



Global Powers of  
Luxury Goods  
Breakthrough luxury

November 30, 2021

# Global Powers of Luxury Goods 2021

Welcome to the 8<sup>th</sup> edition of the report



## Key sections



### NEW MARKET TRENDS

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



### TOP 100 LIST

- Ranking of the first 100 F&L companies based on consolidated sales of luxury goods in 2019.
- Deep dive into Top 10 FY2020 players



### IMPACT OF COVID-19

Analysis of the impacts of the pandemic on FY2020 luxury sales



### LUXURY E-COMMERCE

Overview of some of the business models, key players, partnerships, and notable changes in luxury e-commerce



### GEOGRAPHIC ANALYSIS

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



### FASTEST 20

Analysis of the fastest growing companies in the ranking



### PRODUCT SECTOR ANALYSIS

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

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



### NEW ENTRANTS

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

# Methodology



	<p><b>What kind of companies are included</b></p>	<p>Companies ranging from traditional ultra-luxury, through super premium and aspirational luxury, down to affordable/accessible luxury</p>
	<p><b>How companies are ranked</b></p>	<ul style="list-style-type: none"> <li>• Companies are included among the Top 100 according to their consolidated sales of luxury goods in their financial year 2020</li> <li>• In order to provide a common base from which to rank companies, net sales for non-US companies are converted to US dollars. Exchange rates have an impact on the results</li> </ul>
	<p><b>Sources</b></p>	<ul style="list-style-type: none"> <li>• Annual reports</li> <li>• SEC filings</li> <li>• Information in company press releases and fact sheets or on company websites</li> </ul>
	<p><b>Comparison with previous Global Powers of Luxury Goods reports</b></p>	<ul style="list-style-type: none"> <li>• Global Powers of Luxury Goods reports 2020 and 2021 use a calendar year financial year definition e.g., FY2020 luxury goods sales includes company financial year end (FYE) dates from 1 January 2020 to 31 December 2020.</li> <li>• Global Powers of Luxury Goods reports from 2014 to 2019 used a mid-year financial year e.g., Global Powers of Luxury Goods 2019 reported FY2017 luxury goods sales for company FYE dates from 1 July 2017 to 30 June 2018.</li> </ul>

# Top 100 quick statistics

## US\$252 billion

Aggregate net luxury goods sales of Top 100



**-12.2%**

Cumulative YoY  
growth rate



**51.4%**

Top 10 share of Top  
100 luxury goods sales



**51.4%**

Top 10 share of Top 100  
luxury goods sales



**5.1%**

Composite net  
profit margin



**\$2.52 billion**

Average size per  
company in Top 100 list






**1.8%**

FY2017-2020 luxury  
goods sales CAGR

# Top 10 luxury goods companies

LVMH confirms as #1 luxury player also in FY20, Hermès enters for the first time the Top 10, ranking at number 9

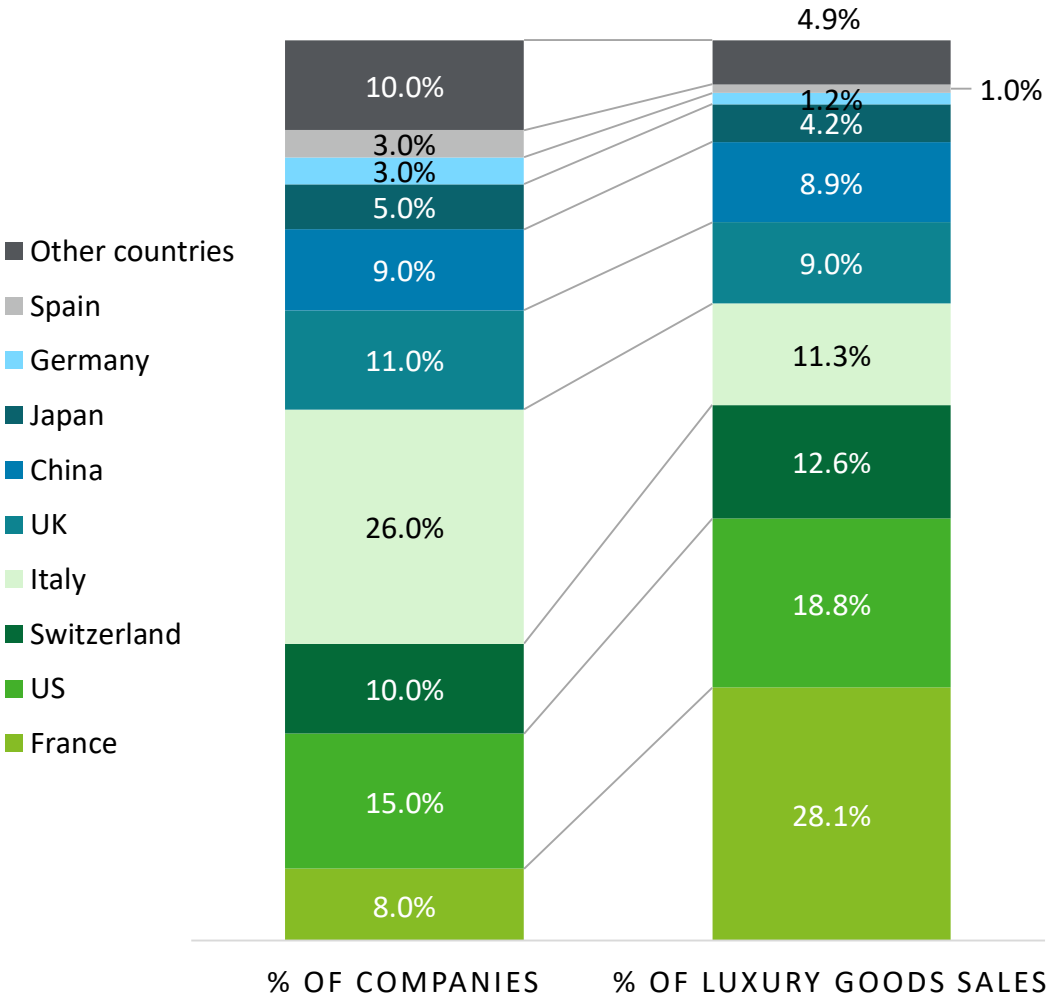
					
#1	LVMH Moët Hennessy-Louis Vuitton SE - France	↔	\$33,976	-11.0%	11.1%
#2	Kering SA - France	↔	\$14,930	-17.5%	16.6%
#3	The Estée Lauder Companies Inc. - US	↔	\$14,294	-3.8%	4.9%
#4	Compagnie Financière Richemont SA - Switzerland	↔	\$13,183	-0.7%	6.5%
#5	L'Oréal Luxe - France	↔	\$11,602	-7.6%	n/a
#6	Chanel Limited - UK	↔	\$10,108	-17.6%	13.7%
#7	EssilorLuxottica SA – Italy	↔	\$8,793	-20.0%	1.0%
#8	PVH Corp. - US	↑ +1	\$8,380	3.8%	4.2%
#9	Hermès International SCA - France	↑ +2	\$7,282	-7.2%	21.7%
#10	Chow Tai Fook Jewelry Group Limited - China/HK SAR	↓ -2	\$7,196	-14.7%	5.3%
Top 10			\$129,744	-10.3%	9.4%
Top 100			\$252,270	-12.2%	5.1%

# FY2020 Top 100 rank    ↑↓ Change in rank    \$ FY2020 sales (US\$ million)    % Sales growth %     Net profit margin %

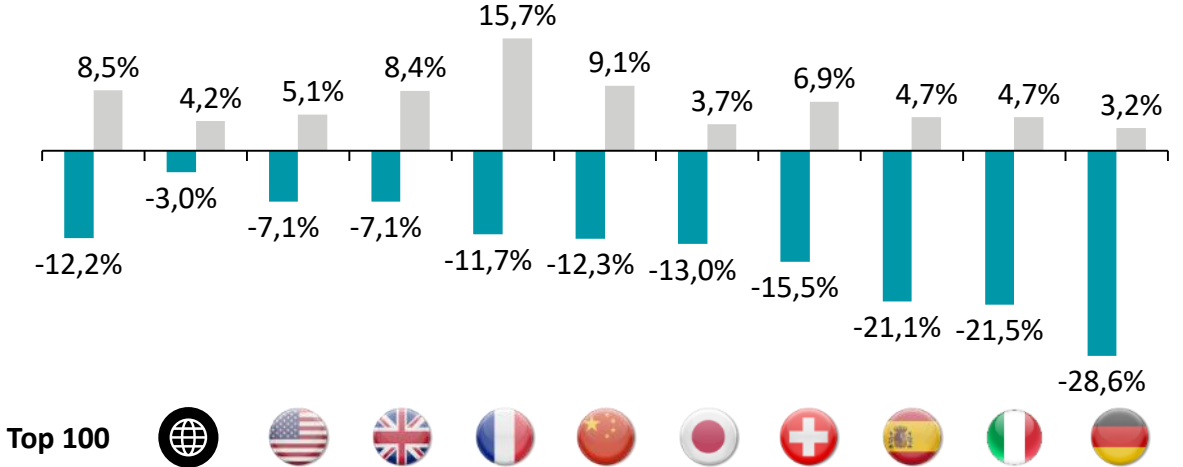
# Geographic analysis

Resident countries of the big luxury conglomerates achieve the best performance

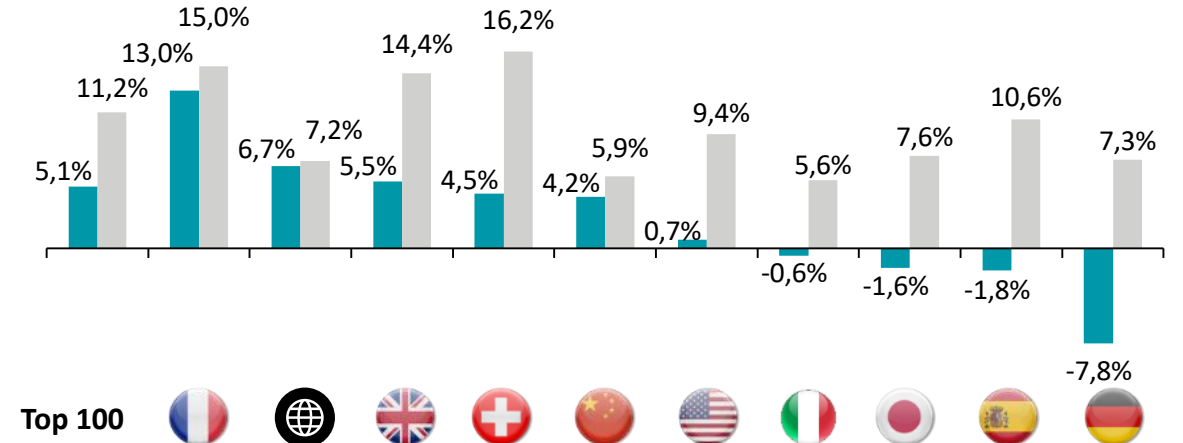
Top 100 share by country



Luxury goods sales YoY growth, by country



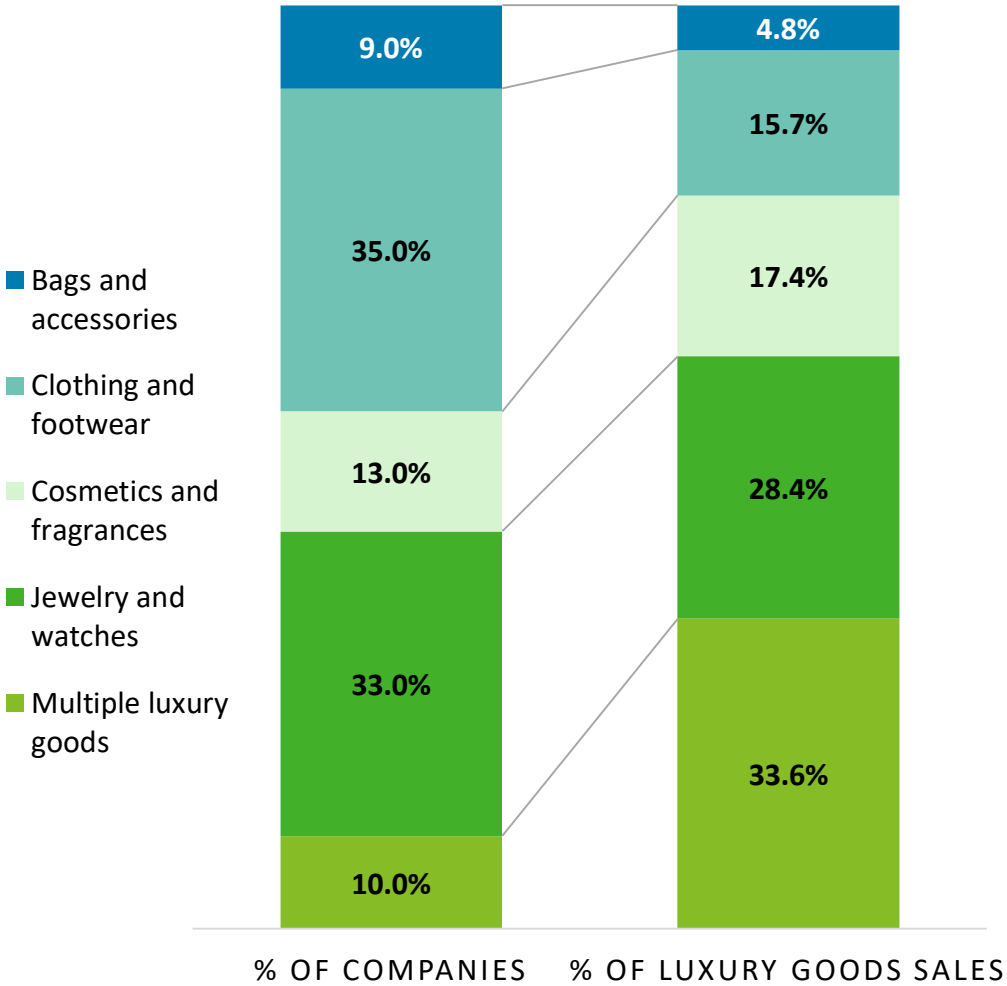
Net profit margin, by country



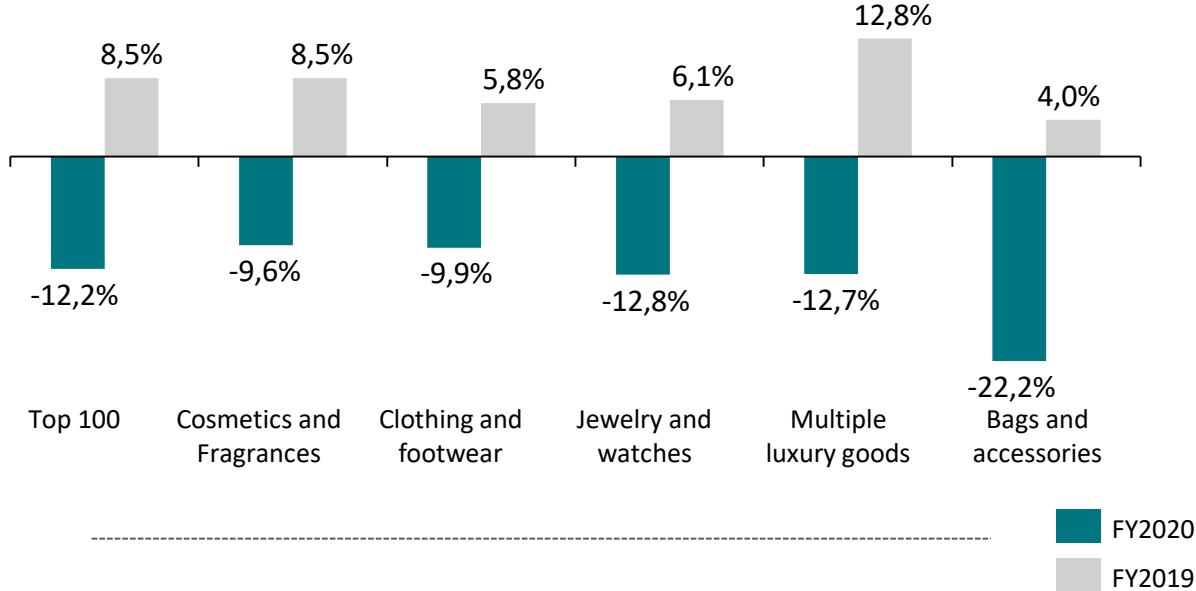
# Product category analysis

Multiple luxury goods companies lead the way in product categories, with highest share of sales and net profit margin

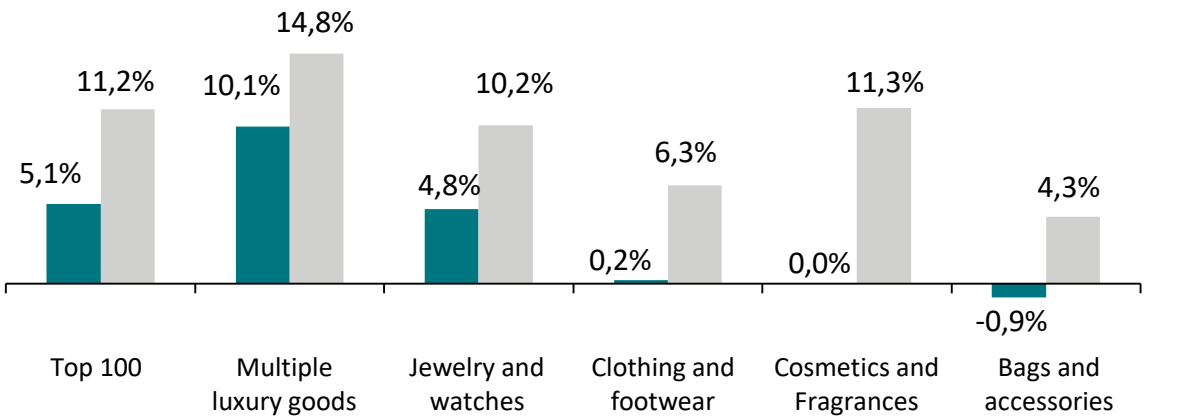
Top 100 share by product sector



Product sectors sales YoY growth %



Net profit margin, by product sector



# Fastest 20

Fastest 20 CAGR was more than five times the composite CAGR for the Top 100

CAGR ranking	Company	Top 100 ranking	FY2017-2020 CAGR	FY2020 Sales growth	CAGR ranking	Company	Top 100 ranking	FY2017-2020 CAGR	FY2020 Sales growth
#1	Farfetch Limited - UK	52	146.4%	107.3%	#11	*J Barbour & Sons Ltd - UK	84	9.4%	7.8%
#2	*Richard Mille SA - Switzerland	51	44.7%	-12.4%	#12	Movado Group, Inc. - US	60	8.2%	3.1%
#3	*Canada Goose Holdings Inc. - Canada	58	33.4%	15.4%	#13	*Kosé Corporation - Japan	25	8.2%	-1.2%
#4	Golden Goose SpA - Italy	86	23.0%	1.5%	#14	PVH Corp. - US	8	8.0%	3.8%
#5	Sportswear Company SpA - Italy	88	17.8%	0.8%	#15	*Chow Tai Seng Jewelry Co., Ltd. - China	62	7.7%	-10.3%
#6	*Titan Company Limited - India	22	17.0%	7.9%	#16	L'Occitane International SA - Luxembourg	28	7.5%	15.2%
#7	TFG Brands (London) Limited - UK	66	15.7%	-4.6%	#17	Capri Holdings Limited - UK	14	7.3%	6.0%
#8	Morellato Group - Italy	87	15.5%	n/a	#18	The Estée Lauder Companies Inc. - US	3	6.5%	-3.8%
#9	Lao Feng Xiang Co., Ltd. - China 老凤祥股份有限公司	15	13.9%	2.6%	#19	*Acne Studios Holding AB - Sweden	93	6.5%	-8.4%
#10	Zadig & Voltaire	76	11.9%	0.0%	#20	*Moncler SpA - Italy	33	6.5%	-11.5%
<b>Fastest 20</b>								<b>10.0%</b>	<b>1.6%</b>
<b>Top 100</b>								<b>1.8%</b>	<b>-12.2%</b>

\*Companies among the 20 fastest-growing luxury goods companies in the Global Powers of Luxury Goods 2020 report



# Breakthrough Luxury

Global luxury market trends explored in 2021 edition

## Luxury companies embraced change bringing sustainability and digitalization to the core of their strategies



### Digitalization and sustainability goals in the luxury goods industry are driving fashion-tech investments

The jump into the digital world has been faster than expected, and the aim of companies now is to refine the solutions already implemented and develop new digital solutions.



### Embracing the circular economy: Innovating with biomaterials in luxury goods products

Given the changes in the luxury industry over recent years, it's clear that sustainable luxury—promoting environment and social responsibility—is here to stay

## New Luxury frontiers



### NFTs and fashion gaming

NFTs have multiple uses, from fighting the counterfeit market to fostering second hand market. NFTs are also used for gaming and this is a new field of business for luxury companies.



### Gen Alpha: The consumers of the future are on their way

By the mid-2020s Gen Alpha will consist of over two billion young consumers globally<sup>36</sup> and in the coming decades they will play a key role in shaping society and consumer markets.



# Digitalization and sustainability goals in the luxury goods industry are driving fashion-tech investments

Luxury goods companies are making **strategic partnerships with both experienced players in the digital field and with innovative startups** to create new products and find **alternative ways of improving services**, while **reducing their environmental impact**. Innovation is the lever of change in the fashion and luxury industry.

The largest companies in the industry are sponsoring innovation competitions between startups and incubators, with the aim of **promoting innovative practices and fueling the proliferation of new approaches to fashion**. The ultimate goal is to become digital and sustainable by design.

**L'ORÉAL GROUPE** Group Commitments Brands Beauty Science & Technology Careers

Focus On

## Fueling Innovation, Sharing Expertise

"Savoir saisir ce qui commence" - seize new opportunities - is a fundamental part of our culture. We embrace and nurture innovation. We're major investors in facilities and programs designed to attract and develop tomorrow's beauty talent. Whether it's running competitions for students to solve an industry challenge, partnering with incubators or co-creating with innovative start-ups and tech partners, we lead innovation.

Engaging Partnerships & Startups

Our Digital & Tech Events

L'Oréal Open Innovation Program

## The LVMH Innovation Award

LEADERSHIP & ENTREPRENEURSHIP

INNOVATION award LVMH

## Estée Lauder x Plug and Play – Powering the Next Generation of Beauty

Identifying and supporting emerging brands, future business models and disruptive capabilities that are shaping the future of Beauty.

THE 12 ACCELERATED STARTUPS IN 2020/2021

PRADA Group SPECIAL PROJECTS STARTUPBOOTCAMP

Logo	Country	Year Founded	Technology
	UK	2017	3D/AR automation
TENOIVA	Canada	2018	Supply chain, Transactional platform
smartFAB	Italy	2018	Machine Learning

LES EAUX DE CHANEL – Elegance and simplicity with a sustainable SULAPAC cap on top



# Embracing the circular economy: Innovating with biomaterials in luxury goods products

Luxury goods companies are setting **environmental targets for the future**, with offsetting carbon emissions as a priority. An **imperative is to find new ways to be more sustainable, in design, production, distribution, and communication.**

Now companies are looking to make **use of technology to develop environmentally-friendly new materials** and with technological development, comes material innovation.

The **use of biotech** could give a **boost to sustainable production methods**, reducing the negative impacts of sourcing raw materials



ual: london college of fashion | centre for sustainable fashion

KERING



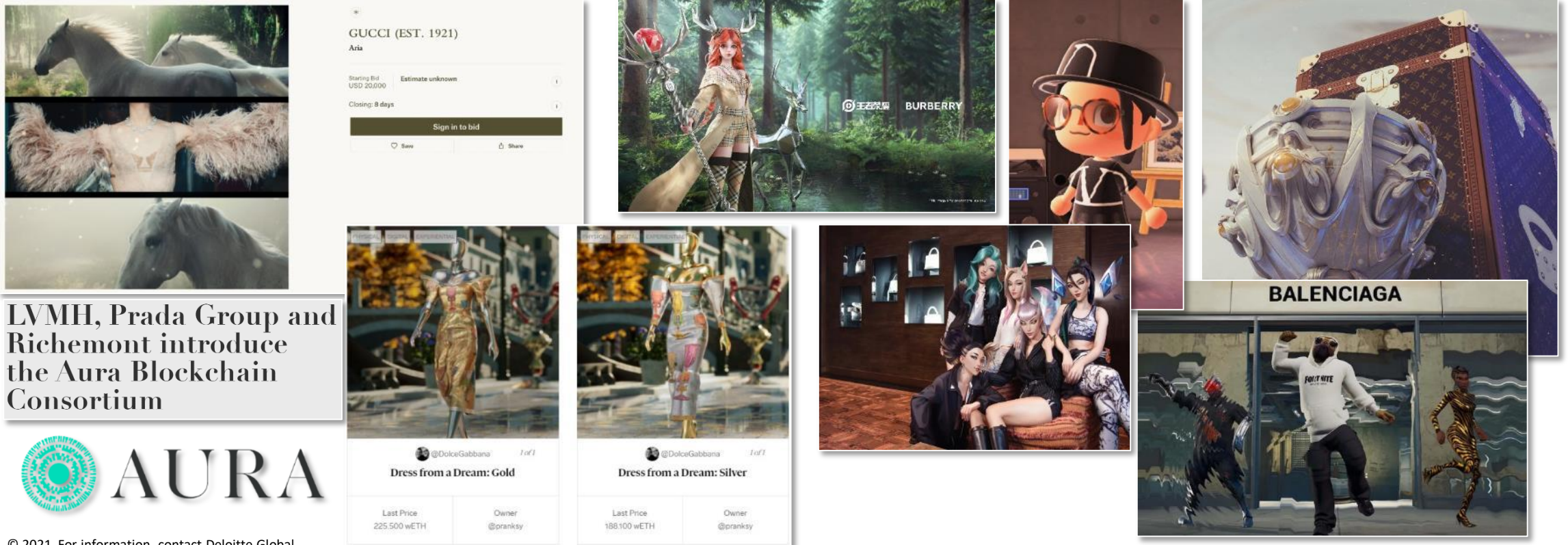
# A new luxury frontier: NFTs and fashion gaming

Luxury goods companies are becoming involved in the market for non-fungible tokens based on blockchain technology. NFT represents multiple opportunities for luxury companies:

They are a **tool to fight counterfeit products market** by helping tracing the origin of an item. This feature is also very **helpful in the secondhand market**, by allowing consumers to verify their purchases.

NFTs can also be used to **sell digital collectibles**, by which we refer to limited edition or one-of-a-kind pieces of art and not real utilities.

Another use for NFTs is to create **digital skins for avatars in video-games**. Gaming is a **new touchpoint** for luxury brands **outside the store**, and a new context for **getting in touch with the younger generations** and creating engagement with the brand.



# Gen Alpha: The consumers of the future are on their way

By the mid-2020s Gen Alpha will consist of over two billion young consumers globally and in the coming decades they will **play a key role in shaping society and consumer markets.**

This is the **first generation to be fully born in the 21st century, with different habits compared to children of even a decade previously**—they are living in a digitalized economy and a globalized world.

Gen Alphas are **expected to become a generation of consumers with large spending power** and the **key to future success for luxury goods brands may lie in gaining their loyalty from an early age.** As the consumers of the future who were born in a digital age, Gen Alpha will be **exposed to luxury brands from a very young age** through social media, through their peers, and through the habits of their millennial parents.





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