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# 'Lipstick Effect' Put To Test: Top Beauty And Ingredient Supplier Execs On 2022 Volatility

by

Optimism varies across leading beauty and personal-care companies amid continuing cost, currency and geopolitical headwinds. HBW Insight provides takes from leaders at L'Oréal, The Estée Lauder Companies, Coty, Ulta, P&G and more in recent sales and earnings presentations.

The “lipstick effect” has been a prevalent theme in recent sales and earnings calls of leading cosmetics and personal-care manufacturers, retailers and suppliers.

Yes, consumers historically have indulged in cosmetic purchases as affordable luxuries even during economic downturns. But how much faith can companies place in this precedent?

Here we've highlighted commentary from top execs on macroeconomic pressures and the state of the market following a tumultuous 2022 first half.



**David Kimbell**  
CEO at Ulta Beauty, Inc.

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We recognize beauty is not immune to macroeconomic challenges, but the category's deep emotional connection has historically resulted in stronger resilience compared to other discretionary categories. And as our results illustrate, we believe this is even more true today given the importance of self-care and wellness. ...

We're seeing strong growth across all aspects of our business. As I mentioned, every category performed in double-digits – strength across channels, stores, e-comm, services. And as we look at income levels of our guests, we're seeing healthy growth at all income levels.

So no real signs or signals of trade-down within the marketplace yet. And again, I think that's a reflection of the importance that this category plays in our guests' lives – the increasing connection that beauty has, wellness, and the desire of our guests to express themselves to the world in this as the world reopens.

*25 August 2022*

Read about Ulta's  
[nearly 19% increase in net sales](#)



**Nicolas Hi**  
CEO at L'Oréal Paris