



LINEAPELLE LEATHER MARKET OVERVIEW

3rd QUARTER 2024



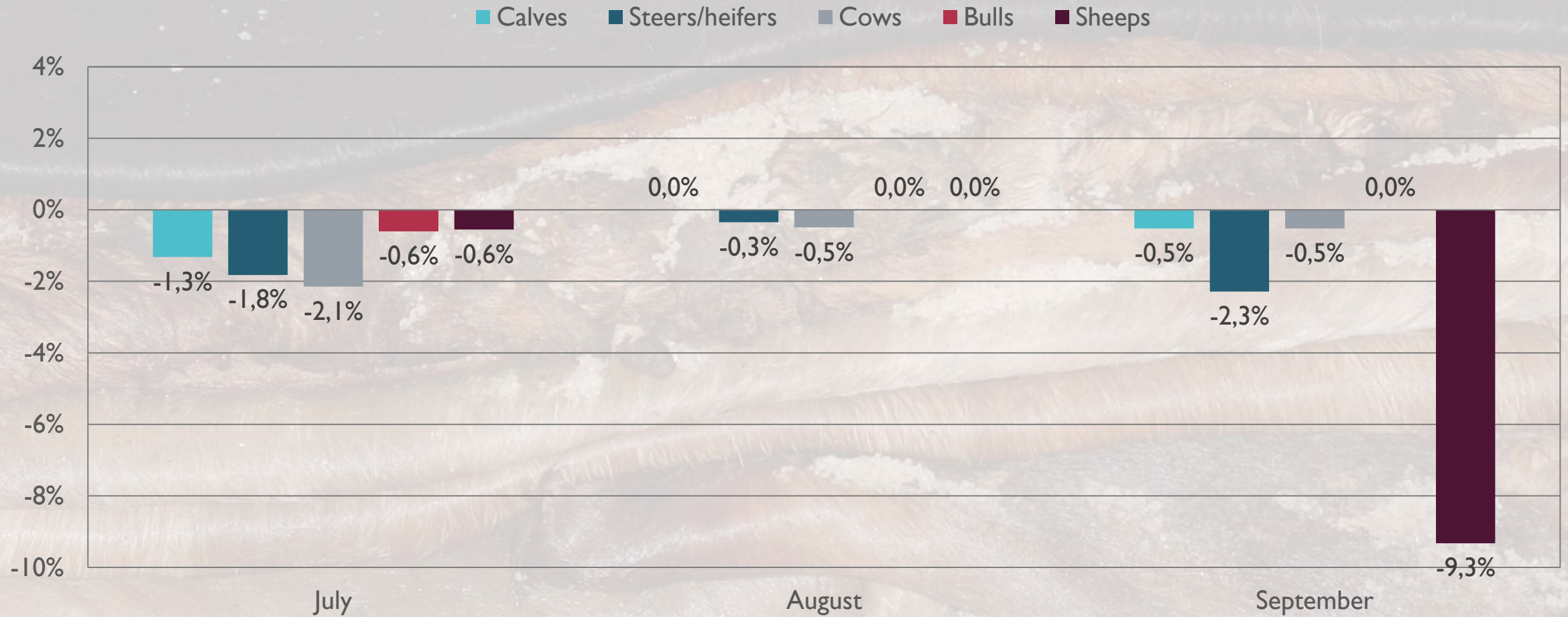
RAW MATERIALS

RAW AND SEMI-PROCESSED HIDES/SKINS - PRICE TRENDS

- The negative trend for the average prices of the main raw and semi-finished hides and skins continued in the third quarter of the year, although the declines mostly look limited
- Within the **bovine segment**, no animal type and no geographical origin shows a positive sign during the period - The decreases are slightly more intense for medium-sized bovine (**cows and steers/heifers**) than for bulls and **calfskins**, while, among the main supply markets, it is worth mentioning the very sharp declines in Spain (for oxen and cows) and the USA (cows)
- Average **wet-blue bovine** prices also continued to fall in the summer quarter of the year, with declines in Brazil and Australia (and substantial stability in New Zealand)
- The average price index for **sheepskins** fell sharply, showing a double-digit decrease between June and September - The trend is negative in Spain and Iran, unchanged in New Zealand

RAW MATERIALS

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



RAW MATERIALS

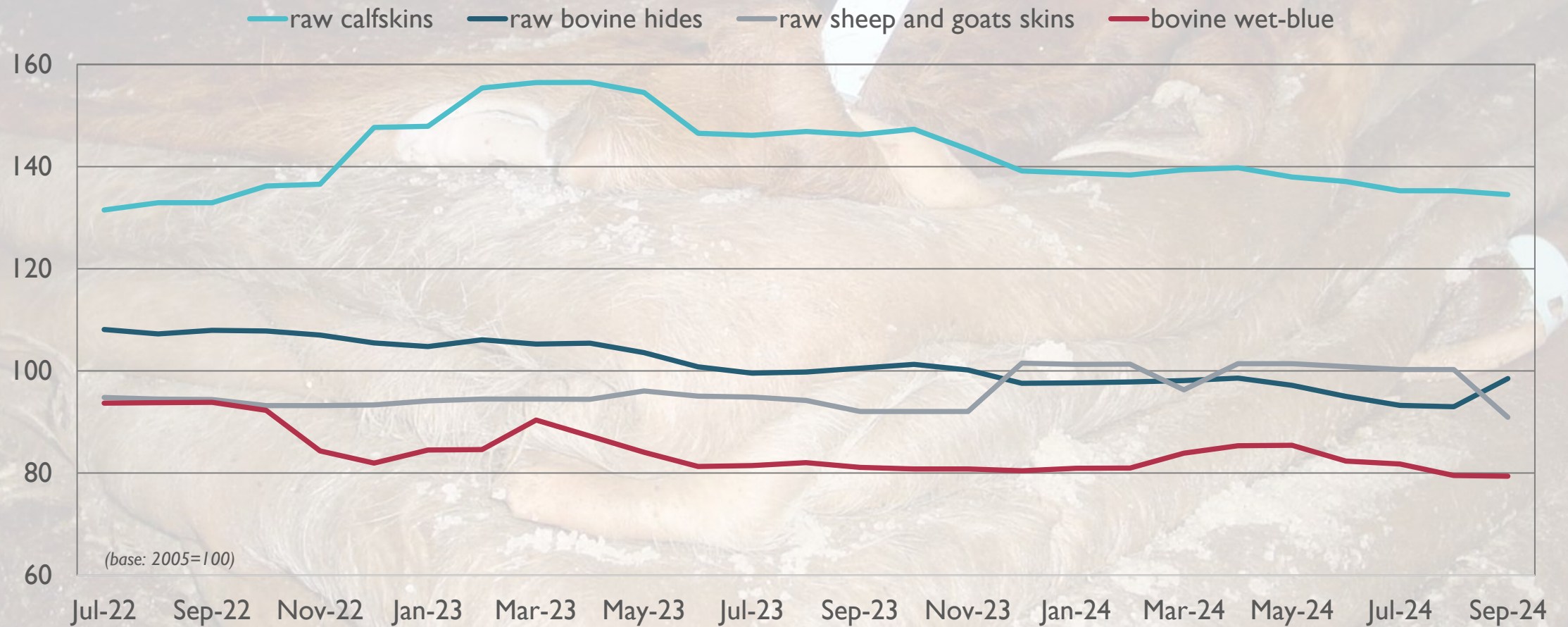
RAW HIDES/SKINS - AVERAGE PRICE CHANGES BY ANIMAL TYPE/ORIGIN (FROM JANUARY TO SEPTEMBER 2024)



Calves	-3%	Steers, bull calves, heifers	-7%	Cows	-6%	Bulls	=	Sheep	-10%
Italy	-2%	Italy (bull calves)	+1%	Italy	-1%	France	+1%	Iran	-11%
France	-4%	Germany (heifers)	-1%	France	=	Netherlands	-19%	Spain	-6%
Netherlands	-3%	United Kingdom (mixed)	+3%	Netherlands	-7%	Germany	-5%	New Zealand	-9%
Australia	=	Spain (bull calves)	-31%	Germany	-14%	New Zealand	-11%		
		United States (mixed)	-16%	Spain	-49%	Denmark	-11%		
		Australia (mixed)	-15%	United States	-24%				
		Sweden (mixed)	-11%	Sweden	-16%				
		Sweden (mixed)	=	New Zealand	-5%				
		Denmark (mixed)	-10%	Denmark	-7%				

RAW MATERIALS

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



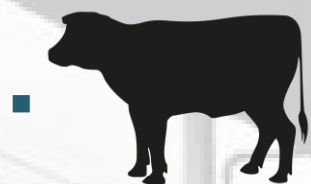
RAW MATERIALS

RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING)

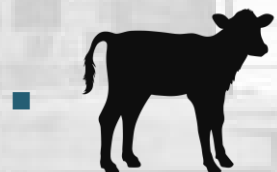
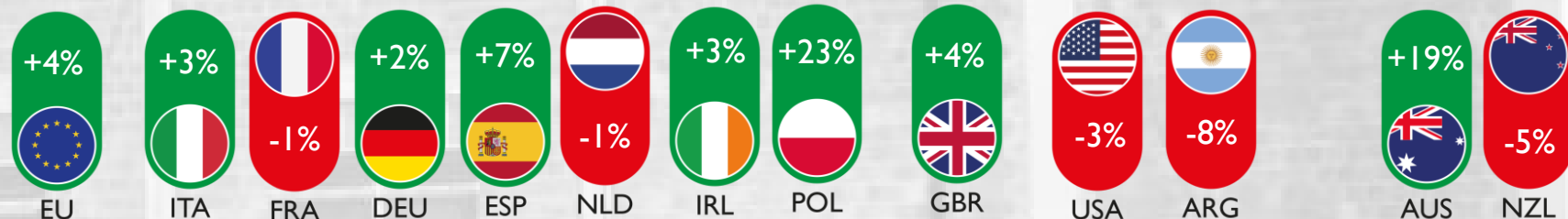
- In the first three quarters of the year, the slaughter of **adult bovine** in the areas monitored was up by 5% overall - The aggregate European volume was up (+4%), with a few exceptions at the level of individual countries (France, Holland, Greece) - Outside the EU, the decline continued in the USA, Argentina and New Zealand, while there was a notable increase in Australia
- Overall **calves** slaughtering decreased (-2% in total) - Slight decrease in Europe, with drops in France, Germany and Spain, increases in Italy, Belgium and Poland, stability in the Netherlands - Outside the EU, positive sign in Australia, negative in New Zealand and the USA
- The overall picture of **sheep** slaughtering is worsening, with -19% in the aggregate for the first nine months of 2024 - European production is down, with very few exceptions in the country breakdown (only Germany and Poland are up) - Australian slaughtering is down by more than a third, New Zealand stable, USA up

RAW MATERIALS

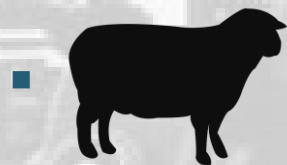
RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING) FIRST 9 MONTHS 2023 VS FIRST 9 MONTHS 2024



Adult bovine:



Calves:



Sheep:



RAW MATERIALS

OTHER REFERENCE COMMODITIES - PRICE TRENDS AND PERFORMANCE

■ 3rd QUARTER 2024
VS 3rd QUARTER 2023



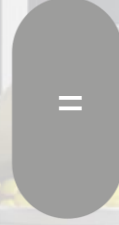
OIL



COTTON



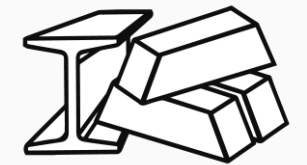
WOOL



NATURAL RUBBER



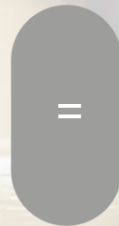
SYNTHETIC RUBBER



METALS

- Aluminum +10%
- Copper +10%
- Iron -13%
- Nickel -20%
- Zinc +14%

■ FIRST 9 MONTHS 2024
VS FIRST 9 MONTHS 2023



- Aluminum +4%
- Copper +6%
- Iron -5%
- Nickel -25%
- Zinc -1%

TANNING SECTOR

TRENDS

- The outlook is also still predominantly negative in the summer quarter of the year for the tanning sectors of the most important producing countries, but interesting exceptions are beginning to appear
- Within the **medium to large bovine** sector, Brazilian, Chinese, Indian and British exports reversed their downward trend during the period, but double-digit declines were confirmed for many of the other players, both in the nine-month aggregate and in single-quarter detail
- For **small bovine (calves)**, the Spanish recovery strengthens, and the French quarterly export performance is also positive (Italy still declining)
- The negative momentum in the Italian **sheep and goat leather** intensifies, while exports to Spain and France continue to grow - Negative picture outside Europe

TANNING SECTOR

TURNOVER INDEX TRENDS IN ITALY



3rd QUARTER 2024 VS 3rd QUARTER 2023

FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023



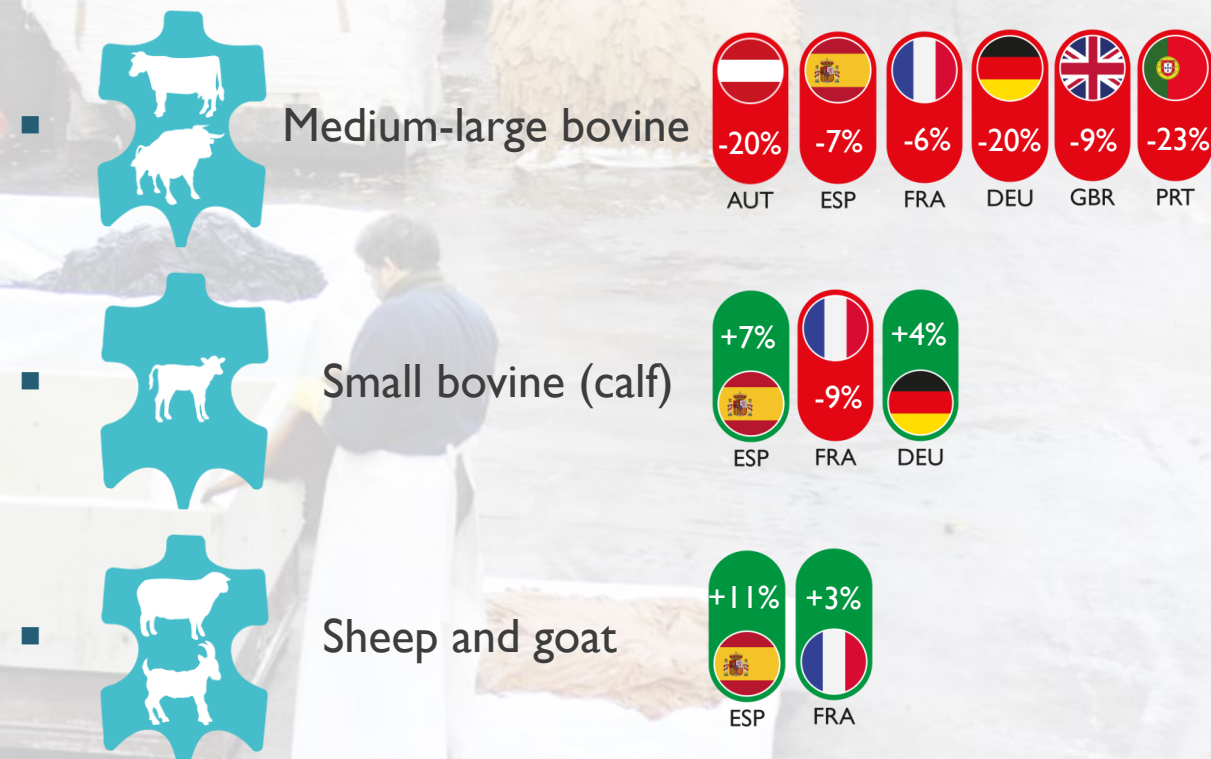
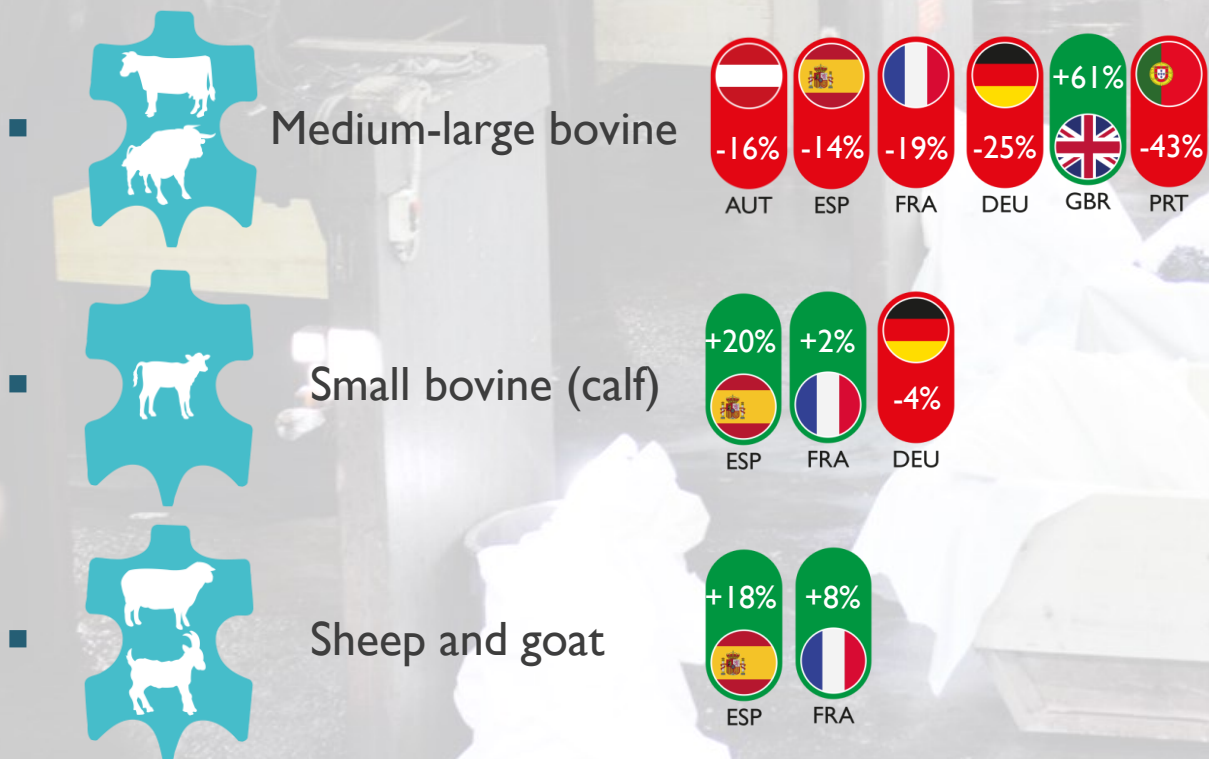
TANNING SECTOR

EXPORT INDEX TRENDS IN EUROPE



3rd QUARTER 2024 VS 3rd QUARTER 2023

FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023



TANNING SECTOR

EXPORT INDEX TRENDS IN THE WORLD



3rd QUARTER 2024 VS 3rd QUARTER 2023

FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023



Bovine



Bovine



Sheep and goat



Sheep and goat

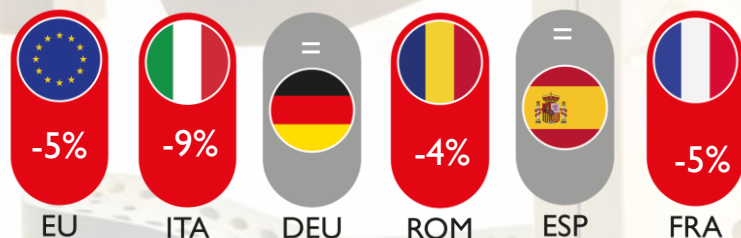


ACCESSORIES AND COMPONENTS SECTOR

EXPORT INDEX TRENDS

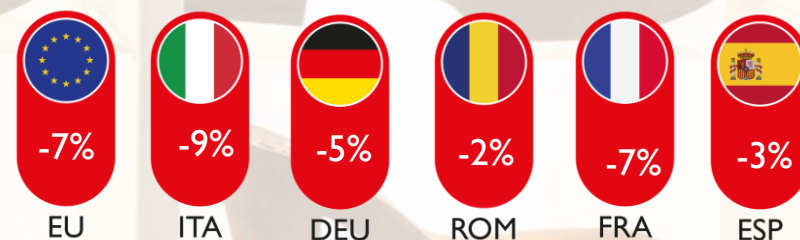
3rd QUARTER 2024 VS 3rd QUARTER 2023

The third quarter of the year was predominantly negative for the sector, down 5% at EU level, held back by the Italian and French declines and the uncertainty of the Germans and the Spanish. More difficulties for small metal parts and other accessories. Some noteworthy rises for other footwear accessories, which, however, continued to decline slightly overall



FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023

The sector's result in the cumulative first nine months of 2024 is all in the red, with -7% at EU level, and all the major EU players posting a loss on the previous year's figure. Metal small parts and other accessories, both down sharply. The dynamics of other footwear accessories are more varied, but still bearish



TEXTILES AND SYNTHETICS SECTOR

EXPORT INDEX TRENDS

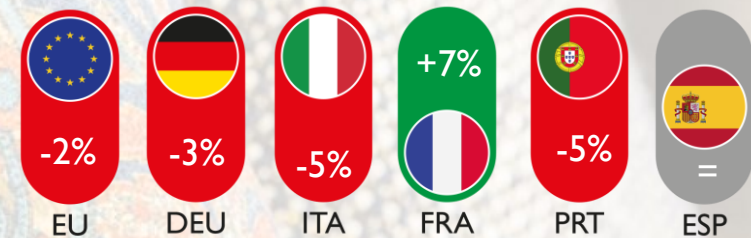
3rd QUARTER 2024 VS 3rd QUARTER 2023

The performance of the textiles and synthetics sector improved in the seasonal comparison, where the EU average was equal to the corresponding 2023. Stability for Germans and Italians, discrete increases instead for the Spanish and the French. The cross-section by sector sees the regenerated leather fibres holding up well, while the dynamics of synthetics are also encouraging. Some uncertainty for synthetic fabric materials



FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023

The good performance of French producers is not enough to support the trend in the sector, which is suffering even in the current year's cumulative figure: -2% the EU average. The difficulties of regenerated leather fibres are also confirmed in partial 2024, while the drop in synthetic fabric materials is more contained. Synthetics weak, in negative stability over the corresponding period of the first 9 months of 2023

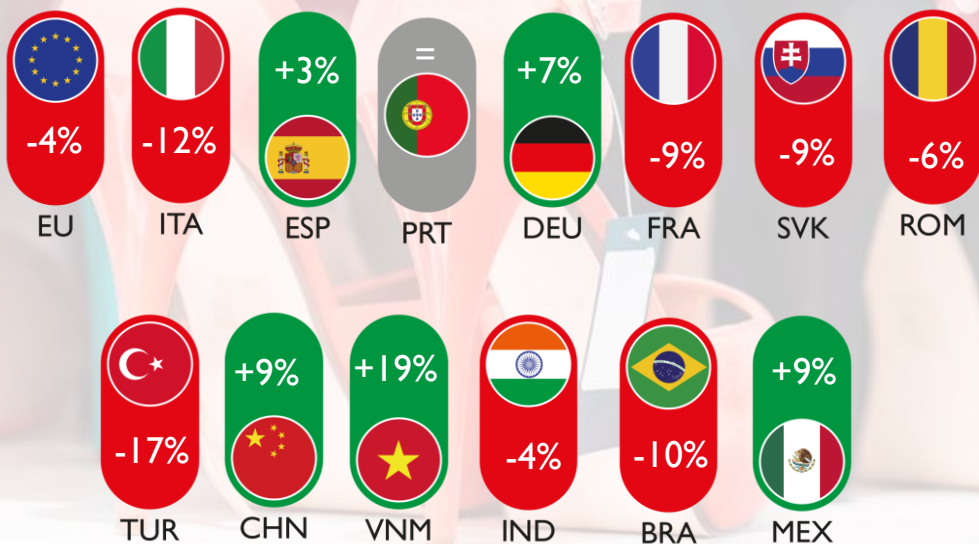


FOOTWEAR

EXPORT INDEX TRENDS

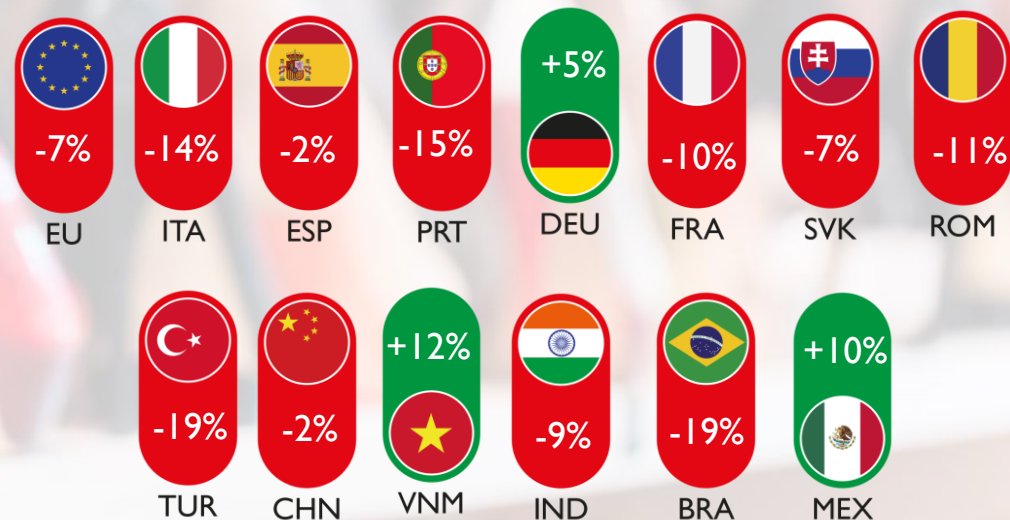
3rd QUARTER 2024 VS 3rd QUARTER 2023

The EU footwear sector suffers in the seasonal comparison, with widespread declines among the major European manufacturers despite Spain and Germany, both on the rise. Outside the EU, the picture is varied: up China, Vietnam, Mexico. Down Turkey, India and Brazil



FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023

The comparison over the first 9 months of the year is disappointing: more (Italy, Portugal, France and Romania) or less marked declines (Spain, Slovakia) affect all EU producers except Germany (+5%). International partners except Vietnam and Mexico do not shine

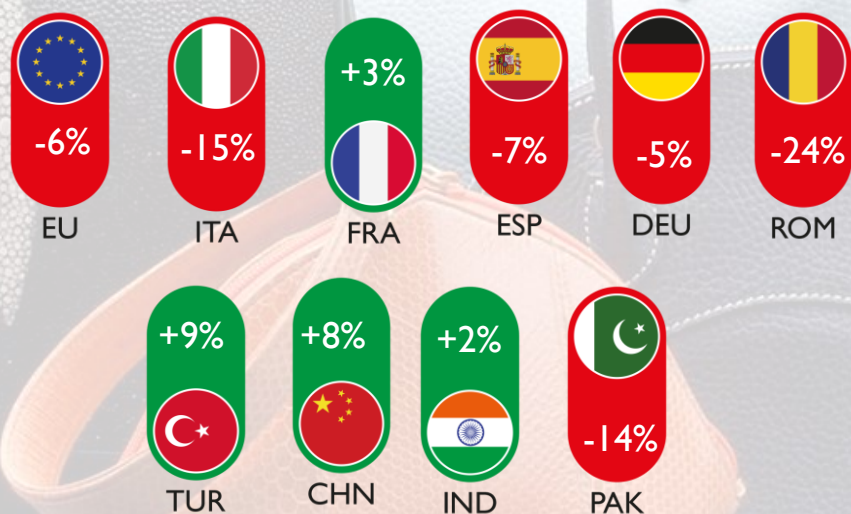


LEATHER GOODS

EXPORT INDEX TRENDS

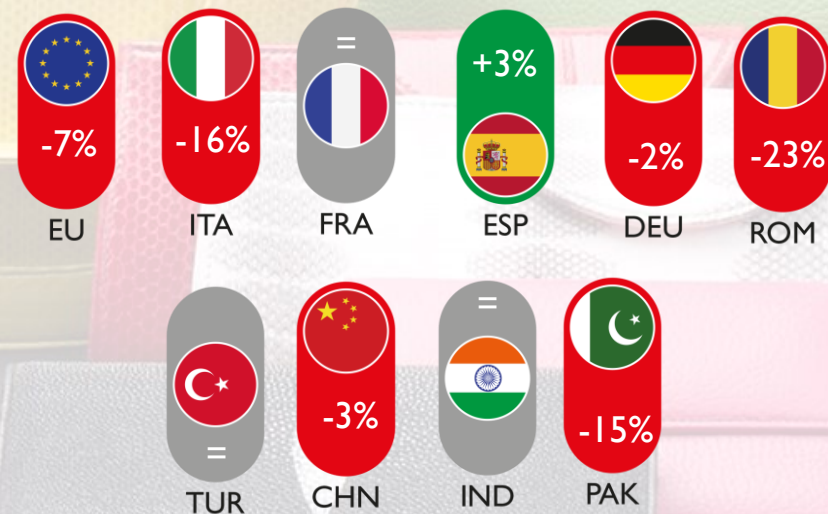
3rd QUARTER 2024 VS 3rd QUARTER 2023

The third quarter of the year also confirms the cooling of European leather goods, down 6% on average. The only positive note is the French, on the rise, but the collapse of the Italians (-15%) is worrying. Overall, the non-EU panorama is rosier with rises for Turkey, India and China. Pakistan thud



FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023

The partial 2024 result was rather disappointing compared to the previous year, where the difficulties of the Italians were accompanied by a slowdown in the French. Outside the EU, growth in Turkey and India dampened, while China and Pakistan fared disappointingly

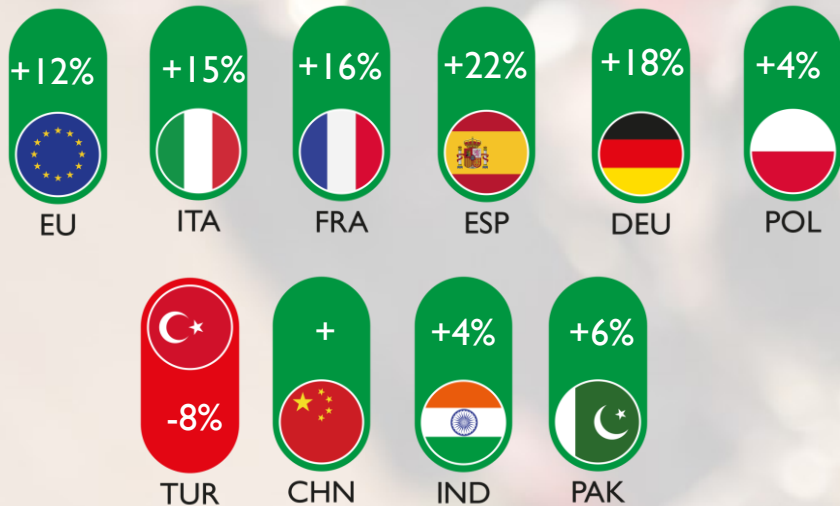


LEATHER CLOTHING

EXPORT INDEX TRENDS

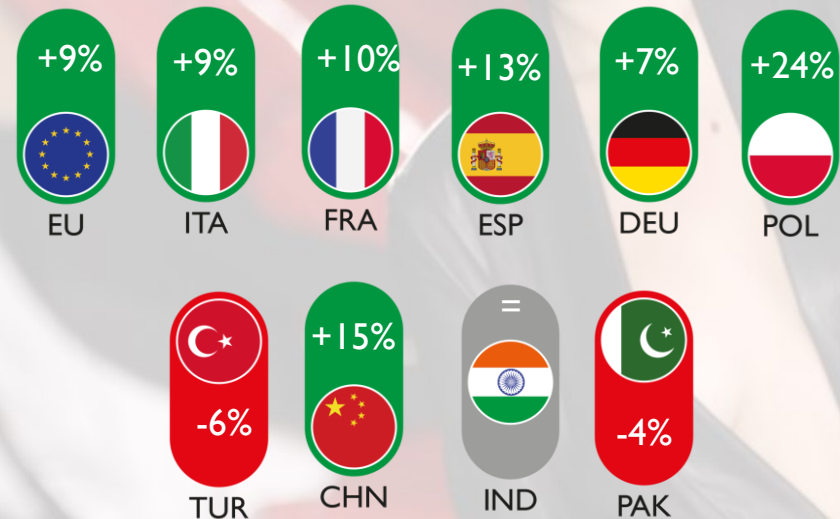
3rd QUARTER 2024 VS 3rd QUARTER 2023

The European leather garment trend remains a dynamic and generally very positive exception to the other fashion sectors, with widespread double-digit increases in the largest EU producers. Beyond Europe, Turkey suffers, while India and Pakistan register moderate increases. China did well



FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023

The 2024 cumulative comparison confirms the liveliness of the sector, which is growing strongly at EU level. Significant increases also in China, while other non-EU packers are disappointing: still a critical situation for Turks and Pakistanis. India is weak, in stability

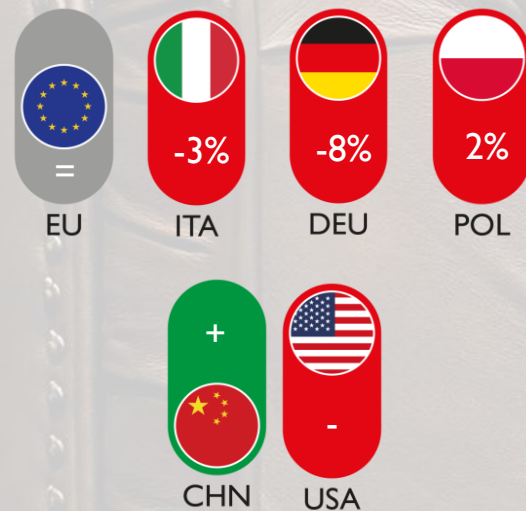


UPHOLSTERED FURNITURE

EXPORT INDEX TRENDS

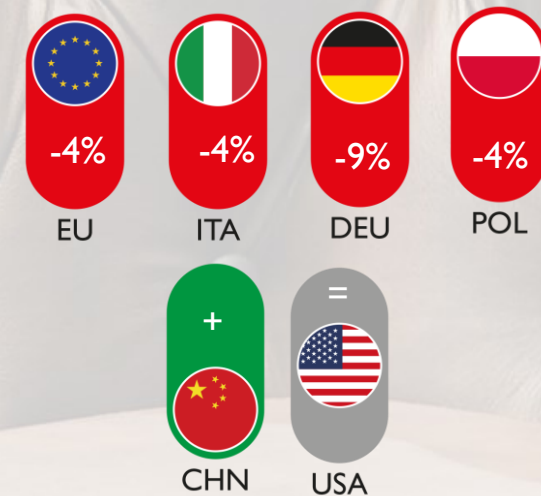
3rd QUARTER 2024 VS 3rd QUARTER 2023

The upholstered furniture market is struggling, still mostly negative in the third quarter of the year. The performance of China is confirmed as good, while some shadows affect the American market, which fell in the period



FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023

The 2024 partial aggregate shows a split between the stunted performance of the major EU manufacturers, all of which are significantly down, and the major non-EU players. China is confirmed as growing, while the US is slowing down but with some signs of recovery

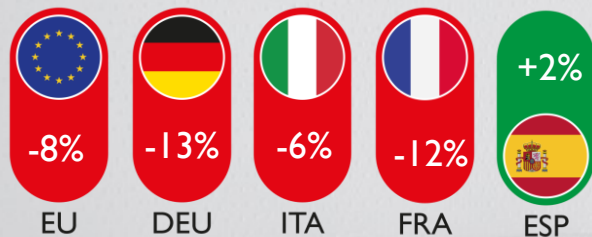


AUTOMOTIVE

EXPORT INDEX TRENDS

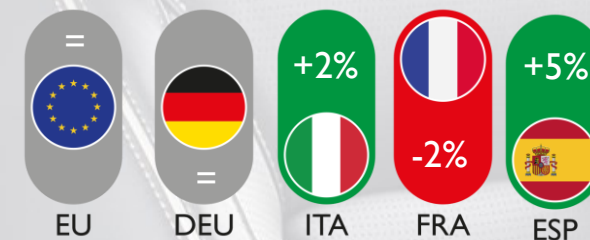
3rd QUARTER 2024 VS 3rd QUARTER 2023

- The picture for the European automotive sector is critical, with a further slowdown in Q3 2024. Negatively weighed above all by the backward trend in Germany and France, where there has been a vertical collapse in registrations of electric cars. Demand for new car registrations in Italy is also thudding, falling by 6% in the third quarter of this year



FIRST 9 MONTHS 2024 VS FIRST 9 MONTHS 2023

- Cumulative 2024 paints a bleak picture for the European car industry, where Germany's weakness sets the pace for the entire sector at EU level. Criticality also in new car production figures



- Outside Europe, US registrations remained stable (+1%). China is up slightly (+3%). Decisive increases for India (+9%)
- +4% UK registrations in the period

LUXURY

FIRST 9 MONTHS RESULTS

Against a still fragile geopolitical and economic backdrop, major uncertainties weigh on luxury consumer demand and see major EU luxury fashion players perform differently in the first 9 months of 2024.

- **LVMH** - the French giant's revenue growth in cumulative 2024 came to a halt (organic growth of +0%). The trend in fashion and leather goods was stable: +1% in the first 9 months over the corresponding 2023 period. In line with the general trend were the results of Louis Vuitton and Christian Dior. The trend for Loewe, Loro Piana and Rimowa was good.
- **KERING** - the French group's results deteriorated, with revenues down 16% in Q3 2024 (constant rates) and cumulative earnings down 12%. Worst performance by Gucci, which slumped to -25% in the third quarter of the year compared to the corresponding 2023 (-21% in the first 9 months of 2024). Yves Saint Laurent slowed again -12% in the quarter (-9% in the first nine months of 2024), and the group's minor brands also did poorly (-14% in the quarter, -8% in the first nine months). The only positive note was Bottega Veneta +5% in the quarter and +4% in the year-to-date period.
- **HERMÈS** - solid and continuous growth for the French maison, with sales up +14% over the 2024 cumulative period (constant rates). Decisive increases in all the main geographical areas: Japan +23%, Americas +13%, EU +18% and Asia +7%. The performance of the leather goods and saddlery division was excellent: +17%.
- **FERRAGAMO** - Further declines for the Florence-based brand: -10% in revenues in the first nine months of 2024 (constant rates). Markets in the Pacific Area, Middle East, and Europe were bad. More moderate declines in the Americas. Rise instead in Japan (+4%).
- **PRADA** - +18% net sales for the Milanese house (constant exchange rates). Prada sales grew +4% in the first nine months of 2024, with a +2% increase in the third quarter of this year. Miu Miu's growth trajectory was strong: +97% year-on-year, with a third quarter at +105%. Double-digit sales growth in Asia Pacific, Europe, Japan and the Middle East; further slight sequential improvement in the Americas.

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 Lineapelle Economic Department

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