

## Media release

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### **Deloitte's Global Powers of Retailing: Swiss retailers remain firmly in the global top 250 – sector outlook uncertain**

- **Top 250 retailers worldwide generated USD 4.74 trillion in revenues in fiscal year 2018 – +4.1% composite year-over-year growth**
- **Top 10 continues to be dominated by US-based retailers, Amazon now in Top 3**
- **Switzerland's Migros and Coop remain in Top 50, Richemont new in Top 100, and Dufry still one of the fastest-growing retailers worldwide**

The Top 250 global retailers generated aggregated revenues of USD 4.74 trillion in fiscal year 2018, representing composite growth of 4.1%, according to Deloitte's Global Powers of Retailing 2020.

US retailers Wal-Mart, Costco and Amazon topped the ranks. The world's Top 10 retailers made up almost one third (32.2%) of the Top 250's total retail revenue in FY2018, up from a 31.6% share in the previous year. Growth of the Top 10 outpaced that for the Top 250 retailers, at 6.3% and 4.1% respectively. The composite net profit margin for the Top 10 retailers was slightly higher (0.5 percentage points) than the previous year, despite the pressure on retailers from intense competition, rising labour costs, price wars, and investment in e-commerce capabilities.

With the largest number of companies (136) in the Top 250 list, the fast-moving consumer goods (FMCG) sector generated almost two thirds (66.5%) of the retail revenue in FY2018. Retailers in this sector had the largest average retail revenue (USD 23.2 billion in FY2018), however this is a low-margin sector with the lowest net profit margin of all the sectors (2.0% in FY2018).

Europe had the highest number of Top 250 retailers, with 88 companies based in the region (35.2%), contributing 34.4% to the total retail revenue. Lidl's and Aldi's parent groups, both retailers active in Switzerland, ranked number 4 and number 8, respectively. The US had the largest companies with an average size of USD 27.6 billion, much higher than the average Top 250 size of USD 19.0 billion.

"Looking at the performance of largest retailers worldwide over a five-year period, the Top 250 has exhibited remarkable stability at the aggregate level. The outlook for the global economy and the retail industry in 2020 is uncertain. Overall economic growth is likely to be subdued but positive, with lower growth in consumer spending and inflation in most countries remaining low," says Karine Szegedi, member of the Deloitte Switzerland executive and consumer business expert.

She adds: "In 2019, sales in the Swiss retail sector were overall at a stagnant level. We expect 2020 to be similar: Geopolitical challenges and the strong Swiss franc are likely to hamper dynamic growth, but the continued positive development of online sales should fuel retailers' performance. The outbreak of the coronavirus may also have an impact on certain Swiss retailers, depending on its spread and severity. The luxury and watch industry are already feeling the impact as sales in the Asian market are dwindling."

#### **Swiss retailers in the Top 250: Migros, Coop, Richemont and Dufry**

Swiss retail market leaders Migros and Coop maintained their strong position in the top 50. Migros, with retail sales of USD 25.13 billion in FY18, stood firm at number 39, while Coop (USD 23.47 billion) dropped two ranks to number 46. Geneva-based luxury goods holding Richemont entered the top 100 for the first time, as retail activity and its new online retail segment in particular had a positive impact on performance.

Travel retailer Dufry continued to shine as one of the fastest growing retailers worldwide with an impressive 19.5% compound annual growth rate since 2013, and ranked at number 120.

“2020 will probably not be a very dynamic year for the notoriously small Swiss retail market, but we’re cautiously optimistic that Swiss retailers can continue to keep pace with other global retail powerhouses. E-commerce is bound to further grow next year, especially in the food & beverage sector, where its revenue shares are nowhere near the levels we see in other countries”, states Karine Szegedi.

Top 250 rank	Change in rank	Name of company	Country of origin	FY2018 retail revenue (USDm)	FY2013-18 retail revenue CAGR
1	-	Wal-Mart Stores, Inc.	US	514,405	1.6%
2	-	Costco Wholesale Corporation	US	141,576	6.1%
3	+1	Amazon.com, Inc.	US	140,211	18.1%
4	+1	Schwarz Group	Germany	121,581	7.1%
5	-2	The Kroger Co.	US	117,527 <sup>e</sup>	3.6%
6	+1	Walgreens Boots Alliance, Inc.	US	110,673	8.9%
7	-1	The Home Depot, Inc.	US	108,203	6.5%
8	-	Aldi Einkauf GmbH & Co. oHG	Germany	106,175 <sup>e</sup>	6.7%
9	-	CVS Health Corporation	US	83,989	5.1%
10	-	Tesco PLC	UK	82,799	0.1%
39	-	Migros-Genossenschafts-Bund	Switzerland	25,129 <sup>**</sup>	1.2%
46	-2	Coop Group	Switzerland	23,465 <sup>**</sup>	-0.1%
96	+33	Compagnie Financière Richemont SA	Switzerland	11,088	10.4%
120	+3	Dufry AG	Switzerland	8,873	19.5%

e = estimate

\*\* Revenue includes wholesale and retail sales

Contact: Karine Szegedi  
 Position: Member of the Executive  
 Tel. +41 58 279 82 58  
 Email: [kszegedi@deloitte.ch](mailto:kszegedi@deloitte.ch)

Contact: Sophie Dres  
 Position: Head of Communications  
 Tel. +41 58 279 62 89  
 Email: [sdres@deloitte.ch](mailto:sdres@deloitte.ch)

#### About the study

The report identifies the 250 largest retailers around the world based on publicly available data for FY2018 (fiscal years ended through 30 June 2019), and analyses their 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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