



LINEAPELLE LEATHER MARKET OVERVIEW

4th QUARTER 2024



RAW MATERIALS

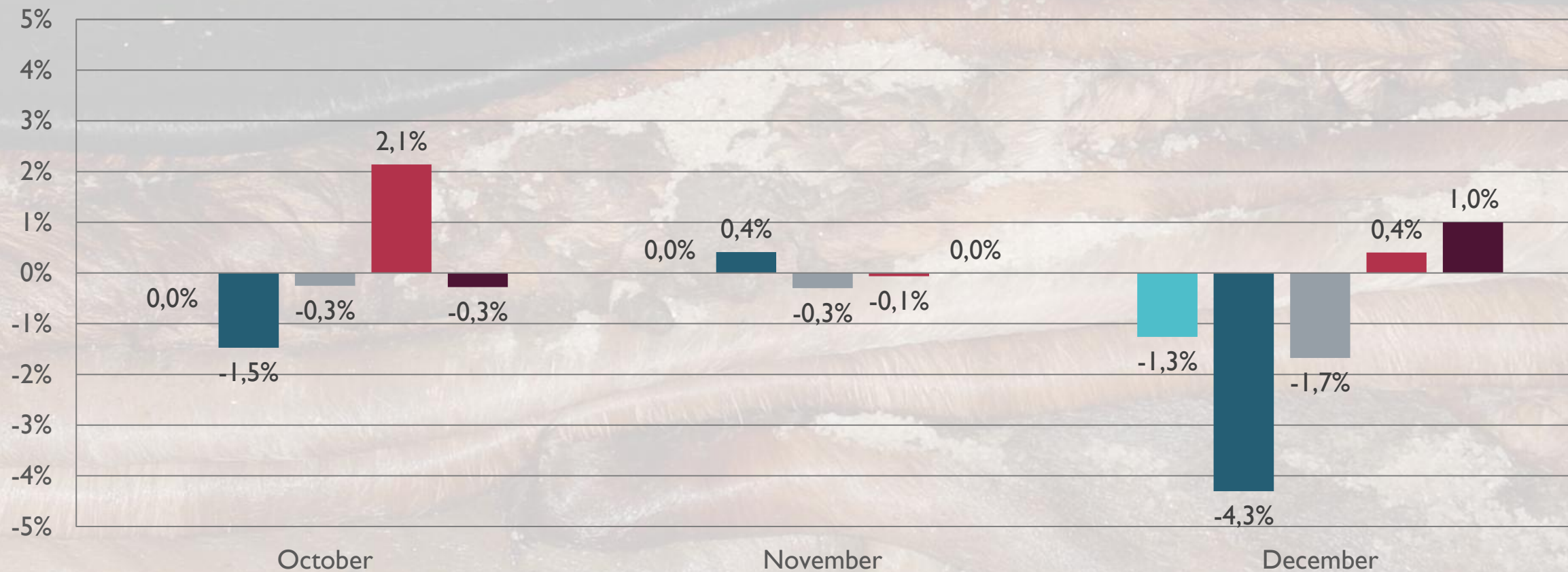
RAW AND SEMI-PROCESSED HIDES/SKINS - PRICE TRENDS

- **The average price indices of the main raw and semi-finished hides** showed **little variation** in the last quarter of the year, with the partial exception of December, which was more dynamic than the previous months
- In the **bovine raw segment**, the substantial stability recorded for **calfskins** is contrasted with the more negative trend of **cows** and, above all, of **steers/heifers** (in sharp decline at the end of the year) - The **bulls** bucked the trend very slightly, showing a slight positive sign overall in the quarter
- Few movements also for the average prices of **bovine wet-blue hides**, fluctuating during the last three months of the year, but always with intensities lower than a single percentage point
- After declines in the previous quarter, the average **sheepskin price index** recorded only a slight upward trend in December, mainly due to Spanish origins

RAW MATERIALS

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

■ Calves ■ Steers/heifers ■ Cows ■ Bulls ■ Sheeps



RAW MATERIALS

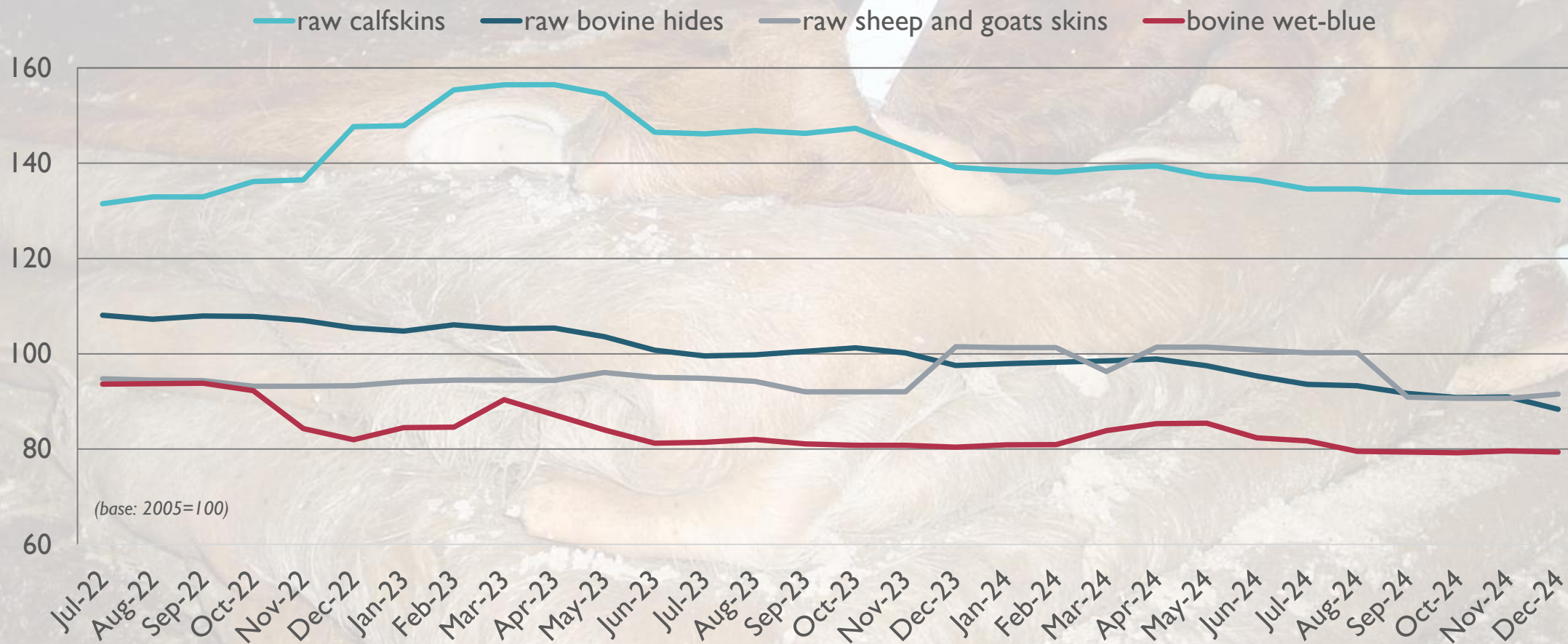
RAW HIDES/SKINS - AVERAGE PRICE CHANGES BY ANIMAL TYPE/ORIGIN (FROM JANUARY TO DECEMBER 2024)



Calves	-5%	Steers, bull calves, heifers	-11%	Cows	-8%	Bulls	+2%	Sheep	-10%
Italy	-2%	Italy (bull calves)	-1%	Italy	-2%	France	+5%	Iran	-11%
France	-6%	Germany (heifers)	-7%	France	-1%	Netherlands	-24%	Spain	+4%
Netherlands	-5%	United Kingdom (mixed)	-8%	Netherlands	-14%	Germany	-6%	New Zealand	-9%
Australia	-6%	Spain (bull calves)	-33%	Germany	-14%	New Zealand	-13%		
		United States (mixed)	-15%	Spain	-42%	Denmark	-16%		
		Australia (mixed)	-17%	United States	-16%				
		Sweden (mixed)	-13%	Sweden	-19%				
		Sweden (mixed)	=	New Zealand	-6%				
		Denmark (mixed)	-14%	Denmark	-16%				

RAW MATERIALS

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



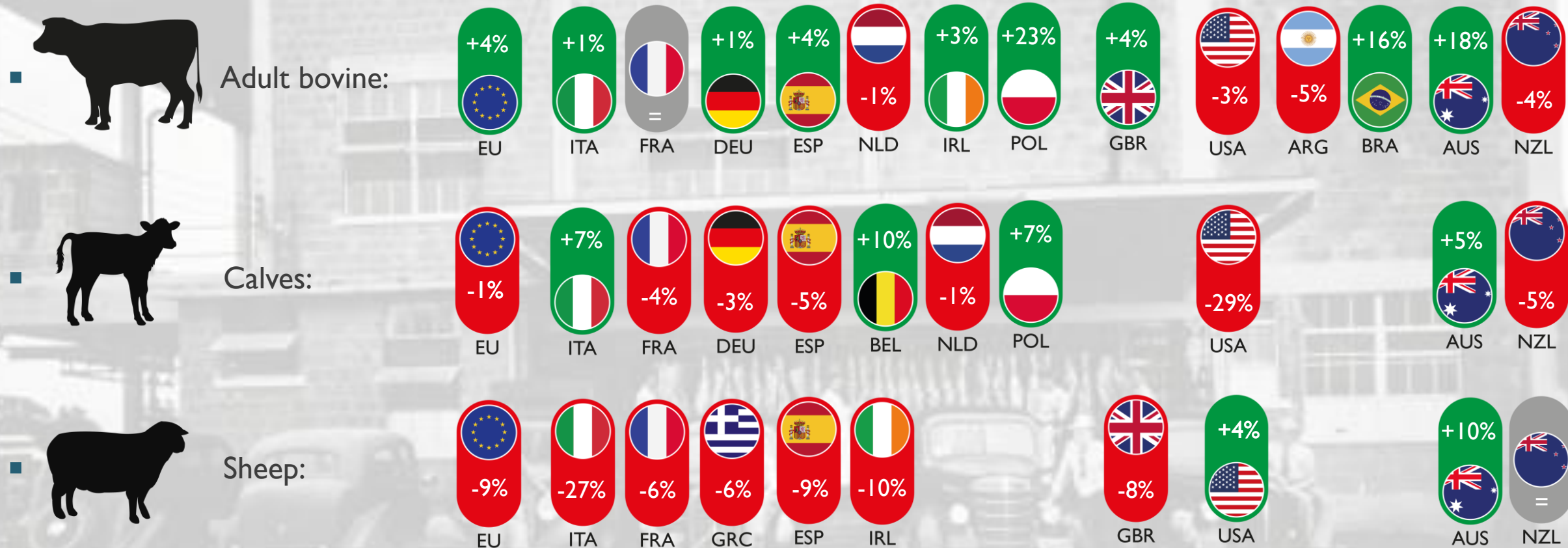
RAW MATERIALS

RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING)

- Y2024 is archived with an overall increase of 5% in the slaughtering volumes of **adult cattle** in the monitored areas (EU, Americas, Oceania) - The specific variation in the European area is also positive (+4%), with very few exceptions at the level of individual countries (negative sign only in the Netherlands and Greece) - Outside the EU borders, data show a decline in the US, Argentina and New Zealand, while the increase in both Brazil and Australia is double digit
- Total **calf slaughters** are decreasing (-3% compared to 2023) - Slight overall loss in Europe (-1%), mainly due to losses in France, the Netherlands, Spain and Germany (increases instead in Italy, Belgium and Poland) - At non-EU level, increases in Australia and decreases in New Zealand and the US
- With a marked recovery in the last quarter, the overall panorama of **sheep slaughterings** closes Y2024 in substantial stability with the previous year - Volumes in the EU recorded a significant contraction (9%), with widespread and often heavy declines among the main producers (double-digit losses in Italy, Ireland, the Netherlands and Belgium) - Strong acceleration in Australia (+10% at the end of the year), growth in the US and declines in New Zealand

RAW MATERIALS

RAW HIDES - TRENDS IN AVAILABILITY (SLAUGHTERING) TOTAL YEAR 2023 VS TOTAL YEAR 2024



RAW MATERIALS

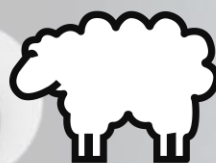
OTHER REFERENCE COMMODITIES - PRICE TRENDS AND PERFORMANCE



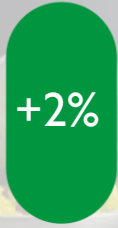
OIL



COTTON



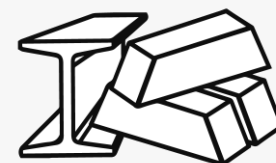
WOOL



NATURAL RUBBER



SYNTHETIC RUBBER



METALS

- Aluminum +17%
- Copper +12%
- Iron -21%
- Nickel -7%
- Zinc +22%



- Aluminum +7%
- Copper +8%
- Iron -9%
- Nickel -22%
- Zinc +5%

■ 4th QUARTER 2024
VS 4th QUARTER 2023

■ TOTAL YEAR 2024
VS TOTAL YEAR 2023

TANNING SECTOR

TRENDS

- The 2024 closing picture for the **tanning industry** appears **broadly negative at a global level**, with all the main global players showing negative data with only a few limited exceptions for some small leather productions
- In the **bovine leather** segment, the declines shown in Europe, Asia and South America are mainly in double digits - The most limited decreases in terms of turnover/exports concern Italy, Brazil, Spain, Turkey and Great Britain
- For **calf leather segment**, only Spain shows a positive sign, compared to declines in both Italy and France
- The end-of-year panorama of **sheep and goat leather** is varied in Europe (where Italy drops by double digits while Spain and France appear to buck the trend), while there are no exceptions to the trend

TANNING SECTOR

TURNOVER INDEX TRENDS IN ITALY



4th QUARTER 2024 VS 4th QUARTER 2023



TOTAL YEAR 2024 VS TOTAL YEAR 2023



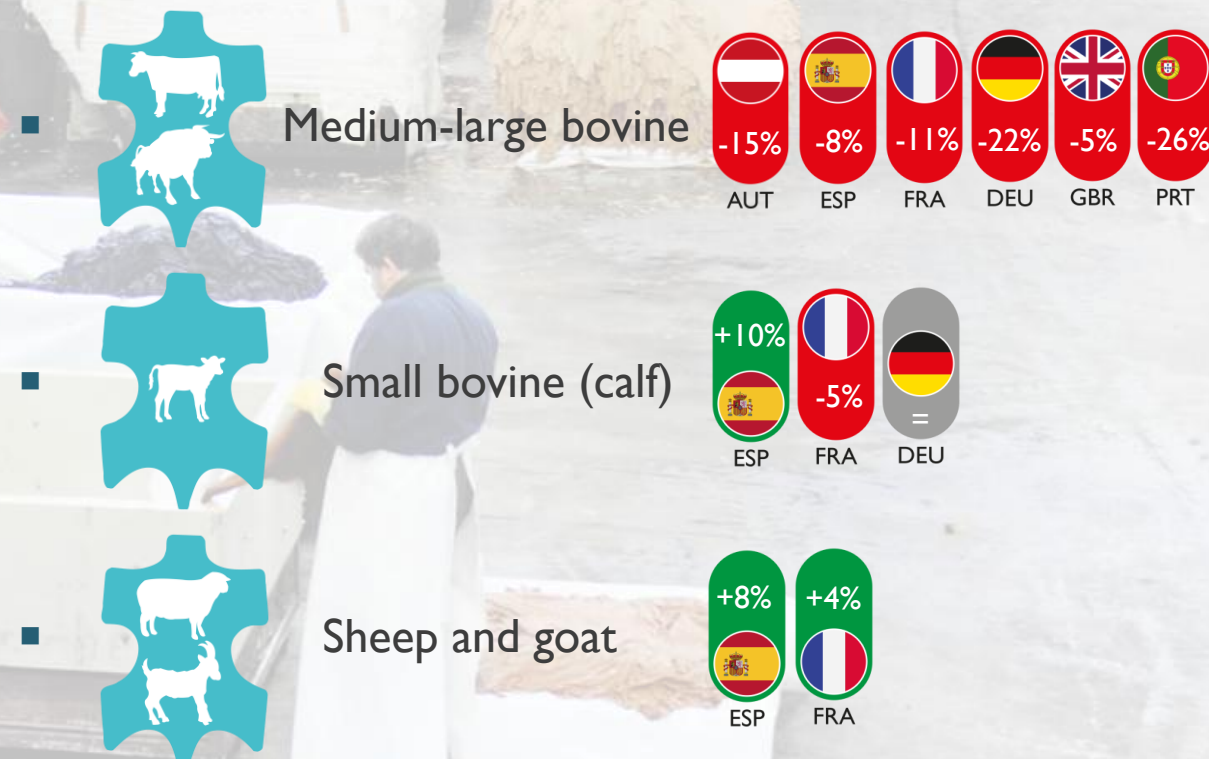
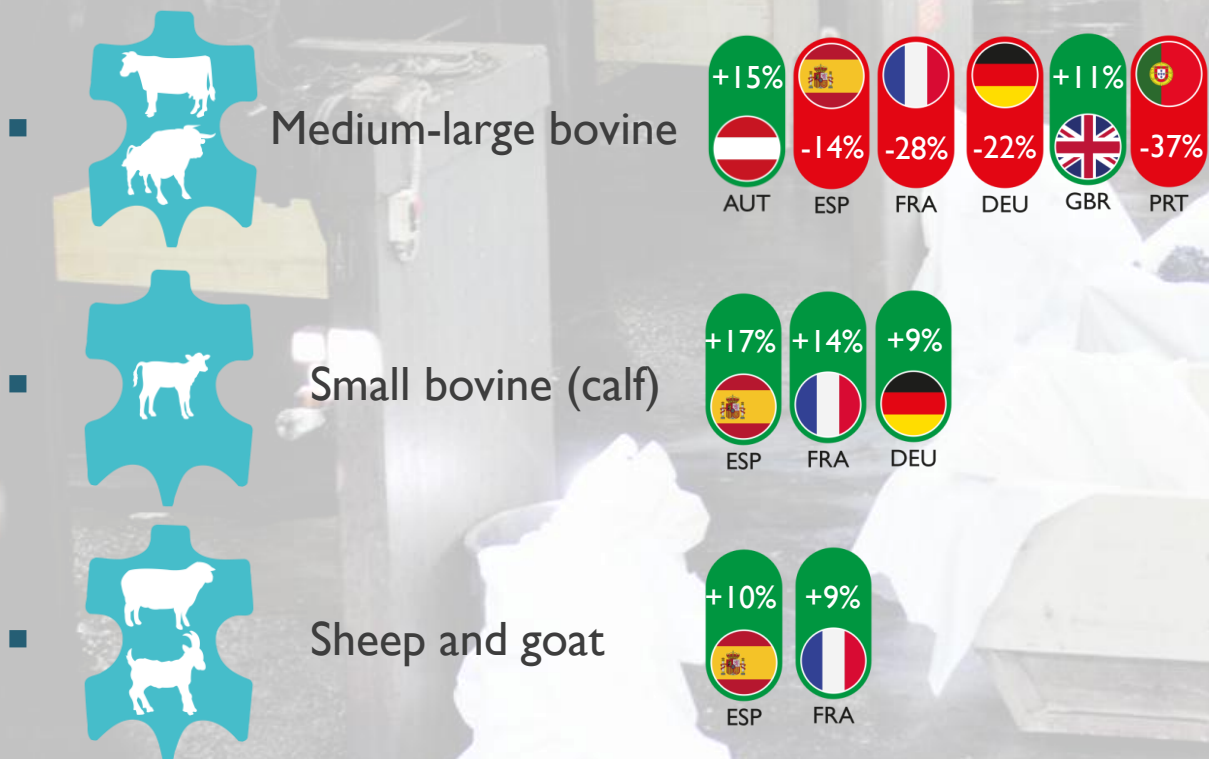
TANNING SECTOR

EXPORT INDEX TRENDS IN EUROPE



4th QUARTER 2024 VS 4th QUARTER 2023

TOTAL YEAR 2024 VS TOTAL YEAR 2023



TANNING SECTOR

EXPORT INDEX TRENDS IN THE WORLD



4th QUARTER 2024 VS 4th QUARTER 2023

TOTAL YEAR 2024 VS TOTAL YEAR 2023

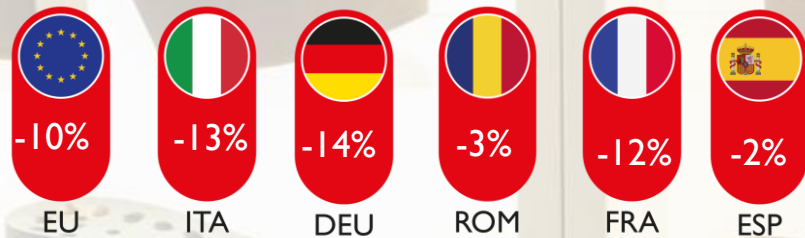


ACCESSORIES AND COMPONENTS SECTOR

EXPORT INDEX TRENDS

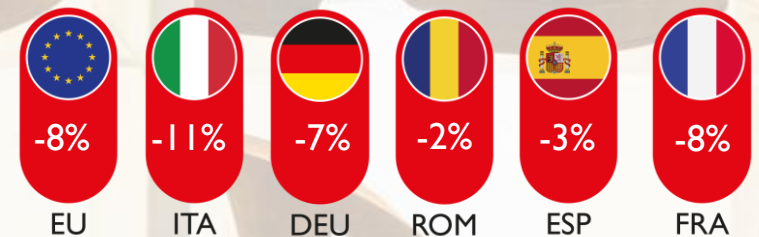
4th QUARTER 2024 VS 4th QUARTER 2023

Heavy declines affect the entire accessories and components sector in the seasonal comparison, with the EU average down by 10%. That of Italians, Germans and French. Romanians and Spanish also shift into the negative. Significant losses for all divisions, especially small metal parts and other footwear parts. More limited losses for other accessories.



TOTAL YEAR 2024 VS TOTAL YEAR 2023

Accessories and components conclude a 2024 by painting a decidedly negative picture when comparing with the corresponding 2023. Widespread declines between -2% and -11% affect all major EU manufacturers. In breakdown by segments, other footwear parts and small metal parts sink, declines also for other accessories.

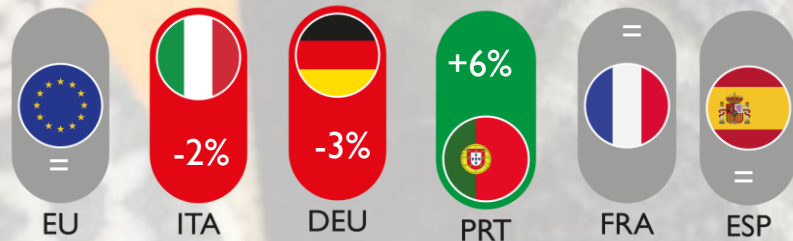


TEXTILES AND SYNTHETICS SECTOR

EXPORT INDEX TRENDS INDEX TRENDS

4th QUARTER 2024 VS 4th QUARTER 2023

There is no sign of stopping the industry's cooling, which is still showing signs of uncertainty even in the last quarter of the year. Italians and Germans move down into the negative, while the French and the Spanish stall. Weak performance by synthetics, bad performance by synthetic fabric materials. Highs and lows for regenerated leather fibers .



TOTAL YEAR 2024 VS TOTAL YEAR 2023

The annual comparison confirms the weakness of the industry, which reports widespread declines at the EU level (-2% the European average). The Italians and Germans in particular are doing badly, while the French are holding up. Regenerated leather fibers and synthetics hold up reasonably well, greater criticality on the contrary for synthetic fabric materials.

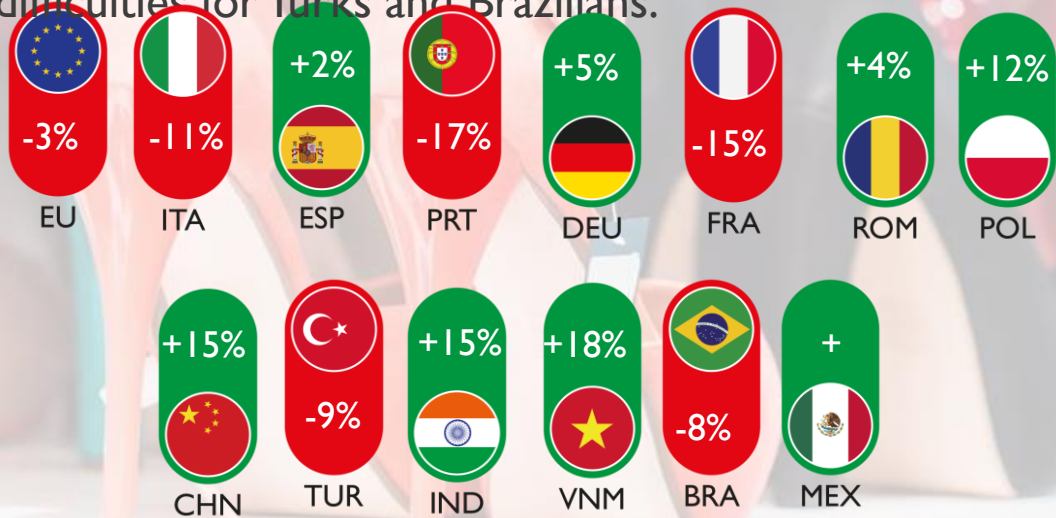


FOOTWEAR

EXPORT INDEX TRENDS

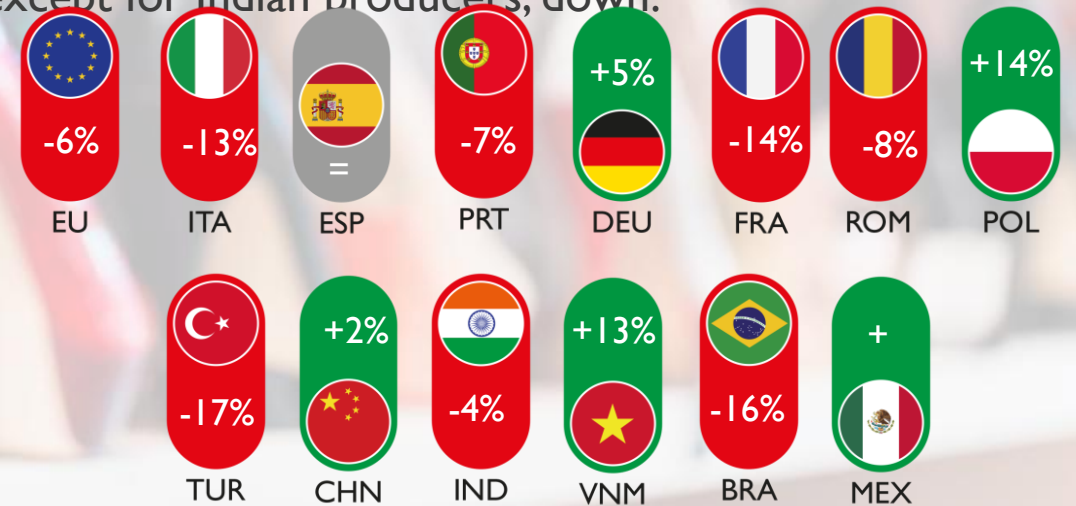
4th QUARTER 2024 VS 4th QUARTER 2023

Critical issues observed by the sector in previous quarters persist in the last quarter of the year. Significant decreases all major EU manufacturers. Beyond EU borders good performance of Asians, some difficulties for Turks and Brazilians.



TOTAL YEAR 2024 VS TOTAL YEAR 2023

After many difficult quarters, the annual comparison confirms a critical picture for the EU sector, with average declines of 6 %. Non-European players are swinging, where Asians nevertheless remain competitive except for Indian producers, down.

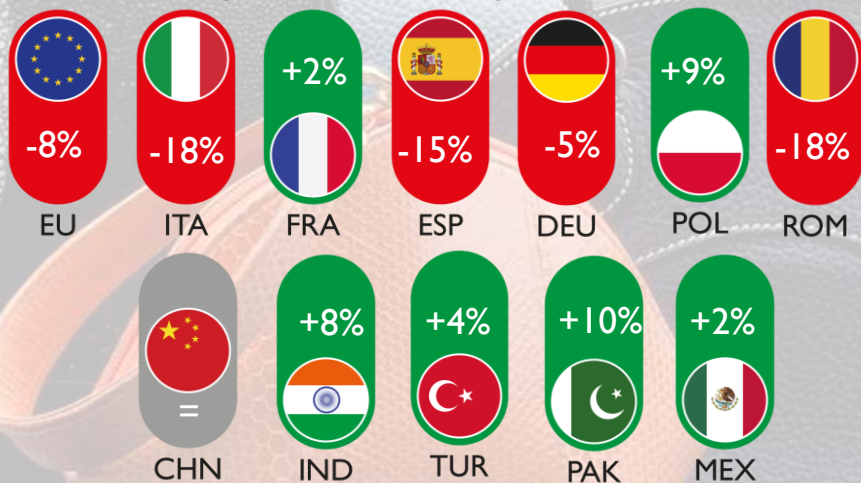


LEATHER GOODS

EXPORT INDEX TRENDS

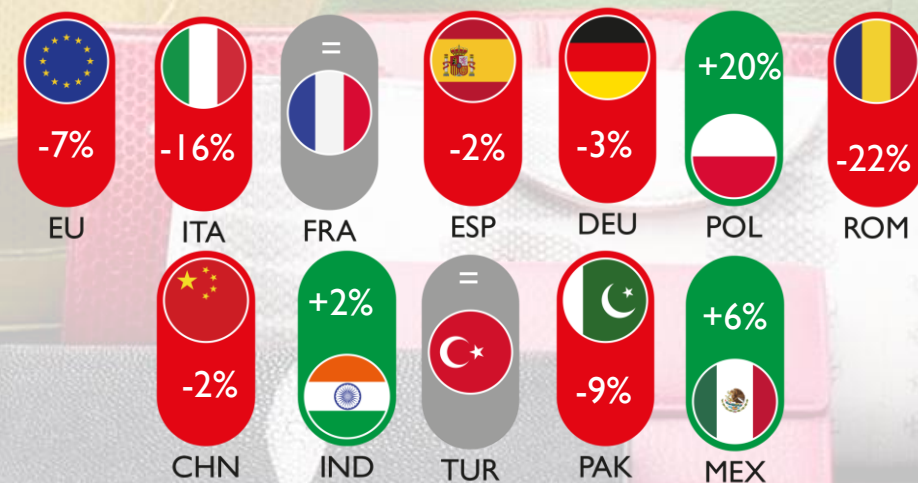
4th QUARTER 2023 VS 4th QUARTER 2022

Critical end of year for EU leather goods with double-digit declines for Italians and Spanish. Slower but confirmed growth instead for the French. The EU average, however, worsens, with results down 8 % on average. Setback for China, which moves into negative stability in the last quarter of the year.



TOTAL YEAR 2023 VS TOTAL YEAR 2022

Rather weak and with mostly negative signs the annual trend of the sector at the EU level in the comparison with 2023. Italians in particular are doing badly, falling by double digits. The non-European landscape shows contrasts: bad China and Pakistan, growing instead in India. Turkey is stable.

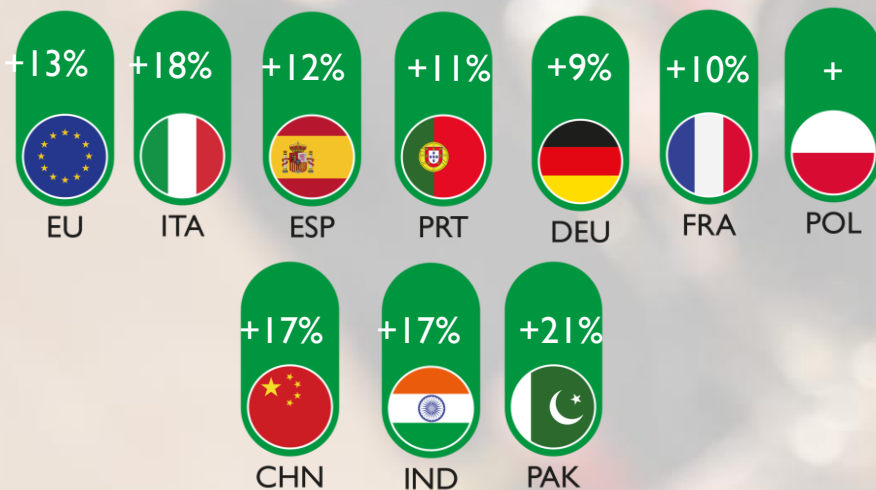


LEATHER CLOTHING

EXPORT INDEX TRENDS

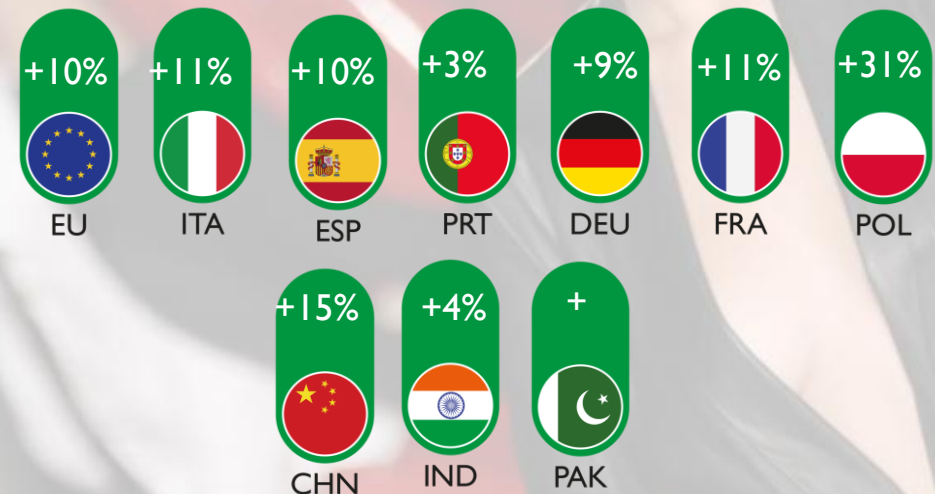
4th QUARTER 2024 VS 4th QUARTER 2023

European packers cheer, ending 2024 on the back of positive results already seen in previous quarters. The international picture is also very encouraging, with China, India and Pakistan up double digits.



TOTAL YEAR 2024 VS TOTAL YEAR 2023

Brilliant 2024 performance for the sector at the EU level, with decisive and widespread upturns for all EU packers. Also joining the positive annual picture are the results of the industry's major non-EU players, all up in the 2023 comparison.

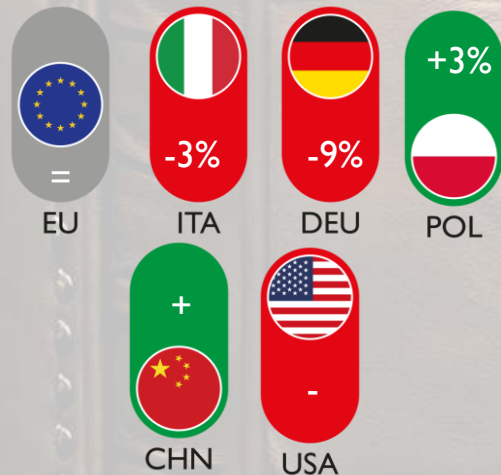


UPHOLSTERED FURNITURE

EXPORT INDEX TRENDS

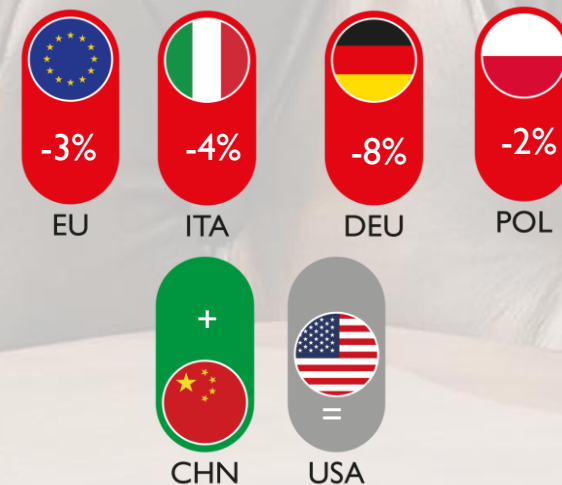
4th QUARTER 2024 VS 4th QUARTER 2023

Except for Poland, EU upholstered furniture manufacturers are not hinting at reversing the negative trend, where the EU average remains in negative stability even in the last quarter of the year. China is doing well, greater uncertainties instead for the U.S., which is declining.



TOTAL YEAR 2024 VS TOTAL YEAR 2023

The European upholstered furniture sector closes 2024 with signs of weakness, which did not soften in the second half of the year (-3% EU average). Beyond EU borders China grows while the US appears weak, with stable results over last year.

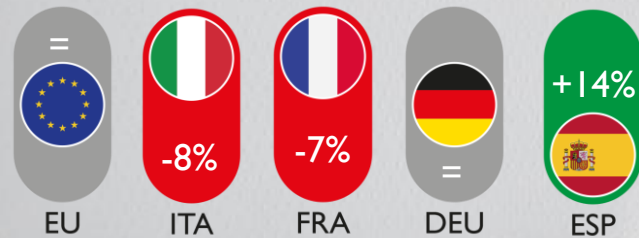


AUTOMOTIVE

EXPORT INDEX TRENDS

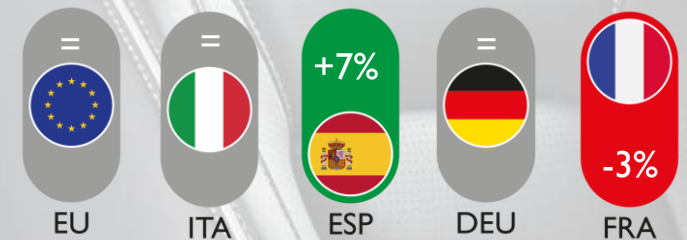
4th QUARTER 2024 VS 4th QUARTER 2023

The last quarter of 2024 lifts the situation of European new car registrations, thanks to the recovery of the Germans and the boost of the Spanish. However, the trend remains weak, particularly for the Italians and French, with significant shortfalls from the units needed for a market approaching standard registration flows.



TOTAL YEAR 2024 VS TOTAL YEAR 2023

Closing 2024 EU automotive shows very sluggish, with results stable on 2023 numbers. The Italian auto market ends the year just above 1,550,000 registrations, below 2023 volumes and down 18.7 % from 2019.



Beyond EU borders, UK (+3%), US (+2%), China (+5%) and India (+8.5%) registrations are on the rise.

LUXURY

2024 RESULTS

The 2024 conclusion of the major EU luxury fashion brands shows mixed results, with mostly negative or slightly stable signals, with very rare exceptions. The Asian market slowdown and global macroeconomic and geopolitical uncertainty weigh heavily. Overall unfavourable in the reporting period is also the impact of currency fluctuations.

- **LVMH** - Organic sales 2024 stable at +1% (constant rates) for French luxury giant LVMH, despite signs of weakness experienced by the Fashion & Leather Goods division (-1%) on the corresponding 2023. Double-digit sales increases in Japan, moderate rises in the US (+2%) and Europe (+3%). Criticality for the Asian market (-11%).
- **KERING** - In trouble Kering, which closes 2024 with a 12% revenue loss (constant rates). Gucci sinks (-21% revenue in 2024). Significant losses also for YSL (-9%). Encouraging, on the other hand, is the performance of Bottega Veneta (+6%). Overall decline for the group's minor brands (-7%) in the period.
- **HERMÈS** - Further validation for the French house, which closes 2024 with +13% in revenues (constant rates) when comparing with 2023 and growing sales in all geographies. Buoyant demand and an increase in production capacity drives especially leather goods and saddlery: +18% sales in 2024.
- **FERRAGAMO** - the Florence-based group struggles, with a 7% loss in revenues in 2024 (constant rates), in a complex consumer environment, and despite encouraging operating trends in the fourth quarter of last year, particularly in Europe and the United States. Sales in all destination markets declined. Back 7% in leather goods, negative trend also in footwear, down -9%.