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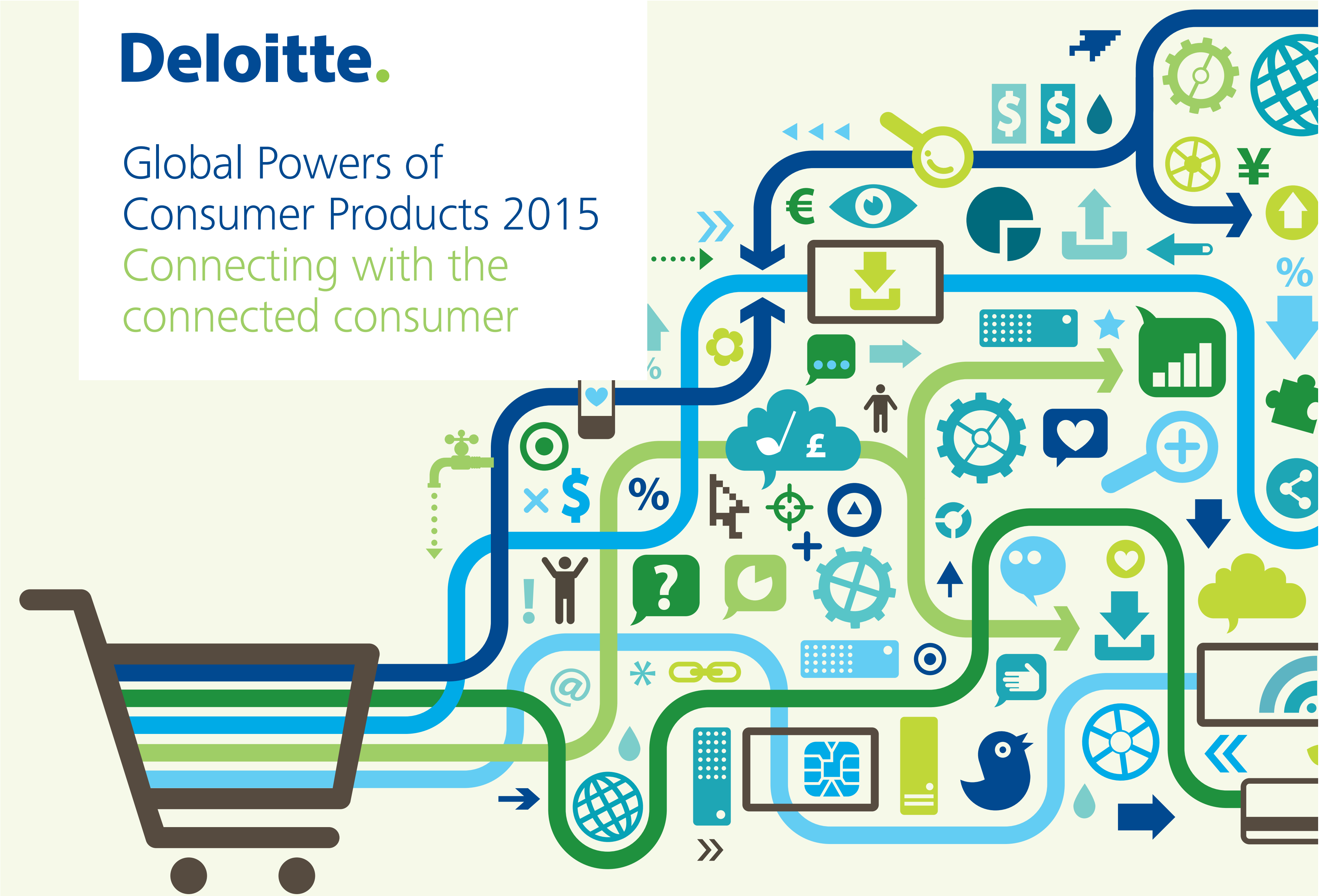
# Global Powers of Consumer Products 2015

## Connecting with the connected consumer



# Contents

Deloitte Touche Tohmatsu Limited (DTTL) is pleased to present the eighth annual *Global Powers of Consumer Products*. This report identifies the 250 largest consumer products companies around the world based on publicly available data for the fiscal year 2013 (encompassing companies' fiscal years ended through June 2014).

The report also provides an outlook on the global economy; an analysis of market capitalization in the industry; a look at merger & acquisition activity in the consumer products industry; and a discussion on the importance of connecting with the connected consumer.

# Global economic outlook

## Big global issues

### Falling oil price

As of this writing, the global price of oil has declined more than 50 percent from where it was in the first half of 2014. Oil has fallen due to weak global demand combined with a considerable increase in oil production in the U.S., Canada, Iraq, and Libya. Yet the U.S. is the main story, with oil production through fracking in North Dakota and Texas having transformed the global industry (hydraulic fracturing, called "fracking," injects pressurized liquid into rock to extract oil or gas). The other big part of the story is the decision by Saudi Arabia not to cut production in order to boost prices. Rather, the Saudis are content to allow the price to sink in the hope that they will gain market share at the expense of frackers.

The drop in the price of oil is having a considerable impact on the global economy. It is creating disinflationary pressures, especially in developed markets such as the U.S., Europe, and Japan; it is boosting consumer purchasing power in oil-consuming nations such as Japan, India, the U.S., and much of Europe, and contributing to faster economic growth than would otherwise be the case; and it is wreaking havoc for oil exporters such as Russia, Iran, Venezuela, and Nigeria. Most importantly it has contributed to the stunning rise in the value of the U.S. dollar. Oil exporters are paid in dollars and then recycle those dollars by purchasing goods or assets from the rest of the world. With a lower oil price, the supply of dollars available for such purchases has declined. This paucity of dollars has caused the price of dollars to rise.

What can we expect going forward? In the short term, it is likely that the price of oil will fall further. There is a considerable amount of new oil production already in the pipeline in the U.S. that is expected to come on line in 2015, and crude inventories continue to pile up. Longer term, however, a low price is likely to retard investment in fracking. Indeed we're already seeing a cutback in drilling permits and a drop in oil company capital expenditures. A reduction in U.S. production could, therefore, happen right when global demand starts to pick up speed. If this happens, the price will surely rebound, perhaps in the next one to two years. A rising price will be inflationary for consuming nations, will put pressure on external debt service for consuming nations, and will probably force tighter monetary policy at least in the U.S. For oil exporters, it would be beneficial – especially for such countries as Russia, Iran, Venezuela, and Mexico.

### Rising U.S. dollar

One of the big stories in 2014 and early 2015 has been the sharp rise in the value of the U.S. dollar against most other major currencies. There were several reasons for this. Among them were the decline in the price of oil; faster economic growth in the U.S.; expectations of higher U.S. interest rates; and weak growth combined with more aggressive monetary policy in Europe, China, and Japan. The rising dollar has many effects. First, it is disinflationary in the U.S. by reducing import prices. This will provide the Federal Reserve with more time before it must raise short term interest rates. Second, a rising dollar is inflationary for everyone else. That will be good for Europe and Japan, where inflation is way too low. It will be a problem in many emerging markets. Indeed several have raised short term interest rates in order to stabilize their currencies and fight inflation, leading to slower growth. Third, a rising dollar could be problematic for companies in emerging countries that have dollar-denominated debts. The volume of such debt has quadrupled in the last seven years. Going forward, while it is nearly impossible to accurately predict exchange rates, it does seem likely that the dollar will continue to face upward pressures, at least in early 2015.

## Major markets

### China

China's economy has slowed down and continues to show signs of weakness despite government efforts to reverse the slowdown. The Chinese economy grew 7.4 percent in 2014, the slowest rate since 1990. The government expects growth of only 7.0 percent this year. Low growth could mean an inability to absorb workers migrating from rural to urban areas. The result would be high unemployment and social unrest. And, if the workers didn't migrate, China wouldn't grow since there would be zero productivity gains that come from switching workers from farms to factories. Thus, China can ill afford to grow much more slowly.

Why is China decelerating? First, export markets such as Europe have been dormant. Even the U.S. market isn't what it used to be for China. Plus, China's wages and currency have increased in recent years, thereby reducing the competitiveness of Chinese exports. The result has been that some manufacturing capacity has moved outside of China. Companies are looking elsewhere to produce goods for export. Basic assembly is moving from China to Vietnam, Indonesia, and elsewhere.

Second, the government has attempted to limit the growth of the shadow banking system. Lending outside traditional banking channels has resulted in excess investment in property, infrastructure, and heavy industry. The result is a growing volume of non-performing assets which threatens the stability of the financial system. Indeed the government has recently estimated that, in the past five years, $6.8 trillion in investment has been wasted. Yet efforts to limit this activity have contributed to the slowdown in growth. The government is torn between a desire to limit financial risk and a desire to avoid a sharp slowdown. It has taken measures to limit the growth of shadow banking while, at the same time, attempted to stimulate more traditional forms of credit through easing of monetary policy. Indeed interest rates have been cut and the required reserve ratio of banks has been reduced. The problem is that, with considerable excess capacity in property and industry, it is not clear that easier monetary policy will necessarily lead to more credit market activity. Moreover, it is not clear if such an increase would be beneficial. It could exacerbate the problem of excess capacity, exacerbate wholesale price deflation, and ultimately lead to financial losses.

### USA

The U.S. economy has accelerated and will likely grow faster in 2015 than at any time since 2005. While there are signs of strength, there have also been signs of weakness in the first quarter of 2015. In part this may reflect bad weather in much of the country. But it may also reflect the impact of a weak overseas economy as well as the negative effect of a high-valued dollar. The most important positive sign, however, is a very strong job market. Also, there are indications that a pickup in business investment is imminent. The major weak component of the U.S. economy is housing. Data have bounced around in the past year due to higher mortgage interest rates, higher house prices, and the fact that first-time buyers are often plagued by student debt. However, the medium-term outlook for housing is good given that prices appear to be stabilizing, mortgage rates are down, job growth is strong, and there is considerable pent up demand. A disproportionate share of the activity is now in multi-unit housing rather than single family housing.

Moreover, in part due to the dramatic decline in oil prices, inflation remains well below the Federal Reserve's target of 2.0 percent. As such, it is likely that the Fed will wait at least until the end of 2015 before raising short term interest rates for the first time in eight years. Plus, low inflation and lower energy prices are helping to boost consumer purchasing power. In addition, unlike in the recent past, there is no fiscal consolidation taking place. Due to a strong economy, the budget deficit has fallen dramatically, thereby nearly eliminating the political pressure to do something about the deficit. The absence of spending cuts and tax increases removes a factor that held back growth in 2012-13.

In the longer term, the U.S. faces troubles emanating from demographics. As labor force growth lags behind the growth of the retired population, there will be negative consequences. These include slower economic growth, rising budget deficits starting in the middle of the next decade, and challenges for the private sector and state/local governments in funding pensions. Among the possible solutions to the demographic problem are to boost immigration, raise the average retirement age, increase taxes to fund government programs that support the elderly, and create incentives for people to save more for their retirement.

### Europe

The Eurozone economy has been in very poor shape and prices are declining as of this writing. And although growth has been disappointing, there are some early signs of improvement. These include stronger job growth, rising retail sales, improved manufacturing performance, and some improvement in credit market conditions. Still, more is needed. The principal problem has been weakness in credit markets resulting in a paucity of business investment. The end result is weak hiring and high unemployment. Credit market weakness stems from several factors. These include weak banks that are struggling to recapitalize by selling risky assets and avoiding new ones, high risk spreads in Europe's periphery due to fears about sovereign risk, and the fear of deflation. Despite a moderately aggressive monetary policy, which has led to growth of the broad money supply, bank credit to the private sector continues to decline.

To counter the problems in credit markets, the European Central Bank (ECB) has lately engaged in a far more aggressive monetary policy. This entails very low interest rates, direct low-interest loans to banks on the condition that the money is then loaned to the private sector, and most importantly, purchases of government bonds – better known as quantitative easing. The early signs are good. Yet quantitative easing alone may not be sufficient to restore strong growth. Europe still needs an easier fiscal policy, more economic restructuring within key countries, and more financial integration within the Eurozone.

Here are some comments on specific countries in Europe:

### *France*

The French economy is teetering on the edge of recession. The economy has stalled, unemployment remains high, business confidence is low, and there is a risk of deflation. The main problem is declining business investment. The big issue in France is the failure of the current government to address structural problems in the economy. France has lost competitiveness due to stagnant productivity, high labor costs, restrictive labor market rules, and high taxes. These factors have contributed to business unwillingness to boost investment. Recently, President Hollande, under pressure from Germany and the International Monetary Fund (IMF), appointed a reform-minded Prime Minister, Manuel Valls, who has a background in financial services, and is expected to implement more market-oriented policies. Yet he faces considerable resistance from Hollande's own Socialist Party. If a credible reform agenda is implemented it could have a very positive impact on investment.

### *Germany*

The German economy is improving.  Business confidence has rebounded, in part due to continued strength of consumer demand which appears to be driving growth. Indeed Germany has an unusually low unemployment rate. This is good as Germany's export engine has faced obstacles from weak overseas growth. With respect to the Eurozone, Germany continues to put pressure on France and Italy to enact structural reforms, and resists pressure to boost monetary and fiscal stimulus – although the government does concede that more infrastructure investment is needed.

### *Italy*

Italy was the worst-performing European economy in the past fifteen years. Its economy barely grew. Combined with fiscal profligacy, this resulted in a huge debt/GDP ratio. Yet Italy never had any difficulty in servicing this debt as it had a high savings rate. This changed when the contagion effects of the Greek debt drama led to a huge increase in Italian bond yields. However, when the ECB promised to "do whatever it takes" to save the euro, bond yields declined. Fiscal austerity also convinced bond investors that Italy was on a path to recovery. Still, austerity hurt growth. The failure of Italy's governments to implement serious reforms also hurt business confidence. The result is that Italy is not growing, largely due to a sharp decline in investment. Italy suffers from poor confidence, deflation, and high risk spreads which make the cost of capital relatively high. Prime Minister Matteo Renzi excited voters with the promise of reform. Yet he has faced obstacles, including massive labor protests.

### *Spain*

Spain has been the surprise star performer among large Eurozone economies. A few other smaller Eurozone economies have done very well, especially Ireland but also Portugal. In the case of Spain, what sets it apart is that in the last few years its labor cost of doing business has declined relative to the other major European economies. In other words, it has gained competitiveness through a combination of wage restraint, labor market liberalization, and productivity gains. The result is that Spain's exports have performed very well. In addition, unlike the other Eurozone economies, Spain's business investment has been expanding, reflecting increased business confidence. Plus, unemployment has come down considerably – although it still remains quite high at 23 percent. This, combined with lower energy prices, has contributed to moderate growth of consumer spending. On the other hand, Spain suffers from deflation. Unless this is reversed, it could undermine the progress that Spain has made.

### *UK*

Of the major industrial nations, Britain now has the fastest growing economy. This follows an extended period of weak economic performance, exacerbated by deep fiscal austerity on the part of the government. But now, a combination of positive factors appears to be boosting the British economy. These include a very aggressive program of quantitative easing, government support for housing, an improvement in the international competitiveness of British industry (following wage restraint and productivity gains), declining unemployment, and considerable pent-up demand. On the other hand, the weakness of the neighboring Eurozone economy is a drag on Britain. Still, the medium-term outlook is good for several reasons. These include much lower inflation (which gives the Bank of England reason to avoid tight monetary policy), a rising pound (which is disinflationary and boosts consumer purchasing power), and lower energy prices.

### Japan

Japan went into recession in 2014 following a big tax increase, with declining consumer spending and business investment. This was not meant to be. When Shinzo Abe took office roughly two years ago, he offered a radical departure in policy characterized by the three "arrows" of "Abenomics." These were fiscal stimulus, aggressive monetary policy, and structural reform (basically deregulation and free trade). Of the three arrows, only one was implemented. This was monetary policy in which the Bank of Japan (BOJ) engaged in unlimited quantitative easing with the goal of ultimately achieving 2.0 percent inflation. The effect of this policy was to suppress the yen, boost equity prices, boost inflation, and suppress real interest rates. Initially it had a positive impact on growth. Then, things changed. Wages failed to respond and real consumer purchasing power declined, having a negative impact on consumer spending. The rest of the world failed to cooperate and weak external demand hurt exports. But the worst problem was implementation of a massive tax increase in April 2014, a policy that had already been in the pipeline when Abe took office. This had a devastating impact and led to the current recession.

In November 2014, Abe announced that the second round of the tax increase, scheduled for October 2015, would be postponed by 18 months. Now the question remains as to what Abe will do regarding the third arrow of Abenomics. Will he finally implement the politically difficult reforms that he initially promised? These include labor market liberalization, product market deregulation, freer trade, changes in corporate governance, and incentives for greater female participation in the labor force. He has already taken some action on the latter two issues. Supporters of Abenomics now hope that he will address all of these issues. If he does, it could have a positive impact on business productivity. It would also likely boost business confidence and, therefore, investment.

As for the Bank of Japan's monetary policy, it is now extremely aggressive compared to what happened in the U.S. (see chart). Moreover, based on the current trajectory, it is expected to result in a massive increase in BOJ assets relative to GDP. Will this ultimately result in boosting inflation to the required level? It is hard to say. The deflationary psychology is very strong in Japan and will be hard to break. So far, the policy has had more of an impact on Japanese asset prices than on inflation, and this could continue.

### Brazil

As of early 2015, Brazil's economy is in recession. This is due to a sharp drop in commodity prices (due to China's slowdown); a central bank policy of high interest rates to fight inflation and to stabilize the currency; and business lack of confidence due to a government policy of high regulation and protectionism. In addition, Brazil has suffered from the rise in the U.S. dollar, which is one of the reasons that the central bank has been compelled to tighten monetary policy. The election in late 2014 resulted in a second term for President Dilma Rousseff. Although she has since appointed a very market-oriented Finance Minister, there remains uncertainty as to whether she will be able to implement the fiscal austerity and economic reforms she promises. Among the policies that investors want are a reduction in government social spending and subsidies (in order to cut the deficit and free up resources for investment in infrastructure); deregulation of labor and product markets; and freer trade. As for trade, Brazil remains a relatively protectionist economy. Trade is a much smaller share of GDP than is the case in China or India. The range of reform ideas is meant to boost productivity and improve Brazil's competitiveness. This is important as domestic demand is not likely to be a major source of growth in the near future. Consumer debt is already quite high, so consumer spending will necessarily be constrained. Until now, Rousseff's major platform has been an effort to boost the spending power of the poor through government transfers.

### India

India had a highly significant election in 2014, resulting in the election of Narendra Modi as Prime Minister. For the first time in more than 30 years, a prime minister's party has a majority in the Parliament, thus boosting prospects for enacting reform legislation. Yet in his first six months in office not much reform legislation was proposed, thus disappointing supporters who were euphoric following Modi's victory. They are hoping he will deregulate industry and labor markets, reduce costly subsidies, boost infrastructure investment, negotiate freer trade, and ease restrictions on foreign investment. If he does these things, India's growth outlook will likely improve dramatically. Meanwhile, growth is recovering from its doldrums but remains below potential. The central bank has managed to reduce inflationary expectations, which should have a positive impact on growth.  Plus, lower oil prices are having a positive impact both on inflation and growth.

### Russia

Russia's economy is in bad shape. Following the crisis in Ukraine and the implementation of sanctions, there was massive capital flight from Russia resulting in a sharp drop in the currency. This, in turn, led the central bank to severely raise interest rates several times. The result was that investment dried up, including foreign investment. Moreover, the declining global price of oil also contributed to downward pressure on the currency and concerns about the ability of Russian debtors to service their external debts. The sanctions that have been imposed mean that some big Russian companies will have trouble rolling over foreign debts due to limited access to foreign financial markets. Already risk spreads have increased dramatically. Some energy companies will lack access to technologies that are needed to tap into Arctic reserves. This means that oil production is likely to decline absent an end to sanctions. By early 2015, the central bank had stopped intervening in currency markets and had started to cut interest rates. With oil collapsing, the ruble continues to fall, contributing to rising inflation and deeper problems for Russian debtors. Indeed the government is already providing financial support to some Russian companies hurt by sanctions.

### South Africa

Economic growth has decelerated steadily over the last few years and is now only slightly above 1 percent per year. Inflation has been high, but has come down due to lower energy prices. The country has been hurt by labor unrest, declining commodity prices, shortages of electricity, and under-investment. On the other hand, the decline in the price of oil should boost consumer spending power in 2015. Still, the currency (rand) has been under pressure, thus contributing to inflation and limiting the flexibility of the central bank. While growth is expected to pick up in 2015 and beyond, most analysts see South Africa as having limited potential. Growth is expected to recover to a level of 3 to 4 percent, far below that of many other African economies. However, due to South Africa's sophisticated business environment, it is expected to remain a major center of business and finance for the continent.

# Connecting with the connected consumer

## Engaging in the consumer conversation

### More than ever, consumer products companies must directly engage with consumers

Consumers are talking – all the time, everywhere – and it is they, not companies, who increasingly own the conversation about products and services. The supply-driven world has become a demand-driven world where the consumer is in charge. Today's consumers are not only critics and curators, but, increasingly, creators. Yesterday's consumer purchased from a limited set of offerings, and the communication was one-way, under complete control of marketing and advertising agencies. Today, individual consumers can start with an idea, a need, or an inspiration and browse online to find what they want, and, if they can't find it, create it themselves by working with companies that provide this capability. Today, the consumer is in charge.

Consumer product companies could view this defensively as a loss of control. However, to view this challenge solely as a negative, a risk so to speak, is to miss the broader opportunity. More than ever, it is important that consumer products companies be an active part of the conversation. Direct conversations with consumers can drive growth and innovation. Indeed, such dialogue can lead companies into areas of consumer need that they might otherwise overlook or ignore. To seize this sizeable opportunity, the critical challenge for consumer product companies is to create the right experience, the right engagement, for consumers and to do it at scale.

Companies such as Shapeways are working directly with consumers in just this way. What will your company do to engage consumers?

**Case study—Shapeways**

Shapeways is a 3D printing company where consumers can design the products they seek. Customers upload their designs to the Shapeway website for price quotes based on the materials involved. Users can also refine their designs with help from "experts" on the Shapeway forum, or opt for preexisting designs and make minor changes to them before ordering.

*Source: A billion to one: The crowd gets personal, Deloitte University Press, January 26, 2015*

### Consumer engagement – much more than marketing

One function or one department cannot engage consumers, nor can it be viewed as a one-off campaign.  Consumer engagement requires long-term commitment and collaboration across the entire company to manage multiple consumer touchpoints and to sustain the relationship as consumer expectations evolve. If not, the business will constantly be playing "catch-up".

Businesses that commit to making engagement as easy as possible for consumers are positioning themselves in the center of the conversation and are better positioned to succeed. Such positioning will likely involve:

- **Deciding on the appropriate engagement approach** – whether it is being actively engaged in the conversation, monitoring it or simply ignoring it, a well thought out strategy, based on brand positioning, will pay dividends. Typically, consumers tend to be highly engaged with more expensive items and will limit interaction with providers of commodities.
- **Developing content creation and content management capabilities** – focus on informing and educating consumers rather than just selling to them. Arming consumers with the right information helps them move independently through the shopping journey, creates trust, and increases their loyalty.
- **Investing in technology and developing analytics capabilities** – integrate and track, across all channels and touchpoints, every individual journey to offer targeted responses in real time
- **Ensuring staff at each level of the organization understand the role they play** – empower staff to make appropriate decisions, whether this means directing consumers toward alternative products or providing compensation to dissatisfied consumers
- **Managing the reputational risks associated with social platforms** – establish social command centers to listen to conversations, engage with consumers, and proactively share positive stories

## Leveraging the crowd

**Empowered consumers are a significant driver of growth, as their behavior intensifies competition and drives innovation**

The ability of like-minded people to compare experiences and promote their collective voice has become a force in the consumer market, moving beyond reviews and recommendations into co-creation.

Companies are learning to incorporate the contributions of individual consumers, as well as communities, into their value chain. Many are using sensors, digital data, and smartphone interactions to innovate with their products and services.

Some companies, such as Lego and Quirky, are using the power of the crowd to help them develop their products, and others such as Coca-Cola are drawing on customer input to develop marketing campaigns.

Businesses can take specific consumer characteristics and behavior and contextualize them with data on thousands or millions of other individuals. This enables designers to deliver products and services that are unique or closely tailored to consumer needs.

Deloitte calls this creation of unique customer products and services derived from crowd-based insights the "billion-to-one" phenomenon, or B2ONE, experience. As depicted below, the consumer's experience is brought into each stage of the process, from the ideation, to design, to production, and, finally, to the commercial production of the product or service.

### Case study—LEGO

Lego Cuusoo is a crowdsourcing platform where people post their Lego creations. If the creation gets ore than 10,000 supporters, Lego will commercialise it and the creator will receive royalties.[6]

### Case study—Quirky

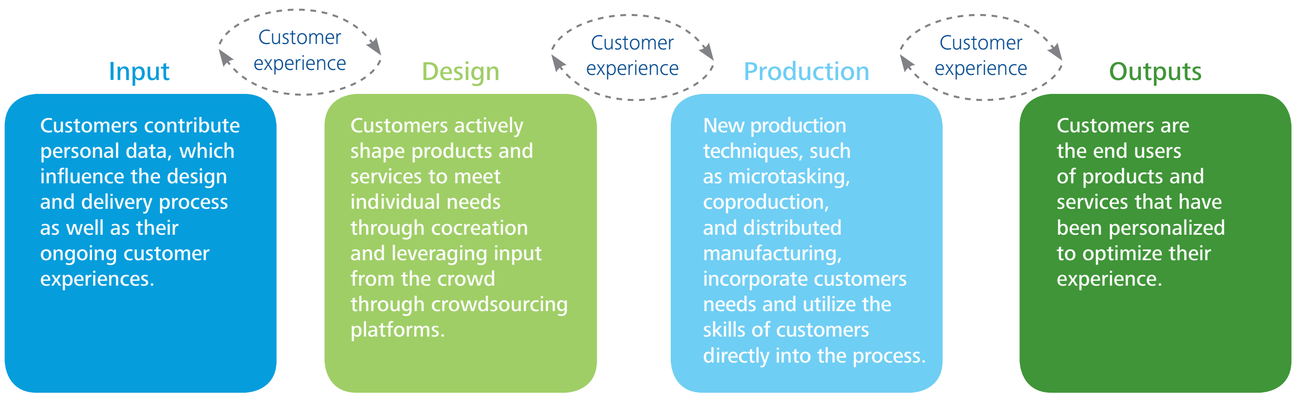
At consumer products manufacturer Quirky, customers can pitch design ideas for new products and, through voting directly, influence what the company makes and sells. The result: hundreds of useful, one-of-a-kind products, ranging from a smart air conditioner to a citrus spritzer.

### Case study—Coca Cola

Coca-Cola launched its first TV commercial created with user generated content. The advert, aired during the final episode of American Idol, was produced by Wieden + Kennedy. It features content generated by a competition that challenged teenagers to submit short video clips "sharing what it feels like when they take a sip of Coke." Forty clips were selected from over 400 clips and include content from consumers from different countries. The campaign is an example of how comsumer businesses are increasingly turning to consumers to co-create not only products and services but also marketing communications and creative content.[2]

*Source: The growing power of consumers, The Deloitte Consumer Review, July 2014; A billion to one: The crowd gets personal, Deloitte University Press, January 26, 2015*

### B2ONE experience




Source: A billion to one: The crowd gets personal, Deloitte University Press, January 26, 2015

### What will it require?

Harnessing crowd-based insights will require companies to change their approach and processes in a number of ways:

- **Shifting organizational focus from simply providing products and services to solving a problem and creating an experience for the customer** – indeed, a business that solves a daily problem for consumers better than anyone else gives consumers a compelling reason to become engaged with the company
- **Treating consumers as potential designers** – use consumer satisfaction data in which consumers critique and assess the goods and services they receive
- **Moving away from broad-scale product testing** – follow the model of entrepreneurs and small companies that are very close to the ultimate consumer, possibly including marketing teams in the new product development process.
- **Creating better and faster feedback loops** – continuously collect and analyze the steady stream of consumer feedback at a fairly granular level. Apply the resulting insights from this to improve and redesign offerings and to personalize products for different kinds of consumers. This could include faster prototyping to get something tangible in front of the consumer.

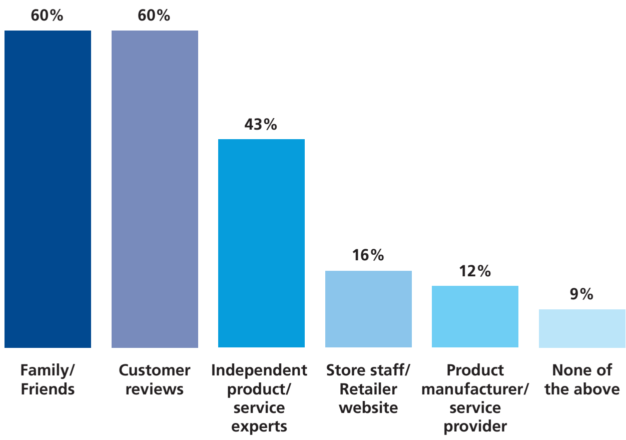
Finally, all of these processes must have a solid foundation of consumer trust, without which none of these conversations and collaborations can occur.

## Fostering and sustaining trust

### Trust as a competitive advantage

While consumers have unprecedented access to product information and online expertise to guide their purchasing decisions, recent research from Deloitte shows that, surprisingly, consumers are talking far less to product or service experts than they are to families, friends, and other consumers.

*Most trusted source of information on products and services*




*Source: Deloitte research, May 2014*
*Base: UK consumers 16+ (n=2000)*

With trust in consumer companies at its lowest level in years, consumers are turning to those they feel they can trust. It is imperative, therefore, that in return for sharing their data, consumers get something valuable in return. As the statistics below indicate, trust is an important driver of consumer purchasing behavior.

80%

Are more likely to purchase from consumer product companies that they believe protect their personal information

72%

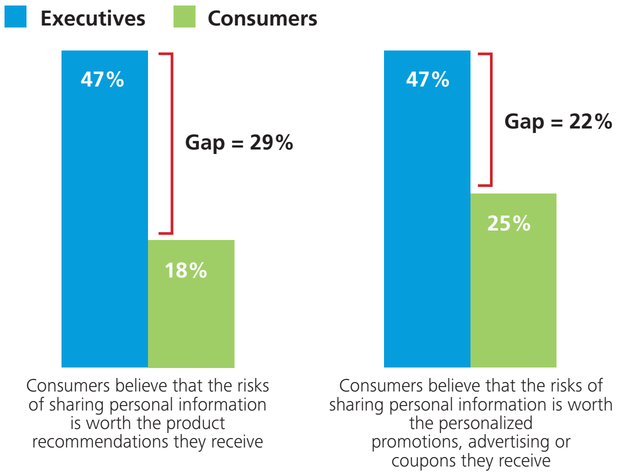
Avoid purchasing brands from consumer product companies that they believe do not believe protect their personal information

*Source: Building Consumer Trust: Protecting personal data in the consumer products industry, Deloitte University Press, November 13, 2014*

So while consumers may appreciate the benefits of personalization and customization, a vast majority continue to have great concerns about sharing their data with consumer product companies. Many are aware of, or have been affected by, data security and privacy breaches and are not likely to be forgiving if this occurs with their own information. As the saying goes, trust is difficult to earn and can be lost in an instant.

Allowing users to opt in to share their data rather than making it the default and providing something valuable in return for their data is certainly an important proposition. However, as shown in the chart below, industry and consumers are far apart in recognizing the importance of this exchange. To consumers, personalized offers or recommendations do not outweigh the perceived risks of sharing their information. This "trust gap" must be addressed if companies are to benefit from collaborative innovation with consumers.

*Personalization does not outweigh risks of sharing information*




*Source: Deloitte Consumer Product Data Privacy and Security Executive Survey, August 2014*

What can businesses do to foster trust? Most immediately, the consumer product companies must build stronger data privacy and security practices based on the consumer's mindset. This includes:

- Developing privacy policies as if they were a marketing tool
- Elevating the seniority of the executive responsible for data privacy and security
- Deploying supporting processes and systems consistently across the entire enterprise
- Expanding risk management to guard against external as well as internal breaches

Beyond this, companies must regularly reassure consumers that their personal information is being protected:

- Provide transparency in policies and actions
- Be judicious about collecting and sharing data
- Inform and reassure customers about security measures
- Be prepared to compensate for security lapses

## Conclusion

Being involved in the consumer conversation means, ultimately, establishing engagement and trust. While consumer products companies can seize the opportunity to engage the consumer as co-creator and advocate, they must also build trust with that consumer by rigorously addressing data privacy and security concerns. Companies must openly encourage dialogue with consumers and acknowledge consumer sentiments and suggestions in a timely fashion. Personalizing responses and policies to the most valued consumers is key. This is not a one-time effort but an ongoing effort involving multiple functions in which collaboration and consistency are critical to meeting consumer expectations and ultimately driving profitable growth for brand.

For more information, see "The Deloitte Consumer Review: The growing power of consumers," "A billion to one: The crowd gets personal," and "Building consumer trust: Protecting personal data in the consumer products industry."

# Global Powers of Consumer Products Top 250

## Top 250 consumer products companies

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 1 | Samsung Electronics Co., Ltd. | South Korea | Asia/Pacific | Electronic Products | 210,397 | 13.7% | 13.3% | **13.5%** |
| 2 | Apple Inc. | United States | North America | Electronic Products | 170,910 | 9.2% | 21.7% | 35.4% |
| 3 | Nestlé S.A.[2] | Switzerland | Europe | Food, Drink & Tobacco | 99,485 | 2.7% | 11.3% | n/a |
| 4 | The Procter & Gamble Company | United States | North America | Personal Care & Household Products | 83,062 | -1.3% | 14.2% | 1.0% |
| 5 | Sony Corporation | Japan | Asia/Pacific | Electronic Products | 66,756 | 17.4% | -0.9% | -1.2% |
| 6 | PepsiCo, Inc. | United States | North America | Food, Drink & Tobacco | 66,415 | 1.4% | 10.2% | 9.0% |
| 7 | Unilever Group | Netherlands and U.K. | Europe | Personal Care & Household Products | 66,143 | -3.0% | 10.6% | 4.2% |
| 8 | LG Electronics Inc. | South Korea | Asia/Pacific | Electronic Products | 53,489 | 14.1% | 0.4% | -1.7% |
| 9 | The Coca-Cola Company | United States | North America | Food, Drink & Tobacco | 46,854 | -2.4% | 18.4% | 8.0% |
| 10 | JBS S.A. | Brazil | Latin America/Caribbean | Food, Drink & Tobacco | 43,306 | 22.7% | 1.2% | 25.1% |
| 11 | Anheuser-Busch InBev SA/NV | Belgium | Europe | Food, Drink & Tobacco | 43,195 | 8.6% | 38.2% | 12.9% |
| 12 | Lenovo Group Limited | Hong Kong | Asia/Pacific | Electronic Products | 38,707 | 14.3% | 2.1% | 21.0% |
| 13 | Bridgestone Corporation | Japan | Asia/Pacific | Tires | 36,609 | 17.4% | 6.0% | 2.0% |
| 14 | Mondelez International, Inc. | United States | North America | Food, Drink & Tobacco | 35,299 | 0.8% | 11.1% | -3.5% |
| 15 | Tyson Foods, Inc. | United States | North America | Food, Drink & Tobacco | 34,374 | 3.3% | 2.3% | 5.1% |
| 16 | Mars, Incorporated | United States | North America | Food, Drink & Tobacco | 33,000[e] | 0.0% | n/a | 1.9% |
| 17 | Philip Morris International Inc. | United States | North America | Food, Drink & Tobacco | 31,217 | -0.5% | 28.3% | 4.0% |
| 18 | L'Oréal S.A. | France | Europe | Personal Care & Household Products | 30,519 | 2.3% | 12.9% | 5.5% |
| 19 | Haier Group Company | China | Asia/Pacific | Home Furnishings & Equipment | 29,127 | 10.5% | 6.0% | 8.7% |
| 20 | Danone | France | Europe | Food, Drink & Tobacco | 28,289 | 2.1% | 7.3% | 7.0% |
| 21 | NIKE, Inc. | United States | North America | Apparel & Accessories | 27,799 | 9.8% | 9.7% | 7.7% |
| 22 | Compagnie Générale des Établissements Michelin S.C.A. | France | Europe | Tires | 26,893 | -5.7% | 5.6% | 4.3% |
| 23 | Heineken N.V. | Netherlands | Europe | Food, Drink & Tobacco | 25,507 | 4.5% | 8.2% | 6.0% |
| 24 | Japan Tobacco Inc. | Japan | Asia/Pacific | Food, Drink & Tobacco | 23,974 | 13.2% | 18.1% | |
| 25 | British American Tobacco plc | United Kingdom | Europe | Food, Drink & Tobacco | 23,879 | 0.5% | 27.5% | 4.7% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 26 | Imperial Tobacco Group PLC | United Kingdom | Europe | Food, Drink & Tobacco | 22,780 | -0.6% | 6.6% | 7.6% |
| 27 | Henkel AG & Co. KGaA | Germany | Europe | Personal Care & Household Products | 21,724 | -0.9% | 9.9% | 3.0% |
| 28 | Groupe Lactalis | France | Europe | Food, Drink & Tobacco | 21,252 | 1.9% | n/a | 11.5% |
| 29 | Kimberly-Clark Corporation | United States | North America | Personal Care & Household Products | 21,152 | 0.4% | 10.5% | 1.7% |
| 30 | Suntory Holdings Limited | Japan | Asia/Pacific | Food, Drink & Tobacco | 20,932 | 10.2% | 10.4% | 6.2% |
| 31 | Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA) | Mexico | Latin America/ Caribbean | Food, Drink & Tobacco | 20,149 | 8.4% | 8.6% | 9.0% |
| 32 | Cargill Meat Solutions Corporation | United States | North America | Food, Drink & Tobacco | 20,000[e] | 11.1% | n/a | 8.5% |
| 33 | Kirin Holdings Company, Limited | Japan | Asia/Pacific | Food, Drink & Tobacco | 19,943 | 3.9% | 5.3% | 0.2% |
| 34 | Midea Group Co., Ltd. | China | Asia/Pacific | Home Furnishings & Equipment | 19,544 | 17.9% | 6.9% | 5.6% |
| 35 | The Goodyear Tire & Rubber Company | United States | North America | Tires | 19,540 | -6.9% | 3.5% | 0.1% |
| 36 | adidas AG | Germany | Europe | Apparel & Accessories | 19,249 | -2.6% | 5.5% | 6.1% |
| 37 | Gree Electric Appliances, Inc. of Zhuhai | China | Asia/Pacific | Home Furnishings & Equipment | 19,164 | 19.4% | 9.1% | 23.1% |
| 38 | Whirlpool Corporation | United States | North America | Home Furnishings & Equipment | 18,769 | 3.5% | 4.5% | -0.1% |
| 39 | Kraft Foods Group, Inc. | United States | North America | Food, Drink & Tobacco | 18,218 | -0.7% | 14.9% | 0.6% |
| 40 | General Mills, Inc. | United States | North America | Food, Drink & Tobacco | 17,910 | 0.8% | 10.4% | 4.0% |
| 41 | ConAgra Foods, Inc. | United States | North America | Food, Drink & Tobacco | 17,703 | 14.3% | 1.8% | 6.8% |
| 42 | Altria Group, Inc. | United States | North America | Food, Drink & Tobacco | 17,663 | 0.9% | 25.7% | 2.1% |
| 43 | Colgate-Palmolive Company | United States | North America | Personal Care & Household Products | 17,420 | 2.0% | 13.8% | 2.6% |
| 44 | AB Electrolux | Sweden | Europe | Home Furnishings & Equipment | 16,763 | -0.8% | 0.6% | 0.8% |
| 45 | SABMiller plc | United Kingdom | Europe | Food, Drink & Tobacco | 16,704 | -4.3% | 21.9% | 2.3% |
| 46 | Diageo plc | United Kingdom | Europe | Food, Drink & Tobacco | 16,684 | -10.3% | 21.3% | 2.0% |
| 47 | LIXIL Group Corporation | Japan | Asia/Pacific | Home Improvement Products | 16,270 | 13.4% | 2.7% | 9.2% |
| 48 | Reckitt Benckiser Group plc | United Kingdom | Europe | Personal Care & Household Products | 15,716 | 5.0% | 17.3% | 8.9% |
| 49 | ASUSTeK Computer Inc. | Taiwan | Asia/Pacific | Electronic Products | 15,636 | 3.3% | 4.6% | -7.0% |
| 50 | Royal FrieslandCampina N.V. | Netherlands | Europe | Food, Drink & Tobacco | 15,166 | 10.8% | 1.4% | 3.8% |
| 51 | Kellogg Company | United States | North America | Food, Drink & Tobacco | 14,792 | 4.2% | 12.2% | 2.9% |
| 52 | Dr. August Oetker KG | Germany | Europe | Food, Drink & Tobacco | 14,404* | -0.9% | n/a | 3.2% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 53 | Uni-President Enterprises Corp. | Taiwan | Asia/Pacific | Food, Drink & Tobacco | 14,278 | 3.6% | 4.9% | 7.7% |
| 54 | BRF S.A. (formerly BRF - Brasil Foods S.A.) | Brazil | Latin America/Caribbean | Food, Drink & Tobacco | 14,227 | 7.0% | 3.5% | 21.8% |
| 55 | BSH Bosch und Siemens Hausgeräte GmbH | Germany | Europe | Home Furnishings & Equipment | 13,957 | 7.2% | 2.9% | 3.7% |
| 56 | Grupo Bimbo, S.A.B. de C.V. | Mexico | Latin America/Caribbean | Food, Drink & Tobacco | 13,812 | 1.7% | 2.7% | 16.4% |
| 57 | TCL Corporation | China | Asia/Pacific | Electronic Products | 13,784 | 22.9% | 3.4% | 17.3% |
| 58 | Svenska Cellulosa AB SCA | Sweden | Europe | Personal Care & Household Products | 13,672 | 4.2% | 6.3% | -4.2% |
| 59 | Kao Corporation | Japan | Asia/Pacific | Personal Care & Household Products | 13,494 | 7.8% | 5.0% | 0.6% |
| 60 | Asahi Group Holdings, Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 13,288 | 12.0% | 4.8% | 5.5% |
| 61 | Arla Foods amba | Denmark | Europe | Food, Drink & Tobacco | 13,108 | 16.6% | 3.0% | 8.3% |
| 62 | Dairy Farmers of America | United States | North America | Food, Drink & Tobacco | 12,800 | 5.8% | 0.5% | 1.8% |
| 63 | Maxingvest AG | Germany | Europe | Personal Care & Household Products | 12,755 | -0.1% | 7.8% | |
| 64 | Hangzhou Wahaha Group Co., Ltd. | China | Asia/Pacific | Food, Drink & Tobacco | 12,649 | 23.1% | n/a | 19.0% |
| 65 | Acer Incorporated | Taiwan | Asia/Pacific | Electronic Products | 12,154 | -16.2% | -5.7% | -8.0% |
| 66 | Carlsberg A/S | Denmark | Europe | Food, Drink & Tobacco | 11,853 | -1.0% | 8.9% | 2.1% |
| 67 | Alticor Inc. | United States | North America | Personal Care & Household Products | 11,800 | 4.4% | n/a | 7.6% |
| 68 | Meiji Holdings Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 11,469 | 1.9% | 1.7% | ne |
| 69 | H. J. Heinz Company | United States | North America | Food, Drink & Tobacco | 11,443[e] | -0.7% | 0.3% | 2.4% |
| 70 | V.F. Corporation | United States | North America | Apparel & Accessories | 11,420 | 5.0% | 10.6% | 8.4% |
| 71 | WH Group Limited | Hong Kong | Asia/Pacific | Food, Drink & Tobacco | 11,253 | 80.2% | -0.6% | 17.4% |
| 72 | NH Foods Ltd. (formerly Nippon Meat Packers, Inc.) | Japan | Asia/Pacific | Food, Drink & Tobacco | 11,210 | 9.7% | 2.2% | 1.8% |
| 73 | Stanley Black & Decker, Inc. | United States | North America | Home Improvement Products | 11,001 | 8.0% | 4.5% | 20.0% |
| 74 | The Estée Lauder Companies Inc. | United States | North America | Personal Care & Household Products | 10,969 | 7.7% | 11.0% | 8.4% |
| 75 | Tingyi (Cayman Islands) Holding Corp. | China | Asia/Pacific | Personal Care & Household Products | 10,941 | 18.8% | 4.5% | 20.7% |
| 76 | Pernod Ricard S.A. | France | Europe | Food, Drink & Tobacco | 10,781 | -7.3% | 12.9% | 2.0% |
| 77 | The Ferrero Group | Italy | Europe | Food, Drink & Tobacco | 10,595 | 5.6% | n/a | 5.4% |
| 78 | Danish Crown AmbA | Denmark | Europe | Food, Drink & Tobacco | 10,233 | 3.0% | 2.7% | 4.4% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 79 | Yamazaki Baking Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 9,935 | 1.8% | 1.3% | 3.6% |
| 80 | Ajinomoto Co., Inc. | Japan | Asia/Pacific | Food, Drink & Tobacco | 9,903 | -15.4% | 5.1% | -3.6% |
| 81 | Nikon Corporation | Japan | Asia/Pacific | Electronic Products | 9,796 | -3.0% | 4.8% | 2.2% |
| 82 | Avon Products, Inc. | United States | North America | Personal Care & Household Products | 9,764 | -7.4% | -0.5% | -1.6% |
| 83 | Luxottica Group S.p.A. | Italy | Europe | Apparel & Accessories | 9,713 | 3.2% | 7.5% | 7.1% |
| 84 | S.C. Johnson & Son, Inc. | United States | North America | Personal Care & Household Products | 9,600[e] | 0.0% | n/a | 2.5% |
| 85 | Sichuan Changhong Electric Co., Ltd | China | Asia/Pacific | Electronic Products | 9,511 | 12.5% | 1.3% | 16.1% |
| 86 | Vion Holding N.V. | Netherlands | Europe | Food, Drink & Tobacco | 9,341 | -26.9% | 6.7% | -3.8% |
| 87 | Coca-Cola HBC AG (formerly Coca-Cola Hellenic Bottling Company S.A.) | Switzerland | Europe | Food, Drink & Tobacco | 9,130 | -2.4% | 3.2% | -0.3% |
| 88 | The Swatch Group Ltd. | Switzerland | Europe | Apparel & Accessories | 9,128 | 8.5% | 22.8% | 8.3% |
| 89 | Dean Foods Company | United States | North America | Food, Drink & Tobacco | 9,016 | -21.3% | 9.1% | -6.3% |
| 90 | Saputo Inc. | Canada | North America | Food, Drink & Tobacco | 8,776 | 26.5% | 5.8% | 9.8% |
| 91 | Hormel Foods Corporation | United States | North America | Food, Drink & Tobacco | 8,752 | 6.3% | 6.1% | 5.3% |
| 92 | Marfrig Global Foods S.A. (formerly Marfrig Alimentos S.A.) | Brazil | Latin America/Caribbean | Food, Drink & Tobacco | 8,741 | -21.0% | -4.8% | 24.8% |
| 93 | Maruha Nichiro Holdings, Inc. | Japan | Asia/Pacific | Food, Drink & Tobacco | 8,509 | 5.2% | 0.5% | -1.0% |
| 94 | Coca-Cola Enterprises, Inc. | United States | North America | Food, Drink & Tobacco | 8,212 | 1.9% | 8.1% | 4.4% |
| 95 | PVH Corp. | United States | North America | Apparel & Accessories | 8,186 | 35.5% | 1.8% | 26.9% |
| 96 | Masco Corporation | United States | North America | Home Improvement Products | 8,173 | 5.5% | 3.8% | -3.2% |
| 97 | Pirelli & C. S.p.A. | Italy | Europe | Tires | 8,164 | 1.2% | 5.0% | 5.7% |
| 98 | Campbell Soup Company | United States | North America | Food, Drink & Tobacco | 8,052 | 4.5% | 5.6% | 0.1% |
| 99 | Sumitomo Rubber Industries, Ltd. | Japan | Asia/Pacific | Tires | 8,009 | 9.9% | 6.1% | 5.2% |
| 100 | Reynolds American Inc. | United States | North America | Food, Drink & Tobacco | 7,899 | -4.9% | 21.7% | -2.2% |
| 101 | MillerCoors LLC | United States | North America | Food, Drink & Tobacco | 7,801 | 0.5% | 16.5% | 0.9% |
| 102 | Inner Mongolia Yili Industrial Group Co., Ltd. | China | Asia/Pacific | Food, Drink & Tobacco | 7,719 | 13.8% | 6.7% | 17.1% |
| 103 | Shiseido Company, Limited | Japan | Asia/Pacific | Personal Care & Household Products | 7,613 | 12.4% | 3.8% | 2.0% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 104 | National Beef Packing Company, LLC | United States | North America | Food, Drink & Tobacco | 7,486 | 0.1% | n/a | 5.1% |
| 105 | Ralph Lauren Corporation | United States | North America | Apparel & Accessories | 7,450 | 7.3% | 10.4% | 8.2% |
| 106 | Tönnies Lebensmittel GmbH & Co. KG | Germany | Europe | Food, Drink & Tobacco | 7,438e | 12.0% | n/a | 8.0% |
| 107 | Jarden Corporation | United States | North America | Personal Care & Household Products | 7,356 | 9.9% | 2.8% | 6.4% |
| 108 | Mohawk Industries, Inc. | United States | North America | Home Improvement Products | 7,349 | 27.0% | 4.8% | 1.5% |
| 109 | The Hershey Company | United States | North America | Food, Drink & Tobacco | 7,146 | 7.6% | 11.5% | 6.8% |
| 110 | Mccain Foods Limited | Canada | North America | Food, Drink & Tobacco | 7,109e | 8.6% | n/a | 3.2% |
| 111 | Savola Group Company | Saudi Arabia | Africa/Middle East | Food, Drink & Tobacco | 7,034 | -3.7% | 8.1% | 13.8% |
| 112 | China Mengniu Dairy Company Limited | Hong Kong | Asia/Pacific | Food, Drink & Tobacco | 7,004 | 20.2% | 4.3% | 12.7% |
| 113 | Essilor International S.A. | France | Europe | Apparel & Accessories | 6,728 | 1.5% | 12.8% | 10.5% |
| 114 | Red Bull GmbH | Austria | Europe | Food, Drink & Tobacco | 6,694 | 2.2% | n/a | 8.7% |
| 115 | Hankook Tire Co., Ltd. | South Korea | Asia/Pacific | Tires | 6,504 | 0.4% | 10.4% | 9.6% |
| 116 | Mattel, Inc. | United States | North America | Leisure Goods | 6,485 | 1.0% | 13.9% | 1.8% |
| 117 | Groupe Terrena | France | Europe | Food, Drink & Tobacco | 6,200 | 4.2% | 0.4% | 3.7% |
| 118 | The Yokohama Rubber Co., Ltd. | Japan | Asia/Pacific | Tires | 6,173 | 7.5% | 5.8% | 3.1% |
| 119 | Sodiaal Union | France | Europe | Food, Drink & Tobacco | 6,132 | 5.9% | 0.6% | 11.0% |
| 120 | Nippon Suisan Kaisha, Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 6,036 | 6.6% | 0.8% | 3.6% |
| 121 | Perdue Farms, Inc. | United States | North America | Food, Drink & Tobacco | 6,000e | 0.0% | n/a | 5.5% |
| 122 | Dr Pepper Snapple Group, Inc. | United States | North America | Food, Drink & Tobacco | 5,997 | 0.0% | 10.4% | 1.0% |
| 123 | Unicharm Corporation | Japan | Asia/Pacific | Personal Care & Household Products | 5,989 | 20.9% | 7.3% | 11.5% |
| 124 | Morinaga Milk Industry Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 5,987 | 1.4% | 0.8% | 0.5% |
| 125 | Bongrain SA | France | Europe | Food, Drink & Tobacco | 5,854 | 7.9% | 1.3% | 4.4% |
| 126 | Arçelik A.Ş. | Turkey | Africa/Middle East | Home Furnishings & Equipment | 5,846 | 5.1% | 5.6% | 10.4% |
| 127 | Groupe Bigard S.A. | France | Europe | Food, Drink & Tobacco | 5,844 | 0.0% | n/a | 12.0% |
| 128 | ITC Limited | India | Asia/Pacific | Food, Drink & Tobacco | 5,821 | 11.7% | 24.8% | 16.5% |
| 129 | PT Indofood Sukses Makmur Tbk | Indonesia | Asia/Pacific | Food, Drink & Tobacco | 5,773 | 15.3% | 5.9% | 8.3% |
| 130 | Nintendo Co., Ltd. | Japan | Asia/Pacific | Leisure Goods | 5,712 | -10.0% | -4.1% | -20.8% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 131 | Newell Rubbermaid Inc. | United States | North America | Personal Care & Household Products | 5,693 | -3.6% | 8.3% | -2.5% |
| 132 | The J.M. Smucker Company | United States | North America | Food, Drink & Tobacco | 5,611 | -4.9% | 10.1% | 8.3% |
| 133 | The Clorox Company | United States | North America | Personal Care & Household Products | 5,591 | -0.6% | 10.0% | 0.5% |
| 134 | Kewpie Corporation | Japan | Asia/Pacific | Food, Drink & Tobacco | 5,550 | 5.1% | 2.8% | 2.3% |
| 135 | TOTO Ltd. | Japan | Asia/Pacific | Home Improvement Products | 5,529 | 16.2% | 8.2% | 3.6% |
| 136 | Groupe SEB | France | Europe | Home Furnishings & Equipment | 5,527 | 2.5% | 5.3% | 5.2% |
| 137 | Orkla ASA | Norway | Europe | Food, Drink & Tobacco | 5,489 | 12.8% | 2.3% | -12.8% |
| 138 | Megmilk Snow Brand Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 5,444 | 4.2% | 0.5% | ne |
| 139 | Rolex SA | Switzerland | Europe | Apparel & Accessories | 5,398[e] | 2.0% | n/a | 10.8% |
| 140 | DMK Deutsches Milchkontor GmbH | Germany | Europe | Food, Drink & Tobacco | 5,222 | 12.0% | 1.0% | ne |
| 141 | Société Coopérative Agricole et Agro-alimentaire AGRIAL | France | Europe | Food, Drink & Tobacco | 5,182 | 8.1% | 0.9% | 15.4% |
| 142 | Nichirei Corporation | Japan | Asia/Pacific | Food, Drink & Tobacco | 5,107 | 8.7% | 1.9% | 1.5% |
| 143 | Skyworth Digital Holdings Limited | Hong Kong | Asia/Pacific | Electronic Products | 5,090 | 4.4% | 3.6% | 20.8% |
| 144 | La Coop fédérée | Canada | North America | Food, Drink & Tobacco | 5,089 | 6.6% | 0.4% | 7.5% |
| 145 | BANDAI NAMCO Holdings Inc. (formerly Namco Bandai Holdings Inc.) | Japan | Asia/Pacific | Leisure Goods | 5,072 | 4.2% | 4.9% | 3.6% |
| 146 | Kohler Co. | United States | North America | Home Improvement Products | 5,000[e] | 0.0% | n/a | -1.9% |
| 147 | Kweichow Moutai Co., Ltd. | China | Asia/Pacific | Food, Drink & Tobacco | 4,995* | 16.9% | 51.4% | 30.3% |
| 148 | Pioneer Corporation | Japan | Asia/Pacific | Electronic Products | 4,976 | 10.2% | 0.1% | -2.3% |
| 149 | Lorillard, Inc. | United States | North America | Food, Drink & Tobacco | 4,972 | 7.2% | 23.7% | 7.3% |
| 150 | Nisshin Seifun Group Inc. | Japan | Asia/Pacific | Food, Drink & Tobacco | 4,954 | 8.9% | 3.2% | 1.2% |
| 151 | Coca-Cola Amatil Limited | Australia | Asia/Pacific | Food, Drink & Tobacco | 4,877 | -1.2% | 1.6% | 4.2% |
| 152 | Constellation Brands, Inc. | United States | North America | Food, Drink & Tobacco | 4,868 | 74.1% | 39.9% | 5.9% |
| 153 | Anadolu Efes Biracilik ve Malt Sanayii A.Ş. | Turkey | Africa/Middle East | Food, Drink & Tobacco | 4,845* | 43.3% | 31.0% | 20.2% |
| 154 | Herbalife Ltd. | United States | North America | Food, Drink & Tobacco | 4,825 | 18.5% | 10.9% | 15.4% |
| 155 | Arca Continental, S.A.B. de C.V. | Mexico | Latin America/Caribbean | Food, Drink & Tobacco | 4,736 | 7.3% | 10.3% | 24.4% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 156 | Ruchi Soya Industries Limited | India | Asia/Pacific | Food, Drink & Tobacco | 4,684 | -4.9% | 0.0% | 17.7% |
| 157 | Levi Strauss & Co. | United States | North America | Apparel & Accessories | 4,682 | 1.6% | 4.9% | 1.2% |
| 158 | Husqvarna Group | Sweden | Europe | Home Improvement Products | 4,655 | -1.7% | 3.0% | -1.3% |
| 159 | Itoham Foods Inc. | Japan | Asia/Pacific | Food, Drink & Tobacco | 4,629 | 5.6% | 1.1% | -1.0% |
| 160 | Hanesbrands Inc. | United States | North America | Apparel & Accessories | 4,628 | 2.3% | 7.1% | 1.7% |
| 161 | Activision Blizzard, Inc. | United States | North America | Leisure Goods | 4,583 | -5.6% | 22.0% | 8.7% |
| 162 | Coty Inc. | United States | North America | Personal Care & Household Products | 4,552 | -2.1% | -1.4% | 6.1% |
| 163 | Lego A/S | Denmark | Europe | Leisure Goods | 4,521 | 8.4% | 24.1% | 21.7% |
| 164 | Boparan Holdings Limited (aka 2 Sisters Food Group) | United Kingdom | Europe | Food, Drink & Tobacco | 4,516 | 23.3% | 1.2% | 41.5% |
| 165 | Lao Feng Xiang Co., Ltd. | China | Asia/Pacific | Apparel & Accessories | 4,514 | 27.2% | 3.4% | 27.9% |
| 166 | Cheng Shin Rubber Ind. Co., Ltd. | Taiwan | Asia/Pacific | Tires | 4,492 | 2.2% | 14.0% | 11.8% |
| 167 | Dole Food Company, Inc. | United States | North America | Food, Drink & Tobacco | 4,480[e] | 5.5% | n/a | -10.1% |
| 168 | Bacardi Limited | Bermuda | Latin America/Caribbean | Food, Drink & Tobacco | 4,477 | 0.2% | n/a | 0.4% |
| 169 | Energizer Holdings, Inc. | United States | North America | Personal Care & Household Products | 4,466 | -2.2% | 9.1% | 0.6% |
| 170 | Coca-Cola West Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 4,429 | 11.7% | 3.2% | 1.8% |
| 171 | Miele & Cie. KG | Germany | Europe | Home Furnishings & Equipment | 4,369 | 2.2% | n/a | 3.1% |
| 172 | Green Mountain Coffee Roasters, Inc. (now Keurig Green Mountain, Inc.) | United States | North America | Food, Drink & Tobacco | 4,358 | 12.9% | 11.1% | 54.2% |
| 173 | Ito En, Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 4,356 | 8.4% | 2.8% | 5.6% |
| 174 | Techtronic Industries Co. Ltd. | Hong Kong | Asia/Pacific | Home Improvement Products | 4,300 | 11.6% | 5.8% | 4.7% |
| 175 | Maple Leaf Foods Inc. | Canada | North America | Food, Drink & Tobacco | 4,281 | -9.4% | 11.6% | -3.4% |
| 176 | Hisense Electric Co., Ltd. | China | Asia/Pacific | Electronic Products | 4,276 | 14.0% | 5.7% | 16.5% |
| 177 | Barilla Holding S.p.A. | Italy | Europe | Food, Drink & Tobacco | 4,248 | -18.8% | 3.4% | -5.8% |
| 178 | Gruma, S.A.B. de C.V. | Mexico | Latin America/Caribbean | Food, Drink & Tobacco | 4,245 | -15.9% | 6.1% | 3.9% |
| 179 | Molson Coors Brewing Company | United States | North America | Food, Drink & Tobacco | 4,206 | 7.4% | 13.6% | -2.5% |
| 180 | Tsingtao Brewery Co., Ltd. | China | Asia/Pacific | Food, Drink & Tobacco | 4,202 | 10.3% | 7.4% | 12.2% |
| 181 | Mead Johnson Nutrition Company | United States | North America | Food, Drink & Tobacco | 4,201 | 7.7% | 15.6% | 7.8% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 182 | Nissin Foods Holdings Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 4,172 | 9.1% | 4.6% | 2.9% |
| 183 | Fortune Brands Home & Security, Inc. | United States | North America | Home Improvement Products | 4,157 | 15.8% | 5.6% | ne |
| 184 | McCormick & Company, Inc. | United States | North America | Food, Drink & Tobacco | 4,123 | 2.7% | 9.4% | 5.4% |
| 185 | Yamaha Corporation | Japan | Asia/Pacific | Leisure Goods | 4,099 | 11.8% | 5.6% | -2.2% |
| 186 | Spectrum Brands Holdings, Inc. | United States | North America | Personal Care & Household Products | 4,086 | 25.6% | -1.4% | 8.7% |
| 187 | The Hillshire Brands Company | United States | North America | Food, Drink & Tobacco | 4,085 | 4.2% | 5.2% | -20.5% |
| 188 | Hasbro, Inc. | United States | North America | Leisure Goods | 4,082 | -0.2% | 7.0% | 0.3% |
| 189 | Lotte Japan Group | Japan | Asia/Pacific | Food, Drink & Tobacco | 4,074 | -27.8% | 3.9% | -1.7% |
| 190 | Sapporo Holdings Limited | Japan | Asia/Pacific | Food, Drink & Tobacco | 4,057 | 4.1% | 2.4% | 6.8% |
| 191 | Société L.D.C. SA | France | Europe | Food, Drink & Tobacco | 4,034 | 3.5% | 2.6% | 9.2% |
| 192 | Swarovski AG | Austria | Europe | Apparel & Accessories | 4,011 | -1.9% | n/a | 3.7% |
| 193 | Wuliangye Yibin Co., Ltd. | China | Asia/Pacific | Food, Drink & Tobacco | 3,993 | -9.1% | 33.7% | 25.5% |
| 194 | LG Household & Health Care, Ltd. | South Korea | Asia/Pacific | Personal Care & Household Products | 3,980 | 11.0% | 8.5% | 11.6% |
| 195 | Ashley Furniture Industries, Inc. | United States | North America | Home Furnishings & Equipment | 3,850[e] | 4.1% | n/a | 5.4% |
| 196 | Coca-Cola East Japan Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 3,825 | 92.4% | 3.1% | 12.6% |
| 197 | Want Want China Holdings Limited | China | Asia/Pacific | Food, Drink & Tobacco | 3,818 | 13.7% | 18.0% | 19.7% |
| 198 | E. & J. Gallo Winery | United States | North America | Food, Drink & Tobacco | 3,800[e] | 5.6% | n/a | 4.2% |
| 199 | Toyo Tire & Rubber Co., Ltd. | Japan | Asia/Pacific | Tires | 3,798 | 0.1% | 3.3% | 2.4% |
| 200 | Agropur Cooperative | Canada | North America | Food, Drink & Tobacco | 3,772 | 5.2% | 1.4% | 6.4% |
| 201 | The Jones Group, Inc. (now Nine West Holdings, Inc.) | United States | North America | Apparel & Accessories | 3,765 | -0.9% | -0.5% | 0.8% |
| 202 | Flowers Foods, Inc. | United States | North America | Food, Drink & Tobacco | 3,751 | 23.1% | 6.2% | 9.2% |
| 203 | Toyo Suisan Kaisha, Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 3,719 | 8.0% | 6.3% | 2.9% |
| 204 | Fresh Del Monte Produce Inc. | United States | North America | Food, Drink & Tobacco | 3,684 | 7.7% | -0.9% | 0.9% |
| 205 | Fromageries Bel S.A. | France | Europe | Food, Drink & Tobacco | 3,613 | 2.7% | 4.8% | 4.2% |
| 206 | Lion Corporation | Japan | Asia/Pacific | Personal Care & Household Products | 3,612 | 5.0% | 1.9% | 0.8% |
| 207 | Rosen's Diversified Inc. | United States | North America | Food, Drink & Tobacco | 3,600[e] | 2.9% | n/a | 7.1% |
| 208 | D.E Master Blenders 1753 B.V. | Netherlands | Europe | Food, Drink & Tobacco | 3,586[e] | 0.7% | n/a | ne |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 209 | Hisense Kelon Electrical Holdings Company Ltd. | China | Asia/Pacific | Home Furnishings & Equipment | 3,584 | 27.9% | 5.2% | 22.5% |
| 210 | Amorepacific Group Co., Ltd. | South Korea | Asia/Pacific | Personal Care & Household Products | 3,584 | 13.5% | 9.1% | 15.4% |
| 211 | Electronic Arts Inc. | United States | North America | Leisure Goods | 3,575 | -5.8% | 0.2% | -3.2% |
| 212 | Emmi AG | Switzerland | Europe | Food, Drink & Tobacco | 3,560 | 10.6% | 3.7% | 4.1% |
| 213 | Indesit Company S.p.A. | Italy | Europe | Home Furnishings & Equipment | 3,548 | -7.4% | 0.1% | -3.3% |
| 214 | KT&G Corporation | South Korea | Asia/Pacific | Food, Drink & Tobacco | 3,516 | -4.1% | 14.6% | 2.9% |
| 215 | Total Produce plc | Ireland | Europe | Food, Drink & Tobacco | 3,504 | 8.5% | 1.4% | 3.2% |
| 216 | JELD-WEN, Inc. | United States | North America | Home Improvement Products | 3,500 | 9.4% | n/a | 3.8% |
| 217 | Mary Kay, Inc. | United States | North America | Personal Care & Household Products | 3,500 | 16.7% | n/a | 6.1% |
| 218 | Roll Global, LLC | United States | North America | Food, Drink & Tobacco | 3,500[e] | 16.7% | n/a | 11.7% |
| 219 | Yakult Honsha Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 3,500 | 9.8% | 7.7% | 3.6% |
| 220 | Cooper Tire & Rubber Company | United States | North America | Tires | 3,439 | -18.1% | 3.9% | 3.6% |
| 221 | Kikkoman Corporation | Japan | Asia/Pacific | Food, Drink & Tobacco | 3,428 | 14.3% | 3.7% | -3.6% |
| 222 | Kumho Tire Co., Ltd. | South Korea | Asia/Pacific | Tires | 3,403 | -9.1% | 2.7% | 5.1% |
| 223 | The TINE Group | Norway | Europe | Food, Drink & Tobacco | 3,402 | 3.0% | 3.4% | 2.9% |
| 224 | Bestseller A/S | Denmark | Europe | Apparel & Accessories | 3,380 | 6.3% | n/a | 12.4% |
| 225 | The Nisshin OilliO Group, Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 3,368 | 8.8% | 0.9% | 0.0% |
| 226 | Westfleisch eG | Germany | Europe | Food, Drink & Tobacco | 3,332 | 1.3% | 0.3% | 4.6% |
| 227 | Perfetti Van Melle S.p.A. | Italy | Europe | Food, Drink & Tobacco | 3,303 | 0.0% | n/a | 4.7% |
| 228 | Controladora Mabe S.A. de C.V. | Mexico | Latin America/Caribbean | Home Furnishings & Equipment | 3,300[e] | -5.0% | n/a | -5.1% |
| 229 | Rich Products Corporation | United States | North America | Food, Drink & Tobacco | 3,300[e] | 6.5% | n/a | 3.3% |
| 230 | HKScan Corporation | Finland | Europe | Food, Drink & Tobacco | 3,292 | -2.7% | 0.4% | 1.6% |
| 231 | ASICS Corporation | Japan | Asia/Pacific | Apparel & Accessories | 3,291 | 26.6% | 5.2% | 6.4% |
| 232 | Vestel Elektronik Sanayi ve Ticaret A.S. | Turkey | Africa/Middle East | Electronic Products | 3,276 | -17.3% | -1.5% | 5.8% |
| 233 | Natura Cosméticos S.A. | Brazil | Latin America/Caribbean | Personal Care & Household Products | 3,268 | 10.5% | 12.1% | 14.1% |
| 234 | Fossil Group, Inc. | United States | North America | Apparel & Accessories | 3,260 | 14.1% | 11.9% | 15.5% |
| 235 | Konka Group Co., Ltd. | China | Asia/Pacific | Electronic Products | 3,232 | 9.1% | 0.3% | 10.4% |

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth | FY13 Net Profit Margin | 2008-2013 Net Sales CAGR[1] |
|---|---|---|---|---|---|---|---|---|
| 236 | Casio Computer Co., Ltd. | Japan | Asia/Pacific | Electronic Products | 3,214 | 8.1% | 5.0% | -9.1% |
| 237 | The Schwan Food Company | United States | North America | Food, Drink & Tobacco | 3,200e | 1.6% | n/a | -1.9% |
| 238 | Church & Dwight Co., Inc. | United States | North America | Personal Care & Household Products | 3,194 | 9.3% | 12.3% | 5.7% |
| 239 | World Co., Ltd. | Japan | Asia/Pacific | Apparel & Accessories | 3,170 | -5.7% | -0.5% | -1.5% |
| 240 | NBTY, Inc. | United States | North America | Food, Drink & Tobacco | 3,163 | 5.4% | 4.1% | 7.7% |
| 241 | JVCKENWOOD Corporation | Japan | Asia/Pacific | Electronic Products | 3,160 | 3.2% | -1.9% | 0.4% |
| 242 | Ezaki Glico Co., Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 3,151 | 7.6% | 3.8% | 1.8% |
| 243 | Industrias Bachoco, S.A.B. de C.V. | Mexico | Latin America/Caribbean | Food, Drink & Tobacco | 3,116 | 0.9% | 5.1% | 14.6% |
| 244 | Chocoladefabriken Lindt & Sprüngli AG | Switzerland | Europe | Food, Drink & Tobacco | 3,112 | 8.0% | 10.5% | -0.4% |
| 245 | Vizio, Inc. | United States | North America | Electronic Products | 3,100e | 0.0% | n/a | 9.1% |
| 246 | Citizen Holdings Co., Ltd. | Japan | Asia/Pacific | Apparel & Accessories | 3,097 | 13.9% | 5.7% | 0.9% |
| 247 | Seiko Holdings Corporation | Japan | Asia/Pacific | Apparel & Accessories | 3,080 | 8.6% | 2.5% | 12.1% |
| 248 | Chiquita Brands International, Inc. | United States | North America | Food, Drink & Tobacco | 3,057 | -0.7% | -0.5% | -3.3% |
| 249 | Prima Meat Packers, Ltd. | Japan | Asia/Pacific | Food, Drink & Tobacco | 3,033 | 10.1% | 1.7% | 1.9% |
| 250 | Nortura SA | Norway | Europe | Food, Drink & Tobacco | 3,001 | 7.5% | 0.6% | 3.5% |

### Impact of exchange rates on ranking

The Top 250 Global Powers of Consumer Products have been ranked according to their fiscal 2013 net sales in U.S. dollars. While changes in the overall ranking from year-to-year are generally driven by increases or decreases in companies' sales, fluctuations in exchange rates can also result in changes in the ranking. For example, a stronger currency vis-à-vis the dollar in 2013 means that companies reporting in that currency may rank higher in 2013 than they did in 2012, all other things being equal. Conversely, companies reporting in a weaker currency may rank lower.

Among the major currencies in 2013, the euro strengthened against the dollar, as did China's yuan renminbi to a lesser degree. The Japanese yen, South African rand, Brazilian real, and Indian rupee all depreciated sharply while the British pound was slightly weaker.

[1] Compound annual growth rate
[2] Nestlé's sales for 2010 - 2013 reflect an accounting change. Comparable sales figures for years prior to 2010 are not available.
n/a = not available
ne = not in existence (created by merger or divestiture)
e = estimate
* Unable to determine if company's reported sales exclude excise taxes

Source: Published company data

## Top 250 consumer products companies alphabetical listing

| | |
|---|---|
| AB Electrolux | 44 |
| Acer Incorporated | 65 |
| Activision Blizzard, Inc. | 161 |
| Adidas AG | 36 |
| Agropur Cooperative | 200 |
| Ajinomoto Co., Inc. | 80 |
| Alticor Inc. | 67 |
| Altria Group, Inc. | 42 |
| Amorepacific Group Co., Ltd. | 210 |
| Anadolu Efes Biracilik ve Malt Sanayii A.Ş. | 153 |
| Anheuser-Busch InBev SA/NV | 11 |
| Apple Inc. | 2 |
| Arca Continental, S.A.B. de C.V. | 155 |
| Arçelik A.Ş. | 126 |
| Arla Foods amba | 61 |
| Asahi Group Holdings, Ltd. | 60 |
| Ashley Furniture Industries, Inc. | 195 |
| ASICS Corporation | 231 |
| ASUSTeK Computer Inc. | 49 |
| Avon Products, Inc. | 82 |
| Bacardi Limited | 168 |
| BANDAI NAMCO Holdings Inc. (formerly Namco Bandai Holdings Inc.) | 145 |
| Barilla Holding S.p.A. | 177 |
| Bestseller A/S | 224 |
| Bongrain SA | 125 |
| Boparan Holdings Limited (aka 2 Sisters Food Group) | 164 |
| BRF S.A. (formerly BRF - Brasil Foods S.A.) | 54 |
| Bridgestone Corporation | 13 |
| British American Tobacco plc | 25 |
| BSH Bosch und Siemens Hausgeräte GmbH | 55 |
| Campbell Soup Company | 98 |

| | |
|---|---|
| Cargill Meat Solutions Corporation | 32 |
| Carlsberg A/S | 66 |
| Casio Computer Co., Ltd. | 236 |
| Cheng Shin Rubber Ind. Co., Ltd. | 166 |
| China Mengniu Dairy Company Limited | 112 |
| Chiquita Brands International, Inc. | 248 |
| Chocoladefabriken Lindt & Sprüngli AG | 244 |
| Church & Dwight Co., Inc. | 238 |
| Citizen Holdings Co., Ltd. | 246 |
| Clorox Company, The | 133 |
| Coca-Cola Amatil Limited | 151 |
| Coca-Cola Company, The | 9 |
| Coca-Cola East Japan Co., Ltd. | 196 |
| Coca-Cola Enterprises, Inc. | 94 |
| Coca-Cola HBC AG (formerly Coca-Cola Hellenic Bottling Company S.A.) | 87 |
| Coca-Cola West Co., Ltd. | 170 |
| Colgate-Palmolive Company | 43 |
| Compagnie Générale des Établissements Michelin S.C.A. | 22 |
| ConAgra Foods, Inc. | 41 |
| Constellation Brands, Inc. | 152 |
| Controladora Mabe S.A. de C.V. | 228 |
| Cooper Tire & Rubber Company | 220 |
| Coty Inc. | 162 |
| D.E Master Blenders 1753 B.V. | 208 |
| Dairy Farmers of America | 62 |
| Danish Crown AmbA | 78 |
| Danone | 20 |
| Dean Foods Company | 89 |
| Diageo plc | 46 |
| DMK Deutsches Milchkontor GmbH | 140 |
| Dole Food Company, Inc. | 167 |

| | |
|---|---|
| Dr Pepper Snapple Group, Inc. | 122 |
| Dr. August Oetker KG | 52 |
| E. & J. Gallo Winery | 198 |
| Electronic Arts Inc. | 211 |
| Emmi AG | 212 |
| Energizer Holdings, Inc. | 169 |
| Essilor International S.A. | 113 |
| Estée Lauder Companies Inc., The | 74 |
| Ezaki Glico Co., Ltd. | 242 |
| Ferrero Group, The | 77 |
| Flowers Foods, Inc. | 202 |
| Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA) | 31 |
| Fortune Brands Home & Security, Inc. | 183 |
| Fossil Group, Inc. | 234 |
| Fresh Del Monte Produce Inc. | 204 |
| Fromageries Bel S.A. | 205 |
| General Mills, Inc. | 40 |
| Goodyear Tire & Rubber Company, The | 35 |
| Gree Electric Appliances, Inc. of Zhuhai | 37 |
| Green Mountain Coffee Roasters, Inc. (now Keurig Green Mountain, Inc.) | 172 |
| Groupe Bigard S.A. | 127 |
| Groupe Lactalis | 28 |
| Groupe SEB | 136 |
| Groupe Terrena | 117 |
| Gruma, S.A.B. de C.V. | 178 |
| Grupo Bimbo, S.A.B. de C.V. | 56 |
| H. J. Heinz Company | 69 |
| Haier Group Company | 19 |
| Hanesbrands Inc. | 160 |
| Hangzhou Wahaha Group Co., Ltd. | 64 |
| Hankook Tire Co., Ltd. | 115 |

# Top 250 highlights

## Consumer products industry rides out another year of global economic recalibration in 2013

As a whole, 2013 was another challenging year for the global economy as it tried to gain a surer footing. Europe remained in recession during most of 2013, although it began to recover modestly by the end of the year and heading into 2014—but growth remained poor. The U.S. economy grew slowly in 2013 largely due to a tightening of fiscal policy. While the economy strengthened in Japan, supported by improved exports and the government's massive economic stimulus measures, the Chinese economy decelerated in 2013, and similar slow growth continued into 2014. Economic growth also cooled in several Latin American countries as they faced the end of China's commodity boom, weaker domestic demand, social unrest, and other downward pressures. Overall, recovery by many economies around the globe continued to be jagged and weak.

Although the global economy once again grew at a slower rate than had been expected, composite, currency-adjusted net sales rose 5.6 percent in 2013 for the Global Powers of Consumer Products—the world's 250 largest consumer products companies. Three-quarters of the Top 250 reported a sales increase in 2013, and half (125 companies) reported faster growth in 2013 compared with 2012. Accelerating growth, however, was not a trend seen across all geographic regions or product sectors.

On the bottom line, profitability strengthened in 2013 for the second year in a row. The composite net profit margin rose to 9.6 percent (based on 217 companies that reported their net profits), exceeding for the first time the 8.5 percent result achieved in 2010 when the industry began its post-recession rebound. The vast majority of reporting companies operated profitably in 2013 (202 companies); only 15 of the 217 reporting companies generated a net loss. In addition, net profit margins improved for the majority of reporting companies. Although asset turnover fell slightly in 2013, the improvement in profitability generated a higher 8.2 percent return on assets.

With an average size of US$12.3 billion, the Top 250 consumer products companies generated sales of nearly US$3.1 trillion in 2013. This is down slightly from 2012's Top 250 sales total due to changes in the composition of the group. In 2013, Panasonic, Nokia, and Blackberry (formerly Research In Motion) were excluded from the Top 250 because consumer products no longer make up the majority of their sales.

Net sales of at least US$3 billion were necessary to rank in the Top 250 in 2013. Nearly 70 percent of the companies generated sales of less than US$10 billion: 104 companies had sales between US$3 billion and US$5 billion, while 68 companies achieved sales between US$5 billion and US$10 billion. Less than 10 percent of the Top 250 reported sales of more than US$25 billion (23 companies).

## Top 250 quick stats

composite net profit margin
**9.6%**

**$3.07 trillion**
**aggregate net sales of Top 250 in US$**

**5.6%**
**composite year-over-year sales growth**

**$12.3 billion**
**average size of Top 250 consumer products companies**

compound annual growth rate in net sales, 2008-2013
**6.0%**

economic concentration of top 10
**29.5%**

composite return on assets
**8.2%**

**Minimum sales required to be on Top 250 list**
**$3.0 billion**

composite asset turnover
**0.8x**

# Top 10

## Top 10 consumer products companies

| Sales Rank FY13 | Company Name | Country of Origin | Region | Primary Product Sector | FY13 Net Sales (US$mil) | FY13 Net Sales Growth* | FY13 Net Profit Margin** | FY13 Return on Assets** | 2008-2013 Net Sales CAGR* *** |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Samsung Electronics Co., Ltd. | South Korea | Asia/Pacific | Electronic Products | 210,397 | 13.7% | 13.3% | 14.2% | 13.5% |
| 2 | Apple Inc. | United States | North America | Electronic Products | 170,910 | 9.2% | 21.7% | 17.9% | 35.4% |
| 3 | Nestlé S.A.[1] | Switzerland | Europe | Food, Drink & Tobacco | 99,485 | 2.7% | 11.3% | 8.7% | n/a |
| 4 | The Procter & Gamble Company | United States | North America | Personal Care & Household Products | 83,062 | -1.3% | 14.2% | 8.2% | 1.0% |
| 5 | Sony Corporation | Japan | Asia/Pacific | Electronic Products | 66,756 | 17.4% | -0.9% | -0.4% | -1.2% |
| 6 | PepsiCo, Inc. | United States | North America | Food, Drink & Tobacco | 66,415 | 1.4% | 10.2% | 8.8% | 9.0% |
| 7 | Unilever Group | Netherlands and U.K. | Europe | Personal Care & Household Products | 66,143 | -3.0% | 10.6% | 11.6% | 4.2% |
| 8 | LG Electronics Inc. | South Korea | Asia/Pacific | Electronic Products | 53,489 | 14.1% | 0.4% | 0.6% | -1.7% |
| 9 | The Coca-Cola Company | United States | North America | Food, Drink & Tobacco | 46,854 | -2.4% | 18.4% | 9.6% | 8.0% |
| 10 | JBS S.A. | Brazil | Latin America/ Caribbean | Food, Drink & Tobacco | 43,306 | 22.7% | 1.2% | 1.6% | 25.1% |
| **Top 10** | | | | | **$906,818** | **7.7%** | **12.0%** | **9.8%** | **10.1%** |
| **Top 250** | | | | | **$3,073,118** | **5.6%** | **9.6%** | **8.2%** | **6.0%** |
| **Economic Concentration of Top 10** | | | | | **29.5%** | | | | |

Source: Published company data
* Top 10 and Top 250 sales growth figures are sales-weighted, currency-adjusted composites
** Top 10 and Top 250 figures are sales-weighted composites
*** Compound annual growth rate
[1]Nestlé's sales for 2010 - 2013 reflect an accounting change. Comparable sales figures for years prior to 2010 are not available.

## World’s largest meat processor JBS joins top 10

In 2013, JBS, the world’s biggest meat processor, moved into the Global Powers of Consumer Products top 10 for the first time. The company’s acquisition-driven growth has propelled it rapidly up the ranking since it first joined the Top 250 in 2007 at #103 after acquiring Swift & Company. This was followed by the purchase of the Smithfield Beef Group from Smithfield Foods in 2008, a majority stake in Pilgrim’s Pride in 2009, a merger with Grupo Bertin in 2009, as well as numerous smaller deals. In September 2013, the company completed the acquisition of Grupo Zenda and Seara Alimentos from Marfrig Alimentos for a total consideration of R$5.85 billion (US$2.76 billion).

Despite the acquisition spree, the company’s entry into the top 10 was made possible only because Panasonic Corporation (#4 in 2012) was excluded from consideration in 2013, making room for JBS to join the leader board. More than 70 percent of Panasonic’s total sales were derived from areas outside consumer electronics during the fiscal year ended 31 March 2014, and less than half came from the sale of consumer products as the scope of the company’s activities has expanded into wide-ranging B2B sectors.

The other top 10 consumer products companies remained the same as in the prior year. However PepsiCo moved ahead of Unilever into sixth place and LG surpassed Coca-Cola to take eighth place.

The top 10 accounted for nearly 30 percent of total Top 250 net sales in 2013 as the leaders’ composite growth rate continued to outpace the group as a whole, reaching the highest level of economic concentration since Deloitte began tracking the industry’s Global Powers in 2006. On a composite basis, the world’s 10 largest consumer products companies grew 7.7 percent compared with 5.6 percent for the Top 250 companies as a whole.

Still, three top 10 companies saw their sales decline in 2013. While sales from continuing operations grew modestly for P&G and Unilever—the two personal care and household products companies in the top 10—their total sales fell as the companies continued to divest non-core brands and businesses. In July 2013, P&G completed the divestiture of its Pet Care operations to Mars, Inc. for US$2.9 billion. During 2013, Unilever sold its global Skippy peanut butter business to Hormel Foods and its Wish-Bone and Western salad dressing brands to Pinnacle Foods, among other disposals. Coca-Cola’s sales decline can be attributed to a mature soft-drinks industry in North America and Europe as well as the deconsolidation of the company’s Brazilian and Philippine bottling operations in 2013.

On the bottom line, the top 10 also outperformed the Top 250 with a composite net profit margin of 12.0 percent versus 9.6 percent for the entire group. Seven top 10 companies posted a double-digit net profit margin while only Sony operated at a loss.

# Geographic analysis

For purposes of geographical analysis, companies are assigned to a region based on their headquarters location, which may not coincide with where they derive the majority of their sales. Although many companies derive sales from outside their region, 100 percent of each company's sales are accounted for in that company's region. Five regions are used for analysis:

- Africa/Middle East
- Asia/Pacific
- Europe
- Latin America/Caribbean
- North America

## Region/country profiles

| | Number of companies | Average size (US$mil) | Share of Top 250 companies | Share of Top 250 sales |
|---|---|---|---|---|
| Africa/Middle East | 4 | $5,250 | 1.6% | 0.7% |
| Asia/Pacific | 86 | $11,727 | 34.4% | 32.8% |
| Japan | 50 | $8,690 | 20.0% | 14.1% |
| Other Asia/Pac[1] | 36 | $15,944 | 14.4% | 18.7% |
| China/Hong Kong | 21 | $10,543 | 8.4% | 7.2% |
| Europe | 62 | $13,056 | 24.8% | 26.3% |
| France | 14 | $11,918 | 5.6% | 5.4% |
| Germany | 9 | $11,383 | 3.6% | 3.3% |
| UK[2] | 7 | $23,775 | 2.8% | 5.4% |
| Latin America/Caribbean | 11 | $11,216 | 4.4% | 4.0% |
| North America | 87 | $12,767 | 34.8% | 36.1% |
| US | 82 | $13,192 | 32.8% | 35.2% |
| **Top 250** | **250** | **$12,292** | **100.0%** | **100.0%** |

Source: Deloitte analysis of published company data

[1] Excludes Japan; includes China/Hong Kong

[2] Includes Unilever, a dual-listed company consisting of Unilever PLC, based in London, and Unilever N.V., based in Rotterdam, Netherlands. The companies operate as a single business.

## Europe’s growth gap with other regions continues to widen

***European*** consumer products companies continued to struggle in 2013 as top-line growth decelerated amid weak domestic markets and a slowdown in some emerging markets—particularly Latin America and Africa/Middle East. Composite sales grew a meager 1.2 percent for the region’s companies, down from 4.0 percent in 2012. Companies based in Europe’s big three economies fared even worse. French companies eked out a 0.6 percent increase, while German companies fared only slightly better with 1.6 percent growth. This compares with prior-year growth rates of 6+ percent for both countries. Top-line growth for the UK companies turned negative in 2013 following a 4.8 percent gain in 2012.

Despite deteriorating sales growth, profitability improved from an already-healthy level. On a composite basis, the region posted an 11.0 percent net profit margin, up two percentage points from the prior year. Strong profitability can be attributed, in part, to the number of high-margin drinks, tobacco, and personal care products companies headquartered in the region. This is especially evident in the UK where British companies led the way with a composite 15.0 percent profit margin.

After back-to-back years of double-digit sales increases in 2010 and 2011, composite sales growth for the ***North American*** companies remained modest in 2013, dipping slightly to 3.6 percent from 4.0 percent the year before. For the third year in a row, however, the region’s profit margin expanded. The composite net profit margin was a robust 12.6 percent, the highest of the five geographic regions.

In 2013, sales growth nearly doubled to 10.9 percent for companies based in the ***Asia/Pacific*** region. The group’s overall result was propelled by strong growth among the Japanese companies. With a composite growth rate of 9.1 percent in 2013, Japan’s Top 250 consumer products companies finally exceeded the sales level reached in 2008, as demonstrated by the region’s positive compound annual growth rate over the 2008-2013 period of 0.9 percent. Sales growth for the Asia/Pacific region was also given a boost by a rebound in 2013 among the Chinese companies following a much softer pace of growth in 2012. China’s composite growth rate of 17.5 percent outperformed all other geographic groups.

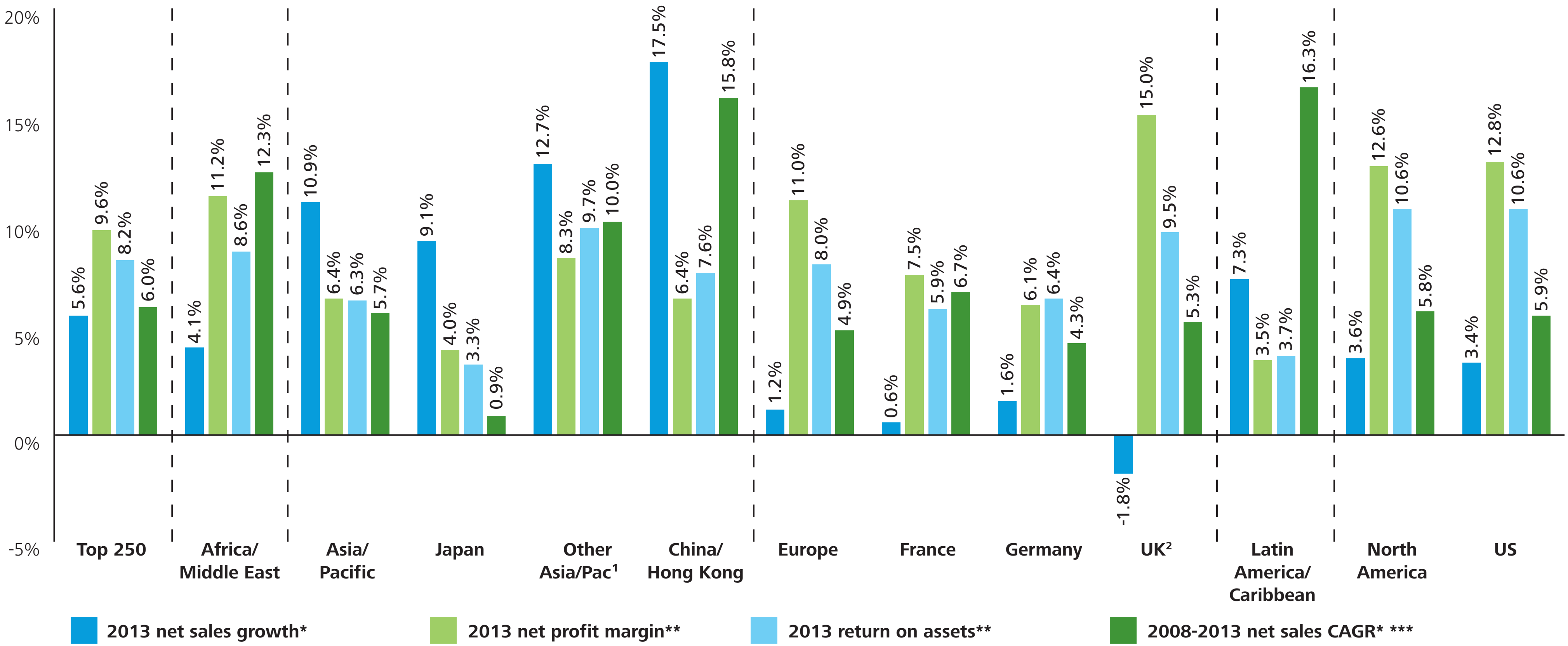
Profitability also increased in the region, aided by an improvement in Japan’s bottom line. Nevertheless, the composite net profit margin of 6.4 percent remained well below average compared with the Top 250 as a whole.

Sales for consumer products companies based in ***Latin America*** experienced a significant slowdown in 2013. The composite growth rate cooled to 7.3 percent—less than half the rate of growth in 2012. While it exceeded the Top 250’s 5.6 percent increase, the region’s growth was way off the pace of recent years as illustrated by its 5-year compound annual growth rate of 16.3 percent.

Profitability for the 11 Latin American companies that compose the region also was subpar. The composite net profit margin of 3.5 percent in 2013 was down one percentage point from the year before. This reflects the loss of Grupo Modelo from the region’s results. In June 2013, Anheuser-Busch InBev completed the purchase of the high-margin Mexican brewer.

In 2013, the composite growth rate for companies based in the ***Africa/Middle East*** region slowed sharply. At 4.1 percent, this compares unfavorably with the prior-year result of 16.9 percent as well as the region’s five-year compound annual growth rate of 12.3 percent. This should be interpreted with caution, however, as only four companies compose the region’s results. Sales declined for two of the companies and slowed considerably for another. Only Anadolu Efes, Turkey’s largest beverage company, enjoyed brisk growth in 2013 along with surging profits, which boosted the group’s composite net profit margin to 11.2 percent.

## Performance by region/country




Source: Deloitte analysis of published company data
* Sales-weighted, currency-adjusted composite growth rates
** Sales-weighted composites
*** Compound annual growth rate

[1] Excludes Japan; includes China/Hong Kong
[2] Includes Unilever, a dual-listed company consisting of Unilever PLC, based in London, and Unilever N.V., based in Rotterdam, Netherlands. The companies operate as a single business.

## Top consumer products companies by region

### Top 10 European consumer products companies

| Company Name | Europe rank | Top 250 rank | Product Sector | Country | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Nestlé S.A. | 1 | 3 | Food, Drink & Tobacco | Switzerland | 99,485 | 2.7% |
| Unilever Group | 2 | 7 | Personal Care & Household Products | Netherlands and UK | 66,143 | -3.0% |
| Anheuser-Busch InBev SA/NV | 3 | 11 | Food, Drink & Tobacco | Belgium | 43,195 | 8.6% |
| L'Oréal S.A. | 4 | 18 | Personal Care & Household Products | France | 30,519 | 2.3% |
| Danone | 5 | 20 | Food, Drink & Tobacco | France | 28,289 | 2.1% |
| Compagnie Générale des Établissements Michelin S.C.A. | 6 | 22 | Tires | France | 26,893 | -5.7% |
| Heineken N.V. | 7 | 23 | Food, Drink & Tobacco | Netherlands | 25,507 | 4.5% |
| British American Tobacco plc | 8 | 25 | Food, Drink & Tobacco | United Kingdom | 23,879 | 0.5% |
| Imperial Tobacco Group PLC | 9 | 26 | Food, Drink & Tobacco | United Kingdom | 22,780 | -0.6% |
| Henkel AG & Co. KGaA | 10 | 27 | Personal Care & Household Products | Germany | 21,724 | -0.9% |

Food, drink, and tobacco manufacturers along with makers of personal care and household products dominated ***Europe***'s largest consumer products companies, accounting for nine of the top 10 in 2013. Nestlé remained the undisputed leader with nearly $100 billion in sales. The biggest change from the prior year's top 10 roster was the absence of Nokia, which is no longer primarily a consumer products company following the sale of its smart devices and mobile phones business to Microsoft in April 2014. This change allowed Germany's Henkel, a manufacturer of personal and household products, to join the region's top 10 for the first time.

### Top 10 North American consumer products companies

| Company Name | North America rank | Top 250 rank | Product Sector | Country | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Apple Inc. | 1 | 2 | Electronic Products | United States | 170,910 | 9.2% |
| The Procter & Gamble Company | 2 | 4 | Personal Care & Household Products | United States | 83,062 | -1.3% |
| PepsiCo, Inc. | 3 | 6 | Food, Drink & Tobacco | United States | 66,415 | 1.4% |
| The Coca-Cola Company | 4 | 9 | Food, Drink & Tobacco | United States | 46,854 | -2.4% |
| Mondelez International, Inc. | 5 | 14 | Food, Drink & Tobacco | United States | 35,299 | 0.8% |
| Tyson Foods, Inc. | 6 | 15 | Food, Drink & Tobacco | United States | 34,374 | 3.3% |
| Mars, Incorporated | 7 | 16 | Food, Drink & Tobacco | United States | 33,000[e] | 0.0% |
| Philip Morris International Inc. | 8 | 17 | Food, Drink & Tobacco | United States | 31,217 | -0.5% |
| NIKE, Inc. | 9 | 21 | Apparel & Accessories | United States | 27,799 | 9.8% |
| Kimberly-Clark Corporation | 10 | 29 | Personal Care & Household Products | United States | 21,152 | 0.4% |

In 2013, ***North America***'s top 10 remained the same in name and order as the year before. However, top-ranked Apple continued to increase its lead over the region's other consumer products manufacturers and is now more than twice the size of second-place P&G. North America's top 10 are all U.S.-based companies. Canada's largest consumer products company is Saputo, a dairy processor with sales approaching US$8.8 billion in 2013.

**Top 10 Asia/Pacific consumer products companies**

| Company Name | Asia/ Pacific rank | Top 250 rank | Product Sector | Country | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Samsung Electronics Co., Ltd. | 1 | 1 | Electronic Products | South Korea | 210,397 | 13.7% |
| Sony Corporation | 2 | 5 | Electronic Products | Japan | 66,756 | 17.4% |
| LG Electronics Inc. | 3 | 8 | Electronic Products | South Korea | 53,489 | 14.1% |
| Lenovo Group Limited | 4 | 12 | Electronic Products | Hong Kong | 38,707 | 14.3% |
| Bridgestone Corporation | 5 | 13 | Tires | Japan | 36,609 | 17.4% |
| Haier Group Company | 6 | 19 | Home Furnishings & Equipment | China | 29,127 | 10.5% |
| Japan Tobacco Inc. | 7 | 24 | Food, Drink & Tobacco | Japan | 23,974 | 13.2% |
| Suntory Holdings Limited | 8 | 30 | Food, Drink & Tobacco | Japan | 20,932 | 10.2% |
| Kirin Holdings Company, Limited | 9 | 33 | Food, Drink & Tobacco | Japan | 19,943 | 3.9% |
| Midea Group Co., Ltd. | 10 | 34 | Home Furnishings & Equipment | China | 19,544 | 17.9% |

Electronics companies occupy the first four places in the *Asia/Pacific* top 10. However, there is one fewer electronics company on the list in 2013 with the exclusion of Panasonic Corporation. As with Europe's Nokia, consumer products no longer account for the majority of either company's sales. The elimination of Panasonic made room at the bottom of the list for a new top 10 company, Chinese appliance maker Midea Group. Meanwhile, Lenovo Group continued to move up in the ranking overtaking Bridgestone in 2013. With the acquisitions of Motorola Mobility from Google and IBM's x86 server business in 2014, Lenovo may become one of the 10 largest consumer products companies in the world in the near future.

**Top 10 Latin American/Caribbean consumer products companies**

| Company Name | Latin America/ Caribbean rank | Top 250 rank | Product Sector | Country | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| JBS S.A. | 1 | 10 | Food, Drink & Tobacco | Brazil | 43,306 | 22.7% |
| Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA) | 2 | 31 | Food, Drink & Tobacco | Mexico | 20,149 | 8.4% |
| BRF S.A. (formerly BRF - Brasil Foods S.A.) | 3 | 54 | Food, Drink & Tobacco | Brazil | 14,227 | 7.0% |
| Grupo Bimbo, S.A.B. de C.V. | 4 | 56 | Food, Drink & Tobacco | Mexico | 13,812 | 1.7% |
| Marfrig Global Foods S.A. (formerly Marfrig Alimentos S.A.) | 5 | 92 | Food, Drink & Tobacco | Brazil | 8,741 | -21.0% |
| Arca Continental, S.A.B. de C.V. | 6 | 155 | Food, Drink & Tobacco | Mexico | 4,736 | 7.3% |
| Bacardi Limited | 7 | 168 | Food, Drink & Tobacco | Bermuda | 4,477 | 0.2% |
| Gruma, S.A.B. de C.V. | 8 | 178 | Food, Drink & Tobacco | Mexico | 4,245 | -15.9% |
| Controladora Mabe S.A. de C.V. | 9 | 228 | Home Furnishings & Equipment | Mexico | 3,300[e] | -5.0% |
| Natura Cosméticos S.A. | 10 | 233 | Personal Care & Household Products | Brazil | 3,268 | 10.5% |

All but two of ***Latin America***'s Top 250 companies are food processors or beverage makers. Top-ranked JBS became the world's tenth-largest consumer products company in 2013 as noted in the global top 10 discussion above (see: World's largest meat processor JBS joins top 10). Grupo Modelo, which ranked sixth in the region in 2012, was acquired by Anheuser-Busch InBev in June 2013, and its results are now consolidated under its new parent company. This allowed Brazilian cosmetics and skin care manufacturer Natura Cosméticos to rejoin the region's top 10. Arca Continental, the second-largest bottler of Coca-Cola products in Latin America (behind Coca-Cola FEMSA), surpassed both Bacardi and Gruma, moving into sixth place in 2013.

**Top Africa/Middle East consumer products companies**

| Company Name | Africa/ ME rank | Top 250 rank | Product Sector | Country | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Savola Group Company | 1 | 111 | Food, Drink & Tobacco | Saudi Arabia | 7,034 | -3.7% |
| Arçelik A.Ş. | 2 | 126 | Home Furnishings & Equipment | Turkey | 5,846 | 5.1% |
| Anadolu Efes Biracilik ve Malt Sanayii A.Ş. | 3 | 153 | Food, Drink & Tobacco | Turkey | 4,845* | 43.3% |
| Vestel Elektronik Sanayi ve Ticaret A.Ş. | 4 | 232 | Electronic Products | Turkey | 3,276 | -17.3% |

Source: Published company data
e = estimate

* Unable to determine if company's reported sales exclude excise taxes

Four Top 250 consumer products companies compose the ***Africa/Middle East*** region with Savola, a multinational food group based in Saudi Arabia, still occupying the top spot. The region's three other companies are headquartered in Turkey. Sales soared 43.3 percent for Anadolu Efes, Turkey's largest brewer, following the consolidation in 2013 of Coca-Cola İçecek (CCİ), which is responsible for the conduct of the group's Coca-Cola operations in Turkey and abroad. This moved the company ahead of Vestel Elektronik, whose sales fell 17.3 percent primarily as a result of declining exports.

# Product sector analysis

For analytical purposes, the Top 250 companies have been organized into eight major product sectors:

- Apparel & accessories
- Electronic products
- Food, drink, and tobacco
- Home furnishings and equipment
- Home improvement products
- Leisure goods
- Personal care and household products
- Tires

## Product sector profiles

| | Number of companies | Average size (US$mil) | Share of Top 250 companies | Share of Top 250 sales |
|---|---|---|---|---|
| Apparel & accessories | 20 | $7,297 | 8.0% | 4.7% |
| Electronic products | 18 | $35,081 | 7.2% | 20.5% |
| Food, drink & tobacco | 142 | $10,627 | 56.8% | 49.1% |
| Home furnishings & equipment | 13 | $11,335 | 5.2% | 4.8% |
| Home improvement products | 10 | $6,993 | 4.0% | 2.3% |
| Leisure goods | 8 | $4,766 | 3.2% | 1.2% |
| Personal care & household products | 28 | $14,438 | 11.2% | 13.2% |
| Tires | 11 | $11,548 | 4.4% | 4.1% |
| **Top 250** | **250** | **$12,292** | **100.0%** | **100.0%** |

Source: Deloitte analysis of published company data

## Demand up for home-related products in 2013

The ***apparel and accessories*** sector, which had a strong post-recession rally in 2010 and 2011, continued to lose steam in 2013. Composite net sales grew 6.8 percent in 2013, down from 7.3 percent in 2012. While still a solid result compared with most other industry sectors, the pace of growth is less than half what it was in 2010. Profitability for the group improved slightly compared with the prior year. The sector posted a composite net profit margin of 8.3 percent, below average compared with the Top 250 as a whole, but a one percentage point improvement from 2012's result.

***Personal care and household products*** has been one of the slowest-growing product sectors in recent years, and 2013 was no exception. The combination of weak demand in Western markets and increasing competition resulted in composite sales growth of just 1.6 percent for the 28 Top 250 companies that made up this sector. Although organic sales rose modestly for P&G and Unilever—the industry's top two players—their total sales declined in 2013 as they continued to shed non-core brands and businesses. Given a boost by ever more granular market segmentation, however, the sector remained highly profitable, enjoying a composite net profit margin of 10.5 percent.

Sales grew at a moderate 4.2 percent pace in 2013 for manufacturers of ***food, drink, and tobacco products***, an uptick from 3.8 percent growth in 2012. Despite modest growth, the group remained highly profitable, posting a composite net profit margin of 10.2 percent. However, results varied considerably by subsector, especially on the bottom line.

Although the ***beverage group*** continued to perform better on the top line than its food and tobacco counterparts—as has historically been the case—composite sales growth fell to 5.2 percent in 2013 from 6.6 percent in 2012. Soft drinks manufacturers, facing softer demand in developed markets, acted as a drag on growth. Nevertheless, profitability for the alcoholic and non-alcoholic drinks makers remained robust. With a composite net profit margin of 16.1 percent, this group's bottom line result was second only to the tobacco companies.

Sales growth recovered a bit for both the food and tobacco subsectors in 2013. ***Food processors*** reported composite sales growth of 4.1 percent, an increase of one percentage point over the prior year. The group's bottom line also continued to strengthen—posting a composite net profit margin of 5.8 percent. However, food processing is by far a lower-margin business compared with drinks and tobacco companies.

As the sale of cigarettes continues to fall in developed markets and the industry scrambles to take advantage of the booming e-cigarette business, ***tobacco*** companies faced a slow-growth market again in 2013. Sales rose 2.7 percent for the nine companies the made up this subsector. Still, the industry continued to be highly profitable, reporting a net profit margin of 21.6 percent in 2013.

**Food, drink & tobacco: performance by subsector**

| | Number of companies | Average size (US$mil) | FY13 Net Sales Growth* | FY13 Net Profit Margin** | FY13 Return on Assets** | 2008-2013 net sales CAGR* *** |
|---|---|---|---|---|---|---|
| Beverages | 32 | $11,531 | 5.2% | 16.1% | 8.2% | 6.7% |
| Food processing | 101 | $9,884 | 4.1% | 5.8% | 6.3% | 5.2% |
| Tobacco | 9 | $15,747 | 2.7% | 21.6% | 12.9% | 4.8% |
| **Food, drink & tobacco** | **142** | **$10,627** | **4.2%** | **10.2%** | **8.0%** | **5.5%** |

Source: Deloitte analysis of published company data
* Sales-weighted, currency-adjusted composite growth rates
** Sales-weighted composites
*** Compound annual growth rate

As a group, the ***consumer electronics*** product sector had another good year in 2013 with sales up 11.2 percent on a composite basis coupled with strong profitability. However, if Panasonic and Nokia—excluded from the Top 250 in 2013—are factored out of the prior-year's results, the rate of growth slowed considerably compared with 2012. Sales for industry leader Samsung grew 13.7 percent in 2013, down from 21.9 percent in 2012. The sector's second-largest player, Apple, was unable to sustain the dramatic 40+ percent growth it achieved in each of the preceding five years as its sales cooled to just 9.2 percent in 2013. The 18 companies that composed the sector posted a composite net profit margin of 10.5 percent.

The pace of growth was nearly three times stronger for manufacturers of ***home furnishings and equipment*** in 2013 as composite sales rose 8.3 percent. This was driven largely by the double-digit growth rates of four Chinese companies: Haier, Midea, Gree, and Hisense. The sector's composite net profit margin remained fairly modest at 5.2 percent of revenue, as is typical for this group made up primarily of household appliance manufacturers.

***Home improvement*** companies also rebounded in 2013. Sales grew 10.9 percent, more than double the rate of growth in 2012. Growth accelerated for eight of the sector's ten companies. The group's bottom line also continued to improve. However, it remained the least profitable of all the product sectors with a composite net profit margin of 4.3 percent.

Top-line growth for the struggling ***leisure goods*** sector was back in negative territory in 2013 after a brief respite in 2012. Sales for the eight companies that make up the group fell 0.2 percent, dragged down primarily by Nintendo, which suffered declining sales for the fifth year in a row. Including Nintendo, half of the sector's players reported lower sales in 2013. On the other hand, with the exception of Nintendo and Electronic Arts, profits held up quite well. The group posted a composite net profit margin of 9.3 percent.

The ***tire*** sector continued to lag in 2013. Sales fell for four of the eleven tire manufacturers while growth slowed considerably for another four. Overall, sales rose 3.1 percent in 2013, an improvement over the sluggish 1.8 percent increase the prior year. Once again, all 11 companies turned a profit.

## Performance by product sector


Source: Deloitte analysis of published company data
* Sales-weighted, currency-adjusted composite growth rates
** Sales-weighted composites
*** Compound annual growth rate

## Top consumer products companies by product sector

### Top 10 apparel & accessories companies

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| NIKE, Inc. | 1 | 21 | United States | North America | 27,799 | 9.8% |
| adidas AG | 2 | 36 | Germany | Europe | 19,249 | -2.6% |
| V.F. Corporation | 3 | 70 | United States | North America | 11,420 | 5.0% |
| Luxottica Group S.p.A. | 4 | 83 | Italy | Europe | 9,713 | 3.2% |
| The Swatch Group Ltd. | 5 | 88 | Switzerland | Europe | 9,128 | 8.5% |
| PVH Corp. | 6 | 95 | United States | North America | 8,186 | 35.5% |
| Ralph Lauren Corporation | 7 | 105 | United States | North America | 7,450 | 7.3% |
| Essilor International S.A. | 8 | 113 | France | Europe | 6,728 | 1.5% |
| Rolex SA | 9 | 139 | Switzerland | Europe | 5,398[e] | 2.0% |
| Levi Strauss & Co. | 10 | 157 | United States | North America | 4,682 | 1.6% |

The composition of the ***apparel and accessories*** top 10 did not change in 2013, with Nike at the top. However, PVH rose two places in the ranking to sixth place following the acquisition of The Warnaco Group in February 2013. Otherwise, the rank order remained the same as the year before. All companies on the roster are American or European, and most represent iconic consumer brands.

**Top 10 electronic products companies**

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Samsung Electronics Co., Ltd. | 1 | 1 | South Korea | Asia/Pacific | 210,397 | 13.7% |
| Apple Inc. | 2 | 2 | United States | North America | 170,910 | 9.2% |
| Sony Corporation | 3 | 5 | Japan | Asia/Pacific | 66,756 | 17.4% |
| LG Electronics Inc. | 4 | 8 | South Korea | Asia/Pacific | 53,489 | 14.1% |
| Lenovo Group Limited | 5 | 12 | Hong Kong | Asia/Pacific | 38,707 | 14.3% |
| ASUSTeK Computer Inc. | 6 | 49 | Taiwan | Asia/Pacific | 15,636 | 3.3% |
| TCL Corporation | 7 | 57 | China | Asia/Pacific | 13,784 | 22.9% |
| Acer Incorporated | 8 | 65 | Taiwan | Asia/Pacific | 12,154 | -16.2% |
| Nikon Corporation | 9 | 81 | Japan | Asia/Pacific | 9,796 | -3.0% |
| Sichuan Changhong Electric Co., Ltd | 10 | 85 | China | Asia/Pacific | 9,511 | 12.5% |

Samsung and Apple, the world's two largest ***consumer electronics*** companies, stand apart from the sector's other top 10 companies, being several times the size of their nearest competitors. Samsung, with US$210 billion in sales in 2013, and Apple, with sales of US$171 billion, also have the distinction of being the two largest consumer products companies in the world. In addition, Apple is noteworthy for being the only top 10 consumer electronics company that is not based in Asia. However it is also worth noting that Apple's 9.2 percent sales growth in 2013 is its slowest in more than a decade as strong growth for most of the company's products was partially offset by a decline in sales of Mac and iPod and much slower growth of iPad.

As already noted, Panasonic and Nokia—both ranked among the electronic products sector's top 10 in the past—were removed from the Top 250 in 2013 as these companies no longer derive the majority of their sales from consumer products. TCL, one of China's leading makers of cell phones, and Changhong, one of the largest manufacturers of televisions in China, filled the vacated positions on the roster in seventh and tenth place, respectively.

**Top 10 food, drink & tobacco companies**

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Nestlé S.A. | 1 | 3 | Switzerland | Europe | 99,485 | 2.7% |
| PepsiCo, Inc. | 2 | 6 | United States | North America | 66,415 | 1.4% |
| The Coca-Cola Company | 3 | 9 | United States | North America | 46,854 | -2.4% |
| JBS S.A. | 4 | 10 | Brazil | Latin America | 43,306 | 22.7% |
| Anheuser-Busch InBev SA/NV | 5 | 11 | Belgium | Europe | 43,195 | 8.6% |
| Mondelez International, Inc. | 6 | 14 | United States | North America | 35,299 | 0.8% |
| Tyson Foods, Inc. | 7 | 15 | United States | North America | 34,374 | 3.3% |
| Mars, Incorporated | 8 | 16 | United States | North America | 33,000[e] | 0.0% |
| Philip Morris International Inc. | 9 | 17 | United States | North America | 31,217 | -0.5% |
| Danone | 10 | 20 | France | Europe | 28,289 | 2.1% |

The 10 largest ***food, drink, and tobacco*** companies also are dominated by European and American companies, with the list again headed by Nestlé. The names remained the same as in 2012. The only change among the sector's top 10 in 2013 involved the lone Latin American company, JBS, which continues to drive growth primarily through acquisitions. As a result, the Brazil-based meat processor moved ahead of AB InBev in the ranking and became the tenth-largest consumer products company in the world. With the exceptions of these two companies, the top 10 group reported generally weak sales growth.

**Top 10 home furnishings & equipment companies**

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Haier Group Company | 1 | 19 | China | Asia/Pacific | 29,127 | 10.5% |
| Midea Group Co., Ltd. | 2 | 34 | China | Asia/Pacific | 19,544 | 17.9% |
| Gree Electric Appliances, Inc. of Zhuhai | 3 | 37 | China | Asia/Pacific | 19,164 | 19.4% |
| Whirlpool Corporation | 4 | 38 | United States | North America | 18,769 | 3.5% |
| AB Electrolux | 5 | 44 | Sweden | Europe | 16,763 | -0.8% |
| BSH Bosch und Siemens Hausgeräte GmbH | 6 | 55 | Germany | Europe | 13,957 | 7.2% |
| Arçelik A.Ş. | 7 | 126 | Turkey | Africa/Middle East | 5,846 | 5.1% |
| Groupe SEB | 8 | 136 | France | Europe | 5,527 | 2.5% |
| Miele & Cie. KG | 9 | 171 | Germany | Europe | 4,369 | 2.2% |
| Ashley Furniture Industries, Inc. | 10 | 195 | United States | North America | 3,850[e] | 4.1% |

For the first time in 2013, three Chinese companies topped the list of ***home furnishings and equipment*** manufacturers, all propelled by double-digit growth rates. All three are makers of household appliances, as are all companies in the top 10 except for Ashley Furniture Industries, which joined the sector's leaderboard in 2013 in tenth place. Ashley Furniture replaced Italy's Indesit Company, whose 2013 sales declined as demand in Europe fell and its Norwegian operation was liquidated. In 2014, Whirlpool acquired control of Indesit, expanding the U.S. company's presence in Europe.

### Top 10 home improvement products companies

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| LIXIL Group Corporation | 1 | 47 | Japan | Asia/Pacific | 16,270 | 13.4% |
| Stanley Black & Decker, Inc. | 2 | 73 | United States | North America | 11,001 | 8.0% |
| Masco Corporation | 3 | 96 | United States | North America | 8,173 | 5.5% |
| Mohawk Industries, Inc. | 4 | 108 | United States | North America | 7,349 | 27.0% |
| TOTO Ltd. | 5 | 135 | Japan | Asia/Pacific | 5,529 | 16.2% |
| Kohler Co. | 6 | 146 | United States | North America | 5,000[e] | 0.0% |
| Husqvarna Group | 7 | 158 | Sweden | Europe | 4,655 | -1.7% |
| Techtronic Industries Co. Ltd. | 8 | 174 | Hong Kong | Asia/Pacific | 4,300 | 11.6% |
| Fortune Brands Home & Security, Inc. | 9 | 183 | United States | North America | 4,157 | 15.8% |
| JELD-WEN, Inc. | 10 | 216 | United States | North America | 3,500 | 9.4% |

The top 10 ***home improvement*** companies remained a stable group once again in 2013 with no changes to the companies or to their ranking. The list is dominated by U.S. manufacturers, but it is headed by LIXIL Group, a Japanese supplier of housing and building materials including doors, windows, shutters, kitchen and bathroom fixtures, and tile, among other products.

**Top leisure goods companies**

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Mattel, Inc. | 1 | 116 | United States | North America | 6,485 | 1.0% |
| Nintendo Co., Ltd. | 2 | 130 | Japan | Asia/Pacific | 5,712 | -10.0% |
| BANDAI NAMCO Holdings Inc. | 3 | 145 | Japan | Asia/Pacific | 5,072 | 4.2% |
| Activision Blizzard, Inc. | 4 | 161 | United States | North America | 4,583 | -5.6% |
| Lego A/S | 5 | 163 | Denmark | Europe | 4,521 | 8.4% |
| Yamaha Corporation | 6 | 185 | Japan | Asia/Pacific | 4,099 | 11.8% |
| Hasbro, Inc. | 7 | 188 | United States | North America | 4,082 | -0.2% |
| Electronic Arts Inc. | 8 | 211 | United States | North America | 3,575 | -5.8% |

The ***leisure goods*** sector continued to be represented by eight Top 250 companies in 2013. Mattel became the sector's largest company in 2013, finally surpassing Nintendo. Since 2008, the last year that Nintendo saw a sales increase, the company has dropped from 43rd place among the Top 250 to 130th in 2013. Lego Group, which surpassed videogame maker Electronic Arts in 2012, continued to move up in the ranking. Now in fifth place, Lego ranked ahead of Yamaha and Hasbro in 2013.

**Top 10 personal care & household products companies**

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| The Procter & Gamble Company | 1 | 4 | United States | North America | 83,062 | -1.3% |
| Unilever Group | 2 | 7 | Netherlands and United Kingdom | Europe | 66,143 | -3.0% |
| L'Oréal S.A. | 3 | 18 | France | Europe | 30,519 | 2.3% |
| Henkel AG & Co. KGaA | 4 | 27 | Germany | Europe | 21,724 | -0.9% |
| Kimberly-Clark Corporation | 5 | 29 | United States | North America | 21,152 | 0.4% |
| Colgate-Palmolive Company | 6 | 43 | United States | North America | 17,420 | 2.0% |
| Reckitt Benckiser Group plc | 7 | 48 | United Kingdom | Europe | 15,716 | 5.0% |
| Svenska Cellulosa AB SCA | 8 | 58 | Sweden | Europe | 13,672 | 4.2% |
| Kao Corporation | 9 | 59 | Japan | Asia/Pacific | 13,494 | 7.8% |
| Maxingvest AG | 10 | 63 | Germany | Europe | 12,755 | -0.1% |

The top 10 roster in the ***personal care and household products*** sector has been fairly stable for several years. The composition of the top 10 remained the same in 2013 as it was in 2012 and 2011, with P&G as the frontrunner. The only change involved the order: Kao Corporation fell from seventh place to ninth as the yen continued to depreciate against the U.S. dollar, which allowed Reckitt Benckiser and SCA to move up. U.S. and European companies accounted for nine of this sector's top 10, Japan's Kao being the only exception.

**Top 10 tire companies**

| Company Name | Product sector rank | Top 250 rank | Country | Region | FY13 Net Sales (US$mil) | FY13 Net Sales Growth |
|---|---|---|---|---|---|---|
| Bridgestone Corporation | 1 | 13 | Japan | Asia/ Pacific | 36,609 | 17.4% |
| Compagnie Générale des Établissements Michelin S.C.A. | 2 | 22 | France | Europe | 26,893 | -5.7% |
| The Goodyear Tire & Rubber Company | 3 | 35 | United States | North America | 19,540 | -6.9% |
| Pirelli & C. S.p.A. | 4 | 97 | Italy | Europe | 8,164 | 1.2% |
| Sumitomo Rubber Industries, Ltd. | 5 | 99 | Japan | Asia/ Pacific | 8,009 | 9.9% |
| Hankook Tire Co., Ltd. | 6 | 115 | South Korea | Asia/ Pacific | 6,504 | 0.4% |
| The Yokohama Rubber Co., Ltd. | 7 | 118 | Japan | Asia/ Pacific | 6,173 | 7.5% |
| Cheng Shin Rubber Ind. Co., Ltd. | 8 | 166 | Taiwan | Asia/ Pacific | 4,492 | 2.2% |
| Toyo Tire & Rubber Co., Ltd. | 9 | 199 | Japan | Asia/ Pacific | 3,798 | 0.1% |
| Cooper Tire & Rubber Company | 10 | 220 | United States | North America | 3,439 | -18.1% |

Source: Published company data
e = estimate

Eleven companies comprise the Top 250 ***tire*** sector. In addition to the top 10 shown here is South Korea's Kumho Tire. Although Asian companies accounted for six of the top 10 (and seven of the 11 total companies), the three largest tire manufacturers paint a more global picture: Japan's Bridgestone retained the top spot, followed by France's Michelin and U.S.-based Goodyear. The other tire companies are considerably smaller than the three leaders. Several changes in the order occurred in 2013, all the result of the weak Japanese yen, which caused Pirelli to move ahead of Sumitomo, Hankook to overtake Yokohama, and Cheng Shin to surpass Toyo.

# Top 250 newcomers

| Top 250 rank | Company Name | Country of origin | Dominant format | FY13 Net Sales Growth |
|---|---|---|---|---|
| 34 | Midea Group Co., Ltd. | China | Home Furnishings & Equipment | 17.9% |
| 71 | WH Group Limited | Hong Kong | Food, Drink & Tobacco | 80.2% |
| 165 | Lao Feng Xiang Co., Ltd. | China | Apparel & Accessories | 27.2% |
| 196 | Coca-Cola East Japan Co., Ltd. | Japan | Food, Drink & Tobacco | 92.4% |
| 209 | Hisense Kelon Electrical Holdings Company Ltd. | China | Home Furnishings & Equipment | 27.9% |
| 218 | Roll Global, LLC | United States | Food, Drink & Tobacco | 16.7% |
| 234 | Fossil Group, Inc. | United States | Apparel & Accessories | 14.1% |
| 235 | Konka Group Co., Ltd. | China | Electronic Products | 9.1% |
| 243 | Industrias Bachoco, S.A.B. de C.V. | Mexico | Food, Drink & Tobacco | 0.9% |

Source: Published company data

## Nine companies joined the Top 250 for the first time in 2013, five of which are Chinese

China's *Midea Group* is the highest-ranking newcomer at #34. In September 2013, Midea Group acquired the remaining 58.8 percent stake in GD Midea Holding Co. that it did not already own. As a result, GD Midea (ranked #80 among the Top 250 in 2012) was no longer a separate entity in 2013. It was replaced by the newly consolidated Midea Group, which debuted on the Shenzhen Stock Exchange on 18 September 2013, making it a fully public company.

Based in Hong Kong, *WH Group* is the largest pork company in the world, with number one positions in China, the United States, and key markets in Europe. The company is a majority shareholder in Henan Shuanghui Investment & Development Co., China's largest meat processing business, and owns Smithfield Foods, a global food company that it acquired in September 2013. It also has a 37% shareholding in Campofrio Food Group, the largest pan-European packaged meat products company. WH Group was formerly known as Shuanghui International and renamed itself in January 2014.

*Lao Feng Xiang* is a Chinese jewelry company engaged in the processing and trading, wholesaling and retailing, and importing and exporting of gold and silver jewelry and related products. The company is accelerating the development pace of its franchise stores.

*Coca-Cola East Japan* is the largest Coca-Cola bottler in Japan and the fifth largest bottler within the global Coca-Cola system. The company produces, markets, and distributes non-alcoholic, ready-to-drink beverages under the Coca-Cola trademark, as well as a variety of sparkling beverages, ready-to-drink coffees and teas, sports drinks, water, juices and juice drinks, and energy drinks. In July 2013, Coca-Cola Central Japan, Mikuni Coca-Cola Bottling, Tokyo Coca-Cola Bottling, and Tone Coca-Cola Bottling merged to form Coca-Cola East Japan.

*Hisense Kelon Electrical Holdings Company* is a Chinese manufacturer of refrigerators, freezers, air conditioners, and other household appliances. Qingdao Hisense Air-conditioning Company Limited (Hisense Group) is the company's largest shareholder. At 31 December 2013, it owned 45.22% of Kelon.

*Roll Global*, a U.S. company, is focused on healthy brands for healthy lifestyles. Products include fresh fruit and tree nuts; floral delivery; and premium beverages such as artesian water, California wines, and pure pomegranate juices and teas. Brands include POM Wonderful, FIJI Water, and Wonderful Pistachios. Wine holdings include JUSTIN Vineyards & Winery and Landmark Vineyards.

*Fossil Group* is a global design, marketing, and distribution company that specializes in fashion accessories including men's and women's fashion watches and jewelry, handbags and small leather goods, belts, sunglasses, and clothing. The company has developed a multi-brand portfolio of owned and licensed brand names under which it markets its products.

*Konka Group* is a Chinese manufacturer of consumer electronics and appliances. Its portfolio of products includes televisions, mobile phones, satellite set-top boxes, refrigerators, washing machines, portable speakers, soundbars, and other digital products under the Konka brand.

*Industrias Bachoco* is Mexico's leading chicken processor. It also produces and distributes eggs, swine, and animal feed and offers turkey and selected value-added beef products.

# Fastest 50

The Fastest 50 is based on compound annual sales growth over a five-year period. Between 2008 and 2013, sales grew at a compound rate of 19.3 percent for the world's 50 fastest-growing consumer products manufacturers—more than three times faster than for the Top 250 group as a whole. Just over half (26 companies) were also among the 50 fastest-growing companies in 2013, which required year-over-year growth of at least 12.0 percent.

*Green Mountain Coffee Roasters* retained its position at the top of the list in 2013, posting a five-year compound annual growth rate of 54.2 percent. In 2006, Green Mountain acquired Keurig, a business specializing in single-cup brewing systems that revolutionized beverage preparation at home and in the workplace and is responsible for much of the company's stellar growth. The acquisition of several coffee roasting companies over the years also contributed to its position as the leader of the Fastest 50 for two years running. In March 2014, the company changed its name to Keurig Green Mountain, creating a single corporate identity for its two strongest brands.

Acquisitions also served as the primary growth driver for *Boparan Holdings Limited* (aka 2 Sisters Food Group), which ranked second among the Fastest 50. Most notably, the UK food processor bought Northern Foods, a UK convenience foods manufacturer, in 2011. More recently, in April 2013, the company acquired Vion's poultry and red-meat business in the UK.

Not surprisingly, the majority of the Fastest 50 (31 companies) are based in emerging markets, including 17 of the 21 Top 250 companies from mainland China and Hong Kong. Seven of the Top 250 newcomers rank among the Fastest 50.

## 50 fastest-growing consumer products companies, 2008-2013 CAGR[1]

| CAGR[1] Rank | Top 250 Rank | Company Name | Country | FY13 Net Sales (US$mil) | Product Sector | 2008-2013 Net Sales CAGR[1] | FY13 Net Sales Growth | FY13 Net Profit Margin |
|---|---|---|---|---|---|---|---|---|
| 1 | 172 | Green Mountain Coffee Roasters, Inc. (now Keurig Green Mountain, Inc.) | United States | 4,358 | Food, Drink & Tobacco | 54.2% | 12.9% | 11.1% |
| 2 | 164 | Boparan Holdings Limited (aka 2 Sisters Food Group) | United Kingdom | 4,516 | Food, Drink & Tobacco | 41.5% | 23.3% | 1.2% |
| 3 | 2 | Apple Inc. | United States | 170,910 | Electronic Products | 35.4% | 9.2% | 21.7% |
| 4 | 147 | Kweichow Moutai Co., Ltd. | China | 4,995* | Food, Drink & Tobacco | 30.3% | 16.9% | 51.4% |
| 5 | 165 | Lao Feng Xiang Co., Ltd. | China | 4,514 | Apparel & Accessories | 27.9% | 27.2% | 3.4% |
| 6 | 95 | PVH Corp. | United States | 8,186 | Apparel & Accessories | 26.9% | 35.5% | 1.8% |
| 7 | 193 | Wuliangye Yibin Co., Ltd. | China | 3,993 | Food, Drink & Tobacco | 25.5% | -9.1% | 33.7% |
| 8 | 10 | JBS S.A. | Brazil | 43,306 | Food, Drink & Tobacco | 25.1% | 22.7% | 1.2% |
| 9 | 92 | Marfrig Global Foods S.A. (formerly Marfrig Alimentos S.A.) | Brazil | 8,741 | Food, Drink & Tobacco | 24.8% | -21.0% | -4.8% |
| 10 | 155 | Arca Continental, S.A.B. de C.V. | Mexico | 4,736 | Food, Drink & Tobacco | 24.4% | 7.3% | 10.3% |
| 11 | 37 | Gree Electric Appliances, Inc. of Zhuhai | China | 19,164 | Home Furnishings & Equipment | 23.1% | 19.4% | 9.1% |
| 12 | 209 | Hisense Kelon Electrical Holdings Company Ltd. | China | 3,584 | Home Furnishings & Equipment | 22.5% | 27.9% | 5.2% |
| 13 | 54 | BRF S.A. (formerly BRF - Brasil Foods S.A.) | Brazil | 14,227 | Food, Drink & Tobacco | 21.8% | 7.0% | 3.5% |
| 14 | 163 | Lego A/S | Denmark | 4,521 | Leisure Goods | 21.7% | 8.4% | 24.1% |
| 15 | 12 | Lenovo Group Limited | Hong Kong | 38,707 | Electronic Products | 21.0% | 14.3% | 2.1% |
| 16 | 143 | Skyworth Digital Holdings Limited | Hong Kong | 5,090 | Electronic Products | 20.8% | 4.4% | 3.6% |
| 17 | 75 | Tingyi (Cayman Islands) Holding Corp. | China | 10,941* | Food, Drink & Tobacco | 20.7% | 18.8% | 4.5% |
| 18 | 153 | Anadolu Efes Biracilik ve Malt Sanayii A.Ş. | Turkey | 4,845 | Food, Drink & Tobacco | 20.2% | 43.3% | 31.0% |
| 19 | 73 | Stanley Black & Decker, Inc. | United States | 11,001 | Home Improvement Products | 20.0% | 8.0% | 4.5% |
| 20 | 197 | Want Want China Holdings Limited | China | 3,818 | Food, Drink & Tobacco | 19.7% | 13.7% | 18.0% |
| 21 | 64 | Hangzhou Wahaha Group Co., Ltd. | China | 12,649 | Food, Drink & Tobacco | 19.0% | 23.1% | n/a |
| 22 | 156 | Ruchi Soya Industries Limited | India | 4,684 | Food, Drink & Tobacco | 17.7% | -4.9% | 0.0% |
| 23 | 71 | WH Group Limited | Hong Kong | 11,253 | Food, Drink & Tobacco | 17.4% | 80.2% | -0.6% |
| 24 | 57 | TCL Corporation | China | 13,784 | Electronic Products | 17.3% | 22.9% | 3.4% |
| 25 | 102 | Inner Mongolia Yili Industrial Group Co., Ltd. | China | 7,719 | Food, Drink & Tobacco | 17.1% | 13.8% | 6.7% |

Source: Published company data

| CAGR[1] Rank | Top 250 Rank | Company Name | Country | FY13 Net Sales (US$mil) | Product Sector | 200782013 Net Sales CAGR[1] | FY13 Net Sales Growth | FY13 Net Profit Margin |
|---|---|---|---|---|---|---|---|---|
| 26 | 176 | Hisense Electric Co., Ltd. | China | 4,276 | Electronic Products | 16.5% | 14.0% | 5.7% |
| 27 | 128 | ITC Limited | India | 5,821 | Food, Drink & Tobacco | 16.5% | 11.7% | 24.8% |
| 28 | 56 | Grupo Bimbo, S.A.B. de C.V. | Mexico | 13,812 | Food, Drink & Tobacco | 16.4% | 1.7% | 2.7% |
| 29 | 85 | Sichuan Changhong Electric Co., Ltd | China | 9,511 | Electronic Products | 16.1% | 12.5% | 1.3% |
| 30 | 234 | Fossil Group, Inc. | United States | 3,260 | Apparel & Accessories | 15.5% | 14.1% | 11.9% |
| 31 | 154 | Herbalife Ltd. | United States | 4,825 | Food, Drink & Tobacco | 15.4% | 18.5% | 10.9% |
| 32 | 210 | Amorepacific Group Co., Ltd. | South Korea | 3,584 | Personal Care & Household Products | 15.4% | 13.5% | 9.1% |
| 33 | 141 | Société Coopérative Agricole et Agro-alimentaire AGRIAL | France | 5,182 | Food, Drink & Tobacco | 15.4% | 8.1% | 0.9% |
| 34 | 243 | Industrias Bachoco, S.A.B. de C.V. | Mexico | 3,116 | Food, Drink & Tobacco | 14.6% | 0.9% | 5.1% |
| 35 | 233 | Natura Cosméticos S.A. | Brazil | 3,268 | Personal Care & Household Products | 14.1% | 10.5% | 12.1% |
| 36 | 111 | Savola Group Company | Saudi Arabia | 7,034 | Food, Drink & Tobacco | 13.8% | -3.7% | 8.1% |
| 37 | 1 | Samsung Electronics Co., Ltd. | South Korea | 210,397 | Electronic Products | 13.5% | 13.7% | 13.3% |
| 38 | 11 | Anheuser-Busch InBev SA/NV | Belgium | 43,195 | Food, Drink & Tobacco | 12.9% | 8.6% | 38.2% |
| 39 | 112 | China Mengniu Dairy Company Limited | Hong Kong | 7,004 | Food, Drink & Tobacco | 12.7% | 20.2% | 4.3% |
| 40 | 196 | Coca-Cola East Japan Co., Ltd. | Japan | 3,825 | Food, Drink & Tobacco | 12.6% | 92.4% | 3.1% |
| 41 | 224 | Bestseller A/S | Denmark | 3,380 | Apparel & Accessories | 12.4% | 6.3% | n/a |
| 42 | 180 | Tsingtao Brewery Co., Ltd. | China | 4,202 | Food, Drink & Tobacco | 12.2% | 10.3% | 7.4% |
| 43 | 247 | Seiko Holdings Corporation | Japan | 3,080 | Apparel & Accessories | 12.1% | 8.6% | 2.5% |
| 44 | 127 | Groupe Bigard S.A. | France | 5,844 | Food, Drink & Tobacco | 12.0% | 0.0% | n/a |
| 45 | 166 | Cheng Shin Rubber Ind. Co., Ltd. | Taiwan | 4,492 | Tires | 11.8% | 2.2% | 14.0% |
| 46 | 218 | Roll Global, LLC | United States | 3,500e | Food, Drink & Tobacco | 11.7% | 16.7% | n/a |
| 47 | 194 | LG Household & Health Care, Ltd. | South Korea | 3,980 | Personal Care & Household Products | 11.6% | 11.0% | 8.5% |
| 48 | 123 | Unicharm Corporation | Japan | 5,989 | Personal Care & Household Products | 11.5% | 20.9% | 7.3% |
| 49 | 28 | Groupe Lactalis | France | 21,252 | Food, Drink & Tobacco | 11.5% | 1.9% | n/a |
| 50 | 119 | Sodiaal Union | France | 6,132 | Food, Drink & Tobacco | 11.0% | 5.9% | 0.6% |
| **Fastest 50** *** ** | | | | | | **19.3%** | **12.5%** | **13.3%** |
| **Top 250** *** ** | | | | | | **6.0%** | **5.6%** | **9.6%** |

*Unable to determine if company's reported sales exclude excise taxes
**Fastest 50 and Top 250 growth rates are sales-weighted, currency-adjusted composites
***Fastest 50 and Top 250 net profit margins are sales-weighted composites
[1]Compound annual growth rate
e = estimate

Source: Published company data

# M&A activity

## M&A deal volume in consumer products industry on track to set record in 2014

The consumer products industry experienced another strong year of merger and acquisition activity in 2014 that likely will rival or exceed 2013 deal volume once all activity is accounted for. Since bottoming out in 2009, the number of deals has picked up every year, with 1,421 total deals completed by consumer products companies in 2013.

In 2014, 1,295 deals had been reported as of the end of February 2015. However, completed deal trends tend to lag actual M&A activity levels as it can take up to six months for completed deals to be formally reported. As more deals are accounted for and the historical data continues to be updated, the trend line will be revised upward, especially in more recent quarters and for 2014 as a whole. Based on the numbers to date, 2014 is on track to reach or surpass 2013's deal volume.

Unlike deal volume, however, deal values have trended down since 2009—that is until 2013 when the average value rebounded sharply.  The decline in deal values through 2012 may be accounted for, at least in part, by bargain hunting opportunities coming out of the global economic slowdown that allowed companies to pick up assets at distressed prices. In 2013, deal values were disclosed for 694 transactions, or nearly half the completed deals reported. With a total deal value for these transactions of almost $223 billion, the average value was $321 million. While still down from $380 million in 2009, average deal value was up nearly 40 percent from 2012. Based on preliminary results for 2014, the average value of reported deals was $296 million and subject to revision as the data is updated.

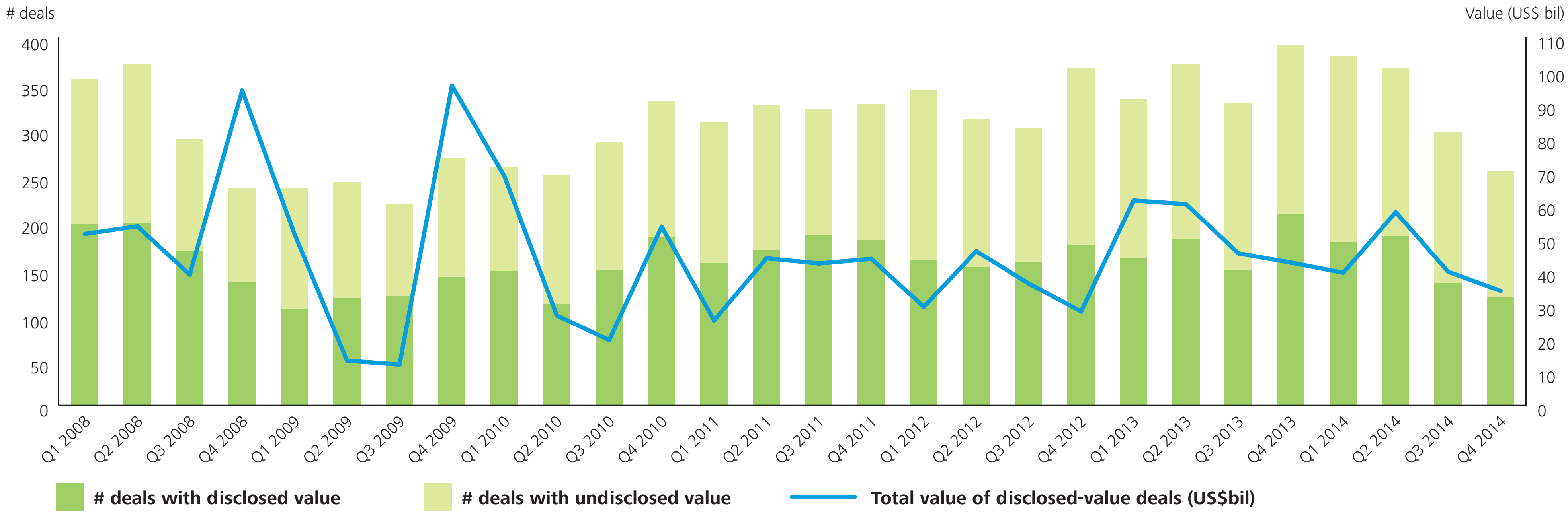
**M&A activity in the consumer products industry, 2005-2014***

| Year | Total # deals | # deals with disclosed value | Total value of disclosed-value deals (US$mil) | Average value of disclosed-value deals (US$ mil) | # deals with undisclosed value | # deals with value $100+ mil | Total value of deals $100+ mil (US$mil) | Average value of deals $100+ mil (US$mil) |
|---|---|---|---|---|---|---|---|---|
| 2014* | 1295 | 612 | $181,219 | $296 | 683 | 194 | $169,831 | $875 |
| 2013 | 1421 | 694 | $222,590 | $321 | 727 | 228 | $208,358 | $914 |
| 2012 | 1320 | 636 | $147,096 | $231 | 684 | 205 | $133,999 | $654 |
| 2011 | 1281 | 687 | $163,856 | $239 | 594 | 217 | $149,348 | $688 |
| 2010 | 1123 | 585 | $177,845 | $304 | 538 | 184 | $164,478 | $894 |
| 2009 | 964 | 479 | $182,203 | $380 | 485 | 125 | $172,100 | $1,377 |
| 2008 | 1255 | 703 | $253,989 | $361 | 552 | 211 | $238,644 | $1,131 |
| 2007 | 1360 | 855 | $221,662 | $259 | 505 | 261 | $204,229 | $782 |
| 2006 | 1319 | 831 | $137,068 | $165 | 488 | 204 | $118,929 | $583 |
| 2005 | 1116 | 696 | $204,459 | $294 | 420 | 195 | $190,425 | $977 |

Results reflect deals completed during the calendar year by consumer products companies; acquired companies may be in any industry
* Results for 2014 are preliminary and subject to upward revision

Source: mergermarket.com; accessed February 28, 2015

M&A activity in the consumer products industry, Q1 2008 – Q4 2014




Results reflect deals completed during each quarter by consumer products companies; acquired companies may be in any industry
Results for 2014 are preliminary and subject to upward revision

Source: mergermarket.com; accessed February 28, 2015

Looking only at deals valued at $100 million or more, the trends are much the same. In 2009, there were only 125 large deals, the fewest over the last 10 years. Since then, the number has increased with 228 significant transactions completed in 2013. Again, 2014 is on pace to match, if not beat that number. It is unlikely, however, that 2014's result will reach the volume of transactions achieved in 2007 (261 deals of $100+ million), just prior to the global economic crisis.

As with all deals with a disclosed value, the average value of the $100+ million deals also peaked in 2009 before dropping through 2012. The strong rebound in the value of these larger deals in 2013 appears to have continued in 2014 but remains well shy of 2009's $1,377 million average valuation.

In 2014, 20 deals of at least $1 billion were completed in the consumer products industry. While this is down from 27 mega deals completed in 2013, it does not take into account 12 additional billion-dollar-plus deals that were announced in 2014 but were closed in 2015 or still pending as of the end of February.

**Top acquisitions in the consumer products industry in 2013***

| Deal rank | Buyer / Parent company | Buyer location | Buyer product sector | Acquired business / Parent company | Acquired business location | Acquired business product sector | Deal value** (US$mil) | Completion Date |
|---|---|---|---|---|---|---|---|---|
| 1 | Consortium led by Berkshire Hathaway and 3G Capital | United States | Investment Firm/Private Equity Firm | **H.J. Heinz Company** | United States | Food, Drink & Tobacco | $27,362 | 6/7/13 |
| 2 | **Anheuser-Busch InBev SA/NV** | Belgium | Food, Drink & Tobacco | Grupo Modelo, S.A.B. de C.V. (remaining 50% stake) | Mexico | Food, Drink & Tobacco | $20,100 | 6/4/13 |
| 3 | Thai Charoen Corporation Group (TCC Assets and Thai Beverage PCL) | Thailand | Food, Drink & Tobacco | Fraser & Neave Limited (additional shares acquired for a total 90.32% stake) | Singapore | Food, Drink & Tobacco | $12,932 | 1/30/13 |
| 4 | **Nestlé S.A.** | Switzerland | Food, Drink & Tobacco | Pfizer Nutrition/Pfizer Inc. | United States | Food, Drink & Tobacco | $11,850 | 4/15/13 |
| 5 | JAB Holdings B.V. | Netherlands | Food, Drink & Tobacco | **D.E Master Blenders 1753 N.V.** (84.95% stake) | Netherlands | Food, Drink & Tobacco | $8,623 | 9/18/13 |
| 6 | **Coca-Cola HBC AG** (holding company formed by Kar-Tess Holding S.A. for the acquisition of Coca-Cola Hellenic Bottling Company) | Switzerland | Food, Drink & Tobacco | Coca-Cola Hellenic Bottling Company S.A. (remaining 76.7% stake) | Greece | Food, Drink & Tobacco | $8,073 | 6/18/12 |
| 7 | **WH Group Limited** (formerly Shuanghui International Holdings Limited) | China | Food, Drink & Tobacco | Smithfield Foods, Inc. | United States | Food, Drink & Tobacco | $6,949 | 9/26/13 |
| 8 | **ConAgra Foods, Inc.** | United States | Food, Drink & Tobacco | Ralcorp Holdings Inc. | United States | Food, Drink & Tobacco | $6,740 | 1/29/13 |
| 9 | **Heineken N.V.** | Netherlands | Food, Drink & Tobacco | Asia Pacific Breweries Ltd./Fraser & Neave | Singapore | Food, Drink & Tobacco | $6,593 | 1/31/13 |
| 10 | **Midea Group Co., Ltd.** | China | Home Furnishings & Equipment | GD Midea Holding Co., Ltd. (remaining 58.83% stake that it does not already own) | China | Home Furnishings & Equipment | $4,923 | 9/18/13 |
| 11 | **Constellation Brands, Inc** | United States | Food, Drink & Tobacco | Compania Cervecera de Coahuila/ **Anheuser-Busch InBev SA/NV** | Mexico | Food, Drink & Tobacco | $2,900 | 6/7/13 |
| 12 | LVMH Moet Hennessy Louis Vuitton SA | France | Apparel & Accessories | Loro Piana S.p.a. (80% stake) | Italy | Apparel & Accessories | $2,831 | 12/5/13 |
| 13 | **PVH Corp.** | United States | Apparel & Accessories | The Warnaco Group, Inc. | United States | Apparel & Accessories | $2,787 | 2/13/13 |
| 14 | **JBS S.A.** | Brazil | Food, Drink & Tobacco | Seara Alimentos S.A. and Grupo Zenda/ **Marfrig Alimentos S.A.** | Brazil and Uruguay | Food, Drink & Tobacco | $2,762 | 10/1/13 |

**Top acquisitions in the consumer products industry in 2013***

| Deal rank | Buyer / Parent company | Buyer location | Buyer product sector | Acquired business / Parent company | Acquired business location | Acquired business product sector | Deal value** (US$mil) | Completion Date |
|---|---|---|---|---|---|---|---|---|
| 15 | **Suntory Holdings Limited** | Japan | Food, Drink & Tobacco | Lucozade and Ribena non-alcoholic brands/ GlaxoSmithKline Plc | UK | Food, Drink & Tobacco | $2,120 | 12/31/13 |
| 16 | **Fomento Económico Mexicano, S.A.B. de C.V.** (Coca-Cola FEMSA) | Mexico | Food, Drink & Tobacco | Spaipa SA Industria Brasileira de Bebidas | Brazil | Food, Drink & Tobacco | $1,855 | 10/29/13 |
| 17 | **Constellation Brands, Inc.** | United States | Food, Drink & Tobacco | Crown Imports LLC (remaining 50% stake in JV formed with Grupo Modelo SAB de CV)/ **Anheuser-Busch InBev SA/NV** | United States | Food, Drink & Tobacco | $1,850 | |
| 18 | **Jarden Corporation** | United States | Personal Care & Household Products | The Yankee Candle Company, Inc./ Madison Dearborn Partners LLC | United States | Personal Care & Household Products | $1,750 | 10/3/13 |
| 19 | Itochu Corporation | Japan | Conglomerate | Packaged food and Asia fresh produce business/**Dole Food Company, Inc.** | United States | Food, Drink & Tobacco | $1,685 | 1/24/13 |
| 20 | Cobega, S.A. | Spain | Food, Drink & Tobacco | Rendelsur SA | Spain | Food, Drink & Tobacco | $1,553 | 2/18/13 |
| 21 | **Saputo, Inc.** | Canada | Food, Drink & Tobacco | Morningstar Foods, LLC/ **Dean Foods Company** | United States | Food, Drink & Tobacco | $1,450 | 1/3/13 |
| 22 | **China Mengniu Dairy Company Limited** | Hong Kong | Food, Drink & Tobacco | Yashili International Holdings Ltd. (89.82% stake)/The Carlyle Group, LLC | China | Food, Drink & Tobacco | $1,260 | 7/24/13 |
| 23 | Cobega, S.A. | Spain | Food, Drink & Tobacco | Compania Castellana De Bebidas Gaseosas, S.L. | Spain | Food, Drink & Tobacco | $1,125 | 2/18/13 |
| 24 | **Orkla ASA** | Norway | Food, Drink & Tobacco | Rieber & Son ASA | Norway | Food, Drink & Tobacco | $1,033 | 4/30/13 |
| 25 | TPG Capital, L.P. | United States | Private Equity Firm | Inghams Enterprises Pty Limited | Australia | Food, Drink & Tobacco | $1,027 | 3/11/13 |
| 26 | PAI Partners and Omnes Capital | France | Private Equity Firm | R&R Ice Cream Plc/Oaktree Capital Group, LLC | UK | Food, Drink & Tobacco | $1,107 | 7/16/13 |
| 27 | **The Swatch Group Ltd.** | Switzerland | Apparel & Accessories | Harry Winston Inc./Dominion Diamond Corporation | United States | Apparel & Accessories | $1,000 | 3/26/13 |

* Includes only acquisitions where a controlling interest in the acquired company is transferred to the acquiring company.
** Deal value is the sum of the consideration paid by the acquirer for the equity stake in the target plus the value of the net debt in the target, where applicable (i.e., where debt will be consolidated as a result of the purchase). Net debt is defined as short-term and long-term debt minus cash and cash equivalents.

Company names in bold are FY2013 Global Powers of Consumer Products Top 250 companies

Source: mergermarket.com and company reports

**Top acquisitions in the consumer products industry in 2014***

| Deal rank | Buyer / Parent company | Buyer location | Buyer product sector | Acquired business / Parent company | Acquired business location | Acquired business product sector | Deal value** (US$mil) | Completion Date |
|---|---|---|---|---|---|---|---|---|
| 1 | **Suntory Holdings Limited** | Japan | Food, Drink & Tobacco | Beam, Inc. | United States | Food, Drink & Tobacco | $15,428 | 4/30/14 |
| 2 | **Tyson Foods, Inc.** | United States | Food, Drink & Tobacco | **Hillshire Brands Co.** | United States | Food, Drink & Tobacco | $8,392 | 8/28/14 |
| 3 | Microsoft Corporation | United States | Computer Software | Nokia Oyj (Devices and Services business) | Finland | Computer Hardware | $7,177 | 4/25/14 |
| 4 | **Anheuser-Busch InBev SA/NV** | Belgium | Food, Drink & Tobacco | Oriental Brewery/Kohlberg Kravis Roberts and Affinity Equity Partners | South Korea | Food, Drink & Tobacco | $6,221 | 3/31/14 |
| 5 | **Nestlé S.A.** | Switzerland | Food, Drink & Tobacco | 50% stake in Galderma Pharma SA/ **L'Oreal S.A.** | Switzerland | Personal Care & Household Products | $4,200 | 7/8/14 |
| 6 | Yildiz Holding A.S. | Turkey | Food, Drink & Tobacco | United Biscuits Limited/PAI Partners and Blackstone Group L.P. | UK | Food, Drink & Tobacco | $3,196 | 11/12/14 |
| 7 | **Diageo plc** | UK | Food, Drink & Tobacco | United Spirits Limited (additional 26% acquired for a total 54.78% stake) | India | Food, Drink & Tobacco | $3,140 | 7/2/14 |
| 8 | **Apple Inc.** | United States | Electronic Products | Beats Electronics LLC/The Carlyle Group, Dr. Dre and Jimmy Iovine | United States | Electronic Products | $3,000 | 8/1/14 |
| 9 | **Lenovo Group Limited** | China | Electronic Products | Motorola Mobility Holdings, Inc./Google Inc. | United States | Electronic Products | $2,910 | 10/30/14 |
| 10 | **Mars, Incorporated** | United States | Food, Drink & Tobacco | Iams, Eukanuba and Natura pet-food brands/ **Procter & Gamble Company** | United States | Food, Drink & Tobacco | $2,900 | 8/1/14 |

**Top acquisitions in the consumer products industry in 2014***

| Deal rank | Buyer / Parent company | Buyer location | Buyer product sector | Acquired business / Parent company | Acquired business location | Acquired business product sector | Deal value** (US$mil) | Completion Date |
|---|---|---|---|---|---|---|---|---|
| 11 | Post Holdings, Inc. | United States | Food, Drink & Tobacco | Michael Foods, Inc./Thomas H. Lee Partners, L.P. and GS Capital Partners | United States | Food, Drink & Tobacco | $2,450 | 6/2/14 |
| 12 | Whirlpool Italia Holdings S.r.l./ **Whirlpool Corporation** | United States | Home Furnishings & Equipment | **Indesit Company S.p.A.** (97.4% stake) | Italy | Home Furnishings & Equipment | $2,221 | 11/21/14 |
| 13 | Sycamore Partners | United States | Private Equity Firm | **The Jones Group, Inc.** | United States | Apparel & Accessories | $2,199 | 4/8/14 |
| 14 | Mizkan Group Corporation | Japan | Food, Drink & Tobacco | North America Pasta Sauces Business of Conopco Inc., a subsidiary of **Unilever Plc** | United States | Food, Drink & Tobacco | $2,150 | 7/1/14 |
| 15 | **Lenovo Group Limited** | China | Electronic Products | IBM's x86 server business from IBM | United States | Electronic Products | $2,100 | 9/29/14 |
| 16 | **Essilor International SA** | France | Opthalmic Products | Transitions Optical, Inc. (acquired remaining 51% from joint venture partner PPG Industries Inc.) | United States | Opthalmic Products | $1,855 | 4/1/14 |
| 17 | Del Monte Pacific Limited/ NutriAsia Pacific Ltd. | Singapore | Food, Drink & Tobacco | Consumer food business/Del Monte Corporation | United States | Food, Drink & Tobacco | $1,675 | 2/19/14 |
| 18 | **Chocoladefabriken Lindt & Spruengli (International) AG** | Switzerland | Food, Drink & Tobacco | Russell Stover Candies, Inc | United States | Food, Drink & Tobacco | $1,400 | 7/14/14 |
| 19 | **Nestlé S.A.** | Switzerland | Food, Drink & Tobacco | Rights to several injectable skincare treatments/ Valeant Pharmaceuticals International, Inc. | Canada | Personal Care & Household Products | $1,400 | 7/10/14 |
| 20 | **Grupo Bimbo SA de CV** | Mexico | Food, Drink & Tobacco | Canada Bread Company, Limited/ **Maple Leaf Foods Inc.** | Canada | Food, Drink & Tobacco | $1,359 | 5/23/14 |

* Includes only acquisitions where a controlling interest in the acquired company is transferred to the acquiring company.
** Deal value is the sum of the consideration paid by the acquirer for the equity stake in the target plus the value of the net debt in the target, where applicable (i.e., where debt will be consolidated as a result of the purchase). Net debt is defined as short-term and long-term debt minus cash and cash equivalents.

Company names in bold are FY2013 Global Powers of Consumer Products Top 250 companies

Source: mergermarket.com and company reports

The largest deal in 2014 was the acquisition of spirits-maker Beam by Japan's Suntory Holdings for a total consideration of $15.4 billion. The year's second biggest transaction was Tyson Foods' purchase of Hillshire Brands for $8.4 billion. Two other deals were valued at over $5 billion: Microsoft acquired the devices and services business (mobile phones) from Nokia for $7.2 billion, and Anheuser-Busch InBev bought Oriental Brewery from KKR and Affinity Equity Partners for $6.2 billion.

## Restructuring of consumer products industry giants driving M&A activity

Despite the flurry of mega deals over the past two years, the consumer products industry has learned that a clearly defined growth strategy is critical and that bigger is not necessarily better. The impact of the global recession resulted in a number of companies reevaluating their strategic positioning in order to generate sustainable earnings and ongoing growth. Many companies started to review their business portfolios to identify underperforming assets or brands that did not leverage core capabilities or support core business growth, with a view to divesting them into a recovering deal market where asset prices are high. As a result, corporate restructuring is putting a number of assets in play, including flagship and other strong brands, that no longer fit a particular company's strategic vision where sales proceeds can be better invested into higher-margin , higher-growth categories that ultimately result in EPS accretion in the mid to long term.

A review of recent M&A activity shows that, increasingly, consumer products companies are seeking to dominate leading market positions rather than diversify; to rightsize, not necessarily upsize. In mature industry sectors like tobacco, beverages, appliances, and pet food, among others, companies are regrouping into more focused, streamlined players.

In August 2014, Procter & Gamble, the world's largest personal care and household products maker, announced it would sell about half its brands in the next two years in a bold attempt to refocus the business on 70 to 80 brands. CEO A.G. Lafley stressed size of sales won't be the only criteria for shedding brands, declaring even large brands would be sold if they don't fit strategically into the company's core businesses. "Less will be much more," Lafley told analysts. "The objective is growth and much more reliable generation of cash and profit. We're going to be much more agile and adaptable." In line with P&G's strategy to concentrate on its core businesses, the company has already exited or announced plans to exit its pet care and battery businesses.

- In July 2014, P&G completed the divestiture of its pet food business in North America, Latin America and other selected countries  to Mars, the privately-held American confectionery and pet food manufacturer, for $2.9 billion. Mars then exercised its option to purchase P&G's pet businesses in certain markets in Asia Pacific, Middle East, Eastern Europe and Africa. In December, P&G sold its European pet food business to Spectrum Brands for an undisclosed amount.
- P&G is also in the process of exiting the alkaline battery business. The first step was the sale of its majority interest in a China-based battery joint venture, Fujian Nanping Nanfu Battery Co., to a Chinese private equity firm. This was accomplished in December 2014. The second step is the exit of the Duracell business. In November 2014, P&G announced an agreement with Berkshire Hathaway in which P&G would exchange a recapitalized Duracell Company for Berkshire Hathaway's shares of P&G stock. In its November 2014 press release, P&G said that Berkshire's stock ownership was valued at approximately $4.7 billion, and that it expects to contribute approximately $1.8 billion in cash to the Duracell Company in the pre-transaction recapitalization. The deal is expected to close in the second half of calendar 2015.

Unilever, P&G's European rival, also continues to benefit from an ongoing plan to streamline its product portfolio, using disposals and acquisitions to focus on key strategic categories. For several years, the Anglo-Dutch company has been pruning its food portfolio while targeting growth opportunities in its other core categories: personal care, home care, and refreshments. Like P&G, Unilever believes that a more focused company, targeted at growth-oriented categories where it leads the market, should be able to grow faster, create more value, and reduce complexity.

- In the past two years, the company has sold its Skippy peanut butter business to Hormel Foods (2013); its Wish-Bone and Western salad dressing brands to Pinnacle Foods (2013); its North American pasta sauce business under the Ragu and Bertolli brands to Mizkan Group (2014); and its Slim-Fast line of diet foods to Kainos Capital (2014)—in addition to numerous smaller deals.
- In December 2014, Unilever announced plans to separate its lower-growth North American and European spreads business into a standalone company to be renamed Unilever Baking, Cooking & Spreading. The unit, which is expected to be fully operational by July 2015, will continue to be owned by Unilever but will have its own dedicated management team.
- The company is targeting acquisitions in the personal care segment in order to build scale and create or sustain leadership positions in faster-growing categories.  Unilever announced in January 2015 that it would acquire the Camay soap brand globally, the Zest brand outside of North America and the Caribbean, and a bar soap manufacturing facility in Mexico from P&G for an undisclosed amount. The transaction, which is expected to close during the first half of 2015 subject to necessary regulatory approvals, will help cement Unilever's global leadership in the skin cleansing category. The company will instantly become the market leader in soaps in Mexico, a priority market for Unilever.
- Unilever also acquired Talenti Gelato & Sorbetto to build scale in the premium ice cream category in the United States.

In addition to P&G and Unilever, an analysis of the M&A activity over the past two years and into 2015 shows many other examples of consumer products companies seeking to simplify and focus their businesses around core categories and capabilities, consolidating their positions in key product markets.

### Thirst for growth in the beverage sector

The prospect of high growth in the alcohol and soft drinks sector is limited in developed markets for all but a few categories, resulting in companies searching for growth further afield. As emerging economies have become a significant growth driver for beverage companies, a thirst for acquisitions continues to drive brewers and spirits companies in the global drinks market.

- Suntory has been aggressively pursuing foreign acquisitions in an effort to expand outside its mature domestic market. After buying France's Orangina Schweppes for more than $3 billion in 2009, the company spent $2.1 billion on GlaxoSmithKline's soft drinks unit, which included the Lucozade and Ribena brands. Suntory's April 2014 acquisition of U.S. bourbon maker Beam, with its strong global distribution network, was the largest consumer products transaction to be completed in 2014. The deal has amassed a product portfolio of leading global brands that now makes Suntory one of the world's biggest premium spirits companies.
- Diageo, the world's biggest distiller, gained control of United Spirits Limited, the largest distiller in India, in July 2014. A controlling stake in United Spirits gives the U.K. company the leading position in the world's largest whiskey market and access to a market-leading distribution platform for its international brands.

Consolidation is still on tap for the brewing industry as a decline in beer consumption in mature markets forces beer makers to look elsewhere for growth.

- In March 2014, Anheuser-Busch InBev repurchased Oriental Brewery, the South Korean brewer, in a transaction valued at more than $6 billion. The deal expands AB InBev's international footprint and signals its return to the fast-growing Asia-Pacific region, a market it largely abandoned after it sold Oriental Brewery to private equity firm Kohlberg Kravis Roberts in July 2009.
- A year earlier, in June 2013, AB InBev acquired the remaining 50 percent of Mexican brewer Grupo Modelo that it did not already own in a transaction valued at more than $20 billion. In order to go forward with their merger, the companies were required to divest Modelo's entire U.S. business.
- As a result, U.S.-based Constellation Brands, a leading international wine, beer, and spirits company, acquired full ownership of Modelo's U.S. beer business for approximately $4.75 billion. The transaction, completed in June 2013, included Modelo's 50 percent interest in Crown Imports, a joint venture Constellation formed Modelo in 2006. Also included is Compania Cervecera de Coahuila, Modelo's state-of-the-art brewery in Mexico, as well as rights in perpetuity to Corona and other Modelo brands distributed by Crown in the United States. The acquisition has nearly doubled Constellation's sales and established Crown Imports as the third-largest producer of beer for the U.S. market.

### Appliance makers vacuum up competitors

After a spate of mergers in the 1980s, appliance makers are once again looking to increase their market share and global footprint through acquisitions. Larger size also allows for higher levels of research and development investment that are crucial in this intensely competitive product sector.

- U.S.-based Whirlpool bought Italian appliance maker Indesit in November 2014. The acquisition will further expand Whirlpool's presence beyond its core North American market, which accounted for 53 percent of the company's 2014 sales. Meanwhile, Indesit generates more than half its revenue from Western Europe. This acquisition followed Whirlpool's purchase of a majority stake in Chinese household appliance maker Hefei Rongshida Sanyo Electric Company from SANYO Electric, a subsidiary of Panasonic Corporation, in 2013. That deal significantly enhances Whirlpool's presence in the Asian market, which accounted for just 4 percent of its sales in 2014.
- In its largest acquisition ever, Sweden's AB Electrolux agreed in September 2014 to buy the household appliances business of General Electric for $3.3 billion, a deal that will double its sales in the U.S. market and strengthen its hand as it battles larger rival Whirlpool. The deal includes a 48.4 percent stake in Mexico's Mabe, one of the largest producers of appliances in Latin America.
- In January 2015, the Bosch Group completed its acquisition of Siemen's 50 percent share in BSH Bosch und Siemens Hausgeräte for a total consideration of EUR 3 billion ($3.85 billion). The former joint venture will now be run as a wholly owned Bosch subsidiary. Bosch will be allowed to continue to use the Siemens brand in its household appliance offerings in the long term.
- On a smaller scale, Spain's CNA Group, which began life as Cata Electrodomésticos in 1947 and acquired appliance brands Apelson (2000) and Nodor (2004), picked up all the Spain-based industrial and brand assets of bankrupt appliance maker Fagor Electrodomésticos in September 2014.

### Big food companies gobble up pet food brands

The relatively recession-resistant pet food market is one of the fastest-growing segments in the food industry. Interest in the health and nutrition of pets is increasing demand for premium products, contributing to market growth—and big food companies have taken notice.

- Big Heart Pet Brands, previously known as Del Monte Foods Pet Products, became the United States' largest standalone pet food and pet treats company—albeit briefly. The creation of the new brand followed Del Monte Corporation's $1.67 billion sale of its Consumer Food division to Del Monte Pacific Limited in February 2014. However, Big Heart Pet Brand's status as an independent company was short-lived. In February 2015, J.M. Smucker, known for its namesake jam, along with Folgers coffee, Jif peanut butter, and other iconic food brands—announced that it would pay about $5.8 billion to buy Big Heart Pet Brands, maker of Meow Mix, Milk-Bone, and a host of other well-known brands.
- That deal follows Mars' $2.9 billion acquisition of pet-food brands Iams, Eukanuba, and Natura in North America, Latin America, and certain other countries from P&G in August 2014. The deal strengthens Mars' already large and growing pet care business, which includes billion-dollar pet food brands Pedigree, Whiskas, and Royal Canin, as well as veterinary care provider Banfield Pet Hospital. In November, Mars exercised its option to buy P&G's pet food businesses in Australia, New Zealand, Taiwan, Singapore, Malaysia, and Brunei.
- In December 2014, Spectrum Brands bought P&G's European Iams and Eukanuba pet food business for an undisclosed amount. The acquisition will help the company's United Pet Group expand its existing aquatics and companion animal supplies business into an adjacent category—the dog and cat food market.

### Deal activity reignites in tobacco sector

Despite the growth of the electronic cigarette market, which has triggered a flurry of M&A activity in the tobacco industry over the past three years, the shrinking market for traditional cigarettes is forcing big tobacco companies to look elsewhere to counter sagging growth. To offset dwindling sales in developed markets, companies have been acquiring smaller, regional cigarette producers and distributors around the globe. The last blockbuster deal in the tobacco industry was Japan Tobacco's acquisition of Britain's Gallaher Group for $15 billion in 2007. All that is about to change, however, as the industry is set to experience a major upheaval in 2015.

- In July 2014, Reynolds American agreed to acquire Lorillard in a complex transaction that will result in the biggest industry shake-up since R.J. Reynolds merged with British American Tobacco subsidiary Brown & Williamson more than a decade ago to form Reynolds American. That deal gave BAT a 42 percent stake in its American rival. The new mega deal, valued at more than $27 billion, is anticipated to be completed in the first half of 2015.
- Concurrently, as a result of competition concerns over the tie-up between the number two and three players in the U.S. market (behind Altria), the UK's Imperial Tobacco Group was given the opportunity to pick up brands and assets. The company agreed to acquire the Winston, Maverick, Kool, Salem, and blu cigarette brands of Reynolds American for $7.1 billion, plus the national sales force, offices, and production facilities owned by Lorillard. The deal, which will greatly enhance Imperial's footprint in the U.S. market, is conditional upon completion of the acquisition of Lorillard by Reynolds.
- Additionally, BAT has agreed to invest $4.7 billion as part of Reynolds' proposed acquisition of Lorillard, enabling the company to maintain its 42 percent equity position in the enlarged business.

## M&A Outlook

As 2015 unfolds, organic growth remains a challenge for many consumer products companies. As a result, companies will continue to view strategic acquisitions as a fast-track method to:

- establish or reinforce a leadership position in core product categories, particularly with premium brands;
- move into adjacent product categories;
- expand into faster-growing geographic markets;
- secure well-established brands in developed markets;
- capitalize quickly on high-growth emerging market trends; and
- drive out costs by achieving economies of scale through consolidation.

Bolstered by a favorable financing environment, the pace of M&A activity has accelerated over the past two years as companies reposition their businesses to support sustainable growth, both in sales and earnings, and create long-term value. Over the next few years, we expect consumer products companies to continue to use acquisitions and disposals to streamline and focus their product portfolios, making their organizations more agile and responsive in an effort to drive underlying growth. The industry has learned that success requires purposeful, profitable growth. Economies of scale and operational efficiencies are worthy goals of a successful acquisition, but only if coupled with a company's specific, strategic growth objectives.

For more information on M&A activity and trends in the consumer products industry, see the "Deloitte Consumer Products M&A Insights: Summer 2014."

# Q ratio analysis

In this report, we rank the world's largest consumer products companies by revenue. While the size of a company is interesting, it does not necessarily tell us anything about the prospects for future performance. Large size simply demonstrates that a company performed well in the past and has, consequently, achieved scale. Moreover, the market capitalization of a publicly traded consumer products company, examined alone, says something about past performance – even if only recently – but not necessarily about the future.

However, we can examine financial information in order to learn something about possible future performance. With that goal in mind, we have analyzed the Q ratio of consumer products companies over the last seven years. Our goal has been to learn how financial markets are evaluating the future prospects of the world's largest publicly traded consumer products companies. The Q ratio enables us to infer whether companies are strong in such areas as brand, differentiation, and innovation.

## What is the Q ratio?

The Q ratio is the ratio of a publicly traded company's market capitalization to the value of its tangible assets. If this ratio is greater than one, it means that financial market participants believe that a company's non-tangible assets have value. These include such things as brand equity, differentiation, innovation, customer experience, market dominance, customer loyalty, and skillful execution. The higher the Q ratio, the greater share of a company's value that stems from such intangibles. A Q ratio of less than one, on the other hand, indicates failure to generate value on the basis of even tangible assets. It indicates that the financial markets view a consumer products company's strategy as unable to generate a sufficient return on physical assets. Indeed, it suggests an arbitrage opportunity. That is, if a company's Q ratio is less than one, a company could, theoretically, be purchased through equity markets and the tangible assets could then be sold at a profit.

## Why do we care about the Q ratio?

In recent years, one of the biggest challenges facing consumer products companies has been the squeezing of margins due to commoditization. That is, consumers often view the brands produced by these companies as undifferentiated from one another except on the basis of price. This trend has been exacerbated by the ability of consumers to use the Internet, and especially mobile devices, to compare prices and products. In addition, the rise of popular private labels at major retailers has provided consumer product companies with serious competition and has exacerbated the trend toward commoditization. This has driven down prices and, therefore, margins. Only the lowest cost leaders in any product segment can compete primarily on the basis of price. All others must do something else. The antidote to commoditization, of course, is to differentiate through better customer experience and innovation, and to communicate this differentiation to consumers through good brand management. Consequently, a high Q ratio suggests that the financial markets believe a company is doing the right things to succeed in a business environment characterized by commoditization. A Q ratio less than one may indicate that the financial markets believe a company is failing to use its physical assets in a profitable manner.

## What do the numbers show?

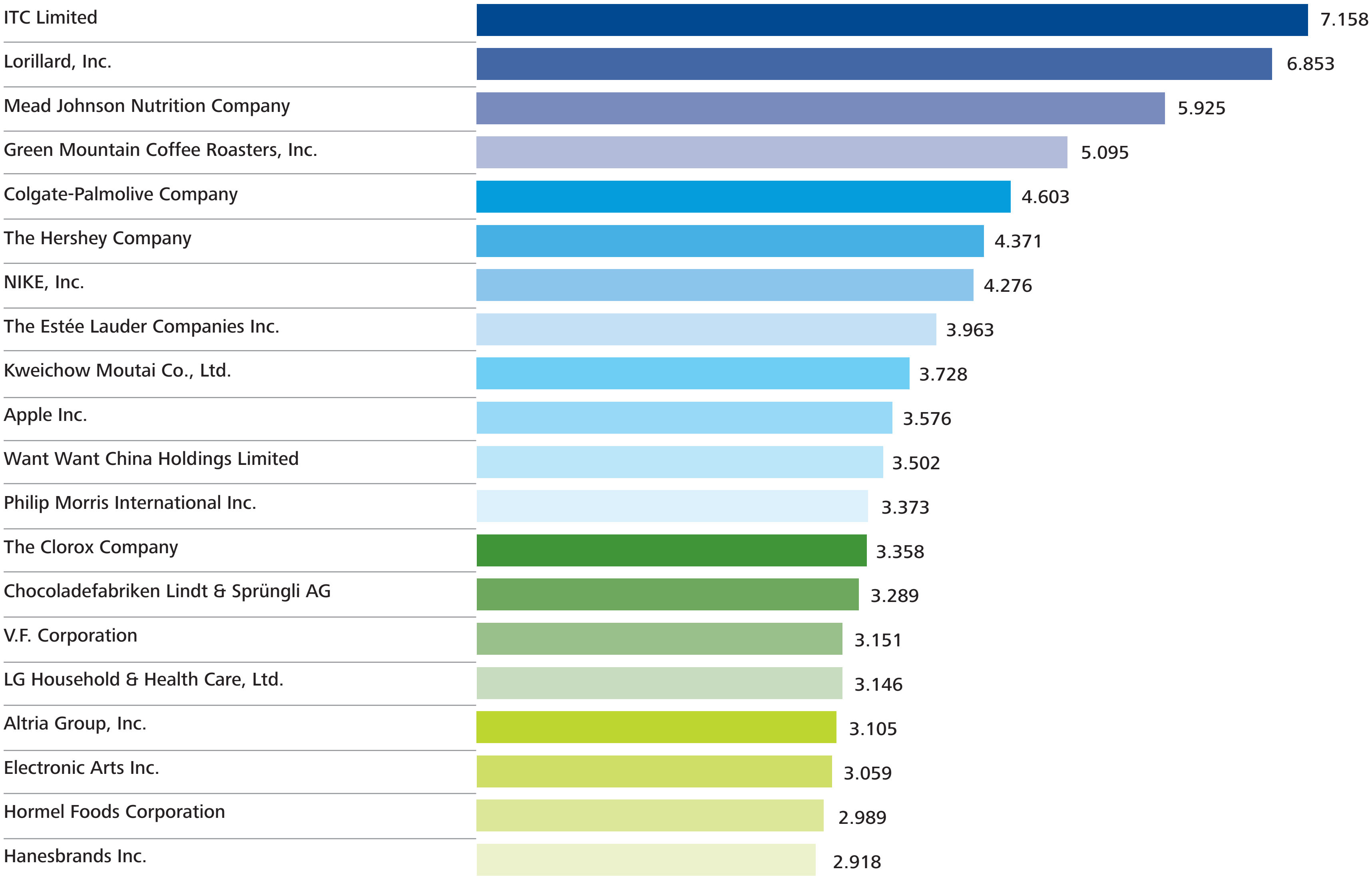
This year we calculated the Q ratio for 186 publicly traded consumer products companies. The composite Q ratio (calculated by taking the sum of all companies' market capitalization and dividing by the sum of all companies' asset values) is 1.467 versus a composite Q ratio of 1.302 last year. Given the recovery in the global economy and the rise in equity prices in many markets, it is not surprising that the composite Q ratio has risen. The average Q ratio is 1.656.

Here are some of the highlights of our analysis:

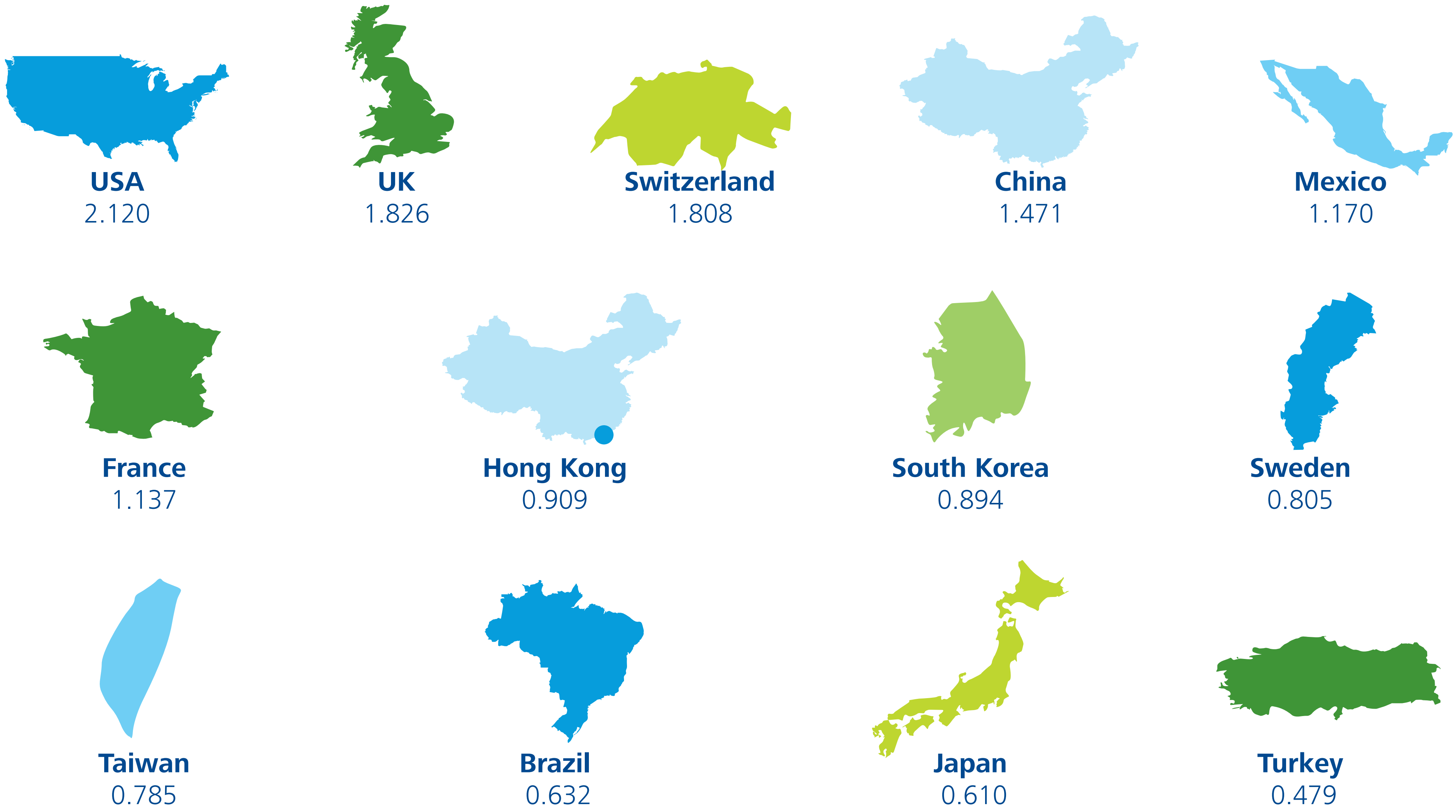
- The companies on the list with the highest Q ratios come from a mix of industries, but come mostly from the United States. Of the 20 top companies on the list, 15 are from the United States, up from 10 last year. Four of the remaining five come from Asia. First on the list once again is ITC Limited from India. It is one of India's large conglomerates producing a wide range of fast moving consumer goods. Among the top 20 companies by Q ratio are such iconic brand names as Apple, Nike, Hershey, and Estee Lauder. The relatively high Q ratios that characterize these companies reflect financial market confidence in their future ability to generate profits based on strong brands. Yet no company should ever rest on its laurels. The bottom of our list (which we do not publish) includes many names that once dominated their industries, only to be eclipsed by innovative upstarts. Hence, a high Q ratio is no guarantee of future success. But it does suggest financial market confidence that the brand has legs on which to stand. Also notable is that of the 20 companies at the bottom of our Q ratio list, 10 come from Japan.

- Composite Q ratios were calculated by country and region. We calculated a country composite Q ratio only if a country has three or more publicly traded companies on our top 250 list. The country with the highest composite Q ratio is the United States followed by the UK, Switzerland, and China. While in the last few years Japan had the lowest Q ratio, in this year Turkey has the lowest composite Q ratio.  Low Q ratios are also found in Japan, Brazil, Taiwan, and Sweden.
- We also looked at the composite Q ratio by region. Not surprisingly, the region with the highest Q ratio is North America followed by Europe. The lowest Q ratios are found in the Africa/Middle East region and in the Asia Pacific region. However, when Japan is excluded from the latter, the composite Q ratio is much higher.
- Composite Q ratios were also calculated based on a company's primary product sector. Not surprisingly, the industry with the highest composite Q ratio is apparel and accessories. Success in fashion usually requires strong brand identity, so this is to be expected. The other industries with relatively high composite Q ratios were personal and household products; electronic products; and food, drink, and tobacco. However, it should be noted that the electronic products category is dominated by Apple. When this very large company is excluded, the composite Q ratio for the electronic products sector is the lowest among industries. The other industries with low composite Q ratios are tires, home furnishing, and home improvement.
- This year, for the second time, we ask the question whether the size of a company, either in terms of revenue or market capitalization, influences the Q ratio. We found that the top 20 companies ranked by revenue had a considerably higher composite Q ratio than the bottom 20. However, market capitalization appears to be of even greater importance. The top 20 companies ranked by market capitalization had a far higher composite Q ratio than the bottom 20. Evidently, the value that the financial markets assign to a company is closely correlated with whether the company makes good use of its value.

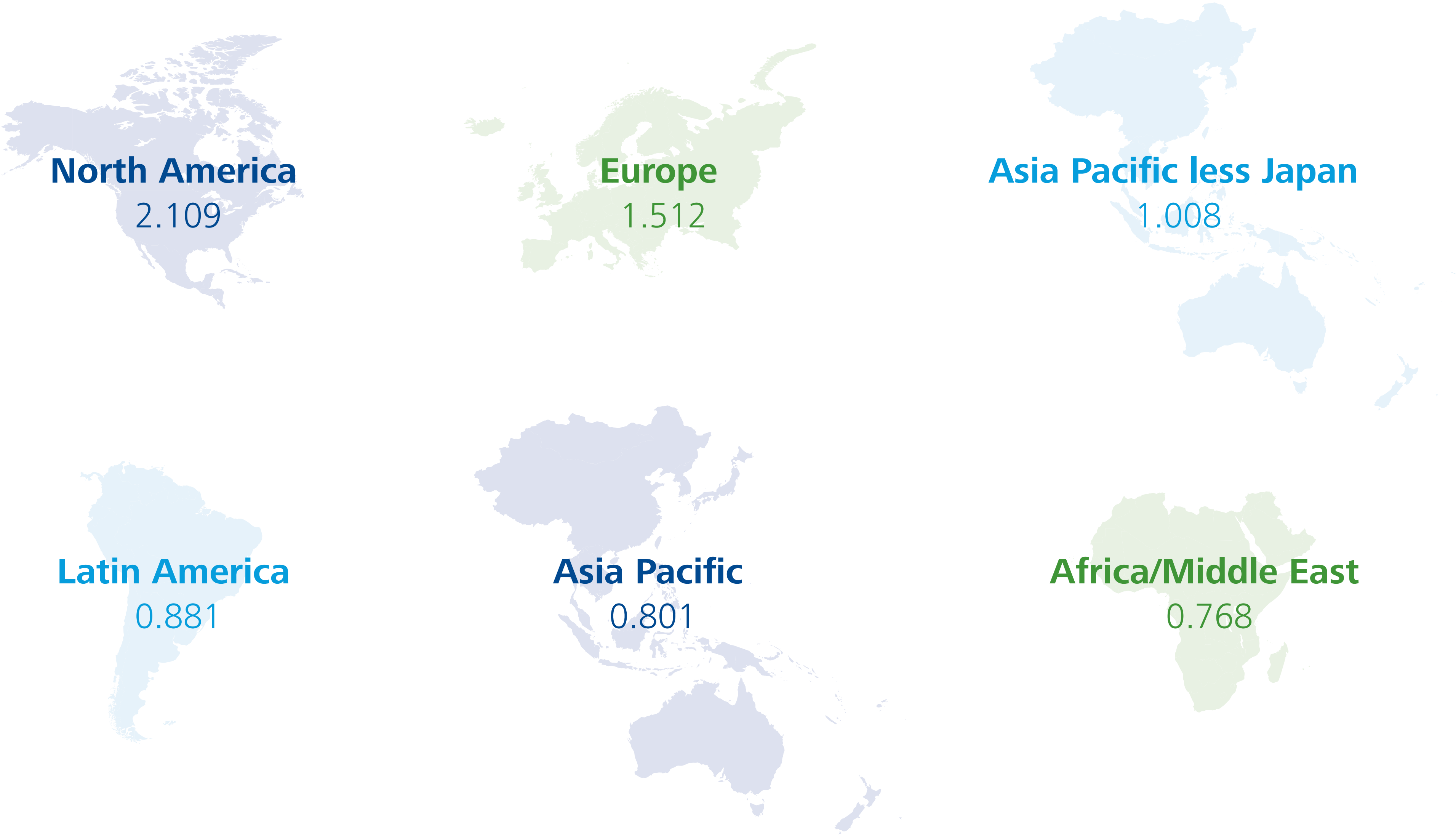
## Top 20 consumer products companies by Q ratio



## Q ratio by country



## Q ratio by region



## Q ratio by primary product sector

**Apparel & Accessories**
2.222

**Personal Care & Household Products**
1.901

**Electronic Products**
1.449

**Food, Drink & Tobacco**
1.438

**Leisure Goods**
1.189

**Home Improvement Products**
0.948

**Home Furnishings & Equipment**
0.871

**Tires**
0.654

**Electronics less Apple**
0.562

## Q ratio by size

Largest 20 by revenue
**1.638**

Smallest 20 by revenue
**1.055**

Largest 20 by market cap
**2.048**

Smallest 20 by market cap
**0.229**

Composite Q
1.467

Average Q
1.656

# Study methodology and data sources

To be considered for the Top 250 Global Powers of Consumer Products, a company must first be designated as a manufacturer (primary SIC code 20-39). Each company is then analyzed in an attempt to determine if the majority of its sales are derived from consumer products versus commercial or industrial products. Broadly defined, these are products produced for and purchased by the ultimate consumer. Generally, these products are marketed under well-known consumer brands. We have excluded contract manufacturers—organizations that make products primarily under contract for other companies—and included only companies whose brands are on the final products. Motor vehicle manufacturers and pharmaceutical companies are also excluded, as these industries are not relevant to the vast majority of the target audience for this analysis.

Companies whose primary business was the sale of consumer products were included among the Top 250 based on their total fiscal 2013 net sales, which may include sales of commercial and industrial products as well as consumer products. Net sales also include licensing revenue and royalty income where applicable. Excise taxes were excluded from the sales of tobacco and drinks companies where possible. Our fiscal 2013 definition encompasses companies' fiscal years ended through June 2014.

A number of sources were consulted to develop the Top 250 list. The principal data sources for financial information were annual reports, SEC filings, and information found in companies' press releases, fact sheets, or websites. If company-issued information was not available, other public-domain sources were used, including industry analyst reports, various business information databases, and trade journal estimates.

In order to provide a common base from which to rank the companies, net sales for non-U.S. companies were converted to U.S. dollars. Exchange rates, therefore, have an impact on the results. OANDA.com was the source used for the exchange rates. The average daily exchange rate corresponding to each company's fiscal year was used to convert that company's results to U.S. dollars. However, the growth rates and profit margin reported for individual companies are calculated in each company's local currency.

## Group financial results

Sales-weighted, currency-adjusted composites are used to report the financial results of groups of companies. This means the results of larger companies contribute more to the composite than do results of smaller companies. To calculate results for groups of companies that may report in a variety of currencies, and to facilitate comparison among groups, it also means that data must first be converted to U.S. dollars. In order to eliminate the impact of fluctuations in exchange rates over time, composite growth rates also are adjusted to correct for currency movement.

Composites and averages for each group were based only on companies with data. Not all data elements were available for all companies.

It should also be noted that the financial information used for each company in a given year is as originally reported. Although a company may have restated prior-year results to reflect a change in its operations (e.g., the divestiture of a business unit), such restatements are not reflected in this data. This study is intended to provide a snapshot of the consumer products industry at a point in time. It is also intended to reflect market dynamics and their impact on the structure of the industry over a period of time. As a result of these factors, the growth rates reported for individual companies may not correspond to other published results.

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