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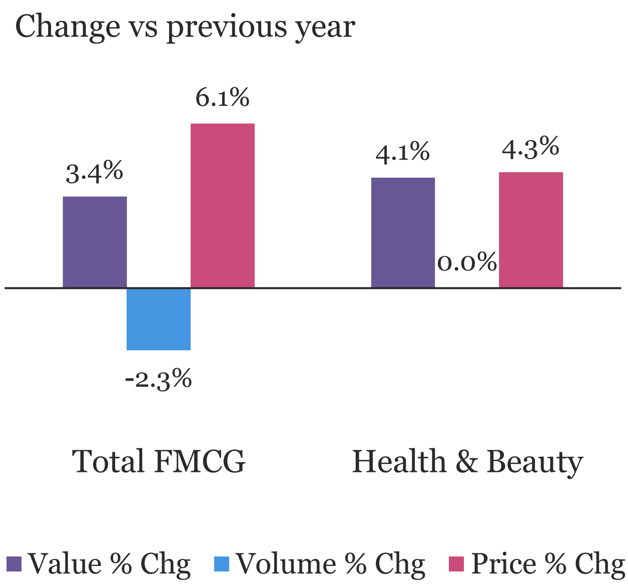
Beauty Market Spotlight

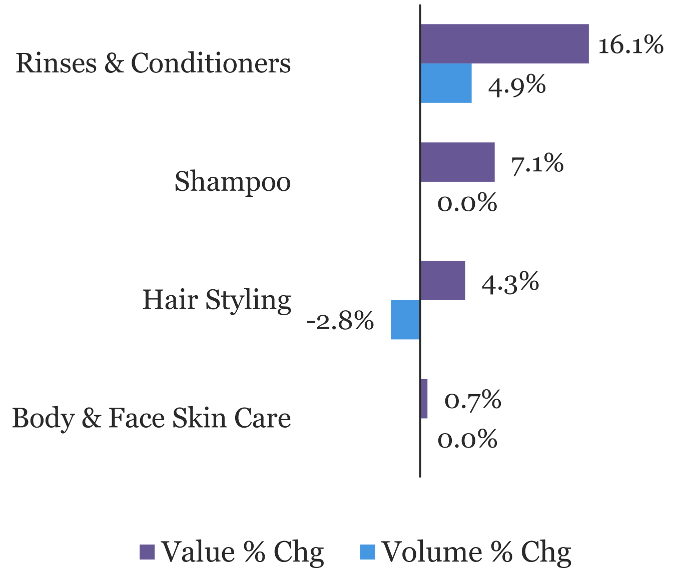
Vol 4: Mexico

Macroeconomic outlook: *Falling inflation, cautious confidence, modest growth*

National Inflation	*Consumer Confidence*	*2026 GDP Forecast*
3.5% *July 2026*	**45.0** *July 2026*	**+1.6%** as of April
Lowest since May 2020	*-0.7pts vs July 2025*	*-1.5pts vs world benchmark*
(INEGI)	*(INEGI)*	*(IMF)*

Beauty Beats the Benchmark: *Hair care growth fuels beauty outperforming FMCG*





Why beauty: *International investment, cultural expression and bold looks*

Mexico is a key player in the global beauty market, with distinct cultural forces. The country's beauty industry has received significant boosts in foreign investment and entrants from international notable players in recent years, marking the high potential.

Culturally, beauty plays a significant role in Mexican society, with a range of influences including indigenous, regional and European. Modern trends are shaped by social media and celebrity culture, often embracing vibrant and bold colors, while retaining an expression of cultural identity.

rhode

Rhode expanded into Mexico in June 2026

ULTA BEAUTY

Ulta Beauty has opened 9 Mexico store locations since 2025

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Mexico Market Spotlight

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Retail: *Price & convenience drive channel choice*

Value % Change vs previous year

Ecommerce

+27% *value sales*

(21% of the total basket)

__Self-service__ stores maintain their leadership of the market, but __discounters__ are gaining momentum as price pressures impact consumers across all socioeconomic levels

Trend Watch: *3 key trends emerging in 2026*

1 *Affordable Premium*

Smaller sizes provide access to premium offerings without relying on core formats.

2 *Innovation through key benefits*

Innovation should clearly deliver tangible benefits:

Multifunctional features
Added trending ingredients
Breakthrough effects

3 *Expansion of the core*

Manufacturers are stretching core brands into new consumption moments.

Mexico's H&B market continues to demonstrate __remarkable resilience__ despite a more challenging FMCG and macroeconomic environment. While overall consumer goods volume remains under pressure, H&B has succeeded in maintaining stable volume performance, supported by the __essential__ nature of hygiene and personal care categories. Growth is increasingly driven by value creation rather than pure pricing, with __innovation, premiumization and differentiated benefits__ helping brands sustain demand. Consumers remain selective with household budgets, adjusting purchase frequency, channel choice and pack sizes, yet continuing to prioritize core categories such as shampoo, deodorants and personal hygiene products.

At the same time, channel dynamics are reshaping the market, as Self Service remain the primary growth engine, emergent channels as __Hard Discounters__ and __e-Commerce__ gain relevance, and Traditional Trade faces mounting pressure. Looking ahead, brands that balance accessibility with added value, leverage innovation effectively, and adapt their portfolios to evolving shopper missions will be best positioned to capture growth. The ability to offer __meaningful differentiation__ while responding to consumers' search for __value__ will remain the key driver of success for H&B in Mexico.

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NIQ Mexico

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