Annual Report

53rd analysis of the cosmetics industry and consumption in Italy in 2020

COSMETICA ITALIA
associazione nazionale imprese cosmetiche

METHODOLOGY

In relation to production values, that is, the global turnover of cosmetics companies, the Statistics Department used the values from the ISTAT panel but above all collected and reworked the figures from companies' financial statements. 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 Department 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 Department processed the final data, allowing the comparison and remodulation of the historical bases and verified the congruity of the trends in light of the changes in the distribution channels.

Introduction

The Annual Report is now in its 53rd edition and continues to be a key tool in the review of the national cosmetics industry, in tracking its progress, dynamics and future developments.
Volumes, reported by member companies, specialist operators, the media and stakeholders, have become of even greater value in tackling the trends of a remarkable year such as 2020.
The analyses presented are in fact fundamental for explaining how our cosmetics industry has dealt with the COVID-19 crisis. On the one hand, they explain the economic phenomena that occurred in the year just ended, and, on the other, they provide some insight into the dynamics of a recovery towards a new normal, which businesses are focused on.
The industry and market have obviously been affected to a considerable extent by the impact of the pandemic. However, we can now say that the Italian cosmetics industry has demonstrated an ability to respond and adapt to changed circumstances in purchasing dynamics that has proved to be better than other consumer goods sectors in Italy.
The 2020 figures presented in the Annual Report, although negative must be considered as based on forecasts for the end of 2021 which point to a considerable recovery:

- production, which fell by 12%, exceeded €10.6 billion;
- exports accounted for 39% of production, down 16.7%, with a value reaching €4.1 billion;
- the trade balance, stable in its trend, exceeded €2.3 billion.
- the domestic market, also on a downturn, (-9.6%), is close to €9.8 billion.

Even in the midst of difficult times, due to initiatives to combat the spread of the virus, Italian cosmetics firms have drawn on their competitive spirit and ability to respond, and have been adept at offsetting the negative aspects of the economic/financial climate both in Italy and abroad.
The analyses presented confirm the robustness of the Italian cosmetics industry, which has always responded to negative circumstances, and explain – even at such a critical time – the effectiveness of investments made by businesses in innovation and research, above all, and a focus on customer service. One such example is the sudden switch to the production of hydroalcoholic items, but also the value of an extended supply chain, bringing together manufacturers of raw materials, machinery and packaging, up to the distribution and use of cosmetics in various sectors dedicated to personal care.

We should remember, with pride, that from the very outset our sector has stood out for its solidarity and its ability to convert its production in record times, fundraising and make donations. We have also shown we are an essential supply chain in containing the virus thanks to our personal hygiene products.

Closing forecasts for 2021, with a turnover exceeding €11.3 billion, and a growth of over 6%, take into account the qualified approach towards a new normal.

We are an industry beneficial to Italy, because we set our sights on the future with confidence and a spirit of adaptation.

June 2021

Renato Ancorotti
President, Cosmetica Italia

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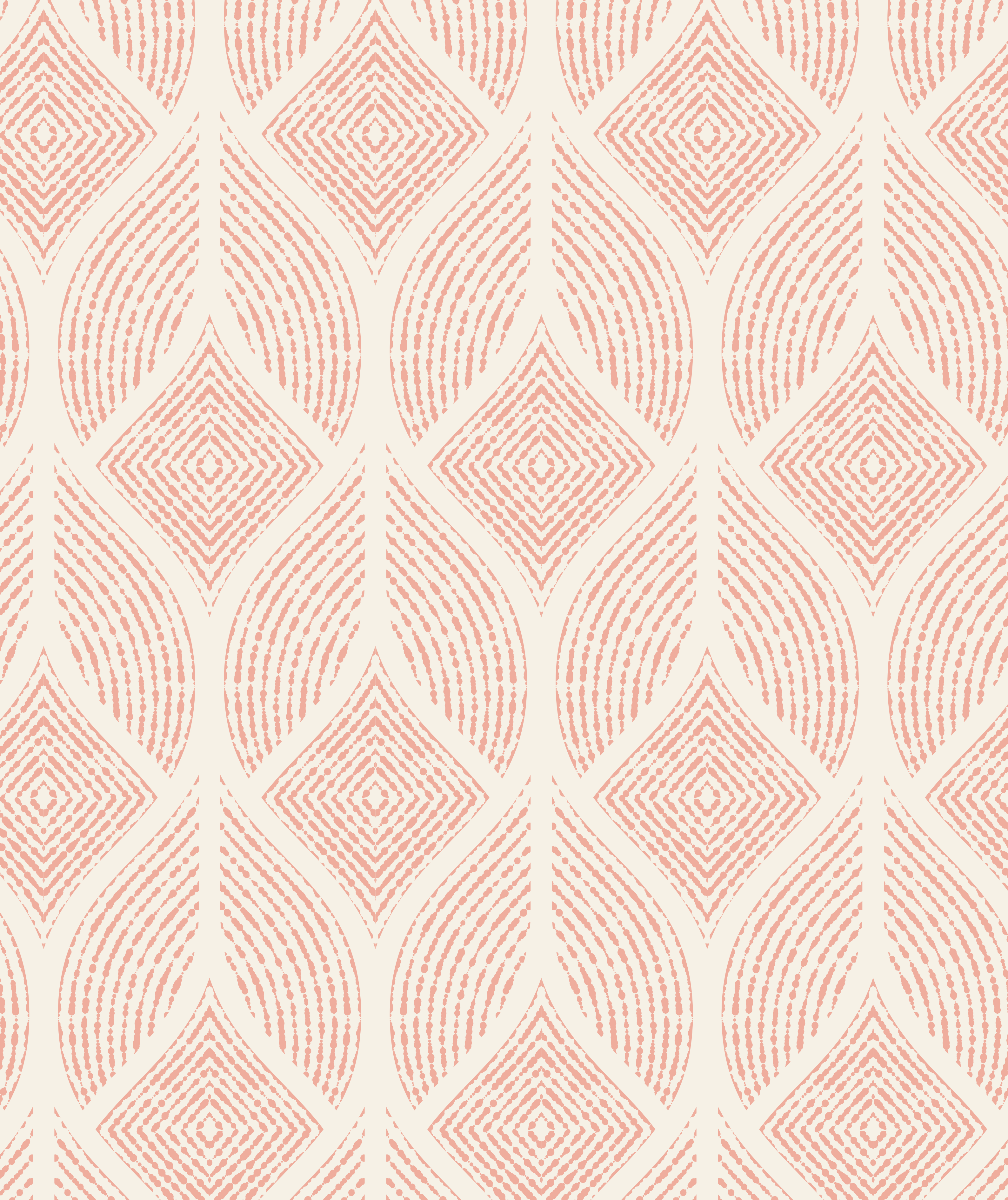


1 Scenarios in the cosmetics industry

For the first time ever when publishing the annual report, considerations about the economic trend of the cosmetics industry must take into account a remarkable event – the COVID-19 pandemic.
While in the past various international and economic scenarios have had a marginal impact on Italy's cosmetics industry, historically resisting external influences, today the crisis related to the spread of Coronavirus has had a clear impact on consumption, and consequently, on the manufacture of cosmetics.

Never before has it been so important to analyse developments over time; 2020 should be considered as a year of transition, yet useful for understanding the Italian cosmetics industry's response level and ability to adapt.
At the end of 2020, the Italian cosmetics industry recorded a 12% fall in turnover, from €12 billion in 2019 to €10.6 billion in 2020. This performance was also due to the negative trend of exports, falling by nearly 17%, with a value just over €4 billion, compared to approximately €5 billion of the previous year.
Turnover from internal channels also recorded a negative performance – albeit less significant – falling by just under 9%, affected in particular by measures to prevent infection, such as restrictions on movement and thus on the purchasing patterns of large groups of consumers. The figure amounts to €6.5 billion, compared to €7.1 billion in 2019.
The breakdown in turnover by distribution channel on the domestic market shows evident decreases, particularly for the professional, hairdressing and beauty salon channels, which lost 22.5% and 29% respectively, due to mandatory closures during lockdown periods which were stricter for beauty salons. The decrease in turnover related to distribution in perfume shops was more considerable at over 26%, and was significantly affected by voluntary closures due to a reduced customer footfall during long periods of the year. The mass market and pharmacy channels, facilitated by greater buying opportunities, reported decreases of 3.8% and 3.5% respectively.
The only exception, in terms of performance, was recorded in the turnover from direct sales, increasing by 6.6% with a value exceeding €970 billion. The most important trend regarding direct sales concerns online sales, which today represent the fourth distribution channel and accounted for over 600 million of turnover in 2020. The reasons behind this dynamic lie not only in the need to purchase products from home during lockdown periods, but also in developments in e-commerce that have been taking place over the last six years.
The analysis of turnover percentages by destination channel confirms intriguing new trends: the mass market remained stable, accounting for 28.5% of turnover. The increase in exports, which accounted for 39% of turnover, slowed down, while direct sales grew, thanks to e-commerce (9.2%). The pharmacy channel was stable in 2020, increasing slightly, to reach 8.9%, at the expense of the perfume shop channel, which stood at 8.9%.
Final figures for 2020 confirm the competitive dynamics of the cosmetics industry, which has been able to provide significant support to the health system since the start of the pandemic, as well as convert production by increasing the offer of hydroalcoholic products. The industry responded rapidly to the recovery in demand thanks to its constant focus on research and innovation, also during the critical time of the COVID-19 pandemic, channelling investments which were above the average into the sector.
As mentioned, sector analysis must take into account the exceptional nature of the national and international economic scenario to the extent that forecasts between 2020 and 2021 should be considered: these demonstrate the important response of the Italian industry to a demand which is slowly returning to pre-pandemic levels. Closing figures for 2021 estimate a growth of over 6% for a total turnover that is above €11 billion, 300 million. Values should return to

2019 figures in the second half of 2022 even if, at present, trends in development on the domestic market for exports point to a prompt recovery in turnover and margins. The Italian cosmetics industry has confirmed its competitive positioning, thanks to its innovative formulations and the dynamic service of its manufacturers. In addition to this scenario, the industry constantly focuses on consumer trends, which have changed to an exceptional extent since the first lockdown periods and are unlikely to reverse.

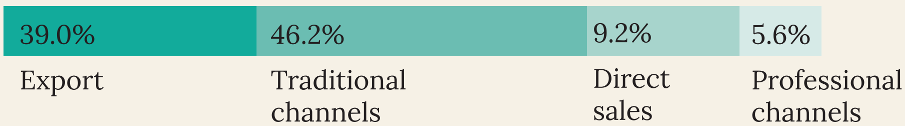
Cosmetics industry turnover

Production values in € millions	2019		2020		2021 forecast	
	Value	% change	Value	% change	Value	% change
Turnover in Italy	**7,106**	**2.6**	**6,488**	**-8.7**	**6,944**	**6.7**
Turnover generated in traditional channels:	**6,319**	**2.8**	**5,891**	**-6.8**	**6,291**	**6.5**
• of which in pharmacies	966	1.2	932	-3.5	963	3.3
• of which in perfume shops	1,282	2.2	947	-26.1	1,007	6.3
• of which in the mass market and other channels (*)	3,158	0.8	3,038	-3.8	3,129	3.0
• of which for door-to-door, mail-order and e-commerce sales	914	12.0	974	6.6	1,192	22.4
Turnover generated in professional channels	**787**	**1.7**	**597**	**-24.2**	**653**	**10.1**
• of which beauty salons	202	0.9	143	-29.0	159	10.7
• of which hairdressing salons	585	2.0	453	-22.5	495	9.1
Export (turnover abroad)	**4,985**	**0.8**	**4,154**	**-16.7**	**4,361**	**5.0**
Global turnover of the cosmetics industry	**12,091**	**1.5**	**10,641**	**-12.0**	**11,306**	**6.2**

(*) includes herbalist stores and single-brand stores

Breakdown of sales for each destination channel

- Exports 39%
- **Mass market and other channels* 28.5%**
- Perfume shops 8.9%
- **Pharmacies 8.8%**
- Door-to-door sale, mail orders and e-commerce 9.2%
- **Hairdressing salons 4.3%**
- Beauty salons 1.3%



(*) 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	2.6 billion	4 billion
Perfume shops	7,000	25,000	1.3 billion	3 billion
Pharmacies	18,900	15,000	1 billion	2.2 billion
Hairdressing	95,000	180,000	0.6 billion	4 billion
Herbalist stores	5,200	13,000	0.5 billion	0.5 billion
Beauty salons	35,000	83,000	0.2 billion	2 billion
E-commerce	-	1,000	0.5 billion	0.5 billion
Door-to-door and mail-order sales	-	13,000	0.4 billion	0.5 billion
Extended supply chain*	-	36,000	-	16.5 billion
Total	**192,200**	**391,000**	**12 billion (of which 4.9 generated by exports)**	**33.2 billion**

(*) The 2019 study is confirmed, as 2020 information is not yet complete.
THE STATISTICS DEPARTMENT HAS ESTIMATED A 2020 ECONOMIC VALUE CLOSE TO €28.9 BILLION.
(**) 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 2020 the largest concentration (near to 62%) 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 10.9%, Veneto with 6.8%, and Tuscany with 5.5%. In Calabria, Sardinia, Molise and the Aosta Valley there were very few industrial sites, while Friuli-Venezia Giulia, with a share of 1.0%, brought 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 of Puglia and Campania.
The geographical distribution of the turnover of cosmetics companies in 2020 confirmed the strong concentration in Lombardy (with just under 67% of industry turnover), followed by Lazio (with 10% of industry turnover) and Emilia-Romagna, which accounted for 6.4%, and then by Tuscany with 5.7%.
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.
Subcontractors generated a total turnover close to €1,400 million (down by 17.5% compared to 2019), of which 79.3% was concentrated in Lombardy which, with a value of more than €1,090 million, remained the region with the highest production rate in the Italian industrial cosmetics system. The remaining companies were concentrated in the regions of Veneto, accounting for 6.1% of turnover, and Emilia Romagna, with 5.1%.

Geographical distribution of cosmetics companies in 2020

Percentage breakdown

Abruzzo	0.8%	Molise	0.2%
Calabria	0.2%	Piedmont	5.1%
Campania	1.3%	Puglia	0.8%
Emilia-Romagna	10.9%	Sardinia	0.2%
Friuli-Venezia Giulia	1.0%	Sicily	0.7%
Lazio	4.6%	Tuscany	5.5%
Liguria	1.7%	Trentino-Alto Adige	1.2%
Lombardy	55.1%	Umbria	1.5%
Marche	2.5%	Veneto	6.8%

Top 3

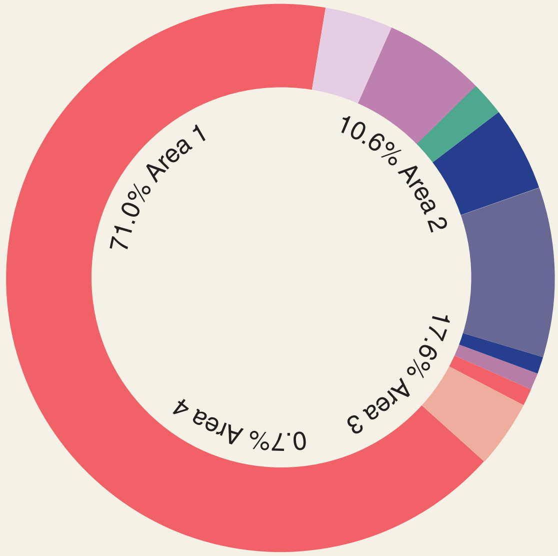
Lombardy	1
Emilia-Romagna	2
Veneto	3

Geographical distribution of the turnover of cosmetics companies in 2020

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

Liguria	0.2%
Lombardy	66.8%
Piedmont	4.0%
Valle d’Aosta	0.0%

Emilia-Romagna	6.4%
Friuli-Venezia Giulia	0.4%
Trentino-Alto Adige	0.2%
Veneto	3.5%



Abruzzo	0.1%
Basilicata	0.0%
Calabria	0.1%
Campania	0.3%
Molise	0.0%
Puglia	0.1%
Sicily	0.1%

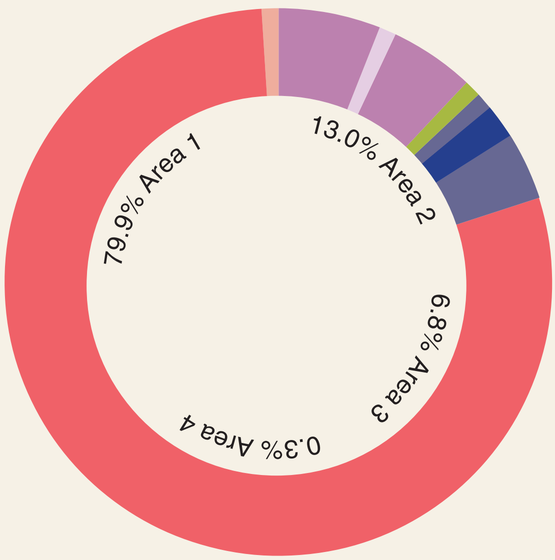
Lazio	10.0%
Marche	1.0%
Sardinia	0.0%
Tuscany	5.7%
Umbria	0.8%

Geographical distribution of the turnover of cosmetics subcontractors in 2020

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

Lombardy	79.3%
Piedmont	0.6%
Trentino-Alto Adige	0.3%
Umbria	0.2%

Emilia-Romagna	5.1%
Friuli-Venezia Giulia	1.4%
Veneto	6.1%



Abruzzo	0.0%
Campania	0.1%
Puglia	0.2%

Lazio	1.4%
Marche	3.8%
Tuscany	1.4%

◯ Distribution channels

The value of demand for cosmetics in Italy fell to €9,789 million at the end of 2020, down by 9.6%, coming close to the market levels of just under 10 years ago.
Due to the pandemic, the crossover between traditional channels and new distribution forms came to a standstill, compared to the scenario in 2019: the e-commerce channel marks a distinct boundary line, and was easily accessible, during lockdown periods, compared to traditional channels such as pharmacies and large retail sites like supermarkets and hypermarkets. The COVID-19 crisis had a very strong impact on footfall at sales outlets, with customers obliged to shop based on the opening times of various distribution channels.
Although there is a strong desire to shop in stores, the adaptation to lengthy lockdowns has led many businesses to revise their distribution strategies, resulting in disintermediation, above all due to the implementation and consolidation of the online channel.
An approach to new products, often representing one's own ideals and focused on the concept of sustainability and customisation, is gaining ground in younger consumer segments, and is increasingly polarising consumption: new products that are a bit niche and not necessarily branded on the one hand, against high-end, branded and innovative products on the other.
The negative effects of the recession on purchasing patterns were felt less than in other sectors, and this generated changes in choices within the traditional channels; at the same, time the recovery in professional channels was confirmed from May through to late autumn – up until the second lockdown.
Traditional channels recorded a double-digit decrease equal to 10% in 2020: up until 2019, the weakest distribution channels were large retail outlets; however, in 2020 the perfume and herbalist store channel was impacted considerably. Dynamics in the mass market were polarised, however, with hypermarkets, supermarkets and specialist chemists recording a flat performance, while discount stores performed exceptionally well.
Online sales rose (+42%), representing the preferential channel – also a mandatory choice during the long periods of lockdown – with current figures at over €700 million (still to be finalised).
Consumption in the herbalist store channel, with a value close to €330 million, fell by 26%, in line with other channels which remained shut for long periods during 2020, such as perfume shops (26.1%) with the value of sales down to €1,540 million, also due to the decision to keep sales points closed.
Furthermore, in 2020, professional channels recorded decreases in absolute terms: consumption in hairdressing salons, -22.5%, and beauty salons, -29%, with a value of just over €620 million.
In 2020, the substantial stability of the price trend, which is part of the country's overall inflation, continued, affected by uneven trends in tackling the pandemic crisis; the perfume shop channel – the only exception – reported the biggest change in prices among the various channels, +5.0%, due to reconfigurations and new products, while the other channels were basically stable. Even in the professional channels there was a steady marginality.
The figures confirm the trend of cosmetic product distribution channels being most affected during lockdown periods, due to the forced closing down of some professional sectors, and the low footfall of consumers. The sudden change in buying habits has led to new behaviours and consumer options that will certainly be consolidated in the future: from longer beauty routines, to greater attention paid to cosmetics based on a natural and sustainable concept and a new awareness of safety – these aspects all confirm in advance the trends forecast at the start of the year for the mid-term, which are still very much a current and consolidated dynamic. These tendencies, which are part of a tough

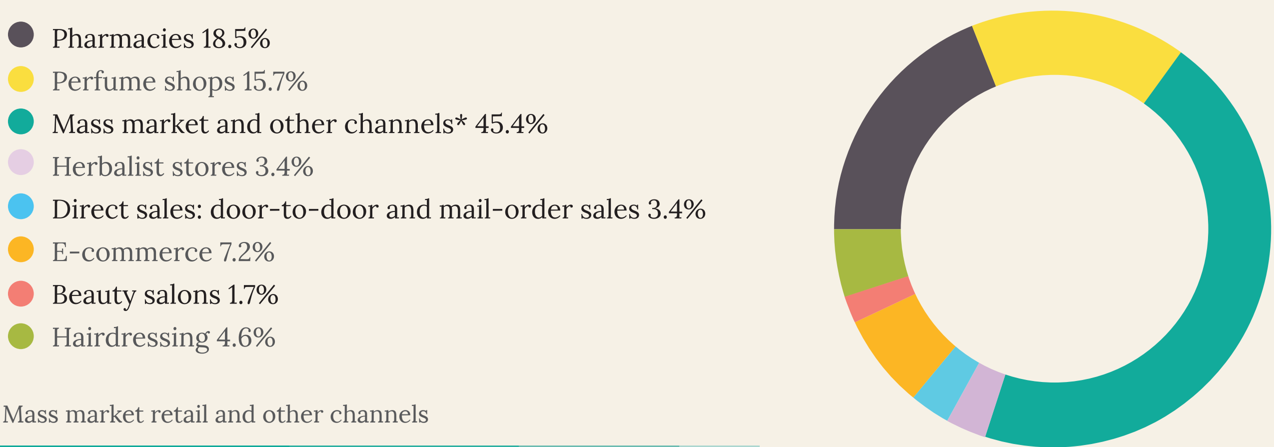
socio-economic scenario, confirm that cosmetics in Italy have become a daily consumption habit that buyers are not willing to give up, and this is why the negative trends of recent years, together with new consumption patterns, have served to generate new channels and new purchase options, which are in turn inevitably linked to innovative forms of digital communication and promotion.

Total cosmetic products market in 2020

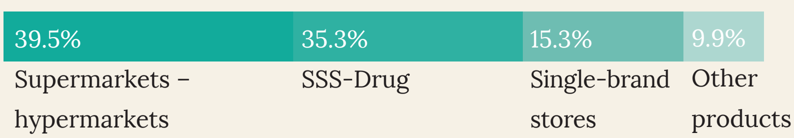
Retail prices VAT included, consumption in € millions - % change 2020/2019

(*) includes single brand stores

Breakdown of consumption by distribution channel in 2020



Mass market retail and other channels



(*) includes single brand stores

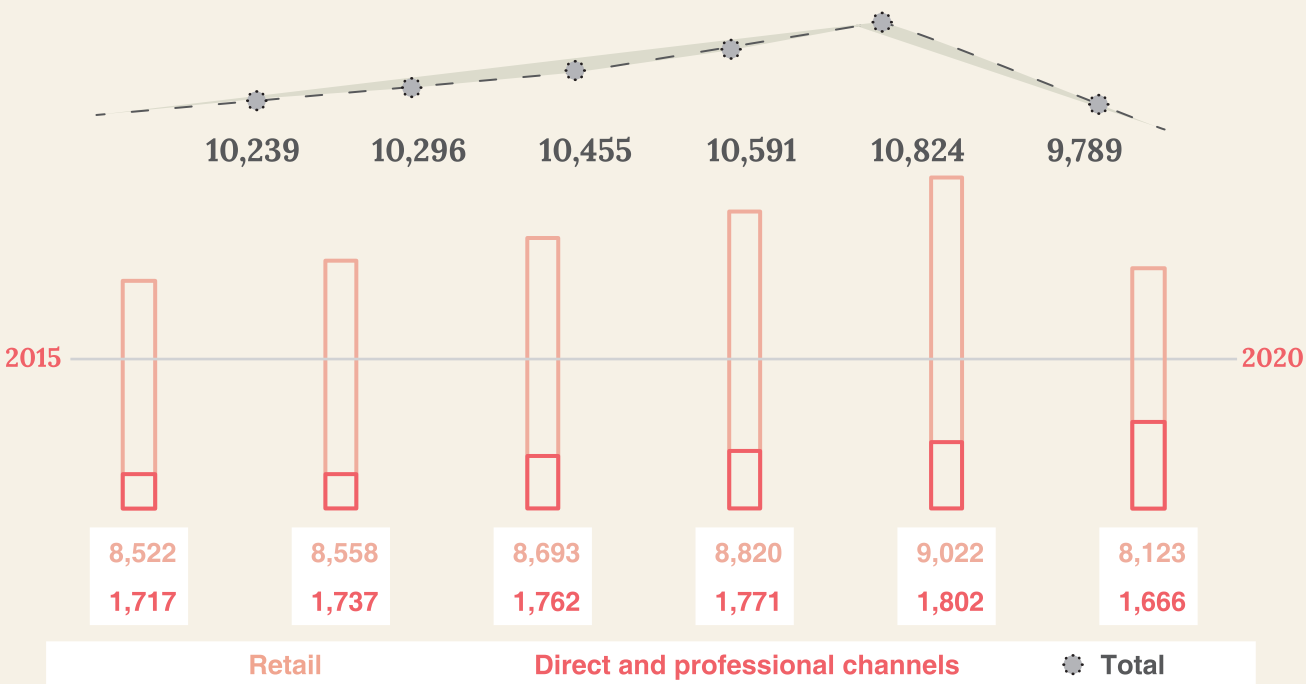
Trends in distribution channels

Channel	Consump-tion	Quantity	Prices
Pharmacies	-3.5	-3.4	0.1
Perfume shops	-26.1	-28.5	5.0
Mass market and other channels*	-3.8	-3.5	0.3
of which supermarkets and hypermarkets	-0.3	0.5	0.1
Herbalist stores	-26.0	-25.5	0.5
Total traditional channels	**-10.0**	**-12.1**	**1.2**
Direct sales: door-to-door and mail-order sales	-30.0	-30.0	0.0
E-commerce	42.0	42.5	0.5
Beauty salons	-29.0	-30.0	1.0
Hairdressing	-22.5	-23.0	0.5
General total	**-9.6**	**-11.2**	**0.9**

(*) includes single brand stores

Developments in consumption of cosmetics 2015-2020

Actual values – retail prices including VAT



Pharmacies

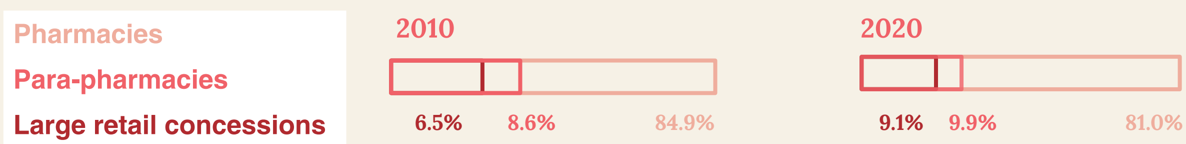
A 3.5% decrease was recorded in 2020, nonetheless marginal compared to the average, with the channel reaching a consumption value of more than €1,800 million.
The cosmetic products sold in this channel represented 18.6% of the total market, a percentage that has recently grown, buoyed up by the trust that consumers place in pharmacies as a retail outlet, particularly with regard to the levels of specialisation and attentive service typical of this channel. Since February 2020, the channel has also benefited from staying open, and as a result is now ranked ahead of the perfume shop channel, which was affected instead by general closures and a low footfall.
The crisis related to the pandemic has also left its mark on the pharmacy channel: the most obvious threat is a footfall that is still slow despite intact loyalty to the channel. The changing needs of consumers and the confidence that they have in pharmacies, their levels of reliability, specialisation and care in ancillary services, are the dynamics that characterise the channel and still explain its general stability, reflecting all its apparently yet unexpressed potential.
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.
In 2020, considering the increasingly extensive categories of cosmetics sold, and new aspects of consumption related to the pandemic, cellulite treatment products and sunscreens were affected, offset by the increase in liquid soaps and hair removers. Products for body and face care, accounting for 29% and 23% of the total respectively, are still the most widely sold product groups in pharmacies. 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 19%, despite the recent measures concerning economic policy. In recent quarters, however, the figures for concessions 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 face and body care products represented nearly 54% of sales, while in concessions the composition was less focused, with products for body care (24.8%) just above oral hygiene products (17.9%) and facial care products (20.4%).
The digital transformation, crossing through traditional channels, is also affecting the dynamics linked to the pharmacy channel, and is no longer a marginal trend: new purchasing habits, accelerated by the pandemic and related lockdown periods, resulted in over €200 million of online sales of cosmetics, with growth rates close to an annual 30%.
Besides changes related to the pandemic, a recurrent phenomenon in recent years has been the consolidation in investments in cosmetics and the specialisation of sales staff, with promotions and offers having a new impact and greater visibility compared to other traditional channels. In addition, an increasingly close relationship has developed between companies and pharmacists, which have worked together to invest in pharmacies' identity, positioning and customer focus.
As regards the distribution structure, there has been an increase in the density of chains, particularly virtual chains – an obvious evolutionary step compared to consortia and purchasing groups.
Recent surveys by the Statistics Department point to considerable opportunities for improvement, with a view to extending the customer base: more work can be done in various clusters, especially in the over-50 age band, for example, but without forgetting new groups, such as younger consumers, increasingly more mindful of the history and sustain-

ability of individual brands, for which the pharmacy channel could be a valid extension. There are some distinctive characteristics of cosmetics consumption in pharmacies: the consumer is driven to choose pharmacies over perfume shops, for example, for straightforward 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.

Based on the latter considerations, some interesting new phenomena are coming to light 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.

Percentage composition of sales in para-pharmacies

Percentage composition of sales in large retail concessions



Perfume shops

At the end of 2020, the perfume shop channel had recorded a considerable downturn of over 26%, with a value close to €1,550 million, affected, as already mentioned, by the very strong slowdown in footfall, above all at chains and retail outlets in shopping centres. This is the channel which has seen the largest decrease in volumes compared to values. To tackle the most recent crisis, the number of support actions – such as new launches, stock reduction and dynamic pricing policies – was increased, though the crisis experienced by some independent retail outlets worsened. More comforting news comes from organised chains and some small distribution systems, which were able to highlight their exclusive, niche concepts with new distribution strategies and new investments in the channel's selective identity. In 2020, online sales went up considerably, buoyed by a decrease in demand in the traditional retail channel.

If the start of 2020 saw some consumption tension, especially in traditional perfume shops, the explosion of the crisis linked to the pandemic 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 response gap between the more reactive chains and individual undertakings. Since February 2020, the selective channel has been the most affected compared to other traditional channels, and its margins, higher than those of other types of distribution, do not appear to have held up: in fact a 5% increase in prices is not very useful for tackling a crisis that has dragged on for several years. 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. It is precisely from the comparison with other channels that we can see the importance of the mix of distributed products: while in terms of weight, for example, the mass market reached 60% of distributed value with the first six products, the perfume shop channel achieved 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 in the channel has dropped further compared to the past, also as a result of the statistical review which shed some more light on the e-commerce phenomenon. Companies in the sector have put in place promotional and brand enhancement activities to tackle the crisis, even though they have had to deal with the static nature of many traditional/neighbourhood perfume shops, as opposed to the successful dynamics of organised chains (and regional ones in general) but also of small distribution companies that have been able to highlight the concepts of niche and exclusivity. The recovery that began in the last few months of 2020 has offered opportunities for development at a time when most consumers are wishing for a return to normality, albeit a definitively changed one, where customers go to stores and try out products and new proposals.

Breakdown of online purchases in some perfume shop channel retailers in 2020

Source: NPD - Values %

	2019	2020	Percentage difference between 2019 and 2020
Total web retailer perfume shop purchases	**100.0%**	**100.0%**	
Perfumes	37.3%	35.4%	**-1.9**
Make-up	27.4%	23.7%	**-3.7**
Facial and body skin care	32.4%	36.8%	**4.4**
Hair care	2.8%	4.2%	**1.3**

Mass market and other channels

The mass market channel recorded an increase of just under 4% in 2020, with the value of cosmetics consumption exceeding €4,440 million.
In 2020, besides being affected by the repercussions of the pandemic, the channel was impacted by the transformation in consumer buying 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 cosmetics in traditional supermarkets and hypermarkets (down by 0.3%) 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 increased by 0.5% – has become increasingly evident.
The growth and dynamic impact of single-brand stores up until the previous year slowed down, falling by 22% due to lengthy periods of lockdown, while the decrease in self-service consumption continued, going down by 4.3%.
An analysis of large retail sales over the last five years confirms the transformation and development that have occurred within this channel, with an extremely diverse range – not just in terms of size – of retailers. 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 €3,760 million mark in 2020 (this figure was €3,675 million in 2015).
Among the various different types of store, the average trends over the last five years have revealed a couple of exceptions to the rule, with discount shops reaching a value of €258 million in 2020, and the aforementioned self-service specialist chemists (i.e. shops selling home and personal care products) rising from €1,279 billion in 2015 to €1,568 billion last year.
The largest shops, supermarkets and hypermarkets saw a worrying drop compared to the pre-crisis period, with a contraction of 0.3%, which, with a share close to 47%, still saw them as the most important aggregate of total Italian chemist stores, threatened by the 41.7% making up the home and personal care stores.

Trends in consumption in mass market channels by type

		% change 2020/2019
Hypermarkets	Retail outlet covering a sales surface greater than or equal to 2,500 m^2	-0.3%
Supermarkets	Retail outlet covering a sales surface between 400 and 2,499 m^2	
Self-service	Retail outlet covering a sales surface between 100 and 399 m^2	4.4%
Discount	Retail outlet characterised by an *unbranded* inventory	10.8%
Self Service Specialist Drug (SSS-Drug)	store which sells mainly household and toiletry products	-0.5%

Large retail profiles and associated turnover of cosmetic products

Values in € millions and % variations

	Value 2017	share %	Value 2018	share %	Value 2019	share %	Value 2020	share %	Change 2017/2016	Change 2018/2017	Change 2019/2018	Change 2020/2019
Hypermarkets + supermarkets	1,837	49.8%	1,786	48.0%	1,761	47.0%	1,755	46.6%	-1.0%	-2.8%	-1.4%	-0.3%
Self-service	219	5.9%	206	5.5%	190	5.1%	182	4.8%	-6.6%	-5.7%	-8.0%	-4.3%
Discount	220	6.0%	231	6.2%	233	6.2%	258	6.9%	0.8%	5.0%	0.7%	10.8%
SSS-Drug	1,415	38.3%	1,500	40.3%	1,560	41.7%	1,568	41.7%	6.2%	6.1%	4.0%	0.5%
Total – Italian chemist stores	**3,691**	**100.0%**	**3,724**	**100.0%**	**3,744**	**100.0%**	**3,762**	**100.0%**	**1.6%**	**0.9%**	**0.5%**	**0.5%**
Single-Brand stores*	834	18.4%	855	18.7%	872	18.9%	680	15.3%	3.5%	2.5%	2.0%	-22.0%
Total OTHER CHANNELS	**4,525**		**4,578**		**4,615**		**4,442**		**1.8%**	**1.1%**	**0.8%**	**-3.8%**

(*) Cosmetica Italia Statistics Department estimate

Analysis of best performance

		% change 2020/2019
Discount	Mouthwashes, breath fresheners and teeth whitening	**24.9%**
	Periocular area and specific zones	**21.1%**
	Lipsticks and lip glosses	**16.7%**
Hypermarkets/ Supermarkets	Dyes and coloured mousses	**30.6%**
	Masks and exfoliant scrubs	**27.5%**
	Hair removers	**12.0%**
SSS-Drug	Liquid soaps	**34.6%**
	Products for skin impurities	**28.3%**
	Lotions and shock treatments	**14.2%**

◯ Herbalist stores

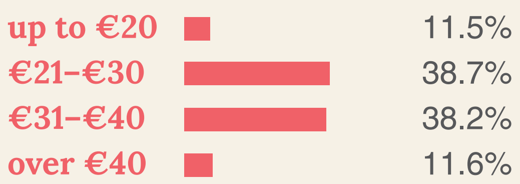
As was the case with perfume shops and single-brand stores, consumption at herbalist stores in 2020 was affected by lengthy periods of lockdown, which had a considerable impact on footfall at sales outlets, both regarding the traditional formula and herbalist stores operating on a franchising and concession basis. The circumstance of the current pandemic context was made worse by the traditional formula gradually losing appeal, to the extent that companies are reformulating distribution and positioning strategies. This generated uneven trends up until the pre-crisis period, with decreases evident in traditional herbalist stores and more positive trends in single-brand and specialised concessions. Sales in herbalist stores confirmed the buying decisions of those groups of users who prefer assisted and "recommended" sales. The motivations driving consumers to 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 Department has confirmed that products with a natural and sustainable connotation, having an estimated value of over €1,650 million, are sold in all channels that have now gone beyond the level of specialisation of herbalist stores in past years. 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

The effect of the lengthy closure of hairdressing and beauty salons had a major impact in 2020, despite activities starting up again in the second half of May, and, subsequently, at the end of 2020 for salons only. The fall in turnover is of particular concern for activities to pick up, despite a slow but important recovery in footfall. Salons reported a 22.5% fall, with consumption equal to a value of just over €450 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, above all as a means to partially offset the effects of lengthy closures.
As regards the main products in this channel, the growth in colour treatment products was considerable, while finishing and treatment products reported a downturn, due to a mainly home-based consumption owing to restrictions on salon opening. In fact, the market value includes 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 an interesting one.
The guidelines for the online survey coordinated by the Camera Italiana dell'Acconciatura are particularly important: the online survey was sent to a significant number of hairdressers, and the results were compared with a similar exercise conducted in 2019, 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 39% of respondents, while 36% quoted the average price for styling as being between €31 and €40.

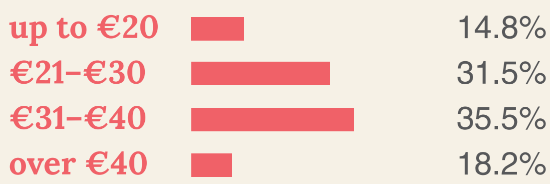
Price charged for full head colour applied to medium length hair

(Online survey results)



Price charged for perming and styling

(Online survey results)



Beauty salons

Similarly to the decreases registered by individual respondents, the beauty salon channel also confirmed a decrease in the consumption of professional cosmetics associated with the service. In fact, 2020 marked a standstill, with a slow increase in footfall and consumption up until the outbreak of the pandemic. The 29% decrease recorded in 2020 brings the value of demand to €168 million, accounting for 1.7% of total consumption.

In this context, the efforts channelled into training and into modernising beauty salons, as well as innovation activities, made by companies attentive to the reshaping of distribution and to new areas of treatment and well-being are not slowing down, thanks also to the attention paid to new patterns of consumers who are increasingly demanding in terms of quality of service, service providers and the environment in which service is provided.

The decrease in footfall has had a broad impact on salon services: the fall in demand is typical of how the pandemic crisis has panned out, with some decreases related more to facial treatments, tanning products, make-up, nail reconstruction and slimming aids. The services offered to increasingly sophisticated customers are extremely diversified, thanks to progressively modern treatments and innovative services that offer a greater level of engagement and footfall, albeit still limited at present.

In addition, a number of important phenomena are becoming more and more apparent, such as the rise of spas and wellness centres, which, dynamically, tend to represent a progressively 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.

In-salon services

Source: Beauty Salons Survey, MeTMi 2020

Consolidated services	
Manual body treatments	96.3%
Manual facial treatments	96.0%
Manicures	93.1%
Pedicures	91.3%
More modern services	
Body treatments using equipment	75.3%
Face treatments using equipment	71.7%
Make-up	68.5%
Hair removal using equipment (mechanical and laser)	64.4%
Nail reconstruction	45.7%
Tanning treatments	44.6%
More innovative services	
Weight loss	33.5%
Wellness programmes (spa)	10.5%
Other specific treatments	30.1%

Size of Italian beauty salons

Source: Beauty Salons Survey, MeTMi 2020

less than 50 m^2 25.6% 50 to 100 m^2 58.3% 100 to 200 m^2 13.6% more than 200 m^2 2.5%

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 metres. 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

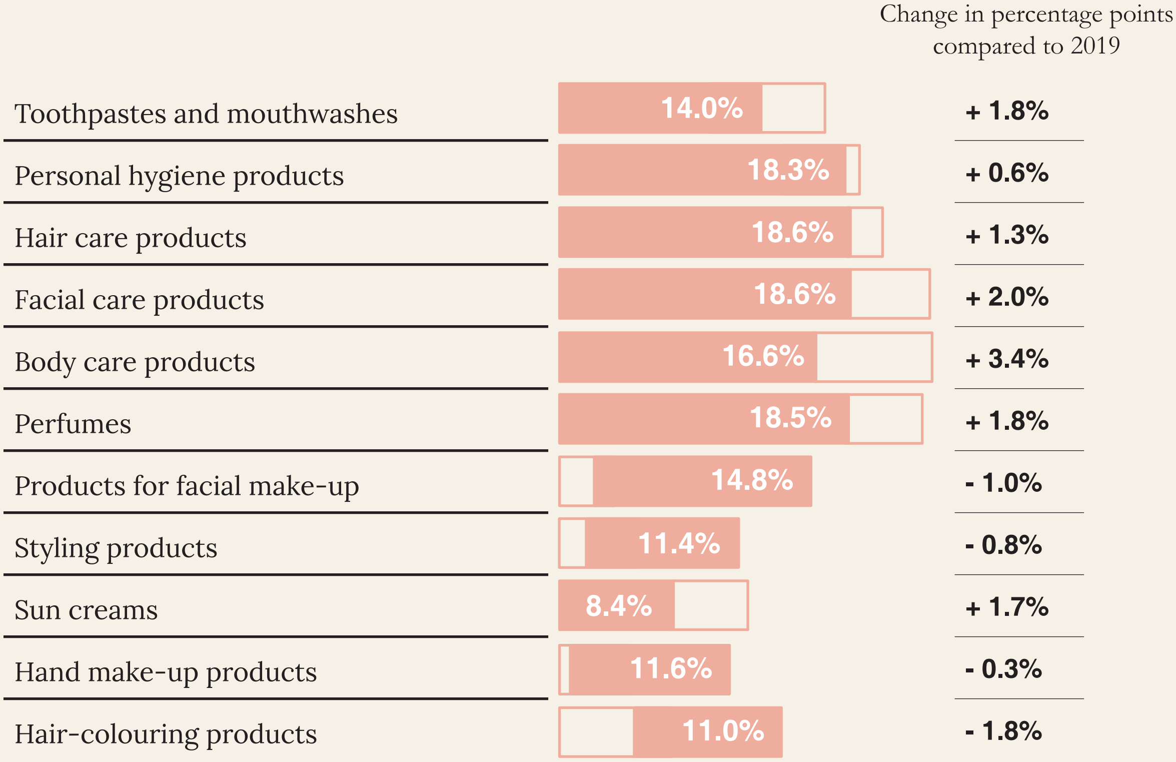
In 2020, direct sales, both door-to-door and by mail-order, accounted for 3.4% of cosmetics consumption, and showed a more negative trend than other channels, mainly due to the shift in demand towards much more innovative forms of distribution. The decrease in the channel led to a sales volume that reached €338 million at the end of the year. In the last 12 months, also due to COVID-19 and some difficulties experienced by a few operators, sales volumes slowed down: more mature consumer segments turned to purchases online, as a form of compensation, which was nonetheless part of their consolidated beauty product purchase routines.

◯ E-commerce

Again in 2020, online sales continued to show better trends compared to other channels: recorded growth was 42%, with the sales volume close to €700 million. Lockdown periods, the entry of new international sales platforms and the development of initiatives by many entities linked to traditional channels are accelerating sales dynamics, leading to necessary sudden adjustments in measuring the phenomenon.
The Human Highway survey, held in spring 2021, provided an interesting snapshot of online sales.
The survey reports, among other things, on growth trends in categories of goods purchased from e-commerce platforms: facial care products recorded the highest level of penetration, increasing by 2% compared to 2019, while the most important growth trend was reported for the body care segment, up by 3.4% compared to the previous year, and accounting for a 16.6% penetration of online purchases out of total purchases in this category.
Reference to the crisis linked to the COVID-19 pandemic, with repercussions on purchasing methods and impact on new spending habits, is inevitable.

Purchase of cosmetic products online in 2020: penetration of purchases and change compared to the pre-pandemic period

Source: Human Highway, 2021



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 2021, pending the final data.

In 2020, Germany recorded the highest consumption, with over €14,000 million, followed by France with just over €11,460 million. The United Kingdom ranked third, with €9,800 million, despite showing the first signs of the effects of Brexit. Italy remained in fourth place, followed by Spain in fifth place with €6,430 million, recording the most dynamic decrease 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 2020 reached €76,700 million overall, reflecting a decrease of just over 5%.

In the European cosmetics sales ranking, skincare products took first place, representing 28% of the total, followed by toiletries. Europe confirmed its leadership in world consumption, followed by the United States (€63,800 million), China (€61,600 million), Japan (€29,300 million) and Brazil (€19,000 million).

A comparison of the biggest markets

Source: Cosmetics Europe, consumption in 2020 in millions of euro

Europe	76.7
EU 30	72.2
USA	63.8
China	61.6
Japan	29.3
Brazil	19.0
India	11.3
South Korea	10.2

Composition of European consumption by macro-category of cosmetics in 2020

Values in € millions – retail prices

	Value	Weight in %
Facial and body care	21,447	28.0%
Personal hygiene	**21,240**	**27.7%**
Hair care	14,142	18.4%
Alcohol-based perfume products	**10,494**	**13.7%**
Make-up	9,392	12.2%
Total	**76,715**	**100.0%**

European cosmetics consumption by country in 2020

Values in € millions – retail prices

	2020	% change 2020-2019
Germany	14,036	-0.1%
France	11,461	-4.5%
United Kingdom	9,801	-7.5%
Italy	9,789	-9.6%
Spain	6,430	-9.9%
Poland	3,786	-7.2%
Netherlands	2,738	-2.0%
Sweden	2,003	-3.2%
Belgium/Luxembourg	1,969	-5.2%
Switzerland	1,809	-7.9%
Austria	1,497	-0.9%
Romania	1,465	-3.9%
Portugal	1,419	-5.7%
Norway	1,287	-1.1%
Finland	983	-1.0%
Denmark	953	-5.9%
Ireland	840	-4.3%
Greece	810	-9.0%
Hungary	753	-11.8%
Czech Republic	738	0.5%
Slovakia	622	-2.5%
Bulgaria	440	-1.6%
Croatia	382	-6.2%
Lithuania	271	1.3%
Slovenia	172	-6.1%
Latvia	165	-7.2%
Estonia	140	-2.7%
Total – EU	**76,715**	**-5.3%**

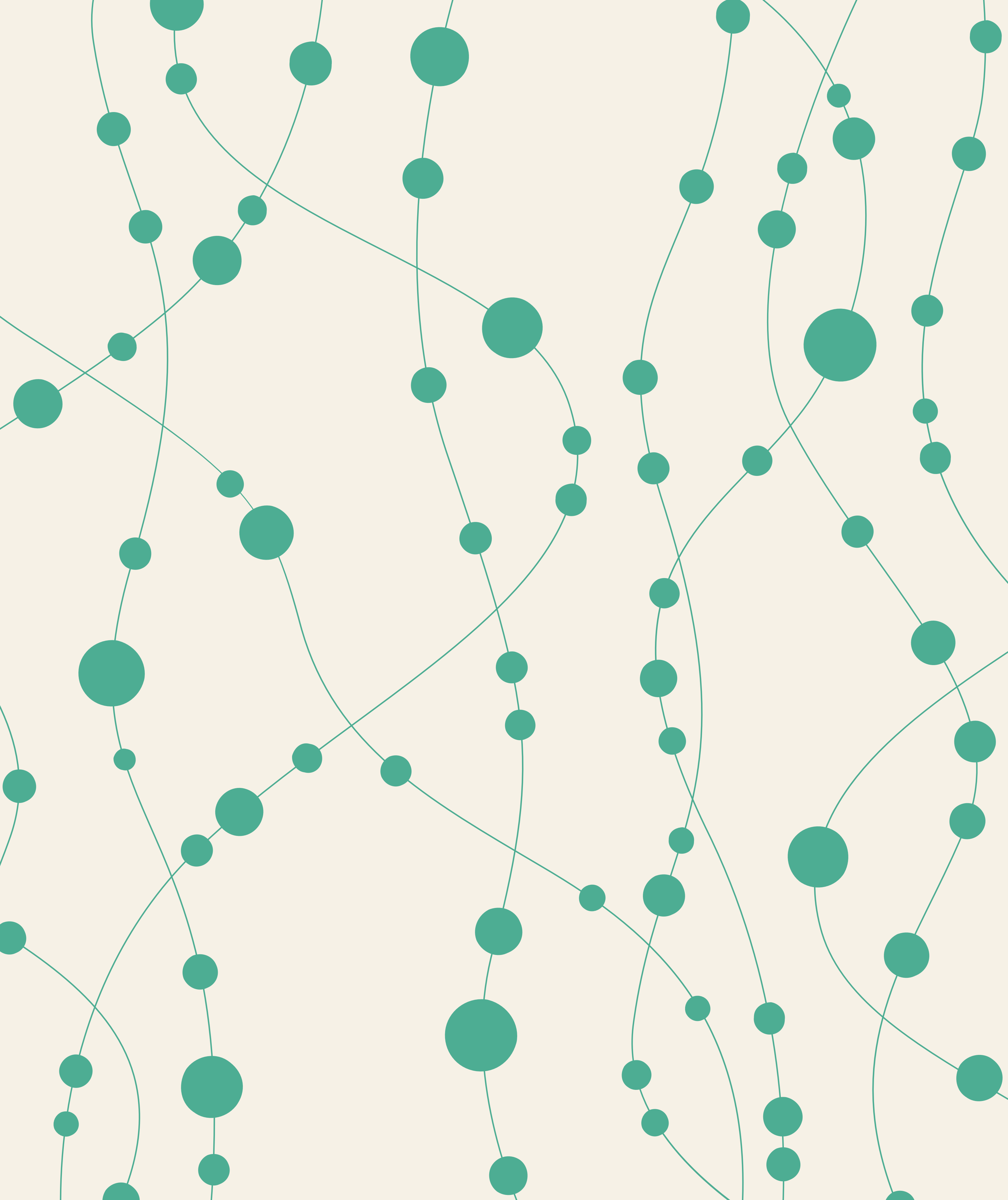
Source: Cosmetics Europe, 2020

European cosmetics consumption by category in 2020

Values in € millions – retail prices

	Total	Alcohol-based perfume products	Make-up	Facial and body care	Hair care	Personal hygiene
Germany	14,036	1,420	1,580	3,250	3,300	4,486
France	11,461	1,797	1,093	3,632	1,626	3,313
United Kingdom	9,801	1,797	1,175	2,495	1,447	2,887
Italy	9,789	1,116	1,659	3,329	1,691	1,995
Spain	6,430	1,097	464	1,777	1,203	1,890
Poland	3,786	394	461	1,032	768	1,130
Netherlands	2,738	431	347	584	531	845
Sweden	2,003	171	478	568	346	439
Belgium/ Luxembourg	1,969	404	261	571	273	459
Switzerland	1,809	273	217	595	350	376
Austria	1,497	194	235	412	277	380
Romania	1,465	272	194	347	241	411
Portugal	1,419	192	100	440	243	445
Norway	1,287	103	248	458	257	221
Finland	983	32	122	267	304	258
Denmark	953	124	127	270	236	196
Ireland	840	114	107	205	171	244
Greece	810	72	59	276	206	196
Hungary	753	91	82	157	120	303
Czech Republic	738	94	99	200	166	178
Slovakia	622	85	85	157	115	180
Bulgaria	440	53	58	104	90	136
Croatia	382	45	51	130	51	105
Lithuania	271	53	45	68	44	62
Slovenia	172	19	19	59	32	44
Latvia	165	33	19	44	34	35
Estonia	140	25	17	34	28	36
Total – EU	**76,715**	**10,494**	**9,392**	**21,447**	**14,142**	**21,240**

Source: Cosmetics Europe, 2020



2 Trends in cosmetics consumption

Cosmetics consumption reported a negative trend in 2020, due to the pandemic crisis which began to make considerable inroads into purchasing and consumption habits starting from March 2020: purchases on the domestic market fell by 9.6%, for a total of €9,789 million, which was more contained compared to other Italian manufacturing sectors.

Sales for the retail channels alone amount to €8,123 million, with an overall decrease of 10%, negatively affected by the major restrictions during periods of lockdown, and partially offset by the acceleration in online sales. Repercussions were reported across all traditional channels: pharmacies (-3.5% compared to 2019), perfume shops (-26.1% compared to 2019), the mass market (-3.8% compared to 2019 albeit with major differences among the various large retail distribution formats) and herbalist stores (-26% compared to 2019).

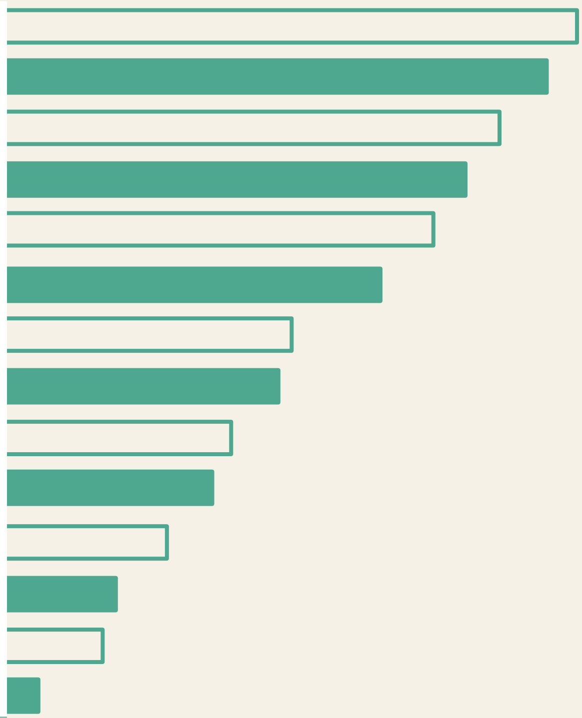
Professional channels, in the same way as the traditional channel, recorded a negative trend, with a decrease of 24.4% on average.

By now, cosmetics in Italy have become a daily, consolidated habit, that consumers will not forgo. This is why the decrease of the last year explains the negative impact generated by the frequency of purchases, though not on beauty routines which, despite the COVID-19 crisis, were only affected by revised timings and use of cosmetics by consumers.

Breakdown of consumption by macro-categories – traditional channels in 2020

Retail prices VAT included – figures in € millions

Facial care products	1,362.5	16.8%
Products for body care	1,293.6	15.9%
Products for body hygiene	1,096.3	13.5%
Hair and scalp care	1,035.6	12.7%
Alcohol-based perfume products	873.4	10.8%
Products for oral hygiene	654.1	8.1%
Eye make-up products	409.8	5.0%
Products for facial make-up	383.1	4.7%
Products for lip care	286.9	3.5%
Skin cleansing products for infants	262.4	3.2%
Products for hand care	197.7	2.4%
Products for men	129.5	1.6%
Gift packs	99.0	1.2%
Make-up sets	39.2	0.5%
Total	**8,123.0**	**100.0%**



Total retail consumption of products – traditional channels in 2020

Retail prices VAT included – figures in € millions

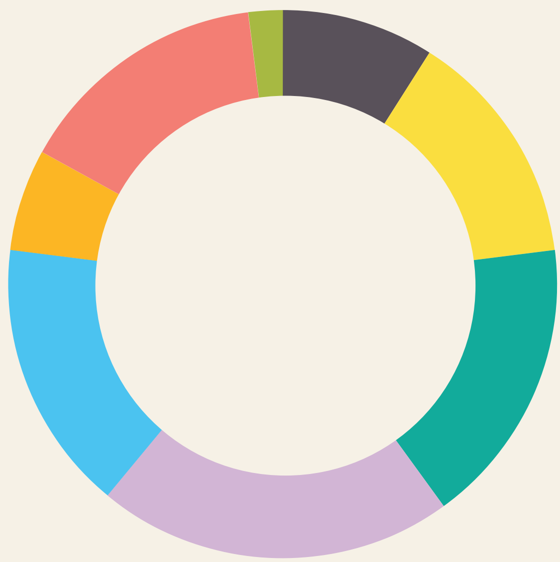
	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % change	Pharma-cies % change	% change Perfume shops	Large Retail and other channels % change
Total	**8,123.0**	**1810.3**	**1540.0**	**4772.7**	**-10.0**	**-3.5**	**-26.1**	**-5.7**
Facial care products	**1,362.5**	532.8	335.9	493.9	**-11.7**	-1.1	-23.4	-12.8
Products for body care	**1,293.6**	415.4	94.8	783.4	**-7.4**	-7.4	-24.8	-4.8
Products for body hygiene	**1,096.3**	274.9	25.8	795.7	**6.3**	2.1	6.6	7.8
Hair and scalp care	**1,035.6**	192.8	28.6	814.1	**3.9**	5.5	-17.7	4.5
Alcohol-based perfume products	**873.4**	16.5	635.3	221.7	**-21.5**	-18.5	-24.8	-10.2
Products for oral hygiene	**654.1**	135.5	4.2	514.3	**1.4**	0.7	0.0	1.7
Eye make-up products	**409.8**	29.0	94.8	286.0	**-20.1**	-14.9	-24.5	-19.1
Products for facial make-up	**383.1**	39.7	111.3	232.1	**-28.9**	-33.4	-37.1	-23.2
Products for lip care	**286.9**	47.6	48.8	190.6	**-30.5**	-16.2	-52.7	-24.6
Skin cleansing products for infants	**262.4**	75.7	4.2	182.4	**-8.8**	-6.8	-8.7	-9.6
Products for hand care	**197.7**	41.6	15.3	140.7	**-13.5**	0.5	-23.2	-15.9
Products for men	**129.5**	8.2	31.6	89.7	**-9.7**	-12.1	-16.2	-6.9
Gift packs	**99.0**	0.3	84.0	14.7	**-19.0**	-2.3	-21.2	-4.0
Make-up sets	**39.2**	0.4	25.3	13.5	**-23.2**	-5.6	-28.3	-11.9

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

Facial care products	20.6%
Products for body care	**17.3%**
Hair and scalp care	11.9%
Products for body hygiene	**11.5%**
Alcohol-based perfume products	9.1%
Eye make-up products	**7.2%**
Products for facial make-up	6.7%
Products for oral hygiene	**5.7%**
Products for lip care	5.0%
Products for hand care	**3.5%**
Gift packs	1.0%
Make-up sets	**0.7%**

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

Facial care products	8.6%
Products for body care	**14.3%**
Hair and scalp care	16.7%
Products for body hygiene	**20.6%**
Alcohol-based perfume products	16.4%
Products for men	**6.1%**
Products for oral hygiene	15.3%
Gift packs	**2.0%**



Hair and scalp care products

In 2020, there was a considerable growth in the consumption of hair products in non-professional channels, which amounted to €1,036 million, recording a positive trend of 3.9%. Considering products sold in the professional channel, the total consumption of the category exceeded €1,489 million. However, the forced closures of hairdressing salons during lockdown periods deviated the purchase of hair care products in favour of traditional channels with a focus on do-it-yourself products.After retail businesses re-opened, turnover of salons picked up, thanks to a recovery in footfall, although this was regulated, to comply with infection prevention rules. Resale and online support proved to be strategically important during the periods of lockdown, reflecting a reworking of the offering focused on quality and the advice that hair salons can provide.

An analysis of the various product groups for this important category, which ranks fourth for value on the Italian market, shows a polarised performance in the various subcategories in 2020: hair colour and coloured foam products increased considerably (€274 million, +30.4% compared to 2019), along with post-shampoo hair care products, conditioners and masks (€157 million and up by nearly 3% compared to the previous year), demonstrating that consumers have not only steered the consumption of hair care products towards a home use, but have also invested their free time in longer routines to enhance their well-being, also using multi-phase cosmetics or products that require longer application times.

Shampoos mark a divide, accounting for over 40% of the entire product family, with the least significant decrease (-1.1%) for a consumption value close to €439 million; this was followed by lotions and intensive treatments, at -2.4% and accounting for €62 million. The highly negative performance affected the entire styling segment, including hair sprays (€49 million and a decrease of 18.8%), gels, waters and gums, down by 21%, and fixers and structuring mousses falling by 10% compared to the previous year.

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 body 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 +4.5%. This was followed by pharmacies, which, with nearly €193 million, equal to 19% of the value of this product family in traditional channels, recorded a growth of 5.5%.

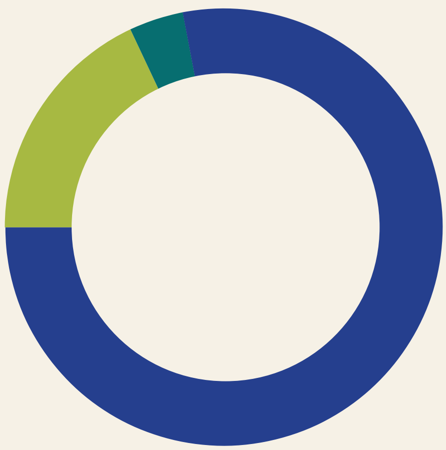
Hair and scalp care products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	**Total % change**	Pharma-cies % change	Perfume shops % change	Large Retail and other channels % change
Total	**1,035.6**	**192.8**	**28.6**	**814.1**	**3.9**	**5.5**	**-17.7**	**4.5**
Shampoos	438.5	94.2	5.3	339.0	**-1.1**	-2.1	-20.6	-0.5
Dyes and coloured mousses	273.8	38.7	11.7	223.5	**30.4**	63.8	-12.8	29.2
Post-shampoo treatments, balsams and masks	157.2	11.0	3.0	143.1	**2.9**	-7.4	-19.0	4.4
Lotions and shock treatments	61.7	48.0	3.6	10.1	**-2.4**	-3.0	-11.5	4.6
Hair sprays	48.7	0.3	1.9	46.6	**-18.8**	-53.0	-28.9	-18.0
Gels, waters and gums	33.1	0.5	1.7	30.9	**-21.0**	-37.0	-29.4	-20.2
Fixers and structuring mousses	22.5	0.1	1.5	21.0	**-10.0**	17.3	-22.2	-9.1

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

Shampoos	42.3%
Dyes and coloured mousses	**26.4%**
Post-shampoo treatments, balsams and masks	15.2%
Lotions and shock treatments	**6.0%**
Hair sprays	4.7%
Gels, waters and gums	**3.2%**
Fixers and structuring mousses	2.2%



Pharmacies	18.6%
Perfume shops	**2.8%**
Mass market and other channels	78.6%

Facial care products

2020 saw the return to essential purchases and, although sacrifices were made in spending on some cosmetic product families, facial care provided to be a must for self-care and for meeting specific needs.

In fact, the decrease in this category was fairly aligned with the general trend of the cosmetics market in Italy and in terms of value represents the first product family accounting for 16.8% of total cosmetics consumption.

Overall, an 11.7% decrease was registered over the previous year, for a total of more than €1,362 million.

After last year's growth, the leading family of value products, anti-ageing and anti-wrinkle creams, closed the year down by 10.7% for €602 million, with moisturising and nutrient creams also recording a negative performance (-12.5% and €239 million) accounting, together with anti-ageing creams, for almost two thirds of the consumption value of facial care products. These items were followed by face and eye detergents and make-up removers (-13.9%), periocular area and specific zones (-14.4%) and exfoliating masks (-5.5%), facial tissues (-25.4%), toning lotions (-21.5%) and depigmenting products (-2.5%). The only subcategory with values recording an increase concerned products for skin impurities(+3.0%).

In terms of channel, the category recorded a less noticeable downturn for pharmacies (-1.1%), while the decrease was more significant for perfume shops (-23.4%) and the mass market (-12.8%) due to the closures of sales outlets during lockdown periods.

Facial care products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	**Total % change**	Pharma-cies % change	Perfume shops % change	Large Retail and other channels % change
Total	**1,362.5**	**532.8**	**335.9**	**493.9**	**-11.7**	**-1.1**	**-23.4**	**-12.8**
Anti-ageing and anti-wrinkle creams (including lift effect treatments)	**602.3**	241.3	174.1	186.9	**-10.7**	0.8	-22.1	-11.6
Moisturising and nutrient creams	**239.4**	104.6	40.4	94.4	**-12.5**	-2.2	-28.1	-14.6
Face and eye detergents and make-up removers	**148.2**	48.3	28.5	71.5	**-13.9**	-3.1	-23.6	-15.9
Periocular area and specific zones	**130.6**	51.3	52.3	27.1	**-14.4**	-3.6	-24.1	-11.1
Masks and exfoliant scrubs	**86.5**	14.3	18.2	54.1	**-5.5**	-2.9	-24.1	2.2
Products for skin impurities	**54.8**	47.3	5.2	2.2	**3.0**	1.2	31.2	-7.7
Facial tissues	**43.9**	2.8	4.2	36.9	**-25.4**	-12.4	-15.3	-27.3
Toning lotions	**35.1**	6.1	13.1	16.0	**-21.5**	-2.0	-33.9	-15.0
Depigmentation products	**21.6**	16.8	0.0	4.8	**-2.5**	-7.5	-13.2	20.2

Percentage breakdown by category and sales channel for facial care products

Anti-ageing and anti-wrinkle creams	44.2%
Moisturising and nutrient creams	17.6%
Face and eye detergents and make-up removers	10.9%
Periocular area and specific zones	9.6%
Products for skin impurities	4.0%
Facial tissues	3.2%
Toning lotions	2.6%
Masks and exfoliating scrubs	6.4%
Depigmenting products	1.6%

Pharmacies	39.1%
Perfume shops	24.7%
Mass market and other channels	36.2%

◯ Products for facial make-up

2020 showed a strong decrease compared to the trend recorded up to 2019 for facial make-up products, down by 28.9% (for a value equal to €383 million), and this is one of the figures that best reflects the effects of the pandemic at a social level on the lives of Italian people. The effect of wearing face masks in relation to products related to facial care have certainly hindered consumers' beauty routines, with consumers increasingly opting, in recent years, to purchase products in this category through more recent distribution formats of the mass market (single-brand stores and SSS-Drugs), and from perfume shop chains.

In 2020, foundations, BB creams, contouring products, blushers, bronzers and face powders were all affected by the decrease, falling by between 28.7% to 29%: trends were slightly less noticeable on the mass market (-23.2%), where over 60% of total purchases of this product family are concentrated.

Products for facial make-up

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	**Total % change**	Pharma-cies % change	Perfume shops % change	Large Retail and other channels % change
Total	**383.1**	**39.7**	**111.3**	**232.1**	**-28.9**	**-33.4**	**-37.1**	**-23.2**
Foundations and coloured creams	**206.2**	23.1	65.3	117.7	**-29.0**	-25.3	-37.7	-23.9
Cheek correctors, blushes and clays	**134.7**	13.7	37.8	83.2	**-28.7**	-43.2	-34.9	-22.1
Face powder	**42.2**	2.9	8.2	31.1	**-28.9**	-36.4	-42.0	-23.4

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

Foundations and coloured creams	53.8%
Cheek correctors, blushes and clays	**35.2%**
Face powder	11.0%

Pharmacies	10.4%
Perfume shops	**29.1%**
Mass market and other channels	60.6%

Eye make-up products

In the broader segment of make-up in general, eye-make up products recorded the lowest decrease, -20.1% for €410 million. Long lockdown periods only partially affected the negative trend of this category, thanks to working from home and video calls with friends and family.
Mascaras accounted for nearly 40% of the market, down by 20.4%. This was followed, with a negative trend, by liners and pencils (-18.6% for a value of €160 million), and eye shadows (-22.3%), for nearly €89 million.
For over seven years, the mass market has been the channel of choice for the sales of cosmetics dedicated to eye make-up which, accounting for €286 million (70% of the category's consumption), recorded a 19% decrease. Pharmacies followed with -14.9% and €29 million equal to 7% of the share in value of total consumption in the category, with perfume shops coming last (-24.5%) with €95 million.

Eye make-up products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % change	Pharma-cies % change	Perfume shops % change	Large Retail and other channels % change
Total	**409.8**	**29.0**	**94.8**	**286.0**	**-20.1**	**-14.9**	**-24.5**	**-19.1**
Mascaras	**161.3**	15.8	42.8	102.8	**-20.4**	-17.5	-23.5	-19.5
Liners and pencils	**159.9**	10.2	34.5	115.2	**-18.6**	-9.7	-24.9	-17.2
Shadows	**88.6**	3.0	17.5	68.1	**-22.3**	-17.9	-25.9	-21.5

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

Mascaras	39.4%
Liners and pencils	**39.0%**
Shadows	21.6%

Pharmacies	7.1%
Perfume shops	**23.1%**
Mass market and other channels	69.8%

Products for lip care

A negative trend was reported for the sales of products for lips, -30.5%, with a value of €287 million.
The decrease of 36% of the leading value family, lipsticks and lip glosses, and of protections, colourless foundations and sun sticks (-14.6%), had a considerable impact, closing 2020 with €178 and €73 million respectively.
Liners and pencils also saw a downward trend, closing the year with a fall of 27.7%, which, with a share of 13% of the total product family, marginally influenced the growth of general consumption.
An analysis of sales channels shows the least negative performance was recorded by the pharmacy channel (which however covers just 17% of category consumption), down by 16.2%, followed by the mass market which, with two thirds of consumption of the entire product family, fell by 24.6% for a value close to €191 million. The perfume shop channel came last, with a decrease of over 52% and a value of just under €49 million. This is the first crisis worldwide where the so-called lipstick effect has changed, affecting other categories of cosmetics which consumers have benefited from: one such example is skin care products, also with a multi-phase application, that have enhanced the experience and relaxation techniques at home of Italian consumers.

Products for lip care

Retail prices VAT included – figures in € millions

	Total	Pharmacies	Perfume shops	Large Retail and other channels	Total % change	Pharmacies % change	Perfume shops % change	Large Retail and other channels % change
Total	**286.9**	**47.6**	**48.8**	**190.6**	**-30.5**	**-16.2**	**-52.7**	**-24.6**
Lipsticks and lip glosses	**178.3**	10.0	39.5	128.9	**-35.8**	-25.7	-54.2	-27.7
Protection, colourless foundations and sun sticks	**72.7**	36.4	2.6	33.8	**-14.6**	-12.6	-26.5	-15.6
Liners and pencils	**35.9**	1.2	6.7	27.9	**-27.7**	-28.9	-49.6	-19.2

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

Lipsticks and lip glosses	62.1%
Protection, colourless foundations and sun sticks	**25.3%**
Liners and pencils	12.7%

Pharmacies	16.6%
Perfume shops	**17.0%**
Mass market and other channels	66.4%

Products for hand care

Products for hand care decreased by 13.5%, accounting for €198 million. Nail varnishes were the leading product category of the group, with a share of 59% of the total; after the excellent performance recorded up to a few years ago, the effect of the pandemic was felt, with a fall of 17.1%, for a sales value which amounted to €118 million. A less noticeable decrease was recorded for creams, gels, lotions and nail products (-6.5%), which account for 32% of the market for products for hand care, with a value of €63 million.

Analysing sales by channel, the heavy fall in perfume shops continued, which, with a market value of €15 million, recorded a negative performance of 23.2%; the mass market was also negative, which accounts for over 70% on the total market, closing 2020 with a fall of -15.9%, for a value of €141 million. The pharmacy channel, which is the only channel to record a positive trend (+0.5%) offset, at a minimum level, the negative trend of this product family, thanks to the cross selling of nourishing creams at pharmacies that tackle dry skin on the hands caused by the sanitising action of gels and soaps.

Products for hand care

Retail prices VAT included – figures in € millions

	Total	Pharmacies	Perfume shops	Large Retail and other channels	Total % change	Pharmacies % change	Perfume shops % change	Large Retail and other channels % change
Total	**197.7**	**41.6**	**15.3**	**140.7**	**-13.5**	**0.5**	**-23.2**	**-15.9**
Nail varnishes	**117.5**	4.9	10.0	102.6	**-17.1**	-8.3	-24.7	-16.7
Creams, gels, lotions and nail products	**62.8**	35.7	2.3	24.9	**-6.5**	2.0	-24.8	-14.8
Solvents and other products	**17.3**	1.1	3.0	13.2	**-11.8**	-5.0	-16.5	-11.2

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

Products for body care

The decrease in consumption of products for body care was less than other product families considering the overall market trend in 2020, with 15.9% of total consumption, representing the second most important family of the Italian cosmetics market. The leading subcategory was deodorants and antiperspirants, down by 5.5% and accounting for a value of €450 million. Sunscreens and pigmenting products came second, at -19%, with sales close to €292 million. these products, along with make-up, were the most affected by the COVID-19 crisis.

Thanks to a minor loss (-4.8%), the mass market remained at the top of sales of body cosmetics: with a value of €783 million, it accounted for 61% of all category sales.

At a channel level, pharmacies (-7.4% for €415 million) recorded polarised dynamics in 2020: on the one hand, moisturisers, nutrients and exfoliant scrubs, and also hair removers, reflected a positive trend. On the other, sunscreens, skin firming agents, specific zone and anti-ageing products for specific areas and anti-ageing products for the body, as well as water and oil-based body products, recorded a negative trend.

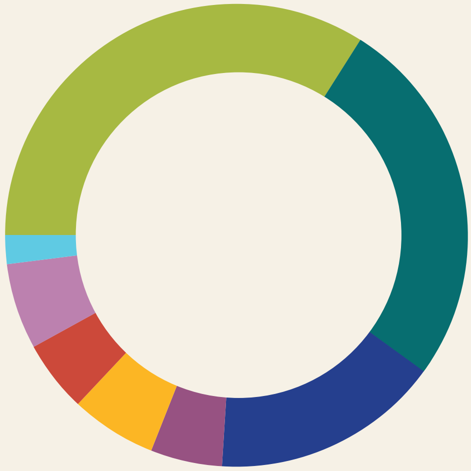
Sales in perfume shops were also extremely negative, down -24.8%, with a value of €95 million.

Products for body care

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % change	Pharma-cies % change	Perfume shops % change	Large Retail and other channels % change
Total	**1,293.6**	**415.4**	**94.8**	**783.4**	**-7.4**	**-7.4**	**-24.8**	**-4.8**
Deodorants and antiperspirants	**450.0**	55.3	10.2	384.5	**-5.5**	0.5	-25.0	-5.7
Sunscreens and pigmenting products	**291.7**	139.6	37.2	114.9	**-19.0**	-18.1	-28.5	-16.6
Moisturisers, nutrients and exfoliant scrubs	**234.5**	84.3	17.8	132.4	**0.6**	-0.1	-17.5	4.2
Hair removers	**88.3**	2.2	5.0	81.1	**5.3**	6.2	-27.5	8.3
Multipurpose creams	**82.0**	49.0	4.6	28.4	**-1.9**	1.1	-21.2	-3.0
Firming agents, specific zone and anti-ageing products	**59.1**	28.1	7.9	23.1	**-7.9**	-0.2	-20.6	-11.5
Anti-cellulite products	**58.1**	36.6	6.0	15.5	**-8.1**	-8.4	-16.9	-3.5
Body waters and oils	**29.9**	20.3	6.2	3.4	**-9.2**	0.5	-31.9	-6.5

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



Deodorants and antiperspirants	34.8%
Sunscreens and pigmenting products	22.6%
Moisturisers, nutrients, exfoliating scrubs	18.1%
Anti-cellulite products	4.5%
Multipurpose creams	6.3%
Firming agents, specific zone and anti-ageing products	4.6%
Hair removers	6.8%
Body waters and oils	2.3%

Pharmacies	32.1%
Perfume shops	7.3%
Mass market and other channels	60.6%

Body hygiene products

The body hygiene segment recorded considerable growth in 2020, ranking third in the classification of cosmetic product consumption, accounting for over €1,096 million.
Bath and shower creams and gels, along with products for foot hygiene and talcum powder, were the only three categories to record a slight drop, of -0.7%, -1.6% and -0.7% respectively, covering nearly 44% of the entire product family.
An excellent performance was recorded instead for personal care products (+2.3%, for over €287 million), liquid soaps, +35%, with a value of over €225 million, and soaps and syndets (+3.3% and €103 million).
Accounting for more than 72% of the entire body hygiene product segment, the mass market firmly confirmed itself as the leading channel for Italian consumers for the category, closing 2020 with nearly 8% and a sales value close to €796 million.
Pharmacies remained the second consumer channel in the category, +2.1%, with a sales value of €275 million. Perfume shop sales were also positive, up by 6.6%, after years of considerable decreases, reaching €26 million.

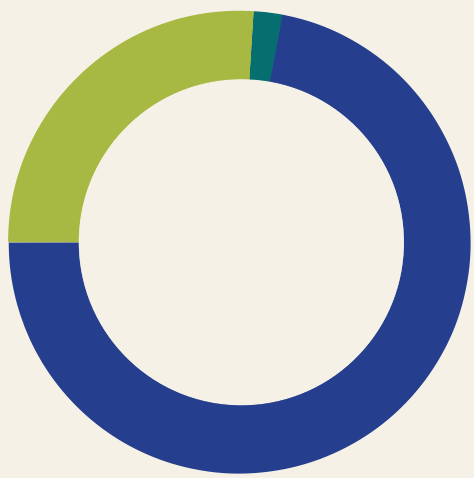
Body hygiene products

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	**Total % change**	Pharma-cies % change	Perfume shops % change	Large Retail and other channels % change
Total	**1,096.3**	**274.9**	**25.8**	**795.7**	**6.3**	**2.1**	**6.6**	**7.8**
Bath foam and shower cream, salts, powders, oils	**420.5**	54.1	10.2	356.2	**-0.7**	0.5	-25.5	0.1
Products for intimate hygiene	**287.4**	143.1	2.0	142.3	**2.3**	0.7	-1.0	4.1
Liquid soaps	**225.3**	16.2	6.8	202.3	**35.0**	23.1	286.6	33.1
Soaps and syndets	**102.5**	42.4	3.2	56.9	**3.3**	4.1	3.1	2.7
Products for foot hygiene	**32.3**	16.7	0.8	14.8	**-1.6**	-2.1	-5.1	-0.7
Talcs and powders	**28.4**	2.5	2.7	23.3	**-0.7**	0.1	-0.3	-0.8

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

Bath foam and shower cream, salts, powders, oils	38.4%
Products for intimate hygiene	26.2%
Liquid soaps	20.5%
Soaps and syndets	9.4%
Products for foot hygiene	2.9%
Talcs and powders	2.6%



Pharmacies	25.1%
Perfume shops	2.3%
Mass market and other channels	72.6%

Oral hygiene products

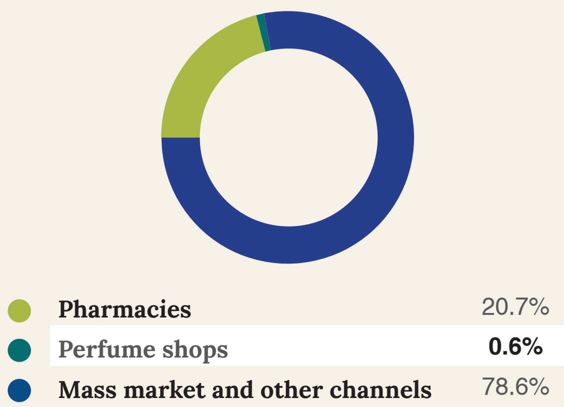
Oral hygiene products closed the year with a positive performance, up 1.4%, and confirming the position compared to the previous year, with a sales value of €654 million. These products are the sixth rated consumer product family in Italy, equal to 8.1% of total consumption.
Growth was flat for toothpastes, which account for 70% of the market, with a final value of €460 million.
The sales trend for mouthwashes and breath fresheners was extremely positive, at +5.3% and over €194 million.
Like other hygiene product families, oral hygiene cosmetics recorded an upwards trend during the pandemic, confirming new consumer habits which, even in a mature and consolidated product segment, reflected new approaches to use and increasingly targeted choices.
The mass market, main channel for products for oral hygiene, fundamentally contributed to total consumption: with €514 million, it accounts for over 79% of the category. Pharmacies were confirmed as the second leading consumer channel, with 21% of the total of traditional channels, equal to €136 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 % change	Pharmacies % change	Perfume shops % change	Large Retail and other channels % change
Total	**654.1**	**135.5**	**4.2**	**514.3**	**1.4**	**0.7**	**0.0**	**1.7**
Toothpastes (including whitening toothpastes)	**460.0**	59.5	3.9	396.6	**-0.1**	1.0	-3.2	-0.2
Mouthwashes, breath fresheners	**194.1**	76.0	0.4	117.7	**5.3**	0.4	-4.5	8.7

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



Products for men

For many years, there has been a negative trend (-9.7%) in sales of cosmetic products for men.
These now stand at a value of less than €130 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 €54 million, and aftershave products with -5.3%, €45 million.
Treatment creams also reported a negative trend, recording a consumption value close to €30 million at the end of 2020.
In 2020, male consumer habits, which had accelerated due to the effect of the pandemic on consumers' specific needs for cosmetics, saw a decline for classic products and a continuing shift towards new high-performance types, 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 €90 million, recorded a drop of 6.9%; this was followed by perfume shops, with a decrease of over 16%, and a value close to €32 million.
Pharmacies were the trailing channel of choice for men's products, with a volume of just over €8 million, recording a 12.1% drop.

Products for men

Retail prices VAT included – figures in € millions

	Total	Pharma-cies	Perfume shops	Large Retail and other channels	Total % change	Pharma-cies % change	Perfume shops % change	Large Retail and other channels % change
Total	**129.5**	**8.2**	**31.6**	**89.7**	**-9.7**	**-12.1**	**-16.2**	**-6.9**
Soaps, shaving foams and gels	**54.4**	2.8	4.1	**47.5**	-9.4	-13.3	-24.3	-7.6
After shave products	**45.4**	2.7	10.0	**32.7**	-5.3	-10.1	0.0	-6.4
Treatment creams	**29.8**	2.7	17.5	**9.5**	-16.2	-12.8	-21.5	-5.5

Percentage breakdown by category and sales channel of products for men

Soaps, shaving foams and gels	42.0%
Aftershaves	**35.0%**
Treatment creams	23.0%

Pharmacies	6.3%
Perfume shops	**24.4%**
Mass market and other channels	69.3%

Alcohol-based perfume products

As stated for make-up products, the decrease in consumption of alcohol-based perfume products in 2020 confirms the impact on cosmetics related more to the social dimension: -21.5% with a sales value of just over €873 million. The segment has moved from the third consumer family in Italy to the fifth, and is equal to 10.8% of total consumption (12.7% in 2019).
Fragrances for women recorded a downturn (-21.5%), accounting for 62% of the market, for a final value of €541 million.
In line with the trend of women's fragrances, men's fragrances also fell, and account for 38% of the category's consumption.
Perfume shops accounted for 73% of demand, standing at €635 million and recording a negative growth trend (-24.8%). The mass market recorded a negative trend, with 25% of consumption in the category, reaching €222 million and a fall of -10.2% 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 % change	Pharmacies % change	Perfume shops % change	Large Retail and other channels % change
Total	**873.4**	**16.5**	**635.3**	**221.7**	**-21.5**	**-18.5**	**-24.8**	**-10.2**
Toilet waters, perfumes and fragrances for women	**540.9**	15.3	405.5	120.0	**-21.5**	-18.5	-24.7	-8.3
Toilet waters, perfumes and fragrances for men	**332.5**	1.1	229.7	101.6	**-21.5**	-18.1	-24.9	-12.4

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

Toilet waters, perfumes and fragrances for women 61.9%

Toilet waters, perfumes and fragrances for men **38.1%**

Pharmacies 1.9%

Perfume shops **72.7%**

Mass market and other channels 25.4%

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 cosmetics market. This year, 65% was made up of cleansing products for children, 25% by gift packs and around 10% by make-up sets. In 2020, there was a cumulative contraction of this aggregation, with a sales value that closed at just over €400 million.

29% of cleansing products for children were sold in pharmacies and nearly 70% in the mass market, with a total value of €262 million. Gift packs for women were essentially sold in perfume shops (89%) and recorded a decrease of 20.4%; gift packs for men followed a similar trend, closing the year with a 17% decrease, for a value of just over €42 million.

Make-up sets, with sales of over €39 million, mainly at perfume shops, closed 2020 recording a 23% decrease.

Other products

Retail prices VAT included – figures in € millions

	Total	Pharmacies	Perfume shops	Other channels	Total % change	Pharmacies % change	% change Perfume shops	Other channels % change
Total	**400.5**	**76.4**	**113.5**	**210.6**	**-13.1**	**-6.8**	**-22.5**	**-9.2**
Skin-cleansing products for children	**262.4**	75.7	4.2	182.4	-8.8	-6.8	-8.7	-9.6
Gift packs for women	**56.5**	0.2	50.1	6.2	-20.4	-2.0	-22.2	-1.0
Gift packs for men	**42.5**	0.1	33.9	8.5	-16.9	-3.0	-19.7	-1.5
Make-up sets	**39.2**	0.4	25.3	13.5	-23.2	-5.6	-28.3	-11.9

Percentage breakdown by category and sales channel for other products

Skin-cleansing products for children	**65.5%**
Gift packs for women	14.1%
Gift packs for men	**10.6%**
Make-up sets	9.8%

Pharmacies	19.1%
Perfume shops	**28.3%**
Mass market and other channels	52.6%

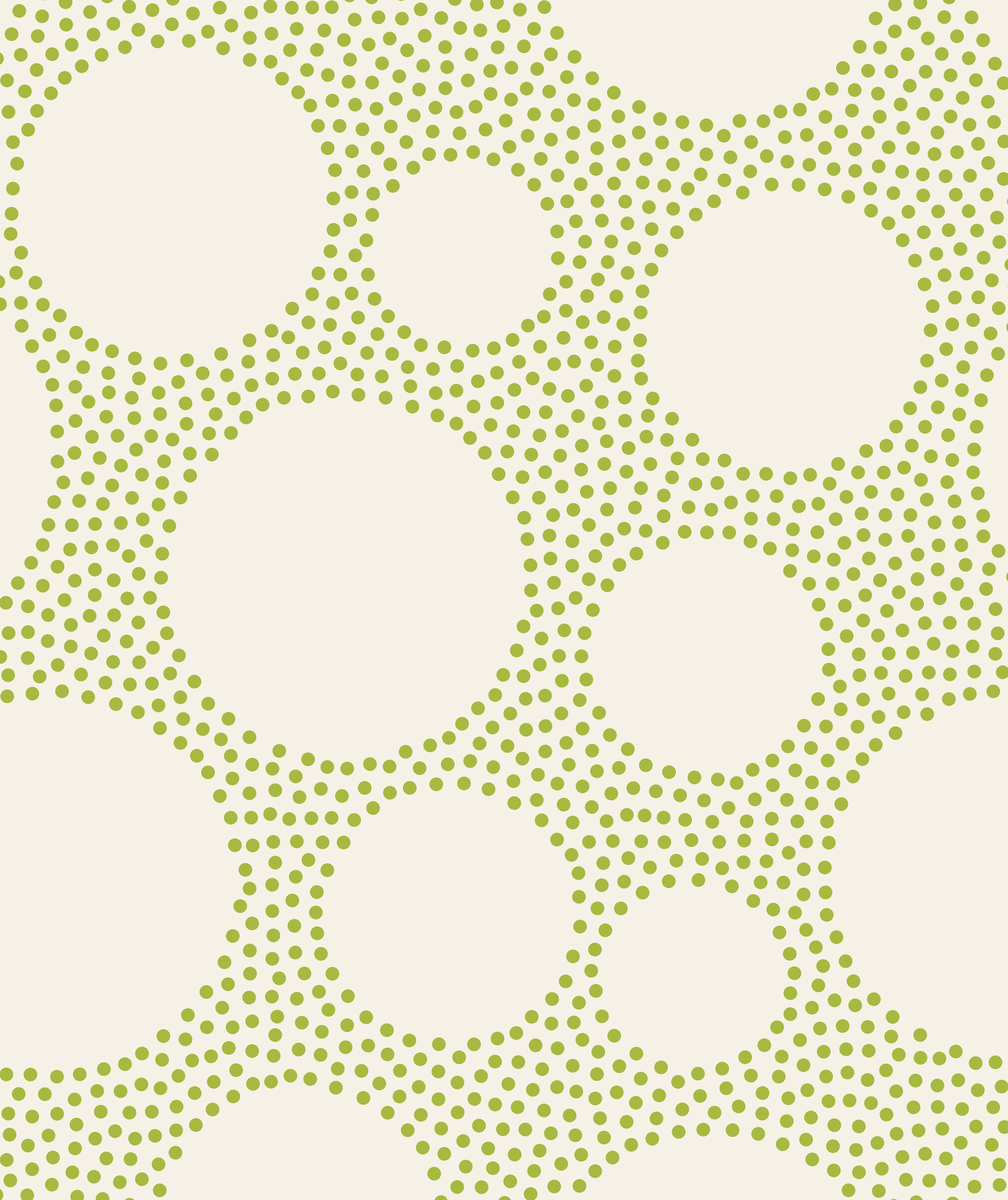
In depth

Analysis of the breakdown of main product families by some of the most important traditional sales channels shows the level of specialisation of the different distribution formats selected by cosmetics firms: the pharmacy and herbalist store channels are highly focused on facial and body care products, which together account for 52% for the first channel, and 58% for the second channel, with a considerable overlapping of the offering. In the mass market segment overall, supermarkets and hypermarkets have recorded a stronger shift towards hair and body hygiene products, like SSS-Drugs outlets, despite the latter distribution format having another type of sales diversification also targeting body care products. Lastly, the perfume shop channel recorded a strong concentration regarding alcohol-based perfume products, and to a lesser extent, facial care products with nearly two thirds of its offering.

Breakdown by consumption for main traditional distribution channels in 2020 (excluding direct and professional channels)

Data processed by the Statistics Department and Business Culture Department
Values in € millions - percentage breakdown in 2020

	Total	Pharmacies	Supermarkets/ hypermarkets	SSS-Drug	Perfume shops	Herbalist stores
Total (in € millions)	**8123**	**1810**	**1755**	**1568**	**1540**	**331**
Skincare	**16.8%**	29.4%	9.0%	9.1%	21.8%	30.2%
Body care	**15.9%**	22.9%	18.0%	16.6%	6.2%	27.6%
Body hygiene	**13.5%**	15.2%	22.6%	15.4%	1.7%	6.2%
Hair care	**12.7%**	10.7%	22.0%	20.0%	1.9%	9.2%
Alcohol-based perfume products	**10.8%**	0.9%	0.6%	11.1%	41.3%	8.6%
Oral hygiene	**8.1%**	7.5%	17.4%	9.3%	0.3%	0.4%
Eye make-up	**5.0%**	1.6%	0.9%	3.9%	6.2%	0.1%
Face make-up	**4.7%**	2.2%	0.7%	3.0%	7.2%	0.3%
Lips	**3.5%**	2.6%	1.1%	3.7%	3.2%	1.8%
Skin cleansing products for infants	**3.2%**	4.2%	4.7%	2.8%	0.3%	2.3%
Hand care	**2.4%**	2.3%	0.6%	2.0%	1.0%	3.1%
Products for men	**1.6%**	0.5%	2.2%	2.0%	2.1%	2.3%
Gift packs	**1.2%**	0.0%	0.3%	1.1%	5.5%	0.4%
Make-up sets	**0.5%**	0.0%	0.0%	0.1%	1.6%	0.1%

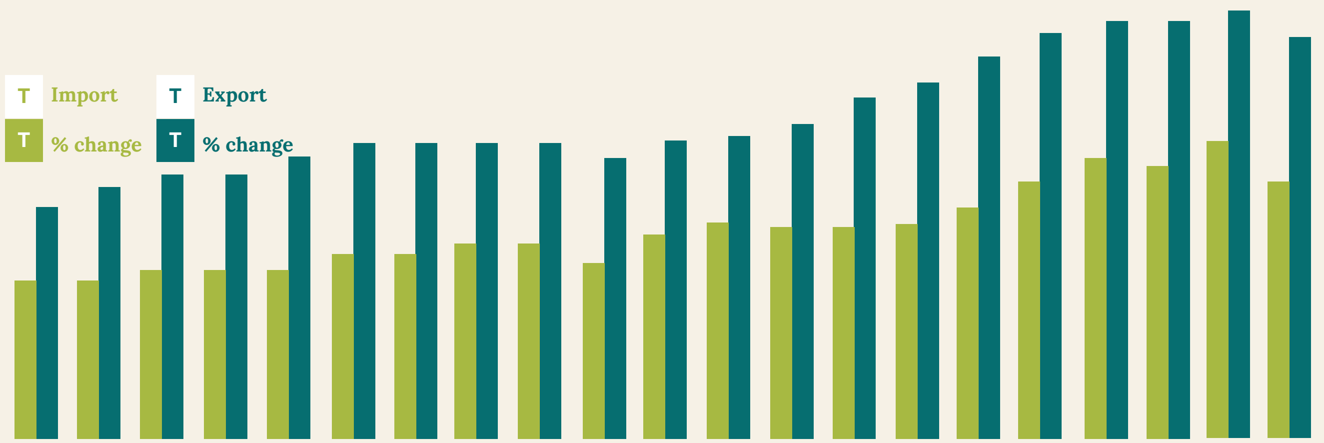


3 Imports and exports

For some time now, the analysis of foreign trade data has been based on the statistics prepared by the Statistics Department 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.
The effects of the COVID-19 crisis have had considerable impacts on trade, across numerous manufacturing sectors. As regards the cosmetics industry, exports in 2020 came to a standstill, dropping to figures of five years ago and recording a value of €4,154 million. Exports of Italian cosmetics fell by 16.7%; the overall value relating to this data was also negative: a decrease of 5.7% was recorded, with an evident impact on margins.
Imports were also down over 2019, with a value close to €1,850 million, recording a decrease of 16.4%, while in terms of quantity, the contraction was 4.6%.
The climate of uncertainty in foreign markets has had an impact on the trade balance of the cosmetics industry, interrupting the trend that began in 1996, when the value of cosmetics exports exceeded that of imports. The drop in

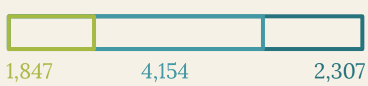
Trends in the trade balance

ISTAT data, processed by the Statistics Department and Business Culture Department, values in € millions



2000																				2020
1,149	1,187	1,259	1,266	1,295	1,381	1,465	1,528	1,595	1,421	1,594	1,674	1,640	1,653	1,694	1,825	1,994	2,073	2,059	2,209	1,847
1,508	1,779	1,844	1,830	2,013	2,153	2,284	2,307	2,338	2,063	2,418	2,683	2,873	3,190	3,346	3,824	4,309	4,615	4,877	4,985	4,154
12.8	3.3	6.0	0.6	2.2	6.7	6.1	4.3	4.4	-10.9	12.1	5.0	-2.0	0.8	2.5	7.7	9.2	3.9	-0.7	7.3	-16.4
23.8	17.9	3.7	-0.8	10.0	7.0	6.1	1.0	1.4	-11.8	17.2	11.0	7.1	11.0	4.9	14.3	12.7	7.1	5.7	0.8	-16.7

€ millions in 2020



Import Export balance of trade

imports (-16.4%) was less than that of exports, albeit marginally, with a trade balance equal to €2.3 million (approximately 470 million less than the trade balance in 2019).

As regards individual countries, our most loyal partners reported negative performances, fairly in line with the overall trend of cosmetic exports: France (-18.1%), Germany (-20.8%) and the United States (-19.3%) which, alone, accounts for over 1.3 billion of cosmetic exports.

In the top ten of cosmetic product destinations, Hong Kong is the only country to have reported some growth, although minimal, reflecting a recovery in trade following a decrease in the number of infections from August 2020 onwards; moreover, it is a strategic hub for other Asian export destinations.

After the first ten destinations, a positive trend was also reported by China (+3.0% for €89 million), the Czech Republic (+10.7% for €70 million), Ukraine (+9.9% for €46 million) and Australia (+5.5% for €43 million).

An analysis of flows by geographic segment shows the extensive fall in Italian cosmetics exports, albeit to a limited extent in Europe which, with a view to containing the risk of a possible halt to international trade, partially offset domestic trade flows.

As regards product families, products for facial and body ranked first with a value of €918 million (-11.5%). Products for hair care were very similar, accounting for €917 million, and a decrease of nearly 8%. Alcohol-based perfume products, which had maintained a long-standing leading position in exports (value) until last year, became the third product family, accounting for €913 million (-22.1%).

This was followed by make up with €680 million (-31.8%) and personal hygiene products with €314 million (-16.7%). Positive changes were recorded for oral hygiene products (+4.3% for €237 million), and hair removal products (+4.1%), which in total, however, account for approximately 10%.

As for imports, the most significant products in terms of value were cosmetics for the body, with a decrease of 12.9% and a value of €677 million. This was followed by alcohol-based perfume products, down by 23% with a value of over €411 million: the first two categories, in terms of value, encompass around 60% of total imports of cosmetics to Italy. The third category refers to hair care products, thanks to the contribution from shampoos (-6.5%) and lotions (-2.6%), that recorded the lowest decrease in all subcategories of imported cosmetics.

The strong downturns in 2020 will probably experience a more positive effect that will generate a recovery in international trade flows during the year, as already anticipated by the growth trend of some strategic destinations for Italian operators in early 2021, including Hong Kong (+25%), the United Arab Emirates (+21%), China (+9%), Saudi Arabia (+32%) and Japan (+23%).

Export of finished and semi-finished products

Surveys from January to December

	QUANTITIES (tonnes)			VALUES (€ millions)		
	2019	2020	% change	2019	2020	% change
Shampoos	109,995	104,019	-5.4%	263	245	-6.6%
Hair preparations	1,629	1,611	-1.1%	9	10	16.1%
Hair sprays	5,897	3,500	-40.6%	21	13	-35.3%
Hair lotions and other products for hair care	141,650	122,127	-13.8%	704	648	-7.9%
Lip make-up products	5,554	3,758	-32.3%	311	173	-44.3%
Eye make-up products	12,270	9,494	-22.6%	442	325	-26.5%
Nailcare products	1,917	1,259	-34.3%	32	21	-35.7%
Powders and compact powders	6,555	5,560	-15.2%	211	161	-24.0%
Creams and other products	61,859	55,654	-10.0%	1,038	918	-11.5%
Body deodorants	29,558	26,385	-10.7%	160	136	-15.2%
Bath preparations	52,247	40,862	-21.8%	87	49	-44.0%
Toilet soaps	57,629	70,388	22.1%	130	130	-0.2%
Toothpastes	7,174	6,406	-10.7%	59	50	-15.9%
Other preparations for oral hygiene	85,082	103,384	21.5%	168	187	11.4%
Shaving, pre-shave and after shave products	8,519	6,497	-23.7%	41	33	-19.2%
Perfumes and eau de parfums	15,854	13,492	-14.9%	460	360	-21.9%
Toilet waters and eau de cologne	27,572	19,147	-30.6%	713	554	-22.3%
Other perfume and toiletry products	26,285	26,378	0.4%	136	142	4.1%
Total – exports	**657,247**	**619,920**	**-5.7%**	**4,985**	**4,154**	**-16.7%**

Import of finished and semi-finished products

Surveys from January to December

	QUANTITIES (tonnes)			VALUES (€ millions)		
	2019	2020	% change	2019	2020	% change
Shampoos	48,415	49,541	2.3%	106	99	-6.5%
Hair preparations	266	259	-2.9%	2	2	-27.2%
Hair sprays	2,529	2,074	-18.0%	11	8	-28.0%
Hair lotions and other products for hair care	30,362	36,217	19.3%	136	132	-2.6%
Lip make-up products	1,232	2,180	76.9%	74	49	-33.5%
Eye make-up products	1,646	4,846	194.4%	106	88	-16.7%
Nailcare products	2,438	3,044	24.9%	51	37	-26.3%
Powders and compact powders	1,081	2,357	118.0%	38	28	-27.8%
Creams and other products	57,643	55,938	-3.0%	777	677	-12.9%
Body deodorants	11,493	10,895	-5.2%	67	62	-8.2%
Bath preparations	11,807	14,997	27.0%	30	24	-19.4%
Toilet soaps	30,789	26,159	-15.0%	59	44	-24.5%
Toothpastes	29,995	29,519	-1.6%	102	92	-10.5%
Other preparations for oral hygiene	9,624	10,628	10.4%	41	33	-20.3%
Shaving, pre-shave and after shave products	8,240	15,969	93.8%	19	18	-5.9%
Perfumes and eau de parfums	11,844	11,752	-0.8%	259	203	-21.7%
Toilet waters and eau de cologne	10,089	10,267	1.8%	275	209	-24.2%
Other perfume and toiletry products	12,116	7,850	-35.2%	55	42	-23.9%
Total imports	**281,610**	**294,492**	**4.6%**	**2,209**	**1,847**	**-16.4%**

Prepared by the Statistics Department and Business Culture Department with ISTAT data

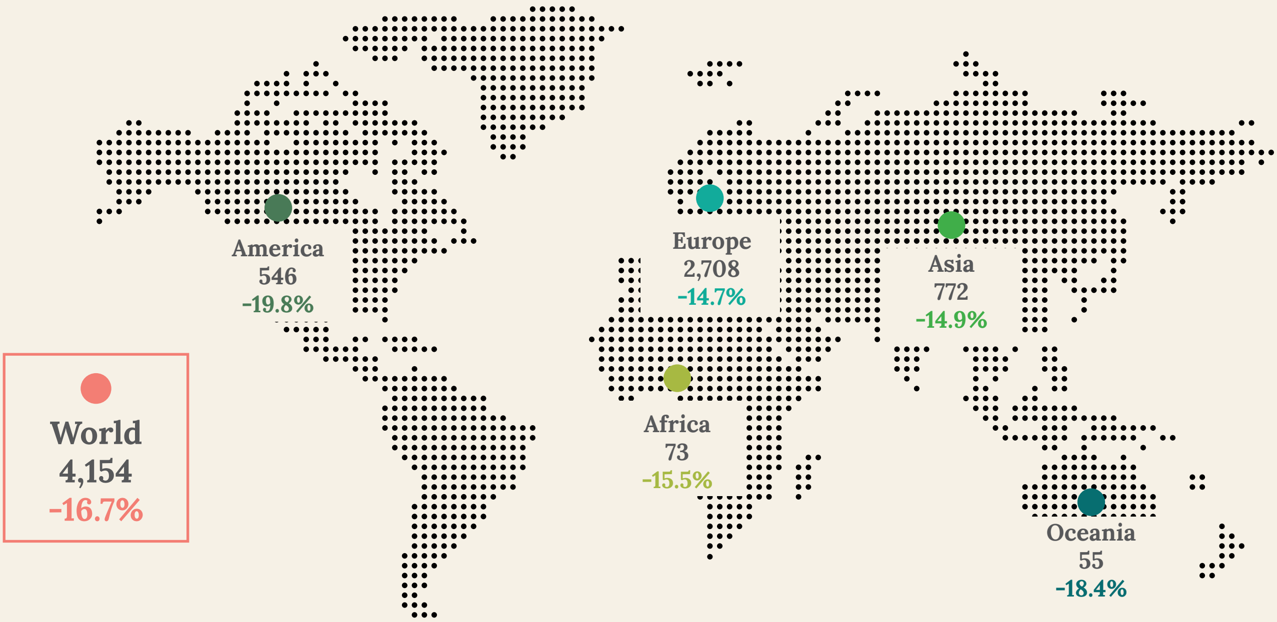
Italian cosmetics industry exports – top 10

Values in € millions

	Exports 2019	Exports 2020	% change '20/'19	Weight % on export total for 2020
France	615	504	-18.1%	12.1%
Germany	566	448	-20.8%	10.8%
United States	513	414	-19.3%	10.0%
United Kingdom	357	268	-24.8%	6.5%
Spain	305	246	-19.2%	5.9%
Hong Kong	243	244	0.3%	5.9%
Netherlands	172	165	-3.8%	4.0%
Poland	165	155	-6.2%	3.7%
United Arab Emirates	139	103	-25.8%	2.5%
Belgium	143	97	-32.3%	2.3%

International flows

Exports- values in € millions and percentage variations 2020/2019



Population

	World	Europe	Asia	Americas	Africa	Oceania
2020	7,796	748	4,641	1,023	1,341	43
Share %		9.6%	59.5%	13.1%	17.2%	0.6%

Countries with strategic importance for internationalisation activities

Value of exports in € millions

	2010	2019	2020	% Change 2020/2019	% Change 2020/2010
United States	195	513	414	-19.3%	11.2%
Hong Kong	82	243	244	0.3%	19.9%
UAE	68	139	103	-25.8%	5.1%
Russia	147	109	94	-13.9%	-3.6%
China	20	86	89	3.0%	34.7%
Singapore	48	54	52	-4.2%	0.9%
South Korea	42	69	41	-40.0%	-0.1%
Japan	39	47	34	-27.3%	-1.2%
Canada	19	37	30	-18.1%	5.9%
India	4	21	11	-49.9%	14.6%
Brazil	12	11	8	-20.2%	-3.0%

Geo-economic areas

Value of exports in € millions

	2010	2019	2020	% CHANGE 2020/2019	% CHANGE 2020/2010
NAFTA	216	587	474	-19.3%	11.9%
ASEAN	55	87	75	-13.9%	3.7%
EFTA	58	66	59	-10.6%	0.1%
CEFTA	47	62	62	0.1%	3.0%
MERCOSUR	25	30	22	-27.9%	-1.4%
COMESA	21	30	26	-12.0%	2.2%

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 of cosmetics in 2020 – values in € millions

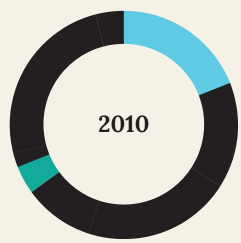
Products for hair care		Products for make-up		Products for face and body		Personal hygiene	
United States	110	France	205	Hong Kong	132	France	42
France	79	United States	117	United States	91	United Kingdom	32
Spain	78	Germany	84	Germany	89	Netherlands	31
Germany	59	Belgium	60	France	75	Spain	28
United Kingdom	49	Spain	28	Spain	55	Germany	27

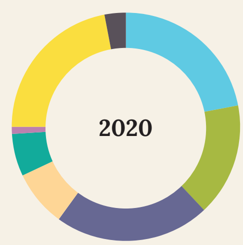
Oral hygiene		Products for men		Alcohol-based perfume products		Other products	
Germany	48	Germany	4	Germany	121	Germany	16
United Kingdom	47	Netherlands	4	Hong Kong	93	France	16
France	20	France	3	United States	80	United Kingdom	11
Spain	13	Belgium	2	France	64	Russia	9
Poland	10	United Kingdom	2	United Arab Emirates	58	Spain	6

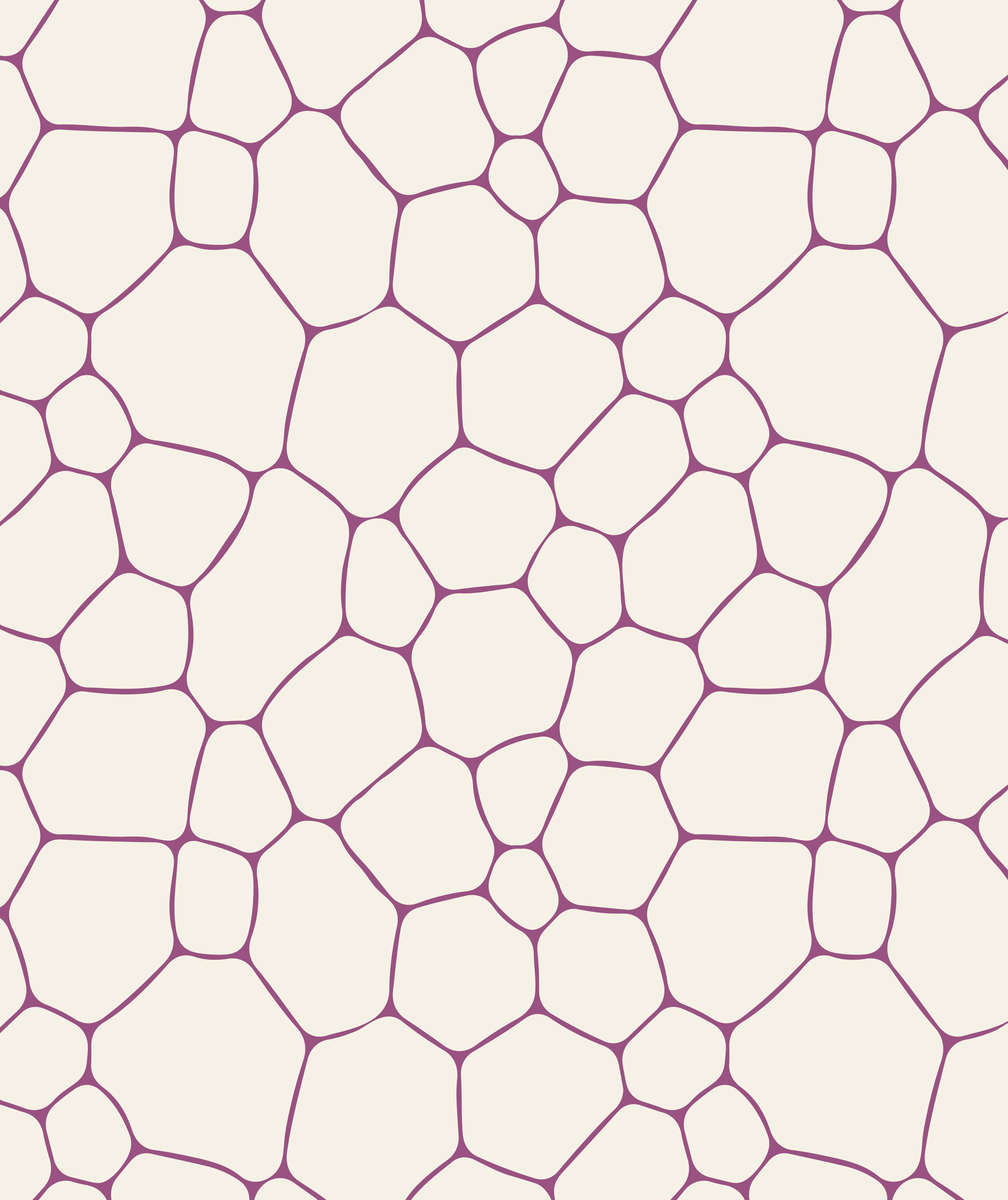
Breakdown of exports by macro-category

Italian exports in 2020 – values in € millions

	2010	weight % 2010 on total export	2020	weight % 2020 on total export	% change 2020/2010
Products for hair care	467	19.4%	917	22.1%	9.6%
Products for make-up	368	15.3%	680	16.4%	8.5%
Products for body care	492	20.5%	918	22.1%	8.6%
Personal hygiene	244	10.1%	314	7.6%	2.9%
Oral hygiene	99	4.1%	237	5.7%	14.0%
Products for men	45	1.9%	33	0.8%	-2.6%
Alcohol-based perfume products	604	25.1%	913	22.0%	5.1%
Other products	87	3.6%	142	3.4%	6.3%
	2,407	100.0%	4,154	100.0%	-16.7%







4 The industry's response to and reconfiguration in tackling the crisis

Advertising investment

Thanks to analyses supplied by Nielsen, Cosmetica Italia's Statistics Department has carried out a study of investments in advertising in the cosmetics industry, with a view to understanding the evolution of a key component of industrial investment. In particular, the COVID-19 crisis has heavily affected the budgets of cosmetics firms, with necessary reviews and cost cutting, also affecting investments in advertising.

Trends in macro-sectors - national advertising

Source: Nielsen. Values in € thousands

Macrosectors	2019	2020	% change 2020-2019
Fast-moving consumer goods	1,370,642	1,262,343	-7.9%
Durable goods	941,141	742,553	-21.1%
Personal	940,284	703,663	-25.2%
of which cosmetics	341,562	258,480	-24.3%
Services Activities	1,303,162	1,311,760	0.7%
Leisure time	644,124	424,505	-34.1%
Total	**5,199,352**	**4,444,824**	**-14.5%**

Sector details:

ACTIVITIES/SERVICES: Distribution - Bodies/Institutions - Finance/Insurance - Industry/Construction/Activities - Professional Services - Telecommunications - Miscellaneous:
DURABLE GOODS: Homes - Cars - Household electrical appliances - IT/ Photography - Motorbikes/Vehicles
FAST-MOVING CONSUMER GOODS Food products - Beverages/Alcoholic drinks - Home management
LEISURE TIME: Games/School items - Media/Publishing - Leisure time - Tourism/Travel:
PERSONAL: Clothing - Cosmetics - Pharmaceuticals/Health - Personal objects

After a period of stability before the pandemic, investments in advertising by the cosmetics sector in 2020 dropped by 24.3%, for a value of €258 million, with 37% for the personal macrosector, which in turn, despite a 25.2% decrease in investments, still constitutes 16% of total investments in commercial advertising. The cosmetics sector, in a climate of uncertainty, has shown dynamics that average other sectors of equal value, and has confirmed the support, albeit with considerable revisions, of national companies channelling investments.

Cosmetics still represent an important value for investments in advertising, second only to advertising in food products, cars and telephony, with a level of advertising pressure – i.e. the ratio between the consumption of cosmetics and investments in advertising – that fell to 2.6% in 2020.
The effects of the global crisis have also taken their toll on the domestic tax burden, with inevitable constraints on investments which are now considered to be of secondary importance, such as advertising. However, the efforts made by companies attempting to maintain continuity are clear, with a view to supporting the demand for cosmetics with targeted advertising, often rationalising planning, diversifying and seeking specific opportunities within individual media outlets.

Breakdown of net advertising investments in cosmetics by media

Source: Nielsen. Values in € thousands

Channel	2019	Weight % 2019	2020	Weight % 2020	% change 2020-2019
Television	270,604	79.2%	214,330	82.9%	-20.8%
Radio	8,790	2.6%	6,084	2.4%	-30.8%
Newspapers	4,580	1.3%	3,010	1.2%	-34.3%
Magazines	37,614	11.0%	23,796	9.2%	-36.7%
Out of home (adverts, signage, panels, ...)	8,178	2.4%	2,841	1.1%	-65.3%
Cinema	1,364	0.4%	1	0.0%	-99.9%
Internet	10,430	3.1%	8,417	3.3%	-19.3%
Total	**341,562**	**100.0%**	**258,480**	**100.0%**	**-24.3%**

In 2020, too, the most commonly used medium for advertisement was once again television, despite a drop of 21%, with a final value of over €214 million, while the press continued the decline of recent years, with a further drop of over 36%, stopping at just under €24 million.
The value of investments in radio is currently at €6 million, with a sharp decline close to 31%. Internet-based advertising trends have seen an improvement: from 2010 to today, investments in online advertising have increased significantly, now representing 3.3% of the total, with a less negative performance compared to other traditional channels in 2020 (-19.3%) worth over €8 million.

Distribution of advertising investments by main product category

Source: Nielsen. Values in € thousands

	2019	Weight % 2019	2020	Weight % 2020	% change 2020-2019
Alcohol-based perfume products	102,632	30.0%	62,115	24.0%	-39.5%
Skincare	84,509	24.7%	70,521	27.3%	-16.6%
of which women's facial care	78,870	23.1%	63,820	24.7%	-19.1%
Hair care	41,877	12.3%	36,452	14.1%	-13.0%
of which hair dyes	4,660	1.4%	6,511	2.5%	39.7%
Personal hygiene	27,516	8.1%	24,880	9.6%	-9.6%
of which deodorants	13,385	3.9%	11,971	4.6%	-10.6%
Oral hygiene	28,398	8.3%	22,253	8.6%	-21.6%
of which toothpastes	25,602	7.5%	18,430	7.1%	-28.0%
Body care	23,677	6.9%	12,875	5.0%	-45.6%
of which sunscreens	7,302	2.1%	4,319	1.7%	-40.9%
Products for make-up	20,995	6.1%	11,947	4.6%	-43.1%
Skin-cleansing products for children	859	0.3%	601	0.2%	-30.0%
Hair removal products	3,942	1.2%	10,500	4.1%	166.4%
Company campaigns for personal care	7,157	2.1%	6,336	2.5%	-11.5%
Total	**341,562**	**100.0%**	**258,480**	**100.0%**	**-24.3%**

As regards the breakdown of investments by product category, perfumes, which ranked first until 2019 with €102 million, came third in 2020, losing over 39% of investments, and with a value decreasing to €62 million.
Facial care has therefore become the leading category for advertising investments with over €70 million, recording a decrease of just under 17%.
The performance of hair dyes (+39.7%) and hair removal products (+166.4%) was particularly significant, accounting for €6.5 and €10.5 million of advertising investments: this trend has been driven to a considerable extent by the home use of these types of cosmetics. Sunscreens and make-up recorded instead a negative performance (-40.9% and -43.1% respectively), affected by the impact of the lengthy lockdown periods in 2020.

International cosmetic product launches between 2019 and 2020: type and claim

The cosmetic product offering on the world stage has always been characterised by highly dynamic marketing proposals. The COVID-19 crisis confirms this aspect: in 2019, 184,500 new items were launched globally; in 2020 this figure fell by just 5.6% (174,225 new launches), compared to the previous year. The decrease is lower compared to market performance and reflects the attention paid to new trends. Personal hygiene and skin care are the two categories with a positive performance in terms of the number of items placed on the market: the first, with over 20,500 launches, reported a +27.7% increase, while the second, with over 21,600 launches, a +0.2% increase. The biggest downturns were reported in categories which also recorded decreases in consumption: alcohol-based perfume products (-16.7%) and make-up (-13.6%), showing a flexibility in planning that meets the needs and changes of consumers' beauty routines during the pandemic.

Developments in cosmetics launches on the global market

Category	2019	Weight % 2019	2020	Weight % 2020	% change 2020-2019
Products for make-up	83,461	45.2%	72,119	41.4%	-13.6%
Facial and body care	45,906	24.9%	45,982	26.4%	0.2%
Hair care	22,779	12.3%	21,665	12.4%	-4.9%
Personal hygiene	16,068	8.7%	20,511	11.8%	27.7%
Alcohol-based perfume products	9,593	5.2%	7,993	4.6%	-16.7%
Deodorants	4,738	2.6%	4,047	2.3%	-14.6%
Hair removal products	1,997	1.1%	1,908	1.1%	-4.5%
Total	**184,542**	**100.0%**	**174,225**	**100.0%**	**-5.6%**

Processing of Mintel data by the Statistics Department.

As regards the five subcategories with the best performance in terms of market launches, liquid soaps recorded a remarkable performance, from 2,800 items in 2019 to over 7,000 items in 2020. This was followed by face cleansers, with an increase of over 18%, probably due to more frequent washing caused by the use of face masks, while hair dyes ranked third, increasing by 6.2% compared to the previous year. Foundations and bases come next, at +4.1%, justified by the greater need for products offsetting the shiny effect of skin in front of digital devices used for video work calls and calls with friends and family. The last category is bath creams and shower gels (+3.1% compared to 2019), which represent the third subcategory of the five encompassing personal hygiene and care products: reflecting the strong link that these groups of cosmetic products have had to the actions and specific tools designed to combat the spread of COVID-19.

Top 5 launches with the biggest growth related to cosmetic subcategories placed on the global market between 2019 and 2020

	2019	2020	% change 2020-2019
Liquid soaps	2,846	7,111	149.9%
Face cleansers	5,154	6,105	18.5%
Hair dyes	1,690	1,794	6.2%
Face bases	1,096	1,141	4.1%
Bath creams/shower gels	8,300	8,559	3.1%

Processing of Mintel data by the Statistics Department.

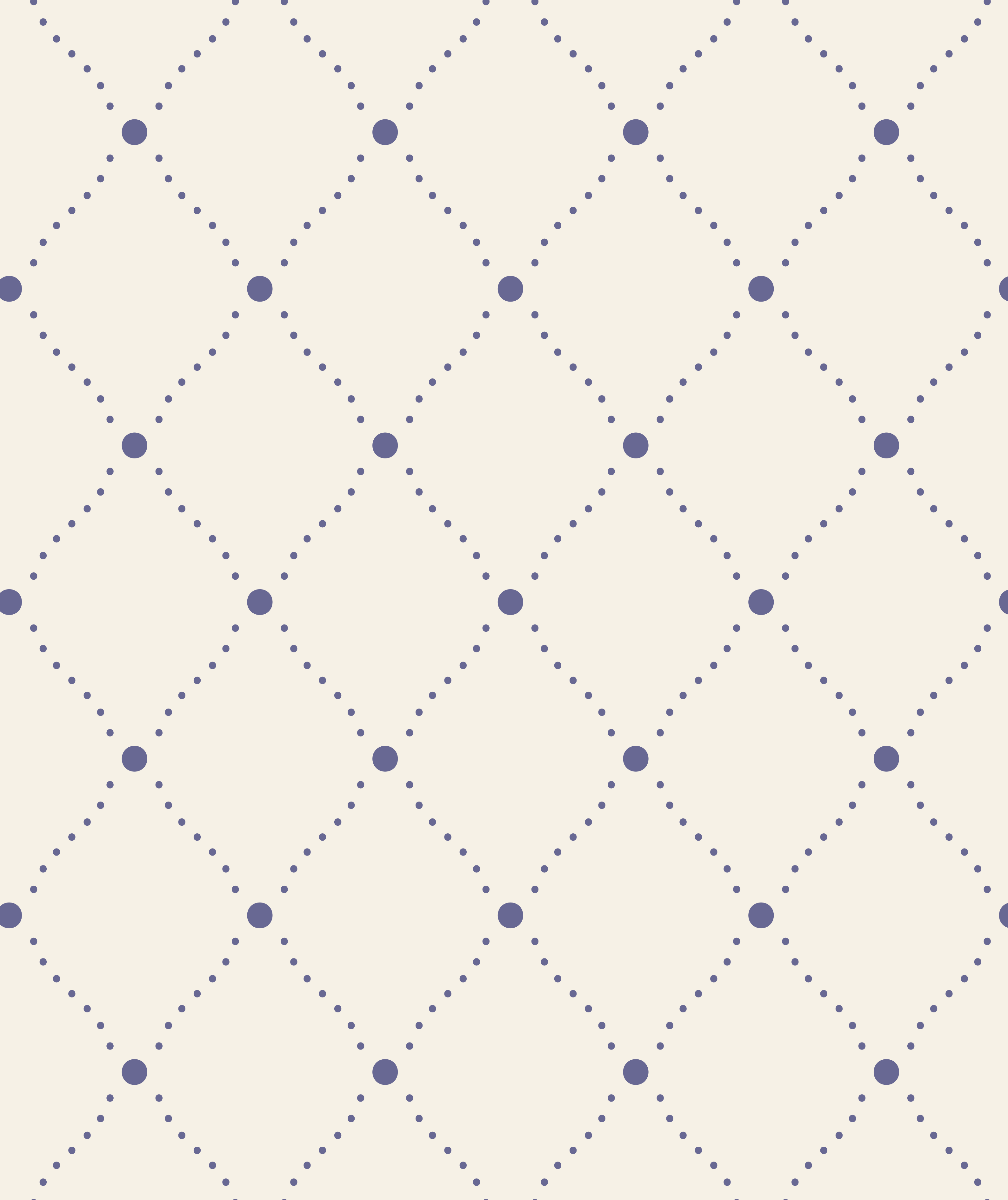
An analysis of the ten main claims featuring in the communication of global cosmetic products launched in 2020, perfectly describes the reconfiguration of consumer behaviour.

Phenomena such as natural connotations and moisturising properties have consolidated the maturity and role of established claims, although with a market saturation that is diminishing in visibility for references seeking a stand-out element that can set them apart from the competition. The number of claims for products with a lightening/ brightening effect has decreased, due to the increase in make-up products that specifically avoid this effect in front of screens, and also claims related to the speed of application and long-lasting effect of the product: the times for applying cosmetics have become intentionally longer, thus clearly suggesting the integration of relaxation techniques. Sustainability is also gaining ground, related to both the product and packaging, two aspects that consumers perceive differently, and an awareness of this trend is becoming increasingly important in the cosmetics sector

The top 10 claims related to launches of cosmetics on the global market between 2019 and 2020

	2019	2020
Ingredients with a natural connotation	39.9%	41.4%
Hydrating	**34.6%**	**35.1%**
Lightening - brightening	29.2%	25.5%
Long-lasting	**28.3%**	**26.3%**
Sustainable product	15.7%	21.6%
Time - speed	**21.5%**	**20.4%**
Dermatologically tested	16.3%	16.6%
Sustainable packaging	**10.6%**	**14.6%**
Ease of use	12.8%	11.9%
Anti-ageing	**8.3%**	**7.9%**

Processing of Mintel data by the Statistics Department.



5 Changes in cosmetics consumption

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 2020.

Development of consumption at historical values

For each year starting from 2010, 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 2020 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 2010, in particular for professional hairdressing, e-commerce and single-brand stores, 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 2020 = 1)

YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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

	2013	2014	% change 14/13	2015	% change 15/14	2016	% change 16/15	2017	% change 17/16	2018	% change 18/17	2019	% change 19/18	2020	% change 20/19
Pharmacies	1,772	1,799	1.5	1,827	1.6	1,825	-0.1	1,862	2.0	1,854	-0.4	1,877	1.2	1,810	-3.5
Perfume shops	2,031	1,982	-2.4	2,000	0.9	2,018	0.9	2,008	-0.5	2,037	1.5	2,083	2.2	1,540	-26.1
Mass market and other channels*	4,954	4,881	-1.5	4,953	1.5	4,914	-0.8	4,972	1.2	5,021	1.0	5,062	0.8	4,773	-5.7
of which hypermarkets and supermarkets	2,038	1,955	-4.1	1,922	-1.7	1,856	-3.4	1,836	-1.0	1,785	-2.8	1,761	-1.4	1,755	-0.3
Direct sales: door-to-door and mail-order sales	539	523	-3.1	503	-3.7	490	-2.7	494	1.0	485	-2.0	482	-0.5	338	-30.0
E-commerce	76	110	44.7	184	66.4	261	42.1	321	23.1	392	22.0	498	27.0	707	42.0
Beauty salons	240	232	-3.5	224	-3.1	229	2.1	234	2.0	235	0.5	237	0.9	168	-29.0
Hairdressing	592	572	-3.4	559	-2.2	565	1.0	571	1.0	574	0.5	585	2.0	453	-22.5
Total	**10,204**	**10,098**	**-1.0**	**10,251**	**1.5**	**10,302**	**0.5**	**10,462**	**1.6**	**10,597**	**1.3**	**10,824**	**2.1**	**9,789**	**-9.6**

(*) includes single brand stores

Composition % of the Italian cosmetics market

	2013		2014		2015		2016		2017		2018		2019		2020	
	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	1,772	17.4	1,799	17.8	1,827	17.8	1,825	17.7	1,862	17.8	1,854	17.5	1,877	17.3	1,810	18.5
Perfume shops	2,031	19.9	1,982	19.6	2,000	19.5	2,018	19.6	2,008	19.2	2,037	19.2	2,083	19.2	1,540	15.7
Mass market and other channels*	4,954	48.5	4,881	48.3	4,953	48.3	4,914	47.7	4,972	47.5	5,021	47.4	5,062	46.8	4,773	48.8
of which hypermarkets and supermarkets	2,038	20.0	1,955	19.4	1,922	18.7	1,856	18.0	1,836	17.6	1,785	16.8	1,761	16.3	1,755	17.9
Direct sales: door-to-door and mail-order sales	539	5.3	523	5.2	503	4.9	490	4.8	494	4.7	485	4.6	482	4.5	338	3.4
E-commerce	76	0.7	110	1.1	184	1.8	261	2.5	321	3.1	392	3.7	498	4.6	707	7.2
Beauty salons	240	2.4	232	2.3	224	2.2	229	2.2	234	2.2	235	2.2	237	2.2	168	1.7
Hairdressing	592	5.8	572	5.7	559	5.5	565	5.5	571	5.5	574	5.4	585	5.4	453	4.6
Total	**10,204**	**100.0**	**10,098**	**100.0**	**10,251**	**100.0**	**10,302**	**100.0**	**10,462**	**100.0**	**10,597**	**100.0**	**10,824**	**100.0**	**9,789**	**100.0**

(*) includes single brand stores

Italian cosmetics market: composition % of products in traditional channels

	2013		2014		2015		2016		2017		2018		2019		2020	
	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	1,094	12.5%	1,062	12.3%	1,050	12.0%	1,007	11.5%	998	11.3%	995	11.2%	996	11.0%	1,036	12.7%
Facial care products	1,410	16.1%	1,404	16.3%	1,413	16.1%	1,431	16.4%	1,470	16.6%	1,500	16.8%	1,543	17.1%	1,363	16.8%
Products for facial make-up	481	5.5%	480	5.6%	493	5.6%	516	5.9%	523	5.9%	535	6.0%	539	6.0%	383	4.7%
Make-up sets	41	0.5%	42	0.5%	42	0.5%	43	0.5%	44	0.5%	51	0.6%	51	0.6%	39	0.5%
Eye make-up products	450	5.1%	457	5.3%	489	5.6%	492	5.6%	500	5.7%	507	5.7%	513	5.7%	410	5.0%
Products for lip care	329	3.8%	320	3.7%	335	3.8%	358	4.1%	383	4.3%	393	4.4%	413	4.6%	287	3.5%
Products for hand care	267	3.1%	254	2.9%	249	2.8%	237	2.7%	233	2.6%	231	2.6%	229	2.5%	198	2.4%
Products for body care	1,424	16.3%	1,381	16.0%	1,411	16.1%	1,381	15.8%	1,412	16.0%	1,395	15.7%	1,397	15.5%	1,294	15.9%
Products for body hygiene	1,049	12.0%	1,035	12.0%	1,046	11.9%	1,034	11.8%	1,034	11.7%	1,033	11.6%	1,032	11.4%	1,096	13.5%
Products for oral hygiene	635	7.3%	639	7.4%	648	7.4%	649	7.4%	644	7.3%	639	7.2%	645	7.1%	654	8.1%
Skin-cleansing products for children	331	3.8%	318	3.7%	311	3.5%	304	3.5%	303	3.4%	293	3.3%	288	3.2%	262	3.2%
Products for men	170	1.9%	161	1.9%	157	1.8%	154	1.8%	150	1.7%	146	1.6%	143	1.6%	130	1.6%
Alcohol-based perfume products	963	11.0%	976	11.3%	1,002	11.4%	1,027	11.7%	1,027	11.6%	1,073	12.0%	1,112	12.3%	873	10.8%
Gift packs	110	1.3%	104	1.2%	109	1.2%	113	1.3%	117	1.3%	119	1.3%	122	1.4%	99	1.2%
Total	8,756	100.0%	8,633	100.0%	8,755	100.0%	8,744	100.0%	8,838	100.0%	8,910	100.0%	9,023	100.0%	8,123	100.0

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

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	8,741.5	8,952.1	8,870.6	8,755.7	8,633.0	8,754.8	8,744.0	8,838.4	8,909.9	9,022.9	8,123.0
	-1.6%	2.3%	-1.0%	-1.2%	-1.4%	1.3%	-0.2%	1.1%	0.8%	1.2%	-10.0%
Hair and scalp care	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	1,035.6
	-1.9%	1.9%	-0.9%	-0.9%	-3.0%	-1.1%	-4.1%	-0.9%	-0.3%	0.2%	3.9%
Facial care products	1,394.7	1,420.2	1,410.2	1,410.5	1,403.9	1,413.3	1,430.8	1,469.7	1,499.8	1,543.3	1,362.5
	-1.7%	1.8%	-0.7%	0.0%	-0.5%	0.7%	1.2%	2.7%	2.0%	2.9%	-11.7%
Products for facial make-up	462.1	494.1	501.0	480.6	480.0	493.2	515.7	523.3	534.8	538.8	383.1
	-2.2%	6.9%	1.4%	-4.1%	-0.1%	2.8%	4.5%	1.5%	2.2%	0.7%	-28.9%
Make-up sets	38.6	39.9	38.9	41.4	42.3	42.4	43.3	44.1	51.3	51.0	39.2
	-0.5%	3.3%	-2.5%	6.5%	2.1%	0.4%	2.0%	1.9%	16.3%	-0.6%	-23.2%
Products for eyes	434.7	446.8	456.5	449.8	457.0	488.5	491.8	500.1	507.5	513.1	409.8
	1.3%	2.8%	2.2%	-1.5%	1.6%	6.9%	0.7%	1.7%	1.5%	1.1%	-20.1%
Products for lip care	340.8	354.6	348.1	329.3	319.8	334.8	357.6	383.2	392.5	412.6	286.9
	-0.4%	4.1%	-1.8%	-5.4%	-2.9%	4.7%	6.8%	7.2%	2.4%	5.1%	-30.5%
Products for hand care	275.3	284.1	280.2	267.4	253.5	249.2	236.7	233.0	231.4	228.6	197.7
	-0.4%	3.2%	-1.4%	-4.6%	-5.2%	-1.7%	-5.0%	-1.6%	-0.7%	-1.2%	-13.5%
Products for body care	1,425.7	1,453.3	1,441.5	1,424.4	1,381.4	1,410.8	1,380.8	1,412.3	1,395.4	1,397.3	1,293.6
	-1.8%	1.9%	-0.8%	-1.2%	-3.0%	2.1%	-2.1%	2.3%	-1.2%	0.1%	-7.4%
Products for body hygiene	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	1,096.3
	-2.4%	1.8%	-1.1%	-1.3%	-1.3%	1.1%	-1.1%	0.0%	0.0%	-0.1%	6.3%
Products for oral hygiene	615.5	629.4	627.1	635.4	639.3	648.2	648.7	643.6	638.6	644.8	654.1
	-0.2%	2.2%	-0.4%	1.3%	0.6%	1.4%	0.1%	-0.8%	-0.8%	1.0%	1.4%
Skin-cleansing products for children	346.0	354.7	346.9	330.8	318.5	310.6	304.3	303.3	293.4	287.7	262.4
	1.5%	2.5%	-2.2%	-4.6%	-3.7%	-2.5%	-2.0%	-0.3%	-3.3%	-1.9%	-8.8%
Products for men	184.9	187.0	178.3	170.0	161.3	156.8	154.1	150.2	146.4	143.5	129.5
	-2.1%	1.1%	-4.7%	-4.6%	-5.1%	-2.8%	-1.7%	-2.5%	-2.5%	-2.0%	-9.7%
Alcohol-based perfume products	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	873.4
	-3.0%	1.9%	-2.0%	-0.9%	1.3%	2.7%	2.5%	0.1%	4.4%	3.7%	-21.5%
Gift packs	102.6	108.1	104.5	110.3	103.7	109.4	112.7	117.0	118.5	122.1	99.0
	2.7%	5.4%	-3.3%	5.5%	-6.0%	5.5%	3.0%	3.9%	1.3%	3.1%	-19.0%

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

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	**9,755.5**	**9,838.4**	**9,491.6**	**9,097.2**	**8,866.1**	**8,973.7**	**8,971.4**	**9077.0**	**9052.5**	**9068.1**	**8123.0**
	-1.7%	0.8%	-3.5%	-4.2%	-2.5%	1.2%	0.0%	1.2%	0.8%	1.2%	-10.0%
Hair and scalp care	1,219.5	1,224.2	1,181.0	1,136.9	1,090.4	1,076.0	1,033.0	1024.5	1010.5	1001.3	1035.6
	-2.1%	0.4%	-3.5%	-3.7%	-4.1%	-1.3%	-4.0%	-0.8%	-0.3%	0.2%	3.9%
Facial care products	1,556.5	1,560.8	1,508.9	1,465.5	1,441.8	1,448.7	1,468.0	1509.4	1523.8	1551.0	1362.5
	-1.9%	0.3%	-3.3%	-2.9%	-1.6%	0.5%	1.3%	2.8%	2.0%	2.9%	-11.7%
Products for facial make-up	515.7	543.0	536.1	499.3	492.9	505.6	529.1	537.5	543.4	541.5	383.1
	-2.5%	5.3%	-1.3%	-6.8%	-1.3%	2.6%	4.7%	1.6%	2.2%	0.7%	-28.9%
Make-up sets	43.1	43.8	41.6	43.0	43.4	43.5	44.4	45.3	52.1	51.2	39.2
	-0.8%	1.7%	-5.1%	3.4%	0.9%	0.2%	2.1%	2.0%	16.3%	-0.6%	-23.2%
Products for eyes	485.1	491.0	488.4	467.3	469.4	500.7	504.6	513.6	515.6	515.7	409.8
	1.0%	1.2%	-0.5%	-4.3%	0.4%	6.7%	0.8%	1.8%	1.5%	1.1%	-20.1%
Products for lip care	380.3	389.7	372.4	342.1	328.4	343.2	366.9	393.6	398.8	414.6	286.9
	-0.7%	2.5%	-4.4%	-8.1%	-4.0%	4.5%	6.9%	7.3%	2.4%	5.1%	-30.5%
Products for hand care	307.2	312.2	299.8	277.8	260.4	255.4	242.8	239.3	235.1	229.8	197.7
	-0.7%	1.6%	-4.0%	-7.4%	-6.3%	-1.9%	-4.9%	-1.5%	-0.7%	-1.2%	-13.5%
Products for body care	1,591.1	1,597.2	1,542.4	1,480.0	1,418.7	1,446.1	1,416.7	1450.4	1417.7	1404.3	1293.6
	-2.0%	0.4%	-3.4%	-4.0%	-4.1%	1.9%	-2.0%	2.4%	-1.2%	0.1%	-7.4%
Products for body hygiene	1,177.4	1,180.7	1,136.6	1,089.6	1,062.6	1,071.9	1,061.0	1061.6	1049.8	1037.0	1096.3
	-2.7%	0.3%	-3.7%	-4.1%	-2.5%	0.9%	-1.0%	0.0%	0.0%	-0.1%	6.3%
Products for oral hygiene	686.9	691.7	671.0	660.2	656.5	664.4	665.5	661.0	648.8	648.0	654.1
	-0.4%	0.7%	-3.0%	-1.6%	-0.6%	1.2%	0.2%	-0.7%	-0.8%	1.0%	1.4%
Skin-cleansing products for children	386.1	389.8	371.2	343.7	327.1	318.4	312.2	311.5	298.1	289.2	262.4
	1.3%	1.0%	-4.8%	-7.4%	-4.8%	-2.7%	-1.9%	-0.2%	-3.3%	-1.9%	-8.8%
Products for men	206.4	205.5	190.8	176.6	165.7	160.7	158.1	154.2	148.7	144.2	129.5
	-2.3%	-0.4%	-7.2%	-7.4%	-6.2%	-3.0%	-1.6%	-2.4%	-2.5%	-2.0%	-9.7%
Alcohol-based perfume products	1,085.6	1,089.8	1,039.5	1,000.6	1,002.4	1,027.0	1,053.4	1055.0	1089.7	1117.7	873.4
	-3.3%	0.4%	-4.6%	-3.7%	0.2%	2.5%	2.6%	0.2%	4.4%	3.7%	-21.5%
Gift packs	114.5	118.8	111.9	114.6	106.5	112.1	115.6	120.2	120.4	122.8	99.0
	2.4%	3.8%	-5.9%	2.4%	-7.1%	5.3%	3.1%	4.0%	1.3%	3.1%	-19.0%

PHARMACIES - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	**1,758.8**	**1,792.5**	**1,767.8**	**1,774.2**	**1,800.7**	**1,827.9**	**1,825.7**	**1,861.4**	**1,852.9**	**1,877.1**	**1,810.3**
	-3.5%	1.9%	-1.4%	0.4%	1.5%	1.5%	-0.1%	2.0%	-0.4%	1.2%	-3.5%
Hair and scalp care	179.9	182.6	179.5	179.0	178.7	182.6	181.8	181.2	181.6	182.7	192.8
	-1.7%	1.5%	-1.7%	-0.3%	-0.2%	2.2%	-0.4%	-0.3%	0.2%	0.6%	5.5%
Facial care products	470.1	474.6	472.5	475.6	482.1	487.9	499.1	515.3	522.5	538.4	532.8
	-2.5%	1.0%	-0.5%	0.7%	1.4%	1.2%	2.3%	3.3%	1.4%	3.1%	-1.1%
Products for facial make-up	50.5	50.2	51.5	51.3	55.8	58.0	56.7	59.5	59.7	59.6	39.7
	-3.3%	-0.4%	2.6%	-0.5%	8.8%	3.9%	-2.2%	5.0%	0.3%	-0.2%	-33.4%
Make-up sets	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	24.1%	12.7%	-5.6%
Products for eyes	11.1	11.4	12.4	12.6	29.5	32.6	29.6	32.6	32.7	34.0	29.0
	-27.2%	2.0%	8.9%	2.2%	133.2%	10.6%	-9.1%	9.9%	0.3%	4.1%	-14.9%
Products for lip care	44.0	43.4	44.1	43.2	43.4	43.8	45.4	51.1	53.3	56.8	47.6
	-16.3%	-1.3%	1.4%	-1.9%	0.4%	1.0%	3.6%	12.6%	4.3%	6.5%	-16.2%
Products for hand care	39.7	41.0	41.4	38.7	35.9	37.8	37.0	40.3	39.7	41.4	41.6
	3.9%	3.2%	1.0%	-6.6%	-7.3%	5.3%	-2.1%	8.9%	-1.5%	4.5%	0.5%
Products for body care	446.3	464.1	450.6	454.6	451.5	457.1	447.4	453.9	445.5	448.7	415.4
	-3.2%	4.0%	-2.9%	0.9%	-0.7%	1.2%	-2.1%	1.5%	-1.8%	0.7%	-7.4%
Products for body hygiene	255.8	263.1	257.8	260.6	266.0	270.0	272.4	273.2	271.0	269.3	274.9
	-2.7%	2.9%	-2.0%	1.1%	2.1%	1.5%	0.9%	0.3%	-0.8%	-0.6%	2.1%
Products for oral hygiene	140.2	139.8	138.4	142.7	144.3	145.9	144.8	141.6	136.0	134.6	135.5
	-2.9%	-0.3%	-1.0%	3.1%	1.1%	1.1%	-0.8%	-2.2%	-4.0%	-1.0%	0.7%
Skin-cleansing products for children	101.4	101.9	100.2	96.4	93.7	91.3	90.5	87.4	83.1	81.2	75.7
	-6.0%	0.5%	-1.7%	-3.8%	-2.8%	-2.5%	-0.9%	-3.4%	-4.8%	-2.3%	-6.8%
Products for men	15.1	14.4	13.0	12.6	12.0	10.9	10.8	10.3	9.7	9.3	8.2
	-11.9%	-4.8%	-9.6%	-3.0%	-5.4%	-9.1%	-0.9%	-4.7%	-5.1%	-4.3%	-12.1%
Alcohol-based perfume products	4.1	5.2	5.8	6.2	7.4	9.5	9.7	14.4	17.4	20.2	16.5
	-10.9%	27.0%	11.2%	6.9%	18.8%	29.1%	2.1%	47.9%	20.9%	16.5%	-18.5%
Gift packs	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.3%

PHARMACIES - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	1,962.9	1,969.9	1,891.5	1,843.4	1,849.3	1,873.6	1,873.2	1,911.6	1,882.5	1,886.4	1,810.3
	-3.8%	0.4%	-4.0%	-2.5%	0.3%	1.3%	0.0%	2.1%	-0.4%	1.2%	-3.5%
Hair and scalp care	200.8	200.7	192.0	186.0	183.5	187.2	186.5	186.1	184.5	183.7	192.8
	-2.0%	0.0%	-4.3%	-3.1%	-1.4%	2.0%	-0.3%	-0.2%	0.2%	0.6%	5.5%
Facial care products	524.6	521.6	505.6	494.2	495.1	500.1	512.1	529.3	530.8	541.1	532.8
	-2.8%	-0.6%	-3.1%	-2.3%	0.2%	1.0%	2.4%	3.4%	1.4%	3.1%	-1.1%
Products for facial make-up	56.3	55.2	55.1	53.3	57.3	59.4	58.2	61.1	60.7	59.9	39.7
	-3.6%	-2.0%	-0.2%	-3.4%	7.6%	3.7%	-2.2%	5.1%	0.3%	-0.2%	-33.4%
Make-up sets	-	-	-	-	-	-	-	0.3	0.3	0.4	0.4
	-	-	-	-	-	-	-	0.0%	24.1%	12.7%	-5.6%
Products for eyes	12.4	12.5	13.2	13.1	30.3	33.4	30.4	33.5	33.2	34.2	29.0
	-27.4%	0.5%	6.1%	-0.8%	130.5%	10.4%	-9.0%	10.0%	0.3%	4.1%	-14.9%
Products for lip care	49.1	47.7	47.1	44.9	44.5	44.9	46.6	52.5	54.2	57.1	47.6
	-16.6%	-2.8%	-1.3%	-4.8%	-0.8%	0.8%	3.7%	12.7%	4.3%	6.5%	-16.2%
Products for hand care	44.3	45.1	44.3	40.2	36.8	38.7	37.9	41.3	40.3	41.6	41.6
	3.6%	1.6%	-1.7%	-9.3%	-8.3%	5.1%	-2.0%	9.0%	-1.5%	4.5%	0.5%
Products for body care	498.1	510.1	482.2	472.3	463.7	468.5	459.0	466.1	452.7	450.9	415.4
	-3.4%	2.4%	-5.5%	-2.0%	-1.8%	1.0%	-2.0%	1.5%	-1.8%	0.7%	-7.4%
Products for body hygiene	285.4	289.2	275.8	270.8	273.2	276.7	279.4	280.6	275.4	270.6	274.9
	-2.9%	1.3%	-4.6%	-1.8%	0.9%	1.3%	1.0%	0.4%	-0.8%	-0.6%	2.1%
Products for oral hygiene	156.5	153.6	148.1	148.3	148.2	149.5	148.5	145.5	138.1	135.3	135.5
	-3.2%	-1.8%	-3.6%	0.1%	0.0%	0.9%	-0.7%	-2.1%	-4.0%	-1.0%	0.7%
Skin-cleansing products for children	113.2	112.0	107.3	100.1	96.2	93.6	92.8	89.7	84.5	81.7	75.7
	-6.3%	-1.0%	-4.3%	-6.6%	-3.9%	-2.7%	-0.8%	-3.3%	-4.8%	-2.3%	-6.8%
Products for men	16.9	15.8	13.9	13.1	12.3	11.1	11.1	10.5	9.9	9.4	8.2
	-12.1%	-6.3%	-12.0%	-5.8%	-6.5%	-9.3%	-0.8%	-4.6%	-5.1%	-4.3%	-12.1%
Alcohol-based perfume products	4.6	5.7	6.2	6.4	7.6	9.7	10.0	14.7	17.6	20.3	16.5
	-11.1%	25.1%	8.3%	3.8%	17.4%	28.9%	2.2%	48.0%	20.9%	16.5%	-18.5%
Gift packs	-	-	-	-	-	-	-	-	-	-	1.0
	-	-	-	-	-	-	-	-	-	-	-2.3%

PERFUME SHOPS - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	2,177.0	2,196.9	2,114.8	2,041.0	1,988.1	2,004.7	2,022.9	2,007.7	2,036.8	2,082.5	1,540.0
	-3.0%	1.0%	-3.6%	-3.3%	-2.4%	0.9%	0.9%	-0.5%	1.5%	2.2%	-26.1%
Hair and scalp care	69.5	64.8	61.2	55.8	50.8	45.2	42.0	38.4	35.7	34.8	28.6
	-9.8%	-6.7%	-5.6%	-8.8%	-9.0%	-10.9%	-7.1%	-8.6%	-6.9%	-2.6%	-17.7%
Facial care products	406.4	416.6	401.4	389.4	385.8	391.9	401.4	409.2	420.4	438.4	335.9
	-6.2%	2.5%	-3.6%	-3.0%	-0.9%	1.6%	2.4%	2.0%	2.7%	4.3%	-23.4%
Products for facial make-up	191.5	188.2	189.0	179.3	174.1	174.7	179.7	175.1	173.7	177.1	111.3
	-2.5%	-1.7%	0.4%	-5.1%	-2.9%	0.3%	2.8%	-2.5%	-0.8%	1.9%	-37.1%
Make-up sets	17.8	26.9	26.0	27.4	27.9	28.1	28.4	29.2	35.6	35.2	25.3
	-11.9%	51.5%	-3.5%	5.5%	1.8%	0.5%	1.2%	2.7%	22.0%	-1.1%	-28.3%
Products for eyes	145.6	143.9	145.3	141.9	133.0	134.2	132.1	128.8	125.2	125.6	94.8
	-1.5%	-1.2%	1.0%	-2.4%	-6.2%	0.9%	-1.5%	-2.5%	-2.8%	0.3%	-24.5%
Products for lip care	104.3	102.7	96.9	91.7	89.6	87.7	95.6	102.7	101.5	103.0	48.8
	-3.1%	-1.6%	-5.6%	-5.5%	-2.2%	-2.2%	9.0%	7.4%	-1.2%	1.5%	-52.7%
Products for hand care	44.1	49.3	46.2	42.8	37.7	33.3	29.5	25.1	23.0	20.0	15.3
	4.5%	11.8%	-6.3%	-7.4%	-12.0%	-11.5%	-11.5%	-15.0%	-8.4%	-13.1%	-23.2%
Products for body care	189.0	185.3	170.7	153.3	138.4	138.8	132.1	134.0	128.1	126.1	94.8
	-5.1%	-1.9%	-7.9%	-10.2%	-9.7%	0.3%	-4.8%	1.5%	-4.4%	-1.5%	-24.8%
Products for body hygiene	49.9	46.2	41.0	36.5	32.3	31.1	28.8	26.6	24.5	24.2	25.8
	-6.3%	-7.3%	-11.2%	-11.1%	-11.5%	-3.7%	-7.5%	-7.5%	-7.8%	-1.5%	6.6%
Products for oral hygiene	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2
	-0.3%	0.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	0.1%	0.2%	-0.5%	0.0%
Skin-cleansing products for children	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.6	4.2
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	-1.5%	-8.7%
Products for men	51.4	50.0	44.5	41.0	39.2	39.1	38.4	37.5	37.5	37.7	31.6
	-5.8%	-2.7%	-11.0%	-7.9%	-4.3%	-0.3%	-1.8%	-2.5%	0.1%	0.7%	-16.2%
Alcohol-based perfume products	806.5	818.2	791.7	777.1	780.3	796.8	808.1	790.1	819.3	844.9	635.3
	-2.3%	1.4%	-3.2%	-1.8%	0.4%	2.1%	1.4%	-2.2%	3.7%	3.1%	-24.8%
Gift packs	92.2	95.9	91.7	96.0	89.9	94.8	97.9	102.0	103.2	106.6	84.0
	5.2%	4.0%	-4.4%	4.6%	-6.3%	5.4%	3.2%	4.3%	1.2%	3.2%	-21.2%

PERFUME SHOPS - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	**2429.5**	**2414.4**	**2262.8**	**2120.6**	**2041.7**	**2054.8**	**2075.5**	**2061.9**	**2069.4**	**2092.9**	**1540.0**
	-3.3%	-0.6%	-6.3%	-6.3%	-3.7%	0.6%	1.0%	-0.7%	1.5%	2.2%	-26.1%
Hair and scalp care	77.5	71.2	65.4	57.9	52.1	46.4	43.1	39.4	36.3	35.0	28.6
	-10.0%	-8.1%	-8.1%	-11.5%	-10.0%	-11.1%	-7.1%	-8.5%	-6.9%	-2.6%	-17.7%
Facial care products	453.5	457.8	429.5	404.6	396.2	401.7	411.8	420.3	427.2	440.6	335.9
	-6.4%	0.9%	-6.2%	-5.8%	-2.1%	1.4%	2.5%	2.1%	2.7%	4.3%	-23.4%
Products for facial make-up	213.7	206.9	202.3	186.3	178.8	179.1	184.3	179.8	176.5	177.9	111.3
	-2.7%	-3.2%	-2.2%	-7.9%	-4.0%	0.1%	2.9%	-2.4%	-0.8%	1.9%	-37.1%
Make-up sets	19.8	29.6	27.8	28.5	28.7	28.8	29.1	30.0	36.2	35.4	25.3
	-12.2%	49.2%	-6.0%	2.4%	0.6%	0.3%	1.3%	2.8%	22.0%	-1.1%	-28.3%
Products for eyes	162.5	158.2	155.5	147.4	136.6	137.6	135.6	132.3	127.2	126.2	94.8
	-1.7%	-2.7%	-1.7%	-5.2%	-7.3%	0.7%	-1.4%	-2.4%	-2.8%	0.3%	-24.5%
Products for lip care	116.4	112.8	103.7	95.2	92.1	89.9	98.1	105.5	103.1	103.6	48.8
	-3.3%	-3.1%	-8.1%	-8.2%	-3.3%	-2.4%	9.1%	7.5%	-1.2%	1.5%	-52.7%
Products for hand care	49.2	54.1	49.4	44.5	38.7	34.2	30.3	25.7	23.3	20.1	15.3
	4.2%	10.1%	-8.7%	-10.0%	-13.0%	-11.7%	-11.4%	-15.0%	-8.4%	-13.1%	-23.2%
Products for body care	210.9	203.7	182.7	159.3	142.1	142.3	135.6	137.7	130.2	126.8	94.8
	-5.4%	-3.4%	-10.3%	-12.8%	-10.8%	0.1%	-4.7%	1.6%	-4.4%	-1.5%	-24.8%
Products for body hygiene	55.7	50.8	43.9	37.9	33.2	31.9	29.5	27.3	24.9	24.3	25.8
	-6.6%	-8.7%	-13.5%	-13.7%	-12.5%	-3.9%	-7.4%	-7.4%	-7.8%	-1.5%	6.6%
Products for oral hygiene	4.8	4.7	4.6	4.4	4.4	4.4	4.4	4.4	4.3	4.3	4.2
	-0.6%	-1.5%	-2.6%	-2.9%	-1.2%	-0.5%	0.1%	0.2%	0.2%	-0.5%	0.0%
Skin-cleansing products for children	-	-	-	-	-	-	-	-	0.0	0.0	1.0
	-	-	-	-	-	-	-	-	0.1%	-1.5%	-8.7%
Products for men	57.3	54.9	47.6	42.5	40.2	40.1	39.4	38.5	38.1	37.9	31.6
	-6.0%	-4.2%	-13.3%	-10.6%	-5.4%	-0.5%	-1.7%	-2.4%	0.1%	0.7%	-16.2%
Alcohol-based perfume products	900.0	899.2	847.1	807.4	801.4	816.7	829.2	811.4	832.4	849.1	635.3
	-2.5%	-0.1%	-5.8%	-4.7%	-0.7%	1.9%	1.5%	-2.1%	3.7%	3.1%	-24.8%
Gift packs	102.9	105.4	98.1	99.7	92.4	97.1	100.4	104.8	104.9	107.1	84.0
	4.9%	2.4%	-6.9%	1.6%	-7.4%	5.2%	3.3%	4.4%	1.2%	3.2%	-21.2%

MASS MARKET - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	4,817.1	4,962.6	4,988.1	4,935.5	4,823.5	4,903.4	4,883.3	4,959.1	5,020.1	5,063.3	4,772.7
	3.8%	3.0%	0.4%	-0.9%	-2.2%	1.3%	-0.8%	1.4%	1.0%	0.8%	-5.7%
Hair and scalp care	863.3	868.7	864.9	860.7	832.5	821.8	783.1	778.0	777.3	778.8	814.1
	1.9%	0.6%	-0.4%	-0.5%	-3.3%	-1.3%	-4.7%	-0.7%	-0.1%	0.2%	4.5%
Facial care products	511.8	529.9	540.4	552.4	540.8	536.4	530.6	545.4	557.2	566.5	493.9
	3.5%	3.5%	2.0%	2.2%	-2.1%	-0.8%	-1.1%	2.8%	2.2%	1.7%	-12.8%
Products for facial make-up	238.3	243.2	248.6	237.7	238.2	250.4	273.1	285.5	301.8	302.1	232.1
	9.0%	2.1%	2.2%	-4.4%	0.2%	5.1%	9.1%	4.5%	5.7%	0.1%	-23.2%
Make-up sets	3.6	8.1	10.1	12.2	12.2	11.8	14.6	14.6	15.3	15.4	13.5
	-0.2%	124.6%	24.6%	20.2%	-0.1%	-3.5%	23.8%	0.3%	5.0%	0.2%	-11.9%
Products for eyes	275.2	281.5	289.3	286.5	280.7	310.8	324.5	335.0	349.6	353.4	286.0
	16.4%	2.3%	2.7%	-0.9%	-2.0%	10.7%	4.4%	3.2%	4.4%	1.1%	-19.1%
Products for lip care	208.1	205.9	205.7	191.0	182.0	201.8	216.0	227.4	237.1	252.8	190.6
	5.4%	-1.1%	-0.1%	-7.1%	-4.7%	10.8%	7.1%	5.3%	4.2%	6.6%	-24.6%
Products for hand care	175.4	188.7	188.2	182.1	177.4	176.1	168.8	166.4	168.6	167.2	140.7
	10.6%	7.6%	-0.3%	-3.3%	-2.5%	-0.8%	-4.1%	-1.4%	1.3%	-0.8%	-15.9%
Products for body care	788.7	819.4	830.7	822.2	792.9	814.8	801.1	824.2	821.7	822.5	783.4
	4.5%	3.9%	1.4%	-1.0%	-3.6%	2.8%	-1.7%	2.9%	-0.3%	0.1%	-4.8%
Products for body hygiene	739.8	766.1	763.8	751.9	736.9	745.2	733.1	733.8	737.7	738.3	795.7
	1.8%	3.6%	-0.3%	-1.6%	-2.0%	1.1%	-1.6%	0.1%	0.5%	0.1%	7.8%
Products for oral hygiene	466.2	485.4	484.4	488.6	490.9	498.1	499.5	497.6	498.2	505.8	514.3
	3.0%	4.1%	-0.2%	0.8%	0.5%	1.5%	0.3%	-0.4%	0.1%	1.5%	1.7%
Skin-cleansing products for children	249.8	252.4	245.7	231.9	221.0	215.4	209.2	211.3	205.5	201.9	182.4
	1.9%	1.0%	-2.7%	-5.6%	-4.7%	-2.5%	-2.9%	1.0%	-2.7%	-1.8%	-9.6%
Products for men	125.8	125.1	121.9	116.7	110.1	106.8	104.9	102.4	99.2	96.4	89.7
	-0.4%	-0.5%	-2.6%	-4.2%	-5.7%	-3.0%	-1.8%	-2.4%	-3.2%	-2.8%	-6.9%
Alcohol-based perfume products	163.8	177.3	181.1	185.7	193.2	199.4	210.2	222.8	235.9	247.0	221.7
	3.5%	8.2%	2.2%	2.6%	4.0%	3.2%	5.5%	6.0%	5.9%	4.7%	-10.2%
Gift packs	7.1	10.9	13.4	15.9	14.6	14.8	14.6	14.7	15.0	15.3	14.7
	-0.2%	52.5%	23.0%	18.8%	-8.1%	1.2%	-1.1%	0.8%	1.7%	1.9%	-4.0%

MASS MARKET - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cosmetic products – total	5,375.8	5,453.9	5,337.2	5,127.9	4,953.7	5,026.0	5,010.3	5,093.0	5,100.4	5,088.6	4,772.7
	3.5%	1.5%	-2.1%	-3.9%	-3.4%	1.5%	-0.3%	1.7%	1.0%	0.8%	-5.7%
Hair and scalp care	963.4	954.7	925.4	894.3	855.0	842.3	803.5	799.0	789.7	782.7	814.1
	1.6%	-0.9%	-3.1%	-3.4%	-4.4%	-1.5%	-4.6%	-0.6%	-0.1%	0.2%	4.5%
Facial care products	571.2	582.4	578.2	574.0	555.5	549.8	544.4	560.1	566.2	569.3	493.9
	3.2%	2.0%	-0.7%	-0.7%	-3.2%	-1.0%	-1.0%	2.9%	2.2%	1.7%	-12.8%
Products for facial make-up	265.9	267.2	265.9	246.9	244.6	256.7	280.2	293.2	306.7	303.6	232.1
	8.7%	0.5%	-0.5%	-7.2%	-0.9%	4.9%	9.2%	4.6%	5.7%	0.1%	-23.2%
Make-up sets	4.0	9.0	10.9	12.7	12.5	12.1	14.9	15.0	15.6	15.4	13.5
	-0.5%	121.2%	21.3%	16.8%	-1.3%	-3.7%	23.9%	0.4%	5.0%	0.2%	-11.9%
Products for eyes	307.2	309.4	309.5	297.7	288.3	318.6	333.0	344.0	355.2	355.2	286.0
	16.1%	0.7%	0.0%	-3.8%	-3.2%	10.5%	4.5%	3.3%	4.4%	1.1%	-19.1%
Products for lip care	232.3	226.3	220.1	198.4	186.9	206.8	221.6	233.6	240.8	254.0	190.6
	5.1%	-2.6%	-2.7%	-9.8%	-5.8%	10.6%	7.2%	5.4%	4.2%	6.6%	-24.6%
Products for hand care	195.7	207.4	201.4	189.2	182.2	180.5	173.2	170.9	171.3	168.1	140.7
	10.3%	6.0%	-2.9%	-6.1%	-3.7%	-1.0%	-4.0%	-1.4%	1.3%	-0.8%	-15.9%
Products for body care	880.2	900.5	888.8	854.2	814.3	835.1	821.9	846.4	834.9	826.6	783.4
	4.2%	2.3%	-1.3%	-3.9%	-4.7%	2.6%	-1.6%	3.0%	-0.3%	0.1%	-4.8%
Products for body hygiene	825.6	842.0	817.3	781.3	756.8	763.8	752.1	753.6	749.5	742.0	795.7
	1.5%	2.0%	-2.9%	-4.4%	-3.1%	0.9%	-1.5%	0.2%	0.5%	0.1%	7.8%
Products for oral hygiene	520.3	533.5	518.4	507.6	504.1	510.5	512.5	511.0	506.1	508.3	514.3
	2.8%	2.5%	-2.8%	-2.1%	-0.7%	1.3%	0.4%	-0.3%	0.1%	1.5%	1.7%
Skin-cleansing products for children	278.8	277.4	262.9	240.9	227.0	220.8	214.6	217.0	208.8	202.9	182.4
	1.6%	-0.5%	-5.2%	-8.4%	-5.8%	-2.7%	-2.8%	1.1%	-2.7%	-1.8%	-9.6%
Products for men	140.3	137.5	130.4	121.3	113.1	109.5	107.7	105.2	100.7	96.9	89.7
	-0.7%	-2.0%	-5.2%	-7.0%	-6.8%	-3.2%	-1.7%	-2.3%	-3.2%	-2.8%	-6.9%
Alcohol-based perfume products	182.8	194.8	193.7	193.0	198.4	204.3	215.7	228.8	239.7	248.2	221.7
	3.2%	6.5%	-0.5%	-0.4%	2.8%	3.0%	5.6%	6.1%	5.9%	4.7%	-10.2%
Gift packs	8.0	12.0	14.3	16.5	15.0	15.1	15.0	15.1	15.2	15.3	14.7
	-0.5%	50.2%	19.7%	15.4%	-9.2%	1.0%	-1.0%	0.9%	1.7%	1.9%	-4.0%

DIRECT AND PROFESSIONAL CHANNELS - Historical values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total - direct sales	**457.7**	**493.3**	**519.7**	**579.7**	**631.4**	**686.7**	**745.0**	**815.8**	**876.7**	**980.2**	**1,044.7**
	8.0%	7.2%	5.1%	10.3%	8.2%	8.1%	7.8%	8.7%	7.5%	12.0%	6.6%
Direct sales: door-to-door and mail-order sales	448.7	466.2	477.6	503.3	520.9	503.0	483.9	494.5	484.6	482.2	337.5
	6.5%	3.9%	2.4%	5.4%	3.5%	-3.4%	-3.8%	2.2%	-2.0%	-0.5%	-30.0%
E-commerce	9.0	27.1	42.2	76.3	110.5	183.8	261.1	321.3	392.1	498.0	707.2
	0.0%	20.0%	55.6%	81.0%	44.7%	66.4%	42.1%	23.1%	22.0%	27.0%	42.0%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total - professional channels	**956.4**	**950.1**	**895.4**	**827.8**	**798.0**	**778.2**	**788.5**	**804.6**	**808.6**	**822.2**	**621.8**
	0.9%	-0.7%	-5.8%	-7.5%	-3.6%	-2.5%	1.3%	2.0%	0.5%	1.7%	-24.4%
Sales to beauty institutes and beauticians	263.6	267.8	254.0	240.1	231.1	223.7	228.4	233.9	235.1	237.2	168.4
	1.8%	1.6%	-5.2%	-5.5%	-3.7%	-3.2%	2.1%	2.4%	0.5%	0.9%	-29.0%
Hairdressing	692.9	682.2	641.4	587.7	566.9	554.5	560.1	570.7	573.6	585.0	453.4
	0.5%	-1.5%	-6.0%	-8.4%	-3.6%	-2.2%	1.0%	1.9%	0.5%	2.0%	-22.5%

DIRECT AND PROFESSIONAL CHANNELS - Actual values and annual percentage changes

Retail prices VAT included – figures in € millions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total - direct sales	**510.8**	**542.1**	**556.1**	**602.3**	**648.4**	**703.9**	**764.3**	**837.8**	**890.7**	**985.1**	**1,044.7**
	7.7%	6.1%	2.6%	8.3%	7.7%	8.6%	8.6%	9.6%	7.5%	12.0%	6.6%
Direct sales: door-to-door and mail-order sales	500.7	512.3	511.0	523.0	535.0	515.5	496.5	507.8	492.3	484.6	337.5
	6.3%	2.3%	-0.3%	2.3%	2.3%	-3.6%	-3.7%	2.3%	-2.0%	-0.5%	-30.0%
E-commerce	10.1	29.8	45.1	79.3	113.4	188.4	267.9	330.0	398.4	500.5	707.2
	0.0%	195.4%	51.5%	75.7%	43.1%	66.0%	42.2%	23.2%	22.0%	27.0%	42.0%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total - professional channels	**1,067.4**	**1,044.1**	**958.1**	**860.1**	**819.5**	**797.7**	**809.0**	**826.3**	**821.6**	**826.3**	**621.8**
	0.6%	-2.2%	-8.2%	-10.2%	-4.7%	-2.7%	1.4%	2.1%	0.5%	1.7%	-24.4%
Sales to beauty institutes and beauticians	294.2	294.4	271.7	249.4	237.4	229.3	234.4	240.2	238.8	238.4	168.4
	1.5%	0.1%	-7.7%	-8.2%	-4.8%	-3.4%	2.2%	2.5%	0.5%	0.9%	-29.0%
Hairdressing	773.2	749.8	686.3	610.7	582.2	568.4	574.6	586.1	582.7	588.0	453.4
	0.2%	-3.0%	-8.5%	-11.0%	-4.7%	-2.4%	1.1%	2.0%	0.5%	2.0%	-22.5%

DEVELOPMENTS IN EXPORTS OF ITALIAN COSMETICS THROUGHOUT THE WORLD

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total – exports	**2,439.6**	**2,709.0**	**2,900.0**	**3,221.4**	**3,377.2**	**3,861.9**	**4,368.6**	**4,678.1**	**4,943.5**	**4,984.5**	**4,153.7**
	17.2%	11.0%	7.0%	11.1%	4.8%	14.4%	13.1%	7.1%	5.7%	0.8%	-16.7%
Products for hair care	482.2	549.0	606.2	646.9	688.8	780.7	830.2	909.0	956.3	995.9	916.7
	18.1%	13.9%	10.4%	6.7%	6.5%	13.3%	6.3%	9.5%	5.2%	4.1%	-7.9%
Products for make-up	374.1	417.9	492.8	543.9	612.1	722.3	895.0	972.3	1,004.0	996.9	679.6
	14.4%	11.7%	17.9%	10.4%	12.5%	18.0%	23.9%	8.6%	3.3%	-0.7%	-31.8%
Products for body care	600.5	637.3	657.6	688.5	694.7	824.1	993.2	938.9	1,006.3	1,037.7	918.4
	16.5%	6.1%	3.2%	4.7%	0.9%	18.6%	20.5%	-5.5%	7.2%	3.1%	-11.5%
Personal hygiene	255.5	274.9	275.9	354.0	373.2	430.0	442.0	463.8	448.5	377.3	314.4
	-1.5%	7.6%	0.4%	28.3%	5.4%	15.2%	2.8%	4.9%	-3.3%	-15.9%	-16.7%
Oral hygiene	102.4	117.6	121.1	154.9	168.2	180.1	197.6	209.7	213.1	226.8	236.5
	7.9%	14.9%	3.0%	27.9%	8.6%	7.0%	9.7%	6.1%	1.6%	6.4%	4.3%
Products for men	44.9	49.6	47.7	40.3	45.5	41.8	45.7	48.5	44.5	40.8	33.0
	8.6%	10.3%	-3.7%	-15.6%	12.9%	-8.1%	9.5%	6.0%	-8.2%	-8.2%	-19.2%
Alcohol-based perfume products	612.9	702.4	743.8	831.8	827.9	925.0	1,012.1	1,078.1	1,136.5	1,173.0	913.4
	32.5%	14.6%	5.9%	11.8%	-0.5%	11.7%	9.4%	6.5%	5.4%	3.2%	-22.1%
Other products	89.6	93.9	95.1	111.6	121.0	139.2	150.0	140.8	135.2	136.0	141.5
	7.9%	4.8%	1.2%	17.3%	8.4%	15.1%	7.8%	-6.1%	-4.0%	0.6%	4.1%

DEVELOPMENTS IN IMPORTS OF ITALIAN COSMETICS THROUGHOUT THE WORLD

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total imports	**1,635.7**	**1,720.7**	**1,682.6**	**1,710.1**	**1,743.3**	**1,876.7**	**2,063.4**	**2,144.7**	**2,130.4**	**2,208.9**	**1,846.5**
	12.1%	5.2%	-2.2%	1.6%	1.9%	7.6%	9.9%	3.9%	-0.7%	3.7%	-16.4%
Products for hair care	226.3	248.0	230.5	229.6	235.8	238.6	245.0	248.5	228.8	255.0	241.0
	-1.9%	9.6%	-7.1%	-0.4%	2.7%	1.2%	2.7%	1.4%	-7.9%	11.5%	-5.5%
Products for make-up	172.9	195.5	218.6	217.3	222.6	270.6	293.9	311.7	259.3	268.4	202.1
	20.1%	13.1%	11.8%	-0.6%	2.4%	21.6%	8.6%	6.1%	-16.8%	3.5%	-24.7%
Products for body care	598.0	611.5	603.9	627.5	638.0	680.6	756.2	718.2	770.7	777.1	677.0
	10.2%	2.3%	-1.2%	3.9%	1.7%	6.7%	11.1%	-5.0%	7.3%	0.8%	-12.9%
Personal hygiene	129.7	138.4	132.7	139.2	134.8	149.8	170.1	154.7	154.7	155.9	130.2
	1.6%	6.7%	-4.1%	4.9%	-3.1%	11.1%	13.5%	-9.0%	0.0%	0.8%	-16.5%
Oral hygiene	123.4	139.3	135.4	156.1	134.6	141.0	145.7	140.5	131.0	143.9	124.7
	6.1%	12.9%	-2.8%	15.3%	-13.8%	4.7%	3.3%	-3.6%	-6.7%	9.8%	-13.3%
Products for men	26.5	25.8	24.8	21.3	23.2	24.0	24.2	28.6	22.9	18.9	17.8
	-0.2%	-2.6%	-3.6%	-14.1%	8.6%	3.7%	0.5%	18.4%	-20.0%	-17.2%	-5.9%
Alcohol-based perfume products	399.3	415.9	388.7	373.6	413.7	436.5	488.1	497.9	518.8	534.2	411.5
	29.0%	4.2%	-6.5%	-3.9%	10.8%	5.5%	11.8%	2.0%	4.2%	3.0%	-23.0%
Other products	57.5	46.6	47.4	47.0	45.0	44.8	47.9	61.3	44.4	55.5	42.2
	11.9%	-19.0%	1.8%	-0.9%	-4.3%	-0.4%	6.9%	28.0%	-27.7%	25.1%	-23.9%

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