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Global Powers of Luxury Goods 2021

Breakthrough luxury

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Foreword

Welcome to the eighth edition of *Global Powers of Luxury Goods*.

FY2020 proved to be a challenging year and most luxury goods companies concentrated their efforts on managing their business through the pandemic. However, it was also a disruptive year in many positive ways and companies implemented genuine changes in their strategies. The commitment to a more environmentally friendly and inclusive fashion and luxury industry is real and there is increased focus on raising awareness among current and future consumers.

As many parts of the world are opening up and consumers are returning to physical stores and live events, digitalization continues to be important. We are now seeing how technological evolution is accelerating the creation of parallel dimensions—where even garments are made of pixels and the communication between those who make fashion, and their consumers is immediate and direct. Luxury e-commerce went past the tipping point and became a vital part of the omnichannel distribution strategy for global luxury players.

The report presents the Top 100 largest luxury goods companies globally, based on their consolidated luxury goods sales in FY2020, which we define as financial years ending within the 12 months from 1 January to 31 December 2020.

Over the past year, the luxury goods market proved resilient despite sales being hit by the COVID-19 pandemic. The world's Top 100 luxury goods companies generated luxury goods revenues of US\$252 billion in FY2020, down from US\$281 billion in the previous year. However, despite the drop in sales, more than half of the Top 100 were profitable, with 13 companies still reporting double-digit net profit margins.

In FY2020, the importance of the leading luxury goods companies is clear: the 15 companies with luxury goods sales of more than US\$5 billion contributed 63% of the total Top 100 luxury goods sales.

Even during this period of change and uncertainty, the appeal of resilient high margin and high awareness luxury brands with strong pricing power was reconfirmed—with strong M&A activity for luxury brand growth, increased control of distribution channels and supply chains, and enhanced digital capability.

Some countries performed better than others: French companies achieved an impressive composite net profit margin, proving the strength of large luxury conglomerates in times of crises.

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

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Top 100 quick statistics, FY2020



**US\$252
billion**

Aggregate
luxury goods sales



**US\$2.5
billion**

Average size of
Top 100 companies
(luxury goods sales)



Minimum luxury goods
sales required to be on
Top 100 list

**US\$182
million**



-12.2%

Composite year-over-
year sales growth



Composite
net profit margin

5.1%



FY2017-2020 Compound
annual growth rate in
luxury goods sales

1.8%



2.8%

Composite return
on assets



51.4%

Top 10 share of
Top 100 luxury
goods sales

Breakthrough luxury

Over the past year and a half, consumers and companies have been adapting to a new way of living and their outlook on luxury goods may be undergoing change.

There is growing awareness of environmental concerns and the need for sustainability in how goods are produced and used. Luxury goods companies are reacting positively; and even though the industry is returning to live events and in-store sales, both sustainability and digitalization now feature more prominently in their strategies for the future.

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

The world of fashion and luxury goods is undergoing extensive change. What were previously choices of product design of just a few environmentally-conscious and courageous innovators, are now moving closer to the mainstream, involving almost all the companies in the industry.

Increasingly, luxury goods companies are changing their approach and mindset, incorporating sustainability and digitalization into their long-term strategies, to align with consumers' demands and new regulatory requirements. They are focusing more on sustainability in the design and production of luxury goods, and at the same time are accelerating the adoption of digital solutions to engage with consumers and deliver luxury shopping experiences using technology.

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. This increased pace means a complete rethinking of production processes and, most importantly, finding new ways of creating products.

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.

Indeed, 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.

The **LVMH** Innovation Award¹ is open to startup companies that have been established within the past five years, are valued less than US\$100 million, have no more than 50 employees, and whose solutions are relevant to the challenges facing the Group and its brands. The finalists present their projects during the Viva Technology Show in Paris and a jury of digital experts appoints the winner. The winning startup receives support and advice from LVMH's investment specialists and is rewarded with a partnership with LVMH brands. Since the launch of the initiative in 2017, startups that have won the LVMH Innovation Award are Heuritech (deep learning), Oyst (e-commerce solution), VeChain (blockchain), Kronos Care (post-purchase solution), 3D Look (trial experience), Crobox (customer behavior analysis), and Bambuser (live stream shopping).

In 2017 **Kering** became a founding partner of 'Plug and Play—Fashion for Good' accelerator² a collaboration with Fashion for Good and the C&A Foundation to support and accelerate sustainable innovation within the luxury goods and fashion industry. Other luxury goods companies subsequently joining the project are Chanel, Stella McCartney, and PVH. Through the accelerator, new innovative startups are identified and supported in scaling up their technologies, methodologies, and business models. The aim is to stimulate disruptive innovation and foster the adoption of sustainable practices.

The Prada Group entered a three-year collaboration with Startupbootcamp, the largest European network of multi-corporate backed accelerators helping startups scale up internationally. This collaboration led to the launch of a global innovation center in Milan, Fashion Tech—dedicated to the fashion industry where each year the ten most innovative startups are selected to receive support in building world-class products, services, and businesses. The aim is to find innovative solutions which address market challenges in marketing, retail, and the value chain.³

Chanel has also been active in the field of startup collaborations. In 2018 it invested in Farfetch—an online fashion retail unicorn to 'augment' its boutiques and enhance in-store experience.⁴ Chanel also partnered with the Finnish startup Sulapac, a producer of bio-plastics and bio-packaging⁵ to develop a sustainable biobased cap for the fragrance Les Eaux de Chanel.

In 2018 **L'Oréal** became the official sponsor of the exclusive beauty accelerator within STATION F, a 366,000 square foot Parisian campus for startups. The accelerator involves up to 20 high potential early-stage startups and encourages their development by providing them with strategic mentoring and operational support.⁶

In March 2021 **Estée Lauder** partnered with Plug and Play, the world's largest global innovation platform. The partnership aims to identify and support emerging brands and new business models with the goal of shaping the future of beauty and enhancing the consumer experience.⁷

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. Increasing numbers of luxury products are labeled 'sustainable', and the industry is now accustomed to concepts like ethical fashion (production methods, working conditions, and fair trade); circular fashion (recycling, upcycling, and thrifting); slow fashion (sharing, renting); and conscious fashion (eco-friendly and green fashion).

Last year's report (*Global Powers of Luxury Goods 2020*) predicted a resurgence of vintage and second-hand markets in 2021. The growing market for pre-owned 'vintage' watches is a way for companies to tap into new customer segments and foster circularity (reuse); and to provide consumers with both a sustainable and an accessible way of buying luxury watches.⁸

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.

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

Biomaterials are already used in other industries with different functional uses, but the fashion industry uses the term to describe materials that are biological in origin and circular by design (according to Fashion for Good,⁹ a platform for sustainable innovation). A biomaterial is any natural material or synthetic material that is created through interaction with biological systems. In this field, technology is used to explore the core of natural systems to integrate the properties to create new materials with minimal environmental impact but great material output and design.

Luxury companies are exploring the use of biomaterials, not only for apparel or shoes, but also for cosmetics and beauty products. The use of biotech could give a boost to sustainable production methods, reducing the negative

impacts of sourcing raw materials (intensive farming, extraction, and fishing). Collaborations by companies in these fields are mostly with startups specializing in biotech.

Stella McCartney¹⁰ was the first luxury house to label itself 'vegan' since it did not use leathers, fur, or skins. Its latest launch is the world's first-ever garments made from vegan, lab-grown Mylo mushroom leather.¹¹ Mylo is a sustainable alternative to leather, created by Bolt Threads, a San Francisco-based company active in the research and development of new alternative materials, and a longtime collaborator with Stella McCartney—they launched vegan Microsilk together in 2017. Mylo has been funded by Bolt Threads and a consortium of adidas, Kering, lululemon, and Stella McCartney.¹²

In 2013 **Kering** established Materials Innovation Lab (MIL), a library for certified-sustainable fabrics. It invited designers from Kering's brands to bring in materials they liked, to see if a lower-impact alternative could be implemented. There are now 2,800 of these fabrics.¹³

An outcome of Kering's partnership with Fashion for Good and its investments in startups focused on the intersection of fashion and sustainability, is **Balenciaga**'s October 2020 collection, which included 90% recycled, upcycled, or certified-sustainable materials.

In 2021, **Hermès** announced a new edition of its 1997 Victoria travel bag—a classic bag of the luxury house, originally crafted from calfskin and lined in canvas. This reissue will be primarily made using lab-grown mycelium. This material has been developed by the California startup MycoWorks, with which Hermès has an exclusive partnership. The new material is called Sylvania and is a hybrid of nature and biotechnology, a new generation of biotech materials made by combining agricultural waste and mycelium to form a sheet that can be tanned just

like real leather. Hermès will complete Sylvania tanning at its own facilities in France.¹⁴

Chanel has invested in Evolved by Nature¹⁵ to develop sustainable silk by acquiring a minority stake in the Boston-based startup. Evolved by Nature's trademarked Activated Silk is derived from silkworm cocoons, which can be used in fabrics, cosmetics, and medical products.

Food waste is another source of sustainable material. Orange Fiber, an Italian company based in Sicily, produces silk-like twill fabric derived from the leftovers of citrus juice production. **Salvatore Ferragamo** has used this material in some of its collections.¹⁶

Paul Smith¹⁷ and **Hugo Boss**¹⁸ have both launched sneakers in Piñatex, a non-woven fiber made from the waste leaves of pineapple plants.

Tommy Hilfiger created sneakers made partly from Frumat, a cellulose-based material extracted from apple skin and core waste.¹⁹

Estée Lauder Companies has partnered with biotech company Atropos Therapeutics to explore new anti-ageing molecules. The joint venture will focus on finding senomodulators (senescence modulators) from the botanical materials for use in personal care cosmetics.²⁰

L'Oréal has signed a licensing agreement with Mireos, a Dutch biotech firm specializing in the use of bacteria, to combine their expertise in biotechnology and the skin microbiome to target unwanted bacteria in the skin.²¹

A new luxury frontier: NFTs and fashion gaming

The luxury industry usually takes a conservative approach against what might put its heritage at risk, but the pandemic changed everything and has pushed companies to make bold moves in the creation and development of their digital strategies.

Luxury goods companies are becoming involved in the market for non-fungible tokens (NFTs), which represent the ownership of a digital (cryptographic) item or asset, created through blockchain technology. 'Non-fungible' means that the item

cannot be replaced with something else, meaning that the holder of a NFT is the unique owner of the digital asset (what makes them unique is the certification that takes place via blockchain, a system that regulates and records transactions and tracking). In the case of NFTs, blockchain certifies works of art, music, video games, luxury goods, or luxury brands content. Digital collectibles such as NFTs date back to 2012²² but it is only recently that they entered the spotlight, in relation to art, entertainment, luxury, and retail.

NFT represents multiple opportunities for luxury companies. Firstly, they are a tool to verify authenticity and ownership of an item: counterfeit products are an issue for the industry and blockchain helps tracing the origin of an item, its history and previous owners allowing a product's ownership to be easily transferred and products traced and re-sold. 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. Many brands are creating short movies or paintings, also featuring collaborations with artists, and auctioning them through certified auction houses. The market for this type of NFT objects is made up of collectors or wealthy consumers looking for rare digital collectibles.

Another use for NFTs is to create digital skins for avatars in video-games. In this case the target is Gen Z, for whom gaming is a highly popular activity. For this generation, gaming means playing esports (a market exceeding one billion dollars in global revenues in 2021)²³ and creating communities of players that interact in a digital world in the same way that they would do in real life. The connection between luxury and gaming is that they both provide aspirational experiences, escapism, and a sense of community.

In general, the relevance of fashion and luxury to gaming is that virtual outfits are a vital part of the gaming culture—a way to 'dress up' avatars in the virtual world. The link is so tight that in March 2021, the sale of 600 NFT sneakers in a seven-minute auction, generated US\$3 million in revenue.²⁴ In the digital world, luxury has the same aspirational relevance that it has in real life: it is an asset to differentiate oneself and express one's way of being and values.

Another important aspect of 'virtual luxury' is its viability and accessibility—even those who can't afford a luxury bag or pair of shoes can possess and use a virtual branded item and display it on multiple occasions. Luxury skins could be compared to diffusion lines in the real-life world.

Entering the gaming world is a way for luxury houses to speak to the younger generations, who will be their most important customers in the coming decades and creating appeal by modernizing their brands. Gaming could also be considered a new touchpoint for luxury brands outside the store, and a new context for getting in touch with a target audience and creating engagement with the brand. Collaborations between luxury goods firms and gaming companies offer the opportunity to create parallel streams of revenues thanks to capsule collections that can be found first in a game and are then sold in real life.

Gaming could potentially help brands become more sustainable, as they provide numerous opportunities for individuals to try on and wear garments—like a 'virtual try on'. Moreover, instead of producing full lines of seasonal collections, companies could focus on producing limited pieces and items that they already know will be successful, thanks to the feedback of the gamers and the popularity of the digital items.

In 2019, **Louis Vuitton** partnered with Riot Games, the creators of the game League of Legends. A bespoke travel case for the Cup Trophy, along with other digital assets, were designed by Nicolas Ghesquière.²⁵ This was followed by a real capsule collection inspired by League of Legends.

Balenciaga joined forces with Epic Games to bring the first-ever high-fashion Fortnite skins into the game. This collaboration may also develop an in-game Balenciaga-themed hub and a real-world clothing line.²⁶ In 2020, the brand launched its own game called Afterworld: The Age of Tomorrow, to unveil its Fall/Winter 2021 collection through an adventure set in 2031.²⁷

Animal Crossing is currently one of the most successful games, and one in which buying clothes is one of the favorite activities of its characters. The popularity of the game persuaded **Valentino** to recreate 20 looks from the SS20 and PreFall 20/21 collections to be worn exclusively by the game's avatars. The company partnered with Kara Chung; a photographer who created an Instagram account dedicated exclusively to clothes used in the videogame: @animalcrossingfashionarchives. Moreover, the game's creators at Nintendo organized the first ever digital runway show, featuring garments from **Prada**, **Chanel**, **Loewe**, **Bottega Veneta**, and **Marc Jacobs**. The event was organized during the 2020 pandemic and hosted during the Berlin's Reference Festival. The avatars simulated a real-life runway with extreme precision.²⁸

For its Fall 2021 collection, **Gucci** partnered with the art auction house Christie's on an NFT video called Aria, sold in June, 2021. The piece sold was a born-digital, looped video of roughly four minutes, directed by Alessandro

Michele and Floria Sigismondi. It is a unique piece of work that cannot be altered, replaced, or duplicated. Gucci will donate all proceeds from the sale of Aria to UNICEF USA to support COVAX, an initiative aimed at ensuring equal access to COVID-19 vaccines.²⁹ Gucci also launched an arcade section on its own app, allowing users to have fun with the brands' most representative products and to share results with the community.³⁰ In October 2020, the sustainable collection Off the Grid was featured in the latest The Sims game.³¹

Burberry designed outfits for the Honor of Kings characters,³² one of the most popular video games in China. The new skins developed for the game, and available only for Chinese players, feature Burberry's signature trench coat and tartan.

Dolce & Gabbana's first NFT collection targets the company's traditional audience that usually buys high-end products instead of the younger, crypto-wealthy gaming market. It was presented during the company's fashion show in Venice in September 2021. The collection was inspired by Venetian artistic traditions and the first NFT auction was called 'Dress from a Dream' (inspired by a dream from the designers Domenico Dolce and Stefano Gabbana). The pieces of the collection were auctioned on the UNXD marketplace.³³

In April 2021, **LVMH**, **Prada Group** and **Richemont** joined forces to create the Aura Blockchain Consortium.³⁴ This makes it possible for consumers to access the product history and proof of authenticity of luxury goods—from sourcing to sales, and all the way to second-hand markets. In September 2021, **OTB** joined as a fourth consortium member. The ambition is to set standards for the luxury industry relating to innovation, transparency, and blockchain technology.³⁵

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

Now that Gen Z have found their way in the luxury market and brands are accustomed to dealing with them and their older counterparts, the millennials; players in the industry are taking the next step by studying Gen Alpha (those born since 2010). By the mid-2020s Gen Alpha will consist of over two billion young consumers globally³⁶ 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 Alpha are mostly children of millennials and are being raised according to their parents' values.

Although they are still very young, it has already been observed that they are likely to have the following characteristics:³⁷

- They are **global**: Their behavior will be influenced by living in a globalized world.
- They are **digital**: Gen Alpha is growing up in a world in which Amazon and Google are no longer disruptive companies but are established realities. They have strong digital literacy and use all digital tools with confidence. They are used to gamification of their daily life, from education to free time hobbies.
- They are **social**: They are addicted to social media, relying on influencers' opinions, and creating new ways to communicate and express themselves on new platforms (e.g., Tik Tok). If Gen Z individuals are more independent, less influenced by social media and trying to express themselves free from stereotypes; Gen Alpha could bring back the role of influencers in their consumption choices.
- They are **sustainable**: Growing up in a period when climate change is a growing threat to society means that they are likely to develop a strong sensibility toward sustainability.

These characteristics are also common to Gen Z and millennials, but they are particularly important for Gen Alpha as they will strongly influence their formative years. If they are doing something as children, the likelihood is that they will continue to adopt these attitudes and behaviors in later life when they are active spending consumers.

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.

Academic research shows that children start recognizing brands, relating to them, and even expressing preferences from as early as the age of three.³⁸ So, although we are still in unchartered territory, luxury brands must learn how to develop a relationship with this emerging customer base.

Top 10 highlights

Top 10 luxury goods companies by sales, FY2020

| FY2020 Luxury goods sales ranking | Change in ranking from FY2019 | Name of company | Country of origin | FY2020 Luxury goods sales (US\$M) | FY2020 Total revenue (US\$M) | FY2020 Luxury goods sales growth* | FY2020 Net profit margin** | FY2020 Return on assets** | FY2017- 2020 Luxury goods CAGR** |
|---|---|--|-------------------------|---|---------------------------------------|---|-------------------------------------|------------------------------------|--|
| 1 | ↔ | LVMH Moët Hennessy-Louis Vuitton SE | France | 33,976 | 50,889 | -11.0% | 11.1% | 11.1% | 6.3% |
| 2 | ↔ | Kering SA | France | 14,930 | 14,930 | -17.5% | 16.6% | 16.6% | 5.7% |
| 3 | ↔ | The Estée Lauder Companies Inc. | United States | 14,294 | 14,294 | -3.8% | 4.9% | 4.9% | 6.5% |
| 4 | ↔ | Compagnie Financière Richemont SA | Switzerland | 13,183 | 15,821 | -0.7% | 6.5% | 6.5% | 3.6% |
| 5 | ↔ | L'Oréal Luxe | France | 11,602 | 11,602 | -7.6% | n/a | n/a | 6.3% |
| 6 | ↔ | Chanel Limited | United Kingdom | 10,108 | 10,108 | -17.6% | 13.7% | 13.7% | 1.7% |
| 7 | ↔ | EssilorLuxottica SA | Italy | 8,793 | 16,445 | -20.0% | 1.0% | 1.0% | ne |
| 8 | ↑ 1 | PVH Corp. | United States | 8,380 | 9,909 | 3.8% | 4.2% | 4.2% | 8.0% |
| 9 | ↑ 2 | Hermès International SCA | France | 7,282 | 7,282 | -7.2% | 21.7% | 21.7% | 4.8% |
| 10 | ↓ -2 | Chow Tai Fook Jewelry Group Limited 周大福珠宝集团有限公司 | China/ Hong Kong SAR | 7,196 | 7,260 | -14.7% | 5.3% | 5.3% | 3.4% |
| Top 10 | | | | 129,744 | 158,540 | -10.3% | 9.4% | 4.3% | 5.4% |
| Top 100 | | | | 252,270 | 292,775 | -12.2% | 5.1% | 2.8% | 1.8% |
| Top 10 share of Top 100 | | | | 51.4% | 54.2% | | 104.0%³ | | |

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

² Compound annual growth rate

³ Top 10 companies share of total net profit for Top 100 companies - based on the 81 companies reporting net profits
e=estimate n/a=not available ne=not in existence (created by reorganization)

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

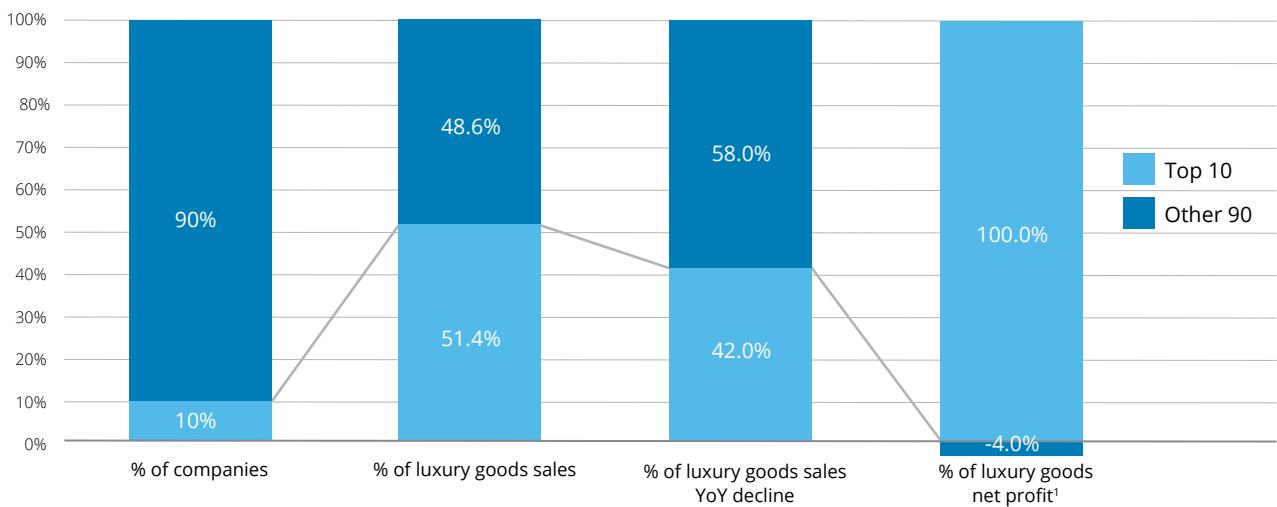
**Top 10 and Top 100 net profit margin and return on assets are sales-weighted composites

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Top 10 luxury companies: achieving profits despite falling sales

The Top 10 increased their share of total luxury goods sales of the Top 100 companies by 0.2 percentage points. Although all the Top 10 companies except PVH reported a decline in sales in FY2020, they remained profitable, together delivering more profit than the total for the Top 100 companies (as many of the smaller companies reported losses).

Top 10 share of the Top 100 for luxury goods sales, YoY growth, and net profit; FY2020

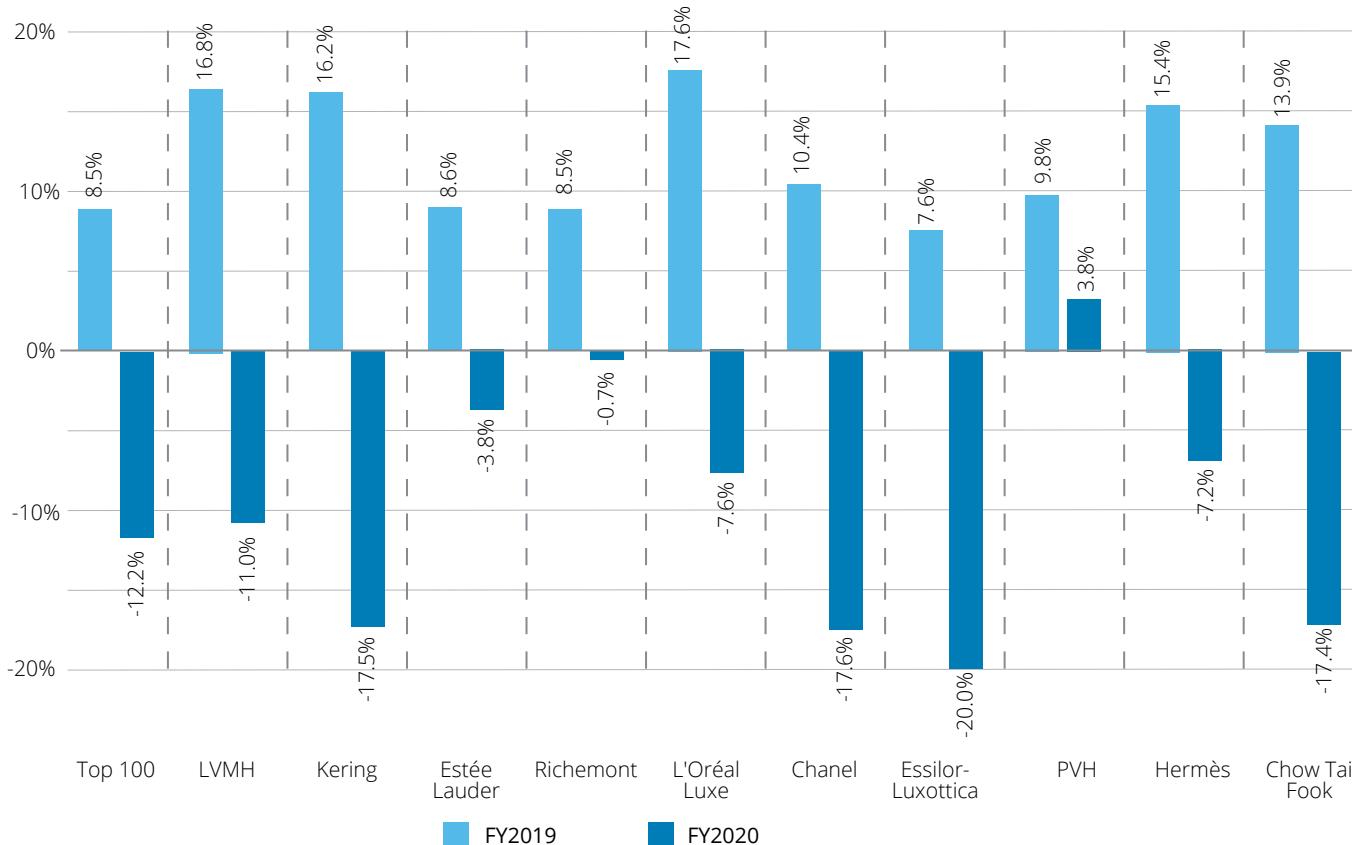


¹ For 81 companies in the Top 100, and for nine companies in the Top 10 reporting net profit

Hermès International entered the Top 10 for the first time in FY2020, in ninth place. Swatch Group, with luxury goods sales down 33%, dropped out of the Top 10, as it moved down the Top 100 rankings for the fifth successive year.

In FY2020, the minimum sales threshold for a company to enter the Top 10 list was nearly US\$7.2 billion.

Luxury goods sales for the Top 10 companies: YoY growth % for FY2019 and FY2020



Number of Top 10 luxury goods companies by country and product sector, FY2020

| | Clothing and footwear | Bags and accessories | Cosmetics and fragrances | Jewelry and watches | Multiple luxury goods | Top 10 |
|----------------|-----------------------|----------------------|--------------------------|---------------------|-----------------------|-----------|
| China | | | | 1 | | 1 |
| France | | | 1 | | 3 | 4 |
| Italy | | 1 | | | | 1 |
| Switzerland | | | | 1 | | 1 |
| United Kingdom | | | | | 1 | 1 |
| United States | 1 | | 1 | | | 2 |
| Top 10 | 1 | 1 | 2 | 2 | 4 | 10 |

1 LVMH

LVMH personal luxury goods sales fell in FY2020 by 11% to US\$34 billion. Online sales growth accelerated strongly, partially offsetting the effect on revenue caused by the closure of the group's stores for several months. The second half of the year was marked by a strong recovery in Asia, which saw double-digit growth, and significant improvements in the United States and Japan.

All three LVMH luxury business groups saw their sales fall due to the impact of the COVID-19 pandemic. However, sales in the fashion and leather goods business group were down by only 3% year-on-year. The performance of LVMH's primary business group (which contributed 71.1% of LVMH personal luxury revenues) was driven by the continuing momentum of their leading luxury brands—Louis Vuitton and Christian Dior. Both brands responded quickly to the pandemic, boosting digital customer relationships and service, and achieving double-digit organic revenue growth over the final two quarters of 2020. Fendi and Berluti also saw strong online growth and Céline recovered strongly in the second half of the year, buoyed by its clientele in Asia. The retail contribution to fashion and leather goods increased again, to 74% of total revenue for the business group. Rimowa's three production sites were closed for several months, affected by the suspension of international travel.

Sales for the perfumes and cosmetics business group fell 23% due to the decline in spending by international travelers and in overall sales of makeup, partially offset by stronger results for skincare products. All brands saw rapid growth in online sales. Following shutdowns and significant slowdowns in manufacturing and sales activity in the first half of the year, business improved gradually in the second half, with a notable acceleration in the fourth quarter, especially in China, the United States, Japan, and the Middle East. Watches and jewelry sales were down 24%, due mainly to store closures and the suspension of international travel. However, the rebound in China in the second half helped limit the full-year revenue decline. The Maisons took measures to reduce costs and preserve cash while attempting to boost demand and develop alternative distribution methods, such as digital channels and direct sales.

During the disruption from COVID-19, efforts to control costs and adapt to new requirements enabled Louis Vuitton to maintain its exceptional level of profitability, while continuing its investment policy; and Christian Dior Couture increased its profitability. Operating margin for fashion and leather goods rose to 33.9% in FY2020 from 33.0% the previous year but fell significantly for perfumes and cosmetics (to 1.5% from 10.0%) and for watches and jewelry (to 9.0% from 16.7%).

LVMH did not make any acquisitions in FY2020, but it acquired companies in all luxury business segments in 2021. The acquisition of Tiffany & Co. (announced in November 2019) was finally completed in January 2021 after modifying the merger price and agreeing to settle pending litigation in the Delaware Chancery Court.³⁹ In July 2021, it followed the trend of acquiring growing luxury streetwear companies, taking a 60% stake in Off-White.⁴⁰ In the same month, LVMH-affiliated PE company L Catterton Europe took a majority stake in Italian fashion house Etro.⁴¹ In September 2021, LVMH-owned Sephora completed its acquisition of UK-based international prestige beauty retailer Feelunique;⁴² and in October 2021, LVMH acquired French fragrance and cosmetics company Officine Universelle Buly 1803.⁴³

2 Kering

Kering's luxury goods sales revenue fell by 17.5% to just over US\$13 billion. Sales in the first half were lower by 30.1%, but they rebounded in the second half and were down only 3.2% year-on-year (at constant exchange rates and group structure). Sales fell as the result of store closures and the collapse in tourist numbers which hit the travel retail market as well as business generally in Western Europe and, to a certain extent, in the Asia-Pacific region. These setbacks were partially offset by 67% growth in online sales, growth in distance selling capacities (customer service and customer advisors), and accelerated digitalization of product design and marketing, with virtual sales campaigns and fashion shows. Production capacity was reduced by complete closures in March and April 2020, followed by reduced productivity and capacity on reopening due to social distancing measures. Supply and logistics were also affected by site closures in March and April, and supply difficulties persisted when stores re-opened, contributing to sub-optimal availability of products online.

Revenue fell in all the group's product sectors, as markets declined. Leather goods sales were in line with the overall market performance; ready-to-wear outperformed the market; shoes rebounded in the second half; and jewelry sales held firm overall, thanks to strong market momentum in Asia and Qeelin's successful business development in China.

Kering's leading luxury brand, Gucci, delivered 59% of total revenue in FY2020, but sales fell by 21.5% year-on-year. Gucci is the first brand to implement the group strategy to enhance the exclusivity of the distribution network and streamline sales to wholesale accounts. Gucci wholesale revenues fell 33.4%. Sales for the group's second largest brand, Yves Saint Laurent fell by 13.8%; but for its third €1 billion brand, Bottega Veneta, sales increased by 4.8%, as the brand's turnaround by creative director Daniel Lee (appointed mid-2018) continued despite the pandemic.

Kering achieved the fifth-highest net profit margin (16.6%) out of the Top 100 companies in FY2020, despite a drop in recurring operating income to 26.6% of revenue, from 32.8% in 2019. The company continued its predominantly organic growth strategy. It did not make any significant acquisitions during 2018-2020. In 2021, Kering Eyewear acquired the Danish luxury eyewear brand Lindberg,⁴⁴ and it continued its strategy of investing in innovative young companies, acquiring a 5% stake in Vestiaire Collective, a luxury resale e-commerce platform in March 2021,⁴⁵ and taking an undisclosed stake in Cocoon, a UK-based luxury handbag rental startup company in June 2021.⁴⁶

3 Estée Lauder

For US-based Estée Lauder Group, luxury goods sales were down by 3.8%, due to retail store closures and changes in consumer demand. The company's financial year end is 30 June, so sales were affected by the pandemic only in the second half of FY2020. The group quickly pivoted operations to online selling during COVID-19 as retail stores around the world closed temporarily. Online sales increased at a double-digit rate in North America and EMEA, more than doubled in Latin America, and nearly doubled in the Asia-Pacific region, with over 40% of mainland China sales being made online. Estée Lauder Group's two-year restructuring program, announced in August 2020, plans to accelerate the shift to online, with a realignment of the distribution network to reflect store closures, and reducing the numbers of bricks-and-mortar point of sale employees and support staff.

Skincare was the most resilient product category during the pandemic. Net sales, up 13% year-on-year in total, grew across most regions, led by the Estée Lauder, La Mer, and Origins brands. Net sales of newly acquired South Korean brand Dr. Jart+ contributed approximately 1% to skincare net sales growth. Makeup sales were down 18%, as COVID-19 restricted social and business activity and consumers wore less makeup. Some sub-categories in makeup performed better, including eye products and makeup with skin care benefits such as tinted moisturizers, but demand for lipstick and foundation weakened. La Mer and By Kilian were the only brands with net sales growth in makeup. Fragrance net sales declined 13% as consumer demand shifted from personal fragrance to bath, body and home. Sales of designer fragrances fell, particularly for Estée Lauder and Jo Malone London, and because of the expiration of the Tory Burch license agreement in December 2019.

Revenue growth was the strongest in the Asia Pacific region (up 15%), driven by increases in China and South Korea, and growing market share of the prestige beauty sector. A 20% drop in sales in the Americas was due to retail and salon closures and weak demand for makeup. EMEA sales fell by only 3% year-on-year.

Operating income fell to 4.2% of net sales, down from 15.6% in FY2019, due mainly to impairments of goodwill and intangible and tangible fixed assets in the makeup category. At 4.9%, the net profit margin in FY2020 was down from 12.1% in the previous year.

Estée Lauder's only prestige beauty acquisition in FY2020 was South Korea-based global skincare company Have & Be Co. Ltd., with brands Dr. Jart+ and Do The Right Thing, which was completed in December 2019.⁴⁷ The company rationalized its fragrance range in 2021, terminating its licenses for Michael Kors, Donna Karan and DKNY.⁴⁸

4 Richemont

Switzerland-based Richemont's FY2020 luxury goods revenues fell by just 0.7%. The company's financial year end is 31 March, so the pandemic affected results only in the fourth quarter. Group sales growth of 8% to the end of Q3 FY2020 were followed by an 18% decline in Q4 (Jan-March 2020), with sales in Asia-Pacific down 36%. (Luxury goods sales exclude sales of third-party brands in Richemont's online distributors segment through its e-commerce platforms YOOX NET-A-PORTER (YNAP) and Watchfinder).

Jewellery Maisons contributed 61% of Richemont brands' luxury goods sales in FY2020, growing by 1.9% year-on-year. Growth came from the Buccellati acquisition, consolidated in the second half of the year, and from positive retail sales and strong online sales of iconic jewelry collections, particularly Juste un Clou de Cartier and Perlée at Van Cleef & Arpels, and the new Clash de Cartier collection.

Specialist watchmakers sales fell by 4.1%, due largely to COVID-19 and street protests in France and Hong Kong, although Panerai and A. Lange & Söhne achieved good growth. Other Maisons (Montblanc, and the group's fashion & accessories brands Alfred Dunhill, Chloé, Purdey, Peter Millar, Alaïa and Serapian) posted lower sales in total; although online sales grew strongly, driven mainly by Montblanc and Peter Millar.

Retail sales were stable, but the group's wholesale business, including sales to franchise partners, fell by 5%. Growth in Japan was more than offset by declines in other regions due to store closures. For specialist watchmakers, wholesale sales were down due to rationalization of the watch wholesale network, and inventory reductions.

Group operating margin fell to 10.7% of group net sales, down from 13.9% in FY2019. Profit for the year declined by 67% to €931 million. This decrease reflected the non-recurrence of last year's €1,378 million post-tax non-cash accounting gain on the revaluation of the YNAP shares held prior to a tender offer.

Excluding this amount, profit for the year was down 34%, due to a 22% decline in operating profit and an 84% increase in net finance costs.

On 26 September 2019, Richemont completed the acquisition of Buccellati Holding Italia S.p.A., the owner of Italian jewelry company Maison Buccellati, for €230 million.⁴⁹ In November 2020, Richemont took a 25% stake in a new joint venture with Alibaba (25% holding) and Farfetch (50%) that will include Farfetch's marketplace operations in the China region. Alibaba and Richemont have an option to purchase a further combined 24% of Farfetch China after three years from the formation of the joint venture.⁵⁰ In June 2021, Richemont acquired Belgian luxury leather goods Maison Delvaux.⁵¹

5 L'Oréal Luxe

L'Oréal Luxe saw its FY2020 sales fall by 7.6%, due to store closures and the drastic reduction in air travel. However, it outperformed the market with a clear acceleration in sales in the second half and a return to growth in the final quarter. This performance was the result of strategic decisions to accelerate e-commerce, particularly in direct-to-consumer sales, to maintain a strong program of major global launches, and to strengthen its leadership in China.

L'Oréal Luxe outperformed the market in its three product categories, especially in skincare, with good performance from its Lancôme, Kiehl's and Helena Rubinstein brands. New fragrance launches and the resilience of established fragrance brands helped to consolidate global leadership in the fragrance category. Makeup was the category most affected by the pandemic. L'Oréal Luxe gained market share in almost all geographies, with strong performance in Asia Pacific, especially mainland China, as well as in many Western European countries.

The direct-to-consumer online business grew strongly in 2020. L'Oréal Luxe also continued to accelerate in new digital areas such as social, community management, advocacy, loyalty, and digital services. Beauty advisors from brick-and-mortar points of sale became 'e-advisors' or livestreamers, providing online skincare consultations, live makeup tutorials, and videos on skincare routines.

L'Oréal Luxe continued to make acquisitions, completing its takeover of the Mugler brands and Azzaro fragrances through the acquisition of the fragrance division of Clarins in March 2020.⁵² The acquisition of the Japanese Takami prestige skincare brand was completed in February 2021;^{53,54} and the long-term license agreement for the creation, development, and distribution of luxury beauty products for the Prada brand (announced in December 2019) came into effect in January 2021.⁵⁵

6 Chanel

Chanel Limited's FY2020 net sales were down 17.6% year-on-year (18.1% at constant currency exchange rates).

Before the onset of the pandemic in early 2020, fashion sales recorded a double-digit growth rate in all categories. Trading was subsequently damaged by COVID-19 related restrictions, but Chanel reacted quickly by accelerating the development of new client-facing tools with specific content, including an app launched in May 2020 in several regions, linking established clients to their fashion advisors and providing concierge shopping services. Sales in the watches and fine jewelry business segment proved resilient, due largely to double-digit revenue growth for precious jewelry's COCO CRUSH, supported by the release of COCO SLIM RING. The fragrance and beauty segment had a mixed result. Strong growth in online sales partially offset the impact of the decline in travel retail. Skincare had a notably strong performance within the beauty segment, supported by LE LIFT and SUBLIMAGE. In fragrance, COCO MADEMOISELLE and BLEU continued their success stories.

Geographically, Asia Pacific was again the best-performing region, with sales down by only 3.1%, compared to 36.4% in Europe.

The company continued its heavy investment in brand support activities (US\$1.3 billion in FY2020), and in retail distribution to provide the best customer experience to its clients. It acquired its London New Bond Street flagship store in October 2020, reconstructed the fashion and watches and fine jewelry boutique in Beverly Hills (which will open in 2022), and continued to expand the fragrance and beauty standalone boutiques network. Technology-related investments in 2020 included the strengthening of its infrastructure as well as the development of digital initiatives to enhance the client experience. Despite this investment, Chanel reported a double-digit net profit margin of 13.7%, down by 5.9 percentage points from FY2019.

The company continued its strategy of focusing acquisitions on suppliers, investing in small factories and specialists essential to the supply of its luxury products. In 2020, it took majority stakes in Italian tannery Conceria Gaiera Giovanni,⁵⁶ and Italian luxury footwear manufacturer Ballin.⁵⁷

7 EssilorLuxottica/Luxottica Luxury Retail and Wholesale

The EssilorLuxottica luxury goods sales included in this report are for the company's retail and wholesale distribution of high-end luxury and sports eyewear operated by Luxottica Group entities. It also includes Costa, the US leader in high-quality premium sunglasses and prescription sunglasses for water adventures, which was fully integrated from Essilor into Luxottica's brand portfolio at the beginning of 2020.

EssilorLuxottica FY2020 luxury goods net sales suffered the largest fall among the Top 10, down by 20%, although there was a recovery in the second half of the year. Direct e-commerce revenues grew by 40% to €1.2 billion, driven by all the main monobrand platforms like Ray-Ban, Oakley, Sunglass Hut and Costa as well as the multi-category platform EyeBuyDirect. The company increased digitalization significantly, with initiatives in the in-store consumer journey (digital displays, smart shopper, virtual mirror), online interactivity (appointment booking system, drive-to-store, information websites), eye examinations and measurements (tele-optometry), and in the supply chain.

Wholesale recovered to 2019 levels in the second half of FY2020, as customers reopened their businesses. North America was the key driver, with double digit revenue growth at constant exchange rates, sustained by independents and third-party e-commerce. Retail also recovered throughout the second half of FY2020, as more than 90% of the stores network remained open. In the fourth quarter, optical banners performed well, particularly in North America, Australia, and Latin America, but revenues were affected by new restrictions toward the end of the year in some areas of Europe and North America.

In July 2021, EssilorLuxottica finally completed the acquisition of HAL's 76.72% interest in global optical retailer GrandVision (revenues €3.7 billion), announced in 2019, for €7.1 billion. The company decided to continue the acquisition, despite an arbitration tribunal ruling which would have allowed it to terminate the deal.⁵⁸ With EssilorLuxottica acquiring 'predominant control' over GrandVision, the company is now obligated to launch a public offer for all outstanding shares in GrandVision, in line with Dutch public offer rules. Settlement of this offer is expected to take place before the end of 2021.^{59,60}

8 PVH Corp.

US-based luxury goods company PVH Corp. moved up to eighth place in the Top 10. It was the only Top 10 company to report an increase in luxury goods sales in FY2020, partly because its financial year end date was at the beginning of February, before the worst impact of the COVID-19 pandemic. FY2020 luxury goods revenue was up 3.8%, driven by growth in its Tommy Hilfiger brand.

Tommy Hilfiger FY2020 revenues grew by 8% (11% at constant currency), with international comparable store sales up 9%, due partly to a 4% increase in online sales and the July 2019 acquisition of its licensee in Central and Southeast Asia. Tommy Hilfiger sales in North America were down 1%, as growth in the wholesale business was more than offset by a 6% decline in comparable store sales, especially in stores located in international tourist locations.

PVH's other luxury brand, Calvin Klein, reported revenues down by 2% in FY2020 (up 1% at constant currency), as solid growth in Europe and additional revenue resulting from the acquisition of its Australian joint venture partner Gazal were more than offset by a number of negative effects. These included a decline in sales in Asia (due partly to the business disruptions caused by protests in Hong Kong SAR and trade tensions between the United States and China); the fall in revenue resulting from the closure of the CALVIN KLEIN 205 W39 NYC brand; and the discontinuation of the directly operated Calvin Klein North America women's jeanswear wholesale business, following the 2019 licensing agreement with G-III; and unfavorable exchange rates.

In July 2019, PVH agreed to terminate early the licenses for the global Calvin Klein and Tommy Hilfiger North America socks and hosiery businesses in order to consolidate the socks and hosiery businesses for all its brands in the United States and Canada into a newly formed joint venture, PVH Legwear, (49%-owned), and to bring in-house the international Calvin Klein socks and hosiery wholesale businesses.

In April 2020, PVH completed the sale of the non-luxury Speedo North America business, to Pentland Group, the owner of the Speedo brand.⁶¹ In June 2021 PVH reinforced its focus on its luxury global growth brands Calvin Klein and Tommy Hilfiger, when the company announced the exit of its non-luxury 'Heritage Brands' business, selling the IZOD, Van Heusen, ARROW and Geoffrey Beene brands to Authentic Brands Group.⁶²

9 Hermès International

Hermès International entered the Top 10 for the first time in FY2020, in ninth position. Hermès operates across multiple product categories: ready-to-wear and accessories; leather goods and saddlery; silk and textiles; perfumes and beauty; watches; and other Hermès including jewelry. The company's FY2020 revenue fell by 7.2% (6.0% at constant exchange rates). Revenue returned to growth in the second half of the financial year, up by 16% in the fourth quarter. The reduction in tourist sales was offset by the loyalty of local customers and by a strong increase in online sales.

Revenue in the group's store network was down only 2%, due to strong growth in the fourth quarter (+21%), and in Japan and the rest of Asia. Despite the pandemic, Hermès continued to develop its distribution network, with both store openings and the renovation and extension of stores. Wholesale sales fell by 32%, due mainly to the reduction in tourist traffic.

Hermès adapted to the pandemic with improved omnichannel customer solutions. The company's new digital platform was rolled out in Asia and the Middle East, and there was strong online sales growth in all regions. The Asia region (excluding Japan) achieved 14% growth in FY2020, driven by an excellent fourth quarter (sales up 47%), particularly in Greater China, South Korea, and Australia. This contrasts with sales in Europe and America, which were down more than 20%.

Hermès International's largest product category, leather goods and saddlery (primarily the iconic luxury Hermès bags such as the Birkin bag), delivered just over half the company's revenues in FY2020. Sales fell by 4.8% for the full year, but returned to growth in the second half, reflecting sustained demand and a gradual resumption of deliveries. The ready-to-wear and accessories division is the second largest sector for Hermès, contributing 22% of the company's revenue. Sales were down 9.2% for the year, but up 12% in the fourth quarter. Watches and jewelry both reported full year growth: watch sales were up by 2.3%, due primarily to strong in-store growth in Asian markets, and jewelry continued its strong momentum, with the launch of the new high jewelry 'Lignes sensibles' collection at the end of September.

Hermès International achieved industry-leading net profit margins. It had the highest net profit margin of all companies in the Top 100 in FY2020, at 21.7%, and has consistently been one of the most profitable companies in the Top 100, delivering net profit margins of more than 20% in each of the past five years FY2016-2020.

Hermès agreed to sell a majority stake in the 'Chinese creations' brand Shang Xia (with stores in China and Paris) to private equity company Exor in December 2020.⁶³

10 Chow Tai Fok

Chow Tai Fook Jewelry Group dropped to tenth place in the Top 10 list in FY2020, with luxury goods net sales down 14.7%. The group had a stable performance in the first half of FY2020, supported by steady growth in mainland China, but sales fell in the second half, due to a surge in the international gold price that dampened the retail demand for gold products, a weak performance in Hong Kong SAR, and the impact of the COVID-19 pandemic in Q4 (Chow Tai Fook's financial year end was end-March 2020). In Hong Kong SAR, ongoing demonstrations and protests and declining visitor numbers from mainland China led the company to shut about one in five of its Hong Kong stores, the majority of them in prime tourist areas.

Revenues declined in all product categories. Platinum/karat gold products delivered the best performance, driven by the successful launch of more contemporary collections and fixed-price gold jewelry, while gold products were down 16.3% due primarily to gold price volatility; and gem-set jewelry was down 17.5% in the challenging macroeconomic environment.

Chow Tai Fook continued to expand its owned and franchised retail network, with more than 700 new points of sale opened in mainland China. It ended the year with 3,850 stores and another 1,139 shop-in-shop/store corners. E-commerce retail sales grew by 3.4%.

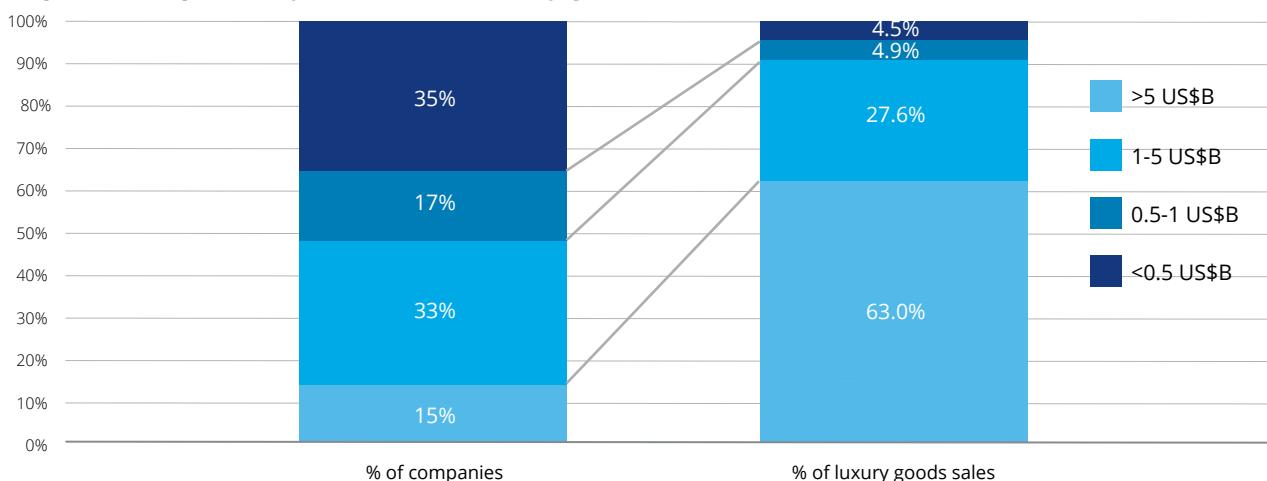
In January 2020, the group completed the acquisition of Enzo Jewelry, which it describes as "a colored gem specialist complementary to the group's multi-brand strategy". Enzo has 59 points of sale in mainland China as well as a brand presence on major e-commerce platforms in mainland China, including Tmall, JD.com, and VIP.com. The brand aims to expand its footprint further in mainland China through both self-operated and franchise models.⁶⁴

Global Powers of Luxury Goods Top 100

Luxury goods companies' profits resilient as sales hit by COVID-19 pandemic

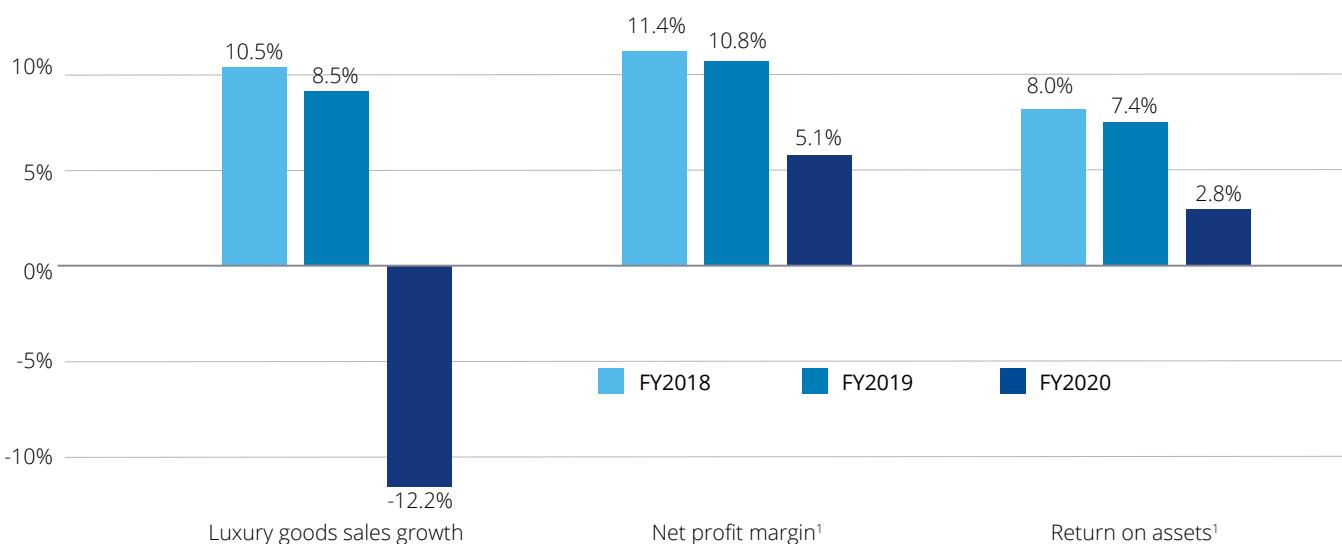
The world's Top 100 luxury goods companies generated luxury goods revenues of US\$252 billion in FY2020 (financial years ending within the 12 months from 1 January to 31 December 2020), down from US\$281 billion in the previous year. The importance of the leading luxury goods companies is clear: the 15 companies with luxury goods sales of more than US\$5 billion (two fewer than in last year's report) contributed 63% of the total Top 100 luxury goods sales. The 52 companies with sales of US\$1 billion or less contributed only 9.4%. The minimum revenue threshold to enter the Top 100 was US\$182 million.

Top 100 companies by size: FY2020 luxury goods sales in US\$b, FY2020



The composite performance of the Top 100 companies in FY2020 reflects the impact of the COVID-19 pandemic, with sales down due to store closures, shifts in consumer demand, supply chain disruption, and other factors (see *Impact of COVID-19 on FY2020 luxury goods sales* section). Luxury goods sales growth for the Top 100 dropped by more than 20 percentage points year-on-year. Despite this, the FY2020 composite net profit margin for the 81 Top 100 companies reporting net profits fell by only 5.7 percentage points, to 5.1%.

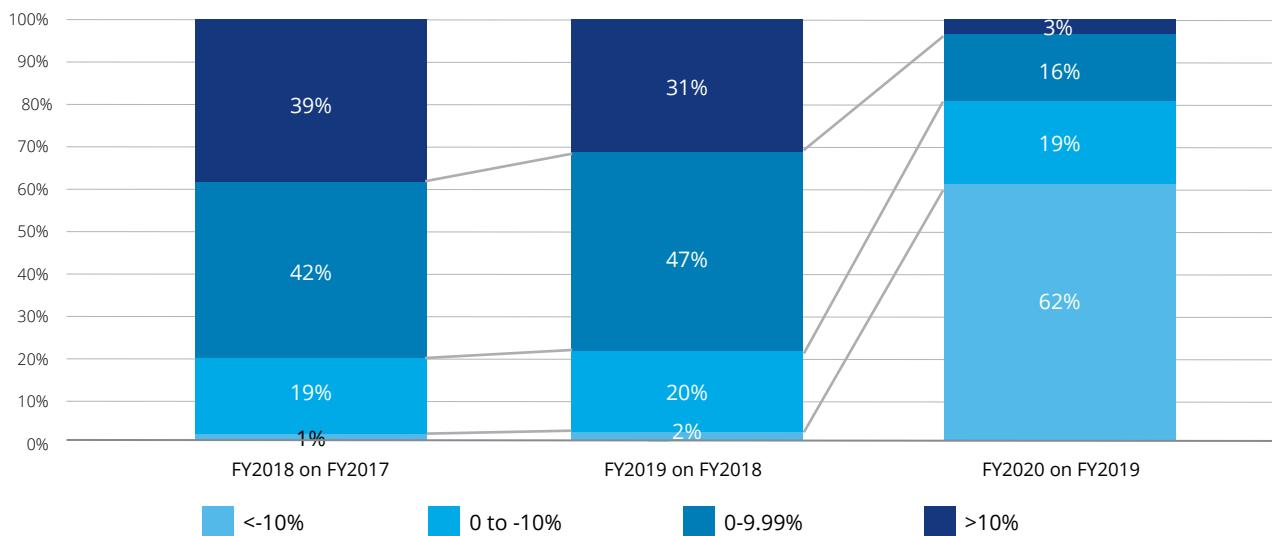
Top 100 companies: luxury goods sales YoY growth, net profit margin, return on assets FY2018-2020



¹Companies reporting net profits and/or total assets in each year.

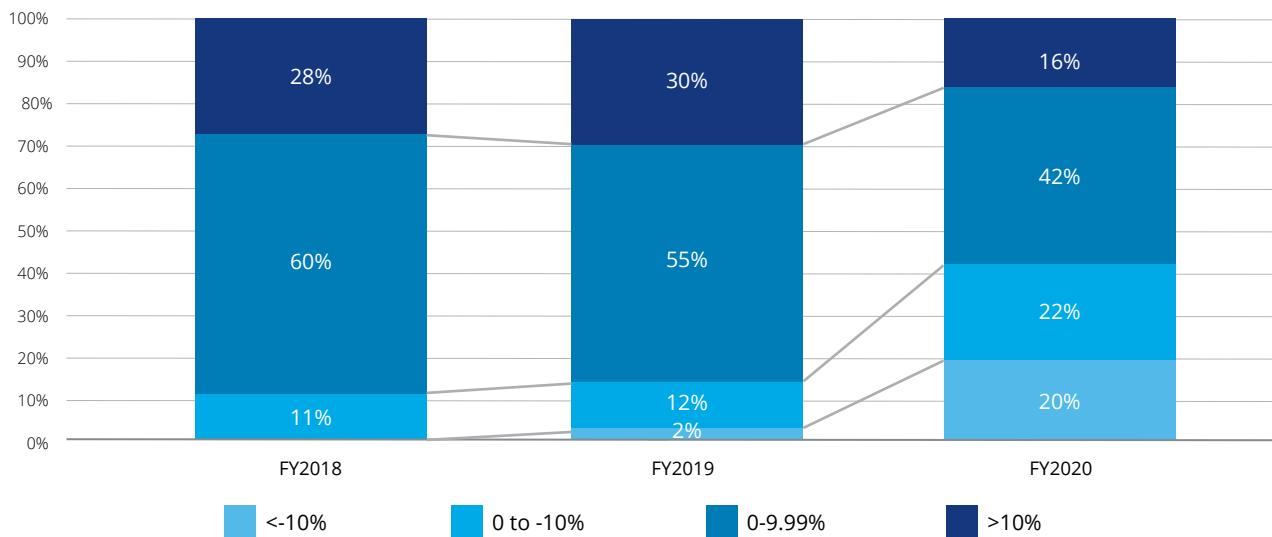
Analysis of the Top 100 companies reporting net profits and/or total assets

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



Only 19 of the Top 100 companies reported growth in luxury goods sales in FY2020, compared to 78 in FY2019. Sixty-two companies saw double-digit sales declines, compared to only two in the previous year.

Top 100 Companies by net profit margin: % of companies with double/single digit net profit margin gain or loss FY2018-FY2020



Analysis of the FY2020 Top 100 companies reporting net profits in each year.

More than half of the Top 100 were profitable in FY2020, with 13 companies still reporting double-digit net profit margins. All the total net profits of the Top 100 companies in FY2020 came from the very resilient Top 10 global luxury companies. The remaining 72 companies reporting profits contributed a small composite net loss.

M&A, disposals, and partnership activity

M&A activity in 2020 was limited, as most companies concentrated their efforts on managing their business through the pandemic. However, the appeal of resilient high margin, high awareness luxury brands with strong pricing power was reconfirmed in 2021, with a rush of M&A activity for luxury brand growth, increased control of distribution channels and supply chains, and enhanced digital capability. As companies refocused on their core luxury brands, and sought to enhance profitability and financial stability, there were also some major disposals of non-core businesses, to consumer goods and private equity companies.

Significant acquisitions, disposals, and partnerships by luxury goods companies below the Top 10 in 2019 to 2021 include:

- Farfetch acquired streetwear luxury company New Guards Group in August 2019,⁶⁵ and premier sneaker and streetwear marketplace Stadium Goods in December 2018.⁶⁶
- SMCP acquired De Fursac, a French leader in menswear affordable luxury, in September 2019.⁶⁷
- Capri Holdings announced it was acquiring Italian atelier and shoe manufacturer Alberto Gozzi Srl in December 2019.⁶⁸
- Safilo acquired Blenders (Dec 2019), a fast-growing digitally native California brand, and Privé Revaux brand (Feb 2020), as well as gaining the eyewear licenses for Levi's, David Beckham, Missoni, Ports, and Isabel Marant in 2019. Safilo commented that this compensated for the licenses terminated at the end of 2020, such as Dior and Fendi, as part of the LVMH Thelios venture.⁶⁹
- Clarins completed the sale of its Mugler brands and Azzaro fragrances to L'Oréal in March 2020.⁷⁰
- Leading Italian jewelry and watchmaking group, Morellato Group, entered the Top 100 following a series of acquisitions: Italian jewelry chain D'Amante in February 2020,⁷¹ French jewelry retailer Cléor in 2019,⁷² as well as French wholesaler Mister Watch.⁷³
- As part of Coty's four-year turnaround plan, the company agreed to sell the majority (60%) of its professional beauty and retail hair businesses (including the Wella, Clairol, OPI and ghd brands) to KKR, with Coty retaining the remaining 40% interest, in June 2020. This is part of Coty's strategy to focus on their core go-to-market competencies and to simultaneously deleverage their balance sheet.⁷⁴ Coty completed the sale of its majority stake in peer-to-peer beauty brand Younique in September 2019.⁷⁵
- Puig acquired a majority stake in the Charlotte Tilbury luxury makeup and skincare business in June 2020.⁷⁶ They lost their beauty and fragrance licenses for major luxury brands Valentino (effective from 2019) and Prada (effective from 2021) to L'Oréal.⁷⁷ The company reorganized its business structure with the creation of three divisions from 1 January 2021.⁷⁸

Beauty and fashion, Charlotte Tilbury, and Derma, which will incorporate previous acquisitions Uriage and Apivita, in which Puig has a majority stake, in addition to a 50% stake in Isdin.

- Tiffany & Co. was finally acquired by LVMH in January 2021, after modifying the merger price and agreeing to settle their pending litigation in the Delaware Chancery Court.⁷⁹
- Onward Holding implemented global business reforms that included withdrawing from and contracting the sale of underperforming businesses and closing unprofitable stores. In December 2020, it sold its Italian company Onward Luxury Group via an MBO, who changed the company name to HIM Co Spa (High Italian Manufacturing).⁸⁰ In March 2021, it sold 100% of the Jil Sander brand to OTB.⁸¹
- Moncler completed its acquisition of Sportswear Company, the owner of the Stone Island brand, in March 2021.^{82, 83}
- Ralph Lauren continued their brand portfolio review, selling the Club Monaco brand in May 2021, and transitioning the Chaps brand to a fully licensed business model, consistent with their long-term brand elevation strategy.^{84, 85}
- Prada completed full control of its retail network all over the world, with the acquisition of Fratelli Prada Spa in October 2019.⁸⁶ Prada continues to rationalize its wholesale business, following the strategic decision to downsize the group's exposure. In June 2021, Prada partnered with Ermengildo Zegna, each acquiring 40% of Italian cashmere producer Filati Biagioli Modesto to secure a domestic supply chain and luxury-goods manufacturing expertise.⁸⁷
- Aeffe acquired the remaining 30% of Moschino it did not already own, for €66.6M, taking its holding to 100%, in July 2021.⁸⁸
- Etro (Gefin) announced in July 2021 that LVMH-affiliated private equity company L Catterton will acquire a majority stake in Etro. The Etro family will retain a significant minority.⁸⁹
- Shiseido launched a fundamental business transformation "WIN 2023 and Beyond", positioning premium skin beauty as its core business. It has carried out a series of disposals of its non-core businesses. It completed the sale of the majority share in its personal care business to CVC Capital Partners for US\$1.5B in July 2021. Shiseido will retain a 35% stake in the new business.⁹⁰ In August 2021, it announced the transfer of its prestige makeup brands bareMinerals, BUXOM, and Laura Mercier to Advent International.⁹¹ Shiseido also announced that it will partially terminate its global license with Dolce & Gabbana regarding the product development, manufacturing, distribution, and marketing of its beauty products in August 2021.⁹² In May 2021, Shiseido and Accenture established a joint venture company, Shiseido Interactive Beauty, to provide digital marketing and digital/IT-related services to Shiseido.⁹³ Shiseido also established a joint venture with YA-MAN to develop anti-ageing and beauty devices in August 2020.⁹⁴

- Euroitalia completed the acquisition of "Atkinsons" and "I Coloniali" brands from Morris Profumi in August 2020.⁹⁵ In September 2021, the company extended its fragrance licenses for Capri Holdings brands, with a new license for Michael Kors, and a 15-year extension for Versace.⁹⁶
- Inter Parfums acquired fragrance licenses for a number of major luxury brands. They gained worldwide license agreements for Moncler,⁹⁷ effective from 2022, and Salvatore Ferragamo,⁹⁸ effective from October 2021. They also signed a licensing agreement for Donna Karan and DKNY fragrances from 1 July 2021, as Estée Lauder rationalized its designer fragrances license range.⁹⁹

Impact of exchange rates on Top 100 ranking

The Top 100 companies in the Global Powers of Luxury Goods report have been ranked according to their FY2020 luxury goods sales in US dollars (US\$). Changes in the rankings from year to year are generally driven by increases or decreases in company sales. However, a stronger currency vis-à-vis the dollar in FY2020 means that companies reporting in that currency may rank higher in FY2020 than they did in FY2019, all other things being equal. Conversely, companies reporting in a weaker currency may rank lower.

In FY2020, currencies for most companies in this report strengthened slightly against the US dollar. The currency with the biggest increase against the US dollar was the Swiss Franc, up 5.9%, followed by the Swedish Krona, up 2.7% and the Japanese Yen, up 2.1%. The Euro, British Pound, Chinese Yuan Renminbi and Hong Kong dollar saw gains of less than 2%.

The biggest decrease against the US dollar was the Brazilian Real, down 23.4 percent; the Indian Rupee was down 4.9 percent. The South Korean Won, and Canadian dollar fell by less than 2%.

For companies, the impact of these exchange rate movements on sales depends on their reporting currency, the geographic spread of their business, and the resulting exposure to different currencies.

Impact of data availability on ranking

There were six new entrants and five re-entrants to the Top 100 in FY2020. For more information, see the *New entrants* section.

Many luxury goods companies are privately owned. Some of these file official reports containing financial information; for others, estimates are made from information sources such as press interviews, news articles, and industry analysts. A small number of companies do not disclose any financial information and could not be included in the Top 100 in FY2020. In this year's study, no reasonable estimates could be made for the following companies that featured in last year's *Global Powers of Luxury Goods 2020* Top 100: David's Bridal, Gerhard D. Wempe, Longchamp, Marc Cain, and Falke.

Global Powers of Luxury Goods Top 100, FY2020

| FY2020 luxury goods sales ranking | Change in ranking from FY2019 ³ | Name of company | Country of origin | Selection of luxury brands | FY2020 luxury goods sales (US\$M) | FY2020 total revenue (US\$M) | FY2020 luxury goods sales growth | FY2020 net profit margin ¹ | FY2017-2020 luxury goods CAGR ² |
|-----------------------------------|--|--|-------------------|--|-----------------------------------|------------------------------|----------------------------------|---------------------------------------|--|
| 1 | ↔ 0 | LVMH Moët Hennessy-Louis Vuitton SE | France | Louis Vuitton, Christian Dior, Fendi, Bulgari, Loro Piana, Emilio Pucci, Acqua di Parma, Loewe, Marc Jacobs, TAG Heuer, Benefit Cosmetics | 33,976 | 50,889 | -11.0% | 11.1% | 6.3% |
| 2 | ↔ 0 | Kering SA | France | Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Pomellato, Girard-Perregaux, Boucheron, Ulysse Nardin | 14,930 | 14,930 | -17.5% | 16.6% | 5.7% |
| 3 | ↔ 0 | The Estée Lauder Companies Inc. | United States | Estée Lauder, Bobbi Brown, La Mer, Jo Malone London, Aveda, Dr Jart+; Licensed beauty & fragrance brands inc Tom Ford Beauty | 14,294 | 14,294 | -3.8% | 4.9% | 6.5% |
| 4 | ↔ 0 | Compagnie Financière Richemont SA | Switzerland | Cartier, Van Cleef & Arpels, Buccellati, Piaget, Montblanc, Jaeger-LeCoultre, Vacheron Constantin, IWC, Chloé, Panerai | 13,183 | 15,821 | -0.7% | 6.5% | 3.6% |
| 5 | ↔ 0 | L'Oréal Luxe | France | Lancôme, Kiehl's, Biotherm, Urban Decay, IT Cosmetics, Mugler, Azzaro fragrances ; Licensed brands including Giorgio Armani, Yves Saint Laurent, Valentino | 11,602 | 11,602 | -7.6% | n/a | 6.3% |
| 6 | ↔ 0 | Chanel Limited | United Kingdom | Chanel | 10,108 | 10,108 | -17.6% | 13.7% | 1.7% |
| 7 | ↔ 0 | EssilorLuxottica SA | Italy | Ray-Ban, Oakley, Persol, Oliver Peoples, Vogue Eyewear; Licensed eyewear brands | 8,793 | 16,445 | -20.0% | 1.0% | ne |
| 8 | ↑ 1 | PVH Corp. | United States | Calvin Klein, Tommy Hilfiger | 8,380 | 9,909 | 3.8% | 4.2% | 8.0% |
| 9 | ↑ 2 | Hermès International SCA | France | Hermès, John Lobb | 7,282 | 7,282 | -7.2% | 21.7% | 4.8% |
| 10 | ↓ -2 | Chow Tai Fook Jewelry Group Limited 周大福珠宝集团有限公司 | China/HK SAR | Chow Tai Fook, Hearts on Fire, T Mark, Enzo, Soinlove, Monologue | 7,196 | 7,260 | -14.7% | 5.3% | 3.4% |
| 11 | ↑ 1 | Rolex SA | Switzerland | Rolex, Tudor | 6,177 e | 6,177 e | -13.4% | n/a | 1.2% |
| 12 | ↑ 1 | Ralph Lauren Corporation | United States | Ralph Lauren, Polo Ralph Lauren, Lauren Ralph Lauren | 6,160 | 6,160 | -2.4% | 6.2% | -2.5% |
| 13 | ↓ -3 | The Swatch Group Ltd. | Switzerland | Omega, Longines, Breguet, Harry Winston, Rado, Blancpain; Licensed watch brands | 5,682 | 5,959 | -33.0% | -0.9% | -11.5% |
| 14 | ↑ 3 | Capri Holdings Limited | United Kingdom | Michael Kors, MICHAEL Michael Kors, Jimmy Choo, Versace | 5,551 | 5,551 | 6.0% | -4.1% | 7.3% |
| 15 | ↑ 1 | Lao Feng Xiang Co., Ltd. 老凤祥股份有限公司 | China | Lao Fengxiang | 5,516 | 7,492 | 2.6% | 4.0% | 13.9% |
| 16 | ↓ -2 | Tapestry, Inc. | United States | Coach, Kate Spade, Stuart Weitzman | 4,961 | 4,961 | -17.7% | -13.1% | 3.4% |
| 17 | new | China National Gold Group Gold Jewellery Co., Ltd 中国黄金集团黄金珠宝股份有限公司 | China | China Gold, Jin-Rujin, Jin-ShangYin | 4,866 | 4,894 | -11.8% | 1.5% | 6.3% |
| 18 | ↓ -3 | Shiseido Company, Limited | Japan | SHISEIDO, clé de peau BEAUTÉ, NARS, bareMinerals, IPSA, Laura Mercier, Benefique, Drunk Elephant; Licensed fragrance brands | 4,830 e | 8,625 | -18.6% | -1.0% | -1.1% |
| 19 | ↓ -1 | Tiffany & Co. | United States | Tiffany & Co., Tiffany | 4,424 | 4,424 | -0.4% | 12.2% | 3.4% |
| 20 | ↔ 0 | Burberry Group plc | United Kingdom | Burberry | 3,345 | 3,345 | -3.2% | 4.6% | -1.6% |
| 21 | ↑ 1 | Pandora A/S | Denmark | Pandora | 2,906 | 2,906 | -13.1% | 10.2% | -5.9% |
| 22 | ↑ 3 | Titan Company Limited | India | Zoya, Favre-Leuba, Nebula, Xyls, Tanishq, Titan | 2,888 | 2,989 | 7.9% | 7.0% | 17.0% |
| 23 | ↓ -4 | Prada Group | Italy | Prada, Miu Miu, Church's, Car Shoe | 2,761 | 2,761 | -24.9% | -2.2% | -7.5% |
| 24 | ↓ -3 | Coty Inc. | United States | philosophy, JOOP!, Lancaster; Licensed fragrance brands: Hugo Boss, Gucci, Calvin Klein, Burberry etc | 2,606 | 4,718 | -20.9% | -21.3% | 0.5% |
| 25 | ↑ 2 | Kosé Corporation | Japan | DECORTÉ, SEKKISEI, ADDICTION, JILL STUART, KOSÉ, ALBION, Tarte | 2,317 e | 3,014 | -1.2% | 8.5% | 8.2% |
| 26 | ↓ -3 | Hugo Boss AG | Germany | BOSS, HUGO | 2,218 | 2,218 | -32.5% | -11.3% | -10.7% |
| 27 | ↓ -3 | Swarovski Crystal Business | Switzerland | Swarovski | 1,937 | 1,937 | -34.6% | n/a | -14.3% |
| 28 | ↑ 8 | L'Occitane International SA | Luxembourg | L'Occitane en Provence, Elemis, Limelife, Melvita, erborian, L'Occitane au Brésil | 1,827 | 1,827 | 15.2% | 7.0% | 7.5% |

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

e=estimate

² Compound annual growth rate

n/a = not available

³ Change in ranking vs FY2019 ranking from the Global Powers of Luxury Goods 2020 report

ne = not in existence (created by merger or divestiture)

Global Powers of Luxury Goods Top 100, FY2020

| FY2020 luxury goods sales ranking | Change in ranking from FY2019 ³ | Name of company | Country of origin | Selection of luxury brands | FY2020 luxury goods sales (US\$M) | FY2020 total revenue (US\$M) | FY2020 luxury goods sales growth | FY2020 net profit margin ¹ | FY2017-2020 luxury goods CAGR ² |
|-----------------------------------|--|--|---------------------|---|-----------------------------------|------------------------------|----------------------------------|---------------------------------------|--|
| 29 | ⬇️ -3 | Giorgio Armani SpA | Italy | Giorgio Armani, Emporio Armani, A X Armani Exchange | 1,822 | 1,837 | -25.8% | 5.6% | -11.9% |
| 30 | ⬇️ -2 | Puig S.L. | Spain | Paco Rabanne, Carolina Herrera, Jean Paul Gaultier, Nina Ricci, Penhaligon's; Licensed fragrance brands | 1,752 | 1,752 | -24.2% | -4.6% | -7.4% |
| 31 | ⬆️ 3 | Onward Holdings Co., Ltd. | Japan | Nijyusanku, Jil Sander, Joseph, Kashimaya | 1,725 ^e | 2,277 | -5.5% | -20.7% | 0.7% |
| 32 | ⬇️ -2 | Chow Sang Sang Holdings International Limited 周生生集团国际有限公司 | China/HK SAR | Chow Sang Sang | 1,689 | 1,938 | -19.4% | 3.6% | -3.4% |
| 33 | ➡️ 0 | Mondler SpA | Italy | Mondler | 1,642 | 1,642 | -11.5% | 20.9% | 6.5% |
| 34 | ⬇️ -5 | Fossil Group, Inc. | United States | Fossil, Michele, Relic, Skagen, Zodiac; Licensed brands | 1,538 ^e | 1,613 | -27.4% | -5.9% | -16.9% |
| 35 | ⬆️ 3 | Clarins SAS | France | Clarins, My Blend | 1,527 ^e | 1,527 ^e | -8.9% | n/a | n/a |
| 36 | ⬇️ -1 | OTB SpA | Italy | Diesel, Marni, Maison Margiela, Viktor&Rolf | 1,445 | 1,500 | -15.5% | 0.1% | -5.2% |
| 37 | ⬆️ 6 | Kalyan Jewellers India Pvt. Limited | India | Mudhra, Tejasvi, Glo | 1,424 | 1,435 | 3.4% | 1.4% | 0.9% |
| 38 | ⬇️ -7 | Luk Fook Holdings (International) Limited 六福集团(国际)有限公司 | China/Hong Kong SAR | Luk Fook | 1,422 | 1,437 | -29.4% | 7.7% | -3.1% |
| 39 | ⬇️ -7 | Max Mara Fashion Group Srl | Italy | MaxMara, SportMax, Marina Rinaldi, Max & Co, PennyBlack | 1,366 | 1,400 | -26.7% | 3.4% | -8.4% |
| 40 | ⬇️ -3 | Dolce & Gabbana | Italy | Dolce&Gabbana | 1,284 | 1,317 | -14.3% | -8.9% | -3.8% |
| 41 | ⬇️ -1 | Patek Philippe SA | Switzerland | Patek Philippe | 1,278 ^e | 1,278 ^e | -20.0% | n/a | -3.9% |
| 42 | ⬆️ 3 | Tory Burch LLC | United States | Tory Burch, Tory Sport | 1,200 ^e | 1,200 ^e | -7.7% | n/a | 4.6% |
| 43 | ⬇️ -1 | Pola Orbis Holdings Inc. | Japan | Pola, Jurlique, Three, Itrrim, Amplitude, Fiveism x Three | 1,182 | 1,651 | -23.1% | 2.6% | -10.2% |
| 44 | ⬇️ -3 | Ermenegildo Zegna Holditalia SpA | Italy | Z Zegna, Ermenegildo Zegna, Ermenegildo Zegna XXX Couture, THOM BROWNE. New York | 1,156 | 1,183 | -23.2% | -4.3% | -5.0% |
| 45 | ⬆️ 3 | Audemars Piguet & Cie | Switzerland | Audemars Piguet | 1,150 ^e | 1,150 ^e | -8.5% | n/a | 3.3% |
| 46 | ⬆️ 3 | Joyalukkas India Pvt. Limited | India | Joyalukkas Pride, Eleganza | 1,131 ^e | 1,131 ^e | -0.8% | 0.5% | 6.1% |
| 47 | ⬇️ -8 | Salvatore Ferragamo SpA | Italy | Salvatore Ferragamo | 1,041 | 1,044 | -33.4% | -7.8% | -12.9% |
| 48 | ⬇️ -4 | Valentino SpA | Italy | Valentino, REDValentino | 1,002 | 1,005 | -28.1% | -14.4% | -10.3% |
| 49 | ⬇️ -3 | SMCP SAS | France | Sandro, Maje, Claudie Pierlot, De Fursac | 995 | 995 | -22.9% | -11.7% | -1.5% |
| 50 | ➡️ 0 | Safilo Group SpA | Italy | Safilo, Carrera, Smith, Blenders, Privé Revaux; Licensed eyewear brands | 889 | 889 | -16.9% | -8.9% | -9.0% |
| 51 | ⬆️ 3 | Richard Mille SA | Switzerland | Richard Mille | 839 ^e | 839 ^e | -12.4% | n/a | 44.7% |
| 52 | new | Farfetch Limited | United Kingdom | Off-White, Heron Preston, Palm Angels, Marcelo Burlon County of Milan, Stadium Goods, Browns | 823 | 1,674 | 107.3% | n/a | 146.4% |
| 53 | ⬇️ -1 | Revlon, Inc/Elizabeth Arden & Fragrances | United States | Elizabeth Arden; Licensed fragrance brands | 815 | 815 | -16.3% | n/a | -7.0% |
| 54 | ⬆️ 1 | Ted Baker plc | United Kingdom | Ted Baker | 805 | 806 | -1.4% | -11.2% | 4.7% |
| 55 | ⬇️ -2 | Le Petit-Fils de L.-U. Chopard & Cie SA | Switzerland | Chopard | 767 ^e | 767 ^e | -22.6% | n/a | -5.8% |
| 56 | ⬇️ -5 | TOD'S SpA | Italy | Tod's, Hogan, Fay, Roger Vivier | 737 | 737 | -30.2% | -11.3% | -13.0% |
| 57 | ⬇️ -10 | PC Jeweller Ltd. | India | PC Jeweller, AZVA | 734 | 745 | -40.0% | 1.6% | -15.0% |
| 58 | ⬆️ 5 | Canada Goose Holdings Inc. | Canada | Canada Goose, Baffin | 720 | 720 | 15.4% | 15.8% | 33.4% |
| 59 | ⬇️ -1 | Cole Haan, Inc. | United States | Cole Haan | 720 ^e | 720 ^e | 4.9% | n/a | n/a |
| 60 | ➡️ 0 | Movado Group, Inc. | United States | Concord, EBEL, Movado, Olivia Burton, MVMT; Licensed watch brands | 701 | 701 | 3.1% | 6.0% | 8.2% |
| 61 | ⬇️ -2 | Brunello Cucinelli SpA | Italy | Brunello Cucinelli | 620 | 623 | -10.5% | -5.9% | 2.6% |
| 62 | ⬇️ -1 | Chow Tai Seng Jewelry Co., Ltd. | China | Chow Tai Seng | 599 | 736 | -10.3% | 19.9% | 7.7% |
| 63 | ⬆️ 8 | Sanyo Shokai Ltd. | Japan | Mackintosh, Paul Stuart | 541 ^e | 541 ^e | 0.8% | 0.0% | -1.9% |

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

^e=estimate

n/a = not available

ne = not in existence (created by merger or divestiture)

² Compound annual growth rate

³ Change in ranking vs FY2019 ranking from the Global Powers of Luxury Goods 2020 report

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2021. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Global Powers of Luxury Goods Top 100, FY2020

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|-----------------------------------|--|--|-------------------|---|-----------------------------------|------------------------------|----------------------------------|---------------------------------------|--|
| 64 | ↓ -7 | Inter Parfums, Inc. | United States | Lanvin, Rochas; Licensed fragrance brands | 539 | 539 | -24.5% | 9.3% | -3.0% |
| 65 | ↑ 2 | Breitling SA | Switzerland | Breitling | 511 e | 511 e | -17.2% | n/a | 3.7% |
| 66 | ↑ 6 | TFG Brands (London) Limited | United Kingdom | Hobbs, Whistles, Phase Eight | 495 | 495 | -4.6% | -2.0% | 15.7% |
| 67 | ↓ -2 | MCM Group | Germany | MCM | 478 | 478 | -22.4% | 1.2% | 1.9% |
| 68 | ↓ -2 | Graff Diamonds International Limited | United Kingdom | Graff | 474 | 474 | -23.0% | 0.9% | -11.9% |
| 69 | ↑ 5 | Euroitalia S.r.l. | Italy | Reporter, Naj-Oleari, Atkinsons 1799, I Coloniali; Licensed Fragrance brands: Moschino, Versace, Missoni, Dsquared2 | 456 e | 456 e | -10.7% | n/a | 4.6% |
| 70 | ↑ 9 | Kurt Geiger Limited | United Kingdom | Kurt Geiger London, KG Kurt Geiger, Miss KG, Carvela | 443 | 443 | 3.7% | 9.4% | 3.8% |
| 71 | ↑ 10 | Vera Bradley, Inc. | United States | Vera Bradley | 429 | 495 | 3.2% | 3.1% | -4.0% |
| 72 | ↑ 5 | Marc O'Polo AG | Germany | MARC O'POLO | 422 | 422 | -9.4% | 0.3% | -2.2% |
| 73 | ↑ 9 | Sociedad Textil Loria SA | Spain | Purificación García; Licensed brand : CH Carolina Herrera | 419 | 419 | 6.8% | 11.1% | 4.3% |
| 74 | new | Guangdong CHJ Industry Co., Ltd. 广东潮宏基实业股份有限公司 | China | CHJ, VENTI | 415 | 466 | -7.7% | 4.5% | 2.0% |
| 75 | ↑ 1 | De Rigo SpA | Italy | Police, Lozza, Sting; Licensed eyewear brands | 394 | 394 | -22.5% | -21.5% | -7.0% |
| 76 | ↑ 8 | Zadig & Voltaire | France | Zadig & Voltaire | 388 e | 388 e | 0.0% | n/a | 11.9% |
| 77 | ↓ -7 | Marcolin Group | Italy | Marcolin; Licensed eyewear brands | 387 | 387 | -30.1% | -16.8% | -10.2% |
| 78 | ↓ -5 | Tse Sui Luen Jewelry (International) Limited TSL 謝瑞麟 | China/HK SAR | TSL 謝瑞麟 | 366 | 373 | -28.6% | -3.1% | -5.3% |
| 79 | ↓ -4 | Zhejiang Ming Jewelry Co., Ltd. 浙江明牌珠宝股份有限公司 | China | Ming | 364 | 364 | -26.8% | -10.3% | -12.0% |
| 80 | ↓ -2 | Liu.Jo SpA | Italy | Liu.Jo | 346 | 355 | -22.5% | 2.1% | -4.1% |
| 81 | ↓ -12 | Furla SpA | Italy | Furla | 331 | 331 | -42.1% | -21.2% | -16.5% |
| 82 | ↓ -26 | Samsonite International S.A./Tumi brand only | United States | Tumi | 322 | 322 | -58.1% | n/a | -22.0% |
| 83 | ↓ -3 | S Tous SL | Spain | Tous | 320 | 320 | -29.0% | -3.9% | -9.5% |
| 84 | ↑ 6 | J Barbour & Sons Ltd | United Kingdom | Barbour | 307 | 307 | 7.8% | 11.8% | 9.4% |
| 85 | ↓ -2 | Aeffe SpA | Italy | Moschino, Pollini, Alberta Ferretti, Philosophy | 307 | 319 | -23.4% | -8.4% | -4.9% |
| 86 | new | Golden Goose SpA | Italy | Golden Goose | 303 e | 303 e | 1.5% | n/a | 23.0% |
| 87 | new | Morellato Group | Italy | Morellato, Sector, Philip Watch, licensed brands | 284 | 287 | n/a | 9.4% | 15.5% |
| 88 | new | Sportswear Company SpA | Italy | Stone Island | 269 | 271 | 0.8% | 17.6% | 17.8% |
| 89 | new | True Religion Apparel, Inc. | United States | True Religion | 259 e | 259 e | -11.5% | -19.5% | n/a |
| 90 | ↓ -2 | Fashion Box SpA | Italy | Replay | 256 | 267 | -11.4% | 1.5% | -0.1% |
| 91 | ↓ -6 | Franck Muller Group | Switzerland | Franck Muller | 256 e | 256 e | -25.0% | n/a | -7.2% |
| 92 | new | Tribhovandas Bhimji Zaveri Limited | India | tbz | 255 | 256 | 2.4% | 1.2% | 2.1% |
| 93 | ↔ 0 | Acne Studios Holding AB | Sweden | Acne Studios | 246 | 246 | -8.4% | 9.0% | 6.5% |
| 94 | ↓ -7 | Laboratoire Nuxe SA | France | Nuxe, Resultime | 228 e | 228 e | -27.3% | n/a | -3.1% |
| 95 | ↓ -4 | Paul Smith Group Holdings Limited | United Kingdom | Paul Smith | 223 | 223 | -17.6% | -12.2% | -1.4% |
| 96 | ↓ -10 | Gefin SpA | Italy | Etro | 218 | 222 | -32.5% | -19.9% | -13.8% |
| 97 | ↓ -8 | Vivara Participações S.A. | Brazil | Vivara | 203 | 203 | -10.6% | 14.0% | 1.7% |
| 98 | new | Mulberry Group plc | United Kingdom | Mulberry | 191 | 191 | -10.1% | -31.1% | -3.8% |
| 99 | new | Damiani SpA | Italy | Damiani, Salvini, bliss, Calderoni | 187 | 191 | -1.9% | -1.0% | 1.4% |
| 100 | new | Cris Conf SpA | Italy | Pinko | 182 | 187 | -24.2% | -5.9% | -6.9% |

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

e=estimate

² Compound annual growth rate

n/a = not available

³ Change in ranking vs FY2019 ranking from the Global Powers of Luxury Goods 2020 report

ne = not in existence (created by merger or divestiture)

Source: Deloitte Touche Tohmatsu Limited. Global Powers of Luxury Goods 2021. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Impact of COVID-19 on FY2020 luxury goods sales

Only three luxury goods companies in the Top 100 list increased sales by more than 10% in FY2020. Of these, Canada Goose and L'Occitane, with a financial year end of March 2020, were affected by COVID-19 only in the fourth quarter of their FY2020. Online specialist Farfetch was able to capitalize on the consumer opportunities presented by the COVID-19 pandemic through online sales of its newly-acquired New Guards Group and Stadium Goods streetwear and sneaker brands.

Over 80% of the Top 100 companies reported lower sales of luxury goods in FY2020. The fall in demand for their products

was mainly attributable to the pandemic-induced changes in consumer behavior, enforced store closures, and travel bans. Supply-constrained companies, such as luxury Swiss watchmaker Audemars Piguet, saw sales down mainly because of reduced production capacity due to temporary factory closures. Companies with existing e-commerce and digital marketing capability responded quickly to pivot to online solutions. Other companies, such as Patek Philippe, allowed their retail partners to sell their brands online for the first time. A few companies, notably Rolex and Chanel's fashion brands, continued their refusal to sell online.

Key factors in the impact of COVID-19 on FY2020 luxury goods sales

| FYE date | Product category | Supply | Retail & travel | E-commerce & digital |
|------------------|--|---|---|---|
| FYE pre-COVID-19 | Casual & loungewear Skincare | | Essential stores open e.g., pharmacies | E-commerce & digital marketing High capability |
| FYE late 2020 | Formal, business & partywear Makeup Occasion & wedding jewelry Travel & business bags | Factory closures Supply chain disruption | Non-essential stores closed e.g., fashion, travel retail | Low capability |

Impact of financial year end dates on Top 100 luxury goods companies' sales and net profit margin, FY2020

COVID-19 pandemic lockdowns in 2020 started in China in January/February and extended to most Western countries by the second half of March.¹⁰⁰ Companies with 2020 financial year end (FYE) dates early in the year experienced the impact of the pandemic only in their fourth quarter, while companies reporting at the end of 2020 saw nearly a full year's impact on their results (companies are included among the Top 100

according to their consolidated sales of luxury goods in FY2020, which we define as financial years ending within the 12 months from 1 January to 31 December 2020).

Most companies in the Top 100 have FYE dates of either February/March (27 companies) or December (60 companies). Analyzing the results for these two groups of companies shows the differing impact of the pandemic.

COVID-19 impact of 2020 FYE date on YoY luxury goods sales growth, FY2020



While 42.3% of companies with a FYE in February/March 2020 reported year-on-year growth, only 5% of companies with a FYE in December 2020 grew their luxury goods sales. Eighty-five percent of the FYE December 2020 group experienced double-digit sales declines. Net profit margins were also impacted, but to a lesser extent, as companies reacted quickly to protect their financial positions. Almost 67% of companies with a FYE in February/March 2020 reporting net profits were profitable, compared to 51.2% of companies with a FYE in December 2020.

COVID-19 impact of 2020 FYE date on net profit margin, FY2020



Nearly twice as many companies with a FYE in December 2020 reported double-digit losses. The lower impact on net profit margins is partly due to the inclusion of four highly profitable Top 10 companies in the FYE December 2020 group—LVMH, Kering, Chanel, and Hermès. Together, these four profit super-performers contributed over 83% of the total Top 100 net profits in FY2020.

Case studies: How luxury goods companies were impacted by the COVID-19 pandemic

Farfetch

New entrant Farfetch achieved the strongest sales growth among all the Top 100 companies for its owned and licensed luxury goods brands in FY2020. Sales more than doubled, mainly due to its 2018 to 2019 acquisitions of New Guards Group¹⁰¹ and Stadium Goods,¹⁰² and increased consumer demand for luxury casualwear. As a luxury e-commerce specialist, it also saw growth from its ability to respond to the pandemic-driven switch to online shopping.

Canada Goose

Canada Goose's FYE date of end-March 2020 meant that the company's sales growth in FY2020 was less affected by the pandemic than for other luxury goods companies. Direct-to-consumer revenue increased by 22%, driven by new retail stores, despite political disruptions in Hong Kong and the global impact of COVID-19 disruptions in the third and fourth quarters of FY2020. Wholesale shipment reductions due to COVID-19 disruptions to partner operations, were intensified through the fourth quarter.

Samsonite's Tumi brand

Samsonite's luxury Tumi brand suffered the biggest drop in sales among the Top 100 companies in FY2020. The 58% sales decline in the brand's travel, business, lifestyle bags, and luggage was due to the impact of COVID-19 on travel-related consumer demand, travel retail, and other store closures.

Hugo Boss

Sales by Hugo Boss fell 32.5% in FY2020 due to retail closures and lower demand for formalwear. On average, around 20% of the company's more than 1,000 owned points of sale globally were closed in 2020. Its online business performed very strongly, with a currency-adjusted sales increase of 49%. Cautious order behavior by wholesalers in the wake of the pandemic led to lower deliveries to partners, especially in Europe and the United States. Both HUGO and BOSS casualwear offerings performed significantly better than formalwear. This reflects the global trend toward casualization, which was boosted by the pandemic.

The Swatch Group

Swatch Group sales suffered primarily from retail closures and supply disruption throughout most of FY2020. The growth of 70% in e-commerce could not compensate for sales losses in traditional retail, and overall group sales fell by 33%. The group closed 384 stores. Production closures led to reduced capacity—and although production was gradually increased later in 2020, it was planned to return to pre-pandemic capacity only in the first half of 2021.

Luxury e-commerce: Past the tipping point

For much of this century, many owners of the leading luxury brands refused to sell online, relying on their physical networks of their own (mainly mono-brand) boutiques and multi-brand third-party retailers. This reluctance was due to:

- The desire to retain control over the defining elements of the luxury identity of their brands—exclusivity, craftsmanship and authenticity, customer service and delivery, and consistent luxury consumer experience and messaging.
- Lack of capability to deliver these elements online—both in skills and experience, and in the significant ongoing investment required.

Digital marketing has been growing rapidly amongst the leading luxury companies, but luxury e-commerce growth has been much slower. However, 2020 was a disruptive year which could be said to have driven luxury e-commerce past the tipping point, to become a vital part of the omnichannel distribution strategy for global luxury players.

This section gives a brief overview of some of the business models, key players, partnerships, and notable changes in the luxury e-commerce business environment.

Key factors driving changing luxury e-commerce strategies

- Growing consumer demand for luxury e-commerce
 - E-commerce growth accelerated rapidly due to the COVID-19 pandemic
 - Increasing importance of younger consumers (Millennials and Gen Z) for luxury goods sales
- China's rapidly growing share of global luxury sales and other new geographic opportunities.
- Partnerships with major luxury e-commerce players (and social media providers such as WeChat mini-programs) to deliver high quality, flexible, reliable, brand-centric e-commerce business models.

Luxury e-commerce business models

Luxury brands are sold online to consumers through a number of different business models.

| Luxury e-commerce model | | Examples |
|--|---|--|
| Pureplay multi-brand e-tailers, marketplaces, online wholesalers, online shopping malls | <p>Multi-brand online shop where a wide range of luxury brands can be purchased</p> <p>The major players also provide fulfilment, technology, logistics, payment, customer analytics, and other services, with a few owning inventory.</p> | Farfetch Net-a-Porter Tmall Luxury Pavilion JD.com Luxury Amazon Luxury Stores |
| Pureplay specialist multi-brand e-commerce sites | <p>Multi-brand online shop with a specialist focus on luxury brands (most of these are marketplaces)</p> <p>Types of specialist shops include:</p> <ul style="list-style-type: none"> • Niche – focusing on specific luxury product categories, consumers and/or geography • Discount sites – flash sales, outlets, and other discounts • Reseller of previously owned luxury goods – a growing area as companies respond to increasing consumer demand for sustainability • Rental | LVMH's Sephora VeePee Rue La La/Gilt The RealReal SSENSE Richemont's Watchfinder RenttheRunway |
| Mono-brand e-commerce sites | Owned and operated by major luxury brand owners | louisvuitton.com gucci.com |
| Multi-brand e-commerce sites | Owned and operated by major luxury brand companies (not many companies follow this model) | LVMH's 24s.com |
| Luxury department store multi-brand e-commerce sites | "Bricks-and-mortar" luxury department stores e-commerce | bergdorfgoodman.com selfridges.com |

WeChat mini-programs

Messaging app WeChat's mini-programs can be seen as 'apps within an app,' which combine digital marketing and e-commerce. They are a key enabler for merging online and offline experiences. Where luxury brands have their own, or hosted, direct-to-consumer e-commerce sites, these mini-programs allow consumers to click through to these directly from the brand's digital marketing content on WeChat (advertising campaigns, promotions, new product launches, personalization, AR/VR tools, etc.). Mini-programs

remind users of payment, orders, and delivery through the notification service provided by WeChat. It is also much easier for clients to share brand communications via WeChat.

For luxury brand companies, the benefits include consumer traffic directly from WeChat, fast and low-cost development, and no 'usage fees,' as well as gaining customer insights from the WeChat mini-program data monitoring tools.

Leading luxury e-commerce players

The leading luxury e-commerce players are pulling away from the pack. **Farfetch** and **YOOX NET-A-PORTER Group** (owned by Richemont) have grown primarily in Western markets, while **Alibaba's Tmall Luxury Pavilion** is the leading player in

China and other Asian markets. These players have unrivalled expertise in offering multi-brand marketplaces and hosting mono-brand e-commerce sites, and they are also innovative in other areas such as reselling and buyback.

Farfetch

Farfetch claims to be the leading global platform for the luxury fashion industry, connecting creators, curators, and consumers. Founder José Neves says that Farfetch sees brands and retailers as their partners, not their competitors, and is open to help all clients become a part of the growing e-commerce opportunity. Farfetch carries major luxury brands such as Gucci and Versace, but also retails luxury fashion and jewelry from many smaller boutiques around the world. The company charges brands a commission on sales, with an added charge if retailers wish to outsource order fulfilment to Farfetch. Farfetch Marketplace connects customers in over 190 countries with items from more than 50 countries and with around 1,300 brands, boutiques, and department stores.¹⁰³

Farfetch's goals have expanded from selling goods to luxury shoppers around the world, to selling its own luxury

brands (New Guards Group acquisition 2019) and providing additional services to luxury companies and brands. Farfetch Platform Solutions (FPS) allows companies to access the same capabilities and scale as the Farfetch marketplace. It is a flexible front-end suite of products that enable companies to run their own brand websites and apps, and mini-programs to run marketing campaigns and sell directly on China's leading social media platform, WeChat. The back-end infrastructure allows retailers and brands to synchronize their websites with in-store and warehouse inventory, both from mono-brand stores and other suppliers in their distribution network and facilitate in-store pick-up and consumer returns.

Farfetch has been growing strongly, with GMV (Gross Merchandise Value) up 48.9% and Adjusted Revenue up 63.6% year-on-year in FY2020. This growth is driven by their Digital Platform Services, with revenue up 47.3%, as well as their New Guards brand acquisition.¹⁰⁴

YOOX NET-A-PORTER Group (YNAP)

YNAP claims to be the world leader in online luxury and fashion. It was the pioneer in luxury e-commerce. YOOX launched in 2000 as an online retailer selling out-of-season high-end fashion. In 2015 it merged with NET-A-PORTER, the British luxury e-commerce site founded by Natalie Massanet, focusing on full-price in-season stock. Leading luxury company Richemont took full control of YNAP Group in 2018. Multi-brand online stores, NET-A-PORTER, MR PORTER, YOOX, and THE OUTNET are connected within an ecosystem alongside the Online Flagship Stores Division which partners with luxury brands to host their e-commerce sites. Together they serve luxury customers across 180 countries.

YNAP has seen slower growth than Farfetch and Tmall Luxury. Richemont's Online Distributors Segment (YNAP, plus a small amount of revenue from Watchfinder&Co., a reseller of luxury watches) achieved revenue growth of 15% in the year ending March 2020, but sales fell by 9% to €2197M in the year ending March 2021, reflecting the impact of widespread closures of distribution centers caused by COVID-19.

Tmall Luxury

Tmall Luxury Pavilion is an invitation-only luxury platform on Alibaba's Tmall site, offering luxury products to more than 779 million Chinese consumers who use the platform—nearly half of them less than 29 years old. Alibaba says that the platform was created to respond to the demands of the luxury industry to maintain its exclusivity in an online environment. It is a comprehensive platform that allows brands to offer personalized experiences and services. These include personalized home pages, custom-made brand pages, product recommendations, and exclusive VIP bonuses and awards; as well as technologies such as virtual reality and augmented reality.

Tmall Luxury Pavilion launched in 2017 with several leading luxury brands such as Valentino and Bottega Veneta, and by 2020 was home to more than 200 leading luxury and premium brands worldwide, offering fashion, cosmetics, jewelry, watches, and cars. Tmall Luxury develops joint business plans each year with leading luxury companies e.g., Estée Lauder has operated e-commerce exclusively with Tmall in China for four or five years to ensure control of pricing and promotions. Burberry and Cartier follow the same exclusive partnership model. Tmall launched a new outlet platform in 2020, Luxury Soho, to allow brands to manage sales of off-season or excess products online.

Tmall does not release figures for Luxury Pavilion GMV or revenue but says that Luxury Pavilion sales grew by 130-140% in 2020, and by 159% year-on-year for the quarter January to March 2021.

JD.com Luxury

Alibaba's main e-commerce rival in China, JD.com, has fallen behind Tmall Luxury in the battle for the Chinese luxury consumer. JD.com historically grew from strength in the consumer electronics, computers, and telecommunications sectors, and has significantly fewer active users than Tmall. JD.com entered the luxury e-commerce battleground in June 2017, when it invested US\$397M in Farfetch, becoming one of Farfetch's largest shareholders. JD.com and Farfetch partnered on marketing, logistics, and technology solutions to build the brand in China. JD.com launched its luxury platform Toplife in October 2017. In 2019 JD.com sold Toplife to Farfetch China for US\$50M, to merge it into its existing China business, and Farfetch opened a digital flagship store on JD.com.¹⁰⁵ The strategic partnership was not successful, and Farfetch moved its China luxury partnership efforts to Alibaba's Tmall Luxury in September 2019 (see Luxury New Retail Alliance below). The Farfetch store on JD.com closed at the end of 2020, although JD.com has retained its shareholding in Farfetch.

JD.com's current strategy to increase its luxury e-commerce business includes partnerships with key brands, and a new page that redirects consumers to brands' official WeChat mini-programs. In 2021, it started a partnership with the world's biggest luxury brand, Louis Vuitton.¹⁰⁶ JD.com will host a tailor-made Louis Vuitton brand page, which will also redirect consumers to Louis Vuitton's official WeChat mini-program, with purchasing and digital marketing content. LVMH's beauty brands Guerlain and Givenchy have also launched official flagship stores on JD.com, and Estée Lauder and other prestige beauty brands popular with Chinese consumers have rejoined JD.com.

In September 2021, China issued anti-monopoly rules for e-commerce companies. These allow luxury brands to choose to partner with both Tmall and JD.com e-commerce platforms.

Amazon Luxury Stores

Amazon has struggled for many years to get a foothold in the luxury e-commerce market. Luxury brands have avoided its e-commerce platform, citing its lack of brand-centric exclusivity and potential counterfeiting issues.

In 2020 Amazon launched Amazon Luxury Stores.¹⁰⁷ A new Luxury Stores app was made available, by invitation only, to selected Amazon Prime members.

Amazon guarantees the authenticity of brand purchases, and provides fast, free delivery. Two special temporary storefronts (open May to October 2020) were also launched in the United States and Europe to showcase the work of independent designers whose department store outlets had closed or cancelled orders due to the COVID-19 pandemic. The only Amazon Luxury Stores brand partner at launch was Oscar de la Renta. Since then, several other brands have been added.

China's luxury e-commerce partnerships

During the period 2019 to 2021, the leading global luxury e-commerce groups have become much more strongly interconnected in China through a number of partnerships with each other and with some of the leading global luxury companies.

NET-A-PORTER launched on Tmall Luxury Pavilion in September 2019,¹⁰⁸ offering more than 130 luxury and designer brands for men and women, including Brunello Cucinelli, Balmain, Jimmy Choo, and Tom Ford; as well as Richemont brands including Chloé, Cartier, Piaget, Montblanc, and Van Cleef & Arpels. The store launch marked the start of operations for Feng Mao, a joint venture between Alibaba (49% ownership) and YOOX NET-A-PORTER (51% ownership). In this partnership, Alibaba contributes resources and expertise in marketing, payments, and technology infrastructure, while Richemont leverages its strong relationships with leading luxury brands through its subsidiary, YOOX NET-A-PORTER Group.

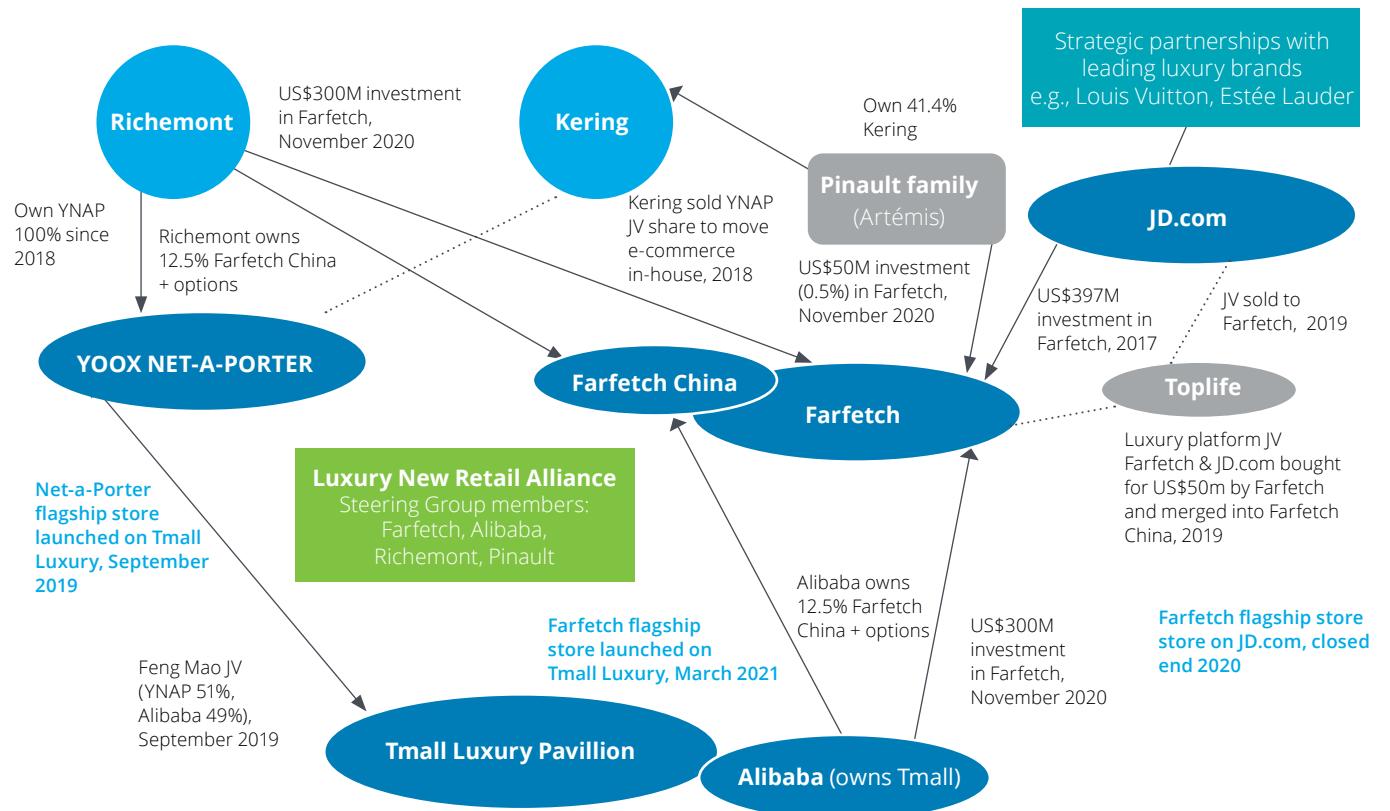
Farfetch launched its storefront on Luxury Pavilion in March 2021, with around 3,500 brands from more than 50 countries.¹⁰⁹ It is prominent on Tmall Luxury Pavilion's homepage with one of the five main navigation buttons and a premium permanent banner. It is also launching on Luxury Soho and Alibaba's cross-border marketplace Tmall Global.

Luxury New Retail Alliance^{110, 111}

Farfetch's Luxury Pavilion launch was part of a November 2020 alliance between Alibaba, Farfetch and Richemont called Luxury New Retail (LNR), with the objective of leading the digitization of the global luxury retail industry. François-Henri Pinault is also part of the alliance, through Artémis, the holding company controlled by the Pinault family which owns 41.4% of Kering. The initiative leverages Farfetch's and Alibaba's "state-of-the-art" omnichannel retail technologies to serve the needs of luxury businesses, including the full suite of enterprise solutions powered by Farfetch. Richemont is building on its existing joint venture with Alibaba, contributing their Maisons' luxury retail expertise and YOOX NET-A-PORTER's deep brand partnerships, expert curation, and customer care. Together, the companies say that LNR allows luxury brands to access the Chinese luxury consumer either through their own hosted mono-brand sites, or via the multi-brand Farfetch or NET-A-PORTER storefronts on Tmall Luxury Pavilion.

This growth is underpinned by investments by the alliance members in Farfetch. Alibaba and Richemont each put US\$300 million into Farfetch itself and another US\$250 million each into a new joint venture called Farfetch China. They will own 25% of the Chinese entity and have an option to buy another 24% in about three years. The Pinault family also increased its stake in Farfetch by US\$50 million. Richemont chairman Johann Rupert and François-Henri Pinault joined Farfetch and Alibaba on the LNR Steering Group as founding members.

Luxury e-commerce in China: The partnership network



Impact on e-commerce strategies of leading global luxury companies

The availability of increasingly sophisticated e-commerce ecosystems and partnerships allows many luxury companies to keep the control they require over their brands' digital marketing and pricing and their purchasing relationships with clients, at an affordable cost. For many leading players, this enables them to grow their e-commerce business through mono-brand sites—directly operated and/or hosted on major luxury e-commerce platforms. However, Kering's Chief Client and Digital Officer Grégory Bourté has pointed out that building impactful social media and e-commerce strategies globally across multiple platforms is difficult and requires a significant investment that is only possible for bigger luxury companies and brands.

In general, smaller players, without the deep pockets needed to run their own e-commerce operations are partnering with the leading multi-brand luxury e-commerce platforms. Vertically integrated luxury goods retailers, such as the major Chinese and Indian jewelry companies, operate their own e-commerce in markets with retail networks, but may also use major e-commerce platforms, particularly for cross-border e-commerce.

A few leading luxury companies (notably Rolex watches, and Chanel's fashion business) still believe that, although they engage in digital marketing and provide online content, for some of their brands or categories the final client purchasing experience should always be in a physical store.

Geographic analysis

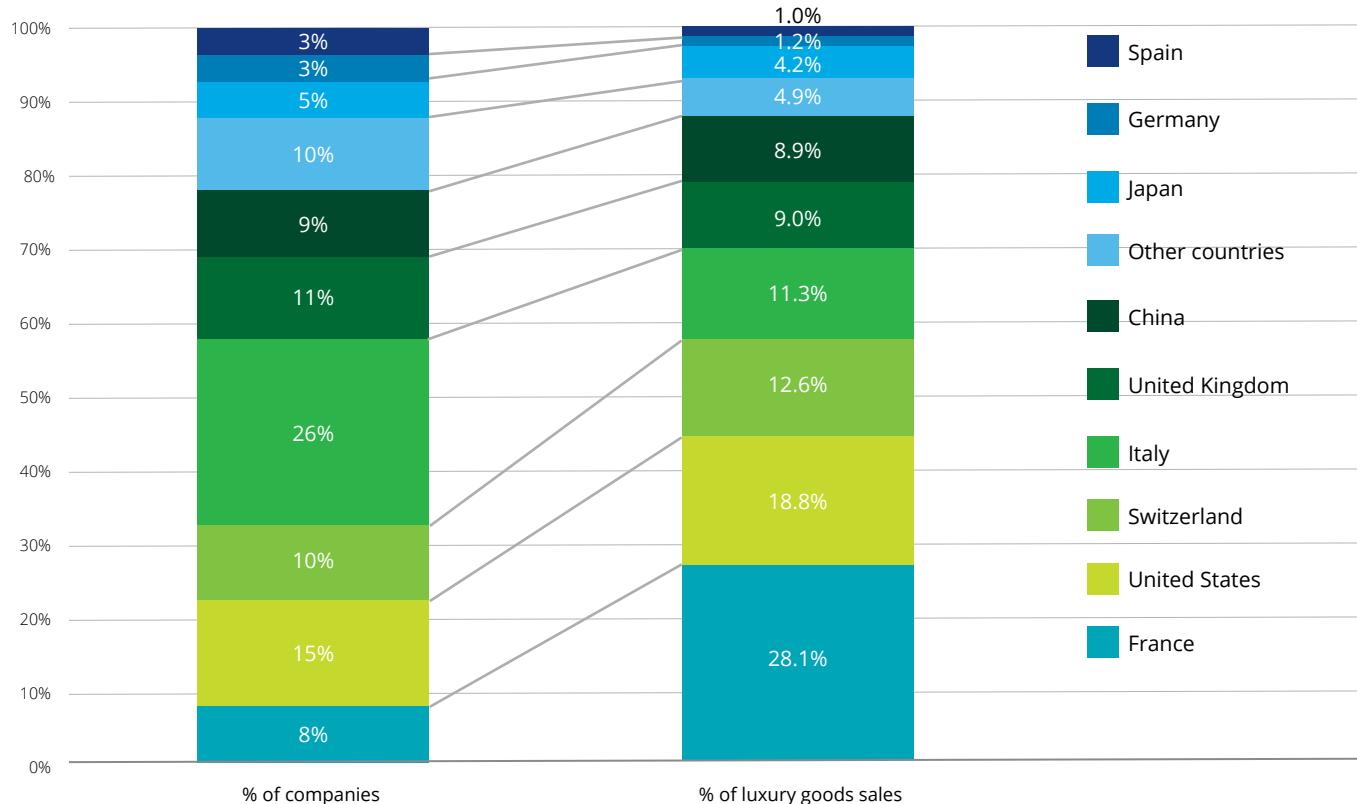
Given the high concentration of luxury goods companies headquartered in Europe, the United States, and the largest markets in Asia, this geographic analysis focuses on individual countries. Companies are assigned to a country according to the location of their headquarters, which often does not coincide with where they derive the majority of their luxury goods sales.

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

The nine countries analyzed in this section are:

- China (including Hong Kong SAR)
- France
- Germany
- Italy
- Japan
- Spain
- Switzerland
- United States
- United Kingdom

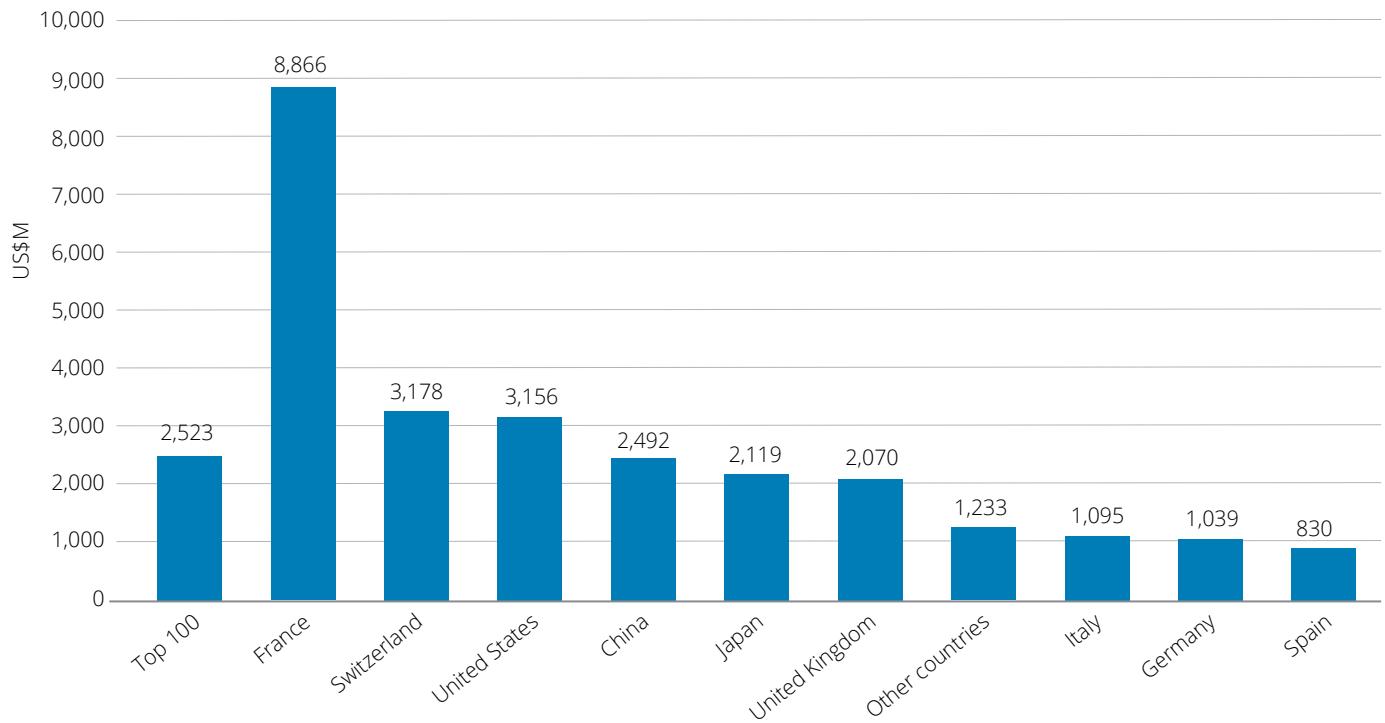
Top 100 share by country, FY2020



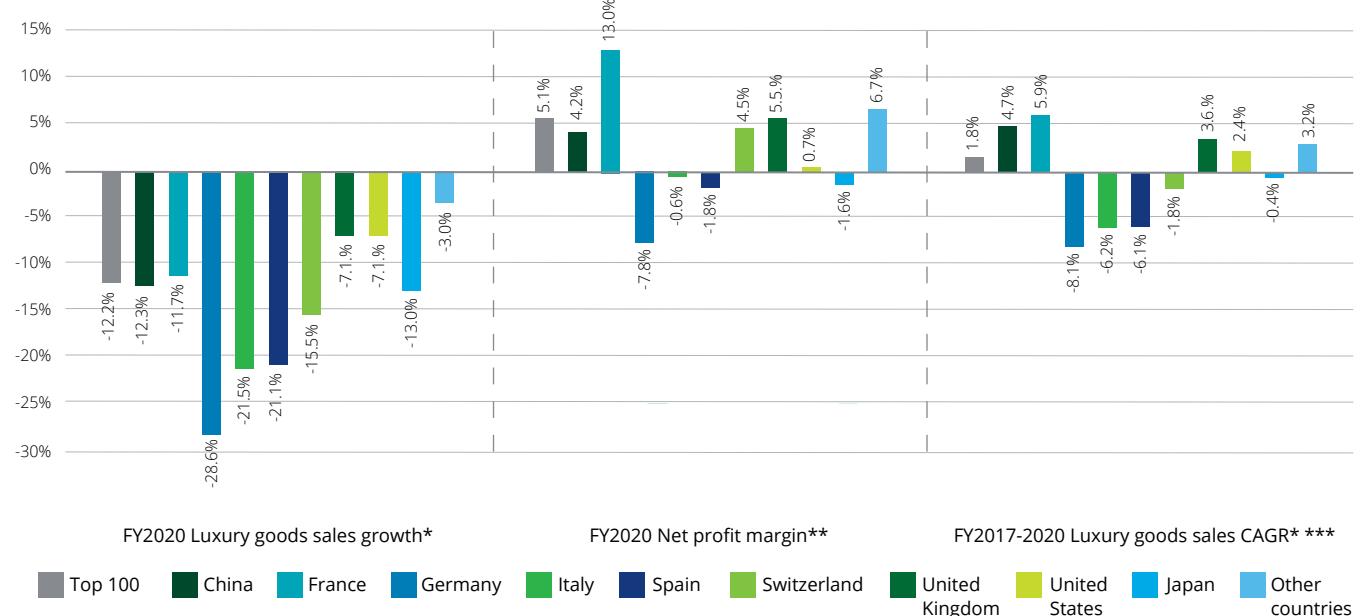
Results reflect Top 100 companies headquartered in each country

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Average size of companies by luxury goods sales (US\$M), FY2020



Performance by country, FY2020



* Sales-weighted, currency-adjusted composites

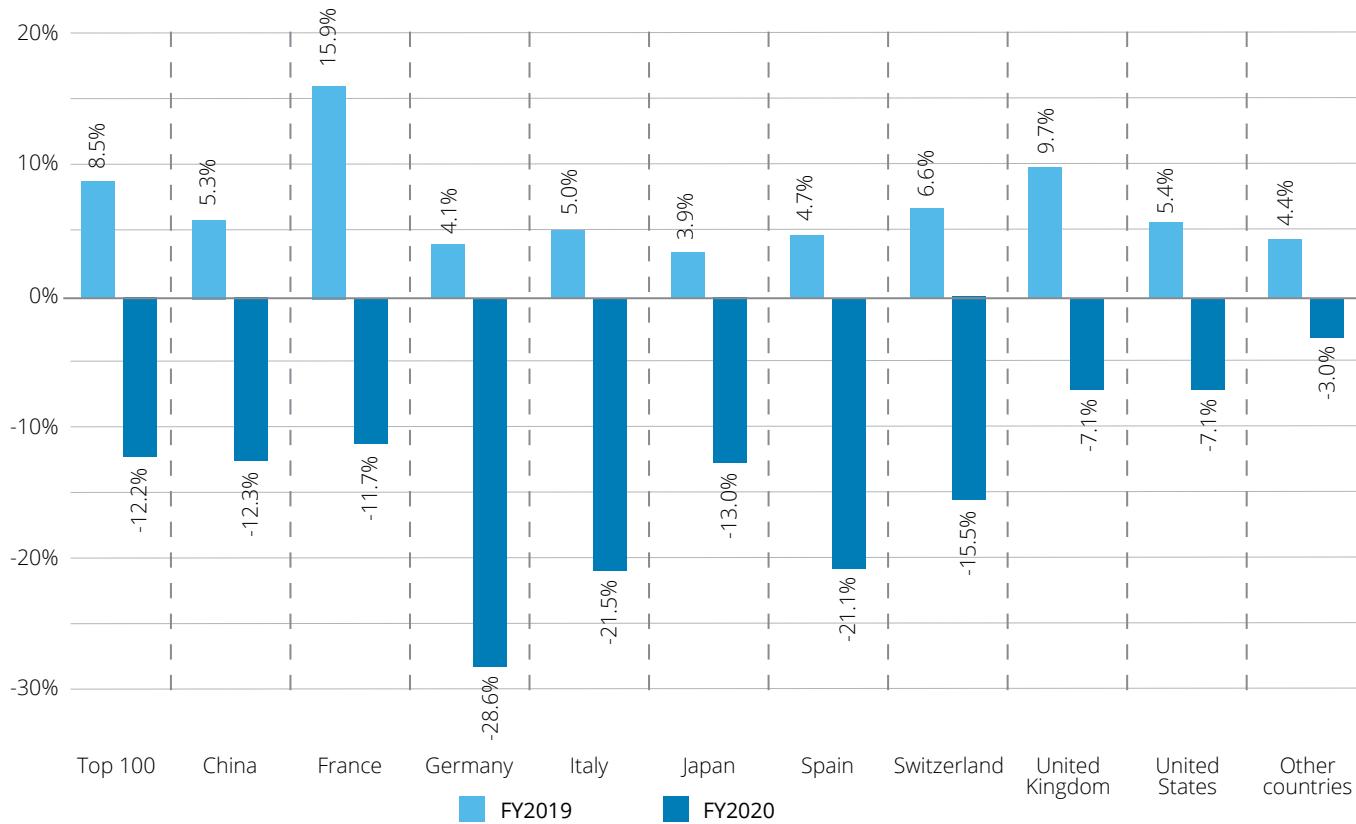
** Sales-weighted composites

*** Compound annual growth rate

Switzerland: Net profit margin based on data from two companies

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Luxury goods sales YoY growth* % by country for Top 100 companies, FY2019 and FY2020



* Sales-weighted, currency-adjusted composites

US company True Religion is excluded from FY2019 growth calculation (comparable FY2018 data n/a)
Source: Deloitte Touche Tohmatsu Limited, *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

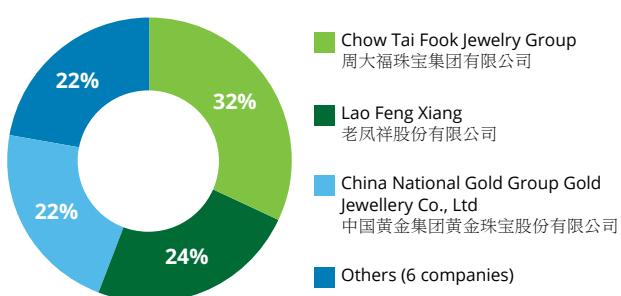
For each country: % of companies by product sector, FY2020

| | Clothing and footwear | Bags and accessories | Cosmetics and fragrances | Jewelry and watches | Multiple luxury goods |
|------------------------|-----------------------|----------------------|--------------------------|---------------------|-----------------------|
| China | | | | 100% | |
| France | 25% | | 38% | | 38% |
| Germany | 67% | 33% | | | |
| Italy | 62% | 19% | 4% | 8% | 8% |
| Spain | 33% | | 33% | 33% | |
| Switzerland | | | | 100% | |
| United Kingdom | 55% | 9% | | 9% | 27% |
| United States | 27% | 13% | 27% | 20% | 13% |
| Japan | 40% | | 60% | | |
| Other countries | 20% | | 10% | 70% | |
| Top 100 | 35% | 9% | 13% | 33% | 10% |

Italy increases share of Top 100 luxury goods companies and China increases share of Top 100 luxury goods sales

Top 100 luxury goods companies in all countries saw their composite YoY luxury goods sales growth drop sharply in FY2020 due to the impact of the COVID-19 pandemic. However, the size of the decline varied from 28.6% for companies based in Germany, to only 3.0% for companies based in “other countries” (outside the nine countries analyzed in this report). Companies based in the United Kingdom and United States also experienced smaller composite declines than the 12.2% fall for the Top 100 overall. Companies in some countries remained profitable, despite falling sales. French companies achieved an impressive 13.0% FY2020 composite net profit margin, and companies in the United Kingdom and “other countries” also had higher composite net profit margins than the average of 5.1% for the Top 100 as a whole. Companies in Germany, Spain, Japan, and Italy reported composite net losses.

Top 3 companies share of FY2020 luxury goods sales

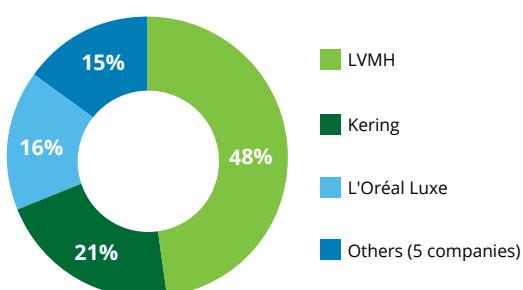


China

Companies based in China increased their share of Top 100 luxury goods sales by 1.8 percentage points, compared to last year’s report. There were two new entrants from China in FY2020, China National Gold Group Gold Jewellery Co, which launched an IPO in February 2021, and Guangdong CHJ Industry Co. All nine companies are vertically integrated jewelers, reflecting China’s importance in this product sector. They reported a 12.3% composite FY2020 YoY luxury goods sales revenue decline, similar to the Top 100 as a whole.

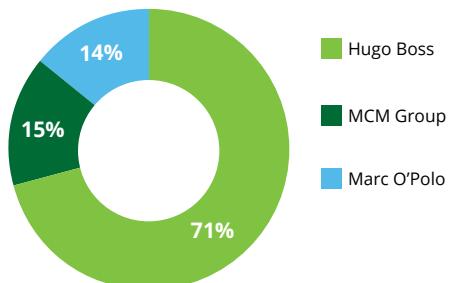
Lao Feng Xiang was the only company to achieve growth in luxury goods sales in FY2020. Seven of the nine Chinese companies experienced double-digit percentage falls, due not only to the COVID-19 pandemic, but also to a surge in the international gold price that dampened the retail demand for gold products, and weak performance in Hong Kong SAR as a result of social unrest and a contraction in the local economy affecting tourism and local sales. Despite this, the seven largest companies remained profitable. The composite net profit margin of 4.2% was 1.7 percentage points lower than in last year’s report. China’s Fosun Fashion Group, a subsidiary of conglomerate Fosun International, continued to add to its luxury brand portfolio, which includes Wolford, Lanvin and its Yuyuan jewelry and fashion business, acquiring Sergio Rossi in June 2021.¹¹² Unfortunately, Fosun does not break out its luxury goods sales, and so cannot be included in this report.

Top 3 companies share of FY2020 luxury goods sales

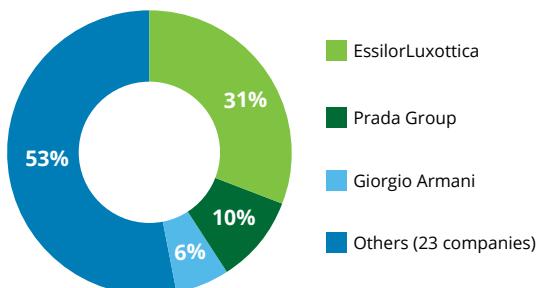


France

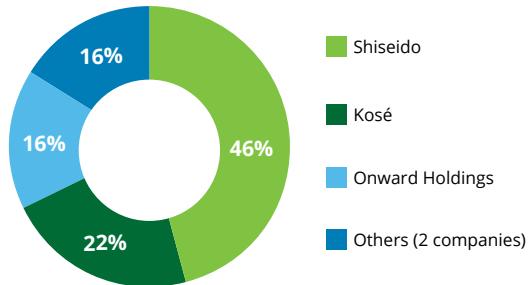
The eight companies based in France continued to contribute the highest share of Top 100 luxury goods sales, at 28.1%. France is home to four of the Top 10 companies—three multiple luxury goods companies: LVMH, Kering and Hermès; and cosmetics and fragrances leader L'Oréal Luxe. The average size of the French companies, US\$8.9 billion, is more than three times larger than the Top 100 average. France had the highest composite net profit margin, 13.0%, driven by continued double-digit net profit margins at three of the four companies reporting net profits—LVMH, Kering, and Hermès. France also achieved the highest three-year CAGR growth in luxury goods sales, 5.9%, although this was down nearly 10 percentage points on FY2019, due to YoY sales declines in FY2020 for all companies, with double-digit declines for leaders LVMH and Kering, as well as for SMCP and Nuxe.

Top 3 companies share of FY2020 luxury goods sales**Germany**

Hugo Boss continues to be by far the largest luxury goods company in Germany. Marc Cain, Falke, and Gerhard D. Wempe could not be included due to missing FY2020 data. German luxury bag brand MCM is now included in the analysis for Germany. In previous years it was included in "other countries", as its parent company is based in South Korea. German companies reported the biggest composite year-on-year luxury goods sales decline in FY2020 among all the countries, down by 28.6%. Hugo Boss saw sales fall by 33%, due mainly to temporary store closures, with casualwear offerings performing significantly better than formalwear. The company's sales in mainland China grew by 5%, offsetting some of the declines in other regions. Although MCM and Marc O'Polo both reported small profits, the 11.3% net loss reported by Hugo Boss pulled down the German composite net profit margin to -7.8%, the lowest among all the countries.

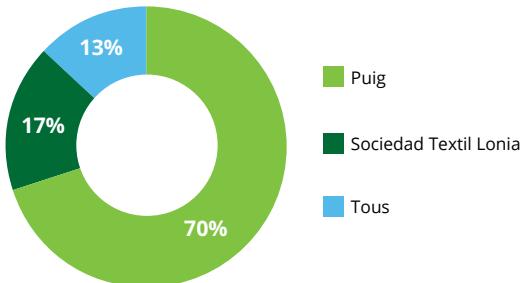
Top 3 companies share of FY2020 luxury goods sales**Italy**

Italy is home to by far the largest number of leading luxury goods companies, with 26 in the Top 100 companies. This is four more than in last year's report, thanks to new luxury streetwear entrants Golden Goose; Sportswear (owner of the Stone Island brand); acquisitive jeweler Morellato; and Pinko women's fashion brand owner Cris Conf. Sixteen of the 26 are luxury fashion companies. FY2020 composite year-on-year luxury goods sales fell by 21.5%, as nearly all the leading Italian companies reported double-digit percentage falls in sales. The top three new entrants were the only luxury goods companies in Italy to achieve growth in sales in FY2020. Net profit performance was more variable, with eight companies reporting a profit, including many of the largest Italian companies, such as EssilorLuxottica, Armani, Moncler, OTB, and Max Mara. However, 15 companies reported losses, taking the FY2020 composite net profit margin for companies based in Italy down to -0.6%.

Top 3 companies share of FY2020 luxury goods sales**Japan**

Composite FY2020 year-on-year luxury goods sales for the five Japanese companies fell by 13%. Companies with financial year end dates (FYE) in early 2020 (Kosé, Onward Holdings, and Sanyo Shokai) saw a relatively small fall, while Shiseido and Pola Orbis, with December 2020 FYE dates, reported declines of around 20%, having felt the impact in their results of the COVID-19 pandemic for a full year, as well as a consumption tax increase in Japan in October 2019 and several natural disasters. The FY2020 composite net profit margin for companies based in Japan was -1.6%, due mainly to Onwards Holdings reporting a 20.7% net loss. Onward Holdings has been restructuring, and closed or consolidated approximately 700 stores in FY2020, as it moves toward the objective of becoming an omnichannel business with much stronger e-commerce. Kosé and Pola Orbis remained profitable, while Shiseido and Sanyo Shokai reported only small losses.

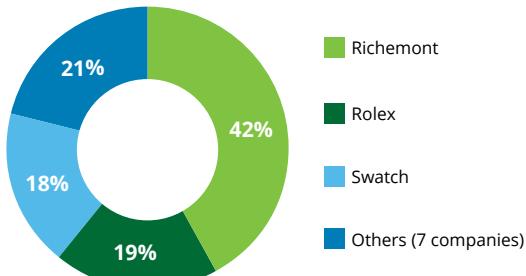
Top 3 companies share of FY2020 luxury goods sales



Spain

Composite FY2020 year-on-year luxury goods sales for the three leading luxury goods companies based in Spain fell by 21.1%. Both Puig and Tous reported sales down by over 20%. Textil Lonia's FY2020 financial year end date was in February 2020, so its results in FY2020 did not include most of the impact of the pandemic, and it reported a 6.8% growth in sales. Profits followed the same pattern, with Textil Lonia the only company reporting a profit, the composite FY2020 net profit margin for the Spanish companies was -1.8%.

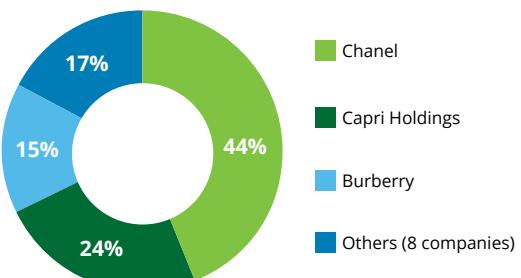
Top 3 companies share of FY2020 luxury goods sales



Switzerland

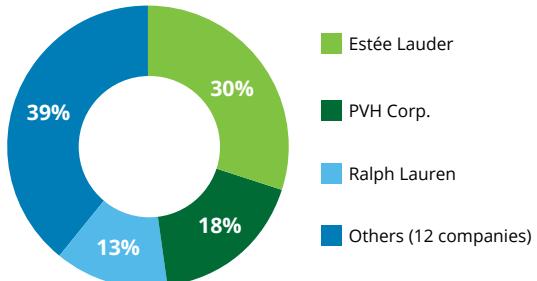
The ten companies based in Switzerland are all jewelry and watch companies. Their composite year-on-year luxury goods sales fell by 15.5% in FY2020. Sales were down for all companies, with Swatch Group and Swarovski Crystal Business losing around one-third of their sales. Richemont and Swatch Group are the only Swiss companies that publish financial reports. Their composite FY2020 net profit margin of 4.5% was only slightly below the composite figure for the Top 100.

Top 3 companies share of FY2020 luxury goods sales

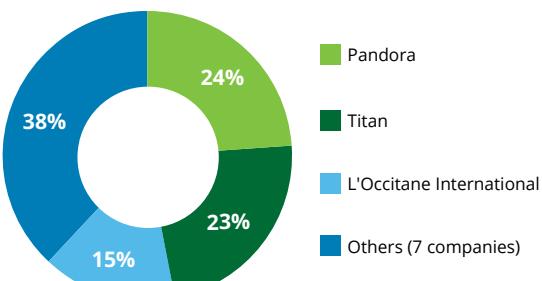


United Kingdom

The eleven companies based in the United Kingdom are dominated by global luxury leaders Chanel and Capri Holdings, which have their headquarters in London, together with the British Burberry brand. In FY2020, UK companies again had the third best composite year-on-year luxury goods sales performance, with a decline of only 7.1%. This is partly due to more than half the companies having a FY2020 financial year end on or before 31 March 2020, with Capri Holdings, Kurt Geiger, and Barbour all reporting single-digit revenue growth. Chanel, Graff Diamonds, Paul Smith, and Mulberry all saw double-digit falls. UK companies also had the third highest composite FY2020 net profit margin, at 5.5%, with Chanel and Barbour reporting double-digit net profit margins, while Ted Baker, Paul Smith, and Mulberry reported double-digit net margin losses.

Top 3 companies share of FY2020 luxury goods sales**United States**

The 15 United States companies had the second highest share of the Top 100 luxury goods sales, at 18.8%. Composite FY2020 year-on-year luxury goods sales fell by 7.1%, the third best performance among all the countries (equal with the United Kingdom). This is partly due to six of the companies having a FY2020 financial year end on or before 31 March 2020. PVH, Cole Haan, Movado, and Vera Bradley all reported single-digit sales growth. At the other end of the spectrum, Samsonite's Tumi brand work and travel bags lost more than half their sales, as the luxury travel sector virtually disappeared, and working from home became the norm for many. Tapestry, Coty, Fossil, Revlon's Elizabeth Arden, Inter Parfums, and True Religion all reported double-digit sales declines. The composite net profit margin for US companies in FY2020 was 0.7%. This would have been significantly higher, but Coty reported a FY2020 net loss of just over US\$1 billion, mainly due to restructuring costs, asset impairment charges and acquisition and divestiture-related costs. As part of Coty's four-year turnaround plan, the company agreed to sell the majority (60%) of its professional beauty and retail hair businesses in June 2020,¹¹³ and it completed the sale of its majority stake in peer-to-peer beauty brand Younique in September 2019.¹¹⁴ Estée Lauder, PVH, Ralph Lauren, Movado, Inter Parfums, and Vera Bradley all reported single-digit net profit margins in FY2020.

Top 3 companies share of FY2020 luxury goods sales**Other countries**

Half of the ten luxury companies based in other countries are vertically-integrated jewelry retailers from India. The largest and smallest companies in this group, Denmark's Pandora and Brazil's Vivara, are also jewelers. Outerwear specialist Canada Goose and Luxembourg-based beauty company L'Occitane were two of only three luxury goods companies in the Top 100 which increased sales by more than 10% in FY2020. This group had seven companies with financial year end March 2020, and COVID-19 affected results only in the fourth quarter of their FY2020. Their composite year-on-year luxury goods sales decline was lower than for all other countries, with FY2020 sales down by 3.0%. This composite figure conceals diverse performances—half the companies reported sales growth, and half a decline in sales. PC Jeweller sales fell by 40%, as consumer demand fell due to a sharp increase in gold prices, low growth in the Indian economy, and the impact of COVID-19 on the peak marriage month of March 2020. The other Indian jewelers were more resilient, with most reporting sales growth. All the companies in this group were profitable, resulting in the second highest FY2020 composite net profit margin, 6.7%.

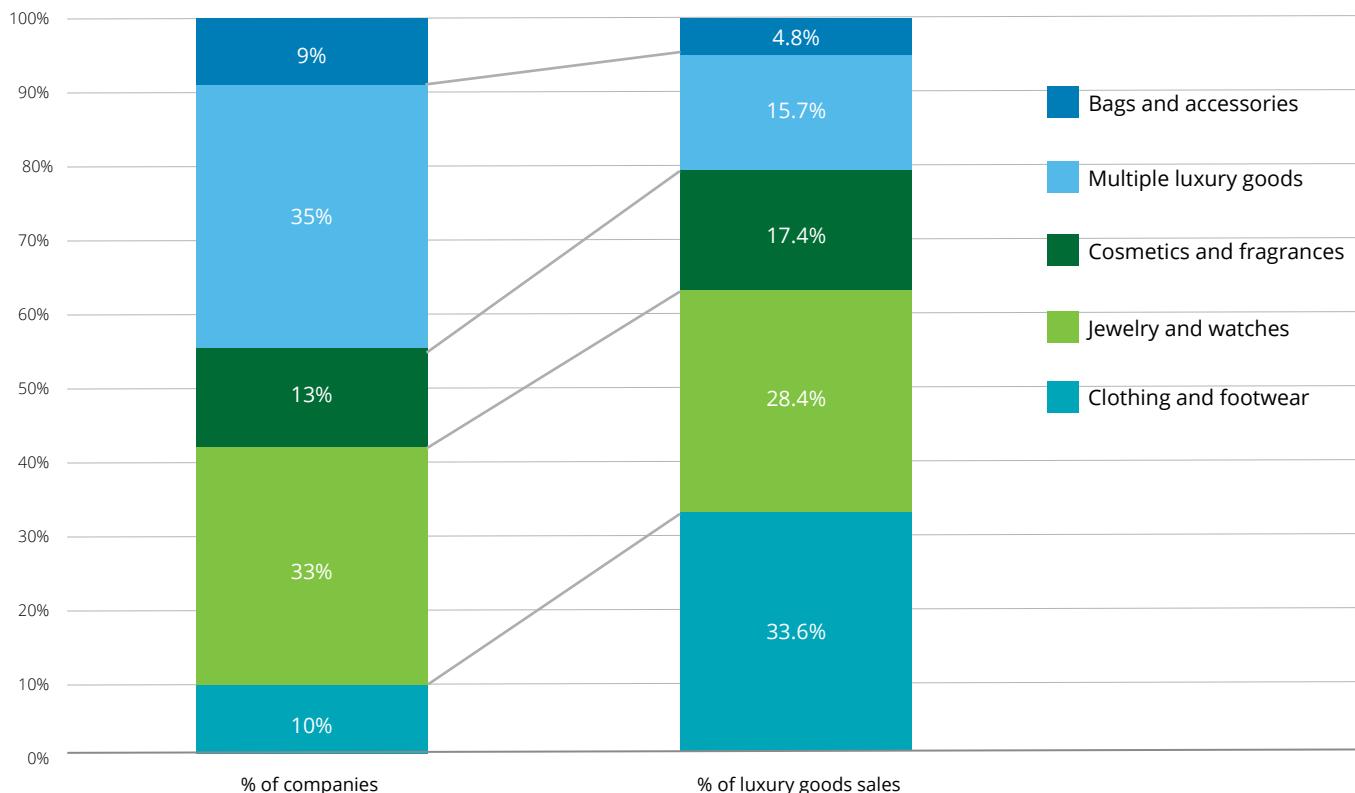
Product sector analysis

This *Global Powers of Luxury Goods* report analyzes performance by luxury goods product sectors as well as by geography. The five luxury goods product sectors used for this analysis are:

- Bags and accessories (including eyewear)
- Clothing and footwear
- Cosmetics and fragrances
- Jewelry and watches
- Multiple luxury goods

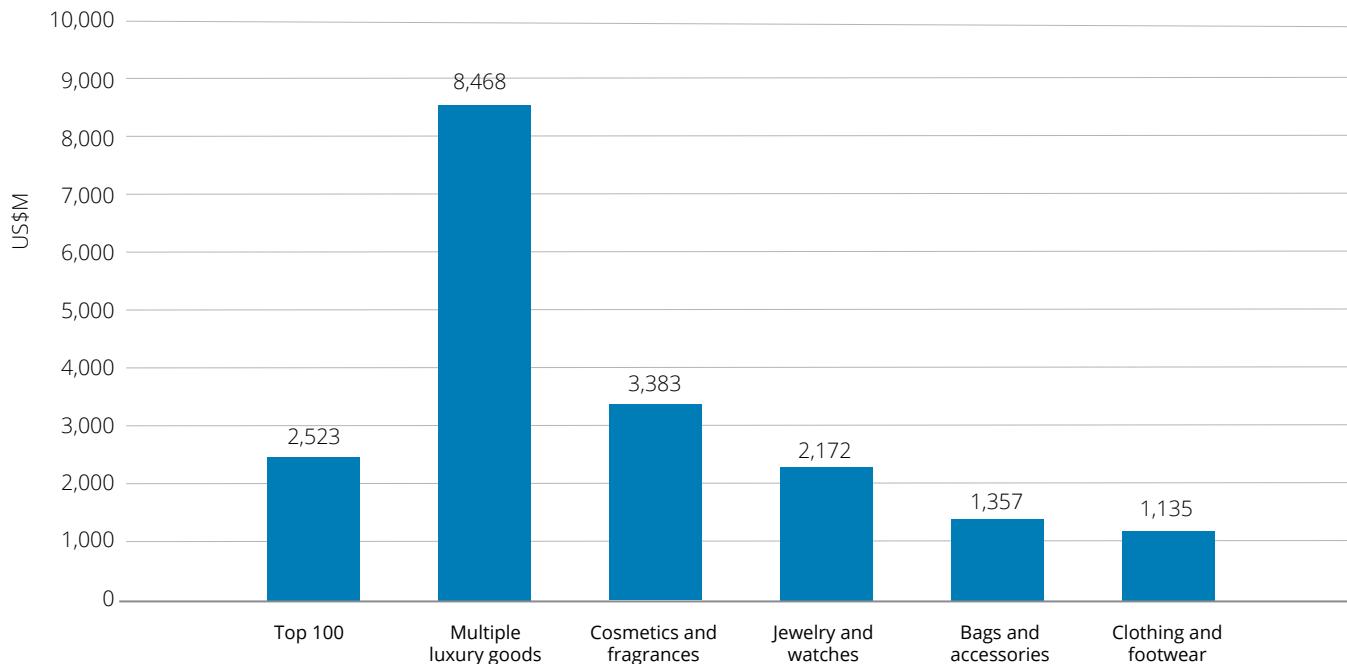
A company is assigned to one of the five specific product sectors if a high percentage of its luxury goods sales are derived from that product sector. Multiple luxury goods companies are those with substantial sales in more than one of the luxury goods product sectors. This analysis is based only on the Top 100 companies.

Top 100 share by product sector, FY2020

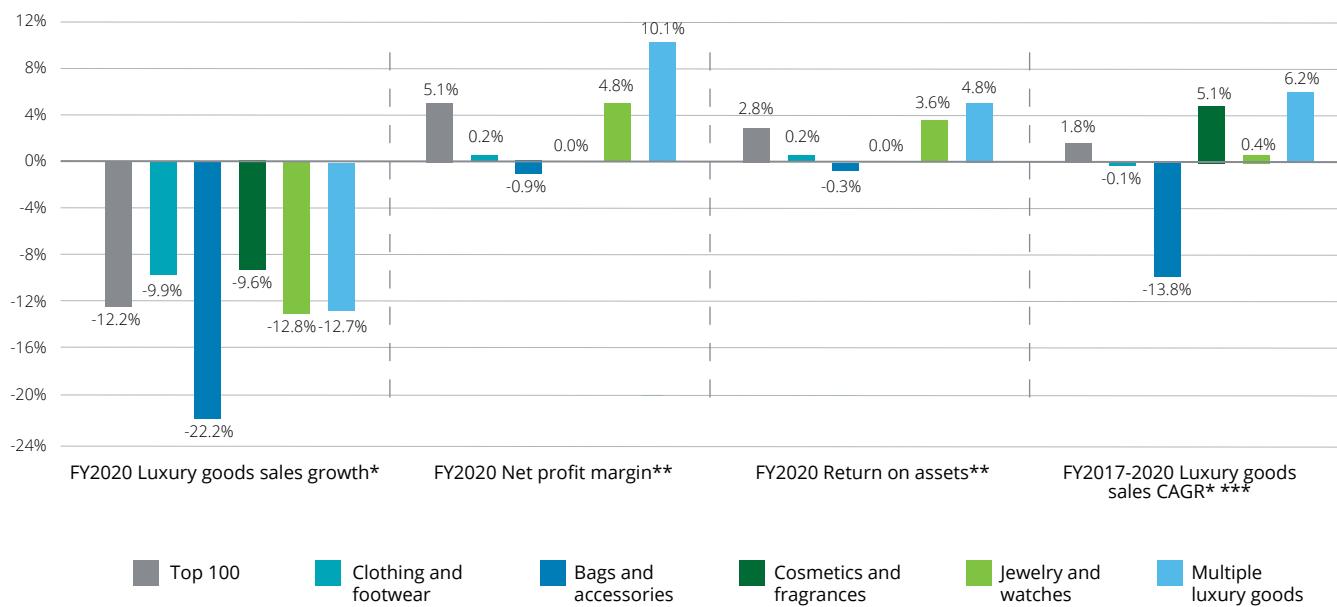


Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Average size of companies by luxury goods sales (US\$M), FY2020



Performance by product sector, FY2020



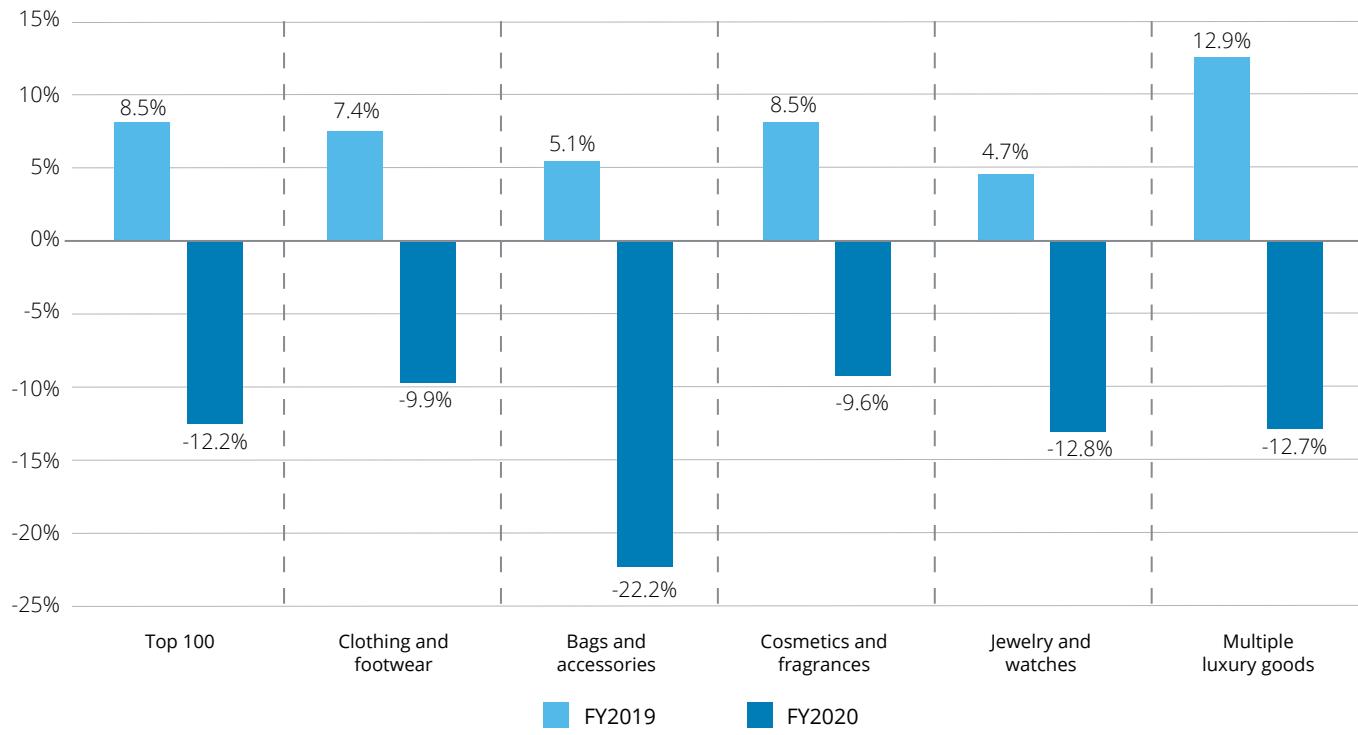
* Sales-weighted, currency-adjusted composites

** Sales-weighted composites

*** Compound annual growth rate

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Luxury goods sales YoY growth* % by product sector for Top 100 companies, FY2019 and FY2020



* Sales-weighted, currency-adjusted composites

Clothing and footwear company True Religion is excluded from FY2019 growth calculation (comparable FY2018 data n/a)

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

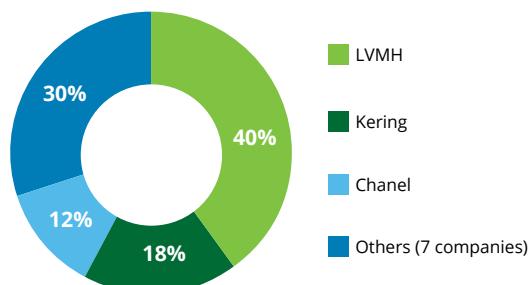
For each product sector, % of companies by country, FY2020

| | Clothing and footwear | Bags and accessories | Cosmetics and fragrances | Jewelry and watches | Multiple luxury goods | Top 100 |
|-----------------|-----------------------|----------------------|--------------------------|---------------------|-----------------------|---------|
| China | | | | 27% | | 9% |
| France | 6% | | 23% | | 30% | 8% |
| Germany | 6% | 11% | | | | 3% |
| Italy | 46% | 56% | 8% | 6% | 20% | 26% |
| Spain | 3% | | 8% | 3% | | 3% |
| Switzerland | | | | 30% | | 10% |
| United Kingdom | 17% | 11% | | 3% | 30% | 11% |
| United States | 11% | 22% | 31% | 9% | 20% | 15% |
| Japan | 6% | | 23% | | | 5% |
| Other countries | 6% | | 8% | 21% | | 10% |

Multiple luxury goods companies have the highest share of luxury goods sales, and the largest three-year CAGR and net profit margins. Clothing and footwear companies still contribute the largest number of companies to the Top 100.

Luxury goods sales fell in all product sectors in FY2020 due to the impact of the COVID-19 pandemic. The bags and accessories sector felt the worst impact, with composite luxury goods sales down by over 22%, and a small composite net loss, while the luxury fashion and prestige beauty sectors experienced falls of less than 10%.

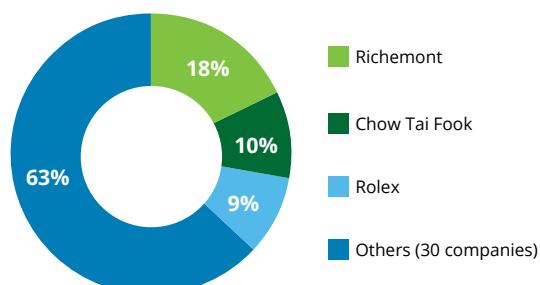
Top 3 companies share of FY2020 luxury goods sales



Multiple luxury goods

The importance of the ten multiple luxury goods companies is clear: they contributed more than one-third of the total Top 100 luxury goods sales in FY2020. This group includes seven out of the top 20 luxury goods companies. The year-on-year fall in their composite luxury goods sales was 12.7%, only slightly worse than the composite decline of 12.2% for the Top 100 companies as a whole. Their FY2017-2020 CAGR was the highest among all the product sectors, at 6.2%. Capri Holdings and Cole Haan both increased luxury goods sales in FY2020, while LVMH, Kering, Chanel, Tapestry, Prada, and Salvatore Ferragamo all reported double-digit declines. Multiple luxury goods companies also continued their leading profitability performance in FY2020. Their composite net profit margin was 10.1%, nearly double the composite net profit margin for the Top 100. There were big differences in profit performance between the companies in this group. The four largest multiple luxury goods companies (LVMH, Kering, Chanel, and Hermès) all reported double-digit net profit margins, while Capri Holdings, Tapestry, Prada, and Salvatore Ferragamo reported losses.

Top 3 companies share of FY2020 luxury goods sales

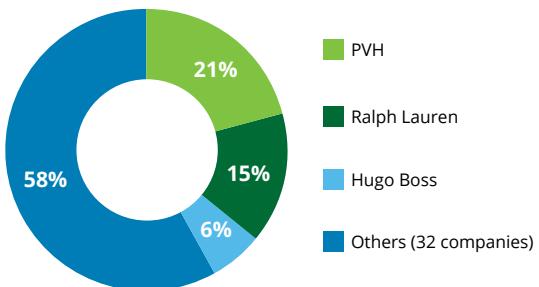


Jewelry and watches

There were 33 jewelry and watch companies in the Top 100 in FY2020, two more than in last year's report. Switzerland is the home country for ten companies in this product sector, among which are Richemont, the global leader in the luxury jewelry and watch sector, Swatch Group, Swarovski Crystal and seven privately-owned global luxury watch brand icons including Rolex, Patek Philippe, and Audemars Piguet. The importance of China and India in the global jewelry market is reflected in the 14 vertically integrated jewelry retailers from these countries in the Top 100. There are nine companies from China (mainland and Hong Kong SAR), including two new entrants: China National Gold Group Jewellery Co. and Guangdong CHJ Industry Co. India contributes another five companies, led by Titan Company. The two Italian jewelers in the group, Morellato and Damiani, are both new entrants to the Top 100 this year. The leading US jewelry company, Tiffany & Co., will disappear from the Top 100 in next year's report, as its acquisition by LVMH was finally completed in January 2021.¹¹⁵

The composite FY2020 year-on-year luxury goods sales for the jewelry and watches companies fell by 12.8%. Twenty-one companies reported double-digit declines. Only six companies grew their sales in FY2020, all of them jewelers. India's Titan, Kalyan, and TBZ; US company Movado; and China's Lao Feng Xiang all reported single-digit growth. Italian jeweler Morellato's sales were up 181%, following a series of acquisitions.¹¹⁶ The composite FY2020 net profit margin for the 24 companies reporting net profits was 4.8%, just 0.3 percentage points lower than the composite net profit margin for the Top 100 as a whole. Eighteen companies were profitable, with Tiffany, Denmark's Pandora, Chow Tai Seng, and Brazil's Vivara all achieving double-digit net profit margins.

Top 3 companies share of FY2020 luxury goods sales

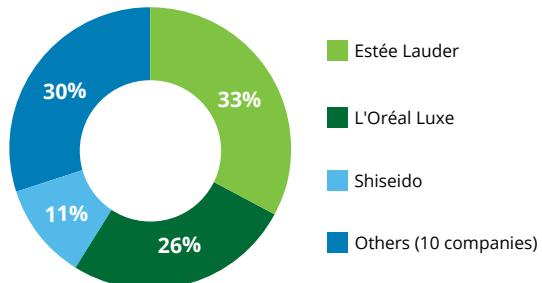


Clothing and footwear

The clothing and footwear sector continues to contribute the largest number of companies to the Top 100, but they have the smallest average size of just US\$1.1 billion. Over 60% of these 35 companies are still privately-owned, often by their founding families. It is the most international product sector, although nearly half the companies are Italian, reflecting Italy's influence as the home of luxury fashion. Clothing and footwear saw FY2020 luxury sales fall by 9.9%, a better result than the Top 100 composite figure.

New entrant Farfetch more than doubled sales of its owned and licensed luxury goods brands, following its acquisition of New Guards Group in August 2019.¹¹⁷ Sector leader PVH and six more companies also reported sales growth, but 18 companies saw double-digit falls. For the 31 companies reporting net profits, the FY2020 composite net profit margin was just above zero—nearly half the companies remained profitable, with Moncler, Canada Goose, Textil Lonia, and Barbour all reporting double-digit net profit margins, while just over half reported losses.

Top 3 companies share of FY2020 luxury goods sales



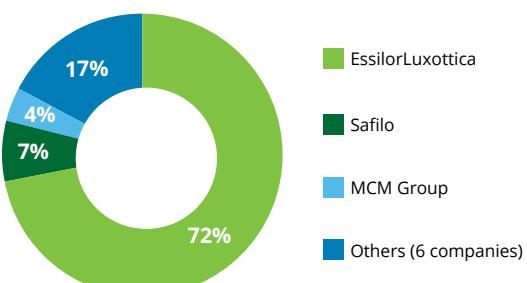
Cosmetics and fragrances

Of the 13 cosmetics and fragrance companies, ten are based in the United States, France, and Japan. L'Occitane was the only company to achieve sales growth in FY2020, but this sector saw the smallest percentage year-on-year fall in luxury goods sales, down 9.6%.

Cosmetics and fragrance companies are larger than the Top 100 average, with luxury goods sales of US\$3.4 billion.

The eight cosmetics and fragrances companies reporting net profits had the second-lowest composite FY2020 net profit margin among all the product sectors, just above zero. However, this was due mainly to Coty's FY2020 net loss of just over US1 billion, following company restructuring and related costs. As part of Coty's four-year turnaround plan, the company agreed to sell the majority (60%) of its professional beauty and retail hair businesses in June 2020,¹¹⁸ and it completed the sale of its majority stake in peer-to-peer beauty brand Younique in September 2019.¹¹⁹ Excluding Coty, the other seven cosmetics and fragrances companies' FY2020 composite net profit margin was 3.2%, with five companies reporting a profit.

Top 3 companies share of FY2020 luxury goods sales



Bags and accessories

This smallest luxury goods product sector is dominated by eyewear specialist EssilorLuxottica, which contributed nearly three-quarters of sector sales in FY2020. Five of the nine companies in this group are based in Italy. The bags and accessories sector had the worst FY2020 performance on all metrics. Year-on-year luxury sales growth fell by 22.2%, with all companies experiencing a double-digit decline in sales, with the exception of US-based Vera Bradley, whose FY2020 ended at the beginning of February 2020, before the main impact of the pandemic was felt. Bag specialists Furla and Samsonite's luxury Tumi brand suffered the biggest percentage sales declines in the Top 100, as they were hit hard by the impact of the COVID-19 pandemic on travel, working from home, and lockdowns. Furla USA filed for Chapter 11 bankruptcy in November 2020,¹²⁰ but Italian parent Furla is focusing on its rebound strategy, with strong growth in China in 2021.

The bags and accessories sector was the worst-performer for profitability, with a FY2020 composite net profit margin of -0.9% for the eight companies reporting net profits. EssilorLuxottica, MCM, and Vera Bradley were profitable, but four companies reported double-digit negative net profit margins.

New entrants

New entrants, FY2020

| FY2020 luxury goods sales ranking | Company | Country of origin | Product sector | FY2020 luxury goods sales (US\$M) | FY2020 luxury goods sales growth |
|-----------------------------------|---|-------------------|------------------------------|-----------------------------------|----------------------------------|
| 17 | China National Gold Group Gold Jewellery Co., Ltd 中国黄金集团黄金珠宝股份有限公司 | China | Jewelry and watches | 4,866 | -11.8% |
| 52 | Farfetch Limited | UK | Clothing and footwear | 823 | 107.3% |
| 74 | Guangdong CHJ Industry Co., Ltd 广东潮宏基实业股份有限公司 | China | Jewelry and watches | 415 | -7.7% |
| 86 | Golden Goose SpA | Italy | Clothing and footwear | 303 ^e | 1.5% |
| 87 | Morellato Group | Italy | Jewelry and watches | 284 | n/a |
| 88 | Sportswear Company SpA | Italy | Clothing and footwear | 269 | 0.8% |
| 89 | True Religion Apparel, Inc. | US | Clothing and footwear | 259^e | -11.5% |
| 92 | Tribhovandas Bhimji Zaveri Limited | India | Jewelry and watches | 255 | 2.4% |
| 98 | Mulberry Group plc | UK | Bags and accessories | 191 | -10.1% |
| 99 | Damiani SpA | Italy | Jewelry and watches | 187 | -1.9% |
| 100 | Cris Conf SpA | Italy | Clothing and footwear | 182 | -24.2% |

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

e = estimate

Source: Deloitte Touche Tohmatsu Limited, *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

There were eleven new entrants into the Top 100 in FY2020—five jewelry and watches companies, five clothing and footwear companies, and one bags and accessories company.

Two Chinese jewelry companies entered the Top 100 as a result of improved data coverage and availability. **China National Gold Group Gold Jewellery Co** listed on the Shanghai Stock Exchange in its February 2021 IPO. The company is a controlled subsidiary of the only central state-owned enterprise in China's gold industry, China National Gold Group. It is China's leading gold jewelry retailer, selling products under the China Gold brand through its vertically integrated network of nearly 3,000 mainly franchised stores, as well as online. **Guangdong CHJ Industry Co** also sells high-end jewelry under its CHJ and VENTI brands through a franchised network of more than 1,000 stores, as well as online. It also sells FION bags and accessories, having acquired Hong Kong SAR-based FION in 2013.

Three new entrants have 'casual luxury' brands in the fast-growing streetwear sector. UK-based luxury goods marketplace **Farfetch** entered the Top 100 following its acquisitions of streetwear luxury companies New Guards Group in August 2019¹²¹ and Stadium Goods in December 2018.¹²² The luxury goods sales included in this report are for its owned and licensed brands (mainly New Guards) and third-party brand sales through the Farfetch marketplace are excluded. Italian company **Golden Goose** benefited from increased consumer

demand for its luxury sneakers such as the Superstar brand. Italian apparel company **Sportswear Company** owns the casual luxury sportswear and streetwear Stone Island brand, known for its innovative use of fabrics, and sales growth was also partly due to its partnership with Supreme and promotion by Canadian rapper Drake. Sportswear Company was acquired by Moncler in December 2020, with the company taking 100% ownership in March 2021.¹²³

The leading Italian jewelry and watchmaking group, **Morellato Group**, entered the Top 100 following a series of acquisitions in 2018 to 2020: Italian jewelry chain D'Amante in February 2020;¹²⁴ French jewelry retailer Cléor in 2019;¹²⁵ and French wholesaler Mister Watch.¹²⁶ Morellato operates jewelry and watch stores under the names Morellato, Bluespirit, and Gold Gallery in Italy; and Cléor in France. Another Italian company, Cris Conf (the owner of the Pinko luxury women's fashion brand), entered the Top 100 due to improved data coverage.

The remaining companies are 're-entrants' that have previously appeared in the Global Powers of Luxury Goods Top 100. Tribhovandas Bhimji Zaveri (TBZ), Mulberry, and Damiani all returned to the Top 100 in FY2020, having been too small for inclusion in FY2019. Troubled US designer jeans and clothing brand **True Religion**, which filed for Chapter 11 bankruptcy in 2017 and again in 2020,¹²⁷ re-entered the Top 100 after an absence due to missing data.

Fastest 20

20 Fastest-growing luxury goods companies, FY2017-2020 CAGR²

| CAGR ranking | Top 100 ranking | Name of company | Country of origin | FY2020 luxury goods sales (US\$M) | FY2017-2020 luxury goods sales CAGR ² | FY2020 luxury goods sales growth | FY2020 net profit margin ¹ |
|----------------------|-----------------|--|-------------------|-----------------------------------|--|----------------------------------|---------------------------------------|
| 1 | 52 | Farfetch Limited | United Kingdom | 823 | 146.4% | 107.3% | n/a |
| 2 | 51 | Richard Mille SA | Switzerland | 839 e | 44.7% | -12.4% | n/a |
| 3 | 58 | Canada Goose Holdings Inc. | Canada | 720 | 33.4% | 15.4% | 15.8% |
| 4 | 86 | Golden Goose SpA | Italy | 303 e | 23.0% | 1.5% | n/a |
| 5 | 88 | Sportswear Company SpA | Italy | 269 | 17.8% | 0.8% | 17.6% |
| 6 | 22 | Titan Company Limited | India | 2,888 | 17.0% | 7.9% | 7.0% |
| 7 | 66 | TFG Brands (London) Limited | United Kingdom | 495 | 15.7% | -4.6% | -2.0% |
| 8 | 87 | Morellato Group | Italy | 284 | 15.5% | n/a | 9.4% |
| 9 | 15 | Lao Feng Xiang Co., Ltd. 老凤祥股份有限公司 | China | 5,516 | 13.9% | 2.6% | 4.0% |
| 10 | 76 | Zadig & Voltaire | France | 388 e | 11.9% | 0.0% | n/a |
| 11 | 84 | J Barbour & Sons Ltd | United Kingdom | 307 | 9.4% | 7.8% | 11.8% |
| 12 | 60 | Movado Group, Inc. | United States | 701 | 8.2% | 3.1% | 6.0% |
| 13 | 25 | Kosé Corporation | Japan | 2,317 e | 8.2% | -1.2% | 8.5% |
| 14 | 8 | PVH Corp. | United States | 8,380 | 8.0% | 3.8% | 4.2% |
| 15 | 62 | Chow Tai Seng Jewelry Co., Ltd. | China | 599 | 7.7% | -10.3% | 19.9% |
| 16 | 28 | L'Occitane International SA | Luxembourg | 1,827 | 7.5% | 15.2% | 7.0% |
| 17 | 14 | Capri Holdings Limited | United Kingdom | 5,551 | 7.3% | 6.0% | -4.1% |
| 18 | 3 | The Estée Lauder Companies Inc. | United States | 14,294 | 6.5% | -3.8% | 4.9% |
| 19 | 93 | Acne Studios Holding AB | Sweden | 246 | 6.5% | -8.4% | 9.0% |
| 20 | 33 | Moncler SpA | Italy | 1,642 | 6.5% | -11.5% | 20.9% |
| Fastest 20*** | | | | 48,387 | 10.0% | 1.6% | 5.0% |
| Top 100*** | | | | 252,270 | 1.8% | -12.2% | 5.1% |

Companies in **bold** type were also among the 20 fastest-growing luxury goods companies in the *Global Powers of Luxury Goods 2020* report.

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

²Compound annual growth rate

e=estimate n/a = not available

*Sales growth rates are sales-weighted, currency-adjusted composites

**Net profit margin is a sales-weighted composite

Source: Deloitte Touche Tohmatsu Limited. *Global Powers of Luxury Goods 2021*. Analysis of financial performance and operations for financial years ending within the 12 months from 1 January to 31 December 2020 using company annual reports, industry estimates, and other sources.

Casual luxury specialists are the new growth leaders

The Fastest 20 rankings are based on the compound annual growth rate (CAGR) in luxury goods sales over a three-year period. For this year's study the rankings for companies in the Top 100 companies have been based on their CAGR performance in FY2017-2020.

Between FY2017 and FY2020, a compound annual growth rate of 10% in composite luxury goods sales was achieved by the Fastest 20, more than five times the composite CAGR for the Top 100. Eight of the companies in the Fastest 20 FY2020 companies showed consistently high growth, having also appeared in the Fastest 20 in the *Global Powers of Luxury Goods 2020* report. These companies are shown in bold type in the Fastest 20 list.

Three of the top five companies in the Fastest 20 were new entrants to the Top 100, with brands in the fast-growing casual luxury fashion sector. The highest growth company, Farfetch, is best known as a leading luxury e-commerce player (see *Luxury e-commerce* section), but it is now also a leading luxury brand owner. The triple-digit sales growth in its owned and licensed luxury brands comes mainly from its acquisition of streetwear luxury company New Guards Group in August 2019.¹²⁸ Two Italian companies also benefitted from increased consumer demand for casual luxury in 2020. Golden Goose is known for its luxury sneakers such as the Superstar brand, while Sportswear Company owns the casual luxury sportswear and streetwear Stone Island brand.

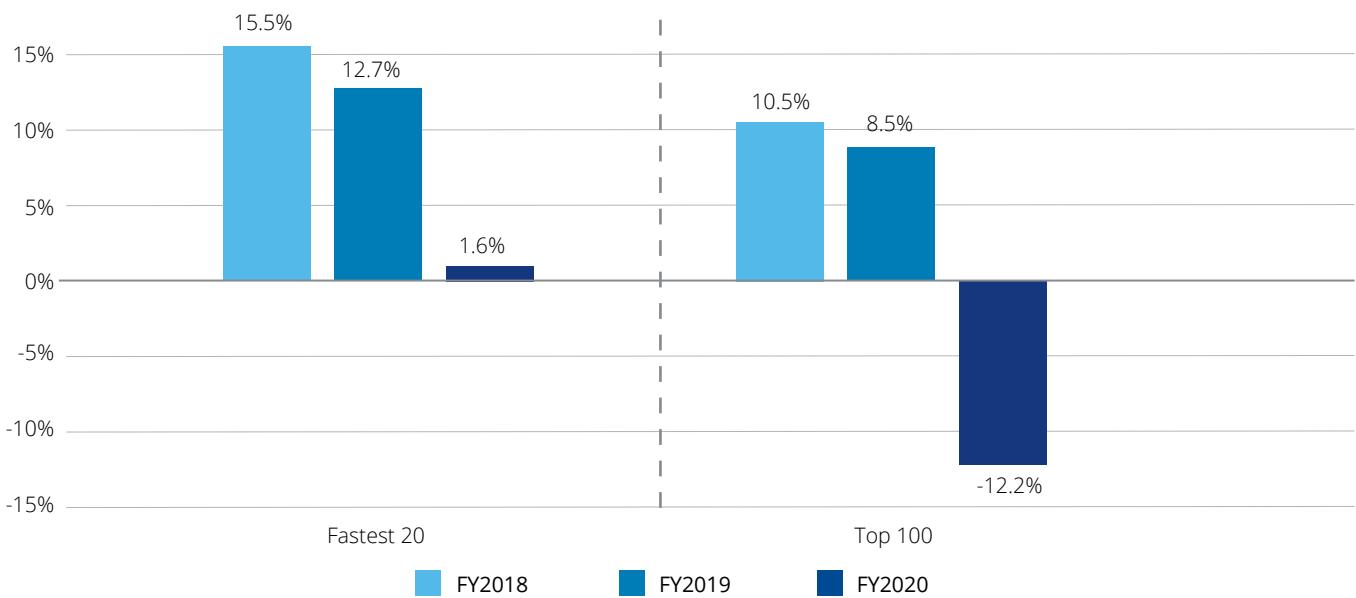
Last year's Fastest 20 leaders, outerwear specialist Canada Goose and Swiss luxury watchmaker Richard Mille are the other companies in the top five.

Italy's Moncler, best known for its luxury outerwear and skiwear, retains its position as the most consistent luxury goods star performer. It has not only appeared in the Fastest 20 for the past six years, but it has also achieved a net profit margin of more than 20% for the past four years. It has the second highest net profit margin in the Top 100 in FY2020, at 20.9%. Moncler's growth will be boosted in 2021 by its acquisition of another Fastest 20 company—Sportswear Company.¹²⁹ Canada Goose is also a star performer, as the only other company in the Top 100 to achieve double-digit sales growth and double-digit net profit margin in each of the past three years.

The composite net profit margin for the 14 companies in the Fastest 20 that disclosed their bottom-line tumbled, from 14.7% in last year's report down to 5% in FY2020. This is mainly because three out of the leading six global luxury goods companies—LVMH, Kering and Chanel—fell out of the Fastest 20 list this year. These companies have some of the highest net profit margins in the Top 100. As a result, the composite net profit margin for the Fastest 20 was slightly lower than for the Top 100, and their average luxury goods sales in FY2020 more than halved, to US\$2.4 billion. Only three companies in the Fastest 20 recorded revenues of more than US\$5 billion.

Year-on-year sales growth dropped sharply in FY2020, due to the COVID-19 pandemic, but the Fastest 20 still achieved composite year-on-year growth of 1.6%, nearly 14 percentage points higher than for the Top 100 as a whole.

Fastest 20 companies: Luxury goods sales YoY growth,* FY2018-2020



* Sales-weighted, currency-adjusted composites

Number of Fastest 20 companies by product sector and country, FY2020

| | Clothing and footwear | Bags and accessories | Cosmetics and fragrances | Jewellery and watches | Multiple luxury goods | Fastest 20 |
|------------------------|-----------------------|----------------------|--------------------------|-----------------------|-----------------------|------------|
| China | | | | 2 | | 2 |
| France | 1 | | | | | 1 |
| Italy | 3 | | | 1 | | 4 |
| Switzerland | | | | 1 | | 1 |
| United Kingdom | 3 | | | | 1 | 4 |
| United States | 1 | | 1 | 1 | | 3 |
| Japan | | | 1 | | | 1 |
| Other countries | 2 | | 1 | 1 | | 4 |
| Fastest 20 | 10 | 0 | 3 | 6 | 1 | 20 |

In FY2020, the Fastest 20 list was dominated by fashion and jewelry and watches companies. The number of fashion companies in the Fastest 20 jumped from six last year to ten in FY2020, due mainly to the entry of fast-growing casual luxury specialists. The jewelry and watches sector also increased in size to six companies. The number of cosmetics and fragrances companies in the list halved, down to just three companies, and Capri Holdings was the only multiple luxury goods company. No bags and accessories companies achieved a high enough FY2017-2020 CAGR to make the Fastest 20 list.

The geographic mix of countries in the Fastest 20 changed again in FY2020. Italy and the United Kingdom became the countries where the highest numbers of companies were based, with four each. They were followed by the United States with three companies and China with two companies. Of the other companies in the list, one came from each of Canada, India, Luxembourg, and Sweden.

Study methodology and data sources

'Luxury goods' in this report refers to luxury for personal use, and is the aggregation of designer clothing and footwear (ready-to-wear), luxury bags and accessories (including eyewear), luxury jewelry and watches and prestige cosmetics and fragrances. The term excludes the following luxury categories: automobiles; travel and leisure services; boating and yachts; fine art and collectibles; and fine wines and spirits. Retailers who are mainly resellers of other companies' luxury brands are also excluded.

To be considered for the Global Powers of Luxury Goods Top 100, a company must first be designated as a luxury goods company according to the definition of luxury categories included in this report.

The companies considered for inclusion in the Top 100 rankings range from traditional ultra-luxury, through super premium and aspirational luxury, down to affordable/accessible luxury—a relatively new luxury category of products at prices more affordable for middle class consumers but available at the higher end of retail. They all have strong consumer brands. Factors affecting the positioning of companies on this luxury spectrum include:

- Price premium
- Quality/rarity of raw materials
- Quality of craftsmanship
- Product exclusivity
- Service and personalization
- Quality and exclusivity of points of sale

Each company is assessed to determine if the majority of its sales are derived from luxury goods products in the four categories of luxury goods: designer and premium clothing and footwear (ready-to-wear); bags and accessories (including eyewear); fine jewelry and watches; and prestige cosmetics and fragrances. Broadly defined, these are products made for and purchased by the ultimate consumer and marketed under well-known luxury brands. Companies which report sales for a large luxury segment or brand (e.g., L'Oréal Luxe) are also included. Some companies do not disclose any financial information and so cannot be included in the rankings.

Companies are included among the Top 100 according to their consolidated sales of luxury goods in FY2020 (which we define as financial years ending within the 12 months from 1 January to 31 December 2020).

A number of sources are consulted to develop the Top 100 list. The principal sources of financial and other company information are annual reports, SEC filings and information found in company press releases and fact sheets or on company websites. If company-issued information is not available, other sources in the public domain are used, including trade journal estimates, industry analyst reports, business information databases and press interviews. Each year a small number of privately-owned luxury goods companies cannot be included in the ranking because there is insufficient data from any source to make a reasonable estimate of their luxury goods sales.

In order to provide a common base from which to rank companies, net sales for non-US companies are converted to US dollars. Exchange rates therefore have an impact on the results. OANDA.com is the source for the exchange rates. The average daily exchange rate corresponding to each company's financial year is used to convert that company's results to US dollars. Individual companies' FY2020 year-over-year growth rate and FY2017-2020 compound annual growth rate (CAGR), however, are calculated in each company's local currency.

Only data linked to those companies in the Top 100 ranking are used in the geographic and product sector analyses. Although they represent a substantial share of the market, they are not all-inclusive. All composite growth comparisons are calculated on the Top 100 ranking companies in FY2020, unless stated otherwise.

Group financial results

This report uses sales-weighted composites rather than simple arithmetical averages as the primary measure for understanding group financial results. Therefore, the results of larger companies contribute more to the composite than do results of smaller companies. Because the data is converted to US dollars for ranking purposes, and to facilitate comparison among groups, composite growth rates are also adjusted to correct for currency movement. While these composite results generally behave in a similar fashion to arithmetical averages, they provide better representative values for benchmarking purposes.

Group financial results are based only on companies with data. Not all data elements are available for all companies.

It should also be noted that the financial information used for each company in a given year is accurate as of the date the financial report was originally issued. Although a company may have restated prior year results to reflect a change in its operations, such restatements are not reflected in this data. The only exceptions to this are some changes in segment reporting (not due to M&A), to allow consistent growth comparisons, and changes in major external accounting rules (e.g., from local GAAP to IFRS).

This study is not an accounting report. It is intended to provide a reflection of market dynamics and the impact on the luxury goods industry over a period of time. As a result of these factors, growth rates for individual companies may not correspond to other published results.

Comparison with previous Global Powers of Luxury Goods reports

Global Powers of Luxury Goods reports 2020 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.

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.

Top 100 luxury goods companies in alphabetical order

| Company | Top 100 ranking | Change in rank* |
|---|-----------------|-----------------|
| Acne Studios Holding AB | 93 | ↔ 0 |
| Aeffe SpA | 85 | ⬇ -2 |
| Audemars Piguet & Cie | 45 | ⬆ 3 |
| Breitling SA | 65 | ⬆ 2 |
| Brunello Cucinelli SpA | 61 | ⬇ -2 |
| Burberry Group plc | 20 | ↔ 0 |
| Canada Goose Holdings Inc. | 58 | ⬆ 5 |
| Capri Holdings Limited | 14 | ⬆ 3 |
| Chanel Limited | 6 | ↔ 0 |
| China National Gold Group Gold Jewellery Co., Ltd 中国黄金集团黄金珠宝股份有限公司 | 17 | new |
| Chow Sang Sang Holdings International Limited 周生生集团国际有限公司 | 32 | ⬇ -2 |
| Chow Tai Fook Jewelry Group Limited 周大福珠宝集团有限公司 | 10 | ⬇ -2 |
| Chow Tai Seng Jewelry Co., Ltd. | 62 | ⬇ -1 |
| Clarins SAS | 35 | ⬆ 3 |
| Cole Haan, Inc. | 59 | ⬇ -1 |
| Compagnie Financière Richemont SA | 4 | ↔ 0 |
| Coty Inc. | 24 | ⬇ -3 |
| Cris Conf SpA | 100 | new |
| Damiani SpA | 99 | new |
| De Rigo SpA | 75 | ⬆ 1 |
| Dolce & Gabbana | 40 | ⬇ -3 |
| Ermenegildo Zegna Holditalia SpA | 44 | ⬇ -3 |
| EssilorLuxottica SA | 7 | ↔ 0 |
| Euroitalia S.r.l. | 69 | ⬆ 5 |
| Farfetch Limited | 52 | new |
| Fashion Box SpA | 90 | ⬇ -2 |
| Fossil Group, Inc. | 34 | ⬇ -5 |
| Franck Muller Group | 91 | ⬇ -6 |
| Furla SpA | 81 | ⬇ -12 |
| Gefin SpA | 96 | ⬇ -10 |
| Giorgio Armani SpA | 29 | ⬇ -3 |
| Golden Goose SpA | 86 | new |
| Graff Diamonds International Limited | 68 | ⬇ -2 |
| Guangdong CHJ Industry Co., Ltd. 广东潮宏基实业股份有限公司 | 74 | new |
| Hermès International SCA | 9 | ⬆ 2 |
| Hugo Boss AG | 26 | ⬇ -3 |
| Inter Parfums, Inc. | 64 | ⬇ -7 |
| J Barbour & Sons Ltd | 84 | ⬆ 6 |
| Joyalukkas India Pvt. Limited | 46 | ⬆ 3 |
| Kalyan Jewellers India Pvt. Limited | 37 | ⬆ 6 |
| Kering SA | 2 | ↔ 0 |
| Kosé Corporation | 25 | ⬆ 2 |
| Kurt Geiger Limited | 70 | ⬆ 9 |
| Laboratoire Nuxe SA | 94 | ⬇ -7 |
| Lao Feng Xiang Co., Ltd. 老凤祥股份有限公司 | 15 | ⬆ 1 |
| Le Petit-Fils de L.-U. Chopard & Cie SA | 55 | ⬇ -2 |
| Liu.Jo SpA | 80 | ⬇ -2 |
| L'Occitane International SA | 28 | ⬆ 8 |
| L'Oréal Luxe | 5 | ↔ 0 |
| Luk Fook Holdings (International) Limited 六福集团(国际)有限公司 | 38 | ⬇ -7 |

| Company | Top 100 ranking | Change in rank* |
|---|-----------------|-----------------|
| LVMH Moët Hennessy-Louis Vuitton SE | 1 | ↔ 0 |
| Marc O'Polo AG | 72 | ⬆ 5 |
| Marcolin Group | 77 | ⬇ -7 |
| Max Mara Fashion Group Srl | 39 | ⬇ -7 |
| MCM Group | 67 | ⬇ -2 |
| Moncler SpA | 33 | ↔ 0 |
| Morellato Group | 87 | new |
| Movado Group, Inc. | 60 | ↔ 0 |
| Mulberry Group plc | 98 | new |
| Onward Holdings Co., Ltd. | 31 | ⬆ 3 |
| OTB SpA | 36 | ⬇ -1 |
| Pandora A/S | 21 | ⬆ 1 |
| Patek Philippe SA | 41 | ⬇ -1 |
| Paul Smith Group Holdings Limited | 95 | ⬇ -4 |
| PC Jeweller Ltd. | 57 | ⬇ -10 |
| Pola Orbis Holdings Inc. | 43 | ⬇ -1 |
| Prada Group | 23 | ⬇ -4 |
| Puig S.L. | 30 | ⬇ -2 |
| PVH Corp. | 8 | ⬆ 1 |
| Ralph Lauren Corporation | 12 | ⬆ 1 |
| Revlon, Inc/Elizabeth Arden & Fragrances | 53 | ⬇ -1 |
| Richard Mille SA | 51 | ⬆ 3 |
| Rolex SA | 11 | ⬆ 1 |
| S Tous SL | 83 | ⬇ -3 |
| Safilo Group SpA | 50 | ↔ 0 |
| Salvatore Ferragamo SpA | 47 | ⬇ -8 |
| Samsonite International S.A./Tumi brand only | 82 | ⬇ -26 |
| Sanyo Shokai Ltd. | 63 | ⬆ 8 |
| Shiseido Company, Limited | 18 | ⬇ -3 |
| SMCP SAS | 49 | ⬇ -3 |
| Sociedad Textil Lonia SA | 73 | ⬆ 9 |
| Sportswear Company SpA | 88 | new |
| Swarovski Crystal Business | 27 | ⬇ -3 |
| Tapestry, Inc. | 16 | ⬇ -2 |
| Ted Baker plc | 54 | ⬆ 1 |
| TFG Brands (London) Limited | 66 | ⬆ 6 |
| The Estée Lauder Companies Inc. | 3 | ↔ 0 |
| The Swatch Group Ltd. | 13 | ⬇ -3 |
| Tiffany & Co. | 19 | ⬇ -1 |
| Titan Company Limited | 22 | ⬆ 3 |
| TOD'S SpA | 56 | ⬇ -5 |
| Tory Burch LLC | 42 | ⬆ 3 |
| Tribhovandas Bhimji Zaveri Limited | 92 | new |
| True Religion Apparel, Inc. | 89 | new |
| Tse Sui Luen Jewelry (International) Limited TSL 謝瑞麟 | 78 | ⬇ -5 |
| Valentino SpA | 48 | ⬇ -4 |
| Vera Bradley, Inc. | 71 | ⬆ 10 |
| Vivara Participações S.A. | 97 | ⬇ -8 |
| Zadig & Voltaire | 76 | ⬆ 8 |
| Zhejiang Ming Jewelry Co., Ltd. 浙江明牌珠宝股份有限公司 | 79 | ⬇ -4 |

* Change in Top 100 ranking vs FY2019 ranking from the *Global Powers of Luxury Goods 2020* report

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