

## Press release

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### Deloitte's Global Powers of Retailing: Four Swiss retailers among the top 250 worldwide

- **USD 4,53 trillion in revenues generated by top 250 global retailers in fiscal year 2017 – +5.7% composite growth**
- **US retailers continue to dominate the top 10 worldwide, with Wal-Mart the undisputed leader – Swiss retail market remains strong**
- **Migros and Coop remain among the top 50 retailers worldwide – Dufry one of the fastest growing retailers**

In fiscal year 2017, the top 250 global retailers generated aggregated revenues of USD 4.53 trillion, representing a composite growth of 5.7%. Over four fifths (83%, 208 companies) of the group posted positive revenue growth. Deloitte's [Global Powers of Retailing](#) identifies the 250 largest retailers around the world based on publicly available data for FY2017 (fiscal years ended through June 2018).

Until early 2018, the global economy displayed strong growth – but the outlook is less optimistic. With inflation accelerating in major markets, governments making shifts in monetary and fiscal policies, and various emerging markets experiencing significant currency depreciation, the global economy may slow down in the near future. For retailers, this change will mean slower consumer spending growth, higher consumer prices, and disrupted global supply chains.

In Switzerland, the outlook is more promising, as Konstantin von Radowitz, Consumer & Industrial Products Industry Leader at Deloitte Switzerland says, "2018 was a decent year for the Swiss retail industry compared to other countries. Sales in the Swiss retail sector grew by an estimated 0.4% thanks to the comparably healthy economic environment in Switzerland. In spite of the global uncertainty, the outlook for the Swiss economy in 2019 is overall positive and private consumption is expected to remain stable."

#### Few changes in the Top 10 retailers worldwide

The world's 10 largest retailers contributed a 31.6% share to the top 250's total retail revenue in FY2017. The top three retailers retained their positions: US companies Wal-Mart, Costco and The Kroger. Amazon continued on its growth path, moving up to 4<sup>th</sup> position, also due to its acquisition of Whole Foods. Over the last five financial years, it advanced by 11 positions.

Top 250 rank	Δ in rank	Company	Country of origin	2017 retail revenue (USD mil)
1	↔	Wal-Mart Stores, Inc.	US	500,343
2	↔	Costco Wholesale Corporation	US	129,025
3	↔	The Kroger Co.	US	118,982
4	↑+2	Amazon.com, Inc.	US	118,573
5	↓-1	Schwarz Group	Germany	111,766
6	↑+1	The Home Depot, Inc.	US	100,904
7	↓-2	Walgreens Boots Alliance, Inc.	US	99,115

8		Aldi Einkauf GmbH & Co. oHG	Germany	98,287 <sup>e</sup>
9		CVS Health Corporation	US	79,398
10		Tesco PLC	UK	73,961

e = estimate

The growth of the top 10 outpaced that of the top 250 retailers, at 6.1% and 5.7% respectively. However, the net profit margin composite for the top 10 was weaker than the previous year and when compared to the top 250. This is in large part because eight of the top 10 retailers operate in the low-margin Fast Moving Consumer Goods (FMCG) sector, namely the sector of products that are sold quickly and at relatively low cost. Here margins are increasingly under pressure from rising costs, lower pricing power due to increased competition and transparency, and the need to invest in digital transformation of the businesses.

Still, the FMCG sector is the key driver of the top 250 metrics. The 138 companies (55.2% of the top 250 retailers) generated 66.2% of the retail revenue in FY2017. In comparison to other sectors, retailers in this sector have the largest average retail revenue (USD 21.7 billion in FY2017).

### Migros and Coop remain in the Top 50 – Dufry one of the fastest growing

Swiss retail market leaders Migros and Coop both maintained their strong position in the top ranks of the 250 largest retailers worldwide. Migros (with retail sales of USD 24.5 billion in FY17) at number 39, and Coop (with retail sales of USD 22.5 billion) at number 44. The Geneva-based luxury goods holding company Richemont gained nine positions and ranked at number 129. Travel retailer Dufry continued on its growth path and ranked at 123. Dufry counts among the fastest growing retailers worldwide in the past five years (+21.7% composite annual growth rate).

Top 250 rank	Δ in rank	Company	Country of origin	2017 retail revenue (USD mil)
39		Migros-Genossenschafts-Bund	Switzerland	24,529 <sup>e**</sup>
44		Coop Group	Switzerland	22,517*
123		Dufry AG	Switzerland	8,290
129		Compagnie Financière Richemont SA	Switzerland	8,073

e = estimate

\* Revenue reflects wholesale sales

\*\* Revenue includes wholesale and retail sales

“It is impressive to see that, while the Swiss market growth opportunities are limited, Migros and Coop are keeping pace with global retail growth. Being a small country, Switzerland does not offer many opportunities for economies of scale in offline retail. What’s more, many Swiss consumers continue to cross the borders to do their shopping, albeit the cross-border purchases have become less attractive for Swiss consumers price-wise,” states Konstantin von Radowitz.

He continues, “E-commerce has not yet significantly disrupted the Swiss retail business. While online sales keep growing strongly, they remain a comparably small share of the whole retail business: In 2018, online sales accounted for less than 10% of total retail sales in Switzerland. On the flip side, the foreign players such as Amazon, Zalando and AliExpress continue to grow strongly in the Swiss market, which means that Swiss retailers must keep investing in their online business.”

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### About the Global Powers of Retailing 2019 report

The Global Powers of Retailing 2019 report from Deloitte identifies the 250 largest retailers around the world based on revenues through the analysis of publicly available data for fiscal year 2017 (encompassing companies with fiscal years

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ending through June 2018). The report analyses performance across geographies and product sectors. It also provides a global economic outlook, looks at the 50 fastest-growing retailers, and highlights new entrants to the top 250.

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