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## Global Powers of Luxury Goods

The new age of fashion and luxury

November 25, 2020



**MAKING AN  
IMPACT THAT  
MATTERS**  
*since 1845*

# Global Powers of Luxury Goods 2020

Welcome to the 7<sup>th</sup> edition of the report

## Changing format

 going forward

COVID-19 has upended typical operations in the first half of 2020. GPLG 2020 publication has been postponed to give time to the luxury companies and media to be more receptive of the results.

This year's edition will see some important changes:

- **New methodology:** switch from FY to **Calendar Year**, to provide more updated data to release with the new report and the future editions.
- Fewer sections but **more in depth content**
- First global report using the **new global consumer brand image**

Global launch date:

**November 19<sup>th</sup>, 2020**

## Key Sections



### KEY MARKET TRENDS

Description of the main trends and forces shaping the F&L scenario for the year ahead



### TOP 100 LIST

- Ranking of the first 100 F&L companies based on consolidated sales of luxury goods in 2019.
- Deep dive into Top 10 FY2019 players



### GEOGRAPHIC ANALYSIS

Analysis of the performance of resident countries of the companies in the ranking



### PRODUCT SECTOR ANALYSIS

Analysis of the performance by product sector. Companies are divided into 5 categories:

- Clothing and footwear
- Bags and accessories
- Cosmetics and fragrances
- Jewelry and watches
- Multiple products category



### FASTEST 20

Analysis of the fastest growing companies in the ranking



### NEW ENTRANTS

Description of the companies that have made it to the top 100 in this edition



# Methodology

Our definition of *luxury goods* in this report



What categories are excluded



- Automobiles
- Travel and leisure services
- Boating and yachts
- Fine art and collectibles
- Fine wines and spirits
- Retailers that are mainly resellers of other companies' luxury brands



## What kind of companies are included

Companies ranging from traditional ultra-luxury, through super premium and aspirational luxury, down to affordable/accessible luxury



## Changes from the 2019 edition

- Switch to a calendar year fiscal year definition → FY2019 means fiscal year end dates from 1 January to 31 December 2019
- Growth calculations (CAGR and year-on-year) are also based on calendar year data for financial years FY2016 to FY2018



## How companies are ranked

- Companies are included among the Top 100 according to their consolidated sales of luxury goods in their financial year 2019
- 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 have an impact on the results



## Sources

- Annual reports
- SEC filings
- Information in company press releases and fact sheets or on company websites

# Top 100 quick statistics

## US\$281 billion

Aggregate net luxury goods sales  
of Top 100



**8.5%**

Cumulative YoY  
growth rate



**US\$238 million**

Minimum revenue threshold to be  
on Top 100 list



**\$2.81 billion**

Average size per company in Top  
100 list



**51.2%**

Top 10 share of Top 100  
luxury goods sales



**11.2%**

Composite net profit margin



**8%**

FY2016-2019 luxury  
goods sales CAGR



# Top 10 luxury goods companies

LVMH is the #1 player since FY14, while other companies have changed their rank over the years

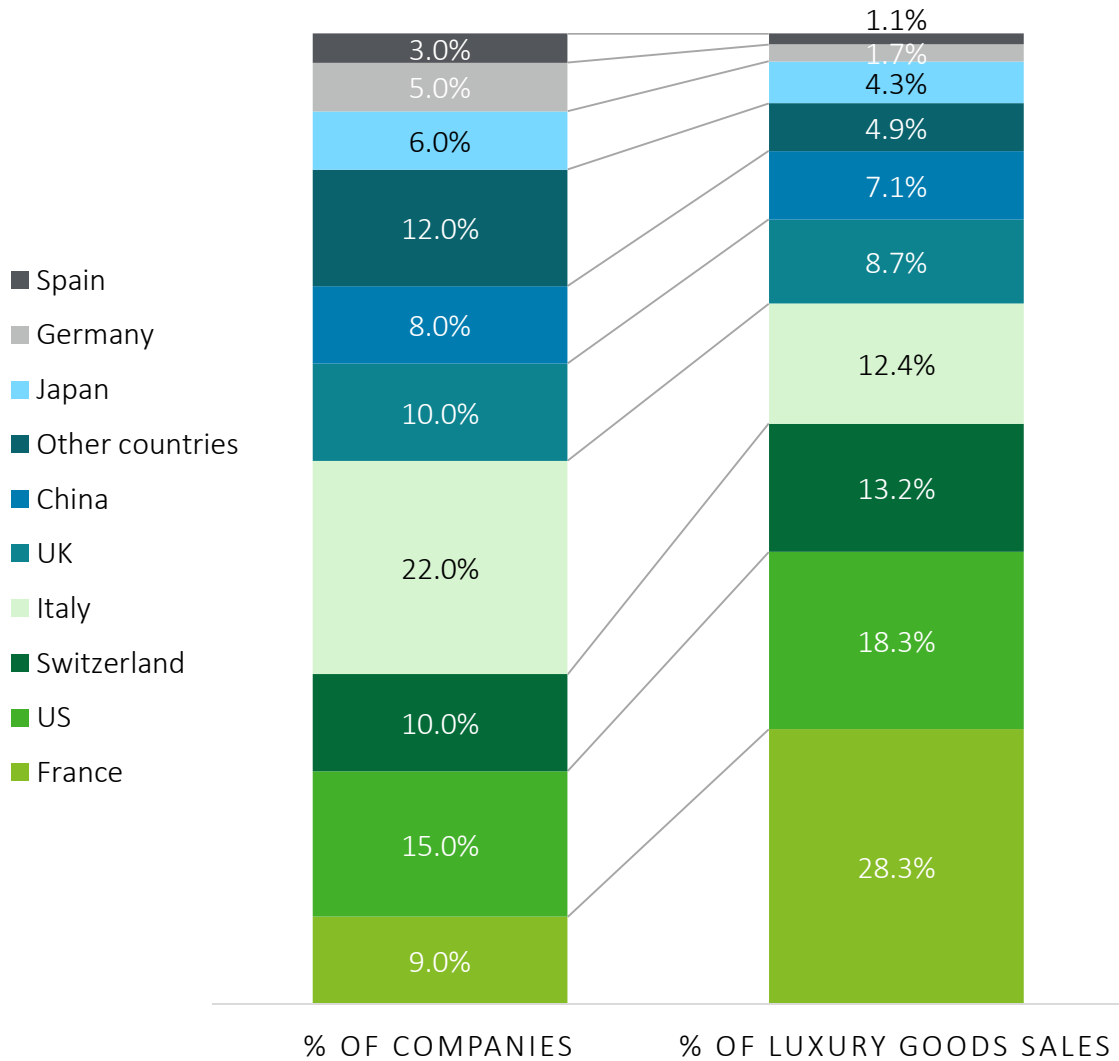
#	Company Name - Country	Change in rank	FY2019 sales (US\$ billion)	Sales growth %	Net profit margin %
#1	LVMH Moët Hennessy-Louis Vuitton SE - France	↔	\$37,468	16.8%	14.5%
#2	Kering SA - France	↔	\$17,777	16.2%	14.7%
#3	The Estée Lauder Companies Inc. - US	↔	\$14,863	8.6%	12.1%
#4	Compagnie Financière Richemont SA - Switzerland	↔	\$13,822	8.5%	19.9%
#5	L'Oréal Luxe - France	↑ +1	\$12,334	17.6%	n/a
#6	Chanel Limited - UK	↓ -1	\$12,273	10.4%	19.6%
#7	EssilorLuxottica SA -Italy	↔	\$10,624	6.0%	6.8%
#8	Chow Tai Fook Jewelry Group Limited - China/HK SAR	↑ +1	\$8,411	13.9%	7.0%
#9	PVH Corp. - US	↑ +1	\$8,076	9.8%	7.7%
#10	The Swatch Group Ltd. - Switzerland	↓ -2	\$8,014	-3.0%	9.1%
Top 10			\$143,662	11.9%	13.3%
Top 100			\$280,640	8.5%	11.2%

# FY2019 Top 100 rank    ↑↓ Change in rank    \$ FY2019 sales (US\$ billion)    % Sales growth %    📈 Net profit margin %

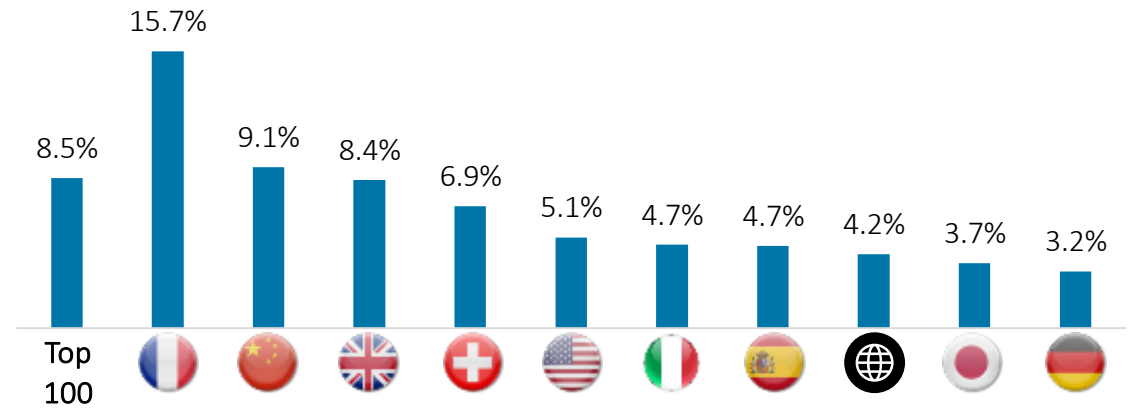
# Geographic analysis

Resident countries of the big luxury conglomerates achieve the best performance

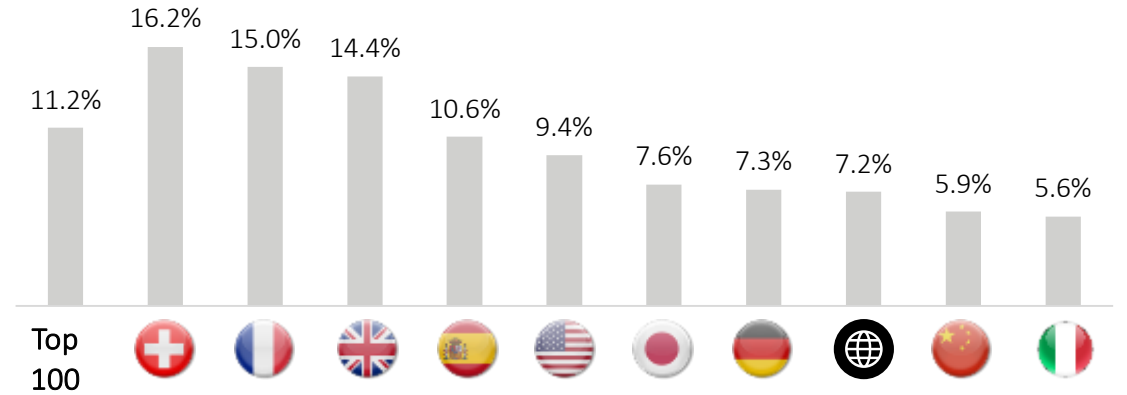
Top 100 share by country



FY2019 Luxury goods sales growth, by country



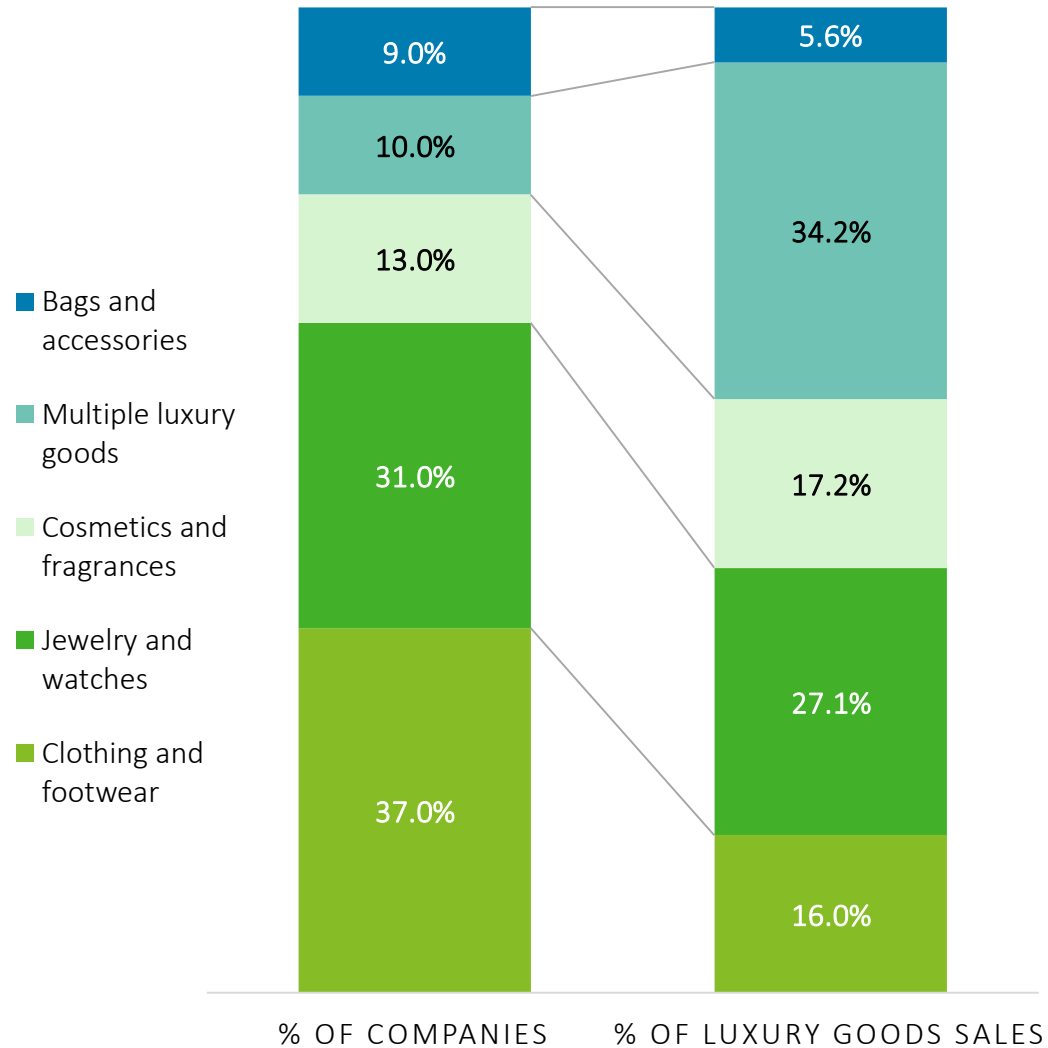
FY2019 Net profit margin, by country



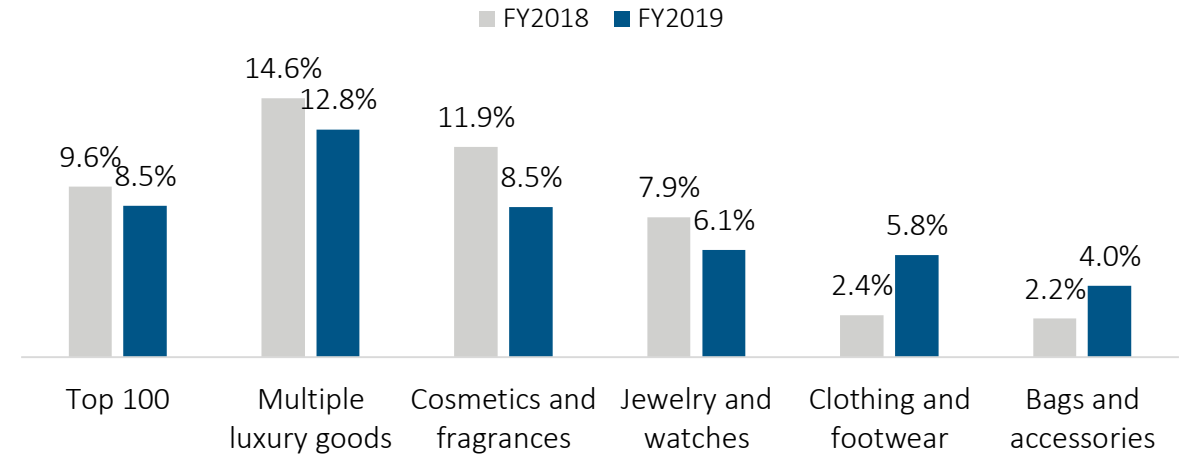
# Product category analysis

Luxury goods sales growth among the product sectors became less polarized in FY2019

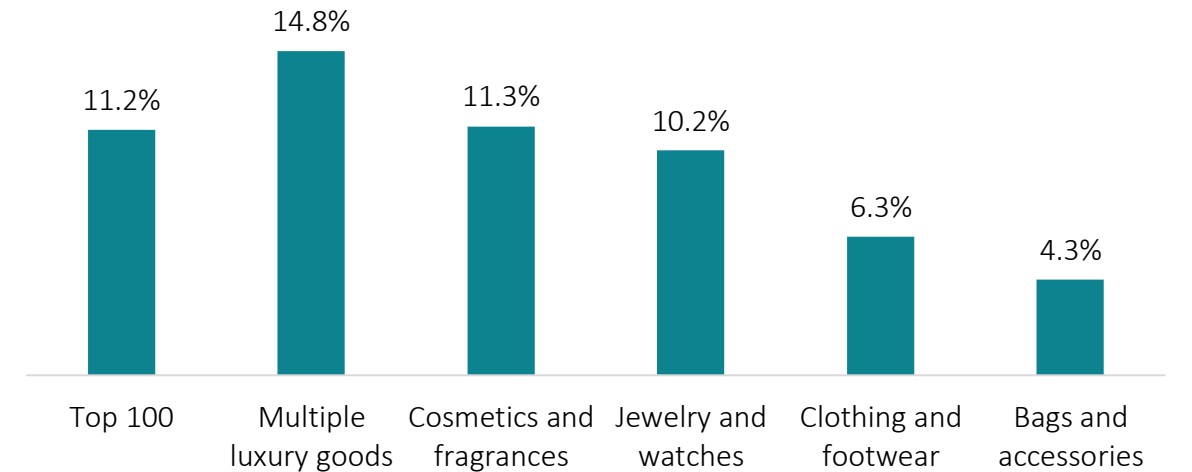
Top 100 share by product sector



Product sectors sales YoY growth %



FY2019 Net profit margin, by product sector



# Fastest 20

Fastest 20 CAGR was more than double the composite CAGR for the Top 100

CAGR ranking	Company Name - Country	Top 100 ranking	FY2016-2019 CAGR	FY2019 Sales growth	CAGR ranking	Company Name - Country	Top 100 ranking	FY2016-2019 CAGR	FY2019 Sales growth
#1	Richard Mille SA - Switzerland	55	58.7%	200.0%	#11	Shiseido Prestige & Fragrance - Japan	15	16.0%	6.8%
#2	Canada Goose Holdings Inc. - Canada	64	41.9%	40.5%	#12	J Barbour & Sons Ltd - UK	90	13.3%	11.3%
#3	TFG London - UK	73	33.0%	31.3%	#13	Acne Studios Holding AB - Sweden	93	13.0%	23.0%
#4	Kering SA - France	2	23.3%	16.2%	#14	SMCP SAS - France	45	12.9%	11.3%
#5	Chow Tai Seng Jewelry Co., Ltd. - China	62	22.5%	9.1%	#15	L'Oréal Luxe - France	5	12.9%	17.6%
#6	Coty Luxury - US	21	21.5%	2.6%	#16	Chanel Limited - UK	6	12.5%	10.4%
#7	Titan Company Limited - India	26	19.8%	20.1%	#17	Kosé Corporation - Japan	27	12.3%	11.0%
#8	Euroitalia S.r.l. - Italy	75	16.6%	10.4%	#18	Joyalukkas India Pvt. Limited - India	49	11.9%	10.0%
#9	LVMH Moët Hennessy-Louis Vuitton SE - France	1	16.5%	16.8%	#19	Breitling SA - Switzerland	67	11.5%	20.8%
#10	Moncler SpA - Italy	34	16.1%	14.6%	#20	Inter Parfums, Inc. - US	57	11.0%	5.6%
Fastest 20								16.9%	15.3%
Top 100								8%	8.5%



# The new age of fashion and luxury

Global market trends explored in 2020 edition

## Sustainability – with a 360° approach



### 'Woke' fashion, a rising trend among luxury brands

Adoption and integration of CSR practices as the core of the company strategy is a must-have for younger generations



### Carbon neutrality now embodies a core value for luxury goods companies

Sustainability along the supply chain and in all companies activities is a goal to achieve



### Luxury resale: Not an oxymoron but a pre-owned boom

The second-hand goods market is augmenting the demand for the primary market, also in the light of fueling circular economy practices

## Digitalization



### Digitalization is fueling major industry opportunities across the value chain

Companies are focusing on consumer intimacy and one-to-one brand building and online sales fueled by big data and analytics and technology



### More than stores: omnichannel strategies are upgrading luxury outlets in the ultimate experience destination

The COVID-19 pandemic has accelerated the adoption of omnichannel capabilities – shoppers are increasingly engaging with digital channels and needing traceability across brick & mortar and online while the store is more and more an experiential place rather than just a place to buy



Shifts accelerated by COVID-19



Pre- and post- COVID-19 trends



Non-pandemic shifts



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