



# LINEAPELLE LEATHER MARKET OVERVIEW

4<sup>th</sup> QUARTER 2022

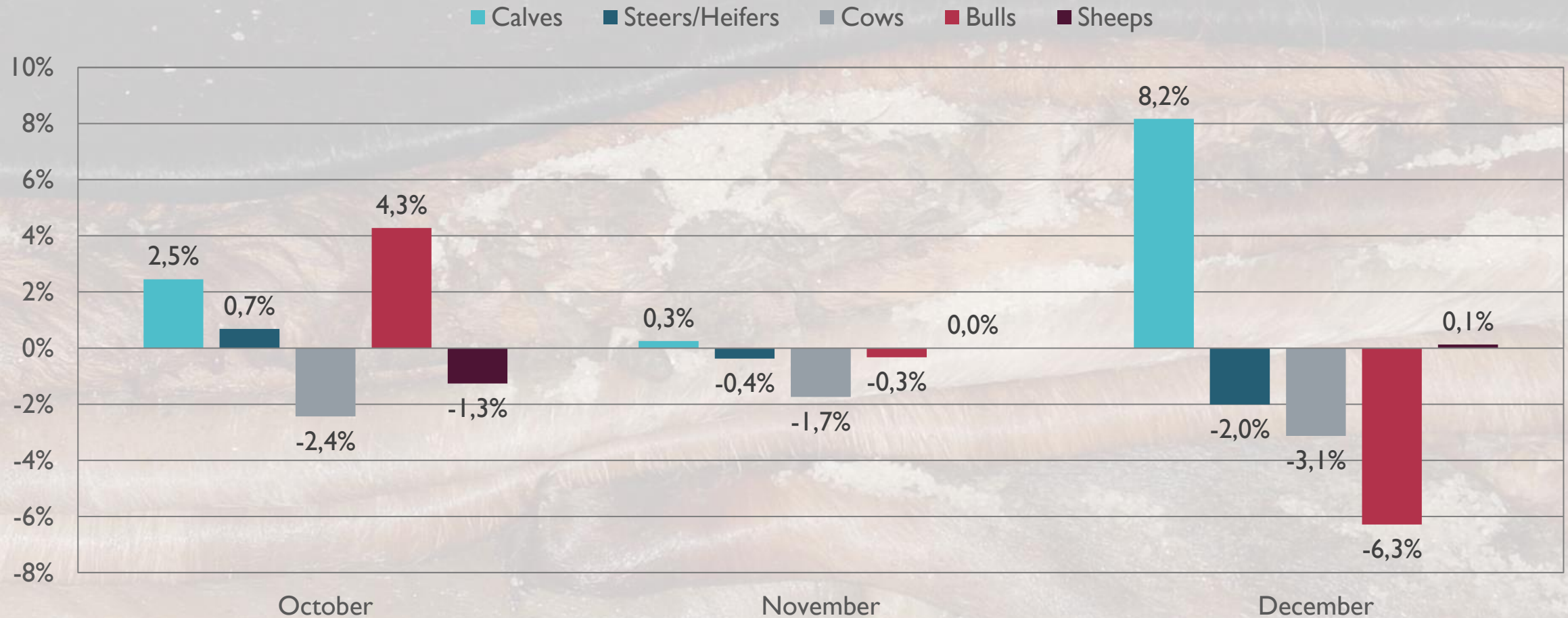
# RAW MATERIALS

## RAW AND SEMI-PROCESSED HIDES/SKINS – PRICE TRENDS

- In the last quarter of 2022, price indexes for the main raw and semi-processed hides/skins showed **remarkable different trends** depending on animal type and place of origin
- In the **raw bovine** segment, **calfskins** confirmed the upward trend of previous months in all major markets of reference, while **steers**, **heifers** and **bulls** recorded more volatility during the period - Slight but continuous declines in **cow hides** prices
- Average quotations for **bovine wet-blue hides** appeared to fall in all major supply areas, with particularly marked intensity in Brazil
- After a year in which weakness prevailed, little change in the average **sheep skins prices** in the final months of 2022

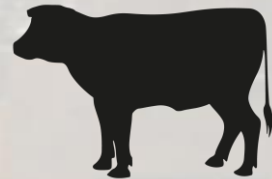
# RAW MATERIALS

## RAW HIDES/SKINS - MONTHLY VARIATIONS OF AVERAGE PRICE INDICES BY ANIMAL TYPE



# RAW MATERIALS

RAW HIDES/SKINS - AVERAGE PRICE CHANGES BY ANIMAL TYPE/ORIGIN (FROM JANUARY TO SEPTEMBER 2022)

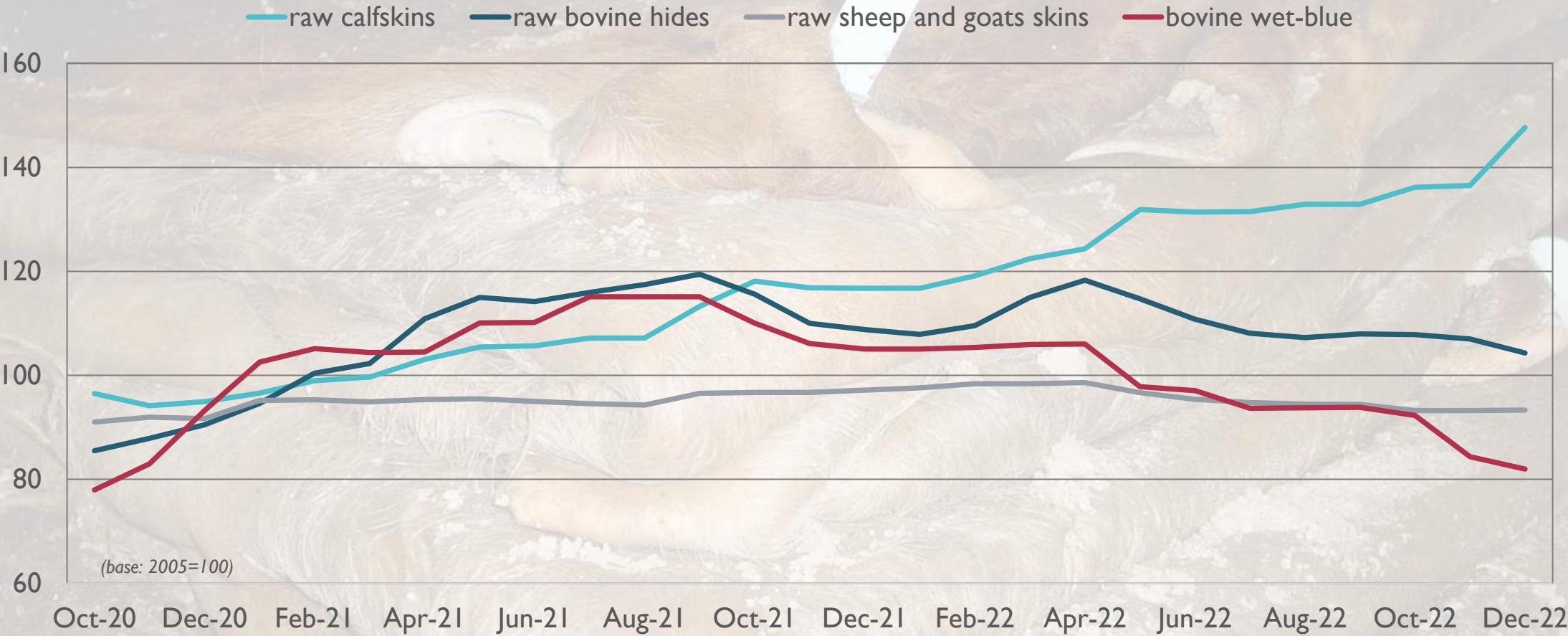


Calves	+27%	Steers, bull calves, heifers	=	Cows	-12%	Bulls	-17%	Sheep	-4%
Italy	+13%	Italy (bull calves)	+5%	Italy	-1%	France	-19%	Iran	-4%
France	+39%	Germany (heifers)	-1%	France	-10%	Netherlands	=	Spain	-8%
Netherlands	+19%	United Kingdom (mixed)	-2%	Netherlands	-26%	Germany	-5%	New Zealand	-2%
Australia	+3%	Spain (bull calves)	+9%	Germany	-16%	New Zealand	-17%		
		United States (mixed)	-10%	Spain	-1%	Denmark	-8%		
		Australia (mixed)	-22%	United States	+30%				
		Sweden (mixed)	-4%	Sweden	=				
		New Zealand (bull calves)	-4%	New Zealand	+3%				
		Denmark (mixed)	+7%	Denmark	-8%				



# RAW MATERIALS

## RAW AND SEMI-PROCESSED HIDES/SKINS - LONG TERM AVERAGE PRICE INDEXES BY ANIMAL TYPE



# RAW MATERIALS

## RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING)

- Braking end of the year for overall **adult bovine** slaughter volume, ending 2022 with a **slight annual decrease** (-1%) - US and EU show a 5/6% decline, but the aggregate European loss is mainly the result of the collapse in Germany (-37%), with negative signs also in France, Poland, Netherlands and Belgium (increases in Italy, Spain and Ireland) - South Americans up (Brazil +8%, Argentina +4%), oceanic down
- The overall **picture** is also slightly **negative** for **calves** (-2%) - While the overall EU figure shows slight declines (-1%), single country details show declines in France, Spain, Poland, Germany and increases in Holland, UK and Belgium - Decreases also in US, Australia and New Zealand
- On the other hand, the overall picture of **sheep** slaughtering in the main regions monitored is confirmed to be on the rise - Positive sign for European production (+1%), thanks to Italy, UK and Ireland (but declines in all other countries) - Australia up, US and New Zealand down

# RAW MATERIALS

RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING) TOTAL YEAR 2022 VS TOTAL YEAR 2021



# RAW MATERIALS

## OTHER REFERENCE COMMODITIES - PRICE TRENDS AND PERFORMANCE



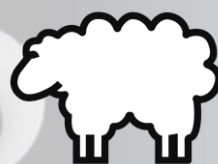
OIL

+9%



COTTON

-17%



WOOL

-13%



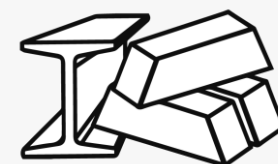
NATURAL RUBBER

-22%



SYNTHETIC RUBBER

+3%



METALS

- Aluminum -15%
- Copper -17%
- Iron -11%
- Nickel +30%
- Zinc -10%

+41%

+28%

-4%

-13%

+12%

- Aluminum +9%
- Copper -5%
- Iron -25%
- Nickel +40%
- Zinc +16%

■ 4<sup>th</sup> QUARTER 2022  
VS 4<sup>th</sup> QUARTER 2021

■ TOTAL YEAR 2022  
VS TOTAL YEAR 2021



## TANNING SECTOR TRENDS

- The **4th quarter** of the year recorded **different sales/export results** in the main tanning countries, although in the **full-year aggregate positive signs** still tend to prevail
- In the **medium-to-large bovine leather segment**, Europe marked quarterly decreases in Italian, German and Austrian productions (automotive leather braking as the main cause), while in Asia and Latin America all appear to be slowing down, except China - Annual total however positive for almost all (except South Americans)
- **Small bovine (calves) leathers** were still holding back in Italy and Spain and showed increases in France, but overall 2022 figure is positive for all
- On the other hand, the overall situation of the **sheep and goat segment** is still widely positive, showing just some uncertainty at the end of the year in Italy

# TANNING SECTOR

## TURNOVER INDEX TRENDS IN ITALY



### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021



### TOTAL YEAR 2022 VS TOTAL YEAR 2021



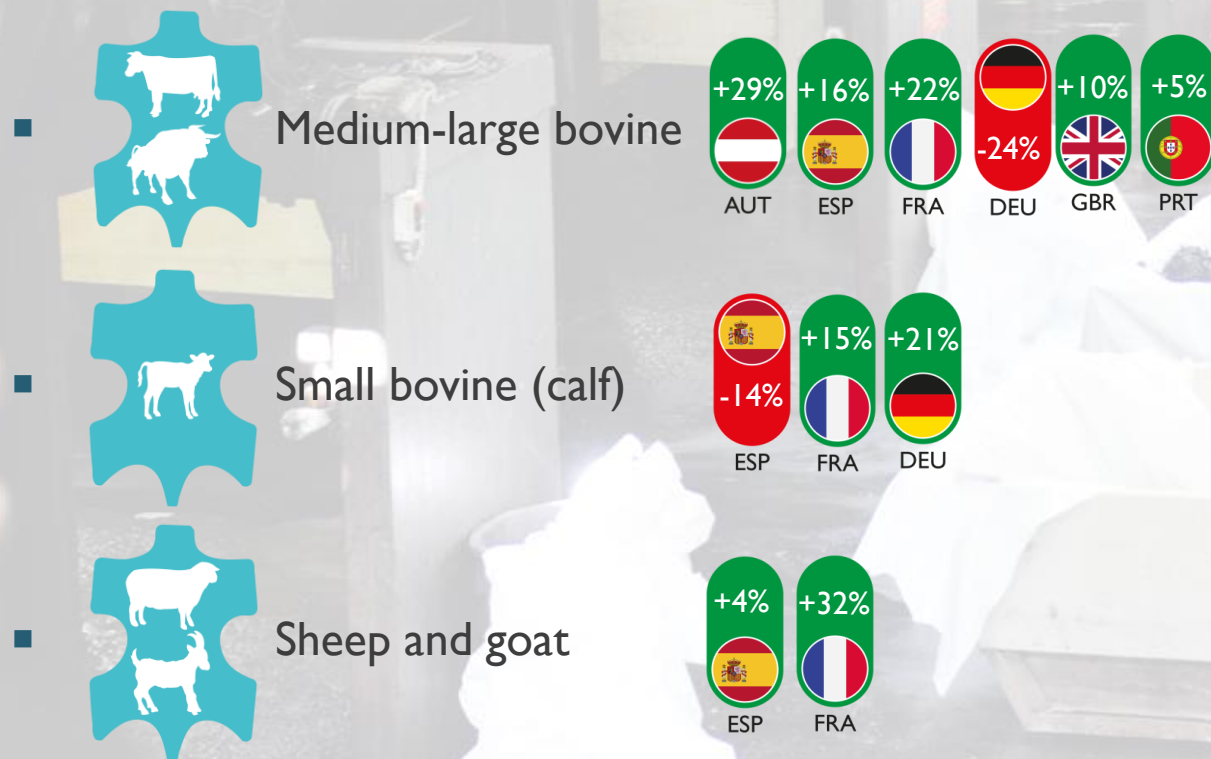


# TANNING SECTOR

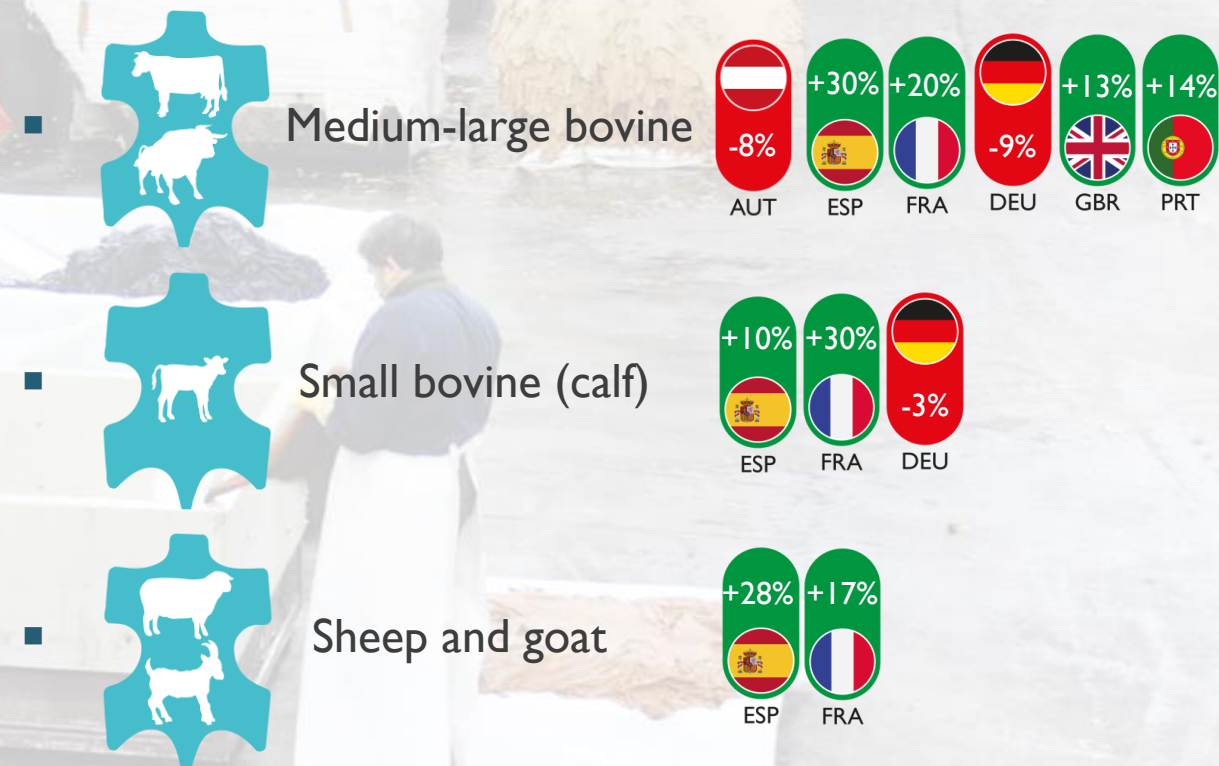
## EXPORT INDEX TRENDS IN EUROPE



### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021



### TOTAL YEAR 2022 VS TOTAL YEAR 2021



# TANNING SECTOR

## EXPORT INDEX TRENDS IN THE WORLD



### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021



### TOTAL YEAR 2022 VS TOTAL YEAR 2021



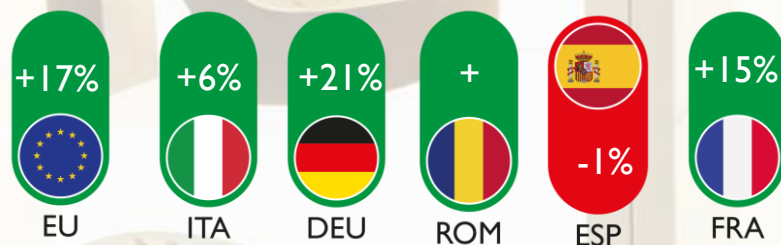


# ACCESSORIES AND COMPONENTS SECTOR

## EXPORT INDEX TRENDS

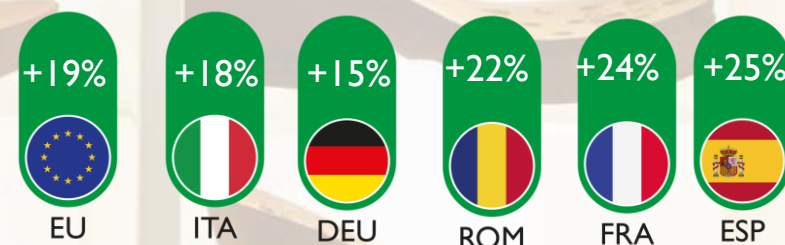
### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021

The bullish momentum for accessories and components also continued in the last quarter of the year, with the EU average up in double digits over the same period 2021. Some uncertainty prevails for Spanish manufacturers, slightly down. Average positive results for all segments of the industry.



### TOTAL YEAR 2022 VS TOTAL YEAR 2021

Broad and widespread upturns confirm the industry's resilience, growing in double digits across all segments in almost all major European manufacturers in cumulative 2022. Some jarring detected in other footwear accessories, where Germany is retreating, declining moderately.

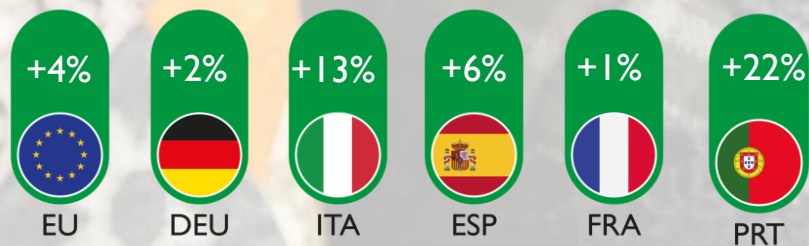


# TEXTILES AND SYNTHETICS SECTOR

## EXPORT INDEX TRENDS INDEX TRENDS

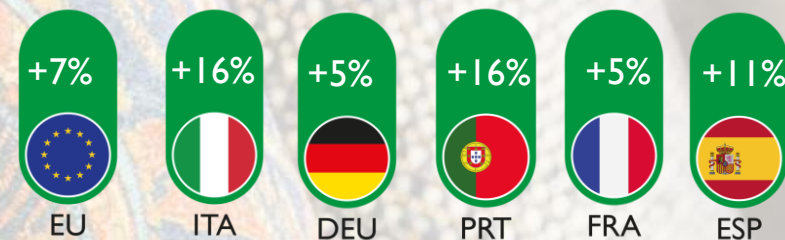
### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021

Industry growth slows down toward the final 2022, but remains up over the long term. Good resilience of synthetics and synthetic fabric materials. On the other hand, regenerated leather fibers struggles, with declines for all EU manufacturers except Germans.



### TOTAL YEAR 2022 VS TOTAL YEAR 2021

Excellent performance of the sector in 2022/2021 comparison: +7% the EU average with notable double-digit increases for Italians and Spanish. In terms of segments, the annual comparison shows the resilience of regenerated leather fibers, moderately up in all EU countries with the exception of Italy. Synthetics and synthetic fabric materials performed well.

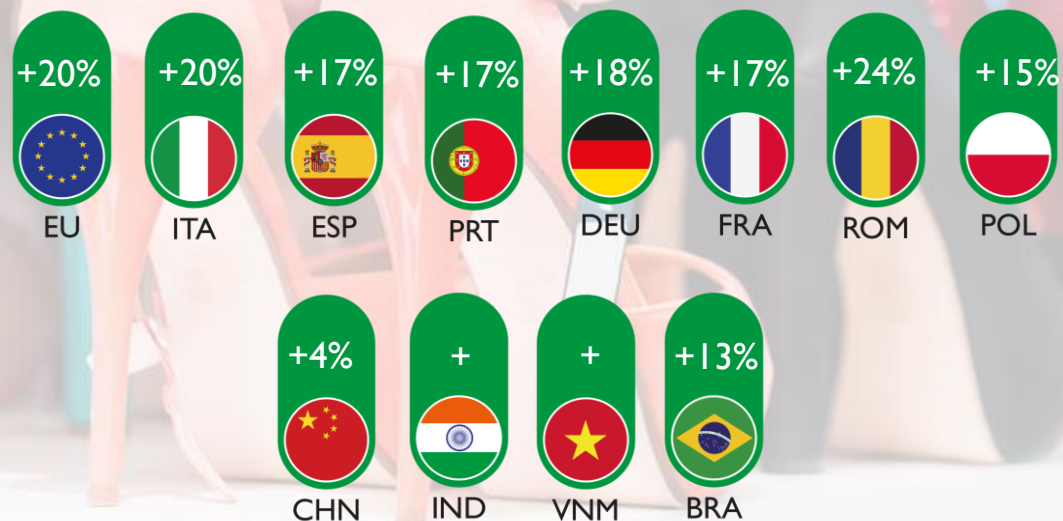


# FOOTWEAR

## EXPORT INDEX TRENDS

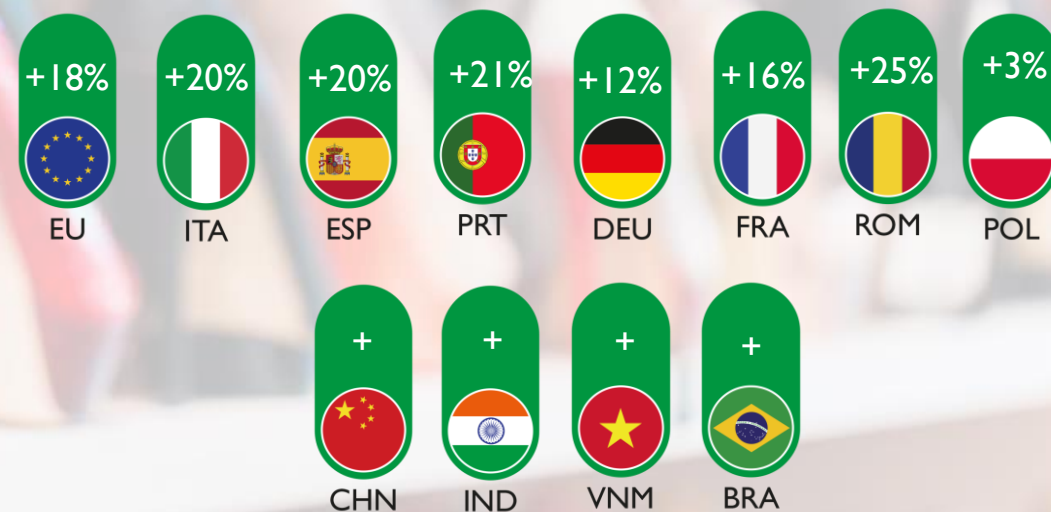
### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021

The last quarter 2022 confirms the positive trend for European footwear manufacturers, all posting double-digit increases in the seasonal comparison. Beyond EU borders, Asians and Brazilians also remain positive, while the Chinese moderate their growth pace.



### TOTAL YEAR 2022 VS TOTAL YEAR 2021

The scenario for the footwear sector is looking strongly positive for the full year 2022 as well, where the comparison with 2021 sees marked and widespread rises both in Europe and abroad.



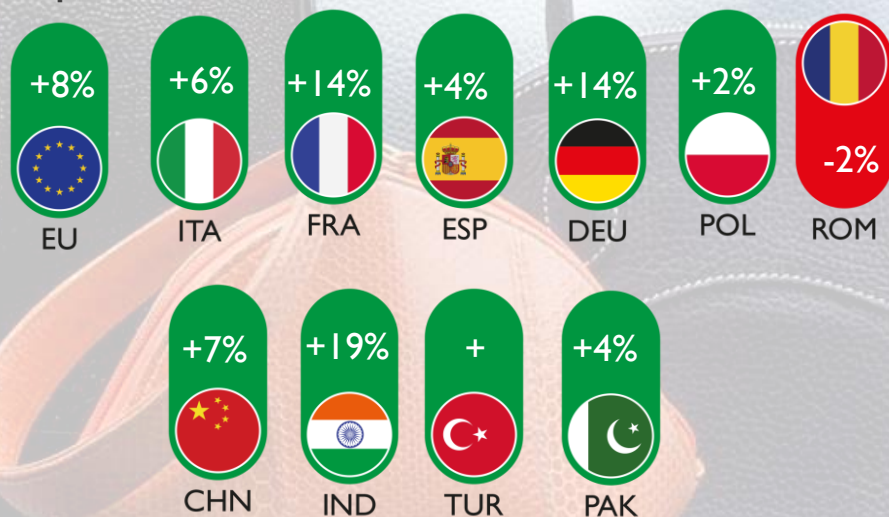


# LEATHER GOODS

## EXPORT INDEX TRENDS

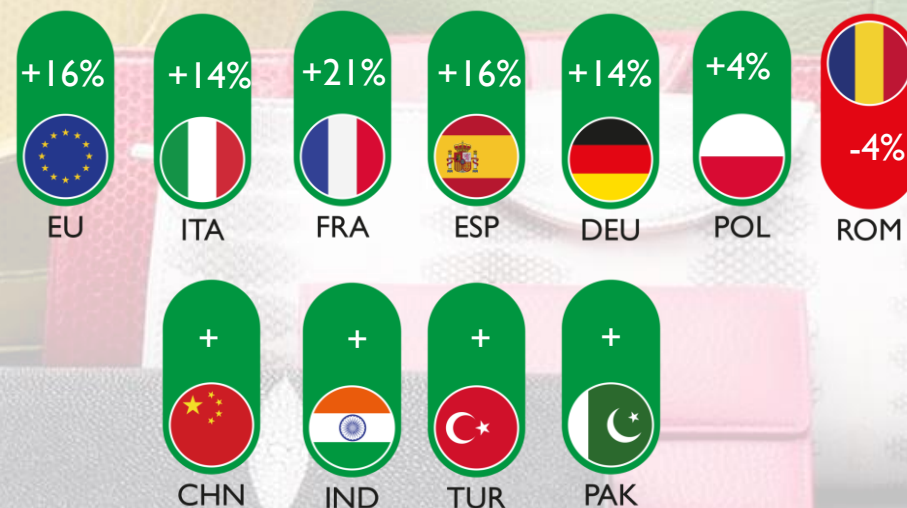
### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021

Although with a slightly slower increase, the last quarter of 2022 also confirms the expansive trend of European leather goods (+8% on average), although the decline of Romanians persists. Growing dynamics for non-EU partners as well.



### TOTAL YEAR 2022 VS TOTAL YEAR 2021

The annual snapshot replicates the same scenario observed in the seasonal comparison, with no meaningful differences. Even in the cumulative 2022, Romania is the only major exception, declining by 4%.



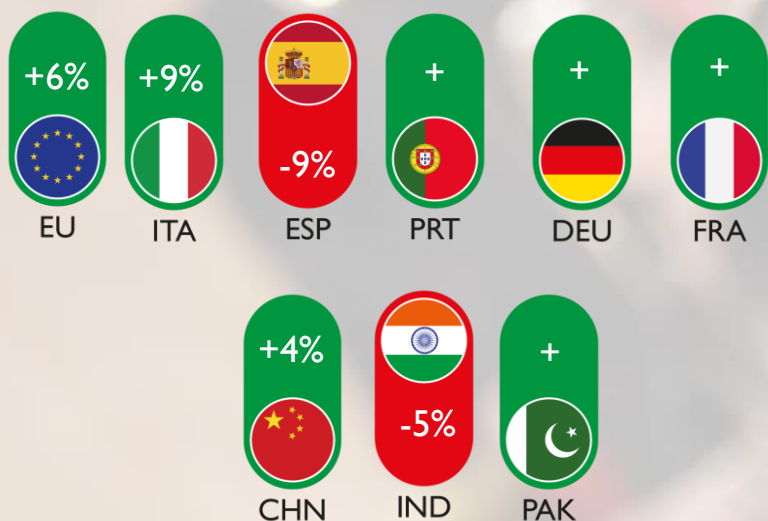


# LEATHER CLOTHING

## EXPORT INDEX TRENDS

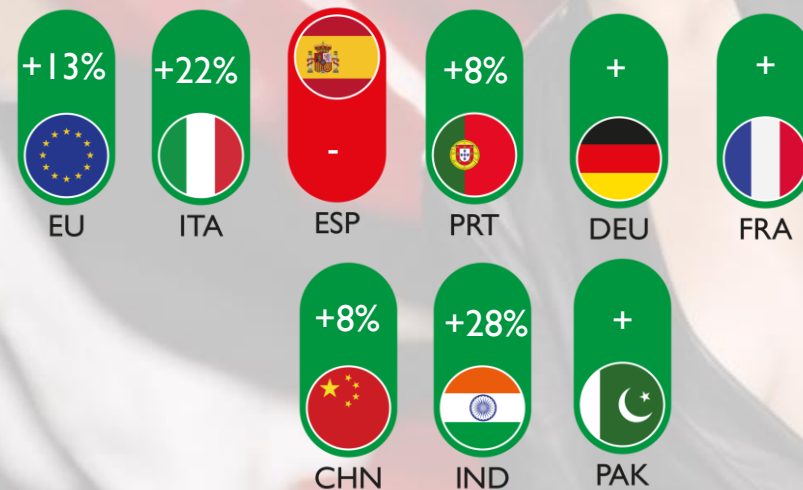
### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021

Last quarter 2022 unifies European manufacturers' results, pushing all major EU players into positive territory. Spanish, still reporting deficits, are a concern. Among the Asians, Chinese and Pakistani do well. Setback instead for Indians.



### TOTAL YEAR 2022 VS TOTAL YEAR 2021

The annual dynamics, compared with 2021, confirms the predominantly positive EU picture already outlined during the last two quarters of 2022. Beyond EU borders, China strengthens its growth, while both India and Pakistan close the year on a positive note.

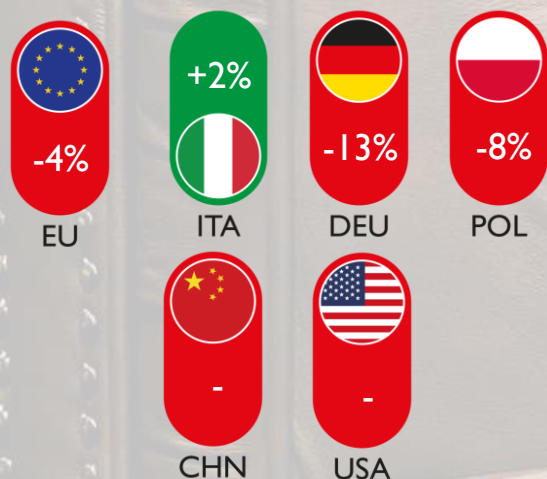


# UPHOLSTERED FURNITURE

## EXPORT INDEX TRENDS

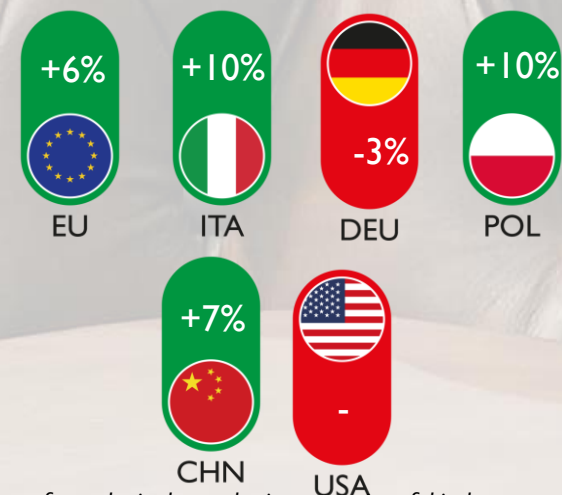
### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021

EU upholstered furniture dynamics decelerates until moving into negative territory in the seasonal comparison. Only Italian manufacturers are holding up, while Germans and Poles are dragging their feet. China and the United States are also poorly performing.



### TOTAL YEAR 2022 VS TOTAL YEAR 2021

After a record-breaking 2021, the sector experiences a slowdown in 2022 related to a cooling of demand for upholstered furniture purchases. Excellent resilience of Italians and Poles, supporting EU average (+6%) despite German decline. Good performance of China, weakness for the U.S. market.

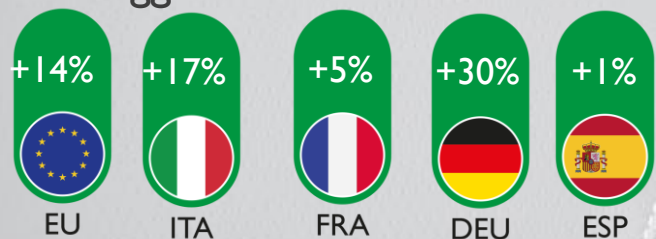


# AUTOMOTIVE

## EXPORT INDEX TRENDS

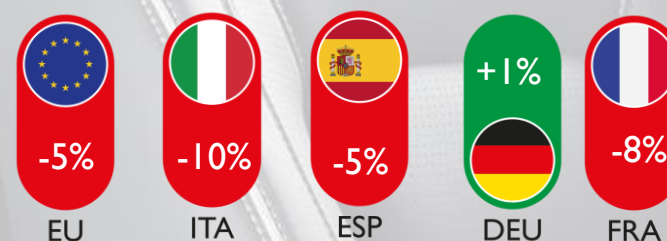
### 4<sup>th</sup> QUARTER 2022 VS 4<sup>th</sup> QUARTER 2021

The last three months of 2022 report a newfound confidence in the automotive industry, with new car registrations growing in all major EU countries, thanks to the boost observed in December. German and Italian demand was very dynamic, while the Spanish demand was sluggish.



### TOTAL YEAR 2022 VS TOTAL YEAR 2021

New car registrations in the EU declined in 2022, mainly due to component shortages in the first half of the year. Although the market showed signs of improvement in the latter part of the year, with increases from August to December, cumulative volumes were at their lowest level since 1993.



Outside Europe, UK (-2%) and U.S. (-9%) car registrations dropped, while Chinese registrations climbed (+10%).



# LUXURY

## 2022 RESULTS

Generally positive closing 2022 for all major EU top fashion brands. Nevertheless, the results of the last quarter slowed down the performance of some of them. In the short term, the scenario appears uncertain and the prospect over 2023 appears cautiously optimistic.

- **LVMH** – Total sales up by 23%. Remarkable performance of the Fashion & Leather Goods (+20%), particularly thanks to Louis Vuitton (over 20 billion euros in revenues for the first time), Christian Dior, Celine, Fendi, Loro Piana, Loewe, and Marc Jacobs, which reached record levels of revenues and profits.
- **KERING** - Revenues grew by 9% in 2022. Gucci closed the year on stable values (+1%, after the downturn recorded in the fourth quarter, -14%). On the other hand, YSL remains dynamic (+23%) and Bottega Veneta closes with +11%. Very good 2022 for minor brands (+16%): excellent for Balenciaga, good for Alexander McQueen, recovery for Brioni
- **HERMÈS** - Total sales up by 23% in 2022. The leather goods and saddlery business grow by 16%, with a particularly favourable performance in the fourth quarter of the year.
- **TOD'S** - Group revenues over 1 billion euros in 2022 (+11%). Excellent performance of Tod's (+16%), followed by Hogan (+9%) and Roger Vivier (+3%). The leather goods division soars (+32%), shoes also did well (+8%).
- **FERRAGAMO** - Turnover up by 6% for the Florence-based group. Good performance on the EU market, very lively also in the US. The footwear division grows by 8%, some uncertainty for leather goods instead (+0.1%).



# NOTES

- Lineapelle processes and estimates data provided by statistical institutions, government bodies, international organizations, trade associations, retailers and other public/private sources
- Country acronyms refer to the official ISO alpha 3 classification
- Commodity prices. Historic price series are calculated on the basis of average price quotations in dollars (USD)
- Raw hides and skins/semi-processed leather prices. Historic original price series are collected by agents and publications in the industry and indexed using the base line 2005=100, maintaining the exchange currency used for purchases on the export market

By Servizio Economico Lineapelle

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