(US) Estee Lauder Companies

The Worst May Be Over



Bloomberg

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The Estee Lauder Companies Inc.

Company profile

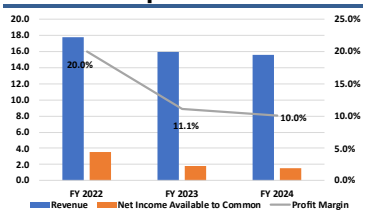
The Estée Lauder Companies Inc. manufactures, markets, and sells skin care, makeup, fragrance, and hair care products worldwide. It offers skin care products, including moisturizers, serums, cleansers, toners, body care and etc.

Technical Data

Price	92.1
R1	100.3
R2	101.3
S1	86.0
S2	85.0
MACD	-
RSI	-

M+ Research， Bloomberg

Financial Snapshot



M+ Research, Bloomberg

Technical Outlook

Uptrend remain intact. With a well-maintained breakout above its long-term resistance band around USD85.0–86.0 and trading firmly above the 20/60/120 EMAs, we believe the price may consolidate within the nearby range — given that the RSI is already in overbought territory — before resuming its upward move. A break below USD85.0 would invalidate the setup.

Trading Catalysts

- **Turnaround being priced in.** We believe it is in the final stages of cleaning up its mess; solely focusing on China and China-related demand in travel retail as a driver of growth. We note that EL has pivoted its strategy back to a globalized view, with incremental investments cycling back to the US, Europe, and other long-term opportunities.

- **Margins expansion.** Also, the management has alluded that it will exit FY25 with global inventories in balance across all regions, such that FY26 onwards, shipments and consumption will finally return to alignment, which we believe should lower down their working capital funding gap as well as lower storage costs.

- **Regaining momentum in market share.** The company has reported recent outperformance in market share across the US, China, Japan, and other emerging markets in Southeast Asia.

Peer Comparison

Company	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
Estee Lauder Companies	**EL**	**92.1**	**33.1**	**44.6**	**46.4**	**-17.3**	**2.5**	**Overbought**	**Up**
ELF Beauty Inc	ELF	115.4	6.5	54.0	31.5	16.0	8.5	Negative bias	Down
Kenvue Inc	KVUE	20.9	40.2	21.5	18.0	10.2	6.7	Negative bias	Down
Bellring Brand Inc	BRBR	58.3	7.4	27.2	25.1	NM	12.3	Negative bias	Down
Avg ex-Estee Lauder Companies			**18.0**	**34.2**	**24.9**	**13.1**	**9.2**		

Source: Bloomberg, M+ Research

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