L’Oreal said Tuesday its first quarter sales jumped nearly a fifth despite headwinds from the Ukraine war and pandemic disruptions in China as the French cosmetics giant pursued its luxury strategy.

The 19 percent rise in sales to 9.06 billion euros ($9.8 billion) beat the analyst consensus of 8.8 billion euros established by Factset.

"Against the backdrop of the invasion of Ukraine and strengthened sanitary measures in China, L'Oreal had a strong first quarter," said chief executive Nicolas Hieronimus.
The company, which has been shifting its product portfolio towards the premium segment, said the luxury division posted the strongest sales growth of 25.1 percent.

In recent quarters the luxury division became the top-selling division for L'Oreal, and generated 3.46 billion euros in sales in the first three months of the year.

The division includes Lancome and Kiehl's as well as the beauty products of luxury brands such as Giorgio Armani, Prada, Ralph Lauren and Yves Saint Laurent.

The consumer products unit which includes the L'Oreal Paris, Maybelline New York and Garnier brands, is now in second place after recording 11.1 percent growth to 3.3 billion euros.

Hieronimus said consumer purchasing behaviour has so far been unaffected by inflation, and that its consumer products division managed double-digit growth despite supply-chain challenges that have been affecting many industries as the world economy recovers from the pandemic.

He said L'Oreal remains optimistic about the outlook for the beauty market this year and about its ability to outperform the market in 2022 with increases in sales and profits. L'Oreal posted 4.6 billion euros in net profit in 2021 on sales of 32.3 billion.