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China Consumer

Cosmetics 2026 Double 11 (Part 2): Mao Geping and Proya progressing well; Top Pick Mao Geping

CITI'S TAKE

Tmall sales ranking and Austin Li livestreaming sales progress post the start of in-stock sale on 20 Oct showed improving trends for Proya and Mao Geping, while trends were more subdued for Giant Bio and Botanee. We have recently changed our China cosmetics top pick to **Mao Geping** to align with domestic players' makeup category strength over int'l peers (see Citi's 20 Oct note: China Consumer - Cosmetics sales slowed in 3Q26 on seasonality; Local brands improved and outperformed in makeup). Although **Proya's** encouraging start to Double 11 shows recovering sales momentum, we still anticipate margin pressure given fierce competition and expect continuous earnings decline in 3Q26E (due on 29 Oct).

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Ranking change compared with pre-sale — Tmall kicked off the Double 11 in-stock sale on 20 Oct and released the top 20 cosmetics brands in terms of GMV. In-stock sales reflect real orders after making full payment of preorders during 15-19 Oct. Compared with pre-sale ranking, **Proya** remained #1, **Maogeping** remained #19, while **Winona** declined to #10 from #6 and **Comfy** was still out of top 20. Regarding Austin Li's livestreaming sales on 20 Oct as compared to 15 Oct, we monitored that Proya and Maogeping had noticeable GMV increment, Comfy had minor increment, while Winona saw reduction. International brand landscape saw more significant shifts with ranking ups for Lancome, Estee Lauder, La Mer, Helena Rubinstein, CPB, Shiseido, YSL, and Kiehl's; downs for SK-II, L'Oreal, Laroche Posay, Guerlain, and Fresh. Skinceuticals remained #2 (Figure 1).

Ranking change compared with last year — We are also comparing with the top 20 cosmetics brands of last double 11 promotion's day-1 in-stock sale. Among the top domestic names, **Proya** remained #1, **Maogeping** improved from#20 to #19, while **Winona** declined to #10 from #8 and **Comfy** declined to out of top 20 from #15. Among major international brands, rankings improved for Skinceuticals, Lancome, SK-II, CPB, HR, YSL and Fresh; declined for Estee Lauder, L'Oreal, La Mer, Olay La Roche Posay, Guerlain, and Kiehl's. Shiseido remained #17 (Figure 2).

Douyin ranking for initial sales stage – Douyin kicked off the Double 11 in-stock sale on 15 Oct and released the top 20 cosmetics brands for the initial stage of 15-18 Oct in terms of GMV. International brands have taken the top 2 positions in skincare and top 3 positions in makeup & perfume categories (Figure 3). Like 618 promotion's initial stage, international premium brands gained momentum driven by KOL livestreaming sales with Douyin's favorable traffic support. Domestic brands' pivot towards self-operated livestreaming sales is strategically right for long-term

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development, while they are weaker positioned in the near term amid Douyin's rule adjustment (Figure 3).

Figure 1. Tmall Double 11 beauty brand GMV ranking progress

2026	In-stock Day 1 (20 Oct)	Pre-sale Day 1 (15 Oct)	Change
Proya	1	1	0
Skinceuticals	2	2	0
Lancome	3	5	2
Estee Lauder	4	7	3
SK-II	5	3	-2
L'Oreal	6	4	-2
La Mer	7	10	3
Clarins	8	8	0
CPB	9	11	2
Winona	10	6	-4
YSL	11	#N/A	new
HR	12	18	6
Olay	13	14	1
Laroche Posay	14	12	-2
Guerlain	15	13	-2
Fan Beauty Diary	16	9	-7
Shiseido	17	#N/A	new
Fresh	18	16	-2
Maogeping	19	19	0
Kiehl's	20	#N/A	new

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Source: Citi Research, Tmall



Figure 2. Tmall Double 11 beauty brand GMV ranking yoy

In-stock Day 1	2026 (20 Oct)	2025 (20 Oct)	Change
Proya	1	1	0
Skinceuticals	2	3	1
Lancome	3	4	1
Estee Lauder	4	2	-2
SK-II	5	7	2
L'Oreal	6	5	-1
La Mer	7	6	-1
Clarins	8	9	1
CPB	9	11	2
Winona	10	8	-2
YSL	11	12	1
HR	12	16	4
Olay	13	10	-3
Laroche Posay	14	13	-1
Guerlain	15	14	-1
Fan Beauty Diary	16	#N/A	new
Shiseido	17	17	0
Fresh	18	19	1
Maogeping	19	20	1
Kiehl's	20	18	-2

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Source: Citi Research, Tmall

Figure 3. Double 11 initial stage ranking

2026	Tmall Double 11 (20 Oct)	Douyin Double 11 (15-18 Oct)	Douyin 618 (15-20 May)
1	Proya	HR	HR
2	Skinceuticals	Estee Lauder	La Mer
3	Lancome	Proya	Proya
4	Estee Lauder	La Mer	Estee Lauder
5	SK-II	Clarins	Pechoin
6	L'Oreal	Lancome	Lancome
7	La Mer	Pechoin	Chando
8	Clarins	Chando	Clarins
9	CPB	SkinCeuticals	SkinCeuticals
10	Winona	CPB	YSL
11	YSL	Winona	
12	HR	YSL	
13	Olay	Kans	
14	Laroche Posay	L'Oreal	
15	Guerlain	Marubi	
16	Fan Beauty Diary	Dr Wu	
17	Shiseido	Forest Cabin	
18	Fresh	Olay	
19	Maogeping	Comfy	
20	Kiehl's	Grain Rain	

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Note: Domestic brands are highlighted

Source: Citi Research, Tmall, Qingyan

Mao Geping Cosmetics

(1318.HK; HK$45.82; 1; 21 Oct 26; 16:10)

Valuation

Our DCF-based target price for MAO Geping at HK$72.6 implies 21x 2026E P/E, at the high end of Chinese cosmetics peers and above the average, which we believe is justified for its faster growth potential, superior ROE, and stronger brand equity. We use a DCF valuation methodology to capture the company's strong cash flow generation and long-term growth potential. Our WACC assumption of 11.9% is derived from a risk-free rate of 2%, an equity-risk premium of 10%, and beta of 1.0. Our 10-year free cash flow growth estimates decelerate from the 30s to mid- to high-single-digits, and our terminal growth rate is 2%.

Risks

Our Quantitative model rates the stock High Risk for its short listing history, but we override it considering its qualitative factors such as solid revenue growth in the past few years, a stable management team on the back of the company's long operating history (founded in 2000), and strong execution. Key downside risks that may prevent the stock from reaching our target price include: 1) heavy reliance on founder IP; 2) challenges while diversifying into other skincare businesses; 3) fierce competition and dynamic market; 4) rising cost of online channel development; 5) consumption trade-down; and 6) a lock-up period for cornerstone investors that expired on June 10, 2026, which could put pressure on the stock price.