and Triple Dry from Hong Kong-based Meiyume. The operation aimed to further consolidate Sodalis Group's presence in Western Europe. The company also established a commercial partnership with Coty Inc. to become the exclusive distributor in Italy of brands including Max Factor, Rimmel, Sally Hansen and Bourjois. The deal looks to further cement the group's leading role in makeup in the Italian drugstore channel.

86

JAFRA
COSMETICS
INTERNATIONAL
WESTLAKE VILLAGE,
CALIF.

2021 BEAUTY SALES:
\$314.6 MILLION (EST.)
€265.9 MILLION (EST.)
-16.6% VS. 2020 (EST.)
-24.4% VS. 2019 (EST.)

MAIN BRANDS: Jafra (fragrance, skin care, color cosmetics, toiletries)

• **BETTERWARE** De Mexico snapped up Jafra's Mexican and U.S. operations from German company Vorwerk in early 2022 for \$255 million. The acquiring company is a d-to-c focusing on home organization, kitchen, commuting, laundry and cleaning products based in Guadalajara, Mexico. The acquisition marks Betterware's entry into beauty, with Jafra — which historically does around 70% of its business in Mexico and 20% in the U.S. — becoming a wholly owned subsidiary.

87

DHC CORP.
TOKYO

2021 BEAUTY SALES:
\$301 MILLION (EST.)
¥33.03 BILLION (EST.)
-7.3% VS. 2020 (EST.)
-30.7% VS. 2019 (EST.)

MAIN BRANDS: DHC (skin care, makeup, hair care, men's, body and baby care, fragrance), Olive Sube Sube, Medicated Q, Super Collagen.

KEY FINANCIALS:
DOMESTIC SALES: ¥26.94 billion, -11.9% (81.6% of total)
OVERSEAS SALES: ¥6.09 billion, +20.6% (18.4%)

TOP THREE MARKETS: Japan, Greater Asia, the U.S.

• **DHC CONTINUES** to push its international expansion, having added many new overseas markets in 2021. International sales grew from 14% of overall sales in 2020 to 18% in 2021. Domestic sales shrank, however.

88

DR. WOLFF
GROUP
BIELEFELD, GERMANY

2021 BEAUTY SALES:
\$294 MILLION (EST.)

€248.5 MILLION (EST.)
+3.2% VS. 2020 (EST.)
+10% VS. 2019 (EST.)

MAIN BRANDS: Dr. Kurt Wolff; Alpecin, Plantur 39, Plantur 21 (hair care), Alcina (hair and skin care; makeup), Plantur 49 (skin care), Dr. August Wolff; Linola (skin care).

KEY FINANCIALS:
PRELIMINARY GROUP SALES: €355 million, +4.4% vs. 2020 (+13.4% vs. 2019)

• **DR. WOLFF GROUP** continued to gain ground last year. Alpecin and Plantur both performed well on a declining domestic hair care market, although Alcina, sold in professional channels, suffered due to lockdowns in the first quarter.

89

EMAMI LTD.
KOLKATA, INDIA

2021 BEAUTY SALES: \$289.9 MILLION (EST.)
21.45 BILLION RUPEES (EST.)
+15.3% VS. 2020 (EST.)
+4.1% VS. 2019 (EST.)

MAIN BRANDS: Boroplus, Navratna, Vasocare, Emami Golden Beauty Talc, Malai Kesar Cold Cream, Creme 21 (skin care), Fair & Handsome (men's skin care), Kesh King, Emami 7 Oils in One (hair care), HE (deodorant).

KEY FINANCIALS:
DOMESTIC SALES: 84% of business (EST.)
INTERNATIONAL SALES: SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION: 37%
MIDDLE EAST, NORTH AFRICA: 41%
COMMONWEALTH OF INDEPENDENT STATES: 11%
AFRICA: 7%
OTHERS: 5%

• **ON THE DOMESTIC** market, Boroplus and 7 Oils in One continued to drive sales. Emami's men's grooming range and Kesh King also saw growth. The company introduced German skin care brand Crème 21, acquired in 2019, to the Indian market, and increased its stake in Helios Lifestyle, owner of premium omnichannel brand The Man Company, from 33% to 48.49%.

90

FABERLIC
MOSCOW

2021 BEAUTY SALES: \$272.7 MILLION
20.1 BILLION RUBLES

+7.5% VS. 2020
+26.4% VS. 2019

MAIN BRANDS: Global Oxygen, Oxiology, OxyCarboxy, Oceanum, Dream Therapy, One Week Miracle, Dr. Core, Garderica, Renovage, Beauty Lab, Biomica, BioGlow, Verbena, Iseul, Vario, Bloom (skin care), Faberlic Expert, L.Ove (skin and body care, hair care), Beauty Café (body care, fragrance), Faberlic by Valentin Yudashkin, Renata, Viking (fragrance), Glam Team, Do the Best, Secret Story (makeup), Salon Care, Arisu, Blonde Icon, Curly Icon, Volume & Style (hair care).

KEY FINANCIALS:
DOMESTIC SALES: 41% of revenues

KEY INTERNATIONAL MARKETS: Kazakhstan, Belarus, Uzbekistan, Azerbaijan, Poland.

• **RUSSIA'S LARGEST** homegrown direct seller continued to grow due to strong online sales, its wide product range, affordable prices and active development of sales in Europe. Makeup and hair care contributed most to sales gains. Italy continued to be the fastest-growing market, followed by Spain and Germany.

91

GUANGDONG MARUBI BIOTECHNOLOGY CO.
GUANGDONG, CHINA

2021 BEAUTY SALES: \$271.2 MILLION (EST.)
CNY 1.75 BILLION (EST.)
FLAT VS. 2020 (EST.)
-3.1% VS. 2019 (EST.)

MAIN BRANDS: Marubi, Haruki (skin care), Passional Lover (makeup).

KEY FINANCIALS:
REPORTED SALES IN THE FIRST NINE MONTHS OF 2021: CNY 1.14 billion, flat year-over-year (-5.8% vs. 9M 2019)

• **FACED WITH** growing competition in the Chinese e-commerce market, Marubi worked to ramp up its online presence, notably through livestreaming, although initial efforts were slower to bear fruit than anticipated, according to the company.

92

ODDITY
NEW YORK

2021 BEAUTY SALES: \$268 MILLION (EST.)

+95.6% VS. 2020 (EST.)
+312.3% VS. 2019 (EST.)

MAIN BRANDS: Il Makiage

KEY FINANCIALS:
IL MAKIAGE: 95% of revenue
U.S.: 75% of revenue

• **PARENT COMPANY** Oddity's high growth rate comes from Il Makiage's digital business, further enabled by last year's \$40 million acquisition of Voyage81, a hyperspectral imaging start-up meant to add to the brand's existing AI capabilities. In January, after closing a \$130 million secondary funding round, CEO Oran Holtzman said Oddity had plans to launch new brands every 18 months. In February, it launched SpoiledChild skin care.

93

REVOLUTION BEAUTY GROUP
LONDON

2021 BEAUTY SALES: \$264.8 MILLION (EST.)
£192.5 MILLION (EST.)
+40% VS. 2020 (EST.)
+41% VS. 2019 (EST.)

MAIN BRANDS: Makeup Revolution, I Heart Revolution (makeup), Revolution Skincare, Revolution Haircare.

KEY FINANCIALS:
SALES MARCH-AUGUST 2021: £78.6 million, +39% vs. H1 2020

• **THE FAST BEAUTY** player continued to grow its footprint after a strong 2020. The company floated on London's Alternative Investment Market in July 2021, valuing it at nearly £500 million. It expanded its distribution footprint in the U.S. and U.K. — it has around 11,000 stockists worldwide in addition to its strong online presence and social media following. Launches included clean beauty brand Planet Revolution and Revolution Haircare Plex. In February 2022, Revolution announced the acquisition of U.S.-based BH Cosmetics Holdings for \$3.9 million.

94

CARTIER
PARIS

2021 BEAUTY SALES: \$261.4 MILLION (EST.)
€221 MILLION (EST.)
+30% VS. 2020 (EST.)
+5.2% VS. 2019 (EST.)

MAIN BRANDS: Cartier Carat, L'Envol de Cartier, La Panthère de Cartier, Pasha de Cartier, Baiser Volé, Déclaration, Eau de Cartier,

Must de Cartier, Santos de Cartier, Les Heures de Parfum, Les Heures Voyageuses, Les Epures de Parfum, Rivières de Cartier (fragrance).

• **ACCORDING TO ESTIMATES**, the boom in high-end fragrance boosted Cartier's sales beyond pre-pandemic levels last year. The Compagnie Financière Richemont-owned brand, for which fragrance represents a very small proportion of sales, homed in on its high-end positioning, launching refillable jewelry-like cases for its top-selling lines, and Rivières de Cartier, three unisex fragrances inspired by water.

95

ANASTASIA BEVERLY HILLS
LOS ANGELES

2021 BEAUTY SALES: \$250 MILLION (EST.)
+25% VS. 2020 (EST.)
-16.7% VS. 2019 (EST.)

MAIN BRANDS: Anastasia Beverly Hills (makeup).

• **ANASTASIA BEVERLY HILLS** saw a meaningful improvement in sales in 2021, driven by innovation, e-commerce sales and higher in-store sales. ABH entered Target with Ulta Beauty and Kohl's with Sephora. The brand launched Brow Freeze, the bestselling prestige brow launch in the U.S. in 2021.

95

HUDA BEAUTY
DUBAI, U.A.E.

2021 BEAUTY SALES: \$250 MILLION (EST.)
FLAT VS. 2020 (EST.)
FLAT VS. 2019 (EST.)

MAIN BRANDS: Huda Beauty, Glowish (makeup), Kayali (fragrance), Wishful (skin care).

• **IN 2021**, the business launched a new brand, Glowish, focused on no-makeup makeup looks. Former CEO Nathalie Kristo left the business, and founder Huda Kattan took back over as CEO. Kattan's investment arm, HB Ventures, made its first investment, in sexual wellness brand Ketish.

97

LUXURY BRAND PARTNERS
NEW YORK

2021 BEAUTY SALES:

\$249.9 MILLION (EST.)
+19% VS. 2020 (EST.)
+22.5% VS. 2019 (EST.)

MAIN BRANDS: R+Co, R+Co Bleu, IGK, V76 by Vaughn, In Common (hair care), Smith & Cult (makeup, nails), One/Size (makeup), Elaluz (makeup, skin care).

KEY FINANCIALS:
U.S.: 80% of sales
INTERNATIONAL: 20% of sales, led by Australia and Canada

• **LBP FOCUSED** on launching high-performance products and aligning brand digital efforts with retailer initiatives. It ramped up e-commerce through affiliate programs with salons and stylists, plus live-shopping events online and virtual try-on options.

98

ALFAPARF GROUP
OSIO SOTTO (BERGAMO), ITALY

2021 BEAUTY SALES: \$247.2 MILLION
€209 MILLION
+37% VS. 2020
+7.7% VS. 2019

MAIN BRANDS: Alfaparf Milano, Yellow, Alta Moda é... Il Salone Milano (hair care), Ten Science, Dibi Milano, Becos, Olos (skin and body care), Solarium (sun care), Decoderm (skin care/makeup).

KEY FINANCIALS:
MAIN MARKETS:
ITALY: €75.9 million (+34% vs. 2020, +12.6% vs. 2019)
BRAZIL: €29.3 million (+68% vs. 2020, +5% vs. 2019)
MEXICO: €19.6 million (+67% vs. 2020, +12% vs. 2019)

• **ALFAPARF** returned to growth by further strengthening its relationships with hair salons. Despite COVID-19 restrictions still hampering activities at the beginning of the year, its hair division's sales gained 10% and it created direct ties with more than 15,000 new salons. A new business unit focused on multichannel helped it create new opportunities, and e-commerce sales tripled their share of total revenues.

99

MAESA
NEW YORK

2021 BEAUTY SALES: \$241.3 MILLION (EST.)
+78% VS. 2020 (EST.)
+145.2% 2019 (EST.)

MAIN BRANDS: Kristin Ess, Flower Beauty, Hairitage,

TPH by Taraji, P2, Hey Humans, Anomaly, Mix:Bar, Believe Beauty, Believe Skin, Root-to-End, GoodBaths.

KEY FINANCIALS:
TOTAL MAESA SALES: \$344 million +46% vs. 2020 (EST.)
HAIR CARE SALES: 53%
COLOR COSMETICS: 31%
BATH & BODY CARE: 7%
FRAGRANCE: 6%
SKIN CARE: 3%

• **MAESA'S EFFORTS** to transform from a contract manufacturer into a brand incubator continued in 2021, resulting in the launches of new brands Hey Humans, Anomaly, Mix:Bar, Root-to-End, Believe Skin and GoodBaths, which are all sold either at Target or Dollar General. Growth came from existing brands, including Kristin Ess, which broadened distribution in the U.S., and added Canada and Tmall in China. Maesa's owned brands grew 75% year-over-year in the U.S., and 134% in international markets. The company named Gianni Pieraccioni as CEO.

100

ABLE C&C
SEOUL

2021 BEAUTY SALES: \$232 MILLION (EST.)
KRW 265.75 BILLION (EST.)
-13.6% VS. 2020 (EST.)
-37% VS. 2019 (EST.)

MAIN BRANDS: Missha, A'Pieu, Swiss Pure, Mefactory, TR (skin, bath and body care; makeup).

KEY FINANCIALS (EST.):
OPERATING LOSS: KRW 22.28 billion vs. KRW 68 billion in 2020
NET LOSS: KRW 42.47 billion vs. KRW 88.26 billion

• **KIM YU-JIN**, a managing director at IMM Private Equity, which invested in the cosmetics-maker in 2017, took over as CEO in June. The company continues to struggle, with its high dependence on physical retail and low online penetration. In the nine months to September 2021, online sales accounted for 20% of domestic revenues, compared with 13% in 2019, while the share of sales in directly operated stores dropped to 27%, compared with 52% in 2019. Exports accounted for 42% of sales, compared with 28% in 2020.

A CLEAR PATH FORWARD

Coty CEO Sue Nabi is no stranger to change — and she’s using her experience to effect the ultimate corporate transformation.

BY **JENNIFER WEIL** PHOTOGRAPH BY **JULIEN FAURE**

Sue Nabi is a CEO 2.0. The Algeria-born, French engineer by training with an advanced master’s degree in marketing management has been channeling her laser-sharp brand-building skills and holistic vision of diversity to accomplish what no chief executive officer has managed in years: jump-start Coty Inc.’s turnaround. And that’s despite the coronavirus pandemic.

The numbers speak for themselves. In the second quarter of Coty’s fiscal year ended Dec. 31, the multinational posted its sixth consecutive quarter “on par or above expectations,” Nabi said at the time.

For the six months to Dec. 31, the group registered sales of \$2.95 billion, up 16 percent versus the same prior-year period. Net income was \$492.6 million, an improvement against the \$27.3 million loss in first-half fiscal 2020-21. The company also reduced its debt by more than a half-billion dollars and targeted about two-times leverage exiting calendar year 2025.

The sales growth can be attributed to numerous factors, including the about-turn of Cover Girl, the rebound of Coty’s consumer business and the repositioning of the group’s luxury division in three key categories — fragrance, makeup and skin care, rather than solely on fragrance.

Meanwhile, Coty stock keeps rising. On July 2, 2020, the day Peter Harf, the founding partner of JAB, Coty’s majority owner, announced Nabi’s appointment, Coty stock closed at \$4.45. Fast forward to March 15, 2022, and it ended the day at \$8.46.

For Nabi, it’s just the beginning. Her goal is nothing less than total transformation, on everything

from Coty’s stock price to its corporate culture.

“A healthy company grows ahead of the market,” said the executive, sitting in a conference room in Coty’s Amsterdam headquarters. “After that, I really would like Coty to stand for a forward-thinking company, with the most passionate experts.”

While that might sound like boilerplate CEO-speak, Nabi is in a come-from-behind position. Coty, a longtime leader in fragrance, has struggled since it bought 41 beauty brands from Procter & Gamble in 2016 in an effort to become a top-five beauty company. Many were not in the best of shape, and Coty executives had a difficult time fixing them. Some, like the professional hair care brands, were not part of the group’s core competency and ended up being sold. At top management levels, executives struggled to keep their jobs, and there became a revolving door of CEOs lacking beauty experience.

Nabi is not of that ilk. A L’Oréal veteran who steered brands such as Lancôme and L’Oréal Paris to new heights, and more recently launched her own luxury, sustainable skin care brand Orveda, she personifies a new era for Coty.

With the mind-set of a seasoned executive and entrepreneur, Nabi has taken a global and local approach to growth, all guided by a remarkable finesse for brand-building and marketing. She’s developed a reputation as an agile leader, ready to reinvent the group during a period of upheaval in the company itself and society at large.

“I’m trying to infuse in the culture that change is normal,” Nabi said. “A lot of big corporations don’t love change, because change means moving from your comfort zone, changing the way you work, the

priorities — sometime after just one year, etcetera, but that’s the world of today. And tomorrow, we need to adapt.

“Change is normal,” she continued. “It’s not something that can happen only when you are in difficulty.”

The executive is well-versed in transformation. She has lived a life of change, while catapulting up the corporate ladder. Today, Nabi is the only serving transgender CEO of a major multinational fragrance and cosmetics corporation worldwide.

Stephanie Wissink, an analyst at Jefferies, called Nabi “an icon for the next generation of what CEOs can be. You already see it in what has happened in the culture, the language, the permissioning, the possibilities within Coty,” she said. “There is definitely a different vibe.

“There is this element of facing the odds and believing you can overcome,” Wissink continued. “This is just in Sue’s spirit — and that is not something that needs to be spoken, but is something that is inherently desirable in a corporate culture, especially in a competitive culture, where you can’t take wins for granted. You always need to act like the underdog, even when you are the leader.”

Indeed, Nabi sees the beauty business overall as being too complacent and drives the Coty teams to look at the world through a different lens. “The industry has become much too reliant on trends, rather than creating trends,” she said. “If you do something different, which is to say: I’m going to tell you a story you’ve never heard, use an ingredient you’ve never seen, demonstrate that this is the best in the beauty industry, ►



surround myself with the best people — be it spokespeople, scientists, influencers — who are going to say ‘This is different from the rest,’ then it’s a very different story, and you can create value.

“The world of beauty is about being different,” added Nabi. “If you look different, do different things — language, product presentation — then you can command the price you want because you are unique. Uniqueness has no price.”

In an industry rife with imitation, it’s a mindset that stands out. “She definitely comes with all you’d expect from a leader, but in terms of vision and courage — Sue is definitely off the chart,” said Anne Raphaël, senior adviser at Boyden.

Even before Nabi’s first day as CEO on Sept. 1, 2020, she intuited the turnaround of Cover Girl to be the key barometer to proving Coty’s health. It’s a brand that Nabi knew well from her days at L’Oréal Paris and Maybelline New York.

Nabi recalled Cover Girl’s pioneering of the “skinfication” of cosmetics with Simply Ageless, its breakthrough advertising with Ellen DeGeneres, its cutting-edge molded mascara brushes and invention of non-transfer lip color. Then, Cover Girl lost traction.

“It was a surprise, because for me this brand had everything to be successful,” said Nabi, who after studying the data from the past decade, quickly understood what went wrong. It was something she’d seen in other brands.

Looking through Cover Girl’s advertising, Nabi could pinpoint which competitor the brand had focused on. Products ranged from Gothic, dark makeup to pop colors.

“That’s not the way you build a brand,” she said. “You can do this as collections to animate a brand. It’s the difference between the sun and planets. The sun is who you are, the planets are things you can play with. There, the planets became the sun, and each year, there was a new planet taking the place of the sun. So people got lost.”

The sun-and-planets story infuses Coty now, informing brand-building at Cover Girl and beyond.

“If it’s a collection of products, then you’re dead — because this is not going to last,” said Nabi, adding brand messaging also needs to be clear. So Cover Girl was repositioned as “the healthy makeup authority of the American market,” she said.

“It doesn’t mean that we can’t do anything else, but it means this is the sun of your solar system,” Nabi continued. “Same thing with Rimmel. I want people to say: ‘This is the brand that’s going to make me free from standards, from classical looks. If I use Rimmel, I’m here to disrupt the game.’

“The moment you say this, everything becomes easy: Who would be a good spokesperson, what should advertising look like and even the words to name the products,” she said.

Nabi, who often refers to the fashion industry, with which she has deep ties, noted luxury brands don’t say “I’m a maker of bags” or “a maker of scarves.”

“They give a vision of the world — some around

travel, others around being futuristic or talking to urban culture. That’s exactly the way I’m trying to redefine Coty’s brands,” she said.

Designer Giambattista Valli, whom Nabi got to know after approaching him as an adviser for the development of Lancôme’s blockbuster scent La Vie Est Belle, said they instantly clicked. “Sue’s talent is not only limited to her business knowledge and intuitions, but expands to a unique aesthetic sense that she instills throughout her work and that has gained her the respect and admiration of the highest authorities in the fields of fashion and luxury,” Valli said.

“She is also a person of honorable values; she is a champion for equality and diversity, spreading a message of inclusivity and reality to all people, and she is a strong supporter of sustainability in all aspects of a business,” he continued. “The support and the respect she pays to the talented teams she builds are outstanding.”

Despite her successes at Coty thus far, Nabi still has plenty of challenges. The company needs to continue reducing its heavy debt, which by the end of the second quarter had fallen to \$4.45 billion. Other issues include maintaining Cover Girl’s momentum, monetizing Coty’s \$800 million investment in Kylie Jenner and Kim Kardashian’s namesake beauty brands, solidifying its relationships with key licensees like Gucci and successfully comping the prestige division’s strong results.

Coty also has some considerable catch-up to do in the digital and sustainability fronts, and its business in China is extremely underdeveloped compared to many of its peers. There’s also the issue of stabilizing staffing, which has seen some churn. In the recent past, for instance, Coty’s three regional heads — Andrew Stanleick, Marco Ficarella and Simone Dominici — left the group.

Meanwhile, new leaders have signed on, including Anna Adeola Makanju, global policy manager for content regulation at Facebook, who in December 2020 joined Coty’s board of directors that’s now comprised of more than half women.

“The last few years have been very challenging for Coty, but Sue’s confidence, creativity, understanding of the industry, of the products and seemingly limitless energy, have gotten people genuinely excited about the future,” Makanju said. “When I ask people who have joined Coty recently, often leaving comfortable roles elsewhere, why they are at Coty, they invariably tell me that working with Sue was one of their top considerations. There is no one like her in this industry.”

Despite the challenges, signs of positive evolutions at Coty are manifest. By the end of the company’s fiscal first-half 2021-22, its Consumer Beauty division grew its market share on a worldwide basis for the first time in five years. In addition to Cover Girl, Nabi and her team have been repositioning other legacy brands in the branch. Max Factor became “the brand that takes you from ordinary to extraordinary,” Nabi said.

Bourjois is being brought back to its roots, too, and Sally Hansen is a “jewel in the portfolio,” that’s not just a nail varnish-maker, but also as a professional solution provider.

Adidas is a “beautiful brand” with “huge potential” and a unique vision of the world that syncs with trends of today and tomorrow. “People realize that being fit, training, taking care of themselves from head to toe is super important, specifically during and after this hopefully behind us pandemic,” Nabi said. “So when people realize this, suddenly there are some brands whose mission is very clear. One of them is clearly Adidas.”

That clarity and conviction for brand-building is another key strength of Nabi’s. “The biggest contribution Sue brings is going back to what is the purpose of the brand, like a real entrepreneur,” said Stefano Curti, chief brands officer, Consumer Beauty, at Coty. “A lot of what went wrong in the past — I believe the brands were evolved in a way that was not in line with [their] essence, of what consumers remembered of these brands.”

The work being done is to “awaken memory structures” of Coty’s heritage brands. “This has really been the start of the relaunch of our brand equities,” he said. Curti said Nabi “leads with a purpose [and] by example. She’s not a distant leader. People are willing and able to voice opinions with her. There is nothing taboo.”

He also described her as a “deep beauty expert,” with an intimate knowledge of consumers, of beauty trends,” he said.

In terms of the prestige side of the business, which consists of brands also including Calvin Klein, Hugo Boss, Marc Jacobs and Miu Miu, Nabi’s big bet has been to expand beyond Coty’s central competency of fragrance and go deeper into skin care and makeup, too.

“Coty Prestige is a bit of a sleeping giant,” Wissink said. “It is a portfolio of highly desirable brand assets that has awoken and realized over the last five to six years the way to grow prestige is to open up travel retail, d-to-c and China. They looked at the portfolio, and Sue said: ‘Where is d-to-c? Where is China? Where is travel retail?’

“They are almost playing catch-up with the mega drivers,” added Wissink.

Coty is starting to put in place its portfolio in China, where Nabi noted that brands including Gucci and Chloé Atelier des Fleurs are selling well. “It’s a fast-paced, evolving market. I’ve never seen a market where people are changing so much in terms of tastes so quickly,” she said. “Therefore, we need to have our antennas working perfectly to measure the slightest move. Our job is to make sure that we are perfectly in sync with any slight weak signal that starts, [so we] will be at the beginning of something bigger.”

The goal is to capitalize on the existing portfolio to play in high-growth areas of the business. “Since Sue arrived, skin care has become a key category [and] a strategic vector of growth for Coty,” said Caroline Andreotti, the group’s executive vice

president global travel retail. “If you want to be a big player, you have to be in skin care.”

Skin care is the top category in travel retail overall, generating 65 percent of beauty sales in the channel in 2020. For Coty, the business is significantly underdeveloped. The aim is for skin care to become at least 10 percent of its travel retail sales in the next three years, with a portfolio that consists of Lancaster, a leader in sun care; Orveda, and Kylie and KKW Beauty.

No surprise that Nabi's first trip as CEO was to Monaco, Lancaster's birthplace. The brand is well-known for its sun care products, but its treatment sector had languished. Under Nabi, Lancaster has been revamped, with Hainan Island, a tax-free haven bustling with beauty savvy Chinese travelers, chosen as the test bed for Lancaster's potential to broaden into skin care.

Coty opened several counters there starting in 2021, such as in Dufry Haikou, CDFG and Lagardère, launching with a full lineup of products and a new merchandising concept spotlighting the brand's history and regenerative medicine technology. “It's been an outstanding reaction,” said Nabi, who said Lancaster's reboot was executed in a start-up fashion, with her working with small teams on a daily basis.

“We are now confident that we can operate a skin care brand that is competitive on the Chinese market,” she said.

Orveda, which surfs the fast-growing super-premium skin care category, will go there, too. When Nabi was creating that brand in 2017, she tested its formulations and scents in China. Once Nabi sees a brand succeed while tested in a highly competitive environment, Coty can deploy it elsewhere.

In terms of prestige color cosmetics, Nabi posits Coty has three brands encompassing all visions of usage. There's Gucci, Coty's main global brand that channels the fashion brand's ethos into makeup. That color cosmetics business is now bigger than that of Gucci fragrances in China.

Pre-Nabi, Gucci was publicly critical of Coty's stewardship of the brand, but Nabi seems to have righted the relationship. Part of the turnaround stemmed from the lipsticks with packaging designed by Gucci creative director Alessandro Michele, which dropped in May 2019. Within a month, the brand had sold more than 1 million.

Reflecting on Gucci's success, Nabi harkened back to her central tenet of innovation and differentiation. “Suddenly, you have a brand that stands out from the crowd,” Nabi said. “Same thing with Burberry. Being different has become more important than ever. Fitting into the crowd was maybe the motto for the last five or seven years, but now more and more, it's make your difference visible — shout it, in fact.”

Coty's fragrance business has surged along with the segment at large during the health crisis.

“It's multirouted — it is a big market in Europe, has boomed in the U.S., is starting in China and going to be back in travel retail when people resume work travel,” Nabi said. “We strongly believe that calendar '22 is the year of fragrance

Nabi is making big bets on Lancaster and Cover Girl.



comeback in Europe.”

Gucci, Burberry, Chloé, Hugo Boss, Calvin Klein, Tiffany, Lacoste and Marc Jacobs are among the brands expected to be key drivers.

Chloé's perfume business is based on its signature scent portfolio and the ultra-premium Atelier des Fleurs. The latter led the brand's triple-digit sell-out.

Chloé CEO Riccardo Bellini said: “Coty has been an amazing business partner, but also an amazing brand and strategic partner. In a way, we did together this process of truly rethinking the brand, strongly sharpening the brand message and ensuring a coherent alignment across our brand message and the way [that] was brought [to life] into the fragrance business.”

“That's what I can define [as] what I saw coming from Sue,” he continued. “The result of Sue's leadership is a clear, much stronger focus in terms of business priorities...[and] a strong injection of energy and ambition into the brand.”

Nabi said overall, Coty is now taking full advantage of its fragrance technologies, which have formerly been underused. The group inherited many patents in acquiring P&G brands, such as one related to Hugo Boss linked to long-lasting perfumes. “These are things we're going to valorize across the board,” she said.

Another focus will be on producing fragrances that are scientifically proven to have a well-being effect. Gucci Flora Gorgeous Gardenia influences people's moods, so it is an early example of that.

Constantin Sklavenitis, chief prestige brands officer at Coty, said it is a dream working with Nabi — literally. “To work with someone inspiring is the most important thing, especially in beauty, which is all about creating dreams,” he said. “She makes you believe everything or anything is possible. She helps remove barriers.”

Sklavenitis called Nabi a good listener, and likes that she communicates a big picture, then is hands-on to help executives achieve it. “It's probably also

her background of engineer and marketer. She has both these abilities, which is unique,” he said.

As for what Nabi is not focused on: acquisitions.

“We have today 99 percent of what's needed to deliver the growth trajectory, the profitability trajectory, the deleveraging of the company,” she said. “Nothing is missing. My focus is: How far can I go with what I have in-house? We have such a large number of brands that we can tackle any trend, any new need and any price positioning. I don't see anything that's shaping the world of today in the beauty industry that couldn't be tackled with our current portfolio.”

She believes two types of brands will be successful in the future: those able to premiumize and, on the lower end of the price chain, those that are super cool. “It cannot be you are successful because you are affordable,” Nabi said.

She agrees with analysts' assessments that Coty stock points only skyward. Nabi sees no reason the company wouldn't have a valuation equivalent to others. “There is a clear path,” she said, pointing to milestones that have been set and highlighting the company already beat expectations for 2021. Coty continues to target leverage of about four times exiting the 2022 calendar year and approximately two times closing calendar year 2025.

“We'll do it, because the company is doing much better,” Nabi said. “When I joined Coty, I had discussions around so many topics. I said: ‘Please, leave me with my unique obsession, which is to grow sales, gain market share. All the rest is going to be a consequence of these two matters.’”

“Coty is back, our brands are back, and we are gaining market share,” she continued. “We are over-taking a lot of brands [and] companies around the world. It's the same in sports [as in] the beauty industry: Winning is the best recipe to create success, because success attracts success.” ■

An extended version of this story, including Coty's digital and sustainability efforts, is on WWD.com.



GOING THE DISTANCE

Whether competing in an Ironman or building her young brand, entrepreneur Marie-Pierre Stark-Flora is in it for the long haul.

BY JENNY B. FINE

ALL FOUNDERS walk the walk, but Marie-Pierre Stark-Flora, cofounder of Herb + Flora, swims the swim, bikes the bike and runs the run.

Stark-Flora, a beauty industry veteran who's had leadership positions at L'Oréal, the Estée Lauder Cos. and Coty, among others, is also an avid triathlete, a personal passion that led to a professional reinvention.

Last January, she and fellow athlete Guillaume Herbertte launched Herb + Flora, a skin care brand formulated to mimic the antiaging effects that exercise has on the body by accelerating autophagy and lowering the oxidative stress in cells, much like physical activity does.

Over the last 12 months, the brand has been growing — launching online at macys.com, entering livestreaming, opening a cross-border shop on Tmall and driving its own direct-to-consumer business. Likewise, Stark-Flora has pushed her physical limits, most recently participating in a longer-form event called the Saharaouiya, a five-day

race to promote women's solidarity and peace that includes running, kayaking, night trails, boot camp and orientation races.

As disparate as the two activities seem, the parallels between building a business and readying for competition are many. "For both, you need to be very well prepared. But no matter how well you prepare yourself, you will never be ready for what's coming," Stark-Flora said.

"It's always a lot harder than what you think it's going to be," she continued, "and you have to find the energy and resourcefulness to face what's coming inside of you."

Stark-Flora has been swimming since her teens, but came to triathlons relatively late, competing in her first one at age 44. Since then, she's participated in about 16, and her age has been a benefit.

"This sport is very inclusive, half men and half women, all ages," she said, "and the older you are, the better you get at endurance. It's counterintuitive and gives you a completely different view on age."

Training is like a full-time job, too. Stark-Flora is typically in action five or six days a week, working on two of the three sports. She usually starts at about 5:45 a.m., before settling into a day of work. "You have a lot of energy until 5 p.m.," she laughed, "and then— you collapse."

Her favorite distance is the Ironman, which consists of a 1.2-mile swim followed by a 58-mile bike ride and culminates in a half marathon, which is 13.1 miles. Her average completion time is about seven hours — but it's not about speed for Stark-Flora.

"I'm not fast, but I always finish," she said. "In business, so many start-ups don't make it. There are so many factors — chance, funding, energy, people. But there is also faith and energy and not giving up and always pushing, pushing, pushing. At the end of the day, the people who succeed are the people who are very stubborn and they don't give up easily."

No surprise, then, that the epic "Odyssey" is the symbol for Herb + Flora and that Stark-Flora's personal Instagram handle is @life_is_an_odyssey. "It took Odysseus 10 years to get home. He went through victories and near-death experiences," Stark-Flora said. "The road was very difficult and the same thing with entrepreneurship or a race."

"Anything could happen — you could get injured, hit a wall or have a fantastic victory and break your own record," she continued. "You have to be ready for absolutely anything and believe in yourself and trust in others."

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