Deloitte.

Fashion & Luxury Private Equity and Investors Survey 2026

Global Report

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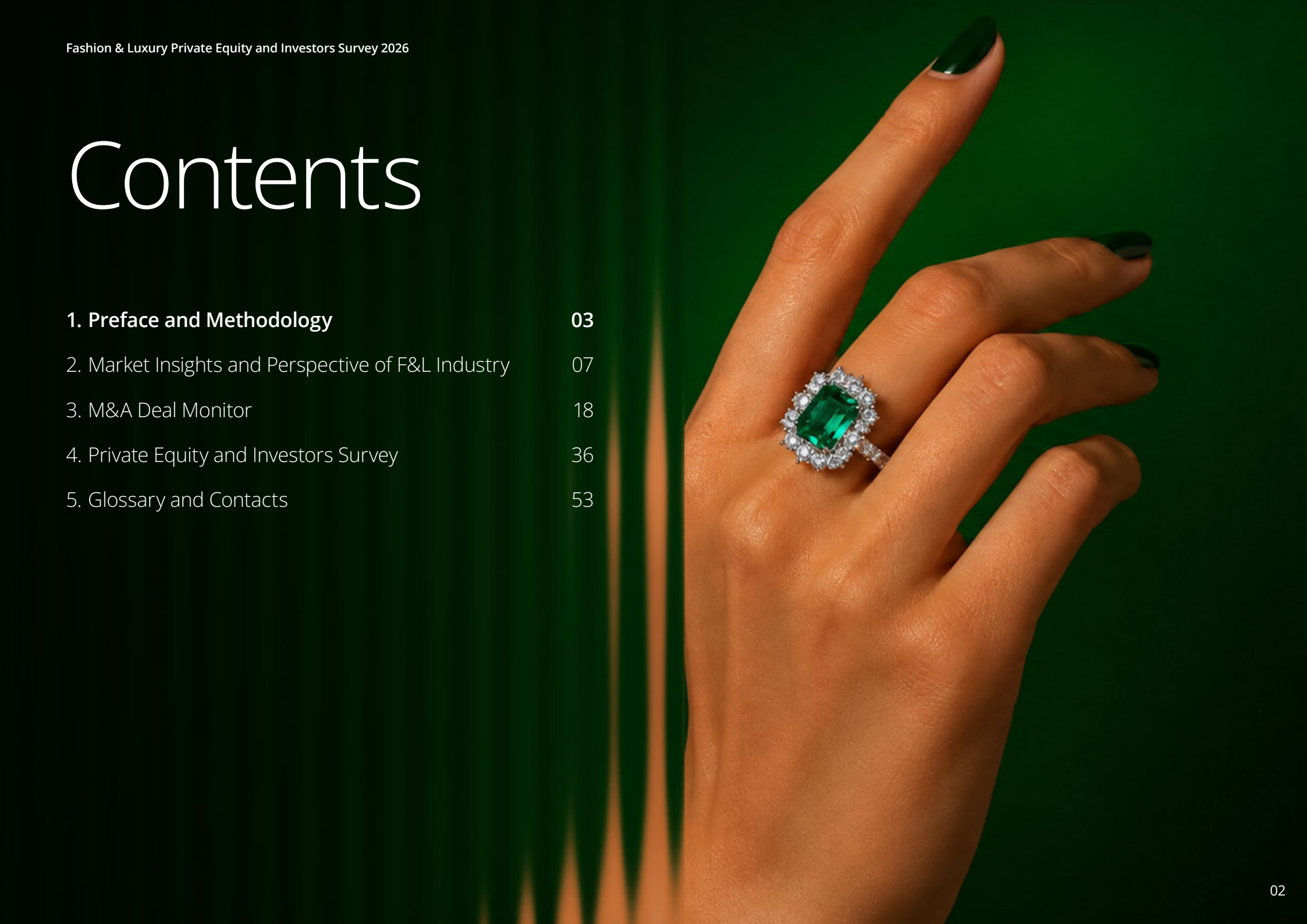

Preface

In 2026, the Fashion & Luxury industry has been showing signs of **gradual stabilization**, despite persistent geopolitical and macroeconomic uncertainty. Investor sentiment has strengthened compared to the previous year, reflecting **greater confidence** in the sector's medium-term prospects. Cosmetics & Fragrances and Hotels are expected to remain among the best-performing segments, while Watches & Jewellery continues to gain momentum.

This gradual stabilization is accompanied by a **structural transformation**. Shifting consumer preferences, changing geographic demand patterns and increased scrutiny of price-value propositions are redefining the **drivers of growth**, alongside the rapid expansion of the second-hand market. Technology is accelerating this evolution, with **Artificial Intelligence** emerging as the most impactful disruptive technology and **74%** of respondents expressing potential interest in related investments.

Within this evolving landscape, **M&A activity** remained **resilient** in 2025, with **345 transactions**, up 3.6% compared to 2024. Activity slowed in the first half of 2026, however, as investors adopted a **more selective approach** to new opportunities. Against this backdrop, **value creation** is expected to be driven primarily by revenue growth, followed by **buy-and-build** and M&A **consolidation** strategies.

Europe continues to be perceived as the region with the greatest investment potential, followed by North America. Although majority acquisitions remain the preferred deal structure, interest in **minority** investments is increasing. At the same time, **valuation multiples** are showing a greater concentration within **mid-range bands**.

Deloitte presents the **eleventh edition** of the "Global Fashion & Luxury Private Equity and Investors Survey", providing an in-depth analysis of the industry's performance and investor's expectations.

Methodology and Contents

	F&L INDUSTRY BUSINESS PERFORMANCE	M&A DEAL MONITOR 2024 AND 1H 2025	PRIVATE EQUITY AND INVESTORS SURVEY 2025
CONTENTS	• Macro-economic context • Sales and margins performance by sector • Insights on Luxury market trends for the upcoming year	• Size of M&A deals by F&L sector • Target company profiles • Investor profiles • Analysis of global deals	• F&L market outlook and macro uncertainty impact • Exit and investment strategies in 2026 • Investors' current portfolio of F&L assets
GEO SCOPE	GLOBAL	GLOBAL	GLOBAL
DATA SOURCE	• Companies' annual financial reports and presentations • Interviews with C-level industry experts • Deloitte expertise	• News and reports from major media providers • Investor press releases • Company press releases	• Online survey based on Computer Assisted Web Interviewing (CAWI) • Interviews with Private Equity funds' top management
	PRIMARY DATA LEVEL	PRIMARY DATA LEVEL	PRIMARY DATA LEVEL
REMARKS	THE INVESTORS' SURVEY TARGETED SENIOR MEMBERS WITHIN PRIVATE EQUITY FUNDS, WITH A SUBSTANTIAL KNOWLEDGE OF THE F&L INDUSTRY		

Legend Full secondary data Full primary data

Fashion & Luxury Sector Coverage

The study considers ten sectors of the F&L industry, of which three are Personal Luxury Goods.

Personal Luxury Goods

- Apparel & Accessories
- Cosmetics & Fragrances
- Watches & Jewellery

Other Luxury Sectors

- Furniture & Houseware
- Private Jets
- Luxury Cars
- Restaurants
- Luxury Hotels
- Cruises
- Yachts

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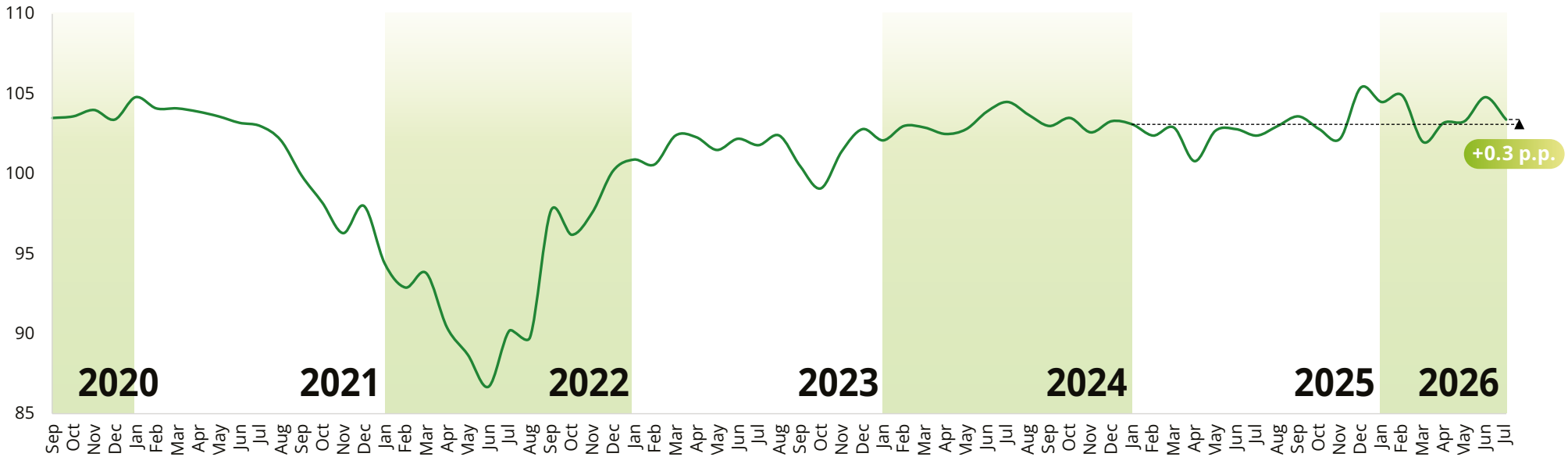
Macro-economic context

Financial Well-Being Index

Consumers' financial well-being has held within a narrow range for almost three years, remaining above its 2020 baseline: the foundations of consumer spending capacity are intact, shifting the focus onto how that capacity is being allocated.

Global Financial Well-Being Index[1] evolution

(Index April 2020=100)



Notes: (1) Deloitte's financial well-being index (FWBI) captures changes in how consumers are feeling about their present-day financial health and future financial security / Source: Deloitte ConsumerSignals, updated in August 2026

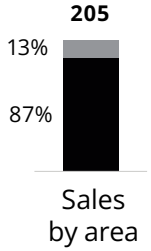
F&L Industry - Market Insights and Perspective

Deloitte Fashion & Luxury panel in 2025

The Fashion & Luxury industry business performance analysis was conducted on a panel of 119 companies, representing ~ $941B in FY2025 turnover.

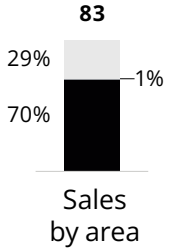
Apparel & Accessories

27 Players
205B$ Tot. Sales



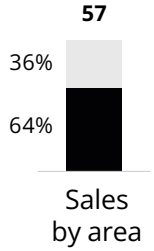
Watches & Jewellery

13 Players
83B$ Tot. Sales



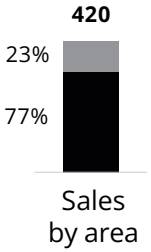
Cosmetic & Fragrances

7 Players
57B$ Tot. Sales



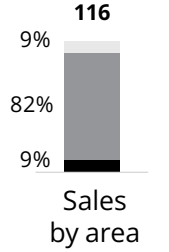
Luxury Cars

8 Players
420B$ Tot. Sales



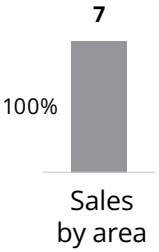
Luxury Hotels

13 Players
116B$ Tot. Sales



Private Jets

2 Players
7B$ Tot. Sales

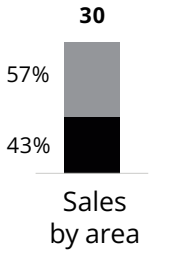


Luxury Cruises

3 Players
10B$ Tot. Sales

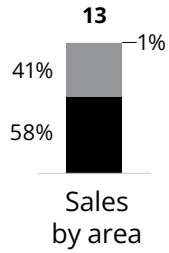
Furniture & Houseware

22 Players
30B$ Tot. Sales



Yachts

24 Players
13B$ Tot. Sales



Personal Luxury Goods

47 Players
37% of turnover

Other F&L Sectors

72 Players
63% of turnover

Deloitte F&L Panel:

119 Players

~ 941 B$ Turnover

Rest of the World
North America
Europe

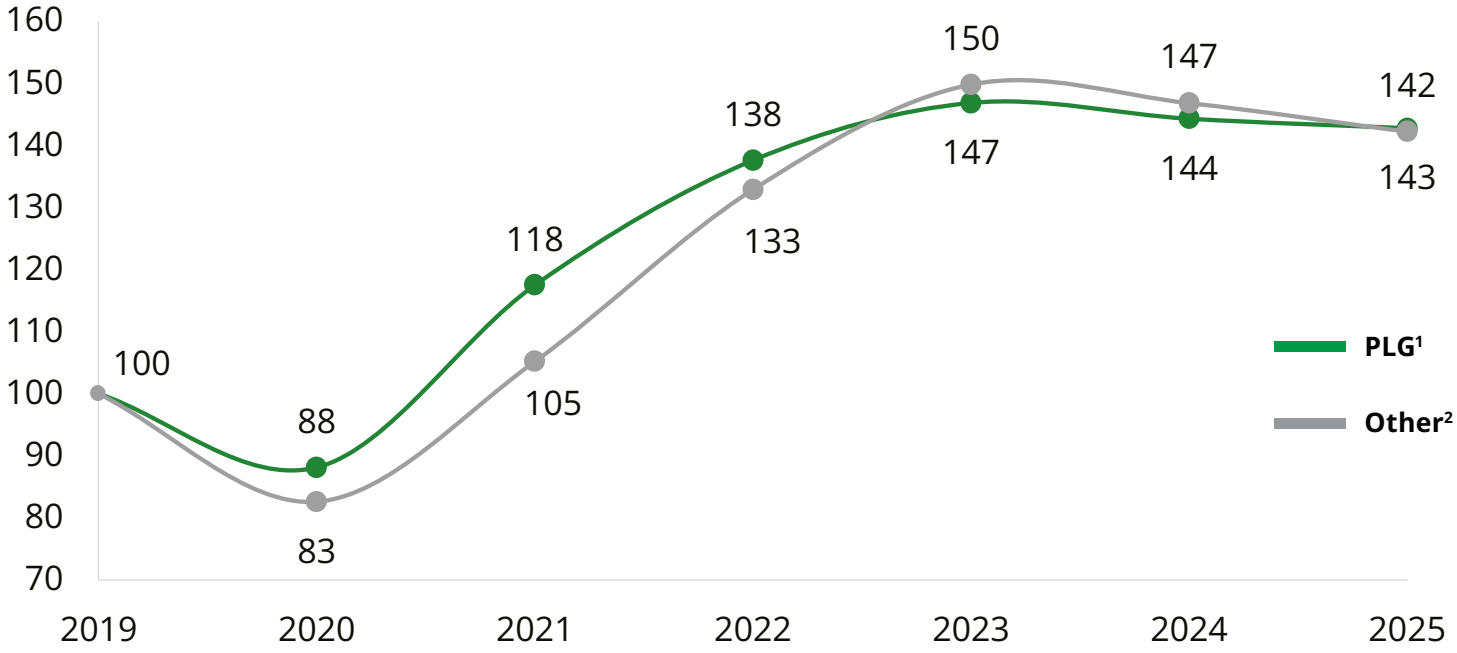
Notes: (1) Deloitte's financial well-being index (FWBI) captures changes in how consumers are feeling about their present-day financial health and future financial security / Source: Deloitte ConsumerSignals, updated in August 2026

Sales performance 2019-25

After peaking in 2023, the sector entered its second consecutive year of contraction, with value erosion concentrated in margins: PLG has given back its entire post-Covid margin gain, while Other Luxury Sectors now stand 3.6 p.p. below 2019.

2019-25 F&L Sales Index evolution

(Index of Sales 2019=100, Percentage)



	2019	2020	2021	2022	2023	2024	2025	CAGR 2019-25	Y-o-Y 2024-25
PLG¹	100	88	118	138	147	144	143	+6.1%	-1.1%
Other²	100	83	105	133	150	147	142	+6.0%	-3.1%

	2019	2020	2021	2022	2023	2024	2025	Delta p.p. 2019-25	Delta p.p. 2024-25
EBITDA % PLG¹	22.9%	20.5%	26.2%	26.4%	25.3%	23.5%	22.9%	-	-0.6 p.p.
EBITDA % Other Lux²	14.8%	11.3%	14.2%	15.6%	15.3%	12.9%	11.3%	-3.6 p.p.	-1.7 p.p.

Notes: Values reported at constant exchange rate; (1) Personal Luxury Goods; (2) Other Luxury Sectors / Source: Elaboration on Company Financial

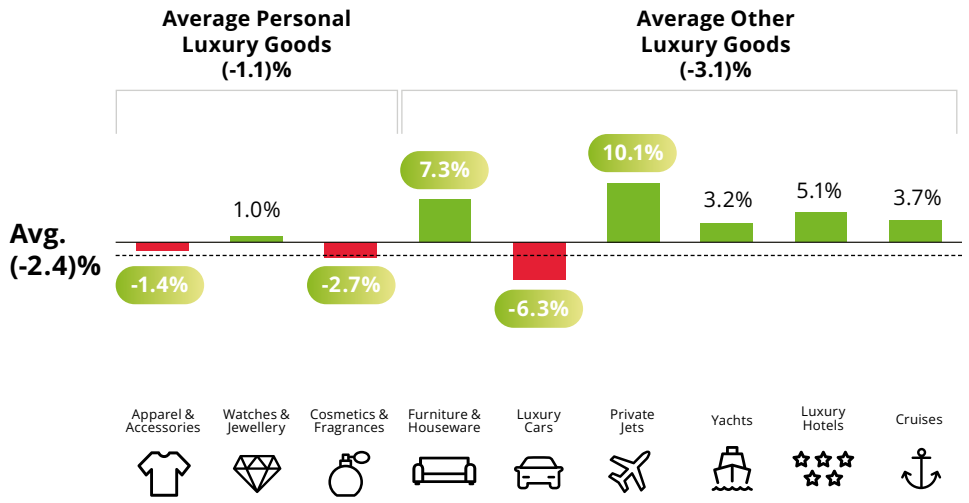
Financials performance evolution (1/2)

The 2025 decline (-2.4% sales, -9.5% EBITDA) is not broad-based but concentrated in Luxury Cars, which alone pulls the Other Luxury avg into negative territory: net of Cars, experiential sectors are growing, while within PLG only Watches & Jewellery expands both sales and EBITDA.

Financials growth by Sector – Y-o-Y 24-25

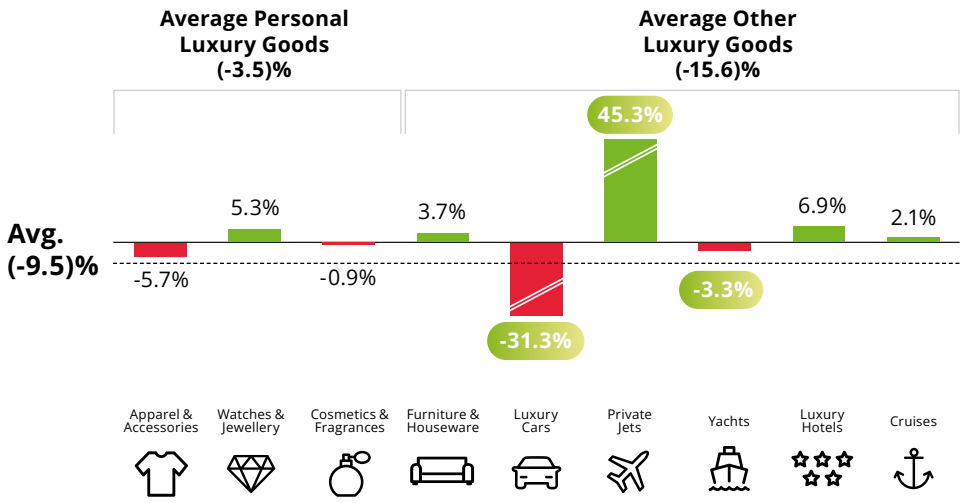
(Percentage)

SALES



	Apparel & Accessories	Watches & Jewellery	Cosmetics & Fragrances	Furniture & Houseware	Luxury Cars	Private Jets	Yachts	Luxury Hotels	Cruises
CAGR 19-25	+6.5%	+7.5%	+3.2%	+6.0%	+6.3%	+3.1%	+7.3%	+5.2%	+7.2%

EBITDA



	Apparel & Accessories	Watches & Jewellery	Cosmetics & Fragrances	Furniture & Houseware	Luxury Cars	Private Jets	Yachts	Luxury Hotels	Cruises
CAGR 19-25	+7.1%	+7.5%	-0.4%	+9.6%	-3.0%	+8.0%	+9.4%	+6.2%	+5.1%

Notes: Values reported at constant exchange rate / Source: Elaboration on Company Financial

Financials performance evolution (2/2)

Polarization is no longer within segments but between them: the share of winners fell to 49% in Personal Luxury Goods (from 51%) while rising to 71% in Other Luxury Sectors.

Percentage of winners[1] by Sector

(Percentage)

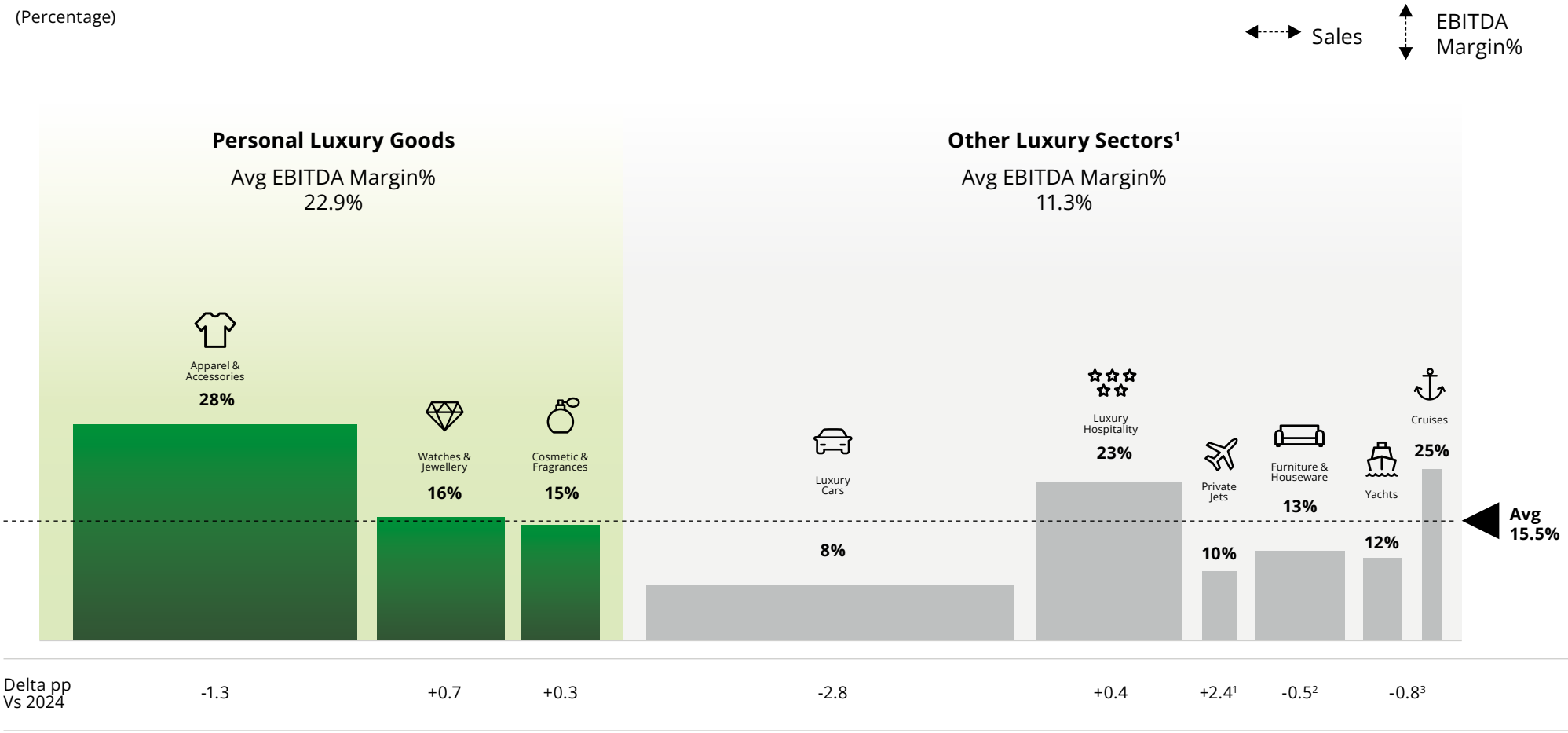
Notes: Values reported at constant exchange rate; (1) Percentage of companies recording positive Y-o-Y on total / Source: Elaboration on Company Financial

2025 financial performance

Average EBITDA margin at 15.5% in 2025: compression is concentrated in the two largest revenue contributors — Apparel & Accessories (-1.3 p.p.) and Luxury Cars (-2.8 p.p.) — while four of nine sectors improved.

2025 Profit Pool by Sector

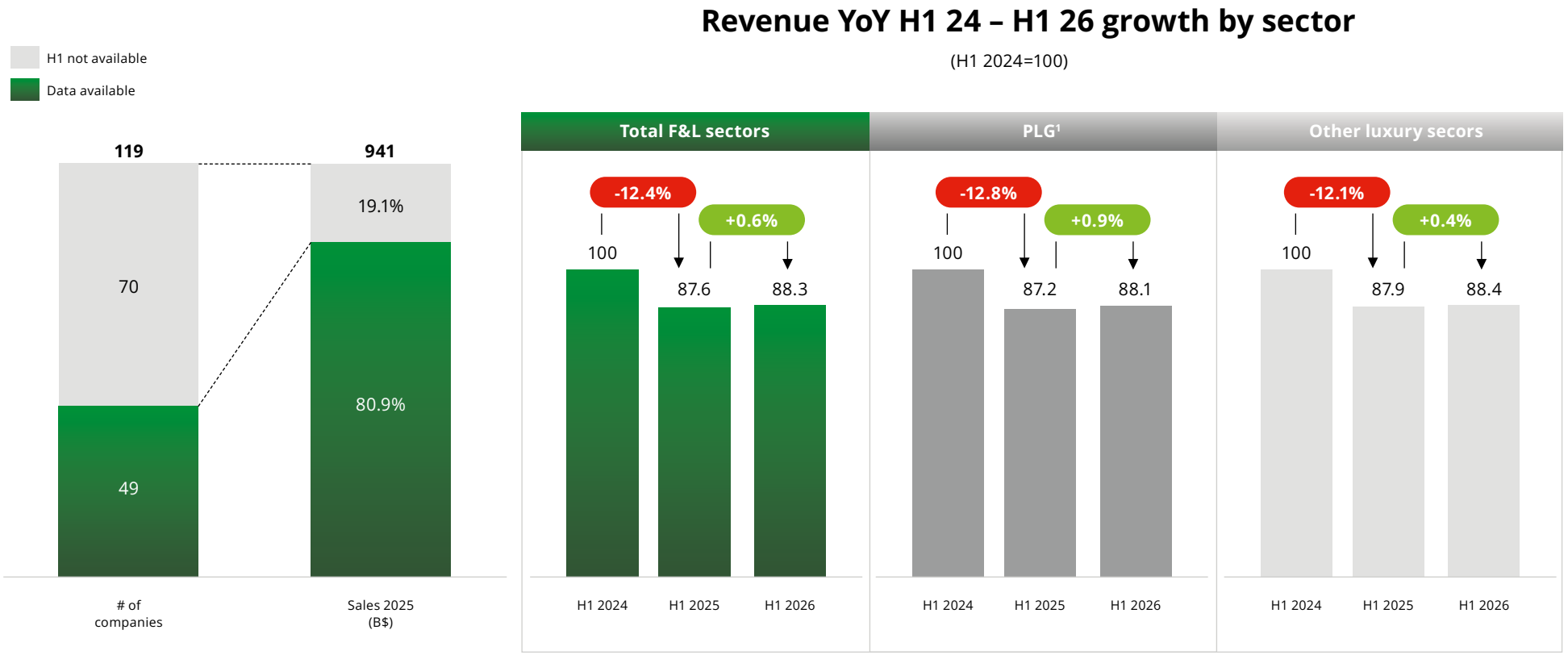
(Percentage)



Notes: Values reported at constant exchange rate, (1) Refers to Private Jets, (2) refers to Furniture & Houseware, (3) Refers to Yachts / Source: Elaboration on Company Financial Report data

H1 2026 Performance

H1 2026 marks the first inflection since the downturn began: after the -12.4% drop of H1 2025, revenues returned to modest growth (+0.6%), consistently across PLG (+0.9%) and Other Luxury Sectors (+0.4%).



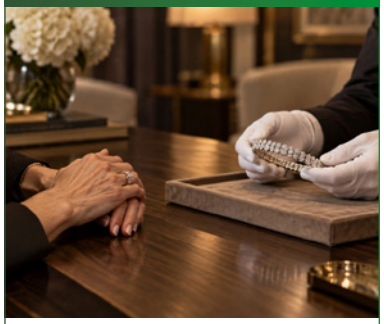
Notes: Values reported at constant exchange rate; (1) Personal Luxury Goods / Source: Elaboration on Company Financial Report data

Key market trends

Luxury market is stabilizing on a healthier base, with growth increasingly driven by a rebalanced consumer and geographic mix, AI-mediated journeys, justified pricing and the rise of second-hand.

Top 5 trends affecting the luxury market

Consumer pyramid rebalancing



The active luxury client base shrank to **330m** in **2025** (**-20m** YoY, -15% vs 2022), but over 70% of lapsed consumers intend to return to the market

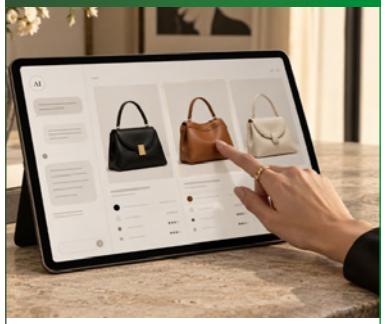
Aspirational exposure is normalizing (from ~70% to **~50% of brand sales**) while **Top Tier** clients, growing at **+8%** CAGR 2015-25, consolidate as the structural growth engine

Geographic rebalancing

Growth diverges across three speeds: the **Americas** surge (US-native brands **+10-15%** in Q1 2026), **China recovers** cautiously, while Europe and the **Middle East** remain a drag

Cross-border sales are set to fall from ~50% to **below 30%** of the total, as **wealth-driven domestic demand replaces tourist flows** as the engine of growth

AI-native customer journey



Around **half of luxury** consumers already use **AI** in their purchase journey, one in four for **discovery** and two in three for **product comparison**

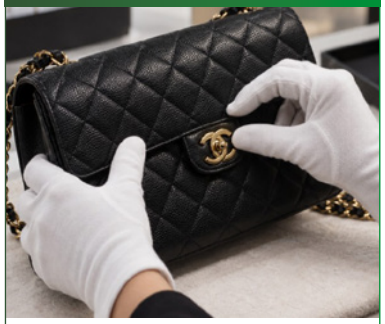
Consumers **trust AI/ GenAI** roughly twice as much as social media and influencers, yet **~60%** of **F&L** companies are still at an **early stage of AI maturity**

Price-value reset

70% of consumers, across both Aspirational and Top Tier segments, **walked away from a purchase** in the last 12 months because the **price** was **not** felt as **justified**

With price accounting for **~80%** of **luxury growth** in **2019-23**, the lever has hit a **ceiling**: fewer than half of personal luxury brands grew in 2025 and **industry margins compressed** further

Second-hand and circularity



Roughly **half** of **luxury** shoppers now check the **second-hand market** before buying new, with online searches for vintage bags more than doubling year-on-year

The market is expected to grow **two to three** times faster than **the first-hand market** between **2025 and 2027**, led by **watches, jewelry** and **leather goods** for their residual value

Source: Desk analysis and interviews with market operators and SME

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M&A Deal Monitor 2025

Fashion & Luxury M&A deals

Overview of deals in 2025 by Sector

	333 Deals in 2024	345 Deals in 2025	+12 Deals

Sector	2024	2025	Delta
Apparel & Accessories	85	88	+3
Luxury Hotels	145	140	-5
Watches & Jewellery	15	19	+4
Cosmetics & Fragrances	34	38	+4
Furniture & Houseware	23	22	-1
Private Jets	3	6	+3
Yachts	11	15	+4
Luxury Cars	11	12	+1
Cruises	-	2	+2
Restaurants	6	3	-3

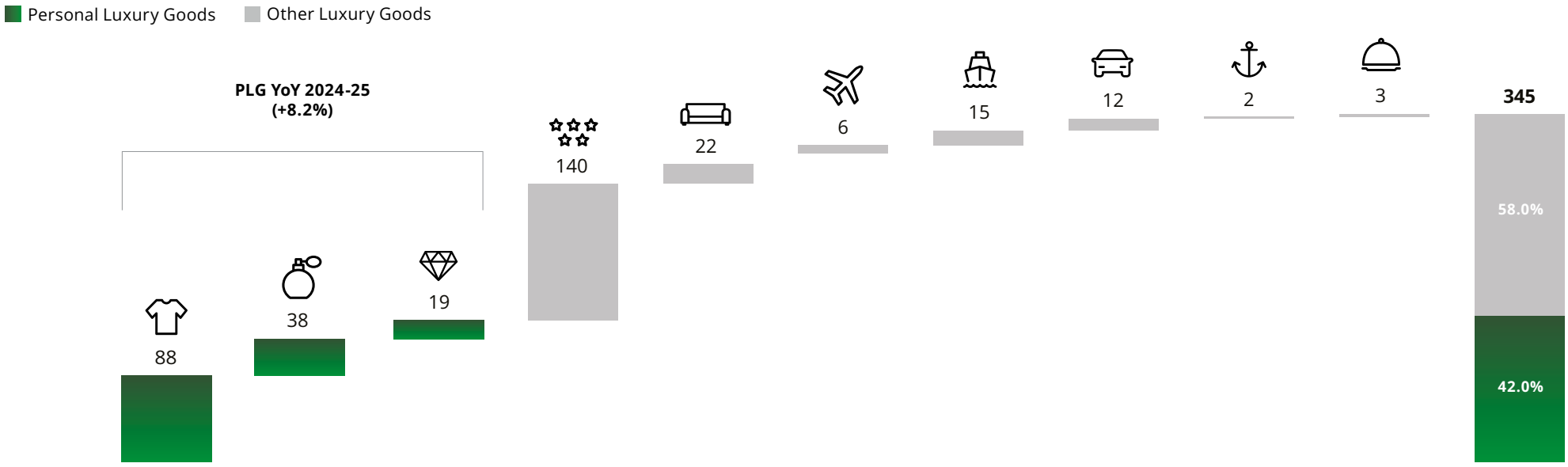
Note: the analysis considers both closed and announced deals during 2025
Source: Elaboration on Deloitte intelligence data

Personal Luxury Goods (PLG)

Size of main M&A deals

The Fashion & Luxury industry remained active in 2025, recording 345 M&A transactions, a 3.6% increase from 333 deals in 2024. Personal Luxury Goods accounted for 145 deals in 2025, up 8.2% compared to 2024, and represented 42.0% of all transactions.

Overview of deals in 2025 by sector



	Apparel & Accessories	Watches & Jewellery	Cosmetics & Fragrances	Luxury Hotels	Furniture & Houseware	Private Jets	Yachts	Luxury Cars	Cruises	Restaurants	**Total F&L**
Sector %	25.5%	5.5%	11.0%	40.6%	6.3%	1.7%	4.3%	3.5%	0.6%	0.9%	**100%**
Var.	+3	+4	+4	-5	-1	+3	+4	+1	+2	-3	**+12**

Key Findings:

Similarly to previous years, the Hotels sector remains the most attractive one for investors in 2025, accounting for 40.6%, despite recording 5 fewer deals, compared to 2024. Apparel & Accessories, Watches &Jewellery, Cosmetic & Fragrances, Private Jets and Yachts segments have registered an increase respectively by #3, #4, #4, #3 and #4 deals compared to 2024. On the other hand, Restaurants sector fell by #3. Cars and Cruises slightly increased by #1 and #2, and Furniture & Houseware slightly decreased by #1.

Source: Elaboration on Deloitte intelligence data

Fashion & Luxury M&A deals

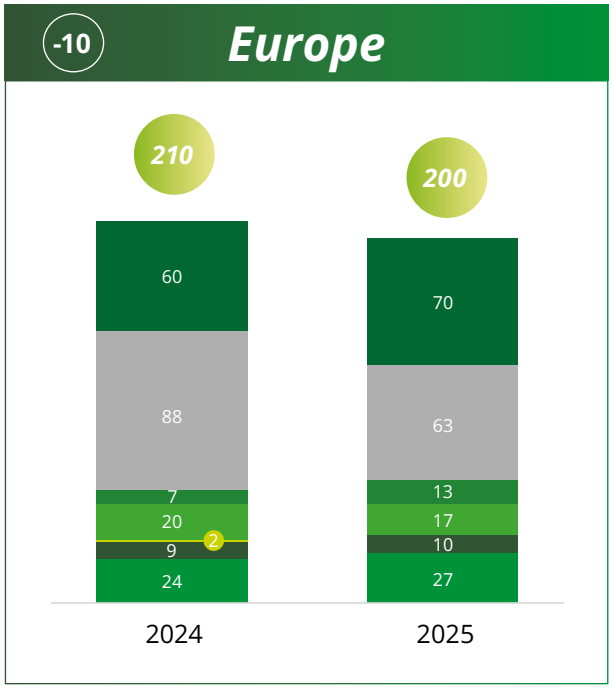
Top Luxury Deals of 2025

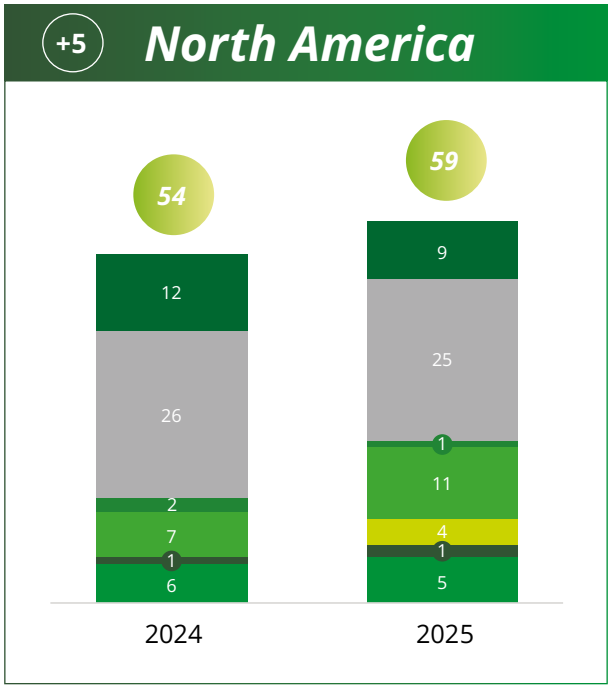
Cosmetics & Fragrances | Luxury Hotels | Apparel & Accessories | Luxury Cars | Private Jets

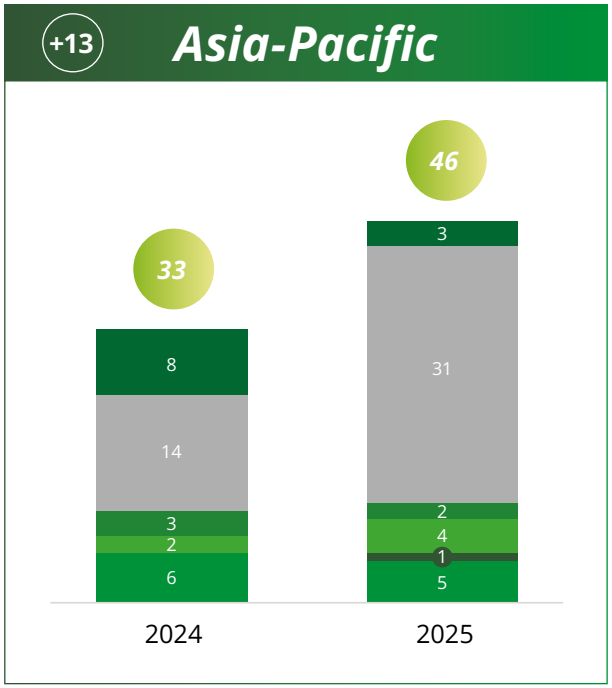
MONTH	CATEGORY	TARGET	BIDDER	STAKE	DEAL VALUE ($M)
October	Cosmetics & Fragrances	Kering Beaute SAS	L'Oreal SA	100.0%	4,700
January	Luxury Hotels	ITC Hotels Ltd	Existing Shareholders	60.0%	4,237
August	Luxury Hotels	Soho House & Co Inc	MCR Hotels (Tyler Morse), Ron Burkle (Yucaipa Companies LLC), Goldman Sachs Asset Management LP	100.0%	4,052
December	Apparel & Accessories	Golden Goose SpA	Temasek Holdings (Pte) Ltd; HongShan Capital Group; True Light Capital GP Pte Ltd	100.0%	2,938
February	Luxury Hotels	Playa Hotels & Resorts NV	Hyatt Hotels Corp	90.0%	2,841
June	Luxury Hotels	Property Portfolio (Playa's 15 all-inclusive resort assets located across Mexico, the Dominican Republic, and Jamaica.)	Tortuga Resorts	100.0%	2,144
June	Cosmetics & Fragrances	Color Wow	L'Oreal SA	100.0%	1,528
April	Apparel & Accessories	Gianni Versace Srl	Prada SpA	100.0%	1,469
September	Luxury Cars	McLaren Racing Ltd	McLaren Group Ltd	29.3%	1,218
September	Apparel & Accessories	Marcolin SpA	Vision Service Plan	100.0%	1,175
June	Cosmetics & Fragrances	Medik8 Ltd	L'Oreal SA	Majority	1,116
May	Cosmetics & Fragrances	HRBeauty LLC	Elf Beauty Inc	100.0%	1,039
February	Luxury Hotels	Astir Palace Vouliagmeni SA	George Prokopiou (Private Individual)	70.0%	823
July	Private Jets	Flexjet LLC	Catterton Management Co LLC; KSL Capital Partners LLC; J Safra Sarasin Holding AG	20.0%	806
August	Luxury Hotels	Hyatt Regency Tokyo	Undisclosed Acquirer	100.0%	804

Note: the analysis considers both closed and announced deals during 2025
Source: Elaboration on Deloitte intelligence data

M&A deals by region and sector 2025





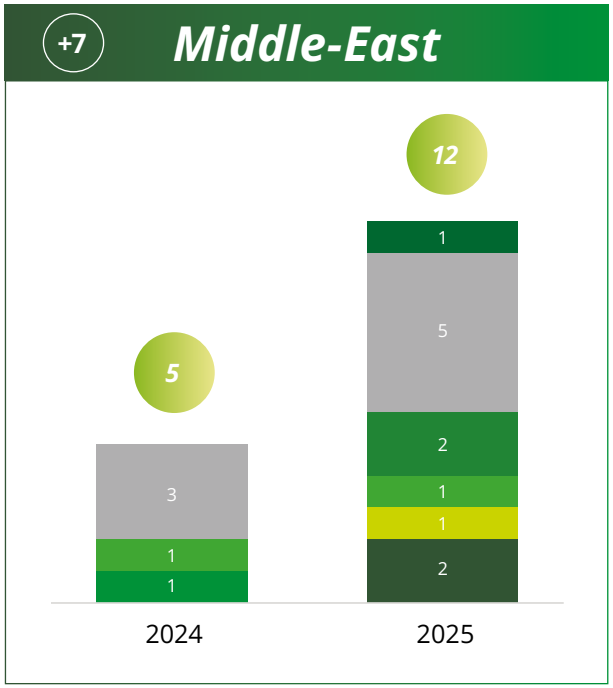


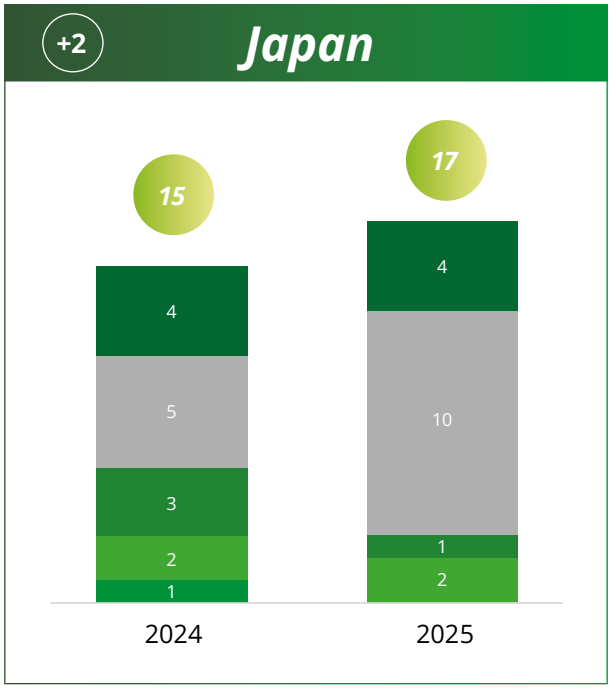
Apparel & Accessories | Luxury Hotels | Watches & Jewellery | Cosmetics & Fragrances | Private Jets | Yachts | Others (Furniture & Houseware, Luxury Cars, Cruises, Restaurants) | Variance 2024-25 (Number of deals)

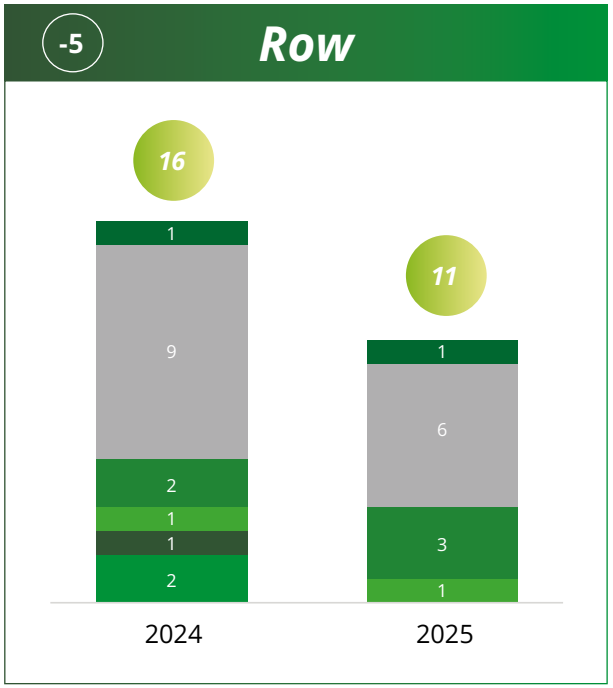
Key Findings:

Asia Pacific showed the strongest increase in Fashion & Luxury deals in 2025, with 13 more transactions compared to 2024. The Middle-East and North America showed positive momentum with +7 and +5 deals, respectively, while Japan remained broadly stable (+2 deals). Europe and the Rest of the World experienced the largest declines compared to 2024, with -10 and -5 deals respectively, due to reduced activity in the Luxury Hotels sector.

M&A deals by region and sector 2025







Apparel & Accessories | Luxury Hotels | Watches & Jewellery | Cosmetics & Fragrances | Private Jets | Yachts | Others (Furniture & Houseware, Luxury Cars, Cruises, Restaurants) | Variance 2024-25 (Number of deals)

Key Findings:

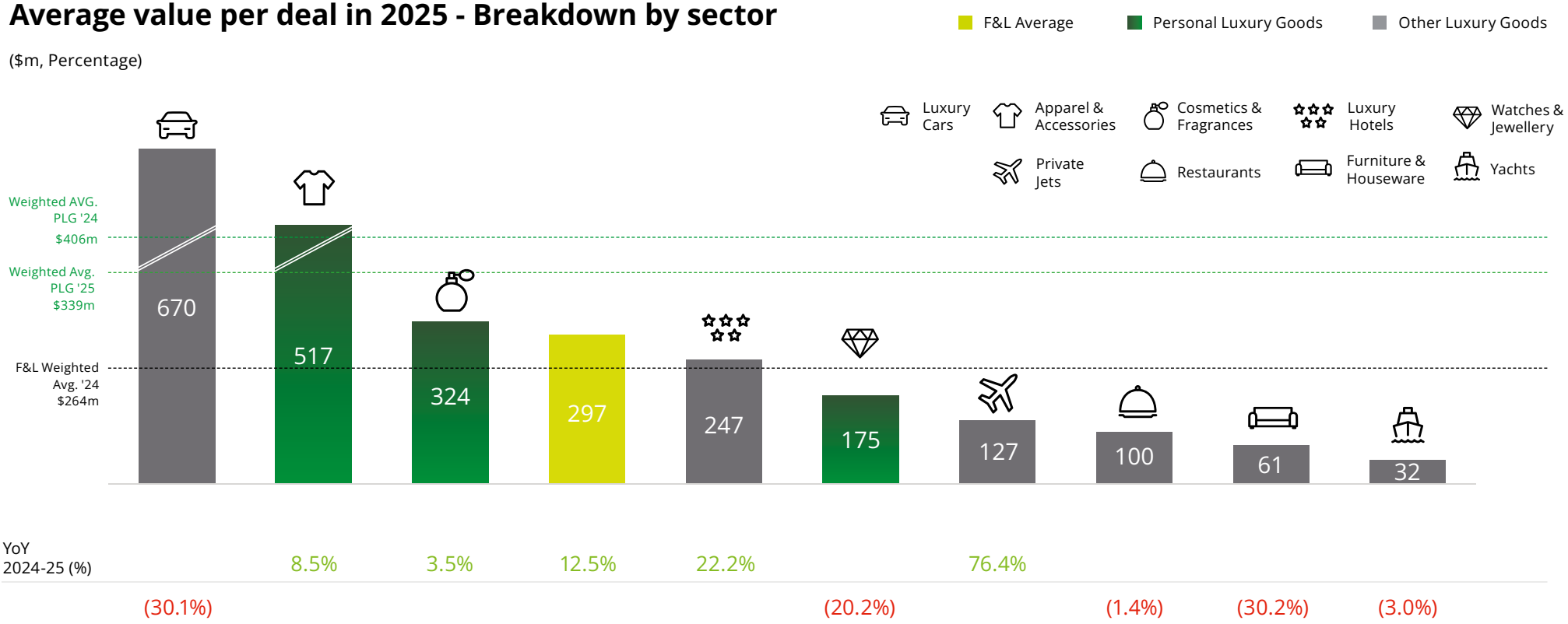
Asia Pacific showed the strongest increase in Fashion & Luxury deals in 2025, with 13 more transactions compared to 2024. The Middle-East and North America showed positive momentum with +7 and +5 deals, respectively, while Japan remained broadly stable (+2 deals). Europe and the Rest of the World experienced the largest declines compared to 2024, with -10 and -5 deals respectively, due to reduced activity in the Luxury Hotels sector.

Average value of main deals by sector

In 2025, Cars led with the highest average deal value at $670m, followed by Apparel & Accessories ($517m) and Cosmetic and Fragrances ($324m). Yachts recorded the lowest at $32m, while the overall Fashion & Luxury sector averaged $297m

Average value per deal in 2025 - Breakdown by sector

($m, Percentage)



Key Findings:

Cars remained the sector with the highest average deal value despite a 30% decline in 2025. Apparel, Cosmetics & Fragrances and Hotels recorded increases, reaching average deal values of $517m, $324m and $247m, respectively, in 2025. Private Jets also saw a significant increase of 76% vs. 2024, reaching an average deal value of $127m. Watches & Jewellery and Furniture & Houseware declined by 20% and 30%, respectively, while Restaurants and Yachts remained broadly stable (-1% and -3%).

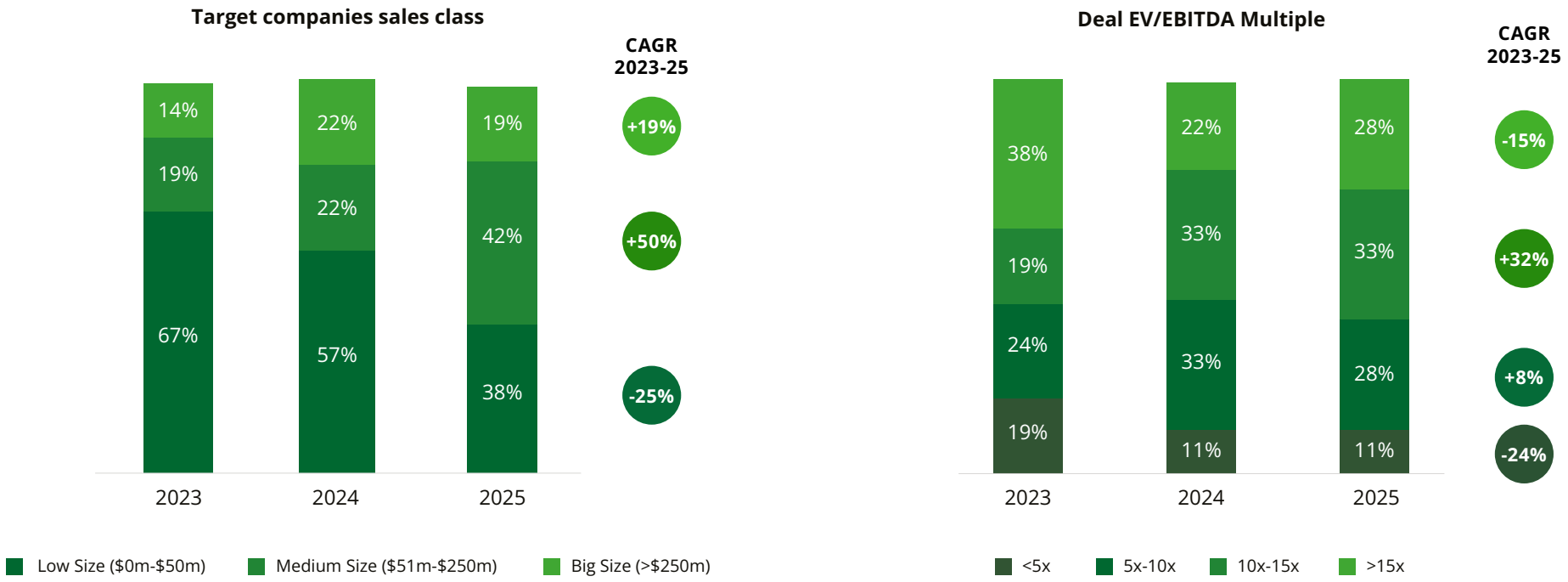
Note: the average deal value has been calculated based upon data of disclosed transactions
Source: Elaboration on Deloitte intelligence data

Target company features

Over the 2023–2025 period, the share of Medium Size targets ($51m–$250m) had a significant increase (+50 p.p.), while Low Size targets ($0–$50m) decreased (-25 p.p.), indicating a gradual shift toward mid-sized deals. On the valuation side, the share of deals with >15x and <5x EV/EBITDA multiples declined (15 and 24 p.p.), while transactions in the 10x-15x and 5x-10x brackets rose, especially those between 10x and 15x (32 p.p.).

Investment strategies by bidder type

(Percentage, Enterprise value – EV/EBITDA multiples)



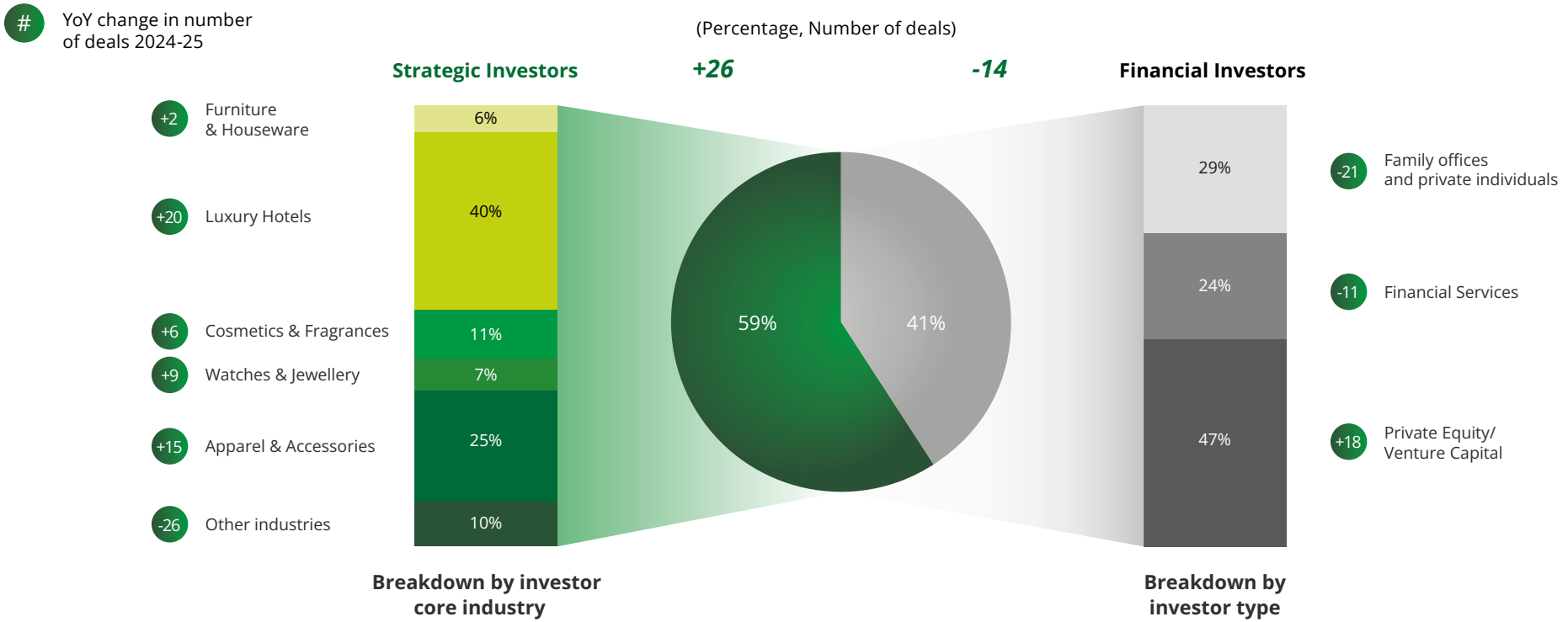
Note: The target sales class has been calculated for all companies with publicly available financial data
Source: Elaboration on Deloitte intelligence data

Investors profiles

In 2025, Strategic Investors represented 59% of bidders, driven primarily by the Hotels and Apparel & Accessories sectors. The remaining 41% consisted of Financial Investors, led by Private Equity & VC, followed by Financial Services and Family Offices & Private Individuals.

Main bidders' profile

(Percentage, Number of deals)



Key Findings:

Deals conducted by strategic investors, mainly operating in the Apparel & Accessories, Hotels and Watches and Jewellery represent 72% of deals.
Most of the financial investors' contribution comes from Private Equity/Venture Capital (47%).

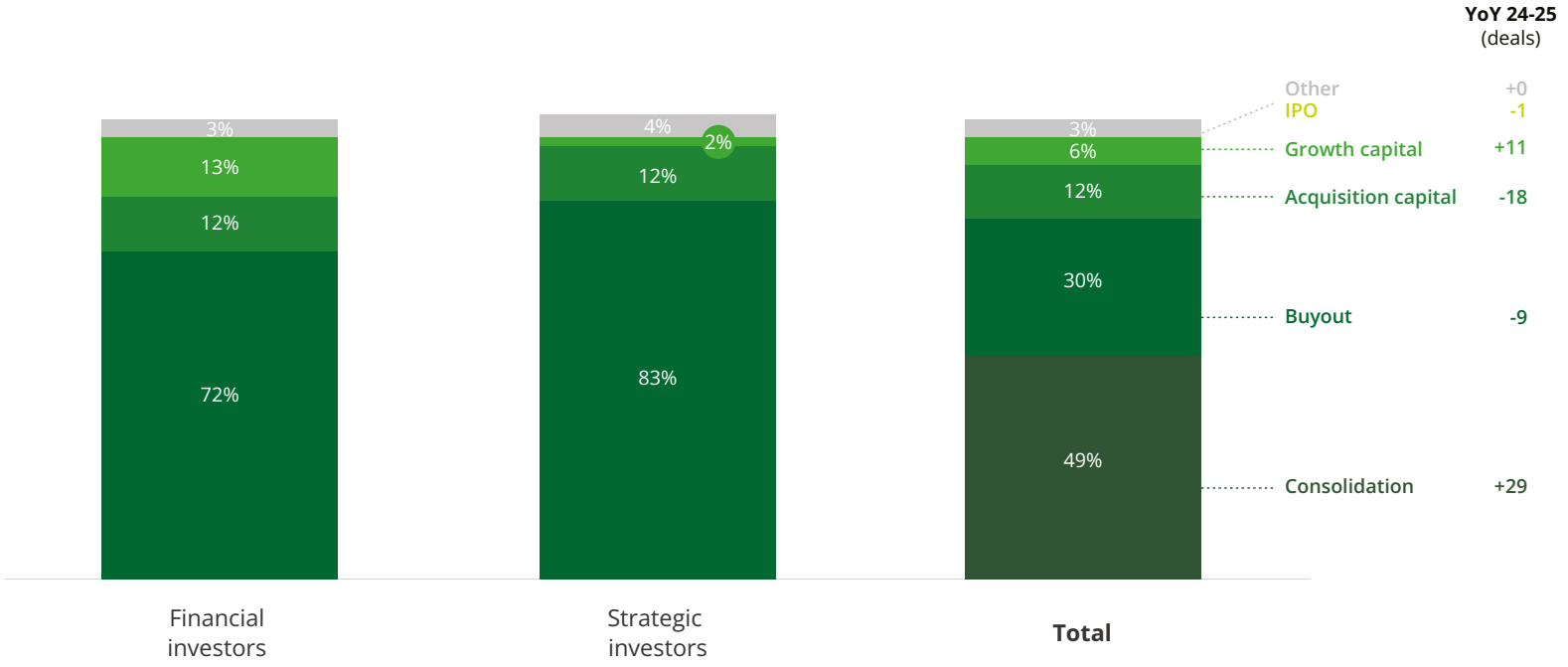
Source: Elaboration on Deloitte intelligence data

Investment Strategies by bidder type

In 2025, most acquisitions were driven by consolidations (49%) and buyouts (30%), with financial investors primarily executing buyouts and strategic investors leading consolidations.

Investment strategies by bidder type

(Percentage, Number of deals)



Key Findings:

2025 saw a growth in investments through Consolidation (+29) and Growth Capital (+11 deals), while Buyout and Acquisition Capital investments decreased with respect to 2024 (-9 and -18 deals respectively).

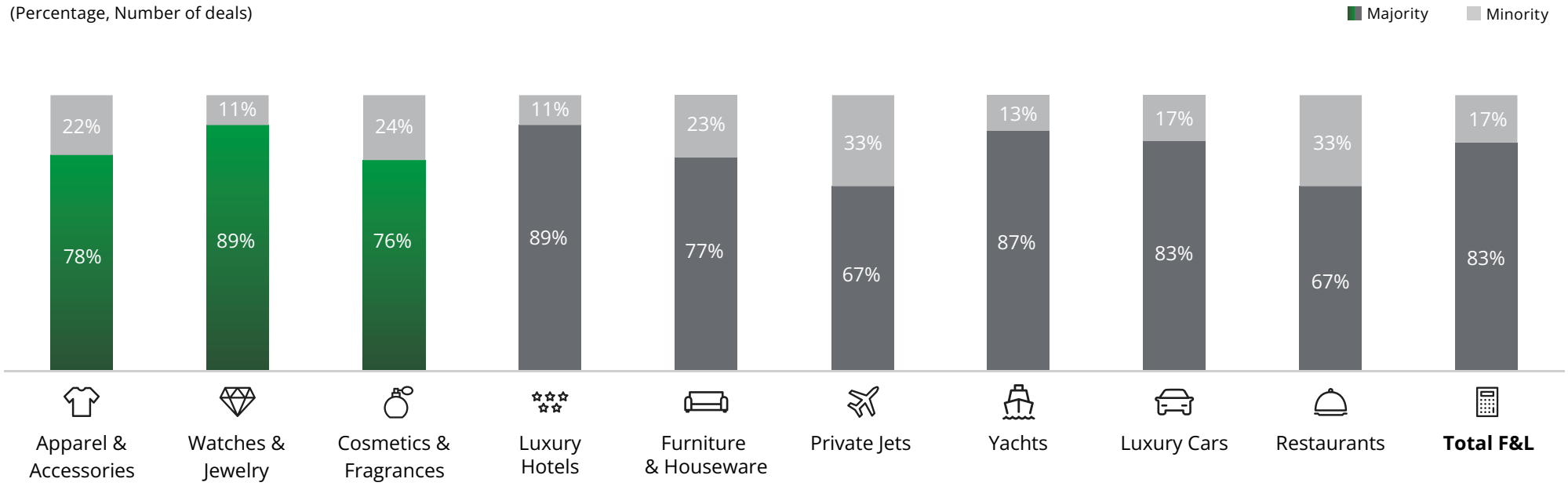
Note: Growth Capital refers to minority investments via capital increase (AuCap); Acquisition Capital refers to a minority investment via share purchase
Source: Elaboration on Deloitte intelligence data

Bidders' investment stake

In 2025, majority stake deals remained steady at 83%, with a 6-point increase in the Personal Luxury Goods sector and a 3-point decrease in other luxury sectors, such as Private Jets and Furniture & Houseware.

Investment stakes by sector

(Percentage, Number of deals)



PERSONAL LUXURY GOODS	
79%	Majority
+6%p.p.	(change 24-25)

OTHER LUXURY SECTORS	
86%	Majority
(3%)p.p.	(change 24-25)

TOTAL LUXURY SECTORS	
83%	Majority
(+/-0%)p.p.	(change 24-25)

Note: undisclosed investment stakes have been excluded from the analysis
Source: Elaboration on Deloitte intelligence dataw

M&A Deal Monitor
1H 2026 vs 1H 2025

Fashion & Luxury M&A deals

Overview of deals in 1H 2026 by Sector

	162 Deals in 1H 2025	152 Deals in 1H 2026	-10 Deals
Sector	**1H 2025**	**1H 2026**	**Delta**
Apparel & Accessories	44	36	-8
Luxury Hotels	63	63	-
Watches & Jewellery	7	12	+5
Cosmetics & Fragrances	20	9	-11
Furniture & Houseware	9	5	-4
Private Jets	5	7	+2
Yachts	5	9	+4
Luxury Cars	7	4	-3
Cruises	1	1	-
Restaurants	1	6	+5

Note: the analysis considers both closed and announced deals during first half of 2025 and 2026
Source: Elaboration on Deloitte intelligence data

Personal Luxury Goods (PLG)

Fashion & Luxury M&A deals

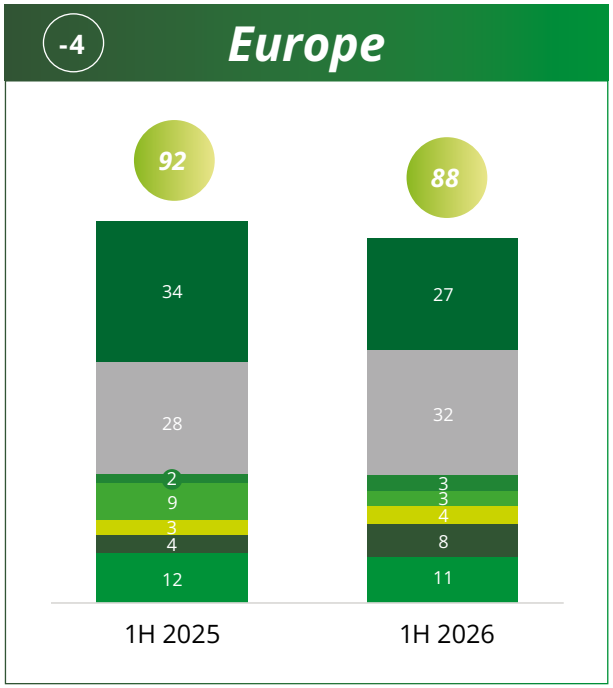
Top Luxury Deals of 1H 2026

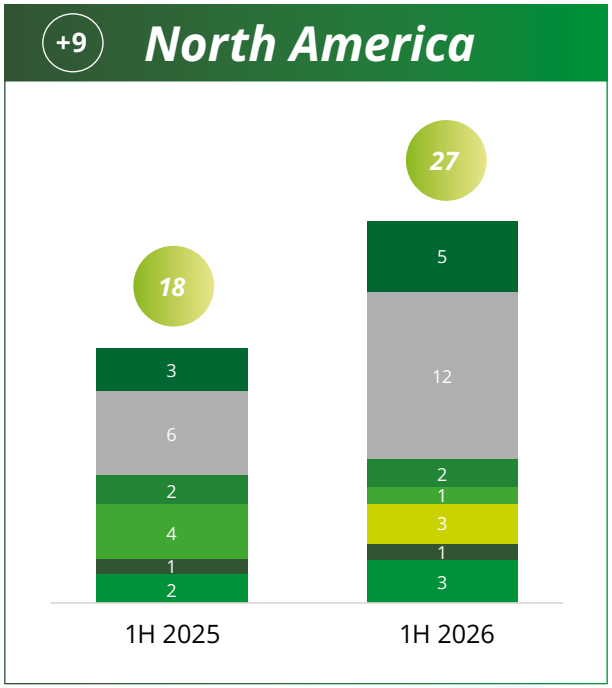
Apparel & Accessories Luxury Hotels

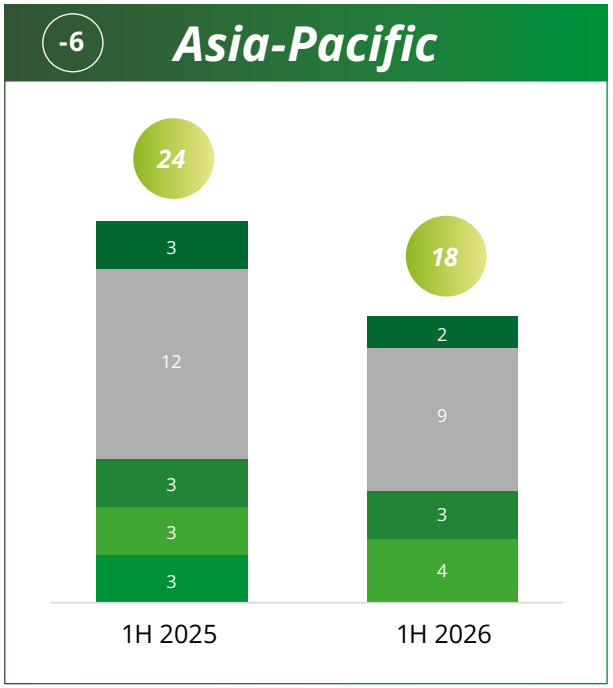
MONTH	CATEGORY	TARGET	BIDDER	STAKE	DEAL VALUE ($M)
June	Luxury Hotels	MGM Resorts International	People Inc	74.5%	9,237
June	Apparel & Accessories	Hugo Boss AG	Frasers Group plc	73.9%	3,232
May	Luxury Hotels	PPHE Hotel Group Ltd	Fattal Holdings (1998) Ltd	96.0%	2,580
April	Luxury Hotels	Property Portfolio	Al Mirqab Projects Group	80.0%	1,657
January	Apparel & Accessories	Loro Piana SpA	LVMH Moet Hennessy Louis Vuitton SE	9.0%	1,142
February	Luxury Hotels	Hotels (Four Seasons Resort Orlando at Walt Disney World Resort and the Four Seasons Resort and Residences Jackson Hole)	BDT & MSD Partners LLC	100.0%	1,062
June	Luxury Hotels	Nordic Leisure Travel Group AB	Norwegian Air Shuttle ASA	100.0%	919
February	Luxury Hotels	InterContinental Hotels Group plc	InterContinental Hotels Group plc	4.4%	916
May	Apparel & Accessories	Marc Jacobs International LLC	G-III Apparel Group Ltd; WHP Global LLC	100.0%	830
February	Luxury Hotels	Hyatt Regency Tokyo	Japan Hotel REIT Investment Corp	100.0%	781

Note: the analysis considers both closed and announced deals during 1H 2026
Source: Elaboration on Deloitte intelligence data

M&A deals by region and sector 1H 2026





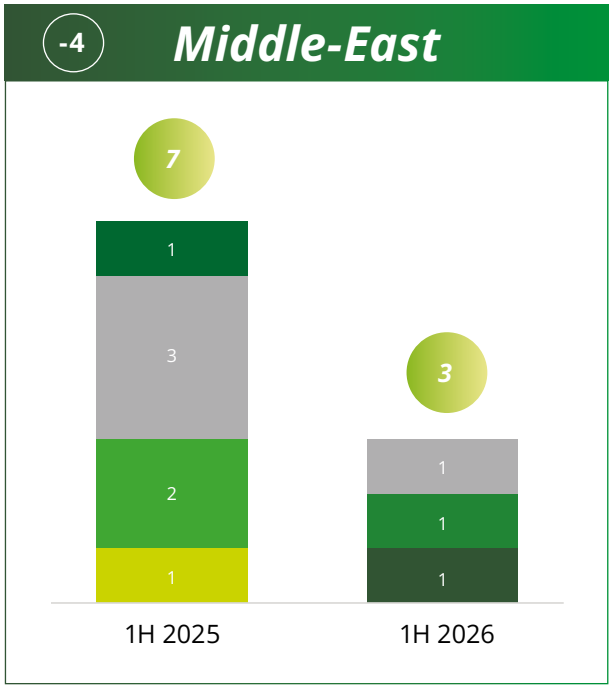


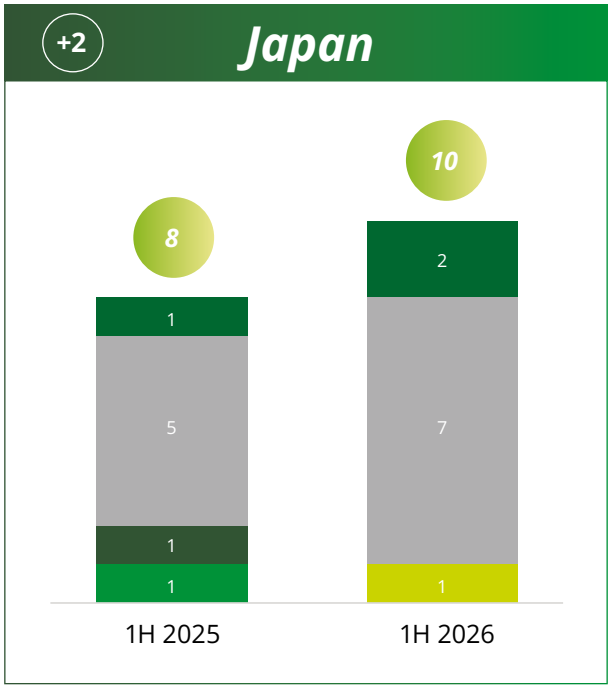
Apparel & Accessories | Luxury Hotels | Watches & Jewellery | Cosmetics & Fragrances | Private Jets | Yachts | Others (Furniture & Houseware, Luxury Cars, Cruises, Restaurants) | Variance 1H 2025 -1H 2026 (Number of deals)

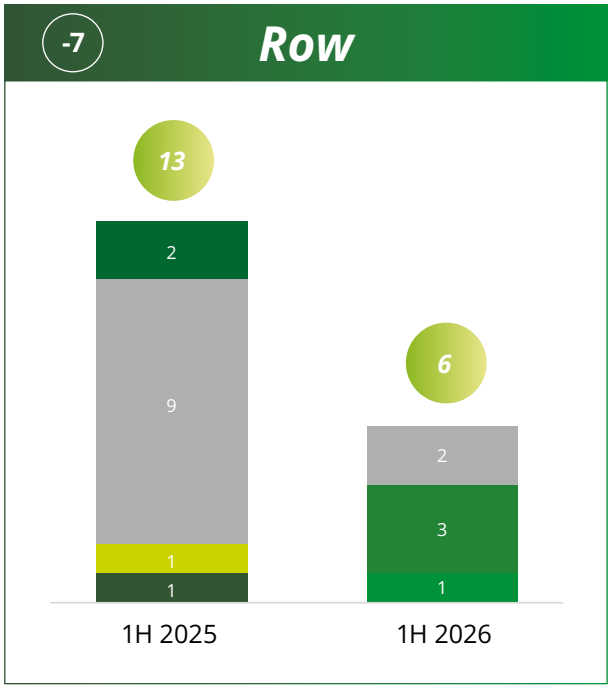
Key Findings:

North America registered the sharpest increase in Fashion & Luxury deals in the 1st half of 2026, with 9 more transactions than 1H 2025, driven primarily by growth in Hotels. Japan followed with +2 deals. Rest of the World saw the sharpest drop (-7 deals), driven by a steep slowdown in Hotels activity. Europe, Asia-Pacific and Middle-East followed with -4, -6 and -4 deals respectively, Hotels and Apparel & Accessories remained key global drivers, though regional sector dynamics shifted in 1H 2026.

M&A deals by region and sector 1H 2026







Apparel & Accessories | Luxury Hotels | Watches & Jewellery | Cosmetics & Fragrances | Private Jets | Yachts | Others (Furniture & Houseware, Luxury Cars, Cruises, Restaurants) | Variance 1H 2025 -1H 2026 (Number of deals)

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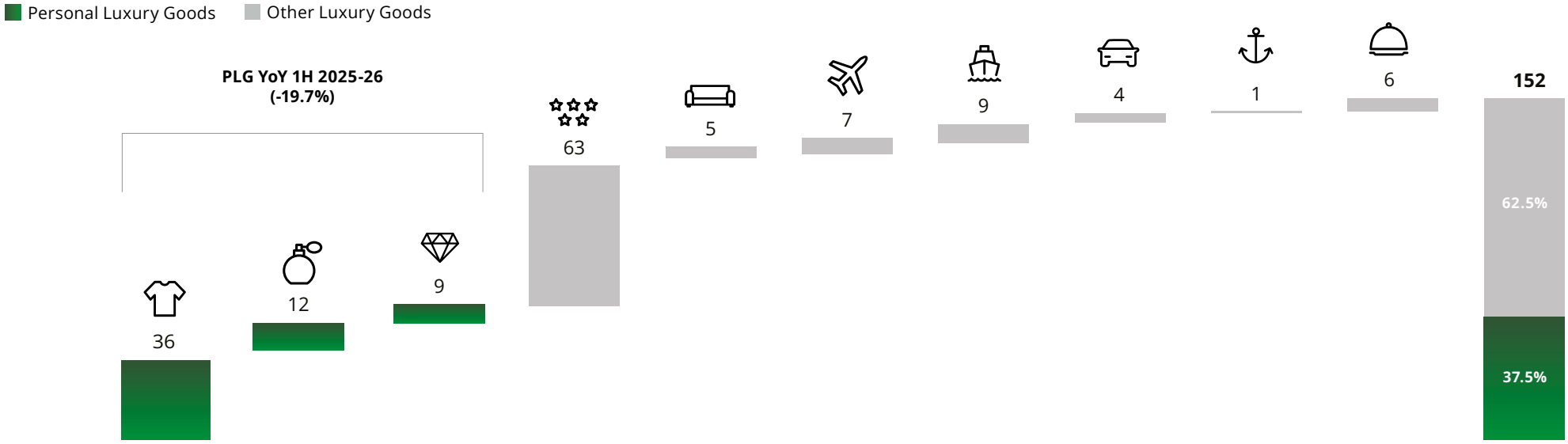
Size of main M&A deals

The F&L industry recorded 152 M&A deals in 1H 2026, down -6.2% compared to 1H 2025. Personal Luxury Goods declined by -19.7%, representing 37.5% of total transactions. Hotels remained the most active sector (63 deals). Cosmetics & Fragrances and Apparel & Accessories declined (-11 and -8 deals), while Watches & Jewellery, Restaurants and Yachts slightly increased (+5, +5, +4).

Overview of deals in 1H 2026 by sector



	Apparel & Accessories	Watches & Jewellery	Cosmetics & Fragrances	Luxury Hotels	Furniture & Houseware	Private Jets	Yachts	Luxury Cars	Cruises	Restaurants	**Total F&L**
Sector %	23.7%	7.9%	5.9%	41.4%	3.3%	4.6%	5.9%	2.6%	0.7%	3.9%	**100%**
Var.	-8	+5	-11	-	-4	+2	+4	-3	-	+5	**-10**

Key Findings:

Similarly to 1H 2025, Hotels confirms itself as the most attractive sector during 1H 2026. Watches & Jewellery, Restaurants and Yachts segments have registered an increase respectively by #5, #5 and #4 compared to 1H 2025. On the other hand, Cosmetics & Fragrances, Apparel & Accessories, Furniture and Cars sectors fell by #11, #8, #4 and #3, respectively. Private Jets slightly increased by #2 deals.

Source: Elaboration on Deloitte intelligence data

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3. M&A Deal Monitor 18

4. Private Equity and Investors Survey 36

5. Glossary and Contacts 53

Key trends by sector – Investor perspective

Investors' sentiment on F&L market trends for the next three years points to a more positive outlook compared with 2025, signalling a recovery in confidence. Cosmetics & Fragrances and Hotels remain among the best-performing sectors, while Watches & Jewellery continues to strengthen its positive momentum. Cars and Yachts, despite some improvement in sentiment, remain the weakest-performing sectors over the period.

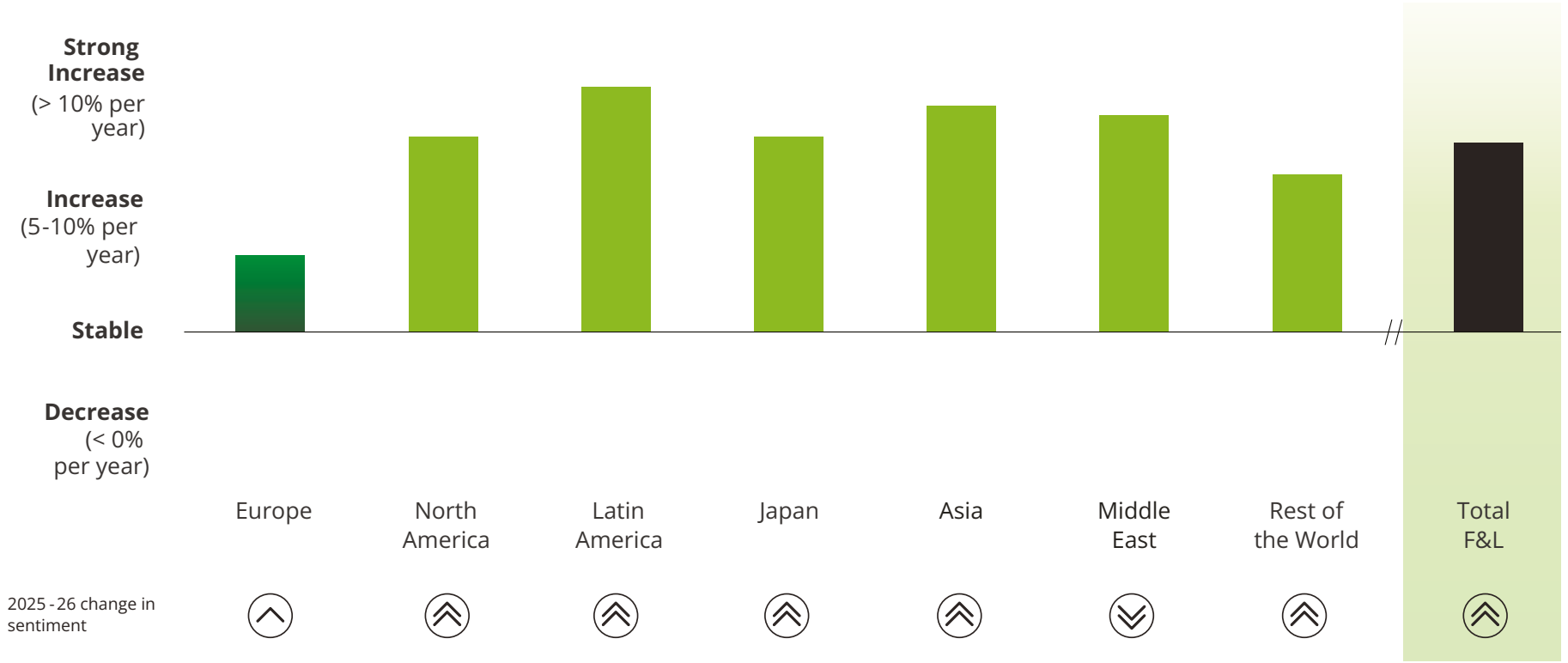
Expected F&L market trends for the next 3 years – Breakdown by sector

Source: Elaboration on Deloitte survey

Key trends by geographical area – Investor perspective

Compared to 2025, investor sentiment on F&L market trends has improved across all regions, except for the Middle East, where ongoing geopolitical instability has led to a deterioration in sentiment. Latin America continues to show the strongest outlook, while North America, Asia and Japan also record stronger expectations. Europe remains the most cautious region, despite an improvement in sentiment.

Expected F&L market trends for the next 3 years – Breakdown by region

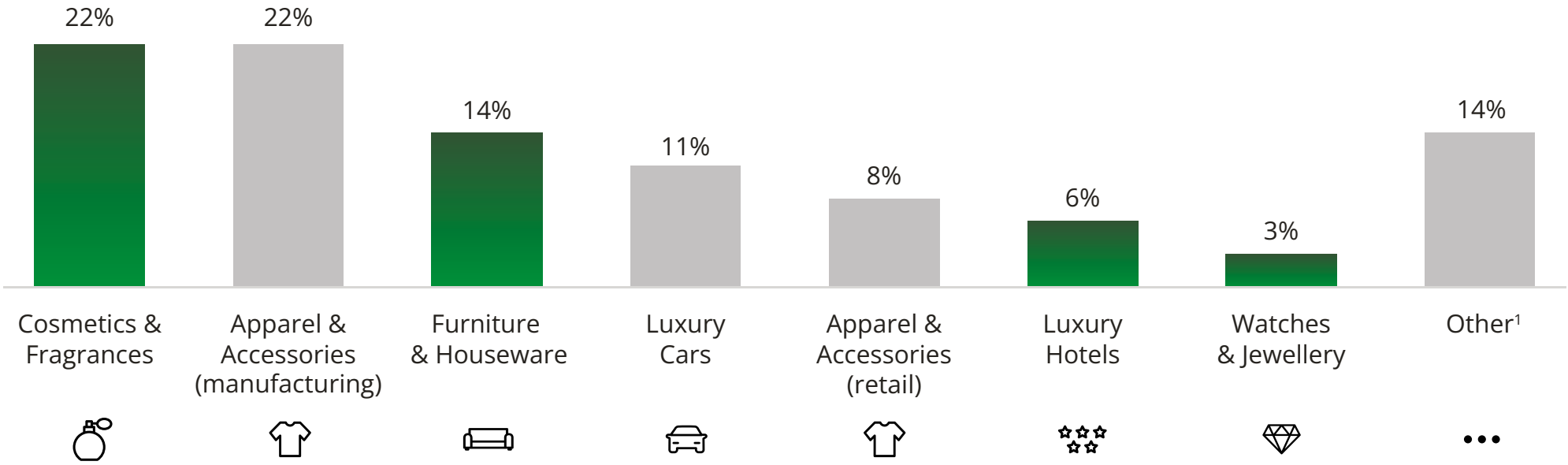


Source: Elaboration on Deloitte survey

ESG impact on F&L sectors

According to respondents, the Fashion & Luxury industries best aligned with ESG innovations are Cosmetics & Fragrances and Hotels, followed by Apparel & Accessories (manufacturing), while Watches & Jewellery ranks as the least ESG-oriented sector.

Main F&L sectors keeping up with ESG innovations



Key Findings:

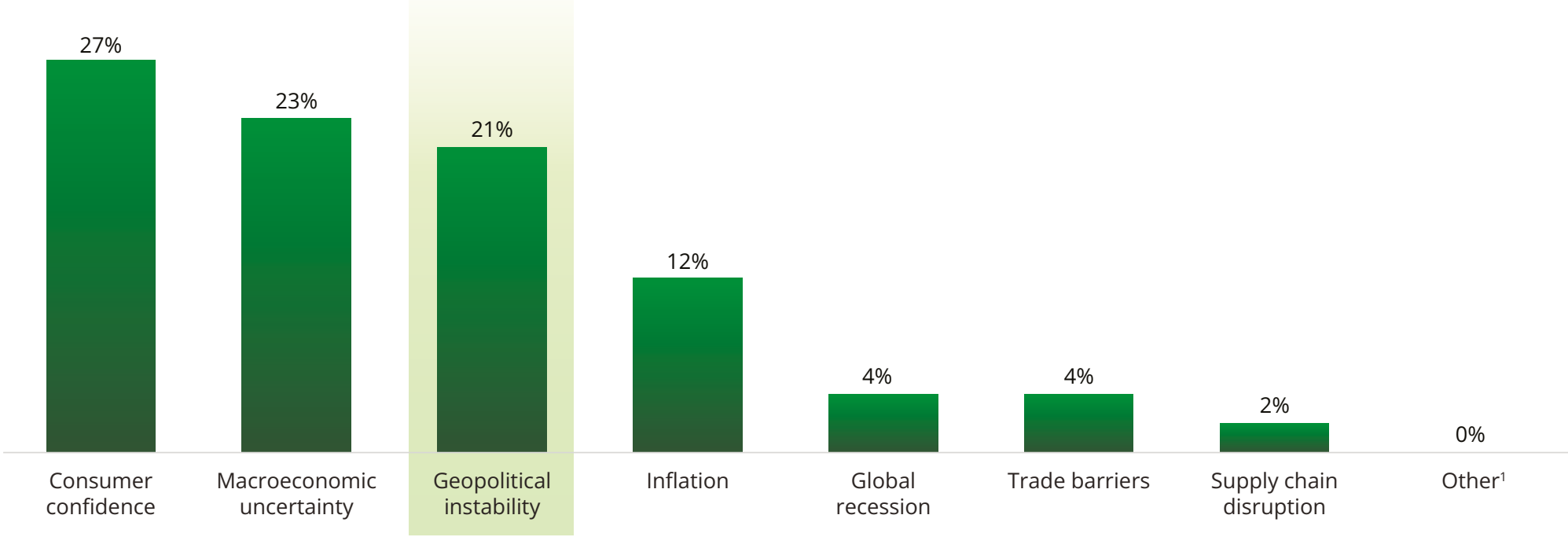
As companies continue to strengthen their relationships with consumers, sustainability remains a key strategic lever for driving engagement and long-term value creation. According to respondents, Cosmetics & Fragrances and Hotels are perceived as the sectors leading ESG innovation (22% each), followed by Apparel & Accessories (manufacturing) and Other sectors[1] (14% each).

Note: 1) Other includes Restaurants, Yachts, Cruises and Private Jets
Source: Elaboration on Deloitte survey

Key risk factors for the F&L industry in 2026

Geopolitical instability (21%), Consumer confidence (27%), and Macroeconomic uncertainty (23%) are expected to be the most pressing challenges for the Fashion & Luxury industry in 2026. These are followed by inflation (12%), while Trade barriers (4%), Global recession (4%) and Supply chain disruption are considered less significant concerns.

Main challenges affecting F&L industry

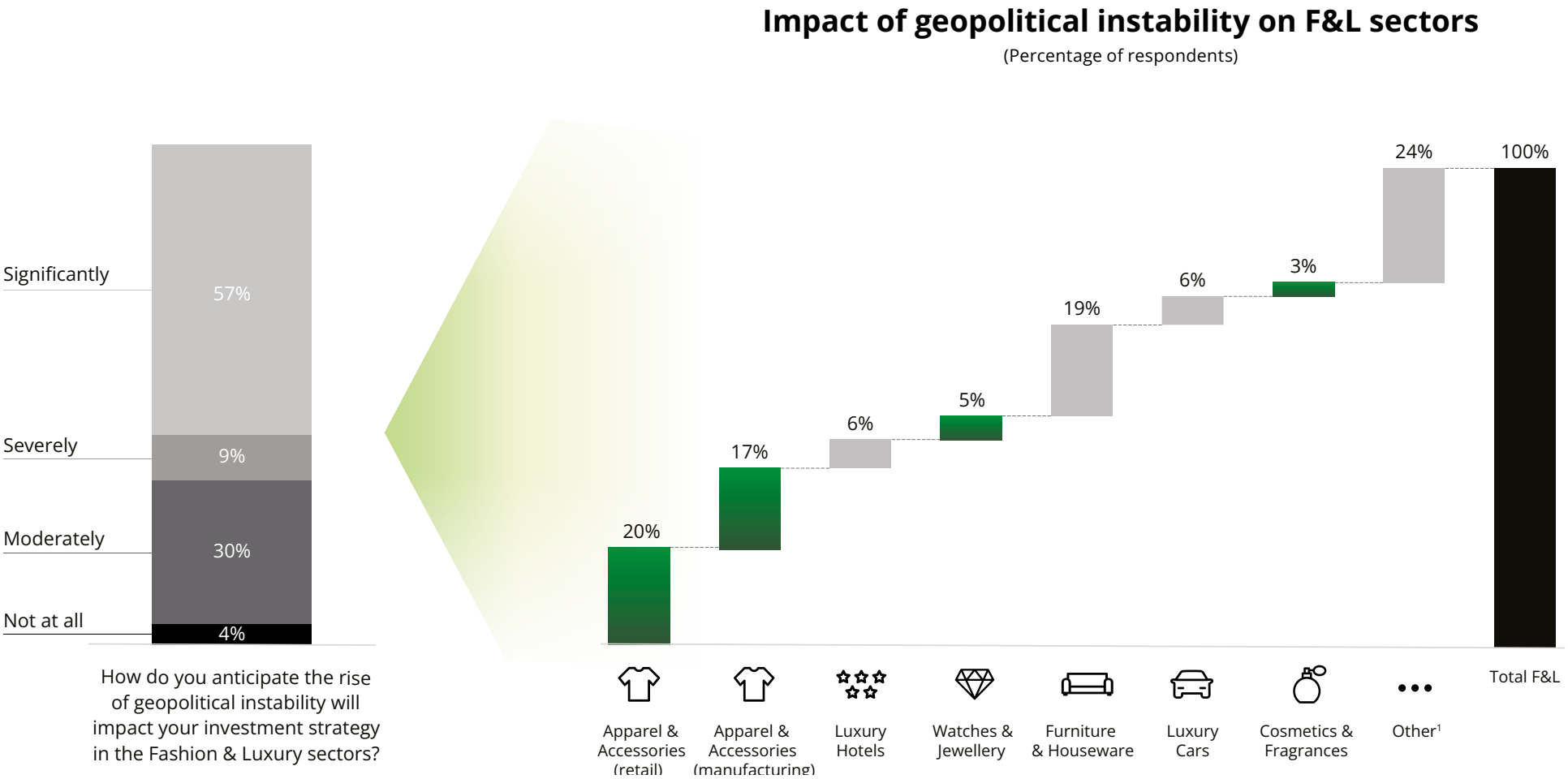


Focus on page 40

Source: Elaboration on Deloitte survey

Geopolitical instability: impact on F&L sector

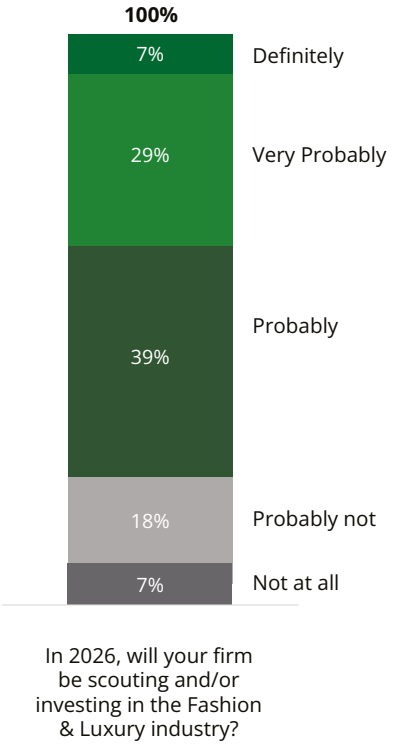
In 2025, over 95% of investors foresee a negative impact on the Fashion & Luxury sector due to rising geopolitical instability. The most affected categories include Apparel & Accessories (retail and manufacturing) and Furniture & Houseware.

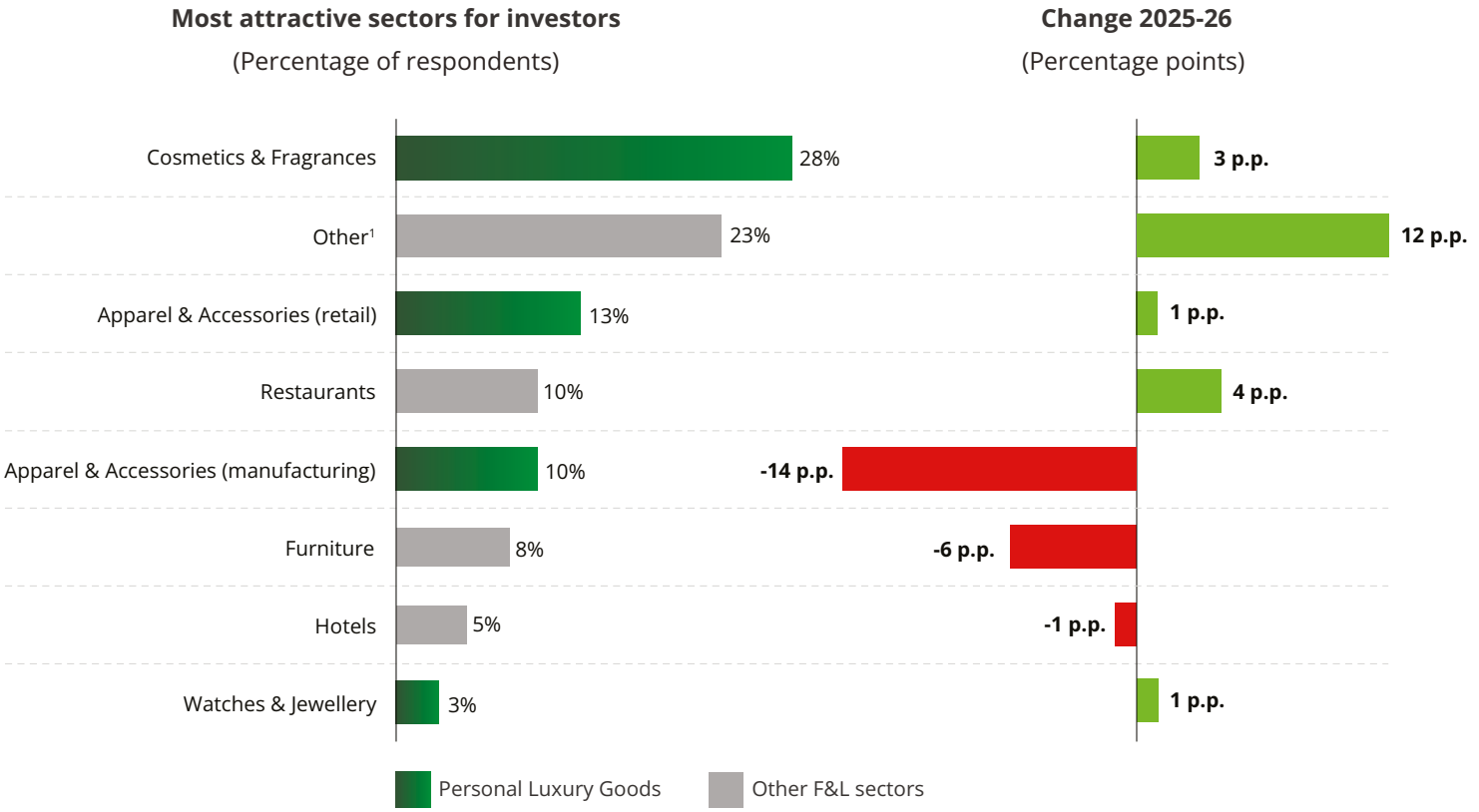


Notes: 1) Other includes Restaurants, Yachts, Cruises and Private Jets
Source: Elaboration on Deloitte survey

Expected new investments

In 2026, **75% of survey respondents could be interested in investing in Fashion & Luxury sectors**. Personal Luxury Goods remain attractive, with Cosmetics & Fragrances confirming their leading position. Other sectors and Restaurants gain traction, while Apparel & Accessories (manufacturing) records the sharpest decline in investors' preferences.





Key Findings:

Cosmetics & Fragrances remain the most attractive investment opportunity among survey respondents (28%), followed by Other sectors (23%), Apparel & Accessories (retail) (13%) and Restaurants (10%). Compared to 2025, Other sectors and Restaurants record the strongest increase in attractiveness (+12 p.p. and +4 p.p., respectively), while Apparel & Accessories (manufacturing) reflects a weakening investment outlook, suggesting a more cautious stance among investors (-14 p.p.).

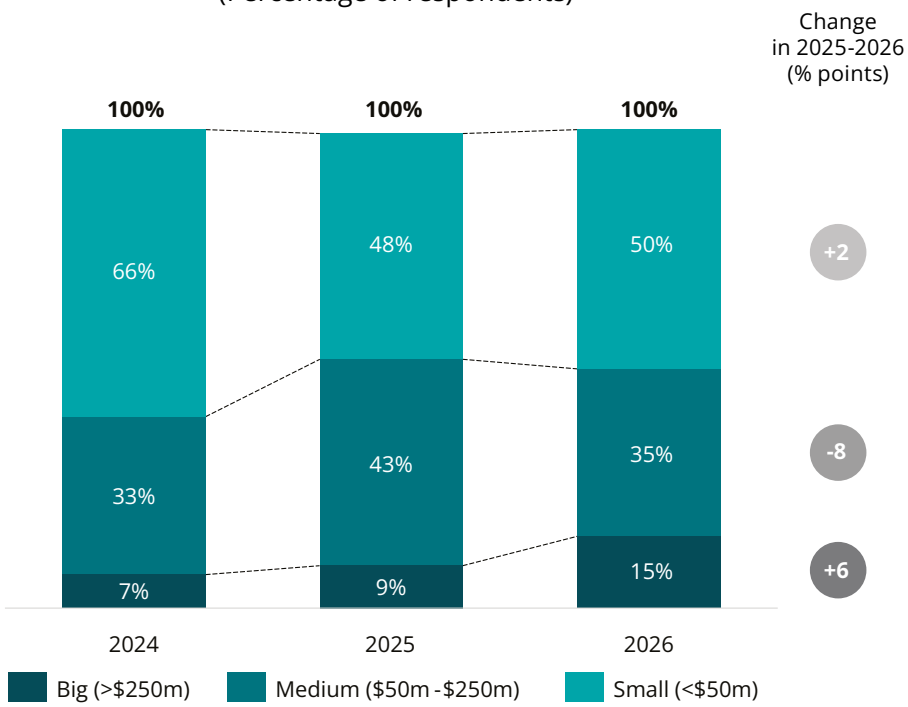
Notes: 1) Other includes Yachts, Cruises, Private Jets and Cars
Source: Elaboration on Deloitte survey

Size and expected returns of potential investment in F&L

Half of investors are willing to invest in small (<$50m) companies, while 35% are interested in medium-sized ($50m–$250m) firms (-8 p.p. vs. 2025). Most investors (62%) expect an IRR of 21–30% on new investments, while 30% anticipate returns below 20% and only 8% expect returns above 30%

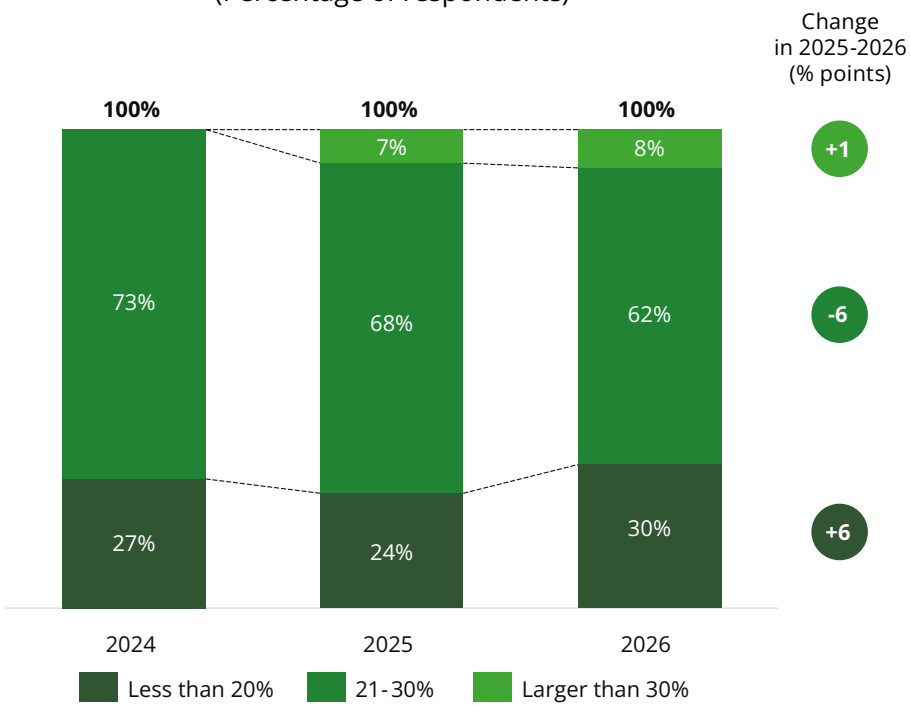
Average sales of potential target companies

(Percentage of respondents)



Internal Rate of Return (IRR) expected from new F&L investments

(Percentage of respondents)



Key Findings:

The majority of investors continue to prefer investing in small-sized firms, with this preference increasing to 50% (+2 pts vs. 2025). On the other hand, interest in medium-sized companies has declined to 35% (-8 pts), while interest in large companies has increased to 15% (+6 pts). In terms of expected returns, most investors (62%) continue to target an internal rate of return (IRR) between 21% and 30% (-6 p.p. vs. 2025). Meanwhile, the share of respondents expecting returns below 20% has increased to 30% (+6 p.p.), while only 8% anticipate returns above 30% (+1 p.p.).

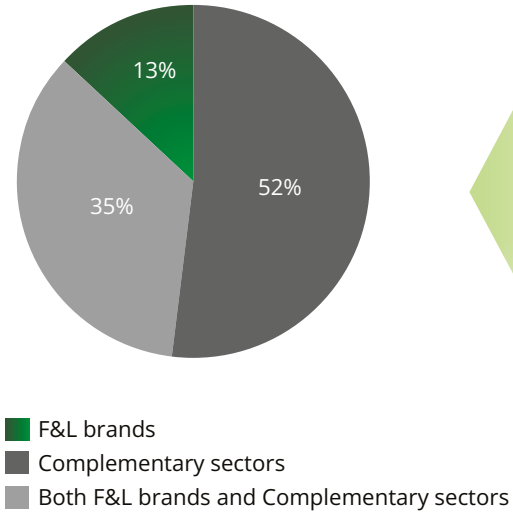
Source: Elaboration on Deloitte survey

Regions and segments with highest investment potential

In 2026, investors identify Europe (59%) and North America (21%) as the regions with the highest investment potential in the Fashion & Luxury space. At the same time, investment preferences increasingly favour a balanced approach across both F&L brands and complementary sectors, attracting 52% of respondents, compared to 35% focusing exclusively on complementary sectors and 13% on direct investment in F&L brands.

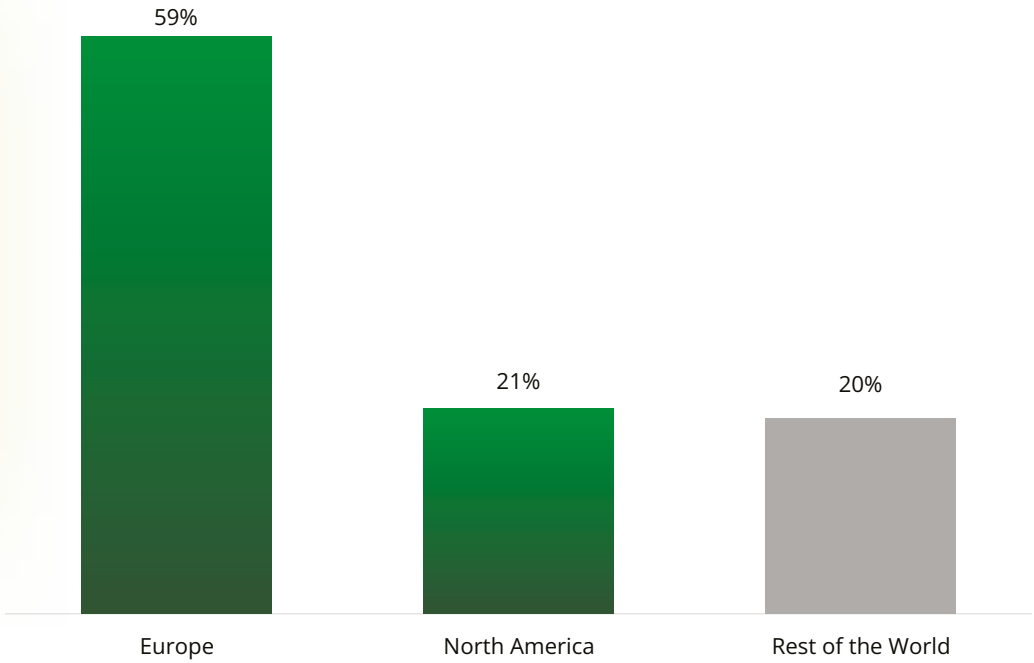
Investment preferences across core and adjacent F&L segments

(Percentage)



Regions with highest potential

(Percentage of respondents)



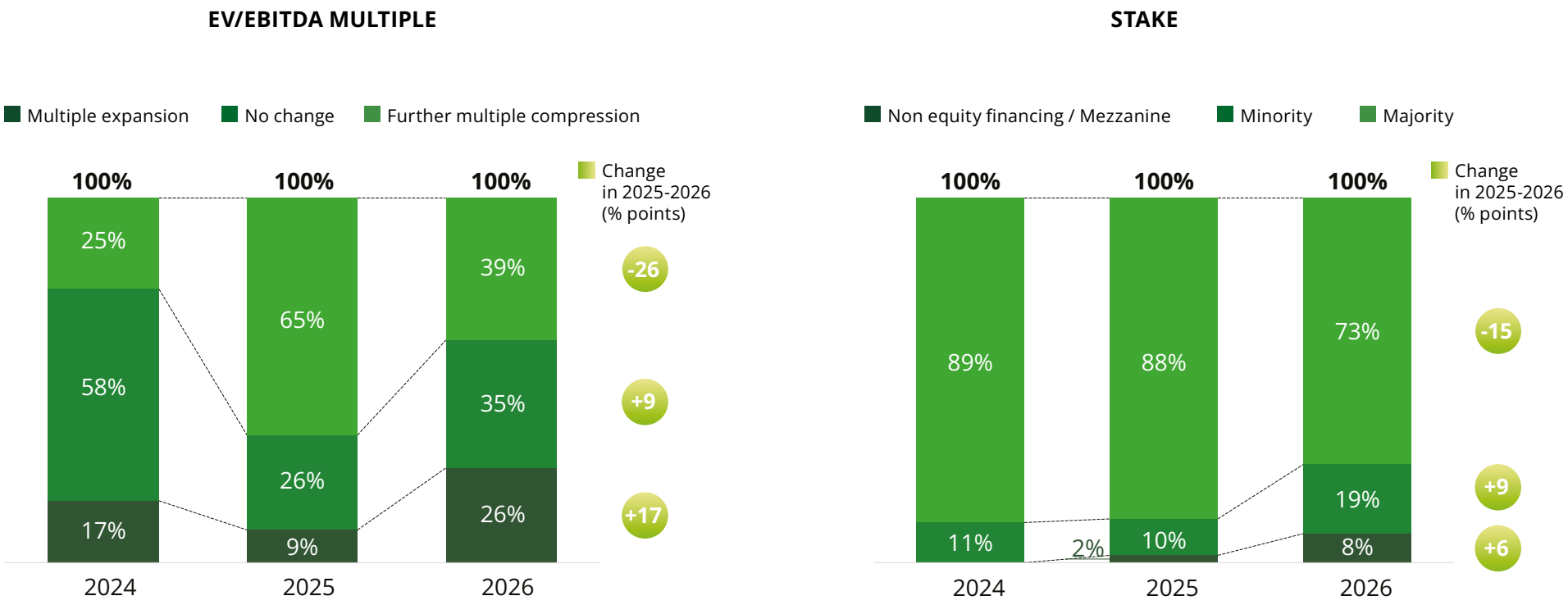
Source: Elaboration on Deloitte survey

Main features and expectation of potential investments in F&L

In 2026, investors anticipate a more balanced outlook in valuation trends: the share expecting further multiple compression declines to 39%, down from 65% in 2025, while those anticipating stable multiples and multiple expansion increase to 35% and 26%, respectively. At the same time, deal structures remain relatively stable, with 73% of investors confirming a preference for majority acquisitions, despite a gradual increase in minority investments (19%) and non-equity financing/mezzanine (8%).

Expectations of the new F&L investment deals

(Percentage of respondents)

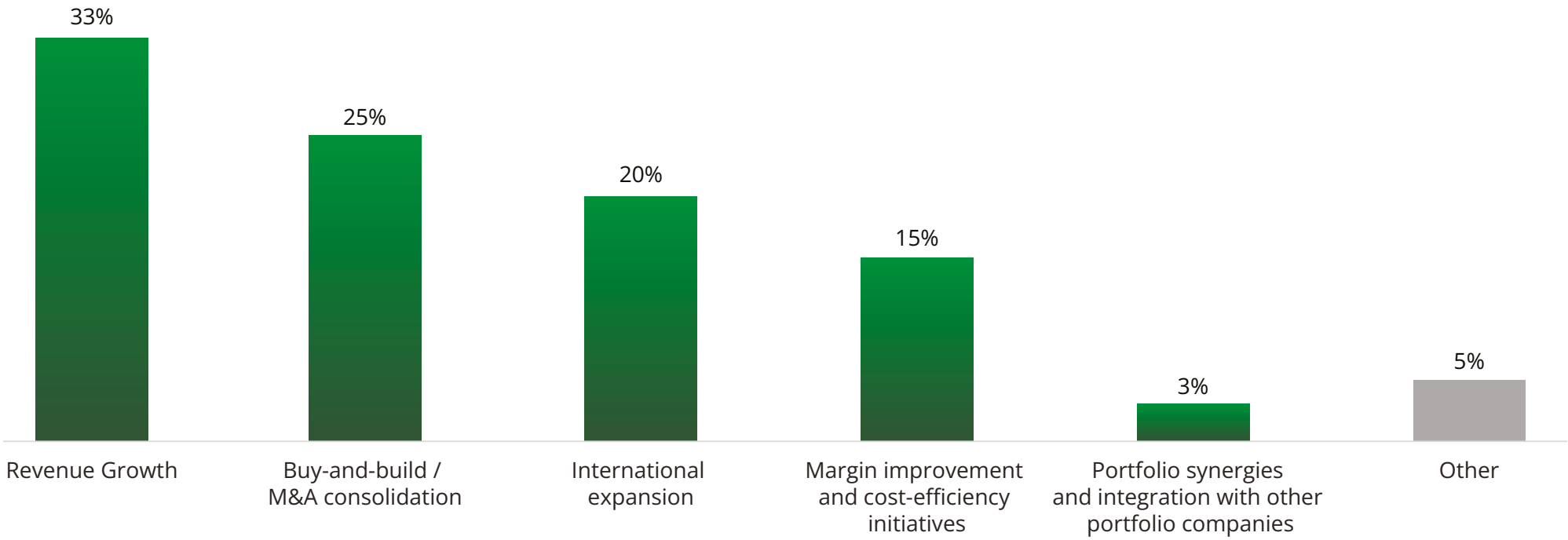


Source: Elaboration on Deloitte survey

Value-creation lever of potential investment in F&L

Revenue growth is identified as the primary value creation lever for new Fashion & Luxury investments (33%), followed by Buy-and-build / M&A consolidation (25%) and International expansion (20%). Margin improvement and cost-efficiency initiatives account for 15% of responses, while portfolio synergies play a more limited role (3%).

What do you expect to be the primary value-creation levers for Fashion & Luxury investments?



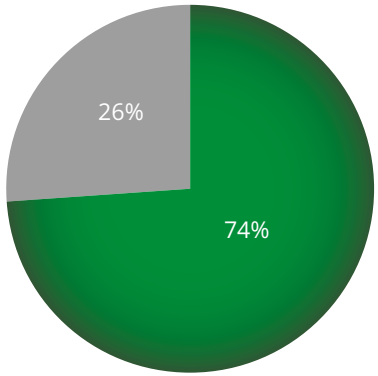
Source: Elaboration on Deloitte survey

Impact of disruptive technologies

In 2026, 74% of survey participants might invest in disruptive technologies to benefit from potential synergies with current assets, showing a moderate decrease of 24 p.p. compared to 2025. Artificial Intelligence continues to be identified as the most impactful disruptive technology, with most expected impact concentrated in Customer Experience and Marketing & Sales.

Interest in investing in Fashion & Luxury firms incorporating Disruptive Technologies

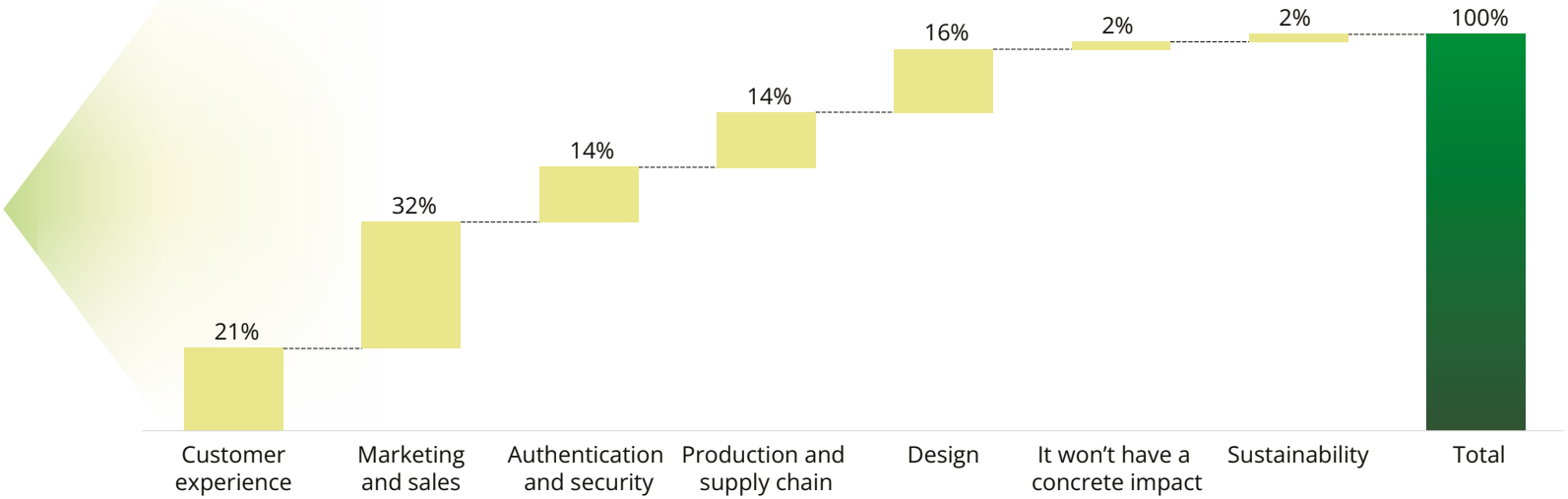
(Percentage)



Will probably invest in disruptive technologies

Impact of Artificial Intelligence on Fashion & Luxury business areas

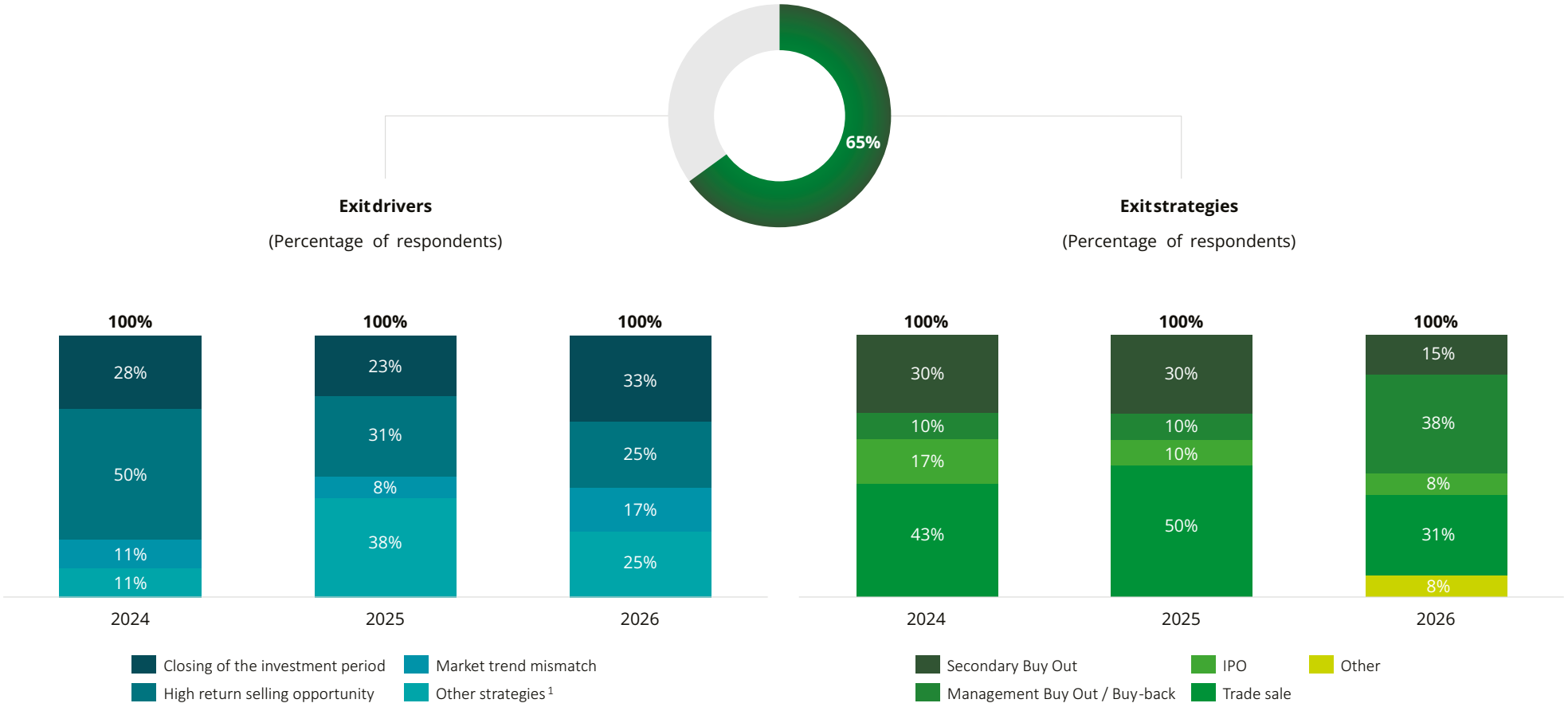
(Percentage of respondents)



Source: Elaboration on Deloitte survey

Funds' F&L exit strategy for 2026

Funds considering divesting a F&L asset in 2026 represent 65% of respondents, showing an increase of 38 percentage points compared to 2025. The main exit drivers are the closing of the investment period (33%) and attractive selling opportunities driven by high returns (25%). Management Buy-Outs/Buy-backs remain the preferred exit strategy (38%), followed by Trade Sales (31%), while Secondary Buy-Outs lose momentum, declining from 30% in 2024 to 15% in 2026.

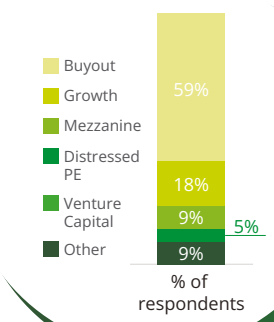


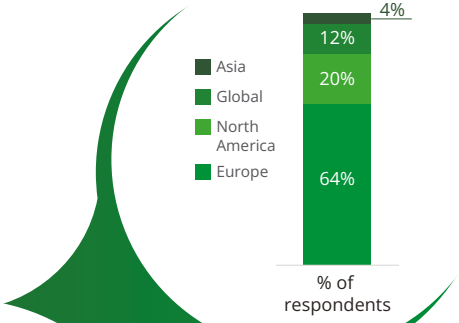
Notes: 1) Other drivers include Change of the general investment strategy, Interest in other F&L segment/industry
Source: Elaboration on Deloitte survey

Profile of survey respondents - Funds' key features

The majority of respondents, corresponding to 67% of the total, are Private Equity Funds, whose strategic approach is mainly based on buyout strategies (59%), with portfolios primarily focused on the Industrial (20%), Fashion & Luxury (17%), and Healthcare (17%) sectors. Moreover, 36% of PE Funds manage net assets between $100m and $500m. The majority of respondents primarily operate in Europe

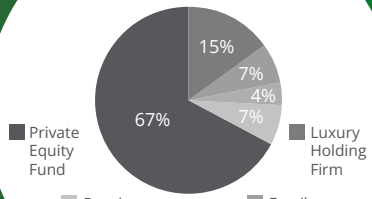
Fund strategy
The main strategic approaches of the involved funds are: Buyout (59%) and Growth (18%) strategies



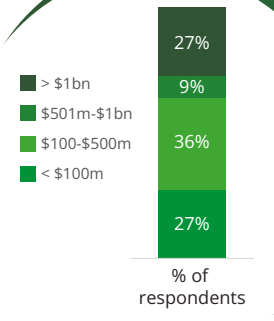


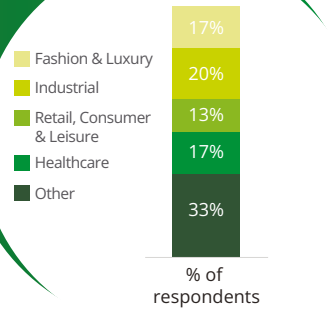
Geographical Footprint
The majority of respondents operate in Europe (64%), followed by North America (20%). Asian-based investors account for only 4% of the survey sample.

Investor type
% of respondents



Fund net assets
36% of respondents to the survey manage net assets between $100m and $500m, while 27% manage assets below $100m and 28% manage assets above $1bn





Fund core industries
The main core industries represented in investors' portfolios are Industrial (20%), Fashion & Luxury (17%), and Healthcare (17%)

Source: Elaboration on Deloitte survey

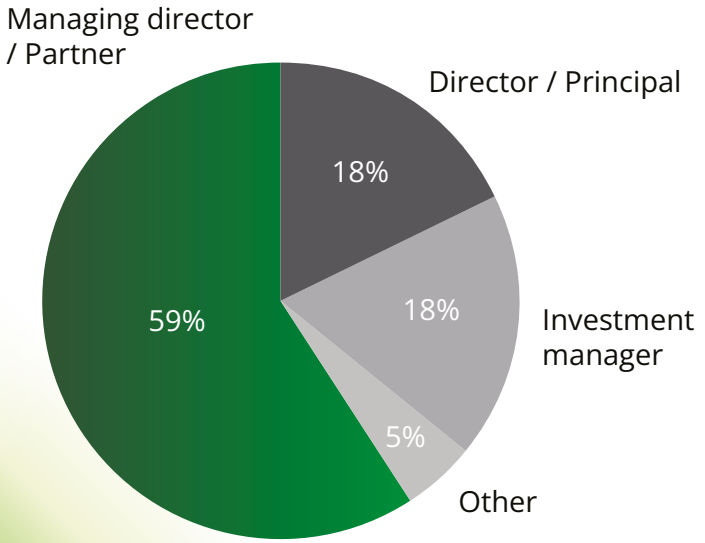
Profile of survey respondents

Participant's roles correspond for 59% to Managing director/Partner, 18% to Director/ Principal and 18% to Investment manager.

Respondents' locations

Respondents' roles

(Percentage of respondents)



Source: Elaboration on Deloitte survey

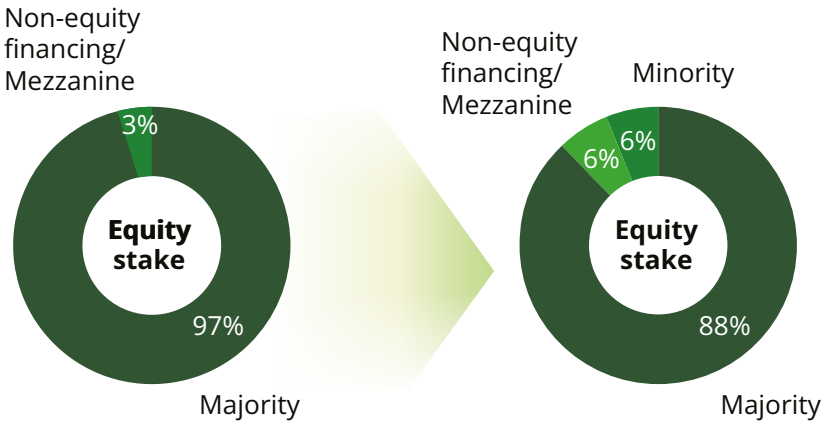
Funds' current F&L portfolio: structure

As in 2025, majority stakes continue to be the overwhelmingly chosen equity stake, accounting for 88% in 2026 (-11 p.p.). In 2026, 3-5 years remains the preferable holding period for a F&L asset.

62% of investors have a Fashion & Luxury asset in their portfolio

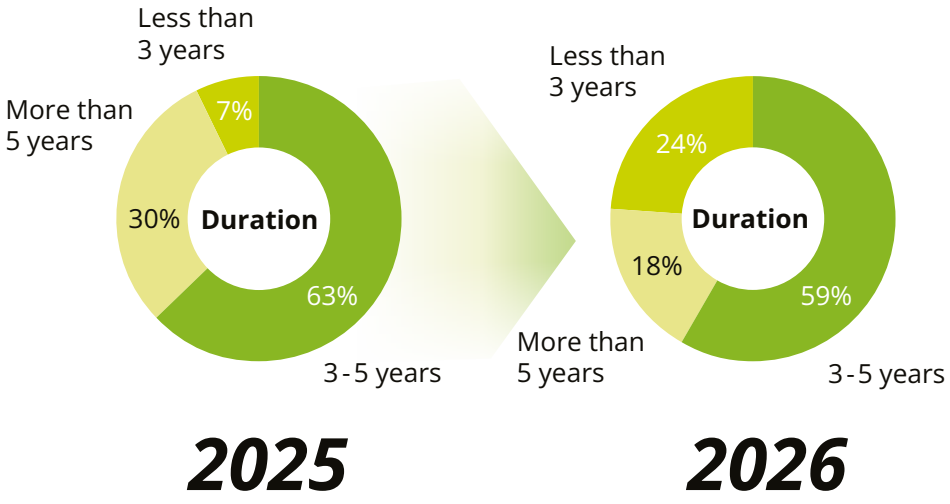
Portfolio equity stake

(Percentage of respondents)



Portfolio duration

(Percentage of respondents)



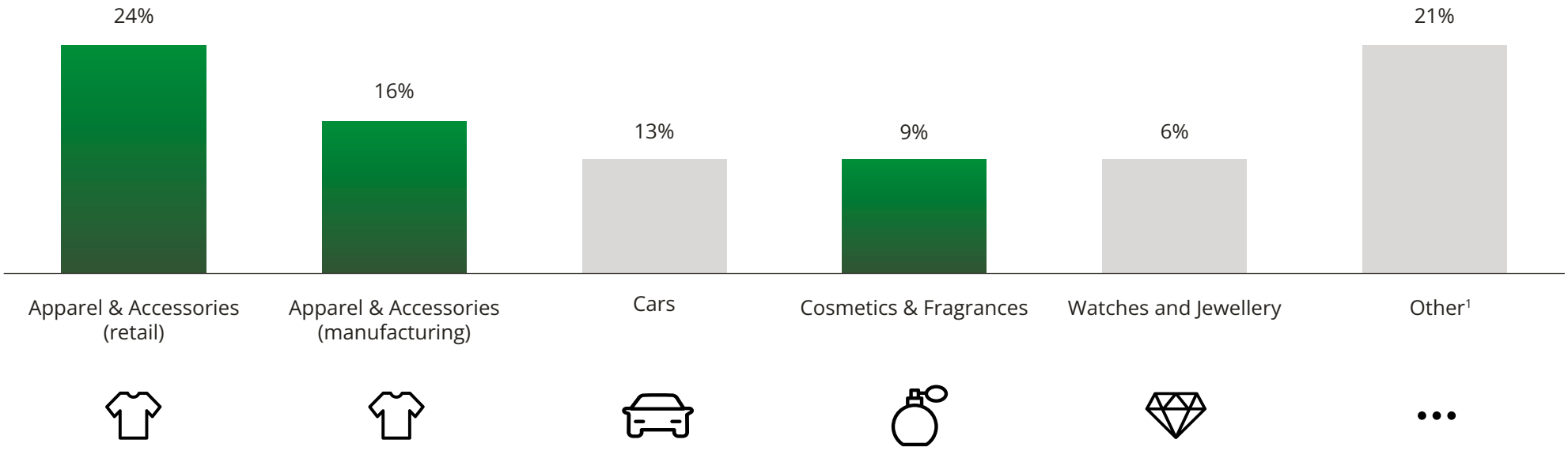
Source: Elaboration on Deloitte survey

Funds' current F&L portfolio: main sectors

The main F&L assets held by investors are Apparel & Accessories (40%, including both retail and manufacturing companies), Luxury Cars (12%), Cosmetics & Fragrances (12%) and Watches and Jewellery (12%).

62% of investors have a Fashion & Luxury asset in their portfolio

Main F&L assets managed by investors



Note: 1) "Other F&L sectors" includes mainly: Furniture, Restaurants, Yachts and Luxury Hotels
Source: Elaboration on Deloitte survey

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Glossary

Main terms and abbreviations

PLG	Personal Luxury Goods include the following sectors: Apparel & Accessories, Cosmetics & Fragrances and Watches & Jewelry
AuM	Assets Under Management
CAGR	Compound Annual Growth Rate
F&L	Fashion & Luxury
IRR	Internal Rate of Return
PE	Private Equity
RoW	Rest of the World

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