

A SPECIAL EDITION OF **WWD**

BEAUTIFYING

THE 2019 BEAUTY

TOP 100

Ranking the World's
Top Companies

DIRECT CONNECT

FOR L'ORÉAL USA'S
STÉPHANE RINDERKNECH,
THE FUTURE OF BEAUTY LIES
IN THE POWER OF THE PEOPLE

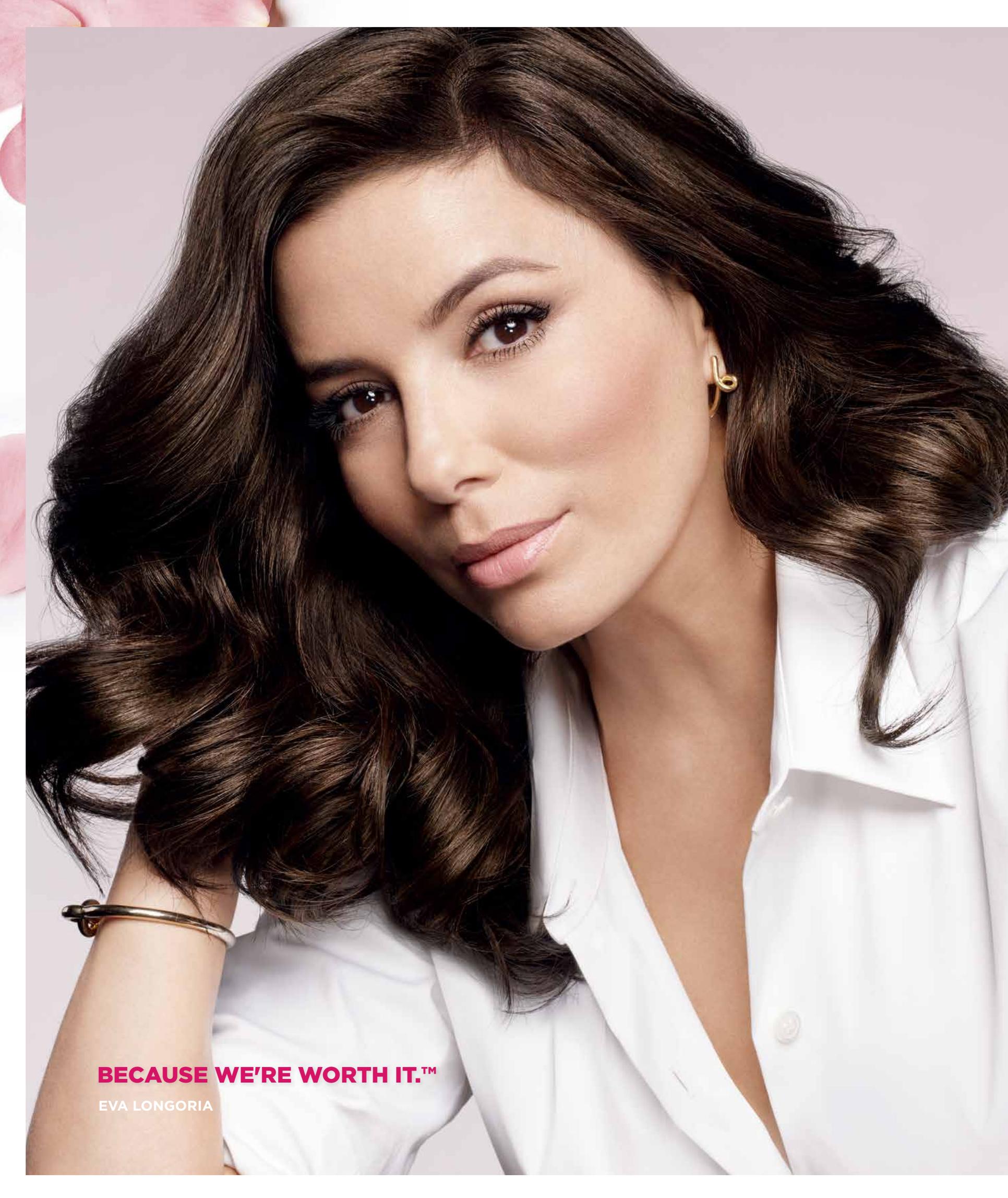


Assessing the
Long-Term Impact of
The Coronavirus Crisis

How Coty's CFO Is
Changing the World

Putting Influencer-Led
Brands to the Test



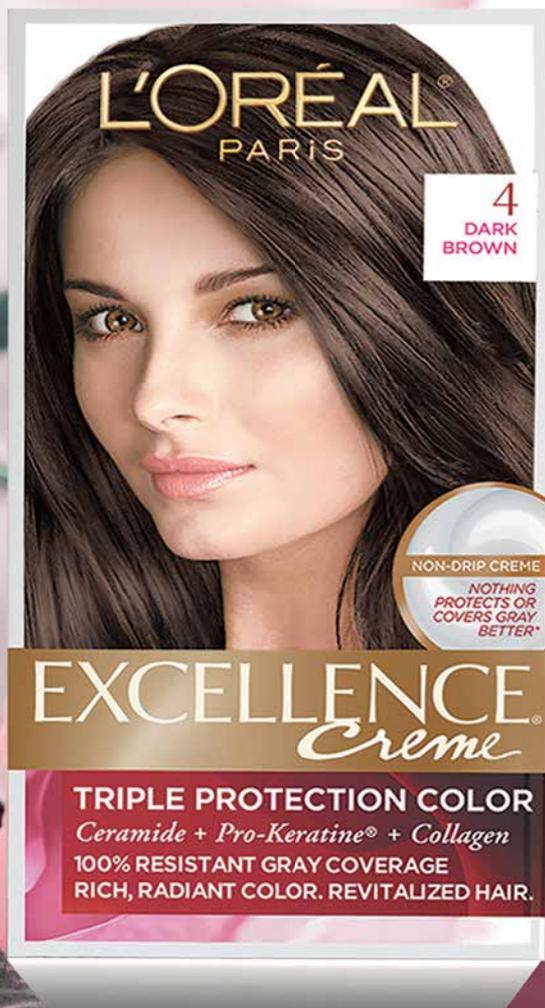


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PARIS

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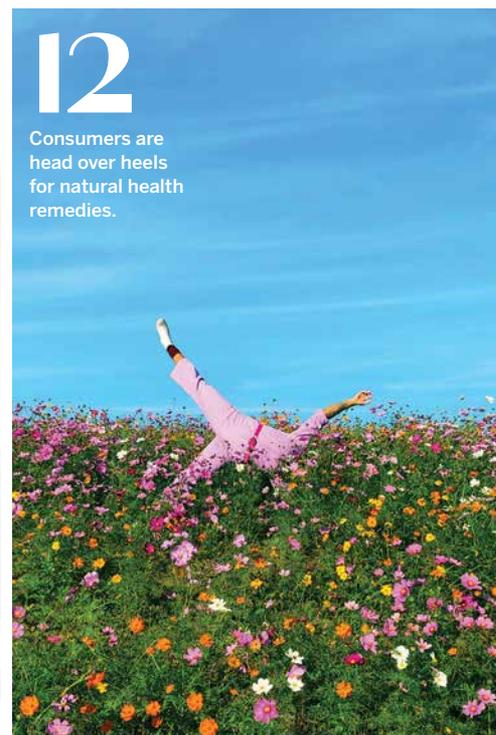


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ON THE COVER:

Stéphane Rinderknech, chief executive officer of L'Oréal USA, was photographed exclusively for *WWD Beauty Inc* by Mark Mann in the company's Hudson Yards headquarters.

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LEADER OF THE PACK

WHEN STÉPHANE RINDERKNECH joined L'Oréal in 2001, as an area manager for the Travel Retail division in Miami, Jean-Paul Agon had just assumed his role as chief executive officer of L'Oréal USA. While their paths didn't immediately cross, it didn't take long for Rinderknech to come to the attention of L'Oréal's powers-that-be. Today, Agon is chairman and ceo of the entire group—and Rinderknech, too, has ascended the ranks, assuming increasingly senior roles in South Korea, Japan and China before being appointed ceo of L'Oréal USA in September.

The similarities don't end there. Agon came to the U.S. shortly before the 9/11 terrorist attacks, while Rinderknech officially assumed his role on Jan. 1—just before the coronavirus pandemic shut down the country. Like Agon then, Rinderknech has proven himself up to the challenge of leadership in times of crisis. An intensely energetic person who thrives on interacting with others, he moved quickly to mobilize the company to respond to events in the short term—and pivot to the longer-term implications, as well.

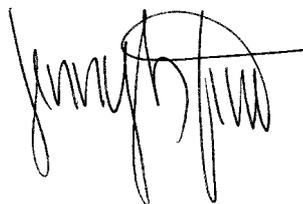
"It is in times of pain that we build ourselves," Rinderknech says. "This is where things really change. That is why you need to infuse in your people the feeling that we are safe, that we are accelerating the building of our emotional bonding and of the house of L'Oréal, because there are opportunities everywhere and we need to have the agility to see it and go for it and respond to it and be stronger."

For the future as Rinderknech envisions it, turn to "Man of the People" on page 18.

Even before the COVID-19 outbreak, Rinderknech had his work cut out for him with the mandate of restoring dynamism to one of the most important beauty markets for the French-based firm. In fact, as you'll see in the *WWD Beauty Inc 2019 Top 100*, the U.S. was one of only a handful of markets not on a positive growth trajectory for the year. With \$33.43 billion in total sales, L'Oréal was again the top ranked company of our annual list of the world's largest beauty firms by sales.

Total sales for all 100 companies reached \$227.61 billion, an increase of 2 percent year-over-year. L'Oréal accounted for 14.7 percent of the total, while the top 10 companies overall generated sales of \$131.58 billion, or 57.8 percent of total Top 100 revenues, with both ratios marking slight increases year-over-year. Turn to page 25 for the full ranking.

Only time will tell how the crisis will impact beauty companies big and small going forward, but one thing is certain: *WWD Beauty Inc* will continue our in-depth coverage of events as they unfold.



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CLEAN SLATE

A once-overlooked category is moving from supporting role to top billing. BY JAMES MANSO

Cleansers are finally getting the hero treatment. Once thought of as just a workaday basic, the category is being invigorated with active ingredients and novel formats, driving an 11 percent gain in the prestige market to \$392.8 million, according to The NPD Group. "The category has an entry-level price point which is easy to digest," says NPD industry analyst Larissa Jensen. "It's a necessity in the consumer's life, and recently there have been some fun formats. The innovation encourages consumers to experiment." Here, some of the latest launches.

1. MACRENE ACTIVES HIGH PERFORMANCE CLEANSER, \$95.

Coconut-derived surfactants dissolve oil; aloe hydrates.

2. DERMALOGICA ACTIVE CLAY CLEANSER, \$39.

Kaolin clay and activated charcoal purge skin of impurities.

3. HOLIFROG COMO POPP-E RENEWAL SCRUBBING WASH, \$40.

Antioxidants defend skin against environmental aggressors; poppy seeds exfoliate naturally.

4. ALLIES OF SKIN MOLECULAR SILK AMINO HYDRATING CLEANSER, \$38.

Silk amino acids and nourishing moringa and organic safflower oils deliver a pH-balanced cleanse.

5. TULA MAKEUP MELT MAKEUP REMOVING CLEANSING BALM, \$28.

Probiotics and shea butter make skin super soft.

6. MOON JUICE MILK CLEANSE GENTLE FOAMING CLEANSER, \$32.

Adaptogenics hydrate, while coconut ferment gives the cleanser a milky texture.

7. SUMMER FRIDAYS SUPER AMINO GEL, \$38.

Atomized seawater quiets irritation; vitamin E, sodium PCA and sodium lactate help retain moisture.



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SUPER POWERS

Ingredient-conscious consumers are leading the charge toward superfood-powered skin care.

BY JAMES MANSO

Superfood-based skin care continues to grow in popularity, posting a double-digit increase in the last year. The newest offerings contain everything from ginger, beet and kale to aloe vera and cucumber. "Clean" consumers aren't the only ones reaching for food-first products. "Even for the consumer not into 'clean,' an ingredient like watermelon or aloe is easy to recognize and make a beneficial connection with," says The NPD Group's Larissa Jensen.

1. SWEET CHEF KALE + VITAMIN B SERUM SHOT, \$19.99.

Kale's roster of nutrients and vitamins are combined with barrier-strengthening vitamin B for a calming and fortifying treatment.

2. MILK MAKEUP VEGAN MILK CLEANSER, \$30.

Squalane and argan milk moisturize, while fig and oat milks help calm skin.

3. ELEMIS SUPERFOOD CICA CALM HYDRATION JUICE, \$48.

Comprised of 75 percent aloe vera juice and cucumber, this provides a cooling, hydrating effect upon application.

4. GLOW RECIPE BANANA SOUFFLÉ MOISTURE CREAM, \$39.

The magnesium found in banana combined with turmeric and centella asiatica help calm skin.

5. YENSA CBD SUPERFOOD FACE OIL, \$72.

Full-spectrum CBD takes center stage alongside a dose of omegas and antioxidants in this face oil.

6. FARMACY CHEER UP VITAMIN C EYE CREAM, \$45.

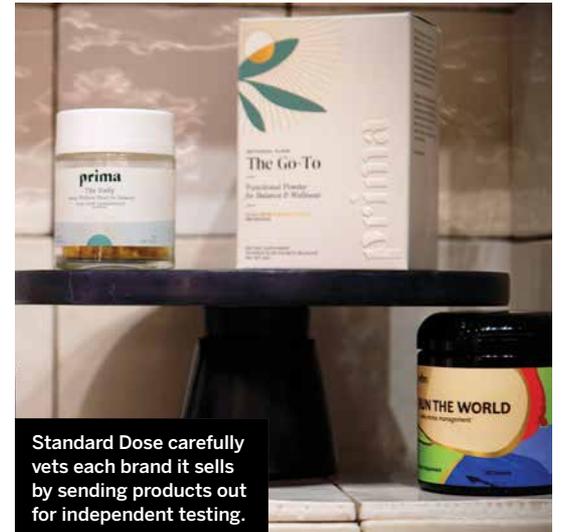
Four percent vitamin C, including that from acerola cherry, is said to help reduce the appearance of dark under-eye circles.



Aminah Vasco



Inside Standard Dose.



Standard Dose carefully vets each brand it sells by sending products out for independent testing.

LEARNING BY HEART

Aminah Vasco's interest in herbalism led her from corporate life to Standard Dose, the New York City store that specializes in CBD, where she uses her expertise to educate customers on the plant's benefits.

BY JAMES MANSO

In such a new market, how do you establish trust with your client?

A.V.: Because there is no regulation in this market by the FDA, it's difficult for companies to establish their reputation. Brands will provide their own testing, but we want to make sure our customers are getting good products, so we send out the products we carry for independent testing. We're doing our part to make sure it's a safe product. A lot of our customers here have experienced the benefits of CBD, they've tried it, it worked for them, and that's why they're coming back.

What are the biggest misconceptions about CBD that clients have?

A.V.: A lot of people are still concerned it will get them high. People want to know what the difference between hemp and cannabis is. People think it doesn't work for anything, or that it's good for everything. There are also a lot of misconceptions around what is broad-spectrum versus full-spectrum versus an isolate.

What do your clients look for in a product?

A.V.: A lot of our clients are young Millennials;

they want help with pain, anxiety and inflammation. Sleep and anxiety are the big two, and pain management is a close third. But we also have people in their 50s who are looking for more natural answers to those questions. Customers also want something that will look nice on their desk.

How do you bring the CBD experience to your sales approach?

A.V.: We take a more holistic approach. We want people to purchase things, of course, but we want people to have a good experience and incorporate things like meditation, or just relaxing, so we have a meditation space. My job is managing expectations, too, and to educate them on the different ways you can take CBD.

What are the different ways to take CBD? Why does it matter?

A.V.: You can ingest a tincture, you can eat it, you can apply it topically. I need to understand exactly why they're taking it. If you have sore muscles, you want to apply it topically. Things like anxiety or insomnia, you need to work on from the inside.

If you could invent one product, what would it be? Where is the whitespace in the market?

A.V.: There's no one-size-fits-all! Everyone is different; just because CBD worked for your friend doesn't mean it's the best option for you. But there's room for exploration with edible ways to ingest CBD.

What products are the most popular among your repeat customers?

A.V.: A lot of our repeat customers come back for the tinctures, because they're taking them every day. The anxiety formulas, in particular, have to be taken twice daily for two weeks to start seeing a difference. A brand called Mineral makes some of our best-selling tinctures. They have blends for focus, anxiety, inflammation and sleep.

What is your most memorable sale?

A.V.: There was a woman who came in about a week ago. She was so anxious, she was shaking when she was speaking to me. I gave her a sample of one of our best CBD tinctures. She said, "OK, I need to think about this." She went to brunch with her friend. She came back an hour and a half later, and I swear it was a completely different person. She said, "I don't know what you gave me, but this is my first time feeling calm in forever. I don't even know what this feeling is."

PAGING DR. NATURE

Vitamins, supplements and even homeopathic remedies are experiencing unprecedented levels of demand during the coronavirus pandemic. BY ELLEN THOMAS



VITAMINS AND supplements have never been more relevant.

In the weeks leading up to the coronavirus crisis in the U.S., sales of immune-boosting, stress-relieving and general wellness-promoting ingestibles surged exponentially, charting record growth and astounding even the experts who track the market.

Amid a global pandemic and near nationwide coronavirus lockdown, wellness is thriving. Sales of vitamins and supplements are up not only online, where many consumers have started to shop, but in the essential food, drug and mass stores that are permitted to remain open.

The \$1.6 billion multivitamin market, for instance, grew 23 percent in just one week in March, according to data from IRI, which tracks store sales in food, drug and grocery. Melatonin, a \$639 million market, grew 38 percent in one week.

A halo effect has spread from immunity-boosting supplements to anything that even vaguely promises to boost mental or physical health in any way.

Other categories that tracked, double, triple, and in a few cases, quadruple-digit growth include vitamins C and D, elderberry, zinc, echinacea, turmeric, ginger, CBD, horsetail, magnesium, amino acids like taurine, and adaptogens such as ashwaganda and rhodiola.

The numbers from March are “just crazy,” says Joan Driggs, an analyst at IRI, fueled by panic shopping and stockpiling as the virus spread and consumers raced to prepare for the pandemic.

“The economy is tanking, COVID-19 is running rampant, people are either out of a job or working from home in a really unsettling time,” says Driggs. “A lot of the daily control is gone, but personal care is still there—you can control how much sleep you are getting and what you’re

THE BOOST BRIGADE

The newest vitamins, supplements and alternative remedies.



Hilma Immune Support, \$20
Launched in January, a new direct-to-consumer brand promising to “upgrade the medicine cabinet” with natural formulas.



Tomen Immunity, \$60
Plant-based concentrates from a publishing exec turned juice bar founder.



Objective Wellness Immune+, \$25
A new direct-to-consumer brand from Clorox, targeted at Gen X and run by a former Boxed.com exec.



The Nue Co One Daily, \$45 each
Launching this month, seven targeted formulas that challenge the concept of a one-size-fits-all multivitamin from The Nue Co.



Anser Women's Multi, \$29
A direct-to-consumer brand targeted at Millennial moms, backed by Tia Mowery and BioSchwartz, launched in January.

eating. This market is considered part of [the consumer's] war chest. 'This is what I can do to arm myself at this time.'

Walmart and Costco may be the two biggest channels for vitamins and supplements, but even small retailers catering to niche audiences are seeing unprecedented levels of growth. StandardDose, a wellness boutique that sells CBD and plant-based nutrition and beauty supplements in its NoMad storefront and on its web site, has seen a sharp rise in sales, particularly for products that specialize in sleep and stress.

With nonessential services and retailers in New York on coronavirus lockdown, founder and chief executive officer Anthony Saniger was initially concerned he'd lose business, but sales quadrupled month-over-month in March as his regular customers began to shop online. Since the store opened a little over a year ago, sales have grown about 60 percent per quarter.

'Specifically the supplements in our immunity category blew out,' says Saniger. 'Right now we're looking at 950 percent month-over-month growth in that category. It was a really small category for us—never really on our radar before.'

Vitamins and supplements that claim immune-boosting benefits are having a real moment, a moment that is positioned to continue as the pandemic eases, but anxieties linger.

Saniger is 'already in conversations' with other brands to bring on products that promise to boost immunity or help ward off potential illness.

One brand that Standard Dose just launched is Hilma, which is billed as 'natural remedies that are alternatives to what's in your medicine cabinet,' according to cofounder Nina Mullen.

The brand's assortment consists of three products, including one for prevention and two for relief: Immune Support, \$20; Upset Stomach, \$17, and Tension Relief, \$15, all formulated with natural ingredients.

Hilma Immune support is a drink-mix powder in the style of Emergen-C, formulated with zinc, vitamin C, echinacea and ginger and turmeric.

'[The food and beauty industries] are shifting from conventional to better-for-you. It really felt like the medicine cabinet was stuck in the past,' says Mullen, who says she came up for the idea of Hilma when her friend asked her if she had an immune support drink mix on hand. 'It was a really bizarre moment that I even had it—I limit sugar and dyes. There was this gap in the market for better-for-you medicine.'

Hilma launched in January, and is seeing strong sales, says Mullen.

High demand of vitamins and supplements is causing a halo effect for all types of natural remedies, including homeopathic products, a trend that is likely to continue says Wendy Liebmann, chief shopper at WSL Strategic Retail.

'It's a growth category,' says Liebmann of homeopathy. 'The traditional products in the category are working really hard to stay in stock. People are looking for new old world remedies, any alternative way of healing.'

Sharon Leite, ceo of The Vitamin Shoppe, listed Boiron Oscillococcinum, a homeopathic remedy for flu-like symptoms, as one of the retailer's sell-out products, along with supplements Vitamin C, Zinc and Elderberry, in the weeks leading up to the pandemic.

Despite the initial rush to snap up wellness products, experts agree that much of the growth of vitamins and supplements during this time could be sustainable even after the pandemic.

'We'll continue to see heightened use,' says Liebmann. 'There was an underlying trend of health and wellness driving it before the virus, and now people are really wanting to do everything to take care of their health and well-being. The global risk is substantial and [consumers know] they need to be doing more on a day-to-day basis.'

The category is primed to experience 'even more growth in the new normal,' says William Hood, managing director of William Hood and Company, an investment bank focused on transactions in the vitamin and supplement space. 'The current level of high demand for vitamins will be there as long as COVID-19 is in the psyche—we'll continue to see growth numbers as long as consumers think [the virus] can still be there.'

Categories may not be experiencing 415 percent growth in one week, as vitamin C did in one week in March according to IRI, but there will still be growth says Hood, along with fear of the coronavirus and other potential health threats. 'Consumers [will now know] that a virus... can spread in a matter of weeks, and will all believe that having good health and hygiene are weapons. People who were dismissive of vitamins before will be converted into permanent users.'

Private and equity firms and global strategics have been snapping up vitamin and supplement brands for the past decade. Last year, for instance, Unilever acquired gummy vitamin maker Olly Nutrition. In August, Nestlé acquired Persona, a personalized nutritional supplement business.

While mergers and acquisitions activity overall may slow in the short term, Hood's long-term view is that once it begins to ramp back up, vitamins and supplements will be a hot target.

'Long-term strategic interest in the category was at a record high before the pandemic...we were seeing high strategic valuations similar to what you were seeing in beauty,' says Hood. 'We've spoken to supplement brands [this month] and they're experiencing record sales and consumer demands. The appetite will only be higher.' ■

CEW is working behind the scenes to quickly deliver more webinars on a variety of topics to help you continue to move your business forward during this challenging time.

4.22

Connect with the Beauty Leader
Linda Wells

4.29

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and self-care, more topics
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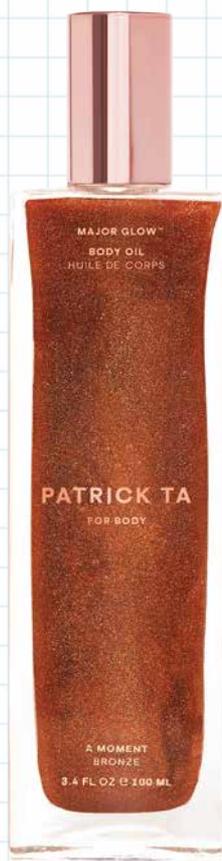
STUDENT COUNSEL:

Influencer-Led Brands

Eight beauty-obsessed college students put the latest launches from creator-led brands to the test. BY JENNY B. FINE

The Test:

Influencers have a lot of, well, influence with college students. Over 60 percent of our respondents said they're likely to buy a product that comes from a content creator they trust. When asked who their favorite social media stars are, Jeffree Star was the hands-down favorite, with half reporting they use his products, as well. Jackie Aina and Nikkie Tutorials rounded out the top three. While only a handful of panelists had previously tried the products here, the majority of them were familiar with the influencer/entrepreneurs themselves—Huda Kattan, Anastasia Soare and her daughter, Norvina, and Patrick Ta. And after testing out the products, the panelists' belief in the power of the influencers was increased, with mostly positive feedback for all three products and near universal agreement that they would purchase them again.



Patrick Ta Major Glow Body Oil, \$22 for 1-oz.

Created by Patrick Ta

★★★★★: 38%
★★★★: 13%
★★★: 38%

The majority of the panelists are familiar with influencer Patrick Ta and his brand, although this product was new to most.

Familiar with Patrick Ta: 75%

Familiar with Patrick Ta the brand: 86%

Familiar with Major Glow Body Oil: 25%

Extremely likely to buy again: 13%

Would add to regimen: 38%

Price Guesstimate:
High: \$50
Low: \$13

"The packaging looks great and the glitter did look nice, but I would have preferred a more long-lasting shimmer."

"It smelled good and gave me a nice glow, but made my skin feel sticky, even hours after using."

Wishful Yo Glow Facial Enzyme Scrub, \$39

Created by Huda Kattan

★★★★★: 38%
★★★★: 24%
★★★: 13%

While the majority are aware of Huda Kattan, fewer have heard of her new skin-care brand, Wishful, or this specific product.

Familiar with Huda Kattan: 75%

Familiar with Wishful: 50%

Familiar with Glow Facial Enzyme Scrub: 13%

Extremely likely to buy again: 25%

Would add to regimen: 63%

Price Guesstimate:
High: \$45
Low: \$15

"It made my skin so soft and even. I'm putting this in my routine and using it at least once a week."

"I liked the smell and it made my face less dry, but not as much as I wanted it to."

Anastasia Beverly Hills Norvina Mini Pro Pigment Palette, \$29

Created by Norvina, Anastasia Soare's daughter

★★★★★: 13%
★★★★: 75%
★★★: 13%

More than half of the panel are familiar with Anastasia, and her brand is well-known to all of them; the majority are also familiar with this product.

Familiar with Anastasia: 53%

Familiar with Anastasia Beverly Hills the brand: 100%

Familiar with the Norvina Mini Pro Pigment Palette: 63%

Extremely likely to buy again: 13%

Would add to regimen: 88%

Price Guesstimate:
High: \$35
Low: \$11

"This had amazing colors and it lasted on my eyelids all day without coming off."

"I liked the glitter shades, but missed having a matte brown or black, because I felt like I couldn't get a full look."

The Council



Nicole M.
Sophomore,
N.Y. Institute of
Technology
"Beauty is the confidence you wear."



Aderet B.
Sophomore,
Hunter College
"Beauty is all about confidence and bringing your inner beauty outwards."



Shoshana J.
Freshman,
Queens College
"Beauty is power, in the sense that when I feel beautiful, I feel like I can take on anything that life throws at me for that day."



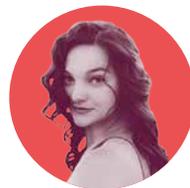
Leora S.
Junior,
New York University
"I mostly like natural makeup and glowing skin, but I do like to wear fun eyeshadow colors and a bold lip sometimes. I like to have fun with my look!"



Ayiesha C.
Junior,
N.Y. Institute
of Technology
"Experiment with different things and figure out what you like and what works for you without caring about what people/society think or want you to be."



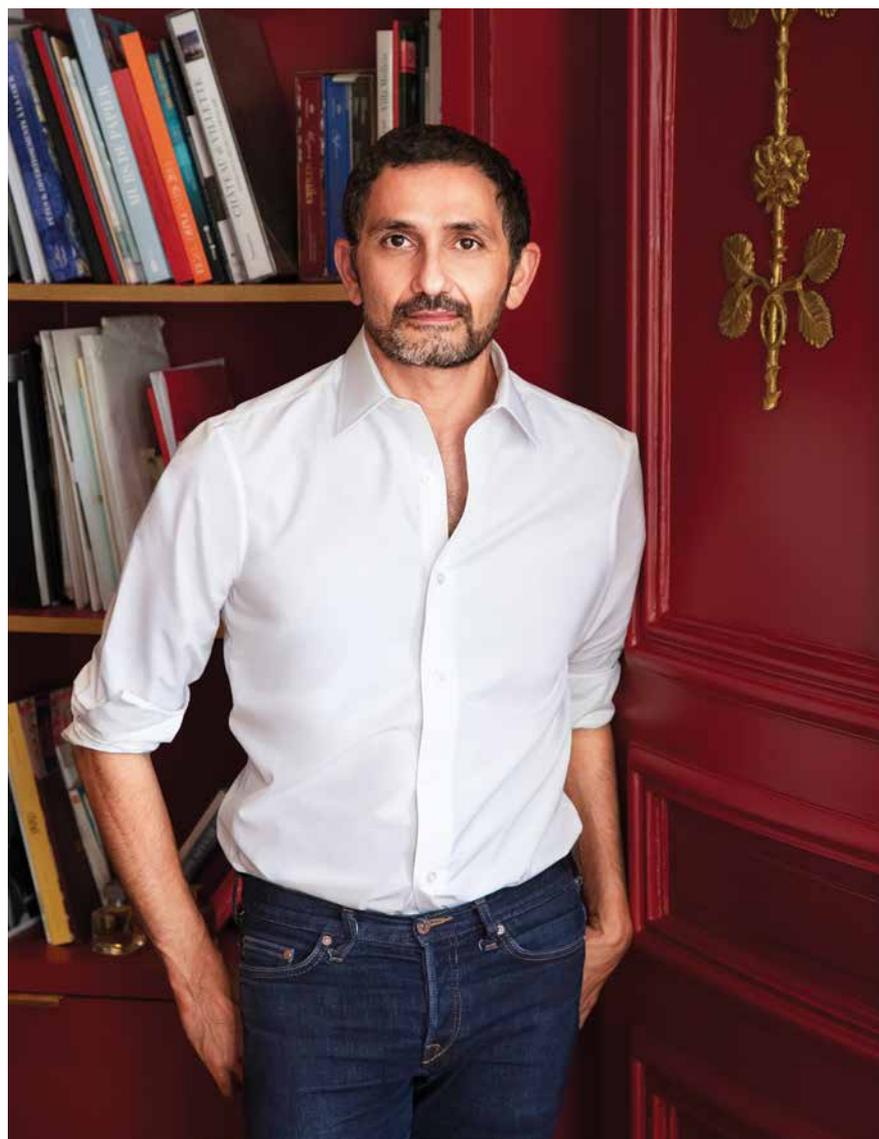
Megan M.
Senior,
N.Y. Institute
of Technology
"Beauty is whatever you make it. It's different for everyone. Never live by other's beauty standards."



Olivia K.
Sophomore,
Marymount
Manhattan College
"Beauty is in the details that make you you, whether it be the splatter of freckles on your nose or the eyeliner you adorn as a form of war paint. Embrace your expression."



Shoma N.
Senior,
Barnard College
"Feeling beautiful is powerful. It helps me be confident and makes me feel like me."



CULTURE CLUB

From dance to cooking to fashion, it's all in a day's inspiration for perfumer Francis Kurkdjian.

BY JENNIFER WEIL

"I TREASURE HERITAGE, but I hate tradition," says Francis Kurkdjian, the perfumer who rocketed onto the fragrance scene in 1995 at age 24, after creating the blockbuster *Le Mâle* for Jean Paul Gaultier.

Kurkdjian then conceived scents for brands such as Narciso Rodriguez, Giorgio Armani and Lancôme before launching his eponymous label with Marc Chaya in 2009. Eight years later,

LVMH Moët Hennessy Louis Vuitton purchased a majority stake in Maison Francis Kurkdjian.

The perfumer keeps pushing boundaries with his brand that includes, alongside fragrances, scented detergents and hair mist, and other out-of-the-box endeavors meant to express and use perfume as an art form. These include dreaming up *The Smell of Money* for artist Sophie Calle in 2003, magically scenting the Château de Versailles' fountains with metallic rose in 2007 and 2008, and filling Paris' Grand Palais with fragranced bubbles for a musical happening in 2011.

"I try to open new fields of expression using perfume as a scented experience—just for the beauty or the mystery of it," says Kurkdjian.

Every project has meaning for him. "Each [gives] an opportunity to grow spiritually and to learn from it," he says.

For perfume development, Kurkdjian always starts focusing on "what is

happening now, what moves me," he explains. "It's not only artistically. It's about society, what is changing. The starting point is always something from my own experience, something I feel, something I believe.

"Then, once I have a general feeling of it, names are very important," continues Kurkdjian, whose perfume monikers include *Petit Matin*, *Oud Silk Mood* and *Baccarat Rouge 540*.

"I can't work if I don't have a precise name in my mind. The name is basically the title of the frame within which I start searching for my ideal perfume. If you have the wrong name, to me, you have the wrong perfume," he says.

For Kurkdjian, who oversees the entire artistic direction for his house—everything from the color of the bottles to the music in a commercial film to fonts—consistency is key. "The company is creative-driven, not marketing-driven. You have to have a single message that is understandable."

Art is fundamental. "The artists I like are people that do something with their bodies, with their hands—they create something tangible for me," he says. "I always refer to ballet, because it was a passion when I was a kid. It's something in my body, in my heart."

Kurkdjian is friends with the Labèque sisters, concert pianists, and chef Anne-Sophie Pic.

"Being close to creative people at that level helps to give me energy," says Kurkdjian. "It opens my eyes and nurtures me a lot....Narciso Rodriguez... said 'classic' is not a dirty word," he says, adding a strategy often expressed by brands is to "break boundaries." "If you break the rules, basically, you lose people. You have to move the rules, make them evolve."

Early on, perfumer Calice Becker helped Kurkdjian realize the importance of diversification, rather than specialization.

He conceived of his house's scent range to be like a "fragrance wardrobe," covering all categories. "Like in the way Saint Laurent did with clothing—you go from black tie down to a pair of jeans and a white T-shirt," says Kurkdjian, who has in-depth knowledge of the fashion world and has worked alongside designers such as Rick Owens, Hedi Slimane and John Galiano.

Karl Lagerfeld's motto "never look back" also resonates. "You have to always look forward," says Kurkdjian. ■

Inside The Mind

What's an early exposure to fragrance?

"When I was born, my father bought [my mother] a perfume by Courrèges, called *Empreinte*."

What is your favorite object?

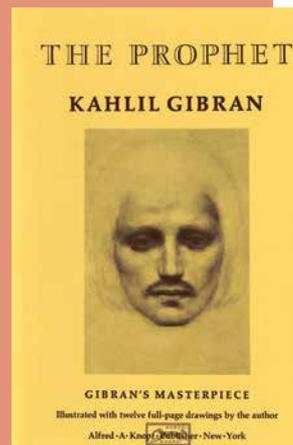
"My baby grand piano. I love the piano and have been playing since I was seven or eight years old."

What is a favorite book?

"*The Prophet*, by Kahlil Gibran. Every time I have a question about life, I go back to that book."

What is a favorite pastime?

"I love cooking. I am more into comfort food, like family-style. I love to eat steamed vegetables and fish. I love doing an apple tart, a cherry flan. I love to create things sometimes."



BRUSHING UP

Anisa International Identifies a new market opportunity by getting closer to the consumer with ANISA Beauty and cosmetic brushes for skincare - a new category.

At Anisa International, innovation is an integrated part of the culture – which is necessary since working in partnership with leading beauty brands to amplify their products requires constant connectivity to consumers, collaborative communications, and an openness to try new ideas.

When beauty brands innovate with new ingredients and formulations, consumers need new tools to pair with them, according to Anisa executives who met with WWD Studios to discuss how the beauty industry is evolving in the skincare category. The Thought Leader's Lab

titled, "Forward Facing" also examined the importance of making authentic connections to consumers.

Participating leadership from Anisa International & ANISA Beauty included: Anisa Telwar Kaicker, founder and chief executive officer, Heather Sumner, vice president of business development and sales, Zhanna Gershanok-Moody, vice president of business operations and human resources, and Jules Dykes, chief of staff. The discussion provided insights into the organization's history as a leader in beauty innovation and the recent launch of a new category: skincare brushes.

AN EARLY INNOVATOR

Largely a B2B company, Anisa International was founded in 1992 and quickly evolved into the industry leader for makeup brushes with beauty brands. In the beginning, brands were putting makeup brushes in compacts, and Anisa recognized the opportunity for brushes to be so much more. "Consumers benefit when they know and understand how to use their products with a perfectly paired cosmetic brush," Telwar Kaicker said.

Anisa is fully integrated in the product development process and has been a fundamental and pioneering force behind the beauty tools category. By opening her own manufacturing facility in 2003 she took complete control over not only the process but the intellectual property. Ownership over innovation has been a driving force in the company's success. Today's strategy addresses ethical manufacturing practices, consumer trends, and a commitment to be the best when it comes to brushes that will benefit the face and body. Consumers want to feel confident in knowing what's in their products, how they're made and who is making them. Anisa can answer all of these questions.

"I think consumers are becoming

much more aware and asking the right questions and becoming conscious of where their products are coming from," Gershanok-Moody said. "I think that people want to know that their products are made in a way that doesn't harm the environment, harm animals, and has been sustainably and ethically produced." To that effect, Anisa International's recent investment in a brand-new, state-of-the-art manufacturing facility was designed with sustainability in mind."

NEW NATURAL EVOLUTION

"When I first started, fibers came from animal hair, so it was an important decision to innovate and create new fibers from an alternative man-made source," said Telwar Kaicker. Anisa is tied to the ever-changing product innovation happening in the beauty space. Innovations are seemingly endless, and products are changing so quickly – all needing the next "perfect applicator." Important to this process, is looking at product pairings and knowing that if a brand launches a new foundation, it will likely have an innovative formula which will benefit from an original application process.

"It's fascinating how many different ways you can innovate with a brush," Dykes explained. "the two elements that are vital to the success of a brush are the head shape and fiber quality, and the innovation possibilities within these areas are endless because product formulations are changing so quickly."

INNOVATION BY COLLABORATION

Product pairing remains at the front-line of product development for Anisa International. Brands are also looking to the Anisa team to help innovate possibilities for future product launches.

"What I love about what we do is that every single day is different," Sumner said. "Every day something new happens – there's a new product coming out, there's a new launch that we're supporting, there's a new brand that asks, 'what's next?' and we get to help them come up with what that means for them."

AN EMERGING CATEGORY

Clean beauty and a rise in skincare have taken over the beauty space and become a higher priority for consumers. An emphasis has been put on skincare to achieve a healthy, clean complexion. We are now seeing a new opportunity emerging with skincare brushes and tools.



Anisa International has created a new category for brushes: skincare.



Executives from Anisa International & ANISA Beauty shares insights about skincare brushes.

The concept of using a brush for skincare application has traditionally been used by estheticians when applying masks but the idea remains new in the hands of the consumer and with the rest of their skincare products.

“With skincare on the rise and offering greater efficacy and active ingredients, I thought why not do the same thing we’ve been doing with makeup products? Why aren’t we product pairing with skincare? And that was how skincare tools came into play and now skincare brushes,” said Telwar Kaicker.

“And every time that you use a tool with your product, you’re elevating your product,” said Sumner. “The most exciting part is that we get to work with our partners, they spend years developing a new formula and then how do you put it on, with your hands? Hands can be dirty and you really want to soak all of that product into your skin instead of your fingers, and using a brush, especially the ones that were making, tri-fiber, new innovative heads, is going to help that product and those innovative ingredients really absorb into the skin and get those end results.”

As consumers continue to take more

time for skincare, we are seeing that their application regiment is grounded in the concept of the selfcare movement, which has taken hold of the beauty industry at large. “Even though it is a brush, I feel like we’re more than the brush,” said Telwar Kaicker. “We are all about people really feeling good about themselves.”

DEVELOPED TO AMPLIFY

The benefits of skincare tools are several, from how to apply, where to apply, how much to apply, cleanliness, and maximizing skincare investment.

“What I’ve seen is that when we pair the right tool with the right product, it automatically means sales for both,” said Sumner. “And then the consumer comes back because the tool is the right tool, to buy the product again. And brands see that.”

Designing for what’s next in beauty is integral, for Anisa with innovation and collaboration taking a critical role at every step.

LETTING BEAUTY BREATHE

From the consumer’s perspective, self-care is now a part of our daily lifestyle

and includes having healthy skin.

Based on a willingness to invest in skin care products, we are going to help maximize these investments with the right tools – but that doesn’t always

“
What I’ve
seen is that
when we pair
the right tool
with the right
product, it
automatically
means sales
for both.”

HEATHER SUMNER, vice
president of business
development and sales,
ANISA Beauty

mean more and more products. “I think we need to allow innovation to breathe,” said Telwar Kaicker, explaining that a consumer is often wary to spend money on a new item when they believe something better is right around the corner. “So, we should allow a moment to just appreciate a purchase instead of churning and burning and making beauty so disposable.”

CLOSER CONNECTION

While Anisa brushes have been an integral part of women’s beauty routine for decades, many consumers only recently became aware of the name behind the brush when the company launched its new brand and began selling directly to consumers on anisabeauty.com. Now having a direct connection to the consumer, Anisa is able to educate beauty consumers and receive feedback that empowers her to understand the choices in a purchase. This communication loop also informs the innovation feeding the B2B side of the business. With the ability to see first-hand what consumers are responding to and purchasing, the company is able to present innovation backed by data.

MAN

of the

PEOPLE

For newly minted L'Oréal USA chief executive officer Stéphane Rinderknech, restoring significant growth to the North American beauty scene is contingent on creating deep connections with consumers and company employees alike.

BY **JENNY B. FINE**
PHOTOGRAPH BY **MARK MANN**



Stéphane Rinderknech is a man of many metaphors, and the jigsaw puzzle is one of his favorites. For him, the act of reconstructing a thousand little pieces into a single cohesive image represents the complexity of running—and building—a business.

“You may have 4,000 pieces, but the first step is always to put two pieces together, than three, than four,” says Rinderknech, president and chief executive officer of L’Oréal USA.

“It takes time. And each move, each piece, is important. Because you don’t get to 4,000 if you don’t get the third one. And it’s the same with everything we do in the company.

“When you first come to the U.S., you’re lost,” he continues. “Day after day, hour after hour, the image becomes clearer. Step by step, every meeting, every discussion, every trip, every moment is an opportunity to put two other pieces of the puzzle together that is L’Oréal USA.”

Rinderknech assumed his role officially on Jan. 1, 2020, but has been in the U.S. since September, traveling across the country and assembling his vision for the future. A lot depends on Rinderknech being able to fit together the many disparate elements of the North American beauty scene—not least of all which is to help restore L’Oréal to significant growth in a market that had stagnated even before the coronavirus crisis.

If anyone seems up for the challenge, it is Rinderknech.

Ask those who know him best to describe him, and the first word they use is “energy,” a force that comes through in even the most casual conversation. Rinderknech speaks with kinetic animation. His sentences come out in bursts of adjectives, idea building upon idea, verbally italicizing key words and all punctuated with hand gestures for emphasis. His voice rises with excitement as he shares a concept, idea or anecdote, and when he listens, he leans in, intently focused on whoever is speaking.

For Rinderknech, people are a key part of the “pieces” that enable him to connect the dots and see the full picture, and he relishes human interaction. “I want *every* discussion I have, every meeting, to *never* be indifferent,” he says. “Something has to happen there. We have to build another step in the relationship.”

When the coronavirus pandemic hit the U.S. in early March, the puzzle became exponentially more complicated, but the picture immediately took shape. Although he may not yet know the country intimately, his mandate was clear and his call to action immediate.

“Going through a crisis makes us stronger together,” says Rinderknech, of the company’s 11,000-strong workforce. “Sharing this experience makes us so much closer. I see everyone’s homes, their dogs, their kids. This would never happen in a normal context.

“There is a spirit here,” he continues, “and to lift it up, to continue to move forward to be

resistant, to protect the business and give our people a sense of direction, that is a very important mission.”

As the COVID-19 crisis worsened in the U.S., Rinderknech had three key priorities. First, to assure the health and well-being of L’Oréal’s workforce; second, to galvanize the company to contribute to the greater good, via the production of hand sanitizers, small business and vendor relief and donations ranging from financial grants to needed goods such as gloves, and third, how not only to mitigate the impact on the business—but how to learn from it, build on it and transform the way L’Oréal operates.

Even though the coronavirus pandemic had not yet broken out when L’Oréal chairman and ceo Jean-Paul Agon appointed Rinderknech as ceo of the U.S., it was clear he was brought on board to be an agent of change. According to L’Oréal’s own figures, the firm has a 13 percent share of the North American beauty market, making it the largest pure-play company here. North America accounted for 25.3 percent of L’Oréal’s overall business in 2019, or about 7.6 billion euros.

But as big as those numbers are, the region has also slowed down considerably. In July, Agon characterized the market as “flat at best.” In contrast, China, the market Rinderknech was most recently ceo of, posted growth of 30 percent last year, led by e-commerce, which is the top-ranked channel in the country and accounts for upward of 40 percent of sales.

“Stéphane is one of the most energetic men I have ever met, and he always keeps pushing in order to achieve his goals,” says Agon. “At the same time, he is able to lead a team and effectively communicate his energy and ambition. Choosing him to lead the U.S. was not based only on what he has already done in a highly competitive market,” Agon continues, “but more on his skills and strength, which are extremely appropriate to the U.S. market.”

Agon knows whereof he speaks: He became ceo of L’Oréal USA literally days before the Sept. 11 terrorist attacks in 2001, and took over the global ceo role in 2006, just prior to the global economic crash of 2008.

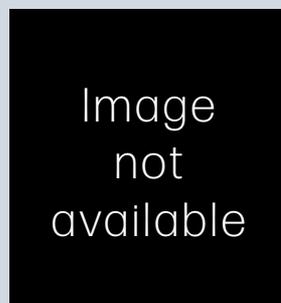
L’Oréal recovered from both events to emerge stronger than ever—and Rinderknech fully expects to do the same when the pandemic has ended. As focused as he is on marshaling L’Oréal’s resources to conquer the coronavirus, he also recognizes the opportunity a changed landscape presents, particularly one in which technology has assumed a larger importance than ever before for a population largely confined to their homes.

“There is going to be an acceleration of the digital transformation, an acceleration within the acceleration,” says Rinderknech. “What we are going to learn is to adjust the content, build the capability, bring the consumer experience.”

For now, that means adjusting and adapting to the needs of quarantined consumers, creating

The CEO Chronicles

L’Oréal established Cosmair (short for cosmetics for hair) in the U.S. in 1953, and officially changed its name to L’Oréal USA in 2000. Rinderknech is the company’s eighth ceo. Two previous ones, Sir Lindsay Owen-Jones and Jean-Paul Agon, subsequently became ceo’s of the entire company after their time in the U.S. Here, a timeline.



1953-1981
Jacques Corrèze, Cosmair



1981-1984
Lindsay Owen-Jones, Cosmair



1984-1987
Jean Levy, Cosmair

Jones photograph by Jeff Riedel; Levy by Jacques Witt/Sipa/Shutterstock; Peyrelongue by Kelly Taub/Bfa.com; Agon by Romuald Meigneux/Sipa/Shutterstock; Attal by Fairchild Archive/Penske Media/Shutterstock; Rozé by Paul Morigi/Alamy/Shutterstock; Rinderknech by Mark Mann

livestreamed content, for example. In the future, who knows? But the point is to build in the agility needed to respond in real time.

“We have to adapt to the consumer reality, to be in their life, to be with them,” says Rinderknech. “The role of a brand is to seed connection, to engage in a dialogue with consumers. It is not to say, ‘Buy my thing and here is a great price.’ It’s, ‘I am here with you and for you, sharing the experience and the moments.’”

“What I’m interested in is the backbone of a brand, not whether it’s big or small,” he continues. “Who are your consumers? What does beauty mean to them? What do they aspire to? And what is our platform of expression to connect with those audiences that we have clearly identified, which is different depending on if you are CeraVe or Giorgio Armani or La Roche-Posay or YSL or L’Oréal Paris.”

He refutes the notion that the U.S. can’t be a high-growth market like China, positing that if you give the people what they want, when they want it, where they want and how, sales will follow, as evidenced by the success of products like L’Oréal Paris Revitalift Derm Intensives Hyaluronic Acid and Glycolic Acid serums and Maybelline New York Falsies LashLift Mascara (“a salon gesture adapted to mass.”)

“The market is not growing that quickly, for sure,” says Rinderknech. “But I think anybody in this market can grow very, very fast. There are different forces, different changes, different habits, and we have a

responsibility to find the dynamism in the market by putting the right innovations, right quality, service, experience and products that can perfectly fulfill the demands and desires of consumers, which are changing.”

The curiosity to find answers to those questions is what drives him most. Whether it is consumer mores or languages (he speaks French, English, Spanish, German,

forward. He joined the company in 2001 in Miami, as Lancôme area manager for South America in the travel retail division, where he soon caught the attention of senior management by adeptly managing through the sociopolitical crises in Brazil and Argentina and gaining significant market share advantages by supporting retailers during the upheavals and reaping the benefits when life returned to normal.

depth and detail,” while Korea was all about speed. (“They move so fast—there’s a word for it, *pali-pali*, you hear it all the time.”)

In China, which he calls the school of scale and speed, Rinderknech helped propel L’Oréal to the number-one spot in the country, and proved himself an able student of digital. “Running CPD there was quite a challenge—there was a brutal shift from offline to e-commerce, with the rise of Alibaba, Jingdong, etc., so we had to maneuver through that.”

By all accounts, he did so very successfully. L’Oréal was the top-ranked beauty company in e-commerce in China in 2018, with a 22 percent share of the prestige market, according to a company presentation. The group’s ranking on Tmall improved considerably under Rinderknech as well. In 2016, for example, Lancôme was the sixth largest brand on the platform and L’Oréal Paris was number nine; by 2018, the brands were first and third respectively.

“The role of a brand is to seed connection, to engage in a dialogue with consumers. It is not to say, ‘Buy my thing and here is a great price.’”

Mandarin and Japanese) or cello concertos (Rinderknech is an avid player and says music is like beauty in that “there are a million versions of the same suite and every time you play one, it is never the same”), Rinderknech loves to learn.

“I am driven to discover, to take risks, to dive into new things, to push into new frontiers,” he says. “Because you discover something and then it leads you to discover more.”

Rinderknech has had a relatively meteoric rise through the ranks of L’Oréal, and in each posting, he has taken a key learning and moved

Three years later, he moved to Japan, first as head of Biotherm and then was quickly promoted to run Lancôme, a brand he revitalized in that market. In 2008, he was named head of L’Oréal Luxe in South Korea, where he launched Kieh’s and helped propel it to the number-one skin-care brand in the market. In 2011, he moved to China, first as general manager of the Luxe division, then as head of the Consumer Products Division, and finally, in 2016, he was named ceo of L’Oréal China.

Rinderknech calls Japan the school of “consistency, rigor, quality,

L’Oréal’s top brass hope he can have the same impact here. “You’ve got the two biggest economies in the world and the two leading countries in terms of digital,” says Nicolas Hieronimus, deputy chief executive officer. “The ability to learn from one another is very important and Stéphane will definitely help our U.S. business benefit from some of the best practices and learnings that he got from a fast accelerating Chinese digital world.” ▶



1987-2001
Guy Peyrelongue



2001-2005
Jean-Paul Agon



2005-2009
Laurent Attal



2009-2020
Frédéric Rozé



2020
Stéphane Rinderknech

Already that is happening. Cheryl Vitali, previously the global president of Kiehl's who was named global president, American luxury brands, in January, is one of the few executives stateside who has worked extensively with Rinderknech prior to his appointment in the U.S. "He is very focused on digital opportunities and commerce," she says. "He was able to create a competitive advantage for us in China, and he sees similar opportunities here, where we can move quickly and see opportunities related to what the consumer is doing and how she/he continue to shift."

Rinderknech's approach is to incorporate digital into all aspects of the business, weeding out silos and making sure the entire organization is using all of the technological tools at its disposal to drive sales across all platforms. The phrase "o plus o," online plus offline, comes up frequently in his conversations, emphasis on the plus.

"It is not a confrontation, it is a convergence. This is something I was really exposed to in my previous job," he says. "When I go to a store, I have my phone with me, and I do a lot of things with it. How does digital complement the in-store experience? It's not shifting something. It's making sure that the teams here that work on e-commerce and that work in brick-and-mortar don't think channel. They need to think consumer."

Rinderknech himself loves to spend time in stores. On a bright Monday morning just one week before the coronavirus quarantine in New York City, he was recalling excitedly visits to CVS, Target and Ulta that he had made over the weekend. "The only reality of the work we do is in the stores. If you have questions, go to the stores. The best discussions, best ideas, are always in the stores," he says. "It's great to go with people, because they can answer your questions, but it's great to be alone, to understand what is it that I feel when I'm there. And then suddenly,

bam! It pops up. And you say, 'Right!' And you get your idea."

As for his "aha" moment that weekend? "I think our new products are amazing, but sometimes not visible enough or educational enough for consumers," Rinderknech says. "Consumers want to be informed. How do you tell them about the ingredients, the routine? We have a tremendous opportunity to educate them."

That being said, he is looking to tap into e-commerce's potential as a force multiplier by taking advantage of the many hero products across L'Oréal's brand portfolio. "These are products that are already imprinted on the minds of the consumers and

His leadership style is to make sure everyone is aligned on end goals—and then let the people involved figure out how best to get there. For an organization to thrive, Rinderknech believes people must know what is expected of them, where they fit within the frame, how they can best contribute to reaching the goals and also feel that they are continually learning. "There is not one way to get to Rome—you have to respect that there are different ways so that the diversity can kick in," he says. "You tell them, let's get there, but give them the freedom to tell you how. It's like a recipe. Every person counts, every interaction counts, every ingredient counts. You take

It's a give-and-take rather than top-down approach, a style he honed in Japan. "If I give orders, I'm not going to get speed, I may get resistance," Rinderknech says. "To gain in speed means actually sometimes to step back and play the game of back-and-forth, until you feel 100 percent ownership and engagement with the teams. That's when the ideas are going, and everyone is hypercreative."

While speed may suffer in the short term, in the longer term, Rinderknech believes such an approach accelerates change, likening it to a surfer riding a wave. For him, the wave is the size and scale of the U.S. market. "When you surf, you don't use your muscle to fight the wave. You identify the right wave, and then let it carry you," he says. "It is your balance, your agility, your flexibility and your skills that enable you to stay on the wave."

Post-pandemic, that agility will be more necessary than ever before, as consumers and marketers adjust to whatever the "new normal" will be. "Part of our role now is to challenge people, to help them reinvent a whole new world, because this is what it is going to be about—nothing is going to be the same," says Rinderknech. "The agility to rebound is to select what you want to build, to be able to allocate the right resources in the right place to ensure the right rebound."

Ever since he was a five-year-old in Agen, France, where he would memorize the capitals of the world, Rinderknech has yearned to travel, and he is at his most animated when he talks about how much he loves discovering new cultures and meeting new people.

The first thing he wants to do post-quarantine is surround himself again with people. "I hate noisy restaurants, but when we're able to again, I'm going to go to the most crowded restaurant. I am not such a social distancing fan," says Rinderknech. "I love to be with people and I hope soon we are going to be together again." ■

"Part of our role now is to challenge people, to help them reinvent a whole new world, because this is what it is going to be about—nothing is going to be the same."

the algorithm favors them, because there is organic search and stories behind them," he says. "If we invest to make them even more visible, then there is great potential of growth ahead."

Before the COVID-19 pandemic hit, Rinderknech spent a significant amount of his time traveling from state to state, visiting stores, observing consumers and meeting with teams everywhere to disseminate his vision. He makes it a point to see the world beyond the walls of an office, be it going on a 50-mile bike ride from Santa Monica to Malibu and back with Hieronimus (they went to a Lakers game after) or having dinner at an Outback Steakhouse during a market tour in the Midwest.

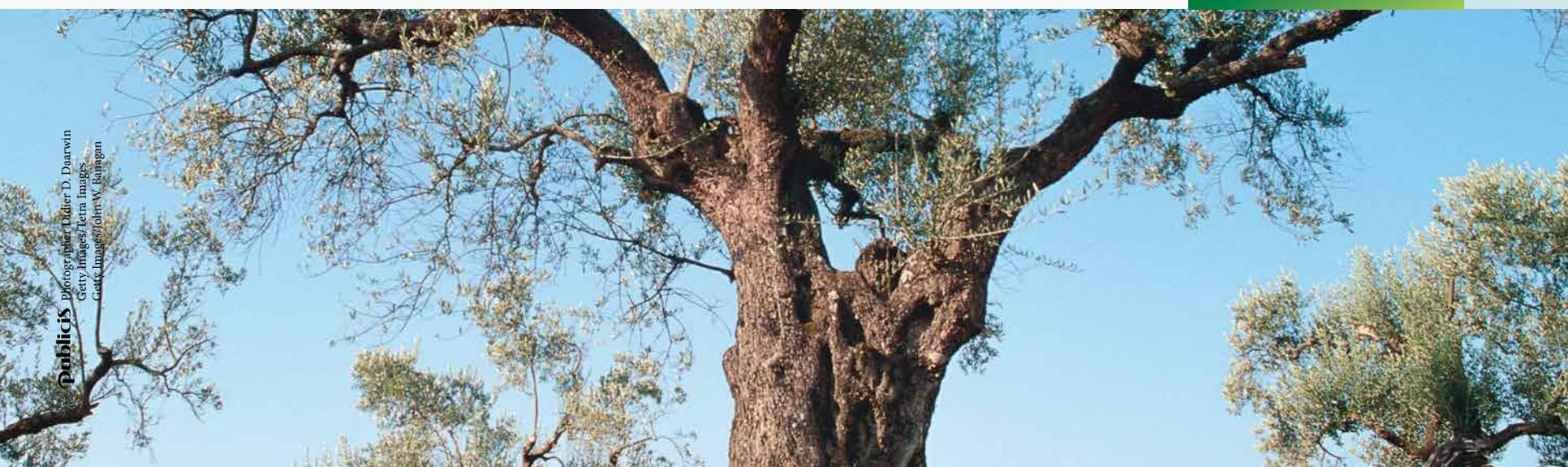
what everybody says, you mix it in a blender,"—here he stops and makes a zzzzzzt sound— "and then it's like, 'OK! That's the way. I got it.'"

For sure, Rinderknech's approach represents a newer way of working for many in L'Oréal. "Meetings tend to be much more collaborative and problem-solution-oriented, as opposed to a formal presentation, where you're presenting numbers, concepts and strategies," says Megan Grant, president of L'Oréal Luxe USA, who notes Rinderknech often pops into an office unannounced to bat around an idea. "It's a more collaborative working session, and because of his approachability and energy, teams feel comfortable speaking their mind and giving their opinions."



E X T R A C T I N G
 U N I Q U E P R E S E N C E

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 MOVES



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The Beauty Inc Top 100, 2019—aka, the glory days.

Numbers were up, beauty was thriving and business boomed.

L'Oréal sales gained almost 11 percent to more than \$33 billion in sales; the Estée Lauder Cos. Inc. was up 12 percent to nearly \$16 billion in sales, and Procter & Gamble gained, too, up 5 percent to nearly \$14 billion in beauty sales. E-commerce, travel retail and China all boosted numbers for big beauty.

But now, with the rapid spread of the coronavirus, two of three of those drivers have all but flown out the window, and beauty is playing second fiddle to toilet paper in terms of online sales.

The onset and rapid global spread of COVID-19 managed to upend the lives and businesses of nearly everyone in a matter of weeks. As the virus spread across Asia, Europe and the U.S., retailers closed and companies shifted from making beauty products to hand sanitizer. That effort was kicked off by LVMH, which saw beauty sales gain 12 percent in 2019, driven by demand in Asia. The company then spent spring 2020 distributing hand sanitizers in Dior bottles to health-care workers in France while managing regional store closures.

Experts agree that it's still too early to tell how broad the impact of COVID-19 will be on the beauty business, but "there's no question that there will be an impact," says Larissa Jensen, beauty industry analyst with The NPD Group.

In late March and early April, that's translating into higher sales of soaps and hand lotions, and continued declines in makeup. So far, the non-soap products doing well include nail care, hair color and sunless tanners, per NPD.

In the short term, while brands are starting to see increased e-commerce sales, they aren't expected to make up for volumes lost from store closures, especially since consumers remain more focused on buying household essentials. "Consumers defer purchases of beauty products and do not trade down," analysts from Evercore wrote in a recent report, referencing learnings from the Great Recession.

Right now, for many companies big and small, business is tanking.

Coty Inc. said it expects sales declines of 20 percent for its fiscal third quarter, with a "meaningful impact on profit," but an Evercore analyst said in a research note that he estimated sales for the second quarter could be down by as much as 40 percent.

L'Oréal guided down 5 percent for the fiscal year, noting the virus "will have a higher impact than initially forecast on the consumption of cosmetics and beauty products." Given dips in the professional and luxury brand portfolio sales, Evercore noted that sales could fall by 25 percent in the second quarter.

Lauder withdrew guidance altogether, saying its "global business is more broadly impacted by COVID-19 than we initially expected." When the pandemic was centered in Asia, Lauder estimated flat to 1 percent sales growth, but since the spread has continued, a Barclays analyst projected Lauder's sales would decrease 9 percent.

Those estimates came out at the end of March—who knows how low they will go, or for how long the declines will last.

Now about five months into the COVID-19 crisis, there is a bright spot—Asia—where consumers are starting to move about again, and sales are starting to return. After two months of sharp declines, beauty sales in China began rebounding in March.

In the longer term, big companies are expected to fare better than small ones, and experts note that COVID-19 may be the factor that finally turns the tables between established and indie beauty players. For the past five years especially, indie beauty brands have been disrupting the big guys with their speed, agility and innovation. But without massive reach, resources or funds, they are much less likely to survive COVID-19.

"[Big beauty companies] are in a better position to weather something like this. This is where their size actually helps them. Indie brands, smaller brands are going to struggle," Jensen says. "A huge corporation will take a hit by not having the same sales volumes...but they're huge—everyone's taking that hit right now. By nature of their size, [they] could potentially weather this more than a smaller, more independent brand, which prior to this, would have been the type of brand that has the advantage."

Jensen likened big beauty companies to huge ships, and small ones to speedboats. "That's great when the waters are clear, but now that you've got a massive storm, it's going to be a lot easier for a massive ship to survive than a little speedboat."

COVID-19 provides an opportunity for the entire industry to take pause, and think about what consumers will want from the sector during and after the pandemic, both in terms of product and sales innovation. General consensus seems to be open-air testers—all the rage for the past decade—will be out, at least for a while. And some sources have even speculated that weeks or months of the no-makeup-wearing, work-from-home life could finally lead back to a makeup upswing, as consumers may strive for a more pulled-together look.

"Beauty's an emotional category," Jensen says. "There's opportunity here, when the cloud lifts and we do see the light at the end of the tunnel, and it will happen, there's going to be opportunities on the other side." —**Allison Collins**

MICHEL DYENS

Mergers and acquisitions in beauty and luxury brands



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



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



BlackRock has acquired Creed (Pending closing)
Creed was advised by Michel Dyens & Co.



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



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



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



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



Aber has acquired Harry Winston
Harry Winston was advised by Michel Dyens & Co.



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



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

OUR METHODOLOGY

COMPILED AND RESEARCHED BY **ALEX WYNNE WITH ALLISON COLLINS**
 EDITED BY **ALEX WYNNE AND JENNY B. FINE**

WITH CONTRIBUTIONS FROM: **MAYU SAINI (NEW DELHI), FIONA MA, TIANWEI ZHANG (LONDON), ALLISON COLLINS, FAYE BROOKMAN (NEW YORK), SANDRA SALIBIAN (MILAN) AND KELLY WETHERILLE (TOKYO)**

THE WWD BEAUTY INC TOP 100 ranks the world's largest beauty manufacturers. Firms are arranged by their beauty sales for the 2019 calendar year. For those companies whose fiscal year did not run from Jan. 1, 2019 to Dec. 31, 2019, 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 or detergents. 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 2019.

Year-on-year percentage changes are in reported terms, not on a like-for-like or constant-currency basis. Non-U.S.-based firms' sales are converted into dollars according to the 2019 average yearly exchange rate.*

*CURRENCY CONVERSIONS: Sales figures in non-U.S. currencies were converted to the dollar using the following 2019 average exchange rates from Oanda.com:

1=\$1.119022; ¥1=\$0.009174; £1=\$1.276639; 1 KRW=\$0.000857;
 1 Ruble=\$0.015464; R\$1=\$0.253597; CNY 1=\$0.144772; 1
 Rupee=\$0.014198; 1 SFr=\$1.006015; 1 HK\$=\$0.127620; 1 C\$=\$0.753791.

BY THE NUMBERS

THE TOP 100 AT A GLANCE

TOP 10 SALES GAINS

97. Luxury Brand Partners	+82% (EST.)
60. Morphe	+40% (EST.)
96. Olaplex	+37% (EST.)
72. Embelleze Group	+35.5%
78. Sodalis Group	+35.1% (EST.)
61. Beautycounter	+35% (EST.)
91. Deciem	+35% (EST.)
95. Clio Cosmetics	+33.6% (EST.)
88. Huda Beauty	+25% (EST.)
63. Proya Cosmetics Co. Ltd.	+23% (EST.)

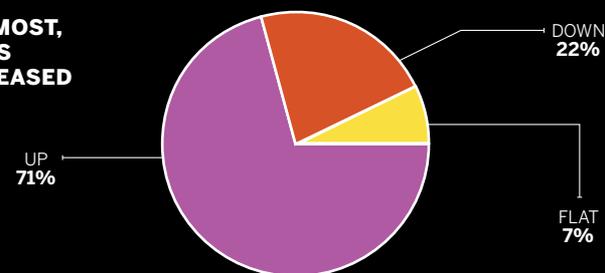
TOP 10 SALES LOSSES

-61.1% (EST.)	84. L Catterton*
-34.9% (EST.)	58. Guthy-Renker**
-16.7% (EST.)	80. Anastasia Beverly Hills
-14% (EST.)	37. Nu Skin Enterprises
-12% (EST.)	86. Tupperware Brands Corp
-11%	18. Avon Products
-10.8%	65. Alcora Corp.
-10.1% (EST.)	53. Yanbal
-8% (EST.)	62. DHC
-7.9% (EST.)	29. Amway

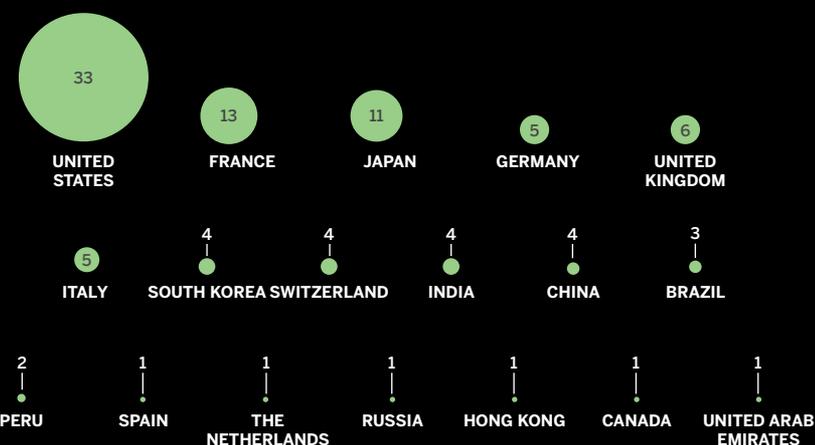
*L Catterton's significant decline can be attributed to its sale of Elemis to L'Occitane.

** Guthy-Renker's decline can be attributed to a change in operating model in which the company invests in new brands with joint venture partners accounted for under the equity method of accounting and thus not reporting revenue under the Guthy-Renker moniker.

FOR MOST, SALES INCREASED



BY COUNTRY



The First Step to Radiant Skin
Korea's Best-Kept Skin Secret

FIRST CARE ACTIVATING SERUM



Sulwhasoo

1

L'ORÉAL CLICHY, FRANCE

2019 BEAUTY SALES:
\$33.43 BILLION
€29.87 BILLION
+10.9% VS. 2018

MAIN BRANDS:

CONSUMER PRODUCTS:
L'Oréal Paris, Garnier, Maybelline New York, NYX Professional Makeup, Stylenanda, Essie, Dark & Lovely, Niely, Magic.

PROFESSIONAL PRODUCTS:
L'Oréal Professionnel, Redken, Kérastase, Matrix, Pureology.

L'ORÉAL LUXE:

Lancôme, Yves Saint Laurent, Giorgio Armani, Kiehl's, Biotherm, Urban Decay, Shu Uemura, IT Cosmetics, Helena Rubinstein, Ralph Lauren, Viktor & Rolf, Cacharel, Diesel, Clarisonic, Yue Sai, Atelier Cologne, Valentino.

ACTIVE COSMETICS:

La Roche-Posay, Vichy, SkinCeuticals, CeraVe, Decléor, Roger & Gallet.

KEY FINANCIALS:

LIKE-FOR-LIKE SALES GROWTH:
+8%

CONSTANT-CURRENCY SALES GROWTH: **+8.8%**

OPERATING PROFIT:

€5.55 BILLION, +12.7%

NET PROFIT:

€4.36 BILLION, +9.3%

SALES BY DIVISION:

PROFESSIONAL PRODUCTS:
€3.44 BILLION, +5.5%
(+3.2% like-for-like)

CONSUMER PRODUCTS:

€12.75 BILLION, +6%
(+3.3% like-for-like)

L'ORÉAL LUXE:

€11.02 BILLION, +17.6%
(+13.8% like-for-like)

ACTIVE COSMETICS:

€2.66 BILLION, +17.1%
(+15.5% like-for-like)

SALES BY GEOGRAPHIC ZONE:

WESTERN EUROPE:
€8.28 BILLION, +2.6%
(+1.8% like-for-like)

NORTH AMERICA:
€7.57 BILLION, +4.6%
(-0.8% like-for-like)

ASIA-PACIFIC: **€9.66 BILLION, +30.4%**
(+25.5% like-for-like)

LATIN AMERICA: **€1.77 BILLION, -0.7%**
(+2% like-for-like)

EASTERN EUROPE:
€1.91 BILLION, +8.9%
(+9% like-for-like)

AFRICA AND MIDDLE EAST:
€688.7 MILLION, -0.7%
(-4.1% like-for-like)

BIGGEST MARKETS:

The U.S., China and France.

• IT WAS ANOTHER YEAR OF

strong acceleration for the world's largest beauty player, which saw its sales grow at the fastest rate since 2007. Its Luxe and Active Cosmetics divisions did particularly well, the latter witnessing its best year ever, according to the company. The year was also marked by an improvement in the Professional Products division, which had been hampered by a lackluster salon market for several years, and growth within Consumer Products, notably thanks to the L'Oréal Paris brand.

Among the year's major moves, L'Oréal was particularly active in its attempts to bolster its presence in the premium fragrance category, where it had lost its global leadership positioning to Coty following its acquisition of the Procter & Gamble luxury fragrance brands in 2016. In October, L'Oréal inked an agreement with Groupe Clarins to acquire its fragrance business—notably the Mugler and Azzaro brands, which had sales of around €340 million in 2018. The deal closed at the end of the first quarter of 2020. After months of speculation, a licensing agreement was also signed with Prada in December, landing L'Oréal the rights to the brand—previously under Puig—starting in January 2021.

Through its BOLD Business Opportunities for L'Oréal Development fund, the firm took a minority stake in Canadian aesthetic medicine specialist Functionalab Group; invested in the Cathay Innovation fund to support the beauty tech start-up ecosystem in China and in Fireside Fund II, aimed at supporting innovative consumer brands in India, as well as investing in Carbios, a biotech start-up aiming to reinvent the life cycle of polymers.

Among executive moves, three new members joined L'Oréal's executive committee—Alexandra Palt, who became chief corporate responsibility officer and executive vice president of the Fondation L'Oréal, Vincent Boinay, who is general manager for travel retail worldwide, and Fabrice Megarbane, president of L'Oréal China. Christophe Babule was named executive vice president and chief financial officer, succeeding Christian Mulliez as of February 2019, and Cyril Chapuy became president of L'Oréal Luxe starting in January 2019. Stéphane Rinderknech was named president and chief executive officer of L'Oréal USA and executive vice president for North America.

The L'Oréal Luxe division was driven by the strong dynamism of its four biggest brands—Lancôme, Yves Saint Laurent, Giorgio Armani and Kiehl's—with all of them posting double-digit growth. Lancôme performed well in skin care and was boosted by the launch of fragrance Idôle, targeting the Millennial consumer and fronted by Zendaya. It was also a good year in fragrance for Yves Saint Laurent and Giorgio Armani. Atelier Cologne performed well and initial results under Valentino, which joined L'Oréal's portfolio in January 2019, were strong.

Within Active Cosmetics, La Roche-Posay's sales broke the €1 billion barrier, and the division as a whole grew at twice the overall rate of the dermocosmetics market, according to L'Oréal. Vichy performed well in Eastern Europe and Latin America, and SkinCeuticals grew strongly, especially in the U.S. and China, where its sales reportedly almost tripled. CeraVe continued its international expansion.

Professional Products saw a clear acceleration in the second half, and outpaced the market in growth, attributable to double-digit increases from Kérastase as well as successes under Matrix, Redken and L'Oréal Professionnel. Growth was particularly strong in the U.S. and Asia-Pacific, and the year was marked by an acceleration in the division's e-commerce revenues.

Under Consumer Products, L'Oréal Paris saw its strongest growth since 2007, boosted by major launches including Rouge Signature in makeup and Revitalift Filler in skin care. Garnier was driven by emerging markets and its Tissue Masks and Micellar Cleansing Water products, and enhanced its initiatives in the organic and naturals space. Stylenanda, acquired in 2018, performed strongly in Asia. By category, skin care grew significantly for the division, while makeup slowed in established markets, notably the U.S., in line with market trends.

By geographic zone, Asia-Pacific became the group's biggest region in terms of sales, thanks to what L'Oréal described as “a remarkable end to the year in China,” reporting results before the coronavirus pandemic. Sales were also strong in South Korea, India, Indonesia and Malaysia, although Hong Kong was impacted by the social context there, especially in the fourth quarter. Eastern Europe grew strongly, while Western Europe saw a return to growth, and North America

was negatively impacted by the makeup category, which held back both the Consumer Products Division and L'Oréal Luxe.

Group-wide, e-commerce sales jumped by a massive 52.4 percent, accounting for 15.6 percent of group revenues for the year. Travel retail also continued to be a driver, with its sales up 25.3 percent.

In early February 2020, L'Oréal announced plans to divest the Roger & Gallet brand to French investment holding concern Impala after a strategic review. A deal is expected to be completed this summer.

2

UNILEVER LONDON/ROTTERDAM, THE NETHERLANDS

2019 BEAUTY SALES:
\$22.49 BILLION (EST.)
€20.1 BILLION (EST.)
+6% VS. 2018 (EST.)

MAIN BRANDS:

BEAUTY & PERSONAL CARE:
AHC, Axe/Lynx, Clear, Dollar Shave Club, Dove, 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, SunsilK/Seda/Sedal, TIGI, TRESEmmé, Vaseline, The Right to Shower, Unilever Prestige: Dermologica, Garancia, Hourglass, Kate Somerville, Living Proof, Murad, Ren Clean Skincare, Tatcha.

KEY FINANCIALS:

BEAUTY & PERSONAL CARE DIVISION REVENUES:
€21.87 BILLION, +6%
(underlying sales growth: +2.6%, underlying volume growth: +1.7%)

DIVISION OPERATING PROFIT:
€4.52 BILLION, +8.5%

TOTAL COMPANY REVENUES:
€51.98 BILLION, +2%

OPERATING PROFIT:
€8.71 BILLION, -31.1%*

NET PROFIT:
€6.0 BILLION, -38.4%*

*** After restatement of 2018 profits due to a change in accounting standards.**

• **FOLLOWING ALAN JOPE'S** promotion as chief executive officer of Unilever on Jan. 1, 2019, the company named Sunny Jain as president of its Beauty & Personal Care division, effective in June. Jain was previously head of Amazon's Core Consumables business unit, which includes the

beauty and personal-care categories, and before that spent more than 16 years at Procter & Gamble.

At the time of his nomination, Jope described Jain's background as “unique” in that it combines consumer goods, online retail and an understanding of the beauty market. “It makes him exceptionally well-suited to help us deliver our growth ambitions for our Beauty & Personal Care division,” he stated.

For Unilever's beauty activity, the deodorant category grew well, supported by double-digit growth from Dove and strong performance from Rexona Clinical Protection, which has patented anti-perspirant technology. Skin cleansing was hampered by price reductions, although Dove did well with products targeting the skin microbiome, while hair care suffered from competition in the U.S. market and in China, where continued pressure from local players negatively impacted sales. In skin care, Pond's and Vaseline performed well, in part thanks to innovations including Pond's Glow Up cream, a skin-care/makeup hybrid. Simple expanded into underpenetrated markets.

The company continued to broaden its portfolio in line with growing demand for natural beauty. Love Beauty and Planet, introduced in North America in 2018, expanded into new categories and launched in selected markets in Europe, Asia and Latin America. St. Ives, Simple, and Love Beauty and Planet joined Dove in becoming PETA certified cruelty-free.

Unilever's prestige brands—with total sales of approximately €600 million—continued to see double-digit growth, with Dermologica, Hourglass and Living Proof performing particularly well, according to the company.

Unilever continued to expand its prestige portfolio, adding French dermocosmetics brand Garancia in April, strengthening its business in the pharmacy channel, and acquiring 95 percent of U.S.-based Tatcha, a line built around Japanese skin-care rituals, for close to \$500 million in July.

In October, the company acquired 70 percent of Japanese premium skin-care brand Lenor, expanding its portfolio in Japan and China, for an undisclosed sum.

Unilever Ventures, the company's investment

vehicle, took stakes in clean makeup start-up Saie Beauty and Australian skin-care brand Dr Roebuck's, and contributed to an investment round in coconut-based beauty line Kopari.

As well as naming Jain to head the beauty activity, Unilever continued to reshuffle its top management in order to become a “faster, leaner and more agile” group, with Nitin Paranjpe, formerly president of the group's Foods & Refreshment arm, being named chief operating officer, effective in May, and a changing of the guard for several of its senior regional heads. Marjin Dekkers stepped down from his role as chairman of Unilever's board in November, with non-executive director Nils Andersen taking on the position. Richard Slater joined the firm as chief research and development officer in April 2019, leading its R&D activity for beauty and personal care globally. Fabian Garcia, former president and ceo of Revlon, was named president of Unilever North America, and Conny Braams, previously vice president of Unilever Middle Europe, took on the new role of chief digital and marketing officer as the company aims to ramp up its digital prowess. Both changes took effect on Jan. 1, 2020.

Unilever also ramped up its sustainability commitments, promising to halve its use of virgin plastic by 2025 by reducing the amount of material it uses by more than 100,000 tons and participating in initiatives to improve recycling, including waste management infrastructure. Under Dove, the firm announced that it would be introducing 100 percent post-consumer recycled plastic bottles where technically feasible across all of its ranges, and continue to seek solutions for parts that cannot currently be made from recycled plastic, including caps and pumps. Unilever's Sustainable Living brands grew 69 percent faster than the rest of the business and delivered 75 percent of the company's total growth.

Fully aware of the circumstances,
we do not stop.

We continue
to think about the future
with a safe, transparent and
authentic creativity.

And we will bring it to you
finding new ways.

Now as never before.

CHROMAVIS

FAREVA

3

THE ESTÉE LAUDER COS. NEW YORK

2019 BEAUTY SALES:
\$15.9 BILLION (EST.)
+12% VS 2018 (EST.)

MAIN BRANDS:

Estée Lauder, Aramis, Clinique, Prescriptives, Lab Series, Origins, MAC, Bobbi Brown, Tommy Hilfger, Kiton, La Mer, Donna Karan New York, DKNY, Aveda, Jo Malone London, Bumble and bumble, Darphin, Michael Kors, Tom Ford Beauty, Smashbox, Ermenegildo Zegna, Aerin, Tory Burch, Rodin Olio Lusso, Le Labo, Editions de Parfums Frédéric Malle, Glamglow, By Kilian, Becca, Too Faced, Dr Jart+, Do The Right Thing.

KEY FINANCIALS (EST.):

CONSTANT-CURRENCY SALES GROWTH: **+14%**

SKIN-CARE SALES: **\$6 BILLION, +22%**

MAKEUP SALES: **\$5.7 BILLION, +5%**

FRAGRANCE SALES: **\$1.8 BILLION, +2%**

HAIR-CARE SALES: **\$585 MILLION, flat**

TOP MARKETS:
THE U.S.: 23%
CHINA: 14%
THE U.K.: 6%

• **THE ESTÉE LAUDER COS.** continued a strong growth streak through 2019, wrapping up the year with a 12 percent increase in overall sales, a new skin-care acquisition and gains across both big and small brands.

Chief executive officer Fabrizio Freda attributed the company's consistent increases to Lauder's "multiple engines of growth" and 10-year compass strategies, which emphasize business diversification and honing in early on beauty trends. Sales were particularly strong in China, pre-coronavirus, in travel retail and in skin care throughout the year. North America continued an already-established slowdown.

In China, Lauder continued to propel brands via the Tmall platform. Top performers included Tom Ford Beauty and Jo Malone London, which drove strong sales upon launch.

Online sales for the company grew broadly, to \$2.6 billion in net sales in 2019. Lauder's e-commerce business is now active in more than 50 countries, with over 300 brand.com sites.

In line with the rest of the beauty world, in 2019, Lauder saw strong gains in skin care—up 22 percent for the calendar year, versus 2018. Several brands drove sales, including Estée Lauder, which has created a thriving franchise around Advanced Night Repair and also saw strong sales around Re-Nutriv and Micro Essence, and La Mer, which gained broadly. Clinique and Origins drove skin-care gains via moisturizers.

Towards the end of the year, Lauder made its first-ever acquisition in Asia with the purchase of the rest of Korean skin-care business Have & Be Co., which owns Dr Jart+ and Do The Right Thing. The deal, which adds another skin-care brand to Lauder's lineup, valued the business at \$1.7 billion, and followed Lauder's 2015 minority investment in the company. Executives have expressed interest in expanding the brands in more channels and geographies. Also on the M&A front, Lauder sold the beauty license for Tory Burch to Shiseido, effective Jan. 1, 2020.

Makeup sales, which fell off a cliff in the U.S., were able to gain globally, by 7 percent during the year. That was driven by Estée Lauder's Double Wear line, Tom Ford, Bobbi Brown and La Mer. Lauder ended up taking a \$777 million impairment charge for Too Faced, Becca and Smashbox—all acquired brands—based on declines in the makeup category.

In hair, which remains the fastest-growing category in U.S. prestige beauty, but one that has not taken off globally, Aveda saw strong gains and has recently expanded into Brazil. Fragrance sales also gained, thanks to brands like Tom Ford and Jo Malone London.

Travel retail remained a top channel for Lauder during the year. There, the firm's strategy includes leveraging local market investments in product innovation, marketing and advertising to appeal to consumers that know they plan to shop.

Looking forward, Lauder is projecting low to no growth in the near term, based on the effects of the coronavirus, which is affecting sales in China and travel retail, two of the company's biggest sales drivers.

4

PROCTER & GAMBLE CINCINNATI, OHIO

2019 BEAUTY SALES:
\$13.9 BILLION (EST.)
+5.1% VS. 2018 (EST.)

MAIN BRANDS:

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

KEY FINANCIALS:

ORGANIC GROWTH: **+8%**

• **PROCTER & GAMBLE'S** beauty sales gained in 2019, thanks to continued growth of megabrand SK-II, acceleration of Olay in China and the U.S., and the turnaround of the hair-care portfolio.

Alex Keith, who was already leading the beauty segment within P&G, was promoted to chief executive officer of P&G Beauty in mid-2019, making her the only female ceo of a Top 20 beauty company in the *WWD Beauty Inc* Top 100.

During the year, SK-II continued as a sales powerhouse—the brand has now posted 20 consecutive quarters of double-digit sales gains, and analysts estimate it is approaching \$3 billion in annual sales, making it a major player in beauty broadly, not just at P&G. In 2019, SK-II sales were driven by growth in travel retail, China and continued expansion in the U.S.

Olay, which underwent a major revamp in 2016, is on its third year of global growth, thanks to China, where it had a particularly successful Singles Day. In the U.S., new launch Retinol 24 has done well, as have Olay Whips moisturizers, introduced in 2018.

P&G's hair portfolio posted its best sales growth in nearly a decade, with increases driven by the company's largest market—the U.S. P&G also made gains in China, which it attributed to innovation and marketing efforts. In Europe, the hair business grew in the mid-single digits.

Pantene brought several on-trend products to the market, including the sulfate-free Rose Water franchise in the U.S., and

Hair Biology in Europe. Herbal Essences further solidified its positioning in the natural space through partnerships with the Environmental Working Group, the Royal Botanic Gardens, Kew and a PETA Cruelty-Free certification.

P&G Beauty didn't make any beauty acquisitions in 2019, but the larger organization clearly demonstrated interest in the wellness category with the acquisition of This is L, which makes organic tampons.

While there were no new beauty brands added via acquisition, P&G Beauty did incubate and launch several of its own brands, including My Black Is Beautiful, a hair brand for natural hair sold at Sally Beauty, and Waterless, a care and styling line meant to be used without water.

The firm also expanded several of its previous acquisitions, including Native, First Aid Beauty and Walker & Co., into new products and channels. During the year, Native, a direct-to-consumer deodorant and personal-care business that P&G bought in 2017, expanded within brick-and-mortar retail with Target, Walmart and Walgreens. The business heads into 2020 with new leadership—founder Moiz Ali has left the business, and P&G veteran Vineet Kumar has stepped up as ceo with plans to grow Native to \$1 billion in global sales.

P&G got behind several branded charitable initiatives during the course of the year, including Secret's mission for women's equality and closing the gender pay gap. The brand donated millions of dollars to the cause, a P&G spokeswoman said, including a \$529,000 donation to the U.S. Women's National Soccer Team. In Japan, Pantene launched a campaign called #HairWeGo meant to overcome hair conformity, which resulted in 139 Japanese companies pledging to cease demanding hair uniformity in job applicants.

5

SHISEIDO TOKYO

2019 BEAUTY SALES:
\$10.09 BILLION (EST.)
¥1.1 TRILLION (EST.)
+3.5% VS. 2018 (EST.)

MAIN BRANDS:

Shiseido, Clé de Peau Beauté, BareMinerals, Nars, Laura Mercier, Ipsa, Shiseido Professional, Elixir, Maquillage, Anessa, Za, Aupres, Urara, Pure & Mild,

Tsubaki, Sea Breeze, Senka, Ettusais, Drunk Elephant. **Fragrance: Dolce & Gabbana, Issey Miyake, Narciso Rodriguez, Elie Saab, Zadig & Voltaire, Serge Lutens.**

KEY FINANCIALS:

TOTAL SALES:
¥1.13 TRILLION, +3.4%
(+5.7% at constant currency,
+6.8% like-for-like)

JAPAN:
¥451.59 BILLION, -0.6%

CHINA:
¥216.24 BILLION, +13.3%

REST OF ASIA-PACIFIC:
¥69.84 BILLION, +2.5%

THE AMERICAS:
¥124.32 BILLION, -5.6%

EMEA:
¥118.42 BILLION, +4.6%

TRAVEL RETAIL:
¥102.2 BILLION, +16.6%

PROFESSIONAL SALES:
¥14.69 BILLION, +3.8%

OPERATING INCOME:
¥113.83 BILLION, +5.1%

NET INCOME:
¥73.56 BILLION, +19.8%

• **DESPITE COMPLEX** conditions in many of its markets, Shiseido continued to register sales increases, driven by its prestige brands, gains in China and travel retail, and a strategy focusing on its core skin-care expertise at home.

President and chief executive officer Masahiko Uotani, who has shaken up the company's corporate culture since he took on the role in 2014, saw his term renewed for another five years, until 2024, on the back of his results, in which the company met its "Vision 2020" strategic plan ahead of schedule.

Shiseido continued to concentrate marketing investment on its prestige brands and made-in-Japan products, improving profitability in the Americas and EMEA, and invested more heavily in digital marketing and innovation. Other areas of focus included building production capacities—a new factory in Nasu, its first in 36 years, opened in November and a new global innovation center in Yokohama began operations in April.

In one of beauty's buzziest M&A moves of the year, Shiseido Americas snapped up clean skin-care brand Drunk Elephant in November for \$845 million. The acquisition is expected to further strengthen and expand the company's prestige skin-care business and build its revenues in the Americas. It also entered a global licensing agreement for Tory Burch in August, which took effect from Jan. 1, 2020.

Both moves are expected to further expand Shiseido's global footprint.

Despite the difficult market context, Shiseido registered sales gains in 2019. In Japan, economic conditions continued to recover moderately due to employment and income gains, although a consumption tax hike in October and natural disasters dampened consumer spending. Domestic demand from inbound tourists remained firm as the firm ramped up its cross-border marketing activities in Asia, although sales were negatively impacted by a stronger yen and the enactment of a new e-commerce law in China. Ultimune serum and Shiseido-branded foundations grew well.

Internationally, China and the rest of Asia were negatively impacted by factors including the social climate in Hong Kong, although growth in the region remained firm overall. In China, prestige brands Shiseido, Clé de Peau Beauté, IPSA and Nars gained, and Chinese e-commerce sales grew thanks to stronger collaborations with local online platforms and digital marketing initiatives.

In the rest of Asia-Pacific, Laura Mercier and Clé de Peau Beauté performed well, and Elixir, Anessa and Dolce & Gabbana saw significant gains. Conditions were tough in South Korea due to a changing market, while in Southeast Asia, the firm performed well on the back of boutique expansion and increased marketing investment.

In the Americas, Shiseido and Dolce & Gabbana continued to grow, although the weak makeup market negatively impacted sales overall. Shiseido continued its restructuring of BareMinerals, including the closure of unprofitable boutiques.

In Europe, the Middle East and Africa, Dolce & Gabbana and Narciso Rodriguez gained thanks to the strong performance of new products, while Shiseido performed well in makeup and Nars continued to grow. Clé de Peau Beauté opened a boutique in London in October and plans to continue expanding in Europe.

Travel retail, a key area of focus, continued to grow strongly, largely thanks to increasing passenger numbers in Asia. Increased promotional activity in airports around the world

resulted in strong growth for Shiseido, Clé de Peau Beauté, Nars and Anessa, especially in South Korea, China and Thailand. IPSA and Elixir expanded their presence in the channel during the year.

The company also made progress in accelerating its corporate social responsibility activities. It established a new "social value creation division" with the intention to accelerate value creation with regards to the environment, society and culture. Separate departments within the division are working on environmental activities, the empowerment of women and gender equality, and corporate culture.

6

COTY INC. NEW YORK

2019 BEAUTY SALES:
\$8.65 BILLION (EST.)
-4.5% VS. 2018 (EST.)

MAIN BRANDS: LUXURY:

Calvin Klein, Hugo Boss, Marc Jacobs, Chloé, Balenciaga, Bottega Veneta, Alexander McQueen, Davidoff, Miu Miu, Lacoste, Stella McCartney, Tiffany & Co., Joop!, Jil Sander, Roberto Cavalli, Escada (prestige fragrance), Philosophy (skin care, fragrance), Lancaster (skin care), Gucci, Burberry (fragrance, color cosmetics).

CONSUMER BEAUTY:

CoverGirl, Rimmel London, Max Factor, Bourjois, Manhattan (color cosmetics), Sally Hansen, Risque (nail products), Clairol, Wella Kolesterol, Biocolor (retail hair color), Adidas, Cenoura & Bronze, Paixão, Bozzano, Monage (body care), Bruno Banani, Katy Perry, David Beckham, Nautica (mass fragrance).

PROFESSIONAL BEAUTY:

Wella Professionals, System Professional, Sebastian Professional, Nioxin, Londa Professional, Kadus Professional, Clairol Professional, Sassoon Professional, Wella Color Charm (professional hair care), OPI (nail products), Ghd (stylers).

KEY FINANCIALS:

LUXURY BEAUTY NET SALES:
\$3.3 BILLION (EST.) FLAT

CONSUMER BEAUTY NET SALES: **\$3.5 BILLION (EST.) -10.3%**

PROFESSIONAL BEAUTY

NET SALES:

\$1.8 BILLION (EST.), flat

• **IN ITS FIRST FULL YEAR** under the relatively new leadership of chief executive officer Pierre Laubies—whose exit after 18 months in the role was announced in February 2020—and Pierre André Terisse, chief financial officer, Coty Inc. unveiled a turnaround plan, bought a majority stake in Kylie Cosmetics, made the decisions to sell its professional division and move the company headquarters to Amsterdam.

As far as the turnaround goes, the plan was relatively straightforward from a financial perspective, and centered on improving profit margins and paying down debt. It also includes softer points, like restructuring certain teams and moving executives around—Edgar Huber became president of Americas and Asia-Pacific; Gianni Pieraccioni became president of Europe, the Middle East and Africa; Fiona Hughes took the helm as president of the consumer beauty segment; Simona Cattaneo was appointed president of the luxury division. Large efforts are now focused on a few top brands instead of all brands.

As it tends to go with Coty, so far, the results have been mixed.

Executives touted 130 basis point gross margin improvement and "green shoots" in the consumer beauty division that appeared during the fourth quarter of its fiscal year. On the ownership side, Coty majority owner JAB increased its stake from about 40 to 60 percent, which Wall Street analysts took as a good sign.

The consumer division, which has been plagued by shelf space losses and general disinterest in the mass channel since Coty took it over from Procter & Gamble in 2016, continued to be the problem child. A CoverGirl re-brand gone awry was rerouted back to the brand's core consumers in 2019, resulting in what executives termed "progress," while Clairol, another struggler, is expected to be sold as part of the professional division divestment.

During the year, Coty also shed Younique, in which it had bought a 60 percent stake in 2016 under then-ceo Camillo Pane. That exit got Coty out of the peer-to-peer selling model.

With that handled, Coty turned to its other business units, and ultimately decided to sell the professional division, which has been relatively stable. In a new-ish move, Coty looked to an outside banker, Credit Suisse,

to handle the sale, which is said to have attracted interest from most large private equity firms, as well as strategic buyers. An exit is expected to be finalized midway through 2020. As part of that deal, Coty is also evaluating options for the Brazilian business acquired under former ceo and chairman Bart Becht.

On the acquisition front, Coty became the first strategic acquirer to buy in—literally—to an influencer brand with the purchase of a majority stake in Kylie Cosmetics. First reported by WWD in June, officially announced in November, and closed in January 2020, Coty is now the 51 percent owner of Kylie Cosmetics, and has plans to expand the brand's skin-care and makeup offerings. Other acquisitions are possible, but would need to fall within Coty's core competencies, executives have said.

In March 2020, Coty unveiled that after the sale of the professional division is concluded, Laubies will step aside as ceo, and Pierre Denis, the ceo of Jimmy Choo, will take the helm. The news came as a surprise to employees and analysts, but unlike his predecessors, Denis brings beauty experience into the business. He is tasked with accelerating sales in 2020 and beyond.

7

LVMH MOËT HENNESSY LOUIS VUITTON PARIS

2019 BEAUTY SALES:
\$7.65 BILLION (EST.)
€6.84 BILLION (EST.)
+12.2% VS. 2018 (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), Kendo Brands: Bite Beauty, Kat Von D, Marc Jacobs Beauty, Ole Henriksen, Fenty Beauty by Rihanna; Bulgari; Louis Vuitton; Sephora.

KEY FINANCIALS:

ORGANIC SALES GROWTH: **+9%**

LVMH PERFUMES AND COSMETICS DIVISION REVENUE BREAKDOWN BY REGION:

FRANCE **10%**, REST OF EUROPE **20%**, U.S. **15%**, JAPAN **5%**, REST OF ASIA **40%**, OTHER MARKETS **10%**.

PERFUMES AND COSMETICS DIVISION PROFIT FROM RECURRING OPERATIONS:
€683 MILLION, +1%

NUMBER OF BRANDED BEAUTY STAND-ALONE STORES:
426, +20.3%

• LVMH'S BEAUTY ACTIVITY

was spurred by the momentum of its historic brands and what it described as "surging demand" in Asia, notably in China. The division's operating profit was however impacted by expenses related to investment in product development under its younger brands.

The year also saw a major management reshuffle for the company's beauty activity. After 19 years at the helm of flagship brand Parfums Christian Dior, where he is credited for having built the business into the jewel in the crown of LVMH's beauty activity, Claude Martinez was named managing director of LVMH Perfumes and Cosmetics in late 2019, with oversight of Guerlain, Parfums Givenchy and Parfums Kenzo, as well as Dior's beauty activity. Laurent Kleitman, who had been president of Coty's consumer beauty activity since 2017, before which he was executive vice president of global hair care at Unilever, was named president and chief executive officer of Parfums Christian Dior, effective Nov. 6, 2019.

Guerlain also saw a change in leadership, with Véronique Courtois taking over the ceo reins from Laurent Boillot, who was named ceo of Hennessy, on Nov. 1. Christie Fleischer, previously head of global consumer products at Netflix, was named ceo of Benefit. Kendo promoted Kristin Walcott to president and Heather Fisher to senior vice president of global marketing, effective early in 2020. At Sephora, Brooke Banwart was named vice president and general manager for private-label line Sephora Collection, effective February 2020.

As for 2019 business drivers, Dior was boosted by flagship lines and innovation, with Joy rolling out internationally. Launched in 2018, it is now the third best-selling fragrance worldwide, according to LVMH. Miss Dior, J'Adore and Sauvage also grew, as did high-end line Maison Christian Dior. In makeup, Rouge Dior lipstick and new launch Dior Addict Stellar Shine did well, and Dior Backstage, inspired by the fashion show universe, gained traction and generated social media buzz. The brand's skin-care business was driven by Asia. China became the number-

one market globally for Guerlain, which performed well overall, driven by boutiques and online. The brand enhanced its sustainability discourse, introducing a transparency platform online that gives consumers access to information about how each product is created and the suppliers. Guerlain also partnered with UNESCO to help repopulate bee colonies around the world.

Parfums Givenchy was bolstered by China and travel retail, notably thanks to Le Rouge lipstick and Prisme Libre powder; new fragrance L'Interdit was a major success in Europe. Kenzo was driven by new flanker Flower by Kenzo Eau de Vie, while Benefit boosted its position in the U.S. and U.K. markets. Fresh saw strong demand in China and online. Fenty Beauty by Rihanna added new categories, including concealers available in 50 shades, and began expanding into Asia. The brand remains a social media hit. Acqua di Parma reopened its Milan flagship with a new concept, while Loewe re-branded, aiming to present a more youthful image and target an international audience. Maison Francis Kurkdjian saw success with Baccarat Rouge 540 and the launch of Gentle Fluidity. Ole Henriksen expanded in the U.S. and was boosted by the popularity of its Banana Bright range among young consumers there.

8

BEIERSDORF HAMBURG, GERMANY

2019 BEAUTY SALES:
\$6.71 BILLION (EST.)
€6 BILLION (EST.)
+6.5% VS. 2018 (EST.)

MAIN BRANDS:

Nivea, Eucerin, La Prairie, Labello, 8x4, Hidrofugal, Florena, Atrix, Aquaphor, Maestro.

KEY FINANCIALS:

CONSUMER DIVISION SALES:
€6.27 BILLION,
+6.5% (organic sales growth: +4.8%)

CONSUMER DIVISION SALES BY REGION:
WESTERN EUROPE:
€2.42 BILLION,
+2.7% (+2.2% organic)

EASTERN EUROPE:
€609 MILLION, +3.8%
(+3% organic)

NORTH AMERICA:
€497 MILLION, +12.4%
(+3.8% organic)
LATIN AMERICA:
€648 MILLION, +6.3%
(+6.4% organic)

BY THE NUMBERS

THE PLAYERS

NEARLY HALF (47) of the companies in the WWD Beauty Inc Top 100 are public companies, with more listed companies in Asia (21 firms, a list that is growing year-over-year) than in the U.S. (15) and Europe including the U.K. (10). Just one, Natura & Co., is listed in Latin America. For the charts in this section, we analyzed publicly available financial data to see which companies performed best in a variety of areas.—ALEX WYNN

- Able C&C
- Alès Groupe
- Amorepacific Group/Corp.
- Avon Products Inc.
- Beiersdorf
- Clio Cosmetics Co.
- 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 Biotechnology Co.
- Godrej Consumer Products Ltd.
- Henkel
- Hermès International
- Interparfums Inc.
- Johnson & Johnson
- Kao Corp.
- Kosé Corp.
- L Brands
- LG Household & Health Care
- Lion Corp.
- LVMH Moët Hennessy Louis Vuitton
- L'Occitane Group
- L'Oréal
- Mandom Corp.
- Marico Ltd.
- Milbon Co. Ltd.
- Natura & Co.
- Noevir Holdings
- Nu Skin Enterprises Inc.
- Pola Orbis
- Procter & Gamble Co.
- Proya Cosmetics Co.
- PZ Cussons
- Reckitt Benckiser
- Revlon
- Shanghai Jahwa United Co. Ltd.
- Shiseido Co.
- Tupperware Brands Corp.
- Unilever
- Walgreens Boots Alliance

BY THE NUMBERS

SIZE MATTERS

MAMMOTH CONGLOMERATES Johnson & Johnson and Procter & Gamble held onto their positions at the top of the 2019 “large cap” rankings, with LVMH Moët Hennessy Louis Vuitton and L’Oréal taking the third and fourth spot, respectively, both ahead of Unilever, last year’s number three in this chart. Below, a breakdown of the publicly traded players’ market cap—stock price multiplied by the company’s outstanding shares.

■ Beauty stocks with market caps exceeding \$10 billion at yearend 2019
 ■ Beauty stocks with market caps of \$2 billion to \$10 billion at yearend 2019
 ■ Beauty stocks with market caps under \$2 billion at year-end 2019

COMPANY / STOCK CODE	MARKET CAP	2019 STOCK CLOSING PRICE
JOHNSON & JOHNSON / NYSE: JNJ	\$384.33 BILLION	\$145.87
PROCTER & GAMBLE CO. / NYSE: PG	\$328.49 BILLION	\$124.90
LVMH MOËT HENNESSY LOUIS VUITTON / EPA: MC	€209.29 BILLION / \$234.20 BILLION	€414.20 / \$463.50
L'ORÉAL / EPA: OR	€147.34 BILLION / \$164.88 BILLION	€264 / \$295.42
UNILEVER / UNA: UN	€134.1 BILLION / \$150.06 BILLION	€51.25 / \$57.35
HERMÈS INTERNATIONAL / EPA: RMS	€70.33 BILLION / \$78.70 BILLION	€666.20 / \$745.49
THE ESTÉE LAUDER COS. / NYSE: EL	\$74.40 BILLION	\$206.54
COLGATE-PALMOLIVE CO. / NYSE: CL	\$59 BILLION	\$68.84
RECKITT BENCKISER / LON: RB	£43.44 BILLION / \$55.46 BILLION	£61.29 / \$78.25
WALGREENS BOOTS ALLIANCE / NYSE: WBA	\$52.23 BILLION	\$58.96
COMPAGNIE FINANCIÈRE RICHEMONT / SWX: CFR	SFR42.97 BILLION / \$43.23 BILLION	SFR76.06 / \$76.52
HENKEL / ETR: HEN	€38.2 BILLION / \$42.75 BILLION	€84.00 / \$94.00
KAO CORP. / TYO: 4452	¥4.36 TRILLION / \$40 BILLION	¥9,025 / \$82.80
BEIERSDORF / ETR: BEI	€26.875 BILLION / \$30.07 BILLION	€106.65 / \$119.34
SHISEIDO CO. / TYO: 4911	¥3.11 TRILLION / \$28.53 BILLION	¥7,782 / \$71.39
CLOROX CO. / NYSE: CLX	\$19.26 BILLION	\$153.54
LG HOUSEHOLD & HEALTHCARE / KRX: 051900	KRW22.34 TRILLION / \$19.15 BILLION	KRW1,261,000 / \$1,080.68
AMOREPACIFIC CORP. / KRX: 090430	KRW 13.8 TRILLION / \$11.83 BILLION	KRW 200,000 / \$171.40
DABUR INDIA / NSE: DABUR	807.24 BILLION RUPEES / \$11.46 BILLION	458.40 RUPEES / \$6.51

COMPANY CHART CODE	MARKET CAP	2019 STOCK CLOSING PRICE
GODREJ CONSUMER PRODUCTS / NSE: GODREJCP	699.72 BILLION RUPEES / \$9.93 BILLION	684.55 RUPEES / \$9.72
KOSÉ CORP. / TYO: 4922	¥969.48 BILLION / \$8.89 BILLION	¥16,000 / \$146.78
COTY INC. / NYSE: COTY	\$8.56 BILLION	\$11.25
NATURA & CO. / BVMF: NTCO3 / NATU3*	R\$33.5 BILLION / \$8.49 BILLION	R\$38.67 / \$9.81*
AMOREPACIFIC GROUP / KRX: 002790	KRW 7.35 TRILLION / \$6.30 BILLION	KRW 82,700 / \$70.87
MARICO LTD. / NSE: MARICO	441.17 BILLION RUPEES / \$6.26 BILLION	341.75 RUPEES / \$4.85
LION CORP. / TYO: 4912	¥635.62 BILLION / \$5.83 BILLION	¥2,125 / \$19.50
POLA ORBIS / TYO: 4927	¥598.96 BILLION / \$5.50 BILLION	¥2,614 / \$23.98
L BRANDS / NYSE: LB	\$5.01 BILLION	\$18.12
FANCL CORP. / TYO: 4921	¥379.59 BILLION / \$3.48 BILLION	¥2,912 / \$26.72
GUANGDONG MARUBI BIOTECH CO. / SHA: 603983	CNY 24 BILLION / \$3.47 BILLION	CNY 60.03 / \$8.69
L'OCITANE GROUP / HK: 0973	HK\$26.97 BILLION / \$3.44 BILLION	HK\$18.46 / \$2.36
SHANGHAI JAHWA UNITED CO. / SHA: 600315	CNY20.77 BILLION / \$3.01 BILLION	CNY30.94 / \$4.48
PROYA COSMETICS CO. LTD. / SHA: 603605	CNY17.72 BILLION / \$2.57 BILLION	CNY88.05 / \$12.75
AVON PRODUCTS INC. / NYSE: AVP	\$2.48 BILLION	\$5.64
INTERPARFUMS INC. / NYSE: IPAR	\$2.29 BILLION	\$72.71
NU SKIN ENTERPRISES / NYSE: NS	\$2.28 BILLION	\$40.98
EMAMI LTD. / NSE: EMAMILTD	140.67 BILLION RUPEES / \$2 BILLION	309.90 RUPEES / \$4.40

* In anticipation of its acquisition of Avon Products, which was concluded on Jan. 3, 2020, Natura created a new holding company, Natura & Co. Holding, shares in which replaced those of Natura Cosméticos on the São Paulo stock exchange on Dec. 17, 2019. For each Natura Cosméticos share owned, shareholders were granted one share in the new entity.

COMPANY	MARKET CAP	2019 STOCK CLOSING PRICE
MILBON CO. LTD. / TYO: 4919	¥202.98 BILLION / \$1.86 BILLION	¥6,200 / \$56.88
NOEVIR HOLDINGS / TYO: 4928	¥199.82 BILLION / \$1.83 BILLION	¥5,850 / \$53.67
EDGEWELL PERSONAL CARE / NYSE: EPC	\$1.68 BILLION	\$30.96
MANDOM CORP. / TYO: 4917	¥144.81 BILLION / \$1.33 BILLION	¥3,000 / \$27.52
REVLON INC. / NYSE: REV	\$1.14 BILLION	\$21.42
PZ CUSONS / LON: PZC	£872.27 MILLION / \$1.11 BILLION	£2.085 / \$2.66
E.L.F. BEAUTY / NYSE: ELF	\$805.1 MILLION	\$16.13
TUPPERWARE BRANDS CORP. / NYSE: TUP	\$419.56 MILLION	\$8.58
CLIO COSMETICS CO. / KRX: 237880	KRW 372.49 BILLION / \$319.2 MILLION	KRW 21,950 / \$18.81
ABLE C&C / KRX: 078520	KRW 277.06 BILLION / \$237.4 MILLION	KRW 10,250 / \$8.78
ALÈS GROUPE / EPA: ALPHY	€40 MILLION / \$44.8 MILLION	€2.71 / \$3.03

AFRICA/ASIA/AUSTRALIA:

€2.1 BILLION, +10.8% (+8.4% organic)

CONSUMER DIVISION EBIT EXCLUDING SPECIAL FACTORS:

€896 MILLION, -0.8%

• **IN THE FIRST YEAR** of its new corporate strategy dubbed the “C.A.R.E.+” program, which involves a €70 million-to-€80 million investment for its consumer business unit to pursue new markets, innovation, digitalization and up-skilling, Beiersdorf saw strong sales growth for its beauty business. New ceo Stefan De Loecker took up his role on Jan. 1, 2019, the start of heightened activity for the company. The year was marked by the acquisition of the Coppertone brand from Bayer for \$550 million, tapping more widely into the U.S. sun-care market—the world’s largest—and reinforcing Beiersdorf’s place as the world’s largest player in the segment. The buyout was the first major milestone in the new strategy and was finalized in August.

The firm also took a significant stake in South Korean data-driven skin-care and tech start-up LYCL Inc. via its venture fund. The move is part of Beiersdorf’s new strategy to win in the skin-care category and become more consumer-centric via digitalization, and further strengthens its footprint in South Korea and the rest of Asia.

It also created its own corporate indie brand unit, named Oscar&Paul after the company’s founders, in order to consolidate new approaches to innovation internally. The 8x4, Labello and Hidrofugal brands will be managed under the new division, which also serves as an innovation cell for new concepts.

The first of these is a new skin-care brand dedicated to tattooed skin, Skin Stories. Beiersdorf’s first brand launch in more than 30 years. As part of the launch, the brand also created the Expert Circle, a think tank for tattooing. The brand, with four products, launched at retail and in tattoo salons in late September.

In October, Florena Fermented Skincare launched in France and Italy, marking the firm’s entrance into the natural cosmetics segment. Nivea Naturally Good, based on 98 percent natural ingredients, also hit the market.

Chinese hair-care brand Slek, meanwhile, was divested to local company Mengxing Zhiyuan Group, offsetting the positive effective of the acquisition of Coppertone on sales.

In organic terms, Nivea increased its sales by 3 percent, driven by the deodorant, skin- and body-care categories. Eucerin and Aquaphor grew by 7.5 percent thanks notably to business in the U.S., Germany, Asia and South America. La Prairie’s revenues increased by 20 percent in organic terms, largely thanks to Asian travel retail, China and Australia, although it saw declines in Hong Kong and in domestic markets in Europe.

Business in Europe was boosted by strong sales in Germany and the ongoing outperformance of La Prairie in travel retail. In the Americas, gains were strong in Brazil and Mexico. Eucerin entered Russia and opened an online shop on Tmall in China.

Beiersdorf ramped up its sustainability commitments, becoming a founding member of the Action for Sustainable Derivatives initiative with the aim of driving action on the sustainable sourcing and production of palm oil. In September, Beiersdorf joined the Global Shea Alliance, committing to support 10,000 shea collectors over five years in Ghana and Burkina Faso.

The company invested in production capacity, including injecting €55 million in expanding a factory in Spain. It also expanded its facilities in India, Thailand and Brazil and established two new subsidiaries, in Israel and Myanmar. Plans were announced to invest €10 million in a new skin-care innovation center in Shanghai, which will become the firm’s R&D hub for East and Northeast Asia.



CHANEL LTD. LONDON

2019 BEAUTY SALES: \$6.66 BILLION (EST.) €5.95 BILLION (EST.) +8% VS. 2018 (EST.)

MAIN BRANDS:

Chanel No.5, Gabrielle Chanel, Allure, Allure Sensuelle, Coco, Coco Mademoiselle, Coco Noir, Chance, Chance Eau Fraîche, Chance Eau Tendre, Chance Eau Vive, No.19, Cristalle, Allure Homme, Allure Homme S, Allure Homme Edition Blanche, Bleu de Chanel, Pour Monsieur, Antaeus, Egoïste, Platinium Egoïste, Les Exclusifs, Les Eaux de Chanel (fragrance), Sublimage, Blue Serum, Le Lift, Hydra Beauty, CC

Cream, Le Blanc (skin care). Rouge Allure, Rouge Coco, Le Vernis, Inimitable, Le Volume, Dimensions, Les 4 Ombres, Ombre Première, Les Beiges, Vitalumière, Le Blanc, Le Teint Ultra, Sublimage, Joues Contrastes (makeup).

KEY FINANCIALS:

MAIN MARKETS:
THE U.S., CHINA AND JAPAN REPRESENTED AN ESTIMATED **35% OF 2019 SALES.**

• **CHANEL'S 2019** was marked by the loss of its legendary long-time creative director, Karl Lagerfeld, who passed away in February after 36 years in the role. As for its beauty activity, Chanel registered growth in every category and region, with its strongest results coming from Asia and skin care.

Chanel's skin care, its fastest-growing business of the year, was particularly strong in Asia. La Mousse, Sublimage, a new Le Lift serum and hand creams all continued to perform well. In fragrance, the Chance master-brand, helped by the launch of Chance Eau Tendre Eau de Parfum, and Bleu de Chanel Parfum, drove growth. The segment performed particularly well in Asia and Europe. Gabrielle Essence launched in Europe, the U.S. and the U.K., with a campaign fronted by Margot Robbie. Makeup was driven by lip products, including the new Rouge Coco Flash lipstick line and the Rouge Allure franchise, and growth in China. Les Beiges Eau de Teint, a patented innovative foundation with micro-droplet technology, launched in early 2019.

The privately owned firm continued to ramp up its stand-alone retail and e-commerce footprints. It launched 11 new e-commerce sites in Northern and Eastern Europe in November, as well as a beauty e-commerce platform on Tmall for China. In brick-and-mortar retail, the brand opened a revamped beauty flagship on Paris' Avenue des Champs-Élysées and an interactive Atelier de Beauté in New York's SoHo.

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L BRANDS COLUMBUS, OHIO

2019 BEAUTY SALES:
\$6.5 BILLION (EST.)
+9% VS. 2018

MAIN BRANDS:

BATH & BODY WORKS:
Signature Collection

(fragrance, body care), Aromatherapy, Water, CocoShea, Bath Fizzies, Face Masks (body care) Men's Collection (fragrance, body care). Hand Soaps, Hand Cream (hand care).

VICTORIA'S SECRET:

Victoria's Secret Bombshell, Victoria's Secret Bombshell Seduction, Victoria's Secret Love, Victoria's Secret Heavenly, Victoria's Secret Very Sexy, Victoria's Secret Tease, Victoria's Secret Eau So Sexy, Victoria's Secret Crush, Victoria's Secret Very Sexy for Him, Victoria's Secret Very Sexy for Him Platinum, Victoria's Secret The Mist Collection (fragrance mists and lotion), Victoria's Secret Velvet Matte Lip Collection, Victoria's Secret Total Shine Addict Gloss Collection, Victoria's Secret Get Gloss Collection, Victoria's Secret Angel Edit (makeup).

KEY FINANCIALS:

TOTAL COMPANY SALES
(YEAR ENDED FEB. 1, 2020):

\$12.91 BILLION, -2.4%

BATH & BODY WORKS SALES:

\$5.17 BILLION, +10%

VICTORIA'S SECRET SALES:

\$6.81 BILLION, -7%

VICTORIA'S SECRET'S ESTIMATED BEAUTY SALES WERE APPROX. **\$1.02 BILLION**

• **WITH A 10 PERCENT** increase in sales, Bath & Body Works was the bright spot for L Brands in 2019, while Victoria's Secret faced continued problems with behind-the-scenes product and messaging. In an age of body positivity and diversity embraced by brands from Savage by Fenty to ThirdLove or Aerie, Victoria's Secret stuck to sexy messaging—and it showed in terms of the company's sales, which plummeted. The issues were compounded by then-chairman Leslie Wexner's ties to convicted sex offender Jeffrey Epstein.

In early 2020, L Brands made a deal to sell a 55 percent stake in beleaguered Victoria's Secret to private equity firm Sycamore partners for \$525 million. As part of that transaction, Wexner, L Brands' chairman, stepped aside and was later replaced by Sarah Nash.

Beauty sales at Victoria's Secret deteriorated in 2019, down to just over \$1 billion.

Things were much brighter at Bath & Body Works, which was slated to be spun into its own public company in the second quarter of 2020 before the global coronavirus pandemic.

For the year, the business grew sales to nearly \$5.2 billion, with about \$4.2 billion

in stores and \$958 million direct. Bath & Body Works continued to open stores in 2019, including in Canada and in travel retail corridors.

The company's international business grew by about 20 percent during the year. L Brands executives said on a company earnings call, to about \$400 million in retail sales. Bath & Body Works had about 266 international stores at the end of the fiscal year, with 1,739 Bath & Body Works-owned stores total.

The business has benefited from continued newness, and launched new fragrances that resonated with Bath & Body Works' loyal shoppers.

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KAO CORP. TOKYO

2019 BEAUTY SALES:

\$5.89 BILLION

¥642.3 BILLION

+3.4% VS. 2018

MAIN BRANDS:

Kao: Bioré, Jergens, Curél (skin care), Sofina (skin care, makeup), Asience, Essential, Merit, Feather, Liese, Blauvé, Segreta, Cape, Prettia, John Frieda, Guhl, Goldwell, KMS California, Oribe (hair care), Aube (makeup), Ban (deodorant, except in Japan), Molton Brown (fragrance, skin care), Kanebo Cosmetics: Sensai, Kanebo, Kate, Freeplus, Suquq, RMK, Suisai, Evita, Lunasol, Media, Allie, Milano Collection, Aqua Sprina, Coffret D'Or, Dew, Twany, Impress, Lissage, L'Equil.

KEY FINANCIALS:

TOTAL COMPANY REVENUES:

¥1.5 TRILLION, -0.4%

COSMETICS: **¥301.5 BILLION,**
+7.8% (+9% LIKE-FOR-LIKE)

BY MARKET:

JAPAN:

¥232.1 BILLION, +6.6%

REST OF ASIA:

¥42.7 BILLION, +23.2%
(+29% LIKE-FOR-LIKE)

AMERICAS:

¥6 BILLION, -5.5%
(-3.8% LIKE-FOR-LIKE)

EUROPE

¥20.6 BILLION,
-1% (+4.9% LIKE-FOR-LIKE)

COSMETICS:

OPERATING INCOME:

¥41.4 BILLION, +49.4%

SKIN- AND HAIR-CARE:

¥340.8 BILLION, -0.2%
(+1.1% LIKE-FOR-LIKE)

BY MARKET:

JAPAN:

¥199.5 BILLION, +1.9%

REST OF ASIA:

¥28.5 BILLION,
FLAT (+1.9% LIKE-FOR-LIKE)

AMERICAS:

¥71.4 BILLION,
-1.9% (FLAT LIKE-FOR-LIKE)

EUROPE:

¥41.3 BILLION, -6.7%
(-1.4% LIKE-FOR-LIKE)

SKIN- AND HAIR-CARE

OPERATING INCOME:
¥49.5 BILLION, +1.4%

• IMPLEMENTED IN 2018,

Kao's strategy of focusing on 11 global brands and eight regional brands it is nurturing in Japan appears to be bearing fruit. The "G11" brands grew 18 percent and the "R8" brands 8 percent on the prior year, Kao said, and represented 55 percent and 25 percent of revenues for its Cosmetics division, respectively. Despite market fluctuations due to Japan's increased sales tax, implemented in October, the company's cosmetics sales grew strongly. Curél and Freeplus performed well in Japan and China, and the firm saw steady growth for Suquq and Sofina IP.

Kao re-branded top-end prestige brand Sensai in Europe in May, and introduced the label in its home market for the first time starting in September. The firm also launched the Est G.P. skin-care line in November. The first products using its "Fine Fiber" technology, which involves a diffuser that sprays an ultra-thin membrane of essence onto the skin at night, to be peeled off the next morning, were introduced under Est and Sensai in December. Future applications of the technology will involve makeup products, according to the company.

Reinforcing e-commerce, travel retail and digital marketing were additional areas of focus.

For the skin and hair-care businesses, skin-care sales grew, thanks to Asia, but decreased in the Americas due to intense competition. Hair-care sales were flat, impacted by the shrinking mass market in Japan and Europe. Nevertheless, the company posted growth for its hair color in Japan and for its high-end brand Oribe in the Americas.

In April 2019, Kao announced a new CSR strategy dubbed the "Kirei Lifestyle Plan" with a range of social and environmental targets for 2030. Among sustainability initiatives during the year, Guhl hair-care products in Europe were relaunched with recycled content, while Molton Brown launched a new high-end

fragrance collection with refillable bottles.

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AMOREPACIFIC GROUP SEOUL

2019 BEAUTY SALES:

\$5.19 BILLION (EST.)

KRW 6.06 TRILLION (EST.)

+3.7% VS. 2018 (EST.)

MAIN BRANDS:

Amorepacific, Sulwhasoo, Hera, Primera, Lirikos, Ipe, Laneige, Mamonde, Hanyul, Etude, Innisfree, Espoir, Aestura, Bro&Tips (skin care and makeup), Mise-en-Scene, Ryo, Amos Professional, Ayunche, Fresh Pop (hair care), Happy Bath, Illiyoan (body care), Goutal Paris (fragrance).

KEY FINANCIALS:

DOMESTIC BEAUTY SALES:

KRW 3.99 TRILLION, +2.2%

REST OF ASIA:

KRW 1.97 TRILLION, +4.7%

NORTH AMERICA:

KRW 93 BILLION, +37.6%

AMOREPACIFIC GROUP TOTAL

SALES: **KRW 6.28 TRILLION,**
+3.4%

BEAUTY SUBSIDIARIES SALES:

KRW 6.55 TRILLION, +3.7%

BEAUTY SUBSIDIARIES'

OPERATING PROFIT:

KRW 495.5 BILLION, -10.3%

INNISFREE SALES:

KRW 551.9 BILLION, -8%

ETUDE HOUSE SALES:

KRW 180 BILLION, -18%

• **SOUTH KOREA'S** beauty leader worked to strengthen its competitiveness in key categories, notably skin care, and refocused its retail presence with a greater emphasis on digital and higher-growth channels.

The company also worked to attract new consumers, for example, with the launch of the Blank makeup brand and the Be Ready line for Generation Z males.

As part of its drive to boost competitiveness at retail, the firm signed a memorandum of understanding with Alibaba Group in China to cooperate on new product incubation, retail marketing, consumer insight management and global expansion. It also focused on omnichannel initiatives, implementing digital activations and pop-up stores around key launches. A new experimental space, Amore Seongsu, opened in South Korea, with the aim of

attracting young consumers by emphasizing product testing and content creation, with nothing offered for sale.

On the domestic market, the company's luxury brands, particularly Sulwhasoo, were the strongest sales drivers, with revenues up by 6.5 percent. In the premium category domestically, sales grew 5.4 percent. Despite a decline in revenues for multibrand retail chain Aritaum, total sales were driven by an expansion of online and other multibrand retailers. Product innovation was another area of focus. Daily Beauty revenues, which grew 1.5 percent, were mainly driven by the Ryo hair-care brand.

Overseas sales increased 5.5 percent overall. In Asia, Sulwhasoo enhanced its positioning and focused on digital competitiveness, and Laneige diversified its retail channels. Mamonde also restructured its retail presence, while Innisfree focused on Millennials and online growth in China and ASEAN markets. In North America, sales grew strongly, thanks to successes in skin care and expanded distribution, with Innisfree and Primera entering Sephora in the U.S. and Innisfree launching in Canada.

Laneige entered Sephora in Europe, but European sales overall dropped 24.3 percent, mostly due to a poor performance from Goutal Paris, which, despite a revamp in 2018, suffered from a decline in demand in France.

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JOHNSON & JOHNSON NEW BRUNSWICK, N.J.

2019 BEAUTY SALES:

\$4.59 BILLION

+4.8% VS. 2018

MAIN BRANDS:

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

KEY FINANCIALS:

CONSUMER HEALTH DIVISION SALES: **\$13.9 BILLION, +0.3%**
(+3.0% operational, excluding the impact of currency)

BEAUTY SALES GROWTH (OPERATIONAL, EXCLUDING THE IMPACT OF CURRENCY): **+6.7%**

INTERNATIONAL BEAUTY

SALES: **\$2.2 BILLION, +11.2%** (+15.3% operational, excluding the impact of currency)

• **FUELED BY IMPORTANT** gains under major brands Neutrogena and Aveeno, as well as incremental sales from Dr. Ci:Labo, fully integrated in 2018, Johnson & Johnson's beauty activity performed well last year. Neutrogena saw strong sales globally, growing 4 percent outside the U.S. thanks to the antiaging category and innovations in cleansing in Europe, the Middle East and Africa, and by hand and body moisturizers in Asia-Pacific.

In the U.S., Neutrogena's Hydro Boost line continued to be a standout, gaining more than 10 percent in moisturizers last year, according to IRI data; its expansion into cleansers resulted in a 65 percent jump in dollar volume.

The brand relaunched its Skin360 skin analysis app to be used with a phone, removing the need for a dedicated device.

Dr. Ci: Labo's gains were aided by further expansion in China, and its business in Asia continued to post double-digit increases. Dr. Ci: Labo is the number-one medical cosmetic brand in Japan, with a 40 percent share of that market, according to J&J.

Despite gains, overall sales advances in beauty were blunted somewhat by the divestiture of RoC Skincare and Nizoral, an anti-dandruff treatment, in 2018.

Hair-care brands OGX and Maui Moisture continue to be top sellers in mass doors in the U.S. According to 2019 IRI data, OGX was the top-selling shampoo, with Maui Moisture registering as the eighth best-selling shampoo by dollar sales. In conditioners, OGX was number one with Maui Moisture coming in at the fourth best-selling slot. Rogaine remained the top hair growth product by dollar volume, but continued to be challenged by private label options and new competitors.

Last year, Johnson & Johnson re-branded what was formerly called its "Consumer" business as "Consumer Health," part of a strategic shift to focus on science-based, professionally endorsed brands. Products in the beauty category contribute a third of Johnson & Johnson's Consumer Health sales.

As part of this shift, Deeptha Khanna was appointed to the role of global president of Skin Health and the office of marketing value. She is responsible for leading the global portfolio

of skin-care brands, including Neutrogena, Aveeno, NeoStrata and Dr. Ci:Labo. She succeeds Sebastien Guillon, who left the company. J&J veteran Duda Kertesz was named president of U.S. Skin Health, responsible for Neutrogena and Aveeno as well as specialty skin-care brands like NeoStrata. She succeeds Michelle Freyre, who left the company.

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LG HOUSEHOLD & HEALTH CARE SEOUL

2019 BEAUTY SALES:
\$4.36 BILLION (EST.)
KRW 5.09 TRILLION (EST.)
+20.4% VS. 2018 (EST.)

MAIN BRANDS:
BEAUTY DIVISION: **Whoo, Su:m37, O Hui, Belif, VDL, CNP, CNP Rx, Jane Packer (luxury skin care, makeup, fragrance), Dr Belmeur, Yehwadam, Isa Knox, Sooryehan, FMGT, VDIVOV, CODE (premium skin care, makeup), The Face Shop, Beyond (skin, body and hair care, makeup, fragrance).**

HOME & PERSONAL CARE DIVISION: **Veilment, On: The Body (body care), Fruits & Passion (body care, fragrance), Elastine, Dr. Groot, ReEn, Organist (hair care), Avon (In the U.S., Canada and Puerto Rico).**

KEY FINANCIALS:
TOTAL SALES:
KRW 7.69 TRILLION, +13.9%

OPERATING PROFIT:
KRW 1.18 TRILLION, +13.2%

BEAUTY DIVISION SALES:
KRW 4.75 TRILLION, +21.5%

BEAUTY DIVISION OPERATING PROFIT:
KRW 898 BILLION, +14.7%

• **DESPITE AN ONGOING** slowdown in the domestic market, trade tensions between the U.S. and China, the introduction of a new law in China tightening regulations for e-commerce and a complex situation in Hong Kong, South Korea's second largest beauty player had another strong year, notably thanks to the growth of its luxury brands, especially in China.

The year also marked LG's acquisition of New Avon for \$125 million, a deal that closed in August, giving the firm the business infrastructure to penetrate the North American market. LG plans to upgrade Avon's product offering, leverage its operations and introduce its own brands in the

U.S. and other international markets, including Canada, Latin America and Europe. Key introductions in 2019 included premium hair and body-care brands in the U.S. through Avon; a new hair-care line, Avon Chi Essentials; products co-branded Avon x The Face Shop, and cushion formats, new to the direct seller.

Luxury brands Whoo, Su:m37, O Hui and CNP all performed well, notably thanks to the duty-free channel and China. Whoo, the company's biggest brand, posted a 28 percent sales increase to KRW2.6 trillion. Su:m37 grew 9 percent and O Hui 12 percent; all were boosted by their strategic focus on their most high-end product lines. Dermo-cosmetics brand CNP grew 29 percent, breaking the KRW 100 billion barrier for the first time.

International sales for the beauty division, mainly from China and Japan, grew 54 percent, accounting for 24 percent of business, up five percentage points from a year earlier.

For the Home and Personal Care division, which includes the company's personal-care brands, as well as oral care, laundry and cleaning products, total sales grew 1.8 percent to KRW 1.5 trillion, with strong demand for premium brands including Propolithera and Dr. Groot. The division's international sales increased 8.5 percent.

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HENKEL DÜSSELDORF

2019 BEAUTY SALES:
\$4.12 BILLION (EST.)
€3.68 BILLION (EST.)
-1.8% VS. 2018 (EST.)

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

KEY FINANCIALS:
BEAUTY CARE DIVISION SALES:
€3.88 BILLION, -1.8%
(-2.1% LIKE-FOR-LIKE)

BEAUTY CARE DIVISION OPERATING PROFIT:
€418 MILLION, -29%

GROUP SALES:
€20.14 BILLION, +1.1%

• **HENKEL CONTINUED** to make moves to bolster its hair-care business during the year, announcing two acquisitions. In July, it took a 51 percent stake in eSalon.com, which offers customized at-home hair color. The move is intended to strengthen Henkel's leading position in the category and expand its digital presence.

In November, it snapped up the U.S.-based DevaCurl brand, which specializes in the fast-growing curly hair segment and is sold in premium omnichannel distribution, including salons, retail and direct-to-consumer. The brand was expected to generate sales of around \$100 million last year. Terms of the deal were not disclosed.

The professional hair-care category continued to outperform Henkel's beauty business as a whole for the year, with strong momentum attributed to innovations under Schwarzkopf Professional, brand introductions Authentic Beauty Concept and TBH, and North American label Joico.

Overall in beauty, Henkel felt the impact of a weak mass market, especially in Western Europe and Asia outside Japan, in 2019. Nevertheless, the Got2b and Palette brands and natural products under the Nature Box and N.A.E. labels performed well, it said.

Effective Jan. 1, 2020, Carsten Knobel is the company's new chief executive officer, taking over from Hans Van Bylen, who leaves after around 35 years. In his former role as chief financial officer, Knobel is succeeded by Marco Swoboda.

In October, Michael Nilles joined Henkel as chief digital and information officer, a newly created position overseeing Integrated Business Solutions and digital technologies activities.

On the sustainability front, Henkel announced plans to integrate "Social Plastic"—plastic collected before it enters oceans and waterways—into its packaging in collaboration with social enterprise Plastic Bank. Bottles for certain of its brands made from 100 percent recycled plastic, including up to 50 percent Social Plastic, were introduced during the summer of 2019. The move is part of a drive to increase the share of recycled plastics in Henkel's consumer products packaging to 35 percent overall by 2025.

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NATURA & CO. SÃO PAULO

2019 BEAUTY SALES:
\$3.66 BILLION
R\$14.45 BILLION
+7.8% VS. 2018

MAIN BRANDS:
Natura: Alma, Amó, Essencial, Esta Flor, Biografia, Humor, Ilía (fragrance and body care), Kaiak, Kriska, Luna, #urbano (fragrance), Chronos (skin care), Tododia (skin care, deodorant), Sou (skin, bath and hair care), Ekos (fragrance; hair, skin and body care), Una, Faces (makeup, fragrance, skin care), Aquarela (makeup), Lumina, Plant (hair care), Sève, Erva Doce (body care), Natura Homem (men's fragrance, skin and hair care), Mamã e Bebê (mother and baby body and hair care, fragrance), Naturé (children's skin, body and hair care), Fotoequilibrio (sun care), Águas (fragrance), Aesop (skin, body and hair care, fragrance), The Body Shop.

KEY FINANCIALS:
CONSTANT-CURRENCY SALES GROWTH: **+7%**

NATURA NET SALES:
R\$9.01 BILLION, +6.7%

NATURA DOMESTIC NET SALES:
R\$6.26 BILLION, +4%

NATURA LATIN AMERICA NET SALES:
R\$2.74 BILLION, +13.5%

THE BODY SHOP NET SALES:
R\$4.13 BILLION, +6.3%

AESOP NET SALES:
R\$1.30 BILLION, +22.5%

NATURA GROSS PROFIT:
R\$6.07 BILLION, +6.1%

THE BODY SHOP GROSS PROFIT:
R\$3.16 BILLION, +7.4%

AESOP GROSS PROFIT:
R\$1.18 BILLION, +24.5%

GROUP CONSOLIDATED NET INCOME:
R\$190.9 MILLION, -65.2%

NET SALES BY REGION:
BRAZIL: **R\$6.3 BILLION, +4%**

REST OF SOUTH AMERICA:
R\$2.02 BILLION, -17.8%

U.K.:
R\$2.12 BILLION, +12.7%

REST OF EUROPE:
R\$794.6 MILLION, +1.5%

NORTH AMERICA:
R\$1.75 BILLION, +90.4%

ASIA:
R\$782.9 MILLION, +17.5%

OCEANIA:
R\$660.8 MILLION, +7.1%

• **NATURA & CO.** continues to expand through acquisition, announcing

a mega-deal that should propel it to become the world's fourth-largest pure play beauty company thanks to the integration of Avon Products. That deal, an all-share transaction, was announced in May 2019 and closed on Jan. 3, 2020. The merged company will have annual sales of around \$10.9 billion and become the world leader in direct-to-consumer, with 6.3 million consultants, 3,566 stores and a presence in 100 countries. Brazil will account for less than one-third of its total sales.

As well as helping Natura to continue to internationalize its footprint, the deal is seen as being instrumental in turning around Avon, which has struggled in the face of growing competition from more nimble players in the direct-to-consumer space for years.

Synergies from the merger, estimated to reach between \$200 million and \$300 million annually in three years' time, will be used to invest in the expansion of each brand, especially in R&D, digitalization and marketing.

The company restructured ahead of the official merger, creating Natura & Co. Holding SA, which, as of January 2020, is headed by Roberto Marques—formerly executive chairman—as group ceo and chairman of the board, and owned 70 percent by Natura shareholders and 30 percent by Avon shareholders. João Paulo Ferreira, formerly Natura's ceo, becomes ceo of its operations in Latin America. Avon's ceo, Jan Zijderfeld, has stepped down, with brand veteran Angela Cretu replacing him in the role. Three former Avon board members—Nancy Killefer, Andrew G. McMaster Jr. and W. Don Cornwell—joined the Natura & Co. board. In April 2019, Ian Bickley, formerly of Coach, was also elected to Natura's board.

Even without this new scope, Natura saw solid sales growth across all three of its divisions last year, its 50th anniversary, when it continued to work to accelerate digitalization initiatives and enhance its omnichannel distribution model. Natura took responsibility for The Body Shop's operations in Latin America with the aim of leveraging local results thanks to its know-how of the region; on the flip side, thanks to The Body Shop's international franchise model, the Natura brand entered Malaysia, its 10th market globally.

The Natura brand bolstered its retail footprint, opening 22 new stores through the year, bringing its total doors to 58 at year-end.

The Una, Tododia and Mamãe e Bebê lines were relaunched, and Lumina, a new hair-care line with proprietary technologies, was introduced. The brand inaugurated a new distribution center in Mexico, its largest investment for the year outside Brazil.

The Body Shop's sales grew 0.7 percent at constant currency rates, or 2.4 percent excluding the business in Hong Kong, where sales decelerated throughout the year due to the social unrest impacting the territory, which has historically been important for The Body Shop. The weak growth was also attributed to the closure of 24 own stores and 32 franchised outlets through the year. Sales in the U.K., its home—and still its largest—market, posted gains of 8.8 percent. It also performed well in Australia thanks to The Body Shop at Home business model. Transformation costs to make The Body Shop, acquired from L'Oréal in 2017, more efficient were R\$51.5 million. The brand opened a new concept store in London, focusing on the brand experience and highlighting its activist stance on sustainability and incorporating product refill stations, a concept it plans to roll out further in 2020.

Aesop saw 12.3 percent constant-currency growth, or 15.8 percent excluding Hong Kong operations. The brand opened 20 new stores, ending the year with 247 boutiques, and saw higher sales across digital channels, especially in Asia.

In July last year, Natura & Co., which was the first publicly traded company to achieve B Corp status back in 2014, became one of the first companies to join the Business Ambition for 1.5C, a U.N. Global Compact commitment aimed at limiting global temperature increases. The company's Carbono Neutro program was also rewarded with the United Nations Global Climate Action Award. There were also sustainability initiatives on a brand level with The Body Shop, which achieved B Corp certification, and Aesop, which introduced recycled PET bottles for certain products.

17

MARY KAY DALLAS

2019 BEAUTY SALES:
\$3.5 BILLION (EST.)
FLAT VS. 2018 (EST.)

MAIN BRANDS:

Mary Kay (makeup, sun, skin, bath and body care, fragrance), Mary Kay Naturally (skin care), Timewise, Timewise Repair, Botanical Effects, Satin Hands, Satin Body, Satin Lips, Clear Proof (skin care) MKMen (men's skin care, fragrance).

KEY FINANCIALS:

N/A

• **ACCORDING TO** industry sources, Mary Kay's lack of major launches, a crackdown on direct-sales companies in China and ongoing competition from direct-to-consumer brands that is impacting all traditional direct sellers, may explain the company's lack of growth in 2019.

Through the year, the company continued to hone its focus on scientific research in areas including the skin microbiome, pollution and skin barrier health.

The company was involved in more than a dozen scientific symposiums during the year, and forged a partnership with the International Master Course on Aging Science, which conducts a world congress annually for experts in dermatology, plastic surgery and aging science.

Mary Kay also launched The Women's Entrepreneurship Accelerator.

Katherine Weng, a 24-year veteran of the company, was named general manager for its business in China in August.

In August 2019, Mary Kay launched its first range of naturally certified beauty products, Mary Kay Naturally, comprised of four skin-care products based on at least 90 percent natural ingredients.

Advance Techniques (hair care). Avon True, Color Trend, Mark (makeup). Far Away, Full Speed, Today Tomorrow Always (fragrance). Naturals, Senses (toiletries). Footworks (foot care).

KEY FINANCIALS:

SKIN CARE SALES:
\$1.37 BILLION, -7%

FRAGRANCE SALES:
\$1.24 BILLION, -13%

MAKEUP SALES:
\$721.6 MILLION, -15%

• **IN 2019, AVON PRODUCTS** attracted a buyer: Natura & Co. The deal was inked mid-year and closed in January 2020. It marks a new beginning for a company that has largely failed to keep up with trends across business or beauty.

Avon's most recent ceo, Jan Zijdeveld, tried to right the ship with a heaving modernization effort that included digitizing brochures, cutting stockkeeping units, creating on-trend products and limiting promotions. He joined the business in early 2018, and left once the sale to Natura closed.

Some of his initiatives helped—Avon's discounting dropped from 98 percent of products, to 93 percent mid-year, for example. But the business still faces big problems, including constant declines in active sales representatives.

On the positive front, executives contend the plan has laid the groundwork for a more profitable and sustainable business going forward. And digital efforts have helped—Avon boosted its online sales in 2019.

Part of that growth was due to the launch of the AvonOn app, which allows representatives to place orders and share content on their social networks. Avon also launched a digital brochure which is now live in 50 markets.

The numbers tell a tale of a business that's still very much in transition. While new owner Natura has a proven track record of turning businesses around, as it has proved with The Body Shop, Avon presents an entirely new challenge.

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:
\$15.7 BILLION, +1%
ORAL, PERSONAL AND HOME CARE SALES:
\$13.17 BILLION, FLAT

SALES BY REGION:
NORTH AMERICA:
\$3.42 BILLION, +2.3%

LATIN AMERICA:
\$3.6 BILLION, FLAT

EUROPE:
\$2.45 BILLION, -2.1%

ASIA-PACIFIC:
\$2.7 BILLION, -1%

AFRICA AND EURASIA:
\$981 MILLION, +1.4%

• **COLGATE-PALMOLIVE'S** 2019 acquisition of Laboratoires Filorga Cosmétiques, a major European skin care company headquartered in Paris, illustrates the oral care giant's desire to bolster its position in high-margin beauty categories. The \$1.7 billion deal follows the company's acquisitions of EltaMD and PCA Skin in late 2017. Filorga, a high-end skin care brand, is estimated to have sales of about \$200 million with plenty of upside potential. The purchase came after Colgate is said to have lost the auction for Elemis, which was scooped up by L'Occitane for \$900 million. The Filorga acquisition increased volume for the company by 0.5 percent in 2019.

Colgate's high-performers in beauty sales in North America included EltaMD UV Clear facial sunscreen, EltaMD foaming facial cleanser, PCA Skin Hyaluronic Acid Boosting Serum, PCA Skin Vitamin B3 Brightening Serum and Irish Spring five-in-one body wash. PCA benefited from a growing demand for professional skin care, including ongoing expansion with Massage Envy.

Beauty contributed around 20 percent of corporate sales during 2019, a ratio that has been relatively stable for the past several years. As a point of fact, Colgate-Palmolive's revenues are, and have been for some time, dominated by oral care, which was responsible for around 46 percent of corporate net sales last year. Overall Colgate's personal, oral and home care sales—beauty included—were essentially flat in 2019.

Regionally, while 2 percent

growth was achieved in North America, the other three major regions—Latin America, Europe and Asia-Pacific—declined or were flat. The smallest region, Africa/Eurasia, with under \$1 billion in revenue, did increase sales in 2019.

20

KOSÉ CORP. TOKYO

2019 BEAUTY SALES:
\$3.07 BILLION (EST.)
\$334.15 BILLION (EST.)
+2% VS. 2018 (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, Maihada, Stephen Knoll New York, Cell Radiance, Spawake.

KEY FINANCIALS:

(Nine months to December 2019):
COMPANY NET SALES:
¥249.03 BILLION, +0.5%
(+1.4% AT CONSTANT CURRENCY)

OPERATING PROFIT:
¥37.85 BILLION, -18.7%

JAPAN SALES:
¥173.33 BILLION, -4.4%

REST OF ASIA SALES:
¥47 BILLION, +27.9%

NORTH AMERICA SALES:
¥25.08 BILLION, -7.8%

OTHER SALES:
¥3.63 BILLION, +40.7%

• **GROWTH IN ASIA** and other markets helped to offset a decline in sales in Japan, where a sales tax hike in October dealt a blow to consumption. As distribution grows in other parts of Asia, meanwhile, international travelers are buying less in Japan, the company observed, and the strong yen has also hit demand from inbound tourists, as witnessed by several Japanese beauty players last year. Sales also decreased in Taiwan and Hong Kong. In North America, revenues from Tarte were affected by the challenging business climate in the prestige makeup market, leading to a decline in overall sales. In the nine months ended Dec. 31, Kosé's share of overseas sales was 30.4 percent.

Prior to the coronavirus outbreak, significant sources

of growth for Kosé were South Korea, where duty-free sales are increasing, and China, due to the consistently strong growth of store and e-commerce sales of high-end prestige brands. The firm also expanded its footprint in the ASEAN region, notably through e-commerce.

In the nine months to December, among high-end brands, Decorté and Infinity grew, while Albion's sales declined. In the prestige segment, makeup brand Esprique saw gains, although Sekkisei, One by Kosé and other skin-care brands all registered drops in sales. For its mass-market beauty and personal-care portfolio, Kosé posted growth for Bioliss, Je L'Aime, Grace One and Stephen Knoll, while Visée and other makeup labels declined.

As it looks forward to its 80th anniversary in 2026, Kosé has launched a new growth strategy, the objective of which it says is "global and borderless growth through the greatest possible use of Kosé's resources and the constant creation of innovative value."

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GROUPE ROCHER ISSY-LES-MOULINEAUX, FRANCE

2019 BEAUTY SALES:
\$2.59 BILLION (EST.)
€2.31 BILLION (EST.)
+8% VS. 2018 (EST.)

MAIN BRANDS:

Yves Rocher, Daniel Jouvance (skin and body care, makeup, fragrance), Dr. Pierre Ricaud (skin and body care, makeup), ID Parfums (fragrance) STANHOME CHANGING LIVES: Stanhome, Kiotis (skin and body care, fragrance), Flormar (51%), Sabon. Arbonne.

KEY FINANCIALS (EST.):

GROUP SALES:
€2.7 BILLION, +8%

YVES ROCHER:
53% OF SALES

ARBONNE:
15% OF SALES

STANHOME:
15% OF SALES

SABON:
4% OF SALES

FLORMAR:
3% OF SALES

• **IN ITS 60TH** anniversary year, Groupe Rocher honed in on the values of its founder, Yves Rocher, with new commitments to sustainability. In December,

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AVON PRODUCTS INC. LONDON

2019 BEAUTY SALES:
\$3.34 BILLION
-11% VS. 2018

MAIN BRANDS:

Anew, Avon Care, Encanto, Skin-So-Soft (skin care).

19

COLGATE- PALMOLIVE CO. NEW YORK

2019 BEAUTY SALES:
\$3.1 BILLION (EST.)
FLAT VS. 2018 (EST.)

the family owned firm announced it was the first company of international scope to adopt France's "mission-driven company" status, committing to a range of sustainability objectives with the legally recognized mission of reconnecting people with nature, under a new legal status implemented under French law last year.

- **AMONG PRODUCT** launches, Yves Rocher introduced a line of nine vegan fragrances with at least 87 percent natural ingredients, produced in its factories in Brittany with eco-designed, 100 percent recyclable packaging.
- **THE COMPANY HAS** ramped up its digital initiatives, notably communicating strongly on Yves Rocher's natural positioning and made-in-France ethos—89 percent of the brand's products are manufactured in France, with many incorporating plants grown at its historic base of La Gacilly in Brittany.
- **IN EARLY 2019**, the Yves Rocher brand closed down its U.K. e-commerce site, a move understood to be in anticipation of Brexit, according to press reports.
- **IN THE U.S., ARBONNE** partnered with TerraCycle to create ArbonneCycle, a program through which consumers can send back hard-to-recycle packaging that cannot be processed in regular recycling streams.

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REVLON INC. NEW YORK

2019 BEAUTY SALES:
\$2.42 BILLION (EST.)
-5.7% VS. 2018 (EST.)

MAIN BRANDS:

REVLON:
Revlon, Revlon Professional, Revlon ColorSilk

ELIZABETH ARDEN:
Elizabeth Arden, Ceramide, Prevenge, Eight Hour.

PORTFOLIO:

Almay, American Crew, CND, Mitchum, Cutex, Crème of Nature, Natural Honey, SinfulColors, D:Fi, Gatineau.

FRAGRANCES:

Juicy Couture, John Varvatos, AllSaints, LaPerla, Britney Spears, Curve, Giorgio Beverly Hills, Ed Hardy, Christina Aguilera, Jennifer Aniston, Lucky Brand, Halston, Geoffrey Beene, Alfred Sung, Mariah Carey,

Elizabeth Taylor, Paul Sebastian.

KEY FINANCIALS:

REVLON NET SALES:
\$958.8 MILLION, -4%

ELIZABETH ARDEN NET SALES:
\$520 MILLION, +6.1%

PORTFOLIO NET SALES:
\$487.8 MILLION, -13.6%

FRAGRANCES:

\$453 MILLION, -11.4%
OPERATING INCOME:
\$60.7 MILLION, +171.2%

NET LOSS:

\$157.7 MILLION, +46.6%
(VERSUS \$294.2 MILLION
IN 2018)

- **REVLON HIRED** Goldman Sachs in August 2019 to advise it on strategic alternatives in light of declining sales and continuing red ink. In early 2020, Revlon restructured debt slated to mature in 2021. Possible sale of parts of the company are apparently on the table, including smaller lines like Almay, Sinful Colors or American Crew in the Portfolio segment.
- **IN THE U.S., REVLON** brand sales declined 2.2 percent for the 52 weeks ending Jan. 21, 2020, according to Nielsen scanner data.
- **ELIZABETH ARDEN** remains the business's bright spot, and is reportedly performing well internationally with its Ceramide and Prevenge lines.
- **REVLON MAKEUP** entered China in July.

- **REVLON LAUNCHED** Revlon x Ashley Graham Never Enough Lip Collection, Ashley Graham's third collaboration with the brand.

- **THE COMPANY APPOINTED** Sergio Pedreiro in January 2020 as chief operating officer. In this role, he will be central to restructuring and transforming Revlon's business operations, improving efficiency and enhancing growth. He reports to Debra Perelman, Revlon's president and chief executive officer. Pedreiro has worked in a variety of senior executive roles across several industries, including as chief financial officer at Coty Inc. from 2009 to 2014.

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GROUPE CLARINS NEUILLY-SUR-SEINE, FRANCE

2019 BEAUTY SALES:
\$2.25 BILLION (EST.)
€2.01 BILLION (EST.)
+14% VS. 2018 (EST.)

MAIN BRANDS:

CLARINS:
Clarins (skin care, makeup)
Clarins Men (men's skin care)

CLARINS FRAGRANCE GROUP:
Mugler, Azzaro

My Blend by Dr. Olivier Courtin.

KEY FINANCIALS (EST.):
CONSTANT-CURRENCY SALES
GROWTH: +12%

**PRODUCT CATEGORY
BREAKDOWN (EXCLUDING
FRAGRANCE):**
SKIN CARE: 88%
MAKEUP: 12%

GROWTH BY CATEGORY:
SKIN CARE, +16%
MAKEUP, +2%
FRAGRANCE, N/A

GROWTH BY REGION:
EUROPE, THE MIDDLE EAST
AND AFRICA: +7%
AMERICAS, +4%
ASIA-PACIFIC, +28%

**BIGGEST MARKETS (SKIN CARE
AND MAKEUP ONLY):**
TRAVEL RETAIL +26%,
E-COMMERCE +37%,
MAINLAND CHINA +49%.

- **THE MAJOR NEWS** for Groupe Clarins last year was its decision to sell its fragrance activity to L'Oréal and concentrate on its core businesses, especially skin care. The Clarins Fragrance Group business, consisting principally of the Mugler and Azzaro brands, had sales of around €340 million in 2018, and joined the L'Oréal portfolio before the end of the first quarter of 2020.

- **BUSINESS DRIVERS** IN 2019 for the family-owned firm included the acceleration of the Chinese market, e-commerce and launches in the anti-aging category.

- **MAJOR INTRODUCTIONS** included the Plant Gold dual formula oil-emulsion and the MyClarins range, which targets younger consumers with naturals-based and vegan formulas.

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PUIG BARCELONA

2019 BEAUTY SALES:
\$2.03 BILLION (EST.)
€1.81 BILLION (EST.)
+3% VS. 2018 (EST.)

MAIN BRANDS:

Paco Rabanne, Carolina Herrera, Jean Paul Gaultier, Nina Ricci, Penhaligon's, L'Artisan Parfumeur, Prada Parfums, Christian Louboutin,

Comme des Garçons Parfums, Eric Buterbaugh Los Angeles, Antonio Banderas, Shakira, United Colors of Benetton, Adolfo Dominguez.

KEY FINANCIALS:
LIKE-FOR-LIKE SALES GROWTH:
+5.2% (EST.)

MAIN MARKETS:
SPAIN, THE U.S. AND THE U.K.
27% of beauty revenues
DOMESTIC SALES:
12% of beauty revenues

- **PUIG'S SALES** were driven by the strong performance of the Jean Paul Gaultier brand, boosted by the Le Male and Classique scents and the introduction of Le Beau and La Belle; the launch of Bad Boy from Carolina Herrera, and double-digit growth in the niche segment with Penhaligon's and Christian Louboutin makeup.

- **ANOTHER NOTABLE** introduction was Pacollection from Paco Rabanne, with distinctive soft packaging and atypical, unisex juices.

- **EUROPEAN SALES** were boosted by Jean Paul Gaultier; Carolina Herrera drove Latin America, principally Brazil, and Christian Louboutin helped propel business in Asia and North America.

- **GROWTH ON A REPORTED** basis was hampered by the loss of the Valentino license, which was handed over to L'Oréal at the beginning of 2019.

- **THE COMPANY ACQUIRED** minority stakes in Colombian premium beauty firm Loto del Sur and Indian ayurvedic brand Kama Ayurveda as it seeks to channel demand for local brands with strong identities from emerging markets around the world.

- **PUIG FUTURES**, the firm's innovation hub, partnered with home appliance manufacturer BSH to create The Alchemist Atelier, a platform for creating personalized fragrances, with a flagship that opened in Paris.

25

POLA ORBIS HOLDINGS TOKYO

2019 BEAUTY SALES:
\$1.97 BILLION
¥214.89 BILLION
-7.1% VS. 2018

MAIN BRANDS: Pola (skin care, makeup), Orbis (skin care, makeup), Jurlique, H2O Plus, Three,

Decencia, Amplitude, Itrim, Fiveism x Three.

KEY FINANCIALS:
TOTAL SALES: ¥219.92
BILLION, -11.5%

BEAUTY CARE OPERATING
INCOME: ¥30.19 BILLION,
-21.2%

- **HIT BY WEAK** consumption at home—attributed to natural disasters, a consumption tax hike that took place in October, China's new e-commerce law and the stronger yen—Pola Orbis attributed its sales decline largely to lower sales of flagship brand Pola to inbound tourists.

- **THE FIRM SAW** steady growth in the rest of Asia, mainly thanks to its business in China.

- **STAR PRODUCT POLA** Wrinkle Shot entered duty-free stores at home and abroad, and launched in domestic and cross-border e-commerce.

- **ORBIS SALES** were flat due to a decrease in existing customers as the brand sought to hone its target consumer base.

- **JURLIQUE'S SALES** fell as the brand reduced its wholesale presence in its home market, Australia, to focus on directly operated stores.

- **U.S.-BASED H2O PLUS** also saw declines, attributed to its withdrawal from certain retailers and a decrease in shipments of its hotel amenities, although the brand expanded in e-commerce.

- **THE COMPANY'S EMERGING** brands grew due to international sales of Three as well as gains from new brands Amplitude, Itrim and Fiveism x Three, all introduced in 2018.

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WALGREENS BOOTS ALLIANCE DEERFIELD, ILL.

2019 BEAUTY SALES:
\$1.96 BILLION (EST.)
+15% (EST.)

MAIN BRANDS: No7, Botanics, Boots Soltan, Soap & Glory, Liz Earle, Sleek MakeUp, CYO, YourGoodSkin.

KEY FINANCIALS (FY ENDED
AUG. 31, 2019):

TOTAL RETAIL SALES:
\$115.9 BILLION, +4.8%

RETAIL PHARMACY U.S. SALES:
\$104.5 BILLION, +6.2%
RETAIL PHARMACY

INTERNATIONAL SALES:
\$11.4 BILLION, -7.2%

- **IN ITS FISCAL YEAR** ended August 2019, Walgreens Boots Alliance saw challenging conditions at retail due to a weak market climate in the U.K. and a decline in U.S. sales. Despite this, signs suggest that efforts to ramp up business for its own beauty brands, particularly in the U.S., are paying off.

- **NO7**—which reportedly remains the U.K.'s leading skin-care brand—implemented a nationwide ad campaign in the U.S. and launched a dedicated e-commerce site, No7beauty.com. The brand's U.S. sales grew more than 50 percent in the third quarter of the fiscal year ended August and in the midteens in the three months to November, according to WBA.

- **IN THE U.K., BOOTS** announced plans to close or consolidate 200 of its stores by 2020. In the meantime, it continued revamping the beauty halls in its larger flagships to offer an enhanced beauty offer—26 doors were completed in the fiscal year, resulting in improved performance. It also opened a major new flagship in London's Covent Garden in June.

- **AMONG PRODUCT** introductions, No7 unveiled two serums in April 2019, with a combined waiting list of 37,000 people at launch. Soap & Glory debuted a new hair-care line, while Sleek collaborated with drag artist Miss Fame on a makeup kit.

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L'OCCITANE GROUP PLAN-LES-OUATES, SWITZERLAND

2019 BEAUTY SALES:
\$1.85 BILLION (EST.)
€1.65 BILLION (EST.)
+17.2% VS. 2018 (EST.)

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

KEY FINANCIALS
(Nine months to Dec. 19):

NET SALES: €1.31 BILLION,
+20.2%

CONSTANT CURRENCY SALES
GROWTH: +17.3%

SALES BY BRAND:
L'Occitane en Provence:
€1.03 billion, +8.6%

ELEMIS:
€130.4 million, +20% (EST.)

LIMELIFE:
€65.47 million, +4.4%

OTHERS:
€76.44 million, +6%
LARGEST MARKETS: U.S.:
€236.1 million, +29.9%
(+24.4% AT CONSTANT CURRENCY)

JAPAN: €173.3 million,
+8.1% (+1.1%)

CHINA: €156.1 million, +22.8%
(+21.9%)

- **L'Occitane's** acquisition of Elemis closed in March 2019 and was a strong growth driver, the company said, unlocking new higher-margin markets and sales channels and bolstering its presence in skin care.

- **ELEMIS IS NOW** the second largest brand in L'Occitane's portfolio, accounting for 10 percent of its revenues in the nine months to December; it accounted for particularly strong sales gains on a reported basis for L'Occitane in the U.K. and, to a lesser extent, the U.S., during the nine months ended December 2019.

- **L'Occitane continued** to work on its "hero product" strategy to boost its facial-care business, led by Immortelle Reset serum, expected to sell more than one million units in the fiscal year ended March 2020.

- **CREATING OMNICHANNEL** experiences was another area of focus, with new boutiques in Tokyo and London combining retail with experiential spaces.

- **CHINA WAS ANOTHER** growth market, thanks in part to online marketplaces and record high Single's Day sales in November.

- **IN DECEMBER**, L'Occitane's start-up incubator Obratori took a minority stake in organic and vegan lipstick brand Le Rouge Français.

Enhancements, Essentials,
Spotless (skin care).

KEY FINANCIALS: N/A

- **RODAN + FIELDS** expanded its portfolio to reach new customer segments such as teens with the launch of Spotless, designed to clear and prevent acne. The brand targeted the 20-plus customer with Recharge, formulated to balance, boost and defend healthy-looking skin.

- **PLANS TO EXPAND** into the Asian market this spring in Japan, with new formulations designed exclusively for the market, were postponed due to the coronavirus pandemic.

- **IN EARLY DECEMBER**, the company reduced its workforce by 15 percent. The move involved the elimination of 86 positions out of roughly 560 corporate employees and affected all levels and departments. The company said the purpose of the cutback is to position it for the future by eliminating inefficiencies.

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AMWAY
ADA, MICH.

2019 BEAUTY SALES:
\$1.67 billion (EST.)
-7.9% VS. 2018 (EST.)

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

KEY FINANCIALS:
TOTAL SALES:
\$8.4 billion, -5%

BEAUTY AND PERSONAL CARE
(INCLUDING ORAL CARE):
25% of revenues

TOP MARKETS:
China, South Korea,
United States

- **AMWAY ATTRIBUTED** its sales declines in part to a review by the Chinese government of the direct-sales health and beauty industry last year.

- **THE FIRM INVESTED** more than \$500 million in digital platforms, product innovation and sales incentives for its representatives, with a focus on the convergence of natural ingredients and science at Artistry.

- **RUN BY ITS FAMILY** owners since its inception in 1959, Amway hired Milind Pant, previously president of Pizza

BY THE NUMBERS

A Glimpse Into the Operating Income of Beauty Firms in 2019

THE PROFIT MARGINS of beauty's pure players—or those that break out operating income for the segment—just go to show that while revenues count, blockbuster sales don't always equate to mega-profits. Here's how the companies' profit margins from beauty stacked up in 2019.

COMPANY	BEAUTY SALES	BEAUTY OPERATING PROFIT (LOSS)	PROFIT AS % OF SALES
NOEVIR HOLDINGS ¹	¥45.18 BILLION	¥13.18 BILLION	29.17%
UNILEVER ⁴	€21.87 BILLION	€4.52 BILLION	20.66%
PROCTER & GAMBLE ²	\$12.9 BILLION	\$2.64 BILLION	20.47%
LG HOUSEHOLD & HEALTH CARE	KRW 4.75 TRILLION	KRW 898 BILLION	18.9%
L'ORÉAL	€29.87 BILLION	€5.55 BILLION	18.6%
MILBON CO. LTD.	¥36.27 BILLION	¥6.75 BILLION	18.6%
THE ESTÉE LAUDER COS. ²	\$14.86 BILLION	\$2.31 BILLION	15.54%
FANCL ³	¥71.6 BILLION	¥11.01 BILLION	15.38%
KOSÉ CORP. ⁸	¥249.03 BILLION	¥37.85 BILLION	15.19%
INTER PARFUMS INC.	\$713.5 MILLION	\$104.7 MILLION	14.67%
BEIERSDORF ⁵	€6.27 BILLION	€896 MILLION	14.29%
KAO CORP. ⁷	¥642.3 BILLION	¥90.9 BILLION	14.15%
POLA ORBIS	¥214.89 BILLION	¥30.19 BILLION	14.05%
E.L.F. BEAUTY ¹⁰	\$208.14 MILLION	\$28.91 MILLION	13.89%
NATURA & CO.	R\$14.44 BILLION	R\$1.91 BILLION	13.23%
COTY INC. ^{2,9}	\$8.65 BILLION	\$949.7 MILLION	11%
HENKEL ⁶	€3.88 BILLION	€418 MILLION	10.78%
SHISEIDO	¥1.13 TRILLION	¥113.83 BILLION	10.78%
LVMH MOËT HENNESSY LOUIS VUITTON	€6.84 BILLION	€683 MILLION	10.06%
MANDOM CORP. ⁸	¥62.72 BILLION	¥5.78 BILLION	9.22%
AMOREPACIFIC GROUP	KRW 6.55 TRILLION	KRW 495.5 BILLION	7.6%
CLIO COSMETICS CO. LTD	KRW250.5 BILLION	KRW18.7 BILLION	7.46%
AVON PRODUCTS INC.	\$3.34 BILLION	\$125.6 MILLION	3.76%
REVLON INC.	\$2.42 BILLION	\$60.7 MILLION	2.5%
ABLE C&C	KRW 422.21 BILLION	KRW1.8 BILLION	.43%

SOURCE AND METHODOLOGY:

Figures presented were gathered using publicly available corporate financial statements and based on reported numbers.

1. FY Ended September 30, 2019.
2. FY Ended June 30, 2018.
3. FY ended March 31, 2019.
4. Personal care division, including oral care.
5. Consumer division, including bandages.
6. Beauty care division, including oral care.
7. Combined numbers for Kao's Cosmetics and Skin and Hair Care divisions.
8. Nine months ended Dec. 31, 2019.
9. Coty; Operating income was adjusted to factor out impairment charges. On a reported basis, Coty's operating loss was \$3.47 billion for the FY ended June 30, 2019.
10. Nine months ended Dec. 31, 2019 (E.L.F. Beauty shifted the dates of its fiscal year in 2019).

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RODAN + FIELDS
SAN FRANCISCO

2019 BEAUTY SALES:
\$1.75 billion (EST.)
+6% VS. 2018 (EST.)

MAIN BRANDS: Recharge,
Redefine, Reverse,
Unblemish, Soothe,

Hut International, as its first chief executive officer, effective January 2, 2019. Giusy Buonfantino was named chief digital and marketing officer.

• **IN FEBRUARY 2020**, Amway completed a round of restructuring that involved laying off around 2 percent of its global workforce in four waves as it aimed to align its investments and resources to growth.

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GRUPO BOTICÁRIO

CURITIBA, BRAZIL
2019 BEAUTY SALES:
\$1.49 BILLION (EST.)
R\$5.86 BILLION (EST.)
+9% VS. 2018 (EST.)

MAIN BRANDS: O Boticário: Nativa Spa (body and hair care). Make B., Intense (makeup). Floretta, Egeo Dolce, Malbec (fragrance). The Beauty Box (hair, bath and body care). Eume (hair care). EUDORA, QUEM DISSE, BERENICE?, VULT.

KEY FINANCIALS: 2019 GROUP RETAIL SALES (NOT INCLUDING E-COMMERCE PLATFORM BELEZA NA WEB): **R\$14.9 BILLION, +9%**
TOTAL SALES INCLUDING BELEZA NA WEB: **R\$15.3 BILLION, +11.7%**

• **THE ADDITION OF BRANDS**, mainly makeup label Vult—which the company acquired in May 2018—reportedly drove Grupo Boticário's sales last year in a Brazilian market that remains complicated. Grupo Boticário outperformed the Brazilian market, which grew by an estimated 5 to 7 percent.

• **THE COMPANY CONTINUES** to flex its muscles in the face of growing competition, notably from its larger rival Natura & Co., which acquired Avon's global business last year. It snapped up e-commerce platform Beleza na Web during the year, and is said to be on the lookout for further acquisitions, including potentially Coty's Brazilian business, according to press reports.

• **GRUPO BOTICÁRIO** invested R\$330 million during the year, including in innovation, with a total of 1,700 new products launching. Introductions included new hair care line Eume.

• **INTERNATIONALLY, THE GROUP EXPANDED** in

Colombia and opened its second O Boticário door in Paraguay. In the U.S., it grew online sales thanks to launches with Amazon and Walgreens Boots Alliance.

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GROUPE PIERRE FABRE

PARIS
2019 BEAUTY SALES:
\$1.48 BILLION
€1.32 BILLION
+1.7% VS. 2018

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

KEY FINANCIALS: INTERNATIONAL SALES: **69% OF BEAUTY REVENUES**

GROUP SALES: **€2.42 BILLION, +4.1%**

• **GROUPE PIERRE FABRE'S** saw beauty gains in all geographic zones, especially China, Japan, Brazil and France. In its home market, Pierre Fabre Dermo-Cosmétique consolidated its market-leading position.

• **ONLINE SALES INCREASED** in the double-digits, accounting for 10 percent of revenues.

• **THE GROUP ACCELERATED** its Conscious Care program, ramping up its focus on more sustainable formulas.

• **AMONG CONSUMER** initiatives, it opened Le Lab, a concept store in Toulouse, near the cosmetics arm's marketing and research and development headquarters, and debuted a multibrand communication campaign featuring its R&D experts answering questions about formulation, safety and eco-conception.

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LUSH

POOLE, U.K.
2019 BEAUTY SALES:
\$1.19 BILLION (EST.)
£929.4 MILLION (EST.)
-0.3% VS 2018 (EST.)

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

KEY FINANCIALS: CONSTANT-CURRENCY SALES DECLINE: **-3.4% (EST.)**

3 LARGEST MARKETS:

U.K.: **£153.1 MILLION (+3.0%)**

JAPAN: **£75.1 MILLION (-3.3%)**

NORTH AMERICA: **£344.4 MILLION (-9.2%)**

• **LUSH'S SALES STAGNATED** in 2019, with the brand posting decreases in Japan and North America. It attributed the lackluster growth to geopolitical and environmental factors, including Japanese tensions with North Korea, French yellow vest protests and the Australian bush fires. However, Brexit uncertainties did not seem to hinder U.K. sales, which grew 3 percent.

• **THE BRAND'S PUSH IN** Europe and Asia was led by the opening of flagships in Liverpool, Tokyo and Munich. The Liverpool store, Lush's largest, features a hairdresser, florist and spa. Smaller stores opened in various European and Asian cities. A new outpost in Paris offers products made in store, while a Florence boutique has a range of exclusive perfumes alongside inspirational literature. In Manchester and Hong Kong, the Naked concept, offering unpackaged products, opened.

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BELCORP

LIMA, PERU

2019 BEAUTY SALES:
\$1.17 BILLION
+0.9% VS. 2018

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

KEY FINANCIALS: **MAIN MARKETS:** PERU, COLOMBIA AND MEXICO: **52% OF SALES**

BREAKDOWN BY BRAND: ÉSIKA: **48% OF SALES;** CYZONE: **31%;** L'BEL: **21%.**

• **THE PERUVIAN FIRM'S** business was hampered last year by an overall slowdown in Latin America's beauty and personal-care market. Social unrest in Chile, Bolivia and Colombia, as well as political uncertainty, for example, surrounding the dissolution of Congress in Peru, and aggressive competition in the direct-sales market all negatively impacted growth.

• **BELCORP NEVERTHELESS** grew its network of representatives, which reached its highest-ever level, and worked to digitalize its salesforce with tools to simplify and boost operations. Financial discipline was another area of focus.

• **VENKAT GOPALAN** was named chief technology and digital officer of the firm; Daniel Gonzaga became chief scientific officer.

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ORIFLAME HOLDING AG

SCHAFFHAUSEN, SWITZERLAND

2019 BEAUTY SALES:
\$1.15 BILLION (EST.)
€1.03 BILLION (EST.)
-2% VS. 2018 (EST.)

MAIN BRANDS: Oriflame (makeup, skin, body, hair and personal care, fragrance).

KEY FINANCIALS: TOTAL COMPANY SALES (INCLUDING WELLNESS AND ACCESSORIES): **€1.26 BILLION, -2%**

CONSTANT-CURRENCY SALES GROWTH: **-3%**

LOCAL CURRENCY SALES PROGRESSION BY REGION: LATIN AMERICA: **+11%** CIS: **+4%** EUROPE AND AFRICA: **+1%** ASIA AND TURKEY: **-15%.**

ADJUSTED EBITDA: **€181.2 MILLION, -9%**

ADJUSTED NET PROFIT: **€91.5 MILLION, -4%**

• **ORIFLAME SUFFERED** another year of sales declines, impacted by its business in Asia and Turkey, but offset by positive developments in Latin America, Europe, Africa and the Commonwealth of Independent States.

• **THE COMPANY** went private in July 2019, delisting from the Stockholm stock exchange after a buyout by Walnut Bidco Plc, created by the company's founding family, which previously owned 30.8 percent of its share capital. The move is seen as a bid to turn the firm around in a challenging market without the pressures of a stock market listing.

• **COMPANY COFOUNDER** Jonas af Jochnick passed away in May 2019.

• **UNIT SALES DECREASED** by 3 percent while active representative numbers fell 4 percent.

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GALDERMA LAUSANNE, SWITZERLAND

2019 BEAUTY SALES:
\$1.13 BILLION (EST.)
SFR 1.12 BILLION (EST.)
+7% VS. 2018 (EST.)

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

KEY FINANCIALS: N/A

• **OCTOBER SAW NESTLÉ** sell off its Nestlé Skin Health activity to a consortium of investors led by EQT and a wholly owned subsidiary of the Abu Dhabi Investment Authority for SFR 10.2 billion. After the carve out, the company was rebranded Galderma—its original name. Its three business units—Aesthetics, Prescription and Consumer Care—had combined revenues of SFR 2.8 billion in 2018.

• **FLEMMING ORNSKOV**, formerly of biopharmaceutical firm Shire, was named chief executive officer of the new entity.

• **GALDERMA INTENDS** to grow its presence in the U.S. and China and focus on international expansion and new products.

• **CETAPHIL RAMPED UP** its communication initiatives around sensitive skin, announcing its first celebrity spokeswoman, Rachel Brosnahan. Its U.S. retail sales grew 7.7 percent to \$343.8 million in the 52 weeks ended Feb. 23, 2020, according to IRI data.

• **PROACTIV TEAMED** with Kendall Jenner on a campaign that met with some backlash online over authenticity.

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EUROITALIA CAVENAGO DI BRIANZA, ITALY

2019 BEAUTY SALES:
\$1.12 BILLION (EST.)
€1 BILLION (EST.)
+7.8% VS. 2018 (EST.)

MAIN BRANDS: Versace, Moschino, Missoni, Dsquared2, Reporter (fragrance). Naj-Oleari (makeup).

KEY FINANCIALS: EXPORTS: **93% OF SALES**

• **LAUNCH ACTIVITY ACROSS** its licensed portfolio provided a boost for Euroitalia in 2019. Two new Dsquared2 fragrances hit the market, as did Moschino's Toy Boy men's scent. For the first time, the company developed a high-end perfumery project, unveiling the Atelier Versace line of scents, distributed in premium perfumeries and department stores.

• **TO SUPPORT THE** launches, the company increased its investments in digital activities to flank its traditional media and marketing strategies.

• **THE U.S., THE MIDDLE EAST**, the U.K., Germany, Italy and China were Euroitalia's best-performing markets. The company also registered a significant rise in travel-retail sales.

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NU SKIN ENTERPRISES

PROVO, UTAH

2019 BEAUTY SALES:
\$1.09 BILLION (EST.)
-14% VS. 2018 (EST.)

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

KEY FINANCIALS: BEAUTY SALES INCLUDING DEVICES: **\$1.42 BILLION (EST.)**
-14% vs. 2018 (EST.)

• **NU SKIN** attributed market conditions and government restrictions as elements negatively impacting sales and growth for the year in Mainland China, which remains the company's biggest market. Sales in the region fell 18 percent to \$722.5 million.

• **ITS NEXT BIGGEST** market was the Americas/ Pacific area, where sales fell 9 percent to \$349 million, followed by South Korea, down 12 percent to \$329.9 million.

• **NU SKIN ENTERED** Peru in March, growing its presence in Latin America.

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SISLEY PARIS

2019 BEAUTY SALES:
\$966.8 MILLION
€864 MILLION
+10.5% VS. 2018

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

KEY FINANCIALS: N/A

• **FAMILY-OWNED SISLEY** saw a year of sales growth across all regions, with double-digit increases in Asia and for its skin-care business. Makeup also grew, and digital was a further sales driver.

• **IN ITS SECOND YEAR** on the market, Hair Rituel by Sisley grew in the double digits.

• **THE COMPANY CONTINUED** to expand its Maison Sisley flagship boutique and spa concept, with new branches in Prague, Munich, Lyon and Bordeaux.

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JOHN PAUL MITCHELL SYSTEMS LOS ANGELES

2019 BEAUTY SALES:
\$850 MILLION (EST.)
+3% VS. 2018 (EST.)

MAIN BRANDS: Paul Mitchell, Awapuhi Wild Ginger, MarulaOil, Neuro (hair care). TeaTree (hair and body care). Paul Mitchell The Color (professional hair color), Mitch, MVRCK by Mitch (men's grooming).

KEY FINANCIALS: N/A

• **SALES DRIVERS** for JPMS in 2019 included the naturally inspired Tea Tree brand, which extended its Tea Tree Lavender Mint collection with a Co-Wash product and several styling solutions for curly and textured hair.

• **THE NEURO BRAND**—which combines tools with related hair-care products—was another area of expansion, with products launched under its thermal protection range.

• **THE COMPANY** forged a partnership with AI beauty platform FitSkin aimed at developing a laboratory-grade hair analysis solution for stylists that can be used with any smartphone.

• **PROFESSIONAL HAIR COLOR** continued to be an area of focus as the firm sees ongoing growth in demand for in-salon professional services. Launches included on-trend muted metallic shades in demi-permanent collection The Demi.

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SHANGHAI JAHWA UNITED CO. LTD. SHANGHAI

2019 BEAUTY SALES:
\$823.8 MILLION (EST.)
CNY 5.69 BILLION (EST.)
+6.4% VS. 2018 (EST.)

MAIN BRANDS: Shanghai Vive (skin care, fragrance), Maxam (skin, body and hair care), Liushen (skin, body and hair care, fragrance), GF (men's skin and hair care, fragrance), Herborist (skin care, makeup, men's skin care), Dr. Yu (skin care), Fresh Herb (skin care, makeup), Giving (baby care).

KEY FINANCIALS:
TOTAL COMPANY REVENUES:
CNY 7.6 BILLION, +6.4%
NET PROFIT:
CNY 557 MILLION, +3.1%

• **THE CHINESE BEAUTY** company saw strong growth from e-commerce in 2019, with sales in the channel up 30 percent to CNY 2.58 billion as it focused on influencer collaborations and livestreaming.

• **BRICK-AND-MORTAR SALES** dropped 2.62 percent to CNY 5.01 billion, mainly attributed to declines in the department-store channel.

• **INTERNATIONAL SALES** increased 5.9 percent to CNY 1.68 billion.

• **CORE BRAND HERBORIST** was a key area of investment, with the firm seeking to upgrade its image and recruit new consumers. Initiatives included the relaunch of T'ai Chi Sun and Moon Beauty Essence with a major launch campaign that went viral on platforms including WeChat, Weibo and TikTok and succeeded in recruiting new consumers.

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DABUR INDIA LTD. GHAZIABAD, INDIA

2019 BEAUTY SALES:
\$769.5 MILLION (EST.)
54.2 BILLION RUPEES (EST.)
+15% (EST.)

MAIN BRANDS: Dabur Amla, Dabur Almond, Vatika ORS, Long & Lasting (hair care). Fem, Gulabari, OxyLife, New Era, DermoViva, Vatika (skin care). Hobby (skin, hair and bath care; shave preparations).

KEY FINANCIALS:
INTERNATIONAL SALES:
25% of total group revenues.

• **DABUR BRAVED** economic headwinds and invested in expanding its rural footprint domestically, entering new villages; it was present in 51,000 villages at the end of 2019, compared with 44,000 at the end of its fiscal year in March. To do so, it expanded its offer of affordable packs targeting rural consumers, which helped drive volume growth and market share gains in key categories.

• **MOHIT MALHOTRA** took over from Sunil Duggal as chief executive officer. Amit Burman was named chairman, replacing Anand C. Burman; Mohit Burman was named vice chairman.

• **INTERNATIONAL SALES** continued to grow, with Egypt, Nepal and Turkey performing especially well thanks to strong sales of the Hobby brand.

• **THE COMPANY EMBARKED** on a power brand strategy, disproportionately investing behind eight of its strongest brands to drive growth.

• **PRODUCT INTRODUCTIONS** included Dabur Amla Kids, a premium hair care line for children, and OxyLife Men Hair Removal Cream.

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MARICO LTD. MUMBAI

2019 BEAUTY SALES:
\$759.3 MILLION (EST.)
53.48 BILLION RUPEES (EST.)
+3.1% VS. 2018 (EST.)

MAIN BRANDS: Parachute, Livon, NiharNaturals, Hair

& Care, Caivil, Black Chic, True Roots (hair care and color). Parachute Advanced (hair and body care). Set Wet (deodorants and hair styling). Fiancée, Hair Code, IsoPlus (hair care and styling). Code 10, X-Men (men's grooming). Kamillen, Karazel, Rivage, Grace, Kaya Youth O2 (skin care).

KEY FINANCIALS:
TOTAL COMPANY SALES (Nine months to Dec. 2019): **58.19 BILLION RUPEES, +1.6%**

• **DESPITE A DIFFICULT ENVIRONMENT** for consumer brands in India, Marico's sales grew thanks to strong gains in international markets, which account for around 22 percent of its business.

• **BANGLADESH AND VIETNAM** led gains, as well as expansion in markets including Sri Lanka, Nepal and Bhutan.

• **AS IT CONTINUES TO FOCUS** on premiumization and gaining market share in skin care, Marico launched Kaya Youth O2, a new skin-care brand, in India in early 2019.

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MANDOM CORP. OSAKA, JAPAN

2019 BEAUTY SALES:
\$739.8 MILLION (EST.)
¥80.64 BILLION (EST.)
+1.8% VS. 2018 (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 Andrean, Style Up (hair care), Simplicity (deodorant), Pucelle (fragrance, body care).

KEY FINANCIALS (Nine months to Dec. 19):

NET SALES:
¥62.72 BILLION, +2.7%

OPERATING INCOME: **¥5.78 BILLION, -26.9%**

SALES IN JAPAN:
¥35.74 BILLION, -5.4%
SALES IN INDONESIA:
¥13.58 BILLION, +3%

SALES IN OTHER MARKETS:
¥13.41 BILLION, +32.4%

BIGGEST MARKETS:
Japan, Indonesia and China.

• **DESPITE SALES DECREASES** in Japan in the nine months to December, largely attributed to a decline from Gatsby and lower sales of Barrier Repair, Mandom registered sales increases in the period thanks to strong international business.

• **SALES GROWTH IN INDONESIA** was strong before conversion into yen, while other international markets performed especially well, both organically and thanks to the addition of the ACGI business, acquired in late 2018.

• **PRODUCT-WISE, STRONG** performers included Bifesta in Japan and abroad, Gatsby seasonal summer products in Japan and the brand's styling products overseas.

• **IN MAY 2019**, Mandom launched a flagship on Tmall Global, offering a selection of its brands via cross-border e-commerce in China.

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GODREJ CONSUMER PRODUCTS LTD. MUMBAI

2019 BEAUTY SALES:
\$718.7 MILLION (EST.)
50.62 BILLION RUPEES (EST.)
-2.5% VS. 2018 (EST.)

MAIN BRANDS: Godrej Expert, Godrej Nupur, NYU, BBLUNT, Motions, Protectiv Mega Growth, African Pride, Just for Me, TCB, Darling, Illicit, Issue, 919, Renew, Inecto, Touch of Silver, Roby (hair care). Cinthol, Godrej No 1, Villeneuve, Tura (skin care). Pamela Grant (makeup).

KEY FINANCIALS:
BIGGEST MARKETS: **India (54% of sales), Africa and the U.S. (24%), Indonesia (15%).**

• **DOMESTIC BUSINESS** for Godrej Consumer Products remained soft due to a general slowdown in consumer staples. Despite adverse market conditions, the company maintained volume growth across beauty and personal care, and saw market share gains in the category.

• **IN INDIA, EXPERT RICH** Crème hair color grew, and Godrej Expert Easy, a five-minute, shampoo-in hair color, launched.

• **INTERNATIONAL MARKETS** thrived, particularly in West and South Africa, with expanded distribution across the continent.

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INTER PARFUMS INC. NEW YORK, NY

2019 BEAUTY SALES:
\$713.5 MILLION
+5.6% VS. 2018

MAIN BRANDS: Abercrombie & Fitch, Anna Sui, Bebe, Boucheron, Coach, Dunhill, Graff, Guess, Hollister, Jimmy Choo, Karl Lagerfeld, Kate Spade New York, MCM, Lanvin, Montblanc, Oscar de la Renta, Paul Smith, Repetto, Rochas, S.T. Dupont, Van Cleef & Arpels.

KEY FINANCIALS:
CONSTANT-CURRENCY SALES GROWTH: **+12.8%**

OPERATING INCOME:
\$104.7 MILLION, +10.6%

NET INCOME:
\$60.2 MILLION, +12%

SALES GROWTH BY BRAND:
MONTBLANC: **+22.6%**
(+29.4% at constant currency)

JIMMY CHOO:
-1.5% (+3.9% at constant currency)

COACH: **-2.3% (+2.9% at constant currency)**

GUESS: **+162% (+162% at constant currency)**

SALES GROWTH BY KEY REGION:
NORTH AMERICA:
\$234.2 MILLION, +11%

WESTERN EUROPE:
\$185.5 MILLION, +2.6%

ASIA:
\$106.3 MILLION, -2.5%

• **INTER PARFUMS' GROWTH** varied from region to region in 2019. North America, its largest market, grew strongly, Eastern Europe gained 4.7 percent and the Middle East jumped 22.4 percent. Sales in Asia were down in dollar terms but gained at constant-currency rates, while Central and South America underperformed.

• **INTER PARFUMS INC. ADDED** two new licensed brands in 2019, Kate Spade New York and MCM. The first products under Kate Spade, for which the firm signed an 11-year licensing agreement, are expected to hit the market this fall.

BY THE NUMBERS

THE MOST AND LEAST SHAREHOLDER EQUITY IN 2019

SHAREHOLDER EQUITY is often used as a barometer of a company's financial health. Below, the companies with the most and least shareholder equity (an entity's assets minus its liabilities) at year end.

■ 2019 REVENUE ■ 10 COMPANIES WITH THE MOST SHAREHOLDER EQUITY AT YEAR-END 2019 ■ 10 COMPANIES WITH THE LEAST SHAREHOLDER EQUITY AT YEAR-END 2018/89

JOHNSON & JOHNSON
\$59.47 BILLION \$82.06 BILLION

PROCTER & GAMBLE
\$45.91 BILLION \$67.7 BILLION¹

LVMH MOÛT HENNESSY LOUIS VUITTON
€38.37 BILLION €53.67 BILLION
\$42.93 BILLION \$60.06 BILLION

L'ORÉAL
\$29.4 BILLION \$29.87 BILLION
\$32.90 BILLION €33.43 BILLION

WALGREENS BOOTS ALLIANCE
\$23.66 BILLION² \$136.87 BILLION³

COMPAGNIE FINANCIÈRE RICHEMONT
€17.18 BILLION⁴ €14 BILLION⁵
\$19.22 BILLION \$15.67 BILLION

UNILEVER
\$13.89 BILLION \$15.54 BILLION
€51.98 BILLION €58.17 BILLION

RECKITT BENCKISER
£9.41 BILLION \$16.40 BILLION
\$12.01 BILLION £12.85 BILLION

KAO CORP.
¥871.42 BILLION ¥1.50 TRILLION
\$7.99 BILLION \$13.76 BILLION

HENKEL
€7.08 BILLION €20.11 BILLION
\$7.92 BILLION \$22.50 BILLION

1. FY ended June 30, 2019; 2. At Nov. 30, 2019; 3. FY ended Aug. 31, 2019; 4. At Sept. 30, 2019; 5. FY ended March 30, 2019.

L BRANDS
(\$1.24 BILLION)¹ \$12.91 BILLION²

REVLON
(\$1.08 BILLION) \$2.42 BILLION

AVON PRODUCTS
(\$983.8 MILLION) \$4.76 BILLION

TUPPERWARE BRANDS CORP.
(\$185 MILLION)³ \$1.8 BILLION

COLGATE-PALMOLIVE
\$117 MILLION \$15.69 BILLION

CLIO COSMETICS
KRW149.69 BILLION⁴ KRW250.5 BILLION
\$128.3 MILLION \$214.7 MILLION

E.L.F. BEAUTY
\$242.5 MILLION \$208.14 MILLION

PROYA COSMETICS CO. LTD.
CNY1.87 BILLION CNY2.9 BILLION
\$329.2 MILLION \$419.8 MILLION

MILBON CO. LTD.
¥35.88 BILLION ¥36.27 BILLION
\$329.2 MILLION \$332.7 MILLION

MARICO LTD.
30.10 BILLION RUPEES⁵ 73.34 BILLION RUPEES⁵
\$427.4 MILLION \$1.04 BILLION

1. At Nov. 2, 2019; 2. FY ended Feb. 1, 2020; 3. At Sept. 28, 2019; 4. At Sept. 30, 2019; 5. FY ended March 30, 2019.

• **THE 10-YEAR MCM LICENSE** involves the creation of new fragrances for men and women. The company's license with Oscar de la Renta was also extended through December 2031, with an additional five-year extension option until 2036.

• **IN ITS FIRST FULL YEAR** under Inter Parfums, Guess saw strong results in the U.S., which were attributed to legacy scents, as well as two line extensions, 1981 Los Angeles and Seductive Noir.

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NAOS
AIX-EN-PROVENCE,
FRANCE

2019 BEAUTY SALES:
\$698.6 MILLION (EST.)
€624.3 MILLION (EST.)
+13% VS. 2018 (EST.)

MAIN BRANDS: Laboratoire Bioderma: ABC Derm, Atoderm, Cicabio, Crealine/Sensibio, Hydrabio, Matricium, Sebium, Secure, White Objective, Pigmentbio (skin care), Node (Hair care), Photoderm (sun care). Institut Esthederm: Age Prevention, Age Correction, Body Care, Cabine Exclusive, Cellular Water Range, Cleansing Osmoclean, Intensive Molecular Care, Sun Care, White (skin care). Etat Pur: Actifs Pur, Cosmétiques Biomimétiques (skin, sun and body care).

KEY FINANCIALS:
LABORATOIRE BIODERMA:
€572.3 MILLION, +12.5%

INSTITUT ESTHEDERM:
€51.6 MILLION, +13.7%

KEY MARKETS: France, China and South Korea: 46.7% of sales (EST.); international markets: 74.3% (EST.).

• **STRONG SALES OF STAR** cleansing product Créaline/Sensibio H2O and the Atoderm line for Bioderma, as well as Esthederm's Age Correction were the main business drivers for Naos last year.

• **KEY LAUNCHES** included the Pigmentbio line from Bioderma and Excellage from Esthederm.

• **NAOS OPENED NEW** subsidiaries in Ireland and Costa Rica, and changed distributors for Bioderma in Libya, Djibouti, Ghana, Kenya and Denmark.

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FANCL CORP.
YOKOHAMA, JAPAN

2019 BEAUTY SALES:
\$698.4 MILLION (EST.)
¥76.13 BILLION (EST.)
+7.6% VS. 2018 (EST.)

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

KEY FINANCIALS
(Nine months to Dec. 31):

COSMETICS SALES:
¥58.64 BILLION, +8.4%

FANCL COSMETICS SALES:
¥46.96 BILLION, +9.9%

ATTENIR COSMETICS SALES:
¥9.75 BILLION, +10.7%

BOSCIA SALES:
¥1.33 BILLION, -35.2%

DOMESTIC ONLINE AND CATALOGUE SALES:
¥22.37 BILLION, +7.3%

DOMESTIC RETAIL STORE SALES:
¥23.55 BILLION, +9.2%

DOMESTIC WHOLESALE AND OTHERS:
¥7.37 BILLION, +25.9%

OVERSEAS SALES:
¥5.35 BILLION, -8.4%

COSMETICS DIVISION OPERATING PROFIT:
¥10 BILLION, +12.6%

• **IN THE NINE MONTHS** to December, Fancl saw strong growth from its domestic business, thanks to core products including Mild Cleansing Oil and new launches Deep Clear Washing Powder and Beauty Bouquet under core brand Fancl. Attenir was driven by its basic skin-care products.

• **BOSCIA'S SHARP DECLINE** was attributed to sluggish sales to core U.S. wholesale accounts despite a strong performance from new expansion in the U.S., Europe and the Middle and Near East.

• **IN SEPTEMBER 2019**, Fancl founder Kenki Ikemori, his relatives and their asset management companies sold their stake in the company to Japanese food, beverage and pharmaceuticals conglomerate Kirin Holdings, which now owns a 30.3 percent stake in the cosmetics maker.

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NEORA
FARMERS BRANCH, TEX.

2019 BEAUTY SALES:
\$685 MILLION (EST.)
+10% VS. 2018 (EST.)

MAIN BRANDS:

Age IQ Night & Day Cream, Double-Cleansing Botanical Face Wash, Age-Defying Eye Serum, Illumaboost Brightening & Shield, Complexion Clearing Acne Treatment Pads, Eye-V Moisture Boost Hydrogel Patches, Firming Body Contour Cream, Invisi-Bloc Sunscreen Gel (skin and body care).

KEY FINANCIALS: N/A

• **DIRECT SELLER NEORA** completed its name change from Nerium International in early 2019, which it claims provides an umbrella for product growth into multiple categories and better represents its holistic approach to antiaging and wellness.

• **NEORA SUED THE FEDERAL Trade Commission**, challenging its attempt to change direct selling laws. In response the FTC filed suit against Neora. For its part, Neora asserted that most of its commissions paid to its distributors are tied to product sales to end users, far exceeding a standard in case law distinguishing a legitimate multi-level marketing company from an illegal pyramid scheme.

• **SALES GROWTH WAS** supported by a new customer retention model that rewards customers who continue to buy Neora products. As of May 2019, the company achieved a ratio of 12 new customers to every new independent "brand partner"—Neora's term for its representatives—enrolled for 2019 in the U.S. and a ratio of eight new customers per new brand partner globally.

• **KEY LAUNCHES INCLUDED** Complexion Clearing Acne Treatment Pads and Invisi-Bloc Sunscreen Gel Broad Spectrum SPF-40, both new categories for Neora. It also introduced the Proluxe Hair Care System for aging and damaged hair.

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JALA GROUP CO.
SHANGHAI

2019 BEAUTY SALES:
\$666 MILLION (EST.)
CNY 4.6 BILLION (EST.)
+11% VS. 2018 (EST.)

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

KEY FINANCIALS:
RETAIL SALES: CNY 15.4 BILLION, +16.8% (EST.)

• **JALA GROUP INVESTED** heavily in R&D in 2019, introducing two new brands, Como and Biorrier, and a total of 541 new products under three brands in three categories.

• **THE CHANDO BRAND** entered duty-free stores, the first and only Chinese brand present in the channel, according to the company.

• **THE COMPANY INVESTED** in new marketing strategies, including a cooperation with Bilibili, the Chinese equivalent of YouTube, to engage with Generation Z consumers.

• **IT RETAINED ITS** position as the leading Chinese beauty player on e-commerce for the all-important Single's Day online shopping festival in November 2019.

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KIKO SPA
BERGAMO, ITALY

2019 BEAUTY SALES:
\$657.4 MILLION (EST.)
€587.5 MILLION (EST.)
-1.3% VS. 2018 (EST.)

MAIN BRANDS:
Kiko Milano

KEY FINANCIALS:
LIKE-FOR-LIKE SALES GROWTH:
+3.2%

BIGGEST MARKETS:
Italy, France and Spain
(70% of total sales)

DOMESTIC SALES:
35% of total

• **KIKO COMPLETED** its turnaround plan last year, nearly doubling its EBITDA by focusing on innovation, expansion into high-potential markets like the Middle East and Asia, digitalization and new franchising agreements, signing seven new markets including Saudi Arabia, Russia, Malta, Israel and Greece.

• **SALES ON E-COMMERCE** marketplaces grew 85 percent, with the brand launching online with Ulta in 2019, in addition to its presence on Tmall and Amazon.

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EDGEWELL
PERSONAL CARE
SHELTON, CONN.

2019 BEAUTY SALES:
\$610.2 MILLION (EST.)
+1.4% VS. 2018 (EST.)

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

KEY FINANCIALS
(FY Ended Sept. 30):

COMPANY SALES:
\$2.14 BILLION -4.2%

SUN CARE:
\$328.7 MILLION, -3.9%

SHAVE PREP:
\$141.7 MILLION -2.1%

SKIN CARE:
\$131.1 MILLION, +21.7%

• **EDGEWELL'S BEAUTY SALES** were boosted for 2019 fiscal by the men's grooming category, notably Bulldog and Jack Black, which was acquired in 2018.

• **THE COMPANY WALKED** away from its bid to acquire Harry's Inc. for \$1.37 billion in the wake of the Federal Trade Commission's legal suit to block the merger. The FTC's contention was that Harry's is a fierce, disruptive competitor that has forced both Gillette owner Procter & Gamble and Edgewell to reduce prices for their shave products and that its acquisition by Edgewell would reduce competition, result in higher prices and limit innovation. For its part, Harry's Inc. has stated that it will pursue litigation against its former merger partner.

• **IN SUN CARE**, Hawaiian Tropic registered gains, but Banana Boat declined.

• **OVERALL VOLUME DECLINED** in North America due to decreases in sun care; international growth was largely driven by distribution gains for Bulldog in Europe.

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MARKWINS
BEAUTY BRANDS
CITY OF INDUSTRY, CALIF.

2019 BEAUTY SALES:
\$605.6 MILLION (EST.)
-2% VS. 2018 (EST.)

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

KEY FINANCIALS: N/A

• **ACCORDING TO ESTIMATES**, Markwins' 2019 sales were negatively impacted by the overall decline in the U.S. mass makeup market, where it does much of its business with the Wet 'n' Wild and Physicians Formula brands. The category saw overall declines of 2 percent last year, according to Nielsen data.

• **AMONG INITIATIVES** for the firm, Physicians Formula teamed up with influencer Casey Holmes, who has a million Instagram followers and nearly two million YouTube subscribers, to expand its Butter franchise, marking the brand's first collaboration. Black Radiance initiated #BlackBeautyMatters, an online campaign promoting the importance of inclusivity for people of color.

• **LORAC COSMETICS—** acquired by Markwins in 2018 and its first prestige market brand—named makeup artist Kelsey Deenihan, whose clients include Reese Witherspoon, Nicole Kidman and Millie Bobby Brown, as its artistry adviser.

• **LIP SMACKER** COLLABORATED with Crayola on a crayon-shaped lip color collection of glosses and balms.

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YANBAL
INTERNATIONAL
LIMA, PERU

2019 BEAUTY SALES:
\$570 MILLION (EST.)
-10.1% VS. 2018 (EST.)

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

KEY FINANCIALS:
TOTAL RETAIL SALES,
INCLUDING JEWELRY:
\$885 MILLION, -11% (EST.)

BEAUTY RETAIL SALES:
\$760 MILLION, -10.1% (EST.)

• **DIRECT SELLER YANBAL** was negatively impacted by the political and social upheaval in several of its key markets, notably Peru, Ecuador, Colombia and Bolivia, which led to economic contraction and hampered sales.

• **CARLOS GALLEGOS WAS** named general manager for Yanbal Ecuador and Javier Rusca to the same role at Yanbal Peru.

• **KEY PRODUCT INTRODUCTIONS** included the Ser fragrance for women, Paralel 20°S for men and Matte Liquid Lipstick Hydra-Lip.

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RITUALS
COSMETICS
ENTERPRISE B.V.
AMSTERDAM

2019 BEAUTY SALES:
\$528.1 MILLION (EST.)
€471.9 MILLION (EST.)
+10% VS. 2018 (EST.)

MAIN BRANDS:
Rituals (fragrance, home fragrance, skin, body and hair care, makeup).

KEY FINANCIALS: N/A

• **RITUALS CONTINUED** its global expansion in 2019, opening an office in Hong Kong to spearhead its Asian launch, as well as its first stores in the territory.

• **IT ENDED THE YEAR** with around 800 stores and a presence in 29 countries, with roughly 100 openings during the year. The brand is reportedly focusing on opening larger stores where it can better convey its full selection and positioning.

• **KEY LAUNCHES INCLUDED** a partnership with Amsterdam's famous Rijksmuseum on the Amsterdam Collection, a line inspired by Delft porcelain, and its links with Asian culture. Rituals also introduced a new line for men, The Ritual of Samurai.

• **THE BRAND** reportedly began work on a new flagship, the House of Rituals, in Amsterdam in a five-story building that is expected to include a spa and spaces for activities like yoga workshops. The store is expected to open in 2020.

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PDC BRANDS
STAMFORD, CONN.

2019 BEAUTY SALES:
\$525.9 MILLION (EST.)
+5% VS. 2018 (EST.)

MAIN BRANDS:
Dr. Teal's, Bodyology, Me Bath! (wellness and bath), Cantu, Eylure (makeup), Body Fantasies, BOD Man (fragrance).

KEY FINANCIALS:
INTERNATIONAL SALES:
22% of revenues

LARGEST MARKETS:
U.S., U.K., Canada

WELLNESS AND BATH SALES:
\$219.1 MILLION, +5.4%

BEAUTY SALES:
\$200.7 MILLION, +7%

FRAGRANCE SALES:
\$106.1 MILLION, flat

• **IN EARLY 2020**, Alex Tosolini was named PDC's chief executive officer, replacing James Stammer, who left the company to pursue other interests after 15 years in the role. Tosolini is a 30-year veteran in the consumer goods and retail space, and most recently served as senior vice president of new business development at the Kroger Co.

• **THE COMPANY INVESTED** in Love Wellness, an intimate personal-care and health brand created by Lauren Bosworth that launched at Ulta Beauty last year.

• **TEAL'S, THE TOP-SELLING** brand in bath according to IRI data for 2019, expanded into deodorant. PDC also launched an environmentally responsible fragrance collection called Love + Nature, with vegan formulas and 80 percent recycled cardboard packaging, with a new tree planted for every tree used to make its wood caps.

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COSNOVA
SULZBACH, GERMANY

2019 BEAUTY SALES:
\$496.9 MILLION (EST.)
€444 MILLION (EST.)
+2% VS. 2018 (EST.)

MAIN BRANDS: Essence, Catrice, L.O.V, The Sign Tribe (makeup).

KEY FINANCIALS:
DOMESTIC SALES:
Approx. 40% of business

BIGGEST NON-GERMAN-SPEAKING MARKETS (IN ALPHABETICAL ORDER):
Italy, the Netherlands, North America, Russia, South Africa, Spain.

- **DESPITE CHALLENGING** conditions for the makeup category, the budget-friendly brands Essence and Catrice gained market share in 2019 and added shelf space with leading retailers.
- **COSNOVA CONTINUED** to see steady growth in international markets, notably in the Middle East and North Africa, Central and Eastern Europe and the U.S.
- **CATRICE OUTPERFORMED** in most markets; standouts included its Clean ID range, which taps into consumer demand for clean formulations.
- **YVONNE WUTZLER** was named chief marketing officer and Gesine Hild chief legal officer, effective April 2019. Cofounders Christina Oster-Daum and Javier Gonzalez became copresidents, focusing on strategic management.

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RECKITT BENCKISER GROUP
BERKSHIRE, U.K.

2019 BEAUTY SALES:
\$492 MILLION (EST.)
£385.4 MILLION (EST.)
+2% VS. 2018 (EST.)

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

KEY FINANCIALS:
TOTAL REVENUES:
£12.85 BILLION, +2%
(+0.8% like-for-like and at constant currency)

HEALTH DIVISION REVENUES:
£7.82 BILLION, +0.7%

"OTHER" REVENUES WITHIN HEALTH DIVISION, WHICH INCLUDE THE COMPANY'S BEAUTY BRANDS:
£2.89 BILLION, -0.6%
(-2.2% like-for-like)

- **THE COMPANY HAD** a number of key executive moves. Rakesh Kapoor stepped down as chief executive officer in January 2019, and Laxman Narasimhan assumed the role, effective Sept. 1, 2019. Previously global

chief commercial officer at PepsiCo, he also directly leads the company's Health business unit, which includes its beauty brands and infant nutrition, over-the-counter medicines and brands such as Dettol, Durex and Scholl. In November, former Pepsico executive Kris Licht was named chief transformation officer. Jeff Carr, formerly of Dutch retailer Ahold Delhaize, was named chief financial officer.

- **RECKITT BENCKISER** continued to implement turnaround initiatives, including the investment of £2 billion over a three-year period in areas like digital capacity, competitiveness and operational resilience and a greater focus on the Health division.
- **AMONG INITIATIVES FOR ITS BEAUTY** portfolio, Veet introduced Veet for Men in India to tap into the growing men's grooming market there. India is reportedly Veet's largest market worldwide.

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GUTHY-RENKER
EL SEGUNDO, CALIF.

2019 BEAUTY SALES:
\$456 MILLION (EST.)
-34.9% VS. 2018 (EST.)

MAIN BRANDS: Crepe Erase, Meaningful Beauty, Westmore, Specific Beauty, Perricone MD, Dermaflash, IT Cosmetics (repeat sales to existing customers) Mally Beauty, Sea Calm Skin.

KEY FINANCIALS:
Sales come mainly from North America, although international volume is expanding.

- **GUTHY-RENKER** has changed its operating model, and is now working effectively as a quasi-private equity beauty firm that also markets products directly. The company is investing significantly in new brands with joint venture partners accounted for under the equity method of accounting and thus are not reporting revenue, hence its decline in estimated sales for 2019.
- **THE COMPANY** launched marketing campaigns for Westmore Beauty in April. Body Coverage Perfector body makeup is the brand's hero product.
- **AN IMPROVED** Advanced Crepe Erase launched in January, which gained

traction in all distribution channels. Crepe Erase also increased its shelf space at Ulta Beauty.

- **NON-DIRECT**-to-consumer channels continued to show strong growth momentum, including Ulta. Amazon, retail and home shopping all achieved double-digit growth.
- **GUTHY-RENKER** also created a partnership with Aivita Biomedical to market the latter's Root of Skin product line. Guthy-Renker, through its GRS, LLC majority-owned subsidiary, is overseeing all domestic and international production and advertising for Aivita products. The company said the partnership has been successful, reporting that Root of Skin products sold out on all 12 appearances on Japan's QVC home channel during 2019, setting sales records.

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NIPPON MENARD COSMETICS CO. LTD
NAGOYA, JAPAN

2019 BEAUTY SALES :
\$455 MILLION (EST.)
¥49.6 BILLION (EST.)
+1% VS. 2018 (EST.)

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

KEY FINANCIALS:
TOTAL SALES
(FY ended March 31, 2019):
¥51.88 BILLION, +1%

- **2019 WAS AN EVENTFUL** year for the Japanese cosmetics company, which both celebrated its 60th anniversary and mourned the passing of its founder and chairman, Daisuke Nonogawa.
- **AMONG MAJOR PRODUCT** launches, Fairlucent introduced White Serum, a new product in the "quasi-drug" skin-care category that has seen exponential growth in Japan over the past couple of years.
- **THE COMPANY ESTABLISHED** A U.S.-based subsidiary, Nippon Menard America Inc.

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MORPHE
SAN FRANCISCO

2019 BEAUTY SALES:
\$440 MILLION (EST.)
+40% VS. 2018 (EST.)

MAIN BRANDS: Morphe

KEY FINANCIALS: N/A

- **NEW PRODUCTS, INFLUENCER** collaborations and retail expansion—both in its own stores and with Ulta Beauty—drove Morphe's growth in 2019.
 - **MORPHE BUILT OUT** its own product assortment with a move into complexion that included 60 shades of foundation with four different undertones. The business also debuted a handful of new influencer collaborations, including a follow-up palette to the sellout James Charles Artistry hit of 2018, and a palette and brush collaboration with Jeffree Star.
 - **ON THE RETAIL FRONT,** Morphe increased its store count to about 50, and started merchandising more third-party brands in stores and online, including Beauty Bakerie, Jaclyn Cosmetics, Ofra and Lunar Beauty.
 - **THE BUSINESS GOT** an investment from private equity firm General Atlantic, which backed Too Faced before its \$1.45 billion sale to the Estée Lauder Cos. The deal gave General Atlantic a 60 percent stake in the Morphe business at a \$2.2 billion valuation.
-
- KEY FINANCIALS: N/A**
- **WITH CLEAN BEAUTY** one of the buzziest categories of 2019, Beautycounter saw a significant leap in sales in 2019, according to estimates.
 - **BEAUTYCOUNTER'S FOUNDER** and chief executive officer Gregg Renfrew, a long-time advocate of clean beauty, testified in a congressional hearing on

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BEAUTYCOUNTER
SANTA MONICA, CALIF.

2019 BEAUTY SALES:
\$438.8 MILLION (EST.)
+35% VS. 2018 (EST.)

MAIN BRANDS: Beautycounter

KEY FINANCIALS: N/A

cosmetic reform to improve product safety in December 2019. Beautycounter has banned more than 1,500 ingredients from its own formulations.

- **THE COMPANY BOLSTERED** its leadership team, with key hires including Ana Badell, who was named chief operating officer, supervising operations, information technology, corporate strategy and social mission for the brand, and Patty Wu, chief commercial officer, overseeing commercial channels including retail, direct to consumer, customer support, digital product and performance marketing. Both report to Renfrew.
- **KEY LAUNCHES** included Countertime, six skin-care products dedicated to antiaging pitched as its biggest product launch to date. Formulated with plant-derived ingredients, it garnered strong feedback online.

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DHC CORP.
TOKYO

2019 BEAUTY SALES:
\$437.1 MILLION (EST.)
¥47.65 BILLION (EST.)
-8% VS. 2018 (EST.)

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

KEY FINANCIALS
(FY ended July 31, 2019):
BEAUTY SALES:
¥50.09 BILLION, -3.3%

DOMESTIC SALES:
¥43.07 BILLION, -6.7%
(86% OF BEAUTY REVENUES)

INTERNATIONAL SALES:
¥7.02 BILLION, +24%

MAIN MARKETS: JAPAN, THE REST OF ASIA, THE U.S.

- **STRONG DEMAND** for J-Beauty abroad continued to drive business for DHC's products, with international revenues growing to 14 percent of its beauty sales in 2019, compared with 11 percent a year earlier.
- **NEVERTHELESS, DOMESTIC** beauty sales declined—by an estimated 10 percent in the calendar year.
- **THE COMPANY'S** founder, Yoshiaki Yoshida, retired in July 2019 and Yoshie Takahashi now leads DHC as president. Yoshida continues to serve as chairman.

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PROYA COSMETICS CO. LTD.

HANGZHOU, CHINA

2019 BEAUTY SALES:
\$419.8 MILLION (EST.)
CNY 2.9 BILLION (EST.)
+23% VS. 2018 (EST.)

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

KEY FINANCIALS: N/A

- **ACCORDING TO** estimates, e-commerce was the main driver of Proya's 2019 sales growth.
- **THE COMPANY** collaborated with online influencers to promote its products, such as 17-year-old teen idol Justin Huang, who was named brand ambassador of its best-selling whitening serum in March 2019.

- **THE BLACK SEA** Salt Deep Purifying Bubble Spa Mask under core brand Proya launched in July and reportedly resulted in 100 percent sales growth for the brand on Tmall that month.

- **PROYA FORMED A** joint venture with Spanish skin-care brand SingulaDerm to explore opportunities in the antiaging skin-care market in China, including joint product development and the distribution of the Spanish brand in China.

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NOEVIR HOLDINGS
TOKYO

2019 BEAUTY SALES:
\$410.4 MILLION (EST.)
¥44.74 BILLION (EST.)
+4.5% VS. 2018 (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 September 2019):

COSMETICS SALES:
¥45.18 BILLION, +6%

COSMETICS OPERATING INCOME:
¥13.18 BILLION, +8.5%

DOMESTIC BUSINESS:
more than 90% of sales

Biggest international markets:
Taiwan and China

• **MAKEUP PRODUCTS UNDER** top-end skin-care line Noevir Speciale—first introduced in 2018—helped the brand acquire new customers and increase sales.

• **THE COMPANY OPENED** two dedicated retail outlets under the Noevir Salon de Speciale Ginza banner, offering high-end services and a luxury setting.

• **SALES OF SELF-SELECT** products remained robust, with Excel and Nov expanding their consumer base thanks to new products and broader distribution, and Nameraka Honpo increasing its lineup.

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ALCORA CORP. MIAMI

2019 BEAUTY SALES:
\$387.8 MILLION
-10.8% VS. 2018

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

KEY FINANCIALS:
80% OF SALES COME FROM THE U.S. MARKET

15% OF SALES IN THE LAST FOUR MONTHS OF 2019 CAME FROM SKIN CARE

• **AFTER SEVERAL YEARS** of explosive growth, direct sales brand Monat's sales dipped in 2019, attributed to normal ebbs and flows of business.

• **BRIGHT SPOTS INCLUDED** the launch of skin care, growth in hair care and the introduction of two new international markets—Ireland and Poland.

• **MONAT'S SKIN-CARE LINE**, which contains eight products and launched in September, sold \$4 million in its first 36 hours, the firm said, and sold through half of its 2019 forecast in three weeks, resulting in a 13,000-person waitlist.

• **ALAN MEYERS**, A L'Oréal and Revlon veteran, joined as chief science officer.

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BURT'S BEES DURHAM, N.C.

2019 BEAUTY SALES:
\$377 MILLION (EST.)
+7.7% VS. 2018 (EST.)

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

KEY FINANCIALS:
DOMESTIC RETAIL SALES:
\$361 MILLION, +4%
(based on IRI data)

• **CLOROX CO.-OWNED BURT'S** Bees was once again boosted by increased consumer interest in natural formulations; specific drivers included facial care, cross-category innovation and lip care, which registered double-digit growth.

• **AFTER TESTING** personalized lip balms for the 2018 holiday season, the brand introduced them to its permanent range in 2019.

• **THE COLOR COSMETICS** category continued to resonate with consumers and brought new customers to the brand.

• **CLOROX CO. INVESTED** strongly in CSR initiatives, including the redesign of Burt's Bees' lip balm tubes, now made with 50 percent post-consumer recycled plastic.

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JAFRA COSMETICS INTERNATIONAL WESTLAKE VILLAGE, CA.

2019 BEAUTY SALES:
\$376 MILLION (EST.)
€336 MILLION (EST.)
FLAT VS. 2018 (EST.)

MAIN BRANDS: Vorwerk-owned Jafra (skin, body and hair care, makeup, fragrance).

KEY FINANCIALS: N/A

• **EARLY IN** 2019, Jafra said it would withdraw from Brazil, a market where it has been seeing losses. It anticipated high growth in Indonesia, its third-largest market after Mexico and the U.S.

• **FOLLOWING THE** December 2018 nomination of James Christl as Jafra's president and chief executive officer, he shed his role as chief financial officer in April 2019, with Stacy Wolf, a 15-year company veteran, taking on that role.

• **JAFRA COSMETICS INTERNATIONAL, INC.** completed a \$28 million sale-leaseback of its 126,238-square-foot office/warehouse facility in Westlake Village, Calif. The buyer was PS Southern California One, Inc. The building was occupied by the company, which leased backed roughly 46,000 square feet of office space as its headquarters. The new owner is developing the remaining portion of property.

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COMBE, INC. WHITE PLAINS, NY

2019 BEAUTY SALES:
\$375 MILLION (EST.)
+1% VS. 2018 (EST.)

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

KEY FINANCIALS: N/A

• **COMBE'S VAGISIL HAS** made a mark in women's health, growing sales with a slew of new products that move feminine health to the front burner. The company also purchased the majority interest in Sustain Natural, a five-year-old "vagina-friendly" brand that focuses on natural and sustainable tampons, condoms and other sexual health products. The two brands continue to operate separately, but Sustain has access to Combe's research and development capabilities.

• **VAGISIL ADDED TO** its Scentisive Scents line of products, and launched Odor Block, dry wash spray and Scentisive Scents bath bombs.

• **COMBE WAS THE** number-one player in men's hair color in mass doors in the U.S. in 2009, according to IRI data.

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WELEDA ARLESHEIM, SWITZERLAND

2019 BEAUTY SALES:
\$365.9 MILLION
€327 MILLION
+6.3% VS. 2018

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 and Switzerland.

FASTEST-GROWING MARKETS:
Russia, Ukraine, North America, Asia.

• **WELEDA'S KEY BUSINESS** drivers included the launch of the Skin Food range, a line built around the star product of the same name originally introduced in 1926, as well as the introduction of the Clarifying facial-care range.

• **AT THE** end of the year, Weleda launched its first global brand campaign under the "You are Nature" tag line, intended to highlight the link between nature and the self.

• **THE FIRM EXPANDED** its service business, opening three city spas in the Netherlands.

• **CHIEF COMMERCIAL** officer Andreas Sommer left Weleda in September, and was succeeded by Nataliya Yarmolenko, previously in charge of business in Central, Northern and Eastern Europe.

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HERMÈS INTERNATIONAL PARIS

2019 Beauty Sales:
\$364.7 MILLION
€325.9 MILLION
+4.6% VS. 2018

MAIN BRANDS: HERMÈS PARFUMS: Terre d'Hermès, Eau des Merveilles, Collection Les Jardins, Twilly d'Hermès, Les Colognes Hermès, Eau d'orange verte, Jour d'Hermès, Collection Hermessence, Voyage d'Hermès, 24 Faubourg, Galop d'Hermès, Kelly Calèche, Calèche, Rouge Hermès, Hiris, Amazone, Bel Ami, Equipage, Rocabar, Eau d'Hermès (fragrance). Le Bain (toiletries), Le Parfum de la Maison (home fragrances).

KEY FINANCIALS:
CONSTANT-CURRENCY SALES GROWTH FOR FRAGRANCE:
+4.1%

TOTAL COMPANY SALES:
€6.88 BILLION, +15.4%

• **HERMÈS FRAGRANCE** sales were boosted by the ongoing success of the Terre d'Hermès and Twilly d'Hermès lines, as well as new introductions Un Jardin sur la Lagune and Twilly d'Hermès Eau Poivrée.

• **THE COMPANY ANNOUNCED** plans to debut a beauty line in 2020, starting with the lip category.

• **RETAIL EXPANSION WAS** another area of growth, with new stores in China, Thailand, the U.S. and Poland, a new market for the group.

• **DIGITAL WAS ALSO** a focus, with the launch of a new Hermes.jp platform and digital rollouts in Singapore and Malaysia during the year.

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ABLE C&C SEOUL

2019 BEAUTY SALES:
\$361.8 MILLION (EST.)
KRW 422.21 BILLION (EST.)
+22.2% VS. 2018 (EST.)

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

KEY FINANCIALS:
OPERATING PROFIT:
KRW 1.8 BILLION,
versus an operating loss of **KRW 18.96 billion in 2018**

NET LOSS:
KRW 9.79 BILLION,
-16.3%
(versus 11.7 BILLION in 2018)

• **ABLE C&C SIGNIFICANTLY** improved its profitability thanks to online and overseas sales growth and a focus on reducing costs. Strong sales in China and Japan boosted overall results.

• **THE COMPANY CONTINUED** its expansion into underpenetrated international markets, opening its first stores in Iraq and Ukraine, launching online in the U.K. and Poland, and expanding in Belarus and Turkey.

• **DOMESTICALLY**, the company launched the TR brand, short for Time Revolution, through Lotte Homeshopping, later expanding into duty-free stores.

• **IT ALSO OPENED** Nunc, a multibrand retail chain offering its own and external brands in South Korea, where such concepts are increasingly more popular than single-brand formats.

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EMBELLEZE GROUP RIO DE JANEIRO

2019 BEAUTY SALES:
\$344.9 MILLION (EST.)
R\$1.36 BILLION (EST.)
+35.5% VS. 2018 (EST.)

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

KEY FINANCIALS:
INTERNATIONAL SALES:
10% of revenues, +42%

• **DESPITE ONGOING** POLITICAL and economic uncertainty in Brazil, the growth of Embelleze's multilevel sales business, launched in 2018, led to strong growth for the hair-care player, whose Novex brand is Brazil's market leader in value.

• **IN NOVEMBER 2019**, the company opened a joint venture in Hong Kong with a local partner, with the aim of expanding to 10 countries in the region, starting with Hong Kong, South China and Indonesia.

• **STRONG SALES GROWTH** in international markets came from core brand Novex and innovations integrating ingredients like castor oil, collagen and hemp.

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MILBON CO. LTD. TOKYO

2019 Beauty Sales:
\$332.7 MILLION (EST.)
¥36.27 BILLION (EST.)
+7% VS. 2018 (EST.)

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

KEY FINANCIALS:
DOMESTIC SALES:
¥30.41 BILLION, +6.4%

INTERNATIONAL SALES:
¥5.86 BILLION, +10.2%

TOP INTERNATIONAL MARKETS:
SOUTH KOREA:
¥2.33 BILLION, +13%
(+20.8% in local currency);

CHINA:
¥1.49 BILLION, +8.8%
(+15.1% in local currency).

SALES BY BRAND:
AUJUA: ¥7.49 BILLION, +11.3%
MILBON: ¥2.55 BILLION, +19.1%

ORDEVE:

¥11.13 BILLION, +14.5%

• **IT WAS A** strong year for the Japanese professional hair-care player, with double-digit sales increases for its Aujua, Milbon and Ordeve brands and for its international business.

• **MILBON ENTERED THE** skin-care market in September with the Imprea brand, developed as a joint venture with Kosé and sold at beauty salons.

• **IN JAPAN, MILBON** launched a business-to-consumer e-commerce platform, allowing registered salon customers to shop its products directly online.

• **MILBON USA** introduced Sophistone hair color, starting in Manhattan in July. Geographic expansion is planned for this year.

• **SIGNATURE HAIR-CARE** brand Milbon entered the Philippines.

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PZ CUSSENS
LONDON

2019 BEAUTY SALES:
\$330 MILLION (EST.)
+258.5 MILLION (EST.)
+0.5% VS. 2018 (EST.)

MAIN BRANDS: St Tropez (skin and body care), Charles Worthington, Fudge, Fudge Urban, Stella (hair care). Original Source, The Sanctuary Spa, Imperial Leather (bath, body and skin care), Venus (hair and skin care, toiletries), Joy (skin care).

KEY FINANCIALS (Six months to Nov. 30, 2019):

TOTAL COMPANY SALES FROM CONTINUING OPERATIONS: £293.3 MILLION, -3.1% (-4.3% at constant currency)

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

• **FACED WITH CHALLENGING** conditions in key markets, including Nigeria and the U.K., in July 2019, PZ Cussons initiated a new strategy to streamline its business and focus on core categories, including beauty and personal care, and key geographies.

• **AS PART OF** the restructuring, it announced the disposal of non-core assets, including its business in Greece and Polish personal care brand Luksja, as well as restructuring in Nigeria.

• **THE FIRM'S BEAUTY** sales grew slightly, thanks in part to St Tropez, market

leader in tanning in the U.S. The Original Source brand saw gains thanks to a new TV campaign and product introductions, while sales of The Sanctuary grew 6 percent thanks to extended distribution in the U.K. and online growth. In the six months to November, PZ Cussons' beauty sales overall grew in the U.S. and were stable in the U.K.

• **IN DECEMBER, LONG-SERVING** chief executive officer Alex Kanellis said he would leave the firm in January 2020. In March, PZ Cussons announced that former Avon Products chief operating officer Jonathan Myers would take on the role as of May.

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MANZANITA CAPITAL
LONDON

2019 Beauty Sales:
\$323 MILLION (EST.)
+15% VS. 2018 (EST.)

MAIN BRANDS: Byredo, Diptyque (fragrance), Kevyn Aucoin, Lipstick Queen (makeup), Eve Lom (skin care), Malin + Goetz (skin, body and hair care, fragrance), Susanne Kaufmann (skin, body and hair care, majority stake).

KEY FINANCIALS: N/A

• **THE ONGOING STRENGTH** of the niche fragrance category—in which Manzanita plays with the Diptyque and Byredo brands—accounted for continuing estimated sales gains for the private equity firm, which specializes in niche beauty brands.

• **THE COMPANY TOOK** a majority stake in Austrian indie skin care business Susanne Kaufmann during 2019.

• **DIPTYQUE INTRODUCED SCENTED** temporary tattoos and jewelry in an attempt to court younger consumers. The brand also expanded its standalone footprint in the U.S., driving sales and making it the brand's largest market, ahead of France, according to estimates. In 2019, the brand opened outposts in Hangzhou, Brooklyn, Tokyo, London and Aix-en-Provence. There was also a two-week pop-up for the brand in Shanghai to bolster its presence in China.

• **BYREDO INTRODUCED** a new scent, Slow Dance, and hosted a pop-up in Miami, part of plans to expand the brand's retail footprint in the U.S.

• **MALIN + GOETZ** teamed with cult fashion retailer Kith on a unisex skin-care collection.

• **RETAIL ACTIVITY** Space NK was taken off the market after months of speculation and its global digital director Andy Lightfoot was named chief executive officer. It is unclear whether the Lipstick Queen, Eve Lom and Kevyn Aucoin brands, which are managed as Space Brands Ltd under the Space NK umbrella and were also reportedly up for sale, are still on the market for a buyer.

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NUXE GROUPE
BOULOGNE-BILLANCOURT, FRANCE

2019 BEAUTY SALES:
\$321.2 MILLION (EST.)
€287 MILLION (EST.)
+4.5% VS. 2018 (EST.)

MAIN BRANDS: Nuxe, Bio-Beauté by Nuxe, Resultime (skin and body care, fragrance).

KEY FINANCIALS: FRANCE: APPROX. 54% of sales (EST.)

EUROPEAN SUBSIDIARIES' SALES GROWTH: +11% (EST.)

TRAVEL-RETAIL SALES GROWTH: +30% (EST.)

BIGGEST GROWTH MARKETS: Poland, +17%; Spain, +13%; Italy, +12%

• **IN SEPTEMBER, NUXE** sold a 45.1 percent stake in the business to Belgian family holding company Sofina, with the aim of using funds to accelerate its international development, especially in China, which it entered in 2018. Terms of the deal were not disclosed.

• **EFFECTIVE JAN. 1, 2019**, the company named Muriel Koch, previously general manager of Nestlé's infant nutrition business in France and the Benelux countries, as its general manager, a new role intended to help steer it in its new phase of development, especially outside France. In October, Christine Delfaut-Sara was named marketing and communication director, charged with accelerating product innovation and reinforcing its digital expertise. Founder and majority owner Aliza Jabès remains president.

• **KEY LAUNCHES INCLUDED** Huile Prodigieuse Florale,

a floral version of Nuxe's iconic dry oil product. The new product was the number three on the oil market in France, while its big sister remained number-one in the category in most European markets. In anti-aging, Nuxurience Gold, a new premium range, reinforced the brand, making it the number-one anti-aging brand in French pharmacies.

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LION CORP.
TOKYO

2019 BEAUTY SALES:
\$320.4 MILLION (EST.)
¥34.93 BILLION (EST.)
+5.8% VS. 2018 (EST.)

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

KEY FINANCIALS: BEAUTY SALES IN JAPAN: ¥22.35 BILLION, +6.3%

TOTAL COMPANY NET SALES: ¥347.51 BILLION, -0.5%

• **IN JAPAN, WHICH** reportedly accounts for the majority of sales, Lion Corp. continued to grow its revenues in the hand soap and body wash categories.

• **DOMESTIC SALES** in the deodorant and antiperspirant category fell. The company introduced an antiperspirant gel for the feet.

• **INTERNATIONALLY**, Shokubutsu-Monogatari body wash performed well in Thailand.

• **THE COMPANY IMPLEMENTED** a new management structure on January 1, 2019. Itsuo Hama was named ceo and chairman of the board, while Masazumi Kikukawa became president and chief operating officer.

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SODALIS GROUP
LODI VECCHIO, ITALY

2019 BEAUTY SALES:
\$310.6 MILLION (EST.)
€277.5 MILLION (EST.)
+35.1% VS. 2018 (EST.)

MAIN BRANDS: BioNike (skin and body care, makeup), Lycia (skin care, deodorants), Leocrema,

Dermolab (skin and sun care), Vitesse (skin care), Tesori D'Oriente, Denim (body care, fragrance), Natural Honey (body care), Noxzema, Depilzero, Strep (shaving/depilation), Biopoint (hair care, skin care and sun care), Brellil, Wash & Go (hair care), Deborah, Debby, Rouge Baiser (makeup).

KEY FINANCIALS: ITALY: 74.3% of beauty sales

INTERNATIONAL: 25.7% of beauty sales

• **AFTER ACQUIRING COLOR** cosmetics player Deborah Group at the end of 2018, the company continued to strengthen its portfolio and international appeal, taking over the Natural Honey brand of body wash and lotion—particularly popular in Spain and Portugal—at the end of 2019.

• **IN ADDITION TO** the acquisition, Soldalis' growth was fueled by the commercial integration between the Deborah and Biopoint brands, which share the same target customers, and the positive performance of some brands in international markets, especially Tesori D'Oriente in China.

• **BIONIKE'S SALES WERE** flat, while the change of Brellil's distributor in Ukraine hampered the sales of the hair care label in its prime market. The performance of Lycia was impacted by the investments made to rebuild the brand's pipeline after the company acquired it from Artsana in 2016.

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MEIYUME
HONG KONG

2019 BEAUTY SALES:
\$308.2 MILLION (EST.)
FLAT VS. 2018 (EST.)

MAIN BRANDS: Collection Cosmetics (makeup), Finesse, Aqua Net, Vosene, Bristows (hair care), Yardley of London (in Germany, Austria and the Americas), CD (bath and body), Lypsyl (lip care), Witch, Handsan (skin care), Triple Dry (deodorant), Wrights, Cidal, Simple (soap, in the U.K., Ireland and Channel Islands), Brisk (beard oil), The Beauty Mask Co. (facial sheet masks).

KEY FINANCIALS: ESTIMATED REGIONAL SALES BREAKDOWN: U.S.: 25% E.U. and U.K.: 53.2% Asia: 21.4%

• **POLITICAL UNCERTAINTIES, BREXIT** and trade tensions in various markets hampered sales for Meiyume in 2019.

• **FOLLOWING ITS 2018** spin-off from Li & Fung, Meiyume restructured into three key divisions: packaging and turnkey solutions, retail solutions and brands.

• **COLLECTION COSMETICS REACTED** to consumer demand for genderless products with the launch of You Do You.

• **MEIYUME IS PLACING** an emphasis on making its products more sustainable, with formulas adhering to ISO and COSMOS standards. The company launched a new sustainability strategy with a vision to be "best in class" over the next five years. One key goal is to use 100 percent recycled materials by 2025.

• **THE COMPANY PARTNERED** with the National University of Singapore to create the Beauty Trend Engine, an online webcrawler that collates granular data from multiple sources such as Sephora and social media to generate insights.

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ANASTASIA BEVERLY HILLS
LOS ANGELES, CALIF.

2019 BEAUTY SALES:
\$300 MILLION (EST.)
-16.7% VS. 2018 (EST.)

MAIN BRANDS: Anastasia Beverly Hills (makeup).

KEY FINANCIALS: N/A

• **ANASTASIA BEVERLY HILLS'** sales suffered for a handful of reasons in 2019—the U.S. makeup market was soft broadly, and the brand spent a big part of the year heavily discounting products.

• **ANASTASIA BEVERLY HILLS** brow products remain top sellers—the brand maintained its position as the No. 1 brow brand in the U.S., and Brow Whiz remained the number-one brow product.

• **THE BRAND CONTINUED** its collaborations with influencers, and launched eyeshadow palettes, a challenged category in the U.S., with creators Jackie Aina and Carli Bybel and drag queen Alyssa Edwards.

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CAUDALIE PARIS

2019 Beauty Sales:
\$298.1 MILLION (EST.)
€266.4 MILLION (EST.)
FLAT VS. 2018 (EST.)

MAIN BRANDS:
 Resveratrol[Lift], Vinoperfect, Premier Cru, Vinosource, Eau de Beauté, Vinopure, Vin[Activ] (skin care), Divine Body (body care), Eaux Fraiches (fragrance).

KEY FINANCIALS: N/A

- **CAUDALIE RAMPED UP** its messaging around clean beauty and worked on its environmental credentials in 2019, implementing recycling initiatives in its spas and repackaging its shower gels, a move that it claims allowed it to save 12 tons of plastic last year.

- **THE FIRM CONTINUED** to develop its boutique spa network, with new outposts in Madrid; Brussels; London; Nantes, France, and Hamburg, Germany during the year.

- **KEY LAUNCHES INCLUDED** Vinosource SOS Intense Moisturizing Cream, a richer version to the brand's cult Moisturizing Sorbet product; Vinoperfect Dark Spot Correcting Glycolic Night Cream, and Vinopure Purifying Gel Cleanser, a gel-to-foam product.

- **IN JANUARY 2019**, Emami acquired German brand Crème 21, which has a portfolio of skin-care and body-care lotions and a strong presence in the Middle East and Russia. The brand has sales of more than €8 million, a gross margin of more than 50 percent, and was bought for less than 1.5 times revenues.

- **THE COMPANY BOLSTERED** its men's grooming portfolio with the launch of He Magic Duo, which it says is a unique innovation, with two distinct scents in a single can.

- **NEVERTHELESS GROOMING SALES** fell throughout the year due to weak consumption overall. Domestic growth was low in India, due to the country's slowing economy.

- **EMAMI FOCUSED ON** building new distribution networks, shifting from working largely with wholesalers to engaging directly with retailers, increasing its footprint by 120,000 outlets.

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E.L.F. BEAUTY OAKLAND, CALIF.

2019 BEAUTY SALES:
\$274.3 MILLION (EST.)
+2.6% VS. 2019 (EST.)

MAIN BRANDS: E.l.f. (makeup, skin care).

KEY FINANCIALS:
 SALES GROWTH NOT INCLUDING E.L.F. STORES: **+7.3%**

OPERATING INCOME:
\$9.9 MILLION, -62.2%

NET INCOME:
\$0.3 MILLION, -98%

U.S. SALES:
 APPROX. **90% of business.**

- **IN FEBRUARY 2019**, E.l.f. Beauty completed the closure of its 22 retail stores, all located in the U.S. The investment is being reallocated against the brand as well as development of national retail and digital channels.

- **THE COMPANY LAUNCHED** its first "E.l.f. Is Amazing" awareness campaign delivering 175 different versions of playable ads to pique consumer interests based on their affinities, which it claims "significantly" raised unaided brand awareness.

- **THE BRAND ALSO** made big use of TikTok, launching the #eyeslipsface TikTok challenge, which garnered more than 4.4 billion views and more than 3 million user-created videos.

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EMAMI LTD. KOLKATA, INDIA

2019 BEAUTY SALES:
\$292.6 MILLION (EST.)
20.61 BILLION RUPEES (EST.)
+7.2% VS. 2018 (EST.)

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

KEY FINANCIALS:
 DOMESTIC SALES: **87%**
 INTERNATIONAL SALES:
South Asian Association for Regional Cooperation (43%), Middle East, North Africa and Pakistan (35%), Commonwealth of Independent States (11%), Africa (7%), Others (4%).

BY THE NUMBERS

WINNERS AND LOSERS

THE MARKET REWARDED Natura & Co.'s move to take over the ailing Avon Products in 2019, a deal that closed in January 2020, making both companies' stock among the highest movers in the public beauty world last year. New entrant Guangdong Marubi, which made its stock market entrance in July, and Proya Cosmetics, among the top movers for the second year running, was testament to the financial world's faith in C-Beauty, and hard luxury stocks also continued to perform well. There were few surprises among the worst performing stocks, meanwhile, with several players who have ailed financially appearing on the list for the second year in a row.

10 TOP PERFORMING BEAUTY STOCKS IN 2019

COMPANY STOCK SYMBOL	YR-END 2018* YR-END 2019*	% CHANGE
AVON PRODUCTS INC. NYSE: AVP	\$1.52 \$5.64	+271.05%
GUANGDONG MARUBI SHA: 603983	CNY 29.56 ¹ (\$4.28) CNY 60.03 (\$8.69)	+102.94%
PROYA COSMETICS CO. LTD. SHA:603605	CNY44.07 (\$6.38) CNY88.05 (\$12.74)	+99.88%
E.L.F. BEAUTY NYSE:ELF	\$8.66 \$16.13	+86.26%
NATURA & CO. BVMF:NATU3/NTCO3	R\$22.50 (\$5.71) R\$38.67 (\$9.81)	+71.86%
COTY INC. NYSE: COTY	\$6.56 \$11.25	+71.49%
LVMH MOËT HENNESSY LOUIS VUITTON EPA:MC	€258.20 (\$288.93) €414.20 (\$463.50)	+60.42%
THE ESTÉE LAUDER COS. NYSE:EL	\$130.10 \$206.54	+58.75%
MILBON CO. LTD JP:4919	¥4,470 (\$41.01) ¥6,200 (\$56.88)	+38.70%
HERMÈS INTERNATIONAL EPA:RMS	€484.80 (\$542.50) €666.20 (\$745.49)	+37.42%

10 WORST PERFORMING BEAUTY STOCKS IN 2019

% CHANGE	YR-END 2018* YR-END 2019*	COMPANY STOCK SYMBOL
-72.82%	\$31.57 \$8.58	TUPPERWARE BRANDS NYSE:TUP
-33.18%	\$61.33 \$40.98	NU SKIN ENTERPRISES NYSE:NS
-29.41%	\$25.67 \$18.12	L BRANDS NYSE:LB
-26.23%	\$420.00 RUPEES (\$5.96) 309.90 RUPEES (\$4.40)	EMAMI LTD. NSE: EMAMILTD
-21.22%	€3.44 (\$3.85) €2.71 (\$3.03)	ALÈS GROUPE EPA:ALPHY
-17.11%	\$37.35 \$30.96	EDGEWELL PERSONAL CARE NYSE:EPC
-15.56%	810.65 RUPEES (\$11.50) 684.55 RUPEES (\$9.72)	GODREJ CONSUMER PRODUCTS LTD. NSE:GODREJJCP
-14.97%	\$25.19 \$21.42	REVLON NYSE:REV
-13.71%	\$68.33 \$58.96	WALGREENS BOOTS ALLIANCE NYSE:WA
-11.96%	¥2,969 ¥2,614	POLA ORBIS TYO: 4927

¹ Guangdong Marubi Bio-technology Co. was listed on the Shanghai Stock Exchange on July 25, 2019, with shares priced at CNY 29.56.

¹ In anticipation of its acquisition of Avon Products, which was concluded on Jan. 3, 2020, Natura created a new holding company, Natura & Co. Holding, shares in which replaced those of Natura Cosméticos on the São Paulo stock exchange on Dec. 17, 2019. For each Natura Cosméticos share owned, shareholders were granted one share in the new entity. On their last day of trading, the Natura Cosméticos share closed at R\$36.86 (\$9.34), which represented a 63.82% increase compared with its 2018 closing price.

• MAJOR PRODUCT SUCCESSES

included Holy Hydration skin cream, 16-hour Camo Concealer and Poreless Putty Primer. Skin care is also doing well, rising 35 percent in tracked channels during E.I.f.'s third quarter ended December, not counting its full-chain expansion into Ulta Beauty.

• THE COMPANY HIRED Kory Marchisotto, a 20-year industry veteran who most recently was senior vice president of U.S. marketing for Bare Minerals, as chief marketing officer in February. Mandy Fields was named chief financial officer in March, overseeing all financial aspects of the brand.

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L CATTERTON GREENWICH, CONN.

2019 BEAUTY SALES: \$266.7 MILLION (EST.) -61.1% VS. 2018 (EST.)

MAIN BRANDS: Bliss, CoverFX, Tula, Strivectin. Elemis (through March 31, 2019).

KEY FINANCIALS: N/A

• L CATTERTON SOLD Elemis to L'Occitane for an eye-popping \$900 million in March 2019, accounting for its significant decline in estimated beauty sales for the year.

• BLISS—WHICH WAS REVAMPED and went from prestige channels to the mass market—added additional retail distribution with Target, Amazon and CVS.

• PROBIOTIC SKIN-CARE LINE Tula grew sales online and through Ulta Beauty.

• L CATTERTON IS said to have hired bankers to sell Strivectin and CoverFX, neither of which sold during the year.

• WHILE NOT COUNTED in official Top 100 results, L Catterton saw significant growth from several of the beauty brands it holds minority stakes in, including Il Makiage, which launched an online shade-matching tool that matched more than three million women to foundation shades in the first six months, and The Honest Co., which relaunched diapers and revamped its clean beauty lineup.

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GUANGDONG MARUBI BIOTECHNOLOGY CO.

GUANGDONG, CHINA

2019 BEAUTY SALES: \$263.5 MILLION (EST.) CNY 1.82 BILLION (EST.) +15% VS. 2018 (EST.)

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

KEY FINANCIALS:

SALES IN THE FIRST NINE MONTHS OF 2019 GREW 15% TO RMB 1.21 BILLION.

• MARUBI LISTED ON the Shanghai Stock Exchange in July 2019 after three attempts in five years. The IPO raised CNY 790 million, around \$115 million, which will be used for expansion and IT upgrades, according to the company. Post IPO, L Catterton now owns around 9 percent of the company, in which it invested in 2013.

• PRODUCT INTRODUCTIONS included an expansion of the Marubi Tokyo line, launched in 2018, a collection made in Japan and with more premium price points than the company's core products.

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TUPPERWARE BRANDS CORP. ORLANDO

2019 BEAUTY SALES: \$258 MILLION (EST.) -12% VS. 2018 (EST.)

MAIN BRANDS: Avroy Shlain, Fuller Cosmetics, NaturCare, Nutrimetics, Nuvo Cosmetics (makeup, skin care, fragrance)

KEY FINANCIALS:

TOTAL SALES: \$1.82 BILLION, -12% (EST.)

BEAUTY AND PERSONAL-CARE SALES IN THE NINE MONTHS TO SEPTEMBER: \$190 MILLION, -11.6%

• TUPPERWARE CONTINUES to lose ground in the beauty space. According to estimates, the company notched its fourth year of double-digit losses in beauty and personal care, attributed to market challenges in core markets Brazil, China, the U.S. and Canada. Some losses are endemic to the

direct-sell model, which has been challenged by direct-to-consumer online competitors.

• PATRICIA A. STITZEL stepped down as chairman and chief executive officer, and as a director of the company, effective November 2019, a position she assumed in May 2018. The company appointed Christopher O'Leary, an independent director of Tupperware, as interim chief executive officer, and has commenced a search for a permanent ceo.

• RESULTS WERE further impacted as the company conducted an investigation into accounting at its Fuller Mexico beauty business.

• NEW PRODUCT activity was limited, with a new fragrance flanker from Avroy Shlain called Miss Coppelia. There was also a new vitamin C and retinol entry from Nutrimetics.

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DR. WOLFF GROUP BIELEFELD, GERMANY

2019 BEAUTY SALES: \$252.8 MILLION (EST.) €225.9 MILLION (EST.) +1.3% VS. 2018 (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: €313 MILLION, +1.3% (EST.)

• KEY LAUNCHES INCLUDED Plantur 39's hair-care line combining with hyaluronic acid for women over 40; the Little Lino personal-care line for babies under the Linola brand, and leave-in and mild products for men under Alpecin.

• RAMPING UP DIGITAL capabilities was reportedly a key area of focus for the cosmetics and pharmaceuticals company during the year.

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HUDA BEAUTY DUBAI

2019 BEAUTY SALES: \$250 MILLION (EST.) +25% VS. 2018 (EST.)

MAIN BRANDS: Huda Beauty (makeup), Kayali (fragrance).

KEY FINANCIALS: N/A

• 2019 MARKED THE first year Huda Beauty was up and running with a launch cadence more like that of a regular beauty brand—about one new product per month.

• THE COMPANY'S NUDE Obsession eye shadow palettes and Power Bullet lipsticks were among the successes for the brand.

• HUDA BEAUTY ALSO experienced a fair amount of growing pains. With the launch of Not Your Mama's Panty Hose, a body highlighter, executives ordered significantly fewer units than the market demanded, and the company lost out on sales.

• THE BUSINESS CONTINUED to build its executive ranks, adding Laurent Mialhe as chief supply chain officer, Pierre-Etienne Bureau as chief financial officer, and Susan Kim as senior vice president for global digital and U.S. marketing.

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FABERLIC MOSCOW

2019 BEAUTY SALES: \$245.9 MILLION 15.9 BILLION RUBLES -3.6% VS. 2018

MAIN BRANDS: Platinum, Oxiology, Prolixir, Garderica, Renovage, Beauty Lab, Verbena, Iseul, Vario, Bloom, Faberlic Expert (skin and body care, hair care). Beauty Café (body care, fragrance). Faberlic by Valentin Yudashkin, Renata, Viking (fragrance). Glam Team, Secret Story, Sky Line (makeup). Salon Care (hair care).

KEY FINANCIALS:

DOMESTIC SALES: 50% of business

KEY INTERNATIONAL MARKETS: Kazakhstan, Belarus, Uzbekistan and Kyrgyzstan.

• RUSSIA'S LARGEST HOMEGROWN direct seller saw another decline in sales caused by a challenging economic situation in Russia, where consumers are becoming more cautious and price sensitive and pivoting toward online shopping.

• SKIN CARE WAS a strong performing category, boosted by the launch of the new Iseul, Vario and Bloom lines, resulting in a 13 percent sales increase for the category in the second half of the year.

• POLAND WAS Faberlic's fastest-growing market in 2019.

• ACTIVE CONSULTANT NUMBERS increased slightly, from 1.45 million to 1.5 million.

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CARTIER PARIS

2019 BEAUTY SALES: \$235 MILLION (EST.) €210 MILLION (EST.) FLAT VS. 2018 (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 (fragrance).

KEY FINANCIALS: N/A

• CARTIER CONTINUED TO develop its fragrance business through a focus on its own boutiques and personalized spaces with retail partners in 2019.

• THERE WERE NO major launches for the Compagnie jewelry brand's fragrance activity last year.

• THE BRAND'S "The Perfumed Cloud" installation, created by in-house perfumer Mathilde Laurent in 2017, was presented at the Louvre Abu Dhabi.

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DECIEM TORONTO

2019 BEAUTY SALES: \$232.9 MILLION (EST.) C\$309 MILLION (EST.) +35% VS. 2018 (EST.)

MAIN BRANDS: Niod, The Ordinary, Hylamide, The Chemistry Brand, Abnomoly, Loopaha, HIF.

KEY FINANCIALS:

MAJOR MARKETS:
U.S.: 27% of sales
U.K.: 24%
Canada: 12%
Australia: 7%

• DECIEM'S VISIONARY YET troubled founder Brandon Truaxe died in early 2019. Chief executive officer Nicola Kilner has continued to run the company, working to get the business back in order after some of Truaxe's erratic management decisions.

• DECIEM RELAUNCHED THE Ordinary with Sephora online and expanded the brand to Ulta Beauty during the year, leading to a jump in U.S. sales.

• THE BRAND, WHICH attributed a sharp rise in sales thanks to the success of The Ordinary, increased its production capacity through a third daily shift in its manufacturing plant.

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MÄURER & WIRTZ STOLBERG, GERMANY

2019 BEAUTY SALES: \$229.4 MILLION (EST.) €205 MILLION (EST.) +4.6% VS. 2018 (EST.)

MAIN BRANDS: Baldessarini, 4711 Original Eau de Cologne, 4711 Acqua Colonia, Tabac, S. Oliver, Betty Barclay, Otto Kern, Tosca, Sir Irisch Moos, Nonchalance, Sophia Thiel.

KEY FINANCIALS:

INTERNATIONAL: 35% of sales

• GROWTH DRIVERS FOR the historic family-owned German fragrance maker in 2019 included 4711 Acqua Colonia Intense, a new collection of four long-lasting scents under premium cologne line 4711 Acqua Colonia, which celebrated its 10th-anniversary last year, as well as 4711 Remix Cologne 2019, a lavender scent.

• IN ITS 60TH-ANNIVERSARY year, Tabac introduced the Tabac Original line of grooming products, tapping into the growing barber-influenced market.

93

COLLISTAR MILAN, ITALY

2019 BEAUTY SALES:
\$223.8 MILLION (EST.)
€200 MILLION (EST.)
FLAT VS. 2018 (EST.)

MAIN BRANDS: Collistar (makeup; skin, hair, body and sun care; men's skin care and fragrance; aromatherapy).

KEY FINANCIALS (EST.):

ITALY:
70% of sales

EXPORTS:
30% OF SALES

- **IN 2019, COLLISTAR'S** largest export zones were Russia, the Netherlands and Poland.

- **THE COMPANY APPOINTED** Lorenza Battigello, former chief executive officer of Alès Groupe, as its new general manager, succeeding Daniela Sacerdote.

94

ALFAPARF GROUP OSIO SOTTO (BERGAMO), ITALY

2019 BEAUTY SALES:
\$217.1 MILLION
€194 MILLION
+1.3% VS. 2018

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:
€67.4 MILLION, +4.8%

BRAZIL:
€27.9 MILLION, -11.9%

MEXICO:
€17.5 MILLION, +14.3%

- **SALES GROWTH IN 2019** stemmed from increased activity in skin care, especially new launches targeting different market segments. These included the luxury, gold-based treatment Dibi The Gold and the blue-light protective Ten Science Blue Antiox range, as well as the relaunch of the Becos brand.

- **THE COMPANY** continued to expand internationally, particularly in Asia, launching in China and Thailand.

- **SALES IN BRAZIL** were hampered by overall changes in the distribution model in some parts of the country, where direct agents have substituted distributors, an impact the company considers as temporary.

- **THE COMPANY GREW** its workforce with 140 new hires, for a total of over 2,000 employees.

95

CLIO COSMETICS CO. LTD. SEOUL

2019 BEAUTY SALES:
\$214.7 MILLION
KRW 250.5 BILLION
+33.6% VS. 2018

MAIN BRANDS: Clio Professional, Peripera (makeup), Goodal, Dermatory (skin care), Healing Bird (hair and body care).

KEY FINANCIALS:
OPERATING PROFIT:
KRW 18.7 BILLION (compared with an operating loss of KRW 1.58 BILLION in 2018)

NET INCOME:
KRW 3.08 BILLION, +208.9%

- **FOLLOWING DECLINES IN 2018**, Clio Cosmetics turned its business around last year, attributing its sales increase to strong business across all distribution channels.

- **PROFITS IMPROVED THANKS** to improved efficiencies in China and domestic brick-and-mortar retail.

- **THE COMPANY EXPANDED** offline in Japan and strengthened its operations in China.

96

OLAPLEX NEW YORK

2019 BEAUTY SALES:
\$206 MILLION (EST.)
+37% VS. 2018 (EST.)

MAIN BRANDS: Olaplex (hair care).

KEY FINANCIALS: N/A

- **OLAPLEX'S 2019 SALES** jump is explained through

expanding points of sale—the brand picked up full distribution with Sephora in the U.S., including in J.C. Penney doors.

- **LATE IN THE** year, Olaplex was sold to Advent International for a valuation said to be around \$1 billion.

- **IN EARLY 2020**, the brand named JuE Wong, former chief executive of Moroccanil, as ceo.

- **OLAPLEX WON A** judgement against L'Oréal, the world's biggest beauty company. In the suit, Olaplex alleged L'Oréal violated its patents, stole trade secrets and breached confidentiality related to M&A talks.

- **THE BRAND LAUNCHED** two new products, the No. 6 Bond Smoother leave-in and No. 7 Bonding Oil. Olaplex's No. 3 at-home treatment product continued to be a best-seller.

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LUXURY BRAND PARTNERS MIAMI

2019 BEAUTY SALES:
\$204 MILLION (EST.)
+82% VS. 2018 (EST.)

MAIN BRANDS: R+Co, IGK, V76 by Vaughn, In Common (hair care), Smith & Cult (makeup, nails).

KEY FINANCIALS: N/A

- **LUXURY BRAND PARTNERS'** strong 2019 growth was propelled by gains from R+Co, and IGK, and increased distribution for Smith & Cult, which launched at Ulta Beauty.

- **NANCY BERNARDINI JOINED** the business as chief operating officer in September, after a stint at Glansaal.

- **IN JANUARY 2020**, LBP got a \$50 million investment from Bookend Capital Partners to accelerate plans to launch new brands. As part of that deal, Alexander Panos joined the company's board of directors.

98

PARLUX HOLDINGS INC. NEW YORK

2019 BEAUTY SALES:
\$202.5 MILLION
-7.5% VS. 2018

MAIN BRANDS: Vince Camuto, Kenneth Cole, Jason Wu, Tommy Bahama, Paris Hilton, Pierre Cardin, Norell New York, Sofia Vergara (fragrance).

KEY FINANCIALS:
INTERNATIONAL MARKETS:
20% of sales

- **PARLUX SALES DIPPED** in 2019 due to decreases from Perfumania stores, which the company owns, and department store closings, which led to fewer doors and less shelf space.

- **THE BUSINESS SAW** improvements from its own fragrance brands, which grew sales by 7 percent during the year. Online sales increased, including retailer.com sales and sales via Amazon Luxury, which increased 10 percent. The Vince Camuto women's franchise and Kenneth Cole Mankind Legacy launch drove sales.

- **PERFUMANIA HAS** changed its name to Parlux as part of a plan to devote more resources to wholesale and reduce its retail footprint.

- **LORI SINGER, PREVIOUSLY** group vice president of new business ventures at Coty Inc., was named president of Parlux.

99

ALÈS GROUPE PARIS

2019 BEAUTY SALES:
\$202 MILLION (EST.)
€180.5 MILLION (EST.)
-1.2% VS. 2018 (EST.)

MAIN BRANDS: Phyto, Secret Professionnel, Kydra, Ducastel (hair care), Lierac, Jowaé (skin care).

KEY FINANCIALS:
TOTAL SALES (INCLUDING BEAUTY SUPPLY ACTIVITY):
209.5 MILLION,
+0.6% (+3.2%*)

FRANCE:
€75.8 MILLION,
-3.2% (+1.5%*)

EXPORT:
€133.7 MILLION,
+2.8% (+4.1%*)

SKIN CARE:
€102.7 MILLION, +6%

HAIR CARE:
€106.8 MILLION, +0.6%

*Not including the Caron fragrance activity, sold off in October 2018.

- **ALÈS GROUPE'S** TURNAROUND efforts paid off in 2019, with strong sales in international markets,

especially in Italy, Spain and Greece. Skin care performed well, too, especially Lierac's business in Europe.

- **DESPITE UPHEAVAL ON** the French market due to social unrest, domestic sales were boosted by the Jowaé brand, introduced in late 2017.

- **PATRICK ALÈS, THE** celebrity hair stylist and pioneer in natural hair care who launched the group with the Phyto brand in 1969, died in May 2019, aged 88. He had stepped away from operational management in 2015. His son Romain Alès is currently president of the group's management board.

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KYLIE COSMETICS LOS ANGELES

2019 BEAUTY SALES:
\$200 MILLION (EST.)
+13% VS. 2018 (EST.)

MAIN BRANDS: Kylie Cosmetics (makeup), Kylie Skin (skin care).

KEY FINANCIALS: N/A

- **KYLIE COSMETICS BECAME** the first influencer brand to get the buy in—literally—from a big public beauty company in 2019. Coty Inc. took a 51 percent stake in the business in a deal that closed in early January 2020. The deal valued Kylie Cosmetics at \$1.2 billion.

- **THE BUSINESS' GROWTH** was driven by expansion with Ulta Beauty, where the brand has helped drive foot traffic into stores. Online sales, once the main driver of the business, are said to have dipped considerably.

- **KYLIE SKIN LAUNCHED** in 2019, and contributed about \$25 million in net sales to the company's overall figures.

EDITOR'S NOTE:

Despite multiple attempts, it was impossible to verify a sales figure for Japanese hair color maker Hoyu Co. Ltd. for this year's Beauty Inc Top 100. Had its sales been flat at ¥48.77 billion—the company's beauty sales estimate for 2018, representing \$447.4 million at average exchange for the year—it would have ranked 59 in this year's Top 100, in between Reckitt Benckiser and Morphe.



Pierre-André Terisse, upper right, with members of the Miya team, here and at right.



For the executive, the worlds of beauty and clean water have proved to be more complementary than one might think at first. “Being in Dakar brings me back to the fundamentals of business life on the ground—it’s really enriching,” says Terisse. “All of the concepts that we talk about in the office and make decisions about, I am living once a month very concretely.”

The coronavirus pandemic has also created unexpected commonalities between the two businesses. Coty is producing hand-sanitizer gels in its factories, while Miya Senegal is partnering with a local gel manufacturer to supply bottles there.

Moving forward, once proof of the concept has been verified in Dakar, the plan is to expand to other urban areas across Africa. “The problem of water access in Africa is in the cities, because of the rapid expansion of population in many of them,” says Terisse, noting that Dakar’s population, for example, has tripled in the last 12 years. “There is a need and an opportunity for businesses like this.”

“The lack of access to safe water is a clear factor of poverty in the region,” he continues. “Having the ability to build a business that is going to generate cash flow and jobs in a continent that I find inspiring is magic. Business can have a role in making things better.” ■

WATER DISPENSER

How Coty’s chief financial officer **Pierre-André Terisse** is quenching his desire to meld business and purpose. BY JENNY B. FINE

HIS TITLE MAY BE CHIEF FINANCIAL officer of Coty Inc., but for Pierre-André Terisse, numbers have always been about much more than money. “Finance has to power purpose,” says Terisse. “It has to be at the service of something bigger.”

For Terisse, that something bigger is Miya Water, a mission-based company he cofounded whose purpose is to provide safe drinking water inexpensively and sustainably in Africa.

Terisse became familiar with the African landscape while running Danone’s business there. When the French-based food company decided to focus on its European and American businesses, Terisse’s commitment to the continent remained. Rather than taking another corporate job, he and two former colleagues started Miya, and launched it in Dakar, Senegal in 2019.

Miya launched selling purified drinking water in 10-liter and 19-liter reusable bottles that cost about half the price of other bottled waters on the market. Over the past year, it has grown to 32 employees who deliver about 100,000 liters of water every month, which Terisse expects to quadruple in the year ahead.

“My dream is to build a pan-African water brand, which is operated in Africa and is autonomous,” he says, “without being dependent on European and Western brands.”

Still, when the Coty opportunity presented itself, the role was one whose complexity was equally as appealing to Terisse. So he decided to accept the job, hiring a Dakar-based chief executive officer for Miya and negotiating as part of his Coty agreement time off for monthly trips to Senegal.

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MACY'S IN TRANSITION MODE

Fashion's New Dream Team
Prada has topped the list of fashion brands to watch in 2020, according to a new survey by WWD. The brand's creative director, Miuccia Prada, is expected to lead the company's new dream team, which includes her son, Raf Simons, and other key executives.

MATTER OF INFLUENCE
The influencer wants to generate more than \$1 million in revenue for her hair-care line and customers.



Creed Clinches a Deal
After more than 250 years under the name of the founder, Creed has been acquired by a private equity firm.

Negin Mirsalar Talks Honey, Hair Care & More
The influencer wants to generate more than \$1 million in revenue for her hair-care line and customers.

ON BECOMING A BUSINESS
Negin Mirsalar has two big priorities: to generate more than \$10 million in revenue over the next three years, and to honor her customers. She is currently raising capital for her hair-care line.

BEAUTYINC

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The hype around hemp shows no signs of slowing. As CBD continues its march into the mainstream — racking up beauty and personal-care sales of more than \$12 billion globally — the next generation of cannabis-derived ingredients is coming to market. Combined with CBD, they could significantly increase the category's scope. See page 14.

Plus, Morphe's Move Into Retail, Skin Care's Latest Launches and a PCPC Preview.

ILLUSTRATION BY CAMILA GRAY

LAST CALL FEBRUARY 28, 2020

Social

1. FOUNDATION AT 40
The event's first look was...
2. FOUNDATION AT 40
The event's first look was...
3. FOUNDATION AT 40
The event's first look was...
4. SHIPPY BOOTS
The event's first look was...



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