

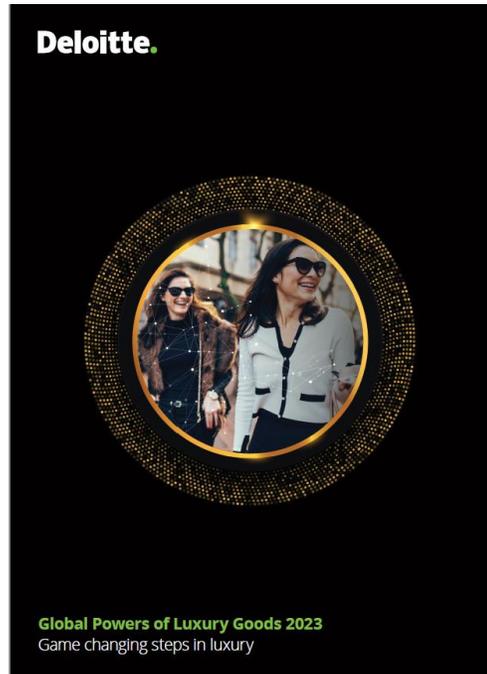


Global Powers of Luxury Goods 2023

Game changing steps in luxury

Global Powers of Luxury Goods 2023

Welcome to the 10th edition of the report



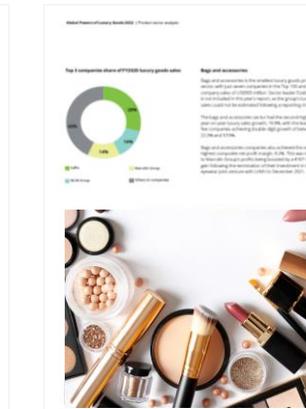
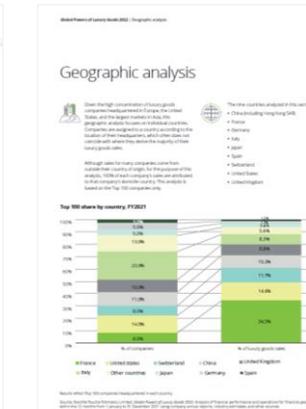
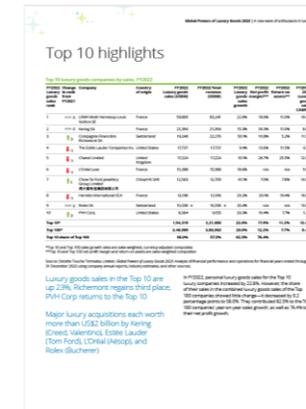
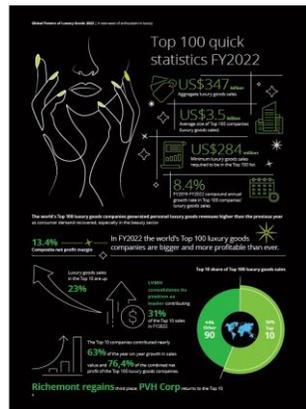
The annual Global Powers of Luxury Goods report identifies the world's largest luxury goods companies and analyzes them from multiple perspectives. The report also discusses the trends and issues that are driving the luxury goods industry.

Key sections

-  **TOP 10 Highlights & TOP 100 list**
-  **Geographic analysis**
-  **Product sector analysis**
-  **Fastest 20**
-  **New entrants**

Market trends explored in 2023 edition

-  **The luxury industry embraces artificial intelligence (AI)**
-  **The interconnectedness of sustainability: how technology is supporting a shift by the luxury industry toward a circular economy**
-  **The digitally enabled luxury store of the future**



Top 100 quick statistics

347
US\$
billion

Aggregate net luxury goods sales of Top 100

▲ +42billion vs FY21



20%

Composite YoY growth rate

▲ +0.5 p.p. vs FY21



8.4%

FY2018-2021 LG sales CAGR

▲ +3.2 p.p. vs FY21



13.4%

Composite net profit margin

▲ +1.2 p.p. vs FY21



\$3.5 billion

Average company size in Top100

▲ +0.5 million vs FY21



\$284 million

Minimum LG sales required to be in the Top 100 list

▲ +44 million vs FY21



56%

Top 10 share of Top 100 LG sales

▼ -0.2 p.p. vs FY21



Top 10 luxury goods companies

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

						
	#1	LVMH Moët Hennessy-Louis Vuitton SE		\$59,869	22.6%	18.6%
	#2	Kering SA		\$21,394	15.3%	18.3%
	#3	Compagnie Financière Richemont SA	 +3	\$19,248	50.1%	10.8%
	#4	The Estée Lauder Companies Inc.	 -1	\$17,737	9.4%	13.6%
	#5	Chanel Limited	 -1	\$17,224	10.1%	26.7%
	#6	L'Oréal Luxe	 -1	\$15,388	18.6%	n/a
	#7	Chow Tai Fook Jewellery Group Limited 周大福珠宝集团有限公司	 +1	\$12,563	41.1%	7.0%
	#8	Hermès International SCA	 -1	\$12,196	29.2%	29.1%
	#9	Rolex SA		\$10,336	20.4%	n/a
	#10	PVH Corp.	 +3	\$8,364	33.3%	10.4%
		Top 10		\$194,319	22.8%	17.5%
		Top 100		\$346,989	20.0%	12.2%

 Change in rank
  FY2022 sales (US\$ million)
  Sales growth %
  Net profit margin %

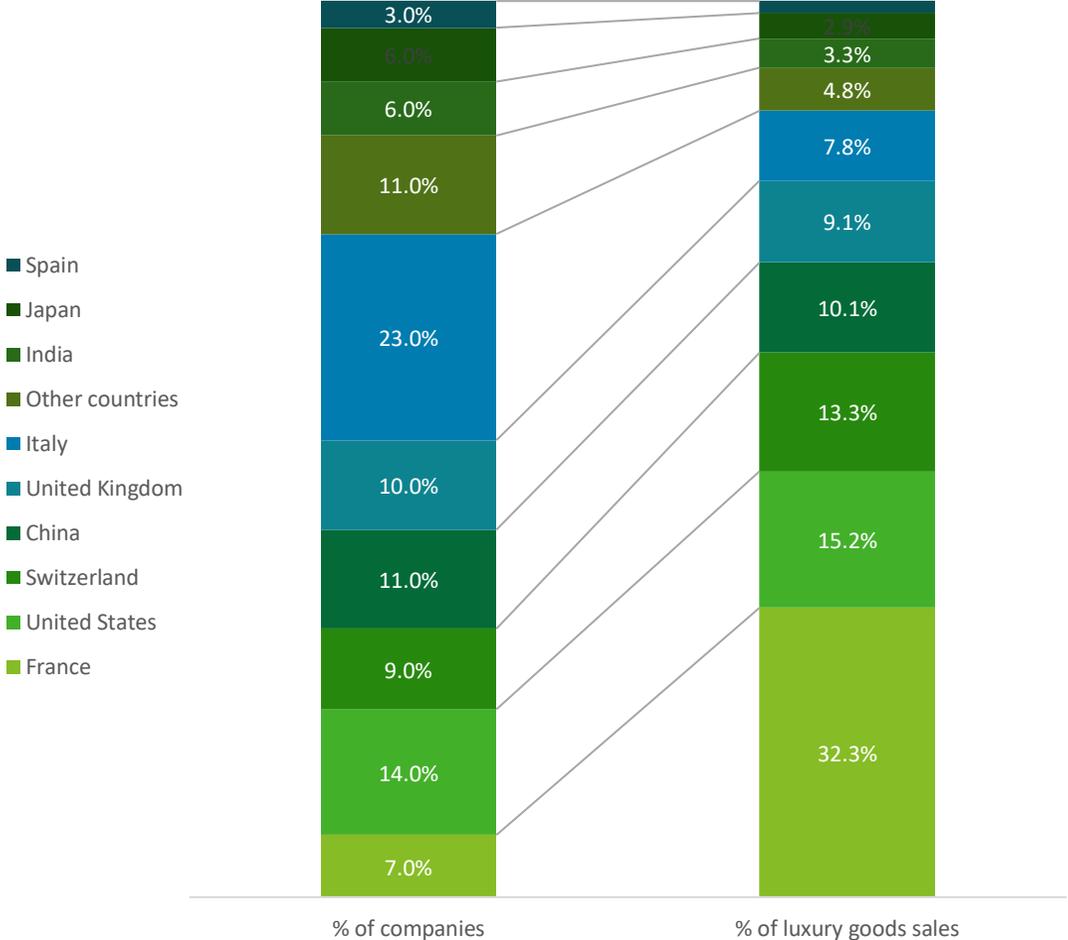
Geographic analysis

Luxury goods sales of the Top 100 companies across all countries analyzed increased by double digits in FY2022.

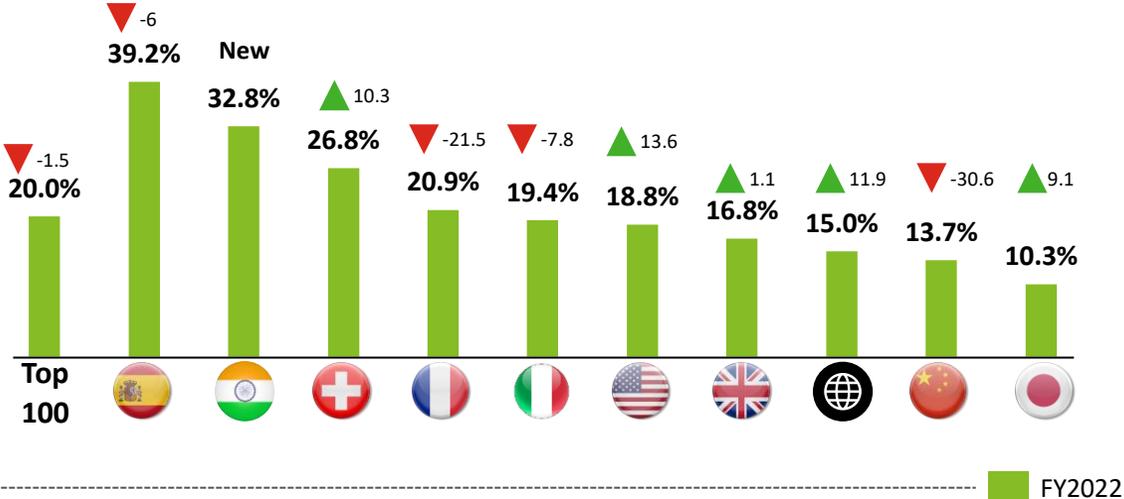
All country composites except for France and China improved their net profit margins.

▲ Percentage point change vs FY2021

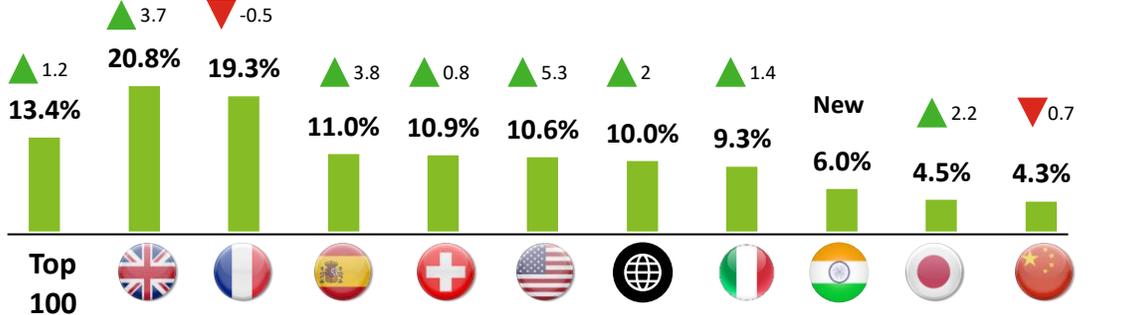
Top 100 share by country



Luxury goods sales YoY growth, by country



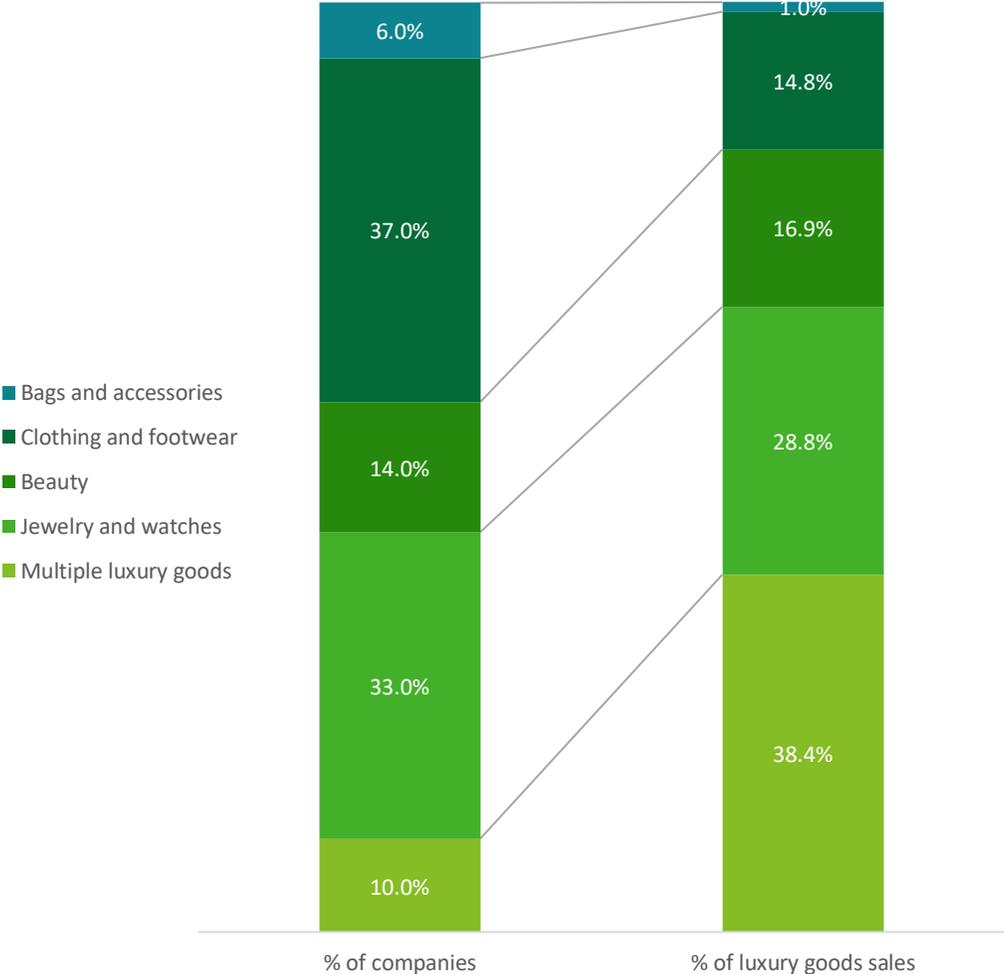
Net profit margin, by country



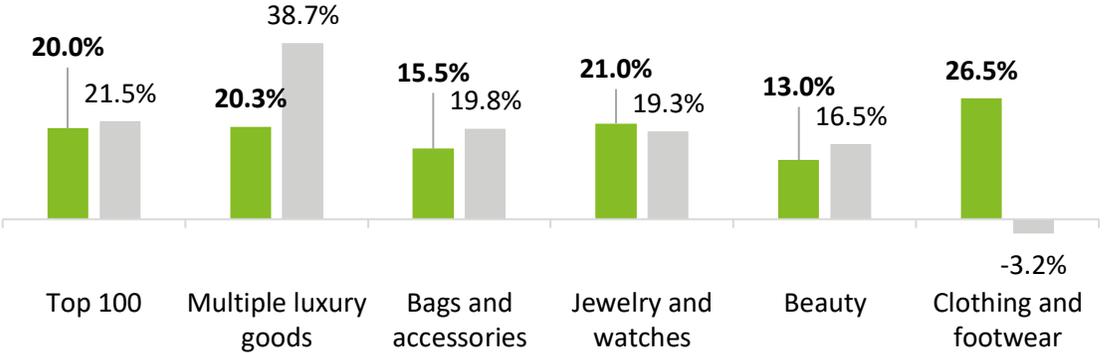
Product category analysis

In FY2022, luxury goods sales continued their recovery from the pandemic, with double-digit sales growth in all product sectors

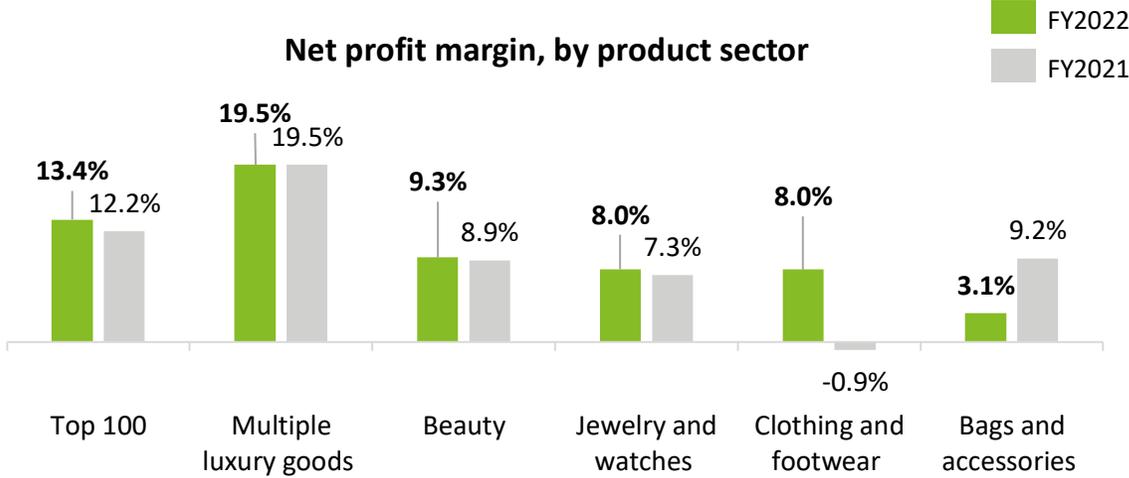
Top 100 share by product sector



Product sectors sales YoY growth %



Net profit margin, by product sector



Fastest 20

Fashion, jewelry, and watches companies dominate, Italian companies are making a comeback as fastest growing

CAGR ranking	Company	Top 100 ranking	FY2019-2022	FY2022
			CAGR	Sales growth
#1	*Farfetch Limited - UK	53	42,4%	6,3%
#2	*Grupo de Moda Soma S.A. - Brazil	73	30,0%	37,9%
#3	DR Corporation Limited - China	74	29,9%	-20,6%
#4	*Chow Tai Seng Jewellery Co., Ltd. - China	42	29,7%	25,6%
#5	*Golden Goose SpA - Italy	75	24,1%	29,9%
#6	*Puig S.L. - Spain	22	21,3%	40,0%
#7	Aritzia Inc. - Canada	52	19,6%	74,3%
#8	*Audemars Piguet & Cie - Switzerland	31	19,4%	27,2%
#9	*LVMH Moët Hennessy-Louis Vuitton SE – Fr.	1	19,4%	22,6%
#10	*Hermès International SCA - France	8	19,0%	29,2%

CAGR ranking	Company	Top 100 ranking	FY2019-2022	FY2022
			CAGR	Sales growth
#11	Morellato Group - Italy	89	17,3%	49,3%
#12	*Moncler SpA - Italy	27	16,9%	27,2%
#13	*Vivara Participações S.A. - Brazil	91	16,3%	25,7%
#14	*EuroItalia S.r.l. - Italy	66	15,3%	27,2%
#15	Inter Parfums, Inc. – United States	56	15,1%	23,6%
#16	Thangamayil Jewellery Limited - India	98	15,0%	20,6%
#17	Brunello Cucinelli SpA - Italy	58	14,8%	29,1%
#18	Chow Tai Fook Jewellery Group Limited - China 周大福珠宝集团有限公司	7	14,0%	41,1%
#19	*Rolex SA - Switzerland	9	13,8%	20,4%
#20	*Richard Mille SA - Switzerland	48	13,0%	15,0%

Fastest 20 18,3% 25,7%
Top 100 8,4% 20,0%

*Companies among the 20 fastest-growing luxury goods companies in the Global Powers of Luxury Goods 2022 report

Game changing steps in luxury

Global luxury market trends explored in 2023 edition

Luxury goods companies play an important role in moving the broader fashion industry toward an environmentally responsible, circular economy.

Technology can help accelerate the green transition and improve the relationship between companies and their customers.

Several recent developments in digital technology may change the luxury market forever.

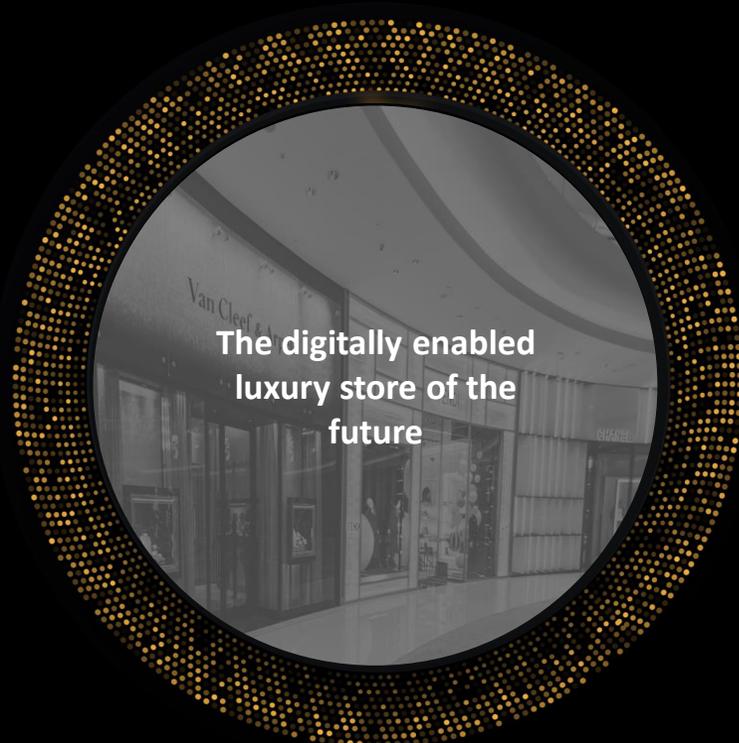


**The luxury industry
embraces Artificial
Intelligence (AI)**



**The
interconnectedness of
sustainability**

*how technology is
supporting a shift by the
luxury industry toward a
circular economy*



**The digitally enabled
luxury store of the
future**

The Luxury industry embraces Artificial Intelligence (AI)

Even the timeless world of luxury has not been immune to GenAI's transformative influence. GenAI and luxury may have once seemed like an odd pairing but is now proving to be a successful alliance. Professionals in the Luxury sector could benefit from GenAI in several ways.

Areas of AI support	Challenges posed by AI	AI can enhance sustainability in luxury
 Enhanced personalization & customer profiling	 Data privacy and security	 Supply chain optimization
 Supply chain and logistics <i>demand forecasting, predictive pricing & inventory management</i>	 Striking the right balance between the human element and GenAI	 Waste reduction
 Authenticity verification	 Ethical considerations and bias	 Sustainable design
 Product innovation and design creation using GenAI	 Adapting to technological change	 Product life cycle management
		 Energy efficiency
		 Transparency and traceability

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

Digital Identity and Digital Product Passport

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

Goal	Areas of application	Benefits
<p>The aim of both DPPs and digital IDs is to help enable luxury brand companies to scale circular business models.</p>	<ul style="list-style-type: none"> • Support in battling the counterfeit goods trade by identifying the last party that owned a product • Assist manufacturers and their stakeholders to manage products efficiently throughout their life cycles, including after sale, resale, repair, and recycling, in a circular economy environment 	<p>Increased consumer trust</p> <p>Improved brand sentiment</p> <p>Reduced risk of greenwashing</p> <p>Comprehensive product tracking</p> <p>Reduction in the amount of goods in circulation</p> <p>Exploration of potential new business models (circular economy)</p>

The digitally enabled experiential luxury store of the future

Despite the sharp increase in digital channels during the COVID-19 pandemic, physical luxury stores will still be crucial to customers, thanks to their experiential value.

A luxury store allows consumers to interact intensively and immersively with luxury brands from shopping products to receiving exclusive, personalized services, which is not possible in an online-only store.

The “store of the future” will have to be not just digital, but also sustainable.

Areas of application of technologies in luxury stores

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



about 60% of customers prefer to shop in physical stores

47% prefer to touch and try products before buying



70% consider shop assistants crucial to their shopping experiences

Source: Fashion Luxury Industry Trends & Store of the future, Deloitte

Methodology

Our definition of *luxury goods* in this report



Luxury goods for personal use

- Designer clothing and footwear (ready-to-wear)
- Luxury bags and accessories (including eyewear)
- Luxury jewelry and watches
- Prestige and luxury beauty (skincare, cosmetics and fragrances)

Excluded categories

- Automobiles
- Travel and leisure services
- Boating and yachts
- Fine art and collectibles
- Fine wines and spirits
- Retailers that are mainly resellers of other companies' luxury brands

Type of companies included

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.

How companies are ranked

Companies are included among the Top 100 according to their consolidated sales of luxury goods in their financial year 2022

To provide a common base from which to rank companies, net sales for non-US companies are converted to US dollars. Exchange rates have an impact on the results.

Sources

- Annual reports
- SEC filings
- Information in company press releases and fact sheets or on company websites

Comparison with previous Global Powers of Luxury Goods reports

Global Powers of Luxury Goods reports since 2020 use a calendar year financial year definition e.g., FY2022 luxury goods sales includes company financial year end (FYE) dates from 1 January 2022 to 31 December 2022.

Global Powers of Luxury Goods reports from 2015 to 2020 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.

Contact Us

Tianbing Zhang

Leader

Deloitte Asia Pacific Consumer Products and Retail Sectors

Email: tbzhang@deloitte.com.cn

Sunny Jiang

Senior Manager

Deloitte China Consumer Products and Retail Sectors

Email: sunjiang@deloitte.com.cn

Lydia Chen

Partner

Deloitte Research

Email: lydchen@deloitte.com.cn

Yi Hu

Assistant Manager

Deloitte Research

Email: yihucq@deloitte.com.cn



About Deloitte

Deloitte provides audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and service to address clients' most complex business challenges. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Our global Purpose is making an impact that matters. At Deloitte Canada, that translates into building a better future by accelerating and expanding access to knowledge. We believe we can achieve this Purpose by living our shared values to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact.

To learn more about how Deloitte's approximately 330,000 professionals, over 11,000 of whom are part of the Canadian firm, please connect with us on [LinkedIn](#), [Twitter](#), [Instagram](#), or [Facebook](#).

© 2023 Deloitte LLP and affiliated entities.