

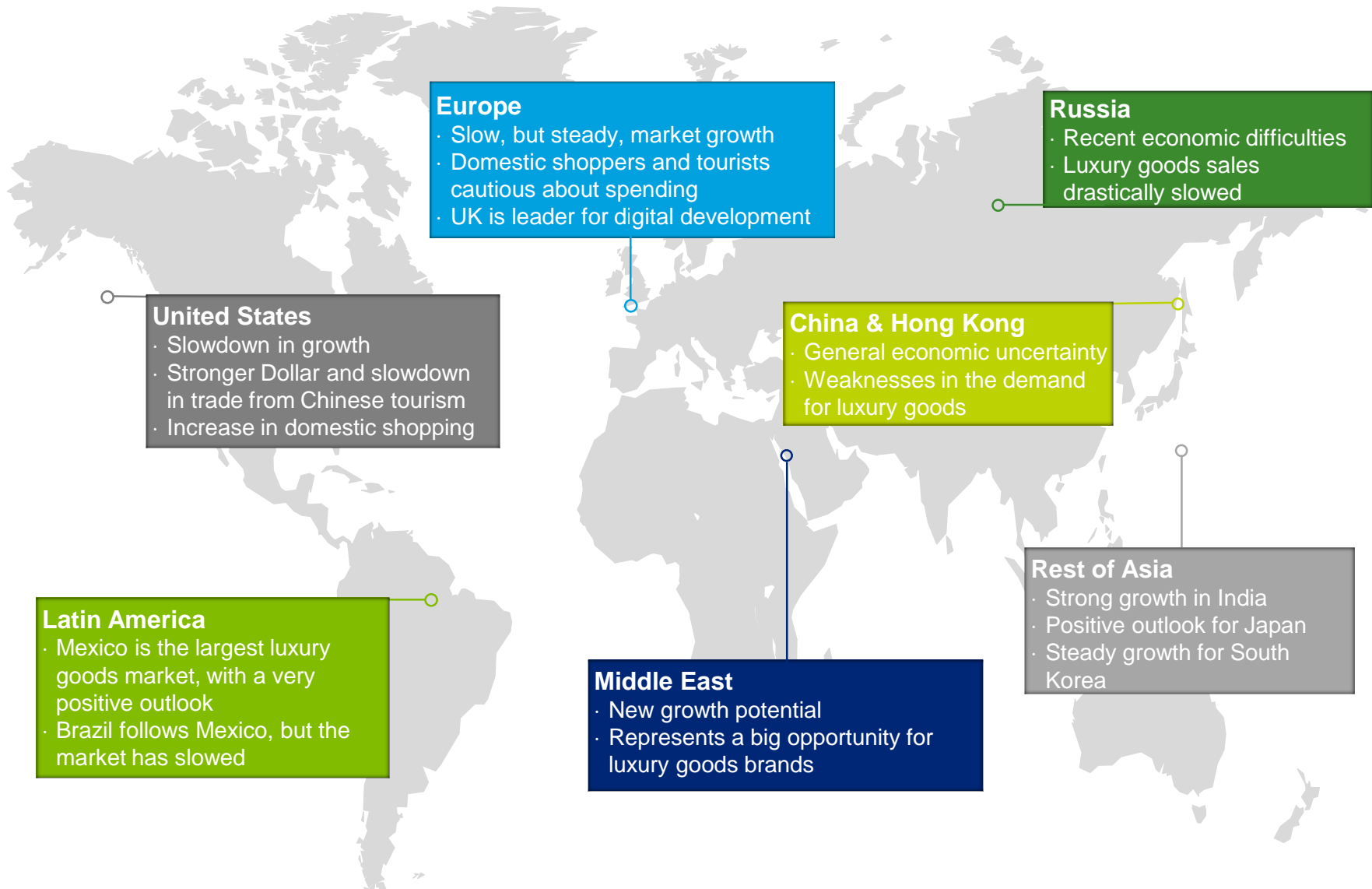
**Deloitte.**

Global Powers of  
Luxury Goods 2016  
Disciplined innovation

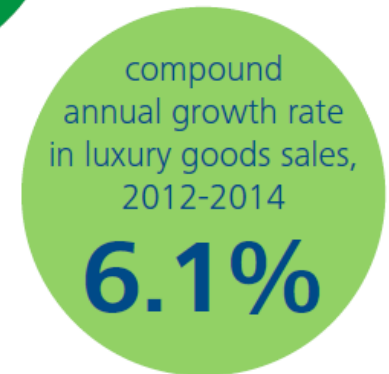
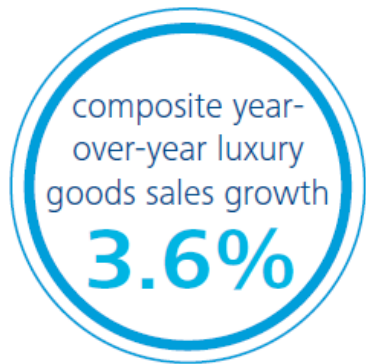
2016 Report highlights



# Global economic outlook


























# Top 100 quick stats



# Top 10 luxury goods companies

		 FY14 Luxury goods sales (US\$m)	 FY14 Total revenue (US\$m)	 FY14 Luxury goods sales growth
1	LVMH Moët Hennessy Louis Vuitton SA, France	 23,297	 40,727	 7.0%
2	Compagnie Financiere Richemont SA, Switzerland	 13,217	 13,217	 3.9%
3	The Estée Lauder Companies Inc., U.S.	 10,780	 10,780	 -1.7%
4	Luxottica Group SpA, Italy	 10,172	 10,172	 4.6%
5	The Swatch Group Ltd., Switzerland	 9,223	 9,530	 3.1%
6	Kering SA, France	 8,984	 13,344	 4.5%
7	Chow Tai Fook Jewellery Group Limited, HK	 8,285	 8,292	 -17.0%
8	L'Oréal Luxe, France	 8,239	 8,239	 5.7%
9	Ralph Lauren Corporation, US	 7,620	 7,620	 2.3%
10	PVH Corp., US	 6,441	 8,241	 3.9%
Top 10		 106,258	 130,162	 2.0%
Top 100		 221,958	 252,489	 3.6%

# Top 10 fastest-growing luxury goods companies

		 FY14 Luxury goods sales (US\$m)	 FY14 Top 100 ranking	 FY14 Luxury goods sales growth	FY12-14 Luxury goods sales CAGR
1	Kate Spade & Company, US	\$ 1,105	 43	 48.7%	54.7%
2	Michael Kors Holdings Limited, HK	\$ 4,371	 16	 32.0%	41.6%
3	Vicini SpA, Italy	\$ 217	 94	 34.6%	40.8%
4	Pandora A/S, Denmark	\$ 2,129	 26	 32.5%	34.0%
5	Stefano Ricci SpA, Italy	\$ 209	 95	 16.0%	32.1%
6	Marcolin SpA, Italy	\$ 481	 63	 70.6%	30.1%
7	Valentino Fashion Group SpA, Italy	\$ 966	 48	 31.7%	28.8%
8	PC Jeweller Ltd., India	\$ 1,041	 44	 19.2%	25.7%
9	Sungjoo D&D Inc, South Korea	\$ 547	 58	 27.9%	24.7%
10	TWIN SET – Simona Barbieri SpA, Italy	\$ 290	 84	 12.6%	22.8%

# Luxury goods: Country profiles



Number of companies



Average luxury goods size (US\$m)












Share of Top 100 luxury goods sales



FY14 Luxury goods sales growth



















	Number of companies	Average luxury goods size (US\$m)	Share of Top 100 luxury goods sales	FY14 Luxury goods sales growth	
China/Hong Kong	8	\$2,963	10.7%	-6.8%	
France	10	\$5,209	23.5%	6.7%	
Italy	29	\$1,301	17.0%	6.9%	
Spain	5	\$688	1.5%	8.2%	
Switzerland	11	\$2,972	14.7%	3.6%	
United Kingdom	7	\$958	3.0%	11.1%	
United States	14	\$3,096	19.5%	0.1%	
<i>Other countries</i>	16	\$1,391	10.0%	8.3%	
<b>Top 100</b>	<b>100</b>	<b>\$2,220</b>	<b>100%</b>	<b>3.6%</b>	

# Luxury goods: Product sector profiles

				
	Number of companies	Average luxury goods size (US\$m)	Share of Top 100 luxury goods sales	FY14 luxury goods sales growth
 <b>Apparel &amp; footwear</b>	38	\$1,100	19%	6.6%
 <b>Bags &amp; accessories</b>	10	\$1,618	7%	9.3%
 <b>Cosmetics &amp; fragrances</b>	12	\$2,972	16%	1.3%
 <b>Jewellery &amp; watches</b>	29	\$1,950	25%	-0.4%
 <b>Multiple luxury goods</b>	11	\$6,524	32%	5.5%
<b>Top 100</b>	<b>100</b>	<b>\$2,220</b>	<b>100.0%</b>	<b>3.6%</b>

# M&A activity

## Top acquisitions in the F&L sector in 2015

Ranking	Buyer	Sector	Acquired business	Sector	Deal value US\$m	Completion date
1	Coach, Inc. (US)		Stuart Weitzman Holdings LLC Sycamore Partners (US)		574	04/05/2015
2	Fiskars Corporation (Finland)		WWRD Holdings Limited KPS Capital Partners, LP (UK)		437	02/07/2015
3	Varenne Clessidra SGR SpA (Italy)	PE	<b>Roberto Cavalli SpA (Italy)</b>		430	19/05/2015
4	Coty Inc. (US)		Bourjois cosmetics brand Chanel S.A. (France)		374	01/04/2015
5	Fossil Group, Inc. (US)		Misfit, Inc. Investor group (US)		236	22/12/2015
6	The Longreach Group Inc. (Japan)	PE	Primo Japan Inc. Ruby Holdings Co., Ltd., an affiliate of Baring Private Equity Asia (Japan)		170 <sup>e</sup>	30/01/2015
7	IVEST Consumer Partners, Lion Capital Fund III LP, Spence Diamonds management (Canada and UK)	PE	Spence Diamonds Ltd. (Canada)		125	08/04/2015
8	Puig, S.L. (Spain)		Penhaligon's Ltd. and L'Artisan Parfumeur SA Fox Paine & Company, LLC (UK and France)		112 <sup>e</sup>	23/01/2015
9	InvestIndustrial (UK)	PE	Sergio Rossi SpA Kering (Italy)		109	30/12/2015
10	Interparfums S.A. Inter Parfums, Inc. (France)		Rochas brand The Procter & Gamble Company (France)		108	29/05/2015
11	The Estée Lauder Companies Inc. (US)		GlamGlow, Inc. (US)		100-125 <sup>e</sup>	16/01/2015



# M&A activity

## Trends and outlook



Regaining  
control of  
design and  
distribution



Embracing the  
digital  
opportunity



Private equity's  
appetite for luxury  
goods remains  
strong



**New acquisition targets:** high-tech companies, emerging brands, family-owned brands with significant growth potential, and brand partners

Navigating the luxury headwinds

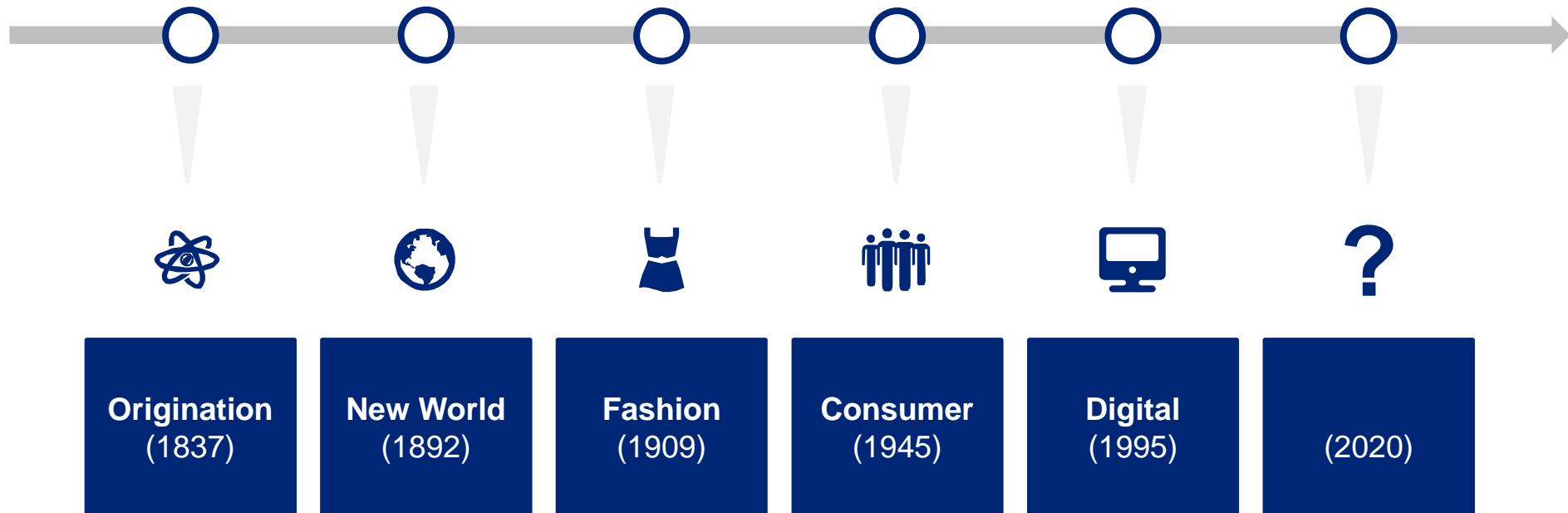
Disciplined innovation



**Do you remember your first time?**



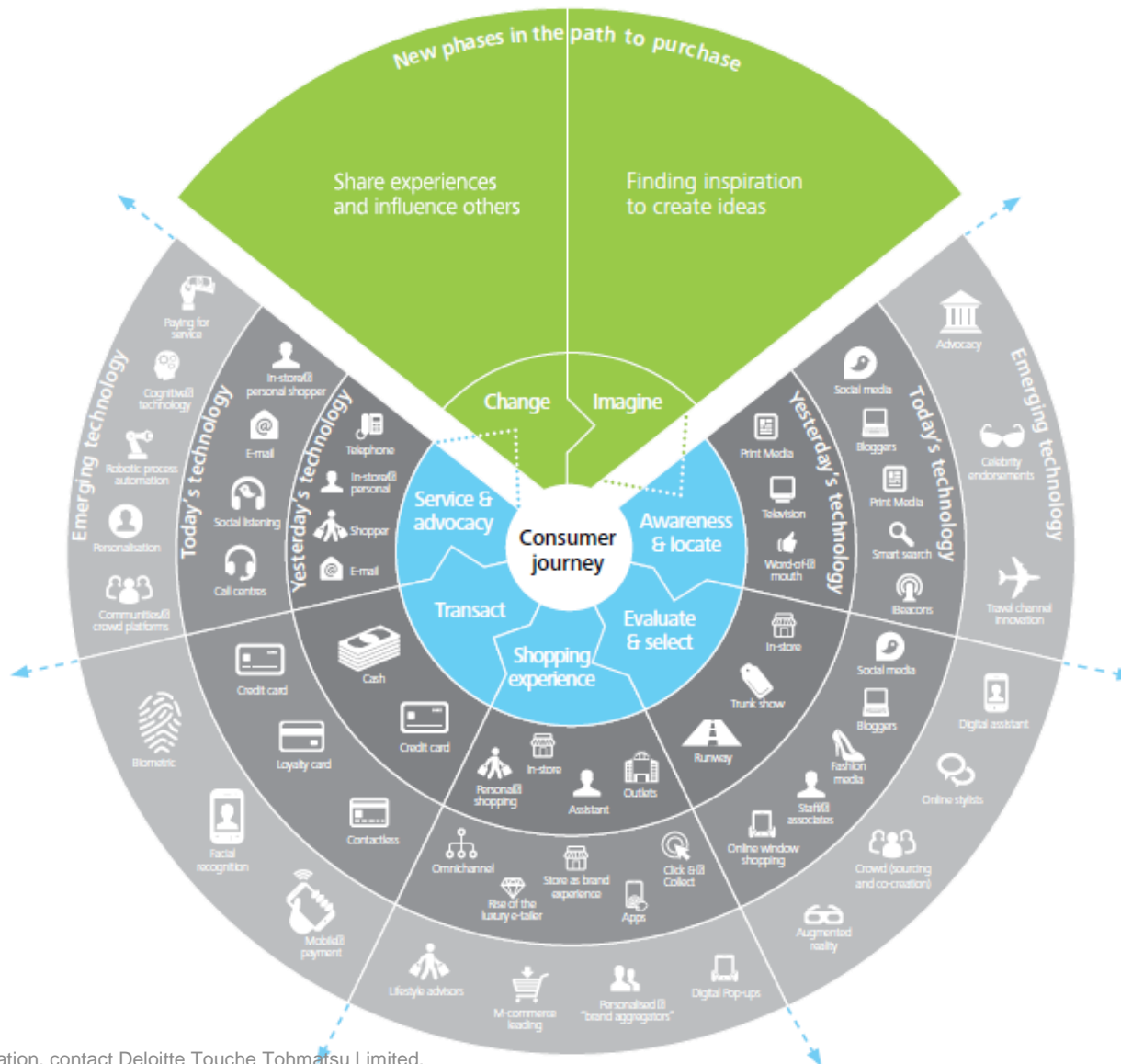
# Epochs in the luxury timeline



# Major current forces in luxury

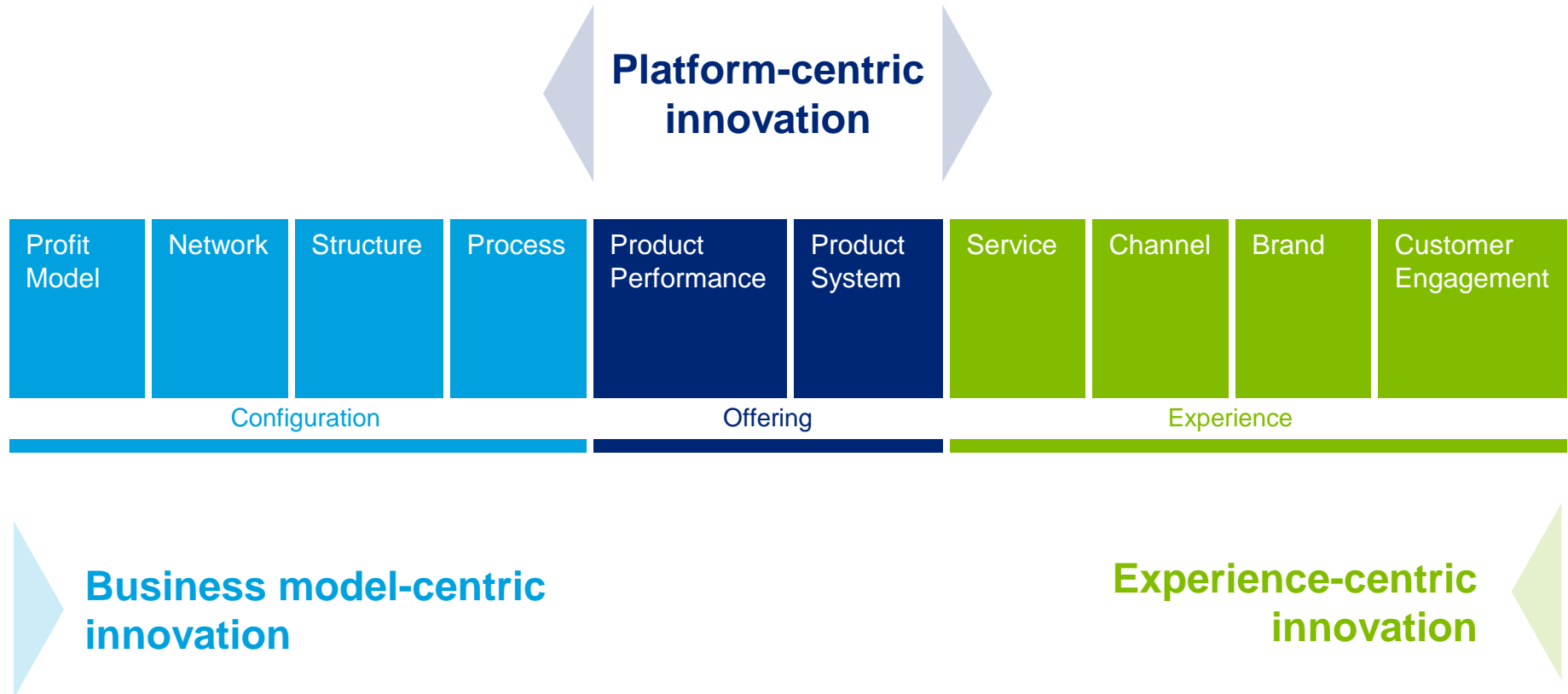


# Disrupted path-to-purchase



# Disciplined innovation

## Ten types of innovation





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