


## TBTL LUXURY INDUSTRY PERFORMANCE INDEX (LIPI)

March 2019 (# 3)

TBTL's Luxury Industry Performance Index (LIPI) is a monthly published indicator, providing a quick overview of the high-end industry's current status and an outlook on its development over the next months. The LIPI is distributed as a free e-newsletter edited by international strategy consulting firm The Bridge To Luxury ([www.thebridgetoluxury.com](http://www.thebridgetoluxury.com)).

### TBTL's Luxury Industry Performance Index ( LIPI ):

**101,7** (02/2019: 101,1) 

### INDUSTRY STATUS AND MAJOR TRENDS:

- ◆ For the second month in a row, the LIPI has been rising. The indicator gained 0,6 basic points. Investors' moods have been improving, the market capitalisation of luxury related stocks increased by 5,6%. This growth outpaced those of S&P 500, EuroStoxx and Nikkei. Optimism was driven by two factors: a) The US administration's extension of its former 1st of March deadline in Sino-American trade talks; b) hope that growing pressure on political decision makers with protectionist agendas will change policies as signals of a global economic slowdowns are piling up. The OECD has lowered its GDP predictions for the global economy down to 3,3% in 2019 and 3,4% in 2020. Particularly, the Euro area (Germany, Italy) and the United Kingdom, Canada and Turkey are said to be exposed to less positive developments. News on a further widening US trade deficit did widen to US\$ 59,8 billion in 2018 while national unemployment in January 2019 were considered disappointing. UK's Walpole estimates a no-deal Brexit would cost GBP6,8 billion in luxury exports lost.
- ◆ Overall, the luxury industry's outlook remains basically determined by China's economic outlook that currently is unclear due to yet not announced new measures of the country's government to boost its economy and the results of trade talks.

### COMPANY SNAPSHOTS:

- ◆ World leader in frames and glasses, EssilorLuxottica has delayed the publication of its post-merger plans.
- ◆ Puma has launched a joint collection with Porsche Design.
- ◆ Toni Piech, member of the Porsche-Piech dynasty, announced the introduction of a new sports car in 2022: the Piech Mark Zero.
- ◆ In 2018, BMW remained the US biggest car exporter in value for the fifth consecutive year (US\$8.4 billion).
- ◆ Daimler and BMW have announced strategic partnerships to develop autonomous driving technology and to merge their respective car sharing units Car2go und DriveNow.
- ◆ Ferrari CEO rules out future large volume production compared to rival Porsche (2018: 9.251 versus 256.230 units).
- ◆ Capri (Michals Kors, Versace, Jimmy Choo) has lifted its 2019 revenue forecast to US\$5.22 billion, formerly US\$ 5.13 billion.
- ◆ Tod's announced a 26% drop in 2018 core profit triggered by higher marketing and staff cost.
- ◆ Hugo Boss expects a high single-digit profit growth in % for 2019 and a mid single-digit rise in currency-adjusted revenues.
- ◆ According to Launchmetrics, the total media impact value (MIV) of Paris Fashion Week was US\$129 million. Engagement was 42,2 million. Dior scored best (MIV: US\$ 17,4 million; 6,6 million engagements), Chanel second (US\$ 11,2 million; 3,8 million).
- ◆ PVH is closing down its ready-to-wear activity of Calvin Klein's 205W39NYC.
- ◆ Harrods has picked e-commerce platform Farfetch as its exclusive global partner.
- ◆ Gucci is under investigation of fraud in Italy for having allegedly failed to pay €1.4 billion in taxes between 2011 and 2017.

### UP-COMING EVENTS:

- ◆ Baselworld, March 21-26, 2019, Basel
- ◆ Condé Nast International Luxury Conference, April 9-11, 2019, Cape Town
- ◆ Financial Times Business of Luxury Summit, May 19-21, 2019, Madrid
- ◆ Packaging Première, May 28-30, 2019, Milano

TBTL LUXURY INDUSTRY PERFORMANCE INDEX (03/2019)

(A) Development share prices in the luxury industry (in %)

Company	MoM	YoY	5Y-o-5Y	CAGR 5Y	Category
Hermès	6,2%	27,0%	138,5%	19,0%	Luxury group
Kering	9,7%	33,1%	247,6%	28,3%	Luxury group
LVMH	8,0%	22,5%	148,5%	20,0%	Luxury group
Chow Tai Fook	6,0%	-10,8%	-34,0%	-8,0%	Watches & Jewelry
Citychamp	0,6%	-2,9%	83,5%	12,9%	Watches & Jewelry
Hengdeli	8,8%	-7,5%	-64,1%	-18,5%	Watches & Jewelry
Lao Feng Xiang	-3,1%	-6,3%	65,9%	10,7%	Watches & Jewelry
Movado	9,6%	13,0%	-11,0%	-2,3%	Watches & Jewelry
Richemont	11,7%	-8,2%	-12,7%	-2,7%	Watches & Jewelry
Swatch Group	3,6%	-26,1%	-49,7%	-12,8%	Watches & Jewelry
Tiffany	7,1%	-5,9%	1,9%	0,4%	Watches & Jewelry
Hugo Boss	3,8%	-11,4%	-32,6%	-7,6%	Fashion
Burberry	4,9%	23,2%	22,6%	4,2%	Fashion
Brunello Cucinelli	8,6%	32,8%	67,7%	10,9%	Fashion
Ferragamo	6,7%	-19,3%	-19,3%	-4,2%	Fashion
Capri (Michael Kors)	7,3%	-27,5%	-53,5%	-14,2%	Fashion
Ralph Lauren	7,8%	18,3%	-22,3%	-4,9%	Fashion
Moncler	2,5%	17,5%	154,1%	20,5%	Fashion
Mulberry	-2,0%	-64,1%	-55,1%	-14,8%	Fashion
Prada	-2,9%	-22,3%	-56,8%	-15,4%	Fashion
Tapestry (Coach)	-9,7%	-31,4%	-28,4%	-6,5%	Fashion
Tod's	6,6%	-28,3%	-56,3%	-15,2%	Fashion
Estée Lauder	15,0%	13,4%	128,0%	17,9%	Skin care
Shiseido	13,5%	13,7%	307,8%	32,5%	Skin care
BMW	1,2%	-14,4%	-11,7%	-2,5%	Cars
Ferrari	4,2%	10,4%	--	--	Cars
Porsche	3,2%	-15,2%	-23,1%	-5,1%	Cars
Marriott	9,4%	-11,3%	131,0%	18,2%	Travel
Norweg. Cruises	8,0%	-2,4%	62,0%	10,1%	Travel
Luxottica	-3,8%	-1,3%	40,7%	7,1%	Eyewear
Safilo	-7,4%	-72,9%	-92,4%	-40,3%	Eyewear
Sotheby's	8,6%	-5,0%	-6,7%	-1,4%	Auctions
S&P Global Luxury Ind.	4,7%	-1,2%	15,1%	2,9%	Index (80 companies)

Sources: Reuters (monthly average), S&P

## TBTL LUXURY INDUSTRY PERFORMANCE INDEX (03/2019)

### (B) Development selective industry indexes

#### (B1) Luxury cars: Quarterly growth rates (units sold in %) Q4 2018

Company	roll. 4 Qs	5Y-o-5Y	CAGR 5Y
Mercedes-Benz Cars	0,4%	38,3%	6,7%
BMW	1,8%	17,3%	3,2%
Rolls-Royce	22,2%	1,1%	0,2%
Audi	-3,5%	4,1%	0,8%
Bentley	-5,3%	-4,7%	-1,0%
Lamborghini	50,7%	127,3%	17,8%
Porsche	4,0%	35,0%	6,2%
Bugatti	7,0%	68,9%	11,1%
Ferrari	10,2%	27,5%	5,0%
All	-0,2%	20,3%	3,8%

Source: company reports and press releases

#### (B2) Swiss watch exports growth rates (value in %)

Price Category	roll. 12 M	5Y-o-5Y	CAGR 5Y
Export value 0-200 CHF/unit	-4,6%	-25,0%	-5,6%
Export value 201-500 CHF/unit	-5,1%	-17,4%	-3,8%
Export value 501-3.000 CHF/unit	5,5%	3,9%	0,8%
Export value > 3.000 CHF/unit	7,1%	-4,9%	-1,0%
All	5,3%	-5,2%	-1,2%

Source: Swiss Watch Federation

#### (B3) Current production of superyachts

	2018	2017	2016
number of superyachts	830	773	760

Source: Global Order Book, 2019, Boat International Media

#### (B4) Precious metals and diamonds (growth in %)

Metal	MoM	YoY	5 Years	CAGR 5Y
Gold	0,2%	-0,8%	-6,9%	-1,4%
Silver	-2,9%	-5,9%	-32,0%	-7,4%
Diamonds	0,3%	1,6%	-6,3%	-1,3%

Sources: Macrotrends (monthly quotes); IDEX
















## TBTL LUXURY INDUSTRY PERFORMANCE INDEX (03/2019)

### (B5) Fine wines

	MoM	YoY	5Y-o-5Y	CAGR 5Y
Fine wines	-0,3%	0,0%	28,9%	5,2%










Source: Li-ex 500 wine index (per previous month)

### (C) GDP annual growth rate (in %)

Country	2016	2017	2018E	2019E	2023E
USA 	1,7%	2,2%	2,9%	2,5%	1,5%
Brazil 	-3,5%	1,0%	1,3%	2,5%	2,2%
Japan 	1,0%	1,7%	0,9%	1,1%	0,5%
China 	6,7%	6,9%	6,6%	6,2%	5,6%
Hong Kong* 	2,2%	3,8%	3,8%	2,9%	3,1%
India 	7,1%	6,7%	7,3%	7,5%	7,7%
UAE* 	3,0%	0,8%	2,9%	3,7%	2,9%
Russia 	-0,2%	1,5%	1,7%	1,6%	1,2%
France 	1,1%	2,3%	1,5%	1,5%	1,6%
Germany 	2,2%	2,5%	1,5%	1,3%	1,2%
Italy 	0,9%	1,5%	1,0%	0,6%	0,7%
Spain 	3,2%	3,0%	2,5%	2,2%	1,7%
Switzerland* 	1,6%	1,7%	3,0%	1,8%	1,7%
Great Britain 	1,8%	1,7%	1,4%	1,5%	1,6%
World 	3,3%	3,8%	3,7%	3,5%	3,6%

Source: IMF, 01.2019; \* 10.2018

### (D) Currencies exchange rates: the Euro's performance (change in %)

Currency	1 Month	6 Months	12 Months
US \$ 	-0,8%	-2,0%	-6,8%
BRL 	2,3%	-9,0%	7,9%
CNY 	-1,2%	-3,8%	-1,6%
HK \$ 	-0,7%	-2,0%	-6,6%
JPY 	1,7%	-1,3%	-2,3%
INR 	-1,2%	-1,8%	1,2%
RUB 	-0,2%	-4,3%	8,3%
CHF 	-0,3%	1,1%	-1,5%
GBP 	-1,9%	-4,0%	-3,2%

Source: Oanda, per first of month

## TBTL LUXURY INDUSTRY PERFORMANCE INDEX (03/2019)

---

TBTL appreciates any suggestion for additional performance indicators of the luxury industry to be incorporated into this monitor.

### ABOUT US

---

The Bridge To Luxury (TBTL) is an international strategy consultancy firm, focusing exclusively on high-end brands, products and services. TBTL and its global network support owners, management and investors on luxury related topics: market assessments and research, strategy and branding, product development, communications including social media, distribution and internationalization, organization and restructuring, business modelling and evaluation, m&a.

### CONTACT DETAILS

---

The Bridge To Luxury  
info@thebridgetoluxury.com  
Tel.: +49 351 2002 444  
Keppgrundstrasse 18  
01259 Dresden  
Germany  
www.thebridgetoluxury.com

To unsubscribe please write to info@thebridgetoluxury.com.

### DISCLAIMER

---

The Bridge To Luxury (TBTL) believes the information in this report are accurate and complete. Information presented were obtained or derived from sources TBTL considers reliable, but TBTL makes no representations as to their accuracy or completeness.