State of Beauty in 2026

January 2026

NIQ

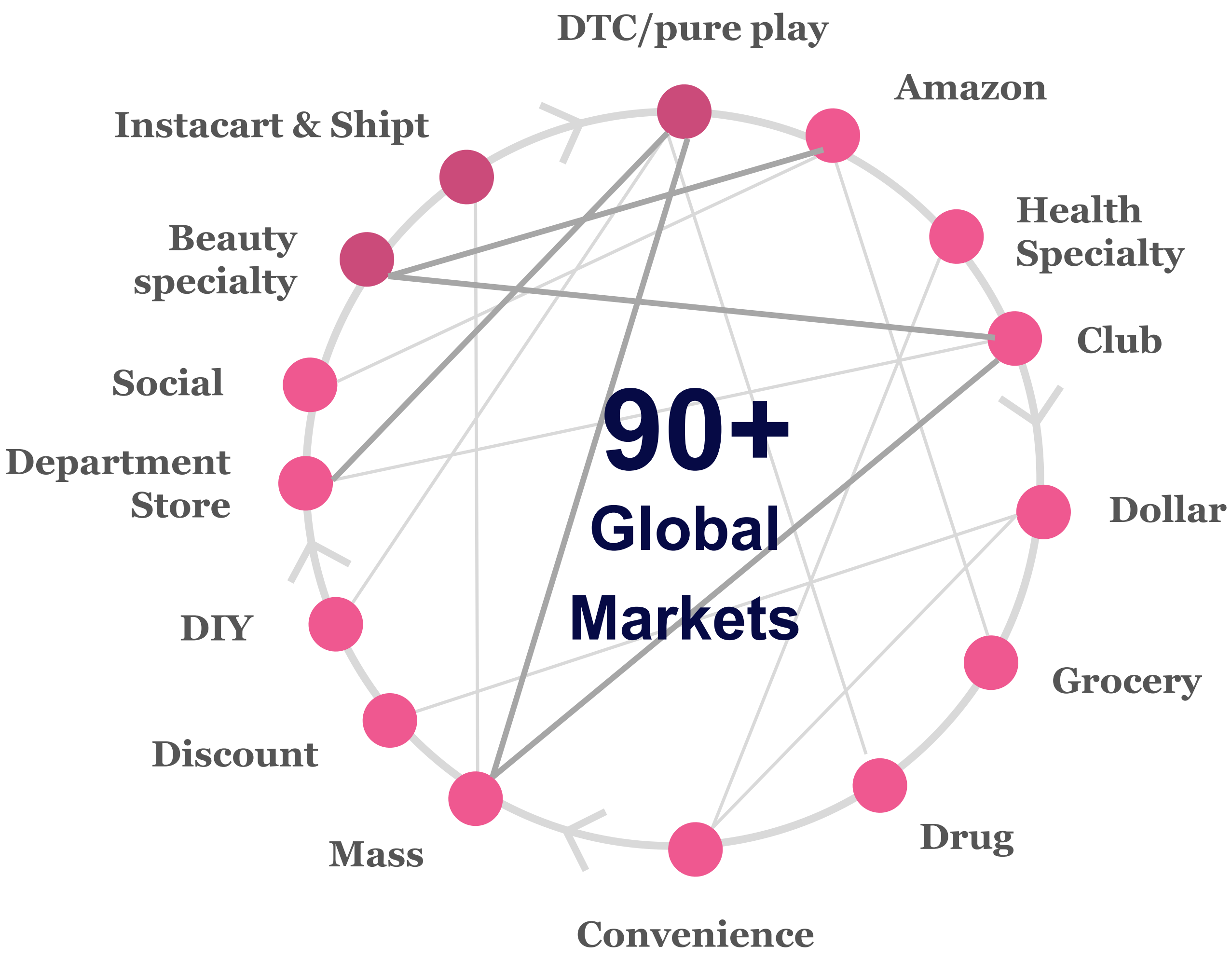
Your presenter today

Katie Hazlett

Client Manager, Beauty
NielsenIQ

NIQ delivers the *Full View* of beauty buying behavior

- The industry's most trusted consumer data—more channels, sources, consumers, and regions
- Validated with point of sales data directly from retailers



NIQ

What's Next?

Top beauty trends for 2026+

NielsenIQ

1. Premiumization vs. Affordability

Value & efficacy vs prestige

2. Beauty + Wellness Convergence

Holistic, Mind & Body

3. Global Meets Local

Cultural Beauty trends from K-Beauty to Ayurveda

4. Social Commerce & Virality

TikTok Shop, influencers

5. Innovation Acceleration

Short trend cycles, dupes

6. Beauty Tech Revolution

AI, Neuroscience, virtual try-ons

7. Male Beauty

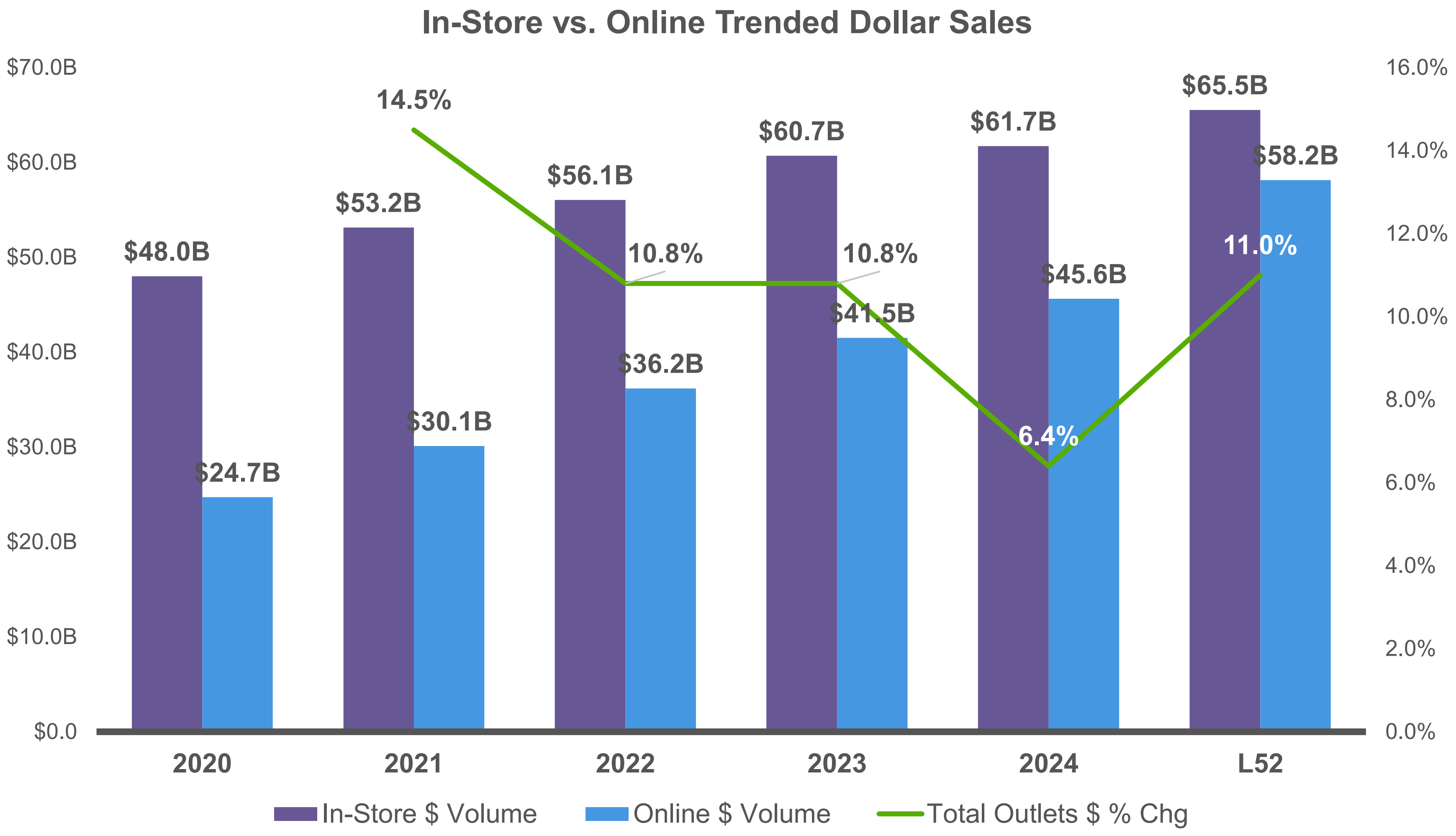
Redefining category norms

8. Fragrance Renaissance

Scent-driven innovations

Beauty Performance

Beauty continues its 5 year growth streak



Source:NielsenIQ Omnishopper Panel, Total US, Total Beauty & Personal Care, L52W ending 11/29/25

Beauty continues to see growth driven by strong online sales

In-Store	*Online*	*Total Beauty and Personal Care*
$65.5B	$58.2B	$123.7B
+3.1%	+21.4%	+11.0%

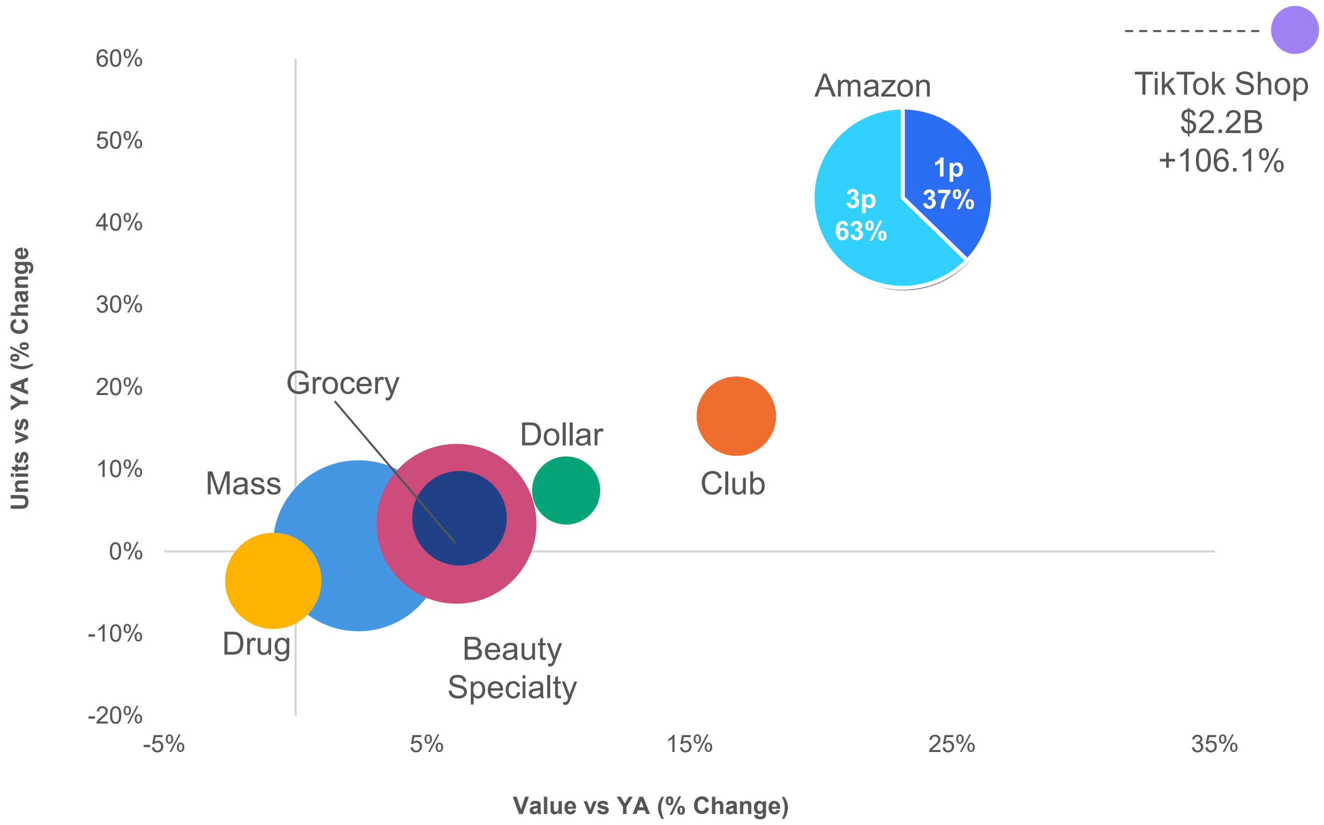
47% online

53% in-store

Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 11/29/2025 vs YA.Dollar percent change

In the US, Amazon capturing both dollar and unit growth

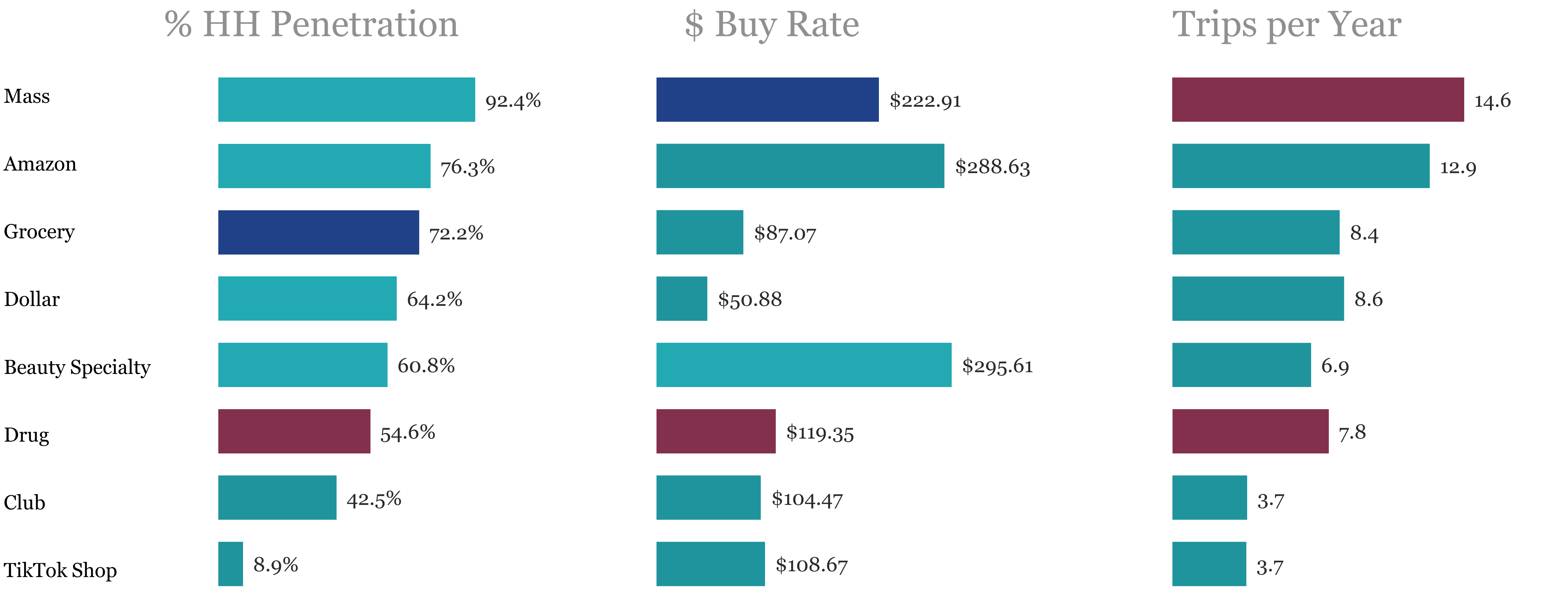
Size and growth of key beauty channels (omnichannel view)



Channel	$ share	$ % chg	Unit % chg
Amazon	23.0	23.2%	42.5%
Mass	21.5	2.4%	0.7%
Beauty Specialty	18.7	6.1%	3.4%
Drug	6.8	-0.9%	-3.6%
Grocery	6.6	6.2%	4.0%
Club	4.6	16.8%	16.5%
Dollar	3.4	10.3%	7.4%
TikTok Shop	1.7	106.1%	51.4%

Source: NielsenIQ Omnishopper Panel Total US L52 week ending 11/29/2025 vs YA. Mass is defined as Total-Amazon.
Rakuten Data 12 months w/e 11/30/25.

Amazon dollar spend has risen to be more comparable to Beauty Specialty



Source: NielsenIQ Omnishopper Panel Total US L52 week ending 11/1/2025 vs YA. Mass is defined as Total-Amazon. TikTok Shop: NielsenIQ Rakuten ecommerce Latest 12 months ending 11/30/2025

Declining | Flat (<2) | Growth

TikTok Shop continues to disrupt the beauty retailer landscape

TikTok Shop

$2.2B

+106.1%

Beauty & Personal Care Dollar sales

#6

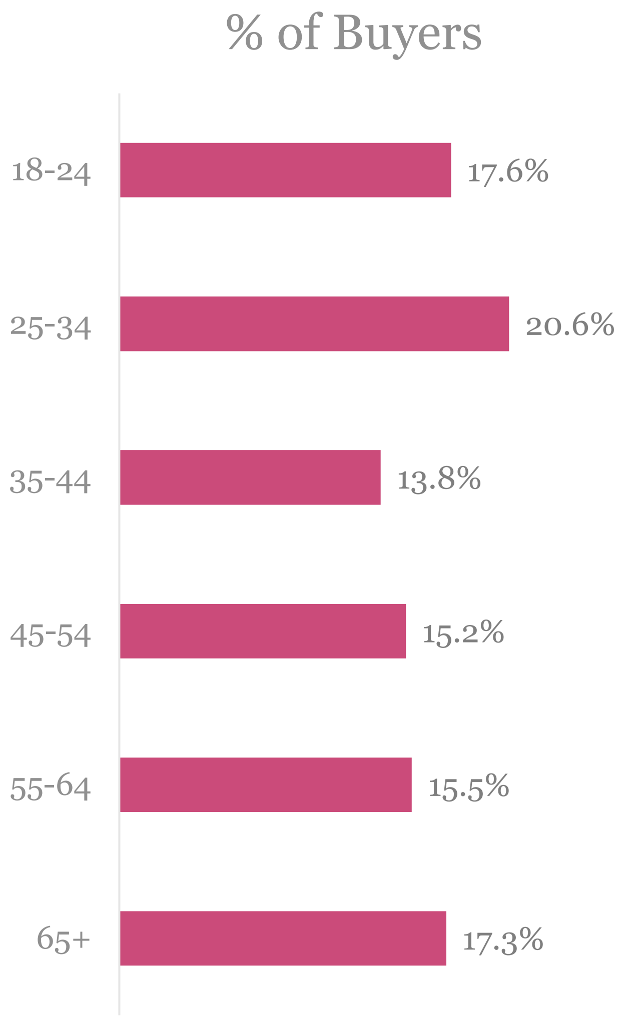
Beauty & Personal Care ecommerce retailer

$108.67

Dollars/Buyer spent on Beauty & Personal Care

Top selling categories

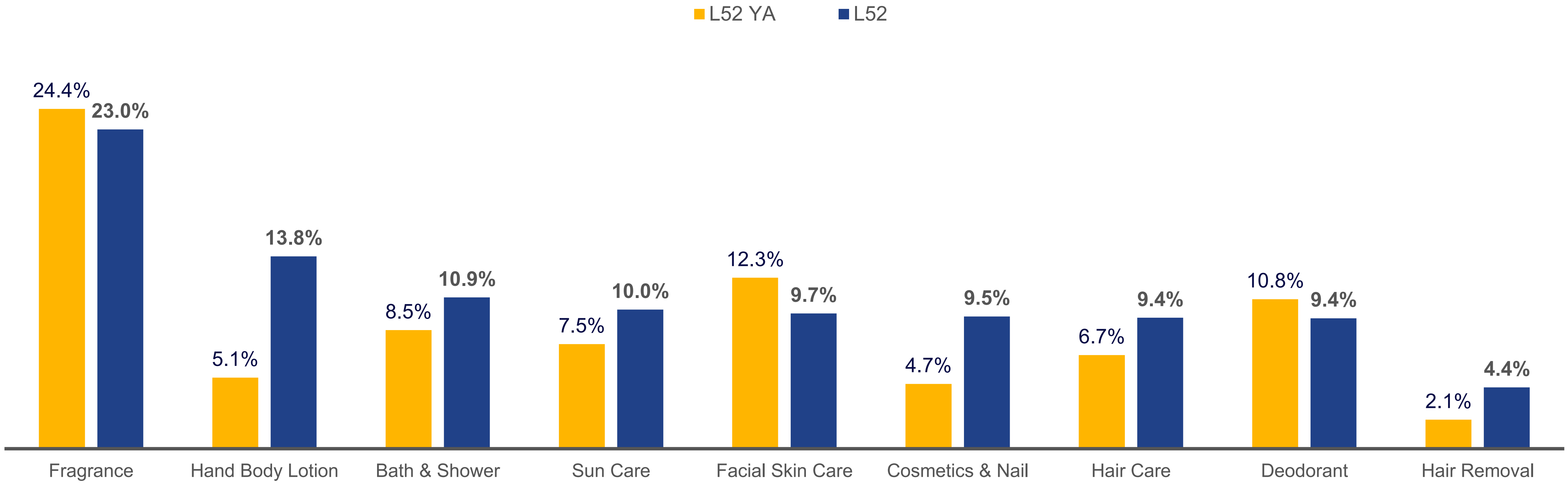
Facial Skin Care
Cologne & Perfume
Lip Cosmetics
Body Lotions & Treatments
False Eyelashes & Accessories



Source: NielsenIQ Rakuten ecommerce Latest 12 months ending 11/20/20205

Body Care dominates in 2025, Fragrance growth continues, and Cosmetics see a re-bound

$ % chg vs YA



Fragrance Wardrobing
Scent Layering
Mists
Dupes & Exploration

Total Body Care
Ingredient Focus
Scents

Gen Z Adoption
Form/Formats
Ingredients

Back to Basics
Simplification

Gen Z Less Usage
Eye/Face Comeback

Hair Growth
Scalp Health

Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 11/1/2025 vs YA.Dollar percent change. **3 year fragrance growth rate is based on full year L52 week ending 11/1/2025

Key beauty categories are driving growth by expanding & bringing new consumers

Household Penetration point change vs YA

Body Care

Bath & Shower Wipes +4.3pts
Body Wash +1.7pts
Body Lotions & Treatments +2.9pts

Scent

Body Spray +2.5pts
Cologne & Perfume +5.1pts

Skin First

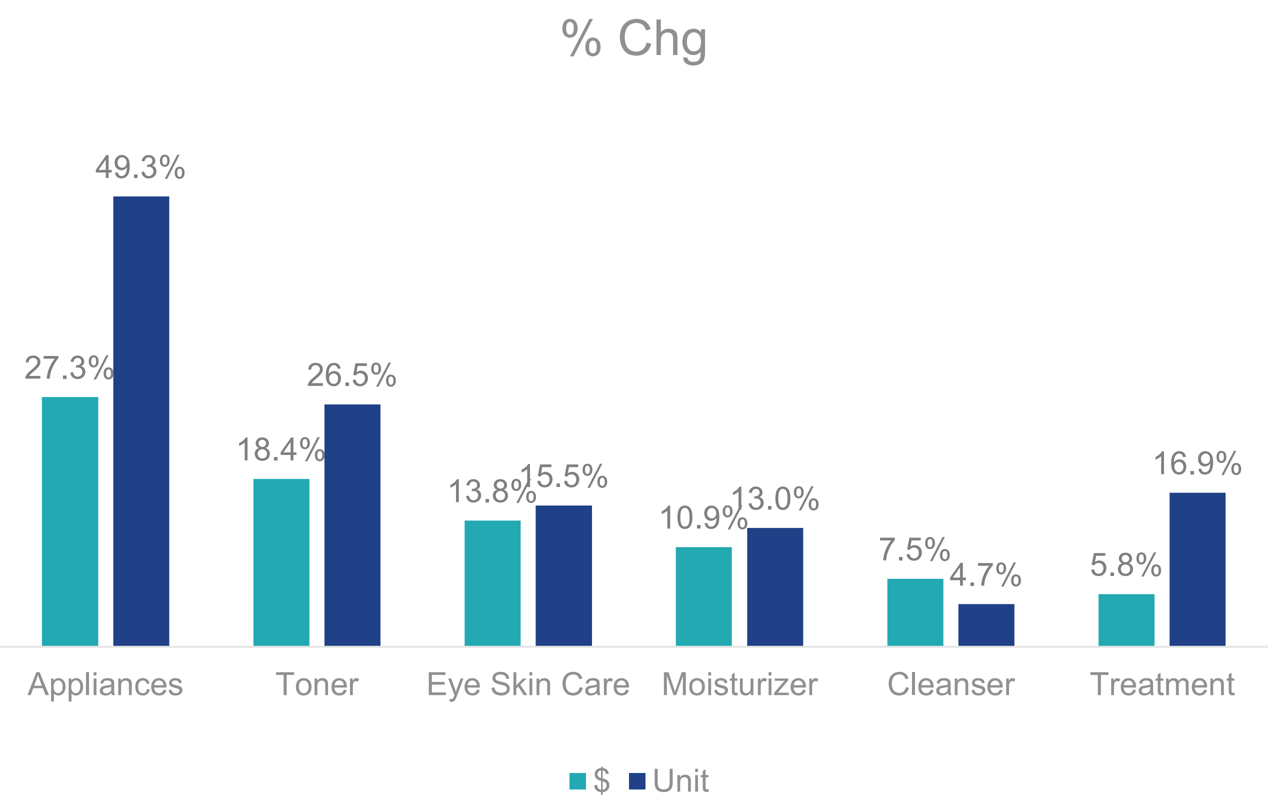
Eye Skin Care +2.6pts
Facial Moisturizer +3.0pts
Facial Treatment +2.1pts
Lip Balm +3.0pts

Glam

Eye Liner +1.9pts
Lip Gloss +3.4pts
Hair Tools +1.9pts
Hair Styling +1.8pts

Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 11/29/2025. Household Penetration Abs change vs YA

Skin care remains a growth category attracting new buyers, but dollar growth has slowed, and unit growth is outpacing



Trending Ingredients

Ginger Oil +115.1%
Cocoa Extract +73.0%
Capsicum +71.1%
Cranberry +70.2%
Hibiscus +59.3%

+1.5pts
Penetration

+1.0%
Dollars/Trip

+5.4%
Trips/Buyer

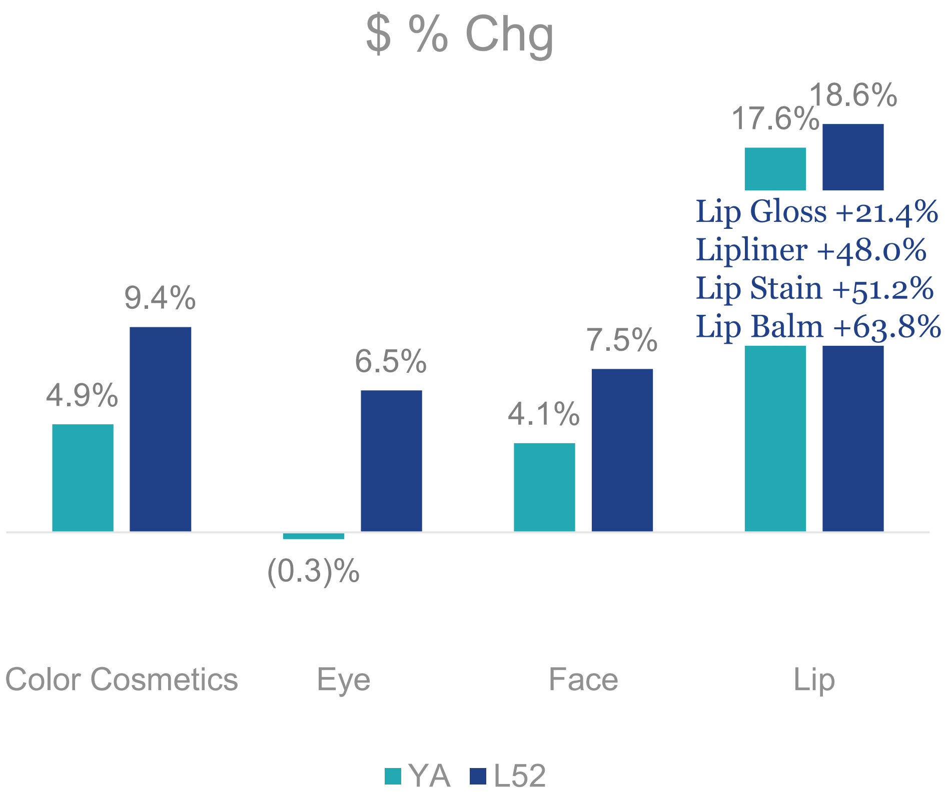
+10.0%
Units

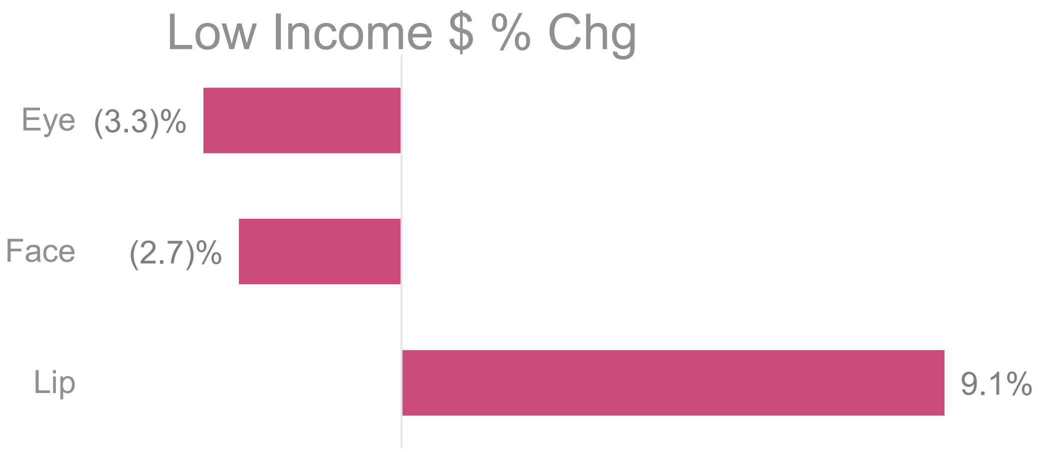
Average unit price is -0.2%

Luxe skin care growth is slowing while mass remains steady

Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 11/29/2025. NielsenIQ RMS Total US xAOC Latest 52 weeks ending 12/20/2025

Lip Cosmetics is able to capture growth among low income consumers



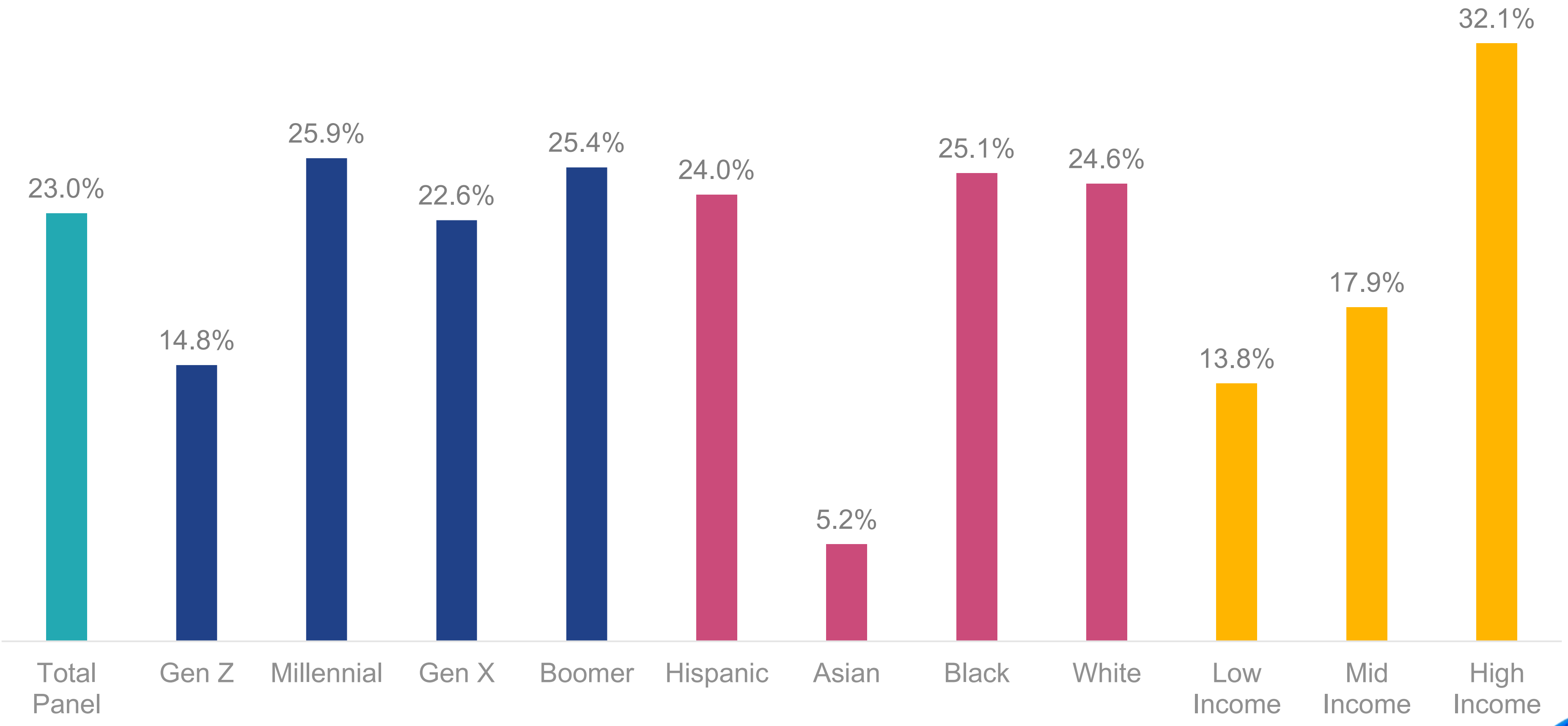


***38%** of consumers are purchasing Lip Cosmetics as a treat for themselves, compared to **26%** for total Cosmetics & Nail*

Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 11/29/2025
NielsenIQ Omnishopper Fundamentals Survey Fall 2025

Fragrance continues to attract buyers year over year with dollar growth across the majority of demographic groups

Total Fragrance $ % Chg by Demographic



Total Panel Penetration Growth

+1.9pts
Year Ago

+3.9pts
L52

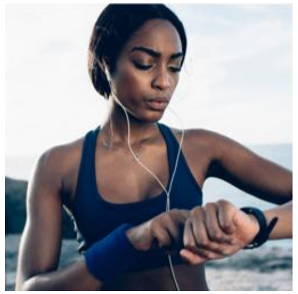
Source: NielsenIQ POD Omnishopper Panel Total US L52 week ending 11/29/2025

What's winning with beauty

Looking Ahead: Leading Global Trends for 2026

Wellness

63%
"Looking after my mental and emotional health is more important to me now than five years ago"



Simplicity

52%
of global consumers are willing to pay more for products that make tasks easier / less time consuming

Transparency

½
of consumers are willing to pay more for 'Local Country / Community Origin

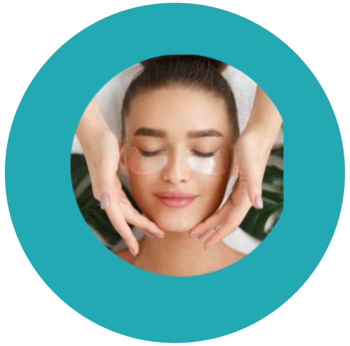
Source: 58 Markets - NIQ Omnisales, Omnishopper panel, Strategic Planner Global – Latest 52 Weeks October 2025

Source: NielsenIQ Consumer Outlook 2025; NIQ 2025 Global Health & Wellness survey

Wellness & Beauty Converge Brings New Opportunities

The definition of beauty is evolving, as consumers are increasingly looking beyond the mirror and into their daily routines, blurring lines with categories from vitamins to sexual wellness

- Vitamins, Minerals & Supplements
- Sexual Wellness
- Dietary Aids
- Sleeping Aids
- **Core Beauty** *(Cosmetics, Skin care, Hair Care, Fragrances)*
- Oral Care
- Shaving
- Feminine Hygiene
- Candles & Incense



Total Wellness

+12%

US value growth vs YA

Vitamins, Minerals & Supplements

+13%

Global value growth vs YA

Wellness Inside and Out

+55%

Say healthy nutrition is more important to them now than five years ago

Source: 58 Markets - NIQ Omnisales, Omnishopper panel, Strategic Planner Global – Latest 52 Weeks October 2025, NIQ 2025 Global Health & Wellness survey, NielsenIQ Omnishopper Panel Total US Latest 52 Weeks Ending 11/1/202

A Return to Simplicity

Overconsumption concerns and bloated beauty routines lead a drive towards multifunctional products and timesaving winners

39%
of US Consumers report feeling more time crunched in the last 6 months

Liquid Foundation
- *Double Retinol*
- *Hyaluronic Acid*
- *SPF50, UVA+++*

*Gntl is a celebration of **radical simplicity**—a gentle reminder that **all you need is less.***

33%
of global consumers say that the last few years have made them realize "less is more"

Source: NielsenIQ Consumer Outlook 2025, NielsenIQ Omnibus Survey, Oct 2025

Continued Ingredient Focus Scrutiny Drives Innovation

Clinically backed formulas build trust in an era of scepticism

49%

of global consumers are willing to pay more for products with **elevated ingredients / formulations**

.1%

Specialized ingredients drive growth

- UK **Peptides** Hair Care +82%
- Germany **Collagen** Skin Care +33%
- US **Argon Oil** Body Care +51%

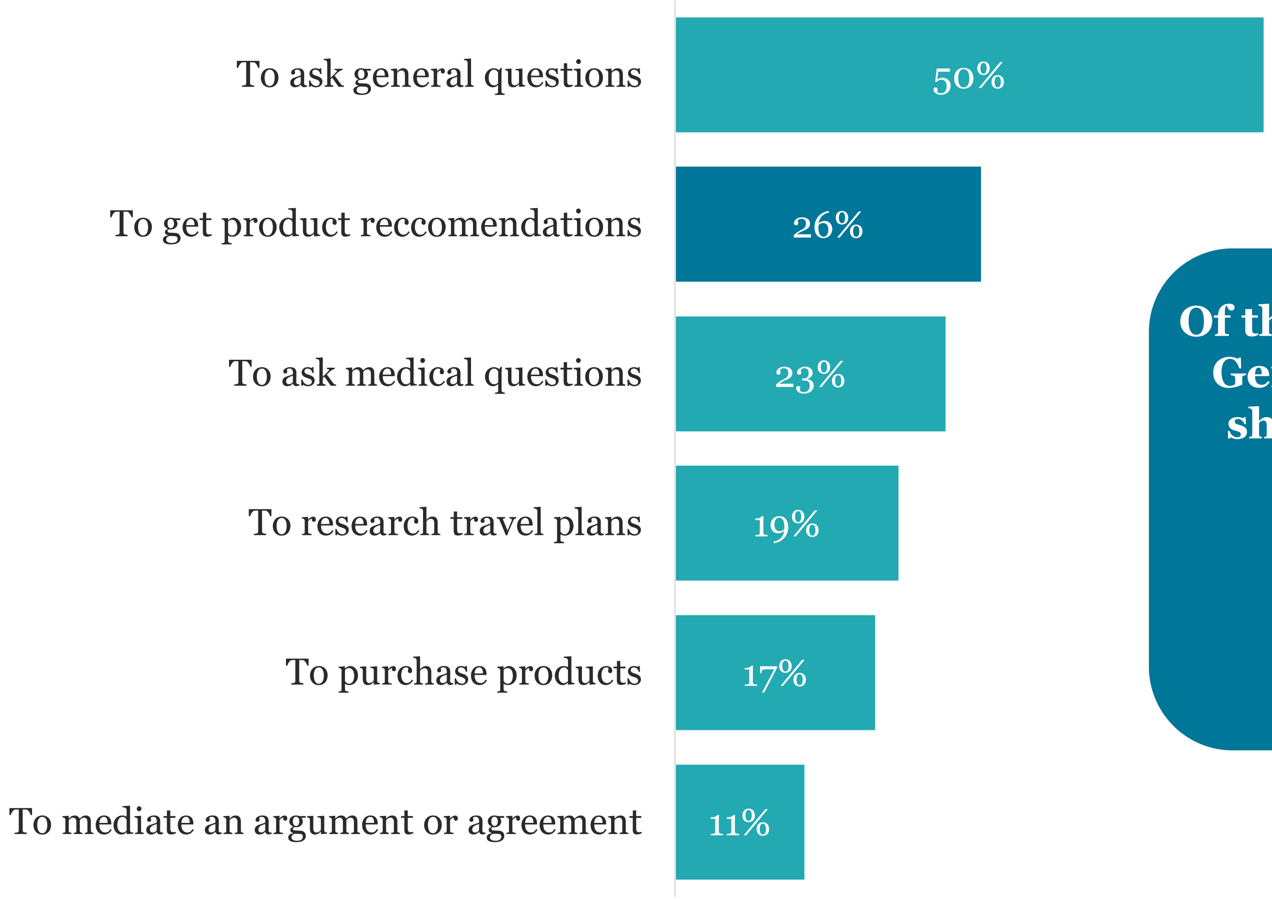
½ of consumers are willing to pay more for **'Ingredient / Supply Chain Transparency'**

Source: NielsenIQ Consumer Outlook 2025

How Consumers are Using GenAI

Consumers are turning to chatbots for advice on their products and routines – taking the control away from brands and retailers

Q. Have you used Generative AI (e.g. Chat GPT, Gemini, Copilot) for any of the following?



49% of have gotten ***Beauty Products*** recommendations from Gen AI

Of those who have used Gen AI to assist with shopping, the most used tools are:

37% ChatGPT
28% Gemini
15% Copilot

Source: NielsenIQ LLM Survey US – Base: 1021

What Challenges are consumers facing?

Beauty pricing increases in 2025 are a global phenomenon

+10%
Value growth vs YA

+5%
Unit growth vs YA

+5%
Price per unit growth vs YA

Inflation Outliers

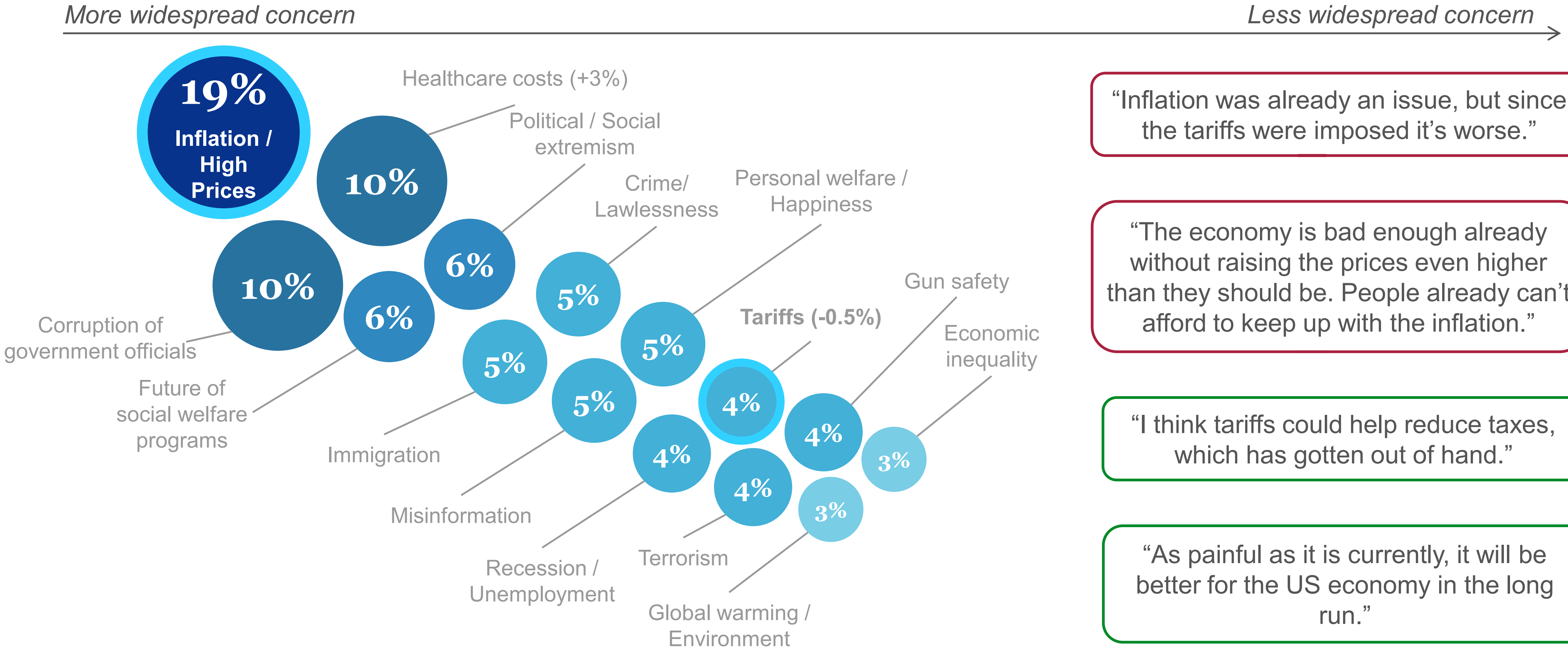
Türkiye · *Myanmar* · *Argentina* · *Dominican Republic* · *Egypt* · *Ukraine*

Price per Unit % Chg vs YA

North America	Latin America	Europe	Asia Pacific
+4%	+9%	+2%	+7%

Fact: Value % growth vs YA (unweighted)
Beauty = Hair, Skin, Fragrance, Cosmetic & Nail (per available coverage by market)
Sourcing: 52 markets – NielsenIQ Consumer Panel (FR, DE, IT, ES, GB), Omnishopper Panel (US, CA, AU), RMS incl TikTok (CN), RMS incl ecom (KR), SPG WEEKLY (BA, HR, DK, EE, GR, HU, LV, LT, NO, PL, PT, RO, SI, SE, UA, AR, BR, DO, EG, HK, IN, ID, KZ, MY, MX, MM, NZ, PE, PH, PR, SA, SG, ZA, TW, TH, TR, AE, VN, AT, BE, CH, NL)

Among current issues, inflation/high prices continue to raise the most concern for Americans



"Inflation was already an issue, but since the tariffs were imposed it's worse."

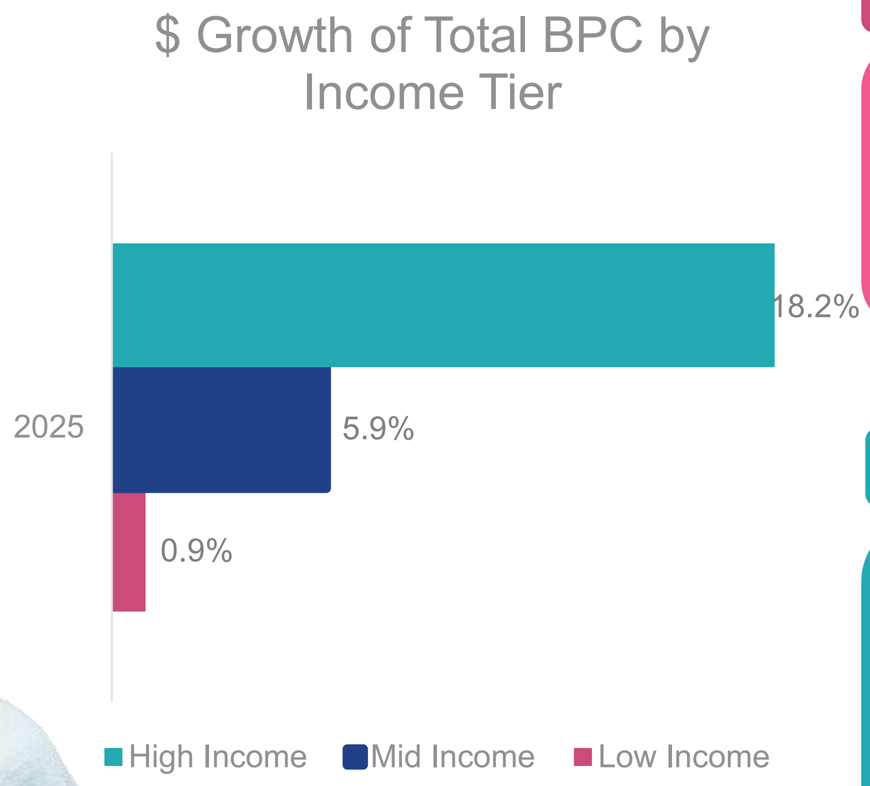
"The economy is bad enough already without raising the prices even higher than they should be. People already can't afford to keep up with the inflation."

"I think tariffs could help reduce taxes, which has gotten out of hand."

"As painful as it is currently, it will be better for the US economy in the long run."

Rank the 5 things you are personally most concerned about today. – RANK 1/"Most Concerned" Among those aware of the tariffs.

K-Shaped Recovery has an uneven impact on beauty growth



At Risk: Low Income HHs Contraction

Category:
Cosmetics
Hair Care

Channel:
Drug
Mass

Opportunity: Momentum with High Income HHs

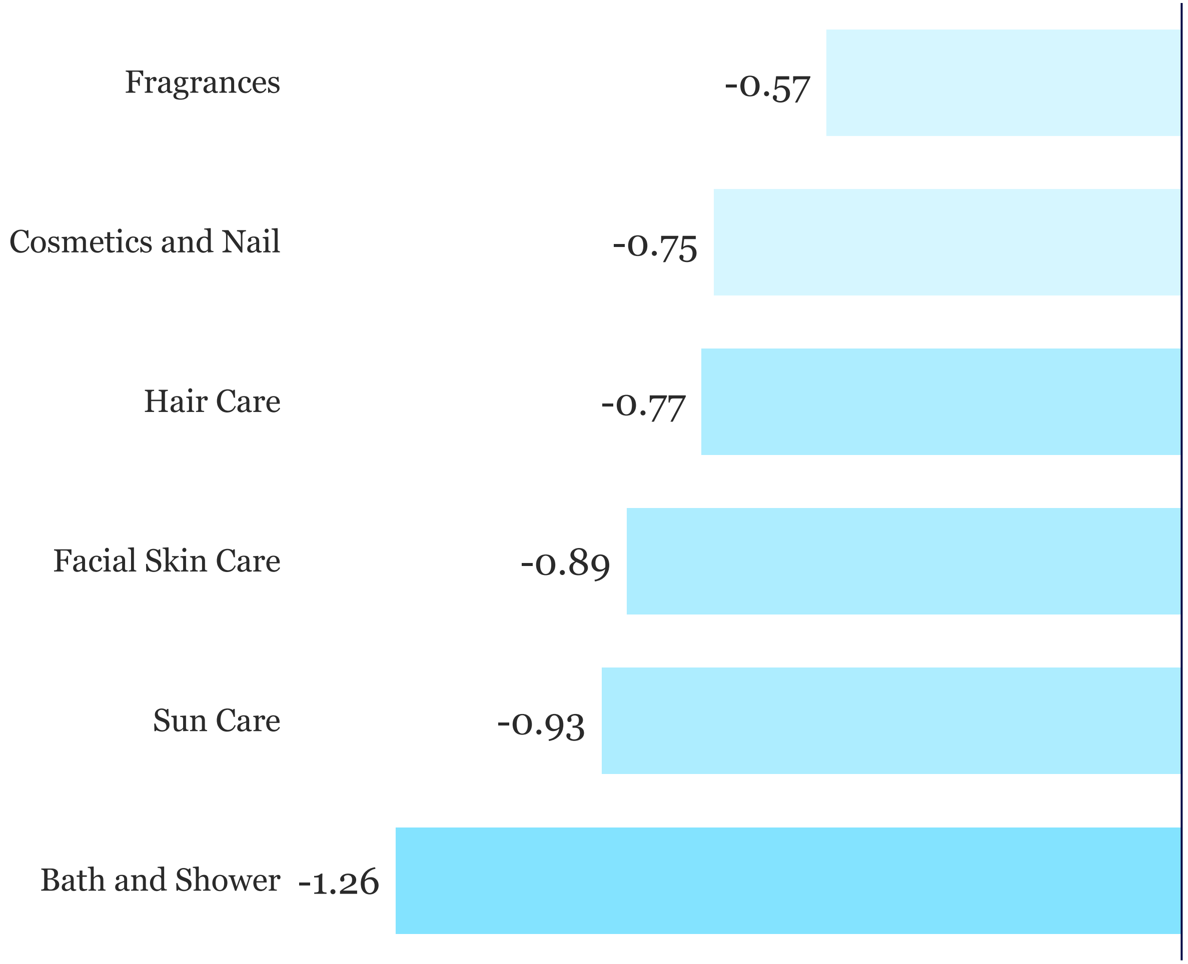
Category:
Fragrance

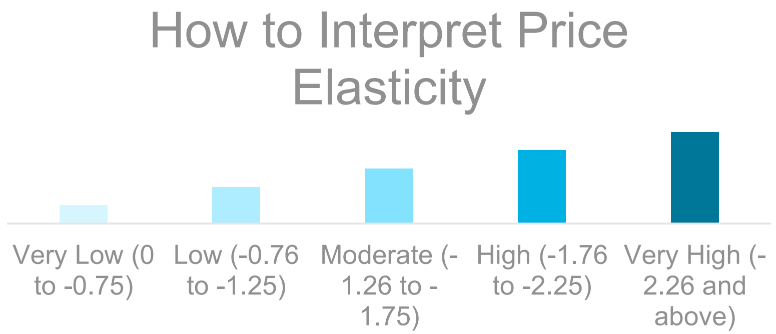
Channel:
Amazon
Club
Department Store
Dollar

52 weeks ending 11/1/2025. Low Income: less than $50K, Mid Income: $50K-$99,999 High Income: $100K+

Confidential and proprietary © 2026 Nielsen Consumer LLC. All Rights Reserved.

Beauty benefits from low price elasticities, insulating the impact of price increases





Source: NielsenIQ RMS, XAOC, Total US, Q2 2025

Holiday Recap

Cyber 5: Beauty bargains boost Black Friday sales online

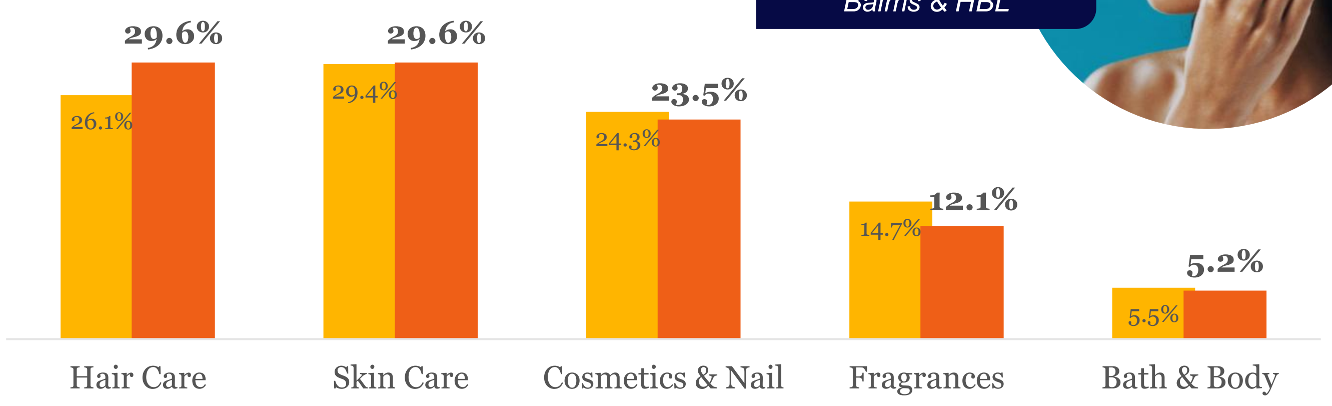
Beauty was a top 4 category for Cyber 5

$63.70
Avg. Beauty Spend per Customer
-2% vs YA

1.7
Avg. # of Beauty Items per Order
Flat vs YA

1.6
Beauty Purchase Frequency
+7% vs YA

Hair Care Became More Prevalent



Skin Care includes Facial Skin Care, Lip Balms & HBL

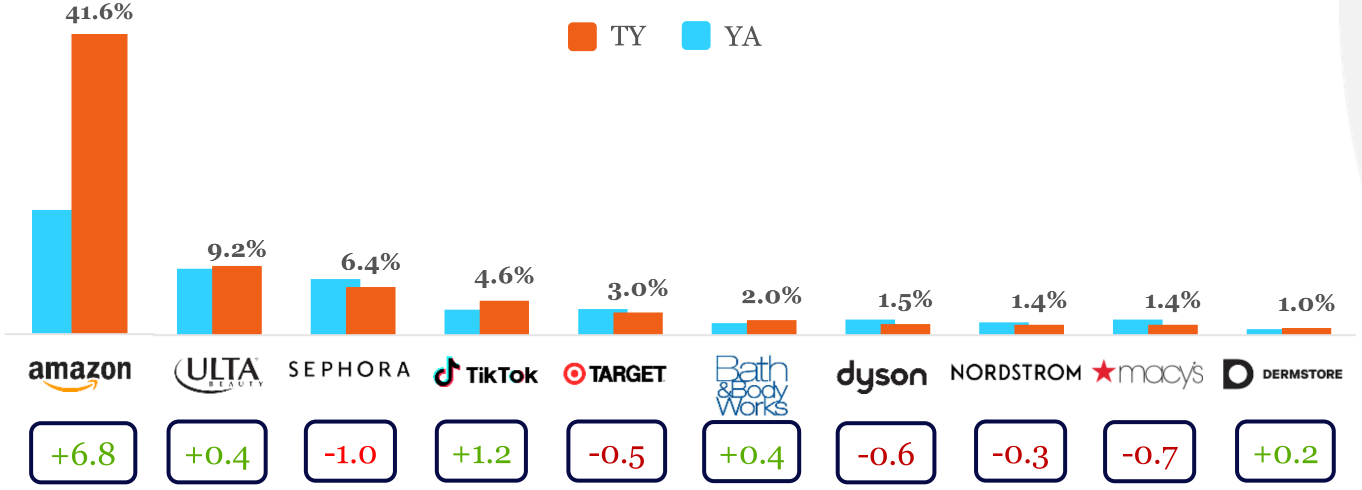
Source: NielsenIQ Digital Purchases, Walmart not included due to receipt truncation

NIQ

All the top five retailers had >20% shopper overlap with Amazon during Cyber week, while Amazon had minimal overlap with these retailers

Amazon, Ulta, and TikTok Shop gained Market Share

Retailer E-Commerce Market Share



Predictions for 2026

Global Expansion = Long-Term Success

Trends move faster worldwide—brands must scale globally.

Beauty Defies Downturns

Even as wallets shrink, beauty keeps growing.

Digital-First Beauty

Master digital commerce to lead the next wave.

Pricing Power is Real

Smart portfolio management drives profits.

Beauty Everywhere

Change accelerates; new brands and trends multiply.

Launches Go Social

Amazon & TikTok Shop in favor of traditional retail.

AI Fuels Discovery

GEO marketing early adopters win big.

Thank you.