AREA STUDI
MEDIOBANCA

REPORT ON LARGE ITALIAN AND GLOBAL FASHION COMPANIES

February 2021

AREA STUDI MEDIOBANCA

RICERCHE E STUDI S.p.A.

Information required under Articles 13 and 14 of Regulation (EU) no. 2016/679 and national data protection laws in force

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The data are processed via manual, computer and electronic instruments based on principles which are closely related to the purposes stated, and without prejudice to the foregoing, in such a way as to guarantee the security and confidentiality of the data themselves, in accordance with the provisions of the regulations in force in this area.

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Ricerche e Studi S.p.A. has appointed a Data Protection Officer who may be contacted at the following addresses:

- DPO.mediobanca@mediobanca.com
- dpomediobanca@pec.mediobanca.com

This information has been prepared in consideration of the rules set by Article 6, paragraphs 4 and 5 of the Code of good conduct in respect of personal data processing for statistical and scientific purposes published in Gazzetta Ufficale no. 190 on 14 August 2004, and in pursuance of the measure issued by the Italian personal data protection authority on 9 November 2007.

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1 *Global fashion companies*

For comparative purposes, the report combines figures concerning large Italian companies with those of a selection of major global operators. The selection includes 80 major global operators in the fashion business, with a minimum limit on turnover of €1 bn in 2019; their nationality is established on the basis of the country in which the parent company has its head offices as at the year-end. Companies whose non-domestic turnover is less than 10% of the total are excluded as well as companies who produce exclusively for third party brands (most of them are based in Asia).[1]

The survey cannot consider the financial statements of non-listed groups located in countries where partial disclosure is allowed, as this means financial statements are unavailable. Reference is made in this connection to certain important operators in particular, such as the privately-held companies based in the the United States: **Fruit of the Loom**, with estimated sales of €5.2bn, has been a wholly-owned subsidiary of the conglomerate Berkshire Hathaway since 2002; **New Balance**, with estimated sales of €4bn, known for its running shoes but also for clothing and equipment for lacrosse and football, owned by Jim Davis; and **Patagonia**, whose estimated sales amount to more than €1bn, and which has become known for its social and environmental activism, with his founder Yvon Chouinard. In Europe: the Swiss watch-making groups **Rolex**, with an estimated turnover of arounf €5bn, and **Patek Philippe**, whose estimated sales amount to more than €1bn, and also **Swarovski** Crystal Business (Austrian jewellery), whose turnover is around €2.7bn. Further important exclusions include the **Lacoste** company (founded by the 1920s legendary French legendary tennis champion René Lacoste), which reports sales of around €2bn,[2] and the **Bata** Shoe Organization, which considers itself "the world's largest manufacturer and marketer of footwear operating across the globe". The Bata Shoe Organization today "is a sprawling geo-centric company encompassing operations in more than 70 countries around the world", which "runs 27 production facilities across 20 countries". The Bata family owns the group established in Czechoslovakia in 1894 (now in its eighth generation); it is hard to value their turnover due to a lack of information and the inter-related nature of the joint and associated companies.[3] The survey also does not include **Primark** (UK clothing), with turnover of €9.2bn, consolidated by the multinational ABF-Associated British Foods.[4]

The selection therefore covers the following 80 major global operators, 38 of which are located in Europe, 30 in North America, 9 in Asia and 3 in Africa. As far as Europe is concerned, 10 are located in Italy, 7 in the United Kingdom, 6 in France, 4 in Germany, 2 in Denmark, Poland, Spain and Switzerland and 1 in Finland, Luxembourg and Sweden.

These 80 global operators are sorted by 2019 net sales:

LVMH (FR): its origins date back to 1854, when Louis Vuitton established his leatherwear *maison* in Paris. In 1987 Moët Hennessy and Louis Vuitton merged and the LVMH Group was established. Today, LVMH is the largest luxury group worldwide, and operates in five sectors (fashion and leather, perfumes and cosmetics, watches and jewellery, wines and spirits and selective retailing) with around 70 brands. The company is listed in Paris, and the major shareholder is the Arnault family through Christian Dior. On 7 January 2021, LVMH announced it had completed the acquisition of Tiffany for USD15.8bn.

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1 Financial aggregates have been translated into Euros at the exchange rates ruling at the end of 2019.
2 Lacoste Holding employs around 8,500 people worldwide; along with Gant, Devanlay and Manor is part of the Swiss family-controlled Maus Frères Group.
3 Two of the main companies (ultimate owners) of the Bata universe are Bata Brands S.A. (based in Switzerland) and Compass Ltd (based in Bermuda) whose financial statements are unavailable.
4 The following groups have also been excluded due to their 2019 annual reports or the entire historical series of financial statements for the 2015-2019 five-year period not being available at 15 January 2021: Arcadia Group (UK), C. & J. Clark (UK), Decathlon (FR), C&A Mode (DE), Kiabi Europe (FR), Tendam Retail (ES), Top Gun Realisations 90 (ex-New Look Retail Group) (UK) and Varner Holding (NO).

Nike (US): founded in 1964 as Blue Ribbon Sports by Bill Bowerman, a track-and-field coach at the University of Oregon, and his former student Phil Knight, the company was renamed Nike Inc. and was incorporated in 1967 under the laws of the State of Oregon. Over time Nike has acquired and sold several apparel and footwear companies (for instance it acquired Converse in 2003) and today is the largest seller of athletic footwear and clothing in the world; it does not manufacture directly, and its products are manufactured by 451 factories (as of 31 May 2020) owned by third parties mainly in China, Vietnam, Thailand and Indonesia. The company takes its name from Nike, the Greek goddess of victory: the goddess is said to have brought motivation and audacity to the warriors heading to the battlefield. The brand has a simple and quickly recognizable logo: the so-called swoosh, an inverted and horizontal comma, created by Carolyn Davidson in 1971 as a stylized representation of the goddess's wing. Nike is listed on the NYSE-New York Stock Exchange and is a public company.

Inditex (ES): established in La Coruna (ES) in 1963 as a modest workshop making dresses and quilt dressing gowns for distribution, its first shop under the "Zara" label was opened in 1975. Inditex is the second European fashion group; it does not manufacture directly. It is the world leader in the fast fashion industry. Listed in Madrid, its main shareholder is Amancio Ortega Gaona.

Adidas and Puma (DE): their origins date back to 1924, when Adolf (Adi) Dassler, the son of a shoemaker, started manufacturing shoes in his mother's laundry. Together with his brother Rudolf, he established the *Gebrüder Dassler Schuhfabrik* which produced the outfit for Jesse Owens, winner of a gold medal at the Olympic Games in Berlin. After the war, the two brothers parted company. Adi continued with this activity under the new name of Adidas, whereas Rudolf established a new company called Ruda (made up of the first two letters of his first name, "Ru", and surname, "Da"), later renamed as Puma (*Puma Schuhfabrik Rudolf Dassler*).

In 2005 **Adidas** acquired Reebok. The production is mostly provided by suppliers. Adidas is listed in Frankfurt and is a public company.

Puma was acquired in 2007 by French group Kering, which spun the company off to its own shareholders in May 2018. Puma is listed in Frankfurt, and its leading shareholder is the Pinault family who owns 44% (of which 16% through Kering).

H & M Hennes & Mauritz (SE): Erling Persson founded the company in 1947 and opened the first women's wear store "Hennes" (Swedish for "her"). Thereafter, in 1968 he acquired Mauritz Widforss' business, a hunting apparel and fishing equipment retailer, and changed the name to Hennes & Mauritz. A menswear and children's clothing trade was also started. It does not manufacture directly. Listed in Stockholm, its main shareholder is the Persson family.

Fast Retailing (JP): its origins date back to 1949, with men's Shop Ogori Shoji in Ube City; in 1963 the company was founded as Ogōri Shōji. In 1984 UNIQLO's first location was opened in Hiroshima by Tadashi Yanai (it closed in 1991). The name UNIQLO comes from the words "unique" and "clothing". In 1991 Ogori Shoji changed its name to Fast Retailing. In 2000 its online store opened for business. In 2001 the first overseas UNIQLO store opened in London as the first step toward global expansion. In 2002 the first UNIQLO China store opened in China. In 2012 Fast Retailing acquired majority control of J Brand Holdings, a leading fashion brand based in Los Angeles. In 2019 the first UNIQLO Italian store opened in Milan. Listed in Tokyo and Hong Kong, its main shareholder is the Yanai family (45%).

EssilorLuxottica (FR): in October 2018, the French company **Essilor** merged with Italian **Luxottica** and the new holding company EssilorLuxottica was set up and based in Paris. Luxottica was delisted from Milan stock market on 5 March 2019. EssilorLuxottica's majority share is owned by the Del Vecchio family and is listed in Paris.

Essilor was set up in 1972 from the merger of Essel and Silor, leaders in the ophthalmic lenses sector. Essel was established in 1849 in Paris, initially as an association of spectacle-frame makers under the name of Société des Lunetiers (SL, which became Essel in 1962); in 1861, it acquired glass-cutting expertise with the ambition "to be one of the leading lens manufacturers in Paris". In 1955, with Nylor, SL introduced an innovative system that is still used today: a lens held in the upper section of the frame by a nylon thread inserted into a groove running all around the lens. In 1959, SL developed and patented Varilux, the first progressive lens, a revolutionary concept compared to the bifocal lenses invented in the eighteenth century by Benjamin Franklin. Silor, set up in 1969 from a combination of Société Industrielle de Lunetterie (SIL) with associate company LOR (specializing in plastic lenses), launched operations as a retail seller of ophthalmic lenses and frames, before moving on to become a lens manufacturer itself through Lissac Brothers Company, a company founded in 1931 at the initiative of French optician Georges Lissac.

Luxottica Group was established by Leonardo Del Vecchio in 1961. The name combines "lux" (light) with "ottica" (optics); at the outset the company only produced components for the eyewear industry and in 1971 it started manufacturing finished products, i.e. spectacles, sold under its own brand. Over the time the company reached its present size through acquisitions, acquiring numerous sector operators in all parts of the globe. In the United States in particular, it acquired The U.S. Shoe Corp. (owner of the "LensCrafters" retail distribution chain) in 1995, the Bausch & Lomb sunglasses frame division ("Ray-Ban" brand and others) in 1999, and Oakley in 2007 (sports eyewear).

Kering (FR): established by Francois Pinault in 1963 as a wood and building materials business, the group repositioned itself in the distribution sector after the acquisition of Conforama. In 1999 it entered the luxury goods sector, with the acquisition of 42% of Gucci (increased to 100% in 2000); in 1999 it acquired Yves Saint Laurent and Boucheron too and in 2001 Bottega Veneta and Balenciaga, followed by the acquisitions of Girard-Perregaux (in 2011), Brioni (in 2012) and Pomellato (in 2013). Listed in Paris, its main shareholder is the Pinault family.

The Gap (US): founded by the consorts Donald and Doris Fisher in San Francisco in 1969 "with a simple idea - make it easier to find a pair of jeans that fit with a commitment to do more", in 1987 Gap expanded outside the United States for the first time, opening several stores in London. In 2010 The Gap opened in China and launched for online shopping. Today it is the largest seller of apparel in the United States; it does not manufacture directly, and its products are manufactured by around 800 suppliers in the world, with 32% of its products coming from factories in Vietnam and 16% from China. The company takes its name from "the generation gap", a very common phrase since the late 1960s to describe the psychological distance between the young people of the "baby boomer" generation and their parents. In October 2020 The Gap announced in a press release that it was planning to close down its directly operated branches in Europe, where it will try to maintain a presence through franchise partnerships. The Gap is listed on the NYSE-New York Stock Exchange and is a public company.

Compagnie Financière Richemont (CH): established in 1988 after the spinoff of the international assets of the Rembrandt Group Ltd of South Africa (set up by Anton Rupert in 1940 and operating in the business of tobacco, finance, wines and spirit, gold and diamond mining, luxury goods investments, including investments in Cartier and Rothmans). In 1993 the luxury goods activities were carved out from the tobacco operations (which were then sold to British American Tobacco). Since 1 March 2019, following a takeover bid, it consolidated the Italian online retailer Yoox Net-à-Porter (YNAP) which was delisted from the stock market on 20 June 2018 accordingly. Focused on manufacturing of *haute horlogerie* and luxury goods, the company is listed in Zurich and the main shareholder is the Rupert family.

L Brands (US): founded as The Limited by Les Wexner, the company opened its first store in Columbus, Ohio, in 1963. In 2002 The Limited changed its name to Limited Brands and in 2013 Limited Brands changed its name to L Brands. The company acquired Victoria's Secret in 1982 and Abercrombie & Fitch in 1988. In 1996 Abercrombie & Fitch implemented an IPO and in 1999 the remaining shares of Abercrombie & Fitch were spun off to shareholders. VictoriasSecret.com was launched in 1998, and Victoria's Secret opened its first full-assortment store in China in 2017. In September 2020 L Brands sold the majority stake in its Victoria's Secret UK business to **Next Plc**. L Brands is listed on the NYSE-New York Stock Exchange and is a public company.

Chanel (UK): the founder was Gabrielle "Coco" Chanel, who opened her first boutique in Paris in 1910; she started clothing production in 1915, then she further developed her activities, entering the perfumes sector with "Chanel No. 5" in 1921, and the leather goods sector with the 2.55 bag in 1955. Karl Lagerfeld became the creative director in 1983. The main shareholder is the Wertheimer family, whose founder Pierre co-operated with Chanel in the 1920s to distribute perfumes, before eventually becoming the *maison*'s owner.

VF (US): established in Pennsylvania in 1899 as the Reading Glove and Mitten Manufacturing Company by John Barbey and other seven partners, in 1913 it was renamed Schuylkill Silk Manufacturing and in 1919 Vanity Fair Silk Mills when it expanded into the manufacture of silk lingerie (business sold in 2007 to Fruit of the Loom). With World War II leading to an embargo on silk, the company dropped the word "Silk" from the corporate name which in 1942 was renamed Vanity Fair Mills. In 1969 it acquired the H.D. Lee Company expanding into jeanswear, and changed its name to VF Corporation to reflect its increasingly diverse product line. In 1986 VF's purchase of Blue Bell Holding Company effectively doubled its size. In 2000 VF Corp acquired backpack manufacturer Eastpak, The North Face and other companies, and in 2011 The Timberland Company. VF was listed on the NYSE-New York Stock Exchange in 1950 and is a public company. In May 2019 the company completed a carve-out of jeanswear organization to form an independent, publicly traded company: the new company, named **Kontoor Brands**, includes the Wrangler, Lee and Rock & Republic brands and was listed on the NYSE-New York Stock Exchange on 23 May 2019.

PVH (US): its origin dates back in part to 1857, when Dramin Jones, a Prussian immigrant founded the shirt manufacturing company D. Jones & Sons, and to 1881 when Moses Phillips and his wife Endel began hand-sewing shirts, and selling them to local coal-miners in Pottsville, Pennsylvania; the business grew, and by 1887 it was known as M. Phillips & Sons. In 1907 D. Jones & Sons merged with M. Phillips & Sons under the name Phillips-Jones. In 1957, after the acquisition of Van Heusen, the company changed its name to Phillips-Van Heusen. In 2003 Phillips-Van Heusen acquired Calvin Klein, in 2007 Superba (the world's largest provider of men's neckwear) and in 2010 Tommy Hilfiger. In 2011 Phillips-Van Heusen was renamed PVH and in 2013 it acquired The Warnaco Group, thus reuniting "The House of Calvin Klein". The company is listed on the NYSE-New York Stock Exchange and is a public company.

The Swatch Group (CH): its origins date back to 1930, when Omega and Tissot merged, and the new company SSIH-Société Suisse pour l'Industrie Horlogère was set up. In 1983 the company was merged with the Swiss watchmaker ASUAG to create the Swatch Group ("second watch": quality watch at a reasonable price). The company manufactures and sells watches and finished jewellery, mechanisms and components included. It is listed in Zurich, and the main shareholder is the Hayek family, the founder Nicolas Hayek's heirs.

Hermès International (FR): in 1837, Thierry Hermès began working as saddler in Paris. The first bag was manufactured in the early twentieth century, whereas the first line of leather goods appeared on the market in 1918. In the 1950s new activities were developed in the fields of clothing, jewellery and watch-making. The "Kelly" bag (designed in the 1930s) was launched in 1956 and the "Birkin" bag in 1981 (Mr Dumas, who was at that time CEO and a family heir as well, got the idea for this product during a flight when he sat next to the English actress of the same name). In 1993 it acquired the silverware manufacturer Puiforcat (already shareholders since the 1940s), and in 1995 the crystal manufactory Saint-Louis. The company has full control of the production chain, in part due to the large number of tanneries and leatherwear manufacturers they own. The company is listed in Paris and the main shareholder is the Bauer family, Hermès family's heir.

Chow Tai Fook Jewellery Group (CN): in 1929, Chow Chi-Yuen founded the first Chow Tai Fook gold jewellery store in Guangzhou, China. Inspired by a traditional Chinese couplet used by people to wish one another happiness and good fortune during the Lunar New Year, Chow named his store "Chow Tai Fook" to invoke luck, class, and prosperity, which are the mainstays of festive greetings. Chow Tai Fook's business grew to become one of the top gold jewellery stores in the territory. In 1939, Chow Chi-Yuen expanded to Hong Kong. In the early 1940s, Cheng Yu-Tung started working at Chow Tai Fook's Macau store, and in 1943 he was promoted to the rank of manager and married Chow Tsui-Ying, the daughter of the founder Chow Chi-Yuen. Chow Tai Fook continued to develop in the years that followed. In 2011 it opened the Chow Tai Fook eshop. Chow Tai Fook is now the largest jewellery company in China: it held an 8.1% share in the Chinese jewellery industry in 2019, following by Lao Feng Xiang with 6.6% (whose exports, however, are below 10% of their net sales). The company is listed in Hong Kong and the main shareholder is the Cheng Yu Tung family.

Hanesbrands (US): its origin dates back to 1901, when Shamrock Hosiery Mills was founded by J. Wesley Hanes to make infants' and men's socks. In 1902 Pleasant Henderson Hanes joined with his sons to set up the P. H. Hanes Knitting Company to make men's and boy's underwear. Shamrock was renamed Hanes Hosiery Mills in 1910, and soon became recognized as the world's largest producer of women's seamless nylon hosiery. In 1920 Hanes Hosiery began focusing on women's apparel. In 1965 the Hanes Corporation was formed out of the two Hanes companies and in 1979 became part of Consolidated Foods (which changed its name to Sara Lee in 1985, and acquired Champion, founded in 1919, in 1989). Its life as a public company began in 2006, when Hanesbrands was spun off from Sara Lee. Hanesbrands made several acquisitions of apparel companies, including Maidenform Brands in 2013 and the Australian company Pacific Brands in 2016. It is listed on the NYSE-New York Stock Exchange.

Ralph Lauren (US): "it all started with a tie", in 1967, when Mr Ralph Lauren launched a neckwear line under the name *Polo*, each hand-made from the highest quality fabrics, and debuted his first full men's collection in 1968. In 1971 he debuted his first women's designs, with a line of shirts featuring details inspired by his men's line plus the now-iconic embroidered *Pony* for the first time ever; and in 1972 he introduced the *Polo* shirt. In 1981 the first store outside the United States was opened, in London. By the 1980s the company had expanded the variety of its products: fragrances and accessories, clothing for babies, and a variety of houseware items, shoes, furs, jewellery, leather goods, hats, and eyewear. In 1997 it was listed on the NYSE-New York Stock Exchange and became a public company.

Tapestry (US): the company traces its roots to the 1941 founding of leather goods maker Coach, which was acquired by Sara Lee in 1985. In 2015, Coach acquired Stuart Weitzman, a luxury women's footwear firm, and Kate Spade, a lifestyle accessories and ready-to-wear company, in 2018. In 2018 it also changed its name to Tapestry, to reflect its multibrand portfolio. In 2000 it was listed on the NYSE-New York Stock Exchange and became a public company; Sara Lee sold its remaining stake in 2001.

Levi Strauss & Co. (US): founded in 1853 by Levi Strauss, a Bavarian-born merchant who came to San Francisco in 1853 at the age of 24 to open a west-coast branch of his brothers' New York dry goods business. In 1873 Levi Strauss & Co. and Jacob Davis (a tailor who frequently purchased bolts of cloth made from denim from Levi Strauss & Co.'s wholesale house) received a US patent for an "Improvement in Fastening Pocket-Openings." By adding metal rivets to work trousers, which would be known as blue jeans, they created stronger trousers for working men. The manufacturing of denim overalls only began in the 1870s and the company created their first pair of Levi's 501 Jeans in 1890. The Dockers brand was launched in 1986 and the Signature by Levi Strauss & Co. brand in 2003. Today it is a global leader in jeanswear. It is listed on the NYSE-New York Stock Exchange and is a public company.

Next (UK): founded in Leeds in 1864 by tailor Joseph Hepworth and his son Norris under the name of J. Hepworth & Son, it became a pioneer for the development of chain stores in Britain. In 1981 the company acquired Kendalls, a chain of rainwear shops, to develop a womenswear group of stores called NEXT. In 1982 the first NEXT womenswear store opened and, NEXT for men was launched in 1984. In 1986 J. Hepworth & Son changed its name to NEXT. In 1987 NEXT childrenswear was launched. Internet shopping was started in 1999. In 2008 NEXT acquired younger women's fashion brand Lipsy. Next is listed on the London Stock Exchange and is a public company.

Capri Holdings (formerly Michael Kors Holdings) (UK): established in 1981 by the designer Michael Kors. The company bought Jimmy Choo in November 2017 and Versace in December 2018. In this last transaction, the Company's trade name was changed to Capri Holdings. It is listed on the NYSE-New York and is a public company.

Under Armour (US): founded in 1996 by Kevin Plank, a former special teams captain of the University of Maryland football team, who began developing a proprietary sweat-wicking athletic undershirt out of his grandmother's townhouse in Georgetown. "The T-shirt that started it all. It was soft. It was skin-tight. It was stretchy. And, most importantly, it wicked sweat faster than anything else out there, keeping athletes cool, dry and light." Following on from the first t-shirt, the company's products are still engineered to make athletes better. In 2006 Under Armour made the leap into footwear with the introduction of its first line of football cleats. The Under Armour name was formed by accident, because the first idea was "Body Armour" and Kevin told his friends and family that it's the name he picked for his company; but his older brother Bill asked him one afternoon, "How's that company you're working on, uhh…Under Armour?" Bill got the wrong name, but Kevin thought it was perfect. Plank finished his role as CEO in January 2020. In 2005 it was listed on the NYSE-New York Stock Exchange and became a public company.

Skechers U.S.A. (US): established by Robert Greenberg in 1992, at a time when Nike dominated the US market for men's athletic wear, and **L.A. Gear**[5] had a firm grip on the women's athletic market, but no industry giants controlled the casual street shoes market. This provided Skechers with an opportunity to champion a new niche market. Skechers' early products were utility-style boots and skate shoes only. The company has since diversified to include athletic and casual footwear for men, women, and children, as well as performance shoes. In 1999 it was listed on the NYSE-New York Stock Exchange; its main shareholder is the Greenberg family who owns 46%.

Pepkor (ZA): its origins date back to 1901, during the gold rush, with the opening of first Bradlows store in Johannesburg. In 1916 the first Ackermans store opened in Cape Town. In 1965 first PEP store opened in De Aar, South Africa. In 1969 PepClo started manufacturing Student Prince school clothes. In 1978, years before the fall of apartheid, PEP management successfully partnered with a black-owned business. Formally known as PEP stores, the company changed its name to Pepkor in 1982. In 2014 Steinhoff International Hodling N.V. (a listed conglomerate holding company) acquired the majority of Pepkor from companies controlled through a family trust by Christo Wiese. Pepkor was listed on the Johannesburg Stock Exchange in 2017 and its main shareholder is Steinhoff (68%) which consolidated its results.

Tiffany & Co. (US): its origin dates back to 1837, when 25-year-old Charles Lewis Tiffany and his friend John B. Young opened a small stationery and fancy goods store, which soon expanded to offer jewelry and silverware as well, in New York City, with the help of a financial

5 Established in 1979, also by Robert Greenberg, it saw a phenomenal rise in 1985-90, followed by a downwards spiral in 1991-97. It filed for bankruptcy protection early in 1998, emerging after several months as a privately-held licensing company.

contribution from Charles' father. Success was swift, and another partner, Ellis, joined in 1841, so the store became "Tiffany, Young, & Ellis". Located on Broadway, the store quickly established itself as the go-to emporium for fashionable ladies in search of jewels and timepieces with a clean American style, that represented a distinct departure from the opulence associated with the Victorian era. In 1850 a branch in Paris was opened. The name was shortened to Tiffany & Co. in 1853, when Charles Tiffany obtained sole control and established the firm's emphasis on jewelry. After he passed away in 1902, Charles' son, Louis Comfort Tiffany, became the company's first design director. In 1940 Tiffany & Co. moved to its current global flagship store on Fifth Avenue, forever associated with Audrey Hepburn in *Breakfast at Tiffany's* (1961). In November 1978, Tiffany & Co. was acquired by the US cosmetics company Avon Products, which sold it to an investor group led by the chairman of Tiffany, William R. Chaney, in 1984. In 1987 Tiffany & Co. was listed on the NYSE Stock Exchange and became a public company. On 7 January 2021, LVMH announced that it has completed the acquisition of Tiffany for USD 15.8 billion and Tiffany was delisted.

American Eagle Outfitters-AEO (US): founded in 1977 by brothers Jerry and Mark Silverman as a subsidiary of Silvermans Menswear, which changed its name to Retail Ventures in 1980. The same year, the Silvermans ran into financial difficulties and sold a 50% stake in Retail Ventures to the Schottenstein family, who owned Schottenstein Stores, a large privately held company based in Ohio. In 1991 the Silverman family sold the other 50% of Retail Ventures to the Schottensteins. In 1992 AEO focused on private-label merchandise, and in 1994 it went public on NASDAQ. AEO launched a website in 1998. In 2007 AEO moved to the NYSE-New York Stock Exchange. In 2008 it introduced an online-only brand called 77kids. In 2010 AEO opened its first international locations.

Urban Outfitters (US): it was founded as a retail store by Richard Hayne, Judy Wicks, and Scott Belair in 1970 as a project for an entrepreneurship class at University of Pennsylvania; the first store, originally called Free People, was located in a small space across the street from the university, and its mission was to provide second-hand clothing, furniture, jewelry and home décor for college-aged customers in a casual, fun environment. It was renamed Urban Outfitters and incorporated in 1976. In 1998 its first store in London and its first web store were opened. In 1993 it was listed on NASDAQ; its main shareholder is the Hayne family who owns 33%.

lululemon athletica (US): founded by Chip Wilson in Vancouver (CA) in 1998, lululemon is a yoga-inspired, technical athletic apparel company; what started as a design studio by day and a yoga studio by night soon became a standalone store in 2000. Chip Wilson is an innovator in the technical apparel field, and created the athleisure trend. Athleisure is a style of clothing typically worn during athletic activities and in other settings, such as at the workplace, at school, or at other casual or social occasions. The idea is that gym clothes are supposedly making their way out of the gym and becoming a larger part of people's everyday wardrobes. lululemon athletica is a Delaware-based company with its principal executive offices in Vancouver. In 2007 it was listed on NASDAQ and became a public company.

Bestseller (DK): formed in Ringkobing (DK) by the Povlsen family in 1975, it belongs to the Danish Group Heartland, of which Bestseller is the core business; besides fashion, this group operates in other fields. It does not manufacture directly. Anders Holch Povlsen is the only shareholder. Bestseller holds 26% of Asos.

Samsonite International (LU): established in Denver (US) by Jesse Shwayder and his brothers in 1910 to manufacture wooden trunks, in the 1940s it started up luggage production. In 1974 it created the first suitcase on wheels, in 1986 the first one with a three-point lock system. In 1993 the company acquired American Tourister, and Tumi Holdings in 2016. It is listed in Hong Kong and is a public company.

Prada (IT): the group's origins date back to the craftsmen's activity for manufacturing leather bags, trunks and accessories started in Milan by Mario Prada in 1913. The activity was expanded in 1983 with the industrial production of shoes; further diversification took place in 1989 with the opening of the women's clothes department, followed in 1995 by the menswear department. In 1999 the Group acquired UK company Church. It is listed in Hong Kong and the main shareholders are Patrizio Bertelli and the Prada family.

Abercrombie & Fitch (US): founded by David Abercrombie in 1892 as an outdoor specialty retailer, featuring high-quality camping, fishing, and hunting gear, in 1904 it became Abercrombie & Fitch when Ezra Fitch joined to form a partnership. In those days it dressed the likes of Theodore Roosevelt, John F. Kennedy, Charles Lindbergh and Amelia Earhart. In 2007 the company opened its first European store in London. In 1996 it was listed on the NYSE-New York Stock Exchange and became a public company.

Asos (UK): the company was incorporated in London in 2000 and operates via the website asos.com. It offers items of clothing, footwear, accessories and cosmetics mainly for the youth fashion market via proprietary and third-party brands. Sales were initially to the United Kingdom, but since then have gradually extended to the United States, European Union and the rest of the world. Asos is listed on the London Stock Exchange and its largest shareholder is Bestseller (DK), with 26% of the company's share capital in January 2020.

Carter's (US): founded by William Carter in 1865, the company is now the largest branded marketer of apparel exclusively for babies and young children in North America. In 2005 Carter's acquired competitor OshKosh B'Gosh (founded in 1895): together they are two of the oldest, largest and most-recognized brands of babies' and children's clothing in North America. In 2017 Carter's acquired Skip Hop Holdings, a global lifestyle brand for young children. The company was listed on the NYSE-New York Stock Exchange in 2003 and became a public company.

Asics (JP): its origins date back to 1949 as Onitsuka Co., when its founder, Kihachiro Onitsuka, started to manufacture basketball shoes in his hometown of Kobe in Japan. Soon the range of sports activities widened to comprise a variety of Olympic styles used by athletes worldwide throughout the 1950s, 1960s and 1970s. Onitsuka became particularly renowned for the Mexico 66 design, in which the distinctive crossed stripes, now synonymous with the company brand, were featured for the first time. In 1977, Onitsuka Tiger merged with GTO and JELENK to form ASICS, taking its name from an acronym of a variant on the Latin phrase by the Roman satirist Juvenal "Anima Sana In Corpore Sano". ASICS is listed in Tokyo and is a public company.

Burberry Group (UK): in 1856 the company was formed by Thomas Burberry, who created the gabardine fabric in 1879; from the end of nineteenth century, this fabric was welcomed by explorers who wore it on their expeditions. In 1912 Burberry made the first trench coat, and during the Second World War it supplied the British Army with a range of military clothing and accessories. In 1955 Burberry was acquired by the UK Great Universal Stores group (GUS), from which it demerged in 2005. It is listed in London and is a public company.

Pandora (DK): Pandora was established by Per and Winnie Enevoldsen in Copenhagen in 1982 as a small jeweller's shop. Initially the company operated as a wholesaler of products imported from Thailand; since 1987 it has traded its own products. The company specializes in the manufacture of rings, necklaces and bracelets which can be customized on demand. In 2008, 60% of the share capital, which at that time was held by the family, was acquired by the Axcel Group (this share was later reduced to less than 5%). It is listed in Copenhagen and is a public company.

Amer Sports (FI): established in 1950 as Amer Tobacco, it started its activity as a shipping-line company (the last ship was sold in 1981). In the 1970s the activity was enlarged to include the paper, publishing and printing businesses (gradually sold in the 1990s) and the manufacturing of sport articles (mainly for hockey). In the 1980s the company commenced operations in the plastics market and in import/distribution of cars (sold in the early 1990s); from around the mid-1980s, the group focused on the textile and sports outfits business (acquisition of Wilson in 1989, Atomic in 1994, Suunto in 1999, Precor in 2002 and Salomon in 2005). More than 60% of the production is made by suppliers. In March 2019 a consortium set up and led by China's leading manufacturer of sportswear Anta Sports purchased all the shares of the Finnish Amer Sports which was delisted from Helsinki Stock Exchange on 4th September 2019. **Anta Sports** (whose exports, however, are below 10% of their net sales) holds 57% of Amer Sports which is accounted for using the equity method.

Hugo Boss (DE): established by Hugo Ferdinand Boss in Metzingen (DE) in 1924, the company started its activity by manufacturing hand-made clothes and becoming the supplier of wholesaler Rudolf Born, who was a textiles distributor of the National Socialist Party. In 1931 it was facing bankruptcy; the financial troubles were overcome through the supply of uniforms for the Party first of all and for the army thereafter. At the end of Second World War, and in spite of the sanctions handed down by the Allied Forces, the activity continued with the manufacturing, among other things, of uniforms for the French occupation forces and the Red Cross. The first men's suit was made in 1950. In 1991 the Marzotto family became the controlling shareholder. In 2007 Permira investment fund reached 75% of the capital; this was gradually reduced (the remaining 7% was sold to the Marzotto family again in 2014). It is listed in Frankfurt and is a public company.

G-III Apparel Group (US): its roots date back to 1956 when Aron Goldfarb, a Polish-born holocaust survivor, immigrated to the United States and established his own outerwear company in New York City's garment district. In 1972, G-III began to diversify its offerings, when Morris Goldfarb, 22-year-old son of its founder, joined it. Morris introduced an entrepreneurial spirit to G-III that expanded its global sourcing and manufacturing capabilities. The firm attracted the interest of Lyle Berman who had organized Ante as a venture capital firm and knew the Goldfarbs personally. Like them, Berman had operated a family-owned leather apparel business, although on a retail level. An agreement was reached in 1989 by which Ante acquired G-III in an exchange of stock. The merged entity took the name G-III Apparel Group and was listed on NASDAQ. In 2013 G-III acquires G.H. Bass & Co., expanding its capabilities to include footwear. In 2016, G-III acquired the Donna Karan and DKNY brands from LVMH. Nowadays, G-III Apparel Group is a clothing company with an extensive range of apparel. The company is listed on NASDAQ and is a public company.

Columbia Sportswear Company (US): its origins date back to 1938 in Portland, Oregon, when Paul Lamfrom purchased the Rosenfeld Hat Company, changing its name to Columbia Hat Company, named after the nearby Columbia river. Paul had owned the largest shirt factory in Germany until it was seized, and with his Jewish family he fled Nazi German and emigrated to the United States in 1937. In 1948 his daughter Gert married Neal Boyle, an Irish American, who became the head of the company but died in 1970, and Gert became president of the company. The company changed its name to Columbia Sportswear Company in 1960, and became a publicly traded company in 1998. Columbia Sportswear Company today is a global leader in outdoor and active lifestyle apparel, footwear, accessories, and equipment. The company is listed on NASDAQ and its main shareholder is the Boyle family who owns 40%.

Fila Holdings (KR): formerly Fila Korea, its origins date back to North Italy in 1911, when the Fila brothers provided the locals of their home town, Coggiola (in the province of Biella), with warm clothing. The brothers had a vision: to combine high-quality materials, classic design and strong practicality. Founded as Maglificio Biellese in 1923, the company's original product was underwear, before it moved into sportswear and changed its name to Maby - Maglificio Biellese Fratelli Fila, in 1967 and then Fila Sport in 1973. Fila initially became known on the international market through its tennis line, distinguished by the red and blue "F". Fila Korea was established in 1991 as a subsidiary of Fila Sport, and became an independent operating entity through an MBO-management buyout in 2005. In 2007, Fila Korea acquired the global Fila brand and all its international subsidiaries.[6] In 2016, Fila Korea became the majority shareholder of Acushnet Holdings (US), a global leader in golf products and in golf and ski apparel (founded in Acushnet, Massachusetts in 1910, the golf business was set up in 1932). In 2020 Fila Korea separated its Korean domestic operations as a wholly-owned subsidiary, and changed its name to Fila Holdings. The company was listed on the Korea Stock Exchange in 2010 and is a public company.

Gildan Activewear (CA): founded by Glenn and Greg Chamandy in 1984 with the acquisition of a knitting mill in Montreal (CA) to make fabric to supply Harley, the childrenswear company started in 1946 by their grandfather Joseph Chamandy. The knitting manufacturing business was called Gildan Textiles (the name Gildan combined the names of two salesmen that worked for the company at the time). In 1992, Harley was closed in order to focus resources on the growth of Gildan Textiles which started expanding in the United States and Canadian markets, and changed its name to Gildan Activewear in 1995. In 2000 the company entered the European imprinted activewear market, and opened its first sewing facility in Mexico. Nowadays Gildan Activewear owns and operates vertically-integrated, large-scale manufacturing facilities located primarily in Central America, North America and Bangladesh. Gildan Activewear is a manufacturer of everyday basic apparel with shares listed on the Toronto Stock Exchange (since 1998) and the NYSE (since 1999) and is a public company.

The Foschini Group (ZA): founded by George Rosenthal in 1924, it was listed on the Johannesburg Stock Exchange in 1941. In 1967 American Swiss Watch was acquired and in 2000 Total Sports (an American online sports media company) was acquired. In 2010 Foschini changed its name to The Foschini Group, reflecting its ever greater international expansion. In 2015 the British apparel chain Phase Eight was bought, and in 2016 the British chain Whistles was acquired. In 2017 The Foschini Group bought the Australian Retail Apparel Group. It is a public company.

Calzedonia Holding (IT): Sandro Veronesi founded this company in 1986, as a commercial network for the retail sale of hosiery and beachwear for women, men and children. The production of corsetry, knitwear and beachwear commenced in 1998. In 2009, acquisition of Falconeri's majority share enabled the company to penetrate both the cashmere and high-quality knitted goods markets, and later on, in 2012, to enter the wholesale trade with the "Signorvino" wine and restaurant chain; in 2014 the company acquired Atelier-Emé and broke into the wedding dress and dress-coat market. The owner is the Veronesi family.

Guess?, (US): the founder, Georges Marciano, started his career in fashion as a young boy living in Marseilles, France, designing men's silk neckties and selling them door-to-door. Eventually he came to own his own retail store in France. Upon arriving in the United States, he branched out from retail and in 1981 began designing a full clothing line in Los Angeles. As the company grew, Georges relied on his three brothers to help in manufacturing and marketing, and in return gave them 40% of his company in 1981. Georges came up with the company name after driving past a McDonald's billboard asking drivers to "guess" which eatery had the biggest cheeseburger. During the 1980s, Guess was one of the most popular brands of denim jeans; the company was one of the first companies to create designer jeans. In 1993, Georges sold his 40% share in Guess to his brothers. The company was listed on the NYSE-New York Stock Exchange in 1996. The Marciano family is the main shareholder.

6 Gemina acquired a majority stake in Fila in 1988, making its debut in the fashion industry (it acquired the Ciesse Piumini brand in 1993 and GFT in 1995). In 1997 the holding company split into two: one continued to be named Gemina, the other became HdP. The latter in turn had two main businesses: publishing, with the Rizzoli-Corriere della Sera Group, and fashion, with GFT and Fila, to which Valentino was added in 1998. The plan was to establish an important Italian luxury conglomerate, but was never realized, due to the holding company's poor financial results, mainly due to the negative trend in the clothing sector. The accounts forced the shareholders (Fiat, Pirelli, IntesaBci and Mittel) to abandon the fashion sector completely, in order to concentrate on publishing. In 2003, RCS MediaGroup (formerly HdP) sold its stake to Sport Brands International (US), controlled by the US private investment fund Cerberus. In 2007, the Koreans took control of the Fila group's assets worldwide, when Sport Brands International sold all the group companies to Fila Korea (whose CEO was Gene Yoon).

Mango MNG Holding (ES): established by Isak Andic in 1984, when the first point of sale was opened in Barcelona; it does not manufacture directly. The owner is the Andic family.

LPP (PL): in 1991 Marek Piechocki and Jerzy Lubianiec established Mistral, which later in 1995 became LPP (Lubianiec and Piechocki Partners). In 2008 the company acquired Artman, owner of the House and Mohito brands. Production is completely outsourced, but design is carried out inhouse. Listed in Warsaw, Piechocki and Lubianiec are the main shareholders through two foundations.

Kontoor Brands (US): see VF (US).

Giorgio Armani (IT): established by Giorgio Armani and Sergio Galeotti in 1975, the 1980s were characterized by the expansion of retail activities in Italy and in the main cities of the world. With the end of the 1980's the group started the industrial activity. The company deals in clothes and accessories and is a direct manufacturer with the main manufacturer plants located in Italy. As for suppliers, around 40% of them are located in Europe. The owner is Giorgio Armani.

Onward Holdings (JP): established by Junzo Kashiyama in Osaka (JP) in 1927 as Kashiyama Trading, it changed its name to Kashiyama in 1948 and to Onward Kashiyama (currently, Onward Holdings) in 1988. In the 1950s, Onward began the production and sale of ready-made menswear. In the 1960s, driven by Japan's economic expansion, Onward grew rapidly to become a leading menswear manufacturer in Japan. The womenswear business expanded in the 1990s with the launch of core brands. In January 1990 the Italian company Gibò was acquired; in 2013 its name was changed to Onward Luxury Group becoming the European subsidiary of the group. In December 2020 Onward Luxury Group, rename Onward Italia, was acquired by Nemo srl, through a management buyout. Onward Holdings is listed on the Tokyo Stock Exchange and is a public company.

Wolverine Worldwide (US): it was founded in 1883 by G.A. Krause in Rockford, Michigan, as a footwear family business. In 1903 Krause and his sons built a shoe factory. In 1914 the Wolverine brand name was chosen for shoes made of Wolverine horsehide leather: because of their durability, they were called "1,000 Mile Shoes." With horses disappearing from the American landscape, the company (named Wolverine Shoe and Tanning) in 1952 searched for new ways to use pigskin suede, and G.A. Krause's son Victor led the charge. In 1958 the breakthrough came via the creation of soft, suede casual shoes: the casual brand shoe, Hush Puppies, was born, taking its name from the treats Southerners used to quieten barking dogs with. International expansions ensued, and in 1964 the company changed its name to Wolverine Worldwide. In 1997 the Merrell brand was purchased. It was listed on the NYSE-New York Stock Exchange in 1965 and is a public company.

Fossil (US): its origins date back to 1984 when Tom Kartsotis, a student living in Dallas, following a suggestion by his older brother Kosta, started an activity of importing retail goods made in the Far East, specifically in importing moderately-priced fashion watches (the main product was fashion watches with a retro look). Fossil was founded in 1991, and its name is the nickname the brothers gave their father; the principal offerings include an extensive line of men's and women's fashion watches and jewellery, handbags, small leather goods, belts, and sunglasses. It was listed on NASDAQ in 1993 and is a public company.

Seiko (JP): founded in 1881, when Kintarō Hattori opened a watch and jewellery shop in Tokyo. In 1892 he began to produce wall clocks under the name Seikosha, and in 1895 the first pocket watch was manufactured. In 1913 Japan's first wristwatch was launched. The company was incorporated in 1917, and in 1924 it launched the first Seiko brand watch. It was listed on the Tokyo Stock Exchange in 1949 and is a public company.

Deckers Outdoor (US): founded in 1973 by Doug Otto and Karl F. Lopker to produce and market sandals and other beachwear items, in 1975 it was incorporated in California under the name Deckers. In the same year Doug Otto visited Hawaii and found that locals referred to his sandals as "deckas", a slang word based on their striped layered construction that resembled a "deck" of stacked wood. Liking the name, Lopker and Otto named the brand Deckers. The company's products did not truly hit it big, however, until a river guide, Mark Thatcher, brought his Teva sandal concept to Deckers in 1985.[7] By 1991, outdoor sport sandals had become the latest footwear craze in the United States, with Teva strongly leading the way in market share. In 1993 the company was renamed Deckers Outdoor when it went public and purchased Simple Shoes (production of casual street shoes). In 1994 it entered into the apparel market. Over time Deckers has acquired some other companies. It is listed on the NYSE-New York Stock Exchange and is a public company.

The Children's Place (US): the company was founded in Hartford, Connecticut in 1969 by David Pulver and Clinton Clark. They began by selling toys, apparel and accessories before deciding that apparel had the highest growth potential. By the early 1980s, The Children's Place was repositioned as a specialty retailer of children's apparel for new-borns to pre-teens, and began offering private label merchandise as well as branded products. In 2019, The Children's Place purchased the rights to the Gymboree brand, and in early 2020 launched products in select stores and online. Today The Children's Place is the largest pure-play children's specialty apparel company in North America. It was listed on NASDAQ in 1997, and is a public company.

Max Mara Fashion Group (IT): founded in 1951 by Achille Maramotti, the group took its first steps in the high fashion business, before addressing a younger and more diversified target. The Maramotti family is the main shareholder.

Moncler (IT): established in 1952 by two craftsmen named René Ramillon and André Vincent who lived in the mountains at Monestier de Clermont (FR) (shortened in the trademark to "Moncler"). The first nylon down jacket was manufactured in 1954. In 1992 the company was acquired by Pepper (subsequently merged into Fin.Part in 1998). From 2003 to 2011 the shareholder structure changed continuously: Ruffini's share remained stable, while the Carlyle Group and Eurazeo Group alternated among the main shareholders. In December 2020 Moncler announced the acquisition of the Italian SPW – Sportswear Company (Stone Island brand, with an offering focused on sportswear and streetwear); the deal is expected to be completed in 1H21. Listed in Milan, Moncler's main shareholder is Ruffini Partecipazioni s.r.l. owned by Remo Ruffini.

Steven Madden (US): the American shoe designer Steve Madden, aged 32, founded the company that bears his own name in 1990, selling his shoes to New York City-area stores from the trunk of his car. In the following years the company grew, selling moderately priced shoes and accessories, marketed mostly to young women and girls. In May 2000 the founder was imprisoned for financial misconduct; he pleaded not guilty and was released on bail. The company continued to function during its founder's incarceration. Madden stepped down as chairman and chief executive officer but stayed on as "creative and design chief," a title he retained after his release in 2005. Following his much-publicized return, the company continued to expand its line beyond the platforms and chunky-heeled shoes with which it made its name. The company was listed on NASDAQ in 1993 and is a public company.

Wacoal Holdings (JP): founded in 1946 by Koichi Tsukamoto with the name Wako Shoji, it changed its name to Wako in 1949 and into Wacoal in 1957; it is a manufacturer of women's lingerie and underwear. In 1970 Wacoal began to expand outside Japan. In 1974 it was listed on the Tokyo Stock Exchange. In 1983 Wacoal acquired Teenform, a leading American manufacturer of underwear for teenagers, and in 1984 it started manufacturing products in

7 During his rafting trips, Thatcher noticed that while traditional flip-flop shoes were light and quick drying, they tended to fall off his feet whenever he stepped into mud or water. He therefore decided to add another nylon strap around the back of his heel to hold the shoes in place. He named his sandals "Teva" (pronounced Teh' Vah), the Hebrew word for nature. In 1985 Thatcher set up an exclusive licensing agreement with Deckers to manufacture and distribute his Teva sandals.

Puerto Rico to distribute through its United States operation. In 2012 Wacoal acquired the Eveden Group, a UK-based lingerie manufacturer. Wacoal Holdings is a public company.

Fielmann (DE): set up in 1972 by Günther Fielmann, and headquartered in Hamburg, the eyewear company manufactures low-cost frames with certified lenses and free eye checks, and this has been the basis of its success in Germany, where it covers half the market in terms of units sold. By creating fashionable eyewear at no cost ("Nulltarif") in 1981, Günther Fielmann ended the discrimination against people wearing statutory health insurance frames, democratized the world of fashion for glasses, and made them socially acceptable; "Nulltarif" replaced the unattractive health insurance frames with many fashionable and high-quality metal and plastic frames. Fielmann is designer, manufacturer (the main manufacturing plant is located in Rathenow, DE), distributor and optician, and it covers the entire value chain in its industry. It is now the only family-run business whose shares are listed on the Frankfurt stock market.

Delta Galil Industries (IL): its origins date back to 1975, when Dov Lautman and Eliezer Peleg sat in a small coffee shop in Northern Israel and crafted their vision of a "high tech company for underwear". In the same year they founded Delta (later to become Delta Galil) with two sewing factories, in Karmiel and Nazareth. In 1980 Delta strengthened its presence overseas by opening a UK affiliate company for export purposes. In 1982 Delta was listed on the Tel Aviv Stock Exchange and in 1984 entered the US market. The global expansion continued in the following years through acquisitions. In 2005 GMM Capital, owned by Isaac Dabah, acquired Sara Lee's shares and became the second largest shareholder. In 2007 Dov Lautman, after being diagnosed with ALS, sold his controlling shares in Delta to GMM Capital. In 2008 Isaac Dabah stepped up as Delta's new CEO. In 2019 Delta acquired the Chinese intimate apparel Bogart Group. Today the main shareholder is GMM Capital (Dabah family) with 49% shares.

OTB (IT): Renzo Rosso created this brand in 1978 and established a company with the same name in 1985. In 2002 Only The Brave s.r.l. (then OTB) took over, and at the same time acquired the French company Neuf (Maison Margiela brand's owner); followed by Viktor&Rolf in 2008, Marni Group in 2013 and the Paula Cademartori brand in 2016. It has no major production sites. The Rosso family owns the company.

Esprit Holdings (CN): He, a creative guy from the East Coast, who was hitchhiking through California in 1963. She, a young Californian in a VW Beatle, driving to her holiday job. Their names: Doug Tompkins and Susie Russell. Their journey started on Route 89 at Emerald Bay – and has lasted longer than either of them might have thought at the time they met: three months later, they were married. Another five years later, in 1968, they founded Esprit de Corp., later simply Esprit. Esprit Holdings is now a Hong Kong-based company that has been listed on the Hong Kong Stock Exchange since 1993. Lo Ki Yan Karen is the main shareholder (26%).

Boohoo (UK): founded by entrepreneur Mahmud Kamani and designer Carol Kane who set up their own online fashion store in 2006, with the aim of selling on-trend clothes directly, and cheaply, to shoppers. The pair had worked together at Pinstripe Clothing, a company that was set up by Kamani's father Abdullah. It was one of the first suppliers to Asos and it designed and sourced clothes for Primark. Part of its success is down to targeting under-30s who prefer to take style tips from social media influencers and buy clothes on their phones. The company operates via the website boohoo.com. Boohoo was listed on the London Stock Exchange in 2014 and its main shareholder is the Kamani family. In January 2021, the company bought the brand and online business of Debenhams Retail (founded in the United Kingdom in 1778, Debenhams is one of the world's oldest department stores).

CCC (PL): The beginnings of the present CCC Group date back to the first half of the 1990s, when the Miłek Trading Company was established, dealing with retail and wholesale footwear trade. In 1999 CCC was registered, based on its own commercial concept of Cena

Czyni Cuda (abbreviated as "CCC"), and soon began co-operating with many franchisees. In 2001 the CCC Factory was built and started footwear production. In 2004 CCC started its international expansion, and in 2016 it entered the world of online shopping. CCC was listed on the Warsaw stock market in 2004, and Dariusz Miłek is the main shareholder with 38%.

Salvatore Ferragamo (IT): Salvatore Ferragamo established the company in 1927; it was a small workshop for shoes manufacturing; the activity was then enlarged to include leather goods, printed silk accessories, suits and dresses and jewellery. Since 1997 perfumes have been included as well. Towards the end of the 1990s the company acquired the French group Emanuel Ungaro, and then sold it in 2005. It is listed in Milan, and the main shareholder is the Ferragamo family.

Missouri Topco (UK): its origins date back to 1985, when John Hargreaves established Matalan in Knowsley (UK). Clothing and homeware are not manufactured directly. The Hargreaves family owns Missouri Topco's, which is Matalan's owner.

Ermenegildo Zegna Holditalia (IT): Ermenegildo Zegna was founded in 1910 in Trivero, Italy, by the young entrepreneur Ermenegildo, whose pioneering vision continues to inspire the company's business development in a sustainable way. The company is today managed by Ermenegildo Zegna as CEO, grandson of the founder and third generation of the Zegna family. Through the years the company has evolved from high quality textile production to the artisan commercialization of sartorial expertise and onto the affirmation of a luxury worldwide lifestyle brand. Over the years, the Group has carefully expanded its scope of activities, acquiring the luxury women's fashion brand Agnona, a controlling interest in Bonotto, a textile manufacturing company, a majority share of Dondi Group, a global leader in high-quality jersey fabrics made exclusively in Italy. In August 2018, Ermenegildo Zegna Group acquired 85% share in Thom Browne (US).

Lands' End (US): Gary Comer started Lands' End in 1963, selling sailboat equipment for racing sailors. He opened a storefront shop in Chicago's tannery district and ran a mail-order business out of the basement. When the very first catalogue cover misplaced the apostrophe in "Land's End," there wasn't enough money to reprint the entire press run, so "Lands' End" became the name of Gary's company from then on, punctuation mistake and all. By 1977, the focus of the business was changing from sailing supplies to apparel – and in 1978 the company began migrating to Dodgeville, Wisconsin, which remained the company's home. In 2002, the retailer Sears bought the company and in 2013 it announced that it would spin off Lands' End catalogue business as a separate company by distributing stock: Lands' End was listed on NASDAQ in 2014 and the main shareholder is Lampert Eduard Scott. The majority (76%) of the company's business is now conducted through mail internet sales.

Truworths International (ZA): its origins date back to the founding of the Alliance Trading Company in Cape Town in 1917. The business changed its name to Truworths Fashion House in 1935, listed on the Johannesburg stock market in 1946, and then expanded. In 1981 Truworths merged with Woolworths to form the Wooltru Group. This led to a period of growth, including the launches of Daniel Hechter, Inwear, Truworths Man and Fine Jewellery. Truworths was partially unbundled from Wooltru and relisted in 1998 as Truworths International, an investment holding company. Wooltru sold all its Truworths shares in 2002. Truworths now offers a collection of leisurewear, formal wear, evening wear, lingerie, shoes and accessories; Daniel Hechter, exclusive to Truworths, is a European-influenced collection of high-quality designs for men and women. Truworths International is a public company.

Valentino (IT): Valentino was formed in 1960 by Valentino Garavani and Giancarlo Giammetti. In 1998 it was taken over by the HdP group, and merged into the Marzotto group in 2002. Acquired by the Permira fund in 2007, it was sold to the Mayhoola for Investments, a fund located in Qatar, in 2012. The owner is MFI Luxury s.r.l.; its parent company is Mayhoola for Investments.

Novartex (FR): in 1896 Albert and Jérôme Levy founded the André Group in Nancy (FR). In 1981 the activity commenced under the trade name "La Halle". Following many acquisitions between 1987 and 2000 (including Kookai, Besson, San Marina and Cosmoparis), the company's trade name was changed to Vivarte whose holding is Novartex. In 2007 it acquired Naf Naf, Chevignon and other companies. From 2017, the company started selling many brands (Kookai, Naf Naf, André shoes and Besson Chaussures). The company is not a direct manufacturer. The main owner is Vivarte group.

D & G (IT): in 1982 Domenico Dolce and Stefano Gabbana created their own style centre; in 1985 the first catwalk took place, and in 1986 they launched their first self-produced collection. In 1990 the first collection for men was implemented. The company is a direct manufacturer and the main manufacturer plants and suppliers are located in Italy. The ownership is equally shared between the two stylists.

SMCP (FR): the origin of the company, which was founded in 2010 by two investments funds run by the Arnault and Louis-Dreyfus families, dates back to 1984, when Evelyne Chétrite created the "Sandro" brand. This was followed by the "Maje" brand (created by her sister Judith Milgrom) in 1998 and by the "Claudie Pierlot" brand bought in 2009. In 2013 the US investment fund KKR became the controlling shareholder; later in 2016 it was sold to the Chinese group Shandong Ruyi. In January 2021, SMCP announced that GLAS (Global Loan Agency Services)[8] had declared that it holds 29% of SMCP's voting rights, following the default of Shandong Ruyi.[9] SMCP is listed in Paris.

Crocs (US): Crocs was founded in 1999 by three innovators: Scott Seamans, Lyndon Hanson, and George Boedecker Jr. Whilst all three were sailing in the Caribbean, they came across a new boating clog made by the Canadian company Foam Creations; they were using a new material called Croslite. They discussed improvements and on returning home, they quickly acquired the rights to foam creations manufacturing process. In 2002 they unveiled the foam clog in six colours at the Fort Lauderdale Boat Show. It wasn't until 2004 that Crocs secured exclusive rights to the Croslite technology. Since then the Crocs' collections have contained Croslite material, a proprietary, moulded footwear technology, that gives to the shoes soft, comfortable, light-weight, non-marking and odour-resistant qualities. In 2006 Jibbitz, a manufacturer of popular accessories that snap into the holes of Crocs shoes, was purchased. The company is now a world leader in innovative casual footwear. It was listed on NASDAQ in 2006 and is a public company.

River Island (UK): River Island is a London-headquartered fashion company, set up in 1948 when Bernard Lewis decided to start a business. However, it wasn't clothing that he first tried to sell. Back then, he opted for fruit and vegetables which he sold to local people in London. Not long after, he changed his products entirely and he started a fresh business selling wool for knitting. This business idea took off quicker than the fruit and vegetable stall, and Bernard Lewis's three brothers decided to join him. In the 1960s, since Chelsea was rapidly becoming the centre of pop culture and fashion, the business was renamed Chelsea Girl and it was the first fashion boutique chain to open in the U.K., focused solely on items that would appeal to females. In 1988 Chelsea Girl was branded River Island and started selling clothing, footwear, and accessories also for men. Nowadays River Island is engaged in the design and retailing of clothing and accessories all over the world. Almost all of its products are designed inhouse. River Island is a private company owned by the Lewis family.

8 An independent provider of finance administration services based in London.
9 The privately-held Chinese group Shandong Ruyi that controls SMCP, Aquascutum, The Lycra Company and Gieves & Hawkes defaulted In December 2020.

An overwiev of 2015-2019 results

In 2019, the 80 leading global fashion groups reported **aggregate revenues of €471bn** (up 26.5% on 2015 and 4.9% on 2018; see the annex for further details).[10] Between 2015 and 2019 they grew at a CAGR of 6.1%. More than half of their aggregate revenues (56%) is generated by European groups, which highlights the old continent's leadership role in the fashion sector. The breakdown of turnover by the multinationals' headquarters sees Europe followed by North America (34%), Asia (8%) and Africa (2%). Italy, with ten fashion groups, is the most represented European country; conversely, in terms of revenues, France is comfortably the leader, accounting for 36% of total net sales in 2019, followed by Germany (13%), Spain (12%) and the United Kingdom (10%). The ten Italian companies' aggregate share of the net sales was 7% in 2019, lower than the 12% in 2015, due mostly to the merger between Luxottica and Essilor and the fact that the new holding company EssilorLuxottica is based in Paris.

Of the leading groups, French giant LVMH confirms its position as the outright leader by size (with sales of €53.7bn); it is widely diversified across the following divisions: Fashion & Leather €22.2bn, Wines & Spirits €5.6bn, Perfumes & Cosmetics €6.8bn, Watches & Jewellery €4.4bn, and the remainder mainly distribution.[11] Behind are Nike based in United States (€33.3bn), Spanish group Inditex (€28.3bn), German company Adidas (€23.6bn), H&M of Sweden (€22.3bn), the Japanese Fast Retailing (€18.8bn), EssilorLuxottica (€17.4bn), the French company Kering (€15.9bn, of which €9.6bn Gucci, €2.0bn Yves Saint Laurent, €1.2bn Bottega Veneta), the American The Gap (€14.6bn) and the Swiss group Richemont (€14.2bn). Prada (€3.2bn), the highest-ranking of the Italian operators, came in 34th position. The CAGR in revenues in the 2015-2019 saw UK-based Boohoo Group in first place (up 58.7%), followed by the Korean Fila Holdings (up 43.4%); the Polish CCC was in third place (up 26.2%) and the UK-based Asos (up 24.1%) came fourth in the rankings. Boohoo and Asos are the youngest companies in the panel (founded respectively in 2006 and 2000) and they both operate via their own website. The oldest company in the panel is Tiffany (whose origins date back to 1837).

It is worth noting that the **fashion industry had a higher growth rate than the rest of global manufacturing companies in 2015-2019** (sales CAGR 2015-2019: +6.1% for the former and +2.0% for the latter), and in 2019 was more profitable (Ebit margin of 12.9% in 2019 for the former, 10.0% for the latter), better capitalized (leverage ratio:[12] 71.7% vs 75.9%), and more "liquid" (disponibility as a percentage of borrowings: 49.3%, vs 44.6%). European companies had a higher growth rate than ones based in United States in 2015-2019 (sales CAGR 2015-2019: +7.7% for the former and +3.4% for the latter), and in 2019 were more profitable (Ebit margin of 15.8% in 2019 for the former, 9.4% for the latter) and better capitalized (leverage ratio: 56.5% vs 135.2%).

In 2019, **the aggregate Ebit margin was 12.9%** (13.8% in 2015). Hermes ranked first by Ebit margin (34.4%), followed by Moncler (30.2%), Kering (30.1%), Chanel (28.9%), and Pandora (26.8%); lululemon Athletica (22.4%), the highest-ranking of the US operators, came in sixth, just ahead of LVMH (21.4%). If only the Fashion & Leather and Watches & Jewellery divisions are considered, LVMH's Ebit margin would be 30.3%.

In 2019, **the 80 global fashion operators created jobs for more than 2,234,000 people**, some 338,200 more than in 2015 (+17.8%). The European groups distinguished themselves by increasing their workforce by 21.0% in the 2015-2019 period, much more the American firms which expanded their headcount by 4.8%.

10 Constant exchange rates.
11 In January 2020, the LVMH announced it was opening cafés and restaurants, under the Louis Vuitton and Dior brands. The fashion-food combination is now part of some fashion companies' strategies.
12 Borrowings as % of net equity.

Global players

It should be noted that regardless of the country in which the parent company has its head offices, the 80 groups are fully global operators in terms of work force, sales, supply chain and production. On average 68% of their **work force** is spread worldwide, and while only 32% of the employees work in the country where the parent company has its head offices.

With reference to **sales,** a distinctive feature of these largest global fashion groups is their **international dimension.** If we focus **on the end-markets of the global fashion industry**, a very interesting aspect emerges, in particular with reference to the comparison between the European and North American groups. For both of them their main market is predictably enough the one closest to it geographically, i.e. Europe for the European groups and North America for the North American ones. However, the European fashion operators show a higher diversification in terms of sales at the global level: 42% of their net sales are in Europe, 31% in Asia and Oceania, 19% in North America, 6% in Latin America, and 2% in Africa. The US firms are the most focused on their own domestic market, with North America accounting for 67% of their total net sales, followed by Europe (16%), Asia and Oceania (13%) and Latin America (4%). These figures provide us with a picture of the fashion industry in which the US brands clearly sell very well in their own country, in a market which enables them to survive very well on their own, meaning they also perhaps have less of an incentive to look at other markets. Europe, by contrast, does not offer the same guarantees in terms of absorption as the US market does, hence the diversification strategy on the part of the European companies may be seem as in many ways inevitable. Then there is also the issue of aspirational model, i.e. the European brands, especially the Italian and French ones, in the luxury segment are seen as being more iconic by Asian consumers. Being able to capture the tastes of Chinese customer, who tend to be young and represent a substantial proportion of the high-spending population, is a good boost for the future, and in a situation where tourist flows are on hold, it is important to be able to sell to them directly in their own market.

As for European companies, an average of 85.8% of sales is generated outside the respective country of origin. French groups are the most geared towards international markets (90.3% non-domestic sales), followed by German (89.6%), Spanish (82.7%), Italian (76.6%) and companies based in the United Kingdom, whose share of non-domestic markets is less than half of the total (45.2%).

With reference to **production,** 52% of these global groups are defined as no-factory companies, i.e. companies which do not have material production sites of their own, do not manufacture inhouse but outsource the majority of their production activities to external laboratories. They exert supervision over the production *filière* themselves, create, design and develop the prototypes inhouse, and manage the distribution network (directly and indirectly). The other 48% have opted for a strategy whereby they themselves control the entire production *filière*: these groups manufacture inhouse via production facilities of their own, complementing direct production with the use of select external laboratories. The role of the supply chain is evident in both cases.

For the globalized groups, **the supply chain extends worldwide**: on average, 63% of the suppliers are located in Asia (which ranges from lows of 1% to highs of 100%),[13] 28% in Europe, 5% in North America and the other 4% in the rest of the world. For the European companies, the supply chain is distributed as follows: on average, 52% of the suppliers are located in Asia (ranging from lows of 1% to highs of 95%), 41% in Europe, 3% in North America and the other 4% in Africa. As for the North American companies, the supply chain is more concentrated in

13 The vast majority of suppliers of clothing in the fast fashion segment is concentrated in Asia (Turkey included), as is virtually the entire supply chain for the Asian groups, and also a high percentage of the sportswear and footwear manufacturers (for example, more than 90% of Nike's and Puma's suppliers are based in Asia, and more than 70% of Adidas's).

Asia: on average, 78% of the suppliers are located in Asia (which ranges from lows of 50% to highs of 98%), 8% in Europe, 13% in North America, and the other 1% in Latin America.

On average 28% of the suppliers of the European companies are located in Italy, emphasizing the role that "made in Italy" has in the fashion industry, second-to-none at the top end of the range in particular.[14]

As for **ownership**, as at year-end 2019, 40 companies out of 80 were family-run businesses, 38 public companies and 2 controlled by private equity funds. 65 out of 80 were listed companies as at 31 January 2021.

Outlook 2020

Fashion multinationals have delivered a two-paced performance in the first nine months of 2020. In 1H results were penalized by the closure of commercial and production channels and by the restrictions on tourist flows during the acute stage of the pandemic; but by end-3Q the results, while obviously still affected by the crisis, showed less intense effects in terms of revenues at least. In 3Q growth and improving results were posted in the Chinese market (as well as in South Korea and Taiwan), with performances recovering in the rest of the world as well albeit in many cases still negative.

E-commerce has proved increasingly to be the main driver of the sector's resilience during the lockdown phases in particular; however, many of the companies have continued to invest in new retail POS, a sign that the traditional channel is not perceived as alternative but complementary to the online channel, because of the emotional experience of being able to "touch and feel" the product, which it alone is able to provide to buyers of luxury goods. The online reported double-digit growth in all regions (+60% on average), but not sufficient to offset the negative performance in sales overall. However the e-commerce growth cannot in any way compensate for the revenue loss in the other channels, because the share of online business is around 15% of sales on average, and is unlikely to be much more than 30% in the coming years.

Net sales down 21.8% in 9M 2020/2019, consisting of the following reductions by geographical area of destination: 29.0% in Latin America, 23.7% in Europe, 19.3% in North America, and 14.8% in Asia (of which 23.7% in Japan and 10.1% in the rest of Asia). The crisis impacted more on the accounts of the European groups than the US ones, both in terms of net sales and margins. As for revenues, in first nine months of 2020, European companies suffered a greater deceleration than their US counterparts: total sales were down 22.9% for the former and down 19.7% for the latter. Margins also suffered considerably in the first nine months of 2020: the Ebit margin was down 8.8 pp (down 10.9 pp for European companies and down 7.3 pp for the US ones). This was largely due to the increase in costs (protection equipment for staff and clients, inventories writedowns, fixed costs of stores), partly offset by the reductions in rental charges and variable costs. Nonetheless, at the end of 9M 2020, the European companies were still more profitable than the US ones (Ebit margin 4.9% for the former, 2.1% for the latter), despite the unprecedented setback. It is interesting to note that the distinctive feature of this outperformance by the European companies is exclusive to the fashion industry, because in the rest of the manufacturing companies the opposite was the case, i.e. it was the US groups that had the competitive advantage in terms of profitability.[15]

14 Of the groups that report figures in this area, the highest percentages were for Kering (which said that 84% of its suppliers are located in Italy), and Prada (80%). Tod's, whose annual sales are below €1bn, said that 93% of its suppliers are located in Italy. The high percentages reported by Kering, Prada and Tod's are also influenced by the high quality levels associated with "made in Italy" in top-end leatherwear, as recognized worldwide.

15 Ebit margin manufacturing MNE (excl. fashion): 10% European MNE and 15% US MNE. Leverage ratio 2019: 56.5% European MNE and 135.2% US MNE.

The results for 4Q 2020 provide some welcome relief: in these days, the companies are releasing the first official numbers, which seem to suggest an average increase of some 17% in net sales in 4Q 2020/3Q 2020.

The fashion multinationals can generally count of strong fundamentals, and can hope to recover more quickly if they manage to support the integrity of their own brands, reorganize their sales network strategically (devoting particular attention to the stores located in China, in order to attract Chinese customers on their home territory) and capitalize on digitalization and the sustainability of their products. The shift in the paradigms of consumption has speeded up the changes in preferences of demand to buy sustainable products. The recovery of the fashion sector will be driven by digitalization and sustainability.

Sustainability reports

Due to the growing interest in the sustainability among fashion companies, their websites invariably contain substantial sections devoted to corporate social responsibility. The efforts made to implement a sustainable development process, and the results achieved, can be truly effective only if they are adequately measured, verified and reported. In this way the risk of greenwashing or social washing – that is, conveying a false impression or providing misleading information in boasting of green or social sustainable strategies without actually putting them into practice – can be avoided. Proper communication of the sustainability practices adopted, and adequate reporting, can generate a positive impact on the client's perception (providing a competitive advantage), and help investors considering sustainability issues in their strategies. Sustainability does not work without transparency: certification bodies, participation in ESG indexes, industry-wide movements, partnerships and collaborations (e.g. The Fashion Pact, a global coalition of companies operating in the fashion and textile industry committed to environmental goals) all play an important role in enhancing standards and promoting best practices.

Currently some 90% of the 80 leading global operators in the fashion business have a section in their website on all areas of sustainability (economic, environmental and social): it is more common for the US groups (93%) than the European ones (84%). The percentages decrease if we consider the presence of specific reporting: in 2019, 74% of the fashion companies compiled a Sustainability Report, also known as a Social Responsibility Report or Non-Financial Statement[16]. In this case the situation is reversed: the European firms make greater use of specific sustainability reporting than the US ones do (76% vs 59%). For 83% of the companies this report is an independent document, for the others it is added to the Annual Report as a separate section, along with the financial data. Most fashion companies disclose their sustainability efforts and results in accordance with the framework and methodology issued by international organizations: 56% of the total use the Global Reporting Initiative (GRI) Standards, 18% of which combine the GRI and SASB (Sustainable Accounting Standards Board) Standards together.[17]

The main issues analysed in these reports are the **ESG (Environment, Social and Governance)** criteria adopted in the companies' strategies, and how they contribute to addressing specific United Nations Sustainable Development Goals (SDGs).[18] Indeed, environmental and social issues are increasingly critical for these companies' operations, impacting more and more on their strategic and management rationale, production choices and innovation processes.

16 For Italy, Italian Legislative Decree 254/2016 of 30 December 2016, implementing Directive 2014/95/EU (the "Barnier Directive"), introduced an obligation on entities in the public interest and large entities to draw up and publish non-financial statements.
17 GRI and SASB Standards are two reporting guidelines for sustainability disclosure. They are based on different approaches to materiality: SASB Standards focus on ESG issues expected to have a financially material impact on the company, while the GRI Standards focus on the economic, environmental and social impacts of a company in relation to sustainable development, which is of interest to a broad range of stakeholders.
18 In 2015, the United Nations launched 17 Sustainable Development Goals (SDGs) as a global framework to achieve sustainable development (peace and prosperity for people and the planet) by 2030.

As far as regards **social** issues and employment, the most common aspect is the age of the workers employed by the largest global fashion groups: on average, 41% of the total employees are under 30 years of age, 48% are aged between 30 and 50, and the other 11% are over 50. Companies based in United States have a higher-than-average rate of employees below 30 years old (46%), and a lower-than-average rate for those aged between 30 and 50 (44%); the other 10% are over 50. If we take the subset of European groups, the composition by age is basically the same as the average one. Others employee indicators reported are: the average rate of employees with part-time contracts (average: 26%, Europe: 22%, U.S.: 34%), and the average percentage of permanent workers (average: 86%, Europe: 83%, U.S.: 92%).

With reference to the issue of diversity in the workforce and **governance**, for the largest global fashion groups, women on average account for 65.9% of the total, while the number of women employed in management positions declines to 50.4% and those represented on the Boards of Directors reduces further to 29.3%. If we focus on Board positions only, there is a significant difference between countries: women account for 34.1% of the total in companies based in the United States, 27.9% in the European-based firms. Looking at Europe in more detail, female representation on corporate boards is above average for French groups and companies based in the United Kingdom (43.1% and 36.9% of the total respectively), but lower than average for the Italian and German firms (21.3% and 17.4% of the total respectively). Last of all come the Japanese groups, in which on average around one out of every ten Board members is a woman.

With regard to climate and **environmental** issues, the most important topics regard emissions, energy, waste and water: between 2018 and 2019 positive results were achieved in all these areas. On average, the CO^2 emissions[19] by these large groups decreased by 5.1% between 2018 and 2019: the US companies, with a reduction of 7.3%, outperforming the European ones (down 5.6%); while the CO^2 reductions by the groups based in Japan and South Africa were less effective, down 3.5% in the case of the former and down 1.5% for the latter. On average, the waste produced by the large groups decreased by 3.1% between 2018 and 2019. In this case too, the US companies, with a 1.1% reduction, performed better than European ones, whose waste production increased by 0.3%. But the average decrease was influenced by excellent performances by the South African and Japanese companies, which cut their waste by 21.3% and 11.9% respectively. The major global operators in the fashion business have also achieved another target: on average, water consumption fell by 3.4% between 2018 and 2019. This reduction is due primarily to the US companies, which reduced their consumption of water by 6.2%, while the European companies' performance was less impressive (down 1.3%). Better news for European companies emerges with regard to use of electricity from renewable sources, which improved by 8.8 percentage points from 2018 and 2019, increasing from 49.8% to 58.6%. For their US counterparts, 37.9% of the electricity used in 2019 came from renewable sources (6.3 percentage points higher than in 2018), while on average the leading global fashion groups worldwide increased their share of renewable electricity by 7.3 percentage points, from 42.6% to 49.9%.

Of course, for each KPI the panel reflects a substantial divergence between the best and the worst performers, but the data from the sustainability reporting confirms that the leading global fashion groups have made a number of important decisions to raise their "green" effort, and their success affords grounds for optimism. "The fashion or apparel industry […] is the second highest user of water worldwide, producing 20 percent of global water waste. […]. 10 percent of the global carbon emissions are emitted by the apparel industry […]".[20] Will anything change?

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19 CO^2 impact is calculated considering Scope 1 emissions (direct emissions from sources owned or controlled by the organization) and Scope 2 emissions (indirect emissions from the generation of purchased electricity consumed by the organization) in accordance with the GHG Protocol.
20 Fashion and the SDGs: what role for the UN?, UNECE - United Nations Economic Commission for Europe, March 2018.

2 *Large Italian fashion companies*

The survey is based on information gleaned from the large Italian fashion companies' financial statements. It covers 177 companies located in Italy, operating in the fashion business and with a turnover of more than €100m in 2019,[21] 116 of which are manufacturing companies, 42 are wholesalers and 19 perform retail business. They mostly operate in Northern Italy (75 in North-West and 53 in North-East), and the remaining 49 in Central, Southern Italy and Sicily/Sardinia. As for ownership, 106 companies are Italian and 71 belong to non-Italian shareholders (30 are French, 14 of which are part of Kering Group and 10 of LVMH Group); 13 are listed companies. Each manufacturing company has been attributed a sector, according to its main activity: leather goods and footwear (42 companies), clothing industry (39), textiles (16), jewellery (11), and eyewear (8).

Value added by the aggregated Italian fashion industry companies contributes 1.2% of national GDP (versus 1.0% in 2015). In the 2015-2019 period, the Italian fashion industry recorded higher growth rates than those reported by GDP.[22]

In 2019 the Italian fashion companies' **aggregate sales amounted to €71.1bn,** up 20.8% on 2015.[23] The most important segment is clothing (42.9% of total revenues in 2019), followed by leatherwear (26.1%) and eyewear (9.8%).[24] With regard to the **CAGR in aggregate sales in 2015-2019 (up 4.8%)**, the jewellery segment posted the highest growth rate (up 10.3%), followed by leatherwear (up 7.8%), eyewear (up 3.4%), clothing (up 2.8%) and textiles (up 2.2%). In 2019 **the aggregate Ebit margin was 7.5%** (8.8% in 2015); although eyewear and leatherwear proved to be more profitable in 2019 (an Ebit margin of 12.0% and 9.4% respectively), jewellery stood out as the only segment with a growth in Ebit margin between 2015 and 2019 (up 2.5 pp). Retail business and eyewear recorded the worst decreases in 2015-2019 (down 4.1 pp and 3.9 pp respectively).

In 2019, 37.2% of total sales of Italian fashion companies is accounted for by companies controlled by **foreign shareholders** (French in particular, 17.3%, mainly due to luxury conglomerates such as Kering with 7.3% and LVMH with 6.5%). In 2015 this percentage was lower, at 30.2%: the share of sales by Italian companies attributable to non-Italian shareholders has increased by 7 percentage points in five years (2015-2019), mostly because non-Italian companies grew much faster than Italian ones (+34.1% net sales increase in 2015-2019 for the former[25] and +7.7% for the latter).

In terms of openness to the stock market, as much as 17% of the aggregate turnover in 2019 (€12bn) was produced by the thirteen listed companies (family-owned or not, as the case may be) and the other 83% (€59.1bn) by the 164 non-listed companies. The listed companies posted higher Ebit margins than the non-listed companies, at 11.0% versus 6.8%; in particular, the highest Ebit margin reported by the panel (12.9%) was posted by the listed companies in which a family has the controlling interest. Hence the best combination in terms of profitability appears to be family-owned companies which open the shareholder structure up to the capital markets. At the opposite side of the spectrum, the companies owned by funds were the ones which had the lowest Ebit margin, at 4.8%. The companies owned by the international groups ranked in the middle between these extremes (Ebit margin 6.7%).

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21 Some companies have been excluded due to their 2019 Annual Reports not being available at 22 January 2021.
22 Source for GDP data: Istat – National Accounts. Online data updated to September 2020. CAGR 2015-2019 GDP: +2%, CAGR value added by the aggregated Italian fashion industry: +6.1%.
23 Guccio Gucci is excluded from the 2015-2019 aggregate (net sales of €5.7bn in 2019 and €0.3bn in 2018), because 2019 does not provide a like-for-like basis for comparison with the other years after the group changed its business model. The company, which owns the brand, has been involved directly in the management and sale of Gucci-branded products since 2019, a role previously performed by its Swiss affiliate Luxury Goods International S.A., which, under the new organizational arrangements, now only provides logistical support; the change in business model has caused a strong increase in turnover and margins.
24 Luxottica consolidated financial statements are excluded because they are not available.
25 Data calculated excluding outliers, i.e. companies for which the 2015 and 2019 data are not comparable.

The share of non-domestic sales of fashion manufacturing companies amounted to 66.5% in 2019. The sectors most geared towards international markets are textiles (72.8%), clothing (67.3%) and leatherwear (67.0%). If we subdivide the entire panel of the 177 companies into listed and unlisted, it emerges that the listed companies posted higher share of total non-domestic sales, at 70.6% versus 48.2%; in particular the highest share of total non-domestic sales (80.4%) is recorded by the listed companies in which a family has the controlling interest. Hence the best combination in terms of globalization appears to be family-owned companies which open the shareholder structure up to the capital markets.

Good performances in the fashion sector in Italy and elsewhere have driven an increase in **employment** levels as well, with a workforce which in 2019, with more than 43,700 new staff (up 16.9% on 2015 and up 3.7% on 2018), now numbers more than 303,000 employees. The segments which have increased their headcounts the most in 2015-2019 period are jewellery (up 45.0%) and leatherwear (up 28.7%).

As for **profits**, cumulative net profits earned by the Italian companies in 2015-2019 totalled €15.9bn; in 2017 record profits of €3.5bn were posted, with net daily average profits per company of more than €54,000.

The leverage ratio (63.8% in 2019) shows that **the Italian fashion sector companies are solid**, with eyewear reflecting the best indicators (40.4%). The leverage ratio worsened from 2018 (39.6%), chiefly as a result of IFRS 16 first-time adoption for leases, which entailed a rise in financial amounts payable being booked to the companies' financial statements (the new reporting standard was adopted by those companies whose reporting is IAS-compliant).

In terms of **credit scoring**,[26] the default average probability of Italian fashion companies was 0.81% in 2019. The share of investment-grade companies was 65.0% (default score: 0.14%), the share of intermediate companies was 29.4% (default score: 0.83%) and the remaining 5.6% were fragile companies (default score: 8.39%).

The 106 controlled by Italian private shareholders can be divided into two subsets, based on the size of their turnover: medium-sized and medium-large companies.[27] Comparison between the medium-large companies and the medium-sized firms, generally smaller but more dynamic, provides some interesting data. First, there is a significant difference between the growth rates in sales of the two subsets between 2015 and 2019: up 26.7% for the medium-sized firms and up 6.3% for the medium-large, hence the medium-sized companies grew more than four times as fast as the medium-large ones. Second, however, in terms of profitability, the medium-sized firms have an Ebit margin (7.4%) lower than the Ebit margin (8.1%) of the medium-large ones.

Outlook 2020

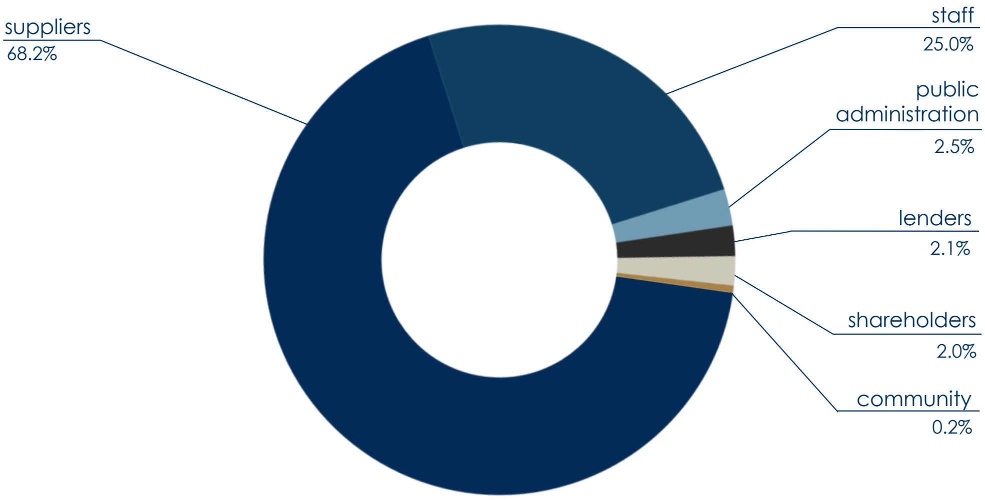
The data for 9M 2020 show a reduction in turnover for the Italian listed companies in the fashion sector of -27.7% compared to the same period in 2019. For the Italian fashion sector (companies with turnover of above €100m), the reduction at the top-line level for 12M 2020 is expected to be around 23%. Looking to the future, there should be a recovery for the industry starting from 2021(when growth of 10% is expected), returning to pre-crisis levels in 2023.

26 R&S-Unioncamere scoring model.
27 Medium-sized firms have average total sales of between €100m and €370m, while medium-large companies have turnover of above €370m.

Economic value distributed

With reference to the Italian listed companies only, the firm's earnings accounts are presented in their sustainability reports based on economic value generated and distributed criteria as required by the GRI 201 Disclosure (GRI Standards). Economic value generated and distributed represents a company's capability to generate wealth and share it between its own stakeholders defined broadly[28]: suppliers, employees, shareholders, public administration, lenders and the community in the area where the company predominantly operates[29].

In 2019, the economic value distributed to stakeholders as defined above was on average divided up as follows: 68.2% to suppliers, 25.0% to staff, 2.5% to the public administration, 2.1% to lenders, 2.0% to shareholders and 0.2% to the community. In absolute terms, with reference to the community, in 2019 the aggregate of companies reporting such data[30] returned some €21m to their communities, €13m of which was by Prada; all the other companies donated on average €0.8m to support social, artistic, cultural, sporting and educational projects in their own areas.



28 Stakeholders defined broadly are distinguished between internal (shareholders and employees) and external (suppliers, public administration, lenders and community).

29 Defined respectively as follows: remuneration to suppliers in return for the goods and services provided by them, compensation to employees in return for their work, shareholder remuneration in the form of dividends, remuneration to the public administration through payment of local taxes and duties, repayment to lenders in the form of interest due on amounts borrowed, and remuneration to the community in the form of social, artistic, cultural, sporting and educational projects, etc.

30 Some 80% of the total of listed companies.

3 *Annex*

Tables

Table 1 – Profit and loss accounts of global fashion companies (2015-2019)

	2015		2016		2017		2018		2019	
	EUR m		EUR m		EUR m		EUR m		EUR m	
Net sales	**372.704**	***100,0***	**391.310**	***100,0***	**418.239**	***100,0***	**449.531**	***100,0***	**471.493**	***100,0***
Purchases and sundry operating expense	...	...	...	...	...	...	...	...	...	...
Value added	...	...	...	...	...	...	...	...	...	...
Labour cost	...	...	...	...	...	...	...	...	...	...
Gross operating margin (EBITDA)	**64.834**	***17,4***	**64.926**	***16,6***	**70.857**	***16,9***	**77.296**	***17,2***	**89.321**	***18,9***
Depreciation and amortization	-13.243	*-3,6*	-14.338	*-3,7*	-14.974	*-3,6*	-16.514	*-3,7*	-28.321	*-6,0*
Net operating margin (EBIT)	**51.591**	***13,8***	**50.588**	***12,9***	**55.883**	***13,4***	**60.782**	***13,5***	**61.000**	***12,9***
Interest and financing charges	-2.228	*-0,6*	-2.512	*-0,6*	-2.647	*-0,6*	-2.717	*-0,6*	-3.967	*-0,8*
Interest received and other financial	-248	*-0,1*	-330	*-0,1*	319	*0,1*	1.584	*0,4*	-218	*0,0*
Current pre-tax profit	**49.114**	***13,2***	**47.745**	***12,2***	**53.554**	***12,8***	**59.649**	***13,3***	**56.813**	***12,0***
Impairment of goodwill	-346	*-0,1*	-182	*0,0*	-365	*-0,1*	-181	*0,0*	-1.084	*-0,2*
Extraordinary items	-1.771	*-0,5*	-1.981	*-0,5*	-2.585	*-0,6*	-745	*-0,2*	-4.185	*-0,9*
Net profit (loss) before tax	**46.996**	***12,6***	**45.581**	***11,6***	**50.603**	***12,1***	**58.721**	***13,1***	**51.542**	***10,9***
Taxation	-13.086	*-3,5*	-11.837	*-3,0*	-16.049	*-3,8*	-13.690	*-3,0*	-13.986	*-3,0*
Profit attributable to minorities	-708	*-0,2*	-667	*-0,2*	-791	*-0,2*	-1.089	*-0,2*	-1.122	*-0,2*
Net profit (loss) attributable to parent company	**33.200**	***8,9***	**33.076**	***8,5***	**33.762**	***8,1***	**43.941**	***9,8***	**36.433**	***7,7***
Number of employees	**1.895.866**		**2.013.648**		**2.081.043**		**2.179.095**		**2.234.074**	

Some column totals may not correspond owing to figures being rounded up or down.

Table 2 – Financial statements of global fashion companies (2015-2019)

	2015		2016		2017		2018		2019	
	EUR m		EUR m		EUR m		EUR m		EUR m	
Cash and cash equivalents	49.128	*13,5*	50.951	*13,0*	66.142	*15,7*	64.875	*13,8*	76.163	*13,3*
Marketable securities	10.226	*2,8*	11.303	*2,9*	12.391	*2,9*	11.588	*2,5*	12.546	*2,2*
Other current assets	123.111	*33,7*	129.833	*33,1*	134.097	*31,7*	148.394	*31,5*	153.854	*26,8*
Current assets ... (a)	**182.466**	***50,0***	**192.087**	***48,9***	**212.631**	***50,3***	**224.858**	***47,7***	**242.564**	***42,3***
Gross tangible fixed assets	143.227	*39,2*	156.479	*39,9*	165.195	*39,1*	174.547	*37,0*	271.707	*47,3*
Accumulated depreciation	-74.240	*-20,3*	-81.780	*-20,8*	-87.194	*-20,6*	-90.585	*-19,2*	-107.528	*-18,7*
Net tangible fixed assets	**68.986**	***18,9***	**74.699**	***19,0***	**78.001**	***18,5***	**83.961**	***17,8***	**164.178**	***28,6***
Investments and other assets	27.146	*7,4*	30.149	*7,7*	28.429	*6,7*	30.146	*6,4*	34.714	*6,0*
Goodwill	38.538	*10,6*	44.210	*11,3*	50.644	*12,0*	66.248	*14,1*	68.662	*12,0*
Other intangibles assets	48.072	*13,2*	51.363	*13,1*	52.711	*12,5*	66.298	*14,1*	63.961	*11,1*
Non-current assets ... (b)	**182.742**	***50,0***	**200.421**	***51,1***	**209.785**	***49,7***	**246.653**	***52,3***	**331.515**	***57,7***
TOTAL ASSETS ... (a+b)	**365.208**	***100,0***	**392.508**	***100,0***	**422.416**	***100,0***	**471.511**	***100,0***	**574.079**	***100,0***
Short-term borrowings	17.293	*4,7*	16.735	*4,3*	19.741	*4,7*	21.362	*4,5*	39.919	*7,0*
Other current liabilities	69.872	*19,1*	76.469	*19,5*	83.582	*19,8*	95.751	*20,3*	97.948	*17,1*
Current liabilities ... (a)	**87.166**	***23,9***	**93.204**	***23,7***	**103.323**	***24,5***	**117.114**	***24,8***	**137.867**	***24,0***
Long-term borrowings	44.512	*12,2*	52.938	*13,5*	61.623	*14,6*	63.394	*13,4*	140.144	*24,4*
Other long-term liabilities	38.483	*10,5*	40.098	*10,2*	43.291	*10,2*	46.793	*9,9*	44.831	*7,8*
Non-current liabilities ... (b)	**82.995**	***22,7***	**93.037**	***23,7***	**104.915**	***24,8***	**110.188**	***23,4***	**184.975**	***32,2***
Shareholders' equity	191.394	*52,4*	202.279	*51,5*	210.191	*49,8*	240.160	*50,9*	246.508	*42,9*
Minority interests	3.653	*1,0*	3.990	*1,0*	3.989	*0,9*	4.051	*0,9*	4.729	*0,8*
Net worth ... (c)	**195.048**	***53,4***	**206.269**	***52,6***	**214.180**	***50,7***	**244.212**	***51,8***	**251.238**	***43,8***
TOTAL EQUITY AND LIABILITIES ... (a+b+c)	**365.209**	***100,0***	**392.510**	***100,0***	**422.418**	***100,0***	**471.514**	***100,0***	**574.080**	***100,0***

Some column totals may not correspond owing to figures being rounded up or down.

Table 3 – Profit and loss accounts of global fashion companies based in Europe (2015-2019)

	2015		2016		2017		2018		2019	
	EUR m		EUR m		EUR m		EUR m		EUR m	
Net sales	**196.827**	***100,0***	**209.080**	***100,0***	**227.498**	***100,0***	**243.135**	***100,0***	**264.418**	***100,0***
Purchases and sundry operating expense	-121.224	*-61,6*	-129.788	*-62,1*	-140.050	*-61,6*	-148.355	*-61,0*	-152.783	*-57,8*
Value added	**75.602**	***38,4***	**79.292**	***37,9***	**87.448**	***38,4***	**94.780**	***39,0***	**111.635**	***42,2***
Labour cost	-36.317	*-18,5*	-39.075	*-18,7*	-42.052	*-18,5*	-44.757	*-18,4*	-48.127	*-18,2*
Gross operating margin (EBITDA)	**39.285**	***20,0***	**40.216**	***19,2***	**45.396**	***20,0***	**50.023**	***20,6***	**63.507**	***24,0***
Depreciation and amortization	-8.188	*-4,2*	-8.915	*-4,3*	-9.323	*-4,1*	-10.721	*-4,4*	-21.630	*-8,2*
Net operating margin (EBIT)	**31.097**	***15,8***	**31.301**	***15,0***	**36.073**	***15,9***	**39.302**	***16,2***	**41.877**	***15,8***
Interest and financing charges	-1.085	*-0,6*	-1.136	*-0,5*	-1.142	*-0,5*	-1.119	*-0,5*	-2.260	*-0,9*
Interest received and other financial	-406	*-0,2*	-376	*-0,2*	-113	*0,0*	1.110	*0,5*	-447	*-0,2*
Current pre-tax profit	**29.605**	***15,0***	**29.788**	***14,2***	**34.816**	***15,3***	**39.292**	***16,2***	**39.169**	***14,8***
Impairment of goodwill	-54	*0,0*	-3	*0,0*	-9	*0,0*	-37	*0,0*	-3	*0,0*
Extraordinary items	-749	*-0,4*	-973	*-0,5*	-1.553	*-0,7*	626	*0,3*	-1.241	*-0,5*
Net profit (loss) before tax	**28.802**	***14,6***	**28.810**	***13,8***	**33.254**	***14,6***	**39.881**	***16,4***	**37.925**	***14,3***
Taxation	-8.047	*-4,1*	-7.868	*-3,8*	-8.817	*-3,9*	-9.408	*-3,9*	-10.657	*-4,0*
Profit attributable to minorities	-599	*-0,3*	-546	*-0,3*	-566	*-0,2*	-814	*-0,3*	-862	*-0,3*
Net profit (loss) attributable to parent company	**20.156**	***10,2***	**20.394**	***9,8***	**23.870**	***10,5***	**29.658**	***12,2***	**26.405**	***10,0***
Number of employees	**929.726**		**982.535**		**1.032.856**		**1.085.459**		**1.124.804**	

Some column totals may not correspond owing to figures being rounded up or down.

Table 4 – Financial statements of global fashion companies based in Europe (2015-2019)

	2015		2016		2017		2018		2019	
	EUR m		EUR m		EUR m		EUR m		EUR m	
Cash and cash equivalents	27.040	*11,7*	27.637	*11,3*	37.910	*14,1*	37.141	*12,1*	41.628	*11,1*
Marketable securities	7.110	*3,1*	7.872	*3,2*	9.834	*3,7*	9.048	*3,0*	10.717	*2,9*
Other current assets	70.896	*30,8*	75.758	*30,9*	78.692	*29,3*	85.225	*27,8*	89.991	*24,0*
Current assets (a)	**105.047**	***45,6***	**111.268**	***45,4***	**126.437**	***47,2***	**131.415**	***42,9***	**142.337**	***37,9***
Gross tangible fixed assets	86.989	*37,8*	96.372	*39,3*	101.361	*37,8*	108.104	*35,3*	174.764	*46,6*
Accumulated depreciation	-42.817	*-18,6*	-47.434	*-19,3*	-49.888	*-18,6*	-51.283	*-16,7*	-65.082	*-17,3*
Net tangible fixed assets	**44.172**	***19,2***	**48.938**	***19,9***	**51.473**	***19,2***	**56.821**	***18,6***	**109.681**	***29,2***
Investments and other assets	16.325	*7,1*	17.762	*7,2*	17.229	*6,4*	19.322	*6,3*	23.468	*6,3*
Goodwill	27.361	*11,9*	29.569	*12,1*	35.034	*13,1*	49.338	*16,1*	52.733	*14,0*
Other intangibles assets	37.238	*16,2*	37.777	*15,4*	37.964	*14,2*	49.415	*16,1*	47.204	*12,6*
Non-current assets (b)	**125.096**	***54,4***	**134.046**	***54,6***	**141.700**	***52,8***	**174.896**	***57,1***	**233.086**	***62,1***
TOTAL ASSETS (a+b)	**230.143**	***100,0***	**245.314**	***100,0***	**268.137**	***100,0***	**306.311**	***100,0***	**375.423**	***100,0***
Short-term borrowings	11.936	*5,2*	11.169	*4,6*	14.400	*5,4*	14.162	*4,6*	26.114	*7,0*
Other current liabilities	44.178	*19,2*	48.528	*19,8*	52.857	*19,7*	60.798	*19,8*	62.610	*16,7*
Current liabilities (a)	**56.115**	***24,4***	**59.698**	***24,3***	**67.257**	***25,1***	**74.960**	***24,5***	**88.724**	***23,6***
Long-term borrowings	21.441	*9,3*	23.659	*9,6*	30.350	*11,3*	29.610	*9,7*	74.832	*19,9*
Other long-term liabilities	26.902	*11,7*	28.265	*11,5*	29.159	*10,9*	32.080	*10,5*	33.061	*8,8*
Non-current liabilities (b)	**48.343**	***21,0***	**51.924**	***21,2***	**59.510**	***22,2***	**61.690**	***20,1***	**107.893**	***28,7***
Shareholders' equity	122.574	*53,3*	130.599	*53,2*	138.326	*51,6*	166.723	*54,4*	175.297	*46,7*
Minority interests	3.111	*1,4*	3.093	*1,3*	3.044	*1,1*	2.939	*1,0*	3.509	*0,9*
Net worth (c)	**125.686**	***54,6***	**133.692**	***54,5***	**141.371**	***52,7***	**169.662**	***55,4***	**178.807**	***47,6***
TOTAL EQUITY AND LIABILITIES (a+b+c)	**230.144**	***100,0***	**245.314**	***100,0***	**268.138**	***100,0***	**306.312**	***100,0***	**375.424**	***100,0***

Some column totals may not correspond owing to figures being rounded up or down.

Table 5 – Profit and loss accounts of global fashion companies based in United States (2015-2019)

	2015		2016		2017		2018		2019	
	EUR m		EUR m		EUR m		EUR m		EUR m	
Net sales	**137.091**	***100,0***	**139.892**	***100,0***	**145.260**	***100,0***	**156.932**	***100,0***	**156.919**	***100,0***
Purchases and sundry operating expense	...	...	...	...	...	...	...	...	...	...
Value added	...	...	...	...	...	...	...	...	...	...
Labour cost	...	...	...	...	...	...	...	...	...	...
Gross operating margin (EBITDA)	**21.506**	***15,7***	**20.485**	***14,6***	**20.443**	***14,1***	**21.566**	***13,7***	**19.857**	***12,7***
Depreciation and amortization	-4.106	*-3,0*	-4.408	*-3,2*	-4.552	*-3,1*	-4.628	*-2,9*	-5.039	*-3,2*
Net operating margin (EBIT)	**17.400**	***12,7***	**16.077**	***11,5***	**15.891**	***10,9***	**16.938**	***10,8***	**14.818**	***9,4***
Interest and financing charges	-1.004	*-0,7*	-1.126	*-0,8*	-1.224	*-0,8*	-1.264	*-0,8*	-1.264	*-0,8*
Interest received and other financial	48	*0,0*	218	*0,2*	-53	*0,0*	176	*0,1*	68	*0,0*
Current pre-tax profit	**16.444**	***12,0***	**15.169**	***10,8***	**14.612**	***10,1***	**15.849**	***10,1***	**13.622**	***8,7***
Impairment of goodwill	0	*0,0*	-169	*-0,1*	-345	*-0,2*	0	*0,0*	-940	*-0,6*
Extraordinary items	-759	*-0,6*	-1.212	*-0,9*	-995	*-0,7*	-906	*-0,6*	-2.440	*-1,6*
Net profit (loss) before tax	**15.685**	***11,4***	**13.787**	***9,9***	**13.272**	***9,1***	**14.943**	***9,5***	**10.240**	***6,5***
Taxation	-4.222	*-3,1*	-3.120	*-2,2*	-6.062	*-4,2*	-3.022	*-1,9*	-2.078	*-1,3*
Profit attributable to minorities	-45	*0,0*	-56	*0,0*	-66	*0,0*	-76	*0,0*	-79	*-0,1*
Net profit (loss) attributable to parent company	**11.418**	***8,3***	**10.609**	***7,6***	**7.142**	***4,9***	**11.843**	***7,5***	**8.082**	***5,2***
Number of employees	**753.088**		**768.212**		**771.771**		**800.209**		**789.609**	

Some column totals may not correspond owing to figures being rounded up or down.

Table 6 – Financial statements of global fashion companies based in United States (2015-2019)

	2015		2016		2017		2018		2019	
	EUR m		EUR m		EUR m		EUR m		EUR m	
Cash and cash equivalents	15.518	*15,4*	16.778	*15,9*	19.038	*17,3*	16.225	*14,0*	22.611	*15,3*
Marketable securities	2.992	*3,0*	3.360	*3,2*	2.463	*2,2*	2.470	*2,1*	1.795	*1,2*
Other current assets	36.315	*36,1*	36.365	*34,6*	38.654	*35,1*	43.463	*37,5*	44.032	*29,8*
Current assets .... (a)	**54.827**	***54,4***	**56.504**	***53,7***	**60.157**	***54,6***	**62.159**	***53,6***	**68.439**	***46,4***
Gross tangible fixed assets	44.813	*44,5*	47.651	*45,3*	50.531	*45,8*	52.445	*45,2*	80.506	*54,5*
Accumulated depreciation	-25.705	*-25,5*	-27.912	*-26,5*	-30.182	*-27,4*	-31.588	*-27,2*	-33.349	*-22,6*
Net tangible fixed assets	**19.108**	***19,0***	**19.739**	***18,8***	**20.348**	***18,5***	**20.857**	***18,0***	**47.156**	***31,9***
Investments and other assets	7.772	*7,7*	8.575	*8,2*	7.504	*6,8*	7.216	*6,2*	7.751	*5,3*
Goodwill	9.967	*9,9*	10.552	*10,0*	11.327	*10,3*	12.867	*11,1*	11.855	*8,0*
Other intangibles assets	9.031	*9,0*	9.826	*9,3*	10.891	*9,9*	12.917	*11,1*	12.412	*8,4*
Non-current assets .... (b)	**45.878**	***45,6***	**48.692**	***46,3***	**50.070**	***45,4***	**53.857**	***46,4***	**79.174**	***53,6***
TOTAL ASSETS .... (a+b)	**100.705**	***100,0***	**105.196**	***100,0***	**110.227**	***100,0***	**116.016**	***100,0***	**147.613**	***100,0***
Short-term borrowings	2.022	*2,0*	1.386	*1,3*	2.129	*1,9*	2.133	*1,8*	7.637	*5,2*
Other current liabilities	19.785	*19,6*	20.453	*19,4*	23.100	*21,0*	26.534	*22,9*	26.607	*18,0*
Current liabilities .... (a)	**21.807**	***21,7***	**21.839**	***20,8***	**25.229**	***22,9***	**28.668**	***24,7***	**34.245**	***23,2***
Long-term borrowings	20.830	*20,7*	24.223	*23,0*	25.198	*22,9*	25.842	*22,3*	56.247	*38,1*
Other long-term liabilities	10.024	*10,0*	10.066	*9,6*	12.272	*11,1*	12.799	*11,0*	9.860	*6,7*
Non-current liabilities .... (b)	**30.854**	***30,6***	**34.290**	***32,6***	**37.471**	***34,0***	**38.642**	***33,3***	**66.107**	***44,8***
Shareholders' equity	47.931	*47,6*	48.922	*46,5*	47.329	*42,9*	48.484	*41,8*	46.986	*31,8*
Minority interests	113	*0,1*	145	*0,1*	199	*0,2*	223	*0,2*	275	*0,2*
Net worth .... (c)	**48.045**	***47,7***	**49.068**	***46,6***	**47.528**	***43,1***	**48.707**	***42,0***	**47.262**	***32,0***
TOTAL EQUITY AND LIABILITIES .... (a+b+c)	**100.706**	***100,0***	**105.197**	***100,0***	**110.228**	***100,0***	**116.017**	***100,0***	**147.614**	***100,0***

Some column totals may not correspond owing to figures being rounded up or down.

Table 7 – List of global fashion companies (first 20 companies)

	Companies	Country	Net sales 2019 (€ mln) ranking	Employees 2019 (avg. n.)
1	LVMH	FR	53.670	147.715
2	NIKE	US	33.294	75.400
3	INDITEX	ES	28.286	157.537
4	ADIDAS	DE	23.640	53.218
5	H & M HENNES & MAURITZ	SE	22.280	126.376
6	FAST RETAILING	JP	18.788	56.523
7	ESSILORLUXOTTICA	FR	17.390	152.954
8	KERING	FR	15.884	34.902
9	THE GAP	US	14.583	129.000
10	COMPAGNIE FINANCIERE RICHEMONT	CH	14.238	35.657
11	L BRANDS	US	11.495	94.400
12	CHANEL	GB	10.925	26.504
13	VF	US	9.337	48.000
14	PVH	US	8.821	40.000
15	THE SWATCH GROUP	CH	7.594	36.596
16	HERMES INTERNATIONAL	FR	6.883	15.417
17	CHOW TAI FOOK JEWELLERY GROUP	CN	6.488	29.700
18	HANESBRANDS	US	6.202	63.000
19	PUMA	DE	5.502	13.348
20	RALPH LAUREN	US	5.483	24.900

Table 8 – Profit and loss accounts of large Italian fashion companies (2015-2019)

	2015		2016		2017		2018		2019	
	EUR 000		EUR 000		EUR 000		EUR 000		EUR 000	
Net sales	**58.915.494**	***100,0***	**61.071.657**	***100,0***	**64.513.771**	***100,0***	**67.104.319**	***100,0***	**71.145.369**	***100,0***
Purchases and sundry operating expense	-41.805.753	*-71,0*	-43.384.969	*-71,0*	-46.007.898	*-71,3*	-48.523.919	*-72,3*	-49.497.698	*-69,6*
Value added	**17.109.741**	***29,0***	**17.686.688**	***29,0***	**18.505.873**	***28,7***	**18.580.400**	***27,7***	**21.647.671**	***30,4***
Labour cost	-9.615.382	*-16,3*	-10.046.872	*-16,5*	-10.419.973	*-16,2*	-10.838.833	*-16,2*	-11.472.161	*-16,1*
Gross operating margin (EBITDA)	**7.494.359**	***12,7***	**7.639.816**	***12,5***	**8.085.900**	***12,5***	**7.741.567**	***11,5***	**10.175.510**	***14,3***
Depreciation and amortization	-2.281.791	*-3,9*	-2.251.681	*-3,7*	-2.309.016	*-3,6*	-2.534.067	*-3,8*	-4.858.964	*-6,8*
Net operating margin (EBIT)	**5.212.568**	***8,8***	**5.388.135**	***8,8***	**5.776.884**	***9,0***	**5.207.500**	***7,8***	**5.316.546**	***7,5***
Interest and financing charges	-515.801	*-0,9*	-425.848	*-0,7*	-427.596	*-0,7*	-446.095	*-0,7*	-917.867	*-1,3*
Interest received and other financial	518.866	*0,9*	636.450	*1,0*	298.279	*0,5*	419.572	*0,6*	371.281	*0,5*
Current pre-tax profit	**5.215.633**	***8,9***	**5.598.737**	***9,2***	**5.647.567**	***8,8***	**5.180.977**	***7,7***	**4.769.960**	***6,7***
Extraordinary items	-470.700	*-0,8*	-529.598	*-0,9*	-547.268	*-0,8*	-354.198	*-0,5*	-617.397	*-0,9*
Net profit (loss) before tax	**4.744.933**	***8,1***	**5.069.139**	***8,3***	**5.100.299**	***7,9***	**4.826.779**	***7,2***	**4.152.563**	***5,8***
Taxation	-1.719.091	*-2,9*	-1.712.168	*-2,8*	-1.529.511	*-2,4*	-1.447.013	*-2,2*	-1.288.918	*-1,8*
Profit attributable to minorities	-93.567	*-0,2*	-108.600	*-0,2*	-60.270	*-0,1*	-47.146	*-0,1*	-9.973	*0,0*
Net profit (loss) attributable to parent company	**2.932.275**	***5,0***	**3.248.371**	***5,3***	**3.510.518**	***5,4***	**3.332.620**	***5,0***	**2.853.672**	***4,0***
Number of employees	**259.478**		**270.156**		**282.417**		**292.339**		**303.245**	

Some column totals may not correspond owing to figures being rounded up or down.

Table 9 – Financial statements of large Italian fashion companies (2015-2019)

	2015		2016		2017		2018		2019	
	EUR 000		EUR 000		EUR 000		EUR 000		EUR 000	
Cash and cash equivalents	6.579.422	*10,4*	7.142.496	*10,9*	8.052.990	*11,7*	7.986.448	*11,1*	7.836.884	*9,1*
Marketable securities	1.763.677	*2,8*	1.928.424	*2,9*	2.559.126	*3,7*	2.163.795	*3,0*	2.062.726	*2,4*
Other current assets	24.841.846	*39,4*	26.224.698	*40,0*	27.810.264	*40,3*	29.675.096	*41,4*	30.897.809	*35,7*
Current assets .... (a)	**33.184.945**	***52,7***	**35.295.618**	***53,9***	**38.422.380**	***55,6***	**39.825.339**	***55,5***	**40.797.419**	***47,2***
Gross tangible fixed assets	24.756.991	*39,3*	25.970.275	*39,7*	27.143.014	*39,3*	29.237.523	*40,8*	43.804.677	*50,6*
Accumulated depreciation	14.304.491	*22,7*	15.035.629	*23,0*	15.736.759	*22,8*	16.715.928	*23,3*	20.369.540	*23,6*
Net tangible fixed assets	**10.452.500**	***16,6***	**10.934.646**	***16,7***	**11.406.255**	***16,5***	**12.521.595**	***17,5***	**23.435.137**	***27,1***
Investments and other assets	9.824.042	*15,6*	9.559.597	*14,6*	9.490.428	*13,7*	9.449.781	*13,2*	11.075.372	*12,8*
Goodwill	3.721.706	*5,9*	3.647.631	*5,6*	3.520.576	*5,1*	3.715.302	*5,2*	4.099.491	*4,7*
Other intangibles assets	5.814.293	*9,2*	6.058.865	*9,3*	6.228.474	*9,0*	6.183.215	*8,6*	7.080.126	*8,2*
Non-current assets .... (b)	**29.812.541**	***47,3***	**30.200.739**	***46,1***	**30.645.733**	***44,4***	**31.869.893**	***44,5***	**45.690.126**	***52,8***
TOTAL ASSETS .... (a+b)	**62.997.486**	***100,0***	**65.496.357**	***100,0***	**69.068.113**	***100,0***	**71.695.232**	***100,0***	**86.487.545**	***100,0***
Short-term borrowings	5.023.170	*8,0*	4.931.528	*7,5*	5.368.008	*7,8*	6.803.222	*9,5*	8.452.605	*9,8*
Other current liabilities	13.729.381	*21,8*	14.411.442	*22,0*	15.670.026	*22,7*	16.400.624	*22,9*	17.399.334	*20,1*
Current liabilities .... (a)	**18.752.551**	***29,8***	**19.342.970**	***29,5***	**21.038.034**	***30,5***	**23.203.846**	***32,4***	**25.851.939**	***29,9***
Long-term borrowings	6.078.436	*9,6*	6.252.081	*9,5*	7.219.699	*10,5*	7.178.671	*10,0*	16.554.387	*19,1*
Other long-term liabilities	3.315.737	*5,3*	3.431.857	*5,2*	3.415.379	*4,9*	3.754.206	*5,2*	3.886.892	*4,5*
Non-current liabilities .... (b)	**9.394.173**	***14,9***	**9.683.938**	***14,8***	**10.635.078**	***15,4***	**10.932.877**	***15,2***	**20.441.279**	***23,6***
Shareholders' equity	33.702.172	*53,5*	35.179.107	*53,7*	36.612.316	*53,0*	36.759.005	*51,3*	39.477.807	*45,6*
Minority interests	1.148.590	*1,8*	1.290.342	*2,0*	782.685	*1,1*	799.504	*1,1*	716.520	*0,8*
Net worth .... (c)	**34.850.762**	***55,3***	**36.469.449**	***55,7***	**37.395.001**	***54,1***	**37.558.509**	***52,4***	**40.194.327**	***46,5***
TOTAL EQUITY AND LIABILITIES .... (a+b+c)	**62.997.486**	***100,0***	**65.496.357**	***100,0***	**69.068.113**	***100,0***	**71.695.232**	***100,0***	**86.487.545**	***100,0***

Some column totals may not correspond owing to figures being rounded up or down.

Table 10 – List of large Italian fashion companies (first 20 companies)

	Companies	Net sales 2019 (€ 000)
		ranking
1	PRADA	3.225.594
2	LUXOTTICA GROUP	2.953.051
3	CALZEDONIA HOLDING	2.410.888
4	GIORGIO ARMANI	2.155.806
5	MAX MARA FASHION GROUP	1.635.482
6	MONCLER	1.627.704
7	GUCCI LOGISTICA	1.608.935
8	OTB	1.497.501
9	OVS (SCHEDA SOLO FOCUS MODA)	1.374.777
10	SALVATORE FERRAGAMO	1.372.449
11	ERMENEGILDO ZEGNA HOLDITALIA	1.321.327
12	DECATHLON ITALIA	1.303.160
13	VALENTINO	1.222.316
14	D & G	1.155.952
15	ZARA ITALIA	1.116.016
16	LVMH ITALIA	1.096.451
17	LUXOTTICA	1.012.115
18	LIR	976.370
19	SAFILO GROUP	939.038
20	TOD'S	915.983