

**Deloitte.**



## **Global Powers of Luxury Goods 2023**

Game changing steps in luxury

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# Foreword

## Welcome to the tenth edition of Global Powers of Luxury Goods.

During FY2022 the Top 100 luxury goods companies generated composite sales of US\$347 billion, up from the US\$305 billion registered in FY2021. This sharp increase in luxury goods sales signals the good state of the luxury industry after the COVID-19 pandemic years.

Luxury goods companies continue their process of moving toward an environmentally responsible, circular economy business model, pushed by customer demand and increasing regulations. In this phase of change, technology can help accelerate the green transition while improving the relationship between companies and their customers. Several recent developments in digital technology, including artificial intelligence (AI), machine learning, and the Internet of Things (IoT), may change the luxury market forever.

The report presents the Top 100 largest luxury goods companies globally, based on their consolidated luxury goods sales in FY2022, which we define as financial years ending within the 12 months from 1 January to 31 December 2022.

In FY2022, personal luxury goods sales for the Top 10 luxury companies increased by 22.8%. However, the share of their sales in the combined luxury goods sales of the Top 100 companies showed little change—it decreased by only 0.2 percentage points to 56.0%.

Companies registered double-digit sales growth in all product sectors, in particular fashion sector returned to growth with the strongest recovery in FY2022.

Luxury goods sales of the Top 100 companies across all countries considered in this report increased by double digits in FY2022. France confirms its leadership in luxury with seven companies that accounted for nearly one-third of the Top 100 luxury goods sales.

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

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# Top 100 quick statistics FY2022



**US\$347 billion**  
Aggregate luxury goods sales



**US\$3.5 billion**  
Average size of Top 100 companies (luxury goods sales)



**US\$284 million**  
Minimum luxury goods sales required to be in the Top 100 list



**8.4%**  
FY2019-FY2022 compound annual growth rate in Top 100 companies' luxury goods sales

The world's Top 100 luxury goods companies generated personal luxury goods revenues higher than the previous year as consumer demand recovered, especially in the beauty sector

**13.4%**  
Composite net profit margin

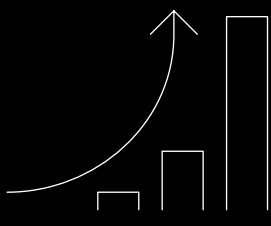
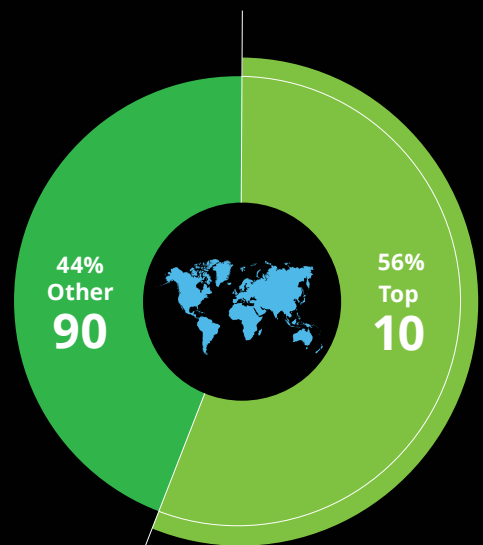
In FY2022 the world's Top 100 luxury goods companies are bigger and more profitable than ever.

Luxury goods sales in the Top 10 are up **23%**



**LVMH consolidates its position as leader** contributing **31%** of the Top 10 sales in FY2022

Top 10 share of Top 100 luxury goods sales



The Top 10 companies contributed nearly **63%** of the year-on-year growth in sales value and **76,4%** of the combined net profit of the Top 100 luxury goods companies.

**Richemont** regains third place; **PVH Corp** returns to the Top 10



# Game changing steps in luxury

Luxury goods companies play an important role in moving the broader fashion industry toward an environmentally responsible, circular economy. Technology can help accelerate the green transition and improve the relationship between companies and their customers. Several recent developments in digital technology, including artificial intelligence (AI), machine learning, and the Internet of Things (IoT), may change the luxury market forever.

## The Luxury industry embraces Artificial Intelligence (AI)







The Luxury industry is synonymous with exclusivity, craftsmanship, and innovation. It has thrived for decades by catering to a discerning clientele seeking distinctive and personalized experiences. However, it has been affected by technological advancements and innovation. With the omnichannel revolution, digital IDs, and the metaverse incursion, Luxury has been among the industries experimenting most with technology and digitization in recent years.

In the business world, AI and generative AI (GenAI) are becoming increasingly important and exciting tools for enhancing customer service, simplifying repetitive tasks, and improving productivity.

Even though AI has been around since the 1950s, the popularity of this technology has risen since the emergence of GenAI. Global revenue from GenAI technology is expected to reach US\$36 billion by 2028, a compound annual growth rate (CAGR) of 58% from 2023 to 2028.<sup>1</sup>

GenAI can create new ideas and content, including conversations, stories, images, videos and music that appear to be generated by humans. Content ranges from business insights to creativity and productivity. GenAI relies on machine learning models (algorithms trained on large amounts of data) as does any other form of AI.

Figure 1. The six modalities of Generative AI

 <b>Text</b>	 <b>Code</b>	 <b>Audio</b>	 <b>Image</b>	 <b>Video</b>	 <b>3D/Specialized</b>
Written language outputs presented in an accessible tone and quality, with details and complexity aligned with the user's needs.	Computer code in a variety of programming languages with the capacity to autonomously summarize, document, and annotate the code for human developers.	Much like textual outputs, audio outputted in natural, conversational, and even colloquial styles with the capacity to rapidly shift among languages, tone, and degrees of complexity.	Textual or visual prompts lead the model to create images with varying degrees of realism, variability, and "creativity."	Similar to imagery, Generative AI models can take user prompts and output videos, with scenes, people, and objects that are entirely fictitious and created by the model.	From text or two dimensional inputs (e.g., images), models can extrapolate and generate data representing 3D objects.
<b>Examples</b>					
Summarizing documents, writing customer-facing materials, and explaining complex topics in natural language.	Generating code from natural language descriptions and autonomously maintaining code across different platforms.	Generative AI-powered call centers and troubleshooting support for technicians in the field.	Simulating how a product might look in a customer's home	Autonomously generating marketing videos to showcase a new product	Creating virtual renderings in an omniverse environment and AI-assisted prototyping and design in a purely virtual space.

Source: The Generative AI Dossier, Deloitte AI Institute<sup>2</sup>

Even the timeless world of luxury has not been immune to GenAI's transformative influence. GenAI and luxury may have once seemed like an odd pairing but is now proving to be a successful alliance. Professionals in the Luxury sector could benefit from GenAI by creating better selling methods and personalized designs. Additionally, it could help reduce marketing costs and create more targeted and personalized communications. Supply chains and logistic processes may also be reshaped, as may store operations and support functions.

#### **Enhanced personalization and customer profiling**

Understanding customers is important in an industry that thrives on exclusivity. Brands are better able to gain a deeper understanding of customer behavior with GenAI, thereby taking customer experience to the next level. Luxury companies can analyze customer data from a wide variety of touchpoints using machine learning algorithms to gain insights about individual preferences. Through such detailed information, companies can create detailed profiles of customers' buying habits and gain a deeper understanding of their lifestyles, aspirations, and experiences—thereby enhancing customers' satisfaction and loyalty by creating hyperpersonalized customer journeys, marketing and communication campaigns, product recommendations, and customer interactions. Luxury companies are increasingly using GenAI-powered chatbots and virtual shopping assistants to provide personalized product recommendations, styling advice, and real-time customer support to make the shopping experience more distinctive and enjoyable.

#### **Supply chain and logistics: demand forecasting, predictive pricing and inventory management**

AI also enables luxury brands to develop pricing and inventory management strategies. By analyzing historical sales data, market trends, and demand forecasts, AI algorithms can suggest optimal pricing strategies and help make sure that products are readily available when and where customers want them. As a result, customer preferences and market dynamics are responded to more rapidly.

AI-driven supply chain optimization helps ensure that luxury products reach the market in a timely and cost-efficient manner. Through predictive modeling, algorithms can assess the most efficient shipping routes, monitor inventory levels, and even predict potential supply chain disruptions, helping enable companies to proactively address potential issues before they escalate. The result is a reduction in overproduction and waste, as well as minimizing luxury goods companies' environmental impacts.

#### **Authenticity verification**

In the Luxury industry, counterfeit goods have long caused financial losses and damaged brand reputations. In the fight against counterfeiting, technologies such as computer vision and machine learning can be crucial. With training, AI algorithms can scrutinize product images and detect even the most sophisticated counterfeits, helping to protect both consumers and brands.

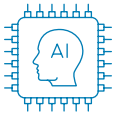
Blockchain technology is also revolutionizing authenticity verification, especially when combined with AI. Luxury consumers can now trace the origins and authenticities of their purchases through immutable records stored on the blockchain.

#### **Product innovation and design creation using GenAI**

The use of AI is not limited to analytical tasks, it has also made significant progress in the creative realm. A brand's archive of images and designs, customer preferences data, and new market trends can be analyzed and combined to train GenAI, generating a range of design options for designers to explore. Hence, GenAI in fashion provides designers with the ability to explore new directions that were unimagined before, while reducing time to market at the same time. Jewelry designers, for instance, can more easily design intricate patterns, elaborate motifs, and innovative structures with the help of technological tools.

GenAI can be used to create innovative brand-new products or to update traditional designs with fresh elements that reflect current trends. As a result, brands can pay homage to their own heritages while meeting the demands of their new customers.

Moreover, AI can assist companies with meeting sustainability standards by helping identify sustainable and ethically sourced materials. The preferences of customers can be considered when designing a product, which allows designers to create one-of-a-kind, custom-made items. They can also assess a new product's potential success before launching it, potentially reducing costly mistakes.



## GenAI and luxury companies: a flourishing collaboration

**Richemont**, the Swiss luxury conglomerate specializing in jewelry, watches, fashion, and accessories, has recently collaborated with Google to use AI to collect and combine customer insights<sup>3</sup> to create tailored marketing strategies based on relevant advice to engage consumers at the right time. Using Google Cloud and its AI and machine learning capabilities, it developed an integrated client platform for analyzing customer engagement data and providing tailored product recommendations.

As one of the pioneers of technology adoption, **Burberry** uses AI to identify counterfeit products.<sup>4</sup> With Entrupy's AI-powered image-recognition technology, the genuineness of a product can be assessed with confidence. Moreover, Burberry uses AI-enabled analytics to improve the shopping experience and understand customers better.

The industry-leading chat platform GameOn Technology and **Valentino** announced a partnership to incorporate AI-powered chat into the Spring/Summer 2023 global activation of "Unboxing Valentino", a digital experience that showcases the work of renowned stylists and artists in eight cities—New York, London, Paris, Milan, Dubai, Shanghai, Seoul, and Tokyo.<sup>5</sup> Through the use of GenAI technology, the chat platform creates conversation experiences and dynamic social interactions. The partnership marks Valentino's adoption of chat and GenAI, and GameOn's entrance into the luxury market.

To engage with Generation Z,<sup>6</sup> **Tiffany** and **Cartier** collaborated with Snap to let people try on their products virtually through AR technology. Using ray tracing technology (common in video games), Tiffany translates the sparkle of metals and diamonds into AR objects that mimic the movement of light. Using an AR filter, Cartier created "the Cartier Tank watch experience" that transports the user's mind to Pont Alexandre III. The customer can view four editions of the watch from over 106 years, as well as observe images of pedestrians on the bridge to gain a sense of the four different eras.

The **Gemological Institute of America (GIA)**, which examines millions of diamonds every year, teamed up with IBM to create a cloud-based AI approach to grading diamonds. GIA provided images and data from diamonds analyzed by its experts over the years, while IBM provided AI capabilities and computing power.<sup>7</sup>

**LVMH** joined with Google to develop cloud-based AI solutions.<sup>8</sup> Together, the two companies will create new, personalized customer experiences to support LVMH's long-term growth goals. Under their agreement, Google will provide new AI and machine learning technologies to enhance demand forecasting and inventory optimization, as well as elevating customer

experiences through personalization, while complying with privacy and security requirements. The aim is to integrate AI solutions into every part of the value chain of the LVMH brands. This includes the product design and development process, the supply chain, and the interfaces with employees, collaborators, and customers. LVMH employees will also be provided with training programs to reskill and upskill. To accelerate their proficiency and innovation in these fields, the two companies will launch a data and AI academy in Paris.

Introducing GenAI solutions is helping **Estée Lauder Companies** enhance the online customer's experience of its luxury brands.<sup>9</sup> The collaboration with Google Cloud involves introducing AI-powered solutions to better understand consumer sentiments, inform Research and Development efforts, and translate the exclusivity of prestige beauty brands into best-in-class, high-touch digital experiences. A consumer sentiment map can assist in proactively addressing consumer concerns, detecting external trends in a timely manner, and ultimately help improve consumer experiences across social media and call center operations. GenAI will also be used to help reduce operating costs by streamlining operations and simplifying business workflows. In an effort to help visually impaired people use cosmetics, Estée Lauder Companies recently launched a voice-enabled makeup assistant based on AI and AR.

**Moncler Genius**<sup>10</sup> launched its first GenAI-created commercial campaign in collaboration with Maison Meta and Creative Agency WeSayHi during London Fashion Week in February 2023. It was Moncler's first campaign to be created entirely with AI, featuring collaborations with various fashion designers and brands, including Adidas Originals, Pharrell, Palm Angels, and others.

**Ralph Lauren** is testing AI across a number of business functions,<sup>11</sup> including inventory optimization, forecasting, and consumer engagement. GenAI will be tested for copy editing, graphics and computer programming. This experiment follows other pilots launched by the company, including its first nonfungible tokens (NFTs) in collaboration with Poolsuite and its Web3 platform.

The launch campaign for Maison Valentino Essentials,<sup>12</sup> **Valentino's** men's collection, was created using GenAI. This was an edgy collection that offered a new perspective on traditional men's clothing. This new and contemporary approach was reflected in the advertising campaign. GenAI helped develop a dynamic, engaging campaign aligned with the collection's core message.





## Artificial Intelligence Fashion Week

The first Artificial Intelligence Fashion Week, organized by Maison Meta and backed by Revolve, took place at Spring Studios in New York in April 2023.<sup>13</sup> In spite of its name, AI Fashion Week is a competition aimed at finding and launching new designers, just like the LVMH Prize and other luxury companies' competitions. More than 350 contestants designed "runway" images with GenAI and displayed them on 24 screens. Many of them looked like standard catwalk images, while others were pictures taken in exotic settings. Interested members of the audience could either walk around the room to see the models and designs or visit the AI Fashion Week website and vote for their favorite collections.

After the top 10 collections had been voted by people, a panel of industry leaders judged them (including Tiffany Godoy, head of editorial content at Vogue Japan, and Erika Wykes-Sneyd, studio manager at Adidas). Three winners were chosen and Revolve produced and sold their work in the real world.

Maison Meta is a creative studio based in New York that uses AI to make creative projects, mostly for luxury brands. Their work is done with GenAI, and some of their collaborations were with Moncler, Victoria's Secret, Mugler, Pangaia, and Pandora.

### Challenges posed by AI to the Luxury industry

The use of AI presents some challenges that require thoughtful consideration by its users. As the Luxury industry continues to evolve in the digital age, addressing these challenges will be crucial to its continued success and relevance.

**Table 1. The challenges of AI for Luxury**

	<b>Data privacy and security</b>	<p>In order to deliver highly personalized experiences, brands have to collect huge amounts of customer data. Data breaches or mishandling sensitive customer information can have legal and reputational consequences. To safeguard customers' trust, luxury brands must implement robust data protection and security measures and strictly comply with data privacy regulations.</p>
	<b>Striking the right balance between the human element and GenAI</b>	<p>Craftsmanship and human expertise have long been at the core of the luxury industry. The use of AI in luxury operations has the potential to automate many aspects, but this may lead to the loss of the human touch that has historically characterized the industry. Luxury brands need to strike the right balance between AI-driven efficiency and irreplaceable human creativity.</p>
	<b>Ethical considerations and bias</b>	<p>Algorithms trained on AI data can only be as bias-free as the data on which they are trained. In an industry that values diversity, inclusion, and cultural sensitivity, AI's potential to perpetuate bias is an issue of great concern. Efforts must be made to ensure that AI-driven decisions align with the values of luxury brands and their commitment to ethical business practices.</p>
	<b>Adapting to technological change</b>	<p>A potential barrier to the use of AI is the cost of the rapidly-evolving technology. In order to fully utilize AI's potential, luxury companies must invest in ongoing education and training for their staff.</p>

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2023*.

**How can AI help luxury companies be more sustainable?**

There is a growing connection between technology and sustainability in the Luxury industry. AI has the potential to accelerate the adoption of sustainability-oriented practices in the Luxury industry by enabling more efficient and responsible practices.

**Table 2. AI can enhance sustainability in Luxury**

	<b>Supply chain optimization</b>	Using AI-driven algorithms, supply chain data can be analyzed to identify inefficiencies and areas for improvement. This includes optimizing transportation routes to reduce emissions, monitoring energy usage in manufacturing processes, and identifying eco-friendly sourcing options for materials.
	<b>Waste reduction</b>	AI-powered analytics can help companies predict demand accurately, reducing overproduction and excess inventory, reducing waste and resource consumption. In addition, AI can assist with minimizing waste and optimizing patterns and material usage in the design of products.
	<b>Sustainable design and material selection</b>	Through the analysis of market trends, consumer preferences, and sustainability criteria, AI can enhance sustainable design by offering insights into how to design products that are environmentally friendly. By using machine learning algorithms, companies can compare the environmental impacts of different materials and choose options that are more aligned with their sustainability goals. This can include selecting ethically sourced, biodegradable, or recycled materials.
	<b>Product life cycle management</b>	A luxury product's entire life cycle can be tracked using AI, including how it is used and maintained, as well as its potential for recycling and repurposing. When luxury brands have a complete understanding of a product's lifespan, they can make informed decisions about recycling, refurbishing, and reselling items, thus contributing to the circular economy.
	<b>Energy efficiency</b>	Sensors and AI algorithms can continuously monitor energy usage and make real-time adjustments to reduce energy waste in manufacturing facilities and stores, lowering a company's carbon footprint.
	<b>Transparency and traceability</b>	By combining blockchain technology with AI, supply chains can be made transparent and traceable. Blockchain technology can be used by luxury companies to provide customers with verified information about their products' sourcing and production, assuring them of their ethical and sustainable credentials. Additionally, AI-powered image recognition and authentication technologies can help prevent counterfeit products from entering the market.

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2023*.

**The interconnectedness of sustainability: how technology is supporting a shift by the Luxury industry toward a circular economy**

As reported in the 2022 edition of this report, luxury companies are adopting strategies for moving toward a circular economic model. They are also tracking their sustainability commitments, such as a net-zero target. In addition to driving demand for greener products, consumer awareness of Environmental, Social, Governance (ESG) matters is influencing luxury companies' product offerings. However, this is not the only factor driving change. Fashion companies are being forced to change their production systems due to increasing government regulations.

The European Union (EU) is developing a new set of regulations intended to hold fashion companies accountable for the impacts they have on the environment and society. For example, the Strategy for Sustainable and Circular Textiles,<sup>14</sup> adopted in 2022, addresses the challenge of overproduction and responsible sourcing and consumption of textiles, implementing commitments made by the European Green Deal, the Circular Economy Action Plan, and the European Industrial Strategy. It aims to encourage the adoption of circularity practices throughout the European Union.

In both the United Kingdom and the European Union, legislation has been passed to mitigate “greenwashing”. The British Competition and Markets Authority<sup>15</sup> has created a Green Claims Code and the European Union has an EU-wide Green Claims Directive.<sup>16</sup> The rules aim to prevent companies from providing misleading information about the environmental benefits of their products, services, or operations.

In the United States, New York State passed a new law called “New York Fashion Act”<sup>17</sup> that created, for the first time, legally binding standards for the fashion industry. According to the law, fashion companies doing business in New York with revenues over US\$100 million are required to disclose their environmental performance.

In response to institutional calls for the introduction of systematic sustainability solutions in fashion and luxury, the industry is improving its environmental, social, and governance (ESG) reporting standards, progressively adopting sustainable strategies, and increasing the use of digital tools such as digital identity and digital product passports to achieve greater transparency.

DPPs and digital IDs have the potential to be game changers for companies battling the counterfeit goods trade by identifying the last party that owned a product. They could also assist manufacturers and their stakeholders to manage products efficiently throughout their life cycles, including after sale, resale, repair, and recycling, in a circular economy environment.

There are multiple benefits that can flow from the use of these tools, such as increased consumer trust, improved brand sentiment, reduced risk of greenwashing, comprehensive product tracking, reduction in the amount of goods in circulation, and exploration of potential new business models.



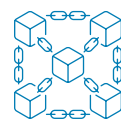
## Digital product passports (DPP) and digital IDs

The Digital Product Passport (DPP) is a digital tool proposed by the European Commission to promote transparency and circularity. A DPP documents a product’s sustainability and circularity through its entire life cycle, from design to end-of-life.<sup>18</sup>

The DPP works as an archive, integrating information about the entire life cycle of a product, including raw materials and water usage, energy consumption, manufacturing processes, production sites, transport details, sustainability certifications, and other relevant environmental impacts. The data is stored securely and accessed by authorized users, making it accurate and reliable. DPPs should be accessible throughout a product’s lifetime.

A digital ID is a QR code or NFC tag inside a product that contains information about its origin(s), care instructions, styling tips, and repair/resale/recycling services. In addition to finished products, digital IDs can refer to fabrics, materials, or components. This helps customers to make conscious and informed decisions.

The aim of both DPPs and digital IDs is to help enable luxury brand companies to scale circular business models.



## Companies using digital IDs to protect their products

**Mulberry** will add digital IDs to its products by 2025, starting with its vintage bags belonging to the brand’s circular economy program Mulberry Exchange.<sup>19</sup> With the ID (an NFC-enabled tag on every bag), customers can view information about their items and services such as authentication, repair, and resale directly from their smartphones.

**Chloé** is another brand that has introduced the use of Digital IDs for traceability and resale purposes,<sup>20</sup> starting with its Spring-Summer 2023 collection. The ID can be scanned with a smartphone and shows how the purchased item should be cared for. Also included are instructions for reselling it through the fashion resale marketplace Vestiaire Collective. The initiative is powered by EON and Trust Place. Suppliers and manufacturers are also involved, registering information about linen, silk, wool and leather used in bags, shoes, and ready-to-wear apparel. Initially, the project will be trialed in the United States, Europe, and the United Kingdom for one year prior to being rolled out elsewhere.

**Figure 2. The future of a timeless brand: Deloitte collaborates with luxury Swiss watchmaker Moser & Cie.**



In the Genesis Project, Deloitte collaborates with luxury watchmaker Moser & Cie. and leading players in technology and insurance. The result is an ecosystem that offers product authentication based on blockchain, exclusive customer privileges enabled by digital assets ownership, and a metaverse space that showcases the products in an immersive space. The collaboration offers a full omnichannel experience provided by the Genesis watch and the connection to its mobile application. By accessing the app, the watch owner can enter the Genesis digital and virtual worlds where a personal VIP keypass and digital assets are available. The customer can also access the metaverse to discover the history of the brand and meet the Moser team. For watch owners, it is a way to ensure their watch's authenticity and preserve its value, all in one mobile app. For its part, Moser gains access to deeper user engagement and a new generation of customers.

Source: H. Moser & Cie: Reimagining the future of a timeless brand,<sup>21</sup> Deloitte Switzerland



## Setting the rules for circularity

As shown in previous editions of this report, the adoption of sustainable practices has become a priority for luxury goods companies. Companies are incorporating sustainability principles at the cores of their strategies, paving the way for a new paradigm on consumption of luxury goods. Although this paradigm shift has been evolving in recent years, upcoming sustainability regulations could cement the need for the sector's transformation.

In particular, as companies work toward building circularity into their business models, they should design their strategies such that they are ready for the evolving regulatory landscape, able to catalyze the creation of a resilient business model and help generate competitive advantage.

This new landscape could mean that fashion companies will have to change the way they produce and operate, increasing their responsibility for the products' impacts, and foster the adoption of circular economy models. The complexity of this transformation will likely be increased by the need to consider the company's purpose for decision making, as well as the need to integrate these new initiatives into their business models and corporate strategies.

In this context, the Deloitte Circular Economy Hub for Fashion and Deloitte EMEA Sustainability Regulation Hub are working together to develop insights to help business leaders unpack the strategic, operational, and financial implications of a circular transformation on their business models. Analyzing among others the potential implications of the Ecodesign for Sustainable Products Regulation, the revision of the EU Waste Framework Directive and the revision of the Packaging and Packaging Waste Directive.

## The digitally enabled experiential luxury store of the future




With new technological solutions and innovations, luxury retail channels are becoming increasingly digitized. For example, total sales from e-commerce have grown substantially over the past couple of years and there has been a double-digit increase in luxury products purchases made on social media.<sup>22</sup>

However, it is predicted that offline retail could still generate over 70% of luxury companies' revenues in 2025.<sup>23</sup>

Despite the sharp increase in digital channels during the COVID-19 pandemic, physical luxury stores will still be crucial to customers, thanks to their experiential value. A luxury store allows consumers to interact intensively and immersively with luxury brands from shopping products to receiving exclusive, personalized services, which is not possible in an online-only store.

According to Deloitte Global research,<sup>24</sup> about 60% of customers prefer to shop in physical stores; 47% prefer to touch and try products before buying, and 70% regard shop assistants as crucial to their shopping experiences, because of their professionalism and knowledge of the products.

Figure 3. Areas of application of technologies in luxury stores

	<p><b>Sales</b></p>	<ul style="list-style-type: none"> <li>• Strengthen the relationship with the customer by offering tailored services in store, specific products suggestions based on customer's historical data, etc.</li> <li>• Sales assistant's empowerment</li> </ul>
	<p><b>Marketing</b></p>	<ul style="list-style-type: none"> <li>• Enhance the customer journey by offering multiple occasions to get to know new products and experience newly launched collections</li> <li>• Develop brand's storytelling beyond the store visit</li> <li>• Create/Strengthen brand engagement across different touchpoints and platforms</li> </ul>
	<p><b>Supply chain/ Operations</b></p>	<ul style="list-style-type: none"> <li>• Customer centric, seamless omnichannel journey</li> <li>• Allow sales assistants to control in real time product inventories (check product's availability, location and assortment)</li> <li>• Shopping assistants and customers can be informed about forthcoming products releases</li> <li>• Execute fast and efficient delivery, returns and exchanges</li> </ul>

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023

Luxury customers increasingly purchase products via the ROPO approach (Research Online Purchase Offline) and want seamless omnichannel experiences, easily switching between physical, digital and virtual stores. As a result, creating an in-store experience tailored to their personalized needs is crucial to maintaining brand loyalty and improving customer satisfaction.

Luxury brands are already investing in the creation of experiential customer-centric omnichannel stores that offer immersive customer experiences, supported by disruptive technologies such as video shopping, Extended Reality, IOT, and AI. By doing so, luxury brands can make their customers' experiences more interactive, exciting, and personal while establishing customer loyalty and increasing brand equity long after a product is purchased.

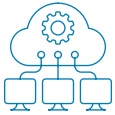
The "store of the future" will have to be not just digital, but also sustainable. One of the main challenges for luxury brands will be the creation of the Unified Commerce Augmented Store, which synthesizes customers' expectations of an omnichannel experience and the need for brands to have eco-sustainable and efficient stores.

**Figure 4. Deloitte collaborates with Larusmiani to open the first luxury store of the future in Milan**



As part of its collaboration with Deloitte, Larusmiani has recently launched its renewed Milanese boutique, presenting its first hybrid store at the Quadrilatero della moda in Milan. This 'store of the future' combines disruptive technologies and innovative ideas to create an experience that is highly personalized, unique, and one-of-a-kind experience for customers. Among the most impactful features is the use of a hologram for the shop window, which displays three-dimensional images of the products. Using this innovation, customers are able to view items in detail even before they enter a store. The virtual fitting room allows customers to try on clothing virtually without having to try them on physically. By experimenting with different combinations and sizes of products in the fitting room, customers can simplify their decision-making process and enhance their shopping experience. Additionally, in-store intelligent cameras analyze traffic data to provide valuable information about customer behavior and enable a strategic product display.

Source: Larusmiani Luxury Store of the Future, Deloitte Italy, 2023



## Gearing up the luxury store of the future

In March 2023, **The Prada Group** announced a new relationship with Adobe to help elevate its customer experiences online and in-store with real-time personalization.<sup>25</sup> (The Prada Group produces brands such as Prada, Miu Miu, and Church's). Through the Adobe Experience Cloud's Adobe Real-Time Customer Data Platform and Adobe Journey Optimizer, the Group can provide its customers with relevant content whenever it is convenient for them to access it. Customers who have consented to the use of their data enable sales assistants to know when they visit stores and what their preferences are, allowing brands to deliver richer, more personalized experiences. Additionally, Adobe Creative Cloud applications will be used to develop marketing campaigns, brand activations, and product development support as part of the collaboration.

**Richemont** has collaborated with Google on technology-based innovations to create valuable instore customer experiences.<sup>26</sup> Using in-store applications, the company was able to divide customers into two groups: those with a strong propensity to buy were invited to special boutique visits, while those at a different stage of their buying journey were offered options tailored to their preferences. The AI solution is now being used across 11 Richemont Maisons in over 25 countries to help improve customer experience and increase loyalty.

Recently, **Zegna** has focused on a customer-centric strategy that has resulted in the launch of Zegna X,<sup>27</sup> a digital ecosystem and customization tool that aims to bridge the gap between physical stores and digital channels. Zegna X includes the brand's outreach app, which accounts for about 45% of its full-price retail revenues. This tool has helped empower style advisors in the fashion house to deliver a highly customized service to customers. As part of Zegna X's latest update, a 3D configurator has been added that addresses customers' specific needs, from cut-and-color to measurements-and-materials. Zegna X announced its 3D Configurator In-Store Maxi Screen in April 2023; a tailoring service is anticipated to be available by the end of 2023; and consumers will be able to customize looks of the collection using their personal devices by 2024. To implement this in-store technology, Zegna collaborated with Microsoft to integrate Microsoft Azure services, including AI.

To celebrate 100 years of its No.5 fragrance, **Chanel** launched a limited-edition collection of 16 products that will be sold exclusively in dedicated pop-up stores called "Chanel Factory 5",<sup>28</sup> in London and Paris. For this collection, the brand created a special package by selecting ordinary items such as a paint can, an oil tin or a squeezable bottle, and converted them into appealing luxury products. As part of the experience, the stores were highly visual and innovative and designed to look like factories with technology, including features such as moving robotic arms handling merchandise.

**Burberry** opened its first social store in Shenzhen<sup>29</sup> called "Burberry Open Spaces", in collaboration with Tencent (the Chinese multinational technology and entertainment company behind many popular videogames and WeChat). A special WeChat mini program was developed to bring the store to life through exclusive content and personalized experiences. With the program, customers can book appointments, try on items, contact customer service, learn about new products and exclusive content, and share their experiences with their friends on WeChat. Products in the store have QR codes that can be scanned in order to explore additional content like "product storytelling". Each social action taken in-store is rewarded with social currency. Additionally, customers can experience the "trench experience", a digitally enhanced room designed to help them create social media content.

Since 2019, **Farfetch** has invested in its "Store of the Future".<sup>30</sup> The company launched a new retail innovation division and its vision for "augmented retail", which seeks to address the key needs of the Luxury fashion industry in bricks-and-mortar stores, creating an omnichannel shopping experience. With augmented reality and innovative payment solutions, its "Store of the Future" will offer a personalized shopping experience and improve the Farfetch customer journey.





# Top 10 highlights

## Top 10 luxury goods companies by sales, FY2022

FY2022 Luxury goods sales rank	Change in rank from FY2021	Company	Country of origin	FY2022 Luxury goods sales (US\$M)	FY2022 Total revenue (US\$M)	FY2022 Luxury goods sales growth	FY2022 Net profit margin <sup>1**</sup>	FY2022 Return on assets <sup>2**</sup>	FY2019- 2022 Luxury goods sales CAGR <sup>2*</sup>
1	↔ 0	LVMH Moët Hennessy-Louis Vuitton SE	France	59,869	83,241	22.6%	18.6%	11.0%	19.4%
2	↔ 0	Kering SA	France	21,394	21,394	15.3%	18.3%	11.0%	8.6%
3	↑ 3	Compagnie Financière Richemont SA	Switzerland	19,248	22,276	50.1%	10.8%	5.2%	11.5%
4	↓ -1	The Estée Lauder Companies Inc.	United States	17,737	17,737	9.4%	13.6%	11.5%	6.1%
5	↓ -1	Chanel Limited	United Kingdom	17,224	17,224	10.1%	26.7%	25.5%	12.0%
6	↓ -1	L'Oréal Luxe	France	15,388	15,388	18.6%	n/a	n/a	9.9%
7	↑ 1	Chow Tai Fook Jewellery Group Limited 周大福珠宝集团有限公司	China/HK SAR	12,563	12,709	41.1%	7.0%	7.8%	14.0%
8	↓ -1	Hermès International SCA	France	12,196	12,196	29.2%	29.1%	19.4%	19.0%
9	↔ 0	Rolex SA	Switzerland	10,336 e	10,336 e	20.4%	n/a	n/a	13.8%
10	↑ 3	PVH Corp.	United States	8,364	9,155	33.3%	10.4%	7.7%	1.2%
<b>Top 10*</b>				<b>194,319</b>	<b>221,656</b>	<b>22.8%</b>	<b>17.5%</b>	<b>11.2%</b>	<b>12.8%</b>
<b>Top 100*</b>				<b>346,989</b>	<b>386,963</b>	<b>20.0%</b>	<b>13.4%</b>	<b>7.7%</b>	<b>8.4%</b>
<b>Top 10 share of Top 100</b>				<b>56.0%</b>	<b>57.3%</b>	<b>62.5%</b>	<b>76.4%</b>		

e = estimate | n/a = not available | ne = not in existence (created by reorganization)

1 Net profit margin based on total consolidated revenue and net income

2 Compound annual growth rate

3 Top 10 companies share of total net profit for Top 100 companies—based on the 80 companies reporting net profits

\*Top 10 and Top 100 sales growth rates are sales-weighted, currency-adjusted composites

\*\*Top 10 and Top 100 net profit margin and return on assets are sales-weighted composites

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2023*. Analysis of financial performance and operations for financial years ended through 31 December 2022 using company annual reports, industry estimates, and other sources.

Luxury goods sales in the Top 10 are up 23%; Richemont regains third place; PVH Corp returns to the Top 10

Major luxury acquisitions each worth more than US\$2 billion by Kering (Creed, Valentino), Estée Lauder Companies (Tom Ford), L'Oréal (Aēsop), and Rolex (Bucherer)

In FY2022, personal luxury goods sales for the Top 10 luxury companies increased by 22.8%. However, the share of their sales in the combined luxury goods sales of the Top 100 companies showed little change—it decreased by 0.2 percentage points to 56.0%. They contributed 62.5% to the Top 100 companies' year-on-year sales growth, as well as 76.4% to their net profit growth.

**Top 10 share of the Top 100 for luxury goods sales, YoY growth, and net profit, FY2022**

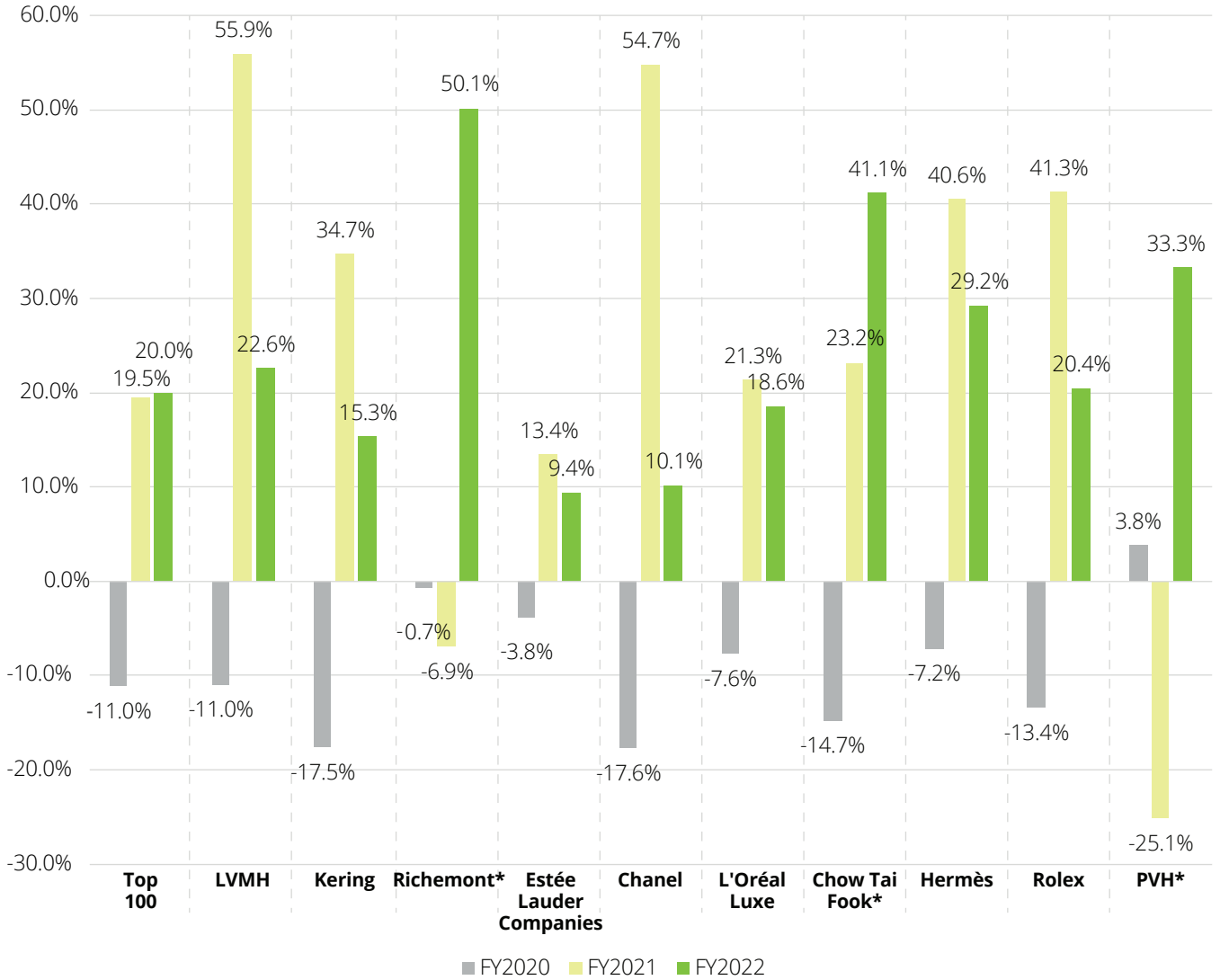


For 80 companies in the Top 100 reporting net profit, and for eight companies in the Top 10 reporting net profit  
 Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ended through 31 December 2022 using company annual reports, industry estimates, and other sources.

A significant reduction in the impact of COVID-19 pandemic on company results was observed in FY2022 compared to FY2021. Richemont regained the three positions it lost in last year’s report, returning to third place in the rankings. The rise of Richemont resulted in Estée Lauder Companies, Chanel, and L’Oréal Luxe all moving down by one position. Chow Tai Fook also rebounded from the pandemic, overtaking Hermès to move into seventh place. PVH Corp returned to the Top 10 in tenth place, as its Tommy Hilfiger and Calvin Klein luxury brands regained most of the sales lost due to the pandemic. Last year’s new entrant to the Top 10, China National Gold, saw its sales decline in FY2022, dropping out of this leading group.

In FY2022, the minimum luxury goods sales threshold for a company to enter the Top 10 was more than US\$8.3 billion, an increase of US\$0.5 billion.

Luxury goods sales for the Top 10 companies: YoY growth % for FY2020, FY2021 and FY2022



\*Companies with Q1 financial year end: Richemont, Chow Tai Fook, PVH

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ended through 31 December 2022 using company annual reports, industry estimates, and other sources.

The three companies with financial year-ends in Q1, Richemont, Chow Tai Fook, and PVH, saw the highest sales growth in FY2022 (50%, 41%, and 33%, respectively), as the pandemic’s impact faded. Other companies in the Top 10 also saw sales increase between 9% and 29%.

### Number of Top 10 luxury goods companies by country and product sector, FY2022

	Clothing and footwear	Bags and accessories	Beauty	Jewelry and watches	Multiple luxury goods	Top 10
<b>China</b>				<b>1</b>		<b>1</b>
<b>France</b>			<b>1</b>		<b>3</b>	<b>4</b>
<b>Switzerland</b>				<b>2</b>		<b>2</b>
<b>United Kingdom</b>					<b>1</b>	<b>1</b>
<b>United States</b>	<b>1</b>		<b>1</b>			<b>2</b>
<b>Top 10</b>	<b>1</b>		<b>2</b>	<b>3</b>	<b>4</b>	<b>10</b>

France is home to four of the world's leading luxury companies. Even though Chanel is classified as a United Kingdom company, as its headquarters are in London, it is also widely perceived to be a French company.

### Major strategic moves by Top 10 luxury companies 2022 to 2023

During the period 1 January 2022 to 1 September 2023, luxury goods companies in the Top 10 made more strategic moves than usual. These included multibillion-dollar acquisitions, as well as launches and disposals in the luxury beauty sector, luxury watch sector and retail, and taking licensee business back in house. The following table summarizes the biggest deals. Also included is Tapestry at the bottom of this list as it is likely to become a Top 10 company in FY2023/FY2024 (if the deal is approved).

Top 10 company	Activity	Deal value	Date announced
Kering	Launched Kering Beauté		February 2023
	Acquired Maui Jim eyewear	Est €1.5 billion	March 2022
	Acquired Creed luxury fragrance	Est €3.5 billion	June 2023
	Acquired Valentino (30% with 100% option)	€1.7 billion	July 2023
Richemont	Sale of controlling interest in online luxury retailer YOOX NET-A-PORTER (YNAP)	Est €3.4 billion	August 2022
	Acquired Gianvito Rossi (Italian shoemaker)	n/a	July 2023
Estée Lauder Companies	Wound down Designer Fragrance Licensing Division	n/a	July 2022
	Acquired TOM FORD brand	US\$2.8 billion	November 2022
L'Oréal	Acquired Aēsop brand from Natura & Co	US\$2.525 billion	April 2023
PVH	Will bring Calvin Klein and Tommy Hilfiger women's North America wholesale business back in house by 2025-2027.	n/a	November 2022
Potential future Top 10 company	Activity	Deal value	Date announced
Tapestry	Acquired Capri Holdings Limited (Michael Kors, Versace, Jimmy Choo brands)—which will likely take Tapestry into the Top 10 luxury companies in FY2023/FY2024.	US\$8.5 billion	August 2023



LVMH strengthened its leading position among the world's luxury goods companies in FY2022, with nearly US\$60 billion sales of personal luxury goods, up 22.6% year-on-year. This was a record year, with significant revenue growth for all its business groups and gains in market share worldwide. The group saw high revenue growth in Europe, Japan, and the United States. Analysts noted that in April 2023 LVMH became the first European company to have a market value of more than US\$500 billion, as its share price hit record highs.<sup>31</sup>

Sales in its Fashion and Leather Goods business group grew by 25%, up nearly €8 billion year-on-year. The performance of LVMH's primary business group (which contributed more than two-thirds of LVMH personal luxury revenue) was driven by the continuing creative momentum of its leading luxury brands—Louis Vuitton and Christian Dior, as well as Céline, Fendi, Loro Piana, Loewe, and Marc Jacobs, which all gained market share to achieve record levels of revenues and earnings. In 2022, Louis Vuitton, the world's largest luxury brand, had €20 billion revenue for the first time.

The perfumes and cosmetics business segment achieved 10% organic sales growth, with strong momentum in perfume. LVMH continued the policy of selective distribution for its prestige brands, which led to a small reduction in profit from recurring operations. LVMH reported that Christian Dior enjoyed strong performance, with growth from Miss Dior in fragrance and Dior Addict in makeup. Sauvage confirmed its position as the highest selling fragrance in the world (women's and men's lines combined). Guerlain's Abeille Royale prestige skincare and Aqua Allegoria fragrance collection contributed to the brand's sustained growth, and Fenty Beauty doubled its revenue thanks to the expansion of its distribution network and successful product launches.

Sales in the watches and jewelry business segment grew by 17%, to over €10 billion for the first time. Tiffany & Co. (acquired in January 2021) had another record year. The new Lock bracelet collection, rolled out in North America, enjoyed great success, and High Jewelry revenue doubled. Bulgari's iconic Serpenti line and the High Jewelry and High Watchmaking collections had strong growth momentum, particularly in Europe, Japan, and the United States. TAG Heuer, Chaumet, and Fred also performed well.

LVMH continued its exceptional level of profitability, delivering a net profit margin of 18.6%, the seventh-highest among the Top 100 companies. Group profit from recurring operations was over €21 billion in FY2022, up 23% year-on-year. Operating profit margin, at 26.7%, remained at the same level as in FY2021.

LVMH's personal luxury acquisitions in 2022 were significantly less than the number of acquisitions in 2021. Many of the recent acquisitions and investments have focused on expansion of jewelry manufacturing. In November 2022, LVMH announced the acquisition of Pedemonte Group, a jewelry manufacturer with locations in Italy and France, from the Equinox III SLP SIF investment fund.<sup>32</sup> This equity investment is anticipated to be consolidated in 2023. In January 2023, Bulgari announced it would expand its Italian manufacturing plant to double its production capacity by 2025. In April 2023, LVMH acquired a majority stake in another French jewelry manufacturer, Platinum Invest group, in order to "supplement and enhance Tiffany & Co.'s existing manufacturing and production." Platinum Invest group consists of two jewelry manufacturers, Orest, and Aabyse, which will help Tiffany accelerate production of fine and high-end jewelry.<sup>33,34</sup>

In fashion, LVMH acquired an additional 40% stake in growing luxury streetwear company Off-White LLC in September 2022, bringing its ownership interest to 100%. In June 2023, LVMH announced a formal business relationship with Epic Games, creator of Fortnite and Unreal Engine, to transform the Group's creative pipeline and offer customers new types of immersive product discovery experiences.<sup>35</sup> This strategic collaboration will enable LVMH and its Maisons to utilize Epic's powerful 3D creation tools to offer experiences like virtual fitting rooms and fashion shows, 360° product carousels, augmented reality, creating digital twins, and more. LVMH has already worked with Epic in creating Bulgari's "Virtual Rome" metaverse experience, and Louis Vuitton's "Digital Show Experience" at the LVMH Pavillion.<sup>36</sup>



## Kering

Kering's net sales of luxury goods exceeded €20 billion for the first time in FY2022, up 15.3%. Revenue from the directly operated retail network, which includes the directly operated brand e-commerce sites, increased by 10% on a comparable basis in FY2022, driven in particular by growth in Western Europe and Japan. Online sales account for around 15% of retail sales. In 2021 and 2022, the Group's brands took greater control of multibrand distribution, moving away from wholesale models and toward e-concession models.

Kering's leading luxury brand, Gucci, achieved sales of more than €10 billion for the first time in FY2022, up by 8% year-on-year. However, the year ended on a challenging note: in Q4 FY2022 Gucci's revenue was down 14% compared to the same period in FY2021, with its directly operated stores being significantly affected by the situation in China during the quarter. Kering appointed Sabato de Sarno (from Valentino) as the new creative director for Gucci in January 2023.<sup>37</sup> The group's second largest brand, Yves Saint Laurent (YSL), saw revenues jump by 31% to €3.3 billion. Sales from YSL's directly operated retail network rose sharply, up 28%, while wholesale revenue was up 6%. Sales of Kering's third largest brand, Bottega Veneta, also achieved another record year, with revenue growth of 15%, driven by the directly operated retail network.

Amongst Kering's other luxury brands, Balenciaga had an excellent 2022, despite a difficult month in December. Alexander McQueen performed well in the handbags and ready-to-wear categories, and Brioni confirmed its recovery. Kering's Jewelry Houses progressed once again; Boucheron posted steady growth; Pomellato continued to perform well in Western Europe and Japan; and Qeelin grew rapidly.

Kering Eyewear saw sales grow by 55% in FY2022, to more than €1 billion for the first time. This outcome was partly attributable to the acquisitions of Danish luxury eyewear brand Lindberg in September 2021 and high-end US eyewear brand Maui Jim in October 2022.<sup>38, 39</sup>

For the second successive year, Kering achieved the eighth-highest net profit margin (18.3%) of the Top 100 companies, down just 0.2 percentage points from FY2021.

Kering's strategy is to prioritize the luxury brands which it believes have "the potential to become sizeable assets within the Group, and to which it can provide decisive support over time". As part of this strategy, in May 2022, Kering completed the sale to its current management of its 100% stake in Sowind Group SA, which owns the Swiss watch manufacturers Girard-Perregaux and Ulysse Nardin.<sup>40</sup>

In February 2023, Kering announced the launch of Kering Beauté, hiring Raffaella Cornaggia, whose beauty experience includes positions at L'Oréal, Chanel, and Estée Lauder Companies, to lead the new division.<sup>41</sup> The initial strategy is to develop expertise in the Beauty category for Kering's Bottega Veneta, Balenciaga, Alexander McQueen, Pomellato, and Qeelin brands. In June 2023, Kering Beauté announced that it had signed an agreement to acquire 100% of Creed, the largest independent global player in the fast-growing high-end luxury fragrance segment.<sup>42</sup> Press reports suggest that Kering paid €3.5 billion for the company, which had sales of more than €250 million in the year to the end of March 2023. Kering stated in a press release: "The acquisition is a major step for Kering Beauté, creating a sizeable platform for future growth. A perfect fit with its portfolio of renowned luxury brands, it immediately provides Kering Beauté with the required scale, an outstanding financial profile, as well as a platform, supporting the future development of other Kering Beauté fragrance franchises by leveraging in particular Creed's global distribution network." François-Henri Pinault, chairman and chief executive officer of Kering, commented: "The acquisition of Creed represents Kering Beauté's first strategic initiative, and demonstrates our commitment to developing a strong position in the luxury beauty segment."

In July 2023, Kering announced the acquisition of a 30% shareholding in Valentino, for a cash consideration of €1.7 billion. The agreement with Valentino owner Mayhoola includes an option for Kering to acquire 100% of the share capital of Valentino by no later than 2028. The transaction is part of a broader strategic relationship between Kering and Mayhoola. Valentino has 211 directly operated stores in more than 25 countries, with revenues of €1.4 billion in 2022. The transaction is expected to close by the end of 2023, subject to clearance by the relevant competition authorities.<sup>43</sup>



## Richemont

Switzerland-based Richemont reported the strongest growth among the Top 10 companies in FY2022 (year end 31st March 2022), with sales from its luxury goods brands up 50.1% (excluding sales of third-party brands in Richemont's Online Distributors segment through its e-commerce platforms YNAP and Watchfinder). This was the fourth-highest year-on-year growth among the Top 100 companies. Richemont regained third place in the Top 10 ranking, after dropping to sixth place in last year's report, when its results reflected less of the recovery from the pandemic than companies with later financial year-end dates.

Richemont recorded double-digit growth in FY2022 across all its business areas, regions, and channels.

In FY2022, retail registered a strong performance (+17%), reaching the share of 68% of total revenues, while online sales registered just a +6% increase. This is quite remarkable as Richemont has been traditionally oriented towards wholesale retail, and has been working to strengthening its position in retail.

Richemont sustained this growth in FY2023 (financial year ended 31 March 2023), with sales of nearly €20 billion (excluding discontinued operation YNAP), up by 19%.

FY2022 performance was led by the jewellery Maisons, which achieved sales of more than €11 billion for the first time. It contributed 67% of luxury goods sales for Richemont brands, growing by 48.6% year-on-year. Growth was strongest in the jewellery Maisons' directly operated store network, which contributed over three-quarters of the business area's sales, as the post-pandemic recovery accelerated. Cartier Maison revenues grew in all regions, with the successful launch new collections, and strong e-commerce performance. Buccellati continued the expansion of its boutique and online network, and also invested in its product range, including the launch of the Giardino High Jewellery collection. Van Cleef & Arpels also saw success from its collections, including Alhambra and Perlée, and expanded its retail network and online distribution.

Specialist watchmakers sales rebounded by 52.9% in FY2022, driven by double-digit growth at all Maisons and across regions, with particular strength in the Americas. Previous investments in offline and online retail resulted in direct-to-client sales exceeding 50% of sales for the first time. There was strong demand for the company's leading watch brands including IWC Schaffhausen, Vacheron Constantin, Jaeger-LeCoultre, Panerai, and Piaget. Other Maisons (Montblanc and the Group's Fashion & Accessories brands Alfred Dunhill, Chloé, Purdey, Peter Millar, Alaïa, Serapian and 2021 acquisition Delvaux) posted sales up by 52.9% to more than €2 billion. The Americas and Europe were the leading growth regions and all channels posted double-digit sales increases. Peter Millar, including the G/FORE brand, continued to deliver excellent results, while Chloé and Alaïa started to reap the benefits of the new creative leadership under Gabriela Hearst and Pieter Mulier, respectively.

Group net profit for the year increased by 61%. On October 23, 2023 the European Commission has unconditionally cleared the acquisition by Farfetch of a 47.5% stake in YOOX NET-A-PORTER ("YNAP") in exchange for the issuance of Farfetch Class A ordinary shares to Richemont. When the deal was announced in August 2022, Richemont stated that this was a significant step toward its vision of an independent online platform for the luxury industry. Under the terms of the deal, the partnership between Farfetch and Richemont includes the acquisition by Symphony Global, one of the investment vehicles of Mohamed Alabbar (Richemont's Gulf States collaborator), of a 3.2% stake in YNAP, making YNAP a neutral online platform for the luxury industry; the adoption by YNAP and the Richemont Maisons of Farfetch Platform Solutions and the launch of e-concessions on the Farfetch Marketplace<sup>44</sup> by most Richemont Maisons. Richemont and Farfetch are working towards fulfilling and completion of the agreement in the next months. Richemont's only other M&A activity up to the end of August 2023 was the acquisition of a controlling stake in privately owned luxury Italian shoemaker Gianvito Rossi, announced in July 2023.<sup>45</sup> Founder, CEO and Creative Director Gianvito Rossi will retain a stake in the company and collaborate with Richemont.



## Estée Lauder Companies

Luxury goods sales of US-based beauty giant The Estée Lauder Companies (ELC) grew by 9% in FY2022, with double-digit growth in the Americas and EMEA (Europe, Middle East and Africa). This reflected a recovery in brick-and-mortar retail stores, as well as double-digit growth in global online sales and growth in travel retail, as Estée Lauder Companies capitalized on reopenings, extended its consumer reach in high-growth channels, and amplified its omnichannel capabilities. Net sales in Asia Pacific declined slightly, reflecting variability across the region in COVID restrictions and the recovery from the pandemic.

Fragrance sales soared, and growth in makeup returned due to usage occasions increasing in most regions. Nine brands achieved double-digit organic sales growth, with the biggest growth coming from La Mer, M·A·C, and Jo Malone.

Fragrance was the best-performing category for ELC in FY2022. Net sales grew across all regions, and for every brand, to deliver 30% year-on-year growth. The strongest brand growth came from Jo Malone London, Tom Ford Beauty, and Le Labo. FY2022 makeup net sales were up 11%, reflecting continued recovery in western markets. Most makeup brands saw growth, led by double-digit net sales growth from both M·A·C and Estée Lauder. Skincare was the weakest category, as growth in the Americas was offset by a decline in the EMEA region, to give total net sales growth of 4%. In Asia Pacific, high single-digit growth in the first nine months of the fiscal year was offset by a negative impact from increased COVID-related restrictions in China in Q4, including temporarily reduced capacity at the company's distribution facilities in Shanghai, with the result that skin care revenues were flat in the fiscal year. Double-digit growth from La Mer, Clinique, and Bobbi Brown was offset by a decline from Estée Lauder.

The net profit margin in FY2022, at 13.6%, was 4.1 percentage points lower than the high margin reported in FY2021.

Estée Lauder Companies announced in November 2022 that it had agreed to acquire the Tom Ford brand, and all its intellectual property, for US\$2.3 billion.<sup>46</sup> This major deal valued Tom Ford at US\$2.8 billion and included long-term license agreements with Ermenegildo Zegna Group for Tom Ford fashion, and Marcolin for Tom Ford eyewear. Tom Ford Beauty, first introduced by Estée Lauder under license in 2006, is an iconic luxury beauty brand with collections of fragrance, makeup, and skincare. The brand has achieved strong double-digit net sales growth on a compound annual basis from fiscal years 2012 through 2022 and is forecast to achieve annual net sales of US\$1 billion in a couple of years. Fabrizio Freda, president and chief executive officer of The Estée Lauder Companies, said in a press release: "As an owned brand, this strategic acquisition will unlock new opportunities and fortify our growth plans for TOM FORD BEAUTY. It will also further help to propel our momentum in the promising category of luxury beauty for the long-term, while reaffirming our commitment to being the leading pure player in global prestige beauty." The deal was completed in April 2023.

ELC's took the decision to wind down its Designer Fragrance Licensing Division, terminating early (from end June 2022) its existing license agreements for Donna Karan New York, DKNY, Michael Kors, Tommy Hilfiger, and Ermenegildo Zegna. Its luxury beauty portfolio was enhanced with the September 2022 announcement of a license agreement with Balmain to develop Balmain Beauty luxury products.<sup>47</sup> The collection is expected to launch in late 2024.





## Chanel

Chanel Limited reported net sales growth of 10.1% in FY2022, (17.0% at constant currency exchange rates), with around half coming from increased sales volumes and half from price increases in line with inflation in 2021 and 2022. Despite ongoing COVID pandemic restrictions in some regions, the retail teams continued to nurture local clientele, which led to its travel retail business doubling in 2022. As part of its strategy to deliver a luxury in-person customer experience through in-store advisors, Chanel now operates more than 200 fashion boutiques. With the launch of their digitally enhanced boutique experience in 2022, Chanel launched the “in Chanel” app internationally, which helped strengthen the bond between advisors and clients. It does not sell watches, fine jewelry, or fashion online, but around 20% of its fragrance and beauty sales are sold online.

Chanel's net sales in FY2022, which were over US\$17 billion, again reached a record high, making it the world's second largest luxury brand after Louis Vuitton. With sales ahead of prepandemic levels in all markets, the brand achieved double-digit growth across all product categories. Its Fashion division saw double-digit sales growth in all product lines, particularly in leather goods and shoes. Watches and fine jewellery had sustained momentum, driven in particular by the strong performance of the COCO CRUSH collections and the successful relaunch of the PREMIÈRE watch. Chanel's Fragrance & Beauty category has benefitted from the recovery in travel retail, as well as sustained demand from local clientele. A new generation of eco-friendly beauty products with eco-designed packaging and formulas that contain up to 97% naturally derived ingredients was launched by Chanel at the beginning of the year.

Geographically, Europe was the best-performing region in FY2022, with sales up 16.8%, followed by the Americas, up 9.4%. The Asia Pacific region, which contributes half of Chanel's revenue, saw sales grow by 7.2%.

Chanel maintained its exceptionally high profitability in FY2022, delivering an operating profit of nearly US\$5.8 billion and a record net profit margin of 26.7%. This was the second-highest net profit margin among the Top 100 companies, surpassed only by Hermès. Chanel continued to increase its investments in brand support activities, up 14.3% to US\$2 billion in FY2022.

Chanel's M&A strategy is focused on vertical integration of the supply chain, and innovation in sustainable materials. Chanel states that it is not planning any acquisitions of big luxury brands. In a May 2023 interview, Chanel CEO Leena Nair (who joined from Unilever in January 2022), said that there are no plans for the brand to expand into menswear or other sectors such as hospitality. CFO Philippe Blondiaux revealed that in the 10 years to the end of 2022, Chanel acquired or took a stake in 47 companies (mainly small factories and specialists essential to the supply of its luxury products) to give them a competitive edge in access to high-quality materials, and sustainability and traceability of raw materials.<sup>48</sup> In 2022, Chanel invested in a minority share of French sustainability-focused company Authentic Material, and acquired 60% of Italian specialist denim apparel manufacturer Fashionart.<sup>49, 50</sup> In May 2023, Chanel unusually made an acquisition in collaboration with Brunello Cucinelli: the companies will each take a 24.5% stake in Italian wool and cashmere manufacturer Cariaggi Lanificio, which is known for its top-quality animal and vegetable yarns. The Cariaggi family will maintain a majority share of 51%.<sup>51</sup>



## L'Oréal Luxe

L'Oréal Luxe sales grew by 18.6% in FY2022, with 10.2% like-for-like growth, higher than the dynamic global luxury beauty market average. The Luxe Division is now the L'Oréal Group's primary division, with 38.3% of total Group sales. The proportion of the group's sales represented by e-commerce (through owned brand and third-party websites) increased by nearly six times between 2015 and 2022 (from 5% to 28%), with growth in all zones and divisions. L'Oréal aims to increase its e-commerce business to up to 50% of its total sales.

L'Oréal Luxe reported that its FY2022 skincare sales grew three times faster than the market average, spurred on by the ultra-premium segment, with a spectacular performance from Helena Rubinstein, leading-edge innovations such as Lancôme's Rénergie H.C.F Triple Serum, and the success of recent acquisitions including the Japanese prestige skincare brand Takami (acquired in February 2021). L'Oréal Luxe strengthened its leadership in the fragrances sector, the fastest-growing category in the luxury/prestige market. This performance was driven by global bestsellers, such as Libre by Yves Saint Laurent, La Vie Est Belle by Lancôme, and Acqua di Giò by Armani, as well as launches that had an impressive start, including Prada Paradoxe. The makeup sector continued its recovery, with growth driven by Yves Saint Laurent and Urban Decay.

L'Oréal Luxe did not make any prestige/luxury beauty acquisitions in 2022 but made several investments in biotech companies in 2022 and the first half of 2023, through its corporate venture capital fund BOLD, as part of its strategy to "invent the future of beauty and become a Beauty Tech powerhouse". The relationship established in January 2022 with Verily aims to decode and discover the links between exposome, skin aging, and deep biology of the skin, and to explore the development of new technologies and tele-diagnosis solutions such as sensors and AI algorithms for dermatology and skincare, that can form the basis for new services.<sup>52</sup> The March 2022 joint effort with neurotechnology company Emotiv will offer consumers a unique fragrance consultation experience by connecting neuro responses to fragrance preferences through a multisensor EEG (electroencephalography) based headset.<sup>53</sup> In May 2022, L'Oréal made a minority investment in Japanese beauty startup Sparty Inc., which has a direct-to-consumer personalized beauty business model.<sup>54</sup> There were further minority investments in Microphyt, a French "green sciences" biotech company, in November 2022, and in Debut, a US biotech company that manufactures breakthrough ingredients to be used in cosmetics, skincare, and packaging, in June 2023.<sup>55</sup> Together with Unilever and Kao, in March 2023 the company invested as a founding member in a venture led by Geno, a biotechnology company, to create sustainable alternatives to key ingredients in beauty products.<sup>56</sup>

In 2023, L'Oréal made its largest ever brand acquisition, with an agreement to acquire Australian luxury beauty brand Aēsop from Natura & Co, for US\$2.525 billion. Aēsop, which posted sales of US\$537 million in 2022, operates about 400 points of sale across the Americas, Europe, Australia, New Zealand, and Asia.<sup>57</sup> The acquisition was completed at the end of August 2023.<sup>58</sup>



## Chow Tai Fook

China's Chow Tai Fook Jewellery Group moved up in the Top 10 list to seventh place in FY2022. Luxury goods net sales soared, up by 41.1% year-on-year. Growth was driven by new store openings, as well as increased same-store sales, with resilient demand for gold jewelry as the pandemic recovery continued. The company's smart retail business (e-commerce, online-to-offline (O2O) platforms, and O2O-related business) recorded growth of 62.7% in retail sales value (RSV), contributing 8.6% of Group RSV (5.2% of this came from e-commerce, and 3.4% from smart retail digital tools, such as CloudSales 365, Cloud Kiosk, and Smart Tray). Chow Tai Fook's main business strategy is expansion through wholesale sales to regional distributors and franchisees. In FY2022 these increased by 79.5% and they now contribute 45% of the group's luxury revenue, while directly-operated retail sales were up 20.2%.

Sales in Mainland China rose by 45.6%, supported by new franchise openings and recovering consumer demand. In Hong Kong, Macau, and other markets, sales were up by 63%, recovering strongly from the fall in the previous year. Macau sales nearly doubled, as tourist spending recovered and local demand stabilized. New points of sale were opened in other markets with stronger local retail growth potential, including Malaysia and Singapore.

The company saw growth in all product categories in FY2022. Sales of gold jewelry and products increased by 52.5%, contributing 73.7% of group sales. This growth was driven by the continual success of the CTF • HUÁ Collection and the retail expansion strategy in Mainland China's lower tier cities. Gem-set, platinum, and K-gold jewelry sales increased by 19.1%. Watches growth moderated in the second half of FY2022 partly due to a temporary supply shortage, and also when compared to a higher sales level in the second half of FY2021.

Chow Tai Fook continued to expand its owned and franchised retail network in FY2022, with 1,311 net additional points of sale (POS). In Mainland China, the number of POS has more than doubled since FY2018, to 5,764. At financial year end March 2022, approximately 74% of CHOW TAI FOOK JEWELLERY POS in Mainland China were franchises.

Chow Tai Fook, like Richemont, has an early financial year end date of 31 March. The company's FY2022 growth was not sustained in FY2023, with sales for the year ending 31 March 2023 down 4%, due to the ongoing impact of the pandemic in Mainland China. The company did not announce any M&A activity in 2022 to 2023.



## Hermès International

Hermès International fell one place to eighth position in the Top 10 rankings, despite 29% sales growth in FY2022 (23% at constant exchange rates), as it was overtaken by Chow Tai Fook. The company saw growth in all regions, led by America (up 32%, including sales from new stores in Austin, Texas, and New York). France also saw strong growth (27%), with high demand from both national and international clients. Sales in Asia (excluding Japan) were up 22%, contributing nearly half of total group revenue, thanks to sustained performance in China, and store openings and renovations. Japan and Europe (excluding France) saw constant currency sales increase by 20% and 18% respectively.

Revenue from the group's store network increased by 23% at constant exchange rates, while wholesale sales were up 26%, benefitting from the recovery in travel retail. Hermès continued to develop its exclusive distribution network, and online sales rose again, with a 29% increase in traffic year-on-year. Seventy-nine percent of buyers on the site were new to Hermès.

Hermès International achieved double-digit growth in all its product sectors. The largest product category, Leather Goods and Saddlery (primarily the iconic luxury Hermès bags such as the Birkin bag), delivered 42.8% of the company's revenue in FY2022, with sales growth of 16%. The Ready-to-Wear and Accessories division saw sales increase by 36%, thanks to the success of the ready-to-wear, fashion accessories, and footwear collections. The Watches business again reported the strongest growth in sales, up 46%, which Hermès attributed to their creativity, unique style, and exceptional watchmaking know-how. Jewelry continued an upward trend.

Hermès International again achieved industry-leading net profit margins. In FY2022, it had the highest net profit margin of all the companies in the Top 100, 29.1% (up by 1.8 percentage points). The company has consistently been one of the most profitable companies in the Top 100, delivering net profit margins of more than 20% in each of the past seven years FY2016 to FY2022.

Hermès did not report any M&A activity in 2022 and up to September 2023.



## Rolex

Swiss company Rolex retained its position as the ninth largest luxury goods company in FY2022. Privately owned Rolex does not publish its financial results and rarely makes official comments about its business. Industry analysts estimate continued strong growth of around 20% in Rolex brand sales during 2022, despite ongoing capacity and supply restrictions. The company is reported to be building three temporary new production sites in Switzerland to meet the rising demand, with operations commencing by 2025.<sup>59</sup>

These growth estimates are supported by published figures from Rolex official retailers such as Watches of Switzerland, a leading Rolex distributor in the United Kingdom and United States, which reported retail sales of luxury watches up by 28% in its financial year to April 2023, driven by a combination of increased average selling price as well as higher volume.<sup>60</sup> Rolex reportedly raised prices twice in 2022 in Europe, by around 10-11% in total. Historically Rolex has increased its prices once a year but froze prices for two years during the pandemic. It made its usual January price increase in 2023, but according to industry analysts limited the average increase to around 2.5%, with 2.6% in the United Kingdom, and 2.2% in the United States.

In December 2022, Rolex announced the launch of the Rolex certified preowned program, enabling retailers in the brand's official distribution network to sell second-hand models that are certified as authentic and which come with a new two-year international guarantee.<sup>61</sup> The program was launched in Bucherer boutiques in Switzerland, Austria, Germany, France, Denmark, and the United Kingdom, with other official Rolex retailers able to join the program from spring 2023. Watches of Switzerland will launch its preowned relationship with Rolex in the United Kingdom and United States in 2024. The Deloitte Swiss Watch Industry Study 2022 estimated that by 2030, the preowned market is likely to grow to CHF35 billion, more than half the size of the primary market.<sup>62</sup>

In August 2023, Rolex made a surprise announcement that it was acquiring exclusive international watch and jewelry retailer Bucherer after owner Jörg G. Bucherer decided to sell.<sup>63</sup> Jörg G. Bucherer sadly passed away at the beginning of November 2023.

According to the Deloitte Swiss Watch Industry Study 2023, Bucherer brand will retain its name and will continue to operate its more than 100 retail outlets independently, while Rolex's relationships with its other authorised retailers will remain unchanged.

The acquisition gives Rolex access to Bucherer's prime real estate locations and distribution channels, strengthening Rolex's presence in key markets, such as Europe and the US through Bucherer's subsidiary, Tourneau.<sup>64,65</sup>

Rolex, that has limited direct-to-consumer retailing experience, will now have more control and consistency over its entire customer journey, from purchase to after-sales service and will rely on Bucherer's vast experience to extend its brand management, and identity, to the retail space.



## PVH Corp.

PVH Corp. re-entered the Top 10 in FY2022, as it recovered from a pandemic-related sales decline in FY2021. Group revenue for FYE January 2022 was up 28.4%, still slightly below prepandemic levels, although the international business reported revenues higher than in 2019.

Sales from PVH's two luxury fashion brands, Tommy Hilfiger and Calvin Klein, increased by one-third year-on-year. Calvin Klein saw the strongest recovery, with sales up 39% to US\$3.66 billion. The brand expanded its global market leadership in underwear, while growing in casual categories such as athleisure, and in lifestyle products including footwear. Tommy Hilfiger sales rose 29%, to US\$4.7 billion, and the brand's casual lifestyle range was expanded across its two lifestyles, TOMMY HILFIGER and TOMMY JEANS. It launched the first TOMMY HILFIGER circular denim collection in alliance with the Ellen MacArthur Foundation.

E-commerce is an important part of the "PVH+ Plan" strategy, announced in 2022, to drive brand, digital, and direct-to-consumer-led growth and accelerate financial performance. In FY2022, the Group reported approximately 30% growth across digital channels, maintaining total digital penetration of 25% as a percentage of total revenue, which is double its 2019 prepandemic levels. It improved the consumer experience on its owned and operated sites, while strengthening its digital pure-player and traditional wholesale relationships, including those with Zalando, Tmall, and Amazon, where it created exclusive capsules and differentiated consumer engagement campaigns.

PVH's FY2022 financial performance also recovered, with net profits of nearly US\$1 billion, reversing the losses of more than US\$1.1 billion in the previous year. Its 10.4% net profit margin was higher than the prepandemic levels of 4-8% reported in FY2016 to FY2019.

In November 2022, PVH announced a plan to bring the core product categories licensed to G-III Apparel Group back in house by 2025 to 2027. These relate mainly to the Calvin Klein and TOMMY HILFIGER women's North America wholesale business. Most of the license agreements with G-III in the United States and Canada have been extended, with staggered expiration dates from 2025 through 2027.<sup>66</sup>

PVH Corp's reported luxury goods sales in the FYE January 2023 were up by less than 1% year-on-year, due to adverse currency effects, as the US dollar strengthened against other currencies. At constant currency, Tommy Hilfiger and Calvin Klein revenues rose by 7% and 10% respectively.

## Tapestry acquisition of Capri Holdings will take Tapestry into the Top 10 global luxury companies

In August 2023, Tapestry, Inc. announced an agreement to buy Capri Holdings for approximately US\$8.5 billion. The deal is expected to close in 2024, subject to approval by regulators and Capri's shareholders. Tapestry and Capri Holdings rank in 14th and 16th place respectively in the Top 100. Their combined FY2022 sales of US\$12.4 billion would make them the eighth largest luxury goods company, with a presence in over 75 countries. Tapestry and Capri Holdings have complementary geographic strength in Asia and Europe. Joanne Crevoiserat, chief executive officer of Tapestry, said in the company's press release, "We are ready to leverage our competitive advantages across a broader portfolio of brands. The combination of Coach, Kate Spade, and Stuart Weitzman together with Versace, Jimmy Choo, and Michael Kors creates a new powerful global luxury house, unlocking a unique opportunity to drive enhanced value".

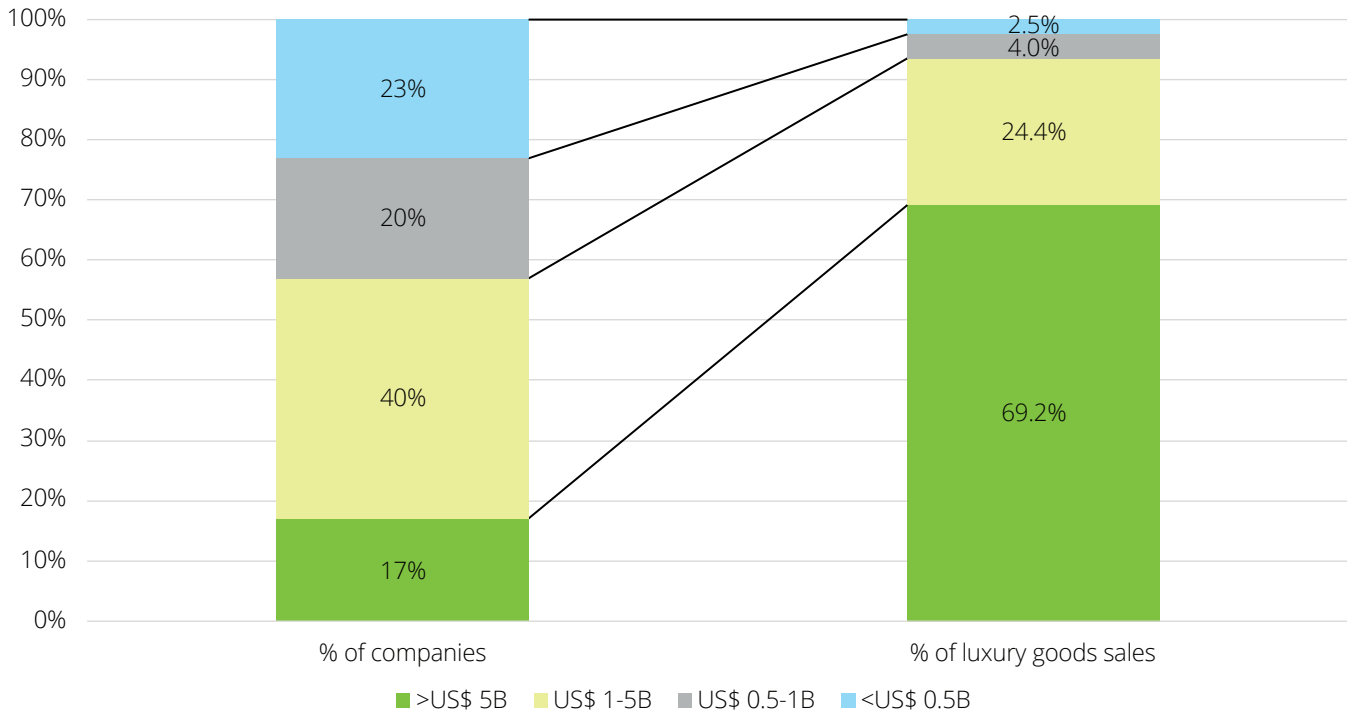


# Global Powers of Luxury Goods Top 100

**Luxury goods company sales soar, profitability higher than prepandemic levels**

The world’s Top 100 luxury goods companies generated personal luxury goods revenues of US\$347 billion in FY2022 (financial years ending between 1 January and 31 December 2022), up sharply from US\$305 billion in the previous year, as the recovery from the impact of the COVID-19 pandemic continued. The importance of the biggest luxury goods companies is clear: the 17 companies with luxury goods sales of more than US\$5 billion contributed nearly 70% of the total Top 100 luxury goods sales. The 43 companies with sales of US\$1 billion or less contributed only 6.4%. The minimum revenue threshold to enter the Top 100 was US\$284 million.

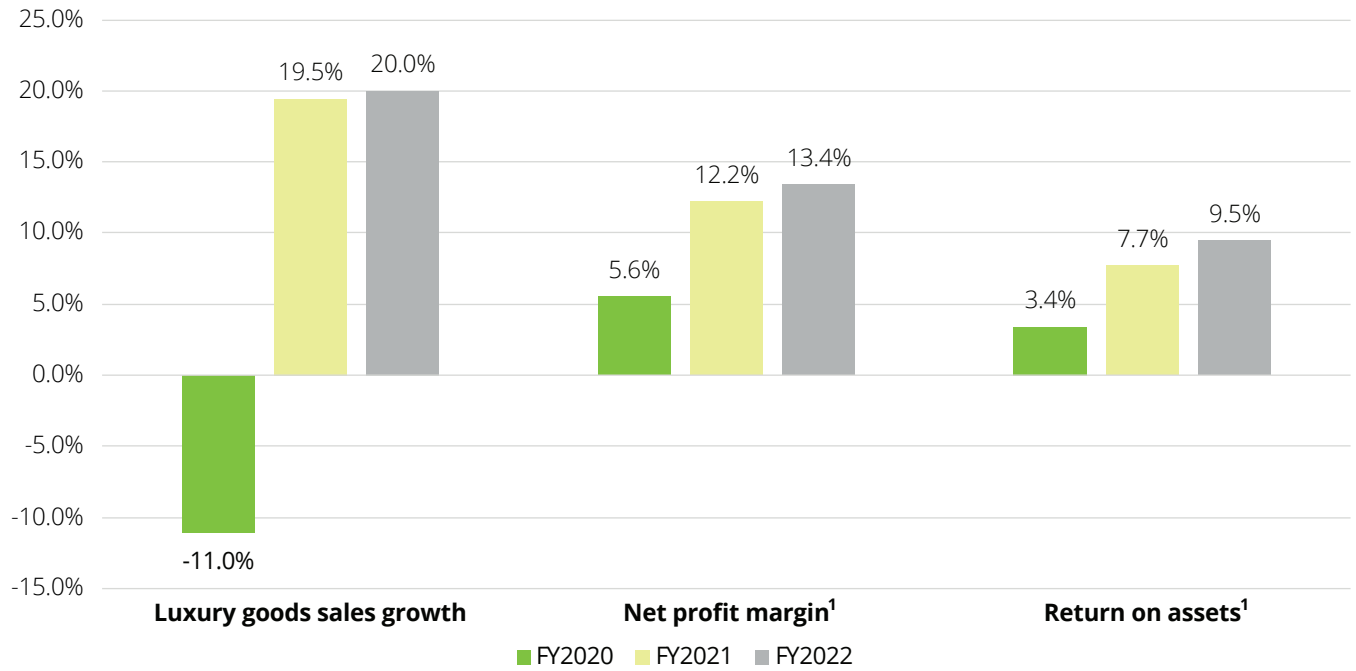
**Top 100 companies by size: luxury goods sales in US\$, FY2022**



Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2023*. Analysis of financial performance and operations for financial years ending from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

The composite performance of the Top 100 companies in FY2022 reflects the continuing recovery from the impact of the COVID-19 pandemic, with stores open most of the year in most countries, travel and tourism returning, and consumer demand recovering especially in sectors such as makeup (see the separate box on the *Impact of COVID-19 pandemic and company financial year end dates on FY2022 Top 100 ranking*). For the 80 Top 100 companies reporting net profits in FY2022, the composite net profit margin was 1.2 percentage points higher than last year, at 13.4%, and higher than prepandemic levels.

**Top 100 companies: luxury goods sales YoY growth, net profit margin, return on assets, FY2020-2022**

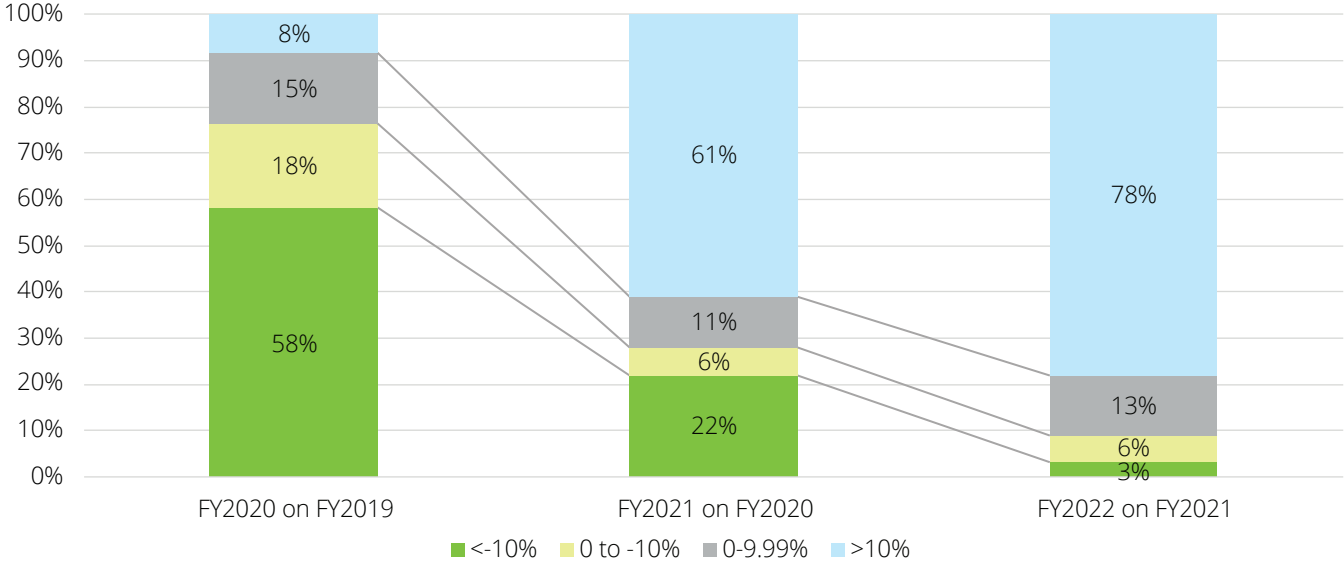


<sup>1</sup>Analysis of the FY2022 Top 100 companies reporting net profits and/or total assets in each year

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.



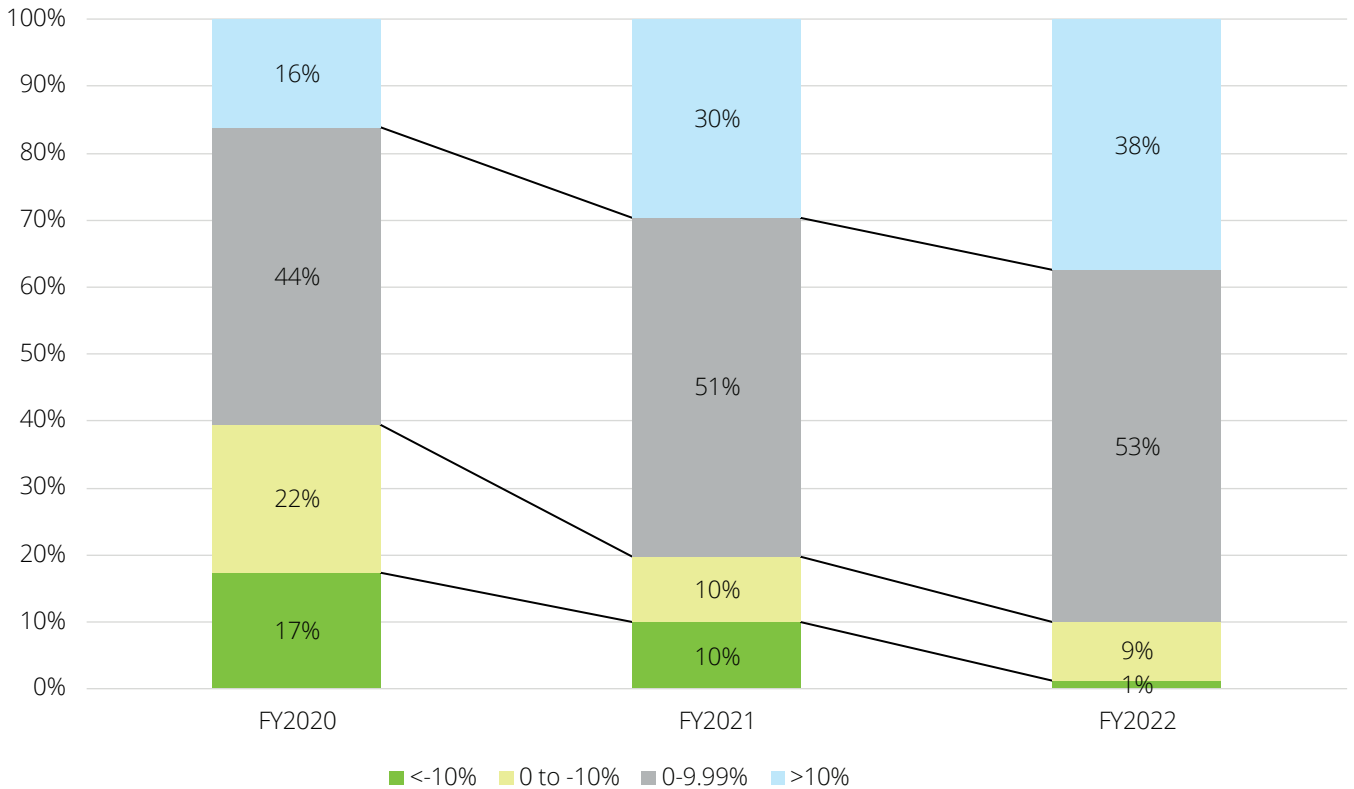
**Top 100 companies by growth: % of companies with double/single digit growth or decline in luxury goods sales YoY**



Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

Ninety-one of the Top 100 companies reported growth in luxury goods sales in FY2022, compared to 72 in FY2021 and only 23 in FY2020. Seventy-seven companies reported double-digit sales growth; and Ariztia, Damiani, Textil Lonia, TFG Brands, and Richemont all saw luxury goods sales jump by more than 50%. Only Fossil Group, Amore Pacific Corporation, and DR Corporation reported a double-digit decline in luxury goods sales in FY2022, due mainly to the continuing impacts of the pandemic, particularly in Mainland China and on travel retail. This compares to 22 companies reporting double-digit sales declines in the previous year.

**Top 100 companies by net profit margin: % of companies with double/single digit net profit margin gain or loss, FY2020-2022**



Analysis of the FY2022 Top 100 companies reporting net profits in each year

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2023*. Analysis of financial performance and operations for financial years ending from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

The net profit margins continued to recover in FY2022, with 90% of the Top 100 companies achieving profitability, compared with 80% in FY2021 and 60% in FY2020, and 30 companies achieving double-digit net profit margins. The Top 10 global luxury companies contributed over three-quarters of the Top 100's total net profits in FY2022. LVMH, Kering, Chanel, Hermès, Pandora, Moncler, Barbour and Pandora sustained their profitability throughout the pandemic, reporting double-digit net profit margins in each of the past six years.

**Overall high performers**

In FY2022, 23 companies reported both double-digit luxury goods sales growth and double-digit net profit margins. These included eight of the 10 multiple luxury goods companies, and half of the Top 10 luxury giants. LVMH, Kering, Chanel, Hermès and Italy's Moncler are notable for their consistent high growth and profitability over the past five years (excluding FY2020 due to the pandemic).

### M&A, disposals and partnership activity

After a surge in 2021 following the COVID-19 pandemic, mergers and acquisitions activity in the personal luxury goods Top 100 slowed slightly in 2022 and the first eight months of 2023. Deloitte's *Global Fashion & Luxury Investment and Private Equity Survey 2023* reported that there were 30 fewer deals in 2022 compared to 2021. The survey identified cosmetics and fragrances as the most attractive sector for investors in 2023, followed by apparel and accessories. The greatest number of deals by the Top 100 companies were in the areas of:

- Clean Beauty: brand acquisition in this growth sector
- Brand growth in other sectors through acquisition and licensing
- Specialist supplier acquisition: continued vertical integration of the supply chain, primarily by fashion companies
- Distribution: physical store and online acquisition and expansion
- Private equity (PE) and family controlling share acquisition

Significant acquisition, disposal, and relationship activity by luxury goods companies below the Top 10 in 2022-2023 (to end August) include:

#### Clean Beauty

- Shiseido continued its fundamental business transformation "WIN 2023 and Beyond", positioning premium skin beauty as its core business. It has carried out a series of disposals of its noncore businesses. In February 2022, it announced the transfer of its Professional Business to Henkel, retaining a 20% share in the company.<sup>67</sup> This followed the 2021 sale of its Personal Care business and prestige makeup brands bareMinerals, BUXOM, and Laura Mercier.<sup>68,69</sup> In September 2022, Shiseido agreed to acquire Gallinée Ltd, a UK-based microbiome skincare-focused brand.<sup>70</sup>
- Puig acquired majority stakes in several local luxury companies in 2022, as part of its international expansion strategy: Sweden's Byredo, Colombia's Loto del Sur (which offers a complete range of natural products made from Latin American flora), and India's leading authentic Ayurvedic brand of beauty and personal care products, Kama Ayurveda.<sup>71,72,73</sup>
- South Korea's Amore Pacific announced in September 2022 that it had agreed to acquire US luxury clean beauty brand Tata Harper, in a move that further signals the company's intention to continue its penetration of global markets, with a focus on consumers in North America.<sup>74</sup>

- L'Occitane International added two new brands to its portfolio in its FY2022—Sol de Janeiro in December 2021 and Grown Alchemist in April 2022—accelerating its strategy to build a leading portfolio of premium beauty brands. Sol de Janeiro is a US-based fast-growing, award-winning lifestyle skincare brand, known for its best-selling Brazilian Bum Bum Cream.<sup>75</sup> Grown Alchemist is an Australian cosmeceutical, clean skincare brand, with a focus on futuristic anti-aging technology and unique botanical skincare formulas for optimal skin health.<sup>76</sup>
- Famille C, the holding company of the Courtin-Clarins family, bought stakes in two Clean Beauty brands. It took a minority stake in US brand Ilia Beauty, which will remain independent, in February 2022, and a majority stake in UK-based Pai Skincare, which specializes in organic, vegan and cruelty-free skincare, in April 2023.<sup>77,78</sup>

#### Brand growth: acquisition and licensing

- In August 2023, Tapestry, Inc. announced an agreement to buy Capri Holdings for US\$8.5 billion. The deal is expected to close in 2024, subject to approval by regulators and Capri's shareholders. Tapestry and Capri Holdings rank in 14th and 16th place respectively in the Top 100. Their combined FY2022 sales of US\$12.4 billion would make them the eighth largest luxury goods company, with a presence in over 75 countries. Tapestry and Capri Holdings have complementary geographic strength in Asia and Europe. Joanne Crevoiserat, chief executive officer of Tapestry, said in the company's press release, "We are ready to leverage our competitive advantages across a broader portfolio of brands. The combination of Coach, Kate Spade, and Stuart Weitzman together with Versace, Jimmy Choo, and Michael Kors creates a new powerful global luxury house, unlocking a unique opportunity to drive enhanced value."<sup>79,80</sup>
- G-III Apparel, owner of the DKNY and Donna Karan brands, took full ownership of Karl Lagerfeld in May 2022.<sup>81</sup> Around half of G-III Apparel's sales come from exclusive distribution agreements with PVH Corp. for a range of Calvin Klein and Tommy Hilfger product categories in North America, although PVH announced that a number of these will expire in 2025 to 2027, as PVH takes its North American women's wholesale business in-house.<sup>82</sup> In March 2023, the company announced that it had signed a long-term license with Authentic Brands Group for the Nautica brand in North America.<sup>83</sup>
- In May 2023, OTB announced a licensing agreement with Max Mara for the development, production, and exclusive worldwide distribution of the new Max&Co. girl line, starting in the Spring/Summer 2024 season.<sup>84</sup> OTB Group has stated its interest in potential acquisitions in the luxury sector.

- In April 2023 Ermenegildo Zegna Group completed its acquisition of Tom Ford International (TFI) and entered into a long-term licensing agreement with The Estée Lauder Companies Inc. (ELC) for TOM FORD FASHION, as part of Estée Lauder Companies' TOM FORD brand acquisition. Zegna already owned 15% of TFI, the company that owns and operates the TOM FORD fashion business and acquired the remaining 85% as part of this transaction. Zegna Group has become a long-term licensee of ELC for all TOM FORD men's and women's fashion, as well as accessories and underwear, fine jewelry, childrens wear, textile, and home design products. The company will be in charge of the end-to-end TOM FORD FASHION business, from collection creation and development to merchandising, production, and retail and wholesale distribution.<sup>85</sup>
- Dolce & Gabbana launched a new legal entity, Dolce & Gabbana Beauty, in January 2023, after the company decided to take its €1 billion beauty business in-house.<sup>86</sup> The move was partly due to a change in strategy by its former beauty licensee entity Shiseido, as it cut costs following the COVID-19 pandemic.<sup>87</sup>
- Safilo increased its controlling stake in Privé Revaux to 81.9% in January 2022.<sup>88</sup> The company agreed a new exclusive license with Etro in June 2023, but its Jimmy Choo license will not be renewed when it expires at the end of 2023.
- Inter Parfums signed a licensing agreement with G-III Apparel for Donna Karan and DKNY fragrances from 1 July 2022, as Estée Lauder Companies rationalized its designer fragrances license range.<sup>89</sup> It also signed a 15-year worldwide licensing agreement for perfumes and cosmetics with Lacoste, effective 1 January 2024.<sup>90</sup>
- Authentic Brands Group completed the acquisition of several luxury companies. Ted Baker, a struggling UK luxury fashion company, was acquired for £211 million (US\$254 million) in October 2022. Luxury US sportswear brand Vince was acquired in May 2023 and UK footwear company Hunter in June 2023.<sup>91, 92, 93</sup> Authentic Brands has made multiple luxury and nonluxury brand acquisitions in recent years, including Reebok, and has a strategy of diversifying its portfolio with brands that originate outside the United States.
- In November 2022, Marcolin SpA signed an agreement with The Estée Lauder Companies Inc. (ELC) to enter into a long-term licensing relationship for TOM FORD eyewear, as part of Estée Lauder's TOM FORD brand acquisition. The agreement is a significant extension of the current licensing agreement and grants a perpetual license to TOM FORD against payment by Marcolin of US\$250 million.<sup>94</sup>
- Rigo signed license agreements for eyewear luxury brands Philosophy di Lorenzo Serafini (owned by Aeffe), Roberto Cavalli and Just Cavalli in 2022.<sup>95, 96</sup> In December 2022, De Rigo announced the acquisition of Rodenstock's eyewear division, which includes premium brands Rodenstock Eyewear and Porsche Design Eyewear, as part of De Rigo's strategic plan for further international expansion and growth in the premium eyewear segment.<sup>97</sup> In 2023, De Rigo signed further license agreements with Twinset and Barrow.<sup>98, 99</sup>

### Specialist supplier/craftsmanship acquisitions

- Burberry acquired Pattern SpA, its Italian supplier of luxury ready-to-wear including quilts and downs, for €21 million in March 2023. Burberry said that this investment enabled it to secure capacity, build technical outerwear capability, and further embed sustainability into its value chain.<sup>100</sup>
- In September 2022, Prada acquired 43.65% of Tuscan calfskin tannery Superior SpA, which it said was “another important step in the strategic direction toward vertical integration of the Prada Group’s supply chain”.<sup>101</sup> In June 2023, Prada and Zegna Group each acquired 15% of luxury knitwear manufacturer and Fedeli brand owner Luigi Fedeli e Figlio Srl. Prada CEO Patrizio Bertelli said: “This agreement for a Prada Group’s acquisition of a shareholding in Fedeli represents a strategic investment to preserve the know-how and tradition of an Italian excellence in fine yarn.”<sup>102</sup>
- Patek Philippe acquired an undisclosed stake in Salanitro S.A., Switzerland’s biggest gem-setting and jewelry specialist watchmakers’ supplier, in September 2022. “Salanitro is ideally positioned to continue to grow and develop its production capacity in the jewellery watch segment, which offers significant potential for development,” said Thierry Stern, president of Patek Philippe.<sup>103</sup>
- OTB acquired a majority stake in Italian leather goods manufacturer Frassinetti, in May 2023. Frassinetti has been a long-term supplier of Jil Sander, one of OTB’s star portfolio brands. Renzo Rosso, the chairman and founder of OTB Group, stated that their luxury brands prioritize craftsmanship and high-quality raw materials, made possible through collaborations with companies like Frassinetti.<sup>104</sup>
- Brunello Cucinelli reduced its stake in Lanificio Cariaggi Cashmere, in a business relationship with Chanel, where each company now has a 24.5% stake in their supplier of cashmere yarn for knitwear, in May 2023.<sup>105</sup> Brunello Cucinelli had previously taken a 43% stake in Lanificio Cariaggi in 2021.<sup>106</sup>
- Golden Goose, the Italian luxury sneakers specialist, made a series of acquisitions in 2022, in line with its strategy for vertical integration of its supply chain. In April 2022, the company acquired 40% of Coronet, an Italian manufacturer of plant-based synthetic leather and eco-leather, in a relationship to develop sustainable solutions. The first sustainable sneaker by the relationship was launched under the Yatay brand name.<sup>107</sup> This was followed by the company’s September 2022 acquisition of a 30% stake in its supplier Calzaturificio Sirio, with an option to take majority control in 2023.<sup>108</sup> In December 2022, Golden Goose completed the acquisition of its main supplier, the Italian Fashion Team (IFT) company. IFT specializes in designing, producing, and commercializing high-end sneakers, with 80% of its output in 2022 supplied to Golden Goose.<sup>109</sup> CEO Silvio Campara commented in 2023 that they would continue their acquisition strategy: “What we did last year is not going to be the last one...for sure we have other acquisitions in the pipeline”.<sup>110</sup>

Luxury watchmaker Hublot, a brand of LVMH, has acquired a 70% stake for \$23.1 million from the Korean ceramic supplier Ecco. Hublot has also acquired an option to purchase the other 30% stake in the future. Ecco started providing key components like ceramic to Hublot in 2008. The manufacturer’s ceramics have attracted the attention of global luxury watchmakers thanks to their exceptional quality, hardness and color.

### Distribution: Stores and online

- Pandora's merger and acquisition activity was driven by its "Phoenix" growth strategy, which includes expanding in core markets, with particular focus on the United States and China (which together represent more than 50% of the global jewelry market). It acquired 49 franchise stores in the United States and Canada in 2022 (Ben Bridge Jeweler's and Panbor) and also announced a formal business relationship with Macy's for a nationwide rollout of Pandora shop-in-shops in key market locations across the United States.<sup>111,112</sup> In June 2022, Pandora acquired 34 locations from its distributor Visão do Tempo, to assume full ownership of its Portuguese business.<sup>113</sup>
- Farfetch made a series of acquisitions and investments which confirmed its position as the leading global platform for the luxury fashion industry. In August 2022, it acquired 47.5% of Richemont's YOOX NET-A-PORTER (YNAP) online platform, with an option to acquire the remainder. YNAP is adopting Farfetch Platform Solutions to advance growth and shift toward a hybrid business model.<sup>114</sup> In January 2022, the company announced it was acquiring US-based B2B luxury beauty retailer Violet Grey, and in April 2022 announced the launch of Beauty across Farfetch companies, Browns, Farfetch.com and Off-White™ to "provide a curated edit of the best luxury beauty products to serve customers across ages, races, cultures, and genders in an "Only on Farfetch" way".<sup>115,116</sup> Farfetch also acquired the remaining shares in Palm Angels, to take full ownership of the company. Following its acquisition of Reebok in 2022, Authentic Brands Group collaborated with Farfetch to operate its business in Europe, replatform its European e-commerce sites and drive the evolution of the brand by expanding its luxury collaboration offerings globally. The relationship is being managed by wholly owned Farfetch company New Guards Group (NGG), through a new division, NGG+.<sup>117</sup>
- De Rigo extended its strategy for direct distribution control in key markets, with the opening of De Rigo Baltics in March 2022. The Group now directly oversees the distribution of its products globally, through 18 companies.<sup>118</sup>
- Morellato Group announced the acquisition of the Pierre Roux stores in France, in 2022. In February 2023, the company acquired the German Christ Group, the leading omnichannel player in the jewelry and watches sector in Europe. With the brands Christ, Brinckmann & Lange, and Valmano, Christ Group has over 200 stores in Germany and Austria as well as an e-commerce platform.<sup>119</sup> Morellato Group claims this makes it the leading European multi-brand retailer of jewelry and watches, with a combined turnover of around €800 million, and over 620 stores as well as a strong digital presence.<sup>120</sup>

### Private equity and Family share Acquisitions

- Tod's Della Valle founding family announced in August 2022 an offer to buy out the remaining publicly held shares, for up to €388 million, in an attempt to delist the company, and merge it into the family's DeVa Finance firm. However, the bid was unsuccessful, and it was abandoned in December 2022. LVMH retained its 10% stake in the company.<sup>121</sup>
- Private equity investor Partners Group took control of Swiss luxury watchmaker Breitling in December 2022, after increasing its stake to over 50% from the 25% it acquired in 2021. According to reports, London-based CVC Capital, which bought Breitling from the Schneider family in 2017, became a minority shareholder with a 23.6% stake.<sup>122</sup>

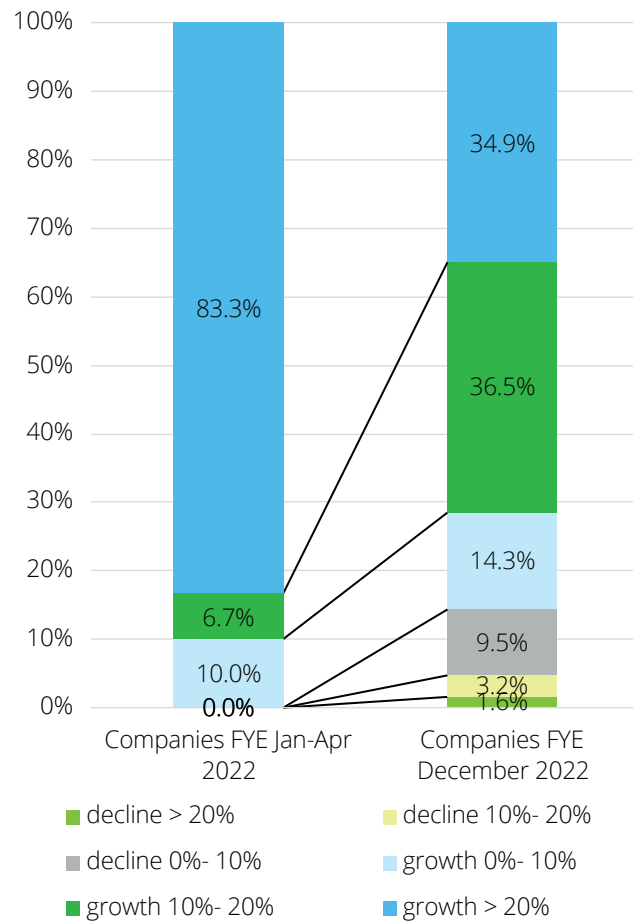
**Impact of the COVID-19 pandemic and company financial year end dates on FY2022 Top 100 ranking**

COVID-19 pandemic impact eased again in 2022, with lockdowns lifted in most countries, stores reopened, and restrictions on traveling eased. The Asian countries were the slowest to lift their restrictions, with China's Zero-COVID policy ending in December 2022.

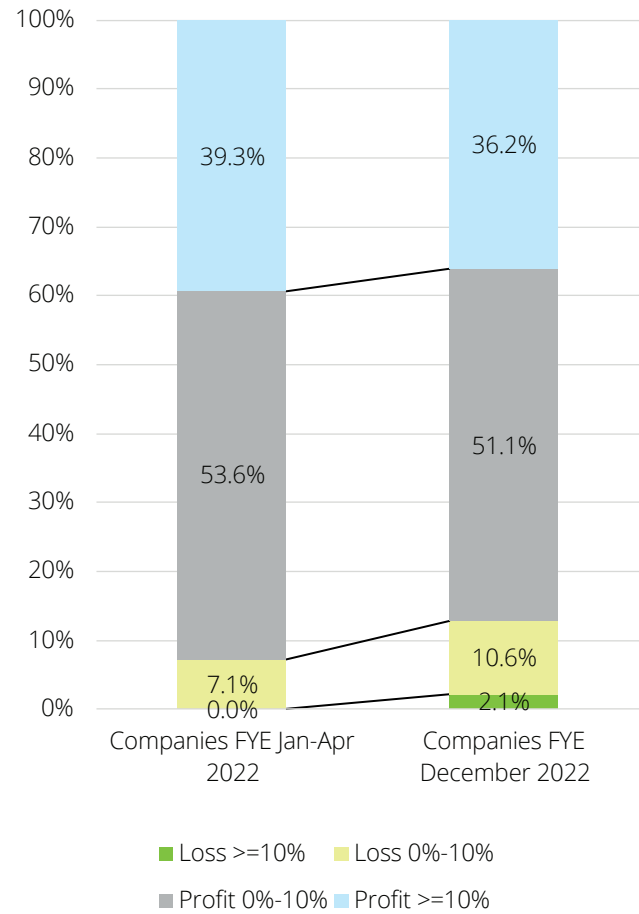
Companies with 2022 financial year end (FYE) dates early in the year reported the strongest recovery from the pandemic when compared with those with 2020-2021 financial year ends. Due to the fact that much of this recovery had already occurred in 2021, companies reporting at the end of 2022 had generally experienced lower year-on-year growth.

Most companies in the Top 100 have their FYE between January and April (30 companies) or in December (63 companies). According to the analysis of these two groups of companies, the pandemic appeared to have differing impacts on each group.

**COVID-19 Impact of 2022 FYE date on YoY luxury goods sales growth, FY2022**



**COVID-19 Impact of 2022 FYE date on net profit margin, FY2022**



All the companies with a January to April 2022 FYE reported growth in luxury goods sales, with 83% up by more than 20% year-on-year. While 86% of companies with a December 2022 FYE also reported growth, only 35% saw growth of more than 20% year-on-year. As a consequence, there are bigger changes than usual in companies' positions in the Top 100 rankings, and the FYE date should be taken into consideration when judging company performance.

Net profit margins were impacted to a much smaller extent. Most companies in both groups were profitable, but a slightly higher proportion (39%) of the companies with a January to April 2022 FYE reported double-digit net profit margins, compared to 36% of the companies with a December 2022 FYE date.



## Impact of exchange rates on Top 100 ranking

The Top 100 companies in the Global Powers of Luxury Goods report have been ranked according to their FY2022 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 FY2022 means that companies reporting in that currency may rank higher in FY2022 than they did in FY2021, all other things being equal. Conversely, companies reporting in a weaker currency may rank lower.

In 2022, currencies for most companies in this report weakened against the US dollar. The currencies with the biggest falls against the US dollar were the Japanese yen, down 16.4%, the Swedish krona, down 15.2%, and the South Korean won, down 11.4%. All European currencies weakened against the US dollar: the euro and Danish krona were both down 11.1%, and the British pound was down 10.4%. The Indian rupee fell by 5.9%, the Swiss franc by 4.3%, the Chinese yuan by 4.1%, and Canadian dollar by 3.7%.

The only currency to strengthen against the US dollar in 2022 was the Brazilian real, up 4.5%. Other currencies for companies in this report were virtually unchanged against the US dollar.

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 Top 100 ranking

There were five new entrants and one re-entrant to the Top 100 in FY2022. For more information, see the New entrants section.

Many luxury goods companies are privately owned. Some of these file official reports containing financial information; estimates for other companies 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 therefore could not be included in the Top 100 in FY2022.

In this year's study, no reasonable estimates could be made for three companies that were featured in last year's Global Powers of Luxury Goods 2022 Top 100: Gerhard D. Wempe, MCM, and ICCFGroup



## Global Powers of Luxury Goods Top 100, FY2022

FY2022 Luxury goods sales rank	Change in rank from FY2021 <sup>3</sup>	Name of company	Country of origin	Selection of Luxury Brands	FY2022 Luxury goods sales (US\$M)	FY2022 Total revenue (US\$M)	FY2022 Luxury goods sales growth	FY2022 Net profit margin <sup>1</sup>	FY2019- 2022 Luxury goods sales CAGR <sup>2</sup>
1	↔ 0	LVMH Moët Hennessy-Louis Vuitton SE	France	Louis Vuitton, Christian Dior, Celine, Tiffany & Co., Bvlgari, Loro Piana, Emilio Pucci, Off-White, Acqua di Parma, Loewe, Marc Jacobs, TAG Heuer, Benefit Cosmetics	59,869	83,241	22.6%	18.6%	19.4%
2	↔ 0	Kering SA	France	Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, Qeelin	21,394	21,394	15.3%	18.3%	8.6%
3	↑ 3	Compagnie Financière Richemont SA	Switzerland	Cartier, Van Cleef & Arpels, Buccellati, Piaget, Montblanc, Jaeger-LeCoultre, Vacheron Constantin, IWC, Chloé, Panerai	19,248	22,276	50.1%	10.8%	11.5%
4	↓ -1	The Estée Lauder Companies Inc.	United States	Estée Lauder, Tom Ford Beauty, Bobbi Brown, La Mer, Jo Malone London, Aveda	17,737	17,737	9.4%	13.6%	6.1%
5	↓ -1	Chanel Limited	United Kingdom	Chanel	17,224	17,224	10.1%	26.7%	12.0%
6	↓ -1	L'Oréal Luxe	France	Lancôme, Kiehl's, Biotherm, Urban Decay, IT Cosmetics, Mugler, Azzarro Licensed brands including Giorgio Armani, Yves Saint Laurent, Valentino	15,388	15,388	18.6%	n/a	9.9%
7	↑ 1	Chow Tai Fook Jewellery Group Limited 周大福珠宝集团有限公司	China/HK SAR	Chow Tai Fook, T Mark, Hearts on Fire, Enzo, Soinlove, Monologue	12,563	12,709	41.1%	7.0%	14.0%
8	↓ -1	Hermès International SCA	France	Hermès, John Lobb	12,196	12,196	29.2%	29.1%	19.0%
9	↔ 0	Rolex SA	Switzerland	Rolex, Tudor	10,336 e	10,336 e	20.4%	n/a	13.8%
10	↑ 3	PVH Corp.	United States	Tommy Hilfiger, Calvin Klein	8,364	9,155	33.3%	10.4%	1.2%
11	↑ 1	Lao Feng Xiang Co., Ltd. 老凤祥股份有限公司	China	Lao Fengxiang	7,480	9,359	7.5%	3.6%	10.7%
12	↓ -1	The Swatch Group Ltd.	Switzerland	Omega, Longines, Breguet, Harry Winston, Rado, Blancpain	7,478	7,853	1.9%	11.0%	-3.6%
13	↓ -3	China National Gold Group Gold Jewellery Co., Ltd 中国黄金集团黄金珠宝股份有限公司	China	China Gold, Jin-Rujin, Jin-ShangYin	6,934	6,999	-7.6%	1.6%	7.0%
14	↔ 0	Tapestry, Inc.	United States	Coach, Kate Spade, Stuart Weitzman	6,685	6,685	16.3%	12.8%	3.5%
15	↑ 1	Ralph Lauren Corporation	United States	Ralph Lauren, Polo Ralph Lauren, Lauren Ralph Lauren	6,219	6,219	41.3%	9.7%	-0.5%
16	↑ 1	Capri Holdings Limited	United Kingdom	Michael Kors, MICHAEL Michael Kors, Jimmy Choo, Versace	5,654	5,654	39.3%	14.6%	2.6%

FY2022 Luxury goods sales rank	Change in rank from FY2021 <sup>3</sup>	Name of company	Country of origin	Selection of Luxury Brands	FY2022 Luxury goods sales (US\$M)	FY2022 Total revenue (US\$M)	FY2022 Luxury goods sales growth	FY2022 Net profit margin <sup>1</sup>	FY2019- 2022 Luxury goods sales CAGR <sup>2</sup>
17	↓ -2	Shiseido Company, Limited	Japan	SHISEIDO, clé de peau BEAUTÉ, NARS, Drunk Elephant, IPSA, THE GINZA; Licensed fragrance brands	5,360 e	8,121	16.2%	3.5%	3.6%
18	↔ 0	Prada Group	Italy	Prada, Miu Miu, Church's, Car Shoe	4,416	4,416	24.8%	11.2%	9.2%
19	new	Malabar Gold & Diamonds	India	Malabar, Mine, Precia, Era, Starlet	4,024 e	4,024 e	35.0%	n/a	6.3%
20	↑ 2	Burberry Group plc	United Kingdom	Burberry	3,859	3,859	20.6%	14.0%	1.3%
21	↔ 0	Hugo Boss AG	Germany	BOSS, HUGO	3,838	3,838	31.1%	6.1%	8.2%
22	↑ 1	Puig S.L.	Spain	Paco Rabanne, Carolina Herrera, Jean Paul Gaultier, Nina Ricci, Penhaligon's, Charlotte Tilbury, Dries Van Noten; Licensed fragrance brands	3,805	3,805	40.0%	11.0%	21.3%
23	↓ -3	Pandora A/S	Denmark	Pandora	3,739	3,739	13.1%	19.0%	6.6%
24	↑ 1	Titan Company Limited	India	Zoya, Favre-Leuba, Nebula, Xyllys, Tanishq	3,673	3,895	36.5%	7.6%	11.8%
25	↓ -1	Coty Inc.	United States	philosophy, JOOP!, Lancaster; Licensed fragrance brands including Hugo Boss, Gucci, Calvin Klein, Burberry	3,268	5,304	20.2%	5.0%	-0.3%
26	↑ 4	G-III Apparel Group, Ltd.	United States	DKNY, Donna Karan, Karl Lagerfeld Paris, Sonia Rykiel; Licensed brands including Calvin Klein, Tommy Hilfiger	2,767	2,767	34.6%	7.2%	-3.5%
27	↔ 0	Moncler SpA	Italy	Moncler, Stone Island	2,736	2,736	27.2%	23.3%	16.9%
28	↓ -9	Amore Pacific Corporation	South Korea	Sulwhasoo, Laneige, Amore Pacific, Hera, Mamonde	2,723 e	3,199	-17.7%	3.1%	-10.2%
29	↓ -3	Chow Sang Sang Holdings International Limited 周生生集团国际有限公司	China/HK SAR	Chow Sang Sang, MintyGreen	2,522	2,625	-0.9%	2.1%	6.7%
30	↓ -2	Giorgio Armani SpA	Italy	Giorgio Armani, Emporio Armani, A X Armani Exchange	2,473	2,478	16.5%	6.9%	3.0%
31	↑ 5	Audemars Piguet & Cie	Switzerland	Audemars Piguet	2,105 e	2,105 e	27.2%	n/a	19.4%
32	↑ 1	L'Occitane International SA	Luxembourg	L'Occitane en Provence, Elemis, Limelife, Sol de Janeiro, Melvita, Erborian	2,069	2,069	15.8%	13.6%	7.7%
33	new	Swarovski Crystal Business	Switzerland/ Austria	Swarovski	1,924 e	1,924 e	10.2%	n/a	-11.0%
34	↑ 3	Patek Philippe SA	Switzerland	Patek Philippe	1,885 e	1,885 e	17.6%	n/a	6.3%
35	↓ -6	Kosé Corporation	Japan	DECORTÉ, ALBION, Tarte, KOSÉ, SEKKISEI, ADDICTION, JILL STUART,	1,788	2,200	7.5%	17.1%	-2.7%
36	↓ -2	OTB SpA	Italy	Diesel, Jil Sander, Maison Margiela, Marni, Viktor&Rolf	1,760	1,832	12.5%	6.7%	3.7%

FY2022 Luxury goods sales rank	Change in rank from FY2021 <sup>3</sup>	Name of company	Country of origin	Selection of Luxury Brands	FY2022 Luxury goods sales (US\$M)	FY2022 Total revenue (US\$M)	FY2022 Luxury goods sales growth	FY2022 Net profit margin <sup>1</sup>	FY2019- 2022 Luxury goods sales CAGR <sup>2</sup>
37	↑ <sub>2</sub>	Tory Burch LLC	United States	Tory Burch, Tory Sport	1,750 e	1,750 e	16.7%	6.0%	10.4%
38	↓ <sub>-3</sub>	Clarins SAS	France	Clarins, myBlend	1,713	1,713	9.7%	n/a	3.5%
39	↓ <sub>-8</sub>	Max Mara Fashion Group Srl	Italy	MaxMara, SportMax, Marina Rinaldi, Max & Co, PennyBlack	1,682 e	1,682 e	4.8%	5.0%	-0.7%
40	↓ <sub>-8</sub>	Fossil Group, Inc.	United States	Fossil, Skagen, Michele, Relic, Zodiac; Licensed brands	1,589 e	1,682	-11.9%	-2.6%	-9.1%
41	↓ <sub>-3</sub>	Ermenegildo Zegna N.V.	Italy	Zegna, THOM BROWNE	1,569	1,584	15.5%	4.3%	4.2%
42	↔ <sub>0</sub>	Chow Tai Seng Jewellery Co., Ltd.	China	Chow Tai Seng	1,494	1,651	25.6%	9.8%	29.7%
43	↓ <sub>-3</sub>	Valentino SpA	Italy	Valentino, Valentino Garavani	1,491	1,499	15.7%	4.0%	5.1%
44	↑ <sub>7</sub>	Luk Fook Holdings (International) Limited 六福集团(国际)有限公司	China/HK SAR	Luk Fook, Goldstyle	1,491	1,508	32.7%	11.9%	-9.7%
45	↑ <sub>5</sub>	Dolce & Gabbana	Italy	Dolce&Gabbana	1,454	1,623	28.0%	4.5%	-2.5%
46	↑ <sub>2</sub>	Kalyan Jewellers India Limited	India	Mudhra, Tejasvi, Nimah	1,446	1,456	26.2%	2.1%	3.3%
47	↑ <sub>6</sub>	Joyalukkas India Limited	India	Pride, Eleganza, Apurva, Ratna	1,381 e	1,381 e	27.6%	6.8%	8.4%
48	↓ <sub>-5</sub>	Richard Mille SA	Switzerland	Richard Mille	1,361 e	1,361 e	15.0%	n/a	13.0%
49	↓ <sub>-8</sub>	Salvatore Ferragamo SpA	Italy	Salvatore Ferragamo	1,313	1,316	10.2%	5.2%	-3.1%
50	↓ <sub>-6</sub>	SMCP SAS	France	Sandro, Maje, Claudie Pierlot, De Fursac	1,268	1,268	16.1%	4.3%	2.1%
51	↓ <sub>-5</sub>	Unilever Prestige Beauty	United Kingdom	dermalogica, Hourglass, Murad, Ren, Tatcha, Paula's Choice	1,261 e	1,261 e	20.0%	n/a	n/a
52	↑ <sub>11</sub>	Aritzia Inc.	Canada	Aritzia, Wilfred, Babaton, TNA, Sunday Best, Super World, Denim Forum	1,193	1,193	74.3%	10.5%	19.6%
53	↑ <sub>1</sub>	Farfetch Limited	United Kingdom	Off-White, Palm Angels, Stadium Goods, Heron Preston, Marcelo Burlon County of Milan, Browns, Ambush	1,146	2,317	6.3%	n/a	42.4%
54	↓ <sub>-5</sub>	Safilo Group SpA	Italy	Smith, Safilo, Carrera, Blenders, Privé Revaux; Licensed eyewear brands	1,132	1,132	11.1%	4.9%	4.7%
55	↓ <sub>-8</sub>	Onward Holdings Co., Ltd.	Japan	Nijyusanku, Joseph, Kashimaya, ICB	1,108 e	1,511	0.0%	5.2%	-14.7%
56	↑ <sub>1</sub>	Inter Parfums, Inc.	United States	Lanvin, Rochas; Licensed fragrance brands	1,087	1,087	23.6%	13.9%	15.1%
57	↓ <sub>-2</sub>	TOD'S SpA	Italy	Tod's, Roger Vivier, Hogan, Fay	1,080	1,080	14.1%	2.2%	3.5%
58	↔ <sub>0</sub>	Brunello Cucinelli SpA	Italy	Brunello Cucinelli	967	967	29.1%	9.5%	14.8%
59	↓ <sub>-14</sub>	Pola Orbis Holdings Inc.	Japan	Pola, Jurlique, Three, Itrim, Amplitude, Fiveism x Three, Fujimi	938	1,265	-5.8%	6.9%	-9.1%

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60	↓-8	Le Petit-Fils de L.-U. Chopard & Cie SA	Switzerland	Chopard	911 e	911 e	13.0%	n/a	-2.2%
61	↔ 0	Canada Goose Holdings Inc.	Canada	Canada Goose, Baffin	876	876	21.5%	8.6%	9.8%
62	↓-6	Revlon, Inc/Elizabeth Arden & Fragrances	United States	Elizabeth Arden; Licensed fragrance brands	854	854	-8.3%	n/a	-4.2%
63	↓-4	Breitling SA	Switzerland	Breitling	752	752	42.4%	n/a	6.0%
64	↑6	Movado Group, Inc.	United States	Concord, EBEL, Movado, Olivia Burton, MVMT; Licensed watch brands	732	732	44.6%	12.6%	2.5%
65	↓-5	Graff Diamonds International Limited	United Kingdom	Graff	725	728	3.9%	12.9%	5.6%
66	↓-2	EuroItalia S.r.l.	Italy	Reporter, Naj-Oleari, Atkinsons 1799, I Coloniali; Licensed Fragrance brands: Moschino, Versace, Missoni, Dsquared2, Michael Kors	721	730	27.2%	19.3%	15.3%
67	↑2	Samsonite International S.A./ Tumi brand only	United States	Tumi	654	654	29.2%	n/a	-5.2%
68	↑5	Marc O'Polo AG	Germany	MARC O'POLO	612	613	37.8%	4.9%	8.5%
69	↑7	Ted Baker plc	United Kingdom	Ted Baker	589	592	21.7%	-8.3%	-12.5%
70	↓-5	Guangdong CHJ Industry Co., Ltd. 广东潮宏基实业股份有限公司	China	CHJ, VENTI	583	656	-3.3%	4.6%	8.2%
71	↓-3	Marcolin Group	Italy	WEB, Viva, Marcolin; Licensed eyewear brands	575	574	20.2%	-1.1%	4.0%
72	↑5	Cole Haan, Inc.	United States	Cole Haan	562 e	562 e	24.9%	n/a	-6.5%
73	↑5	Grupo de Moda Soma S.A.	Brazil	FARM, Animale, NV, Maria Filó, Cris Barros, Foxton, Fábula	555	943	37.9%	6.9%	30.0%
74	new	DR Corporation Limited	China	Darry Ring, DR	542	547	-20.6%	19.8%	29.9%
75	↓-1	Golden Goose SpA	Italy	Golden Goose	527 e	527 e	29.9%	n/a	24.1%
76	↓-4	Liu.Jo SpA	Italy	Liu.Jo	525	540	21.7%	10.8%	8.4%
77	↓-10	Zhejiang Ming Jewelry Co., Ltd. 浙江明牌珠宝股份有限公司	China	Ming	508	516	-3.7%	-4.7%	-0.1%
78	new	Senco Gold Limited	India	Senco Gold & Diamonds	474	476	32.9%	3.6%	12.5%
79	↓-4	S Tous SL	Spain	Tous	472	472	17.0%	8.0%	4.4%
80	↓-9	De Rigo SpA	Italy	Police, Lozza, STING, Yalea Licensed eyewear brands	467	481	6.7%	10.5%	-0.1%
81	↔ 0	Lanvin Group	China	Wolford, Lanvin, St. John Knits, Sergio Rossi, Caruso	444	444	36.7%	-56.8%	n/a
82	↑15	TFG Brands (London) Limited	United Kingdom	Phase Eight, Hobbs, Whistles	423	423	58.0%	0.0%	-8.8%
83	↑1	Vera Bradley, Inc.	United States	Vera Bradley	421	540	18.3%	3.7%	0.4%

FY2022 Luxury goods sales rank	Change in rank from FY2021 <sup>3</sup>	Name of company	Country of origin	Selection of Luxury Brands	FY2022 Luxury goods sales (US\$M)	FY2022 Total revenue (US\$M)	FY2022 Luxury goods sales growth	FY2022 Net profit margin <sup>1</sup>	FY2019- 2022 Luxury goods sales CAGR <sup>2</sup>
84	new	Look Holdings Incorporated	Japan	A.P.C., Il Bisonte, Laissé Passé; licensed brands	412	416	33.5%	4.9%	7.8%
85	↑14	Sociedad Textil Lonía SA	Spain	Purificación García; Licensed brand: CH Carolina Herrera	406 e	406 e	66.0%	14.0%	-0.5%
86	↑4	J Barbour & Sons Ltd	United Kingdom	Barbour	389	389	31.4%	11.8%	8.4%
87	↓-2	Zadig & Voltaire	France	Zadig & Voltaire	389 e	389 e	19.9%	n/a	7.1%
88	↓-9	Aeffe SpA	Italy	Moschino, Pollini, Alberta Ferretti, Philosophy di Lorenzo Serafini	370	382	8.4%	-2.5%	0.1%
89	↑11	Morellato Group	Italy	Morellato, Sector, Philip Watch, licensed brands	363	373	49.3%	10.8%	17.3%
90	↓-3	Fashion Box SpA	Italy	Replay	357 e	357 e	22.7%	n/a	10.3%
91	↑4	Vivara Participações S.A.	Brazil	Vivara, Life By Vivara	357	357	25.7%	19.6%	16.3%
92	↓-10	Furla SpA	Italy	Furla	354	354	10.0%	-6.6%	-12.5%
93	↓-10	Sanyo Shokai Ltd.	Japan	Mackintosh, Paul Stuart	346	346	1.9%	1.7%	-12.9%
94	↓-8	Tse Sui Luen Jewellery (International) Limited TSL   謝瑞麟	China/HK SAR	TSL   謝瑞麟, TSL TOSI, DUO by TSL	345	356	3.6%	0.6%	-12.5%
95	↑3	Kurt Geiger Limited	United Kingdom	Kurt Geiger London, KG Kurt Geiger, Miss KG, Carvela	322	322	21.9%	3.1%	-11.2%
96	↓-7	Mannai Corporation/Damas International Limited	Qatar	Damas	306	1,455	6.2%	n/a	-2.8%
97	↓-5	Cris Conf SpA	Italy	Pinko	294	300	17.7%	2.1%	10.1%
98	new	Thangamayil Jewellery Limited	India	Thangamayil	294	294	20.6%	5.9%	15.0%
99	↓-5	Acne Studios Holding AB	Sweden	Acne Studios	293	295	17.5%	8.4%	3.0%
100	↓-9	Etro SpA	Italy	Etro	284 e	284 e	13.0%	n/a	-1.6%

e=estimate n/a=not available

<sup>1</sup> Net profit margin based on total consolidated revenue and net income. May include results from non-luxury goods operations if these are <50% of group revenue.

<sup>2</sup> Compound annual growth rate

<sup>3</sup> Change in ranking vs FY2021 ranking from the Global Powers of Luxury Goods 2022 report

\*Top 100 sales growth rates are sales-weighted, currency-adjusted composites

\*\*Top 100 net profit margin and return on assets are sales-weighted composites

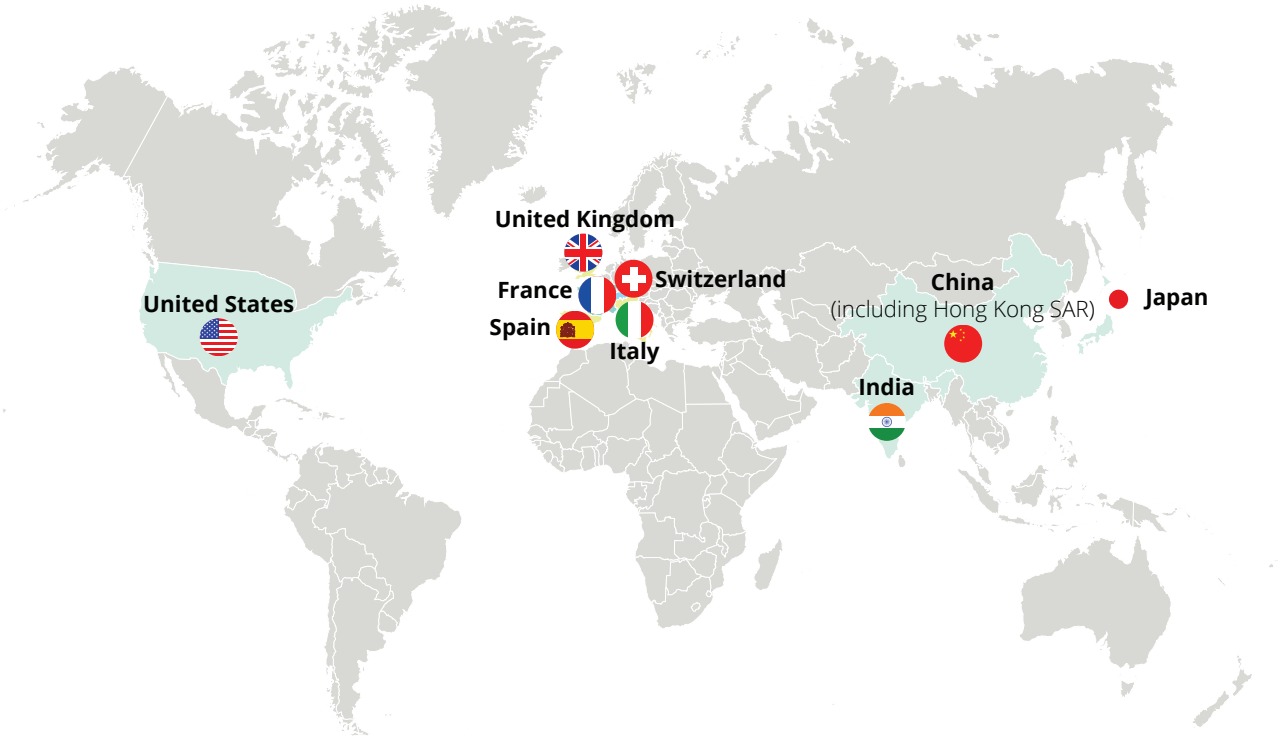
Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.



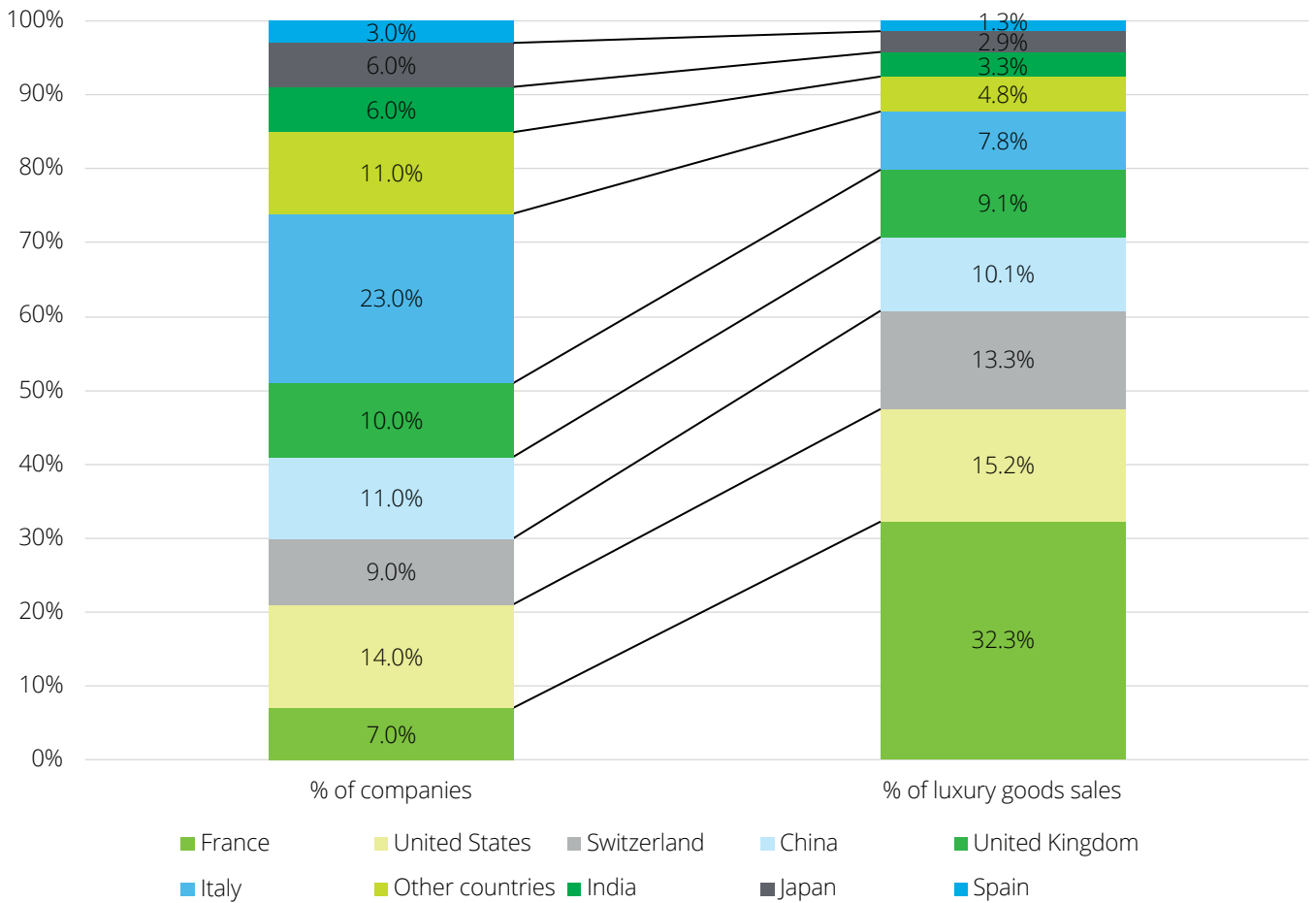
# Geographic Analysis

This geographic analysis focuses on individual countries with the highest concentrations of Top 100 luxury goods companies. A company is assigned to a country according to the location of its headquarters, which often does not coincide with where it derives the majority of its luxury goods sales.

Although sales for many companies come from outside their countries of origin, for the purpose of this analysis 100% of each company's sales are attributed to that company's domicile country. This analysis is based on the Top 100 companies only. The nine countries analyzed in this section are:



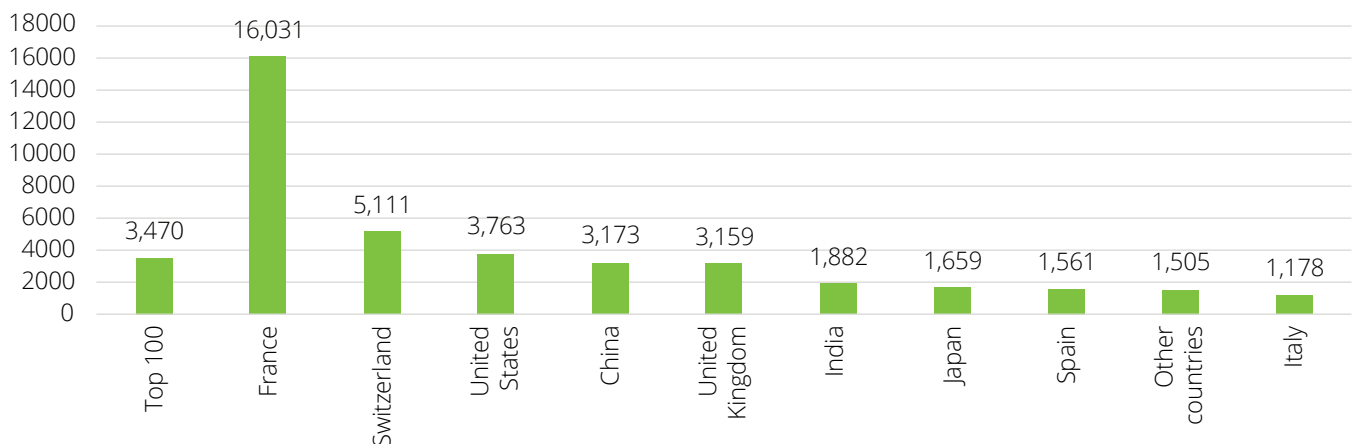
**Top 100 share by country, FY2022**



Results reflect Top 100 companies headquartered in each country.

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

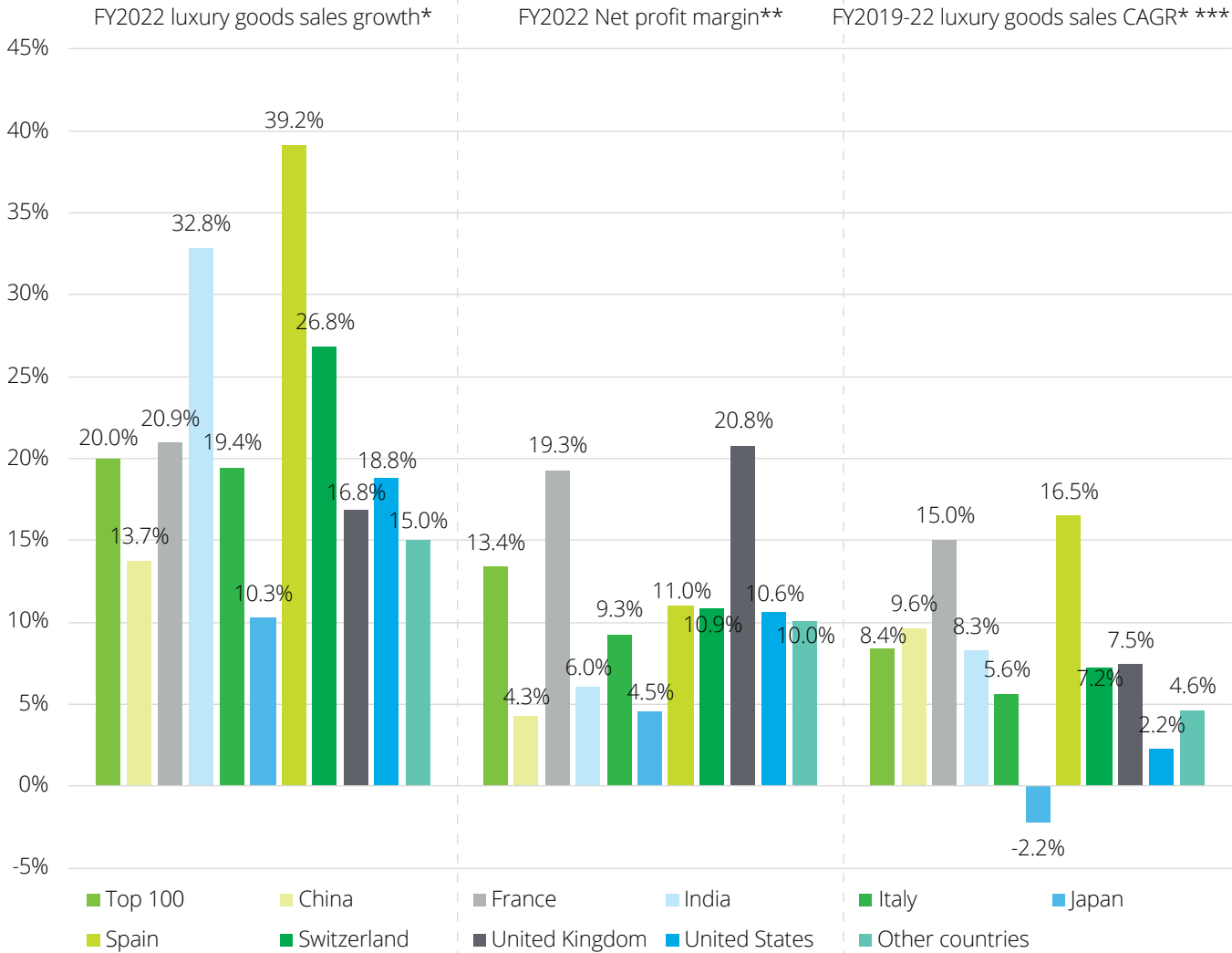
**Average size of companies by luxury goods sales (US\$M), FY2022**



Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.



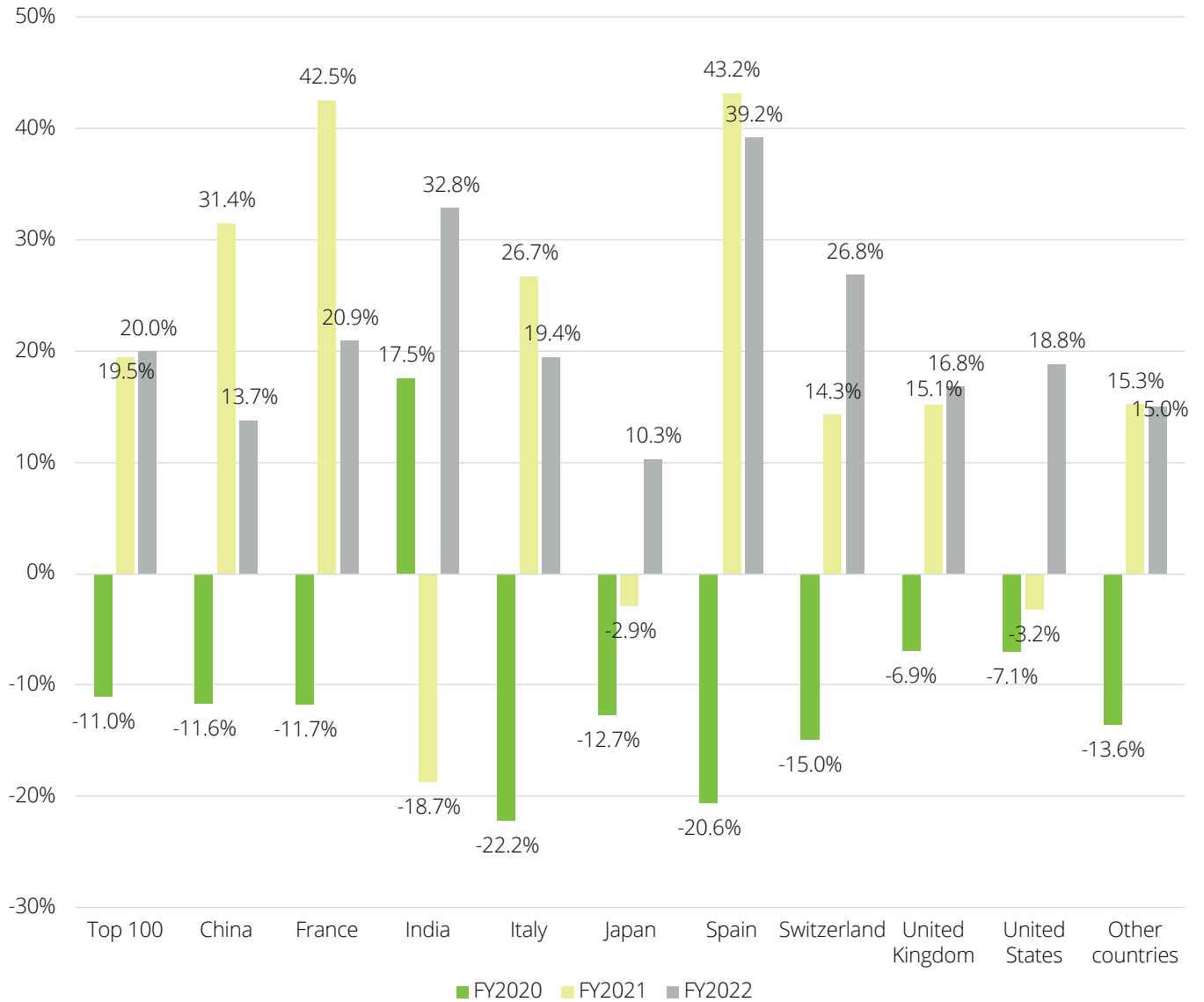
Performance by country, FY2022



\* Sales-weighted, currency-adjusted composites  
 \*\* Sales-weighted composites  
 \*\*\* Compound annual growth rate  
 Switzerland: Net profit margin based on data from two companies

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

Luxury goods sales YoY growth\* % by country for Top 100 companies, FY2020- FY2022



\* Sales-weighted, currency-adjusted composites

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2022. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2021 using company annual reports, industry estimates, and other sources.

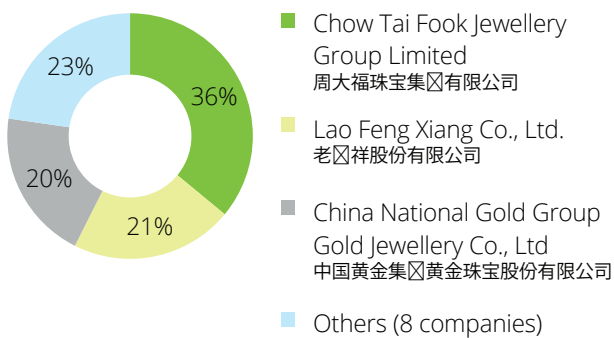
## For each country: % of companies by product sector, FY2022

	<b>Clothing and footwear</b>	<b>Bags and accessories</b>	<b>Beauty</b>	<b>Jewelry and watches</b>	<b>Multiple luxury goods</b>
<b>China</b>	9%			91%	
<b>France</b>	29%		29%		43%
<b>India</b>				100%	
<b>Italy</b>	65%	17%	4%	4%	9%
<b>Spain</b>	33%		33%	33%	
<b>Switzerland</b>				100%	
<b>United Kingdom</b>	50%		10%	10%	30%
<b>United States</b>	29%	14%	29%	14%	14%
<b>Japan</b>	50%		50%		
<b>Other countries</b>	55%		18%	27%	

**Top 100 luxury goods companies achieve double-digit sales growth in all countries**

Luxury goods sales of the Top 100 companies across all countries in this analysis increased by double digits in FY2022, as the impact of the COVID-19 pandemic diminished. The composite sales growth reported by companies headquartered in Spain, India, Switzerland, and France was all higher than the composite growth of 20.0% for the Top 100 overall. In FY2022, seven French companies accounted for nearly one-third of the Top 100 luxury goods sales. Compared to FY2021, all country composites except for France and China improved their net profit margins in FY2022. The composite net profit margins for companies based in France and UK outperformed those of the Top 100 by 19.3% and 20.8%, respectively.

**Top 3 companies share of luxury goods sales, FY2022**

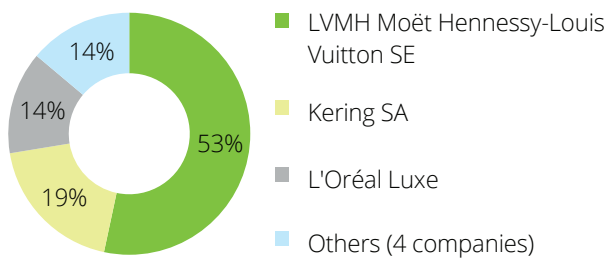


**China**

There are 11 Chinese companies in this list, including one fashion company and 10 vertically integrated luxury jewelers, reflecting China's importance in this growth product sector. Year-on-year, they reported the second-lowest growth rate, 13.7%, due to China's zero-COVID-19 strategy continuing until December 2022. It was polarized in terms of growth: Chow Tai Fook, Chow Tai Seng, Luk Fook, and Lanvin Group saw their sales increase by more than 25%; whereas China National Gold Group, Chow Tai Seng, Guangdong CHJ, DR Corporation, and Zhejiang Ming saw their sales decline.

The eight largest Chinese companies were all profitable. Part of Lanvin Group's loss can be attributed to costs associated with its December 2022 IPO on the New York Stock Exchange. Among all countries, China had the lowest composite net profit margin of 4.3%, down 0.7 percentage points from last year.

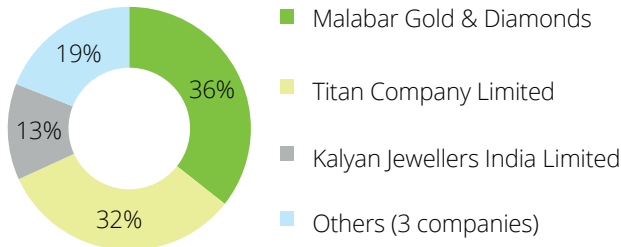
**Top 3 companies share of luxury goods sales, FY2022**



**France**

There were seven French companies in the Top 100, down from eight last year due to the loss of Laboratoire Nuxe. The average size of these companies is US\$16.0 billion, more than four times the average for the Top 100. In FY2022, they accounted for 32.3% of the Top 100 luxury goods sales. They also reported the second highest composite net profit margin, 19.3%, and the second highest three-year CAGR growth in luxury goods sales, 15.0%. This performance is driven by the four global luxury powerhouses based in France: LVMH, Kering, and Hermès (who are all multiple luxury goods companies) and beauty sector giant L'Oréal Luxe. Their FY2022 growth was particularly impressive, as most of it was organic, with relatively little growth from acquisitions.

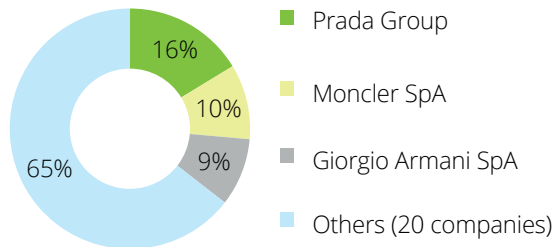
**Top 3 companies share of luxury goods sales, FY2022**



**India**

Three new entrants from India entered the Top 100. All six Indian luxury companies are vertically integrated jewellers. After China, India is the world's second largest market for gold jewelry, with more than half of sales related to weddings. Increasing economic, demographic, and urbanization trends are driving jewelry demand, particularly among middle-class consumers. In India, jewelry retailing is undergoing rapid change, as traditional gold retailers (mostly unorganized) are being replaced with modern chains featuring well-known luxury jewelry brands. In 2020, organized retailers accounted for about one-third of the Indian market, up from only 5% in 2000. All the Indian companies achieved sales growth of over 20% in FY2022 and they achieved the second-highest composite luxury goods sales growth, 32.8%. Their performance was driven by leaders Malabar and Titan, whose sales rebounded after declining in FY2021 likely due to the pandemic. The sales growth for these two companies was 35% and 36.5% respectively. However, the Indian companies reported the third-lowest composite net profit margin, 6.0%.

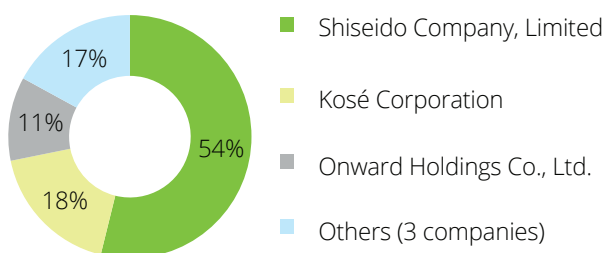
**Top 3 companies share of luxury goods sales, FY2022**



**Italy**

There are 23 luxury goods companies in Italy, but they only account for 7.8% of luxury goods sales. Their average sales, US\$1.2 billion, are much smaller than the Top 100 as a whole, whose average is US\$3.5 billion. As of FY2022, all but four of the companies were majority family-owned, usually by their founding families. Among the Italian companies, 15 are luxury fashion houses. The sales of all the companies increased in FY2022, with 21 achieving double-digit growth. On a composite basis, their 19.4% growth rate was just slightly below the average for the Top 100 as a whole. Nearly all the companies were profitable, with double-digit net profit margins reported by Prada, Moncler, Max Mara, EuroItalia, Lio.Jo, De Rigo, and Morellato.

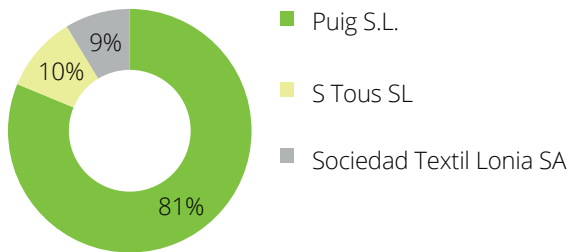
**Top 3 companies share of luxury goods sales, FY2022**



**Japan**

The results of the six Japanese companies are dominated by leading beauty company Shiseido, which reported 16.2% sales growth from its prestige beauty and luxury fragrance brands. Sales rose in all regions except Japan and China, and travel retail grew strongly as travel restrictions were eased. A new entrant to the Top 100, Look Holdings, reported the highest year-over-year sales growth of 33.5%. Kosé, Onward Holdings, and Sanyo Shokai all achieved single-digit luxury sales growth, but Pola Orbis reported a decline due to the impact of COVID-19 restrictions in Mainland China. The Japanese composite net profit margin was 4.5%, making it the second-lowest after China, with all companies reporting single-digit net profit margins.

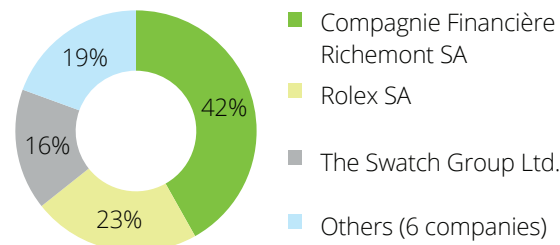
**Top 3 companies share of luxury goods sales, FY2022**



**Spain**

All three luxury goods companies based in Spain continued to recover strongly in FY2022. Of all the countries included in this analysis, its composite luxury sales growth was the highest at 39.2%. Among the Top 100, Textil Lonia had the second-highest year-on-year sales growth, 66%, recovering from a 44.5% slump in FY2021. A 40% increase in sales was reported by luxury leader Puig. Profits also improved for all companies, with Puig and Textil Lonia reporting double-digit net profit margins.

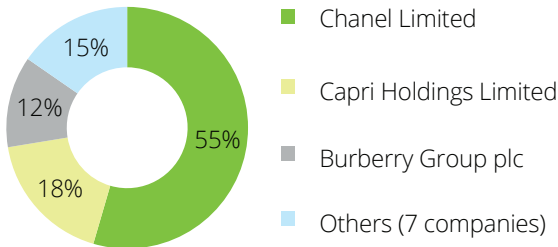
**Top 3 companies share of luxury goods sales, FY2022**



**Switzerland**

Nine companies are headquartered in Switzerland, one more than in last year’s report. The average company size is US\$5.1 billion, the second largest after France. All except Swarovski own iconic Swiss luxury watch brands. According to the [Deloitte Swiss Watch Industry Study 2023](#), the Swiss watch industry had an impressive year in 2022 with exports rising to a new all-time record high of CHF 24.8 billion, a 14% increase on 2019’s pre-pandemic figures. Despite many challenges such as inflation, for the first eight months of 2023, Swiss watch exports have increased 10.2% in volume and 9.2% in value. Leader Richemont generates two-thirds of its luxury goods sales from its jewelry business. The Swiss companies saw strong composite year-on-year growth in luxury goods sales of 26.8% in FY2022. A double-digit growth was achieved by all companies except Swatch Group, led by Richemont, which delivered a 50% sales growth in its March year ended FY2022 exercise. Richemont and Breitling both saw their growth continue in FY2023 (FYE 31 March 2023), with luxury goods sales up 19% and 27% respectively. Richemont and Swatch Group are the only Swiss companies that publish financial reports. Their composite FY2022 net profit margin was slightly up on the previous year, at 10.9%.

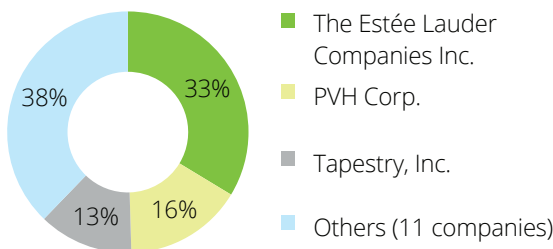
**Top 3 companies share of luxury goods sales, FY2022**



**United Kingdom**

Luxury leaders Chanel and Capri Holdings, both headquartered in London, and the British Burberry brand dominate the top 10 UK companies. In August 2023, Capri Holdings was acquired by Tapestry, a US-based company. After recovering from double-digit sales declines caused by the pandemic in the previous year, the six UK companies with FYE dates in January-April 2022 (Capri Holdings, Burberry, Ted Baker, TFG Brands, Barbour, and Kurt Geiger) reported year-on-year sales growth of between 21% and 58%. The other four companies, all with a December 2022 FYE, also reported growth in sales, but at a slower pace. Chanel, Capri Holdings, Burberry, Graff Diamonds, and Barbour all achieved double-digit net profit margins. The only company to report a loss was Ted Baker, which was acquired by Authentic Brands in October 2022.

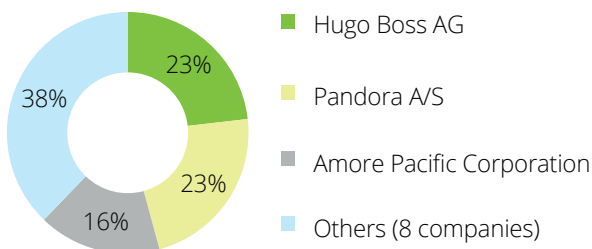
**Top 3 companies share of luxury goods sales, FY2022**



**United States**

The United States is home to the second-highest number of companies in the Top 100 (14), and the second-highest share of luxury goods sales (15.2%). The composite year-on-year growth in luxury goods sales was 18.8%, slightly below the average for the Top 100. This is mainly due falling sales in two companies, at Fossil Group and Revlon's Elizabeth Arden. The other companies reported FY2022 double-digit sales growth of between 18.3% and 44.6%. In FY2022, US companies reported a composite net profit margin of 10.6%, double that of FY2021. PVH, Tapestry, Inter Parfums, and Movado all reported double-digit net profit margins in FY2022, while Fossil was the only company to report a loss.

**Top 3 companies share of luxury goods sales, FY2022**



**Other countries**

With average luxury goods sales of US\$1.5 billion, the 11 companies based in other countries are smaller on average than the Top 100 companies. Among them are fashion, beauty, and jewelry companies from around the world. Three companies contribute 62% of this group's luxury goods sales: Hugo Boss of Germany, Pandora of Denmark, and Amore Pacific of South Korea. Germany, Canada, and Brazil are each home to two companies in the group. In the Top 100 companies, Aritzia had the fastest year-on-year sales growth at 74.3%; Canada Goose, Soma, Marc O'Polo, Hugo Boss, and Vivara all achieved sales growth over 25%. There was a smaller growth rate for the two smallest companies, Damas International from Qatar and Acne Studios from Sweden. Amore Pacific's sales fell 17.7%, the second-largest decrease among the Top 100 companies. With a composite net profit margin of 10.0% in FY2022, all the companies in this group were profitable.





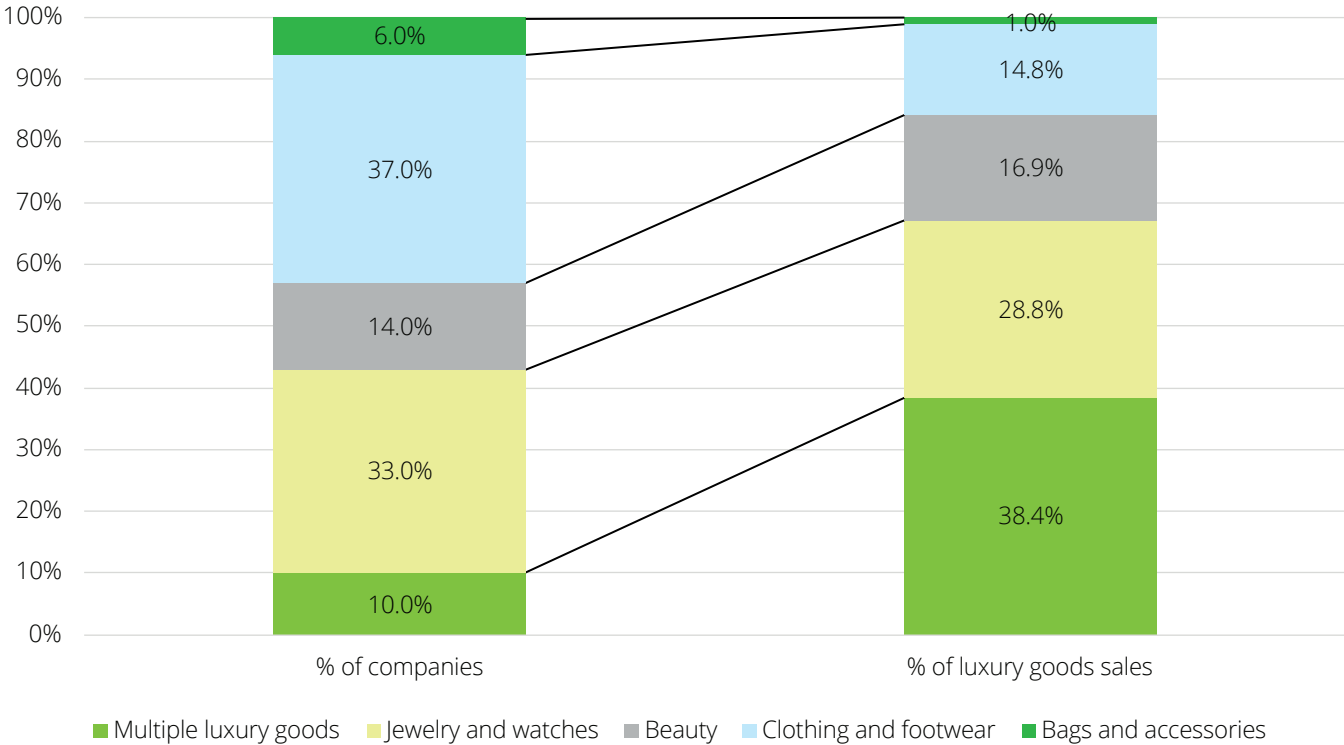
# Product Sector Analysis

This section of the report provides an analysis of the following five luxury goods product sector groups:

- Bags and accessories (including eyewear)
- Beauty (skincare, cosmetics, and fragrances)
- Clothing and footwear
- Jewelry and watches
- Multiple luxury goods

A company is assigned to one of the four specific product sectors if a high percentage of its luxury goods sales is 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 Top 100 companies.

**Top 100 share by product sector, FY2022**

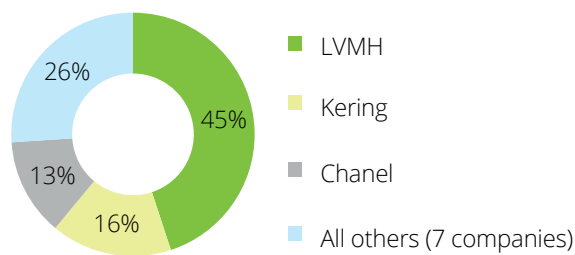


Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2023*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

**Double-digit sales growth in luxury goods product sectors: fashion sector returned to growth with the strongest recovery in FY2022**

In FY2022, luxury goods sales continued their recovery from the pandemic, with double-digit sales growth in all product sectors. The 37 fashion companies experienced the highest growth rate, 26.5%, rebounding from a 4.7% decline in FY2021. Companies in the multiple luxury goods sector built on their growth of 37.9% in FY2021, recording sales up by another 20.3% in FY2022. One-third of the Top 100 companies were in the jewelry and watches sector, achieving sales growth of 21.0% in FY2022. Both the prestige beauty and bags and accessories sectors achieved double-digit growth, with 13.0% and 15.5%, respectively.

**Top 3 companies share of luxury goods sales, FY2022**

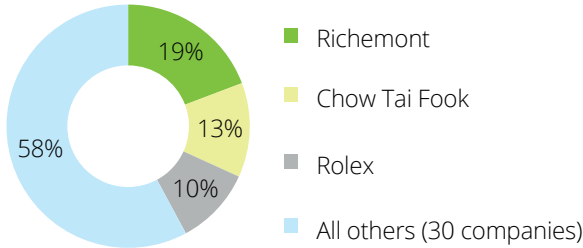


**Multiple luxury goods**

While sales at the 10 multiple luxury goods companies rose 20.3% in FY2022, their share of the total Top 100 luxury goods sales fell slightly to 38.4%.

Eight of the 20 leading luxury goods companies are members of this group. Capri Holdings, Burberry, and Cole Haan all reported double-digit growth in luxury goods sales in FY2022: 39.3%, 20.6%, and 24.9% respectively, following double-digit declines in FY2021. With the exception of Ferragamo and Cole Haan, all companies saw sales increase over prepandemic levels (FY2019) in FY2022. A composite net profit margin of 19.5% was recorded in FY2022 for multiple luxury goods companies. This was unchanged from the previous year but was more than double the profit margins for other product sectors. The companies were all profitable, and all but Ferragamo reported double-digit net profit margins.

**Top 3 companies share of luxury goods sales, FY2022**



**Jewelry and watches**

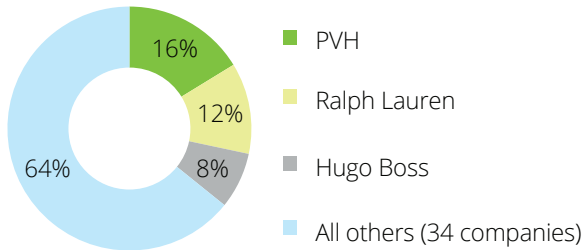
The companies in the jewelry and watches sector make up the second largest product group by number in the Top 100. The sector is dominated by companies from China, Switzerland, and India. The Swiss companies include six privately owned global luxury watch brands (Rolex, Patek Philippe, Audemars Piguet, Richard Mille, Chopard, and Breitling), as well as Richemont, the global leader in the luxury jewelry and watch sector, Swatch Group and Swarovski Crystal.

The 10 companies from China and the six from India are all vertically integrated jewelry retailers, reflecting the importance of these countries as leaders in gold and jewelry consumption globally, as well as the trend of moving from independent jewelry retailers to organized retail chains. Half of the Indian jewelers are new additions to the Top 100 this year: for more information see the New entrants section.

The 33 jewelry and watches companies achieved year-on-year composite sales growth of 21.0% in FY2022. Sales growth was polarized, with 22 companies reporting double-digit increases and three Chinese jewelry retailers reporting declines. In nine companies, including Richemont with a 50.1% growth, sales surged by more than 30% as they rebounded from the pandemic—these were all companies with January to March financial year ends.

The composite FY2022 net profit margin for the 24 companies reporting net profits increased by 0.7 percentage points, to 8.0%. Twenty-two of these companies were profitable, with Richemont, Swatch Group, Pandora, Luk Fook, Movado, Graff, DR Corporation, Morellato, and Vivara all achieving double-digit net profit margins.

**Top 3 companies share of luxury goods sales, FY2022**



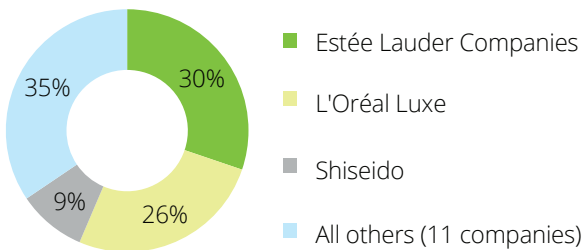
**Clothing and footwear**

The clothing and footwear sector contributes the most companies to the Top 100. Almost three-quarters of these 37 companies are privately owned or are primarily family-owned, often by their founding families. It is the most international product sector, despite over 40% of companies being Italian, reflecting Italy’s influence as the home of luxury fashion.

The composite luxury sales growth for clothing and footwear companies in FY2022 was 26.5%, the highest growth among the five product sectors in the Top 100, as companies recovered from the pandemic-impacted fall in sales in FY2021. Over 90% of the companies in this sector reported double-digit sales growth, and 12 (including sector leaders PVH, Ralph Lauren, and Hugo Boss) achieved growth over 30%. Over three-quarters of companies in this sector had FY2022 luxury sales above their prepandemic levels.

The clothing and footwear companies also returned to profitability in FY2022. Sector leader PVH recovered from its US\$1.1 billion loss in FY2021 by reporting a US\$1 billion profit in FY2022. The 30 companies reporting net profits had a composite net profit margin of 7.6%, with PVH, Moncler, Arctizia, Liu.Jo, Textil Lonia, and Barbour all achieving double-digit net profit margins.

**Top 3 companies share of luxury goods sales, FY2022**



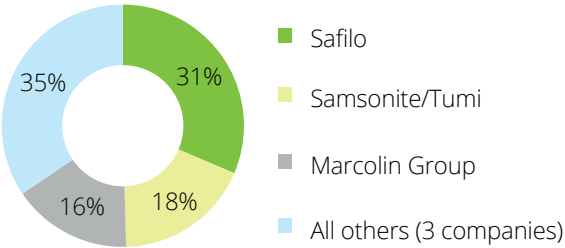
**Beauty**

Among the 14 luxury beauty companies, half are based in the United States and Japan. Luxury sales in this sector were 13.0% lower year-on-year, with eight companies reporting double-digit growth and three reporting declines.

With average luxury goods sales of US\$4.2 billion, beauty companies are larger than the Top 100 average.

All 11 of the beauty companies reporting net profits were profitable, with Estée Lauder Companies, Puig, L'Occitane Inter Parfums, and EuroItalia achieving double-digit FY2022 net profit margins.

**Top 3 companies share of luxury goods sales, FY2022**



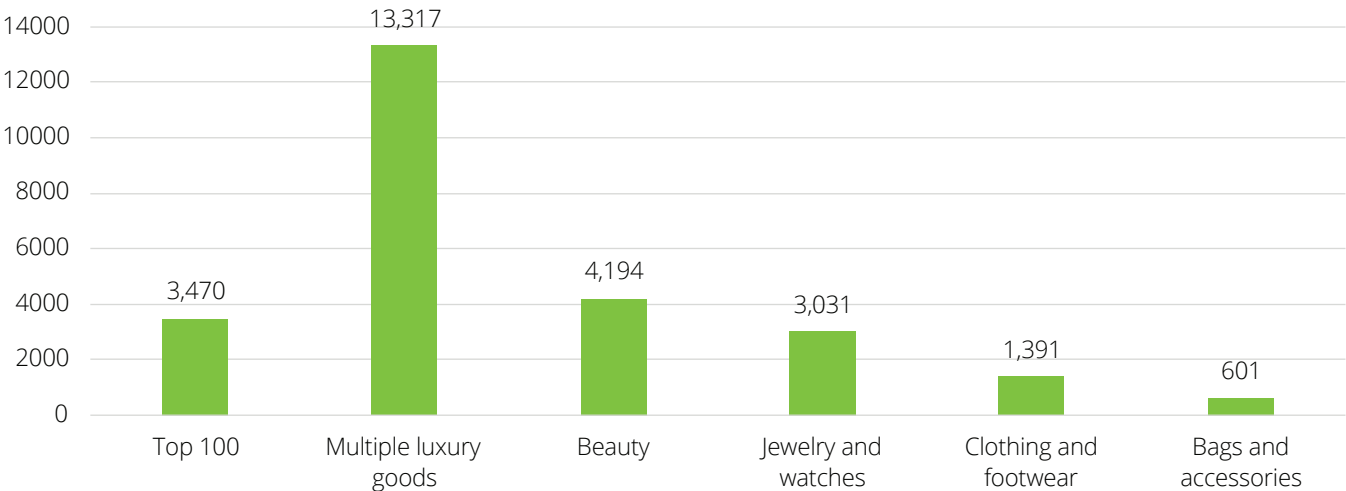
**Bags and accessories**

Bags and accessories is the smallest luxury goods sector, with just six companies among the Top 100. These companies have average sales of US\$601 million.

The COVID-19 pandemic impacted this sector the hardest. Safilo and Marcolin were the only companies to report FY2022 sales more than 1% higher than prepandemic levels. In FY2022, sales for all six companies recovered, with all except De Rigo achieving double-digit growth. However, the bags and accessories companies as a product sector grew more slowly than the Top 100 companies as a whole, with composite year-on-year luxury sales growth of 15.5%.

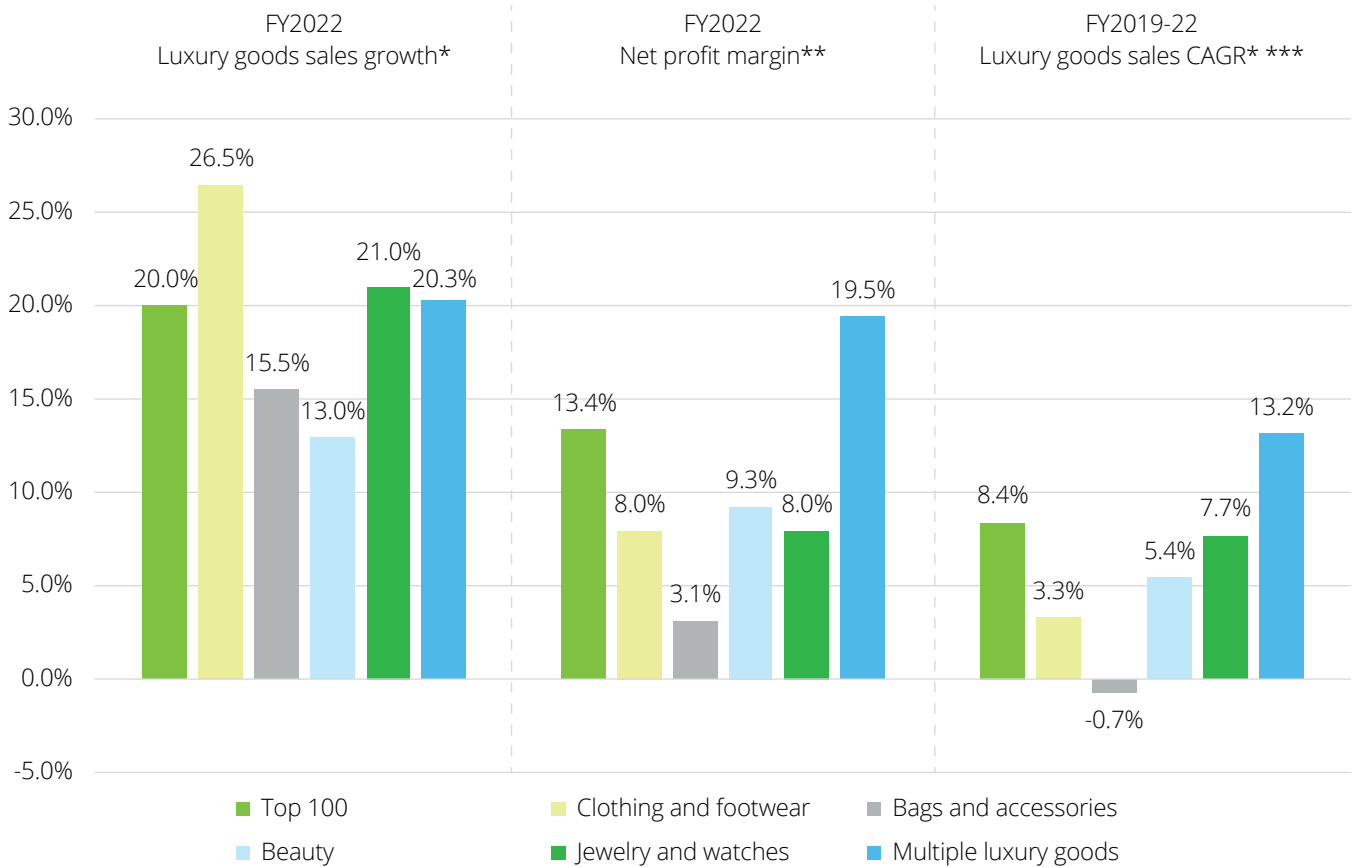
The five bags and accessories companies reporting net profits had a composite net profit margin of 3.1% in FY2022, the lowest of the five product sectors.

**Average size of companies by luxury goods sales (US\$M), FY2022**



Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

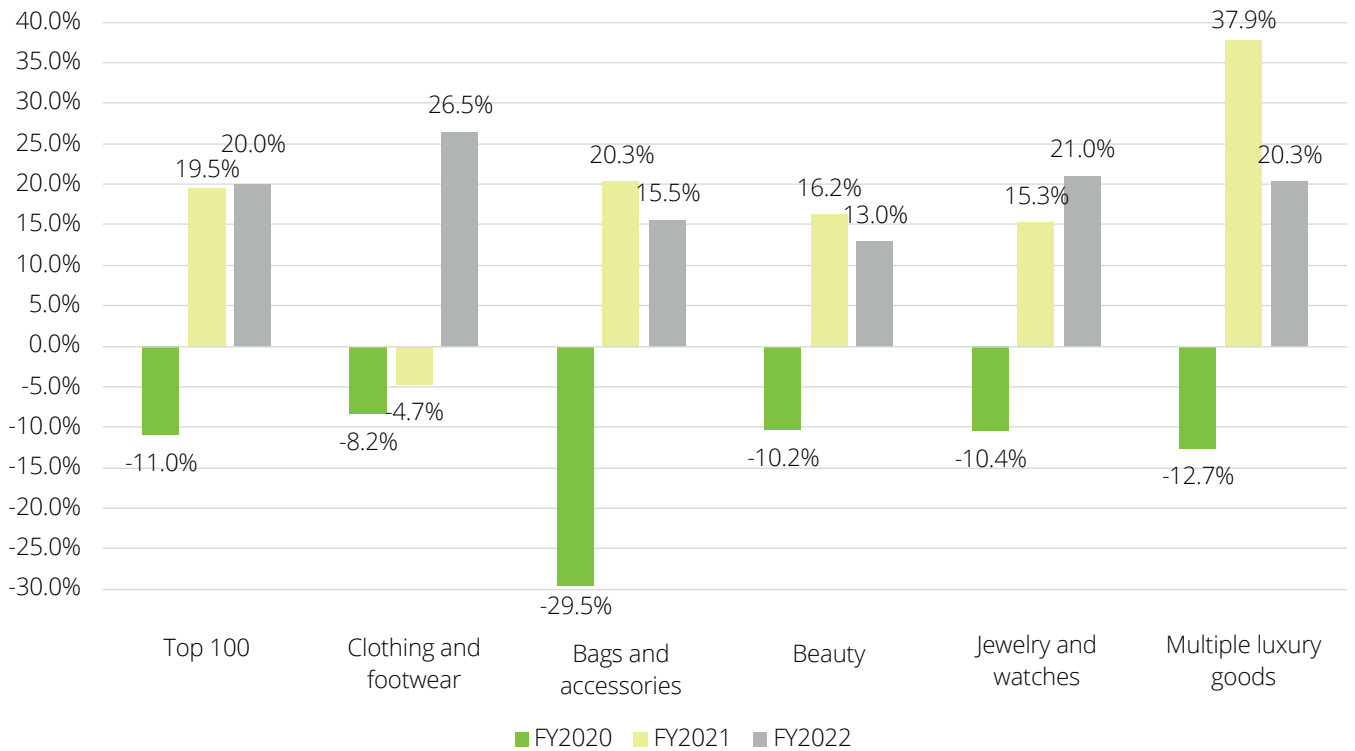
Performance by product sector, FY2022



\* Sales-weighted, currency-adjusted composites  
 \*\* Sales-weighted composites  
 \*\*\* Compound annual growth rate

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

Luxury goods sales YoY growth\* % by product sector for Top 100 companies, FY2020-2022



\* Sales-weighted, currency-adjusted composites

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December using company annual reports, industry estimates, and other sources.

For each product sector: % of companies by country, FY2022

	Clothing and footwear	Bags and accessories	Beauty	Jewelry and watches	Multiple luxury goods
<b>China</b>	3%			30%	
<b>France</b>	5%		14%		30%
<b>India</b>				18%	
<b>Italy</b>	41%	67%	7%	3%	20%
<b>Spain</b>	3%		7%	3%	
<b>Switzerland</b>				27%	
<b>United Kingdom</b>	14%		7%	3%	30%
<b>United States</b>	11%	33%	29%	6%	20%
<b>Japan</b>	8%		21%		
<b>Other countries</b>	16%		14%	9%	





# New entrants

## New entrants, FY2022

FY2022 Luxury goods sales ranking	Company	Country of origin	Product sector	FY2022 luxury goods sales (US\$M)	FY2022 luxury goods sales growth
19	Malabar Gold & Diamonds	India	Jewelry and watches	4,024 e	35.0%
33	<b>Swarovski Crystal Business</b>	Switzerland	Jewelry and watches	1,924	10.2%
74	DR Corporation Limited	China	Jewelry and watches	542	-20.6%
78	Senco Gold Limited	India	Jewelry and watches	474	32.9%
84	Look Holdings Incorporated	Japan	Clothing and footwear	412	33.5%
98	<b>Thangamayil Jewellery Limited</b>	India	Jewelry and watches	294	20.6%

Companies in **bold** type are newcomers due to sales growth (in US\$), company reorganization, or have appeared in the Top 100 in previous reports. Other companies have entered the Top 100 due to improved data.  
e=estimate

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2023*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2022 using company annual reports, industry estimates, and other sources.

There were six new entrants to the Top 100 in FY2022: five jewelry and watches companies as well as one premium fashion company. China and India are the top two global jewelry markets, with four of the five jewelry and watch companies coming from those countries. With the exception of Thangamayil Jewellery, all of these companies entered the Top 100 due to improved data coverage and availability.

India's Malabar Gold and Diamonds was the highest new entrant, in 19th place. This jeweler, which has over 300 showrooms across eleven countries, reported 35% year-on-year sales growth. Its twelve exclusive jewelry brands include bespoke designs for custom-made creations, bridal jewelry (more than 50% of gold jewelry sales in India are wedding-related<sup>123</sup>), and everyday designs for the modern woman. Malabar Gold and Diamonds, which claims to be the sixth largest jewelry retailer globally, has an unusual cooperative business model. The group is owned by over 4,000 shareholders, mostly Middle East-based businessmen and white-collar employees.

Senco Gold and Thangamayil Jewellery, two other Indian jewelers, entered the Top 100 in 78th and 98th places, respectively. Both companies operate jewelry chains in India. Senco has over 93 owned and franchised showrooms, and says it is widening India's jewelry market by focusing on affordable modern jewelry designs, as well as high-priced traditional hand-crafted jewelry. Sales were up nearly one-third in FY2022, due to the lessening impact of the pandemic on both store closures and consumer demand. The company listed on the BSE (formerly Bombay Stock Exchange) and National Stock Exchanges in India in July 2023, following an

IPO. Thangamayil Jewellery also saw a rebound in sales in the last three financial quarters of FY2022, with year-on-year growth of 20.6%. Located primarily in rural towns in Tamilnadu, Thangamayil is a regional Indian jeweler with a primarily traditional gold jewelry brand.

China's DR Corporation entered the Top 100 in 74th place. Engagement and wedding rings are the company's specialty. The high-end diamond ring brand, DR Darry Ring, differentiates itself by only allowing consumers the chance to customize their ring once in a lifetime, as part of its proposition of a "true love wedding that provides one-stop proposal planning solutions for every pair of true lovers." Nearly all of its sales come from directly-operated stores, concessions, and online sales in Mainland China, the world's largest jewelry market. Even though sales in FY2022 were down over 20% due to sluggish consumer demand as the effects of China's zero-COVID strategy continued, company sales have more than doubled since FY2018. Following an IPO, the company listed on the Shenzhen Stock Exchange in December 2021.

After an absence from last year's report due to missing data, Swarovski Crystal Business returned to the Top 100.

Japan's Look Holdings entered the Top 100 in 84th place. The company is primarily a premium fashion retailer in Japan and South Korea, but it has some additional overseas stores as well. It retails its owned brands A.P.C., Il Bisonte and Laissé Passé. It also partners with European brands such as Finland's Marimekko as its exclusive regional distributor/licensee. Its FY2022 sales grew by more than one-third.



# Fastest 20

## 20 Fastest-growing luxury goods companies, FY2019-2022 CAGR

CAGR ranking	Top 100 ranking	Company	Country of origin	FY2022 Luxury goods sales (US\$M)	FY2019-2022 Luxury goods sales CAGR <sup>1</sup>	FY2022 Luxury goods sales growth	FY2022 Net profit margin <sup>2</sup>
1	53	<b>Farfetch Limited</b>	United Kingdom	1,146	42.4%	6.3%	n/a
2	73	<b>Grupo de Moda Soma S.A.</b>	Brazil	555	30.0%	37.9%	6.9%
3	74	DR Corporation Limited	China	542	29.9%	-20.6%	19.8%
4	42	<b>Chow Tai Seng Jewellery Co., Ltd.</b>	China	1,494	29.7%	25.6%	9.8%
5	75	<b>Golden Goose SpA</b>	Italy	527 e	24.1%	29.9%	n/a
6	22	<b>Puig S.L.</b>	Spain	3,805	21.3%	40.0%	11.0%
7	52	Aritzia Inc.	Canada	1,193	19.6%	74.3%	10.5%
8	31	<b>Audemars Piguet &amp; Cie</b>	Switzerland	2,105 e	19.4%	27.2%	n/a
9	1	<b>LVMH Moët Hennessy-Louis Vuitton SE</b>	France	59,869	19.4%	22.6%	18.6%
10	8	<b>Hermès International SCA</b>	France	12,196	19.0%	29.2%	29.1%
11	89	Morellato Group	Italy	363	17.3%	49.3%	10.8%
12	27	<b>Moncler SpA</b>	Italy	2,736	16.9%	27.2%	23.3%
13	91	<b>Vivara Participações S.A.</b>	Brazil	357	16.3%	25.7%	19.6%
14	66	<b>EuroItalia S.r.l.</b>	Italy	721	15.3%	27.2%	19.3%
15	56	Inter Parfums, Inc.	United States	1,087	15.1%	23.6%	13.9%
16	98	Thangamayil Jewellery Limited	India	294	15.0%	20.6%	5.9%
17	58	Brunello Cucinelli SpA	Italy	967	14.8%	29.1%	9.5%
18	7	Chow Tai Fook Jewellery Group Limited 周大福珠宝集团有限公司	China/HK SAR	12,563	14.0%	41.1%	7.0%
19	9	<b>Rolex SA</b>	Switzerland	10,336 e	13.8%	20.4%	n/a
20	48	<b>Richard Mille SA</b>	Switzerland	1,361 e	13.0%	15.0%	n/a
<b>Fastest 20* **</b>				1,14,216	18.3%	25.7%	17.9%
<b>Top 100* **</b>				3,46,989	8.4%	20.0%	13.4%

Companies in bold type were also among the 20 fastest-growing luxury goods companies in the Global Powers of Luxury Goods 2022 report

<sup>1</sup> Compound annual growth rate.

<sup>2</sup> Net profit margin based on total consolidated revenue and net income.

e=estimate n/a=not available

\*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 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2019-2022 using published company data, industry estimates, and other sources.

**Fashion, jewelry, and watches companies dominate: Italian companies are making a comeback**

The Fastest 20 rankings are based on the compound annual growth rate (CAGR) in luxury goods sales over a three-year period. This year's study ranks the Top 100 companies based on their CAGR performance from FY2019 to FY2022.

The composite luxury goods sales CAGR for the Fastest 20 companies was 18.3% between FY2019 and FY2022, more than double the Top 100's overall composite CAGR. Thirteen of the Fastest 20 companies also appeared in last year's Global Powers of Luxury Goods report, indicating consistent high growth rates. On the Fastest 20 list, they are shown in bold type.

Farfetch, the company at the top of the rankings, was also the top Fastest 20 company last year. Although it is best known as a leading luxury e-commerce player, it is also a luxury brand owner. In FY2022 it experienced a sales increase through its direct-to-consumer channels, both online and through store expansion. The company has been recently experiencing a decline in demand its two top markets, the United States and China, driving to a gloomy 2023 sales outlook and a downgrade of the ratings on Farfetch's stock by analysts.

With the acquisition of several premium fashion brands in the last decade, including Maria Filó in 2020 and ByNV in 2021, and rapid expansion of its network of boutiques through franchising, Brazil's Soma moved up two positions on the list to take second place.

Third and fourth on the list are vertically integrated Chinese jewelers with rapidly expanding store networks. A new entrant DR Corporation, specializing in engagement and wedding jewelry sales, entered the rankings in third place due to very strong growth in 2020 and 2021. Due to strong demand for gold products and an increase in its network to over 4,600 franchised shops, Chow Tai Seng Jewellery moved up to fourth place.

Known for its luxury sneakers such as the "superstar" brand, Italy's Golden Goose dropped two places from last year's Fastest 20 ranking.

In FY2022, four of the Top 10 luxury companies made the Fastest 20 list. Multiple luxury goods companies LVMH and Hermès achieved organic year-on-year growth of over 20%, with LVMH's three-year CAGR boosted by its 2021 acquisition of Tiffany & Co. Swiss watchmaker Rolex and the Chinese vertically integrated jeweler Chow Tai Fook both continued its strong recovery from the pandemic.

Luxury goods sales grew by more than 40% year-on-year for Spanish beauty company Puig, Canadian premium fashion company Aritzia, and jewelers Morellato Group and Chow Tai Fook Jewellery. Out of all the Top 100 companies, Aritzia had the highest year-on-year growth, with unprecedented sales growth in the United States. The recovery of consumer spending in the beauty market, as well as acquisitions, fueled Puig's growth., Morellato has also acquired multiple companies since 2019.

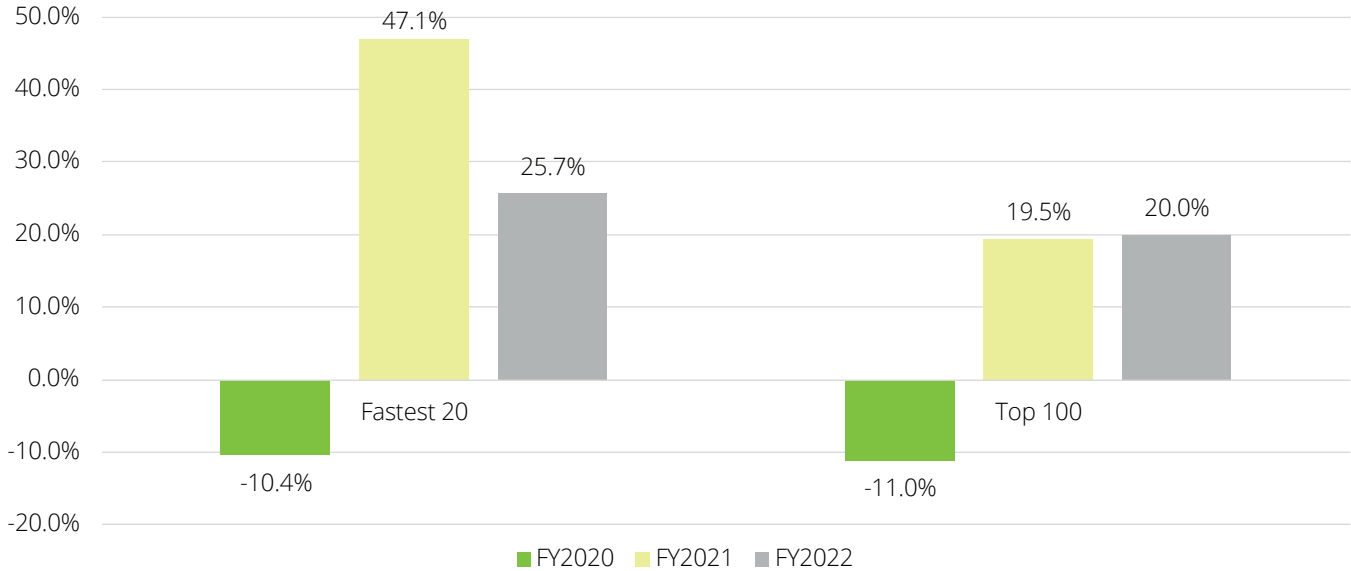
As a result of strong consumer demand for their high luxury brands, Audemars Piguet and Richard Mille also joined Rolex in the Fastest 20 in FY2022.

Known for its luxury outerwear and skiwear, Italy's Moncler has appeared in the Fastest 20 every year for the past eight years, thanks to its sustained organic growth and its acquisition of fast-growing Sportswear Company in 2021, which owns Stone Island, a casual luxury sportswear and streetwear company.

The composite net profit margin for the 15 companies in the Fastest 20 that reported their bottom-line was 17.9%, 4.5 percentage points higher than for the Top 100 as a whole. This is due mainly to the inclusion of highly profitable leading global luxury goods companies LVMH and Hermès in the Fastest 20. These companies have some of the highest net profit margins in the Top 100. Moncler, DR Corporation, Vivara, EuroItalia, and Inter Parfums also achieved higher than average net margins, and all companies were profitable. Twelve companies in the Fastest 20 recorded revenue of more than US\$1 billion.

The composite year-on-year sales growth for the Fastest 20 was 25.7%, 5.7 percentage points higher than for the Top 100 overall, with 13 companies achieving more than 25% growth.

Fastest 20 companies: Luxury goods sales YoY growth\*, FY2020-2022



\* Sales-weighted, currency-adjusted composites

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2023. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2019-2022 using published company data, industry estimates, and other sources.

Number of Fastest 20 companies by product sector and country, FY2022

	Clothing and footwear	Bags and accessories	Beauty	Jewelry and watches	Multiple luxury goods	Fastest 20
China				3		3
France					2	2
India				1		1
Italy	3		1	1		5
Spain			1			1
Switzerland				3		3
United Kingdom	1					1
United States			1			1
Other countries	2			1		3
<b>Fastest 20</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>9</b>	<b>2</b>	<b>20</b>

In FY2022, jewelry and watches and fashion companies again dominated the Fastest 20 list. There were three beauty companies and two Top 10 multiple luxury goods companies. No bags and accessories companies achieved a high enough CAGR to make the Fastest 20 list.

There was only a slight change in the geographical mix of countries in the Fastest 20 for FY2022. Five Italian companies were represented (two more than last year) and three companies each from China and Switzerland. There were two companies each from France and Brazil, and one company each from Spain, Canada, India, the United Kingdom, and the United States.

# 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 and luxury beauty (skincare, 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 and authenticity
- Service and personalization
- Quality and exclusivity of points of sale

Each company is assessed to determine if the majority of its sales are derived from luxury goods products in the four categories of luxury goods: designer and premium clothing and footwear (ready-to-wear); bags and accessories (including eyewear); fine jewelry and watches; and prestige and luxury beauty (skincare, 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 or brand (e.g., L'Oréal Luxe) are also included. Some companies do not disclose any financial information and so cannot be included in the rankings.

Companies are included among the Top 100 according to their consolidated sales of luxury goods in financial year 2022, which we define as financial years ending within the 12 months from 1 January to 31 December 2022.

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, 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 into US dollars. Exchange rates therefore have an impact on the results. OANDA.com is our 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 into US dollars. Individual companies' FY2022 year-on-year growth rate and FY2019-2022 compound annual growth rate (CAGR), however, are calculated in their local currency.

Only data linked to companies in the Top 100 are used in the geographic and product sector analyses. Although they represent a substantial share of the market, they are not all-inclusive. All composite growth comparisons are calculated for the Top 100 ranking companies in FY2022, unless stated otherwise.

### Group financial results

This report uses sales-weighted composites rather than simple arithmetic averages as the primary measure for understanding group financial results. The results of larger companies therefore contribute more to the composites than the results of smaller companies. Because the data is converted into US dollars for ranking purposes, and to facilitate comparison among groups, composite growth rates are also adjusted for currency movements. 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 that 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. The only exceptions are some changes in segment reporting (not due to M&A), to allow consistent growth comparisons, and changes in major external accounting rules (e.g., from local GAAP to IFRS).

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.

### Comparison with previous Global Powers of Luxury Goods reports

Global Powers of Luxury Goods reports 2020, 2021, 2022 and 2023 use a calendar year financial year definition e.g., FY2022 luxury goods revenue includes company financial years ending within the 12 months from 1 January to 31 December 2022.

Global Powers of Luxury Goods reports from 2014 to 2019 used a mid-year financial year definition e.g., the Global Powers of Luxury Goods Report 2019 reported "FY2017" luxury goods revenue which was actually revenue for company financial years ending within the 12 months from 1 July 2017 to 30 June 2018.



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