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Dossier

GLOBAL FASHION POWERS 2018

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Global Fashion Powers 2018

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The giants also cry

BY PILAR RIAÑO
MDS DIRECTOR

During the last year of the seventies, Televisa produced a soap opera whose title could briefly summarise the situation of fashion business in 2017 and 2018. *The rich also cry*, directed by Rafael Banquells, told throughout 248 episodes in the Mexican TV channel Las Estrellas the events that happened to young and poor Mariana Villareal, as well as her relationship with the capital's bourgeoisie.

In the same way as the telenovela started its journey in Mexico but was later exported to 120 countries around the world, the transformation that fashion business is going through also echoes in almost every country and company all around.

It could be said that 2017 was for fashion business the year in which no one escaped and giants also cried. For the seventh year in a row, Modaes.es launches Global Fashion Powers, a report series that every fiscal year starts its path in the web in order to become the Modaes.es Dossier which right now appears on your screen (or in your hands, if you printed it). In it, we revisit the main events and the evolution of fashion business leviathans, analysing the sector in subsegments such as big retailers, industry, sports fashion, footwear, childrenwear, e-commerce or urbanwear.

In total, ten chapters including all names and facts from the sector's top players, to which this year we add a previous chapter that deals with the elements necessary to understand the transformation companies are going through. Macro information in order to find the keys for micro information.

If out of all Global Fashion Powers 2018 (which obtains data and references from the last ended fiscal year, that is, 2017) we can extract a conclusion, it is that even giants are suffering and undergoing a process of change.

Among big retailers, almighty Inditex admitted after the end of fiscal 2017 that the group experienced a structural transformation process (with a special emphasis in distribution) which allowed it to say that it was ready to face the future. H&M, the second one within that segment, is found in a similar situation, although its path seems somehow more complicated and it may cry a little more.

Regarding luxury business, the first ever publication of Chanel's results has readjusted the world's ranking, as its 8 billion revenue makes it escalate positions in a segment where even its leaders (LVMH and Kering) seek new ingredients for their formulas such as creativity and specialisation. But if there is someone who has felt most strongly the so-called Retail Apocalypse (the most repeated words throughout this Modaes.es Dossier, sorry, we will try to correct it in the future) are department stores.

Restructuration, layoffs, closures and long-term plans to be able to grow have been their persevering issues during these last years, and some of them are already starting to reap their benefits.

Even sports have reasons for some weeping. The entrance of big retailers, luxury and pure players into the sporting segment with specific collections has revived competition among the section's behemoths and even the untouchable Nike has had to start restructuring plans to face the new situation of struggle.

Ultimately, this is most likely one of the Global Fashion Powers editions where most changes can be appreciated in the different classifications and, even though you have probably already checked it during the course, we hope you can use it to write a few more notes down before going on holidays, or that you leave it in your desk waiting for the next school year. **m**

• Fashion experienced two parallel crisis: the financial one (from which no one escaped) and an inherent one, with a business that was starting to transform.

• "While more consumers prefer to spend their disposable income on experiences, they are reassessing their priorities" states Euromonitor.

• Internet has revealed a clear symptom of fashion illness: an overcapacity installed in physical stores. Internet plays the role of China in the past decade.

Fashion is sick (and titans have high fever)

BY PILAR RIAÑO

International fashion business shows signs of chronic pain: stagnated global evolution, decrease in mature markets and loss of positions in the list of consumer priorities. Giants remake themselves to seduce a client who has fallen out of love with clothes, footwear and accessories.

Fashion is sick. Like a person who starts coughing before going on holidays and knows that, inevitably, fever will shortly follow, global fashion business is showing signs of a disease that has been revealed as chronic. The scenario has changed, and with it, so are international business giants who are doing acrobatics to seduce consumers again. Clothing, footwear and accessories companies were, except for banks and real estate, the first ones to feel the impact of the international financial crisis after 2007 fiscal year. Tiffany, for example, felt the fear of consumers in its accounts out of a sudden, but was at the same time the first brand to feel their joy again.

Likewise, during the years of the financial crisis, the sector blamed its drifting to the economic situation: closures, layoffs, margin falls and executive changes were justified directly by the reduction of consumption, product of the economic situation.

When after 2014 the whole world started to say its farewells to red macro indicators, fashion started to rub its hands. In Spain, one of the most difficult markets in the world for fashion business, textile and footwear consumption started to recover at the end of 2013, and black numbers reached the sector's sales in 2014, once ending the fiscal year in a rise after seven years going downwards.

This joy was maintained during 2015, but in 2016 (with employment, the creation of companies and GDP recovered) the blow struck back: fashion sales dropped in the country once more.

The truth is that fashion was living two crisis at once: the first, a financial one (from which barely no one could escape) and the second, an inherent one, with a business that was already starting to evolve. That means that, even recovering from the circumstantial crisis, the sector will be immersed in a turmoil which is currently making fashion sick.

SYMPTOMS: RESTRAINED GLOBAL MARKET

Fashion's global sales continue to grow, but rate has slowed down notably during the last fiscal years. In 2017, the world's fashion market ascended to 1.7 trillion dollars, which represented an increase of 4% above last year's figure. Nevertheless, it has to be taken into account that in 2016 the sector had grown a 3.8%, registering the lowest increase since 2008, during the international financial crisis, according to the data gathered by Euromonitor.

Fiscal 2016 was complicated for the world, and that also affected fashion. Brexit, the arrival of Donald Trump to the White House, the scalation of terrorism in Europe or the deceleration of Chinese economy impacted altogether in the global economy, mounting up to the feeling of global uncertainty.

"The era of robust growth following the recession could be over as we enter a period of continued uncertainty" said Euromonitor at the end of fiscal 2016. In 2017, the world was expecting to face the consequences of the previous year's changes, but neither Brexit had an immediate impact nor Donald Trump met his worst threats proposed during the first year of his mandate.

Thus, 2017 was a year of transition in which fashion avoided uncertainty. In any case, despite the fact that 2017's growth was superior to that of the precedent fiscal year, it was still below the figure registered in 2015, for example, when global fashion sales increased 4.5%.

Euromonitor's predictions also forecast global business growing merely an interannual 2% until 2022.

SYMPTOMS: MATURE MARKETS THAT DO NOT PURCHASE FASHION

Furthermore, fashion industry's global growth must be directly attributed to the upturn of developing markets, as in mature

Fashion was living two crisis at once: a financial and an inherent one

Fashion leviathans face a reduction of their margins and profitability

Internet plays the role of China in the past decade and it's changing the business

ones, fashion consumption is either falling or frozen. In the United States, fashion and footwear sales slowed down in 2017 both in volume as in value according to Euromonitor, whereas German economy was "stagnated despite favourable market conditions". In France, on the other hand, clothing and footwear sales decreased again in value, and it is estimated that the market will keep the downward trend for the next years. In Italy, business was kept static in volume but contrastingly, it grew in value.

Whilst predictions for future fiscal years in the world's main markets are kept on the low, some territories are in safe grounds. The Near and Far East are other markets which have grown strongly during the last years ,but according to forecasts by Datamonitor and EAE Business School, they will lower that rate from now on and until the end of the decade. China, for its part, is installed still in an upbringing phase, but its evolution is not the same as it was a decade ago.

In Saudi Arabia and the Middle East, growth continues to be highlighted but the possible civic and political issues are quite concerning and could become a risk in future years.

Latin America is currently the market with best predictions in the whole globe, although uncertainty also reigns in the territory, taking into account the elections from important markets such as Colombia or Mexico.

As the BMI consultancy company remarks, Latin America is the market with a bigger potential of growth in the fashion industry around the world, with sales of 160 billion dollars in 2016, a size much smaller than Asia's, but much bigger than the Middle East's. Estimations also defend that the fashion market will grow 7.2% per year in Latin America until 2021, when it will surpass the figure of 220 billion dollars.

However, in the United States and Europe, whilst economy and consumption recover, fashion loses weight in the shopping basket and the acquisition of articles from the sector has stopped being a priority.

The evolution of consumer trust and retail consumption in relation to fashion sales in countries like Spain showcase it. In the Spanish market, the restoration of trust has not been infected into fashion. During 2016, a year marked by political instability, consumers trust raised 1.6 points and retail consumption increased by 3%.

Fashion sales, however, were contracted a 2.2%. In 2017, the situation was repeated: trust increased 2.7 points, retail consumption 2.4% and fashion grew a negligible 0.1%.

Mobile phones and restaurants have surpassed apparel in Spain and in some of the most important countries in the world for the sector. "While more consumers prefer to spend their disposable income on experiences, they are reassessing their priorities", says Euromonitor in reference to the United States. "In a context of abundant low-cost offerings and discounts, consumers have grown tired and are beginning to adopt more practical shopping behaviours, reducing compulsive buying", sustains the organisation when talking about France.

Another proof of this trend is the decrease in profitability. International fashion leviathans have faced some quarters ago a reduction of their margins. Since 2011, Inditex has reduced year after year its gross margin: if in 2011 it stood at 59.3%, in 2014 it descended to 58.3% and in 2015 it was placed at 57.8%; in 2017, the gross margin weakened again, standing at 56.3% in comparison to 57% the year before.

In the case of H&M, gross margin has gone from 60.1% in 2011 to 54% in 2017. Gap, immersed in a restructuring plan to reduce costs, has nonetheless increased its margin: from 36.2% in 2011 to 38.26% in 2017.

The environment is transformed, and with it, international business giants are doing acrobatics to seduce consumers again. Titans change their strategies to adjust to the new situation.

Rawpixel, Unsplash

The Middle and Far East are other of the markets which have grown strongly

Latin America is currently the market with best predictions

The categories which rule the fashion business are also changing

Nowadays, consumers seem more willing to spend 150 euros in a tasting menu from a Michelin star restaurant than in a jumper of any brand.
But if all chefs with stars start offering the same menu and, at the same time, they all enter discount battles, consumers will stop being willing to pay as much, and the experience of enjoying dinner will become one commodity more. Something similar is what has happened to fashion.

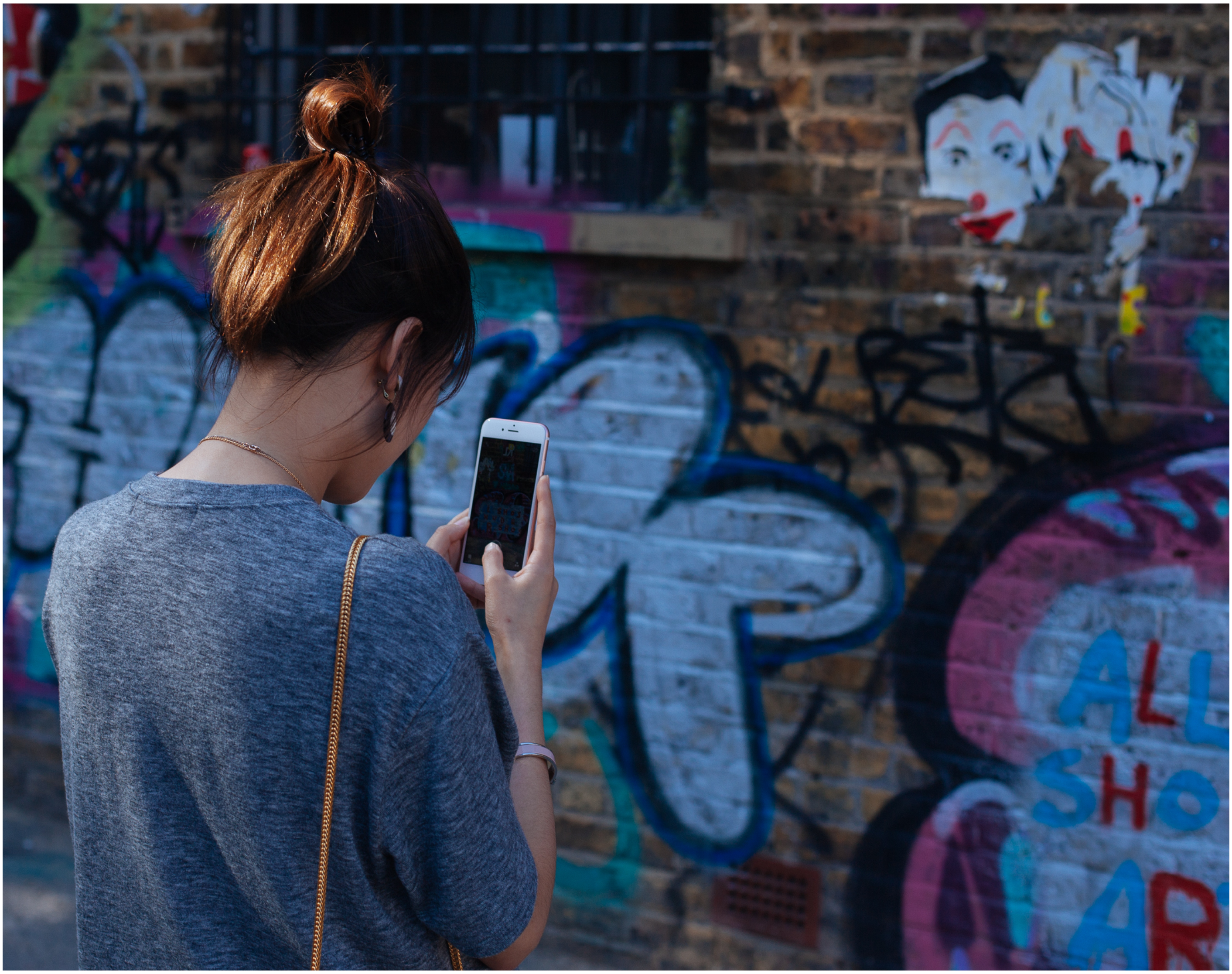
SYMPTOMS: LESS STORES AND NEW USES

The emergence of the Internet (which according to Euromonitor occupied 16% of the sector's global sales in 2017) in fashion business has revealed a clear symptom of fashion's illness: the sector has an overcapacity of physical stores installed.
If trade brought to light after the 1st of January 2006 (years before and years later) that Europe counted with too many factories, the same is happening now with brick. Internet is playing the same role China did in the past decade, and it is also transforming business.
Retail Apocalypse has become the utmost expression for global retail business, but the truth is that the loss of physical retail's influence due to the rise of the digital one was another of the structural symptoms hidden by the situational ones. If the first closures of stores were directly blamed to the fall of consumption, the closures between 2017 and 2018 are justified due to the rise of the web and omnichannel strategies.
The reasons for Retail Apocalypse go way beyond e-commerce, including macroeconomic factors (like price and the maturity of the debt) and the shift of consumers' budgets towards new categories.
The most hurt players have been those that based their strategies precisely in territorial penetration through brick, that is, department stores. But not just them: H&M, for instance, has started a global reduction of its network of stores in order to adapt to the new situation of fashion consumption, whereas Inditex confessed last March that they have been doing such thing for five years.
The rationalisation of installed physical stores capacities does not only entail closures (and layoffs), but also affects logistics and margins, at the same time as online distribution gains importance in the companies' global sales.
The channel that provides the biggest visibility and occupies, for the time being, the majority of fashion sales, is in full-on transformation.
Consumers change their shopping methods more and more every day towards the digital channel, but not in that way alone.
The categories which rule fashion business are also changing.
If, traditionally, women have reigned in the sector's sales, the category that grows faster nowadays is sports, which has become the sector's star, followed by childrenwear.
In 2017, the sales of men's fashion increased, materialising in a rise of 3.3%.
The change of priorities in fashion consumption have a direct impact in volume of business.
The casualisation of fashion (which is showcased by the peak of sports among the categories that have grown the most) derives in the fact that consumers need and have less variety of clothing items in their closets and, therefore, they buy less.
If the working environment permits to wear sneakers already, why buy shoes and suits?

EFFECTS: COMPANIES DOING HEADSTANDS

Fashion industry's global growth must be directly attributed to the rise of developing markets, as in mature ones, fashion consumption is either drawing back or freezing completely.

Adrian Williams, Unsplash



Those that base their strategy on brick are the ones that suffer the most

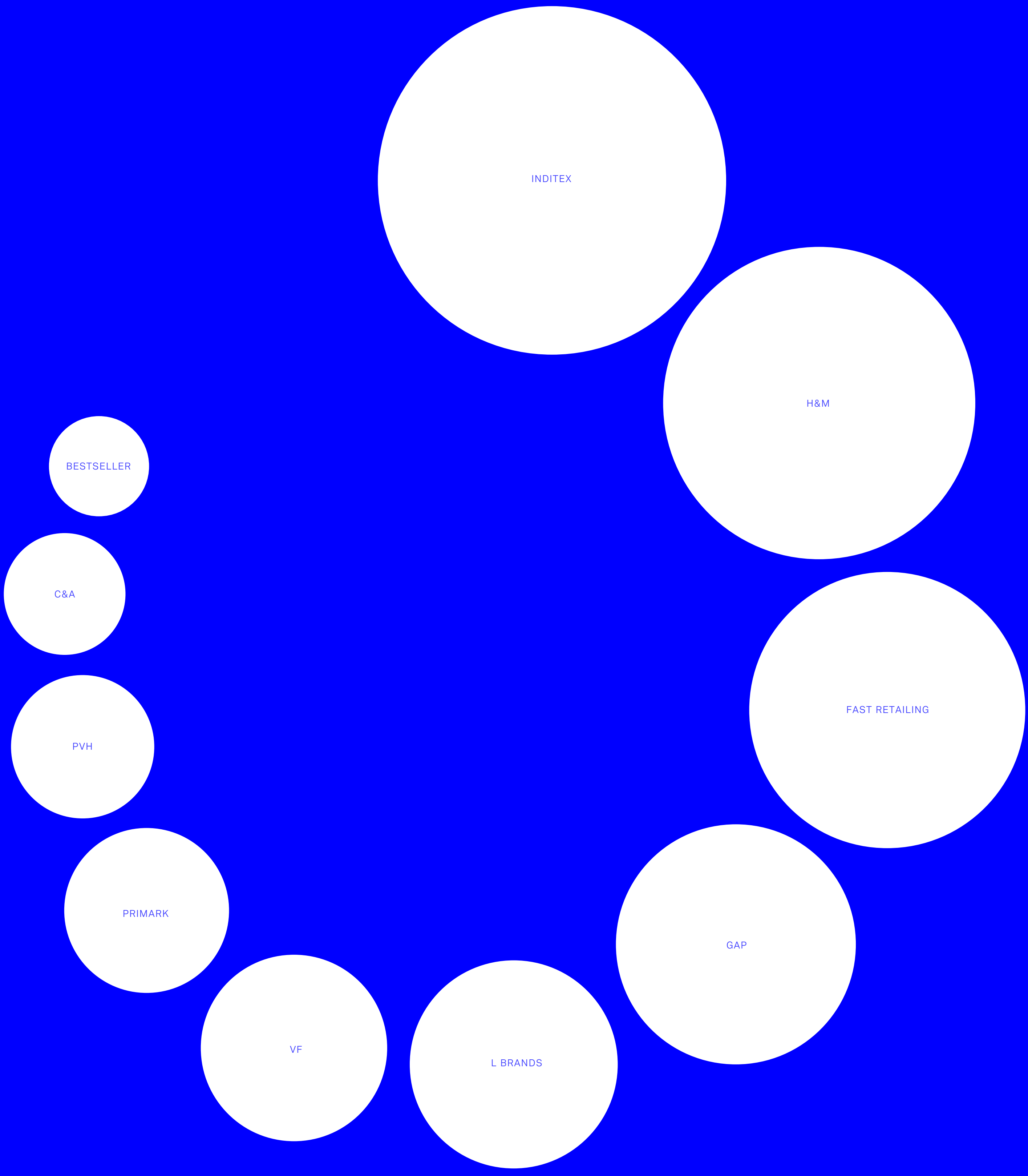
Consumers change their shopping methods shifting expenses to digital channels

The change of fashion priorities has an impact on volume of sales

The effects of fashion's disease are companies doing headstands in order to seduce consumers back.
The ever-lasting experiments in points of sale (leaving behind the flagship expression to adopt the brandship one, for instance) are nothing but brands looking for formulas in order to make clients take a chance on them.
The agitated activity in M&As follows the same pattern: companies seeking the perfect formula to capture the current client and heal their undergoing illness.
Or the signings or dismissals of executives and new profiles incorporated to companies, which hide companies looking for an orchestra conductor or a wizard who manages to do a match with the client.
Or companies more concerned than ever by efficiency, rationalising their distribution, but also speeding up their logistics and production processes absolutely measuring every step they take.
In essence, industry behemoths that transform Global Fashion Powers. Amazon pulls off fashion market shares in the United States from giants such as Macy's, at the same time as it also scratches department stores from other markets like Marks&Spencer or El Corte Inglés.
Inditex comfortably leads the big retailers category, but its spin towards the web is more evident by the day and, considering that H&M is weakened, and Gap undergoes an almost perpetual restructuring, Fast Retailing could benefit from the situation and bang its fists on the table.
Although luxury is living in its own bubble, Kering is shifting towards specialisation and experience getting rid of their commitment to sports (a sector in which reigns, but not without transformation, closures and firings, almighty Nike), whereas Richemont admits, finally, the future of the digital channel and takes control again over YNAP. LVMH continues, for the time being, in luxury's high altar.
Low growth rates, a shift in the destination of expenses, pressure on margins or restructuring in distribution are symptoms and consequences of an illness that could certainly be called lovesickness: fashion is not fashionable anymore and it has lost its consumers' bewitchment during the second decade of the 21st century. **m**

1

BIG RETAILERS: THE EMPERORS



The business of global fashion distribution ends a convulse fiscal year with changes in the ranking. Titans have continued adjusting their structures, their portfolios and their retail networks and refining their strategies to face the new environment. Whereas some of them have stranded along the way, others have managed to defend their position in the global fashion business. Big retailers' top five is maintained without variations, although Fast Retailing has enlarged its distance with Gap once more. H&M, for which 2017 was "disappointing", kept the silver medal in fiscal 2017, although lost the momentum. Primark took the main role in advancement during the year, ascending to the seventh position and beating PVH and C&A despite currency playing against it. The Dutch group, however, lost positions due to its full-on restructuring to the point of ranking at the end of the chart, only surpassed by Bestseller.

Inditex

1

YEAR OF FOUNDATION
1963

FOUNDER
Amancio Ortega

KEY EXECUTIVE

Pablo Isla
Chairman and CEO

HEADQUARTERS
Arteixo (A Coruña, Spain)

CHAINS
Zara, Massimo Dutti, Bershka, Pull&Bear, Stradivarius, Oysho, Zara Home, Uterqüe and Lefties

STORES
7,475 stores in 96 countries

WORKFORCE
171,839 employees

REVENUE
25.33 billion euros.
Fiscal year ended January 31, 2018

SHAREHOLDERS
Pontegadea (50.01%).
Listed on the stock exchange

“Five years later, we can say that Inditex is ready to face the future”. That is what Pablo Isla, Inditex’s CEO, claimed during the presentation of fiscal 2017 results. The company has completed a transformation plan to adapt to the new fashion industry background and has revalidated its position as the biggest fashion distribution company.
In fiscal 2012, the brand that owns Zara started a progressive adaptation of its strategy. Besides restructuring their network of stores, the company has implanted RFID technology in all its chains so as to support their intention to integrate physical and online stores. In total, the company has closed 1,046 stores since 2012, some of which have later meant the opening of new stores.
In 2017, Inditex closed 341 stores down, the highest amount of the last five years, and opened 524 stores more.
By the end of the fiscal year, the company operated with 7,475 stores in 93 countries around the world. In parallel, e-commerce continued gaining importance in its business, and, for the first time ever, the brand revealed in 2017 the weight of its online sales, a channel through which it produced 2.53 billion euros last year, a 10% of its total income.
The weakening of its margin is another element that stands out in Inditex’s last fiscal year. Since 2011, Inditex has reduced year after year its gross margin and in 2017 it stood at 56.3% ahead of the 87% from 2016.
Inditex blames currency for the fall, although analysists insist on the impact of the business enlargement within online channels.
Sustainability is maintained as another of the brand’s strategic axis, with close the loop and the development of new materials being the two main roles of 2017, a year in which Inditex has created the figure of Pablo Isla’s number two, occupied by Carlos Crespo, new general manager of operations. **m**

EVOLUTION 2017

SALES
+12%

ONLINE
+41%

NET PROFIT
+7%

STORES
+183

H&M

2

YEAR OF FOUNDATION
1947

FOUNDER
Erling Persson

KEY EXECUTIVE

Karl-Johan Persson
President and CEO

HEADQUARTERS
Stockholm (Sweden)

CHAINS
H&M, Cos, Weekday, Monki, Cheap Monday, H&M Home, &Other Stories and Arket

STORES
4,739 in 69 countries

WORKFORCE
123,178 employees

REVENUE
19.38 billion euros. Fiscal year ended November 30, 2017

SHAREHOLDERS
Stefan Persson and family (49.9%). Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 21st of May 2018.

H&M is one of the declared victims of fashion industry's change of model. Even though it is maintained as the second biggest fashion distribution brand, the group admitted in 2018 that it hit a bump on the road "in the wider context of the transformation that the industry is going through" as the brand's CEO Karl-Johan Persson stated after the presentation of results of fiscal 2017.
The company has suffered in 2017 the consequences of its transformation. The group ended the year with a negligible growth of 4% and a 13% decrease in net profits. Product, technology and distribution channels are the elements the group is attacking, committing to the launch of new chains (the last one being Arket), the introduction of analytic technology and the redefinition of their distribution network.
H&M has started a plan of optimisation to adapt its network of stores to digitalisation's impact.
In 2017, the company opened 479 new stores and closed 91 down.
At the same time, the group accelerates its online presence, both through its main platforms as through third parties like Tmall.
As well as Inditex, the Swedish firm has revealed the scope of its online business.
Sales through H&M's website ascended in 2017 to the figure of 29 billion Swedish kronor (3.89 billion euros), which represent 13% of total business and 22% of benefit.
H&M predicts that they will reach 25% in 2018.
The results in last fiscal year made some investors question the position of Karl-Johan Persson in the company.
The brand's chairman, Stefan Persson, came out on behalf of his son and all senior management. "It is not serious" to ask for resignations when the group continues to grow all over the world, said Stefan Persson, who in 2018 reaffirmed his commitment to the company and increased again his stake in the group. **m**

EVOLUTION 2017

SALES
+4%

ONLINE
13%/total

NET PROFIT
-13%

STORES
+388

Fast Retailing

3

YEAR OF FOUNDATION
1949

FOUNDER
Tadashi Yanai

KEY EXECUTIVE

Tadashi Yanai
President and CEO

HEADQUARTERS
Yamaguchi (Japan)

CHAINS
Uniqlo, GU, Comptoir des Cotonniers, Princesse Tam Tam, Theory, Plst and J Brand

STORES
3,294 stores in more than 20 countries

WORKFORCE
44,424 full-time employees

REVENUE
14.27 billion euros.
Fiscal year ended August 31, 2017

SHAREHOLDERS
Tadashi Yanai (21.67%), The Marter Trust Bank of Japan (16.99%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 21st of May 2018.

Fast Retailing has stopped mentioning its goal of becoming the biggest retailer in the world by 2020 but grasps onto the bronze medal strongly. Uniqlo's parent company has enlarged its distance from Gap (which it surpassed two years ago thanks to exchange rates) and is consolidated in the third position of the world's biggest fashion retailers.
Last year, the company supported once more their development on international expansion, especially through their chain Uniqlo, which provides 81% of the revenue.
The chain's sales abroad almost doubled, at the same time as the losses in the United States reduced and Europe was kept stable. The company predicts that, ahead of this fiscal year's ending, Uniqlo's international revenue will surpass Japan's for the first time in the brand's history. As their rivals in the classification, Fast Retailing has its strategic focus laid on digitalisation.
Last year, the company started the Ariake Project, with the intention to become a "a more nimble retail company that can respond to changing consumer demands in a digital environment", as highlighted by its CEO, Tadashi Yanai.
The project mainly impacts in-house operations. and includes from changes in corporative processes to the creation of a new framework to improve transparency in headquarters, regional offices and stores.
During full process of change, Fast Retailing faces, too, which will predictably be Tadashi Yanai's last fiscal year.
Although initially the executive assured that he would abandon the presidency in 2019, he pointed out shortly after that he "does not have plans to retire", thus avoiding to specify his departure date. **m**

EVOLUTION 2017

SALES
+4.2%

ONLINE
10%/total USA

NET PROFIT
+38.6%

STORES
+134

GAP

4

YEAR OF FOUNDATION
1969

FOUNDERS
Doris and Don Fisher

KEY EXECUTIVE

Art Peck
CEO

HEADQUARTERS
San Francisco (California, USA)

CHAINS
Gap, Banana Republic, Old Navy, Athleta and Intermix

STORES
3,594 stores in 47 countries

WORKFORCE
135,000 employees

REVENUE
13.46 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Doris F. Fisher and family (44.19%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 21st of May 2018.

Gap continues immersed in a process of restructuring that seems endless. In the last fiscal year, the brand has kept shrinking its network and simplifying its structure to reduce expenses.
The results of 2017 were relatively good as the company increased its profit for the first time since 2014, but there is a catch: net result was benefited from the charge of a compensation due to a fire in one of its warehouses last year. Sales, on their part, grew a shy 2.2%.
The company has also reordered its strategy and has decided to focus all efforts into its main chain regarding volume of business: Old Navy. In the frame of this strategy, the brand announced by the end of 2017 the closure of 200 Gap and Banana Republic stores during the next three years, and the opening of 270 new Old Navy and Athleta stores.
That goal is set on Old Navy surpassing the 10 billion dollars in three years and on Athleta, specialised in sports fashion, capitalising athleisure's boom and beating the bar of one billion dollars during the same period.
Proof of this shift of priorities is the fact that if Gap used to lead the brand's annual accounts, in the ones corresponding to 2017 the American company started the review of its results talking about Old Navy.
"I look forward to continuing Gap Inc.'s commitment to a strong balance sheet and operating discipline and supporting the company's long-term growth strategy", assured Terri List-Stoll, Gap's CFO.
In the context of this reorganisation, the brand decided to close Weddington Way last March, the start-up specialised in online distribution of wedding and party dresses which it purchased only a year ago. **m**

EVOLUTION 2017

SALES
+2.18%

ONLINE
NA

NET PROFIT
+25.44%

STORES
-65

L Brands

5

YEAR OF FOUNDATION
1963

FOUNDER
Leslie H. Wexner

KEY EXECUTIVE

Leslie H. Wexner
CEO

HEADQUARTERS
Columbus (Ohio, USA)

CHAINS
Victoria's Secret, Bath&Body Works, Pink, La Senza and Henri Bendel

STORES
3,888 stores in 75 countries

WORKFORCE
93,600 employees

REVENUE
10.72 billion euros.
Fiscal year ended December 30, 2017

SHAREHOLDERS
Leslie H. Wexner and family.
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 21st of May 2018.

The owner of Victoria's Secret clings to the top five despite not accomplishing the reduction of net profit. The group ended 2017 with a 15% decrease of its earnings, obtaining 983 million dollars (804.7 million euros). However, the earnings per share were above the estimated by analysts, which allowed shares to regain impulse after falling to minimums in six years during August, coinciding with the presentation of half-year results.

Victoria's Secret weighed down the brand's evolution once more. The firm, which continues to generate less than half of the group's sales, shrank its revenue 8%. During the fiscal year, the chain continued reorganising its store network with 22 closures and fifteen openings in North America.

Moreover, the company decided to discontinue its bathing and clothing line, which had an impact of five percentual points in the evolution of comparable sales.

Most of the United States' analysts stated that, despite evolution being better than expected, the company continues to lose the battle against pure players and other specialised actors that are very strong in America, like for example Aerie, property of American Eagle Outfitters. However, L Brands continues reaping good results as in the case of Bath&Body Works, its cosmetics line, which raised 5% in comparable terms during last fiscal year. **m**

EVOLUTION 2017

SALES
+0.46%

ONLINE
NA

NET PROFIT
+5.1%

STORES
+33

VF

6

YEAR OF FOUNDATION
1899

FOUNDER
John Barbey

KEY EXECUTIVE

Steve Rendle
President and CEO

HEADQUARTERS
Greensboro (North Carolina, USA)

CHAINS
Timberland, Vans, Wrangler, Napapijri, The North Face... Portfolio of more than twenty brands

STORES
1,518 stores of their own and more than 3,000 with partners

WORKFORCE
69,000 employees

REVENUE
9.96 billion euros.
Fiscal year ended December 30, 2017

SHAREHOLDERS
Barbey family.
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 21st of May 2018.

VF Corporation closes a year of discreet trading. After insisting during the results presentation of fiscal 2016 on the fact that M&As continued to be its top priority, the company ended a new fiscal year without the huge acquisitions analysts demanded.
The corporation focused on adjusting its portfolio slightly, selling their Nautica business to Authentic Brands (operation concluded once the fiscal year ended) and the promotion of its most important brands such as Vans, Wrangler and Timberland.
The company did culminate with a purchase, although with a discreet one: VF acquired the workwear company Williamson-Dickie, which was its biggest M&A since their purchase of Timberland back in 2011.
Some analysts pointed out during the fiscal year that Puma, Lululemon or even Abercrombie&Fitch would be good candidates for VF, although none of these operations ever took place.
The company ended thus three consecutive fiscal years with sales going downwards and closed 2017 with a growth of the 7%.
Excluding the purchase of Williamson-Dickie, the corporation's revenue raised a 5%.
VF communicated a new strategy of growth based on promoting its business and directing it towards loyal and online consumers, as well as increasing direct investments among Asia, with a specific focus laid on China. **m**

EVOLUTION 2017

SALES
+7.1%

ONLINE
21%/total

NET PROFIT
-33.1%

STORES
+111

Primark

7

YEAR OF FOUNDATION
1969

FOUNDER
Arthur Ryan

KEY EXECUTIVE

Paul Marchant
CEO

HEADQUARTERS
Dublin (Ireland)

CHAINS
Primark

STORES
345 in 11 countries

WORKFORCE
73,000 employees

REVENUE
8.06 billion euros.
Fiscal year ended September 16, 2017

SHAREHOLDER
AB Foods (100%)

ⓘ Revenue in euros considering the exchange rate of local currency on the 21st of May 2018.

Primark continues going further in the ranking thanks to low-cost, although making its margin suffer along the way. The company, which does not have e-commerce in its road map yet, challenged last year the bad evolution of its British compatriots and raised one more time both its income and its benefit.
The group continued supporting its growth in openings, with thirty new stores in 2016 which amounted 1.5 million square metres more to the total selling space of the company.
The chain, property of AB Foods, opted again not to consequently affect consumers with the increase of prices due to the pound sterling's weakening against the dollar, which reduced the company's gross margin a 10.4%, contrasting with the 11.6% of last year.
Furthermore, Primark continued shifting its strategy towards the United States, committing to smaller sized stores, whilst in Europe it continues to focus on big surfaces.
The brand expanded its flagship in Boston but reduced the size of three of its already existent stores in the country "to improve efficiency and adapt to the different needs of the United States consumer".
The corporation also ended its first fiscal year in the Italian market, which developed "better than predicted". **m**

EVOLUTION 2017

SALES
+18.6%

ONLINE
Does not operate

NET PROFIT
+6.7%

STORES
+30

PVH

8

YEAR OF FOUNDATION
1880

FOUNDERS
Moses and Endel Phillips; Dramin Jones

KEY EXECUTIVE

Emanuel Chirico
CEO

HEADQUARTERS
New York (USA)

BRANDS
Calvin Klein, Tommy Hilfiger, Van Heusen, Izod, Arrow, Speedo, Warner's, True&Co and Olga

STORES
1,650 directly operated stores

WORKFORCE
36,500 employees

REVENUE
7.16 billion euros.
Fiscal year ended February 4, 2018

SHAREHOLDERS
Institutional shareholders (97.31%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 21st of May 2018.

To place Calvin Klein and Tommy Hilfiger again in the youngest consumers' top of mind. That is PVH's goal, who wants to avoid its two best brands following the path of other American icons such as Ralph Lauren, whose label and results continue going downwards.
After the incorporation of Raf Simons as Calvin Klein's chief creative officer, the brand renewed its identity and launched new campaigns led by young icons such as Justin Bieber or the Kardashian family.
On a global scale, sales seem to accompany the brand in this new period, with a rise of 10% in 2017, even though comparable sales in North America are still decreasing.
Tommy Hilfiger, on the other hand, ended its first complete fiscal year after acquiring its business in China an 11% as well as 8% rise in like-for-like sales outside North America, and of 3% in its local market.
Furthermore, the company changed the name of its denim line to Tommy Jeans with the aim of increasing this division's sales by double digit until 2020.
The corporation, as highlighted by its CEO in the presentation of results, is still investing in the "areas that are most impacted by the changing dynamics in the industry: the growing prominence of digital, the importance of having a nimble and responsive supply chain and our essential commitment to driving consumer engagement".
PVH also kept signing agreements with strategic partners: it handed the license of Tommy Hilfiger's men's fashion to Pearless and trusted Delta Galil the production and distribution of underwear for its children's intimate fashion line in the United States. **m**

EVOLUTION 2017

SALES
+8.7%

ONLINE
NA

NET PROFIT
-2.4%

STORES
+50

C&A

9

YEAR OF FOUNDATION
1841

FOUNDERS
Clemens and August Brenninkmeijer

KEY EXECUTIVE

Alain Caparros
CEO of C&A Europe

HEADQUARTERS
Vilvoorde (Belgium)
Düsseldorf (Germany)

CHAINS
C&A

STORES
1,500 stores in 18 European countries

WORKFORCE
35,000 employees

REVENUE
6.26 billion euros C&A Europe. Figures obtained from Global Powers of Retailing. Deloitte.

SHAREHOLDERS
Cofra Holding, Brenninkmeijer family (100%)

Fiscal year of changes for one of the most veiled titans in the ranking. European retailer C&A, which continues to be owned by its founding family, closed a complex year marked by the restructuring of the stores network and the reorganisation of its leadership in Europe, peaking, at the beginning of 2018, with a possible sale to a Chinese group of investors.
The company started 2017 with the announcement of 23 closures and 300 layoffs in the Spanish market, one of its main European territories. The adjustment meant a closure in one out of five points of sale in the country, where it has been operating for 35 years.
Almost simultaneously, adjustments came to Germany and Belgium too, where the brand dismissed 160 and sixty people, respectively. The corporation explained that the decision was made in order to gain efficiency and reduce the structure of expenses. In other markets like the French, C&A also reshaped its trade network, with the closure of thirteen stores.
In full-on restructuring, which also meant the introduction of a new concept of stores and the increase of investment in online channels, C&A had to reorder its leadership in Europe after the departure of the CFO, COO and the region's general manager. For the first time in its history, the brand resorted to an external executive, Alain Caparros, to pilot the European market, which had always been led by a Brenninkmeijer.

Once the network of sales had been cleaned up and expenses reduced through an adjustment plan and some dismissals, the company is now set on negotiations with a Chinese group of investors, either to get rid of 100% of its business or to reach an agreement to promote the development of the company in the country. **m**

EVOLUTION 2017

SALES
+4% lfl

ONLINE
+14%

NET PROFIT
NA

STORES
NA

Bestseller

10

YEAR OF FOUNDATION
1975

FOUNDER
Troels Holch Povlsen

KEY EXECUTIVE

Anders Holch Povlsen
CEO and sole owner

HEADQUARTERS
Brande (Denmark)

BRANDS
Jack&Jones, Vero Moda, Only, Selected, Vila, Object, Name it, Pieces...

STORES
2,700 stores in 38 markets (excluding China)

WORKFORCE
15,000 employees

REVENUE
6.3 billion euros.
Estimation from the sum of sales in Europe and China

SHAREHOLDERS
Povlsen family (100%)

Bestseller ends a convulsive fiscal year. Whilst its owner, Anders Holch Povlsen, continued using the checkbook for purchases such as Numis or the department stores Jenners, the Danish group followed the steps of its international rivals with handovers, reorganising the portfolio and making structural changes. The company is part of Heartland since l2017, a new holding created by Povlsen to separate investments so that "Bestseller can maintain the focus on its main business".
In that way, the brand came to be part of Bestseller United, a division of the holding which puts together all the Nordic magnate's fashion investments.
Furthermore, the corporation also experienced changes in-house. The company decided to simplify the structure of Jack&Jones, one of its biggest brands, unifying all its management into one team alone, which implied seventy dismissals.
In parallel, Bestseller continued to commit to in-house development in order to approach new segments: it entered childrenwear with Only, started a premium brand, Postyr, and separated Noisy May in order to bring the attention of millennial consumers.
The company also made changes in its directive team, with the incorporation of a new CFO and a new manager for Vero Moda, as well as the promotion of Andrés Contreras as responsible for the North American market. **m**

EVOLUTION 2017

SALES
+3%

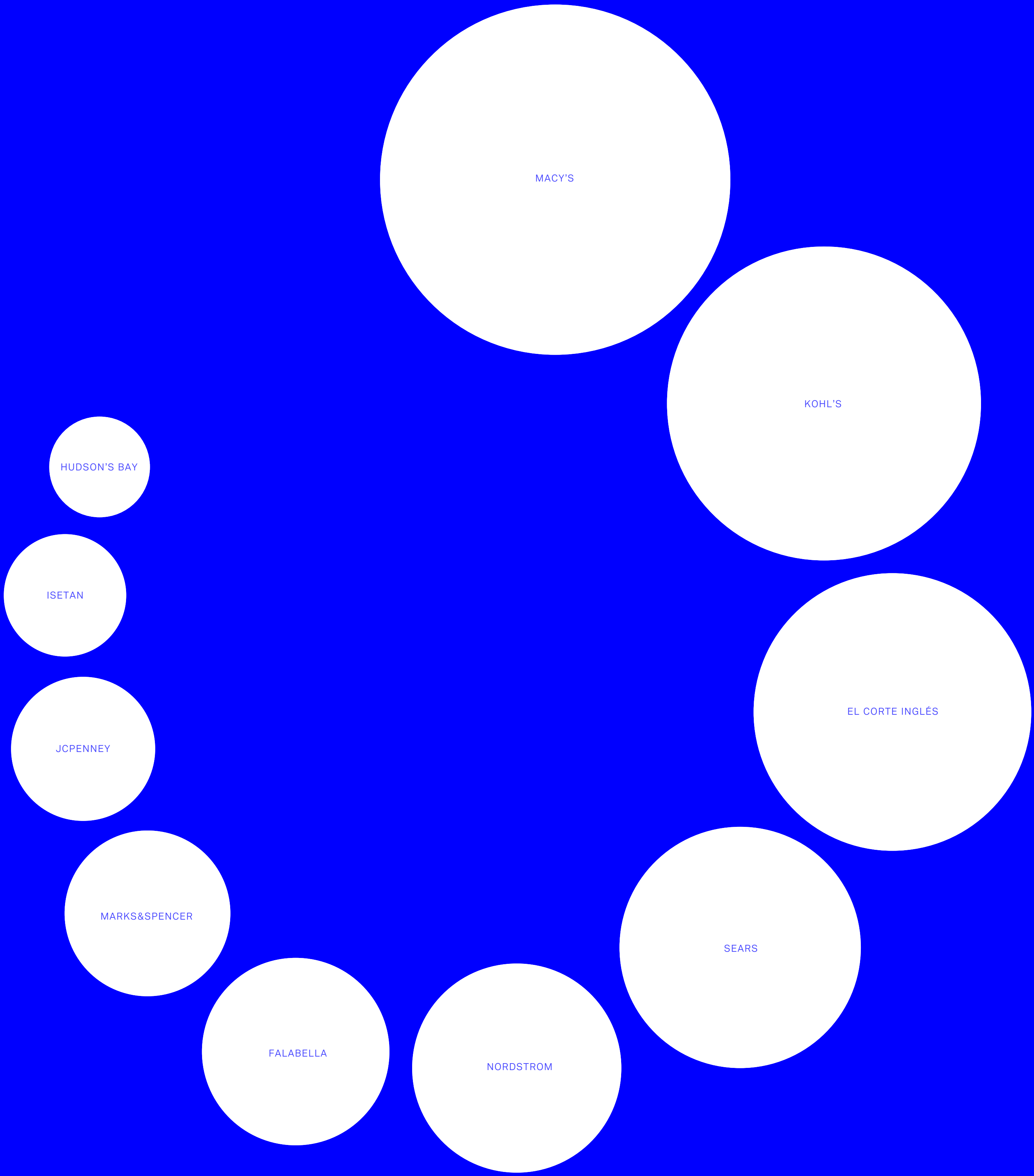
ONLINE
NA

PROFITS
+23%

STORES
NA

2

DEPARTMENT STORES TITANS



Restructuration, cuts in the workforce, closures and long-term plans to grow again. The business of department stores, especially in the United States, is one of the most damaged by Retail Apocalypse. However, most of the sector's titans have already started programs of costs reduction and reorganisation of their strategies to go back to the path of growth. Some of the biggest groups of department stores have already started to reap the fruits of these plans, whilst other continue to be deep into a black hole. This year, the department stores in Global Fashion Players have been shaken, especially among the top 3. El Corte Inglés stands this year as the third biggest company of department stores in the world, beating Sears, which is the company that has fallen the most in the list, going from the second to the fourth position.

The second biggest group this year is Kohl's, whereas Chilean Falabella has escalated one spot and is consolidated as the sixth largest company in the sector. Marks&Spencer, however, has fallen to the seventh position.

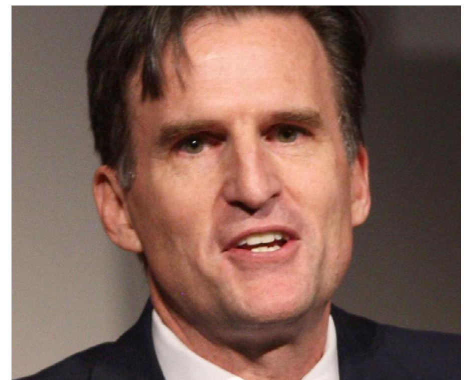
Macy's

1

YEAR OF FOUNDATION
1958

FOUNDER
Rowland Hussey Macy

KEY EXECUTIVE



Jeff Gennette
Chairman and CEO

HEADQUARTERS
Cincinnati (Ohio, USA)

CHAINS
Macy's, Bloomingdale's and Bluemercury

STORES
850 stores in the United States

WORKFORCE
130,000 employees

REVENUE
21.3 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Institutional investors (89.6%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

Macy's can breathe again: it stays one more year on the podium. The American department stores giant has started to reap the fruits of the trial-and-error year, which catapulted its benefit by triple figure in 2017.
Now, with clients in the centre of the strategy and focusing on omnichannel experiences, Macy's has soared its financial results despite being immersed in a deep restructuring. "It is an excellent time for retail" assured Jeff Gennette, CEO of the corporation.
Whilst Retail Apocalypse became a more familiar concept by the day for the sector's American companies, Macy's has showcased its expertise once more to adjust to the advancement of e-commerce in its local market and around the world.
In fiscal 2017, the department stores leviathan reset itself with the launch of its North Star Strategy, which will continue to develop throughout 2018.
The plan contemplates the implantation of new marketing conducts, the revision of its sales and discount calendars and the introduction of new lines of product and brands, as for example having Givenchy and Jimmy Choo in its Bloomingdale's stores. In Macy's new road map, fashion continues to be the heart of the company's business.
Moreover, the group has made clear that clients are the ones that dictate the rules and for that it has developed new purchasing experiences in its stores besides implementing its first pop-up ones.
Another of the mottos which Macy's has repeated is that "any experience must be good", making it clear that the company is certainly aimed at offering better purchasing experiences in all the channels it operates. **m**

EVOLUTION 2017

SALES
-3.6%

ONLINE
NA

NET PROFIT
+151.3%

STORES
+52

Kohl's

2

YEAR OF FOUNDATION
1962

FOUNDER
Max Kohl

KEY EXECUTIVE

Michelle Gass
CEO

HEADQUARTERS
Menomonee Falls (Wisconsin, USA)

CHAINS
Kohl's

STORES
1,158 stores in the United States

WORKFORCE
138,000 employees

REVENUE
16.37 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018

The Wisconsin-based corporation obtains for the first time ever the second position in the global ranking of department stores.
Its commitment to innovation and online channels are the keys that made Kohl's exceed its rival Sears this year, in addition to the bad situation the latter is going through.
One of the main incorporations of the enterprise during last year was the partnership with Amazon. In the search for attracting a bigger number of visitors to its stores, Kohl's joined forces with the e-commerce leviathan and installed different points of sale for Amazon's articles in some of its stores.
After the announcement of this initiative, experts in the sector stated that this could be the first step for the e-commerce giant to install in Kohl's some collection points for their online orders. Besides Amazon, Kohl's recently joined the media platform Popsugar.
The objective was to launch a brand that was specifically targeted towards millennial consumers, who through all media and merchandising will be analysed with the purpose of achieving a much more personalised purchasing experience.
Beyond innovation and the improvement of its stores network, Kohl's increased its number of department stores slightly last year, with the opening of four centres in the United States during the 2017 fiscal year.
Another of the group's steps taken last year to keep reinventing itself was the designation of a new CEO, announced on September 2017. The veteran Kevin Mansell, who was the leader of the company for 35 years, will retire this year to let new generations in.
Now it will be Michelle Gass' turn to become Kohl's new CEO, after working for five years as client manager. **m**

EVOLUTION 2017

SALES
+2.2%

ONLINE
NA

BENEFITS
+54.4%

STORES
+4

El Corte Inglés

3

YEAR OF FOUNDATION
1940

FOUNDER
Ramón Areces

KEY EXECUTIVE

Víctor del Pozo
CEO

HEADQUARTERS
Madrid (Spain)

CHAINS
El Corte Inglés, Sfera, Supercor, Bricor and Óptica 2000

STORES
94 department stores in Spain and Portugal, 142 Sfera stores around the world

WORKFORCE
91,690 employees

REVENUE
15.5 billion euros.
Fiscal year ended February 28, 2017

SHAREHOLDERS
Fundación Ramón Areces (35%), Hamad Al Thani (10%)

El Corte Inglés ends a turbulent fiscal year. The department stores group which, equally to its international rivals, is now redefining its business model, is also going through an internal battle for power. This year, the enterprise from Madrid sneaks into the top 3 titans of department stores, position which it lost in 2015.
The group reordered its board of directors last year and created an audit and an executive committee to improve its management and approach good governance practices as those from other listed companies.
However, the great change in its organisation chart came in October, when the company named Víctor Del Pozo and Jesús Nuño de la Rosa as new CEOs, the first in the company's history. The rise of the executives, both right-hand men of the sisters Marta and Cristina Álvarez, left Dimas Gimeno, with no executive functions, assuming the position of chairman. The company ended 2017 with the organisation of the board where Gimeno's departure was decided, whom had unheard offers to abandon the company. Isidoro Álvarez's daughters also count with the support of two historic directors of the group, Florencio Lasaga and Carlos Martínez Echevarría. The Álvarez sisters own 69% of Iasa's Securities Portfolio, which owns at the same time 22.18% of El Corte Inglés, and they are also patrons of the Ramón Areces Foundation, the first shareholder of the corporation.
On the other hand, the Madrid-based company has refocused its network of stores in order to improve profitability, which meant, for example, the closure of their centre in Plaza Cataluña, Barcelona, on the corner with las Ramblas. Also in the Catalan capital, the group reshaped the offer in its department store in Portal de l'Àngel, focusing it only on fashion products and sports gear. Furthermore, the company handed its building in Puerta del Sol in Madrid to Nike.
As well as its competitors, omnichannel strategies and the fight to find a spot in the web were also the main challenges of El Corte Inglés during the last fiscal year. The e-commerce platform of the Spanish department stores registered an increase of 60% in number of transactions, whereas web traffic grew a 25% in comparison to the previous year. **m**

EVOLUTION 2017

SALES
+1.9%

ONLINE
+40%

NET PROFIT
+2.4%

STORES
+19

Sears

4

YEAR OF FOUNDATION
1886

FOUNDER
Richard Sears

KEY EXECUTIVE

Edward S. Lampert
Chairman

HEADQUARTERS
Hoffman Estates (Illinois, USA)

CHAINS
Sears and Kmart

STORES
1,002 stores in the United States

WORKFORCE
140,000 employees

REVENUE
14.32 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Edward S. Lampert (49%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

One more bitter year for Sears. The severe restructuring started two years ago to get the group back onto its feet has made the company fall two positions down the list of the biggest department store companies, settling at fourth position. Despite having reduced losses, Sears continues turning its business around to become more profitable.
The group carried out a new adjustment of expenses plan in 2017, with which it considered closing more than four hundred stores, as well as retreating in Canada. The subsidiary that Sears had in the neighbouring country filed for bankruptcy and, not being able to solve it, it decided to close all department stores with which it operated in the Canadian market.
Ahead of the next fiscal year, Sears continued reducing their network of stores with the closure of a hundred non-profitable centres in the United States. Furthermore, at the beginning of 2018, the group fired two hundred workers from its central offices in the American city of Hoffman Estates.
Under the purpose of maximising the value of the company, Sears put its Kenmore brand and other assets on sale. The firm, specialised in household appliances and home products, is valued at 500 million dollars, together with the home services division.
Another of the actions which made the United States group carry on was the auction of some centres. Sears also wanted to sell 16 department stores in order to get rid of its less profitable ones. Considering this background and in the company's own words, the future of Sears is something uncertain, to the point where some analysts sustain that the company will not succeed to find liquidity, thus shortly disappear or end up sold. **m**

EVOLUTION 2017

SALES
-24.5%

ONLINE
NA

NET LOSSES
-82.7%

STORES
-428

Nordstrom

5

YEAR OF FOUNDATION
1901

FOUNDER
John W. Nordstrom

KEY EXECUTIVE

Blake W. Nordstrom
Co-president

HEADQUARTERS
Seattle (Washington, USA)

CHAINS
Nordstrom, Nordstrom Rack and Jeffrey

STORES
366 stores in North America

WORKFORCE
72,500 employees

REVENUE
12.98 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Nordstrom family.
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

Another giant from the United States that climbs up positions. This year, Nordstrom has stolen Marks&Spencer's spot and cuts in as the fifth biggest group of department stores in the world.
The company has closed one of its most active fiscal year in recent times. With sales and profits in a rise, the company was somehow damaged in 2017 after the owner family weighed buying out the company and taking it private. Finally, last year, the operation backed up and those rumours concluded. In September, the corporation was having advanced negotiations with the venture capital firm Leonard Green&Partners in order to finance its initial public offering. Furthermore, the company changed its managing director after the exit of Enrique Hernández.
In parallel, the company continued taking a bet on brick in the heart of New York whilst its rivals reordered their sales network. Soon, Nordstrom will open a flagship store of 34,000 square metres in New York. The group has invested five hundred million dollars on the launch of the new department store.
Before the Nordstrom flagship opening in Manhattan, the company will also premiere in New York a store specialised in menswear. The facility will be located in Columbus Circle. Besides their expansion in the city, the company already tightened its alliance with e-commerce in the West Coast. Nordstrom launched a store without stock, whose only purpose was the delivery and pick up of products purchased through its e-commerce platform. At the same time, during the beginning of 2018, the American enterprise acquired two start-ups to take steps forward in its digital transformation, with the acquisition of sales tool BevyUp and the e-commerce platform MessageYes. **m**

EVOLUTION 2017

SALES
+4%

ONLINE
NA

NET PROFIT
+23%

STORES
+17

Falabella

6

YEAR OF FOUNDATION
1889

FOUNDER
Salvatore Falabella

KEY EXECUTIVE

Carlo Solari
Chairman

HEADQUARTERS
Santiago (Chile)

CHAINS
Falabella, Mall Plaza, Tottus and Sodimac

STORES
491 stores in South America

WORKFORCE
113,378 employees

REVENUE
12.3 billion euros.
Fiscal year ended
December 31, 2017

SHAREHOLDERS
Solari and Del Río family.
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

Falabella holds again the title of the biggest department store group in Latin America and, moreover, it escalates one more spot in the sector's fashion scene, winning over Marks&Spencer.
The Chilean company has ended a fiscal year with ups and downs and with its benefit going downwards for the first time in many years, mainly due to the split of Aventura Plaza department stores' business in Peru.
Now, the group is facing a new stage which will begin next June, after the exit of Sandro Solari, general manager of the Chilean company.
Improving logistics and investing in technology have become the main goals of Falabella, a plan which will also be maintained for the next four years.
The integration of stores network with digital channels has started to produce good outcomes, since the Chilean corporation's sales on the web represented a 6.5% of the total business.
Furthermore, the department stores company incorporated developments in artificial intelligence and machine learning in order to face its logistics network better.
In parallel, Falabella progressed in the construction of an automatized distribution centre in Santiago and a production centre for the chain in Tottus, Peru.
In order to keep the diversification of its financial sources, Falabella finalised the offering of 400 million dollars. In that way, the group linked to the Solari family has been able to refinance its liabilities in the short-term and to count with a "reasonable" debt. Throughout 2017, Falabella invested a total of 993 million dollars, especially in the opening of new stores and two shopping centres. Besides that, the company also started to operate in Mexico, the last great baton for the Chilean enterprise.
The investment in the last fiscal year also forecasted a new design of Falabella's e-commerce platform, as well as of its Sodicam chain and its banking business. **m**

EVOLUTION 2017

SALES
+4.4%

ONLINE
+36%

NET PROFIT
-16%

STORES
+17

Marks&Spencer 7

YEAR OF FOUNDATION
1884

FOUNDERS
Michael Marks and Thomas Spencer

KEY EXECUTIVE

Steve Rowe
CEO

HEADQUARTERS
London (UK)

CHAINS
Marks&Spencer

STORES
1,433 stores in more than sixty countries

WORKFORCE
84,621 employees

REVENUE
12.21 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

Another hectic fiscal year for Marks&Spencer. The biggest department stores group in the United Kingdom has lost relevance in the world's ranking, surpassed this year by Nordstrom and Chilean Falabella. The British company is currently immersed in a restructuring plan which started in 2016 and that will predictably conclude in 2022. The company has set the target of saving thirty million British pounds per year.

In order to do that, Marks&Spencer has partnered up with the consultancy firm Tata Consultancy Services, which advises the department stores company through its digitalisation process and who will reduce the number of technological suppliers of the company. The first stage of the plan contemplates the investment of 25 million pounds.

The digital transformation process which Marks&Spencer is undergoing is accompanied by new designations which the company pointed out as the "biggest transformation of our team". One of the greatest changes was the signing of a new CFO, with the designation of Humphrey Singer substituting Helen Weir in the position. At the same time, Marks&Spencer hired Victoria Self, former Urban Outfitters e-commerce manager in Europe, as digital director of fashion, home and food. Meanwhile, the British group announced to marketing corporative teams that they would work under the umbrella of clothing items for home and food divisions, currently piloted by Jill McDonald and Stuart Machinm, respectively.

Marks&Spencer's restructuring also considers shrinking its network of stores. The company announced that it would close more than a hundred department stores until 2022. The British company's main goal is that e-commerce should provide in the future a third of its global revenue. **m**

EVOLUTION 2017

SALES
+0.7%

ONLINE
NA

NET PROFIT
-75%

STORES
+51

JC Penney

8

YEAR OF FOUNDATION
1909

FOUNDER
James Cash Penney

KEY EXECUTIVE

Marvin R. Ellison
CEO

HEADQUARTERS
Plano (Texas, USA)

CHAINS
JC Penney

STORES
875 stores in the United States

WORKFORCE
84,621 employees

REVENUE
10.76 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Institutional investors (97.31%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

JC Penney, another American company that disappoints analysts. Despite going back to positive numbers during last fiscal year, the department stores enterprise has followed the steps of its rivals with the reduction of 360 job positions in its headquarters. The measure is framed under the restructuring plan that JC Penney is undertaking, with which it pretends to save between twenty and twenty-five million dollars.
Moreover, the group has continued to fight in order to gain balance between physical stores and digital channels. JC Penney will keep reducing its network of stores through the closure of between 134 and 140 department stores, with the goal in mind of making its business profitable, despite announcing last year that it would not close any more stores.
In that context, JC Penney was forced to reorder the merchandising of its stores, leaning on sectors such as cosmetics, jewellery and accessories. In fact, the group started an alliance with Sephora and opened seventy points of sale of the cosmetics chain owned by LVMH. Another of the sectors that JC Penney promoted during the last year was furniture and decor.
Ahead of the future fiscal year, the American company stated that it will continue to modernise its clothing and footwear offer, and strengthen its omnichannel strategies, besides investing in household appliances, furniture and mattress segments.
JC Penney's CEO, Marvin Ellison, assured that the company was set on two critical factors this 2018: reshape its business to grow again and maintain profitability. **m**

EVOLUTION 2017

SALES
-0.3%

ONLINE
+20%

RESULTS
Loss to profit

STORES
-141

Isetan Mitsukoshi

9

YEAR OF FOUNDATION
1886

FOUNDER
Iseya Tanji Kimoni

KEY EXECUTIVE

Toshikiko Sugie
President and CEO

HEADQUARTERS
Shinjuku (Tokyo, Japan)

CHAINS
Isetan, Mitsukoshi, Iwataya and Mi Plaza

STORES
About 100 in eight countries

WORKFORCE
26,000 employees

REVENUE
9.94 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

Brick crisis has even managed to reach Asia. During the last fiscal year, Isetan Mitsukoshi had company losses for the first time ever since 2010.

The biggest department store group of the continent was no alien to the sector's crisis and scored its first negative numbers, despite shyly rising its sales in 2017. The bad streak was led by the valuation of assets from two of its subsidiaries.

Furthermore, Isetan also jumped on the closure of stores as its rivals have done and closed some of its less profitable ones.

On the other hand, the corporation opened some new shops with small formats, like Isetan Salone or Isetan Mirror, both specialised in cosmetics services.

Last November, the Japanese group started a plan to promote its business again, which forecasts a restructuring of its workforce and its business inventory until 2020.

Another of the strategies introduced by the company so as not to lose track of e-commerce strides was the launch of Store App, to inform consumers and generate a better purchasing experience.

In April 2017, Isetan shook its leadership with the signing of Yoshikiko Sugie, who joined the company as CEO and president of the Japanese department stores.

For the next fiscal year, Isetan predicts going back to positive numbers with a net profit of 13 billion yens (118.7 billion euros), whereas its sales will grow 5.8% in comparison to last fiscal year. **m**

EVOLUTION 2017

SALES
-1.2%

ONLINE
NA

RESULTS
Profit to loss

STORES
NA

Hudson’s Bay

10

YEAR OF FOUNDATION
1670

FOUNDERS
Pierre-Esprit Radisson and Médard des Groselliers

KEY EXECUTIVE

Helena Foulkes
CEO

HEADQUARTERS
Toronto (Canada)

CHAINS
Hudson’s Bay, Saks Fifth Avenue, Off 5th, Lord&Taylor, Home Outfitters and Gilt

STORES
480 stores around the world

WORKFORCE
66,000 employees

REVENUE
9.47 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 29th of May 2018.

The Canadian corporation of department stores Hudson’s Bay scored the same upheavals as the other nine companies from the list. The company that closes the list of the biggest groups in the sector continued to expand internationally in 2017 with its entry to the Netherlands through its Hudson’s Bay chain, and into Germany, with Saks Off 5th.

However, the company showed off a weak execution in its results. “While we are not pleased with our results during the year, we took significant action to continue to build a solid foundation for improved profitability and future success”, said Richard Baker, Hudson’s Bay executive chairman. The Canadian group also reorganised its leadership with the signing of Helena Foulkes as the new CEO. Recently, the company also communicated the departure of Liz Rodbell, president of Lord&Taylor, after working for 32 years in the company.

In order to improve its results, one more change made by Hudson’s Bay in the last fiscal year was the sale of the historic fkagship that Lord&Taylor had in New York’s Fifth Avenue for 850 million dollars. On the other hand, the Canadian group sought new partners to join its commercial offer during 2017 as it did with Sephora and Topshop, as well as with Walmart. **m**

EVOLUTION 2017

SALES
+0.7%

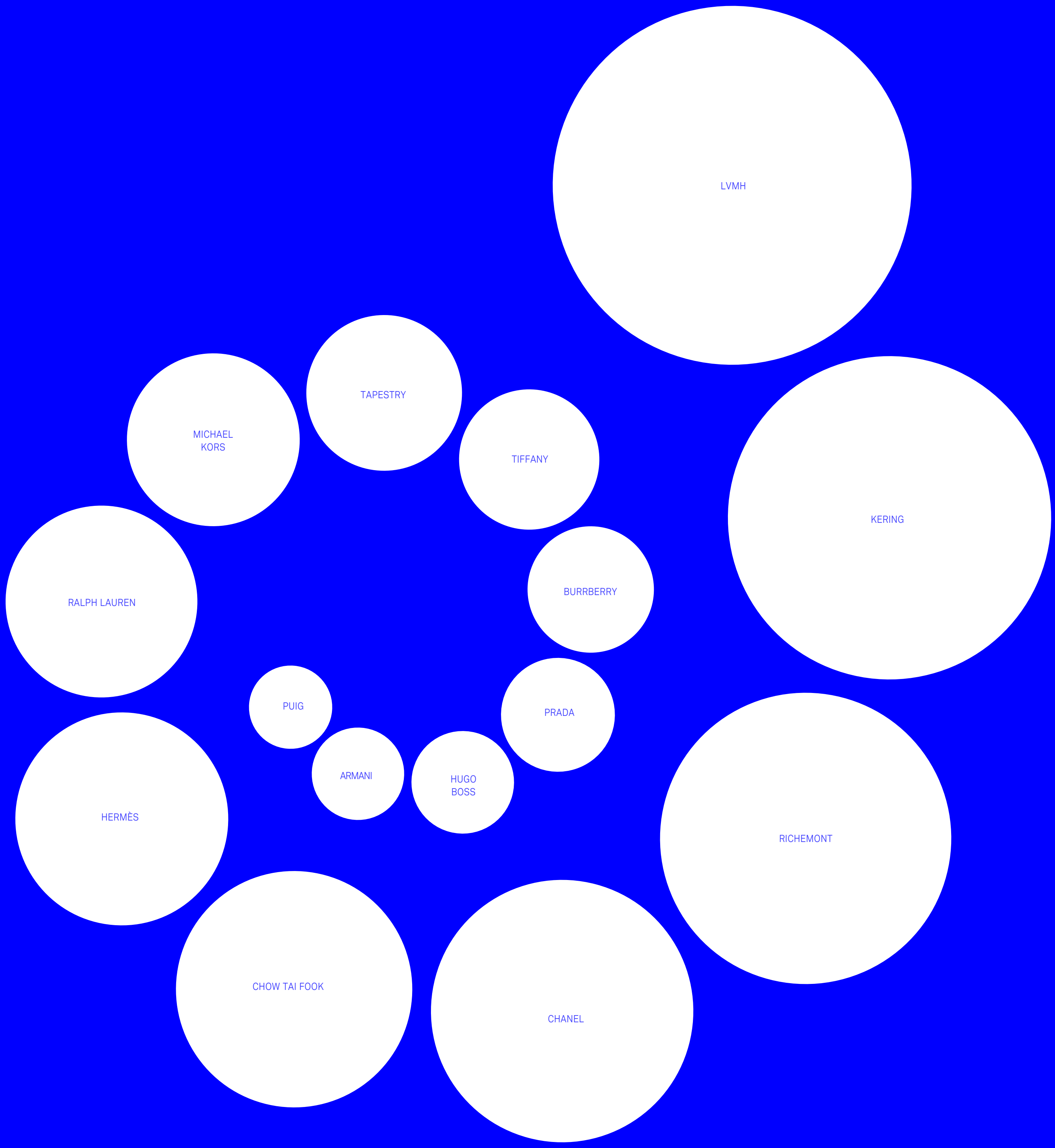
ONLINE
NA

NET LOSSES
+12.5%

STORES
NA

3

THE DIAMONDS OF LUXURY



Luxury makes a move. In a changing context of consumption habits and fashion business itself, titans of the high-end segment are also starting to take adapting measures. In a sector where changes mainly resorted to the creative area, large companies are now including strategies in their operations, especially in the digitalisation field, and reordering their portfolios to adjust to the new environment.
In the ranking, Europe has won positions, with Hermès leading the increases of the list reaching fifth position. In the United States, premium is turning to purchases to gain size and create European-style conglomerates, although more dedicated to lifestyle.
As every year, the ranking has been made taking into account those groups which operate in the luxury fashion sector, even though their main business is a different one, as it is the case for Richemont (watches and jewellery) or Puig (perfumes).
Due to its size and global reach, the Hong Kong Chow Tai Fook has also been included in the list.

LVMH

1

YEAR OF FOUNDATION
1987

FOUNDERS
Alain Chevalier and Henry Racamier

KEY EXECUTIVE

Bernard Arnault
Chairman and CEO

HEADQUARTERS
Paris (France)

BRANDS
Louis Vuitton, Christian Dior, Loewe, Céline... Portfolio of seventy brands

STORES
4,374 stores around the world

WORKFORCE
145,000 employees

REVENUE
42.63 billion euros.
Fiscal year ended
December 31, 2017

SHAREHOLDERS
Arnault family (46.8%).
Listed on the stock exchange.

LVMH reigns comfortably in the global luxury ranking, broadening the distance with its rivals. Throughout the last fiscal year, the titan piloted by Bernard Arnault has targeted its efforts in two directions: vertical integration and innovation.

At the beginning of 2017, LVMH absorbed Dior Couture, the society which managed the French brand's fashion division, by 13 billion euros.

The business of this subsidiary was consolidated for the first time in the third quarter of the fiscal year, due to which its impact in the results will be more clearly seen in the next complete year.

The company also continued taking measures to guarantee the control of their sourcing, with the creation of a joint venture with Marcolin, the third biggest optic company in the world, and the acquisition of a stake in Roux, specialised in tannery. But, same as its competitors, LVMH's fight is innovation, a field where start-ups and other fashion sectors like sports are way ahead.

The luxury king resorted, as other of its rivals, to the creation of a start-up accelerator to promote innovation in the luxury sector. Having technology near, but not too close: "you cannot mix fire with water", said Bernard Arnault in reference to a possible M&A entailing an enterprise from the sector.

Regarding e-commerce, LVMH also opted to take the lead in online distribution through the launch of 24Sèvres, a multi-brand platform where most of its brands are sold and which directly competes with Net-a-Porter. Shortly after that, LVMH followed the same strategy with its spirits division and created Clos19, through which it distributes Möet or Hennesy, besides also offering trips. **m**

EVOLUTION 2017

SALES
+13.4%

ONLINE
NA

NET PROFIT
+18%

STORES
+426

Kering

2

YEAR OF FOUNDATION
1963

FOUNDER
François Pinault

KEY EXECUTIVE

François-Henri Pinault
Chairman and CEO

HEADQUARTERS
Paris (France)

BRANDS
Gucci, Balenciaga, Saint Laurent, Bottega Veneta... Portfolio of fifteen brands

STORES
2,582 stores around the world

WORKFORCE
38,596 employees

REVENUE
15.47 billion euros. Fiscal year ended December 31, 2017

SHAREHOLDERS
Artémis (Pinault family, 40.9%). Listed on the stock exchange

Kering's 2017 report is perhaps one of the most expressive ones in international luxury. Whilst its rivals show "prudence" in a "challenging" environment, the message coming from the group piloted by François-Henri Pinault is a constant hyperbaton. "We have explicitly shown the strength of our business model" sentenced the French businessman in the letter sent to its shareholders.

It is no wonder. After years of restructuring and handovers in its executive leaderships, Kering is finally reaping the fruits. Its three main brands, Gucci, Saint Laurent and Balenciaga, are living their prime hand in hand with Alessandro Michele, Anthony Vacarello and Dema Gvsalia, respectively, and the results are at its best too. In 2017, the company multiplied by two its benefit, which reached a historical peak, and the sales of its main brands grew to the double digit. In this buoyant context, Kering decided to reorder the portfolio in order to focus on capitalising the success of its luxury brands. The conglomerate distanced itself from Stella McCartney this year, now solely controlled by the designer, and got rid of positions in Puma after the IPO of 70% of its participation.

Gucci, the crown jewel, shoot its sales up by 42% last year, helped by Michele's phenomenon. The Italian designer, who constitutes a tandem together with Marco Bizzarri as chief executive, has been supported by unexpected collaborations, like the one signed with Harlem Dapper Dam's designer in order to give the brand some popularity back.

As per the operative, the company has also taken measures to approach consumers, reorganising its management under four new areas: merchandising, indirect channels, brand and customer engagement as well as with digital business and innovation so as to have a closer relationship with the client. **m**

EVOLUTION 2017

SALES
+25%

ONLINE
NA

BENEFITS
+119.5%

STORES
+83

Richemont

3

YEAR OF FOUNDATION
1988

FOUNDER
Anton Rupert

KEY EXECUTIVE

Johann Rupert
Chairman

HEADQUARTERS
Geneva (Switzerland)

BRANDS
Cartier, Chloé, Azzedine Alaïa, Ynap... Portfolio of eighteen brands

STORES
1,123 stores around the world

WORKFORCE
30,000 employees

REVENUE
10.64 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Compagnie Financière Rupert (9.1%).
Listed on the stock exchange

The third biggest luxury conglomerate in the world has traditionally been much more discreet than its two main rivals. Richemont has its roots in the tobacco business and, as it has been getting closer to jewellery and watches businesses, it has been kept inside its own bubble, as if fashion's upheavals had nothing to do with it. However, not even the Siwss diamond is unfamiliar with the sector's transformations.
The company, led by the Rupert family, took a turn last year with the announcement of a takeover bid on Yoox Net-a-Porter, the e-commerce titan it created in 2015.
Richemont was one of the first luxury leviathans (with the permission of Hermès) to take a chance on digital channels with the acquisition of Net-a-Porter in 2010. In only five years and during a full-on crisis, the platform was already a benchmark for the sector and the door which gave high-end brands entrance to online sales. Back in 2015, Richemont merged it with Yoox, creating a behemoth which as of today has a revenue of more than 2.1 billion euros, and which now the corporation wants to integrate again into its structure, delisting it from the stock exchange.
The company has also taken some steps further in its transformation with the handovers in the leadership of its watches brands and the creation of new executive positions like the role of e-commerce director. At the beginning of this year, the group included Jean-Jacques Van Oosten as technology manager, although he abandoned the company barely a few months later.
But that is not the only symptom that shows how something is changing in Richemont. At the beginning of 2017, the company named Chabi Nouri, a former Cartier executive, as Piaget's CEO, which was the first time a woman took the lead of one of the jewellery and watches brands owned by Richemont, the group's core business. **m**

EVOLUTION 2017

SALES
+3%

ONLINE
+11.7% (YNAP)

NET PROFIT
+1%

STORES
+6

Chanel

4

YEAR OF FOUNDATION
1910

FOUNDER
Coco Chanel

KEY EXECUTIVE

Alain Wertheimer
Chairman

HEADQUARTERS
Paris (France)

BRANDS
Chanel, Eres*, Barrie*, Holland&Holland*
*Property of the Wertheimer brothers

STORES
More than 300 around the world

WORKFORCE
More than 12,000 employees

REVENUE
8.3 billion euros

SHAREHOLDERS
Alain and Gerard Wertheimer

Chanel is maintained, one more year, as the most discreet behemoth of global luxury. The company, property of the German Wertheimer brothers, grandsons of an old partner of the French designer, does not publish its results, and so the revenue is estimated through the accounts of one of its owners' partnerships. Despite everything, Chanel is also taking action. Even though the group does not reveal its sales strategy and it is hard to know if it has closed any stores during the last year, the French company has given signs of being in the process of reordering its commercial strategy.
The news of Chanel's flagship openings have been scarce this last year, even though the company has committed to ephemeral stores, a more flexible format with which it has installed in cities like Berlin, Taipei and Capri.
The company has also made a move in the perfumes area, which continues to be one of the key areas of business. The enterprise has launched a new perfume at the beginning of 2017, the first in fifteen years, with which it expects connecting again with young consumers and thus approaching new clients.
Coinciding with that announcement, the company recognised that even its star perfume, Chanel Nº 5, which has been at the top of the list of the best selling perfumes in the world, needs a renovation.
Lastly, Chanel has not escaped either the necessary digital adaptation which its rivals have undertaken despite being the luxury brand that took the most time to surrender to e-commerce.
The firm sealed a deal with Farfetch at the beginning of 2018 with the purpose of creating new tools to integrate experience on and offline. The partnership entailed Chanel taking a stake in the British luxury e-commerce, even though the operation's details were not disclosed. **m**

EVOLUTION 2016

SALES
+11%

ONLINE
NA

NET PROFIT
NA

STORES
NA

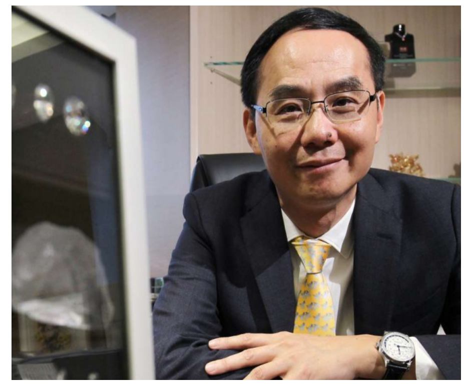
Chow Tai Fook

5

YEAR OF FOUNDATION
1929

FOUNDER
Chow Chi Yuen

KEY EXECUTIVE



Kent Wong Siu-Kee
Managing director

HEADQUARTERS
Hong Kong (China)

BRANDS
Chow Tai Fook and Hearst on Fire

STORES
2,863 stores in eight countries

WORKFORCE
29,450 employees

REVENUE
5.58 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Cheng Yu Tung family (89.3%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 6th of June 2018.

Asia continues to miss having titans in the luxury sector, with the only exception of jewellery, where Hong Kong counts with its very own leviathans.
The biggest one is Chow Tai Fook, which during the last fiscal year has leaned on internationalisation to fight the fall of traffic in Hong Kong and Macau, its two main markets. Beyond continental China and the special administrative regions, the company is thoroughly committing to the United States, where it is progressively broadening its presence through multibrand channels.
The corporation is reorganising its sales network to optimise store efficiency, installing in the residential areas of Hong Kong and Macau, where until now the prime and touristic axis were focused. Facing the current fiscal year, the prediction is set on the closure of between seventy and a hundred stores.
At the same time, these two markets are starting to show the first symptoms of recovery. Like-for-like sales in Hong Kong and Macau bounced back during the fourth quarter of fiscal 2017 (which ended 31st of March) after twelve quarters in a row decreasing.
E-commerce has also become a spearhead in the growth strategy of Chow Tai Fook, which operates, as well as through its own portal, through platforms of brands such as Tmall and JD.com.
The company is taking the lead in that sense, compared to international luxury players who are still cautious when operating online through third parties.
According to the latest data available, during the first half of fiscal 2017, Chow Tai Fook's e-commerce boosted a 120.4%, with 345,000 users a day. Consequently, its accounts in social networks like Weibo and Wechat have an amount of 3.4 million followers. **m**

EVOLUTION 2017

SALES
-9.5%

ONLINE
+41.4%

NET PROFIT
5.8%

STORES
+27

Hermès

6

YEAR OF FOUNDATION
1837

FOUNDER
Thierry Hermès

KEY EXECUTIVE

Axel Dumas
CEO

HEADQUARTERS
Paris (France)

BRANDS
Hermès, Shang Xia and John Lobb

STORES
304 stores around the world

WORKFORCE
13,483 employees

REVENUE
5.54 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
H51 (Dumas family).
Listed on the stock exchange

Hermès was one of the biggest escalations of the year, surpassing Ralph Lauren and reaching the sixth position in the ranking.
Even though the company had stopped making predictions a year ago because the environment was "changing" and "challenging", the results of last fiscal year have scored new records one more time. The company raised sales in all its markets and in all business categories, and its operating margin marked a historic peak standing at 34.6% over sales.
As it has been doing for some years now, Hermès continued reinforcing its productive muscle with the put into service of leather factories in France, in order to face the growing demand in Asia.
In fact, the low available stock was the CEO's reason to justify the deceleration of revenue during the last quarter of the year, when sales ascended a 5% compared to the 6% estimated by analysts.
After a fiscal year of prudent declarations, Axel Dumas became optimistic again. "There is good momentum in our industry because of demographics and because of the economic growth of China and the worldwide economy", stated the executive.
The group, pioneer in online sales, promoted its digital business again with the launch of a new platform for e-commerce in the United States and Europe, which will expand around Asia throughout this fiscal year.
During 2018, Hermès is also experiencing a buoyant moment, especially in the stock market.
The family has increased its participation and now controls more than two thirds of the company, whereas stock has gone 35% up since the beginning of the year due to rumours that the corporation could enter in the CAC-40 French Stock Market. **m**

EVOLUTION 2017

SALES
+6.7%

ONLINE
NA

NET PROFIT
+11%

STORES
+3

Ralph Lauren

7

YEAR OF FOUNDATION
1968

FOUNDER
Ralph Lauren

KEY EXECUTIVE

Patrice Louvet
President and CEO

HEADQUARTERS
New York (USA)

BRANDS
Ralph Lauren, Club Monaco and Chaps

STORES
619 stores around the world

WORKFORCE
23,300 employees

REVENUE
5.28 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Ralph Lauren.
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 6th of June 2018.

Ralph Lauren ends a bittersweet fiscal year. The company managed to recover from the negative numbers of 2017, although after twelve months of deep restructuring and with the certainty that recovery is far from being definite.

The company started the year with the announcement of Stefan Larsson's departure, who joined Ralph Lauren in 2015 as general manager. A year after the signing, Larsson started a restructuring plan which contemplated the closure of unprofitable stores and the reduction of inventory levels. After Larsson's exit, the plan continued with the announcement of two hundred workers' layoffs in the United States, and the closure of one hundred stores, amongst them one of the most representative: the one located in Fifth Avenue. The goal was that, altogether, the plan would entail an annual saving of 140 million dollars.

The restructuring has also meant the reorganisation of the executive leadership, with the exit of top guys such as the multibrand channel manager or the responsible of women's fashion.

Digitalisation has also been at the centre of the group's strategy. At the beginning of this year, the company created a digital team led by Alice Delahunt, until then digital marketing manager of Ralph Lauren.

The purpose of this new team, completed by former executives from Zappos and Carter's, was the improvement of consumer experiences in all channels.

However, the signing that got the most headlines was Angela Ahrendts', who put Burberry on the front line of luxury's innovation and who since 2013 is Apple's retail manager. The executive joined Ralph Lauren at the beginning of 2018 as an independent codirector, which meant her return to the fashion business. **m**

EVOLUTION 2017

SALES
-7%

ONLINE
+24% in Europe

NET PROFIT
Loss to profit

STORES
-11

Michael Kors

8

YEAR OF FOUNDATION
1981

FOUNDER
Michael Kors

KEY EXECUTIVE

John D.Idol
CEO

HEADQUARTERS
New York (USA)

BRANDS
Michael Kors and Jimmy Choo

STORES
829 stores in more than a hundred countries

WORKFORCE
14,846 employees

REVENUE
4.03 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Michael Kors and John Idol.
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 6th of June 2018.

Michael Kors follows Coach's steps. The change in consumers' purchasing habits (for whom logos do not justify price anymore) and the fall of traffic in the United States in full Retail Apocalypse, have put the American premium titans in a complex spot, and each of them is following a different strategy. Michael Kors' is the same as the noted Tapestry: purchases.
The brand, specialised in bags, acquired Jimmy Choo last year with a transaction valued in 1.35 billion dollars, under the purpose of promoting the footwear brand's sales to one billion dollars in the medium-term. But that doesn't stop there.
In the last presentation of results, John Idol, Michael Kors' CEO, assured that the company continued open to corporative operations.
The objective was to diversify beyond classic bags embossed with the logo with which Michael Kors faced the undefeated Louis Vuitton and, more specifically, diversify geographic risks.
As many other American companies, Michael Kors depends a lot on the American market, where it produces 70% of its business.
For Jimmy Choo, however, the continent barely represents 30% of sales. For now, figures (both in results accounts and the stock exchange) are rewarding this evolution and analysts underline how these values are above most of its competitors. Also on its favour is the fact that the company already did the necessary reorganisation with store closures as well as with communication strategies focused on the youngest consumers and it is positioned to challenge the context and beat its rivals in the sector. **m**

EVOLUTION 2017

SALES
+5%

ONLINE
NA

NET PROFIT
+7.1%

STORES
+13

Tapestry

9

YEAR OF FOUNDATION
1961

FOUNDERS
Lilian and Miles Cahn

KEY EXECUTIVE

Victor Luis
CEO

HEADQUARTERS
New York (USA)

BRANDS
Coach, Stuart Weitzman and Kate Spade

STORES
1,043 stores in 73 countries

WORKFORCE
14,400 employees

REVENUE
3.83 billion euros.
Fiscal year ended January 1, 2017

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 6th of June 2018.

Creating the first New York-based house of modern luxury lifestyle brands. That is the (ambitious) plan of Coach to face the new period the sector is going through on a global scale. The company, which already controls Stuart Weitzman, acquired in 2017 Kate Spade with the aim in mind to gain size and reach a youngest audience which the brand by itself does not reach.
Differently to the firms that constitute European conglomerates, Coach, Kate Spade and Stuart Weitzman, are young brands which embraced online channels earlier and that are more accessible than European ones. And these are precisely the main assets of the new conglomerate: United States' lifestyle and price, in the face of LVMH or Kering's European tradition.
To confront this new stage, the company launched by the end of 2017 a new name and corporative image with the purpose of differentiating the group from the brand that owns the same name. The company changed its Tapestry denomination in the first great rebranding of the sector since PPR became Kering back in 2013.
All in all, this strategy has not started to show results on paper yet. During the third quarter of the actual fiscal year (ended 31st of March), Kate Spade registered a sales decrease of 9% in comparable area, whereas Coach and Stuart Weitzman were kept on the rise, although moderately.
However, analysts are still prudent and recommend waiting for Coach to turn the concept of an accessories brand around.
The group has already started to arm the team in order to pilot this new period and has incorporated Anna Bakst as general manager of Kate Spade, who will do a tandem with the brand's creative director, Nicola Glass. **m**

EVOLUTION 2017

SALES
+8.7%

ONLINE
NA

NET PROFIT
+28.3%

STORES
+14

Tiffany

10

YEAR OF FOUNDATION
1837

FOUNDERS
Charles L. Tiffany and John B. Young

KEY EXECUTIVE

Alessandro Bogliolo
CEO

HEADQUARTERS
New York (USA)

BRANDS
Tiffany

STORES
315 stores in 28 countries

WORKFORCE
13,100 employees

REVENUE
3.56 billion euros.
Fiscal year ended January 31, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 6th of June 2018.

A diamond is forever, but it is not purchased as much anymore. To the global transformation that its luxury colleagues are facing, Tiffany also sums up the changes in consumption habits: young people marry later, and the diamond in a blue box is not any more a norm sine qua non. Tiffany has drifted away from new generations and sales have accused this disconnection for its suffering, although the company has started to take preventive measures.
During the middle of last year, the group sought a general manager from a company in the polar opposite of its position, Diesel. The company hired Alessandro Bogliolo, until then manager of the denim campaign of OTB, as new first executive. Bogliolo assumed the challenge of continuing the company's transformation plan and taking it back to the path of growth.
During the last presentation of results, the one corresponding to the first quarter, Bogliolo resumed this project in six backbones: amplify an evolved brand message; renew offer and improve presentation in stores; give omnichannel experience; improve competitive positions; nurture a more efficient operative model and inspire an nimble organisation.
Whilst engagement rings sales continue going downwards, the company is taking a chance on jewels with a bigger fashion component and lines with lower prices, so they can face other brands such as Pandora, which has revolutionised the jewellery sector with its charms. Furthermore, the company has diversified its offer beyond jewels, taking a chance on accessories and home products in order to balance sales decreases.
The group is also reordering its stores network, with seven closures during 2017 and nine openings, and investing on visual merchandising and marketing to attract traffic. **m**

EVOLUTION 2017

SALES
+4%

ONLINE
7%/total

NET PROFIT
-17%

STORES
+2

Burberry

11

YEAR OF FOUNDATION
1856

FOUNDER
Thomas Burberry

KEY EXECUTIVE

Marco Gobbetti
CEO

HEADQUARTERS
London (UK)

BRANDS
Burberry

STORES
495 around the world

WORKFORCE
10,613 employees

REVENUE
3.12 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Listed on the stock exchange

Burberry ends a year of transition. The company finished in 2017 four years of Christopher Bailey's solitary leadership.
In July, the British group hired Marco Gobbetti, co-author of the Céline phenomenon, as its new first executive, and in March 2018, it recovered the bicephalic mandate with the designation of Riccardo Tisci as creative director.
At the end of last year, Gobbetti announced his strategy for the new period, focused on putting Burberry in a high position again.
"What drove our growth in the past is not necessarily what will fuel our future success", claimed Gobbetti during the interim results presentation. "In addition to the sector, the luxury customer is also changing. Today's customers are moving away from traditional notions of luxury and elegance and are looking for casual, fun, fashion that fits with their lifestyles", said the executive. Last year, the company already took the first tiny steps towards this new stage. The first one was singing a license with Coty for its beauty business, putting an end to a strategy that lasted several years in which Burberry chose to take control of its different business lines.
Moreover, the company joined forces with Farfetch to extend its online reach to 150 countries and, already in 2018, the group acquired Italian supplier CF&P, specialised in the production of leather articles. The group is also managing a restructuring process of its network of stores, with the closure of 17 directly-operated stores, ten franchises and seven outlets during 2017. During the same period, Burberry opened a total of fourteen points of sale more.
For 2018, Gobbetti predicts to undertake the renovation of its stores network, for which it contemplates making an investment of 210 million euros, above the 150 million investment the company budgets, in average, every year. **m**

EVOLUTION 2017

SALES
-1%

ONLINE
NA

NET PROFIT
+2%

STORES
-12

Prada

12

YEAR OF FOUNDATION
1913

FOUNDER
Mario Prada

KEY EXECUTIVE

Patrizio Bertelli and Miuccia Prada
CEO

HEADQUARTERS
Milan (Italy)

BRANDS
Prada, Miu Miu, Car Shoe, Church's and Marchesi 1824

STORES
625 stores around the world

WORKFORCE
12,112 employees

REVENUE
3.05 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Prada family (80%).
Listed on the stock exchange

Prada is still waiting for the spin that never comes. The profit of the Italian group, which is listed on the Milan Stock Exchange, has a downward tendency since 2014, and this year it had to postpone its goal of going back to the path of growth. "We have left a dark area and are now approaching a brighter one", assured Patrizio Bertelli, co-CEO, during the presentation of results.
The change of offer, with the launch of sneakers and the renewal of its sporting line Line Rossa, has started to show some good outcomes, and new launches motivated the growth of the company during the second half of the last ended fiscal year, according to Bertelli.
The company has also broadened its efforts in online channels, with the incorporation of Chiara Tosato as new global digital director. According to Tosato, e-commerce generates between 4% and 5% of the group's total sales and the objective is that they manage to represent 15% by 2020.
The commitment to this channel is especially relevant as China, the first global market for digital commerce, is also its first sales territory, providing 30% of the total revenue.
The pricing strategy is another one of the company's strategies, which became famous thanks to its nylon bags, much cheaper than those in traditional luxury.
In 2017, the brand already showed the first symptoms of variating its price mix, at the same time as they are moderating their sales with discounts.
The objective was to connect again with a consumer whom they seem to have forgotten, refusing for too long trends like e-commerce or sneakers and rising the prices of their top bags. "The team trusts that this year would mark the beginning of a new sustainable long-term growth period", said the company in a statement. **m**

EVOLUTION 2017

SALES
-3.6%

ONLINE
5%/Total

OPERATING PROFIT
-4.3%

STORES
+2

Hugo Boss

13

YEAR OF FOUNDATION
1924

FOUNDER
Hugo Ferdinad Boss

KEY EXECUTIVE

Mark Langer
Chairman and CEO

HEADQUARTERS
Metzingen (Germany)

BRANDS
Hugo Boss

STORES
439 stores in 127 countries

WORKFORCE
13,985 employees

REVENUE
2.73 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Zignago Holding (10%).
Listed on the stock exchange

Hugo Boss is taking a first glimpse at the results of its restructuring plan after a turbulent year. The company, piloted since 2016 by the finance manager Mark Langer, launched this year a medium-term plan with which it intends to grow again in 2019.
The project included simplifying its offer to operate with two brands alone: Boss and Hugo, with a special emphasis on the latter, whose prices are on average a 30% inferior to those of its main label. The company also unified its prices on a global scale, reducing them in Asia and lightly increasing them around Europe.
During 2017, which the company described as a "destabilising" year, Hugo Boss continued integrating the strategy with the aim set on younger consumers, the reinforcement of its online platform and the closure of unprofitable stores. Based on product, the enterprise has pushed away from the previous CEO's strategy of rising the position of the label and taking a chance on women's fashion. With the new first executive, Hugo Boss is betting on more casual collections, taking Hugo Boss back to its origins and relegating to the background the project for women's fashion, more so after cutting all ties with the designer Jason Wu, who had been leading the line's creative direction for five years.
The plan started to provide interesting outcomes: online sales boosted a 42% and in the United States, where the group is carrying out a plan to rise their position reducing their presence in outlet channels, sales were also recovered with a rise of 7% in like for like.
The company estimates a growth during this fiscal year, with an increase of 2% of sales and 12% of net profit. **m**

EVOLUTION 2017

SALES
+1.5%

ONLINE
+5%

NET PROFIT
+19%

STORES
-3

Armani

14

YEAR OF FOUNDATION
1975

FOUNDERS
Sergio Galeotti and Giorgio Armani

KEY EXECUTIVE

Giorgio Armani
CEO

HEADQUARTERS
Milan (Italy)

BRANDS
Giorgio Armani, Emporio Armani and AX Armani Jeans

STORES
2,983 stores in more than 60 countries

WORKFORCE
More than 10,000 employees

REVENUE
2.511 millones de euros. Fiscal year ended December 31, 2016

SHAREHOLDER
Giorgio Armani

Armani is another luxury rara avis which continues to be independent and is not listed on the stock exchange. One of its main challenges is precisely knowing which will be its future after Armani, who has piloted the firm by himself for more than three decades. By the end of 2016, the businessman started to prepare for his handover with the creation of a foundation to "protect the management assets of the Armani group", and in 2017, he started to shape the organism through the creation of a board constituted by trusted executives.
These moves were produced during the company's reorganisation plans to save expenses, which included layoffs and closures. In April, the Italian enterprise announced the dismissal of 60% of its Italian factory workforce, specialised in the production of jackets and coats.
In the middle of the year, the company shared the results belonging to fiscal 2016, in which sales drew back a 5%. Armani blamed the decrease on the difficulty of the year due to China's deceleration, Europe's decrease of tourism and the change in consumption habits, adding up to the impact of the stores network's restructuring.
Coinciding with the presentation of results, Armani also announced a reorganisation of its brand portfolio, following the steps of other international companies such as Hugo Boss or Burberry.
The group concentrated its offer in three brands: Giorgio Armani (which also included the lines Giorgio Armani Privé, haute couture and Armani/Home), Emporio Armani (which absorbed Armani Collezioni and Armani Jeans) and AX Armani Exchange. This reorganisation also impacted the stores network, with even more closures throughout 2017, even though the company failed to qualify the entire scope. **m**

EVOLUTION 2017

SALES
-5%

ONLINE
NA

NET PROFIT
+12%

STORES
NA

Puig

15

YEAR OF FOUNDATION
1914

FOUNDER
Antonio Puig

KEY EXECUTIVE

Marc Puig
Chairman and CEO

HEADQUARTERS
L'Hospitalet de Llobregat (Barcelona, Spain)

BRANDS
Carolina Herrera, Nina Ricci, Paco Rabanne, Jean Paul Gaultier...

STORES
Not available

WORKFORCE
4,472 employees

REVENUE
1.93 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Puig family

Puig ended 2017 on the brink of reaching its 2 billion euros target but "satisfied" with the results. The Spanish group has started to capitalise the efforts put to practice during the last years, when the company undertook an intense commitment on acquisitions that had damaged its results in previous years.

The group, whose principal business are perfumes, has concluded its three-year plan and has set new goals for the next decade. Puig predicts to reach 3 billion euros in 2025, which means growing twice as much as the market but at lower rates than those in which the company has advanced during the last ten years.

"Even though the environment is one of the most changing I have ever seen in my professional career, we are optimistic with the perspectives of selective perfumery business", explained Marc Puig, Puig's CEO and chairman, during the presentation of results.

In order to attain this objective, Puig estimates that its two main drivers will be the Asiatic market and travel retail. Because of that, the company is strengthening this channel and has signed new partnerships in Asia so as to promote growth.

Last year, the company created a joint venture with Luxasia to give a new push to the development in the continent, and with Trimex, property of Clarins, to capture opportunities in Australia and New Zealand.

Puig has also joined the commitment to innovation with the creation of Puig Futures, a platform for the launch and investment in innovative projects.

The accelerator will operate in three areas: the creation of new disruptive business models, the partnership with other innovators and the minoritarian investment in third parties. Its first project was Air Parfum, developed with the collaboration of a foreign company which enables to try on perfumes without tiring the sense of smell. **m**

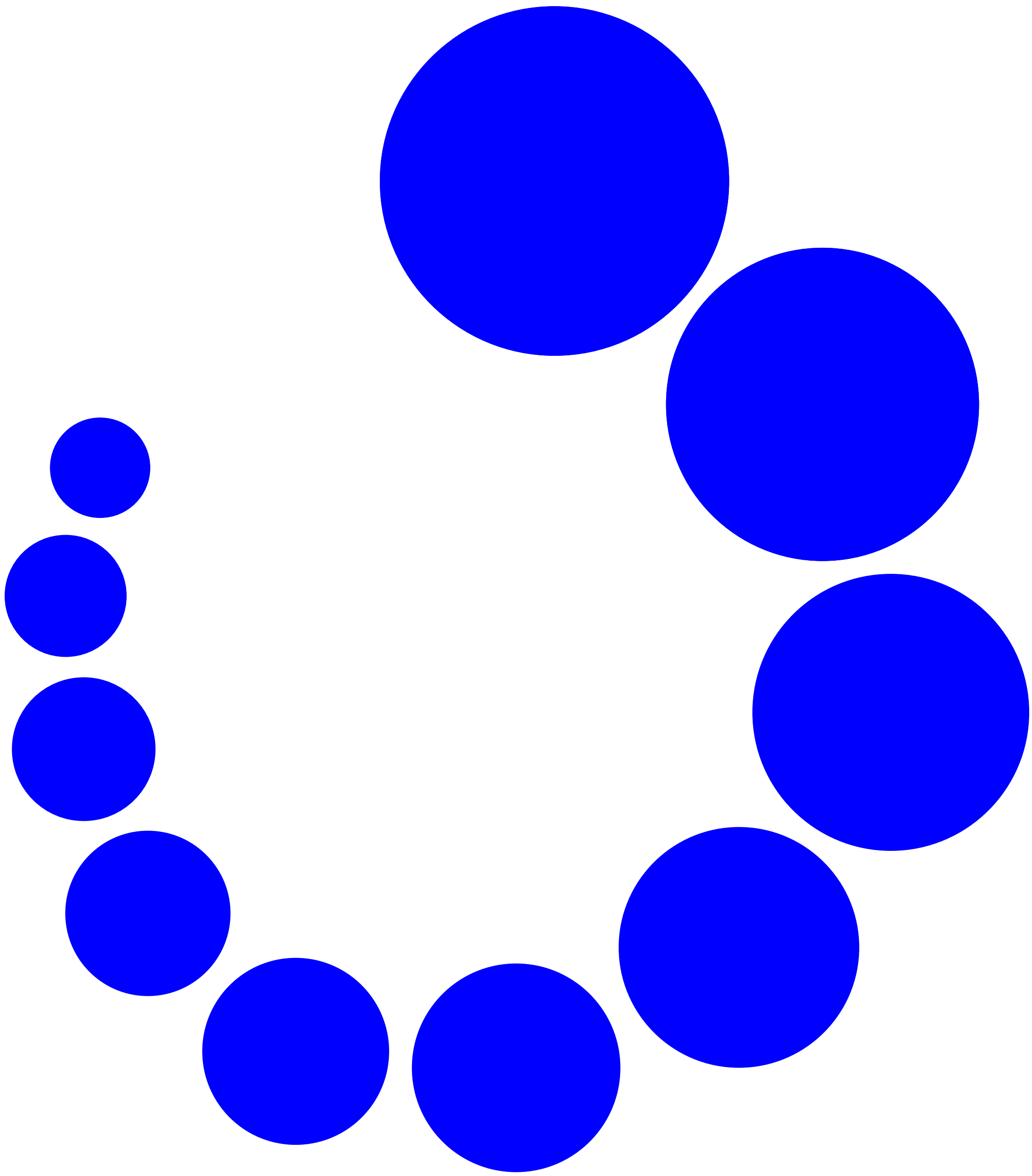
EVOLUTION 2017

SALES
+8.6%

ONLINE
NA

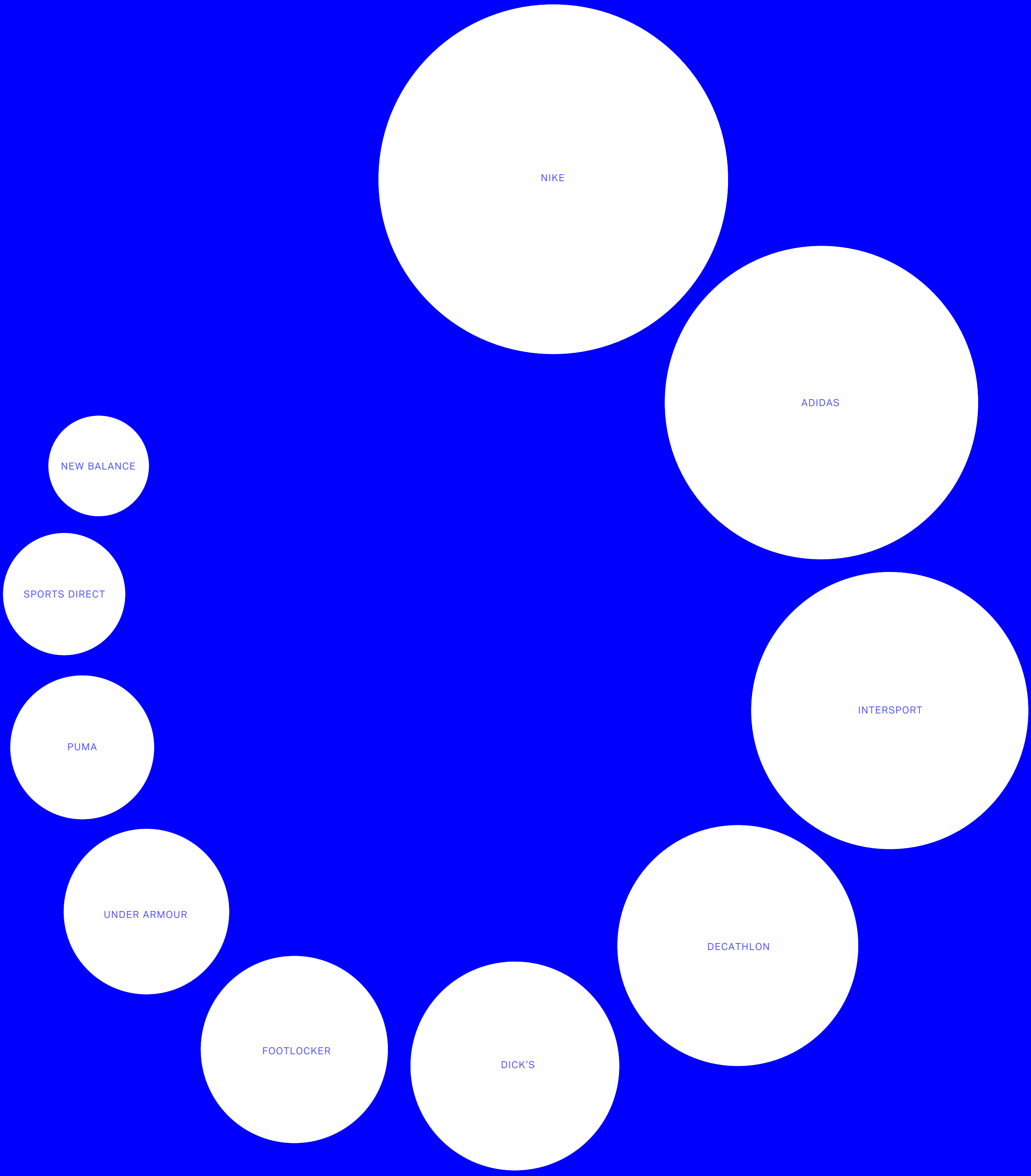
NET PROFIT
+47%

STORES
NA



4

THE GLOBAL SPORT LEADERS



The fight between sports titans has struck. The entrance of large distribution, luxury and pure players into the sports segment with specific collections has rekindled the competition between the sector's behemoths. Digitalisation joined by the reorganisation of multibrand clients and physical stores in mature markets like the United States and developing ones like Russia have characterised the year of Nike and Adidas, who repeat as first and second largest sports fashion powers in the world regarding volume of business.
The Retail Apocalypse which the United States is going through has fully impacted the business of the players who come from the country and who have a great degree of retail implantation in it. Thus, whilst Adidas, Puma and Decathlon raised their sales to a double digit in 2017, the rises in the case of Nike and Dick's were only of one, whereas Foot Locker was maintained practically even. Under Armour, for its part, scored some losses last fiscal year.

Nike

1

YEAR OF FOUNDATION
1964

FOUNDERS
Philip H. Knight and Bill Bowerman

HEADQUARTERS
Bearverton (Oregon, USA)

BRANDS
Nike, Converse and Hurley

STORES
1,142 stores around the world

WORKFORCE
Around 74,400 employees

REVENUE
29.17 billion euros.
Fiscal year ended May 31, 2017

SHAREHOLDERS
Philip H. Knight (78%), Blackrock (6.1%). Listed on the stock exchange

KEY EXECUTIVE

Mark Parker
President, chairman and CEO

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of June 2018.

Nike seemed, until now, the undefeatable rival in the sports sector and its growth seemed never-ending. However, 2017 meant a turning point for the United States titan's fate, pressured by consumers who are more disloyal by the day and exposed to more offers than ever. Retail Apocalypse and the fierce strike of Adidas in the United States are starting to weaken the brand's leader position, presided by Mark Parker in the domestic market. Although the company ended 2017 with sales and profit on a rise, it is predicted that Nike's earnings will notch a strong decrease in fiscal 2018. During the first nine months, the brand's net results fell down a 75% which was an answer to the fiscal predictions elaborated the third trimester, affected by the fiscal reforms of Trump's Administration. Sales grew a 4% in that period, hoisted by foreign markets, but they fell down in North America. Ahead of the slight improvement, Nike started to promote several measures during the middle of last year in order to boost the business up. In June, the company announced the dismissal of 2% of its global workforce, which ascended to an amount of about 70,700 employees. In September, the company was preparing another cut of almost half thousand workers from its central offices. To seduce omnichannel clients, Nike launched the Consumer Direct Offense plan, which implied a reorganisation of departments to improve efficiency and accelerate their products' time to market. Furthermore, Nike stated the twelve most important cities in the world for the future of the company. These cities will represent 80% of the corporation's growth at least until 2020. For distribution, Nike settled the ground for a reduction of its client portfolio in multibrand channels. The company announced on October that they would now focus on forty retailers around the world only, among them Foot Locker and Nordstrom. **m**

EVOLUTION 2017

SALES
+6.1%

ONLINE
+29.4%

NET PROFIT
+12.8%

STORES
+97

Adidas

2

YEAR OF FOUNDATION
1924

FOUNDER
Adolf Dassler

KEY EXECUTIVE

Kasper Rorsted
CEO

HEADQUARTERS
Herzogenaurach (Germany)

BRANDS
Adidas and Reebok

STORES
More than 15,500 stores around the world

WORKFORCE
56,888 employees

REVENUE
21.21 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Institutional investors (87%).
Listed on the stock exchange

The reorganisation of brand portfolio and the closure of physical stores in oversized markets and the United States. These have been the three points of action for Adidas during the first fiscal year under the mandate of Kasper Rorsted, who assumed the position of CEO on October 2016 taking over the role of historic Herbert Hainer.
The German sports giant began the year with key changes in its executive team: Arthur Hoeld, managing director of Adidas Originals (one of the brand's motors of growth during the last years), was promoted to vice-president of global strategies and business development. Gil Steyaert, on his part, moved on to pilot the operations area.
His previous position, managing director of Western Europe, was given to Alain Purcelot, a company's executive veteran. Adidas also undertook a reduction of its network of physical stores.
Concretely, the corporation closed 50% of Reebok's stores in the United States.
In Russia and other ex-Soviet republics, the company closed 160 points of sales due to the decrease of commerce for three years in a row. In parallel, the company of three stripes decided to aim its efforts at two of its trademark brands (Adidas and Reebok) and closed the sale of CCM Hockey to Birch Hill Equity Partners. These changes were produced during a wealthy period for Adidas, both in sales as in profit. Growth was also embraced by sneakers and star-collaborations with celebrities such as the rapper Kanye West or Victoria Beckham. The United States was a market of priority for the group, were they set the goal of reaching a market share of 20%, twice as the actual one. Besides Yeezy's collection by West for Originals and the divestment in hockey, Adidas renewed its sponsorship with the Major League Soccer. E-commerce is also one of the future drivers of the group, which intends to multiply by two its online sales until 2020 and reaching 4 billion euros, compared to the 1.6 billion from 2017. **m**

EVOLUTION 2017

SALES
+14.8%

ONLINE
+57%

NET PROFIT
+7.9%

STORES
NA

Intersport

3

YEAR OF FOUNDATION
1968

FOUNDERS
Union of ten purchasing networks

KEY EXECUTIVE

Victor V. Duran
CEO

HEADQUARTERS
Bern (Switzerland)

CHAINS
Intersport, The Athlete´s Foot, McKinley, Energetics, Firefly, Tecnopro and Pro Touch

STORES
5,647 stores in 45 countries

WORKFORCE
More than 47,000 employees

REVENUE
11.5 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
ICC-Intersport International Corporation

Intersport 2.0. That was the name, 100% digital, that the Swiss purchasing centre coined to define its road map for the next years, based on the digitalisation of business and commitment to their own brands.
Under the orders of Victor Duran, CEO since the end of 2016, the company has renewed its concept of store, has digitalised the business model and has developed several strategies focused on omnichannel experiences, like the slow incorporation of its different markets into the central's e-commerce website.
Furthermore, the company launched last year a digital excellence centre in Amsterdam (Netherlands). In order to fulfill the renewed strategy, the group reshaped its executive leadership on April 2017.
Martin Kempkes, an Intersport veteran, was promoted to new retail director after Werner Zill's retirement. Moreover, Intersport reinforced its structure with foreign talent with the incorporation of Mia Ruotrale, an ex-Tommy Hilfiger, as manager of digital business, a brand-new position. Later on, on October 2017, the company signed Katja Adrienne Erbe, who came from Adidas, as the new general manager of the chain The Athlete's Foot in Europe.
Ahead of the closure of companies such as Adidas, Intersport was the third out of the ten sector's giants which performed the most openings in 2017, 138 in total. The purchasing centre stretched its mark in Europe, where he disembarked in Slovenia, Croatia, Serbia and Belgium. On the other hand, Intersport also took its operations beyond the Old Continent with its landing into Latin America.
The company opened its first store in the region in 2017, located in the shopping centre Mall Plaza Los Dominicos in Santiago de Chile. Nowadays, the company has nine stores settled in the country. **m**

EVOLUTION 2017

SALES
+3.3%

ONLINE
NA

NET PROFIT
NA

STORES
+138

Decathlon

4

YEAR OF FOUNDATION
1976

FOUNDER
Michel Leclercq

KEY EXECUTIVE

Michel Aballea
CEO

HEADQUARTERS
Villaneuve-d'Ascq (France)

BRANDS
Tribord, Domyos, Kalenji, Quechua... twenty brands portfolio

STORES
1,352 stores in 39 countries

WORKFORCE
More than 85,000 employees

REVENUE
11 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Michel Leclercq and family (40%), Mulliez family (40%)

Decathlon is kept fit. In 2017, the French giant led by the Mulliez continued its international expansion with the disembark on six new markets. At the same time, the company settled the ground to compete against fashion retailers in the prime axis of Europe's greatest cities. After years of taking a chance on stores in the outskirts of town, the peak of pure players like Amazon made the group enter urban areas hand-in-hand with Decathlon City, its last retail related concept.
In the centre of Madrid alone, the company opened up three new stores last autumn, whereas in Belgium it set their foot in the new shopping centre, The Mint, located in the heart of Brussels.
Whether it is in the centre of the city or the outskirts, Decathlon's ace up its sleeve is its very own selection of brands, constituted by about twenty firms from all sporting disciplines.
But there was a new launch on 2017: Itiwit, specialised in products for paddle surf and kayak, which until then was inserted within the Tribord firm.
For 2018, it is predicted that the company sets its Kipsta rugby collection apart, turning it into a new brand. After becoming the fashion and low-cost sporting equipment king in most parts of Europe, Decathlon gained positions in some of the biggest markets for fashion outside the continent.
The group landed throughout the year in Australia, Tunisia, Israel, Switzerland, Colombia and South Africa, at the same time as it went back to the United States a decade after its first attempt in the country.
Omnichannel strategies were also a driver of change.
Decathlon started in 2017 the development of click&remove, an optimisation for online deliveries. **m**

EVOLUTION 2017

SALES
+10%

ONLINE
1.4%/total

NET PROFIT
NA

STORES
+185

Dick's

5

YEAR OF FOUNDATION
1948

FOUNDER
R. Dick Stack

KEY EXECUTIVE

Edward W. Stack
CEO

HEADQUARTERS
Pittsburgh (USA)

BRANDS
Calia, Cobra, Ethos, Field&Stream...
Portfolio of more than 20 brands

STORES
845 stores in the United States

WORKFORCE
Around 45,200 employees

REVENUE
7.29 billion euros.
Fiscal year ended February 2, 2018

SHAREHOLDERS
Edward W. Stack (15%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of June 2018.

Its goal was to join the prevailing discount battles in the sector in order to "win and protect their market share". Dick's, one of the biggest retailers of sports fashion in the United States, has been no alien to the transformation period and the fierce battle the sector is going through.
In line with Decathlon's traditional strategy, Dick's conducted strong investments in its own brands portfolio, especially in design areas, technology, marketing and human resources.
The private label business of the company reached the billion dollars in 2017 and was set as the second most important in base to volume of business, only after Nike. The brand sees potential to duplicate the figure in the medium-term and predicts new launches during 2018.
At the same time, Dick's also implanted a new merchandising strategy characterised by strengthening their alliances with strategic partners, erasing dispensable suppliers and, ultimately, reducing the complexity of range and the supply chain. To capture the new omnichannel client, Dick's also opted for relaunching its e-commerce platform at the beginning of last year. The group linked the measure to the good performance of online business, which grew a 13% to the point of surpassing one billion dollars in sales.
Dick's also wanted to promote its business rising the expenditure for the formation of store teams, accelerating check out processes, improving facilities for the ship-from-store and rising the number of stores where clients can gather their online orders.
Despite the great interest on e-commerce of the enterprise, Dick's added 48 new stores in 2017, until reaching a number of 850 in total. Nevertheless, the company will lower the expansion rate of brick during 2018, with 19 estimated openings. **m**

EVOLUTION 2017

SALES
+8.4%

ONLINE
+13%

NET PROFIT
+12.5%

STORES
+48

Foot Locker

6

YEAR OF FOUNDATION
1974

FOUNDER
Born in the core of F.W. Woolworth Company

KEY EXECUTIVE

Richard A. Johnson
President, chairman and CEO

HEADQUARTERS
New York (USA)

CHAINS
Foot Locker, Champ Sports, Kids Foot Locker and Footaction... portfolio of 8 chains of their own

STORES
3,422 stores in 24 countries

WORKFORCE
49,209 employees

REVENUE
6.61 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 11th of June 2018.

The first fall of like-for-like sales in eight years and 57% decrease of its net profit. Fiscal 2017 was a year to forget for Foot Locker, whose margin was strongly pressured by discount battle and the relatively low numbers of new premium sneaker models' launches, as Richard Johnson, president and CEO, recognised. The decrease of business promoted a restructuring of the organisation, which consequently meant the dismissal of employees. Likewise, another of the strategic initiatives taken last year was unifying sales teams from physical and digital channels, which had been operating as separate units in the business since 1997.
Foot Locker also created last year a new product and marketing team in North America. Its main mission was to collaborate with teams from its most sold brands, amongst them Nike, to produce and develop exclusive products and stories for retailers, that can later on escalate around the world.
In 2017, Foot Locker also planted the seeds for three transformation initiatives regarding digital areas, which are predicted to take years to integrate. The first one was working with a new e-commerce platform for all the company's online stores. There was also installed a new software in all the chain's physical points of sales as well as the creation of an active Foot Locker app on a global scale.
Continuing with digital speed, the group also improved the facilities of its main distribution centre, located in Kansas, in order to ship products directly to the final consumer.
In parallel, the company also started to try mini distribution hubs to serve both stores as online orders in huge metropolitan areas like the East Coast of the United States. **m**

EVOLUTION 2017

SALES
+0.2%

ONLINE
NA

NET PROFIT
-21.8%

STORES
+59

Under Armour

7

YEAR OF FOUNDATION
1996

FOUNDER
Kevin A. Plank

KEY EXECUTIVE

Kevin A. Plank
Chairman and CEO

HEADQUARTERS
Baltimore (Maryland, USA)

BRANDS
Under Armour

STORES
More than 295 stores around the world

WORKFORCE
Around 15,800 employees

REVENUE
4.22 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Kevin A. Plank (15%).
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 11th of June 2018.

Under Armour lived an agitated 2017 which started with losses during the first quarter of the fiscal year. Shortly after communicating the results, Kevin Plank, founder of the company, left the presidency of the group, which came to be in the hands of Patrick risk, Aldo's former executive. Plank was maintained as CEO and president of the board of directors. Ahead of the loss, Under Armour gave green light to restructuring plans which entailed the dismissal of almost 280 workers (2% of its total personnel) as well as measures to save between 110 million and 130 million per year. Furthermore, the sports group created last year the position of innovation manager, which fell on the hands of Clay Dean, a veteran executive of General Motors.
The larger commitment to I&D was also materialised into the creation of an innovation hub in Portland, which will include a biomechanics laboratory and an area where athlete will train so it can test new products. On the other hand, Under Armour relieved of their position Robin Thurston and Mike Albert Lee, founders of the apps Map My Fitness and My Fitness Pal, acquired in 2013 and 2015, respectively. Whilst Dean assumed functions in Thurston, the company signed on December Michael La Guardia, a former Yahoo, as responsible for digital business. The changes in Under Armour's leadership should encourage it to turn around its business in the United States, were sales fell a 5% last year. In Europe, the Middle East and Africa, contrarily, incomes shoot a 42% up. The company's objective is set on reaching sales valued in one billion dollars around that region by 2020, supported by the launch of collections inspired by athleisure. Last October, the company opened its first flagship store in the Old Continent in Amsterdam. **m**

EVOLUTION 2017

SALES
+3%

ONLINE
NA

NET PROFIT
Profit to loss

STORES
NA

Puma

8

YEAR OF FOUNDATION
1948

FOUNDER
Rudolf Dassler

KEY EXECUTIVE

Bjørn Gulden
CEO

HEADQUARTERS
Herzogenaurach (Germany)

BRANDS
Puma, Cobra Golf and Dobotex

STORES
More than 2,600 stores around the world

WORKFORCE
11,787 employees

REVENUE
4.135,9 millones de euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Kering (15.7%), Artèmis (29%).
Listed on the stock exchange

If Puma had to redefine its logo, the most appropriate shape would be a phoenix. After several years having sales on the low and being left way behind the world's podium, the German company has risen again from its ashes in 2016 to then fly away in 2017 thanks to the strong marketing investment and the collections launched with the collaboration of Selena Gomez and Rihanna (ambassador and creative director of the brand since April 2016).
The company surpassed for the first time in its history a revenue of 4 billion euros. Puma raised its sales a 14% and boosted its net profit a 120% last fiscal year, the last one under Kering's umbrella. The French conglomerate announced on December 2017 that, in the frame of their strategy to focus on luxury segment, they would get rid of 70% of their participation in Puma through a spin off. After such operation, Kering and Artémis, the Pinault's investment vehicle, came to hold 15.7% and 29% of the capital, respectively.
The rumours of Puma's possible sale or delisting on the stock exchange were set off in April 2017, when François-Henri Pinault abandoned the sports company's administration board. The footwear division, with a growth of 24%, and women's fashion, were two of Puma's biggest axis in 2017.
In order to capitalise the interest of women on sports, the company took Rihanna's Fenty creations to Paris and New York's runways one more time, at the same time as they hired Cara Delevigne for the campaign Do You, full of female empowering messages. In the digital sphere, Puma's efforts were targeted towards relaunching its e-commerce platform in a mobile first format, which was premiered in Europe on July 2017, and which will be launched in other regions throughout 2018 and 2019. Moreover, the company reinforced its structure with the openings of new offices in Hong Kong and Milan, as well as with the expansion process of its central headquarters in Herzogenaurach (Germany). **m**

EVOLUTION 2017

SALES
+14%

ONLINE
NA

NET PROFIT
+119.4%

STORES
+200

Sports Direct

9

YEAR OF FOUNDATION
1982

FOUNDER
Mike Ashley

KEY EXECUTIVE

Mike Ashley
Chief executive

HEADQUARTERS
Shirebrook (UK)

BRANDS
Lonsdale, Slazenger, Everlast...
Portfolio of sixteen brands

STORES
810 stores around the world

WORKFORCE
Around 29,000 employees

REVENUE
3.77 billion euros.
Fiscal year ended April 29, 2018

SHAREHOLDERS
Mike Ashley (58.01%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 19th of July 2018.

Growing acquisition by acquisition and diversifying beyond sports. That was the mantra of Sports Direct, who along all 2017 reduced its portfolio of brands through the sales of non-strategic assets.
In March 2017, Sports Direct concluded the sale of Dunlop priced at 112 million pounds sterling to the Japanese corporation Sumitono Rubber Industries. Barely a month after, the group entered the American market by means of purchasing the companies Bob's Stores and Eastern Mountain Sports, until then owned by Eastern Outfitters, which had been declared bankrupt.
Both chains amounted to about fifty stores in the North American country. This was Sports Direct's first acquisition since 2016, when it took control of the Irish Heatons and took a stake in Iconix, owner of Umbro. During last year's May, the British enterprise also took a stake in the United States Finish Line, by means of purchasing a participation of 9.21% of the capital. After the round of M&As in the United States, Sports Direct decided to strengthen its administration board with a know-how typical the country. Last October, the company hired David Daly, who worked for three decades in Nike's clubs and federations area.
Sports Direct also reinforced their commitment to fashion las year, rising their participation in the retailer French Connection owning now a 18%, which contrasts with the 11% it held previously. At the same time, the group enlarged in even four different occasions its presence in the shareholding of Debenhams, holding a 21% of the total.
Ultimately, the company negotiated with Barclays and HSBC the obtention of a syndicated loan valued in 700 million pounds sterling to refinance its debt, which expired in September 2018 and which ascended to 788 million pounds. **m**

EVOLUTION 2017

SALES
+3.5%

ONLINE
NA

NET PROFIT
-88.1%

STORES
-31 (Europe)

New Balance

YEAR OF FOUNDATION
1906

FOUNDER
William J. Riley

KEY EXECUTIVE

Robert DeMartini
President and CEO

HEADQUARTERS
Boston (USA)

BRANDS
New Balance, Warrior, PF-Flyers, Brine and Rockport

STORES
Present in 120 countries

WORKFORCE
More than 7,000 employees

REVENUE
3.22 billion euros.
Fiscal year ended December 31, 2016

SHAREHOLDERS
Jim David and family

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of June 2018.

The conquest of women's sportswear, the commitment to products beyond footwear and the escalation of positions around Europe. Under these three premises, New Balance defended its position in the last place of the ten biggest sports companies ranking, overtaking Asics, whose sales were stagnated. The American company, piloted by Robert DeMartini, gave a strong push to its women's fashion line in Canada. New Balance sealed a deal in March 2017 with the Canadian stores Sport Check to sale their products in the country.
"Nowadays, clothes are one of our best opportunities for business", stated back then the managing director of the Canadian subsidiary, Gerald Woodman. The alliance with Sport Check was produced shortly after New Balance raised its commitment to wearables, joining Intel to launch a smart watch. In Europe, the Middle East and Africa (EMEA), New Balance's road map was kept on track: exceeding the 250 stores in the region by 2020, one hundred of their own management and 150 franchises. Within the European market, the ones that will promote growth through retail are the United Kingdom, Italy, Spain, Germany and France.
China is, together with EMEA, another of New Balance's expansion targets. The corporation has been operating the Asiatic market since 2003 and amounts up to more than 2,000 stores. In August 2017, the company achieved a milestone due to being compensated with 1.5 million dollars by part of several Chinese groups who had commercialised with falsified articles that had the brand's logo. Although the amount was relatively low compared to international standards, it became the biggest compensation given to a foreign company in a matter of such characteristics in China. **m**

EVOLUTION 2017

SALES
+2.7%

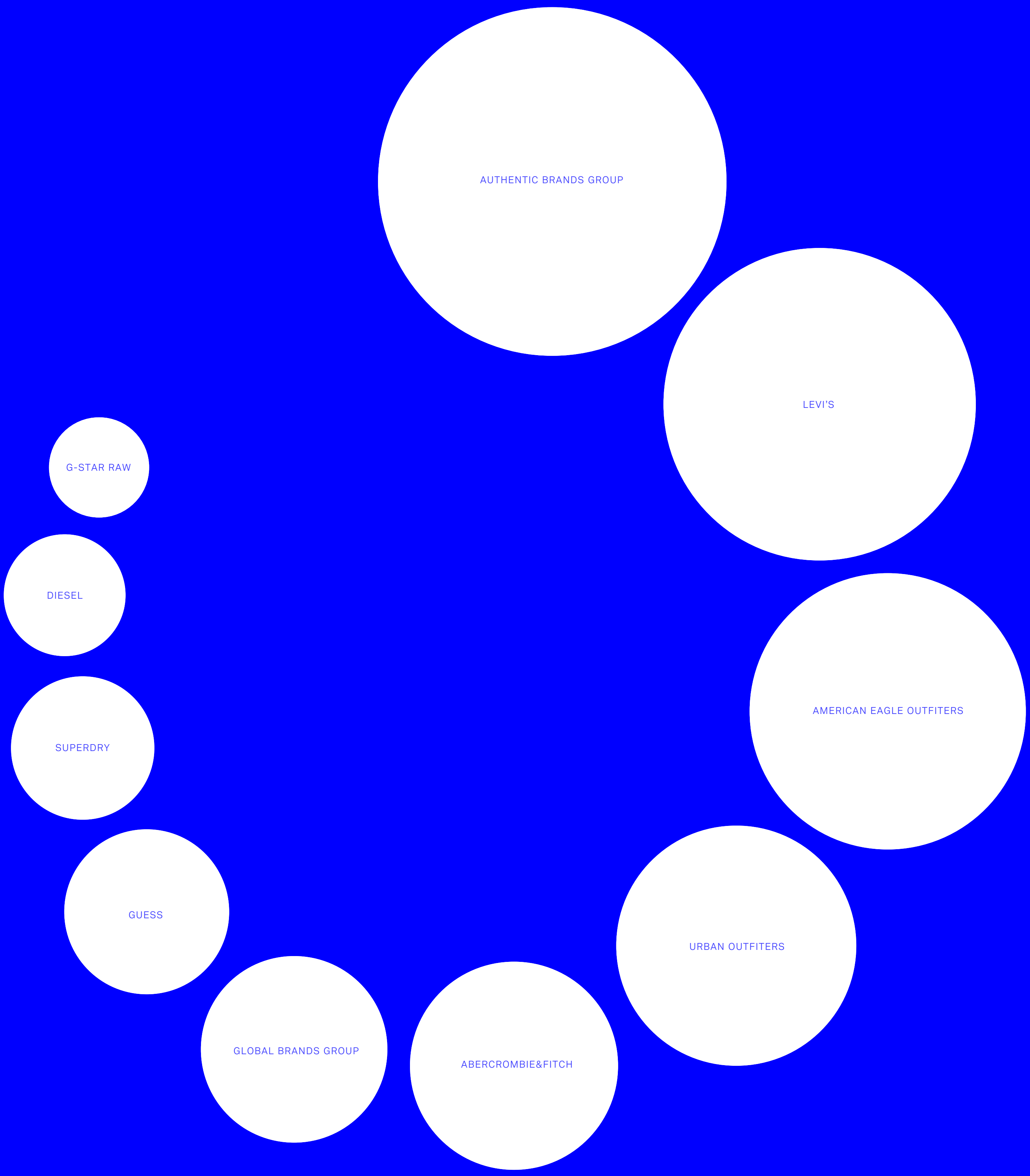
ONLINE
NA

NET PROFIT
NA

STORES
NA

5

THE URBANWEAR BEHEMOTHS



Authentic Brands Group maintains its leadership in the urbanwear market thanks to its checkbook, and leads a top ten in which Global Brands Group is in for the first time. GBG, which has set a triennial plan of growth, occupies the sixth position in the ranking after lowering Guess one position behind. For its part, Abercrombie&Fitch preserves its fifth place, thanks to the benefits collected after its reorganisation process.The Italian company Diesel, in full-on brand restructuring, falls from the seventh to the ninth position of the top ten, whilst the United States Levi's and American Eagle, as well as the British Supreme, are kept immovable regarding last year's ranking. The ranking has taken into account the revenue presented by listed companies and the estimation of sales of those not listed on the stock exchange.

Authentic Brands Group

1

YEAR OF FOUNDATION
2010

FOUNDER
Jamie Salter

KEY EXECUTIVE

Jamie Salter
Chairman and CEO

HEADQUARTERS
New York (USA)

BRANDS
Nautica, Nine West, Aéropostale...
Portfolio of 35 brands and licenses

STORES
More than 54,200 points of sale around the world

WORKFORCE
51,200 employees

REVENUE
4.3 billion euros (estimation)

SHAREHOLDERS
Leonard Green&Partners, General Atlantic and Lion Capital

ⓘ Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

Authentic Brands Group (ABG) thrives on and on. The company has continued broadening its portfolio of brands, diversifying business and narrowing its relationship with other fashion leviathans.
The company, born in 2010 in New York, from which now take a stake Leonard Green&Partners, General Atlantic and Lion Capital, gained positions and size in the market thanks to the checkbook, reiterating themselves as the first urbanwear player in the group.
Within that context, ABG disbursed a hundred million dollars (85.1 million euros) in order to acquire the majority of Neil Lane Enterprises' shares, a Los Angeles based company specialised in the production and distribution of jewellery.
In a parallel way, ABG strengthened its links with Global Brands Group, property of the Chinese giant Li&Fung, who bought 51% of the fashion firm to Frye, sharing for the first time the shareholdings of a company.
Prior to this whole operation, the relationship between ABG and Global Brand Group was circumscribed to licenses, as the Chinese group managed some of the American behemoth's brands such as Juicy Couture, Jones New York and Spyder.
Nowadays, ABG is finishing off the launch of a huge footwear platform after its acquisition of the shoes and accessories business of Nine West for a price of 340 million dollars. Furthermore, the company counts with a portfolio of more than thirty brands commercialised through more than 50,000 multibrand stores and through more than 4,191 monobrand stores located around the world. **m**

EVOLUTION 2017

SALES
NA

ONLINE
NA

PROFITS
NA

STORES
NA

Levi's

2

YEAR OF FOUNDATION
1873

FOUNDERS
Levi Strauss and Jacob Davis

KEY EXECUTIVE

Chip Bergh
President and CEO

HEADQUARTERS
San Francisco (Pennsylvania, USA)

BRANDS
Levi's, Dockers, Signature and Denizen

STORES
2,900 stores around the world

WORKFORCE
13,200 employees

REVENUE
4.24 billion euros.
Fiscal year ended November 26, 2017

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

"Today, we have a more diversified business than we did five years ago", said Chip Bergh, Levi's president and CEO, during the presentation of results of fiscal 2017.
During the last year, Levi's powered its digital platform with the goal set on strengthening its omnichannel strategy.
In fact, the company's online sales grew a 20% last year, when Levi's launched its online platforms in Canada, Mexico, Norway and Switzerland. Levi's, owning eighty stores in Spain alone, reorganised its business in the Spanish market unifying under a same roof the headquarters and teams of the two different societies through which it managed business in the country.
On a global scale, the company reorganised the mix of products, which fundamentally benefited Levi's brand, growing a 9% thanks to the good behaviour of sales in all channels, as well as both men and women's lines.
In fact, the business of women's fashion, which was relaunched in 2015, kept on growing and has being doing so for ten consecutive quarters, registering at all times an increase of the company's sales.
The company intensified investments to promote brands, especially through the global diffusion of its advertising campaigns Live in Levi's and Dockers Always, which ended up providing it with good results.
Nowadays, 52% of Levi's business is in foreign markets, situation which did not happen since a decade ago.
Under that context, the company's debt is set at 444 million dollars, less than half of the total figure registered five years ago. **m**

EVOLUTION 2017

SALES
+7.7%

ONLINE
+20%

NET PROFIT
-3.4%

STORES
+53

American Eagle

3

YEAR OF FOUNDATION
1977

FOUNDERS
Jerry and Mark Silverman

KEY EXECUTIVE

Jay Schottenstein
CEO

HEADQUARTERS
Pittsburgh (Pennsylvania, USA)

CHAINS
American Eagle Outfitters, Aerie, Tailgate and Todd Snyder

STORES
1,256 stores in 25 countries

WORKFORCE
40,700 employees

REVENUE
3.26 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

Product and omnichannel strategies have been the two pillars for American Eagle Outfitters in 2017, year in which the company ended the fiscal year with a sales increase of the 5% thanks to the broadening of a new strategy.
The group, following the same model as other players from the sector, took measures aimed at improving product mix and reaching more clients. Thus, the label American Eagle registered an annual growth of 2% in comparable sales thanks to the good embrace of men and women's new collections. In that context, its line of jeans continued to be the emblematic product of the company and the one which generated the most profit. The brand Aerie, on the other hand, has strongly made a spot for itself amidst a younger audience, specially in women's fashion, reaching sales valued in 500 million dollars. Aerie is the chain that generates higher expectations of growth within the company.
At the same time, the enterprise has continued promoting its international development. Because of that, American Eagle Outfitters signed a distribution contract for a year with the local company Aditya Birla Group under the purpose of entering India, taking as example the operations of other players from the sector like Zara and H&M.
The company continued to fuel its franchised stores network in foreign markets, emphasizing the Mexican and Canadian markets. In the local sphere, the company prefers to operate in its own points of sale. Last March, the group was joined by female talent in the administration board, incorporating Suja Chandrasekaran as independent member of the American Eagle administration board. The executive has occupied executive positions in leviathans such as Walmart, Timberland, properties of VF Corporation, Pepsi or Nestlé. **m**

EVOLUTION 2017

SALES
+5%

ONLINE
NA

NET PROFIT
-3.9%

STORES
-114

Urban Outfitters

4

YEAR OF FOUNDATION
1970

FOUNDERS
Richard A. Hayne and Scott Belair

KEY EXECUTIVE

Richard A. Hayne
President and CEO

HEADQUARTERS
Philadelphia (California, USA)

CHAINS
Urban Outfitters, Anthropologie and Free People

STORES
603 stores around the world

WORKFORCE
23,000 employees

REVENUE
3.11 billion euros.
Fiscal year ended January 31, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

Urban Outfitters consolidated its business in a particularly difficult year due to the effects that consumption habits have consequently caused in all fashion chains.
The company managed to weather the storm thanks to the performance of its concepts Anthropologie and Free People, which increased their sales a 1.9% and an 8.9%.
During the last fiscal year, Urban Outfitters jumped onto the train of omnichannel strategies. The group completed the online integration of all its channels, including stores, web sites, apps, catalogues and points of client contact. The investments provided by the company, both in marketing as in technology, are already designed to generate omnichannel demand and not for sales channels to work independently.
Last April, the group reshaped Anthropologie's leadership after the departure of CEO David McCreight.
From that moment onwards, the United States chain is led by a two-headed structure constituted by Hillary Super, until now responsible of the fashion and accessories division in Anthropologie, and Andrew Carnie, who pilots the home and international business segments of the group.
The company kept its sales network stable, with the opening of eighteen stores, eight of which corresponded to Free People, five to Urban Outfitters and four to Anthropologie. In a parallel way, the company concluded the closure of eleven stores.
Last April, the enterprise reorganised Anthropologie's leadership, after the exit of its CEO, David McCreight. **m**

EVOLUTION 2017

SALES
+2%

ONLINE
NA

NET PROFIT
-6.6%

STORES
+9

Abercrombie&Fitch 5

YEAR OF FOUNDATION
1892

FOUNDERS
David T. Abercrombie and Ezra Fitch

KEY EXECUTIVE

Fran Horowitz
CEO

HEADQUARTERS
New Albany (Indiana, USA)

CHAINS
Abercrombie&Fitch and Hollister

STORES
868 stores around the world

WORKFORCE
43,000 employees

REVENUE
3 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

Abercrombie&Fitch dodged a bullet in 2017, when it went into the market seeking a new owner but ended up stepping back.
This May, the company commissioned its sale to the investment bank Perella Weinberg Partners, and receded, two months later, to end a fiscal year that has allowed it to see the light at the end of the tunnel.
The company continues immersed in a process of restructuring based on four pillars: the reordering of its sales network, the implantation of digitalisation and omnichannel strategies, the orientation of the business towards clients and the efficiency of its supply chain.
Abercrombie&Fitch is also testing new retail formats and premiered a new concept of store in the shopping centre Polaris Fashion Mall of Columbus in Ohio, which counts with double fitting rooms with a space dedicated to the companions of the shoppers.
Inside the cabins, lights and music can be regulated, and people can charge their phones. Showcase panels are transparent and present a metallic structure with the company's logo.
As for omnichannel strategies, the company increased facilities dedicated to it and launched twenty new online platforms by means of which they sell their clothing items directly to consumers in more than 120 countries.
Internet sales reached 973.9 million dollars (831.3 million euros) in 2017, which represent approximately 28% of the total net sales. The group closed the year with a sales network composed by 868 stores, out of which 538 belong to the Hollister brand and 330 to Abercrombie.
Out of the total points of sale, 679 of them operate in the United States, the group's main market.
Fran Horowitz, the group's CEO, explained after the changes produced in 2017 that Abercrombie&Fitch aims at reaching a revenue of 5 billion dollars (4.26 billion euros).
"We feel we're in the right place at the right time. We have a stable foundation. We understand our customers and we have a clear plan", claims Horowitz. **m**

EVOLUTION 2017

SALES
+5%

ONLINE
28%/total

NET PROFIT
+79%

STORES
-10

Global Brands

6

YEAR OF FOUNDATION
2013

FOUNDERS
Li&Fung Group

KEY EXECUTIVE

Bruce Rockowitz
CEO and vice-chairman

HEADQUARTERS
Hong Kong (China)

BRANDS
Under Armour, Tommy Hilfiger…
Portfolio of 60 licenses

STORES
More than 4,000 stores around the world

WORKFORCE
4,441 employees

REVENUE
3.35 billion euros

SHAREHOLDERS
Li&Fung

ⓘ Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

Global Brands Group (GBG), specialised in the management of licenses and owned by the Chinese group Li&Fung, has set off a triennial plan that aims at obtaining a revenue of 5 billion dollars by 2020.
Last fiscal year, the company closed the sale of BCBG Max Azria for an import of 133.2 million dollars (113.2 million euros).
BCBG Max Azria was set in a restructuring process since back in 2015, when it went into crisis.
Nevertheless, that was not the only operation performed by GBG, who also signed a licence and distribution agreement with Bluestar Alliance for its Bebe brand.
The company expanded its association partnership with Under Armour for the childrenwear and sold 49% of the Frye brand to Authentic Brands Group (ABG).
The transaction will let the corporation expand its categories within Frye, maximising the potential of the brand through multiple distribution channels and new geographic markets.
The group also added up a new Kenneth Cole's license, and doubled its commitment to the Spyder brand, launching a ski line in South Korea, as they took into account that the country would host the Winter Olympics in 2018.
At the same time, the company was affected by the anticipated termination of Quicksilver's childrenwear license and the loss of Coach's footwear business.
In fact, GBG has anticipated that these setbacks will generate a decrease of business which will show the next fiscal year. **m**

EVOLUTION 2017

SALES
+11.6%

ONLINE
NA

NET PROFIT
+71.6%

STORES
NA

Guess

7

YEAR OF FOUNDATION
1981

FOUNDERS
Paul and Maurice Marciano

KEY EXECUTIVE

Víctor Herrero
Director and CEO

HEADQUARTERS
Los Angeles (California, USA)

BRANDS
Guess, Marciano Los Ángeles, G by Guess and Guess Factory

STORES
1,663 stores around the world

WORKFORCE
Around 14,300 employees

REVENUE
2 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Paul and Maurice Marciano.
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

Guess is another of the urbanwear companies which started to get back on its feet in 2017 supported by Europe and Asia, making of those continents its development's spearheads. As a matter of fact, the company, led by the Spanish Víctor Herrero, focused most of investments in Europe and Asia, and parallelly, applied a new sales and merchandising strategy. In Europe, the American company revitalised wholesale channels, expanded its sales network and promoted online trade, measures which ultimately promoted its sales a 21% up in the region. At the same time, Guess continued strengthening itself in Asia, nurturing online channel and opening new points of sale. Around the area, the evolution of its online channel stands out eminently, especially in China. The company predicts that in this market alone, digital commerce's business could be as big as the one in the United States. Thus, the group's revenue in the Asian continent was up 19.5%, reaching 308.9 million dollars (251.4 million euros). The company's expectations in Asia are huge, and it will continue to invest in digital channels and communication platforms through social networks, so they can interact with current clients and attract new consumers. In America, the company continued with the closure of unprofitable stores and with the renegotiation of a few of its establishment's rents, where some of its stores still operate. In that way, Guess intends to consolidate profitability in the region. During 2017, Guess introduced a new policy inside its workforce, in which its directives were entitled to make decisions that could maximise business, without having to double-check it with superior organs. Online commerce has also gained importance in sales operatives, as it is present in fifty online platforms from America, Asia and Europe, all of them accessible in ten different languages. **m**

EVOLUTION 2017

SALES
+7.9%

ONLINE
NA

PROFIT
+50%

STORES
+17

Superdry

8

YEAR OF FOUNDATION
1985

FOUNDERS
Julian Dunkerton and James Holder

KEY EXECUTIVE

Euan Sutherland
CEO

HEADQUARTERS
Cheltenham (UK)

BRANDS
Superdry

STORES
863 stores around the world

WORKFORCE
4,872 employees

REVENUE
1.83 billion euros.
Fiscal year ended April 28, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 18th of June 2018.

Superdry has successfully overcome 2017, a year spiced up with Brexit, in which the company opened up to foreign markets and was left exposed to exchange rates between the British pound and other currencies.
A 72% of Superdry's business is already produced in foreign markets. The group operates in 49 countries and commercialises its collections in 148 countries through online channels, which has grown a 25% within the company.
In the framework of this internationalisation process, the enterprise has achieved a milestone entering the Chinese market hand-in-hand with Trendy, a local business, with whom they created a joint venture. Superdry is in charge of the strategy and product director role, whereas its partner is dedicated to logistics, financial and technologic information labours. Superdry opened six pilot stores in China, to which were added three franchised points of sale.
If the stores succeed, the company will set off an expansion plan in the Chinese market, using a combination of their own stores and franchised ones. The group also opened an office in Shenzhen (China) in order to improve its supply chain, which is allowing them to stock products up in a direct way. At the same time, the company has improved its sourcing operations in India and Turkey.
Parallelly, Superdry has centralised in Spain its Southeast Europe business. The British company laid on the Iberian subsidiary's hands the operations of the company within the French market. The shift to Spain of the French market's management meant the departure of Cyril Fabre, managing director of Superdry in the French country since August 2016. **m**

EVOLUTION 2017

SALES
+22.1%

ONLINE
+25.8%

PRE-TAX PROFIT
+18.4%

STORES
+13

Diesel

9

YEAR OF FOUNDATION
1978

FOUNDER
Renzo Rosso

KEY EXECUTIVE

Marco Agnolin
CEO

HEADQUARTERS
Breganze (Italy)

BRANDS
Diesel, Diesel Kids and Diesel Black Gold

STORES
275 stores around the world

WORKFORCE
562 employees in the Italian headquarters

REVENUE
960 million euros (2016)

SHAREHOLDERS
Rosso family

Fiscal 2017 has been hectic for Diesel. The company, property of the Italian group OTB, began a repositioning phase of the brand with the intention of driving it towards a high-end target. The group made a readjustment of its workforce for the first time in its history, firing 35 of 597 workers in the central offices located in Breganze (Italy), which materialised in a 6% of its central headquarters' workforce. Nevertheless, changes also reached the executive leadership. Alessandro Bogliolo, who had been working as Diesel's CEO, left to Tiffany before the summer. Diesel did not take much time to react and signed up Marco Agnolin up, who was Bershka's managing director.
Prior to Bogliolo's departure and Agnolin's arrival, Diesel created a general management for the south of Europe with headquarters in Italy, which entailed the disappearance of its Spanish subsidiary, led by Óscar Bel since 2015.
Parallelly, Diesel continued its license policy and product diversification, and renewed the agreement they had with Marcolin for the production and commercialisation of its optic line, which includes frames and sunglasses.
Furthermore, the corporation launched a battery of collaborations with international designers so they could be distributed by selected retailers.
The company has thus followed the steps of other groups like Tod's and Moncler, who have also approached fast fashion rates.
In Italy, Diesel started its RFID pilot project in the store located in San Babile's square in Milan, and depending on the results, they will take this technology to other points of sale. **m**

EVOLUTION 2017

SALES
NA

ONLINE
NA

NET PROFIT
NA

STORES
NA

G-Star Raw

10

YEAR OF FOUNDATION
1989

FOUNDER
Jos Van Tilburg

KEY EXECUTIVE

Rob Schilder
CEO

HEADQUARTERS
Amsterdam (Netherlands)

BRANDS
G- Star

STORES
6,000 points of sales in more than sitxy countries

WORKFORCE
NA

REVENUE
750 million euros (estimation)

SHAREHOLDERS
Jos Van Tilburg and Pharrell Williams

G-Star Raw is another of the urbanwear companies that reorganised its leadership in 2017. The Dutch group put a definite end to the two-headed structure it had implanted back in 2016, when Rob Schilder and Patrick Kraaijeveld assumed the role of CEOs replacing the position of Jos Van Tilburg, founder of the company.
Since October 2017, Rob Schilder is maintained as G-Star Raw's CEO, whilst Patrick Kraaijeveld left the enterprise. The same Schilder has reshaped the structure in south Europe, transferring the management of the business from Spain to Amsterdam.
The movement entailed Peter Danckaerts' departure, who had been the Dutch's company's director in Spain, piloting the business inside the country for thirteen years.
Parallelly, the corporation designated Luca Fiorita, global manager of the company's strategic account and Amsterdam based, as director of Southern Europe, managing directly the business in Spain, Portugal, France and Italy.
Last April, the company made some changes again and signed Sabie Hernanz, former executive at Jennyfer and Esprit, as retail director to lead the company's development in Spain, Portugal, France and Italy through the management of the stores. Moreover, the enterprise reinforced its team with the incorporation of Paulien van der Vegt as global manager of merchandising, and Caroline le Gal, former executive in Levi's, as marketing director for the south of Europe. **m**

EVOLUTION 2017

SALES
NA

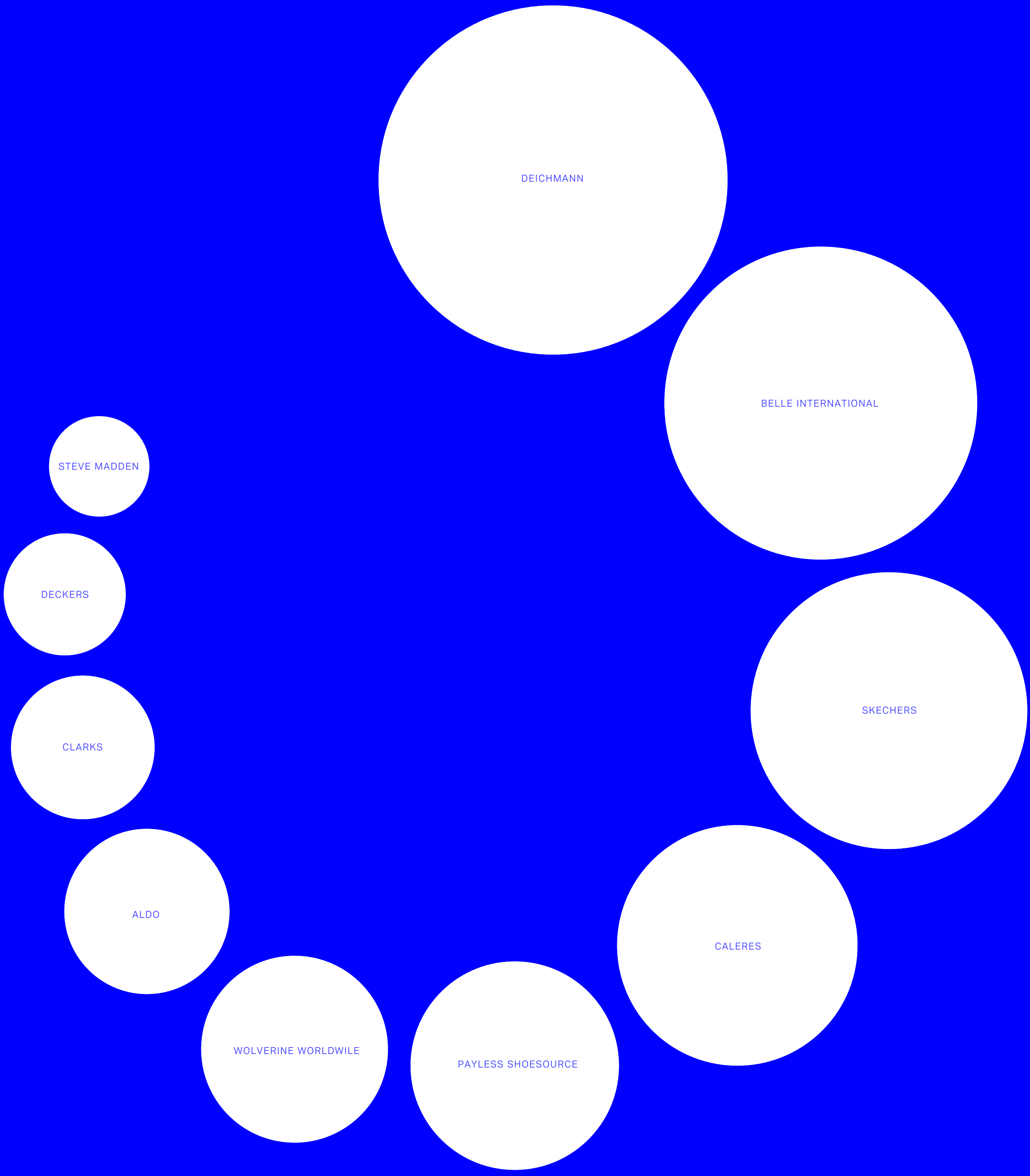
ONLINE
NA

NET PROFIT
NA

STORES
NA

6

TOP FOOTWEAR ACTORS



The ten main business players of footwear on a global scale have defended their position in the United States despite Retail Apocalypse, which has had a direct impact among the sector's retailers in the country, with a heavy exposition to physical channels and a great capillarity in the territory.
In that way, Payless Shoesource continues in the ranking despite facing a bankruptcy process and executing more than 900 closures between 2016 and 2017. The company has not made its revenue public since 2014.
Wolverine Worldwide and Deckers are also in full reordering of their business. Ecco, on the other hand, has left the list due to the Canadian Aldo's advancement, which has surpassed the 2 billion euros in sales, and Steve Madden's, which in the last fiscal year has grown a 11%, practically rubbing the amount of 1.55 billion euros.
Deichmann continues leading the ranking, followed by the Chinese Belle International, summed also in a deep transformation after changing of owner and abandoning Hong Kong's ground.
Beyond the classification, other companies from the sector that are beyond the billion euros are the Danish Ecco, with sales valued in 1.27 billion euros during 2017; Spain's Tempe, with a revenue of 1.24 million, or the North American Crocs, with 1.02 billion dollars.

Deichmann

1

YEAR OF FOUNDATION
1913

FOUNDER
Heinrich Deichmann

KEY EXECUTIVE

Heinrich Deichmann
Chairman and CEO

HEADQUARTERS
Essen (Germany)

CHAINS
Deichmann, Snipes, Dosenbach-Ochsner, VanHaren Schoenen... Portfolio of eight chains

STORES
3,898 stores in 26 countries

WORKFORCE
39,564 employees

REVENUE
5.8 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Deichmann family

Deichmann has focused its strategy in short and medium-terms in two different lines: accelerating internationalisation and advancing in omnichannel experiences.
Abroad, the German leviathan's next steps will take place in France and Belgium, where it landed back in 2017.
Notwithstanding, the development speed in both markets will depend on local economic stability. In Belgium, the company will manage its operations through the Dutch subsidiary Van Haren.
The company also works on the adjustment of its retail network even though they continue to expand their stores area. In 2017, the group opened 262 new stores and closed a few 114 more. Deichmann also remodelled a total of 185 facilities.
This redefinition of the retail network has to do, partly, with the group's advancement towards omnichannel experiences. In the present day, the group owns 29 e-commerce platforms, is present in four marketplaces, and the purpose for future years is set on accentuating their expansion through these channels. The company's plans contemplate ending the fiscal year with 36 online stores and being present in six marketplaces. In that sense, Deichmann is also developing services such as Ship2home to be of use from the stores to the homes when a size, colour or model is missing.
On the other hand, the company is also trying models out in Germany, where it has installed five special stores that experiment with the approach of offline and online experiences. However, the first chain that experienced with the system was Van Haren, which has twenty stores around the Netherlands, and they are all currently integrated.
On another note, the company is also growing through brands.
Last year, the group acquired the brand Buffalo, which keeps its management independent and preserves its typical operations in the multibrand channel.
Furthermore, Deichmann is also powering a Snipes' spin off, the new Onygo chain, for now only in Germany, where it has eleven stores. **m**

EVOLUTION 2017

SALES
+5.9%

ONLINE
+10%

NET PROFIT
NA

STORES
+148

Belle International 2

YEAR OF FOUNDATION
1981

FOUNDER
Deng Yao

KEY EXECUTIVE

Sheng Baijiao
CEO

HEADQUARTERS
Hong Kong (China)

CHAINS
Belle, Teemix, Tata, Staccato...
Portfolio of twelve chains

STORES
20,557 stores in China

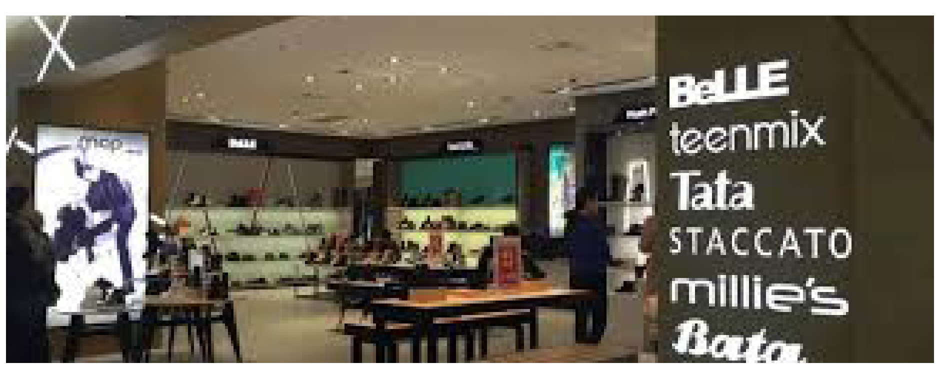
WORKFORCE
116,810 employees

REVENUE
5.37 billion euros.
Fiscal year ended February 29, 2017

SHAREHOLDERS
Hillhouse Capital and CDH Investments

ⓘ Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

Belle International is facing its particular Retail Apocalypse in China. Last autumn, CDH Investment funds, Hillhouse Capital and members of the group's own leadership made a deal for the acquisition of the company, in an operation that ascended to 6.8 billion dollars (5.83 billion euros), and which made the group delist from the stock exchange.
The local press qualified such operation as the official downturn of the footwear king. Nevertheless, the Chinese footwear giant's new owners assured that the media's interpretation was completely mistaken and that they were arming Belle International to go from the 1.0 to the 2.0 version.
The group is a verticalized giant which has control over all value chain, from the fabrication of shoes to the sales and the management of all its network of stores.
The company operates in all segments and owns several international brands' licenses to produce and distribute them in the country. In total, the corporation has in about 20,000 stores, all of direct management, in the Chinese market where Alibaba and JD.com are battling against each other.
The new owners' plans go through the revitalisation of the company implanting new technologies.
One of the short-term plays of Belle is integrating all chain with customer-to-manufacturer factories, where consumers will be able to do order personalised items and receive them quickly.
The company is also testing out the development of a value chain typical of fast fashion, capable of producing shorter series of models with a strong fashion component.
Hillhouse Capital, for its part, also participates in other new technology giants like the Chinese Tencent, Naidu and JD.com, for example, and experts are sure that new partners can be able to transmit technologic knowledge to Belle.
After closing the purchase operation, Hillhouse Capital's president Lei Zhang, assured that "what Belle can do, internet companies of today cannot". **m**



EVOLUTION 2017

SALES
NA

ONLINE
NA

NET PROFIT
NA

STORES
NA

Skechers

3

YEAR OF FOUNDATION
1992

FOUNDER
Robert Greenberg

KEY EXECUTIVE

Robert Greenberg
Chairman and CEO

HEADQUARTERS
Manhattan Beach (California, USA)

BRANDS
Skechers

STORES
2,197 stores around the world

WORKFORCE
11,800 employees

REVENUE
3.57 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

For the first time ever, Skechers overcame the bar of 3 billion dollars (3.43 billion euros) in sales after growing a 16.9% in 2017.
The company frames this increase in its positioning, as well as in the investments it has exerted in its global infrastructure.
Skechers is aiming completely at the expansion of its international footprint. The footwear United States company produces 54% of its sales abroad, and its purpose is to keep on rising that percentage. Europe is one of the main markets in which the accelerator of the company is pressed, but so is China.
In fact, the company raised 24.3% its international wholesale business and 21.9% its global network of stores' revenue. In Skechers' own stores, like-for-like sales in the United States increased 6.4%, whereas abroad they did so by 10.1%.
As of today, only a third of the 2,197 stores owned by Skechers are outside its home market. Skechers did not want to lose ground in the United States either, despite having not so great rates of growth. However, during the last Super Bowl, a few days before presenting their annual results, the group showed up in the tournament with an advert where the American football player Howie Long appeared, in which the corporation invested 2.5 million dollars (2.1 million euros). Moreover, the group has accentuated product diversification for men, women and children with the launch of new lines. **m**

EVOLUTION 2017

SALES
+16.9%

ONLINE
NA

NET PROFIT
-26.4%

STORES
+75

Caleres

4

YEAR OF FOUNDATION
1875

FOUNDERS
George Warren Brown and Alvin Bryan

KEY EXECUTIVE

Diane Sullivan
President and CEO

HEADQUARTERS
Clayton (California, USA)

BRANDS/CHAINS
LifeStride, Dr. Scholl's, Naturalizer, Fergalicious and Carlos by Carlos Santana

STORES
2,262 stores

WORKFORCE
Around 11,000 employees

REVENUE
2.38 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

The United States footwear company Caleres is deeply immersed in a shift towards digital processes for all the group's portfolio of brands, as well as for its chain of stores Famous Footwear.
Sales in online channels grew a 12% in 2017 and represent 10% off Famous Footwear.
The company is aiming its investment at accelerating omnichannel strategies and at being able to process more efficiently smaller quantities of orders but with a higher frequency, especially in the multibrand channel.
Despite the effort to link online and offline universes, stock analysts still consider that the group is too exposed to traditional retail.
The four areas in which the corporation is focusing investment are: increasing speed of market arrival, delivery to consumers, business digitalisation and diversification of its portfolio of brands. Regarding the latter, they already acquired Allen Edmonds during last year.
In that sense, the company has introduced in its Famous Footwear stores the service of buying online and picking it up in stores.
Famous Footwear's online sales grew a 14% in 2017 and represent already 10% of the chain.
In the whole of the brands portfolio, online generates as of today 28% of the total revenue, after growing 47% last year.
Ahead of such growth, the company considers online as one of the priority channels in which to focus its expansion.
To promote the company Famous Footwear, the group designated a new president last May. Caleres put at the head of its main business, which in 2017 produced sales valued in 1.6 billion dollars (1.37 million euros), the executive Molly Adams, who worked until then in The Walt Disney Company as merchandising and product development manager. **m**

EVOLUTION 2017

SALES
+8%

ONLINE
NA

NET PROFIT
+32.7%

STORES
-29

Payless Shoesource

5

YEAR OF FOUNDATION
1956

FOUNDERS
Louis and Shaol Pozez

KEY EXECUTIVE

Marty Wade III
Interim CEO and chairman

HEADQUARTERS
Topeka (Kansas, USA)

CHAINS
Payless

STORES
3,500 stores

WORKFORCE
25,000 employees

REVENUE
2.2 billion euros.
Fiscal year ended December 31, 2014

SHAREHOLDERS
Golden Gate Capital and Blum Capital Partners

Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

The United States low-cost titan has been one of Retail Apocalypse's victims in the United States, together with American Apparel, Aeropostale, Gymboree, Sears, Kmart, Macy's or JC Penney, to name a few.
The company, founded in 1956 and with headquarters in Topeka (Kansas), filed for Chapter 11 in April 2017 with the intention to restructure a debt of almost 840 million dollars (720 million euros), a great part of which derive from 2012's stagnated purchase by part of the Blum Capital and Golden Gate Capital funds.
In August, the group abandoned the process after undergoing a deep restructuring which entailed closing 673 stores in the United States. These closures were added to the 227 more which Payless Shoesource conducted a year before. In total, the company has stopped operations throughout almost two years in about 900 stores.
After leaving the courtroom, the until then CEO Paul Jones took a step aside and gave away the company's leadership to a new interim executive committee constituted by the CFO Michael Schwindle, the operations director Mike Vitelli and the chief officer of the board, Martin Wade III.
Despite restructuring and ahead of e-commerce's threat, the new executive team decided after the abandonment of the bankruptcy process that they would keep the strategy of growing through openings in its strategic markets: the United States, Canada, Asia, Central America and the Caribbean.
Regarding online channel, for now counting only with e-commerce platform, the company intends to grow, especially in Asia, through franchises. **m**

EVOLUTION 2017

SALES
NA

ONLINE
NA

NET PROFIT
NA

STORES
-673

Wolverine Worldwide

6

YEAR OF FOUNDATION
1883

FOUNDER
G. A. Krause

KEY EXECUTIVE

Blake W. Krueger
President and CEO

HEADQUARTERS
Rockford (Illinois, USA)

BRANDS
Bates, Cat Footwear, Choaco, Hush Puppies... Portfolio of eleven brands

STORES
80 stores

WORKFORCE
Around 11,000 employees

REVENUE
2 billion euros.
Fiscal year ended December 30, 2017

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

Wolverine Worldwide executed last year a reordering of its brands portfolio. The American company sold Sebago's brand to the Italian group Basic-Net, owner of Kappa and Superga, after handing out the use of its ensign Stride Rite license to Vida Shoes International.
On another note, during the last months, the group has created the Wolverine Children's Group division for its different children's footwear lines. The group designated Bornie Del Priore, an executive that came from Tommy Hilfiger and Ralph Lauren.
After shrinking its revenue by 5.8% in 2017, the group now has had for three years in a row its results going downwards, and a restructuring that dates back from 2016.
Wolverine Worldwide has set off for 2018 the final stage of this transformation, through a plan they have called Global Growth Agenda, "the next phase of our holistic transformation", as defined by Blake W. Krueger, president and CEO of the company.
The executive considered in the last presentation of results that the restructuring corresponding to operational activities had concluded and that now it should be completed by using new tools and capabilities to grow.
This initiative is based on three different pillars: firstly, developing and launching more products into the market, reinforcing the creative team and having a better understanding of consumers and a nimbler supply chain.
Secondly, a direct digital attack to grow in online channels. Wolverine has set the target of making online channel reach 20% of its total sales.
And lastly, accelerating all foreign markets, especially China and the Asia Pacific region.
The group contemplates a future investment of between forty and fifty million dollars (34 and 43 million euros) to finance the already mentioned plan. **m**

EVOLUTION 2017

SALES
-5.8%

ONLINE
NA

OPERATING PROFIT
-85.1%

STORES
-215

Aldo Shoes

7

YEAR OF FOUNDATION
1972

FOUNDER
Aldo Bensadoun

KEY EXECUTIVE

Jurgen Schreiber
Chairman

HEADQUARTERS
Montreal (Canada)

BRANDS/CHAINS
Aldo, Mr. B's, Call it Spring and Globo

STORES
2,500 stores

WORKFORCE
Around 20,000 employees

REVENUE
1.73 billion euros.
Fiscal year ended December 31, 2015

SHAREHOLDERS
Bensadoun family

ⓘ Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

Aldo, founded in 1972 and with headquarters in Montreal (Canada), is present in more than a hundred countries and half of its sales come from stores of their own. For now, 15% of revenue comes from e-commerce, and the goal is to continue enlarging that percentage.
The founder's grandson David Bensadoun takes his father's position and provides a new strategy to the group based on omnichannel experiences and sustainability. The group is facing two different transformations in the market.
On one hand, the consequences of e-commerce's peak, which causes a reordering of all its network of stores. The company is setting the investment into integrating new technologies to approach the group's omnichannel experiences and predicts that by the end of 2018 more than half of its business will come from outside its network of stores. On the other, the company continues opening stores, although less than they used to.
Nevertheless, Aldo is equipping those facilities with tools to promote the brand's value, client experience and the gathering of data. Aldo has invested during the last years 160 million dollars (137 million euros) in new technologies to digitalise process, introduce artificial intelligence and tools for data analysis.
The corporation has developed its own searching platforms so that all its workers can check the stock in real time and, if they do not find the article they are searching, the software itself provides similar alternative offers.
Aldo is trying to fight the battle of sports not only renewing its offers but also through the use of social network.
Furthermore, Aldo has reinforced international expansion in the last months, establishing agreements with local partners, like the one signed with Bata, and has also intensified its diversification with the acquisition of Camuto Group.
In foreign markets, the group continues aiming at the Asiatic Southeast, the Middle East, southern Europe and Latin America. **m**

EVOLUTION 2017

SALES
NA

ONLINE
NA

PROFITS
NA

STORES
NA

Clarks

8

YEAR OF FOUNDATION
1825

FOUNDERS
Cyrus and James Clark

KEY EXECUTIVE

Stella David
Interim CEO

HEADQUARTERS
Street (UK)

BRANDS
Clarks

STORES
Around 1,500 stores in 75 countries

WORKFORCE
Around 14,000 employees

REVENUE
1.7 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Clark family

Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

Clarks is immersed in a reorientation of its business, with a new brand strategy based on segmentation which has made it redefine seven sub-brands. The company's plans contemplate selling less but in full price, reducing offers and discounts.
On the other hand, the corporation is doing an effort to reduce to the maximum the stocks through planification systems and a more sophisticated merchandising. Moreover, Clarks is contemplating the release of a new factory in the British locality of Somerset, where it has its headquarters.
This production plant will be used as support to gain flexibility and innovation, as well as having in a same location design and production. The group accelerated this turnaround with the change of CEO in 2016 and the entrance of Mike Shearwood. Since 2015, when Clarks celebrated its 190 anniversary, the group's results have gone downwards, until concluding 2017 with losses of 31.3 million pounds sterling (35.4 million euros) in its profit after taxes.
During the twenty months that Shearwood has been in the position, business has stabilised, and a growth strategy has developed with improvements in products, means and investment.
In this period, the company's stores network has reordered, and there was also carried out a dismissal of about sixty workers from the headquarters of the group in Somerset (the United Kingdom).
After these results, Shearwood left the company because a research on his behaviour, which was considered contrary to the company's ethical code. Now, former independent director Stella David is leading the group. **m**

EVOLUTION 2017

SALES
-7%

ONLINE
NA

GROSS PROFIT
Profit to loss

STORES
NA

Deckers

9

YEAR OF FOUNDATION
1973

FOUNDERS
Doug Otto and Karl. F. Lopker

KEY EXECUTIVE

David Powers
President and CEO

HEADQUARTERS
Goleta (California, USA)

BRANDS
Ugg, Teva, Sanuk and Hoka One One

STORES
160 stores

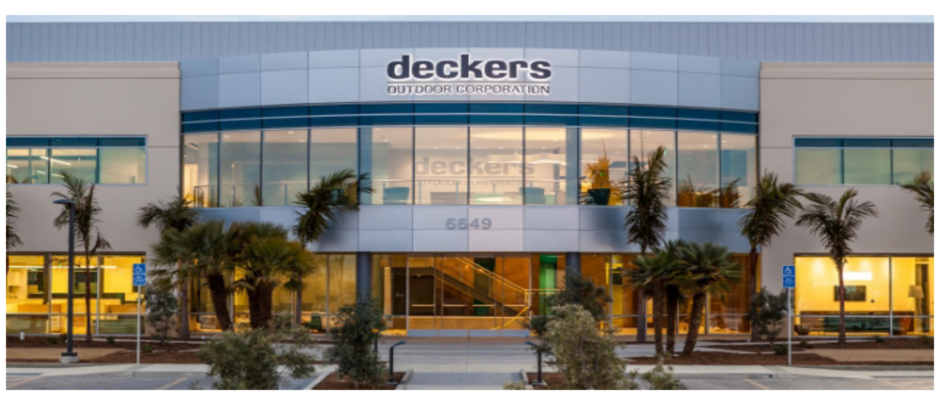
WORKFORCE
Around 3,300 employees

REVENUE
1.53 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

Deckers started in 2017 a restructuring, three years after cancelling its sale process. The company began to track offers in the market after one of its minoritarian investors urged the group's need to go on sale.
This decision was taken after the presentation of 2016 results, when Deckers shrunk its net profit by 95%.
Notwithstanding, after not meeting the appropriate partner, the group opted to reorder its capital with the repurchase of shares priced at 400 million dollars (343 million euros) and to release a plan to cut expenses valued in one hundred million dollars (86 million euros). These initiatives started to show their outcome in 2017, when the group multiplied by twenty its earnings.
The company had thus started the reordering of its stores fleet, consolidated its network of stores, closed facilities and shifted part of its workforce. The objective was to optimise brand operations, reduce general costs and improve operative efficiency and collaborations.
In the United States, Deckers has closed 25 points of sale between 2016 and 2017 and predicts to close between thirty and forty more this year.
By 2020, the group estimates amounting up to 125 stores around the world.
The expenses saving plan also involves chain value, reducing product development timings, improving materials, consolidating suppliers' networks and continuing to shift production outside China.
This year, the company has added three new members to its administration board: Brian A. Splay, founder of Bonobos (which sold Walmart) and of Trunk Club (which sold Nordstrom), and who is currently executive president of Tecovas, a boots brand from Texas; Cindy L. Davis, Nike's vice-president and responsible for the rise of the brand's business in golf, and William L. McComb, specialised consultant in omnichannel strategies. **m**



EVOLUTION 2017

SALES
-4.5%

ONLINE
NA

NET PROFIT
-95.3%

STORES
-25

Steve Madden

10

YEAR OF FOUNDATION
1958

FOUNDER
Steve Madden

KEY EXECUTIVE

Edward Rosenfeld
Chairman and CEO

HEADQUARTERS
Stratford (Connecticut, USA)

BRANDS/CHAINS
Steve Madden, Brian Atwood, Dolce Vita, Freebird...
Portfolio of ten brands

STORES
206 stores

WORKFORCE
Around 3,300 employees

REVENUE
1.32 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 25th of June 2018.

Steve Madden grew a 10.5% in 2017 to the point of exceeding for the first time the 1.5 billion dollars threshold, which translates to 1.28 million euros. Part of this strong growth was due to the evolution of the Steve Madden brand, as well as to the launch of Madden NYC for Kohl's department stores only, and the opening of a flagship in Times Square, New York.
On the other hand, the company has also continued advancing abroad, where sales have raised a 15% during last fiscal year. The company operates directly in Canada and Mexico, and through joint ventures in Europe and China.
In the short-term, Steve Madden will keep on seeking new partnerships with locals to continue the expansion around Asia.
The group has also kept growing through acquisitions and, in 2017, it became owner of Schwartz&Benjamin, Kate Spade and Avec Les Filles' footwear licensee.
With this operation, the company enters the business of premium and designer brands. Within that segment, in fact, Steve Madden predicts to launch this year its own designer brand, Brian Atwood, and has sealed a deal for Anne Klein's footwear and leather complements' licence taking advantage of the new platform.
Moreover, in the same way as its competitors, Steve Madden is also immersed in the incorporation of technology to improve experiences in stores. Specifically, the company is constituting its stores team and is providing its network with the Incite platform in order to do consultations of the stock in real time, with problem solutions' techniques and with opportunities for upward and cross-selling, among others. **m**

EVOLUTION 2017

SALES
+10.5%

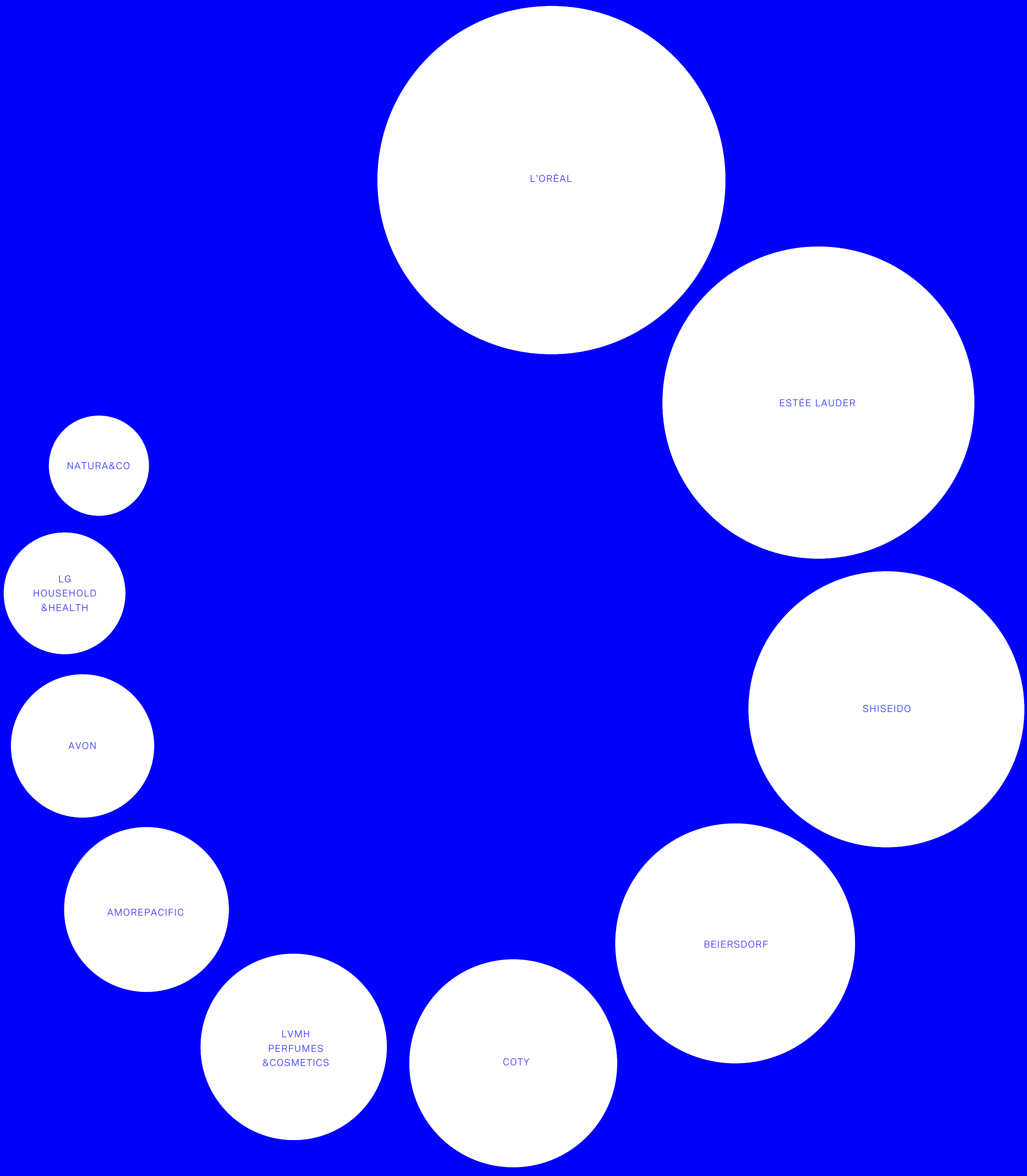
ONLINE
NA

OPERATING PROFIT
-2.5%

STORES
+4

7

THE BEAUTY KINGS



Start-up incubators to promote innovation; reorganisation of portfolios and strategic purchases in technologic matters. Perfume and cosmetics companies practically face the same challenges as its contemporaries in fashion: brick crisis in the United States and other mature markets, and the apparition of disruptive models of business in online channels which threaten to steal their market shares.
Ahead of these new actors, most of players opted to make use of their checkbook and incorporate those business' know-how.
That was the case, for instance, of Shiseido with the acquisition of Giaran, and the partnership of L'Óreal with Station F, the biggest start-up campus in the world.
L'Óreal was loosely maintained as the biggest company in the sector, with sales superior to 26 billion.
Nevertheless, a great part of the chart experienced strong changes regarding the 2016 ranking.
Coty escalated from the ninth to the fifth position thanks to the acquisition of the Procter&Gamble's cosmetics business, accounted for, for the first time, in fiscal 2017.
LVMH's cosmetics and perfume's division advanced Avon and Amorepacific in volume of business, standing at the chart's sixth position. Natura, despite the purchase of The Body Shop in 2017, has stayed in the top ten's bottom.

L'Oréal

1

YEAR OF FOUNDATION
1909

FOUNDER
Eugène Schueller

KEY EXECUTIVE

Jean-Paul Argon
Chairman and CEO

HEADQUARTERS
Clichy (France)

BRANDS
L'Oréal, Kiehl's, Maybelline, Lancôme... Portfolio of 45 brands

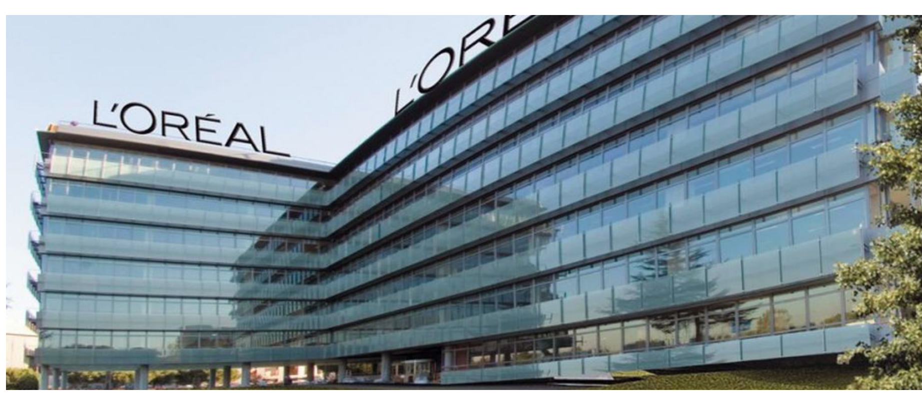
STORES
Present in 150 countries

WORKFORCE
82,606 employees

REVENUE
26 billion euros.
Fiscal year ended December 29, 2017

SHAREHOLDERS
Françoise Bettencourt and family (33.13%). Listed on the stock exchange

L'Oréal loosely maintains its leadership as the biggest cosmetics group in the world. The French company ended fiscal 2017 with stable sales, although profit grew to a double digit.
The company has kept its commitment to innovation through purchases and to growth through markets like China and Latin America.
The French leviathan led the main role in one of the biggest M&As of the year with last September's sale of The Body Shop to Natura. The Brazilian corporation, owner of Aesop too, came to have 3,200 stores in 69 countries around the world.
As for the innovation ambit, L'Oréal signed last October a partnership with Station F, the biggest start-up campus in the world. The association implied the implantation of an accelerator in its facilities located in Paris to seek beauty digital companies in early stages of development. In China, the company also sought allies to promote business.
L'Oréal reached an agreement with the marketing consultant Emarsys to power personalisation and communication through text messages, considering that it is one of the countries with a higher e-commerce penetration. Parallelly, the French group kept spreading around Latin America all through last year.
Concretely, L'Oréal released a new distribution centre in Argentina and conquered new countries from the region hand in hand with Yves Saint Laurent, which started operating in Uruguay and Nyx. This last chain landed in Peru during 2017 and opened its first point of sale in the Colombian city of Medellín. The company's leadership was kept stable with Jean-Paul Argon at the top as CEO. However, in its second line, L'Oréal designated Nicolas Hieronimus as deputy and Agon's number two, in a move that spread rumours of a possible short-term handover of the leadership.
Nestlé, the second biggest shareholder of the company, decided not to extend its participation despite rumours going in the opposite direction. **m**



EVOLUTION 2017

SALES
+0.7%

ONLINE
+34%

NET PROFIT
+17%

STORES
NA

Estée Lauder

YEAR OF FOUNDATION
1946

FOUNDERS
Estée and Joseph Lauder

KEY EXECUTIVE

Fabrizio Freda
President and CEO

HEADQUARTERS
New York (USA)

BRANDS
Estée Lauder, Jo Malone, Bobbi Brown, Clinique... Portfolio of more than twenty-five brands

STORES
Present in more than 150 countries

WORKFORCE
46,000 employees

REVENUE
10.11 billion euros.
Fiscal year ended June 30, 2017

SHAREHOLDERS
Lauder family (40%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 2nd of July 2018.

Estée Lauder ended fiscal 2017 in good shape thanks to acquisitions and a completely renewed executive team. The American company continued to stick to the orders of the strategic plan 10-Year Compass, through which the corporation identifies areas for future growth in cosmetics.

In spite of challenges like brick crisis in the United States, the volatility of exchange rates and geopolitical tensions in the Middle East, Estée lauder ended the fiscal year with a rise of 12% in its profit and 5% in sales. In the framework of such project, Estée Lauder included recently in its portfolio two more brands: Too Faced, a brand with huge followers amidst millennial audiences, with an import of 1.45 billion dollars (the biggest operation in its history) and Becca Cosmetics, specialised in colour cosmetics.

The acquisition of the latter was the first of this ambit since it obtained Smashbox back in 2010. Estée lauder also took a stake in Deciem, a Canadian cosmetics company which operates with The Ordinary and Niod brands. Not the import nor the volume of the operation were disclosed.

Another of Estée Lauder's advancements last year was the opening of its first physical store in Europe under the same name. Concretely, the group opened a store in the Via Dante of Milan, with a clear omnichannel vocation offering services such as click and collect. But the area which experienced the most changes was the organisation chart.

In May 2017, Estée Lauder relieved the presidents of Aveda, Bobbi Brown and La Mer from their positions.

Afterwards, the corporation promoted Cedric Prouvé, travel retail manager, as global director of stores, at the same time as they designated the first executive in the Asia-Pacific region, Fabrice Weber, as president of the perfume division. **m**

EVOLUTION 2017

SALES
+5%

ONLINE
11%/total

NET PROFIT
-12%

STORES
NA

Shiseido

3

YEAR OF FOUNDATION
1872

FOUNDER
Arinobu Fukuhara

KEY EXECUTIVE

Masahiko Uotani
President and CEO

HEADQUARTERS
Tokyo (Japan)

BRANDS
Shiseido, Benefique, Laura Mercier, Bare Minerals... Portfolio of more than 45 brands

STORES
Present in 120 countries

WORKFORCE
45,000 employees

REVENUE
7.76 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Master Trust Bank of Japan (9.51%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 2nd of July 2018.

Shiseido, equally to its main competitors, had a fiscal year characterised by the acquisition of technological companies in order to find new recipes to apply onto cosmetics.
At the same time, the group got rid of non-strategic assets such as Zotos, a brand specialised in hair care which they acquired back in 1988. Procter&Gamble bought that brand to the Japanese group for a price of 485 million dollars, an operation which was brought to light last October.
Shiseido's portfolio, nevertheless, continued to broaden thanks to the release of two new firms: Waso, aimed at 20-year olds, and Recipist, whose products are distributed in online channel and for now only in its domestic market. In the frame of their commitment to millennial audiences, Shiseido was joined by digital know-how thanks to its checkbook.
Last November, the company bought Giaran, a United States company founded in 2016 and specialised in big data, augmented reality and predictive technology. Previously, the company took control of the creative agency JWalk to double its marketing and communication offensives.
By the end of last year, the group acquired a tool for dermo-cosmetics developed by the start-up Olivo Laboratories. Despite purchases and new launches, Shiseido could not help to avoid ending fiscal 2017 with a heavy profit decrease, mainly weighed down by extraordinary losses accumulated in its Bare Escentuals chain.
The company's leadership was also reformulated: Shiseido incorporated Alexandra Papazian as general manager of Laure Mercier a year after its purchase. In September 2017, the Japanese group signed a former Le Bon Marché executive, Guillaume Gellusseau, as global vice-president of the designer brands division. Shortly after, the company lost its general manager for Europe, the Middle East and Africa (EMEA), Luis Dezars, whose position was temporarily occupied by Enric Henry, business manager in that same region. **m**

EVOLUTION 2017

SALES
+18.2%

ONLINE
8%/total

NET PROFIT
-29.2%

STORES
NA

Beiersdorf

4

YEAR OF FOUNDATION
1882

FOUNDER
Paul Carl Beiersdorf

KEY EXECUTIVE

Stefan F. Heidenreich
CEO

HEADQUARTERS
Hamburg (Germany)

BRANDS
Nivea, Eucerin, La Prairie, Hansaplast

STORES
Present all around the world

WORKFORCE
18,934 employees

REVENUE
7.05 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Maxingvest Group (51.01%).
Listed on the stock exchange

Characterised by a higher market share and the sixth consecutive year of growth going upwards. Beiersdorf, owner of Nivea, Le Prairie, Hansplast and Eucerin, had a smooth 2017, although exchange rates meant a small step back of its earnings.
Notwithstanding, investors rewarded business evolution and the German group's day shares surpassed last year the hundred euros for the first time in its history. At the same time as it promoted new digital marketing actions around Europe and other mature markets to connect with consumers better, Beiersdorf also took a decisive bet on developing countries.
In China, the biggest move was the entrance of its brands into the two e-commerce titans Alibaba and JD.com, whose traffic is set at around 650 million users. This derived in online sales representing a bit more than 25% of the country's total revenue. The strengthening of its productive structure, with centres spread around twelve countries in the world, was another of Beiersdorf lines of action for 2017.

Throughout the fiscal year, Nivea's owner invested thirteen million euros in a productive plant in Lagos, Nigeria's capital, ahead of the "enormous growth potential of the African markets", according to the group's report. The company also started to build a productive centre outside Bangkok, in Thailand, which will be set off in 2019 through an investment of 45 million euros which will provide for the whole region.

Lastly, Beiersdorf announced its plans to open in Brazil its first aerosol factory outside Europe. The investment fever in new structures reached its headquarters in Hamburg too. Beiersdorf started to build 335,280 square metres for its future central offices in the German city, which will host 3,000 employees. The start of its operation is predicted for 2021 and the total investment will ascend to 230 million euros. **m**

EVOLUTION 2017

SALES
+4.5%

ONLINE
25% (China)

NET PROFIT
-5.2%

STORES
NA

Coty

5

YEAR OF FOUNDATION
1904

FOUNDER
François Coty

KEY EXECUTIVE

Camillo Pane
CEO

HEADQUARTERS
New York (USA)

BRANDS
Astor, Lancaster, Wella, Marc Jacobs Fragances, Covergirl... Portfolio of more than 20 brands

STORES
Present in more than 130 countries

WORKFORCE
20,000 employees

REVENUE
6.54 billion euros.
Fiscal year ended June 30, 2017

SHAREHOLDERS
Institutional investors (70.4%).
Listed on the stock exchange

ⓘ REVENUE en euros teniendo en cuenta el tipo de cambio con la moneda local a 2 de julio de 2018.

The North American Coty has been leading the acquisition of Procter&Gamble's perfume and cosmetics division for two fiscal years, in an operation that ascended to 12.5 billion euros and which included a total of 43 brands. The operation, consolidated for the first time in fiscal 2017, has allowed the company to escalate to the fifth position in the global ranking.
After settling the deal with Procter&Gamble, the corporation's president, Bart Brecth, assured that the conjunct of brands would be too high and that some should probably leave. Coty has given more time until next October to take a chance on these brands.
However, in 2017, the group continued enlarging its portfolio through the purchase of GHD and the online platform Younique, besides adding both Tiffany's license, which is going to launch a new perfume after fifteen years, as well as Burberry's.
Before ending fiscal 2017, the group reordered its portfolio of assets and sold ten of its licenses that together generated between 6% and 8% of its business. Coty decided then to get rid of its licenses with Enrique Iglesias, David Beckham and Beyoncé, among others. Already in April 2017, the company sold Jennifer Lopez's too. In the presentation of results of 2017, Coty's CEO Camillo Pane assured that 2017 had been a year of transformation. Besides reordering the portfolio of brands, the company set the bases for its future strategy, which will focus on strengthening its global brands, injecting more resources to promote firms with a longer history and accentuating the international expansion of the whole portfolio. On the other hand, Coty is also considering new formulas to address new generations of consumers. In that sense, the group launched a start-up accelerator Digital Accelerator and opened its first store with the Covergirl brand in Times Square, New York. **m**

EVOLUTION 2017

SALES
+75.9%

ONLINE
NA

PROFITS
Profit to loss

STORES
NA

LVMH Perfumes

6

YEAR OF FOUNDATION
2010

FOUNDER
Bernard Arnault

KEY EXECUTIVE

Bernard Arnault
LVMH's president and CEO

HEADQUARTERS
Paris (France)

BRANDS
Perfumes Loewe, Guerlain, Parfums Christian Dior, Fresh... Portfolio of twelve brands

STORES
302 stores around the world

WORKFORCE
NA

REVENUE
5.56 billion euros.
Fiscal year ended March 31, 2017

SHAREHOLDERS
LVMH (100%)

LVMH's cosmetic business maintained good health and grew to a double digit in 2017, thanks to the upturn of the demand experienced in Asia and the popularity of cosmetics and make-up among younger generations.
All of that despite an environment in which "competition is intense and innovation cycles ever-shorter", as the conglomerate gathers in its annual report.
In March 2017, this division's portfolio of business added a new brand: the niche perfumes brand Maison Francis Kurkdjian, founded in 2009 by Francis Kurkdjian and Marc Chaya. Both executives stayed in the organisation chart as creative director and general manager, respectively.
LVMH also reinforced its offer with a celebrity as its charm. The French corporation of luxury developed and launched the Fenty Beauty collection by Rihanna, which was well acclaimed by the youngest audience and which helped the company earn market share in that segment.
Amid the promotors of business in the former fiscal year were Parfums Christian Dior, with the release of fragrances such as Sauvage, Rouge Dior and Dior Addict; Guerlain, which took off the stores' development of Guerlain Parfumeur; and Givency, which experienced a strong rebound in make-up sales.
In 2017, the LVMH's perfumery and cosmetics business broke the barrier of 300 stores on a global scale.
Colour cosmetics was kept as the main category of product, occupying 47% of sales, whereas perfumes took the second position with a share of 36%. The Asian market (except for Japan) focused a third of this business unit's global sales. **m**

EVOLUTION 2017

SALES
+12.6%

ONLINE
NA

NET PROFIT
NA

STORES
+54

Amorepacific

7

YEAR OF FOUNDATION
1945

FOUNDER
Suh Sung-Whan

KEY EXECUTIVE

Suh Kyung-bae
Chairman

HEADQUARTERS
Seoul (South Korea)

BRANDS
Amorepacific, Suhwhasoo, Laneige, Mamonde... Portfolio of 34 brands

STORES
NA

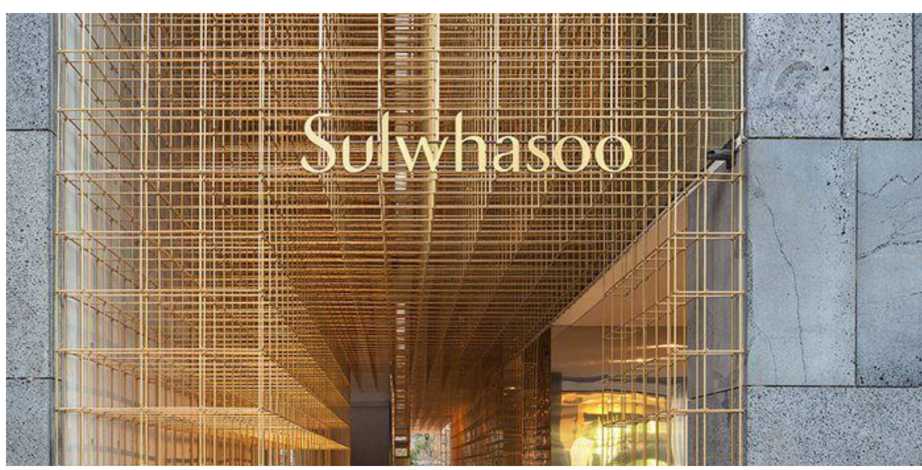
WORKFORCE
6,267 employees

REVENUE
5.13 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Suh Kyung-bae (53.9%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 2nd of July 2018.

The strategy followed was the extension of global reach by means of using the five biggest brands in its portfolio: Sulwhasoo, Laneige, Mamonde, Etude House and Innisfree. The latter being the group's spearhead. In order to attack the Middle East, Amorepacific partnered last year with one of the biggest retailers of the region, Alshaya, with whom the corporation will manage its road map in the territory. After building their own filial in the country, the South Korean company's plans contemplated opening their first store in Dubai with the Etude House chain. On the other hand, the company also took a step forward in France, where they agreed to open a Sulwhasoo store inside Galeries Lafayette. The brand aspires to replicate its local market in the developing country, where it became the first cosmetics firm to surpass a revenue of a trillion, obtained back in 2015. Moreover, with Innisfree, Amorepacific opened its first flagship store up in New York.
By the end of 2017, Amorepacific started the gradual transfer from its central headquarters, until then located in the Signature Tower of Seoul's district Cheongyecheon-re, to new facilities.
Located in the Yongsan neighbourhood of the South Korean capital, the offices amount to 188,908 square metres of surface spread in 29 floors and have the capacity to host 7,000 employees. The company also reinforced I&D matters, with the launch of a research and development centre in Singapore. The installations aspire to facilitate the collaboration with start-ups from Asia-Pacific and individual researchers so as to develop future technologies applicable to cosmetics. **m**



EVOLUTION 2017

SALES
+18.3%

ONLINE
NA

NET PROFIT
+20.4%

STORES
NA

Avon

8

YEAR OF FOUNDATION
1886

FOUNDER
David H. McConnell

KEY EXECUTIVE

Jan Zijderveld
Director and CEO

HEADQUARTERS
New York (USA)

BRANDS
Avon, Anew, Black Suede, Clearskin... Portfolio of nineteen brands

STORES
Present in 56 countries

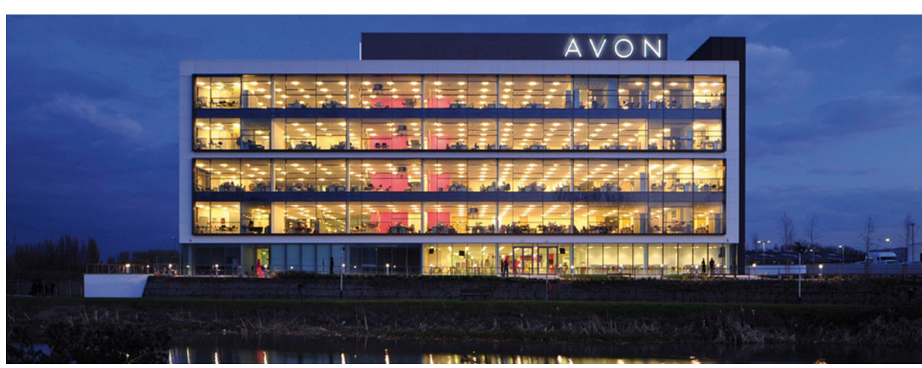
WORKFORCE
25,000 employees

REVENUE
4.89 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Institutional investors (82.9%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 2nd of July 2018.

Back to basics to secure the return to profitability. In 2017, Avon settled the ground for the recovery of business after slowing down its sales' decrease during the last fiscal years as well as leaving losses behind. A new executive team, a strategy based on direct sales through agents (the company has about 6,000 sellers around the world) and taking a bigger chance on Latin America are the corporation's tricks to stay in the world's top ten. The company kept the annual saving policy it implemented in 2016, when the Transformation Plan program was launched. Avon estimated that by 2017 they would have saved costs valued in 255 million dollars, ahead of the 120 million dollars from 2016. In the autumn of 2017, Avon approved an investment of 110 million dollars to promote the research and elaboration of new products. In parallel, the company also disbursed 11.1 million dollars for the implantation of new technology in its supply chain. When the company announced such measures, Avon had already set the departure of its CEO. Sheri McCoy, who had been in the position since May 2012, was relieved at the beginning of 2018 by Jan Zijderveld, an executive with more than thirty years of experience in Unilever. The change at the head of the company took off some of the pressure perpetuated by two minoritarian shareholders, Shah Capital and Barignton Capital. They wanted to propose the partial or total sales of the business.
The corporation's presidency also changed in 2017. Miguel Fernández, Mexican directive with previous experience in Herbalife, assumed the position taking John Higson's role. Latin America was the biggest expansion focus for Avon on a global scale, provided that they kept an active policy both in direct sales as in expansion through retail. Inside the region, which occupied 39% of sales in 2017, the company has laid the focus specifically on Peru, Chile and Ecuador. Brazil, on the other hand, was kept as its first market on a global scale, where it obtains 22% of revenue out of the total business. **m**



EVOLUTION 2017

SALES
+0.04%

ONLINE
NA

NET PROFIT
Loss to profit

STORES
NA

LG Household&Health

9

YEAR OF FOUNDATION
1947

FOUNDER
Koo In- Hwoi

KEY EXECUTIVE

Cha Suk-yong
Vice-chairman, CEO and president

HEADQUARTERS
Seoul (South Korea)

BRANDS
Whoo, Tomaru, Elastine and The Face Shop

STORES
NA

WORKFORCE
10,437 employees

REVENUE
4.81 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
LG Corporation (34%).
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 2nd of July 2018.

LG Household&Health Care continues supporting part of its growth on the Chinese cosmetics market. The corporation managed to avoid the boycott that was produced from China to consumption articles that came from South Korea as a way to protest against the United States defence system in the country.
Cosmetics was one of the most affected sectors by this measure. Its star brand, Whoo, continues to be one of the most sold.
In 2016, the ensign surpassed for the first time the trillion won bar, and last year, it reached 1.4 trillion won (1.07 billion euros). Beyond Whoo, other of the driving forces were its brands Ohui and Su:m.
The company is highlighting Su:m's expansion, which has now been introduced in the main department stores of China's top cities, among them Shanghai, Nanjing and Beijing.
The ensign, which entered the Chinese market in 2016, counts nowadays with seventy points of sale in the country.
Europe has also become a strategic market for the whole of Korean cosmetics. In fact, South Korea is already the fifth supplier of this kind of articles for the European Union.
During last year, LG Houshold&Health Care launched its cosmetics brand herbal Belif in France, Italy and Germany.
In Latin America, the group has already taken its first steps and has signed an agreement with the Brazilian company Farmax to distribute its articles in the country after the second half of 2018.
On the other hand, the company is also moving forward through acquisitions.
At the beginning of this year, the group concluded the acquisition of an also Korean group of dermatologic and cosmetics products, Tai Guk Pharm, for 85.07 billion won (63.3 million euros). **m**

EVOLUTION 2017

SALES
+2.9%

ONLINE
NA

NET PROFIT
+6.8%

STORES
NA

Natura&Co

10

YEAR OF FOUNDATION
1969

FOUNDER
Antônio Luiz Seabra

KEY EXECUTIVE

Roberto Marques
CEO

HEADQUARTERS
Cajamar (Brazil)

CHAINS
Natura Brasil, Aesop and The Body Shop

STORES
3,235 stores in 72 countries

WORKFORCE
18,000 employees

REVENUE
2.17 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Antônio Luiz Seabra (23.09%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 2nd of July 2018.

Natura has started to write a new chapter in its history. The company, which was already one of the biggest in the sector in Latin America, settled in 2017 its international position through the acquisition of The Body Shop from L'Oréal.
The transaction valued in 1.12 billion dollars (949.9 million euros) was concreted in September, and enabled Natura to extend its reach to new markets. After concluding this operation, the company changed its name to Natura&Co, under which Natura, Aesop (acquired in 2013) and The Body Shop are englobed. The company qualified 2017 as a year of "transformation" for its annual results. Besides gaining size through this operation, Natura, specialised until now in mail orders, has accelerated its retail. Until 2016, the physical distribution network of the group has focused on pharmacies and multibrand stores but in the last year, the company has intensified its retail expansion with the opening of stores in the local market and a flagship store in New York.
Natura has also extended its retail network in Argentina, Chile and Europe, with its first point of sale in Paris. Another of the channels which they are committing to is online sales, through the launch of the first platforms in the United States and Colombia.
The group has now defined its road map until 2022, year in which they predict to reach a volume of business of 17.2 billion reais (4.09 billion euros), 74.5% higher than in 2017, leaning mostly on the growth of The Body Shop. In fact, the group's plans for the British chain of cosmetics consider situating its revenue at 118 million dollars (98 million euros) by 2022. **m**

EVOLUTION 2017

SALES
+24.5%

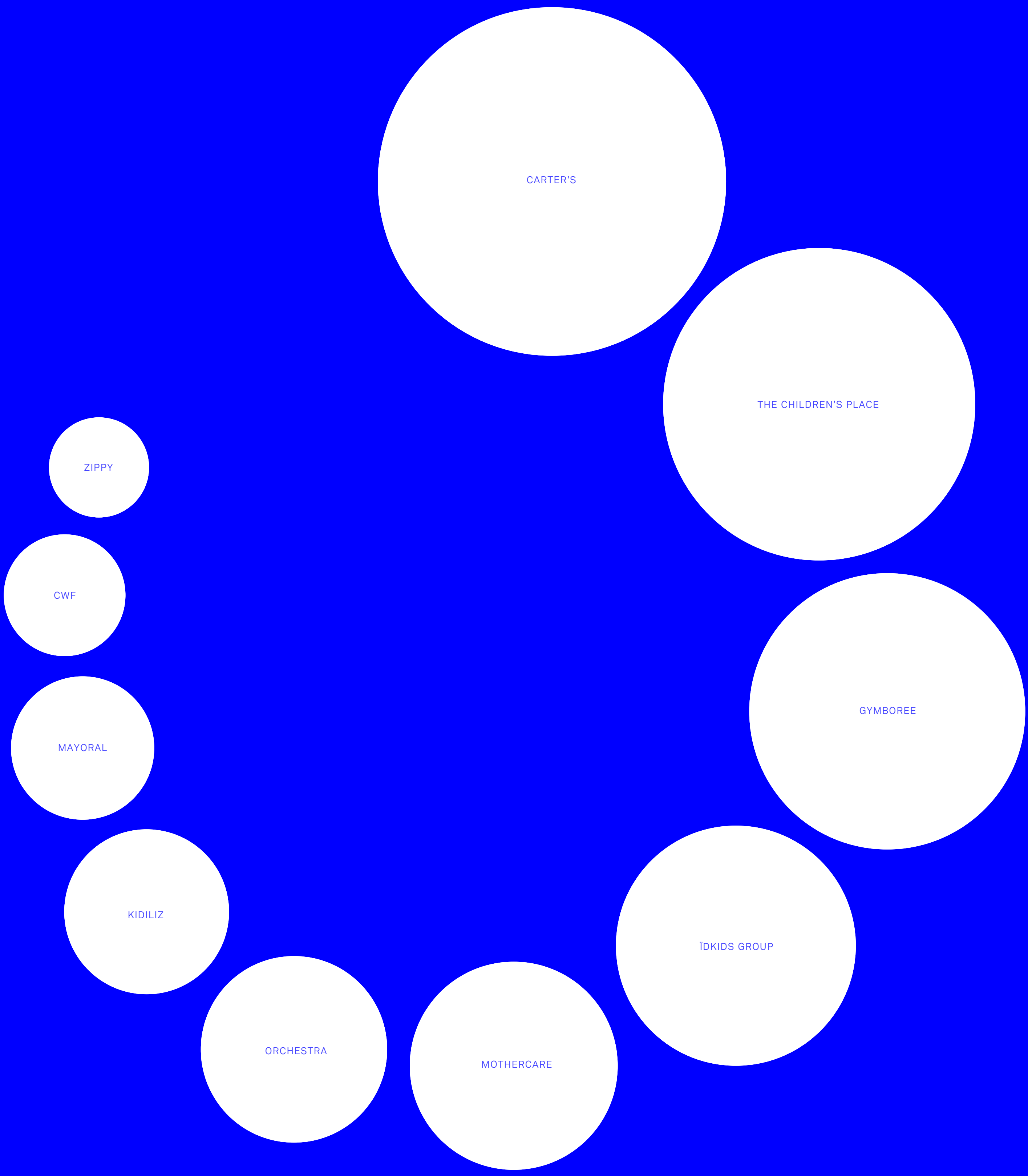
ONLINE
+9
TheBodyShop

OPERATING PROFIT
+117.5%

STORES
+3,059
TheBodyShop

8

CHILDRENWEAR COLOSSUS



Changes in children's Global Fashion Powers. Mothercare, which until last year was at the top of the sector's podium, has descended to a fifth position because in this occasion only its revenue as group has been taken into consideration, and not its global one, which includes the estimated sales of franchises. This move has favoured Gymboree, which has managed to escape the United States equivalent to a bankruptcy process and has gone up to the third spot in the ranking.

Nowadays, there are only three players in the sector with an income above 1 billion euros per year, mostly standing out Carter's, whose sales got close to 3 billion.

The sector is at a turning point, especially due to the fall of birth rates in main markets, the growing childrenwear department among large distribution players, the reduction of margins and the change of consumer habits.

Carter's

1

YEAR OF FOUNDATION
1865

FOUNDER
William Carter

KEY EXECUTIVE

Michael D. Casey
Chairman and CEO

HEADQUARTERS
Atlanta (Georgia, USA)

BRANDS
Carter's, Just One You, OshKosh, B'gosh... Portfolio of eight brands

STORES
1,050 stores in North America

WORKFORCE
18,300 employees

REVENUE
2.91 billion euros.
Fiscal year ended December 30, 2017

SHAREHOLDERS
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 4th of July, 2018.

Carter's loses nothing against the market. In a period when the colossus of childrenwear tremble, the United States company manages to stay in the black. However, same as other American retailers, brick crisis has forced it to embark a reduction of its conjunct of stores.
The digitalisation of business has been another of its lines of action. The corporation ended the fiscal year with 1,050 points of sale, out of which 830 are in the United States, 179 in Canada and 41 in Mexico.
Besides North America, Carter's also sells its brands in more than a hundred countries, through more than a thousand multibrand stores and online channel. In the digital sphere, the company has dedicated last year to its e-commerce platform. About 17% of sales in the United States were materialised through the web, and according to the company's predictions, its online business will generate 30% of its revenue by 2022.
Last year, Carter's released the Simple Joys brand created for Amazon Prime. The digital commerce behemoth has become one of the company's sources for growth and will become one of its main clients in a term of four years.
The fall of traffic in physical stores made the companies elaborate a rationalisation plan for its points of sale, by means of which they will close 115 low-profitable stores once rental contracts finish.
Forty stores more will start operating in a co-branding format with the company's different brands, among which are Carter's, Skip Hop and Child of mine.
Currently, 60% of stores are Carter's very own, whereas 40% belong to outlets. In 2022, only 20% of the corporation's points of sale will be outlets.
Furthermore, the enterprise extended the sizes of its collections to compete for the audience of between ten and fourteen years old, and did some changes in matters of sourcing, increasing the ratio of articles it directly buys from suppliers and erasing intermediaries.
Nowadays, 60% of Carter's products are already acquired through that formula. **m**

EVOLUTION 2017

SALES
+6.2%

ONLINE
+17%

NET PROFIT
+17.5%

STORES
NA

The Children's Place

2

YEAR OF FOUNDATION
1969

FOUNDERS
David Pulver and Clinton Clark

KEY EXECUTIVE

Jane Elfers
President and CEO

HEADQUARTERS
Secaucus (New Jersey, USA)

BRANDS
The Children's Place, Place and Baby Place

STORES
1,014 stores in the United States, Canada and Puerto Rico

WORKFORCE
15,800 employees

REVENUE
1.6 billion euros.
Fiscal year ended February 3, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 4th of July, 2018.

Less brick and more technology. The Children's Place is immersed in a process that contemplates the closure of hundreds of stores and the increase of links between e-commerce and its highest exponent, Amazon, to go back to the path of profitability. Within that context, the corporation designed a plan to resize its stores network. The company's goal was set on closing three hundred stores by 2020.
The reduction of square metres will make its profitability improve, as it will get rid of the costs that entailed unprofitable stores. The company has checked how in the places where they have closed stores, digital business has been promoted.
In fact, e-commerce's development has become a priority within The Children's Place strategy, and it is precisely on what it is investing the most. The corporation has continued its international expansion strategy supported by franchise partners, who operate in 190 points of sale around 19 countries.
Additionally, the group has narrowed its relationship with Amazon, the e-commerce giant that has encouraged its position in Canada. The Children's Place has in Latin America too one of its main expansion focus, where it mainly operates hand-in-hand with Grupo David. In that way, the corporation has managed to penetrate in the markets of Costa Rica, Guatemala, Peru and Venezuela.
The United States colossus has modified its supply chain, erasing all intermediaries to go directly to the source.
After such logistics and operative transformation, 19% of the company's suppliers can be mainly found in China, 17% in Bangladesh, 13% in Vietnam, 12% in Indonesia and 11% in Italy. **m**

EVOLUTION 2017

SALES
+4.7%

ONLINE
NA

NET PROFIT
-17.2%

STORES
-25

Gymboree

3

YEAR OF FOUNDATION
1976

FOUNDER
Joan Barnes

KEY EXECUTIVE

Daniel Griesemer
President and CEO

HEADQUARTERS
San Francisco (California, USA)

BRANDS
Gymboree, Janie&Jack and Crazy 8

STORES
1,291 stores around the world

WORKFORCE
5,090 employees

REVENUE
1.07 billion euros.
Fiscal year ended January 30, 2016

SHAREHOLDERS
Listed on the stock exchange

Revenue in euros considering the exchange rate of local currency on the 4th of July, 2018.

In and out of the courtroom. Gymboree invoked the United States equivalent of a bankruptcy process at the beginning of 2017, having a debt of 900 million dollars (804.6 million euros), but thanks to a series of severe adjustments, the group has managed to reconduct the situation.

The company completed its financial restructuring and got out of the process with the support of its creditors. Gymboree's debt was liquidated after doing a reorganisation of its sales network.

Furthermore, Gymboree received a loan valued in 85 million dollars by part of Goldman Sachs and an access to a credit line of 200 million dollars from Bank of America Merrill Lynch so that they could do business investments and bounce back again. In the middle of a debt renegotiation, the corporation closed around 350 out of almost 1,300 with which it operated. The closures mainly affected the Gymboree, Gymboree Outlet and Crazy 8 brands.

Daniel Griesemer, Gymboree's president and CEO, explained that after the restructuring, the company had recovered a long-term financial health and would now work on the consolidation of the label, product and omnichannel distribution.

Griesemer assumed the position last year after his predecessor Mark Breitbard's departure. The executive left the group's presidency the 1st of February 2017.

The last economic data spread by the company correspond to the second quarter of 2017, in which they obtained net sales of 356.8 million dollars (306.2 million euros). **m**

EVOLUTION 2017

SALES
+1.5%

ONLINE
NA

NET PROFIT
NA

STORES
NA

ÏDKids Group

4

YEAR OF FOUNDATION
1996

FOUNDERS
Jean Duforest and Jean-Luc Souflet

KEY EXECUTIVE

Eric Vandendriessche
CEO

HEADQUARTERS
Paris (France)

BRANDS
Okaïdi, Jacadi and Oxybul

STORES
1,112 stores in 70 countries

WORKFORCE
6,000 employees

REVENUE
861 million euros

SHAREHOLDERS
Jean Duforest and Jean-Luc Souflet

ÏDKids Group takes a chance on country strategy. The French group, which operates in sixty markets, decided to transfer the complete management of all its brands to each of their respective markets, including Oxybul's, specialised in toys.
Under that framework, the corporation was joined by Sergi Brunet as the new general manager for Spain, a market where the group operates with 45 Okaïdi stores and seven of Jacadi's. The subsidiary, with headquarters in Barcelona, employs around 280 people. ÏDKids Group's expansion in Spain is centralised in the main brand, Okaïdi, even though they also commit to their bet on Jacadi, which has a higher position.
The group, competing against groups such as Du Pareil au Même or Sergent Major, ended 2015 with a volume of business set at 24 million euros in the Spanish market. The company, as many others from the sector, underwent a restructuring process during the crisis, with the closure of a hundred stores and the retreat out of four markets. Thus, ÏDKids Group has reached a global network of 1,112 stores, out of which 787 belong to Okaïdi, 273 to Jacadi, 36 to Oxybul and 16 to ÏD Kids. Nowadays, 68.57% of the French company's revenue is provided by Okaïdi, generating an income of 592.6 million euros, whereas 16.7% corresponded to Jacadi. **m**

EVOLUTION 2017

SALES
+10.8%

ONLINE
NA

NET PROFIT
NA

STORES
+67

Mothercare

5

YEAR OF FOUNDATION
1961

FOUNDERS
Selim Zilkha and Sr James Goldsmith

KEY EXECUTIVE

Mark Newton-Jones
CEO

HEADQUARTERS
Watford (UK)

BRAND
Mothercare

STORES
1,268 stores in 47 countries

WORKFORCE
4,737 employees

REVENUE
739.2 million euros.
Fiscal year ended March 24, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 4th of July, 2018.

A tough year for Mothercare, one of the sector's top guns. The group has set its intention to fix the financial situation, one that is strongly affected by the changes produced in the business.
The fall of consumption in the British market during the second part of 2017 was felt both in online and offline channels, given that the majority of its commercial network was concentrated in its domestic market.
Mothercare started a reorganisation process which included measures such as the closure of fifty stores in the United Kingdom and the abstraction of 28 million pounds (31.9 million euros) through a rollover and the emission of new shares.
In that context, the British group hired the consultant Kpmg to give advice during the restructuring phase, and last April, they signed David Wood as new CEO, an executive with a long career related to big consumption. The designation meant the departure of Mark Newton-Jones, who occupied the role since 2014. A month later, in May, the corporation Newton-Jones although maintaining Wood inside the entrepreneurial structure. In the present day, the British group of childrenwear creditors have approved the company's restructuring plan.
As per the concept of stores, the company has carried out a new focus for its lines of business, focusing on the segments of maternity and children until kindergarten. Parallelly, Mothercare increased its digital capacities and, nowadays, 43% of its sales are online, out of whom 69% are done through mobile devices. Mothercare also reshaped its leadership. The British company promoted Glyn Hughes and named him as the group's CFO, as a replacement for Richard Smothers. Furthermore, in April 2018, they designated Clive Whiley as interim president, occupying Alan Parker's position, who left the Children's fashion company during full restructuring process. **m**

EVOLUTION 2017

SALES
-1.9%

ONLINE
43%/UK

NET PROFIT
Profit to loss

STORES
NA

Orchestra

6

YEAR OF FOUNDATION
1999

FOUNDERS
Chantal and Pierre Mestre

KEY EXECUTIVE

Thomas Hamelle
CEO

HEADQUARTERS
Saint-Aunes (France)

BRANDS
Orchestra, Babycare by Orchestra and Orchestra Prémaman

STORES
563 stores in more than forty countries

WORKFORCE
Around 5,000 employees

REVENUE
611.6 milion euros.
Fiscal year ended February 28, 2018

SHAREHOLDERS
Mestre family (33.21%); Gotib (14.29%).
Listed on the stock exchange

Orchestra has lived one of its most turbulent years. The French company has signed Thomas Hamelle as CEO and continued its international expansion process, aiming the focus at the United States, where they opened an online store and released their first flagship, situated in Philadelphia.
By the end of 2016, and because of its eagerness to approach American markets with greater guarantees, the French corporation reached a fusion agreement with Destination Maternity, which was broken on June 2017 and was ultimately not materialised.
Regarding Spain, Orchestra is supporting its development on two different pillars: on one hand, the opening of stores, both of their own as through franchises; on the other, the renovation of its current network to implant a concept of bigger dimensions in which textile and childcare offers are included. Throughout 2017, Orchestra started the exploitation of its big format stores abroad. Furthermore, the group decided to grow through franchises with new agreements, like the one signed with Cevital Group in Algeria (February 2017) or with Al-Othaim Group in Saudi Arabia.
Moreover, the company has aimed most of its efforts at debt restructuring and expanding the capital. For the time being, the corporation reached an agreement with financial entities to extend most of its lines of credit, which ascend to 209.2 million euros, until between July 2020 and July 2021 respectively. **m**

EVOLUTION 2017

SALES
+0.5%

ONLINE
NA

PROFITS
NA

STORES
-4

Kidiliz

7

YEAR OF FOUNDATION
1962

FOUNDER
Roger Zannier

KEY EXECUTIVE

Rémy Baume
CEO

HEADQUARTERS
Saint Chamond (France)

BRANDS
Catimini, Z, 3Pommes, Absorba, B-Kare... Portfolio of more than fifteen brands

STORES
930 stores of their own

WORKFORCE
Around 3,500 employees

REVENUE
430 million euros (2015)

SHAREHOLDERS
Zannier family

Kidiliz is going through one of the most crucial times in its history. The French company, until 2016 named as Grupo Zannier, has started talks with Chinese company Semir, which is studying a buyout that will create a new global titan in the sector that would have a two billion euros revenue.
Semir is one of the biggest retailers specialised in childrenwear in China, with a network of 8,000 stores and a revenue of around 1.6 billion euros. The group, which lists in the Shenzhen Stock Exchange since 2011 is the owner of the childrenwear brand Babala, one of the most popular in the Chinese market.
Last year, Kidiliz took strategic measures in order to simplify its structure. In that context, the company focused in France the management of its retail business, with had a team of their own in each of the subsidiaries. In parallel, Kidiliz was greatly promoted abroad thanks to its Z brand.
The firm narrowed links with ChinaTing, its partner in the country since the end of 2016, and announced the release of its first four physical stores in the Chinese market before ending 2017. Until then, ChinaTing only managed Z's expansion in online channels.
The renewed agreement with the partner contemplated the opening of about a hundred stores in China during the next five years.
Furthermore, after 2018's summer, ChinaTing's intention is to start introducing other brands from Kidiliz Group into the Asiatic giant.
In terms of branding, Kidiliz renewed the Beckaro brand's logo and visual identity, as well as its 3Pommes' one, which adopted the slogan Just For Me, in other to be more powerful among its objective audience: babies and children up to twelve years old. **m**

EVOLUTION 2017

SALES
NA

ONLINE
NA

NET PROFIT
NA

STORES
NA

Mayoral

8

YEAR OF FOUNDATION
1941

FOUNDER
Francisco Domínguez Toledo

KEY EXECUTIVE

Manuel Domínguez de la Maza
Chairman

HEADQUARTERS
Málaga (Spain)

BRANDS
Mayoral, Newborn, Nakutavake and Mayoral Shoes

STORES
210 stores in more than a hundred countries

WORKFORCE
1,250 employees

REVENUE
350 million euros

SHAREHOLDERS
Domínguez Gor family

New brands, more subsidiaries abroad and strong investments to reinforce their structure. Mayoral, the biggest childrenwear group in Spain, continued gaining importance among international markets throughout 2017, at the same time as it made several changes in its organisation chart.
In March 2017, the company named Rafael Domínguez de la Maza as new assistant general manager, a position of new creation and through which he would collaborate tightly with the general manager, his brother Manuel Domínguez de la Maza. Rafael Domínguez would combine his functions as Mayoral's sales director and responsible of investments outside the group's fashion business, a position which he occupies since 2002.
In Spain, the corporation also widened its portfolio and presented a new brand, Abel&Lula, with a more premium position. The label will begin to be commercialised in the spring-summer 2019 collection, moment in which Mayoral will start to compete with other Spanish brands such as Pili Carrera, Foque or Nanos.
Regarding structure matters, Mayoral brought to light an investment of fifty million euros for the opening of a second logistics warehouse in Malaga. The new facilities, located two kilometres away from the existent ones, will enable to extend its storage capacity in order to face international growth in better conditions.
By the end of 2017, Mayoral won one more size abroad after opening three new subsidiaries in Peru, the United Kingdom and Bulgaria. After the operation, the group owned an amount of 17 subsidiaries, at the same time as they were present in eighty countries from Europe, the Middle East, the north of Africa and Canada, hand in hand with 200 commercial agents. **m**

EVOLUTION 2017

SALES
+4.1%

ONLINE
NA

NET PROFIT
NA

STORES
+20

CWF

9

YEAR OF FOUNDATION
1965

FOUNDER
Marcel Albert

KEY EXECUTIVE
Freddy Mallet
CEO

HEADQUARTERS
Les Herbiers (France)

BRANDS
Billeiblush, Billybandit, Carrément Beau, Une Fille... Portfolio of eleven brands

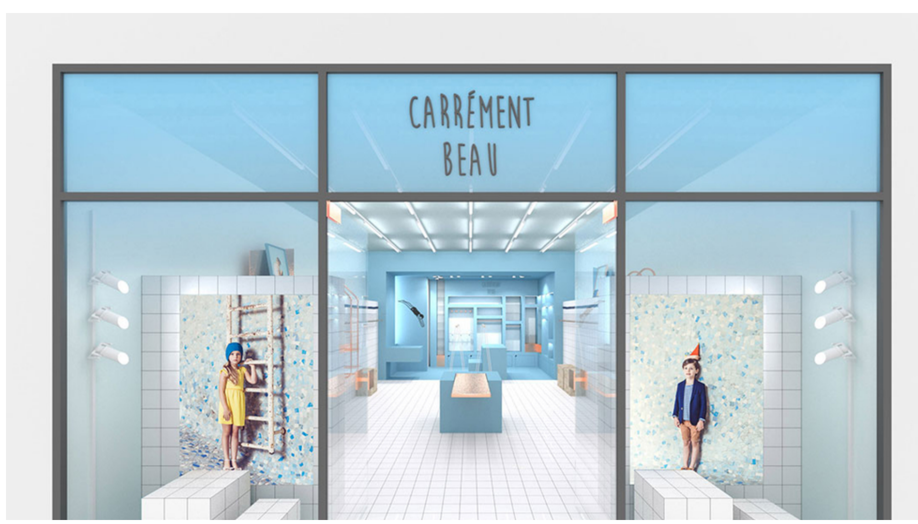
STORES
Present in 74 countries

WORKFORCE
800 employees

REVENUE
160 million euros (2015)

SHAREHOLDERS
Dzeta Conseil

Children Worldwide Fashion (CWF) is undergoing a process of transition in the Spanish market where, by the end of 2018, it estimates reaching a revenue of thirty million euros. The company, piloted in the country by Manuel Idelfonso, transferred the offices from Tarragona to Barcelona in order to improve its operative. From the new facilities in Barcelona, the corporation carries out direction actions and back office. Moreover, the group incorporated David Monné as new retail responsible in the Iberian Peninsula.
Monné, who comes from Sunglass Hut (property of Luxottica), has the mission to retake CWF's expansion through franchises, a project that has been perpetuated by the company for more than a year. CWF also maintains its commitment to multibrand channel and El Corte Inglés, where it operates in 39 shop-in-shops. In fact, the corporation is redefining its global concept of store to introduce it also in department stores, with the aim in mind to gain better visibility.
The company has also continued reinforcing its brands strategy, and in 2017, it launched the first Zadig&Voltaire spring-summer collection, whose childrenwear line license is owned by CFW since the end of 2016.
The French group started to sell Givenchy's first collection for children too, released into the market back in April 2017, and which meant the entrance of the luxury brand into childrenwear world. The collection Givenchy Kids started to be distributed in 150 stores located in France, the United Kingdom, Italy, the United States and Asia. **m**



EVOLUTION 2017

SALES
NA

ONLINE
NA

NET PROFIT
NA

STORES
NA

Zippy

10

YEAR OF FOUNDATION
2004

FOUNDER
Sonae

KEY EXECUTIVE

Joana Ribeiro da Silva
Zippy's administrator

HEADQUARTERS
Matosinhos (Portugal)

CHAINS
Zippy

STORES
122 stores in 21 countries

WORKFORCE
NA

REVENUE
NA

SHAREHOLDERS
Sonae

Zippy, the childrenwear brand owned by titan Sonae, kept its commitment to international markets in 2017, especially around Spain and the Middle East.
The group released last year a flagship store with 600 square metres of surface inside the Dubai Mall, one of the most popular shopping centres in the city. After that opening, Zippy amounted up to 34 stores in the Middle East, where it is present in countries such as Saudi Arabia, Lebanon, Qatar and United Arab Emirates, to name a few. In parallel to this international offensive, Zippy also took some measures in sustainability matters.
The company developed a plan of action based on three areas: monitoring the consumption of energy in stores, the promotion of changes in the performance of employees regarding energetic use and the installation of LED systems in its stores.
In order to measure energy consumption, the corporation was used as Checkwatt's digital platform. This tool let store managers know if the consumption of energy exceeded the average in a determined time of the day, which helped to avoid leaving devices connected after the opening hours.
At the closure of 2017, the consumption of energy in Zippy's retail network reduced a 12.6% compared to last year. The childrenwear group operates in 21 countries, most of them leaning on local partners. In Ukraine, for example, Zippy's partner is Argo, a company that works at the same time with other fashion retailers like Mango, Desigual and Parfois.
By the end of 2017, Spain was the only foreign market in which the company operated through a subsidiary besides the one in Turkey dedicated to sourcing. **m**

EVOLUTION 2017

SALES
NA

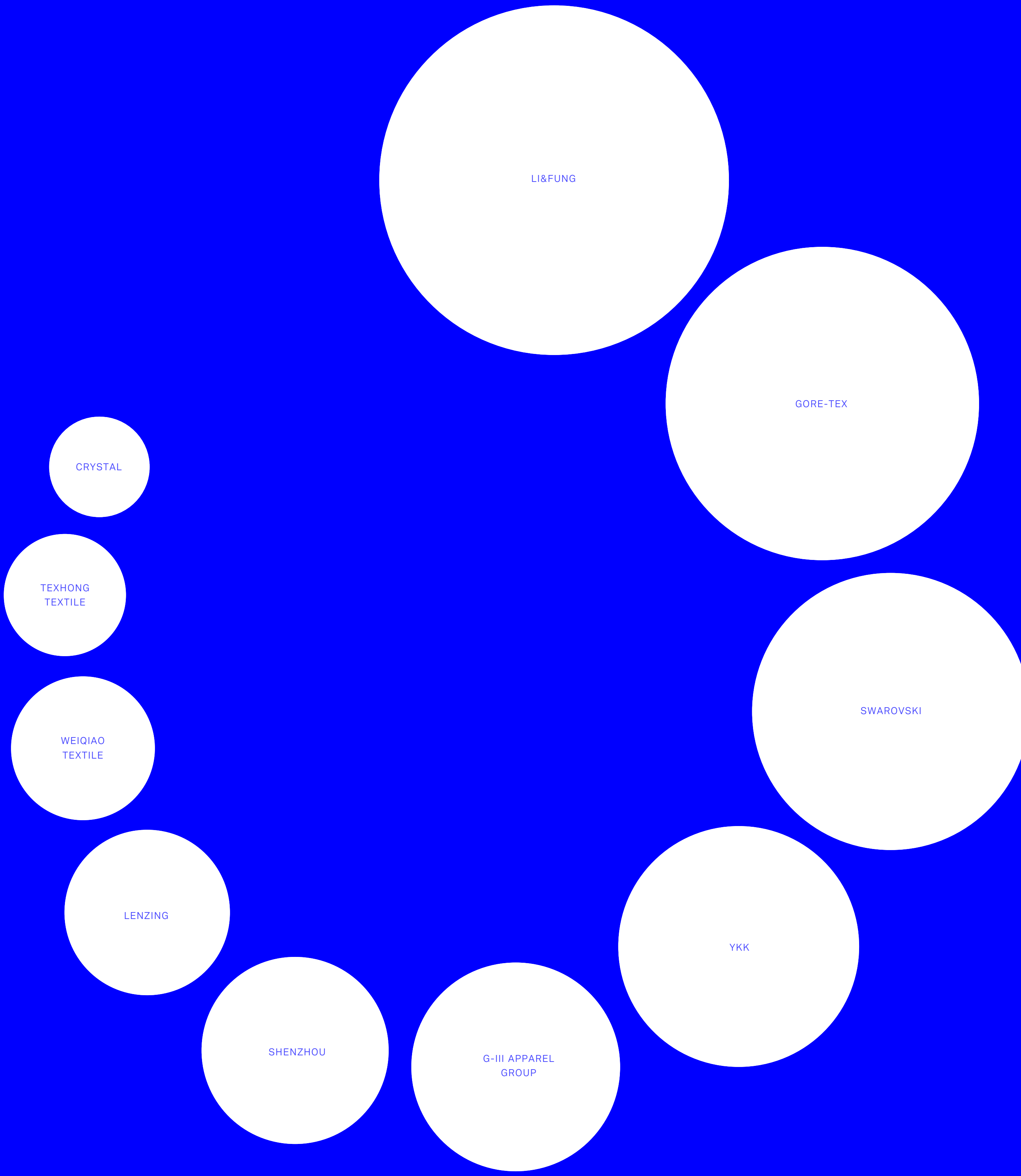
ONLINE
NA

OPERATING PROFIT
NA

STORES
NA

9

THE LEADING SOURCING PLAYERS



Sourcing plaers take action in the Global Fashion Players. Li&Fung, despite being deeply immersed in restructuring, continues unreachably leading the classification, keeping a huge distance with the rest of players. The chart is followed by WL Gore&Associates, even though their importance in fashion business is only focused on sports and outdoor segments. Swarovski and YKK occupy the third and fourth position. For the execution of this ranking, there has only been taken into consideration the revenue of the division dedicated to fashion, as in both cases, the companies also do business with other economic sectors.

The top ten is completed by four Chinese giants: Shenzhou, Weikiao, Crystal and Texhong. Crystal, the supplier of Uniwlo and L Brands among others, is incorporated to this classification after publishing its accounts for the first time after its IPO. As in prior editions of the scene, there have been left outside the ranking the two best weavers of the sector: Invista and Hyosung, ahead of its lack of figures regarding sales in the textile business.

On the other hand, the British Coats or the Indian giants Raymond and Arvind continue to stay on the brink of being selected.

Li&Fung

1

YEAR OF FOUNDATION
1906

FOUNDERS
Fung Pak-liu and Li To-ming

KEY EXECUTIVE

William Fung
Chairman

HEADQUARTERS
Hong Kong (China)

BRANDS
-

ACTIVITY
Sourcing

WORKFORCE
21,322 employees

REVENUE
11.61 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Fung family (2.2%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

Last year, Li&Fung started a plan estimated to finish in 2020 to redefine future sourcing. The group traced back then a road map to turn its sourcing processes around and adapt to the new order of fashion business based on omnichannel experiences, immediacy and personalisation.
In the new plan, Li&Fung incorporated the already existent new technologies in order to accentuate digitalisation of processes with the purpose of gaining speed.
According to the company, in a world more digitalised by the day, speed is strategic to answer to fashion company's demands, which have started to operate with shorter cycles of sales, more reduced orders and a bigger flexibility in stocks.
The greatest transformation the group will face in the next three years is the digitalisation of all value chain, from the development of product, to the cost of materials and samples, to production.
Because of that, the group has partnered with the United States robotic company Softwear Automation in order to develop the first completely robotised T-shirt production chain. Li&Fung has also highlighted strategic alliances of this kind for 3D production, and for the development of new materials, for design and for blockchain.
During its annual intervention in the National Retail Federation (NFR) in New York, the company's CEO Spencer Fung defended a model that, instead of producing and selling, goes in the opposite direction: first selling, then producing.
To focus on this strategy, the group has simplified business in the last year. In fiscal 2014, the company did a spin-off of Global Brands, its license business; in 2016, the group sold its distribution business in Asia, and in 2017 diversifications continued with the sales of specific productive areas.
Li&Fung has got rid of the North American license business of Global Brand. The sale of this division, which manages the licenses of brands such as Under Armour or Juicy Couture, among others, were valued in 1.38 million dollars (1.19 million euros). **m**

EVOLUTION 2017

SALES
-8.3%

CAPACITY
NA

NET PROFIT
+6.5%

INVESTMENT
NA

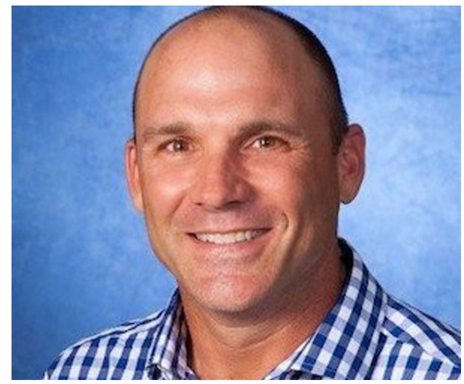
Gore-Tex

2

YEAR OF FOUNDATION
1858

FOUNDERS
Bill and Vieve Gore

KEY EXECUTIVE



Jason Field
President and CEO

HEADQUARTERS
Newark (USA)

BRANDS
Gore-tex

ACTIVITY
Accessories

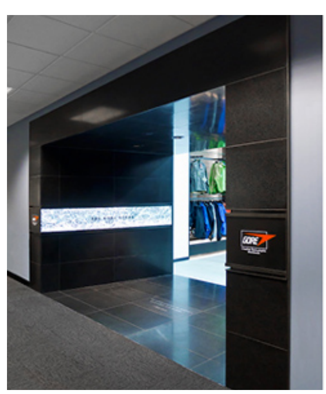
WORKFORCE
Around 9,500 employees

REVENUE
2.73 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Gore family

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

WL Gore&Associates continues advancing in the research of impermeable and breathable materials for different industries. Fashion continues to be one of the strategic pillars to focalise its growth. This year, the company has wanted to join the athleisure wave and attended the last edition of Milan Fashion Week in the search for new partnerships beyond sports.
The group's strategy contemplates exploring the clothing business besides outdoor sports, where Gore-Tex has a good positioning. In that sense, the group is seeking to open the way for new products that do not need to overcome extreme conditions.
The first step taken in that direction was Asics' collaboration for a line of sneakers, or the collavoration with luxury brands like Prada. Under the same strategy, Gore-Tex widened its market in the decorative and interior design market through a partnership with the interior designer Giovanni Pagnotta. In order to address this market beyond outdoors, the company released last year its new ensign Gore-Tex Infinium. On the other hand, WL Gore&Associates has kept advancing in the research for more sustainable materials.
Also at the end of 2017, the group launched a line of recycled nylon and polyester laminates collaborating with brands such as Haglöfs, Norrona and Patagonia. In fact, the company has accelerated its sustainability, specially after Greenpeace denounced the impact of toxic PFC substances. During the last edition of the OutDoor fair, Gore-Tex released its first articles free of PFC.
In the corporative ambit, WL Gore&Associates reordered its leadership at the beginning of 2018, designating Jason Field as president and CEO, until now global sales and marketing manager of the medical materials division. Field substitutes Terri Kelly in the position, the latter having been in the company for 35 years and taking now a step aside. **m**



EVOLUTION 2017

SALES
+10%

CAPACITY
NA

OPERATING PROFIT
NA

INVESTMENT
NA

Swarovski

3

YEAR OF FOUNDATION
1895

FOUNDER
Daniel Swarovski

KEY EXECUTIVE

Robert Buchbauer
Chairman

HEADQUARTERS
Wattens (Austria)

BRANDS
Swarovski, Daniel Swarovski and Candenzza

ACTIVITY
Accessories

WORKFORCE
27,000 employees

REVENUE
2.7 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Langes-Swarovski family

Swarovski has continued to reinforce international business with the opening, at the end of last year, of its first creative hub in Dubai, with a surface of 180 square metres. It is a space where innovation and design are promoted in the sector through the organisation of formation courses, talks and cutting crystal workshops.
The crystal Austrian group has put its core business in the spotlight again after the closure of Lola&Grace, desisting from the attempt to compete in the market of affordable jewellery.
The group has continued advancing in the business of cutting crystal, continuing to be the one that generates a bigger income figure and enlarging its retail network through the take off of 200 stores more, reaching the number of 3,000 stores all over the world.
In the Asia-Pacific region, Swarovski has managed to reach the one thousand points of sale. As per its other two businesses, Swarovski Optik and Swarovski Tyrolit, both raised its revbenue 5% and 5.5% respectively, reaching 147 million and 670 million euros. In total, the group grew a 4.2% last year in base to 2016, reaching 3.36 billion euros. On the other hand, the group has undergone a global simplification of its structure during last year, which has also impacted the Spanish market evoking the departure of three high executives, Silvia Bernardini, Otto Reisinger and Thibault de Gaulejac, all based in Barcelona.
The purpose of all these moves was to erase duplicities. The company set therefore a final end to the hub Swarovski Management Barcelona, which was built between 2012 and 2014 and which englobed Europe's activity in the two divisions of the company, Swarovski CGB (aimed at the final consumer) and Swarovski Professional (for industrial clients). **m**

EVOLUTION 2017

SALES
+3.8%

CAPACITY
NA

NET PROFIT
NA

INVESTMENT
NA

YKK

4

YEAR OF FOUNDATION
1934

FOUNDER
Tadao Yoshida

KEY EXECUTIVE

Tadahiro Yoshida
Chairman and CEO

HEADQUARTERS
Tokyo (Japan)

BRANDS
YKK

ACTIVITY
Accessories

WORKFORCE
4,250 employees

REVENUE
2.51 billion euros.
Fiscal year ended March 31, 2017

SHAREHOLDERS
Yoshida family (31%) .
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

YKK has increased its investment in the production of zippers to introduce more efficient systems and thus give a faster answer to the market. The company accelerated last year in order not to lose importance in the sector, ahead of the advancement of Chinese producers with smaller size but a bigger answering capacity.
In that sense, the group set as its goal to launch new lines into the market twelve times per year, instead of the traditional four; expanding product range, going from a system with little models but huge volumes, to one of more models in smaller volumes, and lastly, lowering prices accentuating speed over quality.
With this transformation, YKK wanted to reach the target set in 2013 of selling 10 billion zippers in 2017.
However, last year finally concluded with the selling of 7.5 billion pieces, forcing the group to delay the goal until 2019.
During the last twelve months, the company has increased investment in plant to gain speed and efficiency, with the incorporation of robots and the definition of a plan to improve energetic efficiency as well.
Last year, the company destined half of its investment, which has a second business unit oriented towards construction, to its zipper factories in Asia.
This investment was dedicated to the expansion of factories from Vietnam, India, Bangladesh and Taiwan.
On the other hand, YKK has followed Swarovsky's path and has reached out a hand to the final consumer.
By the end of 2017, the company approached Inditex with the release of a bar dedicated to fashion located in the centre of A Coruña, in Spain. The establishment is called Trend Café and in it, one can have a coffee or any other drink accompanied by videos related to fashion.
A few years ago, the group already started a similar initiative in the London neighbourhood of Shoreditch, with a showroom open to the final consumer. **m**

EVOLUTION 2017

SALES
+4.3%

CAPACITY
NA

OPERATING PROFIT
-45.7%

INVESTMENT
NA

G-III Apparel Group 5

YEAR OF FOUNDATION
1956

FOUNDER
Aron Goldfarb

KEY EXECUTIVE

Morris Goldfarb
Chairman, president and CEO

HEADQUARTERS
New York (USA)

BRANDS
Andrew Marc, Villebrequin, Donna Karan... Portfolio of eight brands

ACTIVITY
Sourcing

WORKFORCE
9,071 employees

REVENUE
2.39 billion euros.
Fiscal year ended January 31, 2018

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

G-III Apparel Group has been focusing its strategy since 2016 in the development of its last three operations: the purchase of Donna Karan, with which it set the objective of reaching a billion dollars in sales, the stake in Karl Lagerfeld's brand and finally, expanding their licenses of production and distribution business.
In the case of Donna Karan, the group created last year a joined venture with the investment fund Amlon BV Capital to sell in China the two brands of the group, Donna Karan and DKNY. The resulting society started to operate at the beginning of 2018 with an initial investment of 25 million dollars.
In Karl Lagerfeld, G-III Apparel Group took a stake in the capital back in 2016 taking a participation of 16%. During the last year, the corporation has reordered its brands portfolio, has intensified its partnerships with licensees and has continued to advance in international markets. In that sense, Karl Lagerfeld has entered the Spanish market hand in hand with the local distributor Via Emilia.
As for its license business, G-III Apparel has renewed its partnerships with Levi's and Dockers, as well as with the NBA, has expanded all it had with Tommy Hilfiger for the women's line in the United States and Canada, and has also renewed with Calvin Klein for the leather goods and travel items.
Lastly, the company is also in full redefinition of its retail network, that amounts up to 367 stores, most of them being Wilsons Leather, GH Bass or DKNY's. The group's plan contemplates the closure of 65 and seventy stores during fiscal years of 2018 and 2019 respectively.
In its last presentation of results, the chairman and CEO Morris Goldfarb explained that the pillar of the business continues to be the ownership of solid brands in the market and a diversified model, both for sourcing as for distribution. **m**

EVOLUTION 2017

SALES
+17.6%

CAPACITY
NA

NET PROFIT
+19.6%

INVESTMENT
NA

Shenzhou

6

YEAR OF FOUNDATION
1990

FOUNDER
Ma Baoxing

KEY EXECUTIVE

Ma Jianrong
Chairman

HEADQUARTERS
Ningbo (China)

BRANDS
-

ACTIVITY
Knitted fabrics

WORKFORCE
77,100 employees

REVENUE
2.32 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

The supplier of Nike, Adidas, Uniqlo or Puma's apparel has continued to advance during the last years thanks to the boost of sports fashion. In fact, sports have gone from generating 55.4% of its business in 2013 to represent 66.6% in 2017.
Regarding geographical regions, Shenzhou has fully committed during the last five years in the reinforcement of its local market activity, which provides around 27% of income; Europe represents 22% of total sales and the United States, 13%.
The group is immersed in the construction of environmental projects to improve the energetic efficiency of its productive centres, in introducing technology to automatize processes and in positioning its articles in a medium-high segment to face the increase of costs. During last year, Shenzhou has strengthened its production in the factories it owns outside China, concretely Vietnam's, where during 2017 the opening of a new factory was concluded. For this year, the Chinese group contemplates the continuance of advancements regarding the efficiency of its factories, the renewal of machinery and of facilities even, to adjust them to the new environmental protocols. In the medium-term, the group predicts an increase of demand in China, embraced by the improvement of its citizens' purchasing power, as well as in developing economies such as Bangladesh.
As for production, the group continues to expand its productive capacity in the Asiatic southeast and, particularly, in countries like Vietnam and Cambodia.
In the long-term, Shenzhou considers the reduction of its workforce so as to eventually replace it for technology and create, then, more qualified work positions. In fact, the group's innovation hub is a functional institution to promote automatization projects in production centres. **m**

EVOLUTION 2017

SALES
+19.8%

CAPACITY
NA

OPERATING PROFIT
+27.5%

INVESTMENT
NA

Lenzing

7

YEAR OF FOUNDATION
1938

FOUNDER
Bunzi Holding

KEY EXECUTIVE

Stefan Doboczky
Chairman and CEO

HEADQUARTERS
Lending (Austria)

BRANDS
Tencel, Lenzing, Veocel

ACTIVITY
Yarn manufacturing

WORKFORCE
6,488 employees

REVENUE
2.25 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
B&C Privatsifung (50%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

Lenzing is set in a full expansion process. The Austrian producer of viscose executed a strong restructuring plan during 2013 and 2014 (which meant the dismissal of about one thousand workers, the closure of two factories and the change of CEO) and, in 2015, it redefined its future plan, which now aimed at orienting the business towards the production of special fibres, that is, new materials that were not the standard viscose.
In 2017, Lenzing saw the first fruits of this plan. In only a year, the group released three new textile materials into the market: Refibre, with recycled textiles; EcoVero, elaborated with circular processes, and Tencel Luxe, a continuous filament to mix with silk, wool and cashmere.
In base to the new releases and to settle the grounds of the new entrepreneurial project, Lenzing has reordered its range of brands this year under three different umbrellas: Tencel, which groups the fashion ones; Veocel, for applications in hygienic and cleaning articles, and Lenzing, for industrial uses. In the concrete case regarding the business of brands oriented towards fashion, the group wants to direct them to the consumer as an ingredient brand.
The company reassured its commitment to the line followed until now extending the contract of the current CEO, Stefan Doboczky, which ended in June 2018. Doboczky will stay in the position at least until fiscal 2022.
Lenzing has also kept investing in its factories to increase their productive capacity and has started the construction of a new factory in the United States city of Mobile, as well as another one in Thailand, where it also has started the project for a subsidiary.
Lastly, the group has opened an innovation hub in Hong Kong for the research of new textile fibres' development. **m**

EVOLUTION 2017

SALES
+5.9%

CAPACITY
NA

NET PROFIT
+23%

INVESTMENT
€238.8M

Weiqiao Textile

8

YEAR OF FOUNDATION
1951

FOUNDER
Zhang Shiping

KEY EXECUTIVE

Hongxia Zhang
Chairman and CEO

HEADQUARTERS
Weiqiao (China)

BRANDS
-

ACTIVITY
Weaving

WORKFORCE
55,000 employees

REVENUE
2.1 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

For the Chinese textile company, fiscal 2017 was crucial to accelerate its transformation. Throughout last year, Weiqiao textile faced a strategic plan to reduce the debt, cut expenses off and improve efficiency.
Besides bracing its production with the renovation of machinery in its spinning using more sustainable processes, the group has also launched a plan for its finished products to go from a made by Weiqiao towards a created by Weiqiao. In that sense, the group wants to take a chance on the development of products with a bigger added value and more targeted to consumers.
Following that line, Weiqiao has set for 2018 continuing the advancement of process automatization in order to reduce both intensive labour in its factories and production costs. The purpose of this transformation is to improve operative capacities and competitiveness.
On the other hand, the group focuses its short-medium term to increase investment in research and development, optimising its portfolio of products, expanding its business towards a higher position and launching products with a bigger added value.
Weiqiao, specialised in spinning and unbleached fabrics and denim, has reduced its personnel during last year in a number of 8,000 workers. According to the company during the presentation of its annual results, this layoffs were due to the incorporation of technology to automatize processes. The company estimates that this move, situating its current workforce at 55,000 employees, will allow them to save 1.8% of productive costs. **m**

EVOLUTION 2017

SALES
+15.5%

CAPACITY
NA

OPERATING PROFIT
-47.4%

INVESTMENT
NA

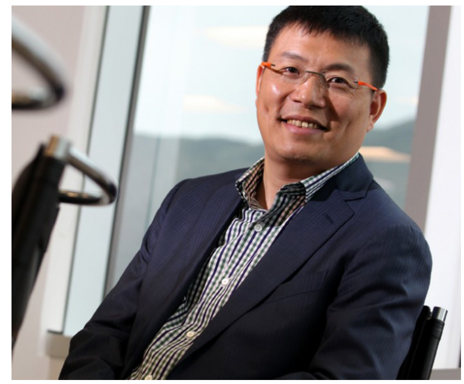
Texhong Textile

9

YEAR OF FOUNDATION
1997

FOUNDER
Hong Tianzhu

KEY EXECUTIVE



Hong Tianzhu
Chairman and CEO

HEADQUARTERS
Hong Kong (China)

BRANDS
-

ACTIVITY
Yarn manufacturing

WORKFORCE
38,024 employees

REVENUE
2.09 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

The Chinese spinner explains in its annual report that the current challenges are facing a greater demand of diversified and different products. Because of that, Texhong Textile has increased its productive capacity and has invested in the acquisition of equipment, with its sight set on exceeding 650,000 tons. On the other hand, the group has also raised the investment in more sustainable equipment in order to adapt to the new governmental normative of environment protection.
Last year, the group reinforced its denim business with the acquisition of the Taiwanese company Nien Hsing Textile, the owner of two factories, one in Vietnam and the other in Cambodia. After closing the operation, Texhong Textile adjusted its own denim equipment in China and Cambodia.
In 2017, the group sold thirteen million pairs of jeans to clients in the United States, Japan and Europe, and the company's purpose for 2018 lays on the prolonged acceleration of this market. In spite of that, spinning continues to generate almost 90% of the group's sales, whereas the production of jeans represents 4% of the company's volume of business. During the last months, the company has started to work with the Japanese producer of synthetic fibre Toray in order to escalate in the denim market.
For 2018, the group will continue to invest in the expansion of its productive capacity.
Texhong Textile estimates an investment of 2 billion yuan (256.5 million euros) between 2018 and 2019 with the aim set in mind of reaching a production of 720,000 tons of thread, eighty million metres of bulk fabrics, forty million more fabrics for clothing items and 18 million pairs of jeans. **m**

EVOLUTION 2017

SALES
+19.5%

CAPACITY
650,000tn/year

NET PROFIT
-3%

INVESTMENT
NA

Crystal

10

YEAR OF FOUNDATION
1970

FOUNDERS
Lo Lok Fung Kenneth and Lo Choy Yuk Ching Yvonne

KEY EXECUTIVE

Lo Lok Fung Kenneth
Chairman and director

HEADQUARTERS
Hong Kong (China)

BRANDS
-

ACTIVITY
Sourcing

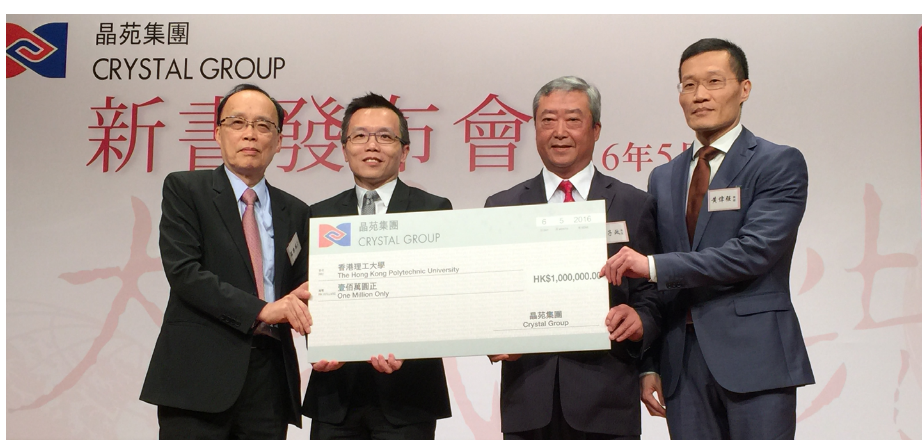
WORKFORCE
70,000 employees

REVENUE
1.85 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Crystal Group (80%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 11th of July 2018.

Fiscal 2017 was key for Crystal International Group. At the end of the year, the group went public and started trading in the Hong Kong Stock Exchange. For the opening of its shares, the company had the collaboration of two of its main clients, Fast Retailing and L Brands, who helped it find investors.
At the end of 2016, the group reinforced the structure with the acquisition of its rival Vista Corp Holdings, with headquarters in Singapore and factories in Vietnam and Cambodia. In fact, a year before, Vista had already enlarged its size through the purchase of another supplier, Sing Lun Holdings, with a portfolio of clients including The North Face, Under Armour or Timberland, to name a few. After going public, the company started the project Total Innovation, setting off a program that included the creation of divisions for technical development in all its factories in order to research different productive processes.
Concretely, the company is making some moves including in its factories RFID equipment, data analysis and applications of Industry 4.0.
In that sense, Crystal International Group is working on the incorporation of a right product, right time, right cost formula with the purpose set on the development of a clothing sourcing model based on co-creation.
Knitwear and casual lines, with which it started its business in the seventies, have reduced their importance in the company's revenue in favour of categories that have been introduced during the last decade, like intimate lines, which represent 17% of the revenue, denim, producing 26% of income and sports clothing, which was added through Vista's acquisition and which provides for 10% of the business.
It is precisely in the latter segment where the company is now committing in order to grow. **m**



EVOLUTION 2017

SALES
+23.1%

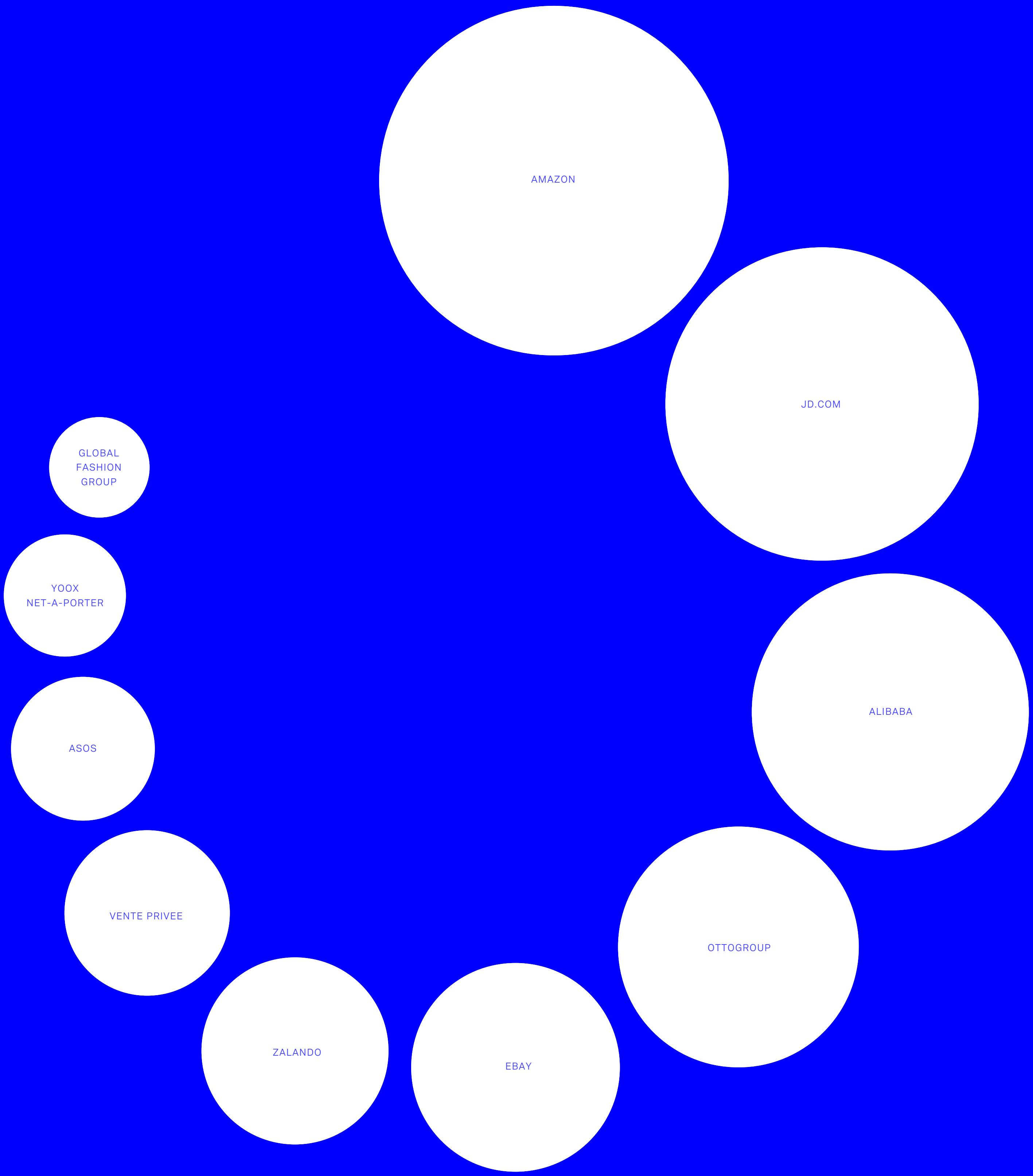
CAPACITY
NA

OPERATING PROFIT
+20.1%

INVESTMENT
NA

10

THE E-COMMERCE LEADERS



The web titans seek new ways to keep on growing. Contrary to traditional players, immersed in a reduction of its stores to counteract the advancement of e-commerce, pure players use its resources for more I&D investment, more logistics capacities to maintain growth and new services to personalise client experience and avoid expensive devolutions.
Amazon is comfortably maintained in the first spot of the list, whose top 3 is also constituted by the Chinese titans JD.com and Alibaba. These two are having a fierce battle for the attraction of international fashion brands towards their respective platforms, launching new sites were luxury should not be afraid to be and thus reach Chinese consumers.
This year, Asos has overcome Yoox Net-a-Porter in the chart, taking away its eighth position in the ranking. The British group has kept a double-digit growth and is close on the heels of the French group Vente Privee.

Amazon

1

YEAR OF FOUNDATION
1995

FOUNDER
Jeff Bezos

KEY EXECUTIVE

Jeff Bezos
Chairman, CEO and president

HEADQUARTERS
Seattle (Washington, USA)

BRANDS
Find, Lark&Ro, Ella Moon, Mae...
Portoflio of nine fashion brands

PLATFORMS
Amazon, Zappos, Shophob, Sounq Group... Portfolio of more than four platforms

WORKFORCE
560,000 employees

REVENUE
152.16 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Jeff Bezos (28.1%); institutional investors.
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 15th of July 2018.

Amazon's attack on fashion grounds escalated several levels in 2017. The e-commerce behemoth, comfortably maintained at the top of the ranking, introduced last year Prime Wardrobe, a new service that lets its Prime users receive fashion articles at home to try them on before making the actual purchase.
Throughout 2017, Amazon welcomed to its portfolio brands such as Uggs and Nike, which joined Jeff Bezos' platform to fight altogether the sales of falsifications in the website, one of the main pitfalls of global digital commerce. The group's portfolio of own brands also grew with the release of Core10, specialised in sports fashion for women, and Goodthreads, for the male audience.
Furthermore, the web giant challenged Zalando in its home and introduced Find, its first fashion line designed in and from Europe.
The brand, which distributes clothes for women and men, is designed in Amazon Fashion's headquarters in London, and for its production some of Inditex's suppliers in Spain were resorted to.
At the end of 2017, the company collaborated with Calvin Klein for the opening of pop-up stores in Los Angeles and New York, which ultimately diluted the barriers between click and brick. Fitting rooms were equipped with Amazon Echo devices, one of the last technologies of the group powered by artificial intelligence.
The biggest M&A by Amazon took place outside the fashion sector. The company sealed in June 2017 the purchase of the supermarket chain Whole Foods for 13.7 billion dollars. The group also used its checkbook to reinforce its technology, getting hold of the 3D corporal scanner by Body Labs through a purchase of 100 million dollars. **m**

EVOLUTION 2017

SALES
+30.8%

LOGISTICS WAREHOUSES
NA

NET PROFIT
+27.9%

INVESTMENT
$150B since 2011

JD.com

2

YEAR OF FOUNDATION
2004

FOUNDER
Liu Qiangdong

KEY EXECUTIVE

Liu Qiangdong
CEO

HEADQUARTERS
Beijing (China)

BRANDS
-

PLATFORMS
JD.com, 360buy, Paipai, Toplife...
Portfolio of more than five platforms

WORKFORCE
157,832 employees

REVENUE
46.23 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Tecent (18%); Lui Qiangdong (16%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 15th of July 2018.

Equally to its main rival Alibaba, JD.com set its sight on fashion as a lever to promote growth more strongly. Following that line, the group redoubled its offensive partnering with institutions such as the British Fashion Council, launching new platforms for western luxury brands and, above all, with a millionaire investment in Farfetch. In order to attract European and North American fashion brands, JD.com signed during spring 2017 Xia Ding as president of that division. The executive was added to the team with the mission of capturing into the Chinese group's portfolio firms like Gucci, Coach or Michael Kors, to name a few.
Last June, JD.com invested 397 million dollars to enter the shareholding of Farfetch, the luxury distribution platform in the web. The operation, which entailed the entrance of the founder Richard Liu to the administration board, allowed the Chinese company to set bridges with numerous European firms.
JD.com continued to take strategic steps in the fashion field during autumn. The company set off a specific online platform for luxury players: Toplife.
The site, where clothes, accessories, cosmetics, furniture and electronic devices are distributed, started to take off with brand such as Emporio Armani, La Perla, Rimowa and Tussardi, among others.
To ease the recruiting of brands, the Chinese group started to settle in Paris its central offices for Europe, which would later be followed by facilities in London in 2018.
In the M&As ambit, JD.com and Tencent Holding, owner of WeChat and minoritarian shareholder of the company, signed their entrance in the e-commerce flash sales Vishop, taking a participation of 5.5% of the capital valued in 259 million dollars. **m**

EVOLUTION 2017

SALES
+40.3%

LOGISTICS WAREHOUSES
+230

NET PROFIT
NA

INVESTMENT
+31.2%

Alibaba

3

YEAR OF FOUNDATION
1999

FOUNDERS
Group of eighteen entrepreneurs headed by Jack Ma

KEY EXECUTIVE

Daniel Zhang
CEO

HEADQUARTERS
Hangzhou (China)

BRANDS
-

PLATFORMS
Alibaba, Tmall, Aliexpress, Taobao...
Portfolio of nine platforms

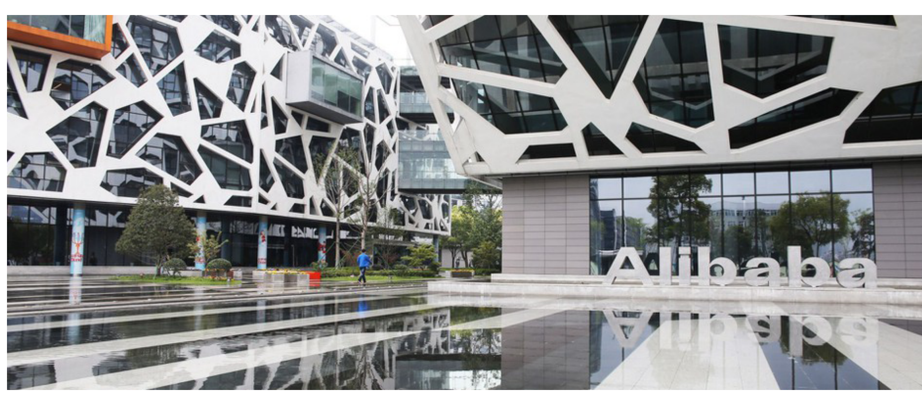
WORKFORCE
66,421 employees

REVENUE
31.99 billion euros.
Fiscal year ended March 31, 2018

SHAREHOLDERS
Jack Ma; institutional investors (38.12%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 15th of July 2018.

The consideration of supermarkets as fountains of data and flirting with brick titans in China to reign beyond click. The exploration of the on and off frontier limits. Those two things were Alibaba's mantra since 2017, fiscal year in which the group continued to commit to fashion. Also, Alibaba took its first steps into the European continent.
Concretely, Tmall disembarked in Europe through Russia, which became the first market where it operates besides from China. The platform is one of the main entrance doors for international retails to come into the Asiatic country. In Spain, Alibaba also moved forward with AliExpress, the only one of its platforms which is present in the country. The Chinese corporation welcomed to the team Luis Monserrate, a Pepe Jeans executive, as new fashion director of the site in the Spanish market, reporting to Estela Ye. However, the executive left this position in the middle of 2018. In line with the strategy followed by JD.com and to ease the fears of luxury players at the time of selling through the web, Alibaba introduced in Tmall Luxury Pavilion, a space dedicated only to high-end sector in which each company manages their own points of sales. Burberry, Tod's, La Mer and Guerlain were listed among the half hundred brands present in Luxury Pavillon by the end of the period.
Tmall gave way to new players from the sector, with groups such as H&M and Marni building their first flagship stores inside the platform. By the end of the fiscal year (March 31st, 2018), the site commercialised over 150,000 brands. In fiscal 2017, Alibaba also added business from other sectors in order to gain physical presence.
The web titan acquired the supermarket chain Sun Art, obtaining all of a sudden consumption data of its objective audience.
Likewise, the company began a partnership with the Chinese group of department stores Bailian to innovate in the conception of physical stores. **m**



EVOLUTION 2017

SALES
+58%

LOGISTICS WAREHOUSES
NA

NET PROFIT
+49%

INVESTMENT
-74.7%

Otto Group

4

YEAR OF FOUNDATION
1949

FOUNDER
Werner Otto

KEY EXECUTIVE

Alexander Birken
Chairman

HEADQUARTERS
Hamburg (Germany)

BRANDS
Edited and Bonprix

PLATFORMS
Otto, About You, Bonprix, My Toys... Portfolio of more than twenty-five platforms

WORKFORCE
51,785 employees

REVENUE
13.65 billion euros.
Fiscal year ended February 28, 2018

SHAREHOLDERS
Michael Otto and family

Otto Group boosted its profits up in 2017, after getting rid of extraordinary expenses that negatively impacted profit in previous years. Leaning on fashion expert retailers, concretely Bronprix and AboutYou, the group kept its growth up with a greater focus laid on sustainability.
With Bronprix, the German group set the target of using 100% of cotton coming from sustainable sources for its 2020 collections. Likewise, Otto started the building project of a factory in Vietnam caked CleanDye, where shirts will be dyed without the need to employ water.
Bonprix also gained one more size last year thanks to the disembark into Norway. The plater managed thus to be present in thirty countries, being one of the most internationalised business of Otto Group. 83% of its revenue comes from the web.
On the other hand, the group continued to take a chance on AboutYou, one of its youngest e-commerce platforms.
The company implemented throughout 2017 a new organisation model named Move, which consists on establishing mobile and open work units inside offices so as to work with a start-up mindset. During the next five years, Otto has set the goal of making AboutYou reach the 1 billion dollars of annual revenue.
In order to get that, the group diversified the platform business in 2017, when it started to offer business as e-commerce manager for third companies.
In order to speed up the process together with its partners, Otto got rid of a shareholding package during the fiscal year of 2017 and also 2018 which occupied 24.9% of About You's shares. **m**

EVOLUTION 2017

SALES
+9.1%

LOGISTICS WAREHOUSES
NA

NET PROFIT
+1.165%

INVESTMENT
+85.3%

EBay

5

YEAR OF FOUNDATION
1993

FOUNDER
Pierre Omidyar

KEY EXECUTIVE

HEADQUARTERS
San José (USA)

BRANDS
-

PLATFORMS
Ebay, StubHub, Brands4Friends...
Portfolio of more than ten platforms

WORKFORCE
14,100 employees

REVENUE
8.18 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Pierre Omidyar (6.7%).
Listed on the stock exchange

Devin N.Wening
President and CEO

ⓘ Revenue in euros considering the exchange rate of local currency on the 15th of July 2018.

Despite the multiple partnerships and agreements signed in 2017 to push business forward, eBay could not help to avoid ending the fiscal year with losses.
The United States company, since when Devin Wenig assumed the CEO position, back in 2015, is immersed in a rebranding process in order to make client experience in its platform less complex and raise the profitability of sellers using their services.
Since then, eBay has multiplied by two its investment in technologies such as artificial intelligence, at the same time as it has started projects to restructure its enormous data.
In 2017, concretely, the company reinforced its range of products through partnerships with companies such as Disney, Shopify and Spring.
In the case of the latter, eBay and the luxury group sealed a deal by means of which the e-commerce platform could sell firms such as Chloé, David Yurman and Rag&Bone through a specialised online store.
In June 2017, eBay joined forces with InstantLuxe, the sales website for second-hand luxury items property of Galeries Lafayette. The operation's result was the creation of a new space in the United States company named eBay Deluxe.
To promote the sales of luxury articles, hampered by the lack of guarantees on products authenticity, eBay introduced last year a new tool to provide clients with a greater certainty on the authenticity of their purchases.
As for the ambit of expansion, eBay started operating in Chile in March 2017, the first Latin American country in which it started to operate.
For the disembark, the North American group partnered up with the local player Mercado Libre, giving access to all Chilean consumers to the more than 40,000 articles sold in its web. **m**

EVOLUTION 2017

SALES
+6.5%

LOGISTICS WAREHOUSES
NA

NET PROFIT
Profit to loss

INVESTMENT
+8.3%

Zalando

6

YEAR OF FOUNDATION
2008

FOUNDERS
David Schneider and Robert Gentz

KEY EXECUTIVE

Robert Gentz
Co-founder and co-CEO

HEADQUARTERS
Berlin (Germany)

BRANDS
Kiomi, Anna Field, Mint&Berry...
Portfolio of nineteen brands

PLATFORMS
Zalando

WORKFORCE
15,091 employees

REVENUE
4.48 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Kinnevik (31.6%); Anders Holch Povlsen (10%).
Listed on the stock exchange

More technologic hubs and investment in automatization and digitalisation of logistics centres were two of Zalando's main lines of action in 2017.
Furthermore, the German group diversified the sales of cosmetic products and took a stake in another digital commerce company. Concretely, Zalando had the European Commission's green light to obtain a minoritarian participation in the Dutch e-commerce Fashiontrade.com, property of Bestseller United, the investment vehicle of magnate Anders Holch Povlsen, who is also the owner of Bestseller.
The commitment to innovation and disruptive ideas reached new peaks after a start-up accelerator was set off.
Under the name Built, the platform tracked down young companies whose business was based on consumers' purchasing experience.
In the framework of international expansion, Zalando strengthened its structure in several European countries.
By the end of last fiscal year, the group launched in Lisbon its first technologic hub outside Germany, where they estimated to employ half a hundred people.
These facilities were added to those the company already had in Helsinki (Finland) and Dublin (Ireland).
In parallel, the German company started the building project of two new logistics centres located in Poland and the North of Italy, respectively, which started operating at the end of the fiscal year.
With these facilities, Zalando gained the capacity to manage a business of 10 billion euros in annual sales.
Regarding the technologic front, Zalando joined forces with Google to launch a chatbot in Germany by means of which all clients receive virtual assistance at the time of collecting gifts, at the same time as the system extracts valuable information about consumer preferences. **m**

EVOLUTION 2017

SALES
+23.4%

LOGISTICS WAREHOUSES
NA

NET PROFIT
-23.6%

INVESTMENT
+38.3%

Vente Privee

7

YEAR OF FOUNDATION
2007

FOUNDERS
J.A. Granjon, J.Sorvac, C. Sorbac, X. Court, I. Benhaïm, E. Sabates, M.Benabou and P.Naggar

KEY EXECUTIVE

Jacques-Antoine Granjon
Co-founder and CEO

HEADQUARTERS
Paris (France)

BRANDS
-

PLATAFORMAS
Vente Privee, Privalia...
Portfolio of five platforms

WORKFORCE
6,000 employees

REVENUE
3.3 billion euros (2017)

SHAREHOLDERS
Founder team, Qatar Holding and Summit Partners

Settle the acquisition of Privalia's business, I&D investments and reinforcing digital structure in Barcelona.
Vente Privee, the French flash sales titan, laid in 2017 the ground of its new business, built by means of acquiring some of the greatest European rivals.
Since the purchase of Privalia and until today, Vente Privee has made its own companies such as Designers&Friends, the Belgic Vente Exclusive, the Polish Zlotewyprzedazé or the Swiss Eboutich.
In barely a year, the five acquisitions executed by the group between 2016 and 2017 enabled it to reach fifty million partners. In the case of Privalia, the Spanish company enlarged its central offices in Barcelona last year to give room to the growing number of workers and to be able to take in part of Vente Privee's personnel, which was relocated to the city. In 2017, the company had a revenue of 3.3 billion euros, and employed about 6,000 people.
Without having to leave Barcelona, the city was chosen by Vente Privee to host its digital hub for the south of Europe. Through the society Vente-Privee Digital Services, the company started off a new branch of business dedicated to service deliveries like the production of digital catalogues for third companies.
To redouble the intensity of innovation in its core, the French group announced last year an innovation of eighty million euros in I&D, which contemplated the release of a start-up accelerator thanks to an alliance with the technologic campus Station F in Paris. Lastly, Privalia also enlarged its structure in Mexico City with the purpose of improving delivery timings in the Aztec market. Concretely, the work consisted in the incorporation of a new plant in its central offices, located in Gobernador Agustín Vicente Eguía street in San Miguel Chapultepec. **m**

EVOLUTION 2017

SALES
+6.5%

LOGISTICS WAREHOUSES
NA

NET PROFIT
NA

INVESTMENT
NA

Asos

8

YEAR OF FOUNDATION
2000

FOUNDERS
Quentin Griffiths and Nick Robertson

KEY EXECUTIVE

Nick Beigthon
CEO

HEADQUARTERS
London (UK)

BRANDS
Asos

PLATFORMS
Asos

WORKFORCE
More than 3,500 employees

REVENUE
2.17 billion euros.
Fiscal year ended August 31, 2017

SHAREHOLDERS
Aktieselskabet (29.5%); The Capital Group Companies (10.4%).
Listed on the stock exchange

ⓘ Revenue in euros considering the exchange rate of local currency on the 15th of July 2018.

Asos continued to obtain a double-digit growth in 2017, with sales ranking above 2 billion. The British web retailer of fashion ended the fiscal year with more than 3,500 employees in its London headquarters and with 15.4 million active users. The reinforcement of structure in the United States to approach its particular American Dream, the committed to the delivery of new services that will reduce devolutions and the road towards a fair labour policy in its suppliers' factories guided Asos entrepreneurial actions throughout 2017. In the country governed by Donald Trump, the British group released last autumn a new distribution centre located in Union City, in the state of Georgia.
With an investment of forty million dollars, the facilities gave room for the management of more than ten million product units in "one of the key markets" for the company, in the words of CEO Nick Beighton. To make a greater number of consumers remain loyal, Asos also took a chance on new services. The company launched last year's November in collaboration with the Klarna Pay Later company a service by means of which clients could receive products at home, try them on, and later on pay only for the articles they ultimately acquired.
The service was somehow similar to the one released by Amazon a few months before, the so-called Prime Wardrobe. But beyond the client, Asos also took important steps towards the matter of supply chain transparency. The British group followed the models of Inditex and H&M and signed an agreement with the global syndicate IndustriAll to define the framework of its actions regarding labour relations in the factories that produce for its own brands.
Asos works with around 170 suppliers, which have 614 factories in 25 different countries. An 88% of factories are located in China, Eastern Europe, India, Turkey and the United Kingdom. **m**

EVOLUTION 2017

SALES
+32.8%

LOGISTICS WAREHOUSES
NA

NET PROFIT
+24.7%

INVESTMENT
€190.1M

Yoox Net-a-Porter 9

YEAR OF FOUNDATION
2015

FOUNDERS
Federico Marchetti (Yoox) and Natalie Massenet (Net-a-Porter)

KEY EXECUTIVE

Federico Marchetti
CEO

HEADQUARTERS
Milan (Italy)

BRANDS
-

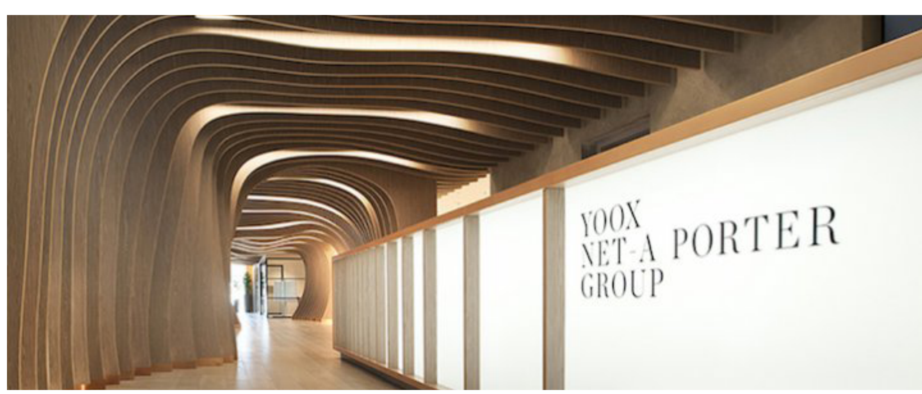
PLATFORMS
Yoox-Net-a-Porter, The Outnet and Mr Porter

WORKFORCE
4,703 employees

REVENUE
2.09 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Richemont (95%)

The year before being completely transferred to the hands of Richemont, Yoox Net-a-Porter raised its investment strongly in several areas, with the intention to have a simpler operative. The web luxury titan destined a total of 169.25 million euros to projects like the convergence towards a same enterprise resource planning (ERP) for all its platforms, or the migration of The Outnet towards a shared omnichannel stock with Yoox, its other outside-season products platform.
This spring, Yoox Net-a-Porter changed of owner. Richemont, which was already a shareholder of the group with 49% of the total shares, launched a takeover bid in March to acquire the complete control of the company, through an operation which ascended to 2.69 billion euros and which was approved in no time by the shareholders.
The group ceased to list in the Milan Stock Exchange in June the 20th. Yoox Net-a-Porter's digital commerce platform portfolio remained stable in 2017, after the company closed its sites The Corner and Shoescribe at the end of August 2016. Another of the drivers that guided the company's activity in 2017 is the development of a strategy focused on mobile devices, specially on native apps, to build bridges with clients and generate a greater engagement.
Last year, the apps Mr Porter and Net-a-Porter introduced the possibility of uploading pictures and videos to share them with friends and stylists from Yoox Net-a-Porter. As outcome of these measures, sales through mobile phones surpassed for the first time in 2017 a 50% of total revenue. As for structure, Yoox Net-a-Porter started the project for new offices and logistic centres in Dubai, one of the markets with bigger potential for luxury e-commerce.
Furthermore, the company started to build a new photography studio and logistics warehouse in Bologna, as well as a distribution hub in Milan. **m**



EVOLUTION 2017

SALES
+11.8%

LOGISTICS WAREHOUSES
NA

NET PROFIT
-26.1%

INVESTMENT
+23.6%

Global Fashion Group

10

YEAR OF FOUNDATION
2014

FOUNDERS
Rocket Internet and Kinnevik

KEY EXECUTIVE

Oliver Samwer
Co-founder and Rocket Internet's CEO

HEADQUARTERS
Luxembourg

BRANDS
Lost Ink, Atmos&Heere, Zalora...
Portfolio of more than five brands

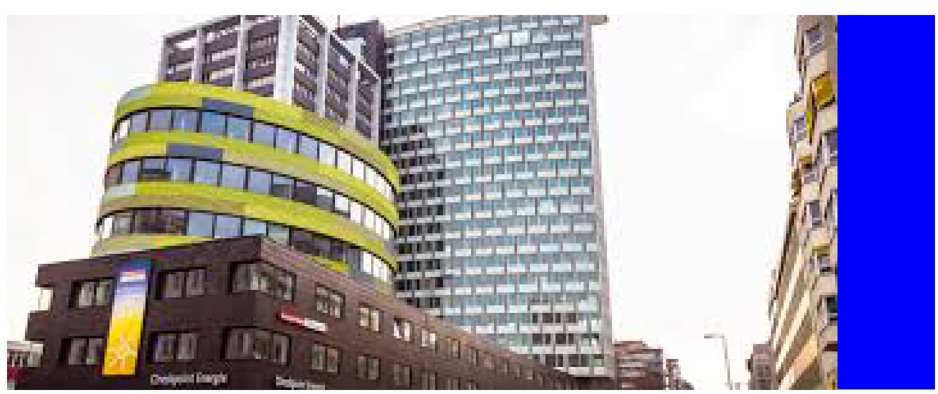
PLATFORMS
Lamoda, Dafiti, Zalora and The Iconic

WORKFORCE
10,015 employees

REVENUE
1.09 billion euros.
Fiscal year ended December 31, 2017

SHAREHOLDERS
Rocket Internet (20%)

Improving consumer experiences and operations to promote profitability. These were the two lines of action that guided the activity of Global Fashion Group, property of Rocket Internet and present in 24 countries around the world. Last year, the company almost reached the ten million active users and surpassed the 26 million orders executed in the five fashion platforms it owns in the web.
The key M&A of the fiscal year was the agreement established last May with Emaar Malls, one of the biggest developers of shopping centres in Dubai piloted by the Arab magnate Mohammed Alabbar. Global Fashion Group sold the company a participation of 51% of the website Namshi for an import of 151 million dollars. Shortly after, in August 2017, the fashion web company closed another important shareholding exchange: the investor group Ayala, with headquarters in Manila, acquired 49% off Zalora's platform in the Philippines, in the framework of their investment strategies regarding disruptive models of business. The Philippine subsidiary was born in 2012 and was until then 100% property of Global Fashion. Lamoda, the most important e-commerce platform regarding volume of business, was diversified with new business models.
The website introduced last year Fulfilled by Lamoda, a marketplace in which third party retailers could sell their products via Lamoda as the latter managed shipments, storage of goods and client telephonic assistance. In February 2018, Global Fashion's executive leadership was renewed. Romain Voog left his position as CEO and the group designed two new executives: Patrick Schmidt, the until then director of The Iconic since 2013; and Cristoph Barchewitz, who supervised the e-commerce investments of Kinnevik and shareholder of Global Fashion.
Schmidt and Barchewitz would then supervise the performances of Dafiti, Lamoda, Zalora and The Iconic. **m**



EVOLUTION 2017

SALES
+23.4%

LOGISTICS WAREHOUSES
NA

OPERATING PROFIT
+19.2%

INVESTMENT
-15.8%

mds

Dossier

GLOBAL FASHION POWERS 2018

JULY 2018