Annual Report

52nd analysis of the cosmetics industry and consumption in Italy in 2019

COSMETICA ITALIA

associazione nazionale imprese cosmetiche

METHODOLOGY

In relation to production values, that is the global turnover of the cosmetic companies, the Statistics Dept. used the values from the ISTAT panel but, above all, collected and reworked the figures from the financial statements of companies. The constant refining of these bases led to a significant increase in the value of sales, which was revised in previous years to allow comparability over time. As far as market, distribution and product values are concerned, the Statistics Dept. analysed and revised the data based on the categories of Cosmetica Italia, completing them with the NPD, IQVIA, Nielsen, Human Highway, MeTMi and other surveys, integrating the databases with the references defined with the companies within the individual groups. The Statistics Dept. processed the final data, allowing the comparison and remodulation of the historical bases and verifies the congruity of the trends in light of the changes in the distribution channels.

“ Introduction

The Annual Report is now in its 52nd edition and continues to be a key appointment in tracking our sector's progress, dynamics and future developments. It is a fundamental tool made available by Cosmetica Italia to its associates, sector operators, the press and all stakeholders.

As per tradition, the publication looks at the economic phenomena related to 2019, with a focus on conditions that have impacted both the turnover of companies and the market. The 52nd analysis of the sector and cosmetics consumption in Italy illustrates the trends that characterise both the industrial sector and the distribution channels, and confirms the importance of the cosmetic industry for the Made in Italy, with its significant values:

- production, with an increase of 1.5%, is constantly growing and has exceeded €12 billion;
- exports represent 41% of production with a value reaching €4.9 billion;
- the trade balance, stable in its positive trend, exceeded €2.8 billion.
- the domestic market, also currently growing (+2.2%), reached €10.5 billion.

The numbers reaffirm the Italian cosmetic sector's competitiveness, which has thus far always reacted to negative economic situations in a much more positive and dynamic way than other industrial sectors.

The figures are the result of effective investments made by businesses, especially in innovation, research and attention to customer service, but are also due to the value of an extended supply chain that brings together producers of raw materials, machinery and packaging, and includes distribution and the use of cosmetics in the various personal care areas.

The figures in this Report relate to 2019, however at the time of writing we are all still dealing with the effects of a health emergency that has fundamentally changed our way of life in all spheres: family, leisure, social relationships and, obviously, work. And my thoughts go out to all those who have been severely affected by Covid-19 and to those who, still today, are at the front-line of helping the community.

The cosmetics sector also had to deal with the consequences of the pandemic, including the lockdown that affected several distribution channels and the negative impacts on the entire supply chain. However, I am also proud to say that from the very start, our sector has stood out for its solidarity and its ability to convert its production in record times, fundraise and make donations. We have also shown to be an essential supply chain in containing the virus thanks to our personal cleansing products.

We must now continue to prove that we are an industry that is good for the country, a strategic sector in the post-emergency recovery. To face this challenge, the proactive and professional attitude of our companies, from the smallest to the largest, in being able to respond to the changing needs of the markets will be fundamental. My hope is that in a year's time, the Made in Italy brand will come back even stronger and the cosmetics sector will have recovered and affirmed its values, competitiveness and ability to excel on a global level.

June 2020

Renato Ancorotti
President,Cosmetica Italia ”

1 Scenarios in the cosmetics industry

The 2019 analysis cannot but be influenced by the current Covid-19 pandemic crisis; however, it is important to also respect the nature of the annual report that, traditionally, provides the analysis of the year just ended. With this in mind, in relation to 2019, the continuity of the Italian market and industry should be highlighted, despite a still highly uncertain political and economic scenario. The Italian cosmetics sector showed an interesting 1.5% growth, related mainly to the domestic market: indeed, for the first time in more than ten years, there was a sharp slowdown in exports, grown by 0.8%, mainly due to a contraction in demand from the main importing countries of Italian cosmetics. Once again, the counter-cyclical nature of the sector was confirmed, with average production value growth remaining higher than those of other sectors of domestic consumer goods.

Large groups of consumers continued to change their habits, encouraged by new purchase opportunities, and they looked to find a balance between financial availability and a focus on well-being, which they considered indispensable: we witnessed phenomena such as multichannel, channel loyalty indifference, attention to in-store targeted services and the use of electronic commerce, increase. Again in 2019, consumers were still focused on more economical price categories and channels, as well as continuing to purchase premium products, progressively excluding the mid-price range. In some channels, the selective perfume shop channel in particular, the decline in volumes continued, offset by niche and high-priced purchase options. As noted, the turnover of the cosmetics industry rose by 1.5% as compared to the previous year, to €12,007 million. The cosmetics industry, therefore, demonstrated greater robustness compared to other sectors within the Made in Italy system, including in financial terms, as confirmed by the recent analysis of the industry's financial statements. Economic and managerial values were highlighted which, better on average than other industrial sectors, made it possible to cope with the still very uncertain political and economic situation.

The cosmetics industry has thrived on investment and differentiation of new companies in the outlet channels, and due to this domestic demand, sell-in, has had a slightly positive impact on production volumes, with a growth of 2.6% and a value of €7,090 million.

The breakdown of turnover by distribution channel on the domestic market saw positive trends in direct sales (+12%), thanks above all to e-commerce, despite the contraction in door-to-door and mail-order sales, while the other traditional channels showed satisfactory sell-in increases that brought the total value to €6,319 million, with a growth of 2.6%. The performance of domestic sales as a leverage of revenues also highlighted the stability of professional channels, grown by 1.7% with a sell-in value of €771 million. In 2019, visits to beauty and hairdressing salons picked up again, having suffered the most as a result of the economic crisis which exploded in the autumn of 2008.

Contrary to the trends of the last decade, the turnover of national companies has been less impacted by exports which, especially in the second half of 2019, suffered from the same consumption contraction that hit many other markets. Indeed, sales abroad only increased by 0.8%, accounting for €4,917 million. The import trend was positive, growing by 3.7% and affecting the recovery in domestic demand, which was still focussed on products with the best price/quality ratio. The sector's trade balance remained largely positive, at just under €2,800 million.

The analysis of turnover percentages by destination channel offered interesting new perspectives: the mass market remained stable, accounting for 26.3% of turnover. The increase in exports, which accounted for 41% of turnover, slowed down, while direct sales grew (6.8%). The pharmacies share, today at 8%, stabilised, as did that of perfume shops, standing at a 10.7% share.

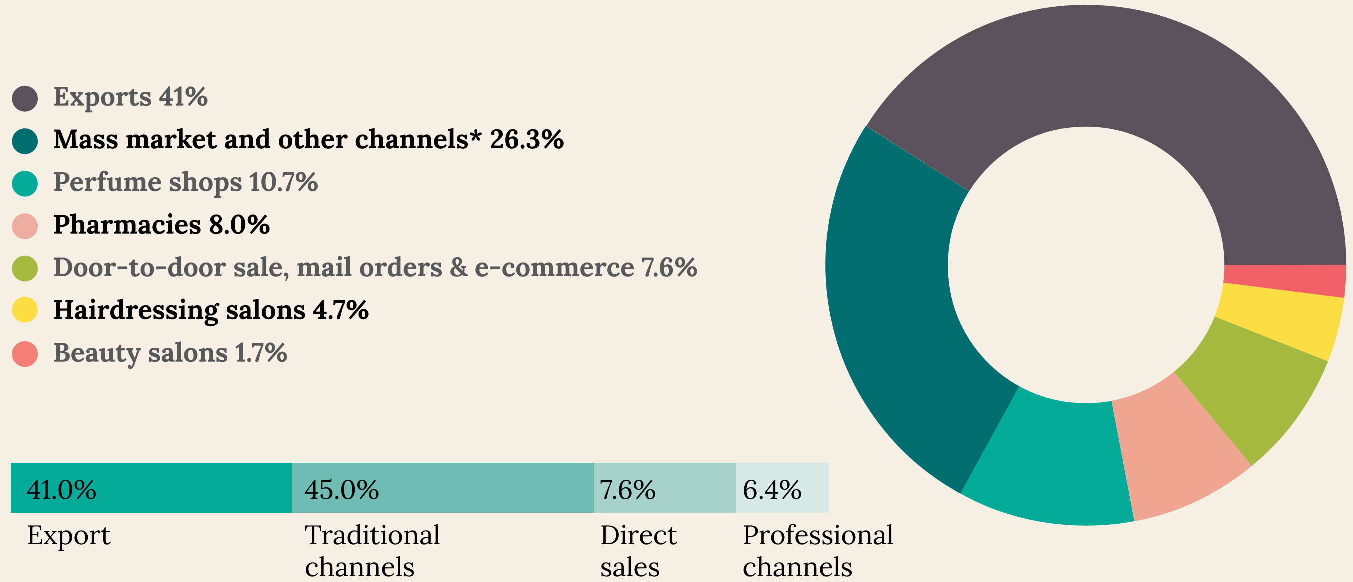
The final figures for 2019 confirmed the competitive dynamics of the cosmetics industrial system thanks to a constant focus on research and innovation by companies in the industry that made above-average industrial investments.
To complete the scenario, the Statistics Dept. provided an analysis which was extended to cover the cosmetics supply chain as a whole, with a view to proposing a broader metric offering a dynamic and rational overview (with the necessary adjustments) of the phenomena affecting the chain at various levels, both upstream and downstream. From cosmetic ingredients to production machinery, packaging and the finished product, including all the segments related to cosmetics, the intention was to provide a general overview of the long supply chain of the Italian cosmetics industry. The value of the economic system, including the values of the various distribution channels, exceeded €33,200 million in 2019. Constant investment in research and innovation was common to all "links" within the supply chain including raw materials, machinery and packaging, as was the difficulty of predicting scheduled, ongoing orders; a sign of prudence and uncertainty which continues to affect markets. The economic system of Italian cosmetics showed significant value and a unique dynamic, thanks to manufacturers both upstream and downstream, and companies in direct contact with the customer – all of which served to reiterate the competitiveness and excellence of Made in Italy cosmetics.
The Italian cosmetics industry is recognised worldwide for its innovative formulations and the dynamic service of its manufacturers. added to this is the continuous study of consumer trends, which is essential for establishing oneself in the counselling field. It is these characteristic factors that have allowed the Italian cosmetics supply chain to excel in values related to social well-being and quality of life.

Cosmetics industry turnover

Production values in € millions	2018		2019	
	Value	% var.	Value	% var.
Turnover in Italy	6,914	0.9	7,090	2.6
Turnover generated in traditional channels:	**6,156**	**0.9**	**6,319**	**2.7**
• of which in pharmacies	954	0.0	966	1.2
• of which in perfume shops	1,254	1.2	1,282	2.2
• of which in the mass market and other channels (*)	3,132	1.0	3,158	0.8
• of which for door-to-door, mail-order and e-commerce sales	816	0.7	914	12.0
Turnover generated in professional channels	**758**	**0.5**	**771**	**1.7**
• of which beauty salons	200	0.5	202	0.9
• of which hairdressing salons	558	0.5	569	2.0
Export (Turnover abroad)	**4,877**	**3.8**	**4,917**	**0.8**
Global turnover of the cosmetics industry	**11,791**	**2.1**	**12,007**	**1.5**

(*) includes herbalist stores and single-brand stores

Breakdown of sales for each destination channel



(*) includes herbalist stores and single-brand stores

The cosmetics economic system in 2019

Values in € millions	Sales points	Specialists	Cosmetics industry turnover	Value of the cosmetics economic system
Mass Market	31,100	25,000	2,600	4,000
Perfume shops	7,000	25,000	1,300	3,000
Pharmacies	18,900	15,000	1,000	2,200
Hairdressing	95,000	180,000	600	4,000
Herbalist stores	5,200	13,000	500	500
Beauty salons	35,000	83,000	200	2,000
E-commerce	-	1,000	500	500
Door-to-door and mail-order sales	-	13,000	400	500
Extended supply chain*	-	36,000	-	16,500
Total	**192,200**	**391,000**	**12,007 (of which 4,900 generated by exports)**	**33,200**

(*) The extended supply chain includes the entire production system, from raw materials to machinery and packaging

The Italian territory

According to figures taken from ISTAT data, in 2019 the largest concentration (81.3%) of cosmetics companies continued to be in northern Italy, in line with last year's percentage.
Lombardy was once again the region with the highest density of cosmetics companies, with more than 55%, followed by Emilia-Romagna with 10.1%, the Veneto with 7.2%, and Piedmont with 4.7%. In Calabria, Sardinia, Molise and the Aosta Valley there were very few industrial sites, while Liguria, with a share of 1.6%, brings up the rear in the North. Although the values are not significant, small manufacturing companies started emerging in many regions, often associated with the local area and specific niche products, as in the case in Apulia and Campania.
The geographical distribution of the turnover of cosmetics companies in 2019 confirmed the strong concentration in Lombardy (with just under 67% of industry turnover), followed by Lazio (with 10% of industry turnover) and Tuscany, which accounted for 5.7%. Also interesting was the figure of 4% for Piedmont.
A large part of the concentration in Lombardy was due to subcontracting to numerous production facilities.
In this respect, the importance of subcontractors has particular implications for the geographical distribution of turnover.
Indeed, subcontractors generated a total turnover close to €1,600 million, 81.8% of which was concentrated in Lombardy which, with a value of more than €1,520 million, remained the region with the highest production rate in the Italian industrial cosmetics industry. The remaining companies were concentrated in the regions of Emilia-Romagna, accounting for 5.7% of turnover, and Lazio, with 3.9%.

Geographical distribution of cosmetics companies in 2019

Percentage breakdown

Abruzzo	0.9%	Molise	0.2%
Calabria	0.2%	Piedmont	4.7%
Campania	1.4%	Apulia	0.9%
Emilia-Romagna	10.1%	Sardinia	0.2%
Friuli-Venezia Giulia	1.0%	Sicily	0.7%
Lazio	4.5%	Tuscany	5.8%
Liguria	1.6%	Trentino-South Tyrol	1.2%
Lombardy	55.5%	Umbria	1.6%
Marche	2.4%	Veneto	7.2%

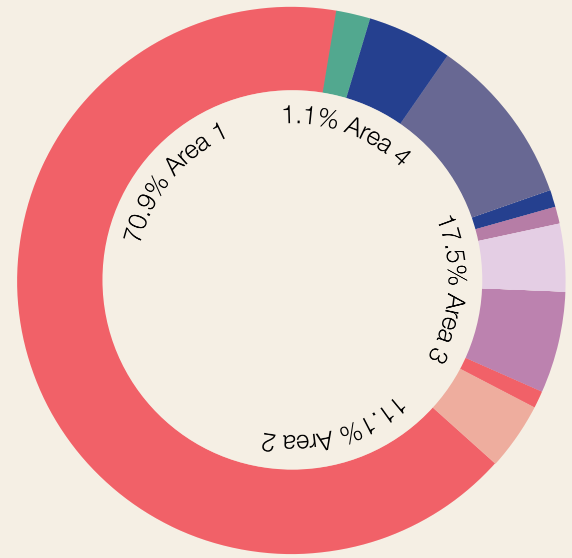
Top 3

Lombardy	1
Emilia-Romagna	2
Veneto	3

Geographical distribution of the turnover of cosmetics companies in 2019

Source: Prepared by Cosmetica Italia from Plimsoll data, subdivided by Nielsen area

Liguria	0.2%
Lombardy	66.5%
Piedmont	4.0%
Aosta Valley	0.2%
Emilia-Romagna	6.6%
Friuli-Venezia Giulia	0.4%
Trentino-South Tyrol	0.2%
Veneto	3.9%

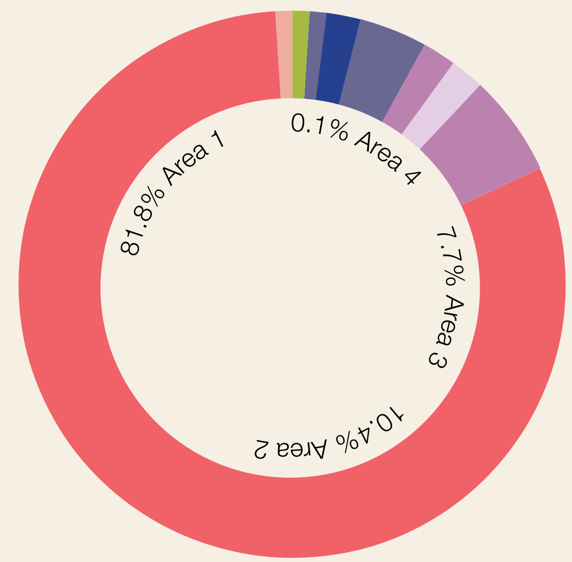


Abruzzo	0.1%
Basilicata	0.5%
Calabria	0.0%
Campania	0.3%
Molise	0.0%
Apulia	0.1%
Sicily	0.1%
Lazio	10.0%
Marche	1.0%
Sardinia	0.0%
Tuscany	5.7%
Umbria	0.8%

Geographical distribution of the turnover of cosmetics subcontractors in 2019

Source: Prepared by Cosmetica Italia from Plimsoll data, subdivided by Nielsen area

Piedmont	0.7%
Lombardy	81.1%
Emilia-Romagna	5.7%
Friuli-Venezia Giulia	2.4%
Veneto	2.3%



Abruzzo	0.0%
Campania	0.0%
Apulia	0.1%
Lazio	3.9%
Marche	2.8%
Tuscany	1.0%

Distribution channels

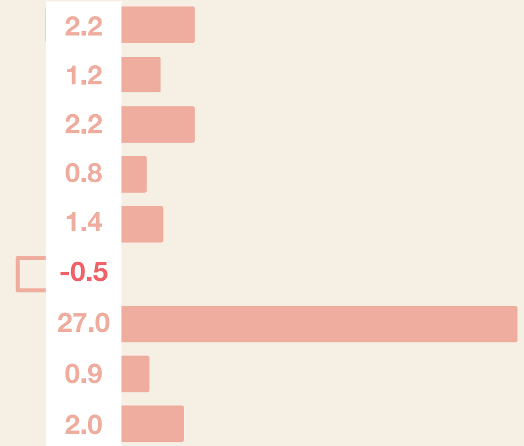
The value of the demand for cosmetics in Italy exceeded €10,550 million at the end of 2019, with a more sustained growth compared to the last few years, +2.2%. The cross-contamination between classic channels and new kinds of retail has expanded, and distribution in particular was increasingly less defined in traditional channels, where new kinds of selling, such as the organised mass market, single-brand stores, specialised corners and electronic commerce has engaged consumers. The latter have thinned out the use of direct sales and slowed large retail outlets down, while remaining stable in professional channels. Omnichannel has led many companies to review their distribution strategies, creating the new disintermediation phenomena. Within the various clusters, the approach to new products, often with natural connotations, grew and the polarisation of consumption expanded: new products, perhaps niche and not necessarily branded on the one hand, and high end, branded and innovative on the other.
The negative effects of the recession on purchasing propensities were felt less than in other sectors, and this generated changes in choices within the traditional channels, and at the same time the recovery in the attendance of professional channels is confirmed.
The slow but costly recovery in all traditional channels, with the exception of large retail outlets and direct sales, continued in 2019. Disaggregated from the latter category, online sales – for which the review and adaptation of statistical bases is increasingly being perfected – were still very much the major phenomenon of recent years, with a strong growth (+27%) to the tune of around €500 million at the end of 2019.
Also for this year, the performance of sales in the mass market retail sector, which grew by 0.8%, with a value that exceeded €4,340 million, was driven by the development of single-brand stores and stores specialising in home and toiletry products.
Consumption in the herbal stores channel, close to €450 million, grew by 1.4%, in line with the last few years.
Signs of growth, essentially in value, came from the perfume shop market, +2.2%, with over €2,080 million, despite the transformations in the methods of selective distribution. These transformations generated a gap which is in continuous evolution. On the one hand this bears witness to the reduction in numbers and weight of consumption in traditional perfume shops, while on the other, the prominence of specialised chains is confirmed, as these are becoming more attentive to customer service and the new requirements of consumers.
In 2019, the absolute value of the professional channels also stabilised: consumption in hairdressing salons, +2%, and beauty salons, +0.9%, with a value of almost €830 million.
In 2019, the substantial stability of the price trend, which is part of the country's overall inflation, continued, conditioned by uneven recovery trends. Perfume shops, the only exception, marked the most notable variation in prices among the various channels, +6.5%, due to remodelling and new products, while there was a substantial stability in the others, with the exception of the mass market, in particular the supermarkets and hypermarkets, which recorded a marginal contraction. Even in the professional channels there was a steady marginality.
Despite marginal changes in the cosmetics market scenario, some signs cannot be ignored, such as the evolution of new channels and the internal transformation of traditional sales channels. In fact, in Italy, as is already the case in other countries with a strong propensity to consume, consumers have acquired new approaches to spending and new habits even in the modes of pre-purchase knowledge.
At the beginning of 2020, estimates of market trends marked a substantial stability, with growth close to two percentage points, highlighting the recovery of professional channels and mass market specialised distribution.

From March 2020, as a result of the Covid-19 pandemic and its related restrictions, the scenario changed profoundly, with forecasts of a drop in consumption values close to 20% by the end of the year.

Total cosmetic products market in 2019

Retail prices VAT included, consumption in millions of euro - Var. % 2019/2018

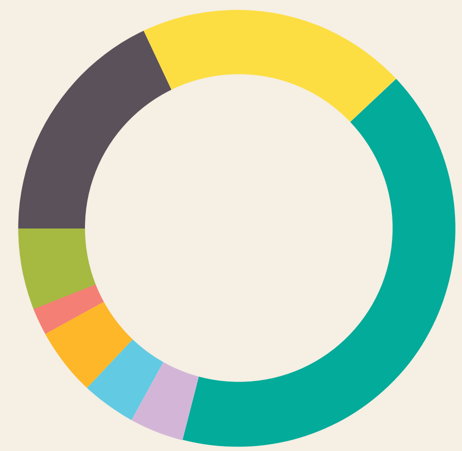
Industry total	**10,558**	2.2
Pharmacies	**1,877**	1.2
Perfume shops	**2,083**	2.2
Mass market and other channels*	**4,346**	0.8
herbalist stores	**447**	1.4
Direct sales: door-to-door and mail-order sales	**480**	-0.5
E-commerce	**498**	27.0
Beauty salons	**239**	0.9
Hairdressing	**588**	2.0



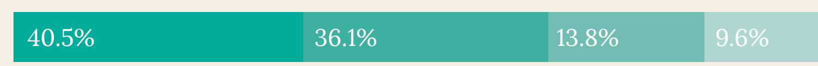
(*) includes single brand stores

Percentage breakdown of consumption by distribution channel in 2019

- Pharmacies 17.8%
- Perfume shops 19.7%
- Mass market and other channels* 41.2%
- Herbalist stores 4.2%
- Direct sales: door-to-door and mail-order sales 4.5%
- E-commerce 4.7%
- Beauty salons 2.3%
- Hairdressing salons 5.6%



Mass market retail and other channels



Supermarkets – hypermarkets	SSS-Drug	Single-brand stores	Other products
40.5%	36.1%	13.8%	9.6%

(*) includes single brand stores

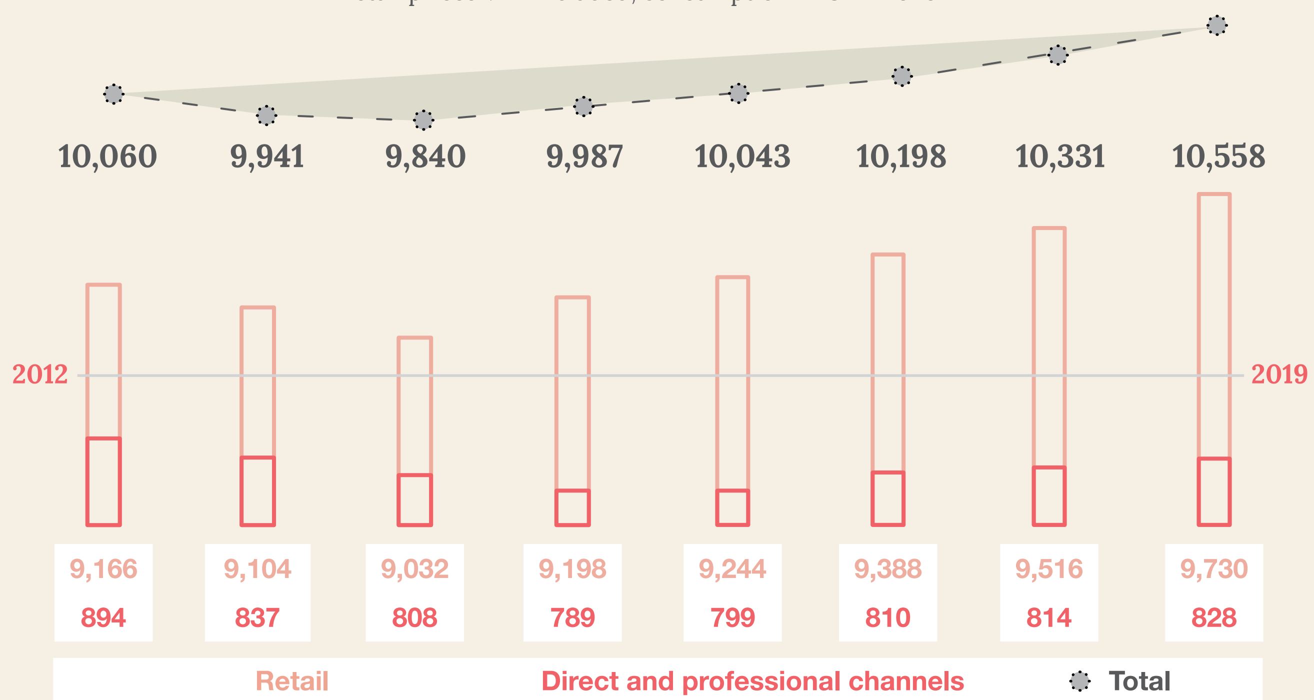
Trends in distribution channels

Channel	Consump-tion	Quantity	Prices
Pharmacies	1.2	1.0	0.2
Perfume shops	2.2	-5.0	6.5
Mass market and other channels*	0.8	0.6	0.5
of which supermarkets and hypermarkets	-1.4	-1.5	-0.1
Herbalist stores	1.4	1.2	0.2
Total traditional channels	**1.3**	**1.0**	**0.5**
Direct sales: door-to-door and mail-order sales	-0.5	-0.5	0.1
E-commerce	27.0	27.0	0.5
Beauty salons	0.9	0.0	1.0
Hairdressing	2.0	1.0	1.0
General total	**2.2**	**1.0**	**1.9**

(*) includes single brand stores

Developments in consumption of cosmetics 2012-2019

Retail prices VAT included, consumption in € millions



Pharmacies

In 2019, concerns related to the application of the new competition decree which, in addition to allowing corporations to own pharmacies also required pharmacies to adopt an approach in many cases still unknown, especially in evaluating company performance, seemed to subside . In some quarters, cosmetic consumption in pharmacies showed signs of uncertainty, albeit always remaining positive. Indeed, the value of cosmetics purchases in this channel was close to €1,900 million, with a growth of 1.2% and the forecasts for early 2020, before the Covid-19 crisis, indicated a further growth of +2% in sales, the second highest position that perfume shops have held for over 50 years of cosmetics history.

The cosmetic products sold in this channel represented 17.8% of the total market, a percentage that has recently grown, buoyed up by the trust that consumers place in pharmacies as a retail outlet, particularly with regard to the levels of specialisation and attentive service typical of this channel.

The changing needs of consumers and the confidence that they have in pharmacies, their levels of reliability, specialisation and care of ancillary services, are the dynamics that characterised and still explain the general stability of the channel and its, though apparently yet unexpressed, potential.

Specifically, talking about products, and underlining the increasingly evident expansion of the categories of cosmetics sold, 2019 was marked by downward trends in anti-ageing and anti-cellulite products, balanced by the growth in sales of specific dermocosmetics. The disaggregated surveys of cosmetics sold in concessions in large retailers and para-pharmacies help to understand how the distribution of products destined for the pharmacy channel has evolved. Suffice it to say that in 2009 these sales accounted for 7.9% of the total channel, while today they account for 18.9% despite the recent measures concerning economic policy. In recent quarters, however, the figures for corner and para-pharmacies appeared to be slowing down somewhat, partly due to the transformation of large retail outlets. However, the sales composition for concessions and para-pharmacies in IQVIA data highlighted some interesting points: in para-pharmacies, sales of facial and body care products represented nearly 54% of sales, while in concessions it was a less concentrated composition, with products for body care (24.7%) just above oral hygiene products (19.9%) and facial care products (18.2%).

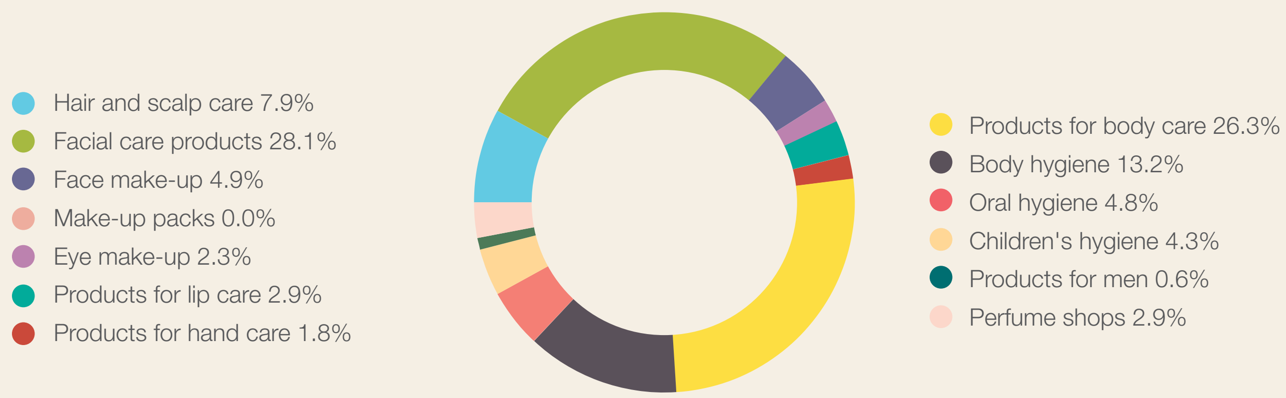
In recent years, pharmacies have strengthened their investments in cosmetic products and sales staff specialisation, more so than other traditional channels; in addition, there has been an increasingly close relationship between companies and pharmacists, who worked together to invest in the identity of the pharmacy and its position within the market, as well as turning their focus to customers. Numerous pharmacies invested, more than any other sales channel, in cosmetic products and specialist sales staff, with promotions and offers creating a new impact. At the same time, the adoption of e-commerce seemed inevitable.

In addition, more than in other channels, pharmacies operated policies promoting customer service and rewarded consumer loyalty, helping to build a steadier relationship. The various investigations, proposed by the Association, have examined the structural transformation of the channel, characterised and conditioned by the aforementioned competition decree. There was an increase in the density of chains, particularly virtual chains, which was an evolutionary step compared to consortia and purchasing groups. In any case, as researched in other consumer analysis, there has been ample room for improvement with a view to expanding the customer base; for example, more work could be done in various clusters, especially in the over-50 age group.

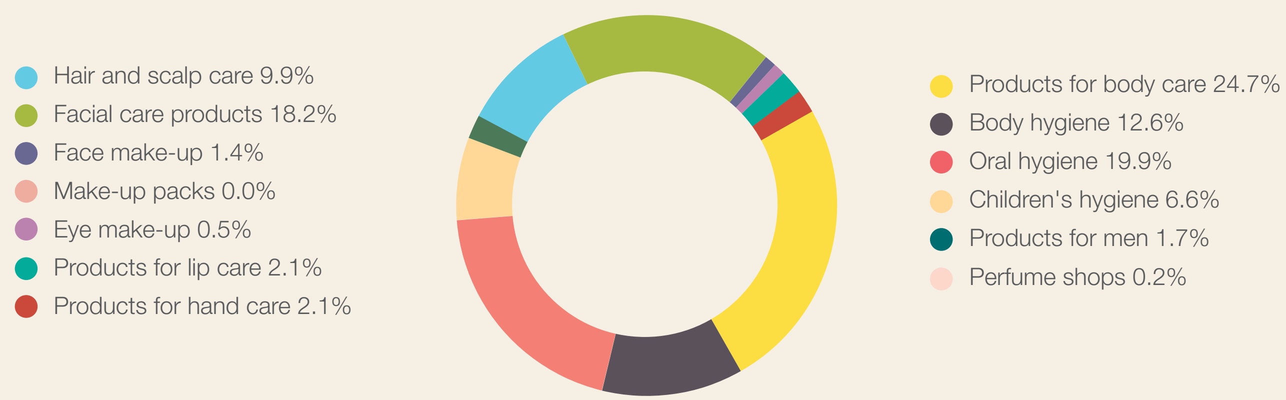
There have some distinctive characteristics of cosmetics consumption in pharmacies: the consumer is driven to choose pharmacies over perfume shops, for example, for direct and pragmatic reasons, although, when we imagine the future sales environment we see a functional and commercial crossover between the purely pharmaceutical area and more attractive areas dedicated to beauty products.

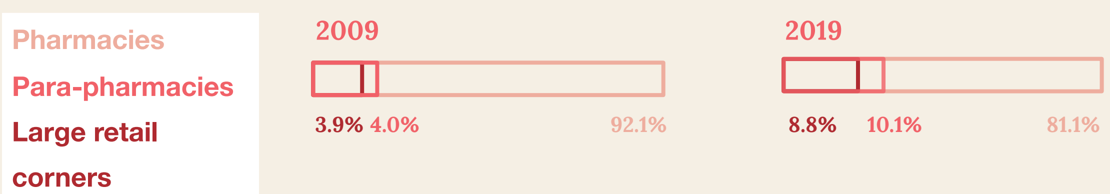
Two phenomena are emerging in the pharmacy channel: on the one hand, medium-sized companies have shown more interesting growth rates than the main brands; on the other, there is an increasingly marked differentiation of the offer, in which products from often distant business models sit side by side. This is a new opportunity for pharmacies to stand out and position themselves.
Last but not least, the phenomenon of digital transformation which, transversal to traditional channels, is also affecting the realities linked to the pharmacy channel. In fact, online cosmetics sales have reached almost €150 million with a growth of more than 20% per year.

Percentage composition of sales in para-pharmacies



Percentage composition of sales in large retail corners





Perfume shops

In 2019, the perfume shop channel recorded a growth of 2.2%, a significant recovery, with values that essentially rose thanks to price increases that were significantly higher than the sector average. The total value of the channel at the end of the year was just over €2,080 million, confirming perfume shops' position in second place, after the mass market, within cosmetics sales in Italy, with about 20% of the total. In comparison with other channels, it is clear that perfume shops still had a hard time reshaping their offer. It is precisely from the comparison with other channels that we can see the importance of the mix of products distributed. While in terms of weight, for example, the mass market reached 60% of value distributed with the first six products, the perfume shop channel covered the same share with two items, perfumes and face creams. The pharmacy channel accounted for a similar share with four different product families. The percentage of total sales has nonetheless dropped compared to previous figures, partly as a result of the statistical review, which served to shed more light on the phenomenon of e-commerce. For some years now and in comparison to other channels, the consumption of cosmetics in this selective channel has shown the greatest drop in volumes compared to values. The companies in the sector have put in place promotional and brand enhancement activities, although the static nature of many traditional/neighbourhood perfume shops continued, in opposition to the dynamics of success not only by organised chains (and regional ones in general) but also by those small distribution companies that have been able to highlight the concepts of niche and exclusivity. There are many new phenomena, including single-brand perfume shops, luxury chains, perfume bars and new experiences crossing over with e-commerce. More than other traditional channels, perfume shops have undergone a major transformation during the course of the last decade, aided by the change in consumer habits and the introduction of new types of distribution that have called into question the values embraced by the channel since the beginning of the post-war period. Consumers, who have been further put to the test by an economic situation that has put the brakes on their propensity to buy, and who are alert to the new forms of distribution offered (single-brand stores in the first instance), are moving towards new and diversified distribution levels.
The transformation of this channel – which, according to the historical records of the Statistics Dept. accounted for a third of all cosmetics consumption in 1980 – is plain to see. Today, however, it barely reaches 20%. If the start of 2020 saw some consumption tension, especially in traditional perfume shops, the explosion of the crisis linked to the pandemic at the beginning of March generated profound difficulties with a drop in consumption that at the end of April 2020 was at -65%. The slow recovery after lockdown has expanded the reaction gap between the more reactive chains and individual undertakings.

Mass market and other channels

The mass market channel recorded an increase of just under one percentage point in 2019, with the value of cosmetic consumption exceeding €4,346 million. Again in 2019, the channel was affected by the transformation of consumer purchasing options. The considerable weight, in terms of volume, more than 40% of the national market, required from companies specialising in the mass market a strategic review of the positioning and marketing activities. Indeed, considering consumption trends, it is important to observe the internal changes to different stores. In fact, there are still significant differences in contexts, even though in general the companies dedicated to the channel have developed important investments in their ranges and have tried to optimise price positioning. The gap between sales of cosmet-

ics in traditional supermarkets and hypermarkets (down by 1.4%) and sales in specialised stores – also referred to as "home and personal care" outlets (or the "modern channel", as some research institutes call it), which have grown by more than 4% – has become increasingly evident. The growth and dynamic impact of new single-brand stores, which grew by 2%, is not slowing down, while the contraction in self-service consumption is expanding, losing 8%. IT is clear that the new consumption flows adopted by new forms of distribution that are often difficult to classify, is having an impact on the channel and its structural complexity.
Although mixed trends are still observed in the various commercial outlets, the mass market in general is facing economic difficulties and pressure at various price points. This is despite its recognised ability to offer products that represent excellent value for money. The "hourglass"/polarisation phenomenon continued, consequently steering consumers towards niche products, as well as items offering a high price/quality ratio.
An analysis of large retail sales over the last four years confirms the transformation and development that have occurred within this channel, with an extremely diverse range of retailers, not just in terms of size. The total value of this category, as a result of the separation of the value represented by herbalist stores and single-brand stores, slightly exceeded the €3,740 million mark in 2019 (this figure was €3,670 million in 2015). Among the various different types of store, the average trends over the last four years have revealed a couple of exceptions to the rule, with discount stores achieving a value of €237 million in 2019, and the aforementioned self-service specialist drug stores (i.e. shops selling home and personal care products) rising from €1,355 million in 2016 to €1,567 million last year. The largest stores, supermarkets and hypermarkets saw a worrying drop, with a contraction of 1.4%, which, with the share of 47%, still saw them as the most important aggregate of total Italian drug stores; threatened by the 41.8% of the home and personal care department stores.
Performance analyses by product sold in the different channels show that the most evident growth rates are offered by foundations and coloured creams in self-service specialist drugs, and moisturising and nutrient creams in discounts. At the start of the 2020 lockdown, during the first phase of the pandemic in Italy, the phenomenon of hoarding began, and this led to continuous consumption of products related to personal hygiene, home hair colouring and body care. After an initial backlash, at the end of May 2020 the channel rhythms resumed as per before the crisis, despite an increase in new online purchasing habits which appear to be consolidating.

Trends in consumption in mass market channels by type

		Var %'19/'18
Hypermarkets	Retail outlet covering a sales surface greater than or equal to 2,500 m²	-1.4%
Supermarkets	retail outlet covering a sales surface between 400 and 2,499 m²	
Self-service	retail outlet covering a sales surface between 100 and 399 m²	-8.0%
Discount	retail outlet characterised by an unbranded inventory	0.7%
Self Service Specialist Drug (SSS-Drug)	store which sells mainly household and personal care products	4.0%

Large retail profiles and associated turnover of cosmetic products

Values in € millions and % variations

	Value '16	share %	Value '17	share %	Value '18	share %	Value '19	share %	Var. '16/'15	Var. '17/'16	Var. '18/'17	Var. '19/'18
Hypermarkets + supermarkets	1,865	50.8%	1,803	49.3%	1,785	47.9%	1,761	47.0%	-3.4%	-1.0%	-2.8%	-1.4%
Self-service	240	6.5%	210	5.7%	197	5.3%	182	4.9%	-14.5%	-6.6%	-5.7%	-8.0%
Discount	212	5.8%	233	6.4%	235	6.3%	237	6.3%	9.3%	0.8%	5.0%	0.7%
SSS-Drug	1,355	36.9%	1,414	38.6%	1,507	40.5%	1,567	41.8%	4.1%	6.2%	6.1%	4.0%
Total – Italian drug stores	**3,672**	**100.0%**	**3,660**	**100.0%**	**3,724**	**100.0%**	**3,747**	**100.0%**	**-0.2%**	**1.6%**	**0.9%**	**0.6%**
Single-Brand stores*	386	9.5%	400	9.9%	588	13.6%	600	13.8%	2.9%	3.5%	2.5%	2.0%
Total OTHER CHANNELS	**4,058**		**4,060**		**4,312**		**4,347**		**0.1%**	**1.8%**	**1.1%**	**0.8%**

(*) Cosmetica Italia Statistics Dept. estimate

Analysis of best performance

		Var %'19/'18
Discount	Foundations and coloured creams	25.6%
	Face powder	15.0%
	Face and eye detergents and make-up removers	12.9%
Hypermarkets/ Supermarkets	Lipsticks and lip glosses	26.7%
	Masks and exfoliant scrubs	18.0%
	Protection, colourless foundations and sun sticks	13.6%
SSS-Drug	Periocular area and specific zones	14.9%
	Eau de toilettes and unisex perfume	12.9%
	Post-shampoo treatments, balsams and masks	10.0%

Herbalist stores

In 2019, despite competition from other channels, including the mass market in terms of prices, and after years of above average growth for the cosmetics sector, consumption in herbalists stores remained positive with a growth of 1.4%. The market value was close to €450 million, thanks above all to sales by companies owning specialised single-brand stores, with traditional herbalist stores performing less well.
In the new context, which saw naturally derived products also traded within other channels, traditional herbalists stores gradually lost their appeal, branding became increasingly important, to the point that companies reshaped their distribution and positioning strategies. This generated uneven trends, with decreases evident in traditional herbalist stores and more positive trends in single-brand and specialised corners. Sales in herbalist stores confirmed the buying decisions of those groups of users who prefer assisted and "recommended" sales. The motivations driving consumers in herbalist stores do not take into account either the price or promotions, proof of their loyalty to a well-established channel.
Recent analysis by the Statistics Dept. has confirmed that products with a natural connotation, with an estimated value of almost €1100 million, are sold in all channels, although the herbalist store channel stands out, owing to its evident level of specialisation. The new identity analysis of the channel deriving from new consumer choices and purchasing habits that generate new types of distribution as alternatives to the traditional, not least the use of online sales, was evident.

Hairdressing salons

Good consumption performance at the end of 2019 continued, both for cosmetics used in services and for resale in hairdressing salons. However, IT should be noted that the effect of the long lockdown of salons, both hairdressing and beauty salons, during the Covid-19 pandemic, with the resumption of activities in the second half of May 2020, is a concern in the relation to recovery of activities.
In 2019, the slow but significant return of customers affected growth by two percentage points, with a value that was close to €590 million. Companies confirmed their investments in new product combinations, specific training and capillary distribution. While hairdressing salons, together with the supply chain, showed efforts to reinforce loyalty and remodel services, also with greater attention to resale. Considering the products, they still included colouring products but there was a decrease in finishing products, while products for treatment remained stable. Indeed, the market value included both products used for services and those sold in salons, as well as products sold and used outside salons. The latter constituted a weight of about 15% of the aggregate value. The new phenomenon of online sales of specific products by some salons is interesting.
The guidelines for the online survey coordinated by the Camera Italiana dell'Acconciatura are significant: the online survey was sent to a significant number of hairdressers, and the results were compared with a similar exercise conducted in 2018, allowing for key indicators, such as prices in salons, to be updated. It should be noted that the participants in the survey were well-qualified, in light of their propensity to use digital technologies; findings show that the average price for hair colouring was quoted as being between €21 and €30 by more than 47% of respondents, while 39% quoted the average price for styling as being between €31 and €40.

Price charged for full head colour applied to medium length hair

(Online survey results)

up to €20	11.6%
€21–€30	46.7%
€31–€40	28.5%
over €40	13.2%

Price charged for perming and styling

(Online survey results)

up to €20	17.8%
€21–€30	32.2%
€31–€40	37.6%
over €40	12.4%

Beauty salons

The beauty salon channel continued to show resilient consumption of professional cosmetics associated with the service. In 2019, customer numbers slowly developed and consequently so did consumption, thanks to salons reviewing their offers and also introducing innovative forms of service. The 0.9% growth recorded in 2019 brings the value of demand to €240 million, 2.3% of the total consumption.
In this context, the innovation efforts proposed by companies, now attentive to the reshaping of distribution and new areas of treatment and well-being, did not slow down, also thanks to the attention paid to the new trends of increasingly demanding consumers in terms of quality of service, of practitioners and of the environment in which it is provided. As for hairdressing salons, for the past couple of years we have seen an increase in visits to beauty salons and a corresponding growth in consumption, following an overhaul of the products on offer in salons and new forms of well-being services. In addition, a number of important phenomena are increasingly apparent, such as spas and wellness centres, which dynamically tend to represent an increasingly large share of consumption of beauty/professional products. No less important is the issue of professional training and refresher courses for professionals, which is necessary to meet the needs of customers.
The phenomenon of products with natural-organic connotations is currently also having a positive impact on products used in beauty salons with more than 3% of the total of products with a natural connotation sold in Italy.

In-salon services

Source: Survey by Istituti di Bellezza, Marketing & Telematica (2019)

Consolidated services	
Manual body treatments	99.0%
Manual facial treatments	98.8%
Manicures	95.3%
Pedicures	95.3%
More modern services	
Make-up	82.9%
Face treatments using equipment	80.3%
Body treatments using equipment	80.1%
Hair removal using equipment (mechanical and laser)	63.3%
Tanning treatments	61.7%
Nail reconstruction	59.7%
More innovative services	
Weight loss	49.0%
Wellness programmes (spa)	37.2%
Other specific treatments	15.6%

Size of Italian beauty salons

Source: Survey of the Istituti di Bellezza, Marketing & Telematica (2019)

less than 50 m^2 25.1% · 50 to 100 m^2 58.9% · 100 to 200 m^2 13.7% · more than 200 m^2 2.3%

Just over 55% of beauty salons in Italy have a surface area of between 50 and 100 square metres; only 3% have a surface area of 200 square meters. The salons with a smaller surface area are located in Northwest Italy while the larger salons are located in Central and Southern Italy.

Direct sales

Direct sales, both door-to-door and by mail-order, which in 2019 accounted for 4.5% of cosmetics consumption, mark the only negative trend compared to other channels, mainly due to the shift in demand towards much more innovative forms of distribution. The channel's decline was equivalent to half a percentage point, with sales volume reaching €480 million at the end of the year. Lately, also due to some difficulties of some operators, we witnessed a slowdown in sales volumes while, especially in the years of recession, direct sales were closer to the changed needs of consumption than the traditional channels.

E-commerce

Again in 2019, online sales continued to show better trends compared to other channels: the recorded growth was of 27 percentage points, with sales volume close to €500 million. The entry of new international sales platforms and the development of initiatives by many entities linked to traditional channels accelerated sales dynamics, leading to necessary sudden adjustments in measuring the phenomenon.

The Human Highway survey, in spring 2020, provided an interesting snapshot of online sales. For example, it revealed vital data about the motives for buying cosmetics on e-commerce platforms: obviously, price came first, but special offers (e.g. bundles and combined sales), choice and flexibility were equally important.

Even more explanatory was the analysis of the penetration of purchase transactions: the weight of perfumes was interesting, but in general all product families had an index above 15%, with the exception of products for oral hygiene, hand make-up, hairdressing and sunscreen.

The reference to the recent crisis linked to the Covid-19 pandemic, with repercussions on purchasing methods and impact on new spending habits, was inevitable: online sales of cosmetics were the only ones to record increases in volumes, reaching a 45% growth at the end of May compared to the same period of 2019.

The purchase of cosmetic products online in 2019: penetration of purchase transactions and changes with respect to the previous year

Source: Human Highway, 2020

		Change in percentage points compared to 2018
Toothpastes and mouth washes	94.5%	+ 4.3%
Personal hygiene products	93.0%	+ 3.5%
Hair care products	90.0%	+ 2.9%
Facial care products	74.4%	+ 6.9%
Body care products	74.3%	+ 5.4%
Perfumes	72.6%	+ 6.7%
Facial make-up products	60.9%	+ 4.7%
Styling products	58.3%	+ 5.7%
Sun creams	57.2%	+ 4.1%
Hand make-up products	51.1%	+ 4.8%
Hair-colouring products	45.6%	+ 6.2%

Cosmetics in Europe

Every year, Cosmetics Europe, the European trade association for the cosmetics industry, publishes its customary statistical updates, which will be available after summer 2020, pending the final data.

In 2019, Germany had the highest consumption, with over €14,000 million, followed by France with almost €11,450 million. Third place went to the United Kingdom, which, with a slowdown as compared to last year, approached the €10,660 million mark. Italy remained in fourth place, followed by Spain in fifth place with €7,130 million, the most dynamic trend as compared to the leading European markets. The concentration index confirmed that the top five countries accounted for more than 67% of the European market, which in 2019 reached €79,850 million overall, reflecting a slight improvement in performance.

In the European cosmetics sales ranking, skincare products took first place, representing 27.1% of the total, followed by toiletries. Europe confirmed its leadership in world consumption, followed by the United States (€73,700 million), China (€54,900 million), Japan (€32,600 million) and Brazil with €23,400 million.

A comparison of the biggest markets

Source: Cosmetics Europe, consumption in 2019 in billions of euro

Europe	79.8
EU 28	76.6
USA	73.7
China	54.9
Japan	32.6
Brazil	23.4
India	12.0
South Korea	10.3

Composition of European consumption by macro-category of cosmetics in 2019

values in € millions – retail prices

	Value	Weight in %
Facial and body care	21,631	27.1%
Personal cleansing	19,823	24.8%
Hair care	14,911	18.7%
Alcohol-based perfume products	12,295	15.4%
Make-up	11,184	14.0%
Total	**79,844**	**100.0%**

European cosmetics consumption by country in 2019

values in € millions – retail prices

	2019	Var. % 19-18
Germany	14,046	1.8%
France	11,439	0.4%
United Kingdom	10,657	-2.6%
Italy	10,558	2.2%
Spain	7,134	2.5%
Poland	4,130	7.0%
Netherlands	2,795	-2.2%
Belgium/Luxembourg	2,000	-4.8%
Sweden	1,984	0.3%
Switzerland	1,965	4.2%
Austria	1,463	2.8%
Portugal	1,432	2.7%
Romania	1,499	10.1%
Norway	1,243	1.9%
Denmark	1,013	3.8%
Finland	1,026	6.1%
Greece	882	2.4%
Ireland	839	2.8%
Hungary	816	6.3%
Czech Republic	734	0.0%
Slovakia	626	5.0%
Bulgaria	438	6.8%
Croatia	395	6.2%
Lithuania	261	5.2%
Latvia	171	-3.9%
Slovenia	179	1.7%
Estonia	142	-4.7%
Total – EU	**79,844**	**1.6%**

Source: Cosmetics Europe, 2019

European cosmetics consumption by category in 2019

values in € millions – retail prices

	Total	Alcohol-based perfume products	Make-up	Facial and body care	Hair care	Personal cleansing
Germany	14,046	1,579	1,810	3,300	3,220	4,137
France	11,439	2,168	1,412	3,459	1,600	2,801
United Kingdom	10,657	1,988	1,566	2,463	1,957	2,684
Italy	10,558	1,365	1,747	3,520	1,757	2,169
Spain	7,134	1,399	714	2,032	1,289	1,700
Poland	4,130	587	529	1,081	822	1,112
Netherlands	2,795	473	413	583	549	777
Belgium/Luxembourg	2,000	479	295	562	265	399
Sweden	1,984	176	546	543	363	355
Switzerland	1,965	314	279	617	415	340
Austria	1,463	206	235	382	279	361
Portugal	1,432	250	107	408	246	421
Romania	1,499	303	234	332	241	389
Norway	1,243	76	248	384	262	273
Denmark	1,013	129	144	315	245	180
Finland	1,026	35	168	276	325	222
Greece	882	81	83	294	219	206
Ireland	839	132	124	179	170	234
Hungary	816	116	99	176	128	297
Czech Republic	734	94	113	169	169	189
Slovakia	626	96	89	147	115	179
Bulgaria	438	64	65	95	92	122
Croatia	395	48	60	122	54	112
Lithuania	261	56	45	62	43	54
Latvia	171	39	21	43	35	35
Slovenia	179	21	23	57	33	44
Estonia	142	26	18	34	29	35
Total – EU	**79,844**	**12,295**	**11,184**	**21,631**	**14,911**	**19,823**

Source: Cosmetics Europe, 2019

2 Trends in cosmetics consumption

In 2019, the trend for cosmetics consumption was positive, as in the previous year: total purchases in the domestic market rose by 2.2% to a total of €10,558 million, a more substantial increase than the performance recorded in 2018.
Sales for the retail channels alone, which therefore exclude e-commerce, door-to-door sales and mail-order, reached €8,751 million, reflecting an overall growth of 1.2%, which was positively affected by the upturn in perfume shops (+2.2%), in addition, a positive trend was reported for the pharmacy (+1.2%), herbalist store (+1.4%) and mass market (including single-brand stores) channels (+0.8%).
As for professional channels, these also recorded a positive trend, as in previous years, with an average growth of 1.7 percentage points.
Certainly, the first six months of 2020 have distorted the historical trends of the last few years in light of the new habits acquired: on the one hand, lockdown strongly impacted attendance in professional channels, but on the other it triggered new routines in personal care with the slow down of the daily routines to which the consumer was accustomed.

Breakdown of consumption by macro-categories – retail channels in 2019

Retail prices VAT included – figures in € millions

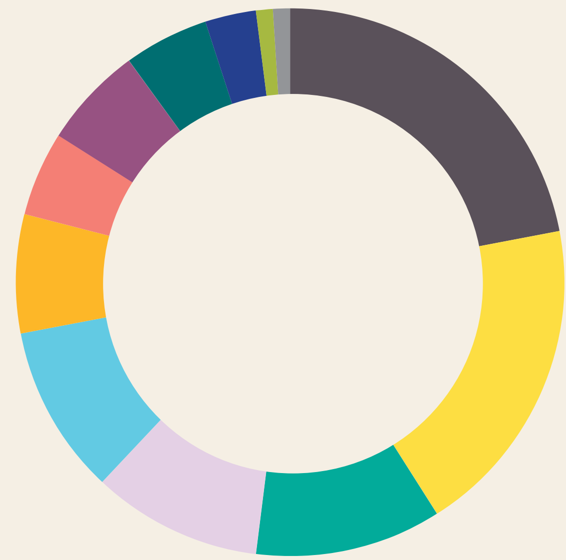
Facial care products	1,516.0	17.3%
Products for body care	1,386.7	15.8%
Alcohol-based perfume products	1,112.1	12.7%
Products for body hygiene	1,031.8	11.8%
Hair and scalp care	996.3	11.4%
Products for oral hygiene	644.8	7.4%
Face make-up products	470.3	5.4%
Eye make-up products	430.2	4.9%
Products for lip care	363.8	4.2%
Skin-cleansing products for children	287.7	3.3%
Products for hand care	194.6	2.2%
Products for men	143.5	1.6%
Gift packs	121.8	1.4%
Make-up packs	51.0	0.6%
Total	8,750.6	100.0%

Total retail consumption of products – retail channels in 2019

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**8,750.6**	**1876.8**	**2082.6**	**4791.3**	**1.2**	**1.2**	**2.2**	**0.8**
Facial care products	**1,516.0**	538.4	438.4	539.2	**2.9**	3.1	4.3	1.7
Products for body care	**1,386.7**	448.7	126.1	811.9	**0.1**	0.7	-1.5	0.1
Alcohol-based perfume products	**1,112.1**	20.2	844.9	247.0	**3.7**	16.5	3.1	4.7
Products for body hygiene	**1,031.8**	269.3	24.2	738.3	**-0.1**	-0.6	-1.5	0.1
Hair and scalp care	**996.3**	182.7	34.8	778.8	**0.2**	0.6	-2.6	0.2
Products for oral hygiene	**644.8**	134.6	4.4	505.8	**1.0**	-1.0	-0.5	1.5
Face make-up products	**470.3**	59.6	177.1	233.6	**0.7**	-0.2	1.9	0.1
Eye make-up products	**430.2**	34.0	125.6	270.6	**1.1**	4.1	0.3	1.1
Products for lip care	**363.8**	56.8	103.0	203.9	**5.1**	6.5	1.5	6.6
Skin-cleansing products for children	**287.7**	81.2	4.6	201.9	**-1.9**	-2.3	-1.5	-1.8
Products for hand care	**194.6**	41.4	20.0	133.2	**-1.2**	4.5	-13.1	-0.8
Products for men	**143.5**	9.3	37.7	96.4	**-2.0**	-4.3	0.7	-2.8
Gift packs	**121.8**	-	106.6	15.3	**3.1**	-	3.2	1.9
Make-up packs	**51.0**	0.4	35.2	15.4	**-0.6**	12.7	-1.1	0.2

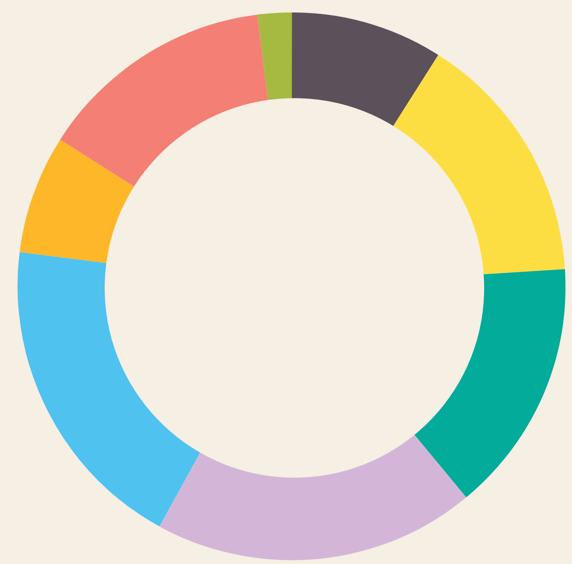
Estimation composition of consumption of cosmetics products for women (76% of the total)



Facial care products	21.2%
Products for body care	**17.7%**
Hair and scalp care	11.0%
Products for body hygiene	**10.4%**
Alcohol-based perfume products	10.8%
Face make-up products	**7.1%**
Products for oral hygiene	5.4%
Eye make-up products	**6.2%**
Products for lip care	5.3%
Products for hand care	**2.9%**
Gift packs	1.1%
Make-up packs	**0.9%**

Estimation of the composition of consumption of cosmetic products for men (24% total)

Facial care products	8.8%
Products for body care	**14.6%**
Hair and scalp care	15.3%
Products for body hygiene	**18.6%**
Alcohol-based perfume products	19.3%
Products for men	**6.6%**
Products for oral hygiene	14.4%
Gift packs	**2.3%**



Hair and scalp care products

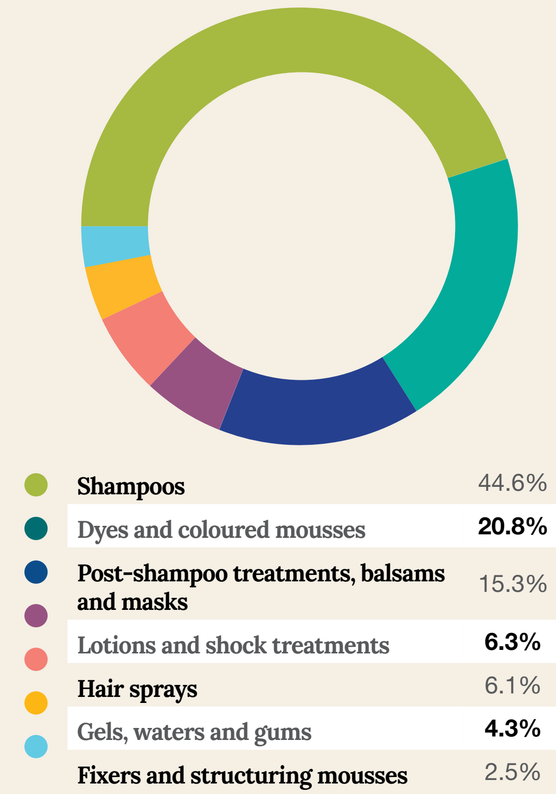
In 2019, there was a weak recovery in the consumption of hair products in non-professional channels at €996 million, a positive trend of 0.2 percentage points. Considering products sold in the professional channel, the total consumption of the category exceeded €1,585 million. In some salons, the use and resale of specific cosmetics has continued to grow for some years, thanks to the return of consumers and the reshaping of the offer that focusses on the hairdresser's quality and consultancy.
Analysing various product families in this important category, the fifth in value in the Italian market, in 2019 there were quite positive cross-cutting trends, except for dyes and coloured mousses (slightly negative trend for a value of €207.7 million and -0.3% compared to 2018) and the whole area of styling with hair sprays (€60.7 million and a negative variation of -3.5%), gels, waters and gums, with a drop of 5.5%, and fixers and structuring mousses which were down -4.7% compared to the previous year.
These trends were offset by the positive return of shampoos (+0.4% with €444.4 million) and of post-shampoos, conditioners and masks, which were in strong recovery: +4.3% and €152.8 million.
More marginal in terms of impact on value, but still influencing the performance of the product family, were lotions and split end treatments which, with €63.2 million, recorded an increase of +0.8%.
At channel level, there was a contraction only in the perfume shops channel, which continued to see a negative trend due to product specialisation that sacrificed hair care in favour of face and neck care, as well as alcohol-based perfume products. With over three quarters of hair care consumption concentration, the mass market drove the general trend of hair and scalp care products with +0.2%. This was followed by pharmacies, which, with over €182 million, equal to 18% of the value of this product family in traditional channels, recorded a growth of 0.6 percentage points.

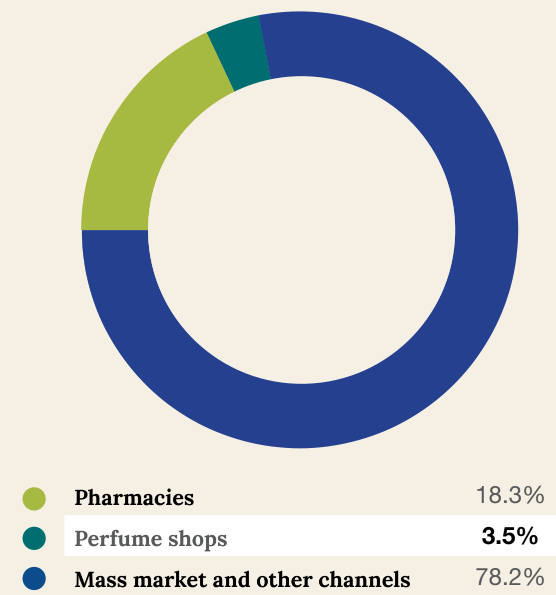
Hair and scalp care products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**996.3**	**182.7**	**34.8**	**778.8**	**0.2**	**0.6**	**-2.6**	**0.2**
Shampoos	444.4	96.3	6.7	341.4	**0.4**	0.8	-4.1	0.4
Dyes and coloured mousses	207.7	23.6	13.4	170.7	**-0.3**	1.9	-2.1	-0.5
Post-shampoo treatments, balsams and masks	152.8	11.9	3.7	137.1	**4.3**	-0.5	0.7	4.9
Lotions and shock treatments	63.2	49.5	4.0	9.7	**0.8**	0.6	-1.0	2.9
Hair sprays	60.7	0.6	2.7	57.4	**-3.5**	-2.5	-1.8	-3.6
Gels, waters and gums	42.4	0.8	2.4	39.2	**-5.5**	-5.6	-6.4	-5.4
Fixers and structuring mousses	25.2	0.1	1.9	23.2	**-4.7**	-0.4	-6.4	-4.5

Percentage breakdown by category and sales channel for products for hair and scalp care





◯ Facial care products

2019 saw facial cosmetics continue with the same significant milestone achieved two years ago, and remaining, in value terms, the leading product family with 17.3% of the total share of cosmetics consumption.
Overall, it showed a strong growth trend, as in the previous year, marking a +2.9% increase for a value of €1,516 million. After last year's growth, the leading family of value products, anti-ageing and anti-wrinkle creams, closed the year with an increase of +3.4% for almost €666 million, as did moisturising and nutrient creams (+1.8% and €266 million) which, together with anti-ageing creams, accounted for almost two thirds of the consumption value of facial care products. The periocular area and specific zones (+7.2%), exfoliating masks (+21.9%), depigmenting products (+5.7%) and toning lotions (+3.3%) followed.
The move in communications from "anti age" to "no age" captured an ever wider consumer group: this is probably one of the reasons behind the constant growth and unreserved rebound curves in consumption, since anti-wrinkle cream has become a preventive rather than corrective solution to skin blemishes.
There was a slight drop in consumption only for facial tissues (-0.6%), while face and eye detergents and make-up removers (+1.2%), periocular area and specific zones (+3.3%), exfoliating masks (+6.0), products for skin impurities (+7.3%), toning lotions (+3.3%) and depigmenting products (+5.0%) all increased.
At the channel level, the category grew in all channels: in pharmacies (+3.1%), perfume shops (+4.3%) and mass market (+1.7%).

Facial care products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**1,516.0**	**538.4**	**438.4**	**539.2**	**2.9**	**3.1**	**4.3**	**1.7**
Anti-ageing and anti-wrinkle creams (including lift effect treatments)	**665.7**	239.4	223.5	202.8	**3.4**	4.4	3.4	2.2
Moisturising and nutrient creams	**266.2**	107.0	56.1	103.1	**1.8**	0.5	7.7	0.0
Face and eye detergents and make-up removers	**168.1**	49.8	37.3	80.9	**1.2**	1.3	4.0	-0.2
Periocular area and specific zones	**149.6**	53.2	68.9	27.5	**3.3**	1.7	3.5	6.0
Masks and exfoliant scrubs	**86.0**	14.7	23.9	47.3	**6.0**	4.0	3.1	8.2
Facial tissues	**62.5**	3.2	4.9	54.4	**-0.6**	7.4	1.8	-1.2
Products for skin impurities	**52.8**	46.8	4.0	2.1	**7.3**	6.5	7.1	31.8
Toning lotions	**43.6**	6.2	19.8	17.6	**3.3**	0.1	9.4	-1.8
Depigmenting products	**21.6**	18.2	0.0	3.4	**5.0**	6.3	-	-1.8

Percentage breakdown by category and sales channel for products for face care

Anti-ageing and anti-wrinkle creams **43.9%**
Moisturising and nutrient creams 17.6%
Face and eye detergents and make-up removers **11.1%**
Periocular area and specific zones 9.9%
Products for skin impurities **3.5%**
Facial tissues 4.1%
Toning lotions **2.9%**
Masks and exfoliant scrubs 5.7%
Depigmenting products **1.4%**

Pharmacies 35.5%
Perfume shops **28.9%**
Mass market and other channels 35.6%

Products for facial make-up

Again in 2019, there was a positive trend for products dedicated to facial make-up, +0.7% with a sales value of €470 million; the perfume shop channel, which covered 37.6% of the market, registered a recovery (+1.9%), probably due to the reaction of perfume shops in chains towards new mass market distribution formulas: the consumer trend for impulse purchases at the point of sale, without any forward planning and guided by impulse and the experiential effect, certainly had an impact.
Mass market performance was flat (+0.1%) while the trend in the pharmacy channel was negative (-0.2%).
In 2019, the most consumed products were foundations and coloured creams, which accounted for 54% of the whole family, thanks to a continuation of the positive trend of 2018 which recorded an increase of +0.9%. Second place for cheek correctors, blushes and clays, +0.6%, for a value of €165 million.
Face powders closed with a 10% share of the category, recording a growth of 0.5% for a consumption of just over €50 million.

Products for facial make-up

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**470.3**	**59.6**	**177.1**	**233.6**	**0.7**	**-0.2**	**1.9**	**0.1**
Foundations and coloured creams	**255.1**	31.0	104.8	119.3	**0.9**	2.4	2.3	-0.6
Cheek correctors, blushes and clays	**165.1**	24.1	58.1	82.9	**0.6**	-2.0	1.3	0.9
Face powder	**50.2**	4.6	14.2	31.4	**0.5**	-4.3	2.0	0.5

Percentage breakdown by category and sales channel for products for facial make-up

Foundations and coloured creams	54.2%
Cheek correctors, blushes and clays	35.1%
Face powder	10.7%

Pharmacies	14.1%
Perfume shops	44.5%
Mass market and other channels	41.5%

Eye make-up products

The trend in consumption of products for eye make-up grew in 2019, by over one percentage point, with a demand value that remained at just over €430 million.
Mascaras accounted for 41% of the market, up 0.9%. Followed, with a positive trend, by liners and pencils (+1.7% for a value of €164 million), and shadows (+0.5%), for over €90 million.
For over six years, the mass market has continued to be the channel of choice for sales of eye make-up cosmetics, which, with almost €270 million (63% of consumption in the category), has recorded an increase of 1.1%, thus driving overall category performance. Pharmacies followed with an excellent performance, +4.1% and over €34 million equal to 8% of share in value of the total category consumption. Finally, perfume shops recovered (+0.3%) with €126 million.

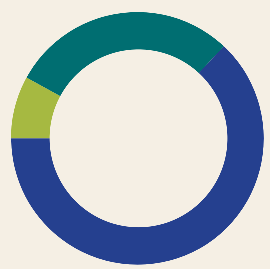
Eye make-up products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**430.2**	**34.0**	**125.6**	**270.6**	**1.1**	**4.1**	**0.3**	**1.1**
Mascaras	**175.8**	19.1	56.0	100.7	**0.9**	8.5	0.4	-0.1
Liners and pencils	**164.1**	11.3	46.0	106.8	**1.7**	3.8	-0.6	2.5
Shadows	**90.4**	3.6	23.7	63.0	**0.5**	-11.8	2.0	0.8

Percentage breakdown by category and sales channel for eye make-up products

Mascaras	40.9%
Liners and pencils	**38.1%**
Shadows	21.0%



Pharmacies	7.9%
Perfume shops	**29.2%**
Mass market and other channels	62.9%

Products for lip care

A positive trend was also reported for the sales of products for lips, +5.1 percentage points, with a value of €364 million. The growth of 4.0% of the leading value family, lipsticks and lip glosses, and of protections, colourless foundations and sun sticks (+11.9%), which closed 2019 with respectively €238 and €84 million, had a significant impact.
Liners and pencils instead saw a downward trend, closing the year with a fall of -0.6%, which, with a share of 11 percentage points of the total product family, marginally influenced the growth of general consumption.
Analysing the sales channels, the best market performance was recorded by sales in the mass market (accounting for more than half of the consumption of the category), up +6.6%, a trend very similar to that of pharmacies (up +6.6%). Growth in the perfume shops channel was also positive, up +1.5% and a channel share of 28%.
Following the Covid-19 emergency, this product family will be heavily affected by the changes to everyday life and the use of masks. Partnerships with other sectors, above all fashion, have in the past shown great creativity: bundles may be put together for transparent masks to combine with lip colour palettes to enhance their graphics.

Products for lip care

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**363.8**	**56.8**	**103.0**	**203.9**	**5.1**	**6.5**	**1.5**	**6.6**
Lipsticks and lip glosses	**238.3**	13.4	86.2	138.7	**4.0**	7.7	2.4	4.6
Protection, colourless foundations and sun sticks	**84.5**	41.6	3.5	39.3	**11.9**	7.0	9.7	17.8
Liners and pencils	**41.0**	1.8	13.3	25.9	**-0.6**	-2.9	-5.6	2.4

Percentage breakdown by category and sales channel for products for lip care

Lipsticks and lip glosses	65.5%
Protection, colourless foundations and sun sticks	**23.2%**
Liners and pencils	11.3%

Pharmacies	15.6%
Perfume shops	**28.3%**
Mass market and other channels	56.1%

Products for hand care

There was a contraction in products for hand care, which fell to €195 million, a drop of 1.2%, although less marked than that recorded in past years. Nail varnishes were the leading product category of the group, with a share of 58% of the total; after the excellent performance recorded up to a few years ago, they closed the year with a fall of -2.4%, for a sales value which amounted to €113 million. Creams, gels, lotions and nail products were in strong recovery (+2.7%), which account for 32% of the market for products for hand care, with a value of over €61 million.
Analysing sales by channel, the heavy fall in perfume shops continued, which, with a market value of €20 million, recorded a negative performance of 13.1%, the mass market was also negative, which accounts for over 68% on the total market, closing 2019 with a fall of -0.8%, for a value of €133 million. Pharmacies were the only channel to record positive results (+4.5%) minimally compensating for the negative performance of this product family.

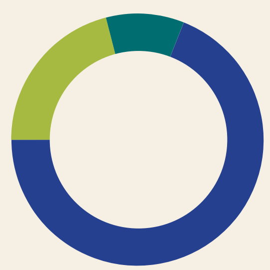
Products for hand care

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**194.6**	**41.4**	**20.0**	**133.2**	**-1.2**	**4.5**	**-13.1**	**-0.8**
Nail varnishes	**113.1**	5.3	13.3	94.5	**-2.4**	1.6	-14.9	-0.6
Creams, gels, lotions and nail products	**61.5**	35.0	3.0	23.5	**2.7**	5.4	-11.4	0.9
Solvents and other products	**20.0**	1.2	3.6	15.2	**-5.2**	-5.8	-7.3	-4.6

Percentage breakdown by category and sales channel for products for hand care

Nail varnishes 58.1%
Creams, gels, lotions and nail products **31.6%**
Solvents and other products 10.3%



Pharmacies 21.3%
Perfume shops **10.3%**
Mass market and other channels 68.5%

Products for body care

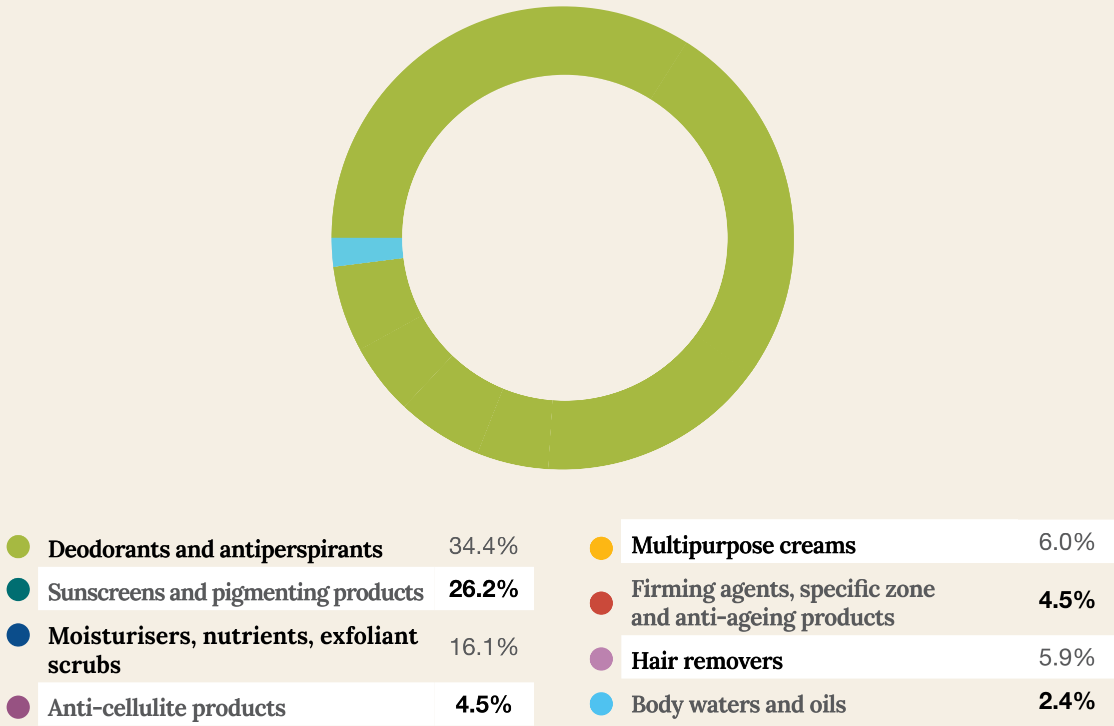
Growth in consumption of products for body care was almost flat, +0.1%, and affected the overall market trend in 2019, with 15.8% of total consumption, representing the second most important family of the Italian cosmetics market. The leading category was deodorants and antiperspirants, with an increase of 0.7% and a value of €478 million. In second place, sunscreens and pigmenting products, +1.1%, with sales close to €364 million. Thanks to a stable trend (+0.1%), the mass market remained at the top of sales of body cosmetics: with a value of €812 million, it accounted for 59% of all category sales.
At channel level, in 2019, pharmacies had the best dynamics, with a uniform growth in more impactful products, with the exception of moisturisers. Sales in the perfume shops were also negative, down -1.5%, with a value of €126 million.

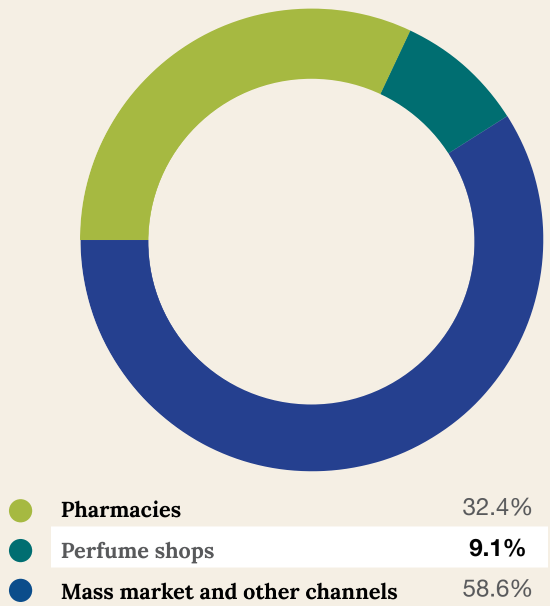
Products for body care

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % var	Pharma-cies % var	Perfume shops var %	Large Retail and other channels var %
Total	**1,386.7**	**448.7**	**126.1**	**811.9**	**0.1**	**0.7**	**-1.5**	**0.1**
Deodorants and antiperspirants	**477.6**	55.0	13.6	409.0	**0.7**	0.2	-2.1	0.8
Sunscreens and pigmenting products	**363.6**	170.5	52.0	141.1	**1.1**	2.6	-0.9	0.1
Moisturisers, nutrients and exfoliant scrubs	**223.4**	84.4	21.6	117.4	**-0.2**	1.1	-2.5	-0.6
Multipurpose creams	**83.5**	48.4	5.9	29.2	**4.8**	8.0	5.6	-0.1
Hair removers	**82.1**	2.0	6.9	73.1	**0.5**	-0.6	5.6	0.1
Firming agents, specific zone and anti-ageing products	**61.9**	28.2	9.9	23.8	**-5.6**	-9.7	2.4	-3.6
Anti-cellulite products	**61.7**	39.9	7.2	14.6	**-10.1**	-9.6	-22.1	-4.6
Body waters and oils	**33.0**	20.2	9.1	3.7	**5.6**	9.4	5.6	-11.4

Percentage breakdown by category and sales channel for products for body care





Body hygiene products

2019 saw flat growth in the specific category of body hygiene products, while still maintained in value terms, the fourth place in cosmetic product consumption, settling at almost €1,032 million.
Bath foams and shower gel together with intimate hygiene products were the only two categories with positive results, respectively up +0.7% and +0.3% accounting for over two thirds of the entire product family.
Liquid soaps contracted by -2.1%, with a value of over €165 million equal to 16% of total body hygiene products.
Foot hygiene products saw a drop of -1.7%, a value of €33 million, as did soaps and syndets (-0.9%) and talcs and powders (-0.2%).
With almost 72% of the entire body hygiene products market, the mass market firmly confirmed itself as the leading channel for Italian consumers for the category, despite closing with a flat growth in 2019, and a sales value of €738 million. Pharmacies remained the second consumer channel in the category, -0.6%, with a sales value of €270 million. Sales in perfume shops were also in difficulty, down 1.5% and thus fell to €24 million.

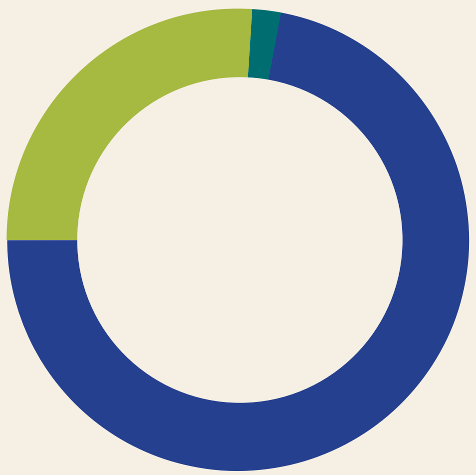
Body hygiene products

Retail prices VAT included – figures in € millions

	Total	Pharmacies	Perfume shops	Large Retail and other channels	Total % var	Pharmacies % var	Perfume shops var %	Large Retail and other channels var %
Total	1,031.8	269.3	24.2	738.3	-0.1	-0.6	-1.5	0.1
Bath foam and shower cream, salts, powders, oils	424.4	53.8	13.7	356.9	0.7	0.2	-1.8	0.9
Products for intimate hygiene	281.0	142.1	2.0	136.8	0.3	-1.1	-0.9	1.9
Liquid soaps	165.5	13.1	1.8	150.6	-2.1	0.2	-1.5	-2.3
Soaps and syndets	99.4	40.8	3.1	55.5	-0.9	1.5	-2.0	-2.5
Products for foot hygiene	32.8	17.0	0.9	14.9	-1.7	-3.0	-0.2	-0.2
Talcs and powders	28.7	2.5	2.7	23.5	-0.2	-3.3	-0.5	0.1

Percentage breakdown by category and sales channel for products for body hygiene

Bath foam and shower cream, salts, powders, oils	41.4%
Products for intimate hygiene	**27.2%**
Liquid soaps	16.0%
Soaps and syndets	**9.6%**
Products for foot hygiene	3.2%
Talcs and powders	**2.8%**



Pharmacies	26.1%
Perfume shops	**2.3%**
Mass market and other channels	71.6%

Oral hygiene products

Oral hygiene products closed the year positively, up +1.0%, and in recovery compared to the previous year, with a sales value of €645 million. They are the sixth rated consumer family in Italy, equal to 7.4% of total consumption.
Toothpastes looked positive (+0.6%), accounting for 71% of the market, for a final value of over €460 million.
The sales trend of mouthwashes, breath fresheners was also positive, +1.8%, for almost €184 million. The new consumer trends which, even in a mature and consolidated category of products see new methods of use and increasingly specific choices, continued.
A main market for products for oral hygiene, the mass market contributed fundamentally to total consumption: with €506 million it accounts for over 78% of the category. Pharmacies were confirmed as the second leading consumer channel, with 21% of the total of traditional channels, equal to €135 million. The share of the perfume shop channel was still marginal at just over €4 million.

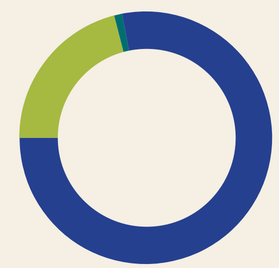
Oral hygiene products

Retail prices VAT included – figures in € millions

	Total	Pharmacies	Perfume shops	Large Retail and other channels	Total % var	Pharmacies % var	Perfume shops var %	Large Retail and other channels var %
Total	**644.8**	**134.6**	**4.4**	**505.8**	**1.0**	**-1.0**	**-0.5**	**1.5**
Toothpastes (including whitening toothpastes)	**460.5**	58.9	4.0	397.5	**0.6**	-3.1	-0.5	1.2
Mouthwashes, breath fresheners	**184.3**	75.7	0.4	108.2	**1.8**	0.8	-0.3	2.6

Percentage breakdown by category and sales channel for products for oral hygiene

Toothpastes	71.4%
Mouthwashes and breath fresheners	**28.6%**



Pharmacies	20.9%
Perfume shops	**0.7%**
Mass market and other channels	78.4%

Products for men

For many years, there has been a negative trend (-2.0%) in sales of cosmetic products for men. These now stand at a value of less than €144 million. There have been cross-cutting falls for soaps, foams and shaving gels which, with 42% of the total value of the category, settled at €60 million and aftershave products -2.8% with €48 million. Treatment creams also saw flat growth, recording a consumption value of €35.5 million at the end of 2019.
Again in 2019, male consumer habits saw a decline for classic products and the shift to new high-performance types continued, including toning lotions and multifunction creams aimed at the male market and beard care, as well as the consumption overlap of products not specifically designed for men.
The leading channel by share of value was the mass market which, with €35 million, recorded a drop of 3.5 percentage points; followed by perfume shops with a growing trend (+0.7% and €37.7 million).
Pharmacies were the trailing channel of choice for men's products, with a volume of just over €9 million, a 4.3% drop.

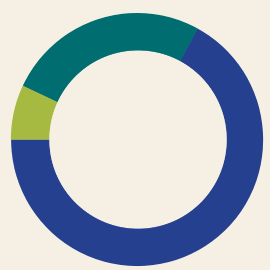
Products for men

Retail prices VAT included – figures in € millions

	Total	Pharmacies	Perfume shops	Large Retail and other channels	Total % var	Pharmacies % var	Perfume shops var %	Large Retail and other channels var %
Total	**143.5**	**9.3**	**37.7**	**96.4**	**-2.0**	**-4.3**	**0.7**	**-2.8**
Soaps, shaving foams and gels	**60.1**	3.2	5.4	**51.5**	-2.5	-4.0	0.2	-2.7
After shave products	**47.9**	3.0	10.0	**34.9**	-2.8	-5.6	0.5	-3.5
Treatment creams	**35.5**	3.2	22.3	**10.1**	0.0	-3.2	0.9	-1.0

Percentage breakdown by category and sales channel for products for men

- Soaps, shaving foams and gels 41.9%
- Aftershave **33.4%**
- Treatment creams 24.7%



- Pharmacies 6.5%
- Perfume shops **26.3%**
- Mass market and other channels 67.2%

Alcohol-based perfume products

The growth in consumption recorded by alcohol-based perfume products continued in 2019: up +3.7% with a sales value of just over €1,112 million. They represented the third consumer family in Italy, equal to 12.7% of total consumption.
Fragrances for women looked positive (+3,7%), accounting for 62% of the market, for a final value of over €688 million. In line with the trend of women's fragrances, men's fragrances also grew, with 38% of the category's consumption increasing by 3.5 percentage points.
Perfume shops accounted for 76% of demand, settling at €845 million and positive growth (+3.1%). The mass market performed well, with 22% of consumption in the category, reaching €247 million and recorded a rise of +4.7% thanks to the most recent distribution formulas.

Alcohol-based perfume products

Retail prices VAT included – figures in € millions

	Total	Pharmacies	Perfume shops	Large Retail and other channels	Total % var	Pharmacies % var	Perfume shops var %	Large Retail and other channels var %
Total	**1,112.1**	**20.2**	**844.9**	**247.0**	**3.7**	**16.5**	**3.1**	**4.7**
Toilet waters, perfumes and fragrances for women	**688.1**	18.8	538.9	130.4	**3.7**	12.9	3.2	4.4
Toilet waters, perfumes and fragrances for men	**424.0**	1.4	306.1	116.5	**3.5**	0.9	3.0	5.0

Percentage breakdown by category and sales channel for alcohol-based perfume products

- Toilet waters, perfumes and fragrances for women 61.9%
- Toilet waters, perfumes and fragrances for men **38.1%**

- Pharmacies 1.8%
- Perfume shops **76.0%**
- Mass market and other channels 22.2%

Other products

The "other products" category has always been a set of products comprising residual and non-uniform items, nonetheless necessary in a correct analysis of the Italian cosmetic market. This year, 62% was made up of cleansing products for children, 26% by gift packs and 11% by make-up packs. In 2019, there was a cumulative contraction of this aggregation, with a sales value that closed at €461 million.

28% of cleansing products for children were sold in pharmacies and 70% in the mass market, with a total value of €288 million. Gift packs for women were essentially sold in perfume shops (92%) and showed a growth of 3.3 percentage points; gift packs for men followed a similar trend, closing the year with 2.8% growth, for a value of just over €51 million.

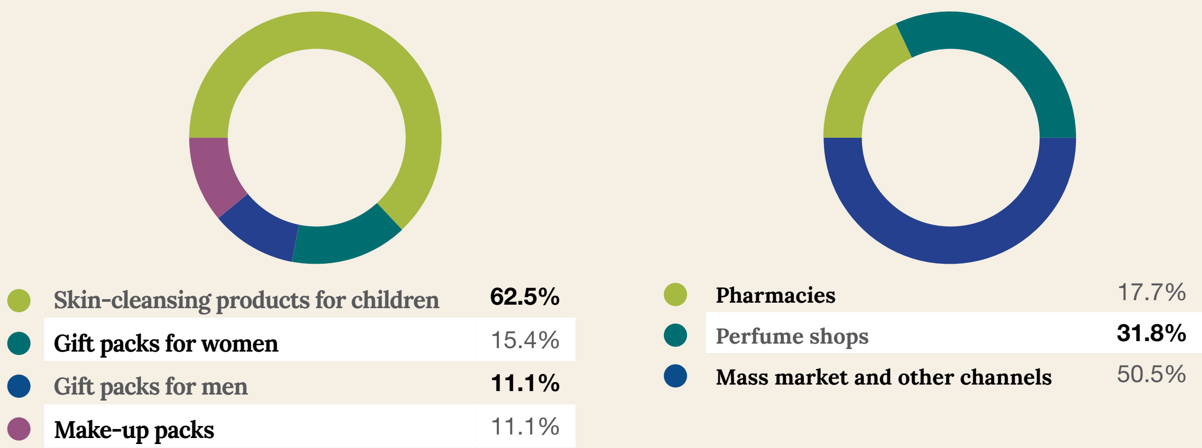
Make-up packs, sold for almost €51 million and mostly in perfume shops, closed 2019 with a slight drop (-0.6%).

Other products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Other products channels	Total % var	Pharma-cies % var	Perfume shops var %	Other channels var %
Total	**460.5**	**81.6**	**146.4**	**232.5**	**-0.5**	**-2.2**	**2.0**	**-1.4**
Skin-cleansing products for children	**287.7**	81.2	4.6	201.9	-1.9	-2.3	-1.5	-1.8
Gift packs for women	**70.8**	-	64.4	6.4	3.3	-	3.4	2.1
Gift packs for men	**51.0**	-	42.2	8.8	2.8	-	3.0	1.8
Make-up packs	**51.0**	0.4	35.2	15.4	-0.6	12.7	-1.1	0.2

Percentage breakdown by category and sales channel for other products



In depth

The most purchased product families on the market in the post-Covid-19 era

Obvious signs of new consumption patterns and "forced" routines emerged from the flash survey of operators in the cosmetics sector in the Covid-19 pandemic period from late February to late June, .

At the time of writing, mask use is still mandatory and, in the first five months of 2020, it certainly had an impact on the consumption data detected by research institutes.

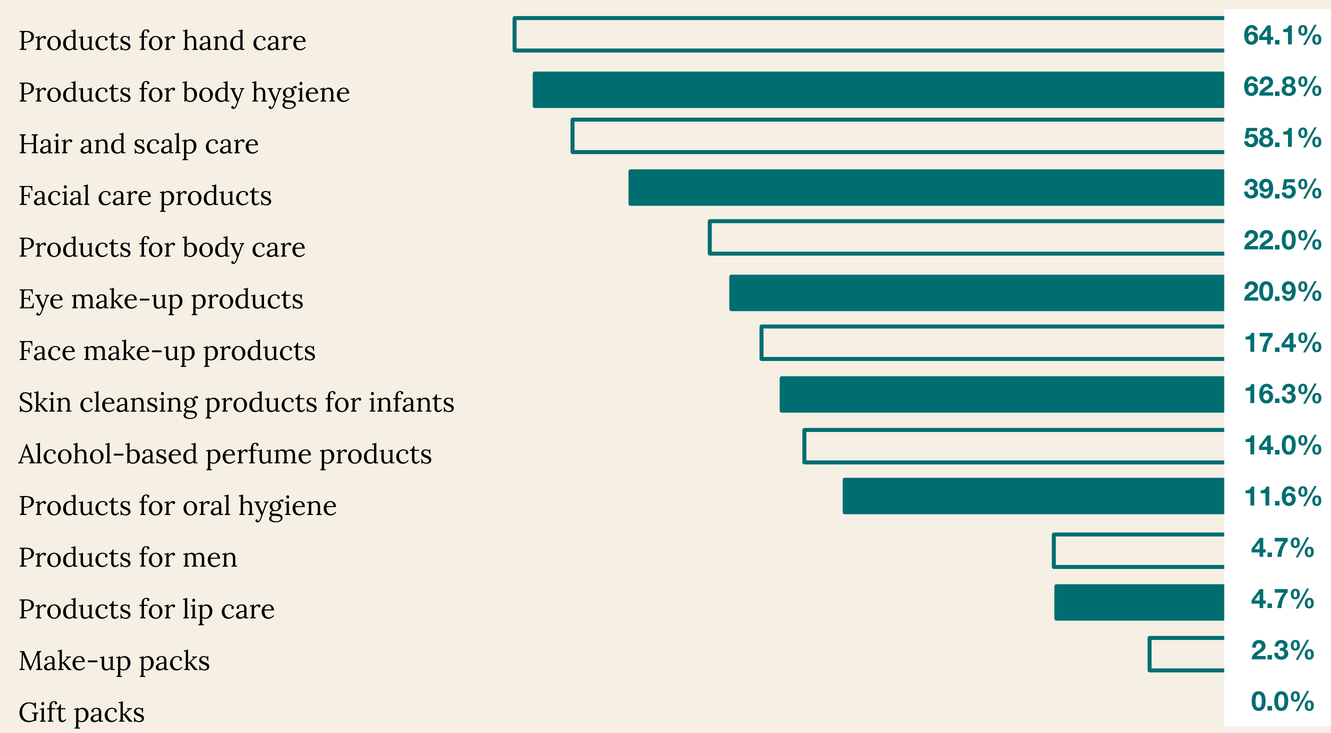
It was noted that frequent hand washing became a top concern: many companies converted their cosmetic production lines to produce hand hygiene products but, in a broader sense, a greater use of products for body hygiene is also forecast.

Also to note is the covering effect of masks: products for lip care and make-up packs have taken a back seat, while attention has been focused on the care of other aspects of the face such as eyes and hair.

The most purchased product families on the market in the post-Covid-19 era

Data processed by the Statistics Dept. and Business Culture Dept.

% Values on multiple answers based on the operators' response (possible up to a maximum of 4 answers)



3 Imports and exports

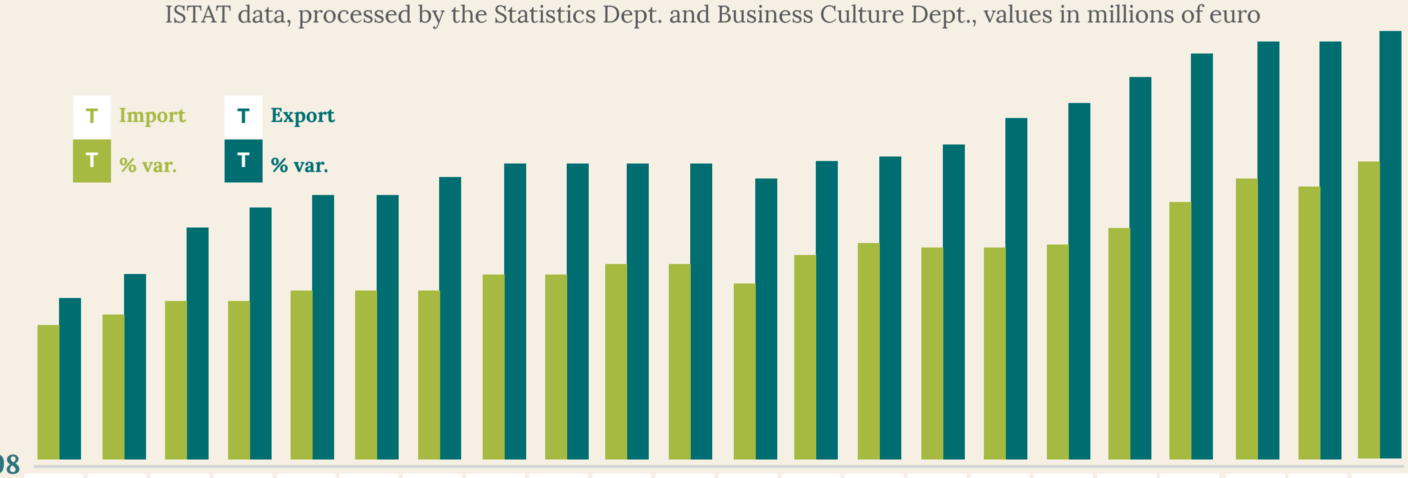
For some time now, the analysis of foreign trade data has been based on the statistics that are prepared by the Statistics Dept. using data provided by ISTAT. Periodically, when applying the corrections which present themselves during the survey period, the Italian Institute of Statistics carries out a review of data from previous years. Clearly, then, the statistics prepared by Cosmetica Italia adapted the values relating to the financial years in question. With the exception of very rare occasions, however, deviations in figures were always marginal. Again in 2019, exports recorded a further increase, exceeding the value of €4.9 billion. Indeed, exports of Italian cosmetics reached €4,917 million, an increase of 0.8%. The overall value relating to this data was negative: the drop was 7.1%, a symptom of the widening margin level.

Imports recovered compared to 2018 to over €2,130 million, +3.7% compared to the previous year, in contrast to a decrease in quantities of over 7 percentage points.

The climate of uncertainty in foreign markets has had a impact on the trade balance of the cosmetics industry, which, regardless, confirmed the upward trend that began in 1996, when the value of cosmetic exports exceeded that of imports. In 2019, the credit balance totalled more than €2,780 million, well above many contiguous market categories, confirming the status of Italian cosmetics as a key element in the country's economic system. The full recovery of some historical foreign markets, along with the evolution of new areas of consumption, has certainly contributed to the performance of Italian sales abroad, which are still increasing sharply after the physiological decline of 2008-2009.

Trends in the trade balance

ISTAT data, processed by the Statistics Dept. and Business Culture Dept., values in millions of euro



1998 – 2019

914	1,010	1,139	1,177	1,249	1,256	1,284	1,369	1,453	1,515	1,581	1,410	1,581	1,663	1,626	1,653	1,685	1,814	1,994	2,073	2,059	2,135
1,146	1,214	1,502	1,771	1,836	1,822	2,004	2,144	2,274	2,297	2,328	2,054	2,407	2,672	2,861	3,178	3,331	3,810	4,309	4,615	4,877	4,917
14.2	10.4	12.8	3.3	6.0	0.6	2.2	6.7	6.1	4.3	4.4	-10.9	12.1	5.2	-2.2	1.6	1.9	7.6	9.9	3.9	-0.7	3.7
20.5	5.9	23.8	17.9	3.7	-0.8	10.0	7.0	6.1	1.0	1.4	-11.8	17.2	11.0	7.0	11.1	4.8	14.4	13.1	7.1	5.7	0.8

€ millions in 2019

2,135 4,917 2,782

Import Export balance of trade

But it was the exports to "new" destinations – highly sought-after throughout the Italian business world – which had the greatest impact.
The safety of formulations, along with constant product innovation, have contributed to the maintenance of trade figures on individual markets and have prompted growth in new areas of excellence, confirming the quality of the Italian cosmetics industry.
The export turnover ratio in 2019 was 41%, not helped by performance of the large European markets and supported by those in strong development in the Middle East and Asia. While this value is still too low to be able to hail the successful launch of the internationalisation process of the Italian cosmetics industry, it remains positive in terms of new development opportunities in foreign markets.
In relation to products, lip make-up products (+14.0% and €306 million) did well. A large part of products dedicated to hair care also did well: shampoos (+3.8%), hair preparations (+13.4%) and lotions (+4.5%).
Skincare exports continued to register good growth rates, albeit with lower performances than in 2018, up +3.1 for almost €1,020 million. Exports of perfumes and eau de parfum were notable due to their contribution in value terms, climbing +3.2% to more than €452 million in 2019.
Exports of eye make-up products (-3.4%) and powders and compact powders (-12.2%) were down.
In terms of macro-categories, men's products performed below the average for cosmetics exports (-8.2%), while hair products and face and body products recorded higher growth rates (+4.1 and +3.1% respectively).
In 2019, too, flows in foreign trade have cushioned the drop in tensions in the economies of individual countries, which, with remarkable dynamism, were all able to beyond the financial crisis of recent years resulting from the scenario of political and economic uncertainty.
As for imports, haircare cosmetics were the products of greatest value, increasing by 11.5% and over €708 million, along with toilet waters and eau de cologne, up +0.9% to a value of €250 million. Also noteworthy was the growth of almost ten percentage points in imports of oral hygiene products, with a share of 7% of total cosmetics imports. We also noted the growth, albeit marginal in value, of imports of hair sprays (+61.2%), powders and compact powders (+17.2%), deodorants (+10.5%) and other preparations for oral hygiene (+22.7%).
Europe confirmed its position as the top outlet for cosmetics exports with €3,175 million, albeit a slight contracting that was sustained thanks to demand in historically important countries such as Germany, Belgium and Portugal.
However, there was a drop in exports to France, -4.2% for €609 million, in Spain, -3.1% and in the United Arab Emirates, -5.7% in line with the trend recorded in previous years. The first ten export destinations for Italian cosmetics accounted for almost 65% of total exports.
Among the top 20 non-European destination countries, growth was recorded in cosmetics exports to the United States, up +2.9% to €513 million: the volumes for this country, which have always been interesting, were flanked by the double-digit growth for China (+37.2%) and South Korea (+23.6%), in twelfth and fourteenth position respectively in terms of value destination and strategic perspective for the internationalisation policies of sector companies.
For a while now, we have been witnessing an evenly-distributed expansion in export values of Italian cosmetic products: Asia, with a value of €907 million, recorded an increase of 4.1%. The United States recorded an increase of 3.0%, with over €682 million, while Africa's figures remain low, with an increase recorded in its preference for Italian products (+13.8%, accounting for just over €86 million). Oceania fell sharply at an intercontinental level, -14.2%, for a total value of €67 million.

The ten-year comparison of the main Asian markets covered by the internationalisation plan or of strategic importance for the Association was interesting: the total value of exports to Hong Kong, China, South Korea, Singapore and Japan jumped from €168 million in 2009 to €501 million last year; an average annual increase of more than 20 percentage points.

Export of finished and semi-finished products

Surveys from January to December

	QUANTITIES (tonnes)			VALUE (thousands of euro)		
	2018	2019	% var.	2018	2019	% var.
Shampoos	108,179	109,410	1.1%	249	259	3.8%
Hair preparations	1,566	1,615	3.1%	8	9	13.4%
Hair sprays	6,743	5,816	-13.8%	21	20	-5.2%
Hair lotions and other products for hair care	136,660	140,770	3.0%	661	690	4.5%
Lip make-up products	5,688	5,475	-3.7%	269	306	14.0%
Eye make-up products	11,762	12,272	4.3%	457	441	-3.4%
Nailcare products	1,725	1,885	9.3%	31	31	0.7%
Powders and compact powders	8,336	6,460	-22.5%	237	208	-12.2%
Creams and other products	57,805	61,369	6.2%	988	1,019	3.1%
Body deodorants	48,016	29,316	-38.9%	155	158	2.1%
Bath preparations	71,860	52,220	-27.3%	115	86	-24.8%
Toilet soaps	79,635	56,393	-29.2%	167	123	-26.4%
Toothpastes	5,819	7,246	24.5%	50	60	20.1%
Other preparations for oral hygiene	82,928	85,017	2.5%	161	165	2.2%
Shaving, pre-shave and after shave products	10,708	8,532	-20.3%	44	41	-8.2%
Perfumes and eau de parfums	14,341	16,019	11.7%	438	452	3.2%
Toilet waters and eau de cologne	25,071	27,926	11.4%	693	715	3.2%
Other perfume and toiletry products	27,285	26,205	-4.0%	133	134	0.6%
Total – exports	**704,126**	**653,946**	**-7.1%**	**4,877**	**4,917**	**0.8%**

Import of finished and semi-finished products

Surveys from January to December

	QUANTITIES (tonnes)			VALUE (thousands of euro)		
	2018	2019	var %	2018	2019	var %
Shampoos	43,045	48,032	11.6%	90	105	16.6%
Hair preparations	1,320	267	-79.7%	2	2	-9.4%
Hair sprays	1,559	2,550	63.6%	7	11	61.2%
Hair lotions and other products for hair care	31,530	30,066	-4.6%	125	132	5.5%
Lip make-up products	1,327	1,252	-5.7%	70	74	6.1%
Eye make-up products	1,881	1,672	-11.1%	102	107	4.2%
Nailcare products	2,447	2,034	-16.9%	49	44	-10.8%
Powders and compact powders	1,147	1,094	-4.6%	33	39	17.2%
Creams and other products	56,933	59,019	3.7%	765	771	0.8%
Body deodorants	10,963	11,534	5.2%	60	67	10.5%
Bath preparations	12,625	11,322	-10.3%	28	24	-16.0%
Toilet soaps	30,432	32,417	6.5%	60	59	-1.1%
Toothpastes	30,752	29,937	-2.7%	96	102	5.7%
Other preparations for oral hygiene	8,872	9,568	7.9%	31	38	22.7%
Shaving, pre-shave and after shave products	6,622	7,482	13.0%	21	18	-17.2%
Perfumes and eau de parfums	13,366	11,486	-14.1%	196	220	11.9%
Toilet waters and eau de cologne	41,065	10,249	-75.0%	279	269	-3.3%
Other perfume and toiletry products	7,453	10,923	46.6%	43	54	25.1%
Total imports	**303,340**	**280,905**	**-7.4%**	**2,059**	**2,135**	**3.7%**

Prepared by the Statistics Dept. and Business Culture Dept. with ISTAT data

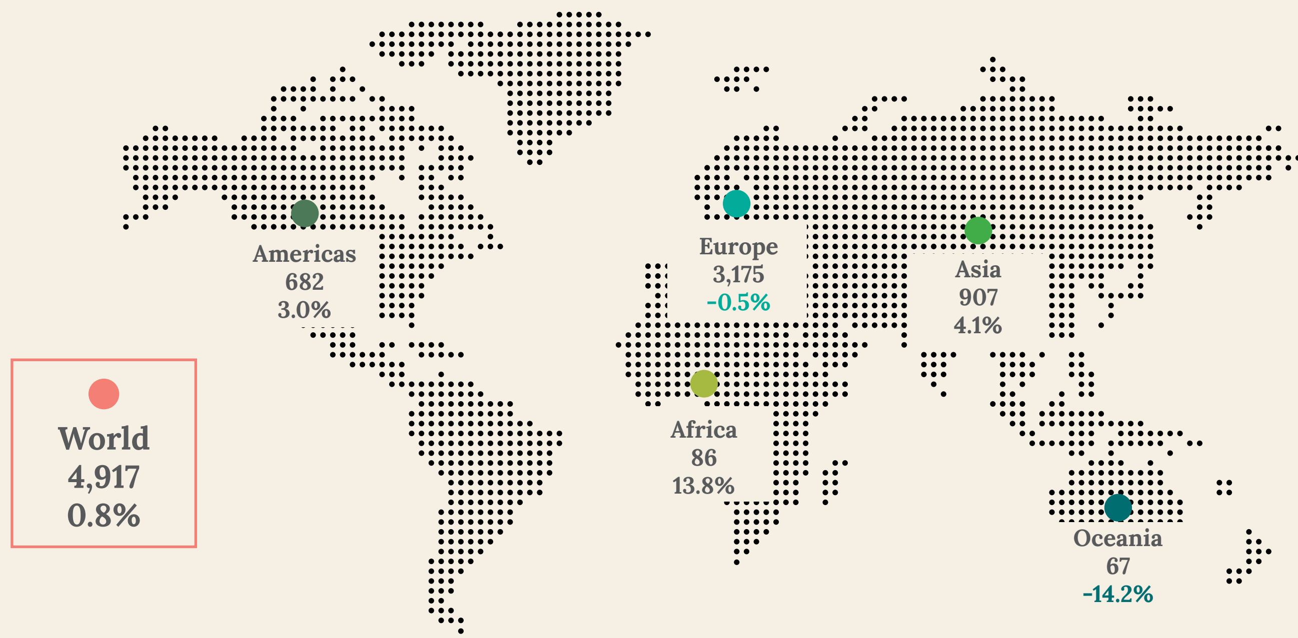
Italian cosmetics industry exports – top 10

Value of exports in € millions

	Exports 2018	Exports 2019	% change '19/'18	Weight % on export total for 2019
France	636	609	-4.2%	12.4%
Germany	549	562	2.4%	11.4%
United States	499	513	2.9%	10.4%
United Kingdom	338	351	3.8%	7.1%
Spain	304	294	-3.1%	6.0%
Hong Kong	244	244	0.0%	5.0%
Netherlands	176	171	-2.6%	3.5%
Poland	172	156	-9.2%	3.2%
Belgium	127	140	10.6%	2.9%
United Arab Emirates	147	139	-5.7%	2.8%

International flows

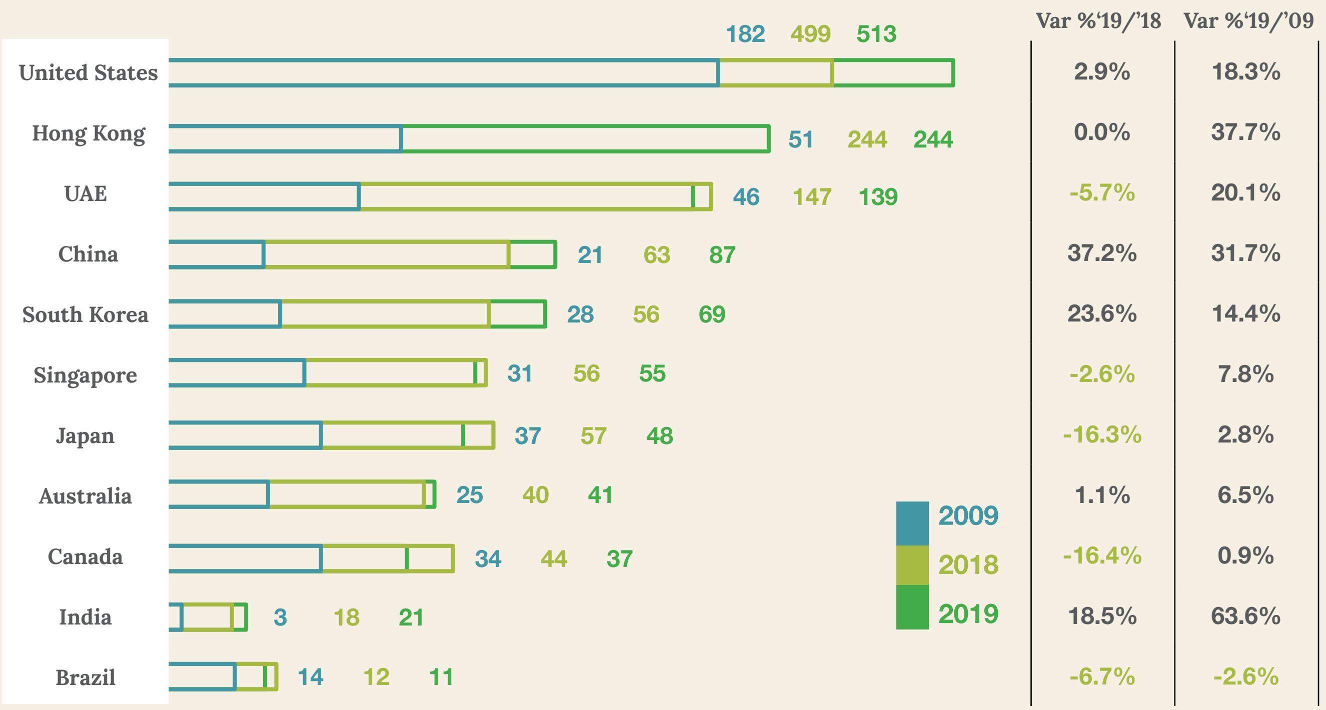
Exports- values in millions of euro and percentage variations 2019/2018



Population	World	Europe	Asia	Americas	Africa	Oceania
2019	7,795	748	4,641	1,023	1,341	43
Share %		9.6%	59.5%	13.1%	17.2%	0.5%

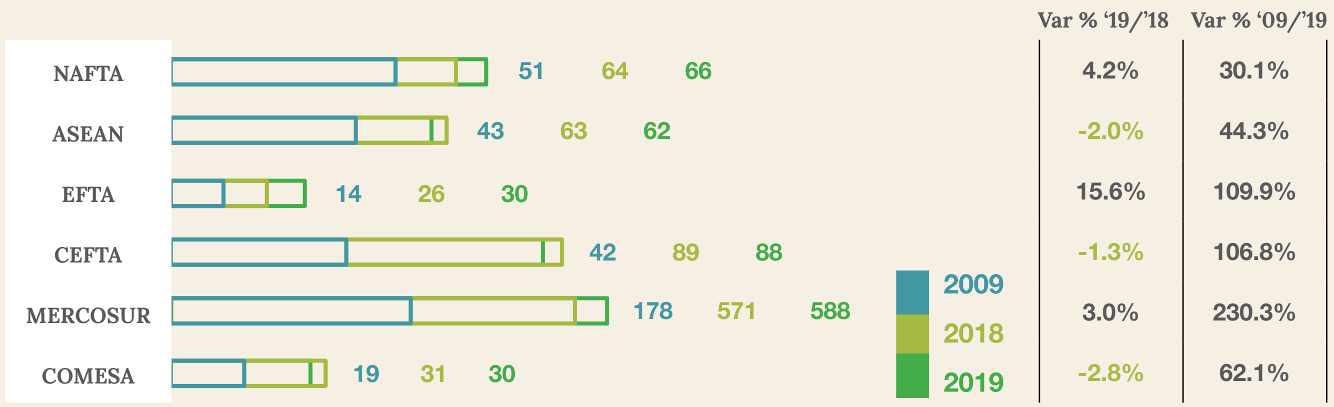
Countries with strategic importance for internationalisation activities

Value of exports in € millions



Geo-economic areas

Value of exports in € millions



1. NAFTA comprises: Canada, Mexico, US
2. ASEAN comprises: Burma, Brunei, Cambodia, Philippines, Indonesia, Laos, Malaysia, Singapore, Thailand, Vietnam
3. EFTA comprises: Iceland, Liechtenstein, Norway, Switzerland
4. CEFTA comprises: Croatia, Macedonia, Moldova, Serbia, Bosnia and Herzegovina, Montenegro, Albania, Kosovo
5. MERCOSUR comprises: Argentina, Brazil, Paraguay, Uruguay
6. COMESA comprises: Burundi, Comoros, Congo, Egypt, Eritrea, Ethiopia, Djibouti, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe

Leading importers by macro-category

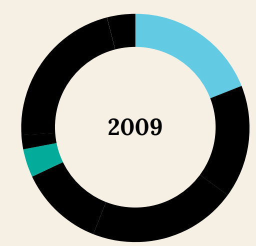
Italian exports in 2019 – values in € millions

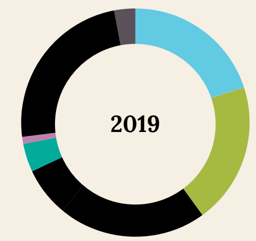
Products for hair care		Products for make-up		Products for body care		Personal cleansing	
United States	103	France	266	United States	131	France	56
Spain	81	United States	152	Hong Kong	128	United Kingdom	42
France	78	Germany	140	Germany	99	Netherlands	37
Germany	63	Belgium	89	France	93	Germany	33
United Kingdom	62	United Kingdom	62	Spain	67	Spain	32
Oral hygiene		**Products for men**		**Alcohol-based perfume products**		**Other products**	
United Kingdom	46	Germany	6	Germany	175	France	18
Germany	35	Netherlands	5	United States	107	Germany	11
France	20	France	3	Hong Kong	89	United Kingdom	10
China	13	Belgium	3	United Arab Emirates	78	Russia	10
Spain	12	United Kingdom	3	United Kingdom	78	Spain	7

Breakdown of exports by macro category

Italian exports in 2019 – values in € millions

	2009	weight % '09 on total export	2019	weight % '19 on total export	% change '19/'18
Products for hair care	396	19.3%	978	19.9%	4.1%
Products for make-up	319	15.5%	986	20.1%	-0.7%
Products for body care	423	20.6%	1,019	20.7%	3.1%
Personal cleansing	247	12.0%	367	7.5%	-15.9%
Oral hygiene	91	4.4%	225	4.6%	6.4%
Products for men	41	2.0%	41	0.8%	-8.2%
Alcohol-based perfume products	456	22.2%	1,167	23.7%	3.2%
Other products	81	3.9%	134	2.7%	0.6%
	2,054	100.0%	4,917	100.0%	0.8%





4 Developments in cosmetics during the Covid-19 crisis

Every year the Statistics Dept. explores a topic of strategic importance for cosmetics companies, so as to respond to specific needs dictated by market developments, or as for this edition, by sudden changes in the national scenario such as the Covid-19 emergency.

The analysis has a two pronged approach: on one hand, the turnover trend of cosmetics companies broken-down by specialisation level, with cleansing products separated from companies that produce other categories of cosmetics; on the other, the trend of the sell-out, or market, studied in the first six months of 2020, and offering an updated snapshot of the internal consumption situation.

The figures are enhanced by the interpretations, strategic visions and indications emerging from the entrepreneurs interviewed, offering a synthetic and effective report on the short and medium term effects of lockdown and post-Covid recovery periods.

Sell-in trend of cosmetics companies: 2020 comparison with the same period in 2019

Year 2020	III Feb. (17-21)	IV Feb. (24-28)	I Mar. (02-06)	II Mar. (09-13)	III Mar. (16-20)	VI Mar. (23-27)	V Mar. (30-03)	I and II Apr. (06-17)	III and IV Apr. (20-30)	I May (04-08)	II May (11-15)	III May (18-22)	IV May and I June (25-05)
Body hygiene	1.7	2.5	2.9	2.7	1.0	-6.0	-5.0	-5.2	-4.0	-2.5	-2.5	-1.5	1.0
Other categories	2.7	0.8	0.3	-0.5	-4.8	-59.0	-60.5	-66.6	-54.7	-45.1	-37.2	-27.9	-17.9
Total turnover	**2.5**	**1.2**	**0.8**	-0.1	-4.0	-53.0	-54.5	-58.5	-48.0	-39.5	-32.6	-24.4	-15.4

The Statistics Dept. and Corporate Culture figures are based on % changes of the global turnover of cosmetic companies (sell-in for both the domestic market and abroad) and on the basis of the mapping of manufacturers of medical-surgical or hand sanitising products.

The weekly survey trend offered by the Statistics Dept., from the end of February 2020 to the end of June, highlights a crisis curve with a strongly negative trend in mid-April linked to the closure of commercial establishments with the exception of the mass market.

Comparison for the cosmetic market in Italy: 2019 vs YTD June 2020

Channel	Final 2019	Var. '19-'18	YTD June 2020*	Var. YTD June '20-'19*
Mass market and other channels	4,346	0.8%	2,097	-3.5%
Perfume shops	2,083	2.2%	640	-38.5%
Pharmacies	1,877	1.2%	910	-3.0%
Hairdressing	588	2.0%	157	-47.0%
Direct sales: door-to-door and mail-order sales	480	-0.5%	155	-35.0%
Herbalist stores	447	1.4%	134	-40.0%
E-commerce	498	27.0%	343	40.0%
Beauty salons	239	0.9%	63	-47.0%
Market total	**10,558**	**2.2%**	**4,500**	**-15.0%**

* Projected estimate at the end of June 2020

With reference to the markets, an estimate of the consumption trend in the middle of the year is given. Obviously the suggested trends try to mediate the heavy constraints between March and May 2020, highlighting e-commerce as the only growth channel.

Channel effects and activities as per comments from entrepreneurs

With the reopening of commercial activities, the slow recovery of many companies could be seen, some comments showed new dynamics for the channels and some of the production activities. Poor liquidity, the slow recovery of sell-out in general and the adjustment of production activities still had an impact. The productive conversion activities differed. In general, there has been a slowdown in the negative curve in the various channels, which saw values improving as the weeks go on. The forecasts for the end of the year mitigate the initial pessimism: it is estimated that the final value of the Italian cosmetics market will fall by 20%, better than global expectations. Export estimates, already weakened at the end of 2019, are close to -15%.

- **Mass Market**. Promotional activity, especially in home and personal care specialists, have had the most significant effects. Large stores are suffering more. The focus on essential products in the mass market still penalises attention on cosmetics, which are slowly approaching the levels of the end of February. Values related to products for hygiene and personal care are significant. The boom of sanitising gels and hair care has slowed down. There are tensions with logistics and payment deferrals.
- **Perfume shops**. The lack of liquidity, aggravated by the prolonged store closure, was also a problem for specialised companies in the selective channel with obvious difficulties in recovering historical values. There are issues with product deadlines, with criticality for returns. Consumers are still oriented towards specialised home and personal care channels, in addition to online platforms. Customers may return during the summer: consumers, also benefiting from walking more, will favour less frequented places. Still, however, a return to pre-crisis levels is hard to envisage.
- **Pharmacies**. Sell-out recoveries are confirmed, after the significant contraction in consumption in para-pharmacies and shopping centres. Some conditions still remain: the impossibility to organise representative visits, in addition to e-commerce which penalises many traditional pharmacies. There are some concerns about the loss of the channel's identity, balanced by the presumption that the crisis could accelerate the process of rethinking and strategic repositioning of pharmacies towards cosmetics. It will be necessary to expand the basket of products, after the episodic explosion of sanitisers. For some operators, a return to normal will take place at the start of the summer.
- **Herbalist stores**. A drop in access, once the recovery happens, will penalise the mono-brand stores less, but classic herbalist stores will find it more difficult to recover, with non-uniform situations at local level. The difficulty in representative visits is confirmed; from this perspective, there will be a rethinking of distribution policies for that market that will in any event lose more than 20% of its turnover in 2020.

  Opportunities: the pandemic has changed the geography of commerce a little, also leading to a partial recovery for neighbourhood stores. Herbalist stores could benefit from this, providing they rethink their point of sale concept to bring it closer to the solid and current needs of consumers, not only in terms of product assortment but above all for targeted services that also involve digital technologies. Threats: retaining a commercial model now outdated in the mind of the consumer.
- **Hairdressing**. The closures from the beginning of the pandemic have created enormous problems for the entire supply chain. After the reopening of 18 May, despite natural enthusiasm there were some salons that shut down completely, amounting to an estimated 10% of businesses; with obvious risks of new and more extended forms of unauthorised activities. For specialised companies, despite enormous efforts to support the salons, large losses are expected due to insufficient liquidity and a slower recovery in attendance. Resale levels are doing better. On the opportunity front, it is hoped that there will be a return of the end customer to salons after the initial impact of fear dissipates.
- **Beauty salons**. Beauty salons also suffered from the forced closure at the beginning of the pandemic, with evident uncertainties after the reopening on May 18. The risks associated with unauthorised activities and the definitive closure of many businesses affect the activities of specialised companies in the channel. Certainly, the commitment from operators will have to include a rethink of the service culture so as to become increasingly attractive with offering the highest level of professionalism.
- **E-commerce**. The growth in volumes in the months of lockdown is not likely to end with a recovery in consumption, but it will be necessary to invest in the assets generated by the new traffic. Loyalty and promotion activities must be put in place in order not to lose the new consumer groups. The large jump in digital sales will be constant both in percentage and in value.
- **Contractors**. Companies specialising in individual channels have tried to remodel production, both by converting and looking for new plans in Italy and abroad. Low liquidity, high defaults and late payments are worrying. The first results of medium-term programming are being seen, but the recovery will be slow with inevitable problems for the various supply chains. There are discordant indications for order recovery.

Effects and activities according to companies

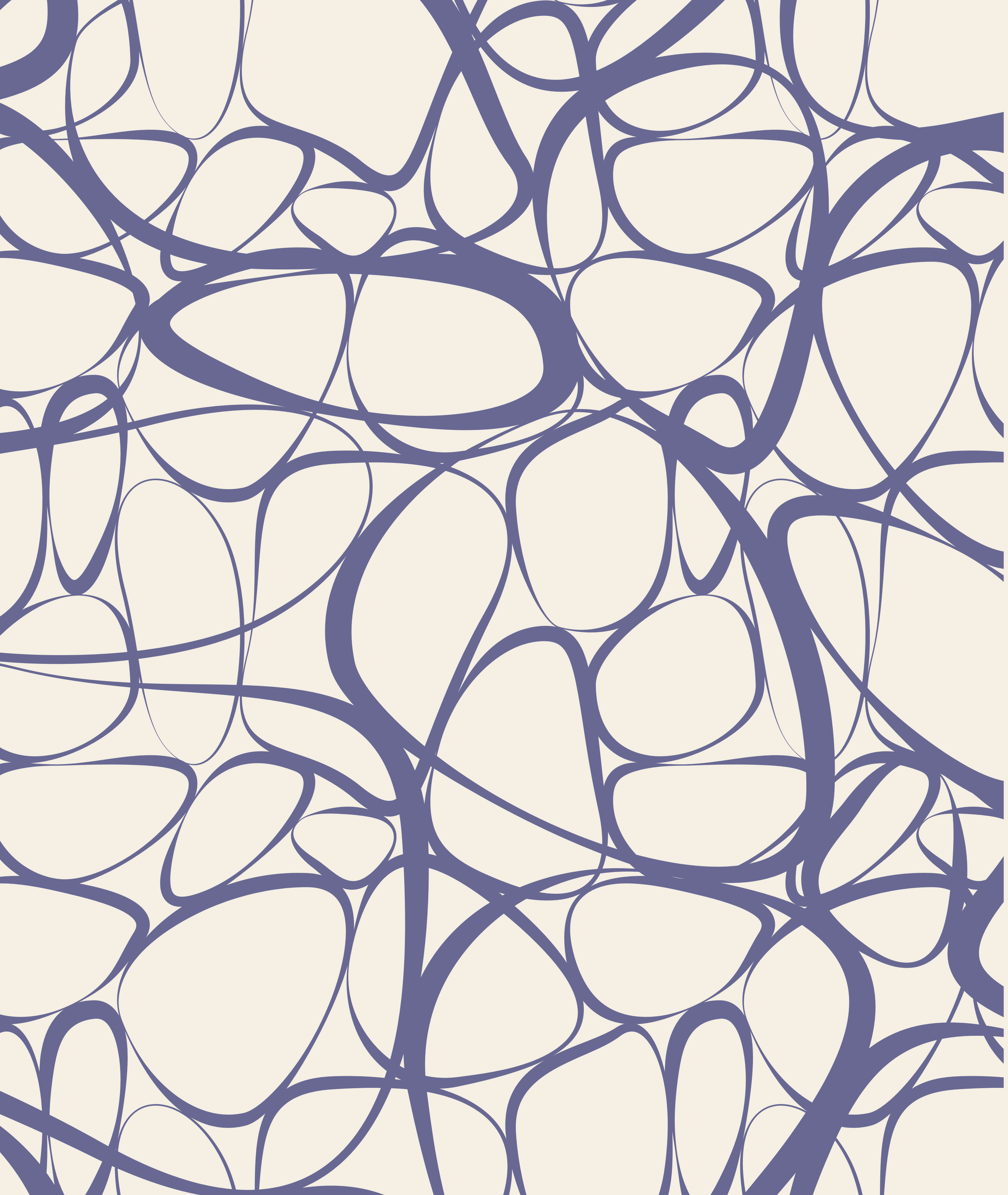
EFFECTS EXPECTED AT APRIL 27 *average expectation level on a scale of 1 to 5 (1=not at all expected and 5=highly expected)*		EFFECTS SEEN AT 15 JUNE Well above expectations	Below expectations	In line with expectations	Below expectations	Well below expectations
Market	**3.9**	**2.1%**	**14.6%**	**54.2%**	**20.8%**	**8.3%**
E-commerce expansion	4.4	8.3%	25.0%	45.8%	8.3%	12.5%
Sales point closures	3.8	-	12.5%	75.0%	8.3%	4.2%
New sales models (disintermediation)	3.6	-	8.3%	58.3%	25.0%	8.3%
Support in the medium-term for the professionals, characteristic of our industry on the business side and professional side (hairdressers, beauty consultants, beauticians, promoters, make-up artists, etc.)	3.6	-	12.5%	37.5%	41.7%	8.3%
Consumer	**3.2**	**3.1%**	**17.7%**	**50.0%**	**18.8%**	**10.4%**
New consumption routines: more online and less offline	4.1	8.3%	16.7%	54.2%	16.7%	4.2%
Greater propensity to save	3.9	4.2%	29.2%	66.7%	-	-
Greater propensity to consume	2.5	-	8.3%	33.3%	37.5%	20.8%
New consumption routines: less online and more offline	2.2	-	16.7%	45.8%	20.8%	16.7%
Competition	**3.1**	**1.4%**	**19.4%**	**55.6%**	**15.3%**	**8.3%**
Closure of many businesses	3.4	-	12.5%	75.0%	12.5%	-
Creation of new businesses	3.4	-	4.2%	50.0%	33.3%	12.5%
Wellness programmes (spa)	2.6	4.2%	41.7%	41.7%	-	12.5%

Data processed by the Statistics Dept. and Business Culture Dept. based on the operators' statements

A further look at how companies have reacted and attitudes on some economic fundamentals in coping with the Covid-19 crisis, highlights the impressions of companies in the second week of June, in comparison with a similar study of the previous month. The most characteristic factors of the outlet markets were put at the centre of the analysis.

- in relation to **distribution**, the expansion of e-commerce was highlighted as a fundamental phenomenon, as well as concern about the closure of many stores. In the mid-June study, these indications were confirmed and significant concerns emerge regarding the medium and long-term support for professionals. The issue of disintermediation which accelerated at the start of the crisis was confirmed.
- As far as the **consumer** is concerned, the picture outlined at the start of the surveys confirms the greater number of online purchases and a greater propensity to save, with clear impacts on spending availability. A new type of consumption has arisen, still prudent and fearful for the depletion of the availability of goods, while not giving up the daily cosmetics routine.
- In relation to **competition**, entrepreneurs confirm their fear of having to close many companies, even where there has been significant conversion activities that have given rise to new entrepreneurial distribution initiatives. Matters linked to the scarce liquidity, still lower attendance and new digital habits, require a rethinking of the supply chains, expanding the traditional concepts of specialised channels. New and more dynamic business will surely grow out of this revolution

Evidence of this activity can be found in the new containers and communication tools that the Statistics Dept. has developed in recent years. First and foremost among these is the Beauty Trend Watch, the Statistics Dept. newsletter which offers targeted focus updates for the cosmetics industry.



5 The evolution of cosmetics consumption through history

The following pages show some significant statistical tables that allow the trend of cosmetics consumption to be analysed according to product categories and distribution channels. The statistical annex offers two sets of data; indeed, each distribution channel and the total of distribution channels highlight the development of consumption at historic prices and at actual values compared to 2019.

Development of consumption at historical values

For each year starting from 2009, the tables bring together the total consumption quantified in millions of euros, VAT included prices for the public, the value of the currency in each reference year, i.e. without taking into account the effects of the devaluation that occurred between the first and last year of revaluation.

The percentage changes referring to the annual trend of consumption at historic prices take into account the inflationary effect. These are variations that measure price increases offset, more or less, with quantitative variations in consumption.

Development of consumption at actual values

Consumption values at historical prices are recalculated in these tables on the basis of the devaluation that took place in each year. The conversion of consumption values on a 2019 basis allows market changes in the most recent period to be highlighted, with a good approximation in terms of trading volumes. In fact, assuming that the annual increase in prices coincides with inflation, the percentage change in actual values shows how consumption has changed quantitatively over time, regardless of the developments in price lists.

It should be noted that, as a result of the revision carried out on products and channels last year, retroactively until 2009, all the bases and quotas of the tables were revised, which inevitably led to substantial changes and they are therefore no longer comparable with previous reports.

Conversion table (base 2019 = 1)

YEAR	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EURO	1.116	1.099	1.070	1.039	1.027	1.025	1.026	1.027	1.016	1.005	1.000

Source: ISTAT

HISTORICAL DATA

Values in € millions

Italian cosmetics market

	2012	2013	% var. 13/12	2014	% var. 14/13	2015	% var. 15/14	2016	% var. 16/15	2017	% var. 17/16	2018	% var. 18/17	2019	% var. 19/18
Pharmacies	1,765	1,772	0.4	1,799	1.5	1,827	1.6	1,825	-0.1	1,862	2.0	1,854	-0.4	1,877	1.2
Perfume shops	2,101	2,031	-3.3	1,982	-2.4	2,000	0.9	2,018	0.9	2,008	-0.5	2,037	1.5	2,083	2.2
Mass market and other channels*	4,731	4,689	-0.9	4,620	-1.5	4,688	1.5	4,651	-0.8	4,706	1.2	4,752	1.0	4,793	0.8
of which hypermarkets and supermarkets	2,132	2,038	-4.4	1,955	-4.1	1,922	-1.7	1,856	-3.4	1,836	-1.0	1,785	-2.8	1,761	-1.4
Direct sales: door-to-door and mail-order sales	524	537	2.4	520	-3.1	501	-3.7	487	-2.7	492	1.0	482	-2.0	480	-0.5
E-commerce	45	81	81.0	117	44.7	194	66.4	276	42.1	340	23.1	391	22.0	498	27.0
Beauty salons	256	242	-5.5	234	-3.5	226	-3.1	231	2.1	236	2.0	237	0.5	239	0.9
Hairdressing	650	595	-8.4	575	-3.4	563	-2.2	568	1.0	574	1.0	577	0.5	588	2.0
Total	**10,071**	**9,947**	**-1.2**	**9,846**	**-1.1**	**9,999**	**1.4**	**10,057**	**0.5**	**10,218**	**1.7**	**10,331**	**1.3**	**10,558**	**2.2**

(*) includes single brand stores

Composition % of the Italian cosmetics market

	2012		2013		2014		2015		2016		2017		2018		2019	
	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %
Pharmacies	1,765	17.5	1,772	17.8	1,799	18.3	1,827	18.3	1,825	18.1	1,862	18.2	1,854	17.9	1,877	17.8
Perfume shops	2,101	20.9	2,031	20.4	1,982	20.1	2,000	20.0	2,018	20.1	2,008	19.6	2,037	19.7	2,083	19.7
Mass market and other channels*	4,731	47.0	4,689	47.1	4,620	46.9	4,688	46.9	4,651	46.2	4,706	46.1	4,752	46.0	4,793	45.4
of which hypermarkets and supermarkets	2,132	21.2	2,038	20.5	1,955	19.9	1,922	19.2	1,856	18.5	1,836	18.0	1,785	17.3	1,761	16.7
Direct sales: door-to-door and mail-order sales	524	5.2	537	5.4	520	5.3	501	5.0	487	4.8	492	4.8	482	4.7	480	4.5
E-commerce	45	0.4	81	0.8	117	1.2	194	1.9	276	2.7	340	3.3	391	3.8	498	4.7
Beauty salons	256	2.5	242	2.4	234	2.4	226	2.3	231	2.3	236	2.3	237	2.3	239	2.3
Hairdressing	650	6.5	595	6.0	575	5.8	563	5.6	568	5.7	574	5.6	577	5.6	588	5.6
Total	**10,071**	**100.0**	**9,947**	**100.0**	**9,846**	**100.0**	**9,999**	**100.0**	**10,057**	**100.0**	**10,218**	**100.0**	**10,331**	**100.0**	**10,558**	**100.0**

Italian cosmetics market: composition % of products in traditional channels

	2012		2013		2014		2015		2016		2017		2018		2019	
	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %	a.v.	Comp. %
Hair and scalp care	1,128	13.1	1,115	13.1	1,106	13.2	1,104	13.0	1,074	12.6	1,044	12.2	995	11.9	996	11.4
Facial care products	1,386	16.1	1,373	16.2	1,375	16.4	1,407	16.5	1,393	16.4	1,428	16.7	1,473	16.9	.516	17.3
Face make-up products	392	4.6	396	4.7	380	4.5	391	4.6	395	4.6	419	4.9	467	4.9	470	5.4
Make-up packs	40	0.5	39	0.5	41	0.5	43	0.5	43	0.5	44	0.5	51	0.5	51	0.6
Eye make-up products	331	3.9	338	4.0	333	4.0	348	4.1	366	4.3	373	4.4	426	4.4	430	4.9
Products for lip care	280	3.3	274	3.2	260	3.1	259	3.0	267	3.1	290	3.4	346	3.6	364	4.2
Products for hand care	211	2.5	208	2.4	199	2.4	194	2.3	187	2.2	181	2.1	197	2.1	195	2.2
Products for body care	1,445	16.8	1,429	16.8	1,414	16.8	1,410	16.6	1,417	16.7	1,404	16.4	1,385	16.6	1,387	15.8
Products for body hygiene	1,090	12.7	1,075	12.7	1,062	12.6	1,078	12.7	1,072	12.6	1,073	12.5	1,033	12.4	1,032	11.8
Products for oral hygiene	638	7.4	634	7.5	643	7.7	665	7.8	663	7.8	672	7.8	639	7.7	645	7.4
Skin-cleansing products for children	359	4.2	350	4.1	334	4.0	331	3.9	317	3.7	315	3.7	293	3.6	288	3.3
Products for men	192	2.2	183	2.2	174	2.1	170	2.0	163	1.9	162	1.9	146	1.8	143	1.6
Alcohol-based perfume products	1,001	11.6	978	11.5	971	11.6	1,011	11.9	1,022	12.0	1,060	12.4	1,073	12.2	1,112	12.7
Gift packs	106	1.2	102	1.2	108	1.3	105	1.2	108	1.3	113	1.3	118	1.4	122	1.4
Total	**8,597**	**100.0**	**8,492**	**100.0**	**8,400**	**100.0**	**8,515**	**100.0**	**8,494**	**100.0**	**8,576**	**100.0**	**8,643**	**100.0**	**8,751**	**100.0**

Total cosmetic products on traditional channels – Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	**8,639.5**	**8,502.6**	**8,699.5**	**8,615.3**	**8,514.8**	**8,395.6**	**8,507.0**	**8,485.7**	**8,576.4**	**8,643.1**	**8,750.6**
	2.6%	-1.6%	2.3%	-1.0%	-1.2%	-1.4%	1.3%	-0.2%	1.1%	0.8%	1.2%
Hair and scalp care	1,113.5	1,092.8	1,113.9	1,103.8	1,094.2	1,061.8	1,049.8	1,006.9	997.6	994.6	996.3
	1.4%	-1.9%	1.9%	-0.9%	-0.9%	-3.0%	-1.1%	-4.1%	-0.9%	-0.3%	0.2%
Facial care products	1,393.4	1,370.1	1,395.2	1,385.3	1,385.6	1,379.1	1,388.4	1,405.5	1,443.8	1,473.4	1,516.0
	0.7%	-1.7%	1.8%	-0.7%	0.0%	-0.5%	0.7%	1.2%	2.7%	2.0%	2.9%
Face make-up products	412.7	403.4	431.3	437.3	419.5	419.0	430.6	450.1	456.8	466.8	470.3
	9.5%	-2.2%	6.9%	1.4%	-4.1%	-0.1%	2.8%	4.5%	1.5%	2.2%	0.7%
Make-up packs	38.8	38.6	39.9	38.9	41.4	42.3	42.4	43.3	44.1	51.3	51.0
	5.3%	-0.5%	3.3%	-2.5%	6.5%	2.1%	0.4%	2.0%	1.9%	16.3%	-0.6%
Products for eyes	359.7	364.5	374.6	382.7	377.1	383.2	409.6	412.4	419.3	425.5	430.2
	7.8%	1.3%	2.8%	2.2%	-1.5%	1.6%	6.9%	0.7%	1.7%	1.5%	1.1%
Products for lip care	301.6	300.4	312.6	306.9	290.3	282.0	295.2	315.3	337.9	346.1	363.8
	-1.5%	-0.4%	4.1%	-1.8%	-5.4%	-2.9%	4.7%	6.8%	7.2%	2.4%	5.1%
Products for hand care	235.3	234.3	241.8	238.5	227.6	215.8	212.1	201.5	198.3	196.9	194.6
	10.0%	-0.4%	3.2%	-1.4%	-4.6%	-5.2%	-1.7%	-5.0%	-1.6%	-0.7%	-1.2%
Products for body care	1,440.4	1,414.9	1,442.4	1,430.6	1,413.7	1,371.0	1,400.1	1,370.3	1,401.6	1,384.8	1,386.7
	4.1%	-1.8%	1.9%	-0.8%	-1.2%	-3.0%	2.1%	-2.1%	2.3%	-1.2%	0.1%
Products for body hygiene	1,081.4	1,055.0	1,074.3	1,062.2	1,048.7	1,034.6	1,045.8	1,034.2	1,033.7	1,033.3	1,031.8
	0.8%	-2.4%	1.8%	-1.1%	-1.3%	-1.3%	1.1%	-1.1%	0.0%	0.0%	-0.1%
Products for oral hygiene	616.5	615.5	629.4	627.1	635.4	639.3	648.2	648.7	643.6	638.6	644.8
	3.7%	-0.2%	2.2%	-0.4%	1.3%	0.6%	1.4%	0.1%	-0.8%	-0.8%	1.0%
Skin-cleansing products for children	340.8	346.0	354.7	346.9	330.8	318.5	310.6	304.3	303.3	293.4	287.7
	13.4%	1.5%	2.5%	-2.2%	-4.6%	-3.7%	-2.5%	-2.0%	-0.3%	-3.3%	-1.9%
Products for men	188.8	184.9	187.0	178.3	170.0	161.3	156.8	154.1	150.2	146.4	143.5
	0.1%	-2.1%	1.1%	-4.7%	-4.6%	-5.1%	-2.8%	-1.7%	-2.5%	-2.5%	-2.0%
Alcohol-based perfume products	1,003.0	972.8	991.6	971.5	963.1	976.1	1,002.0	1,026.7	1,027.3	1,072.6	1,112.1
	0.8%	-3.0%	1.9%	-2.0%	-0.9%	1.3%	2.7%	2.5%	0.1%	4.4%	3.7%
Gift packs	99.7	102.4	107.9	104.3	110.0	103.4	109.1	112.4	116.8	118.2	121.8
	1.6%	2.7%	5.4%	-3.3%	5.5%	-6.0%	5.5%	3.0%	3.9%	1.3%	3.1%

Total cosmetic products on traditional channels – Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	**9,641.6**	**9,344.3**	**9,308.5**	**8,951.3**	**8,744.7**	**8,605.5**	**8,728.1**	**8,714.8**	**8713.6**	**8686.3**	**8750.6**
	2.4%	-3.1%	-0.4%	-3.8%	-2.3%	-1.6%	1.4%	-0.2%	0.0%	0.8%	1.2%
Hair and scalp care	1,242.7	1,200.9	1,191.9	1,146.8	1,123.8	1,088.3	1,077.1	1,034.0	1013.6	999.6	996.3
	1.1%	-3.4%	-0.8%	-3.8%	-2.0%	-3.2%	-1.0%	-4.0%	-2.0%	-0.3%	0.2%
Facial care products	1,555.0	1,505.7	1,492.8	1,439.3	1,423.0	1,413.6	1,424.5	1,443.5	1466.9	1480.7	1516.0
	0.4%	-3.2%	-0.9%	-3.6%	-1.1%	-0.7%	0.8%	1.3%	1.6%	2.0%	2.9%
Face make-up products	460.5	443.3	461.5	454.4	430.8	429.4	441.7	462.3	464.1	469.2	470.3
	10.2%	-3.7%	4.1%	-1.5%	-5.2%	-0.3%	2.9%	4.7%	0.4%	2.2%	0.7%
Make-up packs	43.3	42.4	42.7	40.4	42.5	43.3	43.5	44.4	44.8	51.5	51.0
	5.3%	-2.0%	0.6%	-5.4%	5.3%	1.9%	0.5%	2.1%	0.8%	16.3%	-0.6%
Products for eyes	401.5	400.6	400.8	397.7	387.3	392.8	420.3	423.5	426.0	427.6	430.2
	8.2%	-0.2%	0.1%	-0.8%	-2.6%	1.4%	7.0%	0.8%	0.6%	1.5%	1.1%
Products for lip care	336.6	330.2	334.5	318.8	298.1	289.0	302.9	323.8	343.3	347.8	363.8
	-1.7%	-1.9%	1.3%	-4.7%	-6.5%	-3.1%	4.8%	6.9%	6.0%	2.4%	5.1%
Products for hand care	262.6	257.5	258.8	247.8	233.7	221.2	217.6	206.9	201.5	197.9	194.6
	10.8%	-1.9%	0.5%	-4.2%	-5.7%	-5.4%	-1.6%	-4.9%	-2.6%	-0.7%	-1.2%
Products for body care	1,607.5	1,555.0	1,543.3	1,486.4	1,451.8	1,405.2	1,436.5	1,407.3	1424.0	1391.7	1386.7
	4.0%	-3.3%	-0.8%	-3.7%	-2.3%	-3.2%	2.2%	-2.0%	1.2%	-1.2%	0.1%
Products for body hygiene	1,206.8	1,159.5	1,149.6	1,103.7	1,077.0	1,060.5	1,073.0	1,062.1	1050.2	1038.4	1031.8
	0.6%	-3.9%	-0.9%	-4.0%	-2.4%	-1.5%	1.2%	-1.0%	-1.1%	0.0%	-0.1%
Products for oral hygiene	688.0	676.5	673.4	651.6	652.6	655.2	665.0	666.2	653.9	641.7	644.8
	3.6%	-1.7%	-0.4%	-3.2%	0.1%	0.4%	1.5%	0.2%	-1.8%	-0.8%	1.0%
Skin-cleansing products for children	380.3	380.2	379.5	360.4	339.7	326.4	318.7	312.5	308.2	294.9	287.7
	15.1%	0.0%	-0.2%	-5.0%	-5.7%	-3.9%	-2.4%	-1.9%	-1.4%	-3.3%	-1.9%
Products for men	210.7	203.2	200.1	185.2	174.6	165.3	160.9	158.2	152.6	147.1	143.5
	-0.2%	-3.5%	-1.6%	-7.4%	-5.7%	-5.3%	-2.7%	-1.6%	-3.6%	-2.5%	-2.0%
Alcohol-based perfume products	1,119.3	1,069.1	1,061.1	1,009.4	989.1	1,000.5	1,028.0	1,054.4	1043.7	1077.9	1112.1
	0.5%	-4.5%	-0.8%	-4.9%	-2.0%	1.2%	2.8%	2.6%	-1.0%	4.4%	3.7%
Gift packs	111.3	112.5	115.4	108.4	113.0	106.0	111.9	115.5	118.6	118.8	121.8
	1.3%	1.1%	2.6%	-6.1%	4.3%	-6.2%	5.6%	3.1%	2.7%	1.3%	3.1%

PHARMACIES - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	1,821.3	1,757.6	1,791.4	1,766.8	1,773.3	1,800.1	1,827.8	1,825.5	1,862.1	1,853.9	1,876.8
	5.0%	-3.5%	1.9%	-1.4%	0.4%	1.5%	1.5%	-0.1%	2.0%	-0.4%	1.2%
Hair and scalp care	183.1	179.9	182.6	179.5	179.0	178.7	182.6	181.8	181.2	181.6	182.7
	1.1%	-1.7%	1.5%	-1.7%	-0.3%	-0.2%	2.2%	-0.4%	-0.3%	0.2%	0.6%
Facial care products	482.3	470.1	474.6	472.5	475.6	482.1	487.9	499.1	515.3	522.5	538.4
	6.2%	-2.5%	1.0%	-0.5%	0.7%	1.4%	1.2%	2.3%	3.3%	1.4%	3.1%
Face make-up products	52.2	50.5	50.2	51.5	51.3	55.8	58.0	56.7	59.5	59.7	59.6
	8.6%	-3.3%	-0.4%	2.6%	-0.5%	8.8%	3.9%	-2.2%	5.0%	0.3%	-0.2%
Make-up packs	-	-	-	-	-	-	-	-	0.3	0.3	0.4
	-	-	-	-	-	-	-	-	-	24.1%	12.7%
Products for eyes	15.3	11.1	11.4	12.4	12.6	29.5	32.6	29.6	32.6	32.7	34.0
	16.3%	-27.2%	2.0%	8.9%	2.2%	133.2%	10.6%	-9.1%	9.9%	0.3%	4.1%
Products for lip care	52.6	44.0	43.4	44.1	43.2	43.4	43.8	45.4	51.1	53.3	56.8
	13.6%	-16.3%	-1.3%	1.4%	-1.9%	0.4%	1.0%	3.6%	12.6%	4.3%	6.5%
Products for hand care	38.2	39.7	41.0	41.4	38.7	35.9	37.8	37.0	40.3	39.7	41.4
	14.3%	3.9%	3.2%	1.0%	-6.6%	-7.3%	5.3%	-2.1%	8.9%	-1.5%	4.5%
Products for body care	460.9	446.3	464.1	450.6	454.6	451.5	457.1	447.4	453.9	445.5	448.7
	3.6%	-3.2%	4.0%	-2.9%	0.9%	-0.7%	1.2%	-2.1%	1.5%	-1.8%	0.7%
Products for body hygiene	262.8	255.8	263.1	257.8	260.6	266.0	270.0	272.4	273.2	271.0	269.3
	5.7%	-2.7%	2.9%	-2.0%	1.1%	2.1%	1.5%	0.9%	0.3%	-0.8%	-0.6%
Products for oral hygiene	144.4	140.2	139.8	138.4	142.7	144.3	145.9	144.8	141.6	136.0	134.6
	1.4%	-2.9%	-0.3%	-1.0%	3.1%	1.1%	1.1%	-0.8%	-2.2%	-4.0%	-1.0%
Skin-cleansing products for children	107.9	101.4	101.9	100.2	96.4	93.7	91.3	90.5	87.4	83.1	81.2
	5.7%	-6.0%	0.5%	-1.7%	-3.8%	-2.8%	-2.5%	-0.9%	-3.4%	-4.8%	-2.3%
Products for men	17.2	15.1	14.4	13.0	12.6	12.0	10.9	10.8	10.3	9.7	9.3
	4.2%	-11.9%	-4.8%	-9.6%	-3.0%	-5.4%	-9.1%	-0.9%	-4.7%	-5.1%	-4.3%
Alcohol-based perfume products	4.6	4.1	5.2	5.8	6.2	7.4	9.5	9.7	14.4	17.4	20.2
	25.7%	-10.9%	27.0%	11.2%	6.9%	18.8%	29.1%	2.1%	47.9%	20.9%	16.5%
Gift packs	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-

PHARMACIES - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	2,032.6	1,931.6	1,916.8	1,835.7	1,821.2	1,845.1	1,875.3	1,874.8	1,891.8	1,863.2	1,876.8
	5.0%	-5.0%	-0.8%	-4.2%	-0.8%	1.3%	1.6%	0.0%	0.9%	-0.4%	1.2%
Hair and scalp care	204.3	197.7	195.4	186.5	183.9	183.1	187.4	186.7	184.1	182.5	182.7
	0.8%	-3.2%	-1.2%	-4.6%	-1.4%	-0.4%	2.3%	-0.3%	-1.4%	0.2%	0.6%
Facial care products	538.3	516.6	507.9	490.9	488.5	494.1	500.6	512.6	523.6	525.1	538.4
	6.4%	-4.0%	-1.7%	-3.3%	-0.5%	1.2%	1.3%	2.4%	2.2%	1.4%	3.1%
Face make-up products	58.2	55.5	53.8	53.5	52.6	57.2	59.5	58.2	60.5	60.0	59.6
	9.1%	-4.8%	-3.1%	-0.4%	-1.7%	8.6%	4.1%	-2.2%	3.9%	0.3%	-0.2%
Make-up packs	-	-	-	-	-	-	-	-	0.3	0.3	0.4
	-	-	-	-	-	-	-	-	-	24.1%	12.7%
Products for eyes	17.1	12.2	12.2	12.9	13.0	30.2	33.5	30.4	33.1	32.9	34.0
	19.1%	-28.3%	-0.7%	5.8%	1.0%	132.8%	10.7%	-9.0%	8.8%	0.3%	4.1%
Products for lip care	58.7	48.4	46.5	45.8	44.4	44.5	45.0	46.6	51.9	53.6	56.8
	15.5%	-17.6%	-3.9%	-1.5%	-3.0%	0.2%	1.1%	3.7%	11.4%	4.3%	6.5%
Products for hand care	42.7	43.7	43.9	43.0	39.7	36.8	38.8	38.0	40.9	39.9	41.4
	16.3%	2.3%	0.5%	-1.9%	-7.7%	-7.4%	5.4%	-2.0%	7.7%	-1.5%	4.5%
Products for body care	514.4	490.5	496.6	468.2	466.9	462.8	468.9	459.5	461.1	447.8	448.7
	3.4%	-4.7%	1.3%	-5.7%	-0.3%	-0.9%	1.3%	-2.0%	0.4%	-1.8%	0.7%
Products for body hygiene	293.3	281.1	281.5	267.8	267.7	272.7	277.0	279.7	277.6	272.4	269.3
	5.7%	-4.2%	0.2%	-4.9%	-0.1%	1.9%	1.6%	1.0%	-0.7%	-0.8%	-0.6%
Products for oral hygiene	161.2	154.1	149.5	143.8	146.6	147.9	149.7	148.7	143.9	136.6	134.6
	1.2%	-4.4%	-2.9%	-3.8%	1.9%	0.9%	1.2%	-0.7%	-3.2%	-4.0%	-1.0%
Skin-cleansing products for children	120.4	111.5	109.1	104.1	99.0	96.0	93.7	92.9	88.8	83.6	81.2
	5.7%	-7.4%	-2.1%	-4.5%	-5.0%	-3.0%	-2.4%	-0.8%	-4.5%	-4.8%	-2.3%
Products for men	19.2	16.6	15.4	13.5	13.0	12.3	11.2	11.1	10.4	9.8	9.3
	4.2%	-13.2%	-7.3%	-12.2%	-4.1%	-5.6%	-9.1%	-0.8%	-5.7%	-5.1%	-4.3%
Alcohol-based perfume products	5.1	4.5	5.6	6.0	6.4	7.5	9.8	10.0	14.6	17.4	20.2
	34.3%	-12.2%	23.7%	8.0%	5.7%	18.6%	29.2%	2.2%	46.3%	20.9%	16.5%
Gift packs	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-

PERFUME SHOPS - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	2,227.0	2,160.0	2,181.8	2,103.1	2,033.3	1,983.9	2,001.0	2,018.4	2,007.8	2,036.9	2,082.6
	-0.9%	-3.0%	1.0%	-3.6%	-3.3%	-2.4%	0.9%	0.9%	-0.5%	1.5%	2.2%
Hair and scalp care	77.0	69.5	64.8	61.2	55.8	50.8	45.2	42.0	38.4	35.7	34.8
	-5.9%	-9.8%	-6.7%	-5.6%	-8.8%	-9.0%	-10.9%	-7.1%	-8.6%	-6.9%	-2.6%
Facial care products	433.0	406.4	416.6	401.4	389.4	385.8	391.9	401.4	409.2	420.4	438.4
	-6.0%	-6.2%	2.5%	-3.6%	-3.0%	-0.9%	1.6%	2.4%	2.0%	2.7%	4.3%
Face make-up products	196.4	191.5	188.2	189.0	179.3	174.1	174.7	179.7	175.1	173.7	177.1
	3.8%	-2.5%	-1.7%	0.4%	-5.1%	-2.9%	0.3%	2.8%	-2.5%	-0.8%	1.9%
Make-up packs	20.2	17.8	26.9	26.0	27.4	27.9	28.1	28.4	29.2	35.6	35.2
	1.7%	-11.9%	51.5%	-3.5%	5.5%	1.8%	0.5%	1.2%	2.7%	22.0%	-1.1%
Products for eyes	147.8	145.6	143.9	145.3	141.9	133.0	134.2	132.1	128.8	125.2	125.6
	5.8%	-1.5%	-1.2%	1.0%	-2.4%	-6.2%	0.9%	-1.5%	-2.5%	-2.8%	0.3%
Products for lip care	107.6	104.3	102.7	96.9	91.7	89.6	87.7	95.6	102.7	101.5	103.0
	-5.0%	-3.1%	-1.6%	-5.6%	-5.5%	-2.2%	-2.2%	9.0%	7.4%	-1.2%	1.5%
Products for hand care	42.2	44.1	49.3	46.2	42.8	37.7	33.3	29.5	25.1	23.0	20.0
	11.6%	4.5%	11.8%	-6.3%	-7.4%	-12.0%	-11.5%	-11.5%	-15.0%	-8.4%	-13.1%
Products for body care	199.2	189.0	185.3	170.7	153.3	138.4	138.8	132.1	134.0	128.1	126.1
	-5.0%	-5.1%	-1.9%	-7.9%	-10.2%	-9.7%	0.3%	-4.8%	1.5%	-4.4%	-1.5%
Products for body hygiene	53.2	49.9	46.2	41.0	36.5	32.3	31.1	28.8	26.6	24.5	24.2
	-7.1%	-6.3%	-7.3%	-11.2%	-11.1%	-11.5%	-3.7%	-7.5%	-7.5%	-7.8%	-1.5%
Products for oral hygiene	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
	-0.4%	-0.3%	0.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	0.1%	0.2%	-0.5%
Skin-cleansing products for children	-	-	-	-	-	-	-	-	4.7	4.7	4.6
	-	-	-	-	-	-	-	-	-	0.1%	-1.5%
Products for men	54.5	51.4	50.0	44.5	41.0	39.2	39.1	38.4	37.5	37.5	37.7
	0.7%	-5.8%	-2.7%	-11.0%	-7.9%	-4.3%	-0.3%	-1.8%	-2.5%	0.1%	0.7%
Alcohol-based perfume products	825.3	806.5	818.2	791.7	777.1	780.3	796.8	808.1	790.1	819.3	844.9
	-0.2%	-2.3%	1.4%	-3.2%	-1.8%	0.4%	2.1%	1.4%	-2.2%	3.7%	3.1%
Gift packs	87.6	92.2	95.9	91.7	96.0	89.9	94.8	97.9	102.0	103.2	106.6
	1.9%	5.2%	4.0%	-4.4%	4.6%	-6.3%	5.4%	3.2%	4.3%	1.2%	3.2%

PERFUME SHOPS - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	2485.3	2373.9	2334.5	2185.1	2088.2	2033.5	2053.0	2072.9	2039.9	2047.1	2082.6
	-1.2%	-4.5%	-1.7%	-6.4%	-4.4%	-2.6%	1.0%	1.0%	-1.6%	1.5%	2.2%
Hair and scalp care	85.9	76.3	69.3	63.5	57.3	52.0	46.4	43.1	39.0	35.9	34.8
	-5.8%	-11.1%	-9.2%	-8.4%	-9.9%	-9.1%	-10.8%	-7.1%	-9.6%	-6.9%	-2.6%
Facial care products	483.2	446.6	445.7	417.1	399.9	395.5	402.1	412.2	415.8	422.5	438.4
	-5.9%	-7.6%	-0.2%	-6.4%	-4.1%	-1.1%	1.7%	2.5%	0.9%	2.7%	4.3%
Face make-up products	219.1	210.5	201.4	196.4	184.2	178.5	179.2	184.5	177.9	174.6	177.1
	3.6%	-4.0%	-4.3%	-2.5%	-6.2%	-3.1%	0.4%	2.9%	-3.6%	-0.8%	1.9%
Make-up packs	22.5	19.5	28.8	27.0	28.2	28.6	28.8	29.2	29.6	35.8	35.2
	1.4%	-13.3%	47.5%	-6.3%	4.3%	1.6%	0.6%	1.3%	1.6%	22.0%	-1.1%
Products for eyes	164.9	160.0	154.0	151.0	145.7	136.3	137.7	135.7	130.9	125.8	125.6
	5.9%	-3.0%	-3.8%	-2.0%	-3.5%	-6.4%	1.0%	-1.4%	-3.6%	-2.8%	0.3%
Products for lip care	120.1	114.7	109.8	100.7	94.1	91.9	90.0	98.2	104.3	102.0	103.0
	-5.0%	-4.5%	-4.2%	-8.3%	-6.6%	-2.4%	-2.1%	9.1%	6.3%	-1.2%	1.5%
Products for hand care	47.1	48.4	52.7	48.0	43.9	38.6	34.2	30.3	25.5	23.1	20.0
	12.8%	2.9%	8.8%	-9.0%	-8.4%	-12.1%	-11.4%	-11.4%	-15.9%	-8.4%	-13.1%
Products for body care	222.3	207.7	198.3	177.4	157.4	141.9	142.4	135.7	136.2	128.7	126.1
	-5.0%	-6.6%	-4.5%	-10.5%	-11.3%	-9.9%	0.4%	-4.7%	0.4%	-4.4%	-1.5%
Products for body hygiene	59.4	54.8	49.5	42.6	37.5	33.1	31.9	29.6	27.0	24.7	24.2
	-6.9%	-7.7%	-9.8%	-13.8%	-12.1%	-11.6%	-3.6%	-7.4%	-8.5%	-7.8%	-1.5%
Products for oral hygiene	4.9	4.9	4.7	4.6	4.5	4.5	4.5	4.5	4.5	4.4	4.4
	-0.7%	-1.8%	-2.6%	-2.9%	-1.2%	-0.2%	-0.2%	0.1%	-1.0%	0.2%	-0.5%
Skin-cleansing products for children	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	0.1%	-1.5%
Products for men	60.8	56.4	53.5	46.2	42.1	40.2	40.1	39.4	38.1	37.7	37.7
	0.5%	-7.2%	-5.3%	-13.6%	-9.0%	-4.5%	-0.2%	-1.7%	-3.5%	0.1%	0.7%
Alcohol-based perfume products	921.0	886.3	875.4	822.6	798.1	799.8	817.5	830.0	802.7	823.4	844.9
	-0.5%	-3.8%	-1.2%	-6.0%	-3.0%	0.2%	2.2%	1.5%	-3.3%	3.7%	3.1%
Gift packs	97.8	101.3	102.6	95.3	98.5	92.2	97.2	100.5	103.7	103.7	106.6
	1.7%	3.6%	1.3%	-7.1%	3.4%	-6.5%	5.5%	3.3%	3.2%	1.2%	3.2%

MASS MARKET - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	**4,439.4**	**4,607.2**	**4,744.4**	**4,761.8**	**4,719.5**	**4,616.4**	**4,678.4**	4,641.2	**4,706.1**	**4,752.2**	**4,791.3**
	2.3%	3.8%	3.0%	0.4%	-0.9%	-2.2%	1.3%	-0.8%	1.4%	1.0%	0.8%
Hair and scalp care	847.5	863.3	868.7	864.9	860.7	832.5	821.8	783.1	778.0	777.3	778.8
	0.9%	1.9%	0.6%	-0.4%	-0.5%	-3.3%	-1.3%	-4.7%	-0.7%	-0.1%	0.2%
Facial care products	470.8	487.2	504.4	514.4	525.9	514.9	510.6	505.1	519.2	530.5	539.2
	1.4%	3.5%	3.5%	2.0%	2.2%	-2.1%	-0.8%	-1.1%	2.8%	2.2%	1.7%
Face make-up products	169.0	184.2	188.0	192.2	183.8	184.2	193.7	211.2	220.7	233.4	233.6
	16.6%	9.0%	2.1%	2.2%	-4.4%	0.2%	5.1%	9.1%	4.5%	5.7%	0.1%
Make-up packs	3.6	3.6	8.1	10.1	12.2	12.2	11.8	14.6	14.6	15.3	15.4
	-0.3%	-0.2%	124.6%	24.6%	20.2%	-0.1%	-3.5%	23.8%	0.3%	5.0%	0.2%
Products for eyes	180.9	210.7	215.5	221.4	219.4	214.9	237.9	248.4	256.4	267.6	270.6
	12.7%	16.4%	2.3%	2.7%	-0.9%	-2.0%	10.7%	4.4%	3.2%	4.4%	1.1%
Products for lip care	159.4	167.9	166.1	165.9	154.1	146.9	162.8	174.3	183.5	191.3	203.9
	-1.0%	5.4%	-1.1%	-0.1%	-7.1%	-4.7%	10.8%	7.1%	5.3%	4.2%	6.6%
Products for hand care	126.3	139.7	150.3	149.9	145.0	141.3	140.3	134.5	132.6	134.3	133.2
	5.2%	10.6%	7.6%	-0.3%	-3.3%	-2.5%	-0.8%	-4.1%	-1.4%	1.3%	-0.8%
Products for body care	745.1	778.6	808.8	820.0	811.6	782.7	804.3	790.8	813.6	811.2	811.9
	0.2%	4.5%	3.9%	1.4%	-1.0%	-3.6%	2.8%	-1.7%	2.9%	-0.3%	0.1%
Products for body hygiene	726.6	739.8	766.1	763.8	751.9	736.9	745.2	733.1	733.8	737.7	738.3
	0.8%	1.8%	3.6%	-0.3%	-1.6%	-2.0%	1.1%	-1.6%	0.1%	0.5%	0.1%
Products for oral hygiene	452.5	466.2	485.4	484.4	488.6	490.9	498.1	499.5	497.6	498.2	505.8
	3.5%	3.0%	4.1%	-0.2%	0.8%	0.5%	1.5%	0.3%	-0.4%	0.1%	1.5%
Skin-cleansing products for children	245.1	249.8	252.4	245.7	231.9	221.0	215.4	209.2	211.3	205.5	201.9
	0.3%	1.9%	1.0%	-2.7%	-5.6%	-4.7%	-2.5%	-2.9%	1.0%	-2.7%	-1.8%
Products for men	126.3	125.8	125.1	121.9	116.7	110.1	106.8	104.9	102.4	99.2	96.4
	-1.6%	-0.4%	-0.5%	-2.6%	-4.2%	-5.7%	-3.0%	-1.8%	-2.4%	-3.2%	-2.8%
Alcohol-based perfume products	158.4	163.8	177.3	181.1	185.7	193.2	199.4	210.2	222.8	235.9	247.0
	7.5%	3.5%	8.2%	2.2%	2.6%	4.0%	3.2%	5.5%	6.0%	5.9%	4.7%
Gift packs	7.1	7.1	10.9	13.4	15.9	14.6	14.8	14.6	14.7	15.0	15.3
	-0.3%	-0.2%	52.5%	23.0%	18.8%	-8.1%	1.2%	-1.1%	0.8%	1.7%	1.9%

MASS MARKET - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cosmetic products – total	**4,954.3**	**5,063.4**	**5,076.5**	**4,947.5**	**4,847.0**	**4,731.8**	**4,800.0**	**4,766.5**	**4,781.4**	**4,776.0**	**4,791.3**
	2.0%	2.2%	0.3%	-2.5%	-2.0%	-2.4%	1.4%	-0.7%	0.3%	1.0%	0.8%
Hair and scalp care	945.8	948.8	929.5	898.6	883.9	853.3	843.1	804.2	790.4	781.1	778.8
	0.6%	0.3%	-2.0%	-3.3%	-1.6%	-3.5%	-1.2%	-4.6%	-1.7%	-0.1%	0.2%
Facial care products	525.5	535.5	539.7	534.5	540.1	527.7	523.9	518.7	527.5	533.1	539.2
	1.2%	1.9%	0.8%	-1.0%	1.1%	-2.3%	-0.7%	-1.0%	1.7%	2.2%	1.7%
Face make-up products	188.6	202.5	201.2	199.7	188.8	188.8	198.7	216.9	224.3	234.6	233.6
	19.6%	7.4%	-0.6%	-0.7%	-5.5%	0.0%	5.2%	9.2%	3.4%	5.7%	0.1%
Make-up packs	4.1	4.0	8.7	10.5	12.5	12.5	12.1	14.9	14.8	15.4	15.4
	-0.5%	-1.7%	118.7%	21.0%	18.8%	-0.3%	-3.4%	23.9%	-0.8%	5.0%	0.2%
Products for eyes	201.9	231.5	230.6	230.1	225.3	220.3	244.1	255.1	260.5	268.9	270.6
	14.2%	14.7%	-0.4%	-0.2%	-2.1%	-2.2%	10.8%	4.5%	2.1%	4.4%	1.1%
Products for lip care	177.9	184.6	177.7	172.4	158.3	150.5	167.0	179.0	186.4	192.2	203.9
	-1.2%	3.8%	-3.7%	-3.0%	-8.2%	-4.9%	10.9%	7.2%	4.2%	4.2%	6.6%
Products for hand care	140.9	153.5	160.8	155.8	148.9	144.9	143.9	138.1	134.7	135.0	133.2
	5.1%	8.9%	4.8%	-3.1%	-4.4%	-2.7%	-0.7%	-4.0%	-2.5%	1.3%	-0.8%
Products for body care	831.6	855.7	865.5	852.0	833.5	802.3	825.2	812.1	826.6	815.2	811.9
	-0.1%	2.9%	1.1%	-1.6%	-2.2%	-3.7%	2.9%	-1.6%	1.8%	-0.3%	0.1%
Products for body hygiene	810.8	813.0	819.7	793.6	772.2	755.3	764.6	752.8	745.5	741.4	738.3
	0.5%	0.3%	0.8%	-3.2%	-2.7%	-2.2%	1.2%	-1.5%	-1.0%	0.5%	0.1%
Products for oral hygiene	504.9	512.4	519.4	503.3	501.7	503.2	511.0	513.0	505.5	500.7	505.8
	3.3%	1.5%	1.4%	-3.1%	-0.3%	0.3%	1.6%	0.4%	-1.5%	0.1%	1.5%
Skin-cleansing products for children	273.6	274.6	270.1	255.3	238.1	226.5	221.0	214.8	214.6	206.6	201.9
	0.1%	0.4%	-1.6%	-5.5%	-6.7%	-4.9%	-2.4%	-2.8%	-0.1%	-2.7%	-1.8%
Products for men	141.0	138.2	133.9	126.6	119.9	112.9	109.6	107.8	104.1	99.7	96.4
	-1.9%	-2.0%	-3.1%	-5.4%	-5.3%	-5.9%	-2.9%	-1.7%	-3.4%	-3.2%	-2.8%
Alcohol-based perfume products	176.7	180.1	189.7	188.1	190.7	198.0	204.5	215.9	226.4	237.1	247.0
	7.9%	1.9%	5.3%	-0.8%	1.4%	3.8%	3.3%	5.6%	4.9%	5.9%	4.7%
Gift packs	8.0	7.8	11.6	13.9	16.3	15.0	15.2	15.0	15.0	15.1	15.3
	-0.5%	-1.7%	48.5%	19.4%	17.5%	-8.3%	1.3%	-1.0%	-0.3%	1.7%	1.9%

DIRECT AND PROFESSIONAL CHANNELS - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total - direct sales	**441.6**	**476.9**	**511.3**	**537.4**	**592.9**	**641.5**	**693.3**	**747.5**	**812.5**	**873.2**	**977.7**
	2.4%	8.0%	7.2%	5.1%	10.3%	8.2%	8.1%	7.8%	8.7%	7.5%	12.0%
Direct sales: door-to-door and mail-order sales	419.0	446.4	463.9	475.2	500.8	518.3	500.5	481.5	492.0	482.2	479.7
	2.4%	6.5%	3.9%	2.4%	5.4%	3.5%	-3.4%	-3.8%	2.2%	-2.0%	-0.5%
E-commerce	9.0	9.0	27.1	42.2	76.3	110.5	183.8	261.1	321.3	392.1	498.0
	0.0%	0.0%	200.0%	55.6%	81.0%	44.7%	66.4%	42.1%	23.1%	22.0%	27.0%

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total - professional channels	**955.1**	**963.3**	**956.8**	**901.8**	**833.7**	**803.7**	**783.8**	**794.1**	**810.0**	**814.1**	**827.7**
	-4.9%	0.9%	-0.7%	-5.8%	-7.5%	-3.6%	-2.5%	1.3%	2.0%	0.5%	1.7%
Sales to beauty institutes and beauticians	261.2	266.0	270.3	256.2	242.2	233.2	225.7	230.5	236.0	237.2	239.3
	-4.5%	1.8%	1.6%	-5.2%	-5.5%	-3.7%	-3.2%	2.1%	2.4%	0.5%	0.9%
Hairdressing	693.4	696.9	686.2	645.1	591.1	570.1	557.7	563.3	574.0	576.9	588.4
	-5.1%	0.5%	-1.5%	-6.0%	-8.4%	-3.6%	-2.2%	1.0%	1.9%	0.5%	2.0%

DIRECT AND PROFESSIONAL CHANNELS - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total - direct sales	**492.8**	**524.1**	**547.1**	**558.3**	**609.0**	**657.6**	**711.3**	**767.7**	**825.5**	**877.5**	**977.7**
	2.2%	6.4%	4.4%	2.0%	9.1%	8.0%	8.2%	7.9%	7.5%	7.5%	12.0%
Direct sales: door-to-door and mail-order sales	467.6	490.6	496.3	493.7	514.4	531.3	513.5	494.5	499.9	484.6	479.7
	-3.1%	4.9%	1.2%	-0.5%	4.2%	3.3%	-3.4%	-3.7%	1.1%	-2.0%	-0.5%
E-commerce	10.1	9.9	29.0	43.8	78.4	113.2	188.5	268.1	326.5	394.1	498.0
	0.0%	0.0%	192.1%	51.0%	78.9%	44.5%	66.5%	42.2%	21.8%	22.0%	27.0%

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total - professional channels	**1,065.9**	**1,058.6**	**1,023.8**	**937.0**	**856.2**	**823.8**	**804.2**	**815.6**	**823.0**	**818.1**	**827.7**
	-5.0%	-0.7%	-3.3%	-8.5%	-8.6%	-3.8%	-2.4%	1.4%	0.9%	0.5%	1.7%
Sales to beauty institutes and beauticians	291.6	292.3	289.2	266.2	248.8	239.1	231.6	236.7	239.8	238.4	239.3
	-4.6%	0.2%	-1.1%	-7.9%	-6.6%	-3.9%	-3.1%	2.2%	1.3%	0.5%	0.9%
Hairdressing	773.8	765.9	734.2	670.3	607.1	584.4	572.2	578.5	583.2	579.8	588.4
	-5.1%	-1.0%	-4.1%	-8.7%	-9.4%	-3.7%	-2.1%	1.1%	0.8%	0.5%	2.0%

DEVELOPMENTS IN EXPORTS OF ITALIAN COSMETICS THROUGHOUT THE WORLD

Historical values and annual percentage changes - Values in € millions, data from ISTAT

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total – exports	**2,053.9**	**2,406.6**	**2,672.3**	**2,860.7**	**3,177.7**	**3,331.4**	**3,809.6**	**4,309.4**	**4,614.8**	**4,876.6**	**4,917.0**
	-11.8%	17.2%	11.0%	7.0%	11.1%	4.8%	14.4%	13.1%	7.1%	5.7%	0.8%
Products for hair care	400.9	473.4	539.0	595.2	635.2	676.3	766.5	815.2	892.5	938.9	977.8
	-1.4%	18.1%	13.9%	10.4%	6.7%	6.5%	13.3%	6.3%	9.5%	5.2%	4.1%
Products for make-up	323.4	370.1	413.5	487.6	538.1	605.6	714.7	885.5	962.0	993.4	986.4
	-19.6%	14.4%	11.7%	17.9%	10.4%	12.5%	18.0%	23.9%	8.6%	3.3%	-0.7%
Products for body care	506.0	589.7	625.9	645.8	676.2	682.2	809.4	975.4	922.0	988.3	1,019.1
	-9.8%	16.5%	6.1%	3.2%	4.7%	0.9%	18.6%	20.5%	-5.5%	7.2%	3.1%
Personal cleansing	252.7	248.9	267.7	268.7	344.7	363.4	418.8	430.4	451.7	436.8	367.5
	-8.8%	-1.5%	7.6%	0.4%	28.3%	5.4%	15.2%	2.8%	4.9%	-3.3%	-15.9%
Oral hygiene	93.9	101.3	116.4	119.9	153.3	166.5	178.2	195.6	207.6	211.0	224.5
	95.2%	7.9%	14.9%	3.0%	27.9%	8.6%	7.0%	9.7%	6.1%	1.6%	6.4%
Products for men	41.2	44.7	49.4	47.5	40.1	45.3	41.6	45.6	48.3	44.3	40.7
	-2.4%	8.6%	10.3%	-3.7%	-15.6%	12.9%	-8.1%	9.5%	6.0%	-8.2%	-8.2%
Alcohol-based perfume products	460.0	609.7	698.7	739.9	827.5	823.5	920.1	1,006.8	1,072.5	1,130.6	1,166.9
	-24.4%	32.5%	14.6%	5.9%	11.8%	-0.5%	11.7%	9.4%	6.5%	5.4%	3.2%
Other products	81.9	88.4	92.6	93.8	110.1	119.3	137.3	148.0	138.9	133.4	134.1
	-17.6%	7.9%	4.8%	1.2%	17.3%	8.4%	15.1%	7.8%	-6.1%	-4.0%	0.6%

DEVELOPMENTS IN IMPORTS OF ITALIAN COSMETICS THROUGHOUT THE WORLD

Historical values and annual percentage changes – Values in millions of euro, data from ISTAT

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total imports	**1,409.5**	**1,580.7**	**1,662.8**	**1,626.1**	**1,652.7**	**1,684.7**	**1,813.6**	**1,994.0**	**2,072.7**	**2,058.8**	**2,134.6**
	-10.9%	12.1%	5.2%	-2.2%	1.6%	1.9%	7.6%	9.9%	3.9%	-0.7%	3.7%
Products for hair care	225.9	221.6	242.8	225.7	224.8	230.9	233.6	239.9	243.3	224.0	249.7
	-6.1%	-1.9%	9.6%	-7.1%	-0.4%	2.7%	1.2%	2.7%	1.4%	-7.9%	11.5%
Products for make-up	141.2	169.5	191.6	214.3	213.0	218.2	265.3	288.1	305.6	254.2	263.1
	0.1%	20.1%	13.1%	11.8%	-0.6%	2.4%	21.6%	8.6%	6.1%	-16.8%	3.5%
Products for body care	538.5	593.7	607.1	599.5	623.0	633.4	675.7	750.7	713.1	765.2	771.4
	-12.6%	10.2%	2.3%	-1.2%	3.9%	1.7%	6.7%	11.1%	-5.0%	7.3%	0.8%
Personal cleansing	122.7	124.7	133.1	127.6	133.8	129.6	144.0	163.5	148.8	148.7	149.9
	-16.8%	1.6%	6.7%	-4.1%	4.9%	-3.1%	11.1%	13.5%	-9.0%	0.0%	0.8%
Oral hygiene	112.9	119.9	135.3	131.5	151.6	130.7	137.0	141.5	136.4	127.2	139.8
	-9.3%	6.1%	12.9%	-2.8%	15.3%	-13.8%	4.7%	3.3%	-3.6%	-6.7%	9.8%
Products for men	24.8	24.7	24.1	23.2	19.9	21.6	22.4	22.6	26.7	21.4	17.7
	-9.0%	-0.2%	-2.6%	-3.6%	-14.1%	8.6%	3.7%	0.5%	18.4%	-20.0%	-17.2%
Alcohol-based perfume products	283.5	365.6	380.8	355.9	342.0	378.8	399.6	446.9	455.8	475.0	489.0
	-15.2%	29.0%	4.2%	-6.5%	-3.9%	10.8%	5.5%	11.8%	2.0%	4.2%	3.0%
Other products	50.0	56.0	45.3	46.1	45.7	43.8	43.6	46.6	59.6	43.1	54.0
	-5.1%	11.9%	-19.0%	1.8%	-0.9%	-4.3%	-0.4%	6.9%	28.0%	-27.7%	25.1%

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