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REPORT ON GLOBAL FASHION COMPANIES:

«ECONOMICS & SUSTAINABILITY»

November 2022

MEDIOBANCA

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A list of the companies analysed in this report is available here along with a breakdown of their earnings and financial figures and a list of their brands

1 *Global fashion companies: panel's picture*

Global fashion companies in this report refer to apparel and footwear, leather goods, bags and accessories, eyewear, jewelry and watches. The selection includes **78 major global operators in the fashion business, with a minimum turnover of €1bn in 2021**;[1] their nationality is established on the basis of the country in which the parent company has its head office (jurisdiction of incorporation) as at the year-end.[2] Companies whose non-domestic turnover is less than 10% of the total are excluded as well as companies who produce exclusively for other companies and brands; most of them are based in Asia and are classified as OEM-original equipment manufacturer or ODM-original design manufacturer.[3]

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: ABG-Authentic Brands Group,** which purchased Reebok from Adidas in August 2021, has some 30 brands in its portfolio and generates more than €16bn in annual retail sales through its partners;[4] **Fruit of the Loom,** a wholly-owned subsidiary of the conglomerate Berkshire Hathaway whose consumer products division includes several apparel and footwear operations (Fruit of the Loom, Garan, H.H. Brown Shoe Group and Brooks Sports) and has estimated sales of €3bn in 2021; **New Balance**, with estimated revenues of around €4bn, known for its running shoes but also for clothing and equipment for lacrosse and football, and owned by Jim Davis; **Patagonia**, whose estimated sales amount to around €1.5bn, and which is well known for its social and environmental activism, with his founder Yvon Chouinard who transferred all ownership to two new entities in September 2022, Patagonia Purpose Trust and the Holdfast Collective: "every dollar that is not reinvested back into Patagonia will be distributed as dividends to protect the planet" and the website Patagonia.com states that "earth is now our only shareholder".

In Europe, the French sport giant **Decathlon**, founded in 1975 by Michel Leclercq, can't be included. In 2021, Decathlon achieved growth in its business driven by a very dynamic global sports market: sales amounted to €13.8bn, representing growth of +21% compared to 2020; the digital part of its activities represents approximately 21% of the group's revenues, up by +30% compared to 2020; Decathlon is present in 70 countries, with 1,747 stores, three production sitees and 105,000 employees; the main shareholder is the Mulliez family. Further important exclusions are the **Lacoste** company (founded by the 1920s legendary French tennis champion René Lacoste), which reports sales of around €2bn,[5] and the **Bata** Group, 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 and employs more than 50,000 people". The Bata family owns the group established in Czechoslovakia in 1894; it is hard to value their turnover due to a lack of information and the inter-related nature of the joint and associated companies.[6] The Swiss watch-making groups **Audemars Piguet & Cie** and **Patek Philippe** whose estimated sales amount to almost €2bn each

1 Financial aggregates have been translated into Euros at the exchange rates ruling at the end of 2021.

2 For istance, Ermenegildo Zegna N.V. is a Dutch public limited liability company: it's considered Dutch and not Italian (since December 2021 when it transferred its legal seat from Italy to the Netherlands).

3 For istance, **Pou Chen (TW)** is the largest branded athletic and casual footwear manufacturer in the world with a turnover of €7,6bn (it manufactures for major international brand name companies such as Nike, Adidas, Asics, New Balance, Timberland and Salomon in its production factories based in China, Indonesia, Vietnam, United States and Mexico from), followed by **Feng Tay (TW)** with a turnover of €2,2bn (its factories are spread throughout China, Vietnam, Indonesia and India; in addition to producing and retailing its own products, it is mostly contracted to produce footwear for other companies and brands, including Clarks, Rockport, Dr. Martens, Converse and Nike for which it produces around one sixth of total Nike shoes).

4 The spectrum of the group's activities is fairly broad, including fashion brands such as Nautica, Aeropostale, Forever 21, Vince Camuto, and Frye, but also department store chain Barneys New York and historic American tailor Brooks Brothers. The company also owns a selection of celebrity brands, including Shaquille O'Neal, Marilyn Monroe, and Mohamed Ali, as well as a range of sports and lifestyle labels, such as Vision Streetwear, Spyder, Tretorn, Volcom, Prince, and Reebok.

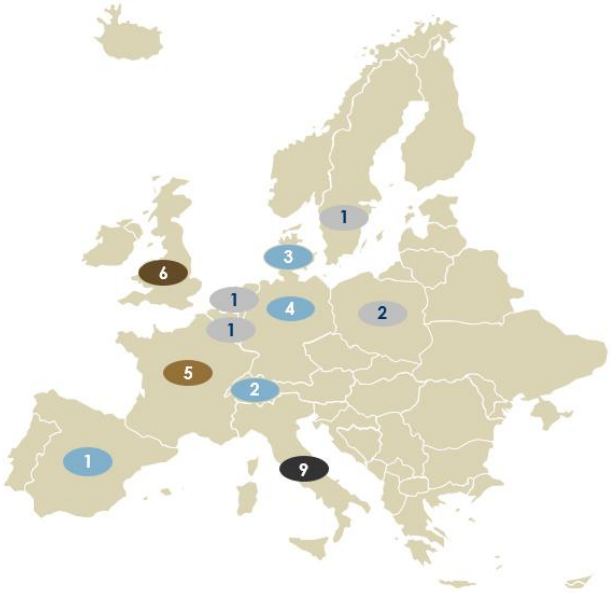
5 Lacoste Holding is part of the Swiss family-controlled Maus Frères Group (Maus Frères SA). The Maus Frères Group is concentrated in Switzerland on Manor brand, and positioned it as a leading international group in the premium brands segment thanks to the acquisitions since 1998 of Devanlay, Lacoste, Aigle, Gant, Tecnifibre and The Kooples.

6 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. In Italy Bata is present with Compar, a commercial company based in Limena (Pd) and controlled by International Footwear Investment B.V.

are also excluded as **Rolex**, which has an estimated turnover of around €6bn and accounts for one quarter of entire Swiss watch industry's annual turnover, and **Swarovski Crystal Business** (Austrian jewellery, Swarovsky Group), whose turnover is around €2bn.[7] The survey also does not include **Primark** (UK clothing), with turnover of €6.7bn, consolidated by the multinational ABF-Associated British Foods.[8] Beyond Europe and Americas, further important exclusion is the Chinese online ultra-fast fashion company **Shein**, founded in 2008 by entrepreneur Chris Xu, who started out in digital marketing and selling wedding dresses online. Shein is one of Gen Z's favorite fashion brands, for its low prices and savvy social media use; it's on track to generate revenue of $24bn in 2022, and it employs more than 10,000 people. Its sales model is Business to Consumer, vertically integrated with control of the entire supply chain (inhouse production, from design to prototype to manufacture), without intermediaries and with large-scale use of big data to profile clients and intercept user consumption trends.

The selection therefore covers the **78 major global fashion operators** described in Chapter 7, **35 of which are located in Europe, 29 in North America, 12 in Asia and 2 in Africa**. As far as Europe is concerned, 9 are located in Italy, 6 in the United Kingdom, 5 in France, 4 in Germany, 3 in Denmark, 2 in Poland and Switzerland and 1 in Luxembourg, Netherlands, Spain and Sweden.

Number of European fashion multinationals by country



7 The Mulliez family is also the main shareholder of the fashion company Kiabi Europe and Pimkie, Auchan (hypermarket chain), Leroy Merlin (home improvement and gardening) and Boulanger (electronic stores).

8 Some other groups have also been excluded due to their 2021 annual reports not being available at end September 2022. For istance: C&A Mode (DE), Kiabi Europe (FR), Mango MNG Holding SAU (ES) and Tendam Retail (ES).

2 *ESG corner: 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.

Sustainability is a real concern. The whole fashion industry has to change, and it has to become circular. The starting point is the mindset that people, together with the brands, have to think about that they want to have an environment that lasts forever. Fashion companies in Europe are in the forefront of sustainability. European companies have an advantage for how they work with sustainable materials, how they work with the consumer and how they think circularity. And the last one, is also the closeness to the European market, so it can also keep transportation down, if they sell in the European market.

With regards to circularity, the value of the second-hand luxury goods market has reached USD100-120bn[9], represents 3% to 5% of the global fashion market and could expand to 40% in the coming years. The trend is driven by Gen-Z consumers. The resale market represents a vast opportunity for brands also considering that in addition to expanding the potential customer base, it also gives potential to support the sales of new collections.

Currently some 94% of the 78 leading global fashion operators considered in the panel have a section in their website on all areas of sustainability (economic, environmental and social). The percentages decrease if we consider the presence of specific reporting: in 2021, 83% of the fashion companies compiled a Sustainability Report, also known as a Social Responsibility Report or Non-Financial Statement. The European firms make greater use of specific sustainability reporting than the US ones do (89% vs 71%). For most of the companies this report is an independent document, for others it is added to the Annual Report as a separate section, along with the financial data. **The disclosure of sustainability data is much more widespread among listed companies than non listed ones.**

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).[10] 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.

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, 39% of the total employees are under 30 years of age, 50% are aged between 30 and 50, and the other 11% are over 50. Companies based in United States have the highest rate of employees below 30 years old (55%), and the lowest rate for those aged between 30 and 50 (39%); the other 6% are over 50. If we take the subset of European groups, the composition by age is basically the same as the average one, with German companies having a higher-than-average rate of

9 Research by BCG and Vestiaire Collective, based on a study on thousands of luxury consumers (October 2022).
10 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.

employees below 30 years old (41%) and Italian companies recording higher-than-average rate of employees for those aged between 30 and 50 (52%) and over 50 (16%). Japanes companies have the lowest rate of employees below 30 years old (14%) and Chinese groups have the lowest rate of employees over 50 years old (5%). Others employee indicators reported are: the average rate of employees with part-time contracts (33%), lower in Europe (22%) than in U.S. (50%) with Italy having the lowest (8%), and the average percentage of permanent workers (83%, Europe: 85%, U.S.: 79%).

Companies' main geographical area	Employees: years of age (on total)			Part-time contracts (on total)
	Under 30	Between 30 and 50	Over 50	
EU, of whom:	37%	51%	12%	22%
DE	41%	49%	10%	26%
FR	37%	51%	12%	9%
GB	n.a.	n.a.	n.a.	n.a.
IT	32%	52%	16%	8%
CN	26%	69%	5%	0%
JP	14%	54%	32%	n.a.
US	55%	39%	6%	50%
Total	39%	50%	11%	33%

With reference to the issue of diversity in the workforce and **governance**, for the largest global fashion groups, women on average account for 64% of the total, while the number of women employed in management positions declines to 44% and those represented on the Boards of Directors reduces further to 33%. With regard to management positions French companies has the higest women percentage (51%), while the Chinese groups report the highest number of women out of the total number of employees (76%). If we focus on Board positions only, there is a significant difference between geographical areas: women account for 38% of the total in companies based in the United States, and 33% 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 (49% and 36% of the total respectively), but lower than average for the German and Italian firms (29% and 28% 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.

Companies' main geographical area	Women (on total)		
	Total workforce	Management positions	Board
EU, of whom:	65%	46%	33%
DE	58%	35%	29%
FR	69%	51%	49%
GB	54%	45%	36%
IT	68%	47%	28%
CN	76%	n.a.	n.a.
JP	46%	21%	12%
US	66%	47%	38%
Total	64%	44%	33%

With regard to climate and **environmental** issues, the most important topics regard emissions, energy, waste and water: between 2020 and 2021 positive results were achieved in all these areas except for water consumption.

On average, the normalized CO^2 emissions[11] (tons of CO^2 equivalent per million euros of revenues) by these large groups decreased by 28% between 2020 and 2021: the European companies, with a reduction of 38%, outperforming the US ones (down 19%).
On average, the waste produced (tons per million euros of revenues) by the fashion large groups decreased by 17% between 2020 and 2021. In this case, the US companies, with a 19% reduction, performed better than European ones, whose waste production decreased by 7%.
In connection with the waste produced there is waste recovered. On average, waste recycling rate increased from 67.1% in 2020 to 70.4% in 2021. The rate doesn't differ so much between gepographical areas: 69.2% for European companies and 71.8 % for US groups.
Worse news emerges with regard to water consumption (m^3 of water per million euros of revenues): on average, water consumption increased by 5% between 2020 and 2021, but only European groups reduced their consumption of water (by 11%), instead US ones increased it (by 12%).[12]
European companies outperform with regard to use of electricity from renewable sources, increasing from 62.3% in 2020 to 68.6% in 2021. For their US counterparts, 50.3% of the electricity used in 2021 came from renewable sources (14.1 percentage points higher than in 2020). On average the leading global fashion groups worldwide increased their share of renewable electricity from 51.3% in 2020 to 59.3% in 2021 (up 8.0 percentage points).

	Water consumption: m^3 of water per million euros of revenues	**Waste:** tons per million euros of revenues	**CO^2 emissions:** tons of CO^2 equivalent per million euros of revenues
2020	328	2.9	1,654
2021	346	2.4	1,194
Change 2021/2020	**+5%**	**-17%**	**-28%**
of whom:			
EU companies	-11%	-7%	-38%
US companies	+12%	-19%	-19%

	Waste recycled: % on total	**Share of renewable electricity:** % on total
2020	67.1	51.3
2021	70.4	59.3
Change 2021/2020	**3.3 p.p.**	**8.0 p.p.**
EU companies in 2021	69.2	68.6
US companies in 2021	71.8	50.3

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 important decisions to raise their "green" effort, and their success affords grounds for optimism.

Fashion is the sixth most-polluting industry globally.[13] The most polluting industries based on annual GHG-Greenhouse Gases emissions as follows: energy, transport, manufacturing & construction, agriculture, food retail, fashion, and technology. The global fashion industry produced around 2.1 billion tons of GHG-Greenhouse Gases emissions in 2018, equal to 4% of the global total. This is equivalent to the combined annual GHG emissions of France, Germany and the United Kingdom. More specifically the fashion industry consumes chip raw material,

11 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.
12 Simple average are calculated on the companies that provide the related data: 74% of total net sales as far as CO^2 emissions, and 61% of total net sales as far as waste production and water consumption.
13 Eco Experts report (October 2022).

uses toxic dyes, has heavy water consumption, produces highly polluting microplastics when treating polyester, and its Asian manufacturing implies reliance on fossil-fuels.[14]

The GlobalData's Thematic Research (September, 2022) ranks companies on a scale of one to five based on their likelihood to tackle challenges like ESG and emerge as long-term winners of the fashion and accessories sector. The ranking regards the period from August 2021 to July 2022 and the features evaluated are the number of jobs involved in ESG and the number of patents. Nike placed first, with 764 jobs and 713 patents, followed by LVMH which has 2,370 jobs and 9 patents and the third place is occupied by Kering.

14 Fashion on climate, Report authored by McKinsey & Company in partnership with Global Fashion Agenda (GFA), 2020.

3 *Global players*

It should be noted that regardless of the country in which the parent company has its head offices, the 78 groups are fully **global operators in terms of work force, sales, supply chain and production**. On average 62% of their **work force** is spread worldwide, while 38% of the employees work in the country where the parent company has its head offices in 2021, percentage up +7 p.p. on 2019. It's interesting to notice also that home country employees have increased over the last three years 2019-2021 (+52%), while the total number of workforce declined (-1%): a sign that fashion global operators are moving towards a greater attention to their home country employment.[15] Furthermore, vertical integration processes have recently been noted (acquisition of strategic suppliers), especially for groups that manufacture inhouse in order to strengthen the control over the supply chain.

	Workforce employed		
	Home country	Abroad	Total
2019	31%	69%	100%
2020	35%	65%	100%
2021	38%	62%	100%
Var 2021/2020	*+52%*	*-22%*	*-1%*

Indeed, with reference to **production,** 54% of these global groups 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 selected external laboratories. The other 46% 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). Another definition for this type of company could also be ideas' factory. The role of the supply chain is evident in both cases.

This different strategic choice is reflected in the **type of workforce** which, for no-factory companies is on average structured as follows: 0% employed in production, 83% in stores&logistics (marketing/retail/sales) and 17% in administration and general units. On the opposite end of the spectrum the companies manufacturing inhouse have on average 33% employed in production, 45% in stores&logistics (marketing/retail/sales) and 22% in administration and general units.

Type of companies	Workforce employed		
	Production	Stores& logistics	Administration
No-factory / ideas' factory	-	83%	17%
Manufacture inhouse	33%	45%	22%
Total	**17%**	**64%**	**19%**

For the globalized groups, **the supply chain extends worldwide**: on average, 62% of the suppliers are located in Asia,[16] 29% in Europe, 7% in Americas and the other 2% 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 Europe, 44% in Asia, 2% in Americas and the other 2% in the rest of the world. As for the North American companies, the supply chain is more concentrated in

15 The increase of home country employees is mainly attributable to administration units and marketing offices, and secondly to manufacturing facilities (reshoring): as analyzed in the continuation of this chapter, on average only 17% of these global groups' workforce is employed in production.

16 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, Puma's and Crocs' suppliers are based in Asia).

Asia: on average, 76% of the suppliers are located in Asia, 17% in Americas, 5% in Europe, and the other 2% in the rest of the world. Global fashion operators therefore follow a proximity strategy: beyond the Asian production, the European groups concentrate their suppliers in Europe, while the North American ones in the Americas.

Companies' geographical area	Supply chain distribution			
	Americas	Asia	Europe	Rest of the world
Europe	2%	44%	52%	2%
North America	17%	76%	5%	2%
Total	7%	62%	29%	2%

On average 33% 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.[17]

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 the highest diversification in terms of sales at global level: 39% of their net sales are in Europe, 32% in Asia and Oceania, 23% in North America, and 6% in other areas (Latin America and Africa). Compared to 2019, the share of sales in North America increased in 2021 (by 2 p.p.) and in Asia increased (by 1 p.p.), especially at the expense of those in Europe, a clear effect of the shift in purchasing power to US and China as a result of lower tourism traffic in Europe. The US firms are the most focused on their own domestic market, with North America accounting for 69% of their total net sales (up 2 p.p. on 2019), followed by Europe (17% as in 2019), and Asia and Oceania (11%, down 2 p.p. on 2019). The Asian fashion groups are in the middle, with their home market accounting for 46%, followed by North America (27%) and Europe (20%). So, in terms of large geographical areas (i.e. Europe, North America and Asia/Oceania), sales to non-domestic markets account for 61% of sales by European multinationals, only 31% by North American firms, and 54% by Asian groups. 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 customers, 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 reduced, it is important to be able to sell to them in their own market directly. A breakdown of sales by customer location is shown in the following table.

17 Of the groups that report figures in this area, the highest percentages were for Kering and Prada (which said that 84% of their suppliers are located in Italy). The high percentages reported by Kering and Prada are also influenced by the high quality levels associated with "made in Italy" in top-end leatherwear, as recognized worldwide. Chanel, LVMH and Hermès have a strong presence in Italy too: it's estimated to be around 35%.

Companies' geographical area	Customer location (on total sales)							
	2019				2021			
	Europe	North America	Asia and Oceania	Other areas	Europe	North America	Asia and Oceania	Other areas
Europe	42%	21%	31%	6%	39%	23%	32%	6%
North America	17%	67%	13%	3%	17%	69%	11%	3%
Asia	20%	26%	47%	7%	20%	27%	46%	7%

As for European companies, an average of 87.1% of sales in 2021 is generated outside the respective country of origin. French groups are the most geared towards international markets (92.9% non-domestic sales), followed by German companies (88.5%), Italian firms (86.5%), and companies based in the United Kingdom, whose share of non-domestic markets is just above half of the total (52.9%). Compared to 2019, sales generated by companies based in Europe outside their respective countries of origin rose from 86.3% in 2019 to 87.1% in 2021, with French and English groups that increased more this share.

Companies' geographical area	Non-domestic sales* on total sales		
	2019	2021	Change 2019-2021 (p.p.)
EU, of whom:	86.3%	87.1%	+0.8
DE	89.6%	88.5%	-1.1
FR	90.3%	92.9%	+2.6
GB	50.5%	52.9%	+2.4
IT	85.1%	86.5%	+1.4

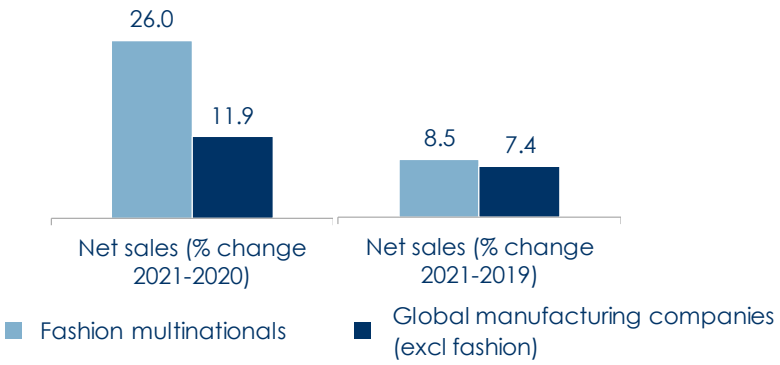
* Exports from home country plus sales by foreign subsidiaries outside home country.

These fashion groups are fully global operators also in terms of **retail network,** spread out all over the world. Stores can be Direct-to-Consumer (DTC) or franchise. Both of them allow companies to connect directly with their consumers and bring them the best experience of the brand. Despite e-commerce accelerated as a result of the Covid-19 pandemic, many of the companies 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. As for retail network, fashion groups slightly increased their number of stores globally in 2021 (+0.7% on 2020), with different dynamics in terms of geographical areas: -1.9% in Europe, -1.6% in North America, but +4.2% in Asia.

As for **ownership**, 39 companies out of 78 are family-run businesses and the other 39 public companies. 69 out of 78 are listed companies and produced 94% of the aggregate turnover in 2021.

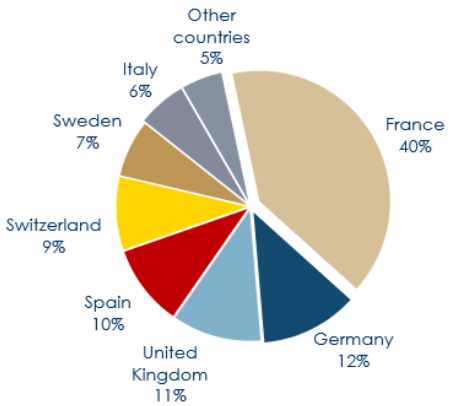
4 An overview of 2019-2021 results

Following the 2020-year like no other, 2021 is the rebound year with a V-shaped recovery: the 78 leading global fashion groups reported aggregate **revenues** of €497bn, up 26.0% on 2020, and exceeded pre-pandemic levels (up 8.5% on 2019).[18] It is worth noting that the fashion industry saw a larger increase in net sales than the rest of global manufacturing companies in 2021 (up 11.9% on 2020). The same phenomenon is recognizable if we look 2021 on 2019: fashion companies exceeded the pre-covid levels more than the rest of the manufacturing groups (by 7.4%). This rebound also occurred because the fashion industry suffered more than the others sectors in the year of the pandemic.



More than half of their aggregate revenues (57%) are generated by European fashion 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 (33%), Asia (9%) and Africa (1%). **Italy**, with nine fashion groups, is the most represented European country (see Chapter 1).[19] Conversely, in terms of revenues, **France** is comfortably the leader, accounting for 40% of European net sales in 2021, followed by Germany (12%), the United Kingdom (11%) and Spain (10%). The nine Italian companies' aggregate share of the European net sales is 6% in 2021. Italian fashion companies reflect creativity, entrepreneurship and the uniqueness of their country: compared to the French ones, they are more in number, but smaller in size.

Breakdown of European fashion multinationals revenues



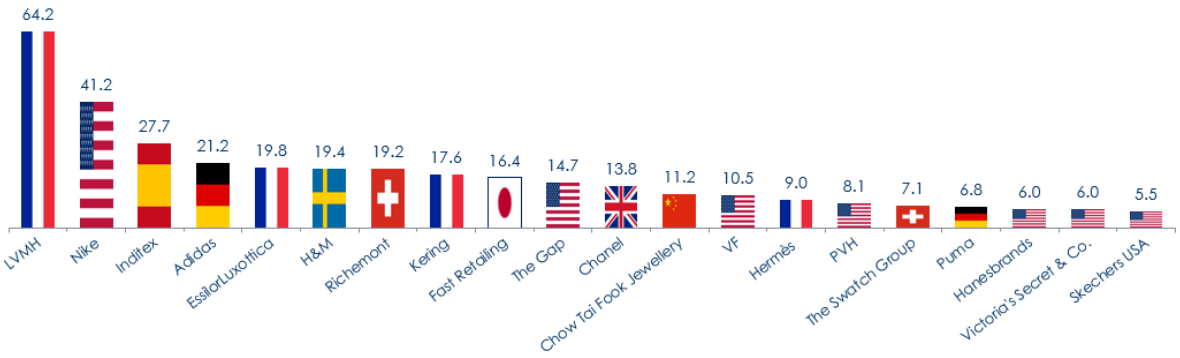
18 Constant exchange rates. The revenues' changes are calculated in a comparable way.
19 Ermenegildo Zegna N.V. is considered Dutch and not Italian since December 2021 when it transferred its legal seat from Italy to the Netherlands.

The **geographic location** of the group's net sales generally reflects the country from which its products were sold, and does not necessarily indicate the country where its end consumers were actually located. In 2021, the largest increase in revenues in the fashion industry by macro geographical area occurred in North America (up 36% on 2020), followed by Europe (up 30%), Asia (up 22%) and Latin America (up 20%). In 2020 Asia was the geographic area least impacted by the pandemic also because lower tourism traffic caused by the pandemic meant that the Chinese centralized their purchases at home and not elsewhere. The scenario changed in 2021 when the best performing area was North America. Compared to 2019, all the main markets exceeded the pre-covid levels: North America by 10%, Asia by 8% and Europe by almost 2%.

Regarding the types of sales, e-commerce proved to be the main driver of the sector's resilience during the lockdown phases in particular. The shift in consumers' shopping behaviour towards e-commerce channels accelerated as a result of the Covid-19 pandemic, and remained in 2021. Fashion groups reinforced their omni-channel strategy which is an essential aspect in this industry: e-commerce is now fully integrated with store network. In 2021 the **online** contributed to the growth as it reported a double-digit increase, and it was pretty stable as a percentage of total, accounting for 28% of net sales (higher for North American companies than European ones) like in 2020.

Of the leading groups, French giant LVMH confirms its position as the outright leader by size in 2021 (with sales of €64.2bn); it is widely diversified across the following divisions: Fashion & Leather €30.9bn, Watches & Jewellery €9.0bn, Perfumes & Cosmetics €6.6bn, Wines & Spirits €6.0bn, and the remainder mainly distribution. Behind are Nike, based in United States (€41.2bn), Spanish group Inditex (€27.7bn), German company Adidas (€21.2bn), EssilorLuxottica (€19.8bn), H&M of Sweden (€19.4bn), the Swiss group Richemont (€19.1bn), the French company Kering (€17.6bn, of which €9.7bn Gucci, €2.5bn Yves Saint Laurent, €1.5bn Bottega Veneta), the Japanese Fast Retailing (€16.4bn), and US-based The Gap (€14.7bn). Prada (€3.4bn), the highest-ranking of the Italian operators, came in 33rd (38th in 2020), followed by Calzedonia Holding (46th), Moncler (52nd) and Giorgio Armani (54th).

Revenues 2021 (€bn)- First 20 fashion global operators

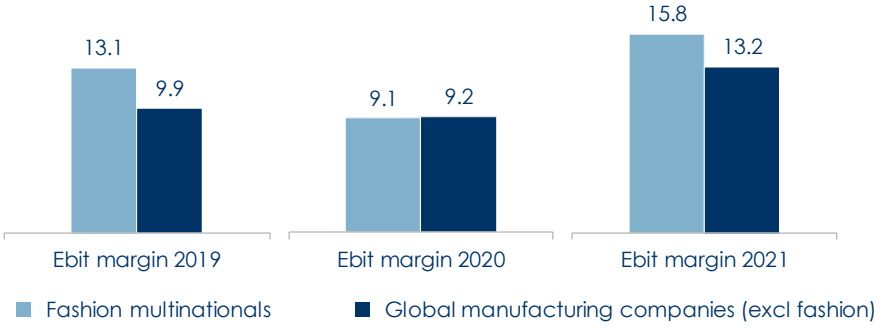


The change in revenues in 2021 vs pre-pandemic levels (2019) saw the UK-based Farfetch in first place (up 90.5%[20]), followed by US footwear company Crocs (up 87.9%), Chinese Chow Tai Fook Jewellery (up 74.3%), the UK-based Boohoo (up 60.5%), US footwear companies lululemon athletica (up 57.2%) and Deckers Outdoor (up 47.7%), the UK-based Asos (up 43.0%) and the Polish LPP (41.8%). Farftech, Boohoo and Asos are the youngest companies in the panel, founded respectively in 2007, 2006 and 2000 (followed by Crocs, 1999), and they operate via their own websites. No companies closed 2021 with a drop in sales compared to 2020.

20 Comparable change.

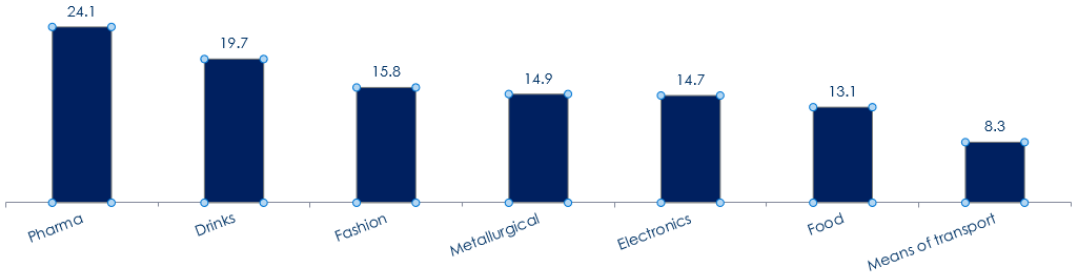
The percentage of turnover accounted for by **R&D expenses** has increased (up 6% on 2020), settling at 1% on average in 2021.

The aggregate **Ebit margin** of the fashion industry reached a new record in 2021 at 15.8% (up 6.7 p.p. on 2020 and up 2.7 p.p. on 2019), 2.6 p.p. higher than that of the rest of manufacturing multinationals. In the last months of 2021 some fashion companies started raising final prices of their products and this strategy intensified in 2022.



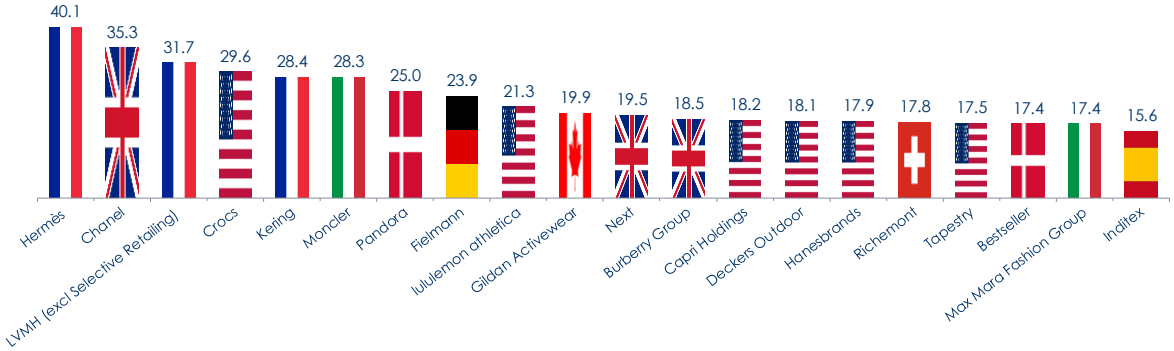
The fashion sector remains one of the most profitable in manufacturing area: it ranks third after pharma (24.1%) and drinks (19.7%) in 2021.

Ebit margin 2021



In 2021 Hermès still ranked first by Ebit margin (40.1%; 34.4% in 2019), followed by Chanel (35.3%; 28.9% in 2019), LVMH-excl Selective Retailing (31.7%; 26.0% in 2019), Crocs (29.6%; 10.4% in 2019), Kering (28.4%; 30.1% in 2019) and Moncler (28.3%; 30.2% in 2019), the highest-ranking of the Italian operators.

Ebit margin 2021 - First 20 fashion global operators



The European companies remained more profitable than those based in the United States (Ebit margin of 18.6% in 2021 for the former, 12.9% for the latter).

Due to the impact of the Covid-19 pandemic, the 78 leading global fashion groups recognized an increase in non-cash **impairment** of goodwill and other intangible assets, operating lease right-of-use assets, and property, plant and equipment. In 2020 impairment of goodwill was almost six times higher on 2019 (reaching €2.0bn at year-end 2020) and the other writedowns and extraordinary items more than doubled and reached €8.4bn at year-end 2020. In 2021 the situation from this point of view normalized and the impairment of goodwill was aligned with that of 2019. Extraordinary items are positive reaching €0.6bn at year-end 2021.

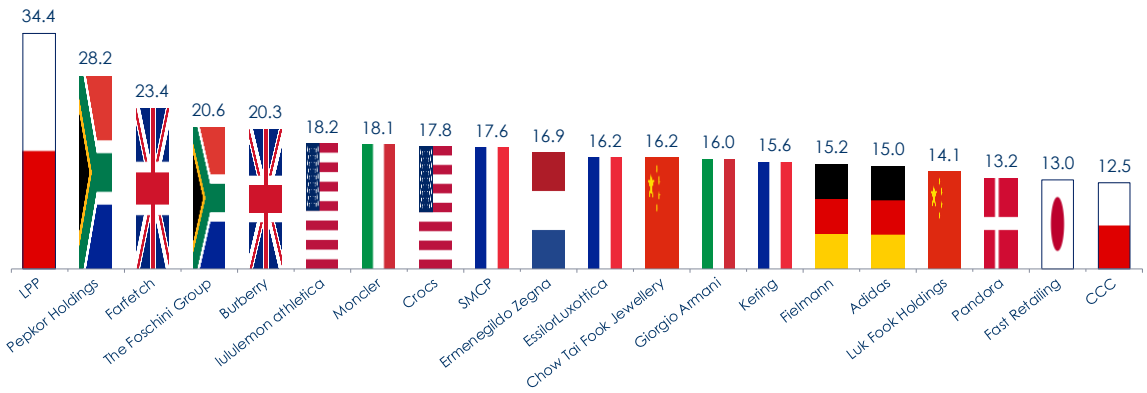
Consequently, in 2021 **pre-tax profit** increased three times on 2020, as did the tax revenue paid by the fashion companies in 2021 (€16.4bn, compared to €7.0bn paid in 2020), despite a decrease in the average **tax rate** (from 26.6% in 2019 to 32.7% in 2020 and 21.6% in 2021).

The cumulative **net profits** in the last three years amount to €108.7bn, €58.0bn of which in 2021, up 57.0% on 2019, and far from the lowest recorded in 2020 (€13.9bn).

In 2022, the fashion companies distributed €21.1bn of **dividends,** aligned on pre-pandemic levels (down 0,6%), and double of those distributed the previous year (up 99.1%). Only the European groups exceeded the pre-pandemic levels in shareholder remuneration (+3.3%). The rest of the manufacturing multinationals also increased dividends distributed in 2022, but the rise was lower (up 16.4%).

The aggregate **investments** increased in 2021 (€26.7bn), but still below pre-pandemic levels: up 20.6% on 2020 and down 5.9% on 2019. Only the Asian fashion groups invested more intensively than in 2019 (up 22.7%), while the European players down 6.0% and the North American ones drop three times more (down 22.6%). On the contrary, the rest of manufacturing multinationals increased investments both on 2020 (+10.7%) and 2019 (+6.6%). The aggregate **investment rate**[21] was 9.7% in 2021. Among the Italian groups investing the most, Moncler was in seventh position and Giorgio Armani in thirteenth, the Italian brand Zegna came in tenth.

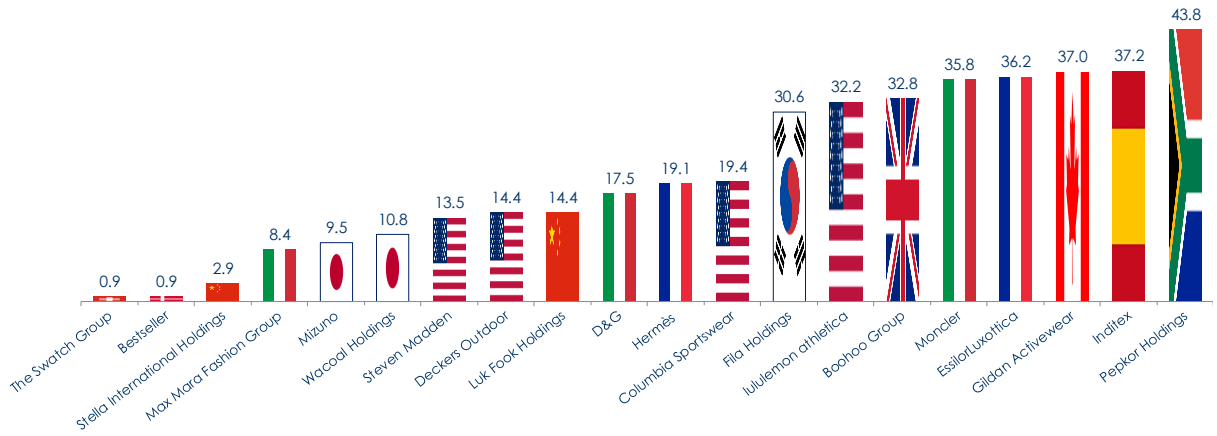
Investment rate 2021– The first 20 fashion global operators



At year-end 2021, the aggregate **borrowings** of fashion companies amounted to €196.5bn, down 4.7% on 2020 (up 17.4% on 2019). The decrease on 2020 is higher than the average recorded by the rest of manufacturing multinationals (down 2.2%). The fashion companies are more capitalized than the rest of manufacturing multinationals: in 2021 the leverage ratio[22] was 68.3% (down from 81.5% in 2020) vs 88.0% (down from 102.6% in 2020). The European companies are better capitalized than those based in the United States (leverage ratio: 59.7% vs 106.9%).

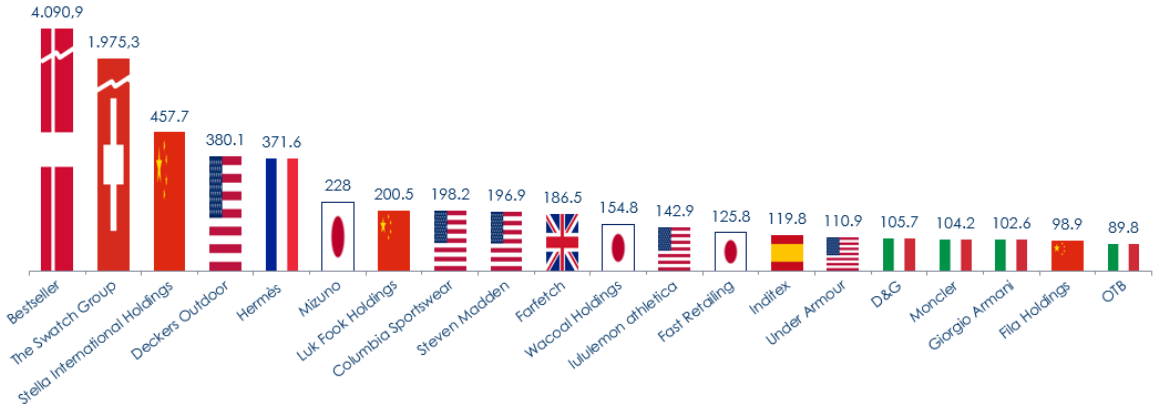
21 Material investments (in t) as % of gross tangible fixed assets (in t-1).
22 Borrowings as % of net equity.

Leverage ratio 2021 – The better capitalized 20 fashion global operators



At year-end 2021, the aggregate **cash and cash equivalents** held by fashion companies amounted to €104.5bn, down 11.8% on 2020 (up 41.6% on 2019). The rest of manufacturing multinationals increased its cash pile (up 0.1% on 2020 and up 20.0% on 2019). The fashion companies are more liquid than the rest of manufacturing multinationals: cash as a percentage of borrowings in 2021: 53.2% vs 30.9%. The more liquid groups could potentially be the first players in M&A operations.

Cash as a percentage of borrowings 2021– The more liquid 20 fashion global operators



In 2021, the 78 global fashion operators created **jobs for almost 2,162,000 people**, some 119,500 more than in 2020 (up 5.9%), but still almost 30,700 less than in 2019 (-1,4%). The European groups distinguished themselves by increasing their workforce by 3.4% in 2021 on 2019, while the firms based in US reduced their headcount by 8.1%.

Buyback programs intensified: after a sharp decrease in 2020 there is a substantial recovery in 2021, six times more intense compared to 2020 and +31.6% on 2019. North American companies show a particularly high value for treasury share buybacks: in 2021 they concentrate 71% of the global fashion companies' purchases of shares and, over the 2019-2021 period, they accumulated an amount of €18.0bn, half of which in 2021. European companies recorded lower amounts of buybacks, with a sale of their own shares totaling €6.3bn in 2019-2021, but the increase on 2019 is up 51.7% vs 26.8% for North American ones. The amount spent on share buybacks by European and North American multinationals reached their highs in 2021. The share buybacks are generally made in order to support share offerings made on the stock market, increase earnings per share, and reduce the degree of capitalization (calculated excluding own shares), and hence also the weighted average cost of capital.

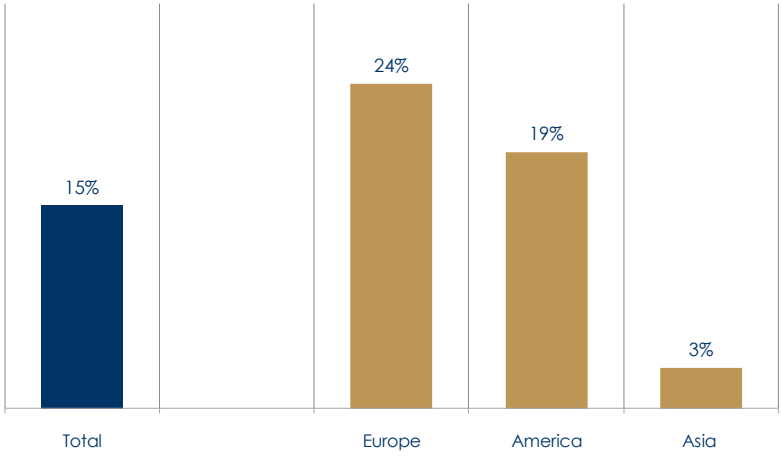
	Share buybacks[1] (EUR million)		
	Global fashion operators	European fashion operators	North American fashion operators
2019	9,576	2,385	7,042
2020	2,187	302	1,852
2021	12,601	3,617	8,931
Total	**24,364**	**6,304**	**17,825**
Change 2021/2019	**31.6%**	**51.7%**	**26.8%**

[1]Net of treasury shares sold.

5 First six months 2022

Fashion multinationals registered an increase in **net sales in first six months 2022 (up 15% on six months 2021)**. The performance was positive across all geographies, with all regions reporting a double-digit increase except Asia which turned single-digit positive. The revenues consisting of the following rises by geographical area of destination: +24% in Europe (the outstanding performance in this area reflects strong growth from domestic sales and tourist flows in 2Q 2022), +19% in America, and +3% in Asia affected by restrictions in China. In a period of heightened macro uncertainty, fashion industry delivered strong sales in the first half of 2022, sustaining last year's topline momentum; solid performances in retail around the world more than offset the impact of Covid-related measures in China in the second quarter.

Net sales 6m 2022vs2021 by geographical area (end-market) - Fashion multinationals



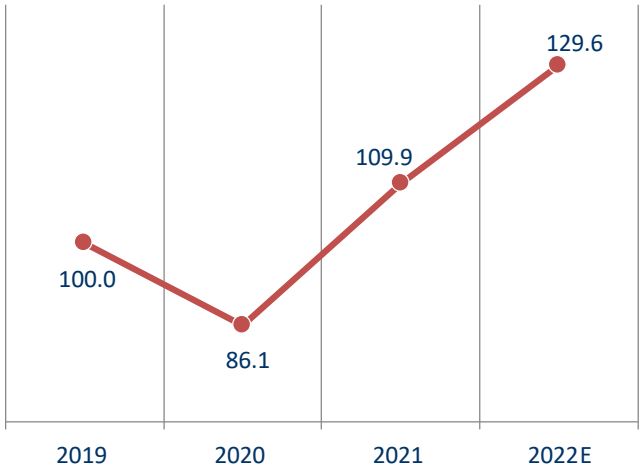
Margins increased at a lower rate than revenues in the first six months of 2022 (up 14%), and the Ebit margin lost almost one p.p. (at 14.1% from 15.0%).

6 Outlook 2022

The results for the entire 2022 provide a general guidance of double-digit sales growth vs. 2021: in these days, the companies are releasing the first official nine months 2022 numbers, which seem to suggest **a double-digit increase of around 18% in net sales in 9M2022/2021** as reported, and **up 15% on a comparable basis**. The overall business performance is positive across geographical regions. Europe register strong results thanks to a healthy domestic demand, but also a robust upturn in international tourism during summer (especially Americans). US is driven by a good growth in retail sales. The up performance in Asia reflects the good sales trend in Japan and Korea and less positive China, due to Covid restrictions and limited tourist flows. But the potential of the region is unchanged: as soon as lockdowns are lifted, there is a strong pick-up for the more desirable brands.

Despite the current macroeconomic context, the high-end luxury demand remains solid and has not been impacted by the macro environment so far. Some fashion groups continue to open new retail stores, especially in Asia.

Net sales index number 2019=100.0 - Fashion multinationals



In the first nine months 2022 many fashion companies implemented bigger-than-usual **price adjustments** (up 6% on average) for most of their products, reflecting the higher cost of raw materials, precious metals, production and logistic that characterized these months. The price adjustments took into consideration currency moves too. As a result, prices went up more strongly in Japan and in Europe, while prices in dollars faced smaller increases. Managing prices remains the main challenge for companies, mainly because of raw materials and labour costs increase.

Innovation and sustainability will be the key drivers of growth for the fashion sector in the next years, and according to estimates by 2025 one/fifth products will be bought by gen-Z customers (the shift in the paradigms of consumption has speeded up the changes in young customers' preferences of demand to buy sustainable products), and hence it becomes essential exploit the new touchpoints without forgetting the "touch and feel" experience in an omni-channel context .

The fashion multinationals can generally count of strong fundamentals, and this is useful to support the integrity of their own brands and reorganize their sales network strategically (devoting particular attention to the stores located in China, in order to attract Chinese customers on their home territory). China remains a focus of interest for the fashion sector: by 2025 it will arrive at represent 50% of sales of the personal luxury goods market.

It is estimated a growth in the number of M&A deals in the next months, especially in the category of apparel and accessories.

7 *Brief profiles of global fashion companies*

These **78 global operators are sorted by 2021 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 over 70 brands. The company is listed in Paris, and the major shareholder is the Arnault family through Christian Dior. On 7 January 2021, LVMH acquired 100% of the shares of Tiffany & Co. (US) which was delisted.[23] In February 2021, L Catterton, the private equity firm backed by luxury French fashion house LVMH, bought the majority stake in family-owned German sandal maker Birkenstock, founded in 1774 in Langen-Bergheim (DE) by Johann Adam Birkenstock. On 1 September 2021, LVMH acquired an additional 25% stake in Off- White LLC, bringing its ownership interest to 60%. Off-White LLC owns the Off-White fashion brand founded by Virgil Abloh.

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 399 factories (as of 31 May 2022) – 120 footwear factories and 279 apparel factories – owned by third parties mainly in China, Vietnam, Cambodia and Indonesia. For fiscal year 2022, contract factories in Vietnam manufactured approximately 40% total Nike brand footwear. 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 and in August 2021 sold it to ABG-Authentic Brands Group (US). Adidas' production is mostly provided by suppliers. Adidas is listed in Frankfurt and is a public company.

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23 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 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.

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 (with Artemis) who owns 32,5% (of which 4,1% through Kering).

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 Italian Stock Exchange on 5 March 2019. EssilorLuxottica's majority share is owned by the Del Vecchio family (Leonardo Del Vecchio, the president of EssilorLuxottica, died in Milan on 27 June 2022) 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).

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.

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.

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 1991. In 1999 it entered the luxury goods sector, with the acquisition of 42% of Gucci (increased to 100% in the following years). Later it acquired Yves Saint Laurent in 1999, Boucheron in 2000 and Bottega Veneta and Balenciaga in 2001, followed by the acquisitions of Girard-Perregaux (in 2011), Brioni (in 2012) and Pomellato (in 2013). On January 24, 2022, Kering sold its entire stake (100%) in Sowind Group SA, which owns the Swiss watch manufacturers Girard-Perregaux and Ulysse Nardin, to its current management. Listed in Paris, its main shareholder is the Pinault family. On March 2022 Kering Group acquired the US sunglasses brand Masui Jim.

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 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.

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 in 2021 its products are manufactured by around 250 suppliers in the world, with 33% of its products coming from factories in Vietnam and 16% from Indonesia. 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 2021 The Gap closed down its directly operated branches in Europe, where it maintained a presence through franchise partnerships (OVS in Italy). The Gap is listed on the NYSE-New York Stock Exchange and is a public company.

Chanel (GB): 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.

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, following by Lao Feng Xiang (whose exports, however, are below 10% of its net sales). The company is listed in Hong Kong and the main shareholder is the Cheng Yu Tung family.

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.

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 manufactorer 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.

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.

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.

Victoria's Secret & Co. (US): on 2 August 2021 L Brands (now Bath & Body Works)[24] completed the separation of the Victoria's Secret business into an independent, public company through a spin-off to L Brands shareholders. The new company, named Victoria's Secret & Co., does not manufacture directly, it designs women's intimate and other apparel and beauty products marketed under the Victoria's Secret and PINK brand names. It is listed on NYSE-New York Stock Exchange.

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**[25] had a firm grip on the women's athletic

24 L Brands, which was founded in 1963 in Columbus, Ohio, has evolved over time from an apparel-based specialty retailer to a segment leader focused on home fragrance, body care products and soaps and sanitizer products. In conjunction with the separation of the Victoria's Secret business on 2 August 2021 L Brands changed its name to Bath & Body Works. L Brands had 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.

25 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.

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.

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.

Next (GB): 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. In September 2020 Next acquired the majority stake in Victoria's Secret UK business from L Brands (now Bath & Body Works). Next is listed on the London Stock Exchange and is a public company.

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.

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.

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.

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.

Capri Holdings (US): established in 1981 by the designer Michael Kors as Michael Kors Holdings. 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.

Asos (GB): 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 October 2022.

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.

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 Holding 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 which consolidated its results.

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.

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** (UK) in October 2022.

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 strengthen its footwear division by acquiring UK shoemaker Church (founded in 1873, by Thomas Church). In 2021, Prada Group bought a 40% stake in Filati Biagioli Modesto, an Italian business specialized in the production of carded yarns (concurrently with Prada's acquisition, the Zegna Group also acquired a 40% stake in Filati Biagioli Modesto). It is listed in Hong Kong and the main shareholders are Patrizio Bertelli and the Prada family.

Burberry Group (GB): 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.

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.

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. It's listed in Copenhagen and is 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.

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.

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 (61% and 7% respectively).

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.[26] 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.

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. It is listed in Frankfurt and is a public company with 15% of the shares held by Marzotto family (through PFC s.r.l. and Zignago Holding).

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.[27] 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.

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 (she was called "One Tough Mother" and died in 2019). 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.

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26 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).

27 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.

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.

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.

Boohoo (GB): 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).

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.

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

Wolverine World Wide (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.

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 and in 2005 by Brands Partners, a clothing manufacturer and retailer owned by Ruffini Partecipazioni S.r.l.; Brands Partners changed their name to Moncler in 2007. In the following years the shareholder structure changed continuously, but Ruffini's share remained stable. In April 2021 Moncler acquired the Italian SPW – Sportswear Company (Stone Island brand, with an offering focused on sportswear and streetwear) for €1.15 bn paid in cash. Listed in Milan, Moncler's main shareholder is Remo Ruffini.

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.

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.

Farfetch (GB): founded in 2007 in London by Portuguese entrepreneur José Neves and launched in 2008, Farftech began as an e-commerce marketplace for luxury boutiques around the world and now operates in three segments: digital platform, brand platform and in-store. In-store division includes New Guards' and Stadium Goods directly-operated stores, following their acquisition in 2019. The majority of the Italian New Guards' existing brands, including its largest brands, *Off-White* and *Palm Angels*, are focused on luxury streetwear. In September

2018, Farfetch went public and listed on the New York Stock Exchange (NYSE). Its ultimate controlling party is Mr. Neves by virtue of holding the majority of voting rights (72%). On October 2021, Farfetch launched its in-house fashion brand, *There Was One*. In April 2022, Farfetch acquired Wannaby Inc., a startup which developed technology allowing users to virtually try on shoes, accessories and cosmetics.[28]

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.

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.

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 Delta Galil'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).

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 one of the largest pure-play children's specialty apparel company in North America. It was listed on NASDAQ in 1997 and 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 a family-run business whose shares are listed on the Frankfurt stock market.

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

28 In August 2022, Ferragamo and Farfetch announced a global strategic partnership. The commercial deal will see the two companies engage in an integrated partnership that will allow Ferragamo to boost its digital innovation capabilities by leveraging the full breadth of Farfetch's platform. Through this partnership, Ferragamo will strengthen its presence on the Farfetch Marketplace and will utilize Farfetch's Media Solutions to deliver engaging digital experiences for a younger and global audience. In addition, Ferragamo will reinforce its omni-channel retail strategy through the integration of its e-commerce using Farfetch Platform Solutions, while also exploring Farfetch Future Retail innovations.

(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 largest shareholder.

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.

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 1994 the company acquired Marlboro Leather, a marketer of finished leather to manufacturers of shoes, apparel, and accessories, and in 1996 it acquired the David Aaron brand for older, more sophisticated, career- and fashion-oriented women. In 2000 the founder was imprisoned for financial misconduct; he pleaded not guilty and 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". In 2002 Steve Madden's company was named most preferred footwear brand among teenagers nationwide, behind Nike; Madden remained the second most preferred brand by teens through until 2009. Steven Madden's history is a clear indicator that businesses can survive even at their worst point. Steve Madden persisted despite the setbacks during the years when its owner was in prison, and this persistence has been rewarded as the years have gone by. The company was listed on NASDAQ in 1993 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.

OTB (IT): OTB is the Rosso family's industrial activities' holding company. Renzo Rosso began working in textiles in 1976, when he started working for Genius Group set up by Adriano Goldschmied, of which he became a partner in 1978 (the year he created the "Diesel" brand), and which he left in 1985 to set up Diesel. The early 1990s was a period of international expansion, and the first single-brand stores were opened in New York, Rome, and London in 1996. Diesel acquired Staff International in 2000, and in December 2002 Only The Brave S.r.l. acquired control over Diesel itself. In 2002 Only The Brave S.r.l. took over and acquired the French company Neuf (the Maison Margiela brand owner); followed by Viktor&Rolf in 2008 and Marni Group in 2013. In February 2013, Only the Brave S.r.l. changed its corporate status to that of a limited company ("S.p.A."), changing its name to OTB. OTB acquired the Paula Cademartori brand in 2016, and Jil Sander in April 2021, from Onward Holdings Group. It has no major production sites. The Rosso family owns the company. OTB is generally regarded as a possible Italian luxury conglomerate to compete with French groups in the next future.

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 of the company's business is now conducted through mail internet sales.

Stella International Holdings (CN): founded in 1982 and based in Hong Kong, Stella International Holdings is an investment holding company principally engaged in the development, manufacture and sales of footwear and leather goods. It was listed on The Stock Exchange of Hong Kong in 2007 and is a public company. Its main plants are located in China, Bangladesh, Vietnam and Indonesia. Stella developed strong working relationships with, and has produced quality shoes for, many global brand names (world-leading sportswear and casual footwear brands, as well as leading brands in fashion footwear). By leveraging its manufacturing expertise, Stella launched its branding business in 2006 under own brands, Stella Luna and What For which have expanded into China and Europe's footwear retail markets.

Luk Fook Holdings (International) (CN): it was founded in 1991 by a group of jewellery specialists including Wai Sheung Wong, the actual Chairman, Chief Executive Officer and Executive Director of the Group, and his wife Chui Yee Luk. It was listed on the Hong Kong Stock Exchange in 1997. In 2003 it opened the first retail shop in Canada, in 2006 in United States, and in 2013 in Australia. The main shareholder is the Wong Luk family.

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 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.

Mizuno (JP): Rihachi Mizuno founded Mizuno Brothers in 1906 with his younger brother Rizo, in Osaka. In 1910 the name was changed to Mizuno Shop and production of sporting goods began in 1914. In 1942 the company name was changed definitively into Mizuno. During World War II, Mizuno manufactured military ordnance for Japan's war effort. In 1972 Mizuno was listed on the First Section of the Tokyo and Osaka Stock Exchanges. Production of Mizuno sportswear began in China in 1985, and in the United States in 1987. Mizuno manufactures directly and is a public company.

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, and in 2013 its name was changed to Onward Luxury Group, controlled by Onward Italia, the European subsidiary of the Japanese group; in December 2020 Onward Luxury Group was acquired by the Italian company Nemo srl, through a management buyout, and was rename Him Co. In April 2021, Jil Sander,[29] controlled by Onward Italia, was acquired by OTB. Onward Holdings is listed on the Tokyo Stock Exchange and is a public company.

Ermenegildo Zegna (NL): 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 in 1999, a controlling interest in Bonotto, a textile

29 Jil Sander was acquired by Onward Holdings from the private equity fund Change Capital Partners in 2008. The fund had in turn acquired Jil Sander in 2006 from Prada, which had bought it from the founding German stylist in 1999 (Jil Sander itself was founded in 1968).

manufacturing company, in 2016, a majority share of Dondi Group, a global leader in high-quality jersey fabrics made exclusively in Italy in 2019. In August 2018, Zegna Group acquired 85% share in Thom Browne (US) too. In 2021, it further strengthened its presence in the textiles business with the acquisition of a 60% stake in Tessitura Ubertino, an Italian business specialized in high-end fabrics for women, and a 40% stake in Filati Biagioli Modesto, another Italian business specialized in the production of carded yarns (concurrently with Zegna's acquisition, the Prada Group also acquired a 40% stake in Filati Biagioli Modesto). In December 2021, Ermenegildo Zegna converted into a Dutch public limited liability company and transferred its legal seat from Italy to the Netherlands, as a result of which Zegna assumed its current legal name Ermenegildo Zegna N.V. and started trading on the NYSE-New York Stock Exchange from 20 December 2021. The Zegna family continues to control the company with a stake of over 60%, Investindustrial has an 15% stake.

Kalyan Jewelers India (IN): originally formed as a sole proprietorship under the name of Kalyan Jewellers in 1993 by Mr. T. S. Kalyanaraman, the name of the company was further and definitively changed to Kalyan Jewellers India in 2016. It's one of the largest jewellery companies in India, and has an international presence in the Middle East. The company is engaged in design, manufacture and sell of a wide range of jewellery products across various price points. It was listed on Bombay Stock Exchange in 2021, and the main shareholder is the Kalyanaraman family.

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.

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.

ECCO (DK): ECCO was founded by Birte and Karl Toosbuy in 1963. Trained as a shoemaker, Karl Toosbuy dreamt of owning his own shoe factory and running his own business. The family therefore decided to give up the security of their regular jobs, sell their home, and move to Bredebro, in Southwest Denmark. ECCO has expanded steadily since 1963. Today ECCO factories are operated in six locations, two in Europe (Portugal and Slovakia) and four in Asia: first Asian-based shoe factory was established in Indonesia in 1990, followed by Thailand in 1993, China in 2005 and Vietnam in 2015. ECCO also owns and operates its own four tanneries which deliver leather not only for ECCO shoes and accessories, but also to some of the world's most iconic luxury brands. ECCO is the only major shoe manufacturer in the world to own and manage every step in the shoemaking process. ECCO is still owned by the Toosbuy family.

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.

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. GLAS (Global Loan Agency Services)[30] holds 25% of SMCP's voting rights, following the default of Shandong Ruyi.[31] SMCP is listed in Paris.

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

8 *Annex*

Table 1 – Profit and loss accounts of main global fashion companies (2019-2021)

	2019		2020		2021	
	EUR m		EUR m		EUR m	
Net sales	**452,393**	***100.0***	**389,691**	***100.0***	**496,981**	***100.0***
Purchases and sundry operating expense	...	...	...	...	...	...
Value added	...	...	...	...	...	...
Labour cost	...	...	...	...	...	...
Gross operating margin (EBITDA)	**86,731**	***19.2***	**66,020**	***16.9***	**109,182**	***22.0***
Depreciation and amortization	-27,371	*-6.1*	-30,453	*-7.8*	-30,531	-6.2
Net operating margin (EBIT)	**59,360**	***13.1***	**35,567**	***9.1***	**78,651**	***15.8***
Interest and financing charges	-3,696	*-0.8*	-4,196	*-1.0*	-3,865	*-0.8*
Interest received and other financial	387	*0.1*	428	*0.1*	392	*0.1*
Current pre-tax profit	**56,051**	***12.4***	**31,799**	***8.2***	**75,178**	***15.1***
Impairment of goodwill	-364	*-0.1*	-2,003	*-0.5*	-138	o
Extraordinary items	-3,876	*-0.8*	-8,426	-2.2	609	*0.1*
Net profit (loss) before tax	**51,811**	***11.5***	**21,370**	***5.5***	**75,649**	***15.2***
Taxation	-13,764	*-3.0*	-6,986	*-1.8*	-16,359	-3.3
Profit attributable to minorities	-1,135	*-0.3*	-526	*-0.1*	-1,333	*-0.2*
Net profit (loss) attributable to parent company	**36,912**	***8.2***	**13,858**	***3.6***	**57,957**	***11.7***
Number of employees	**2,192,455**		**2,042,243**		**2,161,773**	

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

Table 2 – Financial statements of main global fashion companies (2019-2021)

	2019		2020		2021	
	EUR m		EUR m		EUR m	
Cash and cash equivalents	73,780	13.2	118,453	19.7	104,498	16.0
Marketable securities	12,513	2.2	13,355	2.2	18,727	2.9
Other current assets	150,779	27.0	145,652	24.1	166,622	25.4
Current assets (a)	**237,072**	**42.4**	**277,460**	**46.0**	**289,847**	**44.3**
Gross tangible fixed assets	259,130	46.3	273,620	45.4	291,650	44.6
Accumulated depreciation	-100,879	-18.0	-112,340	-18.6	-125,337	-19.2
Net tangible fixed assets	**158,251**	**28.3**	**161,280**	**26.8**	**166,313**	**25.4**
Investments and other assets	32,966	5.9	35,681	5.9	41,235	6.3
Goodwill	67,493	12.1	65,817	10.9	83,792	12.8
Other intangibles assets	63,642	11.3	62,530	10.4	72,714	11.2
Non-current assets (b)	**322,352**	**57.6**	**325,308**	**54.0**	**364,054**	**55.7**
TOTAL ASSETS (a+b)	**559,424**	**100.0**	**602,768**	**100.0**	**653,901**	**100.0**
Short-term borrowings	39,193	7.0	46,587	7.7	45,021	6.9
Other current liabilities	94,620	16.9	96,871	16.1	121,138	18.5
Current liabilities (a)	**133,813**	**23.9**	**143,458**	**23.8**	**166,159**	**25.4**
Long-term borrowings	128,254	22.9	159,657	26.5	151,517	23.2
Other long-term liabilities	43,980	7.9	46,722	7.7	48,548	7.4
Non-current liabilities (b)	**172,234**	**30.8**	**206,379**	**34.2**	**200,065**	**30.6**
Shareholders' equity	248,396	44.4	248,232	41.2	281,800	43.1
Minority interests	4,981	0.9	4,699	0.8	5,878	0.9
Net worth (c)	**253,377**	**45.3**	**252,931**	**42.0**	**287,678**	**44.0**
TOTAL EQUITY AND LIABILITIES (a+b+c)	**559,424**	**100.0**	**602,768**	**100.0**	**653,902**	**100.0**

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