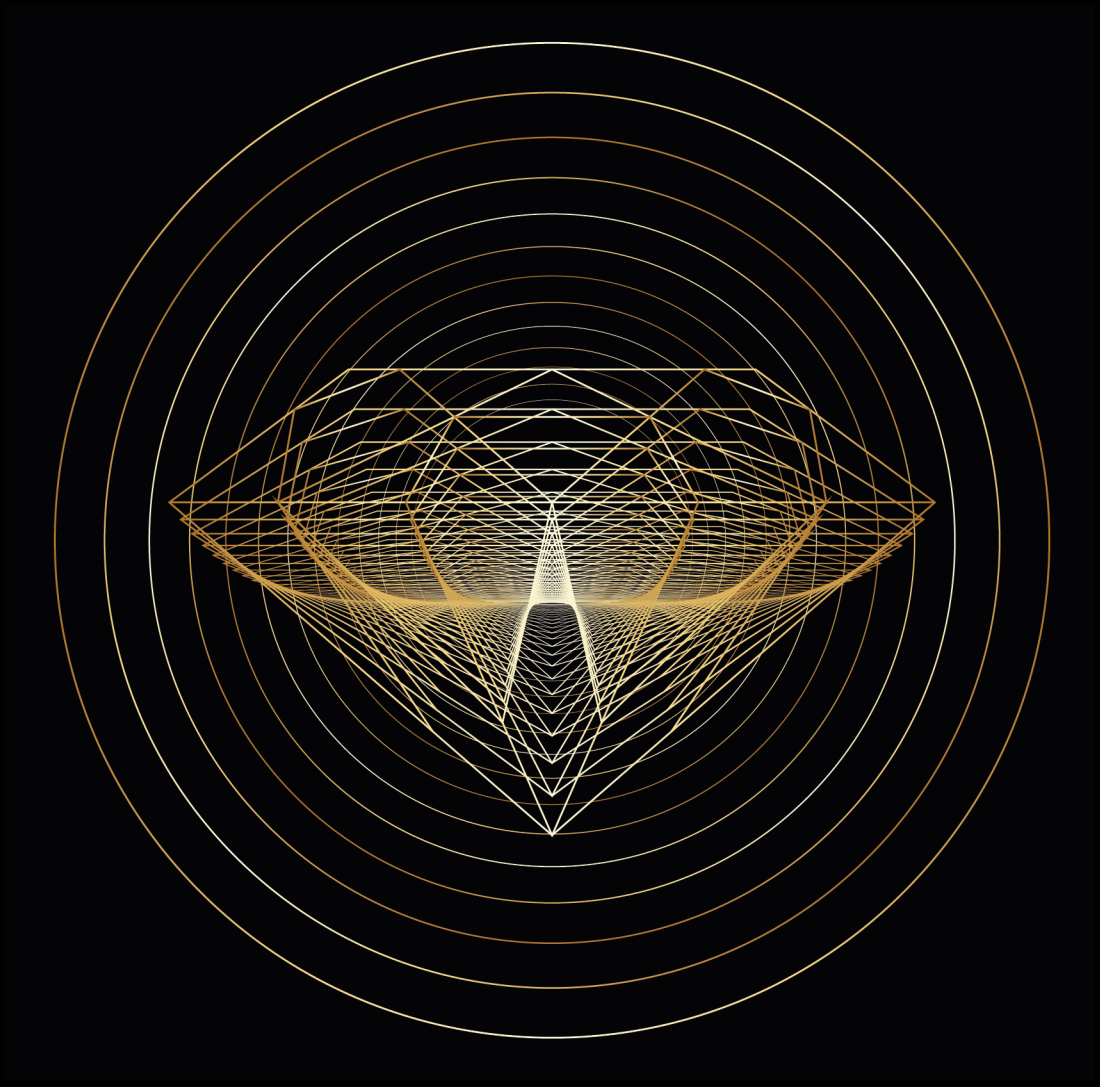
Deloitte.



Global Powers of Luxury Goods 2019

Bridging the gap between the old and the new

Contents

Foreword	2
Quick statistics	4
Bridging the gap between the old and the new	6
Global economic outlook	12
Top 10 highlights	14
Global Powers of Luxury Goods Top 100	19
Geographic analysis	25
Product sector analysis	31
New entrants	36
Fastest 20	38
Study methodology and data sources	41
Endnotes	43
Contacts	45

Foreword

Welcome to the sixth edition of Global Powers of Luxury Goods.

This report examines and lists the 100 largest luxury goods companies globally, based on the consolidated sales of luxury goods in FY2017 (which we define as financial years ending within the 12 months to 30 June 2018). It also discusses the key trends shaping the luxury market and provides a global economic outlook.

The world's Top 100 luxury goods companies generated aggregated revenues of US$247 billion in FY2017, up from US$217 billion in the previous year (an increase of US$30 billion). Annual growth also jumped to 10.8 percent, on a currency-adjusted composite basis, much higher than the previous year's 1.0 percent growth.

The minimum revenue threshold required to enter the world's Top 100 list of luxury goods companies in FY2017 was US$218 million, up by US$7 million from FY2016, with an average company size of US$2.47 billion.

Despite the recent slowdown of economic growth in major markets including China, the Eurozone and the US, the luxury goods market looks positive. The Top 100 players showed strong performance in FY2017 – seventy-six percent of the companies reported growth in their luxury sales, with nearly half of these recording double-digit year-on-year growth.

Key findings from the report include:

- FY2017 was a good year for luxury goods companies, with year-on-year growth sales across all major countries.
- Italy was once again the leading luxury goods country in terms of the number of companies, but it still faces growth challenges; France was the best-performing country in terms of sales growth and also contributed the largest share to the Top 100 luxury goods sales.
- Clothing and footwear companies dominated with the highest number of companies; cosmetics and fragrances witnessed the highest luxury goods sales growth.
- The ten companies in the multiple luxury goods sector are by far the largest, with an average company size of US$7.59 billion, outperforming the average size of companies in Top 100. These companies together accounted for 30.8 percent of the Top 100 luxury goods sales.

We hope you find this report interesting and useful, and welcome your feedback.



Patrizia Arienti
EMEA Fashion & Luxury Leader
Deloitte Global

Top 100 quick statistics, FY2017

US$247 billion
Aggregate luxury goods sales

US$2.47 billion
Average size of Top 100 companies (luxury goods sales)

Minimum luxury goods sales required to be on Top 100 list
US$218 million

10.8%
Composite year-over-year sales growth

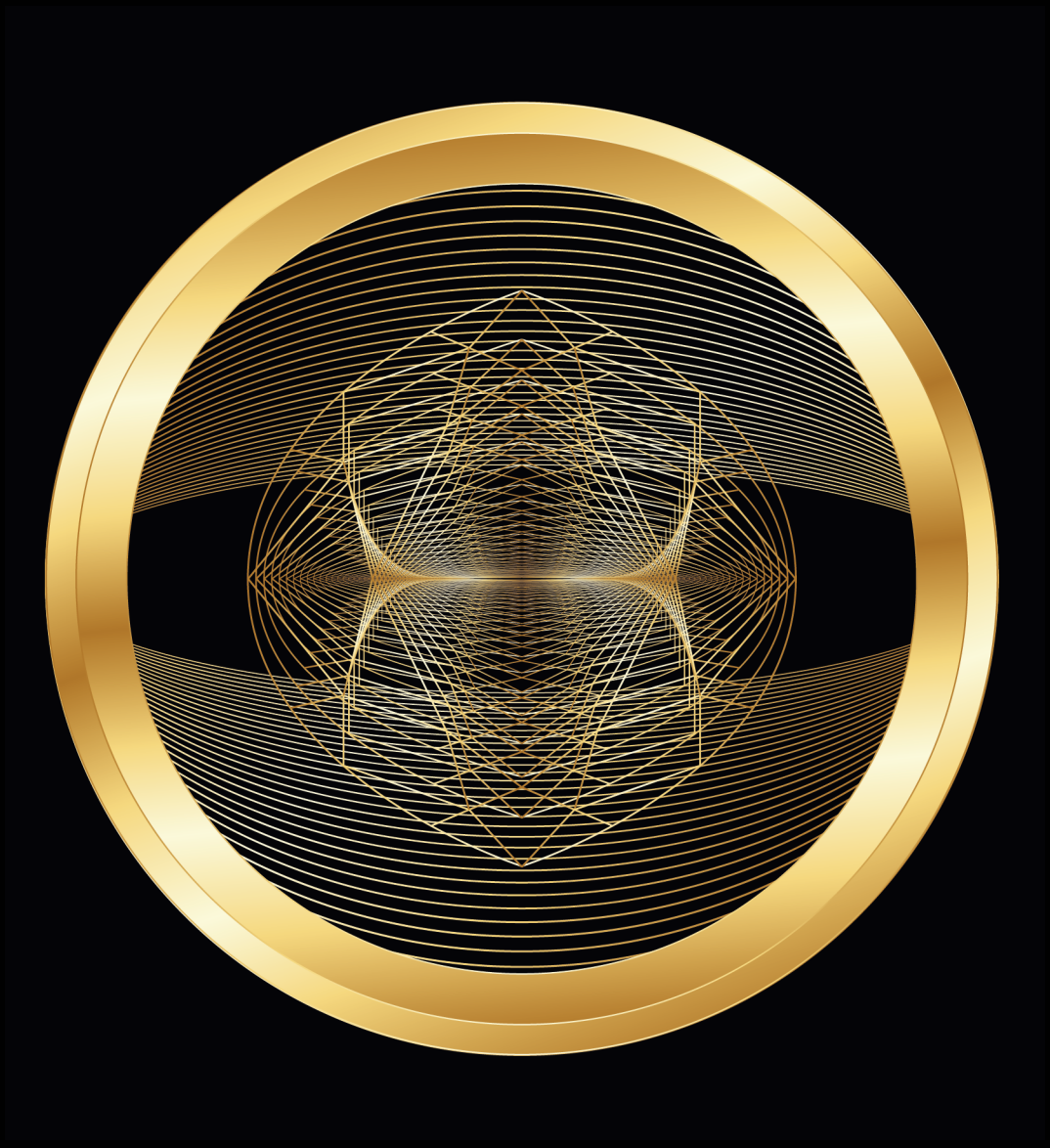
Composite net profit margin
9.8%

FY2015-2017 Compound annual growth rate in luxury goods sales
5.3%

7.6%
Composite return on assets

48.2%
Economic concentration of Top 100

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.



Bridging the gap between the old and the new

In an age of fast changing trends, luxury companies have started to keep an eye on a new consumer class that is rising nowadays and is going to become increasingly relevant in the future: the HENRYs (High-Earners-Not–Rich-Yet). In addition, companies are committing to make significant investments in stimulating the interest of the younger segments of the population, namely Millennials and Gen Z: the customers of the future.

Since these 'new' tech savvy generations look for individualized, seamless brand relationship, brands are investing worldwide to market digitally, increasingly using social media to engage with these consumers.

Meanwhile, companies are also re-examining the value of brand heritage and brand history for their customers. Consumer demand has become the core focus of the business, hence the adoption of an onmi-personal approach, irrespective of the choice of channel.

To do that, they rely more and more on digital technologies, such as Artificial Intelligence (AI) and Big Data, which are helping them in redesigning customer engagement techniques through data analytics.

In this path between the old and the new, they are facing customers' increasing sensitivity towards privacy but are trying to convert it into an opportunity to offer more personalized products and services to their customer base.

The emergence of a new luxury segment - the HENRYs

Luxury brands have started to initiate and sustain longstanding relationships with a new consumer class who is likely to become or remain affluent or ultra-affluent in the future

A new consumer class has started to rise recently and is likely going to be very relevant in the future, especially for luxury brands: the HENRYs (High-Earners-Not–Rich-Yet). Currently, they have a significant discretionary income and are highly likely to be wealthy in future. HENRYs earn between US$100,000 and US$250,000[1] though according to Equifax's much broader definition, HENRYs are aged on average 43, with an income of more than US$100,000 and investable assets of less than US$1 million.[2] HENRYs are digital savvy, love online shopping and are big spenders, in particular the Millennial HENRYs (see Figure 1).

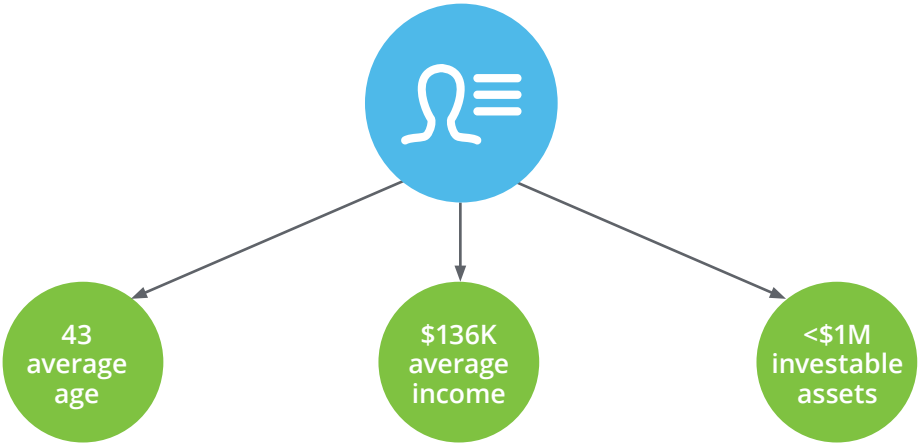
With HENRYs likely to become some of the wealthiest members of society, the potential benefits of onboarding this demographic to luxury brands' product and service portfolio are twofold: securing valuable present customers and building client relationships and business with those most likely to be amongst the most affluent consumers in future.

Therefore, luxury brands wishing to target HENRYs must offer inclusive, yet individualized and self-expressive products.

As HENRYs are a critically important customer segment, loyalty could be built by endorsing their core values, such as authenticity, relatability, commitment to do the right thing, and following sustainable practices.[3] Consequently, brands have started to deliberately focus on values shared by this aspirational demographic.

Finally, since HENRYs are heavily influenced by modern technology and use of social media to form their buying decisions, luxury brands have started to engage with these customers by leveraging on social media platforms.

Figure 1. Who are the HENRYs?



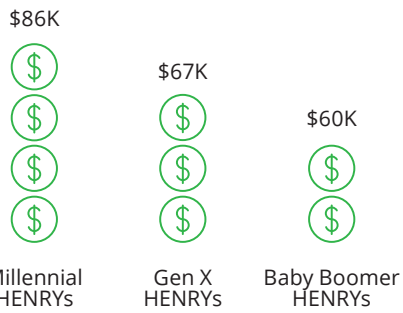
Credit preferences

Prefer to pay online with mobile devices

Prefer credit/debit cards with rewards (Cash back, airline miles, etc.)

Prefer to have loans (car, mortgages, etc.) so they are not into savings

HENRYs are big spenders...



Average annual spending per HENRY household

...and LOVE shopping online

Clothing and footwear

Home furnishings

Books

Cosmetics

Pet supplies/ products

Holidays

Entertainment

Toys/ games

Sustainability is KEY to win new customer generations' hearts

Historically, the luxury industry has been associated with concepts like excessive consumerism, extremely high costs, elitism or guilty pleasures. However, as the new generations are taking over the market with their new values, consumers' expectation for luxury brands are changing accordingly.

Ethics and moral values are becoming increasingly important for consumers, in such a way that they are starting to strongly influence their purchasing decisions. Environment, sustainability, animal welfare, production and labor practices, positive impact on communities are all elements now taken into consideration when buying a product, and luxury goods are not an exception. In particular, younger generations and millennials are the most dedicated to sustainability and deeply care about a brand's ethical standards. Affluent millennial consumers want their preferred luxury brands to be involved and provide a positive contribution to their ecosystem with practical actions and are willing to pay a premium price for those products that come from a conscious brand. In fact, since they value transparency and authenticity, they expect the brands that they buy to reflect their own values.

The new affluent generations are more socially and environmentally conscious, and so have higher expectations of luxury brands to be more sustainable and ethical in their production processes. This implies an important lesson for luxury brands that want to retain these customers: they need to evolve towards new models of ethical and sustainable luxury.

BURBERRY

In September 2018, Burberry announced that it is ending the practice of destroying finished luxury products and will expand the practice of recycling, repairing and donating unsaleable products.[4]

KERING

The Kering group, which owns Gucci, Stella McCartney, and Saint Laurent brands, among other high-end labels, is increasing the share of its raw materials that are renewable to improve its sustainability. Moreover, the company has been one of the first to implement a Code of Ethics and a Sustainability team. They went further with the creation of the Kering Foundation whose purpose is to combat violence against women. In 2018, Kering published the Kering Standards, an official list of advanced industry environmental and social requirements for its brands and suppliers. "Our ambition is to redefine luxury to help influence and drive these positive changes" says Marie-Claire Daveu, Kering's chief sustainability officer.[5]

PRADA

Back in 2007, Prada was one of the first to adopt a Code of Ethics regulating on a daily basis the Group's working life. The company is also a promoter of many sustainability activities: it supports the "Manifesto of sustainability for Italian Fashion" and is a member of the 'Sustainability, Ecology and Environment Commission' that aims at creating shared environmental and ethical standards among the main players of the Italian fashion industry. Prada has also contributed to the "Guidelines on eco-toxicological requirements for articles of clothing, leather goods, footwear and accessories" which introduces new and more stringent parameters for the use of chemicals to improve products safety and reducing pollution.[6]

ROLEX

Luxury watch brand Rolex has been a precursor in the philanthropic and socially conscious field with their "Rolex Award for Enterprise". The goal of this award is to reward young entrepreneurs (aged 18 to 30) for projects that are driving a positive environmental or cultural change. This is an example of a tangible approach towards sustainable luxury and socially conscious innovation; and taking real steps to improve, not only the lives of individuals but also the planet as a whole.[7]

TIFFANY

Luxury brand Tiffany operates in the diamond industry that has been under the spotlight for many years, accused of bringing conflicts to communities in Africa. In an attempt to turn this perception from negative to positive, Tiffany was one of the first high-end brands to opt sourcing metals and diamonds from responsible mining companies. Now, Tiffany has a zero-tolerance policy for purchasing diamonds from countries with human rights infringements. They went further in their social and environmental commitment by creating a philanthropic foundation working on reef conservation and awareness for responsible mining.[8]

Luxury brands usage of social media as a part of their marketing strategy

To stimulate interest among Millennials and Gen Z, luxury brands are increasingly using social media platforms to engage with young consumers, while trying to keep their brand value intact.

The future success of luxury brands depends on how well they will be able to communicate and market their goods to the new generations of tech-savvy buyers. The rapid digitalization and ease of use of the digitalized platforms have led consumers, especially the youngest ones, to increasingly use social media tools to express their brand preferences.

In order to engage with tech-savvy Millennials and Gen Z consumers that seek greater value for money, more personalization, and integrated digital access, luxury brands have started to develop accurate social media strategies.

Nowadays, almost every brand has its own distinct social media strategy that is carefully designed keeping in mind their traditional customers preferences and choices. Some of these strategies include unveiling the collection on social media platforms.

Others are trying to promote their products on social media by emphasizing their aspirational characteristics rather than their accessibility, to avoid impacting their traditional brand value. They post regularly and consistently, differentiating and optimizing the type of content across platforms.

Finally, many luxury brands are also developing relationships with influencers and niche bloggers, who advocate the brand within interested communities. Mr. Bags is already a kind of institution in China but there are many examples of luxury influencers such as fashion bloggers (Gogoboi, Gabi Gregg, Jenn Im, Julia Engel) and fashion businesswomen (Chiara Ferragni) that play a major role in endorsing luxury products.[9]

As a downside, the massive use of influencers has raised the interest of regulatory authorities in several countries, starting from the US, and the application of rules on transparency in advertising is affecting the brands' relationship with influencers. Specific rules on the use of hashtags like #ad, #sponsored and the like have been issued by a number of advertising bodies and are to be complied in luxury brands social media campaigns.

Social media strategies

In 2017, **Chanel** was named the most influential luxury brand on social media. Chanel employs sections of advertising material to stimulate interest on Instagram, while posting the entire advertisement on YouTube or Facebook. The company's content strategy is carefully crafted and centered on creative videos. According to theloup.co Luxury Social Video Index (July 2017), Chanel videos generated more than 300 million views on both YouTube and Facebook, more than any other luxury brand. Additionally, Chanel also posts videos on social media platforms for more behind-the-scenes content, such as its 'Inside Chanel' series. Also, Chanel promotes products by emphasizing their aspirational characteristics rather than their accessibility.[10,11]

Gucci, has capitalized on the opportunity of engaging with HENRYs through its industry-leading digital initiatives such as #GucciGram where it collaborated with Instagram artists and #24HourAce where artists participated in Gucci's video project and took over the company's Snapchat account for an hour.[12]

Louis Vuitton engages its social media followers by giving them exclusive sneak peeks into its new products launches and also by hosting giveaway events on different platforms. Louis Vuitton also regularly posts its catwalk shows, ad campaigns, promo events, store openings, and influencers wearing its designs. The company's social media strategy has been a success according to Similarweb - the average online visit to Louis Vuitton's site lasts 4.15 minutes (people typically only spend 1.5 minutes on average).[13]

In July 2018, the influential fashion blogger Mr. Bags, with 3.5 million readers on China's biggest social media platform Weibo and more than 850,000 followers on WeChat, collaborated with **Montblanc** on a limited edition collection of women's handbags.[14] This strategy was adopted by the company such that fashion bloggers act as its agent and promote the brand in their influencer communities.

In 2017, **Prada** launched its advertising campaign #Prada365, marking its entry in the social media world. The company moved from traditional advertising towards a modern strategy blending print, online and social media. The campaign concept is building a continuous visual data stream throughout the year, replacing the traditional seasonal campaign. The core of the communication became the product, and Prada choose famous testimonials to promote the campaign.[15]

In July 2018, Mr. Bags also helped **Tod's** sell handbags worth RMB3.24 million (US$0.5 million) on its new WeChat mini-program "Baoshop" in only six minutes.[16]

Legacy luxury brands re-examine the value of brand heritage and history

To appeal to the growing global affluent millennial population, high-end companies are abandoning previous long-held beliefs that exclusivity and high prices were essential brand characteristics.

Long established luxury industry brands face a new reality. Given the shift in the demographics of consumers across the globe, luxury brands that used to boast of their long history are finding it less effective. The reality is that 'new' luxury consumers only care about the brands that have created value for them in the last 24 hours.

The Luxury Institute's report on the Millennials, Gen X and even some Baby Boomers, regard brand history and heritage as much less important attributes of luxury brands when making purchasing decisions, ranking them sixth after quality, customer service, design, craftsmanship, and product exclusivity.[17]

In this context, luxury brands are understanding that, if they continue to depend heavily on heritage without radically reinventing, they will be destined to be rejected by the growing global affluent millennial population.

Thus, to appeal to the new generation and remain relevant, some brands are replacing reliance on heritage with radical redesigns, including brand contamination with streetwear firms. To secure greater modernity, while enabling stronger competitiveness with those fashion houses most popular with millennials,[18] some high-end brands such as Louis Vuitton x Supreme, Manolo Blahnik x Vetements, and Jimmy Choo x Off-White—are countenancing brand contamination by collaborating with streetwear firms.

From omni-channel luxury to omni-personal luxury

To leverage the relationship with tech savvy young generation, which looks for individualized, seamless brand relationship, brands are focusing their business around consumer demands, through omni-personal services.

As hyper-servicing by omni-channels becomes more widespread, clients increasingly take its inclusion for granted, commoditizing the consumer experience. Instead, to ensure greatest loyalty, brands are starting to become highly personalized to meet individual customer requirements.

Some of them, having realized they can reap significant benefits through personalization, have started to give a personal touch by proactively incorporating customer feedback.

Others are responding to the growing need towards personalization by providing individualized consumer products.

The urgency of personalization is so high that some brands are incorporating personalization in their long-term strategies, in order to differentiate themselves with impeccable designs and services.

Luxury brands personalization strategies

As part of plans to strengthen its digital strategy announced in November 2018, **Kering** developed a new digital approach to customer service with centralized teams in Europe and the US focused on addressing customers' requests. All its brands began using best-in-class digital tools that provided a 360 view of each client to the company's client service representatives.[19]

In October 2018, **Louis Vuitton** launched its first personalization program in menswear "Now Yours," a customizable capsule collection featuring the iconic Run Away sneaker, as well as a selection of individualized ready-to-wear items such as aviator jackets, varsity cardigans, and classic denim trousers.[20] The strategy is not new: yet in 2016, **Gucci** launched a 'Do It Yourself' service, enabling customers to personalize a selection of products, starting with the Dionysus handbag.[21] Even before, in 2011, **Burberry** launched its 'Bespoke' campaign to enable customers to choose their trench coat's style, color, fabric and material.[22] Later, the firm launched its customized perfume collection in New York during 2017.[23]

In November 2018, **Hugo Boss** published its strategic business plan for 2022. The company seeks to grow its revenue partly by focusing on personalization by treating consumers individually, providing more bespoke products such as a unique brand-specific shopping experience, and capitalizing on its own extensive experience in the design and production of made-to-measure clothing.[24]

Building relationships based on data – luxury brands new focus

To focus on specific audience segments, while adopting omni-personal approach, luxury brands are redesigning customer engagement techniques by using data analytics tools

As luxury brands target very specific customer groups, they must build good relationships with each client and offer a superior purchasing experience. Global research and advisor company Gartner Inc. had forecast, even back in 2011, that by 2020, clients will manage 85% of their relationship with companies without human assistance.[25]

Big data may help luxury brands to provide personalized and superior customer service through consumer segmentation, behavior and sentiment analysis, and predictive analytics. Several luxury brands, such as Louis Vuitton, Burberry, Tommy Hilfiger, Dior and Estée Lauder, have already started to take advantage of these technologies, using AI-powered technologies, such as machine learning and analytics, to offer more personalized and timely customer services. They implemented their own AI-powered chatbots and now can sell products using targeted marketing, personalization, and timely automation.

Luxury companies are also coming up with new digital strategies to use data to derive customer insights and understand trends and developments.

Additionally, they are using business intelligence tools and software to capture data and generate insights to design marketing campaigns as well as optimize their services.

Luxury brands team up with data analytics

In December 2017, **Louis Vuitton** launched its Digital Assistant chatbot on Facebook, which allows users to share products with Facebook friends and receive votes on what to buy.[26] In September 2018, **Ted Baker** also rolled out Seemore, an AI-based chatbot for Facebook, which offers virtual assistance to customers.[27]

In November 2018, **Kering** created a data science team at group level to improve the service and shopping experience of its clients by assessing the data. Kering intends to get real-time 360-degree view of its customers to deliver rich and personalized experiences and meet their specific needs.[28]

Finding the right balance between personalization and privacy commitments

Implementation of privacy laws inhibits the freedom of luxury brands to use consumer data for providing personalized services, but many companies are promptly reacting

Recently, the luxury world has been characterized by offering a knowledgeable, tailored and seamless service. For luxury brands understanding their clientele and knowing their preferences is crucial to provide the personalized experience that their customers expect.

However, given the implementation of data privacy laws the landscape is changing. Data privacy laws and other regulations are limiting the extent to which brands can provide customized shopping experiences. Several new requirements, such as the EU's General Data Protection Regulation (GDPR), which took effect in May 2018, and the California Consumer Privacy Act, which imposes various obligations from 2020, limit the extent to which firms may gather and use personal customer data.

The legal framework is particularly complex also due to the different level of protection of data owners depending on the jurisdiction. Circulation of data from the UK to the US and many other non-EU countries is strongly limited and subject to strict compliance requirements as they are deemed unsafe for data processing purposes. This affects almost all luxury brands vven the smaller brands, who are global by definition.

Luxury brands might be affected as they seek to leverage information on purchasing behavior, location-based marketing, social media analysis, and browsing histories. As consumers increasingly become aware of their rights under the various privacy laws, luxury brands have started to prioritize how they understand their data – what they are holding, where it is stored, who oversees it, how secure it is and what they are using it for, in order to avoid losing their customer base.

Many companies have created separate roles for trained Data Protection Officers, who are required to keep a check on brands vulnerability with the customer data. Additionally, all staff members who come into contact with customer data are being trained on the new legislations, best practices and what the changes mean.

Furthermore, some of the most forward thinking luxury brands are evaluating how to use the implementation of GDPR as an opportunity to offer more personalized products and services to their loyal customer base.

For example, Estée Lauder is rolling out a new POS infrastructure across 24 countries in EMEA. The infrastructure, which will be manageable, scalable, and allows for mobile and payment integration, will enable the company to get a single view of customers and their purchases online and offline, and eventually offer more personalized services. Esteé Lauder's multi-country rollout will start from Germany, which has some of the strictest data protection regulations in the world.[29]

Global economic outlook

Overview

Despite the recent slowdown of economic growth in major markets including China, the Eurozone and the US, the luxury goods market looks positive. The US' recent adoption of protectionist policies, the implementation of fiscal policies, tighter monetary policy and restrictive trade policy have resulted in slower consumer spending, higher consumer prices, and disrupted global supply chains. The uncertainty of the outcome of Brexit (the UK's strategy to leave the European Union), will undoubtedly have an effect on the Eurozone and beyond. Other factors impacting the future of the global luxury market include the digital revolution and the impact of technology, the growing global middle class and the influence of Millennial HENRYs and Generation Z (Gen Z) on the development of the luxury market.

The impact of protectionist policies

The full impact of the protectionist policies introduced by the US Government in 2018 is yet to be revealed. The policies review the existing trade partnerships and application of trade tariffs with a view to reduce the trade deficit. The US Government has made some bold steps with its withdrawal from the Trans-Pacific Partnership (TPP), imposed tariffs on the imports of steel and aluminium from the European Union (EU), Canada and Mexico; and imposed a substantial array of tariffs on imports from China. The tariffs, a tax imposed on imports and exports, are being used to control competition within the US, but also to generate revenue. The tariffs not only impact consumer purchasing power, but also invite retaliation from trading countries. Companies experience an increased cost of production and as a result this impacts their competitiveness. By the end of 2018, the tariffs had not been in place long enough to significantly influence consumer spending.

The digital revolution

Technology is disrupting all industries and its greatest impact on the luxury market is the rise of e-commerce and ultimately the need for brands to operate an omnichannel strategy i.e. online and bricks and mortar. There is a rise in the number of online purchases, as well as consumers who conduct research online, but purchase in-store. The importance of customer experience, both in-store and online has grown. Trade costs have been reduced enabling the luxury brands to offer more homogeneity in their global product offerings.

The growing middle class

By 2020 more than 50 percent of consumers will be considered "middle class".[30] The luxury market will continue to experience significant growth to accommodate this rising new class. This market is dominated by Millennial HENRYs and Gen Z, with high disposal income and are very prominent within the rising economies of the emerging markets. Both China and India are attractive markets for brands in this regard, but each require in-depth market knowledge.

Eurozone

The Eurozone has continued to experience growth albeit at a slower pace in 2018. Spain and France have outperformed the Eurozone, with Germany and Italy experiencing slight contractions in their growth. The cause of this deceleration can be attributed to higher energy prices, a high valued Euro, trade uncertainty and weakened global demand. The Eurozone has undoubtedly been impacted by the trade wars between China and the US, but the debt to GDP situation in the Eurozone has also contributed to the slow growth. Despite this back drop the Eurozone has reached its highest level of employment and wage growth, fueling private consumption.

Brexit is undoubtedly the largest political threat to the Eurozone at present, but there are continual conflicts rising across the region, most recently with the protests in France. The Eurozone will not be insulated from Brexit but the exact impact is difficult to predict.

China

The Chinese economy slowed down in 2018 for the first time in 28 years. Despite this, luxury goods sales grew in mainland China as well as abroad, and Chinese consumers now lead the consumption of luxury goods both at home and outside. China ranks second globally for the contribution its travel and tourism makes to the GDP, in 2028 it is forecasted to account for 12.9 percent of GDP.[31] China has transformed itself socially and economically over the last 30 years, as a result of huge financing support by the government. This has resulted in a high debt to GDP ratio, a structure, which is clearly unsustainable and in need of a policy reform. The protectionist policies of the US are a major threat to the economy, and as a result China is taking steps to insulate itself from the export market.

Made in China 2025 is an initiative to make China self-sufficient and a tech powerhouse. Another strategy that could assist with the reduction of government debt is investment in the stock exchange, and sale of shares of the many government-owned market leading companies. At present the US and China are in talks to discuss the current tariffs in place and so changes are expected in 2019.

United States

The US economy received a boost from fiscal policy in 2018, with a combination of tax cuts and spending increases, which fueled increased demand and caused a temporary acceleration of growth. Luxury goods has continued to experience demand in the US despite these policies. However, fiscal policy also led to bottlenecks and wage acceleration, given that the economy was already at full employment. The Federal Reserve responded by raising interest rates, a process which is likely to continue in 2019. Ultimately, tight monetary policy combined with trade wars and a potential reversal of fiscal policy will cause the economy to slow down and, possibly go into recession within two to three years. With weak investment and exports, consumer spending has fueled growth. Yet spending has mostly risen faster than income, as households dipped into savings and took on more debt. This situation is not sustainable indefinitely. Unless there is a significant acceleration in wages, it is likely that growth in consumer spending will slow down in 2019. Moreover, after tariffs have been fully implemented, this too could negatively affect consumer spending.

India

The luxury products market in India continues to experience a high growth rate, with a rising disposable income segment supplementing purchasing decisions that are enabled by the power of technology. Markets beyond the major metros and a growing number of HENRYs ((High-Earners-Not–Rich-Yet) spending on luxury goods are largely responsible for the growth of this market. The next few years are going to be dynamic for the Indian luxury market with increasing growth and competition seen especially in the "bridge to luxury" segment. Traditional "definitions" and "characteristics" of luxury are evolving, thereby creating new opportunities for both existing players and entrants.

While the usual challenges like quality staff and real estate remain, many players are changing their business models or strategy to overcome these. As a result, there is significant investment in boutique stores by luxury brands in luxury malls or hotels or by forming a joint venture with a local distributor. The sector is also seeing the ever increasing emergence of Indian players who have created a niche for themselves in the luxury segment by leveraging the traditional Indian strengths in areas such as arts, crafts and medicines. If the luxury market is to continue to achieve these gains there will need to be political stability following the 2019 national elections, support from the government to address the barrier of import duties, and stabilisation of the Indian rupee versus the US dollar.

Japan

The luxury market in Japan is predicted to experience continued growth from 2019 to 2022. Luxury fashion and prestige cosmetics and fragrances will continue to dominate sales in 2022, with luxury watches and leather goods maintaining steady growth. The market is growing steadily, with a continual rise in wages and increase in employment levels resulting in increased consumer spending. The rise in the number of working women has had a positive impact on luxury sales, as there is an increased preference for luxury brands.

United Arab Emirates

The sustained growth in the United Arab Emirates luxury market, can be attributed to an increase in brand omnichannel strategies and the continued rise in the tourism industry. The economy continues to experience challenges due to the introduction of VAT and the rising cost of education and rents, but the forecast for the growth of the luxury market is positive. It is expected that the luxury market will continue to experience growth as the market matures and adjusts to global trends.

Latin America

Forecasts for 2019 suggest a much less turbulent period for Latin America with the end of chaotic election period, however, the impact of the ongoing issues in Venezuela is yet to be seen. There is a marginal growth in the luxury market with an increase in GDP, and a generally positive outlook for the market. Stability following the election cycle will undoubtedly boost consumer confidence. The luxury market is still predominantly focused on bricks and mortar, with consumers preferring to buy in-store. The sale of luxury goods is forecast to grow, with Mexico leading the way, but even so the Latin American region needs to address the economic challenges in order to bring about sustainable stability to foster growth.

Russia

Moscow is the focus for luxury goods in Russia, accounting for 70 percent[32] of all luxury goods sales taking place in the country. The Russia luxury goods market is predicted to maintain its growth from 2019 to 2022. TSUM, one of the largest department stores in Eastern Europe, has expanded by 70,000 square feet of commercial space to meet this increasing demand. Results in 2019 will show the impact of "Milanese pricing", where goods are the same price or cheaper than Milan or Paris, coupled with the introduction of the tax refund from 1 January 2018 on the sales of luxury goods in Russia. In-store sales currently dominate the consumer experience, providing an opportunity for increased online sales in the sector.



Top 10 highlights

Top 10 luxury goods companies by sales, FY2017

FY2017 Luxury goods sales ranking	Change in ranking	Name of company	Country of origin	FY2017 Luxury goods sales (US$m)	FY2017 Total revenue (US$m)	FY2017 Luxury goods sales growth*	FY2017 Net profit margin[1]**	FY2017 Return on assets**	FY2015-2017 Luxury Goods CAGR[2]*
1	⬌	LVMH Moët Hennessy-Louis Vuitton SE	France	27,995	48,057	17.2%	13.2%	8.2%	10.9%
2	⬌	The Estée Lauder Companies Inc.	US	13,683	13,683	15.7%	8.1%	8.8%	10.2%
3	⬌	Compagnie Financière Richemont SA	Switzerland	12,819	12,819	3.1%	11.1%	4.8%	-0.4%
4	⬆ +1	Kering SA	France	12,168	17,446	27.5%	12.1%	7.3%	17.2%
5	⬇ -1	Luxottica Group SpA	Italy	10,322	10,322	0.8%	11.4%	10.4%	1.8%
6	New	Chanel Limited	UK	9,623	9,623	11.5%	18.6%	19.6%	ne
7	⬇ -1	L'Oréal Luxe	France	9,549 e	9,549 e	10.6%	n/a	n/a	8.2%
8	⬇ -1	The Swatch Group Ltd.	Switzerland	7,819	8,082	5.4%	9.5%	5.6%	-2.9%
9	⬆ +1	Chow Tai Fook Jewellery Group Limited 周大福珠宝集团有限公司	Hong Kong	7,575	7,575	15.4%	7.1%	7.3%	2.2%
10	⬇ -1	PVH Corp.	US	7,355	8,915	10.7%	6.0%	4.5%	8.1%
Top 10				**118,909**	**146,071**	**14.2%**	**11.6%**	**7.8%**	**7.5%**
Top 100				**246,664**	**276,754**	**10.8%**	**9.8%**	**7.6%**	**5.3%**
Economic concentration of Top 10				**48.2%**	**52.8%**				

[1] Net profit margin based on total consolidated revenue and net income
[2] Compound annual growth rate
e=estimate n/a=not available ne=not in existence (created by reorganization)
*Top 100 sales growth rates are sales-weighted, currency-adjusted composites
**Top 100 net profit margin, return on assets and asset turnover ratio are sales-weighted composites
Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

Top 10 luxury companies: Asia Pacific drives high revenue growth in luxury goods sales

The Top 10 accounted for nearly half (48.2 percent) of the total luxury goods sales of Top 100 companies in FY2017, an increase of one percentage point over the Top 10 share in last year's report. Year-on-year composite sales growth jumped by 13.6 percentage points, to 14.2 percent. The Top 10 also improved their composite net profit margin, to 11.6 percent, and outperformed the composite Top 100 luxury goods companies on both sales growth and net profit margin. The top three companies were unchanged, while Kering's 27.5 percent growth allowed it to overtake Luxottica into fourth position. The most notable change in the Top 10 luxury goods leaders was the entry of Chanel Limited in position No. 6. Privately-owned luxury icon Chanel, now headquartered in the UK, published their financial results for the first time in 2018. Chow Tai Fook moved ahead of PVH Corporation into ninth place. Ralph Lauren Corporation dropped out of the Top 10 for the first time since this report has been published, slipping four places from FY2016 to rank 12, as their sales continued to decline.

LVMH continued to hold its leading position in the Top 10 with 17.2 percent sales growth over the previous year, recording US$28 billion sales in FY2017 (a gain of over Euro 3.6 billion). LVMH's leadership is underlined by their 11.3 percent share of the total Top 100 luxury goods sales. The company's luxury sales growth exceeded the Top 10 as well as Top 100's growth in FY2017 by 3.0 percentage points and 6.4 percentage points, respectively. Strong organic growth (constant consolidation scope and constant currency) of 12 to 14 percent for all three LVMH luxury business groups was further boosted by acquisitions – primarily the consolidation of Christian Dior Couture sales into the Fashion and Leather Goods business group for the second half of FY2017. Sales of this business group jumped by 21.1 percent (nearly Eur2.7 billion), and now accounts for 62.3 percent of LVMH's personal luxury goods sales. Solid organic growth from LVMH's iconic brand Louis Vuitton as well as Loewe, Kenzo, Fendi, Berluti and Loro Piana and the integration of the Rimowa premium luggage acquisition

offset the effects of the sale of Donna Karan and negative exchange rates. The Perfumes & Cosmetics business segment contributed 22.4 percent of LVMH's personal luxury goods sales, and was up by 12.3 percent, with significant revenue growth across all regions, and particularly in Asia. Some of their brands such as Zenith went on the Chinese Luxury Pavilion Tmall. Makeup brands including Benefit Cosmetics and Make Up For Ever have rapidly grown their share of this segment, from 40 percent in FY2015 to 47 percent in FY2017. Watches and jewelry contributed 15.3 percent of LVMH's personal luxury goods sales, with 9.7 percent year-on-year sales growth, fueled by the excellent performance of Bvlgari and strong gains by Chaumet, Hublot and Fred; Asia and Europe were the most buoyant regions. The group also improved net profit margin and return on assets performance by 1.6 and 0.9 percentage points respectively from FY2016 to FY2017.[33]

US-based luxury giant Estée Lauder Group maintained its second position in the Top 10 list, with strong growth of 15.7 percent over the previous year. Favorable currency exchange rates, high sales growth in online and specialty-multi channels as well as in the travel retail sector, and the full year consolidation of the makeup brands acquired near the end of 2016, Too Faced and BECCA, all contributed to the company's growth. In FY2017, the group benefitted from double-digit growth in EMEA and particularly in Asia Pacific countries (29.1 percent growth on FY2016) such as China, fueled by strong consumer demand for prestige beauty brands and proliferation of the brands on third-party online platforms. Growth beauty brands included Estée Lauder, La Mer, M.A.C, and licensed brand Tom Ford Beauty, with fragrance growth from Jo Malone London, Tom Ford, Le Labo and By Kilian. Going forward, 'Leading Beauty Forward', a restructuring initiative launched by the company in May 2016, is also expected to help the company to focus and invest more in digital initiatives and reap higher profit margins in FY2018 through FY2021.[34]

Ranking third for the second consecutive year, Switzerland-based Richemont saw a recovery in sales, up 3.1 percent in FY2017, compared to their 3.9 percent decline in the previous year. Excluding the impact of exceptional inventory buy-backs, sales grew by 7 percent at constant exchange rates. This recovery was primarily driven by 9 percent growth in their Jewelry Maisons, which now have a 58.9 percent share of Richemont luxury sales, together with high single-digit growth in the retail channel, and double-digit growth in the Asia Pacific region. Operations in Europe were negatively impacted by the relative strength of the Euro, inventory buybacks, and tight inventory control at external points of sale at the company's multi-brand retail partners, to discourage Richemont's retailers from offloading unsold watches onto the grey market.[35] In May 2018, the company announced the launch of a new lower-priced luxury watch brand, Baume, targeted to young consumers, to be sold exclusively through online channels. With this launch, the company is taking a step towards a 'green initiative' by introducing minimalist design, no animal-based or precious materials, straps made with recyclable materials, and using only paper and cardboard packaging.[36] Richemont completed the acquisition of online luxury watch retailers Yoox Net-A-Porter and Watchfinder (a leading UK-based online pre-owned premium watch specialist) in 2018, to further boost its luxury sales through e-commerce platforms.[37] In October 2018, Richemont also announced a partnership with Alibaba for online sales in China.

Kering achieved the strongest Top 10 luxury sales growth, of 27.5 percent, overtaking Luxottica to rank as the fourth-largest luxury goods company in FY2017. The group's luxury goods revenue touched the US$12 billion mark, driven by organic growth across all product categories, regions and distribution channels. Directly operated stores' share of luxury sales continued to grow, reaching 75.1 percent. Highlights were excellent in-store sales performances from Gucci, Yves Saint Laurent, and Balenciaga, and the rapid development of online sales, which surged more than 70 percent. Sales in emerging markets soared by 32.8 percent, with particularly strong growth of 37.7 percent in Mainland China, and a 40.0 percent rise in South Korea, the group's second-largest emerging market. Mature markets also performed well, with 28.1 percent growth, as tourism in Japan and Western Europe recovered, despite continued sluggish sales in department stores in North America, a key distribution channel for luxury brands in the region. In May 2017, the company's subsidiary Kering Eyewear signed an agreement with Maison Cartier, owned by Richemont, to develop, manufacture, and distribute the Cartier eyewear collections, with Richemont acquiring a minority stake in Kering Eyewear. Kering's spin-off of sports brand Puma, part of the company's plan to transform itself into a pure luxury player, was completed in May 2018.

With the slowest year-on-year growth amongst the Top 10, at 0.8 percent, Italian eyewear group Luxottica slipped down one position to rank fifth in FY2017. Growth was affected by the weakening of the US dollar and the British Pound against the Euro; at constant exchange rates, sales were up 2.2 percent. Europe was the engine of growth for the third consecutive year, with sales up 11.7 percent, but sales in North America, which delivers 59 percent of Luxottica's revenue, were down 2.4 per cent. Retail channel growth of 1.7 percent offset the 0.6 percent decline in the wholesale channel. Luxottica completed the acquisition of one of the largest optical franchisors (950 stores) in Brazil, Óticas Carol, in July 2017.[38] Luxottica's €50 billion merger with lens maker Essilor was finally completed worldwide in October 2018, with the creation of EssilorLuxottica SA.[39] Luxottica's Leonardo Del Vecchio is the largest shareholder (39.83%) and Executive Chairman in the new company, via his holding company Delfin.

Chanel Limited jumped into the Top 100 global luxury goods companies in sixth position, after publishing its financial results for the first time in 2018.[40] Chanel is reportedly the second largest luxury brand in the world, behind LVMH's Louis Vuitton and ahead of Kering's Gucci, with operations in all four personal luxury goods product sectors, delivering revenue approaching US$10 billion. The company recorded the highest net profit margin in the Top 10, at 18.6 percent, and the fifth highest in the Top 100. The company saw revenue growth of 11.5 percent in FY2017 as compared to FY2016, driven by strong consumer demand in all regions, with Asia Pacific delivering the highest sales growth of 16.5 percent. Growth in fragrances was driven by the new Gabrielle fragrance, while the same brand also contributed to the growth of the Ready-to-Wear and Leather Goods collections, with the successful launch of the Gabrielle handbag. The company saw record results in the High Jewellery category, in particular from the Coco Avant Chanel and Flying Cloud collections. In February 2018, Chanel announced a partnership with global ecommerce platform, Farfetch, to develop digital initiatives for personalized in-store experiences for customers, enhance luxury shopping experience through e-commerce, and introduce an app to attract millennial customers.[41] As part of the partnership, Chanel has taken a stake in Farfetch. The company continued to invest in new and existing stores in FY2017, with the opening of a new flagship store in Tokyo in December 2017, and established a new holding company, Chanel Limited, headquartered in London, to bring all its businesses and 20,000 employees under a single roof.

Ranking seventh, L'Oréal Luxe lost one position after Chanel's entry into the Top 10, closely following on the latter's heels with a revenue of US$9.55 billion in FY2017. L'Oréal Luxe experienced its strongest growth since 2000, up 10.6 percent year-on-year. FY2017 was marked by strong growth in the Asia Pacific and Latin America regions, and the travel retail and e-commerce channels. Western Europe also performed well, but In North America, L'Oréal Luxe sales slowed down following reductions in inventory, despite double-digit growth from Yves Saint Laurent and IT Cosmetics. The company reported that it outperformed its markets in make-up and facial skincare, with growth from Lancôme fueled by make-up successes with Monsieur Big mascara, L'Absolu Rouge, and Teint Idole Ultra, and skincare range Génifique. Yves Saint Laurent continued its success in fragrances with the launch of a new men's fragrance 'Y', and good performance of Tatouage Couture lip products in the make-up category. Giorgio Armani and Kiehl's joined Lancôme and Yves Saint Lauren as US$1 billion brands. Growth in China and Hong Kong SAR was driven by strong demand from younger consumers and the middle-class population looking for direct access to iconic luxury brands. Chinese consumers are also the key drivers of growth in travel retail in Asia.[42]

The Swatch Group ranked eighth in the Top 10 list of luxury goods companies in FY2017, recovering from their FY2016 decline to deliver 5.4 percent revenue growth. The company's growth continued to accelerate in the second half of the year in all price segments, with the strongest increase in the prestige and luxury segment, driven by exceptional performance of Harry Winston, and strong acceleration in Omega sales. Growth came from all regions, led by Asia Pacific, particularly from Mainland China and Japan. In Europe, the company saw sales increase in most countries, including Great Britain, Italy, Germany, Austria, Benelux, and Switzerland, while France and Spain performed less well. Online sales continued to grow in FY2017, with improved online presence and expansion to China, Singapore and Russia. Swatch's e-commerce strategy includes sales through marketplaces such as Tmall in China and Rakuten in Japan as well as pure online retailers such as Zalando.[43] Swatch has also had great success with its "Speedy Tuesday" sales of Omega watches via Instagram.

Chow Tai Fook Jewellery Group overtook PVH Corp to take ninth place on the Top 10 list in FY2017, with 15.4 percent growth in luxury sales. Performance in all markets rebounded from the previous year's 9.4 percent decline. Mainland China reported an 18.7 percent growth in revenue while Hong Kong, Macau and other markets delivered a 10.5 percent increase. Revenue contribution from gold products rose by 200 basis points year-on-year to 59.4 percent in 2017, reflecting robust customer demand. The market recovery also fueled 18.3 revenue growth from watches. Retail channel growth was 11.7 percent while wholesale (predominantly sales to franchisees) jumped by 36.6 percent. The developing e-commerce channel surged 66.8 percent.[44]

US-based luxury goods company, PVH Corp. slipped to the tenth position in the Top 10 list despite a robust 10.7 percent revenue growth from their Calvin Klein and Tommy Hilfiger brands. PVH posted 16 percent revenue growth outside of the US in FY2017. Continued strength in Europe and Asia (particularly China) drove a 21 percent increase in sales in Calvin Klein International, and a 19 percent increase in Tommy Hilfiger International (supported by the acquisition of the Tommy Hilfiger joint venture in China in April 2016). Net sales for both brands were down slightly in North America. Gains in the wholesale business, and Tommy Hilfiger retail, were offset by deconsolidation of Calvin Klein's business in Mexico, and the discontinuation of Tommy Hilfiger's directly operated women's business in the US and Canada (licensed to G-III in 2016). PVH continued to increase its direct operations in targeted countries by acquiring joint venture partners and agents. It completed the acquisition of its wholesale and concessions businesses in Belgium

and Luxembourg in September 2017, and, in February 2019, announced plans to acquire its Australian joint venture partner, Gazal.[45] In March 2017, the company acquired True & Co., a direct-to-consumer intimate apparel digital commerce retailer with strong data analytics tools, as part of its strategy to invest in digital platforms to support long-term growth.

In FY2017, the minimum sales threshold for a company to enter the Top 10 list rose to US$7.35 billion. All companies reported growing year-on-year sales, and all except Richemont and Swatch Group had compound annual growth during FY2015-2017. All of the nine Top 10 companies reporting net profits were profitable, with five out of the top six companies reporting double-digit net profit margins. Six companies in the Top 10 improved their profit margins year-on-year, with Kering reporting the biggest gain, up 5.0 percentage points.

Among the Top 10 luxury goods companies, three are headquartered in France, two each in the United States and Switzerland, and one each in Italy, the United Kingdom, and Hong Kong SAR. In terms of product sectors, jewelry and watches, and multiple luxury goods categories sectors dominated with three companies each, followed by two in cosmetics and fragrances, and one company each in the bags and accessories, and clothing and footwear sectors.

Global Powers of Luxury Goods Top 100

Luxury goods companies' revenues soar; profits improve

The world's Top 100 luxury goods companies generated luxury goods revenues of US$247 billion in FY2017, up from US$217 billion in the previous year. Annual growth jumped to 10.8 percent, on a currency-adjusted composite basis, much higher than the previous year's 1.0 percent growth. Seventy-six percent of the companies reported growth in their luxury sales, with nearly half of these recording double-digit year-on-year growth. Just 18 companies saw luxury goods sales down on FY2016. Safilo Group and Mikimoto were the only companies with a double-digit percentage decline in sales. The majority of companies reporting a single digit percentage drop in sales were clothing and footwear companies, including Ralph Lauren, Fossil Group, Giorgio Armani, Dolce & Gabbana, Safilo Group and Tod's. FY2015-2017 sales also grew, with sales-weighted, currency-adjusted composite CAGR at 5.3 percent, up 1.4 percentage points on FY2014-2016.

Among the 77 companies that disclosed their bottom-line for luxury goods sales, 66 operated profitably. The composite net profit margin (based on their combined total revenue and net income) for the Top 100 list of luxury goods companies was 9.8 percent, up 1.0 percentage points from the previous year. Twenty-one companies achieved double-digit net profit margins. These highly profitable companies were larger than average, including five of the top six luxury giants, and fifteen out of the top 50 companies. 11 companies made a loss, the same as in last year's report. Only three companies reported double-digit net margin losses in FY2017: Fossil Group, Safilo Group and Hong Kong-based Trinity.

The number of "all round high achievers" more than doubled in FY2017: 11 companies achieved both double-digit growth in luxury goods sales and a double-digit net profit margin, compared to five in last year's report. Pandora and Moncler yet again were part of this group, delivering exceptional growth and profitability in every year since FY2014. Luxury leaders LVMH, Kering and Chanel were also part of the "high achievers" group in FY2017, together with Japanese prestige beauty companies Kosé Corporation and Pola Orbis.

Composite return on assets for the Top 100 companies improved to 7.6 percent in FY2017, a year-on-year increase of 0.7 percentage points. Among the Top 100, 24 percent of the luxury goods companies were headquartered in Italy, and clothing and footwear continued to be the most predominant business segment, with 38 companies in this sector.

In FY2017, the minimum revenue threshold to enter the world's Top 100 list of luxury goods companies stood at US$218 million, up US$7 million from FY2016, with an average luxury goods company size of US$2.47 billion. Exactly half of the Top 100 companies recorded luxury goods sales of more than US$1 billion, one company more than in FY2016. The 15 leading luxury goods companies each had sales of more than US$5 billion in FY2017. At the other end of the Top 100 ranking, 32 companies (more than 71 percent of them family-owned) registered revenue less than US$500 million in FY2017.

Three companies in last year's Top 100 disappeared from this year's list due to major merger and acquisition activity by luxury goods companies in FY2017:

- Ranked 26th in FY2016, Christian Dior Couture dropped out of the Top 100 list in FY2017 after 100% of its shares were acquired by LVMH, in a Euro 6 billion deal completed in July 2017. Christian Dior Couture sales have been consolidated in LVMH's Fashion and Leather Goods segment sales for nearly 6 months of FY2017.
- Kate Spade & Company, which ranked 40 in the FY2016 Top 100 list, was acquired by Coach, Inc (now Tapestry, Inc.) in July 2017 for US$2.4 billion.
- Jimmy Choo (ranked 66th in FY2016) was acquired by Michael Kors (now Capri Holdings) in November 2017 in a deal amounting to US$1.2 billion.

Other significant acquisitions, disposals and partnerships by luxury goods companies completed during FY2017 include:

- Kalyan Jewellers acquired online jewelry company Candere in April 2017.
- Movado Group acquired JLB Brands Ltd., the owner of the UK fashion watch and jewelry brand Olivia Burton, in July 2017, for £65 million.[46]
- CVC acquired a controlling stake in Breitling in 2017, and in November 2018 it bought the remaining outstanding shares from the family.
- Shiseido made a number of US-based technology-related acquisitions in 2017, including MATCHCo, (which lets customers scan their unique skin tones through its mobile

app and uses the data collected to individually blend a matching custom foundation for each consumer) and Giaran, Inc, (a company with leading technology in artificial intelligence platforms), to "take personalized beauty to the next level".[47] Shiseido Americas also divested its luxury skin care line, ReVive, to private equity firm Tengram Capital Partners in November 2017, and sold its hair care subsidiary, Zotos International Inc., to Henkel in October 2017.

- Chinese textile conglomerate Shandong Ruyi continued to expand its luxury fashion footprint. It added a controlling stake in Bally International in February 2018 to its previous luxury goods acquisitions: SMCP in 2016 and Trinity in 2017. These latter companies are included separately in this year's Top 100, as they are not consolidated into their parent company's financial reports.
- Chinese conglomerate Fosun International also continued to invest in luxury goods companies. It completed the acquisition of majority stakes in France's Lanvin in February 2018, and Germany's Wolford in May 2018.
- Kering's spin-off of sports brand Puma, part of the company's plan to transform itself into a pure luxury player, was completed in May 2018. Kering retained just under 16 percent of Puma shares.
- Puig acquired a majority stake in Belgian designer Dries van Noten's fashion brand in June 2018.
- Richemont's €2.7 billion bid for full control of luxury online player Yoox Net-a-Porter was completed in May 2018. Richemont also acquired Watchfinder, a leading UK-based online pre-owned premium watch specialist, in a private transaction with its shareholders in June 2018. Richemont completed the sale of leather goods company Lancel in June 2018.

Notable acquisitions, disposals and partnerships started in FY2017 and completed in FY2018 include:

- Ermenegildo Zegna acquired an 85 percent stake in the American luxury label Thom Browne from Sandbridge Capital for around US$500 million in August 2018.
- Luxottica's €50 billion merger with lens maker Essilor was finally completed worldwide in October 2018, with the creation of EssilorLuxottica SA. Luxottica's Leonardo Del Vecchio is the largest shareholder (39.83%) in the new company, via his holding company Delfin.[48]
- Canada Goose acquired Baffin Inc., a Canada-based designer and manufacturer of performance outdoor and industrial footwear for CAD32.5 million in November 2018. Canada Goose plans to leverage Baffin's strength in boot-making and create its own cold-weather footwear line, while also allowing the Baffin brand to operate independently as a subsidiary.
- Michael Kors Limited completed its US$2.12 billion acquisition of Gianni Versace at the end of 2018. At the start of 2019, the company changed its name to Capri Holdings Limited, to reflect that it is now "one of the leading global fashion luxury groups in the world".[49]
- Trussardi completed the sale of a majority stake of around 60 percent to investment fund QuattroR in February 2019, for around €50 million, via a new company called Levriero Holding. The remaining shares are still held by the Trussardi Family's Tomaso Trussardi, Chairman of the Group. Levriero Holding controls 86 percent of Finos, the sole shareholder of Trussardi S.p.A.

Impact of exchange rates on ranking

The Top 100 companies in Global Powers of Luxury Goods report have been ranked according to their FY2017 luxury goods sales in US dollars (US$). Changes in the rankings from year to year are generally driven by increases or decreases in company sales. However, a stronger currency vis-à-vis the dollar in FY2017 means that companies reporting in that currency may rank higher in FY2017 than they did in FY2016, all other things being equal. Conversely, companies reporting in a weaker currency may rank lower.

In FY2017, the British Pound was down 4.7 percent against the US dollar impacted by a sluggish British economy and slowdown in Brexit transition, whereas the Euro was up by 1.9 percent. The Brazilian Real gained 9.3 percent and the Indian Rupee 3.2 percent. All other currencies saw changes of less than 3 percent. For companies, the impact of these exchange rate movements on sales depends on their reporting currency, the geographic spread of their business, and the resulting exposure to different currencies.

Impact of data availability on ranking

There were five new entrants and three re-entrants to the Top 100 in FY2017. Most of these were due to improved availability of data, rather than major changes in company sales. For more information, see the New Entrants section.

Many luxury goods companies are privately owned. Some of these file official reports containing financial information; for others, estimates are made from information sources such as press interviews, news articles, and industry analysts.

A small number of companies do not disclose any financial information, and hence could not be included in the Top 100 in FY2017. In this year's study, no reasonable estimates could be made for the following companies that featured in the FY2016 ranking: True Religion Apparel; Laboratoire Nuxe SA; Tasaki & Co., Ltd; Sungjoo D&D Inc, and Clarins SA.

Global Powers of Luxury Goods Top 100, FY2017

FY2017 Luxury goods sales ranking	Change in ranking	Name of company	Country of origin	Selection of luxury brands	FY2017 Luxury goods sales (US$m)	FY2017 Total revenue (US$m)	FY2017 Luxury goods sales growth	FY2017 Net profit margin[1]	FY2015-2017 Luxury goods CAGR[2]
1	0	LVMH Moët Hennessy-Louis Vuitton SE	France	Louis Vuitton, Christian Dior, Fendi, Bvlgari, Loro Piana, Emilio Pucci, Acqua di Parma, Loewe, Marc Jacobs, TAG Heuer, Benefit Cosmetics	27,995	48,057	17.2%	13.2%	10.9%
2	0	The Estée Lauder Companies Inc.	US	Estée Lauder, Bobbi Brown, La Mer, Jo Malone London, Aveda; Licensed beauty & fragrance brands inc Tom Ford Beauty	13,683	13,683	15.7%	8.1%	10.2%
3	0	Compagnie Financière Richemont SA	Switzerland	Cartier, Van Cleef & Arpels, Montblanc, Jaeger-LeCoultre, Vacheron Constantin, IWC, Piaget, Chloé, Officine Panerai, YNAP	12,819	12,819	3.1%	11.1%	-0.4%
4	1	Kering SA	France	Gucci, Bottega Veneta, Saint Laurent, Balenciaga, Brioni, Pomellato, Girard-Perregaux, Ulysse Nardin	12,168	17,446	27.5%	12.1%	17.2%
5	-1	Luxottica Group SpA	Italy	Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples; Licensed eyewear brands	10,322	10,322	0.8%	11.4%	1.8%
6	New	Chanel Limited	UK	Chanel	9,623	9,623	11.5%	18.6%	ne
7	-1	L'Oréal Luxe	France	Lancôme, Kiehl's, Urban Decay, Biotherm, IT Cosmetics; Licensed brands	9,549[e]	9,549[e]	10.6%	n/a	8.2%
8	-1	The Swatch Group Ltd.	Switzerland	Omega, Longines, Breguet, Harry Winston, Rado, Blancpain; Licensed watch brands	7,819	8,082	5.4%	9.5%	-2.9%
9	1	Chow Tai Fook Jewellery Group Limited 周大福珠宝集团有限公司	Hong Kong	Chow Tai Fook, CHOW TAI FOOK T MARK, Hearts on Fire, Monologue, Soinlove	7,575	7,575	15.4%	7.1%	2.2%
10	-1	PVH Corp.	US	Calvin Klein, Tommy Hilfiger	7,355	8,915	10.7%	6.0%	8.1%
11	0	Hermès International SCA	France	Hermès, John Lobb	6,255	6,255	6.7%	22.1%	7.1%
12	-4	Ralph Lauren Corporation	US	Ralph Lauren, Polo Ralph Lauren, Lauren Ralph Lauren, Chaps, Club Monaco	6,182	6,182	-7.1%	2.6%	-8.6%
13	2	Tapestry, Inc. (formerly Coach, Inc.)	US	Coach, Kate Spade, Stuart Weitzman	5,880	5,880	31.0%	6.8%	14.4%
14	-2	Rolex SA	Switzerland	Rolex, Tudor	5,686[e]	5,686[e]	5.7%	n/a	0.9%
15	-2	Lao Feng Xiang Co., Ltd 老凤祥股份有限公司	China	Lao Feng Xiang	5,346	5,889	14.1%	3.7%	7.9%
16	1	Shiseido Prestige & Fragrance	Japan	SHISEIDO, clé de peau BEAUTÉ, Benefique, bareMinerals, NARS, IPSA, Laura Mercier; Licensed fragrance brands	4,748[e]	4,748[e]	31.1%	n/a	19.3%
17	-3	Michael Kors Holdings Limited (now Capri Holdings Limited)	UK	Michael Kors, MICHAEL Michael Kors, Jimmy Choo	4,719	4,719	5.0%	12.5%	0.1%
18	-2	Tiffany & Co.	US	Tiffany & Co., Tiffany	4,170	4,170	4.2%	8.9%	0.8%
19	-1	Burberry Group plc	UK	Burberry	3,619	3,619	-1.2%	10.7%	4.2%
20	0	Pandora A/S	Denmark	Pandora	3,452	3,452	12.3%	25.3%	16.7%
21	-2	Prada Group	Italy	Prada, Miu Miu, Church's, Car Shoe	3,445[p]	3,445[p]	-3.6%	8.2%	-7.2%
22	3	Coty Luxury	US	philosophy, JOOP!, Lancaster; Licensed fragrance brands: Hugo Boss, Gucci, Calvin Klein, Burberry etc	3,211	3,211	25.1%	n/a	32.2%
23	-2	Hugo Boss AG	Germany	BOSS, HUGO	3,080	3,080	1.5%	8.5%	-1.4%
24	-1	Swarovski Crystal Business	Austria	Swarovski	3,043	3,043	3.8%	n/a	1.9%
25	-3	Fossil Group, Inc.	US	Fossil, Michele, Relic, Skagen, Zodiac, Misfit; Licensed brands	2,683[e]	2,788	-8.4%	-17.0%	-7.1%
26	-2	Giorgio Armani SpA	Italy	Giorgio Armani, Emporio Armani, Armani, A|X Armani Exchange	2,637	2,637	-7.3%	10.4%	-6.3%
27	1	Titan Company Limited	India	Tanishq, Zoya, Nebula, Xylys	2,449	2,517	23.6%	6.8%	19.7%
28	-1	Puig S.L.	Spain	Carolina Herrera, Nina Ricci, Paco Rabanne, Jean Paul Gaultier, Penhaligon's; Licensed fragrance brands	2,181	2,181	8.1%	11.8%	8.5%
29	New	Kosé Corporation	Japan	DECORTÉ, SEKKISEI, ADDICTION, JILL STUART, ALBION, Tarte	2,071[e]	2,737	15.4%	11.1%	12.9%

[1] Revenue and net income for the parent company or group may include results from non-luxury goods operations
[2] Compound annual growth rate
e = estimate
p = pro forma
n/a = not available
ne = not in existence (created by merger or divestiture)

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

Global Powers of Luxury Goods Top 100

FY2017 Luxury goods sales ranking	Change in ranking	Name of company	Country of origin	Selection of luxury brands	FY2017 Luxury goods sales (US$m)	FY2017 Total revenue (US$m)	FY2017 Luxury goods sales growth	FY2017 Net profit margin[1]	FY2015-2017 Luxury goods CAGR[2]
30	⟷ 0	Chow Sang Sang Holdings International 周生生集团国际有限公司 Limited	Hong Kong	Chow Sang Sang	1,863	2,134	3.4%	5.3%	-6.8%
31	↑ +2	Max Mara Fashion Group Srl	Italy	MaxMara, SportMax, Marina Rinaldi, Max & Co, PennyBlack	1,784	1,784	8.8%	14.2%	6.2%
32	↑ +3	Luk Fook Holdings (International) Limited 六福集团(国际)有限公司	Hong Kong	Luk Fook	1,777	1,867	13.8%	9.4%	-0.6%
33	↓ -2	OTB SpA	Italy	Diesel, Marni, Maison Margiela, Viktor&Rolf	1,713	1,713	-3.7%	0.2%	-2.2%
34	↓ -5	Onward Holdings Co., Ltd.		Nijyusanku, Joseph, Jil Sander, gotairiku	1,670	2,181	1.1%	1.9%	-0.6%
35	↑ 2	Kalyan Jewellers India Pvt. Limited	India	Mudhra, Tejasvi, Glo	1,628 e	1,628 e	6.9%	n/a	-0.3%
36	↓ -2	Salvatore Ferragamo SpA	Italy	Salvatore Ferragamo	1,556	1,571	-3.1%	8.2%	-1.3%
37	↑ 4	Pola Orbis Holdings Inc.	Japan	Pola,Jurlique, Three	1,552	2,178	18.7%	11.1%	9.9%
38	⟷ 0	L'Occitane International SA	Luxembourg	L'Occitane en Provence, Melvita, erborian, L'Occitane au Brésil	1,541	1,541	-0.3%	7.3%	1.4%
39	↓ -3	Dolce & Gabbana	Italy	Dolce&Gabbana	1,515	1,515	-8.1%	4.7%	2.7%
40	↑ 3	PC Jeweller Ltd.	India	PC Jeweller, AZVA	1,490	1,504	13.4%	5.5%	14.5%
41	↑ 1	Valentino SpA	Italy	Valentino, REDValentino	1,380	1,380	4.7%	6.0%	8.1%
42	↑ 8	Eastern Gold Jade Co., Ltd	China	Eastern Gold Jade	1,372	1,372	40.7%	2.5%	2.3%
43	↑ 1	Ermenegildo Zegna Holditalia SpA	Italy	Ermenegildo Zegna, Z Zegna, Agnona	1,369	1,369	6.6%	2.7%	-4.5%
44	↑ 2	Moncler SpA	Italy	Moncler	1,345	1,345	14.7%	20.9%	16.4%
45	⟷ 0	Patek Philippe SA	Switzerland	Patek Philippe	1,239 e	1,239 e	3.8%	n/a	1.3%
46	↓ -7	Safilo Group SpA	Italy	Safilo, Carrera, Oxydo, Smith ; Licensed eyewear brands	1,180	1,180	-16.4%	-24.0%	-9.5%
47	↑ 2	Joyalukkas India Pvt. Limited	India	Zenina, veda, Pride, Eleganza	1,141 e	1,141 e	9.6%	3.2%	12.9%
48	↓ -1	Tod's SpA	Italy	Tod's, Hogan, Fay, Roger Vivier	1,108	1,108	-5.5%	7.1%	-3.2%
49	↓ -1	Tory Burch LLC	US	Tory Burch, Tory Sport	1,050 e	1,050 e	0.0%	n/a	0.0%
50	↑ 2	SMCP SAS	France	Sandro, Maje, Claudie Pierlot	1,028	1,028	16.0%	0.7%	16.2%
51	⟷ 0	Audemars Piguet & Cie	Switzerland	Audemars Piguet	995 e	995 e	12.0%	n/a	9.3%
52	New	Revlon, Inc/Elizabeth Arden segment	US	Elizabeth Arden; Licensed fragrance brands	953	953	ne	n/a	-0.7%
53	⟷ 0	Le Petit-Fils de L.-U. Chopard & Cie SA	Switzerland	Chopard	848 e	848 e	9.9%	n/a	2.2%
54	↑ 1	Ted Baker plc	UK	Ted Baker	769	769	11.4%	8.9%	13.9%
55	↓ -1	Gianni Versace SpA	Italy	Versace, Versace Collection, Versus Versace	760	760	-0.1%	2.2%	1.8%
56	↑ 3	Graff Diamonds International Limited	UK	Graff	693	693	21.6%	7.5%	4.8%
57	New	Samsonite International S.A./ Tumi brand only	US	Tumi	678	678	ne	n/a	11.3%
58	↓ -1	Longchamp SAS	France	Longchamp, Le Pliage	626 e	626 e	0.4%	n/a	-1.0%
59	↓ -1	Cole Haan LLC	US	Cole Haan	600 e	600 e	0.0%	n/a	1.3%
60	↑ 1	Inter Parfums, Inc.	US	Lanvin, Rochas	591	591	13.5%	9.3%	12.3%
61	↑ 7	Furla SpA	Italy	Furla	574	574	18.7%	6.8%	21.5%
62	↑ 1	Brunello Cucinelli SpA	Italy	Brunello Cucinelli	570	570	10.6%	10.4%	10.4%
63	↓ -3	Movado Group, Inc.	US	Concord, EBEL, Movado, Olivia Burton; Licensed watch brands	568	568	2.8%	-2.7%	-2.3%
64	↓ -2	Gerhard D. Wempe KG	Germany	Wempe, Wempe Glashütte, By Kim	565 e	565 e	7.7%	n/a	-2.7%
65	↑ 7	Chow Tai Seng Jewellery Co., Ltd.	China	Chow Tai Seng	563	563	31.1%	15.6%	18.1%

[1] Revenue and net income for the parent company or group may include results from non-luxury goods operations
[2] Compound annual growth rate
e = estimate
p = pro forma

n/a = not available
ne = not in existence (created by merger or divestiture)

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

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66	-10	Sanyo Shokai Ltd.	Japan	Mackintosh, Paul Stuart	558	558	-7.5%	-1.6%	-19.9%
67	-3	Zhejiang Ming Jewelry Co., Ltd. 浙江明牌珠宝股份有限公司	China	MINGR, VI	545	545	10.1%	2.4%	-16.1%
68	-1	Marcolin Group	Italy	Marcolin; Licensed eyewear brands	529	529	6.2%	-3.1%	3.9%
69	2	Tse Sui Luen Jewellery (International) Limited	Hong Kong	TSL | 謝瑞麟	489	489	11.8%	1.2%	3.8%
70	-1	De Rigo SpA	Italy	Police, Lozza, Sting; Licensed eyewear brands	483	483	1.4%	-2.4%	1.0%
71	-1	MARC O'POLO AG	Germany	MARC O'POLO	466[e]	466[e]	-4.4%	n/a	-2.3%
72	11	Canada Goose Holdings Inc.	Canada	Canada Goose	461	461	46.4%	16.3%	42.6%
73	New	Vera Bradley, Inc.	US	Vera Bradley	455	455	-6.4%	1.5%	-4.9%
74	-1	Breitling SA	Switzerland	Breitling	437[e]	437[e]	2.9%	n/a	2.3%
75	-1	Kurt Geiger Limited	UK	Kurt Geiger London, KG Kurt Geiger, Miss KG, Carvela	422	422	4.7%	7.0%	7.4%
76	0	S Tous SL	Spain	Tous	415[e]	415[e]	10.5%	n/a	10.9%
77	5	Euroitalia S.r.l.	Italy	Reporter, Naj-Oleari Licensed Fragrance brands: Moschino, Versace, Missoni	402	402	n/a	-1.5%	n/a
78	New	Zadig & Voltaire	France	Zadig & Voltaire	394[e]	394[e]	n/a	n/a	n/a
79	1	Restoque Comércio e Confecções de Roupas S.A.	Brazil	Le Lis Blanc, Dudalina, Bo.Bô, John John	391	391	11.0%	33.7%	2.5%
80	-3	Sociedad Textil Lonia SA	Spain	Purificación García; Licensed brand : CH Carolina Herrera	389	389	1.6%	8.9%	0.6%
81	-3	Liu.Jo SpA	Italy	Liu.Jo	388	388	8.5%	9.1%	6.1%
82	-1	Aeffe SpA	Italy	Moschino, Pollini, Alberta Ferretti, Philosophy	357	357	10.1%	3.6%	7.5%
83	-4	Gefin SpA	Italy	Etro	338	338	-2.3%	-2.6%	-2.7%
84	2	Franck Muller Group	Switzerland	Franck Muller	305[e]	305[e]	13.2%	n/a	2.6%
85	-1	Marc Cain Holding GmbH	Germany	Marc Cain	296	308	3.3%	3.1%	1.7%
86	-1	TWINSET—Simona Barbieri SpA	Italy	Twin Set, SCEE	287	287	3.7%	-5.4%	1.7%
87	2	Tribhovandas Bhimji Zaveri Limited	India	tbz	273	273	3.6%	1.2%	3.2%
88	5	J Barbour & Sons Ltd	UK	Barbour	270	270	9.2%	13.4%	14.3%
89	1	Festina Lotus SA	Spain	Festina, Lotus, Candino, Jaguar, Calypso	268[e]	268[e]	5.3%	n/a	-2.0%
90	6	Richard Mille SA	Switzerland	Richard Mille	264[e]	264[e]	15.6%	n/a	18.5%
91	1	Fashion Box SpA	Italy	Replay	262	262	4.4%	0.6%	-1.2%
92	7	Falke KGaA	Germany	Falke, Burlington	262	262	0.6%	4.5%	1.1%
93	-5	Charles Tyrwhitt Shirts Limited	UK	Charles Tyrwhitt	250	250	12.2%	-2.6%	6.7%
94	New	Van de Velde NV	Belgium	Marie Jo, PrimaDonna, Andres Sarda, Rigby & Peller	235	242	1.1%	15.8%	0.0%
95	-8	Paul Smith Group Holdings Limited	UK	Paul Smith	234	234	3.5%	1.1%	-1.8%
96	New	Giuseppe Zanotti SpA (formerly Vicini SpA)	Italy	Guiseppe Zanotti Design, Vicini	232	232	16.4%	8.1%	7.4%
97	-6	K.Mikimoto & Co., Ltd.	Japan	Mikimoto	226	226	-10.6%	n/a	-5.0%
98	0	Mulberry Group plc	UK	Mulberry	225	226	0.9%	2.9%	4.3%
99	1	Acne Studios Holding AB	Sweden	Acne Studios	222	222	9.3%	8.8%	15.6%
100	-5	Trinity Limited 利邦控股有限公司	Hong Kong	Cerruti 1881, Kent & Curwen, Gieves & Hawkes	218	218	-4.3%	-35.8%	-5.7%

[1] Revenue and net income for the parent company or group may include results from non-luxury goods operations
[2] Compound annual growth rate
e = estimate
p = pro forma

n/a = not available
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Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.



Geographic analysis

Given the high concentration of luxury goods companies headquartered in Europe, the United States, and the largest markets in Asia, this geographic analysis focuses on individual countries. Companies are assigned to a country according to the location of their headquarters, which may not always coincide with where they derive the majority of their luxury goods sales.

Although sales for many companies come from outside their country of origin, for the purpose of this analysis, 100 percent of each company's sales are attributed to that company's domicile country. This analysis is linked only to the companies in our Top 100 list.

The nine countries analyzed in this section are:

- China/Hong Kong SAR
- France
- Germany
- Italy
- Japan
- Spain
- Switzerland
- United States
- United Kingdom

FY2017 was a good year for luxury goods companies, with year-on-year growth in sales across all countries.

Eighty eight of the Top 100 luxury goods companies were based in the nine countries analyzed in FY2017, accounting for over 93 percent of Top 100 global luxury goods sales. France, Japan, China, and the "other countries" group reported the highest rate of year-on-year growth in luxury sales in FY2017, all growing at a faster rate than the Top 100 composite growth.

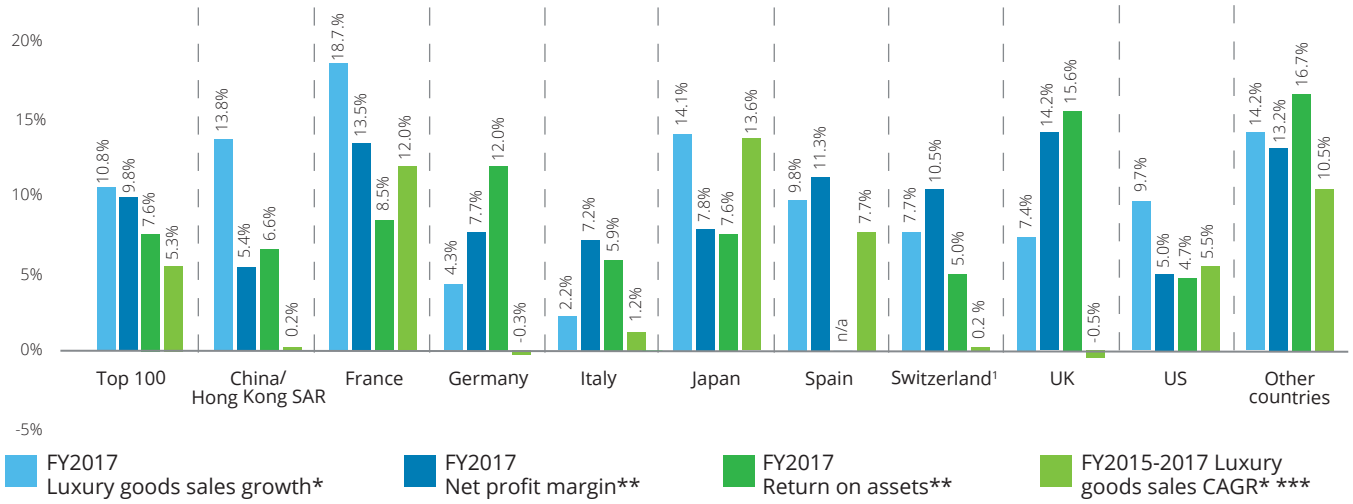
France was the best-performing country, achieving 18.7 percent composite sales growth in luxury goods in FY2017, and also contributed the largest share to the total sales of Top 100 luxury goods companies. Italy was at the bottom of the luxury goods sales growth tally this time, although it has the highest number of companies in the Top 100.

Country profiles, FY2017

	Number of companies	Average size of companies by luxury goods sales (US$m)	FY2017 Luxury goods sales growth*	Share of Top 100 luxury goods sales
Top 100	100	2,467	10.8%	100%
China/Hong Kong SAR	9	2,194	13.8%	8.0%
France	7	8,288	18.7%	23.5%
Germany	5	934	4.3%	1.9%
Italy	24	1,439	2.2%	14.0%
Japan	6	1,804	14.1%	4.4%
Spain	4	813	9.8%	1.3%
Switzerland	9	3,379	7.7%	12.3%
United Kingdom	10	2,082	7.4%	8.4%
United States	14	3,433	9.7%	19.5%
Other countries	12	1,360	14.2%	6.6%

Results reflect Top 100 companies headquartered in each country.
* Sales-weighted, currency-adjusted composites.
Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

Performance by country, FY2017



Results reflect the Top 100 companies headquartered in each country
* Sales-weighted, currency-adjusted composites
** Sales-weighted composites
*** Compound annual growth rate
[1] Net profit margin and return on assets based on data from two companies

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

France leads luxury goods sales growth; China rebounds; Italy still facing growth challenges

China/Hong Kong SAR

China/Hong Kong SAR companies' growth rebounded in FY2017, up 13.8 percent, after three years of falling luxury goods sales. This growth was supported by China's stronger than expected economic growth, stabilization of RMB rates, increased demand for gold,[50] and high levels of tourism in Hong Kong SAR. The upward trend in revenues was also driven by the country's cash rich millennials (from the upper and upper middle classes)[51] and the increase in purchasing power of women in China.[52]

Eight out of the nine luxury goods companies based in China and Hong Kong SAR are jewelers. All performed well in FY2017, growing year-on-year sales, and most reported improved net profit margins. The final company, menswear group Trinity, struggled in FY2017, as sales continued to decline, and losses increased. Chinese textile maker Shandong Ruyi took a majority stake in Trinity in November 2017.

The performance of companies in this country is dominated by Chow Tai Fook Jewellery Group and Lao Feng Xiang, who represent nearly two-thirds of their total luxury goods sales. Both of these companies posted strong year-on-year growth of 14-15 percent. All the other jewelers also recorded double digit luxury sales growth, with the exception of Chow Sang Sang.

Eastern Gold Jade was the fastest growing company, with 40.7 percent sales growth year-on-year, mainly driven by changing investment demand for gold bars and increase in sales of jade products, while Chow Tai Seng saw growth of 31.1 percent due to store expansion and organic brand growth.

The composite FY2017 net profit margin for this group of companies was 5.4 percent, which was 4.4 percentage points below the composite net profit margin for the Top 100, but up slightly on the previous year.

France

France achieved the highest year on year luxury good sales growth in FY2017, at 18.7 percent, supported by an increase in tourist numbers[53] and stronger consumption.[54] France is home to some of the largest luxury goods companies in the world, with four companies in the top 11 – LVMH, Kering SA, L'Oréal Luxe, and Hermès – each with luxury goods sales of more than US$6 billion in FY2017. As a result, the seven companies based in France took the greatest share (23.5 percent) of the total luxury goods sales of the Top 100.

Kering, LVMH, and SMCP SAS were the fastest growing companies in the country, recording double-digit growth, along with L'Oréal Luxe. Kering's luxury goods sales soared by 27.5 percent, driven by excellent in-store sales performances from Gucci, Yves Saint Laurent, and Balenciaga, the rapid development of online sales (up more than 70 percent), and surging sales in both emerging markets (up 32.8 percent) and

mature markets. LVMH, the world's leading personal luxury company, with luxury goods sales of nearly US$28 billion, grew by 17.2 percent, fueled by both multi-regional organic growth and the consolidation of Christian Dior Couture and Rimowa into the group's business in FY2017. SMCP, owned by Chinese textiles company Shandong Ruyi since 2016, saw growth of 16.0 percent in luxury goods sales, with double-digit growth from all three of its brands – Sandro, Maje, and Claudie Pierlot. Privately-owned fashion company Zadig & Voltaire appeared in the Top 100 for the first time, reporting growth of 12 percent driven by its five principal markets – France, US, UK, Switzerland and Spain.

Four of the French companies reported their FY2017 net profits, achieving the second highest composite net profit margin, 13.5 percent, 3.7 percentage points higher than the composite Top 100, an improvement on FY2016. LVMH, Kering and Hermès International all reported double digit net profit margins, with Hermès achieving 22.1 percent in FY2017, benefitting from a high level of productivity at its production sites and positive impact of foreign exchange hedges from 2016. At 8.5 percent, composite return on assets was 0.9 percent higher than the composite return on net assets for the Top 100 companies.

Germany

The German companies in the Top 100 remained the same as in FY2016, growing by 4.3 percent in FY2017. The top two luxury goods companies in the country – Hugo Boss and Gerhard D. Wempe - returned to growth in FY2017. Hugo Boss is the dominant player, accounting for almost two-thirds of the total luxury goods sales revenue from German companies in the Top 100. It reported 1 percent growth, and 3 percent in local currencies, with strong performance in mainland China and the UK. Gerhard D. Wempe, which is privately owned by the Wempe family, witnessed the fastest year-on-year sales growth in the country, 7.7 percent, driven primarily by the rise in the average price of watches, which account for nearly 84 percent of the company's total luxury goods sales.

For the three of the five companies that reported their net profits in FY2017, the composite net profit margin was 7.7 percent, below the 9.8 percent composite net profit for the Top 100 companies in FY2017.

Italy

Italian luxury brands are some of the most sought after in the world. The powerful "Made in Italy" brand is associated by consumers with elegance, taste, quality and craftsmanship. Italy retained its luxury leadership in terms of number of companies in the Top 100, which was unchanged from the previous year, at 24. Italy's strongest luxury reputation is in the fashion sector; Milan is often called the 'fashion capital of the world'. More than two-thirds of Italian companies in the Top 100 operate in the clothing and footwear category, confirming Italy's pre-eminence in global luxury fashion.

Year-on-year growth in composite luxury goods sales for companies based in Italy remained subdued in FY2017. At 2.2 percent, it was the lowest of all countries analyzed, but improved by 1.2 percentage points on the previous year. The top three players, Luxottica, Prada and Giorgio Armani represented nearly half of the country's FY2017 luxury goods sales. Fifteen companies grew, with nine reporting lower luxury sales than in the previous year.

Luxottica Group grew by just 0.8 percent. A 1.7 percent increase in retail was offset by a 0.6 percent decline in wholesale, partly due to the weakening of the US dollar and the British pound against the Euro. In FY2017, the group announced the acquisition of one of the largest Brazilian optical chains, Oticas Carol, while in October 2018, Luxottica Group finally announced the completion of its merger with Essilor and creation of EssilorLuxottica. Prada and Giorgio Armani both witnessed luxury sales declines of 3.6 and 7.3 percent respectively on a year-on-year basis. Prada's 7 percent rise in sales of its ready-to-wear line was more than offset by a 3 percent and 7 percent decline in sales of leather goods and footwear, respectively. Giorgio Armani attributed the drop in their sales to their reorganization activity to streamline the distribution network, stores and brand rationalization to its three key labels – Giorgio Armani, Emporio Armani and A/X Armani Exchange.

The number of Italian companies in the 'Fastest 20' has decreased from six in FY2016 to just two in FY2017: Furla and Moncler. Moncler was again arguably the best all-round performing Italian company, with FY2015-2017 CAGR, year-on-year luxury goods sales growth and net profit margin all in double digits, driven by strong organic growth and expansion of its mono-brand retail stores network. Furla achieved the highest sales growth, at 18.7 percent, with growth in its store network and from Asia, with sales up 50 percent on FY2016 in the region.

The composite net profit margin for Italian companies was 7.2 percent, up by 0.1 percentage points on FY2016, but below the Top 100 average. Luxottica, Giorgio Armani, Max Mara Fashion Group, Moncler and Brunello Cucinelli all reported double digit net profit margins, with Moncler achieving the highest net profit margin, at 20.9 percent.

Japan

The six companies based in Japan achieved the third highest annual composite luxury goods sales growth in FY2017, at 14.1 percent, 3.3 percentage points higher than the Top 100. Japan is experiencing positive growth in its luxury goods market, with an expectation that this growth will continue to 2022, driven by increasing wages and employment, together with an increase in the number of women entering the work force. Demand for luxury goods from both domestic consumers and tourists has increased.

The top three companies, Shiseido Prestige & Fragrance, Kosé Corporation, and Onward Holdings had a 67 percent share of the total luxury sales of Japanese companies.

The fastest growing companies, with double digit year-on-year growth, all came from the growing prestige beauty product sector: Shiseido Prestige & Fragrance with 31.1 percent, Pola Orbis Holdings with 18.7 percent, and new entrant Kosé Corporation with 15.4 percent. Shiseido experienced growth from the acquisition of Laura Mercier in 2016, licensing of Dolce & Gabbanna in EMEA, and other newly acquired brands, whereas Pola Orbis's growth was the result of the opening of new concept stores in China. Kosé Corporation's increasing focus on its high prestige cosmetics brands Decorté, Sekkisei, Addiction and Jill Stuart delivered strong growth. K. Mikimoto and Sanyo Shokai both lost sales in FY2017.

All four companies reporting profits improved their results year-on-year in FY2017. Kosé Corporation and Pola Orbis reported the highest net profit margins amongst the Japanese companies, both improving to 11.1 percent. Sanyo Shokai's losses reduced, to give a net profit margin of -1.6 percent, following the implementation of a restructuring program including inventory reduction, supply chain optimization and improved merchandising, and a focus on e-commerce. The composite net profit margin in Japan stood at 7.8 percent in FY2017.

Spain

The four luxury goods companies based in Spain were unchanged from the previous year, and reported composite luxury sales growth of 9.8 percent, slightly below the composite for the Top 100. These privately-owned companies have average annual luxury goods sales of just US$813 million, the smallest of all the countries analyzed.

The leading Spanish company, Puig, dominates the results from this country, with a 67 percent share of luxury goods sales. The beauty company recorded 8.1 percent luxury sales growth and 11.8 percent net profit margin in FY2017 backed by strong growth in its main markets – Spain, US, France and the UK, and in emerging markets. All four companies reported growing sales, with Textil Lonia and Festina Lotus returning to growth in FY2017.

Switzerland

Just as Italy is synonymous with fashion, Switzerland is known for luxury watchmaking. All of the nine Swiss companies in Top 100 operate in the jewelry and watches product sector with premium luxury brands. Swiss companies returned to growth in FY2017, with a 7.7 percent increase in annual luxury goods sales, up nearly 13 percentage points on FY2016. Key sources of growth for most of the Swiss companies in the Top 100 were sales in Mainland China, and a stronger digital presence. For example, Richemont completed the full acquisition of online retailers Yoox Net-a-Porter and watchfinders.com (a preowned premium watch specialist), while Audemars Piguet announced an online boutique in partnership with China's JD.com in April 2018.

The top three companies, Richemont, Swatch, and Rolex, are all in the Top 15, and account for over 86 percent of the total share of Swiss company luxury goods sales. All companies apart from Richemont and Swatch are privately-owned, and have estimated sales. Richemont turned round declining FY2016 sales to achieve 3.1 percent sales growth in FY2017, with strong sales performance in Asia Pacific region in particular China, Korea, Hong Kong and Macau. FY2017 net profit margin was down slightly, at 11.1 percent, affected by the US$240 million spent on buying back watches to reduce inventory at multi-brand retail partners. The Swatch Group rebounded even more strongly, with year-on-year growth up 16.4 percentage points in FY2017, at 5.4 percent, driven by strong growth in Asia Pacific and Europe. The company also improved profitability, with FY2017 net profit margin of 9.5 percent, up 1.6 percentage points.

Estimated growth in all the remaining companies based in Switzerland was led by double digit luxury sales growth from Richard Mille, Franck Muller and Audemars Piguet. Richard Mille was the strongest performer, with sales up by 15.6 percent, due primarily to price increases, and featured in the Fastest 20 list for three successive years.

United Kingdom

UK companies reported the highest composite net profit margin of all countries analyzed, at 14.2 percent, 4.4 percentage points above the Top 100 composite net profit margin. Composite luxury goods sales growth rose to 7.4 percent. These results are driven by the three largest companies based in the UK – new entry Chanel Limited, Michael Kors (now Capri Holdings), and Burberry – who together contributed 86.3 percent of UK luxury goods sales.

UK-based Chanel Limited jumped into the Top 100 global luxury goods companies in sixth position, after publishing its financial results for the first time in 2018.[55] Luxury icon Chanel's results revealed an all-round high achiever, reporting annual revenue over US$9.6 billion, with growth of 11.5 percent in FY2017, driven by strong consumer demand in all regions, particularly Asia Pacific with growth of 16.5 percent. Chanel also recorded the fifth highest net profit margin in the Top 100, at 18.6 percent. The company undertook a major structural change by establishing a new holding company, Chanel Limited (headquartered in London), as part of efforts to simplify its organizational and legal structure by bringing all its businesses and 20,000 employees under a single roof.

Michael Kors recorded a 5.0 percent rise in luxury goods sales in FY2017 and a 12.5 percent net profit margin. Retail revenue growth was offset by a decline in wholesale revenues due to strategic reductions in inventory levels. Jimmy Choo, acquired

in November 2017, also contributed to the company's growth. Burberry Group was the only company in the UK to lose sales in FY2017 (down 1.2 percent year-on-year), mainly due to reductions in wholesale revenue following the agreement to license its Beauty business to Coty from October 2017. Comparable sales grew by 3 percent, while the company's net profit margin improved slightly, to 10.7 percent.

Another three UK-based companies achieved double digit sales growth. Graff Diamonds showed the highest year-on-year luxury sales growth of 21.6 percent, aided by the expansion of luxury retail stores in Paris, Macau and Singapore. Charles Tyrwhitt's 12.2 percent increase in sales was driven by online and retail network growth. Ted Baker retained its place in the Fastest 20 list, with annual luxury goods sales growth of 11.4 percent, including 35 percent growth in online sales.

United States

The majority of US luxury goods companies with a presence overseas experienced good sales growth, while the North American market continued to be challenging for many companies. Composite luxury goods sales growth for US-based companies rose sharply, to 9.7 percent in FY2017, due partly to acquisition activity by the three fastest-growing companies, Estée Lauder, Tapestry and Coty Luxury.

The top five US-based companies, namely Estée Lauder, PVH Corp., Ralph Lauren, Tapestry Inc. and Tiffany & Co., contributed 77.6 percent to the total luxury goods sales of the Top 100 US companies in FY2017. Luxury goods sales for Estée Lauder grew at 15.7 percent in FY2017, driven by favorable currency exchange rates, high sales growth in online and specialty-multi channels as well as in the travel retail sector, and the full year consolidation of the makeup brands acquired near the end of 2016, Too Faced and BECCA. PVH Corp. reported a 10.7 percent growth in luxury goods sales in FY2017, due to growth in the international business for their luxury brands, Calvin Klein and Tommy Hilfiger. Ralph Lauren saw a luxury sales decline of 7.1 percent primarily due to lower sales from the North America segment, lower levels of promotional activity and a strategic reduction in shipments, as well as brand discontinuations and lower consumer demand.

Four US companies appeared on the 'Fastest 20' list in FY2017 – Coty Luxury, Tapestry Inc., Inter Parfums Inc. and Tumi (owned by Samsonite). Tapestry reported the highest annual growth in sales, 31 percent, following its July 2017 acquisition of Kate Spade & Co. Coty Luxury's 25.1 percent growth was also driven primarily by its acquisitions of the P&G and Burberry Beauty businesses. Inter Parfums' 13.5 percent growth came mainly from European based operations, while US sales were down slightly. Investments in Tumi by its new parent, Samsonite International, including taking direct control of distributors in many Asian countries, expanding the store network, and increasing marketing expenditure, delivered record Tumi annual sales.

Vera Bradley joined the Top 100 this year with luxury goods sales of US$455 million in FY2017.

Seven of the nine US-based companies reporting net profits in FY2017 were profitable, with only Fossil Group and Movado reporting losses. The composite net profit margin for US companies was 5.0 percent, 4.8 percentage points lower than for the Top 100.

Other countries

12 companies in the Top 100 are based in "other countries". Five companies are based in India, and one each in Austria, Denmark, Luxembourg, Canada, Brazil, Belgium and Sweden. This diverse group achieved the highest annual luxury goods sales growth in FY2017, at 14.2 percent, compared to the other countries analyzed. Seven companies are jewelers, four are clothing and footwear companies (including new entrant Van de Velde, a Belgium-based luxury lingerie company), while L'Occitane is the only cosmetics and fragrances company. The largest three companies, Pandora, Swarovski Crystal and Titan, contributed 54.8 percent of the sales of the "other countries" group in FY2017.

Six out of the Fastest 20 growth companies came from this "other countries" group. Outerwear specialist Canada Goose was the fastest-growing company in the Top 100 for the second year in a row, with year-on-year sales growth of 46.4 percent in FY2017, driven mainly by organic growth in all distribution channels and expansion of its store network. Three of these growth companies are vertically integrated Indian jewelers with luxury brands. Titan Company grew annual luxury goods sales by 23.6 percent, with strong organic growth of its jewelry division for the second year in succession. PC Jeweller's annual sales were up 13.4 percent, with Joyalukkas achieving 9.6 percent growth.

Denmark's "affordable luxury" jeweler, Pandora, saw their meteoric rise in sales slow again this year, but still achieved 12.3 percent growth in FY2017. Swedish fashion company Acne Studios also saw sales growth slow significantly in FY2017, down 12.9 percentage points to 9.3 percent.

Of the 10 companies that disclosed their bottom-line performance in this group, all were profitable, with the highest FY2017 net profit margin recorded by Brazil's Restoque with 33.7 percent, followed by all-round high achievers Pandora and Canada Goose with 25.3 percent and 16.3 percent, respectively. The composite FY2017 net profit margin for this group of companies was 13.2 percent, 3.4 percentage points above the composite Top 100 in the same year. The "other countries" group of companies had the highest composite return on assets of any group, at 16.7 percent.



Product sector analysis

This Global Powers of Luxury Goods report analyses performance by luxury goods product sectors as well as by geography. Five luxury goods product sectors are used for analysis:

- Clothing and footwear
- Bags and accessories
- Cosmetics and fragrances
- Jewelry and watches
- Multiple luxury goods

A company is assigned to one of the five specific product sectors if a high percentage of its luxury goods sales are derived from that product sector. Multiple luxury goods companies are those with substantial sales in more than one of the luxury goods product sectors. This analysis is based only on the companies identified in the Top 100 analysis.

Product sector profiles, FY2017

	Number of companies	Average size of companies by luxury goods sales (US$m)	FY2017 Luxury goods sales growth*	Share of Top 100 luxury goods sales
Top 100	100	2,467	10.8%	100.0%
Clothing and footwear	38	1,112	3.2%	17.1%
Bags and accessories	9	1,674	1.5%	6.1%
Cosmetics and fragrances	11	3,680	16.1%	16.4%
Jewelry and watches	32	2,281	9.7%	29.6%
Multiple luxury goods	10	7,586	15.9%	30.8%

* Sales-weighted, currency-adjusted composites.

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

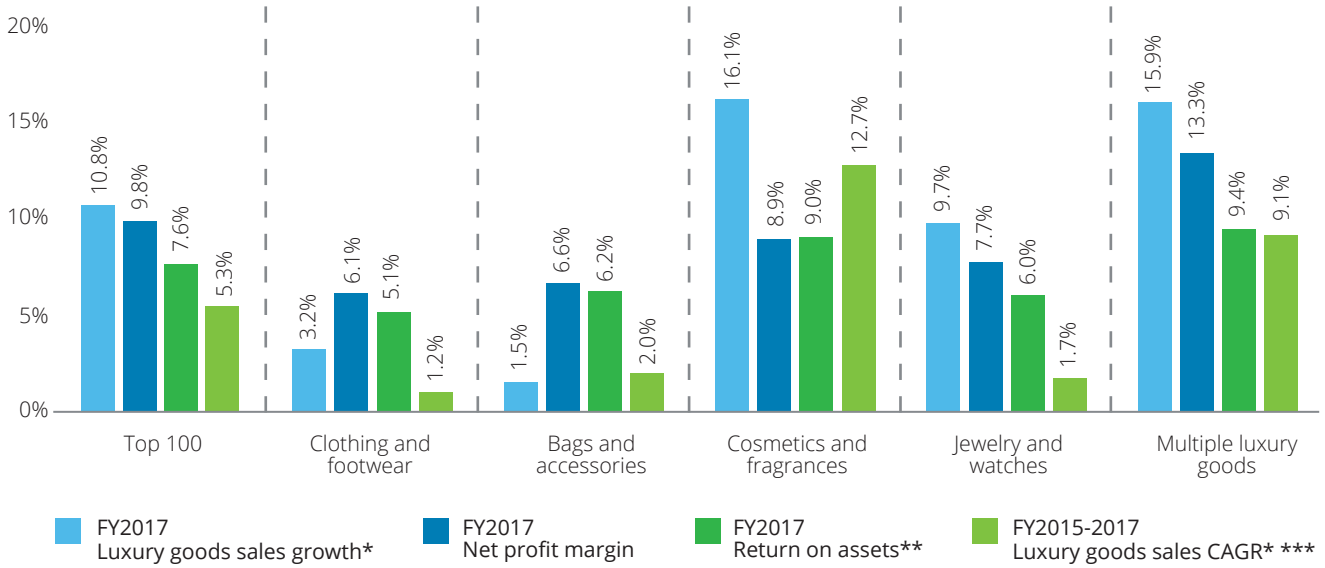
Note: The change in the number of companies year-on-year in a product sector could be a result of re-classification and not necessarily be a new entrant. In FY2016, both Richemont and Tod's SpA were reported under the multiple luxury goods sector. However, in FY2017 they have been reported under jewelry and watches and clothing and footwear sectors respectively.

Clothing and footwear companies dominated with the highest number of companies; cosmetics and fragrances witnessed highest luxury goods sales growth

Clothing and footwear

The sector witnessed the highest concentration of luxury goods companies with a total of 38 companies in FY2017, which remained unchanged when compared to the previous year. The sector was the third largest contributor to the Top 100 luxury goods sales with 17.1 percent share compared to its contribution of 19.5 percent in FY2016. However, in terms of average revenue per company, at US$1.1 billion, the sector ranked the lowest among all the sectors analyzed in this study. PVH Corp., the only clothing and footwear company to appear in the Top 10 contributed to more than 17 percent of the total sector sales in FY2017. Along with PVH Corp., Ralph Lauren, Hugo Boss, and Giorgio Armani were some of the largest contributors to the sector's composite sales with more than 45 percent share. Acne Studios and Trinity Limited were ranked as the final two in both the Top 100 and the clothing and footwear sector contributing only 1.0 percent to the overall sector sales.

Performance by product sector, FY2017



* Sales-weighted, currency-adjusted composites.
** Sales-weighted composites.
*** Compound annual growth rate.
Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

The sector's cumulative sales growth was 3.2% in FY2017 compared to 0.2% in FY2016. Canada Goose Holdings (46.4 percent), SMCP (16 percent) and Moncler (14.7 percent) were a few of the fastest growing companies within the sector recording double-digit sales growth between FY2016-2017. The sales growth for Canada Goose Holdings was the result of a range of expansion strategies adopted within the company. This included price optimization of the product offerings; opening of new retail stores in Chicago, London, Boston and Calgary; increased e-commerce access in new markets such as Ireland, Sweden, Germany, and China; ongoing focus of the company on geographic expansion; and strong performance in Asia Pacific markets such as Japan and Korea. Robust growth of 16.0 percent for SMCP was primarily driven by double-digit growth across all the three brands Sandro, Maje, and Claudie Pierlot; outstanding sales growth in the Asia Pacific region of 40.0 percent as a result of opening of new stores in China and Taiwan, followed by good sales performance in Europe and Middle East with a continued expansion of their store network in Italy and Germany. Other companies recording double-digit growth in the sector were Moncler, Charles Tyrwhitt Shirts, Ted Baker, Restoque Comércio e Confecções de Roupa, PVH Corp., Brunello Cucinelli, and Aeffe.

At the other end of the spectrum 10 clothing and footwear companies experienced a fall in reported sales in FY2017. Dolce & Gabbana, Sanyo Shokai, and Giorgio Armani experienced the greatest fall of -8.1 percent, -7.5 percent, and -7.3 percent respectively in FY2017. Dolce & Gabbana witnessed a decline in their revenue with slowdown in sales in the wholesale segment and poor performance in the European region. Sanyo Shokai on the other hand continued the implementation of the 'Sanyo Innovation Plan 2017' resulting in the closure of 289 unprofitable department stores and the discontinuation of several brands including Cotoo and Ilfaro. Similarly, Giorgio Armani witnessed a decline in sales due to their efforts to streamline the business processes and consolidate their luxury products under three brands namely, Giorgio Armani, Emporio Armani and A/X Armani Exchange. In contrast seven other companies including Ralph Lauren, Tod's SpA, MARC O'POLO AG, and Trinity Limited etc. recorded falling sales over FY2016-2017.

The sector's composite net profit margin stood at 6.1 percent in FY2017, up by 1.8 percent in comparison to FY2016 reflective of the resilience of the luxury market. Although the sector was dominated by the presence of 16 Italian companies, the two top ranking companies for clothing and footwear were from the United States: PVH Corp and Ralph Lauren Corporation. There were more winners than losers in this product sector: 32 of the 38 luxury companies reported a positive net profit margin

for FY2017. Restoque Comércio e Confecções de Roupas S.A. reported the highest net profit for the sector of 33.7 percent. The key driver behind this success was the double digit growth of three of their leading brands: Le Lis Blanc, Dudalina and John John, which was the result of the adoption of a restructuring strategy in 2017 to drive efficiency and increase the quality of their goods, which led to an average product price increase of 17.3 percent. The return-on-assets ratio for the sector in FY2017 stood at 5.1 percent on a composite basis, up from 3.7 percent in FY2016. Also, the CAGR percentage of the overall sector on a sales-weighted currency adjusted composite basis was at 1.2 percent, one of the lowest among all the sectors, and experienced a decline from 2.3 percent as seen over FY2014-2016.

Bags and accessories

The sector witnessed the lowest number of companies in FY2017. Of these nine companies, seven are from Europe and the remaining two from the US. Although this number remained unchanged compared to FY2016, the average size of luxury companies in this sector declined from US$1.73 billion in FY2016 to US$1.67 million in FY2017. The luxury sales contribution of this sector to the Top 100 composite sales also remained the lowest with 6.1 percent in FY2017, a 1.1 percentage point decrease in share as compared to the previous year. Luxottica Group, which also ranked fifth among the Top 10 luxury goods companies was the highest contributor with 68.5 percent sales to the overall sector.

The bags and accessories sector recorded luxury sales growth of 1.5 percent on a sales-weighted, currency-adjusted composite basis, a 1.9 percentage point increase from the previous year. The Italian bagmaker, Furla SpA, was ranked third in the Top 20 Fastest growing luxury goods companies, recording double digit growth of 18.7 percent between FY2016-2017. The company also crossed the US$500 million mark in FY2017, with robust performance in comparable store sales across all the markets, specifically in Asia Pacific where the company recorded more than 50.0 percent growth. Furla's growing focus on store expansion into markets such as Australia and Portugal, also contributed to the company's high sales growth. Other companies such as Marcolin Group and De Rigo recorded positive luxury sales growth in single-digits with 6.2 percent and 1.4 percent respectively. De Rigo's increase in sales was due to organic growth and an expansion of their distribution network. Despite these efforts De Rigo reported a loss of 2.4 percent. The Marcolin Group experienced an increase in sales of 5.0 percent in Europe, resulting in sales totaling US$8.1 million and a further increase in sales in the emerging markets of US$19.2 million. Other companies in the sector, namely, Longchamp, Luxottica Group, and Mulberry Group recorded less than 1.0 percent luxury sales growth between FY2016 and FY2017. The Luxottica Group despite the slow growth in sales still ranked fifth in the Top 10 luxury companies based on sales, the only company within this sector to appear in the Top 10.

Among the sector's poor performers, Safilo Group and Vera Bradley ranked the lowest with -16.4 percent and -6.4 percent decline in luxury sales between FY2016-2017. Safilo Group saw sales decline in the Europe and Asia Pacific region primarily due to change of the Gucci license to a supply agreement, and the impact of the difficulties in the deployment of the order-to-cash IT system in the Padua distribution center that negatively affected the group's operations. On the other hand, luxury goods sales of Vera Bradley suffered mainly due to re-structuring activities adopted by the company as part of their 'Vision 20/20' program, which saw closure of five under-performing stores, and one factory store outlet.

In FY2017, the sector's composite net profit margin stood at 6.6 percent, a 0.3 percent decline as compared to FY2016. Out of the sector's seven companies that reported their bottom-line performance, four companies reported positive net profit margin. However, the sector's overall net profit margin was offset by poor bottom-line performance of companies such as Safilo Group, De Rigo, and Marcolin Group. In terms of return-on-assets performance, the sector saw a marginal decline of 0.2 percentage points from 6.4 percent to 6.2 percent recorded in FY2017. Also, the sector recorded composite CAGR of 2.0 percent between FY2015-2017, a decline of 6.4 percentage point against 8.4 CAGR between FY2014-2016.

Cosmetics and fragrances

Cosmetics and fragrances was the fourth largest sector in FY2017 with 16.4 percent share of the Top 100 luxury goods sales on a sales-weighted currency adjusted composite basis. The average size of companies in this sector for FY2017 was US$3.68 billion, up from US$3.10 billion in FY2016. The number of companies stayed the same as FY2016. The Estée Lauder Group and L'Oréal Luxe, the second and seventh largest luxury sales companies in the Top 10 list were the largest sales contributors to the composite sector sales with more than 57 percent sales in FY2017. However, Revlon's Elizabeth Arden, Inter Parfums, and Euroitalia were some of the lowest contributors with less than US$1 billion sales, while also contributing to less than 5.0 percent to the total sector's luxury sales in FY2017.

With 16.1 percent annual growth between FY2016-2017, the cosmetics and fragrances sector recorded the fastest growth among all the other sectors, mainly due to double digit year-on-year growth of seven companies out of the total 11 in the sector. The companies that recorded more than 20.0 percent growth in the sector were Shiseido Prestige & Fragrance and Coty Luxury. Among the two companies, Shiseido Prestige recorded a faster luxury sales year-on-year growth of 31.1 percent in FY2017, primarily due to good sales performance of newly acquired brands such as Laura Mercier, launch of new

brands such as Elixir Superieur. The positive increase in sales was also attributed to the license acquired for Dolce & Gabbana fragrances in EMEA, and growing focus of the company to increase sales especially among Chinese consumers with Shiseido, Clé de Peau Beauté and IPSA brands.

Similarly, Coty Luxury benefitted with 25.1 percent growth through their business integration program where they divested Cerruti and Chopard brands, acquired Burberry Beauty luxury fragrances, cosmetics and skincare business along with acquisition of P&G Beauty Business, launched new products like Tiffany & Co., Gucci Bloom and 'Obsessed' by Calvin Klein etc. In addition, high luxury sales of the company in China and Middle Eastern countries positively contributed to the robust growth. Other five companies that recorded double-digit growth in FY2017 in the sector included: Pola Orbis, The Estée Lauder Group, Kosé Corporation, Inter Parfums, and L'Oréal Luxe. The only company recording single digit positive sales year-on-year growth in FY2017 was Puig S.L.

L'Occitane International, the Luxembourg-based cosmetics and fragrance company was the only one with a poor sales performance in the sector and recorded luxury sales of US$1.54 billion in FY2017, a 0.3 percent decline as compared to the previous year. This was mainly due to reduction in the company's luxury goods sales in Japan, Taiwan, the UK, and Luxembourg markets. Despite the group's overall high sales growth in countries such as China and Brazil, unfavorable foreign exchange rates from foreign businesses and store closures in countries such as Taiwan partially offset the positive luxury sales growth.

Among the seven companies that reported their bottom line performance, six of them were profitable whereas, Euroitalia reported loss with net profit margin of -1.5 percent recorded in FY2017. This led to an overall profit margin of 8.9 percent for the sector, while also ranking the lowest among all the sectors, and a decrease of 0.7 percent from FY2016. For the return-on-assets performance, the sector recorded 9.0 percent in FY2017, a 1.1 percentage decline as compared to the its own performance in FY2016. The CAGR for the sector over FY2015-2017 stood at 12.7 percent on a sales-weighted currency adjusted composite basis, ranking second among all the other sectors, and with a rise of 5.3 percentage points as compared to FY2014-2016.

Jewelry and watches

The average annual luxury goods sales for the 32 jewelry and watches companies in this sector was reported as US$2.28 billion in FY2017. This sector experienced a sales growth of 9.7 percent as compared to the previous year's decline of 4.0 percent. This growth translated to the jewelry and watches sector accounting for a 29.6 percent share of the Top 100 luxury goods sales, ranking the sector as second in terms of composite sales performance in FY2017. Among the sector's highest contributors (with more than 50.0 percent share in FY2017) were Compagnie Financière Richemont SA, The Swatch Group, and Chow Tai Fook (which also ranked among the Top 10 luxury sales companies) along with Rolex and Lao Feng Xiang.

Among the highest growing companies in terms of year-on-year luxury sales growth, 15 companies recorded double digit growth while 15 recorded single-digit growth in the sector between FY2016-2017. Among these, two China-based companies recorded the fastest growth as compared to the other companies in the sector. First, Eastern Gold Jade was the fastest growing company with 40.7 percent year-on-year growth primarily due to recovery of domestic high-end consumption and the rise of consumer demand in second- and third-tier cities in China. Also, the company benefitted due to the fluctuation of financial markets such as real estate and securities markets, which led to an increase in demand for physical gold investment products. The second fastest growing company was Chow Tai Seng Jewellery with a year-on-year luxury sales growth of 31.1 percent in FY2017, benefitting from rise in sales from the opening of 532 new stores, 27 new self-operated stores, and 28.2 percent growth in e-commerce sales post their collaboration with Tmall.com (the largest e-commerce retailer in China.) Titan, Graff Diamonds, and Richard Mille were some of the other companies that recorded double-digit growth, Chopard, Joyalukkas, and Gerhard D. Wempe were among the few that recorded single-digit luxury sales growth in the sector between FY2016-2017.

Only two companies, K. Mikimoto & Co. and Fossil Group were among the bottom performers with poor sales performance in the sector in FY2017. K. Mikimoto saw a luxury sales decline of 10.6 percent between FY2016 and FY2017. On the other hand, despite introduction of new hybrid and display smartwatches across 14 brands, good sales performance of Michael Kors and Armani watches, the Fossil group recorded 8.4 percent decrease in its luxury sales as this was offset by decrease in sales of traditional watches and slowdown in sales in markets such as Japan.

The overall sector recorded a net profit margin of 7.7 percent in FY2017, a decline of 0.1 percentage points from FY2016. Among the 19 companies that disclosed their bottom line for their luxury goods operations, 17 of them were profitable with highest double-digit profit margins recorded by Pandora, Chow Tai Seng, and Compagnie Financière Richemont companies. Alternatively, Movado Group and Fossil Group were among the bottom two performers reporting losses with net profit margin of -2.7 percent and -17.0 percent respectively. The return-on-

assets ratio for the sector was 6.0 percent in FY2017, down 1.7 percent from the previous year, while the sales weighted currency adjusted CAGR for the sector was amongst the lowest at 1.7 percent as compared to all the other sectors over FY2015-17 period. However, the CAGR for the sector improved against its own performance in FY2017, where it stood at -1.1 percent for the FY2014-2016 period.

Multiple luxury goods

The ten multiple luxury goods companies have the highest average size of companies with US$7.59 billion among all the sectors while also outperforming the average size of companies in Top 100, which stood at US$2.47 billion in FY2017. The sector was also one of the top contributors with 30.7 percent share to the overall Top 100 luxury sales. Three of the companies ranked in the Top 10 contributed the largest share in luxury sales to the overall sector namely LVMH, Kering, and Chanel with a cumulative share of more than 65 percent in FY2017. The group consists predominantly of European multinationals, with two companies based in Italy (Prada Group, Salvatore Ferragamo SpA) three in France (LVMH Moët Hennessy-Louis Vuitton SE, Kering SA, Hermès International SCA), three in the UK (Chanel Limited, Michael Kors Holdings Limited (now Capri Holdings Limited) and Burberry Group Plc) and two in the United States (Cole Haan LLC and Tapestry, Inc. (formerly Coach, Inc.)).

In terms of year-on-year luxury sales growth performance, the sector ranked as the second fastest with 15.9 percent growth, following cosmetics and fragrances sector. Among the six companies that contributed to the fastest sales growth of the sector, four companies namely Tapestry, Kering, LVMH, and Chanel recorded double-digit growth, whereas Hermès International and Michael Kors Holdings (now Capri Holdings) recorded single-digit growth between FY2016 and FY2017. Tapestry's highest growth in the sector with 31.0 percent growth in FY2017 was primarily due to the acquisition of Kate Spade & Company in July 2017, which led to the addition of 180 stores in North America and 95 stores internationally. Also, during the latter half of the fiscal year, the company acquired assets of Stuart Weitzman the distributor in Northern China (resulting in an additional sales from 20 stores internationally); entered into an agreement to obtain operational control of the Kate Spade Joint Ventures (an additional sales from 50 stores); and acquired assets of its Coach distributor in Australia and New Zealand (an addition of 21 stores internationally). Kering's 27.5 percent luxury sales growth over the previous year was primarily fueled by high sales of Gucci, Yves Saint Laurent and Balenciaga brands in the portfolio, a joint agreement with Richemont for Maison Cartier eyewear collection, high growth in e-commerce sales, and robust sales performance in the Asia Pacific region.

The Italian fashion houses, Prada Group and Salvatore Ferragamo, and the British luxury giant Burberry Group recorded luxury sales decline with 3.6 percent, 3.1 percent and 1.2 percent respectively. Realignment of the group's activities in the footwear segment, sales decline in the leather segment including bags, and poor sales performance across all the regions (except Asia Pacific) impacted Prada Group's sales. Poor performance of the Salvatore Ferragamo group is largely attributable to the decline in sales in the wholesale channel, negative impact of the macroeconomic situations in South Korea, adverse impact of the appreciation of the Euro and the restructuring of distribution activities adopted in Japan. Luxury sales of the Burberry Group were mainly impacted by disposal of the company's beauty business to Coty in FY2017.

All the nine companies that disclosed bottom-line performance in their financial results were profitable, also leading to the composite net profit margin of 13.3 percent for the sector in FY2017. The sector surpassed net profit margin of the Top 100 luxury goods companies with 3.5 percentage points and saw a 1.9 percentage point increase as compared to the previous year. The sector recorded return-on-assets ratio of 9.4 percent and CAGR performance of 9.1 percent in FY2015-2017, exceeding the cumulative performance of the Top 100 in FY2017.

New entrants

New entrants, FY2017

FY2017 Luxury goods sales ranking	Name of company	Country of origin	Product sector	FY2017 Luxury goods sales (US$m)	FY2017 Luxury goods sales growth
6	Chanel Limited	UK	Multiple luxury goods	9,623	11.5%
29	Kosé Corporation	Japan	Cosmetics and fragrances	2,071 e	15.4%
52	**Revlon, Inc/Elizabeth Arden segment**	**US**	**Cosmetics and fragrances**	**953**	**ne**
57	**Samsonite International S.A./Tumi brand**	**US**	**Bags and accessories**	**678**	**ne**
73	Vera Bradley, Inc.	US	Bags and accessories	455	-6.4%
78	Zadig & Voltaire	France	Clothing and footwear	394 e	n/a
94	Van de Velde NV	Belgium	Clothing and footwear	235	1.1%
96	**Giuseppe Zanotti SpA (formerly Vicini SpA)**	**Italy**	**Clothing and footwear**	**232**	**16.4%**

Companies in **bold** type are newcomers due to sales growth (in US$) or new company organisation, or appeared in the Top 100 in previous reports.
Other companies have entered the Top 100 due to improved data.
e=estimate n/a=not available ne=not in existence (created by merger or divestiture)
Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

There were eight new entrants to the Top 100 in FY2017: three clothing and footwear companies; two cosmetics and fragrances companies; two bags and accessories companies and one company operating in multiple luxury goods categories.

Three companies were 're-entrants' that have previously appeared in the Global Powers of Luxury Goods Top 100. Elizabeth Arden and Tumi re-appeared after missing data excluded them in FY2016, due to their mid-year acquisition by Revlon, Inc. and Samsonite International, respectively. Both of these parent companies operate mainly in non-luxury segments, but reported FY2017 sales for their newly-acquired luxury brands/segments. Italian luxury footwear specialist Giuseppe Zanotti re-entered the Top 100 after a one-year absence.

The remaining five newcomers entered the Top 100 as a result of improved data coverage and availability. The most notable addition is luxury icon Chanel, who jumped into the Top 10 luxury goods companies in position No. 6. Privately-owned Chanel published their financial results for the first time in 2018 and are headquartered in the UK. Chanel is reportedly the second largest luxury brand in the world, behind LVMH's Louis Vuitton and ahead of Kering's Gucci, with operations in all four personal luxury goods product sectors.[55]

The second highest new entrant is Japan's Kosé Corporation, in position No. 29. Like their compatriot Shiseido, Kosé operates mainly in the growing prestige beauty market. Three quarters of their sales are in their home market, but they have also operated in North America since 2014, when they acquired Tarte, Inc., a New York-based color cosmetics and skin care brand that specializes in products based on naturally derived ingredients. Kosé is focusing primarily on its high prestige cosmetics brands Decorté, Sekkisei, Addiction and Jill Stuart as the driver of sustained growth worldwide. The final three newcomers are US bags company Vera Bradley, privately-owned French fashion company Zadig & Voltaire (whose second largest market after France is the US), and Belgium-based luxury lingerie specialist Van de Velde, who owns brands such as Rigby & Peller and Marie Jo.



Fastest 20

20 Fastest-growing luxury goods companies, FY2015-2017 CAGR[2]

CAGR ranking	Top 100 ranking	Name of company	Country of origin	FY2017 Luxury goods sales (US$m)	FY2015-2017 Luxury goods sales CAGR[2]	FY2017 Luxury goods sales growth	FY2017 Net profit margin[1]
1	72	**Canada Goose Holdings Inc.**	Canada	461	42.6%	46.4%	16.3%
2	22	**Coty Luxury**	US	3,211	32.2%	25.1%	n/a
3	61	**Furla SpA**	Italy	574	21.5%	18.7%	6.8%
4	27	Titan Company Limited	India	2,449	19.7%	23.6%	6.8%
5	16	Shiseido Prestige & Fragrance	Japan	4,748 e	19.3%	31.1%	n/a
6	90	**Richard Mille SA**	Switzerland	264 e	18.5%	15.6%	n/a
7	65	Chow Tai Seng Jewellery Co., Ltd.	China	563	18.1%	31.1%	15.6%
8	4	**Kering SA**	France	12,168	17.2%	27.5%	12.1%
9	20	**Pandora A/S**	Denmark	3,452	16.7%	12.3%	25.3%
10	44	**Moncler SpA**	Italy	1,345	16.4%	14.7%	20.9%
11	50	**SMCP SAS**	France	1,028	16.2%	16.0%	0.7%
12	99	**Acne Studios Holding AB**	Sweden	222	15.6%	9.3%	8.8%
13	40	**PC Jeweller Ltd.**	India	1,490	14.5%	13.4%	5.5%
14	13	Tapestry, Inc. (formerly Coach, Inc.)	US	5,880	14.4%	31.0%	6.8%
15	88	J Barbour & Sons Ltd	UK	270	14.3%	9.2%	13.4%
16	54	**Ted Baker plc**	UK	769	13.9%	11.4%	8.9%
17	29	Kosé Corporation	Japan	2,071 e	12.9%	15.4%	11.1%
18	47	**Joyalukkas India Pvt. Limited**	India	1,141 e	12.9%	9.6%	3.2%
19	60	Inter Parfums, Inc.	US	591	12.3%	13.5%	9.3%
20	57	Samsonite International S.A./Tumi brand only	US	678	11.3%	ne	n/a
**Fastest 20* ** **				43,375	18.4%	24.4%	11.4%
**Top 100* ** **				246,664	5.3%	10.8%	9.8%

Companies in **bold** type were also among the 20 fastest-growing luxury goods companies in FY2016, based on FY2014-2016 CAGR.
[1]Net profit margin based on total consolidated revenue and net income.
[2] Compound annual growth rate.
e=estimate p= pro forma n/a = not available ne = not in existence
*Sales growth rates are sales-weighted, currency-adjusted composites
**Net profit margin is a sales-weighted composite
Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2019. Analysis of financial performance and operations for fiscal years ended through June 2018 using company annual reports and industry estimates.

Canada Goose retains growth leadership; clothing and footwear sector loses its dominance

The Fastest 20 rankings are based on the compound annual growth rate (CAGR) in luxury goods sales over a two-year period. For this year's study Top 100 companies have been ranked based on their CAGR performance in FY2015-2017.

Between FY2015 and FY2017, composite luxury goods sales for the Fastest 20 companies increased at a compound annual growth rate of 18.4 percent compared to 5.3 percent for the Top 100, and with a gain of 3.3 percentage points over the previous year. Year-on-year growth accelerated in FY2017: the Fastest 20 group grew by 24.4 percent (on a sales-weighted currency adjusted composite basis), up 11.5 percentage points on the FY2016 annual growth. Twelve of the companies in this year's Fastest 20 rankings exhibited consistently high growth, having also appeared in the Fastest 20 in FY2016 (shown in bold type in the Fastest 20 list).

The top three companies in the FY2017 Fastest 20 list, Canada Goose, Coty Luxury, and Furla were also among the fastest growing in FY2016. Canada Goose Holdings maintained its first place with 42.6 percent CAGR in FY2015-2017, and the fastest year-on-year growth in the Top 100, of 46.4 percent. Their soaring sales were driven by price optimization and geographic expansion strategies, opening of new retail stores, and robust sales performance through their e-commerce channels in new markets such as Ireland and Sweden. US-based Coty Luxury jumped into second place in the Fastest 20 list with a 32.2 percent CAGR in FY2015-2017, primarily due to the impact of

multiple acquisitions, including the Procter & Gamble and Burberry beauty businesses. Furla SpA recorded the third highest CAGR of 21.5 percent with continued strong growth in its comparable store sales, and store expansion.

Eight companies were new entrants in the Fastest 20 list in FY2017: Titan Company, Shiseido Prestige & Fragrance, Chow Tai Seng, Tapestry, J Barbour & Sons, Kosé Corporation, Inter Parfums, and Tumi Brand from Samsonite International. The Indian jewelry and watchmaker, Titan, recorded high sales performance in its retail segment with opening of new stores, new brand launches, and robust e-commerce performance through their website, Caratlane.com.

Japan-based Shiseido Prestige's strong growth was primarily driven by good sales performance of newly acquired brands and new brand launches, and a new license agreement with Dolce & Gabbana fragrances in EMEA, as well as the continuing impact of its 2016 Laura Mercier acquisition. Chow Tai Seng Jewellery's growth was mainly due to new store openings, and growth in e-commerce sales. With a 14.4 percent CAGR, Tapestry ranked 14th and saw high revenue growth resulting from the acquisition of Kate Spade & Company, and its distributors for Stuart Weitzman and Coach in Canada, Northern China, Australia and New Zealand. J Barbour & Sons recorded 14.3 percent CAGR due to the strength of their brand across most major markets, despite challenging market conditions. Japanese prestige beauty company Kosé Corporation saw a 12.9 percent CAGR, primarily supported by strong growth in their luxury skin care and makeup brands, Cosme Decorte and Albion brands, and the continuations of rapid growth through stores and e-commerce at their US company, Tarte, Inc.

Inter Parfums entered in 19th position in FY2017, with 12.3 percent CAGR mainly driven by the very successful growth of the newly-launched Coach for Men fragrance brand, together with strong performances from other licensed brands such as Jimmy Choo and Rochas, particularly in Europe. Ranking last in the list of Fastest 20 companies, Tumi brand recorded a CAGR of 11.3 percent over FY2015-2017 fueled by opening of new retail stores and by gaining direct control of its retail and wholesale operations in South Korea, China, Hong Kong, Indonesia, and Thailand, as its new parent, Samsonite International, continued to invest in the brand.

Impressively, these high growth companies also achieved above average profitability. All of the 16 companies ranking in the Fastest 20 that disclosed their bottom-line performance in FY2017 were profitable, and together achieved a composite net profit margin of 11.4 percent, higher than the 9.8 composite net profit margin for the Top 100, and unchanged on the previous year. Fastest 20 companies' average luxury goods FY2017 sales of US$2,169 million were up 7.7 percent on the previous year, but slightly smaller than the average for the Top 100 companies. Eleven companies out of the Fastest 20 recorded revenue of more than US$1 billion.

In FY2017, four companies in the Fastest 20 list were headquartered in the US, and three came from India. This is a change from the previous two years, when Italy claimed the largest number of companies in the list. The remaining companies came from all regions, with two each based in Italy, Japan, France and the UK, and one company from each of Canada, Switzerland, China, Denmark, and Sweden.

The clothing and footwear product sector lost its dominance of the Fastest 20, with only six companies, down from ten in FY2016 and FY2015. The jewelry and watches sector also had six companies, one more than last year. The biggest gain came from the cosmetics and fragrances sector, which doubled its presence to four companies. The remaining product sectors, bags and accessories, and multiple luxury goods, were each represented by two companies.



Study methodology and data sources

Luxury goods' in this report refers to luxury for personal use, and is the aggregation of designer clothing and footwear (ready-to-wear), luxury bags and accessories (including eyewear), luxury Jewelry and watches and prestige cosmetics and fragrances. The term excludes the following luxury categories: automobiles; travel and leisure services; boating and yachts; fine art and collectibles; and fine wines and spirits. Retailers who are mainly resellers of other companies' luxury brands are also excluded.

To be considered for the Global Powers of Luxury Goods Top 100, a company must first be designated as a luxury goods company according to the definition of luxury categories included in this report.

The companies considered for inclusion in the Top 100 rankings range from traditional ultra-luxury, through super premium and aspirational luxury, down to affordable/accessible luxury – a relatively new luxury category of products at prices more affordable for middle class consumers but available at the higher end of retail. They all have strong consumer brands. Factors affecting the positioning of companies on this luxury spectrum include:

- Price premium.
- Quality/rarity of raw materials.
- Quality of craftsmanship.
- Product exclusivity
- Service and personalisation
- Quality and exclusivity of points of sale.

Each company is assessed to determine if the majority of its sales (a 50 per cent hurdle) are derived from luxury goods products in the four categories of luxury goods: designer clothing and footwear (ready-to-wear); bags and accessories; fine Jewelry and watches; and prestige cosmetics and fragrances. Broadly defined, these are products made for and purchased by the ultimate consumer and marketed under well-known luxury brands. Companies which report sales for a large luxury segment (e.g. L'Oréal Luxe) are also included. Some companies do not disclose financial information and so cannot be included in the rankings.

Companies whose primary business is the sale of luxury goods products are included among the Top 100 according to their consolidated sales of luxury goods in financial year 2017 (which we define as financial years ending within the 12 months to 30 June 2018).

A number of sources are consulted to develop the Top 100 list. The principal sources of financial and other company information are annual reports, SEC filings and information found in company press releases and fact sheets or on company websites. If company-issued information is not available, other sources in the public domain are used, including trade journal estimates, industry analyst reports, business information databases and press interviews. Each year a small number of privately-owned luxury goods companies cannot be included in the ranking, because there is insufficient data from any source to make a reasonable estimate of their luxury goods sales.

In order to provide a common base from which to rank companies, net sales for non-US companies are converted to US dollars. Exchange rates, therefore, have an impact on the results. OANDA.com is the source for the exchange rates. The average daily exchange rate corresponding to each company's financial year is used to convert that company's results to US dollars. Individual companies' FY2017 year-over-year growth rate and FY2015-2017 compound annual growth rate (CAGR), however, are calculated in each company's local currency.

Only data linked to those players highlighted in the Top 100 ranking are used in the geographic and product sector analyses. Although they represent a substantial share of the market, they are not all-inclusive.

Group financial results

This report uses sales-weighted composites rather than simple arithmetic averages as the primary measure for understanding group financial results. Therefore, results of larger companies contribute more to the composite than do results of smaller companies. Because the data is converted to US dollars for ranking purposes, and to facilitate comparison among groups, composite growth rates are also adjusted to correct for currency movement. While these composite results generally behave in a similar fashion to arithmetic averages, they provide better representative values for benchmarking purposes.

Group financial results are based only on companies with data. Not all data elements are available for all companies.

It should also be noted that the financial information used for each company in a given year is accurate as of the date the financial report was originally issued. Although a company may have restated prior year results to reflect a change in its operations, such restatements are not reflected in this data.

This study is not an accounting report. It is intended to provide a reflection of market dynamics and the impact on the luxury goods industry over a period of time. As a result of these factors, growth rates for individual companies may not correspond to other published results.

Top 100 luxury goods companies in alphabetical order

Acne Studios Holding AB	99
Aeffe SpA	82
Audemars Piguet & Cie	51
Breitling SA	74
Brunello Cucinelli SpA	62
Burberry Group plc	19
Canada Goose Holdings Inc.	72
Chanel Limited	6
Charles Tyrwhitt Shirts Limited	93
Chow Sang Sang Holdings International Limited 周生生集团国际有限公司	30
Chow Tai Fook Jewellery Limited 周大福珠宝集团有限公司	9
Chow Tai Seng Jewellery Co., Ltd.	65
Cole Haan LLC	59
Compagnie Financière Richemont SA	3
Coty Luxury	22
De Rigo SpA	70
Dolce & Gabbana	39
Eastern Gold Jade Co., Ltd	42
Ermenegildo Zegna Holditalia SpA	43
Euroitalia S.r.l.	77
Falke KGaA	92
Fashion Box SpA	91
Festina Lotus SA	89
Fossil Group, Inc.	25
Franck Muller Group	84
Furla SpA	61
Gefin SpA	83
Gerhard D. Wempe KG	64
Gianni Versace SpA	55
Giorgio Armani SpA	26
Giuseppe Zanotti SpA (formerly Vicini SpA)	96
Graff Diamonds International Limited	56
Hermès International SCA	11
Hugo Boss AG	23
Inter Parfums, Inc.	60
J Barbour & Sons Ltd	88
Joyalukkas India Pvt. Limited	47
K.Mikimoto & Co., Ltd.	97
Kalyan Jewellers India Pvt. Limited	35
Kering SA	4
Kosé Corporation	29
Kurt Geiger Limited	75
Lao Feng Xiang Co., Ltd. 老凤祥股份有限公司	15
Le Petit-Fils de L.-U. Chopard & Cie SA	53
Liu.Jo SpA	81
L'Occitane International SA	38
Longchamp SAS	58
L'Oréal Luxe	7
Luk Fook Holdings (International) Limited 六福集团(国际)有限公司	32
Luxottica Group SpA	5
LVMH Moët Hennessy-Louis Vuitton SE	1
Marc Cain Holding GmbH	85
MARC O'POLO AG	71
Marcolin Group	68
Max Mara Fashion Group Srl	31
Michael Kors Holdings Limited (now Capri Holdings Limited)	17
Moncler SpA	44
Movado Group, Inc.	63
Mulberry Group plc	98
Onward Holdings Co., Ltd.	34
OTB SpA	33
Pandora A/S	20
Patek Philippe SA	45
Paul Smith Group Holdings Limited	95
PC Jeweller Ltd.	40
Pola Orbis Holdings Inc.	37
Prada Group	21
Puig S.L.	28
PVH Corp.	10
Ralph Lauren Corporation	12
Restoque Comércio e Confecções de Roupas S.A.	79
Revlon, Inc/Elizabeth Arden segment	52
Richard Mille SA	90
Rolex SA	14
S Tous SL	76
Safilo Group SpA	46
Salvatore Ferragamo SpA	36
Samsonite International S.A./Tumi brand only	57
Sanyo Shokai Ltd.	66
Shiseido Prestige & Fragrance	16
SMCP SAS	50
Swarovski Crystal Business	24
Tapestry, Inc. (formerly Coach, Inc.)	13
Ted Baker plc	54
Textil Lonia	80
The Estée Lauder Companies Inc.	2
The Swatch Group Ltd.	8
Tiffany & Co.	18
Titan Company Limited	27
Tod's SpA	48
Tory Burch LLC	49
Tribhovandas Bhimji Zaveri Limited	87
Trinity Limited 利邦控股有限公司	100
Tse Sui Luen Jewellery (International) Limited	69
TWINSET—Simona Barbieri SpA	86
Valentino SpA	41
Van de Velde NV	94
Vera Bradley, Inc.	73
Zadig & Voltaire	78
Zhejiang Ming Jewelry Co., Ltd. 浙江明牌珠宝股份有限公司	67

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Contacts

EMEA Fashion & Luxury Leader
Patrizia Arienti
parienti@deloitte.it

Africa
Jolandi Grace
jograce@deloitte.co.za

Austria
Margareta Holz
mholz@deloitte.at

Brazil
Reynaldo Saad
rsaad@deloitte.com

Canada
Stephen Brown
stephenbrown@deloitte.ca

China and Asia Pacific
Tian Bing Zhang
tbzhang@deloitte.com.cn

France
Benedicte Sabadie
bsabadie@deloitte.fra

Germany
Philip Beil
pbeil@deloitte.de

India
Anil Talreja
atalreja@deloitte.com

Italy
Giovanni Faccioli
gfaccioli@deloitte.it

Japan
Jun Matsuo
jmatsuo@tohmatsu.co.jp

Korea
Sang Keun Lee
sangklee@deloitte.com

Mexico
Erick Calvillo
ecalvillo@deloittemx.com

Omar Camacho
ocamacho@deloittemx.com

Middle East
Herve Ballantyne
hballantyne@deloitte.com

Netherlands
Adgild Hop
ahop@deloitte.nl

Nordics
Joakim Torbjorn
jtorbjorn@deloitte.se

Portugal
Miguel Eiras Antunes
meantunes@deloitte.pt

Russia/CIS
Vladimir Biryukov
vbiryukov@deloitte.ru

Spain
Fernando Pasamón
fpasamon@deloitte.es

Switzerland
Karine Szegedi
kszegedi@deloitte.ch

United Kingdom
Sundeep Khanna
sundeepkhanna@deloitte.co.uk

Ian Geddes
igeddes@deloitte.co.uk

United States
Jean-Emmanuel Biondi
jebiondi@deloitte.com

Rod Sides
rsides@deloitte.com

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